

**MCERA INVESTMENT RETIREMENT BOARD AGENDA**  
**THURSDAY, JUNE 25, 2020**  
**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**TELEPHONE NUMBER: 1-310-372-7549, CONFERENCE CODE: 975839**

**Important Notice Regarding SARS-COV-2**

**Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the SARS-COV-2 virus, MCERA's building will be closed to the public during MCERA Board meetings. Members of the MCERA Board will participate in this meeting offsite via conference call. Members of the public may 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 MCERA staff at 209-726-2724.**

**Please turn your cell phone or other electronic device to non-audible mode or mute.**

**CALL TO ORDER: 8:15 A.M.**

- ROLL CALL.
- APPROVAL OF MINUTES – June 11, 2020.

**PUBLIC COMMENT**

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

**BOARD ACTION<sup>1</sup>/DISCUSSION**

Pursuant to Govt. Code § 31594 and MCERA's Investment Objectives & Policy Statement due diligence analysis requirement:

1. Discussion and possible action on monthly performance for May 2020 by Meketa with possible action on any managers/funds – Meketa Group.
2. Discussion and possible action on quarterly reporting by Cliffwater with possible action on any managers/funds – Cliffwater.
3. Discussion and possible action to adopt MCERA Interest Crediting recommendation as of June 30, 2020 – Staff.
4. Discussion and possible action to appoint MCERA Board of Retirement Chair, Vice Chair and Secretary beginning July 1, 2020 – Chair.
5. Discussion and possible action on SACRS Board of Directors Elections – Staff.
6. Discussion of SACRS Legislative Report – staff.
7. Review calendar of any training sessions and authorize expenditures for Trustees and Plan Administrator. Pursuant to Govt. Code § 31522.8 and MCERA's Trustees Education and Training Policy requirements. Examples of upcoming training and educational sessions:

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<sup>1</sup> "Action" means that the Board may dispose of any item by any action, including but not limited to the following acts: approve, disapprove, authorize, modify, defer, table, take no action, or receive and file.

- a. SACRS Public Pension Investment Management Program (via Zoom Webinar), July 28, 2020 to August 13, 2020.

## **INFORMATION ONLY**

### **MCERA UPCOMING BOARD MEETINGS**

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

- July 9, 2020
- July 23, 2020

### **ADJOURNMENT**

All supporting documentation is available for public review online at [www.co.merced.ca.us/retirement](http://www.co.merced.ca.us/retirement)

Any material related to an item on this Agenda submitted to the Merced County Employees' Retirement Association, after distribution of the Agenda packet is available for public inspection at [www.co.merced.ca.us/retirement](http://www.co.merced.ca.us/retirement)

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 by emailing the Merced County Employees' Association at [MCERA@co.merced.ca.us](mailto:MCERA@co.merced.ca.us), 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.

**MCERA ADMINISTRATIVE RETIREMENT BOARD AGENDA  
THURSDAY, JUNE 11, 2020  
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
TELEPHONE NUMBER: 1-310-372-7549, CONFERENCE CODE: 975839**

**CALL TO ORDER: 8:15 A.M.**

**Board Members Present:** Ryan Paskin, Scott Johnston, Al Peterson, David Ness, Darlene Ingersoll, Scott Silveira, Michael Rhodes, Janey Cabral, Karen Adams and Jason Goins.

**Counsel:** Jeff Grant. **Staff:** Kristen Santos, Alexis Curry, Martha Sanchez, Mark Harman, Sheri Villagrana, Brenda Mojica and Ninebra Maryoonani. **Absent:** Kalisa Rochester.

APPROVAL OF MINUTES – May 28, 2020.

**Motion to approve the May 28, 2020 meeting minutes.**

**Ingersoll/Silveira U/A (9-0)**

**PUBLIC COMMENT**

**No Comment.**

**REPORT OUT FROM CLOSED SESSION**

1. The MCERA board voted via roll call to approve a service connected disability and deny a non-service connected disability for Marcelino Plascencia.

**Ness/Ingersoll U/A (9-0)**

**CONSENT CALENDAR**

**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. Sanchez, Maria	H.S.A	1 Yrs. Svc.	Eff. 06/01/2020
b. Brewster, Laquetta	Admin Svcs	12 Yrs. Svc.	Eff. 06/01/2020
c. Turner, Leslie A.	D.A.	10 Yrs. Svc.	Eff. 05/23/2020
d. Zimmerman, Kathleen	First Five	18 Yrs. Svc.	Eff. 05/14/2020
e. Sotelo, Maria (NSCD)	Child Sup	9 Yrs. Svc.	Eff. 05/16/2019*

YTD fiscal year 2019/2020 retirees: 100\*

YTD fiscal year 2018/2019 retirees: 102\*

YTD fiscal year 2017/2018 retirees: 082

\*Counts corrected in FY 2018/2019 to remove disability retirement approved by the MCERA Board and reflected in FY2019/2020.

**REFUND OF SERVICE PURCHASE:** None  
**DEATH BENEFIT:** None  
**MONTHLY BUDGET REPORT:** Submitted  
**Motion to approve the Consent Calendar.**  
**Ingersoll/Goins U/A (9-0)**

**BOARD ACTION<sup>1</sup>/DISCUSSION**

1. Discussion and possible approval to moving MCERA Board meetings to an in-person venue for Trustees (with appropriate social distancing) with all public access to remain via teleconference until August 8, 2020 at which time staff will reevaluate with the Board – Staff.  
**MCERA staff was given direction.**
2. Review calendar of any training sessions and authorize expenditures for Trustees and Plan Administrator. Pursuant to Govt. Code § 31522.8 and MCERA’s Trustees Education and Training Policy requirements. Examples of upcoming training and educational sessions:
  - a. No training or travel scheduled during this time.

**INFORMATION ONLY**

**No Information.**

**ADJOURNMENT**

The meeting adjourned at 9:13 A.M

Respectfully submitted,

\_\_\_\_\_  
Ryan Paskin, Chair

\_\_\_\_\_  
Al Peterson, Secretary

\_\_\_\_\_  
Date

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# Merced County Employees' Retirement Association

June 25, 2020

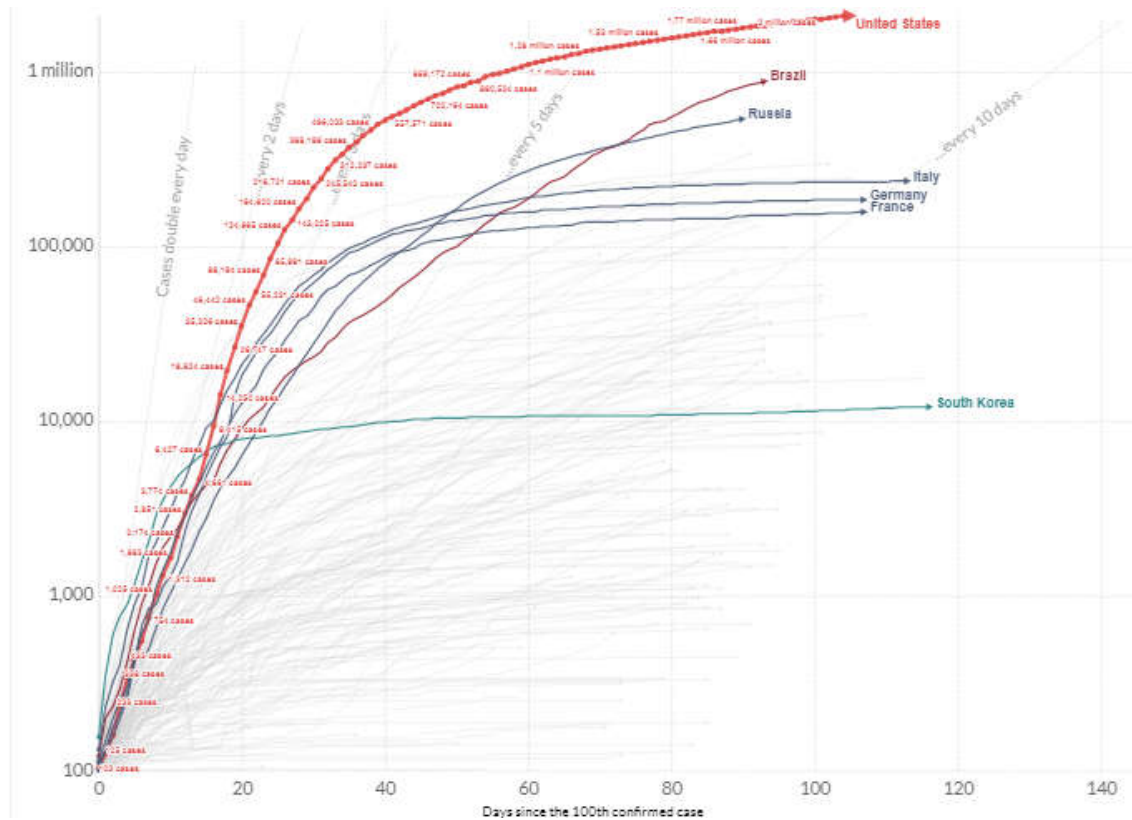
May Performance Update

# Economic and Market Update

Data as of June 15, 2020



**Case Count by Select Country: Flattening the Curve<sup>1</sup>**



- There are over 6.4 million cases of coronavirus globally across 188 countries, with the US the epicenter and areas like Brazil and Russia emerging as hot spots.
- Following some improvements in outcomes, countries are starting to gradually reopen parts of their economies.

<sup>1</sup> Source: European CDC via Visual Capitalist. Data is as of June 16, 2020. Most data throughout the rest of the document is through June 15, 2020.

**Market Returns<sup>1</sup>**

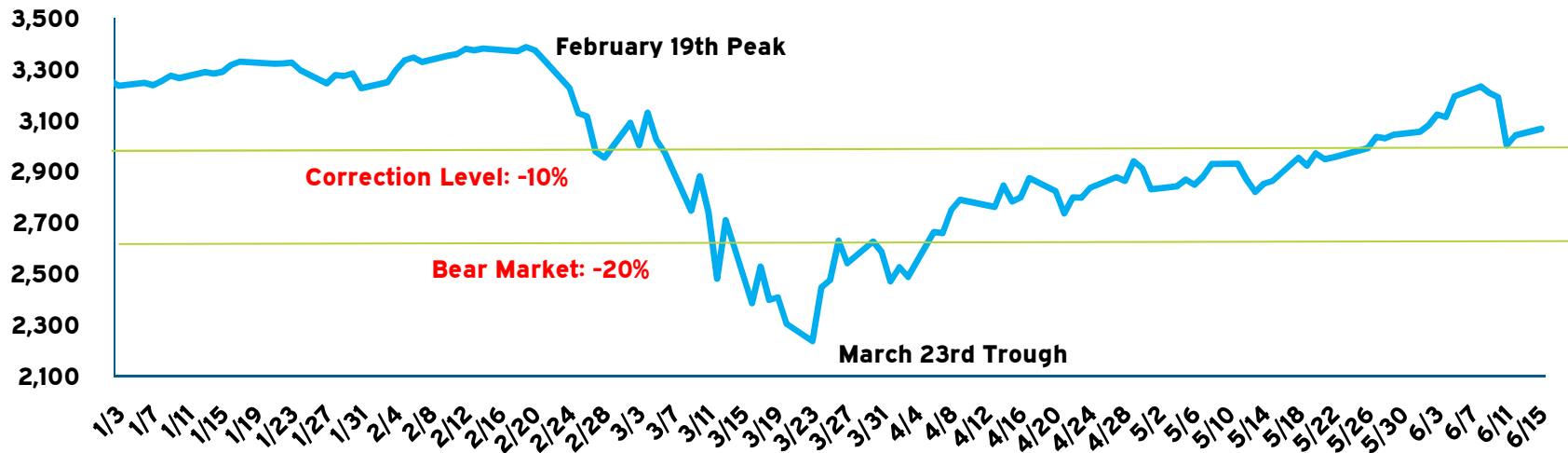
Indices	YTD	3 Year	5 Year	10 Year	20 Year
S&P 500	-4.2%	10.2%	10.3%	13.0%	5.8%
MSCI EAFE	-12.9%	0.3%	1.4%	5.1%	3.0%
MSCI Emerging Markets	-12.6%	1.2%	2.3%	2.7%	--
MSCI China	-0.9%	7.7%	3.9%	6.0%	--
Bloomberg Barclays Aggregate	5.7%	5.1%	4.3%	3.9%	5.1%
Bloomberg Barclays TIPS	5.2%	4.7%	3.7%	3.6%	5.5%
Bloomberg Barclays High Yield	-3.1%	3.5%	4.9%	6.9%	7.4%
10-year US Treasury	4.3%	6.6%	4.8%	4.7%	5.5%
30-year US Treasury	5.7%	13.3%	9.4%	8.3%	7.8%

- Global risk assets have recovered meaningfully from the recent lows, largely driven by record fiscal and monetary policy stimulus; the S&P 500 has recovered by over 40% from the mid-March lows.
- Risk assets have reacted positively to good news where it can be had, such as the gradual re-opening of the global economy, some economic data beating expectations, and the potential for a vaccine being developed sooner than initially expected.
- Despite the recovery in risk assets, yields on safe-haven assets like US Treasuries remain at record lows due to expectations for accommodative monetary policy for the foreseeable future; expectations for additional monetary policy stimulus is also being cited as a factor keeping interest rates low.

<sup>1</sup> Source: InvestorForce and Bloomberg. Data is as of June 15, 2020.

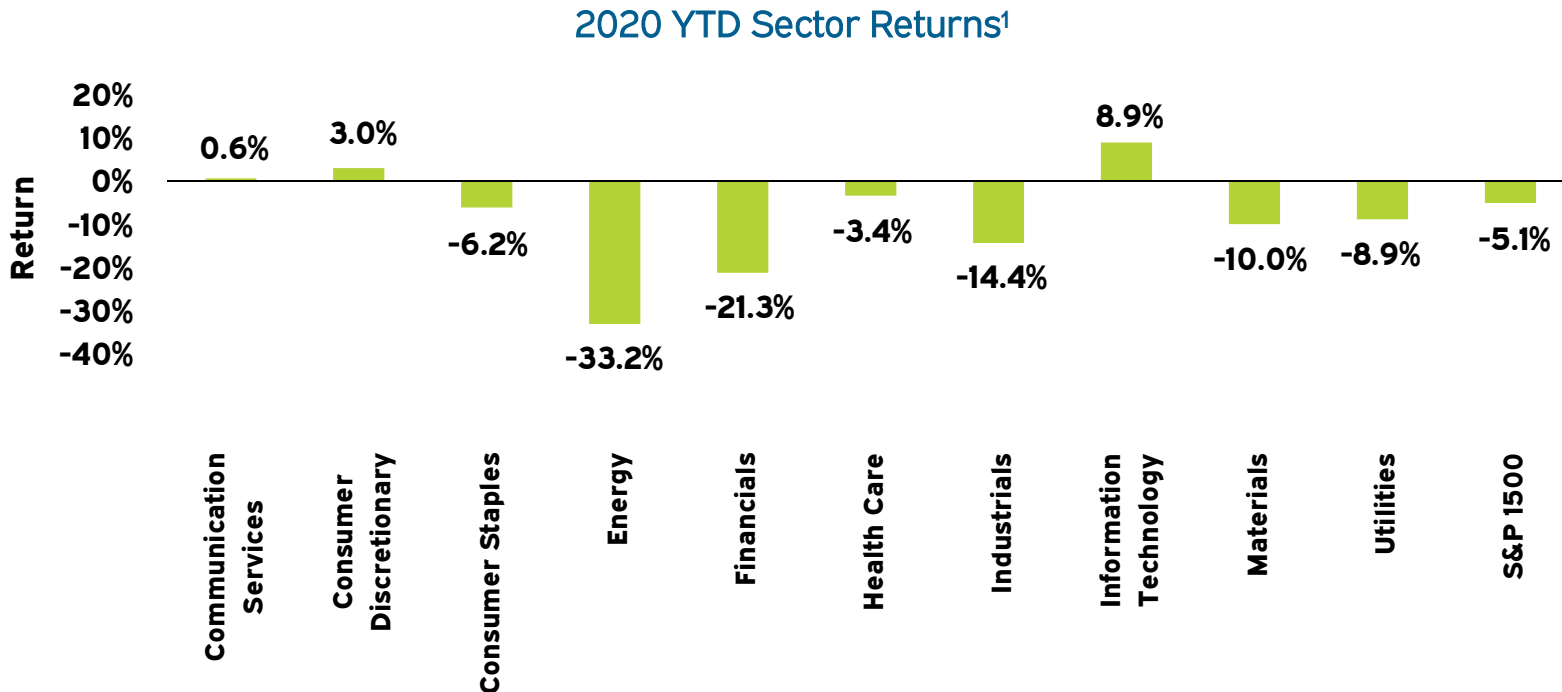


### S&P 500 Recovers from Bear Market Levels<sup>1</sup>



- Given the anticipated economic carnage surrounding the pandemic, US stocks declined from their February peak into bear market (-20%) territory at the fastest pace in history.
- From the February 19 peak, the S&P 500 declined 34% in just 24 trading days.
- The index rebounded from its lows, and is only down 5% year-to-date through the end of May, primarily due to the unprecedented monetary and fiscal stimulus announced in the US, as well as improvements in virus data, and some states reopening.
- It is unclear whether the US equity market's recent recovery is temporary, with additional declines to come as the impact of COVID-19 on the economy becomes more apparent.

<sup>1</sup> Source: Bloomberg. Data is as of June 15, 2020.

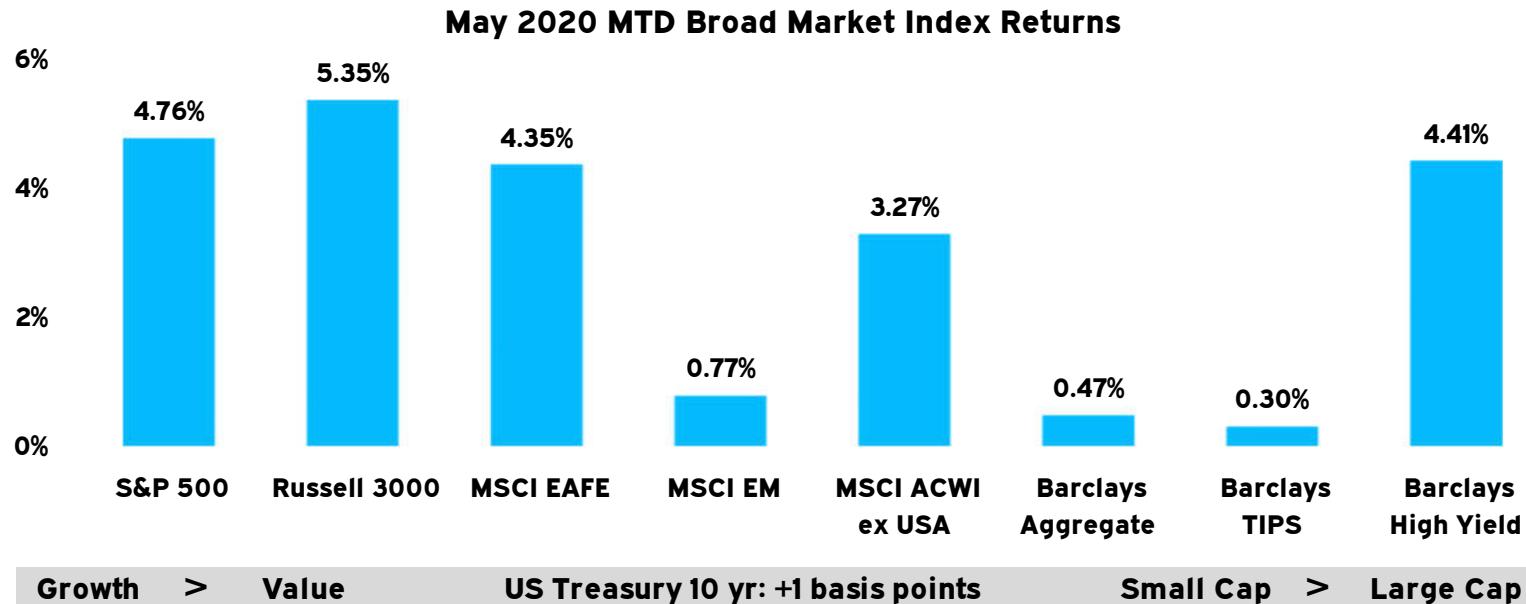


- The energy sector has seen some improvements given supply cuts and economies starting to reopen, but it remains the sector with the greatest decline, triggered by the fall in oil prices.
- Financials, industrials, and materials experienced the next largest declines, while sectors like health care and consumer discretionary experienced small gains.
- Information technology is the best performing sector as consumers moved to online purchases and entertainment under the stay-at-home restrictions.

<sup>1</sup> Source: Bloomberg. Data is as of June 15, 2020.

**Performance Highlights**  
As of May 31, 2020

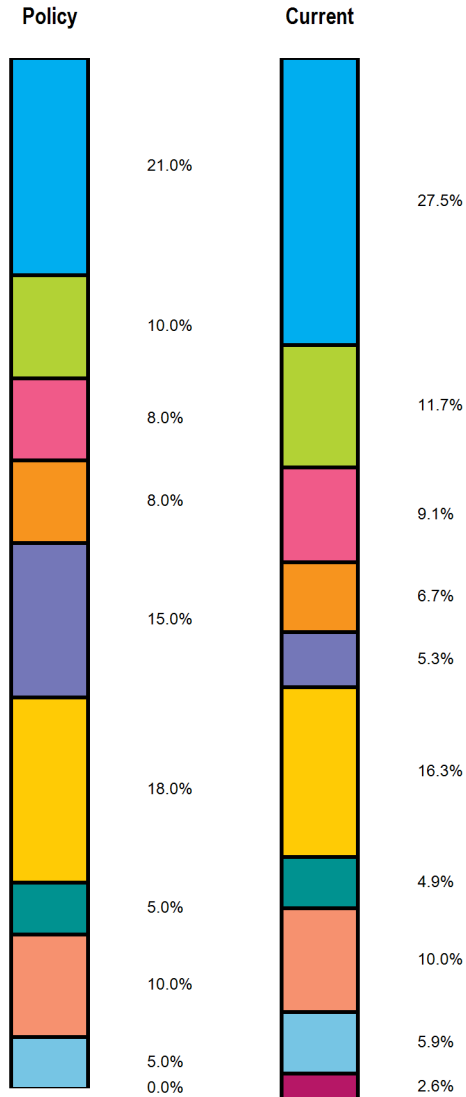
### Market Review and Performance Summary for May 2020



- Both equity and fixed income markets posted positive returns, with markets seemingly embracing risk.
- The yield curve steepened through modest rate increases at the long end of the curve, while rates declined in the middle part of the curve.
- Implied equity market volatility (as measured by VIX index) continued downward from previous month levels.

As of May 31, 2020, preliminary total assets for the MCERA Portfolio stood at \$895.9 million.

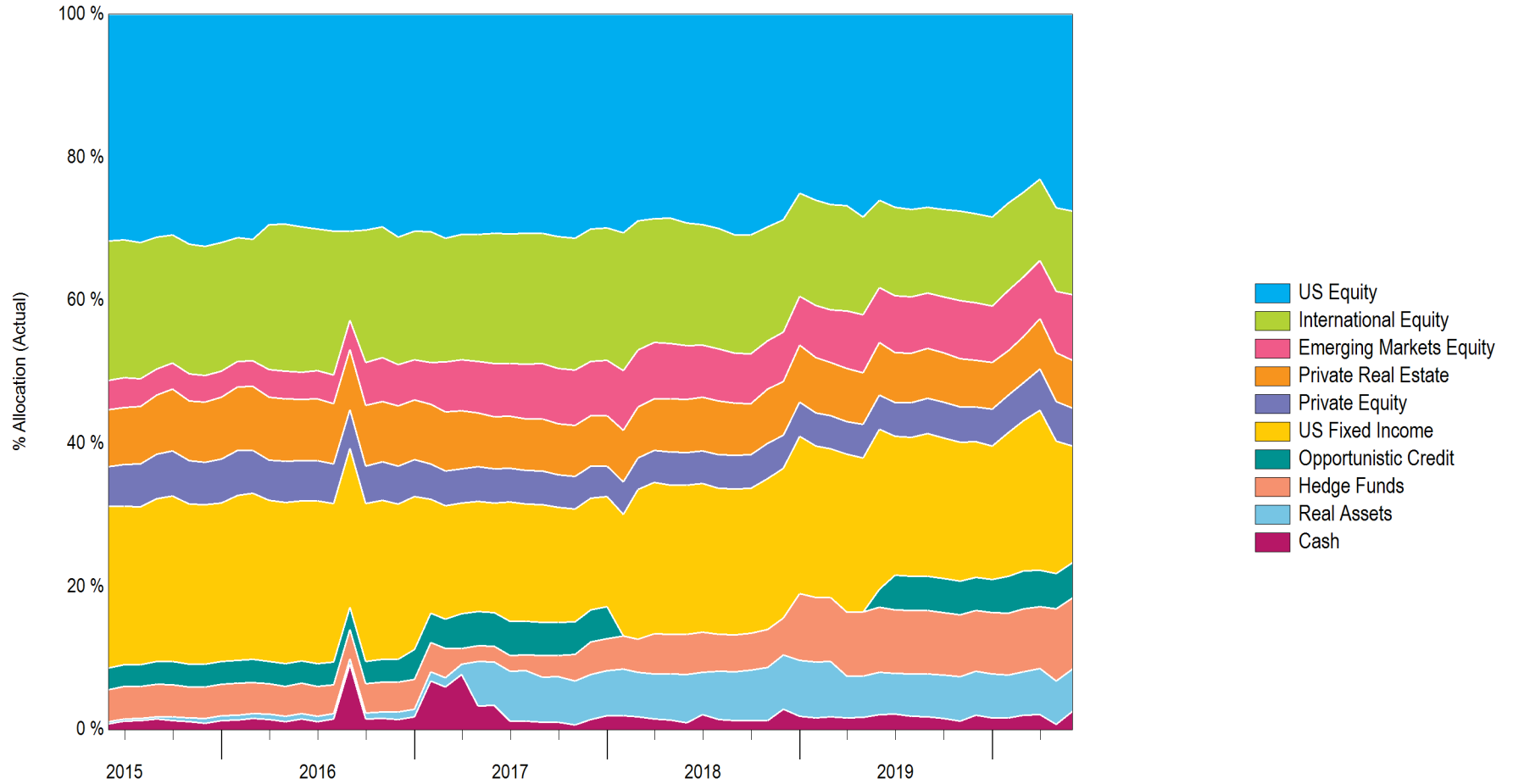
- MCERA reported an overall monthly return of +3.2%, with all asset classes positive or flat for the month.
- Within the MCERA Portfolio, Emerging Markets Equity posted both the strongest absolute returns for the month (+10.2%) as well as benchmark-relative returns (+9.4%).



Allocation vs. Targets and Policy							
	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?	
US Equity	\$246,286,440	27.5%	21.0%	6.5%	15.0% - 26.0%	No	
International Equity	\$105,109,128	11.7%	10.0%	1.7%	5.0% - 15.0%	Yes	
Emerging Markets Equity	\$81,710,769	9.1%	8.0%	1.1%	4.0% - 12.0%	Yes	
Private Real Estate	\$59,923,099	6.7%	8.0%	-1.3%	6.0% - 10.0%	Yes	
Private Equity	\$47,451,512	5.3%	15.0%	-9.7%	5.0% - 20.0%	Yes	
US Fixed Income	\$146,090,845	16.3%	18.0%	-1.7%	13.0% - 23.0%	Yes	
Opportunistic Credit	\$44,102,994	4.9%	5.0%	-0.1%	3.0% - 7.0%	Yes	
Hedge Funds	\$89,171,928	10.0%	10.0%	0.0%	5.0% - 15.0%	Yes	
Real Assets	\$52,914,369	5.9%	5.0%	0.9%	3.0% - 7.0%	Yes	
Cash	\$23,117,529	2.6%	0.0%	2.6%	0.0% - 5.0%	Yes	
<b>Total</b>	<b>\$895,878,612</b>	<b>100.0%</b>	<b>100.0%</b>				

Cash range displayed for illustrative purposes only.

#### Asset Allocation History 5 Years Ending May 31, 2020



Asset Class Performance Summary												
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund (Net)*</b>	<b>895,878,612</b>	<b>100.0</b>	<b>3.2</b>	<b>9.2</b>	<b>4.3</b>	<b>-1.2</b>	<b>8.0</b>	<b>6.4</b>	<b>5.9</b>	<b>8.2</b>	<b>7.9</b>	<b>Dec-94</b>
<b>Total Fund (Gross)*</b>			<b>3.2</b>	<b>9.3</b>	<b>4.5</b>	<b>-1.1</b>	<b>8.3</b>	<b>6.6</b>	<b>6.2</b>	<b>8.5</b>	<b>8.0</b>	
<i>Policy Index</i>			2.1	7.3	3.5	-1.9	7.8	6.1	6.1	8.1	5.9	Dec-94
<b>Total Fund w/o Alternatives (Net)</b>	<b>623,300,176</b>	<b>69.6</b>	<b>4.2</b>	<b>12.6</b>	<b>6.3</b>	<b>-1.1</b>	<b>11.4</b>	<b>7.0</b>	<b>6.4</b>	<b>--</b>	<b>--</b>	<b>Dec-94</b>
<b>Total Fund w/o Alternatives (Gross)</b>			<b>4.2</b>	<b>12.7</b>	<b>6.5</b>	<b>-1.0</b>	<b>11.7</b>	<b>7.2</b>	<b>6.6</b>	<b>--</b>	<b>--</b>	
<i>Policy Index w/o AI</i>			3.1	11.2	0.8	-5.6	5.7	5.1	5.2	--	--	Dec-94
<b>US Equity (Net)</b>	<b>246,286,440</b>	<b>27.5</b>	<b>4.8</b>	<b>18.5</b>	<b>4.2</b>	<b>-5.9</b>	<b>11.9</b>	<b>9.8</b>	<b>9.8</b>	<b>13.0</b>	<b>9.8</b>	<b>Dec-94</b>
<b>US Equity (Gross)</b>			<b>4.9</b>	<b>18.6</b>	<b>4.4</b>	<b>-5.9</b>	<b>12.2</b>	<b>10.0</b>	<b>10.1</b>	<b>13.2</b>	<b>9.9</b>	
<i>Russell 3000</i>			5.3	19.3	3.7	-5.6	11.0	9.1	8.8	12.6	9.7	Dec-94
<b>International Equity (Net)</b>	<b>186,819,897</b>	<b>20.9</b>	<b>6.5</b>	<b>17.0</b>	<b>7.7</b>	<b>-1.6</b>	<b>14.4</b>	<b>5.3</b>	<b>4.0</b>	<b>6.9</b>	<b>5.3</b>	<b>Dec-98</b>
<b>International Equity (Gross)</b>			<b>6.6</b>	<b>17.2</b>	<b>8.2</b>	<b>-1.4</b>	<b>14.9</b>	<b>5.7</b>	<b>4.5</b>	<b>7.5</b>	<b>5.6</b>	
<i>International Equity Custom</i>			2.8	10.7	-8.6	-14.8	-3.0	0.0	1.3	5.2	3.7	Dec-98
<b>Developed International Equity (Net)</b>	<b>105,109,128</b>	<b>11.7</b>	<b>3.8</b>	<b>12.6</b>	<b>0.5</b>	<b>-6.8</b>	<b>6.0</b>	<b>2.6</b>	<b>2.2</b>	<b>6.5</b>	<b>3.0</b>	<b>Jan-08</b>
<b>Developed International Equity (Gross)</b>			<b>3.9</b>	<b>12.7</b>	<b>0.7</b>	<b>-6.6</b>	<b>6.3</b>	<b>2.8</b>	<b>2.5</b>	<b>6.9</b>	<b>3.5</b>	
<i>Custom Blended Developed International Equity Benchmark</i>			4.7	12.7	-8.5	-14.5	-3.0	-0.4	0.7	5.2	1.5	Jan-08
<b>Emerging Markets Equity (Net)</b>	<b>81,710,769</b>	<b>9.1</b>	<b>10.2</b>	<b>23.2</b>	<b>18.5</b>	<b>6.0</b>	<b>27.0</b>	<b>9.6</b>	<b>8.5</b>	<b>--</b>	<b>5.3</b>	<b>Apr-12</b>
<b>Emerging Markets Equity (Gross)</b>			<b>10.3</b>	<b>23.4</b>	<b>19.3</b>	<b>6.3</b>	<b>27.9</b>	<b>10.5</b>	<b>9.5</b>	<b>--</b>	<b>6.2</b>	
<i>Custom Blended Emerging Markets Benchmark</i>			0.8	10.0	-9.8	-16.0	-4.1	0.2	1.2	2.8	1.6	Apr-12
<b>US Fixed Income (Net)</b>	<b>146,090,845</b>	<b>16.3</b>	<b>0.6</b>	<b>2.5</b>	<b>7.6</b>	<b>5.3</b>	<b>8.7</b>	<b>4.8</b>	<b>4.1</b>	<b>4.4</b>	<b>5.4</b>	<b>Dec-94</b>
<b>US Fixed Income (Gross)</b>			<b>0.7</b>	<b>2.5</b>	<b>7.7</b>	<b>5.4</b>	<b>8.8</b>	<b>5.0</b>	<b>4.2</b>	<b>4.8</b>	<b>5.6</b>	
<i>BBgBarc US Aggregate TR</i>			0.5	2.3	7.7	5.5	8.9	5.1	4.2	4.1	5.8	Dec-94

Private Markets market values are adjusted from the most recent valuations. Funds showing a zero QTD return do not have updated valuations at the time of this report, and are adjusted from 12/31/2019.

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.

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Opportunistic Credit (Net)</b>	<b>44,102,994</b>	<b>4.9</b>	<b>3.7</b>	<b>6.8</b>	<b>-2.3</b>	<b>-4.7</b>	<b>-1.1</b>	--	--	--	<b>-0.6</b>	<b>May-19</b>
<b>Opportunistic Credit (Gross)</b>			<b>3.7</b>	<b>6.8</b>	<b>-2.2</b>	<b>-4.6</b>	<b>-1.0</b>	--	--	--	<b>-0.5</b>	
<i>50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Leveraged Loans</i>			2.3	5.4	3.0	0.1	4.3	--	--	--	4.5	May-19
<b>Private Real Estate (Net)</b>	<b>59,923,099</b>	<b>6.7</b>	<b>N/A</b>	<b>N/A</b>	<b>-0.9</b>	<b>2.8</b>	<b>-0.9</b>	<b>5.0</b>	<b>6.0</b>	--	--	<b>Mar-99</b>
<b>Private Real Estate (Gross)</b>			<b>N/A</b>	<b>N/A</b>	<b>-0.9</b>	<b>2.8</b>	<b>-0.9</b>	<b>5.0</b>	<b>6.4</b>	<b>9.3</b>	<b>8.2</b>	
<i>Custom Blended Real Estate Benchmark</i>			N/A	N/A	3.9	1.5	4.7	6.1	7.6	10.5	7.3	Mar-99
<i>CPI + 5% (Seasonally Adjusted)</i>			0.4	0.0	4.7	1.0	5.2	6.7	6.6	--	--	Mar-99
<b>Private Equity (Net)</b>	<b>47,451,512</b>	<b>5.3</b>	<b>N/A</b>	<b>N/A</b>	<b>3.8</b>	<b>0.9</b>	<b>3.8</b>	<b>11.2</b>	<b>8.6</b>	<b>9.9</b>	<b>7.8</b>	<b>Jun-05</b>
<b>Private Equity (Gross)</b>			<b>N/A</b>	<b>N/A</b>	<b>3.8</b>	<b>0.9</b>	<b>3.8</b>	<b>11.2</b>	<b>8.6</b>	<b>10.1</b>	<b>8.0</b>	
<i>Custom Blended Private Equity Benchmark</i>			N/A	N/A	12.8	6.1	18.2	15.3	13.5	--	--	Jun-05
<i>Russell 3000 +3% 1-Quarter Lag</i>			-7.9	-7.8	8.2	1.3	10.1	12.5	12.0	15.8	11.9	Jun-05
<b>Hedge Fund (Net)</b>	<b>89,171,928</b>	<b>10.0</b>	<b>1.8</b>	<b>3.5</b>	<b>-4.2</b>	<b>-5.3</b>	<b>-3.3</b>	<b>2.4</b>	<b>1.6</b>	--	<b>2.6</b>	<b>Jun-14</b>
<b>Hedge Fund (Gross)</b>			<b>1.9</b>	<b>3.7</b>	<b>-3.6</b>	<b>-5.1</b>	<b>-2.7</b>	<b>2.7</b>	<b>1.8</b>	--	<b>2.8</b>	
<i>Custom Blended Hedge Fund Benchmark</i>			2.5	6.1	-1.2	-3.2	0.3	1.8	1.6	--	2.2	Jun-14
<b>Real Assets (Net)</b>	<b>52,914,369</b>	<b>5.9</b>	<b>0.6</b>	<b>2.3</b>	<b>1.7</b>	<b>-2.5</b>	<b>3.0</b>	<b>6.6</b>	<b>6.9</b>	--	--	<b>Mar-99</b>
<b>Real Assets (Gross)</b>			<b>0.6</b>	<b>2.3</b>	<b>1.8</b>	<b>-2.5</b>	<b>3.1</b>	<b>6.7</b>	<b>7.3</b>	--	--	
<i>Custom Blended Real Assets Benchmark</i>			N/A	N/A	4.7	0.3	12.6	9.6	8.7	--	--	Mar-99
<i>CPI + 5% (Seasonally Adjusted)</i>			0.4	0.0	4.7	1.0	5.2	6.7	6.6	--	--	Mar-99
<b>Private Infrastructure (Net)</b>	<b>24,190,882</b>	<b>2.7</b>	<b>N/A</b>	<b>N/A</b>	<b>8.0</b>	<b>2.7</b>	<b>8.0</b>	<b>13.2</b>	<b>6.8</b>	--	<b>7.7</b>	<b>Dec-14</b>
<b>Private Infrastructure (Gross)</b>			<b>N/A</b>	<b>N/A</b>	<b>8.0</b>	<b>2.7</b>	<b>8.0</b>	<b>13.2</b>	<b>6.8</b>	--	<b>7.7</b>	
<i>S&amp;P Global Infrastructure Net TR USD</i>			5.3	15.2	-14.3	-18.6	-9.7	-1.4	1.0	6.1	1.2	Dec-14
<b>Private Natural Resources (Net)</b>	<b>13,569,146</b>	<b>1.5</b>	<b>N/A</b>	<b>N/A</b>	<b>6.0</b>	<b>0.7</b>	<b>6.0</b>	<b>9.3</b>	--	--	<b>15.3</b>	<b>Sep-15</b>
<b>Private Natural Resources (Gross)</b>			<b>N/A</b>	<b>N/A</b>	<b>6.0</b>	<b>0.7</b>	<b>6.0</b>	<b>9.3</b>	--	--	<b>15.3</b>	
<i>S&amp;P Global Natural Resources Index TR USD</i>			3.7	18.0	-18.4	-20.8	-10.5	-0.8	-0.5	0.6	6.2	Sep-15
<b>Cash (Net)</b>	<b>23,117,529</b>	<b>2.6</b>	<b>0.0</b>	<b>0.1</b>	<b>1.3</b>	<b>0.5</b>	<b>1.4</b>	--	--	--	--	
<b>Cash (Gross)</b>			<b>0.0</b>	<b>0.1</b>	<b>1.3</b>	<b>0.5</b>	<b>1.4</b>	--	--	--	--	

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

Real Assets includes State Street Real Asset NL Fund.



#### Trailing Net Performance

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund(Net)*</b>	<b>895,878,612</b>	<b>100.0</b>	<b>--</b>	<b>3.2</b>	<b>9.2</b>	<b>4.3</b>	<b>-1.2</b>	<b>8.0</b>	<b>6.4</b>	<b>5.9</b>	<b>8.2</b>	<b>7.9</b>	<b>Dec-94</b>
<i>Policy Index</i>				2.1	7.3	3.5	-1.9	7.8	6.1	6.1	8.1	5.9	Dec-94
<b>Total Fund w/o Alternatives(Net)</b>	<b>623,300,176</b>	<b>69.6</b>	<b>69.6</b>	<b>4.2</b>	<b>12.6</b>	<b>6.3</b>	<b>-1.1</b>	<b>11.4</b>	<b>7.0</b>	<b>6.4</b>	<b>--</b>	<b>--</b>	<b>Dec-94</b>
<i>Policy Index w/o AI</i>				3.1	11.2	0.8	-5.6	5.7	5.1	5.2	--	--	Dec-94
<b>US Equity(Net)</b>	<b>246,286,440</b>	<b>27.5</b>	<b>39.5</b>	<b>4.8</b>	<b>18.5</b>	<b>4.2</b>	<b>-5.9</b>	<b>11.9</b>	<b>9.8</b>	<b>9.8</b>	<b>13.0</b>	<b>9.8</b>	<b>Dec-94</b>
<i>Russell 3000</i>				5.3	19.3	3.7	-5.6	11.0	9.1	8.8	12.6	9.7	Dec-94
Mellon Dynamic US Equity(Net)	111,085,024	12.4	45.1	4.1	17.4	9.2	-2.8	17.8	13.2	12.6	--	16.4	Dec-12
<i>S&amp;P 500</i>				4.8	18.2	5.4	-5.0	12.8	10.2	9.9	13.2	13.1	Dec-12
Mellon Large Cap(Net)	95,393,158	10.6	38.7	5.3	19.2	5.1	-4.9	12.5	10.1	--	--	12.0	Mar-16
<i>Russell 1000</i>				5.3	19.2	5.2	-4.9	12.5	10.1	9.6	13.1	12.0	Mar-16
DFA Small Cap(Net)	25,133,215	2.8	10.2	5.4	19.9	-13.8	-19.0	-7.2	-0.8	2.6	--	3.2	Jun-14
<i>Russell 2000</i>				6.5	21.1	-9.8	-15.9	-3.4	2.0	3.7	9.2	4.1	Jun-14
PanAgora(Net)	14,675,043	1.6	6.0	6.6	21.7	-10.0	-16.5	-3.3	2.3	3.5	--	5.9	Sep-13
<i>Russell 2000</i>				6.5	21.1	-9.8	-15.9	-3.4	2.0	3.7	9.2	5.4	Sep-13
<b>International Equity(Net)</b>	<b>186,819,897</b>	<b>20.9</b>	<b>30.0</b>	<b>6.5</b>	<b>17.0</b>	<b>7.7</b>	<b>-1.6</b>	<b>14.4</b>	<b>5.3</b>	<b>4.0</b>	<b>6.9</b>	<b>5.3</b>	<b>Dec-98</b>
<i>International Equity Custom</i>				2.8	10.7	-8.6	-14.8	-3.0	0.0	1.3	5.2	3.7	Dec-98
<b>Developed International Equity(Net)</b>	<b>105,109,128</b>	<b>11.7</b>	<b>56.3</b>	<b>3.8</b>	<b>12.6</b>	<b>0.5</b>	<b>-6.8</b>	<b>6.0</b>	<b>2.6</b>	<b>2.2</b>	<b>6.5</b>	<b>3.0</b>	<b>Jan-08</b>
<i>Custom Blended Developed International Equity Benchmark</i>				4.7	12.7	-8.5	-14.5	-3.0	-0.4	0.7	5.2	1.5	Jan-08
GQG International Equity(Net)	43,610,779	4.9	41.5	4.0	12.5	--	-3.1	--	--	--	--	-3.1	Dec-19
<i>MSCI ACWI ex USA</i>				3.3	11.1	-8.9	-14.8	-3.4	-0.2	0.8	4.4	-11.2	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 (%)	QTD (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
First Eagle International Value Fund(Net)	41,134,626	4.6	39.1	2.1	9.6	--	-8.6	--	--	--	--	-8.6	Dec-19
<i>MSCI EAFE</i>				4.4	11.1	-8.3	-14.3	-2.8	-0.4	0.8	5.3	-11.5	Dec-19
<i>MSCI World ex USA</i>				4.3	11.5	-8.6	-14.4	-3.1	-0.3	0.7	4.9	-11.7	Dec-19
Driehaus International Small Cap Growth(Net)	10,575,311	1.2	10.1	8.1	19.9	1.5	-9.5	3.9	--	--	--	3.6	May-19
<i>MSCI ACWI ex US Small Cap Growth NR USD</i>				8.1	22.7	-0.4	-9.2	4.0	1.9	3.2	6.8	-1.1	May-19
Acadian ACWI ex U.S. Small Cap Equity(Net)	9,788,412	1.1	9.3	6.0	19.0	-3.6	-11.7	1.4	--	--	--	-3.5	May-19
<i>MSCI ACWI ex US Small Cap</i>				6.1	19.0	-7.4	-15.5	-3.3	-1.1	1.4	5.7	-7.7	May-19
<b>Emerging Markets Equity(Net)</b>	<b>81,710,769</b>	<b>9.1</b>	<b>43.7</b>	<b>10.2</b>	<b>23.2</b>	<b>18.5</b>	<b>6.0</b>	<b>27.0</b>	<b>9.6</b>	<b>8.5</b>	<b>--</b>	<b>5.3</b>	<b>Apr-12</b>
<i>Custom Blended Emerging Markets Benchmark</i>				0.8	10.0	-9.8	-16.0	-4.1	0.2	1.2	2.8	1.6	Apr-12
Artisan Developing World TR(Net)	63,921,870	7.1	78.2	12.7	25.7	--	15.4	--	--	--	--	15.4	Dec-19
<i>MSCI Emerging Markets</i>				0.8	10.0	-10.0	-16.0	-4.4	-0.2	0.9	2.5	-9.7	Dec-19
RWC(Net)	17,788,899	2.0	21.8	2.1	15.1	--	-17.6	--	--	--	--	-17.6	Dec-19
<i>MSCI Emerging Markets</i>				0.8	10.0	-10.0	-16.0	-4.4	-0.2	0.9	2.5	-9.7	Dec-19
<b>US Fixed Income(Net)</b>	<b>146,090,845</b>	<b>16.3</b>	<b>23.4</b>	<b>0.6</b>	<b>2.5</b>	<b>7.6</b>	<b>5.3</b>	<b>8.7</b>	<b>4.8</b>	<b>4.1</b>	<b>4.4</b>	<b>5.4</b>	<b>Dec-94</b>
<i>BBgBarc US Aggregate TR</i>				0.5	2.3	7.7	5.5	8.9	5.1	4.2	4.1	5.8	Dec-94
Barrow Hanley(Net)	69,001,343	7.7	47.2	0.9	3.5	8.9	6.1	10.3	5.3	4.1	4.0	4.1	Mar-10
<i>BBgBarc US Aggregate TR</i>				0.5	2.3	8.1	5.5	9.4	5.1	3.9	3.9	4.0	Mar-10
Vanguard Total Bond Market Index Fund(Net)	66,505,190	7.4	45.5	0.5	2.3	8.2	5.6	9.5	--	--	--	10.6	May-19
<i>BBgBarc US Aggregate TR</i>				0.5	2.3	8.1	5.5	9.4	5.1	3.9	3.9	10.4	May-19
Vanguard Short-Term Treasury Index Fund(Net)	10,584,312	1.2	7.2	0.1	0.2	4.0	3.0	4.5	--	--	--	3.7	Feb-18
<i>BBgBarc US Govt 1-3 Yr TR</i>				0.1	0.2	4.1	3.0	4.6	2.7	1.9	1.4	3.8	Feb-18
<i>BBgBarc US Govt 1-5 Yr TR</i>				0.2	0.3	5.3	4.1	6.0	3.2	2.3	1.9	4.7	Feb-18

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 (%)	QTD (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Opportunistic Credit(Net)</b>	<b>44,102,994</b>	<b>4.9</b>	<b>7.1</b>	<b>3.7</b>	<b>6.8</b>	<b>-2.3</b>	<b>-4.7</b>	<b>-1.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-0.6</b>	<b>May-19</b>
<i>50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Leveraged Loans</i>				2.3	5.4	3.0	0.1	4.3	--	--	--	4.5	May-19
PIMCO Income Fund(Net)	24,136,578	2.7	54.7	2.3	4.6	-1.1	-3.4	-0.1	--	--	--	0.4	Apr-19
<i>BBgBarc US Aggregate TR</i>				0.5	2.3	8.1	5.5	9.4	5.1	3.9	3.9	10.4	Apr-19
GoldenTree Multi-Sector Credit(Net)	19,966,416	2.2	45.3	5.4	9.6	-3.7	-6.3	-2.4	--	--	--	-2.4	Jun-19
<i>50% BBgBarc US High Yield TR/50% Credit Suisse Leveraged Loans</i>				4.1	8.7	-2.3	-5.4	-1.0	2.4	3.4	5.5	-1.0	Jun-19
<b>Private Real Estate(Net)</b>	<b>59,923,099</b>	<b>6.7</b>	<b>6.7</b>	<b>N/A</b>	<b>N/A</b>	<b>-0.9</b>	<b>2.8</b>	<b>-0.9</b>	<b>5.0</b>	<b>6.0</b>	<b>--</b>	<b>--</b>	<b>Mar-99</b>
<i>Custom Blended Real Estate Benchmark CPI + 5% (Seasonally Adjusted)</i>				N/A	N/A	3.9	1.5	4.7	6.1	7.6	10.5	7.3	Mar-99
				0.4	0.0	4.7	1.0	5.2	6.7	6.6	--	--	Mar-99
UBS Trumbull Property(Net)	37,505,088	4.2	62.6	N/A	N/A	-3.4	-0.4	-3.4	2.4	4.6	8.0	6.7	Mar-99
Greenfield Gap VII(Net)	9,271,728	1.0	15.5	N/A	N/A	18.7	7.1	18.7	14.8	14.9	--	13.8	Dec-14
Patron Capital V(Net)	6,356,809	0.7	10.6	N/A	N/A	-12.4	20.0	-12.4	15.8	--	--	7.4	Jan-16
Taconic CRE Dislocation Fund II(Net)	2,953,759	0.3	4.9	N/A	N/A	13.2	4.1	13.2	--	--	--	8.1	Nov-18
AG Realty Value Fund X, L.P.(Net)	1,429,063	0.2	2.4	N/A	N/A	-15.8	2.5	-15.8	--	--	--	-15.8	Jun-19
Carlyle Realty VIII(Net)	1,368,321	0.2	2.3	N/A	N/A	11.5	5.8	11.5	--	--	--	-20.7	Dec-17
Rockpoint Real Estate Fund VI, L.P.(Net)	792,390	0.1	1.3	N/A	--	--	--	--	--	--	--	0.0	May-20
Carmel Partners Investment Fund VII(Net)	245,941	0.0	0.4	N/A	N/A	-39.9	-10.4	-39.9	--	--	--	-46.8	Apr-19

GoldenTree Multi-Sector Credit market value based on manager estimate.

Private Market funds are reported on a one quarter lag basis. Private Market values in this report are adjusted from 12/31/2019 valuations.

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 May 31, 2020

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Private Equity(Net)</b>	<b>47,451,512</b>	<b>5.3</b>	<b>5.3</b>	<b>N/A</b>	<b>N/A</b>	<b>3.8</b>	<b>0.9</b>	<b>3.8</b>	<b>11.2</b>	<b>8.6</b>	<b>9.9</b>	<b>7.8</b>	<b>Jun-05</b>
<i>Custom Blended Private Equity Benchmark</i>				<i>N/A</i>	<i>N/A</i>	<i>12.8</i>	<i>6.1</i>	<i>18.2</i>	<i>15.3</i>	<i>13.5</i>	--	--	<i>Jun-05</i>
<i>Russell 3000 +3% 1-Quarter Lag</i>				<i>-7.9</i>	<i>-7.8</i>	<i>8.2</i>	<i>1.3</i>	<i>10.1</i>	<i>12.5</i>	<i>12.0</i>	<i>15.8</i>	<i>11.9</i>	<i>Jun-05</i>
Ocean Avenue II(Net)	9,011,470	1.0	19.0	N/A	N/A	4.7	0.2	4.7	19.9	14.6	--	11.2	Jun-14
Adams Street(Net)	6,564,610	0.7	13.8	N/A	N/A	3.4	4.9	3.4	11.2	10.6	12.4	7.0	Sep-05
Invesco VI(Net)	6,396,501	0.7	13.5	N/A	N/A	7.1	0.0	7.1	12.2	10.4	--	11.3	Jun-13
Davidson Kempner Long-Term Distressed Opportunities Fund IV(Net)	4,659,047	0.5	9.8	N/A	N/A	6.9	5.1	6.9	--	--	--	10.9	Apr-18
Pantheon II(Net)	3,720,464	0.4	7.8	N/A	N/A	2.7	1.9	2.7	11.7	12.0	--	11.0	Dec-11
Raven Asset Fund II(Net)	3,171,723	0.4	6.7	N/A	N/A	-5.1	-8.6	-5.1	4.9	-0.6	--	-1.7	Aug-14
GTCR Fund XII(Net)	2,382,459	0.3	5.0	N/A	N/A	38.7	7.5	38.7	--	--	--	0.0	Jun-18
Cortec Group Fund VII(Net)	2,261,838	0.3	4.8	N/A	N/A	--	-1.0	--	--	--	--	-1.0	Dec-19
TCV X(Net)	1,810,390	0.2	3.8	N/A	N/A	-8.7	0.8	-8.7	--	--	--	-7.5	Apr-19
Genstar Capital Partners IX(Net)	1,670,114	0.2	3.5	N/A	N/A	--	5.8	--	--	--	--	5.4	Jul-19
Carrick Capital Partners III(Net)	1,373,693	0.2	2.9	N/A	N/A	22.7	2.0	22.7	--	--	--	2.8	Aug-18
Cressey & Company Fund VI(Net)	1,341,155	0.1	2.8	N/A	N/A	15.7	11.3	15.7	--	--	--	-1.7	Jan-19
Accel-KKR Growth Capital Partners III(Net)	811,308	0.1	1.7	N/A	N/A	-16.6	-0.5	--	--	--	--	-16.6	Jul-19
Pantheon Secondary(Net)	721,051	0.1	1.5	N/A	N/A	-13.0	-12.3	-13.0	2.2	1.0	2.2	2.7	Jun-07
Summit Partners Growth Equity Fund X-A(Net)	599,062	0.1	1.3	N/A	N/A	--	--	--	--	--	--	-16.4	Mar-20
Pantheon I(Net)	428,431	0.0	0.9	N/A	N/A	-32.2	-24.1	-32.2	-7.9	-3.7	2.8	0.6	Dec-05

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.

Total Fund | As of May 31, 2020

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Spark Capital Growth Fund III(Net)	270,000	0.0	0.6	N/A	N/A	--	--	--	--	--	--	0.0	Mar-20
Spark Capital VI(Net)	195,000	0.0	0.4	N/A	N/A	--	--	--	--	--	--	0.0	Mar-20
Invesco IV(Net)	63,195	0.0	0.1	N/A	N/A	159.5	0.0	159.5	38.6	25.1	19.8	14.6	Jun-05
<b>Hedge Fund(Net)</b>	<b>89,171,928</b>	<b>10.0</b>	<b>10.0</b>	<b>1.8</b>	<b>3.5</b>	<b>-4.2</b>	<b>-5.3</b>	<b>-3.3</b>	<b>2.4</b>	<b>1.6</b>	--	<b>2.6</b>	<b>Jun-14</b>
<i>Custom Blended Hedge Fund Benchmark</i>				2.5	6.1	-1.2	-3.2	0.3	1.8	1.6	--	2.2	Jun-14
Wellington-Archipelago(Net)	11,882,804	1.3	13.3	1.9	5.5	-1.2	-5.1	1.0	--	--	--	2.9	Aug-17
Silver Point Capital(Net)	11,829,534	1.3	13.3	3.3	3.4	-4.5	-4.1	-4.3	--	--	--	-0.4	Nov-17
Taconic Opportunity Fund(Net)	11,713,587	1.3	13.1	0.8	2.2	-6.2	-7.0	-5.8	--	--	--	-1.9	Dec-18
Sculptor (OZ) Domestic II(Net)	11,119,022	1.2	12.5	3.1	8.4	4.4	1.5	7.0	7.0	5.4	--	6.1	Jun-14
Laurion Capital(Net)	10,605,150	1.2	11.9	0.3	4.1	18.9	20.7	17.3	--	--	--	15.4	Aug-18
Marshall Wace Global Opportunities(Net)	9,203,400	1.0	10.3	2.3	--	--	--	--	--	--	--	2.3	May-20
KLS Diversified(Net)	7,332,894	0.8	8.2	2.5	-2.9	-20.5	-19.3	-20.0	--	--	--	-7.3	Oct-17
Graham Absolute Return(Net)	6,808,896	0.8	7.6	3.2	5.3	-10.7	-11.0	-9.0	--	--	--	-1.4	Aug-17
Winton(Net)	5,330,987	0.6	6.0	-2.4	-2.1	-12.8	-14.7	-13.4	--	--	--	-4.4	Oct-17
Marshall Wace Eureka(Net)	3,345,654	0.4	3.8	2.3	4.4	2.3	-2.0	2.0	--	--	--	3.3	Nov-17
<b>Real Assets(Net)</b>	<b>52,914,369</b>	<b>5.9</b>	<b>5.9</b>	<b>0.6</b>	<b>2.3</b>	<b>1.7</b>	<b>-2.5</b>	<b>3.0</b>	<b>6.6</b>	<b>6.9</b>	--	--	<b>Mar-99</b>
<i>Custom Blended Real Assets Benchmark</i>				N/A	N/A	4.7	0.3	12.6	9.6	8.7	--	--	Mar-99
<i>CPI + 5% (Seasonally Adjusted)</i>				0.4	0.0	4.7	1.0	5.2	6.7	6.6	--	--	Mar-99
SSgA(Net)	15,154,341	1.7	28.6	2.2	8.7	-10.0	-12.3	-6.5	-0.2	--	--	-0.4	Apr-17
<i>Real Asset NL Custom Blended Index</i>				2.1	8.7	-10.7	-13.3	-7.1	-0.3	--	--	-0.4	Apr-17

Historical returns for Invesco IV prior to April 2012 are gross only.

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Private Infrastructure(Net)</b>	<b>24,190,882</b>	<b>2.7</b>	<b>45.7</b>	<b>N/A</b>	<b>N/A</b>	<b>8.0</b>	<b>2.7</b>	<b>8.0</b>	<b>13.2</b>	<b>6.8</b>	<b>--</b>	<b>7.7</b>	<b>Dec-14</b>
<i>S&amp;P Global Infrastructure Net TR USD</i>				5.3	15.2	-14.3	-18.6	-9.7	-1.4	1.0	6.1	1.2	Dec-14
KKR Global II(Net)	10,775,524	1.2	44.5	N/A	N/A	5.3	1.0	5.3	11.6	8.9	--	9.7	Dec-14
North Haven Infrastructure II(Net)	7,506,337	0.8	31.0	N/A	N/A	11.6	5.8	11.6	16.7	8.5	--	8.5	May-15
ISQ Global Infrastructure Fund II(Net)	3,266,439	0.4	13.5	N/A	N/A	9.1	2.5	9.1	--	--	--	-9.7	Jul-18
KKR Global Infrastructure Investors III(Net)	1,682,072	0.2	7.0	N/A	N/A	-0.1	-0.5	-0.1	--	--	--	-11.2	Jan-19
Ardian Infrastructure Fund V(Net)	960,510	0.1	4.0	N/A	N/A	--	-0.5	--	--	--	--	-0.5	Oct-19
<b>Private Natural Resources(Net)</b>	<b>13,569,146</b>	<b>1.5</b>	<b>25.6</b>	<b>N/A</b>	<b>N/A</b>	<b>6.0</b>	<b>0.7</b>	<b>6.0</b>	<b>9.3</b>	<b>--</b>	<b>--</b>	<b>15.3</b>	<b>Sep-15</b>
<i>S&amp;P Global Natural Resources Index TR USD</i>				3.7	18.0	-18.4	-20.8	-10.5	-0.8	-0.5	0.6	6.2	Sep-15
GSO Energy Opportunities(Net)	3,892,181	0.4	28.7	N/A	N/A	0.4	0.3	0.4	7.1	--	--	13.4	Nov-15
Taurus Mining(Net)	3,010,421	0.3	22.2	N/A	N/A	8.9	1.7	8.9	10.9	--	--	16.4	Sep-15
Taurus Mining Annex(Net)	2,552,324	0.3	18.8	N/A	N/A	16.0	3.3	16.0	20.3	--	--	26.3	Jan-17
EnCap IV(Net)	1,177,468	0.1	8.7	N/A	N/A	9.1	0.9	9.1	--	--	--	1.8	Feb-18
EnCap XI(Net)	1,176,003	0.1	8.7	N/A	N/A	-15.0	-8.8	-15.0	--	--	--	-26.9	Jul-17
BlackRock Global Energy and Power Infrastructure Fund III LP(Net)	976,249	0.1	7.2	N/A	N/A	--	17.8	--	--	--	--	--	Jul-19
Tailwater Energy Fund IV, LP(Net)	784,500	0.1	5.8	N/A	N/A	--	-14.8	--	--	--	--	-14.8	Oct-19
<b>Cash(Net)</b>	<b>23,117,529</b>	<b>2.6</b>	<b>2.6</b>	<b>0.0</b>	<b>0.1</b>	<b>1.3</b>	<b>0.5</b>	<b>1.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Cash(Net)	20,901,796	2.3	90.4	0.1	0.1	1.7	0.6	1.9	1.5	1.2	--	--	Sep-03
Treasury Cash(Net)	2,215,733	0.2	9.6										

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

**Benchmark History**  
As of May 31, 2020

Total Fund		
1/1/2020	Present	21% Russell 3000 / 10% Custom Blended Developed International Equity Benchmark / 8% Custom Blended Emerging Markets Benchmark / 18% BBgBarc US Aggregate TR / 10% Custom Blended Hedge Fund Benchmark / 15% Custom Blended Private Equity Benchmark / 5% Custom Blended Real Assets Benchmark / 8% Custom Blended Real Estate Benchmark / 5% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Leveraged Loans
7/1/2019	12/31/2019	21% US Equity Custom / 18% International Equity Custom / 18% US Fixed Custom / 10% Custom Blended Hedge Fund Benchmark / 15% Thomson Reuters Cambridge Private Equity Index / 5% Real Asset Custom / 8% NCREIF ODCE (net) / 5% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Leveraged Loans
1/1/2019	6/30/2019	21% US Equity Custom / 18% International Equity Custom / 23% US Fixed Custom / 10% Custom Blended Hedge Fund Benchmark / 15% Thomson Reuters Cambridge Private Equity Index / 5% Real Asset Custom / 8% NCREIF ODCE (net)
1/1/2017	12/31/2018	27% US Equity Custom / 23% International Equity Custom / 22% US Fixed Custom / 5% Custom Blended Hedge Fund Benchmark / 9% Thomson Reuters Cambridge Private Equity Index / 14% Real Asset Custom
7/1/2014	12/31/2016	22.7% Russell 1000 / 5.7% Russell 2000 / 23.6% International Equity Custom / 28.5% US Fixed Custom / 4.5% Custom Blended Hedge Fund Benchmark / 8% NCREIF ODCE (net) / 7% Cambridge Assoc. U.S. Private Equity Legacy Index
Total Fund w/o Alternatives		
1/1/2017	Present	37.5% US Equity Custom / 31.94% International Equity Custom / 30.56% US Fixed Custom
7/1/2014	12/31/2016	28.2% Russell 1000 / 7.1% Russell 2000 / 29.3% International Equity Custom / 35.4% US Fixed Custom
US Equity		
1/1/2020	Present	Russell 3000
12/31/1994	12/31/2019	80% R1000 / 20% R2000
International Equity		
1/1/2019	Present	56% MSCI EAFE Gross / 44% MSCI Emerging Markets Gross
1/1/2017	12/31/2018	69.56% MSCI EAFE Gross / 30.44% MSCI Emerging Markets Gross
7/1/2013	12/31/2016	MSCI ACWI ex USA Gross
Developed International Equity		
1/1/2020	Present	80% MSCI EAFE / 20% MSCI ACWI ex US Small Cap
1/31/2008	12/31/2019	MSCI EAFE
Emerging Markets Equity		
1/1/2020	Present	MSCI Emerging Markets
4/30/2012	12/31/2019	MSCI Emerging Markets Gross
US Fixed Income		
1/1/2020	Present	BBgBarc US Aggregate TR
3/1/2018	12/31/2019	77.27% BBgBarc US Aggregate TR / 22.73% BBgBarc US Govt 1-5 Yr TR
1/1/2017	2/28/2018	77.27% BBgBarc US Aggregate TR / 22.73% Credit Suisse Leveraged Loans
8/1/2014	12/31/2016	71.93% BBgBarc US Aggregate TR / 17.54% ICE BofA US High Yield TR / 10.53% Credit Suisse Leveraged Loans
12/31/1994	7/31/2014	US Fixed Custom

Opportunistic Credit		
5/1/2019	Present	50% BBgBarc US Aggregate TR / 25% BBgBarc US High Yield TR / 25% Credit Suisse Leveraged Loans
Private Real Estate		
1/1/2020	Present	NCREIF ODCE (lagged one quarter)
3/31/1999	12/31/2019	NCREIF ODCE (net)
Private Equity		
1/1/2020	Present	50% Cambridge Associates Global Private Equity Index / 50% Cambridge Venture Capital (1 Quarter Lagged)
6/30/2005	12/31/2019	Thomson Reuters Cambridge Private Equity Index
Hedge Fund		
7/1/2017	Present	100% HFRI Fund of Funds Composite Index
1/1/2015	6/30/2017	50% HFRI Fund of Funds Composite Index / 50% HFRI RV: Multi-Strategy Index
Real Assets		
1/1/2020	Present	50% Cambridge Infrastructure (1 Quarter Lagged) / 50% Cambridge Energy Upstream & Royalties & Private Energy
3/31/1999	12/31/2019	Real Asset Custom
Private Infrastructure		
12/31/2014	Present	S&P Global Infrastructure Net TR USD
Private Natural Resources		
9/30/2015	Present	S&P Global Natural Resources Index TR USD
SSgA		
4/30/2017	Present	25% Bloomberg Roll Select Commodities Index TR USD / 25% S&P Global LargeMidCap Commodity and Resources NR USD / 10% S&P Global Infrastructure TR USD / 15% DJ US Select REIT TR USD / 25% BBgBarc US TIPS TR



Annual Investment Expense Analysis				
As Of May 31, 2020				
Name	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
<b>Total Fund w/o Alternatives</b>		<b>\$623,300,176</b>		
<b>US Equity</b>		<b>\$246,286,440</b>		
Mellon Dynamic US Equity	0.30% of Assets	\$111,085,024	\$333,255	0.30%
Mellon Large Cap	0.04% of First 100.0 Mil, 0.02% Thereafter	\$95,393,158	\$38,157	0.04%
DFA Small Cap	0.33% of Assets	\$25,133,215	\$82,940	0.33%
PanAgora	0.80% of Assets	\$14,675,043	\$117,400	0.80%
<b>International Equity</b>		<b>\$186,819,897</b>		
<b>Developed International Equity</b>		<b>\$105,109,128</b>		
Acadian ACWI ex U.S. Small Cap Equity	0.99% of Assets	\$9,788,412	\$96,905	0.99%
Driehaus International Small Cap Growth	0.90% of Assets	\$10,575,311	\$95,178	0.90%
GQG International Equity	0.50% of Assets	\$43,610,779	\$218,054	0.50%
First Eagle International Value Fund	0.79% of Assets	\$41,134,626	\$324,964	0.79%
<b>Emerging Markets Equity</b>		<b>\$81,710,769</b>		
Artisan Developing World TR	1.05% of Assets	\$63,921,870	\$671,180	1.05%
RWC	0.87% of Assets	\$17,788,899	\$154,763	0.87%
<b>US Fixed Income</b>		<b>\$146,090,845</b>		
Barrow Hanley	0.30% of First 50.0 Mil, 0.20% of Next 100.0 Mil, 0.15% Thereafter	\$69,001,343	\$188,003	0.27%
Vanguard Short-Term Treasury Index Fund	0.05% of Assets	\$10,584,312	\$5,292	0.05%
Vanguard Total Bond Market Index Fund	0.04% of Assets	\$66,505,190	\$23,277	0.04%
<b>Opportunistic Credit</b>		<b>\$44,102,994</b>		
PIMCO Income Fund	0.50% of Assets	\$24,136,578	\$120,683	0.50%
GoldenTree Multi-Sector Credit	0.75% of Assets	\$19,966,416	\$149,748	0.75%

Name	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
<b>Private Real Estate</b>		<b>\$59,923,099</b>		
Greenfield Gap VII		\$9,271,728		
Patron Capital V		\$6,356,809		
UBS Trumbull Property		\$37,505,088		
Carlyle Realty VIII		\$1,368,321		
Taconic CRE Dislocation Fund II		\$2,953,759		
Carmel Partners Investment Fund VII		\$245,941		
AG Realty Value Fund X, L.P.		\$1,429,063		
Rockpoint Real Estate Fund VI, L.P.		\$792,390		
Invesco IV		\$63,195		
Invesco VI		\$6,396,501		
Ocean Avenue II		\$9,011,470		
Pantheon I		\$428,431		
Pantheon II		\$3,720,464		
Pantheon Secondary		\$721,051		
Raven Asset Fund II		\$3,171,723		
Davidson Kempner Long-Term Distressed Opportunities Fund IV		\$4,659,047		
GTCR Fund XII		\$2,382,459		
Carrick Capital Partners III		\$1,373,693		
Cressey & Company Fund VI		\$1,341,155		
TCV X		\$1,810,390		
Accel-KKR Growth Capital Partners III		\$811,308		
Genstar Capital Partners IX		\$1,670,114		
Cortec Group Fund VII		\$2,261,838		
Spark Capital Growth Fund III		\$270,000		
Spark Capital VI		\$195,000		
Summit Partners Growth Equity Fund X-A		\$599,062		
<b>Hedge Fund</b>		<b>\$89,171,928</b>		
Sculptor (OZ) Domestic II	Performance-based 1.50 and 20.00	\$11,119,022	\$236,409	2.13%
Graham Absolute Return	Performance-based 1.75 and 20.00	\$6,808,896	\$162,188	2.38%

## Total Fund | As of May 31, 2020

Name	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Wellington-Archipelago	Performance-based 1.00 and 20.00	\$11,882,804	\$166,758	1.40%
KLS Diversified	Performance-based 2.00 and 20.00	\$7,332,894	\$183,029	2.50%
Winton	Performance-based 0.90 and 20.00	\$5,330,987	\$47,979	0.90%
Marshall Wace Eureka	Performance-based 2.00 and 20.00	\$3,345,654	\$82,169	2.46%
Silver Point Capital	Performance-based 1.50 and 20.00	\$11,829,534	\$256,701	2.17%
Laurion Capital		\$10,605,150		
Taconic Opportunity Fund		\$11,713,587		
Marshall Wace Global Opportunities		\$9,203,400		
<b>Real Assets</b>		<b>\$52,914,369</b>		
SSgA	0.30% of First 50.0 Mil, 0.27% of Next 50.0 Mil, 0.25% Thereafter	\$15,154,341	\$45,463	0.30%
<b>Private Infrastructure</b>		<b>\$24,190,882</b>		
KKR Global II		\$10,775,524		
North Haven Infrastructure II		\$7,506,337		
ISQ Global Infrastructure Fund II		\$3,266,439		
KKR Global Infrastructure Investors III		\$1,682,072		
Ardian Infrastructure Fund V		\$960,510		
<b>Private Natural Resources</b>		<b>\$13,569,146</b>		
EnCap XI		\$1,176,003		
EnCap IV		\$1,177,468		
GSO Energy Opportunities		\$3,892,181		
Taurus Mining		\$3,010,421		
Taurus Mining Annex		\$2,552,324		
BlackRock Global Energy and Power Infrastructure Fund III LP		\$976,249		
Tailwater Energy Fund IV, LP		\$784,500		
<b>Cash</b>		<b>\$23,117,529</b>		
Cash		\$20,901,796		
Treasury Cash		\$2,215,733		

WE HAVE PREPARED THIS REPORT (THIS "REPORT") FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE "RECIPIENT").

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.



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June 2020

# MCERA Private Equity Capital Budget & Implementation Plan

## 15% fund level target

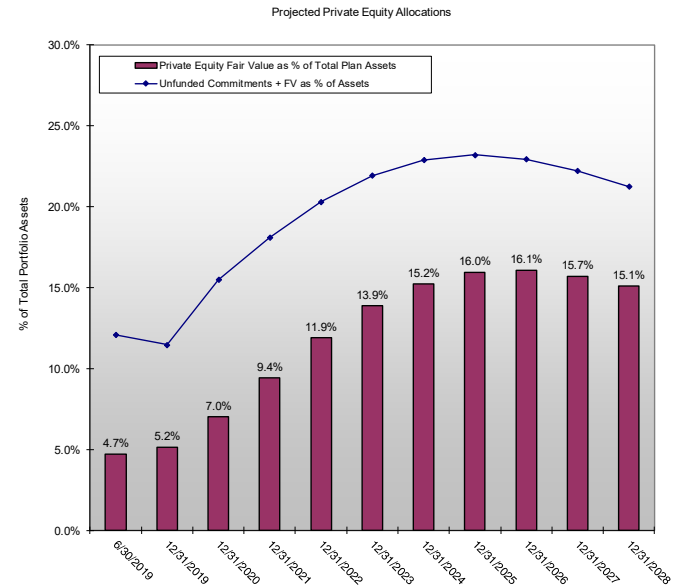
- Annual capital budget target of \$40 million, range of \$30-\$50 million
- Target 4-7 investments, range of \$5-\$15 million per inv; average size of \$8 million per

## Performance comparisons:

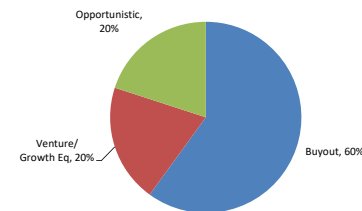
- *Long term investment objective:* Earn a return premium over public equity (Russell 3000 + 3%)
- *Recommended primary asset class benchmark:* Cambridge Associates Global Private Equity & VC Index
- *Recommended fund benchmarks:* Each fund will be compared to the Cambridge Associates strategy universe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

## MCERA CY 2020 commitments:

- Summit Ventures V – venture capital (VY 2020), \$5 mm
- Silver Point Specialty Credit II – corporate lending (VY 2019), \$8 mm
- Thoma Bravo Discover III – software buyouts (VY 2020), \$8 mm
- Marlin Heritage Europe II – European mid-mkt buyout (VY 2020), \$8 mm



## 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%.

# MCERA Private Equity Investment Structure & Portfolio Assessment

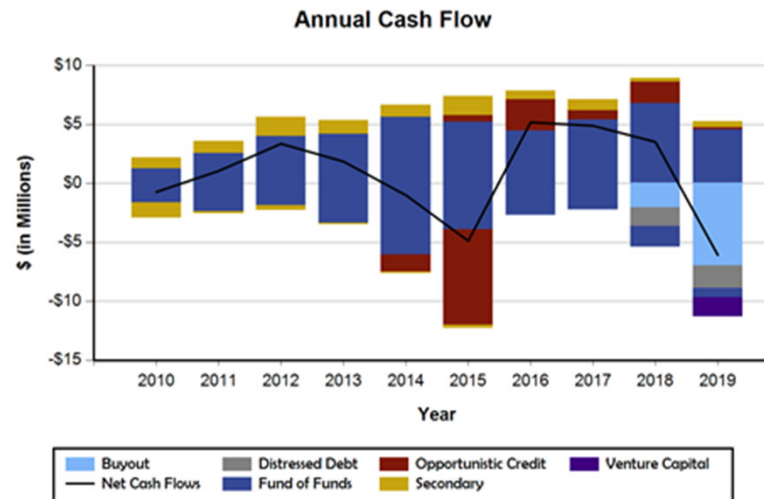
## Investment structure (15% fund target; 5.1% invested as of Dec 2019):

- 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; 2011 & later portfolio is still in development with the funds in VY 2017-2019 in their investment period
  - Modest quarterly performance improvement due to VY 2011 funds; contributions exceed distributions by \$6 million over the past year as the newer portfolios are being built out and FoFs are returning capital
  - Portfolio is diversified by strategy but overall it is in a negative cash flow situation

### Annual Summary

(in thousands)

	Total Partnerships	Total Commitments	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain/ Loss	Net IRR	Benchmark
December 31, 2018	25	\$99,016	\$64,600	\$56,471	\$37,562	\$94,034	\$29,434	8.41%	10.74%
December 31, 2019	31	\$140,937	\$75,915	\$61,712	\$47,255	\$108,967	\$33,052	8.46%	11.45%
Annual Change	6	\$41,921	\$11,315	\$5,241	\$9,693	\$14,933	\$3,618		



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

# MCERA Private Equity Performance – as of Dec 31, 2019

Partnership Name (\$000)	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C)		(C+D) Total Value	(C+D-B) Gain/ Loss	Net IRR	IRR Bench.	TVPI
						Cumulat. Dist.	(D) Fair Value					
<b>Vintage Year 2004</b>												
Invesco Partnership Fund IV, L.P.	Fund of Funds	10,000	2,417	7,898	76%	16,195	63	16,258	8,360	11.76%	7.04%	2.06
<b>Vintage Year 2004 Total</b>		10,000	2,417	7,898	76%	16,195	63	16,258	8,360	11.76%	7.75%	2.06
<b>Vintage Year 2005</b>												
ASP 2005 Non-US Fund	Fund of Funds	1,500	74	1,426	95%	1,670	287	1,957	531	4.85%	5.44%	1.37
ASP 2005 US Fund	Fund of Funds	3,500	177	3,323	95%	4,457	733	5,191	1,867	6.96%	7.29%	1.56
Pantheon Ventures Euro Fund IV	Fund of Funds	1,122	48	1,283	96%	1,584	84	1,668	385	4.63%	5.44%	1.30
Pantheon Ventures USA Fund VI	Fund of Funds	3,750	206	3,544	95%	4,867	538	5,405	1,861	6.59%	7.29%	1.53
<b>Vintage Year 2005 Total</b>		9,872	505	9,576	95%	12,579	1,641	14,221	4,644	6.24%	7.40%	1.49
<b>Vintage Year 2006</b>												
Pantheon Global Secondary Fund III "B"	Secondary	10,000	540	9,460	95%	9,860	721	10,581	1,121	2.02%	N/A	1.12
<b>Vintage Year 2006 Total</b>		10,000	540	9,460	95%	9,860	721	10,581	1,121	2.02%	7.25%	1.12
<b>Vintage Year 2007</b>												
ASP 2007 Direct Fund	Fund of Funds	450	12	438	97%	771	292	1,062	624	12.27%	10.97%	2.42
ASP 2007 Non-US Fund	Fund of Funds	1,575	78	1,497	95%	1,663	678	2,342	845	7.79%	7.30%	1.56
ASP 2007 US Fund	Fund of Funds	2,475	115	2,360	95%	3,328	1,086	4,414	2,054	11.84%	10.97%	1.87
<b>Vintage Year 2007 Total</b>		4,500	205	4,295	95%	5,762	2,056	7,818	3,523	10.62%	8.95%	1.82
<b>Vintage Year 2011</b>												
ASP 2011 Direct Fund	Fund of Funds	500	43	457	91%	492	406	899	442	15.75%	13.95%	1.97
ASP 2011 Emerging Markets Fund	Fund of Funds	500	64	436	87%	166	637	804	368	13.43%	11.40%	1.84
ASP 2011 Non-US Developed Fund	Fund of Funds	1,500	322	1,178	79%	929	1,058	1,987	808	13.22%	11.40%	1.69
ASP 2011 US Fund	Fund of Funds	2,500	326	2,175	87%	1,542	2,268	3,810	1,635	14.32%	13.95%	1.75
Pantheon Asia Fund VI	Fund of Funds	1,000	129	872	87%	392	983	1,375	502	10.52%	11.40%	1.58
Pantheon Euro Fund VII	Fund of Funds	1,565	225	1,478	86%	1,011	1,284	2,294	817	10.37%	11.40%	1.55
Pantheon Ventures USA Fund IX	Fund of Funds	2,000	212	1,788	89%	1,350	1,782	3,132	1,344	13.50%	13.95%	1.75
<b>Vintage Year 2011 Total</b>		9,565	1,322	8,384	86%	5,881	8,419	14,300	5,917	12.94%	12.74%	1.71
<b>Vintage Year 2013</b>												
Invesco Partnership Fund VI, L.P.	Fund of Funds	5,000	1,548	3,958	69%	1,182	6,587	7,768	3,810	16.37%	11.54%	1.96
<b>Vintage Year 2013 Total</b>		5,000	1,548	3,958	69%	1,182	6,587	7,768	3,810	16.37%	12.58%	1.96

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<sup>®</sup> median is used for the respective vintage year.



# MCERA Private Equity Performance – as of Dec 31, 2019

Partnership Name (\$000)	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat.		(C) Cumulat.		(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/ Loss	IRR Net IRR	IRR Bench.	TVPI
				Cont.	% Drawn	Dist.	Value						
<b>Vintage Year 2014</b>													
Ocean Avenue Fund II	Fund of Funds	10,000	1,300	8,700	87%	4,147	9,911	14,058	5,358	14.78%	N/A	1.62	
Raven Asset-Based Opportunity Fund II	Opportunistic Credit	10,000	474	9,526	95%	6,017	3,172	9,189	-337	-1.19%	8.03%	0.96	
<b>Vintage Year 2014 Total</b>		<b>20,000</b>	<b>1,774</b>	<b>18,226</b>	<b>91%</b>	<b>10,164</b>	<b>13,083</b>	<b>23,247</b>	<b>5,021</b>	<b>7.60%</b>	<b>14.78%</b>	<b>1.28</b>	
<b>Vintage Year 2017</b>													
GTCR XII	Buyout	5,000	3,449	1,551	31%	90	1,638	1,728	178	N/M	N/M	1.11	
<b>Vintage Year 2017 Total</b>		<b>5,000</b>	<b>3,449</b>	<b>1,551</b>	<b>31%</b>	<b>90</b>	<b>1,638</b>	<b>1,728</b>	<b>178</b>	<b>N/M</b>	<b>N/M</b>	<b>1.11</b>	
<b>Vintage Year 2018</b>													
Carrick Capital Partners III, L.P.	Buyout	5,000	3,773	1,227	25%	0	1,346	1,346	118	N/M	N/M	1.10	
Cressey & Company Fund VI LP	Buyout	5,000	3,900	1,100	22%	0	1,191	1,191	91	N/M	N/M	1.08	
Davidson Kempner Long-Term Distressed Opportuni	Distressed Debt	5,000	1,550	3,450	69%	0	3,894	3,894	444	N/M	N/M	1.13	
<b>Vintage Year 2018 Total</b>		<b>15,000</b>	<b>9,223</b>	<b>5,777</b>	<b>39%</b>	<b>0</b>	<b>6,431</b>	<b>6,431</b>	<b>654</b>	<b>N/M</b>	<b>N/M</b>	<b>1.11</b>	
<b>Vintage Year 2019</b>													
Accel-KKR Growth Capital Partners III	Buyout	5,000	4,372	628	13%	0	547	547	-82	N/M	N/M	0.87	
Cortec Group Fund VII, L.P.	Buyout	10,000	7,109	2,891	29%	0	2,864	2,864	-27	N/M	N/M	0.99	
Genstar Capital Partners IX, L.P.	Buyout	7,000	5,378	1,622	23%	0	1,665	1,665	43	N/M	N/M	1.03	
Summit Partners Growth Equity Fund X-A, L.P.	Buyout	8,000	8,000	0	0%	0	-23	-23	-23	N/M	N/M	0.00	
TCV X, L.P.	Venture Capital	5,000	3,351	1,649	33%	0	1,562	1,562	-87	N/M	N/M	0.95	
<b>Vintage Year 2019 Total</b>		<b>35,000</b>	<b>28,210</b>	<b>6,790</b>	<b>19%</b>	<b>0</b>	<b>6,615</b>	<b>6,615</b>	<b>-175</b>	<b>N/M</b>	<b>N/M</b>	<b>N/A</b>	
<b>Vintage Year 2020</b>													
Accel-KKR Capital Partners VI, LP	Buyout	8,000	8,000	0	0%	0	0	0	0	N/M	N/M	N/A	
Spark Capital Growth Fund III, L.P.	Venture Capital	6,000	6,000	0	0%	0	0	0	0	N/M	N/M	N/A	
Spark Capital VI, L.P.	Venture Capital	3,000	3,000	0	0%	0	0	0	0	N/M	N/M	N/A	
<b>Vintage Year 2020 Total</b>		<b>17,000</b>	<b>17,000</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/M</b>	<b>N/M</b>	<b>N/A</b>	
<b>Total Portfolio:</b>		<b>140,937</b>	<b>66,194</b>	<b>75,915</b>	<b>53%</b>	<b>61,713</b>	<b>47,255</b>	<b>108,967</b>	<b>33,052</b>	<b>8.46%</b>	<b>11.45%</b>	<b>1.44</b>	
<b>Portfolio Strategy Totals</b>													
Buyout		53,000	43,981	9,019	17%	90	9,227	9,317	298	N/M		1.03	
Distressed Debt		5,000	1,550	3,450	69%	0	3,894	3,894	444	N/M		1.13	
Fund of Funds		40,175	6,357	34,641	84%	38,330	23,667	61,997	27,356	11.18%		1.79	
Non-US		8,762	940	8,170	89%	7,415	5,011	12,426	4,256	7.77%		1.52	
Opportunistic Credit		10,000	474	9,526	95%	6,017	3,172	9,189	-337	-1.19%		0.96	
Secondary		10,000	540	9,460	95%	9,860	721	10,581	1,121	2.02%		1.12	
Venture Capital		14,000	12,351	1,649	12%	0	1,562	1,562	-87	N/M		N/A	
<b>Total Portfolio:</b>		<b>140,937</b>	<b>66,194</b>	<b>75,915</b>	<b>53%</b>	<b>61,713</b>	<b>47,255</b>	<b>108,967</b>	<b>33,052</b>	<b>8.46%</b>	<b>11.45%</b>	<b>1.44</b>	

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<sup>®</sup> median is used for the respective vintage year.

# MCERA Real Estate Capital Budget & Implementation Plan

## 8% fund level target

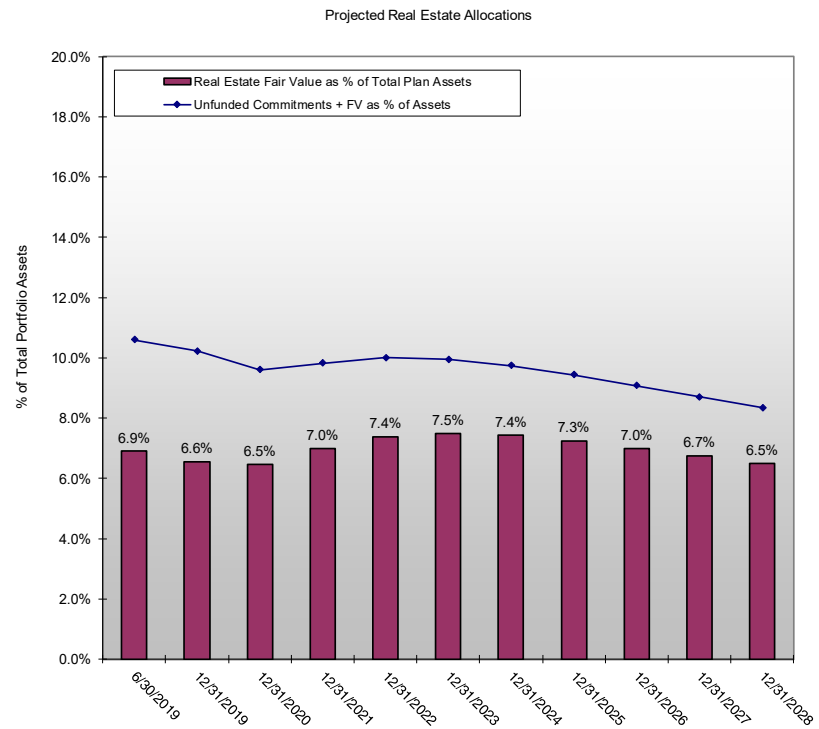
- Annual capital budget target of \$15 million, range of \$10-\$25 million
- Target 2-4 investments, range of \$4-\$7 million per inv
  - Average investment size of \$5 million
  - If an average of 2-4 GP partnership commitments per year, expect a total of 8-16 GP relationships over a 4 year fund raising cycle
- Retain core real estate exposure but lower it to 25% of the portfolio due to current valuations; use REITS as a substitute until funding private real estate investments is needed

## 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

## MCERA CY 2020 commitments (\$7 mm):

- *Cerberus Real Estate Debt* – RE debt (VY 2020)



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

# MCERA Real Estate Investment Structure & Portfolio Assessment

## Real estate investment structure (8% target, 6.5% actual as of Dec 2019)

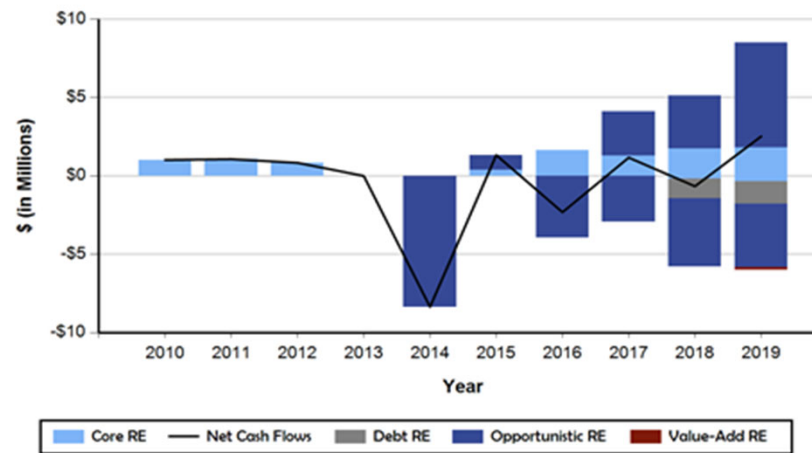
- MCERA invested in 1999 in a private core real estate fund
- Distributions exceed contributions by \$4 million over the past year as overall RE activity has declined

### Annual Summary

(in thousands)

	Total Partnerships	Total Commitments	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain/ Loss	Net IRR	Benchmark
December 31, 2018	8	\$63,742	\$37,201	\$27,770	\$63,336	\$91,106	\$53,905	9.33%	8.55%
December 31, 2019	8	\$68,352	\$43,193	\$36,283	\$61,673	\$97,956	\$54,764	8.99%	8.85%
Annual Change	0	\$4,610	\$5,992	\$8,513	-\$1,663	\$6,850	\$859		

Annual Cash Flow



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

## MCERA Real Estate Performance – as of Dec 31, 2019

### 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 early stages of development
  - Valuation had modest quarterly gains
- Overall performance has met objectives, driven by the core RE fund; opportunistic fund performance is not meaningful

Partnership Name (\$000)	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat.		Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/ Loss	Net IRR	IRR Bench.	TVPI
				Cont.	% Drawn							
<b>Vintage Year 1999</b>												
UBS Trumbull Property Fund	Core RE	17,000	0	17,547	100%	23,269	40,603	63,872	46,324	8.77%	10.20%	3.64
<b>Vintage Year 1999 Total</b>		<b>17,000</b>	<b>0</b>	<b>17,547</b>	<b>100%</b>	<b>23,269</b>	<b>40,603</b>	<b>63,872</b>	<b>46,324</b>	<b>8.77%</b>	<b>12.95%</b>	<b>3.64</b>
<b>Vintage Year 2014</b>												
Greenfield Acquisition Partners VII, L.P.	Opportunistic RE	13,000	1,876	12,662	86%	10,171	9,442	19,613	6,952	13.56%	12.25%	1.55
<b>Vintage Year 2014 Total</b>		<b>13,000</b>	<b>1,876</b>	<b>12,662</b>	<b>86%</b>	<b>10,171</b>	<b>9,442</b>	<b>19,613</b>	<b>6,952</b>	<b>13.56%</b>	<b>11.82%</b>	<b>1.55</b>
<b>Vintage Year 2016</b>												
Patron Capital Fund V	Opportunistic RE	13,352	5,425	8,125	59%	2,829	6,675	9,504	1,379	10.64%	11.67%	1.17
<b>Vintage Year 2016 Total</b>		<b>13,352</b>	<b>5,425</b>	<b>8,125</b>	<b>59%</b>	<b>2,829</b>	<b>6,675</b>	<b>9,504</b>	<b>1,379</b>	<b>10.64%</b>	<b>11.50%</b>	<b>1.17</b>
<b>Vintage Year 2017</b>												
Carlyle Realty Partners VIII, L.P.	Opportunistic RE	5,000	4,036	978	19%	14	930	944	-34	-3.97%	7.41%	0.97
<b>Vintage Year 2017 Total</b>		<b>5,000</b>	<b>4,036</b>	<b>978</b>	<b>19%</b>	<b>14</b>	<b>930</b>	<b>944</b>	<b>-34</b>	<b>-3.97%</b>	<b>11.51%</b>	<b>0.97</b>
<b>Vintage Year 2018</b>												
Taconic CRE Dislocation Fund II	Debt RE	5,000	2,350	2,665	53%	0	2,954	2,954	288	N/M	N/M	1.11
AG Realty Value Fund X, L.P.	Opportunistic RE	5,000	3,950	1,037	21%	0	992	992	-45	N/M	N/M	0.96
<b>Vintage Year 2018 Total</b>		<b>10,000</b>	<b>6,300</b>	<b>3,702</b>	<b>37%</b>	<b>0</b>	<b>3,945</b>	<b>3,945</b>	<b>243</b>	<b>N/M</b>	<b>N/M</b>	<b>1.07</b>
<b>Vintage Year 2019</b>												
Rockpoint Real Estate Fund VI, L.P.	Opportunistic RE	5,000	5,000	0	0%	0	-22	-22	-22	N/M	N/M	0.00
Carmel Partners Investment Fund VII, L.P Value-Add RE		5,000	4,820	180	4%	0	101	101	-79	N/M	N/M	0.56
<b>Vintage Year 2019 Total</b>		<b>10,000</b>	<b>9,820</b>	<b>180</b>	<b>2%</b>	<b>0</b>	<b>79</b>	<b>79</b>	<b>-101</b>	<b>N/M</b>	<b>N/M</b>	<b>0.44</b>
<b>Total Portfolio:</b>		<b>68,352</b>	<b>27,458</b>	<b>43,193</b>	<b>60%</b>	<b>36,283</b>	<b>61,673</b>	<b>97,956</b>	<b>54,763</b>	<b>8.99%</b>	<b>8.85%</b>	<b>2.27</b>

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.

# MCERA Real Asset Capital Budget & Implementation Plan

## 5% fund level target

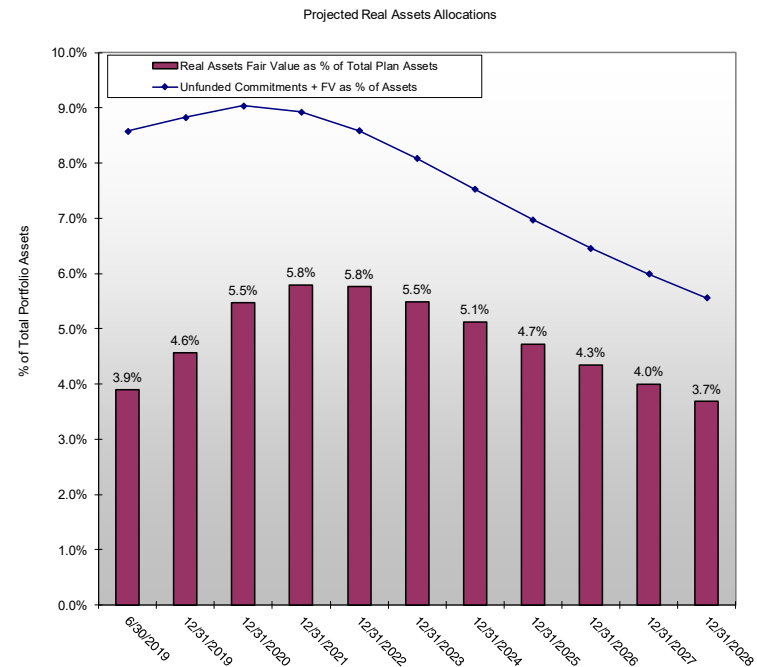
- Annual capital budget target of \$10 million, range of \$5-\$15 million
- Target 2-4 investments, range of \$3-\$7 million per inv
  - Average investment size of \$5 million
  - If an average of 2-4 GP partnership commitments per year, expect a total of 8-16 GP relationships over a 4 year fund raising 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

## MCERA CY 2020 commitments (\$5 mm):

- None



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

# MCERA Real Assets Investment Structure & Portfolio Assessment

## Real assets investment structure (5% target, 6.2% actual as of Dec 2019)

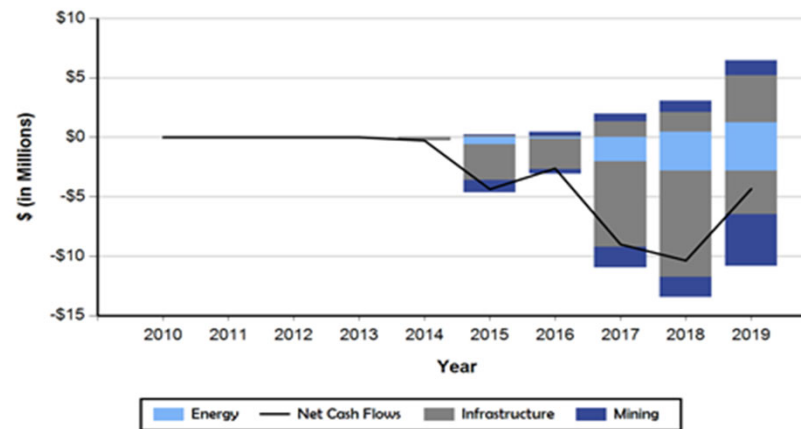
- Program is designed to be equally divided between private infrastructure and natural resource funds along with a public real asset component
- Private fund commitments began in 2014 to infrastructure and 2015 to natural resources
- The overall portfolio is immature with the funds in the early stage of development
  - Contributions exceed distributions by \$4 mm as the newer funds are being built out

### Annual Summary

(in thousands)

	Total Partnerships	Total Commitments	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain/ Loss	Net IRR	Benchmark
December 31, 2018	12	\$65,500	\$31,972	\$5,360	\$31,249	\$36,608	\$4,636	11.11%	-0.71%
December 31, 2019	12	\$70,426	\$43,180	\$12,222	\$39,640	\$51,862	\$8,683	11.67%	1.78%
Annual Change	0	\$4,926	\$11,208	\$6,862	\$8,391	\$15,254	\$4,047		

Annual Cash Flow



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

## MCERA Real Assets Performance – as of Dec 31, 2019

### Real Asset Portfolio

- MCERA began allocating to real assets in 2014 via direct fund commitments
- Portfolio is in its early stages of development so performance is not meaningful; the infrastructure funds had valuation improvements for the quarter; the VY 2017-19 funds are being built out

Partnership Name (\$000)	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.		(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/ Loss	Net IRR	IRR Bench.	TVPI
				% Drawn								
<b>Vintage Year 2014</b>												
KKR Global Infrastructure II	Infrastructure	10,000	552	10,685	94%	2,182	11,440	13,622	2,937	10.97%	13.82%	1.27
<b>Vintage Year 2014 Total</b>		<b>10,000</b>	<b>552</b>	<b>10,685</b>	<b>94%</b>	<b>2,182</b>	<b>11,440</b>	<b>13,622</b>	<b>2,937</b>	<b>10.97%</b>		<b>1.27</b>
<b>Vintage Year 2015</b>												
GSO Energy Select Opportunities Fund	Energy	7,500	3,788	4,168	49%	1,592	3,636	5,228	1,060	10.26%	8.22%	1.25
North Haven Infrastructure Partners II LP	Infrastructure	10,000	1,521	10,969	85%	4,596	9,106	13,702	2,733	12.60%	N/A	1.25
Taurus Mining Finance Fund	Mining	5,000	903	4,974	82%	2,026	3,991	6,017	1,043	14.70%	N/A	1.21
<b>Vintage Year 2015 Total</b>		<b>22,500</b>	<b>6,211</b>	<b>20,111</b>	<b>72%</b>	<b>8,214</b>	<b>16,734</b>	<b>24,947</b>	<b>4,836</b>	<b>12.39%</b>		<b>1.24</b>
<b>Vintage Year 2016</b>												
Taurus Mining Finance Annex Fund	Mining	5,000	1,409	4,197	72%	1,318	3,704	5,022	824	23.59%	N/A	1.20
<b>Vintage Year 2016 Total</b>		<b>5,000</b>	<b>1,409</b>	<b>4,197</b>	<b>72%</b>	<b>1,318</b>	<b>3,704</b>	<b>5,022</b>	<b>824</b>	<b>23.59%</b>		<b>1.20</b>
<b>Vintage Year 2017</b>												
EnCap Energy Capital Fund XI, L.P.	Energy	5,000	3,522	1,478	30%	0	1,176	1,176	-301	-24.61%	7.15%	0.80
ISQ Global Infrastructure Fund II	Infrastructure	5,000	2,982	2,387	40%	371	2,286	2,657	269	N/M	N/M	1.11
<b>Vintage Year 2017 Total</b>		<b>10,000</b>	<b>6,505</b>	<b>3,865</b>	<b>35%</b>	<b>371</b>	<b>3,462</b>	<b>3,833</b>	<b>-32</b>	<b>-1.08%</b>		<b>0.99</b>
<b>Vintage Year 2018</b>												
Ardian Infrastructure Fund V	Infrastructure	4,926	4,699	216	5%	0	186	186	-30	N/M	N/M	N/A
EnCap Flatrock Midstream IV, L.P.	Energy	3,000	2,027	1,051	32%	78	1,132	1,211	160	N/M	N/M	1.15
KKR Global Infrastructure Investors III	Infrastructure	5,000	3,557	1,464	29%	21	1,397	1,418	-46	N/M	N/M	N/A
<b>Vintage Year 2018 Total</b>		<b>12,926</b>	<b>10,284</b>	<b>2,730</b>	<b>20%</b>	<b>99</b>	<b>2,715</b>	<b>2,814</b>	<b>84</b>	<b>N/M</b>		<b>1.03</b>
<b>Vintage Year 2019</b>												
Global Energy & Power Infrastructure Fund III	Energy	5,000	4,157	842	17%	39	875	914	72	N/M	N/M	1.09
Tailwater Energy Fund IV, LP	Energy	5,000	4,251	749	15%	0	710	710	-39	N/M	N/M	0.95
<b>Vintage Year 2019 Total</b>		<b>10,000</b>	<b>8,408</b>	<b>1,591</b>	<b>16%</b>	<b>39</b>	<b>1,586</b>	<b>1,625</b>	<b>33</b>	<b>N/M</b>		<b>1.02</b>
<b>Total Portfolio:</b>		<b>70,426</b>	<b>33,369</b>	<b>43,180</b>	<b>53%</b>	<b>12,222</b>	<b>39,640</b>	<b>51,862</b>	<b>8,683</b>	<b>11.67%</b>	<b>1.78%</b>	<b>1.20</b>

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

# MCERA Hedge Fund Performance – as of Apr 30, 2020

Fund	Market Value	Actual %	Apr	QTD	YTD	Returns			Incep	Std Dev	Sharpe Ratio	Incep Date
						1 Year	3 Year	5 Year				
<b>Market Neutral</b>												
KLS Diversified Fund LP	7,163,695	8.2%	-5.14%	-5.14%	-21.20%	-22.25%	-	-	-8.05%	11.85%	-0.82	Oct-17
Laurion Capital, Ltd.	10,564,778	12.1%	3.74%	3.74%	20.08%	20.03%	-	-	14.56%	8.31%	1.41	Jul-18
Market Neutral - HF Total	17,728,473	20.2%	-0.04%	-0.04%	-4.87%	-5.69%	-	-	0.56%	5.73%	-0.24	Oct-17
HFRI Relative Value (Total) Index			3.17%	3.17%	-6.42%	-3.93%	-	-	0.45%	6.59%	-0.22	Oct-17
<b>Credit/Distressed</b>												
Silver Point Capital Fund, L.P.	11,446,510	13.1%	0.05%	0.05%	-7.27%	-8.16%	-	-	-1.76%	7.79%	-0.46	Dec-17
Credit/Distressed - HF Total	11,446,510	13.1%	0.05%	0.05%	-7.27%	-8.16%	-	-	-1.76%	7.79%	-0.46	Dec-17
HFRI ED: Distressed/Restructuring Index			3.36%	3.36%	-8.84%	-10.17%	-	-	-2.75%	8.53%	-0.53	Dec-17
<b>Event Driven</b>												
Taconic Opportunity Fund L.P.	11,619,532	13.3%	1.41%	1.41%	-7.80%	-6.38%	-	-	-2.70%	7.88%	-0.57	Dec-18
Event Driven - HF Total	11,619,532	13.3%	1.41%	1.41%	-7.80%	-6.38%	-	-	-2.70%	7.88%	-0.57	Dec-18
HFRI Event-Driven (Total) Index			6.44%	6.44%	-9.32%	-7.52%	-	-	-3.41%	12.95%	-0.36	Dec-18
<b>Equity Long/Short</b>												
Archipelago Partners, L.P.	11,647,893	13.3%	3.64%	3.64%	-6.59%	-1.35%	-	-	2.67%	8.61%	0.11	Sep-17
Marshall Wace Funds LP - MW Eureka (US) Fund	3,270,913	3.7%	2.32%	2.32%	-3.66%	4.07%	-	-	3.64%	6.31%	0.26	Dec-17
Marshall Wace Funds LP - MW Global Opportunities (US) Fund	9,000,000	10.3%	-	-	-	-	-	-	-	-	-	Apr-20
Equity Long/Short - HF Total	23,918,806	27.3%	3.21%	3.21%	-6.08%	-0.34%	-	-	3.07%	7.71%	0.16	Sep-17
HFRI Equity Hedge (Total) Index			6.78%	6.78%	-8.08%	-4.44%	-	-	0.64%	10.53%	-0.08	Sep-17
<b>Global Macro-Discretionary</b>												
Graham Absolute Return Trading Ltd.	6,600,849	7.5%	2.31%	2.31%	-13.28%	-11.55%	-	-	-2.11%	10.14%	-0.36	Sep-17
Global Macro-Discretionary - HF Total	6,600,849	7.5%	2.31%	2.31%	-13.28%	-11.55%	-	-	-2.11%	10.14%	-0.36	Sep-17
HFRI Macro (Total) Index			1.27%	1.27%	-0.10%	2.94%	-	-	1.34%	4.66%	-0.14	Sep-17
<b>Global Macro-Systematic</b>												
Winton Fund Limited	5,458,078	6.2%	0.41%	0.41%	-12.44%	-11.18%	-	-	-3.34%	9.03%	-0.57	Nov-17
Global Macro-Systematic - HF Total	5,458,078	6.2%	0.41%	0.41%	-12.44%	-11.18%	-	-	-3.34%	9.03%	-0.57	Nov-17
HFRI Macro (Total) Index			1.27%	1.27%	-0.10%	2.94%	-	-	0.99%	4.62%	-0.22	Nov-17
<b>Multi-Strategy</b>												
Sculptor Domestic Partners II, L.P.	10,787,500	12.3%	5.41%	5.41%	-0.83%	3.05%	6.82%	5.18%	5.82%	7.02%	0.66	Jul-14
Multi-Strategy - HF Total	10,787,500	12.3%	5.41%	5.41%	-0.83%	3.05%	6.82%	5.18%	5.82%	7.02%	0.66	Jul-14
HFRI Relative Value (Total) Index			3.17%	3.17%	-6.42%	-3.93%	0.88%	1.88%	1.98%	4.83%	0.16	Jul-14
MCERA Hedge Fund Portfolio	87,559,749	100.0%	1.77%	1.77%	-6.84%	-5.04%	2.57%	1.55%	2.44%	5.43%	0.23	Jul-14
<b>Benchmarks</b>												
HFRI Fund of Funds Composite Index			2.67%	2.67%	-5.96%	-3.43%	0.81%	0.57%	1.16%	4.85%	0.00	Jul-14
<b>Market Indices</b>												
Liber3Month			0.05%	0.05%	0.43%	1.86%	2.00%	1.47%	1.30%	0.24%	-	Jul-14
Bloomberg Barclays US Aggregate Bond Index			1.78%	1.78%	4.98%	10.85%	5.18%	3.81%	3.82%	3.14%	0.80	Jul-14
Bloomberg Barclays US High Yield Bond Index			4.51%	4.51%	-8.75%	-4.12%	1.86%	3.44%	3.08%	7.38%	0.27	Jul-14
S&P 500 TR			12.82%	12.82%	-9.29%	0.86%	9.05%	9.13%	9.23%	14.05%	0.61	Jul-14
MSCI AC World Index Free - Net			10.71%	10.71%	-12.94%	-4.96%	4.46%	4.37%	4.30%	13.76%	0.28	Jul-14
MSCI EAFE - Net			6.46%	6.46%	-17.84%	-11.34%	-0.58%	-0.17%	-0.30%	13.79%	-0.05	Jul-14
MSCI EMF (Emerging Markets Free) - Net			9.16%	9.16%	-16.60%	-12.00%	0.57%	-0.10%	0.17%	17.20%	0.02	Jul-14



## Cliffwater Disclosures

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**Merced County Employees' Retirement Association (MCERA)**  
**RETIREMENT BOARD AGENDA ITEM**

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**DATE:** June 25, 2020

**TO:** MCERA Board of Retirement

**FROM:** Mark Harman, Fiscal Manager

**SUBJECT:** Interest Crediting Rates for June 2020

**ITEM NUMBER:** 3

**ITEM TYPE:** Action

**STAFF RECOMMENDATION:**

1. Adopt the proposed interest credit rate of 1.0758% to be credited to the active reserves balances and 3.44% to retiree and employer reserves balances.

**DISCUSSION:** Pursuant to the Interest Crediting Policy adopted by the MCERA 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 31<sup>st</sup> 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 7.00% (the actuarial rate of return adopted December 2019). 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 six-month period, ending May 31, 2020, the index return was 1.0758%, as reported to MCERA by Meketa.

Employer and Retiree Reserves shall be credited semi-annually at the actuarial discount rate, if there are sufficient funds. MCERA 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 June 30, 2020 is as follows:

Balance in Interest Fluctuation Reserve as of July 01, 2019	\$81,842,477.07
Total Estimated Investment Gain as of June 30, 2020*	74,887,061.19
Total Estimated Expenses as of June 30, 2020*	(2,968,219.83)
Total Interest Credited December 31, 2019	(20,181,471.45)
Total Estimated Available for Interest Crediting	133,579,846.98
Proposed 1.0758% (Active Member) and 3.44% (Retiree and Employer Reserves) Interest Crediting to all reserves on June 30, 2020	(20,021,558.59)
Estimated Balance in Interest Fluctuation Reserve as of June 30, 2020	\$113,558,288.39

*\*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 May and June.*

**Merced County Employees' Retirement Association (MCERA)  
RETIREMENT BOARD AGENDA ITEM**

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**DATE:** June 25, 2020  
**TO:** MCERA Board of Retirement  
**FROM:** Kristie Santos, Plan Administrator  
**SUBJECT:** SACRS Proxy Voting and Ballot

**ITEM NUMBER: 5**

**ITEM TYPE: Action**

**STAFF RECOMMENDATION:**

Submit proxy voting form and completed ballot to SACRS by July 31, 2020.

**DISCUSSION:**

SACRS 2020-2021 Board of Directors Elections was to take place at the Spring Conference, however since the conference was cancelled the elections were suspended until the next full meeting of the membership in November.

However, in light of COVID-19 social distancing requirements in place, SACRS is unsure if the November conference will garner a full quorum of the Retirement System Member voting delegates.

In an effort to maintain current business continuity, the SACRS Board of Directors have decided to move forward with an election via electronic proxy voting.

SACRS Board of Directors ask that each Retirement Board provide SACRS with the following forms by July 31, 2020;

1. Completed Voting Proxy Form submitted to SACRS
2. Completed Ballot Form submitted to SACRS

SACRS thanks all retirement boards for their cooperation during these unprecedented times.



March 24, 2020

To: SACRS Trustees & SACRS Administrators/CEO's  
 From: Ray McCray, SACRS Immediate Past President, Nominating Committee Chair  
 SACRS Nominating Committee  
 Re: SACRS Board of Director Elections 2020-2021 Elections – Final Ballot

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SACRS BOD 2020-2021 election process began January 2020. Please provide the final ballot and voting instructions to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2020	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.
March 25, 2020	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
November 10-13, 2020 (Exact date TBD)	Nomination Committee to conduct elections during the SACRS Business Meeting at the Fall Conference, November 10-13, 2020
November 10-13, 2020	Board of Directors take office for 1 year (until Spring 2021 Elections)

**Per SACRS Bylaws, Article VIII, Section 1. Board of Director and Section 2. Elections of Directors:**

**Section 1. Board of Directors. The Board shall consist of the officers of SACRS as described in Article VI, Section 1, the immediate Past President, and two (2) regular members**

**A. Immediate Past President.** *The immediate Past President, while he or she is a regular member of SACRS, shall also be a member of the Board. In the event the immediate Past President is unable to serve on the Board, the most recent Past President who qualifies shall serve as a member of the Board.*

**B. Two (2) Regular Members.** *Two (2) regular members shall also be members of the Board with full voting rights.*

**Section 2. Elections of Directors.** *Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.*

*The Nominating Committee will report its suggested slate, along with a list of the names of all members who had been nominated, to each regular member County Retirement System prior to March 25. The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's suggested slate to each trustee and placing the election of SACRS Directors on his or her board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee.*



*Director elections shall take place during the first regular meeting of each calendar year. The election shall be conducted by an open roll call vote, and shall conform to Article V, Sections 6 and 7 of these Bylaws.*

*Newly elected Directors shall assume their duties at the conclusion of the meeting at which they are elected, with the exception of the office of Treasurer. The incumbent Treasurer shall co-serve with the newly elected Treasurer through the completion of the current fiscal year.*

Due to the cancellation of the Spring Conference because of COVID-19 (Coronavirus) the elections will be held at the SACRS Fall Conference November 10-13, 2020 at the Renaissance Esmeralda Resort & Spa, Indian Wells. Elections will be held during the Annual Business meeting, date TBD, November 10-13, 2020.

**SACRS Nominating Committee Final Ballot:**

- |  |                |
|--|----------------|
| • Vivian Gray, Los Angeles CERA          | President      |
| • Roger Hilton, Orange CERS              | Vice President |
| • Harry Hagen, Santa Barbara, CERS       | Treasurer      |
| • Kathryn Cavness, Mendocino CERA        | Secretary      |
| • David MacDonald, MD, Contra Costa CERA | Regular Member |
| • John Kelly, Sacramento CERS            | Regular Member |

**Additional Candidates Submitted:**

- |                                      |                |
|--------------------------------------|----------------|
| • Vere Williams, San Bernardino CERA | Regular Member |
| • Edward Robinson, Kern CERA         | Regular Member |

Please prepare your voting delegate to have the ability to vote by the recommended ballot and by each position separately.

If you have any questions, please contact me at Ray McCray, [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) or (209) 471-4472.

Thank you for your prompt attention to this timely matter.

Sincerely,

*Ray McCray*

Ray McCray, San Joaquin CERA Trustee  
SACRS Nominating Committee Chair

CC: SACRS Board of Directors  
SACRS Nominating Committee Members  
Sulema H. Peterson, SACRS Executive Director



## SACRS VOTING PROXY FORM

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

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

\_\_\_\_\_ Voting Delegate

\_\_\_\_\_ Alternate Voting Delegate

These delegates were approved by the Retirement Board on \_\_\_\_ / \_\_\_\_ / \_\_\_\_.

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

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

Please send your system's voting proxy by July 31, 2020 to Sulema H. Peterson, SACRS Administrator at [Sulema@sacrs.org](mailto:Sulema@sacrs.org).



June 4, 2020

TO: State Association of County Retirement Systems

FROM: Mike Robson, Trent Smith, and Bridget McGowan, Edelstein Gilbert Robson & Smith, LLC

RE: **Legislative Update – June 2020**

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### **May Budget Revision**

On May 14, Governor Newsom released his May Revision to his January Budget. In a normal year, the May Revision is a chance for the Governor to fine tune his January proposal based on more up to date revenue estimates for the coming year.

In 2020, the May Revision is all about responding to the economic crisis caused by COVID-19. Between January and May, the state has seen a 22.3% decline in revenue and 4.6 million new unemployment claims filed since mid-March. This drop in revenue combined with higher caseloads for social safety net programs has eviscerated the multi-billion-dollar surplus the Governor anticipated in January.

All of this has led the Legislative Analyst's Office (LAO), a non-partisan advisor to the Legislature, to estimate anywhere from an \$18 to \$31 billion deficit. The Governor's Department of Finance (DOF), is projecting a higher deficit of \$54.3 billion for two reasons. First, the Governor has chosen to calculate the deficit based on his *proposed* expenditures in the January Budget rather than the expenses the state is obligated to pay under current law. Second, the Department of Finance is projecting a \$13 billion increase in caseload for social safety net programs and other expenses related to COVID-19.

The Governor's May Revision would resolve the projected \$54.3 billion deficit with the following solutions:

- 16% from the state's reserves
- 15% from the federal government under the CARES Act
- 15% from cancelling proposals for additional spending from the January budget
- 19% from internal borrowing from special funds
- 26% "triggered cuts" as described below
- 8% from revenue gained by limiting the use of net operating losses and tax credits

We have several observations about the above plan.

### **May Revise Spreads the Use of Reserves Across Several Budget Years**

The state has \$16.2 billion in its “Rainy Day Fund” and several billion more in additional reserves including social safety net and Proposition 98 (school funding) reserves. Collectively, the Governor is planning to use only \$8.8 billion of our reserves in the current budget year. The Governor is proposing to use the remainder of the state’s reserves to bridge gaps in the next two budget years.

### **May Revise Relies on Several One Time Solutions**

The use of state reserves, one-time appropriations from the federal government, and borrowing from state special funds are all one-time solutions. This means that in future budget years California will still be confronting a significant structural deficit as revenues continue to fall below expenses. The size of this ongoing deficit will depend on the strength of the economy. The May Revise projects that this deficit could be higher than \$16 billion in future budget years.

### **Federal Funding or Cuts**

The biggest solution proposed by the Governor involves cuts to funding that will be triggered if the federal government does not provide funding to states before the new fiscal year starts on July 1. During a recent press conference, Governor Newsom appealed directly to President Trump to support Speaker Pelosi’s “HEROES Act.” The \$3 trillion stimulus proposal would fill in multi-billion-dollar gaps in the state’s budget.

If the “HEROES Act” or other federal support is not forthcoming, the May Revise includes billions of triggered cuts. The brunt of these cuts, \$6.5 billion, fall on K-12 funding. More than a billion in additional cuts would come to UC’s, CSU’s, and the state’s community college system. Collectively billions more are proposed for social safety net programs, state parks, and court systems. Finally, the Governor has proposed a 10% pay cut for state employees if federal relief is not forthcoming. This cut would result in \$2.8 billion in savings.

### **Legislative Response**

The trigger cuts in the May Revise have quickly become a thorny issue for the Governor and the Legislature. If federal relief does not materialize to stop all or some of these cuts, they will have to choose whether they let the cuts happen, or attempt to avoid them by imposing new taxes or spending reserves faster than the Governor plans to. Some progressive Democrats in the Legislature have already balked at the prospect of the cuts which hit programs that are very important to their core constituencies. If the federal government does not intervene to provide funding, the Governor and the Legislature would have a very short window of time between the beginning of July and the end of August to find alternatives to avoid the cuts. Unless those alternatives included long term solutions, the budget would experience larger structural issues in the coming years.



The Assembly met as a “Committee of the Whole” last week, a procedure which allows all Assemblymembers to meet but take testimony from outside witnesses. The meeting allowed Assemblymembers to review the Governor’s budget and provide feedback and criticism. The proposed trigger cuts drew bipartisan criticism. Some members argued that if enacted the cuts would be devastating to California’s most vulnerable populations. Others pointed out that the budget was too reliant on the Federal government, meaning that a structural deficit would persist in future years when funding dries up.

The Senate took things a step further last week and adopted their own alternative to the Governor’s May Revise. The Senate plan is similar to the Governor’s but makes a number of adjustments to the trigger cuts. First, the Senate’s cuts are not “triggered” until October 1. From there, most of the Senate’s cuts are not cuts at all, but increased reliance on reserves, internal borrowing, and deferred payments. If passed by the Legislature and signed by the Governor, the Senate Budget would leave a lasting structural deficit and fewer reserves for future years.

On June 3, the Senate and Assembly then formally announced that they have agreed upon a budget deal that is substantially similar to the Senate deal described above. The next step is to come to an agreement with the Governor by June 15, the constitutional deadline to pass a balanced budget.

With tax filing deadlines delayed, the state will not have a complete picture of revenue shortfalls until after July 15. Given that, it is likely that the Legislature and Governor will revisit the budget in July and August.