

**MercedCERA RETIREMENT BOARD AGENDA
THURSDAY, OCTOBER 27, 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 – October 13, 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.

BOARD ACTION/DISCUSSION

1. Discussion with MercedCERA’s alternative investment consultant Cliffwater LLC to discuss public comment received on September 22, 2022 regarding KKR Global Infrastructure Investors IV and Refresco – Jamie Feidler, Cliffwater.
2. Discussion and possible action to adopt the proposed private asset capital budget update from Cliffwater – Jamie Feidler, Cliffwater.
3. Discussion and possible action on monthly performance – Meketa Group.
4. Discussion and possible action to approve changes to the Investment Policy Statement (IPS) regarding fixed income core bond composition – Staff.
5. Discussion and possible action to adopt proposed changes to the MercedCERA Bylaws as approved by the ad hoc Bylaws Subcommittee – Staff.
6. Discussion and possible action to adopt the SACRS proposed slate and recommendations for the SACRS Fall Conference – 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 Virtual Trustee Roundtable, Friday, October 28, 2022 from 8:30AM to 12:30PM.
 - SACRS Fall Conference, November 8 - 11, 2022, Long Beach, CA.
 - CALAPRS General Assembly, March 4 - 7, 2023 Monterey, CA (registration not currently open).

INFORMATION ONLY

MercedCERA UPCOMING BOARD MEETINGS

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

- November 10, 2022
- December 8, 2022

ADJOURNMENT

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

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

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

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

Spanish and Hmong interpreters are available.

Interpretes de espanol y hmong estan disponibles.

Peb muaj tug paab txhais lug Mev hab Hmoob.

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

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

CALL TO ORDER - 8:16 A.M.

ROLL CALL

Board Members Present: Ryan Paskin, Alfonse Peterson, Scott Johnston (8:17A.M.), Janey Cabral, David Ness, Mike Harris. **Absent:** Karen Adams, Scott Silveira, Aaron Rosenberg.

Counsel: Jeff Grant. **Staff:** Kristen Santos, Martha Sanchez Barboa, Brenda Mojica, Monica Gallegos, Sheri Villagrana, Mark Harman, Kenter Ludlow.

APPROVAL OF MINUTES – September 22, 2022

The MercedCERA Board voted unanimously via roll call vote to approve the September 22, 2022 meeting minutes.

Johnston/Peterson U/A (7/0)

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.

Harris/Cabral U/A (7/0)

CLOSED SESSION

(1) DISABILITY RETIREMENT APPLICATIONS: PERSONNEL EXCEPTION

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

1. Informal Hearing

a. Cureton, Michael

RETURN TO OPEN SESSION

The MercedCERA Board voted unanimously via roll call vote to deny a service connected disability and deny a non-service connected disability for Michael Cureton.

Johnston/Harris U/A (7/0)

BOARD ACTION/DISCUSSION

1. Discussion with MercedCERA’s actuary on the new Actuarial Standard of Practice No. 4 requirement of the Low Default Risk Obligation Measure (LDROM) for public plans <https://presentation.cheiron.us/presentation/view/MercedLDROM?token=zdhE> – Graham Schmidt, Cheiron.

No action taken.

2. Discussion and possible action to adopt the recommendation from the MercedCERA Investment Subcommittee to replace Barrow Hanley – Meketa Group.

The MercedCERA Board voted unanimously via roll call vote to approve the recommendation by the Investment Subcommittee to replace Barrow Hanley with a 30% allocation to Brandywine and a 7.5% allocation to Payden & Rygel.

Harris/Cabral U/A (7-0)

3. Discussion and possible action to designate a voting proxy for the SACRS Fall Conference in Long Beach, CA – Staff.

The MercedCERA Board voted unanimously via roll call vote to designate staff Monica Gallegos and alternate Kenter Ludlow as voting proxies for the SACRS Fall Conference.

Cabral/Johnston U/A (7/0)

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

- Nossaman Forum, October 17-18, Los Angeles, CA.
- CALAPRS Virtual Trustee Roundtable, Friday, October 28, 2022 from 8:30AM to 12:30PM.
- SACRS Fall Conference, November 8 - 11, 2022, Long Beach, CA.
- CALAPRS General Assembly, March 4 - 7, 2023 Monterey, CA (registration not currently open).

No action taken.

INFORMATION ONLY

Plan Administrator – welcome new Trustee Corrina Brown to the Board of Retirement.

MercedCERA UPCOMING BOARD MEETINGS

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

ADJOURNMENT

The meeting adjourned at 9:07AM

Accepted By,

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

October 27,
2022

Private Asset Capital Budget Update

Merced County Employees' Retirement Association



Strictly Confidential. Not for Distribution.

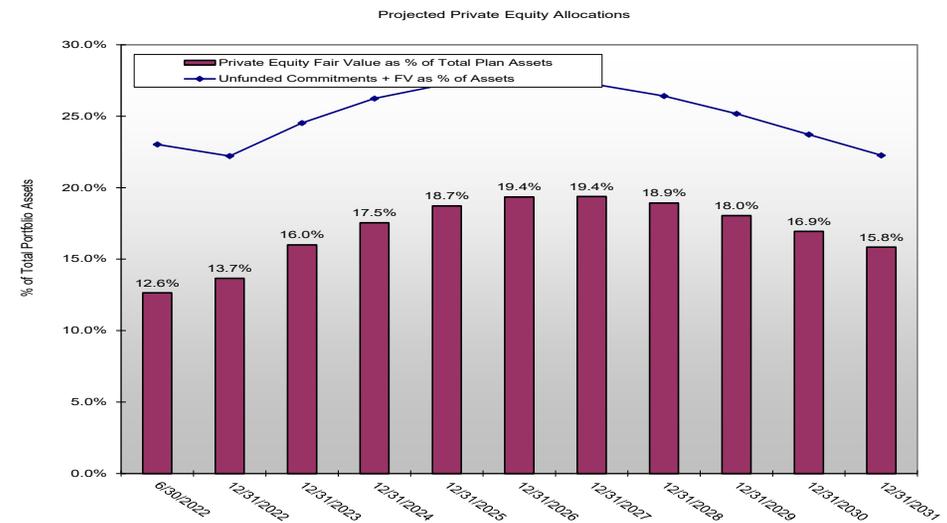
MercedCERA Private Equity Capital Budget & Implementation Plan

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

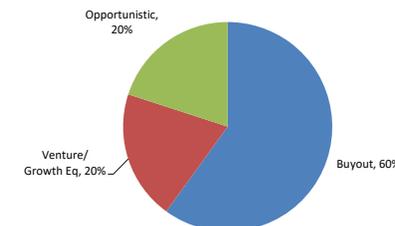
- Lower annual capital budget target to \$50 mm from \$55 mm
 - Range of \$35-\$65 million
- Target 5-10 investments, range of \$5-\$15 million per inv; average size of \$7 million per
- Actual exposure is higher than projections due to public market declines
- Targets for strategy exposures remain the 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%.

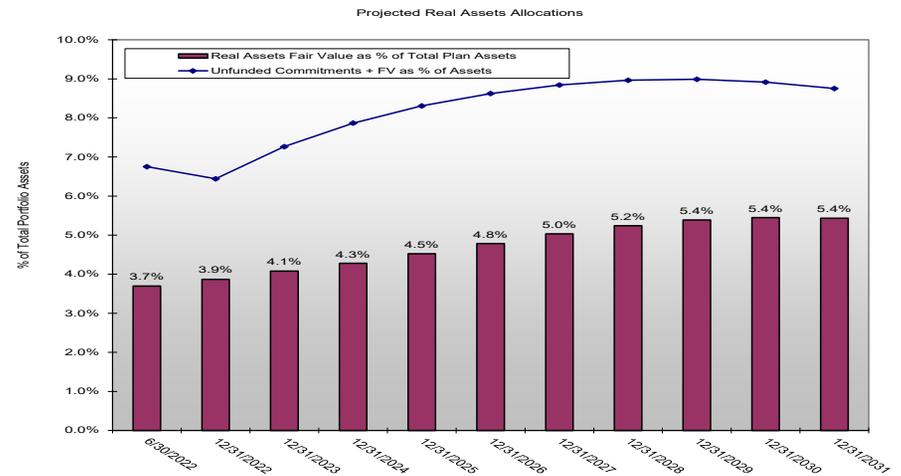
MercedCERA Real Asset Capital Budget & Implementation Plan

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%.

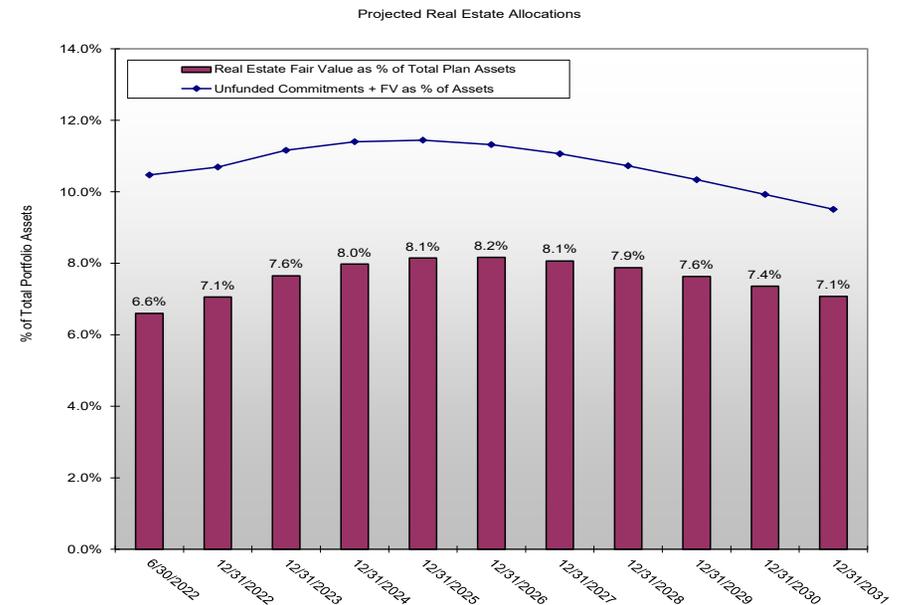
MercedCERA Real Estate Capital Budget & Implementation Plan

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%.

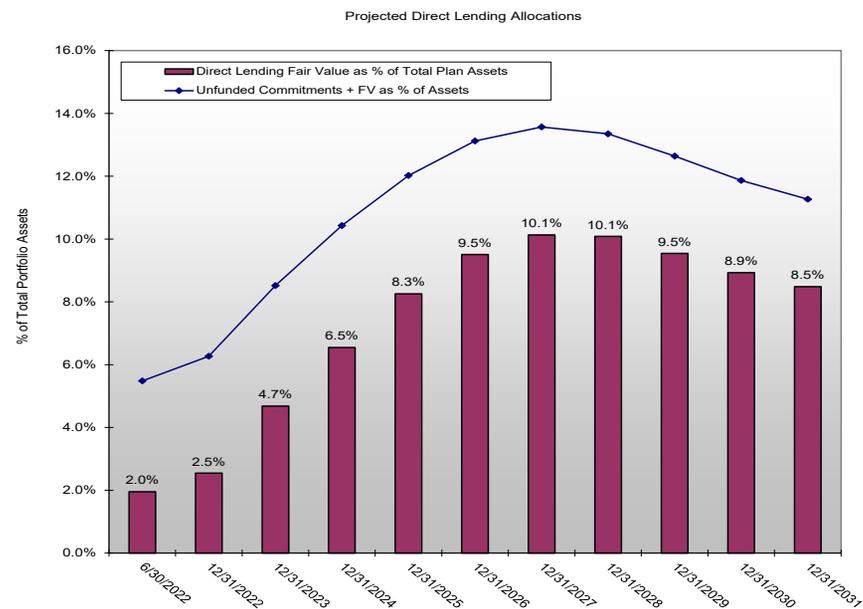
MercedCERA Direct Lending Capital Budget & Implementation Plan

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)



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

Important Notice

This presentation was prepared exclusively for information and discussion purposes, and is not meant to be, nor shall it be construed as, an attempt to define all information that may be material to you. All information including opinions or facts expressed herein are current as of the date appearing in this presentation and is subject to change without notice. All information has been obtained from sources believed to be reliable. No representation, warranty, or undertaking, express or implied, is given as to the accuracy or completeness of the information or opinions contained in this presentation. Past performance does not guarantee future performance.

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

October 27, 2022

August Performance

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

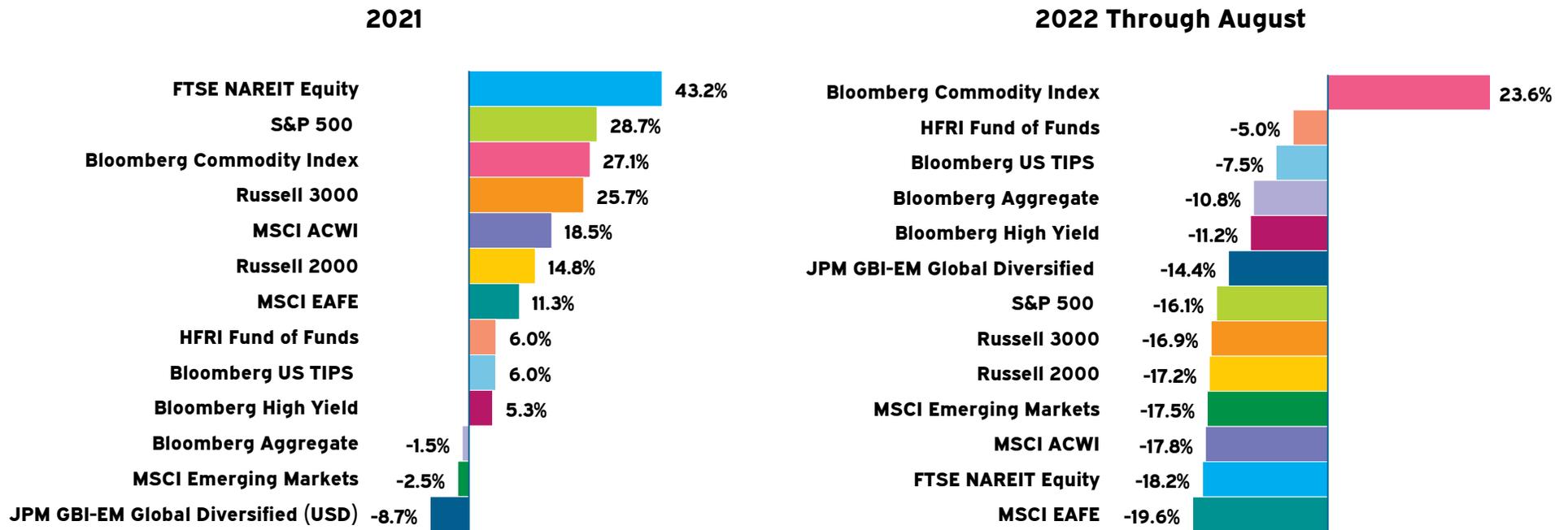
Economic and Market Update

Data as of August 31, 2022

Commentary

- After posting strong results in July, global markets resumed their sell-off in August on mounting concerns that policy rates would go much higher to contain inflation, increasing the risk of recession.
- The hopes for a so-called Fed pivot were dashed by a brief address at the Jackson Hole Conference by the Chairman of the Federal Reserve, Jerome Powell. In his speech he indicated that the Fed was prepared to hike rates much higher even if unemployment rates rose and economic growth cooled.
 - Emerging market equities significantly outperformed for the month as inflationary fears and hawkish rhetoric from the Federal Reserve particularly weighed on developed market equities.
 - Except for small-cap, value stocks outperformed growth stocks, reflecting expectations for higher rates and lower economic growth.
 - Interest rates rose across the US yield curve with the curve remaining inverted (ten-year yield minus the two-year yield) by 30 basis points.
- Persistently high inflation and the likely increased pace of the policy response, the war in Ukraine, lingering COVID-19 issues, and lockdowns in China will all have considerable consequences for the global economy.

Index Returns¹



- Except for emerging markets and the broad US investment grade bond market (Bloomberg Aggregate), most asset classes appreciated in 2021.
- After a brief rally in July, most major markets resumed declines in August as it became clear significant further policy tightening would be taken to try to bring inflation under control. Except for commodities, all major assets classes have experienced declines year-to-date through August.

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

Domestic Equity Returns¹

Domestic Equity	August (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-4.1	4.8	-16.1	-11.2	12.4	11.8	13.1
Russell 3000	-3.7	5.3	-16.9	-13.3	11.9	11.3	12.8
Russell 1000	-3.8	5.1	-16.9	-13.0	12.1	11.6	13.0
Russell 1000 Growth	-4.7	6.8	-23.2	-19.1	14.5	14.8	15.1
Russell 1000 Value	-3.0	3.5	-9.8	-6.2	8.8	7.9	10.5
Russell MidCap	-3.1	6.4	-16.5	-14.8	9.3	9.2	11.6
Russell MidCap Growth	-3.3	8.6	-25.1	-26.7	7.0	10.2	12.1
Russell MidCap Value	-3.1	5.3	-11.8	-7.8	9.5	7.5	10.8
Russell 2000	-2.0	8.2	-17.2	-17.9	8.6	6.9	10.0
Russell 2000 Growth	-0.9	10.2	-22.3	-25.3	5.9	6.7	10.2
Russell 2000 Value	-3.2	6.2	-12.2	-10.2	10.4	6.6	9.5

US Equities: Russell 3000 Index fell 3.7% for August.

- US stocks fell during August, with the technology, healthcare, and real estate sectors declining the most. The continued rise of interest rates affected valuations in these areas.
- Energy stocks fared better than the overall market, posting positive returns for the month as fuel prices remained elevated.
- Value stocks outperformed growth stocks in the large cap segment of the market, while the reverse was true in the small cap segment. A rebound in small cap biotechnology stocks contributed to this dynamic.

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

Foreign Equity Returns¹

Foreign Equity	August (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	-3.2	0.1	-18.3	-19.5	2.9	1.7	4.5
MSCI EAFE	-4.7	0.0	-19.6	-19.8	2.4	1.6	5.0
MSCI EAFE (Local Currency)	-2.3	2.8	-8.8	-6.5	5.9	4.7	8.3
MSCI EAFE Small Cap	-4.4	1.9	-23.3	-26.0	2.8	1.2	7.1
MSCI Emerging Markets	0.4	0.2	-17.5	-21.8	2.7	0.6	2.9
MSCI Emerging Markets (Local Currency)	1.2	1.3	-12.5	-15.8	4.9	3.2	5.9
MSCI China	0.2	-9.3	-19.5	-28.2	-2.2	-2.3	4.6

International equities (MSCI EAFE) fell 4.7%, while emerging markets (MSCI EM) rose 0.4% in August.

- Non-US developed market stocks again trailed the US for the month, leading to the steepest declines year to date. High inflation in Europe, particularly related to gas and electricity, the ongoing war in Ukraine, and relatively slower growth continue to weigh on sentiment.
- Emerging market equities posted a small monthly gain, significantly outperforming developed markets. China gained 0.2% as supportive policy continued to be balanced by strict COVID-19 policies.
- A strong US dollar remained an additional headwind to international equities for the month, particularly in developed markets.

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

Fixed Income Returns¹

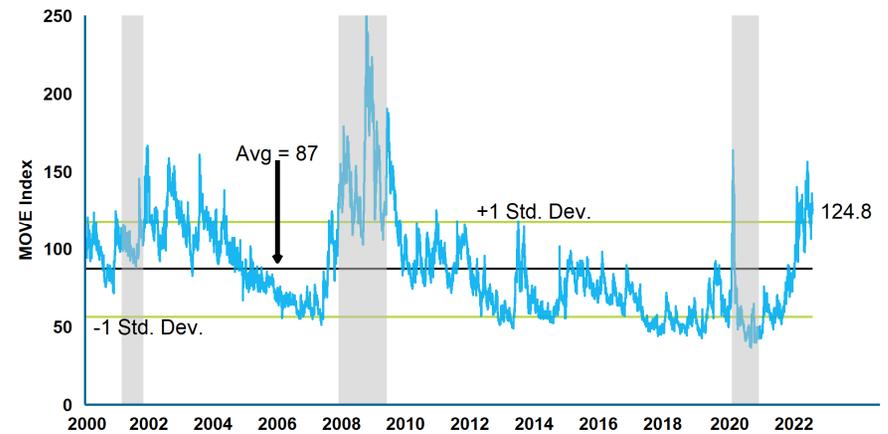
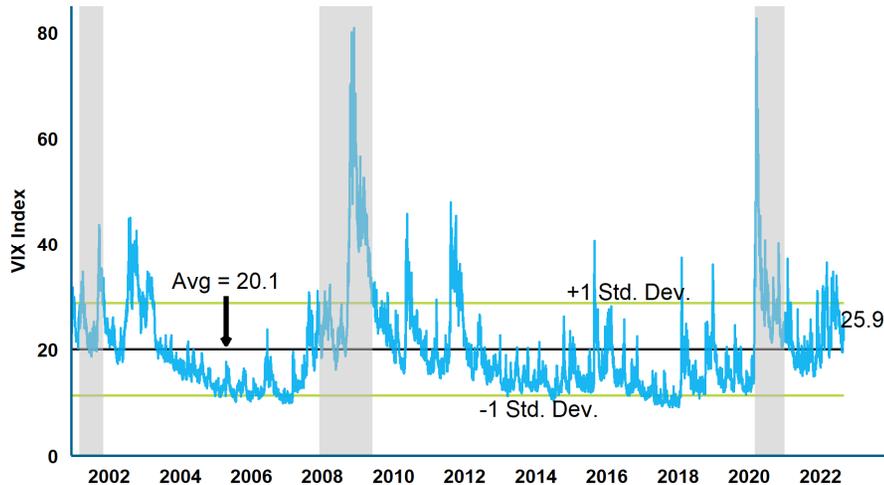
Fixed Income	August (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-2.6	-0.2	-11.1	-11.9	-1.8	0.6	1.6	4.4	6.4
Bloomberg Aggregate	-2.8	-0.5	-10.8	-11.5	-2.0	0.5	1.4	4.0	6.6
Bloomberg US TIPS	-2.7	1.6	-7.5	-6.0	2.6	3.2	1.7	3.6	7.3
Bloomberg High Yield	-2.3	3.5	-11.2	-10.6	1.0	2.6	4.5	8.4	4.7
JPM GBI-EM Global Diversified (USD)	-0.1	0.2	-14.4	-19.4	-5.2	-3.0	-1.7	7.2	5.0

Fixed Income: The Bloomberg Universal declined 2.6% in August.

- A sharp rise in bond yields driven by central banks confirming their commitment to fight inflation broadly weighed on fixed income in August.
- For the month, the US ten-year Treasury note yield rose from 2.6% to 3.2%, while the two-year Treasury increased from 2.9% to 3.5%.
- Riskier bonds declined the least with the high yield index falling slightly less than the broad US bond market (2.3% versus 2.8%). Emerging market bonds finished only down slightly.

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

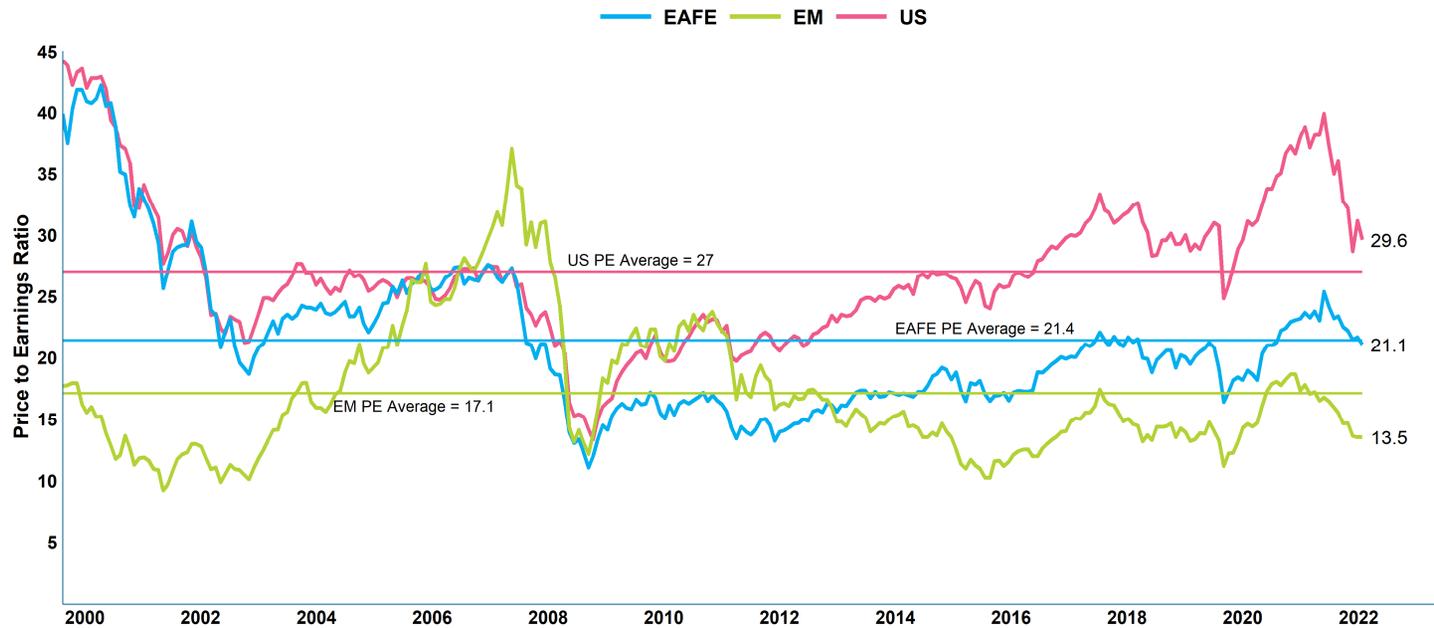
Equity and Fixed Income Volatility¹



- Volatility in equities (VIX) and fixed income (MOVE) rose in August as the Federal Reserve clarified that they will likely continue to aggressively tighten monetary policy to fight high inflation.
- Fixed income volatility remains high due to the uncertain path of short-term interest rates.

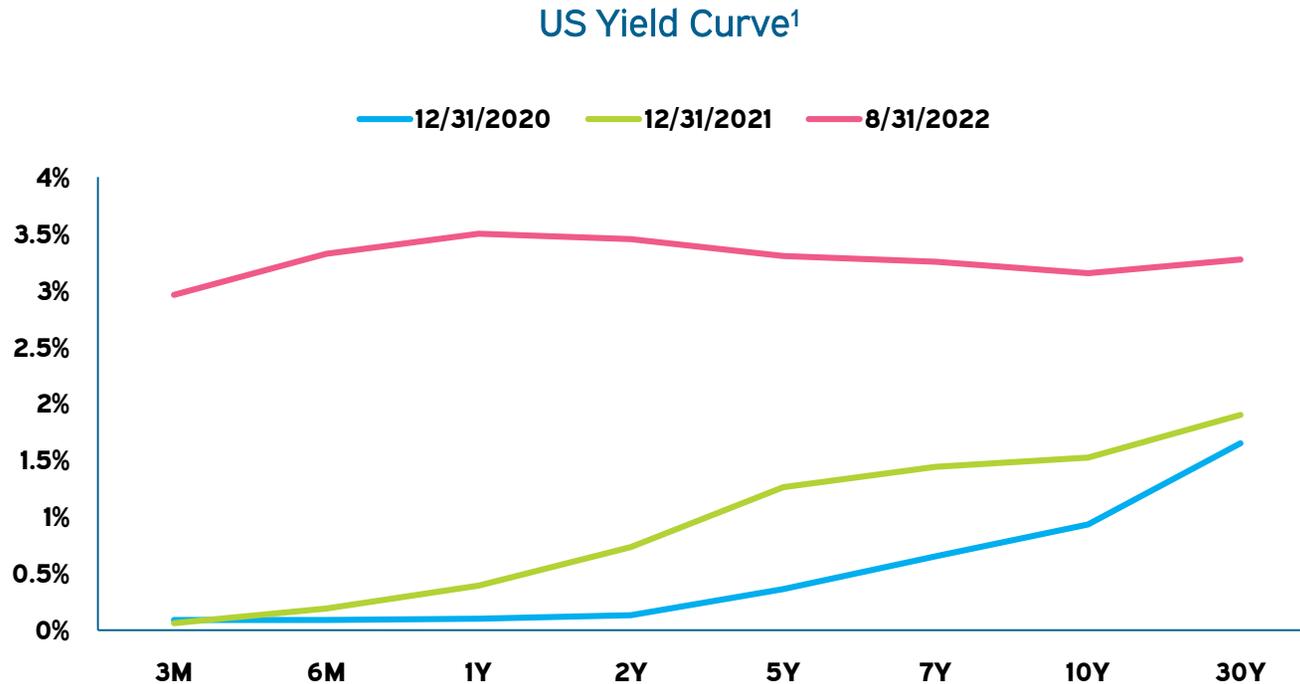
¹ Equity and Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of August 2022. The average line indicated is the average of the VIX and MOVE values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

Equity Cyclically Adjusted P/E Ratios¹



- In spite of August price declines the US equity price-to-earnings ratio remains above the long-term average, but well off the recent peak.
- International developed market valuations remain below the US and are slightly below their own long-term average, with those for emerging markets the lowest and under the long-term average.

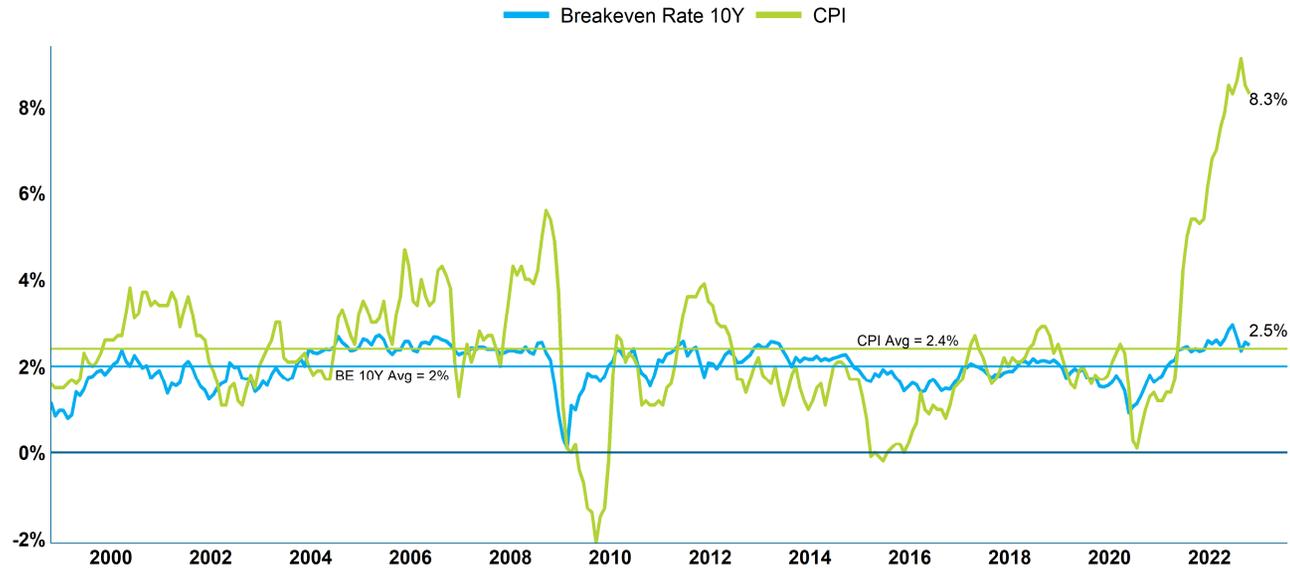
¹ US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years. Data is as of August 31, 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 much higher than at the start of the year.
- In August, rates rose across the yield curve as hopes of a Fed “pivot” were dashed by Chair Powell delivering a message that the FOMC was committed to reducing inflation despite the potential impacts to growth.
- The yield spread between two-year and ten-year Treasuries remained negative, finishing August at -0.30%. Inversions in the yield curve have historically often preceded recessions.

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

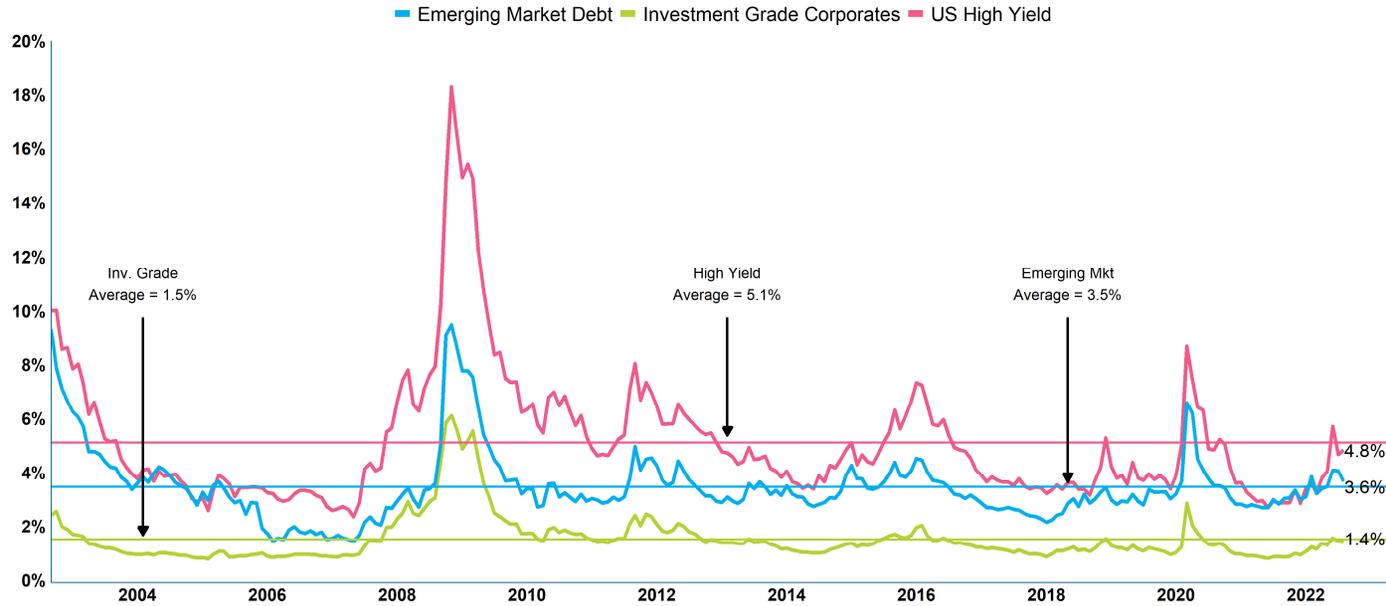
Ten-Year Breakeven Inflation and CPI¹



- In August, inflation expectations (breakevens) declined slightly on the prospects tighter monetary policy would lower-long-run inflation.
- Trailing twelve-month CPI declined in August (8.3% versus 8.5%) but surprised markets by coming in above expectations. Despite recent declines in energy prices inflation levels in the US remain well above the long-term average with widespread pricing pressures.
- Over the last year rising prices for energy (particularly oil), food, housing, and for new and used cars, remain key drivers of higher inflation.

¹ Source: Bloomberg. Data is as of August 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



- Investment grade corporates in the US outpaced Treasuries for the month, while in emerging markets corporate bonds saw positive results and government bonds were generally weaker.
- Credit spreads (the spread above a comparable maturity Treasury) had mixed results in August but remain largely around historical averages.
- In the US, spreads for high yield increased slightly (4.8% versus 4.7%), while investment grade spreads remained the same (1.4%). Emerging market spreads declined (3.6% versus 4.0%).

¹ Sources: Bloomberg. Data is as of August 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

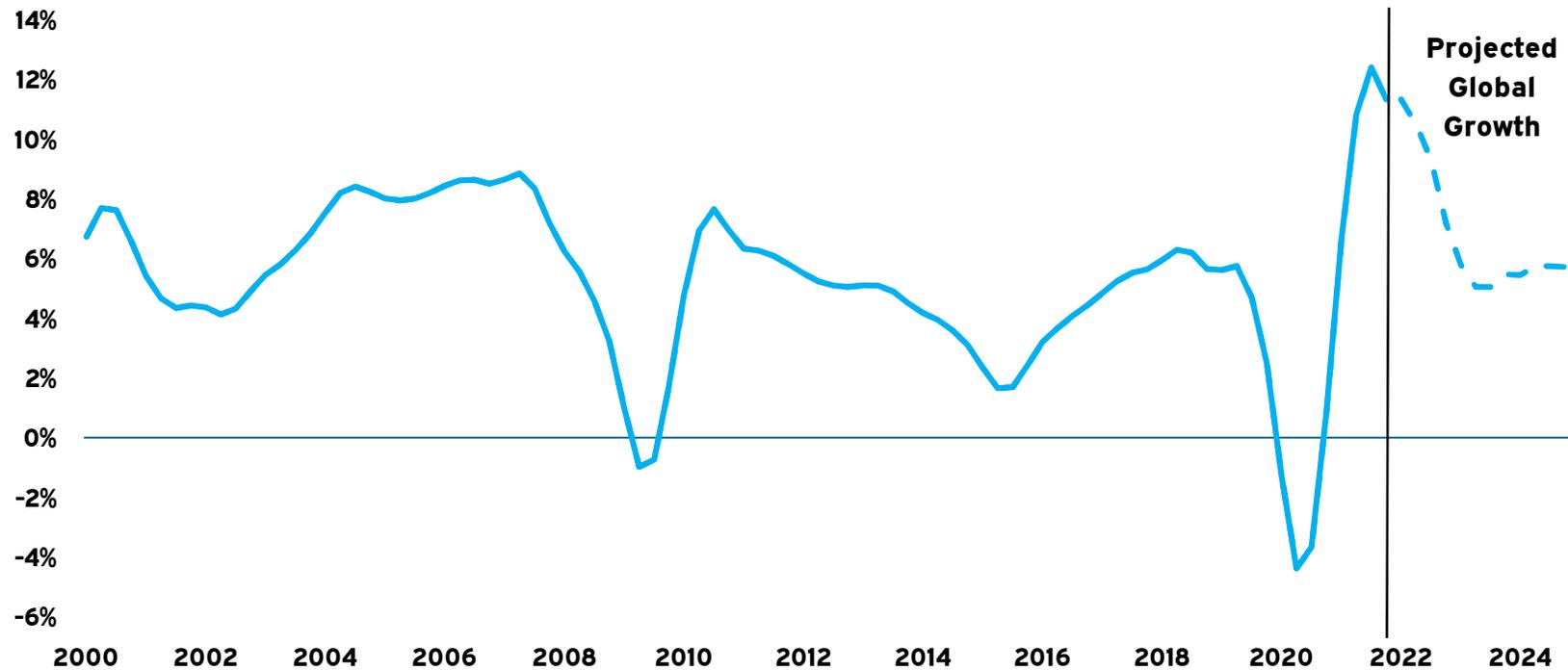
The IMF significantly lowered global growth forecasts again in their latest projections, driven by the economic impacts of persistent inflation in energy and food prices.

- The IMF forecasts global GDP growth to come in at 3.2% in 2022 (0.4% below the prior estimate) and 2.9% in 2023 (0.7% below the prior estimate).
- In advanced economies, GDP is projected to increase 2.5% in 2022 and 1.4% in 2023. The US saw another downgrade in the 2022 (2.3% versus 3.7%) and 2023 (1.0% versus 2.3%) growth forecasts largely due to policy tightening happening faster than previously expected given persistently high inflation. The euro area saw a downgrade too in expected growth (2.6% versus 2.8%) in 2022 and in 2023 (1.2% versus 2.3%) as rising energy prices particularly weigh on the region that is a net importer of energy. The Japanese economy is expected to grow 1.7% this year and next.
- Growth projections for emerging markets are higher than developed markets, at 3.6% in 2022 and 3.9% in 2023. China's growth was downgraded for 2022 (3.3% versus 4.4%) and 2023 (4.9% versus 5.1%) given tight COVID-19 restrictions and continued property sector problems.
- The global inflation forecast was significantly increased for 2022 (7.4% versus 3.8%).

	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	2.9	3.0	7.4	4.8	3.5
Advanced Economies	2.5	1.4	1.6	5.7	2.5	1.5
US	2.3	1.0	2.1	7.7	2.9	1.9
Euro Area	2.6	1.2	0.9	5.3	2.3	1.2
Japan	1.7	1.7	0.5	1.0	0.8	0.5
Emerging Economies	3.6	3.9	4.2	8.7	6.5	5.1
China	3.3	4.9	6.7	2.1	1.8	2.1

¹ Source: IMF World Economic Outlook. Real GDP forecasts from July 2022 Update. Inflation forecasts are as of the April 2022 Update. Actual 10 Year Average represents data from 2012 to 2021.

Global Nominal Gross Domestic Product (GDP) Growth¹

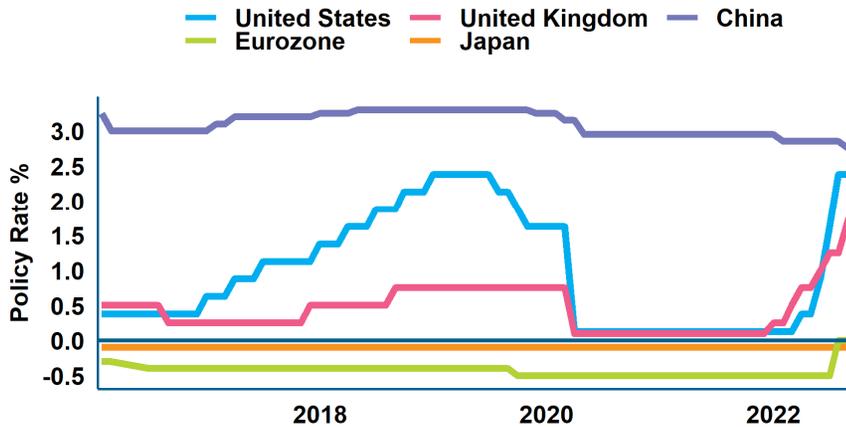


- Global economies are expected to slow in 2022 compared to 2021 with risks of recession increasing given persistently high inflation and related tighter monetary policy.
- The delicate balancing act of central banks trying to reduce inflation without dramatically impacting growth will remain key.

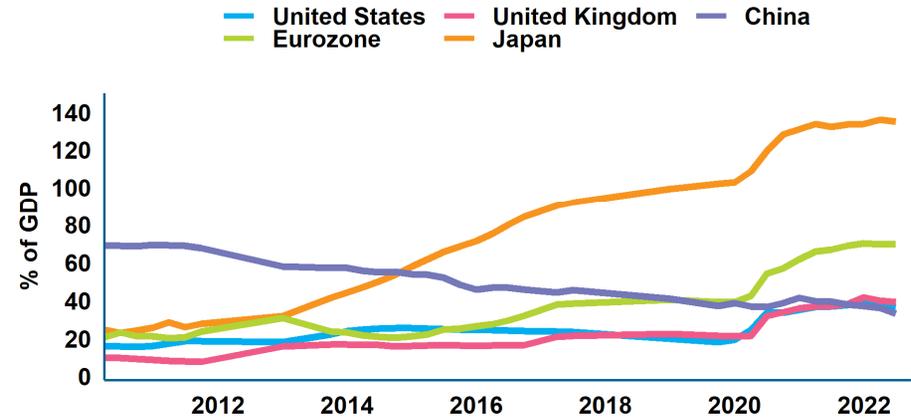
¹ Source: Oxford Economics (World GDP, US\$ prices & PPP exchange rate, nominal, % change YoY). Updated August 2022. Nominal expectations for GDP remain much higher than real GDP expectations given the elevated inflation levels.

Central Bank Response¹

Policy Rates



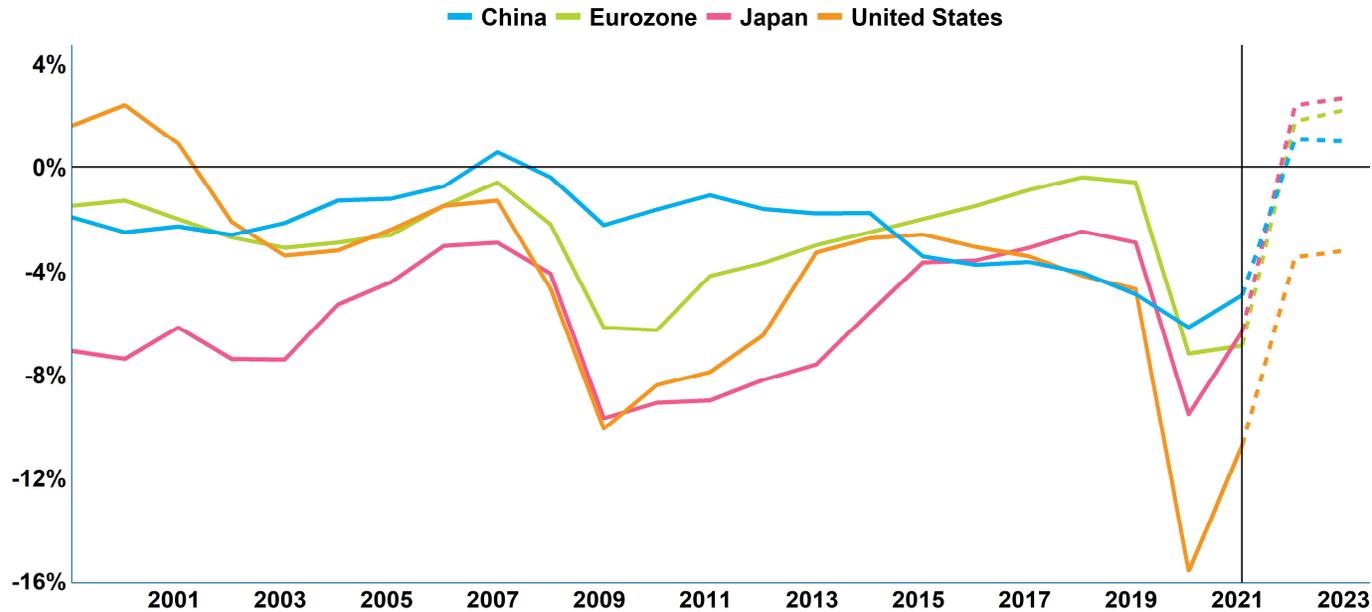
Balance Sheet as % of GDP



- 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 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.
- The one notable central bank outlier is China, where the central bank has lowered rates and reserve requirements in response to slowing growth.

¹ Source: Bloomberg. Policy rate data is as of August 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 June 30, 2022.

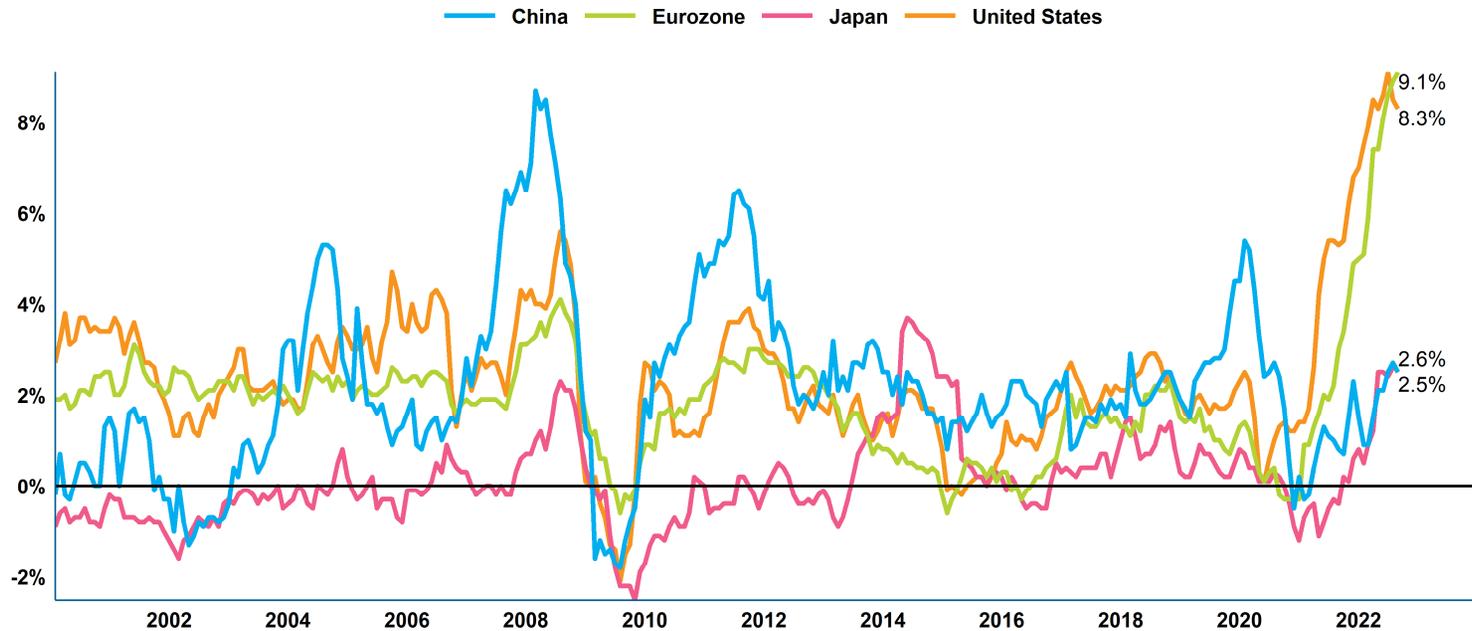
Budget Surplus / Deficit as a Percentage of GDP¹



- 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 in the coming years.

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

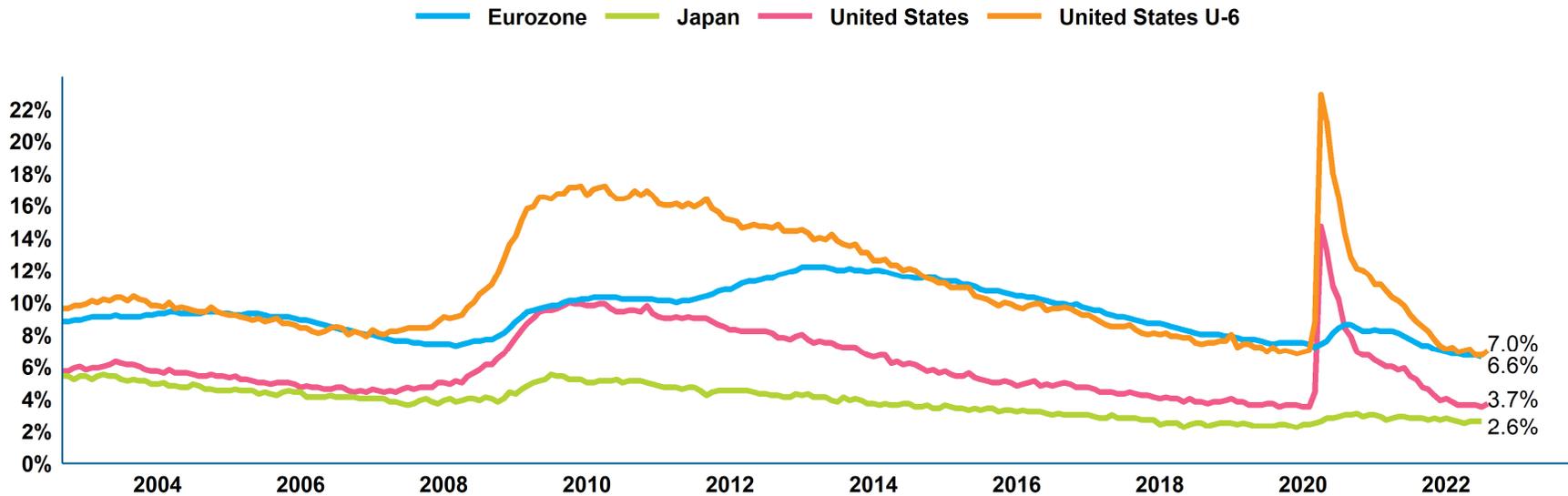
Inflation (CPI Trailing Twelve Months)¹



- 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.
- Supply issues related to the pandemic, record monetary and fiscal stimulus, strict COVID-19 restrictions in China, and higher prices in many commodities driven by the war in Ukraine have been key global drivers of inflation.

¹ Source: Bloomberg. Data is as of August 2022. The most recent data for Japan is as of July 31, 2022.

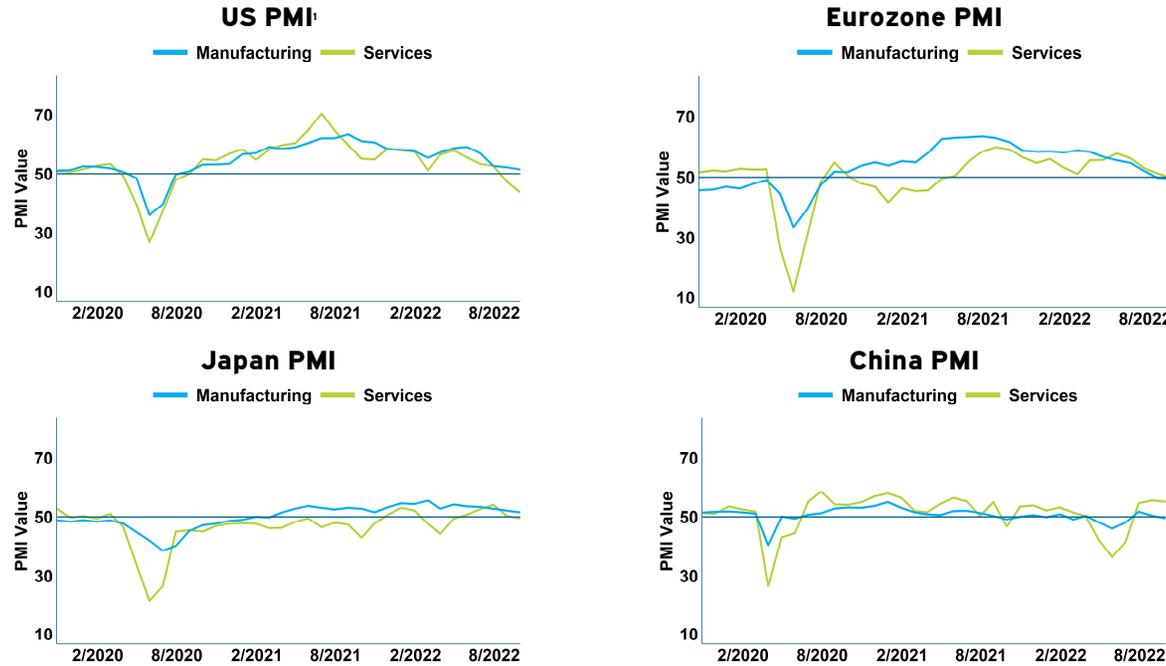
Unemployment¹



- 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, declined to close to pre-pandemic levels. The broader measure (U-6) that includes discouraged and underemployed workers declined but is much higher at 7.0%.

¹ Source: Bloomberg. Data is as of August 2022, for the US. The most recent data for Eurozone and Japanese unemployment is as of July 31, 2022.

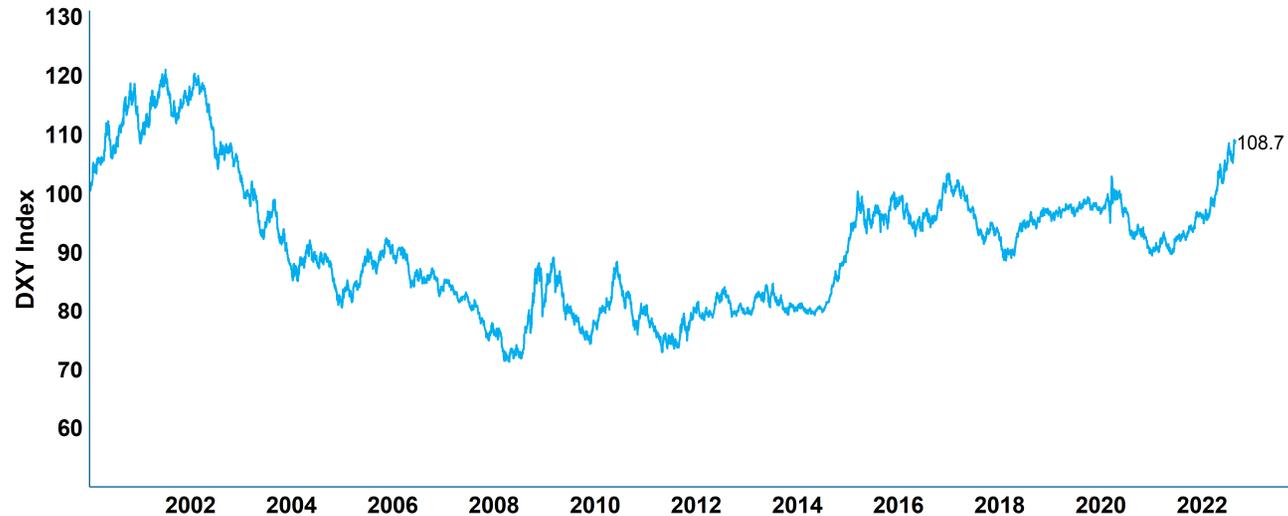
Global PMIs



- After improvements from the lows of the pandemic, Purchasing Managers Indices (PMI), based on surveys of private sector companies, have largely experienced some pressures recently.
- Service sector PMIs, except for China, are all in contraction territory. The US experienced the largest decline driven by lower output due to weak demand, a sharp decline in new orders, and softening employment.
- Manufacturing PMIs dropped recently across China and developed markets given declines in demand and inflationary pressures.

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 August 2022. Readings below 50 represent economic contractions.

US Dollar versus Broad Currencies¹



- The US dollar continued to strengthen in August reaching levels not seen in two decades. 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, and yuan have all experienced significant declines versus the dollar this year, adding to inflation and slowing growth concerns.

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

Summary

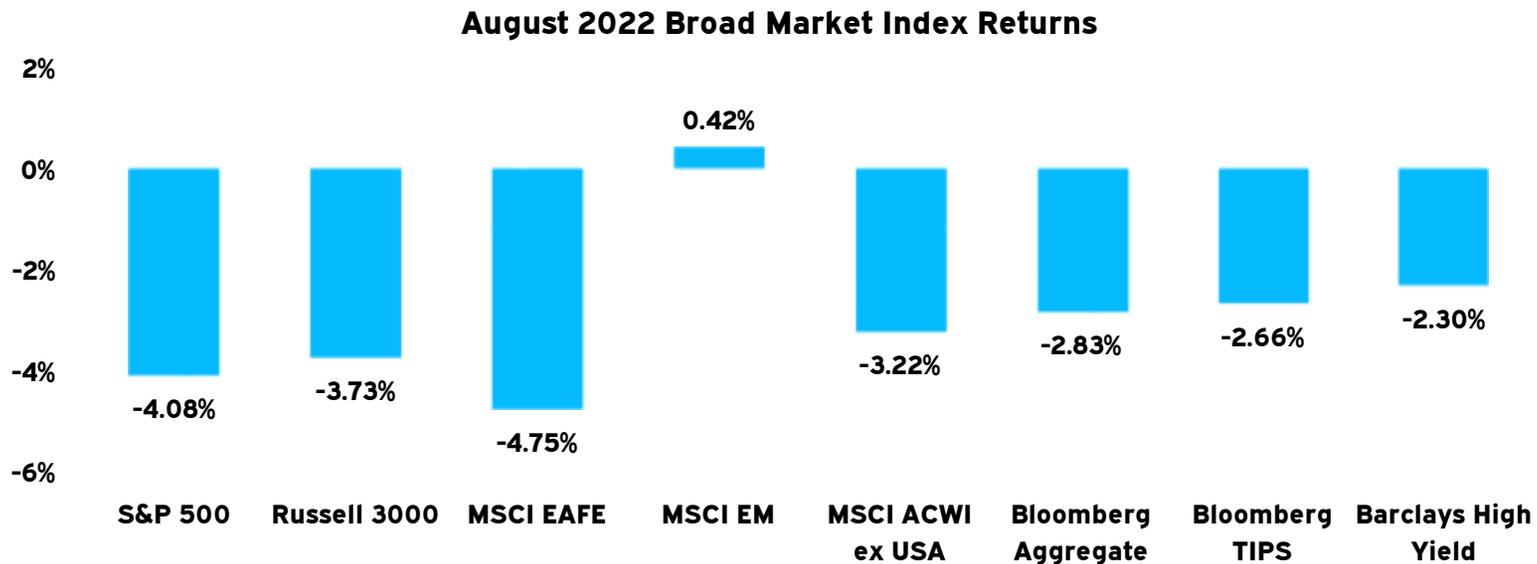
Key Trends in 2022:

- The impacts of record high inflation will remain key going forward, with volatility likely to remain high.
- The pace of monetary policy tightening globally will be much faster than previously expected, with the risk of overtightening.
- Expect growth to slow globally in 2022 to the long-term trend or below. Inflation, monetary policy, and the war will all be key.
- 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, approaching long-term averages.
- Outside the US, equity valuations remain lower in both emerging and developed markets, but 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 August 31, 2022

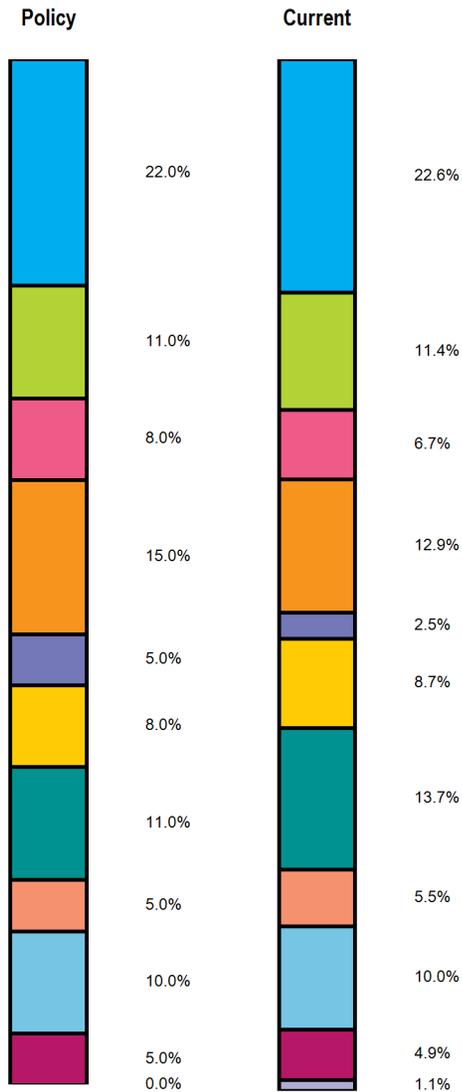
Market Review and Performance Summary for August 2022



- Most asset classes struggled in August due to concerns around additional rate hikes by the Fed. US equities and International Developed markets were particularly affected by the hawkish rhetoric, while Emerging Markets posted modest gains. Fixed Income markets were also negatively impacted by the prospect of additional policy tightening, with broad US bonds struggling more than High Yield bonds.
- Merced CERA reported a monthly return of -1.8% net of fees. US Equities was the worst performing asset class for the month, primarily due to both large cap funds in the sleeve. Developed International Equities also struggled, returning -3.4%, though First Eagle International Value Fund's relative outperformance vs. its benchmark helped the sleeve on a relative basis. US Fixed Income returned -2.7%, outpacing its benchmark by 10 bps. Opportunistic Credit posted 0.2% for the month, primarily due to strong performance from the Sculptor Credit Opportunities fund.
- As of August 31, 2022, total assets for the Merced CERA Portfolio are estimated at \$1.07 billion.

Performance Update

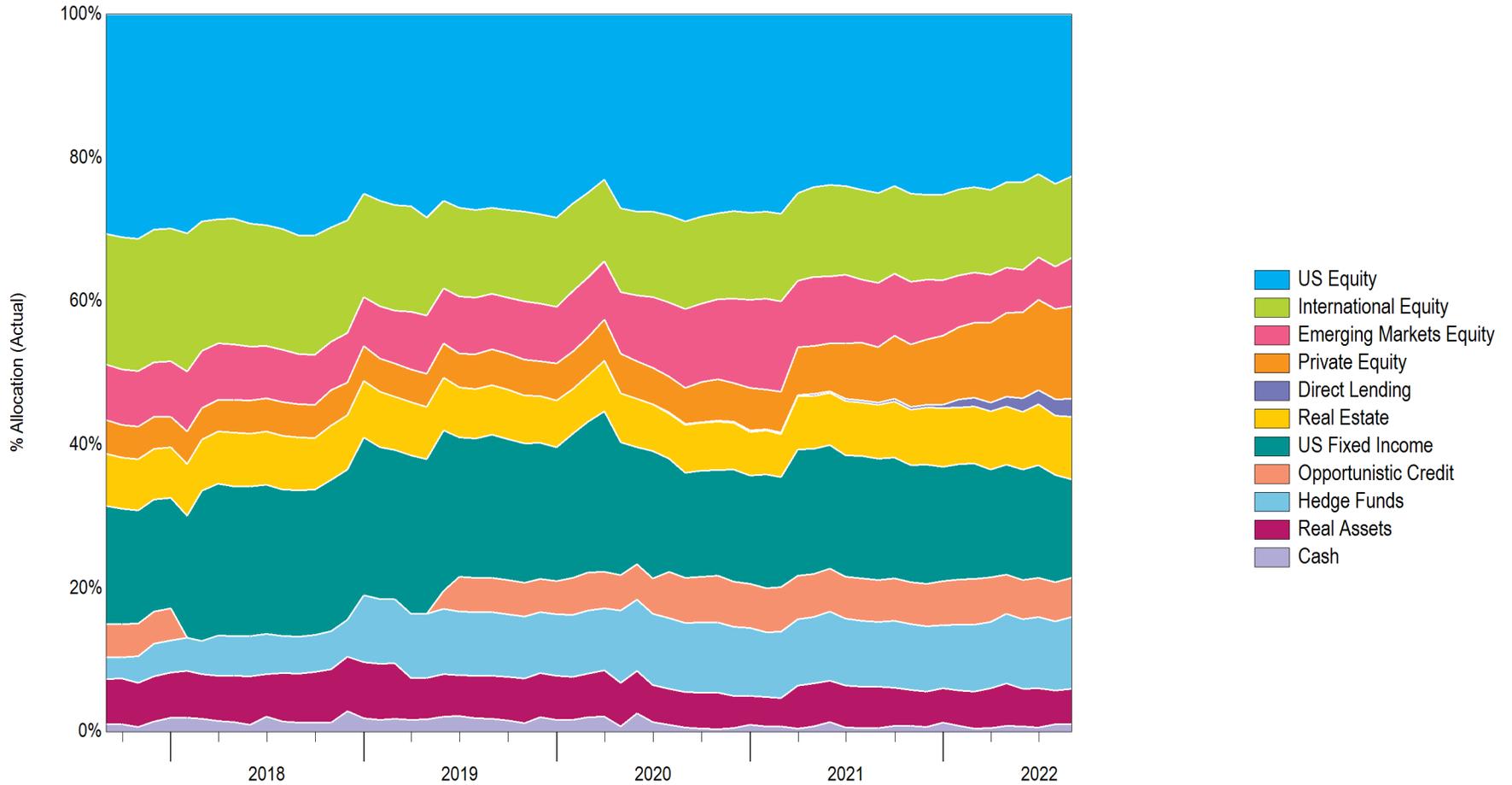
As of August 31, 2022



Allocation vs. Targets and Policy						
	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?
US Equity	\$241,174,671	22.6%	22.0%	0.6%	16.0% - 27.0%	Yes
International Equity	\$121,556,388	11.4%	11.0%	0.4%	6.0% - 16.0%	Yes
Emerging Markets Equity	\$71,973,565	6.7%	8.0%	-1.3%	4.0% - 12.0%	Yes
Private Equity	\$138,130,698	12.9%	15.0%	-2.1%	5.0% - 20.0%	Yes
Direct Lending	\$26,786,405	2.5%	5.0%	-2.5%	0.0% - 10.0%	Yes
Real Estate	\$92,827,550	8.7%	8.0%	0.7%	6.0% - 10.0%	Yes
US Fixed Income	\$146,572,992	13.7%	11.0%	2.7%	6.0% - 16.0%	Yes
Opportunistic Credit	\$58,991,727	5.5%	5.0%	0.5%	3.0% - 7.0%	Yes
Hedge Funds	\$106,834,602	10.0%	10.0%	0.0%	5.0% - 15.0%	Yes
Real Assets	\$52,073,095	4.9%	5.0%	-0.1%	3.0% - 7.0%	Yes
Cash	\$11,523,355	1.1%	0.0%	1.1%	0.0% - 5.0%	Yes
Total	\$1,068,445,047	100.0%	100.0%			

Cash range displayed for illustrative purposes only.

Asset Allocation History
5 Years Ending August 31, 2022



Asset Class Performance Summary											
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund (Net)*	1,068,445,047	100.0	-1.8	1.5	-9.6	-6.9	8.4	7.3	8.0	8.0	Dec-94
Total Fund (Gross)*			-1.8	1.6	-9.4	-6.6	8.7	7.6	8.4	8.1	
<i>Policy Index</i>			<i>-1.5</i>	<i>0.7</i>	<i>-9.0</i>	<i>-5.6</i>	<i>8.2</i>	<i>7.1</i>	<i>8.1</i>	<i>6.2</i>	<i>Dec-94</i>
Total Fund w/o Alternatives (Net)	640,269,343	59.9	-3.0	2.0	-16.5	-16.3	6.4	6.0	7.5	--	Dec-94
Total Fund w/o Alternatives (Gross)			-2.9	2.1	-16.3	-15.9	6.8	6.4	7.9	--	
<i>Policy Index w/o AI</i>			<i>-2.9</i>	<i>2.1</i>	<i>-15.0</i>	<i>-14.6</i>	<i>5.1</i>	<i>5.1</i>	<i>6.7</i>	<i>--</i>	<i>Dec-94</i>
US Equity (Net)	241,174,671	22.6	-4.0	4.9	-18.7	-14.6	10.8	10.8	13.2	10.0	Dec-94
US Equity (Gross)			-4.0	4.9	-18.6	-14.4	11.0	11.1	13.4	10.1	
<i>Russell 3000</i>			<i>-3.7</i>	<i>5.3</i>	<i>-16.9</i>	<i>-13.3</i>	<i>12.0</i>	<i>11.0</i>	<i>12.5</i>	<i>10.0</i>	<i>Dec-94</i>
International Equity (Net)	193,529,953	18.1	-2.7	0.4	-21.7	-25.4	7.3	4.4	6.1	5.3	Dec-98
International Equity (Gross)			-2.7	0.5	-21.2	-24.8	8.1	5.0	6.8	5.6	
<i>International Equity Custom</i>			<i>-2.5</i>	<i>0.2</i>	<i>-18.3</i>	<i>-20.2</i>	<i>3.1</i>	<i>1.8</i>	<i>5.1</i>	<i>3.9</i>	<i>Dec-98</i>
Developed International Equity (Net)	121,556,388	11.4	-3.4	-1.0	-15.1	-16.3	6.2	3.8	6.0	3.5	Jan-08
Developed International Equity (Gross)			-3.3	-0.9	-14.7	-15.7	6.9	4.2	6.5	4.0	
<i>Custom Blended Developed International Equity BM</i>			<i>-4.3</i>	<i>0.6</i>	<i>-19.8</i>	<i>-20.3</i>	<i>2.8</i>	<i>1.9</i>	<i>5.1</i>	<i>2.2</i>	<i>Jan-08</i>
Emerging Markets Equity (Net)	71,973,565	6.7	-1.7	3.1	-31.8	-38.2	6.6	3.9	4.8	4.0	Apr-12
Emerging Markets Equity (Gross)			-1.6	3.3	-31.3	-37.6	7.5	4.9	5.8	5.0	
<i>Custom Blended Emerging Markets Benchmark</i>			<i>0.4</i>	<i>0.2</i>	<i>-17.5</i>	<i>-21.8</i>	<i>2.8</i>	<i>0.8</i>	<i>3.2</i>	<i>2.5</i>	<i>Apr-12</i>
US Fixed Income (Net)	146,572,992	13.7	-2.7	-0.4	-10.6	-11.4	-2.0	0.4	1.7	4.6	Dec-94
US Fixed Income (Gross)			-2.7	-0.4	-10.5	-11.3	-1.8	0.5	1.8	4.7	
<i>BBgBarc US Aggregate TR</i>			<i>-2.8</i>	<i>-0.5</i>	<i>-10.8</i>	<i>-11.5</i>	<i>-2.0</i>	<i>0.6</i>	<i>1.5</i>	<i>4.9</i>	<i>Dec-94</i>
Opportunistic Credit (Net)	58,991,727	5.5	0.2	2.4	-5.5	-4.0	3.6	--	--	3.7	May-19
Opportunistic Credit (Gross)			0.2	2.6	-5.2	-3.5	4.0	--	--	4.0	
<i>50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Leveraged Loans</i>			<i>-1.6</i>	<i>1.5</i>	<i>-8.5</i>	<i>-8.4</i>	<i>0.1</i>	<i>--</i>	<i>--</i>	<i>1.2</i>	<i>May-19</i>

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 August 31, 2022

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Real Estate (Net)	92,827,550	8.7	-1.6	0.5	-0.5	9.3	5.6	5.8	7.0	--	Mar-99
Real Estate (Gross)			-1.6	0.5	-0.5	9.3	5.6	5.8	7.6	8.1	
<i>Custom Blended Real Estate Benchmark</i>			0.0	0.0	12.5	29.5	12.3	9.9	10.3	8.0	Mar-99
<i>CPI + 5% (Seasonally Adjusted)</i>			0.5	0.9	9.0	13.6	10.1	9.0	7.7	--	Mar-99
Private Real Estate (Net)	68,593,101	6.4	0.0	0.0	7.5	18.6	6.4	6.3	7.3	--	Mar-99
Private Real Estate (Gross)			0.0	0.0	7.5	18.7	6.4	6.3	7.8	8.2	
<i>Custom Blended Real Estate Benchmark</i>			0.0	0.0	12.5	29.5	12.3	9.9	10.3	8.0	Mar-99
Private Equity (Net)	138,130,698	12.9	0.0	0.0	8.4	30.7	23.8	20.2	13.6	10.8	Jun-05
Private Equity (Gross)			0.0	0.0	8.4	30.7	23.9	20.2	13.7	10.9	
<i>Custom Private Equity Benchmark</i>			0.4	-7.6	-5.0	6.5	20.4	18.8	18.7	--	Jun-05
Direct Lending (Net)	26,786,405	2.5	0.0	0.0	2.5	2.0	--	--	--	10.7	Jul-20
Direct Lending (Gross)			0.0	0.0	2.5	2.0	--	--	--	10.7	
<i>S&P LSTA Leverage Loan Index + 2%</i>			1.7	4.0	0.4	2.4	5.3	5.6	5.9	7.6	Jul-20
Hedge Fund (Net)	106,834,602	10.0	1.5	1.6	0.6	2.0	5.4	4.7	--	4.4	Jun-14
Hedge Fund (Gross)			1.5	1.7	1.2	2.8	6.4	5.3	--	4.8	
<i>Custom Blended Hedge Fund Benchmark</i>			0.5	1.3	-5.3	-4.8	4.6	3.6	--	3.4	Jun-14
Real Assets (Net)	52,073,095	4.9	-0.2	0.9	9.8	16.2	11.5	10.1	9.2	--	Mar-99
Real Assets (Gross)			-0.2	0.9	9.9	16.3	11.7	10.2	9.8	--	
<i>Custom Blended Real Assets Benchmark</i>			-0.4	3.3	2.5	9.4	6.7	7.0	--	--	Mar-99
<i>CPI + 5% (Seasonally Adjusted)</i>			0.5	0.9	9.0	13.6	10.1	9.0	7.7	--	Mar-99
Private Infrastructure (Net)	23,713,402	2.2	0.0	0.0	5.5	9.0	12.4	13.0	--	9.6	Dec-14
Private Infrastructure (Gross)			0.0	0.0	5.5	9.0	12.7	13.1	--	9.7	
<i>S&P Global Infrastructure TR USD</i>			-1.5	2.4	1.9	5.2	4.9	4.3	7.3	5.2	Dec-14
Private Natural Resources (Net)	14,654,687	1.4	0.0	0.0	26.3	42.5	12.8	12.2	--	15.3	Sep-15
Private Natural Resources (Gross)			0.0	0.0	26.3	42.5	12.8	12.2	--	15.3	
<i>S&P Global Natural Resources Index TR USD</i>			0.7	4.2	2.8	9.2	13.5	8.3	4.8	11.8	Sep-15
Cash (Net)	11,523,355	1.1	0.1	0.1	0.2	0.2	0.5	0.7	--	--	
Cash (Gross)			0.1	0.1	0.2	0.2	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 03/31/2022 NAVs unless otherwise noted.

Real Assets includes State Street Real Asset NL Fund.

Trailing Net Performance													
	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
Total Fund(Net)*	1,068,445,047	100.0	--	-1.8	1.5	-9.6	-6.9	8.4	7.3	8.0	8.0	Dec-94	
<i>Policy Index</i>				-1.5	0.7	-9.0	-5.6	8.2	7.1	8.1	6.2	Dec-94	
Total Fund w/o Alternatives(Net)	640,269,343	59.9	59.9	-3.0	2.0	-16.5	-16.3	6.4	6.0	7.5	--	Dec-94	
<i>Policy Index w/o AI</i>				-2.9	2.1	-15.0	-14.6	5.1	5.1	6.7	--	Dec-94	
US Equity(Net)	241,174,671	22.6	37.7	-4.0	4.9	-18.7	-14.6	10.8	10.8	13.2	10.0	Dec-94	
<i>Russell 3000</i>				-3.7	5.3	-16.9	-13.3	12.0	11.0	12.5	10.0	Dec-94	
BNY Mellon Large Cap(Net)	167,312,543	15.7	69.4	-3.8	5.1	-16.9	-13.0	12.2	11.6	--	12.6	Mar-16	
<i>Russell 1000</i>				-3.8	5.1	-16.9	-13.0	12.1	11.6	13.0	12.6	Mar-16	
BNY Mellon Newton Dynamic US Equity(Net)	48,381,709	4.5	20.1	-5.0	4.0	-20.0	-14.9	11.7	12.4	--	15.3	Dec-12	
<i>S&P 500</i>				-4.1	4.8	-16.1	-11.2	12.4	11.8	13.1	13.3	Dec-12	
Champlain Small Cap(Net)	25,480,420	2.4	10.6	-2.4	5.3	-22.1	-21.4	--	--	--	5.0	Nov-20	
<i>Russell 2000</i>				-2.0	8.2	-17.2	-17.9	8.6	6.9	10.0	11.6	Nov-20	
International Equity(Net)	193,529,953	18.1	30.2	-2.7	0.4	-21.7	-25.4	7.3	4.4	6.1	5.3	Dec-98	
<i>International Equity Custom</i>				-2.5	0.2	-18.3	-20.2	3.1	1.8	5.1	3.9	Dec-98	
Developed International Equity(Net)	121,556,388	11.4	62.8	-3.4	-1.0	-15.1	-16.3	6.2	3.8	6.0	3.5	Jan-08	
<i>Custom Blended Developed International Equity BM</i>				-4.3	0.6	-19.8	-20.3	2.8	1.9	5.1	2.2	Jan-08	
GQG International Equity(Net)	50,293,330	4.7	41.4	-3.1	-2.1	-15.0	-16.8	--	--	--	4.1	Dec-19	
<i>MSCI ACWI ex USA</i>				-3.2	0.1	-18.3	-19.5	2.9	1.7	4.5	0.6	Dec-19	
First Eagle International Value Fund(Net)	45,142,735	4.2	37.1	-3.6	-1.7	-11.2	-11.4	--	--	--	0.1	Dec-19	
<i>MSCI EAFE</i>				-4.7	0.0	-19.6	-19.8	2.4	1.6	5.0	-0.1	Dec-19	
<i>MSCI World ex USA</i>				-4.7	0.1	-18.7	-18.6	3.0	2.1	4.9	0.6	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.

Total Fund | As of August 31, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Acadian ACWI ex U.S. Small Cap Equity(Net)	13,445,420	1.3	11.1	-2.1	3.6	-14.9	-14.8	11.3	--	--	8.7	May-19
<i>MSCI ACWI ex US Small Cap</i>				-2.6	3.0	-20.6	-22.5	5.2	2.2	6.2	3.3	May-19
Driehaus International Small Cap Growth(Net)	12,674,903	1.2	10.4	-4.8	1.0	-26.9	-29.4	6.3	--	--	6.1	May-19
<i>MSCI ACWI ex US Small Cap Growth NR USD</i>				-3.0	3.8	-25.4	-27.4	5.2	2.8	6.3	3.4	May-19
Emerging Markets Equity(Net)	71,973,565	6.7	37.2	-1.7	3.1	-31.8	-38.2	6.6	3.9	4.8	4.0	Apr-12
<i>Custom Blended Emerging Markets Benchmark</i>				0.4	0.2	-17.5	-21.8	2.8	0.8	3.2	2.5	Apr-12
Artisan Developing World TR(Net)	49,792,094	4.7	69.2	-2.7	4.1	-36.4	-42.9	--	--	--	1.5	Dec-19
<i>MSCI Emerging Markets</i>				0.4	0.2	-17.5	-21.8	2.7	0.6	2.9	0.8	Dec-19
RWC(Net)	22,181,471	2.1	30.8	0.7	1.7	-20.5	-26.5	--	--	--	1.0	Dec-19
<i>MSCI Emerging Markets</i>				0.4	0.2	-17.5	-21.8	2.7	0.6	2.9	0.8	Dec-19
US Fixed Income(Net)	146,572,992	13.7	22.9	-2.7	-0.4	-10.6	-11.4	-2.0	0.4	1.7	4.6	Dec-94
<i>BBgBarc US Aggregate TR</i>				-2.8	-0.5	-10.8	-11.5	-2.0	0.6	1.5	4.9	Dec-94
Barrow Hanley(Net)	72,922,180	6.8	49.8	-2.8	-0.3	-11.0	-12.0	-1.8	0.7	1.4	2.4	Mar-10
<i>Bloomberg US Aggregate TR</i>				-2.8	-0.5	-10.8	-11.5	-2.0	0.5	1.4	2.4	Mar-10
Vanguard Total Bond Market Index Fund(Net)	70,432,346	6.6	48.1	-2.8	-0.5	-10.9	-11.7	-2.1	--	--	-0.1	May-19
<i>Bloomberg US Aggregate TR</i>				-2.8	-0.5	-10.8	-11.5	-2.0	0.5	1.4	-0.1	May-19
Vanguard Short-Term Treasury Index Fund(Net)	3,218,466	0.3	2.2	-0.8	-0.4	-3.4	-4.1	-0.2	--	--	1.0	Feb-18
<i>Bloomberg US Govt 1-3 Yr TR</i>				-0.8	-0.4	-3.4	-4.0	-0.2	0.7	0.7	1.0	Feb-18
<i>Bloomberg US Govt 1-5 Yr TR</i>				-1.4	-0.6	-4.7	-5.7	-0.6	0.6	0.8	1.0	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 (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Opportunistic Credit(Net)	58,991,727	5.5	9.2	0.2	2.4	-5.5	-4.0	3.6	--	--	3.7	May-19
<i>50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Leveraged Loans</i>				-1.6	1.5	-8.5	-8.4	0.1	--	--	1.2	May-19
GoldenTree Multi-Sector Credit(Net)	22,660,280	2.1	38.4	0.0	3.6	-6.4	-5.2	2.9	--	--	3.2	Jun-19
<i>50% BBg US High Yield TR/50% Credit Suisse Leveraged Loans</i>				-0.4	3.5	-6.2	-5.3	2.1	3.1	4.3	2.5	Jun-19
Sculptor Credit Opportunities Domestic Partners, LP(Net)	19,043,569	1.8	32.3	1.5	1.6	-1.0	3.1	--	--	--	11.6	Jul-20
<i>50% BBg US High Yield TR/50% Credit Suisse Leveraged Loans</i>				-0.4	3.5	-6.2	-5.3	2.1	3.1	4.3	3.7	Jul-20
PIMCO Income Fund(Net)	17,287,878	1.6	29.3	-1.1	2.0	-7.4	-7.2	1.3	--	--	1.3	Apr-19
<i>Bloomberg US Aggregate TR</i>				-2.8	-0.5	-10.8	-11.5	-2.0	0.5	1.4	-0.1	Apr-19
Real Estate(Net)	92,827,550	8.7	8.7	-1.6	0.5	-0.5	9.3	5.6	5.8	7.0	--	Mar-99
<i>Custom Blended Real Estate Benchmark</i>				0.0	0.0	12.5	29.5	12.3	9.9	10.3	8.0	Mar-99
<i>CPI + 5% (Seasonally Adjusted)</i>				0.5	0.9	9.0	13.6	10.1	9.0	7.7	--	Mar-99
Vanguard REIT Index(Net)	24,234,449	2.3	26.1	-6.0	2.2	-18.8	-12.0	--	--	--	10.1	Aug-20
<i>Spliced Vanguard REIT Benchmark</i>				-6.0	2.1	-18.8	-11.9	3.8	6.0	7.6	10.2	Aug-20
Private Real Estate(Net)	68,593,101	6.4	73.9	0.0	0.0	7.5	18.6	6.4	6.3	7.3	--	Mar-99
<i>Custom Blended Real Estate Benchmark</i>				0.0	0.0	12.5	29.5	12.3	9.9	10.3	8.0	Mar-99
UBS Trumbull Property(Net)	29,301,133	2.7	42.7	0.0	0.0	13.6	24.6	6.6	5.0	6.8	6.9	Mar-99
Patron Capital V(Net)	7,588,905	0.7	11.1	0.0	0.0	-28.9	-17.1	-9.9	3.6	--	2.8	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 03/31/2022 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 August 31, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Cerberus Real Estate Debt Fund, L.P.(Net)	4,983,999	0.5	7.3	0.0	0.0	3.5	3.1	--	--	--	12.3	Jul-20
AG Realty Value Fund X, L.P.(Net)	4,344,467	0.4	6.3	0.0	0.0	17.8	28.2	13.7	--	--	6.3	Jun-19
Rockpoint Real Estate Fund VI, L.P.(Net)	4,193,251	0.4	6.1	0.0	0.0	15.0	39.6	--	--	--	17.3	May-20
Taconic CRE Dislocation Fund II(Net)	3,592,288	0.3	5.2	0.0	0.0	10.5	5.9	7.9	--	--	7.0	Nov-18
Carlyle Realty VIII(Net)	2,883,973	0.3	4.2	0.0	0.0	50.0	151.4	48.8	--	--	12.5	Dec-17
Taconic CRE Dislocation Onshore Fund III(Net)	2,788,994	0.3	4.1									
Greenfield Gap VII(Net)	2,548,394	0.2	3.7	0.0	0.0	35.3	55.5	23.8	19.9	--	17.9	Dec-14
Carmel Partners Investment Fund VII(Net)	2,019,984	0.2	2.9	0.0	0.0	3.8	1.0	-19.2	--	--	-27.2	Apr-19
Rockpoint Real Estate Fund VII L.P.(Net)	1,821,621	0.2	2.7	0.0	--	--	--	--	--	--	0.0	Aug-22
Starwood Distressed Opportunity Fund XII Global(Net)	1,791,318	0.2	2.6									
Carmel Partners Investment Fund VIII(Net)	767,716	0.1	1.1									
Carlyle Realty Partners IX(Net)	-32,943	0.0	0.0									
Private Equity(Net)	138,130,698	12.9	12.9	0.0	0.0	8.4	30.7	23.8	20.2	13.6	10.8	Jun-05
<i>Custom Private Equity Benchmark</i>				<i>0.4</i>	<i>-7.6</i>	<i>-5.0</i>	<i>6.5</i>	<i>20.4</i>	<i>18.8</i>	<i>18.7</i>	<i>--</i>	<i>Jun-05</i>
TCV X(Net)	9,622,770	0.9	7.0	0.0	0.0	-1.2	47.0	42.0	--	--	33.4	Apr-19
Cortec Group Fund VII(Net)	9,215,437	0.9	6.7	0.0	0.0	4.4	32.2	--	--	--	27.0	Dec-19
Spark Capital Growth Fund III(Net)	9,194,458	0.9	6.7	0.0	0.0	11.3	54.2	--	--	--	24.8	Mar-20
Ocean Avenue II(Net)	8,679,311	0.8	6.3	0.0	0.0	23.3	52.6	46.4	40.0	--	24.3	Jun-14
Thoma Bravo Discover Fund III(Net)	8,093,871	0.8	5.9	0.0	0.0	11.7	9.3	--	--	--	11.2	Jun-21
Summit Partners Growth Equity Fund X-A(Net)	7,550,306	0.7	5.5	0.0	0.0	0.1	18.1	--	--	--	4.2	Mar-20

Total Fund | As of August 31, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Taconic Market Dislocation Fund III L.P.(Net)	7,535,704	0.7	5.5	0.0	0.0	4.8	22.8	--	--	--	21.6	Jul-20
Genstar Capital Partners IX(Net)	7,198,727	0.7	5.2	0.0	0.0	9.3	33.9	25.5	--	--	24.7	Jul-19
Carrick Capital Partners III(Net)	6,388,078	0.6	4.6	0.0	0.0	24.8	35.6	19.1	--	--	14.5	Aug-18
Davidson Kempner Long-Term Distressed Opportunities Fund IV(Net)	5,687,761	0.5	4.1	0.0	0.0	24.7	38.5	16.0	--	--	14.7	Apr-18
Adams Street(Net)	5,654,643	0.5	4.1	0.0	0.0	-4.3	12.7	22.0	18.5	15.7	9.6	Sep-05
GTCR Fund XII(Net)	5,574,267	0.5	4.0	0.0	0.0	9.7	48.9	40.6	--	--	20.2	Jun-18
Cressey & Company Fund VI(Net)	5,298,640	0.5	3.8	0.0	0.0	4.5	51.6	34.1	--	--	22.3	Jan-19
Accel-KKR Growth Capital Partners III(Net)	4,944,988	0.5	3.6	0.0	0.0	1.6	45.8	13.7	--	--	12.9	Jul-19
Marlin Heritage Europe II, L.P.(Net)	4,735,750	0.4	3.4	0.0	0.0	9.2	-9.1	--	--	--	-5.9	Oct-20
Pantheon II(Net)	3,750,938	0.4	2.7	0.0	0.0	-3.0	9.5	20.2	18.3	16.3	14.6	Dec-11
Khosla Ventures VII(Net)	3,727,537	0.3	2.7	0.0	0.0	10.7	13.7	--	--	--	4.8	Jan-21
TCV XI(Net)	3,694,395	0.3	2.7	0.0	0.0	12.9	11.8	--	--	--	3.8	Feb-21
Genstar Capital Partners X(Net)	3,496,842	0.3	2.5									
GTCR Fund XIII/A & B(Net)	3,462,011	0.3	2.5									
Summit Partners Venture Capital Fund V-A(Net)	2,432,096	0.2	1.8									
Spark Capital VI(Net)	2,244,166	0.2	1.6	0.0	0.0	5.7	6.4	--	--	--	-4.0	Mar-20
Accel-KKR Capital Partners VI(Net)	2,112,161	0.2	1.5									

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 August 31, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Invesco VI(Net)	1,662,256	0.2	1.2	0.0	0.0	-6.0	81.6	60.8	41.2	--	26.6	Jun-13
Nautic Partners X(Net)	1,384,851	0.1	1.0									
Khosla Ventures Seed E(Net)	1,244,492	0.1	0.9									
TCV Velocity Fund I(Net)	1,083,784	0.1	0.8									
Spark Capital Growth Fund IV(Net)	868,884	0.1	0.6									
Spark Capital VII(Net)	708,668	0.1	0.5									
Accel-KKR Growth Capital Partners IV(Net)	696,531	0.1	0.5									
Pantheon Secondary(Net)	113,427	0.0	0.1	0.0	0.0	-2.3	-20.2	-11.0	-4.1	-1.7	0.8	Jun-07
Pantheon I(Net)	69,662	0.0	0.1	0.0	0.0	-14.1	-24.5	-17.7	-9.5	-1.4	-0.7	Dec-05
Threshold Ventures IV LP(Net)	42,500	0.0	0.0	0.0	--	--	--	--	--	--	0.0	Jul-22
Raven Asset Fund II(Net)	19,715	0.0	0.0	0.0	0.0	194.0	442.7	61.7	38.7	--	19.3	Aug-14
Summit Partners Growth Equity Fund XI-A(Net)	-23,726	0.0	0.0									
GTCR Strategic Growth Fund I/A&B LP(Net)	-35,203	0.0	0.0									
Direct Lending(Net)	26,786,405	2.5	2.5	0.0	0.0	2.5	2.0	--	--	--	10.7	Jul-20
<i>S&P LSTA Leverage Loan Index + 2%</i>				<i>1.7</i>	<i>4.0</i>	<i>0.4</i>	<i>2.4</i>	<i>5.3</i>	<i>5.6</i>	<i>5.9</i>	<i>7.6</i>	<i>Jul-20</i>
AG Direct Lending Fund IV Annex(Net)	7,968,577	0.7	29.7									
Silver Point Specialty Credit Fund II, L.P.(Net)	6,325,561	0.6	23.6	0.0	0.0	2.9	2.4	--	--	--	10.8	Jul-20
Varagon Capital Direct Lending Fund(Net)	5,900,000	0.6	22.0									

Total Fund | As of August 31, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Ares Senior Direct Lending Fund II(Net)	5,592,267	0.5	20.9									
AG Direct Lending Fund V(Net)	1,000,000	0.1	3.7	0.0	--	--	--	--	--	--	0.0	Aug-22
Hedge Fund(Net)	106,834,602	10.0	10.0	1.5	1.6	0.6	2.0	5.4	4.7	--	4.4	Jun-14
<i>Custom Blended Hedge Fund Benchmark</i>				0.5	1.3	-5.3	-4.8	4.6	3.6	--	3.4	Jun-14
Silver Point Capital(Net)	18,031,460	1.7	16.9	3.7	3.7	3.9	6.9	14.6	--	--	9.0	Nov-17
Wellington-Archipelago(Net)	14,218,737	1.3	13.3	0.2	0.0	-2.8	-0.3	4.7	4.7	--	4.7	Aug-17
Taconic Opportunity Fund(Net)	13,644,434	1.3	12.8	-1.2	0.0	-2.8	-0.6	3.1	--	--	3.5	Dec-18
Laurion Capital(Net)	12,973,291	1.2	12.1	0.5	-0.7	-8.4	-8.6	12.7	--	--	11.1	Aug-18
Sculptor (OZ) Domestic II(Net)	12,501,092	1.2	11.7	0.7	2.7	-9.9	-11.5	4.7	4.9	--	5.4	Jun-14
Caxton Global Investments(Net)	11,375,071	1.1	10.6	1.4	0.9	13.3	18.8	--	--	--	10.1	May-21
Marshall Wace Global Opportunities(Net)	10,139,270	0.9	9.5	3.7	3.3	4.5	3.0	--	--	--	5.2	May-20
Graham Absolute Return(Net)	9,582,459	0.9	9.0	3.2	3.1	18.1	20.6	6.0	5.2	--	5.2	Aug-17
Marshall Wace Eureka(Net)	4,368,788	0.4	4.1	1.5	1.0	1.4	3.5	7.7	--	--	6.6	Nov-17
Real Assets(Net)	52,073,095	4.9	4.9	-0.2	0.9	9.8	16.2	11.5	10.1	9.2	--	Mar-99
<i>Custom Blended Real Assets Benchmark</i>				-0.4	3.3	2.5	9.4	6.7	7.0	--	--	Mar-99
<i>CPI + 5% (Seasonally Adjusted)</i>				0.5	0.9	9.0	13.6	10.1	9.0	7.7	--	Mar-99
SSgA(Net)	13,705,006	1.3	26.3	-0.8	3.0	4.6	9.7	10.4	7.1	--	7.2	Apr-17
<i>Real Asset NL Custom Blended Index</i>				-1.0	3.2	2.5	8.3	10.5	7.2	--	7.4	Apr-17
Private Infrastructure(Net)	23,713,402	2.2	45.5	0.0	0.0	5.5	9.0	12.4	13.0	--	9.6	Dec-14
<i>S&P Global Infrastructure TR USD</i>				-1.5	2.4	1.9	5.2	4.9	4.3	7.3	5.2	Dec-14
North Haven Infrastructure II(Net)	5,400,120	0.5	22.8	0.0	0.0	9.5	18.4	7.2	11.7	--	7.7	May-15
KKR Global II(Net)	5,315,443	0.5	22.4	0.0	0.0	2.2	8.5	26.7	20.7	--	16.7	Dec-14

Total Fund | As of August 31, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
ISQ Global Infrastructure Fund II(Net)	5,206,064	0.5	22.0	0.0	0.0	6.0	14.8	13.2	--	--	2.6	Jul-18
KKR Global Infrastructure Investors III(Net)	3,773,294	0.4	15.9	0.0	0.0	8.5	-8.7	-0.9	--	--	-5.9	Jan-19
Ardian Infrastructure Fund V(Net)	2,323,086	0.2	9.8	0.0	0.0	-0.4	8.6	--	--	--	-16.4	Oct-19
KKR Global Infrastructure Investors IV(Net)	1,372,531	0.1	5.8									
ISQ Global Infrastructure Fund III(Net)	322,864	0.0	1.4									
Private Natural Resources(Net)	14,654,687	1.4	28.1	0.0	0.0	26.3	42.5	12.8	12.2	--	15.3	Sep-15
<i>S&P Global Natural Resources Index TR USD</i>				<i>0.7</i>	<i>4.2</i>	<i>2.8</i>	<i>9.2</i>	<i>13.5</i>	<i>8.3</i>	<i>4.8</i>	<i>11.8</i>	<i>Sep-15</i>
Tailwater Energy Fund IV, LP(Net)	4,053,661	0.4	27.7	0.0	0.0	20.4	39.2	--	--	--	-0.5	Oct-19
EnCap XI(Net)	3,887,545	0.4	26.5	0.0	0.0	19.7	49.9	-0.3	-14.1	--	-13.9	Jul-17
BlackRock Global Energy and Power Infrastructure Fund III LP(Net)	3,398,129	0.3	23.2	0.0	0.0	5.1	6.6	14.6	--	--	14.2	Jul-19
EnCap IV(Net)	1,371,447	0.1	9.4	0.0	0.0	130.5	198.2	47.8	--	--	28.5	Feb-18
GSO Energy Opportunities(Net)	815,901	0.1	5.6	0.0	0.0	15.0	29.9	10.0	10.2	--	13.5	Nov-15
Carnelian Energy Capital IV(Net)	514,108	0.0	3.5									
Taurus Mining(Net)	378,580	0.0	2.6	0.0	0.0	143.5	174.6	32.9	24.4	--	24.3	Sep-15
Taurus Mining Annex(Net)	235,317	0.0	1.6	0.0	0.0	597.0	1,183.3	151.9	90.3	--	85.4	Jan-17
Cash(Net)	11,523,355	1.1	1.1	0.1	0.1	0.2	0.2	0.5	0.7	--	--	
Cash(Net)	10,545,218	1.0	91.5	0.1	0.1	0.2	0.2	0.6	0.9	0.8	--	Sep-03
Treasury Cash(Net)	978,137	0.1	8.5									

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

Disclaimer, Glossary, and Notes

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

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

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.

**MERCEDCERA
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

INVESTMENT POLICY STATEMENT

Adopted: February 23, 2017
Amended: February 27, 2020
Amended: November 18, 2021
Amended: October 27, 2022

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**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENT POLICY STATEMENT**

PART I

POLICY PERSPECTIVES

1.0 INTRODUCTION AND POLICY STATEMENT

1.1 Introduction

The Merced County Employees' Retirement Association's ("MercedCERA" or "Plan") Investment Policy Statement is a document which establishes and outlines the responsibilities of the various parties that are associated with the management of the MercedCERA. In addition, this document states various control procedures to ensure that the Plan MERCEDCERA is appropriately managed. Reports from investment managers, the custodians, consultants and others must verify that they are operating within the framework of the Plan's guidelines.

1.2 Policy Statement

Notwithstanding any other provisions to the contrary, the policy of the Board of Retirement ("Board") of the Merced County Employees' Retirement Association shall be to invest public funds in a manner that is consistent with the County Employees' Retirement Law of 1937, as well as State and Federal laws. The fundamental mission of MercedCERA is to provide retirement and other benefits to plan participants and to invest Plan assets solely in the interest of Plan participants and beneficiaries.

2.0 POLICY SCOPE

This policy shall set forth guidance and requirements for the investment activities conducted by the Board. The funds eligible for investment are all those under the direct authority of the Board.

3.0 POLICY OBJECTIVES

The basic objectives of the Board's investment program are the following:

3.1 Board Management Objectives

- a) Ensure Plan's ability to pay benefits to Plan Participants;
- b) Increase funding ratio to ensure long-term sustainability of MercedCERA;
- c) Keep Plan contributions as low as possible once objectives #1 and #2 are met.

3.2 Basic Goals

The goals of the Board are to fund the Plan's benefit payments, while assuming a risk posture that is consistent with the Board's risk tolerance, protect against loss of purchasing power by achieving rates of return above inflation, and seek to obtain a fully funded pension plan status.

3.3 Investment Objectives

The Board's long-term investment objectives are as follows:

- a) At a minimum, achieve a nominal return equivalent to MercedCERA actuarial assumed rate of return.
- b) Earn a total return that averages in excess of the Actuarial Inflation Rate.
- c) Exceed the return of MercedCERA's passive, market-based, investment benchmark. Allocations to specific asset classes are based on MercedCERA's target asset mix, which is based on MercedCERA's most recent asset allocation study.

4.0 GOVERNANCE

4.1 Board of Retirement's Role and Responsibilities

The MercedCERA Board of Retirement ("Board") holds the fiduciary responsibility for MercedCERA. The Board understands it may delegate certain responsibilities under the Investment Program for purposes of administrative efficiency and expertise. The areas the Board may not delegate include:

- The governance model of the Investment Program
- Establishing and maintaining investment policy, including:
 - Investment philosophy
 - This Investment Policy Statement (IPS)
 - Investment objectives
 - Strategic asset allocation
 - Allocation-level performance benchmarks
 - Risk philosophy
- Engaging Board consultants and service providers
- Monitoring the Investment Program

The Board shall act according to the "prudent person rule," which shall be applied in the context of MercedCERA's investment portfolio. The Board reserves the right to hold all parties doing business with MercedCERA accountable. The Board reserves the right to delegate an individual to hold an advisory board seat on any Plan investment. The Fund will be invested in a manner consistent with the County Employees' Retirement Law of 1937 and State and Federal laws.

The Investment Policy Statement will be reviewed at least every 3 years.

4.2 Staff Role and Responsibilities

MercedCERA Staff ("Staff") is broadly responsible for supporting the Board in the effective execution of the Plan. Staff has been delegated authority to execute specific elements of the Investment Program as outlined herein.

- Prepare and Review Recommendations to the Board
- Monitor all transactions and cash flows
- With Board direction, execute cash flows between manager accounts
- Monitor and reconcile custodial bank and managers
- Maintain Investment Manager Watch List
- Notify Manager(s) of their Watch List status
- Monitor for accuracy and validity of invoices and statements
- Provide external managers with IPS
- Ensure compliance with contractual agreements
- Plan Administrator has the authority to manage the investments managers and consultants
- Staff shall act according to the "prudent person rule," which shall be applied in the context of MercedCERA's investment portfolio.
- Staff shall act reasonably as custodians of the public trust, and shall recognize that the investment portfolio is subject to public review and evaluation. The overall management of the Retirement program shall be designed and managed with a degree of professionalism that is worthy of the public trust.

4.3 General Investment Consultant

The General Investment Consultant (“Consultant”) is engaged by the Board to provide independent, objective investment advice, free of conflicts of interest. The Consultant is and shall agree to be a fiduciary to the Plan under California law. The Consultant works with Staff in the development of recommendations while recognizing its fiduciary duty is to provide prudent investment advice to the Board. The Consultant provides advice without discretionary authority to execute on its advice. The specific duties of the Consultant are contained in an Agreement for Investment Consulting Services, and generally include providing advice with respect to:

- Investment strategy development and implementation
- Investment policy development
- Asset allocation among classes and subclasses
- Investment manager selection, evaluation and termination
- Investment performance monitoring
- Investment risk monitoring
- Capital markets projections
- Coordination with the Plan’s actuary in conducting periodic asset/liability studies and other required reporting
- Board education
- Collaborate with Staff on Maintaining Watch List

4.4 Specialty Investment Consultants

Specialty Investment Consultants may be hired by the Board to work with Staff, the Board, the General Investment Consultant, other consultants hired by the Board. These will typically be asset class consultants (e.g., real estate, private equity, hedge funds) that may operate on a discretionary or non-discretionary basis, as directed by the Board, to meet the objectives of the Investment Program.

4.5 Investment Managers

Investment Managers are delegated the responsibility of investing and managing Plan assets in accordance with this IPS and all other applicable laws and terms of the applicable investment documents evidencing MercedCERA’s acquisition of an interest in an investment vehicle, and other controlling documents. Each Investment Manager must be 1) an investment advisor registered under the Investment Advisors Act of 1940 and with the Securities and Exchange Commission and/or the applicable regulatory authority in their domiciled country; 2) a bank, as defined by the Act; 3) an insurance company qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of the Plan’s assets; 4) a trust operating as an investment company under the Investment Company Act of 1940; or 5) a state chartered trust company authorized to carry on a trust banking business. Each Investment Manager shall agree that it is a fiduciary of the Plan under California law. Subject to this IPS and their specific contractual obligations to the Plan, Investment Managers are responsible for making all investment decisions on a discretionary basis regarding assets placed under their jurisdiction and will be accountable for achieving their investment objectives. Such discretion shall include decisions to buy, hold, and sell investments in amounts and proportions that are reflective of the stated investment mandate. Such investment managers will maintain proper and adequate insurance coverage’s including errors & omissions, surety bond, fiduciary liability. In addition, MercedCERA's investment managers agree to notify the Board Chairman and the Plan Administrator, in writing, if they are unable to continue acting in the capacity of a fiduciary or investment advisor. As stated above, investment managers are expected to act as prudent experts in the management of a fully-discretionary account(s) for MercedCERA and agree to be fiduciaries to the Plan. In fulfilling their roles, managers will continually educate the Board about capital market developments that pertain to their area of investment expertise.

Investment managers are expected to meet applicable investment objectives over the designated time horizon. If such objectives become unreasonable for any reason, it is the manager's responsibility to communicate his/her reservations about the objectives in writing to the Board Chairman and the Plan

Administrator. Otherwise, failure to meet these objectives may result in dismissal.

Satisfying the quarterly portfolio reporting and monitoring requirements of the Plan is also an important part of the manager's responsibilities. These requirements are stated in a subsequent section of this document. Past or any anticipated significant portfolio developments, as well as major changes in the firm's ownership, organizational structure and personnel, should be immediately communicated in writing via e-mail to the Board and its investment consultant. Such communication will in turn be provided to the Board members.

It is the responsibility of each investment manager to provide a current version of its internal code of ethics. Additionally, once a year the manager will provide updated copies of investment and other policies developed by the firm that are relevant to MercedCERA and its portfolio(s). Policies will be given to the MercedCERA Staff.

Individual investment managers are hired by the Board to achieve the Plan's goals and investment objectives. In addition, managers are hired to implement Plan's asset allocation decisions, as evidenced by stated fund target asset mix in Appendix A. To the extent possible, investment managers will be hired to fulfill the Plan's diversification policies.

Investment managers are required to inform the Board of any regulatory investigations/ judgments and court cases relating to trading activities. If the investment managers conduct on-going internal reviews of trading activities, results of these reviews will be supplied to the Board.

The Board of Retirement reserves the right to terminate an investment management contract in accordance with the investment agreement for any reason.

4.6 Custodial Bank

The Custodial Bank, selected by the Board to act as the principal custodian of assets of the trust, is delegated the responsibility of holding the assets and evidence of interests owned by the MercedCERA in investment vehicles and cash (and equivalents). The Board may authorize the Custodial Bank to invest in temporary short-term fixed income investments both for the investment strategies and as a part of the cash portion of Plan assets. Such investments will be managed in general accordance with short-term fixed income investment guidelines as detailed in the custodial agreement. The Custodial Bank, according to the custodial bank agreement/contract, may be authorized to conduct a securities lending program within liquidity and risk constraints as authorized by the custodial agreement.

PART II

MercedCERA's PORTFOLIO MANAGEMENT

5.0 INVESTMENT POLICIES

5.1 Diversification

As it is prudent to diversify investment risk, the Board has adopted an asset allocation mix to invest in several institutionally acceptable asset classes.

5.2 Managers Diversification and Investment Style

As part of the diversified asset class investment approach of MercedCERA, the Board will also seek to employ a diverse group of investment portfolio managers within a specific asset class, if the size of the asset class commitment warrants more than one investment manager. Investment style and market capitalization will be used to differentiate among managers in the same domestic and international equity asset classes. The purpose of this diversification is to allow participation in various phases of a market cycle. Investment style diversification will also be applied to MercedCERA's investments in other asset classes if deemed appropriate.

5.3 Asset Allocation

The Board has adopted a strategic asset allocation based on MercedCERA's projected actuarial liabilities, liquidity needs, risk tolerance and the risk/return expectations for various asset classes. This asset allocation seeks to optimize long-term returns for the level of risk the Board considers appropriate. The current asset allocation table may be found in Appendix A: Asset Allocation Plan and Target Mix.

Since projected liability and risk/return expectations will change over time, the Board will conduct a periodic review of the strategic asset allocation to maintain an expected optimal allocation. The Board may also revise the asset allocation in response to significantly changing conditions that have affected valuations and/or forward-looking expected returns of asset classes. The Board will review capital market expectations annually.

PART III

INVESTMENT GUIDELINES

6.0 INVESTMENT MANAGERS RESPONSIBILITIES, POLICIES AND GUIDELINES

6.1 Investment Manager Policies

The investment policies governing each investment manager hired by the MercedCERA are as follows:

- a) The investment manager is required to accept the responsibilities in Section 4.5. These responsibilities include acting as a prudent expert and agreeing to be a fiduciary to the MercedCERA. The investment manager will seek to satisfy the Board's investment objectives. If a problem exists with these objectives, it is the investment manager's responsibility to formally discuss these problems in a written communication to the Board Chairman and the Plan Administrator. Also, the investment manager agrees to satisfy the Board's prescribed quarterly reporting requirements.
- b) Under any and all capital market environments, the investment manager agrees to maintain the investment approach that they were hired to implement. Changes to the investment manager's investment decision making process are to be immediately reported in writing to the Board Chairman and Plan Administrator. On-going introspective research of the firm's investment process, analytics, inputs, and decision-making process will be regularly explained in writing to the Board Chairman and Plan Administrator. It is the responsibility of the investment manager to fully educate the Board as to the specifics of its investment process and internal research that may lead to changes in the firm's investment approach.
- c) An investment portfolio constructed for the MercedCERA is expected to generally conform to other portfolios managed by the investment organization, exclusive of specific investment guidelines. When the MercedCERA's guidelines require the investment manager to manage a portfolio significantly different than its other portfolios, it is the responsibility of the investment manager to communicate in writing the potential impact of the MercedCERA's guidelines on the portfolio. Notification in writing shall be to the Board Chairman and the Plan Administrator.
- d) The investment manager will otherwise treat the MercedCERA's portfolio in a manner similar to other comparable portfolios in portfolio construction, trading, and all other aspects.
- e) The members of the investment management firm's research and portfolio teams are expected to comply with the Chartered Financial Analyst (CFA) Standards of Practice and Code of Ethics. Any industry or regulatory disciplinary action taken against members of the firm's investment staff must be immediately reported in writing to the Board Chairman and Plan Administrator in writing.
- f) Portfolios managed for the MercedCERA are fully discretionary, but must meet the provisions of the MERCEDCERA's investment objectives and policies. Investment guidelines also exist for each investment manager within the major asset classes.
- g) If the Board delegates proxy voting responsibilities to an investment manager, the manager agrees to vote all proxy ballots according to the best economic interest of the MERCEDCERA's members and in a manner consistent with the Board's proxy policies.
- h) Investment managers agree to actively support the MERCEDCERA's securities lending and commission recapture programs.

6.2 Derivatives Investing Policies

Exposure to risk by use of derivative instruments must be consistent with MERCEDCERA's overall investment policy as well as an individual Manager's Specific Investment Guidelines. Any other derivative investment purpose may be allowed by the explicit authorization of the Board. Derivatives may not be introduced into the portfolio to create economic leverage or to create investment exposures that are otherwise excluded by MERCEDCERA's Investment Policy unless authorization is given by the Board. Should there be any conflict between an individual Manager's Specific Investment Guidelines and this Policy statement regarding the use of derivative instruments, the MERCEDCERA IPS shall control.

6.3 Investment Manager Guidelines

- a) Diversification, Liquidity & Restrictions - Portfolio holdings are expected to be well-diversified, so as to avoid excessive volatility and unsystematic risk to the Plan.
- b) Cash and Equivalents - Transactional cash, portfolio assets that are temporarily not invested in authorized, longer term securities as stated below, may either be directly invested in allowable high-grade short-term fixed income investments or may be "swept" into the Plan's custodial short-term investment (money market) commingled fund. Allowable high-grade, short-term fixed income investments are as follows: certificates of deposit, commercial paper, U. S. Treasury bills and repurchase agreements. These investments will have short maturities, typically less than 90 days, but none more than 1 year. If an investment is made in the custodian's money market fund, it is the responsibility of the investment manager to make sure that the money market fund has investment guidelines that comply with MERCEDCERA's investment objectives and policy statement. At this time, it is not contemplated to allow investment managers to invest in money market funds other than those offered by the custodian. If an investment manager wishes to use non-custodian provided money market funds, this issue must be addressed in writing and directed to the Plan Administrator and the Chair of the Board of Retirement.
- c) Domestic Equity Portfolios – Large, Medium and Small Capitalization

The types of assets that may be held in large capitalization, domestic equity accounts are common stock, preferred stock, convertible securities, with the vast majority of holdings in common stock. Large capitalization domestic equity portfolios will primarily invest in stocks with market capitalizations. The vast majority of equity holdings will be in large capitalization issues. Firm's that manage equity portfolios will continually monitor the risk associated with their equity investments. They will be expected to report on the active management decisions they have assumed relative to their respective benchmarks. As a result of this risk/reward analysis, active equity managers will statistically attribute actual performance variance from their benchmarks in each regular quarterly report. Included in this report will be statistics attributing performance to sector weighting decisions versus the benchmark and security selection decisions within each sector relative to the benchmark.

American Depository Receipts (ADR's) of foreign companies and foreign common stocks traded in U. S. dollars and on U. S. exchanges are authorized investments. ADR's and foreign common stocks traded in U. S. dollars and on U. S. exchanges should not exceed 15% of the portfolio.

Derivative securities may not be held in domestic equity portfolios except to mitigate risk, on a temporary basis, of underlying portfolio holdings. Compliance with the previously stated derivatives guidelines must be met.

No single security can represent more than 7% of the market value of a portfolio at the time of purchase, and no single industry (based on Global Industry Classification System - GICS - codes) can represent more than 25% of the market value of the account. If the manager feels another index is more appropriate, this case should be made in writing to the Board Chairman and Plan Administrator.

The above restrictions and guidelines for large capitalization domestic equity portfolios also apply to mid-capitalization domestic equity portfolios, except for the applicable benchmark related requirements. Mid-capitalization, domestic equity portfolios will invest in stocks with market capitalizations consistent with the Plan's policy benchmarks. If the manager feels another index is more appropriate, this case should be made in writing to the Board Chairman and Plan Administrator.

The above restrictions and guidelines for large capitalization domestic equity portfolios also apply to small capitalization domestic equity portfolios, except for the applicable benchmark related requirements. Small capitalization, domestic equity portfolios will invest in stocks with market capitalizations consistent with the Plan's policy benchmarks. If the manager feels another index is more appropriate, this case should be made in writing to the Board Chairman and Plan Administrator.

International Equity (Large & Small Cap) Portfolios - Developed & Emerging Markets

Assets in international equity portfolios will be primarily composed of foreign ordinary shares and ADR's (including ADR's that are 144A securities). Short term, high-grade fixed income securities may be purchased as previously stated, similar types of securities denominated in foreign currencies may be purchased, or the Fund's custodial sweep account may be employed. International equity portfolios will invest in stocks with market capitalizations consistent with their underlying benchmarks. Emerging market equity portfolios can invest in stocks with large, mid and small market capitalizations. Firms will continually monitor the country, currency, sector and security selection risks associated with their international and emerging market equity portfolios. All of the risks will be included in the manager's quarterly reports and performance attribution based on these factors will also be included. Currency hedging, consistent with the previously stated derivative policy, is an acceptable investment activity. However, prior to initiating such hedging activities, the firms must adequately demonstrate their capability and expertise in this area to the Board.

Large capitalization international equity portfolios will be measured against the Plan's policy benchmark. Small capitalization international equity portfolios will be measured against the Plan's policy benchmark for small cap international equities. Emerging market equity portfolios will be measured against the Plan's policy benchmark in emerging market equities. If the manager feels another index is more appropriate, this case should be made in writing to the Board Chairman and Plan Administrator.

d) Hedge Funds

The role of hedge funds is to provide a diversified set of risk exposures, little-to-no correlation to the broader equity and credit markets and achieve an attractive risk-adjusted return. The long term investment objective is to exceed LIBOR by 4%.

It is expected that the hedge fund composite (the aggregation of all hedge funds employed by the Plan) should outperform the Policy benchmark for hedge funds, over rolling 3-5 year period.

The hedge fund program will have the flexibility to invest as it sees fit but will typically invest through multi-strategy hedge funds and/or single strategy hedge funds. The Board shall establish investment guidelines for the hedge fund portfolio in aggregate and shall select Investment Managers it believes are positioned to achieve the stated objectives.

The Fund seeks to be diversified across and within strategies, without regard to the specific vehicle (i.e., recognizing that Portfolio Funds may encompass more than one strategy). The following look-through exposure categories may be represented in the Fund:

Market Neutral strategies such as equity market neutral, fixed income arbitrage, and convertible bond arbitrage.

Event Driven strategies such as risk arbitrage, merger arbitrage, activist and other event-driven strategies.

Credit/Distressed strategies such as capital-structure arbitrage, fixed-income arbitrage, and distressed debt/equity.

Equity long/short strategies where there is combination of long and short positions primarily in publicly-traded equities, with a net market exposure less than that of the overall equity market. Strategies may be focused on U.S., non-U.S., and/or specialty mandates.

Global Macro strategies such as all market portfolios, opportunistic long-only, managed futures, currency, dedicated short selling strategies or other specialty strategies.

Multi-strategies where hedge funds invest using a combination of previously described strategies.

The targeted exposure to each strategy is shown in the below table:

<u>Strategy</u>	<u>Target</u>	<u>Min</u>	<u>Max</u>
Market Neutral	18%	10%	30%
Credit/Event	32%	20%	40%
Equity L/S	25%	15%	35%
Global Macro	15%	10%	20%
Multi-Strat	<u>10%</u>	5%	20%
	100%		

Individual hedge fund investments may have specified liquidity parameters defining lock-up periods and withdrawal frequency. Liquidity risk is managed by monitoring and maintaining a schedule of the liquidity of the individual hedge funds and aggregating it at the total Hedge Fund Program level.

e) Private Equity & Private Real Assets

The private markets are inefficient and illiquid due partially to privately negotiated, non-auction pricing mechanisms. High return premiums are expected by investors who are willing to accept the illiquid and inefficient characteristics of the private markets. Therefore, the long-term expected return from private equity markets should exceed the expected return of public equity markets by at least 3%. The long term expected return from the private real assets portfolio should exceed inflation by 5%.

Controlling risk in the private portfolio is equally as important as seeking higher returns. Because private asset classes cannot measure risk in a traditional manner (using quantitative risk measures like standard deviation and benchmark tracking error), risk will be managed through a combination of quantitative and qualitative constraints, such as diversification of investment type and thorough due diligence.

The criteria used to develop partnership allocations will consist of (and not be limited to) geographic location, industry investment orientation, financial funding stage orientation, source of deal flow, and investment size.

Recognizing the importance of vintage year diversification and adequate portfolio diversification by investing in different types of private asset investments, partnerships or other vehicles with managers representing various investment styles, industries and geographic concentrations, an annual plan will be developed and presented to the Board. The annual plan will reflect the pace of commitments and forecasted cash flows which is expected to achieve MCERA's targeted allocation to the private asset class over a reasonable time period. This annual plan will be integrated with the existing portfolio and will be based on the prevailing economic environment and market conditions.

Performance will be reported on a vintage year internal rate of return (IRR) basis. Internal rate of return is a total dollar weighted rate of return where the discount rate equates the net present value (NPV) of an investment's cash inflows with its cash outflows. Vintage year is the year of fund formation and first takedown of capital. The long-term objective is to outperform the benchmark, net of investment management fees, calculated on an IRR basis over rolling ten-year periods. The individual investment vehicle performance, as measured by the internal rate of return, will be evaluated compared to the performance of respective peer universes and vintage years. It is recognized that immature private equity investments will ordinarily have a "J-curve effect" whereby there are low to negative returns in the initial years due to the payment of investment management fees during a period when investments are typically carried at cost and returns have not been realized.

Asset allocation is a critical driver for the long-term success of the private equity program. To control asset allocation risk, investments are diversified through long-term subclass parameters:

- Leveraged Buyouts/Corporate Finance: the acquisition of a product or business that is typically further along the business life cycle, having relatively predictable cash flows and the ability to raise capital utilizing a significant amount of debt and little or no equity.
- Venture Capital: targets companies in the earliest phases of a business cycle. Companies may be classified as seed, early, middle and late stage. These companies have uncertain revenues and a need for cash to build their businesses and are subject to high failure rates
- Special Situations: includes investments in distressed debt, mezzanine, sector, opportunity, and secondary funds.
- Geography/Domestic vs. Global: investments either made in the United States or investments made outside of the U.S. including Europe, Asia, and Canada.
- Infrastructure: investments will be in companies or assets that fall into the infrastructure sector both in domestic and international markets.
- Natural Resources: investments will be in companies or assets that fall into the energy, mining, agriculture and/or timber industries in both domestic and international markets.
Risk will also be controlled by liquidity, vintage year, investment managers, firm, time and geographic and economic region.
- Private investments are illiquid and typically have expected holding periods of 10-12 years. Investments are typically held until maturity and selling prior to maturity may result in realizing a sales price that reflects a discount to fair market value. Liquidity risk is managed by minimizing the possibility of forced sales that may arise from exceeding maximum exposure limits or lowering asset allocation targets to private equity investments.
- Vintage year reflects the year of fund formation and first takedown of capital. Vintage risk refers to the variability of private equity commitments over time. A secondary investment is a vehicle in the special situation subclass that allows the portfolio to gain prior year vintage exposure, further minimizing vintage risk.
- Manager risk consists of the exposure within a partnership and the number of general partners in the private equity portfolio. Most partnerships require minimum commitments, which help control the exposure of partnerships.
- Commitments will be made over the full course of the business cycle and will not be concentrated in any one year.
- Geographic and Economic Region: In the selection of private equity investments, the portfolio will not favor particular economic or geographic regions. Most likely, the focus will be globally oriented.
- MERCEDCERA shall ordinarily direct the sale of any securities distributed by its investment vehicles as soon as practically possible and strive to not impair the value of the security.
- Alignment of Interests: General partnership agreements will be actively negotiated. The partnership agreements will ensure that the interests of the general partner are aligned with the limited partners.

For the Private Equity portfolio, the targeted and range of investment exposures, measured at fair value, to the various private equity investment classes are shown in the following table:

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

For the Private Real Assets portfolio, the objective is to have the portfolio comprised of half infrastructure investments and half natural resource investments.

If the manager feels another index is more appropriate, this case should be made in writing to the Board Chairman and Plan Administrator.

f) Private Direct Lending

The direct lending portfolio is expected to earn risk-adjusted returns in excess of the public credit markets, primarily due to the liquidity premium demanded by investors. The direct lending portfolio is also expected to help decrease the volatility of the overall Portfolio, through stable income and downside collateral protection.

The direct lending allocation is generally defined as non-bank financing and/or private placements and incorporates multiple collateral types (including but not limited to corporate credit, mortgage credit, asset-based, and consumer credit) and strategies. Investments may be made in companies that are either U.S. or non-U.S. domiciled.

The portfolio is composed of two major subcomponents.

- Income-Oriented
 - Income-Oriented investment strategies target primary/origination-based transactions that focus on generating returns through regular coupon payments and principal repayment over time.
- Opportunistic
 - Opportunistic investment strategies target secondary/asset purchases that rely more heavily on generating returns through appreciation. This category may also include other types of yield-oriented non-correlated funds including, but not limited to, royalty streams and leasing.

The portfolio shall be diversified by time, subclass, manager, collateral, and geography. Such diversification is expected to enhance returns, control risk, and mitigate volatility.

The account structure is typically in Closed-end Funds, but may utilize other structures such as business development companies, Funds-of-One and/or Separate Accounts.

Leverage may be utilized by some Private Credit strategies. **Borrower Concentration** — Compared to traditional high yield bond and bank loan portfolios, some direct lending portfolios can be much more concentrated with total positions ranging from 20 to 40 loans, and the largest positions sometimes approaching 10%. This concentration adds to the risk of the investment. Because of this, it is beneficial for direct lending investors to allocate to more than one strategy to achieve further issuer diversification.

Vintage Year Concentration — Direct lending funds tend to invest over the course of a two-to-four year investment period due to lack of a secondary market (i.e., the portfolio needs to be built piecemeal through new loan origination). To minimize vintage year risk, investors generally diversify their portfolio by committing capital to funds across multiple vintage years.

g) Domestic Fixed Income Portfolios

Acceptable security types for domestic fixed income portfolios are certificates of deposit, commercial paper, other high grade short-term securities, U. S. Government and Agency securities, corporate bonds, mortgage- and asset-backed securities¹ and Yankee bond securities. In addition, taxable municipal bonds, commercial mortgages and trust preferred securities are acceptable security types. Cash and equivalent holdings may be comprised of high grade certificates of deposit, commercial paper, U. S. Treasury bills and repurchase agreements.

Firm's that manage fixed income portfolios will continually monitor the risk associated with their fixed income investments. They will be expected to report on their active investment management decisions they have assumed relative to their respective benchmarks. Statistics which relate performance variance to effective duration decisions, yield curve positioning, sector allocation, security selection and other portfolio management decisions will be included in each quarterly report. Also, to the extent possible, various interest rate scenarios will be depicted in horizon analysis testing, with time horizons spanning the next six months to one year, or longer.

As mentioned above, investments in Yankee bond securities (U.S. dollar denominated international bonds that are registered with the Securities & Exchange Commission) are an acceptable investment.

The portfolio is comprised of three sub-categories

- Core Bond
 - Core Bond strategies target portfolio allocations to mirror the broad investment grade bond market. They can vary in the specific market segment, such as US Treasuries or investment grade corporate bonds.
- Short Duration
 - Short Duration strategies target bond with shorter time to maturity.
- Active Duration (Core Plus)
 - Active Duration strategies alter their target duration/bond portfolio construction based on their interest rate outlook. These ~~Core Plus~~ bond strategies incorporate both higher risk fixed income securities with safe haven betas to. (such as high yield, global, emerging markets). Both strategies seek higher returns through the active management of their portfolios as well as treasury securities with a goal of managing the duration of the portfolio.

No single security can represent more than 5% of the market value of a portfolio at the time of purchase, and no single industry (based on Global Industry Classification System - GICS - codes) can represent more than 15% of the market value of the account. These single security and single industry restrictions do not apply to U. S. Government and Agency bond holdings.

h) Opportunistic

Fixed income portfolios that may include credit. Acceptable security types for opportunistic portfolios may include high yield (or below-investment grade) corporate debt and bank loans, sovereign bonds, emerging market debt, investment grade corporate debt, and securitized debt.

The same fundamentally-based research effort required of domestic fixed income managers is also required of opportunistic managers. The goal of the opportunistic credit allocation, either publicly syndicated or privately originated, is to generate high total returns, and/or hedge rising interest rates, while investing across the full maturity spectrum of corporate securities. Proper diversification is required; such that reasonable risk/reward expectations are maintained. Performance attribution is required, as is the case of domestic fixed income managers. All other requirements of domestic fixed income managers apply to opportunistic fixed income managers.

¹Please note that convertible debt, traditional zero coupon bonds, mortgage-pass through securities and asset-backed securities are technically derivative securities but for the purposes of this Investment Policy Statement these securities are not classified as derivatives. Such investments must be at least BBB rated and meet the risk requirements discussed in the subsequent footnote.

i) Treasury Inflation Protected Securities (TIPS)

MercedCERA has also approved the use of TIPS. Either a passive or an active investment approach may be taken toward the management of TIPS portfolios. For active management, the same fundamental and valuation-based research effort required of domestic fixed income managers is also required of TIPS managers. The goal of the TIPS allocation is to protect against inflation and may be implemented through short-term or traditional duration TIPS portfolios. Proper diversification of TIPS portfolios is required; such that reasonable risk/reward expectations are maintained. Performance attribution is required, as is the case of domestic fixed income managers. All other requirements of domestic fixed income managers apply to TIPS portfolios.

j) Real Estate and Private Real Estate

The above restrictions and guidelines for large and small capitalization domestic equity portfolios also apply to Domestic and Global REIT portfolios, except for the following differences. Investments are expected to be primarily in common stocks. A small percentage (less than 10%) may be in preferred stock. No restrictions exist on the market capitalization of Domestic and Global REIT portfolio holdings. In addition, the Domestic and Global REIT benchmarks may have individual security market capitalization weights greater than 5%. As a result, individual security positions in Domestic and Global REIT portfolios may generally reflect the weights in the underlying benchmarks. (It may be that MercedCERA's Domestic and Global REIT commitment could be in a commingled fund, and that the MercedCERA would have to accept the investment guidelines of the Domestic and Global REIT fund.)

While global REIT securities are recognized to have real estate and small cap security characteristics, global REIT security portfolios are primarily viewed as an alternative to direct real estate investments or real estate operating companies. These securities also have a higher level of liquidity than direct real estate investments and this is considered a favorable attribute. As such, there is a desire to maintain the favorable liquidity attributes of these securities and not to become over-concentrated in individual portfolio holdings.

In addition to real estate securities, the MercedCERA will invest in private real estate investment structures that have an ownership interest, directly or indirectly, in real estate properties through either the debt or equity, either income producing or non-income producing. The objective of these funds is to exceed inflation by 5% and to outperform peer universe benchmarks. Real estate funds will be measured against the Plan's policy benchmark in real estate. Diversification will be obtained both through property type and geographical location. It is expected that investments will be primarily in large metropolitan centers. Relatively conservative levels of debt financing will be used in the purchase of income producing real estate properties often called "Core Real Estate". Investments may also be made in investment strategies defined as "Value-Added" or "Opportunistic". "Value-Added" strategies derive their return from both income and appreciation and may include the use of a moderate amount of leverage while "Opportunistic" strategies derive their return primarily through appreciation and they may use a moderate to high degree of leverage. The Core Real Estate Funds are currently the predominant exposure in the Real Estate portfolio and will be used as a placeholder until other private investment opportunities are identified. The criteria used to evaluate such partnerships, the risk parameters that such partnerships will be managed against and the performance benchmarks the individual partnerships will be evaluated by are the same as those outlined in Section 8. Property valuations will be conducted so as to reflect realistic economic value at quarter-end periods.

6.4 Watch List Policy

Purpose of Watch List

In order to more officially monitor and track existing and potential problems at the fund/portfolio management, the Board has adopted the following "watch list" policy. The watch list has been instituted to specifically monitor portfolios and managers on both quantitative and qualitative factors. The purpose of such a list and its procedures is to identify how performance and other issues will be monitored and how

they will be responded to in a timely manner. The Board reserves the right to take any action with respect to its investment managers at any time. The watch list policy does not restrict the Board from any action.

Quantitative Screens

The quantitative portion of the watch list will be primarily focused on performance of the fund vs. the appropriate benchmark and peer group.

Qualitative Factors

In addition to the performance screens, several other factors relating to the portfolio/ fund's management and style will be continually monitored. These factors are:

- a) The portfolio's fundamental investment characteristics vs. the appropriate market index (benchmark)
- b) The portfolio's ability to adhere to its stated investment style
- c) Continuity of the portfolio management and analytical research staff members
- d) Continuity of firm's senior management and organizational structure
- e) Ownership changes of the organization
- f) Style drift or changes

Regulatory Developments

The Board reserves the right to take any action with respect to its investment managers at any time.

Watch list status indicates an increased level of concern, but does not indicate major deficiencies. Managers may be placed on MERCEDCERA's Watch list for one or more reasons stated below. The Watch list period will be defined by the Board. The Board, with the help of the General Investment Consultant, shall conduct a comprehensive evaluation of the Manager at the end of the one-year Watch list status period to determine whether the Manager may be removed from Watch list status.

A manager may be added to the MERCEDCERA Watch List for any of the following criteria:

- Under/Over Performance
- Style Deviation
- Organization Change
- Non-Compliance
- Poor Client Service
- SEC Filings and Investigations
- Fees
- Other criteria as deemed appropriate by the Board of Retirement

Manager may be removed from MERCEDCERA's Watch list if the Manager demonstrates adequate improvement in identified areas of concern. The Board reserves the right to remove a manager from the Watch List at any time.

Termination

The Board reserves the right to terminate an investment management contract in accordance with the investment agreement for any reason it deems appropriate.

PART IV

CONTROLS

7.0 PROXY VOTING

Voting Proxy ballots will be for the exclusive benefit of the members and beneficiaries of the Plan. The Board may delegate proxy voting to each respective investment manager.

8.0 TRANSACTIONS, BROKERAGE, AND COMMISSION RECAPTURE PROGRAM

The Board understands their fiduciary responsibility with respect to transactions and hereby instructs their investment managers to seek best execution when conducting all trades. Managers are instructed to seek to minimize commission and market impact costs when trading securities. Also, either internally or through an externally provided transaction cost evaluation service, investment managers are expected to measure the costs associated with their investment trades.

All securities transactions shall be executed through reputable member-firm broker/dealers.

9.0 BOARD REVIEW AND DUE DILIGENCE POLICY

The Board will conduct the monitoring of investment performance and manager structure. On a monthly basis, the Board will review monthly investment reports, investment strategy, market conditions, portfolio manager performance and the status of MERCEDCERA's asset allocation plan. The Board, individual trustees or designated Staff and Investment Consultant(s) will meet the Plan's traditional asset class investment managers once every 18 months.

Providing ongoing oversight of the investment management firms selected to invest MERCEDCERA's assets is an important component of the fiduciary duty of prudent investment. This oversight involves not only monitoring investment performance, but also includes: (1) Understanding the reasons for positive or negative performance; (2) Assuring consistency in the investment process and philosophy utilized in managing the portfolio; (3) Monitoring the organizational structure and financial stability of the firm; (4) Staying abreast of any regulatory actions or litigation involving the firm; (5) Monitoring the firm's increase or decrease in assets under management; and (6) Obtaining any other information that is relevant and material to understanding the firm's management of MERCEDCERA's assets. Conducting periodic on-site due diligence meetings and reviews with investment managers is an excellent method for addressing these oversight responsibilities and for assuring that the continued engagement of a particular investment management firm is prudent and in the best interests of MERCEDCERA. Accordingly, the Board will endeavor to perform on-site due diligence visits with investment managers, as necessary. Such on-site due diligence meetings will focus on in-depth manager specific issues relevant to the engagement and a report on the meeting will be presented to MERCEDCERA's Board of Retirement. Additional on-site due diligence visits may be undertaken with an investment management firm. The Board may require bi-annual updates on certain investments. Subsequent meetings may be required of the manager with staff and the investment consultant(s).

10.0 POLICY COMPLIANCE REVIEW

This investment policy shall be reviewed every three years at a minimum to ensure MERCEDCERA's compliance with the overall objectives of the Investment Policy Committee.

11.0 PORTFOLIO REBALANCING

a) The investment consultant(s) shall monitor the portfolio regularly and report to the Board not less than

quarterly on the advisability of rebalancing the portfolio, unless otherwise specified by the Board.

- b) In monitoring the portfolio, the consultant shall be guided by the target asset allocation for each asset class in Appendix A. The Board shall also establish acceptable asset allocation ranges for each of the MERCEDCERA's investment classes.
- c) The Board has authority to issue instructions to managers to liquidate securities for reallocation to other managers or other asset classes, but shall do so only after considering the recommendation of the Plan Administrator and investment consultant(s).
- d) The Plan Administrator, in conjunction with the Investment Consultant(s), may prorate net positive cash flows to asset classes that have fallen beneath their target allocation and are approaching the minimum allocation level. The proration may take into account the asset class' percentage of the total portfolio and the magnitude of the deviation from the target.
 - i. When all asset classes are within 2 percent of the target allocation, the Plan Administrator may prorate net positive cash flows to each asset class on a rotating basis in order of the asset class' percentage of the total portfolio.
 - ii. The Board may review the allocation of assets to each investment manager as part of the Board's asset allocation review.

Appendix A

ASSET ALLOCATION PLAN AND TARGET ASSET MIX

Based on the MERCEDCERA's asset allocation study and acceptance of the proposed target asset mix (as stated in the October 2016 Asset Allocation Study report) the following is the MERCEDCERA's target asset mix and allocation ranges. The MERCEDCERA will review its asset allocation position as needed or a minimum of once every three to five years.

Allocation Ranges

	<u>Target Mix%</u>	<u>Minimum %</u>	<u>Maximum %</u>
Total Domestic Equity	22.0	16.0	27.0
Developed Market Equity	11.0	6.0	16.0
Emerging Market Equity	8.0	4.0	12.0
Private Equity	15.0	5.0	20.0
Direct Lending	5.0	0.0	10.0
Real Estate	8.0	6.0	10.0
Domestic Fixed Income	11.0	6.0	16.0
Opportunistic Fixed Income	5.0	3.0	7.0
Hedge Fund	10.0	5.0	15.0
Real Assets	5.0	3.0	7.0

The market benchmarks for the above asset classes are as follows:

US Equity	Russell 3000
Developed International Equity	80/20 MSCI Europe, Australia & Far East Index (EAFE) Net/MSCI ACWI ex US Small Cap Net
Emerging Markets Equity	MSCI Emerging Markets Index Net
Private Equity*	Primary: (70% R3000 + 30% MSCI ACWI ex US) plus 3% 1 Q Lagged
Private Direct Lending	S&P/LSTA Leveraged Loan Index + 2%
Real Estate	Primary: NCREIF ODCE Property Index 1 Q Lagged; Secondary: CPI + 5%
US Fixed Income	90/10 Barclays-Bloomberg Capital US Aggregate Bond Index / Bloomberg US Treasury 1-3 Year Index
Opportunistic Fixed Income	50/25/25 Bare-Bbg Agg/ Bare-Bbg HY/CS Lev Loans
Hedge Funds*	HFRI Fund of Funds Composite Index
Real Assets*	Primary: 50/50 Blend S&P Global Infrastructure and S&P Global Natural Resources.
Total Fund Benchmark	Target asset mix percentages are applied to individual asset class benchmarks to arrive at the total fund benchmark. The private equity allocation is scaled in over time.
*Please note that Benchmarks for Private Equity, Real Assets and Hedge Funds presented in MERCEDCERA Board of Retirement Meetings by the general investment consultant and the specialized investment consultant may differ.	

Appendix B

PLACEMENT AGENT DISCLOSURE POLICY

1. PURPOSE

This Policy sets forth the circumstances under which the Merced County Employees' Retirement MERCEDCERA (MERCEDCERA) shall require the disclosure of payments to Placement Agents, in connection with MERCEDCERA investments in or through External Managers. This Policy is intended to apply broadly to all of the types of investment partners with whom MERCEDCERA does business, including the general partners, managers, investment managers and sponsors of hedge funds, private equity funds, real estate funds and infrastructure funds, as well as investment managers retained pursuant to a contract. MERCEDCERA adopts this Policy to require broad, timely, and updated disclosure of all Placement Agent relationships, compensation and fees. The goal of this Policy is to help ensure that MERCEDCERA investment decisions are made solely on the merits of the investment opportunity by individuals who owe a fiduciary duty to MERCEDCERA.

2. APPLICATION

This Policy applies to all agreements with Investment Managers that are entered into on behalf of MERCEDCERA. This Policy also applies to existing agreements with Investment Managers. Agreements may be amended in any way to continue, terminate, or extend the term of the agreement or the investment period, increase the commitment of funds by MERCEDCERA or increase or accelerate the fees or compensation payable to the Investment Manager (Referred to hereafter as "Amendment".) In the case of an Amendment, the disclosure provisions of this Policy shall apply to the Amendment and original agreement.

3. RESPONSIBILITIES

A. The Board is responsible for:

1. Not entering into any agreement with an External Manager that does not agree in writing to comply with this policy.
2. Not entering into any agreement with an External Manager who has violated this policy within the previous five years. However, this prohibition may be reduced by a majority vote of the Board at a public meeting upon a showing of good cause, as deemed by the Board.

B. Each External Manager is responsible for:

1. Providing a statement in writing that the External Manager will comply with this policy. Notification in writing shall be made to the Chairman of the Board and Plan Administrator.
2. Providing the following information, in writing, to the MERCEDCERA Investment Staff within 45 days of the time investment discussions are initiated by the External Manager, but in any event, prior to the completion of due diligence. In the case of Amendments, the Placement Agent Information Disclosure is required prior to execution of the Amendment. All disclosures and notifications shall be made to the Chairman of the Board and the Plan Administrator.
 - a. Disclosure of payments or compensation by the External Manager or any of its principals, employees, agents or affiliates, directly or indirectly, to any person or entity to act as a Placement Agent in connection with MERCEDCERA investments.
 - b. A resume for each officer, partner, principal of the Placement Agent detailing the person's education, professional designations, regulatory licenses and investment and work experience. If any such person is a current or former MERCEDCERA Board trustee, employee or consultant or a member of the immediate family of any such person, this fact shall be specifically noted.

- c. A description of any and all compensation of any kind provided or agreed to be provided to a Placement Agent, including the nature, timing and value thereof. Compensation to Placement Agents shall include, but not be limited to, compensation to third parties as well as employees of the External Manager who solicit or market investments to MERCEDCERA or who are paid based upon investment commitments secured by such employees.
 - d. A description of the services to be performed by the Placement Agent and a statement as to whether the Placement Agent is utilized by the External Manager with all prospective clients or only with a subset of the External Manager's prospective clients.
 - e. A written copy of any and all agreements between the External Manager and the Placement Agent.
 - f. A statement whether the placement agent, or any of its affiliates, are registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association, or any similar regulatory agent in a country other than the United States, and the details of that registration or explanation as to why no registration is required.
 - g. A statement whether the placement agent, or any of its affiliates, is registered as a lobbyist with any state or national government.
 - h. The names of any current or former MERCEDCERA Board Trustee, employees, or consultants who suggested the retention of the Placement Agent.
3. Providing an update of any changes to any of the information provided pursuant to section B.2 above within 14 calendar days of the date that the External Manager knew or should have known of the change in information.
 4. Representing and warranting the accuracy of the information described in section B.2 above.
 5. Causing its engaged Placement Agent to disclose, prior to acting as a Placement Agent to MERCEDCERA;
 - a. All campaign contributions made by the Placement Agent to any publicly elected MERCEDCERA Board Trustee during the prior 24-month period. Additionally, any subsequent campaign contribution made by the Placement Agent to any publicly elected MERCEDCERA Board Trustee during the time the Placement Agent is receiving compensation in connection with a MERCEDCERA investment shall also be disclosed.
 - b. All gifts given by the Placement Agent to any MERCEDCERA Board Trustee during the prior 24 - month period. Additionally, any subsequent gift made by the Placement Agent to any MERCEDCERA Board Trustee during the time the Placement Agent is receiving compensation in connection with a MERCEDCERA investment shall also be disclosed.
 6. MERCEDCERA reserves the right to deem the failure to disclose the information required by 5(a) and 5(b) as a material breach of the agreement with the External Manager.
- C. MERCEDCERA Staff ("Staff") are responsible for:
1. Providing External Managers with a copy of this Policy at the time that discussions are initiated with respect to a prospective investment or engagement.
 2. Confirming that the information in Appendix B Section B above has been received within 45 days of the time investment discussions are initiated, but in any event, prior to the completion of due diligence and any recommendation to proceed with the contract or Amendment.
 3. For new contracts and amendments to contracts existing as of the date of the initial adoption of this Policy, securing the agreement of the External Manager in the final written agreement between MERCEDCERA and the External Manager to provide in the event that there was or is an intentional material omission or inaccuracy in the Placement Agent Information Disclosure or any other violation of this Policy, MERCEDCERA is entitled

to the greater of the reimbursement of any management or advisory fees paid by MERCEDCERA for the prior two years or an amount equal to the amounts paid or promised to be paid to the Placement Agent as a result of the MERCEDCERA investment; and

4. Prohibiting any External Manager or Placement Agent from soliciting new investments from MERCEDCERA for five years after they have committed a material violation of this Policy; provided, however, that MERCEDCERA's Board, by majority vote at a noticed, public meeting, may reduce this prohibition upon a showing of good cause.
5. Providing a quarterly report to the Board containing (a) the names and amount of compensation agreed to be provided to each Placement Agent by each External Manager as reported in the Placement Agent Information Disclosures, and (b) any material violations of this Policy; and maintaining the report as a public record.

**MERCEDCERA
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

INVESTMENT POLICY STATEMENT

Adopted: February 23, 2017
Amended: February 27, 2020
Amended: November 18, 2021
Amended: October 27, 2022

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INVESTMENT POLICY STATEMENT**

PART I

POLICY PERSPECTIVES

1.0 INTRODUCTION AND POLICY STATEMENT

1.1 Introduction

The Merced County Employees' Retirement Association's ("MercedCERA" or "Plan") Investment Policy Statement is a document which establishes and outlines the responsibilities of the various parties that are associated with the management of the MercedCERA. In addition, this document states various control procedures to ensure that the Plan MERCEDCERA is appropriately managed. Reports from investment managers, the custodians, consultants and others must verify that they are operating within the framework of the Plan's guidelines.

1.2 Policy Statement

Notwithstanding any other provisions to the contrary, the policy of the Board of Retirement ("Board") of the Merced County Employees' Retirement Association shall be to invest public funds in a manner that is consistent with the County Employees' Retirement Law of 1937, as well as State and Federal laws. The fundamental mission of MercedCERA is to provide retirement and other benefits to plan participants and to invest Plan assets solely in the interest of Plan participants and beneficiaries.

2.0 POLICY SCOPE

This policy shall set forth guidance and requirements for the investment activities conducted by the Board. The funds eligible for investment are all those under the direct authority of the Board.

3.0 POLICY OBJECTIVES

The basic objectives of the Board's investment program are the following:

3.1 Board Management Objectives

- a) Ensure Plan's ability to pay benefits to Plan Participants;
- b) Increase funding ratio to ensure long-term sustainability of MercedCERA;
- c) Keep Plan contributions as low as possible once objectives #1 and #2 are met.

3.2 Basic Goals

The goals of the Board are to fund the Plan's benefit payments, while assuming a risk posture that is consistent with the Board's risk tolerance, protect against loss of purchasing power by achieving rates of return above inflation, and seek to obtain a fully funded pension plan status.

3.3 Investment Objectives

The Board's long-term investment objectives are as follows:

- a) At a minimum, achieve a nominal return equivalent to MercedCERA actuarial assumed rate of return.
- b) Earn a total return that averages in excess of the Actuarial Inflation Rate.
- c) Exceed the return of MercedCERA's passive, market-based, investment benchmark. Allocations to specific asset classes are based on MercedCERA's target asset mix, which is based on MercedCERA's most recent asset allocation study.

4.0 GOVERNANCE

4.1 Board of Retirement's Role and Responsibilities

The MercedCERA Board of Retirement ("Board") holds the fiduciary responsibility for MercedCERA. The Board understands it may delegate certain responsibilities under the Investment Program for purposes of administrative efficiency and expertise. The areas the Board may not delegate include:

- The governance model of the Investment Program
- Establishing and maintaining investment policy, including:
 - Investment philosophy
 - This Investment Policy Statement (IPS)
 - Investment objectives
 - Strategic asset allocation
 - Allocation-level performance benchmarks
 - Risk philosophy
- Engaging Board consultants and service providers
- Monitoring the Investment Program

The Board shall act according to the "prudent person rule," which shall be applied in the context of MercedCERA's investment portfolio. The Board reserves the right to hold all parties doing business with MercedCERA accountable. The Board reserves the right to delegate an individual to hold an advisory board seat on any Plan investment. The Fund will be invested in a manner consistent with the County Employees' Retirement Law of 1937 and State and Federal laws.

The Investment Policy Statement will be reviewed at least every 3 years.

4.2 Staff Role and Responsibilities

MercedCERA Staff ("Staff") is broadly responsible for supporting the Board in the effective execution of the Plan. Staff has been delegated authority to execute specific elements of the Investment Program as outlined herein.

- Prepare and Review Recommendations to the Board
- Monitor all transactions and cash flows
- With Board direction, execute cash flows between manager accounts
- Monitor and reconcile custodial bank and managers
- Maintain Investment Manager Watch List
- Notify Manager(s) of their Watch List status
- Monitor for accuracy and validity of invoices and statements
- Provide external managers with IPS
- Ensure compliance with contractual agreements
- Plan Administrator has the authority to manage the investments managers and consultants
- Staff shall act according to the "prudent person rule," which shall be applied in the context of MercedCERA's investment portfolio.
- Staff shall act reasonably as custodians of the public trust, and shall recognize that the investment portfolio is subject to public review and evaluation. The overall management of the Retirement program shall be designed and managed with a degree of professionalism that is worthy of the public trust.

4.3 General Investment Consultant

The General Investment Consultant (“Consultant”) is engaged by the Board to provide independent, objective investment advice, free of conflicts of interest. The Consultant is and shall agree to be a fiduciary to the Plan under California law. The Consultant works with Staff in the development of recommendations while recognizing its fiduciary duty is to provide prudent investment advice to the Board. The Consultant provides advice without discretionary authority to execute on its advice. The specific duties of the Consultant are contained in an Agreement for Investment Consulting Services, and generally include providing advice with respect to:

- Investment strategy development and implementation
- Investment policy development
- Asset allocation among classes and subclasses
- Investment manager selection, evaluation and termination
- Investment performance monitoring
- Investment risk monitoring
- Capital markets projections
- Coordination with the Plan’s actuary in conducting periodic asset/liability studies and other required reporting
- Board education
- Collaborate with Staff on Maintaining Watch List

4.4 Specialty Investment Consultants

Specialty Investment Consultants may be hired by the Board to work with Staff, the Board, the General Investment Consultant, other consultants hired by the Board. These will typically be asset class consultants (e.g., real estate, private equity, hedge funds) that may operate on a discretionary or non-discretionary basis, as directed by the Board, to meet the objectives of the Investment Program.

4.5 Investment Managers

Investment Managers are delegated the responsibility of investing and managing Plan assets in accordance with this IPS and all other applicable laws and terms of the applicable investment documents evidencing MercedCERA’s acquisition of an interest in an investment vehicle, and other controlling documents. Each Investment Manager must be 1) an investment advisor registered under the Investment Advisors Act of 1940 and with the Securities and Exchange Commission and/or the applicable regulatory authority in their domiciled country; 2) a bank, as defined by the Act; 3) an insurance company qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of the Plan’s assets; 4) a trust operating as an investment company under the Investment Company Act of 1940; or 5) a state chartered trust company authorized to carry on a trust banking business. Each Investment Manager shall agree that it is a fiduciary of the Plan under California law. Subject to this IPS and their specific contractual obligations to the Plan, Investment Managers are responsible for making all investment decisions on a discretionary basis regarding assets placed under their jurisdiction and will be accountable for achieving their investment objectives. Such discretion shall include decisions to buy, hold, and sell investments in amounts and proportions that are reflective of the stated investment mandate. Such investment managers will maintain proper and adequate insurance coverage’s including errors & omissions, surety bond, fiduciary liability. In addition, MercedCERA's investment managers agree to notify the Board Chairman and the Plan Administrator, in writing, if they are unable to continue acting in the capacity of a fiduciary or investment advisor. As stated above, investment managers are expected to act as prudent experts in the management of a fully-discretionary account(s) for MercedCERA and agree to be fiduciaries to the Plan. In fulfilling their roles, managers will continually educate the Board about capital market developments that pertain to their area of investment expertise.

Investment managers are expected to meet applicable investment objectives over the designated time horizon. If such objectives become unreasonable for any reason, it is the manager's responsibility to communicate his/her reservations about the objectives in writing to the Board Chairman and the Plan

Administrator. Otherwise, failure to meet these objectives may result in dismissal.

Satisfying the quarterly portfolio reporting and monitoring requirements of the Plan is also an important part of the manager's responsibilities. These requirements are stated in a subsequent section of this document. Past or any anticipated significant portfolio developments, as well as major changes in the firm's ownership, organizational structure and personnel, should be immediately communicated in writing via e-mail to the Board and its investment consultant. Such communication will in turn be provided to the Board members.

It is the responsibility of each investment manager to provide a current version of its internal code of ethics. Additionally, once a year the manager will provide updated copies of investment and other policies developed by the firm that are relevant to MercedCERA and its portfolio(s). Policies will be given to the MercedCERA Staff.

Individual investment managers are hired by the Board to achieve the Plan's goals and investment objectives. In addition, managers are hired to implement Plan's asset allocation decisions, as evidenced by stated fund target asset mix in Appendix A. To the extent possible, investment managers will be hired to fulfill the Plan's diversification policies.

Investment managers are required to inform the Board of any regulatory investigations/ judgments and court cases relating to trading activities. If the investment managers conduct on-going internal reviews of trading activities, results of these reviews will be supplied to the Board.

The Board of Retirement reserves the right to terminate an investment management contract in accordance with the investment agreement for any reason.

4.6 Custodial Bank

The Custodial Bank, selected by the Board to act as the principal custodian of assets of the trust, is delegated the responsibility of holding the assets and evidence of interests owned by the MercedCERA in investment vehicles and cash (and equivalents). The Board may authorize the Custodial Bank to invest in temporary short-term fixed income investments both for the investment strategies and as a part of the cash portion of Plan assets. Such investments will be managed in general accordance with short-term fixed income investment guidelines as detailed in the custodial agreement. The Custodial Bank, according to the custodial bank agreement/contract, may be authorized to conduct a securities lending program within liquidity and risk constraints as authorized by the custodial agreement.

PART II

MercedCERA's PORTFOLIO MANAGEMENT

5.0 INVESTMENT POLICIES

5.1 Diversification

As it is prudent to diversify investment risk, the Board has adopted an asset allocation mix to invest in several institutionally acceptable asset classes.

5.2 Managers Diversification and Investment Style

As part of the diversified asset class investment approach of MercedCERA, the Board will also seek to employ a diverse group of investment portfolio managers within a specific asset class, if the size of the asset class commitment warrants more than one investment manager. Investment style and market capitalization will be used to differentiate among managers in the same domestic and international equity asset classes. The purpose of this diversification is to allow participation in various phases of a market cycle. Investment style diversification will also be applied to MercedCERA's investments in other asset classes if deemed appropriate.

5.3 Asset Allocation

The Board has adopted a strategic asset allocation based on MercedCERA's projected actuarial liabilities, liquidity needs, risk tolerance and the risk/return expectations for various asset classes. This asset allocation seeks to optimize long-term returns for the level of risk the Board considers appropriate. The current asset allocation table may be found in Appendix A: Asset Allocation Plan and Target Mix.

Since projected liability and risk/return expectations will change over time, the Board will conduct a periodic review of the strategic asset allocation to maintain an expected optimal allocation. The Board may also revise the asset allocation in response to significantly changing conditions that have affected valuations and/or forward-looking expected returns of asset classes. The Board will review capital market expectations annually.

PART III

INVESTMENT GUIDELINES

6.0 INVESTMENT MANAGERS RESPONSIBILITIES, POLICIES AND GUIDELINES

6.1 Investment Manager Policies

The investment policies governing each investment manager hired by the MercedCERA are as follows:

- a) The investment manager is required to accept the responsibilities in Section 4.5. These responsibilities include acting as a prudent expert and agreeing to be a fiduciary to the MercedCERA. The investment manager will seek to satisfy the Board's investment objectives. If a problem exists with these objectives, it is the investment manager's responsibility to formally discuss these problems in a written communication to the Board Chairman and the Plan Administrator. Also, the investment manager agrees to satisfy the Board's prescribed quarterly reporting requirements.
- b) Under any and all capital market environments, the investment manager agrees to maintain the investment approach that they were hired to implement. Changes to the investment manager's investment decision making process are to be immediately reported in writing to the Board Chairman and Plan Administrator. On-going introspective research of the firm's investment process, analytics, inputs, and decision-making process will be regularly explained in writing to the Board Chairman and Plan Administrator. It is the responsibility of the investment manager to fully educate the Board as to the specifics of its investment process and internal research that may lead to changes in the firm's investment approach.
- c) An investment portfolio constructed for the MercedCERA is expected to generally conform to other portfolios managed by the investment organization, exclusive of specific investment guidelines. When the MercedCERA's guidelines require the investment manager to manage a portfolio significantly different than its other portfolios, it is the responsibility of the investment manager to communicate in writing the potential impact of the MercedCERA's guidelines on the portfolio. Notification in writing shall be to the Board Chairman and the Plan Administrator.
- d) The investment manager will otherwise treat the MercedCERA's portfolio in a manner similar to other comparable portfolios in portfolio construction, trading, and all other aspects.
- e) The members of the investment management firm's research and portfolio teams are expected to comply with the Chartered Financial Analyst (CFA) Standards of Practice and Code of Ethics. Any industry or regulatory disciplinary action taken against members of the firm's investment staff must be immediately reported in writing to the Board Chairman and Plan Administrator in writing.
- f) Portfolios managed for the MercedCERA are fully discretionary, but must meet the provisions of the MERCEDCERA's investment objectives and policies. Investment guidelines also exist for each investment manager within the major asset classes.
- g) If the Board delegates proxy voting responsibilities to an investment manager, the manager agrees to vote all proxy ballots according to the best economic interest of the MERCEDCERA's members and in a manner consistent with the Board's proxy policies.
- h) Investment managers agree to actively support the MERCEDCERA's securities lending and commission recapture programs.

6.2 Derivatives Investing Policies

Exposure to risk by use of derivative instruments must be consistent with MERCEDCERA's overall investment policy as well as an individual Manager's Specific Investment Guidelines. Any other derivative investment purpose may be allowed by the explicit authorization of the Board. Derivatives may not be introduced into the portfolio to create economic leverage or to create investment exposures that are otherwise excluded by MERCEDCERA's Investment Policy unless authorization is given by the Board. Should there be any conflict between an individual Manager's Specific Investment Guidelines and this Policy statement regarding the use of derivative instruments, the MERCEDCERA IPS shall control.

6.3 Investment Manager Guidelines

- a) Diversification, Liquidity & Restrictions - Portfolio holdings are expected to be well-diversified, so as to avoid excessive volatility and unsystematic risk to the Plan.
- b) Cash and Equivalents - Transactional cash, portfolio assets that are temporarily not invested in authorized, longer term securities as stated below, may either be directly invested in allowable high-grade short-term fixed income investments or may be "swept" into the Plan's custodial short-term investment (money market) commingled fund. Allowable high-grade, short-term fixed income investments are as follows: certificates of deposit, commercial paper, U. S. Treasury bills and repurchase agreements. These investments will have short maturities, typically less than 90 days, but none more than 1 year. If an investment is made in the custodian's money market fund, it is the responsibility of the investment manager to make sure that the money market fund has investment guidelines that comply with MERCEDCERA's investment objectives and policy statement. At this time, it is not contemplated to allow investment managers to invest in money market funds other than those offered by the custodian. If an investment manager wishes to use non-custodian provided money market funds, this issue must be addressed in writing and directed to the Plan Administrator and the Chair of the Board of Retirement.
- c) Domestic Equity Portfolios – Large, Medium and Small Capitalization

The types of assets that may be held in large capitalization, domestic equity accounts are common stock, preferred stock, convertible securities, with the vast majority of holdings in common stock. Large capitalization domestic equity portfolios will primarily invest in stocks with market capitalizations. The vast majority of equity holdings will be in large capitalization issues. Firm's that manage equity portfolios will continually monitor the risk associated with their equity investments. They will be expected to report on the active management decisions they have assumed relative to their respective benchmarks. As a result of this risk/reward analysis, active equity managers will statistically attribute actual performance variance from their benchmarks in each regular quarterly report. Included in this report will be statistics attributing performance to sector weighting decisions versus the benchmark and security selection decisions within each sector relative to the benchmark.

American Depository Receipts (ADR's) of foreign companies and foreign common stocks traded in U. S. dollars and on U. S. exchanges are authorized investments. ADR's and foreign common stocks traded in U. S. dollars and on U. S. exchanges should not exceed 15% of the portfolio.

Derivative securities may not be held in domestic equity portfolios except to mitigate risk, on a temporary basis, of underlying portfolio holdings. Compliance with the previously stated derivatives guidelines must be met.

No single security can represent more than 7% of the market value of a portfolio at the time of purchase, and no single industry (based on Global Industry Classification System - GICS - codes) can represent more than 25% of the market value of the account. If the manager feels another index is more appropriate, this case should be made in writing to the Board Chairman and Plan Administrator.

The above restrictions and guidelines for large capitalization domestic equity portfolios also apply to mid-capitalization domestic equity portfolios, except for the applicable benchmark related requirements. Mid-capitalization, domestic equity portfolios will invest in stocks with market capitalizations consistent with the Plan's policy benchmarks. If the manager feels another index is more appropriate, this case should be made in writing to the Board Chairman and Plan Administrator.

The above restrictions and guidelines for large capitalization domestic equity portfolios also apply to small capitalization domestic equity portfolios, except for the applicable benchmark related requirements. Small capitalization, domestic equity portfolios will invest in stocks with market capitalizations consistent with the Plan's policy benchmarks. If the manager feels another index is more appropriate, this case should be made in writing to the Board Chairman and Plan Administrator.

International Equity (Large & Small Cap) Portfolios - Developed & Emerging Markets

Assets in international equity portfolios will be primarily composed of foreign ordinary shares and ADR's (including ADR's that are 144A securities). Short term, high-grade fixed income securities may be purchased as previously stated, similar types of securities denominated in foreign currencies may be purchased, or the Fund's custodial sweep account may be employed. International equity portfolios will invest in stocks with market capitalizations consistent with their underlying benchmarks. Emerging market equity portfolios can invest in stocks with large, mid and small market capitalizations. Firms will continually monitor the country, currency, sector and security selection risks associated with their international and emerging market equity portfolios. All of the risks will be included in the manager's quarterly reports and performance attribution based on these factors will also be included. Currency hedging, consistent with the previously stated derivative policy, is an acceptable investment activity. However, prior to initiating such hedging activities, the firms must adequately demonstrate their capability and expertise in this area to the Board.

Large capitalization international equity portfolios will be measured against the Plan's policy benchmark. Small capitalization international equity portfolios will be measured against the Plan's policy benchmark for small cap international equities. Emerging market equity portfolios will be measured against the Plan's policy benchmark in emerging market equities. If the manager feels another index is more appropriate, this case should be made in writing to the Board Chairman and Plan Administrator.

d) Hedge Funds

The role of hedge funds is to provide a diversified set of risk exposures, little-to-no correlation to the broader equity and credit markets and achieve an attractive risk-adjusted return. The long term investment objective is to exceed LIBOR by 4%.

It is expected that the hedge fund composite (the aggregation of all hedge funds employed by the Plan) should outperform the Policy benchmark for hedge funds, over rolling 3-5 year period.

The hedge fund program will have the flexibility to invest as it sees fit but will typically invest through multi-strategy hedge funds and/or single strategy hedge funds. The Board shall establish investment guidelines for the hedge fund portfolio in aggregate and shall select Investment Managers it believes are positioned to achieve the stated objectives.

The Fund seeks to be diversified across and within strategies, without regard to the specific vehicle (i.e., recognizing that Portfolio Funds may encompass more than one strategy). The following look-through exposure categories may be represented in the Fund:

Market Neutral strategies such as equity market neutral, fixed income arbitrage, and convertible bond arbitrage.

Event Driven strategies such as risk arbitrage, merger arbitrage, activist and other event-driven strategies.

Credit/Distressed strategies such as capital-structure arbitrage, fixed-income arbitrage, and distressed debt/equity.

Equity long/short strategies where there is combination of long and short positions primarily in publicly-traded equities, with a net market exposure less than that of the overall equity market. Strategies may be focused on U.S., non-U.S., and/or specialty mandates.

Global Macro strategies such as all market portfolios, opportunistic long-only, managed futures, currency, dedicated short selling strategies or other specialty strategies.

Multi-strategies where hedge funds invest using a combination of previously described strategies.

The targeted exposure to each strategy is shown in the below table:

<u>Strategy</u>	<u>Target</u>	<u>Min</u>	<u>Max</u>
Market Neutral	18%	10%	30%
Credit/Event	32%	20%	40%
Equity L/S	25%	15%	35%
Global Macro	15%	10%	20%
Multi-Strat	<u>10%</u>	5%	20%
	100%		

Individual hedge fund investments may have specified liquidity parameters defining lock-up periods and withdrawal frequency. Liquidity risk is managed by monitoring and maintaining a schedule of the liquidity of the individual hedge funds and aggregating it at the total Hedge Fund Program level.

e) Private Equity & Private Real Assets

The private markets are inefficient and illiquid due partially to privately negotiated, non-auction pricing mechanisms. High return premiums are expected by investors who are willing to accept the illiquid and inefficient characteristics of the private markets. Therefore, the long-term expected return from private equity markets should exceed the expected return of public equity markets by at least 3%. The long term expected return from the private real assets portfolio should exceed inflation by 5%.

Controlling risk in the private portfolio is equally as important as seeking higher returns. Because private asset classes cannot measure risk in a traditional manner (using quantitative risk measures like standard deviation and benchmark tracking error), risk will be managed through a combination of quantitative and qualitative constraints, such as diversification of investment type and thorough due diligence.

The criteria used to develop partnership allocations will consist of (and not be limited to) geographic location, industry investment orientation, financial funding stage orientation, source of deal flow, and investment size.

Recognizing the importance of vintage year diversification and adequate portfolio diversification by investing in different types of private asset investments, partnerships or other vehicles with managers representing various investment styles, industries and geographic concentrations, an annual plan will be developed and presented to the Board. The annual plan will reflect the pace of commitments and forecasted cash flows which is expected to achieve MCERA's targeted allocation to the private asset class over a reasonable time period. This annual plan will be integrated with the existing portfolio and will be based on the prevailing economic environment and market conditions.

Performance will be reported on a vintage year internal rate of return (IRR) basis. Internal rate of return is a total dollar weighted rate of return where the discount rate equates the net present value (NPV) of an investment's cash inflows with its cash outflows. Vintage year is the year of fund formation and first takedown of capital. The long-term objective is to outperform the benchmark, net of investment management fees, calculated on an IRR basis over rolling ten-year periods. The individual investment vehicle performance, as measured by the internal rate of return, will be evaluated compared to the performance of respective peer universes and vintage years. It is recognized that immature private equity investments will ordinarily have a "J-curve effect" whereby there are low to negative returns in the initial years due to the payment of investment management fees during a period when investments are typically carried at cost and returns have not been realized.

Asset allocation is a critical driver for the long-term success of the private equity program. To control asset allocation risk, investments are diversified through long-term subclass parameters:

- Leveraged Buyouts/Corporate Finance: the acquisition of a product or business that is typically further along the business life cycle, having relatively predictable cash flows and the ability to raise capital utilizing a significant amount of debt and little or no equity.
- Venture Capital: targets companies in the earliest phases of a business cycle. Companies may be classified as seed, early, middle and late stage. These companies have uncertain revenues and a need for cash to build their businesses and are subject to high failure rates
- Special Situations: includes investments in distressed debt, mezzanine, sector, opportunity, and secondary funds.
- Geography/Domestic vs. Global: investments either made in the United States or investments made outside of the U.S. including Europe, Asia, and Canada.
- Infrastructure: investments will be in companies or assets that fall into the infrastructure sector both in domestic and international markets.
- Natural Resources: investments will be in companies or assets that fall into the energy, mining, agriculture and/or timber industries in both domestic and international markets.
Risk will also be controlled by liquidity, vintage year, investment managers, firm, time and geographic and economic region.
- Private investments are illiquid and typically have expected holding periods of 10-12 years. Investments are typically held until maturity and selling prior to maturity may result in realizing a sales price that reflects a discount to fair market value. Liquidity risk is managed by minimizing the possibility of forced sales that may arise from exceeding maximum exposure limits or lowering asset allocation targets to private equity investments.
- Vintage year reflects the year of fund formation and first takedown of capital. Vintage risk refers to the variability of private equity commitments over time. A secondary investment is a vehicle in the special situation subclass that allows the portfolio to gain prior year vintage exposure, further minimizing vintage risk.
- Manager risk consists of the exposure within a partnership and the number of general partners in the private equity portfolio. Most partnerships require minimum commitments, which help control the exposure of partnerships.
- Commitments will be made over the full course of the business cycle and will not be concentrated in any one year.
- Geographic and Economic Region: In the selection of private equity investments, the portfolio will not favor particular economic or geographic regions. Most likely, the focus will be globally oriented.
- MERCEDCERA shall ordinarily direct the sale of any securities distributed by its investment vehicles as soon as practically possible and strive to not impair the value of the security.
- Alignment of Interests: General partnership agreements will be actively negotiated. The partnership agreements will ensure that the interests of the general partner are aligned with the limited partners.

For the Private Equity portfolio, the targeted and range of investment exposures, measured at fair value, to the various private equity investment classes are shown in the following table:

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

For the Private Real Assets portfolio, the objective is to have the portfolio comprised of half infrastructure investments and half natural resource investments.

If the manager feels another index is more appropriate, this case should be made in writing to the Board Chairman and Plan Administrator.

f) Private Direct Lending

The direct lending portfolio is expected to earn risk-adjusted returns in excess of the public credit markets, primarily due to the liquidity premium demanded by investors. The direct lending portfolio is also expected to help decrease the volatility of the overall Portfolio, through stable income and downside collateral protection.

The direct lending allocation is generally defined as non-bank financing and/or private placements and incorporates multiple collateral types (including but not limited to corporate credit, mortgage credit, asset-based, and consumer credit) and strategies. Investments may be made in companies that are either U.S. or non-U.S. domiciled.

The portfolio is composed of two major subcomponents.

- Income-Oriented
 - Income-Oriented investment strategies target primary/origination-based transactions that focus on generating returns through regular coupon payments and principal repayment over time.
- Opportunistic
 - Opportunistic investment strategies target secondary/asset purchases that rely more heavily on generating returns through appreciation. This category may also include other types of yield-oriented non-correlated funds including, but not limited to, royalty streams and leasing.

The portfolio shall be diversified by time, subclass, manager, collateral, and geography. Such diversification is expected to enhance returns, control risk, and mitigate volatility.

The account structure is typically in Closed-end Funds, but may utilize other structures such as business development companies, Funds-of-One and/or Separate Accounts.

Leverage may be utilized by some Private Credit strategies. **Borrower Concentration** — Compared to traditional high yield bond and bank loan portfolios, some direct lending portfolios can be much more concentrated with total positions ranging from 20 to 40 loans, and the largest positions sometimes approaching 10%. This concentration adds to the risk of the investment. Because of this, it is beneficial for direct lending investors to allocate to more than one strategy to achieve further issuer diversification.

Vintage Year Concentration — Direct lending funds tend to invest over the course of a two-to-four year investment period due to lack of a secondary market (i.e., the portfolio needs to be built piecemeal through new loan origination). To minimize vintage year risk, investors generally diversify their portfolio by committing capital to funds across multiple vintage years.

g) Domestic Fixed Income Portfolios

Acceptable security types for domestic fixed income portfolios are certificates of deposit, commercial paper, other high grade short-term securities, U. S. Government and Agency securities, corporate bonds, mortgage- and asset-backed securities¹ and Yankee bond securities. In addition, taxable municipal bonds, commercial mortgages and trust preferred securities are acceptable security types. Cash and equivalent holdings may be comprised of high grade certificates of deposit, commercial paper, U. S. Treasury bills and repurchase agreements.

Firm's that manage fixed income portfolios will continually monitor the risk associated with their fixed income investments. They will be expected to report on their active investment management decisions they have assumed relative to their respective benchmarks. Statistics which relate performance variance to effective duration decisions, yield curve positioning, sector allocation, security selection and other portfolio management decisions will be included in each quarterly report. Also, to the extent possible, various interest rate scenarios will be depicted in horizon analysis testing, with time horizons spanning the next six months to one year, or longer.

As mentioned above, investments in Yankee bond securities (U.S. dollar denominated international bonds that are registered with the Securities & Exchange Commission) are an acceptable investment.

The portfolio is comprised of three sub-categories

- Core Bond
 - Core Bond strategies target portfolio allocations to mirror the broad investment grade bond market. They can vary in the specific market segment, such as US Treasuries or investment grade corporate bonds.
- Short Duration
- Short Duration strategies target bond with shorter time to maturity. Active Duration (Core Plus)
 - Active Duration strategies alter their target duration/bond portfolio construction based on their interest rate outlook. These strategies incorporate both higher risk fixed income securities as well as treasury securities with a goal of managing the duration of the portfolio.

No single security can represent more than 5% of the market value of a portfolio at the time of purchase, and no single industry (based on Global Industry Classification System - GICS - codes) can represent more than 15% of the market value of the account. These single security and single industry restrictions do not apply to U. S. Government and Agency bond holdings.

h) Opportunistic

Fixed income portfolios that may include credit. Acceptable security types for opportunistic portfolios may include high yield (or below-investment grade) corporate debt and bank loans, sovereign bonds, emerging market debt, investment grade corporate debt, and securitized debt.

The same fundamentally-based research effort required of domestic fixed income managers is also required of opportunistic managers. The goal of the opportunistic credit allocation, either publicly syndicated or privately originated, is to generate high total returns, and/or hedge rising interest rates, while investing across the full maturity spectrum of corporate securities. Proper diversification is required; such that reasonable risk/reward expectations are maintained. Performance attribution is required, as is the case of domestic fixed income managers. All other requirements of domestic fixed income managers apply to opportunistic fixed income managers.

i) Treasury Inflation Protected Securities (TIPS)

MercedCERA has also approved the use of TIPS. Either a passive or an active investment approach may be taken toward the management of TIPS portfolios. For active management, the same fundamental

¹Please note that convertible debt, traditional zero coupon bonds, mortgage-pass through securities and asset-backed securities are technically derivative securities but for the purposes of this Investment Policy Statement these securities are not classified as derivatives. Such investments must be at least BBB rated and meet the risk requirements discussed in the subsequent footnote.

and valuation-based research effort required of domestic fixed income managers is also required of TIPS managers. The goal of the TIPS allocation is to protect against inflation and may be implemented through short-term or traditional duration TIPS portfolios. Proper diversification of TIPS portfolios is required; such that reasonable risk/reward expectations are maintained. Performance attribution is required, as is the case of domestic fixed income managers. All other requirements of domestic fixed income managers apply to TIPS portfolios.

j) Real Estate and Private Real Estate

The above restrictions and guidelines for large and small capitalization domestic equity portfolios also apply to Domestic and Global REIT portfolios, except for the following differences. Investments are expected to be primarily in common stocks. A small percentage (less than 10%) may be in preferred stock. No restrictions exist on the market capitalization of Domestic and Global REIT portfolio holdings. In addition, the Domestic and Global REIT benchmarks may have individual security market capitalization weights greater than 5%. As a result, individual security positions in Domestic and Global REIT portfolios may generally reflect the weights in the underlying benchmarks. (It may be that MercedCERA's Domestic and Global REIT commitment could be in a commingled fund, and that the MercedCERA would have to accept the investment guidelines of the Domestic and Global REIT fund.)

While global REIT securities are recognized to have real estate and small cap security characteristics, global REIT security portfolios are primarily viewed as an alternative to direct real estate investments or real estate operating companies. These securities also have a higher level of liquidity than direct real estate investments and this is considered a favorable attribute. As such, there is a desire to maintain the favorable liquidity attributes of these securities and not to become over-concentrated in individual portfolio holdings.

In addition to real estate securities, the MercedCERA will invest in private real estate investment structures that have an ownership interest, directly or indirectly, in real estate properties through either the debt or equity, either income producing or non-income producing. The objective of these funds is to exceed inflation by 5% and to outperform peer universe benchmarks. Real estate funds will be measured against the Plan's policy benchmark in real estate. Diversification will be obtained both through property type and geographical location. It is expected that investments will be primarily in large metropolitan centers. Relatively conservative levels of debt financing will be used in the purchase of income producing real estate properties often called "Core Real Estate". Investments may also be made in investment strategies defined as "Value-Added" or "Opportunistic". "Value-Added" strategies derive their return from both income and appreciation and may include the use of a moderate amount of leverage while "Opportunistic" strategies derive their return primarily through appreciation and they may use a moderate to high degree of leverage. The Core Real Estate Funds are currently the predominant exposure in the Real Estate portfolio and will be used as a placeholder until other private investment opportunities are identified. The criteria used to evaluate such partnerships, the risk parameters that such partnerships will be managed against and the performance benchmarks the individual partnerships will be evaluated by are the same as those outlined in Section 8. Property valuations will be conducted so as to reflect realistic economic value at quarter-end periods.

6.4 Watch List Policy

Purpose of Watch List

In order to more officially monitor and track existing and potential problems at the fund/portfolio management, the Board has adopted the following "watch list" policy. The watch list has been instituted to specifically monitor portfolios and managers on both quantitative and qualitative factors. The purpose of such a list and its procedures is to identify how performance and other issues will be monitored and how they will be responded to in a timely manner. The Board reserves the right to take any action with respect to its investment managers at any time. The watch list policy does not restrict the Board from any action.

Quantitative Screens

The quantitative portion of the watch list will be primarily focused on performance of the fund vs. the appropriate benchmark and peer group.

Qualitative Factors

In addition to the performance screens, several other factors relating to the portfolio/ fund's management and style will be continually monitored. These factors are:

- a) The portfolio's fundamental investment characteristics vs. the appropriate market index (benchmark)
- b) The portfolio's ability to adhere to its stated investment style
- c) Continuity of the portfolio management and analytical research staff members
- d) Continuity of firm's senior management and organizational structure
- e) Ownership changes of the organization
- f) Style drift or changes

Regulatory Developments

The Board reserves the right to take any action with respect to its investment managers at any time.

Watch list status indicates an increased level of concern, but does not indicate major deficiencies. Managers may be placed on MERCEDCERA's Watch list for one or more reasons stated below. The Watch list period will be defined by the Board. The Board, with the help of the General Investment Consultant, shall conduct a comprehensive evaluation of the Manager at the end of the one-year Watch list status period to determine whether the Manager may be removed from Watch list status.

A manager may be added to the MERCEDCERA Watch List for any of the following criteria:

- Under/Over Performance
- Style Deviation
- Organization Change
- Non-Compliance
- Poor Client Service
- SEC Filings and Investigations
- Fees
- Other criteria as deemed appropriate by the Board of Retirement

Manager may be removed from MERCEDCERA's Watch list if the Manager demonstrates adequate improvement in identified areas of concern. The Board reserves the right to remove a manager from the Watch List at any time.

Termination

The Board reserves the right to terminate an investment management contract in accordance with the investment agreement for any reason it deems appropriate.

PART IV

CONTROLS

7.0 PROXY VOTING

Voting Proxy ballots will be for the exclusive benefit of the members and beneficiaries of the Plan. The Board may delegate proxy voting to each respective investment manager.

8.0 TRANSACTIONS, BROKERAGE, AND COMMISSION RECAPTURE PROGRAM

The Board understands their fiduciary responsibility with respect to transactions and hereby instructs their investment managers to seek best execution when conducting all trades. Managers are instructed to seek to minimize commission and market impact costs when trading securities. Also, either internally or through an externally provided transaction cost evaluation service, investment managers are expected to measure the costs associated with their investment trades.

All securities transactions shall be executed through reputable member-firm broker/dealers.

9.0 BOARD REVIEW AND DUE DILIGENCE POLICY

The Board will conduct the monitoring of investment performance and manager structure. On a monthly basis, the Board will review monthly investment reports, investment strategy, market conditions, portfolio manager performance and the status of MERCEDCERA's asset allocation plan. The Board, individual trustees or designated Staff and Investment Consultant(s) will meet the Plan's traditional asset class investment managers once every 18 months.

Providing ongoing oversight of the investment management firms selected to invest MERCEDCERA's assets is an important component of the fiduciary duty of prudent investment. This oversight involves not only monitoring investment performance, but also includes: (1) Understanding the reasons for positive or negative performance; (2) Assuring consistency in the investment process and philosophy utilized in managing the portfolio; (3) Monitoring the organizational structure and financial stability of the firm; (4) Staying abreast of any regulatory actions or litigation involving the firm; (5) Monitoring the firm's increase or decrease in assets under management; and (6) Obtaining any other information that is relevant and material to understanding the firm's management of MERCEDCERA's assets. Conducting periodic on-site due diligence meetings and reviews with investment managers is an excellent method for addressing these oversight responsibilities and for assuring that the continued engagement of a particular investment management firm is prudent and in the best interests of MERCEDCERA. Accordingly, the Board will endeavor to perform on-site due diligence visits with investment managers, as necessary. Such on-site due diligence meetings will focus on in-depth manager specific issues relevant to the engagement and a report on the meeting will be presented to MERCEDCERA's Board of Retirement. Additional on-site due diligence visits may be undertaken with an investment management firm. The Board may require bi-annual updates on certain investments. Subsequent meetings may be required of the manager with staff and the investment consultant(s).

10.0 POLICY COMPLIANCE REVIEW

This investment policy shall be reviewed every three years at a minimum to ensure MERCEDCERA's compliance with the overall objectives of the Investment Policy Committee.

11.0 PORTFOLIO REBALANCING

a) The investment consultant(s) shall monitor the portfolio regularly and report to the Board not less than

quarterly on the advisability of rebalancing the portfolio, unless otherwise specified by the Board.

- b) In monitoring the portfolio, the consultant shall be guided by the target asset allocation for each asset class in Appendix A. The Board shall also establish acceptable asset allocation ranges for each of the MERCEDCERA's investment classes.
- c) The Board has authority to issue instructions to managers to liquidate securities for reallocation to other managers or other asset classes, but shall do so only after considering the recommendation of the Plan Administrator and investment consultant(s).
- d) The Plan Administrator, in conjunction with the Investment Consultant(s), may prorate net positive cash flows to asset classes that have fallen beneath their target allocation and are approaching the minimum allocation level. The proration may take into account the asset class' percentage of the total portfolio and the magnitude of the deviation from the target.
 - i. When all asset classes are within 2 percent of the target allocation, the Plan Administrator may prorate net positive cash flows to each asset class on a rotating basis in order of the asset class' percentage of the total portfolio.
 - ii. The Board may review the allocation of assets to each investment manager as part of the Board's asset allocation review.

Appendix A

ASSET ALLOCATION PLAN AND TARGET ASSET MIX

Based on the MERCEDCERA's asset allocation study and acceptance of the proposed target asset mix (as stated in the October 2016 Asset Allocation Study report) the following is the MERCEDCERA's target asset mix and allocation ranges. The MERCEDCERA will review its asset allocation position as needed or a minimum of once every three to five years.

Allocation Ranges

	<u>Target Mix%</u>	<u>Minimum %</u>	<u>Maximum %</u>
Total Domestic Equity	22.0	16.0	27.0
Developed Market Equity	11.0	6.0	16.0
Emerging Market Equity	8.0	4.0	12.0
Private Equity	15.0	5.0	20.0
Direct Lending	5.0	0.0	10.0
Real Estate	8.0	6.0	10.0
Domestic Fixed Income	11.0	6.0	16.0
Opportunistic Fixed Income	5.0	3.0	7.0
Hedge Fund	10.0	5.0	15.0
Real Assets	5.0	3.0	7.0

The market benchmarks for the above asset classes are as follows:

US Equity	Russell 3000
Developed International Equity	80/20 MSCI Europe, Australia & Far East Index (EAFE) Net/MSCI ACWI ex US Small Cap Net
Emerging Markets Equity	MSCI Emerging Markets Index Net
Private Equity*	Primary: (70% R3000 + 30% MSCI ACWI ex US) plus 3% 1 Q Lagged
Private Direct Lending	S&P/LSTA Leveraged Loan Index + 2%
Real Estate	Primary: NCREIF ODCE Property Index 1 Q Lagged; Secondary: CPI + 5%
US Fixed Income	90/10 Bloomberg US Aggregate Bond Index /Bloomberg US Treasury 1-3 Year Index
Opportunistic Fixed Income	50/25/25 Bbg Agg/Bbg HY/CS Lev Loans
Hedge Funds*	HFRI Fund of Funds Composite Index
Real Assets*	Primary: 50/50 Blend S&P Global Infrastructure and S&P Global Natural Resources.
Total Fund Benchmark	Target asset mix percentages are applied to individual asset class benchmarks to arrive at the total fund benchmark. The private equity allocation is scaled in over time.
*Please note that Benchmarks for Private Equity, Real Assets and Hedge Funds presented in MERCEDCERA Board of Retirement Meetings by the general investment consultant and the specialized investment consultant may differ.	

Appendix B

PLACEMENT AGENT DISCLOSURE POLICY

1. PURPOSE

This Policy sets forth the circumstances under which the Merced County Employees' Retirement MERCEDCERA (MERCEDCERA) shall require the disclosure of payments to Placement Agents, in connection with MERCEDCERA investments in or through External Managers. This Policy is intended to apply broadly to all of the types of investment partners with whom MERCEDCERA does business, including the general partners, managers, investment managers and sponsors of hedge funds, private equity funds, real estate funds and infrastructure funds, as well as investment managers retained pursuant to a contract. MERCEDCERA adopts this Policy to require broad, timely, and updated disclosure of all Placement Agent relationships, compensation and fees. The goal of this Policy is to help ensure that MERCEDCERA investment decisions are made solely on the merits of the investment opportunity by individuals who owe a fiduciary duty to MERCEDCERA.

2. APPLICATION

This Policy applies to all agreements with Investment Managers that are entered into on behalf of MERCEDCERA. This Policy also applies to existing agreements with Investment Managers. Agreements may be amended in any way to continue, terminate, or extend the term of the agreement or the investment period, increase the commitment of funds by MERCEDCERA or increase or accelerate the fees or compensation payable to the Investment Manager (Referred to hereafter as "Amendment".) In the case of an Amendment, the disclosure provisions of this Policy shall apply to the Amendment and original agreement.

3. RESPONSIBILITIES

A. The Board is responsible for:

1. Not entering into any agreement with an External Manager that does not agree in writing to comply with this policy.
2. Not entering into any agreement with an External Manager who has violated this policy within the previous five years. However, this prohibition may be reduced by a majority vote of the Board at a public meeting upon a showing of good cause, as deemed by the Board.

B. Each External Manager is responsible for:

1. Providing a statement in writing that the External Manager will comply with this policy. Notification in writing shall be made to the Chairman of the Board and Plan Administrator.
2. Providing the following information, in writing, to the MERCEDCERA Investment Staff within 45 days of the time investment discussions are initiated by the External Manager, but in any event, prior to the completion of due diligence. In the case of Amendments, the Placement Agent Information Disclosure is required prior to execution of the Amendment. All disclosures and notifications shall be made to the Chairman of the Board and the Plan Administrator.
 - a. Disclosure of payments or compensation by the External Manager or any of its principals, employees, agents or affiliates, directly or indirectly, to any person or entity to act as a Placement Agent in connection with MERCEDCERA investments.
 - b. A resume for each officer, partner, principal of the Placement Agent detailing the person's education, professional designations, regulatory licenses and investment and work experience. If any such person is a current or former MERCEDCERA Board trustee, employee or consultant or a member of the immediate family of any such person, this fact shall be specifically noted.

- c. A description of any and all compensation of any kind provided or agreed to be provided to a Placement Agent, including the nature, timing and value thereof. Compensation to Placement Agents shall include, but not be limited to, compensation to third parties as well as employees of the External Manager who solicit or market investments to MERCEDCERA or who are paid based upon investment commitments secured by such employees.
 - d. A description of the services to be performed by the Placement Agent and a statement as to whether the Placement Agent is utilized by the External Manager with all prospective clients or only with a subset of the External Manager's prospective clients.
 - e. A written copy of any and all agreements between the External Manager and the Placement Agent.
 - f. A statement whether the placement agent, or any of its affiliates, are registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association, or any similar regulatory agent in a country other than the United States, and the details of that registration or explanation as to why no registration is required.
 - g. A statement whether the placement agent, or any of its affiliates, is registered as a lobbyist with any state or national government.
 - h. The names of any current or former MERCEDCERA Board Trustee, employees, or consultants who suggested the retention of the Placement Agent.
3. Providing an update of any changes to any of the information provided pursuant to section B.2 above within 14 calendar days of the date that the External Manager knew or should have known of the change in information.
 4. Representing and warranting the accuracy of the information described in section B.2 above.
 5. Causing its engaged Placement Agent to disclose, prior to acting as a Placement Agent to MERCEDCERA;
 - a. All campaign contributions made by the Placement Agent to any publicly elected MERCEDCERA Board Trustee during the prior 24-month period. Additionally, any subsequent campaign contribution made by the Placement Agent to any publicly elected MERCEDCERA Board Trustee during the time the Placement Agent is receiving compensation in connection with a MERCEDCERA investment shall also be disclosed.
 - b. All gifts given by the Placement Agent to any MERCEDCERA Board Trustee during the prior 24 - month period. Additionally, any subsequent gift made by the Placement Agent to any MERCEDCERA Board Trustee during the time the Placement Agent is receiving compensation in connection with a MERCEDCERA investment shall also be disclosed.
 6. MERCEDCERA reserves the right to deem the failure to disclose the information required by 5(a) and 5(b) as a material breach of the agreement with the External Manager.
- C. MERCEDCERA Staff ("Staff") are responsible for:
1. Providing External Managers with a copy of this Policy at the time that discussions are initiated with respect to a prospective investment or engagement.
 2. Confirming that the information in Appendix B Section B above has been received within 45 days of the time investment discussions are initiated, but in any event, prior to the completion of due diligence and any recommendation to proceed with the contract or Amendment.
 3. For new contracts and amendments to contracts existing as of the date of the initial adoption of this Policy, securing the agreement of the External Manager in the final written agreement between MERCEDCERA and the External Manager to provide in the event that there was or is an intentional material omission or inaccuracy in the Placement Agent Information Disclosure or any other violation of this Policy, MERCEDCERA is entitled

to the greater of the reimbursement of any management or advisory fees paid by MERCEDCERA for the prior two years or an amount equal to the amounts paid or promised to be paid to the Placement Agent as a result of the MERCEDCERA investment; and

4. Prohibiting any External Manager or Placement Agent from soliciting new investments from MERCEDCERA for five years after they have committed a material violation of this Policy; provided, however, that MERCEDCERA's Board, by majority vote at a noticed, public meeting, may reduce this prohibition upon a showing of good cause.
5. Providing a quarterly report to the Board containing (a) the names and amount of compensation agreed to be provided to each Placement Agent by each External Manager as reported in the Placement Agent Information Disclosures, and (b) any material violations of this Policy; and maintaining the report as a public record.



Merced County Employees' Retirement Association

DATE: October 27, 2022

TO: MercedCERA Board of Retirement

FROM: Kristie Santos, Plan Administrator

SUBJECT: Review of Bylaws 2022

ITEM NUMBER: 5

ITEM TYPE: Action

STAFF RECOMMENDATION:

1. Adopt the proposed changes as recommended by the Ad Hoc Bylaws Board Subcommittee and direct Plan Administrator to submit to the Merced County Board of Supervisors for approval.

DISCUSSION:

The MercedCERA Board of Retirement Ad Hoc Bylaws Review Subcommittee and Association staff are proposing several major bylaw changes. Below is a list of the substantial changes;

- Delegation to Plan Administrator; adds language to delegate issuing subpoenas, released unclaimed funds, determine the date of a disability retirement based on the facts of the case, correct administrative errors and exercise authority in the approved delegation of authority policies.
- Plan Administrator and Chief Investment Officer oversight; reiterates the Board of Retirement has appointing, salary setting and oversight of the Plan Administrator and Chief Investment Officer positions.
- Meetings; as proposed by the Ad Hoc Bylaws Board Subcommittee to go to one meeting on the 4th Thursday of the month. Previously, two meetings were held on the 2nd and 4th Thursday of the month.
- Trainings; all trainings and associated travel will be scheduled by Association staff. The definition of training has been expanded to include due diligence trips and investor day presentations of funds and General Partners. A list of pre-approved trainings and conferences are now included in the Bylaws document and those on the list no longer need to be approved in open session by the Board. If items not on the list are requested, the training or conference item must be brought to the full board for approval prior to travel.
- Quorum; when or if only five members of the Board are present for a meeting which constitutes a quorum (except for disability hearings) a unanimous vote is needed for an item to pass. If there is not a unanimous vote, then the item must return to the full board for discussion and action.
- Meeting Minutes; board meetings will no longer be recorded, and recordings kept for 180 days. This will become effective when the bylaws are approved by the County Board of Supervisors.

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- Meeting Agendas; meeting agenda content and items can be brought to the Board in various ways which include topics brought in open session as requested by the member of the Board, the public or staff. Items can be brought by the Plan Administrator with approval by the Chair and or Vice Chair. During public comment, a member of the public may request an item be agendaized at a later date.
- Travel; MercedCERA will generally follow the County's travel policy for ease except for the following; travel is approved by the Plan Administrator or the Board of Retirement instead of the County's CEO for all staff and Trustees; staff and Trustees will be reimbursed for actual costs with some exceptions as outlined in the Bylaws document, the Board may bring in candidates for the Plan Administrator and Chief Investment Officer position recruitments with costs paid by the Association.

Please note, the format has been updated and other changes has not substantially changed the content of the sections.

Recommendation: Adopt the proposed changes as recommended by the Ad Hoc Bylaws Board Subcommittee and direct Plan Administrator to submit to the Merced County Board of Supervisors for approval.

~~MERCED COUNTY
EMPLOYEES' RETIREMENT
ASSOCIATION~~

~~MERCED~~ CERA

Merced County Employees' Retirement Association

Board of Retirement Bylaws

December ~~2019~~2022

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Administration

Name

The name of this association is the Merced County Employees' Retirement Association ("MercedCERA" or the "Association").

Purpose of Association

This Association is established pursuant and subject to the County Employee-s' Retirement Law of 1937("CERL"), found at California Government Code Sections 31450 et seq. (CERL). ~~For the purposes of carrying out the provisions of CERL,~~ This Association is governed by the CERL as supplemented by these bylaws. These bylaws are intended to implement the CERL, ~~and~~ not to conflict with the CERL, and shall be interpreted accordingly. If any portions of these bylaws conflict with the CERL, the CERL shall prevail.

Definitions

Words, terms, and phrases used in these bylaws that are defined in the CERL shall ~~be as defined in the CERL~~ have the meaning ascribed in the CERL, unless ~~otherwise~~ specified otherwise in these bylaws.

Management Delegation to the Plan Administrator

The management of the Association shall be vested in the Board of Retirement ("Board"). The day to day operations of the Association is delegated to the Plan Administrator or designee. In addition to the normal duties required to administer the Association on a day to day basis, the Plan Administrator is authorized to perform the following duties which would otherwise be reserved for the Board:

- Under Government Code section 31535, issue subpoenas and subpoenas duces tecum.
- Under Government Section Code 31629, release unclaimed funds provided the claimant has adequately established their identity and makes application for funds.
- Under Government Section Code 31724, determine that the effective date of a member's disability retirement is a date earlier than the date the application was filed if the delay in filing was due to administrative oversight or inability to ascertain permanency of incapacity and where credible documentation exists to support such findings.
- Correct administrative error in the calculation of retirement benefits, with the issue of retroactive correction, reserved to the Board's discretion to be exercised in accordance with applicable law.
- Exercise the authority granted under the Board's "delegation of Authority for Plan Administrator Policy" and "Investment Delegation of Authority Policy".

Fiscal Year

MercedCERA's fiscal year shall be July 1 to June 30.

Communication and Requests to the Board

Unless brought personally to the Board at its regular meeting, all communication and requests to the Board, whether addressed to the Chair or to any individual member, shall be in writing.

~~and such requests and actions of t~~The Board ~~in response~~ may respond to such communication if placed on the agenda for a Board Meeting. ~~shall be noted in the minutes.~~ Such ~~e~~Communications ~~to the Board~~ should be sent to Attention: Board of Retirement, 3199 M Street, Merced, California 95348.

Officers

~~Board members are elected and appointed pursuant to Government Section 31520.1.~~ At the first regular meeting in July of each year, or as soon as practicable thereafter, the Board shall elect from its members a Chair, Vice Chair and Secretary, for a term of one (1) year or until the successor is duly elected. Should any officer fail for any reason to complete the term, the Board shall elect a successor for the balance of the unexpired term at its next regular meeting, or when practicable. Officers may be removed by a two-thirds vote of the entire Board.

Election and Appointment of Board Members

Pursuant to Government Code ~~S~~section 31520.1, and ~~S~~section 31520.5, the Board shall be composed of nine (9) members, one alternate safety member and one alternate retired member.

The Board of Retirement seats are as follows;

Seat 1 – County Treasurer ~~appointed by Statute §31520.1~~

Seat 2 – Elected by general membership ~~(active employees)~~

Seat 3 – Elected by general membership ~~(active employees)~~

Seat 4 – Appointed by the Board of Supervisors

Seat 5 – Appointed by the Board of Supervisors (currently ~~to be~~ a Board of Supervisor)

Seat 6 – Appointed by ~~the~~ Board of Supervisors

Seat 7 – Elected by safety membership ~~(active employees)~~

~~Seat 8 – Elected by retired membership~~

Seat ~~8~~9 – Appointed by the Board of Supervisors

~~Seat 9 – Elected by retired membership~~

Alternate Safety seat ~~(Seat 7a)~~ – Elected by safety membership (shall be a different county safety personnel classification than Seat 7 Trustee)

Alternate Retiree seat ~~(Seat 8a)~~ – Elected by retired membership

The Board shall determine ~~by motion which the~~ procedure ~~shall be established to be used~~ for the election of the second, third, seventh, eighth, the alternate safety member, and the alternate retired member:

- a) The election may be conducted by the County Registrar of Voters who may establish the filing dates for candidates, the method of election, all election rules, the election date, and who ~~also~~ shall conduct the election and certify the results, or
- b) The election may be conducted by Association staff. The Plan Administrator will establish a procedure which will be brought to the Board for approval.

The candidate who receives the highest number of votes of the ballots ~~cast~~ for the ~~position seat east~~ shall be declared the winner unless ~~otherwise determined by the CERL the CERL requires~~ ~~otherwise~~. The newly elected ~~member of the~~ Board ~~member~~ may assume the seat

for which the candidate ran at the first Board meeting following the expiration of the term of the incumbent, or if the seat is vacant, may assume the seat at the ~~next-first~~ meeting ~~after following~~ the election if sworn in.

~~If only one candidate enters their name for the election once the final filing period has passed, the~~ Registrar of Voters or the Merced CERA Board of Retirement may appoint ~~the one a~~ candidate to ~~the a~~ seat in lieu of an election if only one candidate submits a declaration of candidacy for the seat.

Approval of these bylaws by the Board of Supervisors shall be deemed its approval of the election method for ~~members~~ Board seats.

Pursuant to Government Code ~~S~~section 31521, the fourth, fifth, sixth, eighth, ninth and alternate retired members of the Board shall receive compensation at the rate of one hundred dollars (\$100) per meeting, limited to ~~three~~ no more than five meetings per month. A Board member must be an appointed member of a committee or subcommittee to receive compensation for attendance at a committee or subcommittee meeting. Mileage and travel costs will not be reimbursed for attendance at Board meetings. The fifth seat (~~or~~ Seat 5), as an active member on the Board of Supervisor ~~for the County~~, receives a salary from the County and therefore all meeting stipends from the Association are waived to attend meetings.

Alternate trustees shall have the same access and rights as other Board members. Including, but not limited to, access to information, consultants, travel, conferences and trainings. The alternate retired member shall receive compensation for attending meetings regardless of eligibility to vote at the meetings.

Plan Administrator

Under Government Code section 31522.2 the Plan Administrator is appointed by the Board of Retirement and is not subject to County civil service or merit system rules. The person appointed is a County employee and the position shall be included in the salary ordinance or salary resolutions adopted by the Board of Supervisors. The Plan Administrator shall be directed by, shall serve at the pleasure of and may be dismissed by the will of, the appointing Board. The Board shall deliver performance appraisals for and set the salary of the Plan Administrator.

Chief Investment Officer

Under Government Code section 31522.3 the Chief Investment Officer is appointed by the Board of Retirement and is not subject to County civil service ~~or~~ merit system rules. The person appointed is a county employees and shall be included in the salary ordinance or salary resolution adopted by the Board of Supervisors. The Chief Investment Officer shall serve at the pleasure of, and may be dismissed at the will of the appointing Board. The Board shall

deliver performance appraisals for and set the salary range of the Chief Investment Officer.

Meetings

Regular Meetings

~~Regular meetings of the Board shall be held on the second and fourth Thursday of each month at 8:15AM at the Retirement Office located at 3199 M Street, Merced, CA 95348 unless the place and or dates of the meeting are changed by order of the Board and timely noticed. The first meeting of the month may be for administrative matters and the second meeting may be for investment matters, unless changed by order by the Chair or the Board. Meetings may be adjourned by a Board member if a quorum is not present to conduct the meeting. The Plan Administrator may cancel a meeting if it is confirmed in advance that a quorum will not be present to conduct Association business.~~

Regular Board Meetings shall be held on the Fourth Thursday of each month at 8:15AM at the County Administrative Building, located at 2222 M Street, Merced, CA, basement Conference rooms unless the place or dates of the meeting are changed by order of the Board and timely noticed. Meetings may be adjourned by a Board member or the Plan Administrator if a quorum is not present to conduct the meeting. The Plan Administrator may cancel a meeting if it is confirmed in advance that a quorum will not be present, or there is no need for the meeting due to lack of business to conduct.

Special Meetings

Special meetings of the Board may be called in accordance with the Brown Act.

Attendance

Attendance at Board meetings is expected by every Board member. Board member attendance ~~It is critical for the Association to conduct its business, and make improvements in the Association.~~ Without a quorum (five Members) no business may be conducted. With less than all Members attending, every Member's perspective is not included in all decisions. Every meeting is an opportunity, not only to conduct the Association's business, but to learn more about the Association's business and how to improve the Association.

Board Education Hours

~~Board Members are expected to attend at least one MCERA supported education events each year to fulfill their statutory educational requirements. One hour of A Board Member may earn one hour of education credit monthly by attending the education will be provided each month by attending the MercedCERA Board Meetings, which allows a so that Board Members to fulfill theirthe may fulfill their requirement of obtaining 24 hours of education for every two-year period served on the Board in two years as mandated by Government Code section 31522.8 requirement just by attending regular meetings.~~ Thirty minutes of education will be granted each month with the Association's subscription(s) of investment and economic periodicals such as the Wall Street Journal and Pension & Investments Online. Board Members will be offered the subscription(s) with the expectation that Members stay informed on current events impacting MercedCERA's investments. Board members are also expected to attend a minimum of one MercedCERA supported education event each year.

Training

~~In addition to statutorily required education requirements, theThe~~ Board recognizes the importance of training for all trustees to enable them to perform the duties of their position. All Board members ~~may be~~ encouraged to attend training courses held annually that are sponsored by organizations such as, but not limited to, SACRS, CALAPRS, or other educational organizations. Trainings that involve travel (in state or out of state) will be scheduled by Association staff. The training budget for the Association is set by the Board of Retirement during the yearly budget process. Training classes may also include, but are not limited to, investment education trips and investor (education) days held by MercedCERA managers and General Partners. Item listed in Appendix A do not have to be requested in a public meeting and approved by the Board of Retirement. Any education or training trip not listed in Appendix A, willmust be added to the agenda and approved by the Board of Retirement prior to Board member attendance. One hour of Board member education shall be provided each month for meeting attendance and 30 minutes per month may be given for financial periodical subscriptions so that Board members may fulfill their 24 hours of education in two years as mandated by Government Code section 31522.8 by attending regular meetings and maintaining knowledge of current financial events.

Board Meeting Governance

Rosenberg's Rules of Order, except as otherwise provided herein, may guide the Board in its proceedings. Further, the Ralph M. Brown Act shall govern the Board in its proceedings.

Quorum

Five (5) members of the Board constitute a quorum, except for Disability Hearings where four (4) members constitute a quorum. An exception to the requirement for five (5) member quorum requirement, is in the case of hearings on Disability Hearings (formal or informal). The Regulations provide for four (4) members shall constitute a quorA decision made by the Board shall be effective with the vote of the greater of a majority of all members present, or five (5) membersfive (5) or more members. For Disability Hearings, the vote required is set in the Board's Disability Retirement Handbook. ~~um.~~

In the event a majority of the Board ~~members find themselves attendingis at~~ a purely social or ceremonial occasion, ~~such the~~ Board members in attendance shall not discuss among

themselves business that is within the subject matter jurisdiction of the Board.

Minutes

The Chair shall cause to be recorded in the minutes, the date, time and place of each meeting of the Board, the names of members present, all official acts of the Board, the motions and seconds, the votes given by Board members, except where the action is unanimous, and when requested, a member's dissent or approval with reasons, and shall cause the minutes to be written up and presented for approval at the next regular meeting. The minutes shall be submitted by the Plan Administrator and approved ~~or~~ and signed by the Chair and Secretary, and shall form part of the permanent records of the Board. ~~shall form part of the permanent records of the Board. Recordings of Board meetings will be kept for 180 days from the date of recording.~~

Disability Hearings

Disability hearings shall be scheduled and conducted as provided under the Board's Disability Rules and Regulations Retirement Handbook. The minimum quorum requirement for a Board Disability Hearing (formal or informal) is four (4) voting members.

Confidentiality

No Board member or staff shall publicly disclose any information received and discussed in a closed session, unless the information is authorized to be disclosed by law or by action of the Board. ~~Public or third party disclosure by a Board member or staff, either directly or indirectly, of any properly closed session confidential information obtained in closed session by a Board member or staff shall be subject to~~ shall be subject to, among other available remedies, disciplinary action or referral to a grand jury, sanctions as permitted by law against the person for willful misconduct in office, and/or other sanctions or disciplinary actions as permitted and deemed appropriate by the Board.

Meeting Agendas

Items may be set on meeting agendas as follows: ~~Meeting agendas may be set by the~~

- ~~• By the~~ Plan Administrator with approval from the Chair and or Vice Chair.
- ~~• A Trustee, during an open session a Board meeting under~~ when the regular agenda item of "Trustee Information" is addressed, may direct the Plan Administrator to place an item on a future agenda.
- ~~• Outside a Board meeting, a Any member of the public, consultant, or member of the Board may forward items shall forward items to be put on the agenda to to the Plan Administrator for possible inclusion on an agenda. and those items will be discussed and may be agendized with the Chair.~~
- ~~• Members of the public may appear at any open session of a Board meeting and during the "Public Comment" portion of the meeting request that an item be placed on a future agenda. and ask for an item to be placed on the agenda and the Board may direct the Plan Administrator to place an item on the meeting agenda to be heard at the next regular meeting, if appropriate.~~

Committees

The Investment Committee and the Crisis Response Committees are permanent sub-committees. The Officers of the Board will operate as the Crisis Response Committee which

will be the Chair, Vice Chair and Secretary. For all other committees, Board Members may be appointed by the Chair to committees of the Board as needed. These committees may be ad hoc in nature, ~~except the Investment Committee and Crisis Response Committee.~~

Travel

~~All members of the Board [members](#) and the Plan Administrator staff may shall follow the County's travel policy for travel except for the following; Board and staff of MercedCERA shall receive reimbursement for actual, [reasonable](#), and necessary [travel](#) expenses. Reasonable expenses may include airfare (must be refundable airfare as MercedCERA will not hold, pay for or reimburse for vouchers or coupons of canceled flights), train fare, mileage (IRS approved or Merced County approved rates), ferry, toll, parking, shuttle, taxi service (including tip), ride services such as Uber or Lyft, hotel lodging, meals including tips, necessary business calls, tips for portorage and other expenses which are incurred for MercedCERA travel. The traveler should present receipts for all items which are easily obtainable (such as lodging and meals) but may also claim amounts for such expenses as bridge toll, taxi service, or tips for portorage for which receipts are not generally given. MercedCERA will not pay or reimburse for any costs of alcohol or any costs incurred by spouses, family members, or friends accompanying the staff, trustee, or potential candidate unless explicitly approved by the Board of Retirement. If receipts are not presented, then MercedCERA will pay the County's per diem costs. ~~consistent with the travel and reimbursement policy of the County of Merced for trainings or Board related business.~~~~

Board ~~m~~Members and ~~the Plan Administrator staff~~ may have to travel on Board business which may not be defined under the procedures of the Merced County Travel Policy. ~~If certain aspects of the travel do not fall within the County's policy (again followed for ease), the Plan Administrator may approve the travel cost or may place an agenda item for the Board's consideration of that travel cost. All travel that falls under this definition may be discussed and approved by the Board of Retirement prior to travel taking place, if possible. The Board and Association may use www.GSA.gov as a guide if the County's travel policy does not prevail.~~

If eligible Board Members travel as a result of subcommittee business, the Trustee may be eligible for the MercedCERA Meeting stipend as prescribed in the CERL in addition to travel reimbursement.

The Board may also, bring potential candidates to meet the Board during the recruitment process for positions of the Plan Administrator or; Chief Investment Officer. Reimbursement of actual expenses of those candidates will be subject to the approval of the Plan Administrator, or, in the absence of a Plan Administrator, the Board.

Membership

Membership [in the Association](#) shall be as defined by the CERL and by the California Public Employees' Pension Reform Act of 2013 (PEPRA).

Mandatory Membership

Any employee of the County of Merced, Merced County Superior Court, or of any special District included in the Association, who is eligible for membership, shall be considered to be a member on the first day of employment (as adopted by Board Resolution 98-02 in 1998). Newly hired employees who have attained the age of 60 and elected officials have the option of waiving membership. Employees hired prior to 1998 became members on the first day of the next payroll period following appointment to a full time permanent position. For members with incoming reciprocity, ~~the~~ Association may delay the effective start date of a member up to 12 weeks after the date of ~~employment, or employment or~~ may terminate credited service with the Association no earlier than 12 weeks prior to the member's termination from employment for the purpose of establishing reciprocity with another public retirement system as described in the CERL.

Exempt

~~An employee who is classified by his department head in any one of the~~ The following classifications shall be exempt from membership in this Association:

- a) Extra Help
- b) Seasonal Employee
- c) Intermittent Employee
- d) Part Time Employees
- e) Student Intern/Assistant

Eligibility for Service Retirement

~~In addition to the provisions of the CERL pertaining to service retirement, the Association references Government Section Code 31499.4 of the CERL.~~

Associations Normal Retirement Age and Employment Regulations

The Board has adopted a policy defining normal retirement age as 50 for safety members and as age 60 for ~~miscellaneous~~general members. The resolutions also require that a bona fide separation from service must occur before any retired member who is younger than normal retirement age can be employed as a retiree by an Association's employer. These regulations do not apply to ~~a~~-safety members 50 years or older or a retiring ~~miscellaneous-general~~ member, 60 years or older.

Evidence of Birth

~~Prior to the time that the first warrant is issued to any member for retirement allowance, every member of the Association shall be required to submit to the Plan Administrator a certified copy of a birth certificate.~~ Members are required to submit a copy of their birth certificate to the Plan Administrator before the Association issues a benefit payment. - If a birth certificate is not ~~attainable~~-available because such a record does not exist, then a member may submit one of the following: ~~infant baptismal certificate, hospital birth record, current valid passport or valid passport card.~~ If those ~~certifications-records could not be obtained~~are not available, then the member may submit any two (different) of the following: a notarized affidavit by an older member of the family, ~~or~~ a certificate of military service, ~~or~~ a marriage certificate if age is shown on the certificate, a ~~or~~-naturalization certificates issued ~~the~~-by the United States government, ~~or~~ a child's birth certificate if the age of the member is shown on the certificate,

or a ~~current Real~~ California ~~Real~~ ID. ~~The A member's~~ failure to comply with this requirement shall give the Board the discretion to determine the rate of contribution.

In the event of a discrepancy of age, the latest birth date shall prevail. The evidence of birth shall be submitted to the Plan Administrator. If the evidence does not meet the criteria above or is not acceptable to the Plan Administrator, a request may be submitted to the Board to determine ~~whether which~~ evidence of birth shall be accepted. Any member contribution shortfall that may arise from the difference in age, shall be paid by the member to the Association, prior to retirement.

Evidence of Beneficiary

At the time of applying for a retirement benefit, the member shall provide evidence of marriage or Domestic Partner Registration if the designated beneficiary is a spouse or domestic partner. Evidence of birth as described above, shall be submitted for beneficiaries.

Election of Benefits

Prior to the first warrant being issued to a member for a retirement allowance, such member shall be furnished with a statement indicating the amount of his or her retirement allowance, calculated in accordance with the unmodified and various optional modes of settlement. Such statement shall provide for the signature of the member, indicating the choice as to type of allowance selected and, when signed by the Plan Administrator or any other authorized retirement staff, shall constitute the annuity certificate provided for in Government Section Code 31760.

After the initial retirement payment is processed for payment (estimated 5 business days prior to actual receipt of payment by member) no changes shall be made to the option selected by the member. No changes shall be made to the beneficiary named by the member unless Option 1 (return of employee contributions) was selected.

Reciprocal members who are granted a disability retirement may be subject to an offset of their retirement allowance, in accordance with Government ~~Section C~~Code section 31838.5 ~~of the CERL~~.

Member Contributions

Member contributions rates for Tiers 1, 2 and 3 shall be based on ~~the~~ compensation earnable and member age at entry into the Association and shall be deducted only for the pay periods during which service for compensation is rendered. Contributions for Tier 4 members shall be a flat rate based on plan type, safety or general.

Refund of Contributions

- a) A member terminating membership and employment from the Association employer may receive a refund of contributions, including interest last credited, if any. The date of termination is the date the employee last received

compensation on payroll. A request for a refund shall be made in writing and the Plan Administrator may make payment in whole, or in part withheld, for a period not to exceed six months after date of separation.

- b) A deferred member may receive a refund of contributions if not classified as an outgoing reciprocal member; an outgoing reciprocal member may receive a refund upon receipt of confirmation in writing from the reciprocal system that the member has terminated employment.
- c) At the Board meetings preceding June 30th and December 31st of each year, the Board will declare the rate of interest which shall be credited to the members' and employers' accounts prospectively in accordance with the Board's Interest Crediting Policy ~~in accordance with~~ as provided in the CERL.

Redeposits

After a refund of contributions, if, prior to filing an application for retirement, a member fails to redeposit, ~~in cash~~ or communicate in writing to the Association, an intention to redeposit ~~in writing to the Association~~, the member forfeits credit for past service and the rate of contribution is then based on the member's age at the time of reentry into the Association, ~~per Government Section Codes 31652 and 31642.~~

An eligible member who wishes to redeposit the amount previously withdrawn plus interest may do so upon application to the Association. ~~In its discretion, the Board may delegate to the Plan Administrator and staff to allow a maximum period of up to five years. Under Per Government Code Section 31831.3, the~~ redeposit of contributions for service credit from a previous employment within a different benefit tier allows the member reentry into that former tier. If no request is made regarding a specific duration for repayment or if redeposit is not made in cash, the redeposit shall be made by means of increased contributions plus interest (see Board's Policy on Interest Crediting) until such redeposit has been completed, provided that this period shall not extend beyond five years after the date of reentrance into the Association. If a member terminates employment during a service purchase or redeposit, the remainder of payments must be made in a lump sum or service and contributions made toward the purchase or redeposit will be refunded.

~~Pursuant to Government Code Section 31831.3, a member may redeposit a refund of contributions while employed by a reciprocal system as a safety officer or if while employed by a reciprocal system seeks to redeposit contributions for past employment as a safety officer.~~

Acceptance of Plan to Plan Transfers and Rollovers

For County of Merced and District 457(b) Plans, to the extent authorized by both federal and state law and the Merced County Board of Supervisors or the District Board of Directors, the Association shall accept plan to plan fund transfers and accept direct rollover funds from eligible 457(b) plans of the County of Merced and Districts to satisfy all or part of the payment of contributions for the limited purposes of redepositing withdrawn contributions and purchasing extra help or permanent time in a non-covered position, time as an elective officer with break in service, military service, and sick leave without pay. The amount transferred or rolled over shall not exceed the amount required for the applicable purpose. Further, all transfers must be timely made in the form and manner established by the Plan Administrator. No transfer or rollover shall be accepted if, or to the extent, that it does not comply with

federal and state tax laws.

True Up of Plan to Plan Transfers and Direct Rollovers

Effective on adoption of these bylaws, the Association will apply applicable interest on plan to plan transfers and direct rollovers based upon the date in which the funds were effectively received by the Association and the agreed upon date of transfer or rollover in the member's purchase agreement. If the member does not pay the amount owed for the applicable purpose by the date required ~~by on~~ the redeposit agreement, the Plan Administrator shall, as soon as reasonably possible, inform the member of the additional amount owed to complete the redeposit agreement. The member will have 30 days to pay the additional amount owed by ~~cash or personal check~~ or cashier's check. If ~~cash or a personal check~~ the deposit for the additional amount is not received by the Association within 30 working days after the date that the Plan Administrator notifies the member of the additional amount owed, then all of the transferred or rolled over funds will be returned to the qualified 457(b) or 457 plan and the purchase will be voided and treated as never having occurred. However, ~~no cash or personal check~~ or cashier's check shall be accepted if, or to the extent, that it does not comply with federal tax law. If the member pays more than the amount owed for the applicable purpose by the date required by the redeposit or purchase agreement, the Association will return the excess amount immediately and directly to the transferring 457 plan.

Correction of Errors or Omissions

Pursuant to Government Code ~~s~~Section and 31539, and for the purposes of payments into or out of the retirement fund for adjustments of errors or omissions:

- a) No action may be commenced by or against the Board or the Association more than ten (10) years after all obligations to or on behalf of the member, former member, beneficiary, or annuity beneficiary have been discharged.
- b) If the Association makes an error that results in incorrect payment to a member, former member, beneficiary, or annuity beneficiary, the Association's right to commence recovery shall expire ten (10) years from the date the incorrect payment was made or the error was discovered, whichever is later.
- c) If an incorrect payment is made due to lack of information or inaccurate information regarding the eligibility of a member, former member, beneficiary, or annuity beneficiary to receive benefits, the period of limitation shall commence with the discovery of the incorrect payment.
- d) Notwithstanding any other provision of this section, if an incorrect payment has been made on the basis of fraud or intentional misrepresentation by a member, beneficiary, annuity beneficiary, or other party in relation to or on behalf of a member, beneficiary, or annuity beneficiary, then the ~~b~~Board may commence an action up to 10 years from the date of the payment or upon discovery of the facts, fraud, or intentional misrepresentation, whichever is later.
- e) For overpayments less than \$100, the Plan Administrator shall make a request for payment, but if no payment is made, the Plan Administrator may write off the account.
- f) If the member is receiving an ongoing benefit and the Association, or employer error caused an overpayment in a benefit, then the Association may collect

- from the member's ongoing benefit-, until the overpayment is discharged.
- g) If the member is not receiving an ongoing benefit and has received an overpayment in a lump sum benefit of up to \$25,000, then the Plan Administrator shall have authority pursuant to these bylaws to take action to recover the overpayment. If the member is not receiving an ongoing benefit and has received an overpayment in a lump sum benefit of more than \$25,000, then the Plan Administrator will pursue collection efforts after consultation with the Board.

Corrections to Employee Contributions

- a) The amount of any underpayment of employee contributions must be made to the Association prior to retirement through the employer's payroll system unless the Plan Administrator determines that the underpayment is de minimis and cost of collection would exceed the benefit of recovery. If the underpayment of employee contributions is discovered at or after termination of service, the amount of the underpayment will be deducted from the member's monthly ~~retirement warrant~~ benefit payment.
- b) In accordance with Title 26 of the U.S. Code, overpayment of employee contributions made on a pretax basis will be returned to the employee by the Association on separation from service with all employers that contribute to the Association or after the employee reaches normal retirement age. Prior to that time, the employer may correct the overpayment through its payroll system and the Association will credit the employer with the amount of the correction.
- c) In the collecting, withdrawing, redepositing, and returning of employee contributions, whether for mandatory or permissive employee contributions, the Association will act as an agent for the member's employer in arranging for the collection of employee contributions (and redeposits) that are made through the employer's payroll system.

IRS Minimum Distribution Requirements

~~MCERA is required by~~ IRS Regulation 401(a)9 requires MercedCERA to reduce a beneficiary's monthly benefit if the beneficiary is a non-spouse beneficiary who is ten (10) or more years younger than- the member.

Appeals and Review of Benefit Calculations

Requests for the review or change of pension benefits for which any member feels have been made in error by the Association shall be addressed in writing to the Plan Administrator within 90 days of the member's first monthly benefit payment. The Plan Administrator will review and provide a written response to the member on the calculations in question. The Plan Administrator has the authority to verify the calculations by the Association's actuary.

If the member disputes the Plan Administrator's review and outcome of the calculations, the member may request the Board to review the matter. The Board will review the matter at a

regularly scheduled Board meeting in open session. The member may attend the Board meeting, and the Board, ~~in its discretion~~, may invite the member to briefly address the issue, prior to its decision on the matter.

A decision by the Board is final. The Board will direct its Counsel to prepare a written decision to the member.

Judicial review of final Board of Retirement decisions shall be subject to Code of Civil Procedure ~~s~~Section 1094.6, as provided by these ~~B~~by-laws. Following final decision on disputed matters, the Plan Administrator shall send to the member written notice as follows: “Pursuant to the Retirement Board’s ~~B~~by-laws, action to seek judicial review of this decision is governed by the provisions of Section 1094.6 of the Code of Civil Procedure of the State of California. You are advised that any such petition must be filed ~~not~~ later than the ninetieth (90th) day following the date a decision becomes final.”

Service

Current Service

Credit shall be given for each hour of service rendered for compensation after July 1, 1950, for which a contribution is made by the employee to the Association unless the member qualifies for a thirty (30) year exemption.

When computing service, such service shall be calculated by hours. No member shall be credited with more than 2,080 hours of service in any one year, unless there is a 27th pay period making the total hours 2160 hours in any one year.

A member may purchase and receive retirement service credit for any Association employer service that is rendered prior to becoming a member for which contributions were not made. Under certain conditions, military and medical leave without pay may also be purchased.

A member may pay for service credit purchases by a lump sum rollover of eligible funds or through payroll deductions. A purchase made through payroll deductions which is not completed in full requires Board approval to receive partial retirement service credit.

Compensation Earnable

The Board will ~~make the determination of determine whether compensation qualifies as “Compensation Earnable” inclusion or exclusion in compensation earnable~~ at such time that additional items of compensation are made known to the Board. Additionally, in the event an Association employer alters the manner in which compensation is paid, the Board will consider whether the altered benefit continues to meet the definition of “Compensation Earnable” or “Pensionable Compensation”.

Pursuant to the CERL and PEPRA, the “Compensation Earnable” ~~–or~~ “Pensionable Compensation” of a member shall include only those items indicated by their title and pay code for which a retirement contribution is calculated and as listed in the pay code schedule

maintained by the Auditor and as periodically amended, entitled, “Merced County Human Resources Department, Personnel Table, Attendance Special Pay” and as approved by Resolution of the Board.

For the purpose of calculating a final average compensation, it will be calculated based on 26 consecutive biweekly pay periods for Tier 1 members and 78 consecutive biweekly periods for Tier 2, 3 and 4 members.

Additional Contributions

No additional contributions in excess of those provided in the CERL or PEPRAs can be made by any member of the Association.

Amendments of Bylaws

The Board ~~as it deems necessary~~, may amend these bylaws at any regular Board meeting by an affirmative vote of at least five (5) Board members, and amendments shall become effective immediately following approval by the Merced County Board of Supervisors. Bylaws ~~may should~~ be reviewed minimally every three years for amendments and or changes.

Request for Delay or Rescheduling of Disability Hearing

The Board shall allow only two requests for a delay or a rescheduling of an informal or formal disability hearing. 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.

Repeals

All former bylaws, regulations and resolutions of policy inconsistent with these regulations are hereby repealed.

The foregoing bylaws were adopted by the Merced County Employees’ Retirement Association Board upon motion.

Approved by Board of Supervisors February 28, 2006

Approved by Board of Supervisors October 16, 2007

Approved by Board of Supervisors May 12, 2009

Approved by Board of Supervisors, September 28, 2010

Approved by Board of Supervisors, February 25, 2014

Approved by Board of Supervisors, November 8, 2016

Approved by Board of Supervisors, January 9, 2018

Approved by Board of Supervisors, (DATE)

Appendix A

Pre-approved travel for all Trustees and Staff:

- Committee meetings and/or Plan Administrator or Chief Investment Officer meetings of the organizations named below of which the Board and/or staff member has been appointed
- State Association of County Retirement Systems (SACRS) regular meetings
- National Conference on Public Employee Retirement Systems (NCPERS) annual conference, annual safety conference and annual legislative workshop
- CALAPRS sponsored meetings
- National Association of State Retirement Administrators (NASRA) conferences
- SACRS sponsored meetings
- Global Financial Markets Institute programs
- CSAC California State Association of Counties
- Institute of Fiduciary Education conferences
- International Institute for Research annual Public Funds conference
- Pension and Investments conferences
- Pacific Pension Institute conferences
- Institutional Investor forums
- Council of Institutional Investors conferences
- Opal Financial Group conferences
- CRCEA California Retired County Employees' Association
- The Pension Bridge conferences
- Conferences sponsored by the Board of Retirement's retained consultants, investment managers, and pension software vendor

- Public Pension Financial Forum (P2F2) annual conference
- Government Finance Officers Association (GFOA) conference and trainings
- Institutional Limited Partners Association (ILPA) conference
- Chartered Financial Analyst (CFA) trainings
- Chartered Alternative Investment Analyst (CAIA) conference and Prism training
- Education hosted by other 1937 Act Pension Systems, CalPERS or CalSTRS



SACRS Business Meeting Agenda
Friday, November 11, 2022
10:15 AM – 11:30 AM
Hyatt Regency Long Beach
Regency ABC Ballroom

SACRS Parliamentarian – David Lantzer, San Bernardino CERA
Sergeant at Arms – Brian Williams, Sonoma CERA

1. SACRS System Roll Call

Adele Tagaloa, Orange CERS, SACRS Secretary

2. Secretary's Report - Receive and File

Adele Tagaloa, Orange CERS, SACRS Secretary

- A. Spring 2022 SACRS Business Meeting Minutes

3. Treasurer's Report - Receive and File

Jordan Kaufman, Kern CERA, SACRS Treasurer

- A. July – August 2022 Financials
- B. 2022-2023 Annual Budget

4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

- A. SACRS President Update

5. SACRS Legislative Committee Update – No Action

Eric Stern, Sacramento CERS and Dave Nelsen, Alameda CERA – SACRS Legislative Committee Co-Chairs

- A. 2022 Legislative Report – No Action

6. SACRS Nomination Committee – 2023-2024 SACRS Election Notice – No Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

- A. SACRS Election Notice 2023-2024

7. SACRS Audit Report – No Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. Audit Committee report/verbal update



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

- A. SACRS Annual Fall Conference 2022 Evaluations/verbal update

9. SACRS Program Committee Report – No Action

David MacDonald, Contra Costa CERA, SACRS Program Committee Chair

- A. Program Committee report/verbal update

10. SACRS Affiliate Committee Report – No Action

Wally Fikri, William Blair, SACRS Affiliate Committee Chair

- A. Affiliate Committee report/verbal update

11. SACRS Bylaws Committee Report – No Action

Barbara Hannah, San Bernardino CERA, SACRS Bylaws Committee Chair

- A. Bylaws Committee report/verbal update

12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.

- A. Administrators
- B. Counsel
- C. Disability/ Operations & Benefits Combo
- D. Internal Auditors
- E. Investment Officers
- F. Safety Trustees
- G. General Trustees

13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, May 12, 2023 at the Paradise Point Resort & Spa, San Diego, CA.



1. SACRS System Roll Call

Adele Tagaloa, Orange CERS, SACRS Secretary



1. SACRS System Roll Call
 Adele Tagaloa, SACRS Secretary

System	In Attendance	Absent	Delegate/Alternate Name
Alameda			
Contra Costa			
Fresno			
Imperial			
Kern			
Los Angeles			
Marin			
Mendocino			
Merced			
Orange			
Sacramento			
San Bernardino			
San Diego			
San Joaquin			
San Mateo			
Santa Barbara			
Sonoma			
Stanislaus			
Tulare			
Ventura			
Total			



2. Secretary's Report - Receive and File

Adele Tagaloa, Orange CERS, SACRS Secretary

- A. Spring 2022 SACRS Business Meeting Minutes



SACRS Business Meeting Minutes
Friday, May 13, 2022
Omni Rancho Las Palmas Resort & Spa
Rancho Mirage, CA
Salon's A-E

SACRS Parliamentarian – David Lantzer, San Bernardino CERA
Sergeant at Arms – Brian Williams, Sonoma CERA

Meeting called to order at 10:05 AM

SACRS Board of Directors in Attendance:

Vivian Gray, President; Harry Hagen, Treasurer; David MacDonald, Board Member; Dan McAllister, Immediate Past President, Vere Williams, Board Member

1. SACRS System Roll Call

Vacant, SACRS Secretary

19 SACRS Member Systems Present

Alameda, Contra Costa, Fresno, Imperial, Kern, Los Angeles, Marin, Merced, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

Absent – Mendocino

2. Secretary's Report - Receive and File

Vacant, SACRS Secretary

a) November 2021 SACRS Business Meeting Minutes

Motion: A motion to approve the November 2021 SACRS Business Meeting Minutes as presented was made by San Diego CERA.

2nd: Sonoma CERA

Yes: Alameda, Contra Costa, Fresno, Imperial, Kern, Los Angeles, Marin, Merced, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No: 0

Absent: Mendocino

Motion Passes 19-0-1

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

a) July 2021 – February 2022 Financials

Motion: A motion to approve the Treasurers July 2021-February 2022 Financial report was made by San Diego CERA.



2nd: Imperial

Yes: Alameda, Contra Costa, Fresno, Imperial, Kern, Los Angeles, Marin, Merced, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No: 0

Absent: Mendocino

Motion Passes 19-0-1

4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

a) SACRS President Update

Discussion: A verbal update was given by Vivian Gray. She discussed the conference, thanked the Program Committee Chair and the members of the committee. She thanked SACRS Conference staff, AV team and the hotel. She noted a special thanks to the Safety members that helped assist during the Tuesday reception emergency situation. Particularly Brian Williams, Sonoma CERA and Chris Cooper, Marin CERA for their quick action and safety measures taken to help a member.

5. SACRS Legislative Committee Update – No Action

Eric Stern, Sacramento CERS and Dave Nelsen, Alameda CERA – SACRS Legislative Committee Co-Chairs

a) 2022 Legislative Report – No Action

b) SACRS Board of Directors Legislative Proposal – No Action

Discussion: A written report was provided in the packet and reviewed by Eric Stern. No Action

6. SACRS Nomination Committee - 2022-2023 SACRS Board of Directors Elections- Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

a) SACRS Board of Directors Elections 2022-2023

Motion: A motion to approve the recommended slate submitted by the Nomination Committee was made by Contra Costa CERA. The recommended slate is;

- Vivian Gray, Los Angeles CERA, President
- David MacDonald, Contra Costa CERA, Vice President
- Adele Tagaloe, Orange CERS, Secretary
- Jordan Kaufman, Kern CERA, Treasurer
- Vere Williams, San Bernardino CERA, General Member
- David Gilmore, San Diego CERA, General Member

2nd: San Diego

Yes: Alameda, Contra Costa, Fresno, Imperial, Kern, Los Angeles, Marin, Merced, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura



No: 0

Absent: Mendocino

Motion Passes 19-0-1

7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

a) SACRS 2020-2021 Annual Audit

Motion: Orange CERS made a motion to approve the 2020-2021 SACRS Financial Audit presented by Steve Delaney, Audit Chair.

2nd: Fresno

Yes: Alameda, Contra Costa, Fresno, Imperial, Kern, Los Angeles, Marin, Merced, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No:0

Absent: Mendocino

Motion Passes 19-0-1

8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

a) SACRS Annual Spring 2022 Conference Evaluations/Feedback

Discussion: JJ Popowich presented a verbal report on the Spring Conference based on feedback from the Education Committee meeting held on Thursday afternoon at the conference. The Education committee and other attendees reviewed all sessions from Tuesday – Thursday, rated them, gave general input on the presentations/topics/speakers/content and the hotel. The committee felt that the conference was a success and that SACRS presented great content. A written report will be provided once the evaluation deadline expires July 1. No Action.

9. SACRS Program Committee Report – No Action

Kathryn Cavness, Mendocino CERA, SACRS Program Committee Chair

a) SACRS Annual Spring 2022 Conference Report

Discussion: Vivian Gray gave a verbal report on behalf of Kathryn Cavness, she thanks the committee members for their efforts and commitment to the program. She reminded attendees that SACRS has a speaker solicitation link on the SACRS website and welcomes ideas/suggestions for future programs. No Action.

10. SACRS Affiliate Committee Report – No Action

Wally Fikri, William Blair, SACRS Affiliate Committee Chair

a) Affiliate Committee Update

Discussion: Scott Draper gave a verbal report on behalf of Wally Fikri, he thanked



the committee members for developing a great Affiliate Breakout. The breakout was well attended and all 4 rooms were packed with attendees. The content was great and the format worked so that attendees could hear from all four participating firms. Great participation by the affiliate attendees. No Action.

11. SACRS Bylaws Committee Report – No Action

Barbara Hannah, San Bernardino CERA, SACRS Bylaws Committee Chair

a) Bylaws Committee Update

Discussion: Barbara Hannah gave a verbal report discussing the upcoming Bylaws review. This summer the committee is tasked with reviewing the Bylaws and Affiliate Guidelines every three (3) years. The Affiliate Committee will be sending Barbara their recommendations in June. No Action.

12. SACRS Spring Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.

- a) Administrators – Santos Kreimann, Los Angeles CERA, gave a verbal overview of the Administrators Breakout, good discussion and presentation. The session was well attended, members discussed “getting back in the office” in post-covid work atmosphere. Brian McKelvey, San Joaquin CERA will be the Fall 2022 Moderator.
- b) Counsel – No report
- c) Disability/ Operations & Benefits Combo – Carlos Barrios, Los Angeles CERA, gave a verbal overview of the Disability and Ops Session. It was a good session, many take-aways from the roundtable discussion. Carlos Barrios, Los Angeles CERA will be the Fall 2022 Moderator.
- d) Internal Auditors – No report
- e) Investment Officers – No report
- f) Safety Trustees – Brian Williams, Sonoma CERA, gave a verbal update on the member that was injured during the Tuesday reception. Brian recommended that SACRS BOD invest in an emergency bag for conferences. Brian and other safety members will work with Sulema Peterson on a recommendation and pricing. The hotel was very helpful during the response to the injured attendee, and he thanked Chris Cooper, Marin CERA, for his quick response to the situation. Brian Williams, Sonoma CERA will be the Fall 2022 Moderator.
- g) General Trustees – Vivian Gray, Los Angeles CERA, gave a verbal overview of the Trustee breakout, thanked Kathy Foster, Alameda CERA, for her volunteerism over the years at SACRS. Kathy was a presenter and this was her last SACRS as she is retiring. Everyone wished Kathy well and thanked her. No moderator for the Fall 2022 was selected.



13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, November 11, 2022 at the Hyatt Regency Long Beach, Long Beach, CA unless Covid-19 restrictions are in place.

Motion: A motion to adjourn the SACRS Annual Spring Business Meeting 2022 was submitted by San Diego CERA at 10:42 am.

2nd: Sonoma

Yes: Alameda, Contra Costa, Fresno, Imperial, Kern, Los Angeles, Marin, Merced, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No: 0

Absent: Mendocino

Motion Passes 19-0-1

Meeting Adjourned 10:42 am.



3. Treasurer's Report - Receive and File

Jordan Kaufman, Kern CERA, SACRS Treasurer

- A. July – August 2022 Financials
- B. 2022-2023 Annual Budget

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Balance Sheet

As of August 31, 2022

Aug 31, 22

ASSETS

Current Assets

Checking/Savings

1000 · First Foundation Bank-Checking 213,418.74

1001 · BofA Interest Checking 4389 46,670.04

1002 · First Foundation Bank ICS Acct 57,586.34

Total Checking/Savings 317,675.12

Other Current Assets

1100 · CalTrust - Medium Term 693,320.96

1107 · CalTrust Liquidity Fund 8,269.03

1110 · CAMP-SACRS Liquidity Fund 795,833.34

Total Other Current Assets 1,497,423.33

Total Current Assets 1,815,098.45

TOTAL ASSETS 1,815,098.45

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Credit Cards

2200 · First Foundation Credit Card 2,236.25

Total Credit Cards 2,236.25

Other Current Liabilities

2150 · Refund Liability 10.00

Total Other Current Liabilities 10.00

Total Current Liabilities 2,246.25

Total Liabilities 2,246.25

Equity

32000 · Retained Earnings 1,904,635.13

Net Income -91,782.93

Total Equity 1,812,852.20

TOTAL LIABILITIES & EQUITY 1,815,098.45

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss

July through August 2022

Jul - Aug 22

Ordinary Income/Expense

Income

4100 - Membership Dues

4101 - Affiliates	191,250.00
4102 - Non Profit - Organizations	2,000.00
4103 - Non Profit - Systems	6,000.00
4104 - Systems - Medium	52,000.00
4105 - Systems - Large	36,000.00

Total 4100 - Membership Dues 287,250.00

4270 - UC Berkeley Program

4271 - Registrations	5,000.00
4272 - Sponsorships	7,500.00

Total 4270 - UC Berkeley Program 12,500.00

4350 - Spring Conference Registration

4355 - Systems	240.00
4357 - Fun Run	15.00
4358 - Yoga	15.00

Total 4350 - Spring Conference Registration 270.00

4900 - Interest Earned

895.05

Total Income

300,915.05

Gross Profit

300,915.05

Expense

5000 - Administrative Fee

56,250.00

5001 - Administrative Services

1,388.00

5002 - Awards

31.02

5003 - Bank Charges/Credit Card Fees

5,377.57

5010 - Berkeley & Symposium

5014 - Food & Beverage 608.03

5015 - Materials/Printing/Design 951.06

5016 - Travel 166.47

Total 5010 - Berkeley & Symposium 1,725.56

5041 - Consulting

3,532.00

5050 - Fall Conference

5055 - Program Material 4.99

Total 5050 - Fall Conference 4.99

5071 - Legal & Professional Fees

1,200.00

5072 - Legislative Advocacy

10,468.00

6000 - Board & Committees

6001 - Board of Directors

6001.1 - Food & Beverage 8,000.00

6001.2 - Printing/Supplies 2,250.04

6001.3 - Travel - BOD Meetings 89.27

6001.5 - Board Of Directors - Other 4,500.00

6001 - Board of Directors - Other 820.36

Total 6001 - Board of Directors 15,659.67

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss

July through August 2022

	<u>Jul - Aug 22</u>
Total 6000 - Board & Committees	15,659.67
6011 - Postage & Delivery	1,217.93
6020 - Spring Conference	
6023 - Entertainment	476.49
6024 - Hotel	
6024.1 - Wednesday Night Event	103,426.52
6024.2 - Conference	2,094.84
6024.3 - Food & Beverage	161,992.19
6024 - Hotel - Other	<u>4,483.22</u>
Total 6024 - Hotel	271,996.77
6025 - Program Material	156.40
6026 - Speakers	4,320.80
6028 - Travel	<u>13,585.71</u>
Total 6020 - Spring Conference	290,536.17
6053 - Technology/AMS/Website	<u>5,307.07</u>
Total Expense	<u>392,697.98</u>
Net Ordinary Income	<u>-91,782.93</u>
Net Income	<u><u>-91,782.93</u></u>

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
July through August 2022

	Jul - Aug 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4100 - Membership Dues				
4101 - Affiliates	191,250.00	268,750.00	-77,500.00	71.16%
4102 - Non Profit - Organizations	2,000.00	2,750.00	-750.00	72.73%
4103 - Non Profit - Systems	6,000.00	6,000.00	0.00	100.0%
4104 - Systems - Medium	52,000.00	52,000.00	0.00	100.0%
4105 - Systems - Large	36,000.00	42,000.00	-6,000.00	85.71%
Total 4100 - Membership Dues	287,250.00	371,500.00	-84,250.00	77.32%
4250 - Product Income				
4251 - CERL	0.00	0.00	0.00	0.0%
Total 4250 - Product Income	0.00	0.00	0.00	0.0%
4270 - UC Berkeley Program				
4271 - Registrations	5,000.00	60,000.00	-55,000.00	8.33%
4272 - Sponsorships	7,500.00	40,000.00	-32,500.00	18.75%
Total 4270 - UC Berkeley Program	12,500.00	100,000.00	-87,500.00	12.5%
4300 - Fall Conference Registration				
4301 - Affiliates - Early	0.00	140,000.00	-140,000.00	0.0%
4302 - Affiliates - Regular	0.00	60,000.00	-60,000.00	0.0%
4303 - Affiliates - Late/Onsite	0.00	70,400.00	-70,400.00	0.0%
4304 - Non Profit	0.00	960.00	-960.00	0.0%
4305 - Systems	0.00	20,000.00	-20,000.00	0.0%
4306 - Non-Members	0.00	200,250.00	-200,250.00	0.0%
4307 - Fun Run	0.00	500.00	-500.00	0.0%
4308 - Yoga	0.00	100.00	-100.00	0.0%
4300 - Fall Conference Registration - Other	0.00	0.00	0.00	0.0%
Total 4300 - Fall Conference Registration	0.00	492,210.00	-492,210.00	0.0%
4350 - Spring Conference Registration				
4351 - Affiliates - Early	0.00	140,000.00	-140,000.00	0.0%
4352 - Affiliates - Regular	0.00	60,000.00	-60,000.00	0.0%
4353 - Affiliates - Late/Onsite	0.00	70,400.00	-70,400.00	0.0%
4354 - Non Profit	0.00	960.00	-960.00	0.0%
4355 - Systems	240.00	20,000.00	-19,760.00	1.2%
4356 - Non-Members	0.00	200,250.00	-200,250.00	0.0%
4357 - Fun Run	15.00	500.00	-485.00	3.0%
4358 - Yoga	15.00	100.00	-85.00	15.0%
Total 4350 - Spring Conference Registration	270.00	492,210.00	-491,940.00	0.06%
4900 - Interest Earned	895.05	-953.55	1,848.60	-93.87%
Total Income	300,915.05	1,454,966.45	-1,154,051.40	20.68%
Gross Profit	300,915.05	1,454,966.45	-1,154,051.40	20.68%
Expense				
5000 - Administrative Fee	56,250.00	225,000.00	-168,750.00	25.0%
5001 - Administrative Services	1,388.00	500.00	888.00	277.6%
5002 - Awards	31.02	500.00	-468.98	6.2%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
 July through August 2022

	Jul - Aug 22	Budget	\$ Over Budget	% of Budget
5003 · Bank Charges/Credit Card Fees	5,377.57	36,000.00	-30,622.43	14.94%
5010 · Berkeley & Symposium				
5011 · Audio/Visual	0.00	2,200.00	-2,200.00	0.0%
5012 · Delivery & Shipping	0.00	0.00	0.00	0.0%
5013 · Hotel	0.00	12,500.00	-12,500.00	0.0%
5014 · Food & Beverage	608.03	12,500.00	-11,891.97	4.86%
5015 · Materials/Printing/Design	951.06	3,000.00	-2,048.94	31.7%
5016 · Travel	166.47	2,500.00	-2,333.53	6.66%
5017 · UC Berkeley	0.00	216,000.00	-216,000.00	0.0%
Total 5010 · Berkeley & Symposium	1,725.56	248,700.00	-246,974.44	0.69%
5020 · Webinar Symposium				
5021 · Webinar Speaker	0.00	0.00	0.00	0.0%
5022 · Webinar Technology	0.00	25,000.00	-25,000.00	0.0%
5023 · Webinar Misc	0.00	0.00	0.00	0.0%
Total 5020 · Webinar Symposium	0.00	25,000.00	-25,000.00	0.0%
5030 · CERL				
5031 · Materials/Printing/Design	0.00	16,500.00	-16,500.00	0.0%
5032 · Shipping	0.00	1,300.00	-1,300.00	0.0%
Total 5030 · CERL	0.00	17,800.00	-17,800.00	0.0%
5040 · Commissions & Fees	0.00	20,000.00	-20,000.00	0.0%
5041 · Consulting	3,532.00	21,192.00	-17,660.00	16.67%
5042 · Dues & Subscriptions	0.00	3,700.00	-3,700.00	0.0%
5050 · Fall Conference				
5051 · Audio/Visual	0.00	90,000.00	-90,000.00	0.0%
5052 · Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
5053 · Entertainment	0.00	6,500.00	-6,500.00	0.0%
5054 · Hotel				
5054.1 · Wednesday Night Event	0.00	65,000.00	-65,000.00	0.0%
5054.2 · Conference	0.00	15,000.00	-15,000.00	0.0%
5054.3 · Food & Beverage	0.00	250,000.00	-250,000.00	0.0%
Total 5054 · Hotel	0.00	330,000.00	-330,000.00	0.0%
5055 · Program Material	4.99	25,000.00	-24,995.01	0.02%
5056 · Speakers	0.00	50,000.00	-50,000.00	0.0%
5057 · Supplies	0.00	500.00	-500.00	0.0%
5058 · Travel	0.00	15,000.00	-15,000.00	0.0%
5050 · Fall Conference - Other	0.00	0.00	0.00	0.0%
Total 5050 · Fall Conference	4.99	519,500.00	-519,495.01	0.0%
5070 · Insurance	0.00	5,000.00	-5,000.00	0.0%
5071 · Legal & Professional Fees	1,200.00	35,000.00	-33,800.00	3.43%
5072 · Legislative Advocacy	10,468.00	62,808.00	-52,340.00	16.67%
5080 · Magazine				
5081 · Delivery & Shipping	0.00	600.00	-600.00	0.0%
5082 · Design/Printing/Etc.	0.00	20,000.00	-20,000.00	0.0%
5083 · Magazine - Other	0.00	6,000.00	-6,000.00	0.0%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
July through August 2022

	Jul - Aug 22	Budget	\$ Over Budget	% of Budget
Total 5080 - Magazine	0.00	26,600.00	-26,600.00	0.0%
6000 - Board & Committees				
6001 - Board of Directors				
6001.1 - Food & Beverage	8,000.00	25,000.00	-17,000.00	32.0%
6001.2 - Printing/Supplies	2,250.04	4,000.00	-1,749.96	56.25%
6001.3 - Travel - BOD Meetings	89.27	11,000.00	-10,910.73	0.81%
6001.4 - Travel - Miscellaneous BOD	0.00	8,000.00	-8,000.00	0.0%
6001.5 - Board Of Directors - Other	4,500.00	3,000.00	1,500.00	150.0%
6001 - Board of Directors - Other	820.36			
Total 6001 - Board of Directors	15,659.67	51,000.00	-35,340.33	30.71%
6002 - Legislative Committee Meetings	0.00	250.00	-250.00	0.0%
6003 - Program Committee Meetings	0.00	2,500.00	-2,500.00	0.0%
Total 6000 - Board & Committees	15,659.67	53,750.00	-38,090.33	29.13%
6010 - Office Expenses / Supplies	0.00	2,500.00	-2,500.00	0.0%
6011 - Postage & Delivery	1,217.93	6,000.00	-4,782.07	20.3%
6020 - Spring Conference				
6021 - Audio/Visual	0.00	90,000.00	-90,000.00	0.0%
6022 - Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
6023 - Entertainment	476.49	6,500.00	-6,023.51	7.33%
6024 - Hotel				
6024.1 - Wednesday Night Event	103,426.52	65,000.00	38,426.52	159.12%
6024.2 - Conference	2,094.84	0.00	2,094.84	100.0%
6024.3 - Food & Beverage	161,992.19			
6024.4 - Hotel - Other	0.00	25,000.00	-25,000.00	0.0%
6024 - Hotel - Other	4,483.22			
Total 6024 - Hotel	271,996.77	90,000.00	181,996.77	302.22%
6025 - Program Material	156.40	25,000.00	-24,843.60	0.63%
6026 - Speakers	4,320.80	50,000.00	-45,679.20	8.64%
6027 - Supplies	0.00	1,000.00	-1,000.00	0.0%
6028 - Travel	13,585.71	15,000.00	-1,414.29	90.57%
6020 - Spring Conference - Other	0.00	0.00	0.00	0.0%
Total 6020 - Spring Conference	290,536.17	280,000.00	10,536.17	103.76%
6050 - Strategic Facilitator	0.00	15,000.00	-15,000.00	0.0%
6051 - Taxes & Licenses	0.00	600.00	-600.00	0.0%
6053 - Technology/AMS/Website	5,307.07	45,000.00	-39,692.93	11.79%
6054 - Travel	0.00	7,500.00	-7,500.00	0.0%
Total Expense	392,697.98	1,657,650.00	-1,264,952.02	23.69%
Net Ordinary Income	-91,782.93	-202,683.55	110,900.62	45.28%
	-91,782.93	-202,683.55	110,900.62	45.28%

STATE ASSOCIATION OF COUNTY RETIREMENT
SYSTEMS

Annual Budget

July '22 - June '23

Jul '22 - Jun 23
Annual Budget

Ordinary Income/Expense

Income

4100 · Membership Dues

4101 · Affiliates	268,750.00
4102 · Non Profit - Organizations	2,750.00
4103 · Non Profit - Systems	6,000.00
4104 · Systems - Medium	52,000.00
4105 · Systems - Large	42,000.00
4100 · Membership Dues - Other	0.00

Total 4100 · Membership Dues 371,500.00

4200 · Webinar Symposium Registration

4201 · Affiliates - Early	0.00
4202 · Affiliates - Regular	0.00
4203 · Affiliates - Late	0.00
4204 · Non Profit	0.00
4205 · Systems	0.00
4206 · Non-Members	0.00

Total 4200 · Webinar Symposium Registration

4250 · Product Income 0.00

4251 · CERL	
4252 · Roster	0.00
4253 · Website Advertising	0.00
4254 · Website Job Board	0.00
4255 · Magazine Advertising	0.00
4256 · Conference Recordings	0.00
4257 · Trustee Handbooks	0.00
4269 · Product Shipping	0.00

Total 4250 · Product Income 0.00

4270 · UC Berkeley Program

4271 · Registrations	60,000.00
4272 · Sponsorships	40,000.00
4270 · UC Berkeley Program - Other	0.00

Total 4270 · UC Berkeley Program 100,000.00

4300 · Fall Conference Registration

4301 · Affiliates - Early	140,000.00
4302 · Affiliates - Regular	60,000.00
4303 · Affiliates - Late/Onsite	70,400.00
4304 · Non Profit	960.00
4305 · Systems	20,000.00
4306 · Non-Members	200,250.00
4307 · Fun Run	500.00
4308 · Yoga	100.00

4300 · Fall Conference Registration - Other 0.00

Total 4300 · Fall Conference Registration 492,210.00

4350 · Spring Conference Registration

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Annual Budget July '22 - June '23

	Jul '22 - Jun 23 Annual Budget
4351 · Affiliates - Early	140,000.00
4352 · Affiliates - Regular	60,000.00
4353 · Affiliates - Late/Onsite	70,400.00
4354 · Non Profit	960.00
4355 · Systems	20,000.00
4356 · Non-Members	200,250.00
4357 · Fun Run	500.00
4358 · Yoga	100.00
4350 · Spring Conference Registration - Other	0.00
Total 4350 · Spring Conference Registration	492,210.00
4900 · Interest Earned	-953.55
Total Income	1,454,966.45
Gross Profit	1,454,966.45
Expense	
5000 · Administrative Fee	225,000.00
5001 · Administrative Services	500.00
5002 · Awards	500.00
5003 · Bank Charges/Credit Card Fees	36,000.00
5010 · Berkeley & Symposium	
5011 · Audio/Visual	2,200.00
5012 Delivery & Shipping	0.00
5013 · Hotel	12,500.00
5014 · Food & Beverage	12,500.00
5015 · Materials/Printing/Design	3,000.00
5016 · Travel	2,500.00
5017 · UC Berkeley	216,000.00
Total 5010 · Berkeley & Symposium	248,700.00
5020 · Webinar Symposium	
5021 - Webinar Speaker	0.00
5022 · Webinar Technology	25,000.00
5023- Webinar Misc	0.00
Total 5020 · Webinar Symposium	25,000.00
5030 · CERL	
5031 · Materials/Printing/Design	16,500.00
5032 · Shipping	1,300.00
Total 5030 · CERL	17,800.00
5040 · Commissions & Fees	20,000.00
5041 · Consulting	21,192.00
5042 · Dues & Subscriptions	3,700.00
5050 · Fall Conference	
5051 · Audio/Visual	90,000.00
5052 · Delivery & Shipping	2,500.00
5053 · Entertainment	6,500.00
5054 · Hotel	
5054.1 · Wednesday Night Event	65,000.00
5054.2 · Conference	15,000.00

**STATE ASSOCIATION OF COUNTY RETIREMENT
 SYSTEMS**

**Annual Budget
 July '22 - June '23**

Jul '22 - Jun 23
 Annual Budget

5054.3 · Food & Beverage	250,000.00
5054 · Hotel - Other	
Total 5054 · Hotel	330,000.00
5055 · Program Material	25,000.00
5056 · Speakers	50,000.00
5057 · Supplies	500.00
5058 · Travel	15,000.00
5050 · Fall Conference - Other	0.00
Total 5050 · Fall Conference	519,500.00
5070 · Insurance	5,000.00
5071 · Legal & Professional Fees	35,000.00
5072 · Legislative Advocacy	62,808.00
5080 · Magazine	
5081 · Delivery & Shipping	600.00
5082 · Design/Printing/Etc.	20,000.00
5083 · Magazine - Other	6,000.00
Total 5080 · Magazine	26,600.00
6000 · Board & Committees	
6001 · Board of Directors	
6001.1 · Food & Beverage	25,000.00
6001.2 · Printing/Supplies	4,000.00
6001.3 · Travel - BOD Meetings	11,000.00
6001.4 · Travel - Miscellaneous BOD	8,000.00
6001.5 · Board Of Directors - Other	3,000.00
Total 6001 · Board of Directors	51,000.00
6002 · Legislative Committee Meetings	250.00
6003 · Program Committee Meetings	2,500.00
6004 · Nominating Committee Meetings	
6005 · Audit Committee Meetings	
6006 · Education Committee Meetings	
6007 · ByLaws Committee Meetings	
6008 · Board & Committees - Other	
6000 · Board & Committees - Other	0.00
Total 6000 · Board & Committees	53,750.00
6010 · Office Expenses / Supplies	2,500.00
6011 · Postage & Delivery	6,000.00
6020 · Spring Conference	
6021 · Audio/Visual	90,000.00
6022 · Delivery & Shipping	2,500.00
6023 · Entertainment	6,500.00
6024 · Hotel	
6024.1 · Wednesday Night Event	65,000.00
6024.2 · Conference	0.00
6024.3 · Food & Beverage	0.00
6024.4 · Hotel - Other	25,000.00
Total 6024 · Hotel	90,000.00

STATE ASSOCIATION OF COUNTY RETIREMENT
SYSTEMS

Annual Budget
July '22 - June '23

	Jul '22 - Jun 23 Annual Budget
6025 · Program Material	25,000.00
6026 · Speakers	50,000.00
6027 · Supplies	1,000.00
6028 · Travel	15,000.00
6020 · Spring Conference - Other	0.00
Total 6020 · Spring Conference	280,000.00
6050 · Strategic Facilitator	15,000.00
6051 · Taxes & Licenses	600.00
6053 · Technology/AMS/Website	45,000.00
6054 · Travel	7,500.00
66900 · Reconciliation Discrepancies	0.00
Total Expense	1,657,650.00
Net Ordinary Income	-202,683.55
Net Income	-202,683.55



4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update



5. SACRS Legislative Committee Update – No Action

Eric Stern, Sacramento CERS and Dave Nelsen, Alameda CERA – SACRS Legislative Committee Co-Chairs

- A. 2022 Legislative Report – No Action



October 6, 2022

TO: State Association of County Retirement Systems
FROM: Edelstein Gilbert Robson & Smith, LLC
RE: **Legislative Update – October 2022**

General Update

The Legislature adjourned for final recess on August 31. Since then, the Governor has been working his way through all the bills sent to his desk in the final weeks of session.

The deadline for the Governor to sign or veto bills was September 30. This year, he signed just under 1,000 bills and vetoed 169 of them (about 14.5 percent of bills sent to his desk). This is a higher veto rate than the last two years, and it is worth noting that many of the bills he vetoed were done so based on cost concerns. Recognizing that the economy is slowing, the Governor vetoed many bills to avoid the long-term financial obligations that recurring expenditures bring to the state budget.

Aside from an organizational day of session in early December, legislators will remain in their districts for the rest of the year, focusing on the upcoming election and other district activities.

SACRS Sponsored Bills

Both SACRS sponsored bills passed out of the Legislature and were signed by the Governor. These include **AB 1824 (Committee on Public Employment and Retirement)** – Committee Cleanup Bill and **AB 1971 (Cooper)** – CERL Policy Bill.

Other Bills of Interest

AB 2493 (Chen) – Disallowed Compensation. As initially amended, this bill would have allowed OCERS to adjust retirement payments based on disallowed compensation for peace officers and firefighters under certain circumstances. The bill was later amended to apply to all CERL systems.

While SACRS did not take a position, we are aware that some systems submitted their own letters and shared concerns with the Legislature.

As noted in our last update, the bill was not brought up for a final vote and is dead for the year.

AB 2449 (Rubio) – Public Meetings. This bill would allow a local agency to use teleconferencing for a public meeting if at least a quorum of members of the legislative body participate in person from a single location that is identified on the agenda and is open to the public within the local agency’s jurisdiction, among other requirements. The last amendments to the bill added more guardrails for when a board member can participate remotely and added a sunset date, among other changes.

The Governor signed this bill on September 13.

AB 826 (Irwin) – Compensation Earnable. As reported in previous updates, AB 826 was gutted and amended in June of 2021 with the CERL provisions relating to compensation earnable.

AB 826 was amended and pulled off the Inactive File on August 3. It passed out of the Legislature but was vetoed by the Governor on September 29. In his veto message, the Governor said he is sympathetic to the issue, but the bill would incentivize PEPRAs noncompliance and “attempt to circumvent recent court decisions, undermine the intent of the PEPRAs, and expose the local governments to increased costs and litigation.”



6. SACRS Nomination Committee – 2023-2024 SACRS Election Notice – No Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

- A. SACRS Election Notice 2023-2024



October 1, 2022

To: SACRS Trustees & SACRS Administrators/CEO's
 From: Dan McAllister, SACRS Immediate Past President, Nominating Committee Chair
 SACRS Nominating Committee
 Re: SACRS Board of Director Elections 2023-2024 - Elections Notice

SACRS BOD 2023-2024 election process will begin January 1, 2023. Please provide this election notice to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2023	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, 2023	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 13, 2023	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference
May 15, 2023	Board of Directors take office for 1 year

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.

The elections will be held at the SACRS Spring Conference May 9-12, 2023. Elections will be held during the Annual Business meeting on Friday, May 12, 2023 in San Diego at Paradise Point Hotel and Resort.

If you have any questions, please contact Dan McAllister, Dan.McAllister@sdcounty.ca.gov

Thank you for your prompt attention to this timely matter.

Sincerely,

Dan McAllister

Dan McAllister, San Diego CERA Trustee & San Diego County Treasurer Tax Collector
SACRS Nominating Committee Chair

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



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2023-2024**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2023.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name:
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: Email Address: Phone:
Name of Retirement System Candidate Currently Serves On	System Name:
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio in Paragraph Format	



7. SACRS Audit Report – No Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. Audit Committee report/verbal update



No printed materials for this item



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

- A. SACRS Annual Fall Conference 2022 Evaluations/verbal update



No printed materials for this item



9. SACRS Program Committee Report – No Action

David MacDonald, Contra Costa CERA, SACRS Program Committee Chair

- A. Program Committee report/verbal update



No printed materials for this item



10. SACRS Affiliate Committee Report – No Action

Wally Fikri, William Blair, SACRS Affiliate Committee Chair

- A. Affiliate Committee report/verbal update



No printed materials for this item



11. SACRS Bylaws Committee Report – No Action

Barbara Hannah, San Bernardino CERA, SACRS Bylaws Committee Chair

- A. Bylaws Committee report/verbal update



No printed materials for this item



12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.

- A. Administrators
- B. Counsel
- C. Disability/ Operations & Benefits Combo
- D. Internal Auditors
- E. Investment Officers
- F. Safety Trustees
- G. General Trustees



13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, May 12, 2023 at the Paradise Point Resort & Spa, San Diego, CA.