

**MercedCERA RETIREMENT BOARD AGENDA
THURSDAY, OCTOBER 13, 2022 – 8:15 A.M.
MERCED COUNTY EMPLOYEES’ RETIREMENT ASSOCIATION**

**MERCED COUNTY ADMINISTRATION BUILDING
2222 M STREET, MERCED
LOS BANOS AND LIVINGSTON CONFERENCE ROOMS, BASEMENT
ZOOM CONFERENCE**

<https://us06web.zoom.us/j/93030195748?pwd=NGhFeGltSVhaSTlsK2JGWE83TVFvdz09>
DIAL IN NUMBER: 669-900-6833, MEETING ID: 930 3019 5748, PASSCODE: 095484
(FOR USE ONLY IF ZOOM CONNECTION MALFUNCTIONS)
TELEPHONE NUMBER: 1-310-372-7549, CONFERENCE CODE: 975839

CALL TO ORDER - 8:15 A.M.

Important Notice Regarding SARS-COV-2

In order to minimize the spread of COVID-19, the Board of Retirement is meeting at the County of Merced Administration Building conference center to provide for sufficient social distancing for the Board and members of the public. Additionally, members of the MercedCERA Board as well as members of the public may elect to participate in this meeting offsite via conference call. Members of the public may attend the meeting in person or listen to the meeting and offer public comment telephonically by calling into the telephone number provided above and entering the stated conference code. If you have any issues participating in the meeting telephonically or require reasonable accommodation for your participation, please contact MercedCERA staff at 209-726-2724. Please turn your cell phone or other electronic device to non-audible mode.

ROLL CALL

APPROVAL OF MINUTES – September 22, 2022

PUBLIC COMMENT

Members of the public may comment on any item under the Board’s jurisdiction including items on the Board’s agenda. Matters presented under this item will not be discussed or acted upon by the Board at this time. Persons addressing the Board will be limited to a maximum of five (5) minutes in total. Please state your name for the record.

CONSENT CALENDAR

Consent matters are expected to be routine and may be acted upon, without discussion, as one unit. If an item is taken off the Consent Calendar for discussion, it will be heard as the last item(s) of the Board Action/Discussion as appropriate.

RETIREMENTS: Pursuant to Govt. Code § 31663.25 or § 31672

All items of earnable compensation for service or disability retirements listed below are in compliance with the pay code schedule approved by the Board of Retirement. The retirement is authorized; however, administrative adjustments may be necessary to alter the amount due to: audit, late arrival of data, court order, etc.

- | | | | |
|-----------------------|--------|--------------|-----------------|
| a. Walejko, Michael | D.P.W. | 18 Yrs. Svc. | Eff: 09/10/2022 |
| b. Tritthart, Cynthia | D.P.W. | 21 Yrs. Svc. | Eff: 09/10/2022 |

c. Broughton, Marisa	Sheriff's Dept	3 Yrs. Svc.	Eff: 09/18/2022
d. Chulick, David	B.H. Admin	1 Yrs. Svc.	Eff: 09/10/2022
e. Suggs, Barbara	Behavioral Health	26 Yrs. Svc.	Eff: 10/08/2022
f. Stephenson, Michael	D.P.W.	5 Yrs. Svc.	Eff: 10/22/2022
g. Robertson, Zachary	Probation	1 Yrs. Svc.	Eff: 09/09/2022
h. Searles, Tonja	Sheriff's Dept	15 Yrs. Svc.	Eff: 09/10/2022
i. St. Clair, Carolyn	H.S.A.	16 Yrs. Svc.	Eff: 09/24/2022
j. Giles, Jeffrey	Information Systems	24 Yrs. Svc.	Eff: 10/01/2022
k. Lewis, Linda	H.S.A.	23 Yrs. Svc.	Eff: 09/24/2022

YTD fiscal year 2022-2023 retirees: 27

YTD fiscal year 2021/2022 retirees: 96

YTD fiscal year 2020/2021 retirees: 89

MONTHLY BUDGET REPORT: Submitted (June through September)

VIRTUAL MEETINGS: Reaffirm the adoption of Merced County Employee's Retirement Association Resolution No. 2021-02, and its findings that the Governor's proclaimed state of emergency related to the COVID-19 pandemic remains active, that the state of emergency impacts the ability of the Trustees and public to safely meet in person, and state or local officials continue to impose or recommend measures to promote social distancing.

CLOSED SESSION

As provided in the Ralph M. Brown Act, Government Code sections 54950 et seq., the Board may meet in closed session with members of its staff, county employees and its attorneys. These sessions are not open to the public and may not be attended by members of the public. The matters the Board will meet on in closed session are identified below. Any public reports of action taken in the closed session will be made in accordance with Government Code sections 54957.1.

(1) DISABILITY RETIREMENT APPLICATIONS: PERSONNEL EXCEPTION

(Govt. Code § § 54957, 31532; Cal Const. art. I, § 1)

1. Informal Hearing
 - a. Cureton, Michael
2. Formal Hearing
 - a. None
3. Disability update and possible action:
 - a. Arroyo, Elizabeth
 - b. Brooks, Roland
 - c. Castillo, Araceli
 - d. Elias Jr., Robert
 - e. French, Deborah
 - f. Kayser, Esther
 - g. Prock, Herman
 - h. Xiong, Leslie

RETURN TO OPEN SESSION

Report on any action taken in closed session.

BOARD ACTION/DISCUSSION

1. Discussion with MercedCERA's actuary on the new Actuarial Standard of Practice No. 4 requirement of the Low Default Risk Obligation Measure (LDRM) for public plans

<https://presentation.cheiron.us/presentation/view/MercedLDRROM?token=zdhE> – Graham Schmidt, Cheiron.

2. Discussion and possible action to adopt the recommendation from the MercedCERA Investment Subcommittee to replace Barrow Hanley – Meketa Group.
3. Discussion and possible action to designate a voting proxy for the SACRS Fall Conference in Long Beach, CA – Staff.
4. Review calendar of any training sessions and authorize expenditures for Trustees and Plan Administrator. Pursuant to Govt. Code § 31522.8 and MercedCERA’s Trustees Education and Training Policy requirements. Examples of upcoming training and educational sessions:
 - Nossaman Forum, October 17-18, Los Angeles, CA.
 - CALAPRS Virtual Trustee Roundtable, Friday, October 28, 2022 from 8:30AM to 12:30PM.
 - SACRS Fall Conference, November 8 - 11, 2022, Long Beach, CA.
 - CALAPRS General Assembly, March 4 - 7, 2023 Monterey, CA (registration not currently open).

INFORMATION ONLY

MercedCERA UPCOMING BOARD MEETINGS

Please note: The MercedCERA Board Meeting and/or Education Day times and dates may be changed in accordance with the Ralph M. Brown Act by the MercedCERA Board as required.

- October 27, 2022
- November 10, 2022
- December 8, 2022

ADJOURNMENT

The Agenda and supporting documentation, including any material that was submitted to the Merced County Employees’ Retirement Association Board after the distribution of the Agenda, are available online at www.co.merced.ca.us/retirement.

All supporting documentation for Agenda items, including any material that was submitted to the retirement board after the distribution of the Agenda, is also available for public inspection Monday through Friday from 8:00 a.m. to 5:00 p.m. at the administrative office for the Merced County Employees’ Retirement Association located at 3199 M Street, Merced, California 95348.

Persons who require accommodation for a disability in order to review an agenda, or to participate in a meeting of the Merced County Employees’ Retirement Association per the American Disabilities Act (ADA), may obtain assistance by requesting such accommodation in writing addressed to Merced County Employees’ Association, 3199 M Street, Merced, CA 95348 or telephonically by calling (209) 726-2724. Any such request for accommodation should be made at least 48 hours prior to the scheduled meeting for which assistance is requested.

Persons who require accommodation for any audio, visual or other disability or Spanish or Hmong interpretation in order to review an agenda, or to participate in a meeting of the Merced County Employees’ Retirement Association per the American Disabilities Act (ADA), may obtain assistance by requesting such accommodation. Please address your written request to Merced County Employees’ Association, 3199 M Street, Merced, CA 95348 or telephonically by calling (209) 726-2724. Any such request for accommodation should be made at least 48 hours prior to the scheduled meeting for which assistance is requested.

Spanish and Hmong interpreters are available.

Interpretes de espanol y hmong estan disponibles.

Peb muaj tug paab txhais lug Mev hab Hmoob.

Minutes from September 22, 2022
MercedCERA RETIREMENT BOARD MINUTES
THURSDAY, SEPTEMBER 22, 2022 – 8:15 A.M.
MERCED COUNTY EMPLOYEES’ RETIREMENT ASSOCIATION

MERCED COUNTY ADMINISTRATION BUILDING
2222 M STREET, MERCED
LOS BANOS AND LIVINGSTON CONFERENCE ROOMS, BASEMENT
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<https://us06web.zoom.us/j/93030195748?pwd=NGhFeGltSVhaSTlsK2JGWE83TVFvdz09>
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TELEPHONE NUMBER: 1-310-372-7549, CONFERENCE CODE: 975839

CALL TO ORDER - 8:15 A.M.

ROLL CALL

Board Members Present: Ryan Paskin, Alfonse Peterson, Scott Johnston, Janey Cabral, David Ness (arrived at 8:36AM), Mike Harris, Aaron Rosenberg and Karen Adams. **Absent:** Scott Silveira. **Counsel:** Jeff Grant. **Staff:** Kristen Santos, Martha Sanchez, Brenda Mojica, Monica Gallegos, Sheri Villagrana, Mark Harman, Kenter Ludlow and Michelle Lee.

APPROVAL OF MINUTES – September 8, 2022

The MercedCERA Board voted unanimously via roll call vote to approve the September 08, 2022 meeting minutes.
Johnston/Peterson U/A (6/0)

PUBLIC COMMENT

Justin Flores interpreting for Cesar Moreira. Cesar Moreira is an employee of Refresco, which is owned by KKR Global Infrastructure IV that has the opportunity to improve the working conditions and honor the rights of Refresco employees.

CONSENT ITEMS

Consent matters are expected to be routine and may be acted upon, without discussion, as one unit. If an item is taken off the Consent Calendar for discussion, it will be heard as the last item(s) of the Board Action/Discussion as appropriate.

Rebalancing Transactions:

Buy	Sell	Fund Name	Comments
	\$40m	Vanguard Bond Index	Completed
\$40m		Vanguard Short Term Treasury Index	Completed

The MercedCERA Board voted unanimously via roll call vote to approve the consent calendar as presented.
Adams/Cabral U/A (6/0)

CLOSED SESSION

As provided in the Ralph M. Brown Act, Government Code sections 54950 et seq., the Board may meet in closed session with members of its staff, county employees and its attorneys. These

sessions are not open to the public and may not be attended by members of the public. The matters the Board will meet on in closed session are identified below. Any public reports of action taken in the closed session will be made in accordance with Government Code sections 54957.1.

(1) DISCUSSION AND POSSIBLE ACTION REGARDING INVESTMENTS IN RECOMMENDED FUNDS, ROLL CALL VOTE REQUIRED.

(Govt. Code § 54956.81)

1. Two Funds.

RETURN TO OPEN SESSION

The MercedCERA Board voted unanimously via roll call vote to a commitment of \$20 million to Silver Pint Specialty Credit III, L.P. and \$10 million to BlackRock Global Infrastructure Fund IV, L.P.

Adams/Peterson U/A (7-0)

BOARD ACTION/DISCUSSION

1. Discussion and possible action on the final plans and estimated budget of the MercedCERA Headquarter Building Project – Staff and Golden Valley Engineering.

The MercedCERA Board voted unanimously via roll call vote to approve to continue with the process of the Headquarter Building Project.

Peterson/Cabral U/A (7-0)

2. Discussion and possible action on monthly portfolio performance with possible action on any manager and or funds – Meketa.

No action taken.

3. Discussion and possible action to adopt recommendation from the Investment Subcommittee to replace Barrow Hanley and associated allocation – Meketa.

The MercedCERA Board voted unanimously via roll call vote to hire Wellington and a commitment of \$40 million to Wellington Core Bond Fund by using the proceeds from the partial sale of Barrow Hanley.

4. Discussion and possible action on quarterly performance from Cliffwater on alternative portfolio with possible action on any managers and or funds – Jamie Feidler, Cliffwater LLC.

No action taken.

5. Discussion on Government Code Section 7514.7 Alternate Fee Reporting for MercedCERA – Jamie Feidler, Cliffwater.

No action taken.

6. Chair to appoint additional Trustee on the ad hoc CIO Recruitment Committee – Chair.

The Chair appointed Trustee Harris to the ad hoc CIO Recruitment Committee.

7. Review calendar of any training sessions and authorize expenditures for Trustees and Plan Administrator. Pursuant to Govt. Code § 31522.8 and MercedCERA's Trustees Education and Training Policy requirements. Examples of upcoming training and educational sessions:

- Nossaman Forum, October 17-18, Los Angeles, CA.
- SACRS Fall Conference, November 8 - 11, 2022, Long Beach, CA.
- CALAPRS General Assembly, March 4 - 7, 2023 Monterey, CA (registration not currently open).

No action taken.

INFORMATION ONLY

Trustee Ness apologized for missing prior board meetings.

Trustee Adams congratulated Trustee Rosenberg for running unopposed for Safety Member seat election.

Trustee Harris suggested that MercedCERA place a discussion about KKR on the agenda.

Minutes from September 22, 2022

Trustee Harris would like to discuss going from monthly meetings to quarterly. The Plan Administrator stated the frequency of meetings will be discussed with the Bylaws Subcommittee, then brought to the full board. The proposed subcommittee meeting will be held October 4, 2022.

Plan Administrator mentioned that the recruitment for CIO has been publicized.

Plan Administrator informed the Board that she will be out due to attending a CALAPRS meeting.

MercedCERA UPCOMING BOARD MEETINGS

Please note: The MercedCERA Board Meeting and/or Education Day times and dates may be changed in accordance with the Ralph M. Brown Act by the MercedCERA Board as required.

- October 13, 2022
- October 27, 2022

ADJOURNMENT

The meeting adjourned at 9:59 A.M.

Accepted By,

Trustee Name/Position	Signature	Date
Ryan Paskin/ Chair		
Al Peterson/Secretary		

Merced County Employees' Retirement Association
 Non-Administrative Expenditures Report (Preliminary)
 For the Month and Fiscal Year Ended June 30, 2022

Consent Budget Item

Non-Administrative Expenses	Original Projection	Current Projection	Expended 06/2022	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses	3,250,000.00	3,250,000.00	568,453.57	2,881,914.77	368,085.23	89%
06/07/2022 Cliffwater LLC - 2022-05 Consulting			33,333.33			
06/08/2022 Nossaman - 2022-04 Rockpoint RE VII			3,470.40			
06/08/2022 Nossaman - 2022-04 TCV XII			3,385.35			
06/08/2022 Nossaman - 2022-04 New Bldg			155.25			
06/08/2022 Nossaman - 2022-04 GTCR GPF I			93.60			
06/08/2022 Nossaman - 2022-04 AG Annex			135.90			
06/20/2022 J & B Fencing - Inv 1453 - 2021-12 thru 2022-05 Fence Rental			900.00			
06/29/2022 Alliance - Investment Officer Recruitment 4th Billing			6,750.00			
06/29/2022 Golden Valley Engineering - Prof Svcs thru 2022-06-25			10,620.00			
06/29/2022 Golden Valley Engineering - Prof Svcs thru 2022-06-20			18,862.50			
06/29/2022 Mellon LC SIF - 2022-Q2 Mgt Fee			10,074.18			
06/29/2022 Mellon Dynamic - 2022-Q2 Mgt Fee			82,143.18			
06/29/2022 Acadian - 2022-Q2 Mgt Fee			30,672.00			
06/29/2022 Driehaus - 2022-Q2 Mgt Fee			27,454.00			
06/29/2022 SSgA RAS - 2022-Q2 Mgt Fees			17,575.25			
06/29/2022 SSgA RAS - 2022-Q1 Mgt Fees			20,920.73			
06/29/2022 UBS TPF - 2022-Q2 Mgt Fee			66,764.65			
06/29/2022 Taconic CRE II - 2022-Q1 & Q2 Estimated Mgt Fees			38,000.00			
06/29/2022 Taconic CRE III - 2022-Q1 & Q2 Mgt Fees			24,171.15			
06/29/2022 KKR GII II - 2022-Q2 Mgt Fees			13,513.00			
06/29/2022 GSO EOF - Operating Fund Exps			6,882.00			
06/29/2022 GSO EOF - 2022-Q1 Mgt Fee			6,512.00			
06/29/2022 KKR GII III - 2022-Q2 Mgt Fee			4,499.00			
06/29/2022 Taconic MDOF III - 2022-Q1 & Q2 Mgt Fees			30,843.32			
06/29/2022 Meketa - 2022-Q2 Consult Svcs			56,500.00			
06/29/2022 Cliffwater - 2022-06 Consulting Svcs			33,333.33			
06/29/2022 Nossaman - 2022-05 Gen PE & Equity Adv			234.00			
06/29/2022 Nossaman - 2022-06 AG DLF V			15,258.15			
06/29/2022 Nossaman - 2022-06 Accel KKR CF II			3,913.65			
06/29/2022 Nossaman - 2022-05 Accel KKR CF II			93.60			
06/29/2022 Nossaman - 2022-05 GTCR SGPF I			1,105.65			
06/29/2022 Nossaman - 2022-06 Carnelian EC IV			284.40			
Total 21800 · Investment Expenses			568,453.57			
21802 · Actuarial Services	150,000.00	150,000.00	12,662.50	120,291.85	29,708.15	80%
06/29/2022 Cheiron - 2022-Q2 Actuarial Svcs			12,662.50			
Total 21802 · Actuarial Services			12,662.50			
21812 · Data Processing	90,000.00	90,000.00	9,001.05	57,357.26	32,642.74	64%
06/13/2022 2022-05 IS Billing			3,944.20			
06/13/2022 2022-05 Cradlepoint Data Chgs			264.00			
06/20/2022 Comcast - 2022-06 Svcs			268.07			
06/29/2022 2022-06 Cradlepoint Data Chgs			264.00			
06/29/2022 2022-06 IS Billing			4,260.78			
Total 21812 · Data Processing			9,001.05			

Merced County Employees' Retirement Association
 Non-Administrative Expenditures Report (Preliminary)
 For the Month and Fiscal Year Ended June 30, 2022

Non-Administrative Expenses	Original Projection	Current Projection	Expended 06/2022	Expended YTD	Bal Remaining	% Exp YTD
21834 · Legal Services	365,000.00	365,000.00	43,514.36	334,032.83	30,967.17	92%
06/02/2022 2022-06 - Cost Allocation - Co Couns			5,267.12			
06/13/2022 Ted Cabral - 2022-05 Legal Svcs			8,852.00			
06/13/2022 Ted Cabral - 2022-05 Legal Svcs			2,294.00			
06/13/2022 Ted Cabral - 2022-05 Legal Svcs			696.85			
06/13/2022 Ted Cabral - 2022-05 Legal Svcs			50.00			
06/13/2022 Ted Cabral - 2022-05 Legal Svcs			2,058.25			
06/13/2022 Ted Cabral - 2022-05 Legal Svcs			453.00			
06/13/2022 Ted Cabral - 2022-05 Legal Svcs			6,836.50			
06/13/2022 Ted Cabral - 2022-05 Legal Svcs			351.54			
06/13/2022 Ted Cabral - 2022-05 Legal Svcs			92.50			
06/20/2022 Nossaman - 2022-05 Gen Adv & Couns			4,327.60			
06/29/2022 Ted Cabral - 2022-06 Legal Svcs			20.00			
06/29/2022 Ted Cabral - 2022-06 Legal Svcs			931.00			
06/29/2022 Ted Cabral - 2022-06 Legal Svcs			1,868.50			
06/29/2022 Ted Cabral - 2022-06 Legal Svcs			544.00			
06/29/2022 Ted Cabral - 2022-06 Legal Svcs			749.00			
06/29/2022 Ted Cabral - 2022-06 Legal Svcs			5,642.50			
06/29/2022 Nossaman - 2022-06 Gen Adv & Couns			957.20			
06/29/2022 Hanson Bridgett - 2022-05 VCP IRS Filing Legal			1,522.80			
Total 21834 · Legal Services			43,514.36			
21840 · Custodial Banking Services	135,000.00	135,000.00	27,449.15	112,318.92	22,681.08	83%
06/03/2022 2022-04 Wire Fees			264.00			
06/03/2022 2022-05 NT STIF Custodial Fee			888.86			
06/29/2022 2022-05 Wire Fees			165.00			
06/29/2022 Northern Trust - 2022-Q2 Custodial Fees			25,125.00			
06/29/2022 2022-06 Wire Fees			165.00			
06/29/2022 2022-06 NT STIF Custodial Fee			841.29			
Total 21840 · Custodial Banking Services			27,449.15			
22350 · Software and Technology	425,000.00	425,000.00	9,287.86	347,428.25	77,571.75	82%
06/07/2022 CPAS - 2022-06 Hosting			6,107.00			
06/07/2022 PensionX - 2022-06 SLA			900.00			
06/13/2022 LexisNexis - 2022-05 Accurint & Batch Svcs			873.65			
06/29/2022 LexisNexis - 2022-06 Accurint & Batch Svcs			684.23			
06/29/2022 CDWG - Planar Large Dual Monitor Stands (4)			722.98			
Total 22350 · Software and Technology			9,287.86			
Depreciation Expense	250,000.00	250,000.00	243,633.62	243,633.62	6,366.38	
Total Non-Administrative Items	4,665,000.00	4,665,000.00	914,002.11	4,096,977.50	568,022.50	88%

Merced County Employees' Retirement Association
Non-Administrative Expenses Prev Year Comparison (Preliminary)
6/30/2022

Expense	<u>June 2022</u>	<u>June 2021</u>	<u>\$ Change</u>	<u>% Change</u>
62025 · Non-Administrative Expenses				
21800 · Investment Expenses	\$ 568,453.57	\$ 630,539.52	\$ (62,085.95)	-9.85%
21802 · Actuarial Services	12,662.50	35,693.50	(23,031.00)	-64.52%
21812 · Data Processing	9,001.05	7,576.81	1,424.24	18.80%
21834 · Legal Services	43,514.36	42,150.98	1,363.38	3.24%
21840 · Custodial Banking Services	27,449.15	28,631.76	(1,182.61)	-4.13%
22350 · Software and Technology	9,287.86	2,345.40	6,942.46	296.00%
Depreciation Expense	243,633.62	244,175.64	(542.02)	
Total 62025 · Non-Administrative Expenses	<u>\$ 914,002.11</u>	<u>\$ 991,113.61</u>	<u>\$ (77,111.50)</u>	-7.78%

Merced County Employees' Retirement Association
Capital Asset Expenditures Report (Preliminary)
For the Month and Fiscal Year Ended June 30, 2022

Capital Assets Expenditures	Adopted	Current Budget	Expended 06/2022	Expended YTD	Bal Remaining	% Exp YTD
81386 - Cubicle Expansion	18,500.00	18,500.00	-	16,836.78	1,663.22	91%
Total 81386 - Cubicle Expansion			-			
81453 - HVAC Replacement Units	-	39,408.78	-	39,408.78	-	100%
Total 81453 - HVAC Replacement Units			-			
Total Capital Assets Expenditures	18,500.00	57,908.78	-	56,245.56	1,663.22	97%

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month and Fiscal Year Ended June 30, 2022

Administrative Budget		Adopted	Current Budget	Expended 06/2022	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages		1,650,000.00	1,650,000.00	157,372.33	1,217,530.78	432,469.22	74%
06/10/2022	Office Payroll 2022 PP 12			50,172.39			
06/17/2022	2022-04 PARS			7.56			
06/24/2022	Office Payroll 2022 PP 13			50,904.90			
06/29/2022	2022-05 PARS			8.14			
06/29/2022	Office Payroll - 2022 PP 14 - PY Portion			56,279.34			
Total 10110 · Salaries & Wages				157,372.33			
20600 · Communications		7,100.00	7,100.00	1,035.61	6,176.97	923.03	87%
06/07/2022	AT&T - 2022-05 Comm Chgs			144.84			
06/13/2022	2022-05 Comm Chgs			243.57			
06/13/2022	2022-05 iPhone Chgs			132.00			
06/29/2022	2022-06 iPhone Chgs			132.00			
06/29/2022	AT&T - 2022-06 Comm Chgs			144.54			
06/29/2022	2022-06 Comms Chgs			238.66			
Total 20600 · Communications				1,035.61			
20900 · Household Expense		13,500.00	13,500.00	911.00	11,882.96	1,617.04	88%
06/13/2022	Bob's Pest Control - 2022-05 Pest Control			40.00			
06/22/2022	Geil Enterprise - 2022-06 Janitorial			831.00			
06/29/2022	Bob's Pest Control - 2022-06 Pest Control			40.00			
Total 20900 · Household Expense				911.00			
21000 · Insurance - Other		90,000.00	96,000.00	-	95,796.00	204.00	100%
Total 21000 · Insurance - Other				-			
21301 · Maintenance Structure Improvement		19,000.00	19,000.00	2,013.31	15,474.44	3,525.56	81%
06/07/2022	2022-05 DPW Chgs			457.63			
06/20/2022	Yard Masters - Irrigation Svc on 2022-05-31			112.00			
06/20/2022	2022-06 DPW Chgs - Partial			696.06			
06/29/2022	2022-06 DPW Chgs - Final			314.12			
06/29/2022	Yard Masters - 2022-05-06 Irrigation Svc Call			73.50			
06/29/2022	Yard Masters - 2022-06 Landscape Maint			360.00			
Total 21301 · Maintenance Structure Improvement				2,013.31			
21500 · Membership		7,500.00	7,500.00	1,000.00	5,435.00	2,065.00	72%
06/29/2022	CALAPRS - Inv 300000740 - Membership Renewal - 500M-1B			1,000.00			
Total 21500 · Membership				1,000.00			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month and Fiscal Year Ended June 30, 2022

Administrative Budget		Adopted	Current Budget	Expended 06/2022	Expended YTD	Bal Remaining	% Exp YTD
21700 · Office Expense - General		18,000.00	18,000.00	4,253.66	17,547.59	452.41	97%
06/07/2022	First Choice - 2022-06 Water Svc			39.13			
06/13/2022	First Choice - 2022-06 Water Cooler Chg			11.00			
06/13/2022	2022-05 Stores Billing			1,227.70			
06/29/2022	First Choice - 2022-06 Water Svc			39.43			
06/29/2022	2022-06 Stores Billing			2,740.71			
06/29/2022	Uline - Moving Blankets			195.69			
Total 21700 · Office Expense - General				4,253.66			
21710 · Office Expense - Postage		16,500.00	18,500.00	4,681.57	18,138.95	361.05	98%
06/13/2022	2022-05 Mailroom Chgs			97.31			
06/29/2022	2022-06 Mailroom Chgs			4,584.26			
Total 21710 · Office Expense - Postage				4,681.57			
21805 · Audits		90,000.00	88,000.00	4,112.50	68,799.30	19,200.70	78%
06/20/2022	Brown Armstrong - 2022-05 Audit Progress FY 22 Audit			4,112.50			
Total 21805 · Audits				4,112.50			
21808 · Board Membership		18,000.00	18,000.00	1,500.00	9,500.00	8,500.00	53%
06/27/2022	2022-05 Bd Mtgs			200.00			
06/27/2022	2022-05 Bd Mtgs			200.00			
06/27/2022	2022-05 Bd Mtgs			200.00			
06/27/2022	2022-05 Bd Mtgs			200.00			
06/27/2022	2022-05 Bd Mtgs			200.00			
06/29/2022	2022-06 Bd Mtgs			100.00			
06/29/2022	2022-06 Bd Mtgs			100.00			
06/29/2022	2022-06 Bd Mtgs			100.00			
06/29/2022	2022-06 Bd Mtgs			100.00			
06/29/2022	2022-06 Bd Mtgs			100.00			
Total 21808 · Board Membership				1,500.00			
21811 · Court Reporters		2,000.00	2,000.00	-	-	2,000.00	0%
Total 21811 · Court Reporters				-			
21816 · Medical Services		25,000.00	19,000.00	-	-	19,000.00	0%
Total 21816 · Medical Services				-			
21872 · Investigations		1,000.00	1,000.00	-	-	1,000.00	0%
Total 21872 · Investigations				-			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month and Fiscal Year Ended June 30, 2022

Administrative Budget	Adopted	Current Budget	Expended 06/2022	Expended YTD	Bal Remaining	% Exp YTD
21900 · Publications & Legal Notices	4,500.00	4,500.00	-	3,504.29	995.71	78%
Total 21900 · Publications & Legal Notices			-			
22300 · Spec Dept Exp - Other	500.00	500.00	-	6.31	493.69	1%
Total 22300 · Spec Dept Exp - Other			-			
22310 · Election Expense	20,000.00	20,000.00	-	-	20,000.00	0%
Total 22310 · Election Expense			-			
22327 · Spec Dept Exp - Cost Allocation	27,000.00	27,000.00	2,233.50	26,802.00	198.00	99%
06/02/2022 2022-06 - Cost Allocation			2,233.50			
Total 22327 · Spec Dept Exp - Cost Allocation			2,233.50			
22500 · Transportation & Travel	400.00	400.00	20.59	88.65	311.35	22%
06/29/2022 2022-05 & 06 Mail Runs			20.59			
Total 22500 · Transportation & Travel			20.59			
22505 · Trans & Travel - Staff Development	4,000.00	4,000.00	-	-	4,000.00	0%
Total 22505 · Trans & Travel - Staff Development			-			
22515 · Trans & Travel - In State	35,000.00	35,000.00	1,596.19	5,919.72	29,080.28	17%
06/01/2022 SACRS Spring 2022 Conf Travel Reimb			547.00			
06/01/2022 SACRS Spring 2022 Conf Hotel			899.19			
06/07/2022 CALAPRS - Benefits Roundtable			50.00			
06/20/2022 CALAPRS - Virtual Administrators Roundtable			50.00			
06/20/2022 CALAPRS - Virtual Admin Assts Roundtable			50.00			
Total 22515 · Trans & Travel - In State			1,596.19			
22516 · Trans & Travel - Out of State	7,500.00	7,500.00	-	-	7,500.00	0%
Total 22516 · Trans & Travel - Out of State			-			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month and Fiscal Year Ended June 30, 2022

Administrative Budget		Adopted	Current Budget	Expended 06/2022	Expended YTD	Bal Remaining	% Exp YTD
22600 · Utilities		17,000.00	17,000.00	2,522.56	16,304.21	695.79	96%
06/07/2022	PG&E - 2022-05 Svcs			784.48			
06/13/2022	City of Merced - 2022-05 WS&G			253.59			
06/29/2022	City of Merced - 2022-06 WS&G			364.21			
06/29/2022	PG&E - 2022-06 Svcs			1,120.28			
Total 22600 · Utilities				2,522.56			
Depreciation Expense		23,000.00	23,000.00	21,437.76	-	23,000.00	
Total Administrative Budget		2,096,500.00	2,096,500.00	183,252.82	1,518,907.17	577,592.83	72%

Note:
 Transferred \$2,000 in current budget from budget line 21805 to 21710

Merced County Employees' Retirement Association
 Non-Administrative Expenditures Report (Preliminary)
 For the Month and Fiscal Year Ended July 31, 2022

Non-Administrative Expenses	Original Projection	Current Projection	Expended 07/2022	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses	3,160,000.00	3,160,000.00	51,941.00	51,941.00	3,108,059.00	2%
07/20/2022 Barrow Hanley - 2022-Q3 Mgt Fee			51,941.00			
Total 21800 · Investment Expenses			<u>51,941.00</u>			
21802 · Actuarial Services	250,000.00	250,000.00	-	-	250,000.00	0%
Total 21802 · Actuarial Services			<u>-</u>			
21812 · Data Processing	90,000.00	90,000.00	268.07	268.07	89,731.93	0%
07/22/2022 Comcast - 2022-07 Svcs			268.07			
Total 21812 · Data Processing			<u>268.07</u>			
21834 · Legal Services	365,000.00	365,000.00	3,416.25	3,416.25	361,583.75	1%
07/26/2022 2022-07 Cost Allocation - County Counsel			3,416.25			
Total 21834 · Legal Services			<u>3,416.25</u>			
21840 · Custodial Banking Services	140,000.00	140,000.00	-	-	140,000.00	0%
Total 21840 · Custodial Banking Services			<u>-</u>			
22350 · Software and Technology	400,000.00	400,000.00	117,905.17	117,905.17	282,094.83	29%
07/01/2022 CPAS - 2022 Annual Maintenance - FY23 Portion			11,982.96			
07/01/2022 IBM - Cognos 2022-2023 Subscription			16,747.20			
07/01/2022 CPAS - 2022 Annual Support - FY23 Portion			81,000.00			
07/06/2022 CPAS - 2022-07 Hosting			6,107.00			
07/08/2022 PensionX - 2022-07 SLA			900.00			
07/13/2022 Spriggs - 2022-Q3 Contract Base Rate			1,168.01			
Total 22350 · Software and Technology			<u>117,905.17</u>			
Depreciation Expense	250,000.00	250,000.00	-	-	250,000.00	
Total Non-Administrative Items	<u>4,655,000.00</u>	<u>4,655,000.00</u>	<u>173,530.49</u>	<u>173,530.49</u>	<u>4,481,469.51</u>	4%

Merced County Employees' Retirement Association
Non-Administrative Expenses Prev Year Comparison (Preliminary)
7/31/2022

Expense	<u>July 2022</u>	<u>July 2021</u>	<u>\$ Change</u>	<u>% Change</u>
62025 · Non-Administrative Expenses				
21800 · Investment Expenses	\$ 51,941.00	\$ 98,395.00	\$ (46,454.00)	-47.21%
21802 · Actuarial Services	-	-	-	0.00%
21812 · Data Processing	268.07	251.44	16.63	6.61%
21834 · Legal Services	3,416.25	-	3,416.25	100.00%
21840 · Custodial Banking Services	-	-	-	0.00%
22350 · Software and Technology	117,905.17	118,357.16	(451.99)	-0.38%
Depreciation Expense	-	-	-	
Total 62025 · Non-Administrative Expenses	<u>\$ 173,530.49</u>	<u>\$ 217,003.60</u>	<u>\$ (43,473.11)</u>	-20.03%

Merced County Employees' Retirement Association
Capital Asset Expenditures Report (Preliminary)
For the Month and Fiscal Year Ended July 31, 2022

Capital Assets Expenditures	Adopted	Current Budget	Expended 07/2022	Expended YTD	Bal Remaining	% Exp YTD
81386 - Cubicle Expansion	27,384.43	27,384.43	-	-	27,384.43	0%
Total 81386 - Cubicle Expansion			-	-		
Total Capital Assets Expenditures	27,384.43	27,384.43	-	-	27,384.43	0%

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month and Fiscal Year Ended July 31, 2022

Administrative Budget	Adopted	Current Budget	Expended 07/2022	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages	1,800,000.00	1,800,000.00	59,064.81	59,064.81	1,740,935.19	3%
07/08/2022 Office Payroll - 2022 PP 14 - CY Portion			6,253.26			
07/22/2022 Office Payroll - 2022 PP 15			52,811.55			
Total 10110 · Salaries & Wages			<u>59,064.81</u>			
20600 · Communications	7,100.00	7,100.00	-	-	7,100.00	0%
Total 20600 · Communications			<u>-</u>			
20900 · Household Expense	14,750.00	14,750.00	1,010.22	1,010.22	13,739.78	7%
07/01/2022 ADT - 2022-07 Security Svcs			89.61			
07/21/2022 ADT - 2022-08 Security Svcs			89.61			
07/21/2022 Geil Enterprise - 2022-07 Janitorial Svcs			831.00			
Total 20900 · Household Expense			<u>1,010.22</u>			
21000 · Insurance - Other	100,000.00	100,000.00	99,184.00	99,184.00	816.00	99%
07/01/2022 The Hartford - Business Owner's Policy 2022-2023			2,942.00			
07/13/2022 Alliant - 2022-07 Thru 2023-06 Fiduciary Liability Ins			84,768.00			
07/21/2022 PRISM - FY 22-23 Master Crime Policy			11,474.00			
Total 21000 · Insurance - Other			<u>99,184.00</u>			
21301 · Maintenance Structure Improvement	15,000.00	15,000.00	-	-	15,000.00	0%
Total 21301 · Maintenance Structure Improvement			<u>-</u>			
21500 · Membership	7,500.00	7,500.00	-	-	7,500.00	0%
Total 21500 · Membership			<u>-</u>			
21700 · Office Expense - General	18,000.00	18,000.00	3,549.33	3,549.33	14,450.67	20%
07/01/2022 Simply Space - Storage FY 22-23 thru 05-18-2023			3,538.33			
07/22/2022 First Choice - 2022-07 Water Cooler Chg			11.00			
Total 21700 · Office Expense - General			<u>3,549.33</u>			

Merced County Employees' Retirement Association
 Administrative Expenditures Report (Preliminary)
 For the Month and Fiscal Year Ended July 31, 2022

Administrative Budget	Adopted	Current Budget	Expended 07/2022	Expended YTD	Bal Remaining	% Exp YTD
21710 · Office Expense - Postage	18,000.00	18,000.00	-	-	18,000.00	0%
Total 21710 · Office Expense - Postage			-			
21805 · Audits	90,000.00	90,000.00	-	-	90,000.00	0%
Total 21805 · Audits			-			
21808 · Board Membership	18,000.00	18,000.00	-	-	18,000.00	0%
Total 21808 · Board Membership			-			
21811 · Court Reporters	2,000.00	2,000.00	-	-	2,000.00	0%
Total 21811 · Court Reporters			-			
21872 · Investigations	1,000.00	1,000.00	-	-	1,000.00	0%
Total 21872 · Investigations			-			
21900 · Publications & Legal Notices	4,750.00	4,750.00	3,762.62	3,762.62	987.38	79%
07/01/2022 GASB - 2021-23 Subscription			287.00			
07/01/2022 Merced Sun-Star - FY 2023 Subscription			446.17			
07/14/2022 Dow Jones - 22-23 Subscription			3,029.45			
Total 21900 · Publications & Legal Notices			3,762.62			
22300 · Spec Dept Exp - Other	500.00	500.00	-	-	500.00	0%
Total 22300 · Spec Dept Exp - Other			-			
22310 · Election Expense	20,000.00	20,000.00	-	-	20,000.00	0%
Total 22310 · Election Expense			-			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month and Fiscal Year Ended July 31, 2022

Administrative Budget	Adopted	Current Budget	Expended 07/2022	Expended YTD	Bal Remaining	% Exp YTD
22327 · Spec Dept Exp - Cost Allocation	40,450.00	40,450.00	3,367.00	3,367.00	37,083.00	8%
07/26/2022 2022-07 Cost Allocation			3,367.00			
Total 22327 · Spec Dept Exp - Cost Allocation			<u>3,367.00</u>			
22500 · Transportation & Travel	400.00	400.00	-	-	400.00	0%
Total 22500 · Transportation & Travel			<u>-</u>			
22505 · Trans & Travel - Staff Development	4,000.00	4,000.00	-	-	4,000.00	0%
Total 22505 · Trans & Travel - Staff Development			<u>-</u>			
22515 · Trans & Travel - In State	35,000.00	35,000.00	2,500.00	2,500.00	32,500.00	7%
07/01/2022 SACRS - 2022-07 SACRS/UC Berkeley Program			2,500.00			
Total 22515 · Trans & Travel - In State			<u>2,500.00</u>			
22516 · Trans & Travel - Out of State	7,500.00	7,500.00	-	-	7,500.00	0%
Total 22516 · Trans & Travel - Out of State			<u>-</u>			
22600 · Utilities	18,500.00	18,500.00	-	-	18,500.00	0%
Total 22600 · Utilities			<u>-</u>			
Depreciation Expense	25,000.00	25,000.00	-	-	25,000.00	
Total Administrative Budget	<u>2,247,450.00</u>	<u>2,247,450.00</u>	<u>172,437.98</u>	<u>172,437.98</u>	<u>2,075,012.02</u>	8%

Merced County Employees' Retirement Association
Non-Administrative Expenditures Report (Preliminary)
For the Month and Fiscal Year Ended August 31, 2022

Non-Administrative Expenses	Original Projection	Current Projection	Expended 08/2022	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses	3,160,000.00	3,160,000.00	47,291.18	99,232.18	3,060,767.82	3%
08/09/2022 Cliffwater - 2022-07 Consulting Svcs			33,333.33			
08/10/2022 KKR GII III - Partnership Exps			5,141.00			
08/16/2022 J & B Fencing - 2022-06 thru 2022-08 New Building Fence Rental			450.00			
08/30/2022 Nossaman - 2022-07 Accel KKR CF II			8,308.35			
08/30/2022 Nossaman - 2022-07 AG DLF V			58.50			
Total 21800 · Investment Expenses			47,291.18			
21802 · Actuarial Services	250,000.00	250,000.00	-	-	250,000.00	0%
Total 21802 · Actuarial Services			-			
21812 · Data Processing	90,000.00	90,000.00	274.40	542.47	89,457.53	1%
08/31/2022 Comcast - 2022-08 Svcs			274.40			
Total 21812 · Data Processing			274.40			
21834 · Legal Services	365,000.00	365,000.00	18,926.54	22,342.79	342,657.21	6%
08/15/2022 Ted Cabral - 2022-07 Legal Svcs			297.50			
08/15/2022 Ted Cabral - 2022-07 Legal Svcs			814.00			
08/15/2022 Ted Cabral - 2022-07 Legal Svcs			1,383.39			
08/15/2022 Ted Cabral - 2022-07 Legal Svcs			20.00			
08/15/2022 Ted Cabral - 2022-07 Legal Svcs			7,456.50			
08/15/2022 Ted Cabral - 2022-07 Legal Svcs			30.00			
08/15/2022 Ted Cabral - 2022-07 Legal Svcs			315.00			
08/15/2022 Ted Cabral - 2022-07 Legal Svcs			3,523.00			
08/15/2022 Ted Cabral - 2022-07 Legal Svcs			1,610.50			
08/30/2022 Nossaman - 2022-07 Gen Adv & Couns			60.40			
08/31/2022 2022-08 Cost Allocation - County Counsel			3,416.25			
Total 21834 · Legal Services			18,926.54			
21840 · Custodial Banking Services	140,000.00	140,000.00	1,000.93	1,000.93	138,999.07	1%
08/03/2022 2022-07 NT STIF Custodial Fee			1,000.93			
Total 21840 · Custodial Banking Services			1,000.93			
22350 · Software and Technology	400,000.00	400,000.00	11,986.08	129,891.25	270,108.75	32%
08/09/2022 CPAS - 2022-08 Hosting Svcs			6,107.00			
08/16/2022 LexisNexis - 2022-07 Accurint & Batch Svcs			873.65			
08/16/2022 PensionX - 2022-08 SLA			900.00			
08/22/2022 CDWG - Computer Monitors (4)			1,020.27			
08/22/2022 CDWG - Computer Dual Monitor Stands (2)			354.28			
08/22/2022 LifeStatus360 - Death Audit Subscription 2022-07 thru 2023-07			620.00			
08/31/2022 Roger J Wyan Photography - Staff & Trustee Photos for Website			2,110.88			
Total 22350 · Software and Technology			11,986.08			
Depreciation Expense	250,000.00	250,000.00	-	-	250,000.00	
Total Non-Administrative Items	4,655,000.00	4,655,000.00	79,479.13	253,009.62	4,401,990.38	5%

Merced County Employees' Retirement Association
Non-Administrative Expenses Prev Year Comparison (Preliminary)
8/31/2022

	<u>August 2022</u>	<u>August 2021</u>	<u>\$ Change</u>	<u>% Change</u>
Expense				
62025 · Non-Administrative Expenses				
21800 · Investment Expenses	\$ 47,291.18	\$ 142,122.33	\$ (94,831.15)	-66.73%
21802 · Actuarial Services	-	-	-	0.00%
21812 · Data Processing	274.40	4,645.67	(4,371.27)	-94.09%
21834 · Legal Services	18,926.54	41,908.39	(22,981.85)	-54.84%
21840 · Custodial Banking Services	1,000.93	1,082.69	(81.76)	-7.55%
22350 · Software and Technology	11,986.08	48,887.43	(36,901.35)	-75.48%
Depreciation Expense	-	-	-	
Total 62025 · Non-Administrative Expenses	<u>\$ 79,479.13</u>	<u>\$ 238,646.51</u>	<u>\$ (159,167.38)</u>	-66.70%

Merced County Employees' Retirement Association
 Capital Asset Expenditures Report (Preliminary)
 For the Month and Fiscal Year Ended August 31, 2022

Capital Assets Expenditures	Adopted	Current Budget	Expended 08/2022	Expended YTD	Bal Remaining	% Exp YTD
81386 - Cubicle Expansion	27,384.43	27,384.43	-	-	27,384.43	0%
Total 81386 - Cubicle Expansion			-	-		
Total Capital Assets Expenditures	<u>27,384.43</u>	<u>27,384.43</u>	-	-	<u>27,384.43</u>	0%

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month and Fiscal Year Ended August 31, 2022

Administrative Budget		Adopted	Current Budget	Expended 08/2022	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages		1,800,000.00	1,800,000.00	97,213.57	156,278.38	1,643,721.62	9%
08/02/2022	ARPA Reimbursement for Pandemic Pay			(9,688.56)			
08/05/2022	Office Payroll 2022 PP 16			56,214.37			
08/15/2022	ARPA Reimbursement for Pandemic Pay			(2,422.13)			
08/19/2022	Office Payroll 2022 PP 17			53,096.78			
08/26/2022	2022-06 PARS			13.11			
Total 10110 · Salaries & Wages				97,213.57			
20600 · Communications		7,100.00	7,100.00	146.88	146.88	6,953.12	2%
08/09/2022	AT&T - 2022-07 CALNET			146.88			
Total 20600 · Communications				146.88			
20900 · Household Expense		14,750.00	14,750.00	1,633.38	2,643.60	12,106.40	18%
08/08/2022	Geil Enterprises - Disinfecting 7-24-22			381.19			
08/09/2022	Geil Enterprises - Disinfecting 7-19-22			381.19			
08/16/2022	Bob's Pest Control - 2022-07 Pest Control			40.00			
08/30/2022	Geil Enterprises - 2022-08 Custodial Svcs			831.00			
Total 20900 · Household Expense				1,633.38			
21000 · Insurance - Other		100,000.00	100,000.00	(7.00)	99,177.00	823.00	99%
08/15/2022	The Hartford - Overpayment Refund			(7.00)			
Total 21000 · Insurance - Other				(7.00)			
21301 · Maintenance Structure Improvement		15,000.00	15,000.00	436.00	436.00	14,564.00	3%
08/05/2022	Yard Masters - 2022-07 Landscape Maint			360.00			
08/30/2022	Yard Masters - 2022-07-28 Irrigation Svc Call			76.00			
Total 21301 · Maintenance Structure Improvement				436.00			
21500 · Membership		7,500.00	7,500.00	4,000.00	4,000.00	3,500.00	53%
08/02/2022	SACRS - FY22-23 Membership Dues			4,000.00			
Total 21500 · Membership				4,000.00			
21700 · Office Expense - General		18,000.00	18,000.00	288.35	3,837.68	14,162.32	21%
08/02/2022	Allied West Printing - Envelopes			259.69			
08/08/2022	First Choice - 2022-08 Water Cooler Chg			15.00			
08/09/2022	First Choice - 2022-07 Water Svc			13.66			
Total 21700 · Office Expense - General				288.35			

Merced County Employees' Retirement Association
 Administrative Expenditures Report (Preliminary)
 For the Month and Fiscal Year Ended August 31, 2022

Administrative Budget	Adopted	Current Budget	Expended 08/2022	Expended YTD	Bal Remaining	% Exp YTD
21710 · Office Expense - Postage	18,000.00	18,000.00	-	-	18,000.00	0%
Total 21710 · Office Expense - Postage			-			
21805 · Audits	90,000.00	90,000.00	12,498.75	12,498.75	77,501.25	14%
08/31/2022 Brown Armstrong - 2022-07 Audit Progress FY 22 Audit			12,498.75			
Total 21805 · Audits			12,498.75			
21808 · Board Membership	18,000.00	18,000.00	1,000.00	1,000.00	17,000.00	6%
08/30/2022 2022-07 Bd Mtgs			200.00			
08/30/2022 2022-07 Bd Mtgs			200.00			
08/30/2022 2022-07 Bd Mtgs			200.00			
08/30/2022 2022-07 Bd Mtgs			200.00			
08/30/2022 2022-07 Bd Mtgs			200.00			
Total 21808 · Board Membership			1,000.00			
21811 · Court Reporters	2,000.00	2,000.00	-	-	2,000.00	0%
Total 21811 · Court Reporters			-			
21872 · Investigations	1,000.00	1,000.00	-	-	1,000.00	0%
Total 21872 · Investigations			-			
21900 · Publications & Legal Notices	4,750.00	4,750.00	-	3,762.62	987.38	79%
Total 21900 · Publications & Legal Notices			-			
22300 · Spec Dept Exp - Other	500.00	500.00	-	-	500.00	0%
Total 22300 · Spec Dept Exp - Other			-			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month and Fiscal Year Ended August 31, 2022

Administrative Budget	Adopted	Current Budget	Expended 08/2022	Expended YTD	Bal Remaining	% Exp YTD
22310 · Election Expense	20,000.00	20,000.00	-	-	20,000.00	0%
Total 22310 · Election Expense			-			
22327 · Spec Dept Exp - Cost Allocation	40,450.00	40,450.00	3,367.00	6,734.00	33,716.00	17%
08/31/2022 2022-08 Cost Allocation			3,367.00			
Total 22327 · Spec Dept Exp - Cost Allocation			3,367.00			
22500 · Transportation & Travel	400.00	400.00	-	-	400.00	0%
Total 22500 · Transportation & Travel			-			
22505 · Trans & Travel - Staff Development	4,000.00	4,000.00	-	-	4,000.00	0%
Total 22505 · Trans & Travel - Staff Development			-			
22515 · Trans & Travel - In State	35,000.00	35,000.00	9,628.96	12,128.96	22,871.04	35%
08/08/2022 SACRS UC Berkeley Program 2022			2,128.96			
08/12/2022 CALAPRS - Principles of Pension Governance for Trustees			3,000.00			
08/12/2022 CALAPRS - Administrators' Institute			1,500.00			
08/12/2022 CALAPRS - Principles of Pension Governance for Trustees			3,000.00			
Total 22515 · Trans & Travel - In State			9,628.96			
22516 · Trans & Travel - Out of State	7,500.00	7,500.00	-	-	7,500.00	0%
Total 22516 · Trans & Travel - Out of State			-			
22600 · Utilities	18,500.00	18,500.00	1,911.99	1,911.99	16,588.01	10%
08/08/2022 PG&E - 2022-07 Svcs			1,447.73			
08/09/2022 City of Merced - 2022-07 WS&G			464.26			
Total 22600 · Utilities			1,911.99			
Depreciation Expense	25,000.00	25,000.00	-	-	25,000.00	
Total Administrative Budget	2,247,450.00	2,247,450.00	132,117.88	304,555.86	1,942,894.14	14%

Merced County Employees' Retirement Association
 Non-Administrative Expenditures Report (Preliminary)
 For the Month and Fiscal Year Ended September 30, 2022

Non-Administrative Expenses		Original Projection	Current Projection	Expended 09/2022	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses		3,160,000.00	3,160,000.00	90,257.83	189,490.01	2,970,509.99	6%
09/08/2022	Golden Valley Engineering - Prof Svcs thru 2022-08-20			16,747.50			
09/12/2022	Coldwell Banker Gonella Realty - Broker Price Opinion 2022-08-03			400.00			
09/12/2022	Cliffwater - 2022-08 Consulting Svcs			33,333.33			
09/20/2022	Golden Valley Engineering - Prof Svcs thru 2022-07-23			11,850.00			
09/20/2022	Golden Valley Engineering - Prof Svcs thru 2022-07-09			7,007.50			
09/21/2022	Golden Valley Engineering - Prof Svcs thru 2022-09-03			6,672.50			
09/21/2022	J & B Fencing - 2022-09 Fence Rental			350.00			
09/29/2022	Nossaman - 2022-08 Accel KKR CF II			2,790.00			
09/30/2022	GSO EOF - 2022-Q2 Mgt Fee			5,883.00			
09/30/2022	GSO EOF - Operating Exps			5,224.00			
Total 21800 · Investment Expenses				90,257.83			
21802 · Actuarial Services		250,000.00	250,000.00	-	-	250,000.00	0%
Total 21802 · Actuarial Services				-			
21812 · Data Processing		90,000.00	90,000.00	11,730.44	12,272.91	77,727.09	14%
09/01/2022	2022-07 IS Billing			6,393.79			
09/01/2022	2022-07 Cradlepoint Chgs			270.00			
09/15/2022	2022-08 Cradlepoint Chgs			270.00			
09/15/2022	2022-08 IS Billing			4,513.58			
09/23/2022	Comcast - 2022-09 Svcs			283.07			
Total 21812 · Data Processing				11,730.44			
21834 · Legal Services		365,000.00	365,000.00	28,080.86	50,423.65	314,576.35	14%
09/01/2022	2022-09 Cost Alloc - County Counsel			3,416.25			
09/12/2022	Hanson Bridgett - 2022-07 VCP IRS Filing Legal			4,200.60			
09/21/2022	Nossaman - 2022-08 Gen Adv & Couns			604.00			
09/21/2022	Ted Cabral - 2022-08 Legal Svcs			860.00			
09/21/2022	Ted Cabral - 2022-08 Legal Svcs			906.50			
09/21/2022	Ted Cabral - 2022-08 Legal Svcs			108.29			
09/21/2022	Ted Cabral - 2022-08 Legal Svcs			1,670.00			
09/21/2022	Ted Cabral - 2022-08 Legal Svcs			6,230.50			
09/21/2022	Ted Cabral - 2022-08 Legal Svcs			103.72			
09/21/2022	Ted Cabral - 2022-08 Legal Svcs			1,554.00			
09/21/2022	Ted Cabral - 2022-08 Legal Svcs			10.00			
09/21/2022	Ted Cabral - 2022-08 Legal Svcs			229.50			
09/21/2022	Ted Cabral - 2022-08 Legal Svcs			4,669.00			
09/21/2022	Ted Cabral - 2022-08 Legal Svcs			18.50			
09/29/2022	Hanson Bridgett - 2022-08 VCP IRS Filing Legal			3,500.00			
Total 21834 · Legal Services				28,080.86			

Merced County Employees' Retirement Association
Non-Administrative Expenditures Report (Preliminary)
For the Month and Fiscal Year Ended September 30, 2022

Non-Administrative Expenses	Original Projection	Current Projection	Expended 09/2022	Expended YTD	Bal Remaining	% Exp YTD
21840 · Custodial Banking Services	140,000.00	140,000.00	1,527.86	2,528.79	137,471.21	2%
09/01/2022 2022-07 Wire Fees			165.00			
09/06/2022 2022-08 NT STIF Custodial Fee			1,362.86			
Total 21840 · Custodial Banking Services			<u>1,527.86</u>			
22350 · Software and Technology	400,000.00	400,000.00	65,830.39	195,721.64	204,278.36	49%
09/01/2022 2022-07 Cubicle Phone Connection Chgs			956.36			
09/07/2022 CPAS - 2022-09 Hosting			6,107.00			
09/08/2022 Roger J Wyan Photography - Staff & Trustee Photos for Website			848.25			
09/12/2022 CDWG - Chromebook			422.95			
09/12/2022 PensionX - 2022-09 SLA			900.00			
09/21/2022 Roger J Wyan Photography - Staff & Trustee Photos for Website			422.18			
09/21/2022 LexisNexis - 2022-08 Accurint & Batch Svcs			873.65			
09/21/2022 Confidential			49,193.00			
09/29/2022 CPAS - 2022-10 Hosting			6,107.00			
Total 22350 · Software and Technology			<u>65,830.39</u>			
Depreciation Expense	250,000.00	250,000.00	-	-	250,000.00	
Total Non-Administrative Items	4,655,000.00	4,655,000.00	197,427.38	450,437.00	4,204,563.00	10%

Merced County Employees' Retirement Association
Non-Administrative Expenses Prev Year Comparison (Preliminary)
9/30/2022

	<u>September 2022</u>	<u>September 2021</u>	<u>\$ Change</u>	<u>% Change</u>
Expense				
62025 · Non-Administrative Expenses				
21800 · Investment Expenses	\$ 90,257.83	\$ 44,338.90	\$ 45,918.93	103.56%
21802 · Actuarial Services	-	9,067.50	(9,067.50)	-100.00%
21812 · Data Processing	11,730.44	6,114.28	5,616.16	91.85%
21834 · Legal Services	28,080.86	14,829.88	13,250.98	89.35%
21840 · Custodial Banking Services	1,527.86	1,341.34	186.52	13.91%
22350 · Software and Technology	65,830.39	7,532.20	58,298.19	773.99%
Depreciation Expense	-	-	-	
Total 62025 · Non-Administrative Expenses	<u>\$ 197,427.38</u>	<u>\$ 83,224.10</u>	<u>\$ 114,203.28</u>	137.22%

Merced County Employees' Retirement Association
Capital Asset Expenditures Report (Preliminary)
For the Month and Fiscal Year Ended September 30, 2022

Capital Assets Expenditures	Adopted	Current Budget	Expended 09/2022	Expended YTD	Bal Remaining	% Exp YTD
81386 - Cubicle Expansion	27,384.43	27,384.43	27,304.24	-	27,384.43	0%
09/02/2022 Cubicle Expansion 2nd Phase - Placed in Service 07/16/2022			27,304.24			
Total 81386 - Cubicle Expansion			<u>27,304.24</u>			
Total Capital Assets Expenditures	<u>27,384.43</u>	<u>27,384.43</u>	<u>27,304.24</u>	<u>-</u>	<u>27,384.43</u>	<u>0%</u>

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month and Fiscal Year Ended September 30, 2022

Administrative Budget		Adopted	Current Budget	Expended 09/2022	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages		1,800,000.00	1,800,000.00	162,159.98	318,438.36	1,481,561.64	18%
09/02/2022	Office Payroll 2022 PP 18			54,552.48			
09/16/2022	Office Payroll 2022 PP 19			54,366.42			
09/29/2022	ARPA Reimb for Pandemic Pay			(807.38)			
09/30/2022	Office Payroll 2022 PP 20			54,048.46			
Total 10110 · Salaries & Wages				162,159.98			
20600 · Communications		7,100.00	7,100.00	925.46	1,072.34	6,027.66	15%
09/01/2022	2022-07 Comm Chgs			239.95			
09/01/2022	2022-07 iPhone Chgs			141.00			
09/08/2022	AT&T - 2022-08 CALNET			165.13			
09/15/2022	2022-08 iPhone Chgs			141.00			
09/15/2022	2022-08 Comm Chgs			238.38			
Total 20600 · Communications				925.46			
20900 · Household Expense		14,750.00	14,750.00	973.50	3,617.10	11,132.90	25%
09/07/2022	ADT - 2022-09 Security Svc			89.61			
09/22/2022	Geil Enterprises - Credit for 2 Svc Days Missed			(76.72)			
09/22/2022	Geil Enterprises - 2022-09 Custodial Svcs			831.00			
09/23/2022	Bob's Pest Control - 2022-08 Pest Control			40.00			
09/23/2022	ADT - 2022-10 Security Svc			89.61			
Total 20900 · Household Expense				973.50			
21000 · Insurance - Other		100,000.00	100,000.00	-	99,177.00	823.00	99%
Total 21000 · Insurance - Other				-			
21301 · Maintenance Structure Improvement		15,000.00	15,000.00	2,731.41	3,167.41	11,832.59	21%
09/07/2022	Yard Masters - 2022-08 Landscape Maint			360.00			
09/19/2022	2022-07 DPW Chgs			2,011.41			
09/29/2022	Yard Masters - 2022-09 Landscape Maint			360.00			
Total 21301 · Maintenance Structure Improvement				2,731.41			
21500 · Membership		7,500.00	7,500.00	-	4,000.00	3,500.00	53%
Total 21500 · Membership				-			
21700 · Office Expense - General		18,000.00	18,000.00	3,185.93	7,023.61	10,976.39	39%
09/01/2022	2022-07 Stores Billing			1,025.46			
09/07/2022	First Choice - 2022-08 Water Svc			22.61			
09/15/2022	2022-08 Stores Billing			1,413.14			
09/15/2022	Vast Conference - Conference Calling thru 2022-08			684.21			
09/29/2022	First Choice - 2022-09 Water Svc			40.51			
Total 21700 · Office Expense - General				3,185.93			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month and Fiscal Year Ended September 30, 2022

Administrative Budget		Adopted	Current Budget	Expended 09/2022	Expended YTD	Bal Remaining	% Exp YTD
21710 · Office Expense - Postage		18,000.00	18,000.00	2,603.87	2,603.87	15,396.13	14%
09/01/2022	2022-07 Mailroom Chgs			1,272.42			
09/15/2022	2022-08 Mailroom Chgs			1,331.45			
Total 21710 · Office Expense - Postage				<u>2,603.87</u>			
21805 · Audits		90,000.00	90,000.00	15,948.75	28,447.50	61,552.50	32%
09/20/2022	Brown Armstrong - 2022-08 Audit Progress FY 22 Audit			15,948.75			
Total 21805 · Audits				<u>15,948.75</u>			
21808 · Board Membership		18,000.00	18,000.00	800.00	1,800.00	16,200.00	10%
09/20/2022	2022-08 Bd Mtg & 07 Subcomm Mtg			200.00			
09/20/2022	2022-08 Bd Mtg			100.00			
09/20/2022	2022-08 Bd Mtg			100.00			
09/20/2022	2022-08 Bd Mtg & 07 Subcomm Mtg			200.00			
09/20/2022	2022-08 Bd Mtg & 07 Subcomm Mtg			200.00			
Total 21808 · Board Membership				<u>800.00</u>			
21811 · Court Reporters		2,000.00	2,000.00	-	-	2,000.00	0%
Total 21811 · Court Reporters				<u>-</u>			
21872 · Investigations		1,000.00	1,000.00	-	-	1,000.00	0%
Total 21872 · Investigations				<u>-</u>			
21900 · Publications & Legal Notices		4,750.00	4,750.00	-	3,762.62	987.38	79%
Total 21900 · Publications & Legal Notices				<u>-</u>			
22300 · Spec Dept Exp - Other		500.00	500.00	-	-	500.00	0%
Total 22300 · Spec Dept Exp - Other				<u>-</u>			
22310 · Election Expense		20,000.00	20,000.00	-	-	20,000.00	0%
Total 22310 · Election Expense				<u>-</u>			
22327 · Spec Dept Exp - Cost Allocation		40,450.00	40,450.00	3,367.00	10,101.00	30,349.00	25%
09/01/2022	2022-09 Cost Alloc			3,367.00			
Total 22327 · Spec Dept Exp - Cost Allocation				<u>3,367.00</u>			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month and Fiscal Year Ended September 30, 2022

Administrative Budget	Adopted	Current Budget	Expended 09/2022	Expended YTD	Bal Remaining	% Exp YTD
22500 · Transportation & Travel	400.00	400.00	28.50	28.50	371.50	7%
09/15/2022 2022-07 & 08 Mail Runs			28.50			
Total 22500 · Transportation & Travel			<u>28.50</u>			
22505 · Trans & Travel - Staff Development	4,000.00	4,000.00	-	-	4,000.00	0%
Total 22505 · Trans & Travel - Staff Development			<u>-</u>			
22515 · Trans & Travel - In State	35,000.00	35,000.00	734.67	12,863.63	22,136.37	37%
09/08/2022 CALAPRS - Benefits Roundtable			150.00			
09/12/2022 CALAPRS - Virtual Attorneys' Roundtable			50.00			
09/26/2022 CALAPRS - Administrators' Institute			313.02			
09/29/2022 CALAPRS - Principles of Pension Governance for Trustees Travel Reimb			221.65			
Total 22515 · Trans & Travel - In State			<u>734.67</u>			
22516 · Trans & Travel - Out of State	7,500.00	7,500.00	-	-	7,500.00	0%
Total 22516 · Trans & Travel - Out of State			<u>-</u>			
22600 · Utilities	18,500.00	18,500.00	1,937.47	3,849.46	14,650.54	21%
09/08/2022 PG&E - 2022-08 Svcs			1,481.91			
09/23/2022 City of Merced - 2022-08 WS&G			455.56			
Total 22600 · Utilities			<u>1,937.47</u>			
Depreciation Expense	25,000.00	25,000.00	-	-	25,000.00	
Total Administrative Budget	2,247,450.00	2,247,450.00	195,396.54	499,952.40	1,747,497.60	22%

Non-Administrative Projection													
		Current										Remaining	
		Projection	Q1 Expended	Q1 %	Q2 Expended	Q2 %	Q3 Expended	Q3 %	Q4 Expended	Q4 %	Total Expended	Projected	% Exp
21800	Investment Expenses	\$ 3,250,000.00	\$ 284,856.23	9%	\$ 792,504.10	24%	\$ 641,126.80	20%	\$ 1,163,427.64	36%	\$ 2,881,914.77	\$ 368,085.23	89%
21802	Actuarial Services	150,000.00	9,067.50	6%	28,041.85	19%	64,471.25	43%	18,711.25	12%	120,291.85	29,708.15	80%
21812	Data Processing	90,000.00	11,011.39	12%	13,508.41	15%	14,089.70	16%	18,747.76	21%	57,357.26	32,642.74	64%
21834	Legal Services	365,000.00	56,738.37	16%	98,176.92	27%	76,283.14	21%	102,834.50	28%	334,032.93	30,967.07	92%
21840	Custodial Banking Services	135,000.00	2,424.03	2%	26,337.36	20%	28,943.65	21%	54,613.88	40%	112,318.92	22,681.08	83%
22350	Software & Technology	425,000.00	174,776.79	41%	120,710.63	28%	31,158.65	7%	20,782.18	5%	347,428.25	77,571.75	82%
	Depreciation Expense	250,000.00	-	0%	-	0%	-	0%	243,633.62	97%	243,633.62	6,366.38	97%
Total Non-Administrative Items		\$ 4,665,000.00	\$ 538,874.31	12%	\$ 1,079,279.27	23%	\$ 856,073.19	18%	\$ 1,622,750.83	35%	\$ 4,096,977.60	\$ 568,022.40	88%

Capital Assets Budget													
		Current										Remaining	
		Appropriation	Q1 Expended	Q1 %	Q2 Expended	Q2 %	Q3 Expended	Q3 %	Q4 Expended	Q4 %	Total Expended	Appropriation	% Exp
81386	Cubicle Expansion	\$ 18,500.00	\$ -	0%	\$ 16,836.78	91%	\$ -	0%	\$ -	0%	\$ 16,836.78	\$ 1,663.22	91%
81453	HVAC Replacement Units	39,408.78	-		39,408.78		-		-		39,408.78	-	100%
Total Capital Assets Budget		\$ 57,908.78	\$ -	0%	\$ 56,245.56	97%	\$ -	0%	\$ -	0%	\$ 56,245.56	\$ 1,663.22	97%

Administrative Budget													
		Current										Remaining	
		Appropriation	Q1 Expended	Q1 %	Q2 Expended	Q2 %	Q3 Expended	Q3 %	Q4 Expended	Q4 %	Total Expended	Appropriation	% Exp
10110	Salaries & Wages	\$ 1,650,000.00	\$ 226,952.98	14%	\$ 314,151.85	19%	\$ 270,710.95	16%	\$ 405,715.00	25%	\$ 1,217,530.78	\$ 432,469.22	74%
20600	Communications	7,100.00	1,032.36	15%	1,542.77	22%	1,533.44	22%	2,068.40	29%	6,176.97	923.03	87%
20900	Household Expense	13,500.00	2,660.14	20%	2,725.14	20%	3,415.46	25%	3,082.22	23%	11,882.96	1,617.04	88%
21000	Insurance-Other	96,000.00	95,796.00	100%	-	0%	-	0%	-	0%	95,796.00	204.00	100%
21301	Maintenance Structure Improvement	19,000.00	2,705.09	14%	4,263.69	22%	1,112.35	6%	7,393.31	39%	15,474.44	3,525.56	81%
21500	Membership	7,500.00	4,000.00	53%	435.00	6%	-	0%	1,000.00	13%	5,435.00	2,065.00	72%
21700	Office Expense-General	18,000.00	1,843.70	10%	3,033.36	17%	3,613.08	20%	9,057.45	50%	17,547.59	452.41	97%
21710	Office Expense-Postage	18,500.00	2,511.50	14%	4,494.50	24%	6,243.47	34%	4,889.48	26%	18,138.95	361.05	98%
21805	Audits	88,000.00	11,304.50	13%	24,939.00	28%	12,024.70	14%	20,531.10	23%	68,799.30	19,200.70	78%
21808	Board Membership	18,000.00	2,000.00	11%	2,100.00	12%	2,300.00	13%	3,100.00	17%	9,500.00	8,500.00	53%
21811	Court Reporters	2,000.00	-	0%	-	0%	-	0%	-	0%	-	2,000.00	0%
21816	Medical Services	19,000.00	-	0%	-	0%	-	0%	-	0%	-	19,000.00	0%
21872	Investigations	1,000.00	-	0%	-	0%	-	0%	-	0%	-	1,000.00	0%
21900	Publications & Legal Notices	4,500.00	3,504.29	78%	-	0%	-	0%	-	0%	3,504.29	995.71	78%
22300	Spec Dept Expense-Other	500.00	-	0%	6.31	1%	-	0%	-	0%	6.31	493.69	1%
22310	Election Expense	20,000.00	-	0%	-	0%	-	0%	-	0%	-	20,000.00	0%
22327	Spec Dept Exp-Cost Allocation	27,000.00	6,700.50	25%	6,700.50	25%	6,700.50	25%	6,700.50	25%	26,802.00	198.00	99%
22500	Transportation & Travel	400.00	-	0%	-	0%	46.18	12%	42.47	11%	88.65	311.35	22%
22505	Trans & Travel-Staff Development	4,000.00	-	0%	-	0%	-	0%	-	0%	-	4,000.00	0%
22515	Trans & Travel-In State	35,000.00	2,550.00	7%	1,621.53	5%	(68.00)	0%	1,816.19	5%	5,919.72	29,080.28	17%
22516	Trans & Travel-Out Of State	7,500.00	-	0%	-	0%	-	0%	-	0%	-	7,500.00	0%
22600	Utilities	17,000.00	4,480.83	26%	4,290.46	25%	3,285.08	19%	4,247.84	25%	16,304.21	695.79	96%
	Depreciation Expense	23,000.00	-	0%	-	0%	-	0%	21,437.76	93%	21,437.76	1,562.24	93%
Total Administrative Budget		\$ 2,096,500.00	\$ 368,041.89	18%	\$ 370,304.11	18%	\$ 310,917.21	15%	\$ 491,081.72	23%	\$ 1,540,344.93	\$ 556,155.07	73%
Total MercedCERA		\$ 6,819,408.78	\$ 906,916.20	13%	\$ 1,505,828.94	22%	\$ 1,166,990.40	17%	\$ 2,113,832.55	31%	\$ 5,693,568.09	\$ 1,125,840.69	83%

Merced County Employees' Retirement Association
Non-Admin Expenses Prev Year Comparison (Preliminary)
For the Quarter Ended June 30, 2022

	<u>Apr - Jun 22</u>	<u>Apr - Jun 21</u>	<u>\$ Change</u>	<u>% Change</u>
Expense				
62025 · Non-Administrative Expenses				
21800 · Investment Expenses				
IED0003 · Mellon LC SIF	21,044.26	21,763.34	(719.08)	-3.30%
IED0004 · Mellon Dynamic	181,014.78	200,660.26	(19,645.48)	-9.79%
IEE0006 · Acadian Ex US SCF	62,329.00	59,725.00	2,604.00	4.36%
IEE0007 · Driehaus ISCG	57,876.00	64,792.00	(6,916.00)	-10.67%
IEF0001 · Barrow Hanley	54,233.00	60,044.00	(5,811.00)	-9.68%
IEP0001 · SSgA RAS	38,495.98	36,700.26	1,795.72	4.89%
IER0001 · UBS Realty Investors	134,456.93	145,989.94	(11,533.01)	-7.90%
IER0006 · Taconic CRE II	38,000.00	74,896.70	(36,896.70)	-49.26%
IER0012 · Taconic CRE III	52,067.49	-	52,067.49	100.00%
IEX0015 · KKR Global Infrastructure II	26,595.00	41,146.00	(14,551.00)	-35.36%
IEX0018 · GSO EOF	13,394.00	114,837.00	(101,443.00)	-88.34%
IEX0026 · KKR GII III	4,499.00	52,383.00	(47,884.00)	-91.41%
IEX0038 · Taconic MDOF III	30,843.32	12,103.60	18,739.72	154.83%
ISC001 · Meketa Investment Group	112,000.00	110,000.00	2,000.00	1.82%
ISC002 · Cliffwater LLC	199,999.98	133,333.32	66,666.66	50.00%
ISL001 · Nossaman - Investments	99,446.40	115,061.50	(15,615.10)	-13.57%
21800 · Investment Expenses - Other	37,132.50	690.00	36,442.50	5281.52%
Total 21800 · Investment Expenses	1,163,427.64	1,244,125.92	(80,698.28)	-6.49%
21802 · Actuarial Services	18,711.25	47,096.00	(28,384.75)	-60.27%
21812 · Data Processing	18,747.76	17,084.81	1,662.95	9.73%
21834 · Legal Services	102,834.50	92,497.84	10,336.66	11.18%
21840 · Custodial Banking Services	54,613.88	55,527.78	(913.90)	-1.65%
22350 · Software and Technology	20,782.18	17,307.99	3,474.19	20.07%
Depreciation Expense	243,633.62	244,175.64	(542.02)	
Total 62025 · Non-Administrative Expenses	\$ 1,622,750.83	\$ 1,717,815.98	\$ (95,065.15)	-5.53%

Merced County Employees' Retirement Association
Quarterly Expense Report (Preliminary)
For the Fiscal Quarter Ended September 30, 2022

Non-Administrative Projection							
		Current				Remaining	
		Projection	Q1 Expended	Q1 %	Total Expended	Projected	% Exp
21800	Investment Expenses	\$ 3,160,000.00	\$ 189,490.01	6%	\$ 189,490.01	\$ 2,970,509.99	6%
21802	Actuarial Services	250,000.00	-	0%	-	250,000.00	0%
21812	Data Processing	90,000.00	12,272.91	14%	12,272.91	77,727.09	14%
21834	Legal Services	365,000.00	50,423.65	14%	50,423.65	314,576.35	14%
21840	Custodial Banking Services	140,000.00	2,528.79	2%	2,528.79	137,471.21	2%
22350	Software & Technology	400,000.00	195,721.64	49%	195,721.64	204,278.36	49%
	Depreciation Expense	250,000.00	-	0%	-	250,000.00	0%
Total Non-Administrative Items		<u>\$ 4,655,000.00</u>	<u>\$ 450,437.00</u>	10%	<u>\$ 450,437.00</u>	<u>\$ 4,204,563.00</u>	10%
Capital Assets Budget							
		Current				Remaining	
		Appropriation	Q1 Expended	Q1 %	Total Expended	Appropriation	% Exp
81386	Cubicle Expansion	\$ 27,384.43	27,304.24	100%	\$ 27,304.24	\$ 80.19	100%
Total Capital Assets Budget		<u>\$ 27,384.43</u>	<u>\$ 27,304.24</u>	100%	<u>\$ 27,304.24</u>	<u>\$ 80.19</u>	100%
Administrative Budget							
		Current				Remaining	
		Appropriation	Q1 Expended	Q1 %	Total Expended	Appropriation	% Exp
10110	Salaries & Wages	\$ 1,800,000.00	\$ 318,438.36	18%	\$ 318,438.36	\$ 1,481,561.64	18%
20600	Communications	7,100.00	1,072.34	15%	1,072.34	6,027.66	15%
20900	Household Expense	14,750.00	3,617.10	25%	3,617.10	11,132.90	25%
21000	Insurance-Other	100,000.00	99,177.00	99%	99,177.00	823.00	99%
21301	Maintenance Structure Improvement	15,000.00	3,167.41	21%	3,167.41	11,832.59	21%
21500	Membership	7,500.00	4,000.00	53%	4,000.00	3,500.00	53%
21700	Office Expense-General	18,000.00	7,023.61	39%	7,023.61	10,976.39	39%
21710	Office Expense-Postage	18,000.00	2,603.87	14%	2,603.87	15,396.13	14%
21805	Audits	90,000.00	28,447.50	32%	28,447.50	61,552.50	32%
21808	Board Membership	18,000.00	1,800.00	10%	1,800.00	16,200.00	10%
21811	Court Reporters	2,000.00	-	0%	-	2,000.00	0%
21872	Investigations	1,000.00	-	0%	-	1,000.00	0%
21900	Publications & Legal Notices	4,750.00	3,762.62	79%	3,762.62	987.38	79%
22300	Spec Dept Expense-Other	500.00	-	0%	-	500.00	0%
22310	Election Expense	20,000.00	-	0%	-	20,000.00	0%
22327	Spec Dept Exp-Cost Allocation	40,450.00	10,101.00	25%	10,101.00	30,349.00	25%
22500	Transportation & Travel	400.00	28.50	7%	28.50	371.50	7%
22505	Trans & Travel-Staff Development	4,000.00	-	0%	-	4,000.00	0%
22515	Trans & Travel-In State	35,000.00	12,863.63	37%	12,863.63	22,136.37	37%
22516	Trans & Travel-Out Of State	7,500.00	-	0%	-	7,500.00	0%
22600	Utilities	18,500.00	3,849.46	21%	3,849.46	14,650.54	21%
	Depreciation Expense	25,000.00	-	0%	-	25,000.00	0%
Total Administrative Budget		<u>\$ 2,247,450.00</u>	<u>\$ 499,952.40</u>	22%	<u>\$ 499,952.40</u>	<u>\$ 1,747,497.60</u>	22%
Total MercedCERA		<u>\$ 6,929,834.43</u>	<u>\$ 977,693.64</u>	14%	<u>\$ 977,693.64</u>	<u>\$ 5,952,140.79</u>	14%

Merced County Employees' Retirement Association
Non-Admin Expenses Prev Year Comparison (Preliminary)
For the Quarter Ended September 30, 2022

	Jul - Sep 22	Jul - Sep 21	\$ Change	% Change
Expense				
62025 · Non-Administrative Expenses				
21800 · Investment Expenses				
IEF0001 · Barrow Hanley	51,941.00	57,773.00	(5,832.00)	-10.10%
IEX0018 · GSO EOF	11,107.00	152,193.00	(141,086.00)	-92.70%
IEX0026 · KKR GII III	5,141.00	-	5,141.00	100.00%
ISC002 · Cliffwater LLC	66,666.66	66,666.66	-	0.00%
ISL001 · Nossaman - Investments	11,156.85	8,223.57	2,933.28	35.67%
21800 · Investment Expenses - Other	43,477.50	-	43,477.50	100.00%
Total 21800 · Investment Expenses	189,490.01	284,856.23	(95,366.22)	-33.48%
21802 · Actuarial Services	-	9,067.50	(9,067.50)	-100.00%
21812 · Data Processing	12,272.91	11,011.39	1,261.52	11.46%
21834 · Legal Services	50,423.65	56,738.27	(6,314.62)	-11.13%
21840 · Custodial Banking Services	2,528.79	2,424.03	104.76	4.32%
22350 · Software and Technology	195,721.64	174,776.79	20,944.85	11.98%
Total 62025 · Non-Administrative Expenses	\$ 450,437.00	\$ 538,874.21	\$ (88,437.21)	-16.41%



Investment Grade Portfolio Asset Class Review and Proposal

October 13, 2022

Merced County Employees'
Retirement Association

Agenda

1. Introduction
2. Fixed Income Recommendation
3. Appendix

Introduction

Introduction

- The Merced CERA Public Fixed Income Portfolio has two distinct parts: Core Fixed Income, and Opportunistic Credit
- We believe both buckets serve a purposeful role. More specifically, despite a challenging rate environment, we continue to believe it is important to retain exposure to core fixed income assets as part of a long-term asset allocation, in spite of its sensitivity to interest rates.
 - Given the backdrop of a rising rate environment, it is a reasonable time to reconsider the structure of the Core portfolio, which is currently comprised of an actively managed core bond portfolio, a passively managed core bond portfolio, and a short duration index.
- Merced CERA is also building out its private credit/direct lending portfolio
- Assets for these investments are currently held in the Core Fixed Income allocation, specifically in the short duration bond index.
- Meketa believes additional active management in the fixed income portfolio may enhance the durability of the program in uncertain times.
- It is worth reminding the Board that forward looking, long-term expectations for fixed income assets have risen dramatically in 2022, as yields have increased. Meaning, fixed income's future contribution to returns in the portfolio are likely to be enhanced over the medium to long-term.
 - Core fixed income has been a place where active management has added small, but consistent, incremental alpha over time, through high conviction managers.
 - We believe the recent addition of Wellington improves the execution within the core exposure of the portfolio.
 - We also believe the further addition of Brandywine and Payden could provide additional flexibility.

Fixed Income Recommendation

Action Items:

→ Meketa is proposing the addition of an **active manager specializing in duration management**. In this case, we believe a manager like Brandywine may offer Merced a diversified alpha source.

Seek Board Approval to hire Brandywine (30% allocation within the overall core fixed income portfolio)

→ Additionally, Meketa and the sub-committee is proposing the addition of an **active manager within the short duration allocation** with the goal of adding incremental alpha alongside MercedCERA's existing passive allocation to Vanguard's Short-Term Treasury Index Fund. Supplementing the index with active management has the potential to provide better positioning.

→ Target a 10% allocation within the overall fixed income portfolio to Short Duration exposure, applying a 75%/25% weighting between active and passive management.:

Seek Board Approval to hire Payden & Rygel (7.5% allocation within overall core fixed income).

Retain Short Term Bond Index for Liquidity needs (2.5% allocation within overall core fixed income).

→ Alternatively, retain Payden and Rygel for the entire, 10% allocation to short-duration bonds.

Fixed Income Recommendation (continued)

- As previously stated, Meketa continues to believe it is important to retain exposure to core fixed income assets as part of a long-term asset allocation with the greater bulk of fixed income assets residing in core bonds. We look to active management to protect assets in a challenging environment, as well as add value in flat to positive environments.
- Recently, the Board approved the hiring of active manager Wellington to fill the core fixed income role, alongside the Plan's existing active core bond manager Barrow Hanley. We have confidence in Wellington's ability to generate forward-looking performance in excess of the benchmark. As such:

Seek Board Approval to fully redeem assets from Barrow Hanley and move assets to Wellington (active) (45% of core fixed income allocation)

Retain Vanguard's Total Bond Market Index (passive) (15% of overall core fixed income allocation).

Core Fixed Income Targeted Breakdown

Substyle/ Underlying Managers	Core Fixed Income (%)	Active (%)	Passive (%)	Functional Role
Active Duration ("Core Plus")	30	100		Risk mitigating and incremental alpha
Brandywine	30	100		
Short Duration	10	75	25	Risk mitigating and incremental alpha thru active mgmt
Payden & Ragel	7.5	75		
Vanguard ST Treasury	2.5		25	This allocation could be easily substituted with active, if desired
Core Bond	60	75	25	Risk mitigating and incremental alpha thru active mgmt
Wellington	45	75		
Vanguard Total Bond Index	15		25	

Fixed Income Policy Exposures

Asset Class	Policy Target	Primary Functional Role
Core Fixed Income	11	Risk Mitigating
Opportunistic Credit	5	Return Seeking

Manager Highlights

Brandywine:

- Strong track record in their ability to manage the yield curve.
- Current positioning: credit risk off, duration risk on (thru Treasuries).
- Duration moved from a 2 yr. to 9 yr. today, based on their view of valuation and yield, and recessionary concern.

Headwind/ Tailwind to Market Performance

- Performance may be challenged in a continued rising rate environment if the long duration position is retained. That said, duration exposure can change based on perceived risks and changing views; ST duration exposure thru Payden may also offset (current) LT duration of Brandywine.
- Under a recessionary environment, strategy will benefit based on current positioning.

Payden & Ragel:

- High conviction short duration manager. Manager takes on short-term credit risk though ABS, CMBS and Corporate.
- Strong upside and downside capture.

Headwind/ Tailwind to Market Performance:

- Portfolio protection under a rising rate environment, lower long term expected returns if the yield curve turns back upward.

Appendix

Summary and Recommendation¹

→ While we believe the Fund's investment grade bond allocation is prudently structured following the rebalancing and allocation to Wellington Core Bond, we provide alternative structures for the IC to consider.

Current Portfolio	Millions(\$)	% of Asset Class	Duration ²	Yield to Maturity (%)	Fees (%)
Total	166.4	100	5.1	3.9	0.09
Wellington Core	79.2	48	6.4	4.8	0.134
Vanguard Total Bond Index	36.9	22	6.7	3.4	0.04
Vanguard Short-Term Tsy Index	50.2	30	1.9	2.9	0.05
<i>Barclays Aggregate Index</i>			6.4	3.7	

→ The "Current Portfolio" reflects the board's decision to replace Barrow Hanley with Wellington, in addition to proposed portfolio rebalancing.

→ The rebalancing resulted in a shift of ~\$40 million (~24%) from the Vanguard Total Bond Index to the Vanguard Short-Term Treasury Index.

¹Duration and YTM figures are as of June 30, 2022

Summary and Recommendation (continued)

- Presented below are 5 scenarios for the board to consider. For the Core and Short Duration allocations, each scenario is split 75% active management and 25% passive management, which we think provides flexibility.
- Our scenario analysis was performed under the assumption that Wellington will fully replace Barrow Hanley.
- We present Scenario 1 as a “base case” and alternative options to either add or reduce exposure to the “plus” manager or to Short Duration.

MV %	Core (MV%)		Plus (MV%)	Short Duration (MV%)		Duration (yrs)	Yield (%)	Fees (%)
	Wellington/BHMS ¹	Vanguard TR	Brandywine	Payden	Vanguard ST			
Pre-Rebalance (94/0/6)	48	46	-	-	6	6.2	3.7	0.19
Current (70/0/30)	48	22	-	-	30	5.1	3.9	0.09
Scenario 1 (60/30/10)	45	15	30	7.5	2.5	6.8	3.9	0.19
Scenario 2 (40/50/10)	30	10	50	7.5	2.5	7.3	3.6	0.23
Scenario 3 (50/40/10)	37.5	12.5	40	7.5	2.5	7.0	3.8	0.21
Scenario 4 (50/30/20)	37.5	12.5	30	15	5	6.3	3.8	0.21
Scenario 5 (60/0/40)	45	15	-	30	10	4.5	4.2	0.19
<i>Barclays Aggregate Index</i>						6.4	3.7	

¹ The “Pre-Rebalance” portfolio is composed of Barrow Hanley High Quality Core fixed income. The “Current” and all scenarios include Wellington under the assumption that they are fully replacing Barrow Hanley as the active core fixed income manager

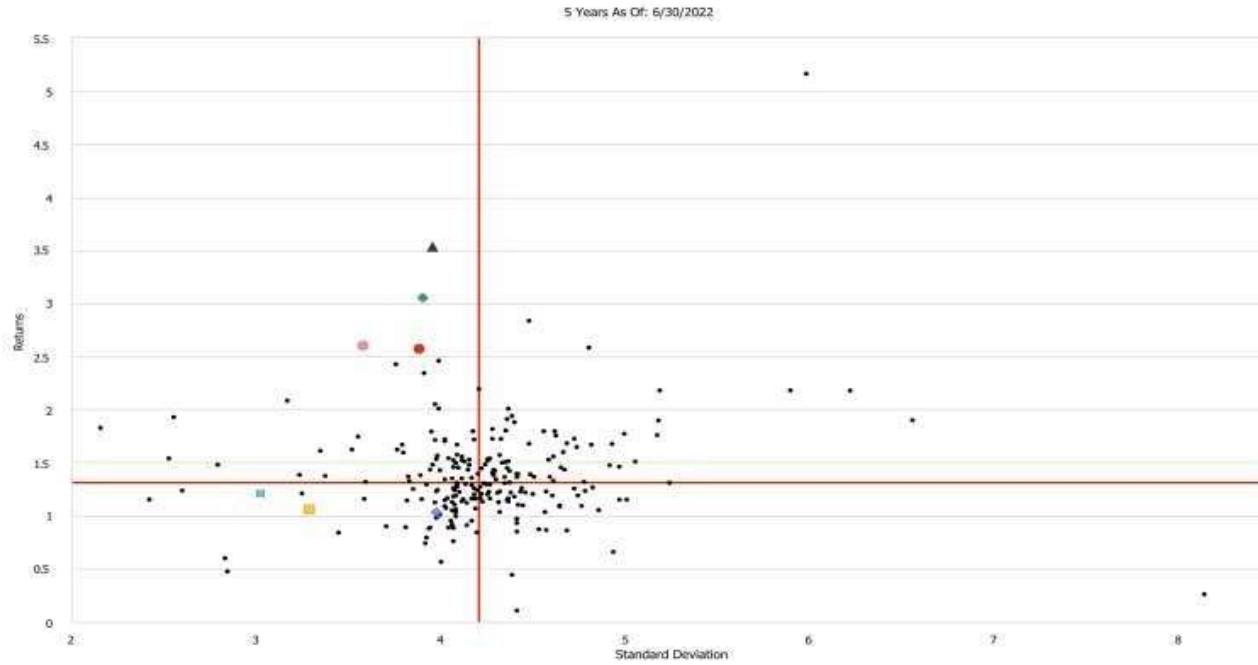
Historical Risk Statistics (Longest Common Period)¹
as of June 30, 2022

	Pre-Rebal (94/0/6)	Current (70/0/30)	Scenario 1 (60/30/10)	Scenario 2 (40/50/10)	Scenario 3 (50/40/10)	Scenario 4 (50/30/20)	Scenario 5 (60/0/40)	BBG Aggregate Index
Performance² (%)	2.1	2.1	3.5	4.2	3.8	3.4	2.1	2.0
Risk Measures								
Standard Deviation (%)	3.3	2.7	3.4	3.7	3.6	3.2	2.4	3.4
Tracking Error (%)	0.2	0.8	1.1	1.7	1.4	1.1	1.1	NA
Beta	1.0	0.8	1.0	1.0	1.0	0.9	0.7	NA
Upside Capture (%)	99	83	115	123	119	107	78	NA
Downside Capture (%)	97	74	81	76	78	73	64	NA
Risk-Adjusted Performance								
Sharpe Ratio	0.5	0.6	0.9	1.0	0.9	0.9	0.7	0.5
Jensen's Alpha	0.1	0.4	1.5	2.1	1.8	1.5	0.5	NA
Information Ratio	0.3	0.1	1.3	1.2	1.3	1.2	0.1	NA

- The introduction of Brandywine has a meaningful positive impact on risk characteristics as a result the strategies ability to produce strong risk adjusted returns over the trailing 5-year period
- All scenarios result in minimal increase to volatility while more efficiently capturing upside market moves and protecting on the downside. Tracking error in all scenarios increase with higher allocations to Brandywine.

¹ Longest common period is defined as September 2010 through June 2022. The benchmark used for calculations is the Bloomberg US Aggregate Index.

² Gross of fees.



Universe: eVestment US Core Fixed Income

	VT	RM	Returns	Standard Deviation
Merced - Current	BP	BP	1.03	3.97
Merced - Post Rebalance/Welington	BP	BP	1.06	3.29
Merced - Scenario 1 60/30/10	BP	BP	2.57	3.88
Merced - Scenario 2 30/50/10	BP	BP	3.53	3.95
Merced - Scenario 3 50/40/10	BP	BP	3.05	3.91
Merced - Scenario 4 50/30/20	BP	BP	2.60	3.58
Merced - Scenario 5 60/0/40	BP	BP	1.20	3.02
+ US Core Fixed Income	---	---	1.31	4.21

Results displayed in USD using Spot Rate (SR).

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Historical Performance¹ as of June 30, 2022

	Pre-Rebal (94/0/6)	Current (70/0/30)	Scenario 1 (60/30/10)	Scenario 2 (40/50/10)	Scenario 3 (50/40/10)	Scenario 4 (50/30/20)	Scenario 5 (60/0/40)	BBG Aggregate Index
Trailing Returns (%)								
MRQ	-4.5	-3.9	-4.4	-4.0	-4.2	-3.9	-3.5	-4.7
YTD	-10.0	-8.8	-8.9	-7.9	-8.4	-8.1	-8.0	-10.3
1 Year	-10.1	-8.9	-8.8	-7.8	-8.3	-8.0	-8.0	-10.3
3 Years	-0.6	-0.4	1.2	2.4	1.8	1.3	-0.2	-0.9
5 Years	1.0	1.1	2.6	3.5	3.1	2.6	1.2	0.9
10 Year	1.6	1.7	3.1	3.8	3.4	3.0	1.7	1.5
Calendar Year Returns (%)								
2021	-1.6	-1.1	-0.4	0.1	-0.2	-0.3	-0.9	-1.5
2020	8.2	7.2	10.8	12.3	11.5	10.2	6.8	7.5
2019	8.6	7.7	10.4	11.3	10.8	9.8	7.3	8.7
2018	0.1	0.3	1.3	2.1	1.7	1.5	0.6	0.0
2017	3.4	3.2	3.8	3.5	3.7	3.4	3.1	3.5
2016	2.6	2.9	5.9	7.5	6.7	5.7	2.9	2.6
2015	0.8	0.6	0.2	-0.1	0.0	0.2	0.7	0.5
2014	5.6	4.7	8.3	9.9	9.1	7.7	4.2	6.0
2013	-1.8	-0.8	-1.4	-1.6	-1.5	-1.2	-0.5	-2.0

¹Gross of fees.

Portfolio Characteristics
as of June 30, 2022

	<i>Pre-Rebal (94/0/6)</i>	<i>Current (70/0/30)</i>	<i>Scenario 1 (60/30/10)</i>	<i>Scenario 2 (40/50/10)</i>	<i>Scenario 3 (50/40/10)</i>	<i>Scenario 4 (50/30/20)</i>	<i>Scenario 5 (60/0/40)</i>	<i>BBG US Agg</i>
Portfolio Profile:								
Effective Duration (years)	6.2	5.1	6.8	7.3	7.0	6.3	4.5	6.4
Yield to Maturity (%)	3.7	3.9	3.9	3.6	3.8	3.8	4.2	3.7
Credit Quality Breakdown (%):								
AAA	67	79	75	79	77	74	67	75
AA	3	2	3	3	3	4	4	3
A	13	9	10	8	9	10	12	10
BBB	17	12	13	10	12	13	17	13
Below BBB	0	0	0	0	0	1	2	0
Unrated	0	2	2	1	2	2	3	0
Cash	0	-4	-4	-3	-3	-3	-4	0
Sector Allocation								
Treasury	37	46	40	51	46	43	31	41
Agency	0	0	0	0	0	0	0	1
Corporate	31	20	22	17	20	21	27	24
Municipal	0	1	1	1	1	1	1	0
MBS	24	29	32	26	29	28	30	28
CMBS	2	2	3	2	3	3	5	2
ABS	4	3	4	3	3	4	7	0
Other	2	2	2	1	2	2	3	4
Cash and Equivalents	0	-4	-3	-1	-2	-2	-4	0

Manager Overviews

Active Investment Grade Manager Overviews
as of June 30, 2022

	Wellington	Brandywine	Payden & Rygel
Firm Location	Boston, MA	Philadelphia, PA	Los Angeles, CA
Firm Inception	1982	1986	1983
Ownership Structure	100% employee-owned	Wholly owned by Franklin Templeton	100% employee-owned
Asset Under Management (Firm)	\$1.2 trillion	\$60.7 billion	\$135.9 billion
Strategy Name	Core Bond	US Fixed Income	Low Duration
Strategy Inception	December 1984	October 1995	January 1984
Assets Under Management (Strategy)	\$53.2 billion	\$3.1 billion	\$36.8 billion
Benchmark	Bloomberg Barclays US Aggregate	Bloomberg Barclays US Aggregate	Bloomberg Barclays 1-3 Yr. TSY
Duration	6.4	9.1	1.5
Yield	4.8	2.9	4.1
Average Credit Quality	AA-	AAA	A
Fees ¹	0.134%	0.335%	0.38% ²

¹ Represents the lowest fee vehicle offered by each manager. See Fees and Terms table for more details.

² Payden has indicated to Meketa that they would be willing to waive the \$10M minimum amount given Meketa's existing relationship with the manager. Typical fees for the proposed mandate sizes would be 0.43%.

Wellington

Organization: Wellington Management, headquartered in Boston, MA, traces its history back to the founding of the Wellington Fund in 1928. Wellington Management Group (WMG) is a limited liability partnership, privately held by 177 partners who are all fully active in the business of the firm with no external entities with any ownership interest. Wellington had \$1.2 trillion in assets under management as of June 30, 2022, of which \$53.2 billion are in the Core Bond strategy

Investment Team: The Core Bond and Intermediate strategies are run by two partners of the firm, Joe Marvan and Campe Goodman, who are also members of the Broad Markets team of portfolio managers. Sector specialists manage each sector (Governments, MBS, CMBS, investment grade credit, rates, inflation) based on fundamental bottom-up research. The Core Bond portfolio managers work with the Sector Specialist Portfolio Managers and all analysts to construct and monitor the portfolio. There is no CIO. The Broad Markets team decides the broad strategy such as allocating risk to sectors and duration. Broad Markets has four portfolio managers and an Investment Director that make top-down macro decisions based on the economy, central bank policy, and rates. Portfolio managers that run other strategies usually are in agreement with their views, but they do not have to take direction from them and may run independently.

Investment Philosophy: Wellington runs a well-diversified portfolio with no one source of alpha overwhelming returns. They only invest in investment grade, US-dollar denominated, securities and do not make allocations to the high yield or non US dollar denominated sectors.

Investment Process: Core Bond strategy is managed in a benchmark-relative style that invests across the major sectors of the domestic, investment grade bond market. The strategy seeks excess returns of 50-75 bps over the Bloomberg US Aggregate Bond index, with expected tracking error of 100-150 bps. The strategy maintains an AA/A credit quality rating and overall duration is typically +/- 1.0 year relative to the index. Historical exposures across high quality fixed income sectors have been; US Treasuries and Agencies 0-50%; Investment grade credit 10-50%, Agency MBS 20-70%; Structured credit 20-40%. While individual security analysis is the cornerstone to their research effort, the Broad Markets team maintains its own top-down sector relative value analysis, as well as views on interest rates, yield curve shape, and inflation. The Broad Markets team meets formally bi-monthly to discuss and develop top-down strategy that includes an interdisciplinary team of internal analysts, macro strategists, portfolio managers, and traders.

Brandywine

Organization: Brandywine Global was founded in 1986 with headquarters in Philadelphia and offices in Toronto, Montreal, London, and Singapore. There are 225 employees managing mostly Fixed Income with total firm AUM at \$60.7 billion as of June 2021 and \$3.1 billion in the US Fixed Income strategy. The sale of Brandywine's parent company, Legg Mason, closed on July 31, 2020 making the new parent, Franklin Templeton, one of the world's largest investment managers with a combined \$1.5 trillion in assets under management. Brandywine Global remains an independent affiliate of Franklin Templeton and retains full control over investments, hiring, and compensation.

Investment Team: There are three PMs and the team is supported by the same Investment Strategy Committee and resources as Brandywine's global fixed income platform. PM Anujeet Sareen joined in May 2016 as a Portfolio Manager from Wellington with 22 years of experience and is supported by Brain Kloss and Tracy Chen, who focuses on structured credit.

Investment Philosophy: Brandywine follows a top-down, macro, value-oriented investment process. They believe interest rates, credit spreads, and the US dollar are regulators of economic activity that drive the business cycle with mean-reverting tendencies. The strategy will invest mainly in US government bonds and investment-grade corporate bonds and typically avoids securitized.

Investment Process: The US Fixed Income strategy is a differentiated, top down, macro-driven bond strategy that manages duration very widely and is highly concentrated in 20-30 issuers (30-40 issues) across corporate credit and US Treasuries, typically with no securitized exposure (although it is allowed). There is no high yield exposure and no non-US exposure. The strategy pulls two primary levers (1) active Treasury duration management and (2) allocation shifts to investment-grade corporates after spread widening events. Specifically, the team manages duration aggressively with US Treasury bonds as exhibited by duration as high as 16+ years in 2016 and close to zero in 2018. The strategy is also very active in shifting to overweight and underweight corporate credits. The team has historically made these shifts solely using cash bonds however more recently they have utilized treasury derivatives to manage overall duration while keeping credit spread duration in cash bonds to capture spread tightening in credit while limiting rate sensitivity.

Payden & Rygel

Organization: Payden and Rygel is a Los Angeles based firm with \$136 billion assets under management. The firm was founded in 1983, and it now has offices in London, Frankfurt, Boston, Paris and Milan. The firm manages \$37 billion in their Low Duration strategy. Payden & Rygel is 100% employee- owned, with ownership distributed among 21 active senior executives. Shareholders have 31 years of average industry experience and 21 years average tenure with the firm.

Investment Team: Payden & Rygel's Investment Policy Committee (IPC), made up of ten senior investment professionals, is responsible for firm-wide strategy oversight and risk management. The role of the IPC is to form the broad-based and long-term view on interest rates, economic growth, inflation, and political risk, to participate in ongoing review and determination of the firm's broad risk-management parameters, and undertake regular reviews of investment results for consistency with Payden & Rygel's fundamental views. The Low Duration team is comprised of six portfolio strategists and four traders. The senior members of the low duration team are responsible for the ongoing development and implementation of investment strategies based on the various benchmarks and client mandates.

Investment Philosophy: Payden & Rygel's focus in short-term portfolios is on sector selection and yield curve management rather than relying primarily on duration management. The firm focuses on sector selection due to the generally ongoing attractiveness of yield levels relative to short-term government bonds. The level and shape of the yield curve changes the most in the shorter end, providing significant opportunity and incentive to structure portfolios appropriately along the curve.

Investment Process: In short duration mandates, particular attention is paid to yield curve positioning in addition to portfolio duration in order to provide for greater consistency of returns over time. This aspect is especially important in managing short-term portfolios since interest rate movements are typically more pronounced at the shorter end of the yield curve. The senior members of the low duration team are responsible for the ongoing development and implementation of investment strategies based on the various benchmarks and client mandates within the low duration mandates that the firm manages. The broad research resources are all brought to bear in the development of investment strategy. Specialist strategy research teams include global government bonds, investment grade credit, high yield credit, emerging market debt, asset-backed and mortgage-backed securities, municipals, and currencies. Due to the short nature of many of these bonds, strategists and traders are looking for new bonds on a daily basis. Payden & Rygel believes strongly in issuer diversification and typically invests a maximum of 1% per issuer.

Portfolio Characteristics
as of June 30, 2022

	Barrow	Wellington	Brandywine	BBG US Agg	Payden	BBG 1-3 Yr TSY
Portfolio Profile:						
Effective Duration (years)	6.2	6.4	9.1	6.4	1.5	1.9
Yield to Maturity (%)	4.0	4.8	2.9	3.7	4.1	3.0
Number of Holdings	298	924	22	12,563	260	94
Average Credit Quality	AA-	AA-	AAA	AA	A	AAA
Credit Quality Breakdown (%):						
AAA	60	69	91	75	51	100
AA	2	4	2	3	7	0
A	16	14	4	10	12	0
BBB	21	19	3	13	22	0
Below BBB	0	4	0	0	8	0
Cash	1	-9	0	0	0	0
Sector Allocation:						
Treasury	20	12	76	41	28	100
Agency	0	0	0	1	0	0
Corporate	39	29	7	24	31	0
Municipal	0	2	0	0	0	0
MBS	31	52	14	28	12	0
CMBS	1	4	0	2	10	0
ABS	8	7	0	0	13	0
Other	0	3	0	4	6	0
Cash and Equivalents	1	-9	3	0	0	0

Historical Risk Statistics (Longest common period)¹
as of June 30, 2022

	Barrow Hanley	Wellington	Brandywine	BBG Aggregate Index	Payden & Rygel	BBG 1-3 Yr Treasury Index
Performance² (%)	2.3	2.9	5.9	2.0	1.7	1.1
Risk Measures						
Standard Deviation (%)	3.5	3.6	5.0	3.4	1.2	1.0
Tracking Error (%)	0.4	0.8	3.4	NA	0.9	NA
Beta	1.02	1.03	1.1	NA	0.88	NA
Upside Capture (%)	106	113	151	NA	119	NA
Downside Capture (%)	100	95	70	NA	62	NA
Risk-Adjusted Performance						
Sharpe Ratio	0.5	0.7	1.1	0.5	0.9	0.5
Jensen's Alpha	0.3	0.8	3.7	NA	0.7	NA
Information Ratio	0.7	1.0	1.1	NA	0.7	NA

¹ Longest common period is defined as September 2010 through June 2022. The benchmark used for calculations are the manager preferred benchmark

² Gross of fees..

Historical Performance¹
as of June 30, 2022

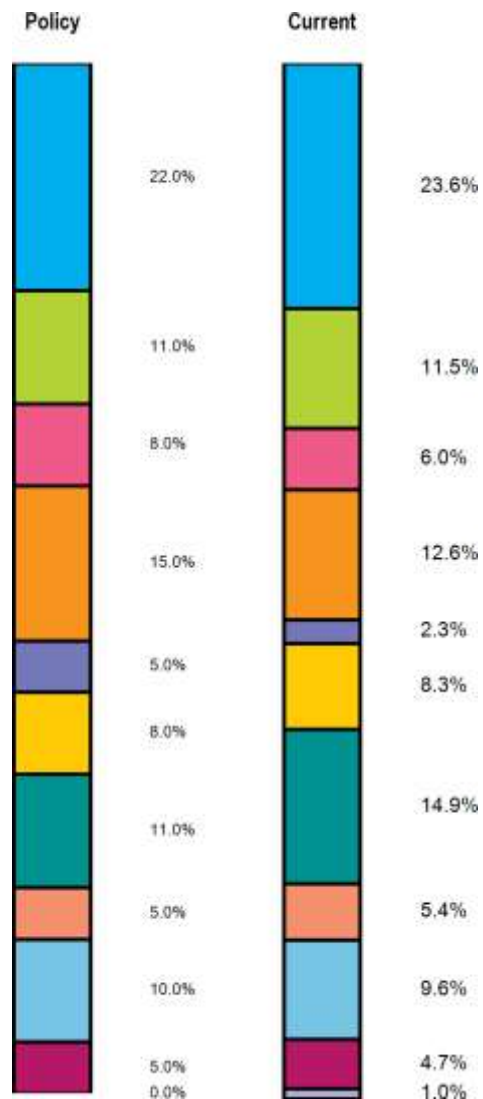
	Wellington	Brandywine	BBG Aggregate Index	Payden & Rygel	BBG 1-3 Yr Treasury Index
Trailing Returns (%)					
MRQ	-5.7	-3.5	-4.7	-0.8	-0.6
YTD	-11.7	-6.1	-10.3	-2.9	-3.1
1 Year	-11.6	-5.9	-10.3	-3.2	-3.6
3 Years	-0.7	5.2	-0.9	0.7	0.3
5 Years	1.2	5.9	0.9	1.5	1.1
10 Year	2.2	5.7	1.5	1.6	1.0
Calendar Year Returns (%)					
2021	-1.3	1.3	-1.5	0.0	-0.5
2020	9.4	16.7	7.5	3.6	3.3
2019	9.8	14.1	8.7	4.6	4.0
2018	-0.3	4.1	0.0	1.7	1.6
2017	4.7	3.3	3.5	1.8	0.8
2016	4.3	11.6	2.6	2.0	1.3
2015	0.7	-0.9	0.5	0.9	0.7
2014	6.6	14.5	6.0	1.2	0.8
2013	-1.0	-2.3	-2.0	1.0	0.6

Fees and Terms

	Wellington	Brandywine	Payden & Rygel
Duration	6.4	9.1	1.5
Vehicle Type	Commingled Fund	Commingled Fund or SMA	Mutual Fund
Liquidity	Daily	Daily	Daily
Effective Fee ¹	0.134%	0.31%	0.38%
Other Expenses	NA	NA	NA
Minimum Size	\$1 M	SMA: \$50 M CF: \$1 M	\$10 M ²

¹ Effective Fees are based on a \$50 million mandate size.

² Payden has indicated to Meketa that they would be willing to waive this minimum amount given Meketa's existing relationship with the manager. Typical fees for the proposed mandate sizes would be 0.43%.



Allocation vs. Targets and Policy							
	Current Balance	Current Allocation	Policy Difference	Policy Range	Within IPS		
US Equity	\$257,901,997	23.6%	22.0%	1.6%	16.0% - 27.0%	Yes	
International Equity	\$125,766,661	11.5%	11.0%	0.5%	6.0% - 16.0%	Yes	
Emerging Markets Equity	\$64,981,493	6.0%	8.0%	-2.0%	4.0% - 12.0%	Yes	
Private Equity	\$137,004,955	12.6%	15.0%	-2.4%	5.0% - 20.0%	Yes	
Direct Lending	\$25,113,568	2.3%	5.0%	-2.7%	0.0% - 10.0%	Yes	
Real Estate	\$90,611,848	8.3%	8.0%	0.3%	6.0% - 10.0%	Yes	
US Fixed Income	\$162,944,180	14.9%	11.0%	3.9%	6.0% - 16.0%	Yes	
Opportunistic Credit	\$58,912,411	5.4%	5.0%	0.4%	3.0% - 7.0%	Yes	
Hedge Funds	\$105,225,726	9.6%	10.0%	-0.4%	5.0% - 15.0%	Yes	
Real Assets	\$51,830,369	4.7%	5.0%	-0.3%	3.0% - 7.0%	Yes	
Cash	\$11,085,479	1.0%	0.0%	1.0%	0.0% - 5.0%	Yes	
Total	\$1,091,378,687	100.0%	100.0%				

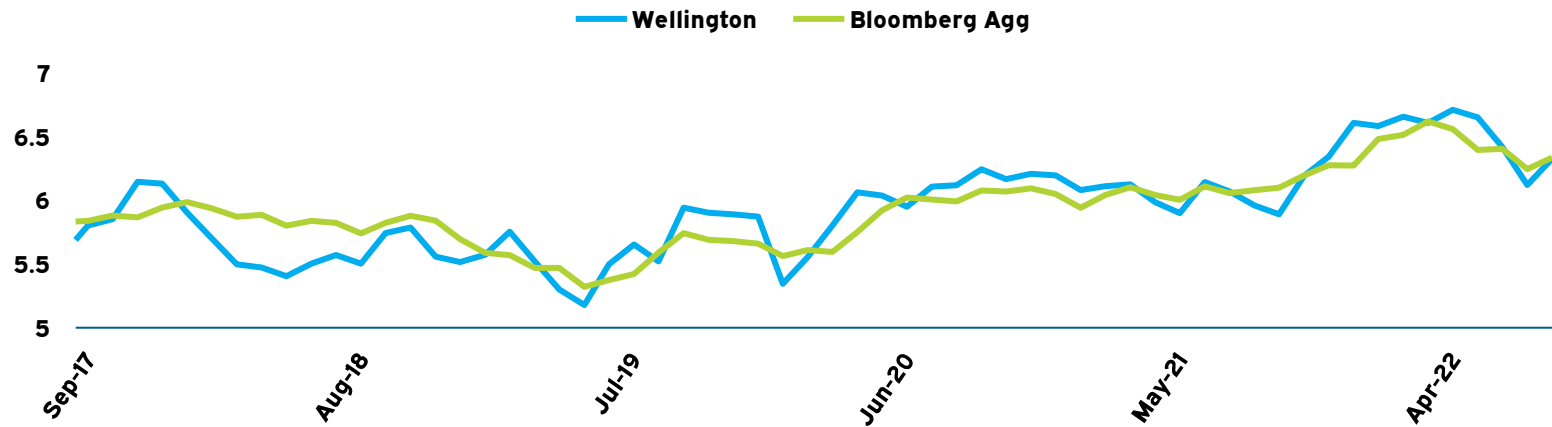
Cash range displayed for illustrative purposes only.

Duration Comparison: Wellington vs. Barclays Aggregate

→ The monthly durations for the Wellington Core Fixed Income fund were compared against the Bloomberg Aggregate over the past five years (September 2017 – August 2022). Below are a summary of the findings:

	Wellington Core Fixed Income	Barclays Aggregate Index	Difference
Average Duration	5.9	5.9	0.0
Min Duration	5.2	5.3	-0.1
Max Duration	6.7	6.6	0.1
Range	1.5	1.3	0.2

→ On average, the Wellington Core Fixed Income portfolio has maintained a duration that in line with the Bloomberg Aggregate Index, with a tight range.

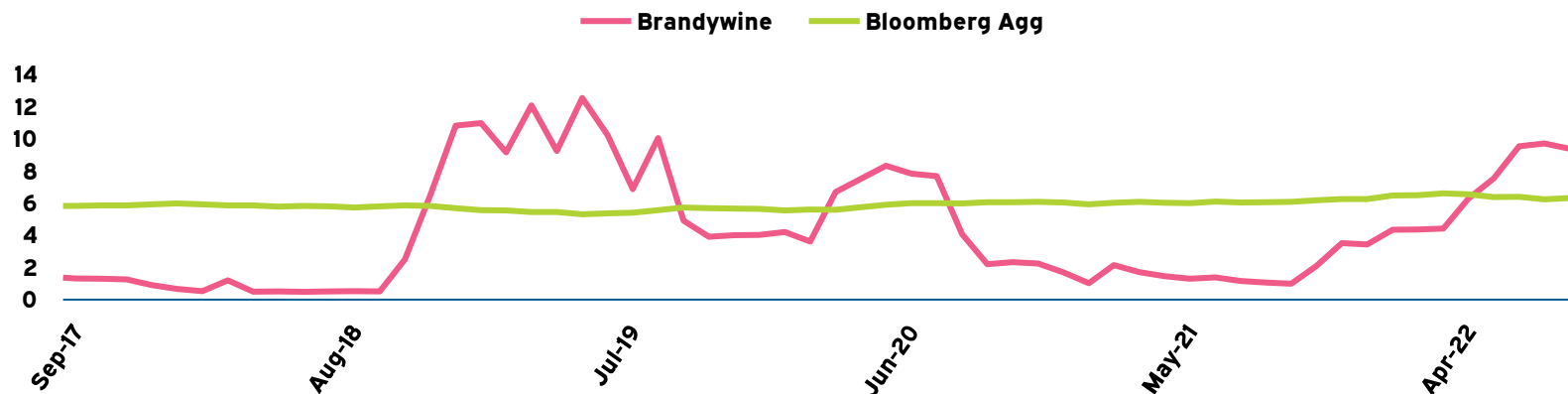


Duration Comparison: Brandywine vs. Barclays Aggregate

→ The monthly durations for the Brandywine US Fixed Income fund were compared against the Bloomberg Aggregate over the past five years (September 2017 – August 2022). Below are a summary of the findings:

	Brandywine US Fixed Income	Barclays Aggregate Index	Difference
Average Duration	4.4	5.9	-1.5
Min Duration	0.5	5.3	-4.8
Max Duration	12.6	6.6	5.9
Range	12.1	1.3	10.8

→ On average, the Brandywine US Fixed Income portfolio has maintained a duration that is 1.5 years lower than the Bloomberg Aggregate Index, with a much wider range.



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SACRS VOTING PROXY FORM

The following are authorized by the _____ County Retirement Board to vote on behalf of the County Retirement System at the upcoming SACRS Conference.

(if you have more than one alternate, please attach the list of alternates in priority order):

_____ Voting Delegate

_____ Alternate Voting Delegate

These delegates were approved by the Retirement Board on ____ / ____ / ____.

The person authorized to fill out this form and submit electronically on behalf of the Retirement Board:

Signature: _____

Print Name: _____

Position: _____

Date: _____

Please send your system's voting proxy by November 1, 2022 to Sulema H. Peterson, SACRS Executive Director at Sulema@sacrs.org.