



Merced County Employees' Retirement Association

**AGENDA  
RETIREMENT BOARD MEETING**

Thursday, December 12, 2024, 8:30 A.M.

Location: Merced County Department of Public Health  
260 E. 15<sup>th</sup> Street, Merced, CA 95341  
Auditorium

Zoom Conference Information:

<https://us06web.zoom.us/j/93030195748?pwd=NGhFeGltSVhaSTIsK2JGWE83TVFydz09>

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

**1. Call to Order- 8:30 A.M.**

The Retirement Board may discuss and take action on the following:

**2. Roll Call**

**3. Teleconference Request**

Trustee Teleconference Request (Govt. Code §54953(f)(2)(A)(i)).

**4. Approval of Minutes – November 14, 2024.**

**5. 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.

**6. Consent Calendar**

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

a. Retirements: Pursuant to Govt. Code § 31663.25 or § 31672.

<b><u>Name</u></b>	<b><u>Years of Service</u></b>	<b><u>Department</u></b>	<b><u>Effective Date</u></b>
Julissa Cervantes	25 Years	Child Support Services	11/16/2024
John Anderson	20 Years	Human Services Agency	11/15/2024
Jacqueline Coulter	3 Years	Behavioral Health (BHRS)	11/15/2024
Paula Garcia	30 Years	Child Support Services	11/01/2024

b. Monthly Budget Report is unavailable due to year end.

c. Approve interest crediting as of December 31, 2024, in the amount of 5.44012% compounded semiannually for active and deferred members and 6.75% for employer and retired reserves.

d. Monthly Performance by Meketa.

e. Rebalancing transactions (for informational purposes only – transactions already completed):



Merced County Employees' Retirement Association

<u>Redemptions</u>	<u>Requested</u>	<u>Received</u>
Hedge Funds	\$61,533,922	\$37,043,653
Real Estate	\$19,658,914	\$19,658,914
Real Assets	\$4,614,473	\$4,614,473
<b>Total</b>	<b>\$85,807,309</b>	<b>\$61,317,040</b>
<u>Contributions</u>		
Fixed Income & Cash		\$61,317,040
<b>Total</b>		<b>\$61,317,040</b>

**7. Closed Session**

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

- a. Discussion and possible action regarding investments (Govt. Code § 54956.81) in recommended funds by Cliffwater LLC.
- b. Public Employee Position Interviews (Govt. Code §§ 54957).  
Title: Plan Administrator

**8. Report Out of Closed Session**

**9. Open Session**

- a. Chair to appoint an ad hoc subcommittee to work with staff on Agency Technology projects for FY 2024/2025 – Chair.
- b. Discussion on capital markets and investment performance – Staff.
- c. Discussion on MercedCERA's quarterly alternative portfolio update with possible action on any and all funds and general partners – Cliffwater.
- d. Discussion and possible action to approve the proposed capital budget for the MercedCERA alternative portfolio as presented by Cliffwater, LLC - Cliffwater.

**10. Information Sharing & Agenda Item Requests**

**11. 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.mercedcera.com](http://www.mercedcera.com).

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.



Merced County Employees' Retirement Association

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.



Merced County Employees' Retirement Association

**MINUTES  
RETIREMENT BOARD MEETING**

Thursday, November 14, 2024, 8:30 A.M.

Location: Merced County Administration Building  
2222 M Street, Merced, CA  
Los Banos and Livingston Conference Rooms, Basement  
Zoom Conference Information:

<https://us06web.zoom.us/j/93030195748?pwd=NGhFeGltSVhaSTIsK2JGWE83TVFydz09>

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

**1. Call to Order- 8:30 A.M.**

The Retirement Board may discuss and take action on the following:

**2. Roll Call**

**Board Members Present:** Scott Johnston, Ryan Paskin, Alfonse Peterson, Aaron Rosenberg, Scott Silveira, Karen Adams, and Michael Harris. **Absent:** Bayani Manilay, Moses Nelson, Janey Cabral, Corrina Brown. **Counsel:** Rina Gonzales **Staff:** Kristie Santos, Martha Sanchez Barboa, Pete Madrid, Khue Xiong, Alex Ortega, Patrick Armendarez, Nikki Barraza, Sheri Villagrana.

**3. Teleconference Request**

Trustee Teleconference Request (Govt. Code §54953(f)(2)(A)(i)).

**None**

**4. Approval of Minutes – October 24, 2024.**

**Board voted unanimously to approve the October 24, 2024, meeting minutes.**

**1<sup>st</sup>- Silveira/2<sup>nd</sup>- Peterson, passes 7/0**

**5. 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.

**None**

**6. Consent Calendar**

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

a. Retirements: Pursuant to Govt. Code § 31663.25 or § 31672.

<b><u>Name</u></b>	<b><u>Years of Service</u></b>	<b><u>Department</u></b>	<b><u>Effective Date</u></b>
Leyva, Cornelia	24 Years	BHRS	10/22/2024
Ly, Yao Kao	20 Years	Sheriff	10/25/2024
Rios (Johnson), Rosalie **SCD**	14 Years	Sheriff	07/26/2024
Kodman, Rod **Change of Retirement Date**	2 Years	Public Defender	10/12/2024



Merced County Employees' Retirement Association

- b. Monthly Expenditure Reports are unavailable due to year end close.
- c. Q3 quarterly performance by Meketa.

**Board voted unanimously to approve the consent agenda as presented.**

**1<sup>st</sup>- Silveira/2<sup>nd</sup>- Harris, passes 7/0**

**Trustee Silveira questioned the acronym "SCD". Staff clarified "SCD" is Service-Connected Disability.**

## **7. Closed Session**

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

- a. Disability Retirement Applications: Personnel exceptions (Govt. Code § 54957, 31532; Cal Const. art I § 1).
  - a. Consideration of Hearing Officer Recommendation - Araceli Castillo.
- b. Public Employee Annual Review (Govt. Code § 54957).  
Title: Assistant Plan Administrator – Benefits and Administration.

## **8. Report Out of Closed Session**

- a. Disability Retirement Applications: Personnel exceptions (Govt. Code § 54957, 31532; Cal Const. art I § 1).  
**The Board voted unanimously to adopt the Administrative Hearing Officer's recommendation and deny a service-connected disability and a non-service-connected disability to Araceli Castillo.**  
**1<sup>st</sup>- Adams/2<sup>nd</sup>- Peterson, passes 7/0**
- b. Public Employee Annual Review (Govt. Code § 54957).  
Title: Assistant Plan Administrator – Benefits and Administration.  
**Staff given direction.**

## **9. Open Session**

- a. Discussion and possible action to approve the 2025 MercedCERA Board Meeting dates – Staff.  
**The Board voted unanimously to approve the 2025 MercedCERA Board Meeting dates as presented.**  
**1<sup>st</sup>- Johnston/2<sup>nd</sup>- Peterson, passes 7/0**
- b. Discussion and possible action to approve employment contract amendment for Martha Sanchez Barboa changing salary to \$143,807.04 effective pay period 25, 2024 (first day of pay period is November 18, 2024) – Staff.  
**The Board voted unanimously to approve the employment contract amendment for Martha Sanchez Barboa changing salary to \$143,807.04 effective pay period 25, 2024 (first day of pay period is November 18, 2024).**  
**1<sup>st</sup>- Silveira/2<sup>nd</sup>- Peterson, passes 7/0**
- c. Discussion on possible future strategic goals for MercedCERA – Staff.  
**Kristen Santos, Plan Administrator, presented the recommended future strategic goals for MercedCERA. The Board requested a matrix of recommended actions and ad hoc subcommittee assigned to discuss recommendations.**
- d. Discussion and possible approval of the SACRS Business Meeting packet with approval of legislative proposals as written and delegate Monica Gallegos as the



Merced County Employees' Retirement Association

delegated voter at the SACRS business meeting and Brenda Mojica as the alternate delegate – Staff

**The Board voted unanimously to approve the SACRS Business Meeting packet with approval of legislative proposals as written and delegate Monica Gallegos as the delegated voter at the SACRS business meeting and Brenda Mojica as the alternate delegate**

**1<sup>st</sup>- Silveira/2<sup>nd</sup>- Harris, passes 7/0**

**10. Information Sharing & Agenda Item Requests**

**-Trustee Rosenberg congratulated Trustee Harris on his run for city councilmember seat. He also wished everyone happy holidays.**

**-Trustee Adams reminded everyone of December 10<sup>th</sup> payment deadline for property taxes.**

**-Kristie Santos provided an update regarding the new building. Furniture will soon be delivered. Current office will not be closed in December, as the move-in date appears to be the week of January 6<sup>th</sup>, 2025.**

**11. Adjournment at 9:36 A.M.**

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



Merced County Employees' Retirement Association

**DATE:** December 12, 2024

**TO:** MercedCERA Board of Retirement

**FROM:** Alex Lovato, Fiscal Manager  
Pete Madrid, Assistant Plan Administrator - Investments

**SUBJECT:** Interest Crediting Rates for December 31, 2024

**ITEM NUMBER:** Consent Item c

**ITEM TYPE:** Action

**STAFF RECOMMENDATION:**

1. Adopt the proposed interest credit rates of a 5.44012% annual rate, compounded semiannually, to be credited to the active reserves balances and a 6.75% annual rate, compounded semiannually, to retiree and employer reserves balances.

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

Active Member Reserves shall be credited first. The policy provides a range of 0% to 6.75% (the actuarial rate of return adopted September 2021). The policy provides guidance for establishing the amount to be credited by using the Bank of America Merrill Lynch Six Month Treasury Bill index. For the rolling twelve-month period ended November 30, 2024, the index return was 5.44012%, as reported to MercedCERA by Meketa. This rate will be compounded semiannually for the purpose of interest crediting.

Employer and Retiree Reserves shall be credited semiannually at the actuarial discount rate if there are sufficient funds. MercedCERA will only credit interest to the extent that there is a current fiscal year net investment revenue or any balance in the Interest Fluctuation Reserve.

Based on the twelve-month Bank of America Merrill Lynch Six Month Treasury Bill index return provided by Meketa, the proposed Interest Crediting to all reserves on December 31, 2024 is \$27,062,362. The historical methodology for calculating total estimated investment gains and estimated expenses is under review. Staff will provide an update upon completion of the review and confirmation of the accuracy of the calculation methodology.



# Merced County Employees' Retirement Association

December 12, 2024

Interim October Performance



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1. Economic and Market Update as of October 31, 2024
2. Interim Performance Highlights as of October 31, 2024
3. Interim Performance Update as of October 31, 2024
4. Disclaimer, Glossary, and Notes

## **Economic and Market Update**

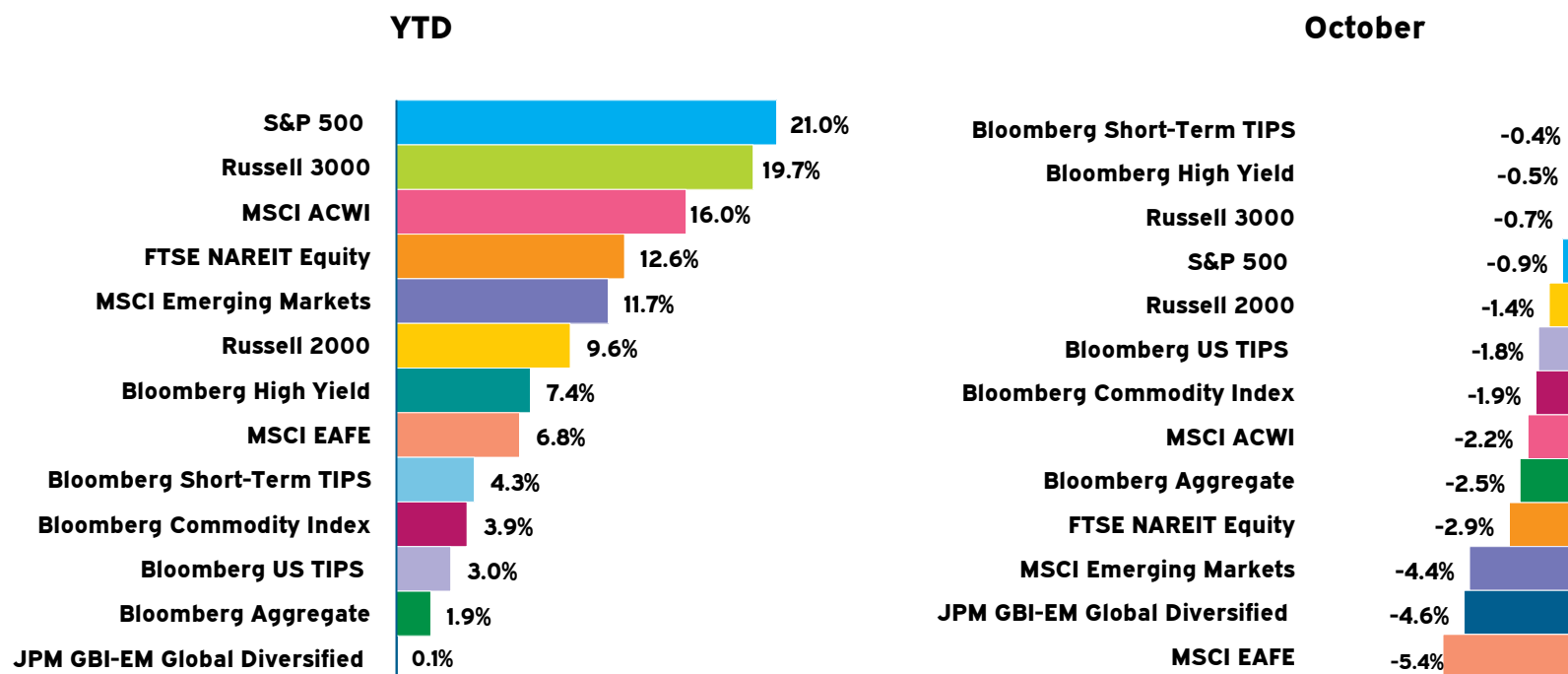
### Data as of October 31, 2024

### Commentary

October saw markets turn cautious ahead of the looming presidential election with major equity and bond markets declining for the month.

- After month-end, the Federal Reserve cut its policy rate another 0.25% even as unemployment remained low and economic growth was resilient.
- After strong performance in the third quarter, US equities (Russell 3000) fell 0.7% in October.
- Emerging market equities declined 4.4% in October, after rising 8.7% in the third quarter. Despite the decline, they outperformed developed market equities, with the MSCI EAFE index falling 5.4% in October.
- Chinese stocks (MSCI China) sold-off in October, (-5.9%) as investor enthusiasm cooled awaiting more concrete fiscal policy stimulus from policy makers to address the solvency issues for local governments, the real estate sector, and consumers.
- Fixed income markets declined and bond yields rose, as investors considered the policy impacts of a potential second Trump presidency.
- Looking ahead, key factors influencing the global economic outlook include the paths of inflation, labor markets, and monetary policy, China's slowing economy and the impacts of policy stimulus, increased geopolitical tensions, and questions about new policies from the incoming US administration..

### Index Returns<sup>1</sup>



→ After a strong third quarter, major markets sold-off in October due to uncertainty about the looming US presidential election and continued questions about the path of interest rates.

→ Year-to-date through October, all major asset classes were positive, led by US equities.

<sup>1</sup> Source: Bloomberg. Data is as of October 31, 2024.

### Domestic Equity Returns<sup>1</sup>

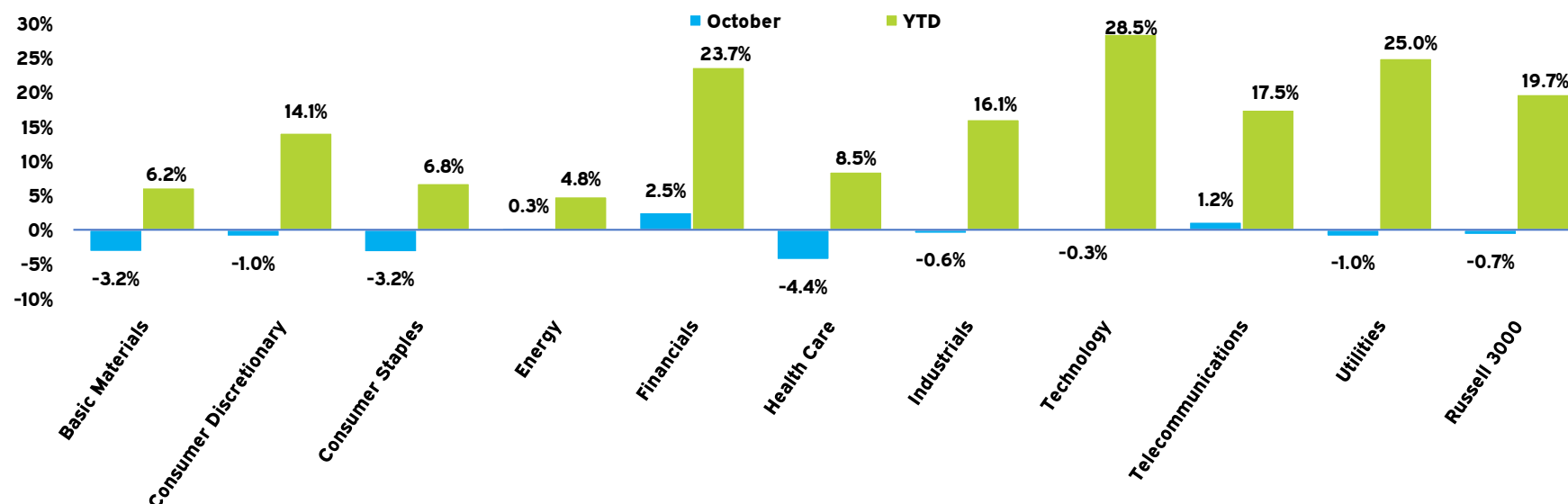
Domestic Equity	October (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-0.9	21.0	38.0	9.1	15.3	13.0
Russell 3000	-0.7	19.7	37.9	7.6	14.6	12.4
Russell 1000	-0.7	20.3	38.1	8.1	15.0	12.7
Russell 1000 Growth	-0.3	24.1	43.8	8.8	19.0	16.2
Russell 1000 Value	-1.1	15.4	31.0	6.8	10.1	8.9
Russell MidCap	-0.5	14.0	35.4	3.5	10.9	9.8
Russell MidCap Growth	1.7	14.9	38.7	0.6	11.5	11.2
Russell MidCap Value	-1.3	13.6	34.0	5.1	9.9	8.4
Russell 2000	-1.4	9.6	34.1	0.0	8.5	7.9
Russell 2000 Growth	-1.3	11.7	36.5	-2.3	7.9	8.1
Russell 2000 Value	-1.6	7.5	31.8	1.9	8.4	7.3

**US Equities: The Russell 3000 fell 0.7% in October, bringing the year-to-date results to +19.7%.**

- US stocks fell slightly during October, amid mixed economic signals and, toward the end of month, due to a focus on the looming US presidential election.
- For the month, growth stocks outperformed value stocks across the market cap spectrum, particularly in midcap. In the large cap space, this dynamic was driven mainly by one stock, NVIDIA.
- Large cap stocks (Russell 1000) declined less than small cap stocks (Russell 2000) for the month.

<sup>1</sup> Source: Bloomberg. Data is as of October 31, 2024.

### Russell 3000 Sector Returns<sup>1</sup>



- All sectors turned negative in October, except Financials and Telecommunications stocks.
- Healthcare stocks led the overall decline among sectors, most notably due to Eli Lilly's decline after reporting disappointing quarterly earnings.
- On a year-to-date basis, Technology continued to lead the way (+28.5%), followed closely by Utilities (+25.0%) largely on growing energy demand for cloud computing data centers. The Fed's rate cuts and generally healthy economy have lifted Financials (+23.7%).

<sup>1</sup> Source: Bloomberg. Data is as of October 31, 2024.

### Foreign Equity Returns<sup>1</sup>

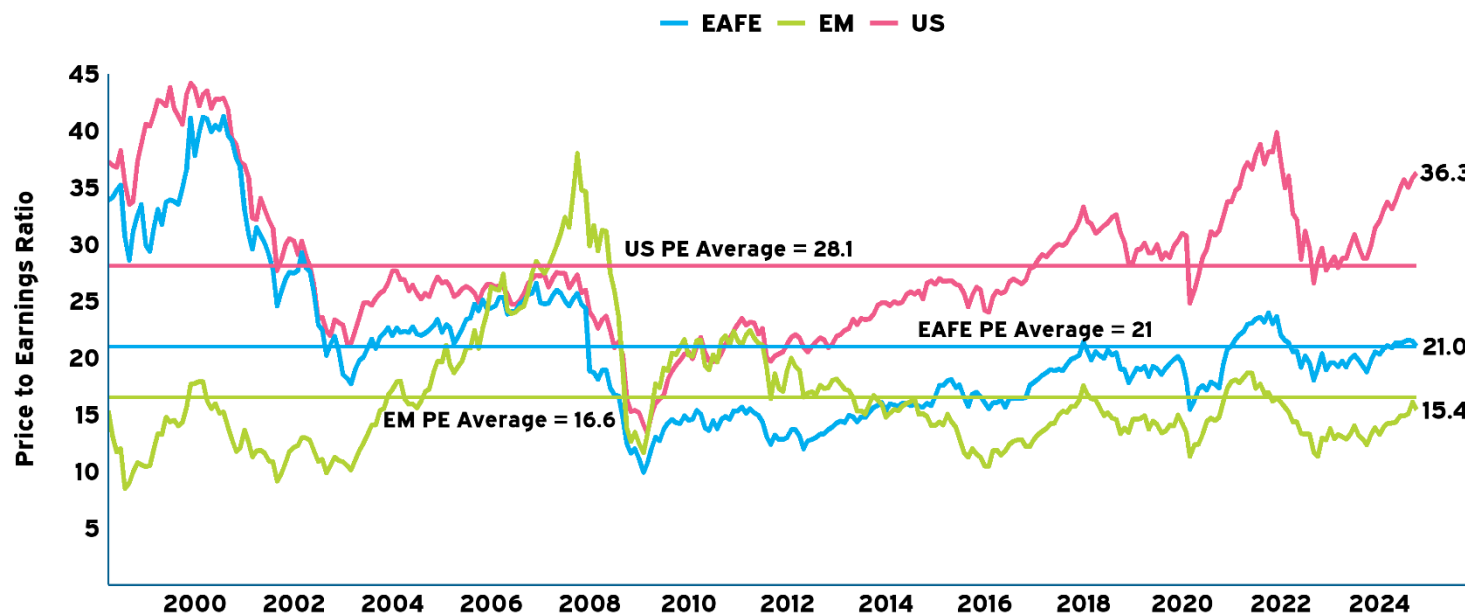
Foreign Equity	October (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	-4.9	8.6	24.3	1.6	5.8	4.8
MSCI EAFE	-5.4	6.8	23.0	2.7	6.2	5.3
MSCI EAFE (Local Currency)	-1.6	10.2	19.7	6.6	8.1	7.2
MSCI EAFE Small Cap	-6.3	4.1	23.0	-3.0	4.1	5.7
MSCI Emerging Markets	-4.4	11.7	25.3	-1.4	3.9	3.4
MSCI Emerging Markets (Local Currency)	-2.9	14.9	25.9	1.6	6.2	6.0
MSCI EM ex. China	-3.9	8.3	27.2	2.1	6.6	4.4
MSCI China	-5.9	21.7	21.8	-8.4	-1.2	2.3

**Foreign Equity: Developed international equities (MSCI EAFE) fell 5.4% in October, while emerging market equities (MSCI Emerging Markets) fell 4.4%.**

- In October, emerging and developed markets outside the US both suffered from risk-off sentiment ahead of the US election. Additionally, a stronger dollar served as a headwind, particularly for developed markets.
- Developed market equities fell 1.6% in local terms but factoring in the strengthening dollar brought returns to -5.4% for the month (the worst result of the major indexes).
- The rally in Chinese equities cooled as investors reassessed the Chinese government's convictions behind stimulating the sluggish economy.

<sup>1</sup> Source: Bloomberg. Data is as October 31, 2024.

### Equity Cyclically Adjusted P/E Ratios<sup>1</sup>



- US stocks (36.3) continue to trade well above their long-run PE average of 28.1.
- Non-US developed market valuations fell slightly to their long-term average while emerging market stock valuations also declined but remain close to their long-term average given the strong recent gains.

<sup>1</sup> 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: Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of October 2024. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end respectively.



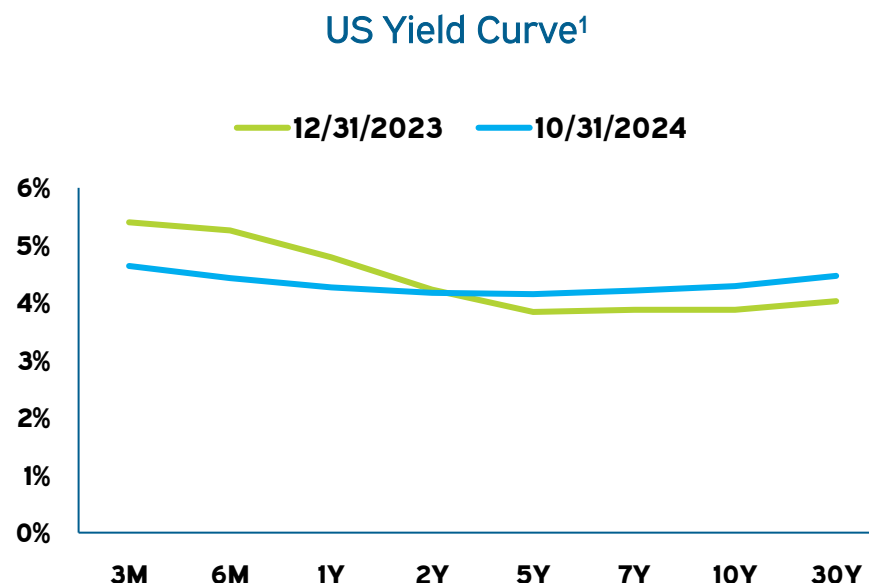
### Fixed Income Returns<sup>1</sup>

Fixed Income	October (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-2.3	2.5	11.2	-1.8	0.2	1.8	5.0	6.0
Bloomberg Aggregate	-2.5	1.9	10.5	-2.2	-0.2	1.5	4.7	6.2
Bloomberg US TIPS	-1.8	3.0	8.6	-1.5	2.2	2.3	4.4	6.8
Bloomberg Short-term TIPS	-0.4	4.3	6.6	2.2	3.4	2.4	4.3	2.5
Bloomberg US Long Treasury	-5.2	-2.9	15.1	-10.5	-5.1	0.3	4.6	15.1
Bloomberg High Yield	-0.5	7.4	16.5	3.0	4.5	4.9	7.3	3.5
JPM GBI-EM Global Diversified (USD)	-4.6	0.1	8.8	-0.5	0.9	-0.1	--	--

**Fixed Income: The Bloomberg Universal index fell 2.3% in October, bringing the year-to-date return to +2.5%.**

- Fixed income indexes declined during the month, driven by economic data largely beating expectations and markets anticipating the potential policy impacts if Trump was re-elected.
- The broad US bond market (Bloomberg Aggregate) declined 2.5% over the month, with TIPS, particularly short-term TIPS, declining less.
- High yield bonds experienced smaller declines compared to the broad US bond market, while emerging market debt weakened more meaningfully.

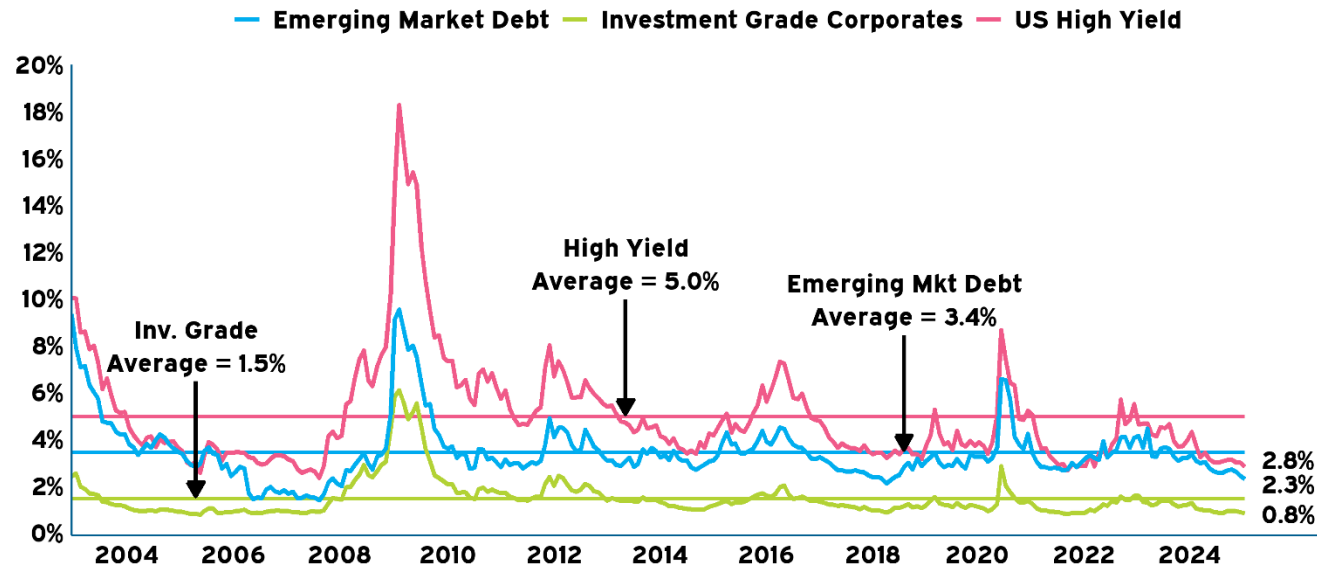
<sup>1</sup> Source: Bloomberg. Data is as of October 31, 2024. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.



- After falling in the third quarter, US Treasury yields rose meaningfully in October across the yield curve. Better-than-expected economic data and growing anticipation of a potential second Trump presidency and related policy actions drove yields higher.
- The more policy sensitive two-year Treasury yield increased from 3.64% to 4.17%, while the ten-year Treasury yield rose from 3.78% to 4.29% over the same period.
- The yield curve from two years to ten years is no longer inverted, given policy rate cuts and resilient growth. This trend could continue as the Fed will likely cut short-term interest rates further.

<sup>1</sup> Source: Bloomberg. Data is as of October 31, 2024.

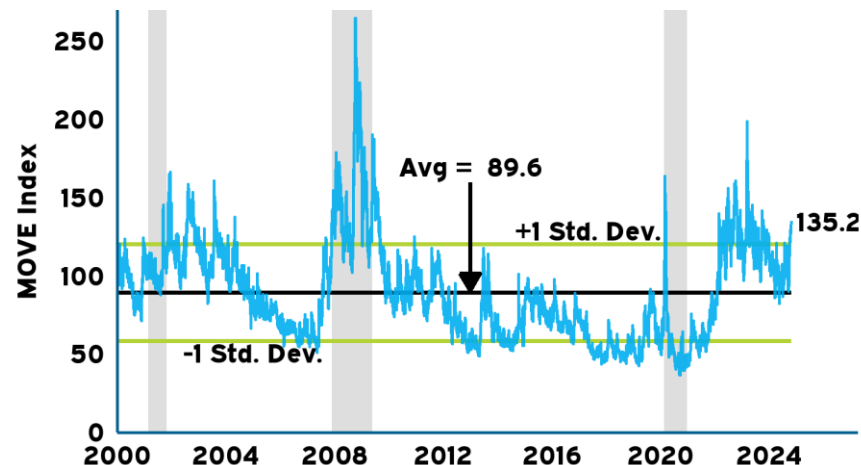
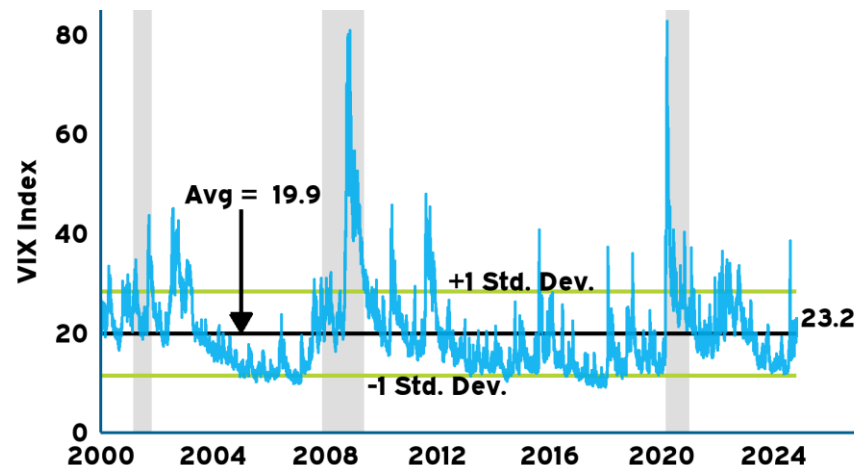
### Credit Spreads vs. US Treasury Bonds<sup>1</sup>



- Spreads (the yield above a comparable maturity Treasury) resumed their post-pandemic tightening trend with rising Treasury yields narrowing spreads in other fixed income markets.
- All yield spreads remained below their respective long-run averages, particularly high yield.
- Although spreads are relatively tight, yields remain at above-average levels compared to the last two decades, particularly for short-term issues.

<sup>1</sup> Source: Bloomberg. Data is as October 31, 2024. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

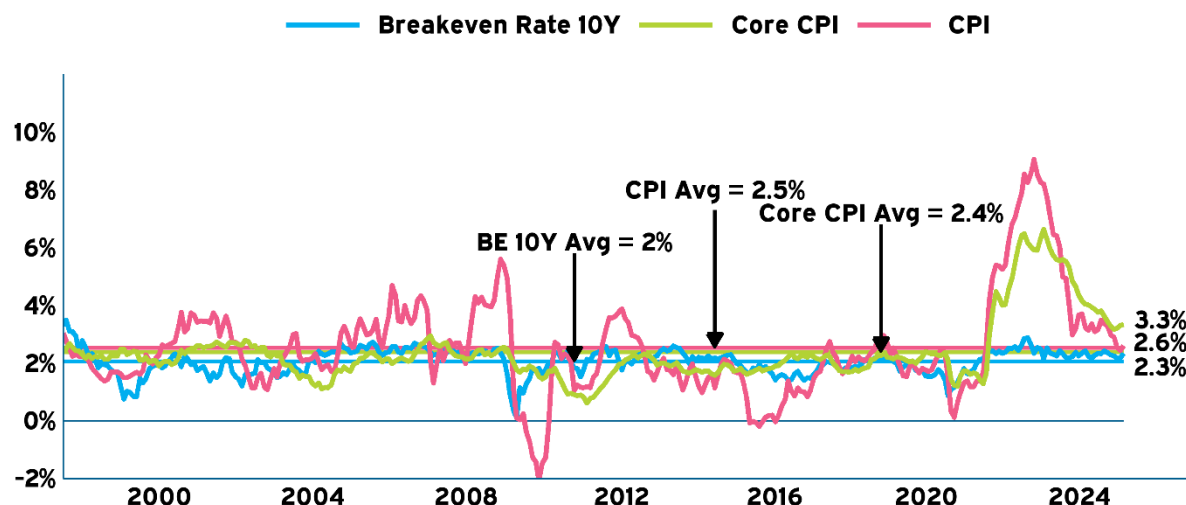
### Equity and Fixed Income Volatility<sup>1</sup>



- In October volatility, particularly in bonds, increased ahead of the US presidential election.
- Despite the increase, volatility levels (VIX) in the US stock market finished the month slightly above its long-run average. By contrast, volatility in the bond market (MOVE) ended October over one standard deviation above its long-run average as concern increased about the future path of interest rates.

<sup>1</sup> Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of October 2024. The average line indicated is the average of the VIX and MOVE values between January 2000 and October 2024.

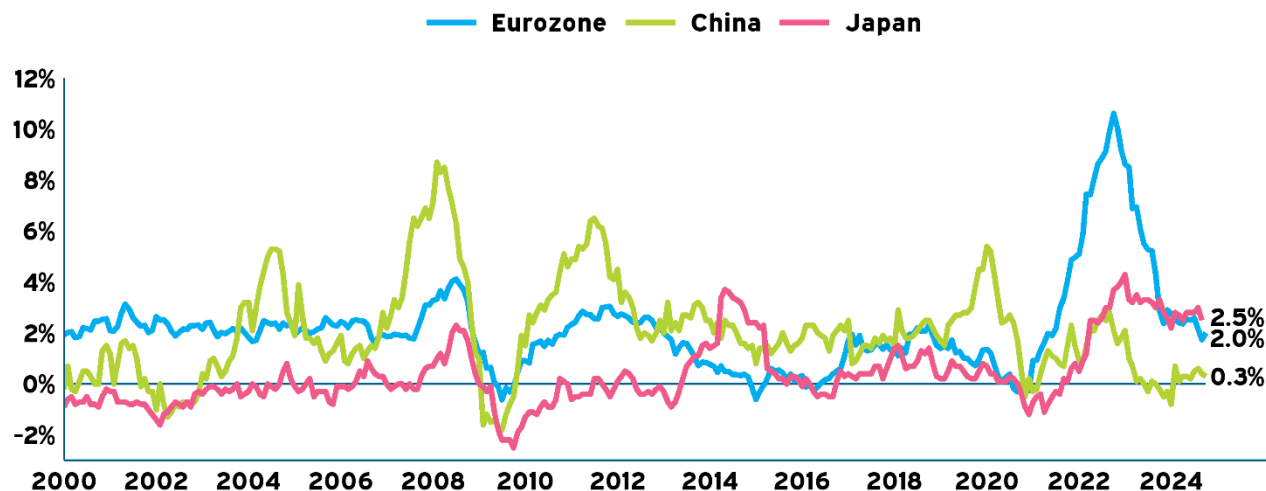
### US Ten-Year Breakeven Inflation and CPI<sup>1</sup>



- In October, inflation rose 0.2% month-on-month, with shelter accounting for over half of the gain even as energy prices declined.
- Year-over-year inflation increased from 2.4% to 2.6% (matching expectations) largely driven by base year effects. Shelter (+4.9%), transportation (+8.2%), and medical care (+3.8%) contributed to the annual gain while energy prices (-4.9%) fell over the past year.
- Year-over-year core inflation (excluding food and energy) rose 3.3%, also matching expectations.
- Inflation expectations (breakevens) rose in October on the proposed policies of both presidential candidates, and better-than-expected economic data.

<sup>1</sup> Source: FRED. Data is as of October 2024. The CPI and 10 Year Breakeven average lines denote the average values from February 1997 to the present month-end, respectively. Breakeven values represent month-end values for comparative purposes.

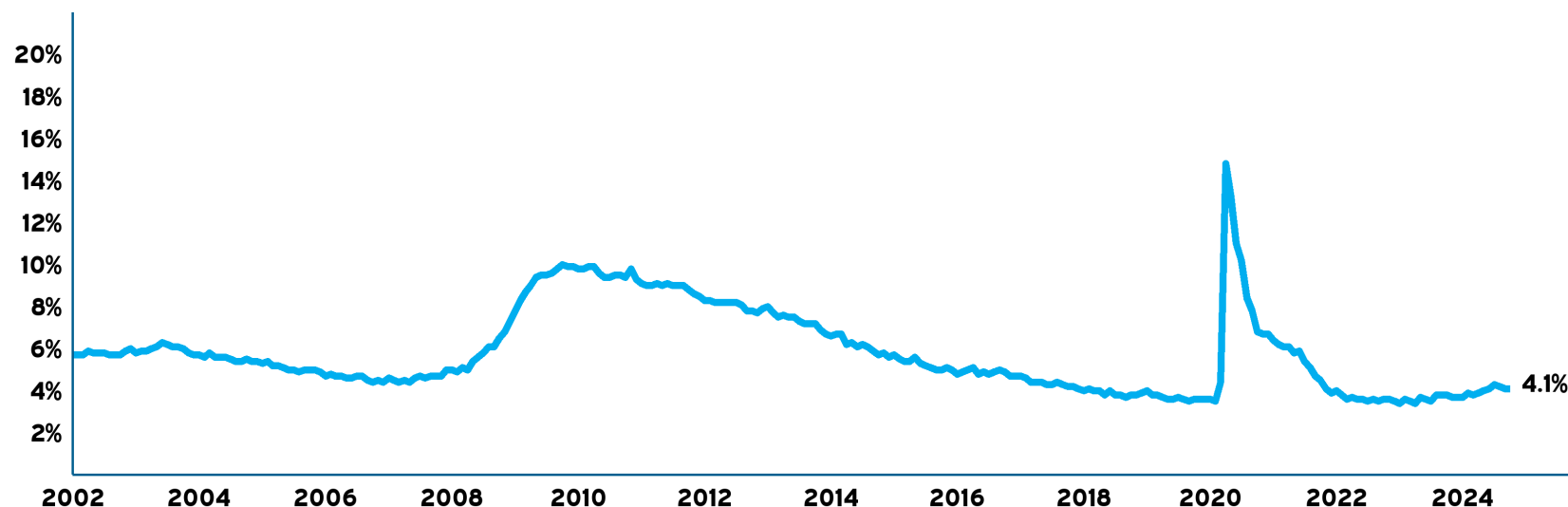
### Global Inflation (CPI Trailing Twelve Months)<sup>1</sup>



- In the eurozone, inflation rose from 1.7% to 2.0% in October (a level below the US). The increase was driven by the significant fall in energy prices from last year no longer being included in the calculation.
- Inflation in Japan, recently fell (3.0% to 2.5%) due in part to a slowing in the increase of gas and electricity prices. Despite the decline, inflation levels remain elevated from a historical perspective in Japan, supporting the case for additional interest rate increases by the Bank of Japan.
- Inflation in China, came in at 0.3% in October, slightly below expectations of 0.4%. China continues to fight deflationary pressures despite recent stimulus measures.

<sup>1</sup> Source: Bloomberg. Data is as October 31, 2024, except Japan which is as of September 30, 2024.

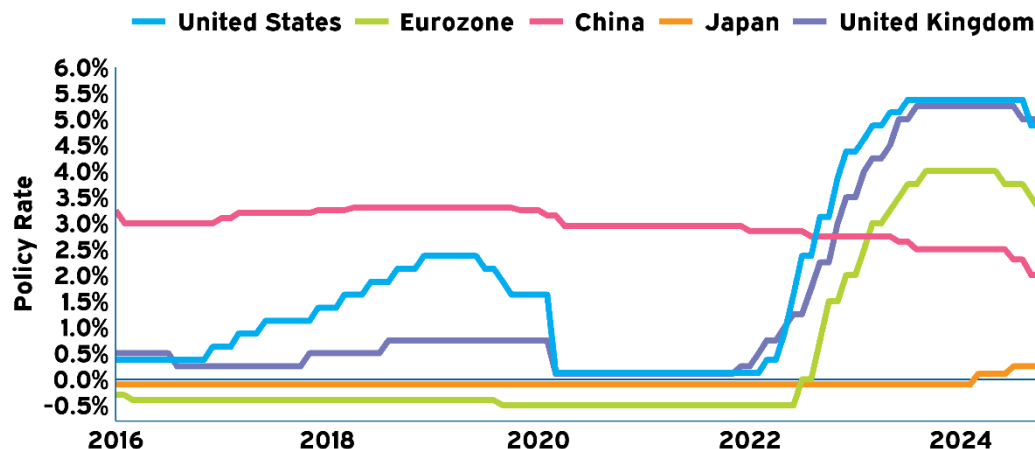
### US Unemployment<sup>1</sup>



- The unemployment rate stayed steady at 4.1% in October, while the number of people without jobs remained around the 7.0 million level.
- The health care (+52K) and government (+40K) sectors added the most jobs in October while jobs declined in temporary services (-49K) and manufacturing (-46K).
- Initial claims for unemployment remain relatively low and year-over-year wage gains strong (+4.0%).

<sup>1</sup> Source: FRED and BLS. Data is as of October 31, 2024.

### Policy Rates<sup>1</sup>

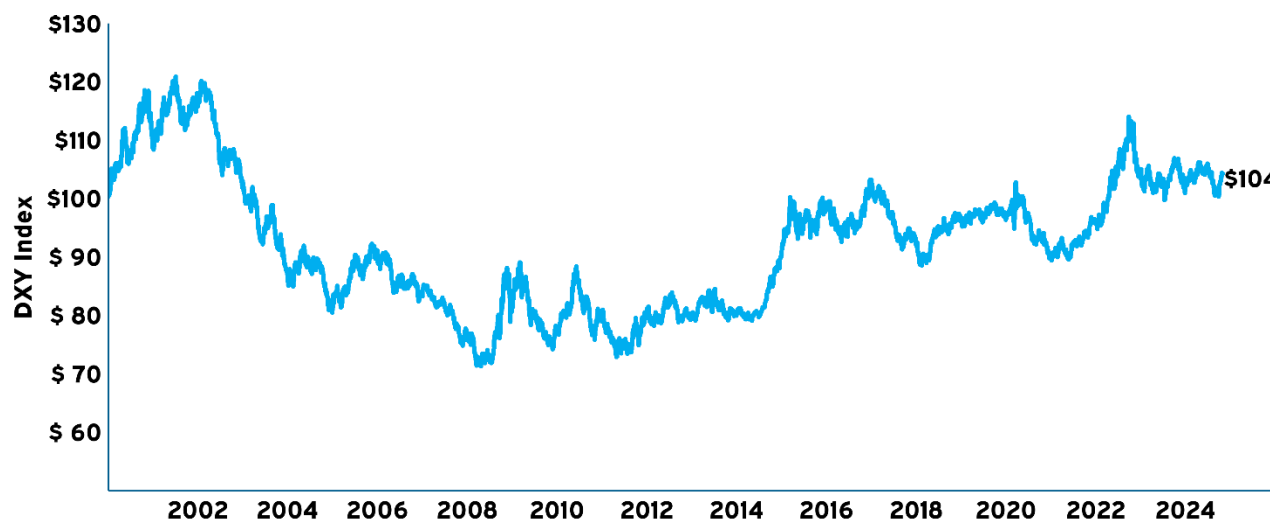


- In the US, the Fed reduced interest rates after month-end by 0.25% to a range of 4.5% to 4.75% in a move largely expected by investors.
- The Bank of England made a similar 0.25% interest rate cut in November, while the European Central Bank made the same rate cut in October.
- After exiting negative interest rates in 2024 and making several rate increases, rate cutting by other major central banks are complicating prospects for further policy rate hikes in Japan.
- China announced a broad-based unexpected stimulus package that included lower interest rates, a reduction in bank reserve requirements, expanding local government borrowing facilities, and liquidity for stock investors.

<sup>1</sup> Source: Bloomberg. Data is as of October 2024. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.



### US Dollar vs. Broad Currencies<sup>1</sup>



- In October, the US dollar rallied, a trend that continued strongly in November.
- A rise in interest rates driven by potential inflationary impacts of proposed higher tariffs, lower taxes, and immigration policies from candidate, and now president-elect Trump, drove the dollar's gains.
- Looking ahead, the track of policy rates across major central banks and the policies implemented by the incoming administration in the US will be key for the path of the US dollar from here.

<sup>1</sup> Source: Bloomberg. Data as of October 31, 2024.

## Summary

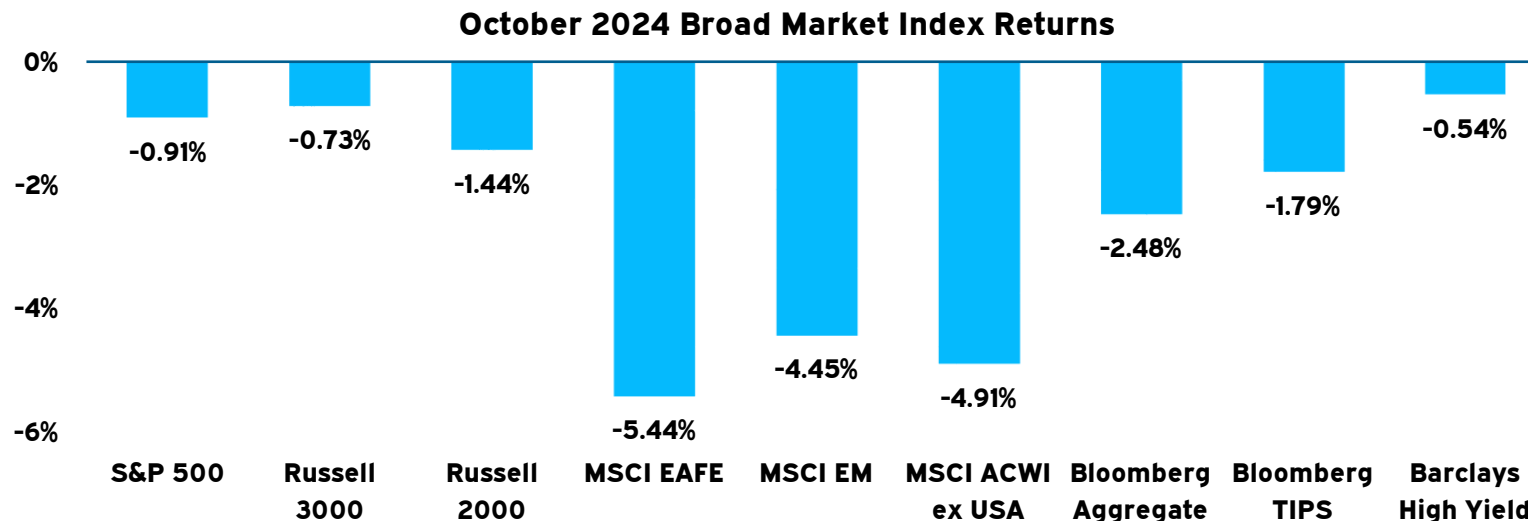
### Key Trends:

- According to the International Monetary Fund's (IMF) October report, global growth in 2025 is expected to be similar to 2024 at around 3.2% with most major economies predicted to avoid a recession.
- Many questions remain about what policies will be implemented by the new administration in the US. Although deregulation and tax cuts could support growth, these policies, along with higher tariffs and restrictive immigration, could fan inflation. This will likely lead to additional uncertainty regarding the timing and pace of interest rate cuts in the coming year.
- US consumers could feel pressure as certain components of inflation (e.g., shelter) remain high, borrowing costs stay elevated, and the job market may weaken further.
- A focus for US equities going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will be important.
- We have started to see divergences in monetary policy. Some central banks, such as the Fed, European Central Bank, and the Bank of England, have started to cut interest rates and others, like the Bank of Japan, have increased interest rates. This disparity will likely influence capital flows and currencies.
- China appears to have shifted focus to more policy support for the economy/asset prices with a new suite of fiscal and financial policy stimulus measures. Thus far these efforts have not increased weak consumer spending or helped the lingering trouble in the real estate sector. It is still not clear what the long-term impact of these policies will be on the economy and if policy makers will remain committed to these efforts.

## **Performance Highlights**

As of October 31, 2024

#### Market Review and Performance Summary for October 2024

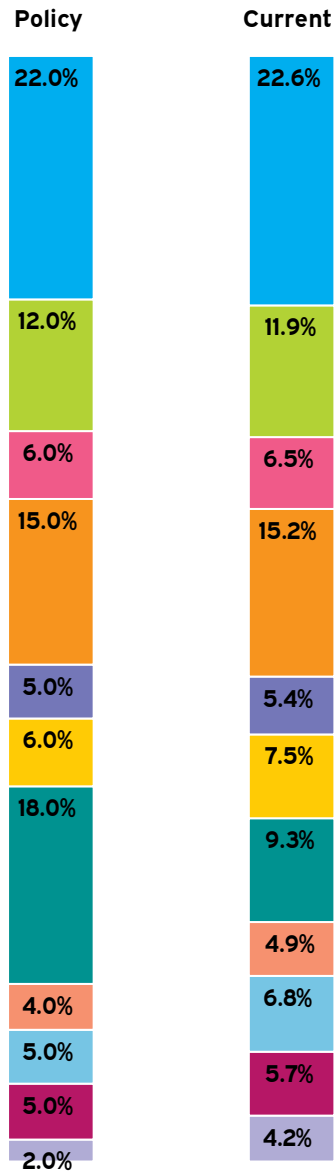


- Markets broadly pulled back in October as the upcoming election results drove volatility. Equities saw negative returns across markets, with International Developed markets saw sharper declines relative to US equities due to the strengthening dollar. Fixed Incomes markets declined due to stronger than expected economic data as well as markets weighed on potential policy shifts of a Trump re-election scenario. Domestically, large cap outpaced small cap stocks, while international equities saw Emerging Markets outpace their Developed counterparts.
- Merced CERA reported a monthly return of -1.0% net of fees. US Equities returned -0.9%, marginally trailing the Russell 3000 Index return of -0.7%. International Equities return of -2.9% led the blended benchmark which returned -4.9%, with the Developed International sleeve trailing its respective index by 1.9% while the Emerging Markets sleeve outpaced the MSCI EM index by 2.6%. US Fixed Income returned -2.3%, matching its benchmark. Opportunistic Credit posted 0.3% for the month, outpacing the blended benchmark by -1.2%.
- As of October 31, 2024, total assets for the Merced CERA Portfolio are estimated at \$1.3 billion.

## **Interim Performance Update**

As of October 31, 2024

Total Fund | As of October 31, 2024



Allocation vs. Targets and Policy						
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
US Equity	286,863,812	22.6	22.0	0.6	16.0 - 27.0	Yes
International Equity	150,812,963	11.9	12.0	-0.1	7.0 - 17.0	Yes
Emerging Markets Equity	81,850,008	6.5	6.0	0.5	3.0 - 9.0	Yes
Private Equity	192,296,710	15.2	15.0	0.2	5.0 - 20.0	Yes
Direct Lending	67,912,586	5.4	5.0	0.4	0.0 - 10.0	Yes
Real Estate	94,944,716	7.5	6.0	1.5	4.0 - 8.0	Yes
US Fixed Income	118,618,007	9.3	18.0	-8.7	13.0 - 23.0	No
Opportunistic Credit	62,785,965	4.9	4.0	0.9	2.0 - 6.0	Yes
Hedge Funds	86,774,154	6.8	5.0	1.8	2.5 - 7.5	Yes
Real Assets	72,319,747	5.7	5.0	0.7	3.0 - 7.0	Yes
Cash	53,470,406	4.2	2.0	2.2	0.0 - 4.0	No
<b>Total</b>	<b>1,268,649,073</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		

## Asset Allocation & Performance | As of October 31, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund (Net)</b>	1,268,649,073	100.0	-1.0	10.5	3.3	18.9	3.9	8.8	7.6	8.1	Jan-95
<b>Total Fund (Gross)</b>			-1.0	10.8	3.4	19.4	4.3	9.2	7.9	8.3	Jan-95
<i>Policy Index</i>			-1.3	11.6	3.7	19.6	4.7	9.0	7.8	6.5	
<b>Total Fund w/o Alternatives (Net)</b>	700,930,754	55.3	-1.7	13.6	4.1	27.7	3.0	8.8	7.7	--	Jan-08
<b>Total Fund w/o Alternatives (Gross)</b>			-1.7	14.0	4.3	28.3	3.5	9.3	8.1	--	Jan-08
<i>Policy Index w/o AI</i>			-2.6	10.5	3.8	24.5	2.7	7.3	6.9	--	
<b>US Equity (Net)</b>	286,863,812	22.6	-0.9	18.7	5.3	36.7	6.6	13.5	12.3	10.6	Jan-95
<b>US Equity (Gross)</b>			-0.8	18.9	5.3	37.0	6.8	13.8	12.6	10.7	Jan-95
<i>Russell 3000</i>			-0.7	19.7	5.4	37.9	7.6	14.6	12.3	10.7	
<b>International Equity (Net)</b>	232,662,971	18.3	-2.9	14.8	3.5	30.3	0.2	9.2	6.6	6.0	Jan-99
<b>International Equity (Gross)</b>			-2.8	15.5	3.8	31.4	1.1	10.0	7.3	6.4	Jan-99
<i>International Equity Custom</i>			-4.9	9.6	2.7	24.8	1.5	5.9	5.1	4.6	
<b>Developed International Equity (Net)</b>	150,812,963	11.9	-3.5	11.6	1.7	25.7	3.9	8.4	6.2	4.8	Feb-08
<b>Developed International Equity (Gross)</b>			-3.4	12.3	2.0	26.6	4.6	9.2	6.7	5.4	Feb-08
<i>Custom Blended Developed International Equity BM</i>			-5.4	6.7	1.8	23.1	2.0	6.2	5.2	3.6	
<b>Emerging Markets Equity (Net)</b>	81,850,008	6.5	-1.8	20.9	7.2	39.1	-5.2	9.1	7.0	5.9	May-12
<b>Emerging Markets Equity (Gross)</b>			-1.7	21.9	7.6	40.5	-4.3	10.1	8.0	6.9	May-12
<i>MSCI EM</i>			-4.4	11.7	3.9	25.3	-1.4	3.9	3.6	3.4	
<b>US Fixed Income (Net)</b>	118,618,007	9.3	-2.3	2.6	3.0	11.6	-2.4	-0.4	1.5	4.4	Jan-95
<b>US Fixed Income (Gross)</b>			-2.3	2.7	3.1	11.8	-2.3	-0.2	1.6	4.5	Jan-95
<i>US Fixed Income Custom Benchmark</i>			-2.3	2.0	2.6	10.1	-1.9	-0.1	1.6	4.5	

Data Prior to March 2018 provided by prior consultant.

## Asset Allocation & Performance | As of October 31, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Opportunistic Credit (Net)</b>	62,785,965	4.9	0.3	8.3	3.5	13.3	4.7	5.9	--	5.7	May-19
<b>Opportunistic Credit (Gross)</b>			0.3	8.6	3.6	13.7	5.3	6.4	--	6.2	May-19
50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever			-1.2	4.6	3.2	12.0	1.3	2.6	--	3.0	
<b>Real Estate (Net)</b>	94,944,716	7.5	-0.7	2.7	3.4	6.3	1.3	3.7	5.0	6.4	Dec-10
<b>Real Estate (Gross)</b>			-0.7	2.7	3.4	6.3	1.3	3.7	5.3	7.4	Apr-99
Custom Blended Real Estate Benchmark			0.0	-7.5	-0.4	-9.3	1.9	3.2	5.7	6.5	
CPI +5% (Seasonally Adjusted)			0.7	6.4	2.4	7.7	9.7	9.4	8.0	7.7	
<b>Private Real Estate (Net)</b>	75,371,153	5.9	0.0	1.0	1.1	0.7	3.0	3.8	5.0	6.4	Dec-10
<b>Private Real Estate (Gross)</b>			0.0	1.0	1.1	0.7	3.0	3.8	5.3	7.4	Apr-99
Custom Blended Real Estate Benchmark			0.0	-7.5	-0.4	-9.3	1.9	3.2	5.7	6.5	
<b>Private Equity (Net)</b>	192,296,710	15.2	0.0	6.8	1.6	7.3	10.3	16.3	13.0	10.2	Jul-05
<b>Private Equity (Gross)</b>			0.0	6.8	1.6	7.3	10.3	16.3	13.0	10.3	Jul-05
Custom Private Equity Benchmark			2.2	29.4	5.6	21.1	9.9	18.9	16.0	--	
<b>Direct Lending (Net)</b>	67,912,586	5.4	0.0	8.8	2.9	12.0	8.1	--	--	10.2	Jul-20
<b>Direct Lending (Gross)</b>			0.0	8.8	2.9	12.0	8.1	--	--	10.2	Jul-20
S&P LSTA Leveraged Loan +2%			1.0	9.2	3.6	12.7	8.8	8.1	7.0	9.8	
<b>Hedge Fund (Net)</b>	86,774,154	6.8	0.0	5.3	0.7	6.7	3.3	5.6	4.7	4.5	Jul-14
<b>Hedge Fund (Gross)</b>			0.1	6.5	1.2	8.2	4.4	6.7	5.3	5.1	Jul-14
Custom Blended Hedge Fund Benchmark			0.4	7.3	2.4	11.9	2.2	5.4	4.1	3.9	
<b>Real Assets (Net)</b>	72,319,747	5.7	-0.1	11.4	4.5	15.6	13.2	11.7	9.9	9.9	Dec-10
<b>Real Assets (Gross)</b>			-0.1	11.4	4.5	15.6	13.3	11.8	10.3	10.4	Dec-10
Custom Blended Real Assets Benchmark			-2.9	7.7	5.3	20.3	6.1	6.3	7.2	--	
CPI +5% (Seasonally Adjusted)			0.7	6.4	2.4	7.7	9.7	9.4	8.0	7.8	

Real Assets includes State Street Real Assets NL Fund.



## Asset Allocation & Performance | As of October 31, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Infrastructure (Net)	37,973,543	3.0	0.0	9.4	2.3	11.0	11.4	12.1	--	10.1	Jan-15
Private Infrastructure (Gross)			0.0	9.4	2.3	11.0	11.4	12.2	--	10.2	Jan-15
<i>S&amp;P Global Infrastructure</i>			-1.3	16.5	12.0	33.3	7.8	6.3	6.0	6.2	
Private Natural Resources (Net)	29,678,458	2.3	0.0	14.4	7.2	20.6	24.9	15.0	--	16.1	Oct-15
Private Natural Resources (Gross)			0.0	14.4	7.2	20.6	24.9	15.0	--	16.1	Oct-15
<i>S&amp;P Global Natural Resources Sector Index (TR)</i>			-4.5	-0.7	-1.1	8.3	5.3	9.1	5.6	10.1	
Cash (Net)	53,470,406	4.2	0.4	3.7	1.5	4.5	2.5	1.7	--	--	Dec-10
Cash (Gross)			0.4	3.7	1.5	4.5	2.5	1.7	--	--	Dec-10

## Asset Allocation & Performance | As of October 31, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund</b>	<b>1,268,649,073</b>	<b>100.0</b>	<b>-1.0</b>	<b>10.5</b>	<b>3.3</b>	<b>18.9</b>	<b>3.9</b>	<b>8.8</b>	<b>7.6</b>	<b>8.1</b>	<b>Jan-95</b>
<i>Policy Index</i>			<i>-1.3</i>	<i>11.6</i>	<i>3.7</i>	<i>19.6</i>	<i>4.7</i>	<i>9.0</i>	<i>7.8</i>	<i>6.5</i>	
<b>Total Fund w/o Alternatives</b>	<b>700,930,754</b>	<b>55.3</b>	<b>-1.7</b>	<b>13.6</b>	<b>4.1</b>	<b>27.7</b>	<b>3.0</b>	<b>8.8</b>	<b>7.7</b>	<b>--</b>	<b>Jan-08</b>
<i>Policy Index w/o AI</i>			<i>-2.6</i>	<i>10.5</i>	<i>3.8</i>	<i>24.5</i>	<i>2.7</i>	<i>7.3</i>	<i>6.9</i>	<i>--</i>	
<b>US Equity</b>	<b>286,863,812</b>	<b>22.6</b>	<b>-0.9</b>	<b>18.7</b>	<b>5.3</b>	<b>36.7</b>	<b>6.6</b>	<b>13.5</b>	<b>12.3</b>	<b>10.6</b>	<b>Jan-95</b>
<i>Russell 3000</i>			<i>-0.7</i>	<i>19.7</i>	<i>5.4</i>	<i>37.9</i>	<i>7.6</i>	<i>14.6</i>	<i>12.3</i>	<i>10.7</i>	
BNY Mellon Newton Dynamic US Equity	55,643,265	4.4	-1.6	19.4	4.0	36.7	6.4	14.1	13.7	15.9	Jan-13
<i>S&amp;P 500 Index</i>			<i>-0.9</i>	<i>21.0</i>	<i>4.9</i>	<i>38.0</i>	<i>9.1</i>	<i>15.3</i>	<i>13.0</i>	<i>14.5</i>	
BNY Mellon Large Cap	199,248,744	15.7	-0.7	20.4	5.3	38.3	8.0	15.0	--	14.4	Apr-16
<i>Russell 1000 Index</i>			<i>-0.7</i>	<i>20.3</i>	<i>5.3</i>	<i>38.1</i>	<i>8.1</i>	<i>15.0</i>	<i>12.8</i>	<i>14.4</i>	
Champlain Small Cap	31,971,803	2.5	-0.6	7.7	7.4	27.4	-0.8	--	--	8.2	Nov-20
<i>Russell 2000 Index</i>			<i>-1.4</i>	<i>9.6</i>	<i>7.7</i>	<i>34.1</i>	<i>0.0</i>	<i>8.5</i>	<i>7.9</i>	<i>10.8</i>	
<b>International Equity</b>	<b>232,662,971</b>	<b>18.3</b>	<b>-2.9</b>	<b>14.8</b>	<b>3.5</b>	<b>30.3</b>	<b>0.2</b>	<b>9.2</b>	<b>6.6</b>	<b>6.0</b>	<b>Jan-99</b>
<i>International Equity Custom</i>			<i>-4.9</i>	<i>9.6</i>	<i>2.7</i>	<i>24.8</i>	<i>1.5</i>	<i>5.9</i>	<i>5.1</i>	<i>4.6</i>	
<b>Developed International Equity</b>	<b>150,812,963</b>	<b>11.9</b>	<b>-3.5</b>	<b>11.6</b>	<b>1.7</b>	<b>25.7</b>	<b>3.9</b>	<b>8.4</b>	<b>6.2</b>	<b>4.8</b>	<b>Feb-08</b>
<i>Custom Blended Developed International Equity BM</i>			<i>-5.4</i>	<i>6.7</i>	<i>1.8</i>	<i>23.1</i>	<i>2.0</i>	<i>6.2</i>	<i>5.2</i>	<i>3.6</i>	
Acadian ACWI ex U.S. Small Cap Equity	19,489,533	1.5	-4.1	12.2	3.5	29.6	3.2	10.9	--	10.0	May-19
<i>MSCI AC World ex USA Small Cap (Net)</i>			<i>-5.2</i>	<i>6.1</i>	<i>3.2</i>	<i>23.7</i>	<i>-0.9</i>	<i>6.2</i>	<i>5.8</i>	<i>6.0</i>	
Driehaus International Small Cap Growth	18,068,816	1.4	-6.1	5.9	0.1	22.4	-3.5	7.2	--	7.9	May-19
<i>MSCI AC World ex USA Small Growth Index (Net)</i>			<i>-5.0</i>	<i>5.6</i>	<i>3.0</i>	<i>24.3</i>	<i>-4.2</i>	<i>5.6</i>	<i>5.8</i>	<i>5.4</i>	
GQG International Equity	54,469,545	4.3	-3.6	12.4	-3.6	28.9	5.5	--	--	9.7	Dec-19
<i>MSCI AC World ex USA (Net)</i>			<i>-4.9</i>	<i>8.6</i>	<i>2.8</i>	<i>24.3</i>	<i>1.6</i>	<i>5.8</i>	<i>4.8</i>	<i>5.7</i>	

Historical returns for the US Equity Composite prior to January 2012 and for the International Equity Composite prior to December 2010 are gross only.

## Asset Allocation & Performance | As of October 31, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
First Eagle International Value Fund <i>MSCI EAFE (Net)</i>	58,785,069	4.6	-2.4	11.6	7.2	21.6	4.5	--	--	5.2	Dec-19
			-5.4	6.8	1.4	23.0	2.7	6.2	5.3	6.1	
<b>Emerging Markets Equity</b> <i>MSCI EM</i>	<b>81,850,008</b>	<b>6.5</b>	<b>-1.8</b>	<b>20.9</b>	<b>7.2</b>	<b>39.1</b>	<b>-5.2</b>	<b>9.1</b>	<b>7.0</b>	<b>5.9</b>	<b>May-12</b>
			-4.4	11.7	3.9	25.3	-1.4	3.9	3.6	3.4	
Artisan Developing World TR <i>MSCI Emerging Markets (Net)</i>	58,450,536	4.6	-0.3	27.8	9.3	48.4	-4.5	--	--	10.0	Dec-19
			-4.4	11.7	3.9	25.3	-1.4	3.9	3.4	4.0	
RWC <i>MSCI Emerging Markets (Net)</i>	23,399,472	1.8	-5.3	5.7	2.1	19.0	-7.1	--	--	1.7	Dec-19
			-4.4	11.7	3.9	25.3	-1.4	3.9	3.4	4.0	
<b>US Fixed Income</b> <i>US Fixed Income Custom Benchmark</i>	<b>118,618,007</b>	<b>9.3</b>	<b>-2.3</b>	<b>2.6</b>	<b>3.0</b>	<b>11.6</b>	<b>-2.4</b>	<b>-0.4</b>	<b>1.5</b>	<b>4.4</b>	<b>Jan-95</b>
			-2.3	2.0	2.6	10.1	-1.9	-0.1	1.6	4.5	
Vanguard Short-Term Treasury Index Fund <i>Bloomberg U.S. Government 1-3 Year Index</i>	6,952,208	0.5	-0.6	3.5	2.3	5.7	1.1	1.2	--	1.7	Mar-18
			-0.6	3.5	2.3	5.8	1.2	1.3	1.3	1.8	
Vanguard Total Bond Market Index Fund <i>Blmbg. U.S. Aggregate Index</i>	17,884,031	1.4	-2.4	1.9	2.5	10.4	-2.2	-0.2	--	0.8	May-19
			-2.5	1.9	2.6	10.5	-2.2	-0.2	1.5	0.8	
Payden & Rygel Low Duration Fund <i>Blmbg. U.S. Treasury: 1-3 Year</i>	8,275,094	0.7	-0.5	4.4	2.3	7.1	--	--	--	6.4	Nov-22
			-0.6	3.5	2.3	5.8	1.2	1.3	1.3	4.3	
Brandywine US Fixed Income <i>Blmbg. U.S. Aggregate Index</i>	34,970,635	2.8	-2.7	1.9	4.2	14.0	--	--	--	2.4	Nov-22
			-2.5	1.9	2.6	10.5	-2.2	-0.2	1.5	5.3	
Wellington Core Bond <i>Blmbg. U.S. Aggregate Index</i>	50,536,040	4.0	-2.6	2.9	2.7	12.0	--	--	--	5.0	Nov-22
			-2.5	1.9	2.6	10.5	-2.2	-0.2	1.5	5.3	

Developed International Equity and Emerging Markets Equity composites were only reported as one composite prior to March 2018.

## Asset Allocation & Performance | As of October 31, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Opportunistic Credit</b>	<b>62,785,965</b>	<b>4.9</b>	<b>0.3</b>	<b>8.3</b>	<b>3.5</b>	<b>13.3</b>	<b>4.7</b>	<b>5.9</b>	<b>--</b>	<b>5.7</b>	<b>May-19</b>
50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever			-1.2	4.6	3.2	12.0	1.3	2.6	--	3.0	
PIMCO Income Fund	11,937,056	0.9	-1.6	4.7	2.9	12.3	2.0	3.1	--	3.2	May-19
Blmbg. U.S. Aggregate Index			-2.5	1.9	2.6	10.5	-2.2	-0.2	1.5	0.8	
GoldenTree Multi-Sector Credit	28,286,060	2.2	0.3	9.7	3.9	16.1	5.6	6.4	--	6.2	Jun-19
50% BBg US High Yield TR/50% Credit Suisse Leveraged Loans			0.2	7.5	3.8	13.5	4.8	5.3	4.9	5.3	
OWS Credit Opportunity Fund LP	22,562,849	1.8	1.4	8.5	3.3	10.5	--	--	--	10.1	Oct-23
50% BBg US High Yield TR/50% Credit Suisse Leveraged Loans			0.2	7.5	3.8	13.5	4.8	5.3	4.9	11.8	
<b>Real Estate</b>	<b>94,944,716</b>	<b>7.5</b>	<b>-0.7</b>	<b>2.7</b>	<b>3.4</b>	<b>6.3</b>	<b>1.3</b>	<b>3.7</b>	<b>5.0</b>	<b>6.4</b>	<b>Dec-10</b>
Custom Blended Real Estate Benchmark			0.0	-7.5	-0.4	-9.3	1.9	3.2	5.7	7.7	
CPI +5% (Seasonally Adjusted)			0.7	6.4	2.4	7.7	9.7	9.4	8.0	7.8	
Vanguard REIT Index	19,573,564	1.5	-3.4	9.7	13.2	34.4	-0.9	--	--	7.5	Sep-20
Spliced Vanguard REIT Benchmark			-3.4	9.8	13.2	34.6	-0.8	3.9	6.0	7.6	
<b>Private Real Estate</b>	<b>75,371,153</b>	<b>5.9</b>	<b>0.0</b>	<b>1.0</b>	<b>1.1</b>	<b>0.7</b>	<b>3.0</b>	<b>3.8</b>	<b>5.0</b>	<b>6.4</b>	<b>Dec-10</b>
Custom Blended Real Estate Benchmark			0.0	-7.5	-0.4	-9.3	1.9	3.2	5.7	7.7	
Greenfield Gap VII	724,937	0.1	0.0	-0.9	7.8	1.7	12.8	14.5	--	14.2	Jan-15
Patron Capital V	4,835,446	0.4	0.0	-0.2	-1.0	-7.6	-16.3	-3.3	--	-0.5	Feb-16
UBS Trumbull Property	19,464,479	1.5	0.0	-6.3	-0.7	-7.7	-0.3	-0.4	2.6	5.5	Apr-99
Carlyle Realty VIII	2,179,113	0.2	0.0	-4.2	-0.5	-3.7	27.5	26.3	--	8.4	Jan-18
Taconic CRE Dislocation Fund II	3,168,473	0.2	0.0	-4.1	-2.1	-1.4	6.0	7.0	--	7.2	Nov-18
Carmel Partners Investment Fund VII	4,871,520	0.4	0.0	12.5	4.8	10.6	7.0	-5.3	--	-14.9	Apr-19

All private markets performance and market values reflect a 06/30/2024 capital account balance unless otherwise noted.

Goldentree Multi-Sector Credit market value is based on manager estimate.

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.

## Asset Allocation & Performance | As of October 31, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
AG Realty Value Fund X, L.P.	3,106,066	0.2	0.0	-5.2	-1.6	-6.5	5.8	7.7	--	3.3	Jun-19
Rockpoint Real Estate Fund VI, L.P.	4,701,651	0.4	0.0	-1.5	1.0	-2.1	3.7	--	--	7.2	May-20
Cerberus Real Estate Debt Fund, L.P.	4,900,627	0.4	0.0	1.1	-1.7	4.8	5.8	--	--	9.0	Jul-20
Taconic CRE Dislocation Onshore Fund III	8,073,207	0.6	0.0	8.8	3.7	14.3	9.7	--	--	8.5	Jun-21
Starwood Distressed Opportunity Fund XII Global	6,142,738	0.5	0.0	13.2	2.2	7.5	9.1	--	--	73.2	Jun-21
Carlyle Realty Partners IX	3,366,531	0.3	0.0	-2.0	5.0	0.6	--	--	--	-164.7	Dec-21
Carmel Partners Investment Fund VIII	6,550,227	0.5	0.0	14.8	5.0	23.2	--	--	--	1.3	Apr-22
Rockpoint Real Estate Fund VII L.P.	3,286,138	0.3	0.0	4.2	1.2	1.2	--	--	--	7.4	Aug-22
<b>Private Equity</b>	<b>192,296,710</b>	<b>15.2</b>	<b>0.0</b>	<b>6.8</b>	<b>1.6</b>	<b>7.3</b>	<b>10.3</b>	<b>16.3</b>	<b>13.0</b>	<b>10.2</b>	<b>Jul-05</b>
<i>Custom Private Equity Benchmark</i>			<i>2.2</i>	<i>29.4</i>	<i>5.6</i>	<i>21.1</i>	<i>9.9</i>	<i>18.9</i>	<i>16.0</i>	<i>--</i>	
Taconic Credit Dislocation Fund IV L.P.	4,249,882	0.3	0.0	12.0	1.7	18.5	--	--	--	13.6	Jul-23
Khosla Ventures Seed F, L.P.	905,456	0.1	0.0	17.7	6.4	13.2	--	--	--	9.0	Jul-23
Adams Street	2,793,874	0.2	0.0	-6.6	-6.2	-10.4	-7.8	7.3	9.1	7.0	Oct-05
Invesco VI	359,373	0.0	0.0	-24.7	-2.3	-25.3	-16.5	7.8	11.0	10.4	Jul-13
Ocean Avenue II	4,679,835	0.4	0.0	-24.6	-16.1	-31.3	0.0	18.2	17.3	15.2	Jul-14
Pantheon I	57,572	0.0	0.0	-6.5	0.1	-7.9	-15.3	-14.5	-5.9	-1.8	Jan-06
Pantheon II	2,483,217	0.2	0.0	3.9	0.8	0.6	-2.5	10.6	11.3	11.3	Jan-12
Pantheon Secondary	107,428	0.0	0.0	-1.5	-0.6	-2.1	-8.8	-8.0	-2.2	0.3	Jul-07
Davidson Kempner Long-Term Distressed Opportunities Fund IV	2,744,402	0.2	0.0	7.5	2.9	11.1	31.2	19.3	--	17.4	Apr-18

Pantheon I includes Pantheon US Fund VI and Pantheon Europe Fund IV. Pantheon Europe Fund IV is adjusting from the 12/31/2023 NAV.

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

Pantheon Secondary includes Pantheon GLO SEC III B.

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

## Asset Allocation & Performance | As of October 31, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
GTCR Fund XII	6,170,894	0.5	0.0	7.0	4.8	13.1	11.6	20.7	--	14.5	Jun-18
Carrick Capital Partners III	4,723,447	0.4	0.0	-3.6	-5.0	0.2	9.4	11.1	--	9.3	Aug-18
Cressey & Company Fund VI	5,124,553	0.4	0.0	-2.3	2.1	-4.3	9.7	17.2	--	12.0	Jan-19
TCV X	6,945,513	0.5	0.0	15.2	-0.5	10.9	-0.1	21.5	--	17.0	Apr-19
Accel-KKR Growth Capital Partners III	5,165,994	0.4	0.0	5.4	1.8	8.3	7.0	10.9	--	6.6	Jul-19
Genstar Capital Partners IX	9,437,013	0.7	0.0	12.8	9.1	18.1	23.2	25.9	--	24.5	Aug-19
Cortec Group Fund VII	9,057,165	0.7	0.0	3.3	-0.3	3.3	11.6	--	--	21.4	Dec-19
Spark Capital Growth Fund III	8,535,555	0.7	0.0	-1.2	1.0	-2.9	14.3	--	--	11.4	Mar-20
Spark Capital VI	3,806,223	0.3	0.0	1.9	-0.4	3.0	16.0	--	--	5.9	Mar-20
Summit Partners Growth Equity Fund X-A	9,207,095	0.7	0.0	6.4	1.4	8.0	9.3	--	--	6.9	Mar-20
Taconic Market Dislocation Fund III L.P.	4,917,332	0.4	0.0	14.0	2.0	15.9	9.4	--	--	14.7	Jul-20
Marlin Heritage Europe II, L.P.	8,765,013	0.7	0.0	15.2	11.0	13.4	8.7	--	--	3.1	Oct-20
Khosla Ventures VII	5,558,002	0.4	0.0	0.5	-15.4	5.2	7.5	--	--	5.6	Jan-21
Accel-KKR Capital Partners VI	4,500,800	0.4	0.0	11.8	11.8	11.8	23.9	--	--	-0.8	Feb-21
Khosla Ventures Seed E	2,416,302	0.2	0.0	2.8	1.0	3.2	23.6	--	--	82.2	Feb-21
TCV XI	6,091,036	0.5	0.0	19.6	0.9	15.3	2.0	--	--	0.1	Feb-21
Thoma Bravo Discover Fund III	10,059,097	0.8	0.0	15.3	4.4	17.8	9.6	--	--	9.6	Jun-21
Summit Partners Venture Capital Fund V-A	4,410,811	0.3	0.0	15.3	1.1	13.6	2.2	--	--	1.0	May-21

## Asset Allocation & Performance | As of October 31, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
GTCR Fund XIII/A & B	7,103,691	0.6	0.0	13.0	3.6	16.0	20.2	--	--	62.7	Jun-21
Genstar Capital Partners X	8,187,420	0.6	0.0	1.0	0.8	2.2	4.2	--	--	4.1	Oct-21
Nautic Partners X	6,555,493	0.5	0.0	14.4	5.5	22.7	--	--	--	9.7	Jan-22
Spark Capital Growth Fund IV	4,912,128	0.4	0.0	12.3	11.0	10.2	--	--	--	13.2	Jan-22
Spark Capital VII	2,078,146	0.2	0.0	-1.3	-0.5	-2.7	--	--	--	-5.6	Feb-22
TCV Velocity Fund I	4,618,069	0.4	0.0	20.5	-1.0	23.5	--	--	--	7.3	Feb-22
Accel-KKR Growth Capital Partners IV	2,509,115	0.2	0.0	3.5	3.0	3.4	--	--	--	-9.7	Apr-22
Summit Partners Growth Equity Fund XI-A	3,074,655	0.2	0.0	22.1	15.1	25.8	--	--	--	-24.0	Apr-22
GTCR Strategic Growth Fund I/A&B LP	2,667,754	0.2	0.0	0.4	-0.3	6.1	--	--	--	-23.8	Jul-22
Threshold Ventures IV LP	1,920,885	0.2	0.0	-3.0	-1.9	-6.8	--	--	--	-15.9	Aug-22
Thoma Bravo Discovery Fund IV	6,674,748	0.5	0.0	13.4	3.3	16.9	--	--	--	14.7	Jan-23
Marlin Heritage III	2,626,153	0.2	0.0	5.8	-1.3	0.1	--	--	--	-62.1	Jan-23
Cortec Group Fund VIII, L.P.	1,444,526	0.1	0.0	-2.7	9.9	-11.7	--	--	--	-11.3	Apr-23
Khosla Ventures VIII	2,318,428	0.2	0.0	-0.3	-0.1	-2.2	--	--	--	-1.9	Sep-23
Genstar Capital Partners XI	237,139	0.0	0.0	50.3	10.9	50.3	--	--	--	50.3	Nov-23
Summit Partners Europe Growth Equity Fund IV, SCSp	-40,823	0.0	0.0	--	-26.1	--	--	--	--	-26.1	Jul-24
Spark Capital VIII	240,000	0.0	0.0	--	0.0	--	--	--	--	0.0	Aug-24
Wynnchurch Capital Partners VI, L.P.	948,908	0.1	0.0	--	--	--	--	--	--	-4.3	Sep-24

Asset Allocation & Performance | As of October 31, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Accel-KKR Capital Partners VII LP	-131,008	0.0	0.0	--	--	--	--	--	--	0.0	Oct-24
GTCR XIV/A&B L.P.	838,400	0.1	0.0	--	--	--	--	--	--	--	Nov-24
Spark Capital Growth Fund V	240,000	0.0	0.0	--	--	--	--	--	--	--	Nov-24



## Asset Allocation & Performance | As of October 31, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Direct Lending</b>	<b>67,912,586</b>	<b>5.4</b>	<b>0.0</b>	<b>8.8</b>	<b>2.9</b>	<b>12.0</b>	<b>8.1</b>	--	--	<b>10.2</b>	<b>Jul-20</b>
<i>S&amp;P LSTA Leveraged Loan +2%</i>			<i>1.0</i>	<i>9.2</i>	<i>3.6</i>	<i>12.7</i>	<i>8.8</i>	<i>8.1</i>	<i>7.0</i>	<i>9.8</i>	
Silver Point Specialty Credit Fund II, L.P.	6,608,956	0.5	0.0	9.7	3.9	12.7	8.7	--	--	10.7	Jul-20
Ares Senior Direct Lending Fund II	13,876,681	1.1	0.0	11.9	3.7	16.8	--	--	--	12.0	Jan-22
Varagon Capital Direct Lending Fund	16,070,153	1.3	0.0	6.4	3.1	9.4	--	--	--	3.9	Jan-22
AG Direct Lending Fund IV Annex	8,064,859	0.6	0.0	9.3	3.1	12.4	--	--	--	9.7	May-22
AG Direct Lending Fund V	3,658,469	0.3	0.0	2.2	-0.2	4.7	--	--	--	6.0	Aug-22
Accel-KKR Credit Partners II LP	2,147,616	0.2	0.0	7.0	2.7	10.2	--	--	--	27.2	Mar-23
Silver Point Specialty Credit Fund III	8,416,669	0.7	0.0	12.9	1.7	12.9	--	--	--	7.4	Mar-23
Ares Capital Europe VI (D) Levered, L.P.	5,547,815	0.4	0.0	5.6	2.6	12.5	--	--	--	12.5	Nov-23
Ares Senior Direct Lending Fund III	3,521,368	0.3									
<b>Hedge Fund</b>	<b>86,774,154</b>	<b>6.8</b>	<b>0.0</b>	<b>5.3</b>	<b>0.7</b>	<b>6.7</b>	<b>3.3</b>	<b>5.6</b>	<b>4.7</b>	<b>4.5</b>	<b>Jul-14</b>
<i>Custom Blended Hedge Fund Benchmark</i>			<i>0.4</i>	<i>7.3</i>	<i>2.4</i>	<i>11.9</i>	<i>2.2</i>	<i>5.4</i>	<i>4.1</i>	<i>3.9</i>	
Hudson Bay Fund	14,477,478	1.1	0.4	6.9	2.7	7.4	--	--	--	7.2	Jun-23
Graham Absolute Return	4,797,404	0.4	-1.2	4.6	-1.9	1.8	7.6	5.4	--	4.7	Sep-17
Wellington-Archipelago	9,329,164	0.7	0.1	11.6	0.7	14.8	7.4	7.9	--	6.7	Sep-17
Marshall Wace Eureka	5,096,090	0.4	0.1	9.6	0.6	9.9	3.8	7.1	--	6.2	Dec-17
Silver Point Capital	21,054,413	1.7	-0.2	9.0	2.1	12.5	5.6	11.7	--	8.2	Dec-17
Laurion Capital	7,270,748	0.6	0.6	-9.7	-5.4	-6.1	-5.2	5.9	--	6.1	Aug-18

Ares Capital Europe VI (D) Levered, L.P. was previously included in Private Equity, but starting as of the April 2024 report all of its return streams and trailing data has been moved to Direct Lending.

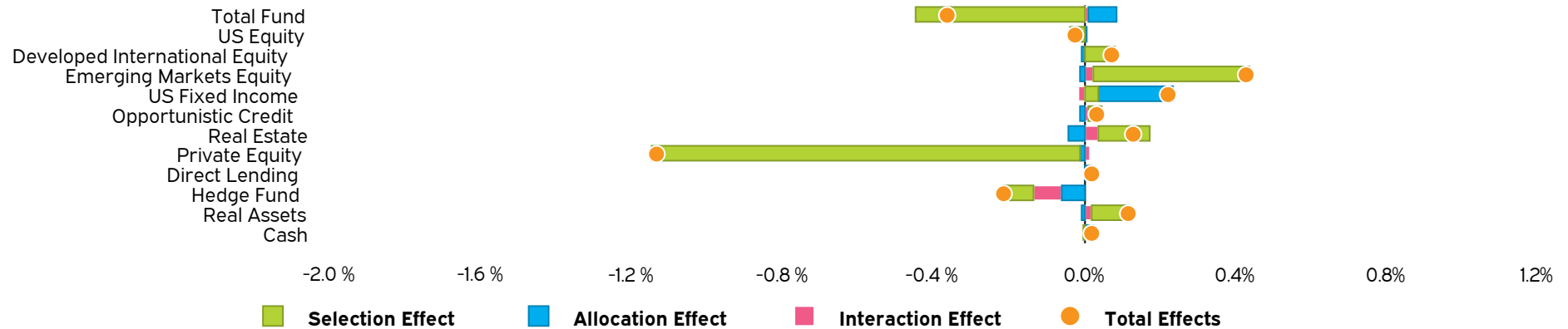
### Asset Allocation & Performance | As of October 31, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Taconic Opportunity Fund	12,321,763	1.0	1.2	3.5	1.7	6.0	1.4	3.0	--	3.3	Jan-19
Marshall Wace Global Opportunities	5,889,419	0.5	-1.5	5.8	-1.1	2.7	3.8	--	--	5.6	May-20
Caxton Global Investments	6,537,675	0.5	-1.1	5.6	4.2	6.7	6.6	--	--	5.7	May-21
<b>Real Assets</b>	<b>72,319,747</b>	<b>5.7</b>	<b>-0.1</b>	<b>11.4</b>	<b>4.5</b>	<b>15.6</b>	<b>13.2</b>	<b>11.7</b>	<b>9.9</b>	<b>9.9</b>	<b>Dec-10</b>
<i>Custom Blended Real Assets Benchmark</i>			<i>-2.9</i>	<i>7.7</i>	<i>5.3</i>	<i>20.3</i>	<i>6.1</i>	<i>6.3</i>	<i>7.2</i>	<i>--</i>	
SSgA	4,667,746	0.4	-2.1	6.5	4.0	12.7	3.5	6.8	--	5.8	May-17
<i>Real Asset NL Custom Blended Index</i>			<i>-2.3</i>	<i>6.0</i>	<i>3.6</i>	<i>12.9</i>	<i>2.9</i>	<i>6.7</i>	<i>--</i>	<i>5.9</i>	
<b>Private Infrastructure</b>	<b>37,973,543</b>	<b>3.0</b>	<b>0.0</b>	<b>9.4</b>	<b>2.3</b>	<b>11.0</b>	<b>11.4</b>	<b>12.1</b>	<b>--</b>	<b>10.1</b>	<b>Jan-15</b>
<i>S&amp;P Global Infrastructure</i>			<i>-1.3</i>	<i>16.5</i>	<i>12.0</i>	<i>33.3</i>	<i>7.8</i>	<i>6.3</i>	<i>6.0</i>	<i>6.2</i>	
KKR Global II	3,566,321	0.3	0.0	13.3	2.3	15.9	14.4	22.9	--	16.8	Jan-15
North Haven Infrastructure II	2,505,969	0.2	0.0	-4.3	-0.5	-5.9	5.5	4.9	--	6.5	Jun-15
ISQ Global Infrastructure Fund II	5,863,169	0.5	0.0	8.3	1.8	9.8	11.0	11.2	--	5.0	Jul-18
KKR Global Infrastructure Investors III	4,427,487	0.3	0.0	16.9	2.2	22.0	8.6	5.8	--	2.0	Jan-19
Ardian Infrastructure Fund V	4,626,192	0.4	0.0	8.3	2.1	9.2	8.2	-4.7	--	-4.7	Nov-19
ISQ Global Infrastructure Fund III	3,222,140	0.3	0.0	11.4	2.0	13.6	46.7	--	--	-391.2	Jun-21
KKR Global Infrastructure Investors IV	6,291,238	0.5	0.0	9.5	2.6	12.3	-218.8	--	--	-217.7	Sep-21
BlackRock Global Infrastructure Fund IV	5,559,164	0.4	0.0	6.6	1.7	4.6	--	--	--	-4.2	Dec-22
Ardian Infrastructure Fund VI	1,911,863	0.2									

## Asset Allocation & Performance | As of October 31, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Private Natural Resources</b>	<b>29,678,458</b>	<b>2.3</b>	<b>0.0</b>	<b>14.4</b>	<b>7.2</b>	<b>20.6</b>	<b>24.9</b>	<b>15.0</b>	<b>--</b>	<b>16.1</b>	<b>Oct-15</b>
<i>S&amp;P Global Natural Resources Sector Index (TR)</i>			<i>-4.5</i>	<i>-0.7</i>	<i>-1.1</i>	<i>8.3</i>	<i>5.3</i>	<i>9.1</i>	<i>5.6</i>	<i>10.1</i>	
EnCap Flatrock Midstream Fund V	3,567,429	0.3	0.0	14.6	16.5	13.3	--	--	--	6.3	Jun-23
EnCap XI	3,990,029	0.3	0.0	22.0	12.7	38.4	36.1	14.8	--	-1.5	Aug-17
EnCap IV	1,831,032	0.1	0.0	7.8	6.0	8.8	51.0	28.5	--	21.3	Mar-18
GSO Energy Opportunities	419,421	0.0	0.0	38.4	2.2	59.6	46.3	28.2	--	22.4	Dec-15
Taurus Mining	342,628	0.0	0.0	12.9	1.7	7.2	58.9	27.4	--	23.3	Oct-15
Taurus Mining Annex	163,322	0.0	0.0	0.2	-0.2	-6.0	18.1	14.4	--	20.1	Feb-17
BlackRock Global Energy and Power Infrastructure Fund III LP	4,516,892	0.4	0.0	4.4	1.2	3.9	8.4	9.2	--	12.1	Aug-19
Tailwater Energy Fund IV, LP	4,621,026	0.4	0.0	18.2	7.7	17.9	26.3	8.8	--	8.6	Oct-19
Carnelian Energy Capital IV	5,051,986	0.4	0.0	5.7	1.8	15.1	--	--	--	4.0	May-22
EnCap Energy Capital Fund XII	4,096,493	0.3	0.0	30.5	11.4	49.2	--	--	--	37.8	Aug-23
Carnelian Energy Capital V, L.P	1,078,199	0.1									
<b>Cash</b>	<b>53,470,406</b>	<b>4.2</b>	<b>0.4</b>	<b>3.7</b>	<b>1.5</b>	<b>4.5</b>	<b>2.5</b>	<b>1.7</b>	<b>--</b>	<b>--</b>	<b>Dec-10</b>
Cash	52,362,548	4.1	0.4	4.5	1.7	5.4	2.9	1.9	1.5	-0.9	Dec-10
Treasury Cash	1,107,858	0.1	0.0	0.0	0.0	0.0	0.0	0.0	--	0.0	Sep-17

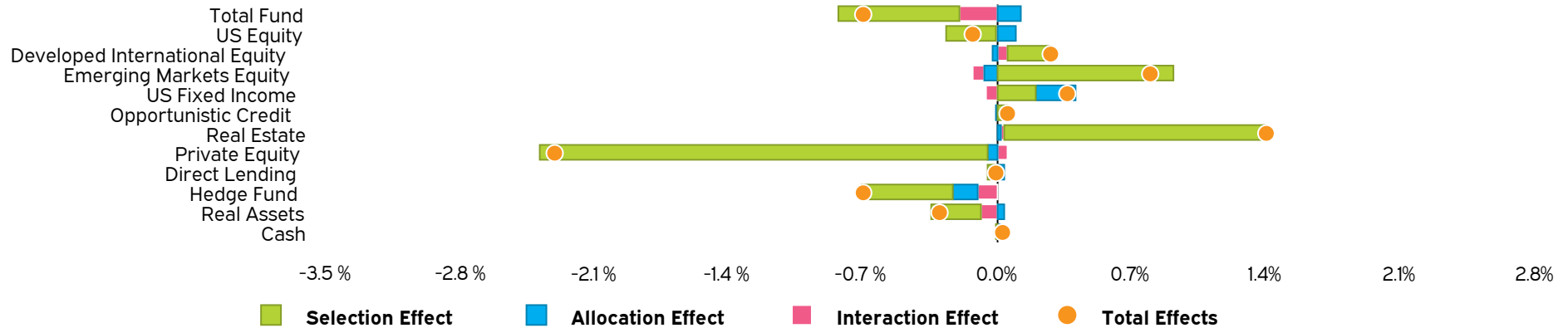
#### Attribution Effects 3 Months Ending October 31, 2024



#### Attribution Summary 3 Months Ending October 31, 2024

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	3.4	3.5	-0.2	0.0	0.0	0.0	0.0
Developed International Equity	-0.6	-1.3	0.7	0.1	0.0	0.0	0.1
Emerging Markets Equity	10.7	3.6	7.2	0.4	0.0	0.0	0.4
US Fixed Income	0.5	0.3	0.2	0.0	0.2	0.0	0.2
Opportunistic Credit	2.2	1.3	0.9	0.0	0.0	0.0	0.0
Real Estate	1.9	-0.4	2.3	0.1	0.0	0.0	0.1
Private Equity	1.6	9.3	-7.7	-1.1	0.0	0.0	-1.1
Direct Lending	2.9	2.7	0.2	0.0	0.0	0.0	0.0
Hedge Fund	0.3	1.9	-1.6	-0.1	-0.1	-0.1	-0.2
Real Assets	4.4	2.4	2.1	0.1	0.0	0.0	0.1
Cash	1.1	1.3	-0.2	0.0	0.0	0.0	0.0
<b>Total Fund</b>	<b>2.3</b>	<b>2.7</b>	<b>-0.4</b>	<b>-0.4</b>	<b>0.1</b>	<b>0.0</b>	<b>-0.4</b>

#### Attribution Effects 1 Year Ending October 31, 2024



#### Attribution Summary 1 Year Ending October 31, 2024

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	36.7	37.9	-1.1	-0.2	0.1	0.0	-0.1
Developed International Equity	25.7	23.1	2.6	0.2	0.0	0.1	0.3
Emerging Markets Equity	39.1	25.3	13.8	0.9	-0.1	-0.1	0.8
US Fixed Income	11.6	10.1	1.5	0.2	0.2	-0.1	0.4
Opportunistic Credit	13.3	12.0	1.2	0.1	0.0	0.0	0.1
Real Estate	6.3	-9.3	15.6	1.4	0.0	0.0	1.4
Private Equity	7.3	21.1	-13.8	-2.3	-0.1	0.1	-2.3
Direct Lending	12.0	12.7	-0.7	0.0	0.0	0.0	0.0
Hedge Fund	6.7	11.9	-5.3	-0.5	-0.1	-0.1	-0.7
Real Assets	15.6	20.3	-4.7	-0.2	0.0	-0.1	-0.3
Cash	1.5	1.8	-0.2	0.0	0.0	0.0	0.0
<b>Total Fund</b>	<b>18.9</b>	<b>19.6</b>	<b>-0.7</b>	<b>-0.5</b>	<b>0.1</b>	<b>-0.2</b>	<b>-0.7</b>

**Benchmark History**

From Date	To Date	Benchmark
<b>Total Fund</b>		
07/01/2024	Present	22.0% Russell 3000, 12.0% Custom Blended Developed International Equity BM, 6.0% MSCI EM, 18.0% US Fixed Income Custom Benchmark, 5.0% Custom Blended Hedge Fund Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% S&P LSTA Leveraged Loan +2%, 5.0% Custom Blended Real Assets Benchmark, 6.0% Custom Blended Real Estate Benchmark, 4.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever, 2.0% Blmbg. U.S. Treasury Bills: 1-3 Months
01/01/2022	07/01/2024	22.0% Russell 3000, 11.0% Custom Blended Developed International Equity BM, 8.0% MSCI EM, 11.0% US Fixed Income Custom Benchmark, 10.0% Custom Blended Hedge Fund Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% S&P LSTA Leveraged Loan +2%, 5.0% Custom Blended Real Assets Benchmark, 8.0% Custom Blended Real Estate Benchmark, 5.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever
01/01/2020	01/01/2022	21.0% Russell 3000, 10.0% Custom Blended Developed International Equity BM, 8.0% MSCI EM, 18.0% BBgBarc US Aggregate TR, 10.0% Custom Blended Hedge Fund Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% Custom Blended Real Assets Benchmark, 8.0% Custom Blended Real Estate Benchmark, 5.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever
07/01/2019	01/01/2020	21.0% US Equity Custom, 18.0% International Equity Custom, 18.0% US Fixed Custom, 10.0% Custom Blended Hedge Fund Benchmark, 15.0% Thomson Reuters Cambridge Private Equity Index, 5.0% Real Asset Custom, 8.0% NCREIF ODCE (Net), 5.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever
01/01/2019	07/01/2019	21.0% US Equity Custom, 23.0% US Fixed Custom, 18.0% International Equity Custom, 10.0% Custom Blended Hedge Fund Benchmark, 15.0% Thomson Reuters Cambridge Private Equity Index, 5.0% Real Asset Custom, 8.0% NCREIF ODCE (Net)
01/01/2017	01/01/2019	27.0% US Equity Custom, 22.0% US Fixed Custom, 23.0% International Equity Custom, 5.0% Custom Blended Hedge Fund Benchmark, 9.0% Thomson Reuters Cambridge Private Equity Index, 14.0% Real Asset Custom
07/01/2014	01/01/2017	22.7% Russell 1000 Index, 5.7% Russell 2000 Index, 23.6% International Equity Custom, 28.5% US Fixed Custom, 4.5% Custom Blended Hedge Fund Benchmark, 8.0% NCREIF ODCE (Net), 7.0% Thomson Reuters Cambridge Private Equity Index
<b>US Equity</b>		
01/01/2020	Present	100.0% Russell 3000 Index
12/31/1994	01/01/2020	100.0% Russell 3000
<b>International Equity</b>		
01/01/2019	Present	56.0% MSCI EAFE Index, 44.0% MSCI Emerging Markets Index
01/01/2017	01/01/2019	69.6% MSCI EAFE Index, 30.4% MSCI Emerging Markets Index

From Date	To Date	Benchmark
07/01/2013	01/01/2017	100.0% MSCI AC World ex USA index
<b>US Fixed Income</b>		
12/01/1994	Present	10.0% Blmbg. U.S. Treasury: 1-3 Year, 90.0% BBgBarc US Aggregate TR
<b>Hedge Fund</b>		
07/01/2017	Present	100.0% HFRI Fund of Funds Composite Index
01/01/2015	07/01/2017	50.0% HFRI Fund of Funds Composite Index, 50.0% HFRI RV: Multi-Strategy Index
<b>Real Assets</b>		
01/01/2022	Present	50.0% S&P Global Infrastructure, 50.0% S&P Global Natural Resources Sector Index (TR)
01/01/2020	01/01/2022	50.0% Cambridge Energy Upstream & Royalties & Private Energy (1 Quarter Lagged), 50.0% Cambridge Infrastructure (1 Quarter Lagged)
03/01/1999	01/01/2020	100.0% Real Asset Custom
<b>SSgA</b>		
04/01/2017	Present	10.0% S&P Global Infrastructure, 15.0% Dow Jones U.S. Select RESI, 25.0% Bloomberg Roll Select Commodity TR Index, 25.0% S&P Global LargeMid Commodity & Resources (Net), 25.0% Blmbg. U.S. TIPS Index
<b>Private Real Estate</b>		
01/01/2020	Present	100.0% NCREIF ODCE 1Q Lagged
03/01/1999	01/01/2020	100.0% NCREIF Fund Index-Open End Diversified Core Equity (VW) (Net)
<b>Private Equity</b>		
01/01/2022	Present	100.0% 70% Russell 3000/ 30% MSCI AC World ex USA + 300bps (1 Quarter Lagged)
01/01/2020	01/01/2022	100.0% Cambridge Global Private Equity & VC (1 Quarter Lagged)
12/31/1994	01/01/2020	100.0% Thomson Reuters Cambridge Private Equity Index

Annual Investment Expense Analysis				
	Fee Schedule	Market Value (\$)	Estimated Annual Fee (%)	Estimated Expense (\$)
<b>Total Fund</b>		<b>1,268,649,073</b>		
<b>Total Fund w/o Alternatives</b>		<b>700,930,754</b>		
<b>US Equity</b>		<b>286,863,812</b>		
BNY Mellon Newton Dynamic US Equity	0.30 % of Assets	55,643,265	0.30	166,930
BNY Mellon Large Cap	0.04 % of First \$100 M 0.02 % Thereafter	199,248,744	0.03	59,850
Champlain Small Cap	1.00 % of Assets	31,971,803	1.00	319,718
<b>International Equity</b>		<b>232,662,971</b>		
<b>Developed International Equity</b>		<b>150,812,963</b>		
Acadian ACWI ex U.S. Small Cap Equity	0.99 % of Assets	19,489,533	0.99	192,946
Driehaus International Small Cap Growth	0.90 % of Assets	18,068,816	0.90	162,619
GQG International Equity	0.50 % of Assets	54,469,545	0.50	272,348
First Eagle International Value Fund	0.79 % of Assets	58,785,069	0.79	464,402
<b>Emerging Markets Equity</b>		<b>81,850,008</b>		
Artisan Developing World TR	1.05 % of Assets	58,450,536	1.05	613,731
RWC	0.87 % of Assets	23,399,472	0.87	203,575
<b>MCERA US FIXED+OPP CREDIT</b>		<b>181,403,972</b>		
<b>US Fixed Income</b>		<b>118,618,007</b>		
Vanguard Short-Term Treasury Index Fund	0.05 % of Assets	6,952,208	0.05	3,476
Vanguard Total Bond Market Index Fund	0.04 % of Assets	17,884,031	0.04	6,259
Payden & Rygel Low Duration Fund	0.43 % of Assets	8,275,094	0.43	35,583
Brandywine US Fixed Income	0.29 % of Assets	34,970,635	0.29	101,415
Wellington Core Bond	0.12 % of Assets	50,536,040	0.12	60,643
<b>Opportunistic Credit</b>		<b>62,785,965</b>		
PIMCO Income Fund	0.51 % of Assets	11,937,056	0.51	60,879
GoldenTree Multi-Sector Credit	0.70 % of Assets	28,286,060	0.70	198,002
OWS Credit Opportunity Fund LP		22,562,849	-	-
<b>Real Estate</b>		<b>94,944,716</b>		
Vanguard REIT Index	0.10 % of Assets	19,573,564	0.10	21,531
<b>Private Real Estate</b>		<b>75,371,153</b>		
Greenfield Gap VII		724,937	-	-



## Fee Schedule | As of October 31, 2024

Fee Schedule	Market Value (\$)	Estimated Annual Fee (%)	Estimated Expense (\$)
Patron Capital V	4,835,446	-	-
UBS Trumbull Property	19,464,479	-	-
Carlyle Realty VIII	2,179,113	-	-
Taconic CRE Dislocation Fund II	3,168,473	-	-
Carmel Partners Investment Fund VII	4,871,520	-	-
AG Realty Value Fund X, L.P.	3,106,066	-	-
Rockpoint Real Estate Fund VI, L.P.	4,701,651	-	-
Cerberus Real Estate Debt Fund, L.P.	4,900,627	-	-
Taconic CRE Dislocation Onshore Fund III	8,073,207	-	-
Starwood Distressed Opportunity Fund XII Global	6,142,738	-	-
Carlyle Realty Partners IX	3,366,531	-	-
Carmel Partners Investment Fund VIII	6,550,227	-	-
Rockpoint Real Estate Fund VII L.P.	3,286,138	-	-
<b>Private Equity</b>	<b>192,296,710</b>		
Adams Street	2,793,874	-	-
Invesco VI	359,373	-	-
Ocean Avenue II	4,679,835	-	-
Pantheon I	57,572	-	-
Pantheon II	2,483,217	-	-
Pantheon Secondary	107,428	-	-
Davidson Kempner Long-Term Distressed Opportunities Fund IV	2,744,402	-	-
GTCR Fund XII	6,170,894	-	-
Carrick Capital Partners III	4,723,447	-	-
Cressey & Company Fund VI	5,124,553	-	-
TCV X	6,945,513	-	-
Accel-KKR Growth Capital Partners III	5,165,994	-	-
Genstar Capital Partners IX	9,437,013	-	-
Cortec Group Fund VII	9,057,165	-	-
Spark Capital Growth Fund III	8,535,555	-	-
Spark Capital VI	3,806,223	-	-
Summit Partners Growth Equity Fund X-A	9,207,095	-	-
Taconic Market Dislocation Fund III L.P.	4,917,332	-	-
Marlin Heritage Europe II, L.P.	8,765,013	-	-

## Fee Schedule | As of October 31, 2024

Fee Schedule	Market Value (\$)	Estimated Annual Fee (%)	Estimated Expense (\$)
Khosla Ventures VII	5,558,002	-	-
Accel-KKR Capital Partners VI	4,500,800	-	-
Khosla Ventures Seed E	2,416,302	-	-
TCV XI	6,091,036	-	-
Thoma Bravo Discover Fund III	10,059,097	-	-
Summit Partners Venture Capital Fund V-A	4,410,811	-	-
GTCR Fund XIII/A & B	7,103,691	-	-
Genstar Capital Partners X	8,187,420	-	-
Nautic Partners X	6,555,493	-	-
Spark Capital Growth Fund IV	4,912,128	-	-
Spark Capital VII	2,078,146	-	-
TCV Velocity Fund I	4,618,069	-	-
Accel-KKR Growth Capital Partners IV	2,509,115	-	-
Summit Partners Growth Equity Fund XI-A	3,074,655	-	-
GTCR Strategic Growth Fund I/A&B LP	2,667,754	-	-
Threshold Ventures IV LP	1,920,885	-	-
Thoma Bravo Discovery Fund IV	6,674,748	-	-
Marlin Heritage III	2,626,153	-	-
Cortec Group Fund VIII, L.P.	1,444,526	-	-
Khosla Ventures VIII	2,318,428	-	-
Summit Partners Europe Growth Equity Fund IV, SCSp	-	-	-
Spark Capital VIII	240,000	-	-
Wynnchurch Capital Partners VI, L.P.	948,908	-	-
Accel-KKR Capital Partners VII LP	-131,008	-	-
GTCR XIV/A&B L.P.	838,400	-	-
Spark Capital Growth Fund V	240,000	-	-
<b>Direct Lending</b>	<b>67,912,586</b>		
Silver Point Specialty Credit Fund II, L.P.	6,608,956	-	-
Ares Senior Direct Lending Fund II	13,876,681	-	-
Varagon Capital Direct Lending Fund	16,070,153	-	-
AG Direct Lending Fund IV Annex	8,064,859	-	-
AG Direct Lending Fund V	3,658,469	-	-
Accel-KKR Credit Partners II LP	2,147,616	-	-

## Fee Schedule | As of October 31, 2024

Fee Schedule		Market Value (\$)	Estimated Annual Fee (%)	Estimated Expense (\$)
Silver Point Specialty Credit Fund III		8,416,669	-	-
Ares Senior Direct Lending Fund III		3,521,368	-	-
Ares Senior Direct Lending Fund III		3,521,368	-	-
<b>Hedge Fund</b>		<b>86,774,154</b>		
Graham Absolute Return	Performance Based 1.75 % and 20.00 %	4,797,404	1.75	83,955
Wellington-Archipelago	Performance Based 1.00 % and 20.00 %	9,329,164	1.00	93,292
Marshall Wace Eureka	Performance Based 2.00 % and 20.00 %	5,096,090	2.00	101,922
Silver Point Capital	Performance Based 1.50 % and 20.00 %	21,054,413	1.50	315,816
Laurion Capital	Performance Based 2.00 % and 20.00 %	7,270,748	2.00	145,415
Taconic Opportunity Fund	Performance Based 1.40 % and 20.00 %	12,321,763	1.40	172,505
Marshall Wace Global Opportunities	Performance Based 2.00 % and 20.00 %	5,889,419	2.00	117,788
Caxton Global Investments	Performance Based 1.95 % and 22.50 %	6,537,675	1.95	127,485
<b>Real Assets</b>		<b>72,319,747</b>		
SSgA	0.30 % of First \$50 M 0.27 % of Next \$50 M 0.25 % Thereafter Minimum Fee: \$20,000	4,667,746	0.43	20,000
<b>Private Infrastructure</b>		<b>37,973,543</b>		
KKR Global II		3,566,321	-	-
North Haven Infrastructure II		2,505,969	-	-
ISQ Global Infrastructure Fund II		5,863,169	-	-
KKR Global Infrastructure Investors III		4,427,487	-	-
Ardian Infrastructure Fund V		4,626,192	-	-
ISQ Global Infrastructure Fund III		3,222,140	-	-
KKR Global Infrastructure Investors IV		6,291,238	-	-
BlackRock Global Infrastructure Fund IV		5,559,164	-	-
Ardian Infrastructure Fund VI		1,911,863	-	-
<b>Private Natural Resources</b>		<b>29,678,458</b>		
EnCap XI		3,990,029	-	-
EnCap IV		1,831,032	-	-
GSO Energy Opportunities		419,421	-	-
Taurus Mining		342,628	-	-
Taurus Mining Annex		163,322	-	-

Fee Schedule | As of October 31, 2024

Fee Schedule	Market Value (\$)	Estimated Annual Fee (%)	Estimated Expense (\$)
BlackRock Global Energy and Power Infrastructure Fund III LP	4,516,892	-	-
Tailwater Energy Fund IV, LP	4,621,026	-	-
Carnelian Energy Capital IV	5,051,986	-	-
EnCap Energy Capital Fund XII	4,096,493	-	-
Carnelian Energy Capital V, L.P	1,078,199	-	-
Cash	53,470,406		
Cash	52,362,548	-	-
Treasury Cash	1,107,858	-	-

## **Disclaimer, Glossary, and Notes**

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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.  $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} \times (\text{market return} - \text{Risk Free Rate})]$ .

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

Sources: Investment Terminology, International Foundation of Employee Benefit Plans, 1999.

The Handbook of Fixed Income Securities, Fabozzi, Frank J., 1991

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

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

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



Merced County Employees' Retirement Association

**DATE:** December 12, 2024

**TO:** MercedCERA Board of Retirement

**FROM:** Pete Madrid, Assistant Plan Administrator - Investments

**SUBJECT:** Capital Markets and Investment Performance Summary

**ITEM NUMBER:** Open Session Item b

**ITEM TYPE:** Information Only

**DISCUSSION:**

**Capital Markets & Economic Summary**

The Federal Reserve voted in early November to cut rates by 0.25%, following the 0.5% rate cut in September. The Federal Open Market Committee (FOMC) lowered its overnight borrowing rate by a quarter-percent to a target range of 4.5% to 4.75%. The vote was unanimous and expected given comments made following the September meeting. The Fed is scheduled to meet again on December 17-18 and will decide whether to cut rates again. Several Fed governors have commented on the need to balance further progress on inflation with maintaining a relatively strong job market. While there is uncertainty over the number and size of future rate cuts, general investor sentiment is that the pace of rate cuts will slow in 2025.

The U.S. added 12,000 jobs in October, nearly 90,000 short of economists' expectations. The disappointing report was partially impacted by severe weather, including Hurricanes Helene and Milton, as well as a labor strikes at Boeing and among dockworkers at several East Coast and Gulf Coast ports. Additionally, prior months' jobs figures were revised downward signaling a potential weakening of the labor market.

Donald Trump was reelected, and Republicans reclaimed the Senate and retained the House on a wave of negative sentiment around the economy and the increasing cost of living. Policy details are outstanding, but many economists foresee deregulation in energy and banking, increased restrictions on immigration, potential tariffs and protectionist measures, and possible tax cut extensions. While questions remain about the specifics of future economic policies, the US equity market remains strong, hovering at all time highs. The S&P 500 Index reached the 6,000 mark for the first time ever in

November. Developed international equity markets have not kept up with the US market but have posted double-digit returns year-to-date. Emerging equity markets experienced negative returns for the second month in a row in November following a year of positive gains. Despite the recent pullback, the MSCI Emerging Markets Index has returned more than 8% year-to-date.

### **October Portfolio Performance Summary**

As of October 31<sup>st</sup>, the Total Fund excluding Alternatives (ex. Alts) has returned 4.1%<sup>1</sup> fiscal year-to-date compared with 3.8% for the Policy Index. The Total Fund ex. Alts is up 27.7% for the trailing one-year period versus 24.5% for the benchmark. Including alternatives, the Total Fund has returned 18.9% over the one-year period, trailing the benchmark by 0.7%<sup>2</sup>.

US equity detracted from relative performance, falling behind the Russell 3000 Index by 0.2% in October and 1.2% over the trailing one-year. The Mellon Newton large cap strategy underperformed by 0.7% in October and is trailing the benchmark by 1.3% for the trailing one-year. While Champlain is still underperforming since inception, relative performance for the US small cap strategy has improved. Champlain outperformed the Russell 2000 Index in October by 0.8% and has reduced its underperformance since inception.

The developed international equity composite continues to post strong relative performance. Despite negative returns in October, the composite outperformed its custom benchmark by 2.0% (-2.9% versus -4.9%). Three of the four developed international equity manager outperformed in October while Driehaus trailed its international small cap index. Over the trailing one-year, developed international equity is beating the benchmark, 25.7% compared with 23.1%.

Emerging markets equity continues to outperform the MSCI Emerging Markets Index, finishing 2.6% ahead of the benchmark during October and widening the 1-year outperformance to almost 14%. Redwheel Capital's consistent underperformance has been offset by Artisan Developing World which has returned 48% over the prior one-year period, beating the benchmark by more than 23%.

US fixed income performed in line with its custom benchmark during the month. The composite is 0.4% ahead of the benchmark for the fiscal-year-to-date and 1.5% for the trailing one-year. Brandywine and Wellington, the portfolio's two core active managers, performed slightly below the Bloomberg US Aggregate Bond Index during October. However, each has outperformed the benchmark over the prior year. Payden & Rygel

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<sup>1</sup> Performance shown net of fees unless otherwise noted.

<sup>2</sup> Total Fund performance inclusive of alternatives is less useful during non-quarter-end months since returns for several private markets composites are unavailable but returns for the respective benchmarks are included in the Policy Index performance.

Low Duration continues to outperform its 1 – 3-year Treasury index. The fund is outperforming by 2.1% since its funding in November 2022.

Opportunistic Credit outperformed its custom benchmark in October, 0.3% versus - 1.2%. PIMCO Income and One Williams Street (OWS) outperformed by 0.9% and 1.2%, respectively, during the month while Golden Tree Multi-Sector performed in line with its benchmark. The composite is outperforming its benchmark by 0.3% for fiscal year 2025 and by 1.3% for the trailing one-year.

The Vanguard REIT Index and SSgA Real Assets strategies were liquidated in November as part of the approved changes to the strategic asset allocation and portfolio rebalance.

Dec 12,  
2024

# Alternative Investment Performance

## Merced County Employees' Retirement Association



Strictly Confidential. Not for Distribution.

# MercedCERA Private Equity Investment Structure & Portfolio Assessment

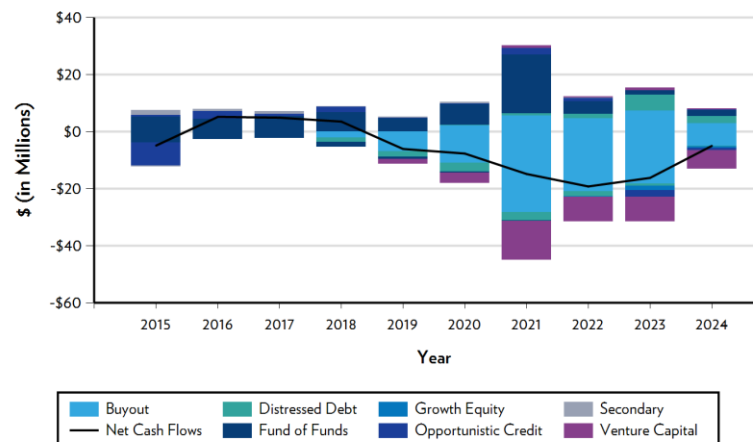
## Investment structure (15% fund target; 14.6% invested as of September 2024):

- Legacy FoFs are winding down and the direct portfolio is beginning to mature; overall portfolio continues to improve
  - VY 2014 & earlier funds are mature with the funds in VY 2017-2023 developing their portfolios
  - There were annual gains of \$10 million, including a \$2 million gain in 2Q
  - Contributions exceeded distributions by \$18 million over the past 12 months as the newer portfolios are being built and the exit market has slowed; the portfolio has generally been running cash flow negative

### Annual Summary

(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain Loss	Net IRR	Benchmark
June 30, 2023	58	\$319,955	\$185,467	\$126,720	\$155,124	\$281,844	\$96,378	11.53%	12.17%
June 30, 2024	62	\$344,423	\$215,066	\$137,923	\$183,688	\$321,611	\$106,545	11.07%	11.82%
Annual Change	4	\$24,468	\$29,599	\$11,203	\$28,564	\$39,767	\$10,167		

### Annual Cash Flow



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

# MercedCERA Private Equity Performance – as of June 30, 2024



Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2004												
* Invesco Partnership Fund IV, L.P.	Fund of Funds	10,000	2,417	7,898	76%	16,233	0	16,233	8,336	11.75%	8.13%	2.06x
<b>Vintage Year 2004 Total</b>		<b>10,000</b>	<b>2,417</b>	<b>7,898</b>	<b>76%</b>	<b>16,233</b>	<b>0</b>	<b>16,233</b>	<b>8,336</b>	<b>11.75%</b>	<b>8.18%</b>	<b>2.06x</b>
Vintage Year 2005												
ASP 2005 Non-US Fund	Fund of Funds	1,500	74	1,426	95%	1,880	45	1,925	499	4.48%	5.15%	1.35x
ASP 2005 US Fund	Fund of Funds	3,500	177	3,323	95%	5,269	46	5,315	1,992	7.04%	7.51%	1.60x
Pantheon Ventures Euro Fund IV	Fund of Funds	1,071	46	1,284	96%	1,641	24	1,665	381	4.52%	5.15%	1.30x
Pantheon Ventures USA Fund VI	Fund of Funds	3,750	206	3,544	95%	5,329	33	5,362	1,818	6.43%	7.51%	1.51x
<b>Vintage Year 2005 Total</b>		<b>9,821</b>	<b>503</b>	<b>9,576</b>	<b>95%</b>	<b>14,118</b>	<b>148</b>	<b>14,266</b>	<b>4,690</b>	<b>6.15%</b>	<b>7.32%</b>	<b>1.49x</b>
Vintage Year 2006												
Pantheon Global Secondary Fund III "B"	Secondary	10,000	540	9,460	95%	10,400	107	10,507	1,047	1.87%	N/A	1.11x
<b>Vintage Year 2006 Total</b>		<b>10,000</b>	<b>540</b>	<b>9,460</b>	<b>95%</b>	<b>10,400</b>	<b>107</b>	<b>10,507</b>	<b>1,047</b>	<b>1.87%</b>	<b>7.46%</b>	<b>1.11x</b>
Vintage Year 2007												
ASP 2007 Direct Fund	Fund of Funds	450	12	438	97%	980	89	1,069	630	11.68%	11.54%	2.44x
ASP 2007 Non-US Fund	Fund of Funds	1,575	78	1,497	95%	2,270	160	2,430	933	7.61%	7.44%	1.62x
ASP 2007 US Fund	Fund of Funds	2,475	115	2,360	95%	4,518	246	4,764	2,404	12.05%	11.54%	2.02x
<b>Vintage Year 2007 Total</b>		<b>4,500</b>	<b>205</b>	<b>4,295</b>	<b>95%</b>	<b>7,767</b>	<b>496</b>	<b>8,263</b>	<b>3,968</b>	<b>10.59%</b>	<b>8.88%</b>	<b>1.92x</b>
Vintage Year 2011												
ASP 2011 Direct Fund	Fund of Funds	500	37	463	93%	704	217	921	458	12.94%	21.04%	1.99x
ASP 2011 Emerging Markets Fund	Fund of Funds	500	64	436	87%	619	397	1,016	580	12.23%	8.82%	2.33x
ASP 2011 Non-US Developed Fund	Fund of Funds	1,500	239	1,261	84%	1,900	662	2,562	1,301	13.34%	8.82%	2.03x
ASP 2011 US Fund	Fund of Funds	2,500	326	2,175	87%	3,889	1,386	5,275	3,101	15.97%	21.04%	2.43x
Pantheon Asia Fund VI	Fund of Funds	1,000	61	940	94%	1,075	496	1,571	630	8.50%	8.82%	1.67x
Pantheon Euro Fund VII	Fund of Funds	1,495	129	1,568	91%	2,216	781	2,997	1,429	11.39%	8.82%	1.91x
Pantheon Ventures USA Fund IX	Fund of Funds	2,000	170	1,830	92%	3,240	1,289	4,529	2,699	15.60%	21.04%	2.47x
<b>Vintage Year 2011 Total</b>		<b>9,495</b>	<b>1,027</b>	<b>8,672</b>	<b>89%</b>	<b>13,642</b>	<b>5,228</b>	<b>18,871</b>	<b>10,198</b>	<b>13.63%</b>	<b>11.92%</b>	<b>2.18x</b>

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

# MercedCERA Private Equity Performance – as of June 30, 2024



Partnership Name	Strategy	(A) Comm it. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Draw n	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2013												
Invesco Partnership Fund VI, L.P.	Fund of Funds	5,000	1,548	3,958	69%	13,540	359	13,900	9,941	23.14%	17.75%	3.51x
<b>Vintage Year 2013 Total</b>		<b>5,000</b>	<b>1,548</b>	<b>3,958</b>	<b>69%</b>	<b>13,540</b>	<b>359</b>	<b>13,900</b>	<b>9,941</b>	<b>23.14%</b>	<b>12.56%</b>	<b>3.51x</b>
Vintage Year 2014												
Ocean Avenue Fund II	Fund of Funds	10,000	1,000	9,000	90%	16,523	4,772	21,295	12,295	17.80%	18.44%	2.37x
* Raven Asset-Based Opportunity Fund II	Opp. Credit	10,000	474	9,526	95%	9,739	0	9,739	213	0.58%	7.64%	1.02x
<b>Vintage Year 2014 Total</b>		<b>20,000</b>	<b>1,474</b>	<b>18,526</b>	<b>93%</b>	<b>26,262</b>	<b>4,772</b>	<b>31,034</b>	<b>12,508</b>	<b>11.17%</b>	<b>14.07%</b>	<b>1.68x</b>
Vintage Year 2017												
GTCR XII	Buyout	5,000	862	4,138	83%	2,266	6,051	8,316	4,179	22.14%	21.11%	2.01x
<b>Vintage Year 2017 Total</b>		<b>5,000</b>	<b>862</b>	<b>4,138</b>	<b>83%</b>	<b>2,266</b>	<b>6,051</b>	<b>8,316</b>	<b>4,179</b>	<b>22.14%</b>	<b>16.75%</b>	<b>2.01x</b>
Vintage Year 2018												
Carrick Capital Partners III, L.P.	Buyout	5,000	0	5,000	100%	2,672	4,723	7,395	2,395	12.20%	17.65%	1.48x
Cressey & Company Fund VI LP	Buyout	5,000	525	4,475	90%	1,634	5,125	6,758	2,283	16.01%	17.65%	1.51x
DK LT Distressed Opp Fund IV LP	Distressed Debt	5,000	343	4,743	93%	6,247	2,744	8,991	4,249	17.20%	11.11%	1.90x
<b>Vintage Year 2018 Total</b>		<b>15,000</b>	<b>868</b>	<b>14,218</b>	<b>94%</b>	<b>10,552</b>	<b>12,592</b>	<b>23,144</b>	<b>8,927</b>	<b>15.33%</b>	<b>14.08%</b>	<b>1.63x</b>
Vintage Year 2019												
Accel-KKR Grow th Capital Partners III	Buyout	5,000	443	4,557	91%	809	5,216	6,026	1,469	9.83%	15.95%	1.32x
Cortec Group Fund VII, L.P.	Buyout	10,000	1,227	11,257	88%	7,768	9,075	16,844	5,587	21.18%	15.95%	1.50x
Genstar Capital Partners IX, L.P.	Buyout	7,000	1,004	6,875	86%	3,884	10,666	14,550	7,675	29.52%	15.95%	2.12x
Summit Grow th Equity Fund X-A, L.P.	Buyout	8,000	2,170	7,592	73%	1,762	9,207	10,970	3,377	15.53%	15.95%	1.44x
TCV X, L.P.	Venture Capital	5,000	1,247	3,753	75%	1,438	7,083	8,521	4,768	22.15%	11.50%	2.27x
<b>Vintage Year 2019 Total</b>		<b>35,000</b>	<b>6,092</b>	<b>34,033</b>	<b>83%</b>	<b>15,662</b>	<b>41,248</b>	<b>56,909</b>	<b>22,876</b>	<b>20.75%</b>	<b>13.05%</b>	<b>1.67x</b>

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



# MercedCERA Private Equity Performance – as of June 30, 2024



Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2020												
Accel-KKR Capital Partners VI, LP	Buyout	5,000	343	4,657	93%	0	5,132	5,132	475	6.00%	16.12%	1.10x
GTCR Fund XIII/A & B LP	Buyout	8,000	2,790	5,210	65%	889	5,856	6,745	1,535	18.50%	16.12%	1.29x
Marlin Heritage Europe II, L.P.	Buyout	7,500	1,127	5,803	85%	220	8,263	8,483	2,680	17.97%	12.69%	1.46x
Thoma Bravo Discover Fund III, L.P.	Buyout	8,000	312	8,055	96%	366	10,059	10,425	2,371	10.49%	16.12%	1.29x
Taconic Market Dislocation Fund III L.P.	Distressed Debt	8,000	1,150	7,212	86%	3,989	5,624	9,613	2,401	12.37%	10.54%	1.33x
Spark Capital Growth Fund III, L.P.	Venture Capital	6,000	0	6,000	100%	1,055	8,536	9,590	3,590	17.59%	6.18%	1.60x
Spark Capital VI, L.P.	Venture Capital	3,000	420	2,580	86%	0	3,701	3,701	1,121	13.52%	6.18%	1.43x
Summit Venture Capital Fund V-A, L.P.	Venture Capital	6,000	2,005	4,261	67%	267	4,222	4,488	227	2.92%	6.18%	1.05x
<b>Vintage Year 2020 Total</b>		<b>51,500</b>	<b>8,147</b>	<b>43,777</b>	<b>84%</b>	<b>6,787</b>	<b>51,393</b>	<b>58,179</b>	<b>14,402</b>	<b>13.17%</b>	<b>8.68%</b>	<b>1.33x</b>
Vintage Year 2021												
Genstar Capital Partners X, L.P.	Buyout	8,000	457	7,578	94%	34	7,894	7,928	351	3.05%	9.51%	1.05x
Nautic Partners X, L.P.	Buyout	8,000	3,452	4,657	57%	109	5,819	5,928	1,271	19.72%	9.51%	1.27x
Summit Growth Equity Fund XI-A, L.P.	Buyout	8,000	5,783	2,217	28%	0	2,511	2,511	294	N/M	N/M	1.13x
Khosla Ventures Seed E, L.P.	Venture Capital	2,000	260	1,740	87%	0	2,356	2,356	616	16.55%	-1.16%	1.35x
Khosla Ventures VII, L.P.	Venture Capital	6,000	1,272	4,728	79%	0	5,558	5,558	830	7.59%	-1.16%	1.18x
TCV Velocity Fund I, L.P.	Venture Capital	8,000	4,935	3,065	38%	0	4,618	4,618	1,553	31.92%	-1.16%	1.51x
TCV XI, L.P.	Venture Capital	8,000	1,659	6,341	79%	0	6,091	6,091	-250	-2.09%	-1.16%	0.96x
<b>Vintage Year 2021 Total</b>		<b>48,000</b>	<b>17,817</b>	<b>30,326</b>	<b>63%</b>	<b>143</b>	<b>34,848</b>	<b>34,990</b>	<b>4,665</b>	<b>8.80%</b>	<b>2.12%</b>	<b>1.15x</b>
Vintage Year 2022												
Accel-KKR Growth Capital Partners IV	Buyout	5,000	2,643	2,357	47%	0	2,349	2,349	-8	-0.29%	11.35%	1.00x
Marlin Heritage III, L.P.	Buyout	8,000	6,043	1,957	24%	0	1,905	1,905	-52	N/M	N/M	0.97x
Thoma Bravo Discover Fund IV, L.P.	Buyout	8,000	3,426	4,574	57%	0	5,468	5,468	894	N/M	N/M	1.20x
GTCR Strategic Growth Fund IV A&B LP	Growth Equity	6,000	3,640	2,360	39%	0	2,306	2,306	-53	N/M	N/M	0.98x
Spark Capital Growth Fund IV, L.P.	Venture Capital	6,000	1,860	4,140	69%	0	4,282	4,282	142	3.46%	-2.86%	1.03x
Spark Capital VII, L.P.	Venture Capital	3,000	765	2,235	75%	0	2,078	2,078	-157	-6.35%	-2.86%	0.93x
Threshold Ventures IV, L.P.	Venture Capital	5,000	3,365	1,635	33%	0	1,416	1,416	-219	N/M	N/M	0.87x
<b>Vintage Year 2022 Total</b>		<b>41,000</b>	<b>21,742</b>	<b>19,258</b>	<b>47%</b>	<b>0</b>	<b>19,804</b>	<b>19,804</b>	<b>546</b>	<b>2.75%</b>	<b>-0.17%</b>	<b>1.03x</b>

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

# MercedCERA Private Equity Performance – as of June 30, 2024



Partnership Name	Strategy	(A) Comm it. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Draw n	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2023												
Cortec Group Fund VIII, L.P.	Buyout	10,000	8,926	1,557	11%	506	884	1,389	-168	N/M	N/M	0.89x
Genstar Capital Partners XI, L.P.	Buyout	8,000	7,966	63	0%	29	74	104	40	N/M	N/M	1.64x
Summit Europe Grow th Equity Fund IV	Grow th Equity	5,357	5,357	0	0%	0	-41	-41	-41	N/M	N/M	N/A
Taconic Credit Dislocation Fund IV L.P.	Opp. Credit	8,000	4,960	3,040	38%	16	3,530	3,546	506	N/M	N/M	1.17x
Khosla Ventures Seed F, L.P.	Venture Capital	2,000	1,410	590	30%	0	685	685	95	N/M	N/M	1.16x
Khosla Ventures VIII	Venture Capital	6,000	4,320	1,680	28%	0	1,688	1,688	8	N/M	N/M	1.01x
<b>Vintage Year 2023 Total</b>		<b>39,357</b>	<b>32,939</b>	<b>6,931</b>	<b>16%</b>	<b>551</b>	<b>6,821</b>	<b>7,372</b>	<b>441</b>	<b>N/M</b>	<b>N/M</b>	<b>1.06x</b>
Vintage Year 2024												
Accel-KKR Capital Partners VII LP	Buyout	8,000	8,000	0	0%	0	-131	-131	-131	N/M	N/M	N/A
GTCR XIV/A & B LP	Buyout	8,000	8,000	0	0%	0	-6	-6	-6	N/M	N/M	N/A
Nautic Partners XI, L.P.	Buyout	8,000	8,000	0	0%	0	0	0	0	N/M	N/M	N/A
Wynnchurch Capital Partners VI, L.P.	Buyout	7,750	7,750	0	0%	0	-42	-42	-42	N/M	N/M	N/A
Spark Capital Grow th Fund V, L.P.	Venture Capital	6,000	6,000	0	0%	0	0	0	0	N/M	N/M	N/A
Spark Capital VIII, L.P.	Venture Capital	3,000	3,000	0	0%	0	0	0	0	N/M	N/M	N/A
<b>Vintage Year 2024 Total</b>		<b>40,750</b>	<b>40,750</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>-180</b>	<b>-180</b>	<b>-180</b>	<b>N/M</b>	<b>N/M</b>	<b>N/A</b>
<b>Portfolio Total :</b>		<b>344,423</b>	<b>136,932</b>	<b>215,066</b>	<b>60%</b>	<b>137,923</b>	<b>183,688</b>	<b>321,611</b>	<b>106,545</b>	<b>11.07%</b>	<b>11.82%</b>	<b>1.50x</b>
<b>Portfolio Strategy Totals</b>												
Buyout		168,250	81,249	92,578	52%	22,949	106,098	129,047	36,469	16.30%		1.39x
Distressed Debt		13,000	1,493	11,954	89%	10,236	8,368	18,604	6,650	15.31%		1.56x
Fund of Funds		48,816	6,700	43,400	86%	81,825	11,003	92,828	49,428	11.88%		2.14x
Grow th Equity		11,357	8,997	2,360	21%	0	2,266	2,266	-94	N/M		0.96x
Opportunistic Credit		18,000	5,434	12,566	70%	9,754	3,530	13,284	718	1.73%		1.06x
Secondary		10,000	540	9,460	95%	10,400	107	10,507	1,047	1.87%		1.11x
Venture Capital		75,000	32,519	42,747	57%	2,759	52,315	55,074	12,327	12.77%		1.29x
<b>Portfolio Total :</b>		<b>344,423</b>	<b>136,932</b>	<b>215,066</b>	<b>60%</b>	<b>137,923</b>	<b>183,688</b>	<b>321,611</b>	<b>106,545</b>	<b>11.07%</b>	<b>11.82%</b>	<b>1.50x</b>

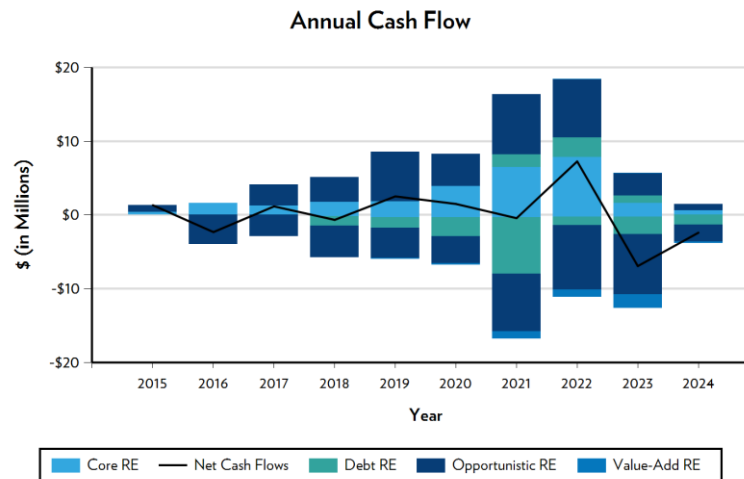
Note: The benchmark represents the Cambridge Associates LLC median for the respective strategy and vintage year. At the vintage year level, the Cambridge Associates LLC Global Private Equity & VC<sup>®</sup> median is used for the respective vintage year.

# MercedCERA Real Estate Investment Structure & Portfolio Assessment

## Real estate investment structure (6% target, 7.3% actual as of September 2024)

- MCERA invested in 1999 in a private core real estate fund; direct program began in 2014; portfolio also includes a public REIT component
- Contributions exceed distributions by \$7 million over the past year for the private real estate portfolio
- There were annual gains of \$0.2 million, including a \$0.3 million gain in 2Q for the private real estate portfolio

Annual Summary									
(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain Loss	Net IRR	Benchmark
June 30, 2023	14	\$114,983	\$83,089	\$82,184	\$67,483	\$149,667	\$66,578	8.56%	8.40%
June 30, 2024	15	\$122,750	\$94,379	\$86,483	\$74,722	\$161,205	\$66,826	8.27%	7.82%
Annual Change	1	\$7,767	\$11,290	\$4,299	\$7,239	\$11,538	\$248		



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

# MercedCERA Real Estate Performance – as of June 30, 2024



## Real Estate Portfolio

- MCERA began investing in the UBS Trumbull core real estate fund in 1999, which still represents a meaningful portion of the real estate portfolio; began adding Opportunistic funds in 2014. Most of these funds are still being developed.
- Overall performance has met objectives, mostly driven by the core real estate fund; performance for many of the Opportunistic funds is not yet meaningful given the early stages of those portfolios.

Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 1999												
UBS Trumbull Property Fund	Core RE	17,000	0	18,667	100%	43,614	21,162	64,775	46,109	8.00%	10.20%	3.47x
<b>Vintage Year 1999 Total</b>		<b>17,000</b>	<b>0</b>	<b>18,667</b>	<b>100%</b>	<b>43,614</b>	<b>21,162</b>	<b>64,775</b>	<b>46,109</b>	<b>8.00%</b>	<b>12.95%</b>	<b>3.47x</b>
Vintage Year 2014												
Greenfield Acquisition Partners VII, L.P.	Opportunistic RE	13,000	1,876	12,662	86%	21,064	766	21,830	9,168	13.13%	10.57%	1.72x
<b>Vintage Year 2014 Total</b>		<b>13,000</b>	<b>1,876</b>	<b>12,662</b>	<b>86%</b>	<b>21,064</b>	<b>766</b>	<b>21,830</b>	<b>9,168</b>	<b>13.13%</b>	<b>8.96%</b>	<b>1.72x</b>
Vintage Year 2016												
Patron Capital Fund V	Opportunistic RE	12,750	1,429	12,083	89%	8,876	4,894	13,770	1,687	4.37%	4.30%	1.14x
<b>Vintage Year 2016 Total</b>		<b>12,750</b>	<b>1,429</b>	<b>12,083</b>	<b>89%</b>	<b>8,876</b>	<b>4,894</b>	<b>13,770</b>	<b>1,687</b>	<b>4.37%</b>	<b>9.29%</b>	<b>1.14x</b>
Vintage Year 2017												
Carlyle Realty Partners VIII, L.P.	Opportunistic RE	5,000	3,207	4,450	36%	3,996	2,381	6,377	1,927	20.09%	8.99%	1.43x
<b>Vintage Year 2017 Total</b>		<b>5,000</b>	<b>3,207</b>	<b>4,450</b>	<b>36%</b>	<b>3,996</b>	<b>2,381</b>	<b>6,377</b>	<b>1,927</b>	<b>20.09%</b>	<b>8.78%</b>	<b>1.43x</b>
Vintage Year 2018												
Taconic CRE Dislocation Fund II	Debt RE	5,000	370	4,927	93%	3,282	3,168	6,451	1,524	9.12%	10.40%	1.31x
AG Realty Value Fund X, L.P.	Opportunistic RE	5,000	1,244	4,700	75%	2,645	3,256	5,901	1,201	9.94%	15.92%	1.26x
<b>Vintage Year 2018 Total</b>		<b>10,000</b>	<b>1,614</b>	<b>9,626</b>	<b>84%</b>	<b>5,927</b>	<b>6,425</b>	<b>12,352</b>	<b>2,726</b>	<b>9.46%</b>	<b>9.64%</b>	<b>1.28x</b>
Vintage Year 2019												
Rockpoint Real Estate Fund VI, L.P.	Opportunistic RE	5,000	669	4,621	87%	556	4,702	5,257	636	5.70%	10.28%	1.14x
Carmel Partners Investment Fund VII, L.P.	Value-Add RE	5,000	643	4,419	87%	62	4,923	4,984	565	6.31%	5.85%	1.13x
<b>Vintage Year 2019 Total</b>		<b>10,000</b>	<b>1,312</b>	<b>9,040</b>	<b>87%</b>	<b>618</b>	<b>9,624</b>	<b>10,242</b>	<b>1,202</b>	<b>5.97%</b>	<b>6.22%</b>	<b>1.13x</b>

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

# MercedCERA Real Estate Performance - as of June 30, 2024



Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2020												
Cerberus Real Estate Debt Fund, L.P.	Debt RE	7,000	2,440	4,555	65%	687	4,901	5,587	1,033	7.22%	9.80%	1.23x
Starwood Distressed Opportunity Fund XII	Opportunistic RE	8,000	4,000	4,000	50%	6	4,543	4,548	548	9.60%	13.26%	1.14x
<b>Vintage Year 2020 Total</b>		<b>15,000</b>	<b>6,440</b>	<b>8,555</b>	<b>57%</b>	<b>692</b>	<b>9,443</b>	<b>10,136</b>	<b>1,581</b>	<b>7.87%</b>	<b>9.70%</b>	<b>1.18x</b>
Vintage Year 2021												
Taconic CRE Dislocation Onshore Fund III L.P.	Debt RE	8,000	1,200	8,198	85%	1,438	8,073	9,511	1,313	9.42%	3.16%	1.16x
Carlyle Realty Partners IX, L.P.	Opportunistic RE	8,000	5,351	2,649	33%	32	2,443	2,476	-173	N/M	N/M	0.93x
Carmel Partners Investment Fund VIII, L.P.	Opportunistic RE	8,000	2,659	5,384	67%	41	6,224	6,265	881	13.02%	3.77%	1.16x
<b>Vintage Year 2021 Total</b>		<b>24,000</b>	<b>9,210</b>	<b>16,230</b>	<b>62%</b>	<b>1,511</b>	<b>16,740</b>	<b>18,252</b>	<b>2,021</b>	<b>8.88%</b>	<b>3.77%</b>	<b>1.12x</b>
Vintage Year 2022												
Rockpoint Real Estate Fund VII, L.P.	Opportunistic RE	8,000	5,091	3,066	36%	185	3,286	3,471	405	N/M	N/M	1.13x
<b>Vintage Year 2022 Total</b>		<b>8,000</b>	<b>5,091</b>	<b>3,066</b>	<b>36%</b>	<b>185</b>	<b>3,286</b>	<b>3,471</b>	<b>405</b>	<b>N/M</b>	<b>N/M</b>	<b>1.13x</b>
Vintage Year 2024												
Carlyle Realty Partners X, L.P.	Opportunistic RE	8,000	8,000	0	0%	0	0	0	0	N/M	N/M	N/A
<b>Vintage Year 2024 Total</b>		<b>8,000</b>	<b>8,000</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/M</b>	<b>N/M</b>	<b>N/A</b>
<b>Portfolio Total :</b>		<b>122,750</b>	<b>38,178</b>	<b>94,379</b>	<b>69%</b>	<b>86,483</b>	<b>74,722</b>	<b>161,205</b>	<b>66,826</b>	<b>8.27%</b>	<b>7.82%</b>	<b>1.71x</b>
<b>Portfolio Strategy Totals</b>												
Core RE		17,000	0	18,667	100%	43,614	21,162	64,775	46,109	8.00%		3.47x
Debt RE		20,000	4,010	17,679	80%	5,407	16,142	21,550	3,870	8.62%		1.22x
Opportunistic RE		80,750	33,525	53,614	58%	37,401	32,495	69,896	16,281	10.49%		1.30x
Value-Add RE		5,000	643	4,419	87%	62	4,923	4,984	565	6.31%		1.13x
<b>Portfolio Total :</b>		<b>122,750</b>	<b>38,178</b>	<b>94,379</b>	<b>69%</b>	<b>86,483</b>	<b>74,722</b>	<b>161,205</b>	<b>66,826</b>	<b>8.27%</b>	<b>7.82%</b>	<b>1.71x</b>

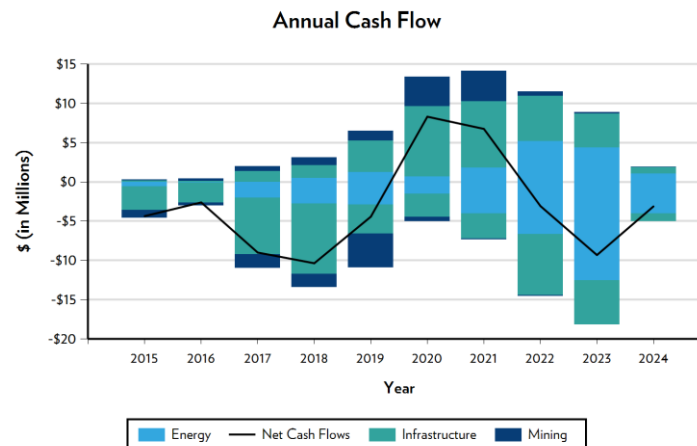
Note: The benchmark at the total portfolio level is NCREIF NFI-ODCE . Private real estate benchmark at the fund level is the Cambridge Value Add or Opportunistic RE Indices while the Cambridge Global Real Estate Index at the vintage year level.

# MercedCERA Real Assets Investment Structure & Portfolio Assessment

## Real assets investment structure (5% target, 5.7% actual as of September 2024)

- Program is designed to be equally divided between private infrastructure and natural resource funds along with a public real asset component
  - Private fund commitments began in 2014 to infrastructure and 2015 to natural resources
- The majority of the portfolio is in development, but there were annual gains of \$9 million with \$3 million in 2Q
  - Contributions exceeded distributions by \$7 million though the older funds continue to return capital

Annual Summary									
(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain Loss	Net IRR	Benchmark
June 30, 2023	17	\$109,290	\$79,272	\$54,575	\$51,514	\$106,089	\$26,818	12.99%	4.10%
June 30, 2024	20	\$134,204	\$93,464	\$61,928	\$66,932	\$128,860	\$35,396	13.35%	4.49%
Annual Change	3	\$24,914	\$14,192	\$7,353	\$15,418	\$22,771	\$8,578		



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

# MercedCERA Real Assets Performance – as of June 30, 2024



## Real Asset Portfolio

- MCERA began allocating to real assets in 2014 via direct fund commitments
- Portfolio is in its development stage as the VY 2017-23 funds are maturing/being built out
- Since inception net IRRs of 14.51% for Energy and 13.04% for Infrastructure

Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2014												
KKR Global Infrastructure II	Infrastructure	10,000	430	11,196	96%	17,047	3,661	20,708	9,512	16.82%	11.01%	1.85x
<b>Vintage Year 2014 Total</b>		<b>10,000</b>	<b>430</b>	<b>11,196</b>	<b>96%</b>	<b>17,047</b>	<b>3,661</b>	<b>20,708</b>	<b>9,512</b>	<b>16.82%</b>		<b>1.85x</b>
Vintage Year 2015												
GSO Energy Select Opportunities Fund	Energy	7,500	3,367	4,589	55%	6,181	441	6,622	2,034	10.14%	8.34%	1.44x
North Haven Infrastructure Partners II LP	Infrastructure	10,000	1,155	11,687	88%	13,009	2,506	15,515	3,828	9.01%	12.64%	1.33x
Taurus Mining Finance Fund	Mining	5,000	522	5,355	90%	5,935	354	6,289	934	8.07%	N/A	1.17x
<b>Vintage Year 2015 Total</b>		<b>22,500</b>	<b>5,044</b>	<b>21,631</b>	<b>78%</b>	<b>25,125</b>	<b>3,301</b>	<b>28,427</b>	<b>6,796</b>	<b>9.17%</b>		<b>1.31x</b>
Vintage Year 2016												
Taurus Mining Finance Annex Fund	Mining	5,000	948	4,658	81%	5,771	168	5,939	1,280	17.34%	N/A	1.27x
<b>Vintage Year 2016 Total</b>		<b>5,000</b>	<b>948</b>	<b>4,658</b>	<b>81%</b>	<b>5,771</b>	<b>168</b>	<b>5,939</b>	<b>1,280</b>	<b>17.34%</b>		<b>1.27x</b>
Vintage Year 2017												
EnCap Energy Capital Fund XI, L.P.	Energy	5,000	500	4,834	90%	2,883	6,047	8,929	4,095	22.16%	15.63%	1.85x
ISQ Global Infrastructure Fund II	Infrastructure	5,000	573	6,219	89%	2,963	5,863	8,826	2,607	12.49%	11.12%	1.42x
<b>Vintage Year 2017 Total</b>		<b>10,000</b>	<b>1,073</b>	<b>11,054</b>	<b>89%</b>	<b>5,845</b>	<b>11,910</b>	<b>17,755</b>	<b>6,702</b>	<b>16.97%</b>		<b>1.61x</b>
Vintage Year 2018												
EnCap Flatrock Midstream IV, L.P.	Energy	3,000	573	2,517	81%	1,291	1,843	3,134	617	8.11%	13.11%	1.25x
Ardian Infrastructure Fund V	Infrastructure	4,704	889	3,879	81%	500	4,550	5,049	1,171	11.88%	14.11%	1.30x
KKR Global Infrastructure Investors III	Infrastructure	5,000	707	4,765	86%	1,656	5,111	6,768	2,003	12.45%	14.11%	1.42x
<b>Vintage Year 2018 Total</b>		<b>12,704</b>	<b>2,169</b>	<b>11,161</b>	<b>83%</b>	<b>3,447</b>	<b>11,504</b>	<b>14,951</b>	<b>3,790</b>	<b>11.24%</b>		<b>1.34x</b>

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

# MercedCERA Real Assets Performance - as of June 30, 2024



Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2019												
Global Energy & Power Infrastructure Fund III	Energy	5,000	374	5,066	93%	1,769	4,472	6,242	1,175	9.55%	N/A	1.23x
Tailwater Energy Fund IV, LP	Energy	5,000	1,483	4,328	70%	1,982	4,752	6,734	2,406	19.80%	17.14%	1.56x
<b>Vintage Year 2019 Total</b>		<b>10,000</b>	<b>1,857</b>	<b>9,394</b>	<b>81%</b>	<b>3,751</b>	<b>9,224</b>	<b>12,975</b>	<b>3,581</b>	<b>14.69%</b>		<b>1.38x</b>
Vintage Year 2021												
ISQ Global Infrastructure Fund III	Infrastructure	5,000	2,641	2,382	47%	23	2,725	2,748	366	12.33%	13.66%	1.15x
KKR Global Infrastructure Investors IV	Infrastructure	8,000	3,290	5,119	59%	225	5,587	5,812	693	8.61%	13.66%	1.14x
<b>Vintage Year 2021 Total</b>		<b>13,000</b>	<b>5,931</b>	<b>7,501</b>	<b>54%</b>	<b>248</b>	<b>8,312</b>	<b>8,560</b>	<b>1,059</b>	<b>9.61%</b>		<b>1.14x</b>
Vintage Year 2022												
BlackRock Global Infrastructure Fund IV	Energy	10,000	6,488	3,472	35%	42	3,553	3,595	123	N/M	N/M	1.04x
Carnelian Energy Capital IV L.P.	Energy	8,000	3,873	4,778	52%	651	4,837	5,488	710	12.12%	17.58%	1.15x
<b>Vintage Year 2022 Total</b>		<b>18,000</b>	<b>10,361</b>	<b>8,251</b>	<b>42%</b>	<b>693</b>	<b>8,390</b>	<b>9,083</b>	<b>833</b>	<b>8.82%</b>		<b>1.10x</b>
Vintage Year 2023												
EnCap Energy Capital Fund XII, L.P.	Energy	8,000	4,383	3,617	45%	0	5,027	5,027	1,410	N/M	N/M	1.39x
EnCap Flatrock Midstream Fund V, L.P.	Energy	8,000	4,927	3,073	38%	0	3,422	3,422	349	N/M	N/M	1.11x
Ardian Infrastructure Fund VI	Infrastructure	9,000	8,020	987	11%	0	1,149	1,149	161	N/M	N/M	1.16x
<b>Vintage Year 2023 Total</b>		<b>25,000</b>	<b>17,329</b>	<b>7,678</b>	<b>31%</b>	<b>0</b>	<b>9,598</b>	<b>9,598</b>	<b>1,920</b>	<b>N/M</b>		<b>1.25x</b>
Vintage Year 2024												
Carnelian Energy Capital V, L.P.	Energy	8,000	7,058	942	12%	0	864	864	-78	N/M	N/M	0.92x
<b>Vintage Year 2024 Total</b>		<b>8,000</b>	<b>7,058</b>	<b>942</b>	<b>12%</b>	<b>0</b>	<b>864</b>	<b>864</b>	<b>-78</b>	<b>N/M</b>		<b>0.92x</b>
<b>Portfolio Total :</b>		<b>134,204</b>	<b>52,200</b>	<b>93,464</b>	<b>61%</b>	<b>61,928</b>	<b>66,932</b>	<b>128,860</b>	<b>35,396</b>	<b>13.35%</b>	<b>4.49%</b>	<b>1.38x</b>
<b>Portfolio Strategy Totals</b>												
Energy		67,500	33,026	37,217	51%	14,799	35,258	50,058	12,840	14.51%		1.35x
Infrastructure		56,704	17,705	46,233	69%	35,423	31,152	66,574	20,341	13.04%		1.44x
Mining		10,000	1,470	10,013	85%	11,706	522	12,228	2,215	11.55%		1.22x
<b>Portfolio Total :</b>		<b>134,204</b>	<b>52,200</b>	<b>93,464</b>	<b>61%</b>	<b>61,928</b>	<b>66,932</b>	<b>128,860</b>	<b>35,396</b>	<b>13.35%</b>	<b>4.49%</b>	<b>1.38x</b>

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

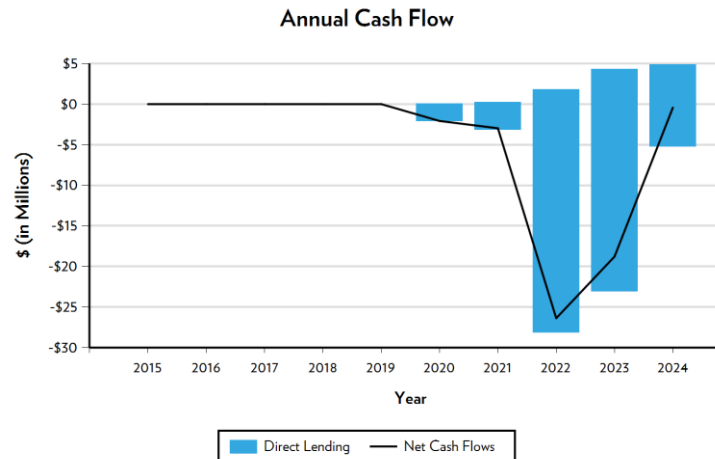


# MercedCERA Direct Lending Investment Structure & Portfolio Assessment

## Direct Lending investment structure (5% target, 5.3% actual as of September 2024)

- Program was approved with the asset allocation in Oct 2021
  - Silver Point was moved from the PE portfolio and new commitments began at year end 2021
- The overall portfolio is immature with many funds still developing
  - \$7 million in gains over the past year; contributions exceed distributions by \$9 million

Annual Summary									
(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain Loss	Net IRR	Benchmark
June 30, 2023	8	\$118,000	\$45,351	\$3,857	\$46,036	\$49,893	\$4,543	10.37%	5.42%
June 30, 2024	9	\$138,000	\$61,900	\$11,269	\$62,257	\$73,526	\$11,626	12.02%	6.87%
Annual Change	1	\$20,000	\$16,549	\$7,412	\$16,221	\$23,633	\$7,083		



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

# MercedCERA Direct Lending Performance – as of June 30, 2024



## Direct Lending Portfolio

- Portfolio is developing but performance exceeds benchmark (12.02% v. 6.87% since inception net IRR)

Partnership Name	Strategy	(A) Comm it. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2019												
Silver Point Specialty Credit Fund II, L.P.	Direct Lending	8,000	596	7,342	93%	2,490	6,857	9,347	2,005	10.56%	6.08%	1.27x
<b>Vintage Year 2019 Total</b>		<b>8,000</b>	<b>596</b>	<b>7,342</b>	<b>93%</b>	<b>2,490</b>	<b>6,857</b>	<b>9,347</b>	<b>2,005</b>	<b>10.56%</b>		<b>1.27x</b>
Vintage Year 2021												
Ares Senior Direct Lending Fund II L.P.	Direct Lending	20,000	9,594	13,386	52%	2,979	13,658	16,638	3,252	15.40%	6.22%	1.24x
Varagon Capital Direct Lending Fund	Direct Lending	20,000	6,500	13,500	68%	1,880	13,516	15,396	1,896	8.95%	6.22%	1.14x
<b>Vintage Year 2021 Total</b>		<b>40,000</b>	<b>16,094</b>	<b>26,886</b>	<b>60%</b>	<b>4,859</b>	<b>27,175</b>	<b>32,034</b>	<b>5,148</b>	<b>12.17%</b>		<b>1.19x</b>
Vintage Year 2022												
Accel-KKR Credit Partners II LP	Direct Lending	10,000	8,158	1,926	18%	84	2,280	2,364	438	N/M	N/M	1.23x
AG Direct Lending Fund IV Annex, L.P.	Direct Lending	10,000	500	9,535	95%	1,908	9,745	11,653	2,118	11.63%	6.63%	1.22x
AG Direct Lending Fund V	Direct Lending	10,000	5,750	4,250	43%	545	4,297	4,842	592	N/M	N/M	1.14x
<b>Vintage Year 2022 Total</b>		<b>30,000</b>	<b>14,408</b>	<b>15,711</b>	<b>52%</b>	<b>2,538</b>	<b>16,322</b>	<b>18,860</b>	<b>3,149</b>	<b>11.45%</b>		<b>1.20x</b>
Vintage Year 2023												
Ares Capital Europe VI (D) Levered, L.P.	Direct Lending	20,000	15,243	4,746	24%	0	5,157	5,157	411	N/M	N/M	1.09x
Ares Senior Direct Lending Fund III	Direct Lending	20,000	20,000	0	0%	0	113	113	113	N/M	N/M	N/A
Silver Point Specialty Credit Fund III, L.P.	Direct Lending	20,000	13,661	7,215	32%	1,382	6,634	8,016	801	N/M	N/M	1.11x
<b>Vintage Year 2023 Total</b>		<b>60,000</b>	<b>48,903</b>	<b>11,961</b>	<b>18%</b>	<b>1,382</b>	<b>11,903</b>	<b>13,286</b>	<b>1,324</b>	<b>N/M</b>		<b>1.11x</b>
<b>Portfolio Total :</b>		<b>138,000</b>	<b>80,001</b>	<b>61,900</b>	<b>42%</b>	<b>11,269</b>	<b>62,257</b>	<b>73,526</b>	<b>11,626</b>	<b>12.02%</b>	<b>6.87%</b>	<b>1.19x</b>

Note: Benchmark is Morningstar LSTA US Leveraged Loan Index.

# MercedCERA Hedge Fund Performance – as of October 31, 2024

Fund	Market Value	Actual %	Oct	QTD	YTD	Returns 1 Year	3 Year	5 Year	Incep	Std Dev	Sharpe Ratio	Incep Date
<b>Market Neutral</b>												
Laurion Capital, Ltd.	7,270,748	8.4%	0.75%	0.75%	-8.13%	-4.25%	-3.19%	7.63%	7.23%	11.48%	0.44	Jul-18
Market Neutral - HF Total	7,270,748	8.4%	0.75%	0.75%	-8.13%	-4.25%	-3.19%	1.69%	2.13%	8.56%	0.00	Oct-17
HFRI Relative Value (Total) Index			0.62%	0.62%	7.32%	10.28%	4.37%	5.22%	4.55%	4.90%	0.43	Oct-17
<b>Credit/Distressed</b>												
Silver Point Capital Fund, L.P.	21,054,413	24.3%	-0.05%	-0.05%	10.38%	14.14%	6.32%	12.01%	8.54%	6.78%	0.86	Dec-17
Credit/Distressed - HF Total	21,054,413	24.3%	-0.05%	-0.05%	10.38%	14.14%	6.32%	12.01%	8.54%	6.78%	0.86	Dec-17
HFRI EDDistressed/Restructuring Index			-0.32%	-0.32%	8.05%	14.28%	3.55%	7.68%	5.82%	7.19%	0.47	Dec-17
<b>Event Driven</b>												
Taconic Opportunity Fund L.P.	12,321,763	14.2%	1.35%	1.35%	4.68%	7.48%	2.10%	3.44%	3.55%	5.42%	0.20	Dec-18
Event Driven - HF Total	12,321,763	14.2%	1.35%	1.35%	4.68%	7.48%	2.10%	3.44%	3.55%	5.42%	0.20	Dec-18
HFRI Event-Driven (Total) Index			-0.36%	-0.36%	7.17%	15.27%	3.95%	7.22%	6.51%	8.54%	0.48	Dec-18
<b>Equity Long/Short</b>												
Archipelago Partners, L.P.	9,329,164	10.8%	0.20%	0.20%	12.40%	15.83%	8.51%	9.13%	7.60%	6.83%	0.75	Sep-17
Marshall Wace Funds LP - MW Eureka (US) Fund	5,096,090	5.9%	0.31%	0.31%	11.41%	12.06%	5.83%	9.24%	7.96%	5.50%	0.96	Dec-17
Marshall Wace Funds LP - MW Global Opportunities (US) Fund	5,889,419	6.8%	-1.30%	-1.30%	7.61%	4.75%	4.74%	-	6.14%	8.07%	0.45	Apr-20
Equity Long/Short - HF Total	20,314,673	23.4%	-0.21%	-0.21%	10.55%	11.29%	6.78%	7.74%	6.76%	6.46%	0.67	Sep-17
HFRI Equity Hedge (Total) Index			-0.72%	-0.72%	9.59%	19.57%	2.77%	8.52%	6.76%	9.64%	0.47	Sep-17
<b>Global Macro-Discretionary</b>												
Caxton Global Investments (USA) LLC	6,537,675	7.5%	-0.92%	-0.92%	7.38%	8.83%	7.55%	-	6.54%	5.76%	0.53	May-21
Graham Absolute Return Trading Ltd.	4,797,404	5.5%	-1.04%	-1.04%	6.14%	3.59%	9.59%	7.35%	6.18%	8.31%	0.47	Sep-17
Global Macro-Discretionary - HF Total	11,335,079	13.1%	-0.97%	-0.97%	6.81%	6.35%	8.48%	6.87%	5.84%	7.87%	0.45	Sep-17
HFRI Macro (Total) Index			-2.02%	-2.02%	2.68%	2.58%	3.18%	5.02%	3.87%	5.14%	0.28	Sep-17
<b>Multi-Strategy</b>												
Hudson Bay Fund LP	14,477,478	16.7%	0.43%	0.43%	6.93%	7.43%	-	-	7.17%	1.22%	1.51	Jun-23
Multi-Strategy - HF Total	14,477,478	16.7%	0.43%	0.43%	6.96%	7.45%	0.37%	6.68%	6.17%	6.81%	0.63	Jul-14
HFRI Relative Value (Total) Index			0.62%	0.62%	7.32%	10.28%	4.37%	5.22%	4.13%	4.34%	0.52	Jul-14
MCERA Hedge Fund Portfolio	86,774,154	100.0%	0.13%	0.13%	6.53%	8.16%	4.44%	6.61%	5.05%	4.90%	0.64	Jul-14
<b>Benchmarks</b>												
HFRI Fund of Funds Composite Index			0.42%	0.42%	7.42%	12.02%	2.18%	5.43%	3.63%	4.91%	0.36	Jul-14
<b>Market Indices</b>												
SOFR 90 Day			0.43%	0.43%	4.42%	5.34%	3.54%	2.28%	-	-	-	Jul-14
ML 3-month T-Bills			0.38%	0.38%	4.43%	5.39%	3.63%	2.36%	1.63%	0.54%	-1.49	Jul-14
Bloomberg US Aggregate Bond Index			-2.48%	-2.48%	1.86%	10.55%	-2.20%	-0.23%	1.56%	4.94%	-0.05	Jul-14
Bloomberg US High Yield Bond Index			-0.54%	-0.54%	7.42%	16.47%	2.97%	4.55%	4.63%	7.53%	0.39	Jul-14
S&P 500 TR			-0.91%	-0.91%	20.97%	38.02%	9.08%	15.27%	12.94%	15.08%	0.76	Jul-14
MSCI AC World Index Free - Net			-2.24%	-2.24%	16.00%	32.79%	5.51%	11.08%	8.59%	14.64%	0.51	Jul-14
MSCI EAFE - Net			-5.44%	-5.44%	6.85%	22.97%	2.70%	6.24%	4.33%	15.10%	0.23	Jul-14
MSCI EMF (Emerging Markets Free) - Net			-4.45%	-4.45%	11.66%	25.32%	-1.43%	3.93%	3.08%	17.08%	0.15	Jul-14

## 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.

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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.

December 12,  
2024

# Private Asset Capital Budget Update

## Merced County Employees' Retirement Association



Strictly Confidential. Not for Distribution.

# MercedCERA Private Equity Capital Budget & Implementation Plan

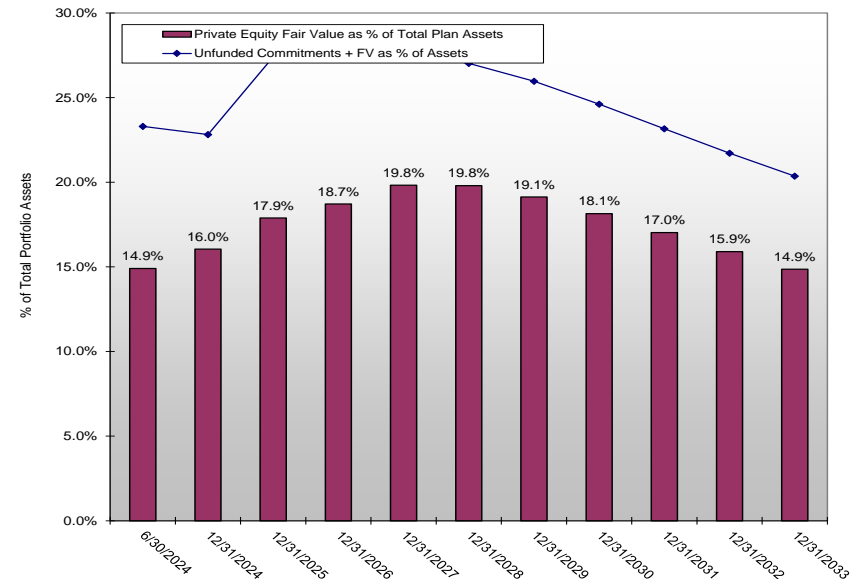
## 15% fund level target

- Lower capital budget target from \$50 mm to \$40 mm
  - Range of \$30-\$50 million
- Reducing capital budget as currently at the target allocation with a modest overallocation projected for the next few years
- Target 5-7 investments, range of \$5-\$10 million per inv; average size of \$7 million per investment
- Targets for strategy exposures remain the same
- Update capital budgets on an annual basis

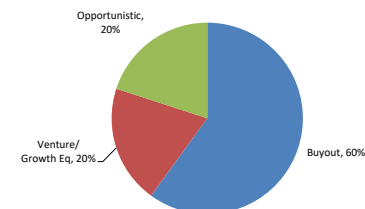
## Performance comparisons:

- 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

## Projected Private Equity Allocations



## 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

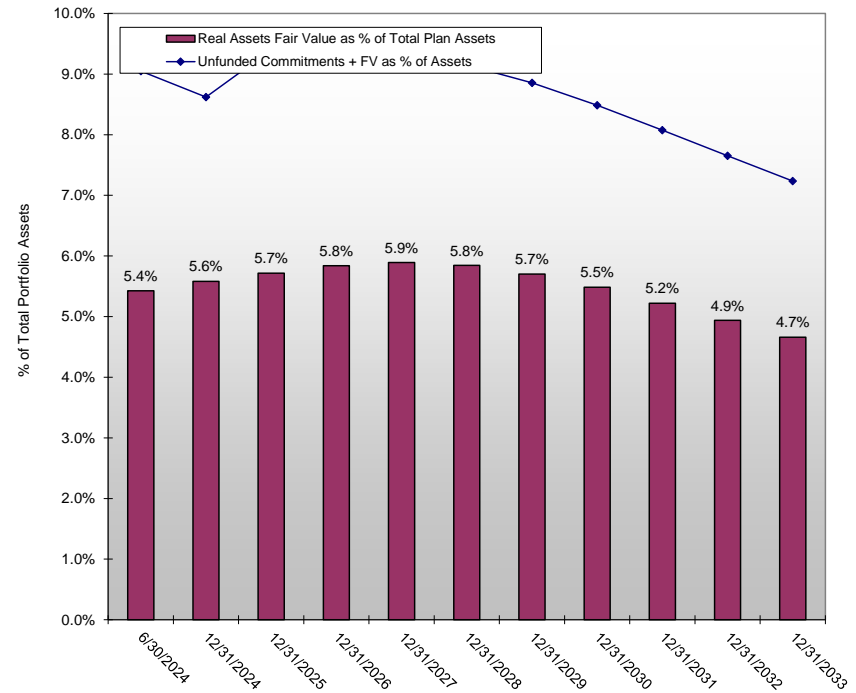
## 5% fund level target

- Lower capital budget target from \$18 mm to \$16 mm
  - Range of \$10-\$25 million
- Target 2-4 investments, range of \$5-\$8 million per inv
  - Average investment size of \$6 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

## Projected Real Assets Allocations



# MercedCERA Real Estate Capital Budget & Implementation Plan

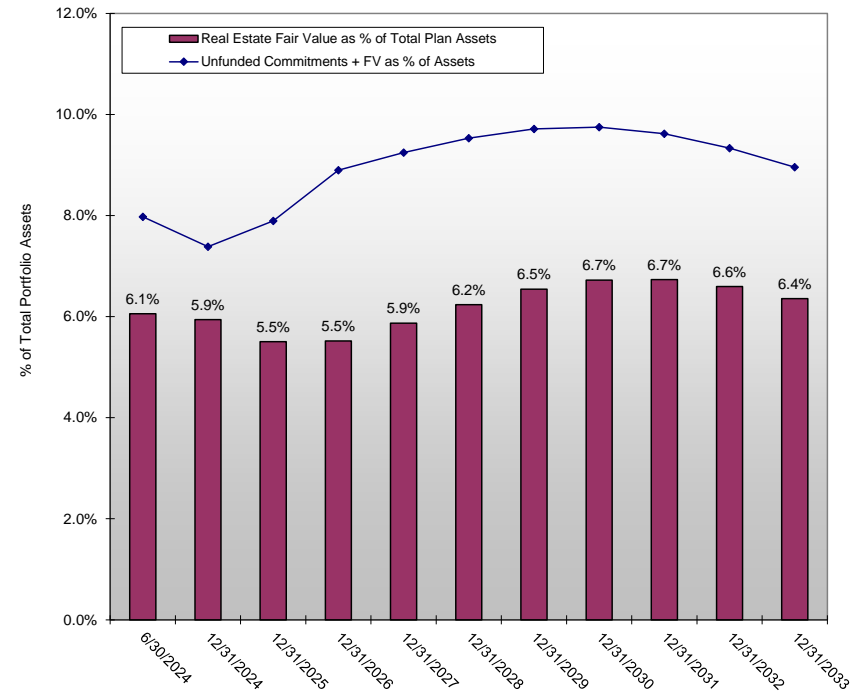
6% fund level target, a decrease from the prior 8% target in 2024

- Keep annual capital budget target at \$25 million
  - Range of \$15-\$35 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

## Projected Real Estate Allocations





# MercedCERA Direct Lending Capital Budget & Implementation Plan

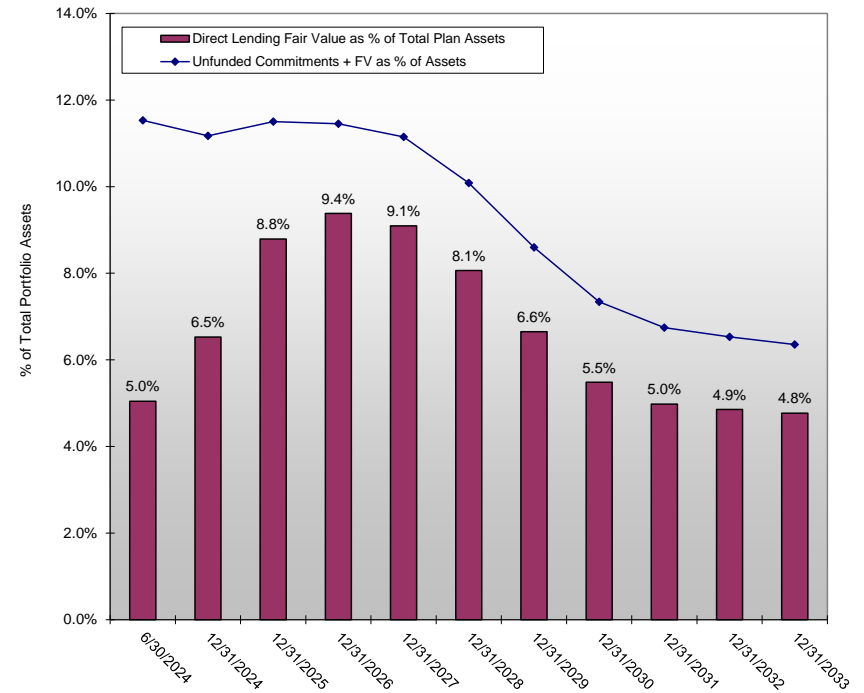
## 5% fund level target

- Lower capital budget from \$20 mm to \$15 mm
  - Range of \$10-\$20 million
- Target 2-3 investments, range of \$6-\$10 million per inv
  - Average investment size of \$8 million
- Currently at the target allocation with an overallocation projected for the next few years

## Performance comparisons:

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

## Projected Direct Lending Allocations



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