



Merced County Employees' Retirement Association

**AGENDA
RETIREMENT BOARD MEETING**

Thursday, April 24, 2025, 8:30 A.M.

Location: Merced County Employees' Retirement Association
690 W. 19th Street, Merced, CA 95340
Board Room, Floor 2

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 27, 2025.

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>Years of Service</u>	<u>Department</u>	<u>Effective Date</u>
Cady, Michael	20	Sheriff	4/21/2025
Fordice, Karen	17	County Counsel	4/05/2025
Gilmore, Cathy	22	HSA	4/05/2025
Mirabal, Vincent - Rescind Application	1	Juvenile Hall	12/31/2024
Sanchez, Linda	30	Child Support	4/05/2025
Santos, Kristen	8	Retirement	4/05/2025
Seymour, Shelly	5	Merced Superior Courts	4/09/2025
Trejo, Maurice	24	Admin Services	4/20/2025

b. Monthly Budget Report submitted.

c. Final Construction Report submitted.



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7. Open Session

- a. Discussion on market summary and investment performance update - Staff
- b. Discussion on March investment performance report - Meketa
- c. Review of US equity - Staff/Meketa
- d. Discussion on Mellon Newton Dynamic US Equity strategy - Newton Team
- e. Discussion and possible action to approve MercedCERA Board of Retirement elections for Seat 2 (General) and Seat 7 (Safety) by the Merced County Registrar of Voters – Staff
- f. Discussion on Assembly Bill 1383 - Staff
- g. Discussion and possible action to approve the SACRS business packet for the 2025 Spring Conference - Staff

8. Information Sharing & Agenda Item Requests

9. 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' 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
RETIREMENT BOARD MEETING**

Thursday, March 27, 2025, 8:30 A.M.

Location: Merced County Employees' Retirement Association
690 W. 19th Street, Merced, CA, 95340
Board Room, Floor 2

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

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Telephone Number: 1-310-372-7549, Conference Code: 975839

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

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

2. Roll Call

Board Members Present: Aaron Rosenberg, Corrina Brown, Janey Cabral, Alfonse Peterson, Scott Johnston, Moses Nelson, Bayani Manilay and Ryan Paskin. **Absent:** Karen Adams, Michael Harris and Scott Silveira. **Counsel:** Tom Ebersole. **Staff:** Martha Sanchez Barboa, Kristen Santos, Pete Madrid, Alex Lovato, Monica Gallegos, Khue Xiong, Brenda Mojica, Sheri Villagrana, Nikki Barraza, and Patrick Armendarez.

3. Teleconference Request

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

Board voted unanimously to approve the teleconference request of Trustee Johnston to the April 24, 2025, board meeting.

1st- Rosenberg/2nd- Manilay, passes 7/0

4. Approval of Minutes – February 27, 2025

Board voted unanimously to approve the February 27, 2025, meeting minutes with the following corrections made:

-Item 8b should reflect the “Board voted unanimously to approve a service-connected disability and to deny a non-service-connected disability to applicant Dustin McAdam.”

-Item 9a should reflect the 2nd vote was made by “Brown”.

-Item 9g should include the vote outcome “1st- Adams/2nd- Peterson, passes 8/0”.

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

5. Public Comment

Darlene Ingersoll acknowledged Kristen Santos for her commitment to MercedCERA.

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>Years of Service</u>	<u>Department</u>	<u>Effective Date</u>
Benavidez, Eugenio	26 Years	DPW	03/08/2025
Blevins, Karen	1 Year	Merced Comm. Medical Center	02/14/2025



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Cowart, Mark	16 Years	Admin Services	03/22/2025
Espinosa Rios, Rodrigo	7 Years	Board of Supervisors	12/19/2024
Fink, Elton	34 Years	DPW	03/22/2025
Hall, Heidi	36 Years	HSA	03/11/2025
Leleux, Laurie	20 Years	HSA	03/08/2025
Masuda, Jon	12 Years	BHRS	03/15/2025
McAdam, Dustin Service-Connected Disability	17 Years	DPW	11/12/2024
Neira, Janet	5 Years	HSA	02/21/2025
Rocha, Ysmael	21 Years	HSA	03/22/2025
Vega, Richard	5 Years	Admin Services	03/15/2025

- b. Monthly Budget Report submitted.
- c. Monthly Construction Report submitted.
- d. Meketa Monthly Performance Report submitted.
- e. Staff Capital Markets and Investment Performance Summary.
- f. SACRS legislative update.

Board voted unanimously to approve the consent agenda as presented.

1st- Manilay/2nd- Johnston, 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 95348
Agency negotiator: Martha Sanchez Barboa
Under negotiation: Price and terms of payment.

8. Report Out of Closed Session

- a. Discussion and possible action regarding investments (Govt. Code § 54956.81) in recommended funds by Cliffwater LLC.
Board voted unanimously to approve a commitment of up to \$5 million to *Threshold Ventures V, L.P.*, a private equity partnership focused on early-stage venture capital investments in enterprise technology and healthcare, subject to satisfactory legal negotiations.
1st- Rosenberg/2nd- Cabral, passes 7/0
- b. Conference with Real Property Negotiator (Gov. Code section 54956.8.)
Property: 3199 M Street, Merced, CA 95348
Agency negotiator: Martha Sanchez Barboa
Under negotiation: Price and terms of payment.
Staff given direction.

9. Open Session

- a. Cliffwater to discuss quarterly update of MercedCERA's alternative portfolio—Cliffwater, LLC.
No action taken.



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- b. Public equity review discussion with possible action– Staff/Meketa.
No action taken.
- c. Discussion and possible action to designate Janey Cabral as the voting delegate and Sheri Villagrana as the alternate delegate voter for the SACRS Spring Conference 2025 – Staff.
Board voted unanimously to approve Janey Cabral as the voting delegate and Sheri Villagrana as the alternate delegate voter for the SACRS Spring Conference.
1st- Johnston/2nd- Peterson, passes 7/0
- d. Discussion and possible action on Staff Service Resolution 2025-03 for Kristen Santos – Staff.
Board voted unanimously to approve Staff Service Resolution 2025-03 for Kristen Santos.
1st- Manilay/2nd- Brown, passes 7/0
Merced County Executive Officer Raul Mendez thanked Kristen for her service and presented her with a gift from the County Executive Office. Trustees Paskin, Peterson, Brown, and Cabral thanked Kristen for her leadership and commitment to MercedCERA.

10. Information Sharing & Agenda Item Requests

Plan Administrator, Martha S. Barboa, advised:

- Assistant Plan Administrator recruitment was opened and will be reaching out to the Human Resources ad hoc subcommittee to schedule interviews.
- fiscal staff would be reaching out to the budget ad hoc subcommittee to discuss the 2025/2026 budget.
- she would connect with the ad hoc subcommittee on 2024/2025 agency technology projects.
- 700 Forms were still pending submission.

11. Adjournment at 10:20 A.M.

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

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended March 31, 2025

Administrative Budget		Adopted	Current Budget	Expended 2025-03	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages		1,975,000.00	1,975,000.00	102,111.58	879,300.63	1,095,699.37	44.52%
3/14/2025	Office Payroll 2025 PP 07 - Administrative Allocation			51,055.79			
3/28/2025	Office Payroll 2025 PP 07 - Administrative Allocation			51,055.79			
Total 10110 · Salaries & Wages				102,111.58			
20600 · Communications		9,800.00	9,800.00	1,510.93	6,855.30	2,944.70	69.95%
3/5/2025	AT&T 2025-02 CALNET			144.50			
3/28/2025	2025-02 Communications Charges			1,366.43			
Total 20600 · Communications				1,510.93			
20900 · Household Expense		20,000.00	20,000.00	4,288.37	15,048.68	4,951.32	75.24%
3/6/2025	Hoffman 2025-02 Alarm System			285.00			
3/6/2025	Hoffman 2025-02 Fire System			60.00			
3/6/2025	Hoffman 2025-02 CCTV Camaras			260.00			
3/6/2025	Hoffman 2025-03 Alarm System			285.00			
3/6/2025	Hoffman 2025-03 Fire System			60.00			
3/7/2025	Hoffman 2025-03 CCTV Camaras			260.00			
3/7/2025	Bob's Pest Control Svcs.			40.00			
3/10/2025	Cyclone 2025-03 Pressure Washing			600.00			
3/17/2025	Geil Enterprise 2025-03 Janitorial Svcs.			1,772.00			
3/17/2025	ADT 2025-03 Security Svcs			61.37			
3/25/2025	Hoffman 2025-04 Alarm System			285.00			
3/25/2025	Hoffman 2025-04 Fire System			60.00			
3/27/2025	Hoffman 2025-04 CCTV Camaras			260.00			
Total 20900 · Household Expense				4,288.37			
21000 · Insurance - Other		135,000.00	135,000.00	1,096.40	105,859.20	29,140.80	78.41%
3/11/2025	Nationwide 2025-02 Insurance			1,096.40			
Total 21000 · Insurance - Other				1,096.40			
21301 · Maintenance Structure Improvement		25,000.00	25,000.00	9,837.33	15,696.87	9,303.13	62.79%
3/7/2025	2024-12 DPW Svcs			1,806.30			
3/7/2025	2025-01 DPW Svcs			663.03			
3/17/2025	Benchmark Roofing 3199 M St. 1st Payment			6,608.00			
3/25/2025	Yard Masters 2025-03 690 W. 19th Landscaping			400.00			
3/25/2025	Yard Masters 2025-03 3199 M. St Landscaping			360.00			
Total 21301 · Maintenance Structure Improvement				9,837.33			
21500 · Membership		10,000.00	10,000.00	-	5,815.00	4,185.00	58.15%
Total 21500 · Membership				-			
21700 · Office Expense - General		25,000.00	25,000.00	3,810.75	17,152.82	7,847.18	68.61%
3/3/2025	Petty Cash Reimbursement 2/27/25 Open House Supplies			149.00			
3/3/2025	Adaptors for TV			58.41			
3/3/2025	2/27/25 Open House Supplies			14.06			
3/4/2025	First Choice 2/27/25 Water Svc.			41.99			
3/5/2025	Ingraham Trophies Name Plates for Board Room			178.61			
3/5/2025	Name Tags with Pins			148.84			
3/5/2025	ODP 2025-02 Office Supplies			287.42			
3/5/2025	ODP 2025-02 Office Supplies			278.83			
3/12/2025	VistaPrint Award			173.30			
3/14/2025	First Choice 3/12/25 Water Svc.			69.59			

**Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended March 31, 2025**

3/28/2025	Dipietro & Associates AED Plus	1,943.09				
3/28/2025	Dipietro & Associates Five (5) year warrenty	213.57				
3/28/2025	Dipietro & Associates Wall Cabinet	193.77				
3/28/2025	First Choice 3/26/25 Water Svc.	60.27				
Total 21700 · Office Expense - General		3,810.75				
21710 · Office Expense - Postage		25,000.00	25,000.00	3,867.71	26,952.85	(1,952.85) 107.81%
3/28/2025	2025-02 Printing Svcs Associated with Mailing	586.47				
3/31/2025	2025-02 Mailroom Charges*	3,281.24				
Total 21710 · Office Expense - Postage		3,867.71				
21805 · Audits		65,000.00	65,000.00	-	53,600.00	11,400.00 82.46%
Total 21805 · Audits		-				
21808 · Board Membership		10,000.00	10,000.00	-	-	10,000.00 0%
Total 21808 · Board Membership		-				
21900 · Publications & Legal Notices		7,500.00	7,500.00	-	3,339.97	4,160.03 44.53%
Total 21900 · Publications & Legal Notices		-				
22300 · Spec Dept Exp - Other		1,000.00	1,000.00	-	-	1,000.00 0%
Total 22300 · Spec Dept Exp - Other		-				
22310 · Election Expense		30,000.00	30,000.00	-	-	30,000.00 0%
Total 22310 · Election Expense		-				
22327 · Spec Dept Exp - Cost Allocation		40,000.00	40,000.00	-	22,503.60	17,496.40 56.26%
Total 22327 · Spec Dept Exp - Cost Allocation		-				
22500 · Transportation & Travel		250.00	250.00	-	-	250.00 0%
Total 22500 · Transportation & Travel		-				
22505 · Trans & Travel - Staff Development		10,000.00	10,000.00	9,176.66	9,176.66	823.34 92%
3/11/2025	SACRS Registration	580.00				
3/31/2025	CALAPRS 2025-02 Registrations	3,950.00				
3/10/2025	PEAI 4/7/25-4/9/25 Training Course **	13,940.00				
	PEAI Training Attendee Reimbursements Expected	(9,293.34)				
Total 22505 · Trans & Travel - Staff Development		9,176.66				
22515 · Trans & Travel - In State		45,000.00	45,000.00	-	24,503.64	20,496.36 54.45%

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended March 31, 2025

Total 22515 · Trans & Travel - In State				-		
22516 · Trans & Travel - Out of State		7,500.00	7,500.00	-	1,297.35	6,202.65 17.30%
Total 22516 · Trans & Travel - Out of State				-		
22600 · Utilities		40,000.00	40,000.00	7,858.56	27,781.02	12,218.98 69.45%
3/5/2025	City of Merced 2025-2 Utilities 690 W. 19th			535.77		
3/5/2025	City of Merced 2025-1 Utilities 3199 M. St			190.86		
3/5/2025	City of Merced 2025-02 Utilities 3199 M. St			176.54		
3/14/2025	PG&E 2025-02 Utilities			1,109.32		
3/17/2025	MID 2025-01 Utilities			2,057.84		
3/17/2025	PG&E 2025-01 Utilities			1,409.58		
3/25/2025	MID 2025-02 Utilities			2,378.65		
3/31/2025	MID Billing Adjustment 2025-10 Thru 2025-01					
Total 22600 · Utilities				7,858.56		
Depreciation Expense		152,000.00	152,000.00	-	-	152,000.00
Total Administrative Budget		2,633,050.00	2,633,050.00	143,558.29	1,214,883.59	1,418,166.41 46.14%

* Unanticipated mail room charges related to office location move and open house event.
** Private Equity Accounting Investment course with other retirement systems.
Note: Non MercedCERA staff will reimburse MercedCERA a total of \$9,293.34 to be applied to the 22505 Staff Development Account.

Merced County Employees' Retirement Association
Non-Administrative Expenditures Report (Preliminary)
For the Month Ended March 31, 2025

Non-Administrative Expenses		Original Projection	Current Projection	Expended 2025-03	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses		3,878,000.00	3,878,000.00	71,171.10	938,187.02	2,939,812.98	24.19%
3/5/2025	Cliffwater 2025-02 Consulting Svcs			33,333.33			
3/12/2025	MGO 2025-02 Professional Svcs			3,365.25			
3/13/2025	CLA 2025-02 CAAS Professional Svcs			33,520.52			
3/25/2025	Nossaman 2025-02 Professional Svcs			952.00			
Total 21800 · Investment Expenses				71,171.10			
21802 · Actuarial Services		150,000.00	150,000.00	-	72,635.50	77,364.50	48.42%
Total 21802 · Actuarial Services				-			
21812 · Data Processing		105,000.00	105,000.00	6,287.62	58,851.56	46,148.44	56.05%
3/17/2025	AT&T 2025-01 Wireless Svc.			127.25			
3/19/2025	2025-03 Auditor-Controller CAP Charge			431.13			
3/25/2025	Comcast 2025-02 Internet & Wifi Svcs.			427.74			
3/28/2025	2025-02 IS Charges			4,501.50			
3/28/2025	2025-02 Cradlepoint Charges			800.00			
Total 21812 · Data Processing				6,287.62			
21834 · Legal Services		400,000.00	400,000.00	21,225.71	244,852.57	155,147.43	61.21%
3/11/2025	Ted Cabral 2025-02 Legal Svcs.			137.50			
3/11/2025	Ted Cabral 2025-02 Legal Svcs.			25.00			
3/11/2025	Ted Cabral 2025-02 Legal Svcs.			3,714.30			
3/12/2025	Ted Cabral 2025-02 Legal Svcs.			3,835.40			
3/12/2025	Ted Cabral 2025-02 Legal Svcs.			3,844.50			
3/12/2025	Ted Cabral 2025-02 Legal Svcs.			1,524.59			
3/12/2025	Ted Cabral 2025-02 Legal Svcs.			25.00			
3/12/2025	Ted Cabral 2025-02 Legal Svcs.			768.12			
3/12/2025	Ted Cabral 2025-02 Legal Svcs.			1,394.46			
3/19/2025	2025-03 County Counsel CAP Charge			5,956.84			
Total 21834 · Legal Services				21,225.71			
21840 · Custodial Banking Services		180,000.00	180,000.00	528.00	1,353.00	178,647.00	0.75%
3/3/2025	2025-01 Wire Fees			33.00			
3/11/2025	2025-01 Wire Fees			132.00			
3/11/2025	2025-02 Wire Fees			165.00			
3/26/2025	2024-09 Wire Fees			198.00			
Total 21840 · Custodial Banking Services				528.00			
22350 · Software and Technology		605,000.00	605,000.00	65,945.36	471,483.51	133,516.49	77.93%
3/5/2025	Digital Deployment 2025-03 Web Support Svcs.			900.00			
3/10/2025	Sytech 2025-01 Digitization Project			6,860.86			
3/11/2025	CPAS 2025-03 Hosting			6,107.00			
3/14/2025	FRSECURE 2025-2026 Retainer Fees *			38,000.00			
3/17/2025	Digital Deployment 2025-02 Web Support Svcs.			900.00			
3/17/2025	FRSECURE Q1 3 Year Fact Engagement			11,193.00			
3/17/2025	LEXISNEXIS 2025-02 Accruint Svcs			936.56			
3/17/2025	LEXISNEXIS 2025-01 Accruint Svcs			1,047.94			
Total 22350 · Software and Technology				65,945.36			
Depreciation Expense		325,000.00	325,000.00	-	-	325,000.00	
Total Non-Administrative Items		5,643,000.00	5,643,000.00	165,157.79	1,787,363.16	3,855,636.84	31.67%
* Cybersecurity incident response annual fee.							

Merced County Employees' Retirement Association
New Headquarters- Final Expenditure Report
Through the Month Ended March 31, 2025

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

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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 - Inv 1102065- Svcs Thru 2023-06-10	5,602.00
07/06/2023	Golden Valley Engineering-Professional Svs 6/10/23-6/24/23	1,670.00
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 Billing #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 Billing #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
02/21/2024	Guardco Security Services- 2024-01	1,239.75
02/23/2024	Hoffman Electronic Systems - Inv 659689 - Permit Fees	389.00
03/07/2024	Guardco Security Services- 2024-02	9,747.00
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
04/04/2024	RMA Geoscience Inc - Inv 17953 - Prof Svcs 2023-12-11 thru 2024-01-14	6,788.00
04/04/2024	RMA Geoscience Inc - Inv 18153 - Prof Svcs 2024-01-15 thru 2024-02-11	2,679.00
04/04/2024	RMA Geoscience Inc - Inv 18313 - Prof Svcs 2024-02-12 thru 2024-03-10	1,986.50
04/08/2024	Guardco Security Services- 2024-03	13,822.50
04/17/2024	COBB Enterprises - Inv 22643 - Network/Audio/Video System	12,797.05
04/17/2024	Golden Valley Engineering - Inv 1102971 - Prof Svcs Thru 2024-03-30	15,350.00

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04/26/2024	Hilbers Inc - Inv 24-0423 - Expedited Switch Gear Deposit	47,500.00
05/01/2024	Facility Designs - Inv 36570 - Designer/Furniture 50% Deposit	5,739.48
05/01/2024	Facility Designs - Inv 36486 - Designer/Furniture 50% Deposit	212,435.06
05/03/2024	Hilbers Inc - Inv 24-0404 - Progress Billing #6 - March 2024	934,908.33
05/07/2024	Facility Designs - Inv 36064 - Designer/Furniture 50% Deposit	109,465.40
05/08/2024	Guardco Security Services- 2024-04	12,996.00
05/15/2024	Hilbers Inc - Inv 24-0500 - Progress Billing #7 - April 2024	843,651.05
05/22/2024	RMA Geoscience Inc - Inv 18653 - Prof Svcs 2024-03-11 thru 2024-04-14	716.00
06/06/2024	Golden Valley Engineering - Inv 1103050 - Prof Svcs Thru 2024-04-27	14,511.00
06/11/2024	Hilbers Inc - Inv 24-0528 - Progress Billing #8 - May 2024	971,270.19
06/19/2024	RT Maher Construction & Solar Installation - Inv 615 - Contract Deposit, Permit, Hardware	40,000.00
06/11/2024	Guardco Security Services- 2024-05	13,509.00
06/25/2024	Guardco Security Services- 2024-06	13,338.00
06/19/2024	Wyan Roger Construction-photography	1,400.00
06/19/2024	City of Merced- Water & Garbage	173.27
06/30/2024	City of Merced- Water & Garbage	173.27
06/30/2024	Golden Valley Engineering - Inv 1103082 Prof Svcs 2024-04-27 thru 2024-05-25	12,506.10
06/30/2024	Golden Valley Engineering - Inv 1102800 Prof Svcs 2024-01-06 Thru 2024-01-20	7,152.25
06/30/2024	Golden Valley Engineering - Inv 1103193 Prof Svcs 2024-05-25 Thru 2024-06-22	4,859.00
06/30/2024	Golden Valley Engineering - Inv 1102882 Prof Svcs 2024-01-20 Thru 2024-03-02	27,638.60
06/30/2024	Hilbers Inc - Inv 24-0714 - Progress Billing #9 - June2024	1,442,055.43
06/30/2024	The Phone Connection - Inv 297577 - Installation of Network Cables	31,064.11
06/30/2024	RMA Geoscience Inc - Inv 19122 - Prof Svcs 2024-05-13 Thru 2024-06-09	1,537.50
07/12/2024	The Phone Connection - Inv 297593 - Installation of 6 RJ45 Inserts, 2 Faceplates, 6 Cables for Access points	7,891.99
08/09/2024	Guardco Security Services- 2024-07	11,628.00
08/12/2024	Wyan Roger Construction-photography	1,400.00
08/12/2024	City of Merced- Water & Garbage	192.32
08/05/2024	Golden Valley Engineering - Inv 1103264 Prof Svcs 2024-06-22 Thru 2024-07-20	23,757.20
08/08/2024	Hilbers Inc - Inv 24-0803 - Progress Billing #9 July2024	627,180.91
08/16/2024	RMA Geoscience - Inv 18905 - Prof Svcs 2024-04-15 Thru 2024-05-12	716.00
08/21/2024	RMA Geoscience - Inv 19424 - Prof Svcs 2024-06-10 Thru 2024-07-14	5,342.00
08/28/2024	Golden Valley Engineering - Inv 1103358 - Prof Svcs 2024-07-20 Thru 2024-08-17	12,191.00
09/04/2024	Guardco Security Services- 2024-08	13,167.00
09/17/2024	City of Merced- Water & Garbage	195.60
09/17/2024	Golden Valley Engineering - Inv 1103358 Short Paid	100.00
09/26/2024	Golden Valley Engineering - Inv 1103433 Prof Svcs 2024-08-17 Thru 2024-09-14	14,001.00
09/27/2024	Hilbers Inc - Inv 24-0831 - Progress Billing #10 - Aug2024	423,827.77
10/02/2024	Guardco Security Services- 2024-09	13,851.00
10/09/2024	City of Merced- Property Business Improvement District	2,141.56
10/09/2024	City of Merced- Water & Garbage	276.45
10/31/2024	Merced Irrigation District	154.14
10/11/2024	RT Maher Construction - Inv 851 - Purchase & Install of Modules / Inverters	51,900.00
10/11/2024	RMA GeoScience - Inv 19640 - Prof Svcs 2024-07-15 Thru 2024-08-11	1,704.00
10/24/2024	Golden Valley Engineering - Inv 1103496 - Prof Svcs 2024-09-14 Thru 2024-10-12	12,031.00
10/28/2024	Hilbers Inc. - Inv 24-1006 - Progress Billing #11 Sept2024	173,284.37
10/29/2024	RT Maher Construction - Inv 853 - Purchase & Install of Modules / Inverters	51,900.00
11/05/2024	Guardco Security Services- 2024-10	14,706.00
11/04/2024	RMA Geoscience - Inv 20058 - Prof Svcs 2024-09-09 Thru 2024-10-13	726.00
11/07/2024	CDWG 4 APC Smart-UPS 1500 Smartconn	3,171.73
11/14/2024	Hilbers Inc. - Inv 24-1110 - Progress Billing #12 - Oct2024	134,845.46
11/14/2024	RT Maher - Inv 880 - Solar Job Completion	16,000.00
11/21/2024	The Phone Connection - Inv 297744 - Cable / Wire Installation	30,613.05
11/07/2024	City of Merced- Water & Garbage	309.56

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11/25/2024	Merced Irrigation District	141.47
11/08/2024	Wyan Roger Construction-photography	3,100.00
12/04/2024	Guardco Security Services- 2024-11	13,680.00
12/11/2024	City of Merced- Water & Garbage	178.69
12/31/2024	Merced Irrigation District	1,533.29
12/03/2024	Golden Valley Engineering - Inv 1103575 - Prof Svcs 2024-10-12 Thru 2024-11-24	13,903.50
12/03/2024	Hoffman Fire Alarm Permit	63.00
12/06/2024	City of Merced 690 W. 19th St (Impact Fees for new building)	81,935.02
12/06/2024	City of Merced 690 W 19th St. (Engineering Fees for new building)	104,823.60
12/12/2024	Hilbers Inc 2024-11 Progress	116,407.98
12/17/2024	Atlantech Cables & Kits Dell Server	3,015.83
12/18/2024	Hoffman CCTV Security Camera Permit	268.00
12/19/2024	Cobb Enterprise 30% Deposit	38,391.15
12/19/2024	The Phone Connection Installation	20,127.00
12/31/2024	Facility Designs Proposal #3648	212,198.57
12/31/2024	Golden Valley Engineering Prof Svcs 2024	4,600.00
12/31/2024	Merced Irrigation District Groundwater Charge	7.44
01/06/2025	Guardco Security Svcs. Thru 2024-12 Invoice 16306	14,193.00
01/10/2025	Hoffman - Install Fire System Invoice 704822	35,132.51
01/15/2025	Hilbers 2024-12 Final Bill Invoice 25-0100	465,109.95
01/24/2025	Facility Design - Desks & Workstations Invoice 62075	5,739.48
01/24/2025	Golden Valley Engineering - Professional Svs Thru 2025-01-12 Invoice 1103717	20,829.46
01/24/2025	Hoffman - Install Alarm System Invoice 704876	88,260.61
01/24/2025	Hoffman - Install CCTV System Invoice 704878	26,511.15
01/24/2025	Valley Business - Ergonomic Chairs Invoice 98785	9,718.69
01/27/2025	The Phone Connection - Installation of Dias Cables Invoice 297814	22,800.00
01/31/2025	Facility Designs Dias Furniture Installation Invoice 62238	109,465.36
01/31/2025	CASignCo 2 Door Decals Invoice 2174	1,100.00
02/06/2025	MTS Partners Lexmark Printer CX635	1,794.79
02/06/2025	MTS Partners Lexmark Printer CX730de Color	2,635.89
02/13/2025	Spriggs Konica Minolta C651i Copier/ Printer	12,336.25
02/14/2025	Cobb Enterprises Remaining Project total	76,743.65
02/14/2025	Golden Valley Engineering 2025-01 Svcs Final Invoice	9,301.00
02/26/2025	Signify 3.5 x 12ft Mission Statement	565.48
02/06/2025	Guardco Security Svcs. Thru 2025-01 Invoice16390	14,366.52
Total Architectural, Engineering, and Construction Expenditures		11,288,414.94
Total Budgeted for Architectural, Engineering, & Construction		10,591,802.40
Balance Remaining		(696,612.54)
Percentage Expended		106.58%
All new headquarters building-related expenditures through 03/31/2025 (Grand Total)- Cost to be Capitalized		11,718,293.87



Merced County Employees' Retirement Association

DATE: April 24, 2025

TO: MercedCERA Board of Retirement

FROM: Pete Madrid, Assistant Plan Administrator - Investments

SUBJECT: Staff market summary and investment performance update

ITEM NUMBER: Open Session Item a

ITEM TYPE: Information Only

DISCUSSION:

Capital Markets & Economic Summary

Investors experienced a major sell-off across global markets during March driven by uncertainty around tariffs and the increasing reality of a global trade war. On March 4th, the US imposed a 25% tariff on almost all goods from Canada and Mexico before being paused for one month the following day. US tariffs of 25% on global aluminum and steel took effect on March 12th triggering retaliation by Canada. On March 26th, the administration announced a 25% tariff on all foreign-made automobiles to take effect on April 3rd. The risk-off sentiment continued into April following President Trump's announcement of broad tariffs by the US on April 2nd. These newly announced tariffs, some as high as 49%, were described as retaliatory for tariffs or other trade restrictions imposed on the United States. However, there was broad confusion about how the numbers were calculated by the administration's economic team.

On April 9th, the administration announced a pause on most of the previous tariffs while setting an across the board 10% tariff on all countries except China. The news sparked a major rally among equity markets around the world, including a more than 9% one-day gain for the S&P 500 Index – partially offsetting steep declines earlier in the month. In response to China's retaliatory tariffs, the administration announced it would increase tariffs on China to 145% escalating the trade war between the two largest economies.

While equity markets experienced across the board losses in early April, including the S&P 500 Index's steepest sell off since March 2020, it was the Treasury bond market that concerned many investors and was believed to be a driver behind the pause on most tariffs. Treasury markets typically see an increase in demand, and consequently a drop

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in yields, as investors move to safer assets during risk-off environments. Instead, Treasury yields spiked causing sharp losses across the world's safest investments. The 10-year Treasury yield, which had dropped to below 4% as of April 3rd jumped a half-percent to 4.5% by April 11th. The yield has since eased to 4.3%.

Economic uncertainty and the ongoing trade war have also taken a toll on the US dollar. Since the start of the year, the US dollar has fallen -3.7% against the Canadian dollar and by more than 9% against the Euro and Japanese Yen. While the decline in the dollar makes US produced goods more affordable to other countries, it raises prices of imported goods for US consumers.

Concerns over a global economic slowdown drove the price of oil down below \$60/barrel on April 2nd, from \$71/barrel at the end of March. The impact was compounded by the announcement from OPEC+ that the organization would triple its May supply increase. The price bounced back more recently to near \$65/barrel but is still down 9.8% year to date as of April 17th. While the lower price has translated to some relief at the pump for consumers, some investors are concerned about the longer-term effects on the oil industry as the price dips below the breakeven price for many US oil producers.

March Portfolio Performance Summary

The Total Fund returned -1.3% in March versus -1.6% for the Policy Index. Excluding alternatives the total fund returned -2.2%, in line with the benchmark. The total fund has returned 4.9% since the start of the fiscal year, trailing the Policy Index by 0.6%.

Public equity (which includes US, international, and emerging markets) fell -3.2% during the month, outperforming its MSCI All Country World (ACW) Investible Market Index by 0.7%. International equity contributed to the public equity positive relative performance while US equity and emerging markets equity detracted from it.

US equity slightly underperformed the Russell 3000 Index in March, -5.9% to -5.8%. During the month, Newton trailed the S&P 500 Index by 0.1% while Champlain finished the month 0.2% ahead of the Russell 2000 Index. Newton is underperforming by 1.4% fiscal year to date but finished ahead of the benchmark in Q1 2025. Champlain, which struggled in the first three quarters of 2024, performed well in Q4 and into 2025. The small cap strategy is outperforming by nearly 3% since the start of the year, and by nearly 7% for the fiscal year (6.1% versus -0.8%). In line with expectations for the strategy, Champlain underperformed during recent growth rallies but has performed well and

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protected on the downside in the first quarter of 2025.

International equity (represented by all six international and emerging markets managers) returned 0.2% in March compared with -0.1% for the MSCI ACW Ex US IM Index. During the month, Acadian tracked its international small cap index while Driehaus underperformed its international small cap growth benchmark, -1.7% to -0.8%. Both broad international equity managers outperformed their respective benchmarks. GQG returned 1.2% versus -0.2% for its index. First Eagle returned 3.1% in March, 3.5% ahead of its primary benchmark.

The emerging markets equity portfolio trailed the benchmark during March, returning -2.2% versus 0.6%. Artisan returned -3.5%, underperforming the benchmark by 4.1% while Redwheel Capital (RWC) continued to outperform in 2025. RWC posted a 1.3% return in March, beating the benchmark by 0.7%. Artisan struggled in the first quarter as US equity (representing roughly a third of the strategy) experienced steeper market declines than most non-US markets. Artisan is still well ahead of the benchmark fiscal year to date (12.1% to 2.9%) and for the 1-year trailing period (18.0% versus 8.1%). While RWC had significant underperformance in 2024, the strategy has posted better relative performance in 2025. As of March 31st, the strategy has returned 6.7% year to date versus 2.9% for the benchmark.

US fixed income performed in line with its custom benchmark during March, both returning 0.1%. The composite is up 2.5% fiscal year to date compared with 2.7% for the index. The two active core fixed income managers, Wellington and Brandywine, returned -0.1% and 0.3% in March, respectively, compared with 0.0% for the Bloomberg US Aggregate Bond Index. Fiscal year to date the managers returned 5.0% and 5.9% while the benchmark returned 4.8% over the same period. Payden & Rygel, the low duration fund, tracked the Bloomberg US Treasury 1-3 Year Index in March, posting a 0.4% return. Fiscal year to date, the strategy is up 4.8% versus 4.5% for the benchmark.

Opportunistic credit posted a slightly negative return of -0.2%, roughly in line with the custom benchmark return of -0.3%. The composite has experienced strong absolute and relative performance for the 2025 fiscal year. Opportunistic credit has returned 6.5% since July versus 5.3% for the benchmark. All three managers have contributed to the outperformance, returning between 6.4% and 6.9%.

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Redwheel Capital (On watch)

As of March 31st, Redwheel Capital (RWC) returned 1.3% during the month and 6.7% for the first quarter versus 0.6% and 2.9%, respectively, for the MSCI Emerging Markets Index. The strategy's strong relative performance during Q1 was driven in part by its allocation to China and underweight to Taiwan. Following a year in which the strategy's China tilt detracted from performance, the second largest economy saw its equity market climb more than 15% in Q1. Similarly, the strategy's significant underweight to Taiwan (6.7% versus 16.9% of the benchmark) helped relative performance as the country's equity markets fell more than 7%. The sharp Q1 decline was led by a roughly 17% decline in Taiwan Semiconductor Manufacturing following news of potential US restrictions on sales of certain microchips to China and other countries, along with lower expectations for near-term AI related spending.

Trailing Performance (As of March 31, 2025)

	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
RWC	23,334,726	1.8	1.3	1.8	6.7	5.7	-2.0	8.7	—	1.5	Dec-19
MSCI Emerging Markets (Net)			0.6	2.9	2.9	8.1	1.4	7.9	3.7	3.5	

April Month-to-Date Performance (Estimated¹ of April 16, 2025)

	2025Q1 (Actual)	April MTD (Estimated ¹)	April YTD (Estimated ¹)
Public Equity	-0.2%	-4.2%	-4.4%
US Equity	-4.7%	-6.0%	-10.4%
International Equity	5.6%	-1.3%	4.2%
Emerging Markets Equity	3.2%	-3.4%	-0.3%
US Fixed Income	2.5%	-0.6%	1.9%

US, broad international, and emerging markets equity all posted negative returns in the first half of April. US equity led the decline with an estimated -6.0% return. Broad international equity returned -1.3% despite its emerging markets allocation falling -3.4%. While US fixed income outperformed equities and dampened portfolio losses, a rise in yields hurt returns. Month-to-date the composite is down approximately -0.5%, with manager returns ranging from an estimated -0.2% to -0.9%.

¹ Estimated returns for collective investment trusts (CITs) are based on the mutual fund version of the strategy.



Merced County Employees' Retirement Association

April 24, 2025

March Update

- 1. Executive Summary as of March 31, 2025**
- 2. Economic and Market Update as of March 31, 2025**
- 3. March Flash Report**
- 4. Disclaimer, Glossary, and Notes**

Executive Summary

As of March 31, 2025

Portfolio Performance Highlights

- March saw continued volatility in the US equity market as the “Magnificent 7” struggled in the first quarter of 2025. EAFE and EM stocks have continued to outpace their US counterparts, though returns over the month were muted. Amongst Emerging Markets, China (MSCI China) has led peers as they have outpaced the broader EM index over the month as well as 1Q2025. Bonds saw mixed returns over the month with TIPS leading, though returns over the quarter remain positive broadly.
- For March, Merced CERA reported a monthly return (w/o Alternatives) of -2.2 % net of fees. US Equities returned -5.9%, marginally trailing the Russell 3000 Index return of -5.8%. International Equities return of 0.2% led the blended benchmark which returned 0.1%, as well as the MSCI ACWI IMI Index return of -3.9%. The Emerging Markets sleeve returned -2.2%, trailing the MSCI EM index by 0.6%. US Fixed Income returned 0.1%, matching trailing the benchmark. Opportunistic Credit posted -0.2% for the month, beating the blended benchmark by 0.1%.

Manager Highlights

Manager Highlights (Year to Date)

- **Artisan Developing World** returned 1.8% through the first quarter of 2025, trailing the MSCI EM index return of 2.9%. Meketa maintains a manager rating of 4 (Good). Meketa last met with the manager in November 2024 to discuss their strategy. The fund is a high conviction, concentrated strategy that is benchmark agnostic and has large deviations regionally, with meaningful weights in US equities. Note that tracking error for this strategy is expected to be high (5-10% annually) and has recently exceeded this, which has been driven by exposure to non - benchmark names, particularly in the US. Meketa continues to evaluate the performance of this strategy in the EM space, and believes it is best utilized with a complementary strategy.
- **RWC** returned 6.7% vs MSCI EM index return of 2.9% year to date. Meketa maintains a manager rating of 4 (Good). Meketa's research team maintains their conviction in RWC, despite a challenging year of performance. Tracking error for the strategy has always been expected to be high (6-10% annually) and has fallen within that range. Since Q4, RWC has rallied meaningfully, and as of mid- March, was outperforming its benchmark by 800 bps points year to date. The strategy maintains a large overweight to China which was a significant driver of underperformance in 2024. When proposed in 2019, Meketa recommended this strategy be used in conjunction with Artisan, to build a complementary Emerging Market portfolio, designed to outperform more frequently than either manager alone. The overall strategy has done exactly that, producing very strong results.
- **BNY Mellon Newton Dynamic US Equity**, the portfolio's active large cap manager, returned -4.2% through the first quarter of 2025, versus the S&P 500 Index return of -4.3%. Meketa last met with the manager in January 2025 to review portfolio strategy, performance and outlook. Meketa maintains a manager rating of 3 (Acceptable). Manager is expected to perform well under normal market conditions (fundamentals drive investment returns) and bull markets.
- **Champlain Small Cap**, the portfolio's active small cap manager, returned -6.7%, outpacing the Russell 2000 Index return of -9.5%. Meketa last met with manager in October 2024, though a comprehensive review of strategy was completed in September 2024. Meketa maintains a manager rating of 4 (Good).

Manager Highlights (Year to Date)

- **First Eagle** returned 10.2% versus the MSCI EAFE Index return of 6.9% and the MSCI AC World ex US Value Index return of 8.6%. Meketa maintains a manager rating of 4 (Good). Meketa last met with the manager in March 2025 to review firm ownership changes set to take effect later this year. Fund exhibits high turnover relative to peers and uses gold as a hedge. The fund performs well in down cycles, as the strategy focuses on capital preservation in lieu of some upside potential.
- **GQG** returned 7.9% year to date, beating the MSCI AC World ex US return of 5.2%. Meketa maintains a manager rating of 4 (Good). Meketa last reviewed the manager in November 2024 regarding their exposure to the Adani Group and last met with the manager regarding the strategy in September 2024.
- **Acadian** returned 1.4% versus the MSCI ACWI ex US Small Cap Index return of 0.6%. Meketa maintains a manager rating of 4 (Good). Meketa last met with the manager to discuss the strategy in July 2024.
- **Driehaus** returned -0.4%, outpacing the MSCI ACWI ex US Small Cap Growth Index return of -1.7%. Meketa maintains a manager rating of 4 (Good). Meketa last met with the manager to discuss the strategy in November 2024.

Manager Highlights (Year to Date)

US Fixed Income

- Brandywine returned 2.4% over the period, marginally trailing the Bloomberg US Aggregate Index return of 2.8%. Meketa maintains a manager rating of 5 (excellent). Meketa last met with the manager in January 2025 to discuss the strategy. The fund underperformed in Q4 due to its overweight duration positioning relative to the benchmark, however has since repositioned to be duration neutral.
- Wellington Core Bond returned 2.8%, matching the Bloomberg US Aggregate Index. Meketa maintains a manager rating of 5 (excellent). Meketa last met with the manager in September 2024 to discuss the strategy.
- Payden & Rygel Low Duration returned 1.7%, outpacing the Bloomberg US Treasury 1-3 Year Index return of 1.6%. Meketa maintains a manager rating of 4 (Good). Meketa last met with the manager in October 2024 to discuss the strategy. The strategy remained roughly duration neutral through 2024.

Opportunistic Credit

- PIMCO Income Fund returned 3.3%, outpacing the Bloomberg US Aggregate Index return of 2.8%. Meketa maintains a manager rating of 3 (Acceptable). Meketa last met with the manager regarding this strategy in March 2024 and has scheduled an on-site meeting in April 2025.
- GoldenTree Multi-Sector returned 1.3%, outpacing the blended benchmark (50% Bloomberg US High Yield/50% S&P UBS Leveraged Loans) return of 0.8%. Meketa maintains a manager rating of 4 (Good). Meketa last met with the manager regarding this strategy in June 2024. The strategy is benchmark agnostic and tends to have lower duration positioning.

Active Manager Expectations

Manager	Strategy Description	Beta (High/Neutral/Low)	Tracking Error Range (basis points)	Environments Manager Underperforms
Domestic Equity				
Champlain Small Cap	Moderately diversified small cap portfolio.	Low	4.0% to 7.0%	In low quality rallies.
Newton/Mellon Capital MCM Dynamic US Equity	Very diversified, quantitative, large cap core portfolio. Also has exposure to fixed income assets.	Neutral (higher in more recent periods)	2.5% to 5.0%	When investors misprice forward looking return/risk characteristics; when returns are concentrated in one sector.
Developed Markets Equity (Non-US)				
Driehaus International Small Cap Growth	Diversified growth manager that seeks to invest in companies experiencing positive growth inflections, using a combination of fundamental and macroeconomic analysis.	Low	4.0% to 7.0%	At market inflection points, with abrupt leadership change. Deep value, low quality market environments.
Acadian ACWI ex US Small Cap Equity	Very diversified international small cap portfolio, employing highly adaptive quantitative models.	Neutral	2.5% to 4.5%	During narrow markets, abrupt changes in leadership. In "value" challenged periods.
First Eagle International Value Fund	Benchmark agnostic, diversified international value manager with strategic gold allocation and willingness to utilize cash when valuations are elevated across the market.	Low	5.0% to 10.0%	In growth- and momentum-led rallies, where value discipline and an allocation to cash will be headwinds, and if physical gold underperforms.
GQG International Equity	Benchmark agnostic, concentrated international quality-growth equity manager with valuation discipline and macro awareness. Willing to invest in US-listed companies.	Low	5.0% to 10.0%	In cyclical recoveries where deep value, asset-heavy, smaller cap stocks rally.

Active Manager Expectations (continued)

Manager	Strategy Description	Beta (High/Neutral/Low)	Tracking Error Range (basis points)	Environments Manager Underperforms
Emerging Markets Equity				
Artisan Developing World	Concentrated, benchmark agnostic emerging markets strategy focused on high quality companies, overlaid with top-down macro (currency) awareness.	Neutral	5.0% to 10.0%	During cyclical rallies concentrated in deeper value, smaller cap stocks.
RWC Emerging Markets	Concentrated, growth-at-a-reasonable-price emerging markets equity strategy focused on mid cap stocks.	High	6.0% to 10.0%	Narrow rallies in large cap stocks where small and mid-caps lag, periods of heightened market volatility, deep drawdowns in asset-heavy cyclicals.
Investment Grade Bonds				
Brandywine	Top-down, macro, value-oriented strategy that invests with a benchmark agnostic philosophy	Neutral	2.0% to 7.0%	
Payden & Rygel	Short-term portfolios with emphasis on sector selection and yield curve management rather than relying on duration management	Low	0.2% to 0.7%	
Wellington	Benchmark-relative, diversified strategy with emphasis on individual security analysis, with Broad Markets teams' top-down sector views taken into consideration	Neutral	1.0% to 1.5%	
Opportunistic Credit				
PIMCO Income	Global multi-sector, benchmark agnostic approach, utilizing firm's resources to identify best income ideas while staying senior in the capital structure.	Low	1.5% to 3.5%	During periods of lower quality bond rallies and volatility in interest rates and certain currencies.
GoldenTree Multi-Sector Credit	Bottom-up security selection, managing risk and adding value through credit sector rotation.	Low	2.5% to 4.5%	During initial periods of economic recovery and rapid spread tightening.

Manager Monitor

Manager	Significant Events (Yes/No)	Last Meeting w Board of Retirement	Last Meeting with MIG	Comments ¹
Domestic Equity Assets				
BNY Mellon Newton Dynamic US Equity Fund	No	-	Jan-25	Review of strategy. No changes to conviction level
Champlain Small Cap	No	-	Oct-24	Review of strategy & recent performance, no changes to conviction level
Developed Markets Equity (Non-US) Assets				
Driehaus International Small Cap Growth	No	-	Nov-24	Review of PM team changes in 2024, outlook. No concerns after review.
Acadian ACWI ex US Small Cap Equity	No	-	Oct- 24	Review of executive team structure changes
First Eagle International Value Fund	No		Oct-24	Review of firm level changes (unrelated to fund), fund strategy & future outlook. No changes to conviction level.
GQG International Equity	Yes	-	Nov-24	Discussion regarding GQG's investment in Adani following the indictment of Adani Group executives. Fund was last reviewed with PM team in September 2024, no changes to conviction level.
Emerging Markets Equity Assets				
Artisan Developing World	No		Nov-24	Review of strategy, organization, outlook. No changes to conviction level.
RWC Emerging Markets	No	-	Oct-24	Review of strategy, no changes to conviction level.
US Fixed Income Assets				
Brandywine US Fixed Income	No	-	Jul-24	Review of strategy, no changes to conviction level
Payden & Rygel Low Duration	No	-	Oct-24	On site review of their strategy & management team. No changes to conviction level
Wellington Core Bond	No	-	Sep-24	Review of strategy, no changes to conviction level
Opportunistic Credit				
PIMCO Income Fund	No	-	April-25	Strategy was last reviewed with PIMCO team in March 2024, no changes to conviction level. Meketa to conduct onsite meeting with PIMCO in April
GoldenTree Multi-Sector Credit	No	-	Jun-24	Review of strategy & market outlook, no changes to conviction level.
Private Equity Program	N/A	N/A	N/A	Oversight by Cliffwater.
Real Assets Program	N/A	N/A	N/A	Oversight by Cliffwater.
Hedge Fund Program	N/A	N/A	N/A	Oversight by Cliffwater.

¹ Italics indicate meetings have been scheduled or have recently occurred

Economic and Market Update

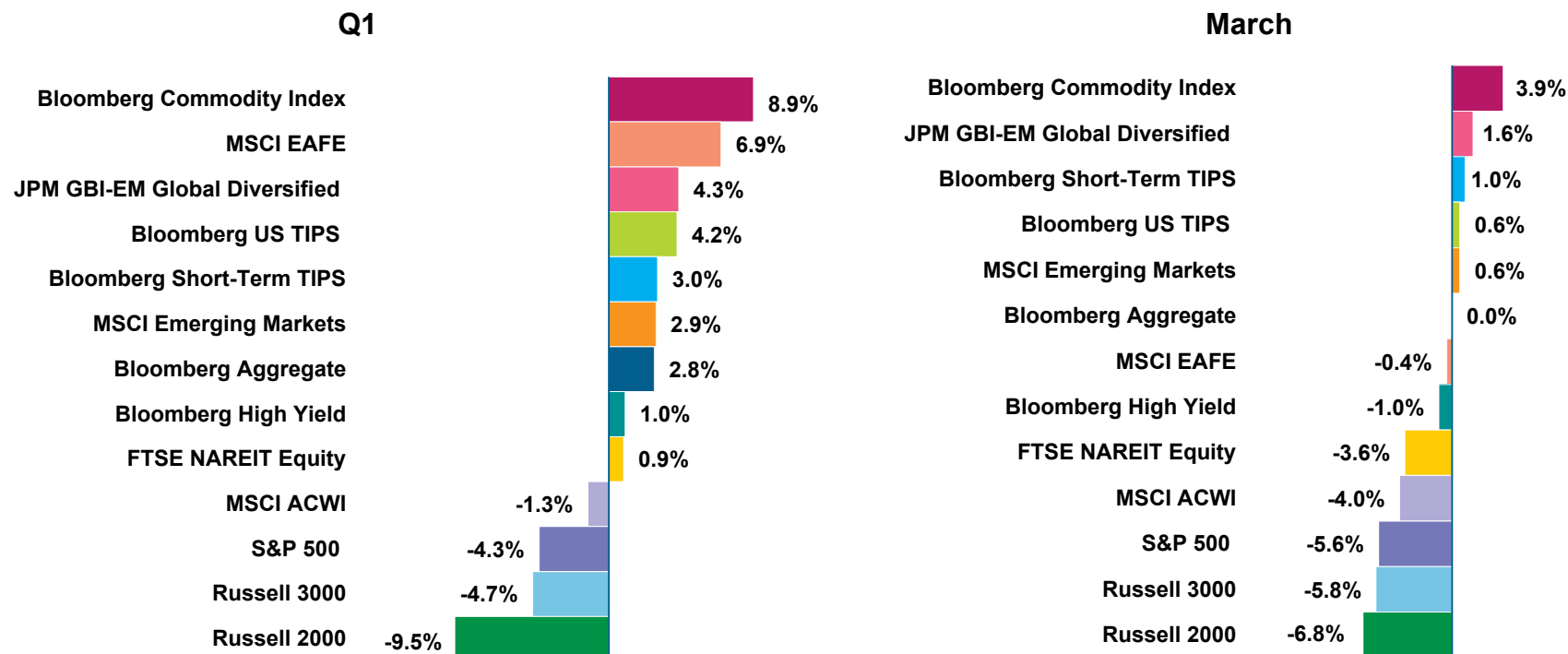
Data as of March 31, 2025

Commentary

In the first quarter of 2025, investment flows rotated out of US stocks to non-US stocks while bond markets rallied on uncertainty related to tariffs and growth.

- Domestic equities sold off in the first quarter (Russell 3000: -4.7%) with growth outperforming value, small-cap trailing large-cap, and defensive sectors outperforming.
- Non-US developed market stocks (MSCI EAFE: +6.9%) outperformed US markets at the start of the year, supported by rate cuts from the ECB, EU planned increases in defense spending, and a weakening US dollar.
- Emerging market equities returned +2.9% in the first quarter, largely supported by a rally in Chinese stocks (rose an impressive +15.0%) on DeepSeek AI enthusiasm.
- In February, the Federal Reserve held rates steady with inflation, while improving, remaining above target and with the unemployment rate at near historic lows.
- Most fixed income markets posted positive returns in the first quarter with the broad bond market (Bloomberg Aggregate) up 2.8%. Long Treasuries (+4.7%) were the best performer in the falling rate environment while high yield bonds (+1.0%) produced the smallest gains given the economic uncertainty in the US.
- Looking ahead, continued uncertainty related to the US administration's tariff policies and their impact on the economy, inflation, and Fed policy will be key. The path of China's economy and relations with the US, as well as concerns over elevated valuations and technology-driven concentration in the US equity market will also be important focuses of 2025.

Index Returns¹



- At the end of the first quarter, global investors rotated away from the US, with domestic equities in negative territory (particularly small cap), while other asset classes were positive.
- Commodities led the way during the quarter due to safe havens like gold, while non-US developed markets followed, driven by strong results in Europe.
- In March, ahead of tariff announcements in the US, riskier assets generally sold off.

¹ Source: Bloomberg. Data is as of March 31, 2025.

Domestic Equity Returns¹

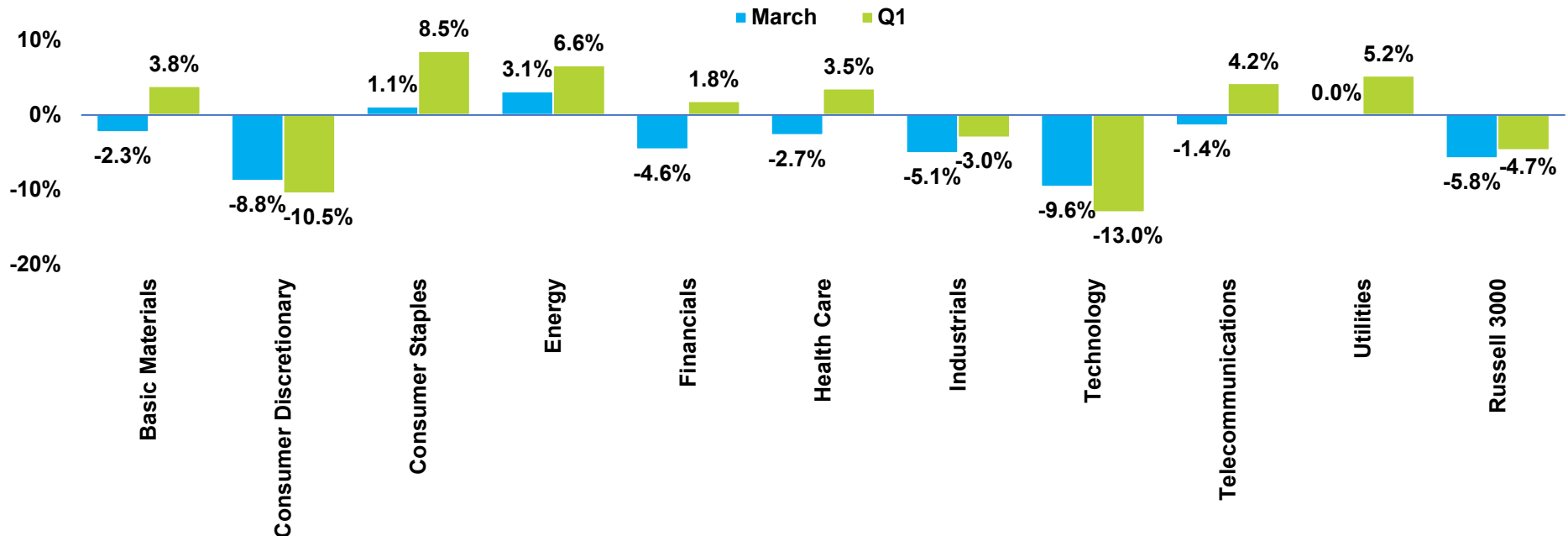
Domestic Equity	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-5.6	-4.3	8.3	9.1	18.6	12.5
Russell 3000	-5.8	-4.7	7.2	8.2	18.2	11.8
Russell 1000	-5.8	-4.5	7.8	8.6	18.4	12.2
Russell 1000 Growth	-8.4	-10.0	7.8	10.1	20.1	15.1
Russell 1000 Value	-2.8	2.1	7.2	6.6	16.1	8.8
Russell MidCap	-4.6	-3.4	2.6	4.6	16.3	8.8
Russell MidCap Growth	-7.4	-7.1	3.6	6.2	14.8	10.1
Russell MidCap Value	-3.7	-2.1	2.3	3.8	16.7	7.6
Russell 2000	-6.8	-9.5	-4.0	0.5	13.3	6.3
Russell 2000 Growth	-7.6	-11.1	-4.9	0.8	10.8	6.1
Russell 2000 Value	-6.0	-7.7	-3.1	0.0	15.3	6.1

US Equities: In the first quarter the Russell 3000 fell -4.7%.

- After a strong start to the year, US equities ended the quarter lower. In late January China's DeepSeek introduced an AI model comparable to market leaders but at a much lower cost. This took investors by surprise and heavily weighed on technology stocks, particularly the "Magnificent 7". Renewed trade tensions between the US and its trading partners also caused investors to lower expectations.
- Growth stocks were harder hit than value stocks across the market cap spectrum. In the large cap space, this dynamic was driven by technology stocks (NVIDIA, Broadcom, Microsoft, Apple), along with Tesla. In the small cap space, where the divergence was less pronounced, technology stocks were again the driver, mainly due to software and semiconductor stocks.
- Small cap stocks (Russell 2000) trailed large cap stocks (Russell 1000) over the quarter as recession fears grew.

¹ Source: Bloomberg. Data is as of March 31, 2025.

Russell 3000 Sector Returns¹



- There was wide performance dispersion among sectors in the first quarter, from -13.0% (technology) to +8.5% (consumer staples). Overall, the defensive sectors performed better than growth-oriented sectors.
- The so-called “Magnificent 7” stocks came under pressure weighing on both the technology and consumer discretionary sectors. The announcement of DeepSeek out of China and weak results from Tesla and Amazon weighed on results.
- Consumer staples was a bright spot as more defensive, dividend-paying stocks, such as Coca-Cola and Philip Morris International, fared relatively well. Energy and utilities also performed well due to broader growth and inflation concerns.

¹ Source: Bloomberg. Data is as of March 31, 2025.

Foreign Equity Returns¹

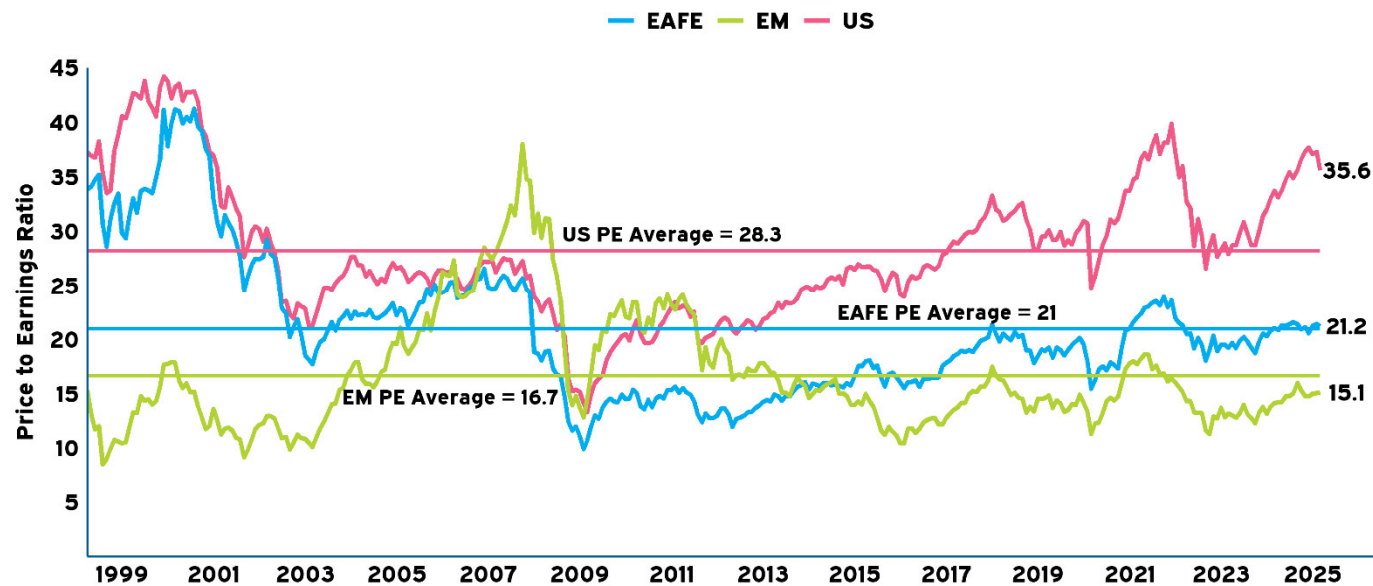
Foreign Equity	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	-0.2	5.2	6.1	4.5	10.9	5.0
MSCI EAFE	-0.4	6.9	4.9	6.0	11.8	5.4
MSCI EAFE (Local Currency)	-2.8	2.9	4.1	8.7	13.2	6.3
MSCI EAFE Small Cap	0.5	3.7	3.1	0.9	9.9	5.3
MSCI Emerging Markets	0.6	2.9	8.1	1.4	7.9	3.7
MSCI Emerging Markets (Local Currency)	0.3	2.7	11.1	4.7	9.6	5.7
MSCI EM ex China	0.0	-1.7	-2.1	0.7	12.0	4.5
MSCI China	2.0	15.0	40.4	3.5	1.5	2.5

Foreign Equity: Developed international equities (MSCI EAFE) returned 6.9% in the first quarter and emerging market equities (MSCI Emerging Markets) rose 2.9%.

- By contrast to the US, developed market equities rose in the first quarter benefiting from the rotation away from US technology companies. Eurozone stocks saw the highest returns, driven by plans in Germany to increase defense and infrastructure spending, strong gains in the financial sector (particularly banks), and continued rate cuts from the ECB. The UK followed closely behind, with gains led by returns in large cap energy and financials. Japan saw moderate losses, due to global trade uncertainties hurting exporters.
- Emerging markets saw modest gains in the first quarter, driven largely by China. China's gains were a combination of improving sentiment towards tech following DeepSeek's promising AI debut and the announcement of additional stimulus measures. Brazil was another strong performer in Q1, benefitting from strong commodity gains and a strengthening currency. India saw declines due to slowing growth and weakening demand for Indian exports.

¹ Source: Bloomberg. Data is as of March 31, 2025.

Equity Cyclically Adjusted P/E Ratios¹



- Valuations in US stocks came down over the quarter but remained at a significant premium to non-US developed and emerging market stocks.
- US equities, priced at 35.6 times earnings, continued to trade well above their long-run P/E average of 28.3.
- Non-US developed market valuations (21.2 times) increased over the quarter due in part to strong results in Europe and are trading slightly above their long-term average. Emerging market valuations (15.1 times) also increased in Q1 but remain below their long-run 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 March 2025. 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.

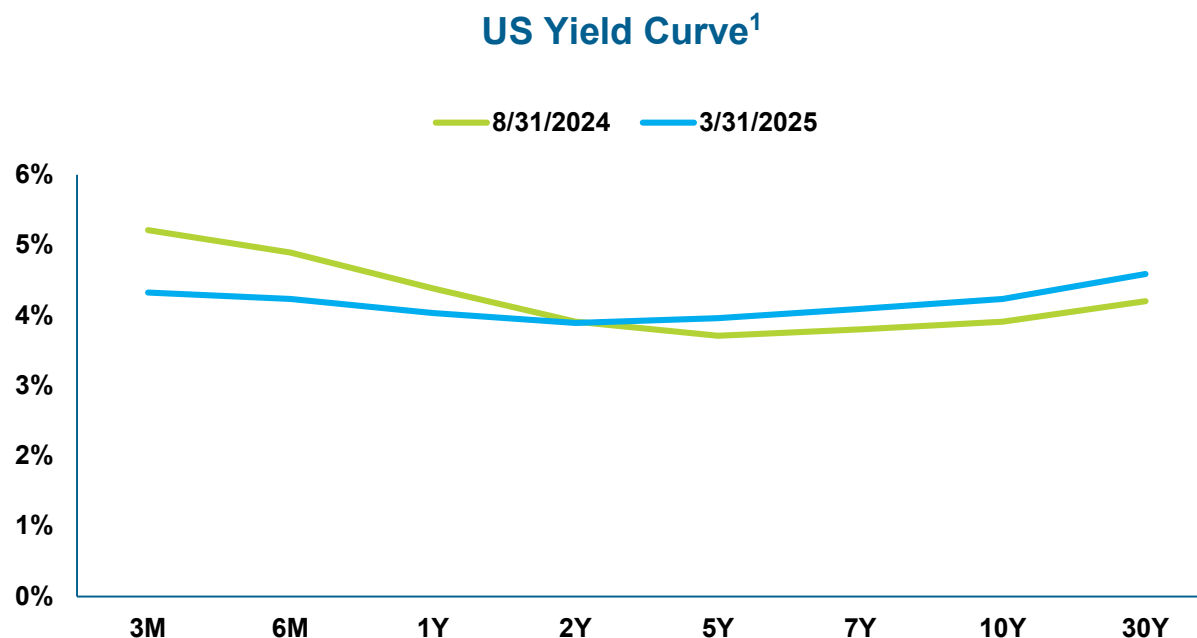
Fixed Income Returns¹

Fixed Income	March (%)	Q1 (%)	1 Yr (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	0.0	2.7	5.2	1.0	0.3	1.8	4.9	5.9
Bloomberg Aggregate	0.0	2.8	4.9	0.5	-0.4	1.5	4.6	6.1
Bloomberg US TIPS	0.6	4.2	6.2	0.1	2.4	2.5	4.2	6.8
Bloomberg Short-term TIPS	1.0	3.0	7.0	3.2	4.1	2.8	4.1	2.4
Bloomberg US Long Treasury	-0.9	4.7	1.3	-7.2	-7.9	-0.6	4.6	14.9
Bloomberg High Yield	-1.0	1.0	7.7	5.0	7.3	5.0	7.7	3.5
JPM GBI-EM Global Diversified (USD)	1.6	4.3	4.0	2.7	2.3	1.3	--	--

Fixed Income: The Bloomberg Universal index rose 2.7% in the first quarter.

- Uncertainty related to tariffs and growing worries about economic growth drove investors to high quality bonds over the quarter.
- The broad US bond market (Bloomberg Aggregate) rose 2.8% with both short- (+3.0%) and longer-dated (+4.2%) TIPS outperforming as inflation risks rose modestly. Long-term Treasuries (+4.7%) particularly benefited in this environment of uncertainty and falling interest rates.
- High yield bonds (+1.0%) rose the least during the quarter as uncertainty and risk aversion grew ahead of the planned tariff announcement from the US in early April.

¹ Source: Bloomberg. Data is as of March 31, 2025. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.

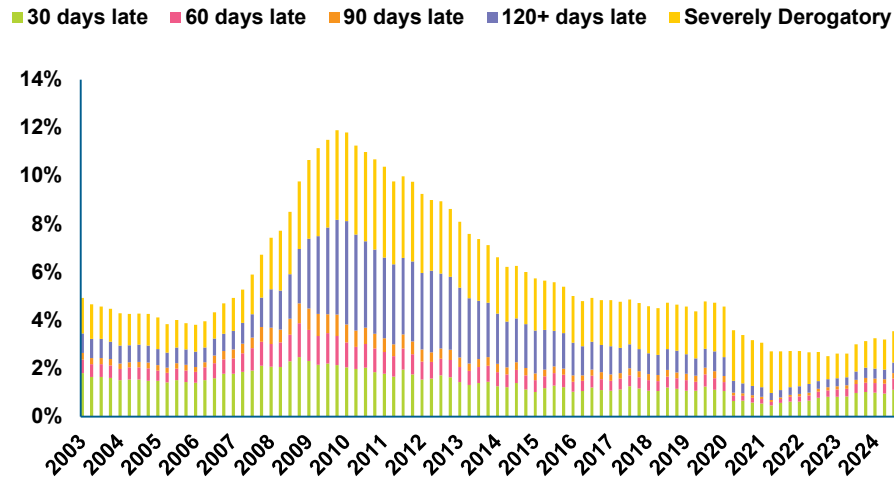


- US Treasury yields declined significantly over the quarter, as investors expressed concerns about the potential policies of the new US administration, economic data related to consumers weakened, and overall growth expectations fell.
- The more policy sensitive 2-year Treasury yield fell from 4.24% to 3.89%, while the 10-year Treasury yield declined from 4.57% to 4.21%.
- After the Fed started reducing interest rates in September 2024, the yield curve stopped being inverted (short-term interest rates higher than long-term interest rates) given expectations for inflation to continue to decline and policy rates to continue lower.

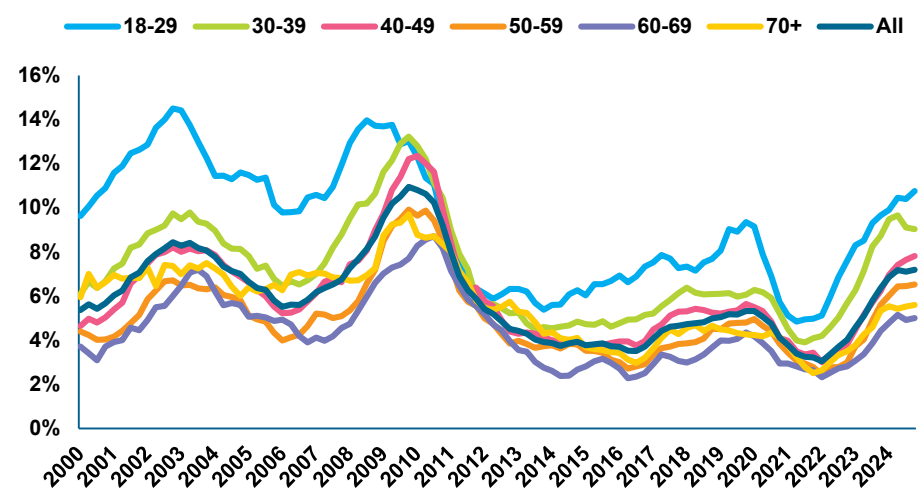
¹ Source: Bloomberg. Data is as of March 31, 2025. The August 2024 Treasury yields are shown as a reference before the first interest rate cut.

Stress is Building on US Consumers

Total Balance by Delinquency Status¹



Transition into Serious Delinquency for Credit Cards by Age²

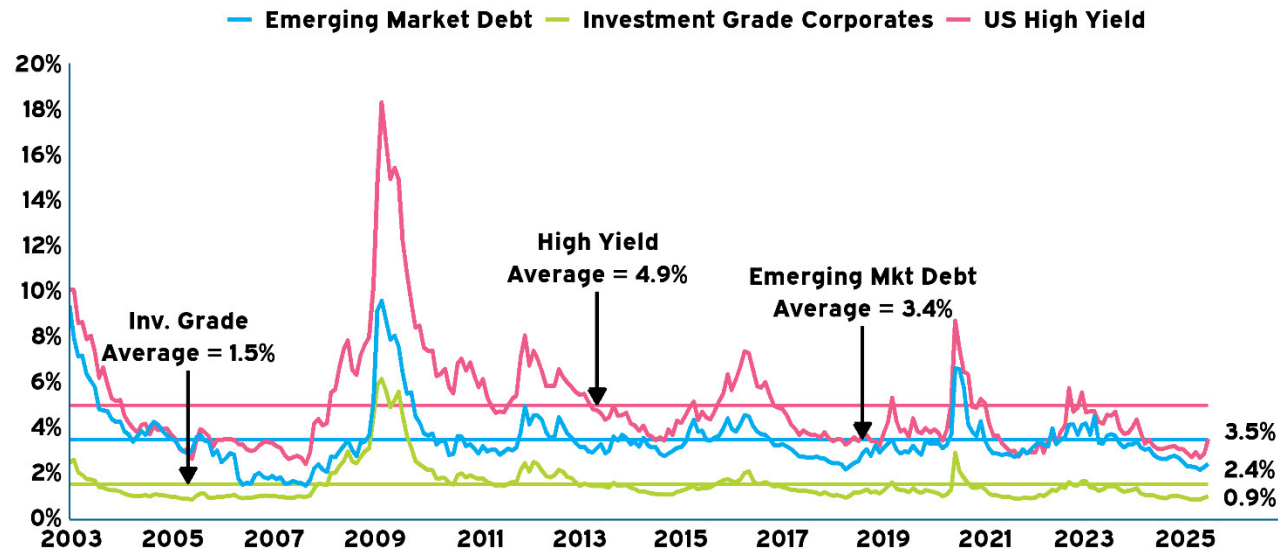


- Some signs of stress on the US consumer have started to emerge given persistently higher prices and interest rates.
- After falling to historic lows during the pandemic, loan delinquencies recently started rising.
- While some segments of the credit market have started to show signs of stress, total delinquencies remain well below pre-pandemic levels.
- While total delinquency rates are below pre-pandemic levels, the credit card segment is showing more signs of distress where borrowers are subject to variable and higher borrowing costs.
- Credit card delinquencies are rising rapidly, especially for borrowers under the age of forty.

¹ Source: New York Federal Reserve, Quarterly Household Debt and Credit Report, February 2025. See also FRED. Data is as of February 28, 2025.

² Source: FRED. Data is as of February 28, 2025.

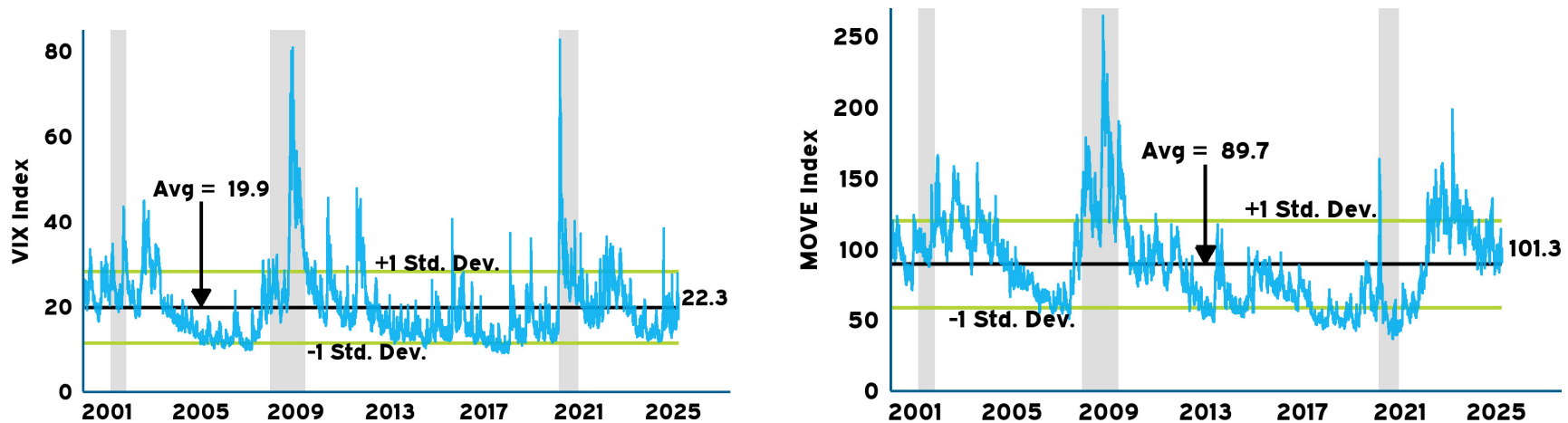
Credit Spreads vs. US Treasury Bonds¹



- Given all the uncertainty, spreads (the yield above a comparable maturity Treasury) widened in the first quarter.
- High yield spreads moved the most (2.9% to 3.5%) due to the concerns related to the US economy.
- All yield spreads remained below their respective long-run averages, particularly high yield (3.5% versus 4.9%).
- Although spreads are tight, absolute bond yields remain at above-average levels compared to the last two decades.

¹ Source: Bloomberg. Data is as March 31, 2025. 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.

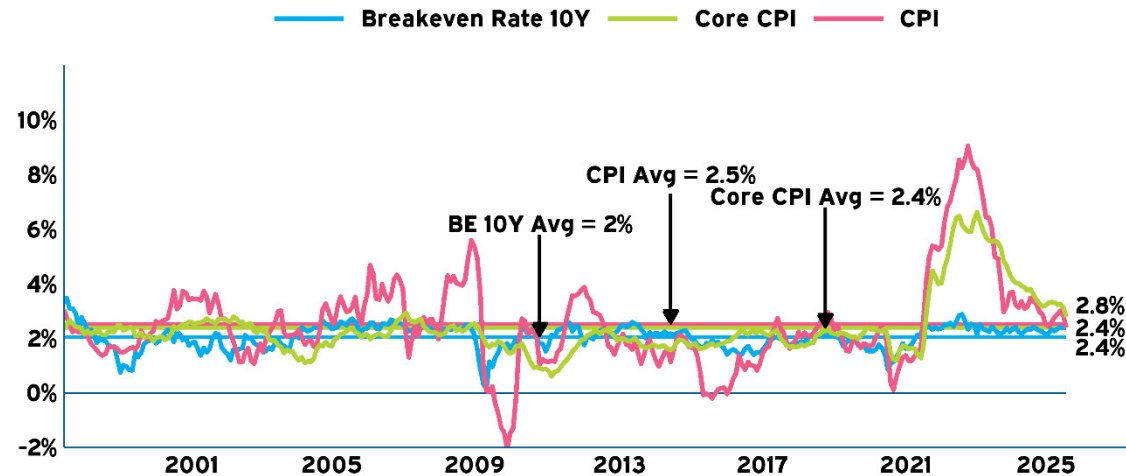
Equity and Fixed Income Volatility¹



- Bond and equity volatility rose in the first quarter driven mainly by policy and trade uncertainty.
- Volatility levels (VIX) in the US stock market and bond market (MOVE) finished the quarter above their respective long-run averages.

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 March 31, 2025. The average line indicated is the average of the VIX and MOVE values between January 2000 and March 2025.

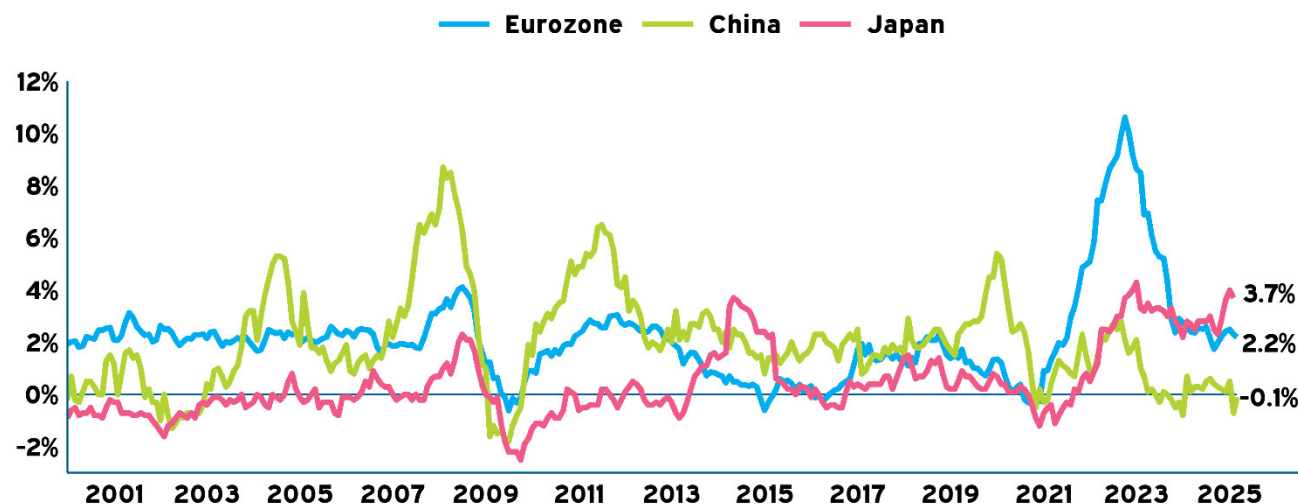
US Ten-Year Breakeven Inflation and CPI¹



- While inflation has been slow to return to the Fed's 2% average target, over the quarter the year-over-year rate fell from 2.9% to 2.4%. The month-over-month rate moved into negative territory at quarter-end (-0.1%). A decline in the rate of increase in the services sector along with a decline in energy prices contributed to the recent decline.
- Core inflation year-over-year also declined over the quarter (3.2% to 2.8%) with the month-over-month rate slowing to 0.1%. A decline in the pace of shelter price increases drove results.
- Inflation expectations (breakevens) stayed relatively stable over the quarter as investors continued to evaluate the potential inflationary impacts of the new US administration's policies.

¹ Source: FRED. Data is as of March 2025. 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.

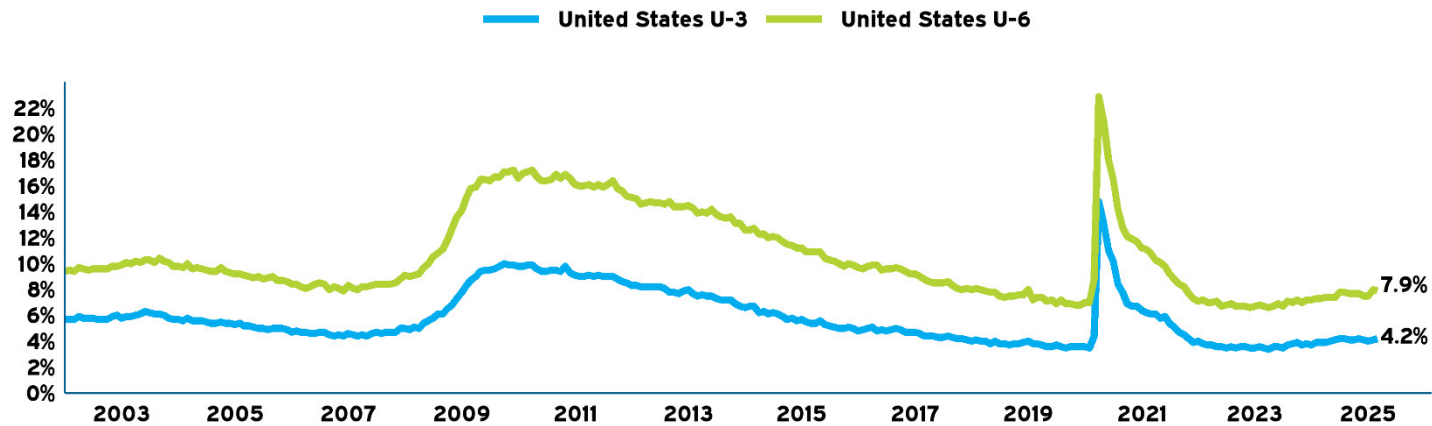
Global Inflation (CPI Trailing Twelve Months)¹



- Inflation in the eurozone declined over the quarter (2.4% to 2.2%), due largely to declines in energy costs and services. Levels remain slightly below the US.
- The latest reading of inflation in Japan fell from 4.0% to 3.7% as energy subsidies were reintroduced.
- In China, despite record policy stimulus consumer prices moved back into negative territory over the quarter. In March, prices fell by 0.1% compared to a year prior, a lower decline than the February reading of -0.7%. Despite years of policy stimulus to counter the real estate crisis, the Chinese consumer has remained weak.

¹ Source: Bloomberg. Data is as March 2025, except Japan which is as of February 2025.

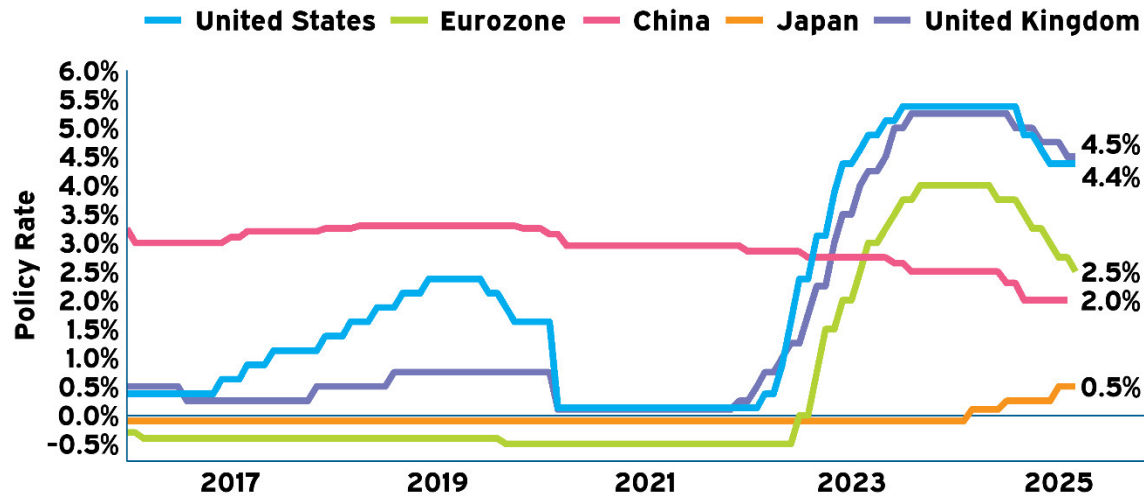
US Unemployment¹



- In March, the US added 228,000 jobs (above expectations of 140,000). The unemployment rate rose slightly to 4.2% but remains in the tight range of 4.0% to 4.2% it has been in since May of last year. There were 7.1 million jobseekers (little changed from the prior reading) of which 1.5 million have been without work for more than 27 weeks.
- A broader measure of total unemployed (U-6) that includes those marginally attached to the labor force and employed part-time for economic reasons, fell slightly to 7.9%.
- Health care (+54k), social assistance (+24k), retail (+24k), and transportation (+23k) added jobs in March while the Federal government lost 4,000 jobs adding to the 11,000 lost in February.
- The last reading of job opening fell slightly to 7.6 million, a level well below the pandemic highs (>12 million); the number of openings exceeds the number of unemployed workers looking for work (7.1 million).
- Separations (5.3 million) and hires (5.4 million) remained steady and average hourly wages continued to grow at approximately 4.0% annually.

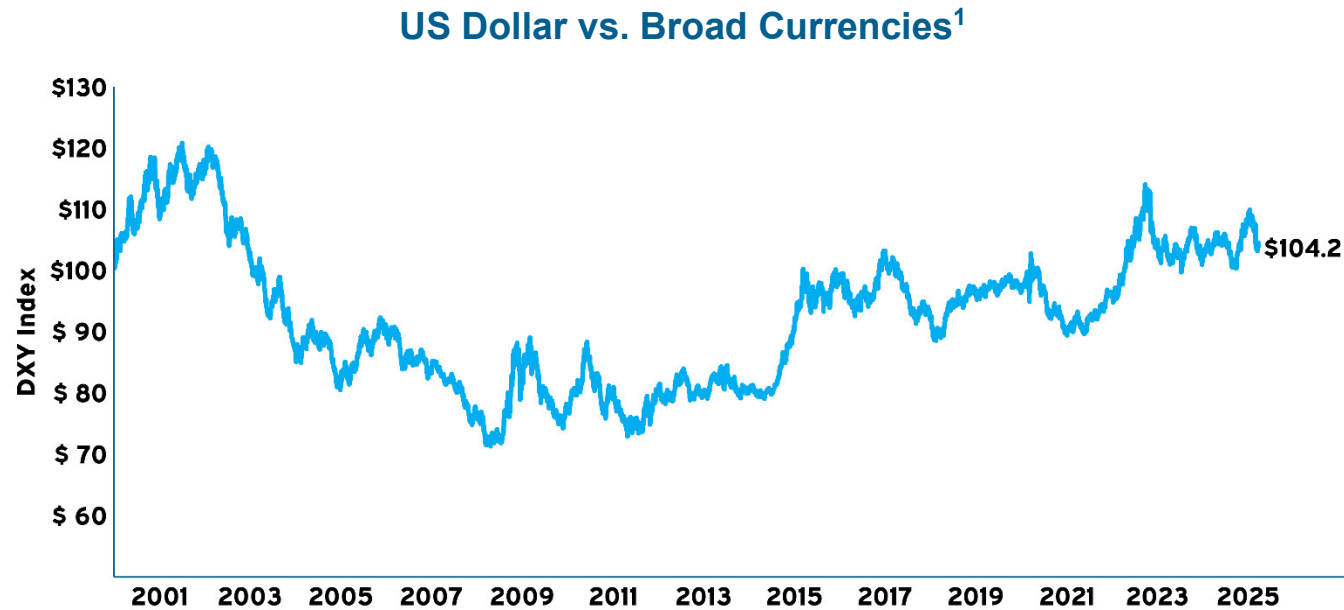
¹ Source: FRED and BLS. Data is as of March 31, 2025.

Policy Rates¹



- The Fed kept US interest rates steady at their March meeting after reducing rates by 0.25% twice over the final quarter of 2024 to a range of 4.25% to 4.50%. Given growing concerns about growth, markets recently increased expectations for the number of rate cuts in 2025 to over three.
- In February, the Bank of England cut interest rates for the third time by 0.25% to 4.5%, while in March the European Central Bank cut rates by another 0.25% to 2.5%. In addition to cutting interest rates, the People's Bank of China has also reduced reserve requirements, lowered mortgage rates, and supported the stock market.
- In contrast to many other central banks, the Bank of Japan increased interest rates in January to 0.5%, in the face of persistent inflation. Rate cutting by other major central banks are complicating prospects for further policy rate hikes in Japan.

¹ Source: Bloomberg. Data is as of March 31, 2025. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.



- After largely strengthening through 2024, the US dollar recently started to weaken.
- Concerns over changing US administration policies, slower growth, and corresponding lower yields have recently weighed on the value of the dollar.

¹ Source: Bloomberg. Data as of March 31, 2025.

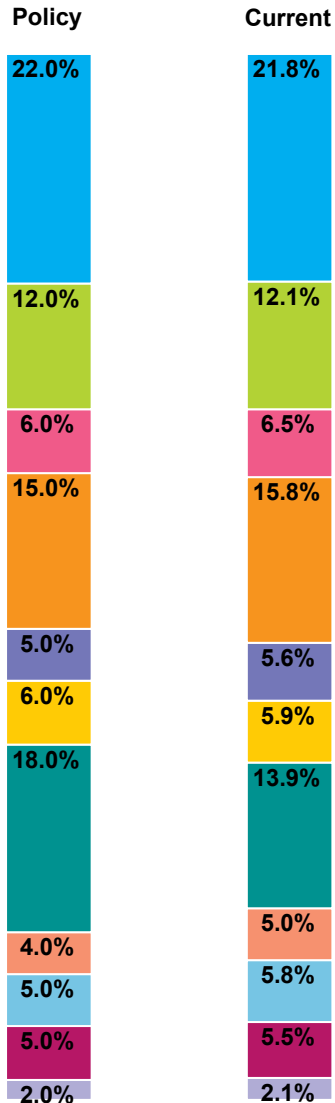
Summary

Key Trends:

- According to the International Monetary Fund's (IMF) January report, global growth in 2025 is expected to be slightly higher than 2024 (3.3% versus 3.2%). Growth forecast in the US (+2.7%) and China (+4.6%) are lower for this year compared to last, while growth in the EU (+1.0%) is projected to be slightly higher in 2025.
- Elevated levels of uncertainty along with higher tariffs could weigh on growth while at the same time fan inflation. Inflation levels will likely lead to a slower pace of interest rate cuts by the Fed. Uncertainty in the US and the potential for slower growth could continue the rotation out of US assets and continue to pressure the dollar.
- Signs of pressure have started to emerge on the US consumer with sentiment weakening. Consumers are particularly concerned about losing their jobs and the potential for higher prices. Overall risk to economic growth and to inflation from tariffs, as well as elevated borrowing costs, could put further pressure on consumers and lead to a weaker job market.
- US equities have recently come under pressure. A focus going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will continue to be important.
- Trade tensions between the US and China will remain a key focus. As tariffs have soared on both sides, China has allowed its currency to weaken against the dollar. Outside of tariffs, China continues to focus on supporting its economy/asset prices with a suite of fiscal and financial policy stimulus measures. Advances in AI technologies have also contributed to some optimism. Despite the policy support, consumer spending is still weak and issues remain in the real estate sector.

March Flash Report

Total Fund | As of March 31, 2025



Allocation vs. Targets and Policy						
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
US Equity	279,714,249	21.8	22.0	-0.2	16.0 - 27.0	Yes
Developed International Equity	155,049,034	12.1	12.0	0.1	7.0 - 17.0	Yes
Emerging Markets Equity	83,284,480	6.5	6.0	0.5	3.0 - 9.0	Yes
Private Equity	202,807,916	15.8	15.0	0.8	5.0 - 20.0	Yes
Direct Lending	71,350,852	5.6	5.0	0.6	0.0 - 10.0	Yes
Real Estate	75,790,711	5.9	6.0	-0.1	4.0 - 8.0	Yes
US Fixed Income	178,109,859	13.9	18.0	-4.1	13.0 - 23.0	Yes
Opportunistic Credit	64,315,897	5.0	4.0	1.0	2.0 - 6.0	Yes
Hedge Funds	74,127,544	5.8	5.0	0.8	2.5 - 7.5	Yes
Real Assets	69,844,938	5.5	5.0	0.5	3.0 - 7.0	Yes
Cash	26,479,187	2.1	2.0	0.1	0.0 - 4.0	Yes
Total	1,280,874,667	100.0	100.0	0.0		

Asset Allocation & Performance | As of March 31, 2025

Asset Class Performance Summary											
	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund (Net)	1,280,874,667	100.0	-1.3	4.9	0.5	7.0	5.1	10.6	7.4	8.0	Jan-95
Total Fund (Gross)			-1.3	5.1	0.5	7.4	5.4	11.0	7.8	8.2	Jan-95
Policy Index			-1.6	5.5	0.8	8.2	5.4	10.5	7.7	6.4	
Total Fund w/o Alternatives (Net)	760,473,519	59.4	-2.2	5.3	0.6	7.8	5.8	11.0	7.5	--	Jan-08
Total Fund w/o Alternatives (Gross)			-2.1	5.6	0.7	8.2	6.2	11.4	7.9	--	Jan-08
Policy Index w/o AI			-2.2	4.4	0.4	6.1	4.7	10.0	6.6	--	
Public Equity (Net)	518,047,763	40.4	-3.2	4.9	-0.2	8.0	6.6	14.9	--	9.6	Apr-18
Public Equity (Gross)			-3.1	5.3	-0.1	8.5	7.1	15.4	--	10.1	Apr-18
MSCI AC World IMI Index (Net)			-3.9	3.8	-1.6	6.3	6.3	15.0	8.6	8.7	
US Equity (Net)	279,714,249	21.8	-5.9	4.0	-4.7	7.1	7.4	17.1	11.6	10.4	Jan-95
US Equity (Gross)			-5.8	4.1	-4.6	7.3	7.6	17.3	11.9	10.5	Jan-95
Russell 3000			-5.8	3.9	-4.7	7.2	8.2	18.2	11.6	10.5	
International Equity (Net)	238,333,514	18.6	0.2	6.0	5.6	8.9	5.6	12.3	6.8	6.0	Jan-99
International Equity (Gross)			0.2	6.6	5.8	9.8	6.5	13.2	7.5	6.4	Jan-99
MSCI AC World ex USA IMI (Net)			-0.1	4.5	4.6	5.5	4.0	11.0	5.0	5.3	
International Equity Custom			0.1	4.7	5.2	7.0	4.7	10.7	5.2	4.6	
Emerging Markets Equity (Net)	83,284,480	6.5	-2.2	9.1	3.2	14.3	4.4	11.2	7.9	5.9	May-12
Emerging Markets Equity (Gross)			-2.1	9.9	3.4	15.5	5.4	12.4	8.9	6.9	May-12
MSCI EM			0.6	2.9	2.9	8.1	1.4	7.9	3.9	3.3	

Data Prior to March 2018 provided by prior consultant.

Asset Allocation & Performance | As of March 31, 2025

	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
US Fixed Income (Net)	178,109,859	13.9	0.1	5.1	2.5	5.3	0.3	-0.5	1.5	4.4	Jan-95
US Fixed Income (Gross)			0.1	5.3	2.6	5.5	0.4	-0.4	1.6	4.5	Jan-95
US Fixed Income Custom Benchmark			0.1	4.8	2.7	4.9	0.8	-0.2	1.6	4.5	
Opportunistic Credit (Net)	64,315,897	5.0	-0.2	6.5	1.7	8.5	6.1	8.5	--	5.8	May-19
Opportunistic Credit (Gross)			-0.2	6.8	1.8	8.9	6.7	9.0	--	6.3	May-19
50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever			-0.3	5.3	1.8	6.1	3.3	3.8	--	3.1	
Real Estate	75,790,711	5.9	0.0	4.5	0.0	4.1	0.3	3.4	4.7	6.3	Dec-10
Real Estate			0.0	4.6	0.0	4.2	0.3	3.4	4.9	7.3	Apr-99
Custom Blended Real Estate Benchmark			1.2	1.0	1.2	-1.4	-5.6	1.8	4.7	6.2	
CPI +5% (Seasonally Adjusted)			0.4	5.9	1.9	7.5	8.8	9.6	8.2	7.7	
Private Real Estate	75,790,711	5.9	0.0	2.0	0.0	2.0	1.4	3.4	4.7	6.3	Dec-10
Private Real Estate			0.0	2.0	0.0	2.0	1.4	3.4	4.9	7.3	Apr-99
Custom Blended Real Estate Benchmark			1.2	1.0	1.2	-1.4	-2.3	2.9	5.2	6.5	
Private Equity	202,807,916	15.8	0.0	3.6	0.0	6.2	4.7	16.6	13.0	10.1	Jul-05
Private Equity			0.0	3.6	0.0	6.2	4.7	16.6	13.0	10.2	Jul-05
Custom Private Equity Benchmark			-2.5	11.4	0.3	21.6	9.1	17.9	15.6	--	
Direct Lending	71,350,852	5.6	0.0	5.9	0.0	8.4	8.2	--	--	9.9	Jul-20
Direct Lending			0.0	5.9	0.0	8.4	8.2	--	--	9.9	Jul-20
S&P LSTA Leveraged Loan +2%			-0.1	6.4	1.0	9.0	9.3	11.1	7.1	9.5	
Hedge Fund	74,127,544	5.8	-0.1	3.8	1.8	4.8	4.3	7.7	4.3	4.6	Jul-14
Hedge Fund			0.0	4.9	2.2	6.3	5.5	8.8	5.0	5.3	Jul-14
Custom Blended Hedge Fund Benchmark			-1.5	3.4	-0.6	4.1	3.9	7.1	3.8	--	
Real Assets	69,844,938	5.5	0.0	7.7	0.0	10.8	10.1	13.3	9.8	9.9	Dec-10
Real Assets			0.0	7.7	0.0	10.8	10.2	13.4	10.1	10.4	Dec-10
Custom Blended Real Assets Benchmark			1.8	6.5	5.9	7.0	2.6	5.6	7.3	--	
CPI +5% (Seasonally Adjusted)			0.4	5.9	1.9	7.5	8.8	9.6	8.2	7.8	

Real Assets includes State Street Real Assets NL Fund.

Asset Allocation & Performance | As of March 31, 2025

	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Infrastructure	41,282,841	3.2	0.0	7.6	0.0	9.9	11.3	12.6	9.7	10.2	Jan-15
Private Infrastructure			0.0	7.6	0.0	9.9	11.3	12.8	9.7	10.3	Jan-15
<i>S&P Global Infrastructure</i>			2.1	15.7	4.6	18.8	6.1	13.8	6.5	6.2	
Private Natural Resources	28,562,097	2.2	0.0	7.7	0.0	12.1	17.3	14.9	--	15.4	Oct-15
Private Natural Resources			0.0	7.7	0.0	12.1	17.3	14.9	--	15.4	Oct-15
<i>S&P Global Natural Resources Sector Index (TR)</i>			1.6	-2.1	7.1	-3.8	-1.2	16.2	6.3	9.5	
Cash (Net)	26,479,187	2.1	0.3	3.2	1.0	4.3	3.1	1.9	--	--	Dec-10
Cash (Gross)			0.3	3.2	1.0	4.3	3.1	1.9	--	--	Dec-10

Asset Allocation & Performance | As of March 31, 2025

Trailing Period Performance												
	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
Total Fund	1,280,874,667	100.0	-1.3	4.9	0.5	7.0	5.1	10.6	7.4	8.0	Jan-95	
Policy Index			-1.6	5.5	0.8	8.2	5.4	10.5	7.7	6.4		
Total Fund w/o Alternatives	760,473,519	59.4	-2.2	5.3	0.6	7.8	5.8	11.0	7.5	--	Jan-08	
Policy Index w/o AI			-2.2	4.4	0.4	6.1	4.7	10.0	6.6	--		
Public Equity	518,047,763	40.4	-3.2	4.9	-0.2	8.0	6.6	14.9	--	9.6	Apr-18	
MSCI AC World IMI Index (Net)			-3.9	3.8	-1.6	6.3	6.3	15.0	8.6	8.7		
US Equity	279,714,249	21.8	-5.9	4.0	-4.7	7.1	7.4	17.1	11.6	10.4	Jan-95	
Russell 3000			-5.8	3.9	-4.7	7.2	8.2	18.2	11.6	10.5		
BNY Mellon Newton Dynamic US Equity	54,861,474	4.3	-5.7	2.4	-4.2	6.5	6.7	16.6	12.9	15.2	Jan-13	
S&P 500 Index			-5.6	3.8	-4.3	8.3	9.1	18.6	12.5	13.9		
BNY Mellon Large Cap	196,903,142	15.4	-5.8	4.1	-4.5	7.8	8.6	18.5	--	13.5	Apr-16	
Russell 1000 Index			-5.8	4.1	-4.5	7.8	8.7	18.5	12.2	13.6		
Champlain Small Cap	27,949,633	2.2	-6.6	6.1	-6.7	3.3	2.6	--	--	7.1	Nov-20	
Russell 2000 Index			-6.8	-0.8	-9.5	-4.0	0.5	13.3	6.3	7.7		
International Equity	238,333,514	18.6	0.2	6.0	5.6	8.9	5.6	12.3	6.8	6.0	Jan-99	
MSCI AC World ex USA IMI (Net)			-0.1	4.5	4.6	5.5	4.0	11.0	5.0	5.3		
International Equity Custom			0.1	4.7	5.2	7.0	4.7	10.7	5.2	4.6		
Acadian ACWI ex U.S. Small Cap Equity	19,764,296	1.5	0.4	4.5	1.4	7.5	3.5	16.1	--	9.4	May-19	
MSCI AC World ex USA Small Cap (Net)			0.4	1.2	0.6	1.9	1.0	11.8	5.3	5.2		
Driehaus International Small Cap Growth	17,621,137	1.4	-1.7	-2.7	-0.4	-4.5	0.8	11.2	--	6.8	May-19	
MSCI AC World ex USA Small Growth Index (Net)			-0.8	-1.1	-1.7	-0.4	-1.5	9.8	5.0	4.3		

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

Asset Allocation & Performance | As of March 31, 2025

	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
GQG International Equity <i>MSCI AC World ex USA (Net)</i>	55,637,085	4.3	1.2 <i>-0.2</i>	-1.5 <i>5.1</i>	7.9 <i>5.2</i>	1.4 <i>6.1</i>	8.4 <i>4.5</i>	13.3 <i>10.9</i>	-- <i>5.0</i>	9.3 <i>5.7</i>	Dec-19
First Eagle International Value Fund <i>MSCI EAFE (Net)</i> <i>MSCI AC World ex USA Value (Net)</i>	62,026,516	4.8	3.1 <i>-0.4</i> <i>1.8</i>	13.1 <i>5.3</i> <i>10.0</i>	10.2 <i>6.9</i> <i>8.6</i>	13.9 <i>4.9</i> <i>11.4</i>	6.5 <i>6.1</i> <i>7.2</i>	10.2 <i>11.8</i> <i>13.6</i>	-- <i>5.4</i> <i>4.7</i>	5.8 <i>6.4</i> <i>6.7</i>	Dec-19
Emerging Markets Equity <i>MSCI EM</i>	83,284,480	6.5	-2.2 <i>0.6</i>	9.1 <i>2.9</i>	3.2 <i>2.9</i>	14.3 <i>8.1</i>	4.4 <i>1.4</i>	11.2 <i>7.9</i>	7.9 <i>3.9</i>	5.9 <i>3.3</i>	May-12
Artisan Developing World TR <i>MSCI Emerging Markets (Net)</i>	59,949,754	4.7	-3.5 <i>0.6</i>	12.1 <i>2.9</i>	1.8 <i>2.9</i>	18.0 <i>8.1</i>	7.2 <i>1.4</i>	12.3 <i>7.9</i>	-- <i>3.7</i>	9.7 <i>3.5</i>	Dec-19
RWC <i>MSCI Emerging Markets (Net)</i>	23,334,726	1.8	1.3 <i>0.6</i>	1.8 <i>2.9</i>	6.7 <i>2.9</i>	5.7 <i>8.1</i>	-2.0 <i>1.4</i>	8.7 <i>7.9</i>	-- <i>3.7</i>	1.5 <i>3.5</i>	Dec-19
US Fixed Income <i>US Fixed Income Custom Benchmark</i>	178,109,859	13.9	0.1 <i>0.1</i>	5.1 <i>4.8</i>	2.5 <i>2.7</i>	5.3 <i>4.9</i>	0.3 <i>0.8</i>	-0.5 <i>-0.2</i>	1.5 <i>1.6</i>	4.4 <i>4.5</i>	Jan-95
Vanguard Short-Term Treasury Index Fund <i>Bloomberg U.S. Government 1-3 Year Index</i>	7,101,215	0.6	0.5 <i>0.5</i>	4.5 <i>4.5</i>	1.6 <i>1.6</i>	5.4 <i>5.4</i>	2.8 <i>2.9</i>	1.1 <i>1.2</i>	-- <i>1.5</i>	1.9 <i>2.0</i>	Mar-18
Vanguard Total Bond Market Index Fund <i>Blmbg. U.S. Aggregate Index</i>	23,017,168	1.8	0.0 <i>0.0</i>	4.7 <i>4.8</i>	2.8 <i>2.8</i>	4.9 <i>4.9</i>	0.5 <i>0.5</i>	-0.4 <i>-0.4</i>	-- <i>1.5</i>	1.1 <i>1.1</i>	May-19
Payden & Rygel Low Duration Fund <i>Blmbg. U.S. Treasury: 1-3 Year</i>	10,335,795	0.8	0.4 <i>0.5</i>	4.8 <i>4.5</i>	1.7 <i>1.6</i>	6.0 <i>5.4</i>	-- <i>2.8</i>	-- <i>1.1</i>	-- <i>1.5</i>	6.3 <i>4.5</i>	Nov-22
Brandywine US Fixed Income <i>Blmbg. U.S. Aggregate Index</i>	58,875,228	4.6	0.3 <i>0.0</i>	5.9 <i>4.8</i>	2.4 <i>2.8</i>	5.3 <i>4.9</i>	-- <i>0.5</i>	-- <i>-0.4</i>	-- <i>1.5</i>	2.7 <i>5.3</i>	Nov-22
Wellington Core Bond <i>Blmbg. U.S. Aggregate Index</i>	78,780,454	6.2	-0.1 <i>0.0</i>	5.0 <i>4.8</i>	2.8 <i>2.8</i>	5.4 <i>4.9</i>	-- <i>0.5</i>	-- <i>-0.4</i>	-- <i>1.5</i>	5.1 <i>5.3</i>	Nov-22

Historical returns for the US Fixed Income Composite prior to December 2010 are gross only.

Asset Allocation & Performance | As of March 31, 2025

	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Opportunistic Credit	64,315,897	5.0	-0.2	6.5	1.7	8.5	6.1	8.5	--	5.8	May-19
<i>50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever</i>			<i>-0.3</i>	<i>5.3</i>	<i>1.8</i>	<i>6.1</i>	<i>3.3</i>	<i>3.8</i>	<i>--</i>	<i>3.1</i>	
PIMCO Income Fund	12,095,312	0.9	0.2	6.9	3.3	7.4	4.6	5.2	--	3.7	May-19
<i>Blmbg. U.S. Aggregate Index</i>			<i>0.0</i>	<i>4.8</i>	<i>2.8</i>	<i>4.9</i>	<i>0.5</i>	<i>-0.4</i>	<i>1.5</i>	<i>1.1</i>	
GoldenTree Multi-Sector Credit	28,963,146	2.3	-0.6	6.4	1.3	8.7	6.8	9.7	--	6.1	Jun-19
<i>50% BBg US High Yield TR/50% S&P UBS Leveraged Loans</i>			<i>-0.6</i>	<i>5.8</i>	<i>0.8</i>	<i>7.4</i>	<i>6.1</i>	<i>8.1</i>	<i>5.0</i>	<i>5.2</i>	
OWS Credit Opportunity Fund LP	23,257,439	1.8	0.0	6.5	1.6	8.9	--	--	--	9.4	Oct-23
<i>50% BBg US High Yield TR/50% S&P UBS Leveraged Loans</i>			<i>-0.6</i>	<i>5.8</i>	<i>0.8</i>	<i>7.4</i>	<i>6.1</i>	<i>8.1</i>	<i>5.0</i>	<i>9.8</i>	
Private Real Estate	75,790,711	5.9	0.0	2.0	0.0	2.0	1.4	3.4	4.7	6.3	Dec-10
<i>Custom Blended Real Estate Benchmark</i>			<i>1.2</i>	<i>1.0</i>	<i>1.2</i>	<i>-1.4</i>	<i>-2.3</i>	<i>2.9</i>	<i>5.2</i>	<i>7.6</i>	
Private Equity	202,807,916	15.8	0.0	3.6	0.0	6.2	4.7	16.6	13.0	10.1	Jul-05
<i>Custom Private Equity Benchmark</i>			<i>-2.5</i>	<i>11.4</i>	<i>0.3</i>	<i>21.6</i>	<i>9.1</i>	<i>17.9</i>	<i>15.6</i>	<i>--</i>	
Direct Lending	71,350,852	5.6	0.0	5.9	0.0	8.4	8.2	--	--	9.9	Jul-20
<i>S&P LSTA Leveraged Loan +2%</i>			<i>-0.1</i>	<i>6.4</i>	<i>1.0</i>	<i>9.0</i>	<i>9.3</i>	<i>11.1</i>	<i>7.1</i>	<i>9.5</i>	
Hedge Fund	74,127,544	5.8	-0.1	3.8	1.8	4.8	4.3	7.7	4.3	4.6	Jul-14
<i>Custom Blended Hedge Fund Benchmark</i>			<i>-1.5</i>	<i>3.4</i>	<i>-0.6</i>	<i>4.1</i>	<i>3.9</i>	<i>7.1</i>	<i>3.8</i>	<i>--</i>	
Private Infrastructure	41,282,841	3.2	0.0	7.6	0.0	9.9	11.3	12.6	9.7	10.2	Jan-15
<i>S&P Global Infrastructure</i>			<i>2.1</i>	<i>15.7</i>	<i>4.6</i>	<i>18.8</i>	<i>6.1</i>	<i>13.8</i>	<i>6.5</i>	<i>6.2</i>	
Private Natural Resources	28,562,097	2.2	0.0	7.7	0.0	12.1	17.3	14.9	--	15.4	Oct-15
<i>S&P Global Natural Resources Sector Index (TR)</i>			<i>1.6</i>	<i>-2.1</i>	<i>7.1</i>	<i>-3.8</i>	<i>-1.2</i>	<i>16.2</i>	<i>6.3</i>	<i>9.5</i>	
Cash	26,479,187	2.1	0.3	3.2	1.0	4.3	3.1	1.9	--	--	Dec-10
Cash	25,112,619	2.0	0.4	3.6	1.1	4.9	3.5	2.1	1.6	-0.8	Dec-10
Treasury Cash	1,366,568	0.1	0.0	0.0	0.0	0.0	0.0	0.0	--	0.0	Sep-17

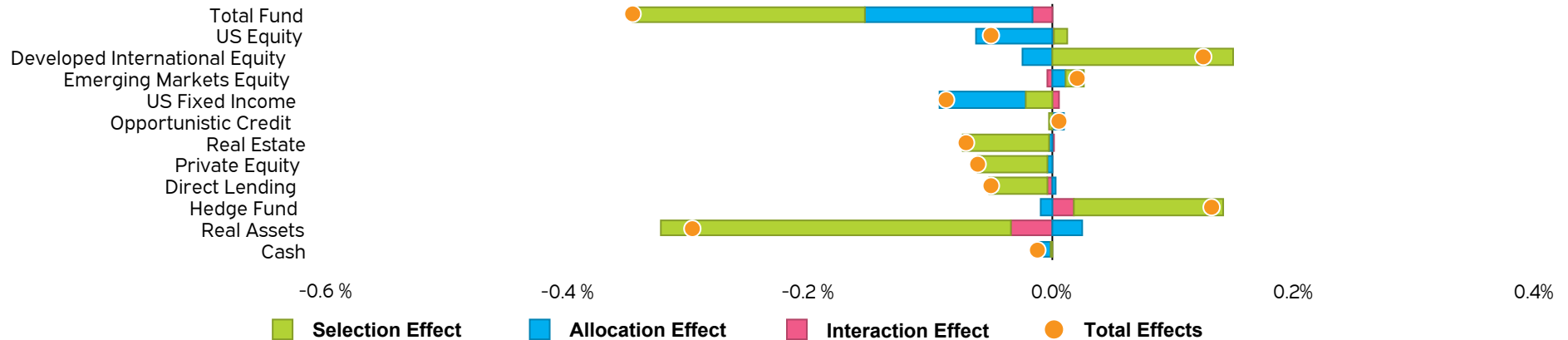
All private markets performance and market values reflect a 09/30/24 capital account balance (as of 02/28/2024) unless otherwise noted.

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.

Throughout the report, the fair market value of GoldenTree Multi-Sector Credit is based on estimated performance due to investor statement availability.

Total Fund Attribution | As of March 31, 2025

Attribution Effects 3 Months Ending March 31, 2025

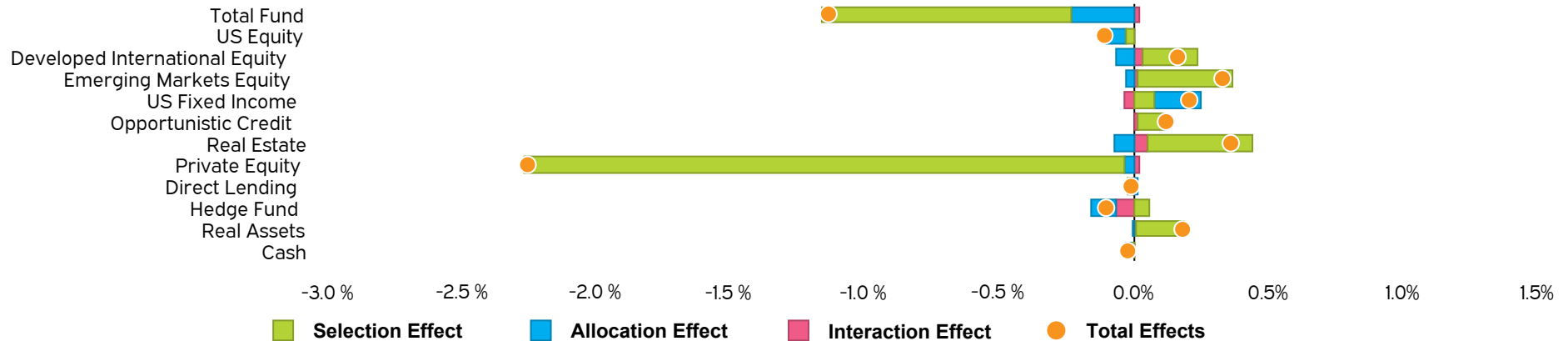


Attribution Summary 3 Months Ending March 31, 2025

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	-4.7	-4.7	0.0	0.0	-0.1	0.0	-0.1
Developed International Equity	6.9	5.6	1.3	0.1	0.0	0.0	0.1
Emerging Markets Equity	3.2	2.9	0.2	0.0	0.0	0.0	0.0
US Fixed Income	2.5	2.7	-0.1	0.0	-0.1	0.0	-0.1
Opportunistic Credit	1.7	1.8	-0.1	0.0	0.0	0.0	0.0
Real Estate	0.0	1.2	-1.2	-0.1	0.0	0.0	-0.1
Private Equity	0.0	0.3	-0.3	-0.1	0.0	0.0	-0.1
Direct Lending	0.0	1.0	-1.0	0.0	0.0	0.0	-0.1
Hedge Fund	1.8	-0.6	2.5	0.1	0.0	0.0	0.1
Real Assets	0.0	5.9	-5.9	-0.3	0.0	0.0	-0.3
Cash	1.0	1.0	-0.1	0.0	0.0	0.0	0.0
Total Fund	0.5	0.8	-0.3	-0.2	-0.1	0.0	-0.3

Total Fund Attribution | As of March 31, 2025

Attribution Effects 1 Year Ending March 31, 2025



Attribution Summary 1 Year Ending March 31, 2025

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	7.1	7.2	-0.1	0.0	-0.1	0.0	-0.1
Developed International Equity	6.2	4.3	1.9	0.2	-0.1	0.0	0.2
Emerging Markets Equity	14.3	8.1	6.2	0.4	0.0	0.0	0.3
US Fixed Income	5.3	4.9	0.4	0.1	0.2	0.0	0.2
Opportunistic Credit	8.5	6.1	2.3	0.1	0.0	0.0	0.1
Real Estate	4.1	-1.4	5.6	0.4	-0.1	0.1	0.4
Private Equity	6.2	21.6	-15.4	-2.2	0.0	0.0	-2.3
Direct Lending	8.4	9.0	-0.5	0.0	0.0	0.0	0.0
Hedge Fund	4.8	4.1	0.7	0.1	-0.1	-0.1	-0.1
Real Assets	10.8	7.0	3.8	0.2	0.0	0.0	0.2
Cash	3.2	3.6	-0.4	0.0	0.0	0.0	0.0
Total Fund	7.0	8.2	-1.1	-0.9	-0.2	0.0	-1.1

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

Annual Investment Expense Analysis				
	Fee Schedule	Market Value (\$)	Estimated Annual Fee (%)	Estimated Expense (\$)
Total Fund		1,280,874,667		
Total Fund w/o Alternatives		760,473,519		
Public Equity		518,047,763		
US Equity		279,714,249		
BNY Mellon Newton Dynamic US Equity	0.30 % of Assets	54,861,474	0.30	164,584
BNY Mellon Large Cap	0.04 % of First \$100 M 0.02 % Thereafter	196,903,142	0.03	59,381
Champlain Small Cap	1.00 % of Assets	27,949,633	1.00	279,496
International Equity		238,333,514		
Acadian ACWI ex U.S. Small Cap Equity	0.99 % of Assets	19,764,296	0.99	195,667
Driehaus International Small Cap Growth	0.90 % of Assets	17,621,137	0.90	158,590
GQG International Equity	0.50 % of Assets	55,637,085	0.50	278,185
First Eagle International Value Fund	0.79 % of Assets	62,026,516	0.79	490,009
Emerging Markets Equity		83,284,480		
Artisan Developing World TR	1.05 % of Assets	59,949,754	1.05	629,472
RWC	0.87 % of Assets	23,334,726	0.87	203,012
MCERA US FIXED+OPP CREDIT		242,425,756		
US Fixed Income		178,109,859		
Vanguard Short-Term Treasury Index Fund	0.04 % of Assets	7,101,215	0.04	2,840
Vanguard Total Bond Market Index Fund	0.03 % of Assets	23,017,168	0.03	5,754
Payden & Rygel Low Duration Fund	0.43 % of Assets	10,335,795	0.43	44,444
Brandywine US Fixed Income	0.29 % of Assets	58,875,228	0.29	170,738
Wellington Core Bond	0.12 % of Assets	78,780,454	0.12	94,537
Opportunistic Credit		64,315,897		
PIMCO Income Fund	0.51 % of Assets	12,095,312	0.51	61,686
GoldenTree Multi-Sector Credit	0.70 % of Assets	28,963,146	0.70	202,742
OWS Credit Opportunity Fund LP		23,257,439	-	-
Cash		26,479,187		
Cash		25,112,619	-	-
Treasury Cash		1,366,568	-	-

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MERCEDCERA – US EQUITY REVIEW

April 2025

TOPICS COVERED

- **Executive summary – Page 3**
 - US equity review objectives
 - Observations & considerations
 - Focused manager review – Newton Dynamic US Equity
- **US equity review – Page 8**
 - Market cap distribution
 - Sector distribution
 - Active/Passive management
 - Risk review
 - Style analysis
 - Trailing performance
- **Appendix – Page 15**



EXECUTIVE SUMMARY

US EQUITY REVIEW HIGHLIGHTS



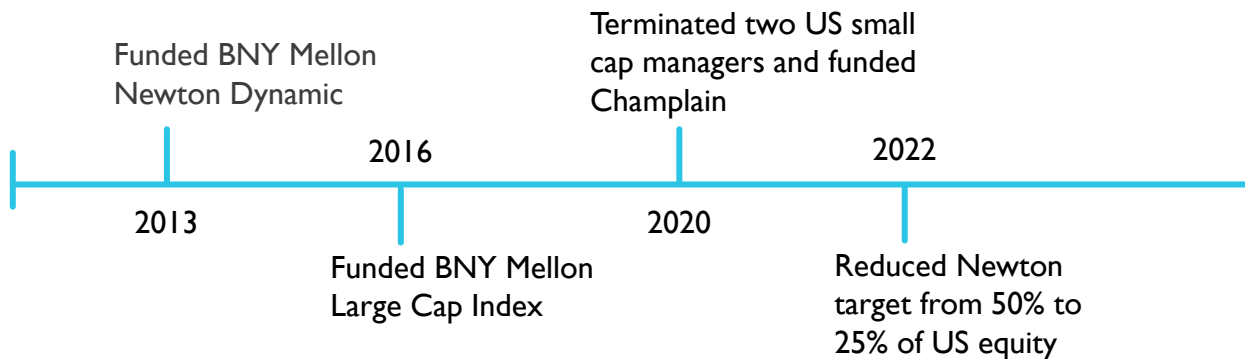
US EQUITY REVIEW - OBJECTIVES

- Review structure and positioning of current US equity portfolio at a holdings-based level
- Review active managers and their mandates
- Review overall risks of the US equity portfolio

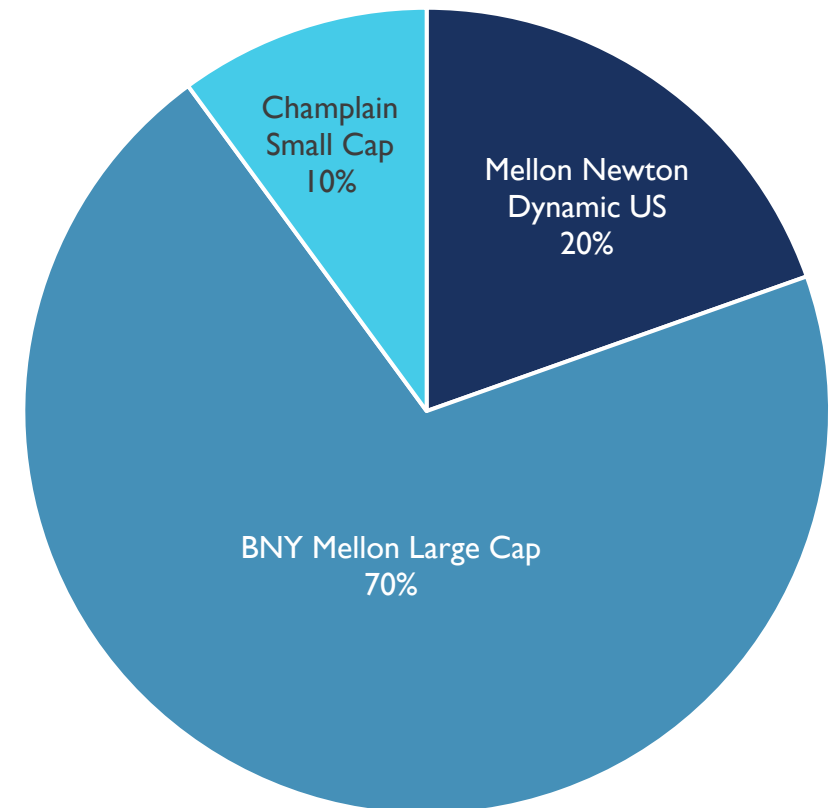
US EQUITY PORTFOLIO - OVERVIEW

- Current US equity portfolio is a mix of managers with the following mandates:
 - US large cap (Active)
 - US large cap (Passive)
 - US small cap (Active)




US Equity Manager Funding Timeline



Current US Equity Managers



US EQUITY REVIEW – OBSERVATIONS & CONSIDERATIONS

Review Status	Observations	Considerations
	Board approved a slight overweight to small cap when it funded Champlain in 2020 (10% target versus ~7% market weight)	Board should reaffirm its preference for the small cap tilt or remove it and rebalance US equity to market weights
	US equity is a mix of approximately 70% active and 30% passive management	Maintain current active/passive mix, in line with Meketa's analysis of the long-term market efficiency in US large cap equity
	Active US large cap is managed by Newton (Mellon subsidiary) that utilizes options, futures, and tactical allocations to US Treasuries and cash	Board should reaffirm its comfort with the philosophy and approach of the Newton US Dynamic Equity strategy

FOCUSED MANAGER REVIEW – NEWTON US DYNAMIC EQUITY

- Newton Dynamic US Equity strategy (formerly Mellon Tangent Added strategy) was recommended by Milliman and funded in 2012
 - Recommended for its superior performance and risk-adjusted returns
 - Funded by assets reallocated from Mellon index strategies.
- Allocation to Newton was reduced from 50% to 25% of US equity in 2022
- Strategy invests in indexed equity, Treasuries, cash, futures, and options
- Equity exposure is through S&P 500 Index fund (typically up to 85%) augmented with S&P futures and options that can increase exposure beyond 100% (up to 150% max)
- Fixed income exposure is managed through futures and options with the goal of replicating a long-term bond index

	Newton Dynamic US
Firm Founded	1978
Firm Assets	\$102B
Investment / Total Staff	130 / 500
Investment Offices	UK, US, Japan
Funds Managed	Equity, Real Return, Fixed Income, Multi-Asset



US EQUITY REVIEW

REVIEW OF CURRENT PORTFOLIO

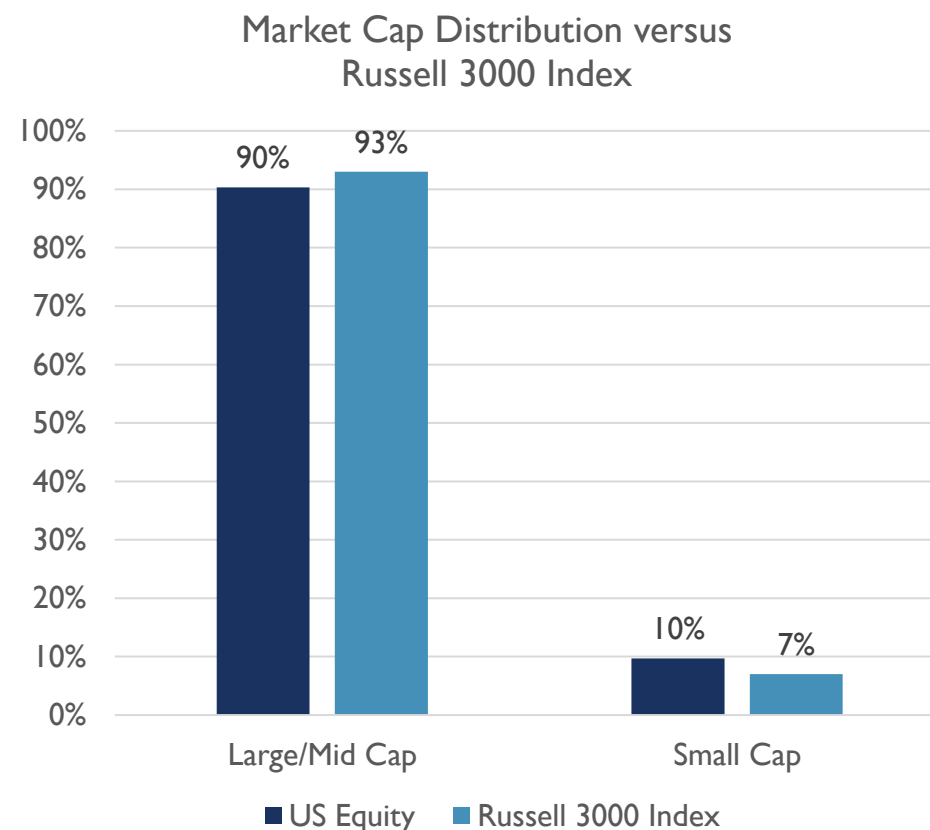


US EQUITY PORTFOLIO – MARKET CAP DISTRIBUTION

- Since US equity is invested across large, mid, and small cap, the Board should review regularly to ensure no unintentional market cap tilts are present

- In 2020, the Board approved the termination of DFA and PanAgora in favor of Champlain's higher tracking error strategy
- As part of the transition, Meketa recommended that the Board reduce the small cap target within US equity from 16% to 10% - which still represented an overweight to small cap (actual market weight is ~7% as of February 28, 2025)

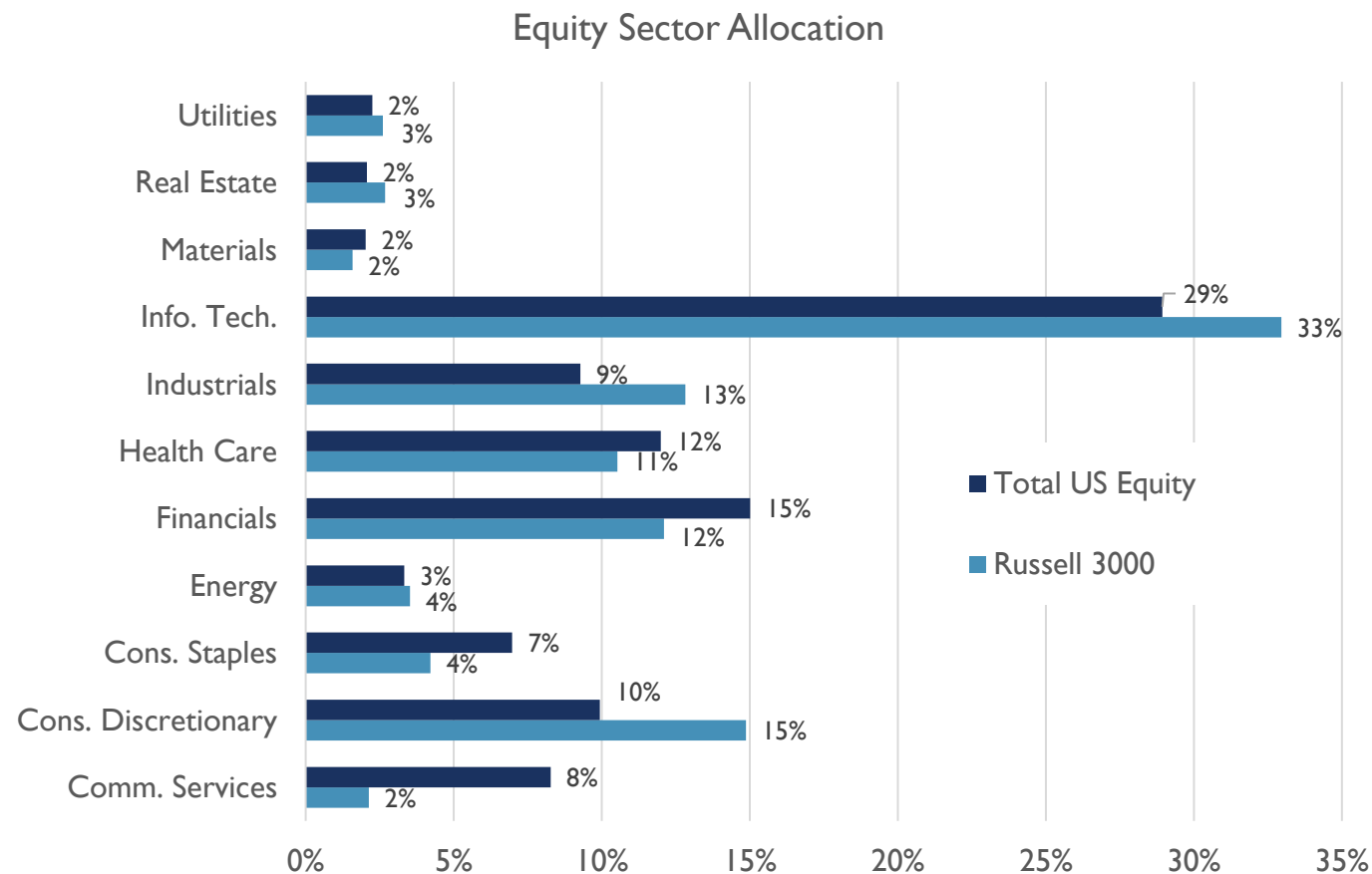
- *Board should periodically review the decision to overweight US small cap and reaffirm this intentional market cap tilt*



Data as of March 31, 2025, and based on underlying security holdings.

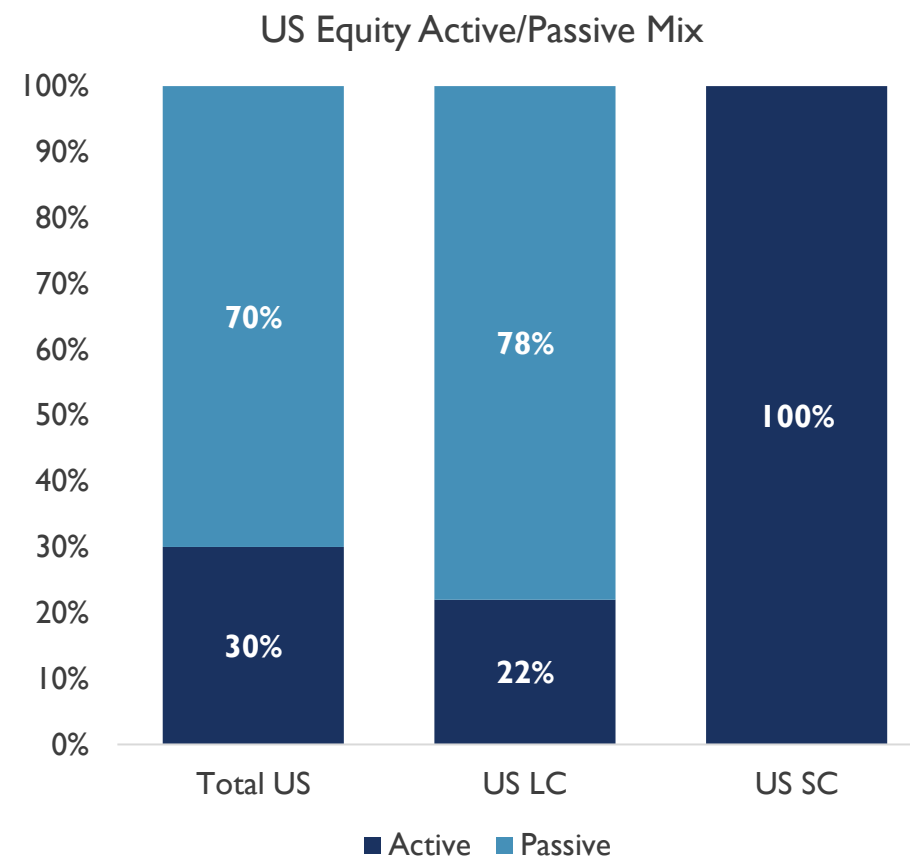
US EQUITY PORTFOLIO – SECTOR DISTRIBUTION

- The Mellon large cap strategy and the equity exposure of Newton Dynamic US are passively managed therefore have no sector biases
- Champlain excludes several sectors from its portfolio based on the team's process and philosophy – Communication services, energy, real estate, and utilities



US EQUITY PORTFOLIO – ACTIVE/PASSIVE MANAGEMENT

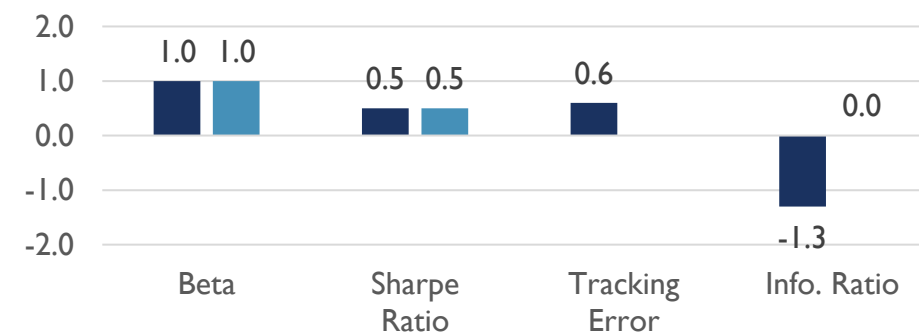
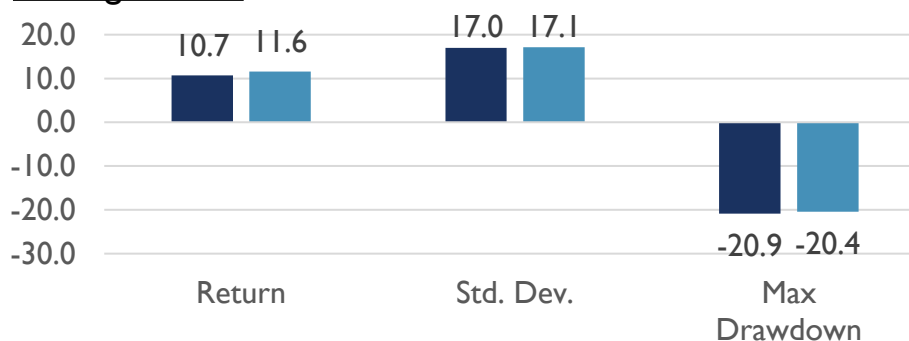
- Currently, US equity small cap is actively managed while the Mellon large cap index fund and the equity allocation within the Newton Dynamic US Equity strategy are passively managed
- Active-passive analysis completed by Meketa continues to show greater market efficiency in US large cap stocks over the long-term reducing the benefit of active management.



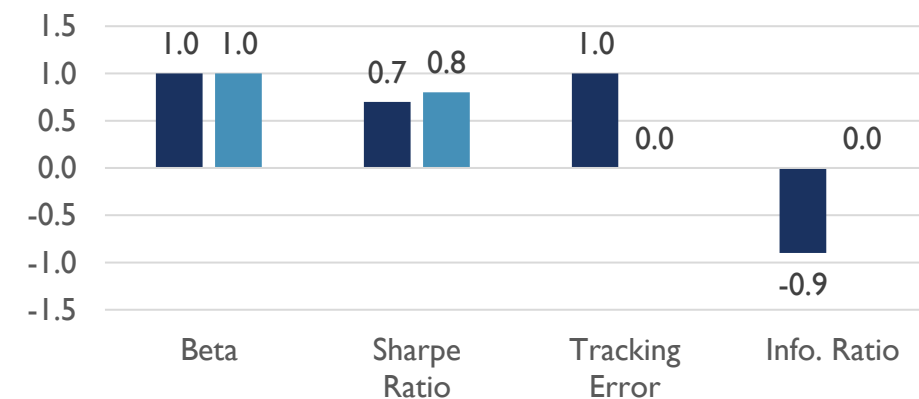
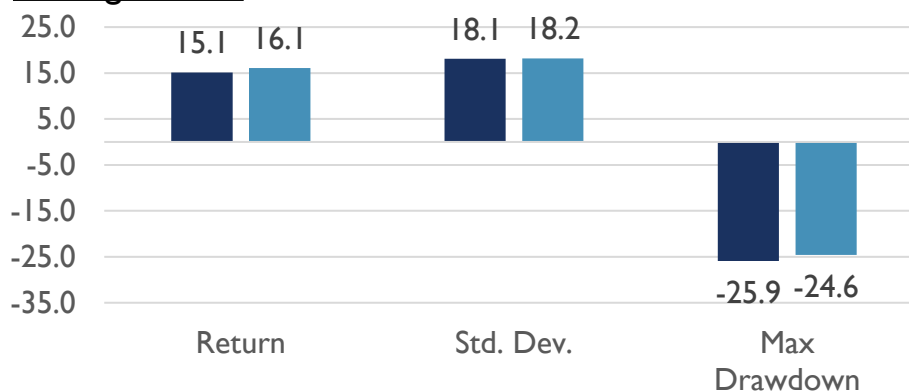
US EQUITY PORTFOLIO – RISK REVIEW

- US equity risk is generally in line with broad market risk represented by the Russell 3000 Index

Trailing 3-Years



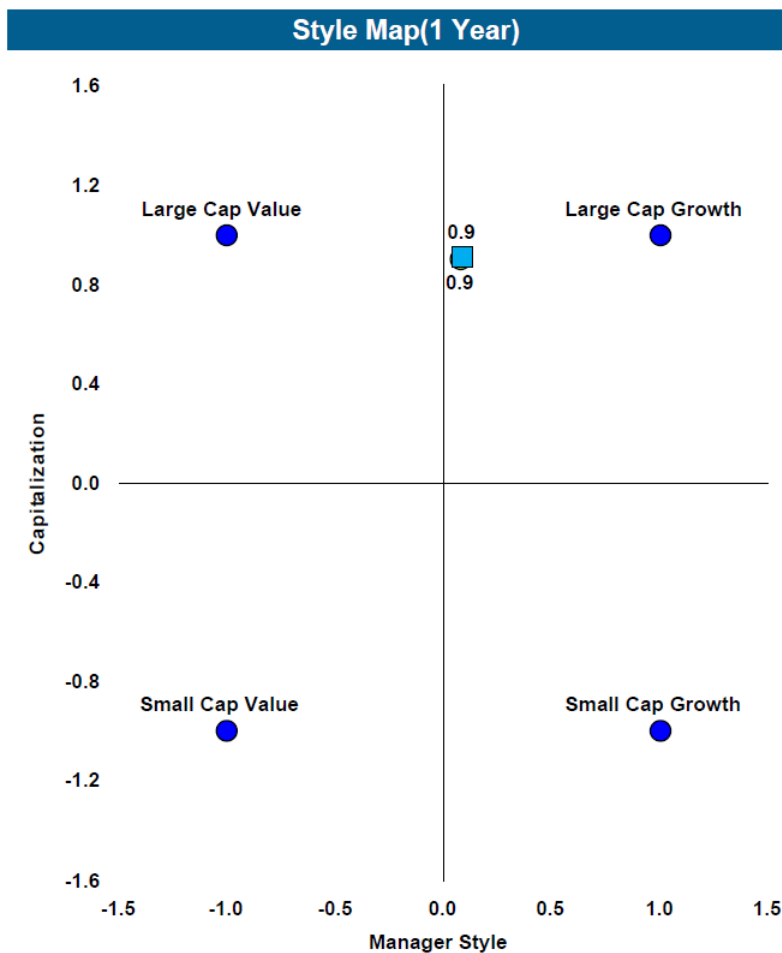
Trailing 5-Years



■ US Equity ■ Russell 3000

US EQUITY PORTFOLIO – STYLE ANALYSIS

- Based on the style analysis provided by Meketa, there are no style biases in the US equity portfolio when compared to the Russell 3000 Index.



US EQUITY PORTFOLIO – TRAILING PERFORMANCE

- US equity has underperformed its Russell 3000 Index benchmark over the 3- and 5-year trailing periods, but has performed more inline with the index recently
- Underperformance from US equity is partly due to underperformance from Newton as well as an overweight to US small cap
 - Russell 1000 (large cap) has outperformed the Russell 2000 (small cap) by 11.8% and 8.2% over the 1- and 3-year trailing periods

Trailing Performance as of March 31, 2025

	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
US Equity	279,714,249	21.8	-5.9	4.0	-4.7	7.1	7.4	17.1	11.6	10.4	Jan-95
<i>Russell 3000</i>			<i>-5.8</i>	<i>3.9</i>	<i>-4.7</i>	<i>7.2</i>	<i>8.2</i>	<i>18.2</i>	<i>11.6</i>	<i>10.5</i>	
BNY Mellon Newton Dynamic US Equity	54,861,474	4.3	-5.7	2.4	-4.2	6.5	6.7	16.6	12.9	15.2	Jan-13
<i>S&P 500 Index</i>			<i>-5.6</i>	<i>3.8</i>	<i>-4.3</i>	<i>8.3</i>	<i>9.1</i>	<i>18.6</i>	<i>12.5</i>	<i>13.9</i>	
BNY Mellon Large Cap	196,903,142	15.4	-5.8	4.1	-4.5	7.8	8.6	18.5	--	13.5	Apr-16
<i>Russell 1000 Index</i>			<i>-5.8</i>	<i>4.1</i>	<i>-4.5</i>	<i>7.8</i>	<i>8.7</i>	<i>18.5</i>	<i>12.2</i>	<i>13.6</i>	
Champlain Small Cap	27,949,633	2.2	-6.6	6.1	-6.7	3.3	2.6	--	--	7.1	Nov-20
<i>Russell 2000 Index</i>			<i>-6.8</i>	<i>-0.8</i>	<i>-9.5</i>	<i>-4.0</i>	<i>0.5</i>	<i>13.3</i>	<i>6.3</i>	<i>7.7</i>	



APPENDIX

ADDITIONAL INFORMATION FOR TRUSTEE REFERENCE

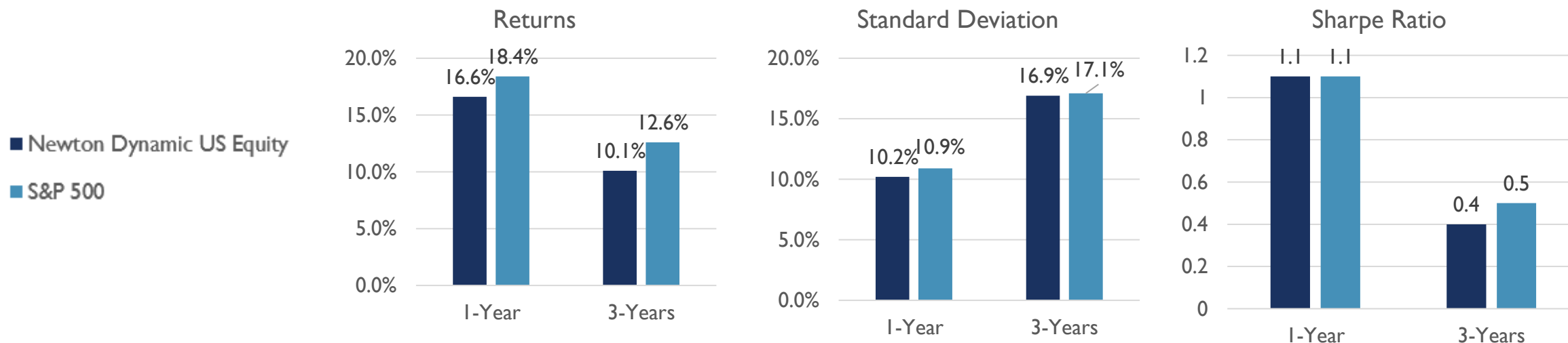
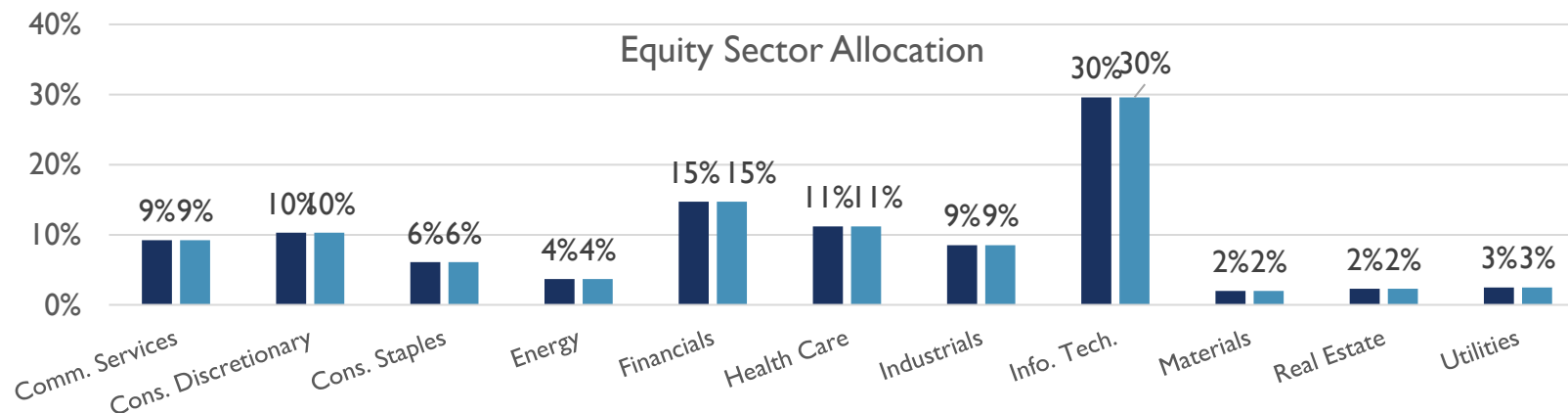


ACTIVE MANAGER EXPECTATIONS

Manager	Strategy Description	Beta (High/Neutral/Low)	Tracking Error Range (basis points)	Environments Manager Underperforms
Domestic Equity				
Champlain Small Cap	Moderately diversified small cap portfolio.	Low	4.0% to 7.0%	In low quality rallies.
Newton/Mellon Capital MCM Dynamic US Equity	Very diversified, quantitative, large cap core portfolio. Also has exposure to fixed income assets.	Neutral (higher in more recent periods)	2.5% to 5.0%	When investors misprice forward looking return/risk characteristics; when returns are concentrated in one sector.

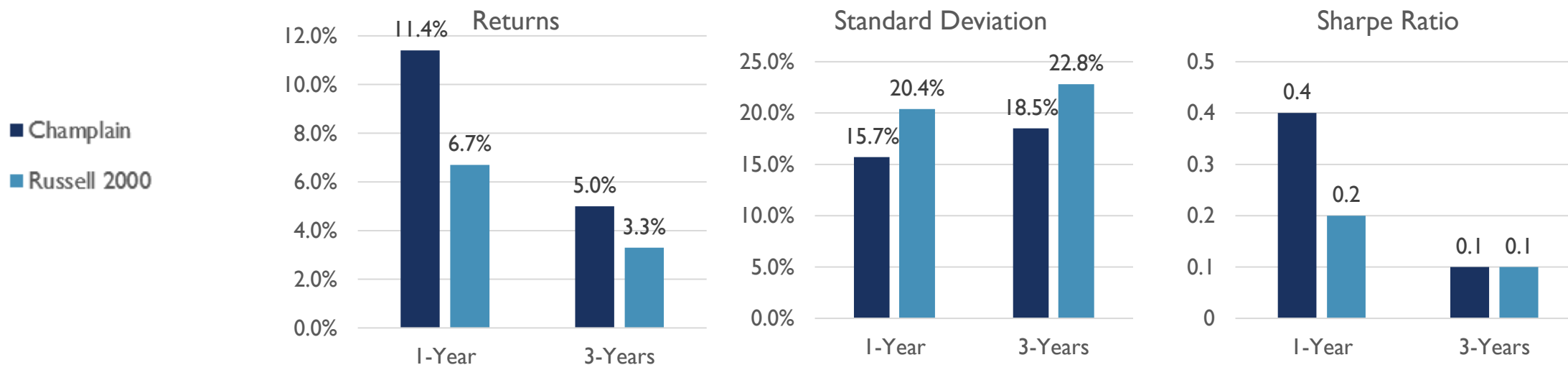
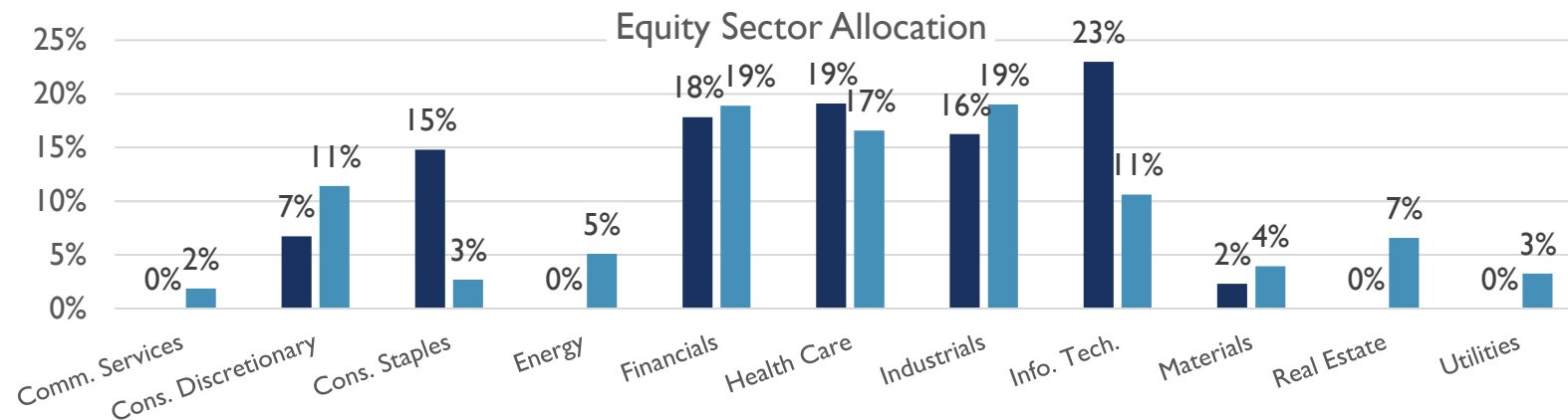
NEWTON DYNAMIC US EQUITY DETAILS

	Newton	S&P 500
Number of Holdings	507	503
Wtd. Avg. Market Cap	\$948.9B	\$1,104.2B
Median Market Cap	\$37.1B	\$37.1B
P/E Ratio	27.1	27.1
Yield	1.3%	1.3%
EPS Growth - 5 Years	20.9%	20.9%
Price to Book	5.1	5.1



CHAMPLAIN US SMALL CAP EQUITY DETAILS

	Champlain	Russell 2000
Number of Holdings	72	1,966
Wtd. Avg. Market Cap	\$5.4B	\$3.6B
Median Market Cap	\$3.8B	\$1.0B
P/E Ratio	29.4	17.8
Yield	0.6%	1.3%
EPS Growth - 5 Years	11.6%	12.1%
Price to Book	3.5	2.5





Merced County Employees' Retirement Association

DATE: April 24, 2025

TO: MercedCERA Board of Retirement

FROM: Pete Madrid, Assistant Plan Administrator - Investments

SUBJECT: Discussion on Mellon Newton Dynamic US Equity strategy from Newton Team

ITEM NUMBER: Open Session Item d

ITEM TYPE: Information Only

DISCUSSION:

The Board of Retirement holds a fiduciary responsibility to safeguard the retirement benefits of its members. One of the important ways it fulfills this duty is by periodically reviewing the performance and processes of MercedCERA's investment managers. These reviews ensure that investment managers are meeting performance standards, adhering to the fund's investment policy, and managing risks appropriately. These evaluations also help reaffirm alignment with the Board's long-term goals.

Moreover, periodic reviews promote transparency and accountability in the management of MercedCERA's pension funds. These reviews provide the Board with critical information to make informed decisions and demonstrate to stakeholders – such as retirees and active employees – that the pension is being managed prudently. In an evolving investment landscape, these reviews also allow the Board to assess how investment managers are adapting to changing economic and market conditions and emerging trends such as a more protectionist global trade order. Ultimately, this oversight strengthens the integrity and sustainability of the Pension for its members.

The logo for Newton Investment Management, featuring the word "NEWTON" in a bold, white, sans-serif font on a black rectangular background.

NEWTON

Investment
Management

The logo for BNY | INVESTMENTS, featuring a white right-pointing arrow followed by the text "BNY | INVESTMENTS" in a white, sans-serif font.

➤ **BNY** | INVESTMENTS

Newton Dynamic US Equity Strategy

Merced County Employees Retirement Association

As of March 31, 2025

STRICTLY FOR US INSTITUTIONAL INVESTORS ONLY

One-on-one use only. Please read the important disclosure at the back of this material.

This strategy is managed by Newton Investment Management North America, LLC ('NIMNA'). NIMNA, along with its affiliates, Newton Investment Management Limited ('NIM') and Newton Investment Management Japan Limited ('NIMJ'), form the Newton Investment Management Group ('Newton'). This material is approved for one-on-one presentation and authorized individuals only to financial institutions or other qualified, sophisticated individuals. Accordingly, this material is not to be reproduced in whole or in part or used for any other purpose except as authorized by Newton. Newton claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of the CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. A GIPS Report for this strategy is provided at the end of this presentation.

DATA CLASSIFICATION: CONFIDENTIAL

LIB000214-026

Unlock opportunity



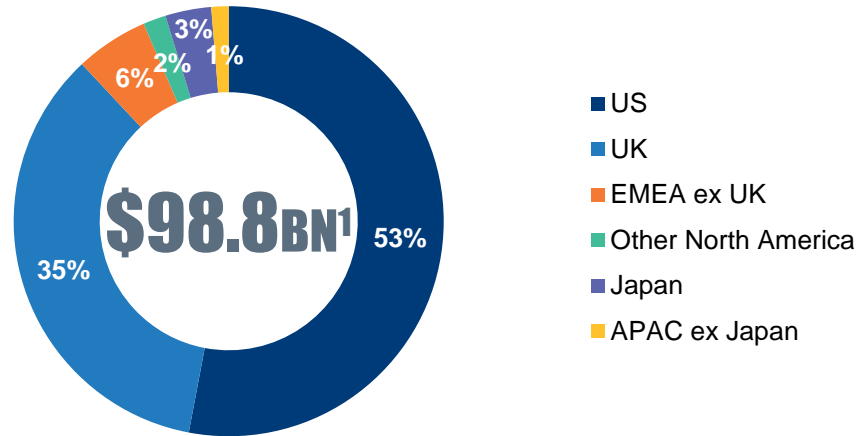
Who we are

Newton Multi-Asset Solutions

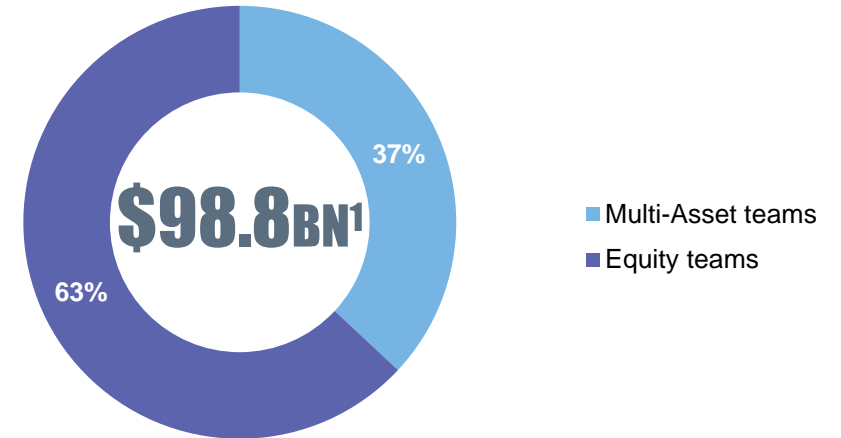
Unlock opportunity

Newton Investment Management Group

Newton AUM by geography (\$bn)

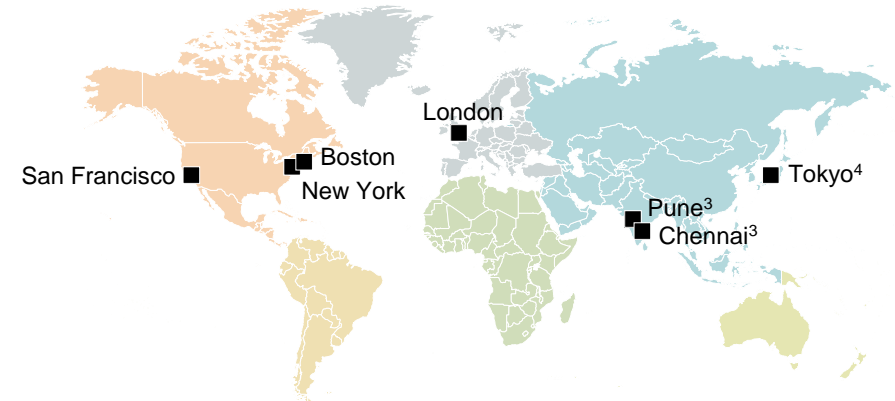


Newton AUM by investment desk (\$bn)



STAFF	c.500
INVESTMENT PROFESSIONALS²	c.130
ASSETS UNDER MANAGEMENT	\$98.8bn ¹
INVESTMENT OFFICE LOCATIONS	UK, US, Japan ⁴

Office locations



Notes: ¹ Newton's global AUM is adjusted lower to factor in any double counting of affiliate fund or fund-of-fund assets which can occur when a Newton multi-asset strategy invests in a BNY Mellon fund, that is sub-advised by Newton. At end March 2025, total assets invested by Newton multi-asset strategies on this basis was \$3.3bn. To avoid double counting we extract these assets from Newton's global AUM, which results in a total global AUM of \$98.8bn for Newton. Mixed Assets and Charities team assets of \$15.0bn includes \$1.9bn of this form of double-counted assets. Multi-Asset Solutions team assets of \$13.0bn includes \$1.4bn of this form of double-counted assets. The AUM includes assets under advisement (AUA) for a model of securities that the Firm does not arrange or effect the purchase or sale of securities.

² Investment professionals excludes CEO; ³ BNY Mellon Operations India office provide support into the Newton group of companies; ⁴ BNY Mellon Investment Management Japan transition took place on 1 March 2023.

Source: Newton group of companies, 31 March 2025. Newton global assets under management (AUM) is the combined total assets under management of Newton Investment Management Limited ('NIM'), Newton Investment Management North America LLC ('NIMNA') and Newton Investment Management Japan Limited ('NIMJ') as calculated as at 31 March 2025. In addition, Newton's global AUM includes assets of bank-maintained collective investment funds for which Newton has been appointed sub-advisor or in limited instances, where Newton personnel act as dual officers of affiliated companies.

Investment philosophy

Fundamentally driven, systematically delivered



We believe in
**global tactical
asset
allocation**

Over 40+ years, we've partnered with clients to generate robust risk-efficient outcomes through a fundamentally-based investment approach with rigorous quantitative application.



We focus the
investment
process on
alpha drivers

We evaluate asset classes and markets across valuation, carry, macro and trend.



We implement
extensively
through
derivatives

We believe derivatives allow for capital efficiency, ability to achieve cash return, risk target and liquidity.



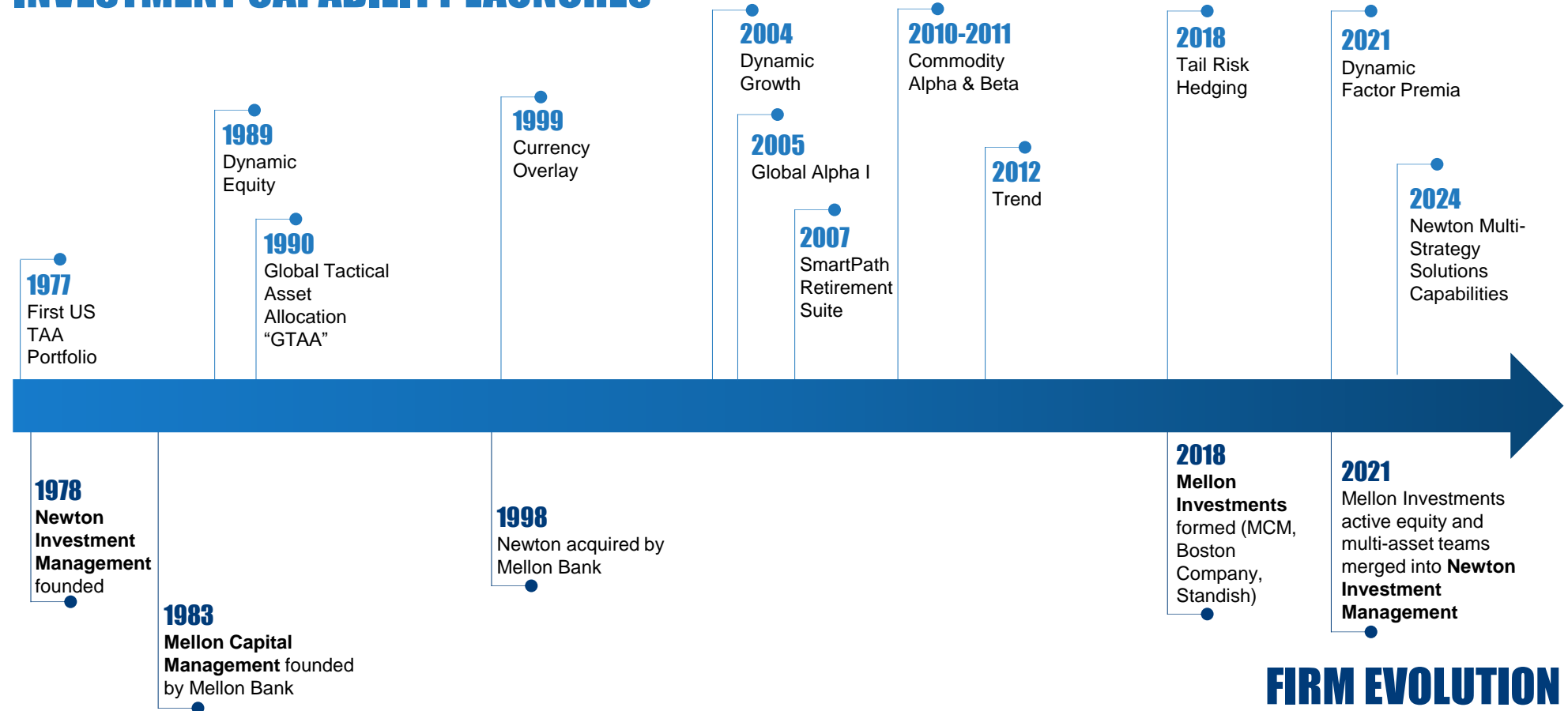
We believe in
**deliberate
risk taking**

We think in risk terms to size the overall risk, and to allocate risk within and across strategy components.

Unique legacy of innovation

40 years of MAS evolution and research innovation

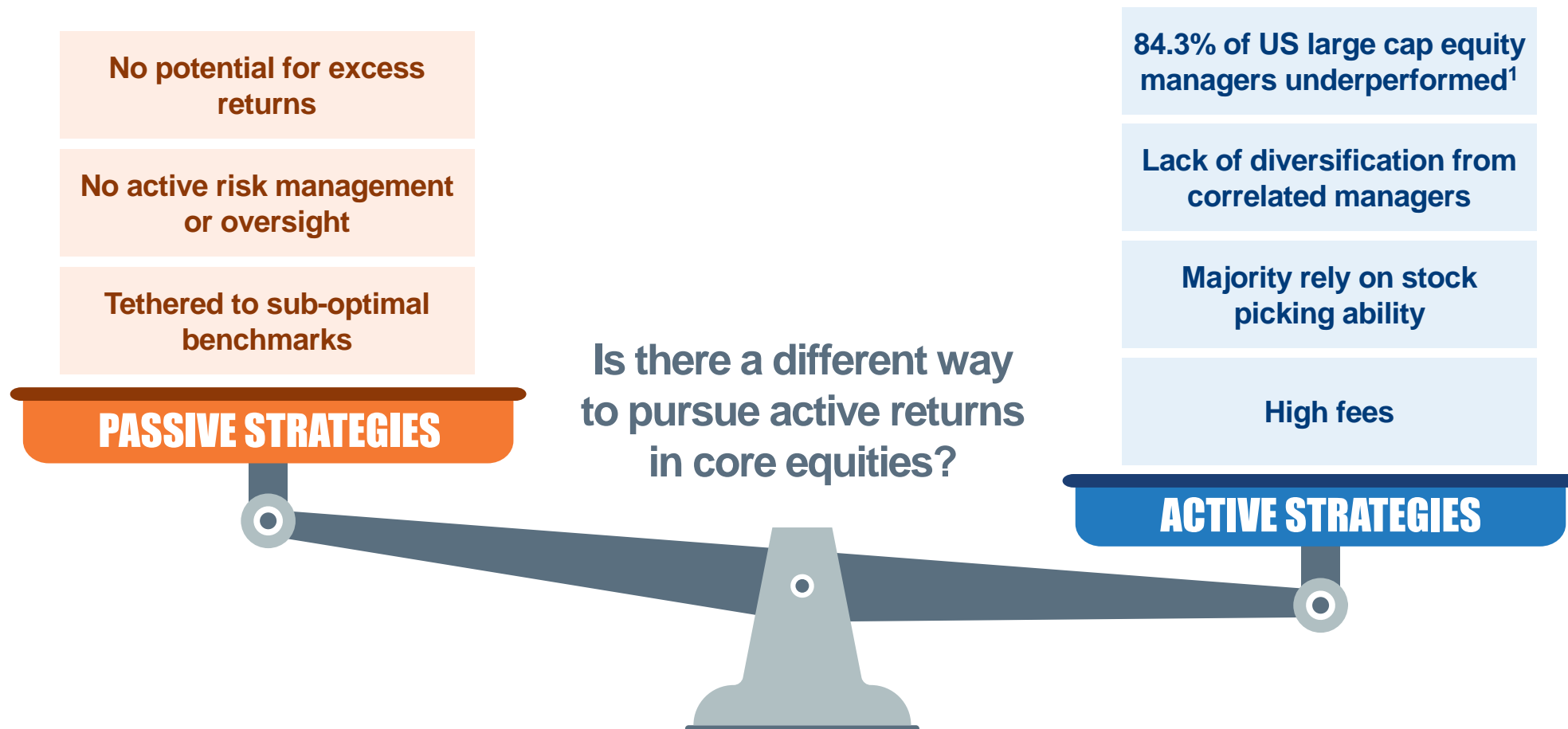
INVESTMENT CAPABILITY LAUNCHES



'Newton' and/or 'Newton Investment Management' is a corporate brand which refers to the following group of affiliated companies: Newton Investment Management Limited (NIM), Newton Investment Management North America LLC (NIMNA) and Newton Investment Management Japan Limited (NIMJ). NIMNA was established in 2021 and NIMJ was established in March 2023. For illustrative purposes only.

Investor challenge: generating risk-adjusted returns in equities

Equities tend to dominate investor risk budgets, but active returns have been lackluster



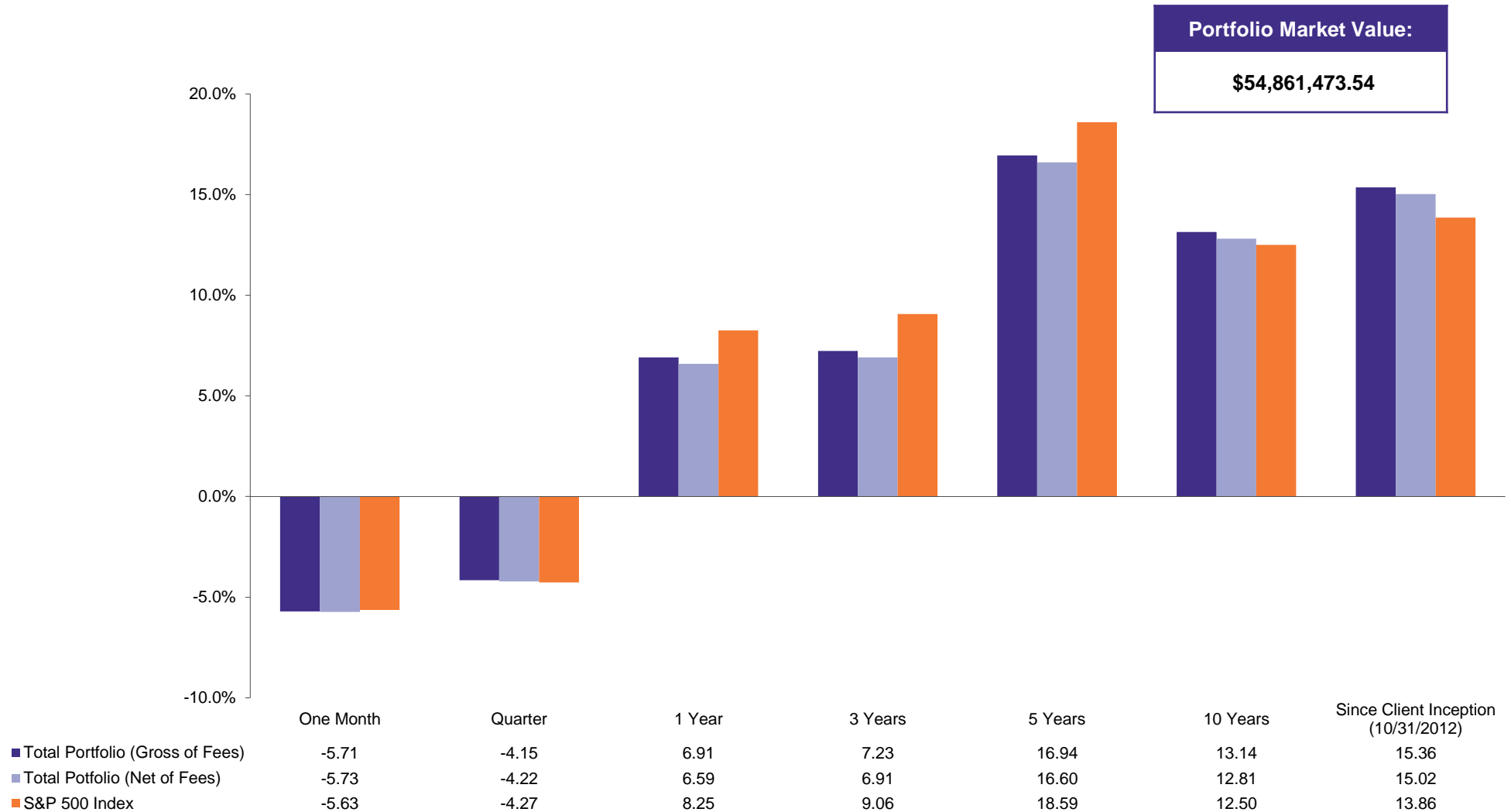
¹ Based on latest S&P Dow Jones Indices SPIVA Scorecard for US large-cap funds benchmarked against the S&P 500® as of December 31, 2024, over the last 10 years. Updated semi-annually, may be on a lag due to data availability. For illustrative purposes only. Investment process subject to change at any time without notice. All aspects of the investment process may not be considered for each review. Newton, at its discretion, may utilize any or all of the methods described.

Dynamic US Equity

Unlock opportunity

Client Performance – Merced County Employees Retirement Association

As of March 31, 2025



PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Returns for periods greater than one year are annualized. Each client account is individually managed; actual portfolio characteristics will vary for each client and there is no guarantee that a particular client's account will have the same characteristics as described above. See Additional Information in Disclosure Statements.

Dynamic US Equity (DUSE)

A proven active equity strategy

STRATEGY OVERVIEW

- Return target: Outperform the S&P 500® Index by 2-4% over a full market cycle
- Risk target: Volatility in line with the benchmark
- The investible universe includes S&P 500® Index, Bloomberg US Long Treasury Index and the FTSE 3 Month T-Bill

KEY FEATURES

TIME-TESTED APPROACH

- Has generated 2.2% net per annum outperformance vs. S&P 500® since inception (September 1989)

THEORY & PROCESS

- Aims to generate excess returns uncorrelated to traditional stock pickers and styles by applying financial theory

DYNAMIC APPROACH

- Outperformed 25 out of 35 years since inception with dynamic approach to navigate different market conditions

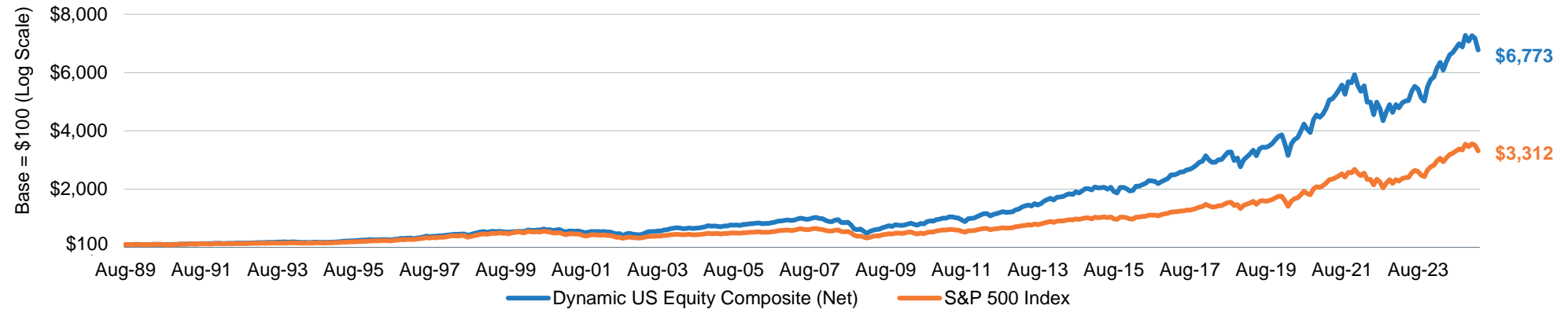
PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

Source: Newton, FactSet, as of March 31, 2025. The S&P 500® Index performance benchmark is used as a comparator for this strategy. The strategy does not aim to replicate either the composition or the performance of the performance benchmark. Net of fees performance quoted with 0.35% annual management charge. Performance presented for the measurement period from February 1, 2018 to September 1, 2021 represents the performance of the strategy when managed at Mellon Investments Corporation ("Mellon"), an affiliate of NIMNA. Performance presented for measurement periods prior to February 1, 2018 represents the performance of the strategy when managed at a prior affiliated firm. Where applicable, assets include discretionary and non-discretionary assets, the notional value of overlay strategies, and assets managed by investment personnel acting in their capacity as officers of affiliated entities. The target stated is for indicative purposes only and may be changed without notice. Targeted return is generally aspirational in nature, is not based on criteria and assumptions, and is not a guarantee of future returns.

Dynamic US Equity, performance

Net of fees as of March 31, 2025

Cumulative growth of \$100 since inception¹



Annualized returns (%)

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception ¹
Dynamic US Equity Composite (Net)	-4.2%	-4.2%	6.7%	6.9%	16.5%	12.8%	12.6%
Benchmark (S&P 500 Index)	-4.3%	-4.3%	8.3%	9.1%	18.6%	12.5%	10.3%
Excess Returns	0.0%	0.0%	-1.6%	-2.2%	-2.1%	0.3%	2.2%

Calendar year returns (%)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Dynamic US Equity Composite (Net)	22.9%	24.1%	-21.8%	30.5%	19.2%	37.8%	-6.5%	28.1%	14.5%	0.1%
Benchmark (S&P 500 Index)	25.0%	26.3%	-18.1%	28.7%	18.4%	31.5%	-4.4%	21.8%	12.0%	1.4%

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Source: Newton, FactSet, as of March 31, 2025. Net of fees performance quoted with 0.35% annual management charge. Index data source: S&P. The S&P 500® Index performance benchmark is used as a comparator for this strategy. The strategy does not aim to replicate either the composition or the performance of the performance benchmark. Variations in totals due to rounding. Performance presented for the measurement period from February 1, 2018 to September 1, 2021 represents the performance of the strategy when managed at Mellon Investments Corporation ("Mellon"), an affiliate of NIMNA. Performance presented for measurement periods prior to February 1, 2018 represents the performance of the strategy when managed at a prior affiliated firm. Returns for periods greater than one year are annualized. Performance is expressed in US dollars. ¹ Composite inception date is August 31, 1989.

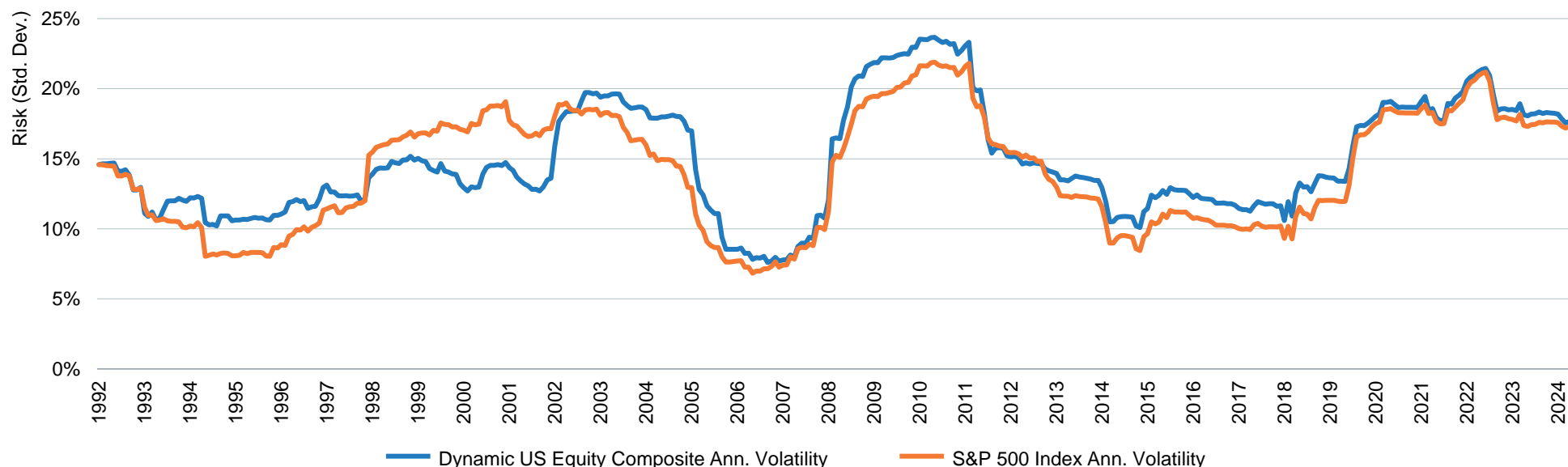
Benchmark-like risk, beta and correlation...

Dynamic US Equity Composite, risk characteristics as of March 31, 2025

Beta and Correlation in line with the S&P 500®

	Beta	Correlation	Tracking error %
Since Inception ¹	0.99	0.96	4.45
10 years	1.04	0.99	2.29
5 years	1.03	1.00	1.59

Rolling 3-year annualized standard deviation² of Dynamic US Equity Composite vs. S&P 500®



Source: Newton, as of March 31, 2025.

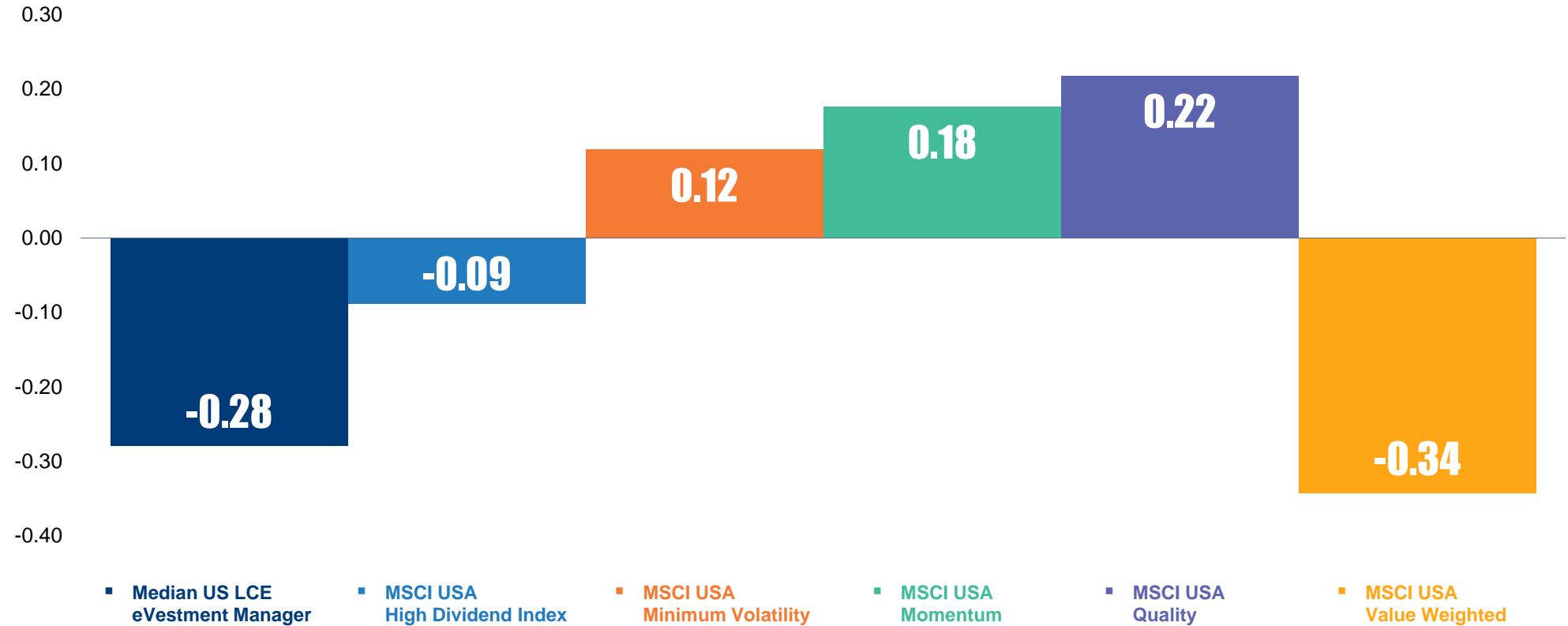
¹Inception date: August 31, 1989. ²Based on monthly observations since inception (August 31, 1989). The first data point in the chart reflects the first 3-year composite return. The S&P 500® Index performance benchmark is used as a comparator for this strategy. The strategy does not aim to replicate either the composition or the performance of the performance benchmark. Investment Analytics are usually utilized as evaluation tools, both by internal portfolio management teams along with clients, to better understand drivers of performance returns however they are not considered actual performance returns. Gross performance data is used to derive at Investment Analytics.

With a differentiated approach, excess returns are uncorrelated

Correlation of excess returns compared to the typical active equity manager and styles

Historical 10-year correlation of net excess returns

Dynamic US Equity Composite vs. median eVestment US Large-Cap Equity (LCE) manager and MSCI Styles



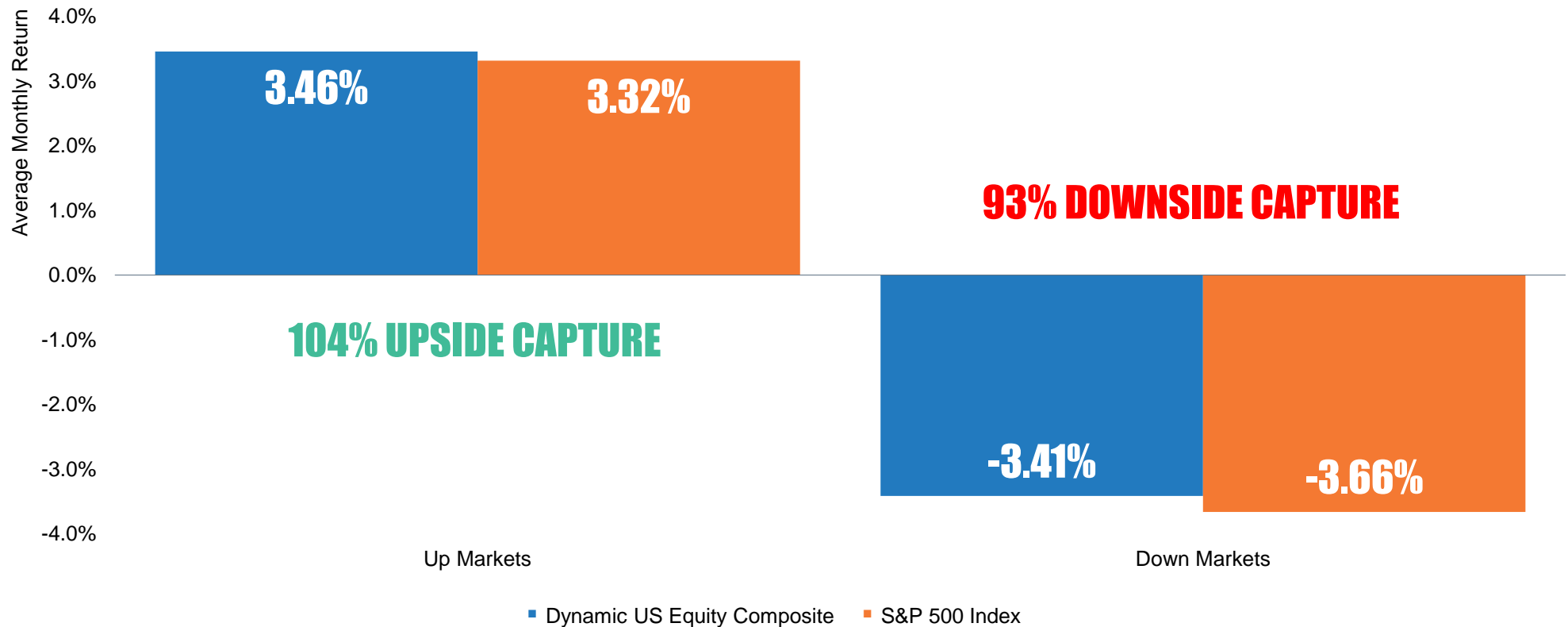
PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Data Sources: Newton Research, MSCI Indexes, as of February 28, 2025. Net of fees performance quoted with 0.35% annual management charge. Comparisons are made to demonstrate correlation only and are for illustrative purposes only. MSCI style indices excess returns relative to MSCI USA Index. Performance presented for the measurement period from February 1, 2018 to September 1, 2021 represents the performance of the strategy when managed at Mellon Investments Corporation ("Mellon"), an affiliate of NIMNA. Performance presented for measurement periods prior to February 1, 2018 represents the performance of the strategy when managed at a prior affiliated firm. Performance is expressed in US dollars. The rating was given by eVestment Alliance, LLC on February 28, 2025 and was based upon performance obtained and other factors during the period of past 10 years. Newton has provided compensation to eVestment Alliance, LLC to obtain and/or use this rating comparisons among other functionalities in our marketing materials.

Historical upside vs. downside capture relative to S&P 500®

Dynamic US Equity seeks to participate in rising equity markets and provide some protection in falling markets

Up/Down¹ analysis vs. S&P 500®

August 31, 1989 to March 31, 2025 (net of fees since inception)



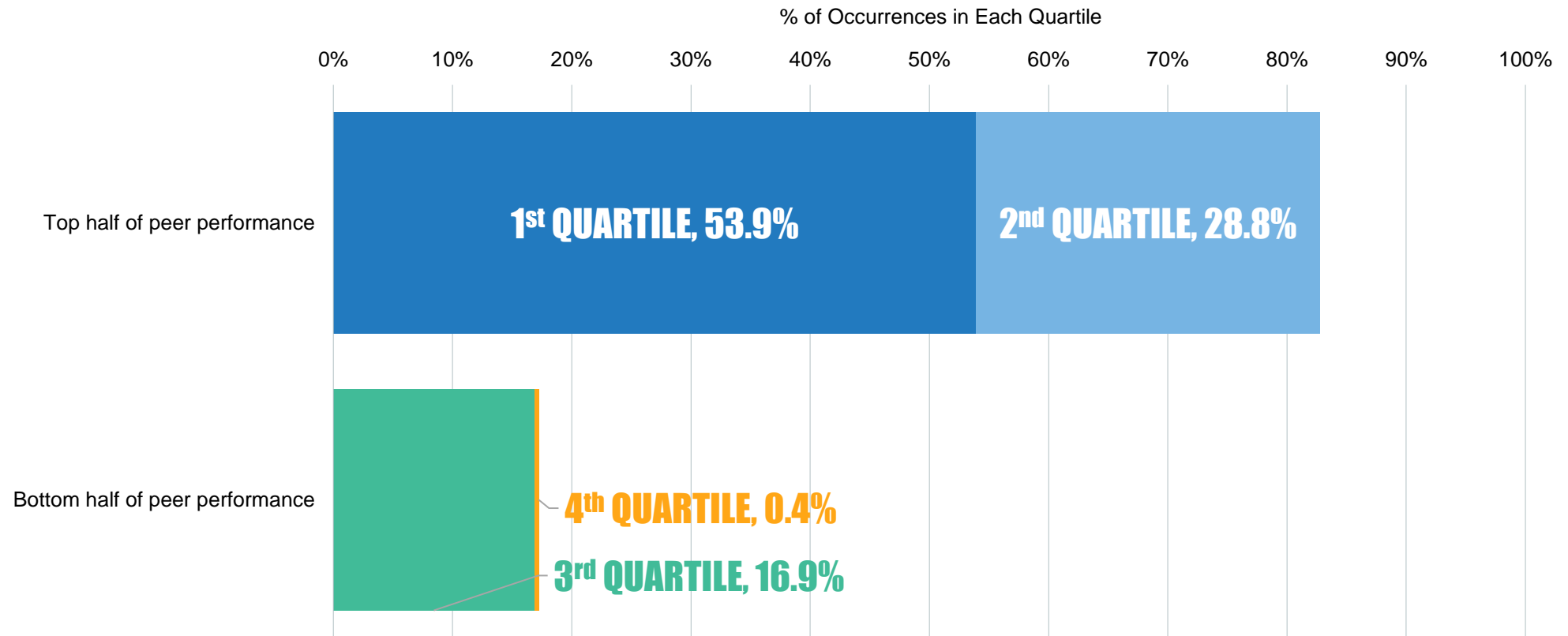
PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Data Sources: Newton Research, S&P, and Bloomberg®, as of March 31, 2025. Net of fees performance quoted with 0.35% annual management charge. The S&P 500® Index performance benchmark is used as a comparator for this strategy. The strategy does not aim to replicate either the composition or the performance of the performance benchmark. ¹Up and down markets are defined as periods when the S&P 500 experienced a positive or negative return, respectively. Performance presented for the measurement period from February 1, 2018 to September 1, 2021 represents the performance of the strategy when managed at Mellon Investments Corporation ("Mellon"), an affiliate of NIMNA. Performance presented for measurement periods prior to February 1, 2018 represents the performance of the strategy when managed at a prior affiliated firm. Performance is expressed in US dollars.

Dynamic US Equity has delivered consistent outperformance

eVestment US Large Cap Equity peer ranking results since 2000

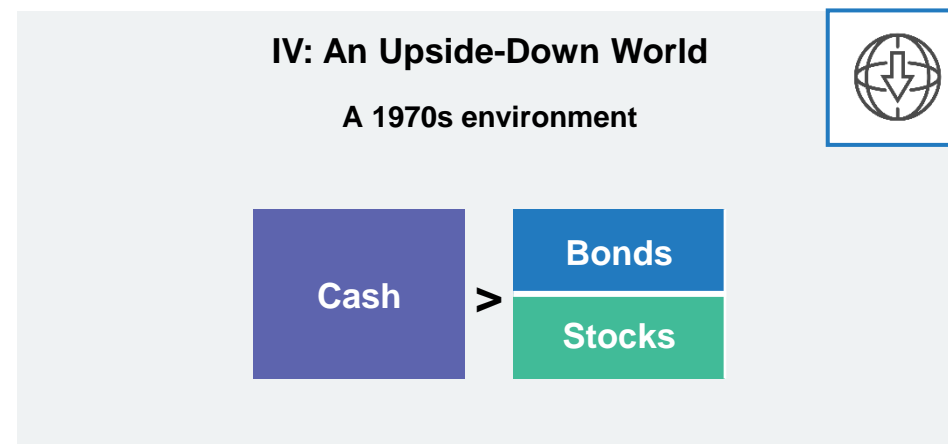
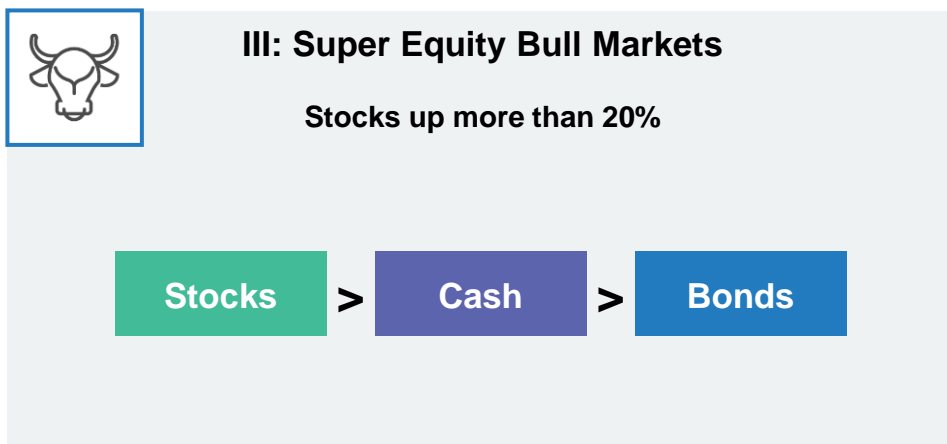
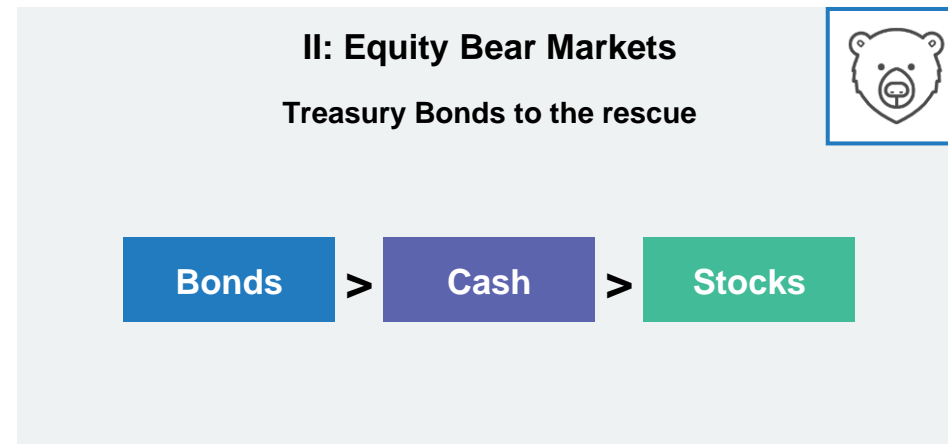
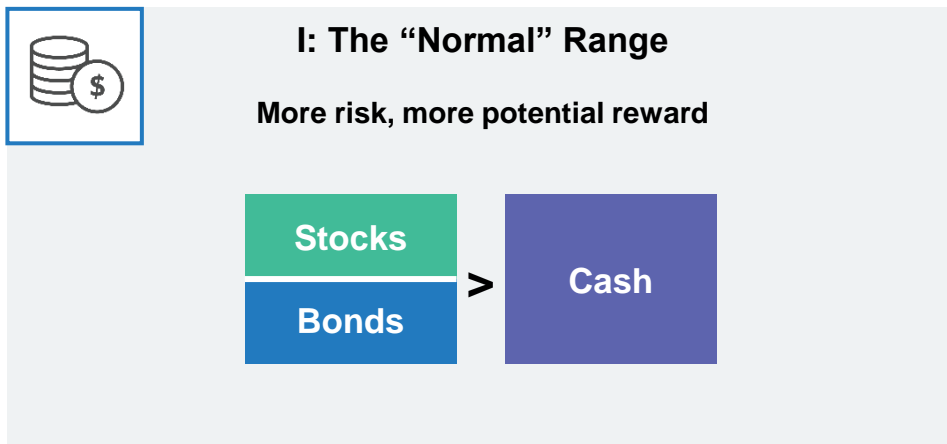
83% of the time Dynamic US Equity has been in the top half of peer performance

Rolling 3-year annualized return, peer ranking results since 2000



PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Source: eVestment, as of February 28, 2025. Updated quarterly, may be on lag due to data availability. Percentile ranks are based on the respective performance statistics shown for applicable periods. Continuous peer manager returns data prior to 2000 is limited. Results shown beginning December 2000 in order to capture a robust universe of peer data indicative of current eVestment US Large Cap Equity Universe, as well as in an effort to capture multiple market cycles. Performance presented for the measurement period from February 1, 2018 to September 1, 2021 represents the performance of the strategy when managed at Mellon Investments Corporation ("Mellon"), an affiliate of NIMNA. Performance presented for measurement periods prior to February 1, 2018 represents the performance of the strategy when managed at a prior affiliated firm. Performance is expressed in US dollars. The performance results shown are gross of investment management fees and do reflect the reinvestment of dividends and other earnings. The rating was given by eVestment Alliance, LLC on February 28, 2025 and was based upon performance obtained and other factors during the period of past 25 years. Newton has provided compensation to eVestment Alliance, LLC to obtain and/or use this rating comparisons among other functionalities in our marketing materials.

Concept: market environment performance quadrants¹



For illustrative purposes only.

¹Conceptual groupings based on calendar year total return performance of representative stock (S&P 500® Index), bond (Bloomberg® Long Treasury Index), and cash (FTSE 3 Month US T-Bill Index Series) indexes.

Performance quadrants¹

Historical Dynamic US Equity net of fees excess returns



The “Normal” Range



Year	Excess	Year	Excess	Year	Excess
1991	5.1%	2003	10.8%	2012	4.3%
1992	1.7%	2004	5.2%	2014	5.7%
1993	9.3%	2005	1.6%	2016	2.5%
1995	10.4%	2007	1.3%	2017	6.2%
1997	-0.9%	2010	9.7%	2019	6.3%
1998	2.0%	2011	4.8%	2020	0.8%

- Excess returns in 17 out of 18 years
- Average excess = 4.8%

Equity Bear Markets²



Year	Excess
2000	17.2%
2001	3.5%
2002	6.2%
2008	0.9%

- Excess returns in 4 out of 4 years
- Average excess = 7.0%



Super³ Equity Bull Markets



Year	Excess	Year	Excess	Year	Excess
1996	-3.8%	2009	-6.5%	2021	1.8%
1999	-16.4%	2013	6.2%	2023	-2.2%
2006	1.6%	*2015	-1.3%	2024	-2.1%

- Excess returns in 3 out of 9 years
- Average excess = (2.5%)
- In strong up equity markets, the Long Treasury position may hinder excess returns

*in 2015, S&P 500® +1.4% / Bonds -1.2%, Cash 0.1%

An Upside-Down World²



Year	Excess
1990	5.0%
1994	-8.3%
2018	-2.1%
2022	-3.7%

- Excess returns in 1 out of 4 years
- Average excess = (2.3%)
- Potential for short-term underperformance exists; the strategy may:
 - 1. underweight equity
 - 2. short bonds
 - 3. move to cash



PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. ¹Groupings based on calendar year total return performance of 3 indexes: S&P 500® Index (Stocks), Bloomberg Long Treasury Index (Bonds), and FTSE 3 Month US T-Bill Index Series (Cash). ²Red font indicates years when S&P 500® had a negative total return for the calendar year. ³Calendar years where equity markets are very strong (>20% generally) can typically be associated with negative calendar year total returns for bonds. The S&P 500® Index, the Bloomberg® US Long Treasury Index, and the FTSE 3 Month US T-Bill Index Series performance benchmarks are for illustrative purposes only. The strategy does not aim to replicate either the composition or the performance of the indices. Performance presented for the measurement period from February 1, 2018 to September 1, 2021 represents the performance of the strategy when managed at Mellon Investments Corporation ("Mellon"), an affiliate of NIMNA. Performance presented for measurement periods prior to February 1, 2018 represents the performance of the strategy when managed at a prior affiliated firm. Performance is expressed in U.S. dollars.

Why Dynamic Equity?

Reasons to consider Newton's Dynamic U.S. Equity

1

35-YEAR TRACK RECORD

- Since Sept. 1989, generated +2.2% net per annum¹
- Higher hit rate of outperformance than traditional active equity strategies, outperforming in 25 out of 35 calendar years (71%)

2

DIVERSIFY CORE EQUITY EXPOSURE

- Similar beta/correlation to benchmark with outperformance potential
- Uncorrelated to traditional stock pickers and styles

3

AUM & RATINGS

- \$7.8bn in strategy AUM
- Buy-rated by six major consultants
- eVestment top quartile large-cap core strategy since inception

4

STABLE APPROACH & TEAM

- Disciplined, systematic investment approach
- 20+ years of PM continuity

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

Source: Newton as of March 31, 2025. Net of fees performance quoted with 0.35% annual management charge. The AUM reflected may include assets under advisement (AUA) for a model of securities that the Firm does not arrange or effect the purchase or sale of securities. ¹ Since Inception date of 8/31/89. The S&P 500® Index performance benchmark is used as a comparator for this strategy. The strategy does not aim to replicate either the composition or the performance of the performance benchmark. The rating was given by eVestment Alliance, LLC on February 28, 2025 and was based upon performance obtained and other factors during the period of since inception. Newton has provided compensation to eVestment Alliance, LLC to obtain and/or use this rating comparisons among other functionalities in our marketing materials.

Investment process

Unlock opportunity

Different approach, different outcome

Targeting excess equity returns through a unique approach unlike traditional equity managers

The strategy design builds on modern portfolio theory concepts

Efficient frontier, capital asset pricing model, and the capital market line (CML)

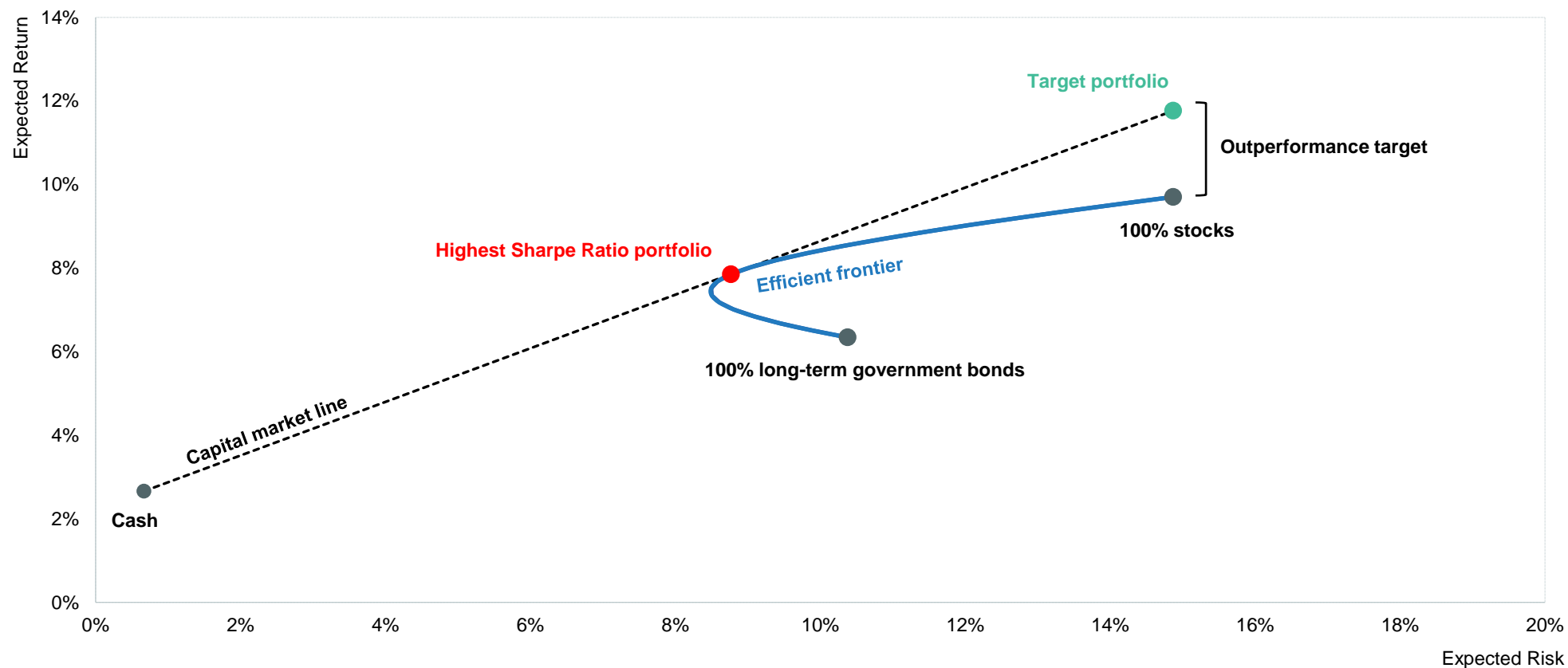


Figure above is illustrative.

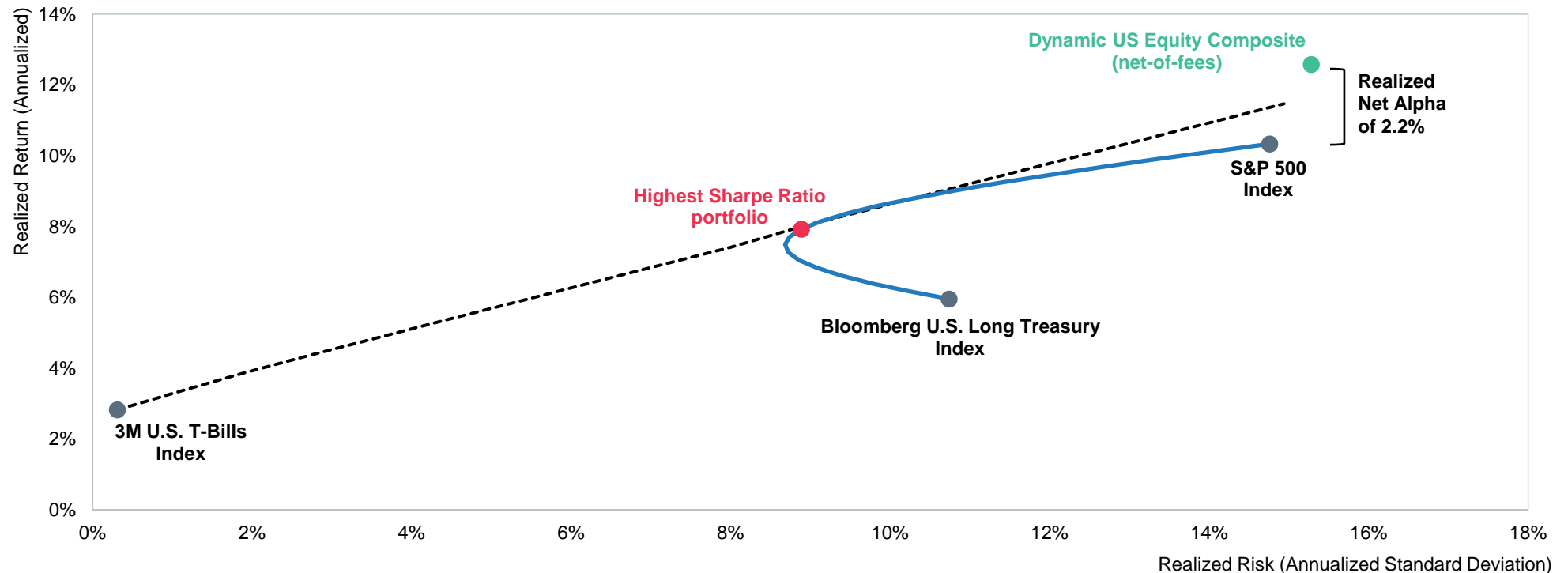
Application: different approach, different outcome

Targeting excess equity returns through a unique approach unlike traditional equity managers

Dynamic Equity can:

1. Move up or down the capital market line
2. Target alpha based on relative attractiveness of each exposure
3. Focus on downside risk management through bonds, options, and risk models

Annualized risk/return Dynamic US Equity Composite since inception¹



PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Data Sources: Newton Research, S&P, Bloomberg, as of March 31, 2025. Figure above is based on Dynamic US Equity Composite monthly results. The performance results shown are net of investment management fees and do not reflect the reinvestment of dividends and other earnings. Inception date: August 31, 1989. ¹On an annualized basis, net of fees since inception. Net of fees performance quoted with 0.35% annual management charge. Performance presented for the measurement period from February 1, 2018 to September 1, 2021 represents the performance of the strategy when managed at Mellon Investments Corporation ("Mellon"), an affiliate of NIMNA. Performance presented for measurement periods prior to February 1, 2018 represents the performance of the strategy when managed at a prior affiliated firm. Performance is expressed in US dollars.

Our investment process

Key insights and guidelines underpinning portfolio construction

Generate proprietary forward-looking risk premia

Equity risk premium

- Based on expected return on equities in excess of corporate bonds.

Term premium

- Estimate that compares the current market yield for long-term bonds to the expected return on cash.

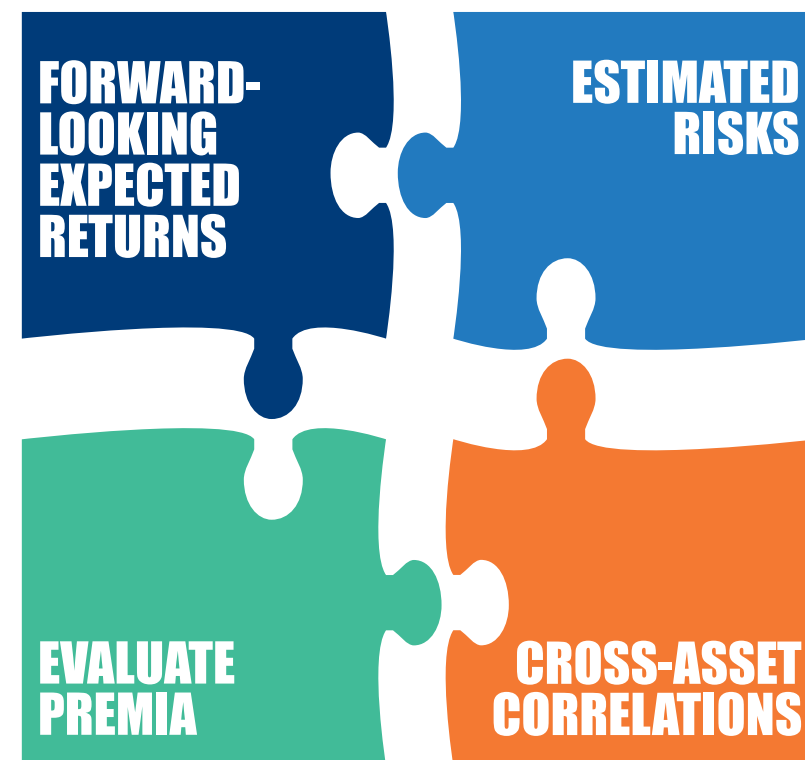
Expected return on cash

- Estimate of the expected long-term cash return

Portfolio construction

- Typical exposure ranges: S&P 500 Index: +80% to +140%
Bloomberg US Long Treasury Index: -10% to 40%
Cash: up to 20%
- Gross exposure up to 150%
- Equity exposure >100% must be through equity options
- Target equity risk and optimize based on forward-looking estimates of returns, risk and correlation.

Key components in portfolio construction



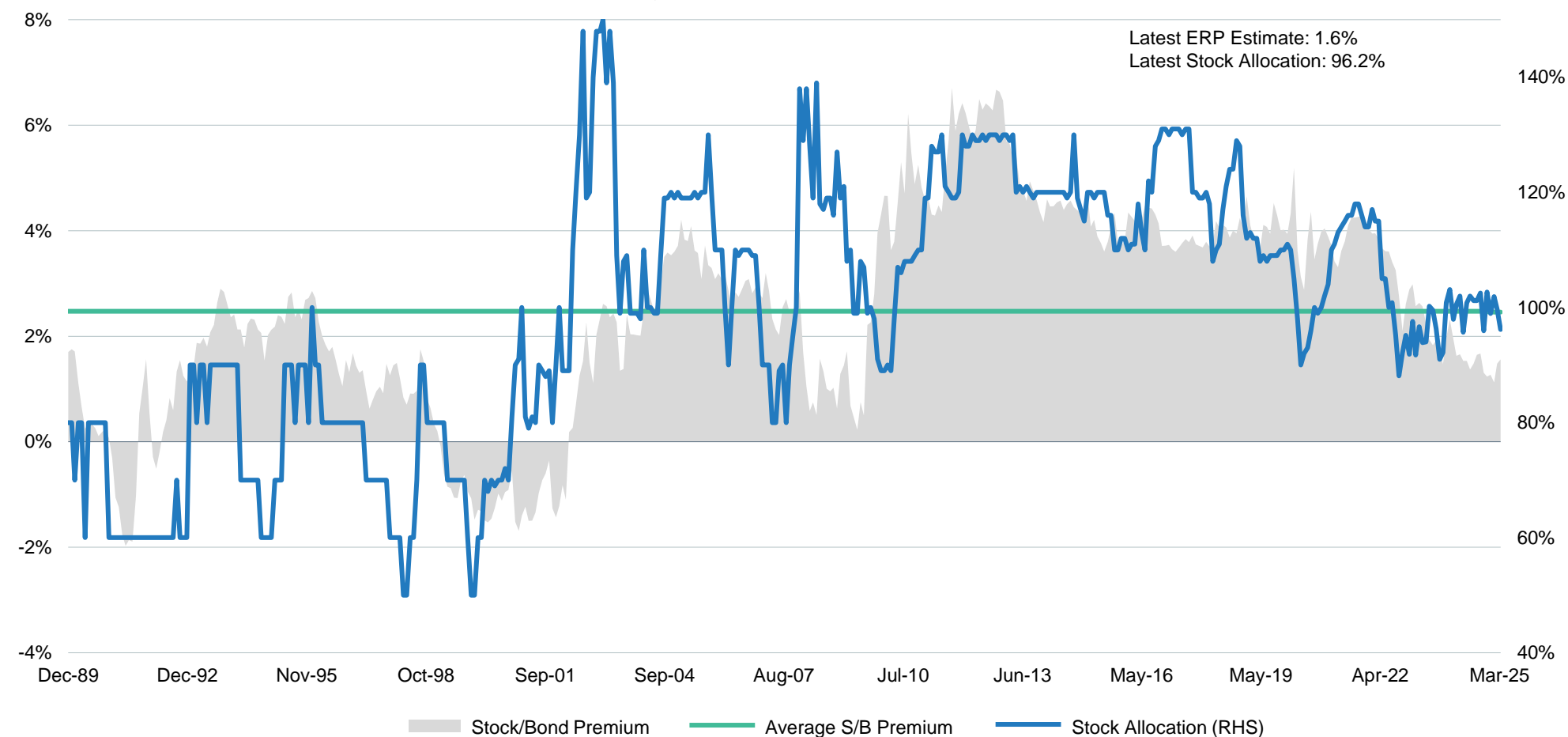
The above is an illustration of a sample investment process. For illustrative purposes only. Investment process subject to change at any time without notice. All aspects of the investment process may not be considered for each review. Newton, at its discretion, may utilize any or all of the methods described. The characteristics presented are target guidelines sought during the portfolio management process and can vary at any given time. No assurance or guarantee is made that any target return objective, or any other target objective, can or will be achieved. Actual experience may not reflect all of these characteristics, or may be outside of stated ranges. All investments are subject to risk of loss. The target stated is for indicative purposes only and may be changed without notice. Targeted return is generally aspirational in nature, is not based on criteria and assumptions, and is not a guarantee of future returns. The S&P 500® Index is used as a comparator for this strategy. The strategy does not aim to replicate either the composition or the performance of the performance benchmarks.

Are stocks attractive?

Equity allocation influenced by forward-looking equity risk premium, estimated risk and correlations

Historical equity allocation (%) and estimated equity risk premium

Since inception, based on month end exposures in strategy



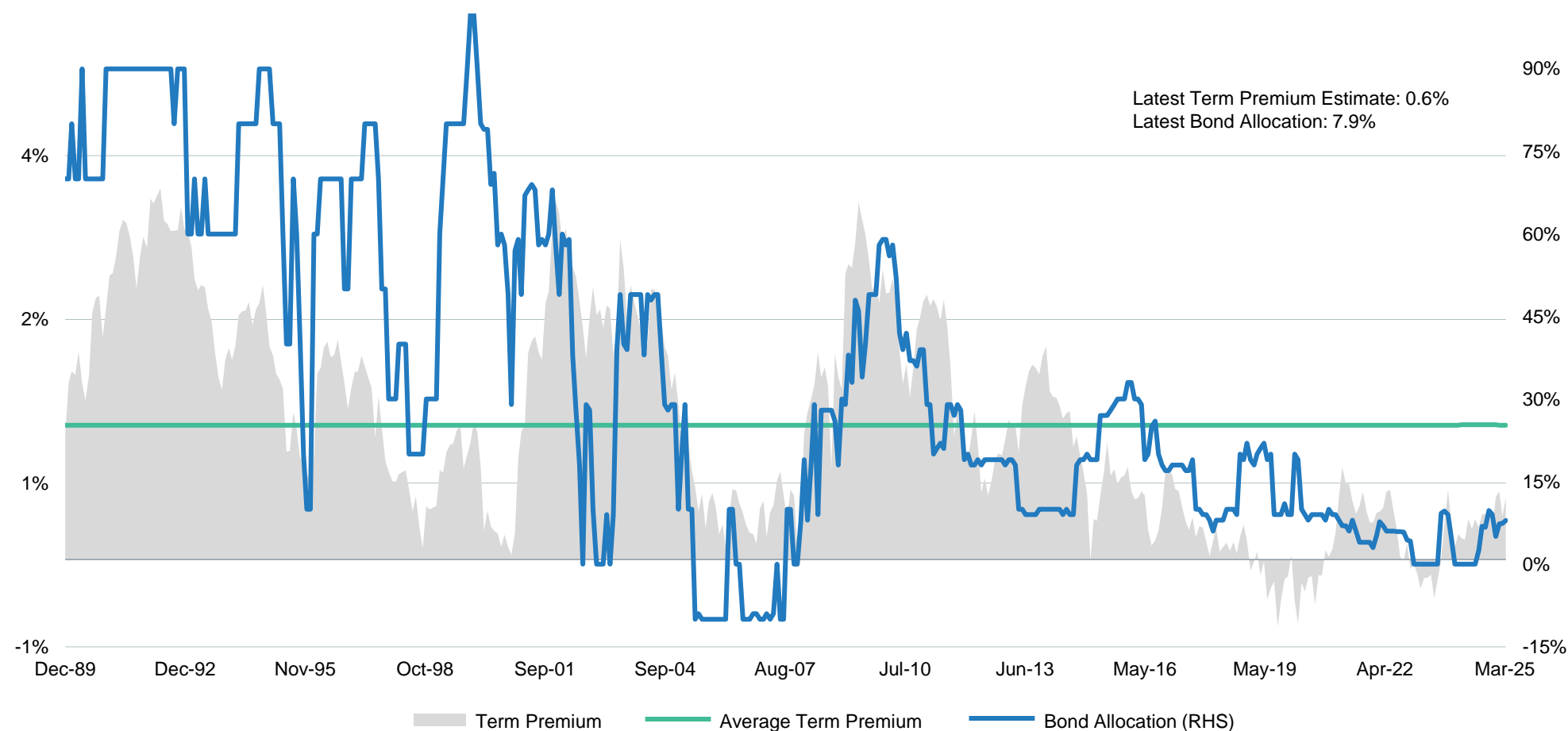
Source: Newton, as of March 31, 2025. For illustrative purposes only.

Primary role of bonds is to provide diversification

Bond allocation influenced by assessment of term premium, carry and stock/bond correlations

Historical bond allocation (%) and estimated term premium

Since inception, based on month end exposures in strategy



Source: Newton, as of March 31, 2025. For illustrative purposes only.

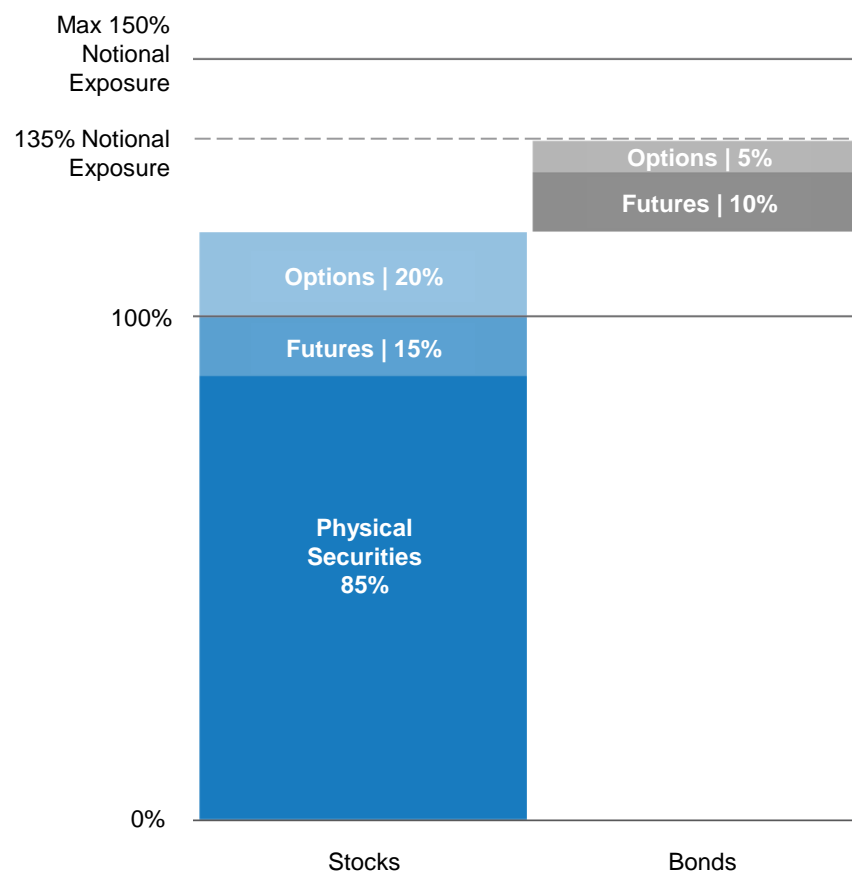
Strategy implementation, an illustration

Seeks optimal mix of cost-efficient index-based exposures (physicals, futures, options) for desired exposures

General approach to implementation

- The Strategy uses index-based exposures (physicals, futures and options).
- Typically, **85%** of the strategy is implemented with **equity index exposures** (i.e., fully-funded cash physical securities that seek to replicate the benchmark index).
- For equity exposures over 100%, we use options to help manage upside vs. downside capture.
- For bond exposures we mirror a long-term bond index.

Illustrative example: 120% stock / 15% bond allocation



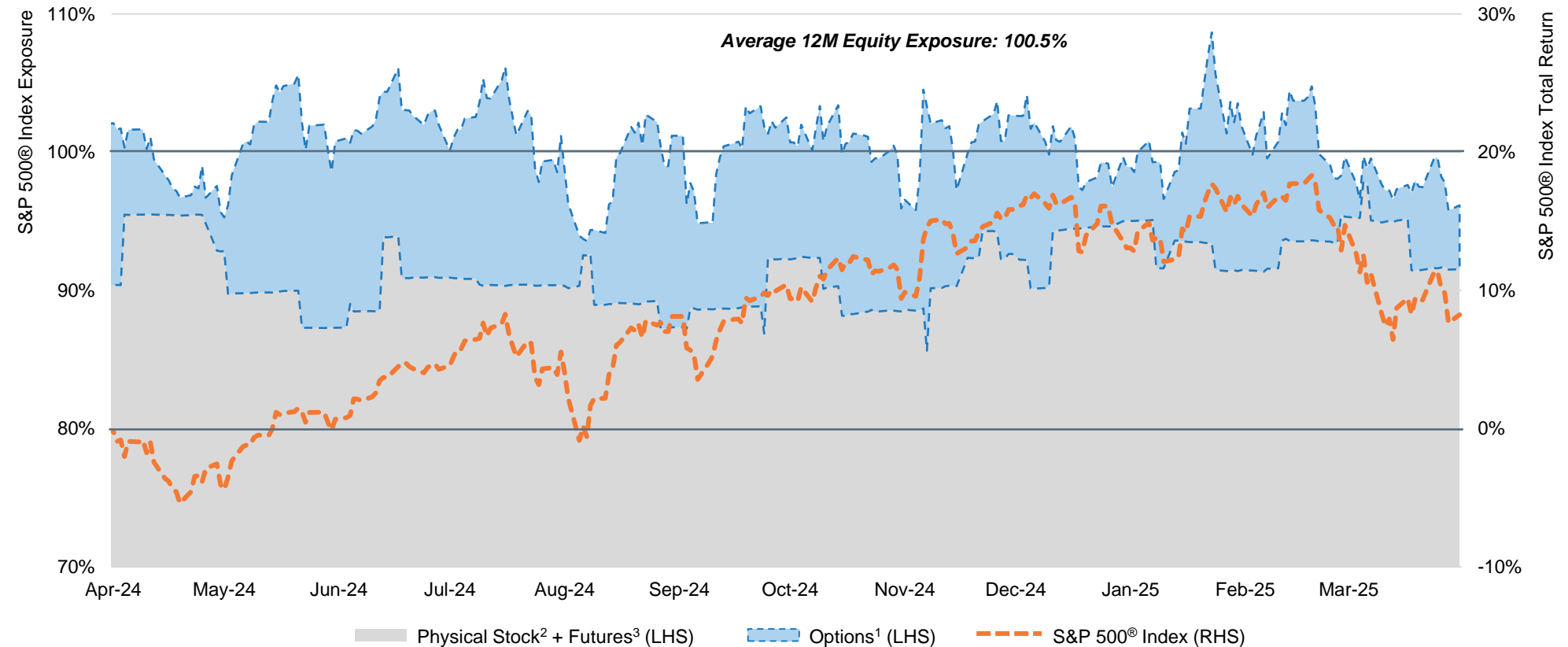
For illustrative purposes only. Investment process subject to change at any time without notice. All aspects of the investment process may not be considered for each review. Newton, at its discretion, may utilize any or all of the methods described. Chart is illustrative example of a sample allocation by vehicle type.

Equity allocation over the past 12 months

As of March 31, 2025

DUSE equity exposure and S&P 500® Index total return

April 2024 to March 2025



Data Sources: Newton, S&P, as of March 31, 2025.

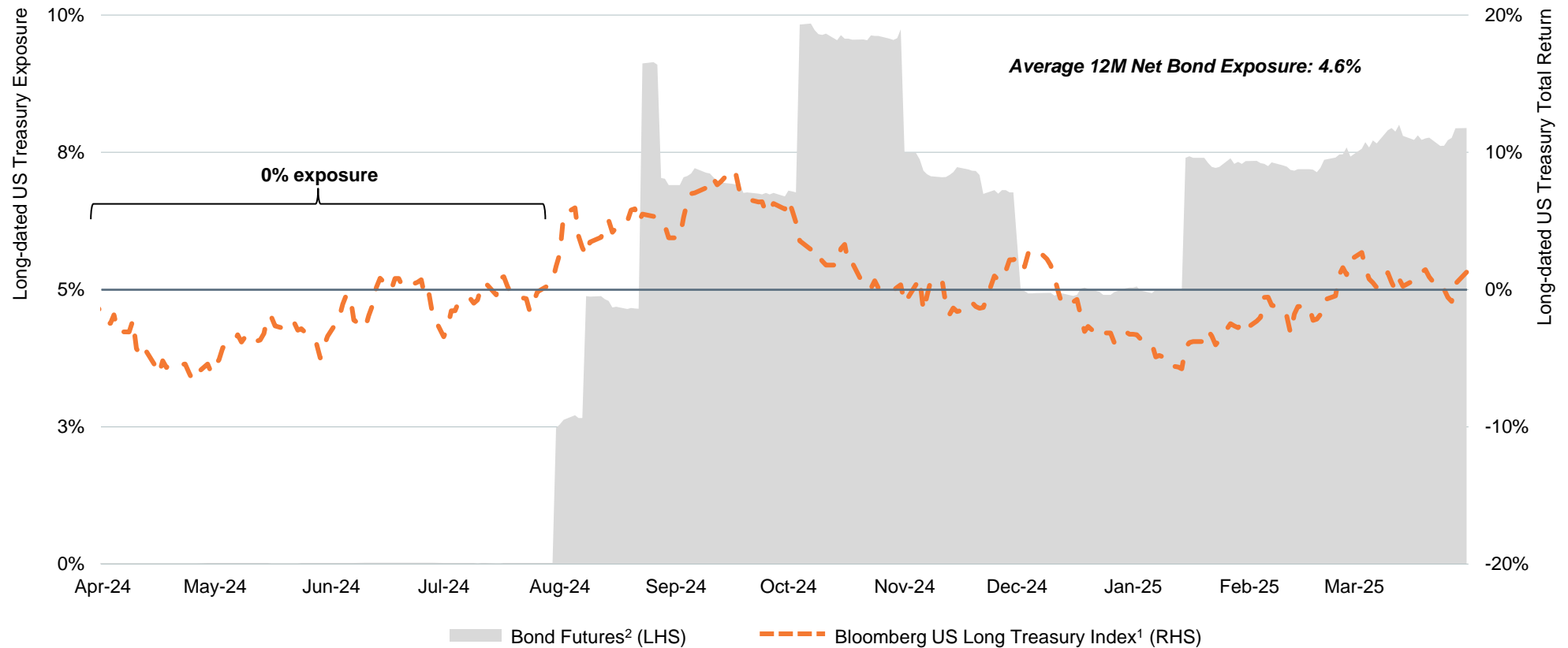
¹Can include Put and Call Options on S&P 500 Index. ²Physical Stock=Representative Account allocation to the asset class noted during YTD 2024. ³Equity Futures= S&P 500 Index Futures. The representative portfolio adheres to the same strategy as Newton's Dynamic US Equity Strategy. Each client portfolio is individually managed. Actual holdings will vary for each client and there is no guarantee that a particular portfolio will have some or all of the characteristics described in the reportative portfolio shown. Performance is expressed in US dollars. Target allocations are subject to change. There is no assurance that the target allocations will be achieved, and actual allocations may be significantly different than that shown here. The S&P 500® Index performance benchmark is used as a comparator for this strategy. The strategy does not aim to replicate either the composition or the performance of the performance benchmark.

Strategy positioning in bonds over the past 12 months

As of March 31, 2025

DUSE bond exposure and bond index¹ total return

April 2024 to March 2025



Data Sources: Newton, Bloomberg, as of March 31, 2025.

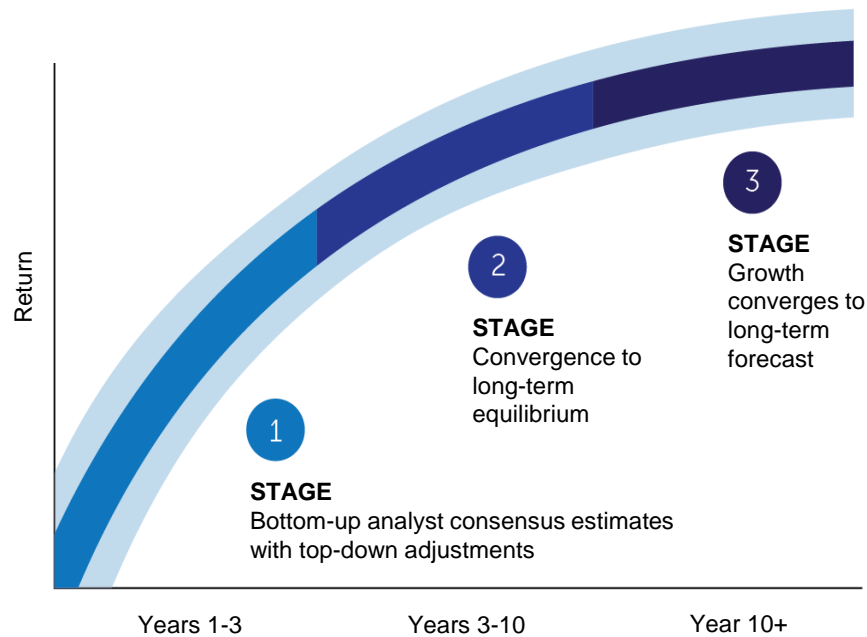
¹Bloomberg® US Long Treasury Index. ²Bond Futures=30 Year US Treasury Futures. The representative portfolio adheres to the same strategy as Newton's Dynamic US Equity Strategy. Each client portfolio is individually managed. Actual holdings will vary for each client and there is no guarantee that a particular portfolio will have some or all of the characteristics described in the reportative portfolio shown. Performance is expressed in US dollars. Target allocations are subject to change. There is no assurance that the target allocations will be achieved, and actual allocations may be significantly different than that shown here. Comparisons are made to demonstrate bond exposure and are for illustrative purposes only.

Valuation framework: stocks and bonds

We use long-term, forward-looking expected return estimates to derive asset class risk-premia

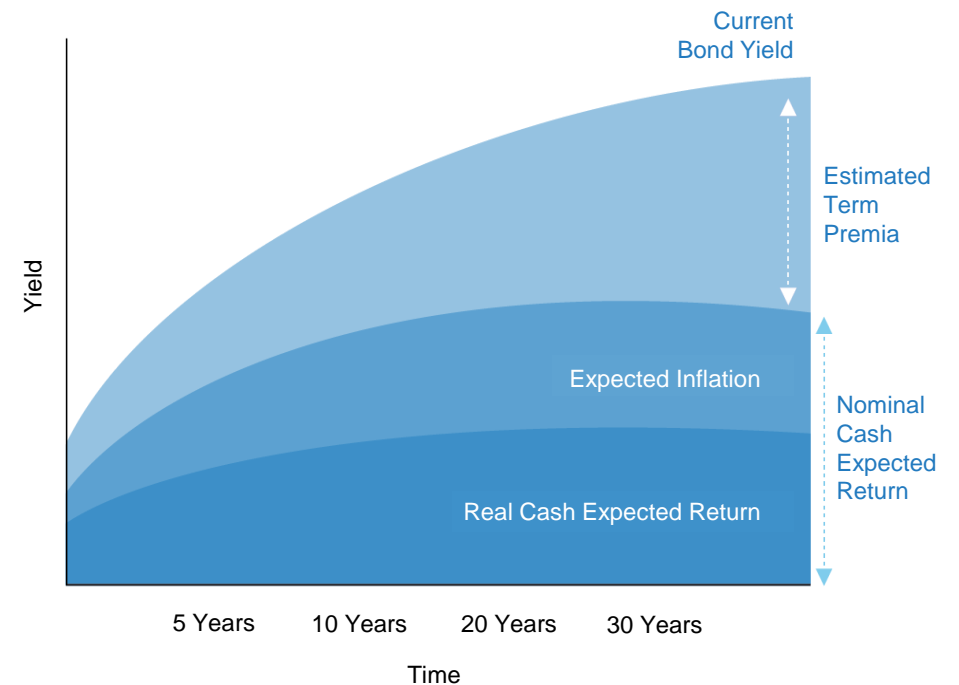
EQUITY EXPECTED RETURN

Based on proprietary multi-stage fundamental model



BOND AND CASH EXPECTED RETURN

Based on proprietary multi-stage fundamental model



For illustrative purposes only. Investment process subject to change at any time without notice. All aspects of the investment process may not be considered for each review. Newton, in its discretion, may utilize any or all of the methods described.

**Proprietary models replicate the work
of a fundamental research analyst**

Pillars of risk management

Risk management is embedded in key steps of our investment process

VOLATILITY MANAGEMENT



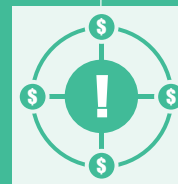
- Risk models respond to higher volatility and fragility

MACRO AWARENESS



- Inflation risks
- Earnings recession
- Economic slowdown
- Correlation instability

TAIL RISK HEDGING



- Option strategies
- Variety of market exposures
- Explicit cost/benefit monitoring
- Active monetization and smart rolls

STRESS & SCENARIO ANALYSIS



- Gauge impacts of various asset class shocks on the portfolio





Outlook

Unlock opportunity

Executive Summary

Multi-Asset Solutions (MAS) key takeaways from macroeconomic models

MAS 12-Month Forecasts				
	MAS Forecast	Consensus	Change (M/M)	Current vs. Long-Term ¹
US Real GDP Growth	2.2%	2.0%	=	Slightly Above Trend ↗
S&P 500® Earnings Growth	5.8%	11.6%	-	Below Trend ↓
US Headline CPI	3.1%	2.8%	+	Above Target ↑
Stock/Bond Premium	1.6%	-	=	Below Average ↓
Bond Term Premium	0.6%	-	+	Below Average ↓

MAS Leading Economic Indicators			
	Change (M/M)	Current vs. Long-Term	
 United States	=	↓	
 Europe	=	↑	
 Japan	-	↓	
 United Kingdom	-	↑	

MAS Asset Class Positioning ²		
Macro Directional	US Equity	Slight Underweight
	Non-US Equity	Overweight
	Sov Bond	Overweight
	Cash	Underweight
Macro Relative Value	US Equity	Overweight
	Non-US Equity	Underweight
	US Sov Bond	Underweight
	Non-US Sov Bond ³	Overweight
Other	EMD LC ⁴	Overweight
	Commodities ⁵	Slight Overweight
	US Dollar	Overweight

Source: Newton Multi-Asset Solutions (MAS), as of March 2025. ¹ GDP long-term view relative to 20-year annualized growth rate; earnings long-term view relative to trend; inflation long-term view relative to Federal Reserve 2% target rate. ² Asset class positioning is derived from the Dynamic Growth, Dynamic U.S. Equity, and Dynamic ex-U.S. Equity strategies. ³ Non-US Bond includes those of Canada, Germany, Japan, Australia, and the United Kingdom. Does not include EMD LC. ⁴ EMD LC (Emerging Market Debt Local Currency) positioning is derived from the JP Morgan Emerging Market Bond Index (Local Currency). ⁵ Commodities positioning derived from Commodity Alpha Long-Bias and refers to the Bloomberg Commodity Total Return Index.

Introduction to Dynamic Model Averaging (DMA)

An example of an adaptive learning forecast

Purpose of the DMA:

- Provide agnostic macroeconomic forecasts using mixed-frequency data
- Identify turning points and what is 'priced in' by comparing the forecast against consensus
- Provide measures of uncertainty in real-time through agreement/disagreement across individual models

Key Features of the DMA:

- Adaptive to changing relationships amongst the regressors and the target variable
- Produces non-normal distribution around the point forecast
- Clearly interpretable regressor attribution
- Example of Machine Learning's Ensemble Learning

Process:

- Build a large number of linear models from a set of explanatory variables (Explore)
- Estimate linear models using a Kalman Filter with time-varying coefficients (Adapt)
- Blend the individual forecasts together according to recent explanatory power (Learn)
- Our DMA horizon is over the next 12 months

References:

- Jeske, Karsten (May 2011), "Beyond Point Estimates: A Robust Approach to Macroeconomic Forecasting", Mellon Capital Management, White Paper.
- Koop, Gary and Korobilis, Dimitris (September 2009), "Bayesian Multivariate Time Series Methods for Empirical Macroeconomics", SSRN Papers

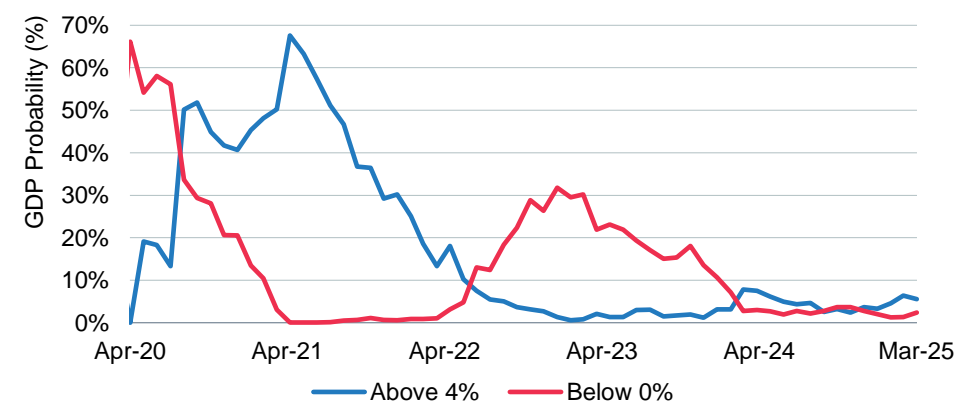
US Real GDP Growth – DMA Forecast

Forecasted 12-month US Real GDP Growth

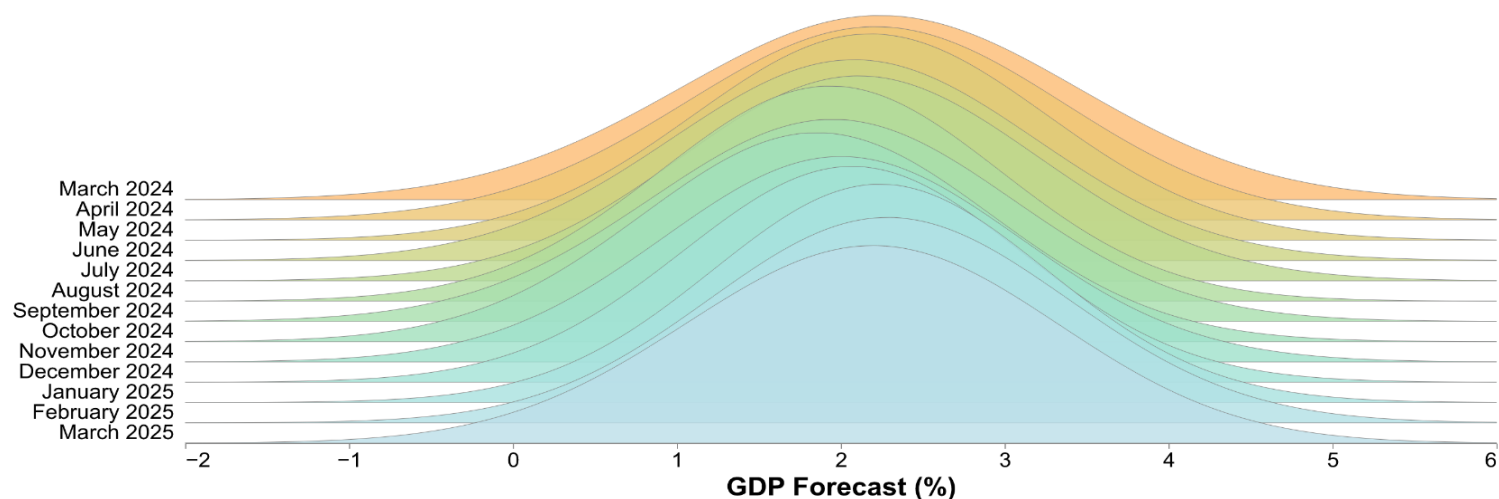
	Current	1m Ago	3m Ago	6m Ago
Consensus	2.0%	2.2%	2.0%	1.9%
Proprietary Forecast	2.2%	2.3%	2.1%	2.0%
Probability of GDP below 0%	2%	1%	2%	4%
Probability of GDP above 4%	6%	6%	3%	3%

US Real GDP Change – Regime Probabilities

April 2020 – March 2025



Distribution of DMA Forecasts of 12m Change in US Real GDP



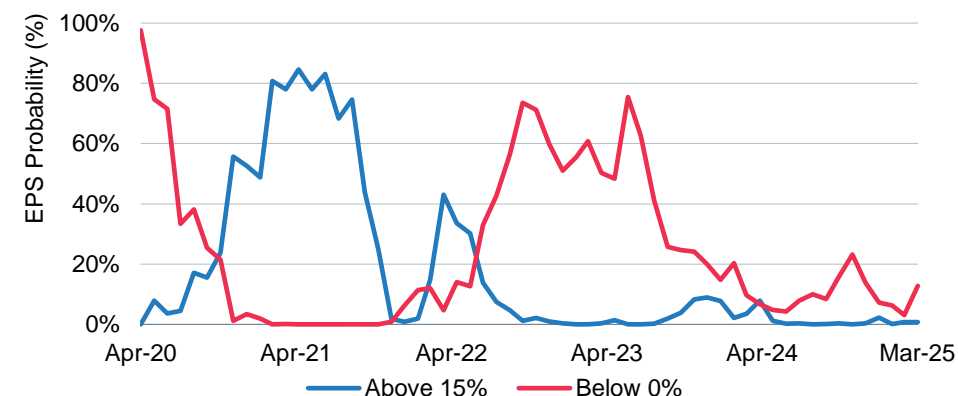
Source: Newton, as of March 2025. Forecasts are based on Newton models, which are confidential and proprietary. Any forward-looking statements speak only as of the date they are made, and are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results could differ materially from those anticipated in forward-looking statements. Data Source: Consensus Economics, Bloomberg, Newton research.

S&P 500® Index EPS Change – DMA Forecast

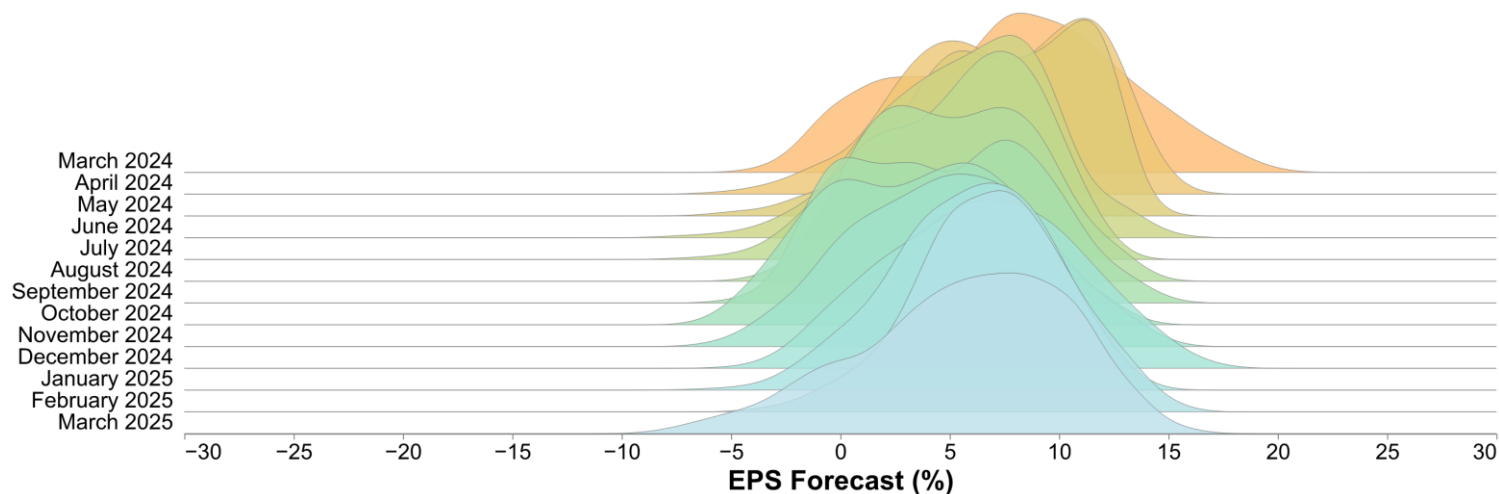
Forecasted 12-month Change in S&P 500® Index EPS

	Current	1m Ago	3m Ago	6m Ago
Consensus	11.6%	11.6%	12.2%	12.0%
Proprietary Forecast	5.8%	7.0%	6.5%	4.8%
Probability of EPS below 0%	13%	3%	7%	16%
Probability of EPS above 15%	1%	1%	2%	0%

S&P 500® Index EPS Change – Regime Probabilities April 2020 – March 2025



Distribution of DMA Forecasts of 12m Change in S&P 500® Index EPS



Source: Newton, as of March 2025. Forecasts are based on Newton models, which are confidential and proprietary. Any forward-looking statements speak only as of the date they are made, and are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results could differ materially from those anticipated in forward-looking statements. Data Source: Consensus Economics, Bloomberg, Newton research.

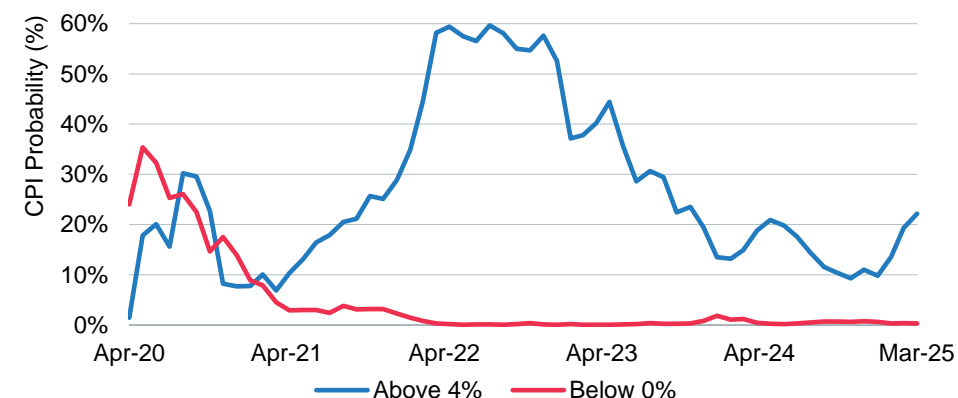
US Headline CPI Forecast – DMA Forecast

Forecasted 12-month Change in US Headline CPI

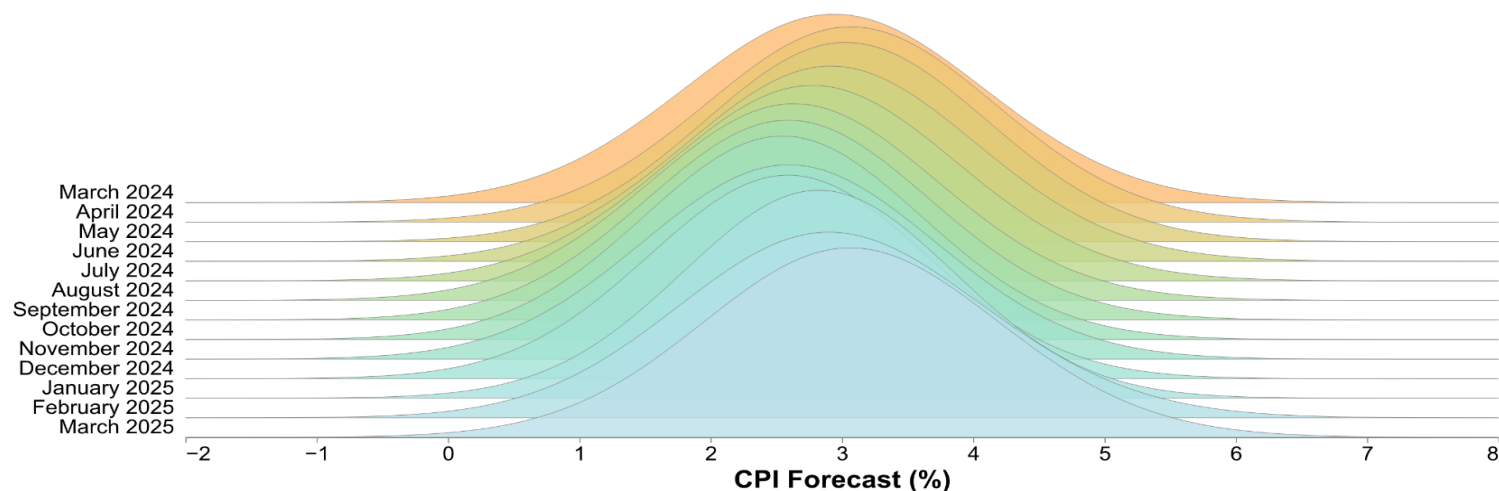
	Current	1m Ago	3m Ago	6m Ago
Consensus	2.8%	2.6%	2.4%	2.4%
Proprietary Forecast	3.1%	3.0%	2.6%	2.5%
Probability of CPI below 0%	0%	0%	1%	1%
Probability of CPI above 4%	22%	19%	10%	10%

US Headline CPI Forecast – Regime Probabilities

April 2020 – March 2025



Distribution of DMA Forecasts of 12m Change in US Headline CPI



Source: Newton, as of March 2025. Forecasts are based on Newton models, which are confidential and proprietary. Any forward-looking statements speak only as of the date they are made, and are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results could differ materially from those anticipated in forward-looking statements. Data Source: Consensus Economics, Bloomberg, Newton research.

Introduction to Flexcasting

A real-time estimate of leading economic indicators (LEI)

Purpose of the Flexcasting Model:

- Flexcasting, MAS' proprietary Nowcasting framework, seeks to provide a real-time (recent past, present and near future) gauge of economic activity in developed economies.
- Since official economic data is released on a lag and backwards-looking, Flexcasting utilizes a large and broad data set to help capture the economic pulse in real-time, using 90+ variables across a variety of categories, sources, and release frequencies.

Key Features of Flexcasting Model:

- Our model captures a robust set of mixed-frequency data indicators (hard, soft and price-based).
- Generates a daily estimate of the Leading Economic Indicator (LEI) and Coincident Economic Indicator (CEI) for each developed country at the same time.
- LEI and CEI are expressed as z-scores: 0 indicates trend economic growth, -2 indicates well below-trend growth, and +2 well above-trend growth, for each economy.

Process:

- Extract common factors out of a wide array of time series using the Kalman Filter.
- Different series can have different reporting lags, frequency, starting dates, etc., and can interact with the LEI, CEI, LagEI with different magnitude. LagEI, lagging economic indicator, changes are prompted after there is a change in the economy.
- The program determines in real-time what series is leading/coincident/lagging and by how much.

References:

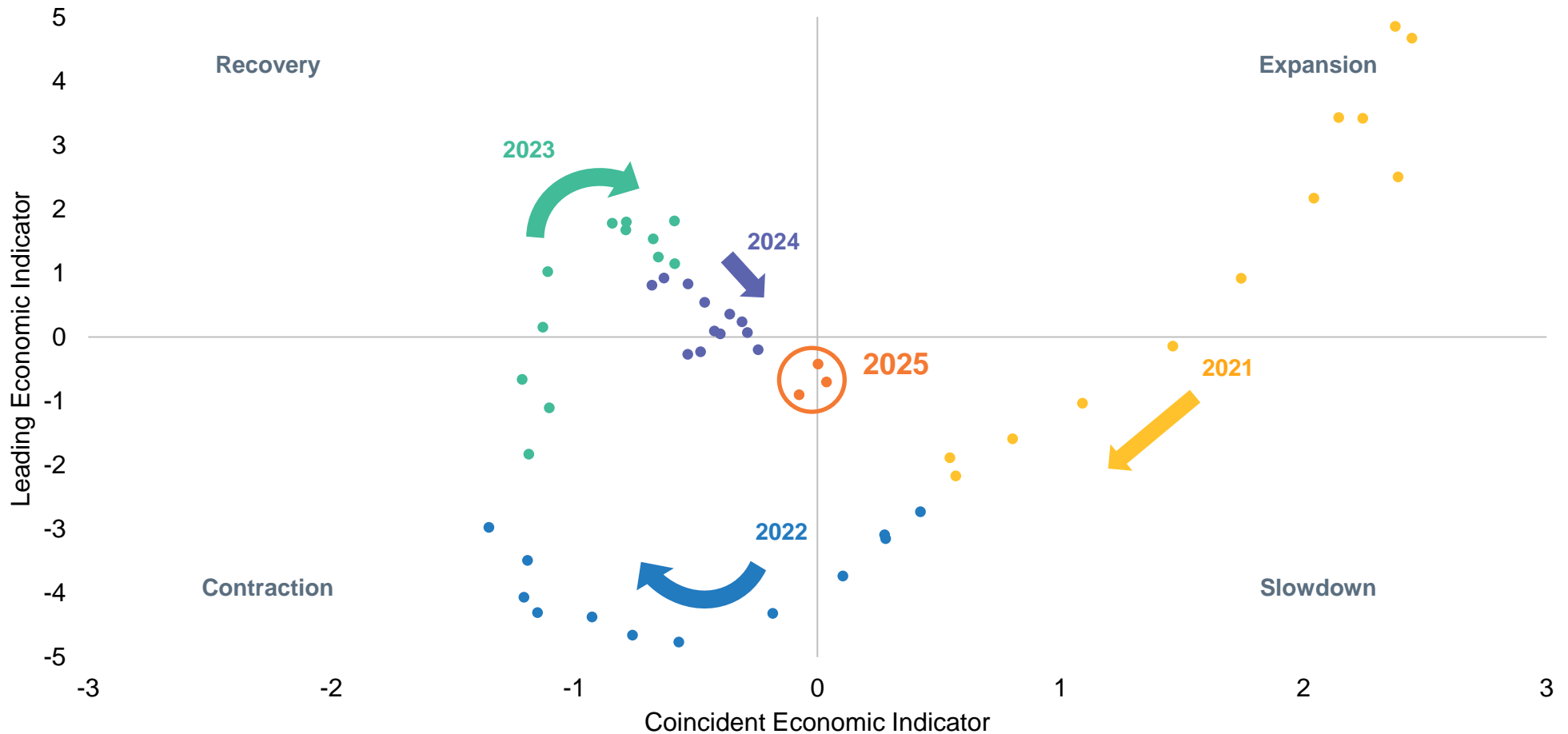
- Federal Reserve Bank of Cleveland: <https://www.clevelandfed.org/en/indicators-and-data/inflation-nowcasting>
- European Central Bank: <https://www.ecb.europa.eu/pub/pdf/scpwps/ecbwp1564.pdf>

Flexcasting Indicators – United States

The US experienced all four phases of the economic growth cycles in the last four years. Thus far 2025 is drifting slowly negative.

LEIs vs. CEIs

(January 2021 – March 2025)



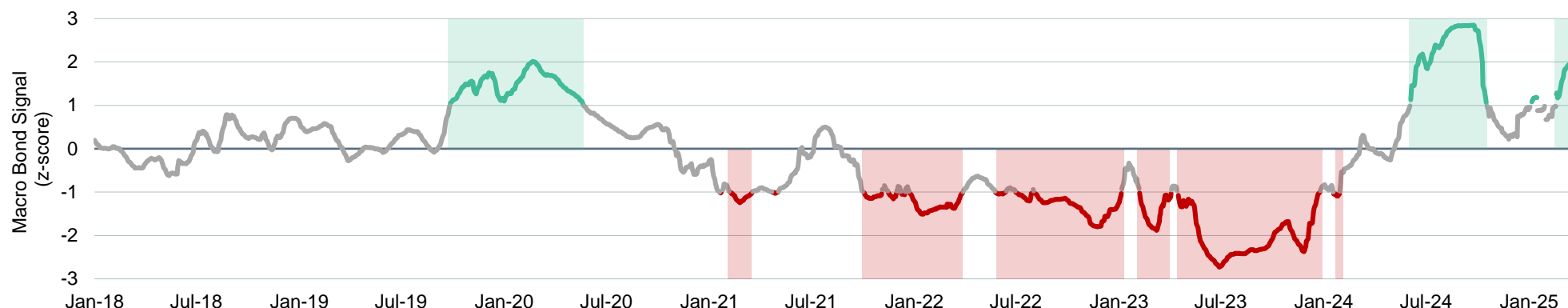
Source: Newton, as of March 2025. Forecasts are based on Newton models, which are confidential and proprietary. Any forward-looking statements speak only as of the date they are made, and are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results could differ materially from those anticipated in forward-looking statements. Data Source: Consensus Economics, Bloomberg, Newton research.

Bond Macro Signal and US Treasury 10yr Yields Over Time

The bond macro signal was maximum negative value in July 2023 (recommending a short position). Since June 2024 it became positive (recommending a long position) and continues to recommend a long position.

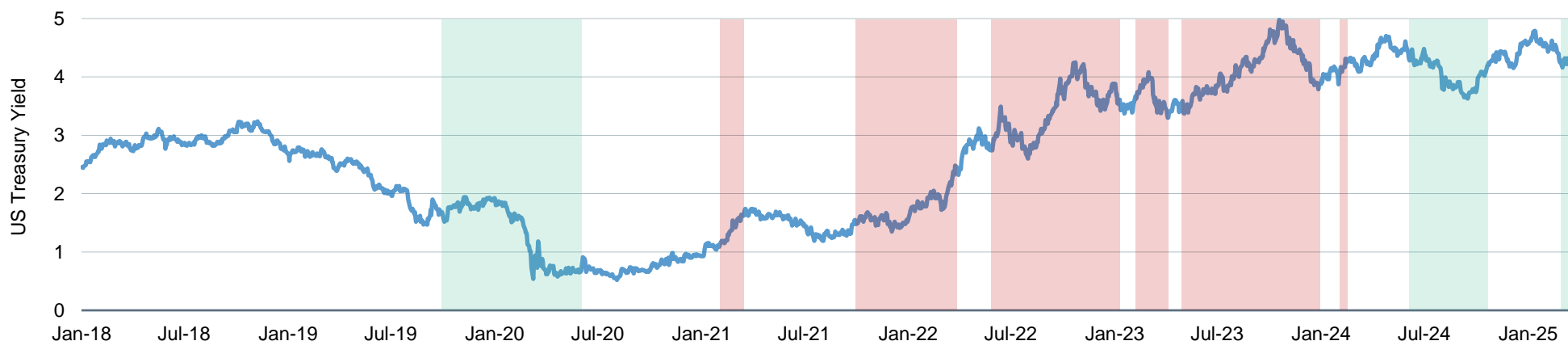
Bond Macro Signal

January 2018 – March 2025



10-year U.S. Treasury Bond Yield (constant-maturity)

January 2018 – March 2025



Source: Newton, as of March 2025. Forecasts are based on Newton models, which are confidential and proprietary. Any forward-looking statements speak only as of the date they are made, and are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results could differ materially from those anticipated in forward-looking statements. Data Source: Consensus Economics, Bloomberg, Newton research.

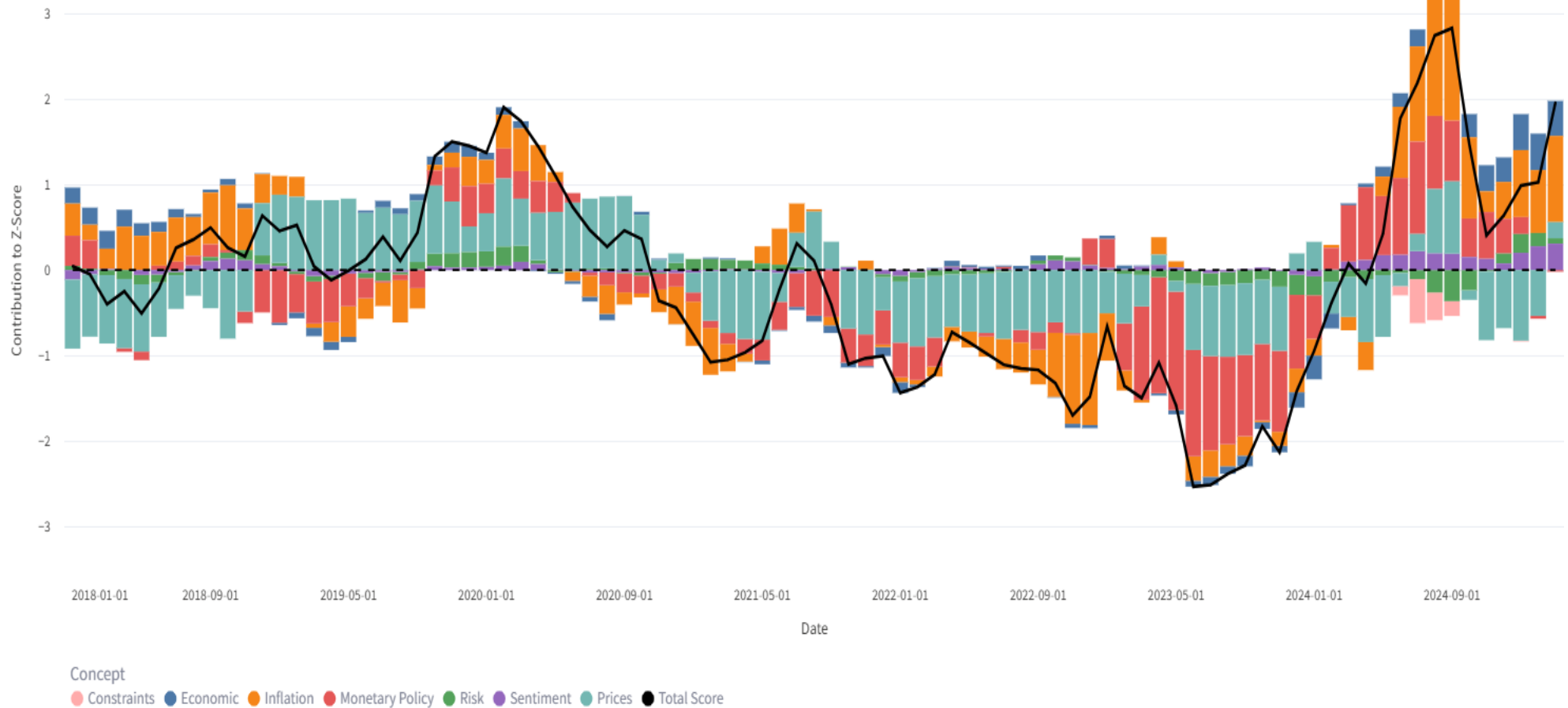
Capturing Key Turning Points

Bond Macro Signal – Breaking Down into Components

Since November 2024, the signal has risen due to inflation. Currently all the components are either neutral and long bonds with inflation, economic and sentiment all strongly positive.

Monthly Bond Macro Signal Attribution by Concept

January 2018 – March 2025



Source: Newton, as of March 2025. Forecasts are based on Newton models, which are confidential and proprietary. Any forward-looking statements speak only as of the date they are made, and are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results could differ materially from those anticipated in forward-looking statements. Data Source: Consensus Economics, Bloomberg, Newton research.

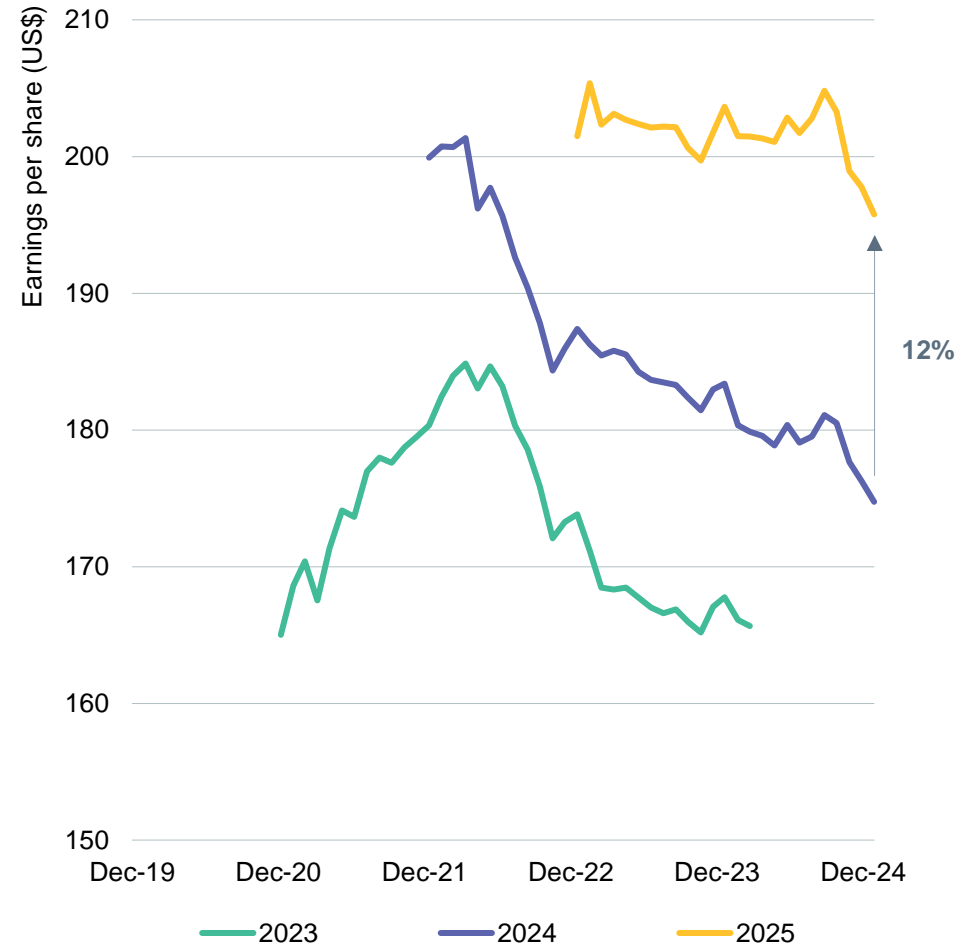
Global equity earnings expectations

Valuations elevated

MSCI World forward P/E (x)



MSCI World earnings per share expectations (US\$)



Source: FactSet, IBES consensus, 31 December 2024.

Historical positioning and performance

Unlock opportunity

Dynamic US Equity Composite

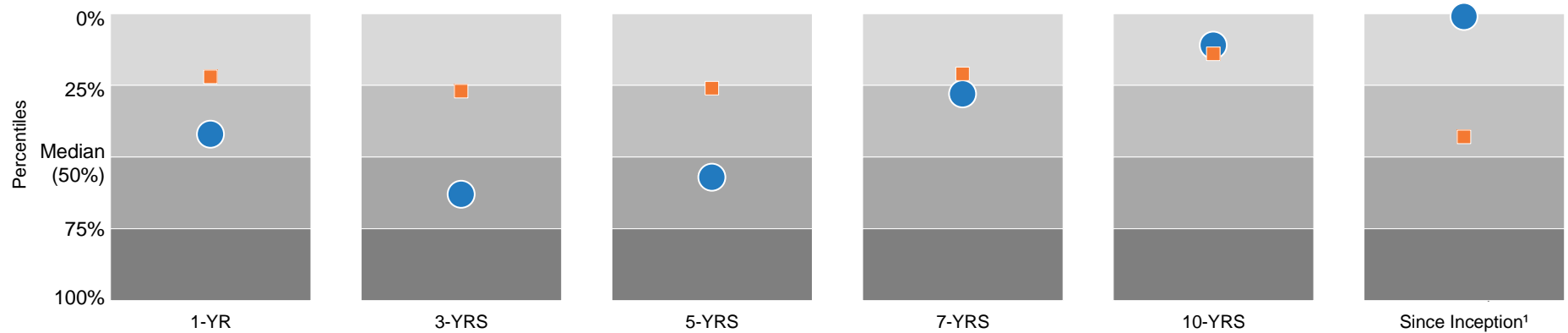
Net of fees performance results as of March 31, 2025

				Effective Exposure (End of Quarter)							Effective Exposure (End of Quarter)							Effective Exposure (End of Quarter)		
Period	Composite (%)	S&P 500® (%)	Excess Return (%)	Stocks	Bonds	Cash	Period	Composite (%)	S&P 500® (%)	Excess Return (%)	Stocks	Bonds	Cash	Period	Composite (%)	S&P 500® (%)	Excess Return (%)	Stocks	Bonds	Cash
2025 YTD	-4.24	-4.27	0.03				2017	28.06	21.83	6.23				2009	20.01	26.46	-6.45			
4Q25							4Q17	7.93	6.64	1.29	119	9	-28	4Q09	2.62	6.04	-3.42	91	58	-49
3Q25							3Q17	5.51	4.48	1.03	120	10	-30	3Q09	19.18	15.61	3.57	99	49	-48
2Q25							2Q17	4.32	3.09	1.23	130	17	-47	2Q09	13.44	15.93	-2.49	99	46	-45
1Q25	-4.24	-4.27	0.03	96	8	-4	1Q17	7.80	6.07	1.73	131	18	-49	1Q09	-13.50	-11.01	-2.49	108	38	-46
2024	22.94	25.02	-2.08				2016	14.51	11.96	2.55				2008	-36.08	-37.00	0.92			
4Q24	1.21	2.41	-1.20	99	5	-4	4Q16	1.87	3.82	-1.95	131	17	-48	4Q08	-19.14	-21.94	2.80	127	18	-45
3Q24	5.78	5.89	-0.11	103	7	-10	3Q16	3.17	3.85	-0.68	120	26	-46	3Q08	-8.37	-8.37	0.00	119	28	-47
2Q24	4.04	4.28	-0.25	102	0	-2	2Q16	4.52	2.46	2.06	113	19	-32	2Q08	-3.12	-2.73	-0.39	139	9	-48
1Q24	10.37	10.56	-0.19	102	0	-2	1Q16	4.25	1.35	2.90	111	30	-41	1Q08	-10.94	-9.44	-1.50	138	8	-46
2023	24.12	26.29	-2.17				2015	0.07	1.38	-1.31				2007	6.83	5.49	1.34			
4Q23	11.77	11.69	0.08	103	0	-3	4Q15	7.83	7.04	0.79	112	30	-42	4Q07	-1.87	-3.33	1.46	100	0	0
3Q23	-5.29	-4.77	-0.52	91	10	-1	3Q15	-6.37	-6.44	0.07	116	29	-45	3Q07	1.93	2.03	-0.10	80	10	10
2Q23	8.14	8.74	-0.60	100	0	0	2Q15	-2.03	0.28	-2.31	120	27	-47	2Q07	6.12	6.28	-0.16	80	0	20
1Q23	6.86	7.50	-0.64	93	0	7	1Q15	1.16	0.95	0.21	120	19	-39	1Q07	0.65	0.64	0.01	90	-9	19
2022	-21.81	-18.11	-3.70				2014	19.36	13.69	5.67				2006	17.37	15.79	1.58			
4Q22	6.60	7.56	-0.96	92	0	8	4Q14	7.71	4.93	2.78	117	19	-37	4Q06	6.97	6.70	0.27	109	-9	0
3Q22	-4.48	-4.88	0.40	88	0	12	3Q14	1.39	1.13	0.26	120	9	-29	3Q06	5.50	5.67	-0.17	110	-10	0
2Q22	-17.96	-16.10	-1.86	100	6	-6	2Q14	6.55	5.23	1.32	120	9	-30	2Q06	-0.78	-1.44	0.66	110	0	-10
1Q22	-6.37	-4.60	-1.77	115	7	-22	1Q14	2.58	1.81	0.77	120	10	-30	1Q06	4.83	4.21	0.62	100	-10	10
2021	30.52	28.71	1.81				2013	38.61	32.39	6.22										
4Q21	12.81	11.03	1.78	115	4	-19	4Q13	11.98	10.51	1.47	120	10	-30							
3Q21	0.29	0.59	-0.29	117	5	-22	3Q13	6.04	5.24	0.80	120	9	-29	2005	6.53	4.91	1.62	110	-10	0
2Q21	9.86	8.55	1.31	116	8	-24	2Q13	3.03	2.91	0.12	121	10	-31	2004	16.06	10.88	5.18	119	29	-48
1Q21	5.00	6.17	-1.17	113	7	-20	1Q13	13.29	10.61	2.68	129	19	-48	2003	39.45	28.68	10.77	99	49	-48
2020	19.22	18.40	0.82				2012	20.26	16.00	4.26				2002	-15.86	-22.10	6.24	140	10	-50
4Q20	11.67	12.15	-0.48	104	9	-13	4Q12	-0.84	-0.38	-0.46	129	19	-49	2001	-8.38	-11.89	3.51	80	68	-48
3Q20	8.01	8.93	-0.92	99	9	-8	3Q12	8.17	6.35	1.82	130	19	-49	2000	8.11	-9.10	17.21	80	30	-10
2Q20	19.46	20.54	-1.08	93	9	-2	2Q12	-1.76	-2.75	0.99	129	18	-47	1999	4.61	21.04	-16.43	50	100	-50
1Q20	-17.26	-19.60	2.34	98	10	-8	1Q12	14.12	12.59	1.53	128	18	-46	1998	30.61	28.59	2.02	81	28	-9
2019	37.81	31.49	6.32				2011	6.90	2.11	4.79				1997	32.40	33.36	-0.96	60	30	10
4Q19	9.24	9.07	0.17	111	9	-20	4Q11	14.99	11.82	3.17	120	28	-48	1996	19.15	22.96	-3.81	80	50	-30
3Q19	2.86	1.70	1.16	109	9	-18	3Q11	-13.32	-13.87	0.55	120	29	-49	1995	47.87	37.58	10.29	80	10	10
2Q19	5.77	4.30	1.47	109	19	-28	2Q11	1.01	0.10	0.91	128	22	-49	1994	-6.95	1.32	-8.27	60	90	-50
1Q19	15.96	13.65	2.31	112	20	-32	1Q11	6.17	5.92	0.25	119	29	-48	1993	19.29	10.08	9.21	90	60	-50
2018	-6.52	-4.38	-2.14				2010	24.79	15.06	9.73				1992	9.43	7.62	1.81	60	90	-50
4Q18	-15.61	-13.52	-2.09	116	22	-38	4Q10	7.84	10.76	-2.92	110	39	-49	1991	35.65	30.47	5.18	60	90	-50
3Q18	8.49	7.71	0.78	124	9	-33	3Q10	15.40	11.29	4.11	107	37	-45	1990	1.82	-3.10	4.92	80	70	-50
2Q18	3.28	3.43	-0.15	117	10	-27	2Q10	-5.47	-11.43	5.96	107	42	-49	1989	2.82	1.65	1.17	60	40	0
1Q18	-1.14	-0.76	-0.38	108	8	-16	1Q10	6.07	5.39	0.68	90	56	-46							

Dynamic US Equity strategy

Net performance versus peers as of February 28, 2025

Ranking of Dynamic US Equity Composite vs. eVestment US Large Cap Equity Universe



Universe: eVestment US Large Cap Equity												
	1 Year		3 Years		5 Years		7 Years		10 Years		Since Inception ¹	
	Net Returns	Rank	Net Returns	Rank	Net Returns	Rank	Net Returns	Rank	Net Returns	Rank	Net Returns	Rank
5 th Percentile	21.25		14.76		18.63		15.05		14.03		11.87	
25 th Percentile	18.05		12.72		16.96		13.51		12.54		11.05	
Median	15.99		11.09		15.37		12.41		11.76		10.38	
75 th Percentile	13.01		9.33		13.76		11.24		10.66		9.83	
95 th Percentile	8.12		6.67		11.14		9.11		8.76		8.05	
# of Observations	328		310		290		269		228		20	
<div><div></div>Dynamic US Equity Strategy</div>	16.77	42	10.30	63	15.00	57	13.27	28	13.22	11	12.80	1
<div><div></div>S&P 500®</div>	18.41	22	12.55	27	16.85	26	13.77	21	12.98	14	10.54	43

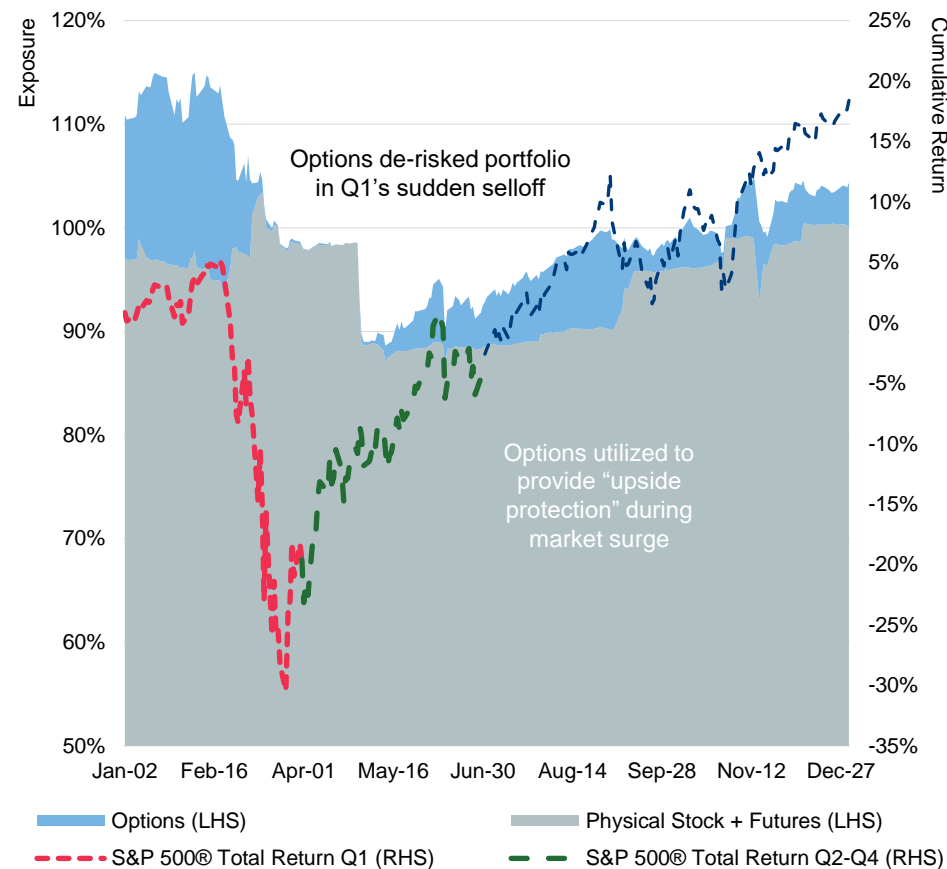
PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Source: eVestment, as of February 28, 2025. eVestment statistics are subject to change based on the number of universe constituents reporting. Net of fees performance quoted with 0.35% annual management charge. Performance is expressed in US dollars. Returns greater than one year are annualized. ¹Inception Date: August 31, 1989. Performance presented for the measurement period from February 1, 2018 to September 1, 2021 represents the performance of the strategy when managed at Mellon Investments Corporation ("Mellon"), an affiliate of NIMNA. Performance presented for measurement periods prior to February 1, 2018 represents the performance of the strategy when managed at a prior affiliated firm. The value of investments and the income from them can fall as well as rise and investors may not get back the original amount invested. The S&P 500® Index performance benchmark is used as a comparator for this strategy. The strategy does not aim to replicate either the composition or the performance of the performance benchmark. The rating was given by eVestment Alliance, LLC on February 28, 2025 and was based upon performance obtained and other factors during the period of since inception of the strategy. Newton has provided compensation to eVestment Alliance, LLC to obtain and/or use this rating comparisons among other functionalities in our marketing materials.

Appendix

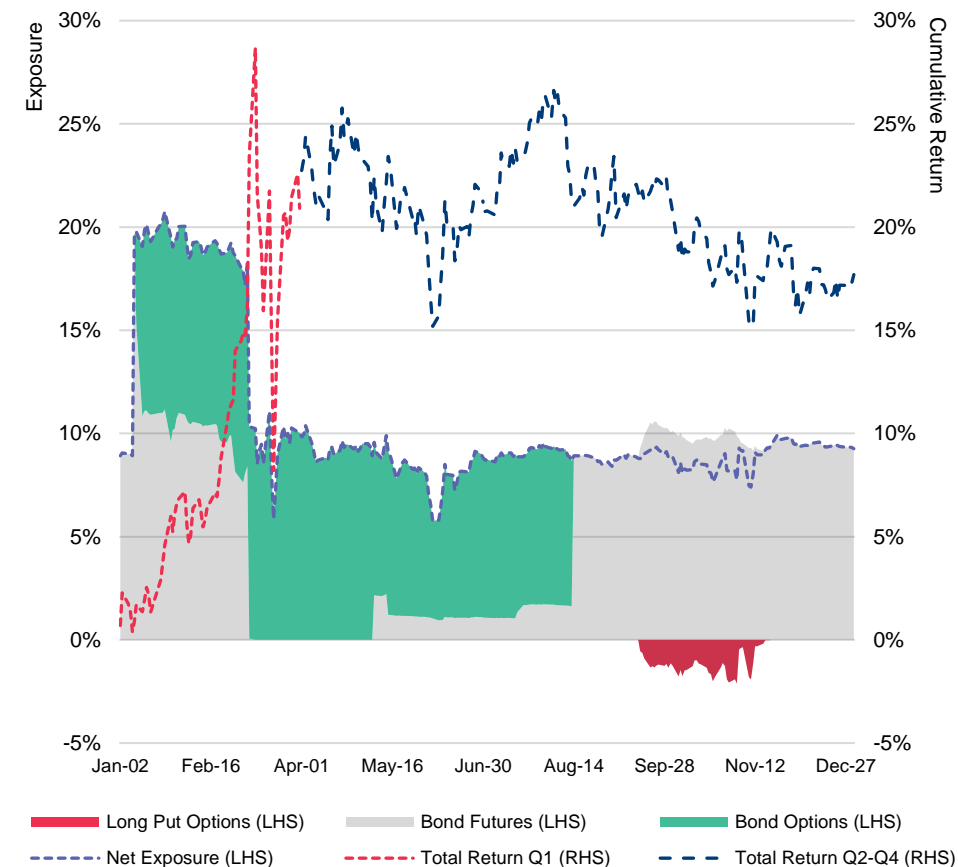
Intelligent implementation: options, de-risking, and Covid-19

Illustration of how we used long call and put options for effective risk management in 2020

Equity exposure and S&P 500® returns



Long treasury exposure and total returns



Data Sources: NIMNA, S&P, Bloomberg®.

Options=S&P 500® Index Options, Physical Stock=Representative Account allocation to the asset class noted during calendar year 2020, Futures=S&P 500® Index Futures. Bond Futures=30 Year US Treasury Futures, Bond Options=30 Year US Treasury Options, Long Treasury=Bloomberg® US Long Treasury Index. The representative portfolio adheres to the same strategy as Newton's Dynamic US Equity Strategy. Each client portfolio is individually managed. Actual holdings will vary for each client and there is no guarantee that a particular portfolio will have some or all of the characteristics described in the reportative portfolio shown. Performance is expressed in US dollars. Target allocations are subject to change. There is no assurance that the target allocations will be achieved, and actual allocations may be significantly different than that shown here. The S&P 500® Index performance benchmark is used as a comparator for this strategy. The strategy does not aim to replicate either the composition or the performance of the performance benchmark.

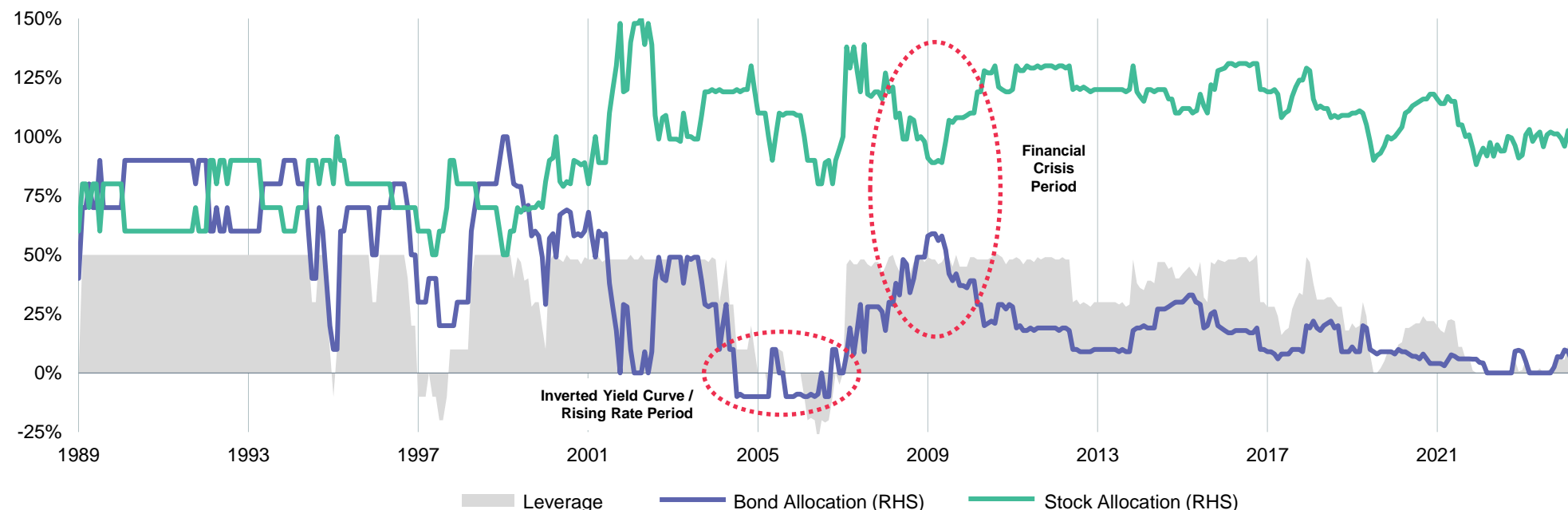
Understanding the role of economic leverage in Dynamic Equity

Flexibility allows the strategy to seek higher returns with risk in line with the benchmark

- Modest economic leverage (up to 150% notional exposure) is allowed and varies based on the current attractiveness of stocks and bonds.
- We access leverage only through listed and exchange traded index futures and options; there is no borrowing in the strategy.
- Equity leverage (exposure >100%) is implemented with long, in the money call options.

Dynamic US Equity portfolio allocations over time: stocks, bonds and use of leverage

December 1989 to March 2025



Source: Newton, as of March 31, 2025.

The representative portfolio adheres to the same strategy as Newton's Dynamic US Equity Strategy. Each client portfolio is individually managed. Actual holdings will vary for each client and there is no guarantee that a particular portfolio will have some or all of the characteristics described in the reportative portfolio shown. Performance presented for the measurement period from February 1, 2018 to September 1, 2021 represents the performance of the strategy when managed at Mellon Investments Corporation ("Mellon"), an affiliate of NIMNA. Performance presented for measurement periods prior to February 1, 2018 represents the performance of the strategy when managed at a prior affiliated firm.

Proprietary research & innovation

Top-down insights to complement bottom-up fundamentals

High frequency data:

- How stable is the equity/bond correlation?
- Do we detect any dislocation in the short-term vs the long-term correlation?

Correlation example:

- High frequency tick data complements the long-term relationships (e.g. equities and bonds).

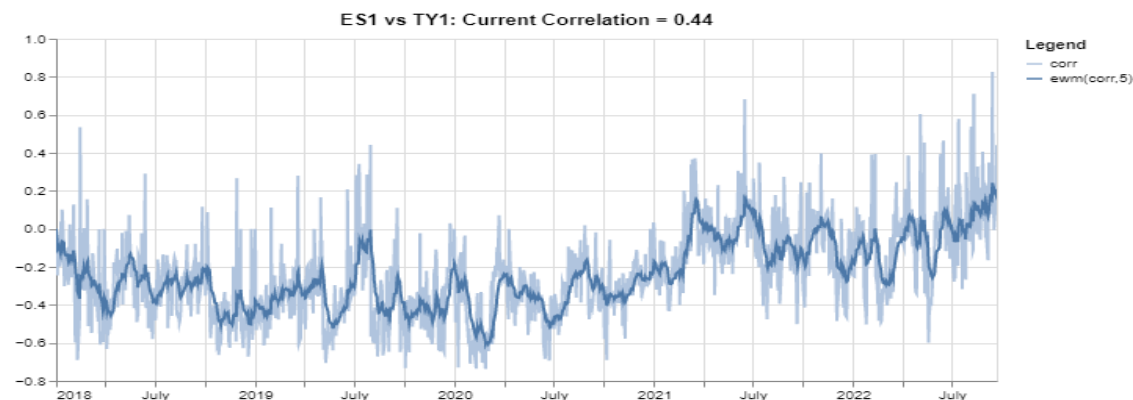
Macro Dynamic Model Averaging:

- A more robust, real-time forecast of the distribution of outcomes.
- Incorporates multi-model viewpoints.

EPS example:

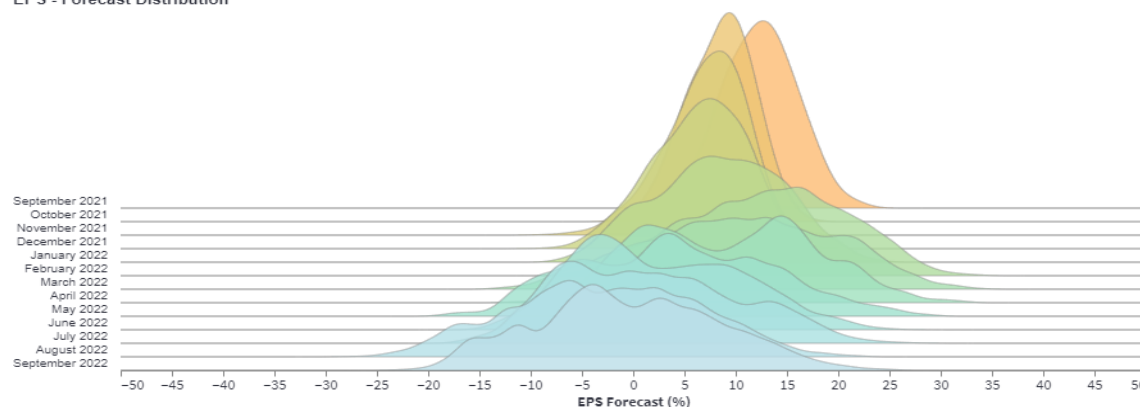
- EPS forecast complements the analysts' consensus bottom-up earnings forecasts.
- The higher likelihood of a negative surprise reduces the equity risk premium.

Monitoring stock/bond correlations with tick-data



Proprietary distribution forecast of 12-month EPS growth

EPS - Forecast Distribution



Source: Newton. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Forecasts are based on Newton models, which are confidential and proprietary. IBES for consensus estimates. Any forward-looking statements speak only as of the date they are made, and are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results could differ materially from those anticipated in forward-looking statements. For illustrative purposes only. Investment process subject to change at any time without notice. All aspects of the investment process may not be considered for each review. Newton, at its discretion, may utilize any or all of the methods described.

Disclosures

Index description(s)

MSCI USA High Dividend Yield Index	The MSCI USA High Dividend Yield Index is based on the MSCI USA Index, its parent index, and includes large and mid cap stocks. The index is designed to reflect the performance of equities in the parent index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. The index also applies quality screens and reviews 12-month past performance to omit stocks with potentially deteriorating fundamentals that could force them to cut or reduce dividends.
MSCI USA Minimum Volatility Index	The MSCI USA Minimum Volatility (USD) Index aims to reflect the performance characteristics of a minimum variance strategy applied to the large and mid cap USA equity universe. The index is calculated by optimizing the MSCI USA Index, its parent index, in USD for the lowest absolute risk (within a given set of constraints). Historically, the index has shown lower beta and volatility characteristics relative to the MSCI USA Index.
MSCI USA Momentum Index	The MSCI USA Momentum Index is based on MSCI USA Index, its parent index, which captures large and mid cap stocks of the US market. It is designed to reflect the performance of an equity momentum strategy by emphasizing stocks with high price momentum, while maintaining reasonably high trading liquidity, investment capacity and moderate index turnover.
MSCI USA Quality Index	The MSCI USA Quality Index is based on the MSCI USA Index, its parent index, which includes large and mid cap stocks in the US equity market. The index aims to capture the performance of quality growth stocks by identifying stocks with high quality scores based on three main fundamental variables: high return on equity (ROE), stable year-over-year earnings growth and low financial leverage. The MSCI Quality Indexes complement existing MSCI Factor Indexes and can provide an effective diversification role in a portfolio of factor strategies.
MSCI USA Value Weighted Index	The MSCI USA Value Weighted Index is based on a traditional market cap weighted parent index, the MSCI USA Index, which includes US large and mid cap stocks. The MSCI USA Value Weighted Index reweights each security of the parent index to emphasize stocks with lower valuations. Index weights are determined using fundamental accounting data—sales, book value, earnings and cash earnings – rather than market prices.

Index description(s) continued

Bloomberg® US Long Treasury Index

The Bloomberg® US Treasury Index measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the US Treasury that have a remaining maturity of greater than 10 years.

FTSE 3 Month US T-Bill Index Series

The FTSE 3 Month US T-Bill Index is intended to track the daily performance of 3-month US Treasury bills.

S&P 500® Index

The S&P 500® focuses on the large-cap sector of the US equity market and includes a significant portion of the total value of the market. The market cap-weighted index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

Dynamic US Equity Composite

Annual performance disclosure

Year	Asset-weighted Gross	Asset-weighted Net	S&P 500® Index	Composite 3-Yr St Dev	Benchmark 3-Yr St Dev	Number of Portfolios	Composite Assets (\$mm)	Firm Assets (\$mm)	Composite Dispersion
2024	23.36	22.93	25.02	17.49	17.15	12	5,751	47,431	0.15
2023	24.55	24.12	26.29	18.07	17.29	12	5,523	47,862	0.06
2022	-21.52	-21.80	-18.11	21.18	20.87	13	5,109	49,228	0.10
2021	30.97	30.52	28.71	17.24	17.17	11	6,864	65,747	0.06
2020	19.63	19.22	18.40	19.03	18.53	11	5,794	601,427	0.12
2019	38.28	37.81	31.49	13.39	11.93	8	5,123	534,173	0.11
2018	-6.19	-6.52	-4.38	12.46	10.80	9	3,702	488,649	0.04
2017	28.50	28.06	21.83	11.24	9.92	6	1,967	151,956	0.03
2016	14.90	14.51	11.96	12.10	10.59	≤ 5	1,216	147,706	N/M
2015	0.42	0.07	1.38	12.37	10.47	≤ 5	1,042	156,443	N/M

The Firm

Newton Investment Management North America, LLC ("NIMNA" or the "Firm") is a registered investment adviser and subsidiary of The Bank of New York Mellon Corporation ("BNY"). The Firm was established in 2021, comprised of equity and multi-asset teams from an affiliate, Mellon Investments Corporation. The Firm is part of the group of affiliated companies that individually or collectively provide investment advisory services under the brand "Newton" or "Newton Investment Management" ("Newton"). Newton currently includes NIMNA and Newton Investment Management Ltd. ("NIM") and Newton Investment Management Japan Limited ("NIMJ"). Performance is presented to show the performance of all fee-paying portfolios with substantially similar investment objectives, policies and strategies, which were managed at a prior firm affiliated with NIMNA until September 1, 2021. Performance results from the prior affiliated firms were linked on September 1, 2021 to the results achieved at NIMNA in compliance with the GIPS Guidance Statement on Performance Record Portability.

Compliance statement

Newton Investment Management North America, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. NIMNA has been independently verified for the periods September 1, 2021 through December 31, 2023. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. Newton Investment Management North America, LLC's predecessor firms all have been independently verified for the periods January 1, 2007 through December 31, 2020. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Composite

The Dynamic US Equity composite measures the total return of all fee-paying, discretionary, portfolios that actively allocates assets across the equity, fixed income and cash markets of the United States using a proprietary quantitative model. Typically, a combination of individual stocks, financial futures, and options are used to allocate to each of the asset classes. The composite may increase total notional asset class exposures up to 150% and may short bonds and cash up to 50%, with each asset class having its own allocation ranges. The use of derivatives is a characteristic of this investment strategy and may be used from time to time to obtain exposure, to provide liquidity for cash flows, to hedge accruals or for other purposes that facilitate meeting the composite's objective. The strategy may utilize leverage through the use of derivatives and net leverage will typically not exceed 50%. The composite was created on August 31, 1995. The composite has an inception date of September 1, 1989. The performance of the composite is expressed in U.S. Dollars. A list of composite descriptions and a list of limited distribution pooled fund descriptions are available upon request. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

Benchmark

The composite's benchmark is the S&P 500® Index. The S&P 500® Index measures the performance of the large-cap segment of the U.S. equity market.

Calculation methodology

Gross performance figures are time-weighted rates of return, which include the deduction of transaction costs. Performance results reflect the reinvestment of income and other earnings. Past performance is not an indication of future performance. Where NAV returns are used for fund vehicles participating in the composite, NAVs may have also been reduced by administrative fees in addition to trading expenses. More information about our return calculations are available upon request.

Gross returns were used to calculate all risk measures presented in this GIPS Composite Report. Internal dispersion figures are an asset-weighted standard deviation of all portfolios that were included in the composite for the entire measurement period. Dispersion figures for years containing 5 or fewer Portfolios are considered Not Meaningful or "N/M". The composite track record lacks the required 36 months necessary for the three-year annualized ex-post standard deviation where "N/A" is presented.

Fees

The standard management fee for institutional separately managed accounts in this strategy is 0.35% for first \$300 million, 0.30% for the next \$200 million, and 0.25% for the balance of assets under management. Net-of-fee returns are calculated using model fees which are equivalent to the highest tier management fee for the strategy. Fees are accrued monthly for each composite and subtracted from the gross returns to arrive at the net-of-fee returns.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Key risks

Dynamic US Equity Strategy

Investment performance

12-month returns, %	Mar-24 to Mar-25	Mar-23 to Mar-24	Mar-22 to Mar-23	Mar-21 to Mar-22	Mar-20 to Mar-21
Composite (gross)	7.04	28.55	-10.37	16.78	51.80
Composite (net)	6.66	28.11	-10.69	16.38	51.29
Benchmark	8.25	29.88	-7.73	15.65	56.35

Calendar year returns, %	2024	2023	2022	2021	2020
Composite (gross)	23.36	24.55	-21.52	30.97	19.63
Composite (net)	22.94	24.12	-21.80	30.52	19.22
Benchmark	25.02	26.29	-18.11	28.71	18.40

Performance is stated gross and net of management fees. The impact of management fees can be material. A fee schedule providing further detail is available on request.

S&P 500® Index performance benchmark is used as a comparator for this strategy. The strategy does not aim to replicate either the composition or the performance of the performance benchmark.

Past performance is not a guide to future performance. Your capital may be at risk. The value of investments and the income from them can fall as well as rise and investors may not get back the original amount invested. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. Newton is not a tax expert and independent tax and/or legal advice should be sought.

Key investment risks

- **Objective/Performance Risk:** There is no guarantee that the strategy will achieve its objectives.
- **Geographic Concentration Risk:** Where the strategy invests significantly in a single market, this may have a material impact on the value of the strategy.
- **Derivatives Risk:** Derivatives are highly sensitive to changes in the value of the asset from which their value is derived. A small movement in the value of the underlying asset can cause a large movement in the value of the derivative. This can increase the sizes of losses and gains, causing the value of your investment to fluctuate. When using derivatives, the strategy can lose significantly more than the amount it has invested in derivatives.
- **Changes in Interest Rates & Inflation Risk:** Investments in bonds/ money market securities are affected by interest rates and inflation trends which may negatively affect the value of the strategy.
- **Credit Risk:** The issuer of a security held by the strategy may not pay income or repay capital to the strategy when due.
- **Counterparty Risk:** The insolvency of any institutions providing services such as custody of assets or acting as a counterparty to derivatives or other contractual arrangements, may expose the strategy to financial loss.

Note: Performance presented for the measurement period from 1 February 2018 to 1 September 2021 represents the performance of the strategy when managed at Mellon Investments Corporation ('Mellon'), an affiliate of NIMNA. Performance presented for periods prior to 1 February 2018 represents the performance of the strategy when managed at a prior affiliated firm.
Source: Newton, close of business prices, total return, income reinvested, gross and net of fees, in USD, March 31, 2025.
Net of fees performance quoted with 0.35% annual management charge.
Performance is shown in US dollars. The return may increase or decrease as a result of currency fluctuations.

Important information

For US investors

For Institutional Clients Only. Issued by Newton Investment Management North America LLC ('NIMNA' or the 'Firm').

NIMNA is a registered investment adviser with the US Securities and Exchange Commission ('SEC') and subsidiary of The Bank of New York Mellon Corporation ('BNY'). The Firm was established in 2021, comprised of equity and multi-asset teams from an affiliate, Mellon Investments Corporation. The Firm is part of the group of affiliated companies that individually or collectively provide investment advisory services under the brand 'Newton' or 'Newton Investment Management'. Newton currently includes NIMNA and Newton Investment Management Ltd. ('NIM') and Newton Investment Management Japan Limited ('NIMJ').

The Firm's assets under management, client and employee counts are as of the most recent quarter end, unless noted otherwise. Where applicable, assets under management include discretionary and non-discretionary assets, the notional value of overlay strategies, assets of bank-maintained collective investment funds for which NIMNA has been appointed sub-advisor, assets managed by investment personnel acting in their capacity as officers of affiliated entities and assets under advisement for a model of securities which the Firm does not arrange and as to which we do not affect the purchase or sale of securities. Newton's assets under management include assets collectively managed by NIM and NIMNA.

This document may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorized. This material (or any portion thereof) may not be copied or distributed without Newton's prior written approval.

Statements are current as of the date of the material only. Any forward-looking statements speak only as of the date they are made, and are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results could differ materially from those anticipated in forward-looking statements.

The following provides a simplified example of the cumulative effect of management fees on investment performance: An annual management fee of 0.80% applied over a five-year period to a \$100 million portfolio with an annualized gross return of 10% would reduce the value of the portfolio from \$161,051,000 to \$154,783,041. The actual investment advisory fees incurred by clients may vary depending on account size, structure, cash flow and other account-specific factors. Newton's standard fees are shown in Part 2A of its Form ADV.

No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Past results are not indicative of future performance and are no guarantee that losses will not occur in the future. Future returns are not guaranteed and a loss of principal may occur.

Performance is expressed in U.S. dollars unless noted otherwise. Performance results for one year and less are not annualized. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Performance presented for measurement periods prior to September 1, 2021 represents the performance of the strategy when managed at Mellon Investments Corporation ('Mellon'), an affiliate of NIMNA. Performance presented for measurement periods prior to February 1, 2018 represents the portable performance results of a prior affiliated firm. Mellon was formed on January 31, 2018, through the merger of The Boston Company and Standish into Mellon Capital.

To derive Ten Largest Holdings, Characteristics, Economic Sector Weightings, Country Weightings and Portfolio Holdings for presentation purposes, a representative institutional account ('Account') has been identified to be used as a proxy for the strategy. The information provided in this document should not be considered a recommendation to purchase or sell

any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an Account's entire portfolio and in the aggregate may represent only a small percentage of an Account's portfolio holdings. It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

Newton manages a variety of investment strategies. How ESG analysis is integrated into Newton's strategies depends on the asset classes and/or the particular strategy involved. ESG can be one of many inputs into the fundamental analysis. Newton will make investment decisions that are not based solely on ESG analysis. Other attributes of an investment may outweigh ESG analysis when making investment decisions.

Some information contained herein has been obtained from third-party sources that are believed to be reliable, but the information has not been independently verified by Newton. Newton makes no representations as to the accuracy or the completeness of such information and has no obligation to revise or update any statement herein for any reason. Unless you are notified to the contrary, the products and services mentioned are not insured by the FDIC (or by any governmental entity) and are not guaranteed by or obligations of The Bank of New York or any of its affiliates. The Bank of New York assumes no responsibility for the accuracy or completeness of the above data and disclaims all expressed or implied warranties in connection therewith.

Charts and graphs herein are provided as illustrations only and are not meant to be guarantees of any return. The illustrations are based upon certain assumptions that may or may not turn out to be true.

The use of corporate names or logos in this presentation, other than those of Newton or its affiliates, is for illustrative purposes only and rights to any logos, trademarks or servicemarks are owned by their respective entities. It is not known whether the listed companies endorse or disapprove of Newton or any advisory services provided.

The indices referred to herein are used for comparative and informational purposes only and have been selected because they are generally considered to be representative of certain markets. Comparisons to indices as benchmarks have limitations because indices have volatility and other material characteristics that may differ from the portfolio, investment or hedge to which they are compared. The providers of the indices referred to herein are not affiliated with NIMNA, do not endorse, sponsor, sell or promote the investment strategies or products mentioned herein and they make no representation regarding the advisability of investing in the products and strategies described herein. Please see NewtonIM.com for important index licensing information.

Newton does not consider Investment Analytics to meet the definition of performance as defined in 206(4)-1(e). Investment Analytics are usually utilized as evaluation tools, both by internal portfolio management teams along with clients, to better understand drivers of performance returns however they are not considered actual performance returns. Gross performance data is used to derive at Investment Analytics. Investment Analytics would include but not limited to: Attribution which shows contribution of returns at difference classifications; Top xx / Bottom xx Contributors (with xx being any number less than the half of the holdings in a portfolio); Ex-post risk statistics (such as tracking error, information ratio, standard deviation of returns). Note: Classifications used in attribution can include but not limited to: Sector / Industry / Sub-Industry; Geographical (for example country, region); Market Cap.



Merced County Employees' Retirement Association

DATE: April 24, 2025

TO: MercedCERA Board of Retirement

FROM: Martha Sanchez Barboa, Plan Administrator

SUBJECT: Discussion and possible action to approve MercedCERA Board of Retirement elections for Seat 2 and Seat 7 by the Merced County Registrar of Voters

ITEM NUMBER: Open Session Item e

ITEM TYPE: Action

STAFF RECOMMENDATION:

1. Approve staff coordinate MercedCERA Board elections for Seat 2 and Seat 7 with the Merced County Registrar of Voters.

DISCUSSION:

The Merced County Employees' Retirement Association (MercedCERA) has two (2) seats, Seat 2 (General) and Seat 7 (Safety), up for re-election on December 31, 2025. Per MercedCERA Board Bylaws, the Board of Retirement will determine the procedure for conducting the election.

As done in prior elections, the MercedCERA Board has approved staff coordinate with the Merced County Registrar of Voters to conduct the election. Staff met with the Registrar of Voters, who proposed the following calendar of election events:

Notices	
June 25, 2025 – July 1, 2025	Notice of Election distributed
Candidate Filing	
July 7, 2025 – August 1, 2025	Candidate filing period
August 2, 2025	Random alphabet drawing at 9:00 am
General Information	
September 8, 2025	Distribution of Election Ballots
October 7, 2025	Last day to return Election Ballots to Election's Department
Canvass	
October 8, 2025 – October 14, 2025	Official canvass (Counting of Ballots)
Certify Election	
October 28, 2025	Certify election and notify results

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Merced County Employees' Retirement Association

Staff Recommendation:

Staff are recommending the Board approve staff coordinate MercedCERA Board elections for Seat 2 and Seat 7 with the Merced County Registrar of Voters.



Merced County Employees' Retirement Association

DATE: April 24, 2025

TO: MercedCERA Board of Retirement

FROM: Martha Sanchez Barboa, Plan Administrator

SUBJECT: Discussion of Assembly Bill 1383

ITEM NUMBER: Open Session Item f

ITEM TYPE: Information Only

DISCUSSION:

California Assemblymember McKinnor is authorizing Assembly Bill 1383 (AB 1383). This bill rolls back some provisions of Public Employees' Pension Reform Act (PEPRA). AB 1383 introduces new formulas for safety members, requires pensionable compensation limits be adjusted annually for general and safety members and removes the requirement that employees pay at least 50% of normal costs.

For new safety members hired on or after January 1, 2026, the formulas would be 2.5% at age 55, 2.7% at age 55, or 3% at age 55. This bill would also require employers to adjust member formulas, through the collective bargaining process, who were hired on or after January 1, 2013, for services performed on or after January 1, 2026, to one of the 3 formulas that is closest to the formula the employer is currently providing to its safety members.

In addition, PEPRA currently requires employees to pay at least 50% of normal costs and prohibits employers from paying any of the employees' required contributions. This bill would allow, through the collective bargaining process, an employer to pay a portion of the employee's contribution.

Staff will continue to monitor this bill as it moves through the legislative process and will inform the Board of significant updates.



Merced County Employees' Retirement Association

DATE: April 24, 2025

TO: MercedCERA Board of Retirement

FROM: Martha Sanchez Barboa, Plan Administrator

SUBJECT: SACRS Meeting Packet for Spring 2025 Conference

ITEM NUMBER: Open Session Item g

ITEM TYPE: Action

STAFF RECOMMENDATION:

1. Authorize the MercedCERA voting delegate and alternate delegate adopt/approve the attached SACRS Meeting packet for the Spring 2025 Conference:
 - a. Adopt the minutes from the Fall 2024 SACRS Conference,
 - b. Adopt the Treasurer's Report as proposed,
 - c. Approve the proposed Board of Directors,
 - i. President – Adele Lopez Tagaloa, Orange CERS
 - ii. Vice President – Jordan Kaufman, Kern CERA
 - iii. Treasurer – Zandra Cholmondeley, Santa Barbara CERS
 - iv. Secretary – Rhonda Biesemeier, Stanislaus CERA
 - v. Regular Member – Riley Talford, Fresno CERA
 - vi. Regular Member – Chris Giboney, Sacramento CERS
 - d. Approve the SACRS Audit

DISCUSSION:

The State Association of County Retirement Systems (SACRS) 2025 Spring Conference will take place May 13-16, 2025, with the SACRS business meeting occurring on May 16th. On March 27, 2025, the MercedCERA Board approved Janey Cabral as the voting delegate and Sheri Villagrana as the alternate delegate. Delegates will be voting on behalf of the full Board at the business meeting and staff are recommending that they be authorized to adopt the Fall 2024 SACRS Conference Meeting Minutes and adopt the Treasurer's Report. In addition, staff are recommending the Board authorize the delegates to approve the proposed SACRS Board of Directors and the SACRS Audit. Attached is the complete meeting packet.

Staff Recommendation:

Staff are recommending the Board authorize the MercedCERA voting delegate and alternate delegate to adopt the Fall 2024 SACRS Conference Meeting Minutes, the proposed Treasurer's Report, approve the proposed SACRS Board of Directors and Audit.



SACRS
Spring Conference
Annual Business Meeting 2025

Friday, May 16, 2025
10:15 am – 11:30 am
Las Palmas Ballroom

Omni Rancho Las Palmas Resort & Spa
Rancho Mirage, 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 16, 2025
Omni Rancho Las Palmas Resort & Spa
Rancho Mirage, CA
Las Palmas Ballroom

SACRS Parliamentarian – David Lantzer, San Bernardino CERA

1. SACRS System Roll Call
Zandra Cholmondeley, SACRS Secretary
2. Secretary's Report - Receive and File
Zandra Cholmondeley, Santa Barbara CERS, SACRS Secretary
 - a) November 2024 SACRS Business Meeting Minutes
3. Treasurer's Report - Receive and File
Jordan Kaufman, Kern CERA, SACRS Treasurer
 - a) July 2025 – February 2025 Financials
4. SACRS President Report - No Action
David MacDonald, Contra Costa CERA, SACRS President
 - a) SACRS President Update
5. SACRS Legislative Committee Update – Action
Eric Stern, Sacramento CERS, SACRS Legislative Committee Chair
 - a) 2025 Legislative Report – No Action
 - b) SACRS Legislative Proposal – No Action
6. SACRS Nomination Committee – Action
Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair
 - a) SACRS Board of Directors Elections 2025-2026



7. SACRS Audit Report – Action
Steve Delaney, Orange CERS, SACRS Audit Committee Chair
 - a) SACRS 2023-2024 Annual Audit
8. SACRS Education Committee Report – No Action
JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair
 - a) SACRS Annual Spring 2025 Conference Evaluations/Feedback
9. SACRS Program Committee Report – No Action
Adele Lopez Tagaloa, Orange CERS, SACRS Program Committee Chair
 - a) SACRS Annual Spring 2025 Conference Report
10. SACRS Affiliate Committee Report – No Action
Sean Gannon, Manulife Investment Management, SACRS Affiliate Committee Chair
 - a) SACRS Affiliate Committee Update
11. SACRS Bylaws Committee Report – No Action
Barbara Hannah, San Bernardino CERA, SACRS Bylaws Committee Chair
 - a) SACRS Bylaws Committee Update
12. SACRS Spring Conference Breakout Reports – No Action
A representative from each breakout will give report on their meetings.
 - a) Administrators – Renee Ostrander, San Joaquin CERA
 - b) Affiliates – Sean Gannon, Affiliate Committee Chair
 - c) Attorneys – David Lantzer, San Bernardino CERA
 - d) Disability/ Operations & Benefits – Carlos Barrios Alameda CERA
 - e) Internal Auditors – Harsh Jadhav, Alameda CERA
 - f) Investment Officers – Steve Davis, Sacramento CERA
 - g) Safety Trustees – Skip Murphy, San Diego CERA
 - h) General Trustees – Rhonda Biesemeier, Stanislaus CERA
13. Adjournment
Next scheduled SACRS Association Business Meeting will be held Friday, November 14, 2025, at the Hyatt Regency Huntington Beach, Huntington Beach, CA.



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 Barbara 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. Secretary's Report - Receive and File
Zandra Cholmondeley, Santa Barbara CERS, SACRS Secretary
 - a) November 2024 SACRS Business Meeting Minutes



SACRS Business Meeting Minutes
Friday, November 15, 2024
10:15 AM – 11:30 AM
Monterey Hyatt Regency Resort & Spa
Monterey, CA

SACRS Parliamentarian – David Lantzer, San Bernardino CERA

SACRS Sergeant at Arms – Brian Williams, Sonoma CERA

Meeting Call to Order 10:27 am

1. SACRS System Roll Call

Zandra Cholmondely, Santa Barbara CERS, SACRS Secretary

All 20 Retirement Systems 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. SACRS Secretary's Report - Receive and File

Zandra Cholmondeley, Santa Barbara CERS, SACRS Secretary

A. SACRS Business Meeting Minutes May 2024

Motion: A motion to accept the May 2024 Business meeting Minutes was made by San Diego.

2nd: Contra Costa

Yes: All

No: 0

Motion passes

3. SACRS Treasurer's Report - Receive and File

Jordan Kaufman, Kern CERA, SACRS Treasurer

A. July 2024 – August 2024 Financials

B. 2024-2025 SACRS Budget

Motion: A motion to accept the financial report as presented and approve the 2024-2025 budget was made by San Diego.

2nd: Sonoma

Yes: All

No: 0

Motion passes



4. SACRS President Report - No Action

David MacDonald, Contra Costa CERA, SACRS President

A. SACRS President Update

Discussion: David MacDonald thanked the membership for their participation at the conference, highlighted the end of SACRS 70th anniversary. Looking forward to the next 70 years! MacDonald thanked the Board of Directors and the Program Committee for a stellar roster of speakers, concluded with thanks to the volunteers and staff.

5. SACRS Legislative Committee Report – Action Item

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

A. Legislative Committee Report

B. Proposed 2024-2025 SACRS Legislation

Discussion: Eric Stern provided a verbal review of the legislative report. He noted that newly elected Assembly and Senate members are getting sworn in and assigned to committees.

Processes within the Legislative Committee have been reviewed and an updated charter will be submitted to the Board of Directors in January.

An *all-call* to the Retirement System members for clean-up language to the CERL was requested, the language will be placed into a CERL omnibus bill/committee bill.

The following proposed amendments to the CERL correct drafting omissions following the implementation of PEPPRA in 2013:

- Three-Year Final Compensation (Government Code Section 31462.05): This amendment clarifies how the three-year final compensation period is calculated when a member has less than 36 months of service, consistent with similar sections of law.
- Safety Designation (Government Code Section 31470.14): This amendment clarifies that service for miscellaneous positions that are converted to safety positions after January 1, 2013, cannot be retroactively enhanced.

During the report, open discussion item was brought up by Orange CERS Trustee Chris Prevatt on AB 2284 (Grayson) and SACRS opposition to the bill. Trustee Prevatt asked the Board and Eric about the letter of opposition that was sent to the Governor's office. He noted that at the time the letter was sent six systems supported the opposition, however at the time of the conference the bill had less than half of the organization's systems support. Orange CERS submitted a letter of support that was contradictory of the SACRS opposition letter.

Eric Stern noted that the Board of Directors made the final decision to oppose the legislation, per the Bylaws of the association, the Board of Directors represents the



systems on behalf of SACRS. According to the guidelines of the Legislative Committee Charter letters of support or opposition do not need to be unanimous. A question was posed asking if all the systems are represented on the Legislative Committee? Eric provided information that there are 13 members on the committee that are appointed by the Board of Directors.

President MacDonald stated that he opposed supporting the opposition to the legislation. That in discussions at the Board level, there was one abstention when they took the item up at the Board of Directors meeting in March. Even though he opposed the action, MacDonald as President of the Association, accepted his duty to sign the letter of opposition to AB 2284. MacDonald noted that the Board of Directors needs feedback in input from the Systems to ensure that SACRS does accurately represent all members. President MacDonald also mentioned that the Board does seek to obtain feedback from the systems to represent all concerns impacting legislation.

Vice President Adele Lopez Tagaloa mentioned that the item was a well debated topic. The vote was based on “who does SACRS represent as a whole” concept.

Motion: A motion to accept the legislative report and the proposed 2024-2025 CERL clean-up legislation was made by Los Angeles CERA.

2nd: San Diego

Yes: All

No: 0

Motion passes

6. SACRS Nomination Committee Report – No Action

Vivian Gray, Los Angeles CERA, SACRS Nomination Committee Chair

A. SACRS Board of Directors Elections 2025-2026

Discussion: Sulema Peterson provided an update on the 2025-2026 SACRS Board of Directors Elections. Notices were included in the Fall 2024 Conference packet and Business meeting packet. Trustees that are interested in serving on the Board of Directors should submit their letter of intent and complete the form provided.

7. SACRS Audit Committee Report – No Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS Audit 2023-2024 Update

Discussion: Steve Delaney provided an overview of the audit process. The committee has begun collaborating with the auditors and anticipates the annual audit being available at the Spring 2025 conference.



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. Education Committee Report

No Report

9. SACRS Program Committee Report – No Action

Adele Lopez Tagaloa, Orange CERS, SACRS Program Committee Chair

A. Program Committee Report

Discussion: Adele Lopez Tagaloa provided a verbal report on the Fall conference. She thanked the committee for their hard work and time put into the educational sessions. Adele also invited members of the audience to participate at the Board meetings, if members are unable to travel to Board meetings they can participate via Zoom.

10. SACRS Affiliate Committee Report – No Action

Sean Gannon, Manulife Investments, SACRS Affiliate Committee Chair

A. Affiliate Committee Report

Discussion: Sean Gannon noted that this conference was full of high-quality content and great energy. Affiliate breakout had a standing ovation. Entire room started clapping when Jeff MacLean with Verus, answered an audience posed question “*What would compel you to respond to a money manager?*” Jeff replied, “*Courtesy*” and everyone in the audience stood and applauded the honest answer.

11. SACRS Bylaws Committee Report – No Action

Barbara Hannah, San Bernardino CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Report

Discussion: Sulema Peterson provided a verbal report that updated the membership on the progress the committee is making on updating the Bylaws. The committee is reviewing section by section to identify areas that may need updating/modifications due to new processes. Once complete, SACRS outside counsel will review for accuracy, state requirements, and consistency. The proposed amendments will be presented in the Fall 2025.

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
18 CERL systems participated in the breakout, great attendance.
Topics discussed – staffing challenges, compliance issues, communication efforts, legislation, and litigation.
Next moderator- Renee Ostrander, San Joaquin CERA.
- B. Affiliates
Sean Gannon reported that they had a Family Feud format for their breakout. Great panel that was very giving of their time. Last Spring it was based on “Shark Tank,” the art of a great elevator pitch. Very straightforward business-like pitch, to modeling a SNL skit.
- C. Attorneys
Shoutout to Sulema and team for getting MCLE accreditation for SACRS trainings going forward. Attorney’s breakout went over in time because the discussion was so interesting and well presented. Did not get a volunteer for next session, and as much as Aaron loves his SACRS family, he is not going to be able to do it again. Board recognizes that they will solicit for another attorney volunteer for the Spring.
- D. Disability/ Operations & Benefits
Carlos Barrios reported that they had two presentations and breakout during their session. One discussion included AI is used to process data and analyze data, how that will impact processes in the future. Legal Splits – difference between systems that have already adopted Article 8.4 for splitting and those that have not. Moderator – Patti Montoya, Fresno CERA and Carlos Barrios, Alameda CERA will moderate in the Spring.
- E. Internal Auditors
No report
- F. Investment Officers
Sulema reported that the investment officers will send their own email around to look for a volunteer for Spring. Sulema encouraged all the systems to promote their CIO’s’ to attend and participate.
- G. Safety Trustees
Skip Murphy reported that the breakout had 22 participants, including *Myra*, a peer support dog. They entertained a round table format; everyone had an opportunity to share what is happening in their respective Systems. The group also discussed their local Board of Supervisors elections, the LACERA case that is up for appeal, and relevant labor issues. Skip will continue to serve as moderator for Spring 2025.



H. General Trustees

Rhonda Biesemeier reported that they chose a different process for this conference for the breakout style in the Trustees session. They first went to the Affiliates *Family Feud*, then to their own Trustee Breakout. Had great speakers, Michael Troncoso of Robbins Geller Rudman and Dowd LLP. Rhonda reported that it was one of the best Trustee breakouts that she has participated in and attended. The breakout had more than 40 trustees present and actively engaged.

Adele Lopez Tagaloa, SACRS Program Committee Chair, recommended that Rhonda continue as moderator in Spring 2025, Rhonda accepted the call.

Roundtable

Bob Goodchild was given the floor to make an announcement, he asked that the audience give recognition to Vivian Gray, SACRS Past President and Los Angeles CERA Trustee and Chris Prevatt, Orange CERS Trustee, on their upcoming retirements. He noted that both Vivian and Chris should be applauded for their continued years of service to their Systems and dedication to the SACRS community. Congratulations to each on their retirement.

President MacDonald thanked Vivian for encouraging him to raise his hand to serve on the Board of Directors and thanked Trustee Gray for her service.

13. Adjournment

Next scheduled SACRS Business Meeting will be held on Friday, May 16, 2025. The meeting will be held at the Omni Rancho Las Palmas Resort & Spa, Rancho Mirage, during SACRS Annual Spring Conference May 13-16, 2025

Next conference will be held at the Omni on May 13 – 16th in Rancho Mirage. Encourage participation. Meeting is adjourned at 11:26 am.



3. **Treasurer's Report - Receive and File**
Jordan Kaufman, Kern CERA, SACRS Treasurer
 - a) July 2025 – February 2025 Financials

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Balance Sheet

As of January 31, 2025

ASSETS

Current Assets

Checking/Savings

1000 · First Foundation Bank-Checking	272,435.87
1001 · BofA Interest Checking 4389	6,647.26
1002 · First Foundation Bank ICS Acct	152,631.32

Total Checking/Savings 431,714.45

Other Current Assets

1100 · CalTrust - Medium Term	312,339.12
1107 · CalTrust Liquidity Fund	9,305.30
1110 · CAMP-SACRS Liquidity Fund	550,777.92

Total Other Current Assets 872,422.34

Total Current Assets 1,304,136.79

TOTAL ASSETS 1,304,136.79

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Credit Cards

2201 · First Foundation Master Card	1,603.20
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Total Credit Cards 1,603.20

Other Current Liabilities

2150 · Refund Liability	3,690.00
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Total Other Current Liabilities 3,690.00

Total Current Liabilities 5,293.20

Total Liabilities 5,293.20

Equity

32000 · Retained Earnings	909,148.98
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Net Income 389,694.61

Total Equity 1,298,843.59

TOTAL LIABILITIES & EQUITY 1,304,136.79

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2024 through January 2025

	Jul '24 - Jan 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4100 · Membership Dues				
4101 · Affiliates	271,500.00	375,000.00	-103,500.00	72.4%
4102 · Non Profit - Organizations	3,250.00	3,000.00	250.00	108.33%
4103 · Non Profit - Systems	9,000.00	6,500.00	2,500.00	138.46%
4104 · Systems - Medium	44,000.00	52,000.00	-8,000.00	84.62%
4105 · Systems - Large	42,000.00	42,000.00	0.00	100.0%
Total 4100 · Membership Dues	369,750.00	478,500.00	-108,750.00	77.27%
4200 · Webinar Symposium Registration				
4202 · Affiliates - Regular	0.00	3,500.00	-3,500.00	0.0%
4204 · Non Profit	0.00	2,500.00	-2,500.00	0.0%
4205 · Systems	0.00	2,500.00	-2,500.00	0.0%
4206 · Non-Members	0.00	4,500.00	-4,500.00	0.0%
Total 4200 · Webinar Symposium Registration	0.00	13,000.00	-13,000.00	0.0%
4250 · Product Income				
4251 · CERL	100.00	200.00	-100.00	50.0%
4269 · Product Shipping	40.00	50.00	-10.00	80.0%
Total 4250 · Product Income	140.00	250.00	-110.00	56.0%
4270 · UC Berkeley Program				
4271 · Registrations	24,500.00	165,000.00	-140,500.00	14.85%
4272 · Sponsorships	41,000.00	45,000.00	-4,000.00	91.11%
4273 · Spouse	0.00	1,000.00	-1,000.00	0.0%
4270 · UC Berkeley Program - Other	1,200.00			
Total 4270 · UC Berkeley Program	66,700.00	211,000.00	-144,300.00	31.61%
4300 · Fall Conference Registration				
4302 · Affiliates - Regular	255,150.00	337,500.00	-82,350.00	75.6%
4303 · Affiliates - Late/Onsite	102,000.00	37,500.00	64,500.00	272.0%
4304 · Non Profit	2,250.00	1,500.00	750.00	150.0%
4305 · Systems	25,200.00	21,000.00	4,200.00	120.0%
4306 · Non-Members	259,200.00	256,000.00	3,200.00	101.25%
4307 · Fun Run	1,460.00	1,500.00	-40.00	97.33%
4308 · Yoga	825.00	500.00	325.00	165.0%
4309 · Spouse	3,100.00	2,500.00	600.00	124.0%
4310 · Sponsorship	36,500.00	40,000.00	-3,500.00	91.25%
Total 4300 · Fall Conference Registration	685,685.00	698,000.00	-12,315.00	98.24%
4350 · Spring Conference Registration				
4351 · Affiliates - Early	-1,020.00			
4352 · Affiliates - Regular	2,712.00	337,500.00	-334,788.00	0.8%
4353 · Affiliates - Late/Onsite	5,008.00	37,500.00	-32,492.00	13.36%
4354 · Non Profit	150.00	1,500.00	-1,350.00	10.0%
4355 · Systems	2,070.00	50,750.00	-48,680.00	4.08%
4356 · Non-Members	0.00	256,000.00	-256,000.00	0.0%
4357 · Fun Run	45.00	1,500.00	-1,455.00	3.0%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2024 through January 2025

	Jul '24 - Jan 25	Budget	\$ Over Budget	% of Budget
4358 · Yoga	0.00	500.00	-500.00	0.0%
4359 · Spouse	300.00	2,500.00	-2,200.00	12.0%
4360 · Sponsorship	0.00	40,000.00	-40,000.00	0.0%
4350 · Spring Conference Registration - Other	775.00			
Total 4350 · Spring Conference Registration	10,040.00	727,750.00	-717,710.00	1.38%
4900 · Interest Earned	27,991.43	30,000.00	-2,008.57	93.31%
Total Income	1,160,306.43	2,158,500.00	-998,193.57	53.76%
Gross Profit	1,160,306.43	2,158,500.00	-998,193.57	53.76%
Expense				
5000 · Administrative Fee	150,000.00	225,000.00	-75,000.00	66.67%
5001 · Administrative Services	0.00	500.00	-500.00	0.0%
5002 · Awards	0.00	500.00	-500.00	0.0%
5003 · Bank Charges/Credit Card Fees	34,826.21	55,000.00	-20,173.79	63.32%
5010 · Berkeley & Symposium				
5011 · Audio/Visual	0.00	7,000.00	-7,000.00	0.0%
5013 · Hotel	24,035.25	25,000.00	-964.75	96.14%
5014 · Food & Beverage	0.00	20,000.00	-20,000.00	0.0%
5015 · Materials/Printing/Design	2,362.32	1,500.00	862.32	157.49%
5016 · Travel	862.00	2,700.00	-1,838.00	31.93%
5017 · UC Berkeley	126,000.00	252,000.00	-126,000.00	50.0%
Total 5010 · Berkeley & Symposium	153,259.57	308,200.00	-154,940.43	49.73%
5020 · Webinar Symposium				
5022 · Webinar Technology	0.00	25,000.00	-25,000.00	0.0%
Total 5020 · Webinar Symposium	0.00	25,000.00	-25,000.00	0.0%
5030 · CERL				
5031 · Materials/Printing/Design	15,691.00	16,500.00	-809.00	95.1%
5032 · Shipping	1,603.37	1,300.00	303.37	123.34%
Total 5030 · CERL	17,294.37	17,800.00	-505.63	97.16%
5039 · Charitable Contributions	1,000.00	2,000.00	-1,000.00	50.0%
5040 · Commissions & Fees	15,000.00	10,000.00	5,000.00	150.0%
5041 · Consulting	0.00	18,000.00	-18,000.00	0.0%
5042 · Dues & Subscriptions	325.00	3,700.00	-3,375.00	8.78%
5050 · Fall Conference				
5051 · Audio/Visual	131,077.50	100,000.00	31,077.50	131.08%
5052 · Delivery & Shipping	500.00	2,500.00	-2,000.00	20.0%
5053 · Entertainment	0.00	6,500.00	-6,500.00	0.0%
5054 · Hotel				
5054.1 · Wednesday Night Event	16,794.41	75,000.00	-58,205.59	22.39%
5054.2 · Conference	35,095.22	50,000.00	-14,904.78	70.19%
5054.3 · Food & Beverage	0.00	250,000.00	-250,000.00	0.0%
5054 · Hotel - Other	3,500.00			
Total 5054 · Hotel	55,389.63	375,000.00	-319,610.37	14.77%
5055 · Program Material	5,696.15	10,000.00	-4,303.85	56.96%
5056 · Speakers	43,500.00	50,000.00	-6,500.00	87.0%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2024 through January 2025

	Jul '24 - Jan 25	Budget	\$ Over Budget	% of Budget
5057 · Supplies	0.00	500.00	-500.00	0.0%
5058 · Travel	278.49	15,000.00	-14,721.51	1.86%
Total 5050 · Fall Conference	236,441.77	559,500.00	-323,058.23	42.26%
5070 · Insurance	2,096.03	6,200.00	-4,103.97	33.81%
5071 · Legal & Professional Fees	14,440.00	15,000.00	-560.00	96.27%
5072 · Legislative Advocacy	36,000.00	54,000.00	-18,000.00	66.67%
5080 · Magazine				
5082 · Design/Printing/Etc.	8,940.00	3,500.00	5,440.00	255.43%
5083 · Magazine - Other	0.00	8,000.00	-8,000.00	0.0%
Total 5080 · Magazine	8,940.00	11,500.00	-2,560.00	77.74%
6000 · Board & Committees				
6001 · Board of Directors				
6001.1 · Food & Beverage	8,852.51	10,000.00	-1,147.49	88.53%
6001.3 · Travel - BOD Meetings	736.35	8,000.00	-7,263.65	9.2%
6001.4 · Travel - Miscellaneous BOD	0.00	8,000.00	-8,000.00	0.0%
6001.5 · Board Of Directors - Other	0.00	5,000.00	-5,000.00	0.0%
Total 6001 · Board of Directors	9,588.86	31,000.00	-21,411.14	30.93%
6002 · Legislative Committee Meetings	0.00	350.00	-350.00	0.0%
6003 · Program Committee Meetings	0.00	1,500.00	-1,500.00	0.0%
6006 · Education Committee Meetings	0.00	350.00	-350.00	0.0%
Total 6000 · Board & Committees	9,588.86	33,200.00	-23,611.14	28.88%
6010 · Office Expenses / Supplies	208.23	2,500.00	-2,291.77	8.33%
6011 · Postage & Delivery	1,617.11	8,500.00	-6,882.89	19.03%
6020 · Spring Conference				
6021 · Audio/Visual	0.00	100,000.00	-100,000.00	0.0%
6022 · Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
6023 · Entertainment	850.00	6,500.00	-5,650.00	13.08%
6024 · Hotel				
6024.1 · Wednesday Night Event	0.00	75,000.00	-75,000.00	0.0%
6024.2 · Conference	26,073.79	50,000.00	-23,926.21	52.15%
6024.3 · Food & Beverage	0.00	250,000.00	-250,000.00	0.0%
Total 6024 · Hotel	26,073.79	375,000.00	-348,926.21	6.95%
6025 · Program Material	16,100.00	10,000.00	6,100.00	161.0%
6026 · Speakers	0.00	50,000.00	-50,000.00	0.0%
6027 · Supplies	3,816.00	2,000.00	1,816.00	190.8%
6028 · Travel	2,600.84	15,000.00	-12,399.16	17.34%
6020 · Spring Conference - Other	75.10			
Total 6020 · Spring Conference	49,515.73	561,000.00	-511,484.27	8.83%
6050 · Strategic Facilitator	0.00	0.00	0.00	0.0%
6051 · Taxes & Licenses	809.42	1,200.00	-390.58	67.45%
6053 · Technology/AMS/Website	36,684.82	42,000.00	-5,315.18	87.35%
6054 · Travel	2,564.70	1,500.00	1,064.70	170.98%
Total Expense	770,611.82	1,961,800.00	-1,191,188.18	39.28%
Net Ordinary Income	389,694.61	196,700.00	192,994.61	198.12%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
July 2024 through January 2025

Jul '24 - Jan 25	Budget	\$ Over Budget	% of Budget
389,694.61	196,700.00	192,994.61	198.12%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss by Class

July 2024 through January 2025

	NON PROFIT	GENERAL	FUTURE YEAR	TOTAL
Ordinary Income/Expense				
Income				
4100 - Membership Dues				
4101 - Affiliates	0.00	271,500.00	0.00	271,500.00
4102 - Non Profit - Organizations	0.00	3,250.00	0.00	3,250.00
4103 - Non Profit - Systems	0.00	9,000.00	0.00	9,000.00
4104 - Systems - Medium	0.00	44,000.00	0.00	44,000.00
4105 - Systems - Large	0.00	42,000.00	0.00	42,000.00
Total 4100 - Membership Dues	0.00	369,750.00	0.00	369,750.00
4250 - Product Income				
4251 - CERL	0.00	100.00	0.00	100.00
4269 - Product Shipping	0.00	40.00	0.00	40.00
Total 4250 - Product Income	0.00	140.00	0.00	140.00
4270 - UC Berkeley Program				
4271 - Registrations	0.00	24,500.00	0.00	24,500.00
4272 - Sponsorships	0.00	41,000.00	0.00	41,000.00
4270 - UC Berkeley Program - Other	0.00	1,200.00	0.00	1,200.00
Total 4270 - UC Berkeley Program	0.00	66,700.00	0.00	66,700.00
4300 - Fall Conference Registration				
4302 - Affiliates - Regular	0.00	255,150.00	0.00	255,150.00
4303 - Affiliates - Late/Onsite	0.00	102,000.00	0.00	102,000.00
4304 - Non Profit	0.00	2,250.00	0.00	2,250.00
4305 - Systems	0.00	25,200.00	0.00	25,200.00
4306 - Non-Members	0.00	259,200.00	0.00	259,200.00
4307 - Fun Run	0.00	1,460.00	0.00	1,460.00
4308 - Yoga	0.00	825.00	0.00	825.00
4309 - Spouse	0.00	3,100.00	0.00	3,100.00
4310 - Sponsorship	0.00	36,500.00	0.00	36,500.00
Total 4300 - Fall Conference Registration	0.00	685,685.00	0.00	685,685.00
4350 - Spring Conference Registration				
4351 - Affiliates - Early	-1,020.00	0.00	0.00	-1,020.00
4352 - Affiliates - Regular	2,712.00	0.00	0.00	2,712.00
4353 - Affiliates - Late/Onsite	5,008.00	0.00	0.00	5,008.00
4354 - Non Profit	150.00	0.00	0.00	150.00
4355 - Systems	2,070.00	0.00	0.00	2,070.00
4356 - Non-Members	0.00	0.00	0.00	0.00
4357 - Fun Run	45.00	0.00	0.00	45.00
4359 - Spouse	300.00	0.00	0.00	300.00
4350 - Spring Conference Registration - Other	775.00	0.00	0.00	775.00
Total 4350 - Spring Conference Registration	10,040.00	0.00	0.00	10,040.00
4900 - Interest Earned	0.00	27,991.43	0.00	27,991.43
Total Income	10,040.00	1,150,266.43	0.00	1,160,306.43
Gross Profit	10,040.00	1,150,266.43	0.00	1,160,306.43
Expense				
5000 - Administrative Fee	0.00	150,000.00	0.00	150,000.00

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss by Class

July 2024 through January 2025

	PREVIOUS FISCAL YEAR	CURRENT FISCAL YEAR	FUTURE YEAR	TOTAL
5003 · Bank Charges/Credit Card Fees	0.00	34,826.21	0.00	34,826.21
5010 · Berkeley & Symposium				
5013 · Hotel	0.00	24,035.25	0.00	24,035.25
5015 · Materials/Printing/Design	0.00	2,362.32	0.00	2,362.32
5016 · Travel	0.00	862.00	0.00	862.00
5017 · UC Berkeley	0.00	126,000.00	0.00	126,000.00
Total 5010 · Berkeley & Symposium	0.00	153,259.57	0.00	153,259.57
5030 · CERL				
5031 · Materials/Printing/Design	0.00	15,691.00	0.00	15,691.00
5032 · Shipping	0.00	1,603.37	0.00	1,603.37
Total 5030 · CERL	0.00	17,294.37	0.00	17,294.37
5039 · Charitable Contributions	0.00	1,000.00	0.00	1,000.00
5040 · Commissions & Fees	0.00	15,000.00	0.00	15,000.00
5042 · Dues & Subscriptions	0.00	325.00	0.00	325.00
5050 · Fall Conference				
5051 · Audio/Visual	0.00	131,077.50	0.00	131,077.50
5052 · Delivery & Shipping	0.00	500.00	0.00	500.00
5054 · Hotel				
5054.1 · Wednesday Night Event	0.00	16,794.41	0.00	16,794.41
5054.2 · Conference	0.00	35,095.22	0.00	35,095.22
5054 · Hotel - Other	0.00	3,500.00	0.00	3,500.00
Total 5054 · Hotel	0.00	55,389.63	0.00	55,389.63
5055 · Program Material	0.00	5,696.15	0.00	5,696.15
5056 · Speakers	0.00	43,500.00	0.00	43,500.00
5058 · Travel	0.00	278.49	0.00	278.49
Total 5050 · Fall Conference	0.00	236,441.77	0.00	236,441.77
5070 · Insurance	0.00	2,096.03	0.00	2,096.03
5071 · Legal & Professional Fees	4,250.00	10,190.00	0.00	14,440.00
5072 · Legislative Advocacy	6,000.00	30,000.00	0.00	36,000.00
5080 · Magazine				
5082 · Design/Printing/Etc.	0.00	8,940.00	0.00	8,940.00
Total 5080 · Magazine	0.00	8,940.00	0.00	8,940.00
6000 · Board & Committees				
6001 · Board of Directors				
6001.1 · Food & Beverage	0.00	8,852.51	0.00	8,852.51
6001.3 · Travel - BOD Meetings	0.00	736.35	0.00	736.35
Total 6001 · Board of Directors	0.00	9,588.86	0.00	9,588.86
Total 6000 · Board & Committees	0.00	9,588.86	0.00	9,588.86
6010 · Office Expenses / Supplies	0.00	208.23	0.00	208.23
6011 · Postage & Delivery	0.00	1,617.11	0.00	1,617.11
6020 · Spring Conference				
6023 · Entertainment	850.00	0.00	0.00	850.00
6024 · Hotel				
6024.2 · Conference	26,073.79	0.00	0.00	26,073.79
Total 6024 · Hotel	26,073.79	0.00	0.00	26,073.79

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss by Class

July 2024 through January 2025

	PRINCIPAL	GENERAL	FUTURE YEAR	TOTAL
6025 · Program Material	16,100.00	0.00	0.00	16,100.00
6027 · Supplies	3,816.00	0.00	0.00	3,816.00
6028 · Travel	2,600.84	0.00	0.00	2,600.84
6020 · Spring Conference - Other	75.10	0.00	0.00	75.10
Total 6020 · Spring Conference	49,515.73	0.00	0.00	49,515.73
6051 · Taxes & Licenses	809.42	0.00	0.00	809.42
6053 · Technology/AMS/Website	0.00	36,684.82	0.00	36,684.82
6054 · Travel	0.00	2,564.70	0.00	2,564.70
Total Expense	60,575.15	710,036.67	0.00	770,611.82
Net Ordinary Income	-50,535.15	440,229.76	0.00	389,694.61
	-50,535.15	440,229.76	0.00	389,694.61



4. SACRS President Report - No Action

David MacDonald, Contra Costa CERA, SACRS President

- a) SACRS President Update - No printed materials/Verbal update



5. SACRS Legislative Committee Update – Action

Eric Stern, Sacramento CERS, SACRS Legislative Committee Chair

- a) 2025 Legislative Report – No Action
- b) SACRS Legislative Proposal – No Action



TO: State Association of County Retirement Systems
FROM: Cara Martinson, Public House Consulting
Laurie Johnson, LJ Consulting & Advocacy
RE: **Legislative Update – April 2025**

With just under four months remaining in the 2025-26 Legislative Session, both Houses of the Legislature are fully engaged with budget and policy committees. Legislatively, we have successfully met the first two key deadlines: bill introduction and the substantive language deadline. The latter refers to the hundreds of bills introduced as "spot" or "intent" bills, which have had their language amended sufficiently to be referred to policy committees. The next major deadline is the May 2nd House of Origin deadline where all bills must pass through their respective policy committees in the first house. Meanwhile, budget subcommittees continue to review and consider budget items in anticipation of the Governor's May Revision. The budget outlook remains uncertain due to the loss, or potential loss, of critical federal funding and programs, in addition to ongoing recovery efforts in Los Angeles following the wildfires.

In an effort to strengthen SACRS' relationships with key legislators and stakeholders, the SACRS lobbying team and SACRS Legislative Committee Chair have met with Senate Labor, Public Employment, and Retirement Chair Senator Lola Smallwood-Cuevas, Assembly Public Employment and Retirement Chair Tina McKinnor, and Assemblymember Stephanie Nguyen, a member of the Committee. The SACRS lobbying team has also engaged with representatives from CSAC and the California Professional Firefighters on various legislative matters. These meetings will continue to advance SACRS' expertise and visibility in the Capitol and with our partners.

SACRS is tracking the following bills:

Legislation:

- **ACA 2 (Jackson)** –seeks to reinstate retirement for State Legislators. ACA 2 would establish a retirement system specifically for legislators elected or serving from November 1, 2010 onward. To qualify, legislators would be required to serve at least 10 years. If their service is less than 10 years, legislators could transfer their accumulated service credits to another public pension or retirement system they are a part of. Status: Status: This bill has yet to be referred to a policy committee.
- **AB 259 (Rubio)** –would remove the 2026 sunset on existing laws governing teleconferencing procedures for public meetings. This bill is sponsored the CA



Special District's Association (CSDA). Status: This bill will be heard in the Assembly Local Government Committee on 4/9.

- **AB 339 (Ortega)** – would require the governing body of a public agency to give a recognized employee organization no less than 120 days' written notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization. Status: This bill passed out of the Assembly PERS Committee on 3/17 and has been referred to the Assembly Appropriations Committee.
- **AB 340 (Ahrens)** – would establish an employee-union representative privilege in the context of California public employment. Specifically, the bill would prohibit a public agency employer from questioning any employee or employee representative regarding communications made in confidence between an employee and an employee representative in connection with representation relating to any matter within the scope of the recognized employee organization's representation. Status: This bill passed out of the Assembly PERS Committee on 3/19 and has been referred to the Assembly Appropriations Committee.
- **AB 409 (Arambula)** – would delete the 2026 sunset on existing laws governing teleconferencing procedures for California Community College student body associations and student-run community college organizations. Status: This bill will be heard in the Assembly Local Government Committee on 4/9.
- **AB 467 (Fong)** – extends the sunset date from 2026 to 2031 for teleconferencing procedures for neighborhood councils, defined as an advisory body with the purpose to promote more citizen participation in government and make government more responsive to local needs that is established pursuant to the charter of a city with a population of more than 3,000,000 people that is subject to the Brown Act. Status: This bill will be heard in the Assembly Local Government Committee on 4/9.

- **AB 569 (Stefani)** – This bill would authorize a public employer to bargain over contributions for supplemental retirement benefits administered by, or on behalf of, an exclusive bargaining representative of one or more of the public employer's bargaining units. Status: This bill has been referred to the Assembly PERS Committee.
- **AB 814 (Schiavo)**– This bill excludes from gross income, under the Personal Income Tax (PIT) Law, peace officer retirement pay and amounts received by the beneficiary of an annuity plan set up for the surviving spouse or dependent of a person that lost their life in services as a peace officer. Status: This bill passed out of the Assembly Revenue and Taxation Committee on 3/21 and has been referred to the Assembly Appropriations Committee.
- **AB 1054 (Gipson)** – This bill would establish the Deferred Retirement Option Program as a voluntary program within PERS for employees of State Bargaining Units 5 (Highway Patrol) and 8 (Firefighters). The bill would require these state bargaining units to bargain with the Department of Human Resources to implement the program. The bill would also require the program to result in a cost savings or be cost neutral. The bill would further require the department to work with the board of PERS to develop the program. Status: This bill has been referred to the Assembly PERS Committee.
- **AB 1067 (Quirk-Silva)** - This bill would require a public employer that is investigating a public employee for misconduct, to continue the investigation even if the public employee retires while under investigation. The bill would require a public employer, if the investigation indicates that the public employee may have committed a crime, to refer the matter to the appropriate law enforcement agency. Under the bill, if a felony conviction results arising out of any conduct arising out of or in the performance of the public employee's official duties, the public employee would forfeit all accrued rights and benefits in any public retirement system. Status: This bill has not yet been referred to a policy committee.
- **AB 1323 (Chen)** – This bill would authorize an increased compensation rate from \$100 to not more than \$320 per meeting for members of the Orange County Retirement Board. Status: This bill has been referred to the Assembly PERS Committee.

- **AB 1383 (McKinnor)** – This bill, on and after January 1, 2026, would require a retirement system to adjust pensionable compensation limits to be consistent with a defined benefit limitation established and annually adjusted under federal law with respect to tax exempt qualified trusts. Status: This bill has been referred to the Assembly PERS Committee.
- **AB 1439 (Garcia)** – This bill would prohibit the board of a public pension or retirement system from making any additional or new investments of public employee pension or retirement funds in development projects in California or providing financing for those projects with public employee pension or retirement funds unless those projects include labor standards protections. The bill would provide that a board is not required to take action pursuant to this provision unless it determines in good faith that the action is consistent with the board’s fiduciary responsibilities established in the California Constitution. Status: This bill has been referred to the Assembly PERS Committee.
- **SB 239 (Arreguín)** – allows flexibility for remote meetings of local advisory bodies (“subsidiary bodies” in the language of the bill). Specifically, this bill would allow a subsidiary body of a local agency to teleconference their meetings without having to publicly notice or make all locations publicly available. This bill is nearly identical to last year’s AB 817, which stalled in the Senate Local Government Committee. Status: The bill will be heard in the Senate Local Government Committee on 4/2.
- **SB 301 (Grayson)** – This bill, beginning on or after January 1, 2026, would prohibit a city or district that contracts with a retirement system under CERL from amending their contract with the system in a manner that provides for the exclusion of some, but not all, employees. Status: This bill is awaiting Committee referral.
- **SB 443 (Rubio)** - This bill would also authorize a joint powers authority (JPA) to offer defined benefit plans or formulas to a member agency that is a non-founding member of the Joint Powers Authority, for employees who are not new members under PEPPRA and are employed by the joint powers authority within 180 days of the agency becoming a member agency. Status: This bill



passed out of the Senate PERS Committee and has now been referred to the Senate Appropriations Committee.

- **SB 707 (Durazo)** - This bill would require a city council or a county board of supervisors to comply with additional open meeting requirements, including that all open and public meetings include an opportunity for members of the public to attend via a two-way telephonic option or a two-way audiovisual platform, require agendas to be provided in English and in all other languages spoken jointly by 20% or more of the population in the county, revise and recast alternative teleconferencing provisions for local meetings to uniformly apply certain noticing, accessibility, and public commenting provisions. Status: This bill has been set for hearing on 4/2 in the Senate Local Government Committee.
- **SB 827 (Gonzalez)** - This bill would expand which local agency officials are required to complete ethics training to include any managerial-level employee with responsibility over the agency's finances and would instead require officials who commence service on or after January 1, 2026, to receive their initial training within 6 months of commencing service. The bill would require additional training for local agency officials if the agency provides compensation for legislative bodies. Status: This bill is awaiting referral to a policy committee.

Contact:

If you have any questions, please feel free to contact Cara Martinson at cara@publichouseconsulting.net, or Laurie Johnson at lauriejconsult@gmail.com.

FACT SHEET

SB 853 (Committee on Labor, Public Employment and Retirement)

Public Retirement Systems' Omnibus Housekeeping Bill

PURPOSE

SB 853 makes technical, conforming, or non-controversial changes to retirement system-related statutes administered respectively by the California State Teachers' Retirement System (CalSTRS), the California Public Employees' Retirement System (CalPERS), and the 37 Act county employees retirement systems represented by the State Association of County Retirement Systems (SACRS).

BACKGROUND

The Teachers' Retirement Law (TRL) in the Education Code, the Public Employees' Retirement Law (PERL), and the County Employees Retirement Law (CERL/ 37 Act) in the Government Code contain provisions administering public pension systems that provide retirement benefits for most California public employees.

- CalSTRS plans cover certificated school employees;
- CalPERS plans cover state employees, classified school employees, and local public agency employees.
- Twenty independent county retirement associations represented by SACRS administer defined pension benefits for county and district employees in their respective counties pursuant to the 1937 Act.

Current provisions of the TRL, PERL, and CERL contain obsolete, ambiguous, or erroneous citations or cross-references that this bill will update to conform to recent changes in state law.

NEED FOR THE BILL

This bill is necessary to make various technical, conforming, and minor changes to the Education and Government codes necessary for the efficient administration of the state's public retirement systems.

THIS BILL

SB 853 provides the following:

Provisions related to CalSTRS:

- Clarifies that CalSTRS PEPPRA members' "annual pay rate" is salary, as defined, that the member could earn from *each* position the member holds during the school term, not from only one position the member holds during the term.
- States explicitly that the CalSTRS board has final authority for determining who is an employer for purposes of CalSTRS programs and whom the board may admit into CalSTRS membership; authority that constitutional and other statutory constructions already provide.
- Makes technical changes to a program that allows CalSTRS members who have reduced workloads to earn full year service credit by measuring earnings of annualized pay rates instead of days or hours worked to conform with recent changes related to defining creditable compensation.
- Clarifies that specified transfers or payments from the General Fund to the Teachers' Retirement Fund that fall on a weekend or holiday shall be transferred the next business day.
- Provides that CalSTRS may exercise its subrogation rights related to recovery of disability payments from third parties in any California superior court where venue would be proper or the Superior Court of Sacramento.

Provisions related to CalPERS:

- Adds clarifying language referencing pensionable compensation in various sections to conform to PEPPRA.

Provisions related to CERL county systems:

- Clarifies that for members subject to PEPPRA, the retirement association shall compute absences using the member's pensionable compensation at the beginning of the member's absence.

- Clarifies that where a member's service through reclassification, has been converted from general to safety member service, service converted after PEPRA's effective date is subject to PEPRA's prohibition of retroactive benefits. Thus, clarifies that conversion shall apply only to service after the operative date of the reclassification and not to all prior service.
- Clarifies how CERL employers should report retired annuitants to their retirement association.

SUPPORT

California Public Employees' Retirement System
California State Teachers' Retirement System
State Association of County Retirement Systems

CONTACT

Glenn Miles, Consultant
Senate Labor, Public Employment & Retirement
Committee
Glenn.Miles@sen.ca.gov



6. SACRS Nomination Committee – Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

- a) SACRS Board of Directors Elections 2025-2026



March 25, 2025

To: SACRS Trustees & SACRS Administrators/CEO's
From: Dan McAllister, SACRS Immediate Past President, Nominating Committee Chair
SACRS Nominating Committee
Re: SACRS Board of Director Elections 2025-2026 - Elections Notice

Please provide this election notice to your Board of Trustees and Voting Delegates for consideration at the upcoming elections being held at the SACRS Spring Conference May 13-16, 2025.

DEADLINE	DESCRIPTION
March 1, 2025	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, 2025	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 16, 2025	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference
May 16, 2025	Board of Directors takes office for 1 year

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

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

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

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

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

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



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

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

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

The elections will be held at the SACRS Spring Conference May 13-16, 2025, during the Annual Business meeting on Friday, May 16, 2025, in Rancho Mirage at the Omni Rancho las Palmas Resort and Spa.

SACRS Nominating Committee Recommended Slate:

Name	System	Candidate for Position
Adele Lopez Tagaloa	Orange CERS	SACRS President
Jordan Kaufman	Kern CERA	SACRS Vice President
Zandra Cholmondeley	Santa Barbara CERS	SACRS Treasurer
Rhonda Biesemeier	Stanislaus CERA	SACRS Secretary
Riley Talford	Fresno CERA	SACRS Regular Board Member
Chris Giboney	Sacramento CERS	SACRS Regular Board Member

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

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

Thank you for your prompt attention to this timely matter.

Sincerely,

Dan McAllister

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

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

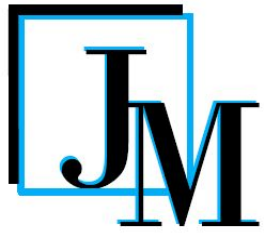
Attached: Nominee Submissions



7. SACRS Audit Committee Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS Audit 2023-2024 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, 2024 AND 2023**

701 HOWE AVENUE, E3
SACRAMENTO, CA 95825

(916) 993-9494
(916) 993-9489 FAX
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STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2024

BOARD OF DIRECTORS

David MacDonald
President

Vivian Gray
Immediate Past President

Adele Tagaloa
Vice President

Jordan Kaufman
Treasurer

Zandra Cholmondeley
Secretary

Rhonda Bieseimeier
General Member

David Gilmore
General Member

Sean Gannon
Affiliate Chair

* * * *

Sulema Peterson
Association Management

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2024 AND 2023

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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, 2024 and 2023, 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, 2024 and 2023 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

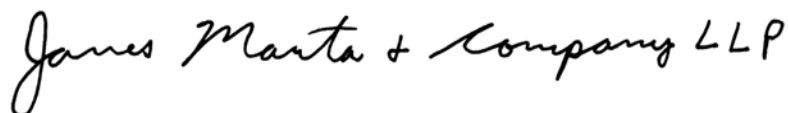
Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report, on pages 8 to 13, are 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 black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
March 11, 2025

FINANCIAL SECTION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	2023-24	2022-23
<u>Cash Receipts</u>		
Dues	\$ 466,650	\$ 361,500
Conference		
Fall	631,394	546,180
Spring	700,118	561,715
Seminars	141,600	117,000
Other admin receipts	3,380	635
Interest	54,005	37,268
Total cash receipts	1,997,147	1,624,298
<u>Cash Disbursements</u>		
Conference		
Fall - 2023 and 2022		
Hotel and meals	354,688	430,059
Audio and visual	103,000	102,087
Program materials	71,582	31,726
Spring - 2024 and 2023		
Hotel and meals	553,753	689,074
Audio and visual	105,138	207,583
Program materials	42,791	82,563
Seminars	535,621	102,505
Conference administration	20,510	21,192
Total conference disbursements	1,787,083	1,666,789
Administration	366,197	396,456
Lobbying	56,559	62,808
Newsletters	28,465	43,941
Committee meetings	112,677	74,447
Special projects	1,000	17,837
Total administration disbursements	564,898	595,489
Total Cash Disbursements	2,351,981	2,262,278
Excess (Deficit) of Cash Receipts over Cash Disbursements	(354,834)	(637,980)
Cash and Investments, Beginning	1,266,654	1,904,634
Cash and Investments, Ending	\$ 911,820	\$ 1,266,654
<i>Supplementary Information</i>		
<u>Cash and Investments at June 30,</u>	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 609,010	\$ 666,544
Non current portion of investments	302,810	600,110
Total Cash and Investments	\$ 911,820	\$ 1,266,654

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, 2024 AND 2023

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, 2024 AND 2023

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:

	2024	2023
Bank accounts	\$ 67,302	\$ (166,975)
Money market accounts	541,708	833,519
Total cash and cash equivalents	<u>\$ 609,010</u>	<u>\$ 666,544</u>

Cash in bank accounts at June 30, 2024 consisted of the following:

	First Foundation	Bank of America	Total
Per bank	\$ 71,878	\$ 6,647	\$ 78,525
Checks outstanding	(11,223)	-	(11,223)
Total bank accounts	<u>\$ 60,655</u>	<u>6,647</u>	<u>\$ 67,302</u>

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	<u>\$ (213,649)</u>	<u>46,674</u>	<u>\$ (166,975)</u>

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, 2024 and 2023, 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, 2024 AND 2023

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, 2024 and 2023 presented in the financial statement is \$302,810 and \$600,110; respectively. SACRS made a \$322,000 redemption for the year ended June 30, 2024. 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 \$9,037 and \$8,559 as of June 30, 2024 and 2023, 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
Spring 2024	\$40,672-\$81,345	\$170,000	255	255	\$319 plus tax
UC Berkley 2024	\$60,971	\$22,000	134	134	\$319 plus tax
Fall 2024	\$186,632-\$233,290	\$150,000	1165	948	\$205 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 2025	\$345,762-\$407,728	\$220,000	1190	1012	\$339 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 March 11, 2025, 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, 2024

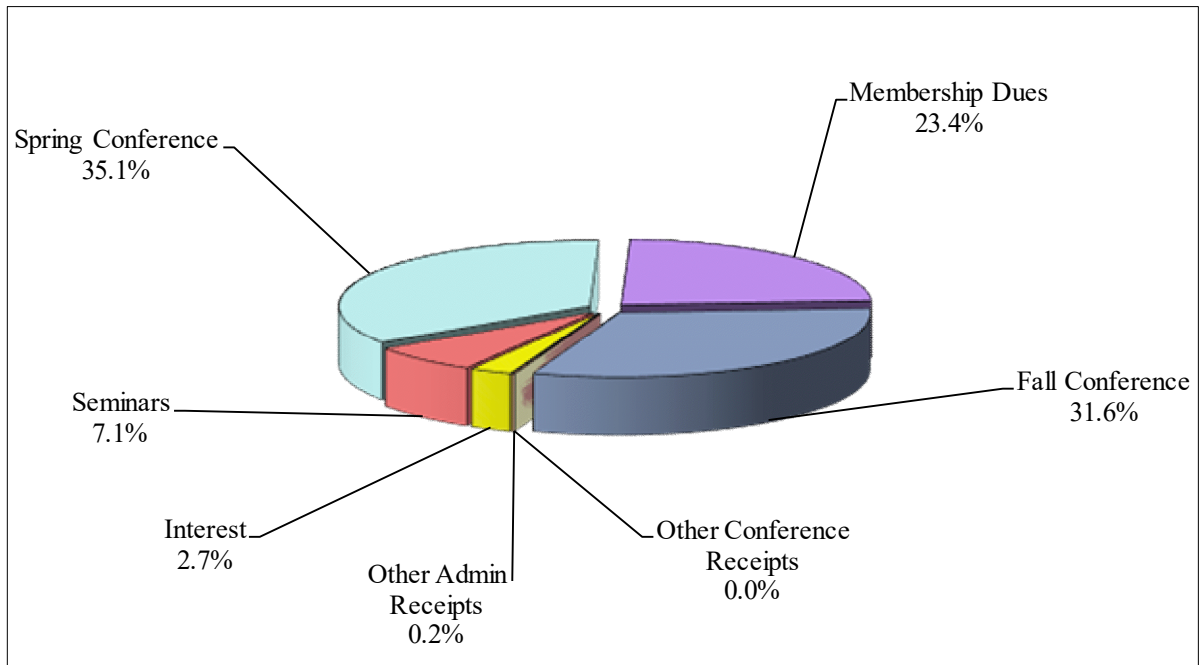
	<u>Conference</u>	<u>Administration</u>	<u>Total</u>
<u>Cash Receipts</u>			
Dues	\$ -	\$ 466,650	\$ 466,650
Conference			
Fall	631,394	-	631,394
Spring	700,118	-	700,118
Seminars	141,600	-	141,600
Other admin receipts	-	3,380	3,380
Interest	-	54,005	54,005
Total Cash Receipts	<u>1,473,112</u>	<u>524,035</u>	<u>1,997,147</u>
<u>Cash Disbursements</u>			
Conference			
Fall - 2023			
Hotel and meals	354,688	-	354,688
Audio and visual	103,000	-	103,000
Program materials	71,582	-	71,582
Spring - 2024			
Hotel and meals	553,753	-	553,753
Audio and visual	105,138	-	105,138
Program materials	42,791	-	42,791
Seminars	535,621	-	535,621
Conference Administration	20,510	-	20,510
Total conference disbursements	<u>1,787,083</u>	<u>-</u>	<u>1,787,083</u>
Administration	-	366,197	366,197
Lobbying	-	56,559	56,559
Newsletters	-	28,465	28,465
Committee meetings	-	112,677	112,677
Special projects	-	1,000	1,000
Total administration disbursements	<u>-</u>	<u>564,898</u>	<u>564,898</u>
Total Cash Disbursements	<u>1,787,083</u>	<u>564,898</u>	<u>2,351,981</u>
Excess (Deficit) of Cash Receipts over Cash Disbursements	(313,971)	(40,863)	(354,834)
Cash and Investments, Beginning	<u>2,678,496</u>	<u>(1,411,842)</u>	<u>1,266,654</u>
Cash and Investments, Ending	<u>\$ 2,364,525</u>	<u>\$ (1,452,705)</u>	<u>\$ 911,820</u>

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

CASH RECEIPTS BY SOURCE

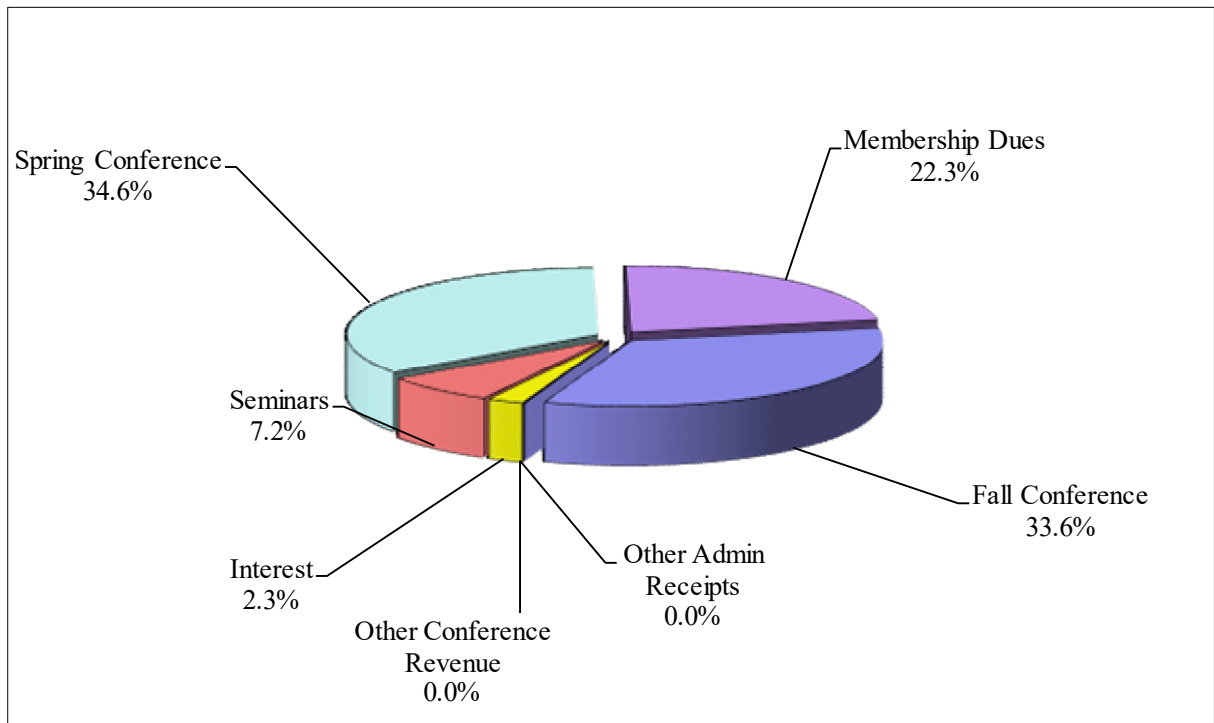


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

CASH RECEIPTS BY SOURCE

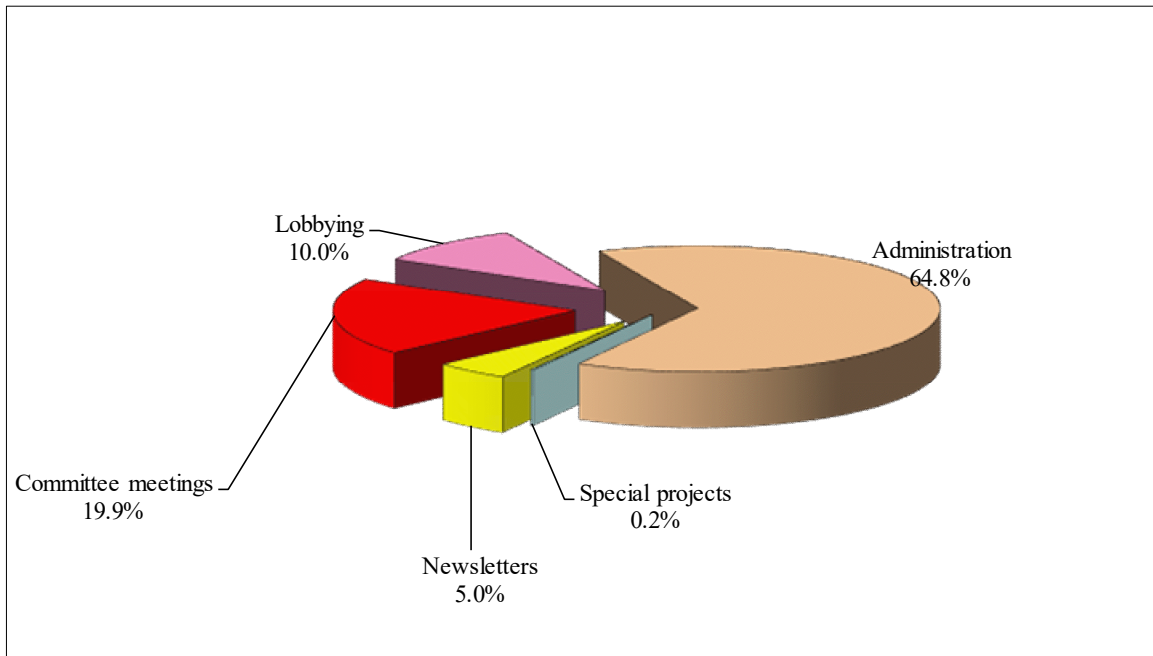


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

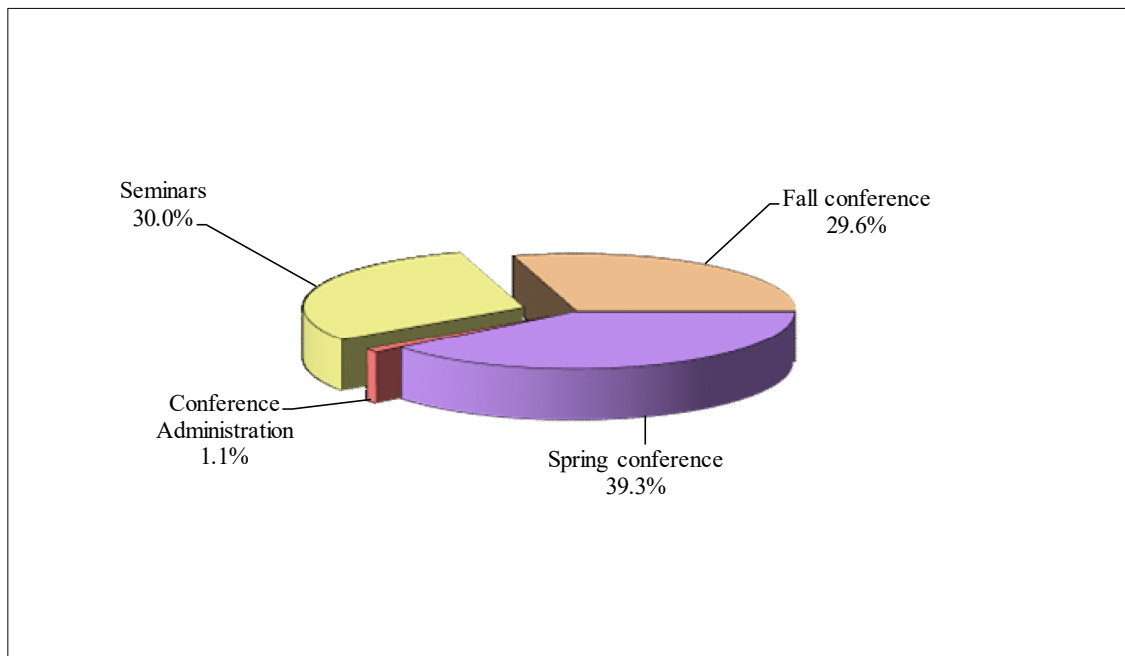
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS

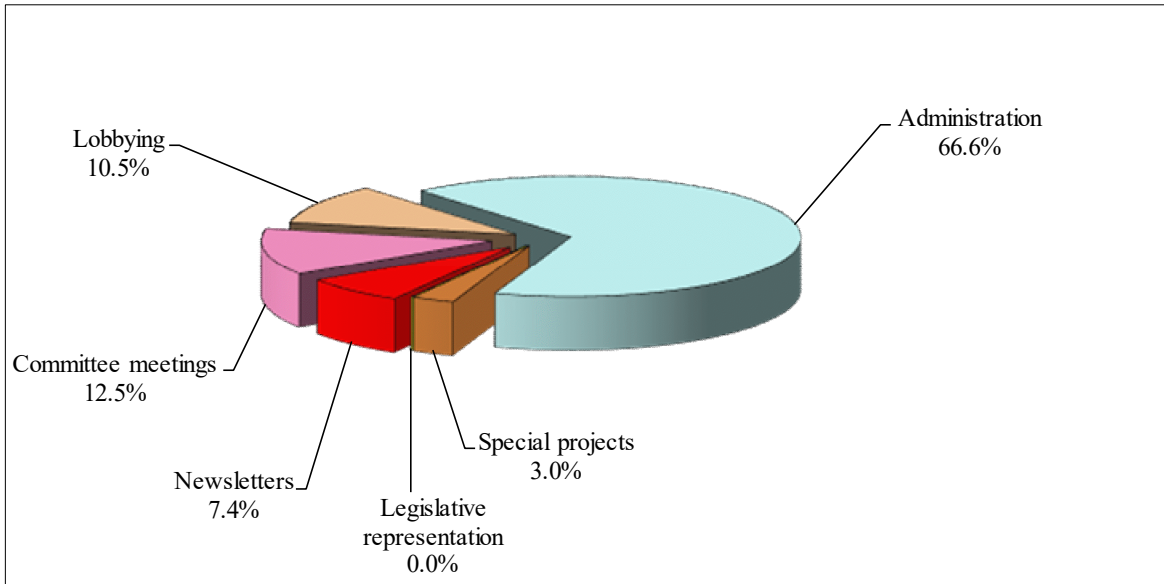


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

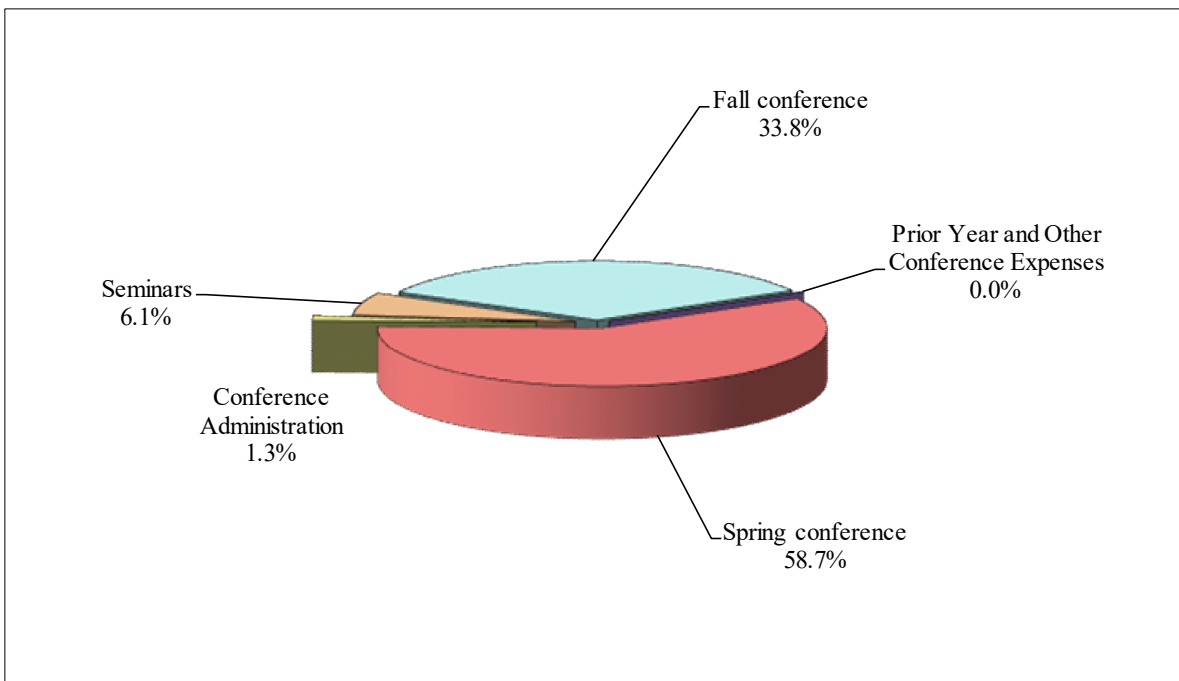
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS



STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

CONFERENCE SUMMARY REPORT

	Spring 2024	Fall 2023	Spring 2023	Fall 2022	Spring 2022	Fall 2021	Spring 2021	Fall 2020	Spring 2020	Fall 2019
	Santa Barbara	Rancho Mirage	San Diego	Long Beach	Rancho Mirage	Hollywood	Held Via Virtual Conference	Held Via Virtual Conference	Canceled/Held Via Webinar	Monterey
Cash receipts										
Conference	\$ 700,118	\$ 631,394	\$ 561,715	\$ 546,180	\$ 534,550	\$ 503,150	\$ 116,115	\$ 102,380	\$ -	\$ 639,270
Total cash receipts	700,118	631,394	561,715	546,180	534,550	503,150	116,115	102,380	-	639,270
Cash disbursements										
Hotel and meals	483,796	335,412	664,335	377,130	20,225	329,775	-	-	-	267,961
Audio and visual	104,237	103,000	203,750	102,088	114,145	86,293	38,975	46,888	-	56,477
Program materials	9,459	30,082	40,542	23,797	33,115	39,374	2,500	3,049	-	20,381
Program Speakers	33,050	36,500	42,021	42,123	41,750	55,915	11,290	38,125	-	63,172
Conference Administration	71,139	24,275	28,572	18,734	21,336	15,921	3,830	2,668		12,131
Total cash disbursements	701,681	529,269	979,220	563,872	230,572	527,277	56,595	90,730	-	420,122
Net cash provided by conference	\$ (1,563)	\$ 102,125	\$ (417,505)	\$ (17,692)	\$ 303,978	\$ (24,127)	\$ 59,520	\$ 11,650		\$ 219,148
Total attendees	586	537	538	508	577	540	443	363	N/A	647



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, 2024 and 2023 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 March 11, 2025.

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
March 11, 2025



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, 2024 and 2023, and have issued our report thereon dated March 11, 2025. 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 March 11, 2025.

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.

Significant Risks Identified

We have identified the following significant risks:

None

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 2024. 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 Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. The following significant unusual transactions identified as a result of our audit procedures were brought to the attention of management:

None

Identified or Suspected Fraud

We have not identified or obtained information that indicates that fraud may have occurred.

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.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affected the form and content of our auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 11, 2025.

Management's Consultations with Other Accountants

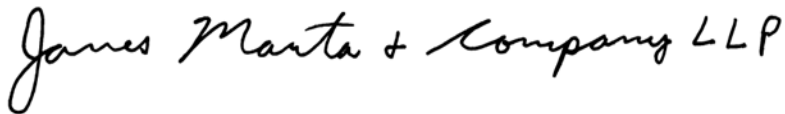
In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

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 2024 federal Return of Organization Exempt From Income Tax, and related state filings, as well as the calendar year Forms 1099-MISC and 1099-NEC 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.

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
Certified Public Accountants
Sacramento, California
March 11, 2025

Adjusting Journal Entries

None.

Reclassifying Journal Entries

None.

Proposed Journal Entries:

Account	Description	Debit	Credit
Proposed JE # 1			
To adjust the Deposit in Transit from March 2024.			
6010	Office Expenses / Supplies	125	
1099x	Deposits in Transit		125
Total		125	125



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MANAGEMENT REPRESENTATION LETTER

March 11, 2025

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, 2024 and 2023, 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 March 11, 2025:

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.



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- We have complied with all contractual agreements, grants, and donor restrictions.
- 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, reclassifying and proposed journal entries reflected in the audit statements and Attachment I.
- With respect to preparation of the financial statements we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained controls, including a process to monitor the system of internal control.

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.



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- 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.

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.



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- 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.
- 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 to you 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 regards 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



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Attachment I
Journal Entry Report

Adjusting Journal Entry:

None.

Reclassifying Journal Entry:

None

Proposed Journal Entry:

Account	Description	Debit	Credit
Proposed JE # 1			
To adjust the Deposit in Transit from March 2024.			
6010	Office Expenses / Supplies	125	
1099x	Deposits in Transit		125
Total		125	125



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. Education Committee Report - No printed materials/Verbal update



9. SACRS Program Committee Report – No Action

Adele Lopez Tagaloa, Orange CERS, SACRS Program Committee Chair

A. Program Committee Report - No printed materials/Verbal update



10. SACRS Affiliate Committee Report – No Action

Sean Gannon, Manulife Investment Management, SACRS Affiliate Committee Chair

A. Affiliate Committee Report -No printed materials/Verbal update



11. SACRS Bylaws Committee Report – No Action

Barbara Hannah, San Bernardino CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Report - No printed materials/Verbal update



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 – Renee Ostrander, San Joaquin CERA
- B. Affiliates – Sean Gannon, Affiliate Committee Chair
- C. Attorneys – David Lantzer, San Bernardino CERA
- D. Disability/ Operations & Benefits – Carlos Barrios Alameda CERA
- E. Internal Auditors – Harsh Jadhav, Alameda CERA
- F. Investment Officers – Steve Davis, Sacramento CERA
- G. Safety Trustees – Skip Murphy, San Diego CERA
- H. General Trustees – Rhonda Biesemeier, Stanislaus CERA



13. Adjournment

Next scheduled SACRS Business Meeting will be held on Friday, November 14, 2025. The meeting will be held at the Hyatt Regency Huntington Beach Resort and Spa during SACRS Annual Fall Conference November 11-14, 2025.