

**MercedCERA INVESTMENT RETIREMENT BOARD AGENDA
THURSDAY, SEPTEMBER 24, 2020
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TELEPHONE NUMBER: 1-310-372-7549, CONFERENCE CODE: 975839**

Important Notice Regarding SARS-COV-2

Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the SARS-COV-2 virus, MercedCERA's building will be closed to the public during MercedCERA Board meetings. Members of the MercedCERA Board will participate in this meeting offsite via conference call. Members of the public may listen to the meeting and offer public comment telephonically by calling into the telephone number provided above and entering the stated conference code. If you have any issues participating in the meeting telephonically or require reasonable accommodation for your participation, please contact MercedCERA staff at 209-726-2724.

Please turn your cell phone or other electronic device to non-audible mode or mute.

CALL TO ORDER: 8:15 A.M.

- ROLL CALL.
- APPROVAL OF MINUTES – September 10, 2020.

PUBLIC COMMENT

Members of the public may comment on any item under the Board's jurisdiction. Matters presented under this item will not be discussed or acted upon by the Board at this time. For agenda items, the public may make comments at the time the item comes up for Board consideration. Persons addressing the Board will be limited to a maximum of five (5) minutes in total. Please state your name for the record.

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.

1. DISCUSSION AND POSSIBLE ACTION REGARDING INVESTMENTS IN RECOMMENDED FUNDS, ROLL CALL VOTE REQUIRED.

(Govt. Code § 54956.81)

1. Discussion and possible action to adopt the recommendation to invest in one Fund/Manager – Cliffwater.

OPEN SESSION

Report on any action taken in closed session.

BOARD ACTION¹/DISCUSSION

Pursuant to Govt. Code § 31594 and MercedCERA's Investment Objectives & Policy Statement due diligence analysis requirement:

1. Discussion and possible action on performance update on alternative funds with possible action on any funds or managers – Cliffwater.
2. Discussion on Government Code Section 7514.7 Alternate Fee Reporting for MercedCERA – Cliffwater.
3. Discussion and possible action on performance update for August of 2020 with possible action on any funds or managers – Meketa Group.
4. Discussion and possible action to approve the recommendations from Meketa and the MercedCERA Investment Subcommittee – Meketa Group.
 - a. Terminate DFA Small Cap Core Strategy and PanAgora Small Cap Core Stock Selector,
 - b. Fund Champlain Small Cap Core at an allocation equal to 10 percent of the total domestic equity portfolio,
 - c. Allocate any remaining monies to Mellon Capital Dynamic U.S. Equity Strategy.
5. Discussion and possible action to amend MercedCERA fiscal year budget for FY 2020-2021 to include contract for building security (after hours) – Staff.
6. Discussion and possible action to select and approve a new MercedCERA logo as recommended by the Website Redesign Subcommittee and possible replacement of Trustee Ingersoll to join the subcommittee for the remainder of the project – Staff.
7. Discussion and possible action to approve a class specification change for the Plan Administrator position per County changes to all department head classification – Staff.
8. Review calendar of any training sessions and authorize expenditures for Trustees and Plan Administrator. Pursuant to Govt. Code § 31522.8 and MercedCERA's Trustees Education and Training Policy requirements. Examples of upcoming training and educational sessions:
 - a. Nossaman Fiduciary Forum September 30 – October 2, 2020 (virtual conference).
 - b. SACRS Fall Conference, November 10 - 14, 2020 (virtual conference).

INFORMATION ONLY

MercedCERA UPCOMING BOARD MEETINGS

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

- October 8, 2020
- October 22, 2020

ADJOURNMENT

¹ "Action" means that the Board may dispose of any item by any action, including but not limited to the following acts: approve, disapprove, authorize, modify, defer, table, take no action, or receive and file.

All supporting documentation is available for public review online at

www.co.merced.ca.us/retirement

Any material related to an item on this Agenda submitted to the Merced County Employees' Retirement Association, after distribution of the Agenda packet is available for public inspection at

www.co.merced.ca.us/retirement

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 by emailing the Merced County Employees' Association at MCERA@co.merced.ca.us, 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.

**MercedCERA ADMINISTRATIVE RETIREMENT BOARD AGENDA
THURSDAY, SEPTEMBER 10, 2020
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TELEPHONE NUMBER: 1-310-372-7549, CONFERENCE CODE: 975839**

CALL TO ORDER: 8:15 A.M.

Board Members Present: Ryan Paskin, Scott Johnston, Al Peterson, David Ness, Darlene Ingersoll, Scott Silveira, Michael Rhodes, Karen Adams, Janey Cabral, Jason Goins and Kalisa Rochester. **Counsel:** Jeff Grant. **Staff:** Kristen Santos, Mark Harman, Martha Sanchez, Brenda Mojica, Ninebra Maryoonani and Alexis Curry.

APPROVAL OF MINUTES – August 27, 2020.

Peterson/Silveira U/A (9-0)

PUBLIC COMMENT

No Comment.

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 Board Action/Discussion as appropriate.

RETIREMENTS: Pursuant to Govt. Code § 31663.25 or § 31672

All items of earnable compensation for service or disability retirements listed below are in compliance with the pay code schedule approved by the Board of Retirement. The retirement is authorized; however, administrative adjustments may be necessary to alter the amount due to: audit, late arrival of data, court order, etc.

a. Sabin Raymond	Juvenile Hall	10 Yrs. Svc.	Eff. 08/17/2020
b. Betancourt, Alicia	H.S.A.	22 Yrs. Svc.	Eff. 08/15/2020
c. Alvey, David	Sheriff	5 Yrs. Svc.	Eff. 08/15/2020
d. Yang, Koua	H.S.A.	30 Yrs. Svc.	Eff. 08/29/2020
e. Flores, Richard	Cty Counsel	4 Yrs. Svc.	Eff. 08/31/2020
f. Xiong, Phia	Sheriff	30 Yrs. Svc.	Eff. 08/29/2020
g. Cuen, Amelia	H.S.A.	25 Yrs. Svc.	Eff. 08/29/2020
h. Herrera, Constantino	H.S.A.	13 Yrs. Svc.	Eff. 08/29/2020
i. Jew, Kenneth	Sheriff	22 Yrs. Svc.	Eff. 08/31/2020

YTD fiscal year 2020/2021 retirees: 15

YTD fiscal year 2019/2020 retirees: 103

YTD fiscal year 2018/2019 retirees: 103

The MercedCERA Board voted to unanimously via roll call to approve the consent calendar.

Ingersoll/Goins U/A (9-0)

BOARD ACTION¹/DISCUSSION

¹ "Action" means that the Board may dispose of any item by any action, including but not limited to the following acts: approve, disapprove, authorize, modify, defer, table, take no action, or receive and file.

1. Discussion and possible action to approve 15% carve out of the 2013 Unfunded Actuarial Liability (UAL) base and amortize the carve out over 14 years as a level percentage of pay, extend the amortization period for the remainder of the 2013 UAL base over an additional four year phase-out period, and approve the new employer contribution rates for FY 2020-2021 for MercedCERA employers. – Staff and Cheiron.
The MercedCERA Board voted unanimously via roll call to approve the 15% carve out of the 2013 Unfunded Actuarial Liability (UAL) base and amortize the carve out over 14 years as a level percentage of pay, extend the amortization period for the remainder of the 2013 UAL base over an additional four-year phase-out period, and approve the new employer contribution rate for FY 2020-2021 for MercedCERA employers.
Silveira/Ness U/A (9-0)
2. Discussion and possible action to approve Resolution 2020-2 recognizing Trustee Ingersoll for her service and dedication to the MercedCERA Board of Retirement. – Chair.
The MercedCERA Board voted unanimously to approve Resolution 2020-2 recognizing Trustee Ingersoll for her service and dedication to the MercedCERA Board of Retirement.
Adams/Silveira U/A (9-0)
3. Discussion and possible action to allow the Plan Administrator to work with Registrar of Voters to hold an election for Seat 2 General Member. – Staff.
The MercedCERA Board voted to allow the Plan Administrator to work with Register of Voters to hold an election for Seat 2 General Member.
Adams/Silveira U/A (8-0) (Trustee Ingersoll recused herself)
4. Legislative Review. – Staff.
No action Taken.
5. Review calendar of any training sessions and authorize expenditures for Trustees and Plan Administrator. Pursuant to Govt. Code § 31522.8 and MercedCERA’s Trustees Education and Training Policy requirements. Examples of upcoming training and educational sessions:
 - a. Nossaman Fiduciary Forum September 30 – October 2, 2020 (virtual conference).

INFORMATION ONLY

Trustees Paskin, Johnston, Adams, Cabral, Silveira, Rhodes, Ness and Peterson and Plan Administrator all thanked Trustee Ingersoll for her service to the MercedCERA Board and Organization.

ADJOURNMENT

The meeting adjourned at 9:07 A.M

Respectfully submitted,

Ryan Paskin, Chair

Al Peterson, Secretary

Date



INVESTMENT ADVISORY SERVICES

Los Angeles • New York

Alternative Investment Performance
Merced County Employees' Retirement Association

September 24, 2020

MCERA Private Equity Capital Budget & Implementation Plan

15% fund level target

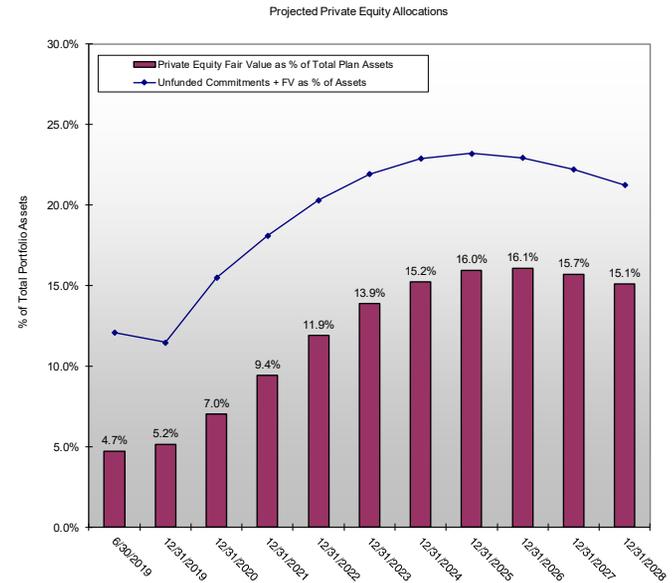
- Annual capital budget target of \$40 million, range of \$30-\$50 million
- Target 4-7 investments, range of \$5-\$15 million per inv; average size of \$8 million per

Performance comparisons:

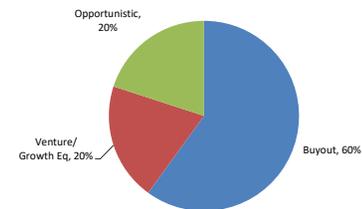
- *Long term investment objective:* Earn a return premium over public equity (Russell 3000 + 3%)
- *Recommended primary asset class benchmark:* Cambridge Associates Global Private Equity & VC Index
- *Recommended fund benchmarks:* Each fund will be compared to the Cambridge Associates strategy universe for the respective vintage years and each vintage year will be compared to Cambridge Associates Global Private Equity & VC Index

MCERA CY 2020 commitments:

- Summit Ventures V – venture capital (VY 2020), \$6 mm
- Silver Point Spec Credit II – corporate debt (VY 2019), \$8 mm
- Thoma Bravo Discover III – tech buyout (VY 2020), \$8 mm
- Marlin Heritage Europe II – European control buyout (VY 2020), €7 mm
- Taconic Mkt Dislocation II– distressed (VY 2020), \$8 mm



Target Strategy Diversification



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

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

MCERA Private Equity Investment Structure & Portfolio Assessment

Investment structure (15% fund target; 5.8% invested as of Mar 2020):

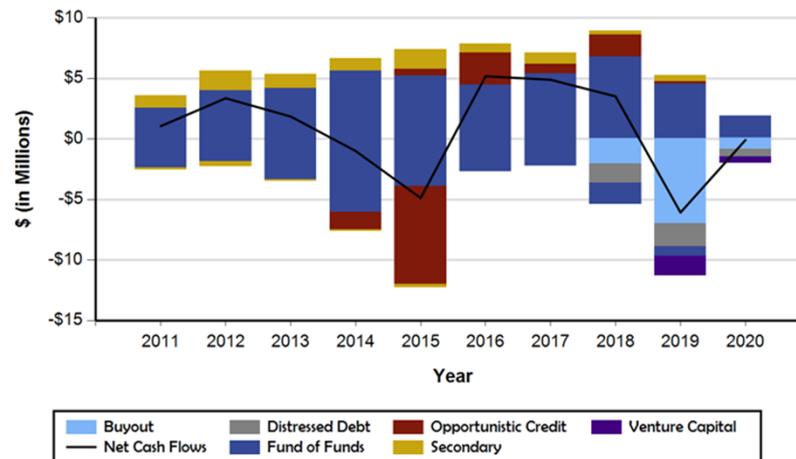
- Current portfolio is barbelled with half of commitments in 2007 & earlier FoFs and half in 2011 & later FoFs
 - Overall portfolio has not met performance expectations; 2011 & later portfolio is still in development with the funds in VY 2017-2020 in their investment period
 - Modest quarterly performance declines in valuation across older funds; contributions exceed distributions by \$5 million as the newer portfolios are being built
 - Portfolio is diversified by strategy but overall it is in a negative cash flow situation

Annual Summary

(in thousands)

	Total Partnerships	Total Commitments	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain/ Loss	Net IRR	Benchmark
March 31, 2019	29	\$122,938	\$66,559	\$57,936	\$39,203	\$97,139	\$30,581	8.48%	10.88%
March 31, 2020	31	\$140,878	\$77,933	\$63,643	\$45,603	\$109,246	\$31,313	8.03%	10.75%
Annual Change	2	\$17,940	\$11,374	\$5,707	\$6,400	\$12,107	\$732		

Annual Cash Flow



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

MCERA Private Equity Performance – as of Mar 31, 2020

Partnership Name (\$'000)	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/ Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2004												
Invesco Partnership Fund IV, L.P.	Fund of Funds	10,000	2,417	7,898	76%	16,195	45	16,240	8,342	11.75%	7.36%	2.06
Vintage Year 2004 Total		10,000	2,417	7,898	76%	16,195	45	16,240	8,342	11.75%	7.74%	2.06
Vintage Year 2005												
ASP 2005 Non-US Fund	Fund of Funds	1,500	74	1,426	95%	1,670	260	1,930	504	4.66%	7.42%	1.35
ASP 2005 US Fund	Fund of Funds	3,500	177	3,323	95%	4,457	659	5,116	1,793	6.76%	7.42%	1.54
Pantheon Ventures Euro Fund IV	Fund of Funds	1,097	47	1,283	96%	1,584	78	1,663	379	4.58%	7.42%	1.30
Pantheon Ventures USA Fund VI	Fund of Funds	3,750	206	3,544	95%	4,946	436	5,382	1,838	6.53%	7.42%	1.52
Vintage Year 2005 Total		9,847	504	9,576	95%	12,658	1,433	14,091	4,515	6.11%	7.43%	1.47
Vintage Year 2006												
Pantheon Global Secondary Fund III "B"	Secondary	10,000	540	9,460	95%	9,860	671	10,531	1,071	1.93%	8.58%	1.11
Vintage Year 2006 Total		10,000	540	9,460	95%	9,860	671	10,531	1,071	1.93%	6.82%	1.11
Vintage Year 2007												
ASP 2007 Direct Fund	Fund of Funds	450	12	438	97%	778	237	1,015	577	11.75%	11.31%	2.32
ASP 2007 Non-US Fund	Fund of Funds	1,575	78	1,497	95%	1,663	605	2,268	771	7.25%	11.31%	1.51
ASP 2007 US Fund	Fund of Funds	2,475	115	2,360	95%	3,414	906	4,320	1,960	11.47%	11.31%	1.83
Vintage Year 2007 Total		4,500	205	4,295	95%	5,856	1,747	7,603	3,308	10.17%	8.59%	1.77
Vintage Year 2011												
ASP 2011 Direct Fund	Fund of Funds	500	43	457	91%	492	335	827	370	13.87%	15.21%	1.81
ASP 2011 Emerging Markets Fund	Fund of Funds	500	64	436	87%	178	586	764	328	11.88%	15.21%	1.75
ASP 2011 Non-US Developed Fund	Fund of Funds	1,500	322	1,178	79%	929	945	1,874	695	11.56%	15.21%	1.59
ASP 2011 US Fund	Fund of Funds	2,500	326	2,175	87%	1,707	1,943	3,649	1,475	12.91%	15.21%	1.68
Pantheon Asia Fund VI	Fund of Funds	1,000	104	897	90%	440	911	1,351	454	9.40%	15.21%	1.51
Pantheon Euro Fund VII	Fund of Funds	1,530	210	1,487	86%	1,101	1,075	2,176	690	8.87%	15.21%	1.46
Pantheon Ventures USA Fund IX	Fund of Funds	2,000	212	1,788	89%	1,490	1,555	3,045	1,257	12.52%	15.21%	1.70
Vintage Year 2011 Total		9,530	1,281	8,417	87%	6,337	7,349	13,686	5,268	11.57%	11.73%	1.63
Vintage Year 2013												
Invesco Partnership Fund VI, L.P.	Fund of Funds	5,000	1,548	3,958	69%	1,182	6,304	7,486	3,528	14.78%	15.73%	1.89
Vintage Year 2013 Total		5,000	1,548	3,958	69%	1,182	6,304	7,486	3,528	14.78%	11.08%	1.89
Vintage Year 2014												
Ocean Avenue Fund II	Fund of Funds	10,000	1,300	8,700	87%	5,347	9,224	14,571	5,871	15.16%	13.67%	1.67
Raven Asset-Based Opportunity Fund II	Opportunistic Credit	10,000	474	9,526	95%	6,017	3,181	9,198	-328	-1.12%	4.86%	0.97
Vintage Year 2014 Total		20,000	1,774	18,226	91%	11,364	12,406	23,769	5,543	7.95%	12.77%	1.30

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

MCERA Private Equity Performance – as of Mar 31, 2020

Partnership Name (\$000)	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.		(C) Cumulat. Dist.		(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/ Loss	IRR	
				% Drawn							Net IRR	Bench.
Vintage Year 2017												
GTCR XII	Buyout	5,000	2,822	2,178	44%	98	2,118	2,216	39	1.97%	10.23%	1.02
Vintage Year 2017 Total		5,000	2,822	2,178	44%	98	2,118	2,216	39	1.97%	8.27%	1.02
Vintage Year 2018												
Carrick Capital Partners III, L.P.	Buyout	5,000	3,745	1,255	25%	0	1,302	1,302	46	N/M	N/M	1.04
Cressey & Company Fund VI LP	Buyout	5,000	3,750	1,250	25%	0	1,325	1,325	75	N/M	N/M	1.06
Davidson Kempner Long-Term Distressed Opportuni Distressed Debt		5,000	950	4,050	81%	0	3,912	3,912	-138	-3.08%	N/A	0.97
Vintage Year 2018 Total		15,000	8,445	6,555	44%	0	6,538	6,538	-17	-0.23%	-1.08%	1.00
Vintage Year 2019												
Accel-KKR Growth Capital Partners III	Buyout	5,000	4,107	893	18%	0	812	812	-81	N/M	N/M	0.91
Cortec Group Fund VII, L.P.	Buyout	10,000	7,711	2,289	23%	0	2,180	2,180	-108	N/M	N/M	0.95
Genstar Capital Partners IX, L.P.	Buyout	7,000	5,373	1,723	23%	96	1,574	1,670	-53	N/M	N/M	0.97
Summit Partners Growth Equity Fund X-A, L.P.	Buyout	8,000	7,740	260	3%	0	344	344	84	N/M	N/M	1.32
TCV X, L.P.	Venture Capital	5,000	3,186	1,815	36%	0	1,690	1,690	-124	N/M	N/M	0.93
Vintage Year 2019 Total		35,000	28,117	6,979	20%	96	6,600	6,696	-283	N/M	N/M	N/A
Vintage Year 2020												
Accel-KKR Capital Partners VI, LP	Buyout	8,000	8,000	0	0%	0	0	0	0	N/M	N/M	N/A
Spark Capital Growth Fund III, L.P.	Venture Capital	6,000	5,730	270	5%	0	270	270	0	N/M	N/M	N/A
Spark Capital VI, L.P.	Venture Capital	3,000	2,880	120	4%	0	120	120	0	N/M	N/M	N/A
Vintage Year 2020 Total		17,000	16,610	390	2%	0	390	390	0	N/M	N/M	N/A
Total Portfolio:		140,878	64,264	77,933	54%	63,643	45,603	109,247	31,314	8.03%	10.75%	1.40
Portfolio Strategy Totals												
Buyout		53,000	43,248	9,847	18%	193	9,655	9,849	1	0.02%		1.00
Distressed Debt		5,000	950	4,050	81%	0	3,912	3,912	-138	-3.08%		0.97
Fund of Funds		40,175	6,357	34,641	84%	40,007	21,644	61,652	27,011	10.98%		1.78
Non-US		8,703	899	8,204	90%	7,566	4,459	12,025	3,821	7.12%		1.47
Opportunistic Credit		10,000	474	9,526	95%	6,017	3,181	9,198	-328	-1.12%		0.97
Secondary		10,000	540	9,460	95%	9,860	671	10,531	1,071	1.93%		1.11
Venture Capital		0	11,796	2,205	#DIV/0!	0	2,080	2,080	-124	N/M		N/A
Total Portfolio:		126,878	64,264	77,933	49%	63,643	45,603	109,247	31,314	8.03%	10.75%	1.40

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

MCERA Real Estate Capital Budget & Implementation Plan

8% fund level target

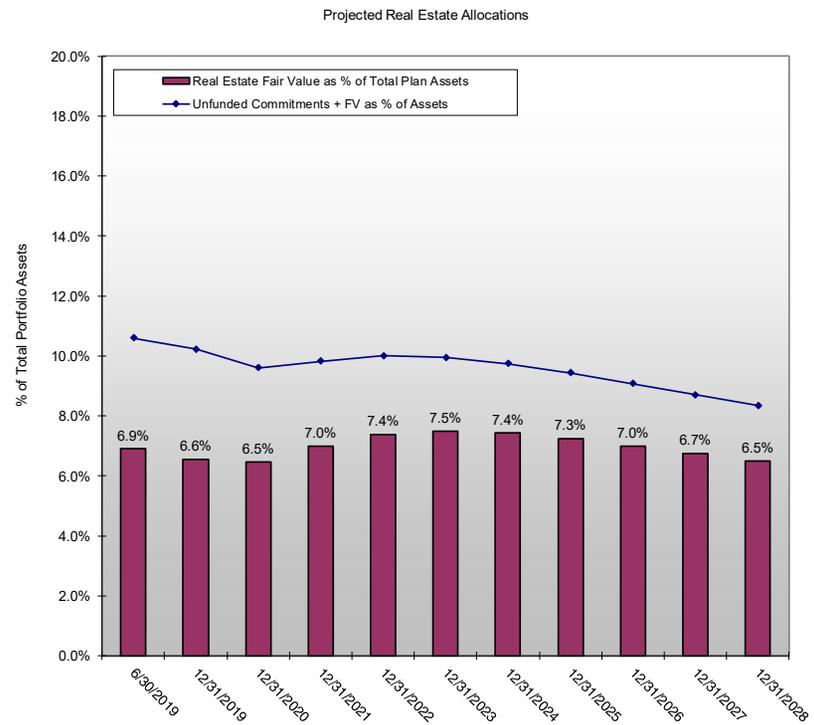
- Annual capital budget target of \$15 million, range of \$10-\$25 million
- Target 2-4 investments, range of \$4-\$7 million per inv
 - Average investment size of \$5 million
 - If an average of 2-4 GP partnership commitments per year, expect a total of 8-16 GP relationships over a 4 year fund raising cycle
- Retain core real estate exposure but lower it to 25% of the portfolio due to current valuations; use REITS as a substitute until funding private real estate investments is needed

Performance comparisons:

- *Long term investment objective:* Earn a return premium over inflation (CPI-U + 5%)
- *Recommended primary asset class benchmark:* NCREIF NFI-ODCE; revisit over time as the structure of the portfolio changes
- *Recommended fund benchmarks:* Cambridge Associates strategy universe for the respective vintage years and each vintage year will be compared to Cambridge Associates Global Real Estate Index

MCERA CY 2020 commitments (\$7 mm):

- Cerberus RE Debt – commercial RE debt (VY 2020)



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

MCERA Real Estate Investment Structure & Portfolio Assessment

Real estate investment structure (8% target, 6.9% actual as of Mar 2020)

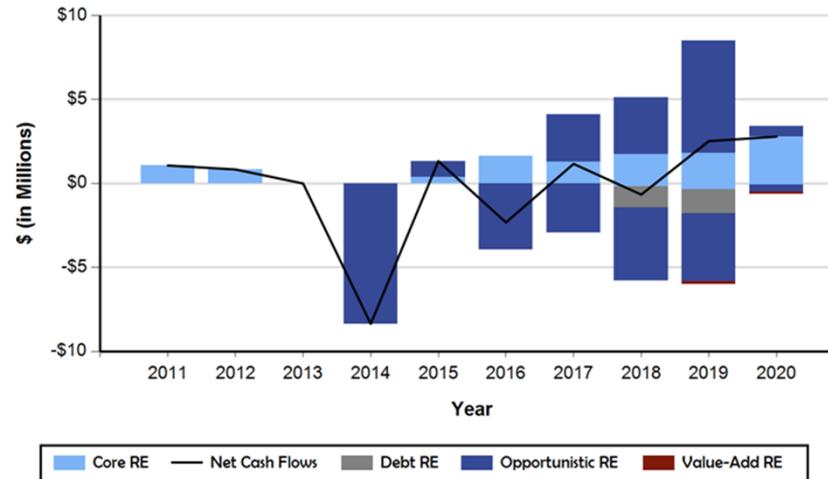
- MCERA invested in 1999 in a private core real estate fund; direct program began in 2014
- Distributions exceed contributions by \$4 million over the past year as overall RE activity has declined

Annual Summary

(in thousands)

	Total Partnerships	Total Commitments	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain/ Loss	Net IRR	Benchmark
March 31, 2019	8	\$68,354	\$38,110	\$30,018	\$62,085	\$92,103	\$54,001	9.23%	8.95%
March 31, 2020	8	\$68,055	\$43,814	\$39,693	\$57,595	\$97,288	\$53,473	8.81%	8.78%
Annual Change	0	-\$299	\$5,704	\$9,675	-\$4,490	\$5,185	-\$528		

Annual Cash Flow



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

MCERA Real Estate Performance – as of Mar 31, 2020

Real Estate Portfolio

- MCERA began investing in the UBS Trumbull core real estate fund in 1999 and this represents the bulk of the real estate portfolio
 - Opportunistic funds began being added in 2014 and they are in the early stages of development with the VY 2016 fund now out of its “j-curve”
 - Modest losses across older funds offset by gains in Carlyle and Taconic
- Overall performance has met objectives, driven by the core RE fund; opportunistic fund performance is not meaningful

Partnership Name (\$000)	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C)		(C+D) Total Value	(C+D-B) Gain/ Loss	Net IRR	IRR Bench.	TVPI
						Cumulat. Dist.	(D) Fair Value					
Vintage Year 1999												
UBS Trumbull Property Fund	Core RE	17,000	0	17,634	100%	26,047	37,999	64,046	46,412	8.71%	10.20%	3.63
Vintage Year 1999 Total		17,000	0	17,634	100%	26,047	37,999	64,046	46,412	8.71%	12.95%	3.63
Vintage Year 2014												
Greenfield Acquisition Partners VII, L.P.	Opportunistic RE	13,000	1,876	12,662	86%	10,341	8,845	19,187	6,525	12.51%	12.00%	1.52
Vintage Year 2014 Total		13,000	1,876	12,662	86%	10,341	8,845	19,187	6,525	12.51%	10.98%	1.52
Vintage Year 2016												
Patron Capital Fund V	Opportunistic RE	13,055	5,210	8,220	60%	3,221	5,178	8,399	179	1.40%	8.81%	1.02
Vintage Year 2016 Total		13,055	5,210	8,220	60%	3,221	5,178	8,399	179	1.40%	8.97%	1.02
Vintage Year 2017												
Carlyle Realty Partners VIII, L.P.	Opportunistic RE	5,000	3,800	1,283	24%	83	1,401	1,484	201	17.04%	2.97%	1.16
Vintage Year 2017 Total		5,000	3,800	1,283	24%	83	1,401	1,484	201	17.04%	7.78%	1.16
Vintage Year 2018												
Taconic CRE Dislocation Fund II	Debt RE	5,000	2,350	2,665	53%	0	3,007	3,007	342	N/M	N/M	1.13
AG Realty Value Fund X, L.P.	Opportunistic RE	5,000	3,950	1,037	21%	0	959	959	-77	N/M	N/M	0.93
Vintage Year 2018 Total		10,000	6,300	3,702	37%	0	3,966	3,966	264	N/M	N/M	1.07
Vintage Year 2019												
Rockpoint Real Estate Fund VI, L.P.	Opportunistic RE	5,000	5,000	0	0%	0	-7	-7	-7	N/M	N/M	0.00
Carmel Partners Investment Fund VII, L.P Value-Add RE		5,000	4,687	313	6%	0	212	212	-101	N/M	N/M	0.68
Vintage Year 2019 Total		10,000	9,687	313	3%	0	206	206	-107	N/M	N/M	0.66
Total Portfolio:		68,055	26,873	43,814	61%	39,693	57,595	97,288	53,473	8.81%	8.78%	2.22

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

MCERA Real Asset Capital Budget & Implementation Plan

5% fund level target

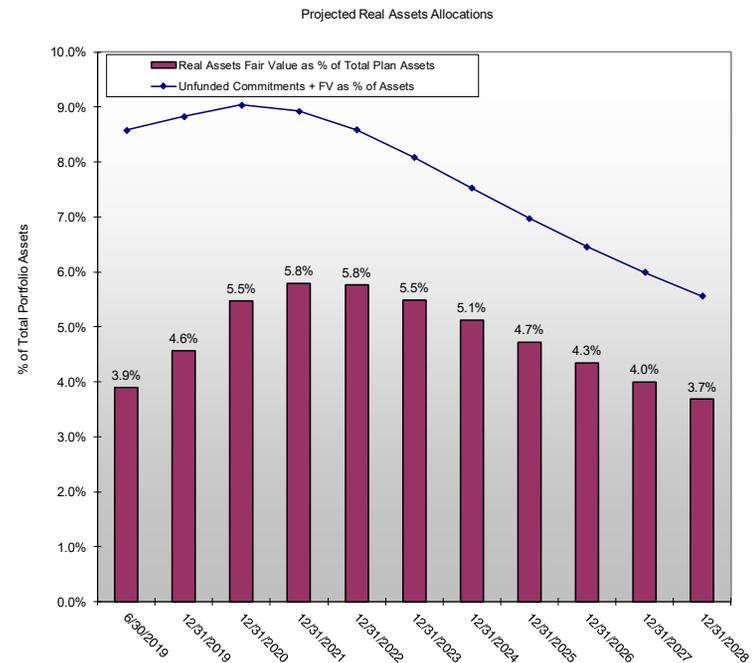
- Annual capital budget target of \$10 million, range of \$5-\$15 million
- Target 2-4 investments, range of \$3-\$7 million per inv
 - Average investment size of \$5 million
 - If an average of 2-4 GP partnership commitments per year, expect a total of 8-16 GP relationships over a 4 year fund raising cycle
- Portfolio targeted to be equally split between infrastructure and energy/natural resource funds

Performance comparisons:

- *Long term investment objective:* Earn a return premium over inflation (CPI-U + 5%)
- *Recommended primary asset class benchmark:* 50/50 Cambridge Global Infrastructure/Cambridge Energy Upstream & Royalties and Private Energy Index
- *Recommended fund benchmarks:* Each fund will be compared to the Cambridge Associates strategy universe for the respective vintage years and each vintage year will be compared to the 50/50 index

MCERA CY 2020 commitments (\$5 mm):

- None



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

MCERA Real Assets Investment Structure & Portfolio Assessment

Real assets investment structure (5% target, 6.3% actual as of Mar 2020)

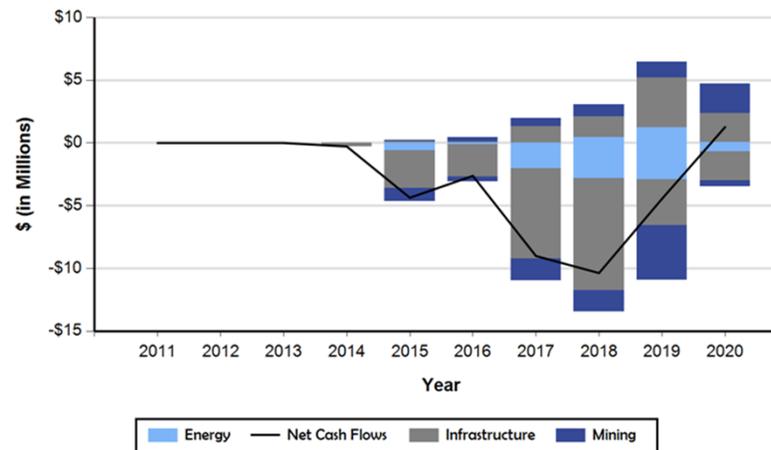
- Program is designed to be equally divided between private infrastructure and natural resource funds along with a public real asset component
- Private fund commitments began in 2014 to infrastructure and 2015 to natural resources
- The overall portfolio is immature with the funds in the early stage of development
 - Contributions exceed distributions by \$2 mm as the newer funds are being built out

Annual Summary

(in thousands)

	Total Partnerships	Total Commitments	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain/ Loss	Net IRR	Benchmark
March 31, 2019	12	\$65,500	\$33,931	\$6,359	\$33,928	\$40,288	\$6,357	12.77%	0.65%
March 31, 2020	12	\$70,316	\$46,737	\$16,958	\$37,582	\$54,541	\$7,804	9.55%	-6.69%
Annual Change	0	\$4,816	\$12,806	\$10,599	\$3,654	\$14,253	\$1,447		

Annual Cash Flow



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

MCERA Real Assets Performance – as of Mar 31, 2020

Real Asset Portfolio

- MCERA began allocating to real assets in 2014 via direct fund commitments
- Portfolio is in its early stages of development so performance is not meaningful; the quarterly gains in infrastructure funds offset many of the losses in the energy funds; the VY 2017-19 funds are being built out

Partnership Name (\$000)	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C)		(C+D) Total Value	(C+D-B) Gain/ Loss	Net IRR	IRR Bench.	TVPI
						Cumulat. Dist.	(D) Fair Value					
Vintage Year 2014												
KKR Global Infrastructure II	Infrastructure	10,000	448	10,789	96%	2,950	12,666	15,617	4,828	15.56%	7.63%	1.45
Vintage Year 2014 Total		10,000	448	10,789	96%	2,950	12,666	15,617	4,828	15.56%		1.45
Vintage Year 2015												
GSO Energy Select Opportunities Fund	Energy	7,500	3,486	4,470	54%	1,638	2,535	4,172	-298	-3.08%	0.42%	0.93
North Haven Infrastructure Partners II LP	Infrastructure	10,000	1,423	11,095	86%	6,085	7,591	13,676	2,581	11.10%	6.60%	1.23
Taurus Mining Finance Fund	Mining	5,000	701	5,176	86%	3,112	2,713	5,824	648	8.78%	N/A	1.13
Vintage Year 2015 Total		22,500	5,610	20,741	75%	10,835	12,838	23,673	2,932	7.29%		1.14
Vintage Year 2016												
Taurus Mining Finance Annex Fund	Mining	5,000	1,157	4,450	77%	2,614	2,811	5,426	976	23.02%	N/A	1.22
Vintage Year 2016 Total		5,000	1,157	4,450	77%	2,614	2,811	5,426	976	23.02%		1.22
Vintage Year 2017												
EnCap Energy Capital Fund XI, L.P.	Energy	5,000	3,522	1,478	30%	0	879	879	-598	-40.63%	-13.97%	0.60
ISQ Global Infrastructure Fund II	Infrastructure	5,000	2,002	3,368	60%	371	3,298	3,669	301	13.44%	N/A	1.09
Vintage Year 2017 Total		10,000	5,524	4,846	45%	371	4,177	4,548	-297	-7.84%		0.94
Vintage Year 2018												
Ardian Infrastructure Fund V	Infrastructure	4,816	3,858	943	20%	14	879	893	-49	N/M	N/M	N/A
EnCap Flatrock Midstream IV, L.P.	Energy	3,000	1,982	1,096	34%	78	1,071	1,150	54	3.71%	-3.84%	1.05
KKR Global Infrastructure Investors III	Infrastructure	5,000	3,178	1,843	36%	37	1,692	1,729	-115	N/M	N/M	N/A
Vintage Year 2018 Total		12,816	9,018	3,882	30%	130	3,642	3,772	-110	-4.11%		0.97
Vintage Year 2019												
Global Energy & Power Infrastructure Fund III	Energy	5,000	3,889	1,110	22%	58	874	932	-177	N/M	N/M	0.84
Tailwater Energy Fund IV, LP	Energy	5,000	4,078	921	18%	0	573	573	-348	N/M	N/M	0.62
Vintage Year 2019 Total		10,000	7,967	2,030	20%	58	1,447	1,506	-525	N/M		0.74
Total Portfolio:		70,316	29,723	46,737	58%	16,958	37,582	54,541	7,804	9.55%	-6.69%	1.17
Portfolio Strategy Totals												
Energy		20,500	13,068	7,964	36%	1,716	5,059	6,774	-1,189	-9.58%		0.85
Infrastructure		25,000	5,049	23,727	80%	9,073	21,949	31,021	7,294	13.22%		1.31
Non-US		24,816	11,606	15,046	53%	6,170	10,575	16,745	1,699	11.73%		1.11
Total Portfolio:		70,316	29,723	46,737	58%	16,958	37,582	54,541	7,804	9.55%	-6.69%	1.17

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

MCERA Hedge Fund Performance – as of Aug 31, 2020

Fund	Market Value	Actual %	Aug	QTD	YTD	Returns 1 Year	3 Year	5 Year	Incep	Std Dev	Sharpe Ratio	Incep Date
Market Neutral												
KLS Diversified Fund LP	7,872,307	8.4%	0.81%	2.02%	-13.40%	-13.79%	-	-	-4.11%	11.81%	-0.45	Oct-17
Laurion Capital, Ltd.	10,860,500	11.5%	-0.78%	-0.22%	23.44%	23.93%	-	-	13.63%	7.85%	1.42	Jul-18
Market Neutral - HF Total	18,732,807	19.9%	-0.12%	0.70%	0.52%	0.38%	-	-	2.41%	5.81%	0.11	Oct-17
HFRI Relative Value (Total) Index			1.49%	3.26%	-1.53%	0.71%	-	-	2.16%	6.87%	0.07	Oct-17
Credit/Distressed												
Silver Point Capital Fund, L.P.	12,679,047	13.5%	3.10%	3.71%	2.72%	5.81%	-	-	2.19%	8.05%	0.07	Dec-17
Credit/Distressed - HF Total	12,679,047	13.5%	3.10%	3.71%	2.72%	5.81%	-	-	2.19%	8.05%	0.07	Dec-17
HFRI ED: Distressed/Restructuring Index			1.04%	1.55%	-1.63%	-1.73%	-	-	0.32%	8.48%	-0.14	Dec-17
Event Driven												
Taconic Opportunity Fund L.P.	12,156,030	12.9%	0.97%	1.31%	-3.54%	-2.56%	-	-	0.36%	7.39%	-0.15	Dec-18
Event Driven - HF Total	12,156,030	12.9%	0.97%	1.31%	-3.54%	-2.56%	-	-	0.36%	7.39%	-0.15	Dec-18
HFRI Event-Driven (Total) Index			2.58%	3.90%	-2.54%	0.42%	-	-	1.32%	11.71%	0.02	Dec-18
Equity Long/Short												
Archipelago Partners, L.P.	12,858,269	13.7%	2.22%	4.86%	3.12%	7.63%	5.80%	-	5.80%	8.50%	0.48	Sep-17
Marshall Wace Funds LP - MW Eureka (US) Fund	3,538,764	3.8%	1.38%	4.79%	4.23%	7.07%	-	-	6.19%	6.31%	0.67	Dec-17
Marshall Wace Funds LP - MW Global Opportunities (US) Fu	9,541,293	10.1%	3.38%	4.76%	-	-	-	-	6.01%	5.33%	-	Apr-20
Equity Long/Short - HF Total	25,938,326	27.6%	2.53%	4.81%	1.85%	5.94%	5.54%	-	5.54%	7.53%	0.50	Sep-17
HFRI Equity Hedge (Total) Index			4.25%	8.32%	4.63%	10.62%	5.01%	-	5.01%	10.85%	0.33	Sep-17
Global Macro-Discretionary												
Graham Absolute Return Trading Ltd.	7,301,977	7.8%	1.86%	5.93%	-4.07%	-3.07%	1.48%	-	1.48%	10.08%	0.01	Sep-17
Global Macro-Discretionary - HF Total	7,301,977	7.8%	1.86%	5.93%	-4.07%	-3.07%	1.48%	-	1.48%	10.08%	0.01	Sep-17
HFRI Macro (Total) Index			0.11%	2.96%	2.28%	0.21%	1.98%	-	1.98%	4.65%	0.04	Sep-17
Global Macro-Systematic												
Winton Fund Limited	5,023,124	5.3%	-3.13%	-3.10%	-19.42%	-22.06%	-	-	-5.76%	8.83%	-0.85	Nov-17
Global Macro-Systematic - HF Total	5,023,124	5.3%	-3.13%	-3.10%	-19.42%	-22.06%	-	-	-5.76%	8.83%	-0.85	Nov-17
HFRI Macro (Total) Index			0.11%	2.96%	2.28%	0.21%	-	-	1.71%	4.62%	-0.02	Nov-17
Multi-Strategy												
Sculptor Domestic Partners II, L.P.	12,199,692	13.0%	4.22%	5.62%	12.15%	17.84%	9.26%	8.22%	7.63%	7.19%	0.89	Jul-14
Multi-Strategy - HF Total	12,199,692	13.0%	4.22%	5.62%	12.15%	17.84%	9.26%	8.22%	7.63%	7.19%	0.89	Jul-14
HFRI Relative Value (Total) Index			1.49%	3.26%	-1.53%	0.71%	2.25%	3.30%	2.72%	5.10%	0.31	Jul-14
MCERA Hedge Fund Portfolio	94,031,004	100.0%	1.71%	3.10%	0.05%	1.95%	3.13%	3.38%	3.50%	5.43%	0.43	Jul-14
Benchmarks												
HFRI Fund of Funds Composite Index			2.06%	4.43%	2.78%	5.48%	3.11%	2.75%	2.57%	5.15%	0.28	Jul-14
Market Indices												
Libor3Month			0.02%	0.04%	0.53%	1.18%	1.89%	1.47%	1.24%	0.25%	-	Jul-14
Bloomberg Barclays US Aggregate Bond Index			-0.81%	0.67%	6.85%	6.48%	5.10%	4.34%	3.90%	3.13%	0.85	Jul-14
Bloomberg Barclays US High Yield Bond Index			0.95%	5.68%	1.67%	4.70%	4.87%	6.45%	4.74%	7.58%	0.49	Jul-14
S&P 500 TR			7.19%	13.23%	9.74%	21.94%	14.52%	14.46%	12.12%	14.11%	0.80	Jul-14
MSCI AC World Index Free - Net			6.12%	11.73%	4.75%	16.52%	8.99%	10.21%	7.24%	13.83%	0.49	Jul-14

Important Notice

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Los Angeles • New York

2019 Alternative Asset Fee and Expense Reporting
MCERA Investment Retirement Board Meeting
September 24, 2020

Background

California Assembly Bill 2833 was enacted in 2016 and became effective January 1, 2017 as California Government Code Section 7514.7 (the “Code”)

- The Code requires California public pension plans (“California Plans”) to obtain and publicly disclose certain fee and expense data and information on an annual basis in a public meeting

The law applies to any private fund that is an alternative investment vehicle whose contract with a California Plan was entered into on or after January 1, 2017, or for any existing contract as of December 31, 2016 for which an additional capital commitment is made on or after January 1, 2017

- California Plans are required to use “reasonable efforts” to obtain the required information for contracts entered into prior to January 1, 2017

The intent of the legislation is to increase transparency of the fees public investors are paying

Code Section 7514.7 Disclosure Requirements

1. The fees and expenses that the California Plan pays directly to the alternative investment vehicle, the fund manager, or related parties.
2. The California Plan's pro rata share of fees and expenses not included in paragraph (1) that are paid from the alternative investment vehicle to the fund manager or related parties.
3. The California Plan's pro rata share of carried interest distributed to the fund manager or related parties.
4. The California Plan's pro rata share of aggregate fees and expenses paid by all of the portfolio companies held within the alternative investment vehicle to the fund manager or related parties.
5. Any additional information described in subdivision (b) of Section 6254.26 of the Code.

The Code also requires that the California Plan's disclosure report include the since inception gross and net rate of return of each alternative investment vehicle.

Code Section 6254.26 Disclosure Requirements

1. The name, address, and vintage year of each alternative investment vehicle.
2. The dollar amount of the commitment made to each alternative investment vehicle by the California Plan since inception.
3. The dollar amount of cash contributions made by the California Plan to each alternative investment vehicle since inception.
4. The dollar amount, on a fiscal year end basis, of cash distributions received by the California Plan from each alternative investment vehicle.
5. The dollar amount, on a fiscal year end basis, of cash distributions received by the California Plan plus remaining value of partnership assets attributable to the California Plan's investment in each alternative investment vehicle.
6. The net internal rate of return of each alternative investment vehicle since inception.
7. The investment multiple of each alternative investment vehicle since inception
8. The dollar amount of the total management fees and costs paid on an annual fiscal year-end basis, by the California Plan to each alternative investment vehicle.
9. The dollar amount of cash profit received by the California Plan from each alternative investment vehicle on a fiscal year-end basis.

Data Presentation

Presentation of results broken out by asset class, shown separately for the Code (7514.7) and Section 6254.26

- Data provided for the Code shown for calendar year 2019
- Data provided for 6254.26 shown since inception

The reporting was provided to MCERA and Cliffwater from each fund manager

- Neither MCERA nor Cliffwater have conducted an independent verification or audit of the information

Reporting the data as of December 31, 2019 to meet the reporting requirements

- This follows the prior annual disclosure reporting as of December 31, 2018
- May consider converting the reporting period from calendar year end to fiscal year end



Appendix – Fee and Expense Reporting Data

Private Equity Calendar Year 2019 (7514.7)

Merced County Employees' Retirement Association - Calendar Year 2019 Data (7514.7) - Private Equity

Investment	Commitment	Ending Valuation	Realized Gain/Loss	Mgmt. Fee	Partnership Expenses	Offsets	Other Fees & Expenses Paid to GP ¹	Carried Interest Paid	Fees & Expenses Paid by Port. Companies
Accel-KKR Growth Capital Partners III	5,000,000	546,567	N/A	100,000	35,317	N/A	6,954	N/A	N/A
ASP 2005 Non-US Fund	1,500,000	286,743	(11,678)	3,000	220	0	0	61	0
ASP 2005 US Fund	3,500,000	733,378	136,486	7,000	822	0	(0)	827	0
ASP 2007 Direct Fund	450,000	291,533	46,491	2,690	126	102	0	3,605	102
ASP 2007 Non-US Fund	1,575,000	678,349	116,184	6,300	265	0	0	415	0
ASP 2007 US Fund	2,475,000	1,086,308	294,735	9,900	903	0	0	1,826	0
ASP 2011 Direct Fund	500,000	406,274	16,876	6,961	345	101	(87)	3,442	101
ASP 2011 Emerging Markets Fund	500,000	637,478	41,560	4,000	174	0	0	0	0
ASP 2011 Non-US Developed Fund	1,500,000	1,057,850	168,376	12,000	345	0	(0)	4,149	0
ASP 2011 US Fund	2,500,000	2,268,349	342,285	20,000	925	0	0	2,098	0
Carrick Capital Partners III, L.P.	5,000,000	1,345,568	0	112,281	5,725	0	(418)	0	0
Cortec Group Fund VII, L.P.	10,000,000	2,863,812	0	11,413	15,304	0	0	0	0
Cressey & Company Fund VI LP	5,000,000	1,191,155	0	100,000	18,812	16,896	11,308	0	0
Davidson Kempner Long-Term Distressed Opportunites	5,000,000	3,894,388	N/A	75,000	N/A	N/A	0	0	2
Genstar Capital Partners IX, L.P.	7,000,000	1,665,425	0	3,970	19,640	N/A	40,544	0	0
GTCR XII	5,000,000	1,638,118	0	77,796	53,656	9,105	0	0	0
Invesco Partnership Fund IV, L.P.	10,000,000	63,195	0	0	0	0	0	0	0
Invesco Partnership Fund VI, L.P.	5,000,000	6,642,347	0	42,500	8,949	0	0	0	0
Ocean Avenue Fund II	10,000,000	9,911,490	563,213	85,000	14,404	0	28,062	0	0
Pantheon Asia Fund VI	1,000,000	982,861	57,234	7,499	626	0	(2,296)	0	0
Pantheon Euro Fund VII	1,565,260	1,283,680	164,814	10,462	1,090	0	(6,408)	0	0
Pantheon Global Secondary Fund III "B"	10,000,000	721,051	373,878	46,560	4,981	0	(3,233)	0	0
Pantheon Ventures Euro Fund IV	1,122,050	83,639	(17,527)	3,922	4,232	0	(1,052)	0	0
Pantheon Ventures USA Fund IX	2,000,000	1,782,437	370,532	15,001	1,402	0	(7,167)	0	0
Pantheon Ventures USA Fund VI	3,750,000	537,642	236,081	14,393	800	0	(3,230)	0	0
Raven Asset-Based Opportunity Fund II	10,000,000	3,171,723	150,182	68,285	19,459	0	3,469	0	0
Summit Partners Growth Equity Fund X-A, L.P.	8,000,000	(23,338)	0	251	14,275	251	9,063	0	0
TCV X, L.P.	5,000,000	1,562,390	0	48,736	0	0	52,848	0	0

This reporting relies upon the accuracy and completeness of information (which may or may not be audited by the fund manager) provided to MCERA and Cliffwater by each fund manager or its professional staff. Neither MCERA nor Cliffwater has conducted an independent verification of the information provided nor have we conducted an audit of such information.

¹ Other fees and expenses paid to the GP are reported gross of income wherever possible.

* N/A = not available or not applicable

Private Equity Since Inception (6254.26)

Merced County Employees' Retirement Association - Since Inception Data (6254.26) - Private Equity

Investment	Address	Vintage/ Inception	Commitment	Contributions	Distributions	Remaining Value	Total Value	S.I. Net IRR	S.I. Gross IRR	Net Inv. Multiple
Accel-KKR Growth Capital Partners III	Menlo Park, CA	2019	5,000,000	628,291	0	546,567	546,567	-18.0%	18.0%	0.87
ASP 2005 Non-US Fund	Chicago, IL	2005	1,500,000	1,425,750	1,670,037	286,743	1,956,780	4.9%	6.6%	1.37
ASP 2005 US Fund	Chicago, IL	2005	3,500,000	3,323,250	4,457,271	733,378	5,190,649	7.0%	8.8%	1.56
ASP 2007 Direct Fund	Chicago, IL	2007	450,000	438,300	770,758	291,533	1,062,291	12.3%	16.4%	2.42
ASP 2007 Non-US Fund	Chicago, IL	2007	1,575,000	1,497,040	1,663,365	678,349	2,341,714	7.8%	9.8%	1.56
ASP 2007 US Fund	Chicago, IL	2007	2,475,000	2,359,917	3,328,044	1,086,308	4,414,352	11.8%	14.1%	1.87
ASP 2011 Direct Fund	Chicago, IL	2011	500,000	457,039	492,499	406,274	898,773	15.8%	22.5%	1.97
ASP 2011 Emerging Markets Fund	Chicago, IL	2011	500,000	435,750	166,241	637,478	803,719	13.4%	15.6%	1.84
ASP 2011 Non-US Developed Fund	Chicago, IL	2011	1,500,000	1,178,250	928,711	1,057,850	1,986,561	13.2%	16.3%	1.69
ASP 2011 US Fund	Chicago, IL	2011	2,500,000	2,174,502	1,541,605	2,268,349	3,809,954	14.3%	16.5%	1.75
Carrick Capital Partners III, L.P.	San Francisco, CA	2018	5,000,000	1,227,345	0	1,345,568	1,345,568	7.9%	24.3%	1.10
Cortec Group Fund VII, L.P.	New York, NY	2019	10,000,000	2,890,529	0	2,863,812	2,863,812	-1.5%	0.0%	0.99
Cressey & Company Fund VI LP	Chicago, IL	2018	5,000,000	1,100,000	0	1,191,155	1,191,155	10.8%	26.9%	1.08
Davidson Kempner Long-Term Distressed Opportunitites	New York, NY	2018	5,000,000	3,450,000	0	3,894,388	3,894,388	12.1%	18.3%	1.13
Genstar Capital Partners IX, L.P.	San Francisco, CA	2019	7,000,000	1,622,362	0	1,665,425	1,665,425	7.0%	16.2%	1.03
GTCR XII	Chicago, IL	2017	5,000,000	1,550,500	90,012	1,638,118	1,728,130	12.2%	21.8%	1.11
Invesco Partnership Fund IV, L.P.	New York, NY	2004	10,000,000	7,897,828	16,194,732	63,195	16,257,927	11.8%	N/A	2.06
Invesco Partnership Fund VI, L.P.	New York, NY	2011	5,000,000	3,958,355	1,181,548	6,642,347	7,823,895	16.5%	16.4%	1.98
Ocean Avenue Fund II	Santa Monica, CA	2014	10,000,000	8,700,000	4,146,651	9,911,490	14,058,141	14.8%	16.3%	1.62
Pantheon Asia Fund VI	London, United Kingdom	2011	1,000,000	872,318	391,801	982,861	1,374,662	10.5%	13.8%	1.58
Pantheon Euro Fund VII	London, United Kingdom	2011	1,565,260	1,477,708	1,010,679	1,283,680	2,294,359	10.4%	16.7%	1.55
Pantheon Global Secondary Fund III "B"	London, United Kingdom	2006	10,000,000	9,460,000	9,860,000	721,051	10,581,051	2.0%	4.4%	1.12
Pantheon Ventures Euro Fund IV	London, United Kingdom	2005	1,122,050	1,283,343	1,584,496	83,639	1,668,135	4.6%	8.6%	1.30
Pantheon Ventures USA Fund IX	London, United Kingdom	2011	2,000,000	1,788,000	1,349,819	1,782,437	3,132,256	13.5%	16.9%	1.75
Pantheon Ventures USA Fund VI	London, United Kingdom	2005	3,750,000	3,543,750	4,867,324	537,642	5,404,966	6.6%	8.6%	1.53
Raven Asset-Based Opportunity Fund II	New York, NY	2014	10,000,000	9,525,926	6,017,015	3,171,723	9,188,738	-1.2%	2.4%	0.96
Summit Partners Growth Equity Fund X-A, L.P.	Boston, MA	2019	8,000,000	0	0	(23,338)	(23,338)	0.0%	N/A	0.00
TCV X, L.P.	Menlo Park, CA	2019	5,000,000	1,649,000	0	1,562,390	1,562,390	-9.9%	N/A	0.95

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Real Assets and Real Estate Calendar Year 2019 (7514.7)

Merced County Employees' Retirement Association - Calendar Year 2019 Data (7514.7) - Real Assets

Investment	Commitment	Ending Valuation	Realized Gain/Loss	Mgmt. Fee	Partnership Expenses	Offsets	Other Fees & Expenses Paid to GP ¹	Carried Interest Paid	Fees & Expenses Paid by Port. Companies
Ardian Infrastructure Fund V	4,925,799	186,118	(2)	32,481	7,142	N/A	15	N/A	N/A
EnCap Energy Capital Fund XI, L.P.	5,000,000	1,176,003	0	75,000	344	0	(33)	0	0
EnCap Flatrock Midstream IV, L.P.	3,000,000	1,132,328	(7,440)	45,000	312	0	0	0	0
Global Energy & Power Infrastructure Fund III F, L.P.	5,000,000	875,253	0	60,282	11,279	14,826	20,537	0	0
GSO Energy Select Opportunities Fund	7,500,000	3,636,275	325,901	56,783	7,708	0	25,215	0	0
ISQ Global Infrastructure Fund II	5,000,000	2,285,699	(6,650)	69,745	14,172	0	28,912	0	12,886
KKR Global Infrastructure II	10,000,000	11,440,484	0	0	0	0	0	0	0
KKR Global Infrastructure Investors III	5,000,000	1,396,545	0	62,500	2,952	18,524	21,876	0	42,859
North Haven Infrastructure Partners II LP	10,000,000	9,106,093	838,858	114,593	21,060	0	15,896	0	0
Tailwater Energy Fund IV, LP	5,000,000	710,315	0	23,562	11,800	0	3,428	0	0
Taurus Mining Finance Annex Fund	5,000,000	3,703,896	(3,755)	47,994	11,022	0	(262,857)	0	0
Taurus Mining Finance Fund	5,000,000	3,991,271	(2,685)	50,973	7,859	0	(235,239)	0	0

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Merced County Employees' Retirement Association - Calendar Year 2019 Data (7514.7) - Real Estate

Investment	Commitment	Ending Valuation	Realized Gain/Loss	Mgmt. Fee	Partnership Expenses	Offsets	Other Fees & Expenses Paid to GP ¹	Carried Interest Paid	Fees & Expenses Paid by Port. Companies
AG Realty Value Fund X, L.P.	5,000,000	991,563	726	87,500	7,160	244	444	0	0
Carlyle Realty Partners VIII, L.P.	5,000,000	930,185	30,488	75,000	6,554	0	39,732	0	0
Carmel Partners Investment Fund VII, L.P.	5,000,000	100,838	0	62,877	9,593	7,651	1,474	0	4,611
Greenfield Acquisition Partners VII, L.P.	13,000,000	9,441,686	1,638,656	186,359	42,159	0	(5,144)	0	0
Patron Capital Fund V	13,352,393	6,674,754	702,131	184,993	149,160	0	0	0	0
Rockpoint Real Estate Fund VI, L.P.	5,000,000	(22,246)	0	40,326	10,773	N/A	12,647	0	75
Taconic CRE Dislocation Fund II	5,000,000	2,953,759	5,138	31,786	9,781	0	12,942	0	0
UBS Trumbull Property Fund	17,000,000	40,602,827	(13,708)	353,415	23,257	N/A	(1,983,552)	0	0

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Real Assets and Real Estate Since Inception (6254.26)

Merced County Employees' Retirement Association - Since Inception Data (6254.26) - Real Assets

Investment	Address	Vintage/ Inception	Commitment	Contributions	Distributions	Remaining Value	Total Value	S.I. Net IRR	S.I. Gross IRR	Net Inv. Multiple
Ardian Infrastructure Fund V	Paris, France	2019	4,925,799	215,877	0	186,118	186,118	-43.6%	N/A	0.86
EnCap Energy Capital Fund XI, L.P.	Houston, TX	2017	5,000,000	1,477,501	0	1,176,003	1,176,003	-24.6%	-10.5%	0.80
EnCap Flatrock Midstream IV, L.P.	Houston, TX	2018	3,000,000	1,050,620	78,358	1,132,328	1,210,686	13.1%	24.6%	1.15
Global Energy & Power Infrastructure Fund III F, L.P.	New York, NY	2019	5,000,000	842,173	38,979	875,253	914,232	25.5%	N/A	1.09
GSO Energy Select Opportunities Fund	New York, NY	2015	7,500,000	4,167,768	1,591,587	3,636,275	5,227,862	10.3%	15.1%	1.25
ISQ Global Infrastructure Fund II	New York, NY	2017	5,000,000	2,387,288	370,953	2,285,699	2,656,652	15.8%	20.7%	1.11
KKR Global Infrastructure II	New York, NY	2014	10,000,000	10,684,928	2,181,536	11,440,484	13,622,020	11.0%	13.2%	1.27
KKR Global Infrastructure Investors III	New York, NY	2018	5,000,000	1,463,808	21,004	1,396,545	1,417,549	-6.2%	2.9%	0.97
North Haven Infrastructure Partners II LP	New York, NY	2014	10,000,000	10,969,156	4,595,947	9,106,093	13,702,040	12.6%	20.9%	1.25
Tailwater Energy Fund IV, LP	Dallas, TX	2019	5,000,000	846,614	0	710,315	710,315	-16.1%	2.6%	0.84
Taurus Mining Finance Annex Fund	Sydney, Australia	2016	5,000,000	4,197,454	1,317,700	3,703,896	5,021,596	23.6%	22.9%	1.20
Taurus Mining Finance Fund	Sydney, Australia	2015	5,000,000	4,974,425	2,026,136	3,991,271	6,017,407	14.7%	39.0%	1.21

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Merced County Employees' Retirement Association - Since Inception Data (6254.26) - Real Estate

Investment	Address	Vintage/ Inception	Commitment	Contributions	Distributions	Remaining Value	Total Value	S.I. Net IRR	S.I. Gross IRR	Net Inv. Multiple
AG Realty Value Fund X, L.P.	New York, NY	2018	5,000,000	1,036,615	0	991,563	991,563	-8.6%	13.7%	0.96
Carlyle Realty Partners VIII, L.P.	Washington, DC	2017	5,000,000	977,550	13,521	930,185	943,706	-4.0%	40.1%	0.97
Carmel Partners Investment Fund VII, L.P.	San Francisco, CA	2019	5,000,000	179,602	0	100,838	100,838	-59.3%	N/A	0.56
Greenfield Acquisition Partners VII, L.P.	Westport, CT	2014	13,000,000	12,661,667	10,171,492	9,441,686	19,613,178	13.6%	18.5%	1.55
Patron Capital Fund V	London, United Kingdom	2016	13,352,393	8,116,324	2,829,301	6,674,754	9,504,054	10.6%	21.0%	1.17
Rockpoint Real Estate Fund VI, L.P.	Boston, MA	2019	5,000,000	0	0	(22,246)	(22,246)	0.0%	N/A	0.00
Taconic CRE Dislocation Fund II	New York, NY	2018	5,000,000	2,665,401	0	2,953,759	2,953,759	14.8%	20.3%	1.11
UBS Trumbull Property Fund	New York, NY	1999	17,000,000	17,547,198	23,268,796	40,602,827	63,871,623	8.8%	8.9%	3.64

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Hedge Funds Calendar Year 2019 (7514.7)

Merced County Employees' Retirement Association - Calendar Year 2019 Data (7514.7) - Hedge Funds

Investment	Commitment	Ending Valuation	Realized Gain/Loss	Mgmt. Fee	Partnership Expenses	Offsets	Other Fees & Expenses Paid to GP ¹	Carried Interest Paid	Fees & Expenses Paid by Port. Companies
Archipelago Partners, L.P.	N/A	12,469,305	N/A	109,993	N/A	N/A	N/A	N/A	N/A
Graham Absolute Return Trading Ltd. - Class A	N/A	7,611,589	611,589	149,066	N/A	N/A	13,623	107,524	N/A
KLS Diversified Fund LP	N/A	9,090,703	(184,713)	183,042	39,898	0	1,263,672	3,779	0
Laurion Capital, Ltd. Class A 18-07	N/A	5,342,360	331,615	105,174	N/A	N/A	N/A	56,610	N/A
MW Eureka Fund Class B2	N/A	3,395,147	0	64,781	N/A	N/A	N/A	14,327	N/A
OZ Domestic Partners II, LP	N/A	10,878,137	N/A	125,528	N/A	N/A	N/A	168,519	N/A
Silver Point Capital Fund, L.P.	N/A	12,343,629	0	180,135	57,062	2,055	0	80,239	0
Taconic Opportunity Fund L.P.	N/A	10,433,205	271,869	145,087	27,070	0	76,958	0	0
Winton Futures Fund Limited - Class B	N/A	6,233,755	N/A	56,104	N/A	N/A	5,610	623	N/A

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Hedge Funds Since Inception (6254.26)

Merced County Employees' Retirement Association - Since Inception Data (6254.26) - Hedge Funds

Investment	Address	Vintage/ Inception	Commitment	Contributions	Distributions	Remaining Value	Total Value	S.I. Net IRR	S.I. Gross IRR	Net Inv. Multiple
Archipelago Partners, L.P.	Boston, MA	2017	N/A	11,000,000	0	12,469,305	12,469,305	14.8%	18.7%	1.13
Graham Absolute Return Trading Ltd. - Class A	Rowayton, CT	2017	N/A	7,000,000	2,517	7,611,589	7,614,106	8.9%	15.6%	1.09
KLS Diversified Fund LP	New York, NY	2017	N/A	9,000,000	0	9,090,703	9,090,703	2.2%	0.8%	1.01
Laurion Capital, Ltd. Class A 18-07	New York, NY	2018	N/A	9,000,000	0	5,342,360	5,342,360	4.5%	4.5%	0.59
MW Eureka Fund Class B2	London, United Kingdom	2017	N/A	3,000,000	0	3,395,147	3,395,147	13.2%	23.0%	1.13
OZ Domestic Partners II, LP	New York, NY	2014	N/A	14,000,000	8,000,000	10,878,137	18,878,137	6.3%	9.4%	1.35
Silver Point Capital Fund, L.P.	Greenwich, CT	2017	N/A	12,000,000	0	12,343,629	12,343,629	3.3%	3.9%	1.03
Taconic Opportunity Fund L.P.	New York, NY	2018	N/A	12,000,000	0	10,433,205	10,433,205	4.0%	6.4%	0.87
Winton Futures Fund Limited - Class B	London, United Kingdom	2017	N/A	6,000,000	0	6,233,755	6,233,755	4.9%	-3.7%	1.04

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**Merced County Employees'
Retirement Association**

September 24, 2020

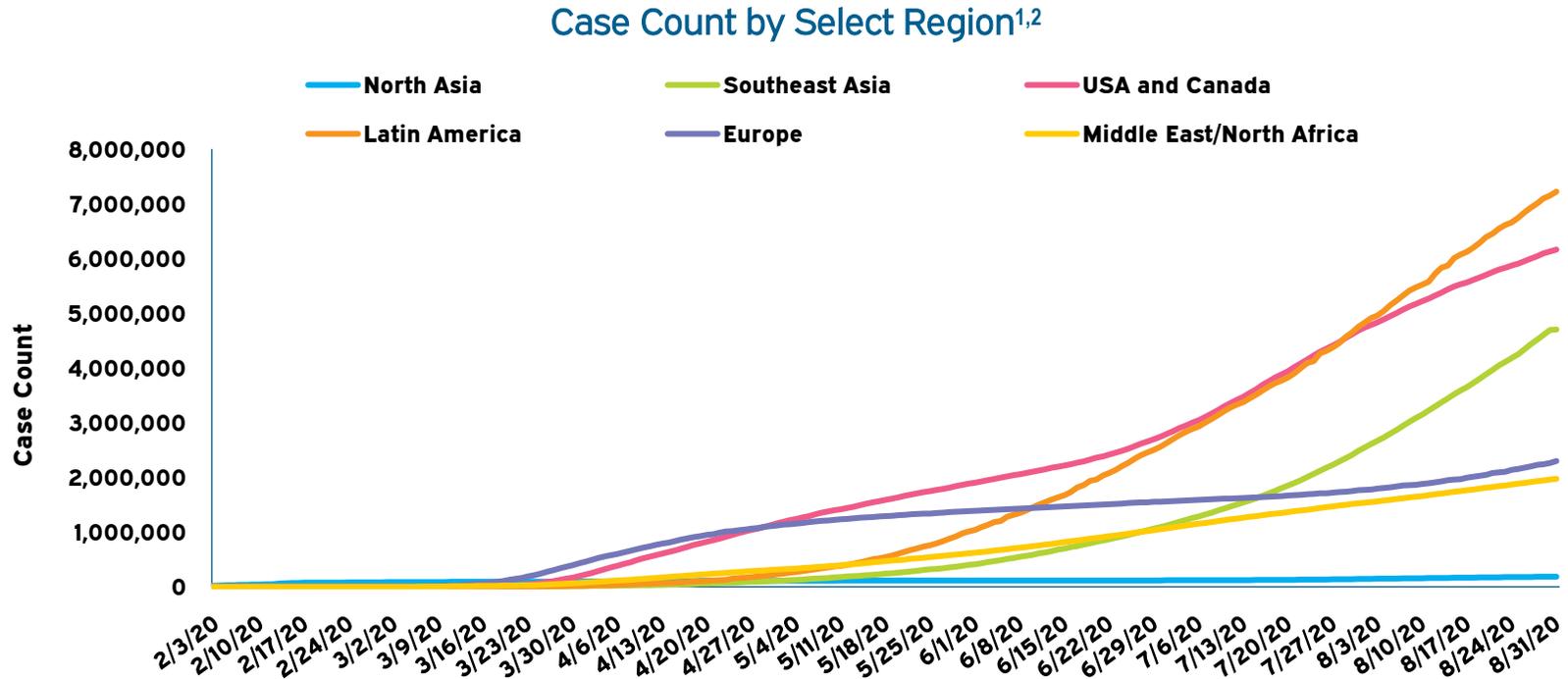
Meeting Materials

1. Economic and Market Update
2. Performance Highlights
3. Performance Update as of August 31, 2020
4. Disclaimer, Glossary, and Notes

Economic and Market Update

Data as of August 31, 2020



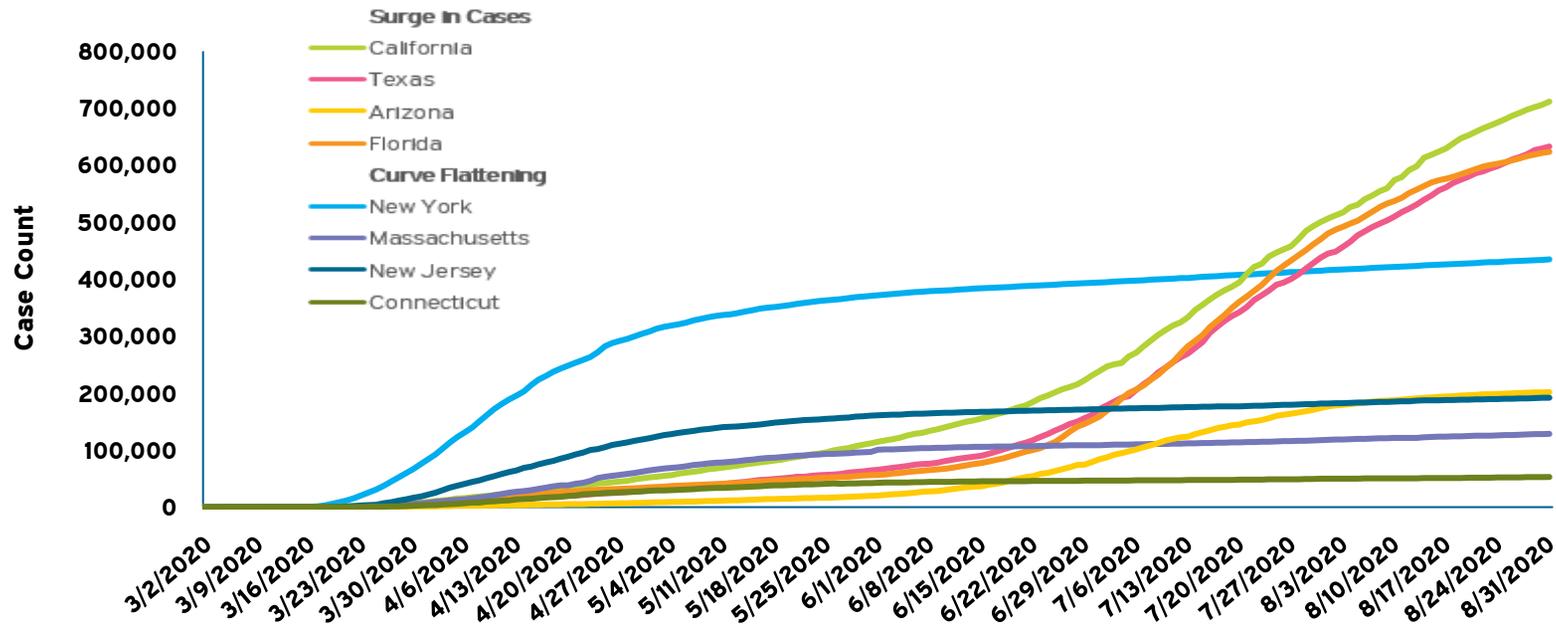


- Cases of COVID-19 continue to grow globally with now over 28 million reported cases across 188 countries.
- The US remains the country with the highest cases, while cases in Latin America are surging, driven by Brazil. India has also emerged as a hotspot with the second most cases globally.

¹ Source: Bloomberg. Data is as of August 31, 2020.

² North Asia: China, Hong Kong, Japan, South Korea, and Taiwan. Southeast Asia: Singapore, India, Indonesia, Malaysia, Pakistan, Philippines, Thailand, Bangladesh, Sri Lanka, and Vietnam. Europe: Austria, Belarus, Bulgaria, Croatia, Czech Republic, Denmark, France, Germany, Hungary, Italy, Netherlands, Norway, Poland, Romania, Spain, Sweden, United Kingdom, Switzerland, and Ukraine. Latin America: Chile, Brazil, Mexico, Argentina, Colombia, Peru, Venezuela, Ecuador, Panama, Paraguay, Costa Rica, Bolivia, Uruguay, El Salvador, Honduras, Cuba, Dominican Republic, Haiti, and Nicaragua. Middle East/North Africa: Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Turkey, Tunisia, United Arab Emirates, and Yemen.

COVID-19 Cases by State¹



- There has been some improvement in cases in states that experienced spikes as they reopened, but they are not out of the woods yet.
- Some states that were hardest hit in the early stages made progress on containing the virus, but have also seen small upticks in cases.
- As we move into the colder months, flu season and the reopening of schools in some areas could create additional stresses on the healthcare system.

¹ Source: Bloomberg. Data is as of August 31, 2020.

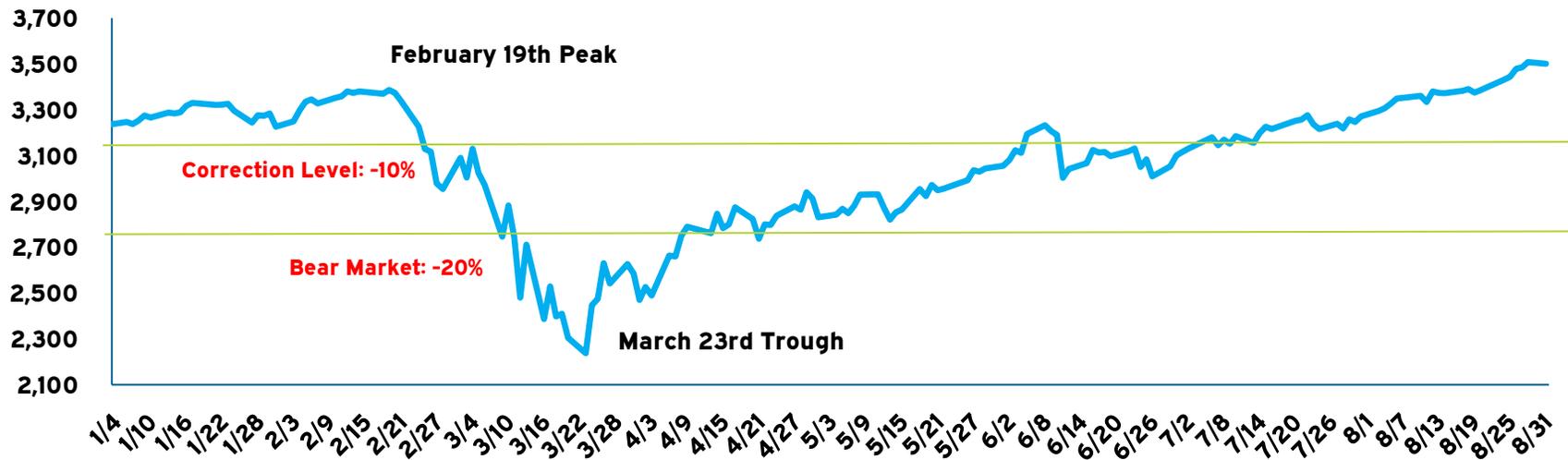
Market Returns¹

Indices	August	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	7.2%	9.7%	21.9%	14.5%	14.5%	15.2%
MSCI EAFE	5.1%	-4.6%	6.4%	2.3%	4.7%	5.9%
MSCI Emerging Markets	2.2%	0.4%	14.5%	2.8%	8.7%	3.8%
MSCI China	5.7%	19.7%	36.8%	9.2%	13.7%	7.8%
Bloomberg Barclays Aggregate	-0.8%	6.9%	6.5%	5.1%	4.3%	3.7%
Bloomberg Barclays TIPS	1.1%	9.6%	9.0%	5.7%	4.6%	3.7%
Bloomberg Barclays High Yield	1.0%	1.7%	4.7%	4.9%	6.5%	6.9%
10-year US Treasury	-1.3%	12.5%	8.6%	6.5%	4.4%	4.3%
30-year US Treasury	-6.1%	23.8%	13.6%	12.3%	8.1%	8.1%

- Global risk assets have recovered meaningfully from their lows, largely driven by record fiscal and monetary policy stimulus; the S&P 500 appreciated by over 56% from the mid-March lows.
- Risk assets have reacted positively to the combination of a gradual re-opening of the global economy, some economic data beating expectations, and the potential for a vaccine being developed sooner than initially expected.
- Despite the recovery in risk assets, yields on safe-haven assets like US Treasuries remain at record lows due to expectations for extremely accommodative monetary policy for the foreseeable future and expectations for relatively weak economic growth.

¹ Source: InvestorForce and Bloomberg. Data is as of August 31, 2020.

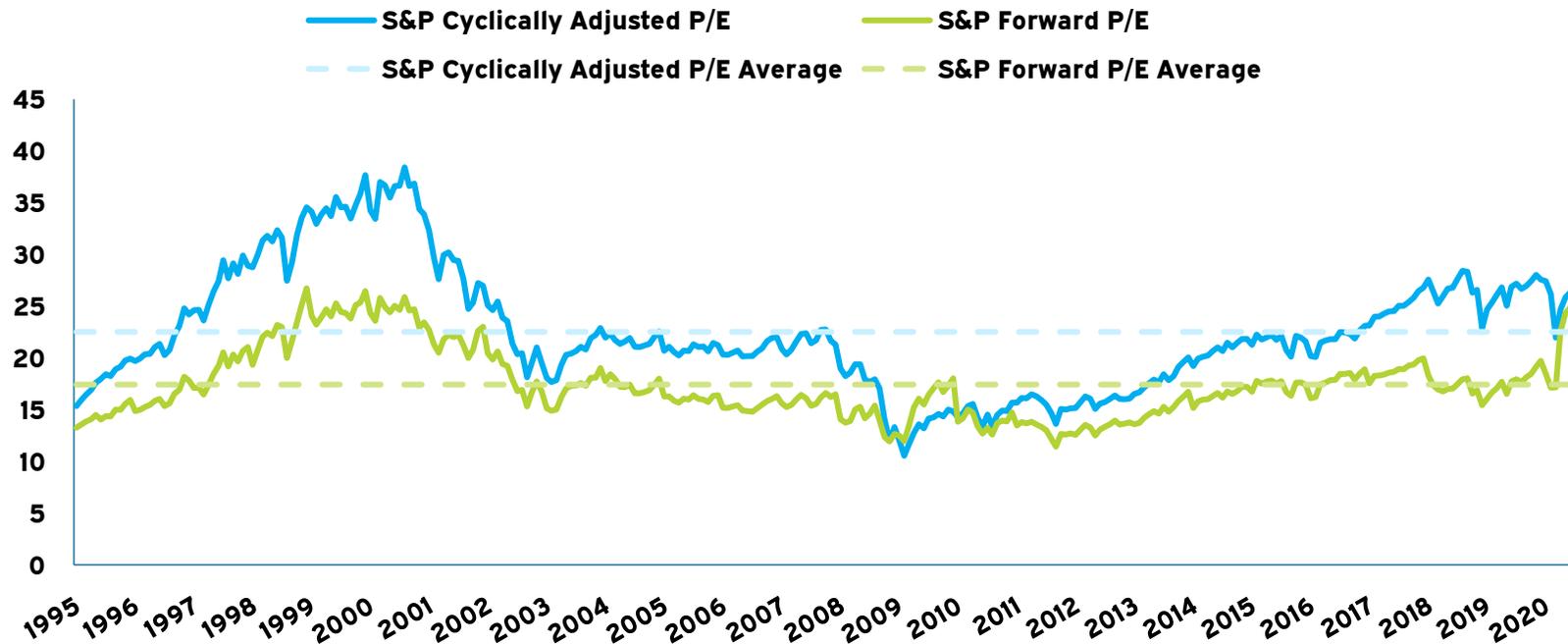
S&P 500 Fully Recovers¹



- Given the anticipated economic carnage surrounding the pandemic, US stocks declined from a February peak into bear market (-20%) territory at the fastest pace in history.
- From the February 19 peak, the S&P 500 plunged 34% in just 24 trading days.
- The index rebounded quickly from its lows and finished above its pre-COVID levels at the end of August, with year-to-date gains of close to 10%. The largest drivers of the unprecedented recovery include the significant monetary and fiscal stimulus in the US, as well as improvements in parts of the economy as it slowly reopens.
- It is unclear whether the pace of the recovery is sustainable in light of the recent surge in cases, as well as risks such as the looming US election, ongoing trade tensions between the US and China, and continued uncertainty regarding the next round of US fiscal stimulus.

¹ Source: Bloomberg. Data is as of August 31, 2020.

S&P Equity Valuations¹



- As US equity markets continue to rise, valuations based on both forward- and backward-looking earnings have become even more stretched.
- Many are looking to improvements in earnings to support market levels as the US economy continues to reopen, with historically low interest rates also providing support.
- The key risk remains that a spike in COVID-19 cases could slow, or reverse, reopening plans.

¹ Source: Bloomberg. Data is as of August 31, 2020.

2020 YTD Sector Returns¹

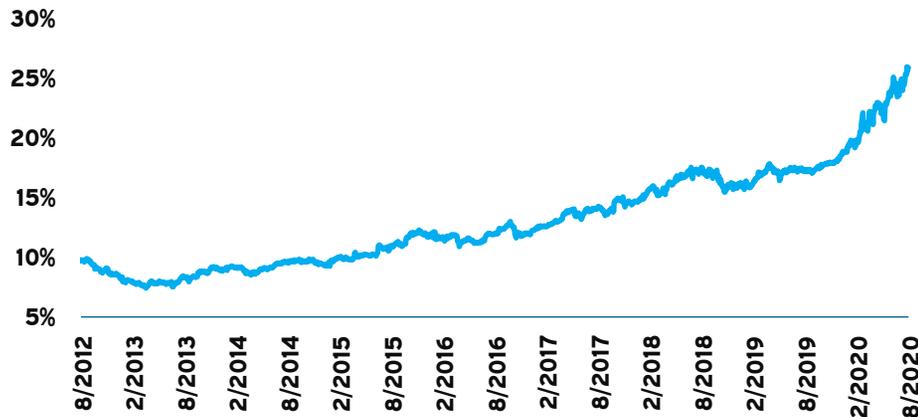


- Information technology remains the best performing sector, with a narrow group of companies including Amazon and Netflix driving market gains. The outperformance has been due to consumers moving to online purchases and entertainment.
- The consumer discretionary sector has also experienced gains as the economy reopens, people return to work, and as stimulus checks were spent.
- The energy sector has seen some improvements given supply cuts and economies starting to reopen, but it remains the sector with the greatest 2020 decline, triggered by the plunge in oil prices. Financials have also struggled in the low interest rate and slow growth environment.

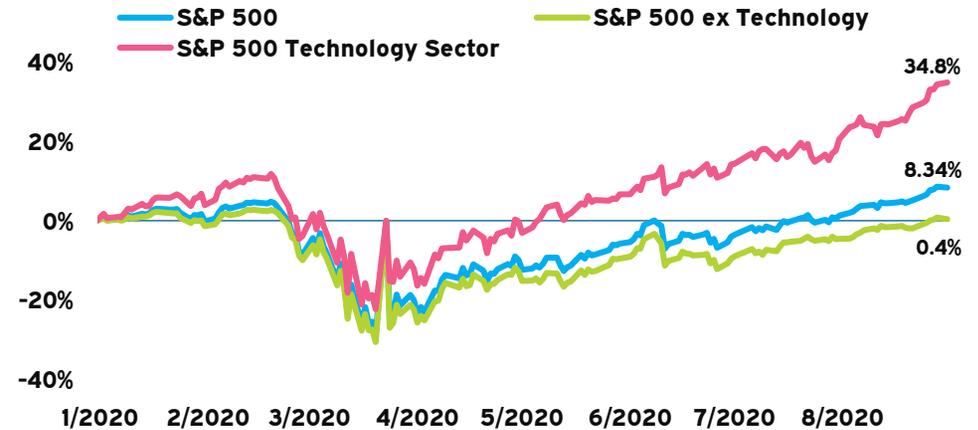
¹ Source: Bloomberg. Data is as of August 31, 2020.

Technology has led the way in the Rebound

FAANG+M Share of S&P 500¹



Returns Year to Date through August 31²

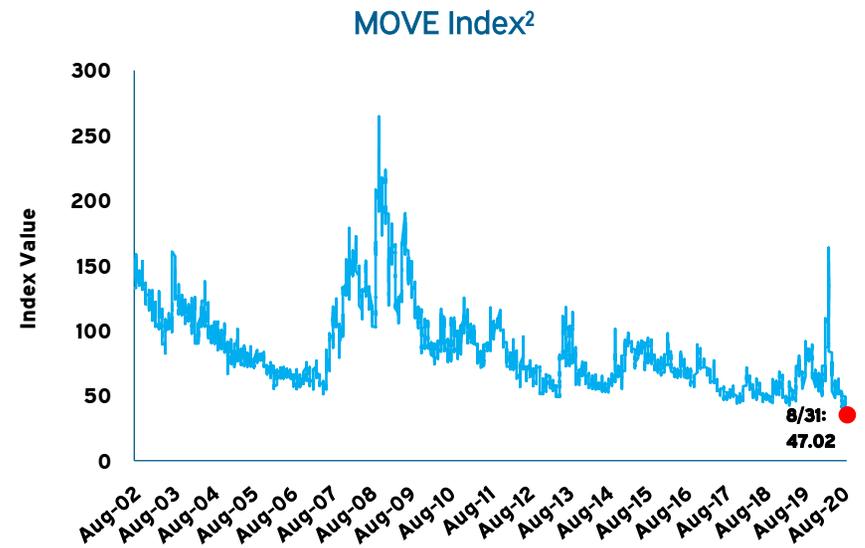
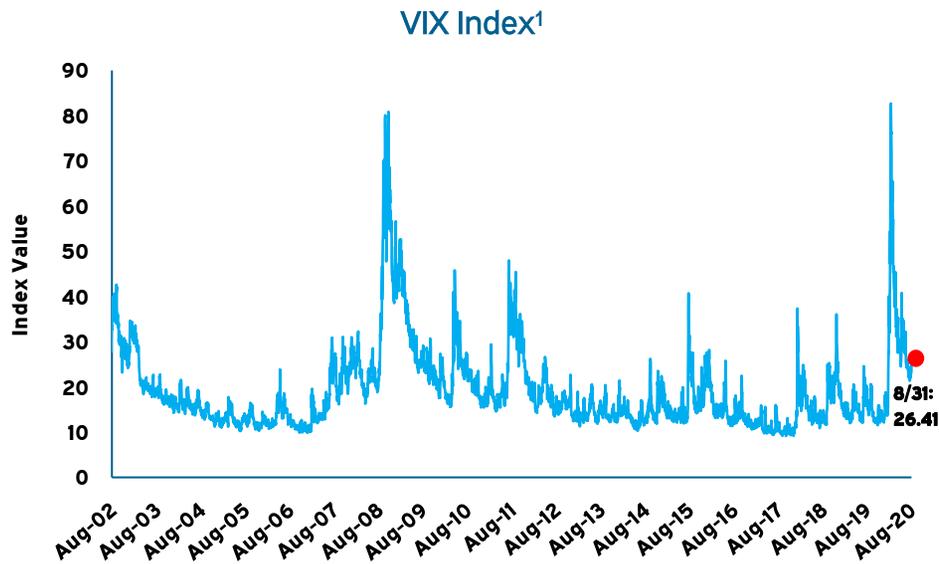


- The recent market recovery has largely been driven by a few select technology companies that benefited from the stay-at-home environment related to the virus.
- Year-to-date, the S&P 500 technology sector returned 34.8% compared to 0.4% for the S&P 500 ex. technology index, with Amazon (+87%), Netflix (+64%), and Apple (+76%) posting strong results.
- The strong relative results of these companies has led to them comprising a growing portion (25.9%) of the S&P 500, which makes their future performance particularly impactful.

¹ FAANG+M = Facebook, Amazon, Apple, Netflix, Google (Alphabet), and Microsoft. The percentage represents the aggregate market capitalization of the 6 companies compared to the total market capitalization of the S&P 500 as of August 31, 2020.

² Each data point represents the price change relative to the 12/31/2019 starting value.

Volatility has Declined



- Expectations of short-term equity volatility, as measured by the VIX index, continued to decline from record levels, though it remains elevated relative to the past decade.
- At the recent height, the VIX reached 82.7, surpassing the pinnacle of volatility during the GFC, showing the magnitude of the crisis, and of investor fear.
- Expectations of volatility within fixed income, as represented by the MOVE index, spiked and then returned to historic lows, helped by the broad level of monetary support and forward guidance by the Fed.

¹ Source: Chicago Board of Exchange. Data is as of August 31, 2020.

² Source: Bloomberg. Data is as of August 31, 2020.

Global Financial Crisis Comparison

	2007-2009 Global Financial Crisis	COVID-19 Crisis
Primary Causes	<p>Excess Risk Taking Due to:</p> <ul style="list-style-type: none"> Deregulation, un-constrained securitization, shadow banking system, fraud 	<p>Pandemic/Natural Disaster:</p> <ul style="list-style-type: none"> Large scale global restrictions on businesses and individuals leading to immediate and significant deterioration in economic fundamentals

	2007-2009 Global Financial Crisis	COVID-19 Crisis
Fiscal Measures	<ul style="list-style-type: none"> American Recovery Reinvestment Act of 2009: \$787 billion Economic Stimulus Act of 2008: \$152 billion 	<ul style="list-style-type: none"> PPP Act: \$659 billion CARES Act of 2020: \$2.3 trillion Families First Coronavirus Response Act: \$150 billion Coronavirus Preparedness & Response Supplemental Appropriations Act 2020: \$8.3 billion National Emergency: \$50 billion

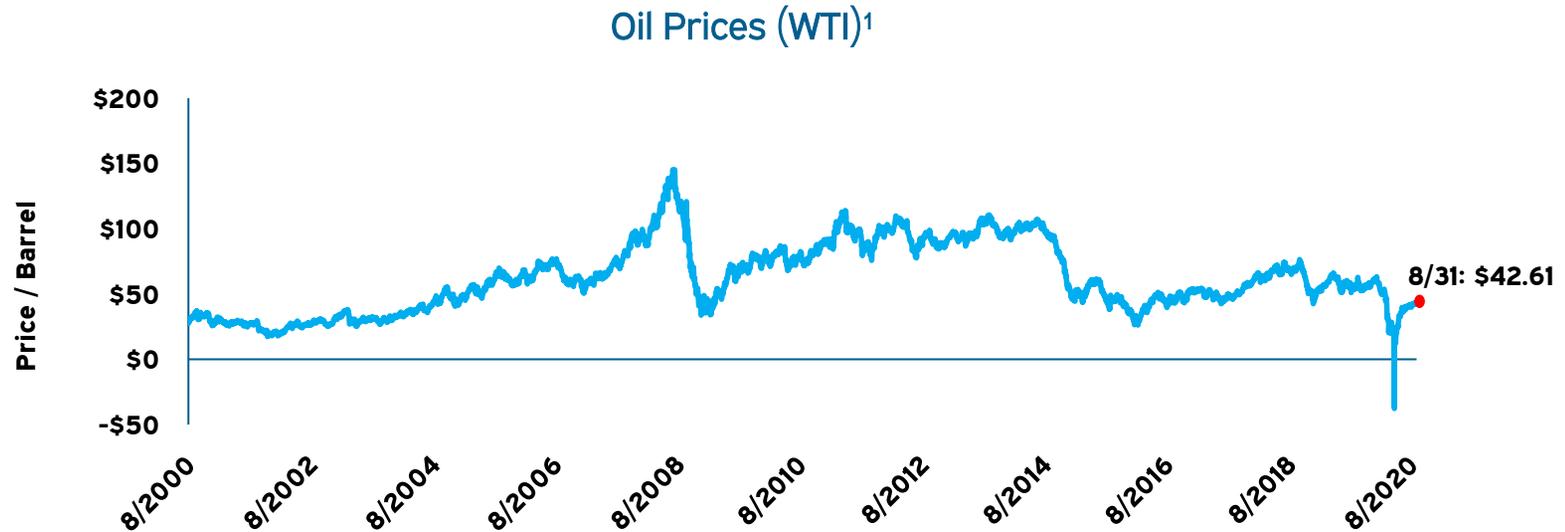
	2007-2009 Global Financial Crisis	COVID-19 Crisis
Monetary Measures		
Lowering Fed Funds Rate	X	X
Quantitative Easing	X	X
Primary Dealer Repos	X	X
Central Bank Swap Lines	X	X
Commercial Paper Funding Facility	X	X
Primary Dealers Credit Facility	X	X
Money Market Lending Facility	X	X
Term Auction Facility	X	
TALF	X	X
TSLF	X	
FIMA Repo Facility		X
Primary & Secondary Corp. Debt		X
PPP Term Facility		X
Municipal Liquidity Facility		X
Main Street Loan Facility		X

Global Financial Crisis Comparison (continued)

- The US **fiscal** response to the COVID-19 Crisis has been materially larger than the response to the 2007-2009 Global Financial Crisis (GFC), and stimulus is acutely focused on areas of the economy showing the greatest need, including small and mid-sized companies. For example, the Paycheck Protection Program (PPP) helps small businesses keep employees working by offering forgivable loans to cover salaries.
- Gridlock continues related to the fifth fiscal package with key issues being discussed/debated including payroll tax cuts, another round of stimulus checks, additional unemployment benefits, and state and local aid. The end to enhanced unemployment benefits in July from the prior stimulus has been particularly impactful to those without jobs.
- On the **monetary** side, markets targeted during both crises represent those most in need, but for the COVID-19 Crisis the policy response was dramatically faster, measured in weeks, not years, as in the GFC.
- Of the monetary stimulus measures, the corporate debt (Primary & Secondary Corporate Debt) programs and Main Street Loan Facility are new and garnered much attention from market participants.
- Through the end of August, Fed programs have experienced various degrees of usage. However, at this point, none has come close to reaching program limits. Still, programs have been extended through December 2020, and the psychological value of knowing the programs are available, if necessary, likely supports market sentiment.

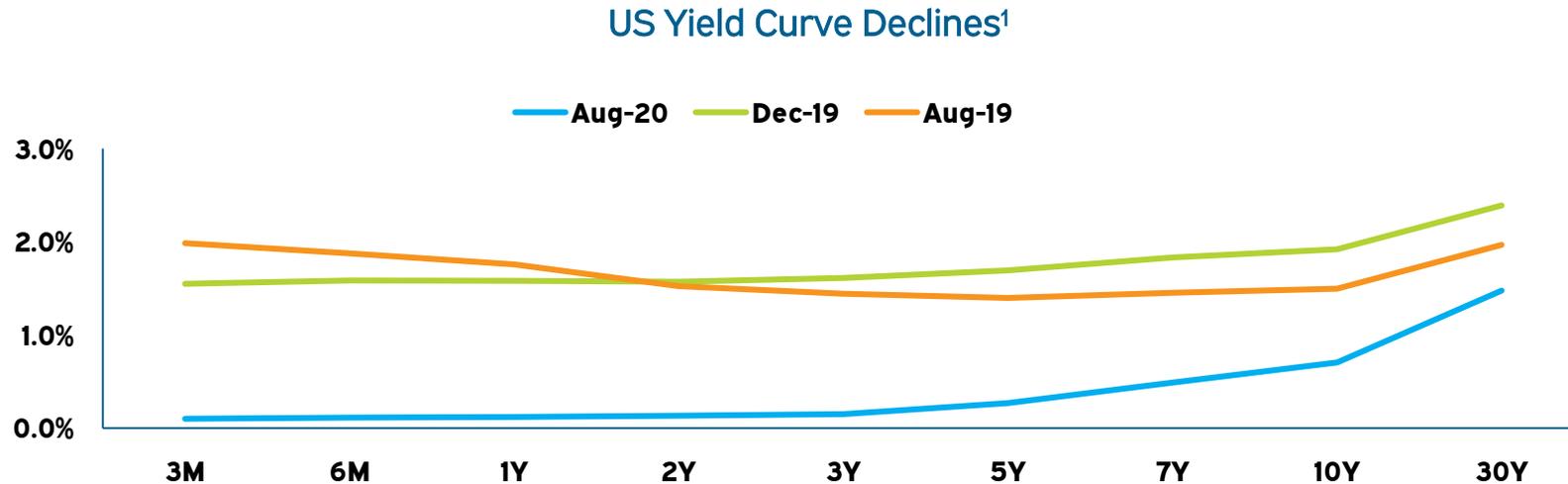
Policy Responses

	Fiscal	Monetary
United States	\$50 billion to states for virus related support, interest waived on student loans, flexibility on tax payments and filings, expanded COVID-19 testing, paid sick leave for hourly workers, \$2 trillion package for individuals, businesses, and state/local governments. Additional \$484 billion package to replenish small business loans, provide funding to hospitals, and increase testing.	Cut policy rates to zero, forward guidance suggesting aggressively accommodative policy for the foreseeable future, unlimited QE4, offering trillions in repo market funding, restarted and extended CPFF, PDCF, MMMF programs to support lending and financing markets, expanded US dollar swap lines with foreign central banks, announced IG corporate debt buying program with subsequent amendment for certain HY securities, Main Street Lending program, Muni liquidity facility, repo facility with foreign central banks, and easing of some financial regulations for lenders.
Euro Area	European Union: Shared 750 billion euro stimulus package. Germany: 220 billion euro stimulus France: 57 billion euro stimulus. Italy: 75 billion euro stimulus. Spain: 200 billion euro and 700 million euro loan and aid package, respectively.	Targeted longer-term refinancing operations aimed at small and medium sized businesses, under more favorable pricing, and announced the 750 billion euro Pandemic Emergency Purchase Program, and then expanded the purchases to include lower-quality corporate debt.
Japan	Hundreds of trillions in yen stimulus for citizens and businesses, including low interest loans, deferrals on taxes, and direct cash handouts.	Initially increased QE purchases (ETFs, corporate bonds, and CP) and then expanded to unlimited purchases and doubling of corporate debt and commercial paper, expanded collateral and liquidity requirements, and 0% interest loans to businesses hurt by virus.
China	Tax cuts, low-interest business loans, extra payments to gov't benefit recipients.	Expanded repo facility, policy rate cuts, lowered reserve requirements, loan-purchase scheme.
Canada	\$7.1 billion in loans to businesses to help with virus damage, C\$381 billion stimulus.	Cut policy rates, expanded bond-buying and repos, lowered bank reserve requirements.
UK (BOE)	190 billion pound stimulus, Tax cut for retailers, small business cash grants, benefits for those infected with virus, expanded access to gov't benefits for self and un-employed.	Lowered policy rates and capital requirements for UK banks, restarts QE program and subsequently increased the purchase amounts.
Australia	\$11.4 billion, subsidies for impacted industries like tourism, one-time payment to gov't benefit recipients.	Policy rate cut, started QE.



- Global oil markets rallied from April lows, including from the technically-induced negative levels that saw the May futures contract trade at nearly -\$40 per barrel.
- In August, OPEC+ began to relax its 9.7 million barrels/day production cuts (~10% of global output) resulting in an increase of supply by close to 1 million barrels/day. Going forward, they are looking to further reduce cuts to 7.7 million barrels/day.
- Counterbalancing the OPEC+ production cut agreement, US oil producers (particularly shale output) are reportedly turning wells back on as the price of oil rises.
- As OPEC+ starts rolling back production cuts, and the virus spread increases with the potential to weigh on demand, oil prices could experience downward pressure going forward.

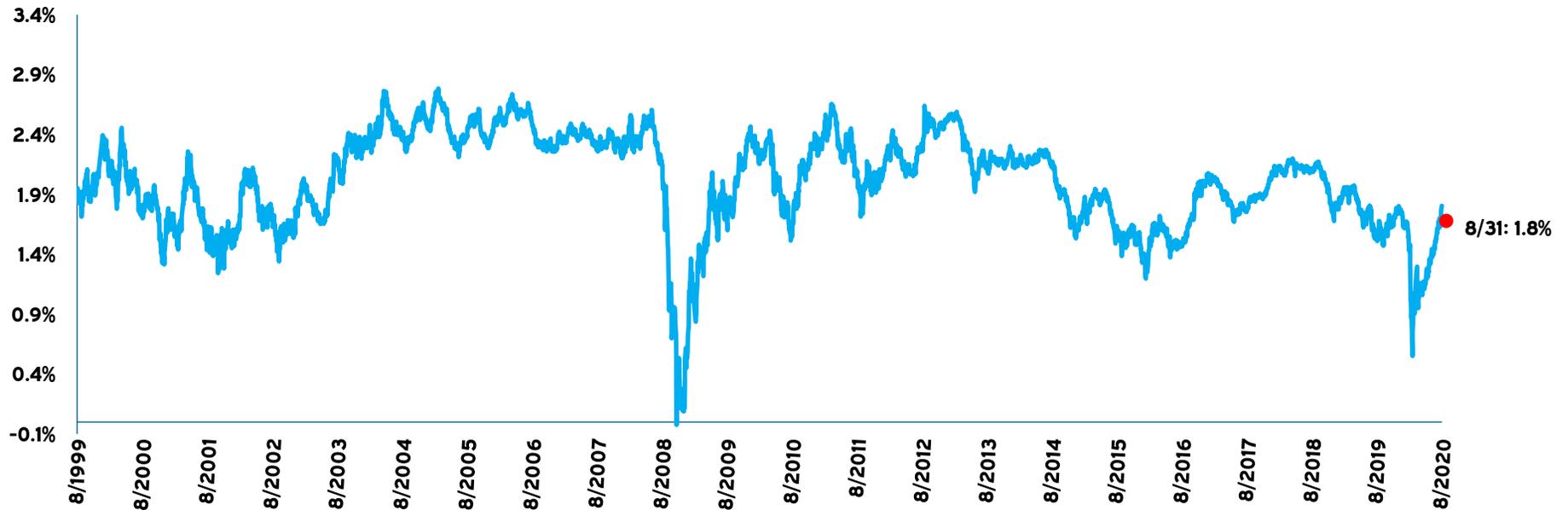
¹ Source: Bloomberg. Represents WTI first available futures contract. Data is as of August 31, 2020.



- The US Treasury yield curve has declined materially since 2019.
- Cuts in monetary policy rates, and policy makers' open commitments to keep rates low for the foreseeable future, drove yields down in shorter maturities, while flight-to-quality flows, low inflation, and economic growth uncertainty have driven the changes in longer maturities.
- The Federal Reserve's unlimited quantitative easing purchase program has produced further downward pressure on interest rates, particularly in the short- and medium-term sectors due to the purchases being focused on those segments.
- Longer dated bonds have recently experienced some pressure as economic data has slowly improved, but more importantly as the Federal Reserve announced its plan to target an average inflation rate.

¹ Source: Bloomberg. Data is as of August 31, 2020.

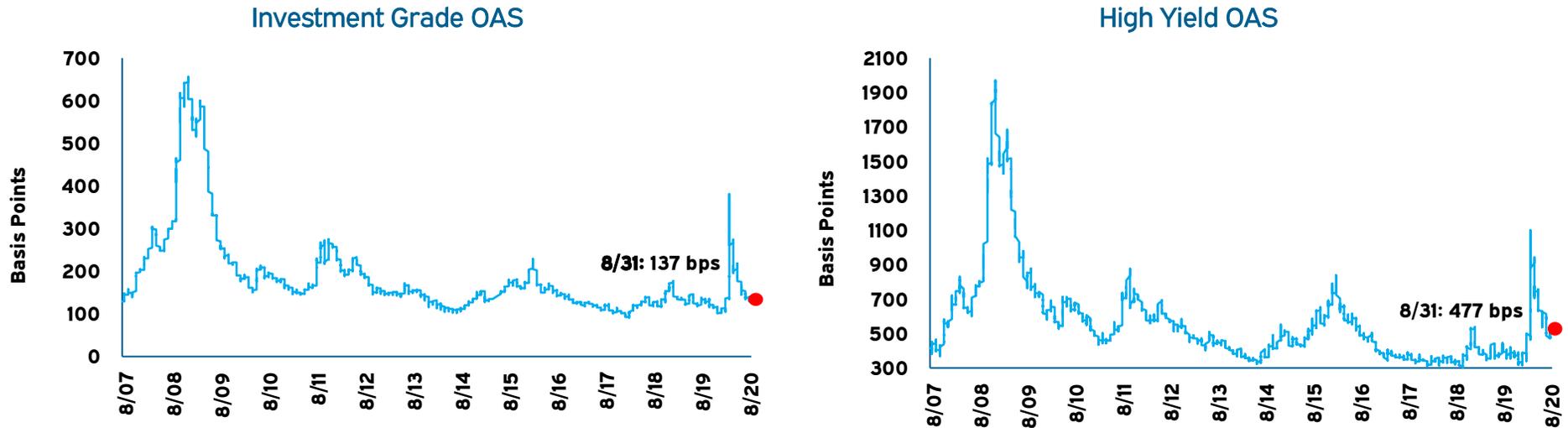
10-Year Breakeven Inflation¹



- Inflation breakeven rates initially declined sharply, due to a combination of lower growth and inflation expectations, as well as liquidity dynamics in TIPS during the height of rate volatility.
- Liquidity eventually improved and breakeven rates increased as deflationary concerns moderated, but given the uncertainty regarding economic growth and the inflationary effects of the unprecedented US fiscal response, inflation expectations continue to remain below historical averages.

¹ Source: Bloomberg. Data is as of August 31, 2020.

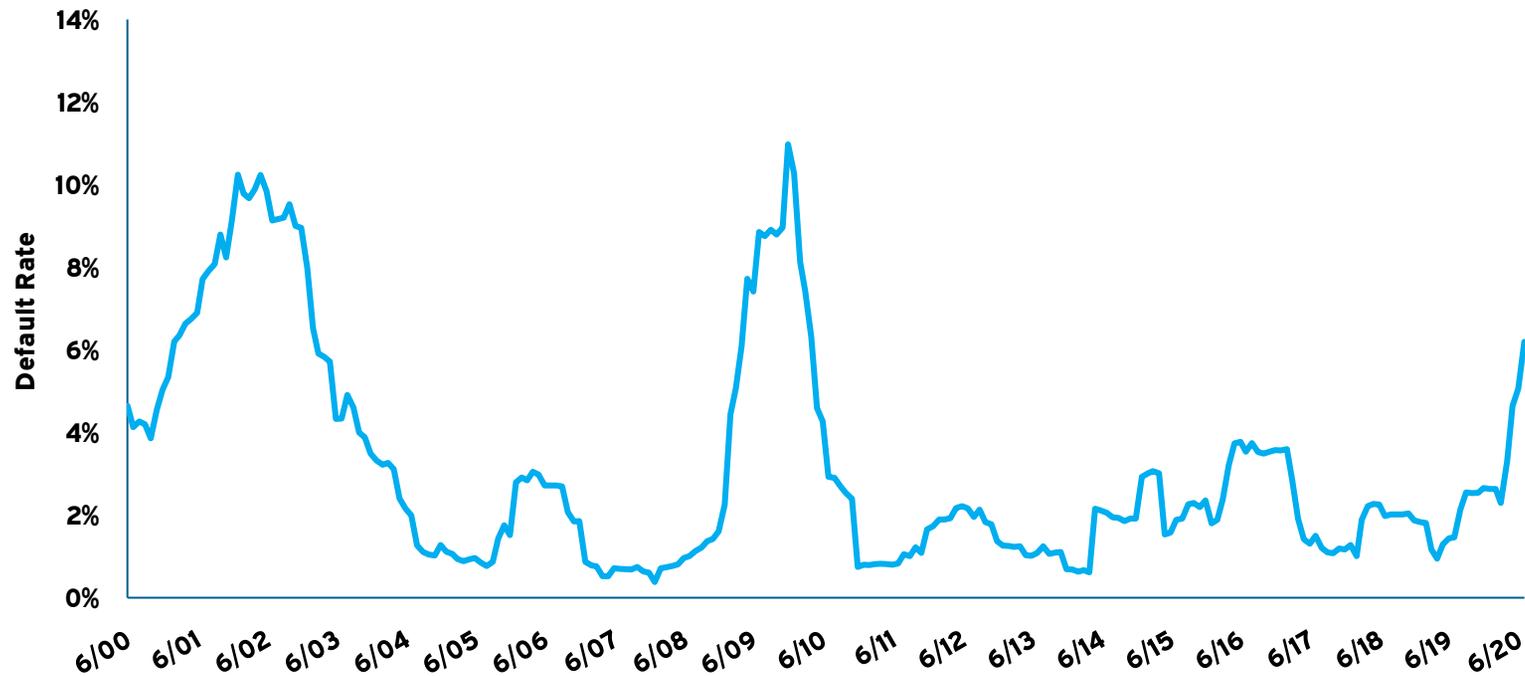
Credit Spreads (High Yield & Investment Grade)¹



- Credit spreads (the spread above a comparable Treasury bond) for investment grade and high yield corporate debt expanded sharply as investors sought safety.
- Investment grade bonds held up better than high yield bonds. The Federal Reserve’s corporate debt purchase program for investment grade and certain high yield securities recently downgraded from investment grade, was well received by investors, leading to a decline in spreads to around long-term averages.
- Overall, corporate debt issuance has more than doubled since 2008, which magnifies the impact of deterioration in the corporate debt market. This is particularly true in the energy sector, which represents over 10% of the high yield bond market.

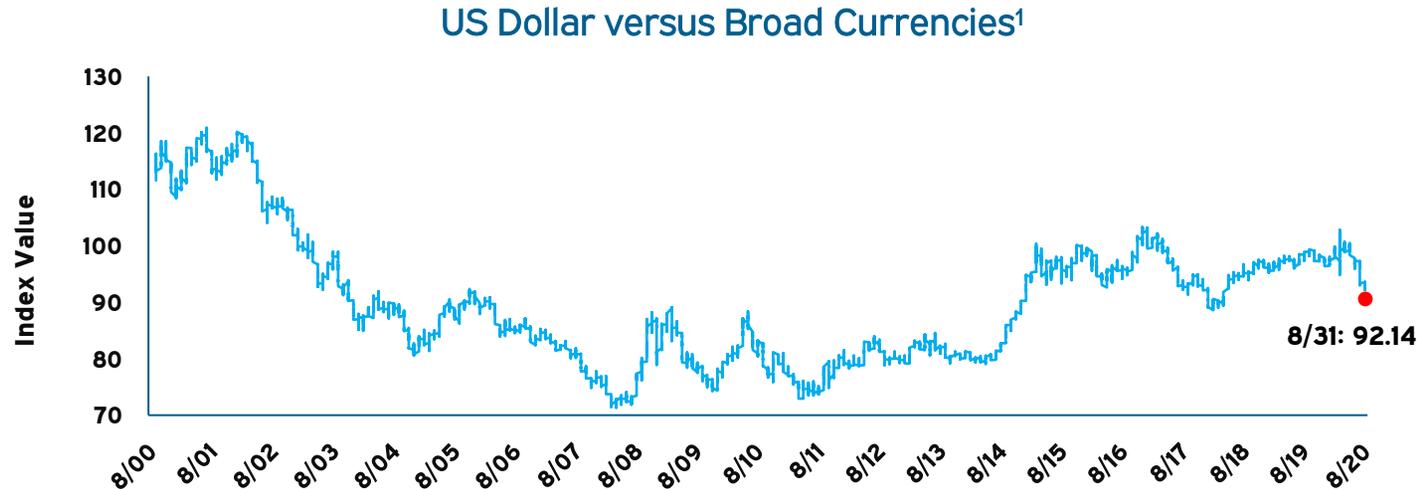
¹ Source: Federal Reserve Bank of St. Louis Economic Research. Data is as of August 31, 2020.

US High Yield Credit Defaults¹



- Even though spreads have declined, helped by the Federal Reserve’s support, defaults, particularly in the high yield sector, have increased dramatically in 2020.
- The energy sector has seen the greatest impact given the decline in oil prices, with defaults reaching double-digit levels and expectations for them to increase.

¹ Source: J.P. Morgan; S&P LCD. July and August data is not yet available. Data is as of June 30, 2020.



- When financial markets began aggressively reacting to COVID-19 developments, the US dollar came under selling pressure as investors sought safe-haven exposure in currencies like the Japanese yen given its current account surplus and its status as the largest creditor globally.
- As the crisis grew into a pandemic, investors' preferences shifted to holding US dollars and highly liquid, short-term securities like US Treasury bills. This global demand for US dollars led to appreciation versus most major currencies.
- To help ease global demand for US dollars, the Federal Reserve, working with a number of global central banks, re-established the US dollar swap program, providing some relief to other currencies. Usage of the program continues to decline as dollar funding demands have eased.
- Recently we have seen some weakness in the dollar as interest rates declined and the US struggled with containing the virus. This has created pressures on already stressed export-focused countries.
- Going forward, the dollar's safe haven quality and the relatively higher rates in the US could provide support.

¹ Source: Bloomberg. Represents the DXY Index. Data is as of August 31, 2020.

Economic Impact

Supply Chain Disruptions:

- Factories closing, increased cost of stagnant inventory, and disrupted supply agreements.
- Reduced travel, tourism, and separation policies including closed borders: Significant impact on service-based economies.

Labor Force Impacts:

- Huge layoffs across service and manufacturing economies.
- Increased strains as workforce productivity declines from increased societal responsibilities (e.g., home schooling of children) and lower functionality working from home.
- Illnesses from the disease will also depress the labor force.

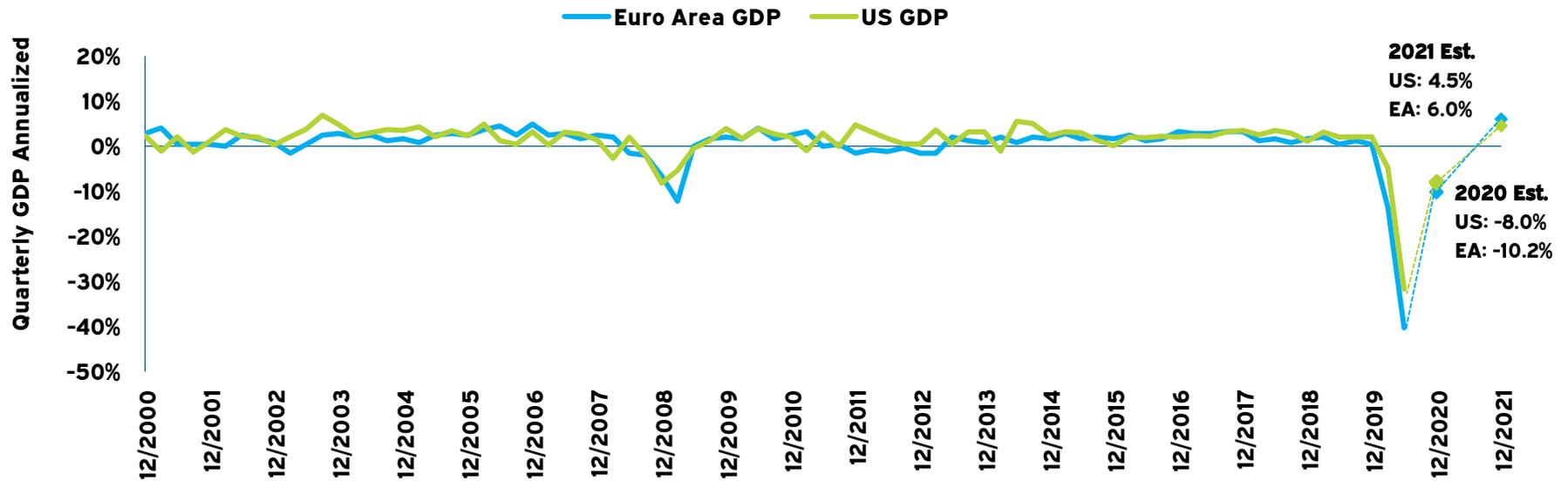
Declines in Business and Consumer Sentiment:

- Sentiment drives investment and consumption, which leads to increased recessionary pressures as sentiment slips.

Wealth Effect:

- As financial markets decline and wealth deteriorates, consumer spending will be impacted.

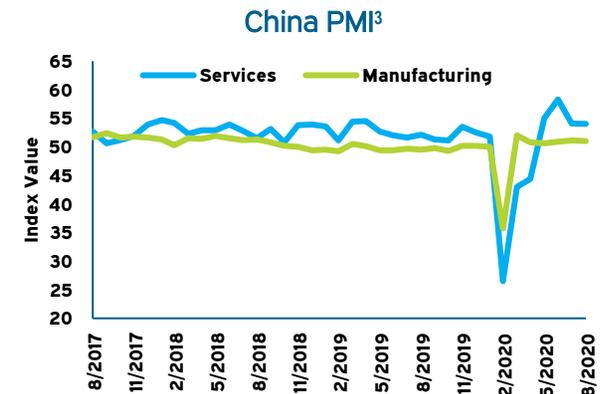
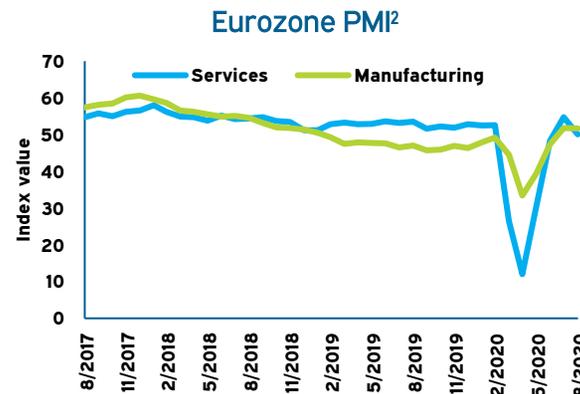
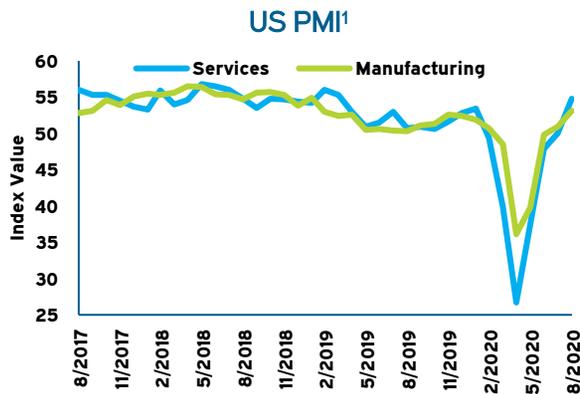
GDP Data Shows Impact of the Pandemic¹



- The global economy faces major recessionary pressures this year, but optimism remains for improvements in 2021, as economies are expected to gradually reopen.
- In the US, second quarter GDP posted a record (annualized) decline of -31.7%, officially putting the US in a recession. Similarly, growth in the Euro Area declined by a record amount with the major economies in Germany, France, Italy, and Spain experiencing historic declines.
- Bloomberg Economics estimates that third quarter US GDP growth could be as high as 21.2% (QoQ annualized).

¹ Source: Bloomberg. Q2 2020 data represents the second estimate of GDP for the Euro Area and United States. Euro Area figures annualized by Meketa. Projections via June 2020 IMF World Economic Outlook and represent annual numbers.

Global PMIs



- Purchasing Managers Indices, (PMI) based on surveys of private sector companies, initially collapsed across the world to record lows, as output, new orders, production, and employment were materially impacted by closed economies.
- Readings below 50 represent contractions across underlying components and act as a leading indicator of economic activity, including the future paths of GDP, employment, and industrial production.
- The services sector was particularly hard hit by the stay-at-home restrictions in many places.
- As the Chinese economy reopened over the last few months, their PMI's, particularly in the service sector, recovered materially. In the US and Europe, the indices have also improved from their lows to above contraction levels.

¹ Source: Bloomberg. US Markit Services and Manufacturing PMI. Data is as of August 2020.

² Source: Bloomberg. Eurozone Markit Services and Manufacturing PMI. Data is as of August 2020.

³ Source: Bloomberg. Caixin Services and Manufacturing PMI. Data is as of August 2020.

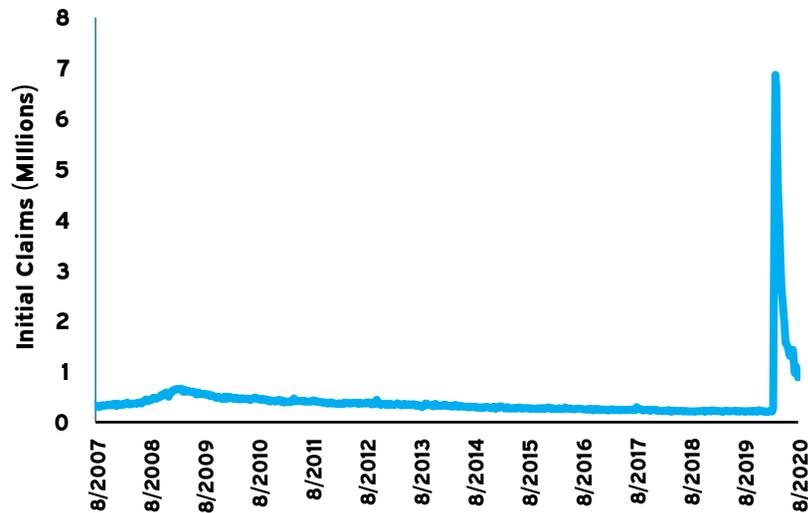


- In August, the unemployment rate continued its decline from the recent April 14.7% peak, falling to 8.4% as businesses and consumers emerged from the lockdown.
- Despite the improvement, unemployment levels remain well above pre-virus readings and are likely higher than reported due to issues related to some workers being misclassified. According to the Bureau of Labor Statistics, absent the misclassification issue, the August unemployment rate would be higher by 0.7%.
- The re-opening of some school districts, and upcoming holiday season, could lead to an increase in the unemployment rate going forward.

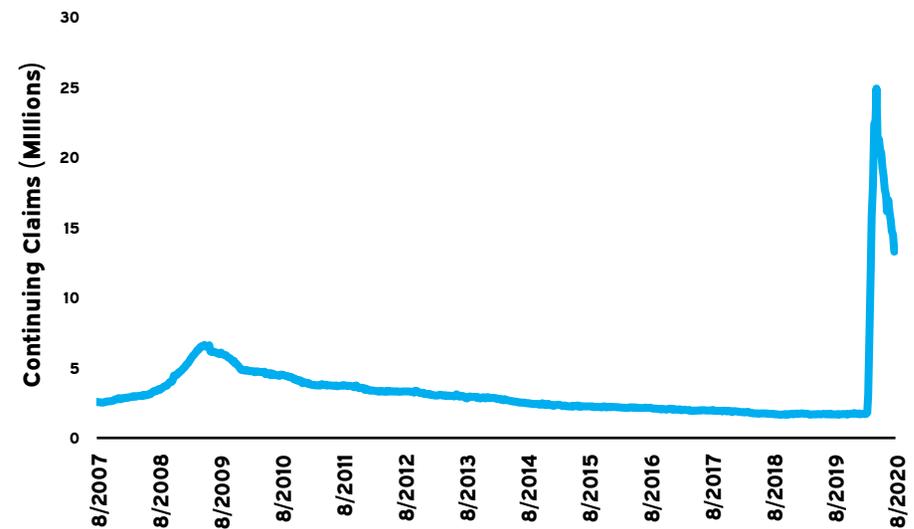
¹ Source: Bloomberg. Data is as of August 31, 2020. Bars represent recessions.

US Jobless Claims

US Initial Jobless Claims¹



Continuing Claims²

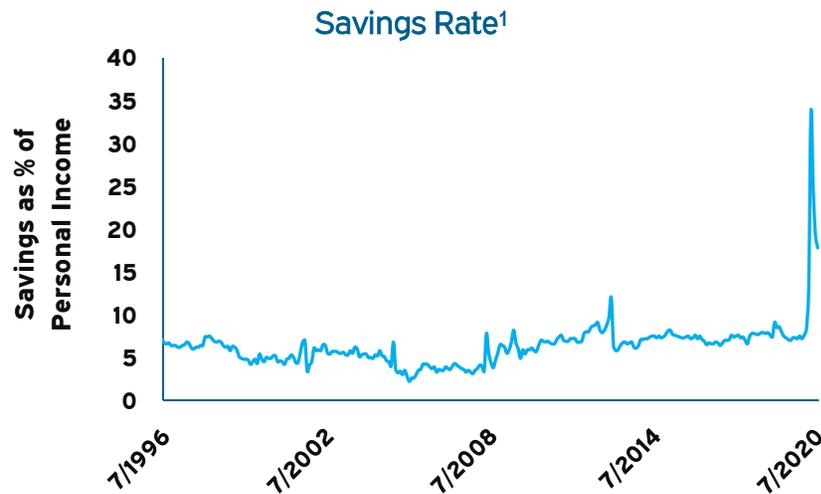


- Over the last 24 weeks, roughly 59.3 million people filed for initial unemployment. This level far exceeds the 22 million jobs added since the GFC, highlighting the unprecedented impact of the virus.
- Despite the continued decline in initial jobless claims to levels below 1.0 million per week, levels remain many multiples above the worst reading during the Global Financial Crisis.
- Continuing jobless claims (i.e., those currently receiving benefits) has also declined from record levels, but remains elevated at 13.4 million.

¹ Source: Bloomberg. First reading of seasonally adjusted initial jobless claims. Data is as of August 28, 2020.

² Source: Bloomberg. US Continuing Jobless Claims SA. Data is as of August 28, 2020.

Savings and Spending

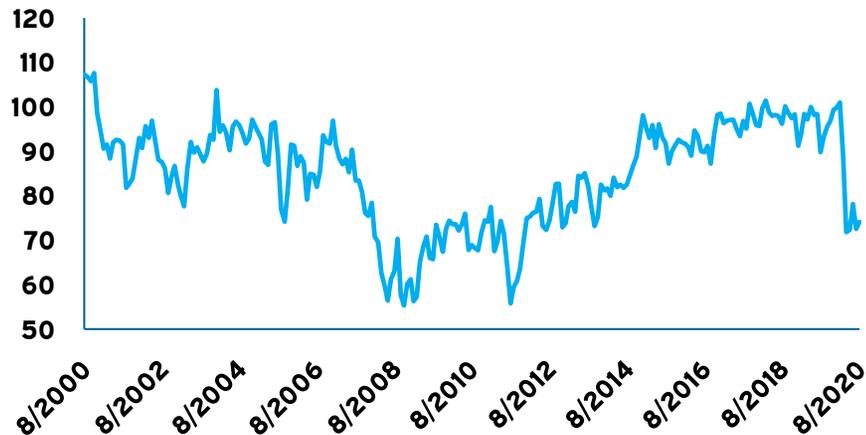


- Fiscal programs including stimulus checks, enhanced unemployment benefits, and loans to small businesses through the Paycheck Protection Program (PPP) have largely supported income levels through the shutdown.
- Despite the income support, the savings rate has increased due to the decline in consumer spending, driven by the initial lock-down of the economy, and by uncertainties related to the future of the job market and stimulus programs.
- More recently, the savings rate declined from its peak as spending increased with the economy slowly reopening.

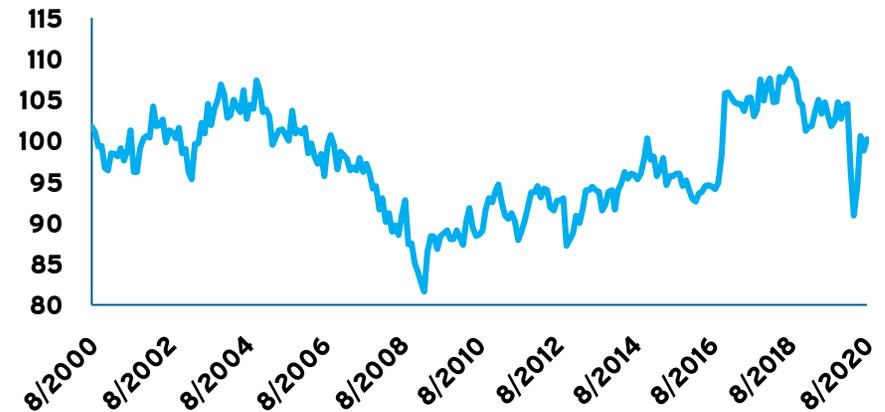
¹ Source: Bloomberg. Latest data is as of July 31, 2020.

Sentiment Indicators

University of Michigan Consumer Sentiment¹



Small Business Confidence²



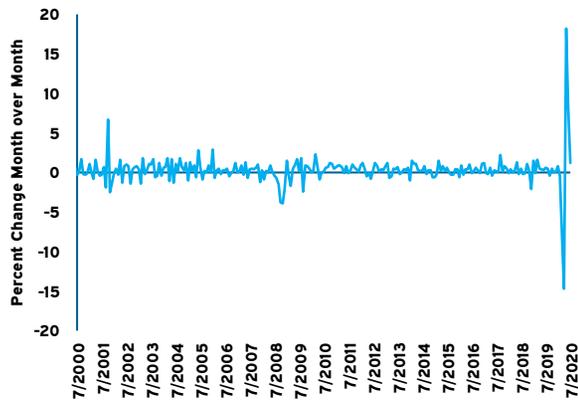
- A strong indicator of future economic activity are the attitudes of businesses and consumers today.
- Consumer spending comprises close to 70% of US GDP, making the attitudes of consumers an important driver of economic growth. Additionally, small businesses generate around half of US GDP, making sentiment in that segment important too.
- Sentiment indicators have shown some improvements as the economy re-opens, but they remain below prior levels.

¹ Source: Bloomberg. University of Michigan Consumer Sentiment Index. Data is as of August 31, 2020.

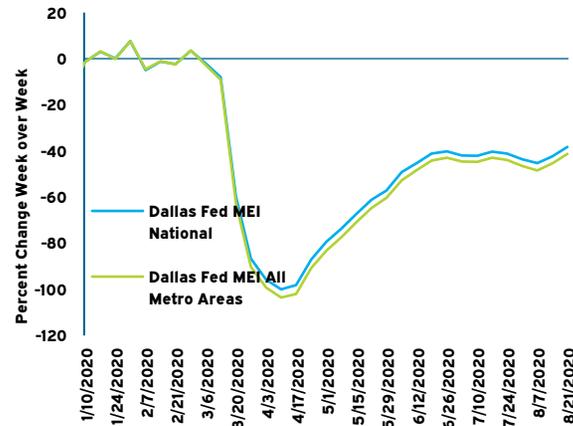
² Source: Bloomberg. NFIB Small Business Optimism Index. Data is as of August 31, 2020.

Some US Data has Improved

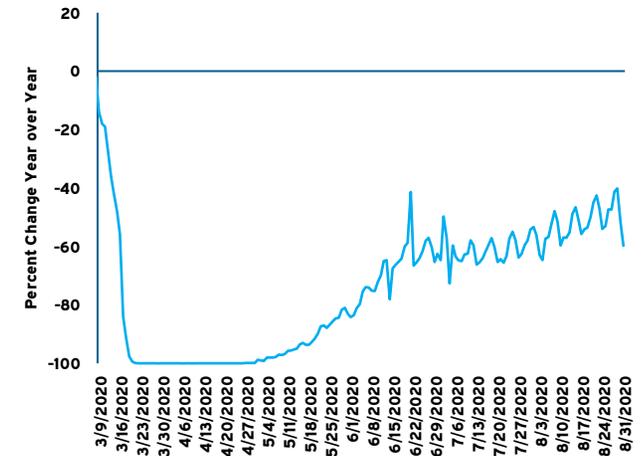
Retail Sales¹



Dallas Fed Mobility and Engagement Index²



OpenTable Seated Diners YoY % Change³



- There have been improvements in high frequency data, but overall levels remain well below prior readings and have slowed in some cases given the recent spike in cases.
- Generally, people have become more active as restrictions eased and stores reopened. Retail sales recovered from a record decline with three consecutive months of growth as the economy reopened, but the pace of growth has been declining.
- Restaurants saw initial improvements before declining and leveling-off, as in-store dining has been cited as a key contributor to increases in infections.

¹ Source: Bloomberg. Data is as of July 31, 2020 and represents the US Retail Sales SA MoM%

² Source: Bloomberg. Data is as of August 21, 2020 and represents the deviation from normal mobility behaviors induced by COVID-19 (formerly the "Social Distancing Index"). The index represents a weighted average of various lengths of time that a mobile device, like a cell phone, leaves its "home" or place of residence, and/or how long a device stays at home. A decline in this index represents a mobile device at home for a longer period of time than average.

³ Source: Bloomberg. This data shows year-over-year seated diners at restaurants on the OpenTable network across all channels: online reservations, phone reservations, and walk-ins. Only states or cities with 50+ restaurants in the sample are included. All such restaurants on the OpenTable network in either period are included. Data is as of August 31, 2020. Index start date 2/19/20.

Looking Forward...

- There will be significant economic impact and a global recession.
 - How deep it will be and how long it will last depend on factors (below) that are unknowable at this time.
- The length of the virus and country responses will be key considerations.
 - As of now, it is not clear the end is in sight, particularly given the recent increases in cases in certain areas; however, individual countries are attempting to lay the groundwork to support a recoveries in their economies.
- Central banks and governments are pledging support, but will it be enough?
 - Market reactions to announced policies have been positive, but additional support will likely be required until the virus gets better contained.
- Expect heightened market volatility should economies start to shut back down given the recent spike in cases.
 - This has been a consistent theme recently; volatility is likely to remain at risk of spiking again for the foreseeable future.
- It is important to retain a long-term focus.
 - History supports the argument that maintaining a long-term focus will ultimately prove beneficial for diversified portfolios.

Prior Drawdowns and Recoveries from 1926-2020¹

Period	Peak-to-Trough Decline of the S&P 500	Approximate Time to Recovery
Sept 1929 to June 1932	-85%	266 months
February 1937 to April 1942	-57%	48 months
May 1946 to February 1948	-25%	27 months
August 1956 to October 1957	-22%	11 months
December 1961 to June 1962	-28%	14 months
February 1966 to October 1966	-22%	7 months
November 1968 to May 1970	-36%	21 months
January 1973 to October 1974	-48%	69 months
September 1976 to March 1978	-19%	17 months
November 1980 to August 1982	-27%	3 months
August 1987 to December 1987	-32%	19 months
July 1990 to October 1990	-20%	4 months
July 1998 to August 1998	-19%	3 months
March 2000 to October 2002	-49%	56 months
October 2007 to March 2009	-57%	49 months
February 2020 to August 2020	-34%	6 months
Average	-36%	39 months
Average ex. Great Depression	-33%	24 months

- As markets have fully recovered to above pre-COVID levels, questions remain about the sustainability of the rally.
- The six month recovery period represents one of the shortest on record, similar to the historic decline.

¹ Source: Goldman Sachs.

Implications for Clients

- Portfolios have generally experienced significant improvements from the March lows.
- Even though equity markets have recovered from their lows, it is important to remain vigilant and be prepared to rebalance if volatility increases again.
 - Before rebalancing, consider changes in liquidity needs given the potential for cash inflows to decline in some cases.
 - Also, consider the cost of rebalancing if investment liquidity declines.
- Diversification works. The latest decline was an example of a flight to quality leading to gains in very high quality bonds.

Performance YTD (through August 31, 2020)

S&P 500	ACWI (ex. US)	Aggregate Bond Index	Balanced Portfolio ¹
9.7%	-3.1%	6.9%	5.3%

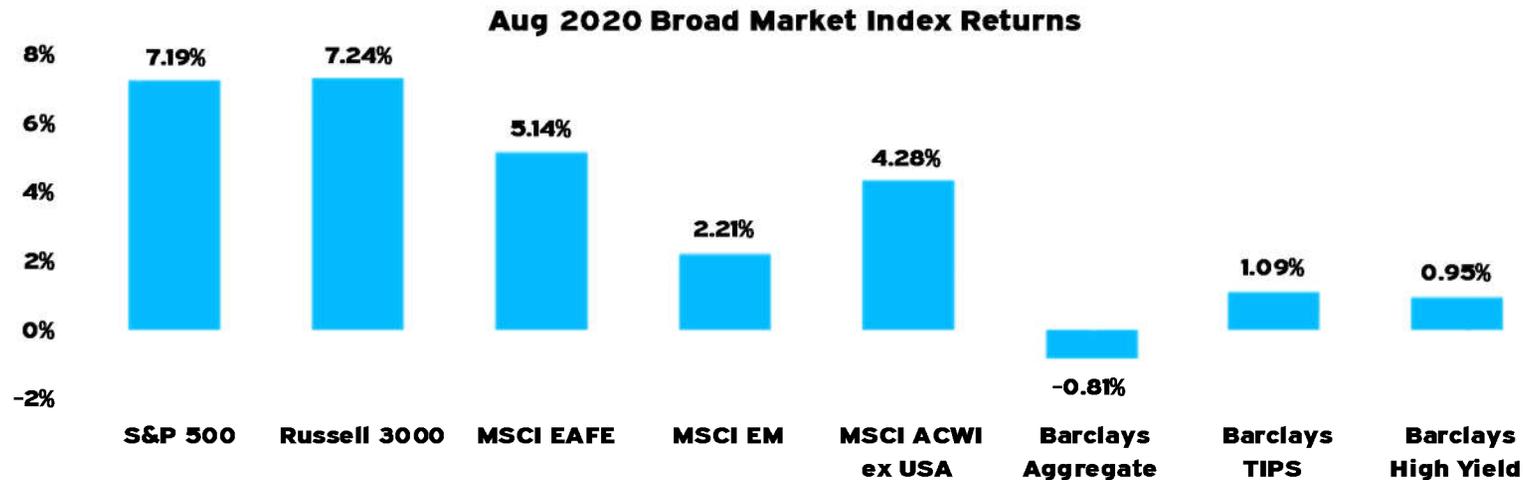
- Meketa will continue to monitor the situation and communicate frequently.
 - The situation is fluid and the economic impact is uncertain at this stage.
- Please feel free to reach out with any questions.

¹ Source: InvestorForce. Balanced Portfolio represents 60% MSCI ACWI and 40% Bloomberg Barclays Global Aggregate.

Performance Highlights

As of Aug 31, 2020

Market Review and Performance Summary for August 2020



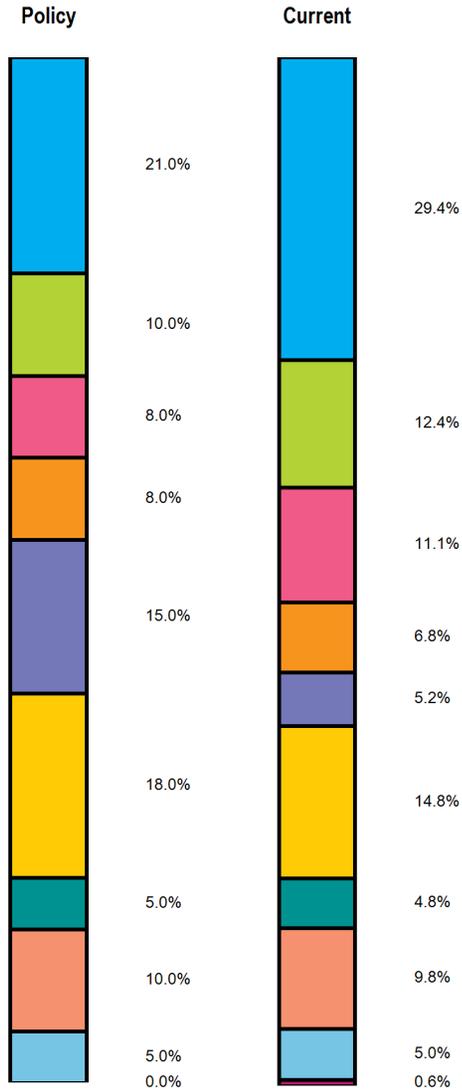
Growth > Value US Treasury 10 yr: +17 basis points Large Cap > Small Cap

- Risk assets rallied in August, encouraged by improving economic data and the Fed's reassertion of its commitment to low interest rates for longer.
- The Fed also indicated a willingness to let inflation run above the 2% target before intervening. This repositioning around its inflation targets also contributed positively to TIPS performance, and uptick in longer dated treasuries, thereby modestly steepening the yield curve.

As of August 31, 2020, total assets for the MercedCERA Portfolio stood at \$960.5 million.

- MercedCERA reported an overall monthly return of +3.5%, with most asset classes positive or flat.
- Within the portfolio, positive performance was led by Emerging Markets Equity, which posted both the strongest absolute returns for the month (+9.7%). US Fixed Income was the only negative asset class for the month, returning (-0.8%).

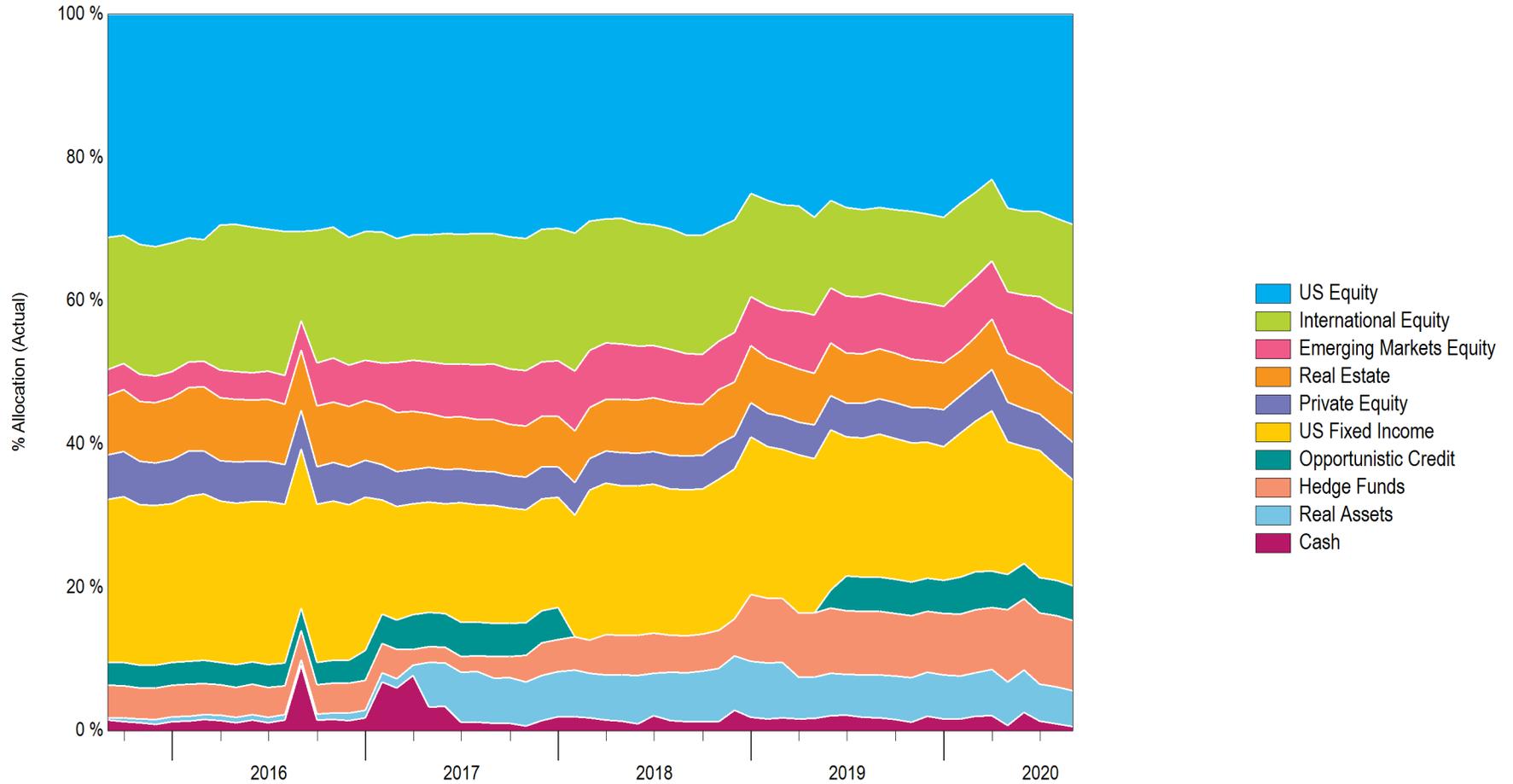
Performance Update as of August 31, 2020



Allocation vs. Targets and Policy							
	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?	
US Equity	\$282,075,795	29.4%	21.0%	8.4%	15.0% - 26.0%	No	
International Equity	\$119,134,169	12.4%	10.0%	2.4%	5.0% - 15.0%	Yes	
Emerging Markets Equity	\$106,963,047	11.1%	8.0%	3.1%	4.0% - 12.0%	Yes	
Real Estate	\$65,595,952	6.8%	8.0%	-1.2%	6.0% - 10.0%	Yes	
Private Equity	\$50,212,117	5.2%	15.0%	-9.8%	5.0% - 20.0%	Yes	
US Fixed Income	\$142,392,633	14.8%	18.0%	-3.2%	13.0% - 23.0%	Yes	
Opportunistic Credit	\$46,317,512	4.8%	5.0%	-0.2%	3.0% - 7.0%	Yes	
Hedge Funds	\$94,031,004	9.8%	10.0%	-0.2%	5.0% - 15.0%	Yes	
Real Assets	\$47,922,017	5.0%	5.0%	0.0%	3.0% - 7.0%	Yes	
Cash	\$5,889,768	0.6%	0.0%	0.6%	0.0% - 5.0%	Yes	
Total	\$960,534,015	100.0%	100.0%				

Cash range displayed for illustrative purposes only.

Asset Allocation History
5 Years Ending August 31, 2020



Asset Class Performance Summary											
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund (Net)*	960,534,015	100.0	3.5	7.2	8.1	14.3	8.5	8.8	9.0	8.2	Dec-94
Total Fund (Gross)*			3.6	7.2	8.3	14.6	8.8	9.1	9.3	8.3	
<i>Policy Index</i>			2.3	5.2	3.4	10.0	7.0	8.1	9.4	6.1	Dec-94
Total Fund w/o Alternatives (Net)	696,883,156	72.6	4.6	9.4	11.5	20.3	10.3	10.2	--	--	Dec-94
Total Fund w/o Alternatives (Gross)			4.6	9.5	11.7	20.7	10.6	10.5	--	--	
<i>Policy Index w/o AI</i>			3.7	7.9	4.6	13.0	7.7	8.6	--	--	Dec-94
US Equity (Net)	282,075,795	29.4	6.5	12.1	7.7	19.7	13.7	14.3	15.1	10.3	Dec-94
US Equity (Gross)			6.5	12.2	7.8	20.0	14.0	14.5	15.4	10.4	
<i>Russell 3000</i>			7.2	13.3	9.4	21.6	13.5	13.5	14.7	10.2	Dec-94
International Equity (Net)	226,097,216	23.5	6.7	13.8	19.1	34.7	10.6	10.5	8.3	6.2	Dec-98
International Equity (Gross)			6.8	13.9	19.6	35.4	11.1	11.0	8.9	6.5	
<i>International Equity Custom</i>			3.9	9.4	-2.0	10.3	3.1	6.5	6.2	4.3	Dec-98
Developed International Equity (Net)	119,134,169	12.4	4.1	9.6	5.6	18.0	5.9	6.9	7.1	4.0	Jan-08
Developed International Equity (Gross)			4.2	9.7	6.0	18.5	6.2	7.3	7.6	4.5	
<i>Custom Blended Developed International Equity Benchmark</i>			5.4	8.4	-4.1	6.7	2.5	4.8	5.9	2.4	Jan-08
Emerging Markets Equity (Net)	106,963,047	11.1	9.7	18.8	38.8	59.4	16.9	18.3	--	8.6	Apr-12
Emerging Markets Equity (Gross)			9.8	19.0	39.5	60.6	17.9	19.4	--	9.5	
<i>Custom Blended Emerging Markets Benchmark</i>			2.2	11.3	0.4	14.6	3.1	9.0	4.1	3.7	Apr-12
US Fixed Income (Net)	142,392,633	14.8	-0.8	0.6	6.8	6.6	4.9	4.6	4.2	5.4	Dec-94
US Fixed Income (Gross)			-0.8	0.6	6.9	6.7	5.1	4.8	4.6	5.6	
<i>BBqBarc US Aggregate TR</i>			-0.8	0.7	6.9	6.6	5.2	4.7	3.8	5.8	Dec-94
Opportunistic Credit (Net)	46,317,512	4.8	1.4	3.8	0.9	3.7	--	--	--	3.8	May-19
Opportunistic Credit (Gross)			1.5	3.9	1.0	3.9	--	--	--	4.0	
<i>50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Leveraged Loans</i>			0.2	2.6	3.7	4.8	--	--	--	6.4	May-19

The current US Fixed Income benchmark is the Barclays US Agg. Please refer to the benchmark history for the composition of the US Fixed Income benchmark in earlier periods. Data prior to March 2018 provided by prior consultant.

Total Fund | As of August 31, 2020

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Real Estate (Net)	65,595,952	6.8	N/A	N/A	2.1	-0.8	3.8	5.4	--	--	Mar-99
Real Estate (Gross)			N/A	N/A	2.1	-0.8	3.8	5.8	8.5	8.0	
<i>Custom Blended Real Estate Benchmark</i>			<i>N/A</i>	<i>N/A</i>	<i>2.5</i>	<i>4.9</i>	<i>5.9</i>	<i>7.1</i>	<i>10.2</i>	<i>7.2</i>	<i>Mar-99</i>
<i>CPI + 5% (Seasonally Adjusted)</i>			<i>0.8</i>	<i>1.8</i>	<i>3.8</i>	<i>6.4</i>	<i>7.0</i>	<i>6.8</i>	<i>--</i>	<i>--</i>	<i>Mar-99</i>
Private Real Estate (Net)	60,595,952	6.3	N/A	N/A	2.1	-0.8	3.8	5.4	--	--	Mar-99
Private Real Estate (Gross)			N/A	N/A	2.1	-0.8	3.8	5.8	8.5	8.0	
<i>Custom Blended Real Estate Benchmark</i>			<i>N/A</i>	<i>N/A</i>	<i>2.5</i>	<i>4.9</i>	<i>5.9</i>	<i>7.1</i>	<i>10.2</i>	<i>7.2</i>	<i>Mar-99</i>
Private Equity (Net)	50,212,117	5.2	N/A	N/A	-2.5	-2.5	8.8	7.1	9.1	7.5	Jun-05
Private Equity (Gross)			N/A	N/A	-2.5	-2.5	8.8	7.1	9.3	7.6	
<i>Custom Blended Private Equity Benchmark</i>			<i>N/A</i>	<i>N/A</i>	<i>-0.3</i>	<i>6.1</i>	<i>12.9</i>	<i>11.9</i>	<i>--</i>	<i>--</i>	<i>Jun-05</i>
<i>Russell 3000 +3% 1-Quarter Lag</i>			<i>5.6</i>	<i>19.8</i>	<i>5.0</i>	<i>14.8</i>	<i>12.8</i>	<i>12.4</i>	<i>16.1</i>	<i>11.9</i>	<i>Jun-05</i>
Hedge Fund (Net)	94,031,004	9.8	1.7	3.0	-0.4	1.2	2.8	3.2	--	3.4	Jun-14
Hedge Fund (Gross)			1.7	3.1	0.2	2.1	3.2	3.5	--	3.6	
<i>Custom Blended Hedge Fund Benchmark</i>			<i>2.1</i>	<i>4.4</i>	<i>2.8</i>	<i>5.5</i>	<i>3.2</i>	<i>3.4</i>	<i>--</i>	<i>3.1</i>	<i>Jun-14</i>
Real Assets (Net)	47,922,017	5.0	0.9	2.3	-1.6	1.6	5.8	6.8	--	--	Mar-99
Real Assets (Gross)			0.9	2.3	-1.5	1.7	5.9	7.2	--	--	
<i>Custom Blended Real Assets Benchmark</i>			<i>N/A</i>	<i>N/A</i>	<i>-14.5</i>	<i>-5.8</i>	<i>2.8</i>	<i>6.1</i>	<i>--</i>	<i>--</i>	<i>Mar-99</i>
<i>CPI + 5% (Seasonally Adjusted)</i>			<i>0.8</i>	<i>1.8</i>	<i>3.8</i>	<i>6.4</i>	<i>7.0</i>	<i>6.8</i>	<i>--</i>	<i>--</i>	<i>Mar-99</i>
Private Infrastructure (Net)	20,515,693	2.1	N/A	N/A	10.4	13.0	13.5	10.9	--	8.7	Dec-14
Private Infrastructure (Gross)			N/A	N/A	10.5	13.1	13.5	10.9	--	8.7	
<i>S&P Global Infrastructure Net TR USD</i>			<i>1.6</i>	<i>4.6</i>	<i>-16.0</i>	<i>-10.0</i>	<i>-1.9</i>	<i>3.6</i>	<i>5.6</i>	<i>1.8</i>	<i>Dec-14</i>
Private Natural Resources (Net)	10,923,937	1.1	N/A	N/A	-17.7	-15.0	1.8	9.7	--	9.9	Sep-15
Private Natural Resources (Gross)			N/A	N/A	-17.7	-15.0	1.8	9.7	--	9.9	
<i>S&P Global Natural Resources Index TR USD</i>			<i>4.0</i>	<i>7.6</i>	<i>-13.0</i>	<i>-1.9</i>	<i>-0.1</i>	<i>5.6</i>	<i>1.5</i>	<i>7.9</i>	<i>Sep-15</i>
Cash (Net)	5,889,768	0.6	0.1	0.1	0.6	1.1	1.1	--	--	--	
Cash (Gross)			0.1	0.1	0.6	1.1	1.1	--	--	--	

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

Private Markets values are cash flow adjusted from 3/31/2020 NAVs.

Private Real Estate includes Vanguard REIT Index Fund.

Real Assets includes State Street Real Asset NL Fund.

Trailing Net Performance													
	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
Total Fund(Net)*	960,534,015	100.0	--	3.5	7.2	8.1	14.3	8.5	8.8	9.0	8.2	Dec-94	
<i>Policy Index</i>				2.3	5.2	3.4	10.0	7.0	8.1	9.4	6.1	Dec-94	
Total Fund w/o Alternatives(Net)	696,883,156	72.6	72.6	4.6	9.4	11.5	20.3	10.3	10.2	--	--	Dec-94	
<i>Policy Index w/o AI</i>				3.7	7.9	4.6	13.0	7.7	8.6	--	--	Dec-94	
US Equity(Net)	282,075,795	29.4	40.5	6.5	12.1	7.7	19.7	13.7	14.3	15.1	10.3	Dec-94	
<i>Russell 3000</i>				7.2	13.3	9.4	21.6	13.5	13.5	14.7	10.2	Dec-94	
Mellon Dynamic US Equity(Net)	127,074,467	13.2	45.0	6.5	12.4	11.1	23.5	16.8	17.4	--	17.9	Dec-12	
<i>S&P 500</i>				7.2	13.2	9.7	21.9	14.5	14.5	15.2	14.8	Dec-12	
Mellon Large Cap(Net)	110,782,846	11.5	39.3	7.3	13.6	10.4	22.5	14.6	--	--	15.1	Mar-16	
<i>Russell 1000</i>				7.3	13.6	10.4	22.5	14.6	14.3	15.2	15.1	Mar-16	
DFA Small Cap(Net)	27,955,915	2.9	9.9	4.2	8.3	-9.9	0.8	2.4	5.9	--	4.8	Jun-14	
<i>Russell 2000</i>				5.6	8.6	-5.5	6.0	5.0	7.7	11.5	5.9	Jun-14	
PanAgora(Net)	16,262,566	1.7	5.8	4.1	7.0	-7.7	3.3	5.2	6.9	--	7.3	Sep-13	
<i>Russell 2000</i>				5.6	8.6	-5.5	6.0	5.0	7.7	11.5	7.0	Sep-13	
International Equity(Net)	226,097,216	23.5	32.4	6.7	13.8	19.1	34.7	10.6	10.5	8.3	6.2	Dec-98	
<i>International Equity Custom</i>				3.9	9.4	-2.0	10.3	3.1	6.5	6.2	4.3	Dec-98	
Developed International Equity(Net)	119,134,169	12.4	52.7	4.1	9.6	5.6	18.0	5.9	6.9	7.1	4.0	Jan-08	
<i>Custom Blended Developed International Equity Benchmark</i>				5.4	8.4	-4.1	6.7	2.5	4.8	5.9	2.4	Jan-08	
GQG International Equity(Net)	50,797,208	5.3	42.6	4.5	11.6	12.8	--	--	--	--	12.8	Dec-19	
<i>MSCI ACWI ex USA</i>				4.3	8.9	-3.1	8.3	2.6	5.8	5.3	1.1	Dec-19	

Historical returns for the US Equity Composite prior to January 2012 and for the International Equity Composite prior to December 2010 are gross only. Developed International Equity and Emerging Markets Equity composites were only reported as one composite prior to March 2018.

Total Fund | As of August 31, 2020

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
First Eagle International Value Fund(Net)	44,311,054	4.6	37.2	2.7	5.8	-1.5	--	--	--	--	-1.5	Dec-19
<i>MSCI EAFE</i>				5.1	7.6	-4.6	6.1	2.3	4.7	5.9	-1.5	Dec-19
<i>MSCI World ex USA</i>				5.2	8.0	-4.4	6.0	2.4	4.8	5.6	-1.4	Dec-19
Driehaus International Small Cap Growth(Net)	12,652,802	1.3	10.6	6.3	13.4	8.1	21.9	--	--	--	17.5	May-19
<i>MSCI ACWI ex US Small Cap Growth NR USD</i>				6.5	13.6	7.0	21.0	6.1	8.5	7.9	12.0	May-19
Acadian ACWI ex U.S. Small Cap Equity(Net)	11,373,105	1.2	9.5	5.0	12.0	2.6	17.0	--	--	--	8.7	May-19
<i>MSCI ACWI ex US Small Cap</i>				6.6	11.9	-2.4	11.0	2.1	6.5	6.6	4.5	May-19
Emerging Markets Equity(Net)	106,963,047	11.1	47.3	9.7	18.8	38.8	59.4	16.9	18.3	--	8.6	Apr-12
<i>Custom Blended Emerging Markets Benchmark</i>				2.2	11.3	0.4	14.6	3.1	9.0	4.1	3.7	Apr-12
Artisan Developing World TR(Net)	84,544,589	8.8	79.0	10.8	20.1	52.6	--	--	--	--	52.7	Dec-19
<i>MSCI Emerging Markets</i>				2.2	11.3	0.4	14.5	2.8	8.7	3.8	7.9	Dec-19
RWC(Net)	22,418,458	2.3	21.0	5.8	14.2	3.8	--	--	--	--	3.8	Dec-19
<i>MSCI Emerging Markets</i>				2.2	11.3	0.4	14.5	2.8	8.7	3.8	7.9	Dec-19
US Fixed Income(Net)	142,392,633	14.8	20.4	-0.8	0.6	6.8	6.6	4.9	4.6	4.2	5.4	Dec-94
<i>BBgBarc US Aggregate TR</i>				-0.8	0.7	6.9	6.6	5.2	4.7	3.8	5.8	Dec-94
Barrow Hanley(Net)	69,849,888	7.3	49.1	-0.8	0.9	8.1	7.8	5.6	4.6	3.9	4.2	Mar-10
<i>BBgBarc US Aggregate TR</i>				-0.8	0.7	6.9	6.5	5.1	4.3	3.7	4.1	Mar-10
Vanguard Total Bond Market Index Fund(Net)	61,943,538	6.4	43.5	-1.0	0.5	6.9	6.3	--	--	--	9.5	May-19
<i>BBgBarc US Aggregate TR</i>				-0.8	0.7	6.9	6.5	5.1	4.3	3.7	9.5	May-19
Vanguard Short-Term Treasury Index Fund(Net)	10,599,208	1.1	7.4	N/A	0.1	3.1	3.4	--	--	--	3.4	Feb-18
<i>BBgBarc US Govt 1-3 Yr TR</i>				N/A	0.1	3.1	3.5	2.6	1.9	1.3	3.4	Feb-18
<i>BBgBarc US Govt 1-5 Yr TR</i>				-0.1	0.1	4.3	4.4	3.1	2.3	1.7	4.3	Feb-18

The current US Fixed Income benchmark is the Barclays US Agg. Please refer to the benchmark history for the composition of the US Fixed Income benchmark in earlier periods. Historical returns for the US Fixed Income Composite prior to December 2010 and for Barrow Hanley prior to June 2010 are gross only.

Total Fund | As of August 31, 2020

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Opportunistic Credit(Net)	46,317,512	4.8	6.6	1.4	3.8	0.9	3.7	--	--	--	3.8	May-19
<i>50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Leveraged Loans</i>				0.2	2.6	3.7	4.8	--	--	--	6.4	May-19
PIMCO Income Fund(Net)	24,929,104	2.6	53.8	1.5	2.9	1.2	4.5	--	--	--	3.9	Apr-19
<i>BBgBarc US Aggregate TR</i>				-0.8	0.7	6.9	6.5	5.1	4.3	3.7	9.5	Apr-19
GoldenTree Multi-Sector Credit(Net)	21,388,409	2.2	46.2	1.4	4.9	0.4	2.8	--	--	--	3.6	Jun-19
<i>50% BBgBarc US High Yield TR/50% Credit Suisse Leveraged Loans</i>				1.2	4.6	0.1	2.6	4.0	5.1	5.7	3.7	Jun-19
Real Estate(Net)	65,595,952	6.8	6.8	N/A	N/A	2.1	-0.8	3.8	5.4	--	--	Mar-99
<i>Custom Blended Real Estate Benchmark CPI + 5% (Seasonally Adjusted)</i>				N/A	N/A	2.5	4.9	5.9	7.1	10.2	7.2	Mar-99
<i>Vanguard REIT Index(Net)</i>	5,000,000	0.5	7.6									
<i>Spliced Vanguard REIT Benchmark</i>				0.5	4.1	-10.3	-8.0	3.3	6.5	9.3	--	Aug-20
Private Real Estate(Net)	60,595,952	6.3	92.4	N/A	N/A	2.1	-0.8	3.8	5.4	--	--	Mar-99
<i>Custom Blended Real Estate Benchmark</i>				N/A	N/A	2.5	4.9	5.9	7.1	10.2	7.2	Mar-99
UBS Trumbull Property(Net)	37,473,846	3.9	61.8	N/A	N/A	0.1	1.0	2.1	4.1	7.5	6.7	Mar-99
Greenfield Gap VII(Net)	8,845,444	0.9	14.6	N/A	N/A	2.2	3.2	10.4	11.9	--	12.2	Dec-14
Patron Capital V(Net)	6,067,141	0.6	10.0	N/A	N/A	12.0	-22.6	8.1	--	--	5.4	Jan-16
Taconic CRE Dislocation Fund II(Net)	3,463,369	0.4	5.7	N/A	N/A	5.9	11.6	--	--	--	8.0	Nov-18
Carlyle Realty VIII(Net)	1,764,818	0.2	2.9	N/A	N/A	24.0	27.1	--	--	--	-14.0	Dec-17
AG Realty Value Fund X, L.P.(Net)	1,396,813	0.1	2.3	N/A	N/A	0.2	-1.0	--	--	--	-14.4	Jun-19

GoldenTree Multi-Sector Credit market value based on manager estimate.

Vanguard REIT was funded on 8/31/2020. First full month of performance will be shown in next month's performance report.

Private Markets values are cash flow adjusted from 3/31/2020 NAVs.

Data prior to March 2018 provided by prior consultant.

Private Real Estate results prior to 1/1/2019 were included in the Real Assets composite. All results for the Private Real Estate composite that include the period prior to 1/1/2019 will reflect only the latest lineup of managers that Meketa received information for, therefore it may not reflect the entire Private Real Estate composite at that given time.

Total Fund | As of August 31, 2020

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Rockpoint Real Estate Fund VI, L.P.(Net)	757,945	0.1	1.3	N/A	N/A	--	--	--	--	--	2.0	May-20
Cerberus Real Estate Debt Fund, L.P.(Net)	575,789	0.1	1.0	N/A	N/A	--	--	--	--	--	0.0	Jul-20
Carmel Partners Investment Fund VII(Net)	250,786	0.0	0.4	N/A	N/A	-18.0	-31.7	--	--	--	-44.2	Apr-19
Private Equity(Net)	50,212,117	5.2	5.2	N/A	N/A	-2.5	-2.5	8.8	7.1	9.1	7.5	Jun-05
<i>Custom Blended Private Equity Benchmark</i>				<i>N/A</i>	<i>N/A</i>	<i>-0.3</i>	<i>6.1</i>	<i>12.9</i>	<i>11.9</i>	<i>--</i>	<i>--</i>	<i>Jun-05</i>
<i>Russell 3000 +3% 1-Quarter Lag</i>				<i>5.6</i>	<i>19.8</i>	<i>5.0</i>	<i>14.8</i>	<i>12.8</i>	<i>12.4</i>	<i>16.1</i>	<i>11.9</i>	<i>Jun-05</i>
Ocean Avenue II(Net)	9,524,248	1.0	19.0	N/A	N/A	5.9	4.9	21.6	14.6	--	11.7	Jun-14
Invesco VI(Net)	5,979,079	0.6	11.9	N/A	N/A	-4.4	-4.0	9.0	8.3	--	10.2	Jun-13
Adams Street(Net)	5,649,273	0.6	11.3	N/A	N/A	-6.3	-7.6	6.0	6.8	10.7	6.1	Sep-05
Davidson Kempner Long-Term Distressed Opportunities Fund IV(Net)	4,076,662	0.4	8.1	N/A	N/A	-8.0	-6.8	--	--	--	3.8	Apr-18
Pantheon II(Net)	3,460,386	0.4	6.9	N/A	N/A	-2.6	-6.3	7.8	9.9	--	10.1	Dec-11
Raven Asset Fund II(Net)	3,181,368	0.3	6.3	N/A	N/A	-8.4	-6.3	4.4	-0.8	--	-1.5	Aug-14
GTCR Fund XII(Net)	2,877,722	0.3	5.7	N/A	N/A	1.2	19.9	--	--	--	-2.6	Jun-18
Cortec Group Fund VII(Net)	2,554,695	0.3	5.1	N/A	N/A	-4.2	--	--	--	--	-4.2	Dec-19
TCV X(Net)	2,254,528	0.2	4.5	N/A	N/A	-1.3	-4.3	--	--	--	-7.6	Apr-19
Genstar Capital Partners IX(Net)	1,978,847	0.2	3.9	N/A	N/A	-0.4	-0.7	--	--	--	-0.7	Jul-19
Carrick Capital Partners III(Net)	1,856,487	0.2	3.7	N/A	N/A	-3.3	-3.2	--	--	--	-0.2	Aug-18
Taconic Market Dislocation Fund III L.P.(Net)	1,440,000	0.1	2.9	N/A	N/A	--	--	--	--	--	0.0	Jul-20
Cressey & Company Fund VI(Net)	1,324,773	0.1	2.6	N/A	N/A	10.0	11.1	--	--	--	-2.2	Jan-19

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

Pantheon I includes Pantheon US Fund VI and Pantheon Europe Fund IV.

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

Pantheon Secondary includes Pantheon GLO SEC III B.

Total Fund | As of August 31, 2020

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Accel-KKR Growth Capital Partners III(Net)	1,193,418	0.1	2.4	N/A	N/A	-0.4	-16.5	--	--	--	-14.3	Jul-19
Silver Point Specialty Credit Fund II, L.P.(Net)	810,279	0.1	1.6	N/A	N/A	--	--	--	--	--	0.0	Jul-20
Summit Partners Growth Equity Fund X-A(Net)	792,505	0.1	1.6	N/A	N/A	--	--	--	--	--	-1.4	Mar-20
Pantheon I(Net)	356,664	0.0	0.7	N/A	N/A	-27.7	-34.8	-10.7	-5.1	1.7	0.3	Dec-05
Pantheon Secondary(Net)	330,770	0.0	0.7	N/A	N/A	-20.5	-19.5	-2.5	-1.3	1.2	1.9	Jun-07
Spark Capital Growth Fund III(Net)	330,000	0.0	0.7	N/A	N/A	--	--	--	--	--	0.0	Mar-20
Spark Capital VI(Net)	195,000	0.0	0.4	N/A	N/A	--	--	--	--	--	0.0	Mar-20
Invesco IV(Net)	45,412	0.0	0.1	N/A	N/A	-28.1	370.0	23.8	16.5	15.2	11.9	Jun-05
Hedge Fund(Net)	94,031,004	9.8	9.8	1.7	3.0	-0.4	1.2	2.8	3.2	--	3.4	Jun-14
<i>Custom Blended Hedge Fund Benchmark</i>				<i>2.1</i>	<i>4.4</i>	<i>2.8</i>	<i>5.5</i>	<i>3.2</i>	<i>3.4</i>	<i>--</i>	<i>3.1</i>	<i>Jun-14</i>
Wellington-Archipelago(Net)	12,858,269	1.3	13.7	2.2	4.7	2.4	6.5	5.3	--	--	5.3	Aug-17
Silver Point Capital(Net)	12,679,047	1.3	13.5	3.1	3.7	2.8	5.7	--	--	--	2.2	Nov-17
Sculptor (OZ) Domestic II(Net)	12,199,692	1.3	13.0	4.2	5.5	10.8	16.1	8.7	7.9	--	7.4	Jun-14
Taconic Opportunity Fund(Net)	12,156,030	1.3	12.9	1.0	1.3	-3.5	-2.5	--	--	--	0.6	Dec-18
Laurion Capital(Net)	10,860,500	1.1	11.5	-0.8	-0.2	23.6	24.0	--	--	--	14.7	Aug-18
Marshall Wace Global Opportunities(Net)	9,541,293	1.0	10.1	3.4	4.8	--	--	--	--	--	6.0	May-20
KLS Diversified(Net)	7,872,307	0.8	8.4	0.8	2.0	-13.4	-13.8	--	--	--	-4.3	Oct-17
Graham Absolute Return(Net)	7,301,977	0.8	7.8	1.7	5.5	-5.2	-5.5	0.8	--	--	0.8	Aug-17
Winton(Net)	5,023,124	0.5	5.3	-3.2	-3.2	-19.8	-22.7	--	--	--	-6.1	Oct-17
Marshall Wace Eureka(Net)	3,538,764	0.4	3.8	1.4	4.6	3.0	5.2	--	--	--	4.9	Nov-17

Historical returns for Invesco IV prior to April 2012 are gross only.

Total Fund | As of August 31, 2020

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Real Assets(Net)	47,922,017	5.0	5.0	0.9	2.3	-1.6	1.6	5.8	6.8	--	--	Mar-99
<i>Custom Blended Real Assets Benchmark</i>				0.0	0.0	-14.5	-5.8	2.8	6.1	--	--	Mar-99
<i>CPI + 5% (Seasonally Adjusted)</i>				0.8	1.8	3.8	6.4	7.0	6.8	--	--	Mar-99
SSgA(Net)	16,482,388	1.7	34.4	2.7	7.0	-4.7	-0.4	1.4	--	--	2.2	Apr-17
<i>Real Asset NL Custom Blended Index</i>				2.7	7.0	-5.6	-1.1	1.4	--	--	2.2	Apr-17
Private Infrastructure(Net)	20,515,693	2.1	42.8	N/A	N/A	10.4	13.0	13.5	10.9	--	8.7	Dec-14
<i>S&P Global Infrastructure Net TR USD</i>				1.6	4.6	-16.0	-10.0	-1.9	3.6	5.6	1.8	Dec-14
North Haven Infrastructure II(Net)	7,323,353	0.8	35.7	N/A	N/A	3.7	5.8	14.4	11.0	--	7.7	May-15
KKR Global II(Net)	7,161,715	0.7	34.9	N/A	N/A	25.4	27.3	16.9	13.8	--	13.5	Dec-14
ISQ Global Infrastructure Fund II(Net)	3,297,968	0.3	16.1	N/A	N/A	3.5	8.0	--	--	--	-8.2	Jul-18
KKR Global Infrastructure Investors III(Net)	1,853,442	0.2	9.0	N/A	N/A	-4.5	-1.3	--	--	--	-11.8	Jan-19
Ardian Infrastructure Fund V(Net)	879,215	0.1	4.3	N/A	N/A	-8.9	--	--	--	--	-8.9	Oct-19
Private Natural Resources(Net)	10,923,937	1.1	22.8	N/A	N/A	-17.7	-15.0	1.8	9.7	--	9.9	Sep-15
<i>S&P Global Natural Resources Index TR USD</i>				4.0	7.6	-13.0	-1.9	-0.1	5.6	1.5	7.9	Sep-15
Taurus Mining Annex(Net)	2,548,158	0.3	23.3	N/A	N/A	9.4	17.4	22.4	--	--	26.3	Jan-17
Taurus Mining(Net)	2,494,746	0.3	22.8	N/A	N/A	-11.6	-8.0	5.2	12.0	--	12.2	Sep-15
GSO Energy Opportunities(Net)	2,456,836	0.3	22.5	N/A	N/A	-34.7	-35.3	-7.5	--	--	2.9	Nov-15
EnCap IV(Net)	1,071,347	0.1	9.8	N/A	N/A	-8.2	-0.8	--	--	--	-2.1	Feb-18
EnCap XI(Net)	983,456	0.1	9.0	N/A	N/A	-31.5	-34.3	-32.4	--	--	-31.6	Jul-17
BlackRock Global Energy and Power Infrastructure Fund III LP(Net)	782,906	0.1	7.2	N/A	N/A	-12.9	2.6	--	--	--	2.4	Jul-19
Tailwater Energy Fund IV, LP(Net)	586,488	0.1	5.4	N/A	N/A	-37.8	--	--	--	--	-37.8	Oct-19

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Cash(Net)	5,889,768	0.6	0.6	0.1	0.1	0.6	1.1	1.1	--	--	--	
Cash(Net)	5,481,245	0.6	93.1	0.1	0.1	0.7	1.4	1.5	1.1	--	--	Sep-03
Treasury Cash(Net)	408,523	0.0	6.9									

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

Benchmark History
As of August 31, 2020

Total Fund		
1/1/2020	Present	21% Russell 3000 / 10% Custom Blended Developed International Equity Benchmark / 8% Custom Blended Emerging Markets Benchmark / 18% BBgBarc US Aggregate TR / 10% Custom Blended Hedge Fund Benchmark / 15% Custom Blended Private Equity Benchmark / 5% Custom Blended Real Assets Benchmark / 8% Custom Blended Real Estate Benchmark / 5% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Leveraged Loans
7/1/2019	12/31/2019	21% US Equity Custom / 18% International Equity Custom / 18% US Fixed Custom / 10% Custom Blended Hedge Fund Benchmark / 15% Thomson Reuters Cambridge Private Equity Index / 5% Real Asset Custom / 8% NCREIF ODCE (net) / 5% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Leveraged Loans
1/1/2019	6/30/2019	21% US Equity Custom / 18% International Equity Custom / 23% US Fixed Custom / 10% Custom Blended Hedge Fund Benchmark / 15% Thomson Reuters Cambridge Private Equity Index / 5% Real Asset Custom / 8% NCREIF ODCE (net)
1/1/2017	12/31/2018	27% US Equity Custom / 23% International Equity Custom / 22% US Fixed Custom / 5% Custom Blended Hedge Fund Benchmark / 9% Thomson Reuters Cambridge Private Equity Index / 14% Real Asset Custom
7/1/2014	12/31/2016	22.7% Russell 1000 / 5.7% Russell 2000 / 23.6% International Equity Custom / 28.5% US Fixed Custom / 4.5% Custom Blended Hedge Fund Benchmark / 8% NCREIF ODCE (net) / 7% Cambridge Assoc. U.S. Private Equity Legacy Index
Total Fund w/o Alternatives		
1/1/2017	Present	37.5% US Equity Custom / 31.94% International Equity Custom / 30.56% US Fixed Custom
7/1/2014	12/31/2016	28.2% Russell 1000 / 7.1% Russell 2000 / 29.3% International Equity Custom / 35.4% US Fixed Custom
US Equity		
1/1/2020	Present	Russell 3000
12/31/1994	12/31/2019	80% R1000 / 20% R2000
International Equity		
1/1/2019	Present	56% MSCI EAFE Gross / 44% MSCI Emerging Markets Gross
1/1/2017	12/31/2018	69.56% MSCI EAFE Gross / 30.44% MSCI Emerging Markets Gross
7/1/2013	12/31/2016	MSCI ACWI ex USA Gross
Developed International Equity		
1/1/2020	Present	80% MSCI EAFE / 20% MSCI ACWI ex US Small Cap
1/31/2008	12/31/2019	MSCI EAFE
Emerging Markets Equity		
1/1/2020	Present	MSCI Emerging Markets
4/30/2012	12/31/2019	MSCI Emerging Markets Gross
US Fixed Income		
1/1/2020	Present	BBgBarc US Aggregate TR
3/1/2018	12/31/2019	77.27% BBgBarc US Aggregate TR / 22.73% BBgBarc US Govt 1-5 Yr TR
1/1/2017	2/28/2018	77.27% BBgBarc US Aggregate TR / 22.73% Credit Suisse Leveraged Loans
8/1/2014	12/31/2016	71.93% BBgBarc US Aggregate TR / 17.54% ICE BofA US High Yield TR / 10.53% Credit Suisse Leveraged Loans
12/31/1994	7/31/2014	US Fixed Custom

Opportunistic Credit		
5/1/2019	Present	50% BBgBarc US Aggregate TR / 25% BBgBarc US High Yield TR / 25% Credit Suisse Leveraged Loans
Real Estate		
1/1/2020	Present	NCREIF ODCE (lagged one quarter)
3/31/1999	12/31/2019	NCREIF ODCE (net)
Vanguard REIT Index		
8/31/2020	Present	MSCI US IMI Real Estate 25-50 GR USD
Private Real Estate		
1/1/2020	Present	NCREIF ODCE (lagged one quarter)
3/31/1999	12/31/2019	NCREIF ODCE (net)
Private Equity		
1/1/2020	Present	50% Cambridge Glob Priv Eq Qtr Lag / 50% Cambridge Venture Capital (1 Quarter Lagged)
6/30/2005	12/31/2019	Thomson Reuters Cambridge Private Equity Index
Hedge Fund		
7/1/2017	Present	100% HFRI Fund of Funds Composite Index
1/1/2015	6/30/2017	50% HFRI Fund of Funds Composite Index / 50% HFRI RV: Multi-Strategy Index
Real Assets		
1/1/2020	Present	50% Cambridge Infrastructure (1 Quarter Lagged) / 50% Cambridge Energy Upstream & Royalties & Private Energy
3/31/1999	12/31/2019	Real Asset Custom
Private Infrastructure		
12/31/2014	Present	S&P Global Infrastructure Net TR USD
Private Natural Resources		
9/30/2015	Present	S&P Global Natural Resources Index TR USD
SSgA		
4/30/2017	Present	25% Bloomberg Roll Select Commodities Index TR USD / 25% S&P Global LargeMidCap Commodity and Resources NR USD / 10% S&P Global Infrastructure TR USD / 15% DJ US Select REIT TR USD / 25% BBgBarc US TIPS TR

Annual Investment Expense Analysis				
As Of August 31, 2020				
Name	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Total Fund w/o Alternatives		\$696,883,156		
US Equity		\$282,075,795		
Mellon Dynamic US Equity	0.30% of Assets	\$127,074,467	\$381,223	0.30%
Mellon Large Cap	0.04% of First 100.0 Mil, 0.02% Thereafter	\$110,782,846	\$42,157	0.04%
DFA Small Cap	0.33% of Assets	\$27,955,915	\$92,255	0.33%
PanAgora	0.80% of Assets	\$16,262,566	\$130,101	0.80%
International Equity		\$226,097,216		
Developed International Equity		\$119,134,169		
Acadian ACWI ex U.S. Small Cap Equity	0.99% of Assets	\$11,373,105	\$112,594	0.99%
Driehaus International Small Cap Growth	0.90% of Assets	\$12,652,802	\$113,875	0.90%
GQG International Equity	0.50% of Assets	\$50,797,208	\$253,986	0.50%
First Eagle International Value Fund	0.79% of Assets	\$44,311,054	\$350,057	0.79%
Emerging Markets Equity		\$106,963,047		
Artisan Developing World TR	1.05% of Assets	\$84,544,589	\$887,718	1.05%
RWC	0.87% of Assets	\$22,418,458	\$195,041	0.87%
US Fixed Income		\$142,392,633		
Barrow Hanley	0.30% of First 50.0 Mil, 0.20% of Next 100.0 Mil, 0.15% Thereafter	\$69,849,888	\$189,700	0.27%
Vanguard Short-Term Treasury Index Fund	0.05% of Assets	\$10,599,208	\$5,300	0.05%
Vanguard Total Bond Market Index Fund	0.04% of Assets	\$61,943,538	\$21,680	0.04%
Opportunistic Credit		\$46,317,512		
PIMCO Income Fund	0.50% of Assets	\$24,929,104	\$124,646	0.50%
GoldenTree Multi-Sector Credit	0.70% of Assets	\$21,388,409	\$149,719	0.70%

Name	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Real Estate		\$65,595,952		
Vanguard REIT Index	0.10% of Assets	\$5,000,000	\$5,000	0.10%
Private Real Estate		\$60,595,952		
Greenfield Gap VII		\$8,845,444		
Patron Capital V		\$6,067,141		
UBS Trumbull Property		\$37,473,846		
Carlyle Realty VIII		\$1,764,818		
Taconic CRE Dislocation Fund II		\$3,463,369		
Carmel Partners Investment Fund VII		\$250,786		
AG Realty Value Fund X, L.P.		\$1,396,813		
Rockpoint Real Estate Fund VI, L.P.		\$757,945		
Cerberus Real Estate Debt Fund, L.P.		\$575,789		
Invesco IV		\$45,412		
Invesco VI		\$5,979,079		
Ocean Avenue II		\$9,524,248		
Pantheon I		\$356,664		
Pantheon II		\$3,460,386		
Pantheon Secondary		\$330,770		
Raven Asset Fund II		\$3,181,368		
Davidson Kempner Long-Term Distressed Opportunities Fund IV		\$4,076,662		
GTCR Fund XII		\$2,877,722		
Carrick Capital Partners III		\$1,856,487		
Cressey & Company Fund VI		\$1,324,773		
TCV X		\$2,254,528		
Accel-KKR Growth Capital Partners III		\$1,193,418		
Genstar Capital Partners IX		\$1,978,847		

Name	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Cortec Group Fund VII		\$2,554,695		
Spark Capital Growth Fund III		\$330,000		
Spark Capital VI		\$195,000		
Summit Partners Growth Equity Fund X-A		\$792,505		
Taconic Market Dislocation Fund III L.P.		\$1,440,000		
Silver Point Specialty Credit Fund II, L.P.		\$810,279		
Hedge Fund		\$94,031,004		
Sculptor (OZ) Domestic II	Performance-based 1.50 and 20.00	\$12,199,692	\$285,775	2.34%
Graham Absolute Return	Performance-based 1.75 and 20.00	\$7,301,977	\$154,948	2.12%
Wellington-Archipelago	Performance-based 1.00 and 20.00	\$12,858,269	\$185,708	1.44%
KLS Diversified	Performance-based 2.00 and 20.00	\$7,872,307	\$170,199	2.16%
Winton	Performance-based 0.90 and 20.00	\$5,023,124	\$45,208	0.90%
Marshall Wace Eureka	Performance-based 2.00 and 20.00	\$3,538,764	\$80,558	2.28%
Silver Point Capital	Performance-based 1.50 and 20.00	\$12,679,047	\$268,796	2.12%
Laurion Capital		\$10,860,500		
Taconic Opportunity Fund		\$12,156,030		
Marshall Wace Global Opportunities		\$9,541,293		
Real Assets		\$47,922,017		
SSgA	0.30% of First 50.0 Mil, 0.27% of Next 50.0 Mil, 0.25% Thereafter	\$16,482,388	\$49,447	0.30%
Private Infrastructure		\$20,515,693		
KKR Global II		\$7,161,715		
North Haven Infrastructure II		\$7,323,353		
ISQ Global Infrastructure Fund II		\$3,297,968		
KKR Global Infrastructure Investors III		\$1,853,442		
Ardian Infrastructure Fund V		\$879,215		

Name	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Private Natural Resources		\$10,923,937		
EnCap XI		\$983,456		
EnCap IV		\$1,071,347		
GSO Energy Opportunities		\$2,456,836		
Taurus Mining		\$2,494,746		
Taurus Mining Annex		\$2,548,158		
BlackRock Global Energy and Power Infrastructure Fund III LP		\$782,906		
Tailwater Energy Fund IV, LP		\$586,488		
Cash		\$5,889,768		
Cash		\$5,481,245		
Treasury Cash		\$408,523		

Disclaimer, Glossary, and Notes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Merced County Employees'
Retirement Association**

September 24, 2020

**Domestic Equity Review
& Recommendations**

Background

Meketa underwent a full review of MercedCERA's domestic equity portfolio, as the final piece to the Initial Fund Review. Review considered portfolio construction (exposures, weighting scheme) as well as assessing manager conviction within the line-up. To this end, Meketa held meetings in August and September, 2020 with the Investment Sub-Committee, whose task was to weigh-in on the findings and recommendations brought forth.

Recall, the existing domestic equity structure:

Domestic Equity	Weights As of	
	June 30, 2020	Russell 3000 Index
	(%)	(%)
Large Cap Managers	84.0	74.0
Mellon Dynamic	45.0	
Mellon Large Cap (Passive)	39.0	
Small Cap Managers	16.0	8.0
DFA	10.1	
Panagora	5.9	
Total	100.0	82.0

Findings

- Mellon Dynamic: Meketa re-affirmed the high conviction view of this strategy as it has achieved attractive relative and risk adjusted returns over multiple time horizons and against its large cap core peers.
- Mellon Large Cap (Passive): A passive exposure in the domestic large cap space serves a valuable role in this highly efficient pocket of the market. We believe this should be maintained.
- DFA and Panagora small cap strategies: Both managers have low historical tracking errors when compared to peers, which can limit upside. Meketa, together with the Sub-Committee, explored alternative high conviction managers with higher tracking error to consider into the portfolio. Analysis considered these both as stand-alone options to the small cap portfolio as well as in combination with existing strategies. Midcap strategies were also considered but, given that this size exposure can be indirectly obtained via small and large cap managers in the portfolio, this option was less compelling.
- US Small Cap weighting scheme: The portfolio's 16% weight to small cap is higher than the weight of small cap stocks in the Russell 3000 Index (8%) We believe this small cap tilt could be minimized, while still maintaining a slight overweight to the index, as this is a less efficient pocket of the market.

Action Items

1. Meketa, with the support of the Sub-Committee, recommends **terminating** DFA Small Cap Core Strategy and Panagora Small Cap Core Stock Selector, in favor of the **hiring** of Champlain Small Cap Core, a higher tracking error manager.
2. Meketa, with the support of the Sub-Committee, recommends the hiring of Champlain Small Cap Core at a **10% weighting** to the total domestic equity portfolio. This recommended action would serve to lower the small cap bias in the portfolio, while still maintaining exposures higher than the Index.
3. Meketa, with the support of the Sub-Committee, recommends re-allocating any residual proceeds resulting from the above transactions to **Mellon Dynamic US Equity**.

Appendix

Small Cap Core Analysis

Investment Manager Overview

Champlain Investment Partners	
Firm Location	Burlington, VT
Firm Inception	2004
Strategy Name	Champlain Small Cap
Strategy Inception	1996
Assets Under Management (Strategy)	\$5.1 billion
Asset Under Management (Firm)	\$14.4 billion

Manager Assessment

Champlain	
Organization	<ul style="list-style-type: none"> • Champlain was founded in September 2004 by Scott Brayman, Judy O'Connell, and three former employees. • The firm is 100% employee-owned. • Total firm assets under management are \$14.4B. Small Cap Core has \$5.1 billion.
Investment Team	<ul style="list-style-type: none"> • CIO Scott Brayman, CFA, has 34 years of investment experience. • Champlain has a 10-person investment staff. The experience of the fundamental analysts is between 10 and 35 years.
Investment Philosophy	<ul style="list-style-type: none"> • Core approach • The investment team believes that investing in high quality companies with strong business models and managements at a discount to their estimated intrinsic value is the highest probability path to wealth creation. • Absolute and relative return oriented. • REITs, Utilities, Telecomm Services, and pure Biotech are excluded from the investable universe.

Manager Assessment

Champlain	
Investment Process	<ul style="list-style-type: none"> • Fundamentally driven, bottom-up approach. • The team reviews the S&P 600. Ideas also come from screens, brokers, trade shows, and investment conferences. • The team looks for businesses with high returns on capital, strong balance sheets, credible managements, strong operating cash flows, superior growth, and predictable business models. • Portfolio will hold 65 to 100 stocks (currently 71). • Annual portfolio turnover is 30%-60%.
Investment Performance (December 2007 –June 2020)	<ul style="list-style-type: none"> • 9.8% net-of-fees annualized return and 3.2% excess return. • Highest information ratio (0.57). • Highest Jensen's alpha (3.8%).
Fees	<ul style="list-style-type: none"> • 0.99%

Champlain Investment Partners

Organization

- Scott Brayman, Judy O'Connell, and three former members of the NL Capital Management investment team founded Champlain in September 2004. Rosemont Investment Partners, a private equity firm that specializes in the asset management business, provided strategic capital to Champlain and owned initially 40% of the firm. The firm is located in Burlington, Vermont.
- The firm began clawing back equity from Rosemont in January of 2007 and became 100% employee-owned in October 2008. Women collectively own 43% of the firm.
- In June of 2015, Champlain entered into a ten-year, minority (low teens) revenue-sharing agreement with two outside partners to provide partial liquidity to the firm's founders. It is fully owned by employees and the agreement is set to expire in 2025.
- Scott Brayman, Managing Partner and CIO, and Judy O'Connell, Managing Partner and CEO, are the two senior members of the firm and largest owners. Scott Brayman and his investment team focus on managing the portfolios, while Judy O'Connell is responsible for the firm's strategic business decisions.
- Champlain has enjoyed robust growth since its inception. As of June 30, 2020, Champlain had total assets under management (AUM) of \$14.4 billion, with \$5.1 billion in Small Cap Core.

Champlain Investment Partners

Investment Team

- CIO Scott Brayman, CFA, has 34 years of investment management experience. Before starting Champlain, Mr. Brayman was a senior vice president at NL Capital Management, Inc. and a portfolio manager with Sentinel Advisors, Inc.
- There had been no turnover on the investment team since inception until three of the firm's senior analysts retired between 2015 and 2017.
- In anticipation of these retirements, the team was expanded with the addition of younger analysts. Three of these associate analysts worked closely with the senior analysts and gradually took on more responsibility.
- In addition, experienced technology and health care analysts were added to the team in 2014 and 2016. Champlain now has a 10-person investment staff supported by long time quantitative analyst Jason Wyman and one associate. The experience of the fundamental analysts ranges from 9 to 34 years.
- Health Care analyst Erik Giard-Chase left the firm in August 2019 in order to pursue a graduate degree in neuroscience. Jackie Williams was hired in July 2019 to replace him. She came from GW&K and has 20 years of investment experience.

Champlain Investment Partners

Investment Philosophy

- Champlain employs a “core” investment style. The investment team believes that investing in high quality companies at a discount to their estimated intrinsic value is the highest probability path to wealth creation.
- The firm focuses on companies with stable business models that generate consistent earnings and are less asset intensive, with high return on invested capital (ROIC), and superior relative growth.
- The investment team focuses on absolute returns as much as relative returns. They believe that avoiding significant losses is critical.
- For each sector of the market, Champlain has defined criteria or themes they are attracted to because they believe these attributes lead to long-term outperformance in the sectors.
- Champlain excludes certain parts of the index from the firm’s investable universe. These areas include REITs, Utilities, Telecomm Services, and pure Biotech. These exclusions can have a significant impact on relative performance during certain periods.

Champlain Investment Partners

Investment Process

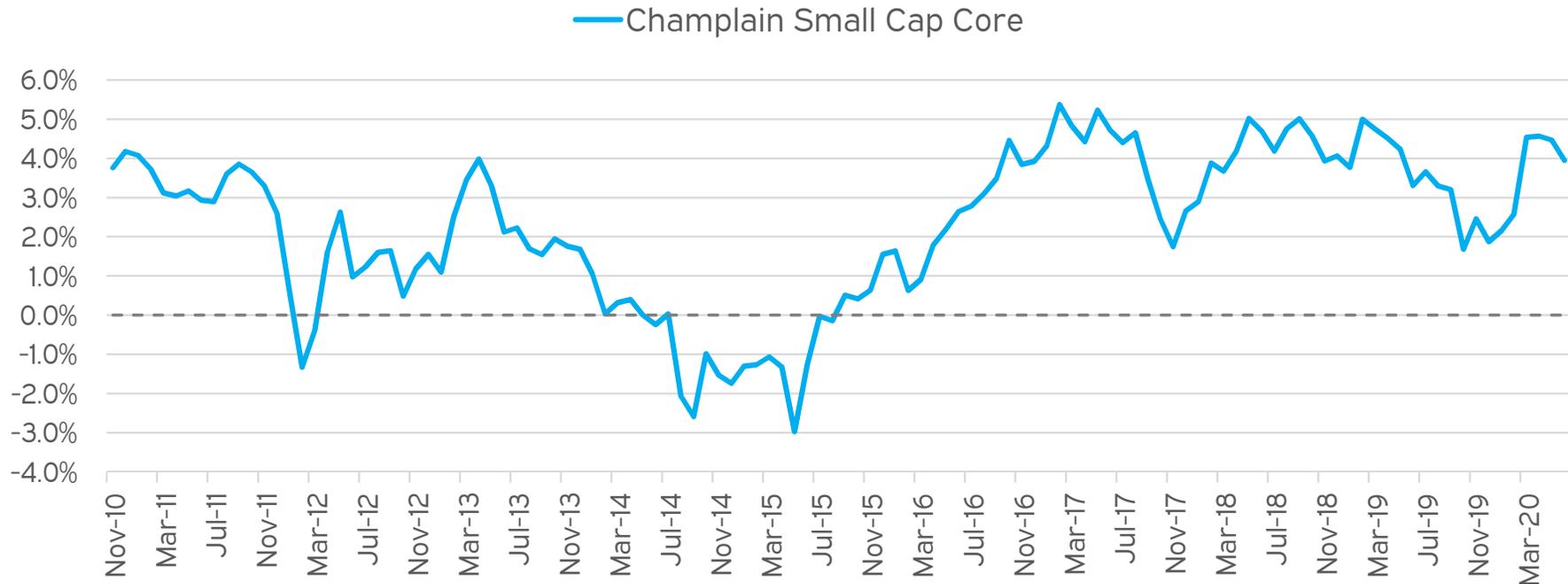
- The investment process begins with a review of the S&P 600 and ideas are sourced from screens, brokers, trade shows, investment conferences, due diligence on companies, speaking with vendors and management, evaluating new product trends, attending industry and sell-side conferences, and reviewing M&A activity in an industry.
- In the first step of the process, the team looks at "sector factors" that are specific to each of the five major areas of the universe (technology, consumer, industrials, financials, and health care).
- The next step of the process is identifying specific company attributes that Champlain believes are attractive. The team looks for businesses with high returns on capital, strong balance sheets, credible and sincere managements, strong operating cash flows, superior relative growth, and predictable business models.
- The final step of the process is determining the fair value of each stock initially using relative valuation and historical M&A. The analysts also use DCFs. They typically seek a 20% to 25% discount to fair value.
- The small cap portfolio holds 65 to 100 stocks (currently 71), with a maximum position size of 3%. Each of the five major sectors must be within 75% to 125% of their weight in the S&P 600 or no more than 20% of the portfolio. Annual portfolio turnover during the last five years has been between 30% and 45%.

Historical Performance (net of fees)
(As of June 30, 2020)

	Champlain ¹	<i>Russell 2000</i>
Trailing Period Returns (%):		
1 Year	-2.3	-6.6
3 Year	6.0	2.0
5 Year	9.0	4.3
7 Year	10.4	7.2
10 Year	13.4	10.5
Calendar Year Returns (%):		
2019	25.4	25.5
2018	-3.0	-11.0
2017	10.8	14.6
2016	28.7	21.3
2015	0.2	-4.4
2014	5.2	4.9
2013	37.7	38.8
2012	11.9	16.3
2011	4.9	-4.2
2010	25.6	26.9

¹ Champlain's institutional mutual fund's track record begins in September 2016. For the returns from January 1996 through August 2016, the returns were calculated by subtracting the mutual fund annual net expense ratio of 0.99% from the separate account composite's monthly return stream.

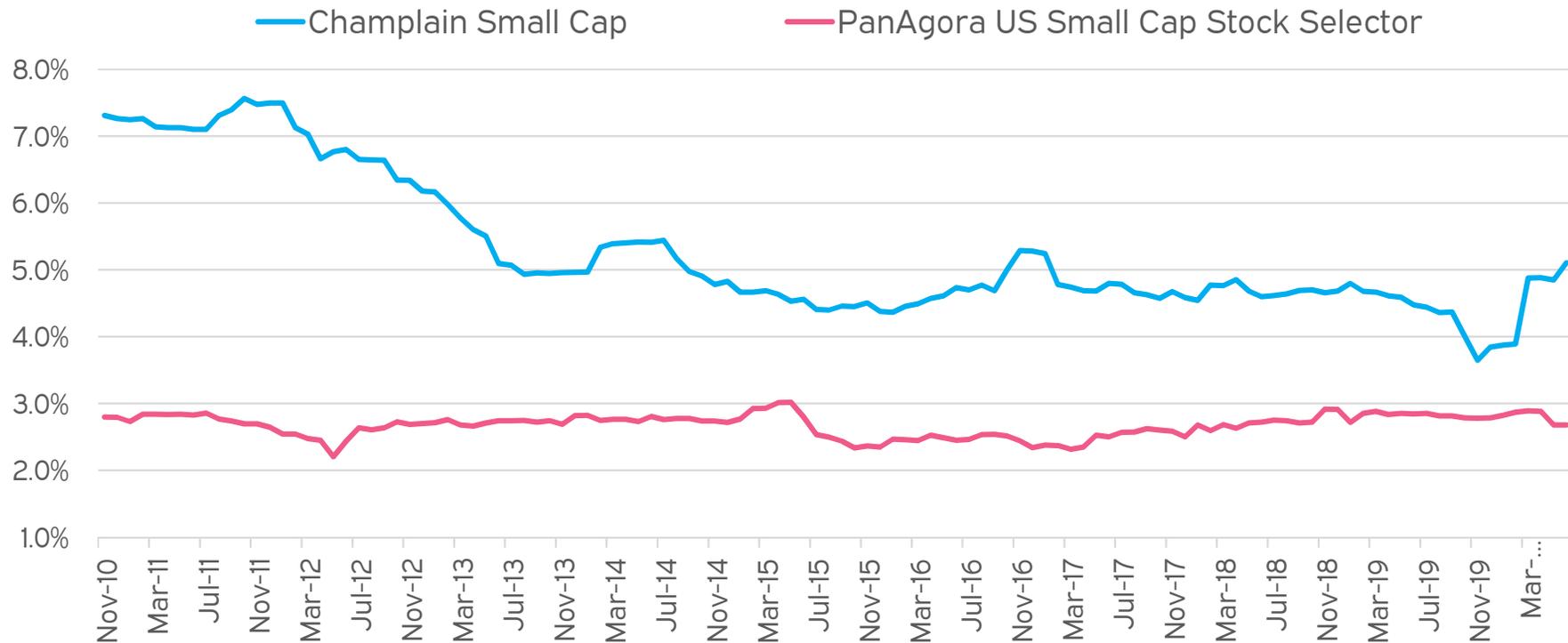
Three-Year Rolling Excess Return (net of fees)
 (December 1, 2007 – June 30, 2020)



- Since December 2007, Champlain has outperformed the Russell 2000 index in 86% of rolling 3-year periods. The average small cap core strategy¹ has outperformed the index in 54% of rolling three-year periods over that span.

¹ The peer group is the eVestment US Small Cap Core Equity universe.

Three-Year Rolling Tracking Error (net of fees)
 (December 1, 2007 – June 30, 2020)



- Over the trailing common period¹ that began in December 2007, PanAgora’s tracking error has consistently been less than the tracking error of Champlain.

Portfolio Characteristics¹
(As of June 30, 2020)

	Champlain		<i>Russell 2000</i>	
Price-Earnings Ratio	26.5		<i>17.5</i>	
Price-Book Value Ratio	2.6		<i>1.7</i>	
Dividend Yield	0.9%		<i>1.8%</i>	
Return-On-Equity	-1.1%		<i>2.0%</i>	
Historical Earnings Growth	10.3%		<i>16.8%</i>	
Projected Earnings Growth	19.3%		<i>10.8%</i>	
Weighted Average Market	\$3.1B		<i>\$2.1B</i>	
Median Market Cap	\$2.2B		<i>\$641M</i>	
Market Cap > \$5bn	8.5%		<i>2.3%</i>	
Market Cap \$2bn - \$5bn	58.0%		<i>44.8%</i>	
Market Cap < \$2bn	32.0%		<i>52.9%</i>	
Cash	1.5%		<i>--</i>	
Number of Holdings	71		<i>2,005</i>	
Annual Expected Holdings Range	65 - 100		<i>2,000</i>	
Active Share	94.0%		<i>--</i>	
Top Sector Weightings	Technology	23%	<i>Health Care</i>	<i>21%</i>
	Health Care	21%	<i>Financials</i>	<i>17%</i>
	Cons. Staples	16%	<i>Industrials</i>	<i>15%</i>
% of Portfolio in Top 10 Holdings:	26.8%		<i>2.8%</i>	

¹ Source: FactSet. Champlain's holdings were sourced from eVestment Alliance.

Common Period Returns and Risk Statistics (net of fees)
(December 1, 2007 – June 30, 2020)

	Champlain	Russell 2000
Performance:		
Common Period Performance (%)	9.8	6.6
% of Periods above Index (%)	54.3	---
Best 3 Months (%)	22.7	29.6
Worst 3 Months (%)	-32.2	-35.7
Risk Measures¹:		
Standard Deviation (%)	17.8	20.8
Tracking Error (%)	5.6	---
Beta	0.83	---
Correlation to Benchmark	0.97	---
Downside Deviation (%)	12.4	15.0
Upside Capture (%)	89.2	---
Downside Capture (%)	82.6	---
Risk-Adjusted Performance¹:		
Jensen's Alpha (%)	3.8	---
Sharpe Ratio	0.51	0.29
Information Ratio	0.57	---

- Champlain has outperformed the Russell 2000 index over the common period, generating high returns over this period with a lower standard deviation and beta than the benchmark.

¹ The benchmark used for all calculations is the Russell 2000 index.

Historical Trailing Risk¹ (net of fees)
(As of June 30, 2020)

	Champlain			
	3 Yr.	5 Yr.	7 Yr.	10 Yr.
Information Ratio	0.77	0.96	0.65	0.58
Tracking Error (%)	5.1	4.9	4.9	5.0
Sharpe Ratio	0.21	0.43	0.57	0.79
Standard Deviation (%)	20.3	18.2	16.7	16.2
- S. D. Index (%) ²	-2.6	-2.1	-2.0	-2.4
Jensen's Alpha (%)	3.6	4.7	3.7	4.0
Beta	0.87	0.87	0.86	0.84
Correlation Coefficient	0.98	0.97	0.97	0.97
Upside Market Capture (%)	92.4	97.2	93.4	91.4
Downside Market Capture (%)	86.0	83.9	83.5	81.1

- Champlain has generated high information ratios, particularly over the 3, 5 and 7-year periods.
- Champlain has captured less than 90% of the downside over the trailing 5, 7, and 10-year periods.

¹ The benchmark used for all calculations is the Russell 2000 index.

² The “- S.D. Index” metric measures the difference between the annualized standard deviation of the portfolio’s returns and the index returns. For example, Champlain’s 3-year standard deviation of returns was 2.6% lower than that of the Russell 2000 index (20.3% - 22.9%), which indicates a lower risk profile than the benchmark.

Peer Rankings^{1,2} (net of fees)
(As of June 30, 2020)

	Champlain			
	3 Yr.	5 Yr.	7 Yr.	10 Yr.
Excess Returns	14	4	7	7
Standard Deviation	87	87	88	93
Sharpe Ratio	11	4	5	2
Beta	84	83	86	91
Jensen's Alpha	17	4	6	3
Tracking Error	47	49	44	42
Information Ratio	16	3	6	6

- Champlain's excess returns rank in the top decile of the peer group over the 5, 7, and 10-year trailing periods.
- Champlain's IR ranks in the top decile over the trailing 7- and 10-year periods.
- Champlain's tracking error is consistently higher than the median.

¹ The peer group is the eVestment US Small Cap Core Equity universe.

² All characteristics are ranked high to low. A 1st percentile ranking corresponds to the highest absolute number in the peer group.

Fees and Terms

	Champlain
Investment Vehicle Type	Mutual Fund
Fee	0.99%
Peer Group Percentile Rank ¹	83

- Champlain's mutual fund is more expensive than other manager's offerings. The net expense ratio ranks in the bottom quintile of the peer group.

¹ The peer group is the eVestment US Small Cap Core Equity universe.

Appendix

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.

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.

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.

Tracking Error: This statistic measures the standard deviation of excess returns relative to a benchmark. Tracking error is calculated by multiplying the standard deviation of the monthly excess returns of a portfolio relative to a benchmark by the square root of twelve in order to annualize. The higher the tracking error, the greater the volatility of excess returns relative to a benchmark.

Sources: www.businessdictionary.com

http://www.naplia.com/employee dishonesty/Employee_Dishonesty_FAQ.shtml

[Investment Terminology](#), International Foundation of Employee Benefit Plans, 1999.

[Modern Investment Management](#), Litterman, Bob, 2003.

**Merced County Employees' Retirement Association (MercedCERA)
RETIREMENT BOARD AGENDA ITEM**

DATE: September 24, 2020

TO: MercedCERA Board of Retirement

FROM: Kristie Santos, Plan Administrator

SUBJECT: Amend MercedCERA Budget for Building Security.

ITEM NUMBER: 5

ITEM TYPE: Action

DISCUSSION:

The Merced County Employees' Retirement Association (MercedCERA) owns its own standalone building located at 3199 M Street in Merced, CA. For the past several years, the MercedCERA property/building has sustained several small-scale property crimes such as, but not limited to broken windows, tagging, theft of property, furniture dumped in the parking lot, homeless living in the bushes and behind the dumpster. Staff has also encountered people sleeping in their cars when arriving to work in the mornings. Recently, MercedCERA sustained vandalism to our building which resulted in a broken glass door. Because of this, the Plan Administrator is asking the MercedCERA Board of Retirement to approve a request to amend the current MercedCERA budget to include a security guard on the premises at night (after working hours).

Staff feels a security person onsite (after hours) would detour most, if not all of the incidents to date. This layer of security would also enhance our existing security such as an alarm system and cameras inside the MercedCERA building. The contract amount to keep a security guard on site with GuardCo Security Services after business hours is estimated to cost approximately \$123,358 for the remainder of the fiscal year.

MercedCERA reached out to other nearby businesses to see if they would also benefit from the security presence after business hours. One nearby entity has security included in its lease, as provided by the landlords and the other business cannot absorb an expense of this nature. Therefore, Staff is requesting to amend the budget by \$123,358. This would be considered an administrative budget item. By amending the MercedCERA administrative budget for FY 2020-2021, this contract would not put MercedCERA near the administrative cap. Staff recommends amending the MercedCERA Budget for Fiscal year 2020-2021.

**Merced County Employees' Retirement Association (MercedCERA)
RETIREMENT BOARD AGENDA ITEM**

DATE: September 24, 2020**TO:** MercedCERA Board of Retirement**FROM:** Kristie Santos, Plan Administrator**SUBJECT:** Selection of MercedCERA Logo and Trustee Replacement for Web Design Board Subcommittee.**ITEM NUMBER: 6****ITEM TYPE: Action****DISCUSSION:**

The Merced County Employees' Retirement Association (MercedCERA) is undergoing a new web development project (including rebranding) for an independent web page separate from the County of Merced. This project was approved by the Board of Retirement to facilitate better communication with MercedCERA members, employers and stakeholders. Previously, a new acronym ("MercedCERA") was approved by the full Retirement Board. The next step in this process, is for the full Board of retirement to approve a new logo for MercedCERA (attached).

The ad hoc subcommittee and staff met several times with Digital Deployment to review potential logos and color schemes which can then be incorporated into MercedCERA's new web pages. After reviewing multiple designs and color schemes, the subcommittee and staff overwhelmingly recommend on the attached logos and colors for presentation to the full Board for action. Because MercedCERA is on a tight schedule, this action is due to Digital Deployment by September 28th.

Also being requested is a replacement on the ad hoc subcommittee of Trustee Ingersoll who resigned from the MercedCERA Board on September 10th, due to a conflict of interest. The trustee would be involved in potential design of web pages and provide Digital Deployment with vital feedback during the design process. All meetings with Digital Deployment are conducted remotely. Meetings usually last anywhere from 30 minutes to 2 hours in length, depending on the topic and are scheduled well in advanced to coordinate calendars with staff and web designers.

Staff recommends a new MercedCERA logo be selected and replace a Trustee to the ad hoc Web Design Subcommittee .

CLIENT

PROJECT / PHASE

DATE

MERCEDCERA

Logo Proof 1

9/15/20

MERCED CERA

Merced County Employees' Retirement Association



MERCED **CERA**

Merced County Employees' Retirement Association



THANK YOU!

**Merced County Employees' Retirement Association (MercedCERA)
RETIREMENT BOARD AGENDA ITEM**

DATE: September 24, 2020

TO: MercedCERA Board of Retirement

FROM: Kristie Santos, Plan Administrator

SUBJECT: Update to Plan Administrator Classification as requested by the County of Merced Human Resources Department to Require Four-Year College degree.

ITEM NUMBER: 7

ITEM TYPE: Action

DISCUSSION:

The Merced County Employees' Retirement Association (MercedCERA) was contacted by the Merced County Human Resources Department regarding the Plan Administrator classification. The County of Merced is requiring a four-year college degree for all department heads within the County and would like to include the MercedCERA Plan Administrator classification in this effort. Attached is the redlined document showing the requested change(s).

For convenience, the MercedCERA Board has utilized the County for human resource services, including the classification specification for the Plan Administrator position. Per the County Employees' Retirement Law of 1937 (CERL) Section 31522.1, the MercedCERA Board has full authority over the Plan Administrator classification as administered by the County and therefore, action is required on this agenda item. This change would be included in the County's agenda item scheduled to go before the Board of Supervisors on September 29th.

Staff recommends updating the Plan Administrator Class Specification to require a four year college degree.



RETIREMENT PLAN ADMINISTRATOR

Class
Code:
7623

Bargaining Unit: "A" Level Unrepresented
Management

MERCED COUNTY
Established Date: Apr 24, 2001
Revision Date: ~~Apr 7, 2014~~ Sep 29, 2020

SALARY RANGE

\$72.11 - \$87.82 Hourly
\$5,768.80 - \$7,025.60 Biweekly
\$12,499.07 - \$15,222.13 Monthly
\$149,988.80 - \$182,665.60 Annually

DESCRIPTION:

Under direction of the Retirement Board to administer, plan and direct the activities of the Merced County Employees' Retirement Association (MCERA) in accordance with the County Employees' Retirement Act of 1937; to assist in the overall planning and development of fund management, financial services and operations of the Retirement Office; to perform other responsible fiscal and budgetary administrative work as the fund may incur; and to do related work as required.

The Retirement Administrator is a single at-will executive management position. Direction is received from the Board of Retirement. This position is responsible for the operations and activities of the retirement fund and staff of the MCERA including oversight of all Retirement office activities. The incumbent acts, as designated, for the Retirement Board, assists in formulating and implementing accounting, auditing and financial policy. Prepares the Comprehensive Annual Financial Report and advises the Retirement Board on revenue and expenditure matters.

EXAMPLES OF DUTIES:

Duties may include, but are not limited to:

- Plan and direct the executive management of the activities and functions of the Retirement Board.

- Interpret and apply complex statutory and regulatory provisions relating to the Retirement Association.
- Advise County management and employees on various aspects of retirement benefits and the operation of the Retirement Association.
- Serve as liaison with County departments and other agencies.
- Participate in selection of professional consultants for the management of Retirement Trust Fund investments, measurement of investment fund manager performance, actuarial services, investment securities custodial services, and other professional services.
- Prepare and negotiate contracts and monitors contract compliance.
- Monitor the performance and services of professional consultants and investment fund managers.
- Oversee the Disability Retirement provision of the Plan.
develop, coordinate and implement financial and accounting policies and procedures.
- Direct preparation of the County Annual Financial Report and Audits provides financial and fiscal policy records.
- Adhere to accounting and investment principles and practices.
advise the Retirement Board on revenue, expenditure and budget matters.
- Compute fund balances, revenues, debt services and other budgetary calculations.
- Act as County Retirement Board representative at meetings with County, state and federal officials and the general public relative to investment programs and Retirement Board programs and activities.
- Supervise employees engaged in performing financial clerical work in connection with the Retirement Fund, disbursement, and proper allocation of Retirement funds.
- Contact Department Heads to obtain information and compile information for Retirement Board presentation, advising and explaining budgetary procedures, expenditures for past years, estimated revenue by classification and fund manager, fund balances and estimated amounts to be disbursed according to Investment Policy.
- Audit vouchers and payrolls, checking work of subordinates for accuracy and passing upon legality of disbursement.
direct the preparation and issue of the retirement payroll.
- Prepare the retirement financial statements and other complex financial and statistical reports.
- Review and analyze the cash flow and project funds available for investment.

- Provide research data, technical advice and statistical reports regarding securities recommended for investment.
- Analyze new legislation and actuarial studies to determine financial and administrative impact on the Retirement System and the County
- Analyze financial and economic securities market data and recommend effective courses of action involving the allocation of funds and the purchases and sales of securities.
- Coordinate directly with the County Treasurer regarding the actual investment funds presently allocated to this system.

MINIMUM QUALIFICATIONS:

Education/Experience:

Possession of a Baccalaureate degree from an accredited college or university with a major in Business, Public Administration, Accounting or Finance, or closely related field; and five (5) years of progressively responsible administrative and fund management experience in a public retirement system, which has included interpreting and applying retirement law (preferably the County Employees' Retirement Act of 1937) and the analysis and placement of investments. ~~(Additional qualifying experience may be substituted for the required education on a year-for-year basis.)~~

SKILLS AND ABILITIES:

ESSENTIAL FUNCTIONS

- Develops, coordinates and implements Retirement's fund financial, accounting and program policies and procedures.
- Shall be able to interpret and apply the 1937 Act Retirement System.
- Perform difficult and complex accounting work and fiscal analysis.
- Analyze and evaluate statistical data and reports related to financial management and investments.
- Represent the MCERA with the community and other agencies.
- Communicate effectively with others in person and over the telephone.
- Analyze data, interpret policies, procedures and regulations, develop appropriate conclusions, and prepare reports.
- Meet deadlines under stressful conditions.

- Administer budget, personnel, and programs.
- Establish, implement and achieve goals and objectives.
- Maintain confidential information in accordance with legal standards and/or County regulations.
- Resolve conflicts and respond appropriately to complaints.
- Use sound judgment in applying laws and ordinances.
- Complete multiple priority projects with conflicting deadlines.
- Train, evaluate and supervise staff.
- Establish and maintain effective working relationships with all work-required contacts including the general public.
- Operate a personal computer and other office equipment.
- Must be able to travel and represent MCERA as required by Retirement Board.
- Must attend mandatory training/coursework as designated by the Retirement Board.
- Frequent use of depth perception, peripheral vision and color perception.
- Frequently lift, carry, reach, push, pull, twist and manipulate large and small objects.
- Kneel, bend, twist, squat, balance and crawl.
- Frequent use of hand-eye coordination.
- Frequent use of data entry device including repetitive hand and arm motion.
- Occasionally lift and carry up to 40 pounds.
- Normal dexterity, frequent holding and grasping.
- Regular attendance is an essential function.

Knowledge of:

- County Employees Law of 1937 and principles and operations of retirement systems and related laws.

- Legal provisions relating to finance and accounting for MCERA.
- Accounting and Public Administration principles and practices and their application to a wide variety of accounting transactions.
- Actuarial principles and accounting standards as related to pension systems.
- Data processing principles and applications
- Governmental accounting practices related to retirement systems.

Ability to:

- Understand, interpret, and apply provisions of Federal and State laws and regulations pertaining to the administration of retirement policies and programs.
- Analyze policy issues, develop objectives, implement and evaluate procedures.
- Review draft legislation and regulations for recommendations to the Retirement Board.
- Prepare and negotiate contracts as requested by Retirement Board.
- Analyze, develop, and modify financial policy, practices, procedures and record keeping.
- Plan, assign, and check on completion of work.
- Meet and assist the public and county officials with tact.
- Prepare reports, statements, and correspondence.
- Set up, maintain and verify complex, automated, financial, accounting systems
- Make sound judgments on the application of accounting principles, statutes, policy and procedure.
- Direct and participate in the preparation of complex financial, accounting and budget reports, statements and related correspondence.

ADDITIONAL INFORMATION:

FLSA: Exempt
Probationary Period: At-Will