



Merced County Employees' Retirement Association

AGENDA
MercedCERA INVESTMENT SUBCOMMITTEE MEETING

Thursday, October 22, 2026, 11:00 A.M.

Location: Merced County Employees' Retirement Association
690 W. 19th Street, Merced, CA, 95340
2nd Floor, Trustee Conference Room
Zoom Conference Information:

<https://us06web.zoom.us/j/84391716452?pwd=D1Hg0bjQJR69qa4V4ZSN6A0sYjgl5L1>

Dial In Number: 669-444-9171, MEETING ID: 843 9171 6452, PASSCODE: 899657

1. Call to Order – 11:00 A.M.

The Investment Subcommittee 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 – July 16, 2026

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. Open Session

- a. Discussion of Investment Committee Charter duties and responsibilities – Staff.
- b. Discussion and possible action to approve the 2027 MercedCERA Investment Committee meeting dates – Staff.
- c. Discussion and update on September's portfolio rebalance – Staff.

7. Information Sharing & Agenda Item Requests

8. 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 690 W 19th Street, Merced, California 95340.

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, 690 W 19th Street, Merced, CA 95340 or telephonically by calling (209) 726-2724. Any such request for accommodation should be made at least 48 hours prior to the scheduled meeting for which assistance is requested.

Persons who require accommodation for any audio, visual or other disability or Spanish or Hmong interpretation in order to review an agenda, or to participate in a meeting of the Merced County Employees' Retirement Association per the American Disabilities Act (ADA), may obtain assistance by requesting such accommodation. Please address your written request to Merced County Employees' Retirement Association, 690 W 19th Street, Merced, CA 95340 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
MercedCERA INVESTMENT SUBCOMMITTEE MEETING

Thursday, July 16, 2026, 2:00 P.M.

Location: Merced County Employees' Retirement Association
690 W. 19th Street, Merced, CA, 95340
2nd Floor, Trustee Conference Room
Zoom Conference Information:

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

Dial In Number: 669-900-6833, MEETING ID: 930 3019 5748, PASSCODE: 095484

1. Call to Order – 2:03 P.M.

The Investment Subcommittee may discuss and take action on the following:

2. Roll Call

Board Members Present: Bayani Manilay, Karen Adams, Scott Johnston and Janey Cabral. **Staff:** Martha Sanchez Barboa and Pete Madrid.

3. Approval of Minutes – December 11, 2025

Committee approved December 11, 2025, committee minutes.

1st- Johnston/2nd- Adams, passes 2/0, Trustee Cabral and Manilay abstained

4. 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

5. Open Session

- a. Review and discuss schedule of investment topics for 2026 and first half of 2027 – Staff.

Committee directed Staff to moderate the pace of investment reviews and to include information in the Review Schedule detailing whether the items and reviews are Board action items or information only.

- b. Discuss potential educational topics for 2027 – Staff.

Committee was asked to propose educational topics for 2027. None were finalized. Further discussion will continue.

6. Information Sharing & Agenda Item Requests

None

7. Adjourned at 3:11 P.M.

Trustee Name/Position	Signature	Date
Bayani Manilay/ Chair		



MERCEDCERA INVESTMENT COMMITTEE

FOURTH QUARTER INVESTMENT COMMITTEE MEETING

October 22, 2026



INVESTMENT COMMITTEE CHARTER

COMMITTEE'S ROLE AND RESPONSIBILITIES

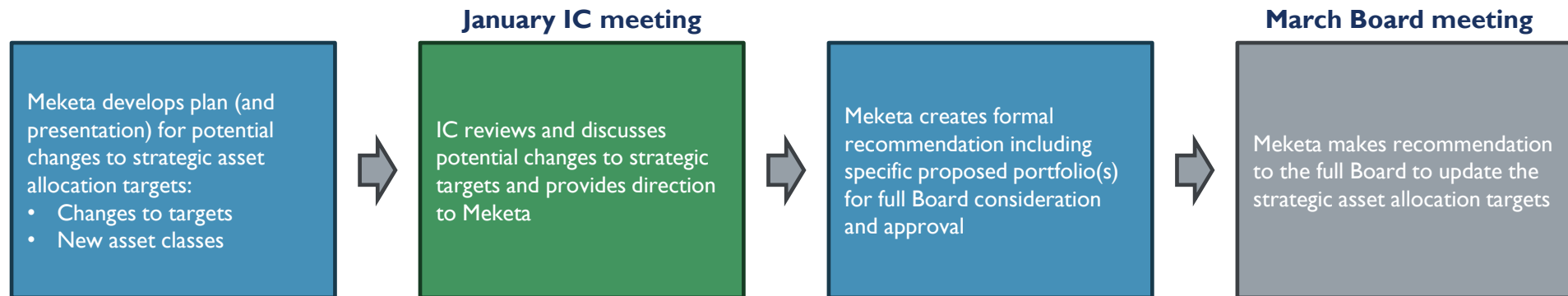


INVESTMENT COMMITTEE DUTIES & RESPONSIBILITIES

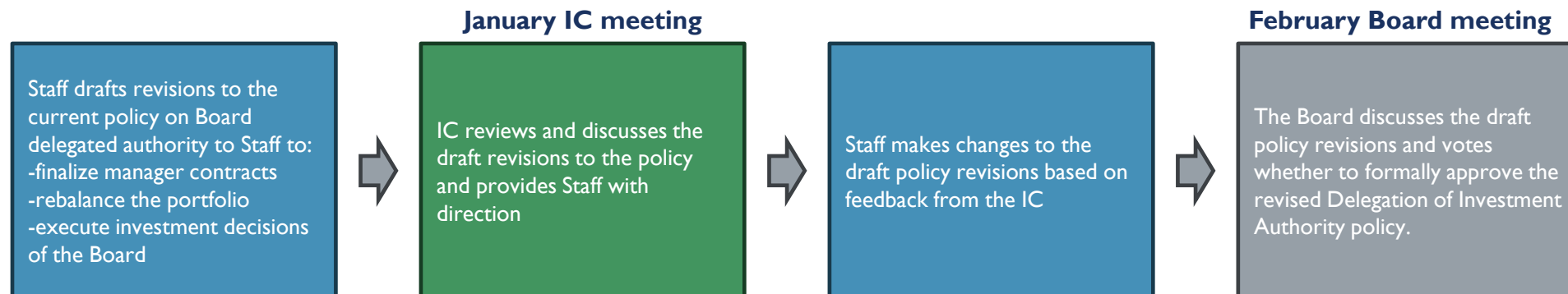
	Duties & Responsibilities (Per IC Charter included in Appendix)	Responsible Parties
Coordinate & manage IC meetings	• Meet quarterly, or as deemed necessary by the IC Chair, in consultation with the CIO or Assistant Plan Administrator – Investments. • Coordinate IC meetings with Staff and ensure meetings are managed in accordance with the Brown Act and Plan policies. • Keep minutes and manage the meetings in accordance with the Brown Act.	• IC Chair • Assistant Plan Administrator - Investments
IC activity & investment reviews	• Review the IPS annually and all other MercedCERA investment policies, including investment goals and objectives. • Recommend investment approach for achieving the investment goals and objectives of MercedCERA. • Coordinate with Staff to propose to the full Board a schedule of investment related educational topics for the year. • Work with staff to finalize the investment consultant procurement process to be undergone by an ad hoc Selection Committee. • Review the processes to be followed in performing and overseeing asset/liability studies.	• IC Chair • Investment Committee • Plan Administrator / Asst. Plan Administrator - Investments
Responsibility to Board	• Take a vote on all actions to be recommended to the Board, with a majority of the IC members present constituting a quorum. • Be available to advise the Board and Staff as required. • Report at the next MercedCERA Board meeting on its activities. • Perform any other duties assigned by the Board.	• IC Chair • Assistant Plan Administrator - Investments

INVESTMENT COMMITTEE PREREVIEW OF BOARD REVIEW TOPICS

1. Strategic asset allocation review

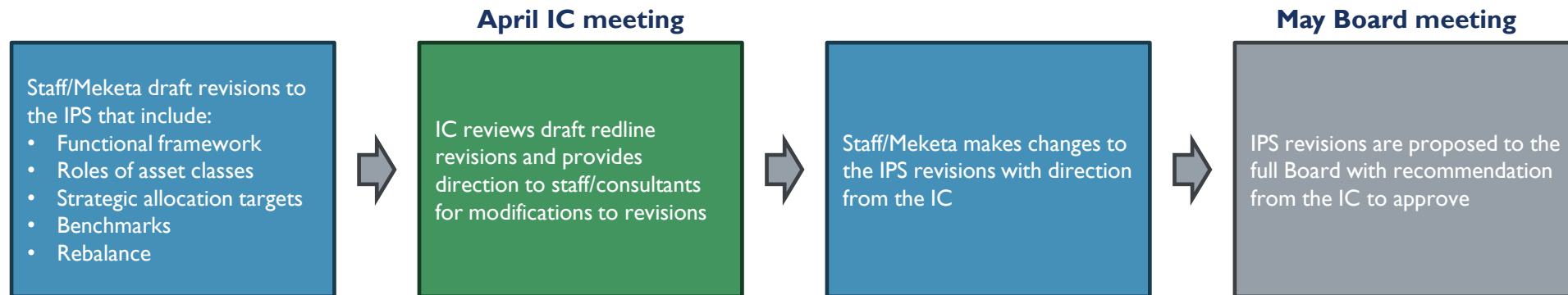


2. Delegation of Investment Authority

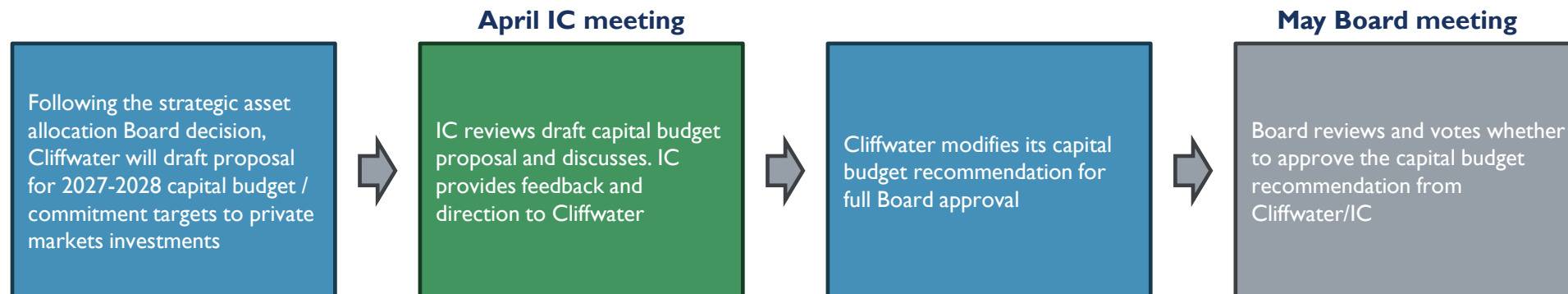


INVESTMENT COMMITTEE PREREVIEW OF BOARD REVIEW TOPICS

3. Investment Policy Statement review & revisions



4. Annual private markets capital budget



ANNUAL IC REVIEW CALENDAR

2026	2027				
Q4 (Today)	Q1 (January 28 th)	Q2 (April 22 nd)	Q3 (July 22 nd)	Q4 (October 28 th)	Ad hoc
- Review IC role and responsibilities - Confirm 2027 IC meeting dates - Review September portfolio rebalance	<i>Review Meketa's potential proposed changes to the strategic asset allocation targets (Board review in March)</i> <i>Review staff proposed revisions to the policy on Board delegated investment authority to staff (Board review in February)</i> - Determine appropriate investment topics for 2027 Trustee education days - Review upcoming procurement activity (RFPs for the year)	<i>Review Staff/Meketa proposed revisions to the Investment Policy Statement (Board review in May)</i> <i>Review Cliffwater's proposed private markets capital budget recommendation (Board review in May)</i>	Discuss current level of active vs. passive management in portfolio and potential changes to public equity and US fixed income asset classes (Board review in August)	- Review current year's objectives and progress toward meeting those goals - Review Board's strategic investment review calendar for following year	- Establish criteria and process for issuing Request for Proposals and evaluating proposals - Oversee asset-liability study (every 3 to 5 years)

Highlighted items indicate examples from prior two pages.



2027 MEETING CALENDAR



2027 IC MEETING SCHEDULE

- To simplify scheduling while meeting on a regular basis (as required by the newly approved charter), Investment Committee meetings will be held after Board meetings on a quarterly basis.
- Proposed Investment Committee meeting dates for 2027:
 - January 28th
 - April 22nd
 - July 22nd
 - October 28th
- **Recommendation:** Staff recommend the Committee approve the proposed 2027 meeting dates.



PORTFOLIO REBALANCE



SEPTEMBER REBALANCE UPDATE

	Before Rebalance	Policy Weight	Variance		After Rebalance	Policy Weight	Variance
Public Equity	39.2%	40.0%			35.2%	40.0%	
Opportunistic Credit (HY, MBS)	4.1%	4.0%			4.1%	4.0%	
Growth Assets - Public	43.3%	44.0%	-0.7%		39.3%	44.0%	-4.7%
Growth Hedge Funds	1.2%	1.0%			1.2%	1.0%	
Private Equity	17.7%	15.0%			17.7%	15.0%	
Direct Lending	6.0%	5.0%			6.0%	5.0%	
Real Estate	5.8%	6.0%			5.8%	6.0%	
Real Assets Infrastructure	3.6%	2.5%			3.6%	2.5%	
Growth Assets - Private / Illiquid	34.2%	29.5%	4.7%		34.2%	29.5%	4.7%
TOTAL GROWTH PORTFOLIO	77.5%	73.5%	4.0%		73.5%	73.5%	0.0%
	Current Weight	Policy Weight	Variance		Current Weight	Policy Weight	Variance
Cash / Liquidity	1.1%	2.0%			2.4%	2.0%	
US Fixed Income (Treasuries, IG Credit)	15.1%	18.0%			17.8%	18.0%	
Diversification Assets - Public	16.2%	20.0%	-3.8%		20.2%	20.0%	0.2%
Diversifying Hedge Funds	4.1%	4.0%			4.1%	4.0%	
Real Assets Natural Resources	2.2%	2.5%			2.2%	2.5%	
Diversification Assets - Private / Illiquid	6.3%	6.5%	-0.2%		6.3%	6.5%	-0.2%
TOTAL DIVERSIFICATION PORTFOLIO	22.5%	26.5%	-4.0%		26.5%	26.5%	0.0%
TOTAL FUND PORTFOLIO	100.0%	100.0%	0.0%		100.0%	100.0%	0.0%

- Prior to the portfolio rebalance, total growth assets were 4% overweight and total diversifying assets were 4% below target.
- Assets were sold from public growth investments (public equity) and reinvested to bring US fixed income and cash to target.
- Following the rebalance, both total growth and total diversifying assets are at target.



APPENDIX



INVESTMENT COMMITTEE CHARTER

INTRODUCTION

The Merced County Employees' Retirement Association (MercedCERA) Board of Retirement (Board) has established an Investment Committee to assist in administering MercedCERA's investment program. The Investment Committee will be comprised of a maximum of four Board members. A maximum of three members will be appointed by the Board Chair, while the Investment Committee Chair will be elected by the full Board. The Chief Investment Officer (CIO) or if vacant, the Assistant Plan Administrator – Investments, will serve as the MercedCERA primary staff support contact. The Plan Administrator will also provide support to the Investment Committee.

The Investment Committee serves in an advisory role and is not authorized to act on behalf of the Board. The full Board retains authority regarding all investment-related matters.

DUTIES AND RESPONSIBILITIES

The Investment Committee will:

- 1) Coordinate Investment Committee meeting agendas with staff and confirm agendas are posted for public view at least 72 hours prior to the meeting and cancel or reschedule a meeting if it is apparent that there will not be a quorum or there are insufficient items to warrant a meeting.
- 2) Review the Investment Policy Statement annually and all other MercedCERA investment policies, including investment goals and objectives.
- 3) Coordinate with staff to propose to the full Board a schedule of investment related educational topics for the year.
- 4) Work with staff to finalize the investment consultant procurement process to be undergone by an ad hoc Selection Committee appointed by the Board Chair.
- 5) Meet quarterly, or as deemed necessary by the Investment Committee Chair, in consultation with the CIO or Assistant Plan Administrator – Investments.
- 6) Recommend investment approach for achieving the investment goals and objectives of MercedCERA.
- 7) Review the processes to be followed in performing and overseeing asset/liability studies.
- 8) Keep minutes and manage the meetings in accordance with the Brown Act.



Merced County Employees' Retirement Association

- 9) Take a vote on all actions to be recommended to the full Board, with a majority of the Investment Committee members present constituting a quorum.
- 10) Be available to advise the Board and staff as required.
- 11) Report at the next MercedCERA Board meeting on its activities.
- 12) Perform any other duties assigned by the Board.

POLICY REVIEW

The Board shall review this Investment Committee Charter at least every 3 years in conjunction with the review of the MercedCERA Bylaws.

POLICY HISTORY

The Board adopted this policy on August 27, 2026.