

**MercedCERA RETIREMENT BOARD AGENDA
THURSDAY, DECEMBER 8, 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 – November 10, 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. Mello, Joseph | Sheriff’s Office | 6 Yrs. Svc. | Eff: 12/01/2022 |
| b. Mckenzie, Thomas | Sheriff’s Office | 28 Yrs. Svc. | Eff: 11/19/2022 |

YTD fiscal year 2022/2023 retirees: 23
YTD fiscal year 2021/2022 retirees: 96
YTD fiscal year 2020/2021 retirees: 89

MONTHLY BUDGET REPORT: Submitted.

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) PUBLIC EMPLOYEE INTERVIEW, TITLE: INVESTMENT OFFICER.

(Govt. Code § 54957)

1. It is the intention of the Board to interview candidates for the position of Investment Officer.

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

(Govt. Code § 54956.81)

1. Cliffwater to recommend one fund for investment.

(3) DISABILITY RETIREMENT APPLICATIONS: PERSONNEL EXCEPTION

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

1. Disability Application Determination
 - a. Thianpimmai, Jeib
 - b. Prock, Herman

RETURN TO OPEN SESSION

Report on any action taken in closed session.

Break for lunch – 25 to 35 minutes.

BOARD ACTION/DISCUSSION

1. Discussion and possible action to approve new formal hearing process for MercedCERA Disability Retirements which includes approval of regulations – Staff and Ted Cabral.
2. Discussion on the preliminary annual valuation results and experience study results
<https://presentation.cheiron.us/presentation/view/MercedCERAPrelimAVR2022?token=W13L>
- Cheiron.
3. Discussion and possible action to approve the proposed interest crediting rates for active, deferred and retired members – Staff.
4. Discussion and possible action on quarterly performance by Cliffwater and possible action on any funds or General Partners - Cliffwater

5. Discussion and possible action on monthly performance by Meketa with market update and action on any possible funds or managers – Meketa.
6. Discussion and possible action to approve meeting calendar for 2023 - Staff.
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:
 - 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.

- January 26, 2023
- February 23, 2023

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.

**MercedCERA RETIREMENT BOARD MEETING MINUTES
THURSDAY, NOVEMBER 10, 2022 – 8:15 A.M.
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

**MERCED COUNTY ADMINISTRATION BUILDING
2222 M STREET, MERCED
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TELEPHONE NUMBER: 1-310-372-7549, CONFERENCE CODE: 975839

CALL TO ORDER - 8:19 A.M.

ROLL CALL

Board Members Present: Karen Adams, Alfonse Peterson, Scott Johnston, Mike Harris, and Aaron Rosenberg. **Absent:** Dave Ness, Scott Silveira, Janey Cabral, and Ryan Paskin. **Counsel:** Jeff Grant. **Staff:** Kristen Santos, Martha Sanchez Barboa, Brenda Mojica, Sheri Villagrana and Mark Harman.

APPROVAL OF MINUTES – October 27, 2022

The MercedCERA Board voted unanimously via roll call vote to approve the October 27, 2022 meeting minutes.
Peterson/Harris U/A (5/0)

PUBLIC COMMENT

No comments from the public.

CONSENT ITEMS

The MercedCERA Board voted unanimously via roll call vote to approve the consent agenda as presented.
Adams/Harris U/A (5/0)

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. Cliffwater to recommend two funds for investment.

1a) The MercedCERA Board voted unanimously via roll call vote to approve a commitment of up to \$8 million to GTCR Fund XIV, L.P., a private equity partnership focused on control buyouts in the U.S., subject to satisfactory legal negotiations.

Adams/Harris U/A (5/0)

1b) The MercedCERA Board voted unanimously via roll call vote to approve a commitment of up to \$8 million to Accel-KKR Capital Partners VII, L.P, a private equity partnership focused on control buyout investments in lower middle market software and technology-enabled service companies, subject to satisfactory legal negotiations.

Harris/Peterson U/A (5/0)

(2) DISABILITY RETIREMENT APPLICATIONS: PERSONNEL EXCEPTION

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

1. Disability Hearing:

a. Prock, Herman

The MercedCERA Board voted to defer the disability hearing to the December, 8, 2022 MercedCERA Board meeting.

Harris/Adams U/A (4/0)

Trustee Rosenberg recused himself.

2. Disability update and possible action:

a. Arroyo, Elizabeth

b. Brooks, Roland

c. Castillo, Araceli

d. Cureton, Michael

e. Elias, Robert

f. French, Deborah

g. Kayser, Esther

h. Xiong, Leslie

No action taken.

BOARD ACTION/DISCUSSION

1. Discussion on new IRS forms W-4P and W-4R and MercedCERA relevant withholding instructions – Staff.

No action taken.

2. Discussion and possible action to approve the Plan Administrator to obtain a credit card on behalf of MercedCERA - Staff.

The MercedCERA Board voted unanimously via roll call vote to approve the Plan Administrator obtain a credit card on behalf of MercedCERA.

Adams/Peterson U/A (5/0)

3. Discussion and possible action to adopt proposed Bylaws – Staff.

The MercedCERA Board voted unanimously via roll call vote to approve the proposed Bylaws.

Adams/Harris U/A (5/0)

4. Discussion of changes with virtual attendance of MercedCERA Board Meetings – Staff.

No action taken.

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

No action taken.

6. 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:

- CALAPRS General Assembly, March 4 - 7, 2023 Monterey, CA (registration not currently open)

No action taken.

INFORMATION ONLY

Trustee Adams- reminder of the first installment of the property tax is due November 10th.

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.

- December 8, 2022

ADJOURNMENT

The meeting adjourned at 9:42 A.M.

Accepted By,

Trustee Name/Position	Signature	Date
Scott Johnston/Vice Chair		
Al Peterson/Secretary		

Non-Administrative Expenses		Original Projection	Current Projection	Expended 11/2022	Expended YTD	Bal Remaining	% Exp YTD
21800	Investment Expenses	3,160,000.00	3,160,000.00	278,533.81	713,425.55	2,446,574.45	23%
10/31/2022	Acadian - 2022-Q3 Mgt Fee			28,263.00			
11/04/2022	UBS TPF - 2022-Q3 Mgt Fee			66,340.93			
11/07/2022	Cliffwater - 2022-10 Consulting Svcs			33,333.33			
11/07/2022	Nossaman - 2022-09 Ares SDLF II			1,075.50			
11/07/2022	Nossaman - 2022-09 Wellington Core Bond CIF			7,657.20			
11/07/2022	Nossaman - 2022-09 Silver Point SCF III			18,051.75			
11/07/2022	Nossaman - 2022-09 Accel KKR CF II			5,469.30			
11/07/2022	Nossaman - 2022-09 Accel KKR GCP IV			551.70			
11/08/2022	Golden Valley Engineering - Prof Svcs thru 2022-10-29			12,092.50			
11/21/2022	KKR GII II - 2022-Q4 Mgt Fee			12,444.00			
11/21/2022	KKR GII III - 2022-Q4 Mgt Fee			10,926.00			
11/23/2022	Golden Valley Engineering - Prof Svcs thru 2022-11-12			19,325.00			
11/23/2022	Nossaman - 2022-10 Silver Point SCF III			8,032.50			
11/23/2022	Nossaman - 2022-10 BlackRock GIF IV			25,741.80			
11/30/2022	Nossaman - 2022-10 Brandywine GIM			13,439.25			
11/30/2022	Nossaman - 2022-10 Accel KKR CF II			1,582.20			
11/30/2022	Nossaman - 2022-10 Wellington Core Bond CIF			14,207.85			
Total 21800 · Investment Expenses				278,533.81			
21802	Actuarial Services	250,000.00	250,000.00	-	36,086.25	213,913.75	14%
Total 21802 · Actuarial Services				-			
21812	Data Processing	90,000.00	90,000.00	4,998.57	22,374.75	67,625.25	25%
11/09/2022	2022-10 IS Billing			4,445.50			
11/09/2022	2022-10 Cradlepoint Chgs			270.00			
11/18/2022	Comcast - 2022-11 Svcs			283.07			
Total 21812 · Data Processing				4,998.57			
21834	Legal Services	365,000.00	365,000.00	(8,594.25)	59,825.14	305,174.86	16%
11/03/2022	2022-11 Cost Allocation - County Counsel			3,416.25			
11/14/2022	Ted Cabral - 2022-10 Legal Svcs			4,958.00			
11/14/2022	Ted Cabral - 2022-10 Legal Svcs			930.00			
11/14/2022	Ted Cabral - 2022-10 Legal Svcs			20.00			
11/14/2022	Ted Cabral - 2022-10 Legal Svcs			92.50			
11/14/2022	Ted Cabral - 2022-10 Legal Svcs			6,234.50			
11/14/2022	Ted Cabral - 2022-10 Legal Svcs			90.00			
11/14/2022	Ted Cabral - 2022-10 Legal Svcs			210.00			
11/14/2022	Ted Cabral - 2022-10 Legal Svcs			1,387.50			
11/16/2022	RLI - Reimb of Hanson Bridgett VCP Legal & Filing Costs (Alameda)			(26,557.70)			
11/21/2022	Hanson Bridgett - 2022-10 Legal Svcs			564.30			
11/23/2022	Nossaman - 2022-10 Legal Svcs			60.40			
Total 21834 · Legal Services				(8,594.25)			

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

Non-Administrative Expenses	Original Projection	Current Projection	Expended 11/2022	Expended YTD	Bal Remaining	% Exp YTD
21840 - Custodial Banking Services	140,000.00	140,000.00	1,095.08	30,381.84	109,618.16	22%
11/03/2022 2022-10 NT STIF Custodial Fee			1,094.53			
11/29/2022 Class Action - Custodial Fee			0.55			
Total 21840 - Custodial Banking Services			<u>1,095.08</u>			
22350 - Software and Technology	400,000.00	400,000.00	13,987.65	212,650.95	187,349.05	53%
11/03/2022 CPAS - 2022-11 Hosting			6,107.00			
11/07/2022 PensionX - 2022-11 SLA			900.00			
11/09/2022 LexisNexis - 2022-10 Accurant & Batch Svcs			873.65			
11/30/2022 CPAS - 2022-12 Hosting			6,107.00			
Total 22350 - Software and Technology			<u>13,987.65</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>290,020.86</u>	<u>1,074,744.48</u>	<u>3,580,255.52</u>	23%

Merced County Employees' Retirement Association
Non-Administrative Expenses Prev Year Comparison (Preliminary)
11/30/2022

Expense	<u>November 2022</u>	<u>November 2021</u>	<u>\$ Change</u>	<u>% Change</u>
62025 · Non-Administrative Expenses				
21800 · Investment Expenses	\$ 278,533.81	\$ 348,908.99	\$ (70,375.18)	-20.17%
21802 · Actuarial Services	-	24,428.10	(24,428.10)	-100.00%
21812 · Data Processing	4,998.57	4,412.81	585.76	13.27%
21834 · Legal Services	(8,594.25)	26,833.21	(35,427.46)	-132.03%
21840 · Custodial Banking Services	1,095.08	165.00	930.08	563.69%
22350 · Software and Technology	13,987.65	12,653.92	1,333.73	10.54%
Total 62025 · Non-Administrative Expenses	<u>\$ 290,020.86</u>	<u>\$ 417,402.03</u>	<u>\$ (127,381.17)</u>	-30.52%

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

Capital Assets Expenditures	Adopted	Current Budget	Expended 11/2022	Expended YTD	Bal Remaining	% Exp YTD
81386 - Cubicle Expansion	27,384.43	27,384.43	-	27,304.24	80.19	100%
Total 81386 - Cubicle Expansion			-			
Total Capital Assets Expenditures	<u>27,384.43</u>	<u>27,384.43</u>	-	<u>27,304.24</u>	<u>80.19</u>	<u>100%</u>

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

Administrative Budget	Adopted	Current Budget	Expended 11/2022	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages	1,800,000.00	1,800,000.00	103,640.68	528,456.36	1,271,543.64	29%
11/10/2022 Office Payroll 2022 PP 23			51,800.91			
11/23/2022 Office Payroll 2022 PP 24			51,839.77			
Total 10110 · Salaries & Wages			103,640.68			
20600 · Communications	7,100.00	7,100.00	695.17	2,155.69	4,944.31	30%
11/03/2022 AT&T - 2022-09 CALNET			153.95			
11/03/2022 AT&T - 2022-10 CALNET			153.37			
11/09/2022 2022-10 iPhone Chgs			149.00			
11/09/2022 2022-10 Comms Chgs			238.85			
Total 20600 · Communications			695.17			
20900 · Household Expense	14,750.00	14,750.00	960.61	5,538.32	9,211.68	38%
11/08/2022 Bob's Pest Control - 2022-10 Pest Control			40.00			
11/21/2022 Geil Enterprises - 2022-11 Custodial Svcs			831.00			
11/21/2022 ADT - 2022-12 Security Svc			89.61			
Total 20900 · Household Expense			960.61			
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	360.00	4,029.91	10,970.09	27%
11/30/2022 Yard Masters - 2022-11 Landscape Maint			360.00			
Total 21301 · Maintenance Structure Improvement			360.00			
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	85.41	7,707.52	10,292.48	43%
11/07/2022 First Choice - 2022-10 Water Svc			35.80			
11/09/2022 2022-10 Stores Billing			27.00			
11/30/2022 First Choice - 2022-11 Water Svc			22.61			
Total 21700 · Office Expense - General			85.41			
21710 · Office Expense - Postage	18,000.00	18,000.00	89.94	3,959.49	14,040.51	22%
11/09/2022 2022-10 Mailroom Chgs			89.94			
Total 21710 · Office Expense - Postage			89.94			

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

Administrative Budget	Adopted	Current Budget	Expended 11/2022	Expended YTD	Bal Remaining	% Exp YTD
21805 · Audits	90,000.00	90,000.00	19,430.75	47,878.25	42,121.75	53%
11/16/2022 Brown Armstrong - 2022-10 Audit Progress FY 22 Audit			19,430.75			
Total 21805 · Audits			<u>19,430.75</u>			
21808 · Board Membership	18,000.00	18,000.00	-	3,000.00	15,000.00	17%
Total 21808 · Board Membership			<u>-</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	-	8,512.41	11,487.59	43%
Total 22310 · Election Expense			<u>-</u>			
22327 · Spec Dept Exp - Cost Allocation	40,450.00	40,450.00	3,367.00	16,835.00	23,615.00	42%
11/03/2022 2022-11 Cost Allocation			3,367.00			
Total 22327 · Spec Dept Exp - Cost Allocation			<u>3,367.00</u>			
22500 · Transportation & Travel	400.00	400.00	17.88	46.38	353.62	12%
11/08/2022 W Calderon - 2022-09 & 10 Mail Runs			17.88			
Total 22500 · Transportation & Travel			<u>17.88</u>			

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

Administrative Budget		Adopted	Current Budget	Expended 11/2022	Expended YTD	Bal Remaining	% Exp YTD
22505 · Trans & Travel - Staff Development		4,000.00	4,000.00	398.00	398.00	3,602.00	10%
11/17/2022	Skillpath Webinar Staff Training			199.00			
11/21/2022	Skillpath Webinar Staff Training			199.00			
Total 22505 · Trans & Travel - Staff Development				<u>398.00</u>			
22515 · Trans & Travel - In State		35,000.00	35,000.00	943.41	15,326.92	19,673.08	44%
11/09/2022	Airline Fee - CALAPRS Administrators' Institute Travel			9.50			
11/14/2022	SACRS - Fall 2022 Conference Registration			240.00			
11/14/2022	SACRS - Fall 2022 Conference Registration			120.00			
11/15/2022	SACRS - Fall 2022 Conference Registration			120.00			
11/21/2022	CALAPRS Administrators' Institute - Travel Reimb			403.91			
11/23/2022	CALAPRS - Benefits Roundtable Registration			50.00			
Total 22515 · Trans & Travel - In State				<u>943.41</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	1,293.62	7,068.62	11,431.38	38%
11/07/2022	City of Merced - 2022-10 WS&G			477.31			
11/07/2022	PG&E - 2022-10 Svcs			816.31			
Total 22600 · Utilities				<u>1,293.62</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>	131,282.47	757,852.49	1,489,597.51	34%



Merced County Employees' Retirement Association

DATE: December 8, 2022

TO: MercedCERA Board of Retirement

FROM: Kristie Santos, Plan Administrator

SUBJECT: Disability Formal Hearing Procedures

ITEM NUMBER: 1

ITEM TYPE: Action

STAFF RECOMMENDATION:

1. Approve the new MercedCERA disability evaluation procedures.
2. Approve the proposed amended Disability Regulations.

DISCUSSION:

Disability retirement applications received by the Merced County Employees' Retirement Association (MercedCERA) undergo a comprehensive review process regulated by the County Employees Retirement Law of 1937 (CERL). Currently, the Board of Retirement presides over all initial disability evaluations (formerly known as informal hearings) and formal hearings. MercedCERA's Board of Retirement is the only CERL system in California presiding over their formal hearings. Hearings before the Board can take many hours, involve large amounts of medical records to be evaluated and require several individuals to be present during the hearing. This includes at least four Board members (minimum number required to make a disability application determination per the CERL), the Board's legal counsel, and MercedCERA staff. Because Board members have other responsibilities, there is an implicit pressure for the hearing process to be completed quickly. This may increase the risk of things to be missed by the Board and a lack of due process to be provided to the member. In turn, this may increase the likelihood of appeals to the superior court (writs of mandate) due to the member's perception that they did not receive a fair hearing. For these reasons MercedCERA staff recommend that the Board of Retirement adopt new formal hearing procedures as recommended with its disability counsel.

Under the proposed procedure, formal hearings would be presided over by a hearing officer. Government Code section 31533 of the CERL provides

"Whenever, in order to make a determination, it is necessary to hold a hearing the board may appoint either one of its members or a member of the State Bar of California to serve as a referee. The referee shall hold such a hearing and shall transmit, in writing, to the Board his proposed findings of fact and recommended decision."

Such recommended hearing officers would be local attorneys with experience in personal injury litigation, arbitrations and mediations. This level of expertise would decrease the

risk of having medical and/or legal errors made during the hearing.

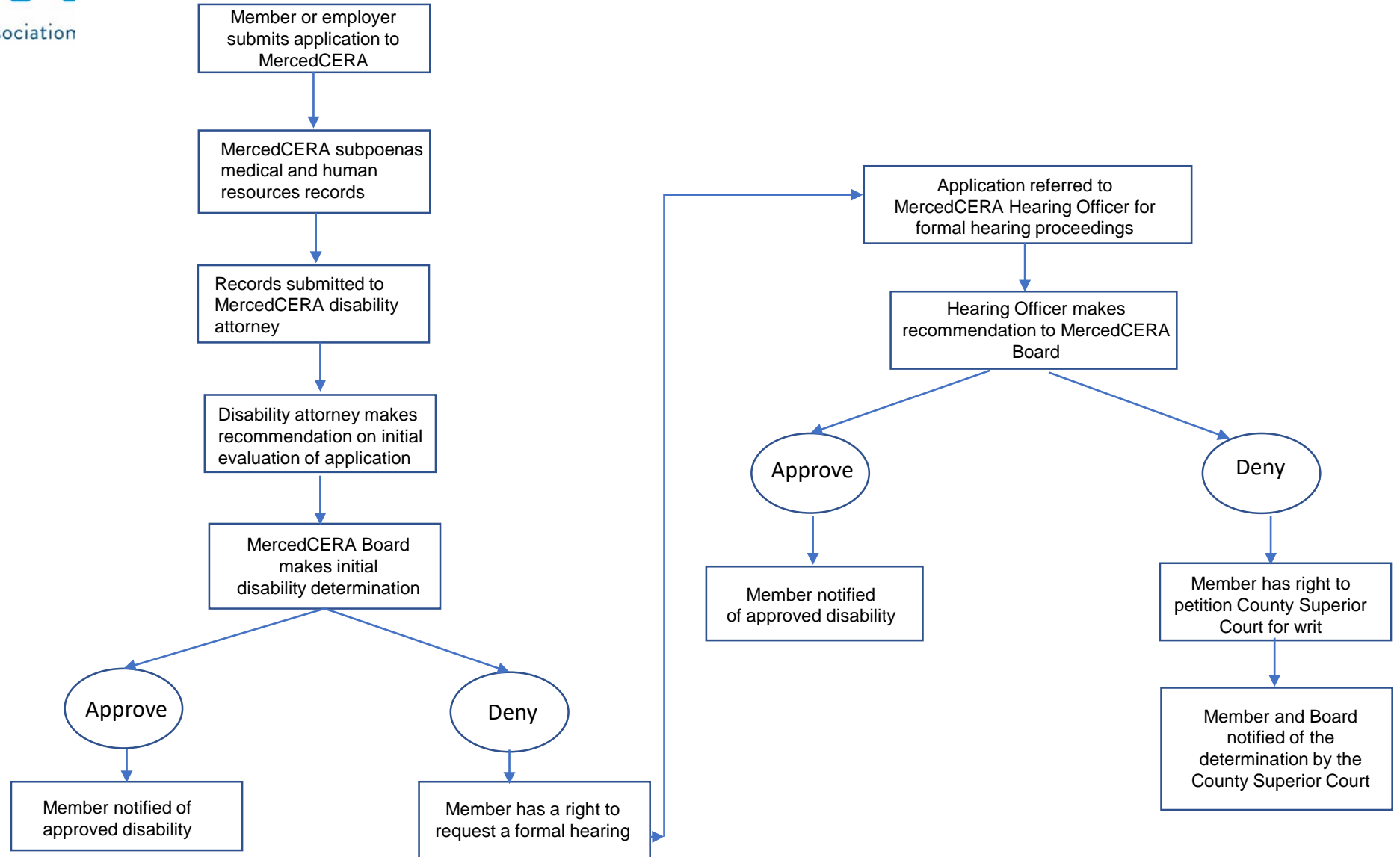
New Hearing Officer Process

As shown in the overview flow chart, the process for submitting and reviewing an application for an initial disability determination would remain the same. MercedCERA staff would continue to bring, for the Board's initial determination, the application and records for initial consideration to either approve or deny a disability application. In the event the Board denies an initial disability evaluation and upon receiving a request for an appeal, MercedCERA staff would refer the case to a hearing officer pre-approved by MercedCERA. Staff would coordinate the hearing with the hearing officer and the member and/or employer. The hearing officer would preside over the hearing and then issue their written findings to the Board for consideration and formal action. The Board may decide the following; approve and adopt the hearing officer's recommendations, or take other action the Board may feel appropriate (i.e. follow up on additional facts or require greater explanation from the hearing officer) and refer the matter back to the hearing officer, or deny the recommendation presented by the hearing officer.

Recommendation:

1. Approve the new MercedCERA disability evaluation procedures.
2. Approve the proposed amended Disability Regulations.

Overview of Disability Retirement Determination Process



BOARD OF RETIREMENT REGULATIONS FOR DISABILITY RETIREMENT CLAIMS

1. Definitions

Unless the context otherwise requires, the definitions in this section shall govern the construction of these regulations.

- a) "Applicant" means:
 - 1. Any member of the Merced County Employees' Retirement Association claiming benefits under the County Employees' Retirement Law of 1937 (CERL), or
 - 2. Any person claiming such benefits through or on behalf of a member.
- b) "Subject Member" means a member on whose behalf an application for disability retirement is filed pursuant to Government Code section 31721 or otherwise.
- c) "Interested Party" includes the Applicant, the Subject Member, the Board, the Association, counsel for the Plan Administrator, the plan sponsors, and any other party who has a legal interest in the matter and has requested notice. A department or agency of the County shall not act as an Interested Party unless expressly authorized by the Board of Supervisors to represent the County in the particular matter.
- d) "Retirement Office" means the Merced County Employees' Retirement Association staff.
- e) "Association" means the Merced County Employees' Retirement Association.
- f) "Board" means the Board of Trustees of the Merced County Employees' Retirement Association.
- g) "Application Package" means completed application and medical examination reports and other information required by these Regulations for submission to the Board.
- h) "Hearing Officer" means a person appointed by the Board to make a determination pursuant to section 31533 of the Government Code. A Hearing Officer may also be referred to as a "Referee."

2. Representation by Counsel

- a) Any Interested Party, at that party's expense, may hire and be represented by an attorney subject to the provisions of this section. No Applicant is required to have an attorney at any time. It is advised, however, that all Interested Parties, including Applicants and Subject Members, consider retaining an experienced attorney who is knowledgeable about disability retirement law and the CERL.
- b) If any Interested Party becomes represented by an attorney, either such party or such attorney shall promptly file with the Retirement Office, and serve upon all other Interested Parties, written notice of such representation, including the attorney's name, address, telephone number, and email address. Unless appearing with an Interested Party at a hearing, an attorney shall not be deemed counsel of record until such notice of representation is duly filed and served.
- c) Once an application is submitted, the failure to retain counsel or to provide written notice of representation by such counsel shall in no event be considered good cause, in and of itself, to delay any proceeding under these Regulations.

3. Applications

- a) A claim for disability retirement shall be made by submitting to the Retirement Office a complete Application Packet. The application shall not be deemed complete until the Applicant has filed with the Retirement Office all of the following:
 1. An application on a form approved by the Retirement Office for that purpose, complete with all information requested therein.
 2. Signed authorizations for release of medical and other information deemed by Retirement Office relevant to a full and complete evaluation of the application.
 3. Copies of all medical reports and records supporting the application.
 4. Identification documents.
 5. Divorce judgments, if any.
- b) The application for disability retirement shall not be deemed effective or filed within the meaning of Sections 31721 through 31724, inclusive, of the California Government Code, or otherwise, until the date upon which it is complete as described in Paragraph 3(a) above.
- c) If, at any time during the pendency of an application, the Applicant changes, in any material way, the facts or claims set forth in the application, the Applicant shall immediately file with the Retirement Office and serve on all Interested Parties written notice of such change. The failure to do so, may, in the discretion of the Board or the Hearing Officer, preclude the Applicant from asserting the facts so alleged or introducing evidence with respect thereto. Notice of any such changed facts or claims shall be given, in writing, to the Retirement Office within ten (10) days of the date the Applicant first knows or should reasonably know of the changed facts or claims, and in no event later than thirty (30) days prior to any hearing.
- d) When an Applicant files an application for disability retirement on behalf of a Subject Member pursuant to Government Code section 31721, or otherwise, and said application lacks all the documents and information required pursuant to Paragraph 3(a) above, the Retirement Office shall proceed as follows:
 1. The Retirement Office shall write to the Subject Member, at the Subject Member's last known address, advising that the application has been filed, providing a copy of the application, and requesting that the Subject Member provide all the information required pursuant to Paragraph 3(a) above. This includes, without limitation, all information requested in the application form, signed authorizations for release of medical records and other information, all supporting medical records, and identification documents. The letter shall advise that the Subject Member has thirty (30) days to provide the requested information and that failure to do so may result in denial of the application on the merits. If appropriate, the letter shall also advise the Subject Member that denial of the application may result in termination of the member's employment by the employer.
 2. The letter from the Retirement Office shall be sent to the Subject Member via Certified U.S. mail, return receipt requested. If, after a reasonable time, the letter is undeliverable, the Retirement Office shall have another copy of the letter personally served on the Subject Member.
 3. If after thirty (30) days the Subject Member has not provided the requested information and documents, or made a good faith effort to do so, the Retirement Office may refer the matter to the Board with a recommendation that the application be denied based on the lack of evidence and the

Subject Member's refusal to cooperate.

4. After due consideration, and in the absence of good cause to the contrary, the Board may deny the application, with or without a hearing, or take whatever action it deems appropriate. Any such denial shall be on the merits.

4. Further Information Required from Applicant or Subject Member

- a) At any time during the pendency of an application, the Board or the Retirement Office may, by written notice to the Applicant or Subject Member, require that they serve within thirty (30) days any or all of the following items:
 1. Copies of records, reports, notes, statements, documents, photographs, or other writings within the definition of Evidence Code Section 250.
 2. Sworn written responses to written inquiries concerning any matter relating to the application or to any matter that is reasonably calculated to lead to the discovery of evidence that would be admissible at a hearing.
- b) If the Applicant or Subject Member fails or refuses to comply with any demand made pursuant to subsection (a) of this section, the Retirement Office may do any of the following:
 1. Suspend action on the application until such time as Applicant or Subject Member complies in full with all such reasonable requests.
 2. Seek to compel compliance with the request by making a motion to the Board pursuant to Section 18 of these Regulations. Such motion may include a request for sanctions pursuant to Section 19 of these Regulations.
 3. If, after the passage of one hundred and twenty (120) days from the date of suspension as set forth in Section 4 (b) (1) above, or in the event that the Applicant or Subject Member refuses to comply with an order issued pursuant to subparagraph (2) within thirty (30) days thereafter, and further provided that there is an absence of good cause for either failure specified herein, the Board may declare that the application is dismissed with prejudice.

5. Medical Examinations

- a) The Board, acting through the Retirement Office, may, on one or more occasions, as deemed necessary, require the Applicant or the Subject Member, as the case may be, to submit to examination(s) by a physician or psychologist with expertise relative to the medical condition designated by the requesting party. The party requiring the examination shall, at least fifteen (15) days before the appointment date, serve the subject member with written notice of the date, time, and place of examination, unless the subject member agrees to accept notice that is by other mode. If the member is unable to keep the examination appointment, the member or their attorney shall notify the Retirement Office in writing of such fact at least ten (10) days before the scheduled examination. If the place of examination is neither in Merced County, nor the County in which the subject member currently resides, the subject member may apply to the Board for reimbursement of travel expenses, in amounts paid at prevailing rates by the County of Merced for meals and mileage, and which the Board, in its discretion, may grant. The records and reports of the examining physician shall be confidential and not subject to discovery except in accordance with these Regulations.
- b) If the Applicant or Subject Member fails or refuses to comply with any demand

made pursuant to subsection (a) of this section, fails or refuses to cooperate fully with the examiner or to submit to all reasonable tests required by such examiner, or fails to notify the Retirement Office of their inability to attend the appointment, the member shall pay all of the expenses incurred by the Retirement Office as a result of the failure to comply, and the demanding party may do any of the following:

1. Suspend all action on the application until the Applicant or Subject Member complies with the request to submit to an examination.
2. Counsel for the Plan Administrator may seek to compel compliance by making a motion pursuant to Section 18 of these Regulations directed to the Board hereof. Such motion may include a request for sanctions pursuant to Section 19 of these Regulations.
3. If the Applicant or the Subject Member, as the case may be, fails after the passage of one hundred and twenty (120) days from the date of the suspension, as set forth in subsection (1) above, or in the event that the Applicant or Subject Member refuses to comply with an order issued pursuant to subsection (2) within thirty (30) days thereafter, and further provided that there is an absence of good cause for either failure specified herein, the Board may declare that the application is dismissed with prejudice.

6. Administrative Recommendation

- a) After reviewing the application and all other documents and information obtained in connection therewith and conducting any necessary investigation, the Retirement Office shall make an appropriate recommendation to the Board. The recommendation may consist of one or more of the following:
 1. "Grant service connected disability retirement" where the Retirement Office determines that the Applicant has proved by a preponderance of the evidence all the elements legally necessary to entitle the member to service connected disability retirement.
 2. "Deny service connected disability retirement" where the Retirement Office determines that the Applicant has not proved by a preponderance of the evidence all the elements legally necessary to entitle the member to service connected disability retirement.
 3. "Grant non-service connected disability retirement" where the Retirement Office determines that the Applicant has proved by a preponderance of the evidence all the elements legally necessary to entitle the member to non-service connected disability retirement.
 4. "Deny non-service connected disability retirement" where the Retirement Office determines that the Applicant has not proved by a preponderance of the evidence all the elements legally necessary to entitle the member to non-service connected disability retirement.
- b) The Retirement Office's recommendation to the Board shall be made at a Board meeting after placing the matter on the agenda.

7. Board's Action Upon Administrative Recommendation

Upon receiving an administrative recommendation from the Retirement Office to grant or deny a disability retirement application, the Board shall, at the first meeting where the matter properly appears on its agenda, take the following actions, or any other actions it deems appropriate: grant disability retirement, deny disability retirement, remand the application back to the Retirement Office for further investigation, or refer any or all issues to hearing.

8 Request for Hearing

Whenever the Board denies an application for disability retirement without a hearing, the Applicant shall, upon written request, be entitled to a hearing before the Board or before a Hearing Officer appointed by the Board. Any such request for hearing shall be in writing and shall be made within fifteen (15) days after the Applicant is served with the Board's decision denying the application.

9. Setting Matters for Hearing

- a) If the Board determines that a matter is to be set for hearing, the matter shall be heard by a Hearing Officer unless the Board moves to hear the matter itself. If the Board determines that a matter is to be heard by a Hearing Officer, the Retirement Office shall notify the Plan Administrator's counsel who shall promptly schedule a hearing, taking into consideration the availability of a qualified Hearing Officer, the availability of witnesses for the parties, and any other matter necessary and appropriate for the hearing. The Plan Administrator's counsel shall serve written notice of the date, time, and place of the hearing on all Interested Parties at least thirty (30) days in advance of the scheduled hearing, unless otherwise stipulated by all Interested Parties.
- b) The Retirement Office shall maintain a list of qualified licensed attorneys who are approved by the Board and who are available to serve as Hearing Officers. The Retirement Office shall appoint the Hearing Officer for each hearing by determining which person on the list served last and selecting the person next in order. In the event the person next in order declines to serve or is unavailable to serve within a reasonable period of time, the Retirement Office shall appoint the person next in order. The notice of hearing shall include the name of the person appointed to serve as Hearing Officer. Any Interested Party may promptly object in writing to the appointment of a particular person to serve as Hearing Officer. However, such objection must be made in writing and must be served on all parties within ten (10) days of service of the notice of hearing. Failure to do so shall constitute a waiver of the right to object. In the event an objection is timely served, the Retirement Office shall appoint as Hearing Officer the person next in order on the Hearing Officer list.
- c) Upon stipulation by all the Interested Parties or upon a showing of good cause, the Hearing Officer or the Board may continue a hearing to a new date. The grounds for a continuance and the factors to be considered in determining good cause are as set forth in Rule 3.1332 of the California Rules of Court.
- d) The party requesting a hearing continuance shall bear all costs relating to the continuance unless good cause is shown to the Hearing Officer or the Board, as the case may be. Such costs include, but are not limited to, Hearing Officer fees, court reporter fees, witness fees, and any other costs, fees, and expenses incurred by the Association or any other Interested Party as a result of the continuance.

10. Pre-Hearing Regulations

- a) Any Interested Party shall be entitled to notice and take depositions in the manner prescribed by the California Code of Civil Procedure, except that there shall be no distinction between the depositions of expert and non-expert witnesses, and the provisions of the California Code of Civil Procedure limited to the depositions of expert witnesses shall not apply. The party noticing a deposition shall pay any and all costs of depositions and fees to which the witness is entitled.
- b) All requests for subpoenas or subpoena duces tecum shall be made pursuant to

Government Code Section 31535. In order to request the issuance of a subpoena or subpoena duces tecum, an Interested Party shall complete and submit to the Retirement Office a form approved by the Plan Administrator for that purpose, and shall do so at least five (5) working days before the date the subpoena or subpoena duces tecum is to be issued. No subpoena or subpoena duces tecum shall be issued until the requesting party has posted with the Retirement Office any fees to which the subpoenaed witness is likely to be entitled. The party requesting a subpoena or subpoena duces tecum shall be responsible for serving and enforcing it. Fees and costs associated with the issuance or service of any subpoena or subpoena duces tecum as described herein shall be the same as those made applicable by law to witnesses in the Superior Courts of this State.

- c) Formal discovery shall be limited to written interrogatories, requests for production of documents, and depositions as set forth in the California Code of Civil Procedure, except as may be stipulated between the parties.
- d) The parties may submit a hearing brief supporting or opposing the Application. Such briefs should set forth the legal basis and key evidence supporting or opposing the Application. A hearing brief must be delivered to all Interested Parties and the Board of Retirement or the Hearing Officer, as the case may be, at least twenty (20) days prior to the hearing date. Initial briefs should be no longer than fifteen (15) pages, double spaced. Rebuttal or response briefs, if any, must be delivered to all Interested Parties and the Board of Retirement or the Hearing Officer, as the case may be, at least seven (7) days prior to the hearing date. Rebuttal or response briefs should be no longer than ten (10) pages, double spaced. Late briefs may be accepted, for good cause delay, at the discretion of the Chair of the Board or the Hearing officer, as the case may be.

11. Hearing Regulations

- a) Closed Session: All hearings before the Board shall be conducted in closed session unless the member requests that the hearing be held in open session. Such request shall be made on the record. Hearings before a Hearing Officer shall in all cases be closed to the public.
- b) Reporting: Every hearing shall be reported by a Certified Shorthand Reporter (court reporter). The Retirement Office shall arrange for a court reporter to be present and shall pay the court reporter's per diem costs and for the original and one copy of the hearing transcript
- c) Documentary Record: At the commencement of the hearing on each application for disability retirement or other matter, the Board Chair or the Hearing Officer, as the case may be, shall identify each document which is being made a part of the record of the hearing. Any and all objections to the admissibility of any document so identified shall be made and ruled upon at the time of identification. Objections not made at that time shall be deemed waived.
- d) Control Over Hearing: The Board Chair, or acting Chair, or the Hearing Officer, as the case may be, shall exercise such control over the hearing as is reasonable, necessary, and consistent with these Regulations, prescribing the order of proof, ruling upon the admissibility of evidence, questioning witnesses, and determining whether the matter shall proceed or be adjourned subject to continuation.
- e) Objections: In hearings before the Board, all objections to the introduction or admissibility of evidence shall be determined by the Chair of the Board, subject to the re-determination by the Board through motion duly made, seconded and adopted by a majority of the members. The advice of the Board's Counsel shall

be sought on all objections to the admissibility of evidence, in advance of ruling. In hearings before a Hearing Officer, all objections to the introduction or admissibility of evidence shall be decided by the Hearing Officer.

- f) Prerogatives of the Board: In hearings before the Board, the Board reserves the right to reject any recommendation that an application be granted or denied, and to interrupt any hearing for the purpose of seeking independent medical advice or receiving other testimony or evidence not presented by the parties.
- g) Absent Board Members: In hearings before the Board, no member of the Board who has not been in attendance during any portion of a hearing on an application for disability retirement shall participate in the determination by the Board of the application unless the member has read a transcript of that portion of the hearing in which he/she was not in attendance and has stated on the record that such review has been undertaken and completed.
- h) Rules of Evidence: Except as otherwise provided in these Regulations, any relevant evidence shall be admitted if it is the sort of evidence on which reasonable and responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of augmenting or explaining any direct evidence but shall not be sufficient in and of itself to support a finding unless admitted pursuant to subsections (m), (n), (o) or (p) of this section, or unless it would be admissible over objection in civil actions. Upon proper objection, evidence that is irrelevant or unduly repetitious shall be excluded.
- i) Oral Evidence: Oral evidence shall be taken only on oath or affirmation.
- j) Witnesses: On any relevant matter, each Interested Party shall have the right to call and examine witnesses, introduce documentary and other physical evidence, and cross-examine opposing witnesses. Any Interested Party who does not testify on his own behalf may be called and examined as a witness as if under cross-examination.
- k) Witness Fees: The party calling a witness shall be responsible for paying any fees or other expenses of that witness.
- l) Refusal to Testify: A refusal by an Interested Party to testify when called, or to answer proper questions in the course of testifying, shall be grounds for deeming such testimony, or the answers to such questions, to have been given and to have been adverse to the refusing party.
- m) Medical Evidence: The production of medical evidence in the form of written reports is favored, provided that they have been served in the manner and within the time set forth in subsection (n) of this section.
- n) Medical Records or Reports: Any Interested Party may offer, and the Board or Hearing Officer shall receive into evidence, any medical records or reports that are relevant and that constitute substantial evidence, if copies of the said documents have been delivered to all Interested Parties at least twenty (20) days prior to the hearing, along with written notice of intention to offer the same into evidence. Any interested party may, at their own expense, subpoena the author of such a medical report or record as a witness, and examine the author as if under cross-examination. Any party calling such an expert witness or an expert witness who has not provided a report must give notice of at least fifty (50) days prior to the date of the hearing to all Interested Parties. The Board or the Hearing Officer, as the case may be, may, in their discretion, waive the lack of a fifty (50) day notice for good cause as determined by the Board or the Hearing Officer. Medical reports

prepared for purposes of Worker's Compensation proceedings are not made inadmissible by that fact alone; however, no opinion therein shall constitute substantial evidence to support a finding of permanent incapacity or service connection if that opinion is based upon any criterion that is peculiar to Worker's Compensation or is otherwise not germane to the issue of permanent incapacity or service connection under CERL.

- o) Non-Medical Written Statements: Any interested party may offer, and the Board or the Hearing Officer shall receive into evidence, any relevant written statement by a non-medical witness, if:
 - 1. It is made by affidavit or by declaration upon penalty of perjury.
 - 2. A copy has been delivered to all interested parties at least twenty (20) days prior to the hearing, along with written notice of intention to offer the same into evidence; and
 - 3. No Interested Party has, at least ten (10) days prior to the hearing, delivered to the proponent a written demand that the witness be produced in person to testify at the hearing. The Board shall disregard any portion of a statement received pursuant to this subsection that would be inadmissible if the witness were testifying in person, but the inclusion of inadmissible matters shall not render the entire statement inadmissible.
- p) Deposition Transcripts: Any interested party may offer, and the Board or Hearing Officer shall receive into evidence, any relevant deposition transcript and/or video recording if:
 - 1. The deposition was taken in the manner provided by law or by stipulation of the parties, and
 - 2. At least twenty (20) days prior to the hearing the offering party delivered to all interested parties notice of intention to offer the same into evidence. Nothing herein shall require or permit receiving into evidence any deposition testimony to which objection is properly raised if such testimony would be inadmissible were the witness present and testifying at the hearing.
- q) Obligation to Appear at Hearing: A duly noticed hearing may proceed in the absence of any Interested Party. Applicants and Subject Members, where applicable, shall personally appear at all hearings pertaining to their application. Service by mail of written notice of hearing shall be sufficient to compel the appearance of the Applicant and Subject Member at hearing. Failure of an Applicant or a Subject Member to personally appear and testify at any duly noticed hearing, whether before the Board or a Hearing Officer, may be deemed a withdrawal of the corresponding disability retirement application with prejudice, unless the hearing is continued by stipulation of the Interested Parties or upon a showing of good cause.
- r) For the purposes of this section, "delivery" of a document or a notice may be accomplished by personal service in accordance with the Code of Civil Procedure or by mail in accordance with Section 20 of these regulations except that if delivery is by mail the time prescribed in this section for the delivery of documents and notices shall be increased by five (5) days.

12. Hearings before the Board

- a) Four (4) members of the Board shall constitute a quorum for a hearing held before the Board pursuant to the provisions of this Article. With respect to any such hearing, no findings of fact or decision by the Board shall be valid or effective

without the votes of the greater of the following:

1. A majority of all members present; or
 2. Four (4) members.
- b) The Board shall decide and provide a decision to the Applicant on all material issues no later than sixty (60) days following the meeting at which the matter is submitted unless there is a delay in obtaining additional information pursuant to Section 11 (f).

13. Hearings before Hearing Officers

- a) When a hearing is held before a Hearing Officer, he/she shall prepare a written recommended decision to be submitted to the Board. The document shall include detailed findings of fact and conclusions of law on all relevant issues. It is essential that the document include a thorough analysis regarding how each disputed fact and legal issue was decided. The recommended decision must be in a form which, if adopted by the Board, will satisfy the judicial review requirements of Code of Civil Procedure section 1094.5.
- b. The Hearing Officer shall submit the proposed recommended decision to the Retirement Office and serve a copy thereof on all Interested Parties within forty-five (45) days after the matter is submitted. The Hearing Officer shall simultaneously deposit with the Retirement Office all documents marked as hearing exhibits, which the Retirement Office shall add to the administrative record. The Hearing Officer shall not be entitled to remuneration for his/her services until the recommended decision has been submitted and served. For purposes of this subsection, a matter is considered "submitted" on the last day of the hearing, unless the Hearing Officer, for good cause, orders otherwise.
- c. Post hearing briefs are permitted at the Hearing Officer's discretion. Such briefs shall be submitted to the Retirement Office and served on all Interested Parties no more than twenty (20) days after the conclusion of the hearing.
- d. Upon service of the Hearing Officer's recommended decision, the Interested Parties shall have ten (10) days to submit objections thereto by filing said written objections with the Retirement Office and serving copies thereof on all Interested Parties. Said objections shall be considered by the Board and included in the administrative record. Objections not made within ten (10) days shall be deemed waived.

14. Action by the Board on Hearing Officer's Recommended Decision

- a) Upon receipt of the Hearing Officer's recommended decision, the Retirement Office shall place the matter on the Board's agenda.
- b) The Board shall, at the first meeting where the matter properly appears on its agenda, review the Hearing Officer's recommended decision as well as any timely filed objections thereto. After giving the matter due consideration, the Board may:
 1. Approve and adopt the Hearing Officer's recommended decision as its own; or
 2. Request and review a transcript of the hearing as well as all the evidence introduced at the hearing. Upon receipt and review thereof, the Board may issue an opinion based on its review of the evidence; or
 3. Refer the matter back to the Hearing Officer with instructions for further proceedings; or
 4. Set the matter for hearing before the Board. At such hearing, the Board shall hear and decide the matter as if it had not been referred to a Hearing Officer.

15. Board Decisions

- a) All of the following provisions apply to any decision of the Board that is subject to judicial review pursuant to Code of Civil Procedure Section 1094.5:
 1. The decision shall be in writing.
 2. The decision shall include or be accompanied by notice that the time in which judicial review must be sought is governed by Code of Civil Procedure Section 1094.6 and shall include or be accompanied by the text of Section 1094.6.
 3. The decision shall be accompanied by a copy of an affidavit or certificate of mailing.
 4. The foregoing shall be served upon all Interested Parties by first class mail, with postage prepaid.
- b) For purposes of judicial review, a decision of the Board is final on the date that the written decision is served on the Interested Parties.
- c) Neither Code of Civil Procedure Section 1013 (a) nor any provision of these regulations shall apply to extend the time within which judicial review must be sought.
- d) The Board shall not entertain any petition for reconsideration of any decision after the decision is final.

16. Judicial Review of Board Decisions

- a) Any request for the preparation of the administrative record pursuant to Code of Civil Procedure Section 1094.6 shall be made in writing and filed with the Retirement Office. The Retirement Office shall, within ten (10) days of receiving such a request, notify the requesting party of the estimated cost of preparing the record.
- b) Any requesting party other than a MercedCERA Employer or the Retirement Office shall within ten (10) days of receiving such notification, deposit with the Retirement Office an amount sufficient to cover the estimated costs. If during the preparation of the record it becomes apparent that the costs will exceed the amount of the deposit, the requesting party shall be notified and shall deposit the additional amounts before the record is completed. If the cost of preparing the record exceeds the amount deposited, the party requesting the record shall pay the excess. If the amount deposited exceeds the cost, the difference shall be returned to the party requesting such record. Upon receiving the required deposit, the Retirement Office shall promptly prepare the administrative record, exclusive of documents protected by attorney-client privilege or the attorney work-product doctrine.

17. Disability Beneficiaries Under 55 Years of Age

The Board may request information from any disability beneficiary under fifty-five (55) years of age in the manners prescribed in Sections 4, 5, and 10 of these Regulations. If from such information and medical re-examination it appears that the disability beneficiary may no longer be incapacitated, the Board may order a hearing on the issue of incapacity, in which case the procedure shall be the same as those provided in these Regulations for applications for disability retirement.

18. Motions

Any Interested Party claiming that another Interested Party has not complied with any requirement of these regulations or the CERL shall first attempt to resolve the issue with the other party. Thereafter the said Interested Party may make written notice for an order compelling compliance. The motion shall include the following:

- a) A verified statement of all relevant facts, including a description of efforts made to resolve the dispute informally and the reasons given by the respondent party for non-compliance.
- b) A statement of the relief sought.
- c) A memorandum of supporting points and authorities; and,
- c) A copy of an affidavit or certificate of service upon all Interested Parties.

The motion shall be made to the Board, which may refer the matter to hearing before a Hearing Officer. The respondent party shall have five (5) days from the date the motion is served to submit written opposition. Such opposition shall include the following:

- a) A verified statement of all relevant facts.
- b) A memorandum of supporting points and authorities; and
- c) A copy of an affidavit or certificate of service upon all Interested Parties.

Upon the expiration of the time allowed for opposition, the Board shall either grant or deny the motion without a hearing, set a hearing on the motion before itself, or refer the matter to hearing before a Hearing Officer.

19. Sanctions

Upon a motion pursuant to Section 18 of these Regulations, the Board may impose against any Interested Party any of the sanctions available under the Code of Civil Procedure, on any grounds that would support the imposition of those sanctions in a superior court civil matter. The Board may suspend an Applicant's right to proceed until the Applicant has satisfied the terms of an order imposing sanctions.

20. Service

- a) When a provision of this Article requires that any party be served, service shall also be made upon all Interested Parties, the Retirement Office, and all counsel who have appeared in the matter.
- b) If the party to be served has an attorney of record in accordance with Section 2 of these Regulations, service shall be made upon the attorney of record.
- c) Unless otherwise provided in these Regulations, when a provision of this Article requires service, service shall be made either personally in a manner permitted under the Code of Civil Procedure for the service of a summons, or by mail in accordance with subsection (d) of this section.
- d) Service by mail shall be affected by sealing the item to be served in an envelope properly addressed to the party to be served and depositing the envelope in the United States mail, with first class postage fully prepaid. Service by mail shall extend applicable time limitations in the manner prescribed in Code of Civil Procedure section 1013. For purposes of determining the effectiveness of service upon a subject member, a mailing shall be deemed "properly addressed" if it bears the address specified on the application, or, if the application has been amended, the address specified on the most recently-filed amended application.

21. Amendments

These regulations may be amended at any regular or special meeting of the Retirement Board by a majority vote of the Board, subject to approval by the Board.

The foregoing regulations are hereby adopted and made effective for the Merced County Employees' Retirement System this 11th day of July, 1996.

The foregoing regulations are hereby amended and made effective for the Merced County Employees' Retirement System this 10th day of July, 2008.

The foregoing regulations are hereby amended and made effective for the Merced County Employees' Retirement System this 11th day of February, 2010.

The foregoing regulations are hereby amended and made effective for the Merced County Employees' Retirement System this 09th day of September, 2010.

The foregoing regulations are hereby amended and made effective for the Merced County Employees' Retirement System this 08th day of September, 2011.

The foregoing regulations are hereby amended and made effective for the Merced County Employees' Retirement System this 09th day of May, 2013.

The foregoing regulations are hereby amended and made effective for the Merced County Employees' Retirement System this 10th day of May, 2018

BOARD OF RETIREMENT REGULATIONS FOR DISABILITY RETIREMENT CLAIMS

1. Definitions

Unless the context otherwise requires, the definitions in this section shall govern the construction of these ~~rules~~ regulations.

- a) "Applicant" means:
 - 1. Any member of the Merced County Employees' Retirement Association claiming benefits under the County Employees' Retirement Law of 1937 (CERL), or
 - 2. Any person claiming such benefits through or on behalf of a member.
- b) "Subject Member" means a member on whose behalf an application for disability retirement is filed pursuant to Government Code section 31721 or otherwise.
- ~~b)c)~~ "Interested pParty" means includes the Applicant, the eSubject mMember, the Board, the Retirement Association, Counsel for the Retirement System counsel for the Plan Administrator, or the plan sponsors, and any other party who has a legal interest in the matter and has requested notice. A department or agency of the County shall not act as an ~~i~~Interested ~~p~~Party unless expressly authorized by the Board of Supervisors to represent the County in the particular matter.
- ~~d)~~ "Retirement Office" means the Merced County Employees' Retirement Association staff.
- ~~e)~~ "Association" means the Merced County Employees' Retirement Association.
- ~~f)~~ "Board" means the Board of Trustees of the Merced County Employees' Retirement Association.
- ~~f)~~ "Day" means calendar day.
- ~~g)~~ "Disability Medical Provider" means medical doctor or medical advisor who advises the Board relating to Disability Retirements.
- ~~g)~~ "Application Package" means completed application and medical examination reports and other information required by these Regulations ~~that is submitted for submission~~ to the Board.
- ~~h)~~ "Hearing Officer" means a person appointed by the Board to make a determination pursuant to section 31533 of the Government Code. A Hearing Officer may also be referred to as a "Referee."

2. Representation by Counsel

- a) Any ~~i~~Interested ~~p~~Party, at that party's expense, may hire and be represented by an attorney subject to the provisions of this section. No ~~a~~Applicant is required to have an attorney at any time. It is advised, however, that all members Applicants and Subject Members consider the representation by retaining an experienced attorney who is knowledgeable of disability law and the CERL.
- b) If any ~~i~~Interested ~~p~~Party becomes represented by an attorney, either such party or such attorney shall promptly file with the Retirement Office, and serve upon all other ~~i~~Interested ~~p~~Parties, written notice of such representation, including the attorney's name, address, ~~and~~ telephone number, ~~and~~ email address. Unless appearing with an ~~i~~Interested ~~p~~Party at a hearing, an attorney shall not be deemed ~~C~~counsel of ~~R~~record until such notice of representation is duly filed and served. The substitution, withdrawal, or dismissal of an attorney of record shall be in the

manner prescribed in the California Code of Civil Procedure.

- c) Once an application is submitted, the failure to retain ~~C~~counsel or to provide written notice of representation by such ~~C~~counsel shall in no event be considered good cause, in and of itself, to delay any proceeding under ~~this these~~ Regulations.

3. Applications

- a) A claim for disability retirement shall be made by ~~lodging with submitting to~~ the Retirement Office a complete ~~a~~Application ~~p~~Packet. The application shall not be deemed complete until ~~the~~ Applicant has filed with the Retirement Office all of the following:

1. An application on a form approved by the Retirement Office for that purpose, complete with all ~~requested~~ information ~~requested~~ therein.
2. ~~A s~~Signed authorizations for release of medical and other information deemed by Retirement Office relevant to a full and complete evaluation of the application.
3. ~~Copies of all medical reports and records supporting the application.~~
4. ~~Identification documents.~~
- 3-5. ~~Divorce judgments, if any.~~

- b) The application for disability retirement shall not be deemed effective or filed within the meaning of Sections 31721 through 31724, inclusive, of the California Government Code, or otherwise, until the date upon which it is complete as described in Paragraph 3(a) above.

- c) If, at any time during the pendency of an application, the ~~a~~Applicant changes, in any material way, the facts or claims set forth in the application, the ~~a~~Applicant shall immediately file with the Retirement Office and serve on all ~~i~~Interested ~~p~~Parties written notice of such change. The failure to do so, may, in the discretion of the Board ~~or the Hearing Officer~~, preclude the Applicant from asserting the facts so alleged or introducing evidence with respect thereto. Notice of any such ~~amendment changed facts or claims~~ shall be given, in writing, to ~~the~~ Retirement Office within ten (10) days of the date ~~thereof the Applicant first knows or should reasonably know of the changed facts or claims~~, and in no event later than thirty (30) days prior to any ~~formal or informal proceeding before the Board hearing~~.

- ~~e) When an Applicant files an application for disability retirement on behalf of a Subject Member pursuant to Government Code section 31721, or otherwise, and said application lacks all the documents and information required pursuant to Paragraph 3(a) above, the Retirement Office shall proceed as follows:~~

1. ~~The Retirement Office shall write to the Subject Member, at the Subject Member's last known address, advising that the application has been filed, providing a copy of the application, and requesting that the Subject Member provide all the information required pursuant to Paragraph 3(a) above. This includes, without limitation, all information requested in the application form, signed authorizations for release of medical records and other information, all supporting medical records, and identification documents. The letter shall advise that the Subject Member has thirty (30) days to provide the requested information and that failure to do so may result in denial of the application on the merits. If appropriate, the letter shall also advise the Subject Member that denial of the application may result in termination of the member's employment by the employer.~~

2. ~~The letter from the Retirement Office shall be sent to the Subject Member~~

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via Certified U.S. mail, return receipt requested. If, after a reasonable time, the letter is undeliverable, the Retirement Office shall have another copy of the letter personally served on the Subject Member.

3. If after thirty (30) days the Subject Member has not provided the requested information and documents, or made a good faith effort to do so, the Retirement Office may refer the matter to the Board with a recommendation that the application be denied based on the lack of evidence and the Subject Member's refusal to cooperate.

4. After due consideration, and in the absence of good cause to the contrary, the Board may deny the application, with or without a hearing, or take whatever action it deems appropriate. Any such denial shall be on the merits.

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4. Further Information Required from Applicant or Subject Member

a) At any time during the pendency of an application, the Board or the Retirement Office may, by written notice to the Applicant or Subject Member, require that the Applicant they serve within thirty (30) days any or all of the following items:

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1. Copies of records, reports, notes, statements, documents, photographs, or other writings within the definition of Evidence Code Section 250.

2. A narrative report of the subject member's current medical condition from any or all of the health care professionals that have provided treatment, to be obtained at the Applicant's expense.

3. Sworn written responses to written inquiries concerning any matter of the case relating to the application or to any matter that is reasonably calculated to lead to the discovery of evidence that would be admissible at a hearing.

b) If the Applicant or Subject Member fails or refuses to comply with any demand made pursuant to subsection (a) of this section, the Retirement Office may do any of the following:

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1. Suspend action on the application until such time as Applicant or Subject Member complies in full with all such reasonable requests. During the period of suspension none of the applicable time limits with respect to the processing of the application shall apply.

2. Seek to compel compliance with the request by making a motion to the Board pursuant to Section 185 of these Regulations, which such motion may include a request for sanctions pursuant to Section 196 of these Regulations.

3. If the Applicant is the subject member, and fails, after the passage of one hundred and twenty (120) days, from the date of suspension as set forth in Section 4 (b) (1) above, or in the event that the Applicant or Subject Member refuses to comply with an order issued pursuant to subparagraph (2) within thirty (30) days thereafter, and further provided that there is an absence of good cause for either failure specified herein, the Board may declare that the application is dismissed with prejudice.

5. Medical Examinations

a) MCERA-The Board of Retirement, acting through the Retirement Office, or Disability Medical Provider may, on one or more occasions, as deemed necessary, require the Applicant or the Subject Member, as the case may be, to submit to

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examination(s) by a physician or psychologist with expertise relative to the medical condition designated by the requesting party. The party requiring the examination shall, at least fifteen (15) days before the appointment date, serve the subject member with written notice of the date, time, and place of examination, unless the subject member agrees to accept notice that is by other mode. If the member is unable to keep the examination appointment, the member or their attorney shall notify the Retirement Office in writing of such fact at least ten (10) days before the scheduled examination. If the place of examination is neither in Merced County, nor the County in which the subject member currently resides, the subject member may apply to the Board for reimbursement of travel expenses, in amounts paid at prevailing rates by the County of Merced for meals and mileage, and which the Board, in its discretion, may grant. The records and reports of the examining physician shall be confidential, ~~privileged~~, and not subject to discovery except in accordance with these Regulations.

- b) If the ~~Applicant or s~~Subject ~~m~~Member fails or refuses to comply with any demand made pursuant to section (a) of this section, fails or refuses to cooperate fully with the examiner or to submit to all reasonable tests required by such examiner, or fails to notify the Retirement Office of their inability to attend the appointment, the member shall pay all of the expenses incurred by the Retirement Office as a result of the failure to comply and the demanding party may do any of the following:
1. Suspend all action on the application until ~~the Applicant or Subject Member~~ complies with the request to submit to an examination. ~~During the period of suspension, none of the applicable time limits, with respect to the processing of the application, shall apply.~~
 2. Counsel for the ~~Retirement Office Plan Administrator~~ may seek to compel compliance by making a motion pursuant to Section 185 of these Regulations directed to the Board hereof, ~~which s~~Such motion may include a request for sanctions pursuant to Section 196 of these Regulations.
 3. If the Applicant ~~is or~~ the ~~s~~Subject ~~m~~Member, ~~as the case may be, and~~ fails, after the passage of one hundred and twenty (120) days from the date of the suspension, as set forth in ~~sub~~paragraph (1) above, or in the event that ~~the a~~Applicant ~~or Subject Member~~ refuses to comply with an order issued pursuant to ~~sub~~paragraph (2) within thirty (30) days thereafter, and further provided that there is an absence of good cause for either failure specified herein, the Board may declare that the application is dismissed with prejudice.

~~6. Preparation of Application Package for Submittal to Board~~

~~Upon receiving a completed application, Retirement Office shall:~~

- ~~a) Within ten (10) days of receipt of the initial application make a determination of whether the applicant is entitled to be considered for a disability retirement and whether the application has been timely filed.~~
- ~~b) Submit one copy of the application to Counsel for review for legal sufficiency.~~
- ~~c) Retirement Office may submit one copy of the application and all medical records to the Disability Medical Provider for a review of the medical records for medical sufficiency:~~
 - ~~1. The Disability Medical Provider shall prepare a report for the Retirement Board within ninety (90) days of receiving a completed disability application. The report will be submitted to the Retirement Office.~~
 - ~~2. Prior to submitting the medical report, the Disability Medical Provider or the~~

Retirement Office, through its attorney, may request additional information, request an independent medical examination or take other action to obtain information relating to the application.

3. The Disability Medical Provider or the Retirement Office, through its attorney, may request additional time for the completion of its actions pursuant to this article.
4. The Retirement Office will provide the Disability Medical Provider's report to its attorney for review before the final report is issued. The Retirement Office may provide the final medical report to the Board of Retirement for review at a regular scheduled Board meeting. The time periods referred to herein above shall be tolled in the event of non-cooperation by the Applicant, subject member or Applicant's physicians or attorneys.

~~7. Action upon Application by the Board — Informal Hearing~~

~~Upon receiving the medical report pursuant to Section 6 of these Regulations, the members of the Board may, in addition to the medical report, review the entire application file and medical records. The Board may confer in closed session at a duly noticed Board meeting with the Retirement Office staff, and may take any of the following actions:~~

- a) ~~Order that the application be granted if the medical report discloses that the Applicant has met the burden of proof with respect thereto and is entitled to a disability retirement, whether service or non-service connected. If the subject member is not granted the disability, then he/she shall have fifteen (15) days from the date of the notice granting the application for disability retirement, in which to file with the Board a request for a Formal Hearing on the application. If such a request for a Formal Hearing is filed the Board shall schedule such hearing in conformance with its rules as set forth in Section 8 herein.~~
- b) ~~Order that the application be denied. Upon denial, within the fifteen (15) days immediately following the notice of denial, an interested party may file a request for a Formal Hearing with the Retirement Office. If such a request is timely filed, the Board shall cause the matter to be set for hearing in accordance with Section 8 of these Regulations. If no such request is timely filed, the application shall be deemed denied.~~
- c) ~~The Board may refer the matter back to the Disability Medical Provider and Retirement Office with instructions to conduct a further medical investigation, medical evaluation, or other action as deemed appropriate.~~
- d) ~~The written notice as described herein shall comply with Regulation 17 set forth herein.~~

~~6. Administrative Recommendation~~

~~a) After reviewing the application and all other documents and information obtained in connection therewith and conducting any necessary investigation, the Retirement Office shall make an appropriate recommendation to the Board. The recommendation may consist of one or more of the following:~~

1. ~~"Grant service connected disability retirement" where the Retirement Office determines that the Applicant has proved by a preponderance of the evidence all the elements legally necessary to entitle the member to service connected disability retirement.~~
2. ~~"Deny service connected disability retirement" where the Retirement Office determines that the Applicant has not proved by a preponderance of the~~

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evidence all the elements legally necessary to entitle the member to service connected disability retirement.

3. "Grant non-service connected disability retirement" where the Retirement Office determines that the Applicant has proved by a preponderance of the evidence all the elements legally necessary to entitle the member to non-service connected disability retirement.

4. "Deny non-service connected disability retirement" where the Retirement Office determines that the Applicant has not proved by a preponderance of the evidence all the elements legally necessary to entitle the member to non-service connected disability retirement.

b) The Retirement Office's recommendation to the Board shall be made at a Board meeting after placing the matter on the agenda.

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7. Board's Action Upon Administrative Recommendation

Upon receiving an administrative recommendation from the Retirement Office to grant or deny a disability retirement application, the Board shall, at the first meeting where the matter properly appears on its agenda, take the following actions, or any other actions it deems appropriate: grant disability retirement, deny disability retirement, remand the application back to the Retirement Office for further investigation, or refer any or all issues to hearing.

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8. Request for Hearing

Whenever the Board denies an application for disability retirement without a hearing, the Applicant shall, upon written request, be entitled to a hearing before the Board or before a Hearing Officer appointed by the Board. Any such request for hearing shall be in writing and shall be made within fifteen (15) days after the Applicant is served with the Board's decision denying the application.

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9. Setting Matters for Hearing

a) If the Board determines that a matter is to be set for hearing, the matter shall be heard by a Hearing Officer unless the Board moves to hear the matter itself. If the Board determines that a matter is to be heard by a Hearing Officer, the Retirement Office shall notify the Administrator's counsel who shall promptly schedule a hearing, taking into consideration the availability of a qualified Hearing Officer, the availability of witnesses for the parties, and any other matter necessary and appropriate for the hearing. The Administrator's counsel shall serve written notice of the date, time, and place of the hearing on all Interested Parties at least thirty (30) days in advance of the scheduled hearing, unless otherwise stipulated by all Interested Parties.

b) The Retirement Office shall maintain a list of qualified licensed attorneys who are approved by the Board and who are available to serve as Hearing Officers. The Retirement Office shall appoint the Hearing Officer for each hearing by determining which person on the list served last and selecting the person next in order. In the event the person next in order declines to serve or is unavailable to serve within a reasonable period of time, the Retirement Office shall appoint the person next in order. The notice of hearing shall include the name of the person appointed to serve as Hearing Officer. Any Interested Party may promptly object in writing to the appointment of a particular person to serve as Hearing Officer. However, such objection must be made in writing and must be served on all parties within ten (10) days of service of the notice of hearing. Failure to do so shall constitute a waiver of the right to object. In the event an objection is timely served, the Retirement Office shall appoint as Hearing Officer the person next in order on the Hearing

Officer list.

- c) Upon stipulation by all the Interested Parties or upon a showing of good cause, the Hearing Officer or the Board may continue a hearing to a new date. The grounds for a continuance and the factors to be considered in determining good cause are as set forth in Rule 3.1332 of the California Rules of Court.
- d) The party requesting a hearing continuance shall bear all costs relating to the continuance unless good cause is shown to the Hearing Officer or the Board, as the case may be. Such costs include, but are not limited to, Hearing Officer fees, court reporter fees, witness fees, and any other costs, fees, and expenses incurred by the Association or any other Interested Party as a result of the continuance.

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8. Setting for Formal Hearing

~~When a request for Formal Hearing has been received or is otherwise ordered by the Board, a hearing shall take place within one hundred and twenty (120) days thereafter, unless all parties agree otherwise. The Retirement Office shall serve upon the Applicant and his/her attorney, notice of such formal hearing, not less than sixty (60) days prior to the date set therefore.~~

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- a) ~~Continuances: The Board shall allow only two requests for a delay or a rescheduling of an informal or formal disability hearing from the Applicant. If a second request for a delay or rescheduling results in the applicant's medical records being 6 months old or older, the member may be sent to an independent medical examiner (IME) by the Plan Administrator. All request(s) for a delay or rescheduling must be made in writing to the Plan Administrator. After the second request is made, and if a member feels they have extenuating circumstances to request another (third request or beyond), the member may submit a request in writing to the Board. The Board may grant, deny or direct Plan Administrator to look into the member's circumstances and bring to the Board for consideration.~~

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109. Pre-Hearing Regulations

- a) Any ~~i~~Interested ~~p~~Party shall be entitled to notice and take depositions in the manner prescribed by the California Code of Civil Procedure, except that there shall be no distinction between the depositions of expert and non-expert witnesses, and the provisions of the California Code of Civil Procedure limited to the depositions of expert witnesses shall not apply. The party noticing a deposition shall pay any and all costs of depositions and fees to which the witness is entitled.
- b) All requests for subpoenas or subpoena duces tecum shall be made pursuant to Government Code Section 31535. In order to request the issuance of a subpoena or subpoena duces tecum, an ~~i~~Interested ~~p~~Party shall complete and submit to the Retirement Office a form approved by the Plan Administrator for that purpose, and shall do so at least five (5) working days before the date the subpoena or subpoena duces tecum is to be issued. No subpoena or subpoena duces tecum shall be issued until the requesting party has posted with the Retirement Office any fees to which the subpoenaed witness is likely to be entitled. The party requesting a subpoena or subpoena duces tecum shall be responsible for serving and enforcing it. Fees and costs associated with the issuance or service of any subpoena or subpoena duces tecum as described herein shall be the same as those made applicable by law to witnesses in the Superior Courts of this State.
- c) Formal discovery shall be limited to written interrogatories, requests for production of documents, and depositions as set forth in the California Code of Civil Procedure, except as may be stipulated between the parties.

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d) Briefing Schedule: The parties may submit a ~~Formal Hearing~~ hearing brief supporting or opposing the Application. Such briefs should set forth the legal basis and key evidence supporting or opposing the Application. A ~~Formal Hearing~~ hearing brief must be delivered to all Interested Parties and the Board of Retirement or the Hearing Officer, as the case may be, at least twenty (20) days prior to the ~~Formal Hearing~~ hearing date. Initial briefs should be no longer than fifteen (15) pages, double spaced. Rebuttal or ~~R~~esponse briefs, if any, must be delivered to all Interested Parties and the Board of Retirement or the Hearing Officer, as the case may be, at least seven (7) days prior to the ~~Formal Hearing~~ hearing date. Rebuttal or ~~R~~esponse briefs should be no longer than ten (10) pages, double spaced. Late briefs may be accepted, for good cause delay, at the discretion of the Chair of the Board ~~of Retirement~~ or the Hearing officer, as the case may be.

110. Hearing Regulations

a) Closed Session: All ~~formal~~ hearings before the Board shall be conducted in closed session unless the ~~subject~~ member requests that the hearing be held in open session. Such request shall be made on the record. Hearings before a Hearing Officer shall in all cases be closed to the public.

b) Burden of Proof:

- ~~1. The burden of proof by a preponderance of the evidence shall rest upon the party who files an application for a disability retirement.~~
- ~~2. When a member files an application for a service connected disability based on a heart presumption under CERL Section 31720.5 which MCERA recognizes as a rebuttable presumption as decided by *Pollorin v. Kern County Employees Retirement Association (December 18, 2006)* 145 Cal. App. 4th 1000, the MCERA Board will consider all evidence for and against a finding of service connection if staff determines there is a reasonable basis to challenge the conclusion that the heart trouble is service connected. The burden of proof in any hearing will shift to the MCERA to prove the disability is not service connected.~~

e)b) Reporting: Every hearing shall be reported by a Certified Shorthand Reporter (~~C~~ourt ~~R~~epporter). The Retirement Office shall arrange for a court reporter to be present and shall pay the court reporter's per diem costs and for the original and one copy of the hearing transcript. ~~The reporter's notes shall be transcribed only if requested by an interested party, in which case the requesting party shall pay the costs of such transcription. The per diem cost of the reporter shall be borne solely by the Association.~~

e)c) Documentary Record: At the commencement of the hearing on each application for disability retirement or other matter, the Board Chair ~~of the Retirement Board~~ or the Hearing Officer, as the case may be, shall identify each document which is being made a part of the record of the hearing. Any and all objections to the admissibility of any document so identified shall be made and ruled upon at the time of identification. Objections not made at that time shall be deemed waived.

e)d) Control Over Hearing: The Board Chair, or acting Chair, or the Hearing Officer, as the case may be, shall exercise such control over the hearing as is reasonable, necessary, and consistent with these regulations, prescribing the order of proof, ruling upon the admissibility of evidence, questioning witnesses, and determining whether the matter shall proceed or be adjourned subject to continuation.

- f)e) Objections: In hearings before the Board, ~~A~~all objections to the introduction or admissibility of evidence shall be determined by the Chair of the Board, subject to the re-determination by the Board through motion duly made, seconded and adopted by a majority of the members. The advice of the Board's Counsel shall be sought on all objections to the admissibility of evidence, in advance of ruling. In hearings before a Hearing Officer, all objections to the introduction or admissibility of evidence shall be decided by the Hearing Officer.
- g)f) Prerogatives of the Board: In hearings before the Board, ~~The~~the Board reserves the right to reject any recommendation that an application be granted or denied, and to interrupt any hearing for the purpose of seeking independent medical advice or receiving other testimony or evidence not presented by the parties.
- g)g) Absent Board Members: In hearings before the Board, ~~N~~no member of the Board who has not been in attendance during any portion of a hearing on an application for disability retirement shall participate in the determination by the Board of the application unless the member has read a transcript of that portion of the hearing in which he/she was not in attendance and has stated on the record that such review has been undertaken and completed.
- h)h) Rules of Evidence: Except as otherwise provided in these Regulations, any relevant evidence shall be admitted if it is the sort of evidence on which reasonable and responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of augmenting or explaining any direct evidence, but shall not be sufficient in and of itself to support a finding unless admitted pursuant to subsections ~~(am)~~, ~~(en)~~, ~~or (po)~~, or ~~(p)~~ of this section, or unless it would be admissible over objection in civil actions. Upon proper objection, evidence that is irrelevant or unduly repetitious shall be excluded.
- i)j) Oral Evidence: Oral evidence shall be taken only on oath or affirmation.
- k)j) Witnesses: On any relevant matter, each ~~i~~interested ~~p~~Party shall have the right to call and examine witnesses, introduce documentary and other physical evidence, and cross-examine opposing witnesses. Any ~~i~~interested ~~p~~Party who does not testify on his own behalf may be called and examined as a witness as if under cross-examination.
- k)k) Witness Fees: The party calling a witness shall be responsible for paying any fees or other expenses of that witness.
- l)l) Refusal to Testify: A refusal by an ~~i~~interested ~~p~~Party to testify when called, or to answer proper questions in the course of testifying, shall be grounds for deeming such testimony, or the answers to such questions, to have been given and to have been adverse to the refusing party.
- m)j) Medical Evidence: The production of medical evidence in the form of written reports is favored, provided that they have been served in the manner and within the time set forth in subsection ~~(en)~~ of this section.
- n)j) Medical Records or Reports: Any interested party may offer, and the Board or Hearing Officer shall receive into evidence, any medical records or reports that are relevant and that constitute substantial evidence, if copies of the said documents have been delivered to all interested parties at least twenty (20) days prior to the hearing, along with written notice of intention to offer the same into evidence. Any interested party may, at their own expense, subpoena the author of such a medical report or record as a witness, and examine the author as if under cross-examination. Any party calling such an expert witness or an expert witness

who has not provided a report must give notice of at least fifty (50) days prior to the date of the formal hearing to all interested parties. The Board or the Hearing Officer, as the case may be, in its may, in their discretion, ~~may~~ waive the lack of a fifty (50) day notice for good cause as determined by the Board or the Hearing Officer. ~~Notice of medical reports prepared for purposes of Worker's Compensation proceedings are not made inadmissible by that fact alone; however, no opinion therein shall constitute substantial evidence to support a finding of permanent incapacity or service connection if that opinion is based upon any criterion that is peculiar to Worker's Compensation, or is otherwise not germane to the issue of permanent incapacity or service connection under CERL, the Retirement Law (e.g., opinions in terms of "permanent disability" under the laws of Worker's Compensation, the WCAB "Guidelines for Work Capacity," "prophylactic work restrictions," etc.).~~

þ) Non-Medical Written Statements: Any interested party may offer, and the Board or the Hearing Officer shall receive into evidence, any relevant written statement by a non-medical witness, if:

1. It is made by affidavit or by declaration upon penalty of perjury;
2. A copy has been delivered to all interested parties at least twenty (20) days prior to the hearing, along with written notice of intention to offer the same into evidence; and
3. No interested party has, at least ten (10) days prior to the hearing, delivered to the proponent a written demand that the witness be produced in person to testify at the hearing. The board shall disregard any portion of a statement received pursuant to this subsection that would be inadmissible if the witness were testifying in person, but the inclusion of inadmissible matters shall not render the entire statement inadmissible.

þ) Deposition Transcripts: Any interested party may offer, and the Board or Hearing Officer shall receive into evidence, any relevant deposition transcript and/or video recording if:

1. The deposition was taken in the manner provided by law or by stipulation of the parties, and
2. At least twenty (20) days prior to the hearing the offering party delivered to all interested parties notice of intention to offer the same into evidence. Nothing herein shall require or permit receiving into evidence any deposition testimony to which objection is properly raised if such testimony would be inadmissible were the witness present and testifying at the hearing. ~~Nothing herein shall prevent receiving into evidence any deposition testimony that would be inadmissible under the Code of Civil Procedure in a Superior Court civil action.~~

þ) Obligation to Appear at Hearing: A duly noticed hearing may proceed in the absence of any Interested Party. Applicants and Subject Members, where applicable, shall personally appear at all hearings pertaining to their application. Service by mail of written notice of hearing shall be sufficient to compel the appearance of the Applicant and Subject Member at hearing. Failure of an Applicant or a Subject Member to personally appear and testify at any duly noticed hearing, whether before the Board or a Hearing Officer, may be deemed a withdrawal of the corresponding disability retirement application with prejudice, unless the hearing is continued by stipulation of the Interested Parties or upon a showing of good cause.

þ) For the purposes of this section, "delivery" of a document or a notice may be

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accomplished by personal service in accordance with the Code of Civil ~~Regulations Procedure~~, or by mail in accordance with Section ~~2047~~ of these regulations except that if delivery is by mail the time prescribed in this section for the delivery of documents and notices shall be increased by five (5) days.

~~i. A duly noticed hearing may proceed in the absence of any interested party.~~

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124. Hearings before the Board

- a) Four (4) members of the Board shall constitute a quorum for ~~an Informal or Formal Hearing a hearing~~ held before the Board pursuant to the provisions of this Article. With respect to any such hearing, no findings of fact or decision by the Board shall be valid or effective without the votes of the greater of the following:
 1. A majority of all members present; or
 2. Four (4) members.
- b) The Board shall decide and provide a decision to the applicant on all material issues no later than sixty (60) days following the meeting at which the matter is submitted unless there is a delay in obtaining additional information pursuant to Section ~~119 (ef)~~.

132. Hearings before Hearing Officers

- a) When a hearing is held before a Hearing Officer, he/she shall prepare a written recommended decision to be submitted to the Board. The document shall include detailed findings of fact and conclusions of law on all relevant issues. It is essential that the document include a thorough analysis regarding how each disputed fact and legal issue was decided. The recommended decision must be in a form which, if adopted by the Board, will satisfy the judicial review requirements of Code of Civil Procedure section 1094.5.
- b) The Hearing Officer shall submit the proposed recommended decision to the Retirement Office and serve a copy thereof on all Interested Parties within forty-five (45) days after the matter is submitted. The Hearing Officer shall simultaneously deposit with the Retirement Office all documents marked as hearing exhibits, which the Retirement Office shall add to the administrative record. The Hearing Officer shall not be entitled to remuneration for his services until the recommended decision has been submitted and served. For purposes of this subparagraph, a matter is considered "submitted" on the last day of the hearing, unless the Hearing Officer, for good cause, orders otherwise.
- c) Post hearing briefs are permitted at the Hearing Officer's discretion. Such briefs shall be submitted to the Retirement Office and served on all Interested Parties no more than twenty (20) days after the conclusion of the hearing.
- d) Upon service of the Hearing Officer's recommended decision, the Interested Parties shall have ten (10) days to submit objections thereto by filing said written objections with the Retirement Office and serving copies thereof on all Interested Parties. Said objections shall be considered by the Board and included in the administrative record. Objections not made within ten (10) days shall be deemed waived.

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14. Action by the Board on Hearing Officer's Recommended Decision

- a) Upon receipt of the Hearing Officer's recommended decision, the Retirement Office shall place the matter on the Board's agenda.
- b) The Board shall, at the first meeting where the matter properly appears on its agenda, review the Hearing Officer's recommended decision as well as any timely

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filed objections thereto. After giving the matter due consideration, the Board may:

1. Approve and adopt the Hearing Officer's recommended decision; or
2. Request and review a transcript of the hearing as well as all the evidence introduced at the hearing. Upon receipt and review thereof, the Board may issue an opinion based on its review of the evidence; or
3. Refer the matter back to the Hearing Officer with instructions for further proceedings; or
4. Set the matter for hearing before the Board. At such hearing, the Board shall hear and decide the matter as if it had not been referred to a Hearing Officer.

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15. Board Decisions

- a) All of the following provisions apply to any decision of the Board that is subject to judicial review pursuant to Code of Civil Procedure Section 1094.5:
 1. The decision shall be in writing;
 2. The decision shall include or be accompanied by notice that the time in which judicial review must be sought is governed by Code of Civil Procedure Section 1094.6, and shall include or be accompanied by the text of Section 1094.6;
 3. The decision shall be accompanied by a copy of an affidavit or certificate of mailing;
 4. The foregoing shall be served upon all interested parties by first class mail, with postage prepaid.
- b) For purposes of judicial review, a decision of the Board is final on the date that the written decision is ~~mailed pursuant to Subsection 44~~served on the Interested Parties.
- c) Neither Code of Civil Procedure Section 1013 (a) nor any provision of these regulations shall apply to extend the time within which judicial review must be sought.
- d) The Board shall not entertain any petition for reconsideration of any decision after ~~a formal hearing~~the decision is final.

16.3. Judicial Review of Board Decisions

- a) Any request for the preparation of the administrative record pursuant to Code of Civil Procedure Section 1094.6 shall be made in writing and filed with the Retirement Office. The Retirement Office shall, within ten (10) days of receiving such a request, notify the requesting party of the estimated cost of preparing the record.
- ~~b) Any requesting party other than an MercedCERA Employer or the Retirement Office may~~shall within ten (10) days of receiving such notification, deposit with the Retirement Office an amount sufficient to cover the estimated costs. If during the preparation of the record it becomes apparent that the costs will exceed the amount of the deposit, the requesting party shall be notified and shall deposit the additional amounts before the record will be completed. If the cost of preparing the record exceeds the amount deposited, the party requesting the record shall pay the excess. If the amount deposited exceeds the cost, the difference shall be returned to the party requesting such record. Upon receiving the required deposit, the Retirement Office ~~promptly shall prepare the record, and shall include the transcript of the proceedings, all pleadings, all notices rejected exhibits in the possession of the Board of Retirement, its officers, or agent, all written evidence,~~

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~~and any other papers in the case shall promptly prepare the administrative record, exclusive of documents protected by attorney-client privilege or the attorney work-product doctrine.~~

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174. Disability Beneficiaries Under 55 Years of Age

The ~~Retirement~~ Board may request information from any disability beneficiary under fifty-five (55) years of age in the manner prescribed in Sections ~~4, 5, and~~ of these Regulations; ~~and may require any such beneficiary to undergo medical re-examination pursuant to Government Code Section 31729.~~ If from such information and medical re-examination it appears that the disability beneficiary may no longer be incapacitated, ~~then the Retirement~~ Board may order; a hearing on the issue of incapacity, in which case the procedure shall be the same as those provided in these regulations for applications for disability retirement.

185. Motions

Any ~~i~~Interested ~~p~~Party claiming that another ~~i~~Interested ~~p~~Party has not complied with any requirement of these regulations or the CERL shall first attempt to resolve the issue with the other party. Thereafter the said ~~i~~Interested ~~p~~Party may make written notice for an order compelling compliance. The motion shall include the following:

- a) A verified statement of all relevant facts, including a description of efforts made to resolve the dispute informally, and the reasons given by the respondent party for non-compliance;
- b) A statement of the relief sought;
- c) A memorandum of supporting points and authorities; and,
- c) A copy of an affidavit or certificate of service upon all ~~i~~Interested ~~p~~Parties.

The motion shall be made to the Board, ~~which may refer the matter to hearing before a Hearing Officer.~~ The respondent party shall have five (5) ~~D~~days from the date the motion is served to submit written opposition. Such opposition shall include the following:

- ~~1-~~ a) A verified statement of all relevant facts;
- ~~2-~~ b) A memorandum of supporting points and authorities; and,
- c) A copy of an affidavit or certificate of service upon all ~~i~~Interested ~~p~~Parties.

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Upon the expiration of the time allowed for opposition, the Board shall either grant or deny the motion without a hearing, ~~or~~ set a hearing on the motion ~~before itself, or refer the matter to hearing before a Hearing Officer.~~

196. Sanctions

Upon a motion pursuant to Section ~~185~~ of these Regulations, the Board may impose against any interested party any of the sanctions available under the Code of Civil Procedure, on any grounds that would support the imposition of those sanctions in a superior court civil matter. The Board may suspend an Applicant's right to proceed until the Applicant has satisfied the terms of an order imposing sanctions.

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2017. Service

- a) When a provision of this Article requires that ~~"interested parties"~~ any party be served, service shall also be made upon ~~all Interested Parties, the Retirement Office, and all counsel who have appeared in the matter. the Retirement Office, Counsel and all interested parties who have appeared in the subject proceedings and all interested parties who have filed a request to be served.~~
- b) If the party to be served has an attorney of record in accordance with Section 2 of these Regulations, service shall be made upon the attorney of record.
- c) Unless otherwise provided in these Regulations, when a provision of this Article

requires service, service shall be made either personally in a manner permitted under the Code of Civil Procedure for the service of a summons, or by mail in accordance with subsection (d) of this section.

- d) Service by mail shall be affected by sealing the item to be served in an envelope properly addressed to the party to be served and depositing the envelope in the United States mail, with first class postage fully prepaid. Service by mail shall extend applicable time limitations in the manner prescribed in Code of Civil Procedure section 1013. For purposes of determining the effectiveness of service upon a subject member, a mailing shall be deemed "properly addressed" if it bears the address specified on the application, or, if the application has been amended, the address specified on the most recently-filed amended application.

2148. Amendments

These regulations may be amended at any regular or special meeting of the Retirement Board by a majority vote of the Board, subject to approval by the Board.

The foregoing regulations are hereby adopted and made effective for the Merced County Employees' Retirement System this 11th day of July, 1996.

The foregoing regulations are hereby amended and made effective for the Merced County Employees' Retirement System this 10th day of July, 2008.

The foregoing regulations are hereby amended and made effective for the Merced County Employees' Retirement System this 11th day of February, 2010.

The foregoing regulations are hereby amended and made effective for the Merced County Employees' Retirement System this 09th day of September, 2010.

The foregoing regulations are hereby amended and made effective for the Merced County Employees' Retirement System this 08th day of September, 2011.

The foregoing regulations are hereby amended and made effective for the Merced County Employees' Retirement System this 09th day of May, 2013.

The foregoing regulations are hereby amended and made effective for the Merced County Employees' Retirement System this 10th day of May, 2018

DATE: December 8, 2022

TO: MercedCERA Board of Retirement

FROM: Mark Harman, Fiscal Manager

SUBJECT: Interest Crediting Rates for December 2022

ITEM NUMBER: 3

ITEM TYPE: Action

STAFF RECOMMENDATION:

1. Adopt the proposed interest credit rates of a 0.9154% annual rate, compounded semiannually, to be credited to the active reserves balances and a 6.75% annual rate, compounded semiannually, to retiree and employer reserves balances.

DISCUSSION: Pursuant to the Interest Crediting Policy adopted by the MercedCERA Retirement Board on September 14, 2017 and in accordance with Section 31591 of the County Employees' Retirement Law of 1937, the Retirement Board shall determine a rate of interest to be credited on December 31st to all contributions in the retirement fund which have been on deposit for six months immediately prior to that date.

Active Member Reserves shall be credited first. The policy provides a range of 0% to 6.75% (the actuarial rate of return adopted September 2021). The policy provides guidance for establishing the amount to be credited by using the Bank of America Merrill Lynch Six Month Treasury Bill index. For the rolling twelve-month period ended November 30, 2022, the index return was 0.9154% as reported to MercedCERA by Meketa. This rate will be compounded semiannually for the purpose of interest crediting.

Employer and Retiree Reserves shall be credited at the actuarial discount rate. This rate will be compounded semiannually for the purpose of interest crediting. MercedCERA will only credit interest to the extent that there is a current fiscal year net investment revenue or any balance in the Interest Fluctuation Reserve.

The estimated net investment income through December 31, 2022 is as follows:

Balance in Interest Fluctuation Reserve as of July 01, 2022	\$133,988,380
Total Estimated Investment Gain as of December 31, 2022*	59,560,980
Total Estimated Expenses as of December 31, 2022*	(1,372,223)
Total Estimated Available for Interest Crediting	\$194,932,583
Proposed Interest Crediting to all reserves on December 31, 2022	(21,733,511)
Estimated Balance in Interest Fluctuation Reserve as of December 31, 2022	\$173,188,072

**Investment gains and expenses are based on a blend of actuals and best estimates and may vary greatly between now and the final accounting for transactions occurring during the months of November and December.*

Dec 8,
2022

Alternative Investment Performance

Merced County Employees' Retirement Association



Strictly Confidential. Not for Distribution.

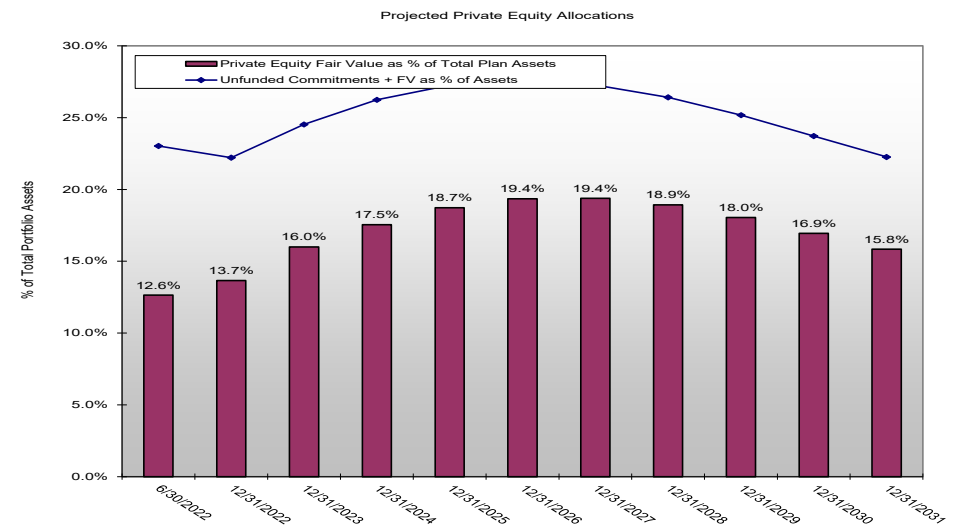
MercedCERA Private Equity Capital Budget & Implementation Plan

15% fund level target; an increase from 9% in 2018

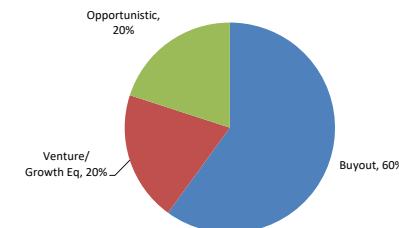
- Annual capital budget target of \$50 mm
 - Range of \$35-\$65 million
- Target 5-10 investments, range of \$5-\$15 million per inv; average size of \$7 million per
- Actual exposure is higher than projections due to public market declines
- Targets for strategy exposures remain the same
- Update capital budgets on an annual basis

Performance comparisons:

- Long term investment objective: Earn a return premium over public equity (Russell 3000 + 3%)
- Recommended primary asset class benchmark: Cambridge Associates Global Private Equity & VC Index
- Recommended fund benchmarks: Each fund will be compared to the Cambridge Associates strategy universe for the respective vintage years and each vintage year will be compared to Cambridge Associates Global Private Equity & VC Index



Target Strategy Diversification



	Target	Ranges
Buyout	60%	40-80%
Venture/Growth Eq	20%	10-30%
Opportunistic	20%	10-30%
	100%	

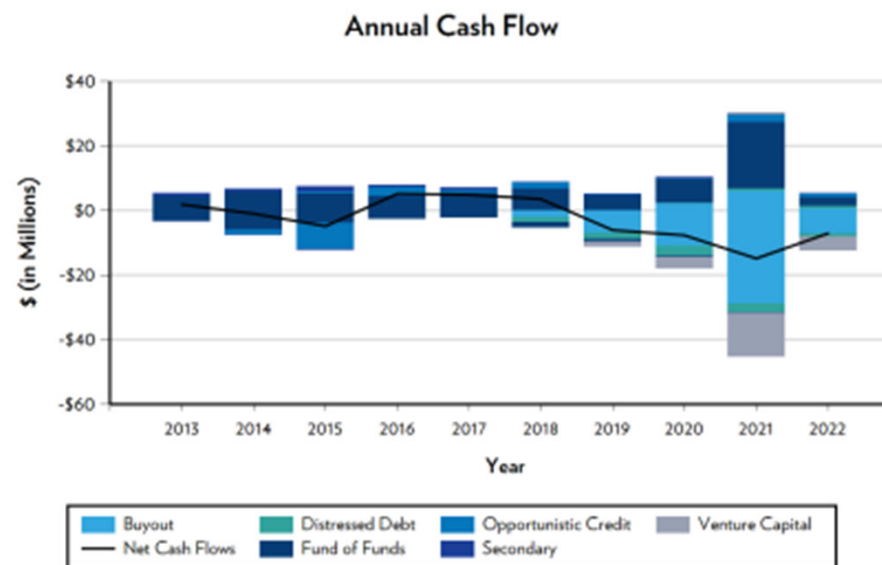
Note: MCERA's existing private equity portfolio was modeled using vintage year drawdown/return of capital assumptions patterned after historical category averages. Total fund growth of 5.5%.

MercedCERA Private Equity Investment Structure & Portfolio Assessment

Investment structure (15% fund target; 13.9% invested as of Sep 2022):

- Current portfolio is barbelled with half of commitments in 2007 & earlier FoFs and half in 2011 & later FoFs
 - Overall portfolio has not met performance expectations; VY 2014 & earlier funds are mature with the funds in VY 2017-2022 in their investment period
 - There were annual gains of \$21 million, including a \$200K loss in 2Q; contributions exceed distributions by \$11 million as the newer portfolios are being built
 - Portfolio is diversified by strategy but overall it is in a negative cash flow situation

Annual Summary									
(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain Loss	Net IRR	Benchmark
June 30, 2021	41	\$208,392	\$114,025	\$81,177	\$101,035	\$182,212	\$68,187	11.47%	13.72%
June 30, 2022	50	\$264,069	\$151,660	\$107,821	\$133,421	\$241,242	\$89,582	12.13%	12.65%
Annual Change	9	\$55,677	\$37,635	\$26,644	\$32,386	\$59,030	\$21,395		



Note: Net cash flow is the for the respective calendar year.

MercedCERA Private Equity Performance – as of Jun 30, 2022



Partnership Name	Strategy	(A)		(B)		(C)		(D)	(C+D)	(C+D-B)	IRR	TVPI
		Commit. Amount	Unfund. Amount	Cumulat. Cont.	% Drawn	Cumulat. Dist.	Fair Value					
Vintage Year 2004												
* Invesco Partnership Fund IV, L.P.	Fund of Funds	10,000	2,417	7,898	76%	16,233	0	16,233	8,336	11.75%	7.71%	2.06x
Vintage Year 2004 Total		10,000	2,417	7,898	76%	16,233	0	16,233	8,336	11.75%	8.20%	2.06x
Vintage Year 2005												
ASP 2005 Non-US Fund	Fund of Funds	1,500	74	1,426	95%	1,873	57	1,929	503	4.54%	0.50%	1.35x
ASP 2005 US Fund	Fund of Funds	3,500	177	3,323	95%	5,203	152	5,356	2,033	7.13%	7.60%	1.61x
Pantheon Ventures Euro Fund IV	Fund of Funds	1,045	45	1,284	96%	1,641	23	1,664	380	4.53%	0.50%	1.30x
Pantheon Ventures USA Fund VI	Fund of Funds	3,750	206	3,544	95%	5,329	38	5,367	1,823	6.45%	7.60%	1.51x
Vintage Year 2005 Total		9,795	502	9,576	95%	14,045	270	14,315	4,739	6.20%	7.43%	1.49x
Vintage Year 2006												
Pantheon Global Secondary Fund III "B"	Secondary	10,000	540	9,460	95%	10,400	113	10,513	1,053	1.89%	N/A	1.11x
Vintage Year 2006 Total		10,000	540	9,460	95%	10,400	113	10,513	1,053	1.89%	7.22%	1.11x
Vintage Year 2007												
ASP 2007 Direct Fund	Fund of Funds	450	12	438	97%	915	178	1,093	655	12.02%	12.92%	2.49x
ASP 2007 Non-US Fund	Fund of Funds	1,575	78	1,497	95%	2,180	304	2,485	988	8.00%	-0.34%	1.66x
ASP 2007 US Fund	Fund of Funds	2,475	115	2,360	95%	4,377	580	4,957	2,597	12.58%	12.92%	2.10x
Vintage Year 2007 Total		4,500	205	4,295	95%	7,473	1,062	8,534	4,239	11.06%	9.03%	1.99x
Vintage Year 2011												
ASP 2011 Direct Fund	Fund of Funds	500	37	463	93%	614	342	956	494	14.35%	20.44%	2.07x
ASP 2011 Emerging Markets Fund	Fund of Funds	500	64	436	87%	461	575	1,037	601	14.07%	5.04%	2.38x
ASP 2011 Non-US Developed Fund	Fund of Funds	1,500	239	1,261	84%	1,597	986	2,584	1,323	14.62%	5.04%	2.05x
ASP 2011 US Fund	Fund of Funds	2,500	326	2,175	87%	3,486	1,997	5,484	3,309	17.79%	20.44%	2.52x
Pantheon Asia Fund VI	Fund of Funds	1,000	76	925	92%	873	740	1,613	688	10.04%	5.04%	1.74x
Pantheon Euro Fund VII	Fund of Funds	1,458	182	1,505	88%	1,921	1,036	2,957	1,452	12.52%	5.04%	1.96x
Pantheon Ventures USA Fund IX	Fund of Funds	2,000	192	1,808	90%	2,810	1,721	4,531	2,723	17.00%	20.44%	2.51x
Vintage Year 2011 Total		9,458	1,117	8,573	88%	11,763	7,399	19,162	10,589	15.12%	12.91%	2.24x
Vintage Year 2013												
Invesco Partnership Fund VI, L.P.	Fund of Funds	5,000	1,548	3,958	69%	13,137	1,406	14,542	10,584	24.00%	20.56%	3.67x
Vintage Year 2013 Total		5,000	1,548	3,958	69%	13,137	1,406	14,542	10,584	24.00%	14.16%	3.67x
Vintage Year 2014												
Ocean Avenue Fund II	Fund of Funds	10,000	1,000	9,000	90%	13,794	9,736	23,530	14,530	21.31%	23.25%	2.61x
* Raven Asset-Based Opportunity Fund II	Opportunistic Credit	10,000	474	9,526	95%	9,739	0	9,739	213	0.58%	8.13%	1.02x
Vintage Year 2014 Total		20,000	1,474	18,526	93%	23,532	9,736	33,269	14,743	13.34%	18.42%	1.80x

Note: The benchmark represents the Cambridge Associates LLC median for the respective strategy and vintage year. At the vintage year level, the Cambridge Associates LLC Global Private Equity & VC[®] median is used for the respective vintage year.

MercedCERA Private Equity Performance – as of Jun 30, 2022



Partnership Name	Strategy	(A)	(B)	(C)		(D)	(C+D)	(C+D-B)	IRR			
		Commit. Amount	Unfund. Amount	Cumulat. Cont.	% Drawn				Cumulat. Dist.	Fair Value	Total Value	Gain/Loss
Vintage Year 2017												
GTCR XII	Buyout	5,000	911	4,151	82%	2,204	5,395	7,598	3,447	32.01%	27.03%	1.83x
Vintage Year 2017 Total		5,000	911	4,151	82%	2,204	5,395	7,598	3,447	32.01%	23.41%	1.83x
Vintage Year 2018												
Carrick Capital Partners III, L.P.	Buyout	5,000	1,032	3,968	79%	581	5,395	5,976	2,008	20.65%	22.61%	1.51x
Cressey & Company Fund VI LP	Buyout	5,000	1,325	3,926	74%	1,289	5,139	6,428	2,502	33.08%	22.61%	1.64x
DK LT Distressed Opps Fund IV LP	Distressed Debt	5,000	343	4,743	93%	1,321	5,989	7,310	2,568	15.20%	19.78%	1.54x
Vintage Year 2018 Total		15,000	2,700	12,636	82%	3,192	16,523	19,714	7,078	20.50%	24.60%	1.56x
Vintage Year 2019												
Accel-KKR Growth Capital Partners III	Buyout	5,000	711	4,289	86%	306	4,838	5,144	854	14.09%	24.00%	1.20x
Cortec Group Fund VII, L.P.	Buyout	10,000	3,537	8,621	65%	2,159	9,850	12,010	3,389	31.27%	24.00%	1.39x
Genstar Capital Partners IX, L.P.	Buyout	7,000	865	6,535	88%	881	10,477	11,358	4,824	43.07%	24.00%	1.74x
Summit Partners Growth Fund X-A, L.P.	Buyout	8,000	2,147	7,033	73%	1,180	7,400	8,580	1,547	21.78%	24.00%	1.22x
TCV X, L.P.	Venture Capital	5,000	1,247	3,753	75%	0	7,041	7,041	3,288	31.87%	30.05%	1.88x
Vintage Year 2019 Total		35,000	8,506	30,230	76%	4,526	39,606	44,132	13,902	30.63%	27.29%	1.46x
Vintage Year 2020												
Accel-KKR Capital Partners VI, LP	Buyout	5,000	2,888	2,112	42%	0	2,112	2,112	0	N/M	N/M	1.00x
GTCR Fund XIII/A & B LP	Buyout	8,000	6,011	1,989	25%	289	2,595	2,885	896	N/M	N/M	1.45x
Marlin Heritage Europe II, L.P.	Buyout	7,316	3,490	3,341	52%	0	4,652	4,652	1,310	N/M	N/M	1.39x
Thoma Bravo Discover Fund III, L.P.	Buyout	8,000	1,453	6,547	82%	0	7,017	7,017	471	N/M	N/M	1.07x
Taconic Market Dislocation Fund III L.P.	Distressed Debt	8,000	2,750	5,460	66%	237	6,259	6,496	1,036	N/M	N/M	1.19x
Spark Capital Growth Fund III, L.P.	Venture Capital	6,000	120	5,880	98%	791	12,144	12,935	7,055	91.37%	25.50%	2.20x
Spark Capital VI, L.P.	Venture Capital	3,000	885	2,115	71%	0	2,298	2,298	183	7.20%	25.50%	1.09x
Summit Partners VC Fund V- A, L.P.	Venture Capital	6,000	3,655	2,345	39%	0	2,297	2,297	-48	N/M	N/M	0.98x
Vintage Year 2020 Total		51,316	21,253	29,789	59%	1,317	39,374	40,691	10,902	38.53%	20.21%	1.37x

Note: The benchmark represents the Cambridge Associates LLC median for the respective strategy and vintage year. At the vintage year level, the Cambridge Associates LLC Global Private Equity & VC[®] median is used for the respective vintage year.

MercedCERA Private Equity Performance – as of Jun 30, 2022



Partnership Name	Strategy	(A)	(B)	(C)		Cumulat. Dist.	(D)	(C+D)	(C+D-B)	IRR	TVPI	
		Commit. Amount	Unfund. Amount	Cumulat. Cont.	% Drawn		Fair Value	Total Value	Gain/Loss			Net IRR
Vintage Year 2021												
Genstar Capital Partners X, L.P.	Buyout	8,000	6,358	1,642	21%	0	1,687	1,687	44	N/M	N/M	1.03x
Nautic Partners X, L.P.	Buyout	8,000	6,571	1,429	18%	0	1,236	1,236	-193	N/M	N/M	0.86x
Summit Partners Growth Fund XI-A, L.P.	Buyout	8,000	8,000	0	0%	0	-40	-40	-40	N/M	N/M	N/A
Khosla Ventures Seed E, L.P.	Venture Capital	2,000	1,290	710	36%	0	975	975	265	N/M	N/M	1.37x
Khosla Ventures VII, L.P.	Venture Capital	6,000	2,952	3,048	51%	0	3,285	3,285	237	N/M	N/M	1.08x
TCV Velocity Fund I, L.P.	Venture Capital	8,000	7,435	565	7%	0	419	419	-146	N/M	N/M	0.74x
TCV XI, L.P.	Venture Capital	8,000	4,607	3,393	42%	0	3,443	3,443	50	N/M	N/M	1.01x
Vintage Year 2021 Total		48,000	37,213	10,787	22%	0	11,004	11,004	217	N/M	N/M	1.02x
Vintage Year 2022												
Accel-KKR Growth Capital Partners IV	Buyout	5,000	4,720	280	6%	0	201	201	-79	N/M	N/M	0.72x
Marlin Heritage III, L.P.	Buyout	8,000	8,000	0	0%	0	0	0	0	N/M	N/M	N/A
Thoma Bravo Discover Fund IV, L.P.	Buyout	8,000	8,000	0	0%	0	0	0	0	N/M	N/M	N/A
GTCR Strategic Growth Fund I/A&B LP	Growth Equity	6,000	6,000	0	0%	0	-55	-55	-55	N/M	N/M	N/A
Spark Capital Growth Fund IV, L.P.	Venture Capital	6,000	5,100	900	15%	0	817	817	-83	N/M	N/M	0.91x
Spark Capital VII, L.P.	Venture Capital	3,000	2,400	600	20%	0	570	570	-30	N/M	N/M	0.95x
Threshold Ventures IV, L.P.	Venture Capital	5,000	5,000	0	0%	0	0	0	0	N/M	N/M	N/A
Vintage Year 2022 Total		41,000	39,220	1,780	4%	0	1,533	1,533	-247	N/M	N/M	0.86x
Portfolio Total :		264,069	117,607	151,660	55%	107,821	133,421	241,242	89,582	12.13%	12.65%	1.59x
Portfolio Strategy Totals												
Buyout		118,316	66,019	55,863	44%	8,889	67,953	76,843	20,980	28.10%		1.38x
Distressed Debt		13,000	3,093	10,203	76%	1,558	12,248	13,806	3,604	15.73%		1.35x
Fund of Funds		48,753	6,790	43,300	86%	76,444	19,873	96,317	53,017	12.56%		2.22x
Growth Equity		6,000	6,000	0	0%	0	-55	-55	-55	N/M		N/A
Opportunistic Credit		10,000	474	9,526	95%	9,739	0	9,739	213	0.58%		1.02x
Secondary		10,000	540	9,460	95%	10,400	113	10,513	1,053	1.89%		1.11x
Venture Capital		58,000	34,691	23,309	40%	791	33,288	34,079	10,771	38.09%		1.46x
Portfolio Total :		264,069	117,607	151,660	55%	107,821	133,421	241,242	89,582	12.13%	12.65%	1.59x

Note: The benchmark represents the Cambridge Associates LLC median for the respective strategy and vintage year. At the vintage year level, the Cambridge Associates LLC Global Private Equity & VC® median is used for the respective vintage year.

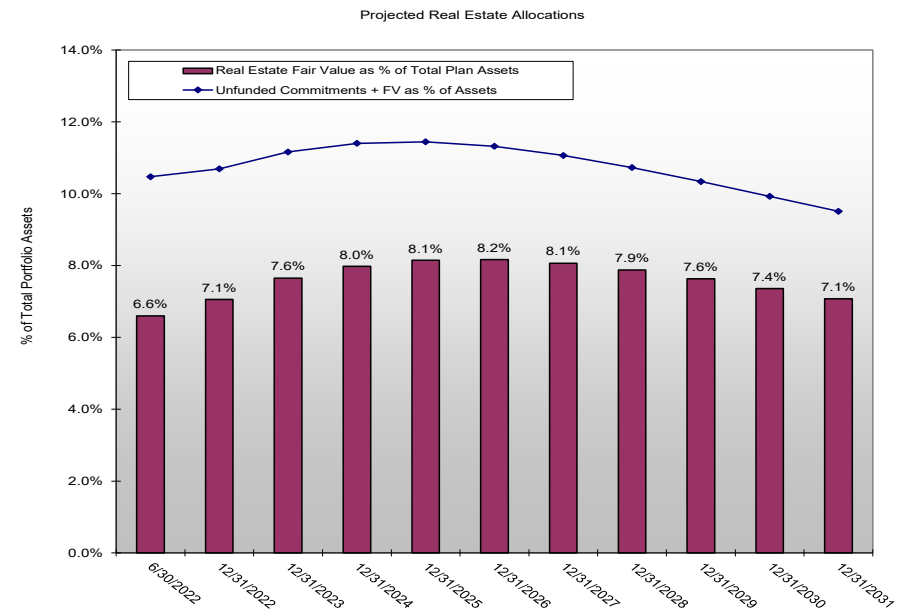
MercedCERA Real Estate Capital Budget & Implementation Plan

8% fund level target; same as prior target

- Keep annual capital budget at \$20 million
 - Range of \$10-\$30 million
- Target 2-4 investments, range of \$5-\$10 million per inv
 - Average investment size of \$8 million
 - If an average of 2-4 GP partnership commitments per year, expect a total of 8-16 GP relationships over a 4 year fund raising cycle
- Continue using REITS as a substitute until funding private real estate investments is needed; core RE target is 25% of RE portfolio

Performance comparisons:

- Long term investment objective: Earn a return premium over inflation (CPI-U + 5%)
- Recommended primary asset class benchmark: NCREIF NFI-ODCE; revisit over time as the structure of the portfolio changes
- Recommended fund benchmarks: Cambridge Associates strategy universe for the respective vintage years and each vintage year will be compared to Cambridge Associates Global Real Estate Index



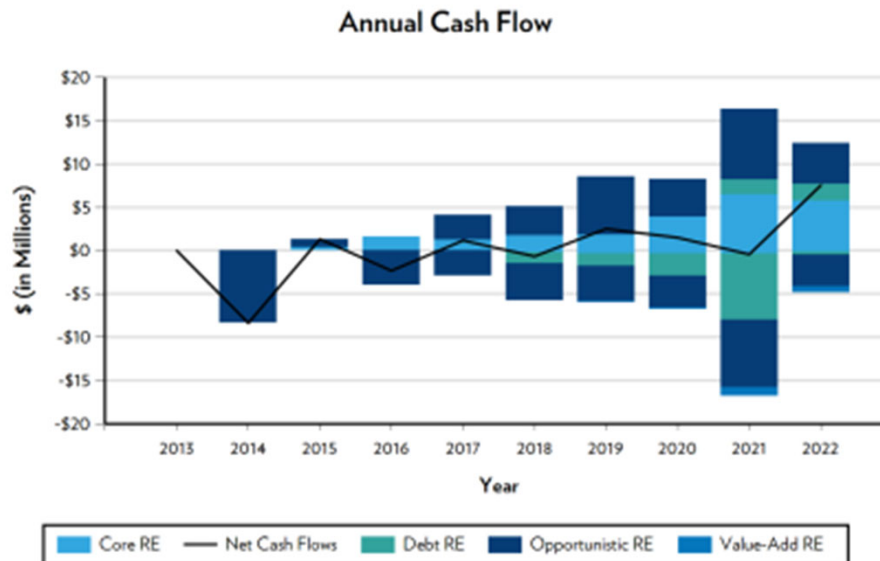
Note: MCERA's existing real estate portfolio was modeled using vintage year drawdown/return of capital assumptions patterned after historical averages. Only the private RE portfolio is modeled. Total fund growth rate of 5.5%.

MercedCERA Real Estate Investment Structure & Portfolio Assessment

Real estate investment structure (8% target, 9.1% actual as of Sep 2022)

- MCERA invested in 1999 in a private core real estate fund; direct program began in 2014
- Distributions exceed contributions by \$9 million over the past year; RE activity has increased and the valuation improved by \$13 million over the past year, including \$2 million in the past quarter

Annual Summary									
(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain Loss	Net IRR	Benchmark
June 30, 2021	11	\$92,113	\$56,555	\$49,619	\$65,380	\$114,999	\$58,445	8.70%	8.57%
June 30, 2022	14	\$114,437	\$71,603	\$73,308	\$69,662	\$142,970	\$71,367	9.11%	9.09%
Annual Change	1	\$22,324	\$15,048	\$23,689	\$4,282	\$27,971	\$12,922		



Note: Net cash flow is the for the respective calendar year.

MercedCERA Real Estate Performance – as of Jun 30, 2022

Real Estate Portfolio

- MCERA began investing in the UBS Trumbull core real estate fund in 1999 and this represents the bulk of the real estate portfolio
 - Opportunistic funds began being added in 2014 and they are in the being developed
- Overall performance has met objectives, driven by the core RE fund; opportunistic fund performance is not meaningful

Partnership Name	Strategy	(A)		(B)		(C)		(D)	(C+D)	(C+D-B)		IRR	TVPI
		Commit. Amount	Unfund. Amount	Cumulat. Cont.	% Drawn	Cumulat. Dist.	Fair Value			Total Value	Gain/Loss		
Vintage Year 1999													
UBS Trumbull Property Fund	Core RE	17,000	0	18,305	100%	39,365	31,596	70,962	52,656	8.67%	10.20%	3.88x	
Vintage Year 1999 Total		17,000	0	18,305	100%	39,365	31,596	70,962	52,656	8.67%	12.95%	3.88x	
Vintage Year 2014													
Greenfield Acquisition Partners VII, L.P.	Opportunistic RE	13,000	1,876	12,662	86%	18,938	2,888	21,826	9,164	13.39%	11.63%	1.72x	
Vintage Year 2014 Total		13,000	1,876	12,662	86%	18,938	2,888	21,826	9,164	13.39%	10.08%	1.72x	
Vintage Year 2016													
Patron Capital Fund V	Opportunistic RE	12,437	1,911	11,545	85%	6,994	7,402	14,397	2,852	9.16%	13.11%	1.25x	
Vintage Year 2016 Total		12,437	1,911	11,545	85%	6,994	7,402	14,397	2,852	9.16%	11.79%	1.25x	
Vintage Year 2017													
Carlyle Realty Partners VIII, L.P.	Opportunistic RE	5,000	3,248	3,760	35%	2,783	2,959	5,742	1,983	32.12%	15.04%	1.53x	
Vintage Year 2017 Total		5,000	3,248	3,760	35%	2,783	2,959	5,742	1,983	32.12%	11.16%	1.53x	
Vintage Year 2018													
Taconic CRE Dislocation Fund II	Debt RE	5,000	550	4,634	89%	2,212	3,708	5,920	1,285	11.52%	18.69%	1.28x	
AG Realty Value Fund X, L.P.	Opportunistic RE	5,000	1,261	4,225	75%	1,094	4,663	5,757	1,533	24.05%	24.48%	1.36x	
Vintage Year 2018 Total		10,000	1,811	8,859	82%	3,306	8,371	11,677	2,818	15.87%	16.78%	1.32x	
Vintage Year 2019													
Rockpoint Real Estate Fund VI, L.P.	Opportunistic RE	5,000	1,577	3,615	68%	483	4,129	4,612	997	28.38%	15.45%	1.28x	
Carmel Partners Investment Fund VII, L.P.	Value-Add RE	5,000	2,923	2,077	42%	0	1,988	1,988	-89	-4.31%	10.70%	0.96x	
Vintage Year 2019 Total		10,000	4,500	5,692	55%	483	6,117	6,600	908	16.11%	13.03%	1.16x	
Vintage Year 2020													
Cerberus Real Estate Debt Fund, L.P.	Debt RE	7,000	2,440	4,555	65%	0	4,998	4,998	443	N/M	N/M	1.10x	
Starwood Distr Opp Fund XII Global, L.P.	Opportunistic RE	8,000	6,400	1,600	20%	0	1,891	1,891	291	N/M	N/M	1.18x	
Vintage Year 2020 Total		15,000	8,840	6,155	41%	0	6,889	6,889	734	N/M	N/M	1.12x	
Vintage Year 2021													
Taconic CRE Dislocation Fund III L.P.	Debt RE	8,000	5,200	4,028	35%	1,438	2,929	4,367	339	N/M	N/M	1.08x	
Carlyle Realty Partners IX, L.P.	Opportunistic RE	8,000	8,000	0	0%	0	-60	-60	-60	N/M	N/M	N/A	
Carmel Partners Investment Fund VIII, L.P.	Opportunistic RE	8,000	7,406	597	7%	0	515	515	-83	N/M	N/M	0.86x	
Vintage Year 2021 Total		24,000	20,606	4,625	14%	1,438	3,384	4,822	197	N/M	N/M	1.04x	
Vintage Year 2022													
Rockpoint Real Estate Fund VII, L.P.	Opportunistic RE	8,000	8,000	0	0%	0	55	55	55	N/M	N/M	N/A	
Vintage Year 2022 Total		8,000	8,000	0	0%	0	55	55	55	N/M	N/M	N/A	
Portfolio Total :		114,437	50,792	71,603	56%	73,308	69,662	142,970	71,367	9.11%	9.09%	2.00x	

Note: The benchmark at the total portfolio level is NCREIF NFI-ODCE . Private real estate benchmark at the fund level is the Cambridge Value Add or Opportunistic RE Indices while the Cambridge Global Real Estate Index at the vintage year level.

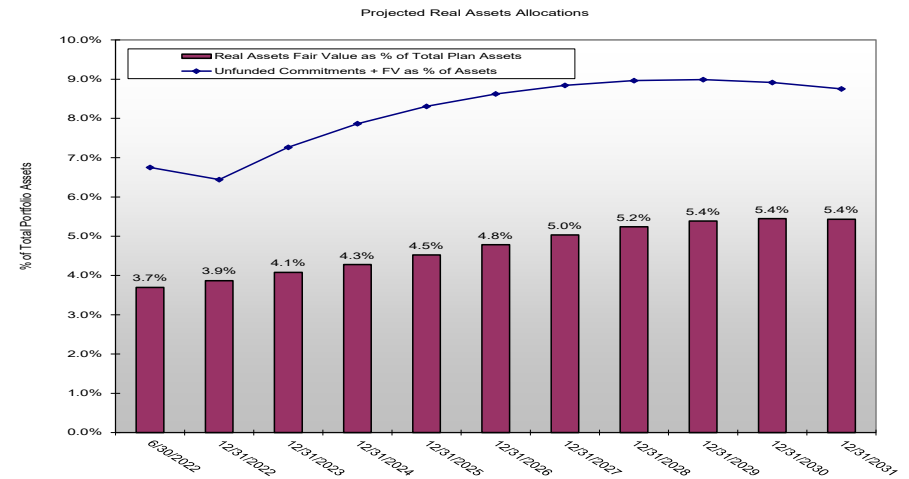
MercedCERA Real Asset Capital Budget & Implementation Plan

5% fund level target; a decrease from the prior 6% target in 2018

- Keep annual capital budget target at \$18 million
 - Range of \$10-\$25 million
- Target 2-4 investments, range of \$5-\$10 million per inv
 - Average investment size of \$8 million
 - If an average of 2-4 GP partnership commitments per year, expect a total of 8-16 GP relationships over a 4 year fund raising cycle
- Portfolio targeted to be equally split between infrastructure and energy/natural resource funds

Performance comparisons:

- Long term investment objective: Earn a return premium over inflation (CPI-U + 5%)
- Recommended primary asset class benchmark: 50/50 Cambridge Global Infrastructure/Cambridge Energy Upstream & Royalties and Private Energy Index
- Recommended fund benchmarks: Each fund will be compared to the Cambridge Associates strategy universe for the respective vintage years and each vintage year will be compared to the 50/50 index



Note: MCERA's existing real asset portfolio was modeled using vintage year drawdown/return of capital assumptions patterned after historical category averages. Only the private RA portfolio is modeled. Total fund growth rate of 5.5%.

MercedCERA Real Assets Investment Structure & Portfolio Assessment

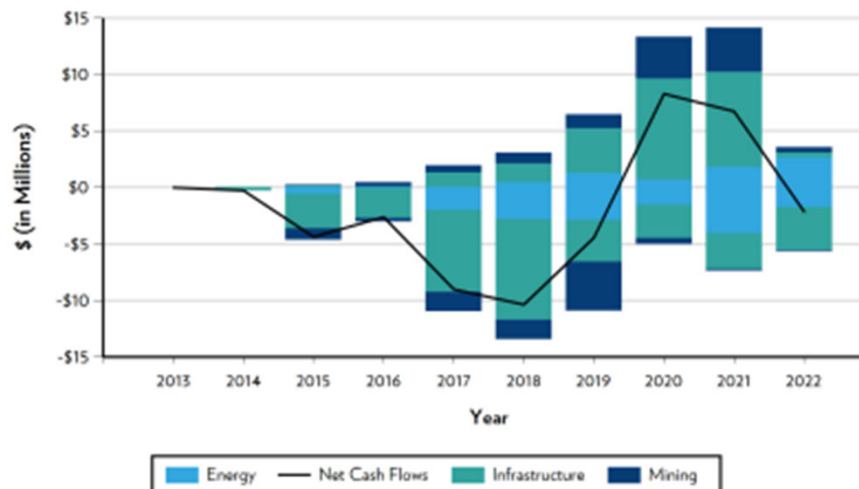
Real assets investment structure (5% target, 5.5% actual as of Sep 2022)

- Program is designed to be equally divided between private infrastructure and natural resource funds along with a public real asset component
 - Private fund commitments began in 2014 to infrastructure and 2015 to natural resources
- The majority of the portfolio is in development, but there were annual gains of \$7 million with \$1 million in 2Q
 - Distributions exceed contributions by \$3 mm as the older infrastructure funds continue to return capital

Annual Summary

(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain Loss	Net IRR	Benchmark
June 30, 2021	14	\$83,706	\$51,436	\$30,123	\$35,377	\$65,500	\$14,064	11.21%	2.01%
June 30, 2022	15	\$91,088	\$61,372	\$43,228	\$39,068	\$82,296	\$20,924	12.79%	3.53%
Annual Change	1	\$7,382	\$9,936	\$13,105	\$3,691	\$16,796	\$6,860		

Annual Cash Flow



Note: Net cash flow is the for the respective cal

MercedCERA Real Assets Performance – as of Jun 30, 2022



Real Asset Portfolio

- MCERA began allocating to real assets in 2014 via direct fund commitments
- Portfolio is in its development stage; the energy funds have improved in value as energy prices have risen; the VY 2017-22 funds are being built out

Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2014												
KKR Global Infrastructure II	Infrastructure	10,000	405	11,097	96%	13,465	5,695	19,160	8,063	16.83%	11.47%	1.73x
Vintage Year 2014 Total		10,000	405	11,097	96%	13,465	5,695	19,160	8,063	16.83%		1.73x
Vintage Year 2015												
GSO Energy Select Opportunities Fund	Energy	7,500	3,454	4,501	54%	5,168	980	6,148	1,647	9.15%	9.45%	1.37x
North Haven Infrastructure Partners II LP	Infrastructure	10,000	1,206	11,499	88%	9,449	6,005	15,454	3,955	10.41%	10.15%	1.34x
Taurus Mining Finance Fund	Mining	5,000	522	5,355	90%	5,756	441	6,197	842	7.85%	N/A	1.16x
Vintage Year 2015 Total		22,500	5,181	21,356	77%	20,373	7,426	27,799	6,443	9.66%		1.30x
Vintage Year 2016												
Taurus Mining Finance Annex Fund	Mining	5,000	948	4,658	81%	5,673	247	5,920	1,262	17.74%	N/A	1.27x
Vintage Year 2016 Total		5,000	948	4,658	81%	5,673	247	5,920	1,262	17.74%		1.27x
Vintage Year 2017												
EnCap Energy Capital Fund XI, L.P.	Energy	5,000	1,631	3,497	67%	407	4,561	4,968	1,471	18.81%	12.99%	1.42x
ISQ Global Infrastructure Fund II	Infrastructure	5,000	1,211	4,767	76%	1,053	5,287	6,339	1,573	14.52%	10.30%	1.33x
Vintage Year 2017 Total		10,000	2,842	8,264	72%	1,460	9,848	11,308	3,044	16.32%		1.37x
Vintage Year 2018												
EnCap Flatrock Midstream IV, L.P.	Energy	3,000	1,453	1,626	52%	732	1,222	1,955	329	8.01%	8.49%	1.20x
Ardian Infrastructure Fund V	Infrastructure	4,588	2,409	2,386	48%	82	2,418	2,499	113	4.61%	11.44%	1.05x
KKR Global Infrastructure Investors III	Infrastructure	5,000	1,177	4,165	76%	885	3,837	4,721	557	7.99%	11.44%	1.13x
Vintage Year 2018 Total		12,588	5,038	8,177	60%	1,698	7,477	9,175	998	7.40%		1.12x
Vintage Year 2019												
Global Energy & Power Infra Fund III F, L.P.	Energy	5,000	2,390	2,876	52%	558	2,694	3,252	376	8.68%	9.88%	1.13x
Tailwater Energy Fund IV, LP	Energy	5,000	2,025	2,973	59%	0	3,870	3,870	896	16.89%	27.06%	1.30x
Vintage Year 2019 Total		10,000	4,415	5,849	56%	558	6,564	7,122	1,273	13.16%		1.22x

Note: Benchmark is 50% S&P Natural Resources and 50% S&P Infrastructure. Benchmarks for individual funds are the respective Cambridge strategy benchmark.

MercedCERA Real Assets Performance – as of Jun 30, 2022



Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2021												
ISQ Global Infrastructure Fund III (UST), L.P.	Infrastructure	5,000	4,607	393	8%	1	327	327	-66	N/M	N/M	0.83x
KKR Global Infrastructure Investors IV	Infrastructure	8,000	6,630	1,370	17%	0	1,381	1,381	11	N/M	N/M	1.01x
Vintage Year 2021 Total		13,000	11,237	1,763	14%	1	1,708	1,709	-55	N/M		0.97x
Vintage Year 2022												
Carnelian Energy Capital IV L.P.	Energy	8,000	7,792	208	3%	0	105	105	-104	N/M	N/M	0.50x
Vintage Year 2022 Total		8,000	7,792	208	3%	0	105	105	-104	N/M		0.50x
Portfolio Total :		91,088	37,858	61,372	58%	43,228	39,068	82,296	20,924	12.79%	3.53%	1.34x
Portfolio Strategy Totals												
Energy		33,500	18,745	15,683	44%	6,866	13,432	20,298	4,615	11.47%		1.29x
Infrastructure		47,588	17,644	35,676	63%	24,933	24,949	49,881	14,205	13.48%		1.40x
Mining		10,000	1,470	10,013	85%	11,429	687	12,117	2,103	11.62%		1.21x
Portfolio Total :		91,088	37,858	61,372	58%	43,228	39,068	82,296	20,924	12.79%	3.53%	1.34x

Note: Benchmark is 50% S&P Natural Resources and 50% S&P Infrastructure. Benchmarks for individual funds are the respective Cambridge strategy benchmark.

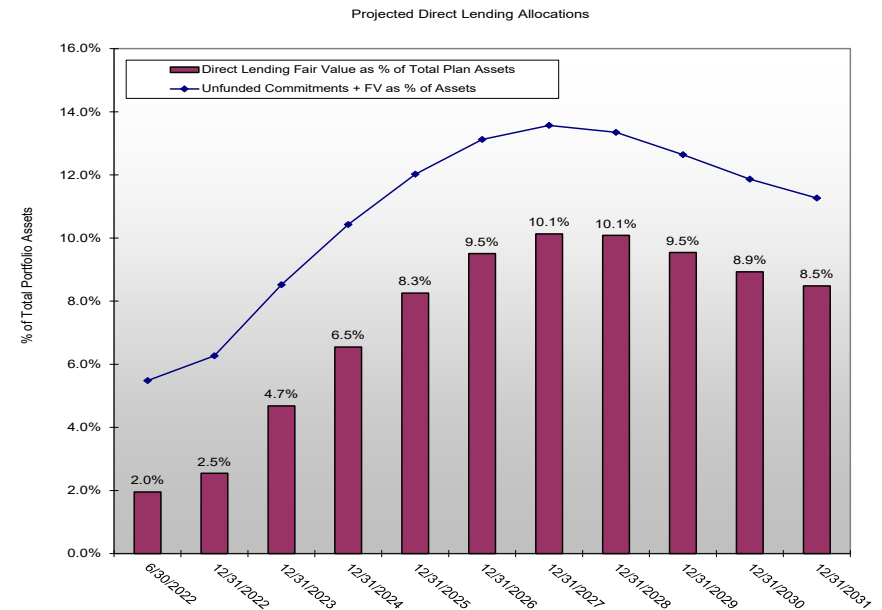
MercedCERA Direct Lending Capital Budget & Implementation Plan

5% fund level target approved in Oct 2021

- Lower capital budget from \$40 mm to \$30 mm for 2023
 - Range of \$20-\$40 million
- Target 2-4 investments, range of \$10-\$25 million per inv
 - Average investment size of \$15 million
- Managers have been rapidly deploying capital and public markets have declined in value

Performance comparisons:

- Recommended primary asset class benchmark: Morningstar LSTA US Leveraged Loan Index + 2% (formerly called S&P LSTA)



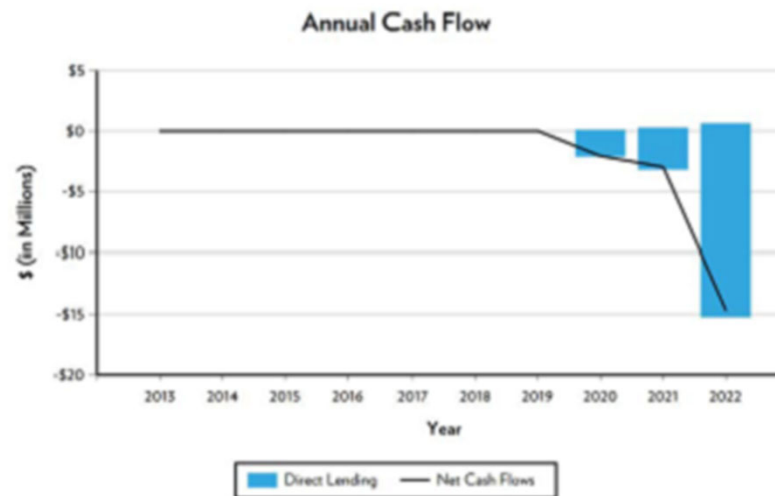
MercedCERA Direct Lending Investment Structure & Portfolio Assessment

Direct Lending investment structure (5% target, 2.8% actual as of Sep 2022)

- Program was approved with the asset allocation in Oct 2021
- Silver Point was moved over from the PE portfolio and new commitments began at year end 2021
- The overall portfolio is immature with the funds in the early stage of development
 - Contributions exceed distributions by \$6.3 mm as the program is being built out

Quarterly Summary

(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain Loss	Net IRR	Benchmark
March 31, 2022	3	\$48,000	\$13,986	\$537	\$14,321	\$14,858	\$873	N/M	N/M
June 30, 2022	5	\$68,000	\$20,659	\$957	\$20,619	\$21,577	\$918	N/M	N/M
Quarterly Change	2	\$20,000	\$6,673	\$420	\$6,298	\$6,718	\$45	N/M	N/M



MercedCERA Direct Lending Performance – as of Jun 30, 2022



Direct Lending Portfolio

- Silver Point was moved over from PE to DL
- Portfolio is in its early stages of development so performance is not meaningful

Partnership Name	Strategy	(A)	Unfund. Amount	(B)	% Drawn	(C)	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	IRR		
		Commit. Amount		Cumulat. Cont.		Cumulat. Dist.				Net IRR	Bench.	TVPI
Vintage Year 2019												
Silver Point Specialty Credit Fund II, L.P.	Direct Lending	8,000	1,211	6,594	85%	718	6,351	7,069	475	N/M	N/M	1.07x
Vintage Year 2019 Total		8,000	1,211	6,594	85%	718	6,351	7,069	475	N/M		1.07x
Vintage Year 2021												
Ares Senior Direct Lending Fund II L.P.	Direct Lending	20,000	15,094	5,065	25%	159	5,245	5,404	338	N/M	N/M	1.07x
Varagon Capital Direct Lending Fund	Direct Lending	20,000	15,000	5,000	25%	81	4,909	4,989	-11	N/M	N/M	1.00x
Vintage Year 2021 Total		40,000	30,094	10,065	25%	240	10,153	10,393	328	N/M		1.03x
Vintage Year 2022												
AG Direct Lending Fund IV Annex, L.P.	Direct Lending	10,000	6,000	4,000	40%	0	4,115	4,115	115	N/M	N/M	1.03x
AG Direct Lending Fund V	Direct Lending	10,000	10,000	0	0%	0	0	0	0	N/M	N/M	N/A
Vintage Year 2022 Total		20,000	16,000	4,000	20%	0	4,115	4,115	115	N/M		1.03x
Portfolio Total :		68,000	47,305	20,659	30%	957	20,619	21,577	918	N/M	N/M	1.04x

Note: Benchmark is S&P LSTA.

MercedCERA Hedge Fund Performance – as of Oct 31, 2022



Fund	Market Value	Actual %	Oct	QTD	YTD	Returns 1 Year	3 Year	5 Year	Incep	Std Dev	Sharpe Ratio	Incep Date
Market Neutral												
Laurion Capital, Ltd.	12,998,032	12.2%	1.07%	1.07%	-6.85%	-7.95%	13.57%	-	11.11%	13.14%	0.76	Jul-18
Market Neutral - HF Total	12,998,032	12.2%	1.07%	1.07%	-6.84%	-7.96%	3.34%	3.26%	3.27%	9.35%	0.23	Oct-17
HFRI Relative Value (Total) Index			-0.34%	-0.34%	-2.45%	-2.71%	3.34%	3.21%	3.19%	5.65%	0.32	Oct-17
Credit/Distressed												
Silver Point Capital Fund, L.P.	17,550,646	16.4%	-2.05%	-2.05%	1.16%	0.19%	13.69%	-	8.14%	7.84%	0.84	Dec-17
Credit/Distressed - HF Total	17,550,646	16.4%	-2.05%	-2.05%	1.16%	0.19%	13.69%	-	8.14%	7.84%	0.84	Dec-17
HFRI EDDistressed/Restructuring Index			3.58%	3.58%	-1.60%	-2.07%	8.49%	-	5.56%	8.19%	0.52	Dec-17
Event Driven												
Taconic Opportunity Fund L.P.	13,462,785	12.6%	0.66%	0.66%	-4.09%	-3.51%	2.39%	-	2.81%	6.28%	0.27	Dec-18
Event Driven - HF Total	13,462,785	12.6%	0.66%	0.66%	-4.09%	-3.51%	2.39%	-	2.81%	6.28%	0.27	Dec-18
HFRI Event-Driven (Total) Index			3.70%	3.70%	-4.31%	-4.57%	6.39%	-	5.51%	9.83%	0.46	Dec-18
Equity Long/Short												
Archipelago Partners, L.P.	14,431,212	13.5%	1.85%	1.85%	-0.63%	0.49%	6.78%	5.50%	5.66%	7.73%	0.56	Sep-17
Marshall Wace Funds LP - MW Eureka (US) Fund	4,414,125	4.1%	0.16%	0.16%	3.72%	2.66%	10.45%	-	8.17%	6.02%	1.08	Dec-17
Marshall Wace Funds LP - MW Global Opportunities (US) Fund	10,248,746	9.6%	0.31%	0.31%	5.60%	-0.41%	-	-	5.16%	9.23%	0.50	Apr-20
Equity Long/Short - HF Total	29,094,083	27.3%	1.04%	1.04%	2.14%	0.49%	6.20%	5.33%	5.50%	7.25%	0.57	Sep-17
HFRI Equity Hedge (Total) Index			2.93%	2.93%	-11.28%	-12.21%	6.77%	4.75%	5.09%	10.49%	0.38	Sep-17
Global Macro-Discretionary												
Caxton Global Investments (USA) LLC	11,572,907	10.8%	-0.35%	-0.35%	15.26%	15.34%	-	-	10.23%	6.03%	1.44	May-21
Graham Absolute Return Trading Ltd.	9,903,321	9.3%	-0.29%	-0.29%	23.83%	21.43%	9.57%	7.27%	6.99%	9.26%	0.62	Sep-17
Global Macro-Discretionary - HF Total	21,476,228	20.1%	-0.32%	-0.32%	19.06%	18.07%	8.85%	6.84%	6.57%	8.85%	0.60	Sep-17
HFRI Macro (Total) Index			0.95%	0.95%	11.51%	9.84%	8.50%	5.36%	5.41%	5.20%	0.75	Sep-17
Multi-Strategy												
Sculptor Domestic Partners II, L.P.	12,136,797	11.4%	0.89%	0.89%	-11.63%	-14.77%	5.22%	4.85%	5.52%	7.46%	0.60	Jul-14
Multi-Strategy - HF Total	12,136,797	11.4%	0.89%	0.89%	-11.63%	-14.77%	5.22%	4.85%	5.52%	7.46%	0.60	Jul-14
HFRI Relative Value (Total) Index			-0.34%	-0.34%	-2.45%	-2.71%	3.34%	3.21%	3.20%	4.73%	0.44	Jul-14
MCERA Hedge Fund Portfolio	106,718,570	100.0%	0.18%	0.18%	1.07%	-0.23%	6.44%	4.89%	4.61%	5.40%	0.65	Jul-14
Benchmarks												
HFRI Fund of Funds Composite Index			1.47%	1.47%	-5.42%	-6.49%	4.53%	3.17%	2.88%	5.23%	0.35	Jul-14
Market Indices												
Libor3Month			0.37%	0.37%	1.76%	1.79%	0.94%	1.48%	1.16%	0.28%	-	Jul-14
Bloomberg US Aggregate Bond Index			-1.30%	-1.30%	-15.72%	-15.68%	-3.77%	-0.54%	0.67%	4.13%	-0.10	Jul-14
Bloomberg US High Yield Bond Index			2.60%	2.60%	-12.53%	-11.76%	0.31%	2.01%	3.11%	7.89%	0.28	Jul-14
S&P 500 TR			8.10%	8.10%	-17.70%	-14.61%	10.22%	10.44%	10.59%	15.47%	0.65	Jul-14
MSCI AC World Index Free - Net			6.03%	6.03%	-21.14%	-19.96%	4.85%	5.24%	5.77%	14.87%	0.37	Jul-14
MSCI EAFE - Net			5.38%	5.38%	-23.17%	-23.00%	-1.27%	-0.09%	1.17%	14.99%	0.08	Jul-14
MSCI EMF (Emerging Markets Free) - Net			-3.11%	-3.11%	-29.42%	-31.03%	-4.42%	-3.09%	-0.18%	16.84%	0.01	Jul-14

Important Notice

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This presentation may include sample or pro forma performance. Such information is presented for illustrative purposes only and is based on various assumptions, not all of which are described herein. Such assumptions, data, or projections may have a material impact on the returns shown.

References to market or composite indices (such as the S&P 500), benchmarks or other measures of relative market performance over a specified period of time (each, an “index”) are provided for information only. Reference to an index does not imply that a portfolio will achieve returns, volatility or other results similar to the index. The composition of an index may not reflect the manner in which a portfolio is constructed in relation to expected or achieved returns, portfolio guidelines, restrictions, sectors, correlations, concentrations, volatility or tracking error targets, all of which are subject to change over time.

The S&P/LSTA U.S. Leveraged Loan Index is a market value weighted index tracking institutional leveraged loans in the United States based upon market weightings, spreads and interest payment, including Term Loan A, Term Loan B and Second Lien tranches.

The Bloomberg Barclays U.S. Corporate High Yield Index (Bloomberg Barclays High Yield) measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody’s, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on the indices’ EM country definition are excluded.

The Bloomberg Barclays U.S. Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

The NCREIF Property Index is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only. All properties in the index have been acquired, at least in part, on behalf of tax-exempt institutional investors.

The Cambridge Private Equity Index is based on data compiled from global institutional-quality buyout, growth equity, private equity energy, venture capital and mezzanine funds, including fully liquidated partnerships, formed between 1986 and 2016.

The Russell 3000 Index is a capitalization-weighted stock market index that seeks to track the entire U.S stock market. It measures the performance of the 3,000 largest publicly held companies incorporated in the United States based on market capitalization.

Merced County Employees' Retirement Association

December 8, 2022

October Performance

1. Economic and Market Update as of October 31, 2022
2. Performance Highlights as of October 31, 2022
3. Performance Update as of October 31, 2022
4. Disclaimer, Glossary, and Notes

Economic and Market Update

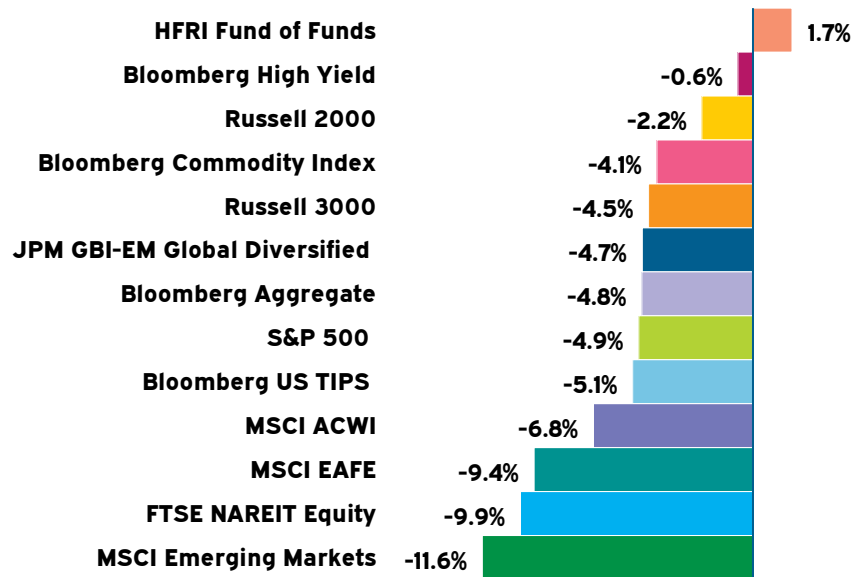
Data as of October 31, 2022

Commentary

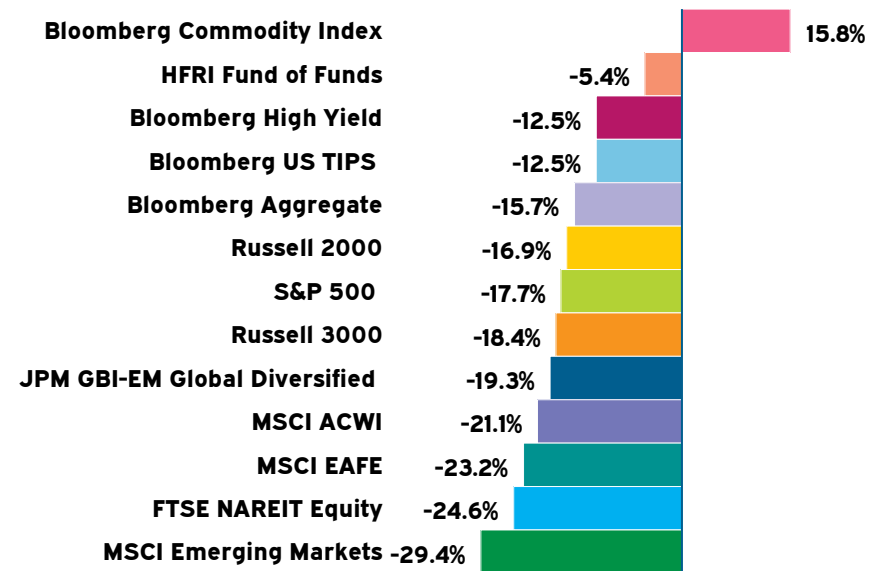
- Investor sentiment improved in October as markets repriced for continued easing of inflation risks, a potential slowing in monetary policy tightening efforts, and hopes for a soft-landing in 2023.
- After month-end, the Federal Reserve continued its aggressive tightening campaign with its fourth consecutive 75 basis point rate hike. Future hikes are expected into next year as US inflation remains high and labor markets tight.
 - In Europe, inflation hit a multi-decade high on energy prices, but manufacturing and service data in some countries surprised to the upside, lifting investor sentiment.
 - In the UK, the appointment of Rishi Sunak as the new prime minister calmed investors nerves to some extent.
 - US and developed equity markets rallied for the month, while emerging markets declined on significant China weakness (-16.8%) driven in part by political developments and continued strict COVID-19 policies.
 - Interest rates further increased across the US yield curve during October, and the curve remained inverted (ten- year yield minus the two-year yield) by 43 basis points. This year has witnessed by far the worst start to a calendar year for bond investors.
- Persistently high inflation and tightening of monetary policy, the war in Ukraine, lingering COVID-19 issues, and lockdowns in China and recent political developments will all continue to have considerable consequences for the global economy.

Index Returns¹

Third Quarter



YTD through October



→ After broad declines in Q3 driven by expectations for further policy tightening, October produced mixed results with developed market equities posting notable gains.

→ Outside of commodities, all other public market asset classes remain significantly negative year-to-date.

¹ Source: Bloomberg and FactSet. Data is as of October 31, 2022.

Domestic Equity Returns¹

Domestic Equity	October (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	8.1	-4.9	-17.7	-14.6	10.2	10.4	12.8
Russell 3000	8.2	-4.5	-18.4	-16.5	9.8	9.9	12.5
Russell 1000	8.0	-4.6	-18.5	-16.4	10.0	10.2	12.7
Russell 1000 Growth	5.8	-3.6	-26.6	-24.6	11.7	12.6	14.7
Russell 1000 Value	10.3	-5.6	-9.3	-7.0	7.3	7.2	10.3
Russell MidCap	8.9	-3.4	-17.5	-17.2	7.8	7.9	11.3
Russell MidCap Growth	7.9	-0.7	-26.1	-28.9	6.3	8.7	11.9
Russell MidCap Value	9.4	-4.9	-12.8	-10.2	7.5	6.5	10.4
Russell 2000	11.0	-2.2	-16.9	-18.5	7.0	5.6	9.9
Russell 2000 Growth	9.5	0.2	-22.6	-26.0	5.1	5.2	10.1
Russell 2000 Value	12.6	-4.6	-11.2	-10.7	8.1	5.3	9.4

US Equities: Russell 3000 Index rose 8.2% for October.

- US stocks rallied, posting strong monthly returns across all indices, rebounding from a sharp drop in September. Investors demonstrated optimism across the style and market capitalization spectrum as earnings remained resilient despite economic pressures.
- Most sectors rose in October, but there was wide dispersion. Energy's 24.8% gain led all sectors, driven by strong earnings, while consumer discretionary experienced a slightly positive gain (0.2%) given the impact of inflationary pressures on consumers.
- Value stocks continued to outperform growth stocks across the market capitalization spectrum. The rally in energy stocks and the relative underperformance of technology and consumer discretionary stocks has driven this dynamic.

¹ Source: Bloomberg. Data is as of October 31, 2022.

Foreign Equity Returns¹

Foreign Equity	October (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	3.0	-9.9	-24.3	-24.7	-1.7	-0.6	3.3
MSCI EAFE	5.4	-9.4	-23.2	-23.0	-1.3	-0.1	4.1
MSCI EAFE (Local Currency)	5.3	-3.6	-9.9	-8.4	3.7	3.3	7.9
MSCI EAFE Small Cap	4.2	-9.8	-29.2	-30.3	-2.3	-1.3	5.6
MSCI Emerging Markets	-3.1	-11.6	-29.4	-31.0	-4.4	-3.1	0.8
MSCI Emerging Markets (Local Currency)	-2.6	-8.2	-22.8	-24.2	-0.8	-0.2	4.2
MSCI China	-16.8	-22.5	-42.8	-47.9	-13.8	-9.7	-0.1

Developed International equities (MSCI EAFE) rose 5.4%, while emerging markets (MSCI EM) returned -3.1% in October, driven largely by declines in China.

- Developed markets outside of the US had a strong month in October, posting gains in Europe, the UK, and Japan. Energy and industrials led broad-sectoral gains in the Eurozone, while the UK markets reacted positively to the appointment of the new prime minister, Rishi Sunak. The Bank of Japan’s continued dovish policy stance and early signs of resilient Q3 earnings supported Japanese equities.
- China dominated headlines this month across the non-US landscape. Rising geopolitical tensions, particularly after events from the 20th Communist Party Congress, on top of the continuation of the zero COVID-19 policies, drove sharp declines for the month.

¹ Source: Bloomberg. Data is as of October 31, 2022.

Fixed Income Returns¹

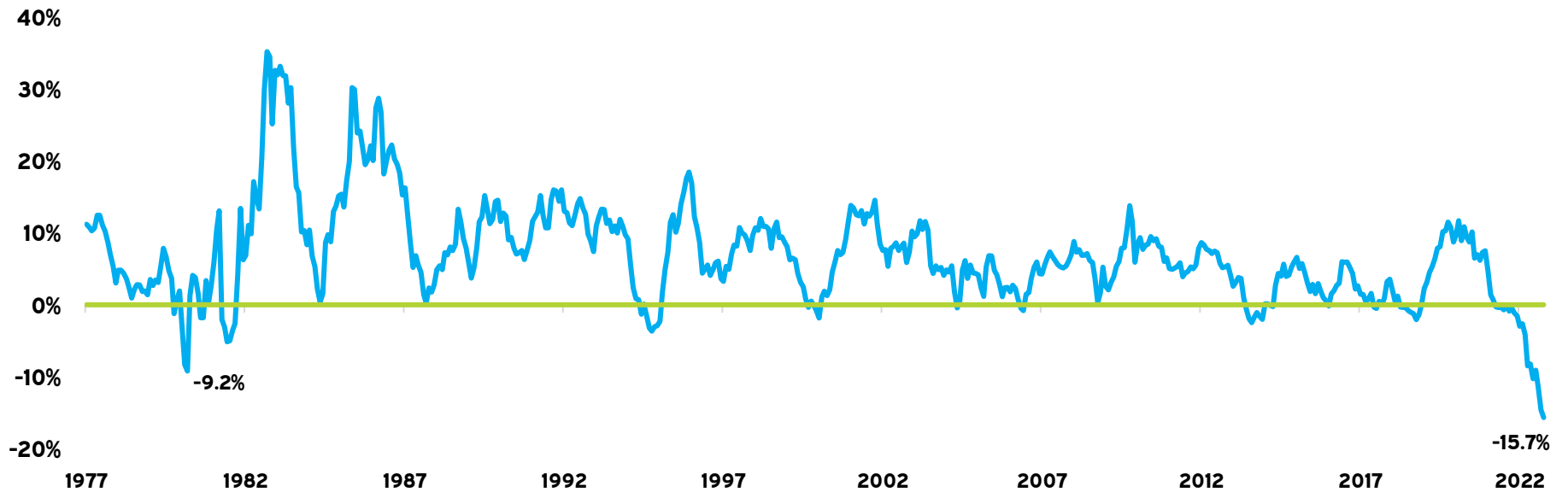
Fixed Income	October (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-1.1	-4.5	-15.8	-15.8	-3.6	-0.4	1.0	5.5	6.1
Bloomberg Aggregate	-1.3	-4.8	-15.7	-15.7	-3.8	-0.5	0.7	5.0	6.3
Bloomberg US TIPS	1.2	-5.1	-12.5	-11.5	1.1	2.2	1.0	4.6	6.9
Bloomberg High Yield	2.6	-0.6	-12.5	-11.8	0.3	2.0	4.1	9.1	4.5
JPM GBI-EM Global Diversified (USD)	-0.9	-5.8	-19.3	-20.3	-8.2	-3.5	-2.6	7.7	4.8

Fixed Income: The Bloomberg Universal declined 1.1% in October.

- A continued rise in bond yields in the US driven by the Fed reinforcing its commitment to fight inflation weighed on fixed income markets for the month. Year-to-date, the US bond market (Bloomberg Aggregate) performance is the worst on record.
- TIPS appreciated for the month but remain down double-digits for the year as real rates have experienced a steep increase too. The inflation adjustment has led to a 320 basis points smaller decline than the broad US bond market though.
- Riskier US bonds, as represented by the high yield index, produced the best fixed income results for the month (+2.6%) in the risk-on environment. Emerging market bonds finished down 0.9% in October adding to the significant declines year-to-date.

¹ Source: Bloomberg. JPM GBI-EM is from InvestorForce. Data is as of October 31, 2022.

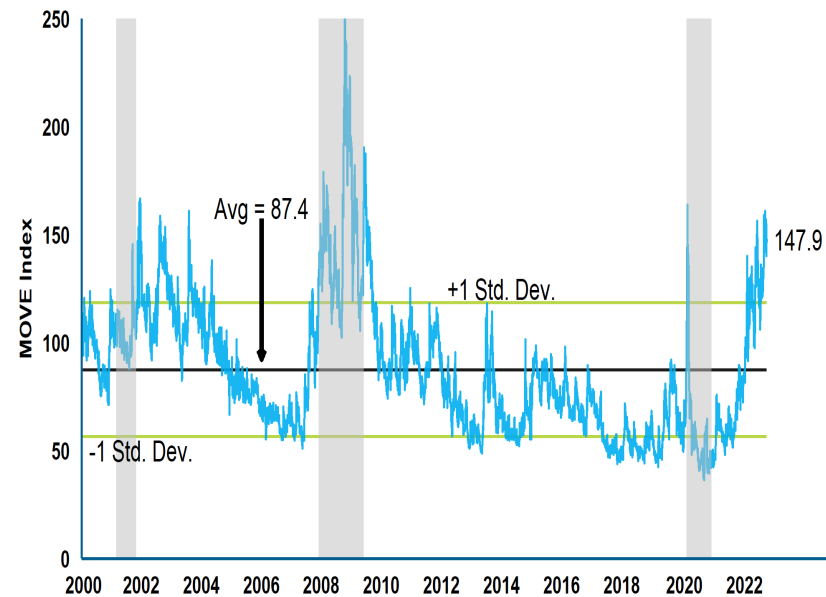
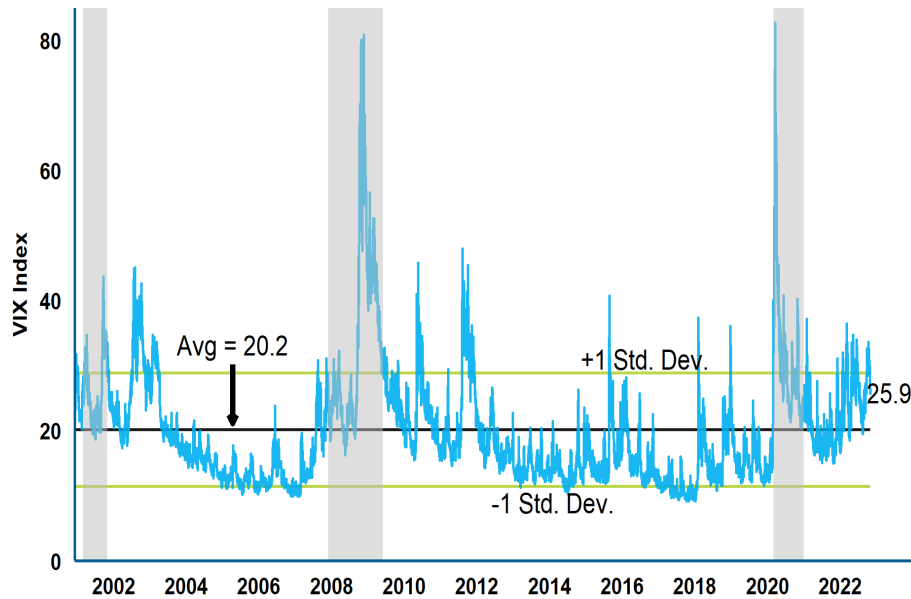
Bloomberg US Aggregate Rolling One-year Returns¹



- This has been the worst rolling one-year return period for the US bond market given the historic inflation levels and the corresponding rapid rise in interest rates.
- Through October the trailing year return was -15.7% well ahead of the number two spot (-9.2%) from the early 1980s.

¹ Source: Bloomberg. Data is as of 10/31/2022.

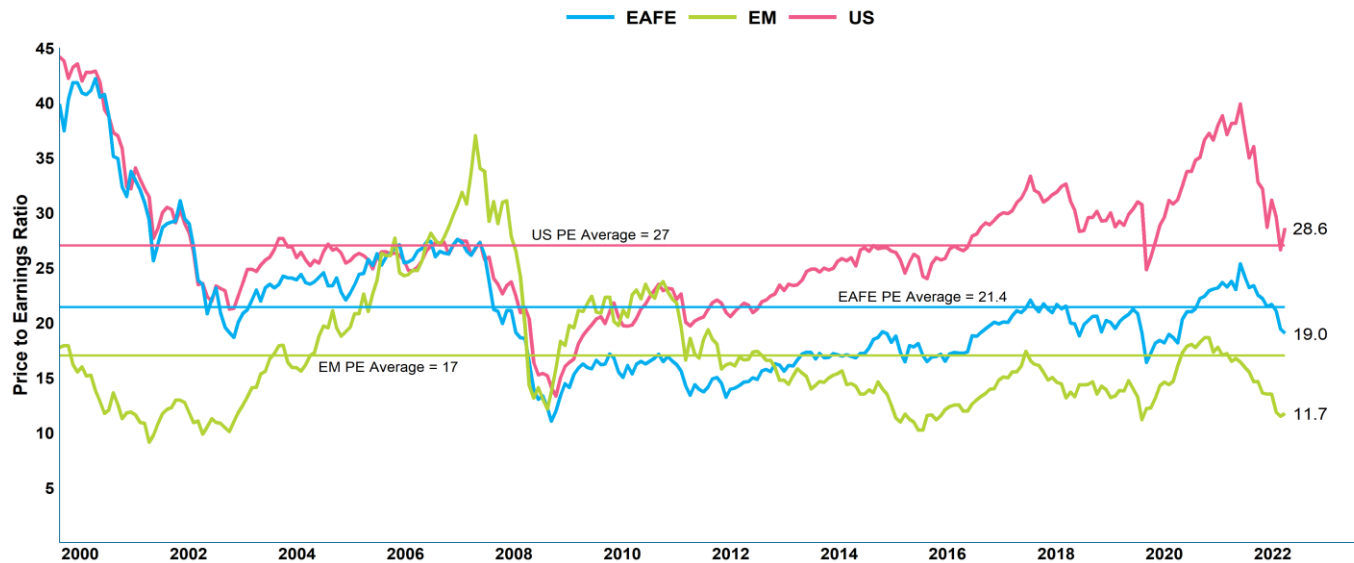
Equity and Fixed Income Volatility¹



- Volatility in equities (VIX) and fixed income (MOVE) remained above their long-run averages in October.
- Fixed income volatility was particularly high due to the uncertain path of US interest rates as the Federal Reserve continued its hawkish stance on inflation.

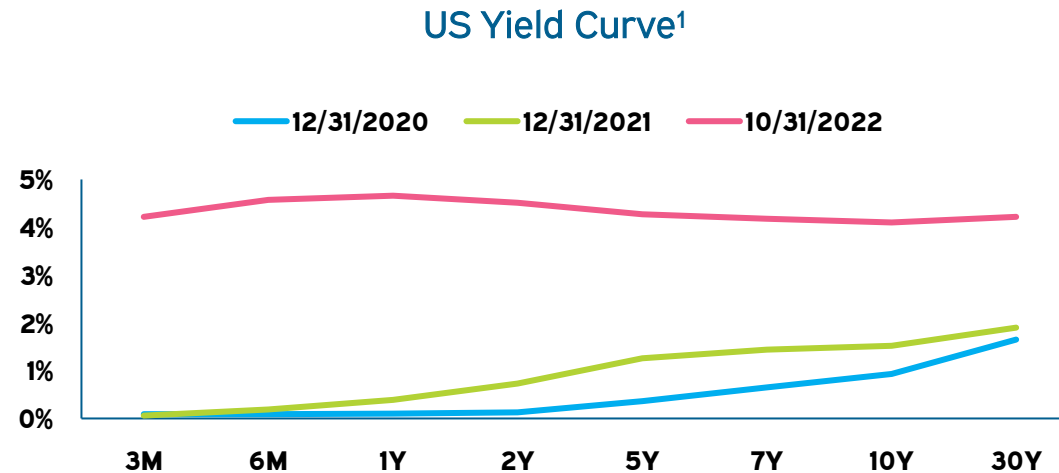
¹ Equity and Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of October 2022. The average line indicated is the average of the VIX and MOVE values between January 2000 and the recent month-end respectively.

Equity Cyclically Adjusted P/E Ratios¹



- October’s US equity rally brought the market’s price-to-earnings ratio to slightly above the long-term (21st century) average.
- International developed market valuations remain below the US and are below their own long-term average, with those for emerging markets the lowest and well under the long-term average.
- Price declines have been the main driver of recent multiple compression as earnings have remained resilient. Concerns remain over whether earnings strength will continue in the face of slowing growth.

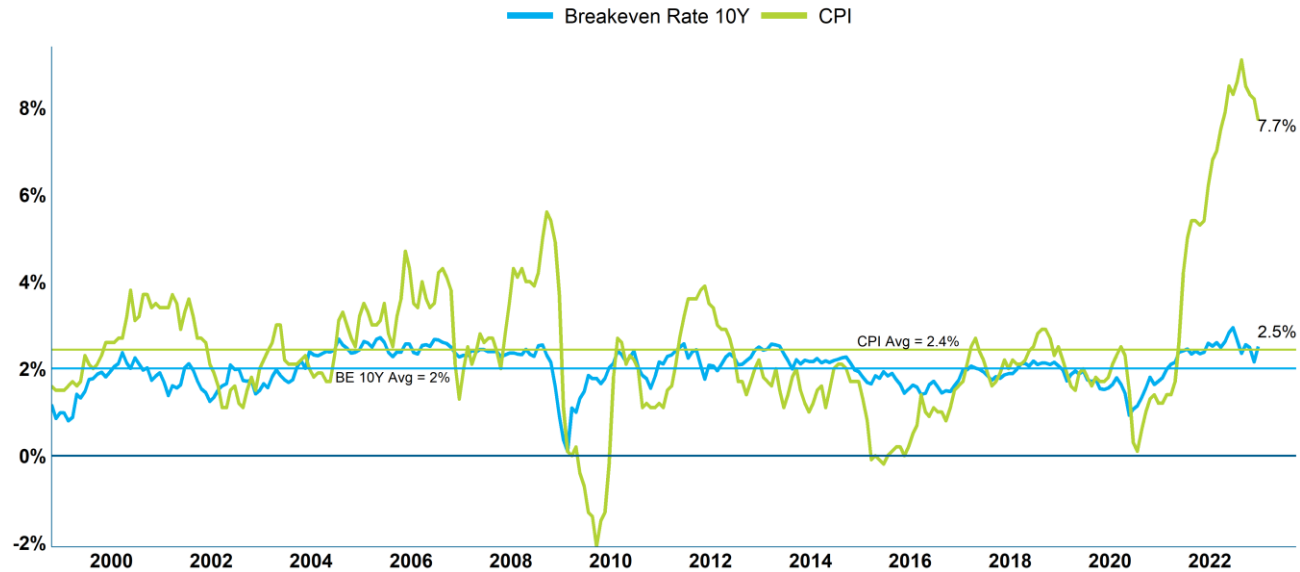
¹ US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years. Data is as of October 2022. The average line is the long-term average of the US, EM, and EAFE PE values from December 1999 to the recent month-end respectively.



- Rates across the yield curve remain far higher than at the start of the year.
- In October, interest rates continued to increase across the yield curve, particularly at the front-end where there is more sensitivity to policy changes. Two-year Treasury yields rose from 4.3% to 4.5% for the month, while ten-year Treasury yields climbed from 3.8% to 4.1%.
- The Fed remains strongly committed to fighting inflation, as it increased rates another 75 basis points to a range of 3.75% to 4.0% at its November meeting. This was the sixth increase this year and the fourth consecutive increase of this amount.
- The yield spread between two-year and ten-year Treasuries remained negative, finishing October at -0.42%. The more closely watched measure by the Fed of three-month and ten-year Treasuries also inverted. Historically, inversions in the yield curve have often preceded recessions.

¹ Source: Bloomberg. Data is as of October 31, 2022.

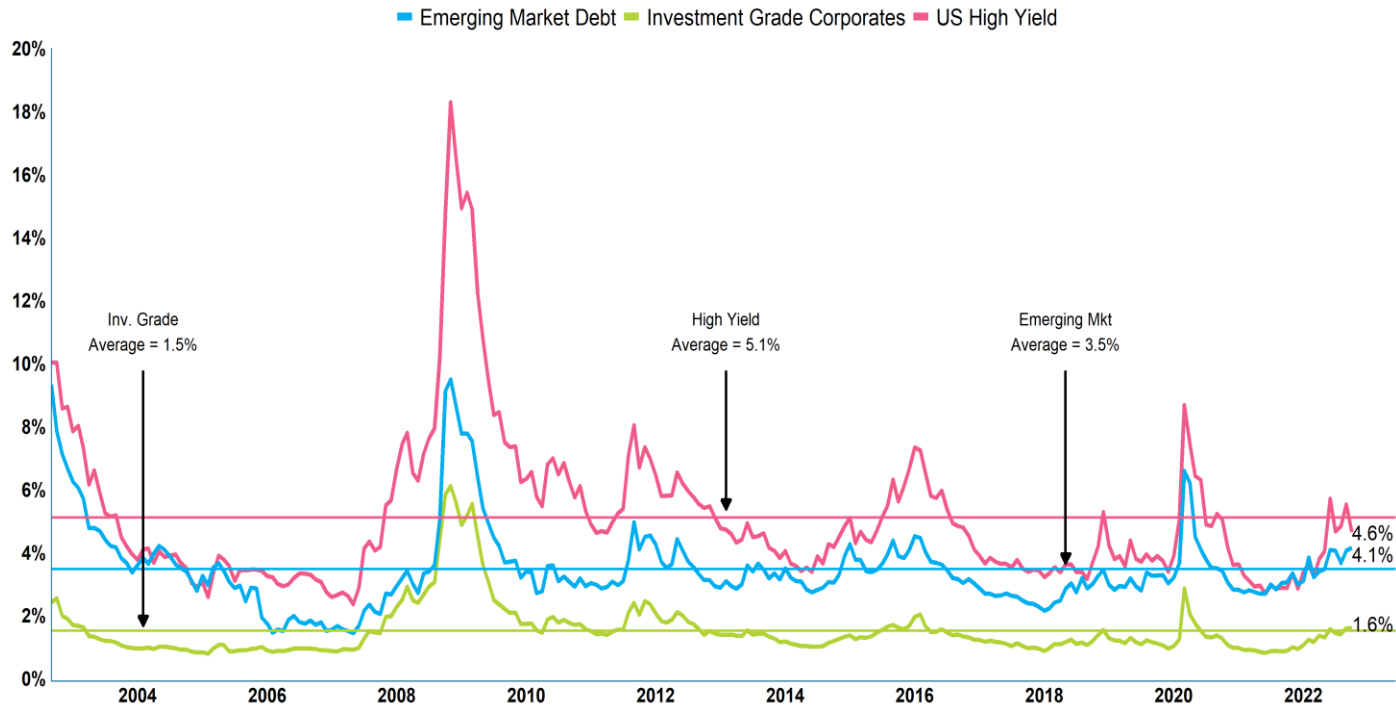
Ten-Year Breakeven Inflation and CPI¹



- Inflation expectations (breakevens) rose slightly in October, remaining above the long-run average.
- Trailing twelve-month CPI declined in October (7.7% versus 8.2%) coming in below expectations of 7.9%. Core inflation (excluding food and energy prices) declined from its recent 40-year peak of 6.6% to 6.3% over the same period.
- Over the last year, rising prices for energy (particularly oil), food, housing, and for new and used cars remain key drivers of inflation.

¹ Source: Bloomberg. Data is as of October 31, 2022. The CPI and 10 Year Breakeven average lines denote the average values from August 1998 to the present month-end respectively. Breakeven values represent month-end values for comparative purposes.

Credit Spreads vs. US Treasury Bonds¹



- High yield spreads (the added yield above a comparable maturity Treasury) fell in October to below their long-run average as below investment grade credit largely outperformed Treasuries in the risk-on environment.
- Investment grade spreads stayed the same in the US (1.6%), near the long-run average, while emerging market spreads increased slightly (4.1% versus 4.0%) staying above their average.

¹ Sources: Bloomberg. Data is as of October 31, 2022. Average lines denote the average of the investment grade, high yield, and emerging market spread values from August 2000 to the recent month-end respectively.

Global Economic Outlook

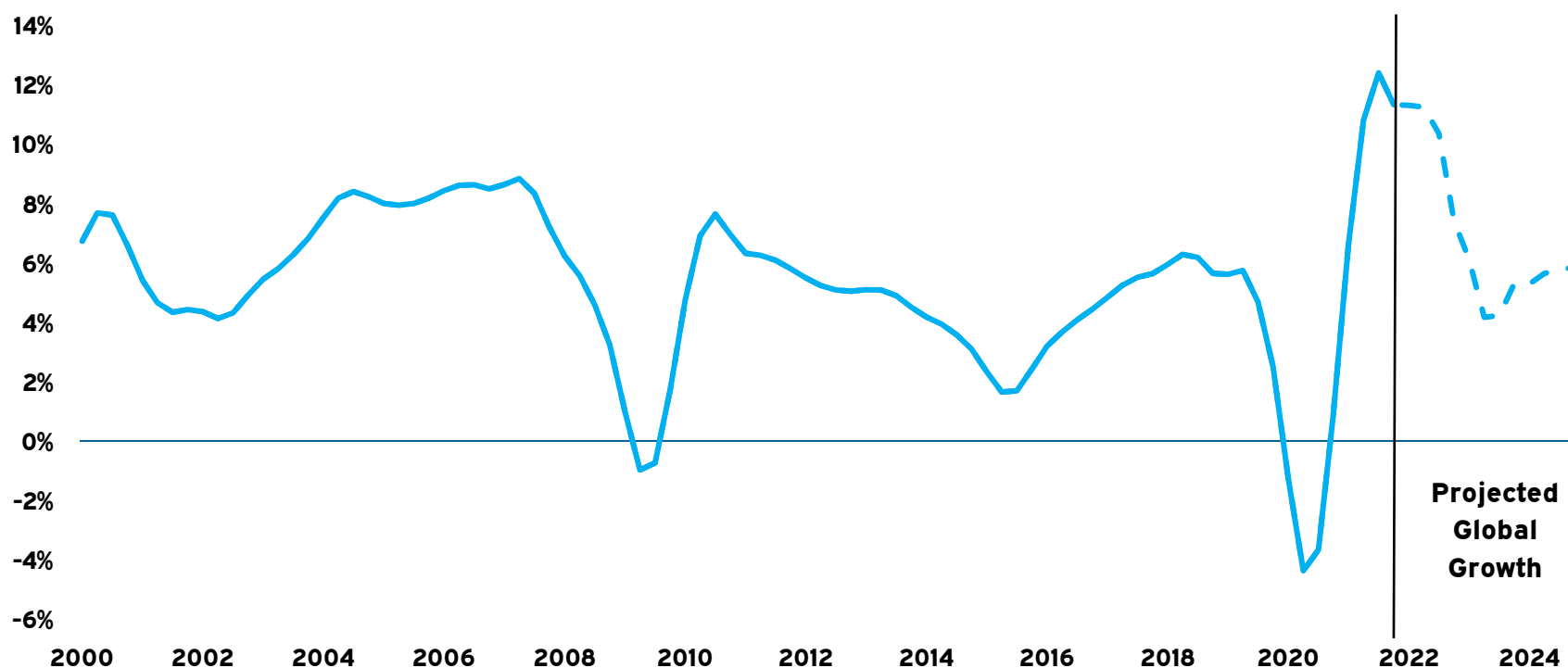
In their October update, the IMF maintained lowered global growth forecasts, driven by the economic impacts of persistent inflation and corresponding tighter policy, as well as issues related to the war in Ukraine and the lingering pandemic.

- The IMF forecasts global GDP growth to come in at 3.2% in 2022 (like the July estimate) and 2.7% in 2023 (0.2% below the prior estimate).
- In advanced economies, GDP is projected to grow 2.4% in 2022 and 1.1% in 2023. The US saw another downgrade in the 2022 (1.6% versus 2.3%) forecast largely due to accelerated policy tightening, given persistently high inflation. The euro area saw an upgrade in expected growth (3.1% versus 2.6%) on substantial fiscal stimulus in 2022 but a downgrade in 2023 (0.5% versus 1.2%) as rising energy prices weigh on the region that is a net importer of energy. The Japanese economy is expected to grow 1.7% this year and 1.6% in 2023.
- Growth projections for emerging markets are higher than developed markets, at 3.7% in 2022 and 2023. China's growth was downgraded for 2022 (3.2% versus 3.3%) and 2023 (4.4% versus 4.6%) given tight COVID-19 restrictions and continued property sector problems.
- The global inflation forecast was significantly increased for 2022 (8.8% versus 7.4%).

	Real GDP (%) ¹			Inflation (%) ¹		
	IMF 2022 Forecast	IMF 2023 Forecast	Actual 10 Year Average	IMF 2022 Forecast	IMF 2023 Forecast	Actual 10 Year Average
World	3.2	2.7	3.2	8.8	6.5	3.6
Advanced Economies	2.4	1.1	1.6	7.2	4.3	1.6
US	1.6	1.0	2.1	8.1	3.5	2.0
Euro Area	3.1	0.5	1.0	8.3	5.7	1.3
Japan	1.7	1.6	0.8	2.0	1.4	0.4
Emerging Economies	3.7	3.7	4.4	9.9	8.1	5.3
China	3.2	4.4	7.3	2.2	2.2	2.4

¹ Source: IMF World Economic Outlook. Real GDP and Inflation forecasts from October 2022 Update. "Actual 10 Year Average" represents data from 2012 to 2021.

Global Nominal Gross Domestic Product (GDP) Growth¹

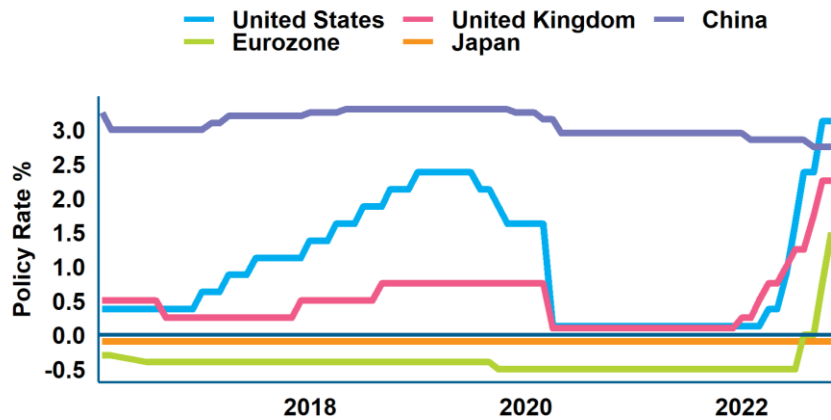


- Global economies are expected to slow in 2022 compared to 2021, with risks of recession increasing given persistently high inflation and related tighter monetary policy.
- The delicate balancing act of central banks trying to reduce inflation without dramatically impacting growth will remain key.

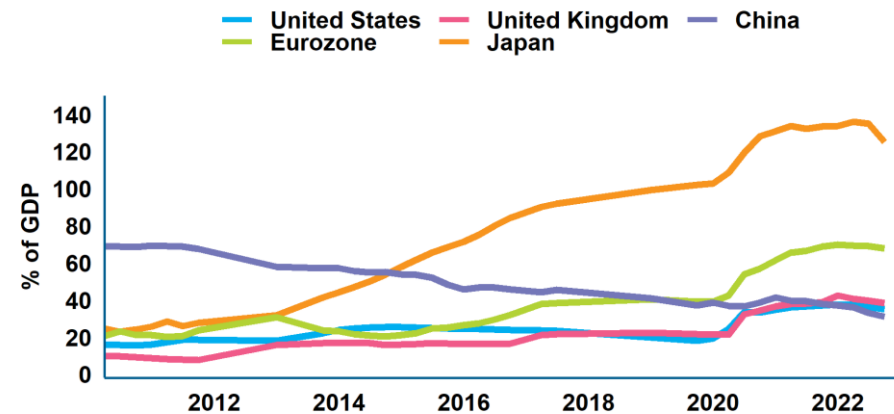
¹ Source: Oxford Economics (World GDP, US\$ prices & PPP exchange rate, nominal, % change YoY). Updated October 2022. Nominal expectations for GDP remain much higher than real GDP expectations given the elevated inflation levels.

Central Bank Response¹

Policy Rates



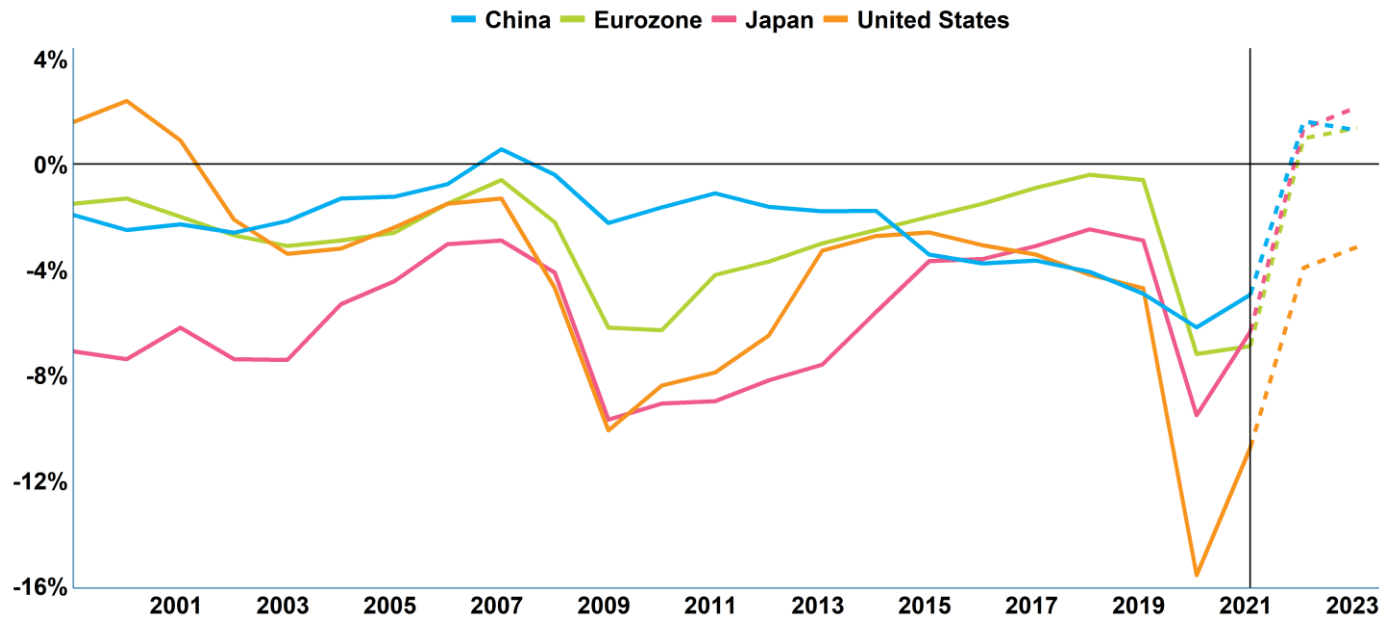
Balance Sheet as % of GDP



- After global central banks took extraordinary action to support economies during the pandemic, including policy rate cuts and emergency stimulus through quantitative easing (QE), many are now aggressively reducing support in the face of high inflation.
- The pace of withdrawing support varies across central banks with the US taking a more aggressive approach.
- The one notable central bank outlier is China, where the central bank has lowered rates and reserve requirements in response to slowing growth.
- The risk remains for a policy error, particularly overtightening, as record inflation, the war in Ukraine, and a tough COVID-19 policy in China could suppress global growth.

¹ Source: Bloomberg. Policy rate data is as of October 31, 2022. China policy rate is defined as the medium-term lending facility 1 year interest rate. Balance sheet as % of GDP is based on quarterly data and is as of September 30, 2022.

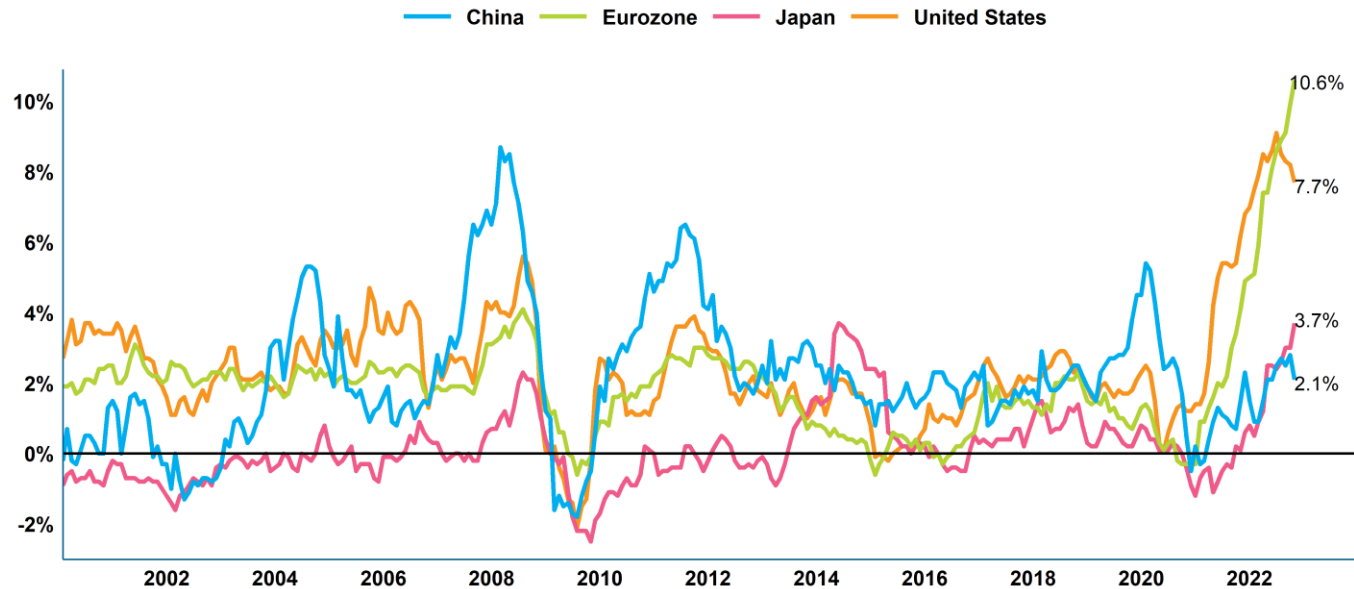
Budget Surplus / Deficit as a Percentage of GDP¹



- Budget deficits as a percentage of GDP drastically increased for major world economies, particularly the US, due to massive fiscal support and the severe economic contraction's effect on tax revenue in 2020 and 2021.
- As fiscal stimulus programs end, and economic recoveries continue, deficits should improve.
- Questions remain about how some countries will respond fiscally as inflation, particularly energy prices, weigh on consumers. Policies that undermine central banks' efforts to fight inflation could lead to additional market volatility like was seen recently in the UK.

¹ Source: Bloomberg. Data is as of October 31, 2022. Projections via IMF Forecasts from October 2022 Report. Dotted lines represent 2022 and 2023 forecasts.

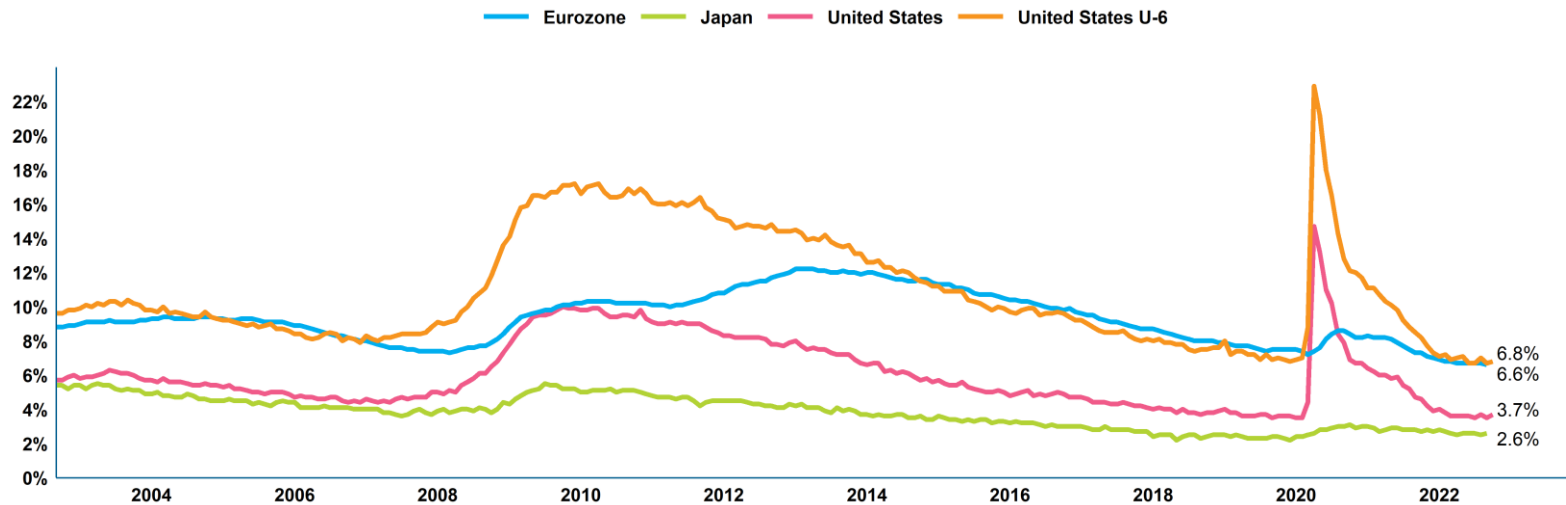
Inflation (CPI Trailing Twelve Months)¹



- Inflation increased dramatically from the lows of the pandemic, particularly in the US and Eurozone where it has reached levels not seen in many decades.
- Inflation pressures continue to grow in Europe, reaching historic levels due to skyrocketing energy prices and a weak euro.
- Supply issues related to the pandemic, record monetary and fiscal stimulus, strict COVID-19 restrictions in China, and higher commodity prices driven by the war in Ukraine have been key global drivers of inflation.

¹ Source: Bloomberg. Data is as of October 2022.

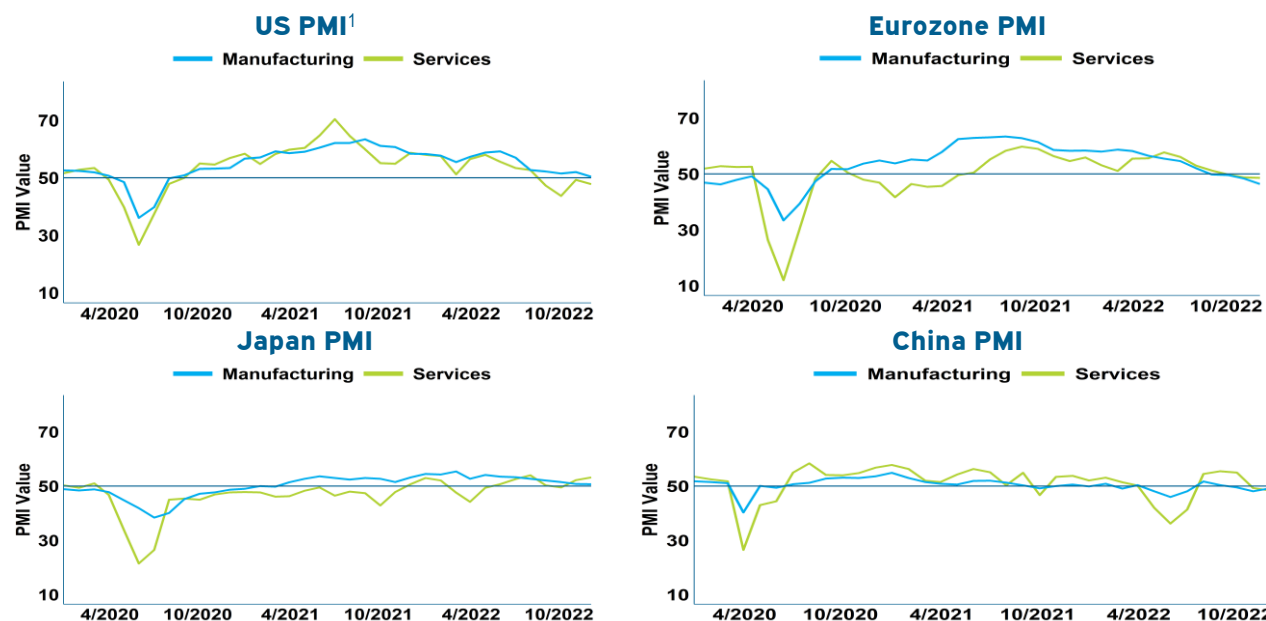
Unemployment¹



- As economies have largely reopened, helped by vaccines for the virus, improvements have been seen in the labor market.
- Despite slowing growth and high inflation the US labor market remains a bright spot. Unemployment in the US, which experienced the steepest rise from the pandemic, has remained in a tight 3.5%-3.7% range for most of the year. The broader measure (U-6) that includes discouraged and underemployed workers remains much higher at 6.8%.
- The strong labor market and higher wages, although beneficial for workers, motivates the Fed's efforts to fight inflation, likely leading to eventually higher unemployment.

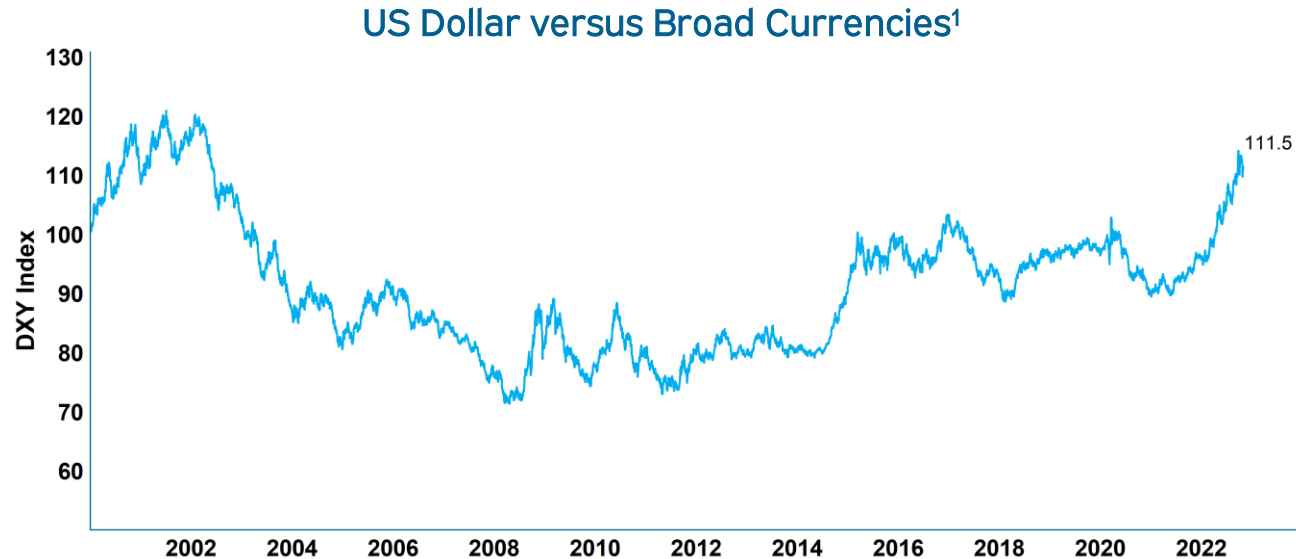
¹ Source: Bloomberg. Data is as October 2022, for the US. The most recent data for Eurozone and Japanese unemployment is as of September 30, 2022.

Global PMIs



- After improvements from the lows of the pandemic, Purchasing Managers Indices (PMI), based on surveys of private sector companies, have largely experienced downward pressure recently.
- Service sector PMIs, except Japan (lifting COVID-19 restrictions and travel incentives have been helpful here), are all in contraction territory. The US service sector declined, remaining in negative territory, due to weak demand both domestically and abroad and softening employment.
- Manufacturing PMIs are also slowing across China and developed markets given declines in demand and inflationary pressures with the Eurozone, and China in contraction territory.

¹ Source: Bloomberg. US Markit Services and Manufacturing PMI, Caixin Services and Manufacturing PMI, Eurozone Markit Services and Manufacturing PMI, Jibun Bank Services and Manufacturing PMI. Data is as of October 2022. Readings below 50 represent economic contractions.



- Overall, the US dollar remained elevated in October but showed some signs of weakening. After month-end, the dollar weakened further.
- The increased pace of policy tightening, stronger relative growth, and safe-haven flows all contributed to the dollar's strength this year.
- The euro, yen, pound, and yuan have all experienced significant declines versus the dollar this year, adding to inflationary pressures in those countries.

¹ Source: Bloomberg. Data as of October 31, 2022.

Summary

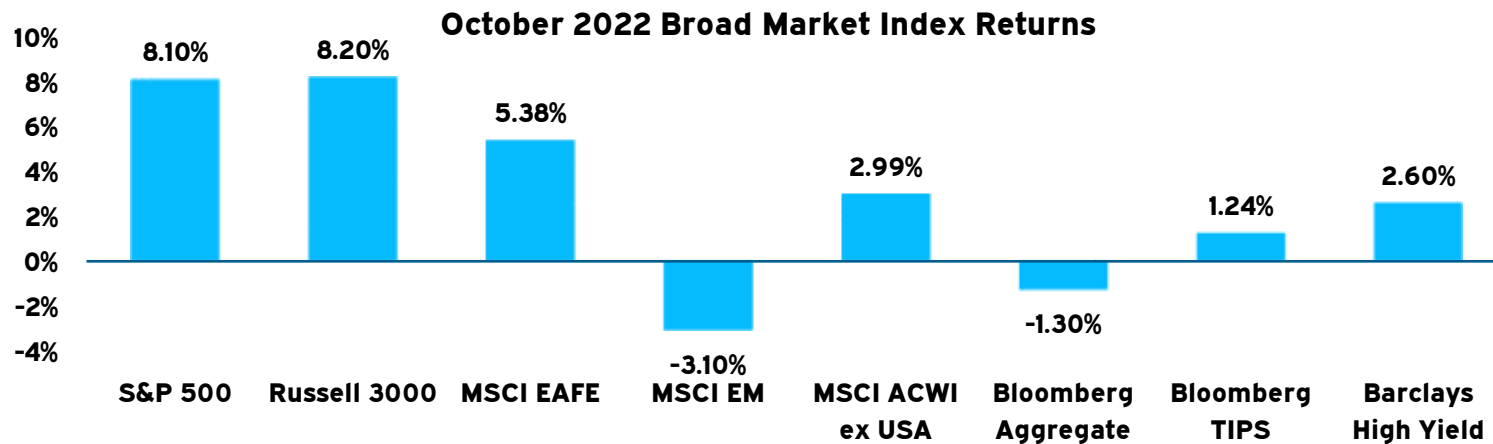
Key Trends in 2022:

- The impacts of record high inflation will remain key, with market volatility likely to stay high.
- The pace of monetary tightening globally will be faster than previously expected, with the risk of overtightening.
- Expect growth to slow globally for the rest of 2022 and into 2023 to the long-term trend or below. Inflation, monetary policy, and the war will all be key.
- In the US the end of many fiscal programs is expected to put the burden of continued growth on consumers. Higher energy and food prices will depress consumers' spending in other areas.
- Valuations have significantly declined in the US to below long-term averages, largely driven by price declines. The key going forward will be whether earnings can remain resilient if growth continues to slow.
- Outside the US, equity valuations remain lower in both emerging and developed markets, but major risks remain, including continued strength in the US dollar, higher inflation particularly weighing on Europe, and China maintaining its restrictive COVID-19 policies.

Performance Highlights

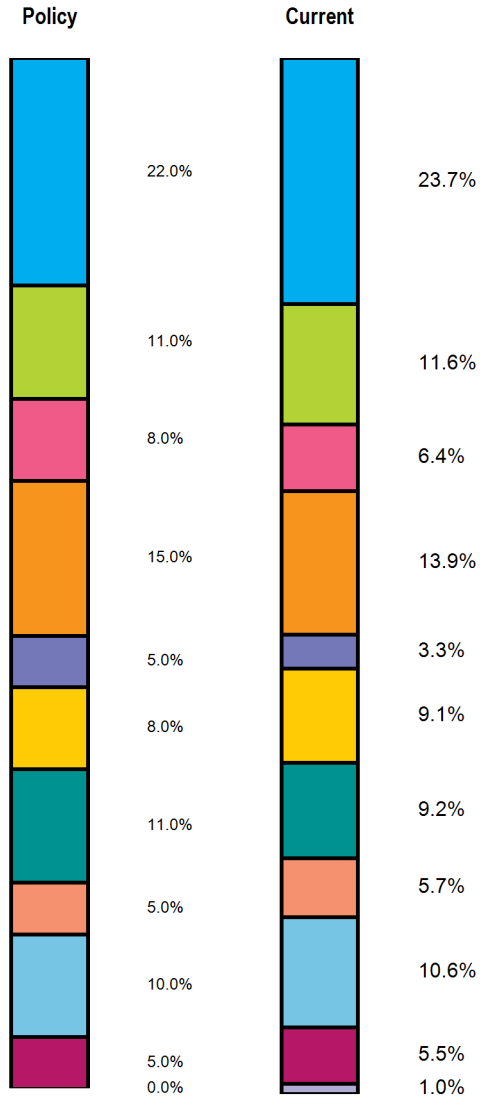
As of October 31, 2022

Market Review and Performance Summary for October 2022



- October saw strong returns for most equity markets, driven by improving sentiment around inflation and potential slowing in monetary policy tightening. Domestically, value outpaced growth stocks, attributable to the rally in energy stocks and relative underperformance in tech and consumer discretionary stocks. Developed International Equities also saw strong returns, whereas Emerging Markets struggled due to continued concerns in China around their zero COVID-19 policies as well as geopolitical concerns in the region. Broad US Fixed Income continued to struggle as high inflation continued to serve as a major headwind, while TIPS and High Yield markets saw positive returns.
- Merced CERA reported a monthly return of 2.2% net of fees. US Equities led all asset classes for the month on an absolute basis, returning 8.0%. Developed International Equities also saw strong absolute returns of 4.5%, driven by GQG International and Driehaus. US Fixed Income returned -0.7%, outpacing its benchmark by 60 basis points. Opportunistic Credit posted 0.5% for the month, primarily due to strong performance from the GoldenTree.
- As of October 31, 2022, total assets for the Merced CERA Portfolio are estimated at \$1.00 billion.

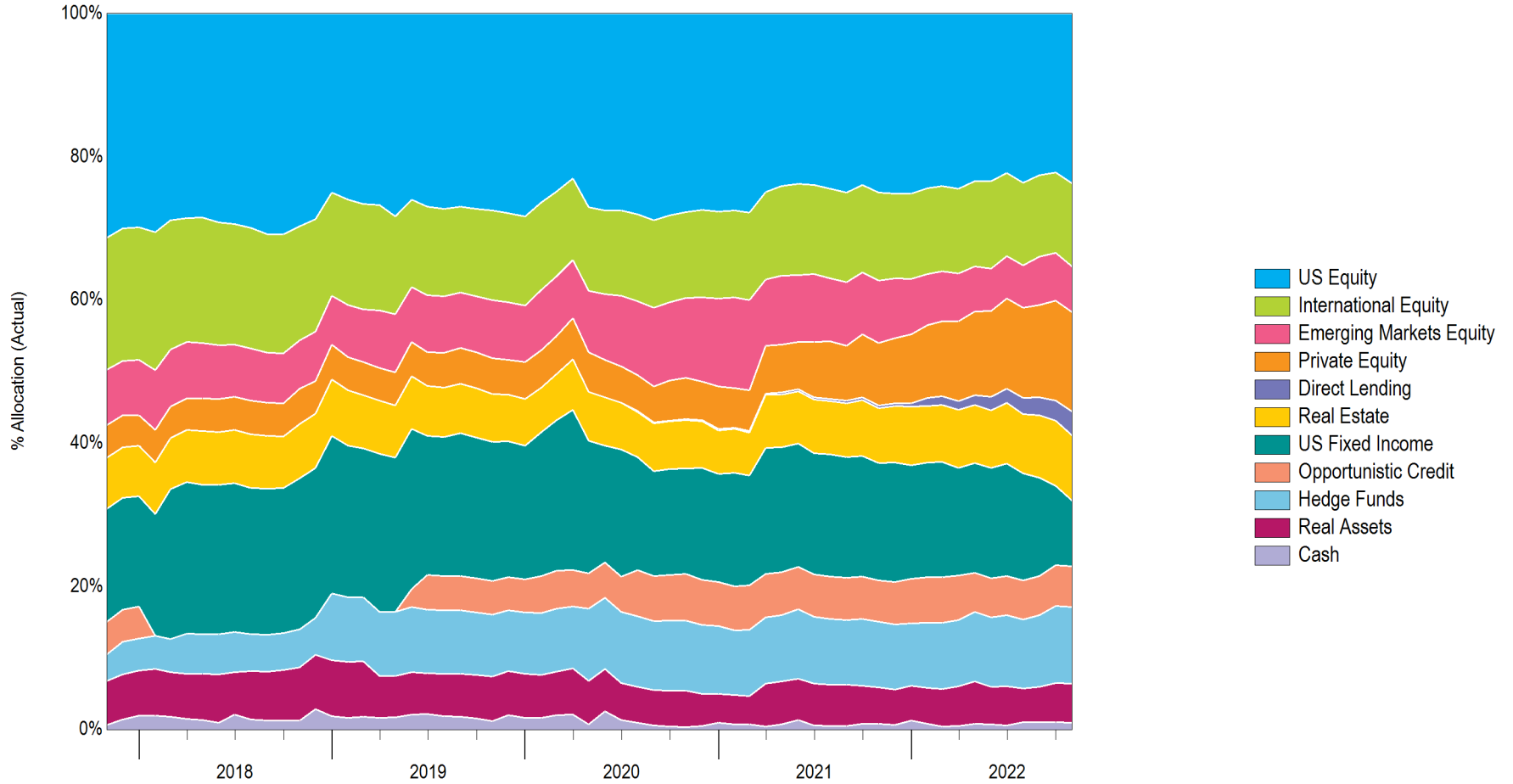
Performance Update
As of October 31, 2022



Allocation vs. Targets and Policy							
	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?	
US Equity	\$237,620,017	23.7%	22.0%	1.7%	16.0% - 27.0%	Yes	
International Equity	\$116,519,429	11.6%	11.0%	0.6%	6.0% - 16.0%	Yes	
Emerging Markets Equity	\$64,302,314	6.4%	8.0%	-1.6%	4.0% - 12.0%	Yes	
Private Equity	\$139,090,560	13.9%	15.0%	-1.1%	5.0% - 20.0%	Yes	
Direct Lending	\$32,869,150	3.3%	5.0%	-1.7%	0.0% - 10.0%	Yes	
Real Estate	\$91,409,326	9.1%	8.0%	1.1%	6.0% - 10.0%	Yes	
US Fixed Income	\$92,203,686	9.2%	11.0%	-1.8%	6.0% - 16.0%	Yes	
Opportunistic Credit	\$57,217,011	5.7%	5.0%	0.7%	3.0% - 7.0%	Yes	
Hedge Funds	\$106,718,570	10.6%	10.0%	0.6%	5.0% - 15.0%	Yes	
Real Assets	\$54,891,226	5.5%	5.0%	0.5%	3.0% - 7.0%	Yes	
Cash	\$9,688,553	1.0%	0.0%	1.0%	0.0% - 5.0%	Yes	
Total	\$1,002,529,842	100.0%	100.0%				

Cash range displayed for illustrative purposes only.

Asset Allocation History
5 Years Ending October 31, 2022



Asset Class Performance Summary											
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund (Net)*	1,002,529,842	100.0	2.2	-11.9	-1.1	-10.8	6.6	6.1	7.5	7.8	Dec-94
Total Fund (Gross)*			2.2	-11.7	-1.0	-10.5	7.0	6.4	7.9	8.0	
<i>Policy Index</i>			3.7	-12.0	-2.5	-11.2	5.9	5.8	7.6	6.0	Dec-94
Total Fund w/o Alternatives (Net)	567,862,457	56.6	3.6	-20.0	-2.2	-20.0	3.7	4.4	6.9	--	Dec-94
Total Fund w/o Alternatives (Gross)			3.7	-19.7	-2.1	-19.7	4.1	4.8	7.2	--	
<i>Policy Index w/o AI</i>			3.4	-19.0	-2.8	-18.7	2.2	3.5	6.0	--	Dec-94
US Equity (Net)	237,620,017	23.7	8.0	-19.9	3.3	-17.4	8.7	9.4	12.9	9.9	Dec-94
US Equity (Gross)			8.1	-19.7	3.4	-17.2	9.0	9.6	13.2	10.0	
<i>Russell 3000</i>			8.2	-18.4	3.4	-16.5	9.8	9.5	12.2	9.9	Dec-94
International Equity (Net)	180,821,743	18.0	1.6	-28.2	-8.0	-31.2	2.0	1.8	4.7	4.8	Dec-98
International Equity (Gross)			1.7	-27.8	-7.8	-30.6	2.8	2.5	5.3	5.2	
<i>International Equity Custom</i>			1.7	-25.5	-8.7	-26.1	-2.1	-0.9	3.7	3.5	Dec-98
Developed International Equity (Net)	116,519,429	11.6	4.5	-18.6	-5.2	-19.3	2.6	2.0	5.0	3.2	Jan-08
Developed International Equity (Gross)			4.6	-18.2	-4.9	-18.7	3.3	2.5	5.6	3.7	
<i>Custom Blended Developed International Equity BM</i>			5.0	-24.0	-4.7	-24.0	-1.1	0.0	4.2	1.8	Jan-08
Emerging Markets Equity (Net)	64,302,314	6.4	-3.2	-42.1	-12.5	-47.2	-1.4	0.1	2.7	2.4	Apr-12
Emerging Markets Equity (Gross)			-3.1	-41.6	-12.2	-46.7	-0.5	1.0	3.6	3.3	
<i>Custom Blended Emerging Markets Benchmark</i>			-3.1	-29.4	-14.3	-31.0	-4.4	-2.9	1.1	0.9	Apr-12
US Fixed Income (Net)	92,203,686	9.2	-0.7	-14.7	-5.0	-14.8	-3.4	-0.6	1.1	4.4	Dec-94
US Fixed Income (Gross)			-0.7	-14.6	-5.0	-14.7	-3.3	-0.4	1.3	4.5	
<i>BBgBarc US Aggregate TR</i>			-1.3	-15.7	-6.0	-15.7	-3.8	-0.6	0.9	4.6	Dec-94
Opportunistic Credit (Net)	57,217,011	5.7	0.5	-8.1	-0.3	-7.2	2.4	--	--	2.7	May-19
Opportunistic Credit (Gross)			0.5	-7.7	-0.1	-6.7	2.9	--	--	3.1	
<i>50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Leveraged Loans</i>			0.2	-11.7	-2.0	-11.4	-1.1	--	--	0.1	May-19

The current US Fixed Income benchmark is the Barclays US Agg. Please refer to the benchmark history for the composition of the US Fixed Income benchmark in earlier periods. Data prior to March 2018 provided by prior consultant.

Total Fund | As of October 31, 2022

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Real Estate (Net)	91,409,326	9.1	0.8	-0.9	0.1	4.4	6.4	5.6	6.8	--	Mar-99
Real Estate (Gross)			0.8	-0.9	0.1	4.4	6.5	5.7	7.3	8.0	
<i>Custom Blended Real Estate Benchmark</i>			0.0	13.1	0.5	22.1	12.1	9.7	10.1	7.9	Mar-99
<i>CPI + 5% (Seasonally Adjusted)</i>			0.8	10.8	2.6	13.1	10.3	9.0	7.7	--	Mar-99
Private Real Estate (Net)	70,862,333	7.1	0.0	10.6	2.9	15.6	8.4	6.8	7.4	--	Mar-99
Private Real Estate (Gross)			0.0	10.6	2.9	15.6	8.5	6.9	7.9	8.3	
<i>Custom Blended Real Estate Benchmark</i>			0.0	13.1	0.5	22.1	12.1	9.7	10.1	7.9	Mar-99
Private Equity (Net)	139,090,560	13.9	0.0	8.1	-0.2	19.6	23.9	19.3	13.1	10.7	Jun-05
Private Equity (Gross)			0.0	8.1	-0.2	19.6	23.9	19.3	13.2	10.8	
<i>Custom Private Equity Benchmark</i>			7.8	-5.9	-8.5	-5.9	18.0	17.7	18.4	--	Jun-05
Direct Lending (Net)	32,869,150	3.3	0.0	2.7	0.2	3.4	--	--	--	9.9	Jul-20
Direct Lending (Gross)			0.0	2.7	0.2	3.4	--	--	--	9.9	
<i>S&P LSTA Leverage Loan Index + 2%</i>			1.2	-0.6	3.1	0.2	4.9	5.2	5.7	6.7	Jul-20
Hedge Fund (Net)	106,718,570	10.6	0.2	0.4	1.4	-1.0	5.6	4.3	--	4.3	Jun-14
Hedge Fund (Gross)			0.2	1.1	1.6	-0.2	6.6	4.9	--	4.7	
<i>Custom Blended Hedge Fund Benchmark</i>			0.9	-5.9	0.7	-7.0	4.3	3.1	--	3.2	Jun-14
Real Assets (Net)	54,891,226	5.5	1.0	10.9	2.5	13.9	10.9	9.9	9.1	--	Mar-99
Real Assets (Gross)			1.1	11.0	2.5	14.1	11.1	10.1	9.7	--	
<i>Custom Blended Real Assets Benchmark</i>			7.6	-0.9	-0.1	-0.9	4.1	5.9	--	--	Mar-99
<i>CPI + 5% (Seasonally Adjusted)</i>			0.8	10.8	2.6	13.1	10.3	9.0	7.7	--	Mar-99
Private Infrastructure (Net)	25,982,805	2.6	0.0	7.9	2.3	11.1	12.4	11.4	--	9.7	Dec-14
Private Infrastructure (Gross)			0.0	7.9	2.3	11.1	12.7	11.6	--	9.8	
<i>S&P Global Infrastructure TR USD</i>			5.0	-5.6	-5.1	-4.7	1.0	2.9	6.0	4.1	Dec-14
Private Natural Resources (Net)	15,761,835	1.6	0.0	29.6	5.4	38.0	12.5	12.1	--	15.3	Sep-15
Private Natural Resources (Gross)			0.0	29.6	5.4	38.0	12.5	12.1	--	15.3	
<i>S&P Global Natural Resources Index TR USD</i>			10.1	3.6	5.0	6.1	12.0	7.3	4.5	11.7	Sep-15
Cash (Net)	9,688,553	1.0	0.2	0.6	0.5	0.6	0.5	0.7	--	--	
Cash (Gross)			0.2	0.6	0.5	0.6	0.5	0.7	--	--	

*One or more accounts have been excluded from the composite for the purposes of performance calculations and market value.

Private Markets values are cash flow adjusted from preliminary 06/30/2022 NAVs unless otherwise noted.

Real Assets includes State Street Real Asset NL Fund.

Trailing Net Performance													
	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
Total Fund(Net)*	1,002,529,842	100.0	--	2.2	-11.9	-1.1	-10.8	6.6	6.1	7.5	7.8	Dec-94	
<i>Policy Index</i>				3.7	-12.0	-2.5	-11.2	5.9	5.8	7.6	6.0	Dec-94	
Total Fund w/o Alternatives(Net)	567,862,457	56.6	56.6	3.6	-20.0	-2.2	-20.0	3.7	4.4	6.9	--	Dec-94	
<i>Policy Index w/o AI</i>				3.4	-19.0	-2.8	-18.7	2.2	3.5	6.0	--	Dec-94	
US Equity(Net)	237,620,017	23.7	41.8	8.0	-19.9	3.3	-17.4	8.7	9.4	12.9	9.9	Dec-94	
<i>Russell 3000</i>				8.2	-18.4	3.4	-16.5	9.8	9.5	12.2	9.9	Dec-94	
BNY Mellon Large Cap(Net)	164,008,768	16.4	69.0	8.0	-18.6	3.0	-16.4	10.0	10.2	--	12.0	Mar-16	
<i>Russell 1000</i>				8.0	-18.5	3.0	-16.4	10.0	10.2	12.7	11.9	Mar-16	
BNY Mellon Newton Dynamic US Equity(Net)	47,327,866	4.7	19.9	7.0	-21.7	1.7	-18.4	9.4	10.8	--	14.8	Dec-12	
<i>S&P 500</i>				8.1	-17.7	2.8	-14.6	10.2	10.4	12.8	12.8	Dec-12	
Champlain Small Cap(Net)	26,283,383	2.6	11.1	10.1	-19.7	8.6	-19.7	--	--	--	6.2	Nov-20	
<i>Russell 2000</i>				11.0	-16.9	8.6	-18.5	7.0	5.6	9.9	10.8	Nov-20	
International Equity(Net)	180,821,743	18.0	31.8	1.6	-28.2	-8.0	-31.2	2.0	1.8	4.7	4.8	Dec-98	
<i>International Equity Custom</i>				1.7	-25.5	-8.7	-26.1	-2.1	-0.9	3.7	3.5	Dec-98	
Developed International Equity(Net)	116,519,429	11.6	64.4	4.5	-18.6	-5.2	-19.3	2.6	2.0	5.0	3.2	Jan-08	
<i>Custom Blended Developed International Equity BM</i>				5.0	-24.0	-4.7	-24.0	-1.1	0.0	4.2	1.8	Jan-08	
GQG International Equity(Net)	48,713,352	4.9	41.8	5.7	-17.6	-5.2	-19.5	--	--	--	2.7	Dec-19	
<i>MSCI ACWI ex USA</i>				3.0	-24.3	-7.2	-24.7	-1.7	-0.6	3.3	-2.0	Dec-19	
First Eagle International Value Fund(Net)	43,218,247	4.3	37.1	2.9	-15.0	-5.9	-14.5	--	--	--	-1.4	Dec-19	
<i>MSCI EAFE</i>				5.4	-23.2	-4.5	-23.0	-1.3	-0.1	4.1	-1.7	Dec-19	
<i>MSCI World ex USA</i>				5.5	-22.2	-4.2	-22.0	-0.5	0.4	4.1	-0.9	Dec-19	

Historical returns for the US Equity Composite prior to January 2012 and for the International Equity Composite prior to December 2010 are gross only. Developed International Equity and Emerging Markets Equity composites were only reported as one composite prior to March 2018.

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Acadian ACWI ex U.S. Small Cap Equity(Net)	12,443,350	1.2	10.7	3.8	-21.3	-4.3	-20.5	6.6	--	--	5.8	May-19
<i>MSCI ACWI ex US Small Cap</i>				3.2	-27.1	-5.4	-27.8	0.1	-0.3	4.8	0.6	May-19
Driehaus International Small Cap Growth(Net)	12,144,480	1.2	10.4	6.7	-30.0	-3.4	-31.0	2.9	--	--	4.5	May-19
<i>MSCI ACWI ex US Small Cap Growth NR USD</i>				2.5	-32.2	-5.6	-33.0	0.0	-0.1	4.8	0.5	May-19
Emerging Markets Equity(Net)	64,302,314	6.4	35.6	-3.2	-42.1	-12.5	-47.2	-1.4	0.1	2.7	2.4	Apr-12
<i>Custom Blended Emerging Markets Benchmark</i>				-3.1	-29.4	-14.3	-31.0	-4.4	-2.9	1.1	0.9	Apr-12
Artisan Developing World TR(Net)	42,675,420	4.3	66.4	-2.3	-45.5	-10.7	-51.2	--	--	--	-3.8	Dec-19
<i>MSCI Emerging Markets</i>				-3.1	-29.4	-14.3	-31.0	-4.4	-3.1	0.8	-4.5	Dec-19
RWC(Net)	21,626,894	2.2	33.6	-4.9	-33.9	-15.4	-37.0	--	--	--	-5.2	Dec-19
<i>MSCI Emerging Markets</i>				-3.1	-29.4	-14.3	-31.0	-4.4	-3.1	0.8	-4.5	Dec-19
US Fixed Income(Net)	92,203,686	9.2	16.2	-0.7	-14.7	-5.0	-14.8	-3.4	-0.6	1.1	4.4	Dec-94
<i>BBgBarc US Aggregate TR</i>				-1.3	-15.7	-6.0	-15.7	-3.8	-0.6	0.9	4.6	Dec-94
Vanguard Short-Term Treasury Index Fund(Net)	35,224,253	3.5	38.2	-0.1	-4.6	-1.6	-4.9	-0.7	--	--	0.6	Feb-18
<i>Bloomberg US Govt 1-3 Yr TR</i>				-0.1	-4.6	-1.6	-4.8	-0.7	0.5	0.6	0.7	Feb-18
<i>Bloomberg US Govt 1-5 Yr TR</i>				-0.2	-6.5	-2.4	-6.7	-1.2	0.3	0.6	0.6	Feb-18
Barrow Hanley(Net)	28,806,496	2.9	31.2	-1.0	-16.0	-5.8	-16.1	-3.6	-0.4	0.8	2.0	Mar-10
<i>Bloomberg US Aggregate TR</i>				-1.3	-15.7	-6.0	-15.7	-3.8	-0.5	0.7	1.9	Mar-10
Vanguard Total Bond Market Index Fund(Net)	28,172,937	2.8	30.6	-1.4	-15.7	-6.0	-15.8	-3.8	--	--	-1.7	May-19
<i>Bloomberg US Aggregate TR</i>				-1.3	-15.7	-6.0	-15.7	-3.8	-0.5	0.7	-1.7	May-19

The current US Fixed Income benchmark is the Barclays US Agg. Please refer to the benchmark history for the composition of the US Fixed Income benchmark in earlier periods. Historical returns for the US Fixed Income Composite prior to December 2010 and for Barrow Hanley prior to June 2010 are gross only.

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Opportunistic Credit(Net)	57,217,011	5.7	10.1	0.5	-8.1	-0.3	-7.2	2.4	--	--	2.7	May-19
<i>50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Leveraged Loans</i>				0.2	-11.7	-2.0	-11.4	-1.1	--	--	0.1	May-19
GoldenTree Multi-Sector Credit(Net)	22,297,176	2.2	39.0	1.6	-7.9	1.9	-7.4	2.4	--	--	2.5	Jun-19
<i>50% BBg US High Yield TR/50% Credit Suisse Leveraged Loans</i>				1.7	-7.5	2.0	-6.9	1.5	2.6	4.0	2.0	Jun-19
Sculptor Credit Opportunities Domestic Partners, LP(Net)	18,421,431	1.8	32.2	-0.7	-4.2	-1.7	-2.3	--	--	--	9.2	Jul-20
<i>50% BBg US High Yield TR/50% Credit Suisse Leveraged Loans</i>				1.7	-7.5	2.0	-6.9	1.5	2.6	4.0	2.9	Jul-20
PIMCO Income Fund(Net)	16,498,404	1.6	28.8	0.2	-10.6	-1.6	-10.1	-0.4	--	--	0.2	Apr-19
<i>Bloomberg US Aggregate TR</i>				-1.3	-15.7	-6.0	-15.7	-3.8	-0.5	0.7	-1.7	Apr-19
Real Estate(Net)	91,409,326	9.1	9.1	0.8	-0.9	0.1	4.4	6.4	5.6	6.8	--	Mar-99
<i>Custom Blended Real Estate Benchmark</i>				0.0	13.1	0.5	22.1	12.1	9.7	10.1	7.9	Mar-99
<i>CPI + 5% (Seasonally Adjusted)</i>				0.8	10.8	2.6	13.1	10.3	9.0	7.7	--	Mar-99
Vanguard REIT Index(Net)	20,546,993	2.0	22.5	3.5	-26.8	-7.9	-21.4	--	--	--	4.2	Aug-20
<i>Spliced Vanguard REIT Benchmark</i>				3.5	-26.7	-7.9	-21.3	-0.7	4.1	6.8	4.3	Aug-20
Private Real Estate(Net)	70,862,333	7.1	77.5	0.0	10.6	2.9	15.6	8.4	6.8	7.4	--	Mar-99
<i>Custom Blended Real Estate Benchmark</i>				0.0	13.1	0.5	22.1	12.1	9.7	10.1	7.9	Mar-99
UBS Trumbull Property(Net)	29,537,332	2.9	41.7	0.0	18.3	4.2	26.4	7.7	5.8	7.1	7.1	Mar-99
Patron Capital V(Net)	7,209,372	0.7	10.2	0.0	-31.4	-3.5	-29.1	0.7	3.0	--	2.2	Jan-16

GoldenTree Multi-Sector Credit and Sculptor Credit Opportunities Domestic Partners market values are based on manager estimates.

Private Markets values are cash flow adjusted from preliminary 06/30/2022 NAVs.

Data prior to March 2018 provided by prior consultant.

Private Real Estate results prior to 1/1/2019 were included in the Real Assets composite. All results for the Private Real Estate composite that include the period prior to 1/1/2019 will reflect only the latest lineup of managers that Meketa received information for, therefore it may not reflect the entire Private Real Estate composite at that given time.

Total Fund | As of October 31, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Cerberus Real Estate Debt Fund, L.P.(Net)	4,997,737	0.5	7.1	0.0	3.8	0.3	5.0	--	--	--	11.5	Jul-20
Rockpoint Real Estate Fund VI, L.P.(Net)	4,216,162	0.4	5.9	0.0	17.7	2.3	21.0	--	--	--	17.1	May-20
AG Realty Value Fund X, L.P.(Net)	4,188,163	0.4	5.9	0.0	26.4	7.3	30.4	16.8	--	--	8.2	Jun-19
Taconic CRE Dislocation Fund II(Net)	3,708,014	0.4	5.2	0.0	14.1	3.2	4.7	7.2	--	--	7.6	Nov-18
Taconic CRE Dislocation Onshore Fund III(Net)	3,649,483	0.4	5.2									
Carlyle Realty VIII(Net)	3,085,669	0.3	4.4	0.0	53.9	2.6	112.7	48.8	--	--	12.7	Dec-17
Rockpoint Real Estate Fund VII L.P.(Net)	2,949,122	0.3	4.2	0.0	--	--	--	--	--	--	3.0	Aug-22
Carmel Partners Investment Fund VII(Net)	2,196,515	0.2	3.1	0.0	6.3	2.4	4.2	-13.5	--	--	-25.6	Apr-19
Starwood Distressed Opportunity Fund XII Global(Net)	1,890,892	0.2	2.7									
Greenfield Gap VII(Net)	1,689,078	0.2	2.4	0.0	41.6	4.7	43.3	25.3	20.8	--	18.2	Dec-14
Carmel Partners Investment Fund VIII(Net)	1,342,228	0.1	1.9									
Carlyle Realty Partners IX(Net)	202,566	0.0	0.3									
Private Equity(Net)	139,090,560	13.9	13.9	0.0	8.1	-0.2	19.6	23.9	19.3	13.1	10.7	Jun-05
<i>Custom Private Equity Benchmark</i>				<i>7.8</i>	<i>-5.9</i>	<i>-8.5</i>	<i>-5.9</i>	<i>18.0</i>	<i>17.7</i>	<i>18.4</i>	<i>--</i>	<i>Jun-05</i>
Spark Capital Growth Fund III(Net)	12,263,598	1.2	8.8	0.0	47.6	32.6	108.5	--	--	--	36.8	Mar-20
Cortec Group Fund VII(Net)	9,920,089	1.0	7.1	0.0	12.3	7.6	11.4	--	--	--	28.4	Dec-19
Ocean Avenue II(Net)	9,135,211	0.9	6.6	0.0	29.8	5.3	44.4	49.4	36.7	--	24.6	Jun-14
Genstar Capital Partners IX(Net)	8,533,876	0.9	6.1	0.0	28.3	17.4	37.6	32.5	--	--	29.5	Jul-19
Thoma Bravo Discover Fund III(Net)	7,866,189	0.8	5.7	0.0	8.6	-2.8	7.1	--	--	--	7.6	Jun-21

Total Fund | As of October 31, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Summit Partners Growth Equity Fund X-A(Net)	7,544,284	0.8	5.4	0.0	-1.8	-1.9	4.3	--	--	--	3.2	Mar-20
Taconic Market Dislocation Fund III L.P.(Net)	7,059,397	0.7	5.1	0.0	-1.4	-5.9	3.8	--	--	--	16.8	Jul-20
TCV X(Net)	7,040,578	0.7	5.1	0.0	-27.7	-26.8	-18.8	29.3	--	--	20.6	Apr-19
Carrick Capital Partners III(Net)	6,130,825	0.6	4.4	0.0	19.7	-4.0	25.0	17.4	--	--	12.8	Aug-18
Davidson Kempner Long-Term Distressed Opportunities Fund IV(Net)	5,439,277	0.5	3.9	0.0	26.0	1.1	45.2	15.9	--	--	14.4	Apr-18
GTCR Fund XII(Net)	5,394,816	0.5	3.9	0.0	6.2	-3.2	23.4	31.5	--	--	18.5	Jun-18
Adams Street(Net)	4,843,245	0.5	3.5	0.0	-13.3	-9.4	-8.2	18.6	15.2	14.0	8.9	Sep-05
Accel-KKR Growth Capital Partners III(Net)	4,838,255	0.5	3.5	0.0	-0.6	-2.2	25.0	19.6	--	--	11.5	Jul-19
Cressey & Company Fund VI(Net)	4,543,163	0.5	3.3	0.0	1.2	-3.2	37.8	32.2	--	--	20.2	Jan-19
Marlin Heritage Europe II, L.P.(Net)	4,430,392	0.4	3.2	0.0	7.2	-1.8	-0.8	--	--	--	-6.2	Oct-20
GTCR Fund XIII/A & B(Net)	4,115,946	0.4	3.0									
Khosla Ventures VII(Net)	3,897,393	0.4	2.8	0.0	10.4	-0.3	8.8	--	--	--	4.2	Jan-21
TCV XI(Net)	3,442,885	0.3	2.5	0.0	5.2	-6.8	4.7	--	--	--	-0.7	Feb-21
Genstar Capital Partners X(Net)	3,438,436	0.3	2.5									
Pantheon II(Net)	3,359,047	0.3	2.4	0.0	-9.6	-6.9	-7.1	18.4	15.3	14.7	13.6	Dec-11
Summit Partners Venture Capital Fund V-A(Net)	2,415,068	0.2	1.7									
Spark Capital VI(Net)	2,357,515	0.2	1.7	0.0	11.0	5.1	13.4	--	--	--	-2.0	Mar-20

Adams Street includes Adams Street 2005, Adams Street 2007, and Adams Street 2011.

Pantheon I includes Pantheon US Fund VI and Pantheon Europe Fund IV.

Pantheon II includes Pantheon US Fund IX, Pantheon Asia Fund VI, and Pantheon Europe Fund VII.

Pantheon Secondary includes Pantheon GLO SEC III B.

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Accel-KKR Capital Partners VI(Net)	2,112,161	0.2	1.5									
Nautic Partners X(Net)	1,971,999	0.2	1.4									
Khosla Ventures Seed E(Net)	1,505,129	0.2	1.1									
Invesco VI(Net)	1,068,293	0.1	0.8	0.0	-20.6	-15.4	39.7	51.8	34.9	--	23.8	Jun-13
TCV Velocity Fund I(Net)	1,025,614	0.1	0.7									
Accel-KKR Growth Capital Partners IV(Net)	941,698	0.1	0.7									
Spark Capital Growth Fund IV(Net)	817,250	0.1	0.6									
Spark Capital VII(Net)	809,817	0.1	0.6									
Summit Partners Growth Equity Fund XI-A(Net)	479,633	0.0	0.3									
GTCR Strategic Growth Fund I/A&B LP(Net)	132,970	0.0	0.1									
Pantheon Secondary(Net)	112,621	0.0	0.1	0.0	-3.0	-0.7	-20.4	-11.6	-4.6	-1.8	0.7	Jun-07
Pantheon I(Net)	61,390	0.0	0.0	0.0	-24.3	-11.9	-32.4	-20.2	-12.3	-3.4	-1.4	Dec-05
Threshold Ventures IV LP(Net)	42,500	0.0	0.0	0.0	--	--	--	--	--	--	0.0	Jul-22
Direct Lending(Net)	32,869,150	3.3	3.3	0.0	2.7	0.2	3.4	--	--	--	9.9	Jul-20
<i>S&P LSTA Leverage Loan Index + 2%</i>				<i>1.2</i>	<i>-0.6</i>	<i>3.1</i>	<i>0.2</i>	<i>4.9</i>	<i>5.2</i>	<i>5.7</i>	<i>6.7</i>	<i>Jul-20</i>
AG Direct Lending Fund IV Annex(Net)	9,407,188	0.9	28.6									
Ares Senior Direct Lending Fund II(Net)	7,225,427	0.7	22.0									
Silver Point Specialty Credit Fund II, L.P.(Net)	6,155,504	0.6	18.7	0.0	0.2	-2.7	0.8	--	--	--	8.7	Jul-20
Varagon Capital Direct Lending Fund(Net)	5,831,030	0.6	17.7									
AG Direct Lending Fund V(Net)	4,250,000	0.4	12.9	0.0	--	--	--	--	--	--	0.0	Aug-22

Total Fund | As of October 31, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Hedge Fund(Net)	106,718,570	10.6	10.6	0.2	0.4	1.4	-1.0	5.6	4.3	--	4.3	Jun-14
<i>Custom Blended Hedge Fund Benchmark</i>				0.9	-5.9	0.7	-7.0	4.3	3.1	--	3.2	Jun-14
Silver Point Capital(Net)	17,550,646	1.8	16.4	-2.1	1.2	0.9	0.2	13.9	--	--	8.1	Nov-17
Wellington-Archipelago(Net)	14,431,212	1.4	13.5	1.8	-1.4	1.4	-0.5	5.5	4.6	--	4.8	Aug-17
Taconic Opportunity Fund(Net)	13,462,785	1.3	12.6	0.7	-4.1	-1.4	-3.5	2.4	--	--	3.0	Dec-18
Laurion Capital(Net)	12,998,032	1.3	12.2	1.1	-8.4	-0.6	-9.7	12.2	--	--	10.6	Aug-18
Sculptor (OZ) Domestic II(Net)	12,136,797	1.2	11.4	0.9	-12.7	-0.4	-16.0	3.5	3.8	--	4.9	Jun-14
Caxton Global Investments(Net)	11,572,907	1.2	10.8	-0.4	15.3	2.6	15.3	--	--	--	10.2	May-21
Marshall Wace Global Opportunities(Net)	10,248,746	1.0	9.6	0.3	5.6	4.4	-0.4	--	--	--	5.3	May-20
Graham Absolute Return(Net)	9,903,321	1.0	9.3	-0.3	21.8	6.3	19.2	7.5	5.9	--	5.7	Aug-17
Marshall Wace Eureka(Net)	4,414,125	0.4	4.1	0.2	2.3	1.8	1.1	8.4	--	--	6.5	Nov-17
Real Assets(Net)	54,891,226	5.5	5.5	1.0	10.9	2.5	13.9	10.9	9.9	9.1	--	Mar-99
<i>Custom Blended Real Assets Benchmark</i>				7.6	-0.9	-0.1	-0.9	4.1	5.9	--	--	Mar-99
<i>CPI + 5% (Seasonally Adjusted)</i>				0.8	10.8	2.6	13.1	10.3	9.0	7.7	--	Mar-99
SSgA(Net)	13,146,586	1.3	24.0	4.5	0.3	-1.3	1.2	8.2	5.9	--	6.2	Apr-17
<i>Real Asset NL Custom Blended Index</i>				4.4	-1.9	-1.3	-0.5	8.1	6.0	--	6.3	Apr-17
Private Infrastructure(Net)	25,982,805	2.6	47.3	0.0	7.9	2.3	11.1	12.4	11.4	--	9.7	Dec-14
<i>S&P Global Infrastructure TR USD</i>				5.0	-5.6	-5.1	-4.7	1.0	2.9	6.0	4.1	Dec-14
North Haven Infrastructure II(Net)	5,534,273	0.6	21.3	0.0	21.8	11.2	24.1	10.3	10.6	--	9.1	May-15
ISQ Global Infrastructure Fund II(Net)	5,522,751	0.6	21.3	0.0	7.6	1.5	13.2	12.1	--	--	2.9	Jul-18
KKR Global II(Net)	5,104,097	0.5	19.6	0.0	-0.3	-2.4	4.2	25.1	18.7	--	16.0	Dec-14

Total Fund | As of October 31, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
KKR Global Infrastructure Investors III(Net)	3,818,120	0.4	14.7	0.0	8.6	0.1	-8.9	-2.0	--	--	-5.7	Jan-19
Ardian Infrastructure Fund V(Net)	3,457,444	0.3	13.3	0.0	-0.8	-0.4	-3.3	-15.7	--	--	-15.7	Oct-19
KKR Global Infrastructure Investors IV(Net)	2,070,050	0.2	8.0									
ISQ Global Infrastructure Fund III(Net)	476,070	0.0	1.8									
Private Natural Resources(Net)	15,761,835	1.6	28.7	0.0	29.6	5.4	38.0	12.5	12.1	--	15.3	Sep-15
<i>S&P Global Natural Resources Index TR USD</i>				<i>10.1</i>	<i>3.6</i>	<i>5.0</i>	<i>6.1</i>	<i>12.0</i>	<i>7.3</i>	<i>4.5</i>	<i>11.7</i>	<i>Sep-15</i>
EnCap XI(Net)	4,809,058	0.5	30.5	0.0	39.4	16.5	52.8	6.5	-4.6	--	-10.9	Jul-17
BlackRock Global Energy and Power Infrastructure Fund III LP(Net)	3,275,513	0.3	20.8	0.0	5.4	0.3	5.4	8.6	--	--	13.5	Jul-19
Tailwater Energy Fund IV, LP(Net)	2,485,537	0.2	15.8	0.0	19.6	-0.7	29.4	-0.7	--	--	-0.7	Oct-19
EnCap IV(Net)	1,807,922	0.2	11.5	0.0	134.6	1.7	198.8	44.9	--	--	27.8	Feb-18
Carnelian Energy Capital IV(Net)	1,762,355	0.2	11.2									
GSO Energy Opportunities(Net)	977,021	0.1	6.2	0.0	38.2	20.2	46.0	17.3	13.1	--	16.2	Nov-15
Taurus Mining(Net)	412,009	0.0	2.6	0.0	185.1	17.1	215.5	38.2	28.8	--	26.4	Sep-15
Taurus Mining Annex(Net)	232,420	0.0	1.5	0.0	43.1	5.0	52.4	22.0	22.6	--	26.3	Jan-17
Cash(Net)	9,688,553	1.0	1.0	0.2	0.6	0.5	0.6	0.5	0.7	--	--	
Cash(Net)	9,180,923	0.9	94.8	0.3	0.7	0.6	0.7	0.6	1.0	0.8	--	Sep-03
Treasury Cash(Net)	507,629	0.1	5.2									

*One or more accounts have been excluded from the composite for the purposes of performance calculations and market value.

Disclaimer, Glossary, and Notes

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SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE "FORWARD - LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "AIM," "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION.

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

Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security).

Duration: Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Jensen's Alpha: A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} * (\text{market return} - \text{Risk Free Rate})]$.

Market Capitalization: For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

Market Weighted: Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

Maturity: The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

Prepayment Risk: The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

Price-Book Value (P/B) Ratio: The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

Quality Rating: The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

STIF Account: Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

Style: The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

Tracking Error: A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

Yield to Maturity: The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

Yield to Worst: The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

NCREIF Property Index (NPI): Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE): Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: Investment Terminology, International Foundation of Employee Benefit Plans, 1999.
The Handbook of Fixed Income Securities, Fabozzi, Frank J., 1991

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.



Merced County Employees' Retirement Association

DATE: December 8, 2022

TO: MercedCERA Board of Retirement

FROM: Kristie Santos, Plan Administrator

SUBJECT: 2023 Board Meeting Calendar

ITEM NUMBER: 6

ITEM TYPE: Action

STAFF RECOMMENDATION:

1. Approve the 2023 Board Meeting Calendar.

DISCUSSION:

The Merced County Employees' Retirement Association (MercedCERA) Board of Retirement voted unanimously to hold one meeting per month, instead of two. Also included in the action taken by the Board on November 10, 2022, was to begin Board meetings at 8:30 A.M. instead of 8:15 A.M.

Meetings will be held on the fourth Thursday of each month except for meetings held in November and December, which will likely be held on the second Thursday of the month due to holidays. Below is the meeting calendar for 2023.

Staff is recommending the Board adopt the 2023 Board Meeting Calendar.

Board Meeting Dates for 2023
January 26, 2023
February 23, 2023
March 23, 2023
April 27, 2023
May 25, 2023
June 22, 2023
July 27, 2023
August 24, 2023
September 28, 2023
October 26, 2023
*November 9, 2023
*December 14, 2023

*Meetings on 2nd Thursday of the month due to holidays.