



Merced County Employees' Retirement Association

**AGENDA
RETIREMENT BOARD MEETING**

Thursday, April 25, 2024, 8:30 A.M.

Location: Merced County Department of Public Health
260 E. 15th 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 – March 28, 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.

<u>Name</u>	<u>Effective Date</u>
Casanova, Henrietta	03/30/2024
Kostecky, Lori	04/13/2024
Mattox, Cynthia	03/30/2024
Miller, Penelope	03/23/2024
Ramirez, Nola	03/31/2024
Red, Teresa	04/06/2024
Spuur, Anne	03/31/2024
Thao, Zong	03/29/2024

- b. Monthly and quarterly budget reports submitted.
- c. Monthly performance report from Meketa.
- d. Monthly expenditures report for new building construction.
- e. Adopt the revised Emergency Plan Policy for MercedCERA with revisions.
- f. SACRS Legislative Update.



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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. Conference with Real Property Negotiator (Gov. Code section 54956.8.)
Property: 3199 M Street, Merced, CA 95348
Agency negotiator: Kristen Santos

8. Report Out of Closed Session

9. Open Session

- a. Discussion on fiduciary training for trustees – Ashley Dunning, Nossaman.
- b. Discussion and possible action to adopt the asset allocation recommendations from Meketa and Cliffwater including investment belief statements – Meketa.
- c. Chair to appoint a Trustee to Investment Subcommittee (to replace Trustee Ness) – Chair.
- d. Discussion and possible adoption on the proposed classification for an investment officer with possible appointment of Trustees to ad hoc Human Resources Subcommittee – Staff.
- e. Discussion and possible action to approve the SACRS business meeting agenda and designate Janey Cabral, Kristen Santos and/or Martha Sanchez Barboa as voting delegates – Staff
- f. Discussion on update of new headquarters building – Staff

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.

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

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

Persons who require accommodation for any audio, visual or other disability or Spanish or Hmong interpretation in order to review an agenda, or to participate in a meeting of the Merced County Employees' Retirement Association per the American Disabilities Act (ADA), may obtain assistance by requesting such



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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, March 28, 2024, 8:30 A.M.

Location: Merced County Department of Public Health
260 E. 15th 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- 8:31 A.M.

2. Roll Call

Board Members Present: Aaron Rosenberg, Scott Johnston (Teleconference), Janey Cabral, Karen Adams, Alfonse Peterson, Ryan Paskin, Michael Harris, Corrina Brown, and Moses Nelson (arrived at 8:33 A.M.). **Absent:** Scott Silveira. **Counsel:** Tom Ebersole. **Staff:** Kristie Santos, Martha Sanchez Barboa, Mark Harman, Monica Gallegos, Khue Xiong, Patrick Armendarez, Brenda Mojica, Nikki Barraza, Kristy Barajas, Sheri Villagrana, and Marissa Coelho.

3. Teleconference Request

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

Board voted unanimously via roll call vote to approve the teleconference request of Trustee Johnston.

1st – Cabral/2nd – Brown, passes 7/0

4. Approval of Minutes – February 22, 2024.

Board voted unanimously via roll call vote to approve the February 22, 2024, meeting minutes.

1st – Cabral/2nd – 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.

<u>Name</u>	<u>Effective Date</u>
Carrasco, Ramona	02/24/2024
Darrow, Denise	02/26/2024
Dobbins, Deana	03/23/2024
Fahey, Mark	03/01/2024



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Owens, Ivory	03/23/2024
Ridge, Nicole	02/26/2024

- b. Monthly budget report submitted.
- c. Monthly performance report from Meketa.
- d. Monthly expenditures report for new building construction.

Board voted unanimously via roll call vote to approve the consent agenda as presented.

1st – Johnston/2nd – Brown, passes 7/0

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. Conference with Real Property Negotiator (Gov. Code section 54956.8.)
Property: 3199 M Street, Merced, CA
Agency negotiator: Kristen Santos
Under negotiation: Price and terms, payment, or both.

8. Report Out of Closed Session

- a. Discussion and possible action regarding investments (Govt. Code § 54956.81) in recommended funds by Cliffwater LLC.
No action taken.
- b. Conference with Real Property Negotiator – Kristen Santos. (Gov. Code section 54956.8.)
No action taken.

9. Open Session

- a. Cliffwater to discuss quarterly update of MercedCERA's alternative portfolio – Cliffwater, LLC.
Discussion item only.
- b. Discussion and possible action to adopt MercedCERA's Emergency Plan Policy – Staff.
No action taken. Board requested wording changes and requested the policy come back for approval.
- c. Discussion and possible action to approve the draft Resolution for the sale of the property located at 3199 M Street in Merced and designate the Plan Administrator or the Assistant Plan Administrator as delegates for the Board – Staff.
Board voted unanimously via roll call vote to approve the Resolution to delegate the Plan Administrator and the Assistant Plan Administrator as delegated signers for the sale of the property located at 3199 M Street in Merced.
1st – Brown/2nd – Adams, passes 7/0
- d. Discussion regarding the Brown Act requirements for virtual attendance for trustees – Tom Ebersole, Board Counsel.
Discussion item only.



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- e. Chair to appoint members of the ad hoc Budget Committee to work with staff for the FY 24/25 budget year.

Chair appointed Trustees Cabral, Johnston and Nelson to the budget committee.

- f. Discussion with possible action on the headquarters building construction located at 690 W 19th Street in Merced, CA – Staff.

Board voted unanimously via roll call vote to move forward with procuring a new switchgear from a different source barring any significant change to the total amount. Board gave staff direction on the furniture invoice.

1st – Rosenberg/2nd – Brown, passes 7/0

10. Information Sharing & Agenda Item Requests

Trustee Adams requested an agenda item be added to discuss number of members for subcommittee.

11. Adjournment 10:37 A.M.

Accepted By,

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

Merced County Employees' Retirement Association
 Non-Administrative Expenditures Report (Preliminary)
 For the Month Ended March 31, 2024

Non-Administrative Expenses	Original Projection	Current Projection	Expended 2024-03	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses	3,740,500.00	3,740,500.00	154,754.81	1,627,109.98	2,113,390.02	43%
03/01/2024 Office Payroll 2024 PP 05 - Staff Investment Allocation			17,539.59			
03/04/2024 Bloomberg - Subscription			7,500.00			
03/04/2024 Nossaman - 2024-01 ISQ GIF III			2,227.50			
03/05/2024 Nossaman - 2023-12 Ardian IF VI			406.00			
03/05/2024 Nossaman - 2023-12 Carnelian EF V			1,702.80			
03/05/2024 Nossaman - 2024-01 Carnelian EF V			15,321.80			
03/07/2024 Guardco - 2024-02 New Bldg Security			9,747.00			
03/07/2024 Cliffwater - 2024-02 Consulting Svcs			33,333.33			
03/15/2024 Office Payroll 2024 PP 06 - Staff Investment Allocation			17,539.59			
03/21/2024 Taconic CRE III - 2023-Q3 & Q4 Mgt Fees			50,410.96			
03/29/2024 Office Payroll 2024 PP 07 - Staff Investment Allocation			16,565.83			
Total 21800 · Investment Expenses			154,754.81			
21802 · Actuarial Services	175,000.00	175,000.00	-	67,888.00	107,112.00	39%
Total 21802 · Actuarial Services			-			
21812 · Data Processing	102,000.00	102,000.00	7,243.28	52,355.41	49,644.59	51%
03/12/2024 2024-01 IS Billing			6,540.28			
03/12/2024 2024-01 Cradlepoint Chgs			703.00			
Total 21812 · Data Processing			7,243.28			
21834 · Legal Services	430,000.00	430,000.00	57,056.10	244,120.66	185,879.34	57%
03/05/2024 Hanson Bridgett - 2024-01 Legal Svcs			12,874.20			
03/06/2024 Refund from Ted Cabral for Overbilling			(625.00)			
03/08/2024 Ted Cabral - 2024-02 Legal Svcs			1,609.50			
03/08/2024 Ted Cabral - 2024-02 Legal Svcs			536.50			
03/08/2024 Ted Cabral - 2024-02 Legal Svcs			935.50			
03/08/2024 Ted Cabral - 2024-02 Legal Svcs			364.90			
03/08/2024 Ted Cabral - 2024-02 Legal Svcs			13,403.50			
03/08/2024 Ted Cabral - 2024-01 Legal Svcs			1,516.00			
03/08/2024 Ted Cabral - 2024-01 Legal Svcs			20,808.50			
03/12/2024 2024-03 Cost Alloc - Co Couns			5,632.50			
Total 21834 · Legal Services			57,056.10			
21840 · Custodial Banking Services	150,000.00	150,000.00	928.76	43,361.51	106,638.49	29%
03/05/2024 2024-02 NT STIF Income - Cust Fee			928.76			
Total 21840 · Custodial Banking Services			928.76			
22350 · Software and Technology	505,000.00	505,000.00	18,900.00	343,581.77	161,418.23	68%
03/07/2024 CPAS - 2024-03 Hosting			6,107.00			
03/07/2024 PensionX - 2024-03 Svc Program & SLA			900.00			
03/08/2024 Roger J Wyan Photography - New Bldg Constr Photo			700.00			
03/14/2024 FRSecure - 2024-Q1 FACT Engagement			11,193.00			
Total 22350 · Software and Technology			18,900.00			
Depreciation Expense	250,000.00	250,000.00	-	-	250,000.00	
Total Non-Administrative Items	5,352,500.00	5,352,500.00	238,882.95	2,378,417.33	2,974,082.67	44%

Merced County Employees' Retirement Association
Non-Administrative Expenses Prev Year Comparison (Preliminary)
03/31/2024

Expense	March 2024	March 2023	\$ Change	% Change
62025 · Non-Administrative Expenses				
21800 · Investment Expenses	\$ 172,294.40	\$ 73,561.21	\$ 98,733.19	134.22%
21802 · Actuarial Services	-	-	-	0.00%
21812 · Data Processing	7,243.28	4,834.89	2,408.39	49.81%
21834 · Legal Services	57,056.10	30,784.12	26,271.98	85.34%
21840 · Custodial Banking Services	928.76	1,132.44	(203.68)	-17.99%
22350 · Software and Technology	18,900.00	20,018.50	(1,118.50)	-5.59%
Depreciation Expense	-	-	-	
Total 62025 · Non-Administrative Expenses	\$ 256,422.54	\$ 130,331.16	\$ 126,091.38	96.75%

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended March 31, 2024

Administrative Budget	Adopted	Current Budget	Expended 2024-03	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages	1,975,000.00	1,975,000.00	162,791.23	954,524.63	1,020,475.37	48%
03/01/2024 Office Payroll 2024 PP 05 - Administrative Allocation			54,371.94			
03/15/2024 Office Payroll 2024 PP 06 - Administrative Allocation			54,371.94			
03/29/2024 Office Payroll 2024 PP 07 - Administrative Allocation			54,047.35			
Total 10110 · Salaries & Wages			162,791.23			
20600 · Communications	9,800.00	9,800.00	758.72	5,444.56	4,355.44	56%
03/07/2024 AT&T - 2024-02 CALNET			167.09			
03/12/2024 2024-01 iPhone Chgs			263.00			
03/12/2024 2024-01 Comm Chgs			328.63			
Total 20600 · Communications			758.72			
20900 · Household Expense	15,750.00	15,750.00	96.78	8,689.02	7,060.98	55%
03/07/2024 Bob's Pest Control - 2024-02 Pest Control			40.00			
03/13/2024 ADT - 2024 March Security Svcs			56.78			
Total 20900 · Household Expense			96.78			
21000 · Insurance - Other	105,000.00	105,000.00	-	101,995.00	3,005.00	97%
Total 21000 · Insurance - Other			-			
21301 · Maintenance Structure Improvement	16,000.00	16,000.00	-	7,515.91	8,484.09	47%
Total 21301 · Maintenance Structure Improvement			-			
21500 · Membership	8,000.00	8,000.00	-	6,415.00	1,585.00	80%
Total 21500 · Membership			-			
21700 · Office Expense - General	19,275.00	19,275.00	956.11	13,851.00	5,424.00	72%
03/07/2024 First Choice - Inv 188266 - 2024-02-29 Water Svc			79.27			
03/12/2024 2024-01 Stores Billing			331.11			
03/15/2024 ODP Business Solutions - Inv 351960059001 - Paper, Filters, & Brd Supplies			545.73			
Total 21700 · Office Expense - General			956.11			
21710 · Office Expense - Postage	20,000.00	20,000.00	3,476.45	14,765.06	5,234.94	74%
03/12/2024 2024-01 Mailroom Chgs			3,476.45			
Total 21710 · Office Expense - Postage			3,476.45			
21805 · Audits	65,000.00	65,000.00	-	49,000.00	16,000.00	75%
Total 21805 · Audits			-			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended March 31, 2024

Administrative Budget	Adopted	Current Budget	Expended 2024-03	Expended YTD	Bal Remaining	% Exp YTD
21808 · Board Membership	10,000.00	10,000.00	430.60	4,161.20	5,838.80	42%
03/12/2024 2024-02 Board Mtg Expenses			430.60			
Total 21808 · Board Membership			<u>430.60</u>			
21900 · Publications & Legal Notices	5,000.00	5,000.00	-	4,999.32	0.68	100%
Total 21900 · Publications & Legal Notices			<u>-</u>			
22300 · Spec Dept Exp - Other	750.00	750.00		206.87	543.13	28%
Total 22300 · Spec Dept Exp - Other			<u>-</u>			
22310 · Election Expense	30,000.00	30,000.00	-	5,541.41	24,458.59	18%
Total 22310 · Election Expense			<u>-</u>			
22327 · Spec Dept Exp - Cost Allocation	40,000.00	40,000.00	3,298.50	29,686.50	10,313.50	74%
03/12/2024 2024-03 Cost Alloc			3,298.50			
Total 22327 · Spec Dept Exp - Cost Allocation			<u>3,298.50</u>			
22500 · Transportation & Travel	250.00	250.00	-	52.86	197.14	21%
Total 22500 · Transportation & Travel			<u>-</u>			
22505 · Trans & Travel - Staff Development	4,000.00	4,000.00		149.00	3,851.00	4%
Total 22505 · Trans & Travel - Staff Development			<u>-</u>			
22515 · Trans & Travel - In State	40,000.00	40,000.00	7,329.52	21,693.52	18,306.48	54%
03/04/2024 CALAPRS - Accts RT 2024-04			150.00			
03/04/2024 CALAPRS - 2024 Mgt Academy			7,000.00			
03/18/2024 Rental Car - SACRS			179.52			
Total 22515 · Trans & Travel - In State			<u>7,329.52</u>			
22516 · Trans & Travel - Out of State	7,500.00	7,500.00	-	3,481.31	4,018.69	46%
Total 22516 · Trans & Travel - Out of State			<u>-</u>			
22600 · Utilities	20,000.00	20,000.00	1,657.26	13,363.17	6,636.83	67%
03/11/2024 City of Merced - March 2024 WS&G			187.28			
03/19/2024 PG&E - Feb 2024 Utility Billing			1,469.98			
Total 22600 · Utilities			<u>1,657.26</u>			
Depreciation Expense	27,000.00	27,000.00	-	-	27,000.00	
Total Administrative Budget	2,418,325.00	2,418,325.00	180,795.17	1,245,535.34	1,172,789.66	52%

Merced County Employees' Retirement Association
Quarterly Expense Report (Preliminary)
For the Fiscal Quarter Ended March 31, 2024

Non-Administrative Projection											
		Current							Remaining		
		Projection	Q1 Expended	Q1 %	Q2 Expended	Q2 %	Q3 Expended	Q3 %	Total Expended	Projected	% Exp
21800	Investment Expenses	\$ 3,740,500.00	\$ 211,914.69	6%	\$ 880,787.81	24%	\$ 511,537.46	14%	\$ 1,604,239.96	\$ 2,136,260.04	43%
21802	Actuarial Services	175,000.00	-	0%	30,620.00	17%	37,268.00	21%	67,888.00	107,112.00	39%
21812	Data Processing	102,000.00	17,892.45	18%	18,126.75	18%	16,336.21	16%	52,355.41	49,644.59	51%
21834	Legal Services	430,000.00	58,271.39	14%	89,926.14	21%	95,923.13	22%	244,120.66	185,879.34	57%
21840	Custodial Banking Services	150,000.00	5,624.75	4%	34,575.92	23%	3,160.84	2%	43,361.51	106,638.49	29%
22350	Software & Technology	505,000.00	149,237.34	30%	156,522.24	31%	37,822.19	7%	343,581.77	161,418.23	68%
	Depreciation Expense	250,000.00	-	0%	-	0%	-	0%	-	250,000.00	0%
Total Non-Administrative Items		<u>\$ 5,352,500.00</u>	<u>\$ 442,940.62</u>	<u>8%</u>	<u>\$ 1,210,558.86</u>	<u>23%</u>	<u>\$ 702,047.83</u>	<u>13%</u>	<u>\$ 2,355,547.31</u>	<u>\$ 2,996,952.69</u>	<u>44%</u>
Administrative Budget											
		Current							Remaining		
		Appropriation	Q1 Expended	Q1 %	Q2 Expended	Q2 %	Q3 Expended	Q3 %	Total Expended	Appropriation	% Exp
10110	Salaries & Wages	\$ 1,975,000.00	\$ 260,387.87	13%	\$ 315,391.43	16%	\$ 378,745.33	19%	\$ 954,524.63	\$ 1,020,475.37	48%
20600	Communications	9,800.00	1,502.26	15%	2,263.66	23%	1,678.64	17%	5,444.56	4,355.44	56%
20900	Household Expense	15,750.00	3,547.12	23%	2,933.56	19%	2,208.34	14%	8,689.02	7,060.98	55%
21000	Insurance-Other	105,000.00	101,995.00	97%	-	0%	-	0%	101,995.00	3,005.00	97%
21301	Maintenance Structure Improvement	16,000.00	1,804.00	11%	3,199.91	20%	2,512.00	16%	7,515.91	8,484.09	47%
21500	Membership	8,000.00	4,000.00	50%	1,805.00	23%	610.00	8%	6,415.00	1,585.00	80%
21700	Office Expense-General	19,275.00	7,000.66	36%	4,232.77	22%	2,618.07	14%	13,851.50	5,423.50	72%
21710	Office Expense-Postage	20,000.00	3,208.60	16%	6,217.96	31%	5,338.50	27%	14,765.06	5,234.94	74%
21805	Audits	65,000.00	-	0%	-	0%	49,000.00	75%	49,000.00	16,000.00	75%
21808	Board Membership	10,000.00	1,400.00	14%	1,900.00	19%	861.20	9%	4,161.20	5,838.80	42%
21900	Publications & Legal Notices	5,000.00	3,759.57	75%	-	0%	1,239.75	25%	4,999.32	0.68	100%
22300	Spec Dept Expense-Other	750.00	38.99	5%	-	0%	167.88	22%	206.87	543.13	28%
22310	Election Expense	30,000.00	-	0%	5,541.41	18%	-	0%	5,541.41	24,458.59	18%
22327	Spec Dept Exp-Cost Allocation	40,000.00	9,895.50	25%	9,895.50	25%	9,895.50	25%	29,686.50	10,313.50	74%
22500	Transportation & Travel	250.00	-	0%	52.86	21%	-	0%	52.86	197.14	21%
22505	Trans & Travel-Staff Development	4,000.00	149.00	4%	-	0%	-	0%	149.00	3,851.00	4%
22515	Trans & Travel-In State	40,000.00	150.00	0%	14,748.15	37%	6,795.37	17%	21,693.52	18,306.48	54%
22516	Trans & Travel-Out Of State	7,500.00	2,040.54	27%	1,440.77	19%	-	0%	3,481.31	4,018.69	46%
22600	Utilities	20,000.00	4,046.94	20%	4,753.92	24%	4,562.31	23%	13,363.17	6,636.83	67%
	Depreciation Expense	27,000.00	-	0%	-	0%	-	0%	-	27,000.00	0%
Total Administrative Budget		<u>\$ 2,418,325.00</u>	<u>\$ 404,926.05</u>	<u>17%</u>	<u>\$ 374,376.90</u>	<u>15%</u>	<u>\$ 466,232.89</u>	<u>19%</u>	<u>\$ 1,245,535.84</u>	<u>\$ 1,172,789.16</u>	<u>52%</u>
Total MercedCERA		<u>\$ 7,770,825.00</u>	<u>\$ 847,866.67</u>	<u>11%</u>	<u>\$ 1,584,935.76</u>	<u>20%</u>	<u>\$ 1,168,280.72</u>	<u>15%</u>	<u>\$ 3,601,083.15</u>	<u>\$ 4,169,741.85</u>	<u>46%</u>

Merced County Employees' Retirement Association
Non-Admin Expenses Prev Year Comparison (Preliminary)
For the Fiscal Quarter Ended March 31, 2024

	<u>Jan - Mar 24</u>	<u>Jan - Mar 23</u>	<u>\$ Change</u>	<u>% Change</u>
Expense				
62025 · Non-Administrative Expenses				
21800 · Investment Expenses				
IED0003 Mellon LC SIF	14,281.59	13,216.99	1,064.60	8.06%
IED0004 Mellon Dynamic	44,434.50	35,684.73	8,749.77	24.52%
IEE0006 Acadian Ex US SCF		25,776.00	(25,776.00)	-100.00%
IEE0007 Driehaus ISCG	28,174.00	25,436.00	2,738.00	10.76%
IEF0008 Wellington CBF		11,025.56	(11,025.56)	-100.00%
IEP0001 SSgA RAS		10,107.88	(10,107.88)	-100.00%
IER0001 UBS Realty Investors	50,541.79	62,799.89	(12,258.10)	-19.52%
IER0006 Taconic CRE II		37,808.22	(37,808.22)	-100.00%
IEX0015 KKR GII II		12,338.00	(12,338.00)	-100.00%
IEX0026 KKR GII III		8,566.00	(8,566.00)	-100.00%
IEX0038 Taconic MDOF III	43,163.52		43,163.52	100.00%
ISC002 Cliffwater LLC	66,666.66	99,999.99	(33,333.33)	-33.33%
ISL001 Nossaman - Investments	20,104.70	78,267.00	(58,162.30)	-74.31%
21800 Investment Expenses	139,626.24	32,147.35	107,478.89	334.33%
Total 21800 · Investment Expenses	511,537.46	564,040.46	(52,503.00)	-9.31%
21802 · Actuarial Services	37,268.00	67,646.00	(30,378.00)	-44.91%
21812 · Data Processing	16,336.21	16,511.62	(175.41)	-1.06%
21834 · Legal Services	95,923.13	65,106.50	30,816.63	47.33%
21840 · Custodial Banking Services	3,160.84	29,031.09	(25,870.25)	-89.11%
22350 · Software and Technology	37,822.19	38,613.22	(791.03)	-2.05%
Total 62025 · Non-Administrative Expenses	<u>\$ 702,047.83</u>	<u>\$ 780,948.89</u>	<u>\$ (78,901.06)</u>	-10.10%

Merced County Employees' Retirement Association

April 25, 2024

February Performance

Table of Contents

1. Economic and Market Update as of February 29, 2024
2. Performance Highlights as of February 29, 2024
3. Performance Update as of February 29, 2024
4. Disclaimer, Glossary, and Notes

Economic and Market Update

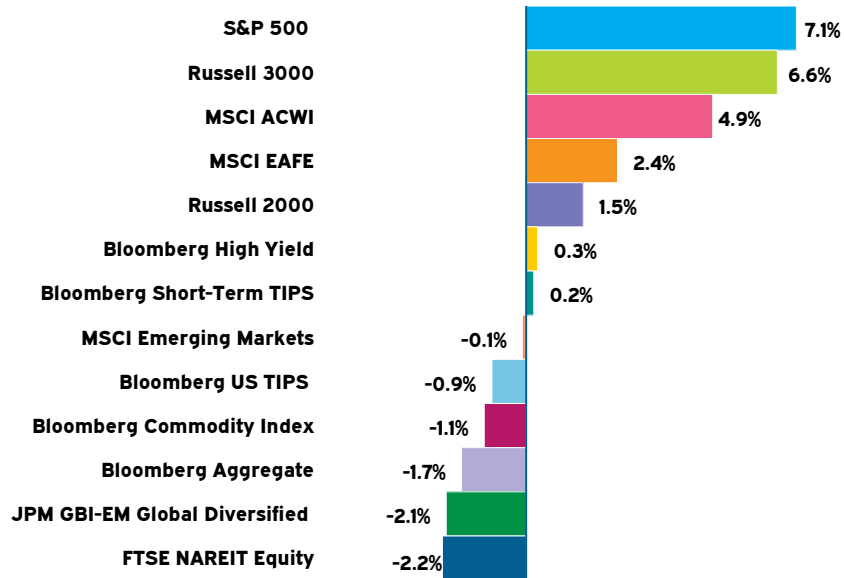
Data as of February 29, 2024

Commentary

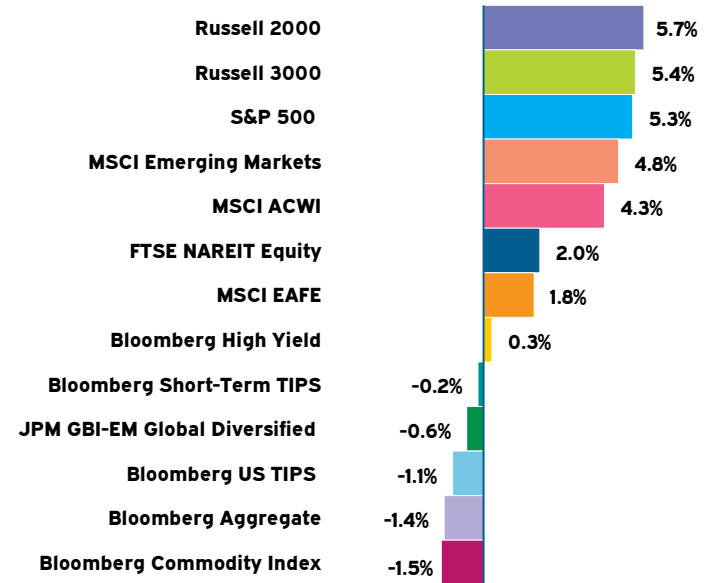
- Markets were mixed in February. Resilient economic data drove global equities higher and pushed out the timing of expected first rate cut, weighing on bonds.
- Major central banks have largely paused interest rate hikes with expectations that many will cut rates this year. The timing and pace of interest rate cuts has been downgraded for many economies given the continued strength of economic data and stubborn inflation.
 - In general, inflation pressures have eased in most countries, but some uncertainty remains and levels are still above central bank targets. Headline inflation in the US unexpectedly rose in February (3.1% to 3.2%), while core inflation fell (3.9% to 3.8%) but came in above expectations. Notably, China moved out of deflationary territory in February (0.7%) after four months of declining prices.
 - US equity markets (Russell 3000 index) rose 5.4% in February after a very strong 2023 (+26.0%). The technology and consumer discretionary sectors continued to perform well.
 - Non-US developed equity markets gained 1.8% in February, helped by Japanese equities which hit multi-decade highs during the month. A strengthening US dollar contributed to the weaker relative results for US investors in foreign markets.
 - Policy efforts to support mainland stock prices saw Chinese equities return 8.4%, driving emerging market equities higher (4.8%). The stronger dollar also weighed on emerging market equities with returns in local currency terms 0.3% higher.
 - Rising interest rates weighed on bonds with the broad US bond market declining 1.4% for the month.
- Looking to the rest of this year, the paths of inflation and monetary policy, China's economic disorder and slowing economic growth, the many looming elections, and the wars in Ukraine and Israel, will be key.

Index Returns¹

YTD



February



→ In February global equity markets produced strong results with the US leading the way.

→ Resilient economic data weighed on bond markets domestically and dashed any hopes of a near-term cut in interest rates.

¹ Source: Bloomberg. Data is as of February 29, 2024.

Domestic Equity Returns¹

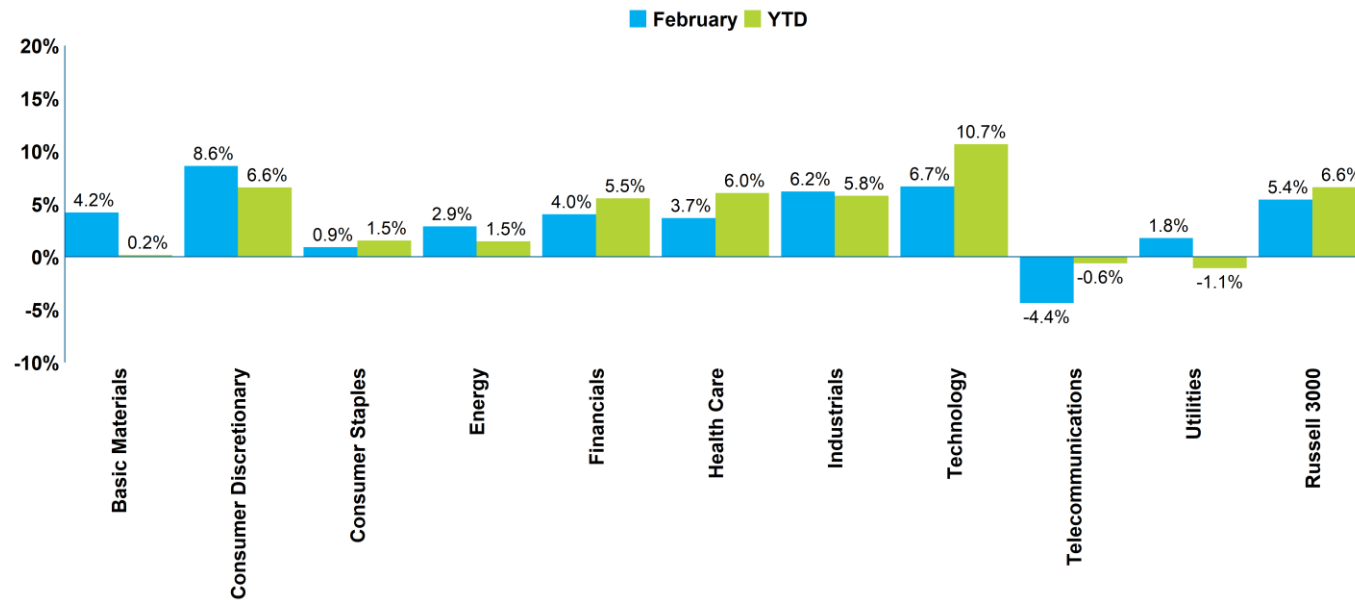
Domestic Equity	February (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	5.3	7.1	30.5	11.9	14.8	12.7
Russell 3000	5.4	6.6	28.6	9.9	13.9	12.0
Russell 1000	5.4	6.9	29.8	10.6	14.4	12.4
Russell 1000 Growth	6.8	9.5	45.9	12.5	18.8	15.6
Russell 1000 Value	3.7	3.8	14.0	8.4	9.4	8.7
Russell MidCap	5.6	4.1	15.5	5.5	10.3	9.4
Russell MidCap Growth	7.5	6.9	25.0	3.1	11.6	10.9
Russell MidCap Value	4.8	2.9	10.9	6.8	8.9	8.2
Russell 2000	5.7	1.5	10.0	-0.9	6.9	7.1
Russell 2000 Growth	8.1	4.7	14.2	-4.6	6.5	7.3
Russell 2000 Value	3.3	-1.4	5.6	2.5	6.6	6.5

US Equities: The Russell 3000 increased 5.4% in February bringing the year-to-date gain to 6.6%.

- US equities rose further during February, fueled by continued optimism over artificial intelligence related stocks and strong economic data. The highest quintile price-to-earnings stocks outperformed all other groups and accounted for half of the return of the Russell 3000 index.
- Small cap stocks slightly outperformed mid cap and large cap stocks.
- Growth outperformed value across the market cap spectrum, particularly in small cap.

¹ Source: Bloomberg. Data is as of February 29, 2024.

Russell 3000 Sector Returns¹



→ So far in 2024, the sectors that drove results last year continue to lead the way. Technology led by the so-called “Magnificent Seven” gained 10.7% through February, with the continued strength of the US consumer putting consumer discretionary second at 6.6%.

→ In February, all sectors except for telecommunications posted positive returns with consumer discretionary (+8.6%), technology (+6.7%), and industrials (+6.2%) leading the way. Traditionally defensive sectors like utilities (+1.8%) and consumer staples (+0.9%) trailed for the month.

¹ Source: Bloomberg. Data is as of February 29, 2024.

Foreign Equity Returns¹

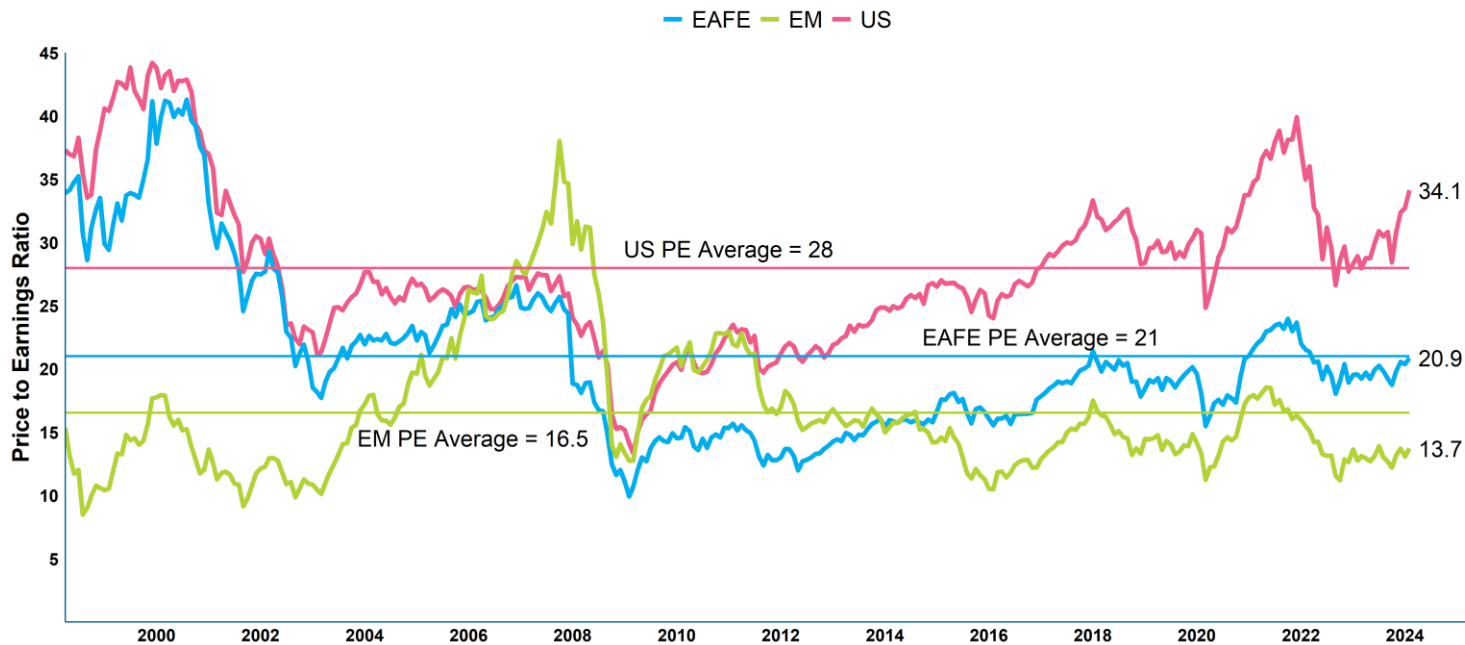
Foreign Equity	February (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	2.5	1.5	12.5	1.3	5.4	4.0
MSCI EAFE	1.8	2.4	14.4	4.4	6.8	4.4
MSCI EAFE (Local Currency)	3.0	5.7	14.8	9.8	8.8	7.2
MSCI EAFE Small Cap	0.4	-1.3	6.3	-1.8	4.2	4.3
MSCI Emerging Markets	4.8	-0.1	8.7	-6.3	1.9	3.0
MSCI Emerging Markets (Local Currency)	5.1	1.4	9.7	-3.6	4.0	5.6
MSCI China	8.4	-3.1	-14.1	-20.9	-6.1	1.0

Foreign Equity: Developed international equities (MSCI EAFE) gained 1.8% in February and had a year-to-date return of 2.4%. Emerging market equities (MSCI EM) rose 4.8% in February and are down slightly year-to-date (-0.1%).

- February saw solid positive performance in foreign developed markets, while emerging markets experienced stronger relative results driven by large gains in China.
- Eurozone equities underperformed in February relative to other developed markets, and the UK saw slightly negative returns. Hawkish statements from the ECB and BoE earlier in the month weighed on returns. Japan continued to perform strongly, with the Nikkei 225 surpassing its 1989 peak. A strong US dollar also hurt overall results for US investors with local currency returns 1.2% higher for the month.
- Emerging market equities benefitted from a strong rebound in China (the highest-performing country for the month at 8.4%). The Chinese recovery was driven by government buying programs, a cut on the five-year loan prime rate, new regulations on short-selling, and the Lunar New Year holiday's boost to consumer spending.

¹ Source: Bloomberg. Data is as of February 29, 2024.

Equity Cyclically Adjusted P/E Ratios¹



- In February, the US equity price-to-earnings ratio increased further above its 21st century average due to strong price appreciation.
- International market valuations rose slightly in February and remain well below the US. In the case of developed markets, valuations are now close to the long-term average, while emerging market valuations remain well below its long-term average.

¹ US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E – Source: Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years. Data is as of February 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.

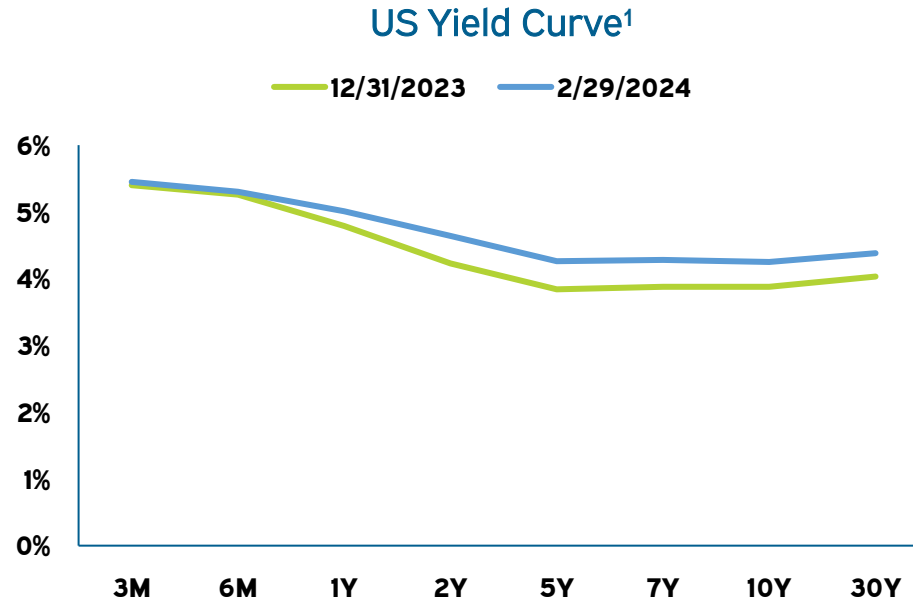
Fixed Income Returns¹

Fixed Income	February (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-1.2	-1.4	4.1	-2.8	0.8	1.7	5.2	6.0
Bloomberg Aggregate	-1.4	-1.7	3.3	-3.2	0.6	1.4	4.9	6.2
Bloomberg US TIPS	-1.1	-0.9	2.5	-0.9	2.7	2.1	4.6	6.9
Bloomberg Short-term TIPS	-0.2	0.2	4.5	2.2	3.2	1.9	4.8	2.5
Bloomberg High Yield	0.3	0.3	11.0	1.8	4.2	4.3	7.9	3.7
JPM GBI-EM Global Diversified (USD)	-0.6	-2.1	9.3	-2.6	-0.1	0.0	6.3	5.0

Fixed Income: The Bloomberg Universal index fell -1.2% in February bringing the year-to-date decline to -1.4%.

- Strong economic data for the last two months and comments by policy makers hinting that rate cuts were not imminent, drove rates up over the month and weighed on bond prices.
- The broad US bond market (Bloomberg Aggregate), as well as TIPS, fell due to the repricing of stronger growth expectations.
- High yield bonds, however, provided slightly positive returns as risk appetite remains robust for high yield credit.

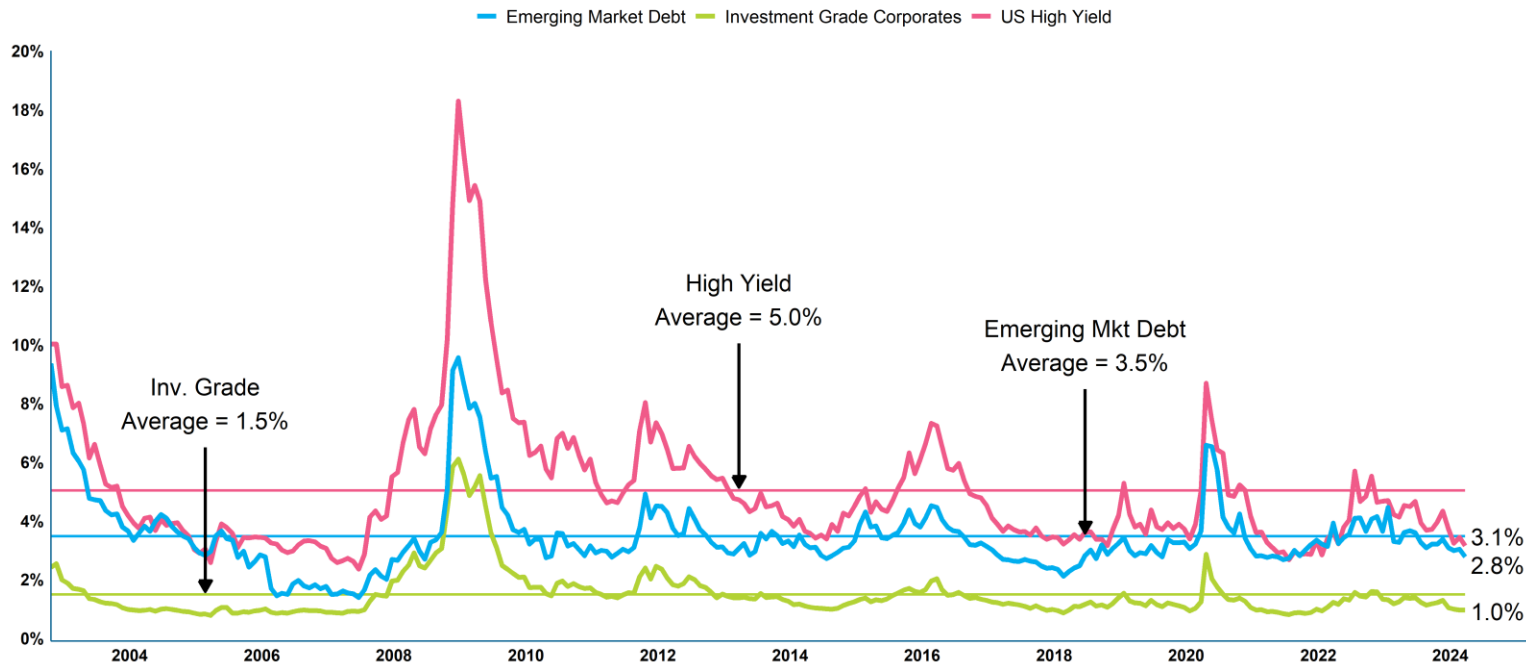
¹ Source: Bloomberg. JPM GBI-EM data is from InvestorForce. Data is as of February 29, 2024. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration respectively.



- Both short-term and long-term maturity yields ended the month higher, largely from strong economic data and shifts in monetary policy expectations.
- For the month, the more policy sensitive two-year Treasury yield increased from 4.2% to 4.6% while 10-year Treasury yields rose from 3.9% to 4.3%.
- The yield curve remained inverted at month-end despite a recent flattening trend. The yield spread between the two-year and ten-year Treasury was -0.37% at the end of February.

¹ Source: Bloomberg. Data is as of February 29, 2024.

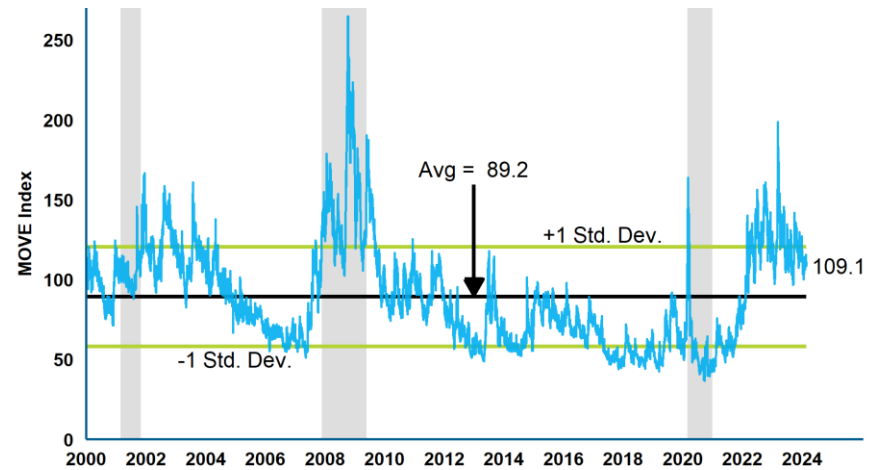
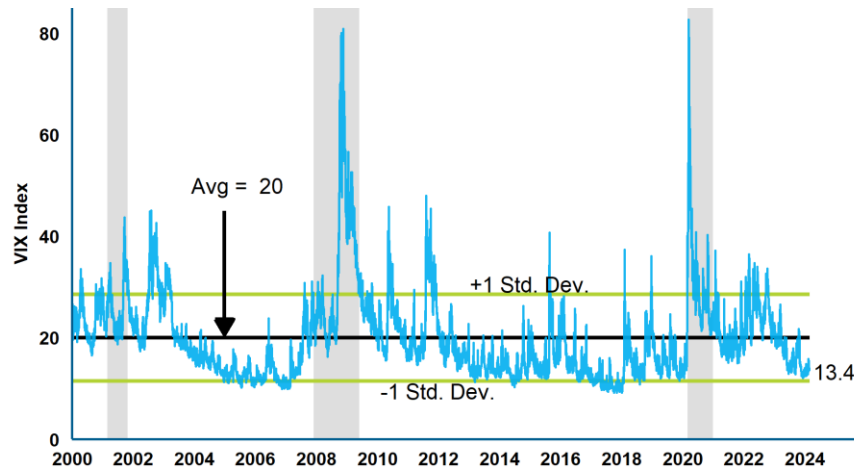
Credit Spreads vs. US Treasury Bonds¹



- A positive economic outlook along with expectations of lower interest rates has led to an increased risk appetite. This has benefited credit, with spreads (the added yield above a comparable maturity Treasury) narrowing.
- Credit spreads narrowed in February for high yield (3.4% to 3.1%) and emerging market bonds (3.0% to 2.8%) while spreads for investment grade corporate bonds remained the same.
- All spreads remain below their respective long-run averages, particularly within high yield.

¹ Source: Bloomberg. Data is as of February 29, 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.

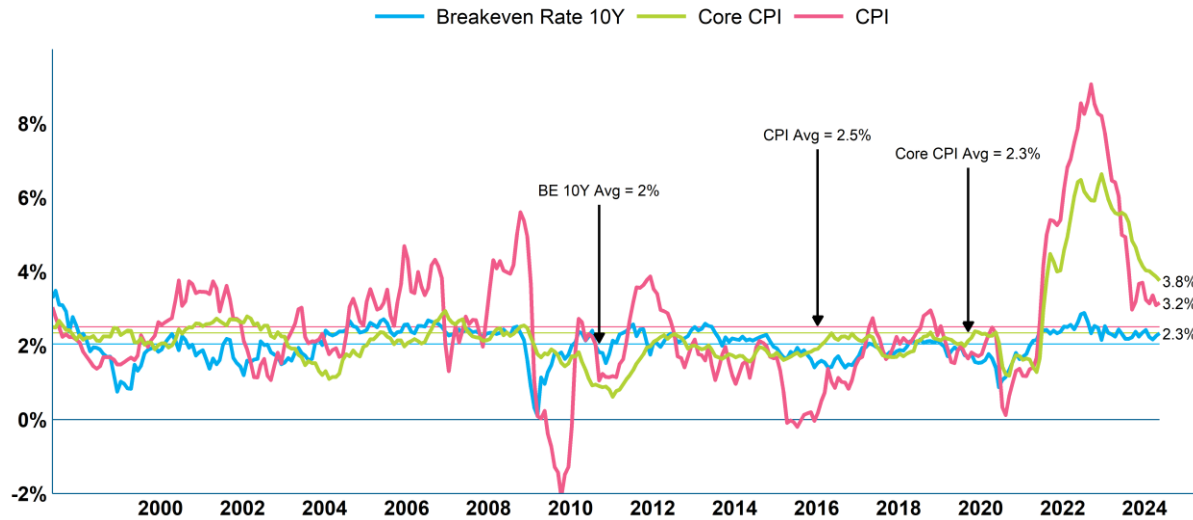
Equity and Fixed Income Volatility¹



- Volatility in equities (VIX) remains close to one standard deviation below the long-term average as the focus shifted late last year to peaking policy rates and the potential for a soft landing.
- Although volatility in the bond market (MOVE) remains above its long-run average (89.2) it has declined recently given falling inflation, growth expectations, and a likely cut in interest rates.

¹ 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 February 2024. The average line indicated is the average of the VIX and MOVE values between January 2000 and February 2024.

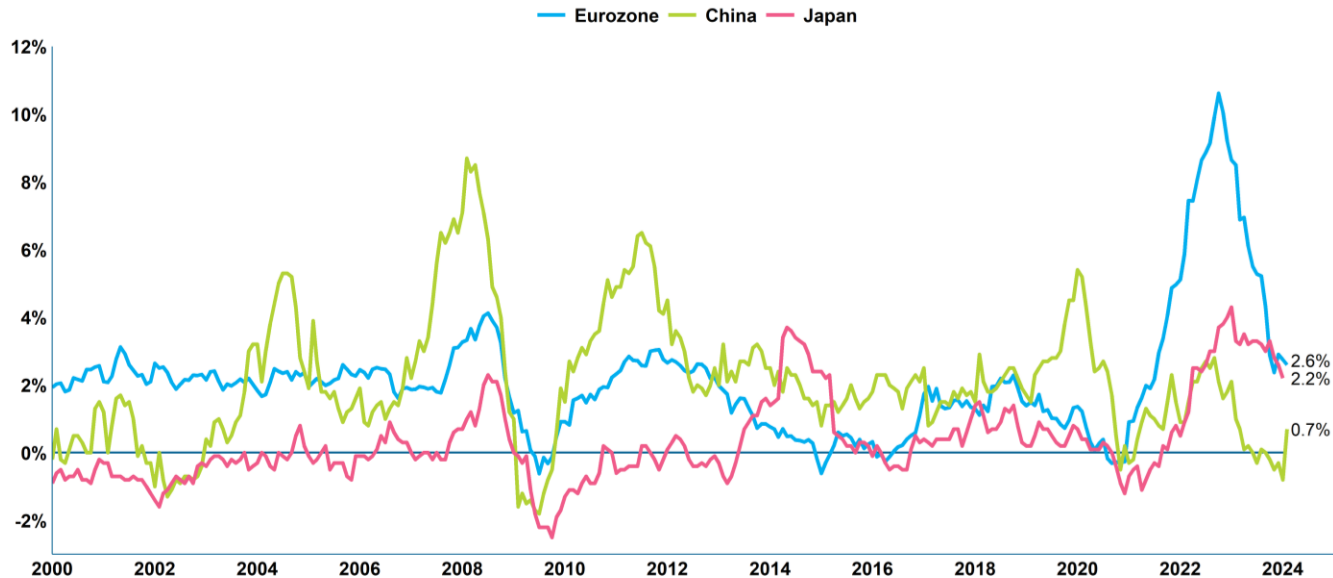
US Ten-Year Breakeven Inflation and CPI¹



- Year-over-year headline inflation rose in February (3.1% to 3.2%), coming in slightly above expectations. Inflation in services sectors, particularly shelter, remains a key reason consumer inflation is still above the Fed’s 2% average target.
- Month-over-month inflation rose to 0.4% from the 0.3% January reading again driven by shelter costs. Food prices were flat from a month prior, while increases in gas prices drove energy higher.
- Core inflation - excluding food and energy - fell slightly from 3.9% to 3.8 but also came in above expectations.
- Inflation expectations (breakevens) have remained stable despite the recent significant volatility in inflation.

¹ Source: FRED. Data is as February 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.

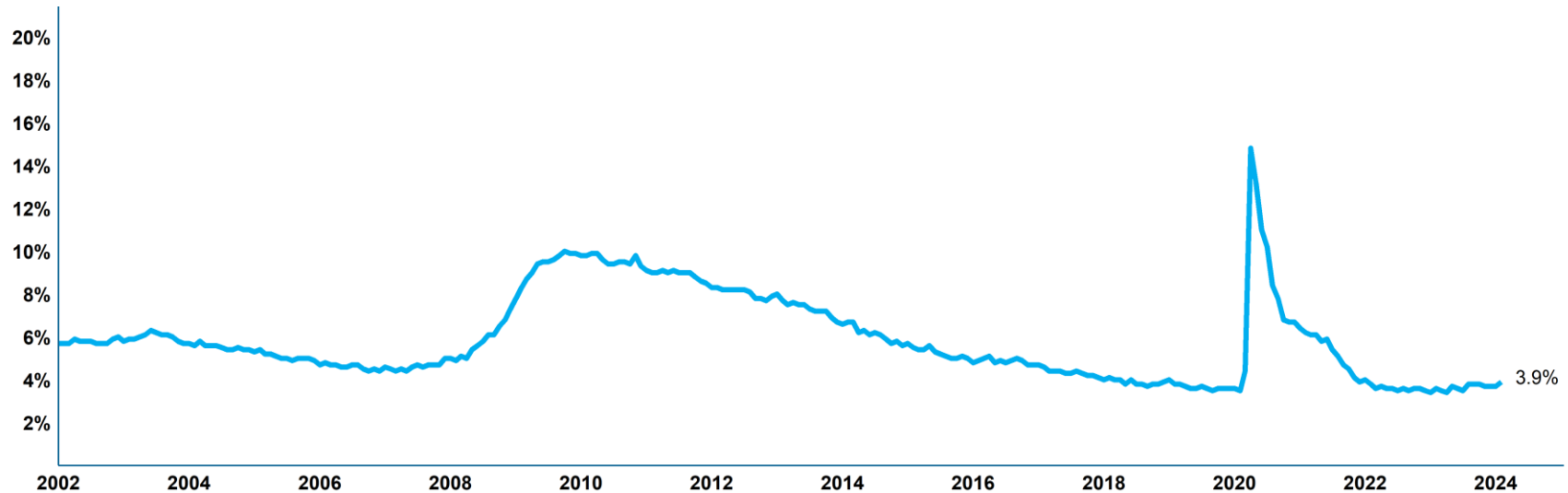
Global Inflation (CPI Trailing Twelve Months)¹



- Outside the US, inflation is also falling across major economies from the recent peaks.
- In the eurozone, prices experienced a dramatic decline last year but remains above the central bank’s 2% target. In February, inflation fell further (2.8% to 2.6%), a level below the 3.2% year-over-year reading in the US.
- Inflation in Japan has slowly declined from the early 2023 peak of 4.3%, but it remains near levels not seen in a decade, driven by food prices.
- China emerged from deflationary pressures in February with the first positive reading (0.7%) since last September, driven largely by spending during the Lunar New Year holiday.

¹ Source: FRED for United States CPI and Eurozone CPI. Source: Bloomberg for Japan CPI, China CPI, and Eurozone CPI. Data is as February 29, 2024, except Japan which is as of January 31, 2024.

US Unemployment¹

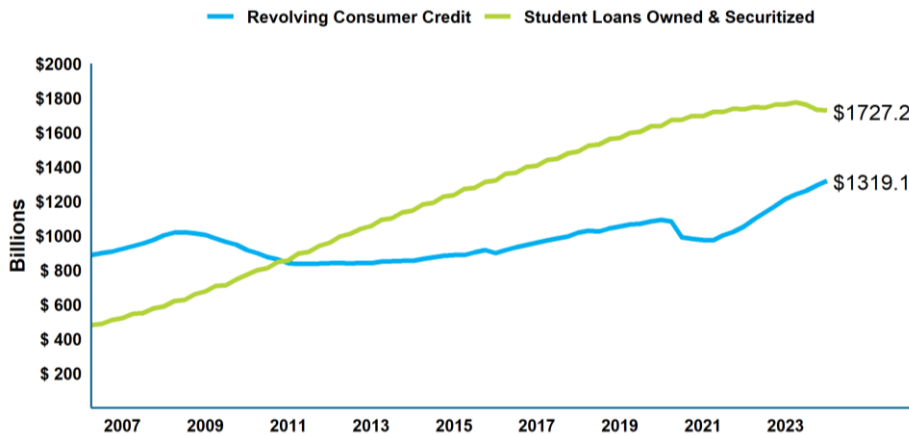


- Overall, the US labor market remains healthy, with the unemployment rate low, wage growth now positive in real terms, and initial claims for unemployment staying subdued.
- In February, the number of jobs added in the US was stronger than expected (275,000 versus 200,000) but with significant revisions to December and January data. The healthcare, government, and food service sectors added the most jobs for the month.
- The unemployment rate rose from 3.7% to 3.9%, while wage growth came in at 4.3% compared to a year prior, a level well off the 6.0% peak but above inflation levels.
- Quit rates have declined, and layoffs are stable, with 1.4 available workers per job opening.

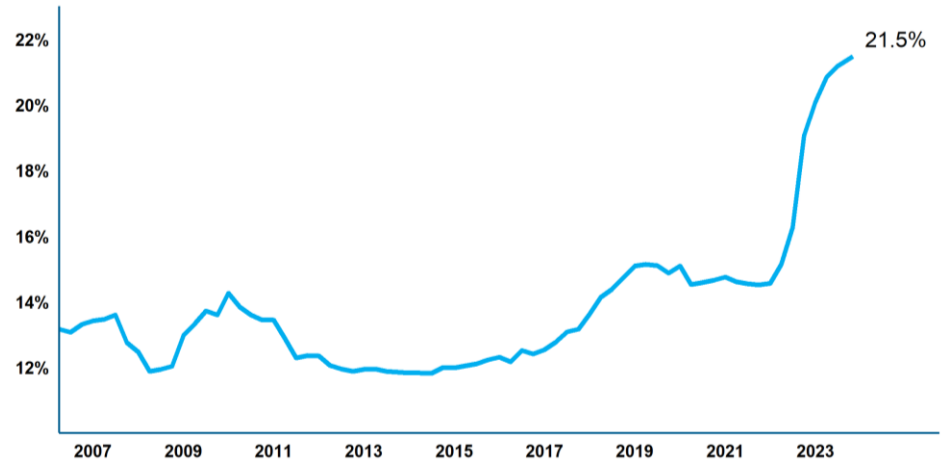
¹ Source: FRED. Data is as February 29, 2024.

US Consumer Under Stress?¹

Revolving Consumer Credit & Student Loans (\$B)



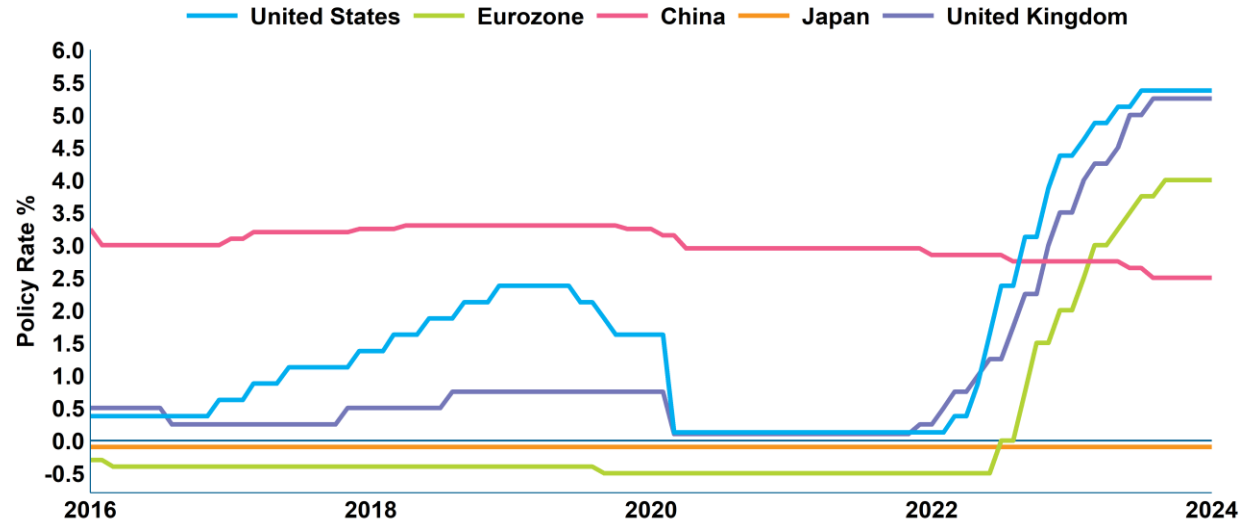
Consumer Credit Card Interest Rates (%)



- Despite the strong labor market and higher wages, pressures have started to build on the US consumer. This is an important consideration as consumer spending has been a key driver of economic growth.
- Revolving consumer credit surged to new highs in 2023 even as credit card interest rates hit levels not seen before (the prior peak was around 19% in the 1980s). Recently, we have also seen payment delinquencies on credit cards start to increase.
- The return of student loan repayments after a three-year pandemic-related reprieve could add to pressures on consumers' budgets. This might be partially mitigated by recently initiated repayment and forgiveness programs.
- As we look ahead, the strength of the US consumer will remain key as this sector makes up most of the domestic economy (GDP).

¹ Source: FRED. Data is as of December 31, 2023. Consumer Credit Card Rate data is as of November 30, 2023. Revolving Consumer Credit data is seasonally adjusted to remove distortions during the holiday season.

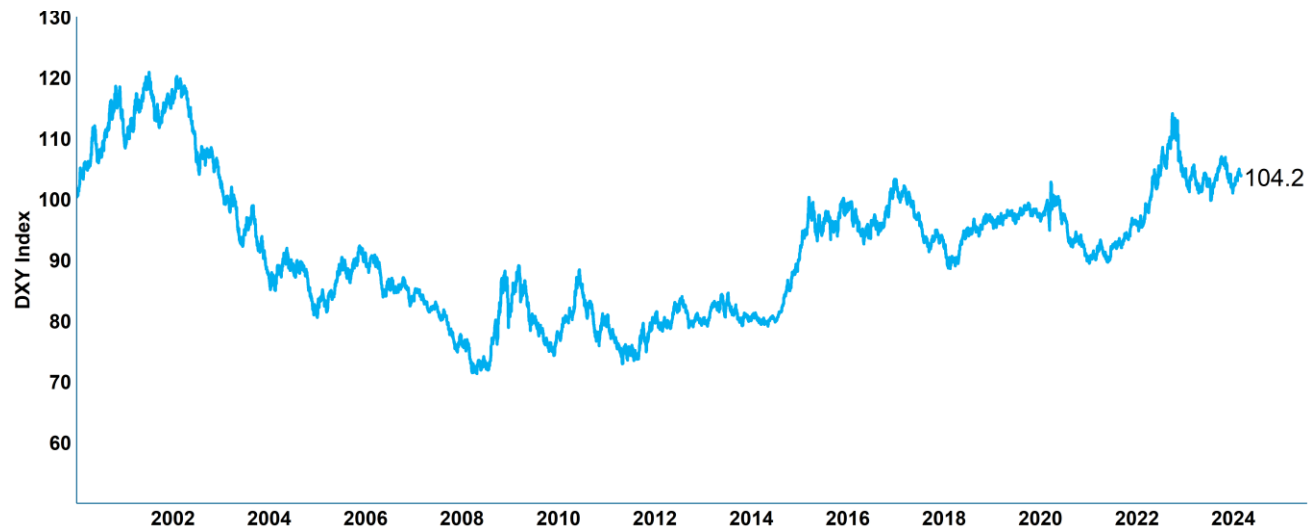
Policy Rates¹



- The Fed has been on hold since July 2023 when it raised rates to a range of 5.25%-5.50%. Markets are now pricing in slightly less than three rate cuts this year down from close to seven late last year as economic data has come in better than expectations. Market pricing for the first rate cut has also moved out from originally March to the summer or early fall.
- The European and UK central banks also recently paused their rate increases on slowing inflation with cuts likely to follow this year. In Japan, the BoJ has further relaxed its yield curve control on the 10-year bond, and expectations for further policy normalization are rising.
- The central bank in China has maintained interest rates at record low levels and continues to inject liquidity into the banking system, as weaker than expected economic data appears to indicate a widespread slowdown.

¹ Source: Bloomberg. Data is as of February 29, 2024.

US Dollar vs. Broad Currencies¹



- Overall, the dollar finished last year only slightly below where it started but it was a volatile year for the US currency as expectations related to monetary policy evolved.
- Strong economic data in the US may delay policy rate cuts this year, which could contribute to upward pressure on the dollar as other countries pivot to rate cuts.

¹ Source: Bloomberg. Data as of February 29, 2024.

Summary

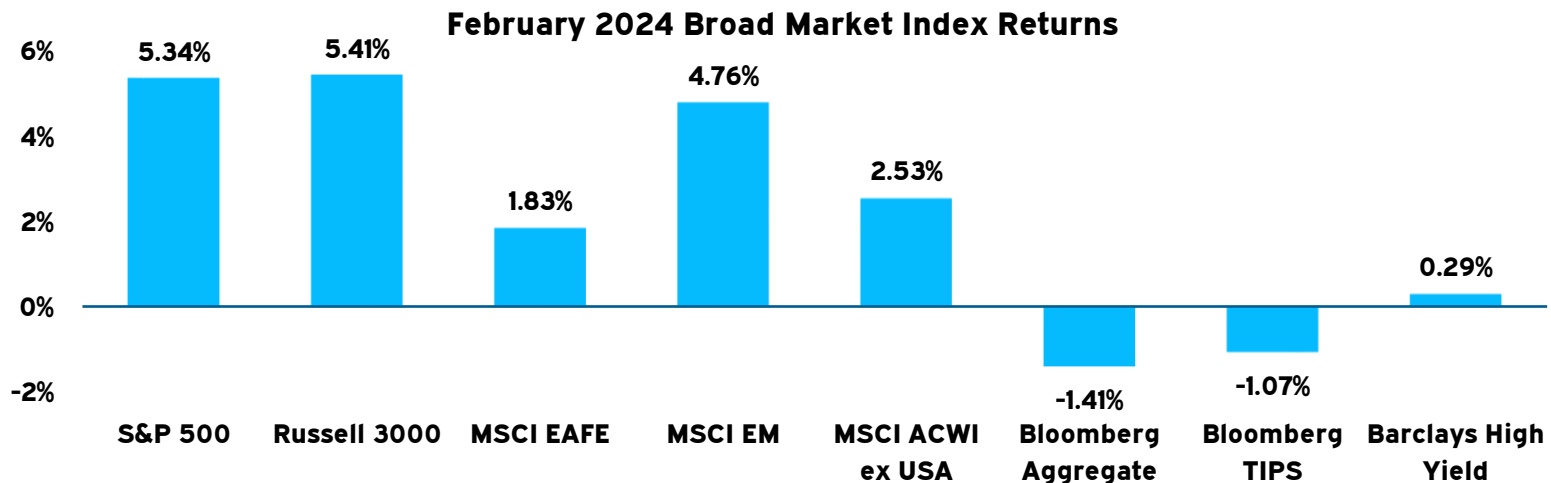
Key Trends:

- The impact of inflation still above policy targets will remain important, with bond market volatility likely to stay high.
- Global monetary policies could diverge going forward. The risk of policy errors remains elevated as central banks try to further reduce inflation toward targets while not tipping their economies into recession.
- Global growth is expected to slow this year, with some economies forecasted to enter recessions. However, optimism has been building that certain economies could experience soft landings. Inflation, monetary policy, and geopolitical issues will remain key in 2024.
- US consumers could feel pressure as certain components of inflation (e.g., shelter) remain high, borrowing costs are elevated, and the job market may weaken.
- A focus for US equities going forward will be whether earnings can remain resilient if growth continues to slow. Also, the future paths of the large technology companies that have driven market gains will be important.
- Equity valuations remain lower in emerging and developed markets, but risks remain, including China's economic uncertainty and on-going weakness in the real estate sector which could spill over into key trading partners' economies. Japan's recent hint at potentially tightening monetary policy along with changes in corporate governance in the country could influence relative results.

Performance Highlights

As of February 29, 2024

Market Review and Performance Summary for February 2024



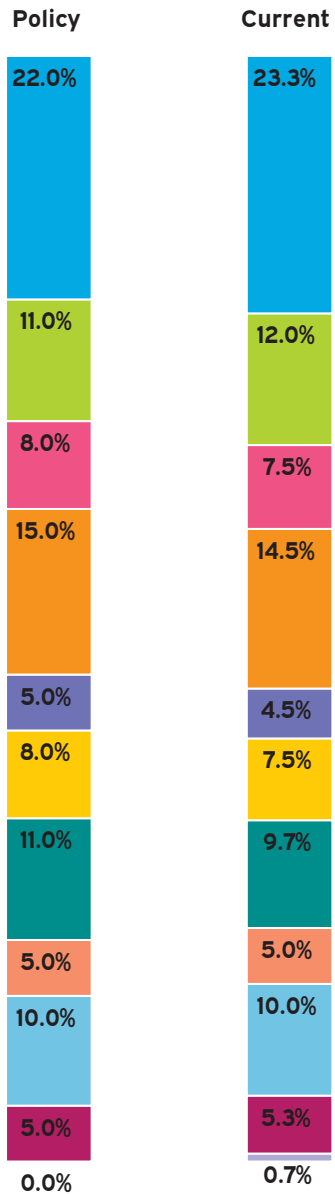
→ February saw mixed returns across the markets. Equities broadly saw strong positive returns on resilient economic data, while the same data weighed Fixed Incomes markets due to the implication of delayed rate cuts. Domestically, growth continued to outpace value stocks, while small cap slightly outpaced large cap. Developed International Equities saw strong returns as continued strong performance by Japanese equities contributed, though Emerging Markets outpaced primarily due to strong recovery from China, as their quantitative easing policies served as tailwinds for the period. Broad US Fixed Income saw continued declines from January due to the Fed hinting rate cuts were not imminent.

→ Merced CERA reported a monthly return of 2.1% net of fees. US Equities returned 5.3%, marginally trailing the index return of 5.4%. International Equities returned 4.6%, with both International Developed and Emerging Markets sleeve outpaced their respective indices. US Fixed Income returned -1.4%, marginally trailing its benchmark by 10 basis points. Opportunistic Credit posted 0.6% for the month, outpacing the blended benchmark by 1.0%.

→ As of February 29, 2024, total assets for the Merced CERA Portfolio are estimated at \$1.2 billion.

Performance Update
As of February 29, 2024

Total Fund | As of February 29, 2024



Allocation vs. Targets and Policy

	Current Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
US Equity	277,044,158	23.3	22.0	1.3	16.0 - 27.0	Yes
International Equity	142,593,711	12.0	11.0	1.0	6.0 - 16.0	Yes
Emerging Markets Equity	89,413,847	7.5	8.0	-0.5	4.0 - 12.0	Yes
Private Equity	172,266,910	14.5	15.0	-0.5	5.0 - 20.0	Yes
Direct Lending	53,345,634	4.5	5.0	-0.5	0.0 - 10.0	Yes
Real Estate	89,289,863	7.5	8.0	-0.5	6.0 - 10.0	Yes
US Fixed Income	116,074,815	9.7	11.0	-1.3	6.0 - 16.0	Yes
Opportunistic Credit	59,814,672	5.0	5.0	0.0	3.0 - 7.0	Yes
Hedge Funds	119,359,163	10.0	10.0	0.0	5.0 - 15.0	Yes
Real Assets	62,800,323	5.3	5.0	0.3	3.0 - 7.0	Yes
Cash	8,884,181	0.7	0.0	0.7	0.0 - 5.0	Yes
Total	1,190,887,278	100.0	100.0	0.0		

Asset Allocation & Performance | As of February 29, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund (Net)	1,190,887,278	100.0	2.1	2.3	2.3	7.1	11.8	4.9	8.5	7.1	8.0	Jan-95
Total Fund (Gross)			2.1	2.4	2.4	7.4	12.2	5.3	8.8	7.5	8.2	Jan-95
<i>Policy Index</i>			3.2	2.6	2.6	7.8	11.8	6.1	8.5	7.3	6.3	
Total Fund w/o Alternatives (Net)	684,941,204	57.5	3.5	3.9	3.9	9.9	17.3	2.9	8.5	7.1	--	Jan-08
Total Fund w/o Alternatives (Gross)			3.5	3.9	3.9	10.2	17.7	3.4	8.9	7.5	--	Jan-08
<i>Policy Index w/o AI</i>			2.7	2.2	2.2	8.4	14.7	2.6	7.0	6.4	--	
US Equity (Net)	277,044,158	23.3	5.3	6.4	6.4	14.6	27.1	9.5	13.3	12.1	10.5	Jan-95
US Equity (Gross)			5.3	6.4	6.4	14.7	27.4	9.8	13.5	12.3	10.6	Jan-95
<i>Russell 3000</i>			5.4	6.6	6.6	15.6	28.6	9.9	13.7	11.8	10.5	
International Equity (Net)	232,007,559	19.5	4.6	4.3	4.3	10.0	16.3	-1.5	8.5	5.3	5.8	Jan-99
International Equity (Gross)			4.7	4.4	4.4	10.6	17.2	-0.7	9.3	6.0	6.1	Jan-99
<i>International Equity Custom</i>			3.1	1.4	1.4	7.0	12.5	0.2	5.2	4.2	4.4	
Developed International Equity (Net)	142,593,711	12.0	3.6	4.2	4.2	11.4	16.8	5.0	8.4	5.0	4.6	Feb-08
Developed International Equity (Gross)			3.7	4.3	4.3	11.9	17.6	5.8	9.1	5.5	5.1	Feb-08
<i>Custom Blended Developed International Equity BM</i>			1.7	1.8	1.8	8.3	13.5	3.6	6.6	4.3	3.5	
Emerging Markets Equity (Net)	89,413,847	7.5	6.3	4.3	4.3	7.8	15.5	-10.8	7.2	6.2	5.0	May-12
Emerging Markets Equity (Gross)			6.4	4.5	4.5	8.6	16.6	-9.9	8.2	7.1	5.9	May-12
<i>MSCI EM</i>			4.8	-0.1	-0.1	4.6	8.7	-6.3	2.0	3.2	2.7	
US Fixed Income (Net)	116,074,815	9.7	-1.4	-1.5	-1.5	1.9	2.8	-3.5	0.1	1.3	4.3	Jan-95
US Fixed Income (Gross)			-1.4	-1.5	-1.5	2.0	2.9	-3.4	0.2	1.4	4.5	Jan-95
<i>US Fixed Income Custom Benchmark</i>			-1.3	-1.5	-1.5	1.8	3.4	-2.8	0.5	1.5	4.5	

Data Prior to March 2018 provided by prior consultant.

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	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Opportunistic Credit (Net)	59,814,672	5.0	0.6	1.6	1.6	7.1	10.7	4.1	--	--	5.1	May-19
Opportunistic Credit (Gross)			0.6	1.6	1.6	7.5	11.4	4.7	--	--	5.6	May-19
<i>50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever</i>			<i>-0.4</i>	<i>-0.4</i>	<i>-0.4</i>	<i>4.8</i>	<i>7.2</i>	<i>0.3</i>	--	--	<i>2.4</i>	
Real Estate (Net)	89,289,863	7.5	0.4	-0.6	-0.6	-0.5	-3.9	4.2	2.3	5.3	6.4	Dec-10
Real Estate (Gross)			0.4	-0.6	-0.6	-0.5	-3.9	4.2	2.3	5.7	7.4	Apr-99
<i>Custom Blended Real Estate Benchmark</i>			<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-4.5</i>	<i>-12.1</i>	<i>7.1</i>	<i>5.4</i>	<i>7.4</i>	<i>7.0</i>	
<i>CPI +5% (Seasonally Adjusted)</i>			<i>0.9</i>	<i>1.6</i>	<i>1.6</i>	<i>5.7</i>	<i>8.3</i>	<i>11.0</i>	<i>9.4</i>	<i>8.0</i>	<i>7.7</i>	
Private Real Estate (Net)	71,995,708	6.0	0.0	0.0	0.0	-1.7	-5.7	5.3	2.8	5.6	6.6	Dec-10
Private Real Estate (Gross)			0.0	0.0	0.0	-1.7	-5.7	5.4	2.8	6.0	7.5	Apr-99
<i>Custom Blended Real Estate Benchmark</i>			<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-4.5</i>	<i>-12.1</i>	<i>7.1</i>	<i>5.4</i>	<i>7.4</i>	<i>7.0</i>	
Private Equity (Net)	172,266,910	14.5	0.0	0.0	0.0	3.2	4.6	20.7	16.2	12.8	10.2	Jul-05
Private Equity (Gross)			0.0	0.0	0.0	3.2	4.6	20.7	16.2	12.8	10.3	Jul-05
<i>Custom Private Equity Benchmark</i>			<i>9.5</i>	<i>6.4</i>	<i>6.4</i>	<i>11.1</i>	<i>15.0</i>	<i>16.1</i>	<i>16.5</i>	<i>14.7</i>	--	
Direct Lending (Net)	53,345,634	4.5	0.0	0.0	0.0	5.6	10.4	9.0	--	--	9.6	Jul-20
Direct Lending (Gross)			0.0	0.0	0.0	5.6	10.4	9.0	--	--	9.6	Jul-20
<i>S&P LSTA Leveraged Loan +2%</i>			<i>1.1</i>	<i>1.9</i>	<i>1.9</i>	<i>9.5</i>	<i>13.7</i>	<i>7.8</i>	<i>7.4</i>	<i>6.6</i>	<i>9.5</i>	
Hedge Fund (Net)	119,359,163	10.0	1.1	2.2	2.2	5.6	6.3	4.2	5.4	--	4.5	Jul-14
Hedge Fund (Gross)			1.2	2.4	2.4	6.6	7.6	5.3	6.3	--	5.0	Jul-14
<i>Custom Blended Hedge Fund Benchmark</i>			<i>1.9</i>	<i>2.7</i>	<i>2.7</i>	<i>6.6</i>	<i>7.4</i>	<i>2.4</i>	<i>4.9</i>	--	<i>3.7</i>	
Real Assets (Net)	62,800,323	5.3	0.0	-0.2	-0.2	4.6	11.2	13.6	11.0	9.4	9.6	Dec-10
Real Assets (Gross)			0.0	-0.2	-0.2	4.6	11.3	13.8	11.2	9.9	10.1	Dec-10
<i>Custom Blended Real Assets Benchmark</i>			<i>-0.2</i>	<i>-4.4</i>	<i>-4.4</i>	<i>0.6</i>	<i>-0.6</i>	<i>7.8</i>	<i>4.7</i>	<i>6.6</i>	--	
<i>CPI +5% (Seasonally Adjusted)</i>			<i>0.9</i>	<i>1.6</i>	<i>1.6</i>	<i>5.7</i>	<i>8.3</i>	<i>11.0</i>	<i>9.4</i>	<i>8.0</i>	<i>7.8</i>	

Real Assets includes State Street Real Assets NL Fund.

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	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Infrastructure (Net)	32,233,051	2.7	0.0	0.0	0.0	3.4	12.3	12.3	12.5	--	9.8	Jan-15
Private Infrastructure (Gross)			0.0	0.0	0.0	3.4	12.3	12.5	12.6	--	9.9	Jan-15
<i>S&P Global Infrastructure</i>			<i>0.0</i>	<i>-3.1</i>	<i>-3.1</i>	<i>-0.4</i>	<i>1.9</i>	<i>5.4</i>	<i>4.4</i>	<i>5.0</i>	<i>4.5</i>	
Private Natural Resources (Net)	26,316,393	2.2	0.0	0.0	0.0	7.6	17.0	24.7	14.1	--	15.6	Oct-15
Private Natural Resources (Gross)			0.0	0.0	0.0	7.6	17.0	24.7	14.1	--	15.6	Oct-15
<i>S&P Global Natural Resources Sector Index (TR)</i>			<i>-0.4</i>	<i>-5.7</i>	<i>-5.7</i>	<i>1.3</i>	<i>-3.4</i>	<i>7.4</i>	<i>7.5</i>	<i>4.6</i>	<i>10.3</i>	
Cash (Net)	8,884,181	0.7	0.4	0.8	0.8	2.8	4.3	1.5	1.3	--	--	Dec-10
Cash (Gross)			0.4	0.8	0.8	2.8	4.3	1.5	1.3	--	--	Dec-10

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	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	1,190,887,278	100.0	2.1	2.3	2.3	7.1	11.8	4.9	8.5	7.1	8.0	Jan-95
<i>Policy Index</i>			<i>3.2</i>	<i>2.6</i>	<i>2.6</i>	<i>7.8</i>	<i>11.8</i>	<i>6.1</i>	<i>8.5</i>	<i>7.3</i>	<i>6.3</i>	
Total Fund w/o Alternatives	684,941,204	57.5	3.5	3.9	3.9	9.9	17.3	2.9	8.5	7.1	--	Jan-08
<i>Policy Index w/o AI</i>			<i>2.7</i>	<i>2.2</i>	<i>2.2</i>	<i>8.4</i>	<i>14.7</i>	<i>2.6</i>	<i>7.0</i>	<i>6.4</i>	<i>--</i>	
US Equity	277,044,158	23.3	5.3	6.4	6.4	14.6	27.1	9.5	13.3	12.1	10.5	Jan-95
<i>Russell 3000</i>			<i>5.4</i>	<i>6.6</i>	<i>6.6</i>	<i>15.6</i>	<i>28.6</i>	<i>9.9</i>	<i>13.7</i>	<i>11.8</i>	<i>10.5</i>	
BNY Mellon Newton Dynamic US Equity	62,885,313	5.3	5.2	7.0	7.0	14.8	28.5	10.6	14.7	13.8	15.8	Jan-13
<i>S&P 500 Index</i>			<i>5.3</i>	<i>7.1</i>	<i>7.1</i>	<i>15.7</i>	<i>30.5</i>	<i>11.9</i>	<i>14.8</i>	<i>12.7</i>	<i>14.2</i>	
BNY Mellon Large Cap	183,797,419	15.4	5.5	6.9	6.9	15.9	29.9	10.7	14.4	--	14.0	Apr-16
<i>Russell 1000 Index</i>			<i>5.4</i>	<i>6.9</i>	<i>6.9</i>	<i>15.9</i>	<i>29.8</i>	<i>10.7</i>	<i>14.4</i>	<i>12.4</i>	<i>14.0</i>	
Champlain Small Cap	30,361,426	2.5	4.7	2.3	2.3	6.1	8.5	-0.5	--	--	8.2	Nov-20
<i>Russell 2000 Index</i>			<i>5.7</i>	<i>1.5</i>	<i>1.5</i>	<i>9.9</i>	<i>10.0</i>	<i>-0.9</i>	<i>6.9</i>	<i>7.1</i>	<i>10.5</i>	
International Equity	232,007,559	19.5	4.6	4.3	4.3	10.0	16.3	-1.5	8.5	5.3	5.8	Jan-99
<i>International Equity Custom</i>			<i>3.1</i>	<i>1.4</i>	<i>1.4</i>	<i>7.0</i>	<i>12.5</i>	<i>0.2</i>	<i>5.2</i>	<i>4.2</i>	<i>4.4</i>	
Developed International Equity	142,593,711	12.0	3.6	4.2	4.2	11.4	16.8	5.0	8.4	5.0	4.6	Feb-08
<i>Custom Blended Developed International Equity BM</i>			<i>1.7</i>	<i>1.8</i>	<i>1.8</i>	<i>8.3</i>	<i>13.5</i>	<i>3.6</i>	<i>6.6</i>	<i>4.3</i>	<i>3.5</i>	
Acadian ACWI ex U.S. Small Cap Equity	15,892,250	1.3	2.2	2.5	2.5	10.3	11.4	4.8	--	--	9.3	May-19
<i>MSCI AC World ex USA Small Cap (Net)</i>			<i>1.0</i>	<i>-0.7</i>	<i>-0.7</i>	<i>7.5</i>	<i>9.9</i>	<i>0.1</i>	<i>5.7</i>	<i>4.5</i>	<i>5.4</i>	
Driehaus International Small Cap Growth	15,647,483	1.3	4.7	3.7	3.7	10.6	13.4	-0.7	--	--	8.5	May-19
<i>MSCI AC World ex USA Small Growth Index (Net)</i>			<i>1.9</i>	<i>-0.4</i>	<i>-0.4</i>	<i>5.7</i>	<i>9.0</i>	<i>-2.9</i>	<i>5.4</i>	<i>4.5</i>	<i>4.9</i>	
GQG International Equity	59,249,918	5.0	6.3	8.8	8.8	20.5	29.5	8.9	--	--	10.4	Dec-19
<i>MSCI AC World ex USA (Net)</i>			<i>2.5</i>	<i>1.5</i>	<i>1.5</i>	<i>7.2</i>	<i>12.5</i>	<i>1.3</i>	<i>5.4</i>	<i>4.0</i>	<i>4.9</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.

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	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
First Eagle International Value Fund <i>MSCI EAFE (Net)</i>	51,804,061	4.4	0.8	0.1	0.1	2.9	7.3	2.8	--	--	3.4	Dec-19
			1.8	2.4	2.4	8.4	14.4	4.4	6.8	4.4	6.0	
Emerging Markets Equity <i>MSCI EM</i>	89,413,847	7.5	6.3	4.3	4.3	7.8	15.5	-10.8	7.2	6.2	5.0	May-12
			4.8	-0.1	-0.1	4.6	8.7	-6.3	2.0	3.2	2.7	
Artisan Developing World TR <i>MSCI Emerging Markets (Net)</i>	64,050,067	5.4	7.7	7.3	7.3	11.4	22.0	-10.7	--	--	7.1	Dec-19
			4.8	-0.1	-0.1	4.6	8.7	-6.3	1.9	3.0	2.0	
RWC <i>MSCI Emerging Markets (Net)</i>	25,363,780	2.1	3.1	-2.6	-2.6	-0.2	1.7	-10.9	--	--	0.1	Dec-19
			4.8	-0.1	-0.1	4.6	8.7	-6.3	1.9	3.0	2.0	
US Fixed Income <i>US Fixed Income Custom Benchmark</i>	116,074,815	9.7	-1.4	-1.5	-1.5	1.9	2.8	-3.5	0.1	1.3	4.3	Jan-95
			-1.3	-1.5	-1.5	1.8	3.4	-2.8	0.5	1.5	4.5	
Vanguard Short-Term Treasury Index Fund <i>Blmbg. 1-3 Govt</i>	6,714,707	0.6	-0.4	-0.1	-0.1	3.2	4.2	-0.2	1.1	--	1.3	Mar-18
			-0.4	-0.1	-0.1	3.2	4.3	-0.1	1.2	1.0	1.4	
Vanguard Total Bond Market Index Fund <i>Blmbg. U.S. Aggregate Index</i>	17,691,979	1.5	-1.4	-1.6	-1.6	1.7	3.4	-3.1	--	--	0.2	May-19
			-1.4	-1.7	-1.7	1.6	3.3	-3.2	0.6	1.4	0.2	
Payden & Rygel Low Duration Fund <i>Blmbg. U.S. Treasury: 1-3 Year</i>	8,160,169	0.7	-0.5	0.0	0.0	3.9	4.5	--	--	--	6.2	Nov-22
			-0.4	-0.1	-0.1	3.2	4.3	-0.1	1.2	1.0	3.8	
Brandywine US Fixed Income <i>Blmbg. U.S. Aggregate Index</i>	33,409,369	2.8	-2.2	-2.5	-2.5	0.1	1.4	--	--	--	0.2	Nov-22
			-1.4	-1.7	-1.7	1.6	3.3	-3.2	0.6	1.4	5.3	
Wellington Core Bond <i>Blmbg. U.S. Aggregate Index</i>	50,098,591	4.2	-1.2	-1.2	-1.2	2.7	3.1	--	--	--	4.4	Nov-22
			-1.4	-1.7	-1.7	1.6	3.3	-3.2	0.6	1.4	5.3	

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

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	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Opportunistic Credit	59,814,672	5.0	0.6	1.6	1.6	7.1	10.7	4.1	--	--	5.1	May-19
<i>50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever</i>			-0.4	-0.4	-0.4	4.8	7.2	0.3	--	--	2.4	
PIMCO Income Fund	11,891,839	1.0	-0.5	0.1	0.1	5.4	7.9	1.2	--	--	2.7	May-19
<i>Blmbg. U.S. Aggregate Index</i>			-1.4	-1.7	-1.7	1.6	3.3	-3.2	0.6	1.4	0.2	
GoldenTree Multi-Sector Credit	26,345,717	2.2	1.0	2.1	2.1	9.5	12.1	4.4	--	--	5.5	Jun-19
<i>50% BBg US High Yield TR/50% Credit Suisse Leveraged Loans</i>			0.6	1.0	1.0	8.1	11.2	3.7	4.7	4.5	4.7	
Sculptor Credit Opportunities Domestic Partners, LP	392,565	0.0	0.0	0.0	0.0	0.0	7.0	6.0	--	--	9.0	Jul-20
<i>50% BBg US High Yield TR/50% Credit Suisse Leveraged Loans</i>			0.6	1.0	1.0	8.1	11.2	3.7	4.7	4.5	6.0	
OWS Credit Opportunity Fund LP	21,184,550	1.8	0.7	1.8	1.8	--	--	--	--	--	4.1	Oct-23
<i>50% BBg US High Yield TR/50% Credit Suisse Leveraged Loans</i>			0.6	1.0	1.0	8.1	11.2	3.7	4.7	4.5	6.0	
Real Estate	89,289,863	7.5	0.4	-0.6	-0.6	-0.5	-3.9	4.2	2.3	5.3	6.4	Dec-10
<i>Custom Blended Real Estate Benchmark</i>			0.0	0.0	0.0	-4.5	-12.1	7.1	5.4	7.4	8.8	
<i>CPI +5% (Seasonally Adjusted)</i>			0.9	1.6	1.6	5.7	8.3	11.0	9.4	8.0	7.8	
Vanguard REIT Index	17,294,155	1.5	2.0	-3.0	-3.0	4.8	4.3	2.8	--	--	5.2	Sep-20
<i>Spliced Vanguard REIT Benchmark</i>			2.0	-3.0	-3.0	4.8	4.4	2.9	4.3	6.2	5.3	
Private Real Estate	71,995,708	6.0	0.0	0.0	0.0	-1.7	-5.7	5.3	2.8	5.6	6.6	Dec-10
<i>Custom Blended Real Estate Benchmark</i>			0.0	0.0	0.0	-4.5	-12.1	7.1	5.4	7.4	8.8	
Greenfield Gap VII	853,435	0.1	0.0	0.0	0.0	5.4	-6.9	23.8	17.1	--	15.4	Jan-15
Patron Capital V	4,903,837	0.4	0.0	0.0	0.0	-13.2	-2.9	-12.1	-9.8	--	-0.5	Feb-16
UBS Trumbull Property	22,953,155	1.9	0.0	0.0	0.0	-5.1	-16.4	2.5	0.3	4.1	5.9	Apr-99
Carlyle Realty VIII	2,553,121	0.2	0.0	0.0	0.0	2.9	-5.0	41.4	28.3	--	10.1	Jan-18
Taconic CRE Dislocation Fund II	3,303,159	0.3	0.0	0.0	0.0	2.8	18.3	10.5	9.8	--	9.0	Nov-18

Sculptor market value reflects holdback from June liquidation.

All private markets performance and market values reflect a 9/30/2023 capital account balance unless otherwise noted.

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.

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	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Carmel Partners Investment Fund VII	4,260,352	0.4	0.0	0.0	0.0	1.1	-0.2	-0.8	--	--	-18.7	Apr-19
AG Realty Value Fund X, L.P.	3,432,821	0.3	0.0	0.0	0.0	-3.0	-3.9	12.9	--	--	4.9	Jun-19
Rockpoint Real Estate Fund VI, L.P.	4,594,861	0.4	0.0	0.0	0.0	-2.1	-4.1	13.8	--	--	9.0	May-20
Cerberus Real Estate Debt Fund, L.P.	4,848,756	0.4	0.0	0.0	0.0	7.4	9.5	7.2	--	--	10.4	Jul-20
Taconic CRE Dislocation Onshore Fund III	6,192,808	0.5	0.0	0.0	0.0	5.6	7.4	--	--	--	7.3	Jun-21
Starwood Distressed Opportunity Fund XII Global	4,013,209	0.3	0.0	0.0	0.0	-3.6	-7.4	--	--	--	89.2	Jun-21
Carlyle Realty Partners IX	1,872,093	0.2	0.0	0.0	0.0	4.5	-29.5	--	--	--	-157.4	Dec-21
Carmel Partners Investment Fund VIII	4,876,449	0.4	0.0	0.0	0.0	6.6	3.9	--	--	--	-5.3	Apr-22
Rockpoint Real Estate Fund VII L.P.	3,337,653	0.3	0.0	0.0	0.0	-0.9	8.6	--	--	--	7.8	Aug-22
Private Equity	172,266,910	14.5	0.0	0.0	0.0	3.2	4.6	20.7	16.2	12.8	10.2	Jul-05
<i>Custom Private Equity Benchmark</i>			<i>9.5</i>	<i>6.4</i>	<i>6.4</i>	<i>11.1</i>	<i>15.0</i>	<i>16.1</i>	<i>16.5</i>	<i>14.7</i>	<i>--</i>	
Taconic Credit Dislocation Fund IV L.P.	2,353,066	0.2	0.0	0.0	0.0	5.8	--	--	--	--	5.8	Jul-23
Khosla Ventures Seed F, L.P.	448,726	0.0	0.0	0.0	0.0	-4.7	--	--	--	--	-4.7	Jul-23
Adams Street	3,721,391	0.3	0.0	0.0	0.0	-3.8	-6.3	7.5	9.8	10.9	7.7	Oct-05
Invesco VI	477,377	0.0	0.0	0.0	0.0	-10.0	-29.4	15.8	16.3	14.8	14.0	Jul-13
Ocean Avenue II	6,494,757	0.5	0.0	0.0	0.0	-6.9	-14.9	38.7	26.8	--	19.8	Jul-14
Pantheon I	61,591	0.0	0.0	0.0	0.0	-1.7	0.1	-10.3	-13.8	-4.9	-1.5	Jan-06
Pantheon II	2,685,109	0.2	0.0	0.0	0.0	-2.1	-1.9	9.1	11.2	11.4	11.6	Jan-12
Pantheon Secondary	109,050	0.0	0.0	0.0	0.0	-1.4	-1.5	-10.0	-6.9	-1.9	0.4	Jul-07

Pantheon I includes Pantheon US Fund VI and Pantheon Europe Fund IV. Pantheon Europe Fund IV is adjusting from the 12/31/2022 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 February 29, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Davidson Kempner Long-Term Distressed Opportunities Fund IV	2,595,030	0.2	0.0	0.0	0.0	6.7	30.7	28.9	18.2	--	18.1	Apr-18
GTCR Fund XII	5,648,655	0.5	0.0	0.0	0.0	6.2	5.4	20.0	26.9	--	14.9	Jun-18
Carrick Capital Partners III	6,964,733	0.6	0.0	0.0	0.0	6.9	8.8	18.4	15.3	--	11.2	Aug-18
Cressey & Company Fund VI	5,244,612	0.4	0.0	0.0	0.0	-1.5	2.1	18.8	17.4	--	14.2	Jan-19
TCV X	6,528,208	0.5	0.0	0.0	0.0	4.9	6.9	18.9	--	--	16.1	Apr-19
Accel-KKR Growth Capital Partners III	4,782,037	0.4	0.0	0.0	0.0	-10.3	-6.0	15.3	--	--	6.4	Jul-19
Genstar Capital Partners IX	9,658,685	0.8	0.0	0.0	0.0	8.5	13.6	30.8	--	--	25.1	Aug-19
Cortec Group Fund VII	8,786,948	0.7	0.0	0.0	0.0	4.2	22.9	29.4	--	--	24.2	Dec-19
Spark Capital Growth Fund III	8,642,283	0.7	0.0	0.0	0.0	-1.6	-26.4	22.7	--	--	13.8	Mar-20
Spark Capital VI	3,632,166	0.3	0.0	0.0	0.0	40.2	36.0	13.4	--	--	6.4	Mar-20
Summit Partners Growth Equity Fund X-A	8,644,810	0.7	0.0	0.0	0.0	3.2	14.5	5.5	--	--	6.4	Mar-20
Taconic Market Dislocation Fund III L.P.	6,454,554	0.5	0.0	0.0	0.0	6.6	8.4	16.7	--	--	13.5	Jul-20
Marlin Heritage Europe II, L.P.	7,459,164	0.6	0.0	0.0	0.0	-1.1	13.3	-0.6	--	--	-0.5	Oct-20
Khosla Ventures VII	5,190,958	0.4	0.0	0.0	0.0	6.8	12.8	7.0	--	--	6.6	Jan-21
Accel-KKR Capital Partners VI	4,492,148	0.4	0.0	0.0	0.0	0.0	0.0	-4.6	--	--	-4.5	Feb-21
Khosla Ventures Seed E	2,208,889	0.2	0.0	0.0	0.0	7.9	15.6	109.7	--	--	105.6	Feb-21
TCV XI	5,091,383	0.4	0.0	0.0	0.0	-5.0	-9.0	-5.7	--	--	-5.6	Feb-21
Thoma Bravo Discover Fund III	9,015,559	0.8	0.0	0.0	0.0	4.1	8.0	--	--	--	6.4	Jun-21

Asset Allocation & Performance | As of February 29, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Summit Partners Venture Capital Fund V-A	3,177,638	0.3	0.0	0.0	0.0	3.5	4.5	--	--	--	-3.7	May-21
GTCR Fund XIII/A & B	4,240,987	0.4	0.0	0.0	0.0	5.5	1.0	--	--	--	75.1	Jun-21
Genstar Capital Partners X	7,786,073	0.7	0.0	0.0	0.0	-0.1	2.6	--	--	--	4.8	Oct-21
Nautic Partners X	4,450,318	0.4	0.0	0.0	0.0	12.7	20.1	--	--	--	6.1	Jan-22
Spark Capital Growth Fund IV	2,151,963	0.2	0.0	0.0	0.0	-4.1	45.1	--	--	--	11.4	Jan-22
Spark Capital VII	1,449,145	0.1	0.0	0.0	0.0	-3.3	-7.4	--	--	--	-6.8	Feb-22
TCV Velocity Fund I	3,833,228	0.3	0.0	0.0	0.0	61.7	46.6	--	--	--	0.3	Feb-22
Accel-KKR Growth Capital Partners IV	1,845,438	0.2	0.0	0.0	0.0	0.8	2.0	--	--	--	-14.5	Apr-22
Summit Partners Growth Equity Fund XI-A	2,227,231	0.2	0.0	0.0	0.0	4.2	16.1	--	--	--	-37.7	Apr-22
GTCR Strategic Growth Fund I/A&B LP	1,810,542	0.2	0.0	0.0	0.0	6.3	-9.8	--	--	--	-31.9	Jul-22
Threshold Ventures IV LP	863,922	0.1	0.0	0.0	0.0	-7.9	-19.6	--	--	--	-20.3	Aug-22
Thoma Bravo Discovery Fund IV	4,823,186	0.4	0.0	0.0	0.0	4.1	13.4	--	--	--	11.4	Jan-23
Marlin Heritage III	1,809,519	0.2	0.0	0.0	0.0	-4.8	-84.0	--	--	--	-79.2	Jan-23
Cortec Group Fund VIII, L.P.	1,116,172	0.1	0.0	0.0	0.0	-14.0	--	--	--	--	-14.9	Apr-23
Khosla Ventures VIII	887,034	0.1	0.0	0.0	0.0	--	--	--	--	--	-1.9	Sep-23
Ares Capital Europe VI (D) Levered, L.P.	2,370,816	0.2	0.0	0.0	0.0	--	--	--	--	--	6.5	Nov-23
Genstar Capital Partners XI	31,809	0.0	0.0	0.0	0.0	--	--	--	--	--	0.0	Nov-23

Asset Allocation & Performance | As of February 29, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Direct Lending	53,345,634	4.5	0.0	0.0	0.0	5.6	10.4	9.0	--	--	9.6	Jul-20
<i>S&P LSTA Leveraged Loan +2%</i>			<i>1.1</i>	<i>1.9</i>	<i>1.9</i>	<i>9.5</i>	<i>13.7</i>	<i>7.8</i>	<i>7.4</i>	<i>6.6</i>	<i>9.5</i>	
Silver Point Specialty Credit Fund II, L.P.	6,460,614	0.5	0.0	0.0	0.0	5.5	12.4	9.4	--	--	9.9	Jul-20
Ares Senior Direct Lending Fund II	12,209,325	1.0	0.0	0.0	0.0	8.7	13.9	--	--	--	10.1	Jan-22
Varagon Capital Direct Lending Fund	13,054,558	1.1	0.0	0.0	0.0	5.0	5.8	--	--	--	2.2	Jan-22
AG Direct Lending Fund IV Annex	9,215,693	0.8	0.0	0.0	0.0	5.4	11.2	--	--	--	8.1	May-22
AG Direct Lending Fund V	4,587,820	0.4	0.0	0.0	0.0	3.9	9.9	--	--	--	7.2	Aug-22
Accel-KKR Credit Partners II LP	2,133,217	0.2	0.0	0.0	0.0	7.0	39.4	--	--	--	39.4	Mar-23
Silver Point Specialty Credit Fund III	5,684,406	0.5	0.0	0.0	0.0	1.5	-0.2	--	--	--	-0.2	Mar-23
Hedge Fund	119,359,163	10.0	1.1	2.2	2.2	5.6	6.3	4.2	5.4	--	4.5	Jul-14
<i>Custom Blended Hedge Fund Benchmark</i>			<i>1.9</i>	<i>2.7</i>	<i>2.7</i>	<i>6.6</i>	<i>7.4</i>	<i>2.4</i>	<i>4.9</i>	--	<i>3.7</i>	
Hudson Bay Fund	15,622,315	1.3	0.3	1.0	1.0	3.9	--	--	--	--	4.1	Jun-23
Sculptor (OZ) Domestic II	264,914	0.0	-0.1	-0.2	-0.2	-0.9	1.6	-2.2	4.3	--	4.9	Jul-14
Graham Absolute Return	10,534,463	0.9	1.0	3.9	3.9	9.1	5.1	7.7	5.9	--	5.1	Sep-17
Wellington-Archipelago	17,243,213	1.4	2.8	5.5	5.5	9.9	16.2	7.4	7.2	--	6.5	Sep-17
Marshall Wace Eureka	4,813,338	0.4	2.9	4.9	4.9	6.2	8.9	4.6	7.0	--	6.1	Dec-17
Silver Point Capital	19,566,387	1.6	1.6	2.3	2.3	4.2	6.5	8.9	9.8	--	8.0	Dec-17
Laurion Capital	13,883,078	1.2	1.1	-0.8	-0.8	2.8	1.4	0.3	9.0	--	8.7	Aug-18
Taconic Opportunity Fund	14,385,683	1.2	1.1	1.2	1.2	4.1	3.0	1.9	3.2	--	3.3	Jan-19

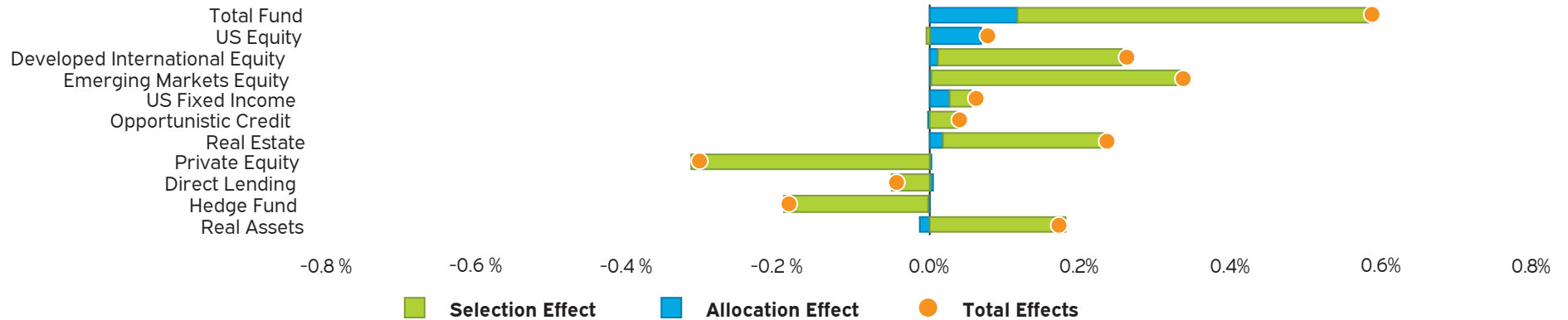
Asset Allocation & Performance | As of February 29, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Marshall Wace Global Opportunities	11,486,579	1.0	0.7	4.2	4.2	6.6	13.4	3.8	--	--	6.2	May-20
Caxton Global Investments	11,559,193	1.0	-1.4	-0.9	-0.9	5.8	-2.5	--	--	--	4.8	May-21
Real Assets	62,800,323	5.3	0.0	-0.2	-0.2	4.6	11.2	13.6	11.0	9.4	9.6	Dec-10
<i>Custom Blended Real Assets Benchmark</i>			<i>-0.2</i>	<i>-4.4</i>	<i>-4.4</i>	<i>0.6</i>	<i>-0.6</i>	<i>7.8</i>	<i>4.7</i>	<i>6.6</i>	<i>--</i>	
SSgA	4,250,879	0.4	-0.4	-3.0	-3.0	-0.4	-1.8	4.5	5.4	--	4.9	May-17
<i>Real Asset NL Custom Blended Index</i>			<i>-0.4</i>	<i>-2.9</i>	<i>-2.9</i>	<i>0.2</i>	<i>-1.2</i>	<i>4.8</i>	<i>5.5</i>	<i>--</i>	<i>5.1</i>	
Private Infrastructure	32,233,051	2.7	0.0	0.0	0.0	3.4	12.3	12.3	12.5	--	9.8	Jan-15
<i>S&P Global Infrastructure</i>			<i>0.0</i>	<i>-3.1</i>	<i>-3.1</i>	<i>-0.4</i>	<i>1.9</i>	<i>5.4</i>	<i>4.4</i>	<i>5.0</i>	<i>4.5</i>	
KKR Global II	3,426,301	0.3	0.0	0.0	0.0	4.3	22.2	21.5	22.0	--	16.5	Jan-15
North Haven Infrastructure II	2,619,297	0.2	0.0	0.0	0.0	-2.0	-2.5	9.0	8.5	--	7.5	Jun-15
ISQ Global Infrastructure Fund II	5,490,906	0.5	0.0	0.0	0.0	3.0	8.6	12.6	11.9	--	4.2	Jul-18
KKR Global Infrastructure Investors III	4,501,270	0.4	0.0	0.0	0.0	6.7	17.9	3.3	1.6	--	-0.7	Jan-19
Ardian Infrastructure Fund V	4,202,553	0.4	0.0	0.0	0.0	3.4	20.9	6.8	--	--	-7.1	Nov-19
ISQ Global Infrastructure Fund III	2,058,769	0.2	0.0	0.0	0.0	3.4	12.6	--	--	--	-462.7	Jun-21
KKR Global Infrastructure Investors IV	5,104,380	0.4	0.0	0.0	0.0	6.7	12.0	--	--	--	-218.6	Sep-21
BlackRock Global Infrastructure Fund IV	3,835,913	0.3	0.0	0.0	0.0	-1.5	-13.6	--	--	--	-11.0	Dec-22
Ardian Infrastructure Fund VI	993,662	0.1										

Asset Allocation & Performance | As of February 29, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Natural Resources	26,316,393	2.2	0.0	0.0	0.0	7.6	17.0	24.7	14.1	--	15.6	Oct-15
<i>S&P Global Natural Resources Sector Index (TR)</i>			<i>-0.4</i>	<i>-5.7</i>	<i>-5.7</i>	<i>1.3</i>	<i>-3.4</i>	<i>7.4</i>	<i>7.5</i>	<i>4.6</i>	<i>10.3</i>	
EnCap Flatrock Midstream Fund V	2,633,649	0.2	0.0	0.0	0.0	-4.9	--	--	--	--	-4.9	Jun-23
EnCap XI	5,077,521	0.4	0.0	0.0	0.0	18.2	30.0	36.6	8.6	--	-4.5	Aug-17
EnCap IV	1,689,488	0.1	0.0	0.0	0.0	3.0	5.5	50.6	32.1	--	22.4	Mar-18
GSO Energy Opportunities	336,208	0.0	0.0	0.0	0.0	15.4	31.6	44.5	21.2	--	19.6	Dec-15
Taurus Mining	338,345	0.0	0.0	0.0	0.0	-3.8	4.1	50.1	27.1	--	23.5	Oct-15
Taurus Mining Annex	176,371	0.0	0.0	0.0	0.0	-4.9	2.0	18.5	18.0	--	22.2	Feb-17
BlackRock Global Energy and Power Infrastructure Fund III LP	4,695,627	0.4	0.0	0.0	0.0	2.9	10.7	8.3	--	--	13.0	Aug-19
Tailwater Energy Fund IV, LP	4,029,367	0.3	0.0	0.0	0.0	0.5	16.7	25.3	--	--	5.9	Oct-19
Carnelian Energy Capital IV	4,252,970	0.4	0.0	0.0	0.0	13.4	16.3	--	--	--	2.3	May-22
EnCap Energy Capital Fund XII	3,086,847	0.3	0.0	0.0	0.0	--	--	--	--	--	14.4	Aug-23
Cash	8,884,181	0.7	0.4	0.8	0.8	2.8	4.3	1.5	1.3	--	--	Dec-10
Cash	6,424,067	0.5	0.4	0.9	0.9	3.2	4.8	1.7	1.5	1.1	-1.2	Dec-10
Treasury Cash	2,460,114	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--	0.1	Sep-17

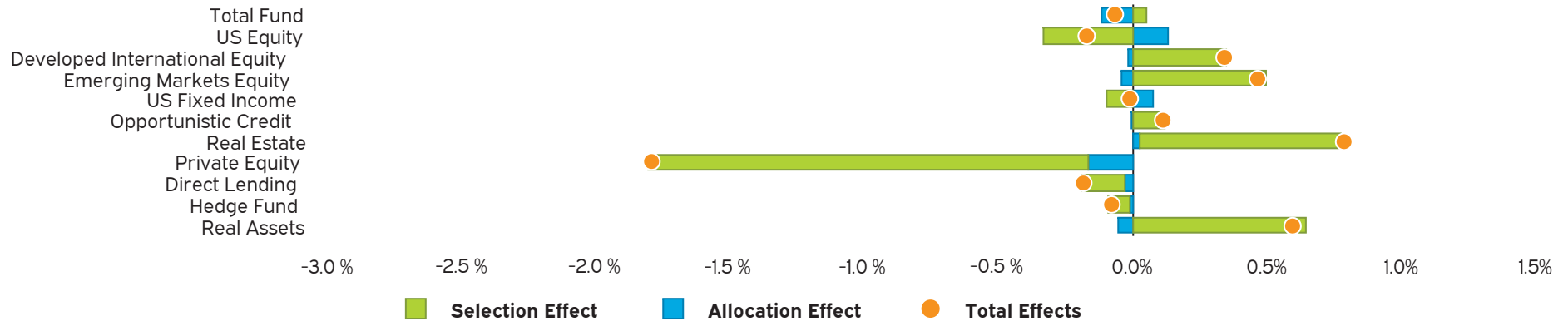
Attribution Effects 3 Months Ending February 29, 2024



Attribution Summary 3 Months Ending February 29, 2024

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Total Effect (%)
US Equity	12.3	12.2	0.0	0.0	0.1	0.1
Developed International Equity	9.6	7.4	2.2	0.2	0.0	0.3
Emerging Markets Equity	8.4	3.8	4.6	0.3	0.0	0.3
US Fixed Income	2.3	2.0	0.3	0.0	0.0	0.1
Opportunistic Credit	3.7	2.9	0.8	0.0	0.0	0.0
Real Estate	0.8	-1.9	2.7	0.2	0.0	0.2
Private Equity	0.5	2.1	-1.6	-0.3	0.0	-0.3
Direct Lending	2.8	3.8	-1.0	-0.1	0.0	0.0
Hedge Fund	3.1	4.9	-1.8	-0.2	0.0	-0.2
Real Assets	3.0	-0.5	3.5	0.2	0.0	0.2
Total Fund	5.6	5.0	0.6	0.5	0.1	0.6

Attribution Effects 1 Year Ending February 29, 2024



Attribution Summary 1 Year Ending February 29, 2024

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Total Effect (%)
US Equity	27.1	28.6	-1.5	-0.3	0.1	-0.2
Developed International Equity	16.8	13.5	3.3	0.3	0.0	0.3
Emerging Markets Equity	15.5	8.7	6.7	0.5	0.0	0.5
US Fixed Income	2.8	3.4	-0.6	-0.1	0.1	0.0
Opportunistic Credit	10.7	7.2	3.5	0.1	0.0	0.1
Real Estate	-3.9	-12.1	8.2	0.8	0.0	0.8
Private Equity	4.6	15.0	-10.4	-1.6	-0.2	-1.8
Direct Lending	10.4	13.7	-3.3	-0.2	0.0	-0.2
Hedge Fund	6.3	7.5	-1.1	-0.1	0.0	-0.1
Real Assets	11.2	-0.6	11.9	0.6	-0.1	0.6
Total Fund	11.8	11.8	-0.1	0.1	-0.1	-0.1

Benchmark History

From Date	To Date	Benchmark
Total Fund		
01/01/2022	Present	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
US Equity		
01/01/2020	Present	100.0% Russell 3000 Index
12/31/1994	01/01/2020	100.0% Russell 3000
International Equity		
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
07/01/2013	01/01/2017	100.0% MSCI AC World ex USA index
US Fixed Income		
12/01/1994	Present	10.0% Blmbg. U.S. Treasury: 1-3 Year, 90.0% BBgBarc US Aggregate TR

From Date	To Date	Benchmark
Hedge Fund		
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
Real Assets		
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
SSgA		
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 LargeMidcap Resources & Commodities Ind, 25.0% Blmbg. U.S. TIPS
Private Real Estate		
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)
Private Equity		
01/01/2022	Present	100.0% Custom PE BM (Jan 2022 -) 1Q Lag
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
Total Fund		1,190,887,278		
Total Fund w/o Alternatives		684,941,204		
US Equity		277,044,158		
BNY Mellon Newton Dynamic US Equity	0.30 % of Assets	62,885,313	0.30	188,656
BNY Mellon Large Cap	0.04 % of First \$100 M 0.02 % Thereafter	183,797,419	0.03	56,759
Champlain Small Cap	1.00 % of Assets	30,361,426	1.00	303,614
International Equity		232,007,559		
Developed International Equity		142,593,711		
Acadian ACWI ex U.S. Small Cap Equity	0.99 % of Assets	15,892,250	0.99	157,333
Driehaus International Small Cap Growth	0.90 % of Assets	15,647,483	0.90	140,827
GQG International Equity	0.50 % of Assets	59,249,918	0.50	296,250
First Eagle International Value Fund	0.79 % of Assets	51,804,061	0.79	409,252
Emerging Markets Equity		89,413,847		
Artisan Developing World TR	1.05 % of Assets	64,050,067	1.05	672,526
RWC	0.87 % of Assets	25,363,780	0.87	220,665
MCERA US FIXED+OPP CREDIT		175,889,487		
US Fixed Income		116,074,815		
Vanguard Short-Term Treasury Index Fund	0.05 % of Assets	6,714,707	0.05	3,357
Vanguard Total Bond Market Index Fund	0.04 % of Assets	17,691,979	0.04	6,192
Payden & Rygel Low Duration Fund	0.43 % of Assets	8,160,169	0.43	35,089
Brandywine US Fixed Income	0.29 % of Assets	33,409,369	0.29	96,887
Wellington Core Bond	0.12 % of Assets	50,098,591	0.12	60,118
Opportunistic Credit		59,814,672		
PIMCO Income Fund	0.51 % of Assets	11,891,839	0.51	60,648
GoldenTree Multi-Sector Credit	0.70 % of Assets	26,345,717	0.70	184,420
Sculptor Credit Opportunities Domestic Partners, LP	Performance Based 1.00 % and 20.00 %	392,565	1.00	3,926

Fee Schedule | As of February 29, 2024

Fee Schedule	Market Value	Estimated Annual Fee (%)	Estimated Expense	
OWS Credit Opportunity Fund LP	21,184,550	-	-	
Real Estate	89,289,863			
Vanguard REIT Index	0.10 % of Assets	17,294,155	0.10	17,294
Private Real Estate	71,995,708			
Greenfield Gap VII	853,435	-	-	
Patron Capital V	4,903,837	-	-	
UBS Trumbull Property	22,953,155	-	-	
Carlyle Realty VIII	2,553,121	-	-	
Taconic CRE Dislocation Fund II	3,303,159	-	-	
Carmel Partners Investment Fund VII	4,260,352	-	-	
AG Realty Value Fund X, L.P.	3,432,821	-	-	
Rockpoint Real Estate Fund VI, L.P.	4,594,861	-	-	
Cerberus Real Estate Debt Fund, L.P.	4,848,756	-	-	
Taconic CRE Dislocation Onshore Fund III	6,192,808	-	-	
Starwood Distressed Opportunity Fund XII Global	4,013,209	-	-	
Carlyle Realty Partners IX	1,872,093	-	-	
Carmel Partners Investment Fund VIII	4,876,449	-	-	
Rockpoint Real Estate Fund VII L.P.	3,337,653	-	-	
Private Equity	172,266,910			
Adams Street	3,721,391	-	-	
Invesco VI	477,377	-	-	
Ocean Avenue II	6,494,757	-	-	
Pantheon I	61,591	-	-	
Pantheon II	2,685,109	-	-	
Pantheon Secondary	109,050	-	-	
Davidson Kempner Long-Term Distressed Opportunities Fund IV	2,595,030	-	-	
GTCR Fund XII	5,648,655	-	-	
Carrick Capital Partners III	6,964,733	-	-	
Cressey & Company Fund VI	5,244,612	-	-	

Fee Schedule | As of February 29, 2024

Fee Schedule	Market Value	Estimated Annual Fee (%)	Estimated Expense
TCV X	6,528,208	-	-
Accel-KKR Growth Capital Partners III	4,782,037	-	-
Genstar Capital Partners IX	9,658,685	-	-
Cortec Group Fund VII	8,786,948	-	-
Spark Capital Growth Fund III	8,642,283	-	-
Spark Capital VI	3,632,166	-	-
Summit Partners Growth Equity Fund X-A	8,644,810	-	-
Taconic Market Dislocation Fund III L.P.	6,454,554	-	-
Marlin Heritage Europe II, L.P.	7,459,164	-	-
Khosla Ventures VII	5,190,958	-	-
Accel-KKR Capital Partners VI	4,492,148	-	-
Khosla Ventures Seed E	2,208,889	-	-
TCV XI	5,091,383	-	-
Thoma Bravo Discover Fund III	9,015,559	-	-
Summit Partners Venture Capital Fund V-A	3,177,638	-	-
GTCR Fund XIII/A & B	4,240,987	-	-
Genstar Capital Partners X	7,786,073	-	-
Nautic Partners X	4,450,318	-	-
Spark Capital Growth Fund IV	2,151,963	-	-
Spark Capital VII	1,449,145	-	-
TCV Velocity Fund I	3,833,228	-	-
Accel-KKR Growth Capital Partners IV	1,845,438	-	-
Summit Partners Growth Equity Fund XI-A	2,227,231	-	-
GTCR Strategic Growth Fund I/A&B LP	1,810,542	-	-
Threshold Ventures IV LP	863,922	-	-
Thoma Bravo Discovery Fund IV	4,823,186	-	-
Marlin Heritage III	1,809,519	-	-
Cortec Group Fund VIII, L.P.	1,116,172	-	-
Khosla Ventures VIII	887,034	-	-

Fee Schedule | As of February 29, 2024

	Fee Schedule	Market Value	Estimated Annual Fee (%)	Estimated Expense
Direct Lending		53,345,634		
Silver Point Specialty Credit Fund II, L.P.		6,460,614	-	-
Ares Senior Direct Lending Fund II		12,209,325	-	-
Varagon Capital Direct Lending Fund		13,054,558	-	-
AG Direct Lending Fund IV Annex		9,215,693	-	-
AG Direct Lending Fund V		4,587,820	-	-
Accel-KKR Credit Partners II LP		2,133,217	-	-
Silver Point Specialty Credit Fund III		5,684,406	-	-
Hedge Fund		119,359,163		
Sculptor (OZ) Domestic II	Performance Based 1.50 % and 20.00 %	264,914	1.50	3,974
Graham Absolute Return	Performance Based 1.75 % and 20.00 %	10,534,463	1.75	184,353
Wellington-Archipelago	Performance Based 1.00 % and 20.00 %	17,243,213	1.00	172,432
Marshall Wace Eureka	Performance Based 2.00 % and 20.00 %	4,813,338	2.00	96,267
Silver Point Capital	Performance Based 1.50 % and 20.00 %	19,566,387	1.50	293,496
Laurion Capital	Performance Based 2.00 % and 20.00 %	13,883,078	2.00	277,662
Taconic Opportunity Fund	Performance Based 1.40 % and 20.00 %	14,385,683	1.40	201,400
Marshall Wace Global Opportunities	Performance Based 2.00 % and 20.00 %	11,486,579	2.00	229,732
Caxton Global Investments	Performance Based 1.95 % and 22.50 %	11,559,193	1.95	225,404
Real Assets		62,800,323		
SSgA	0.30 % of First \$50 M 0.27 % of Next \$50 M 0.25 % Thereafter Minimum Fee: \$20,000	4,250,879	0.47	20,000
Private Infrastructure		32,233,051		
KKR Global II		3,426,301	-	-
North Haven Infrastructure II		2,619,297	-	-
ISQ Global Infrastructure Fund II		5,490,906	-	-
KKR Global Infrastructure Investors III		4,501,270	-	-
Ardian Infrastructure Fund V		4,202,553	-	-

Fee Schedule | As of February 29, 2024

Fee Schedule	Market Value	Estimated Annual Fee (%)	Estimated Expense
ISQ Global Infrastructure Fund III	2,058,769	-	-
KKR Global Infrastructure Investors IV	5,104,380	-	-
BlackRock Global Infrastructure Fund IV	3,835,913	-	-
Ardian Infrastructure Fund VI	993,662	-	-
Private Natural Resources	26,316,393		
EnCap XI	5,077,521	-	-
EnCap IV	1,689,488	-	-
GSO Energy Opportunities	336,208	-	-
Taurus Mining	338,345	-	-
Taurus Mining Annex	176,371	-	-
BlackRock Global Energy and Power Infrastructure Fund III LP	4,695,627	-	-
Tailwater Energy Fund IV, LP	4,029,367	-	-
Carnelian Energy Capital IV	4,252,970	-	-
EnCap Energy Capital Fund XII	3,086,847	-	-
Cash	8,884,181		
Cash	6,424,067	-	-
Treasury Cash	2,460,114	-	-

Disclaimer, Glossary, and Notes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Merced County Employees' Retirement Association
New Headquarters Expenditure Report
Through the Month Ended March 31, 2024

MercedCERA New Headquarters Expenditures		
Land and Due Diligence Expenditures		
08/01/2019	Golden Valley Engineering - Inv 106670 - 2019-07 Due Diligence New Building	3,225.00
08/12/2019	Golden Valley Engineering - Inv 106727 - 2019-07 Due Diligence New Building	11,877.50
10/03/2019	Nossaman - Inv 500498 - 2019-08 - Real Estate Purchase Related Legal	3,707.55
10/10/2019	Golden Valley Engineering - Inv 106900 - 2019-09 Due Diligence New Building	3,277.50
10/23/2019	TransCounty Title - Purchase of Land for New MCERA Building	352,585.00
11/05/2019	Golden Valley Engineering - Inv 106900 - 2019-10 Due Diligence - New Building	9,357.25
11/05/2019	Nossaman - Inv 501678 - 2019-09 - Real Estate Purchase Related Legal	3,288.60
12/05/2019	Nossaman - Inv 502566 - 2019-10 - Real Estate Purchase Related Legal	5,481.91
01/30/2020	Golden Valley Engineering - Inv107252 - Thru 2020-01-11 Due Diligence - New Building	4,492.50
01/30/2020	Nossaman - Inv 503888 - 2019-11 - Real Estate Purchase Related Legal	2,506.67
01/30/2020	Nossaman - Inv 504751 - 2019-12 - Real Estate Purchase Related Legal	1,289.25
01/31/2020	Golden Valley Engineering - Inv107210 - Thru 2019-12-28 Due Diligence - New Building	4,572.50
02/07/2020	Golden Valley Engineering - Inv107301 - Thru 2020-01-25 Due Diligence - New Building	432.50
02/24/2020	Golden Valley Engineering - Inv107349 - Thru 2020-02-08 Due Diligence - New Building	1,140.00
03/10/2020	Golden Valley Engineering - Inv107387 - Thru 2020-02-22 Due Diligence - New Building	1,165.00
04/09/2020	Golden Valley Engineering - Inv107451 - Thru 2020-03-21 Due Diligence - New Building	2,132.50
06/29/2020	Golden Valley Engineering - Inv107881 - 2020-03-21 Thru 2020-06-21 Due Diligence - New Building	523.13
06/29/2020	Nossaman - Inv 505773 - 2020-01-Potential Real Estate Purchase by MCERA	987.45
08/21/2020	Golden Valley Engineering - Inv107881 - Thru 2020-07-25 Due Diligence - New Building	174.37
09/22/2020	Nossaman - Inv 513318 - 2020-08 - MCERA New Building	144.45
03/16/2021	Golden Valley Engineering - Inv 108508 - Thru 2021-02-20 Due Diligence - New Building	120.00
06/02/2021	Golden Valley Engineering - Inv 108836 - Thru 2021-05-15 Due Diligence - New Building	240.00
11/03/2021	Golden Valley Engineering - Inv 109356 - New Building Due Diligence thru 2021-10-16	180.00
11/10/2021	Golden Valley Engineering - Inv 109429 - New Bldg Due Diligence Thru 10/31/2021	1,928.00
03/01/2022	Nossaman - Inv 531558 - 2022-01 New Bldg Legal	2,740.05
06/08/2022	Nossaman - Inv 535102 - 2022-04 New Bldg	155.25
Total Land & Due Diligence Expenditures		417,723.93
Maintenance Expenditures		
12/04/2019	J & B Fencing - Inv 943 - 2019-11 Temp Fencing Installment	1,980.00
02/11/2020	Yard Masters - Inv16037 - 2020-01 - New Building Weed Abatement	250.00
06/29/2020	Yard Masters - Inv16825 - 2020-06 - New Building Weed Abatement	300.00
02/01/2021	J & B Fencing - Inv 1027 - 2 Months of Temp Fencing Rental	300.00
04/19/2021	J & B Fencing - Inv 1156 - 3 Months of Temp Fencing Rental (Feb, Mar, Apr)	450.00
11/03/2021	J & B Fencing - Inv 1329 - 2021-05 - 2021-11 Fencing at 19th & N.	1,050.00
03/17/2022	Yard Masters - Inv 20451 - Weed Control for New Bldg	950.00
06/20/2022	J & B Fencing - Inv 1453 - 2021-12 thru 2022-05 Fence Rental	900.00
08/16/2022	J & B Fencing - Inv 1472 - 2022-06 thru 2022-08 Fence Rental	450.00
09/21/2022	J & B Fencing - Inv 1501 - 2022-09 Fence Rental	350.00
12/09/2022	J&B Fencing - Inv 1548 - 2022-10 Thru 2022-12 Fence Rental	1,050.00
02/27/2023	J&B Fencing - Inv 1582 - 2023-01 Thru 2023-02 Fence Rental	700.00
04/28/2023	Yard Masters - Inv 23021 - Weed Abatement at New Building Lot	975.00
06/29/2023	J&B Fencing - Inv 1640 - 2023-03 thru 2023-06 Fencing	1,400.00
11/21/2023	J&B Fencing - Inv 1681 - 2023-07 thru 2023-09 Fencing	1,050.00
Total Maintenance Expenditures		12,155.00

Merced County Employees' Retirement Association
New Headquarters Expenditure Report
Through the Month Ended March 31, 2024

Architectural, Engineering, and Construction Expenditures (Budgeted per Hilbers Contract)

06/29/2022	Golden Valley Engineering - Inv 110079 - Prof Svcs thru 2022-06-20	18,862.50
06/29/2022	Golden Valley Engineering - Inv 110118 - Prof Svcs thru 2022-06-25	10,620.00
09/08/2022	Golden Valley Engineering - Inv 1101022 - Prof Svcs thru 2022-08-20	16,747.50
09/20/2022	Golden Valley Engineering - Inv 1100934 - Prof Svcs thru 2022-07-23	11,850.00
09/20/2022	Golden Valley Engineering - Inv 110157 - Prof Svcs thru 2022-07-09	7,007.50
09/21/2022	Golden Valley Engineering - Inv 1101056 - Prof Svcs thru 2022-09-03	6,672.50
10/07/2022	Golden Valley Engineering - Inv 1101130 - Prof Svcs thru 2022-10-01	10,577.50
10/31/2022	Golden Valley Engineering - Inv 1101081 - Prof Svcs thru 2022-09-17	10,480.00
10/31/2022	Golden Valley Engineering - Inv 1101217 - Prof Svcs thru 2022-10-15	16,850.50
11/08/2022	Golden Valley Engineering - Inv 1101255 - Prof Svcs thru 2022-10-29	12,092.50
11/23/2022	Golden Valley Engineering - Inv 1101329 - Prof Svcs thru 2022-11-12	19,325.00
12/06/2022	Golden Valley Engineering - Inv 1101374 - Prof Svcs thru 2022-11-26	14,042.50
12/29/2022	Golden Valley Engineering - Inv 1101434 - Prof Svcs thru 2022-12-23	27,410.50
02/01/2023	Golden Valley Engineering - Inv 1101432 - Prof Svcs thru 2022-12-10	26,499.50
02/01/2023	Golden Valley Engineering - Inv 1101533 - Prof Svcs thru 2023-01-21	6,560.00
02/14/2023	Golden Valley Engineering - Inv 1101548 - Prof Svcs thru 2023-02-04	3,030.00
03/07/2023	Golden Valley Engineering - Inv 1101659 - Prof Svcs thru 2023-02-18	9,040.00
03/17/2023	Golden Valley Engineering - Inv 1101675 - Prof Svcs thru 2023-03-04	14,260.00
03/31/2023	Golden Valley Engineering - Inv 1101749 - Prof Svcs thru 2023-03-18	6,820.00
04/28/2023	Golden Valley Engineering - Inv 1101839 - Prof Svcs thru 2023-04-15	7,047.50
05/25/2023	Golden Valley Engineering - Inv 1101893 - Prof Svcs Thru 2023-04-29	1,255.00
06/16/2023	Golden Valley Engineering - Inv 1101975 - Prof Svcs thru 2023-05-27	8,109.50
06/29/2023	Golden Valley Engineering - Svcs Thru 2023-06-10	5,602.00
08/01/2023	Golden Valley Engineering - Inv 1102166 - Prof Svcs Thru 2023-07-08	260.00
08/17/2023	Golden Valley Engineering - Inv 1102232 - Prof Svcs Thru 2023-07-22	7,552.50
10/02/2023	Golden Valley Engineering - Inv 1102416 - 2023-07 thru 2023-09	13,111.25
11/22/2023	Hilbers Inc - Inv 23-1119 - New HQ Bldg Progress Pymt 1	195,024.68
11/27/2023	Hilbers Inc - Inv 23-1132 - Permit & Process Fee - New Bldg	38,411.16
11/28/2023	Golden Valley Engineering - Inv 1102541 - Prof Svcs Thru 2023-10-28	8,867.50
11/28/2023	Golden Valley Engineering - Inv 1102606 - Prof Svcs Thru 2023-11-11	7,860.00
12/14/2023	Golden Valley Engineering - Inv 1102656 Prof Svcs Thru 2023-11-25	15,369.50
12/21/2023	RMA Geoscience Inc - Inv 17540 - Prof Svcs 2023 Oct 16-Nov 12	1,443.25
12/27/2023	Golden Valley Engineering - Inv 1102689 - Prof Svcs Thru 2023-12-09	2,310.00
12/28/2023	Hilbers Inc - New HQ Bldg Progress Pymt 2	370,256.66
01/18/2024	Golden Valley Engineering - Inv 1102729 - Prof Svcs Thru 2024-01-06	20,679.58
01/22/2024	RMA Geoscience Inc - Inv 17732 - Prof Svcs 2023-11-13 thru 2023-12-10	8,242.25
02/05/2024	Hilbers - Inv 24-0102 - Progress Billing #3 - Dec 2023	541,025.25
02/09/2024	Hilbers - Inv 24-0140 - Progress Billing #4 - Jan 2024	1,248,126.73
02/13/2024	Hilbers - Inv 24-0209 - Permit/Processing Fees	3,932.73
02/23/2024	Hoffman Electronic Systems - Inv 659689 - Permit Fees	389.00
03/13/2024	Hilbers Inc - Inv23-1147rvs - New HQ Bldg Progress Pymt 2	507,195.46
03/28/2024	Merced Irrigation District - Inv 8291 - Project EC24AA00-0016 Deposit	32,733.16
Total Architectural, Engineering, and Construction Expenditures		3,293,552.66
Total Budgeted for Architectural, Engineering, & Construction		10,591,802.40
Balance Remaining		7,298,249.74
Percentage Expended		31.10%

All new headquarters building-related expenditures through 03/31/2024

3,723,431.59



Merced County Employees' Retirement Association

DATE: April 25, 2024
TO: MercedCERA Board of Retirement
FROM: Kristie Santos, Plan Administrator
SUBJECT: MercedCERA Emergency Plan Policy
ITEM NUMBER: **Consent Item e**
ITEM TYPE: **Action via Consent**

STAFF RECOMMENDATION:

1. Adopt the proposed Emergency Plan Policy.

DISCUSSION:

MercedCERA is currently working with Merced County's vendor, Aanko Technologies, Inc., to update our Continuity of Operations Plan (COOP). This item was brought to the Board on March 28, 2024, where staff obtained feedback and that feedback has been incorporated into the policy.

There have been two occurrences when the MercedCERA Board of Retirement has put the emergency plan into action; the COVID-19 pandemic and the flooding that took place last year in the City of Merced.

Because the MercedCERA Board and staff are considered fiduciaries, in the event of an emergency, staff must be able to conduct our core business, which revolves around providing benefits to our members and their beneficiaries.

MercedCERA is considered a small 1937 Act county pension system and is therefore heavily reliant on Merced County. However, if the County experiences an emergency event, MercedCERA must be prepared to conduct our business independently of the County. Because of this, MercedCERA is pursuing a contract with our custodial bank to deposit retirement benefits into retiree's accounts should the county be unable to fulfill this current role.

The complexities of having a robust emergency plan are very important, but actually making sure that staff can and are prepared to operate with the emergency plan in place, is even more important. MercedCERA staff must be well versed in implementing our emergency plan and making sure all of our core business processes are performed while under the plan.

MercedCERA's management staff, led by Martha Sanchez Barboa as the primary point of contact, have been working diligently to insure the plan is robust, in place and viable. This proposed policy will be updated periodically, as the emergency plan is refined and

operational. MercedCERA will be testing our emergency plan every six months to insure the following;

- Staff laptops, wireless routers and cell phones supplied by MercedCERA are assessable and in working condition.
- Staff can remotely perform core business processes as defined by MercedCERA's COOP from an alternate location.
- Staff are trained on how to effectively respond in an emergency.
- If the Board of Retirement is unable to convene and meet, the Emergency Crisis Committee, as specified in the MercedCERA Bylaws, is in place and can be utilized for important business decisions. Examples of decisions may include but not limited to granting more authority, if needed, to the Plan Administrator or the Assistant Plan Administrator; direct staff to a sell assets for required cash flow for retiree payroll and capital call commitments; approve emergency purchases or other required business decisions.
- When and how to notify the full board in the event of a crisis or emergency.

RECOMMENDATION:

Staff recommends the Board adopt the proposed Emergency Plan Policy.



Merced County Employees' Retirement Association

Emergency Plan Policy

Authority of the Board of Retirement:

The Merced County Employees' Retirement Association (MercedCERA) exists for the purposes of providing accurate, timely benefits to its members and their beneficiaries.

Article XVI, §17 of the Constitution of the State of California vests the Board with "plenary authority and fiduciary responsibility for the investment of moneys and the administration of the system".

The Board of Retirement (the Board), having exclusive authority and exclusive fiduciary responsibility for the investment and administration of the fund, hereby establishes the following "Emergency Plan Policy" (the Policy or COOP) for the investment and administration of MercedCERA assets and the fund. The Board reserves the right to amend, supplement, or rescind this Policy at any time.

Purpose:

The purpose of this Policy is to state how often MercedCERA will test their emergency plan in order to be prepared for an emergency. MercedCERA's primary function is to pay out retiree benefits and invest trust funds for future liabilities. In the event of an emergency, MercedCERA shall focus on its primary procedures which have been identified by Staff and the Board as being critical. MercedCERA must continue to pay out its retirees, process new retirements and deaths, and perform other critical processes (such as receive employer payroll records and contributions).

For the purposes of this policy, the word "incident" includes planned events as well as emergencies and/or disasters of all kinds and sizes, natural or manmade.

As part of MercedCERA's fiduciary responsibilities regarding the MercedCERA Emergency Plan, MercedCERA will do the following;

- MercedCERA will test its emergency retiree payroll process procedure(s) at least every six months, but no more than every three months (or each quarter). Testing will ensure alternate procedures/processes work and can be completed by the appropriate staff.
- Staff will intermittently ~~telework in~~ work from an alternate location in order to insure they have the correct equipment and secure access to software required to perform essential processes ~~if an emergency should occur from an alternate location~~.
- MercedCERA will supply to each staff member an up-to-date laptop computer, wireless router for secure Wi-Fi, cell phone and any other office equipment deemed essential for the continuity of MercedCERA business.
- MercedCERA will confirm its emergency plan is up to date and current, reviewing the plan every six months or as often as needed.
- Cyber Security and cyber incidences are also included in the organization's emergency plan and considered an event to invoke the COOP, if appropriate.

- The Plan Administrator will notify the Board Chair and Vice Chair first, followed by the entire Board, if the emergency plan is to be put into effect.
- Upon notification to the Board, the Plan Administrator or Assistant Plan Administrator will notify all participating employers of the emergency situation, including any vendors, Board attorneys or the general public, if necessary.

Emergency Crisis Committee (ECC):

The Board, per the MercedCERA Bylaws, has an Emergency Crisis Committee (ECC) made up the Board Chair, Vice Chair and Secretary. The ECC has the authority to make critical decisions in the event the Board of Retirement is unable to meet and discuss essential or vital business due to an emergency. The ECC can be convened to make decisions that are deemed critical to the fund, approve additional delegation authority to the Plan Administrator or the Assistant Plan Administrator and make critical business decisions including but not limited to resolutions, policies, and proclamations. This committee is not intended to replace the full authority of the Board. The ECC has the authority to do the following;

- Make emergency critical investment decisions that are directly correlated with the emergency. investment decisions may include selling equities to pay retiree payroll or capital calls.
- Approve critical business decisions brought by the Plan Administrator or the Assistant Plan Administrator that are directly correlated with the emergency.
- Increase the delegated authority already granted to the Plan Administrator and the Assistant Plan Administrator in order to keep the continuity of business in the event of an emergency.
- The full Board shall be immediately informed of any decisions made by the ECC.
- Each Board member shall be furnished with an iPad in order to conduct MercedCERA business and read critical documents in the event of an emergency.
- The ECC may not take on any business or decisions that are not directly related to or correlated with the emergency and what is necessary for the continuity of business for MercedCERA.
- The full Board may meet at a secure location, outside of the county if needed, in person or as specified by a proclamation made by the local, state or federal government, to conduct business as soon is feasible in the event of an emergency.

The Board of Retirement of the Merced County Employees' Retirement Association adopted this policy on ~~March 28, 2024~~ April 25, 2024.

Kristen Santos, Plan Administrator

Ryan Paskin, Chair

Emergency Plan Policy

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The Board of Retirement of the Merced County Employees' Retirement Association adopted this policy on April 25, 2024.

Kristen Santos, Plan Administrator

Ryan Paskin, Chair



EDELSTEIN GILBERT ROBSON & SMITH^{LLC}

Donald B. Gilbert Michael R. Robson Trent E. Smith Jason D. Ikerd^{Associate}

April 4th, 2024

TO: State Association of County Retirement Systems
FROM: Edelstein Gilbert Robson & Smith, LLC
RE: **Legislative Update – April 2024**

The Legislature returned from its Spring Recess on March 21st and committee hearings are in full swing. April is traditionally the busiest month of the year for the Legislature as the newly introduced bills must be passed out of policy committees by the end of the month. Some of the committee agendas will be very long and hearings commonly go well into the evening. Most of May and early June will be dedicated to addressing the State's massive budget deficit, which is estimated to be between \$37 and \$73 billion, depending on who you ask. So far, the Governor and Legislature have failed to agree on an "early action" budget compromise intended to shrink the deficit by making cuts in the current budget year. The stalemate on cutting some non-controversial items in the current year does not bode well for the larger budget decisions that must be made by the June 15 deadline to pass a State Budget.

A few bills of interest to SACRS have recently been amended, which we have outlined below:

- **AB 3025** – This is an amended spot bill. The new text of requires county retirement systems to adjust benefits for retired members, survivors, or beneficiaries whose final compensation included disallowed compensation, crediting contributions made on the disallowed compensation, and establishing conditions for repayment by employers, while also authorizing employers to submit proposed compensation items for pension calculations for review and guidance from the retirement system. SACRS Legislative Committee Co-Chairs met with the sponsors of AB 3025 and are working collaboratively to make sure SACRS systems can properly implement the bill.

- **SB 1499** – This measure aligns the Personal Income Tax Law with federal law by adjusting catch-up limits for retirement contributions based on age and increasing contribution limits for simple plans, while also requiring additional information for any bill authorizing a new tax expenditure. Amended to strike Sections 408(p)(2) and Section 414(v)(2) of the line 16 Internal Revenue Code from applying. The amendments also establish a 2029 deadline for the Legislative Analyst’s Office to submit a report on how many taxpayers are utilizing these tax benefits.
- **SB 908** – This bill, previously the Government Transparency Act Initiative, has been gutted and amended. It is now a public health bill on fentanyl and will be removed from the SACRS tracking list.
- **AB 2770** – As amended, this bill revises the interest calculation for purchasing additional service credit and redepositing retirement contributions in the State Teachers’ Retirement System, requiring members to sign and return necessary documents within 35 days, and extends the repeal date for disability retirement provisions related to post-traumatic stress disorder; it also removes return receipt requirements for the payment of accumulated contributions to discontinued members and makes technical changes to the Judges’ Retirement Law. This bill recently passed out of committee.
- **SB 1240** – This bill allows a successor agency for the El Dorado County Fire Protection District and the Diamond Springs Fire Protection District to provide their employees with the defined benefit plan or formula they received prior to annexation, making legislative findings and declarations for the necessity of a special statute for the County of El Dorado, and declaring it to take effect immediately as an urgency statute. Amended to strike language requiring the successor agency to designate surviving contracts within 180 days of the annexation.
- **SB 1260** – This bill was gutted and amended. Previously, this bill would have established the Office of the Inspector General for the Public Employees’ Retirement System (CalPERS), appointing an Inspector General to oversee internal investigations, the disciplinary process, and audits or reviews of CalPERS. Now, this is a transportation bill regarding high-speed rail and will be removed from the SACRS tracking list.
- **AB 2284** – authorizes a retirement system, to the extent that it has not defined work classification “grades” to define “grade” to mean a number of employees considered together because they share similarities in job duties, schedules, unit recruitment requirements, work location, collective bargaining unit, or other logical work-related grouping. SACRS Legislative Committee Co-Chairs met with the sponsors and will continue to work on the bill to ensure it can be enacted in compliance with PEPRA.

- **AB 2474** – amends the County Employees Retirement Law of 1937 regarding benefit payments and overpayments, allowing for retirement allowances or benefits to be deposited into prepaid accounts, extending the period of employment for retired persons in certain positions, and considering a retired person's retirement allowance as an overpayment subject to collection if they are employed beyond specified limits. This bill continues to be discussed with amendments forthcoming.
- **AB 2301** – As amended, this bill, the Sacramento Area Sewer District Pension Protection Act of 2024, would transfer employees and associated obligations from the County of Sacramento to the Sacramento Area Sewer District, ensuring continuity of retirement benefits and assuming rights and obligations under existing retirement laws, with legislative findings emphasizing the necessity of a special statute for the County of Sacramento, and declaring it an urgency statute to take effect immediately.



Fiduciary Education for MercedCERA Board of Retirement

Ashley Dunning | MercedCERA Fiduciary Counsel

Meeting of the Board of Retirement | Merced County Employees' Retirement Association

April 25, 2024



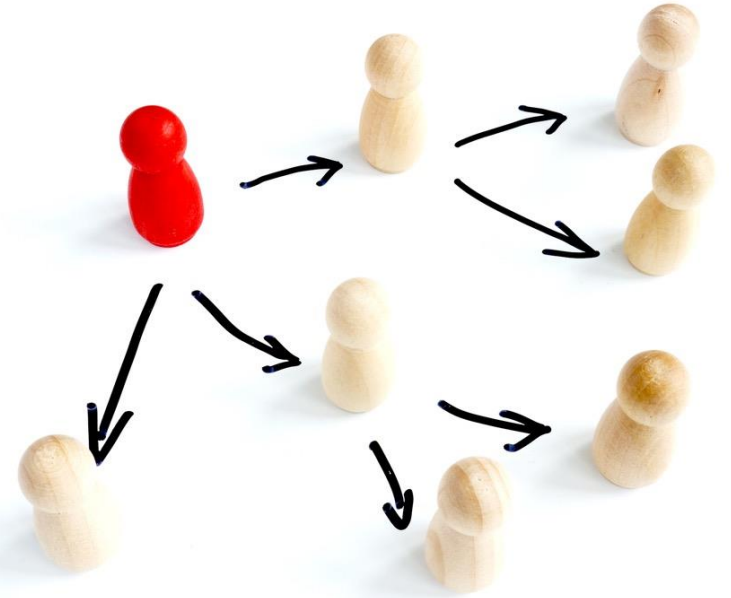
Your Presenter



Ashley K. Dunning, MercedCERA Fiduciary Counsel
Partner and Co-Chair, Pensions, Benefits & Investments Group
Nossaman LLP

Overview

- What is a Fiduciary
- Fiduciary Framework: Fundamental Duties of a California Public Plan Fiduciary
- Prudent Delegation and Expert Consultation
- Discussion of Hypotheticals
- Fiduciary Compliance



What is a Fiduciary?

- A fiduciary is any person or organization that has discretionary authority or control over management or disposition of retirement plan assets or plan administration for the benefit of members and beneficiaries of MercedCERA or that has a duty to put the interests of those members/beneficiaries ahead of the interests of anyone else.
- Key Concept—if a person exercises any discretion over the administration or investments of a pension plan, the person is likely a fiduciary and fiduciaries must act with a very high standard of care and loyalty.

Who is a Fiduciary?

- **By definition, therefore:**
 - All MercedCERA Board members and executive officers:
 - are **fiduciaries**
 - who thus owe **duties of care and loyalty**
 - to MercedCERA **members and their qualified beneficiaries**
 - with respect to the **benefits due to them**
 - by **the retirement system.**

Who is a Fiduciary? (cont.)

- Not everyone who interacts with MercedCERA is a fiduciary, either to MercedCERA or its members.
 - For example: plan sponsors, employees associations, state agencies, investment professionals (unless by contract with MercedCERA), trustees of *other* public retirement systems, and members themselves (unless they are also MercedCERA Board or executive staff members) are not MercedCERA fiduciaries.

Five Basic Duties of a Public Retirement Board Fiduciary in California*

1. Duty of loyalty
2. Duty of prudence
3. Duty to diversify investments
4. Duty to assure competency of retirement system assets to pay promised benefits
5. Duty to administer plan in accordance with plan terms and applicable law

*See “cautionary note” in next slide

Cautionary Note*

- Federal, as opposed to State, case law referenced in this presentation applies fiduciary duties under the Employee Retirement Income Security Act of 1974 (ERISA), which govern *private sector* retirement and healthcare plans.
- MercedCERA, and other governmental plans, are *exempt from* ERISA (though such plans are subject to certain tax qualification rules applicable under Internal Revenue Code section 401(a)).
- Some guidance may, however, be drawn from fiduciary analyses in cases decided under ERISA, subject to distinctions as between defined benefit and defined contribution plans, and with respect to different plan terms and other laws that may apply to California public retirement systems and not to ERISA plans.

Duty of Loyalty: Exclusive Benefit and Primary Duty Rules

- Under the California Constitution (Article XVI, Section 17) and the County Employees Retirement Law of 1937 (Gov. Code sec. 31588), a fiduciary must discharge its duties:
 - Solely in the interest of, and for the exclusive purposes of providing benefits to, members (including retired members), and their qualified survivors and any other qualified beneficiaries
- Under both constitutional and statutory law, the Board's duty to its members and beneficiaries "**shall take precedence over any other duty.**" In trust law, this is referred to as the "primary duty" rule.
- Constitutional and statutory obligations of "minimizing employer contributions" and "defraying reasonable expenses" of administering the system are secondary to the primary duty.
- Note that duty to employer is not a "fiduciary" duty.

Duty of Loyalty

- Putting the plan sponsor's, union's, etc. interests ahead of the overall best interests of plan members and beneficiaries in the security of their vested retirement benefits would be a breach of a fiduciary's duty of loyalty.
- Basically a conflict-of-interest rule—fiduciaries cannot have conflicting loyalties. A fiduciary has a duty not to use or deal with trust assets for the fiduciary's profit, the benefit of a third person, including that of the plan sponsor/settlor, or for any other purpose unconnected with the trust.
 - *O'Neal v Stanislaus County Employees' Retirement Association*, 8 Cal.App.5th 1184, 1209, 1218 (2017) (“O'Neal”) [retirement board not permitted to place interest of county ahead of interest of members]; cf. *Alameda Health System v. Alameda County Employees' Retirement Ass'n*, ___ Cal. App. 5th ___ [2024 Cal. App. LEXIS 208] (Cal. App. 1st Dist. March 27, 2024) (“AHS decision”) [retirement board permitted to consider interest of county relative to interests of *other* participating employers, as well as the interests of the current and former employers of all participating employers]

Duty of Loyalty: Conflicting Interests Among Various Members and Beneficiaries

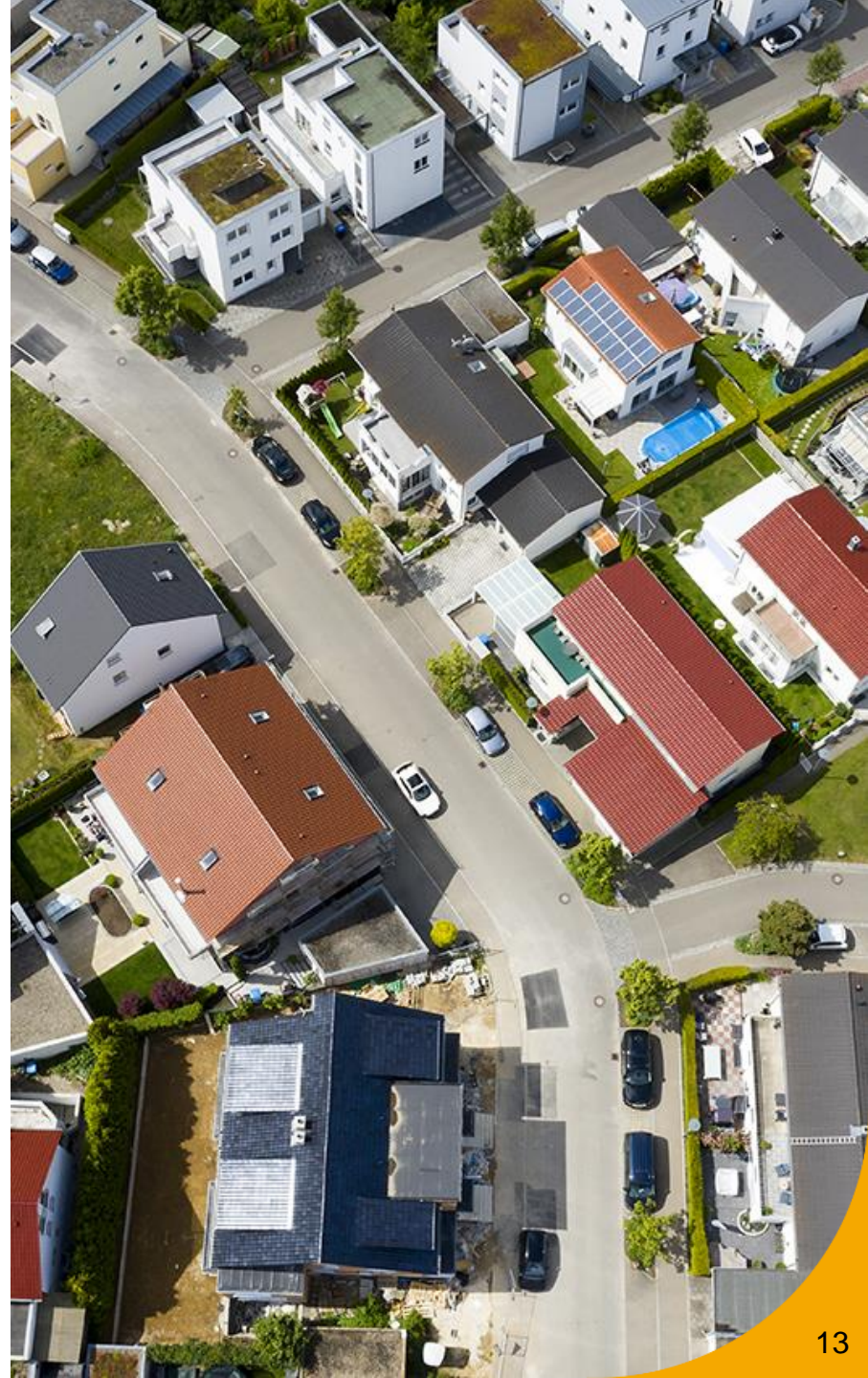
- Can be complex and crosscutting.
- Determinations of priorities among members and beneficiaries must serve the overall best interest of members and beneficiaries of the retirement system with respect to benefits and related services provided by the retirement system.
- Appropriate balance may not be obvious when the interests within the member and beneficiary groups are not the same.

Duty of Loyalty: Not an “agent” for another

- Trustees are not permitted to administer the retirement system as an “agent” for the party that appointed, or subgroup of members that elected, that individual to the Board.
- On the contrary, the California Constitution, Art. XVI, Sec. 17 (Prop. 162) seeks to prevent such political “meddling” or “interference” by others and mandates loyalty to the overall best interest of members and beneficiaries.
 - See generally *NLRB v. Amax Coal Co.*, 453 U.S. 322 (1981) (no “dual loyalties”); *Hittle v. Santa Barbara CERA*, 39 Cal. 3d 374 (1985) (traditional fiduciary duties apply to public retirement system trustees); *Claypool v. Wilson*, 4 Cal.App.4th 646, 676-7 (1992) (Cal. Const., art. XVI, sec. 17 imports the existing law of trusts); see also *AHS Decision* [supra].

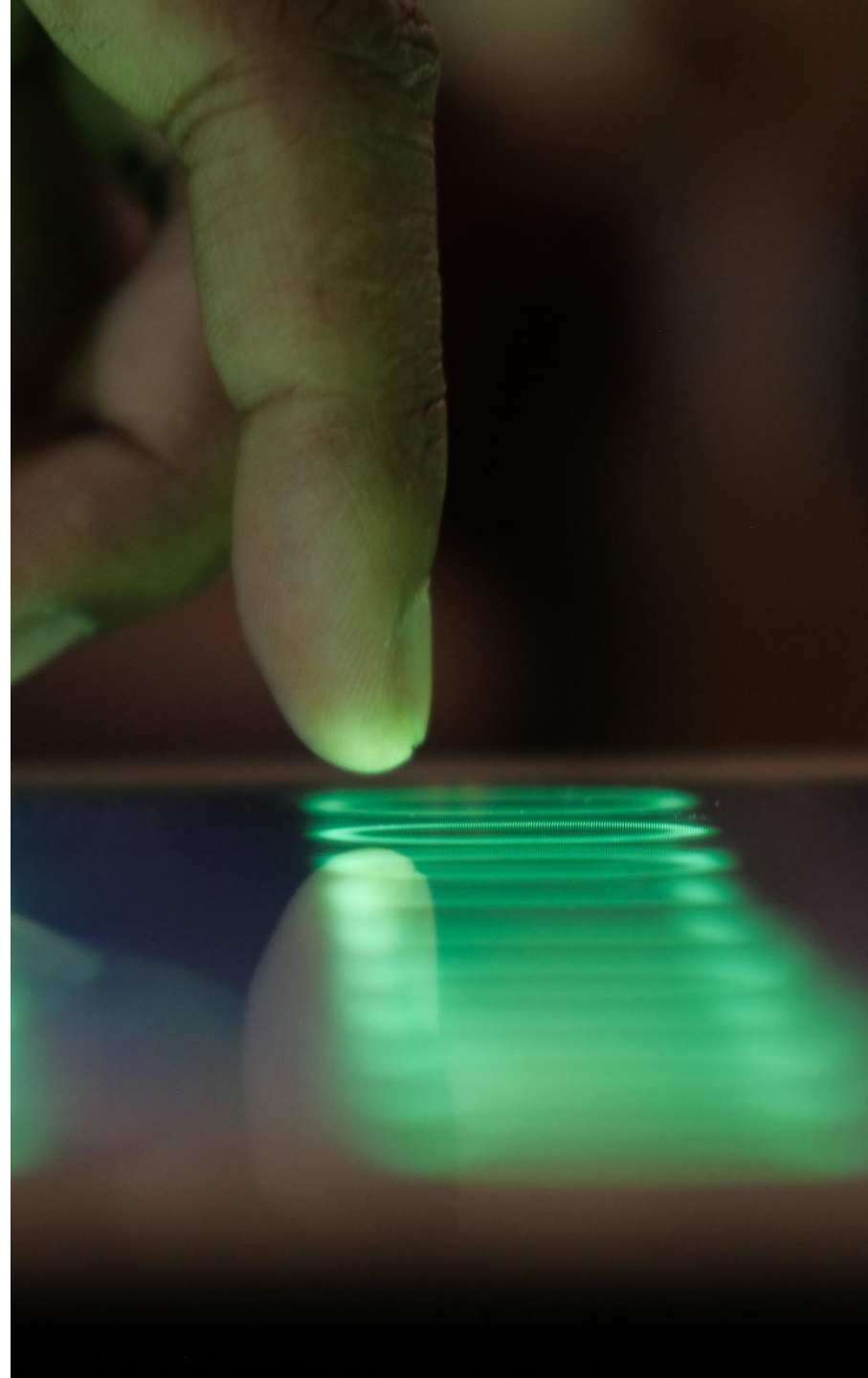
Hypothetical No. 1: Fiduciary Duty of Loyalty

- Samantha is a member of the Board of Retirement. Samantha also has been active for many years with various organizations focused on addressing homelessness challenges.
- An active member in the retirement system presents to the Board in public comment, urging the Board to invest in local companies that build affordable housing.
- The retirement system's CIO previously recommended a higher allocation to real estate, with a component that includes affordable housing.
- What are, and are not, fiducially appropriate considerations for Samantha, and other Board members, with respect to this topic?



Hypothetical No. 2: Duty of Loyalty

- The MercedCERA Board is considering changing vendors to assist with its cybersecurity efforts.
- Appointed Board member Sarah works for a private sector cybersecurity program provider that would like to bid for MercedCERA's work.
- With whom at MercedCERA should Sarah consult on this topic, and when?
- What are, and are not, fiducially appropriate considerations for Sarah, and other Board members, with respect to this topic?



Duty of Prudence – “Prudent Fiduciary with Experience in Similar Enterprise”

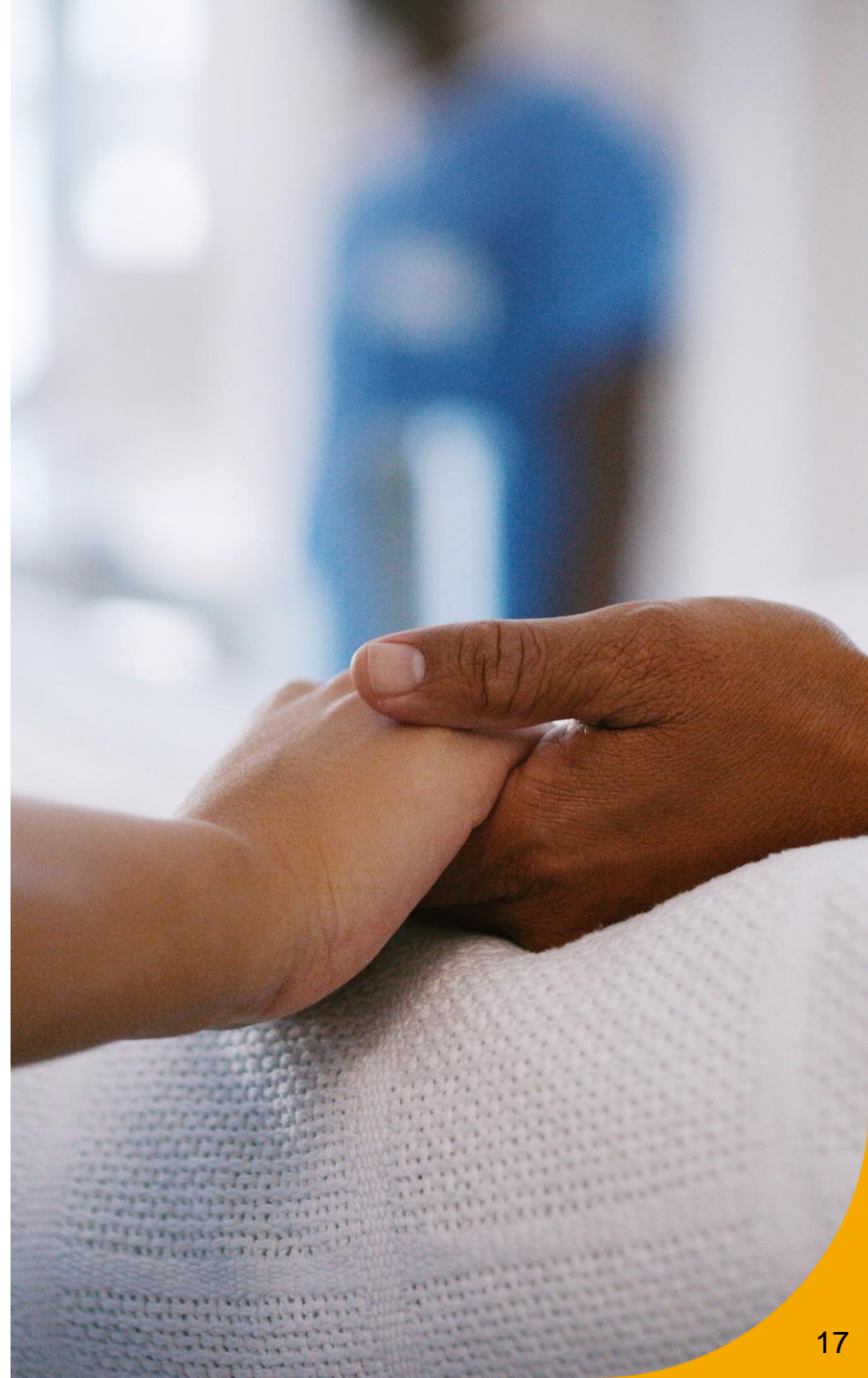
- A fiduciary must discharge its duties:
 - “With the care, skill, prudence, and diligence then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.”
 - The question is whether the fiduciary, at the time it made the decision, used the required level of care.

Duty of Prudence –“Prudent Fiduciary with Experience in Similar Enterprise”

- Good faith is not enough if not also prudent.
 - Example No. 1: Board is concerned that service credit purchases will be too expensive if interest is applied to purchase prices as required by CERL, and thus Board adopts a program not to apply interest to such purchases for a period of time.
 - Example No. 2: Board member, sympathetic to an ailing member whom the competent medical evidence demonstrates is not eligible for a disability pension, speaks to staff about granting the member a disability retirement.
- What fiduciary issues are implicated by these examples?

Hypothetical No. 3: Duty of Prudence

- Board member, Morris, is personal friends with an ailing active member of the retirement system who has applied for disability retirement (DR). Morris has spoken with the member about the application.
- The competent medical evidence establishes that the member is not permanently incapacitated under the applicable legal standards, and retirement system staff recommends that the Board deny the DR application.
- The applicant attends the Board meeting at which the DR application is considered and speaks to the Board about the application, urging the Board to grant it.
- What are, and are not, fiducially appropriate considerations for all Board members, and in particular Morris, with respect to this topic?



Duty of Prudence – “Prudent Fiduciary with Experience in Similar Enterprise”

- Duty of prudence does not require a fiduciary to guarantee specific outcomes but does requires use of a prudent process.
- Highlights the importance of documenting fiduciary considerations and decision-making.
- Note, however, that substantively, a prudent decision may be neither “arbitrary” nor “capricious,” and deliberations by fiduciaries should illustrate the relationship between the information presented and the action taken, if any.
 - Courts may review a fiduciary’s decisions substantively, rather than simply deferring to a determination that a fiduciary may make after a prudent process.

Duty of Prudence – Process and Soundness of Analysis Matter

- What does prudence look like?
 - Acting consistently with laws and plan governance documents, which include Board policies and procedures (and making sure the plan governance documents match each other).
 - Where aspects of fiduciary duty are delegated, periodic and systematic monitoring.
 - Facts, analysis, questions, answers.
 - Documented decision-making
 - Agendas, staff/consultant supporting materials, minutes, resolutions detailing facts, findings and conclusions are all ways to document procedural prudence.

Duty of Prudence – Process and Soundness of Analysis Matter

- Is there a process for handling requests?
- Does the process lead to justified outcomes in light of Board approved policies and fiduciary duty?

Duty of Prudence – Maintenance of Retirement System Confidential Information

- As a Board member, trustees will receive:
 - Confidential investment information;
 - Confidential attorney-client privileged information; and
 - Confidential member, including health, information.
- It is imperative that Board members not disclose that confidential information to those who are not authorized by law to receive it.
- A single Board member does not have the authority, or right, to waive that confidentiality.

Duty of Prudence – Consult with Experts

- “To the extent necessary or appropriate to the making of informed investment judgments by the particular trustee, care also involves securing and considering the advice of others [such as legal, actuarial and investment counsel] on a reasonable basis.” Rest. 3d Trusts, *supra*, § 227, p. 15, comment d.
- The implicit corollary to the duty to consult with experts is that if a fiduciary fails to follow the advice of its professional consultants, it must demonstrate an informed, reasonable, and prudent rationale for failing to do so.
- Another implicit corollary is that expert advice from a reasonable source should provide the basis for a Board’s decision to take an alternative course of action on a topic within that area of expertise (e.g., investment, actuarial, legal).

Delegation of Fiduciary Duty

- “A trustee has a duty personally to perform the responsibilities of the trusteeship **except as a prudent person might delegate those responsibilities to others**. In deciding whether, to whom and in what manner to delegate fiduciary authority in the administration of a trust, and thereafter in supervising agents, the trustee is under a duty to the beneficiaries to exercise fiduciary discretion and to act as a prudent person would in act in similar circumstances.”
 - Rest. 3d Trusts, *supra* (Prudent Investor Rule, § 171, adopted in 1992) (emphasis added).
- **Prudence** is the key to delegation as to all aspects of the topic:
 - Whether, how, to whom to delegate, and how to supervise effectively, including through frequent reporting
 - Ensure delegate has adequate information and resources
 - Ensure standards of care and loyalty apply to delegate

Delegations by Board, Committees and Staff

- When the Board or Committees delegate their fiduciary duties to Staff, Staff generally become fiduciaries to the extent of those delegated duties and the same fiduciary standards apply to Staff when carrying out delegated fiduciary functions.
- When the duty of loyalty is delegated to third parties (e.g., investment consultant, outside counsel, etc.), each delegate has a fiduciary duty of loyalty to MercedCERA but not to MercedCERA's members and beneficiaries.
- Effective delegation is a key component of fiduciary risk management.
 - For example, competent benefits staff do benefit calculations, not Board members.
- Appointing a fiduciary is itself a fiduciary function, thus when doing so:
 - Act solely in the overall best interest of members and beneficiaries
 - Apply the required standard of care, skill, prudence and diligence required by the fiduciary standard of care
 - Continue to monitor performance, as the Board may not fully delegate fiduciary responsibility

Duty of Prudence –Pitfalls for Fiduciaries

- How have fiduciaries gotten in trouble?
 - Not doing what the laws and governance documents say
 - Governance documents should be both frequently reviewed and updated.
 - Having no record of what was considered/who was consulted
 - Fiduciaries may have consulted with experts, but if sufficient information regarding the basis for decision-making is not in the agenda, minutes, resolutions, etc., the fact of that consultation generally does not help.
 - Having no record of what decision was made.
 - Even maintaining the status quo can be a fiduciary decision to be documented.
 - Having a record of the decision but the decision itself was deemed, by a court, to be unreasonable.
 - Example: Applying CERL provisions in a manner with which a court disagrees.



Duty to Diversify Investments

- Under Article XVI, Section 17, of the California Constitution a fiduciary must “diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so.”
- Diversification is generally considered based on the plan’s entire portfolio.

A complex financial data visualization on a dark blue background. It features multiple overlapping line graphs in various colors (red, green, blue, white) and candlestick charts. The data appears to be from a stock market, with some lines showing significant volatility and others showing more stable trends. There are also some numerical labels like '12', '2011', and 'Dec' visible on the chart.

Hypothetical No 4: Fiduciary Duties of Care and Loyalty

- Board member Xavier is a retired fixed income manager. Xavier is passionate about fixed income investment opportunities, and is a self-professed contrarian as to any other investment asset class.
- Board member Xanadu is active with a group that is urging public retirement systems nationally to divest from fossil fuels, citing climate change risks.
- Retirement system's Chief Investment Officer and Investment Consultant are presenting the retirement system's annual asset-liability study, and they are proposing various alternative tilts in the allocations of the retirement system, all of which result in a well-diversified portfolio, but with varying levels of anticipated risk-adjusted return.



Hypothetical No 4: Fiduciary Duties of Care and Loyalty (cont.)

- A retired member of the system presents in public comment to the Board and urges the Board not to adopt any of the recommended asset allocations, and instead to adopt policies that will remove all fossil fuels from the portfolio, citing to the work performed by Board member Xanadu in other contexts.
- A fixed income manager who used work with Board member Xavier urges the Board to increase the allocation to fixed income beyond that which is proposed in all of the recommended alternatives.
- What considerations should Board members take into account with respect to this topic?

Divestment mandates?

- Statutorily-provided divestment
 - “The Legislature may by statute continue to prohibit certain investments by a retirement board where it is in the public interest to do so, and *provided that the prohibition satisfies the standards of fiduciary care and loyalty required of a retirement board pursuant to this section.*”
 - Cal. Const., art. XVI, § 17(g) (emphasis added).



Duty to Control Actuarial Services and Assure “Competency” of Assets

- Under Article XVI, Section 17 of the California Constitution, the Board:
 - “consistent with the exclusive fiduciary responsibilities vested in it, shall have the sole and exclusive power to provide for actuarial services in order to assure the competency of the assets of the public pension or retirement system.”

Duty to Control Actuarial Services and Assure “Competency” of Assets

- In *O’Neal*, petitioners challenged various board of retirement decisions relating to the actuarial methodologies and transfers of funds among reserves authorized by the board of retirement.
- *O’Neal* concluded that the retirement board had not violated its fiduciary duty of care by making certain actuarial decisions that resulted in lowering the employer contribution rate (such as permitting negative amortization), though it deferred a final decision on that topic with respect to the alleged breach of the duty of loyalty.
- In the *AHS Decision* published in 2024, the court determined that retirement board’s decision to retain “Percentage of Payroll” methodology for calculating UAAL, and not to conduct further actuarial studies requested by one of the retirement system participating employers and opposed by another, was not arbitrary or capricious, and that the decision was reasonably supported by the facts presented to the board on the topic.

Hypothetical No 5: Fiduciary Duties of Care and Loyalty



- Board's actuarial funding policy includes layered amortization that results in some tail volatility when layers with reflecting larger unfunded liabilities are paid off.
- Board's consulting actuary presents three different approaches with respect to managing this tail volatility, all of which have differing impacts on employer contribution rates, in the short-term and/or long-term.
- An active member of the system presents in public comment to the Board and urges the Board to select the alternative that results in lowest employer cost in the short-term, because her employer's already constrained budget is preventing it from providing raises to its employees.

Hypothetical No 5: Fiduciary Duties of Care and Loyalty (cont.)



- A retired member of the system presents in public comment to the Board and urges the Board to adopt the alternative the results in the highest employer cost in the short-term, expressing concern about the security of her retirement benefits if funding of those benefits is delayed.
- A department head from one of the retirement system's participating employers presents in public comment and argues that the Board should reject all of actuary's recommendations, and instead use a different funding method that it argues is "fairer" to it given its own employment practices.
- What are fiduciarily appropriate, and inappropriate, considerations for Board members to take into account with respect to this topic?



Duty to Act in Accordance with Plan Terms and Law

- Fiduciaries have a duty to administer plans in accordance with plan terms and applicable law.
 - *San Diego City Firefighters, Local 145 v. Board of Administration of the San Diego City Employees' Retirement System*, 206 Cal.App.4th 594, 629 (2012).)

Processes to Demonstrate Fiduciary Compliance

- Recognize that although Courts afford Board's broad discretion in decision-making, "exclusive authority" is not absolute discretion
- Avoid "abuse of discretion"
 - Process important – make sure record reflects that process: minutes reflecting deliberation, written materials provided by expert consultants
 - Education, inquiry, disclosure of reasons for action, reflecting due consideration to overall best interest of members and beneficiaries
 - Active independent actuarial oversight
 - Active independent investment oversight
 - Legal consultation and compliance with applicable law

Fiduciary Goal

- The MercedCERA Board must use informed judgment and act in the overall best interest of system members/beneficiaries in a manner that is consistent with applicable laws when exercising its plenary authority over administration and investments, and its actions in that regard may not be “arbitrary” or “capricious” and must be rationally related to the information presented to the Board.





Thank you for your time



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Merced County Employees' Retirement Association

April 25, 2024

Asset Allocation
Recommendation

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Asset Allocation Background

Meketa's Asset Allocation Review for MercedCERA involved several key steps over the course of several months and various meetings:

- **Capital Market Expectations ("CME's"):** Meketa kicked off MercedCERA's Asset Allocation Review at the February 22 Board Meeting, presenting on the 2024 CME's that are published annually. These estimates were applied to the current MercedCERA Plan.
- **Risk Survey Insights:** Meketa considered alternative policy options based on feedback from Trustees. The Risk Survey responses, collected at year-end 2023, informed these options.
- **Trustee Preferences:** Trustees expressed preferences for adjustments, including:
 - Maintaining public market exposures in line with current policy
 - Increasing allocation to Fixed Income and Cash, with an offset in Hedge Fund
 - Potentially reducing private markets asset classes
- **Refined Options:** Based on Board feedback, and discussion with Staff and Cliffwater, Meketa presented three alternatives. The Subcommittee discussed and selected one option for presentation to the Board. The Board always maintains the right to further adjust the target allocation, if the proposal does not align with expectations.

Recommendations

Asset Allocation Policy Recommendation¹

	Current Policy Targets (%)	Option F: Reduction in Private Real Estate & HF (%)
Public Equity	41	40
US Equity	22	22
Developed Market Equity (non-US)	11	12
Emerging Market Equity	8	6
Private Equity	15	15
Public Fixed Income	16	22
US Fixed Income	11	18
Opportunistic Credit	5	4
Direct Lending	5	5
Core Private Real Estate	8	6
Natural Resources (Private)	2.5	2.5
Infrastructure (Core Private)	2.5	2.5
Hedge Funds	10	5
Cash Equivalents	0	2
Expected Return (10 years) ²	7.3	7.2
Expected Return (20 years)	8.5	8.4
Standard Deviation	13.2	12.5
Probability of Achieving 6.75% over 10 Years ³	66.5	65.6
Probability of Achieving 6.75% over 20 Years	72.6	71.5

¹ Expected return and standard deviation are based upon Meketa Investment Group's Annual Capital Markets Expectations. Throughout this document, returns for periods longer than one year are annualized.

² Expected 10 Year Returns are based upon Meketa Investment Group's 10 Year Capital Markets Expectations

³ Probability of Achieving 6.75% are based on Meketa Investment Group's 20 Year Capital Market Expectations

Recommendation & Rationale

Summary of Proposed Changes:

1. Fixed Income: Increase allocation from 11% to 18%

The attractiveness of current bond yields today, due to the Federal Reserve's aggressive inflation-fighting interest rate increases, has increased the attractiveness to the asset class and its role within the portfolio. This allows MercedCERA to be better equipped to reach its 6.75% required rate of return without having to take on additional risk to the portfolio.

2. Hedge Fund: Cut exposure in half to 5%

The increased role of fixed income within the Plan provides a compelling case to reduce hedge funds which may have played a more meaningful role in a low interest rate environment, while reducing costs associated with this asset class.

3. Cash: Incorporate as part of the strategic asset allocation

Maintaining a small portion for capital calls and pension obligations should reduce the need to redeem in other areas of the portfolio.

4. Private Markets: Marginal reduction within Private Real Estate

Recommendation & Rationale (continued)**Summary of Proposed Changes: (continued)****5. Maintain allocations to Private Equity and Public Markets**

Private equity continues to be the highest returning asset class despite recent challenges; public equity markets overall remain unchanged although a reduction in emerging markets is proposed, driven by Trustees' geopolitical concerns.

Action Item:

Seek Board Approval to move the MercedCERA Plan to a new Asset Allocation, Option F.

Appendices

Implementation Plan

1. Phase I: Rebalance International Equities

Option F reduces Emerging Markets Equity by 2% & Increases Developed Markets Equity by 1%. As the Emerging Markets Equity sleeve was set up as a 70% Artisan Developing World/30% RWC weighting scheme, we propose drawing down to the 6% EM asset class allocation proportionately to reestablish the 70/30 weights.

Similarly, the Developed Markets Equity was set up in 2 distinct groupings; International Large Cap Growth, consisting of GQG International First Eagle International Value, are equally weighted for a total 75% of the sleeve; International Small Cap, consisting of Acadian non-US & Driehaus International Small Cap, are equally weighted for 25% of the sleeve. The International Equity sleeve currently sits at 12% (as of February 2024), though we recommend rebalancing to reestablish the initial weighting scheme.

2. Phase II: Reduction of Private Real Estate & Hedge Funds Allocations, Increase Fixed Income

Option F reduces Core Private Real Estate exposure by 2% and Hedge Funds by 5%, increases US Fixed Income sleeve by 7%, while the Opportunistic Credit sleeve is reduced by 1%. Funds drawn from Real Estate and Hedge Funds (TBD based on Mketa/Cliffwater discussions) will be redirected to the Fixed Income sleeve.

3. Phase III: Minor Rebalancing & Establishing Cash allocation

Option F introduces a committed 2% allocation to Cash. Meketa and MercedCERA staff have previously discussed a 5-8 million buffer for liquidity purposes. Once the above phases have been completed, minor adjustments back to target for continuously OW asset classes, namely US Equity. The assets drawn would be redirected to fill the 2% dedicated cash allocation.

Asset Allocation Policy Options¹

	Current Policy Targets (%)	Option D: 2% Cash, 3% FI addition (%)	Option E: Reduction in PE & HF (%)	Option F: Reduction in Private Real Estate & HF (%)
Public Equity	41	39	44	40
US Equity	22	22	24	22
Developed Market Equity (non-US)	11	12	12	12
Emerging Market Equity	8	5	8	6
Private Equity	15	13	11	15
Public Fixed Income	16	21	20	22
US Fixed Income	11	17	16	18
Opportunistic Credit	5	4	4	4
Direct Lending	5	5	5	5
Core Private Real Estate	8	8	8	6
Natural Resources (Private)	2.5	2.5	2.5	2.5
Infrastructure (Core Private)	2.5	2.5	2.5	2.5
Hedge Funds	10	7	5	5
Cash Equivalents	0	2	2	2
Expected Return (10 years) ²	7.3	7.1	7.1	7.2
Expected Return (20 years)	8.5	8.2	8.3	8.4
Standard Deviation	13.2	12.1	12.4	12.5
Probability of Achieving 6.75% over 10 Years ³	66.5	65.0	65.0	65.6
Probability of Achieving 6.75% over 20 Years	72.6	70.7	70.7	71.5

¹ Expected return and standard deviation are based upon Meketa Investment Group's Annual Capital Markets Expectations. Throughout this document, returns for periods longer than one year are annualized.

² Expected 10 Year Returns are based upon Meketa Investment Group's 10 Year Capital Markets Expectations

³ Probability of Achieving 6.75% are based on Meketa Investment Group's 20 Year Capital Market Expectations

Historical Negative Scenario Analysis¹
(Cumulative Return)

Scenario	Current Policy Targets (%)	Option D: 2% Cash, 3% FI addition (%)	Option E: Reduction in PE & HF (%)	Option F: Reduction in Private Real Estate & HF (%)
Post-COVID Rate Hikes (Jan 2022-Oct 2023)	-6.0	-6.3	-7.0	-6.6
COVID-19 Market Shock (Feb 2020-Mar 2020)	-17.6	-16.4	-17.7	-16.7
Taper Tantrum (May - Aug 2013)	0.7	0.6	0.3	0.5
Global Financial Crisis (Oct 2007 - Mar 2009)	-27.4	-24.5	-26.1	-24.9
Popping of the TMT Bubble (Apr 2000 - Sep 2002)	-16.9	-13.5	-15.4	-14.6
LTCM (Jul - Aug 1998)	-8.3	-7.1	-7.9	-7.2
Asian Financial Crisis (Aug 97 - Jan 98)	2.3	3.2	1.9	3.0
Rate spike (1994 Calendar Year)	3.8	3.6	3.0	3.5
Early 1990s Recession (Jun - Oct 1990)	-5.4	-4.6	-5.5	-4.7
Crash of 1987 (Sep - Nov 1987)	-10.9	-9.8	-11.0	-9.9
Strong dollar (Jan 1981 - Sep 1982)	1.2	3.8	3.3	3.5
Volcker Recession (Jan - Mar 1980)	-3.6	-3.8	-3.9	-4.1
Stagflation (Jan 1973 - Sep 1974)	-21.7	-19.0	-20.5	-19.4

¹ See the Appendix for our scenario inputs. In periods where the ideal benchmark was not yet available we used the next closest benchmark(s) as a proxy.

Historical Positive Scenario Analysis¹
(Cumulative Return)

Scenario	Current Policy Targets (%)	Option D: 2% Cash, 3% FI addition (%)	Option E: Reduction in PE & HF (%)	Option F: Reduction in Private Real Estate & HF (%)
Covid Recovery (Apr 2020-Dec 2021)	56.3	52.0	52.6	53.4
Global Financial Crisis Recovery (Mar 2009 - Nov 2009)	33.6	30.6	33.6	31.8
Best of Great Moderation (Apr 2003 - Feb 2004)	30.4	27.6	29.8	28.3
Peak of the TMT Bubble (Oct 1998 - Mar 2000)	48.1	42.4	43.5	43.8
Plummeting Dollar (Jan 1986 - Aug 1987)	50.9	48.1	52.0	49.0
Volcker Recovery (Aug 1982 - Apr 1983)	29.2	28.8	30.7	29.4
Bretton Wood Recovery (Oct 1974 - Jun 1975)	27.4	25.8	27.7	26.4

¹ See the Appendix for our scenario inputs. In periods where the ideal benchmark was not yet available we used the next closest benchmark(s) as a proxy.

Stress Testing: Impact of Negative Market Movements
(Expected Return under Negative Conditions)¹

Scenario	Current Policy Targets (%)	Option D: 2% Cash, 3% FI addition (%)	Option E: Reduction in PE & HF (%)	Option F: Reduction in Private Real Estate & HF (%)
10-year Treasury Bond rates rise 100 bps	4.5	3.8	4.1	3.9
10-year Treasury Bond rates rise 200 bps	-1.1	-1.6	-1.5	-1.7
10-year Treasury Bond rates rise 300 bps	-2.9	-3.3	-3.0	-3.5
Baa Spreads widen by 50 bps, High Yield by 200 bps	0.1	0.4	0.3	0.4
Baa Spreads widen by 300 bps, High Yield by 1000 bps	-21.7	-19.7	-20.9	-20.1
Trade Weighted Dollar gains 10%	-4.2	-3.6	-4.0	-3.8
Trade Weighted Dollar gains 20%	-1.8	-1.0	-1.3	-1.4
U.S. Equities decline 10%	-6.1	-5.3	-5.6	-5.6
U.S. Equities decline 25%	-17.0	-15.4	-16.0	-15.7
U.S. Equities decline 40%	-25.2	-23.2	-24.5	-23.6

¹ Assumes that assets not directly exposed to the factor are affected nonetheless. See the Appendix for further details.

Stress Testing: Impact of Positive Market Movements
(Expected Return under Positive Conditions)¹

Scenario	Current Policy Targets (%)	Option D: 2% Cash, 3% FI addition (%)	Option E: Reduction in PE & HF (%)	Option F: Reduction in Private Real Estate & HF (%)
10-year Treasury Bond rates drop 100 bps	1.9	1.9	1.8	1.9
10-year Treasury Bond rates drop 200 bps	9.2	9.1	9.7	9.4
10-year Treasury Bond rates drop 300 bps	11.4	11.5	12.2	11.8
Baa Spreads narrow by 30bps, High Yield by 100 bps	7.5	7.0	7.2	7.1
Baa Spreads narrow by 100bps, High Yield by 300 bps	13.4	12.1	13.1	12.5
Trade Weighted Dollar drops 10%	7.6	7.0	7.4	7.2
Trade Weighted Dollar drops 20%	20.2	19.3	20.6	19.9
U.S. Equities rise 10%	6.6	6.1	6.3	6.3
U.S. Equities rise 30%	15.4	14.4	15.3	14.8

¹ Assumes that assets not directly exposed to the factor are affected nonetheless. See the Appendix for further details.

Inflation Stress Testing: Negative Scenarios
(Expected Return under Negative Inflationary Conditions)¹

Scenario	Current Policy Targets (%)	Option D: 2% Cash, 3% FI addition (%)	Option E: Reduction in PE & HF (%)	Option F: Reduction in Private Real Estate & HF (%)
Inflation slightly higher than expected	-0.2	-0.3	-0.3	-0.3
Inflation meaningfully higher than expected	-4.0	-4.1	-4.4	-4.1
Low Growth and Low Inflation	-6.7	-6.2	-6.7	-6.3
Low Growth and High Inflation	-9.6	-8.9	-9.7	-9.0
Brief, moderate inflation spike	-3.2	-2.8	-3.0	-2.9
Extended, moderate inflation spike	-6.2	-5.6	-5.9	-5.7
Brief, extreme inflation spike	-8.2	-7.4	-7.8	-7.5
Extended, extreme inflation spike	-10.9	-9.8	-10.4	-9.9

¹ See the Appendix for further details.

Inflation Stress Testing: Positive Scenarios
(Expected Return under Positive Inflationary Conditions)¹

Scenario	Current Policy Targets (%)	Option D: 2% Cash, 3% FI addition (%)	Option E: Reduction in PE & HF (%)	Option F: Reduction in Private Real Estate & HF (%)
High Growth and Low Inflation	11.3	10.1	11.0	10.4
High Growth and Moderate Inflation	9.6	8.5	9.1	8.7
High Growth and High Inflation	7.4	6.5	6.9	6.7

¹ See the Appendix for further details.

2024 CMEs for Selected Asset Classes

Asset Class	Geometric Expected Return (%)	Standard Deviation (%)
Cash Equivalents	2.5	1.0
Investment Grade Bonds	4.8	4.0
High Yield Bonds	6.8	11.0
Bank Loans	6.6	10.0
Direct Lending	8.4	15.0
US Equity	8.5	17.0
Developed Market Equity (non-US)	8.9	18.0
Emerging Market Equity	8.9	22.0
Private Equity	11.2	25.0
Core Private Real Estate	6.9	12.0
Natural Resources (Private)	9.3	22.0
Infrastructure (Core Private)	8.0	14.0
Hedge Funds	5.8	7.0

Scenario Return Inputs

Asset Class	Benchmark Used
Investment Grade Bonds	Bloomberg US Aggregate
TIPS	Bloomberg Global Inflation Linked: US TIPS
Intermediate Government Bonds	Bloomberg US Treasury: Intermediate
Long-term Government Bonds	Bloomberg US Treasury: Long
Emerging Market Bonds (local)	Bloomberg EM Local Currency Government Diversified
Bank Loans	Credit Suisse Leveraged Loan
High Yield Bonds	Bloomberg US Corporate High Yield
Direct Lending	Cliffwater Direct Lending Index
Real Estate	NCREIF Property Index
Core Private Real Estate	Cambridge Associates Proxy IRR Returns
Value-Added Real Estate	Cambridge Associates Proxy IRR Returns
Opportunistic Real Estate	Cambridge Associates Proxy IRR Returns
REITs	FTSE NAREIT All Equity REITS
Infrastructure (Private)	Cambridge Associates Proxy IRR Returns
Natural Resources (Private)	Cambridge Associates Proxy IRR Returns
Timberland	NCREIF Timberland
Commodities	Bloomberg Commodity Index
US Equity	Russell 3000
Developed Markets Equity (non-US)	MSCI EAFE
Emerging Markets Equity	MSCI Emerging Markets
Private Equity	Cambridge Associates Proxy IRR Returns
Long-Short	HFRI Equity Hedge
Global Macro	HFRI Macro
Hedge Funds	HFRI Fund Weighted Composite
Private Debt	Cambridge Associates Proxy IRR Returns

Negative Historical Scenario Returns - Sample Inputs

	Post-COVID Rate Hikes (Jan 2022-Oct 2023)	Covid-19 Market Shock (Feb 2020-Mar 2020)	Taper Tantrum (May - Aug 2013)	Global Financial Crisis (Oct 2007 - Mar 2009)	Popping of the TMT Bubble (Apr 2000 - Sep 2002)	LTCM (Jul - Aug 1998)
Cash Equivalents	5.5	0.4	0.0	2.6	9.9	0.8
Short-term Investment Grade Bonds	-1.6	0.4	-0.1	7.9	21.9	1.6
Investment Grade Bonds	-15.4	-0.9	-3.7	8.5	28.6	1.8
Long-term Corporate Bonds	-30.7	-18.4	-9.3	-10.3	26.9	-0.6
Long-term Government Bonds	-38.5	12.7	-11.6	24.2	35.5	4.1
TIPS	-13.2	-0.4	-8.5	8.2	37.4	0.7
Global Inflation Linked Bonds	-25.7	-6.5	-7.4	-3.9	39.7	0.7
High Yield Bonds	-7.1	-20.8	-2.0	-22.8	-6.3	-5.0
Bank Loans	8.8	-20.3	0.8	-23.7	6.3	0.7
Direct Lending	12.2	-4.8	2.6	-3.3	-2.0	-2.6
Foreign Bonds	-22.0	-4.5	-3.2	2.1	8.5	3.5
Emerging Market Bonds (major)	-15.8	-15.3	-11.5	-5.0	6.3	-28.2
Emerging Market Bonds (local)	-12.9	-13.9	-14.3	-7.9	7.2	-34.1
US Equity	-11.6	-35.0	3.0	-45.8	-43.8	-15.4
Developed Market Equity (non-US)	-12.1	-32.7	-2.2	-52.1	-46.7	-11.5
Emerging Market Equity	-21.8	-31.2	-9.4	-51.2	-43.9	-26.7
Global Equity	-12.9	-33.6	-0.7	-49.3	-46.7	-14.0
Private Equity/Debt	7.5	-7.8	5.7	-27.7	-23.6	-3.2
Private Equity	1.7	-7.4	5.8	-28.2	-26.2	-3.3
Private Debt	13.6	-10.1	4.6	-22.3	-1.8	-2.3
REITs	-31.4	-41.0	-13.3	-63.0	45.4	-15.3
Core Private Real Estate	-1.9	0.7	3.6	-10.6	23.6	2.3
Value-Added Real Estate	-4.0	-3.5	3.0	-32.2	25.4	0.0
Opportunistic Real Estate	9.1	-8.6	4.0	-25.7	21.4	1.5
Natural Resources (Private)	16.0	-22.1	2.5	-31.2	-3.9	-16.9
Timberland	18.4	0.1	1.3	20.7	-1.5	0.5
Farmland	12.5	-0.1	3.3	26.7	11.4	0.8
Commodities (naïve)	12.4	-18.9	-2.4	-36.9	18.5	-12.0
Infrastructure (Core Private)	13.6	-1.3	3.7	-0.8	24.8	-0.3
Hedge Funds	-2.1	-9.1	-0.4	-17.8	-2.1	-9.4
Long-Short	-9.5	-10.9	1.0	-26.4	-8.8	-8.3
Hedge Fund of Funds	-3.3	-7.6	-0.5	-19.5	-0.4	-7.7

Negative Historical Scenario Returns - Sample Inputs (continued)

	Rate spike (1994 Calendar Year)	Crash of 1987 (Sep - Nov 1987)	Strong dollar (Jan 1981 - Sep 1982)	Volcker Recession (Jan - Mar 1980)	Stagflation (Jan 1973 - Sep 1974)
Cash Equivalents	3.9	1.4	24.4	2.9	13.5
Short-term Investment Grade Bonds	0.5	2.3	29.9	-2.6	4.3
Investment Grade Bonds	-2.9	2.2	29.9	-8.7	7.9
Long-term Corporate Bonds	-5.8	1.5	29.6	-14.1	-12.0
Long-term Government Bonds	-7.6	2.6	28.4	-13.6	-1.8
TIPS	-7.5	2.8	15.6	-7.8	4.3
Global Inflation Linked Bonds	-7.9	2.9	16.5	-8.3	4.5
High Yield Bonds	-1.0	-3.6	6.9	-2.3	-15.5
Bank Loans	10.3	-1.7	3.3	-1.1	-7.5
Direct Lending	7.6	-2.3	3.2	-1.0	-7.2
Foreign Bonds	5.3	-0.3	34.8	-6.5	-1.4
Emerging Market Bonds (major)	-18.9	-9.2	-1.6	-2.6	-20.2
Emerging Market Bonds (local)	-22.8	-11.0	-2.0	-3.2	-23.9
US Equity	1.3	-29.5	-2.3	-4.1	-42.6
Developed Market Equity (non-US)	7.8	-14.5	-18.0	-7.0	-36.3
Emerging Market Equity	-7.3	-25.3	-12.1	-6.6	-44.2
Global Equity	5.0	-20.5	-11.1	-5.4	-40.4
Private Equity/Debt	13.2	-0.7	-2.7	-2.5	-18.2
Private Equity	14.2	-0.5	-3.9	-2.7	-20.1
Private Debt	6.2	-1.8	3.0	-1.0	-6.9
REITs	-3.5	-19.5	2.5	-3.6	-33.9
Core Private Real Estate	6.4	2.5	23.9	5.5	-4.4
Value-Added Real Estate	6.5	4.3	44.2	9.6	-7.6
Opportunistic Real Estate	18.8	3.1	30.7	7.0	-5.6
Natural Resources (Private)	12.6	-9.9	-9.5	-9.1	19.3
Timberland	15.4	9.2	23.6	-7.4	5.5
Farmland	9.4	5.3	13.3	-4.2	3.1
Commodities (naïve)	16.6	1.8	-16.0	-9.6	139.5
Infrastructure (Core Private)	-11.5	-0.1	-0.2	-0.1	-0.5
Hedge Funds	4.1	-7.8	-3.8	-1.9	-15.7
Long-Short	2.6	-10.0	-4.9	-2.5	-19.8
Hedge Fund of Funds	-3.5	-5.7	-2.7	-1.4	-11.5

Positive Historical Scenario Returns - Sample Inputs

	Covid-19 Recovery (Apr 2020 – Dec 2021)	Global Financial Crisis Recover (Mar 2009 - Nov 2009)	Best of Great Moderation (Apr 2003 - Feb 2004)	Peak of the TMT Bubble (Oct 1998 - Mar 2000)	Plummeting Dollar (Jan 1986 - Aug 1987)	Volcker Recovery (Aug 1982 - Apr 1983)	Bretton Wood Recovery (Oct 1974 - Jun 1975)
Cash Equivalents	0.1	0.1	0.9	6.7	10.0	6.0	4.5
Short-term Investment Grade Bonds	1.1	4.3	2.8	5.3	13.2	15.4	5.0
Investment Grade Bonds	2.6	9.0	4.6	1.7	14.4	26.4	9.2
Long-term Corporate Bonds	18.0	28.8	11.3	-3.1	15.9	42.1	17.5
Long-term Government Bonds	-7.2	2.0	4.9	-2.3	15.4	33.6	11.8
TIPS	15.6	14.3	9.1	6.3	10.2	11.5	4.1
Global Inflation Linked Bonds	18.9	24.7	9.6	6.6	10.8	12.1	4.3
High Yield Bonds	29.1	49.1	21.8	2.1	24.9	23.3	19.3
Bank Loans	24.8	32.9	10.1	6.1	11.1	10.4	8.7
Direct Lending	25.0	9.4	23.7	26.8	5.4	8.2	8.3
Foreign Bonds	5.2	23.4	15.2	-7.0	44.5	32.3	17.9
Emerging Market Bonds (major)	15.7	27.0	20.6	49.0	38.9	21.6	21.0
Emerging Market Bonds (local)	7.0	37.5	25.2	61.0	48.4	26.5	25.7
US Equity	92.0	51.6	37.2	50.2	64.8	59.3	55.1
Developed Market Equity (non-US)	55.4	60.5	56.7	53.0	140.0	29.6	34.6
Emerging Market Equity	50.9	94.6	79.4	101.3	126.5	52.1	53.4
Global Equity	75.2	59.9	46.2	54.8	98.7	46.3	43.8
Private Equity/Debt	97.8	18.8	23.3	82.4	19.0	13.7	18.4
Private Equity	101.5	16.7	23.7	90.0	21.6	14.8	20.2
Private Debt	41.2	28.7	20.4	21.3	5.9	7.9	8.0
REITs	75.1	82.5	44.6	-5.2	51.8	47.4	42.5
Core Private Real Estate	21.4	-12.1	9.0	18.1	13.1	6.8	4.5
Value-Added Real Estate	36.6	-22.4	10.9	22.0	23.6	11.9	7.8
Opportunistic Real Estate	41.1	-14.8	13.6	27.9	16.7	8.6	5.7
Natural Resources (Private)	45.4	57.6	36.1	22.2	78.3	30.2	14.8
Timberland	9.9	-3.7	8.5	20.5	28.6	20.0	8.7
Farmland	11.3	4.5	9.6	10.4	15.9	11.3	5.0
Commodities (naïve)	60.5	28.9	30.6	17.1	27.6	6.2	-20.2
Infrastructure (Core Private)	32.7	6.9	8.5	33.0	1.4	0.6	0.6
Hedge Funds	39.3	20.1	22.4	52.8	30.6	13.8	14.5
Long-Short	54.1	25.9	25.3	81.4	40.8	18.0	18.9
Hedge Fund of Funds	29.1	10.3	13.3	36.8	21.3	9.7	10.3

Stress Test Return Assumptions - Sample Inputs¹

	10-year Treasury Bond rates rise 100 bps	10-year Treasury Bond rates rise 200 bps	10-year Treasury Bond rates rise 300 bps	Baa Spreads widen by 50 bps, High Yield by 200 bps	Baa Spreads widen by 300 bps, High Yield by 1000 bps	Trade Weighted Dollar gains 10%	Trade Weighted Dollar gains 20%	US Equities decline 10%	US Equities decline 25%	US Equities decline 40%
Cash Equivalents	-0.2	-0.4	-0.5	2.8	1.1	3.6	1.3	2.8	2.3	0.4
Short-term Investment Grade Bonds	-1.2	-2.4	-3.6	2.2	1.5	0.8	1.4	0.8	0.7	0.8
Investment Grade Bonds	-4.0	-7.6	-10.7	3.9	-0.4	0.8	4.2	1.3	0.7	-1.0
Long-term Corporate Bonds	-8.2	-15.1%	-19.8	2.6	-13.4	-1.0	8.1	-1.4	-8.3	-12.3
Long-term Government Bonds	-9.5	-17.2	-21.8	7.8	7.3	1.8	12.8	1.0	2.6	2.4
TIPS	-4.3	-8.5	-11.6	2.8	-6.1	-2.4	-0.2	1.6	-2.3	-8.7
Global Inflation Linked Bonds	-1.9	-9.1	-11.9	2.4	-11.1	-4.0	-4.8	1.1	-5.4	-16.3
High Yield Bonds	2.4	-4.6	-3.6	-1.8	-23.0	-4.1	-0.6	-5.4	-15.5	-21.2
Bank Loans	1.5	-1.1	-5.1%	-2.8	-20.8	-2.9	-0.6	-3.6	-13.2	-17.4
Direct Lending	0.3	-2.4	-6.3	-1.8	-9.5	-3.3	-0.8	-3.3	-7.8	-5.9
Foreign Bonds	-4.6	-9.9	-15.7	6.6	-2.9	-4.5	-8.8	0.1	-4.6	-9.2
Emerging Market Bonds (major)	0.7	-6.5	-3.6	-0.1	-14.7	-2.6	-4.2	-4.4	-12.5	-15.4
Emerging Market Bonds (local)	1.6	-6.6	-3.0	0.1	-12.4	-2.8	-11.7	-3.8	-12.9	-19.8
US Equity	6.8	-1.8	2.8	-1.1	-31.6	-3.4	1.9	-10.0	-25.0	-40.0
Developed Market Equity (non-US)	8.6	0.1	-5.5	0.4	-34.6	-12.8	-8.6	-8.4	-22.2	-39.2
Emerging Market Equity	9.2	1.4	0.1%	-1.0	-41.9	-15.2	-14.4	-10.7	-28.3	-43.0
Global Equity	7.2	-0.8	-0.5	-0.6	-33.0	-8.8	-5.3	-9.2	-23.8	-39.0
Private Equity/Debt	6.0	0.6	-5.5	-0.1	-22.1	-2.7	-6.8	-9.0	-22.1	-25.0
Private Equity	6.3	0.6	-5.3	0.0	-22.3	-2.7	-6.0	-9.8	-22.9	-25.3
Private Debt	2.3	-1.1	-6.2	-1.8	-15.8	-2.3	-4.2	-3.9	-12.8	-14.9
REITs	3.3	-5.1	1.1	-3.7	-36.4	-1.3	12.1	-7.0	-31.9	-54.1
Core Private Real Estate	1.9	4.3	5.0	2.0	-7.1	2.7	9.7	1.1	-8.5	-14.0
Value-Added Real Estate	4.2	7.1	14.1	7.2	-13.5	13.7	6.4	1.9	-13.6	-23.1
Opportunistic Real Estate	3.8	6.7	9.9	1.1	-20.6	2.3	15.6	-0.6	-17.1	-26.3
Natural Resources (Private)	9.2	3.5	-7.5	-0.3	-25.0	-5.6	-14.5	-1.7	-14.5	-24.8
Timberland	1.6	2.6	-9.9	5.0	6.9	2.9	8.6	0.7	2.7	3.9
Farmland	2.4	0.9	-9.2	3.9	10.1	1.3	8.0	1.1	4.9	10.3
Commodities (naïve)	8.7	6.1	-6.6	-4.3	-25.0	-3.4	-24.0	5.2	-11.1	-37.8
Infrastructure (Core Private)	0.6	-4.2	-6.1	1.2	0.1	-0.7	3.6	-0.4	-5.0	-7.8
Hedge Funds	2.6	-1.9	-5.1	-0.6	-14.5	-2.2	-1.7	-4.3	-12.2	-15.7
Long-Short	4.7	-2.3	-4.2	-0.1	-21.0	-3.7	-4.3	-7.5	-17.7	-23.5
Hedge Fund of Funds	1.8	-2.5	-5.7	-1.3	-14.8	-2.9	-2.4	-4.9	-12.5	-16.0

¹ Assumptions are based on performance for each asset class during historical periods that resembled these situations.

'Anti' Stress Test Return Assumptions - Sample Inputs¹

	10-year Treasury Bond rates drop 100 bps	10-year Treasury Bond rates drop 200 bps	10-year Treasury Bond rates drop 300 bps	Baa Spreads narrow by 30bps, High Yield by 100 bps	Baa Spreads narrow by 100bps, High Yield by 300 bps	Trade Weighted Dollar drops 10%	Trade Weighted Dollar drops 20%	US Equities rise 10%	US Equities rise 30%
Cash Equivalents	0.2	0.3	0.4	0.8	0.2	2.0	4.5	2.3	3.1
Short-term Investment Grade Bonds	1.2	2.5	3.8	0.4	2.0	1.5	3.3	0.7	1.6
Investment Grade Bonds	4.3	8.9	14.0	1.1	3.9	2.5	9.4	1.8	3.8
Long-term Corporate Bonds	9.4	20.9	33.8	3.6	14.5	5.6	15.8	3.6	7.7
Long-term Government Bonds	11.6	24.9	40.5	0.1	-0.6	1.8	22.2	3.4	5.7
TIPS	4.7	9.8	15.6	0.9	5.9	3.8	7.8	1.5	2.2
Global Inflation Linked Bonds	3.0	6.4	7.7	1.8	7.4	5.9	8.4	1.6	3.2
High Yield Bonds	2.8	8.9	9.8	6.8	25.7	7.7	8.6	4.8	10.6
Bank Loans	-0.2	2.2	2.9	4.0	16.4	4.3	0.6	2.2	4.5
Direct Lending	-0.5	0.3	1.2	4.8	5.6	1.5	4.1	1.8	3.7
Foreign Bonds	5.7	11.3	18.8	1.4	7.4	9.9	21.3	2.2	6.8
Emerging Market Bonds (major)	3.1	7.4	8.1	5.2	15.5	7.4	15.4	5.4	11.1
Emerging Market Bonds (local)	3.7	9.7	10.4	5.3	17.5	10.3	19.1	5.9	12.7
US Equity	3.4	15.2	18.6	11.2	18.7	7.9	24.4	10.0	30.0
Developed Market Equity (non-US)	-2.4	16.3	18.0	9.3	18.2	13.1	47.3	6.1	17.8
Emerging Market Equity	0.5	17.6	22.9	8.9	34.1	19.7	46.9	8.6	26.5
Global Equity	0.7	15.1	18.1	9.4	19.5	11.1	35.4	8.1	24.1
Private Equity/Debt	2.4	4.3	5.1	9.8	9.5	7.3	16.3	10.2	13.4
Private Equity	2.5	4.3	5.0	9.9	8.3	7.2	16.9	10.9	14.1
Private Debt	0.8	1.8	2.7	7.2	12.7	4.8	5.9	4.5	6.6
REITs	2.6	14.2	18.5	8.8	27.0	6.5	24.8	9.5	23.0
Core Private Real Estate	1.0	1.6	1.5	3.8	-3.5	1.2	5.5	2.8	3.6
Value-Added Real Estate	2.7	6.4	6.3	4.8	-9.4	0.9	12.6	5.8	7.4
Opportunistic Real Estate	0.1	3.9	4.0	5.5	-5.5	-0.4	11.4	4.6	6.2
Natural Resources (Private)	0.5	11.0	14.6	8.0	23.5	13.0	23.9	5.1	12.6
Timberland	6.4	9.2	11.6	4.8	-0.6	3.8	12.9	6.3	5.5
Farmland	3.2	4.2	5.6	6.3	3.8	3.4	7.8	5.2	4.1
Commodities (naïve)	-2.6	-3.2	-3.0	2.5	9.8	13.6	-2.5	3.0	4.0
Infrastructure (Core Private)	0.8	-4.3	-3.7	6.8	4.8	3.5	-2.3	2.0	2.9
Hedge Funds	3.3	4.8	4.8	5.4	11.3	6.0	9.3	5.5	9.8
Long-Short	3.3	5.8	5.5	6.4	12.3	7.8	15.2	6.9	13.3
Hedge Fund of Funds	2.5	3.9	4.0	4.5	10.2	5.1	8.3	4.6	8.8

¹ Assumptions are based on performance for each asset class during historical periods that resembled these situations.

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

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

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

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

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

MEMORANDUM

TO: MercedCERA Board of Trustees
FROM: Mika Malone, Paola Nealon, David Sancewich, Inwoo Hwang, Meketa Investment Group
DATE: April 25, 2024
RE: Statement of Investment Beliefs

Background

The adoption of Investment Beliefs among public pension plans, particularly larger ones, has become increasingly popular as more institutional investors recognize the importance of having a clear and transparent framework to guide their investment decision processes. Importantly, a clear and articulated set of beliefs help guide the investment decision-making process, ensuring all stakeholders are aligned on the fundamental principles governing the Plan.

In the February 22, 2023 Board meeting, Meketa reviewed a set of Investment Beliefs with the MercedCERA Trustees'. The enclosed Investment Beliefs capture their feedback.

Today, we are seeking Board approval and adoption of the Investment Beliefs Statements as reviewed and revised with MercedCERA Trustees.

Action Item: Seek Board approval to adopt Investment Beliefs for the MercedCERA Plan.

Statement of Investment Beliefs

Investment Beliefs represent the consensus views of the Trustees, as of the date of publication. They represent neither policy, nor a procedural document. Rather, they are designed to assist in framing decision making as it relates to adopting policies, selecting investments, and setting expectations with respect to its various vendors.

1. Asset allocation is a primary driver of returns
2. A long time horizon is appropriate when thinking about the portfolio's risk tolerance and return objective.
3. Volatility in the short term can be substantial, but diminishes over longer periods of time.
4. Certain segments of the capital markets have inefficiencies that can be exploited through active management.
- ~~5. The power of capital preservation is substantial. Managing short-term drawdown risk can positively impact the Fund's ability to achieve its objectives.~~
- ~~6.5.~~ Rebalancing the portfolio is a key aspect of prudent long-term strategic asset allocation policy.
- ~~7.6.~~ A disciplined execution of the long-term strategic allocation plan, rather than timing the market, is critical for the Fund's success.
- ~~8.7.~~ Diversification enhances risk-adjusted returns over the long-term.
- ~~9.8.~~ As a long-term investor, the illiquidity premium in private markets can be captured to enhance return potential.
- ~~10. Shifting asset allocation away from policy (i.e., tactical allocations) from time-to-time adds value.~~

Statement of Investment Beliefs

Investment Beliefs represent the consensus views of the Trustees, as of the date of publication. They represent neither policy, nor a procedural document. Rather, they are designed to assist in framing decision making as it relates to adopting policies, selecting investments, and setting expectations with respect to its various vendors.

1. Asset allocation is a primary driver of returns
2. A long time horizon is appropriate when thinking about the portfolio's risk tolerance and return objective.
3. Volatility in the short term can be substantial, but diminishes over longer periods of time.
4. Certain segments of the capital markets have inefficiencies that can be exploited through active management.
5. Rebalancing the portfolio is a key aspect of prudent long-term strategic asset allocation policy.
6. A disciplined execution of the long-term strategic allocation plan, rather than timing the market, is critical for the Fund's success.
7. Diversification enhances risk-adjusted returns over the long-term.
8. As a long-term investor, the illiquidity premium in private markets can be captured to enhance return potential.



Merced County Employees' Retirement Association

DATE: April 25, 2024
TO: MercedCERA Board of Retirement
FROM: Kristie Santos, Plan Administrator
SUBJECT: MercedCERA Assistant Plan Administrator - Investments
ITEM NUMBER: **Open Session Item d**
ITEM TYPE: **Action**

STAFF RECOMMENDATION:

1. Adopt the proposed draft classification and direct staff to work with County HR to implement.

DISCUSSION:

MercedCERA created a Chief Investment Officer classification that reports directly to the Board of Retirement by adopting Government Code section 31522.3. It has become clear that MercedCERA is in need of a person to do in depth analysis and portfolio monitoring – more hands-on work – than a Chief Investment Officer.

With initial discussions and direction, the Plan Administrator is proposing and bringing in front of the Board for feedback, a proposal to create an Assistant Plan Administrator - Investments position that would be dedicated to only investments. This would still give the Board of Retirement the authority to appoint and set the salary for the position and have the classification report directly to the Plan Administrator for oversight.

Attached is the draft classification for discussion and possible approval. Staff recommends that the Board keep the Chief Investment Officer classification vacant, as it may be used someday for succession planning or career growth in the future.

The Plan Administrator is asking for the Board to approve the classification of an Assistant Plan Administrator - Investments and give the Plan Administrator direction to work with County Human Resources to implement this classification according to County timeframes, processes, and service level agreements. As stated, once created the Board would be the appointing and salary setting authority.

ASSISTANT PLAN ADMINISTRATOR - Investments

Class Code:
7539

Bargaining Unit: "B" Level Unrepresented Management

MERCED COUNTY
Established Date: XXXX, 2023
Revision Date: XXXX

SALARY RANGE

\$60.12 - \$73.19 Hourly
\$4,809.60 - \$5,855.20 Biweekly
\$10,420.80 - \$12,686.27 Monthly
\$125,049.60 - \$225,000 Annually – up to the Board

DESCRIPTION:

Under direction of the Plan Administrator, assists in the implementation and administration of the Investment Program of the Merced County Employees' Retirement Association (MercedCERA); monitors and analyzes investment performance; evaluates the performance of investment service providers; and assists in the planning and development of investment strategies and may coordinate the work of the fiscal staff and the MercedCERA Investment Consultants. This class is characterized by the responsibility to assist and provide direction in the management and implementation of the MercedCERA investment strategy and policies and to monitor and analyze fund investments and maintain and discharge discretionary authority and responsibility over some aspects of the Program. This class performs the most complex and specialized investment related duties, works under general supervision and may play a role in coordinating the work of staff.

EXAMPLES OF DUTIES:

Duties may include, but are not limited to, the following:

- Assist in developing objectives and guidelines for the MercedCERA investment program and writing policies; assist in the formulation of investment strategies and tactics;
- Research and analyze pension fund trends and new product developments in the institutional investment industry; analyze economic and financial markets on a global basis;
- Prepare special analysis of the investment portfolio; develop investment improvement recommendations; conduct research and screen investment opportunities and oversee the general investment process;
- Prepare and present written and oral reports to and conduct workshops for the MercedCERA Board, and stakeholders including but not limited to retirees, employees, and other groups as directed;
- Provide primary support to Investment Manager Searches, Watch Status and Terminations;

- Oversee investment contract processes with knowledge of current market terms; prepare Request for Proposals; assist in benchmarking investment services providers performance; meet with investment managers to evaluate products and firms; assist in the review, negotiation and administration of contracts for services, including alternative investments;
- Attend monthly Board meetings; develop and present the results of analytical projects to the Board; study and make recommendations to the Retirement Board based on internal research and/or advice received from outside consultants; properly maintain the asset allocation plan approved by the Retirement Board;
- Participate in evaluating the investment performance of investment managers and MercedCERA's portfolio; evaluate trade cost analysis of MercedCERA's investment managers; act as primary liaison to investment managers in monthly and quarterly reporting and monitors their compliance with Board established reporting deadlines and report formats; monitor and assist in ensuring compliance of the Retirement System's investment managers with the Board's investment policies and guidelines;
- Coordinate portfolio rebalancing; monitor allocation mix of short-term investment funds; recommend changes to the MercedCERA Investment Policy Statement;
- Perform compliance audits of investment managers; verify and track fees for investment managers and consultants.
- Calculate, analyze and reconcile alternative investment account fee structures, expenses and performance measures;
- Review investment training opportunities with the Board and Staff; attend Client and Investment Conferences; meet with banking, financial and investment organizations to discuss investments, financial markets and economic trends;
- Apply statistical principles and methodologies to data sets. Principles and methodologies may include such things as linear regression, multiple linear regression, regime switching return models, mean reversion models, auto regressive/moving average models, asset liability modeling, confidence intervals, hypothesis testing and tests for collinearity;
- Provide peer review and technical direction and guidance to staff;
- Perform special projects as assigned; and
- Perform related duties as assigned.

KNOWLEDGE OF:

- The principals and practices of institutional investing for a public pension plan;
- Financial analysis;
- The principals of pension administration and retirement benefits administration;
- Risk monitoring, economic and market trends and conditions;
- Applicable investment laws, rules and regulations;
- Benchmarking;
- Administrative analysis; and
- Statistics and actuarial analysis.
- 1937 (California) County Employees Retirement Act, and other applicable State, Federal and local regulations.
- Principles and practices of policy development and implementing.
- Modern office procedures, methods and computer equipment.

ABILITY TO:

- Think strategically related to the management of a public pension system investment portfolio;
- Analyze and communicate the strategies related to complex financial investments;
- Perform complex financial and statistical analysis;
- Prepare and write reports or presentations;
- Establish and maintain effective working relationships with all MercedCERA stakeholders;
- Effectively communicate verbally and in writing;
- Make presentations to Boards and management groups;
- Develop complex plans and reports;
- Ability to work collaboratively with staff in a small office;

MINIMUM QUALIFICATIONS:

Experience:

Any combination of education and experience that would provide the opportunity to acquire the knowledge and abilities listed. Normally this would include possession of a Bachelor's degree, or equivalent, in finance, statistics, actuarial science, mathematics, applied mathematics, economics, business administration or closely related field; **AND**

Four (4) years of investment experience in a public agency or financial institution which involved investment portfolio management, formulating, recommending and implementing investment strategies, economic analysis, and/or investment reporting or performance measurement; **OR**

A Master's degree, or equivalent, with an emphasis in any of the above listed areas and three years of experience in the above listed areas. Experience in retirement benefits administration and pursuit or possession of the Chartered Financial Analyst (CFA) designation is highly desirable.

SKILLS AND ABILITIES:

ESSENTIAL FUNCTIONS

Communicate effectively with others in person and over the telephone and teleconferencing software.

- Think strategically related to the management of a public pension system investment portfolio;
- Analyze and communicate the strategies related to complex financial investments;
- Perform complex financial and statistical analysis;
- Prepare and write reports or presentations;
- Establish and maintain effective working relationships with all MercedCERA stakeholders;
- Effectively communicate verbally and in writing;
- Make presentations to Boards and management groups;
- Develop complex plans and reports;
- Ability to work collaboratively with staff in a small office;
- Frequent use of depth perception, peripheral vision and color perception.
- Frequently lift, carry, reach, push, pull, twist and manipulate large and small objects.

- Frequent use of hand-eye coordination; Normal dexterity, frequent holding and grasping.
- Occasionally lift and carry up to 40 pounds.
- Regular in person attendance in the office is an essential function.

ADDITIONAL INFORMATION:

FLSA: Exempt

Probationary Period: At Will Classification

**MercedCERA
Retirement Board**

Kristie Santos
Plan Administrator

Martha Sanchez Barboa
Assistant Plan
Administrator-Operations

Proposed
Assistant Plan
Administrator-Investments

Mark Harman
Investment & Finance
Manager

Monica Gallegos
Benefits & Administration
Manager

Marissa Coelho
Office Assistant II

Kristy Barajas
Accountant I

Khue Xiong
Support Analyst II

Brenda Mojica
Staff Services Analyst II

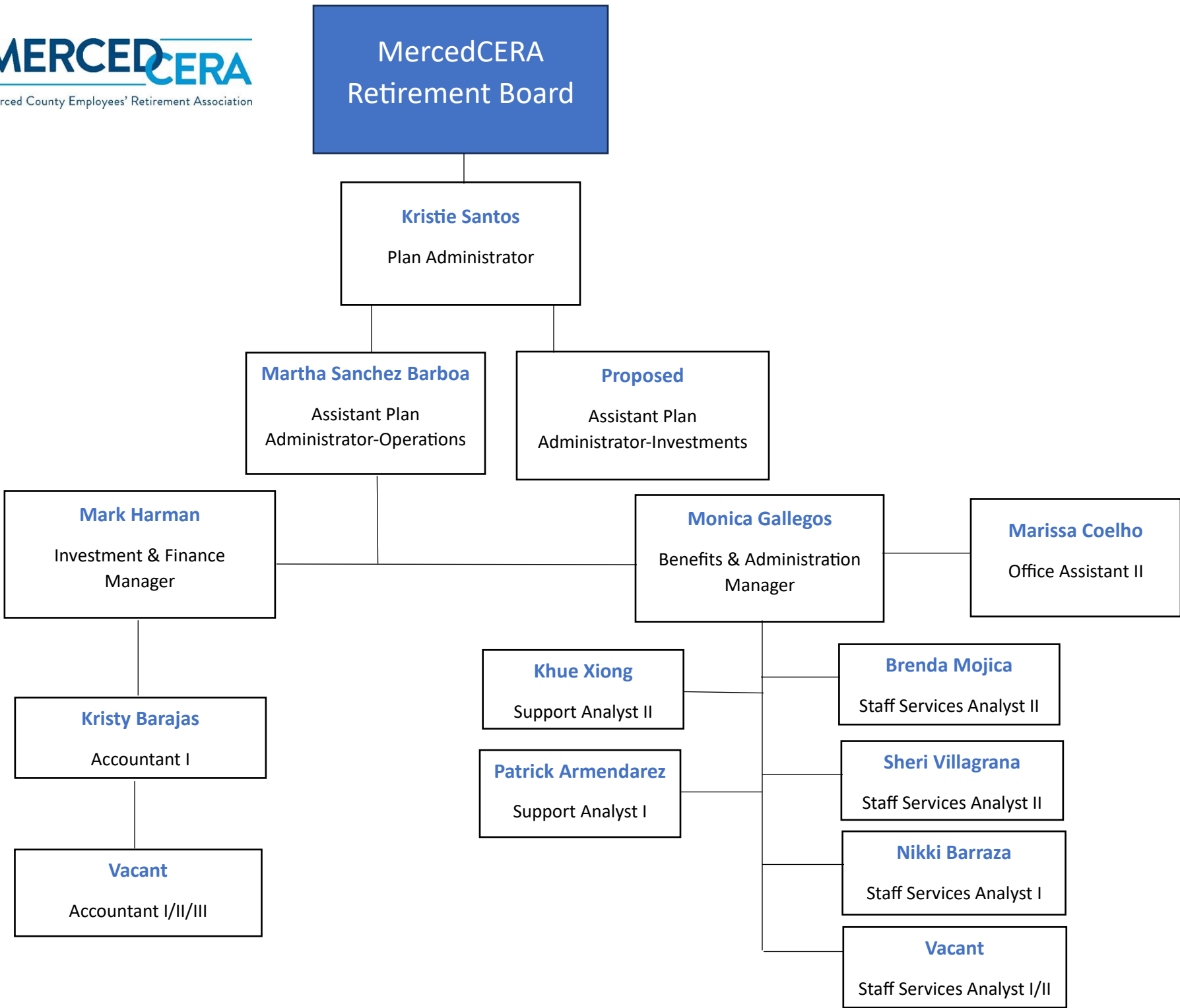
Vacant
Accountant I/II/III

Patrick Armendarez
Support Analyst I

Sheri Villagrana
Staff Services Analyst II

Nikki Barraza
Staff Services Analyst I

Vacant
Staff Services Analyst I/II





Merced County Employees' Retirement Association

DATE: April 25, 2024
TO: MercedCERA Board of Retirement
FROM: Kristie Santos, Plan Administrator
SUBJECT: SACRS Meeting Packet for Spring 2024 Conference
ITEM NUMBER: **Open Session Item e**
ITEM TYPE: **Action**

STAFF RECOMMENDATION:

1. Adopt the following SACRS Meeting packet for the Spring 2024 Conference:
 - a. Adopt the minutes from the Fall 2023 Conference,
 - b. Approve the Treasurer's Report as proposed,
 - c. Approve the proposed Board of Directors,
 - i. President – David McDonald, CCCERA
 - ii. Vice President – Adele Tagaloa, OCERS
 - iii. Secretary – Zandra Cholmondeley, SBCERS
 - iv. Regular Member – David Gilmore, SDCERA
 - v. Regular Member – Rhonda Biesemeirer, StanCERA
 - d. Approve the SACRS Audit,
 - e. Delegate Janey Cabral and/or Kristie Santos and/or Martha Sanchez Barboa to be voting delegates for MercedCERA

DISCUSSION:

Staff is recommending the Board approve the following:

- f. Recommend Adopt - The minutes from the Fall 2023 Conference,
- g. Recommend Approve - The Treasurer's Report as proposed,
- h. Recommend Approve - The proposed Board of Directors,
 - i. President – David McDonald, CCCERA
 - ii. Vice President – Adele Tagaloa, OCERS
 - iii. Secretary – Zandra Cholmondeley, SBCERS
 - iv. Regular Member – David Gilmore, SDCERA
 - v. Regular Member – Rhonda Biesemeirer, StanCERA
- i. Recommend Approve - The SACRS Audit,
- j. Delegate - Janey Cabral and/or Kristie Santos and/or Martha Sanchez Barboa to be voting delegates for MercedCERA



SACRS
Spring Conference
Annual Business Meeting 2024

Friday, May 10, 2024
10:15 am – 11:30 am
Santa Barbara Ballroom

Hilton Santa Barbara Beachfront Resort
Santa Barbara, CA



Vision, Mission, Core Values

The members and staff of the State Association of County Retirement Systems (SACRS) share a common purpose, mission and core values.

Statement of Purpose

The specific and primary purposes of SACRS are to provide forums for disseminating knowledge of and developing expertise in the operation of 20 county retirement systems existing under the County Employees Retirement Law of 1937 (CERL) sets forth in California Government Code section 31450 et. seq., and to foster and take an active role in the legislative process as it affects county retirement systems.

Mission Statement

The mission of this organization shall be to serve the 1937 Act Retirement Systems by exchanging information, providing education and analyzing legislation.

Core Values

Teamwork

Integrity

Education

Service and Support



SACRS Business Meeting Agenda
Friday, May 10, 2024
10:15 AM – 11:30 AM
Hilton Santa Barbara Beachfront Resort
Santa Barbara, CA
Santa Barbara Ballroom

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

1. SACRS System Roll Call

Zandra Cholmondely, Santa Barbara CERS, SACRS Secretary

2. SACRS Secretary's Report - Receive and File

Zandra Cholmondely, Santa Barbara CERS, SACRS Secretary

- A. SACRS Business Meeting Minutes November 2023

3. SACRS Treasurer's Report - Receive and File

Jordan Kaufman, Kern CERA, SACRS Treasurer

- A. July 2023 – January 2024 Financials

4. SACRS President Report - No Action

David MacDonald, Contra Costa CERA, SACRS President

- A. SACRS President Update

5. SACRS Legislative Committee Report – No Action

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

- A. Legislative Committee Report

6. SACRS Nomination Committee Report - Action

Vivian Gray, Los Angeles CERA, SACRS Nomination Committee Chair

- A. SACRS Board of Directors Elections 2024-2025

7. SACRS Audit Committee Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. SACRS Audit 2022-2023 Report



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

- A. Education Committee Report

9. SACRS Program Committee Report – No Action

Adele Tagaloa, Orange CERS, SACRS Program Committee Chair

- A. Program Committee Report

10. SACRS Affiliate Committee Report – No Action

JoAnne Svendsgaard, Adrian Lee & Partners, SACRS Affiliate Committee Chair

- A. Affiliate Committee Report

11. SACRS Bylaws Committee Report – No Action

Barbara Hannah, San Bernardino CERA, SACRS Bylaws Committee Chair

- A. Bylaws Committee Report

12. SACRS Spring Conference Breakout Reports – No Action

A representative from each breakout will give a verbal report on their meetings. No printed materials for this item.

- A. Administrators – Thomas Stadelmaier, Stanislaus CERA
- B. Affiliates – JoAnne Svendsgaard, Affiliate Committee Chair
- C. Attorneys – Barbara Hannah and David Lantzer, San Bernardino CERA
- D. Disability/ Operations & Benefits Combo – Theodore King, Los Angeles CERA
- E. Internal Auditors – Harsh Jadhav, Alameda CERA
- F. Investment Officers – Donald Pierce, San Bernardino CERS
- G. Safety Trustees – Brian Williams, Sonoma CERS
- H. General Trustees – Adele Tagaloa, Orange CERS

13. Adjournment

Next scheduled SACRS Business Meeting will be held on Friday, November 15, 2024. The meeting will be held at the Hyatt Regency Monterey Hotel and Spa during SACRS Annual Fall Conference November 12 – 15, 2024.



1. Roll Call

Zandra Cholmondeley, Santa Barbara CERS, SACRS Secretary

Roll Call of the 20 SACRS Retirement Systems.

Please state your Retirement System, your name, and if you are the voting delegate or alternate delegate.



1. SACRS System Roll Call

Zandra Cholmondeley, Santa Barabra CERS, SACRS Secretary

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



2. SACRS Secretary's Report - Receive and File

Zandra Cholmondeley, Santa Barbara CERS, SACRS Secretary

- A. SACRS Business Meeting Minutes November 2023



SACRS Business Meeting Minutes
Friday, November 10, 2023
10:15 AM – 11:30 AM
Omni Rancho Las Palmas Resort & Spa
Rancho Mirage, CA
Las Palmas Ballroom

SACRS Parliamentarian – David Lantzer, San Bernardino CERA

Sergeant at Arms – Brian Williams, Sonoma CERA

Meeting called to order at 10:30 am

1. SACRS System Roll Call

Zandra Cholmondely, Santa Barbara CERS, SACRS Secretary

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

2. Secretary's Report - Receive and File

Zandra Cholmondely, Santa Barbara CERS, SACRS Secretary

A. Spring 2023 SACRS Business Meeting Minutes

Motion: A motion to approve the SACRS Spring 2023 Business Meeting Minutes was made by Fresno CERA.

2nd: Sonoma CERA

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

No: 0

Abstain: 0

Motion passes 20-0-0

3. Treasurer's Report - Receive and File

Jordan Kaufman, Kern CERA, SACRS Treasurer

A. July – August 2023 Financials

Discussion: Jordan Kaufman gave a verbal and written report on SACRS July – August 2024 Financials. To help generate revenue, SACRS Board of Directors factored in a sponsorship program for the Spring and Fall conferences in 2024. Due to covid 2019-2021 reduced participation at conferences, the Board has had to utilize reserved funds to help fund conferences. The goal of the Board in the coming year is to build back up the reserves to comply with the Cash Management Policy.



Motion: A motion to approve the SACRS Financial report was made by San Diego CERA.

2nd: Fresno CERA

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

No: 0

Abstain: 0

Motion passes 20-0-0

4. SACRS President Report - No Action

David MacDonald, Contra Costa CERA, SACRS President

A. SACRS President Update. Verbal report, no printed materials for this item.

Discussion: David MacDonald, SACRS President, gave a verbal report on the current conference and the upcoming 70th Anniversary Celebration in 2024. He would like to see more system participation by Trustees and invited the Systems to send in highlights and important milestones to SACRS administration for inclusion in the program.

5. SACRS Legislative Committee Update – Action Item

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

A. 2023 Legislative Report – **No Action**

B. 2024 Legislative Proposals – **Action Item**

Discussion: Dave Nelsen and Eric Stern gave verbal and written report on the past legislative session and the proposal for 2024 SACRS Legislative platform. The SACRS Legislative Committee has developed a legislative package for consideration in the upcoming 2024 legislative session. These proposals reflect the input of SACRS member systems and are intended to provide technical and administrative clarity to various sections of the County Employees Retirement Law of 1937 (CERL or '37 Act).

Proposed amendments to the CERL include the following:

- Clarification that a retiree's pension payment can be deposited in a trust account controlled by that member. This is not intended to change the statutory intent that an ongoing pension payment must be made to a natural person; however, the amendment provides uniformity to an issue that has been interpreted differently across the '37 Act systems. SACRS' tax counsel from the Hanson Bridgett law firm has reviewed the language for appropriateness and compliance with federal and California law.
- Authority for a Board of Retirement to make payments to retirees through a prepaid account (like a debit card). This amendment is intended to accommodate retirees who may not have a traditional checking or savings account, leaving the only option to receive regular pension payments through paper check by mail or in-person. The COVID-19 pandemic and past natural disasters have shown that



the use of paper checks can be adversely affected in delivering promised benefits. This amendment only authorizes the system to utilize prepaid accounts as a payment method; it does not mandate it.

- Removal of requirement for a certified mail “return receipt” when sending notices to terminated members or beneficiaries that they have contributions or unclaimed benefits remaining with the system. Though IRS regulations require registered or certified mail for locating members and beneficiaries, the “return receipt” language found in the CERL is not an IRS requirement and reflects an outdated practice. Certified mail now allows the sender to electronically track the letter at significant cost savings.
- Direction for retirement systems to take certain actions when retired members exceed the 960-hour post-retirement employment limit. The proposed amendments would require the system to offset the member’s retirement allowance by the equivalent excess hours paid above 960 hours to ensure that the retired member is not receiving a pension and a salary outside of the prescribed limit. These amendments do not preclude retirement system from also reinstating the member into active service as the system deems necessary.

Motion: A motion to approve Item 5B SACRS 2024 Legislative Proposal was made by Fresno CERA.

2nd: Mendocino CERA

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

No: Kern CERA

Abstain: 0

Motion passes 20-1-0

6. SACRS Nomination Committee – No Action

Vivian Gray, Los Angeles CERA, SACRS Nomination Committee Chair

A. SACRS Election Notice 2024-2025

Discussion: Discussion only, no action. Vivian Gray, SACRS Immediate Past President and Nomination Committee Chair, asked the Systems to alert staff and trustees that might be interested in serving on the Board, that the elections begin January 1, 2024.

7. SACRS Audit Report – No Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. Audit Committee report. Verbal report, no printed materials for this item.

Discussion: Discussion only, no action. SACRS Staff reported that the annual audit will be presented to the Board in January 2024 and presented to the membership at the Spring 2024 Business Meeting.



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

- A. SACRS Annual Fall Conference 2023 report. Verbal update, no printed materials for this item.

Discussion: Discussion only, no action. JJ Popowich provided a verbal report of the Education committee meeting and review of all sessions. JJ reported that the group thought it was a great conference, recognized the effort the Committee has made in presenting a diverse speaker roster. The addition of moderator Kellie DeMarco has elevated the general sessions and the overall conference. The overall sentiment was that they would have enjoyed more time in the AI session and Jamal Cyber session. The Committee will provide a full report to the Board in January 2024.

9. SACRS Program Committee Report – No Action

Adele Tagaloa, Orange CERS, SACRS Program Committee Chair

- A. Program Committee report. Verbal update, no printed materials for this item.

Discussion: Discussion only, no action. Adele Tagaloa thanked the committee members and welcome feedback via the evaluations online. Excited to include the Systems in the 70th Anniversary Celebrations.

10. SACRS Affiliate Committee Report – No Action

JoAnne Svensgaard, SACRS Affiliate Committee Chair

- A. Affiliate Committee report. Verbal update, no printed materials for this item.

Discussion: Discussion only, no action. JoAnne Svensgaard provided a verbal update on the Affiliate breakout and the new affiliate members. She announced that nominations to be on the Affiliate Committee will open in January 2024. Qualified members may submit their interest via the online portal on SACRS website. The selection process is available in the Affiliate Guidelines for those that want more information, or feel free to contact her directly. She also announced that her term is expiring and that she would be stepping down as the Chair of the Committee.

11. SACRS Bylaws Committee Report – No Action

Barbara Hannah, San Bernardino CERA, SACRS Bylaws Committee Chair

- A. Bylaws Committee report. Verbal update, no printed materials for this item.

Discussion: Anticipate Bylaws amendments in 2024 to clean up current language for the committees, and election cycle for the Affiliates.



12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give a verbal report on their meetings. No printed materials for this item.

- A. Administrators – Eric Stern, Sacramento CERS reported that the administrators discussed. Thomas Stadelmaier, Stanislaus CERA will serve as the Spring 2024 moderator.
- B. Attorneys – Aaron Zaheen, Tulare CERA reported that the group had an enjoyable conversation, discussed cyber fraud, web accessibility and Brown Act. Barbara Hannah and David Lantzer will serve as the Spring 2024 moderators.
- C. Disability/ Operations & Benefits Combo – Carlos Barrios, Alameda CERA reported that they had a great discussion, talked about secure higher survivor benefits, safety members having better support, Contra Costa disability classification. Louis Gittens, Los Angeles CERA will serve as the Spring 2024 moderator.
- D. Internal Auditors – No report
- E. Investment Officers – No report
- F. Safety Trustees – Brian Williams, Sonoma CERA reported that they had new members attend the breakout and the conference. Brian volunteered to serve as the moderator at the Spring 2024 session.
- G. General Trustees – Adele Tagaloo, Orange CERS reported that the Trustees discussed governance and had a robust roundtable discussion . Adele volunteered to serve as the moderator at the Spring 2024 session.

13. Adjournment

Next scheduled SACRS Business Meeting will be held Friday, May 10, 2024, at the Hilton Santa Barbara Beachfront Resort, Santa Barbara, CA.

Motion: A motion to adjourn the meeting at 10:54 am was made by Santa Barbara CERS.

2nd: Fresno CERA

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

No: 0

Abstain: 0

Motion passes 20-0-0



3. SACRS Treasurer's Report - Receive and File

Jordan Kaufman, Kern CERA, SACRS Treasurer

A. July 2023 – January 2024 Financials

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Balance Sheet
As of January 31, 2024

ASSETS

Current Assets

Checking/Savings

1000 · First Foundation Bank-Checking	102,263.60
1001 · BofA Interest Checking 4389	6,646.59
1002 · First Foundation Bank ICS Acct	7,626.58

Total Checking/Savings 116,536.77

Other Current Assets

1100 · CalTrust - Medium Term	522,082.46
1107 · CalTrust Liquidity Fund	8,836.81
1110 · CAMP-SACRS Liquidity Fund	520,838.38
1201 · Deposits in Transit	-45.00

Total Other Current Assets 1,051,712.65

Total Current Assets 1,168,249.42

TOTAL ASSETS 1,168,249.42

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Credit Cards

2201 · First Foundation Master Card	1,558.77
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Total Credit Cards 1,558.77

Total Current Liabilities 1,558.77

Total Liabilities 1,558.77

Equity

32000 · Retained Earnings	1,266,654.18
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Net Income -99,963.53

Total Equity 1,166,690.65

TOTAL LIABILITIES & EQUITY 1,168,249.42

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss by Class

July 2023 through January 2024

	PAST YEAR	GENERAL	FUTURE YEAR	TOTAL
Ordinary Income/Expense				
Income				
4100 · Membership Dues				
4101 · Affiliates	0.00	294,250.00	0.00	294,250.00
4102 · Non Profit - Organizations	0.00	3,000.00	0.00	3,000.00
4103 · Non Profit - Systems	0.00	10,800.00	0.00	10,800.00
4104 · Systems - Medium	0.00	52,000.00	0.00	52,000.00
4105 · Systems - Large	0.00	42,000.00	0.00	42,000.00
Total 4100 · Membership Dues	0.00	402,050.00	0.00	402,050.00
4250 · Product Income				
4251 · CERL	0.00	25.00	0.00	25.00
4254 · Website Job Board	0.00	400.00	0.00	400.00
4269 · Product Shipping	0.00	10.00	0.00	10.00
Total 4250 · Product Income	0.00	435.00	0.00	435.00
4270 · UC Berkeley Program				
4271 · Registrations	500.00	27,500.00	0.00	28,000.00
4272 · Sponsorships	0.00	25,000.00	0.00	25,000.00
4270 · UC Berkeley Program - Other	0.00	0.00	0.00	0.00
Total 4270 · UC Berkeley Program	500.00	52,500.00	0.00	53,000.00
4300 · Fall Conference Registration				
4302 · Affiliates - Regular	0.00	305,100.00	0.00	305,100.00
4303 · Affiliates - Late/Onsite	0.00	13,824.00	0.00	13,824.00
4304 · Non Profit	0.00	1,200.00	0.00	1,200.00
4305 · Systems	240.00	20,880.00	0.00	21,120.00
4306 · Non-Members	0.00	260,910.00	0.00	260,910.00
4307 · Fun Run	0.00	1,525.00	0.00	1,525.00
4308 · Yoga	0.00	720.00	0.00	720.00
4309 · Spouse	0.00	3,200.00	0.00	3,200.00
4300 · Fall Conference Registration - Other	0.00	14,073.00	0.00	14,073.00
Total 4300 · Fall Conference Registration	240.00	621,432.00	0.00	621,672.00
4350 · Spring Conference Registration				
4351 · Affiliates - Early	1,020.00	0.00	0.00	1,020.00
4352 · Affiliates - Regular	4,520.00	0.00	0.00	4,520.00
4353 · Affiliates - Late/Onsite	1,280.00	0.00	0.00	1,280.00
4354 · Non Profit	360.00	0.00	0.00	360.00
4355 · Systems	2,400.00	0.00	0.00	2,400.00
4356 · Non-Members	8,010.00	0.00	0.00	8,010.00
4357 · Fun Run	180.00	0.00	0.00	180.00
4358 · Yoga	45.00	0.00	0.00	45.00
Total 4350 · Spring Conference Registration	17,815.00	0.00	0.00	17,815.00
4900 · Interest Earned	0.00	39,224.18	0.00	39,224.18
Total Income	18,555.00	1,115,641.18	0.00	1,134,196.18
Gross Profit	18,555.00	1,115,641.18	0.00	1,134,196.18
Expense				
5000 · Administrative Fee	0.00	112,500.00	0.00	112,500.00
5002 · Awards	0.00	-902.56	0.00	-902.56

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss by Class

July 2023 through January 2024

	PAST YEAR	GENERAL	FUTURE YEAR	TOTAL
5003 · Bank Charges/Credit Card Fees	0.00	29,871.10	0.00	29,871.10
5010 · Berkeley & Symposium				
5012 · Delivery & Shipping	0.00	112.55	0.00	112.55
5013 · Hotel	0.00	-594.55	0.00	-594.55
5015 · Materials/Printing/Design	0.00	1,934.16	0.00	1,934.16
5017 · UC Berkeley	0.00	366,000.00	0.00	366,000.00
Total 5010 · Berkeley & Symposium	0.00	367,452.16	0.00	367,452.16
5040 · Commissions & Fees	0.00	25.00	0.00	25.00
5041 · Consulting	0.00	9,880.00	0.00	9,880.00
5042 · Dues & Subscriptions	0.00	325.00	0.00	325.00
5050 · Fall Conference				
5051 · Audio/Visual	0.00	113,408.38	0.00	113,408.38
5052 · Delivery & Shipping	0.00	2,973.16	0.00	2,973.16
5053 · Entertainment	0.00	19,902.66	0.00	19,902.66
5054 · Hotel				
5054.1 · Wednesday Night Event	0.00	117,507.00	0.00	117,507.00
5054.2 · Conference	0.00	54,127.19	0.00	54,127.19
5054.3 · Food & Beverage	0.00	158,077.90	0.00	158,077.90
Total 5054 · Hotel	0.00	329,712.09	0.00	329,712.09
5055 · Program Material	0.00	28,012.35	0.00	28,012.35
5056 · Speakers	0.00	36,500.00	0.00	36,500.00
5057 · Supplies	0.00	252.60	0.00	252.60
5058 · Travel	0.00	12,574.50	0.00	12,574.50
5050 · Fall Conference - Other	0.00	337.80	0.00	337.80
Total 5050 · Fall Conference	0.00	543,673.54	0.00	543,673.54
5070 · Insurance	0.00	1,991.00	0.00	1,991.00
5071 · Legal & Professional Fees	0.00	3,350.00	0.00	3,350.00
5072 · Legislative Advocacy	0.00	26,189.00	0.00	26,189.00
5080 · Magazine				
5082 · Design/Printing/Etc.	0.00	4,332.91	0.00	4,332.91
5083 · Magazine - Other	0.00	10,740.00	0.00	10,740.00
Total 5080 · Magazine	0.00	15,072.91	0.00	15,072.91
6000 · Board & Committees				
6001 · Board of Directors				
6001.1 · Food & Beverage	0.00	26,264.09	0.00	26,264.09
6001.2 · Printing/Supplies	0.00	885.23	0.00	885.23
6001.3 · Travel - BOD Meetings	0.00	9,967.26	0.00	9,967.26
6001.4 · Travel - Miscellaneous BOD	0.00	1,521.92	0.00	1,521.92
6001.5 · Board Of Directors - Other	0.00	5,627.16	0.00	5,627.16
6001 · Board of Directors - Other	0.00	5,000.00	0.00	5,000.00
Total 6001 · Board of Directors	0.00	49,265.66	0.00	49,265.66
Total 6000 · Board & Committees	0.00	49,265.66	0.00	49,265.66
6010 · Office Expenses / Supplies	0.00	1,911.24	0.00	1,911.24
6011 · Postage & Delivery	0.00	5,521.07	0.00	5,521.07
6020 · Spring Conference				
6022 · Delivery & Shipping	0.00	900.00	0.00	900.00

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss by Class

July 2023 through January 2024

	PAST YEAR	GENERAL	FUTURE YEAR	TOTAL
6024 · Hotel				
6024.2 · Conference	0.00	34,203.62	0.00	34,203.62
6024 · Hotel - Other	0.00	-1,064.88	0.00	-1,064.88
Total 6024 · Hotel	0.00	33,138.74	0.00	33,138.74
6025 · Program Material	0.00	-808.07	0.00	-808.07
Total 6020 · Spring Conference	0.00	33,230.67	0.00	33,230.67
6051 · Taxes & Licenses	0.00	1,050.38	0.00	1,050.38
6053 · Technology/AMS/Website	0.00	33,198.82	0.00	33,198.82
6054 · Travel	0.00	554.72	0.00	554.72
Total Expense	0.00	1,234,159.71	0.00	1,234,159.71
Net Ordinary Income	18,555.00	-118,518.53	0.00	-99,963.53
	18,555.00	-118,518.53	0.00	-99,963.53

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
July 2023 through January 2024

	Jul '23 - Jan 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4100 · Membership Dues				
4101 · Affiliates	294,250.00	322,500.00	-28,250.00	91.24%
4102 · Non Profit - Organizations	3,000.00	3,000.00	0.00	100.0%
4103 · Non Profit - Systems	10,800.00	6,500.00	4,300.00	166.15%
4104 · Systems - Medium	52,000.00	52,000.00	0.00	100.0%
4105 · Systems - Large	42,000.00	42,000.00	0.00	100.0%
Total 4100 · Membership Dues	402,050.00	426,000.00	-23,950.00	94.38%
4200 · Webinar Symposium Registration				
4201 · Affiliates - Early	0.00	0.00	0.00	0.0%
4202 · Affiliates - Regular	0.00	1,250.00	-1,250.00	0.0%
4203 · Affiliates - Late/Onsite	0.00	0.00	0.00	0.0%
4204 · Non Profit	0.00	0.00	0.00	0.0%
4205 · Systems	0.00	1,250.00	-1,250.00	0.0%
4206 · Non-Members	0.00	2,000.00	-2,000.00	0.0%
Total 4200 · Webinar Symposium Registration	0.00	4,500.00	-4,500.00	0.0%
4250 · Product Income				
4251 · CERE	25.00	200.00	-175.00	12.5%
4252 · Roster	0.00	0.00	0.00	0.0%
4253 · Website Advertising	0.00	0.00	0.00	0.0%
4254 · Website Job Board	400.00	0.00	400.00	100.0%
4255 · Magazine Advertising	0.00	0.00	0.00	0.0%
4256 · On Demand Education	0.00	0.00	0.00	0.0%
4257 · Trustee Handbooks	0.00	0.00	0.00	0.0%
4269 · Product Shipping	10.00	0.00	10.00	100.0%
Total 4250 · Product Income	435.00	200.00	235.00	217.5%
4270 · UC Berkeley Program				
4271 · Registrations	28,000.00	80,000.00	-52,000.00	35.0%
4272 · Sponsorships	25,000.00	40,000.00	-15,000.00	62.5%
4273 · Spouse	0.00	1,000.00	-1,000.00	0.0%
4270 · UC Berkeley Program - Other	0.00			
Total 4270 · UC Berkeley Program	53,000.00	121,000.00	-68,000.00	43.8%
4300 · Fall Conference Registration				
4301 · Affiliates - Early	0.00	0.00	0.00	0.0%
4302 · Affiliates - Regular	305,100.00	271,200.00	33,900.00	112.5%
4303 · Affiliates - Late/Onsite	13,824.00	84,480.00	-70,656.00	16.36%
4304 · Non Profit	1,200.00	1,500.00	-300.00	80.0%
4305 · Systems	21,120.00	20,000.00	1,120.00	105.6%
4306 · Non-Members	260,910.00	224,280.00	36,630.00	116.33%
4307 · Fun Run	1,525.00	500.00	1,025.00	305.0%
4308 · Yoga	720.00	100.00	620.00	720.0%
4309 · Spouse	3,200.00	5,000.00	-1,800.00	64.0%
4300 · Fall Conference Registration - Other	14,073.00			
Total 4300 · Fall Conference Registration	621,672.00	607,060.00	14,612.00	102.41%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2023 through January 2024

	Jul '23 - Jan 24	Budget	\$ Over Budget	% of Budget
4350 · Spring Conference Registration				
4351 · Affiliates - Early	1,020.00	0.00	1,020.00	100.0%
4352 · Affiliates - Regular	4,520.00	271,200.00	-266,680.00	1.67%
4353 · Affiliates - Late/Onsite	1,280.00	84,480.00	-83,200.00	1.52%
4354 · Non Profit	360.00	1,500.00	-1,140.00	24.0%
4355 · Systems	2,400.00	20,000.00	-17,600.00	12.0%
4356 · Non-Members	8,010.00	224,280.00	-216,270.00	3.57%
4357 · Fun Run	180.00	500.00	-320.00	36.0%
4358 · Yoga	45.00	100.00	-55.00	45.0%
4359 · Spouse	0.00	5,000.00	-5,000.00	0.0%
Total 4350 · Spring Conference Registration	17,815.00	607,060.00	-589,245.00	2.94%
4900 · Interest Earned	39,224.18	0.00	39,224.18	100.0%
Total Income	1,134,196.18	1,765,820.00	-631,623.82	64.23%
Gross Profit	1,134,196.18	1,765,820.00	-631,623.82	64.23%
Expense				
5000 · Administrative Fee	112,500.00	225,000.00	-112,500.00	50.0%
5001 · Administrative Services	0.00	500.00	-500.00	0.0%
5002 · Awards	-902.56	500.00	-1,402.56	-180.51%
5003 · Bank Charges/Credit Card Fees	29,871.10	36,000.00	-6,128.90	82.98%
5010 · Berkeley & Symposium				
5011 · Audio/Visual	0.00	8,204.00	-8,204.00	0.0%
5012 · Delivery & Shipping	112.55	0.00	112.55	100.0%
5013 · Hotel	-594.55	0.00	-594.55	100.0%
5014 · Food & Beverage	0.00	12,500.00	-12,500.00	0.0%
5015 · Materials/Printing/Design	1,934.16	1,000.00	934.16	193.42%
5016 · Travel	0.00	1,000.00	-1,000.00	0.0%
5017 · UC Berkeley	366,000.00	240,000.00	126,000.00	152.5%
Total 5010 · Berkeley & Symposium	367,452.16	262,704.00	104,748.16	139.87%
5020 · Webinar Symposium				
5021 · Webinar Speaker	0.00	0.00	0.00	0.0%
5022 · Webinar Technology	0.00	25,000.00	-25,000.00	0.0%
5023 · Webinar Misc	0.00	0.00	0.00	0.0%
Total 5020 · Webinar Symposium	0.00	25,000.00	-25,000.00	0.0%
5030 · CERL				
5031 · Materials/Printing/Design	0.00	16,500.00	-16,500.00	0.0%
5032 · Shipping	0.00	1,300.00	-1,300.00	0.0%
Total 5030 · CERL	0.00	17,800.00	-17,800.00	0.0%
5039 · Charitable Contributions	0.00	0.00	0.00	0.0%
5040 · Commissions & Fees	25.00	15,000.00	-14,975.00	0.17%
5041 · Consulting	9,880.00	21,192.00	-11,312.00	46.62%
5042 · Dues & Subscriptions	325.00	3,700.00	-3,375.00	8.78%
5050 · Fall Conference				
5051 · Audio/Visual	113,408.38	103,000.00	10,408.38	110.11%
5052 · Delivery & Shipping	2,973.16	2,500.00	473.16	118.93%
5053 · Entertainment	19,902.66	6,500.00	13,402.66	306.2%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
July 2023 through January 2024

	Jul '23 - Jan 24	Budget	\$ Over Budget	% of Budget
5054 · Hotel				
5054.1 · Wednesday Night Event	117,507.00	82,500.00	35,007.00	142.43%
5054.2 · Conference	54,127.19	35,000.00	19,127.19	154.65%
5054.3 · Food & Beverage	158,077.90	275,000.00	-116,922.10	57.48%
Total 5054 · Hotel	329,712.09	392,500.00	-62,787.91	84.0%
5055 · Program Material	28,012.35	25,000.00	3,012.35	112.05%
5056 · Speakers	36,500.00	50,000.00	-13,500.00	73.0%
5057 · Supplies	252.60	500.00	-247.40	50.52%
5058 · Travel	12,574.50	15,000.00	-2,425.50	83.83%
5050 · Fall Conference - Other	337.80			
Total 5050 · Fall Conference	543,673.54	595,000.00	-51,326.46	91.37%
5070 · Insurance	1,991.00	5,000.00	-3,009.00	39.82%
5071 · Legal & Professional Fees	3,350.00	25,000.00	-21,650.00	13.4%
5072 · Legislative Advocacy	26,189.00	62,808.00	-36,619.00	41.7%
5080 · Magazine				
5081 · Delivery & Shipping	0.00	600.00	-600.00	0.0%
5082 · Design/Printing/Etc.	4,332.91	15,000.00	-10,667.09	28.89%
5083 · Magazine - Other	10,740.00	8,000.00	2,740.00	134.25%
5080 · Magazine - Other	0.00	0.00	0.00	0.0%
Total 5080 · Magazine	15,072.91	23,600.00	-8,527.09	63.87%
6000 · Board & Committees				
6001 · Board of Directors				
6001.1 · Food & Beverage	26,264.09	25,000.00	1,264.09	105.06%
6001.2 · Printing/Supplies	885.23	0.00	885.23	100.0%
6001.3 · Travel - BOD Meetings	9,967.26	10,000.00	-32.74	99.67%
6001.4 · Travel - Miscellaneous BOD	1,521.92	10,000.00	-8,478.08	15.22%
6001.5 · Board Of Directors - Other	5,627.16	10,000.00	-4,372.84	56.27%
6001 · Board of Directors - Other	5,000.00			
Total 6001 · Board of Directors	49,265.66	55,000.00	-5,734.34	89.57%
6002 · Legislative Committee Meetings	0.00	0.00	0.00	0.0%
6003 · Program Committee Meetings	0.00	0.00	0.00	0.0%
6004 · Nominating Committee Meetings	0.00	0.00	0.00	0.0%
6005 · Audit Committee Meetings	0.00	0.00	0.00	0.0%
6006 · Education Committee Meetings	0.00	0.00	0.00	0.0%
6007 · ByLaws Committee Meetings	0.00	0.00	0.00	0.0%
Total 6000 · Board & Committees	49,265.66	55,000.00	-5,734.34	89.57%
6010 · Office Expenses / Supplies	1,911.24	2,500.00	-588.76	76.45%
6011 · Postage & Delivery	5,521.07	8,500.00	-2,978.93	64.95%
6020 · Spring Conference				
6021 · Audio/Visual	0.00	103,000.00	-103,000.00	0.0%
6022 · Delivery & Shipping	900.00	2,500.00	-1,600.00	36.0%
6023 · Entertainment	0.00	6,500.00	-6,500.00	0.0%
6024 · Hotel				
6024.1 · Wednesday Night Event	0.00	82,500.00	-82,500.00	0.0%
6024.2 · Conference	34,203.62	0.00	34,203.62	100.0%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
July 2023 through January 2024

	Jul '23 - Jan 24	Budget	\$ Over Budget	% of Budget
6024.3 · Food & Beverage	0.00	275,000.00	-275,000.00	0.0%
6024 · Hotel - Other	-1,064.88			
Total 6024 · Hotel	33,138.74	357,500.00	-324,361.26	9.27%
6025 · Program Material	-808.07	25,000.00	-25,808.07	-3.23%
6026 · Speakers	0.00	50,000.00	-50,000.00	0.0%
6027 · Supplies	0.00	1,000.00	-1,000.00	0.0%
6028 · Travel	0.00	15,000.00	-15,000.00	0.0%
Total 6020 · Spring Conference	33,230.67	560,500.00	-527,269.33	5.93%
6050 · Strategic Facilitator	0.00	0.00	0.00	0.0%
6051 · Taxes & Licenses	1,050.38	600.00	450.38	175.06%
6053 · Technology/AMS/Website	33,198.82	42,000.00	-8,801.18	79.05%
6054 · Travel	554.72	2,000.00	-1,445.28	27.74%
Total Expense	1,234,159.71	1,989,904.00	-755,744.29	62.02%
Net Ordinary Income	-99,963.53	-224,084.00	124,120.47	44.61%
	-99,963.53	-224,084.00	124,120.47	44.61%



4. SACRS President Report - No Action

David MacDonald, Contra Costa CERA, SACRS President

A. SACRS President Update

No printed materials for this item



5. SACRS Legislative Committee Report – No Action

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

A. Legislative Committee Report



EDELSTEIN GILBERT ROBSON & SMITH^{LLC}

Donald B. Gilbert Michael R. Robson Trent E. Smith Jason D. Ikerd^{Associate}

April 4th, 2024

TO: State Association of County Retirement Systems
FROM: Edelstein Gilbert Robson & Smith, LLC
RE: **Legislative Update – April 2024**

The Legislature returned from its Spring Recess on March 21st and committee hearings are in full swing. April is traditionally the busiest month of the year for the Legislature as the newly introduced bills must be passed out of policy committees by the end of the month. Some of the committee agendas will be very long and hearings commonly go well into the evening. Most of May and early June will be dedicated to addressing the State's massive budget deficit, which is estimated to be between \$37 and \$73 billion, depending on who you ask. So far, the Governor and Legislature have failed to agree on an "early action" budget compromise intended to shrink the deficit by making cuts in the current budget year. The stalemate on cutting some non-controversial items in the current year does not bode well for the larger budget decisions that must be made by the June 15 deadline to pass a State Budget.

A few bills of interest to SACRS have recently been amended, which we have outlined below:

- **AB 3025** – This is an amended spot bill. The new text of requires county retirement systems to adjust benefits for retired members, survivors, or beneficiaries whose final compensation included disallowed compensation, crediting contributions made on the disallowed compensation, and establishing conditions for repayment by employers, while also authorizing employers to submit proposed compensation items for pension calculations for review and guidance from the retirement system. SACRS Legislative Committee Co-Chairs met with the sponsors of AB 3025 and are working collaboratively to make sure SACRS systems can properly implement the bill.

- **SB 1499** – This measure aligns the Personal Income Tax Law with federal law by adjusting catch-up limits for retirement contributions based on age and increasing contribution limits for simple plans, while also requiring additional information for any bill authorizing a new tax expenditure. Amended to strike Sections 408(p)(2) and Section 414(v)(2) of the line 16 Internal Revenue Code from applying. The amendments also establish a 2029 deadline for the Legislative Analyst’s Office to submit a report on how many taxpayers are utilizing these tax benefits.
- **SB 908** – This bill, previously the Government Transparency Act Initiative, has been gutted and amended. It is now a public health bill on fentanyl and will be removed from the SACRS tracking list.
- **AB 2770** – As amended, this bill revises the interest calculation for purchasing additional service credit and redepositing retirement contributions in the State Teachers’ Retirement System, requiring members to sign and return necessary documents within 35 days, and extends the repeal date for disability retirement provisions related to post-traumatic stress disorder; it also removes return receipt requirements for the payment of accumulated contributions to discontinued members and makes technical changes to the Judges’ Retirement Law. This bill recently passed out of committee.
- **SB 1240** – This bill allows a successor agency for the El Dorado County Fire Protection District and the Diamond Springs Fire Protection District to provide their employees with the defined benefit plan or formula they received prior to annexation, making legislative findings and declarations for the necessity of a special statute for the County of El Dorado, and declaring it to take effect immediately as an urgency statute. Amended to strike language requiring the successor agency to designate surviving contracts within 180 days of the annexation.
- **SB 1260** – This bill was gutted and amended. Previously, this bill would have established the Office of the Inspector General for the Public Employees’ Retirement System (CalPERS), appointing an Inspector General to oversee internal investigations, the disciplinary process, and audits or reviews of CalPERS. Now, this is a transportation bill regarding high-speed rail and will be removed from the SACRS tracking list.
- **AB 2284** – authorizes a retirement system, to the extent that it has not defined work classification “grades” to define “grade” to mean a number of employees considered together because they share similarities in job duties, schedules, unit recruitment requirements, work location, collective bargaining unit, or other logical work-related grouping. SACRS Legislative Committee Co-Chairs met with the sponsors and will continue to work on the bill to ensure it can be enacted in compliance with PEPRA.

- **AB 2474** – amends the County Employees Retirement Law of 1937 regarding benefit payments and overpayments, allowing for retirement allowances or benefits to be deposited into prepaid accounts, extending the period of employment for retired persons in certain positions, and considering a retired person's retirement allowance as an overpayment subject to collection if they are employed beyond specified limits. This bill continues to be discussed with amendments forthcoming.
- **AB 2301** – As amended, this bill, the Sacramento Area Sewer District Pension Protection Act of 2024, would transfer employees and associated obligations from the County of Sacramento to the Sacramento Area Sewer District, ensuring continuity of retirement benefits and assuming rights and obligations under existing retirement laws, with legislative findings emphasizing the necessity of a special statute for the County of Sacramento, and declaring it an urgency statute to take effect immediately.



6. SACRS Nomination Committee Report - Action

Vivian Gray, Los Angeles CERA, SACRS Nomination Committee Chair

- A. SACRS Board of Directors Elections 2024-2025



March 14, 2024

To: SACRS Trustees & SACRS Administrators/CEO's
 From: Vivian Gray, SACRS Immediate Past President, Nominating Committee Chair
 SACRS Nominating Committee
 Re: SACRS Board of Director Elections 2024-2025 - Elections Notice

SACRS BOD 2024-2025 election process began January 1, 2024. Please provide this election notice to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2024	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.
March 25, 2024	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 10, 2024	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference
May 10, 2024	Board of Directors take office for 1 year

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

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

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

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

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



The Nominating Committee will report its suggested slate, along with a list of the names of all members who had been nominated, to each regular member County Retirement System prior to March 25.

The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's suggested slate to each trustee and placing the election of SACRS Directors on his or her board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee.

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

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

The elections are being held at the SACRS Spring Conference May 7-10, 2024. Elections take place during the Annual Business meeting on Friday, May 10, 2024, in Santa Barbara at the Hilton Santa Barbara Beachfront Resort.

SACRS Nominating Committee Recommended Slate:

- President – David MacDonald, Contra Costa CERA
- Vice President – Adele Tagaloa, Orange CERS
- Treasurer – Jordan Kaufman, Kern CERA
- Secretary – Zandra Cholmondeley, Santa Barbara CERS
- Regular Member – David Gilmore, San Diego CERA
- Regular Member – Rhonda Biesemeier, Stanislaus CERA

Other Nominations Submitted:

- Daniel Vasquez, Marin CERA
- Alysia Bonner, Fresno CERA

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

If you have any questions, please contact Vivian Gray at vgray@lacara.com.

Thank you for your prompt attention to this timely matter.

Sincerely,

Vivian Gray

Vivian Gray, Trustee, Los Angeles CERA and SACRS Nominating Committee Chair

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

Attached: Nominee Submissions

President, David MacDonald, Contra Costa CERA



David J MacDonald, MD



January 19, 2024

SACRS Nominating Committee
Vivian Gray, Chair

Dear Ms. Gray,

I would like to express my interest in running as President for the SACRS' Board of Directors for the 2024/2025 year.

I was first elected to the SACRS board in 2020 and currently serve as the SACRS President. I am also an elected trustee of the CCCERA Retirement Board (since 2016) and currently serve as the CCCERA Board Vice Chair. I appreciate the level of responsibility entrusted to me in looking after our members' retirement plans. I understand the incredible value of a defined benefit plan for my coworkers and our retirees.

I have a long history of dedicated service to my coworkers and union members, and I carry this spirit into my role as an elected trustee. My work with SACRS has meant further education and inspiration from the SACRS organization via its conferences and programs. SACRS has enhanced my abilities to serve as an effective CCCERA trustee.

I desire to continue my service on the SACRS board. My roles on the SACRS board have been incredibly valuable to me. My work in SACRS allows me to further promote, protect and build upon pension programs under CERL for county public employees statewide. We have good momentum with SACRS that will mean the further constructive evolution of our organization.

Thank you for your time and consideration.

Sincerely and respectfully,

David J MacDonald, MD



SACRS Board of Directors Elections 2024-2025

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2024.** Please submit to the Nominating Committee Chair at vgray@lacera.com AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: David J. MacDonald, MD
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: [REDACTED] Email Address: dmacdcccera@gmail.com Phone: [REDACTED]
Name of Retirement System Candidate Currently Serves On	System Name: CCCERA
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<ul style="list-style-type: none"> <input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input checked="" type="radio"/> Other - Vice Chair X (elected board member)
Applying for SACRS Board of Directors Position (select only one)	<ul style="list-style-type: none"> <input checked="" type="radio"/> President X <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	<ul style="list-style-type: none"> * SACRS Board of Directors, Member – 2020-2021 & 2021-2022 * SACRS Vice President – 2022-2023 * SACRS President – 2023-2024 * Vice Chair, CCCERA Board of Retirement * Elected general member trustee of CCCERA since 2016 * President, Physicians', and Dentists of Contra Costa (PDOCC), since 2010 (Union for health care providers working at Contra Costa County). * 30 years serving on the PDOCC Executive Board, including many years as Vice President and President. * 33 years of service to Contra Costa County as a physician working in the Department of Health Services. * Education/Pension Trustee Certificates: <ul style="list-style-type: none"> - Bachelor of Science, Biology – UC Irvine - Doctor of Medicine – UC Irvine - UC Berkeley (SACRS) – Modern Investment Theory & Practice for Retirement Systems - Wharton Business School – Portfolio Concepts & Management - IFEBP – CAPPP program, Trustees Master's Program - CALAPRS Trustee Education – Principles of Pension Governance

Vice President, Adele Tagaloa, OCERS

Serving the Active and Retired Members of:

CITY OF SAN JUAN
CAPISTRANO

COUNTY OF ORANGE

ORANGE COUNTY
CEMETERY DISTRICT

ORANGE COUNTY CHILDREN &
FAMILIES COMMISSION

ORANGE COUNTY
DEPARTMENT OF EDUCATION
(CLOSED TO NEW MEMBERS)

ORANGE COUNTY
EMPLOYEES RETIREMENT
SYSTEM

ORANGE COUNTY FIRE
AUTHORITY

ORANGE COUNTY IN-HOME
SUPPORTIVE SERVICES PUBLIC
AUTHORITY

ORANGE COUNTY LOCAL
AGENCY FORMATION
COMMISSION

ORANGE COUNTY PUBLIC LAW
LIBRARY

ORANGE COUNTY
SANITATION DISTRICT

ORANGE COUNTY
TRANSPORTATION
AUTHORITY

SUPERIOR COURT OF
CALIFORNIA, COUNTY
OF ORANGE

TRANSPORTATION
CORRIDOR AGENCIES

UCI MEDICAL CENTER AND
CAMPUS (CLOSED TO NEW
MEMBERS)

February 21, 2024

By Mail and Electronic Mail [vgray@lacera.com]

Ms. Vivian Gray
SACRS Nominating Committee Chair
SACRS
840 Richards Blvd.
Sacramento, CA 95811

Re: NOMINATION FOR SACRS BOARD OF DIRECTORS ELECTION 2024-2025

Dear Ms. Gray:

As a regular member of SACRS, the Orange County Employees Retirement System (OCERS) is entitled, under the SACRS Bylaws, Article VIII, Section 2, to submit nominations for the election of directors for the SACRS Board of Directors.

On February 21, 2024, the OCERS Board of Retirement met and took action to nominate OCERS trustee, Adele Tagaloa, for the position of her choosing on the SACRS Board of Directors and directed me to submit this nomination to the SACRS Nominating Committee. Ms. Tagaloa intends to pursue the position of VICE PRESIDENT of the SACRS Board and will forward her submission form directly to SACRS.

Accordingly, please accept this letter as **OCERS' nomination of OCERS Trustee, Adele Tagaloa, for election to the position of VICE PRESIDENT of the SACRS Board of Directors at the 2024-2025 SACRS Board of Directors Election to take place on May 10, 2024.**

Please do not hesitate to contact me at (714) 558-6222 if you have any questions or require additional information. Thank you.

Best regards,



Steve Delaney
Chief Executive Officer

cc: Sulema H. Peterson, SACRS Administrator

Adele M. Tagaloa

2223 East Wellington Ave, Suite 100, Santa Ana, CA 92804 | [REDACTED] | atagaloa@ocers.org

February 25, 2024

Ms. Vivian Gray
SACRS Immediate Past President, Nominating Committee Chair
State Association of County Retirement Systems (SACRS)
840 Richards Blvd
Sacramento, CA 95811

Dear Ms. Vivian Gray:

Please accept this letter of my intent to run for SACRS Board of Directors for the office of Vice President.

I believe I am qualified to serve as Vice President based on my thirteen years of leadership positions in my employee labor organization, serving 1.8 million registered voters by providing transparent, accurate and secure elections, over 16 years in the non-profit and private sector and most importantly, as a Trustee on the Orange County Employees Retirement System. Most recently, serving on SACRS Vice President and Chair of the Programming Committee for the year 2023-2024 collaborating to enhance high-quality education for our trustees, with affiliates, staff and other CERL counties ensuring pension security.

I hold a passion for democracy, organized labor, and education accessibility that encompasses everything in my career and life. Since I have been elected to the OCERS Board of Retirement, trustee education has been one of my main priorities. All thought the last two years has proven a challenge for in-person conferences and education, this did not deter me from attending as many different organization's education, on any platform that I could. With that experience, in my opinion, SACRS is the leading organization for public pension organizations.

While attending SACRS Fall Conference in 2021, the level of professionalism and outstanding leadership, solidified my desire to be more than an attendee at SACRS. I have found an organization that understands the challenge and importance of pensions, education and duty, for trustees in our CERL 37 Act Systems. I have shared to many about the fantastic speakers and the subjects that reach beyond pensions. This past year serving as your SACRS Secretary, has allowed me to represent trustees, for example:

- Based on feedback, submitting topics and speakers that would benefit trustees, investment staff, and affiliates
- Commitment to working on long-term goals for all our members

Using my leadership experience, it is my goal to continue to share all the benefits of SACRS to members and to continue to make SACRS the premier pension organization in a changing world.

It would be an honor to serve on the SACRS Board of Directors as Vice President and truly appreciate your consideration.

Sincerely,

Adele Tagaloa

Adele Tagaloa
Trustee, General Member-Elected
Orange County Employees Retirement System (OCERS)



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2024-2025**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2024.** Please submit to the Nominating Committee Chair at vgray@lacera.com AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Adele Tagaloa
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 2223 East Wellington Ave, Suite 100 Santa Ana, CA 92701 Email Address: atagaloa@ocers.org Phone: [REDACTED]
Name of Retirement System Candidate Currently Serves On	System Name: Orange County Employees Retirement System (OCERS)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input checked="" type="radio"/> Chair <input type="radio"/> Alternate <input checked="" type="radio"/> General Elected <input type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input checked="" type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	<ul style="list-style-type: none"> • Vice President, SACRS • Programming Committee Chair, SACRS • Elected General Member Trustee, OCERS, 2020 to present • Over 14 years of service to the County of Orange • Proudly serving 1.8 million registered voters at the Registrar of Voters • Chair, OCERS Disability Committee 2020 to 2022 • Vice Chair, OCERS Investment Committee 2022 • Chair, OCERS Investment Committee 2023 • OCERS Governance Committee member 2022 • Union Steward, Orange County Employees Association (OCEA) 2012 to present • Board of Directors, OCEA 2018 to present <p>Public Pension Trustee Certificates: NCPERS - Accredited Fiduciary Program - Accredited Fiduciary designation 2024 Public Pension Investment Management Program - UC Berkeley CALAPRS Principles of Pension Governance and Principles for Trustees Completed 209 hours of education, 2023</p>

Treasurer, Jordan Kaufman, Kern CERA



Jordan Kaufman
Treasurer and Tax Collector
Chase Nunneley
Assistant Treasurer and Tax Collector

January 16, 2024

Vivian Gray, Nominating Committee Chairman
 State Association of County Retirement Systems

Re: Letter of interest to continue on the Board of Directors of SACRS in the position of Treasurer

Dear Vivian and members of the Nominating Committee,

Thank you for the opportunity to express my interest in continuing on the SACRS Board of Directors in the position of Treasurer. I believe that I have the knowledge, experience and motivation to add value to the Board. I am in my third term as the elected Kern County Treasurer-Tax Collector, and I am an 19 year member of the Kern County Employees Retirement Association (KCERA) as a general elected, alternate, and statutory trustee. I have a deep background in public fund investment and retirement plan administration and I am or have been the Treasurer of many organizations and associations.

As the elected Treasurer-Tax Collector, I manage the County's \$6.7 billion treasury pool, provide banking services to over 200 different county agencies and districts, and collect over \$1.6 billion in local property taxes. I am also the Plan Administrator for the County's 457(b) deferred compensation plan with over \$700 million in participant assets.

I am or have been the Treasurer of the following entities: County of Kern; California Association of County Treasurer's and Tax Collectors (CACTTC); United Way of Kern County; Boy Scouts of America Southern Sierra Council; California Statewide Communities Development Authority (CSCDA); and Kern County Management Council.

I have dedicated my career to public service and I am proud to serve the residents of Kern County and the employees of the County of Kern and I feel that I can continue to bring value to SACRS Board of Directors. Thank you in advance for your consideration and feel free to call me if you have any questions at 661-204-1510.

Sincerely,

Jordan Kaufman
 Kern County Treasurer-Tax Collector
 Deferred Compensation Plan Administrator

Attachment

M:\Administration\SACRS\SACRS Board Letter of Interest.doc



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2024-2025**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2024.** Please submit to the Nominating Committee Chair at vgray@lacera.com **AND** to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Jordan Kaufman
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 1115 Truxtun Avenue, 2nd Floor Bakersfield, CA 93301 Email Address: jkaufman@kerncounty.com Phone: 661-204-1510
Name of Retirement System Candidate Currently Serves On	System Name: Kern CERA
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input checked="" type="checkbox"/> Other <u>Statutory</u>
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input checked="" type="checkbox"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	<p>I am the current SACRS Treasurer and am excited for the opportunity to continue in this role. I am in my third term as the elected Kern County Treasurer-Tax Collector with fiduciary responsibility over the \$6.7 billion Treasury Investment Pool and the responsibility of annually collecting over \$1.6 billion in local property taxes. I am also the Plan Administrator for the \$700 million deferred compensation plan for County employees. Prior to being elected, I became the assistant Treasurer-Tax Collector in 2006. Prior to 2006, I spent over a decade in the County Administrative Office where I performed budget and policy analysis and was involved in the issuance of various types of municipal bonds for the County. I am the Treasurer and past Chairman of the United Way of Kern County, Trustee and past Chairman of the Kern County Employees Retirement Association (KCERA), Vice Chair of the California Statewide Communities Development Authority (CSCDA), Treasurer of the Boy Scouts of America Southern Sierra Council. I have a Bachelor of Science degree in Industrial Technology from Cal Poly San Luis Obispo. I live in Bakersfield with my beautiful wife Kristen and we have four children.</p>

Secretary, Zandra Cholmondeley, Santa Barbara CERS

From: [Zandra Cholmondeley](#)
To: [Vivian Gray](#); [Sulema Peterson](#)
Subject: Letter of Intent to serve as Secretary, SACRS Board of Directors
Date: Monday, February 26, 2024 1:19:41 PM

Dear Ms. Gray,

I hereby express my interest in serving as Secretary on the SACRS Board of Directors for the 2024-25 term of office.

I have been a regular attendee at SACRS conferences since 2009, when I joined the Board of Directors the Santa Barbara County Employees' Retirement System as elected retiree trustee. I currently serve as Secretary (2023-24) and have previously served as Secretary on the SACRS Board of Directors in 2013-14. I have also served on the SACRS program committee over the past 11 years and have contributed to the lineup of speakers and panelists at SACRS conferences during this period.

I would be honored to continue to serve as Secretary on the SACRS Board of Directors.

Yours sincerely,
Zandra Cholmondeley,
Elected Retiree Trustee,
Santa Barbara County Employees' Retirement System

Sent from my iPad



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2024-2025**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2024.** Please submit to the Nominating Committee Chair at vgray@lacera.com AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Zandra Cholmondeley
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: [REDACTED] Email Address: [REDACTED] Phone: [REDACTED]
Name of Retirement System Candidate Currently Serves On	System Name: Santa Barbara County Employees' Retirement System
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<ul style="list-style-type: none"> <input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input checked="" type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<ul style="list-style-type: none"> <input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input checked="" type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	<p>Zandra Cholmondeley was elected to represent County retirees as a trustee on the governing board of the Santa Barbara County Retirement System (SBCERS) in November 2008. She joined the SBCERS Board in January 2009 and starting in January 2010, served two terms as Chair of the Board. She currently serves as Secretary on the SACRS Board (2023-24) and previously served as Secretary of this board from 2014-15. She has also served three terms as the President of the Retired Employees of Santa Barbara County (RESBC).</p> <p>Zandra retired in July 2008. As Principal Analyst for Santa Barbara County she was charged with overseeing the development of the County's annual budget and performed numerous special projects for the County Executive Officer (CEO). Her budget responsibilities included working with County departments to ensure the accuracy of projections and overall preparation of the budget document. Special projects experience included implementing fiscal policy for the County Executive Office.</p>

Regular Member, David Gilmore, San Diego CERA

January 24, 2024

Ms. Vivian Gray
Chair
Nominating Committee
State Association of County Retirement Systems

Dear Ms. Gray,

This letter is to state my intention to run for re-election. Attached please find my application for the State Association of County Retirement Systems Board of Directors.

I have been working with retirement education since first joining the county of San Diego almost 27 years ago. Working this past year with the SACRS team has been very educational and has provided a sense of accomplishment. The team is a caring group of individuals that are truly looking to provide a great experience for pension system trustees to learn and grow in their roles as board members.

My goal is to keep supporting the SACRS training mission. I respectfully request and thank you in advance for the consideration of the Nominating Committee in supporting my candidacy for election to the SACRS Board of Directors.

Respectfully,


David Gilmore

SDCERA Trustee



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2024-2025**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2024.** Please submit to the Nominating Committee Chair at vgray@lacara.com AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: David Gilmore
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: [REDACTED] Email Address: D.Gilmore@sdcera.org Phone: [REDACTED]
Name of Retirement System Candidate Currently Serves On	System Name: San Diego County Employees Retirement Association
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input checked="" type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input checked="" type="radio"/> Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	<p>I am serving SDCERA for my second term. Currently, I am the Board Chair. I have two more years in this board term. I am a 27 year employee of San Diego County. Currently, I am the Training Division manager for the Sheriff's Department. I have a BBA in Accounting and an MPA in Public Administration. I have served on the SACRS Board for the past year and enjoyed participating in the development of training opportunities for pension trustees from around the state of California.</p> <p>I appreciate your support.</p>

Regular Member, Rhona Bieseimer, Stanislaus CERA

Rhonda Bieseemeier



February 22, 2024

Ms. Vivian Gray
SACRS Nominating Committee Chair

Ms. Sulema Peterson
SACRS Executive Director

Dear Ms. Gray and Ms. Peterson,

My name is Rhonda Bieseemeier and I am interested in serving as a member of the SACRS Board of Directors. I am a strong proponent of furthering and protecting retiree's defined benefit plans.

I have always been impressed by the quality of education I receive through SACRS, both at conferences and through the UC Berkeley Program. The SACRS organization is impressively well- run, providing top-notch presenters to improve member's understanding of investments and other aspects of pension management. The networking opportunities you provide enhance the educational experience.

I would like to stress that once I commit to a position, I am involved and dedicated to assuring that a certain level of excellence is maintained. I recognize that SACRS maintains such a level and I'd like to be a part of its future.

I appreciate that you are willing to consider me for a position on the Board of SACRS.

Sincerely,

Rhonda Bieseemeier



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2024-2025**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2024.** Please submit to the Nominating Committee Chair at vgray@lacera.com **AND** to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

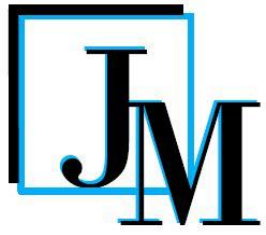
Name of Candidate	Name: Rhonda Bieseemeier
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: [REDACTED] Email Address: [REDACTED] Phone: [REDACTED]
Name of Retirement System Candidate Currently Serves On	System Name: Stanislaus County Employees' Retirement Association (StanCERA)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input checked="" type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input checked="" type="radio"/> Regular Member
Brief Bio in Paragraph Format (<i>CV format and screenshot photos will not be accepted</i>)	<p>I was elected as the Retiree Alternate Representative to the StanCERA Board of Retirement in July 2017, and was re-elected for a second term in 2020. In 2023, I was elected as the Retiree Representative and currently serve as a Trustee in that capacity. Since joining the Board in 2017, I have attended numerous SACRS conferences and the SACRS/UC Berkeley Program.</p> <p>I am committed to retirees as evidenced by volunteer positions I have held since retiring in 2008. They include President and board member of the Retired Employees of Stanislaus County (RESKO) 2008 – present and Delegate to the California Retired County Employees Association (CRCEA) 2009 - 2023. Additionally, my current experience as an Equal Rights Commissioner for Stanislaus County would be beneficial in continuing the goals of inclusiveness to which SACRS aspires.</p> <p>I was raised in Modesto, California. I have two accomplished young adult children, two dogs & a cat. My favorite things include spending time with my children and my many friends, meeting new people, participating in community events, traveling, and photography.</p>



7. SACRS Audit Committee Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS Audit 2022-2023 Report



JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

**STATE ASSOCIATION OF
COUNTY RETIREMENT SYSTEMS**

**FINANCIAL STATEMENT
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2023 AND 2022**

701 HOWE AVENUE, E3
SACRAMENTO, CA 95825

(916) 993-9494
(916) 993-9489 FAX
WWW.JPMCPCPA.COM

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2023

BOARD OF DIRECTORS

David MacDonald
President

Vivian Gray
Immediate Past President

Adele Tagaloa
Vice President

Jordan Kaufman
Treasurer

Zandra Cholmondeley
Secretary

Brian Williams
General Member

David Gilmore
General Member

* * * *

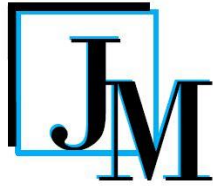
Sulema Peterson
Association Management

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2023 AND 2022

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CONFERENCE SUMMARY REPORT	13



James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

INDEPENDENT AUDITOR'S REPORT

Board of Directors
State Association of County Retirement Systems
Sacramento, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statement State Association of County Retirement Systems (SACRS) which comprise the statement of cash receipts and disbursements for the fiscal years ended June 30, 2023 and 2022, and the related notes to the financial statement.

In our opinion, the accompanying statement of cash receipts and disbursements present fairly, in all material respects, the financial position of State Association of County Retirement Systems as of June 30, 2023 and 2022 in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of State Association of County Retirement Systems, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibility of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the statement of cash receipts and disbursements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about State Association of County Retirement Systems' ability to continue as a going concern for a period of at least twelve months from the date of the statement of cash receipts and disbursements.

Auditor's Responsibilities for the Audit of the statement of cash receipts and disbursements

Our objectives are to obtain reasonable assurance about whether the statement of cash receipts and disbursements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these statement of cash receipts and disbursements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the statement of cash receipts and disbursements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of State Association of County Retirement Systems' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the statement of cash receipts and disbursements
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about State Association of County Retirement Systems' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

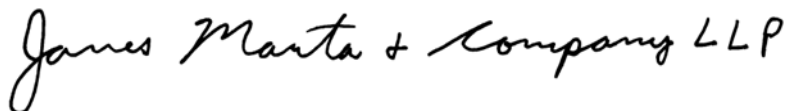
Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report, on pages 8 to 13, are presented for purposes of additional analysis and are not a required part of the financial statement.

The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, on pages 8 to 12, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, on pages 8 to 12 is fairly stated in all material respects in relation to the financial statement as a whole.

The Conference Summary Report, on page 13, has not been subjected to the auditing procedures applied in the audit of the basic financial statement, and accordingly, we do not express an opinion or provide any assurance on it.

Restricted Use

This report is intended solely for the information and use of management and the board of directors of State Association of County Retirement Systems and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "James Marta & Company LLP".

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
April 4, 2024

FINANCIAL SECTION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2022-23</u>	<u>2021-22</u>
<u>Cash Receipts</u>		
Dues	\$ 361,500	\$ 321,490
Conference		
Fall	546,180	503,150
Spring	561,715	534,549
Seminars	117,000	115,650
Other admin receipts	635	350
Other conference receipts	-	350
Interest	<u>37,268</u>	<u>-</u>
Total cash receipts	<u>1,624,298</u>	<u>1,475,539</u>
 <u>Cash Disbursements</u>		
Conference		
Fall - 2022 and 2021		
Hotel and meals	430,059	345,697
Audio and visual	102,087	86,293
Program materials	31,726	95,289
Spring - 2023 and 2022		
Hotel and meals	689,074	30,956
Audio and visual	207,583	122,694
Program materials	82,563	76,921
Seminars	102,505	250,832
Conference administration	<u>21,192</u>	<u>31,462</u>
Total conference disbursements	<u>1,666,789</u>	<u>1,040,144</u>
Administration	396,456	357,802
Lobbying	62,808	65,013
Newsletters	43,941	33,276
Committee meetings	74,447	58,157
Special projects	17,837	17,841
Interest	<u>-</u>	<u>32,231</u>
Total administration disbursements	<u>595,489</u>	<u>564,320</u>
Total Cash Disbursements	<u>2,262,278</u>	<u>1,604,464</u>
Excess (Deficit) of Cash Receipts over Cash Disbursements	(637,980)	(128,925)
Cash and Investments, Beginning	<u>1,904,634</u>	<u>2,033,559</u>
Cash and Investments, Ending	<u>\$ 1,266,654</u>	<u>\$ 1,904,634</u>
 <i>Supplementary Information</i>		
Cash and Investments at June 30,	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 666,544	\$ 959,810
Non current portion of investments	<u>600,110</u>	<u>944,824</u>
Total Cash and Investments	<u>\$ 1,266,654</u>	<u>\$ 1,904,634</u>

The accompanying notes are an integral part of this financial statement.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

State Association of County Retirement Systems (SACRS) is a not-for-profit association of 20 California county retirement systems, enacted under the County Employees Retirement Law of 1937. SACRS was formed in the early 1970's to provide forums for disseminating knowledge of, and developing expertise in, the operation of county retirement systems existing under current law, as well as to foster and take an active role in the legislative process. To accomplish SACRS' mission of addressing issues of importance to members, SACRS, contracting with Sulema Peterson & Associates, provides a variety of association management services, including three magazines a year, membership directory, semi-annual conferences, and oversight of SACRS.org. The Association is supported primarily through membership dues and conference fees.

B. BASIS OF ACCOUNTING

The accompanying financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Under that basis, the only assets recognized are cash and investments, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from generally accepted accounting principles primarily because the effects of outstanding dues and obligations for assessments unpaid at the date of the financial statement are not included in the financial statement.

The Board of Directors has elected to use the cash basis of accounting for this entity given the nature of its receipts and disbursements: revenue is almost always received and earned in the same period (e.g. at the beginning of the year for annual memberships, and shortly prior to events for conference attendance) and most expenses are incurred evenly over the year, with the exception of the billing for the conference hotel expense. Financial results by conference are presented in the Conference Summary Report in the Supplementary Information section of this document.

C. INCOME TAXES

The Association is exempt from federal and state income taxes under Section 501(c)(4) of the Internal Revenue Code and Section 23701f of the California Revenue and Taxation Code.

D. CONTRACTUAL AGREEMENTS

The Association has entered into various contractual agreements for professional services. These agreements include compensation for services rendered to the Association.

E. COMPARATIVE DATA

Comparative data for the prior year have been presented in certain sections of the accompanying financial statement in order to provide an understanding of changes in the Association's financial position and operations.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. COMPARATIVE DATA (CONTINUED)

Since SACRS uses the cash basis of accounting, the timing of events and the ultimate settlement of bills may vary from year to year. For example; the Spring conference costs could be settled by June (by year end) or be extended into the subsequent year. Also the timing of events could affect when payments are made from year to year. Payments after year end will be paid out of the surplus generated out of the prior year conference receipts. So the surplus cash at year end may have future demands for prior expenses. Management prepares a conference summary report that reconciles these payments when settled; this report is presented as supplementary information.

2. CASH AND INVESTMENTS

Cash and Cash Equivalents

SACRS considers short-term highly liquid investments to be cash equivalents provided that they are both readily convertible to cash and had an original maturity of three months or less when purchased. The balance in cash and cash equivalents at June 30 include:

	2023	2022
Bank accounts	\$ (166,975)	\$ 158,389
Money market accounts	833,519	801,421
Total cash and cash equivalents	\$ 666,544	\$ 959,810

Cash in bank accounts at June 30, 2023 consisted of the following:

	First Foundation	Bank of America	Total
Per bank	\$ 136,739	\$ 46,674	\$ 183,413
Checks outstanding	(350,388)	-	(350,388)
Total bank accounts	\$ (213,649)	46,674	\$ (166,975)

Cash in bank accounts at June 30, 2022 consisted of the following:

	First Foundation	Bank of America	Total
Per bank	\$ 149,965	\$ 46,669	\$ 196,634
Checks outstanding	(38,245)	-	(38,245)
Total bank accounts	\$ 111,720	46,669	\$ 158,389

Cash balances on interest-bearing accounts held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). There were \$0 in excess of FDIC coverage as of June 30, 2023 and 2022, respectively. Money market accounts are not insured.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

2. CASH AND INVESTMENTS (Continued)

Investments

In March 2015, SACRS invested in the CalTRUST Medium-Term Fund (the “Fund”), depositing \$1,104,130. The fair value balance as of June 30, 2023 and 2022 presented in the financial statement is \$600,110 and \$944,824; respectively. SACRS made a \$350,000 redemption for the year ended June 30, 2023. The current portion of the investment account represents underlying securities which are immediately redeemable (e.g. equities), or will mature within one year. The CalTRUST Short-Term Fund was \$8,559 and \$8,242 as of June 30, 2023 and 2022, respectively. The Fund is not rated or insured.

3. CONTRACTS

SACRS has entered into contracts with various hotels to reserve facilities and guest rooms for its upcoming conferences and events. Cancellation fees associated with these contracts vary by date of notice. All hotel contracts specify the total number of guest room nights reserved at a group rate. If guest nights attributed to the convention fall below a specified minimum, SACRS is obligated to pay a room attrition rate for every guest night below the contracted minimum; standard room rates exceed the attrition rate. The organization is also responsible for food and beverage minimums as specified below. Hotel contracts entered into as of the audit date are summarized here:

Conference	Cancellation Fees	Food and Beverage Minimums	Guest Room Nights Reserved	Guest Room Nights Minimum	Rooms Attrition
UC Berkley 2023	\$59,765	\$22,000	134	134	\$309 plus tax
Fall 2023	\$136,762-\$288,524	\$150,000	1145	916	\$249 plus tax
Spring 2024	\$224,848-\$404,726	\$170,000	1145	916	\$247 plus tax
UC Berkley 2024	\$60,971	\$22,000	134	134	\$319 plus tax
Fall 2024	\$123,832-\$397,665	\$150,000	1185	948	\$209 plus tax
Spring 2025	\$141,608-\$370,715	\$175,000	1185	948	\$239 plus tax
UC Berkley 2025	\$60,971	\$22,000	134	134	\$319 plus tax
Fall 2026	\$141,608-\$370,716	\$175,000	1185	948	\$239 plus tax

4. DONATED SERVICES

Directors and officers have made a significant contribution of their time to develop the organization and its programs. No amounts have been recognized in the accompanying statement of cash receipts and disbursements as no cash changed hands as a result of the donated services.

5. SUBSEQUENT EVENTS

SACRS’ management has evaluated subsequent events through April 4, 2024, the date which the financial statement was issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statement.

SUPPLEMENTARY INFORMATION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
COMBINING STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

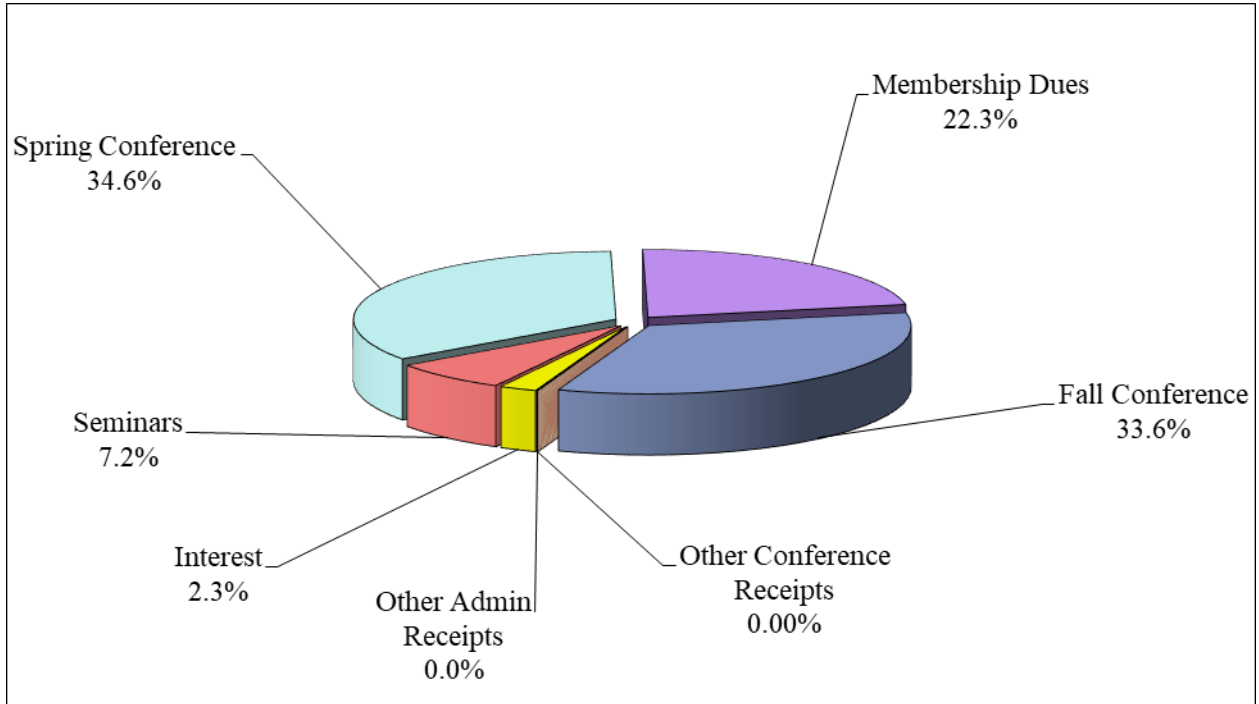
	<u>Conference</u>	<u>Administration</u>	<u>Total</u>
<u>Cash Receipts</u>			
Dues	\$ -	\$ 361,500	\$ 361,500
Conference			
Fall	546,180	-	546,180
Spring	561,715	-	561,715
Seminars	117,000	-	117,000
Other admin receipts	-	635	635
Interest	-	37,268	37,268
Total Cash Receipts	<u>1,224,895</u>	<u>399,403</u>	<u>1,624,298</u>
<u>Cash Disbursements</u>			
Conference			
Fall - 2022			
Hotel and meals	430,059	-	430,059
Audio and visual	102,087	-	102,087
Program materials	31,726	-	31,726
Spring - 2023			
Hotel and meals	689,074	-	689,074
Audio and visual	207,583	-	207,583
Program materials	82,563	-	82,563
Seminars	102,505	-	102,505
Conference Administration	21,192	-	21,192
Total conference disbursements	<u>1,666,789</u>	<u>-</u>	<u>1,666,789</u>
Administration	-	396,456	396,456
Lobbying	-	62,808	62,808
Newsletters	-	43,941	43,941
Committee meetings	-	74,447	74,447
Special projects	-	17,837	17,837
Total administration disbursements	<u>-</u>	<u>595,489</u>	<u>595,489</u>
Total Cash Disbursements	<u>1,666,789</u>	<u>595,489</u>	<u>2,262,278</u>
Excess (Deficit) of Cash Receipts over Cash Disbursements	(441,894)	(196,086)	(637,980)
Cash and Investments, Beginning	<u>3,120,390</u>	<u>(1,215,756)</u>	<u>1,904,634</u>
Cash and Investments, Ending	<u>\$ 2,678,496</u>	<u>\$ (1,411,842)</u>	<u>\$ 1,266,654</u>

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

CASH RECEIPTS BY SOURCE

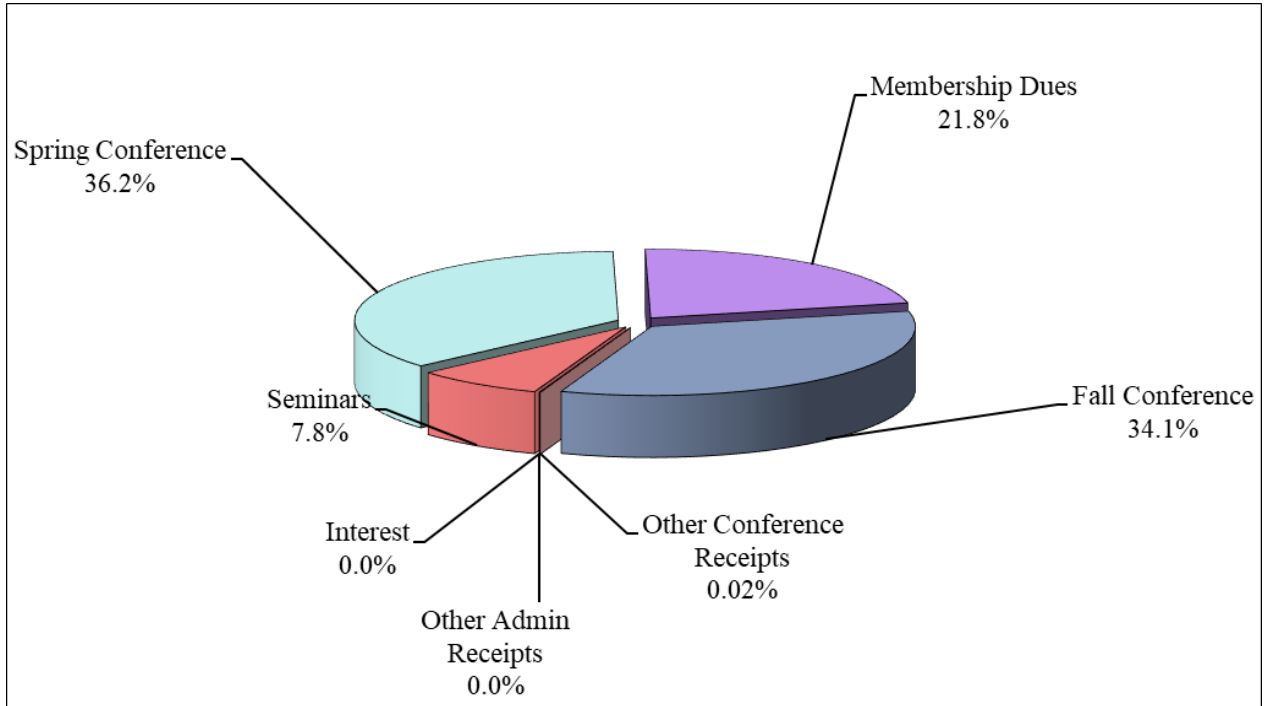


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CASH RECEIPTS BY SOURCE

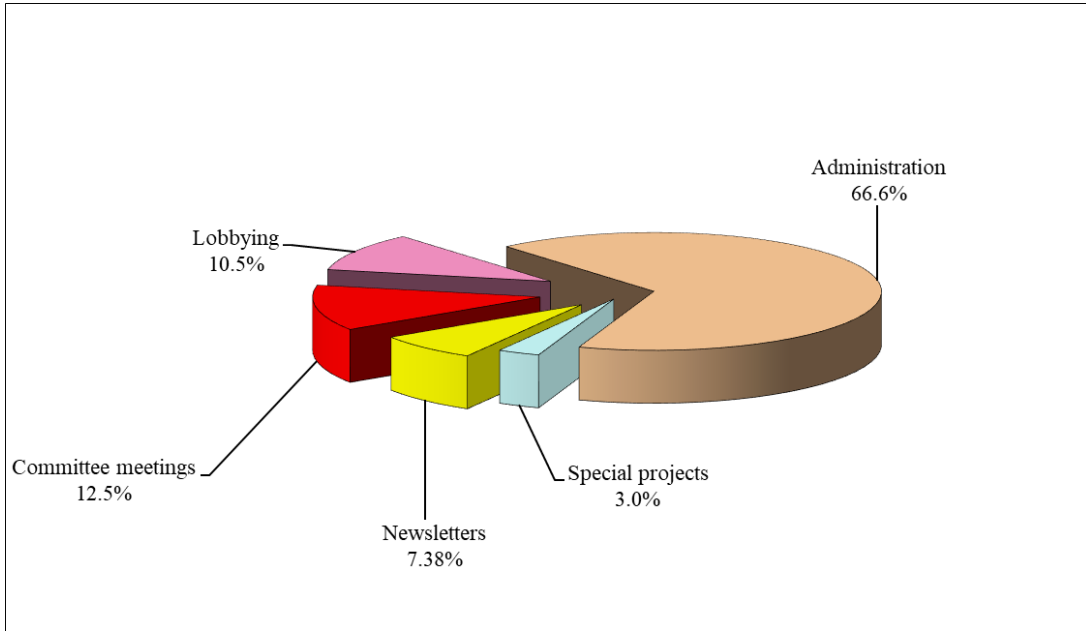


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

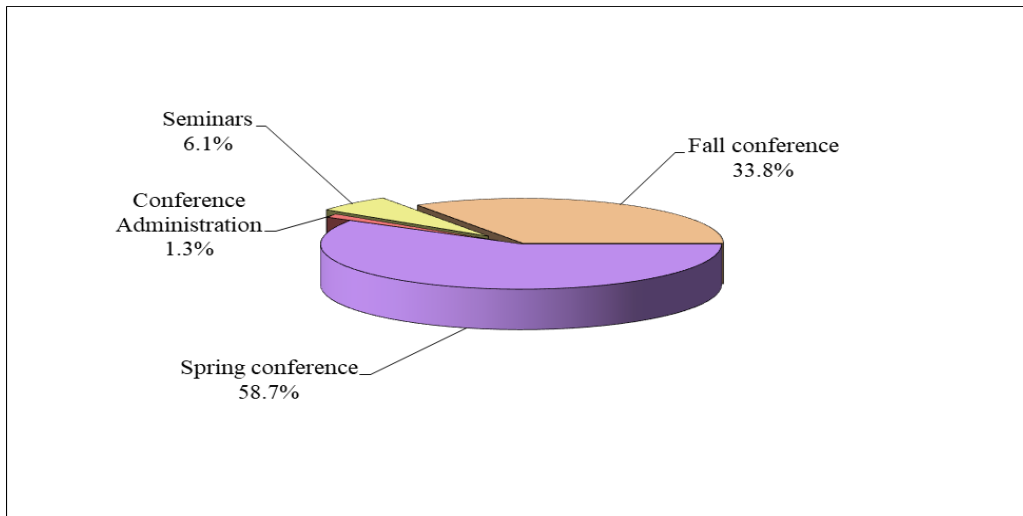
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS

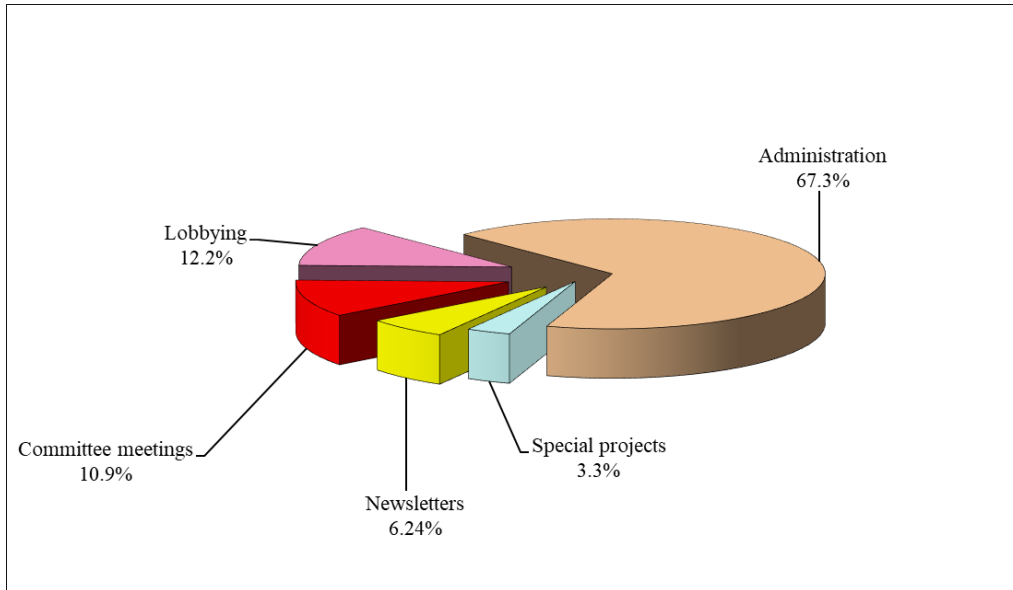


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

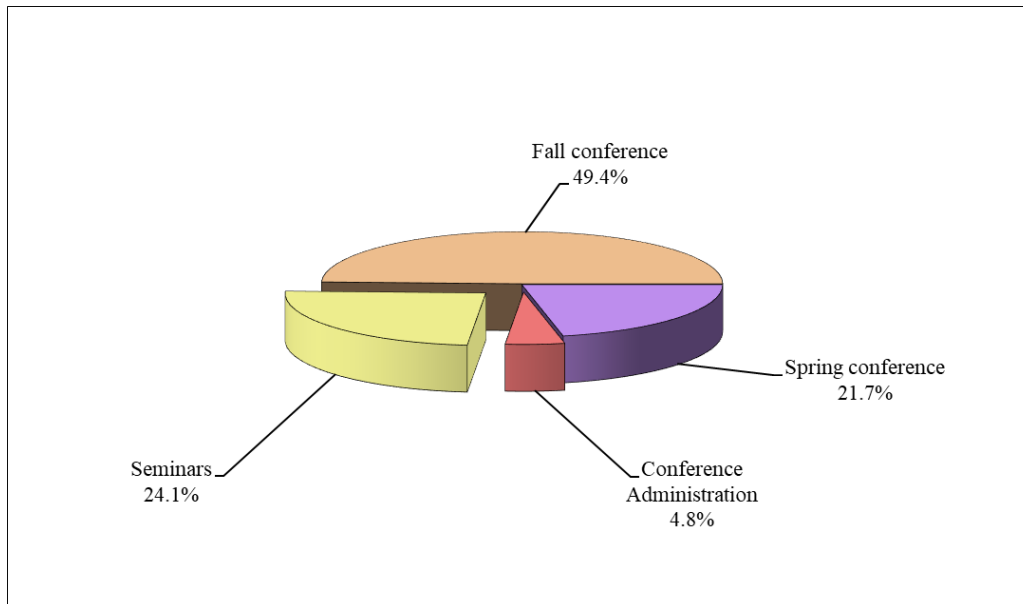
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

ADMINISTRATION CASH DISBURSEMENTS



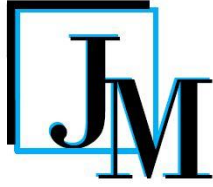
CONFERENCE CASH DISBURSEMENTS



STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

CONFERENCE SUMMARY REPORT

	Spring 2023	Fall 2022	Spring 2022	Fall 2021	Spring 2021	Fall 2020	Spring 2020	Fall 2019	Spring 2019	Fall 2018
	San Diego	Long Beach	Rancho Mirage	Hollywood	Held Via Virtual Conference	Held Via Virtual Conference	Canceled/Held Via Webinar	Monterey	Lake Tahoe	Indian Wells
Cash receipts										
Conference	\$ 561,715	\$ 546,180	\$ 534,550	\$ 503,150	\$ 116,115	\$ 102,380	\$ -	\$ 639,270	\$ 592,590	\$ 591,530
Total cash receipts	<u>561,715</u>	<u>546,180</u>	<u>534,550</u>	<u>503,150</u>	<u>116,115</u>	<u>102,380</u>	<u>-</u>	<u>639,270</u>	<u>592,590</u>	<u>591,530</u>
Cash disbursements										
Hotel and meals	664,335	377,130	20,225	329,775	-	-	-	267,961	195,278	312,670
Audio and visual	203,750	102,088	114,145	86,293	38,975	46,888	-	56,477	57,731	52,180
Program materials	40,542	23,797	33,115	39,374	2,500	3,049	-	20,381	42,342	32,086
Program Speakers	42,021	42,123	41,750	55,915	11,290	38,125	-	63,172	39,784	74,458
Conference Administration	28,572	18,734	21,336	15,921	3,830	2,668		12,131	28,354	22,738
Total cash disbursements	<u>979,220</u>	<u>563,872</u>	<u>230,572</u>	<u>527,277</u>	<u>56,595</u>	<u>90,730</u>	<u>-</u>	<u>420,122</u>	<u>363,489</u>	<u>494,132</u>
Net cash provided by conference	<u>\$ (417,505)</u>	<u>\$ (17,692)</u>	<u>\$ 303,978</u>	<u>\$ (24,127)</u>	<u>\$ 59,520</u>	<u>\$ 11,650</u>		<u>\$ 219,148</u>	<u>\$ 229,101</u>	<u>\$ 97,398</u>
Total attendees	<u>538</u>	<u>508</u>	<u>577</u>	<u>540</u>	<u>443</u>	<u>363</u>	N/A	<u>647</u>	<u>590</u>	<u>588</u>



James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

**COMMUNICATION WITH THOSE CHARGED
WITH GOVERNANCE**

Board of Directors
State Association of County Retirement Systems
Sacramento, California

We have audited the financial statement of the State Association of County Retirement Systems (SACRS) for years ended June 30, 2023 and 2022, and have issued our report thereon dated April 4, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 7, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with the cash basis of accounting described in Note 1 to the financial statement. Our audit of the financial statement does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statement is free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of SACRS solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our report on internal control over financial reporting in a separate letter to you dated April 4, 2024.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

We follow the AICPA Ethics Standard Rule 201C, in conjunction with this, we annually review with all engagement staff potential conflicts and obtain a conflict certification. In addition, we inquire on each engagement about potential conflicts with staff. We have not identified any relationships or other matters that in the auditor's judgment may be reasonably thought to bear on independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by SACRS is included in Note 1 to the financial statement. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are typically an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. As the accounting of SACRS is prepared on a cash basis, no estimates are necessary for the preparation of the financial statement.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We are not aware of any sensitive disclosures affecting SACRS' financial statement.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statement as a whole and each applicable opinion unit. We did not identify any uncorrected misstatements as a result of our audit procedures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. See Attachment I for adjustments provided by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to SACRS' financial statement or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated April 4, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with SACRS, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as SACRS' auditors.

We are contracted to prepare the fiscal year 2023 federal Return of Organization Exempt From Income Tax, and related state filings, as well as the calendar year Forms 1099-MISC for SACRS. These returns will be prepared using audited financial data, where applicable, but our preparation of these returns does not constitute an audit. No audit opinion will be issued on the tax returns referred to above.

James Marta & Company LLP
Certified Public Accountants

This report is intended solely for the information and use of the Board of Directors, and management of State Association of County Retirement Systems and is not intended to be and should not be used by anyone other than these specified parties.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
April 4, 2024

Adjusting Journal Entries

None.

Reclassifying Journal Entries

None.



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MANAGEMENT REPRESENTATION LETTER

April 4, 2024

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

This representation letter is provided in connection with your audit of the statement of cash receipts and disbursements of the State Association of County Retirement Systems (SACRS) for the fiscal years ended June 30, 2023 and 2022, and the related notes to the financial statement, for the purpose of expressing an opinion on whether the financial statement is presented fairly, in all material respects, in accordance with the cash basis of accounting described in Note 1 to the financial statement.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of April 4, 2024:

Financial Statement

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated July 7, 2022, for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1 to the financial statement.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed.
- All events subsequent to the date of the financial statement which requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed.
- We have complied with all contractual agreements, grants, and donor restrictions.



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- We have maintained an appropriate composition of assets in amounts needed to comply with all donor restrictions.
- We have accurately presented the entity's position regarding taxation and tax-exempt status.
- The bases used for allocation of functional expenses are reasonable and appropriate.
- We have included in the financial statement all assets under the entity's control.
- We have designed, implemented, and maintained adequate internal controls over the receipt and recording of contributions.
- Methods and significant assumptions used by management to determine fair values, their consistency in application, and the completeness and adequacy of fair value information for financial statement measurement and disclosure purposes are appropriate.
- We have reviewed and approved the adjusting and reclassifying journal entries reflected in the audit statements and Attachment I.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statement, such as records, documentation, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statement in accordance with the cash basis of accounting described in Note 1 to the financial statement.
- We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others when the fraud could have a material effect on the financial statement.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statement communicated by employees, former employees, analysts, regulators, or others.
- We have no knowledge of any noncompliance or suspected noncompliance with laws, regulations, contracts, and grant agreements whose effects should be considered when preparing financial statements.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statement and we have not consulted legal counsel concerning litigation or claims.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.



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Supplementary Information in Relation to the Financial Statement as a Whole

With respect to the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report accompanying the financial statement:

- We acknowledge our responsibility for the presentation of the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements in accordance with the cash basis accounting as described in Note 1 to the financial statement. We acknowledge our responsibility for the presentation of the Conference Summary Report which presents all cash receipts and expenses related to a specific regardless of timing of the underlying receipt or disbursement.
- We believe the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, including its form and content, is fairly presented in accordance with the cash basis accounting as described in Note 1 to the financial statement. We believe the Conference Summary Report, including its form and content, is fairly presented and inclusive of all cash receipts and expenses related to a specific regardless of timing of the underlying receipt or disbursement.
- The methods of measurement or presentation have not changed from those used in the prior period.
- When the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report are not presented with the audited financial statement, management will make the audited financial statement readily available to the intended users of the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Additional Representations

- We have reviewed, approved, and taken responsibility for the financial statement and related notes.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statement.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- All disbursements have been properly classified in the financial statement and allocations, if any, have been made on a reasonable basis.
- Deposit and investment risks have been properly and fully disclosed.



Providing insight. Fostering oversight.

- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- We have disclosed to you all guarantees, whether written or oral, under which SACRS is contingently liable.
- SACRS has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have provided you with our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.
- Regarding our tax filings prepared by James Marta & Company LLP:
 - We are responsible for complying with tax filing requirements with the Internal Revenue Service, Franchise Tax Board, and other agencies, as applicable.
 - We are responsible for establishing and maintaining effective internal control over compliance.
 - We have performed an evaluation of the Association's compliance with tax filing requirements, and we are not aware of any instances of noncompliance.
 - We have reviewed and approved the tax returns prepared by your office.
 - We have made available to you all documentation related to compliance with specified requirements.
 - We assume all management responsibilities in regard to the tax filings and have designated an individual in management who possesses suitable skill, knowledge and experience to oversee these services.
 - We have performed an evaluation of the adequacy and results of the services performed and assume all management responsibilities.
 - We accept responsibility for the results of the services.

Sulema Peterson

Sulema Peterson, SACRS Executive Director

4/4/2024

Date

Attachment



Providing insight. Fostering oversight.

Attachment I
Journal Entry Report

Adjusting Journal Entry:

None.

Reclassifying Journal Entry:

None



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
INDEPENDENT AUDITOR'S REPORT**

Board of Directors
State Association of County Retirement Systems
Sacramento, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of State Association of County Retirement Systems (SACRS), as of and for the years ended June 30, 2023 and 2022 the related notes to the financial statement, which collectively comprise the State Association of County Retirement Systems' basic financial statement, and have issued our report thereon dated April 4, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered SACRS' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control. This report is an integral part of an audit performed in accordance with auditing standards generally accepted in the United States of America in considering the entity's internal control. Accordingly, this communication is not suitable for any other purpose.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
April 4, 2024

STATE ASSOCIATION OF COUNTY
RETIREMENT SYSTEMS
SUMMARY OF AUDIT RESULTS
YEAR ENDED JUNE 30, 2023

Presented by

Jesse Deol, CPA, ARM

Partner



Agenda

- Communications with Those Charged with Governance
- June 30, 2023, State Association of County Retirement Systems Statement of Cash Receipts and Disbursements and Auditor's Report
- Independent Auditor's Report On Internal Control And Compliance



COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE



SCOPE OF ENGAGEMENT

- Engagement letter dated July 7, 2022
- Statement of Cash Receipts and Disbursement Audit
- Tax

1. OBJECTIVE AND SCOPE OF THE AUDIT

You have requested that we audit the Statement of Cash Receipts and Disbursements of State Association of County Retirement Systems as of June 30, 2022, 2023, and 2024, and the related Statements of Activities, Statements of Functional Expenses, and Cash Flows for the years then ended and the related notes to the financial statements, which collectively comprise State Association of County Retirement Systems' basic financial statements and provide assistance with the preparation of the financial statements.

Also, the statements we present to you will include the following additional information that will be subjected to the auditing procedures applied in our audit of the financial statements:

- Combining Schedule of Cash Receipts and Disbursements
- Graphical Presentation of Cash Receipts
- Graphical Presentation of Cash Disbursements

The following additional information will not be subjected to the auditing procedures applied in our audit of the financial statements:

- Conference Summary Report

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

Professional standards require that we provide you with information related to our audit of State Association of County Retirement Systems. This information is summarized as follows:

- Responsibilities and Opinion
 - Financial statements are the responsibility of management
 - Our responsibility is to express an audit opinion
 - We will issue an unmodified opinion (the best and auditor can give)



REPORT TO YOU - INTERACTIONS WITH MANAGEMENT



Management Consultations
with Other Independent
Accountants:

✓ None



Disagreements with
Management or Difficulties
Encountered:

✓ None



Management
Representations:

Pending

REPORT TO YOU

QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES

- Significant Accounting Policies and Changes in Those Policies - No changes
- Management Judgments and Accounting Estimates
 - None noted



AUDIT PROCEDURES

- An Audit is more than just assurance regarding the fairness of presenting financial statements. An Audit involves gaining an understanding of the organization's systems and controls.
 - Understanding; systems, policies and procedures
 - Tests of control
 - Gathering other audit evidence, review of details, performing test calculations.
 - Review of accounting methods and reporting

RESULTS OF THE AUDIT

Consideration Area	Result
Planned Scope and Timing	Staff availability during the agreed upon field work dates.
Findings Identified in Performing the Audit	None significant.
Significant Adjustments or Disclosures Not Reflected in the Financial Statements	None.

STATEMENT OF CASH RECEIPTS AND
DISBURSEMENTS
WITH INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

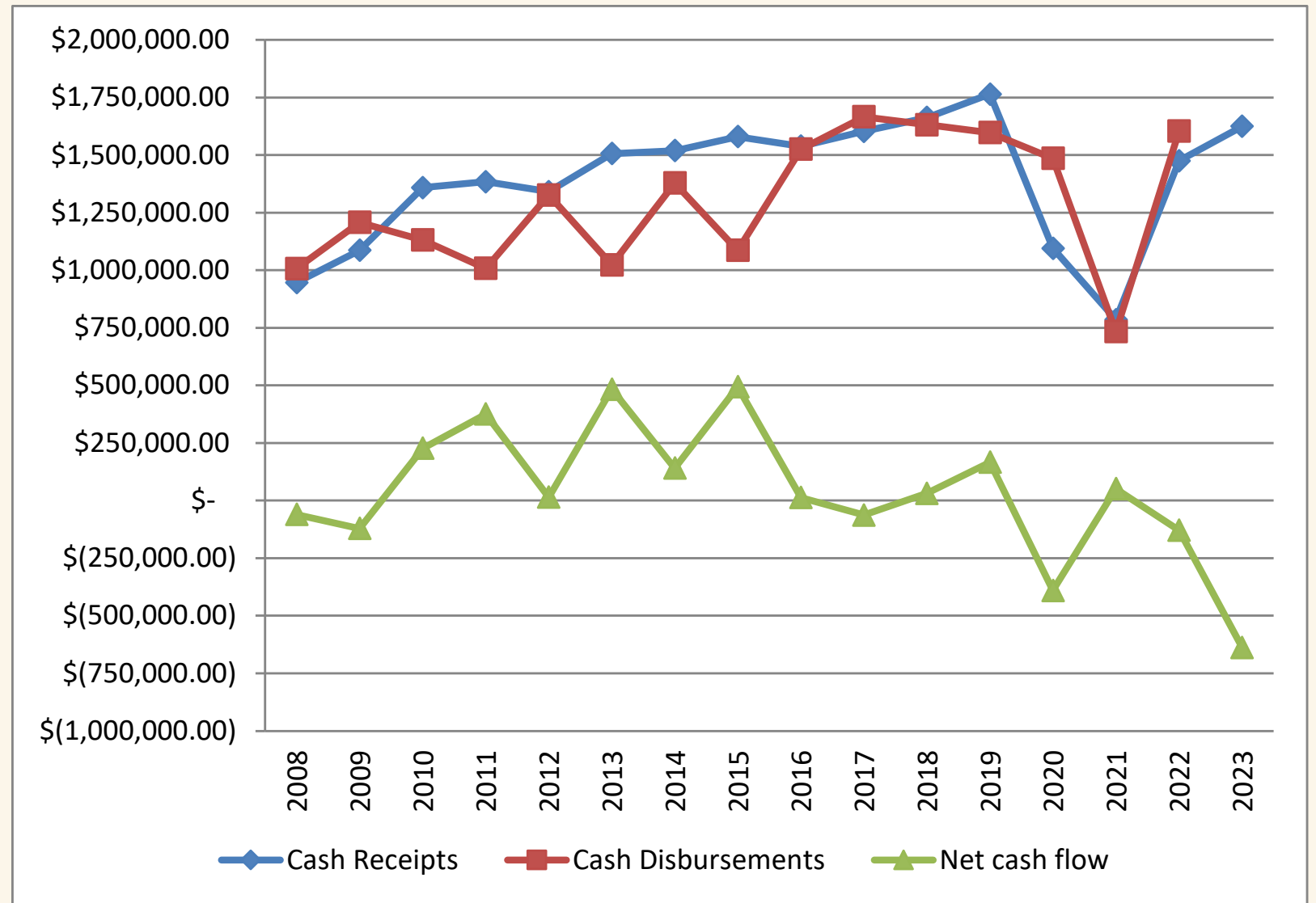
- Pages 1-3 of the Audited Statement of Cash Receipts and Disbursements
- Unmodified opinion (Page 1), the best opinion that we can provide



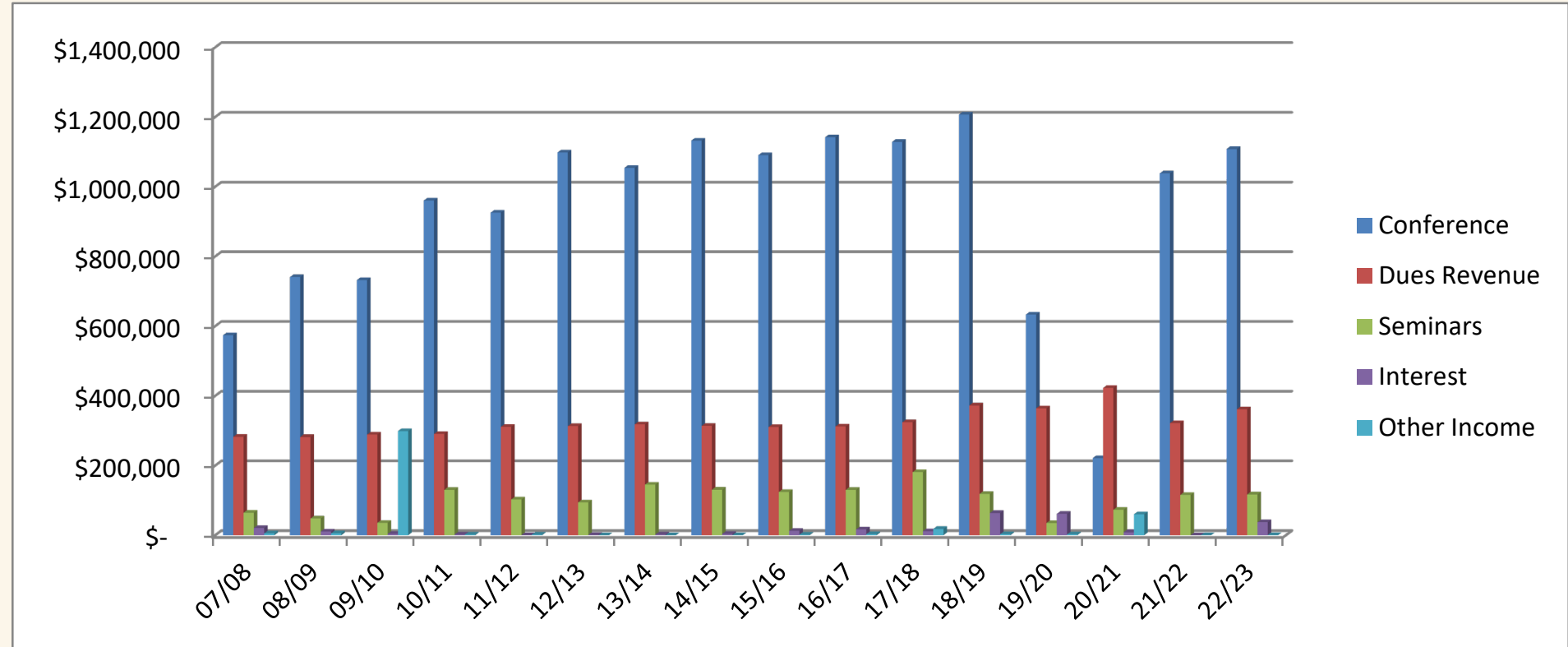
Financial Results – Cash Basis

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Beginning Cash	\$ 1,904,634	\$ 2,033,559	\$ 1,981,948	\$ 2,372,422	\$ 2,206,001
Cash Receipts	1,624,298	1,475,539	785,349	1,095,488	1,764,148
Cash Disbursements	<u>(2,262,278)</u>	<u>(1,604,464)</u>	<u>(733,738)</u>	<u>(1,485,962)</u>	<u>(1,597,727)</u>
Excess (Deficit) of Cash Receipts over Disbursements	(637,980)	(128,925)	51,611	(390,474)	166,421
Ending Cash	<u><u>\$ 1,266,654</u></u>	<u><u>\$ 1,904,634</u></u>	<u><u>\$ 2,033,559</u></u>	<u><u>\$ 1,981,948</u></u>	<u><u>\$ 2,372,422</u></u>

Financial Results – Cash Basis (continued)

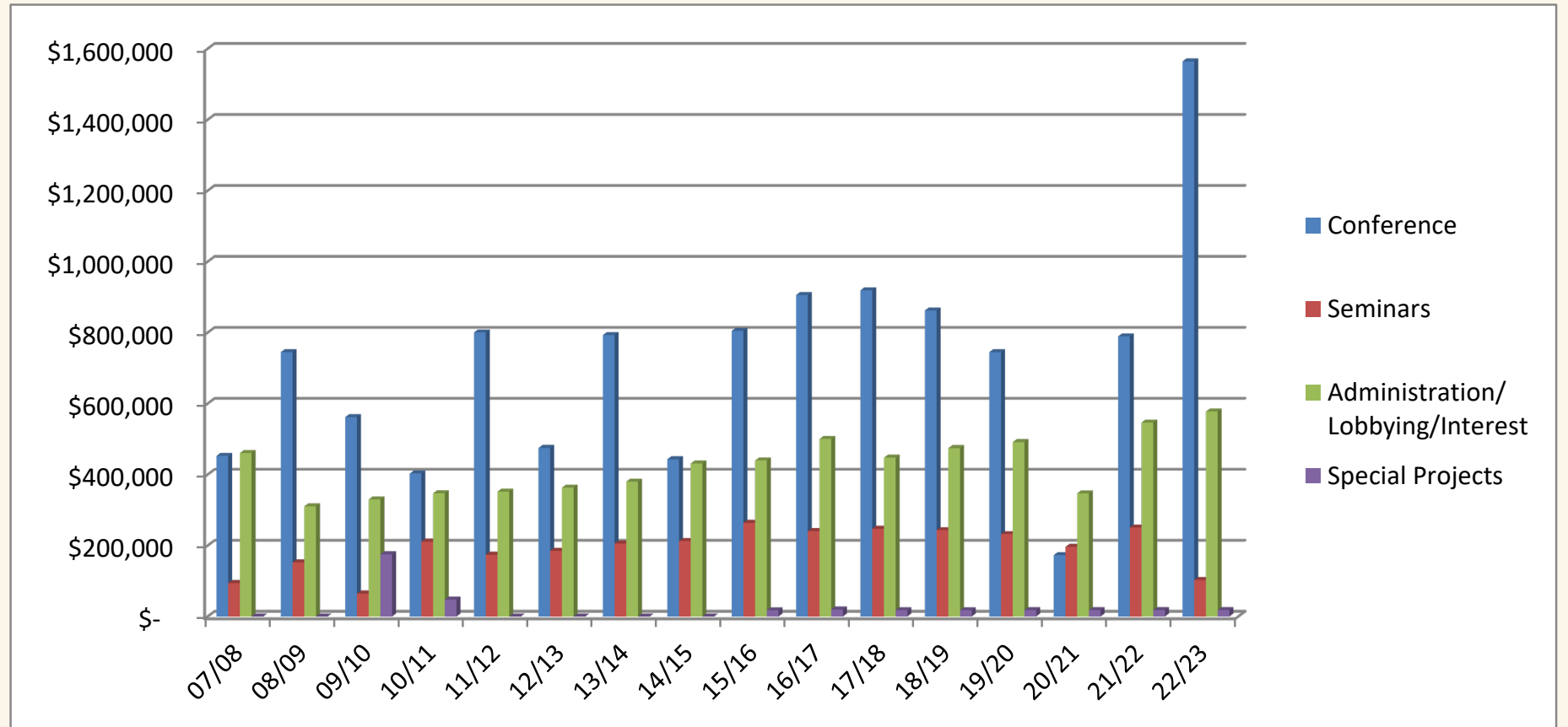


Revenues by Source - Historic



The conference is going back to the historical level pre-pandemic.

Expenses by Source - Historic



The expenses are driven by the conference is going back to the historical level pre-pandemic.

Conference Financials

	Spring 2023	Fall 2022	Spring 2022	Fall 2021	Spring 2021	Fall 2020	Spring 2020	Fall 2019	Spring 2019	Fall 2018
	San Diego	Long Beach	Rancho Mirage	Hollywood	Held Via Virtual Conference	Held Via Virtual Conference	Canceled/Held Via Webinar	Monterey	Lake Tahoe	Indian Wells
Cash receipts										
Conference	\$ 561,715	\$ 546,180	\$ 534,550	\$ 503,150	\$ 116,115	\$ 102,380	\$ -	\$ 639,270	\$ 592,590	\$ 591,530
Total cash receipts	561,715	546,180	534,550	503,150	116,115	102,380	-	639,270	592,590	591,530
Cash disbursements										
Hotel and meals	664,335	377,130	20,225	329,775	-	-	-	267,961	195,278	312,670
Audio and visual	203,750	102,088	114,145	86,293	38,975	46,888	-	56,477	57,731	52,180
Program materials	40,542	23,797	33,115	39,374	2,500	3,049	-	20,381	42,342	32,086
Program Speakers	42,021	42,123	41,750	55,915	11,290	38,125	-	63,172	39,784	74,458
Conference Administration	28,572	18,734	21,336	15,921	3,830	2,668	-	12,131	28,354	22,738
Total cash disbursements	979,220	563,872	230,572	527,277	56,595	90,730	-	420,122	363,489	494,132
Net cash provided by conference	\$ (417,505)	\$ (17,692)	\$ 303,978	\$ (24,127)	\$ 59,520	\$ 11,650		\$ 219,148	\$ 229,101	\$ 97,398
Total attendees	538	508	577	540	443	363	N/A	647	590	588

Assets at June 30, 2023

Cash and Cash Equivalents

	<u>2023</u>	<u>2022</u>
Bank accounts	\$ (166,975)	\$ 158,389
Money market accounts	833,519	801,421
Total cash and cash equivalents	<u>\$ 666,544</u>	<u>\$ 959,810</u>

	<u>First Foundation</u>	<u>Bank of America</u>	<u>Total</u>
Per bank	\$ 136,739	\$ 46,674	\$ 183,413
Checks outstanding	(350,388)	-	(350,388)
Total bank accounts	<u>\$ (213,649)</u>	<u>46,674</u>	<u>\$ (166,975)</u>

Assets at June 30, 2023 (Continued) Investment

- In March 2015, SACRS invested in the CalTRUST Medium-Term Fund (the “Fund”), depositing \$1,104,130.
- The fair value balance as of June 30, 2023 and 2022 presented in the financial statement is \$600,110 and \$944,824, respectively.
- SACRS made a \$350,000 redemption for the year ended June 30, 2023.
- The current portion of the investment account represents underlying securities which are immediately redeemable (e.g. equities), or will mature within one year. The CalTRUST Short-Term Fund was \$8,559 and \$8,242 as of June 30, 2023 and 2022, respectively. The Fund is not rated or insured.

NOTES TO THE FINANCIAL STATEMENT AND SUPPLEMENTARY INFORMATION

- Pages 5-7 notes to the financial statements
- Page 8-13 Supplementary Information
 - Combining Statement of Cash Receipts and Disbursements
 - Graphical Presentation of Cash Receipts
 - Graphical Presentation of Cash Disbursements
 - Conference Summary Report

Our reports

- Report on the Financial Statements (Page 1)
 - Unmodified
- Report on Internal Control Over Financial Reporting
 - No deficiencies reported
- Communication with those charged with governance



Conclusion

- Cash and cash equivalents and investment decreased from \$ 1,904,634 to \$1,266,654.
- Thank you to the SACRS staff, specifically Sulema H. Peterson, Douglas Evans, and the Audit Committee for their assistance with this audit process.

QUESTIONS?

Jesse Deol, CPA, ARM
Partner





8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. Education Committee Report



9. SACRS Program Committee Report – No Action

Adele Tagaloa, Orange CERS, SACRS Program Committee Chair

A. Program Committee Report

No printed materials for this item



10. SACRS Affiliate Committee Report – No Action

JoAnne Svensgaard, Adrian Lee & Partners, SACRS Affiliate Committee Chair

A. Affiliate Committee Report

No printed materials for this item



11. SACRS Bylaws Committee Report – No Action

Barbara Hannah, San Bernardino CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Report

No printed materials for this item



12. SACRS Spring Conference Breakout Reports – No Action

A representative from each breakout will give a verbal report on their meetings. No printed materials for this item.

- A. Administrators – Thomas Stadelmaier, Stanislaus CERA
- B. Affiliates – JoAnne Svendsgaard, Affiliate Committee Chair
- C. Attorneys – Barbara Hannah and David Lantzer, San Bernardino CERA
- D. Disability/ Operations & Benefits Combo – Theodore King, Los Angeles CERA
- E. Internal Auditors – Harsh Jadhav, Alameda CERA
- F. Investment Officers – Donald Pierce, San Bernardino CERS
- G. Safety Trustees – Brian Williams, Sonoma CERS
- H. General Trustees – Adele Tagaloa, Orange CERS



13. Adjournment

Next scheduled SACRS Business Meeting will be held on Friday, November 15, 2024. The meeting will be held at the Hyatt Regency Monterey Hotel and Spa during SACRS Annual Fall Conference November 12 – 15, 2024.



SACRS VOTING PROXY FORM

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

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

_____ Voting Delegate

_____ Alternate Voting Delegate

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

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

Signature: _____

Print Name: _____

Position: _____

Date: _____

Please send your system's voting proxy by April 30, 2024 to Sulema H. Peterson, SACRS Executive Director at Sulema@sacrs.org.