



Merced County Employees' Retirement Association

**AGENDA
RETIREMENT BOARD MEETING**

Thursday, April 23, 2026, 8:30 A.M.

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

Zoom Conference Information:

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

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

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

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

2. Roll Call

3. Teleconference Request

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

4. Approval of Minutes – March 26, 2026.

5. Public Comment

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

6. Consent Calendar

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

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

<u>Name</u>	<u>Years of Service</u>	<u>Department</u>	<u>Effective Date</u>
Ash, Carol	4	Superior Court	03/31/2026
Coburn, Jeffrey	30	Sheriff	04/01/2026
Glaze, Barbara	22	Probation	04/04/2026
Her, Yang	30	Workforce Investment	04/04/2026
Howard Jr., Jerry	3	Probation	04/15/2026
Wilson, Michael	1	BHRS	03/31/2026

b. Monthly and Quarterly Budget Report submitted.

c. Quarterly Membership Status Report submitted.

d. Meketa Monthly Investment Report submitted.

e. SACRS Legislative Update – April 2026.

7. Closed Session

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



Merced County Employees' Retirement Association

below. Any public reports of action taken in the closed session will be made in accordance with Government Code sections 54957.1:

- a. Disability Retirement Applications: Personnel Exceptions (Govt. Code § 54957, 31532; Cal Const. art I § 1).
 1. Initial Disability Application Recommendation – Julissa Cervantes
 2. Initial Disability Application Recommendation – Maria E. Maldonado
 3. Initial Disability Application Recommendation – Carmen A. Segura
- b. Public Employment (Govt. Code §54957).
Title: Specialty Investment Consultant
- c. Public Employee Annual Review and Labor Negotiations (Govt. Code § 54957; Govt. Code §54957.6).
Title: Assistant Plan Administrator – Benefits and Administration

8. Report Out of Closed Session

9. Open Session

- a. Discussion on market summary and investment performance updates – Staff.
- b. Discussion on New Quarterly Investment Report – Staff.
- c. Discussion and possible action to approve the actuarial audit of MercedCERA's annual valuation as of June 30, 2025, and MercedCERA's experience study as of June 30, 2025, by Segal – Staff.
- d. Discussion and possible action to approve the adoptions of pensionable pay codes SRP – Steward Representation Pay, UNL – Union Leave Pay, and STT – Steward Training Pay for the Merced Superior Court – Staff.
- e. Discussion and possible action to approve employment contract amendment for Monica Gallegos changing salary to \$137,970.56 effective pay period 13, 2026 (first day of pay period is June 1, 2026) – Staff.
- f. Discussion on the SACRS Board of Director Elections 2026-2027 - Elections Notice and possible action to delegate Martha Sanchez Barboa as the delegated voter at the SACRS Business Meeting and Janey Cabral and Bayani "Jol" Manilay as alternate delegates – Staff.

10. Information Sharing & Agenda Item Requests

11. Adjournment

The Agenda and supporting documentation, including any material that was submitted to the Merced County Employees' Retirement Association Board after the distribution of the Agenda, are available online at www.mercedcera.com.

All supporting documentation for Agenda items, including any material that was submitted to the retirement board after the distribution of the Agenda, is also available for public inspection Monday through Friday from 8:00 a.m. to 5:00 p.m. at the administrative office for the Merced County Employees' Retirement Association located at 690 W 19th Street, Merced, California 95340.

Persons who require accommodation for a disability in order to review an agenda, or to participate in a meeting of the Merced County Employees' Retirement Association per the American Disabilities Act (ADA), may obtain assistance by requesting such accommodation in writing addressed to Merced County Employees' Association, 690 W 19th Street, Merced, CA 95340 or telephonically by calling (209) 726-2724. Any such request for accommodation should be made at least 48 hours prior to the scheduled meeting for which assistance is requested.

Persons who require accommodation for any audio, visual or other disability or Spanish or Hmong interpretation in order to review an agenda, or to participate in a meeting of the Merced County Employees' Retirement



Merced County Employees' Retirement Association

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Spanish and Hmong interpreters are available.

Interpretes de espanol y hmong estan disponibles.
Peb muaj tug paab txhais lug Mev hab Hmoob.



Merced County Employees' Retirement Association

**Minutes
RETIREMENT BOARD MEETING**

Thursday, March 26, 2026, 8:30 A.M.

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

Zoom Conference Information:

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

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

(For use only if Zoom Connection Malfunctions)

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

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

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

2. Roll Call

Board Members Present: Scott Johnston, Moses Nelson, Bayani Manilay, Alfonse Peterson (left 10:45 A.M., returned 10:52 A.M.), Karen Adams (left 10:39 A.M., returned 10:41 A.M.), Janey Cabral and Corrina Brown. **Absent:** Scott Silveira, Aaron Rosenberg and Michael Harris. **Counsel:** Tom Ebersole. **Staff:** Martha Sanchez Barboa, Pete Madrid, Monica Gallegos, Alex Lovato, Maria Luisa Rodriguez, Nikki Barraza, Dane Anderson and Khue Xiong.

3. Teleconference Request

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

None

4. Approval of Minutes – February 26, 2026, and March 5, 2026.

Board voted unanimously to approve February 26, 2026, Board meeting minutes and March 5, 2026, Board education meeting minutes.

1st – Manilay/2nd – Johnston, passes 7/0.

5. Public Comment

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

None

6. Consent Calendar

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

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

Name	Years of Service	Department	Effective Date
Garcia, Raul – NSCD*	14	Sheriff	07/15/2023
Iqbal, Zahid	19	HSA	03/07/2026
Loveall, Casondra	25	HSA	03/03/2026
Masasso, Kenneth	4	Admin Services	01/01/2026**
*Non-Service-Connected Disability			



Merced County Employees' Retirement Association

****Correction to Retirement Date**

- b. Monthly Budget Report submitted.
- c. Meketa Monthly Performance Report submitted.
- d. Approve the actuarial audit of MercedCERA's annual valuation as of June 30, 2025, and the experience study as of June 30, 2025, by Segal.
- e. SACRS Legislative Update – March 2026.

Board voted unanimously to approve the consent agenda except for Consent Item d. Trustee Cabral requested Consent Item d be moved to Open Session.

1st – Adams/2nd – Cabral, passes 7/0.

7. Closed Session

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

- a. Public Employee Annual Review (Govt. Code § 54957).
Title: Assistant Plan Administrator – Benefits and Administration

8. Report Out of Closed Session – 9:15 A.M.

Regarding closed session and the public employee annual review of the Assistant Plan Administrator – Benefits and Administration, staff were given direction.

9. Open Session

- a. Discussion on market summary and investment performance updates – Staff.
No action taken.
- b. Discussion on quarterly alternative performance and possible action on any funds and general partners – Cliffwater.
No action taken.
- c. Discussion on private credit portfolio risk review – Cliffwater.
No action taken.
- d. Discussion and possible action to approve the purchase of 7 additional wireless microphones to be placed at the Board dais – Staff.
Board voted unanimously to approve the second quote, excluding the annual support and membership fee, for the purchase of 7 additional wireless microphones to be placed at the Board dais totaling \$16,213.45.
1st – Cabral/2nd – Peterson, passes 7/0.
- e. Discussion and possible action to approve MercedCERA Board of Retirement elections for Seats 3 (General), 8 (Retired), 7A (Safety Alternate) and 8A (Retired Alternate) by the Merced County Registrar of Voters – Staff.
Board voted unanimously to approve Board of Retirement elections for Seat 3, 8, 7A and 8A by the Merced County Registrar of Voters.
1st – Johnston/2nd – Adams, passes 6/0.
- f. Discussion and possible action to approve a two-year contract amendment for Cheiron Incorporated actuarial services – Staff.
Board voted unanimously to approve the two-year contract amendment for Cheiron Incorporated for actuarial services.
1st – Adams/2nd – Manilay, passes 6/0.
- g. Discussion regarding the option of returning to two MercedCERA Board Meetings per month – Staff.



Merced County Employees' Retirement Association

Trustees Peterson, Adams, Cabral and Brown shared their concerns with the Board returning to two meetings per month.

No action taken.

- h. Approve the actuarial audit of MercedCERA's annual valuation as of June 30, 2025, and the experience study as of June 30, 2025, by Segal – Staff.

Trustee Cabral requested this item be pulled from Consent. Trustee Cabral and Trustee Adams shared concerns about the actuarial audit results being placed on Consent and requested the Plan Administrator agendize this item for the next Board meeting and provide an executive summary of the results.

1st – Adams/2nd – Cabral, passes 7/0

10. Information Sharing & Agenda Item Requests

- Fiscal Manager, Alex Lovato, introduced MercedCERA's new accountant Dane Anderson.
- Plan Administrator, Martha Sanchez Barboa, reminded staff and trustees of deadline to submit 700 Form.
- Martha also advised trustees of a longer April Board meeting due to multiple closed session items for disability cases and RFP discussion.
- Trustee Adams reminded all of April 10th property tax payment deadline and shared her proud moment of having a bot assist the Treasurer -Tax Collector's office with electronic payment reconciliations.

11. Adjournment at 11:05 A.M.

Trustee Name/Position	Signature	Date
Corrina Brown/Chair		
Al Peterson/Secretary		

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended March 31, 2026

Administrative Budget	Adopted	Current Budget	Expended 2026-03	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages	1,975,000.00	1,975,000.00	124,141.10	1,244,087.67	730,912.33	62.99%
3/13/2026 Office Payroll 2026 PP06			89,985.14			
3/13/2026 2026 PP06 Retirement Investment Staff Cost Reclass (see Account #21800)			(11,885.91)			
3/13/2026 2026 PP06 Staff Salary Allocated to Investments (see Account #21800)			(15,598.08)			
3/13/2026 2026 PP06 Board Member Stipends (see Account #21808)			(430.60)			
3/27/2026 Office Payroll 2026 PP07			89,554.54			
3/27/2026 2026 PP07 Retirement Investment Staff Cost Reclass (see Account #21800)			(11,885.91)			
3/37/2026 2026 PP07 Staff Salary Allocated to Investments (see Account #21800)			(15,598.08)			
Total 10110 · Salaries & Wages			124,141.10			
20600 · Communications	16,000.00	16,000.00	915.00	9,024.89	6,975.11	56.41%
3/18/2026 2026-02 Administrative Services - Cellphone Charges			422.00			
3/18/2026 2026-02 Administrative Services - Desk Phone Charges			493.00			
Total 20600 · Communications			915.00			
21000 · Insurance - Other	118,000.00	118,000.00	889.17	103,289.01	14,710.99	87.53%
3/5/2026 Nationwide 2025-02 Building Insurance			889.17			
Total 21000 · Insurance - Other			889.17			
21301 · Maintenance Structure Improvement & Grounds	100,000.00	100,000.00	4,562.84	43,603.07	56,396.93	43.60%
3/9/2026 Crites, Robert 2026-02 Pest Control			40.00			
3/19/2026 State of California - Elevator Inspection Clearance Certificate			225.00			
3/20/2026 Geil Enterprises 2026-03 Janitorial Svcs			1,846.00			
3/24/2026 2026-01 Department of Public Works (DPW) Maintenance Charges			1,446.84			
3/25/2026 Yard Masters 2026-03 Landscaping			400.00			
3/26/2026 Hoffman 2026-04 Alarm System			285.00			
3/26/2026 Hoffman 2026-04 CCTV Cameras			260.00			
3/26/2026 Hoffman 2026-04 Fire System			60.00			
Total 21301 · Maintenance Structure Improvement			4,562.84			
21500 · Membership	7,000.00	7,000.00	-	7,500.00	(500.00)	107.14%
Total 21500 · Membership			-			
21700 · Office Expense - General	20,000.00	20,000.00	103.28	8,036.57	11,963.43	40.18%
3/18/2026 First Choice 3/10/26 Water Svc			37.28			
3/23/2026 2026-02 Administrative Services Charges - Pacific Shredding			66.00			
Total 21700 · Office Expense - General			103.28			
21710 · Office Expense - Postage	54,000.00	54,000.00	2,788.45	27,960.97	26,039.03	51.78%
3/19/2026 2026-02 Administrative Services Charges - Mail/Print Charges			637.76			
3/19/2026 2026-02 Administrative Services Charges - Forms Processing Charges			131.25			
3/19/2026 2026-02 Administrative Services Charges - Mail Room Charges			2,019.44			
Total 21710 · Office Expense - Postage			2,788.45			
21805 · Audits	72,000.00	72,000.00	52,000.00	55,000.00	17,000.00	76.39%
3/3/2026 UHY LLP Audit Services			55,200.00			
3/9/2026 GASB 67/68 Reimbursement (Merced County & Courts)			(3,200.00)			
Total 21805 · Audits			52,000.00			
21808 · Board Membership	15,000.00	15,000.00	430.60	5,274.85	9,725.15	35.17%
3/13/2026 Board Member Stipends			430.60			
Total 21808 · Board Membership			430.60			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended March 31, 2026

21900 · Publications & Legal Notices	5,000.00	5,000.00	1,461.32	4,917.28	82.72	98.35%
3/25/2026 Merced Sunstar Annual Subscription			1,461.32			
Total 21900 · Publications & Legal Notices			<u>1,461.32</u>			
22300 · Spec Dept Exp - Other	10,000.00	10,000.00	-	5,151.00	4,849.00	51.51%
Total 22300 · Spec Dept Exp - Other			<u>-</u>			
22310 · Election Expense	30,000.00	30,000.00	-	-	30,000.00	0.00%
Total 22310 · Election Expense			<u>-</u>			
22327 · Spec Dept Exp - Cost Allocation Plan	35,000.00	35,000.00	2,877.45	25,897.05	9,102.95	73.99%
3/5/2026 2026-03 Auditor-Controller Admin CAP Charge			1,785.83			
3/5/2026 2026-03 External Audit CAP Charge			61.83			
3/5/2026 2026-03 Admin Service CAP Charge			13.83			
3/5/2026 2026-03 Human Resources CAP Charge			1,005.44			
3/5/2026 2026-03 Risk Management CAP Charge			10.52			
Total 22327 · Spec Dept Exp - Cost Allocation			<u>2,877.45</u>			
22500 · Transportation & Travel	200.00	200.00	-	-	200.00	0.00%
Total 22500 · Transportation & Travel			<u>-</u>			
22505 · Trans & Travel - Staff & Board Development	70,000.00	70,000.00	640.00	13,336.67	56,663.33	19.05%
3/18/2026 SACRS Spring Conference Registration (Trustee)			290.00			
3/23/2026 CALAPRS Accounting Roundtable (Staff)			150.00			
3/23/2026 CALAPRS Benefits Roundtable (Staff)			50.00			
3/26/2026 CALAPRS Special Roundtable (Staff)			150.00			
Total 22505 · Trans & Travel - Staff Development & Board Development			<u>640.00</u>			
22515 · Trans & Travel - In State (Staff & Board)	45,000.00	45,000.00	1,132.59	15,716.73	29,283.27	34.93%
3/10/2026 SACRS Spring Conference Hotel (Staff & Board)			1,132.59			
Total 22515 · Trans & Travel - In State (Staff & Board)			<u>1,132.59</u>			
22516 · Trans & Travel - Out of State (Staff & Board)	10,000.00	10,000.00	-	4,169.29	5,830.71	41.69%
Total 22516 · Trans & Travel - Out of State (Staff & Board)			<u>-</u>			
22600 · Utilities	68,000.00	68,000.00	2,415.12	24,513.85	43,486.15	36.05%
3/6/2026 City of Merced 2026-03 Utilities			642.72			
3/23/2026 MID 2026-02 Utilities			1,772.40			
Total 22600 · Utilities			<u>2,415.12</u>			
Administrative Depreciation Expense	364,400.00	364,400.00	30,262.33	272,360.97	92,039.03	74.74%
Total Administrative Budget	3,014,600.00	3,014,600.00	224,619.25	1,869,839.87	1,144,760.13	62.03%

Merced County Employees' Retirement Association
Non-Administrative Expenditures Report (Preliminary)
For the Month Ended March 31, 2026

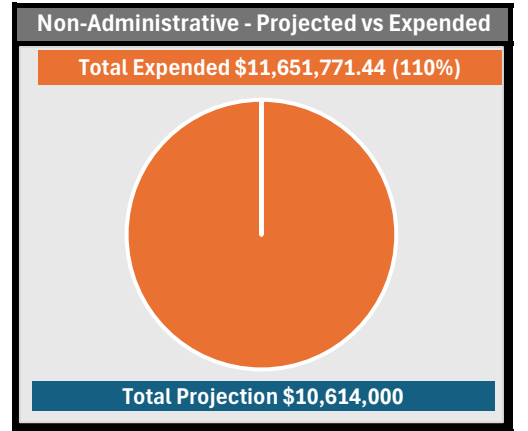
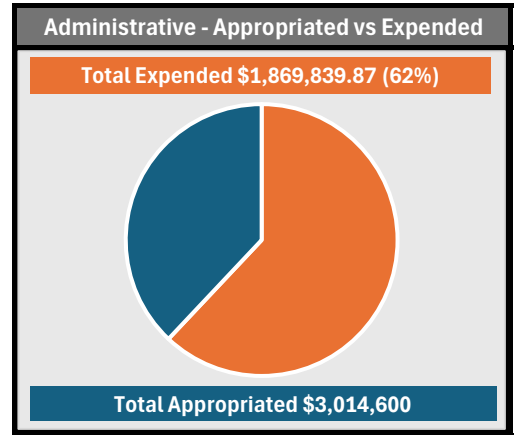
Non-Administrative Expenses		Original Projection	Current Projection	Expended 2026-03	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses		8,998,000.00	8,998,000.00	799,386.81	10,608,217.83	(1,610,217.83)	117.90%
3/31/2026	Investment Management Fees			542,628.45			
3/31/2026	Investment Partnership Expenses			165,200.45			
3/13/2026	2026 PP06 Retirement Investment Staff Reclass (from Account #10110)			11,885.91			
3/27/2026	2026 PP07 Retirement Investment Staff Reclass (from Account #10110)			11,885.91			
3/13/2026	2026 PP06 Staff Salary Allocated to Investments (from Account #10110)			15,598.08			
3/27/2026	2026 PP07 Staff Salary Allocated to Investments (from Account #10110)			15,598.08			
3/2/2026	Investment Consultants Cliffwater 2026-02 Consulting Svcs			33,333.33			
3/17/2026	Investment Consultants Nossaman LLP Consulting Svcs			3,256.60			
Total 21800 · Investment Expenses				799,386.81			
21802 · Actuarial Services		220,000.00	220,000.00	(7,463.00)	106,751.19	113,248.81	48.52%
3/9/2026	GASB 67/68 Reimbursement (Merced County & Courts)			(7,463.00)			
Total 21802 · Actuarial Services				(7,463.00)			
21812 · Data Processing		135,000.00	135,000.00	6,844.51	61,267.96	73,732.04	45.38%
3/5/2026	2026-03 IS CAP Charge			446.46			
3/17/2026	AT&T 2026-03 Services & Wi-Fi Charges			1,347.05			
3/18/2026	2026-02 Administrative Service Charges - Cradlepoint Charges			800.00			
3/18/2026	2026-02 Administrative Service Charges - Application Charges			732.00			
3/18/2026	2026-02 Administrative Service Charges - Network Device Charges			3,519.00			
Total 21812 · Data Processing				6,844.51			
21834 · Legal Services		442,000.00	442,000.00	51,925.24	322,306.21	119,693.79	72.92%
3/5/2026	2026-03 County Counsel CAP Charge			3,678.42			
3/5/2026	Ted Cabral 2026-01 Legal Svcs			38.70			
3/5/2026	Ted Cabral 2026-01 Legal Svcs			131.60			
3/17/2026	Ted Cabral 2026-02 Legal Svcs			4,078.20			
3/17/2026	Ted Cabral 2026-02 Legal Svcs			4,767.70			
3/17/2026	Ted Cabral 2026-02 Legal Svcs			38.70			
3/17/2026	Ted Cabral 2026-02 Legal Svcs			3,570.00			
3/17/2026	Ted Cabral 2026-02 Legal Svcs			19,874.30			
3/17/2026	Ted Cabral 2026-02 Legal Svcs			97.50			
3/17/2026	Ted Cabral 2026-02 Legal Svcs			90.30			
3/17/2026	Ted Cabral 2026-02 Legal Svcs			71.70			
3/17/2026	Ted Cabral 2026-02 Legal Svcs			382.40			
3/17/2026	Ted Cabral 2026-02 Legal Svcs			4,086.50			
3/17/2026	Ted Cabral 2026-02 Legal Svcs			25.80			
3/17/2026	Ted Cabral 2026-02 Legal Svcs			64.50			
3/17/2026	Ted Cabral 2026-02 Legal Svcs			992.60			
3/17/2026	Ted Cabral 2026-02 Legal Svcs			2,988.70			
3/17/2026	Ted Cabral 2026-02 Legal Svcs			5,088.60			
3/25/2026	Mileage Reimbursement - Disability Member (Legal Svcs)			191.62			
3/25/2026	Nossaman - General Advice and Counsel Services			1,667.40			
Total 21834 · Legal Services				51,925.24			
21840 · Custodial Banking Services		260,000.00	260,000.00	40,129.74	130,281.88	129,718.12	50.11%
3/4/2026	2026-02 NT STIF Custodial Fee			3,129.74			
3/31/2026	2026- Q1 NT Capital Call Custodial Fee			7,000.00			
3/31/2026	2026-Q1 NT Custodial Fee			30,000.00			
Total 21840 · Custodial Banking Services				40,129.74			
22350 · Software & Technology		559,000.00	559,000.00	27,700.17	424,002.78	134,997.22	75.85%
3/3/2026	Digital Deployment 2026-03 Web Support			900.00			
3/17/2026	2026-Q1 FR Secure Cybersecurity			13,380.00			
3/17/2026	CPAS System 2026-03 Hosting			9,763.52			
3/18/2026	2026-01 Lexis Nexis Services			936.56			

Merced County Employees' Retirement Association
Non-Administrative Expenditures Report (Preliminary)
For the Month Ended March 31, 2026

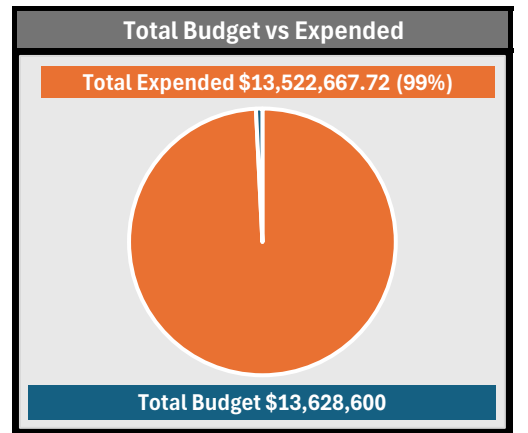
3/18/2026	2026-02 Lexis Nexis Services				936.56		
3/19/2026	2026-02 Administrative Services - Communication Charges				440.70		
3/19/2026	Website Domain Renewal - 5 year term				1,131.87		
3/25/2026	2026 - Q1 Pitney Bowes fee				210.96		
Total 22350 · Software and Technology					<u>27,700.17</u>		
Non-Administrative Depreciation Expense		-	-	-	-	-	-
Total Non-Administrative Items		<u>10,614,000.00</u>	<u>10,614,000.00</u>	<u>918,523.47</u>	<u>11,652,827.85</u>	<u>(1,038,827.85)</u>	<u>109.79%</u>

Fiscal Year 2025-2026, Quarter 3 - Expense Report

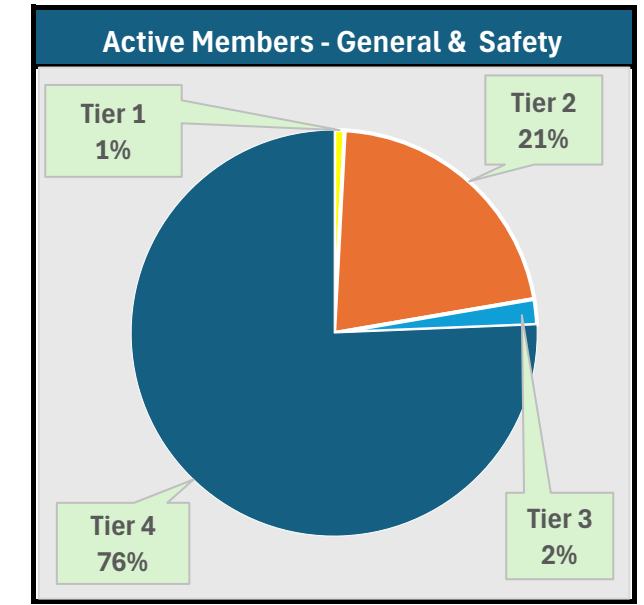
Administrative Budget											
Account #	Account Name/Description	Fiscal Year Appropriation	Q1 Expended	Q1 %	Q2 Expended	Q2 %	Q3 Expended	Q3 %	Total Expended	Appropriation Remaining	% Expended
10110	SALARIES/BENEFITS	\$ 1,975,000	\$ 366,758.13	19%	\$ 428,974.17	22%	\$ 448,355.37	23%	\$ 1,244,087.67	\$ 730,912.33	63%
20600	COMMUNICATIONS	\$ 16,000	\$ 2,511.89	16%	\$ 2,268.00	14%	\$ 4,245.00	27%	\$ 9,024.89	\$ 6,975.11	56%
21000	INSURANCE	\$ 118,000	\$ 97,746.80	83%	\$ 2,874.72	2%	\$ 2,667.49	2%	\$ 103,289.01	\$ 14,710.99	88%
21301	MAINT STRUCT IMPROVEMENT & GROUNDS	\$ 100,000	\$ 11,116.00	11%	\$ 19,281.84	19%	\$ 13,205.23	13%	\$ 43,603.07	\$ 56,396.93	44%
21500	MEMBERSHIP	\$ 7,000	\$ 5,350.00	76%	\$ 1,750.00	25%	\$ 400.00	6%	\$ 7,500.00	\$ (500.00)	107%
21700	OFFICE EXPENSE - GENERAL	\$ 20,000	\$ 2,919.61	15%	\$ 2,467.61	12%	\$ 2,649.35	13%	\$ 8,036.57	\$ 11,963.43	40%
21710	OFFICE EXPENSE - POSTAGE	\$ 54,000	\$ 5,969.13	11%	\$ 9,816.29	18%	\$ 12,175.55	23%	\$ 27,960.97	\$ 26,039.03	52%
21805	AUDITS	\$ 72,000	\$ -	0%	\$ -	0%	\$ 55,000.00	76%	\$ 55,000.00	\$ 17,000.00	76%
21808	BOARD MEMBERSHIP	\$ 15,000	\$ 1,399.45	9%	\$ 2,260.65	15%	\$ 1,614.75	11%	\$ 5,274.85	\$ 9,725.15	35%
21900	PUBLICATIONS & LEGAL NOTICES	\$ 5,000	\$ 4,551.95	91%	\$ -	0%	\$ 365.33	7%	\$ 4,917.28	\$ 82.72	98%
22300	SPEC DEPT EXPENSE - OTHER	\$ 10,000	\$ 2,692.19	27%	\$ 2,458.81	25%	\$ -	0%	\$ 5,151.00	\$ 4,849.00	52%
22310	SPEC DEPT EXPENSE - ELECTION EXPENSE	\$ 30,000	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	\$ 30,000.00	0%
22327	SPEC DEPT EXP - COST ALLOCATION PLAN	\$ 35,000	\$ 8,632.35	25%	\$ 8,632.35	25%	\$ 8,632.35	25%	\$ 25,897.05	\$ 9,102.95	74%
22500	TRANSPORTATION & TRAVEL	\$ 200	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	\$ 200.00	0%
22505	STAFF & BOARD DEVELOPMENT	\$ 70,000	\$ 10,336.67	15%	\$ 1,530.00	2%	\$ 1,470.00	2%	\$ 13,336.67	\$ 56,663.33	19%
22515	STAFF & BOARD TRANS & TRAVEL - INSTATE OVERNIGHT	\$ 45,000	\$ 4,467.20	10%	\$ 1,999.41	4%	\$ 9,250.12	21%	\$ 15,716.73	\$ 29,283.27	35%
22516	STAFF & BOARD TRANS & TRAVEL - OUT OF STATE	\$ 10,000	\$ 694.97	7%	\$ 3,474.32	35%	\$ -	0%	\$ 4,169.29	\$ 5,830.71	42%
22600	UTILITIES	\$ 68,000	\$ 8,132.86	12%	\$ 8,399.94	12%	\$ 7,981.05	12%	\$ 24,513.85	\$ 43,486.15	36%
N/A	ADMINISTRATIVE DEPRECIATION EXPENSE	\$ 364,400	\$ 90,786.99	25%	\$ 90,786.99	25%	\$ 90,786.99	25%	\$ 272,360.97	\$ 92,039.03	75%
Total MercedCERA Administrative Budget		\$ 3,014,600	\$ 624,066.19	21%	\$ 586,975.10	19%	\$ 658,798.58	22%	\$ 1,869,839.87	\$ 1,144,760.13	62%



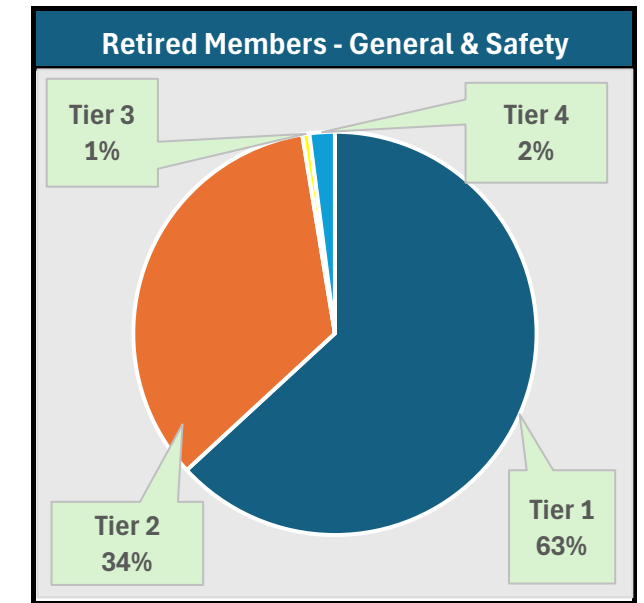
Non-Administrative Projection											
Account #	Account Name/Description	Fiscal Year Projection	Q1 Expended	Q1 %	Q2 Expended	Q2 %	Q3 Expended	Q3 %	Total Expended	Projection Remaining	% Expended
21800	INVESTMENT EXPENSE	\$ 8,998,000	\$ 3,158,566.56	35%	\$ 4,635,637.52	52%	\$ 2,814,013.75	31%	\$ 10,608,217.83	\$ (1,610,217.83)	118%
21802	ACTUARIAL SERVICES	\$ 220,000	\$ 789.48	0%	\$ 39,462.50	18%	\$ 66,499.21	30%	\$ 106,751.19	\$ 113,248.81	49%
21812	DATA PROCESSING	\$ 135,000	\$ 19,078.81	14%	\$ 20,836.09	15%	\$ 21,353.06	16%	\$ 61,267.96	\$ 73,732.04	45%
21834	LEGAL SERVICES	\$ 442,000	\$ 95,685.36	22%	\$ 120,391.36	27%	\$ 106,229.49	24%	\$ 322,306.21	\$ 119,693.79	73%
21840	CUSTODIAL BANKING SERVICES	\$ 260,000	\$ 35,091.20	13%	\$ 50,113.52	19%	\$ 45,077.16	17%	\$ 130,281.88	\$ 129,718.12	50%
22350	SOFTWARE & TECHNOLOGY	\$ 559,000	\$ 198,373.33	35%	\$ 158,630.19	28%	\$ 66,999.26	12%	\$ 424,002.78	\$ 134,997.22	76%
N/A	NON-ADMINISTRATIVE DEPRECIATION EXPENSE	\$ -	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	\$ -	0%
Total MercedCERA Non-Administrative Projection		\$ 10,614,000	\$ 3,507,584.74	33%	\$ 5,025,071.18	47%	\$ 3,120,171.93	29%	\$ 11,652,827.85	\$ (1,038,827.85)	110%



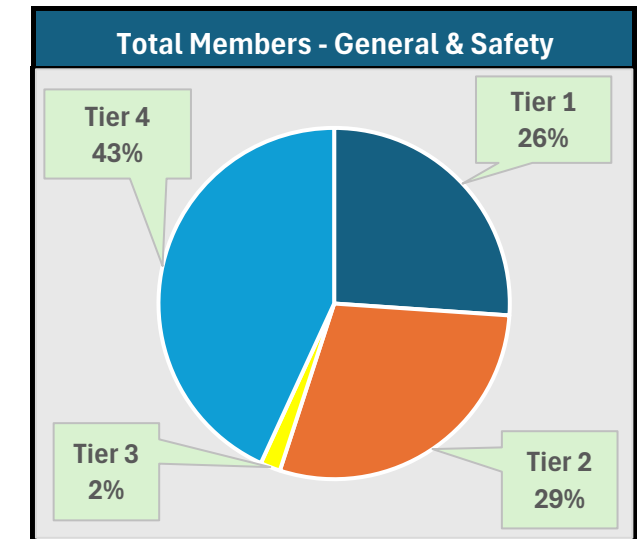
Active Members						
Tier	General	% General	Safety	% Safety	Total	% Total
Tier 1	16	1%	4	1%	20	1%
Tier 2	423	21%	92	26%	515	21%
Tier 3	43	2%	6	2%	49	2%
Tier 4	1558	76%	256	72%	1814	76%
Total Active	2040	85%	358	15%	2398	100%



Retired Members						
Tier	General	% General	Safety	% Safety	Total	% Total
Tier 1	1382	62%	297	72%	1679	63%
Tier 2	800	36%	111	27%	911	34%
Tier 3	15	1%	0	0%	15	1%
Tier 4	50	2%	4	1%	54	2%
Total Retired	2247	85%	412	15%	2659	100%



Deferred Members						
Tier	General	% General	Safety	% Safety	Total	% Total
Tier 1	22	2%	1	1%	23	1%
Tier 2	410	30%	74	39%	484	31%
Tier 3	54	4%	4	2%	58	4%
Tier 4	868	64%	113	59%	981	63%
Total Deferred	1354	88%	192	12%	1546	100%



Total Members						
Tier	General	% General	Safety	% Safety	Total	% Total
Tier 1	1420	25%	302	31%	1722	26%
Tier 2	1633	29%	277	29%	1910	29%
Tier 3	112	2%	10	1%	122	2%
Tier 4	2476	44%	373	39%	2849	43%
Total Members	5641	85%	962	15%	6603	100%

Merced County Employees' Retirement Association

April 23, 2026

March Flash Report

- 1. Executive Summary as of March 31, 2026**
- 2. Performance Update as of March 31, 2026**
- 3. Disclaimer, Glossary, and Notes**

Executive Summary as of March 31, 2026

Portfolio Preliminary Performance Highlights

- March saw significant pullback across equity markets, with International Developed and broad Emerging Markets experiencing sharper declines relative to US equities. US Equities (Russell 3000) returned -5.0%, Developed International equities (MSCI EAFE) returned -10.3% and Emerging Markets (MSCI EM) returned -13.1% over the month. Bonds also fell over the month with the broad Bloomberg US Aggregate Index returning -1.8%.
- For March, Merced CERA reported a monthly return (w/o Alternatives) of -5.1% net of fees. US Equities returned -5.3%, trailing the Russell 3000 Index. International Equities return of -9.3% outpaced both the MSCI AC World ex USA IMI Index as well as the secondary blended asset class benchmark, which returned -10.8% and -10.4% respectively. The Emerging Markets sleeve returned -10.8%, outpacing the MSCI EM index return of -13.1%. US Fixed Income returned -1.3%, outpacing the benchmark return of -1.8%. Opportunistic Credit posted -0.2% for the month, outpacing the blended benchmark return of -0.6%.

Manager Highlights

Manager Highlights (Year to Date)

- **BNY Mellon Newton Dynamic US Equity**, the portfolio's active large cap manager, returned -4.6% through March, trailing the S&P 500 Index return of -4.3%. The manager is expected to perform well under normal market conditions (fundamentals drive investment returns) and bull markets.
- **Champlain Small Cap**, through March, the portfolio's active small cap manager, returned -7.8%, trailing the Russell 2000 Index return of 0.9%.
- **First Eagle**, through March, returned 2.6% versus the MSCI EAFE Index return of -1.2% and MSCI AC World ex US Value Index return of 2.1%. Fund exhibits high turnover relative to peers and uses gold as a hedge. The fund performs well in down cycles, as the strategy focuses on capital preservation in lieu of some upside potential.
- **GQG** returned 4.4% through March, outpacing the MSCI AC World ex US return of -0.7%.
- **Acadian** returned -0.5% through March, mirroring the MSCI ACWI ex US Small Cap Index.
- **Driehaus**, through March, returned -2.8%, trailing the MSCI ACWI ex US Small Cap Growth Index return of -0.9%.

Manager Highlights (Year to Date)

- **Artisan Developing World** returned -18.0% through March vs MSCI EM index return of -0.2%. The fund is a high conviction, concentrated strategy that is benchmark agnostic and has large deviations regionally, with meaningful weights in US equities. Note that tracking error for this strategy is expected to be high (5-10% annually) and has recently exceeded this, which has been driven by exposure to non-benchmark names, particularly in the US. Meketa continues to evaluate the performance of this strategy in the EM space, and believes it is best utilized with a complementary strategy.
- **RWC** returned 0.4% vs MSCI EM index return of -0.2% through March. Tracking error for the strategy has always been expected to be high (6-10% annually) and has fallen within that range.

Manager Highlights (Year to Date)**US Fixed Income**

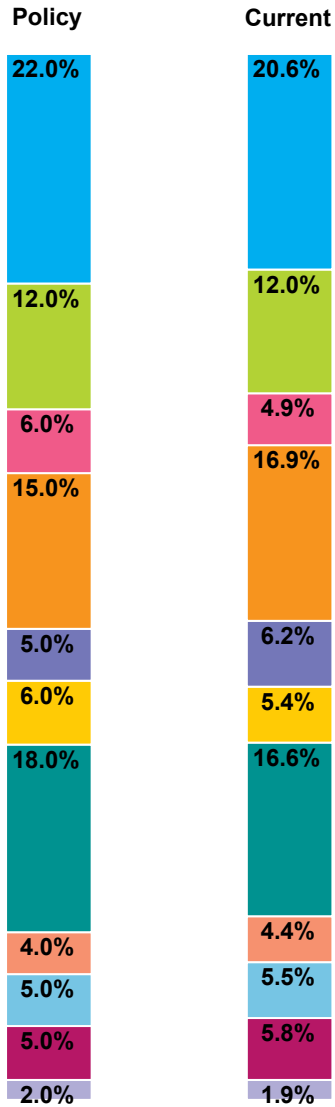
- Brandywine returned 0.4% through March, outpacing the Bloomberg US Aggregate Index return of 0.0%.
- Wellington Core Bond returned 0.0%, mirroring the Bloomberg US Aggregate Index.
- Payden & Rygel Low Duration returned 0.2%, trailing the Bloomberg US Treasury 1-3 Year Index return of 0.3%.

Opportunistic Credit

- PIMCO Income Fund returned -0.6%, trailing the Bloomberg US Aggregate Index return of 0.0%.
- GoldenTree Multi-Sector returned 0.1%, outpacing the blended benchmark (50% Bloomberg US High Yield/50% S&P UBS Leveraged Loans) return of -0.5%. The strategy is benchmark agnostic and tends to have lower duration positioning.

Performance Update as of March 31, 2026

Total Fund | As of March 31, 2026



Allocation vs. Targets and Policy						
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
US Equity	289,018,172	20.6	22.0	-1.4	16.0 - 27.0	Yes
Developed International Equity	168,220,775	12.0	12.0	0.0	7.0 - 17.0	Yes
Emerging Markets Equity	68,485,981	4.9	6.0	-1.1	3.0 - 9.0	Yes
Private Equity	236,875,132	16.9	15.0	1.9	5.0 - 20.0	Yes
Direct Lending	87,139,208	6.2	5.0	1.2	0.0 - 10.0	Yes
Real Estate	75,777,115	5.4	6.0	-0.6	4.0 - 8.0	Yes
US Fixed Income	232,929,415	16.6	18.0	-1.4	13.0 - 23.0	Yes
Opportunistic Credit	61,613,256	4.4	4.0	0.4	2.0 - 6.0	Yes
Hedge Funds	76,632,504	5.5	5.0	0.5	2.5 - 7.5	Yes
Real Assets	81,957,714	5.8	5.0	0.8	3.0 - 7.0	Yes
Cash	26,972,174	1.9	2.0	-0.1	0.0 - 4.0	Yes
Total	1,405,621,446	100.0	100.0	0.0		

Trailing Net Performance | As of March 31, 2026

Asset Class Performance Summary										
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	1,405,621,446	100.0	-3.2	-1.2	10.4	10.2	6.7	8.7	8.1	Jan-95
<i>Policy Index</i>			<i>-3.5</i>	<i>0.5</i>	<i>16.6</i>	<i>12.9</i>	<i>8.3</i>	<i>9.5</i>	<i>6.8</i>	
Total Fund w/o Alternatives	820,267,599	58.4	-5.1	-2.2	12.6	12.5	6.2	9.1	--	Jan-08
<i>Policy Index w/o AI</i>			<i>-5.8</i>	<i>-1.3</i>	<i>16.3</i>	<i>12.3</i>	<i>6.2</i>	<i>8.6</i>	<i>--</i>	
Public Equity	525,724,927	37.4	-7.2	-3.5	15.9	15.2	7.7	--	10.4	Apr-18
<i>MSCI AC World IMI Index (Net)</i>			<i>-7.3</i>	<i>-2.7</i>	<i>20.6</i>	<i>16.2</i>	<i>9.0</i>	<i>--</i>	<i>10.1</i>	
US Equity	289,018,172	20.6	-5.3	-4.5	15.6	16.4	10.1	13.2	10.6	Jan-95
<i>Russell 3000</i>			<i>-5.0</i>	<i>-4.0</i>	<i>18.1</i>	<i>17.9</i>	<i>10.9</i>	<i>13.6</i>	<i>10.7</i>	
International Equity	236,706,755	16.8	-9.3	-2.3	16.3	13.7	4.8	9.5	6.4	Jan-99
<i>Primary Blended International Equity Benchmark</i>			<i>-10.8</i>	<i>-0.7</i>	<i>24.7</i>	<i>14.6</i>	<i>6.5</i>	<i>8.6</i>	<i>6.0</i>	
<i>Secondary Blended International Equity Benchmark</i>			<i>-10.4</i>	<i>-1.0</i>	<i>22.1</i>	<i>13.8</i>	<i>6.1</i>	<i>8.3</i>	<i>5.9</i>	
Emerging Markets Equity	68,485,981	4.9	-10.8	-12.0	0.4	8.8	-2.4	8.8	5.5	May-12
<i>MSCI EM</i>			<i>-13.1</i>	<i>-0.2</i>	<i>29.6</i>	<i>14.8</i>	<i>3.7</i>	<i>8.0</i>	<i>5.0</i>	
US Fixed Income	232,929,415	16.6	-1.3	0.1	4.5	3.9	0.2	1.9	4.4	Jan-95
<i>US Fixed Income Custom Benchmark</i>			<i>-1.8</i>	<i>0.0</i>	<i>4.3</i>	<i>3.7</i>	<i>0.5</i>	<i>2.0</i>	<i>4.5</i>	
Opportunistic Credit	61,613,256	4.4	-0.2	0.8	6.9	9.2	5.7	--	6.0	May-19
<i>Custom Blended Opportunistic Credit Benchmark</i>			<i>-0.6</i>	<i>-0.4</i>	<i>5.0</i>	<i>5.9</i>	<i>2.7</i>	<i>--</i>	<i>3.4</i>	
Real Estate	75,777,115	5.4	0.0	0.0	0.4	1.2	3.3	3.9	5.9	Dec-10
<i>Custom Blended Real Estate Benchmark</i>			<i>0.9</i>	<i>0.9</i>	<i>3.8</i>	<i>-3.4</i>	<i>2.3</i>	<i>3.8</i>	<i>7.0</i>	
<i>CPI +5% (Seasonally Adjusted)</i>			<i>1.3</i>	<i>2.6</i>	<i>8.4</i>	<i>8.2</i>	<i>9.7</i>	<i>8.5</i>	<i>7.8</i>	

Data Prior to March 2018 provided by prior consultant.

The Secondary Blended International Equity Benchmark consists of 80% MSCI EAFE and 20% MSCI ACWI ex US Small Cap Index as of July 2025.

Trailing Net Performance | As of March 31, 2026

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Real Estate	75,777,115	5.4	0.0	0.0	0.4	-0.2	3.6	3.9	5.9	Dec-10
<i>Custom Blended Real Estate Benchmark</i>			0.9	0.9	3.8	-3.4	3.4	4.4	7.3	
Private Equity	239,160,159	17.0	0.0	0.0	8.6	7.8	13.0	13.4	10.1	Jul-05
<i>Custom Private Equity Benchmark</i>			1.1	4.0	25.2	24.4	16.6	17.8	--	
Direct Lending	84,854,181	6.0	0.0	0.0	8.1	10.0	8.6	--	9.8	Jul-20
<i>50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans</i>			-0.3	-0.5	5.9	8.3	5.1	--	6.4	
Hedge Funds	76,632,504	5.5	-2.7	0.3	7.0	7.4	5.8	6.4	5.3	Jul-14
<i>Custom Blended Hedge Funds Benchmark</i>			-2.1	0.7	11.6	8.5	4.9	5.3	--	
Real Assets	81,957,714	5.8	0.0	0.0	9.8	11.7	13.3	10.3	10.1	Dec-10
<i>Custom Blended Real Assets Benchmark</i>			-2.7	14.0	35.9	15.2	13.0	10.3	--	
<i>CPI +5% (Seasonally Adjusted)</i>			1.3	2.6	8.4	8.2	9.7	8.5	7.8	
Private Infrastructure	49,927,779	3.6	0.0	0.0	8.0	10.9	11.1	11.7	10.2	Jan-15
<i>S&P Global Infrastructure</i>			-4.1	8.3	26.9	16.2	12.1	9.4	7.9	
Private Natural Resources	32,029,935	2.3	0.0	0.0	12.4	14.4	20.9	15.4	15.6	Oct-15
<i>S&P Global Natural Resources Sector Index (TR)</i>			-1.4	19.8	45.1	13.8	12.9	12.1	12.5	
Cash	26,972,174	1.9	0.5	1.1	4.9	4.6	2.9	--	--	Dec-10

Real Assets includes State Street Real Assets NL Fund.

Trailing Net Performance | As of March 31, 2026

Trailing Period Performance										
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	1,405,621,446	100.0	-3.2	-1.2	10.4	10.2	6.7	8.7	8.1	Jan-95
<i>Policy Index</i>			<i>-3.5</i>	<i>0.5</i>	<i>16.6</i>	<i>12.9</i>	<i>8.3</i>	<i>9.5</i>	<i>6.8</i>	
Total Fund w/o Alternatives	820,267,599	58.4	-5.1	-2.2	12.6	12.5	6.2	9.1	--	Jan-08
<i>Policy Index w/o AI</i>			<i>-5.8</i>	<i>-1.3</i>	<i>16.3</i>	<i>12.3</i>	<i>6.2</i>	<i>8.6</i>	<i>--</i>	
Public Equity	525,724,927	37.4	-7.2	-3.5	15.9	15.2	7.7	--	10.4	Apr-18
<i>MSCI AC World IMI Index (Net)</i>			<i>-7.3</i>	<i>-2.7</i>	<i>20.6</i>	<i>16.2</i>	<i>9.0</i>	<i>--</i>	<i>10.1</i>	
US Equity	289,018,172	20.6	-5.3	-4.5	15.6	16.4	10.1	13.2	10.6	Jan-95
<i>Russell 3000</i>			<i>-5.0</i>	<i>-4.0</i>	<i>18.1</i>	<i>17.9</i>	<i>10.9</i>	<i>13.6</i>	<i>10.7</i>	
BNY Mellon Newton Dynamic US Equity	64,294,400	4.6	-5.3	-4.6	16.9	16.8	10.7	14.3	15.3	Jan-13
<i>S&P 500 Index</i>			<i>-5.0</i>	<i>-4.3</i>	<i>17.8</i>	<i>18.3</i>	<i>12.1</i>	<i>14.2</i>	<i>14.2</i>	
BNY Mellon Large Cap	206,539,128	14.7	-5.0	-4.1	17.8	18.2	11.3	14.0	14.0	Apr-16
<i>Russell 1000 Index</i>			<i>-5.0</i>	<i>-4.2</i>	<i>17.7</i>	<i>18.1</i>	<i>11.3</i>	<i>14.0</i>	<i>14.0</i>	
Champlain Small Cap	18,184,644	1.3	-8.9	-7.8	-6.3	2.9	-0.5	--	4.5	Nov-20
<i>Russell 2000 Index</i>			<i>-5.0</i>	<i>0.9</i>	<i>25.7</i>	<i>13.0</i>	<i>3.8</i>	<i>--</i>	<i>10.8</i>	

Historical returns for the US Equity Composite prior to January 2012 are gross only.

Trailing Net Performance | As of March 31, 2026

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
International Equity	236,706,755	16.8	-9.3	-2.3	16.3	13.7	4.8	9.5	6.4	Jan-99
<i>Primary Blended International Equity Benchmark</i>			<i>-10.8</i>	<i>-0.7</i>	<i>24.7</i>	<i>14.6</i>	<i>6.5</i>	<i>8.6</i>	<i>6.0</i>	
<i>Secondary Blended International Equity Benchmark</i>			<i>-10.4</i>	<i>-1.0</i>	<i>22.1</i>	<i>13.8</i>	<i>6.1</i>	<i>8.3</i>	<i>5.2</i>	
Acadian ACWI ex U.S. Small Cap Equity	20,818,698	1.5	-10.8	-0.5	27.4	16.0	9.1	--	11.8	May-19
<i>MSCI AC World ex USA Small Cap (Net)</i>			<i>-11.2</i>	<i>-0.5</i>	<i>27.8</i>	<i>13.7</i>	<i>5.7</i>	<i>--</i>	<i>8.2</i>	
Driehaus International Small Cap Growth	19,683,116	1.4	-12.0	-2.8	26.7	12.3	3.8	--	9.5	May-19
<i>MSCI AC World ex USA Small Growth Index (Net)</i>			<i>-11.4</i>	<i>-0.9</i>	<i>27.1</i>	<i>11.7</i>	<i>3.3</i>	<i>--</i>	<i>7.3</i>	
GQG International Equity	64,837,152	4.6	-5.7	4.4	16.5	16.2	9.6	--	10.4	Dec-19
<i>MSCI AC World ex USA (Net)</i>			<i>-10.8</i>	<i>-0.7</i>	<i>24.9</i>	<i>14.5</i>	<i>7.0</i>	<i>--</i>	<i>8.5</i>	
First Eagle International Value Fund	62,881,809	4.5	-10.0	2.6	28.7	16.2	9.9	--	9.2	Dec-19
<i>MSCI EAFE (Net)</i>			<i>-10.3</i>	<i>-1.2</i>	<i>21.3</i>	<i>13.6</i>	<i>7.9</i>	<i>--</i>	<i>8.6</i>	
<i>MSCI AC World ex USA Value (Net)</i>			<i>-9.5</i>	<i>2.1</i>	<i>31.1</i>	<i>19.0</i>	<i>10.8</i>	<i>--</i>	<i>10.2</i>	
Emerging Markets Equity	68,485,981	4.9	-10.8	-12.0	0.4	8.8	-2.4	8.8	5.5	May-12
<i>MSCI EM</i>			<i>-13.1</i>	<i>-0.2</i>	<i>29.6</i>	<i>14.8</i>	<i>3.7</i>	<i>8.0</i>	<i>5.0</i>	
Artisan Developing World TR	42,938,631	3.1	-9.2	-18.0	-13.1	6.3	-4.3	--	5.7	Dec-19
<i>MSCI Emerging Markets (Net)</i>			<i>-13.1</i>	<i>-0.2</i>	<i>29.6</i>	<i>14.8</i>	<i>3.7</i>	<i>--</i>	<i>7.3</i>	
RWC	25,547,350	1.8	-13.4	0.4	33.4	12.7	0.9	--	6.0	Dec-19
<i>MSCI Emerging Markets (Net)</i>			<i>-13.1</i>	<i>-0.2</i>	<i>29.6</i>	<i>14.8</i>	<i>3.7</i>	<i>--</i>	<i>7.3</i>	

Historical returns for the International Equity Composite prior to December 2010 are gross only.

International Equity Primary/Secondary benchmarks share the same benchmark history through June 30, 2025, as noted in the Benchmark History section. From July 1, 2025 onwards, the Primary Blended International Equity Benchmark consists of the MSCI AC World ex USA IMI, whereas the Secondary Blended International Equity Benchmark consists of 80% MSCI EAFE / 20% MSCI AC World ex USA Small Cap.

Trailing Net Performance | As of March 31, 2026

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
US Fixed Income	232,929,415	16.6	-1.3	0.1	4.5	3.9	0.2	1.9	4.4	Jan-95
<i>US Fixed Income Custom Benchmark</i>			<i>-1.8</i>	<i>0.0</i>	<i>4.3</i>	<i>3.7</i>	<i>0.5</i>	<i>2.0</i>	<i>4.5</i>	
Vanguard Total Bond Market Index Fund	32,206,853	2.3	-1.7	0.1	4.3	3.6	0.3	--	1.6	May-19
<i>Blmbg. U.S. Aggregate Index</i>			<i>-1.8</i>	<i>0.0</i>	<i>4.3</i>	<i>3.6</i>	<i>0.3</i>	<i>--</i>	<i>1.6</i>	
Payden & Rygel Low Duration Fund	22,771,079	1.6	-0.7	0.2	4.2	5.0	--	--	5.2	Nov-22
<i>Blmbg. U.S. Treasury: 1-3 Year</i>			<i>-0.5</i>	<i>0.3</i>	<i>3.8</i>	<i>4.0</i>	<i>--</i>	<i>--</i>	<i>4.3</i>	
Brandywine US Fixed Income	68,111,555	4.8	-0.4	0.4	5.0	3.1	--	--	3.3	Nov-22
<i>Blmbg. U.S. Aggregate Index</i>			<i>-1.8</i>	<i>0.0</i>	<i>4.3</i>	<i>3.6</i>	<i>--</i>	<i>--</i>	<i>5.0</i>	
Wellington Core Bond	109,839,929	7.8	-1.8	0.0	4.4	4.5	--	--	4.9	Nov-22
<i>Blmbg. U.S. Aggregate Index</i>			<i>-1.8</i>	<i>0.0</i>	<i>4.3</i>	<i>3.6</i>	<i>--</i>	<i>--</i>	<i>5.0</i>	
Opportunistic Credit	61,613,256	4.4	-0.2	0.8	6.9	9.2	5.7	--	6.0	May-19
<i>Custom Blended Opportunistic Credit Benchmark</i>			<i>-0.6</i>	<i>-0.4</i>	<i>5.0</i>	<i>5.9</i>	<i>2.7</i>	<i>--</i>	<i>3.4</i>	
PIMCO Income Fund	5,649,364	0.4	-2.4	-0.6	6.9	7.5	3.8	--	4.1	May-19
<i>Blmbg. U.S. Aggregate Index</i>			<i>-1.8</i>	<i>0.0</i>	<i>4.3</i>	<i>3.6</i>	<i>0.3</i>	<i>--</i>	<i>1.6</i>	
GoldenTree Multi-Sector Credit	30,923,767	2.2	-0.4	0.1	6.7	9.5	5.9	--	6.2	Jun-19
<i>50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans</i>			<i>-0.3</i>	<i>-0.5</i>	<i>5.9</i>	<i>8.3</i>	<i>5.1</i>	<i>--</i>	<i>5.4</i>	
OWS Credit Opportunity Fund LP	25,040,126	1.8	0.6	1.9	7.3	--	--	--	8.7	Oct-23
<i>50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans</i>			<i>-0.3</i>	<i>-0.5</i>	<i>5.9</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>8.2</i>	

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

The market values of GoldenTree Multi-Sector Credit and OWS Credit Opportunity Fund LP are based on manager provided estimates, due to data availability

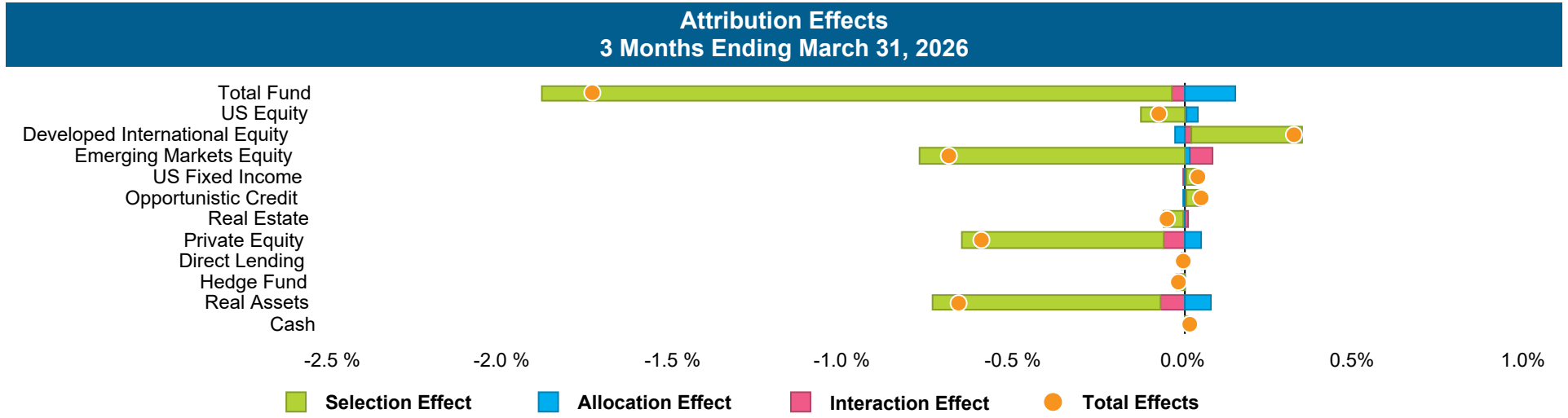
Trailing Net Performance | As of March 31, 2026

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Real Estate	75,777,115	5.4	0.0	0.0	0.4	-0.2	3.6	3.9	5.9	Dec-10
<i>Custom Blended Real Estate Benchmark</i>			<i>0.9</i>	<i>0.9</i>	<i>3.8</i>	<i>-3.4</i>	<i>3.4</i>	<i>4.4</i>	<i>7.3</i>	
Private Equity	239,160,159	17.0	0.0	0.0	8.6	7.8	13.0	13.4	10.1	Jul-05
<i>Custom Private Equity Benchmark</i>			<i>1.1</i>	<i>4.0</i>	<i>25.2</i>	<i>24.4</i>	<i>16.6</i>	<i>17.8</i>	<i>--</i>	
Direct Lending	84,854,181	6.0	0.0	0.0	8.1	10.0	8.6	--	9.8	Jul-20
<i>Morningstar LSTA Leveraged Loans +2%</i>			<i>0.7</i>	<i>-0.1</i>	<i>6.9</i>	<i>10.1</i>	<i>8.0</i>	<i>--</i>	<i>9.0</i>	
Hedge Funds	76,632,504	5.5	-2.7	0.3	7.0	7.4	5.8	6.4	5.3	Jul-14
<i>Custom Blended Hedge Funds Benchmark</i>			<i>-2.1</i>	<i>0.7</i>	<i>11.6</i>	<i>8.5</i>	<i>4.9</i>	<i>5.3</i>	<i>--</i>	
Private Infrastructure	49,927,779	3.6	0.0	0.0	8.0	10.9	11.1	11.7	10.2	Jan-15
<i>S&P Global Infrastructure</i>			<i>-4.1</i>	<i>8.3</i>	<i>26.9</i>	<i>16.2</i>	<i>12.1</i>	<i>9.4</i>	<i>7.9</i>	
Private Natural Resources	32,029,935	2.3	0.0	0.0	12.4	14.4	20.9	15.4	15.6	Oct-15
<i>S&P Global Natural Resources Sector Index (TR)</i>			<i>-1.4</i>	<i>19.8</i>	<i>45.1</i>	<i>13.8</i>	<i>12.9</i>	<i>12.1</i>	<i>12.5</i>	
Cash	26,972,174	1.9	0.5	1.1	4.9	4.6	2.9	--	--	Dec-10
Cash	20,214,536	1.4	0.3	1.0	4.2	4.7	2.9	2.0	-0.4	Dec-10
Treasury Cash	6,757,638	0.5	3.9	3.9	24.4	8.2	4.8	--	2.8	Sep-17

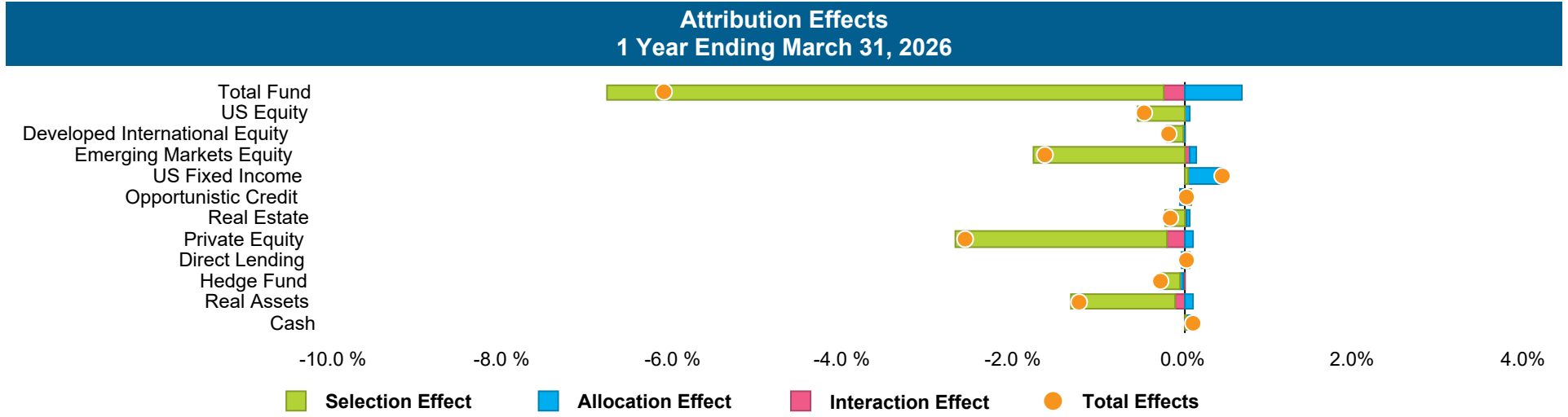
All private markets performance and market values reflect a 09/30/25 capital account balance (as of 01/31/2026) unless otherwise noted.

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

Cash market value is subject to change pending final reconciliation of private markets data.



Attribution Summary 3 Months Ending March 31, 2026							
	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	-4.5	-4.0	-0.5	-0.1	0.0	0.0	-0.1
Developed International Equity	2.2	-0.7	2.9	0.3	0.0	0.0	0.3
Emerging Markets Equity	-12.0	-0.2	-11.8	-0.8	0.0	0.1	-0.7
US Fixed Income	0.1	0.0	0.2	0.0	0.0	0.0	0.0
Opportunistic Credit	0.8	-0.4	1.2	0.0	0.0	0.0	0.0
Real Estate	0.0	0.9	-0.9	-0.1	0.0	0.0	-0.1
Private Equity	0.0	4.0	-4.0	-0.6	0.0	-0.1	-0.6
Direct Lending	0.0	-0.1	0.1	0.0	0.0	0.0	0.0
Hedge Fund	0.3	0.7	-0.4	0.0	0.0	0.0	0.0
Real Assets	0.0	14.0	-14.0	-0.7	0.1	-0.1	-0.7
Cash	1.1	0.9	0.2	0.0	0.0	0.0	0.0
Total Fund	-1.2	0.5	-1.7	-1.8	0.1	0.0	-1.7



Attribution Summary
1 Year Ending March 31, 2026

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	15.6	18.1	-2.5	-0.5	0.1	0.0	-0.5
Developed International Equity	23.9	25.4	-1.5	-0.2	0.0	0.0	-0.2
Emerging Markets Equity	0.4	29.6	-29.1	-1.8	0.1	0.1	-1.6
US Fixed Income	4.5	4.3	0.2	0.0	0.4	0.0	0.4
Opportunistic Credit	6.9	5.0	1.9	0.1	-0.1	0.0	0.0
Real Estate	0.4	3.8	-3.4	-0.2	0.0	0.0	-0.2
Private Equity	8.6	25.2	-16.6	-2.5	0.1	-0.2	-2.6
Direct Lending	8.1	6.9	1.2	0.1	0.0	0.0	0.0
Hedge Fund	7.0	11.6	-4.6	-0.2	0.0	0.0	-0.3
Real Assets	9.8	35.9	-26.1	-1.2	0.1	-0.1	-1.3
Cash	4.9	4.1	0.8	0.0	0.1	0.0	0.1
Total Fund	10.4	16.6	-6.1	-6.5	0.7	-0.3	-6.1

Benchmark History		
From Date	To Date	Benchmark
Total Fund		
01/01/2026	Present	22.0% Russell 3000, 12.0% Merced - Primary Blended International Equity Benchmark, 6.0% MSCI EM, 18.0% US Fixed Income Custom Benchmark, 5.0% Custom Blended Hedge Funds Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% Morningstar LSTA Leverage Loans +2%, 5.0% Custom Blended Real Assets Benchmark, 6.0% Custom Blended Real Estate Benchmark, 4.0% Custom Blended Opportunistic Credit Benchmark, 2.0% Blmbg. U.S. Treasury Bills: 1-3 Months
07/01/2025	12/31/2025	22.0% Russell 3000, 12.0% Merced - Primary Blended International Equity Benchmark, 6.0% MSCI EM, 18.0% US Fixed Income Custom Benchmark, 5.0% Custom Blended Hedge Funds Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% S&P LSTA Leveraged Loan +2%, 5.0% Custom Blended Real Assets Benchmark, 6.0% Custom Blended Real Estate Benchmark, 4.0% Custom Blended Opportunistic Credit Benchmark, 2.0% Blmbg. U.S. Treasury Bills: 1-3 Months
07/01/2024	06/30/2025	22.0% Russell 3000, 12.0% Custom Blended Developed International Equity BM, 6.0% MSCI EM, 18.0% US Fixed Income Custom Benchmark, 5.0% Custom Blended Hedge Funds Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% S&P LSTA Leveraged Loan +2%, 5.0% Custom Blended Real Assets Benchmark, 6.0% Custom Blended Real Estate Benchmark, 4.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% S&P UBS Lev Loans, 2.0% Blmbg. U.S. Treasury Bills: 1-3 Months
01/01/2022	06/30/2024	22.0% Russell 3000, 11.0% Custom Blended Developed International Equity BM, 8.0% MSCI EM, 11.0% US Fixed Income Custom Benchmark, 10.0% Custom Blended Hedge Funds Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% S&P LSTA Leveraged Loan +2%, 5.0% Custom Blended Real Assets Benchmark, 8.0% Custom Blended Real Estate Benchmark, 5.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% S&P UBS Lev Loans
01/01/2020	12/31/2021	21.0% Russell 3000, 10.0% Custom Blended Developed International Equity BM, 8.0% MSCI EM, 18.0% BBgBarc US Aggregate TR, 10.0% Custom Blended Hedge Funds Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% Custom Blended Real Assets Benchmark, 8.0% Custom Blended Real Estate Benchmark, 5.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% S&P UBS Lev Loans
07/01/2019	12/31/2019	21.0% US Equity Custom, 18.0% Secondary Blended International Equity Benchmark, 18.0% US Fixed Custom, 10.0% Custom Blended Hedge Funds Benchmark, 15.0% Thomson Reuters Cambridge Private Equity Index, 5.0% Real Asset Custom, 8.0% NCREIF ODCE (Net), 5.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% S&P UBS Lev Loans
01/01/2019	06/30/2019	21.0% US Equity Custom, 23.0% US Fixed Custom, 18.0% Secondary Blended International Equity Benchmark, 10.0% Custom Blended Hedge Funds Benchmark, 15.0% Thomson Reuters Cambridge Private Equity Index, 5.0% Real Asset Custom, 8.0% NCREIF ODCE (Net)
01/01/2017	12/31/2018	27.0% US Equity Custom, 22.0% US Fixed Custom, 23.0% Secondary Blended International Equity Benchmark, 5.0% Custom Blended Hedge Funds Benchmark, 9.0% Thomson Reuters Cambridge Private Equity Index, 14.0% Real Asset Custom
07/01/2014	12/31/2016	22.7% Russell 1000 Index, 5.7% Russell 2000 Index, 23.6% Secondary Blended International Equity Benchmark, 28.5% US Fixed Custom, 4.5% Custom Blended Hedge Fund Benchmark, 8.0% NCREIF ODCE (Net), 7.0% Thomson Reuters Cambridge Private Equity Index

From Date	To Date	Benchmark
US Equity		
01/01/2020	Present	100.0% Russell 3000 Index
12/01/1994	12/31/2019	100.0% Russell 3000
International Equity		
07/01/2025	Present	100.0% MSCI AC World ex USA IMI (Net)
01/01/2019	06/30/2025	56.0% MSCI EAFE Index, 44.0% MSCI Emerging Markets Index
01/01/2017	12/31/2018	69.6% MSCI EAFE Index, 30.4% MSCI Emerging Markets Index
01/01/1999	12/31/2016	100.0% MSCI AC World ex USA Index
US Fixed Income		
07/01/2025	Present	100.0% Blmbg. U.S. Aggregate Index
12/01/1994	06/30/2025	10.0% Blmbg. U.S. Treasury: 1-3 Year, 90.0% BBgBarc US Aggregate TR
Hedge Funds		
07/01/2017	Present	100.0% HFRI Fund of Funds Composite Index
01/01/2015	06/30/2017	50.0% HFRI Fund of Funds Composite Index, 50.0% HFRI RV: Multi-Strategy Index
Real Assets		
01/01/2022	Present	50.0% S&P Global Infrastructure, 50.0% S&P Global Natural Resources Sector Index (TR)
01/01/2020	12/31/2021	50.0% Cambridge Energy Upstream & Royalties & Private Energy (1 Quarter Lagged), 50.0% Cambridge Infrastructure (1 Quarter Lagged)
03/01/1999	12/31/2019	100.0% Real Asset Custom
Private Real Estate		
01/01/2020	Present	100.0% NCREIF ODCE 1Q Lagged
03/01/1999	12/31/2019	100.0% NCREIF Fund Index-Open End Diversified Core Equity (VW) (Net)
Private Equity		
01/01/2022	Present	100.0% 70% Russell 3000/ 30% MSCI AC World ex USA + 300bps (1 Quarter Lagged)
01/01/2020	12/31/2021	100.0% Cambridge Global Private Equity & VC (1 Quarter Lagged)
12/31/1994	12/31/2019	100.0% Thomson Reuters Cambridge Private Equity Index
Opportunistic Credit		
01/01/2026	Present	20.0% Blmbg. U.S. Aggregate Index, 40.0% Blmbg. U.S. Corp: High Yield Index, 40.0% Morningstar LSTA U.S. Leveraged Loan
07/01/2025	12/31/2025	20.0% Blmbg. U.S. Aggregate Index, 40.0% Blmbg. U.S. Corp: High Yield Index, 40.0% S&P UBS Leveraged Loan Index
05/01/2019	06/30/2025	100.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% S&P UBS Lev Loans

Annual Investment Expense Analysis				
Fee Schedule		Market Value (\$)	Estimated Annual Fee (%)	Estimated Expense (\$)
Total Fund		1,405,621,446		
Total Fund w/o Alternatives		820,267,599		
Public Equity		525,724,927		
US Equity		289,018,172		
BNY Mellon Newton Dynamic US Equity	0.30 % of Assets	64,294,400	0.30	192,883
BNY Mellon Large Cap	0.04 % of First \$100 M 0.02 % Thereafter	206,539,128	0.03	61,308
Champlain Small Cap	1.00 % of Assets	18,184,644	1.00	181,846
International Equity		236,706,755		
Acadian ACWI ex U.S. Small Cap Equity	0.85 % of First \$50 M 0.75 % Thereafter	20,818,698	0.85	176,959
Driehaus International Small Cap Growth	0.90 % of Assets	19,683,116	0.90	177,148
GQG International Equity	0.50 % of Assets	64,837,152	0.50	324,186
First Eagle International Value Fund	0.79 % of Assets	62,881,809	0.79	496,766
Emerging Markets Equity		68,485,981		
Artisan Developing World TR	1.05 % of Assets	42,938,631	1.05	450,856
RWC	0.87 % of Assets	25,547,350	0.87	222,262
MCERA US FIXED+OPP CREDIT		294,542,672		
US Fixed Income		232,929,415		
Vanguard Total Bond Market Index Fund	0.03 % of Assets	32,206,853	0.03	8,052
Payden & Rygel Low Duration Fund	0.43 % of Assets	22,771,079	0.43	122,964
Brandywine US Fixed Income	0.29 % of First \$50 M 0.22 % of Next \$50 M 0.18 % of Next \$400 M 0.12 % Thereafter	68,111,555	0.27	184,845
Wellington Core Bond	0.12 % of Assets	109,839,929	0.12	131,808
Opportunistic Credit		61,613,256		
PIMCO Income Fund	0.51 % of Assets	5,649,364	0.51	30,507
GoldenTree Multi-Sector Credit	0.70 % of Assets	30,923,767	0.70	216,466
OWS Credit Opportunity Fund LP		25,040,126	-	-

Fee Schedule | As of March 31, 2026

Fee Schedule	Market Value (\$)	Estimated Annual Fee (%)	Estimated Expense (\$)
Hedge Funds	76,632,504		
Marshall Wace Eureka	5,243,014	2.00	104,860
Marshall Wace Global Opportunities	6,848,241	2.00	136,965
Taconic Opportunity Fund	718,947	1.40	10,065
Silver Point Capital	16,100,092	1.50	241,501
Graham Absolute Return	5,244,210	1.75	91,774
Laurion Capital	8,122,431	2.00	162,449
Wellington Global Equity Long/Short Fund	11,001,312	1.00	110,013
Cash	26,972,174		
Cash	20,214,536	-	-
Treasury Cash	6,757,638	-	-

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



TO: State Association of County Retirement Systems
FROM: Cara Martinson, Capitol Advocacy
Laurie Johnson, LJ Consulting & Advocacy
DATE: April 6, 2026

RE: Legislative Update – April

The Legislature has returned from its spring recess and is entering the busy April policy committee phase of the legislative session, following the introduction of bills and several weeks of initial committee hearings. As is typical at this stage in the legislative calendar, committees are advancing or holding measures in advance of key policy committee and fiscal deadlines in May.

Concurrently, budget subcommittees are actively reviewing the Governor’s January budget proposal and beginning to develop spending priorities ahead of the May Revision, expected in mid-May. This period represents a critical juncture during which policy priorities and fiscal constraints begin to converge, shaping both the advancement of policy measures through the Appropriations Committees and broader negotiations over the final state budget. Affordability, AI, Data Centers, health care and housing affordability continue to dominate policy conversations.

The gubernatorial election is also entering a more active phase as candidates from both parties prepare for the June 2nd primary. The broader political environment is increasingly influenced by this election cycle, with campaign activity accelerating as candidates raise funds, and stake out positions on policy issues with key stakeholder groups. The gubernatorial field is notably crowded this cycle, particularly on the Democratic side, with multiple high-profile candidates entering the open-seat race. This concentration of Democratic contenders is expected to fragment the vote in the primary, creating a highly competitive environment under California’s top- two system. Buckle-up for a busy summer!

The following is an update on bills that SACRS is actively following:

II. Legislative Update:

- **AB 1054 (Gipson)** - This bill would establish the Deferred Retirement Option Program (DROP) as a voluntary program within PERS for employees of State Bargaining Units 5 (Highway Patrol) and 8 (Firefighters). The bill states that the



DROP becomes effective and applicable only after: 1) the applicable Bargaining Unit has entered into a MOU with the employer to implement the program; 2) The program has been certified via an actuarial analysis that it is cost neutral by the CalPERS Board of Administration; and 2) CalPERS has adopted regulations to implement and administer the program.

- Status: This bill passed out the Assembly and is awaiting action in the Senate.
- Position: No Position/Watch

- **AB 1383 (McKinnor)** – The bill was heard in the Assembly PERS Committee and advanced out of the Appropriations Committee in January after taking several amendments. The bill includes the following provisions:
 - Adjust, on and after January 1, 2027, the pensionable compensation limit to the Social Security compensation limit. The prior version of the bill would have increased the pensionable compensation limit to the higher IRC 415(b) threshold.
 - Lower the retirement age on a prospective basis from age 57 to 55 for three existing safety DB retirement formulas, and
 - Authorize a public employer to create a fourth PEPRA safety DB retirement formula of three percent (3%) at age 55, to be applied prospectively.
 - Amendments this year removed a provision that would have permitted collective bargaining over the 50-50 normal cost sharing requirement.
 - Status: This bill advanced out of the Assembly and is now awaiting action in the Senate
 - Position: Neutral (as recommended by SACRS Legislative Committee)

- **AB 1439 (Garcia)** - The bill would have required labor protection standards on pension system investments in development projections. The bill was amended coming out of the Assembly to now require CalPERS and CalSTRS to contract with the University of California Labor Centers to conduct an independent study to determine the impacts on public employee retirement funds of prohibiting the boards from investing in California development projects that do not provide labor standards protections for workers. The bill no longer applies to the CERL systems and removes SACRS' opposition.
 - Status: The bill passed out of the Assembly and is awaiting action in the Senate.
 - Position: No position/watch



- **AB 1601 (Rogers)** – This bill would permit the county Board of Supervisors for Sonoma County to authorize a cost-of-living adjustment to the retirement allowances, optional death allowances, or annual death allowances payable by the retirement system.
 - Status: This bill has been set for hearing in the Assembly PERS Committee on 4/8.
 - Position: Neutral (as recommended by SACRS Legislative Committee)
- **AB 1619 (Valencia)** – This bill would allow county Boards of Supervisors to authorize an increase in the Board of Retirement trustee per diem from \$100 to \$320. The bill would then require action by the Board of Retirement to establish the increased compensation rate.
 - Status: This bill has been referred to the Assembly PERS Committee
 - Position: Neutral (as recommended by SACRS Legislative Committee)
- **AB 1660 (Schiavo)** – This bill would require a court to award sanctions of no less than \$1,000 per violation if a financial institution, private agency, retirement fund administrator, insurance company, or other person fails to comply with existing requirements to provide information or surrender property of a decedent, minor, or conservatee to a public administrator or public guardian that is authorized to take possession and control of such property.
 - Status: This bill passed out of the Assembly Judiciary Committee and is awaiting action in the Assembly Appropriations Committee
 - Position: Pending
- **AB 1762 (Gonzalez)** – This bill extends Public Employees' Medical and Hospital Care Act (PEMHCA) authorization contract for health benefits to the City of Indio for employees hired from January 1, 2025, onward. It sets conditions such as collective bargaining agreements and requires at least five years of service for any benefit eligibility. The bill applies only to retirees after the approval of the memorandum of understanding and mandates that the City of Indio provide necessary notifications and information.
 - Status: This bill has been referred to the Assembly PERS Committee
 - Position: No position/watch
- **AB 1844 (Pacheco)** – This bill modifies the Judges' Retirement System II, to give judges more flexibility in designating beneficiaries for their retirement benefits. This bill would authorize a judge who elects one of the optional retirement payment plans in lieu of receiving the maximum retirement allowance to designate a beneficiary other than their spouse to receive the



- payment or allowance after the judge's death, subject to the community property rights of the judge's spouse. Additionally, the bill extends existing survivor benefits to non-spouse beneficiaries, removing the stipulation that the judge must have served a minimum of 20 years if they die in office.
- Status: This bill passed out the Assembly and is awaiting action in the Senate.
 - Position: No position/watch
- **AB 2336 (Macedo)** – This bill would, for taxable years beginning on or after January 1, 2026, and before January 1, 2031, exclude from gross income the first \$25,000 of overtime pay received by a taxpayer during the taxable year. The bill would also exclude from gross income the first \$25,000 received by a taxpayer as proceeds from a defined benefit plan.
 - Status: This bill is will be heard in the Assembly PERS Committee on 4/13
 - Position: No position/watch
 - **AB 2780 (Assembly Committee on Public Employment and Retirement) – Public Retirement Systems: Omnibus Bill** - This bill includes the SACRS-sponsored legislative package in the Legislature's annual omnibus bill for technical changes to laws affecting CalSTRS, CalPERS, and the CERL systems. The proposed changes in the CERL include the following:
 - Clarifying that deferred members cannot run for or vote in active member Miscellaneous and Safety trustee elections.
 - Establishing a 10-year statute of limitations for recovery of overpayments due to fraudulent reports of overpaid death benefits.
 - Formalizing the practice of the majority of CERL systems that only the last system pays a lump-sum burial allowance for reciprocal members.
 - Defining "concurrent retirement" to allow reciprocal members to retire on different dates with 30 days of each retirement date, as long as there is not overlapping service.
 - Status: This bill has been referred to the Assembly PERS Committee
 - Position: Support
 - **SB 1187 (Durazo)** – This bill would define "majority" in the Brown Act to mean the number of members of the legislative body equaling more than half of the total number of seats on the legislative body. The bill would specify that if a seat on the legislative body is vacant, that seat is to still be counted as a seat on the legislative body.



- Status: This bill has been referred to the Senate Local Government Committee
 - No position/watch
- **SB 1207 (Laird)** – This bill makes various changes to the CA Conversation Corps and would allow Cal PERS members to receive service credits for service as a Conservation Corps member, similar to service credits allowed for service in the Peace Corps or AmeriCorps.
 - Status: This bill is awaiting Committee referral
 - No position/watch
- **SB 1319 (Durazo)** – This bill expands requirements for public disclosure of alternative investment information, including a comparison of how the alternative investment performed versus what the public fund would have earned if it had invested the same amount in a comparable public market index, adjusted for factors like risk, liquidity, and expenses. The bill also requires disclosure of the identity of the enterprise or activity in which the investment is made, the geographic locations where the enterprise or activity takes place, and the number and classifications of employees at each such location.
 - Status: This bill is awaiting policy committee referral
 - Position: Pending
- **SB 1407 (Archuletta)** – Current law allows up to \$20,000 of federal military retirement pay and certain Survivor Benefit Plan annuity payments to be excluded from taxable income for qualifying taxpayers between 2025 and 2030. This bill would remove the income limits and the \$20,000 cap, extend the exclusion through 2037, and require reporting on the tax expenditure.
 - Status: This bill will be heard in the Senate Revenue & Taxation Committee on 4/8.
 - Position: No position/watch

Contact:

If you have any questions, contact Cara Martinson at cmartinson@capitoladvocacy.com, or Laurie Johnson at lauriejconsult@gmail.com.



Merced County Employees' Retirement Association

DATE: April 23, 2026
TO: MercedCERA Board of Retirement
FROM: Pete Madrid, Assistant Plan Administrator - Investments
SUBJECT: Staff Market Summary and Investment Performance Update
ITEM NUMBER: Open Session Item a
ITEM TYPE: Information Only

DISCUSSION:

Capital Markets & Economic Summary

In March 2026, the U.S. labor market showed a notable rebound as nonfarm payroll employment increased by 178,000, easily beating economist expectations. The unemployment rate edged down slightly to 4.3% from 4.4% in February, even as the labor force participation rate dipped to 61.9%. Hiring was driven by the healthcare sector, which added 76,000 jobs as workers returned from a major physician strike, as well as gains in construction (+26,000) and transportation (+21,000). Accompanying these figures were significant revisions to previous data: the January gain was revised upward by 34,000 to +160,000, while the February contraction was deepened by a downward revision of 41,000 to -133,000.

The U.S. inflation report for March 2026, released by the Bureau of Labor Statistics, revealed a significant acceleration in headline CPI, which surged 0.9% on a monthly basis, the largest increase since 2022. This spike pushed the year-over-year headline inflation rate to 3.3%, up from 2.4% in February, driven almost entirely by a 10.9% jump in energy costs and a record-breaking 21.2% monthly rise in gasoline prices. In contrast, core CPI, which excludes the more volatile food and energy components, showed much more moderation, rising just 0.2% for the month. On an annual basis, core inflation stood at 2.6%, a slight increase from the 2.5% recorded in February, as cooling shelter costs (up 0.3%) and declines in medical care and used vehicle prices helped offset the broader energy-driven surge in the headline figure.

Comments made following the March meeting show the Federal Reserve has adopted a cautious "wait-and-see" approach, maintaining the federal funds rate in a target range of 3.50% to 3.75%. After implementing three quarter-point cuts in late 2025 to bolster the labor market, the Federal Open Market Committee (FOMC) has held rates steady for three consecutive meetings in early 2026. This pivot toward patience is largely driven by



Merced County Employees' Retirement Association

a significant energy shock and rising geopolitical tensions, which have introduced new inflationary risks. While markets initially anticipated a series of cuts in 2026, the prevailing consensus has shifted toward a "higher-for-longer" reality. The Fed has signaled it will require more decisive evidence of cooling inflation before resuming its cutting cycle, with some analysts even warning that a return to rate hikes could be on the table if energy-driven inflation becomes entrenched.

The U.S. equity market experienced a sharp downturn in March as geopolitical instability and persistent inflationary pressures triggered a broad move toward de-risking. The S&P 500 Index fell by 5.1% for the month, ending its early-year momentum as investors reacted to an escalation in the U.S.-Iran conflict. Small-cap stocks faced even steeper headwinds, with the Russell 2000 Index sliding 6.0% in March as heightened sensitivity to funding conditions and a "higher-for-longer" interest rate outlook weighed on smaller, more leveraged companies. This widespread sell-off spared few sectors outside of Energy, which surged alongside crude oil prices, leaving both large-cap and small-cap benchmarks in negative territory for the year by the end of the first quarter.

International and emerging markets were heavily impacted by a global "risk-off" sentiment following the outbreak of conflict in Iran, which drove oil prices above \$100 per barrel. The MSCI EAFE Index, tracking developed markets outside the U.S., plunged 10% for the month, erasing previous gains to end the first quarter with a 1.2% decline. Performance within the index was split, as value-oriented sectors like energy and materials provided some defense while growth-heavy sectors struggled with rising rates. Emerging markets faced even steeper losses, with the MSCI Emerging Markets Index sliding 13% in March as the strengthening U.S. dollar and extreme energy price volatility pressured oil-importing nations.

The U.S. bond market faced significant selling pressure in March as surging energy prices and geopolitical conflict drove a flattening of the yield curve. U.S. Treasury yields rose across all maturities, with the 10-year yield climbing approximately 38 basis points to end the month above 4.3%, while the 2-year yield surged 42 basis points to 3.8%. This move was fueled by investors aggressively paring back expectations for Federal Reserve rate cuts in 2026. The broader Bloomberg US Aggregate Bond Index struggled in this high-rate environment, posting a monthly decline of 1.8% (its worst since 2022) and leaving the index flat for the year. Credit spreads also widened during the month as risk appetite diminished, particularly in the high-yield and emerging market sectors, as the market grappled with the dual headwinds of rising real rates and a tightening of global financial conditions.



Merced County Employees' Retirement Association

March Portfolio Performance Update

The Total Fund returned -3.2% in March, the first negative monthly return since March 2025. Excluding private investments, the portfolio fell 5.1% as it experienced negative returns across every asset class. US equity returned -5.3% while broad international and emerging markets equity fell -9.3% and -10.8%, respectively. The portfolio's fixed income investments also fell as investors' demand for safer assets was offset by increased concerns over inflation and lower expectations for Federal Reserve rate cuts in 2026. Hedge funds offered some protection, returning -2.7% but outperforming US and international equity by a wide margin.

While the portfolio saw a one-month loss, please note the portfolio has returned more than 10% over the prior year and more than 30% over the trailing three-year period. Additionally, many of the market losses from March have since been recovered. As of April 15th, the S&P 500 Index is up more than 7% month-to-date versus its 5% loss in March. International and emerging markets equity markets have partially offset March losses with strong gains in early April.

Trailing Performance as of March 31, 2026	Market Value (\$M)	% of Portfolio	1 Month	1 Year	3 Years	5 Years	Since Incep.	Incep. Date
Champlain Small Cap	18,184,644	1.3	-8.9	-6.3	2.9	-0.5	4.5	Nov-20
<i>Russell 2000 Index</i>			<i>-5.0</i>	<i>25.7</i>	<i>13.0</i>	<i>3.8</i>	<i>10.8</i>	
GQG International Equity	64,837,152	4.6	-5.7	16.5	16.2	9.6	10.4	Dec-19
<i>MSCI ACW Ex US Index (Net)</i>			<i>-10.8</i>	<i>24.9</i>	<i>14.5</i>	<i>7.0</i>	<i>8.5</i>	
Artisan Developing World	42,938,631	3.1	-9.2	-13.1	6.3	-4.3	5.7	Dec-19
<i>MSCI Emerging Markets Index</i>			<i>-13.1</i>	<i>29.6</i>	<i>14.8</i>	<i>3.7</i>	<i>7.3</i>	

Watch List Manager Summary

Champlain underperformed the Russell 2000 Index in March, -8.9% versus -5.0%. The strategy's industrial sector holdings were the largest relative detractor, primarily driven by stock selection within machinery. The evolving conflict in Iran and the broader Middle East created a more challenging backdrop for industrials, with higher oil prices, renewed inflation concerns, and rising interest rates pressure.

GQG beat its MSCI ACW ex US Index for the second month in a row, returning -5.7% versus -10.8% for the benchmark. The strategy's performance benefitted from its defensive positioning as investors sought out quality stocks during the volatile March. GQG outperformed by 5.1% during the first quarter but still lags its benchmark by more than 8% over the trailing one-year period.

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Merced County Employees' Retirement Association

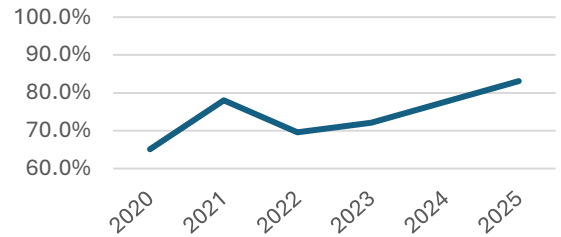
Artisan fell more than 9% in a rough month for emerging markets equity but outperformed its benchmark by nearly 4% as investors pulled back from the AI and tech-related momentum. Despite recent progress, the strategy continues to trail over longer trailing periods.

Plan Objectives

Funded Status
(as of 6/30/2025)
Ratio of Plan assets
to liabilities

Assets: \$1,379M
Liabilities: \$1,660M
Difference: \$281M

% of Liabilities Funded: **83.1%**



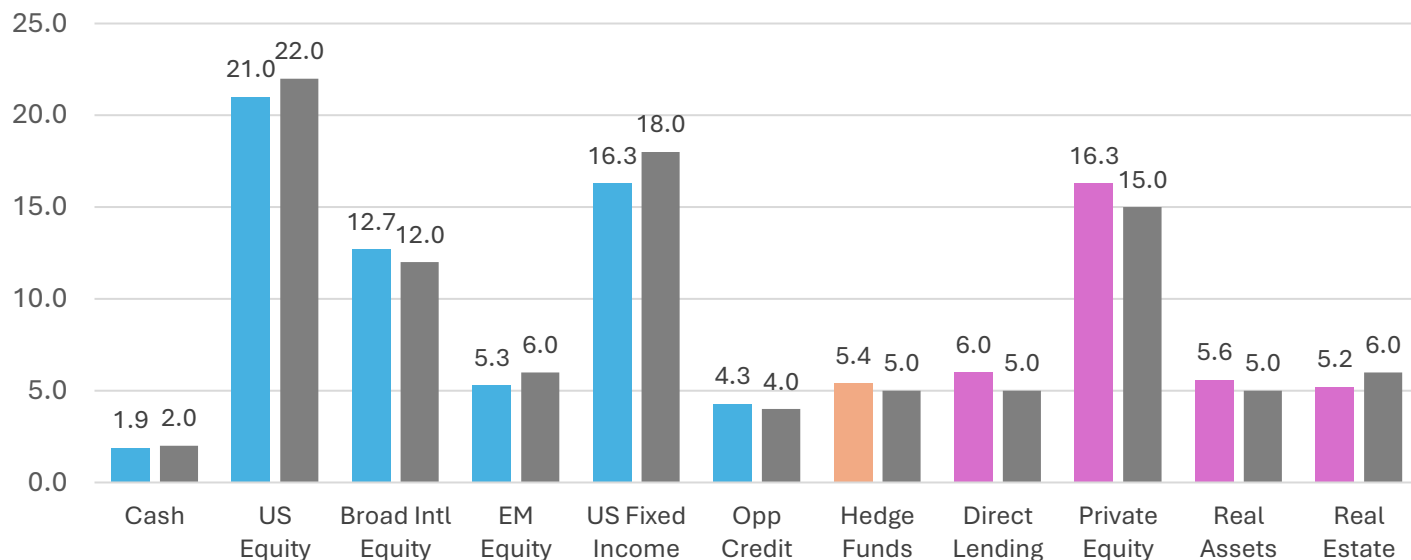
Assumed Rate of Return Annualized rate of return required to meet Plan liabilities					
	1 Year	3 Years	5 Years	10 Years	
MercedCERA Total Fund	10.4	10.2	6.7	8.7	
Assumed Rate of Return	6.75	6.75	6.75	6.75	
<i>Difference</i>	+3.7	+3.5	0.0	+2.0	

Policy Index Blended benchmark consisting of each asset class benchmark at its target weight					
	1 Year	3 Years	5 Years	10 Years	
MercedCERA Total Fund	10.4	10.2	6.7	8.7	
Policy Index	16.6	12.9	8.3	9.5	
<i>Difference</i>	-6.2	-2.7	-1.6	-0.8	

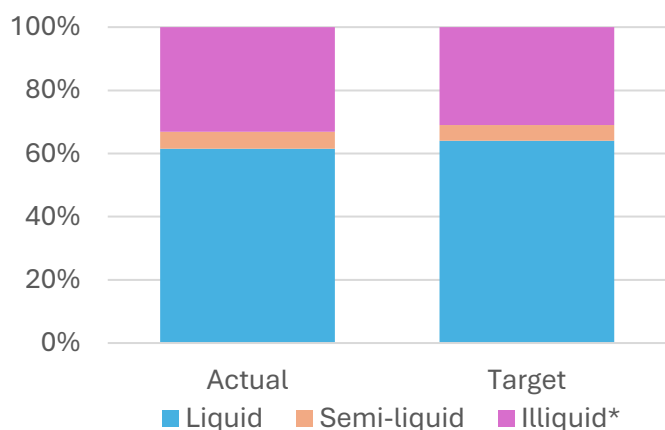
Market and Portfolio Highlights

- The first quarter of 2026 was marked by a "Great Rotation," as the S&P 500 Index fell by 4.3% due to a significant retreat from mega-cap technology and AI-linked stocks. In contrast, the small-cap Russell 2000 Index demonstrated notable resilience, ending the quarter with a positive gain of roughly 0.9% as investors shifted focus toward value-oriented and domestic-leaning equities.
- The Bloomberg US Aggregate Bond Index was flat (0.0% return) during the first quarter of 2026, as the 10-Year Treasury yield climbed toward 4.4% in response to persistent inflationary pressures. Despite this broad market weakness, the Bloomberg US High Yield Index managed a positive return of roughly 1.2%, supported by resilient corporate earnings and narrow credit spreads that cushioned the impact of rising rates.
- The Total Fund returned -1.2% in the first quarter versus 0.5% for the Policy Index. Relative performance was impacted by public equity and specifically, emerging markets equity – which trailed its benchmark by approximately 12%. Fixed income and opportunistic credit managed slightly positive returns for the quarter, returning 0.1% and 0.8%, respectively.

Actual Allocation versus Target Allocation (%)



Liquidity Profile

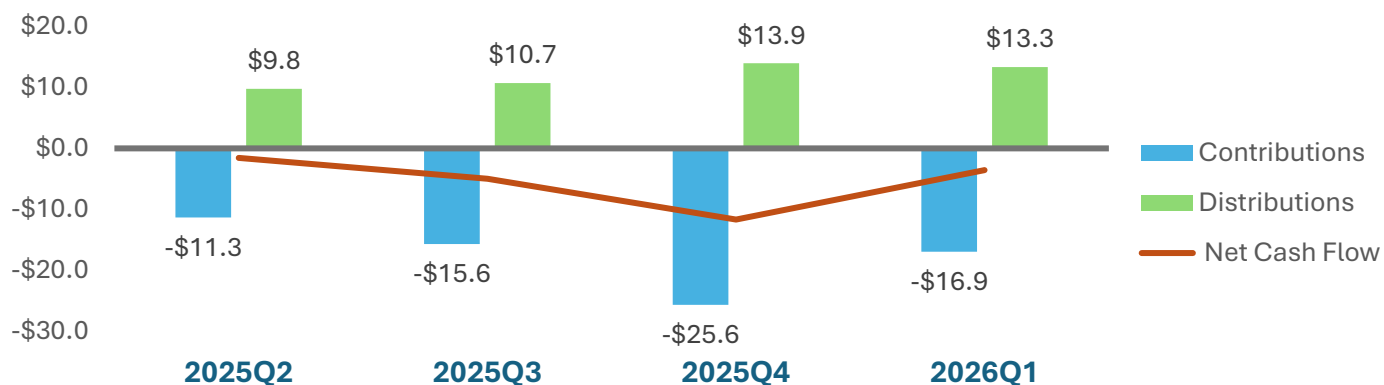


Time to Redeem Assets*	Market Value (3/31/2026**)	% of Portfolio
Day	\$484,272,090	35%
Week	\$138,390,665	9%
Month	\$101,662,017	9%
Quarter	\$99,038,279	7%
Year	\$107,264,040	8%
Illiquid	\$482,777,667	32%

*Time to Redeem Assets includes a 10% holdback for redemption times shorter than a year. Holdbacks are included in Year figure.

**Market values for hedge funds and private investments are as of 12/31/2025.

Cash Contributions / Distributions* (\$ Millions)



*Represents quarterly totals for the private markets portfolio capital calls and distributions. Contributions may include management fees.

2026 Review Topics

<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
<ul style="list-style-type: none"> -Capital market expectations -Trustee risk survey -Risk mitigation strategies -Private credit risk -Pension de-risking 	<ul style="list-style-type: none"> -Functional framework -Active / passive review -US large cap equity review -Private markets full expense analysis 	<ul style="list-style-type: none"> -Asset allocation study -Liquidity study and cash flow modeling -Hedge fund portfolio review -Plan liability analysis 	<ul style="list-style-type: none"> -Investment policy review -Forward looking private pacing analysis

Economic Indicators

<p>Consumer Price Index "CPI" (Headline /Core*) <i>Broadly used US inflation metric</i></p> <p style="text-align: center; font-weight: bold; font-size: 1.2em;">3.3% / 2.6%</p>	<p><u>Prior Quarters</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black;">2026Q1</td> <td style="border-bottom: 1px solid black;">3.3%</td> <td style="border-bottom: 1px solid black;">2.6%</td> </tr> <tr> <td>2025Q4</td> <td>2.7%</td> <td>2.6%</td> </tr> <tr> <td>2025Q3</td> <td>3.0%</td> <td>3.0%</td> </tr> <tr> <td>2025Q2</td> <td>2.7%</td> <td>2.9%</td> </tr> <tr> <td>2025Q1</td> <td>2.4%</td> <td>2.8%</td> </tr> <tr> <td style="border-top: 1px solid black;">10-Yr Avg</td> <td style="border-top: 1px solid black;">3.2%</td> <td style="border-top: 1px solid black;">3.1%</td> </tr> </table>	2026Q1	3.3%	2.6%	2025Q4	2.7%	2.6%	2025Q3	3.0%	3.0%	2025Q2	2.7%	2.9%	2025Q1	2.4%	2.8%	10-Yr Avg	3.2%	3.1%	<p>Federal Funds Rate (Target Range) <i>Overnight rate / Sets floor for lending rates</i></p> <p style="text-align: center; font-weight: bold; font-size: 1.2em;">3.50% - 3.75%</p>	<p><u>Prior Quarters</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black;">2026Q1</td> <td style="border-bottom: 1px solid black;">3.50%</td> <td style="border-bottom: 1px solid black;">3.75%</td> </tr> <tr> <td>2025Q4</td> <td>3.50%</td> <td>3.75%</td> </tr> <tr> <td>2025Q3</td> <td>4.00%</td> <td>4.25%</td> </tr> <tr> <td>2025Q2</td> <td>4.25%</td> <td>4.50%</td> </tr> <tr> <td>2025Q1</td> <td>4.25%</td> <td>4.50%</td> </tr> <tr> <td style="border-top: 1px solid black;">10-Yr Avg (Effective)</td> <td style="border-top: 1px solid black;">2.27%</td> <td></td> </tr> </table>	2026Q1	3.50%	3.75%	2025Q4	3.50%	3.75%	2025Q3	4.00%	4.25%	2025Q2	4.25%	4.50%	2025Q1	4.25%	4.50%	10-Yr Avg (Effective)	2.27%	
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<p>Unemployment Rate <i>US labor market indicator</i></p> <p style="text-align: center; font-weight: bold; font-size: 1.2em;">4.3%</p>	<p><u>Prior Quarters</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black;">2026Q1</td> <td style="border-bottom: 1px solid black;">4.3%</td> </tr> <tr> <td>2025Q4</td> <td>4.4%</td> </tr> <tr> <td>2025Q3</td> <td>4.4%</td> </tr> <tr> <td>2025Q2</td> <td>4.1%</td> </tr> <tr> <td>2025Q1</td> <td>4.2%</td> </tr> <tr> <td style="border-top: 1px solid black;">10-Yr Avg</td> <td style="border-top: 1px solid black;">4.6%</td> </tr> </table>	2026Q1	4.3%	2025Q4	4.4%	2025Q3	4.4%	2025Q2	4.1%	2025Q1	4.2%	10-Yr Avg	4.6%	<p>Gross Domestic Product <i>US economic productivity</i></p> <p style="text-align: center; font-weight: bold; font-size: 1.2em;">0.5%**</p>	<p><u>Prior Quarters</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black;">2026Q1</td> <td style="border-bottom: 1px solid black;">N/A</td> </tr> <tr> <td>**2025Q4</td> <td>0.5%</td> </tr> <tr> <td>2025Q3</td> <td>3.8%</td> </tr> <tr> <td>2025Q2</td> <td>3.0%</td> </tr> <tr> <td>2025Q1</td> <td>-0.6%</td> </tr> <tr> <td style="border-top: 1px solid black;">10-Yr Avg</td> <td style="border-top: 1px solid black;">2.7%</td> </tr> </table>	2026Q1	N/A	**2025Q4	0.5%	2025Q3	3.8%	2025Q2	3.0%	2025Q1	-0.6%	10-Yr Avg	2.7%												
2026Q1	4.3%																																						
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*Core excludes volatile food and energy sectors. CPI data based on final month of quarter.

**2026Q1 GDP data not yet available.

Market Performance (1 Quarter / 1 Year)

<p>Russell 3000 <i>Total US Equity</i></p> <p style="font-weight: bold; font-size: 1.2em; color: red;">-4.0 / +18.1</p>	<p>S&P 500 <i>US Large Cap</i></p> <p style="font-weight: bold; font-size: 1.2em; color: green;">-4.3 / +17.8</p>	<p>Russell 2000 <i>US Small Cap</i></p> <p style="font-weight: bold; font-size: 1.2em; color: green;">+0.9 / +25.7</p>	<p>Bloomberg US Aggregate Bond <i>Broad US Bonds</i></p> <p style="font-weight: bold; font-size: 1.2em; color: green;">0.0 / +4.3</p>	<p>Bloomberg US High Yield <i>US HY Bonds</i></p> <p style="font-weight: bold; font-size: 1.2em; color: red;">-1.2 / +7.0</p>
<p>MSCI ACW ex US IM <i>All Non-US Equity</i></p> <p style="font-weight: bold; font-size: 1.2em; color: red;">-10.8 / +25.3</p>	<p>MSCI EAFE <i>Developed Int'l Equity</i></p> <p style="font-weight: bold; font-size: 1.2em; color: green;">-1.2 / +21.3</p>	<p>MSCI Emerging Markets <i>EM Equity</i></p> <p style="font-weight: bold; font-size: 1.2em; color: red;">-0.2 / +29.6</p>	<p>Morningstar US Leveraged Loans <i>Bank Loans</i></p> <p style="font-weight: bold; font-size: 1.2em; color: green;">+0.5 / +4.8</p>	<p>HFRI Fund of Funds <i>Misc Hedge Funds</i></p> <p style="font-weight: bold; font-size: 1.2em; color: green;">+0.7 / +11.6</p>



Merced County Employees' Retirement Association

DATE: April 23, 2026

TO: MercedCERA Board of Retirement

FROM: Martha Sanchez Barboa, Plan Administrator

SUBJECT: Actuarial Audit of June 30, 2025, Annual Valuation and Experience Study by Segal

ITEM NUMBER: Open Session Item c

ITEM TYPE: Action

STAFF RECOMMENDATION:

1. Approve Segal's actuarial audit of MercedCERA's annual valuation as of June 30, 2025, and MercedCERA's experience study as of June 30, 2025.

DISCUSSION:

The Merced County Employees' Retirement Association (MercedCERA) contracts with Segal to audit the annual valuation and the tri-annual experience study performed by Cheiron. Segal performed the audit as instructed and provided MercedCERA Staff with two reports; Audit of June 30, 2025, Actuarial Valuation report and Audit of Actuarial Experience Study, Analysis of Actuarial Experience During the Period of July 1, 2022, through June 30, 2025, report (both attached).

Regarding the valuation audit, the main finding by Segal was that the actuarial calculations as of June 30, 2025, are reasonable, and the actuarial calculations were conducted according to generally accepted actuarial principles and practices. In addition, Segal confirmed that they closely matched Cheiron's valuation liabilities and closely matched Cheiron's calculation of the contribution rates. Segal also confirmed that Cheiron's valuation report complies with generally accepted actuarial principles and practices.

Regarding the actuarial experience study audit, the main finding by Segal was that the economic and demographic assumptions recommended by Cheiron were reasonable for use in the June 30, 2025, valuation, and that the actuarial calculations were conducted according to generally accepted actuarial principles and practices.

Segal provided specific audit recommendations for both the valuation and the experience study audits. Below is a listing of the recommended areas of focus and Cheiron's response provided to Staff.

Valuation Audit Recommendations

- Safety Tier 4 Terminated Vested Retirement Age and Benefit Amount: Cheiron agreed with the recommendation and updated the estimated benefit amounts and

the valuation program coding to reflect the assumed retirement age of 55 for Safety Tier 4 terminated vested members. The impact was de minimis and the update will be implemented with the June 30, 2026, valuation.

- Social Security Offset for General and Safety Tier 4 Terminated Vested Members: Cheiron agreed and updated the benefit estimation for Tier 4 terminated vested members to remove the Social Security offset. The impact was de minimis and the update will be implemented with the June 30, 2026, valuation.
- Tier 1 COLA Contribution Balances: Cheiron will include the COLA contribution balance in the June 30, 2026, valuation.
- Reciprocal Benefit Formula: Cheiron will research the appropriate treatment for these members prior to the next valuation and if a change is required, will implement and clarify the benefit provisions in the June 30, 2026, valuation report. It is expected that a change would be of de minimis impact.
- Sick Leave Conversion in Member Contribution Rates: Cheiron requires for Staff to confirm if Gov. Code §31641.03 was adopted by Merced County and if so, will adjust the member contribution rates accordingly. The methodology will be disclosed in the valuation report. Relevant changes are expected to be of de minimis impact to the member contribution rates.
- Valuation Report Disclosures: The recommendations made will be considered and appropriate changes will be included in the June 30, 2026, valuation report.

Experience Study Audit Recommendations

- Post-Retirement COLA Assumptions: Cheiron will take the recommendation of the 2.40% COLA assumption for members without a COLA into consideration in the next experience study.
- Safety PEPRA Retirement Rates: Cheiron will continue to monitor Safety PEPRA retirement experience in future experience studies.
- Mortality Assumptions: Cheiron will take several recommendations into consideration for the next experience study. Recommendations include continuing to monitor the 80% adjustment to the MP-2021 mortality improvement scale and providing additional context for the inclusion of the COVID-era years in the experience data.
- Reciprocity Assumptions: Cheiron will take the recommendation regarding reciprocity assumptions into consideration in the next experience study.

As stated above, Segal's audit of both the annual valuation and experience study confirms the appropriateness and reasonableness of Cheiron's assumptions, calculations, and valuation results.

Staff would like to thank both Segal and Cheiron for the actuarial work completed this year. Cheiron provided a thorough review of the actuarial work completed at our January 22nd Board Meeting and Segal's audit reports provided further essential insights.

Staff Recommendation:

Staff recommend the Board approve Segal's actuarial audit of MercedCERA's annual valuation as of June 30, 2025, and MercedCERA's experience study as of June 30, 2025.

Merced County Employees' Retirement Association

Audit of June 30, 2025 Actuarial Valuation

This report should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of the Plan.

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March 19, 2026

Board of Retirement
Merced County Employees' Retirement Association
690 W. 19th Street
Merced, CA 95340

Re: Review of actuarial valuation as of June 30, 2025

Dear Members of the Board:

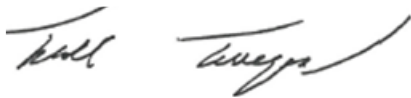
We are pleased to present the results of this review of the June 30, 2025 Actuarial Valuation for the Merced County Employees' Retirement Association (MercedCERA). The purpose of this review was to verify the calculations completed by Cheiron and to offer comments on the methodology and the results of their actuarial valuation.

This review was completed under the supervision of Eva Yum, a Fellow of the Society of Actuaries, Member of the American Academy of Actuaries, and an Enrolled Actuary under ERISA. This review was conducted in accordance with the standards of practice prescribed by the Actuarial Standards Board.

We are members of the American Academy of Actuaries, and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

The assistance of Cheiron and MercedCERA is gratefully acknowledged. We appreciate the opportunity to be of service to MercedCERA, and we look forward to reviewing this report with you and answering any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Tauzer".

Todd Tauzer, FSA, MAAA, FCA, CERA
Senior Vice President and Actuary

A handwritten signature in black ink, appearing to read "Eva Yum".

Eva Yum, FSA, MAAA, EA
Vice President and Actuary

MAM/jl

cc: Tim Hall, FSA, EA, MAAA, CERA
Anne D. Harper, FSA, EA, MAAA
Graham Schmidt, FSA, EA, MAAA, FCA

Table of Contents

Executive Summary	4
Results.....	4
Recommendations.....	6
Purpose and Scope of the Actuarial Review.....	8
Purpose of the actuarial review	8
Scope of the actuarial review	8
Results of the Actuarial Review	9
Data	9
Liabilities.....	18
Contribution rates	29
Content of valuation report	34
Conclusions and recommendations	36

Executive Summary

This report has been prepared by Segal to present a review of the June 30, 2025 actuarial valuation performed by Cheiron for MercedCERA.

We have performed this review to provide MercedCERA an independent opinion as to the reasonableness of Cheiron's methods and results of the June 30, 2025 actuarial valuation. **Our review confirms that the actuarial calculations as of June 30, 2025 are reasonable, and that the actuarial calculations were conducted according to generally accepted actuarial principles and practices.** However, we have a few recommendations for changes to the data process and liability calculations, all of which would have a minor impact. We also have a few recommendations for additional disclosures in the valuation report.

Results

Data

Segal compared the raw data provided by MercedCERA with the processed data Cheiron used in the June 30, 2025 valuation. **The processed data is generally consistent with the raw data.** The report below includes a detailed comparison and further discussion, including explanations of any differences between the raw data and the processed data. The following is a summary of the member counts.

Analysis of Participant Data *Member Counts*

Group	MercedCERA (Raw)	Cheiron (Processed)	Ratio
General			
Active	1,940	1,939	99.9%
Deferred	1,322	1,357	102.6%
Retired	2,208	2,237	101.3%
Safety			
Active	352	350	99.4%
Deferred	184	202	109.8%
Retired	412	420	101.9%

Executive Summary

Liabilities

Segal programmed our valuation system to replicate Cheiron's liability results as of June 30, 2025. As our valuation software is different than Cheiron's and there are reasonable variations on how to calculate total liabilities, we would not expect our calculations to be a perfect match to Cheiron's. **Nevertheless, we closely match Cheiron's valuation liabilities.** The report below includes a detailed breakdown of the liabilities. The following is a summary of the key results.

Liability Comparison (\$ in '000s)

Group	Cheiron	Segal	Ratio
General			
Present value of benefits	\$1,460,140	\$1,472,336	100.8%
Present value of future normal costs	168,224	169,924	101.0%
Actuarial accrued liability	1,291,917	1,302,411	100.8%
Market value of assets	1,078,626	1,079,217	100.1%
Unfunded actuarial accrued liability	213,291	223,194	104.6%
Safety			
Present value of benefits	\$423,552	\$426,754	100.8%
Present value of future normal costs	55,914	56,606	101.2%
Actuarial accrued liability	367,638	370,148	100.7%
Market value of assets	300,076	299,485	99.8%
Unfunded actuarial accrued liability	67,562	70,663	104.6%

In addition to the aggregate liabilities, Segal reviewed the liabilities for 56 individual test lives covering a range of demographic characteristics. Other than a few individuals as noted in the report below, **we closely match Cheiron's liabilities for the individual members.** The report below includes the results for a sample of the 56 test lives starting on page 25 under the *Liabilities* section.

Executive Summary

Contribution rates

Based on the liability results, Segal also independently calculated the contribution rates. **We closely match Cheiron’s calculation of the contribution rates.** The report below includes a detailed breakdown of the employer and member contribution rates. The following is a summary of the key results.

Employer Contribution Rate Comparison

Group	Cheiron	Segal	Ratio
General			
Tier 1	46.21%	48.46%	104.9%
Tier 2	40.92%	41.26%	100.8%
Tier 3	40.66%	40.87%	100.5%
Tier 4	38.37%	38.53%	100.4%
Safety			
Tier 1	76.16%	78.47%	103.0%
Tier 2	60.32%	60.74%	100.7%
Tier 3	59.39%	59.70%	100.5%
Tier 4	55.85%	56.12%	100.5%
All Total	42.59%	42.86%	100.6%

We also closely match Cheiron’s calculation of the member contribution rates.

Recommendations

As described throughout our report below, we have several recommendations for Cheiron to consider in future valuations. These recommendations are not expected to have a significant impact on the valuation. These recommendations are briefly summarized here.

- **Retirement age for Safety Tier 4 terminated vested members:** The assumed retirement age for Safety Tier 4 terminated vested members has increased from 50 to 55. We recommend that Cheiron update the estimated inactive benefit amount in the data to reflect the benefit multiplier at age 55, and update the valuation program to reflect retirement timing of age 55. We believe Cheiron’s Safety Tier 4 terminated vested members are still calculated based on the prior assumption (i.e., assumed retirement age of 50).
- **Benefit amount for inactive General and Safety Tier 4 members:** For calculating benefits for terminated vested members in Tier 4, Cheiron is reducing the salary by one-third of the first \$350 per month to reflect the Social Security offset. We recommend that Cheiron remove this offset in the estimated benefits for General and Safety Tier 4 terminated vested members, as this offset does not apply to the PEPRA tiers.
- **Tier 1 contribution balances:** For members in Tier 1, MercedCERA provides both Basic and COLA contribution balances in the raw data; however, Cheiron’s processed data includes

Executive Summary

only the Basic portion. We recommend that Cheiron include the COLA contribution balance in the valuation.

- **Reciprocal benefit formula:** For a small number of reciprocal members, there appears to be a difference in the benefit formula used by Cheiron and Segal as shown in the test life comparison on page 27 under the *Liabilities* section. We understand that Cheiron is researching the appropriate treatment for these members. We recommend that they make any necessary adjustments before the next valuation and clarify the benefit provisions in the next valuation report.
- **Sick leave in member contribution rates:** Based on our comparison of the member contribution rates, it appears that the Tier 1, 2, and 3 member contribution rates currently reflect sick leave conversion. We recommend that Cheiron confirm with MercedCERA whether the County of Merced has adopted §31641.03 of the County Employees Retirement Law, which would require sick leave to not be reflected in the member contribution rates for non-PEPRA members.
- **Valuation report:** We have the following recommendations for the valuation report.
 - According to the valuation report, the salary increase assumption for current reciprocal members is the same assumption that is used for active members, which consists of salary increases that vary based on years of service. However, Cheiron carries forward current reciprocal members' salaries in the data from the prior year by applying the ultimate active salary increase assumption, even if a member's service would imply a higher assumed increase under the active salary assumptions. We recommend that Cheiron disclose this part of the assumption in the valuation report.
 - We recommend that Cheiron review the methodology for calculating entry age under the Entry Age cost method (in particular, for members with purchased service), and update the description of the methodology in the report if necessary.
 - We recommend that Cheiron expand the description of the asset valuation method in *Appendix B* to describe the process for allocating assets between membership classes.
 - If Cheiron is including sick leave conversion in the Tier 1, 2, and 3 member contribution rates, we recommend disclosing that in the valuation report.
 - We recommend that Cheiron state explicitly in the Summary of Plan Provisions which classes and/or tiers are integrated or not integrated with Social Security for purposes of the Social Security offset. We also recommend that Cheiron directly state the applicable PEPRA compensation limit for General Tier 4 and Safety Tier 4 members.
 - We recommend that Cheiron consider updating the nomenclature of the cost method from the "Entry Age Normal" cost method to the "Entry Age" cost method, consistent with the nomenclature used by the Governmental Accounting Standards Board (GASB).
 - Cheiron's report currently describes the benefit formula for General reciprocal members who terminated before March 15, 2005. We recommend that Cheiron describe the benefit formula for similar Safety reciprocal members.

Purpose and Scope of the Actuarial Review

Purpose of the actuarial review

Segal has performed an actuarial review of Cheiron's June 30, 2025 valuation to provide assurance to MercedCERA's Board of Retirement that Cheiron's results in the June 30, 2025 valuation are reasonable and were conducted according to generally accepted actuarial principles and practices.

Scope of the actuarial review

The scope of the actuarial review, as described in MercedCERA's agreement for actuarial audit services with Segal, includes the following:

- Evaluation of the available data for the performance of the valuation, the degree to which such data is sufficient to support the conclusions of the valuation, and the use and appropriateness of any assumptions made regarding such data.
- Completion of a parallel valuation as of June 30, 2025 using the assumptions, methodologies, and funding methods used by MercedCERA's consulting actuary in their performance of the June 30, 2025 valuation.
- Evaluation of the results and reconciliation of any discrepancies between the findings, assumptions, methodology, rates, and/or adjustments with MercedCERA's consulting actuary.

Results of the Actuarial Review

Data

Cheiron provided Segal with the raw data provided by MercedCERA as of June 30, 2025, as well as the processed data Cheiron used in the June 30, 2025 actuarial valuation. We compared the raw and the processed data. While Cheiron did make a few adjustments, estimations, or corrections to the data received from MercedCERA, **the processed data is generally consistent with the raw data provided by MercedCERA.**

Observations

We have the following observations about the data process.

- We have verified that Cheiron correctly made edits to the data based on the responses they received from MercedCERA regarding the data questions.
- We understand that Cheiron uses the following process to calculate annualized salary for the valuation:
 - For continuing active members, if the current year earnings are greater than the prior year valuation salary, Cheiron uses the current year earnings. Otherwise, Cheiron uses the greater of the current year earnings or current year pay rate times 26.
 - For new active members, Cheiron uses the greater of the current year earnings or current year pay rate times 26.
 - If the current year pay rate is less than \$100, Cheiron assumes it is an hourly rate and multiplies it by 80 to obtain the biweekly pay rate.

In our audit of the June 30, 2022 valuation report, we recommended that Cheiron disclose this methodology in the report. We agree with the addition of this disclosure in *Section I* of the valuation report.

- Cheiron's processed data includes two entry age fields, one provided by MercedCERA which is used to determine the member's contribution rate, and one calculated by Cheiron to use as the entry age for liability calculation purposes under the Entry Age cost method. In our audit of the June 30, 2022 valuation report, we recommended that both of these fields be included in the processed data for clarity. We agree with the inclusion of both of these fields in the June 30, 2025 processed data.
- There are 67 members who were reported in the raw data as General members, or were provided with membership class codes of I or R, for whom Cheiron updated the membership class to Safety in the processed data.
 - We understand from Cheiron that the membership class code of I is for extra help employees, for whom Cheiron routinely confirms membership class (General or Safety) in data questions, and carries forward this membership class in each subsequent valuation.
 - We understand from Cheiron that the membership class code of R is for retirees who retired at least 10 years prior, for whom Cheiron carries forward their membership class from a known membership class in some prior valuation.

Results of the Actuarial Review

For these 67 members, we have adjusted our counts of the MercedCERA raw data below to reflect Cheiron's ultimate classification of these members into the Safety membership class.

- For active members with service in multiple classes or tiers, we understand that Cheiron creates a secondary deferred record that contains the service attributable to the prior class or tier. Some differences in benefit service between the raw data and the processed data can be explained by the additional deferred records in Cheiron's data that contain this prior service. Additionally, most of the increase in the deferred member count between the raw data and the processed data can be explained by the additional deferred records in Cheiron's data that contain this prior service.

Similarly, for retired members with service in multiple classes or tiers, we understand that Cheiron creates a secondary retired record that contains the benefit amount attributable to the other class or tier. Most of the increase in the retired member count between the raw data and the processed data can be explained by the additional retired records in Cheiron's data that contain this other benefit amount.

Recommendations

We have the following recommendations about the data process.

- In the processed data, Cheiron estimates the benefit amounts for terminated vested members at the assumed retirement age. The assumed retirement age for Safety Tier 4 terminated vested members increased from age 50 to age 55 in the new assumptions effective for the June 30, 2025 valuation. However, the estimated benefit in the data is still calculated using the benefit multiplier at age 50. We recommend that Cheiron update these benefit amounts in the next valuation. This change is not expected to have a significant impact on the valuation.
- When estimating the benefit amount for General and Safety Tier 4 terminated vested members, Cheiron is reducing the salary by one-third of the first \$350 per month to reflect the Social Security offset. Because the Social Security offset does not apply to members in Tier 4, we recommend that Cheiron remove this offset for General and Safety Tier 4 terminated vested members. This change is not expected to have a significant impact on the valuation.

As described below under *Content of valuation report*, we recommend that Cheiron clarify the details of the difference in Social Security integration between Tiers 1, 2, and 3, versus Tier 4.

- The raw data provided by MercedCERA contains both Basic and COLA contribution balances for Tier 1 active and inactive members. However, the contribution balance in Cheiron's processed data only reflects the Basic contribution balance. We recommend that Cheiron include the COLA contribution balance in the valuation. We made a similar observation in the June 30, 2019 and June 30, 2022 audits, and recommended that Cheiron include the COLA contribution balance in the valuation.

However, we note that including the COLA account balance is not expected to have a significant impact on the refund liability, because there are very few non-retired Tier 1 members. Furthermore, those who are remaining are close to retirement eligibility on average, and would have low probability of electing a refund. Additionally, Cheiron has confirmed that the value of these members' future COLA contributions is reflected in the actuarial accrued liability.

Results of the Actuarial Review

- In the processed data, Cheiron carries forward current reciprocal members' salaries from the prior year by applying an assumed salary increase. The assumed salary increase in the June 30, 2025 data is based on the assumptions in effect as of June 30, 2024, the beginning of the period over which the salary increase took place. Cheiron has indicated that they will update the assumed salary increase for current reciprocal members in the next valuation.

According to the valuation report, the salary increase assumption for current reciprocal members is the same assumption that is used for active members, which consists of salary increases that vary based on years of service. Although Cheiron uses this assumption when projecting current reciprocal members' salaries after the valuation date, the salary as of the valuation date is carried forward from year to year in the data using only the ultimate active salary increase assumption, even if a member's service would imply a higher assumed increase under the active salary assumptions. We recommend that Cheiron disclose this assumption in the valuation report.

Results of the Actuarial Review

Results

We compared the key data elements between the raw and the processed data. These comparisons are shown below.

Analysis of Participant Data General Active Members

Statistic	MercedCERA (Raw)	Cheiron (Processed)	Ratio
General Tier 1			
Number	16	16 ¹	100.0%
Average age	59.3	59.3	100.0%
Average benefit service	25.5	27.5	107.8% ²
Average salary	\$114,395	\$114,395	100.0%
General Tier 2			
Number	444	444	100.0%
Average age	51.1	51.1	100.0%
Average benefit service	20.1	20.0	99.5%
Average salary	\$85,437	\$85,471	100.0%
General Tier 3			
Number	43	43	100.0%
Average age	47.4	47.4	100.0%
Average benefit service	8.1	8.1	100.0%
Average salary	\$107,301	\$107,049	99.8%
General Tier 4			
Number	1,437	1,436	99.9%
Average age	39.3	39.3	100.0%
Average benefit service	4.2	4.2	100.0%
Average salary	\$63,779	\$64,493	101.1%
General Total			
Number	1,940	1,939	99.9%
Average age	42.3	42.3	100.0%
Average benefit service	8.1	8.1	100.0%
Average salary	\$69,465	\$70,652	101.7%

¹ One General Tier 1 active member as of June 30, 2025 was a Safety Tier 1 retiree as of June 30, 2024, who has returned to work in General employment. By classifying this member as a General Tier 1 member, all of their prior service has shifted from Safety to General. Cheiron has indicated they will split this record in the next valuation in order to allocate the liability to General and Safety as appropriate.

² The average benefit service is higher in the processed data than the raw data because of adjustments Cheiron made as a result of information provided by MercedCERA in the data questions for this valuation or prior valuations. In particular, Cheiron adjusted the service for two past retirees who returned to work, whose total service was not included in the June 30, 2025 raw data.

Results of the Actuarial Review

Analysis of Participant Data Safety Active Members

Statistic	MercedCERA (Raw)	Cheiron (Processed)	Ratio
Safety Tier 1			
Number	5	5	100.0%
Average age	59.9	59.9	100.0%
Average benefit service	18.0	25.9	143.9% ³
Average salary	\$183,328	\$183,328	100.0%
Safety Tier 2			
Number	100	99	99.0%
Average age	47.0	47.0	100.0%
Average benefit service	19.3	19.0	98.4%
Average salary	\$106,888	\$107,315	100.4%
Safety Tier 3			
Number	6	6	100.0%
Average age	42.8	42.8	100.0%
Average benefit service	9.7	9.5	97.9%
Average salary	\$96,596	\$96,596	100.0%
Safety Tier 4			
Number	241	240	99.6%
Average age	32.8	32.8	100.0%
Average benefit service	3.9	3.9	100.0%
Average salary	\$75,377	\$75,359	100.0%
Safety Total			
Number	352	350	99.4%
Average age	37.4	37.4	100.0%
Average benefit service	8.6	8.6	100.0%
Average salary	\$85,910	\$86,305	100.5%

³ The average benefit service is higher in the processed data than the raw data because of an Cheiron made as a result of information provided by MercedCERA in the data questions for this valuation. In particular, Cheiron adjusted the service for one past retiree who returned to work, whose total service was not included in the June 30, 2025 raw data.

Results of the Actuarial Review

Analysis of Participant Data General Deferred Members

Statistic	MercedCERA (Raw)	Cheiron (Processed)	Ratio
General Tier 1			
Number	27	28	103.7%
Average age	63.0	62.7	99.5%
Average benefit service	8.7	8.2	94.3%
General Tier 2			
Number	417	433	103.8%
Average age	50.6	50.6	100.0%
Average benefit service	8.7	8.5	97.7%
General Tier 3			
Number	54	55	101.9%
Average age	46.7	46.5	99.6%
Average benefit service	4.0	3.9	97.5%
General Tier 4			
Number	824	841	102.1%
Average age	39.1	39.2	100.3%
Average benefit service	2.2	2.1	95.5%
General Total			
Number	1,322	1,357	102.6% ⁴
Average age	43.5	43.6	100.2%
Average benefit service	4.4	4.4	100.0%

⁴ As detailed in the *Data* section, the count difference between the raw and processed data is mainly due to the additional deferred records created in the processed data for members with service in multiple classes or tiers.

Results of the Actuarial Review

Analysis of Participant Data Safety Deferred Members

Statistic	MercedCERA (Raw)	Cheiron (Processed)	Ratio
Safety Tier 1			
Number	1	1	100.0%
Average age	56.8	56.8	100.0%
Average benefit service	4.6	4.6	100.0%
Safety Tier 2			
Number	76	89	117.1%
Average age	46.0	46.4	100.9%
Average benefit service	7.6	7.2	94.7%
Safety Tier 3			
Number	4	4	100.0%
Average age	42.6	42.6 ⁵	100.0%
Average benefit service	2.8	2.8 ⁶	100.0%
Safety Tier 4			
Number	103	108	104.9%
Average age	33.9	34.0	100.3%
Average benefit service	2.2	2.2	100.0%
Safety Total			
Number	184	202	109.8% ⁷
Average age	39.2	39.8	101.5%
Average benefit service	4.4	4.5	102.3%

⁵ This number appeared in Cheiron's valuation report as an average age of 31.6. Cheiron has confirmed that this discrepancy is only due to a typographical error in the valuation report, and has no impact on the valuation results.

⁶ This number appeared in Cheiron's valuation report as average benefit service of 2.5. Cheiron has confirmed that this discrepancy is only due to a typographical error in the valuation report, and has no impact on the valuation results.

⁷ As detailed in the *Data* section, the count difference between the raw and processed data is mainly due to the additional deferred records created in the processed data for members with service in multiple classes or tiers.

Results of the Actuarial Review

Analysis of Participant Data

General Members Receiving Benefits (Retiree, Disabled, Beneficiary)

Statistic	MercedCERA (Raw)	Cheiron (Processed)	Ratio
General Tier 1			
Number	1,405	1,413	100.6%
Average age	75.4	75.4	100.0%
Average annual benefit	\$41,973	\$42,239	100.6%
General Tier 2			
Number	752	770	102.4%
Average age	68.4	68.3	99.9%
Average annual benefit	\$26,149	\$25,855	98.9%
General Tier 3			
Number	14	14	100.0%
Average age	61.7	61.7 ⁸	100.0%
Average annual benefit	\$8,482	\$8,482	100.0%
General Tier 4			
Number	37	40	108.1%
Average age	63.6	63.4	99.7%
Average annual benefit	\$11,074	\$11,785	106.4%
General Total			
Number	2,208	2,237	101.3% ⁹
Average age	72.7	72.6	99.9%
Average annual benefit	\$35,854	\$35,844	100.0%

⁸ This number appeared in Cheiron's valuation report as an average age of 58.2. Cheiron has confirmed that this discrepancy is only due to a typographical error in the valuation report, and has no impact on the valuation results.

⁹ As detailed in the *Data* section, the count difference between the raw and processed data is mainly due to the additional retired records created in the processed data for members with service in multiple classes or tiers.

Results of the Actuarial Review

Analysis of Participant Data

Safety Members Receiving Benefits (Retiree, Disabled, Beneficiary)

Statistic	MercedCERA (Raw)	Cheiron (Processed)	Ratio
Safety Tier 1			
Number	301	305	101.3%
Average age	71.4	71.1	99.6%
Average annual benefit	\$49,353	\$50,922	103.2%
Safety Tier 2			
Number	108	112	103.7%
Average age	56.5	56.5	100.0%
Average annual benefit	\$33,619	\$33,695	100.2%
Safety Tier 3			
Number	0	0	100.0%
Average age	0.0	0.0	100.0%
Average annual benefit	\$0	\$0	100.0%
Safety Tier 4			
Number	3	3	100.0%
Average age	54.8	54.8 ¹⁰	100.0%
Average annual benefit	\$26,449	\$26,449	100.0%
Safety Total			
Number	412	420	101.9% ¹¹
Average age	67.3	67.1	99.7%
Average annual benefit	\$45,061	\$46,153	102.4%

¹⁰ This number appeared in Cheiron's valuation report as an average age of 42.0. Cheiron has confirmed that this discrepancy is only due to a typographical error in the valuation report, and has no impact on the valuation results.

¹¹ As detailed in the *Data* section, the count difference between the raw and processed data is mainly due to the additional retired records created in the processed data for members with service in multiple classes or tiers.

Results of the Actuarial Review

Liabilities

Based on the member data, plan provisions, and actuarial assumptions provided by Cheiron and described in their report. Segal programmed our valuation system to replicate the liability results as of June 30, 2025. **We closely match Cheiron's valuation liabilities.**

Observations

We have the following observations about the calculation of liabilities.

- Different firms may use different methodology for the timing of decrements (i.e., when members are expected to terminate, retire, or die). Segal's valuation system generally assumes these decrements take place at the beginning of each plan year (July 1). Cheiron's valuation system, in contrast, assumes these decrements take place in the middle of the plan year (January 1). As part of this audit, we have changed our decrement timing to the middle of the year to match Cheiron's results. Either methodology is acceptable, with each actuarial firm establishing its own approach for the assumed timing of decrements.
- Some other differences in the results are expected due to differences between Segal and Cheiron's valuation systems. Differences could include such things as the rounding used in the calculations of ages, rounding of service, or the assumed timing for salary increases and benefit payments. For example, Segal's valuation system uses beginning-of-month timing for benefit payments, whereas we understand that Cheiron's valuation system uses end-of-month timing. Various methodologies are acceptable, with each actuarial firm establishing its own standards. Given the differences in the valuation systems, we would not expect to match Cheiron's results exactly.
- When calculating the liabilities, Segal used the new actuarial assumptions from the 2025 experience study that the Board adopted for the June 30, 2025 valuation.

Recommendations

We have the following recommendations for the calculation of liabilities:

- The assumed retirement age for Safety Tier 4 terminated vested members increased from age 50 to age 55 in the new assumptions effective for the June 30, 2025 valuation. In addition to the note in the *Data* section above about the estimated benefit for Safety Tier 4 members, Cheiron's valuation program is still using the prior assumed retirement age of 50. We recommend that Cheiron update the valuation program to reflect the assumed retirement age of 55. This change is not expected to have a significant impact on the valuation.
- For one of the reciprocal members in General Tier 3 whose test life we reviewed, the liability that Segal calculates is 77.8% of Cheiron's. Cheiron has indicated that there is a difference between Segal's and Cheiron's application of the benefit formula for a very small number of reciprocal members with a termination date after March 15, 2005. We understand that they are researching the appropriate treatment for these members, and any change would not be expected to have a significant impact on the total liability for the General deferred members. We recommend that Cheiron make any necessary adjustments before the next valuation and clarify the benefit provisions in the next valuation report.

Results of the Actuarial Review

Present value of benefits

The following tables provide a comparison of the present value of benefits calculated by Cheiron and by Segal. The present value of benefits represents the current value of all members' projected benefits, recognizing the time value of money (i.e., the investment return assumption), the salary increase assumption, and the probabilities of termination, retirement, disability and death. This value is the cornerstone for the entire valuation, as it represents the amount expected to be needed to provide all future expected benefit payouts for current members, based on the valuation assumptions.

Segal's total present value of benefits is 100.8% of Cheiron's. The total present value of benefits by tier ranges from 98.6% to 101.0% of Cheiron's. We believe our results are generally within an acceptable range of Cheiron's results, which provides assurance that the plan liabilities are properly valued.

Present Value of Benefits (PVB) Comparison (\$ in '000s) *Total Plan (General and Safety)*

Group	Cheiron	Segal	Ratio
Total Plan			
Active	\$643,151	\$646,929	100.6%
Deferred	93,427	94,644	101.3%
Retired	1,147,115	1,157,517	100.9%
Total PVB	\$1,883,692	\$1,899,089	100.8%

Results of the Actuarial Review

Present Value of Benefits (PVB) Comparison (\$ in '000s) General

Group	Cheiron	Segal	Ratio
General Tier 1			
Active	\$20,237	\$20,653	102.1%
Deferred	5,600	5,658	101.0%
Retired	670,530	677,071	101.0%
Total PVB	\$696,367	\$703,381	101.0%
General Tier 2			
Active	\$262,659	\$264,095	100.5%
Deferred	57,640	58,529	101.5%
Retired	219,926	221,598	100.8%
Total PVB	\$540,225	\$544,222	100.7%
General Tier 3			
Active	\$12,008	\$12,065	100.5%
Deferred	3,056	2,758	90.2%
Retired	1,496	1,506	100.7%
Total PVB	\$16,560	\$16,329	98.6%
General Tier 4			
Active	\$191,534	\$192,417	100.5%
Deferred	9,952	10,439	104.9%
Retired	5,502	5,547	100.8%
Total PVB	\$206,988	\$208,403	100.7%
General Total			
Active	\$486,438	\$489,230	100.6%
Deferred	76,248	77,384	101.5%
Retired	897,454	905,721	100.9%
Total PVB	\$1,460,140	\$1,472,336	100.8%

Results of the Actuarial Review

Present Value of Benefits (PVB) Comparison (\$ in '000s) Safety

Group	Cheiron	Segal	Ratio
Safety Tier 1			
Active	\$11,067	\$11,253	101.7%
Deferred	158	150	94.9%
Retired	198,988	200,808	100.9%
Total PVB	\$210,214	\$212,211	100.9%
Safety Tier 2			
Active	\$84,067	\$84,538	100.6%
Deferred	14,708	14,809	100.7%
Retired	49,548	49,857	100.6%
Total PVB	\$148,323	\$149,204	100.6%
Safety Tier 3			
Active	\$2,290	\$2,310	100.9%
Deferred	187	192	102.7%
Retired	0	0	100.0%
Total PVB	\$2,477	\$2,501	101.0%
Safety Tier 4			
Active	\$59,288	\$59,597	100.5%
Deferred	2,126	2,109	99.2%
Retired	1,125	1,131	100.5%
Total PVB	\$62,538	\$62,837	100.5%
Safety Total			
Active	\$156,712	\$157,698	100.6%
Deferred	17,179	17,260	100.5%
Retired	249,661	251,796	100.9%
Total PVB	\$423,552	\$426,754	100.8%

Actuarial accrued liability and funding policy

The funding method adopted by MercedCERA, the Entry Age cost method, separates the present value of future benefits for active members into two components, the actuarial accrued liability and the present value of future normal costs. The Entry Age cost method determines a level cost as a percentage of pay for each year of service, called the normal cost. For active members, the actuarial accrued liability is the accumulated value of past normal costs (less any expected benefits, and assuming all actuarial assumptions were exactly realized), while the present value of future normal costs represents the current value of future normal costs required to fully fund the member's projected benefits before the member is expected to retire.

Results of the Actuarial Review

The method used to separate the present value of projected benefits into its two components can differ somewhat from valuation system to valuation system, even though the underlying funding method used in the valuation systems is the same.

However, we would note a minor difference between the approach described in Cheiron's report and the method used in their valuation program. In *Appendix B* of the valuation report, Cheiron describes this entry age as the age at the date of hire. However, we understand that Cheiron's valuation program calculates the entry age to use in the Entry Age cost method as current age minus benefit service, with rounding. For members who purchase service, the benefit service used in the entry age calculation increases with the purchased service, implying an earlier entry age than the age the member had actually attained at the date of hire.

Segal generally uses a slightly different methodology, where entry age is calculated as current age minus the lesser of benefit service and vesting service, with rounding. This approach keeps the entry age stable if benefit service sharply increases in a given year, for example due to purchase of service. We have used this approach in our calculation of the June 30, 2025 actuarial accrued liability for MercedCERA. We believe either approach is reasonable, and that the impact of our two approaches on the liability as a whole is minor. However, we recommend that Cheiron review the entry age methodology (in particular for members with purchased service) and update the description of the methodology in the report if necessary.

For the calculation of unfunded actuarial accrued liability, we would note that the total General and Safety assets are pooled, and in each valuation, Cheiron recalculates and redistributes the assets between the two membership classes based on the respective share of actuarial accrued liability. We would favor an alternative approach where the assets for each membership class are maintained separately, to avoid shifting cost between the two membership classes. However, we understand that the cost shifting that may currently take place should only have a small impact on the employer contribution rates. We recommend that Cheiron expand the description of the asset valuation method in *Appendix B* to describe the allocation of assets between membership classes. We also recommend noting this in the Association's funding policy, if necessary.

The following tables provide a comparison of the present value of future normal costs, actuarial accrued liability and unfunded actuarial accrued liability calculated by Cheiron and by Segal.

Segal's total actuarial accrued liability is 100.8% of Cheiron's. The total actuarial accrued liability by tier ranges from 97.6% to 101.3% of Cheiron's. We believe our results are generally within an acceptable range of Cheiron's results, which provides assurance that the plan liabilities are properly valued.

Results of the Actuarial Review

Unfunded Actuarial Accrued Liability (UAAL) Comparison (\$ in '000s) Total Plan (General and Safety)

Group	Cheiron	Segal	Ratio
Total Plan			
1. Present value of benefits	\$1,883,692	\$1,899,089	100.8%
2. Present value of future normal costs	224,138	226,530	101.1%
3. Actuarial accrued liability: (1) – (2)	\$1,659,555	\$1,672,559	100.8%
4. Market value of assets	\$1,378,702	\$1,378,702	100.0%
5. Unfunded actuarial accrued liability: (3) – (4)	\$280,853	\$293,857	104.6%

Unfunded Actuarial Accrued Liability (UAAL) Comparison (\$ in '000s) General

Group	Cheiron	Segal	Ratio
General Tier 1			
1. Present value of benefits	\$696,367	\$703,381	101.0%
2. Present value of future normal costs	1,562	1,688	108.1%
3. Actuarial accrued liability: (1) – (2)	\$694,805	\$701,693	101.0%
General Tier 2			
1. Present value of benefits	\$540,225	\$544,222	100.7%
2. Present value of future normal costs	42,675	43,279	101.4%
3. Actuarial accrued liability: (1) – (2)	\$497,549	\$500,943	100.7%
General Tier 3			
1. Present value of benefits	\$16,560	\$16,329	98.6%
2. Present value of future normal costs	5,459	5,497	100.7%
3. Actuarial accrued liability: (1) – (2)	\$11,102	\$10,832	97.6%
General Tier 4			
1. Present value of benefits	\$206,988	\$208,403	100.7%
2. Present value of future normal costs	118,528	119,461	100.8%
3. Actuarial accrued liability: (1) – (2)	\$88,460	\$88,943	100.5%
General Total			
1. Present value of benefits	\$1,460,140	\$1,472,336	100.8%
2. Present value of future normal costs	168,224	169,924	101.0%
3. Actuarial accrued liability: (1) – (2)	\$1,291,917	\$1,302,411	100.8%
4. Market value of assets	\$1,078,626	\$1,079,217	100.1%
5. Unfunded actuarial accrued liability: (3) – (4)	\$213,291	\$223,194	104.6%

Results of the Actuarial Review

Unfunded Actuarial Accrued Liability (UAAL) Comparison (\$ in '000s) Safety

Group	Cheiron	Segal	Ratio
Safety Tier 1			
1. Present value of benefits	\$210,214	\$212,211	100.9%
2. Present value of future normal costs	643	689	107.2%
3. Actuarial accrued liability: (1) – (2)	\$209,570	\$211,522	100.9%
Safety Tier 2			
1. Present value of benefits	\$148,323	\$149,204	100.6%
2. Present value of future normal costs	14,345	14,567	101.5%
3. Actuarial accrued liability: (1) – (2)	\$133,977	\$134,637	100.5%
Safety Tier 3			
1. Present value of benefits	\$2,477	\$2,501	101.0%
2. Present value of future normal costs	920	924	100.4%
3. Actuarial accrued liability: (1) – (2)	\$1,557	\$1,577	101.3%
Safety Tier 4			
1. Present value of benefits	\$62,538	\$62,837	100.5%
2. Present value of future normal costs	40,005	40,425	101.0%
3. Actuarial accrued liability: (1) – (2)	\$22,534	\$22,412	99.5%
Safety Total			
1. Present value of benefits	\$423,552	\$426,754	100.8%
2. Present value of future normal costs	55,914	56,606	101.2%
3. Actuarial accrued liability: (1) – (2)	\$367,638	\$370,148	100.7%
4. Market value of assets	\$300,076	\$299,485	99.8%
5. Unfunded actuarial accrued liability: (3) – (4)	\$67,562	\$70,663	104.6%

Results of the Actuarial Review

Test lives

As part of our audit, Segal reviewed 56 test lives covering a range of demographic characteristics. Other than a few individuals as noted below, **we closely match Cheiron's liabilities for the individual members.** We have included the results for a sample of the 56 test lives below.

Test Life Comparison *General Active Members – Actuarial Accrued Liability*

Test Life	Cheiron	Segal	Ratio
General Tier 1			
Present value of benefits	\$2,134,540	\$2,192,426	102.7%
Present value of future normal costs	362,301	378,140	104.4%
Actuarial accrued liability	\$1,772,239	\$1,814,287	102.4%
General Tier 2			
Present value of benefits	\$686,364	\$682,091	99.4%
Present value of future normal costs	91,281	91,277	100.0%
Actuarial accrued liability	\$595,083	\$590,815	99.3%
General Tier 3			
Present value of benefits	\$191,392	\$198,124	103.5%
Present value of future normal costs	142,189	143,411	100.9%
Actuarial accrued liability	\$49,203	\$54,713	111.2%¹²
General Tier 4			
Present value of benefits	\$67,639	\$68,022	100.6%
Present value of future normal costs	67,470	67,051	99.4%
Actuarial accrued liability	\$169	\$972	575.1%¹³

¹² The General Tier 3 active test life only has 3.38 years of benefit service as of June 30, 2025, so the actuarial accrued liability is relatively small. We match Cheiron's present value of benefits and present value of future normal costs closely. We do not match Cheiron closely on the actuarial accrued liability as a percentage basis. However, this is to be expected as it is a small number calculated as the difference between two larger numbers where we do have a close match. We believe this to be explainable by different methodologies in our respective valuation systems, and we believe Cheiron's result to be reasonable.

¹³ The General Tier 4 active test life only has 0.16 years of benefit service as of June 30, 2025, so the actuarial accrued liability is very small. We match Cheiron's present value of benefits and present value of future normal costs closely. We do not match Cheiron closely on the actuarial accrued liability as a percentage basis. However, this is to be expected as it is a small number calculated as the difference between two larger numbers where we do have a close match. We believe this to be explainable by different methodologies in our respective valuation systems, and we believe Cheiron's result to be reasonable.

Results of the Actuarial Review

Test Life Comparison *Safety Active Members – Actuarial Accrued Liability*

Test Life	Cheiron	Segal	Ratio
Safety Tier 1			
Present value of benefits	\$930,490	\$959,244	103.1%
Present value of future normal costs	260,625	302,368	116.0% ¹⁴
Actuarial accrued liability	\$669,865	\$656,876	98.1%
Safety Tier 2			
Present value of benefits	\$458,982	\$464,849	101.3%
Present value of future normal costs	169,584	170,050	100.3%
Actuarial accrued liability	\$289,397	\$294,799	101.9%
Safety Tier 3			
Present value of benefits	\$371,156	\$381,443	102.8%
Present value of future normal costs	120,571	121,035	100.4%
Actuarial accrued liability	\$250,585	\$260,409	103.9%
Safety Tier 4			
Present value of benefits	\$167,538	\$171,059	102.1%
Present value of future normal costs	152,735	153,822	100.7%
Actuarial accrued liability	\$14,804	\$17,237	116.4%¹⁵

¹⁴ As described above, Cheiron and Segal use slightly different methods for calculating the entry age used in the Entry Age cost method for members where benefit service exceeds vesting service. For this test life, the current age is 54, benefit service is 12, and vesting service is 8 (after rounding). Cheiron has calculated an entry age of 42, or 54 minus 12, whereas Segal has calculated an entry age of 46, or 54 minus the lower of 12 and 8. We believe either approach is reasonable.

¹⁵ The Safety Tier 4 active test life only has 1.43 years of benefit service as of June 30, 2025, so the actuarial accrued liability is relatively small. We match Cheiron's present value of benefits and present value of future normal costs closely. We do not match Cheiron closely on the actuarial accrued liability as a percentage basis. However, this is to be expected as it is a small number calculated as the difference between two larger numbers where we do have a close match. We believe this to be explainable by different methodologies in our respective valuation systems, and we believe Cheiron's result to be reasonable.

Results of the Actuarial Review

Test Life Comparison *Deferred Members – Actuarial Accrued Liability*

Test Life	Cheiron	Segal	Ratio ¹⁶
Deferred			
General Tier 1, reciprocal	\$2,249,914	\$2,253,289	100.2%
General Tier 2, terminated vested	\$121,256	\$122,360	100.9%
General Tier 3, reciprocal	\$459,450	\$357,410	77.8% ¹⁷
General Tier 4, terminated vested	\$67,713	\$68,549	101.2%
Safety Tier 1, reciprocal	\$158,225	\$149,989	94.8% ¹⁸
Safety Tier 2, terminated vested	\$119,198	\$120,121	100.8%
Safety Tier 3, terminated vested	\$88,391	\$88,953	100.6%
Safety Tier 4, terminated vested	\$79,273	\$71,986	90.8% ¹⁹

Test Life Comparison *Members Receiving Benefits (Retiree) – Actuarial Accrued Liability*

Test Life	Cheiron	Segal	Ratio ²⁰
Service Retirement			
General Tier 1	\$430,990	\$434,105	100.7%
General Tier 2	\$466,105	\$469,276	100.7%
General Tier 3	\$90,540	\$91,266	100.8%
General Tier 4	\$24,982	\$25,230	101.0%
Safety Tier 1	\$1,027,718	\$1,034,157	100.6%
Safety Tier 2	\$392,093	\$394,768	100.7%
Safety Tier 4	\$209,792	\$211,068	100.6%

¹⁶ In the table above, we have shown a smaller sample of the 14 total deferred test lives provided by Cheiron. The average of the ratios for all 14 deferred test lives is 100.1%.

¹⁷ As noted above, Cheiron has indicated that there is a difference between Segal's and Cheiron's application of the benefit formula for a very small number of reciprocal members. We understand that they are researching the appropriate treatment for these members, and any change would not be expected to have a significant impact on the valuation.

¹⁸ The same as noted above in footnote 17, there may be a difference between Segal's and Cheiron's application of the benefit formula for Safety reciprocal members.

¹⁹ As noted above, the assumed retirement age for Safety Tier 4 members increased from age 50 to age 55 in the new assumptions effective for the June 30, 2025 valuation. However, Cheiron's data and valuation program still reflects a benefit amount and retirement age effective at age 50. We recommend that Cheiron update this in the valuation program. This is not expected to have a significant impact on the valuation.

²⁰ In the table above, we have shown a smaller sample of the 23 total retired test lives provided by Cheiron. The average of the ratios for all 23 retired test lives is 101.2%.

Results of the Actuarial Review

Test Life Comparison

Members Receiving Benefits (Disabled, Beneficiary) – Actuarial Accrued Liability

Test Life	Cheiron	Segal	Ratio ²¹
Service-Connected Disability			
General Tier 1	\$992,210	\$999,348	100.7%
Safety Tier 1	\$491,585	\$495,539	100.8%
Safety Tier 2	\$98,167	\$100,007	101.9%
Non Service-Connected Disability			
General Tier 1	\$260,811	\$263,491	101.0%
General Tier 3	\$222,410	\$223,849	100.6%
Safety Tier 1	\$585,597	\$589,860	100.7%
Beneficiary			
General Tier 1	\$395,306	\$400,617	101.3%
Safety Tier 1	\$461,218	\$466,881	101.2%
QDRO			
General Tier 1	\$444,901	\$448,348	100.8%
Safety Tier 1	\$149,983	\$154,564	103.1%

²¹ In the table above, we have shown a smaller sample of the four total service-connected disability test lives provided by Cheiron. The average of the ratios for all four service-connected disability test lives is 101.2%.

Results of the Actuarial Review

Contribution rates

Based on the above liability results, Cheiron has applied MercedCERA's funding policy to develop contribution rates as of June 30, 2025. Segal independently calculated the contribution rates. **We closely match Cheiron's calculation of the contribution rates.**

Observations

We have the following observations about the calculation of the contribution rates.

- In determining the UAAL contribution rate, Cheiron applied the UAAL funding policy of amortization of actuarial gains and losses over a closed 24-year period with a five-year phase-in and four-year phase-out of each layer of amortization payments. Assumption changes are amortized over a closed 22-year period with a three-year phase-in and two-year phase-out of each layer of amortization payments. We were able to verify Cheiron's calculations of the UAAL amortization payments.
- In projecting the salary used to develop the UAAL rate, Cheiron has updated their methodology since the June 30, 2022 audit to project the salary with the wage inflation assumption instead of the wage inflation assumption plus half of the merit and longevity salary increases. In our audit of the June 30, 2022 valuation report, we recommended that Cheiron disclose this methodology in the report. We agree with the note in *Section I* of the report that the projected salary increases reflect increases due to wage inflation, but do not reflect merit or longevity salary increases.

Recommendations

We have the following recommendations about the calculation of the contribution rates.

- Based on our comparison of the member contribution rates, it appears that the Tier 1, 2, and 3 member contribution rates currently reflect sick leave conversion, although the impact is very minor. Segal's methodology for our County clients is generally to not include sick leave conversion assumption in the member rates for non-PEPRA tiers, based on §31641.03 of the County Employees Retirement Law.

If Cheiron has not already confirmed with MercedCERA, we recommend that Cheiron confirm whether the County of Merced has adopted §31641.03 of the County Employees Retirement Law. If so, the entire cost of the sick leave conversion would need to be borne by the employer, and not reflected in the member contribution rates for non-PEPRA members. Additionally, if Cheiron is including sick leave conversion in the Tier 1, 2, and 3 member contribution rates, we recommend disclosing that in the valuation report.

Results

As a percentage of projected payroll, Segal's total normal cost contribution rate (employer plus member) is 101.1% of Cheiron's total normal cost rate. Segal's net employer normal cost contribution rate is 101.7% of Cheiron's rate. Segal's UAAL amortization contribution rate is 100.3% of Cheiron's UAAL rate. Segal's total employer contribution rate is 100.6% of Cheiron's rate. We believe our employer contribution rates are generally within an acceptable range of Cheiron's results, which provides assurance that the plan liabilities are properly valued and the funding policy has been followed.

Results of the Actuarial Review

In the following employer contribution rate comparison tables, the member contribution rate does not include the member's share of the administrative expenses.

Employer Contribution Rate Comparison *Total Plan (General and Safety)*

Group	Cheiron	Segal	Ratio
Total Plan			
1. Total normal cost rate	17.04%	17.23%	101.1%
2. Member contribution rate	8.28%	8.32%	100.5%
3. Employer normal cost rate: (1) – (2)	8.76%	8.91%	101.7%
4. Employer UAAL amortization rate	32.28%	32.39%	100.3%
5. Administrative expense rate	1.55%	1.56%	100.6%
6. Total employer contribution rate: (3) + (4) + (5)	42.59%	42.86%	100.6%

Results of the Actuarial Review

Employer Contribution Rate Comparison *General*

Group	Cheiron	Segal	Ratio
General Tier 1			
1. Total normal cost rate	27.39%	29.44%	107.5%
2. Member contribution rate	12.81%	12.79%	99.8%
3. Employer normal cost rate: (1) – (2)	14.58%	16.65%	114.2%
4. Employer UAAL amortization rate	29.95%	30.05%	100.3%
5. Administrative expense rate	1.68%	1.76%	104.8%
6. Total employer contribution rate: (3) + (4) + (5)	46.21%	48.46%	104.9%
General Tier 2			
1. Total normal cost rate	19.07%	19.30%	101.2%
2. Member contribution rate	9.59%	9.58%	99.9%
3. Employer normal cost rate: (1) – (2)	9.48%	9.72%	102.5%
4. Employer UAAL amortization rate	29.95%	30.05%	100.3%
5. Administrative expense rate	1.49%	1.49%	100.0%
6. Total employer contribution rate: (3) + (4) + (5)	40.92%	41.26%	100.8%
General Tier 3			
1. Total normal cost rate	16.20%	16.30%	100.6%
2. Member contribution rate	6.97%	6.96%	99.9%
3. Employer normal cost rate: (1) – (2)	9.23%	9.34%	101.2%
4. Employer UAAL amortization rate	29.95%	30.05%	100.3%
5. Administrative expense rate	1.48%	1.48%	100.0%
6. Total employer contribution rate: (3) + (4) + (5)	40.66%	40.87%	100.5%
General Tier 4			
1. Total normal cost rate	14.05%	14.16%	100.8%
2. Member contribution rate	7.03%	7.08%	100.7%
3. Employer normal cost rate: (1) – (2)	7.02%	7.08%	100.9%
4. Employer UAAL amortization rate	29.95%	30.05%	100.3%
5. Administrative expense rate	1.40%	1.40%	100.0%
6. Total employer contribution rate: (3) + (4) + (5)	38.37%	38.53%	100.4%

Results of the Actuarial Review

Employer Contribution Rate Comparison *Safety*

Group	Cheiron	Segal	Ratio
Safety Tier 1			
1. Total normal cost rate	35.68%	37.69%	105.6%
2. Member contribution rate	5.11%	5.01%	98.0%
3. Employer normal cost rate: (1) – (2)	30.57%	32.68%	106.9%
4. Employer UAAL amortization rate	42.82%	42.95%	100.3%
5. Administrative expense rate	2.77%	2.84%	102.5%
6. Total employer contribution rate: (3) + (4) + (5)	76.16%	78.47%	103.0%
Safety Tier 2			
1. Total normal cost rate	25.13%	25.42%	101.2%
2. Member contribution rate	9.83%	9.83%	100.0%
3. Employer normal cost rate: (1) – (2)	15.30%	15.59%	101.9%
4. Employer UAAL amortization rate	42.82%	42.95%	100.3%
5. Administrative expense rate	2.20%	2.20%	100.0%
6. Total employer contribution rate: (3) + (4) + (5)	60.32%	60.74%	100.7%
Safety Tier 3			
1. Total normal cost rate	24.10%	24.20%	100.4%
2. Member contribution rate	9.69%	9.61%	99.2%
3. Employer normal cost rate: (1) – (2)	14.41%	14.59%	101.2%
4. Employer UAAL amortization rate	42.82%	42.95%	100.3%
5. Administrative expense rate	2.16%	2.16%	100.0%
6. Total employer contribution rate: (3) + (4) + (5)	59.39%	59.70%	100.5%
Safety Tier 4			
1. Total normal cost rate	22.01%	22.28%	101.2%
2. Member contribution rate	11.01%	11.14%	101.2%
3. Employer normal cost rate: (1) – (2)	11.00%	11.14%	101.3%
4. Employer UAAL amortization rate	42.82%	42.95%	100.3%
5. Administrative expense rate	2.03%	2.03%	100.0%
6. Total employer contribution rate: (3) + (4) + (5)	55.85%	56.12%	100.5%

Due to the changes in assumptions that were recommended as part of the 2025 experience study, Cheiron also calculated new entry age-based member contribution rates for Tiers 1, 2, and 3. We have verified that Cheiron's calculated member contribution rates are reasonable and consistent with the relevant provisions of the County Employees Retirement Law (CERL).

Results of the Actuarial Review

For Tier 1, 2, and 3 members, Segal's Basic member contribution rates range from 100.0% to 100.6% of Cheiron's (as noted above, Segal's calculation does not include sick leave conversion, though the impact would be very minor).

For the COLA member contribution rates, we understand that Cheiron calculates the rates on an individual entry age basis based on 50% of the normal cost associated with the expected COLA benefits. Segal uses a different methodology for our County clients, where we apply a COLA loading factor calculated on an aggregate basis, equal to 50% of the total normal cost for the COLA benefits to the Basic employee rates for members in the same membership class and tier. For a sample of entry ages, Segal's COLA member contribution rates are within 102.5% to 103.0% of the COLA member contribution rates calculated by Cheiron.

As shown in the following table, Segal's Tier 4 member contribution rates (normal cost plus administrative expenses) range from 100.8% to 101.2% of Cheiron's.

Tier 4 Member Contribution Rate Comparison

Group	Cheiron	Segal	Ratio
Tier 4			
General	7.28%	7.34%	100.8%
Safety	11.41%	11.55%	101.2%

We believe our member contribution rates are generally within an acceptable range of Cheiron's results, which provides assurance that the plan liabilities are properly valued and the funding policy has been followed.

Results of the Actuarial Review

Content of valuation report

Cheiron's report complies with generally accepted actuarial principles and practices which are consistent with the core requirements of the Actuarial Standards of Practice and the Code of Professional Conduct and Qualifications Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries.

Observations

We have the following observations about the content of the valuation report.

- Throughout this audit, we have noted areas where we recommended in past audits that Cheiron disclose additional detail in the report, including the methodology for annualizing salary, and the methodology for projecting salary to use in calculating the UAAL contribution rates. We also recommended in the June 30, 2022 audit that Cheiron disclose the ultimate retirement rates of 100% in the valuation report. We agree with Cheiron's disclosure of these items in the June 30, 2025 valuation report.

Recommendations

We have the following recommendations about the content of the valuation report.

- Throughout this audit, we have included some recommendations of areas related to the data, liabilities, or contribution rates where Cheiron can disclose additional detail in the valuation report, including the following:
 - Disclosure of the assumption used to carry forward salary to the valuation date for current reciprocal members
 - The detailed methodology for calculating entry age under the Entry Age cost method
 - Expanding the description of the asset valuation method in *Appendix B* to describe the process for allocating assets between membership classes
 - If the member contribution rates for Tiers 1, 2, and 3 include sick leave conversion, disclosure of that methodology
- We understand that MercedCERA's Tier 1, 2, and 3 benefits are integrated with Social Security, and the Tier 4 benefit is not integrated with Social Security. If this is the case, we recommend that Cheiron explicitly describe this in the valuation report, and disclose how the calculations may be similar or different for these groups.
 - Currently, the valuation report states that the Social Security offset (one-third of the first \$350 per month) applies to members integrated with Social Security. We recommend that Cheiron state directly which classes and/or tiers the Social Security offset applies to.
 - Currently, the valuation report describes two PEPRA compensation limits, one for members participating in Social Security, one for members not participating in Social Security. It appears the Tier 4 members with high salaries are limited by the PEPRA compensation limit applicable to members participating in Social Security. We recommend that Cheiron directly state the applicable PEPRA compensation limits for General and Safety Tier 4 members.
- As we discussed in the June 30, 2019 and June 30, 2022 audits, there are a few places in the valuation report where Cheiron is still referencing the "Entry Age Normal" cost method or

Results of the Actuarial Review

funding method instead of the nomenclature “Entry Age” cost method used by the Governmental Accounting Standards Board (GASB) since the implementation of GASB Statements No. 67 and 68. We recommend that Cheiron consider updating this terminology.

- As we discussed in the June 30, 2022 audit, Cheiron’s report currently describes the benefit formula for General reciprocal members who terminated before March 15, 2005. We recommend that Cheiron describe the benefit formula for similar Safety reciprocal members.

Results of the Actuarial Review

Conclusions and recommendations

Segal has performed an actuarial review of Cheiron's June 30, 2025 valuation for MercedCERA. Our review confirms that the actuarial calculations are reasonable and were conducted according to generally accepted actuarial principles and practices.

We recommend that Cheiron consider the following items in future valuations:

- Update the benefit amount at retirement and retirement timing for Safety Tier 4 terminated vested members.
- Update the benefit amount for General and Safety Tier 4 terminated vested members to remove the Social Security offset.
- Update the contribution balance in the valuation for Tier 1 members to include past COLA contributions.
- Update the benefit formula for reciprocal members where applicable (see discussion above regarding the General Tier 3 reciprocal test life), and clarify the benefit provisions in the next valuation report.
- Confirm MercedCERA's handling of sick leave conversions for the member contribution rates for Tiers 1, 2, and 3.
- Include additional disclosure and details in the valuation report about certain plan provisions, assumptions, methods, and other wording as discussed throughout this audit report.

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Merced County Employees' Retirement Association

Audit of Actuarial Experience Study

**Analysis of Actuarial Experience During the Period
July 1, 2022 through June 30, 2025**

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March 18, 2026

Board of Retirement
Merced County Employees' Retirement Association
690 W. 19th Street
Merced, CA 95340

Re: Review of actuarial experience study for July 1, 2022 through June 30, 2025

Dear Members of the Board:

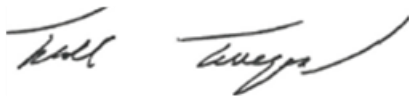
We are pleased to present the results of this review of the July 1, 2022 through June 30, 2025 Actuarial Experience Study for the Merced County Employees' Retirement Association (MercedCERA). The purpose of this review was to verify the recommendations of Cheiron and to offer comments on the methodology and the results of their experience study.

This review was completed under the supervision of Eva Yum, a Fellow of the Society of Actuaries, Member of the American Academy of Actuaries, and an Enrolled Actuary under ERISA. This review was conducted in accordance with the standards of practice prescribed by the Actuarial Standards Board.

We are members of the American Academy of Actuaries, and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

The assistance of Cheiron and MercedCERA is gratefully acknowledged. We appreciate the opportunity to be of service to MercedCERA, and we look forward to reviewing this report with you and answering any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Tauzer".

Todd Tauzer, FSA, MAAA, FCA, CERA
Senior Vice President and Actuary

A handwritten signature in black ink, appearing to read "Eva Yum".

Eva Yum, FSA, MAAA, EA
Vice President and Actuary

MAM/jl

cc: Tim Hall, FSA, EA, MAAA, CERA
Anne D. Harper, FSA, EA, MAAA
Graham Schmidt, FSA, EA, MAAA, FCA

Table of Contents

Executive Summary	4
Economic assumptions.....	4
Demographic assumptions	5
Purpose and Scope of the Actuarial Review.....	7
Purpose of the actuarial review	7
Scope of the actuarial review	7
Results of the Actuarial Review	8
Review of economic assumptions	8
Price inflation	8
Investment return.....	9
Administrative expenses.....	11
Salary and payroll growth	11
Cost-of-living adjustment (COLA) increases.....	12
Review of demographic assumptions.....	13
Service retirement.....	14
Mortality	14
Reciprocity	16
Sick leave	16
Other assumptions.....	16
Conclusions and recommendations	16

Executive Summary

This report has been prepared by Segal to present a review of the July 1, 2022 through June 30, 2025 experience study performed by Cheiron for MercedCERA.

We have performed this review to provide MercedCERA an independent opinion as to the reasonableness of Cheiron's methods, analysis, and recommendations in developing the actuarial assumptions presented in their experience study. **Our review confirms that the economic and demographic assumptions recommended by Cheiron are reasonable for use in the June 30, 2025 valuation, and that the actuarial calculations were conducted according to generally accepted actuarial principles and practices.** However, there are a few areas where we recommend that Cheiron consider in future experience studies to improve the experience study process and results.

Our observations and recommendations are summarized below.

Economic assumptions

We have reviewed the economic assumptions that Cheiron recommended in the 2025 experience study, and they are reasonable to use in the MercedCERA valuation. These assumptions and our observations are briefly summarized here.

- **Price inflation:** Cheiron has recommended maintaining the current 2.50% assumption. This assumption is within the range of long-term historical inflation, market expectations, and various professional forecasts.
- **Investment return:** Cheiron has recommended maintaining the current 6.75% assumption. To independently evaluate this assumption, Segal applied the model that we use for our other California public retirement systems and found that there is a 56% probability that the geometric average of MercedCERA's returns over the next 15 years will meet or exceed the assumption, indicating that future investment returns are expected to equal or exceed the assumed rate more often than not.

In Segal's audit of the 2022 experience study, we recommended that Cheiron consider reducing the expected investment returns due to investment related expenses in developing the investment return assumption. In the 2025 experience study, Cheiron has updated their approach to reduce the expected returns from the investment consultants by an assumption for the non-management investment expenses. We concur with this change to the methodology for the investment return assumption development.

- **Administrative expenses:** Cheiron has recommended an administrative expense assumption of \$3.2 million for the year ending June 30, 2026, increasing in future years with inflation. This assumption is consistent with recent historical data for MercedCERA.
- **Salary and payroll growth:** We concur with Cheiron's recommendation to increase the real wage growth component of the salary increase assumption and the payroll growth assumption from 0.25% to 0.50%. Cheiron has recommended no changes to the merit salary increases. Although the merit increases over the most recent three years have generally been higher than the assumption, Cheiron used nine years of data to evaluate this assumption, which includes some years with lower merit increases. The payroll growth assumption used to

Executive Summary

amortize the Unfunded Actuarial Accrued Liability (UAAL) as a level percent of payroll is 3.00%.

- **Cost-of-living adjustment (COLA) increases:** Cheiron has introduced an assumption that Tier 1 members with a COLA bank will receive COLA increases of 3.00% until the bank is depleted. We concur with this approach of valuing COLA for Tier 1 members with a COLA bank. For members without a COLA bank, Cheiron has recommended an assumption of 2.40%. The actual COLA increases are based on Bay Area Consumer Price Index (CPI), and with the exception of the most recent five-year period, the Bay Area CPI has historically exceeded the national CPI over the 10-year, 15-year and 20-year average periods as shown on page 13 of this report. Therefore, we recommend that Cheiron continue to monitor the 2.40% COLA assumption and consider whether a higher assumption would be reasonable, taking into account the long-term expectation for the Bay Area CPI.

Demographic assumptions

We have reviewed the demographic assumptions that Cheiron recommended in the 2025 experience study, and they are reasonable to use in the MercedCERA valuation. These assumptions and our observations are briefly summarized here.

- **Service retirement:** In the 2022 experience study audit, Segal recommended that Cheiron consider developing a separate set of retirement rates for the Safety PEPRA tier. In this experience study, Cheiron has developed a separate set of retirement rates for Safety PEPRA members, consistent with the approach taken for General PEPRA members in the prior study. We concur with this change to the structure for the service retirement assumption for Safety PEPRA members. As a result of this change, some of the retirement rates for Safety PEPRA members are substantially lower than under the prior assumptions. We recommend that Cheiron continue to monitor this assumption as more experience becomes available.
- **Mortality:** In general, Cheiron has updated the base mortality tables from the CalPERS 2021 tables to the equivalent CalPERS 2025 tables, with the exception of Safety healthy retirees who previously used the Pub-2010 Safety Healthy Retiree Below-Median tables and are now using the CalPERS 2025 Healthy Annuitant tables. Cheiron is continuing to apply a 105% adjustment to the base mortality tables for healthy retirees. Cheiron has also updated the generational mortality improvement scale from 80% of MP-2020 to 80% of MP-2021.

We recommend that Cheiron consider the following items in future experience studies:

- Describe or provide additional context for the decision to include the years ended June 30, 2021 and June 30, 2022 in the mortality experience, as they were excluded in the 2022 experience study due to the impact of COVID-19.
 - Continue to monitor the 80% adjustment to the MP-2021 generational mortality improvement scale.
 - Include a chart showing the fit of the mortality assumption to the combined group of General and Safety healthy retirees and all beneficiaries given that the assumptions are the same for each of these populations.
- **Reciprocity:** Cheiron is using different assumptions for reciprocal members to project their timing of retirement and compensation increases earned at a reciprocal retirement system,

Executive Summary

depending on whether the member is a future reciprocal member (i.e., an active member expected to become a reciprocal member in the future) or a current reciprocal member. We recommend that Cheiron consider using the same assumptions for both future and current reciprocal members.

- **Sick leave:** In our audit of the 2022 experience study, we recommended that Cheiron consider introducing a sick leave conversion assumption if there are more new retirees converting their sick leave time to service credit. Cheiron has introduced a sick and vacation leave conversion assumption in this experience study. We concur with this recommendation.
- **Other assumptions:** Cheiron also reviewed and adjusted the assumptions for termination, disability retirement (service and non-service connected), probability of refund election, retirement age for inactive vested members, percent married, and spouse age difference. These other demographic assumptions recommended by Cheiron appear to be reasonable overall.

Purpose and Scope of the Actuarial Review

Purpose of the actuarial review

Segal has performed an actuarial review of Cheiron's 2025 experience study to provide assurance to MercedCERA's Board of Retirement that Cheiron's methods, analysis and recommendations in developing the actuarial assumptions are reasonable and were conducted according to generally accepted actuarial principles and practices.

Scope of the actuarial review

The scope of the actuarial review, as described in MercedCERA's agreement for actuarial audit services with Segal, includes the following:

- Evaluation of the available data for the performance of the experience study, the degree to which such data is sufficient to support the conclusions of the study, and the use and appropriateness of any assumptions made regarding such data.
- Evaluation of the results and reconciliation of any discrepancies between the findings, assumptions, methodology, rates, and or adjustments with MercedCERA's consulting actuary.
- Evaluation of recommended economic and demographic assumptions as presented in MercedCERA's consulting actuary's experience study report.

Results of the Actuarial Review

Review of economic assumptions

The economic assumptions reviewed by Cheiron during the 2025 experience study are price inflation, investment return, investment expenses, administrative expenses, salary and payroll growth, and post-retirement cost-of-living adjustment (COLA) increases.

Actuarial Standard of Practice No. 27 (ASOP 27) provides the actuary guidance in developing these assumptions. Among these guidelines is the consistency of the economic assumptions selected by the actuary.

In order to demonstrate the interconnection and the consistency among the investment return, price inflation and wage growth assumptions, Segal utilizes the same “building block” approach used by Cheiron in developing and documenting our review of these three assumptions. Under this approach, the investment rate of return assumption is the combination of the inflation component and the real rate of return component, less an investment expense component. Similarly, the wage growth assumption is the combination of the inflation component and the real wage growth component, and the salary increase assumption is the combination of the wage growth assumption and the merit salary increase assumption. In our experience, this is generally the preferred approach for documenting and developing these assumptions.

Our review confirms that the economic assumptions recommended by Cheiron are reasonable for use in the June 30, 2025 valuation, internally consistent, and based on generally accepted actuarial principles and practices.

Price inflation

In the 2025 experience study, Cheiron recommended maintaining the current 2.50% price inflation assumption. This assumption underlies all other economic assumptions, including the investment return assumption and the projection of benefit liabilities (i.e., salary increases for actives, and COLAs for retirees in Tier 1).

In their analysis, Cheiron cited the following:

- Historical inflation, measured by the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, has averaged 2.5% over the past 30 years.¹
- The market expectations for inflation (or “break-even rate”) as of December 2025 for the next 20 years is 2.41%, calculated by comparing inflation indexed bonds with traditional fixed government bonds.²

Given the long time horizon of a public pension plan’s liabilities, we would note that the 30-year break-even rate is 2.22% as of December 2025.³

¹ Source: Bureau of Labor Statistics – Based on CPI for All Items in U.S. city average, all urban consumers, not seasonally adjusted (Series ID: CUUR0000SA0).

² Source: Board of Governors of the Federal Reserve System.

³ Source: Board of Governors of the Federal Reserve System.

Results of the Actuarial Review

- The median inflation assumption is 2.50% for California public plan valuations and in the Public Plans Database,⁴ 2.38% over the next 10 years in a survey of professional forecasters,⁵ and 2.40% over the next 20 years in the survey of investment advisors conducted by Horizon Actuarial Services.⁶
- The Federal Reserve's inflation target is 2.00% based on Personal Consumption Expenditures (PCE).⁷ Cheiron has noted that CPI-U has exceeded PCE by around 0.40% on average since 2000,⁸ implying a target CPI-U of around 2.40%.

While not cited by Cheiron, we also referred to the Social Security Administration's (SSA) 2025 report on the financial status of the Social Security program.⁹ The projected average increase in CPI over the next 75 years under the intermediate cost assumptions used in that report was 2.40%, which the SSA has maintained for several years. The SSA report also includes alternative projections using lower and higher inflation assumptions of 1.80% and 3.00%, respectively.

Based on all of the above information, **we agree that the 2.50% inflation assumption recommended by Cheiron is reasonable.**

Investment return

In the 2025 experience study, Cheiron recommended maintaining the current 6.75% investment return assumption.

Cheiron reviewed the current 6.75% investment return assumption by calculating the average expected nominal return based on MercedCERA's target asset allocation, and using capital market assumptions provided by Meketa (MercedCERA's investment consultant), Verus, and Horizon Actuarial Services' survey of capital market assumptions. Cheiron calculated the averages over the medium term (7-10 years) and the long term (20+ years). These averages support the use of a 6.75% investment return assumption.

In Segal's audit of the 2022 experience study, we recommended that Cheiron consider reducing the expected investment returns due to investment expenses. In the 2025 experience study, they have updated their approach to reduce the expected returns from the investment consultants by an assumption for the non-management investment expenses. We concur with this change to the methodology for the investment return assumption.

Independent investment return model

As an independent check, Segal has applied the model that we use for our other California public retirement systems to review Cheiron's recommended 6.75% investment return assumption.

⁴ Source: Public Plans Database, produced in partnership with the National Association of State Retirement Administrators (NASRA).

⁵ Source: Federal Reserve Bank of Philadelphia.

⁶ Source: Horizon Actuarial Services, "Survey of Capital Market Assumptions: 2025 Edition".

⁷ Source: Board of Governors of the Federal Reserve System.

⁸ Source: Federal Reserve Bank of St. Louis.

⁹ Source: "Social Security Administration: The 2025 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds."

Results of the Actuarial Review

As discussed above, the inflation component of the investment return assumption is assumed to be 2.50%.

The real rate of return is the portfolio's incremental investment returns over inflation. Segal has calculated the expected real rate of return based on MercedCERA's target asset allocation and the average of a sample of real rate of return assumptions by asset class provided to us by Meketa and five other investment advisory firms retained by Segal's public sector clients, as well as Segal's investment advisory division (Segal Marco Advisors) in 2025. The average assumed arithmetic net real rate of return assumption is 5.61%.

We reduced the real rate of return assumption by the investment expenses expected to be paid from investment income. As prevailing practice by investment advisory firms is to provide us with the real rates of return net of expected investment expenses, we only make adjustments for investment consulting fees, custodian fees and other miscellaneous investment expenses excluding investment manager fees. Based on historical experience, Cheiron's investment expense assumption of 0.15% is reasonable.

Our model calculates the likelihood that the geometric average of investment returns over the next 15 years will meet or exceed the investment return assumption. Based on the assumptions described above, the 6.75% investment return assumption has a confidence level of 56%, indicating that future investment returns are expected to equal or exceed the assumed rate more often than not. Based on this analysis, **we agree that the 6.75% investment return assumption recommended by Cheiron is reasonable.**

Comparison with other public retirement systems

We note that an investment return of 6.75% or lower is becoming more common among California public sector retirement systems. Of the twenty 1937 Act CERL systems, one uses a 7.25% investment assumption, six use 7.00%, nine use 6.75% (including MercedCERA), three use 6.50%, and one uses 6.25%. Furthermore, CalSTRS currently uses a 7.00% investment return assumption, and CalPERS uses a 6.80% investment return assumption.

The following table compares MercedCERA's recommended investment return assumption against those of the 246¹⁰ large public retirement funds in their 2024 fiscal year valuations based on information found in the Public Plans Database, which is produced in partnership with NASRA.

MercedCERA's Investment Return Assumption vs. Public Plans Database Investment Return Assumptions¹¹

Assumption	MercedCERA	Public Plan Data Low	Public Plan Data Median	Public Plan Data High
Net investment return	6.75%	4.31%	7.00%	7.50%

¹⁰ Among 253 large public retirement funds, the 2024 fiscal year investment return assumption was not available for 7 of the public retirement funds in the Public Plans Database as of January 2026.

¹¹ Source: Public Plans Database, produced in partnership with the National Association of State Retirement Administrators (NASRA).

Results of the Actuarial Review

The detailed survey results show that approximately 85% of the systems have an investment return assumption in the range of 6.75% to 7.50%. Also, over three quarters of the systems have reduced their investment return assumption from 2018 to 2024. State systems outside of California tend to change their economic assumptions less frequently and so may lag behind emerging practices in this area.

Administrative expenses

In the 2025 experience study, Cheiron has recommended an explicit administrative expense assumption of \$3.2 million for the year ending June 30, 2026, increasing in future years with the 2.50% price inflation assumption. We believe that an explicit administrative expense load is a reasonable way to account for these expenses.

Actual administrative expenses were about \$3.3 million in the year ended June 30, 2025 and \$2.8 million in the year ended June 30, 2024. Based on the historical data, **we agree that the \$3.2 million administrative expense assumption recommended by Cheiron is reasonable.**

Salary and payroll growth

Cheiron uses a “building block” approach in developing the recommended salary increase assumption. Under this approach, the salary increase assumption is the combination of the price inflation component, the productivity or real wage growth component, and the merit increase component. We believe this is the preferred approach for developing this assumption.

Price inflation

For the inflation component of this assumption, please refer to our previous discussion on the 2.50% price inflation assumption.

Productivity or real wage growth

Real “across the board” pay increases are typically termed productivity increases since they are considered to be derived from the ability of an organization or an economy to produce goods and services in a more efficient manner. As that occurs, at least some portion of the value of these improvements can provide a source for pay increases. These increases are typically assumed to extend to all employees “across the board.” When these increases are combined with the price inflation component, the result is the wage growth component, which reflects the average rate of increase in salaries regardless of the years of service or age of the member.

In the 2022 experience study, Cheiron recommended a 0.25% real wage growth assumption. In Segal’s audit of that experience study, we recommended that Cheiron consider a 0.50% assumption in their next experience study. In the 2025 experience study, Cheiron has proposed a 0.25% assumption as a baseline assumption, with 0.50% as an alternative that they recommended the Board consider.

In reviewing this assumption, we refer to the State and Local Government Workers Employment Cost Index produced by the Department of Labor that provides evidence that real “across the board” pay increases have averaged about 0.2% – 0.4% annually during the last ten to twenty years.

Results of the Actuarial Review

We also referred to the annual report on the financial status of the Social Security program published in June 2025. In that report, real “across the board” pay increases are forecast to be 1.13% per year under the intermediate assumptions.

We also note that while we have a small number of California public sector clients that use a 0.25% real wage growth assumption, the majority of our California public sector clients use a 0.50% assumption.

The current assumption of 0.25% is at the lower end of the range of historical and forecasted values described above. Consistent with our recommendation in the last audit of the 2022 experience study, **we concur with Cheiron’s alternative assumption that the Board consider increasing this assumption to 0.50%.** We understand that the Board adopted the 0.50% assumption.

Merit increase

The last step or building block needed to complete the salary increase assumption is the merit increase component, which was reviewed by Cheiron as part of the demographic assumptions. Merit increases are the salary increases above the general wage increases due to the combination of promotions, longevity increases, bonuses, and merit pay increases as applicable. We agree with Cheiron’s findings concerning the correlation of service and merit increases. The methodology used by Cheiron is reasonable and develops reasonable results overall based upon the data.

In the 2025 experience study, Cheiron recommended no changes to the merit salary increases for either General or Safety. Although the merit increases over the most recent three years have generally been higher than the assumption, Cheiron used nine years of data to evaluate this assumption, which includes some years with lower merit increases. **We agree that the merit salary increase assumptions recommended by Cheiron are reasonable.**

Payroll growth

The payroll growth assumption used by Cheiron for the purposes of amortizing the Unfunded Actuarial Accrued Liability (UAAL) as a level percent of payroll is directly tied to the wage growth component discussed above. The payroll growth assumption has increased from 2.75% to 3.00%.

Cost-of-living adjustment (COLA) increases

Tier 1 retired members and beneficiaries are entitled to receive annual COLA of up to 3.00%, based on the annual increase in the Consumer Price Index (CPI) and the availability of individually accumulated COLA banks.

In the 2025 experience study, Cheiron introduced a COLA assumption of 3.00% for Tier 1 retired members and beneficiaries while they have a COLA bank. **We agree with the assumption to reflect the COLA bank until it is depleted.** This is consistent with the approach Segal applies to our 1937 Act CERL clients in their valuations.

Results of the Actuarial Review

After the bank is depleted, or for Tier 1 members without a COLA bank, Cheiron recommended an assumption of 2.40%, based on simulations of COLA that take into account the 2.50% inflation assumption and the 3.00% cap.

We note that there has historically been a difference in CPI between the San Francisco Bay Area (used by MercedCERA to set the actual COLA increases) and the U.S. City Average (used by Cheiron to set the price inflation assumption). With the exception of the most recent five-year period, the December-to-December Bay Area CPI has historically been higher than the corresponding CPI for the US City Average.

Comparison of Average National and Bay Area CPI Increases

Time Period	Change in Dec-to-Dec CPI for U.S. City Average (up to 2025)	Change in Dec-to-Dec CPI for San Francisco-Oakland-Hayward Area (up to 2025)
5-Year Period	4.46%	3.43%
10-Year Period	3.20%	3.26%
15-Year Period	2.64%	3.07%
20-Year Period	2.52%	2.88%

Generally, Segal would recommend a COLA assumption at least equal to the price inflation assumption of 2.50% for tiers with 3.00% maximum COLA (in addition to an assumption of 3.00% for members with a COLA bank), and we believe an even higher rate of 2.75% could be justified based on the CPI measure used by MercedCERA to set annual COLA. **While we agree that the 2.40% assumption recommended by Cheiron is not unreasonable, we recommend that Cheiron continue to monitor this assumption, taking into account long-term expectations for the Bay Area CPI, and potentially consider increasing this assumption.**

Review of demographic assumptions

The demographic assumptions reviewed by Cheiron during the 2025 experience study are service retirement, termination, disability retirement (service and non-service connected), mortality, probability of refund election, reciprocity, retirement age for inactive vested members, percent married, spouse age difference, and sick and vacation leave.

Actuarial Standard of Practice No. 27 (ASOP 27) provides the actuary guidance in developing these assumptions. Among these guidelines is the consistency of the demographic assumptions and the reasonableness of each assumption selected by the actuary.

The Standard of Practice bases the evaluation of an assumption's reasonableness on two general criteria. First, the assumption is expected to appropriately model the contingency being measured. Second, the assumption is not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

In reviewing the analysis of demographic assumptions completed by Cheiron, we reviewed for reasonableness the approach used by Cheiron to apply membership data from the last nine

Results of the Actuarial Review

years in setting the assumptions to improve the credibility of the data for the analysis of most decrements. As there is insufficient data for setting some assumptions based on data from the last three years, we agree with Cheiron's methodology of using nine years of experience where appropriate.

Our review confirms that the demographic assumptions recommended by Cheiron are reasonable for use in the June 30, 2025 valuation, internally consistent, and based on generally accepted actuarial principles and practices.

Service retirement

In the 2025 experience study, Cheiron recommended adjustments to the General and Safety non-PEPRA retirement rates based on experience over the last nine years, including increases and decreases at various age and service combinations. In addition, the Safety non-PEPRA retirement rates were extended from age 60 to age 65. **We agree that the non-PEPRA retirement rates recommended by Cheiron are reasonable.**

In Segal's audit of the 2019 experience study, we recommended that Cheiron consider developing separate sets of retirement rates for members in the PEPRA and non-PEPRA tiers. In the 2022 experience study, Cheiron developed separate sets of retirement rates for PEPRA and non-PEPRA General tiers. Segal concurred with this approach and continued to recommend the same approach for the Safety tiers. In the 2025 experience study, Cheiron has developed separate sets of retirement rates for PEPRA and non-PEPRA Safety tiers. **We agree that the PEPRA retirement rates recommended by Cheiron are reasonable, and we concur with this change to the structure for the service retirement assumption for Safety PEPRA members.**

We would note that the changes to the service retirement assumption for Safety members created a relatively high cost savings of 1.01% of pay. This is due in part to the Safety non-PEPRA retirement rates being extended from age 60 to age 65. Additionally, the Safety PEPRA rates below age 57 were then set to 50% of the non-PEPRA rates. As a result, some of the retirement rates for Safety PEPRA members are substantially lower than under the prior assumptions.

As a result, the average expected retirement age for Safety PEPRA members increased by approximately 2.5 years. For example, the expected retirement age for Safety PEPRA members with entry age 35 increased from 55.2 under the prior assumptions to 57.7 under the proposed assumptions. In comparison, the expected retirement age for Safety non-PEPRA members with entry age 35 increased from 55.2 to 55.9. Actual experience for Safety PEPRA retirement is still very limited, so we recommend that Cheiron continue to monitor this assumption as more experience becomes available.

Mortality

In the 2025 experience study, Cheiron updated the General healthy retiree base mortality tables from the CalPERS 2021 Healthy Annuitant mortality tables with a 105% adjustment to the CalPERS 2025 Healthy Annuitant mortality tables with a 105% adjustment. The changes in the CalPERS tables were very minor, and only affected the female mortality rates.

Results of the Actuarial Review

Cheiron also updated the Safety healthy retiree base mortality tables to the CalPERS 2025 Healthy Annuitant mortality tables with a 105% adjustment. For this group, Cheiron previously applied the Pub-2010 Safety Healthy Retiree Below-Median mortality tables with a 105% adjustment. The change to the Safety mortality assumptions decreased the number of expected deaths, and resulted in a relatively high cost increase of 1.25% of pay. Our approach for our other California public sector clients would be to use the Pub-2016 Safety Healthy Retiree mortality tables, and apply an adjustment to reflect the client's experience to the extent enough credible data for the mortality experience is available.¹² To confirm the reasonableness of Cheiron's recommended base mortality table, we found that the cost impact would be similar if Cheiron had instead recommended the Pub-2016 Safety Healthy Retiree mortality tables with a 105% adjustment.

In the 2022 experience study, Cheiron excluded the data from the years ended June 30, 2021 and June 30, 2022 when evaluating the mortality assumptions, due to the elevated mortality levels during the COVID-19 pandemic. In the 2025 experience study, Cheiron included these years as part of the nine-year actual experience used to evaluate the mortality assumptions. Given this change in approach, we recommend that Cheiron describe or provide context for the inclusion of these years in the actual experience.

We concur with Cheiron's update of the generational mortality improvement scale from MP-2020 to MP-2021. While we generally use 100% of the mortality improvement scale, we note that Cheiron has continued to use 80% of the mortality improvement scale, consistent with CalPERS' mortality assumptions which we understand to be based on 20 years of observed mortality improvement for CalPERS' plan members. We recommend that Cheiron continue to monitor the 80% adjustment over time, including its applicability to any future mortality improvement scales published by the Retirement Plans Experience Committee of the Society of Actuaries that may include post-COVID experience.

Under the proposed assumptions, there is no distinction between the mortality rates for all healthy retirees and all beneficiaries, regardless of membership class (General vs. Safety) as CalPERS uses one set of mortality rates for both General and Safety healthy retirees and beneficiaries. The experience study presentation shows the fit of the mortality assumption to the actual experience for General and Safety separately, and we concur with that analysis. However, because the assumption is the same for these groups, we suggest that Cheiron also consider adding a slide that shows the fit of the proposed mortality assumption to the combined group of all healthy retirees and all beneficiaries.

Cheiron also updated the mortality for disabled retirees and active members from the CalPERS 2021 tables to the equivalent CalPERS 2025 tables, without a 105% adjustment, and with a generational projection using 80% of the MP-2021 mortality improvement scale. Similar to Safety healthy retirees, the Safety employees previously used the Pub-2010 Safety Employee Below-Median mortality table, and they are now using the CalPERS 2025 Non-Industrial Safety Employees table.

We agree that the mortality assumptions recommended by Cheiron are reasonable.

¹² Although we generally use the Above-Median tables, we would note that the distribution of MercedCERA's benefit amounts for Safety healthy retirees supports the use of the total population mortality table.

Results of the Actuarial Review

Reciprocity

Cheiron's assumptions for reciprocal members include assumptions for the timing of their retirement from a reciprocal retirement system and the compensation increases these members will earn at a reciprocal retirement system. We note that Cheiron is using different reciprocity assumptions for current active employees at MercedCERA who have some probability of becoming reciprocal members in the future (i.e., future reciprocal members) than they are using for members who are inactive at MercedCERA and who are currently working under another retirement system (i.e., current reciprocal members).

In particular, future reciprocal members have a single assumed retirement age (by membership and tier), whereas current reciprocal members use the same retirement rates and assumed salary increases as active members. Although the single assumed retirement age for reciprocal members is determined based on the observed retirement ages for members who retired with reciprocity, it is only being applied to future reciprocal members.

In addition, future reciprocal members have a single annual compensation increase assumption for the duration of their reciprocal employment, whereas current reciprocal members use the same assumed salary increases as active members.

The difference between these assumptions results in a change in the expected amount and timing of the reciprocal benefit simply due to a member moving from active to deferred reciprocal status. **We recommend that Cheiron consider using the same assumptions for both future and current reciprocal members.**

Sick leave

In our audit of the 2022 experience study, we recommended that Cheiron consider introducing a sick leave conversion assumption in the next experience study if there are more new retirees converting their sick leave time to service credit. In the 2025 experience study, Cheiron has added an assumption that members will convert an amount of sick and vacation leave at retirement equal to 0.4% of their total service. **We concur with Cheiron's recommendation to add this assumption.**

Other assumptions

Cheiron also reviewed and adjusted the assumptions for termination, disability retirement (service and non-service connected), probability of refund election, retirement age for inactive vested members, percent married, and spouse age difference. We do not have any specific comments on the other demographic assumptions recommended by Cheiron. **These assumptions appear reasonable to us.**

Conclusions and recommendations

Segal has performed an actuarial review of Cheiron's 2025 experience study for MercedCERA. Our review confirms that the economic and demographic assumptions recommended by Cheiron are reasonable for use in the June 30, 2025 valuation and that the actuarial calculations were conducted according to generally accepted actuarial principles and practices.

Results of the Actuarial Review

We recommend that Cheiron consider the following items in future experience studies:

- **Post-retirement COLA increase assumption:** Continue to monitor the 2.40% assumption used for members without a COLA bank, taking into account the long-term expectation for the Bay Area CPI, and potentially consider increasing this assumption. Except for the most recent five-year period, the Bay Area CPI measure has been higher than the national CPI measure (used in part to set the inflation assumption) over the 10-year, 15-year and 20-year average periods, and has consistently averaged above 2.40% over similar time horizons.
- **Service retirement:** Continue to monitor the Safety PEPRA retirement rates as more actual experience becomes available. Due to the change in the structure of this assumption in the 2025 experience study, the retirement rates for these members decreased significantly at some ages.
- **Mortality:** Describe or provide additional context for the decision to include the years ended June 30, 2021 and June 30, 2022 in the mortality experience, given that they were excluded from the 2022 experience study due to the elevated mortality levels during the COVID-19 pandemic. If Cheiron continues to recommend the same mortality assumption for General and Safety healthy retirees and all beneficiaries, consider including a chart that shows the fit of the recommended mortality assumption to the combined group of all healthy retirees and all beneficiaries.
- **Mortality improvement scale:** Continue to monitor the 80% adjustment to the MP-2021 generational mortality improvement scale, including its applicability to any future mortality improvement scales that may include post-COVID experience.
- **Reciprocity:** Consider using the same reciprocal retirement age and reciprocal compensation increase assumption for both future and current reciprocal members.

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Merced County Employees' Retirement Association

DATE: April 23, 2026

TO: MercedCERA Board of Retirement

FROM: Monica Gallegos, Assistant Plan Administrator-Benefits & Administration

SUBJECT: Adoption of Pensionable Pay Codes for Merced Superior Court

ITEM NUMBER: **Open Session Item d**

ITEM TYPE: **Action**

STAFF RECOMMENDATION:

1. Adoption of pay codes SRP – Steward Representation Pay, STT – Steward Training Pay, and UNL– Union Leave Pay as pensionable pay codes for Merced Superior Court.

DISCUSSION:

Merced Superior Court has established wage codes SRP – Steward Representation Pay, STT – Steward Training Pay, and UNL– Union Leave Pay as part of a tentative agreement between Merced County Trial Court Employees, Local 1, AFSCME Council 57 and Merced Superior Court.

Merced Superior Court is requesting the adoption of the following three new pay codes:

Pay code SRP – Steward Representation Pay

Employees designated by the Union as Union Stewards shall receive up to 20 days off per year for leave. Leave may be granted on a full-time, part-time, periodic, or intermittent basis.

Pay Code STT – Steward Training Pay

Employees designated by the Union as Union Stewards shall receive up to 32 hours (16 hours each) off per year for training purposes.

Pay Code UNL – Union Leave Pay

Employees designated by the Union as Union Stewards shall receive up to 20 days off per year to conduct official Union business. Unused hours, not including the sixteen hours (16) of Steward Training hours, will roll over to the following year up to a maximum of one hundred and twenty (120) hours. Leave may be granted on a full-time, part-time, periodic, or intermittent basis.

All three pay codes are pensionable for legacy members (employed prior to January 1, 2013) and PEPRA members (employed on or after January 1, 2013).

Staff Recommendation:

Staff recommend the Board adopt pay codes SRP – Steward Representation Pay, STT – Steward Training Pay, and UNL– Union Leave Pay as pensionable pay codes for Merced Superior Court.

**AMENDMENT
TO
AGREEMENT
BETWEEN
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
AND
MONICA GALLEGOS
FOR EMPLOYMENT AS RETIREMENT ASSISTANT PLAN
ADMINISTRATOR**

THIS Amendment to the Agreement between the Merced County Employees' Retirement Association Board of Retirement ("Board of Retirement") and Monica Gallegos that was entered into on June 2, 2025, is executed by and between the Board of Retirement, and Monica Gallegos (hereinafter referred to as "Gallegos").

This Amendment is hereby annexed to and made a part of the printed part of the Agreement to which it is attached or modifies the existing Agreement between the parties. In each instance in which the provisions of this Amendment shall contradict or be inconsistent with the provisions of the printed portion of the original Agreement and any previous amendments, the provision of this Amendment shall prevail and govern, and the contradicted or inconsistent provisions shall be deemed amended accordingly. Both parties agree that there is new and adequate consideration for this Amendment.

This Amendment shall be deemed to have been duly approved when executed by both parties to the original Agreement. Once duly approved, this Amendment shall become effective as of the date signed by the Chair of the Board of Retirement or designee.

MODIFICATIONS:

A). Section 4, entitled "Salary and Compensation", is amended to add as follows:

Effective with the County of Merced's pay period 13, 2026, Gallegos shall be granted a three percent raise in the annual base salary Gallegos receives as of the first day of that pay period, which is June 1, 2026. Gallego's compensation shall be \$137,970.56. Gallegos shall receive all salary and benefit increases provided to Merced County employees classified as B level Unrepresented Management.

Except as herein modified, all terms and conditions in said Agreement as heretofore approved remain unchanged and in full force and effect.

**Merced County Employees' Retirement
Association**

**Assistant Retirement Plan
Administrator**

Board Chair

Monica Gallegos

APPROVED AS TO LEGAL FORM

BY: _____

Thomas Ebersole
MercedCERA Legal Counsel



March 25, 2026

To: SACRS Trustees & SACRS Administrators/CEO's
 From: David MacDonald, SACRS Immediate Past President, Nominating Committee Chair
 SACRS Nominating Committee
 Re: SACRS Board of Director Elections 2026-2027 - Elections Notice

Please provide this election notice to your Board of Trustees and Voting Delegates for consideration at the upcoming elections being held at the SACRS Spring Conference May 15, 2026

DEADLINE	DESCRIPTION
March 1, 2026	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election shall not be accepted.
March 25, 2026	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 15, 2026	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference
May 15, 2026	Board of Directors takes office for 1 year

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

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

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

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

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

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



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

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

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

The elections will be held at the SACRS Spring Conference May 12-15, 2026, during the Annual Business meeting on Friday, May 15, 2026, in Olympic Valley, at the Everline Resort and Spa, Lake Tahoe.

SACRS Nominating Committee Recommended Slate:

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

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

If you have any questions, please contact David MacDonald at dmacdcccera@gmail.com.

Thank you for your prompt attention to this timely matter.

Sincerely,

David MacDonald

David MacDonald, Trustee, Contra Costa CERA, SACRS Nominating Committee Chair

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

Attached: Nominee Submissions

Submission for SACRS President



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2026-2027**

All interested candidates must complete this form and submit along with a letter of intent. Both the form and the letter of intent must be submitted no later than March 1, 2026. Please submit to the Nominating Committee Chair at dmacdcccera@gmail.com AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Adele Lopez Tagaloa
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 2223 East Wellington Ave, Suite 100 Santa Ana, CA 92701 Email Address: alopeztagaloa@ocers.org Phone: (714) 853-2953
Name of Retirement System Candidate Currently Serves On	System Name: Orange County Employees Retirement System (OCERS)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input checked="" type="radio"/> General Elected <input type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input checked="" type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	<ul style="list-style-type: none"> • SACRS President • SACRS Vice President, 2023-2024, 2024-2025 • SACRS Programming Committee Chair, 2023-2024, 2024-2025 • SACRS Secretary, 2022-2023 • Elected General Member Trustee, OCERS, 2020 to present • Over 16 years of service to the County of Orange Registrar of Voters • Chair, OCERS Audit Committee 2025 • Chair, OCERS Board 2024 • Chair, OCERS Disability Committee 2020 to 2022 • Vice Chair, OCERS Investment Committee 2022 • Chair, OCERS Investment Committee 2023 • Union Steward, Orange County Employees Association (OCEA) 2012 to present • Board of Directors, OCEA 2018 to present • Committee Member, City of Anaheim Community Services 2024 to present <p>Public Pension Trustee Certificates: SACRS Public Pension Investment Management Program - UC Berkeley 2024 NCPERS - Accredited Fiduciary Program - Accredited Fiduciary designation 2024 CALAPRS Principles of Pension Governance and Principles for Trustees Completed 320 hours of education, 2024 - 2025</p>

Adele Lopez Tagaloa

2223 East Wellington Ave, Suite 100, Santa Ana, CA 92804 | 714-853-2953 | alopeztagaloa@ocers.org

February 23, 2026

Mr. David MacDonald
SACRS Immediate Past President, Nominating Committee Chair
State Association of County Retirement Systems (SACRS)
840 Richards Blvd
Sacramento, CA 95811

Dear Mr. David MacDonald:

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

I believe I am qualified to serve as President based on my sixteen years of leadership positions in my employee labor organization, at the County of Orange Registrar of Voters serving 1.8 million voters by providing transparent, accurate and secure elections, over 15 years in the non-profit and private sector and most importantly, as a Trustee on the Orange County Employees Retirement System for the last five years. Most recently, serving on SACRS Board of Director as President for the year 2025-2026 collaborating to enhance high-quality education for our trustees, with affiliates, staff and other CERL counties ensuring pension security.

I hold a passion for democracy, organized labor, and education accessibility that encompasses everything in my career and life. Since I have been elected to the OCERS Board of Retirement, trustee and member education has continue to be my main priorities.

Attending SACRS conferences since 2020, I have found an organization that understands the challenge and importance of pensions, education and duty, specifically for trustees in our CERL 37 Act Systems.

Continuing to serve to provide professional and outstanding conferences is my desire as SACRS president and build on the work of past leadership. Not only do we provide top-notch education and fantastic speakers that reach beyond pensions, it is the relationships we build between trustees, staff and affiliates. These past years serving as your SACRS Secretary and Vice President has allowed me to represent trustees, for example:

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

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

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

Sincerely,

Adele Lopez Tagaloa

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

Serving the Active and Retired Members of:

CITY OF SAN JUAN
CAPISTRANO

COUNTY OF ORANGE

ORANGE COUNTY
CEMETERY DISTRICT

ORANGE COUNTY CHILDREN &
FAMILIES COMMISSION

ORANGE COUNTY
DEPARTMENT OF EDUCATION
(CLOSED TO NEW MEMBERS)

ORANGE COUNTY
EMPLOYEES RETIREMENT
SYSTEM

ORANGE COUNTY FIRE
AUTHORITY

ORANGE COUNTY IN-HOME
SUPPORTIVE SERVICES PUBLIC
AUTHORITY

ORANGE COUNTY LOCAL
AGENCY FORMATION
COMMISSION

ORANGE COUNTY PUBLIC LAW
LIBRARY

ORANGE COUNTY
SANITATION DISTRICT

ORANGE COUNTY
TRANSPORTATION
AUTHORITY

SUPERIOR COURT OF
CALIFORNIA, COUNTY
OF ORANGE

TRANSPORTATION
CORRIDOR AGENCIES

UCI MEDICAL CENTER AND
CAMPUS (CLOSED TO NEW
MEMBERS)

February 24, 2026

By Mail and Electronic Mail [dmacdcccera@gmail.com]

Mr. David MacDonald
SACRS Immediate Past President, Nominating Committee Chair
State Association of County Retirement Systems (SACRS)
840 Richards Blvd.
Sacramento, CA 95811

Re: NOMINATION FOR SACRS BOARD OF DIRECTORS ELECTION 2026-2027

Dear Mr. MacDonald:

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

On February 18, 2026, the OCERS Board of Retirement met and took action to nominate OCERS trustee, Adele Lopez Tagalao, for the position of her choosing on the SACRS Board of Directors and directed me to submit this nomination to the SACRS Nominating Committee. Ms. Lopez Tagalao informed the OCERS Board of Retirement that she intends to pursue the position of PRESIDENT of the SACRS Board.

Accordingly, please accept this letter as **OCERS' nomination of OCERS Trustee, Adele Lopez Tagalao, for election to the position of PRESIDENT of the SACRS Board of Directors at the 2026-2027 SACRS Board of Directors Election to take place on May 15, 2026.**

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

Best regards,



Steve Delaney
Chief Executive Officer

cc: Sulema H. Peterson, SACRS Administrator

Submission for SACRS Vice President



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2026-2027**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2026.** Please submit to the Nominating Committee Chair at dmacdcccera@gmail.com AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: <p align="center">Jordan Kaufman</p>
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 1115 Truxtun Ave., 2nd floor Bakersfield, CA 93301 Email Address: jkaufman@kerncounty.com 661-204-1510 Phone:
Name of Retirement System Candidate Currently Serves On	System Name: <p align="center">Kern County Employees Retirement Association</p>
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<ul style="list-style-type: none"> <input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input checked="" type="radio"/> Other <u>Statutory</u>
Applying for SACRS Board of Directors Position (select only one)	<ul style="list-style-type: none"> <input type="radio"/> President <input checked="" type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	<p>I am the current SACRS Vice President and I am excited for the opportunity to continue on the Board as Vice President. I am in my third term as the elected Treasurer-Tax Collector for Kern County with fiduciary responsibility over the \$6.7B Treasury Investment Pool and the responsibility of collecting over \$1.6B in local property taxes. I am also the plan administrator for the County's 457b deferred compensation plans with assets over \$900M. I am the Treasurer and past Chairman of the United Way of Central Eastern California, Trustee and past Chairman of KCERA, and Vice President of the California Asset Management Program. I have a Bachelor of Science degree in Industrial Technology from Cal Poly San Luis Obispo. I live in Bakersfield with my beautiful wife and we four children and one grand child.</p>



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

February 27, 2026

David MacDonald, Nominating Committee Chairman
State Association of County Retirement Systems

Re: Letter of interest to apply for the Board of Directors of SACRS in the position of Vice President

Dear David and members of the Nominating Committee,

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

As the elected Treasurer-Tax Collector, I manage the County's \$6.7 billion treasury pool, provide banking services to over 200 different county agencies and districts, and collect over \$1.6 billion in local property taxes. I am also the Plan Administrator for the County's 457(b) deferred compensation plan with over \$900 million in participant assets.

I have extensive experience sitting on boards of directors and currently sit on or have previously sat on the board of the following entities: Kern County Foundation; California Association of County Treasurer's and Tax Collectors (CACTTC); KCERA; United Way of Central Eastern California; Kern County Management Council; and California Asset Management Program (CAMP).

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

Sincerely,

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

Attachment

Submission for SACRS Treasurer



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2026-2027**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2026.** Please submit to the Nominating Committee Chair at dmacdcccera@gmail.com AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: <i>ZANDRA CHOLMONDELEY</i>
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: <i>508 ALBRIA RD, SB, CA 93105</i> Email Address: <i>ZCHOLMONDELEY@GMAIL.COM</i> Phone: <i>805-68 455-5373 (cell)</i>
Name of Retirement System Candidate Currently Serves On	System Name: <i>SANTA BARBARA COUNTY EMPLOYEES RETIREMENT SYSTEM</i>
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<ul style="list-style-type: none"> <input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input checked="" type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<ul style="list-style-type: none"> <input type="radio"/> President <input type="radio"/> Vice President <input checked="" type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	<p align="center"><i>Please see attached (separate email)</i></p>

Zandra Cholmondeley, Trustee, Santa Barbara CERS

Brief Bio - Attachment to SACRS Nomination Form

I was elected to represent County retirees as a trustee on the governing board of the Santa Barbara County Retirement System (SBCERS) in November 2008. I joined the SBCERS Board in January 2009 and starting in January 2010, served two terms as Chair of the Board. I have also served three terms as the President of the Retired Employees of Santa Barbara County (RESBC).

I retired in July 2008. As Principal Analyst for Santa Barbara County I was charged with overseeing the development of the County's annual budget and performed numerous special projects for the County Executive Officer (CEO). My budget responsibilities included working with County departments to ensure the accuracy of projections and overall preparation of the budget document. Special projects experience included implementing fiscal policy for the County Executive and oversight of internal service funds including the fleet and self-insurance funds.

Submission for SACRS Secretary



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2026-2027**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2026.** Please submit to the Nominating Committee Chair at dmacdcccera@gmail.com **AND** to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: RHONDA BIESEMEIER
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 1121 KAREN WAY, MODESTO, CA 95350-3414 Email Address: biesemrh@gmail.com Phone: 209-341-9828
Name of Retirement System Candidate Currently Serves On	System Name: Stanislaus County Employees’ Retirement Association (StanCERA)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input checked="" type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input checked="" type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	<p>I have served on the StanCERA Board since July 2017, first as Alternate, then, in 2023 as the primary board member elected by retirees. I continue to serve in that capacity.</p> <p>In 2024, I was fortunate to be elected to the SACRS Board as a Regular Member. I have appreciated the opportunity to work with this dedicated Board for the past two years. As such, I would like to continue my work here. I am now applying for the Board Secretary position for the 2026-2027 term.</p> <p>I am committed to retirees and my background includes serving as President, Board Member & now Treasurer of the Retired Employees of Stanislaus County Organizations (RESCO), delegate to the California Retired County Employees Association (CRCEA), and as an Equal Rights Commissioner for Stanislaus County. As a retiree myself, I enjoy a defined benefit pension which helps me maintain my financial independence.</p> <p>I was raised in Modesto, California. I have two amazing adult children. My favorite things include spending time with my children, my many friends, meeting new people, participating in community events, and cell phone photography.</p>

Rhonda Biesemeier
1121 Karen Way
Modesto, CA 95350-3414
209-341-9828
biesemrh@gmail.com

January 19, 2026

Mr. David MacDonald
SACRS Nominating Committee Chair

Ms. Sulema Peterson
SACRS Executive Director

Dear Mr. MacDonald and Ms. Peterson,

Please accept this letter of intent to apply for the position of Secretary of SACRS for the 2026-2027 term. I have served as a Regular Member on the Board for the 2024-2025 term and as Secretary for the 2025-2026 term. I am extremely interested in continuing in this capacity..

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

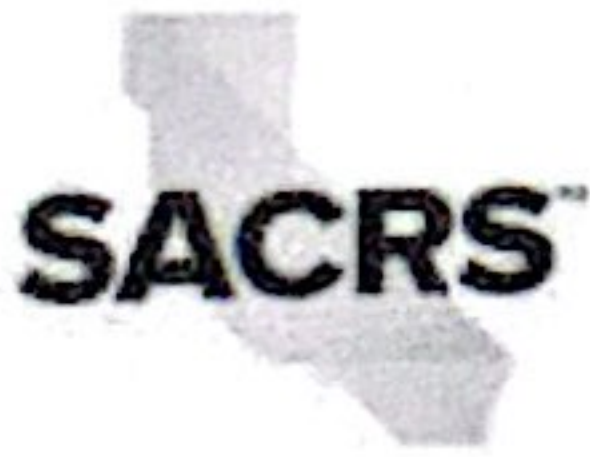
I am a strong proponent of furthering and protecting retiree's defined benefit plans. I would like to stress that once I commit to a position, I am involved and dedicated to assuring that a certain level of excellence is maintained. I recognize that SACRS maintains such a level and I'd like to continue to be a part of its future.

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

Sincerely,

Rhonda Biesemeier

Submission for SACRS General Member 1



SACRS Board of Directors Elections 2025-2026

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2025.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcountry.ca.gov **AND** to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS (916) 701-5158.

<p>Name of Candidate</p>	<p>Name: Riley Talford</p>
<p>Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)</p>	<p>Mailing Address: 6395 E. Woodward Ave. Fresno, CA. 93727</p> <p>Email Address: rileytalford@gmail.com</p> <p>Phone: (559) 577-7673</p>
<p>Name of Retirement System Candidate Currently Serves On</p>	<p>System Name: Fresno County Employees Retirement Association (FCERA)</p>
<p>List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</p>	<p><input checked="" type="radio"/> Chair</p> <p><input type="radio"/> Alternate</p> <p><input type="radio"/> General Elected</p> <p><input type="radio"/> Retiree</p> <p><input type="radio"/> Other _____</p>
<p>Applying for SACRS Board of Directors Position (select only one)</p>	<p><input type="radio"/> President</p> <p><input type="radio"/> Vice President</p> <p><input type="radio"/> Treasurer</p> <p><input type="radio"/> Secretary</p> <p><input checked="" type="radio"/> Regular Member</p>
<p>Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)</p>	<p>Greetings. My name is Riley Talford and I am running for SACRS Regular Member. Here is a little information on my background: First I proudly served 7 years in the United States Navy as a Cryptologic Technician. I hold a Bachelor's Degree in Psychology, and a Master's in Education, and I am currently working towards completion of my law degree. My day job for the County of Fresno is as a Supervising Juvenile Correctional Officer within the Probation Department. In addition to serving my third term on the Retirement Board, I serve as the Fresno County Chapter President of SEIU Local 521, and 521 Local wide Vice President. It would be an honor to serve as an active participant on the SACRS Board of Directors!</p>



2/18/26

To: David MacDonald, SACRS Nominating Committee Chair; SACRS
From: Riley Talford
Subj: Letter of Intent


Dear SACRS Nominating Committee,

I am submitting this Letter of Intent to run for a position on the SACRS Board of Directors as a SACRS Regular Member for the 2026 – 2027 term. I have been endorsed by the FCERA Board of Trustees and would welcome an opportunity to represent all County Retirement Systems. My work ethic, experience, and good nature would be welcomed by the team. It is my sincere hope that you accept my candidacy.

Sincerely,

Riley Talford



(559) 577-7673 

rileytalford@gmail.com 



Submission for SACRS General Member 2



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2026-2027**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2026.** Please submit to the Nominating Committee Chair at dmacdcccera@gmail.com AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Christopher K Giboney
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 6400 Canyon Creek Road Georgetown, CA 95634 Email Address:chrisgiboney@gmail.com Phone: 831-444-5036
Name of Retirement System Candidate Currently Serves On	System Name: SCERS Sacramento County Employee Retirement System
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input checked="" type="checkbox"/> Chair <input type="checkbox"/> Alternate <input type="checkbox"/> General Elected <input type="checkbox"/> Retiree <input checked="" type="checkbox"/> Other <u>Safety Alternate</u>
Applying for SACRS Board of Directors Position (select only one)	<input type="checkbox"/> President <input type="checkbox"/> Vice President <input type="checkbox"/> Treasurer <input type="checkbox"/> Secretary <input checked="" type="checkbox"/> Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	<p>I am seeking reelection for my second year on the SACRS board as a general member. I am currently serving my second three-year term on the Sacramento County Employees' Retirement System (SCERS) Board and am honored to serve as Board President.</p> <p>With over 20 years in the fire service and 12 years as a Fire Captain with Sacramento Airport Fire, I bring both frontline public safety experience and a strong commitment to fiduciary responsibility to my role on the Board.</p> <p>Prior to my current position, I worked in private industry, state service, and multiple local government fire departments. This diverse professional background has given me a broad perspective on workforce challenges, retirement security, and the importance of maintaining a strong, sustainable pension system for employees and retirees alike.</p> <p>My interest in finance began at a young age, influenced by my father and grandfather, both of whom worked in the financial field. That early exposure instilled a lasting respect for sound financial principles, disciplined decision-making, and long-term planning—values that continue to guide my service.</p> <p>In addition to my work with SACRS /SCERS, I was appointed to the Sacramento County 457 Committee, further strengthening my understanding of deferred compensation and the broader retirement landscape faced by County employees. I also serve on the SACRS Legislative Committee.</p> <p>I hold a bachelor's degree and have dedicated my career to public service. As a Board member, I remain focused on transparency, prudent investment oversight, and ensuring SACRS remains strong, stable, and well-managed for current and future members. I respectfully ask for your support to continue serving in this role.</p>

I am seeking reelection for my second year on the SACRS board as a general member. I am currently serving my second three-year term on the Sacramento County Employees' Retirement System (SCERS) Board and am honored to serve as Board President.

With over 20 years in the fire service and 12 years as a Fire Captain with Sacramento Airport Fire, I bring both frontline public safety experience and a strong commitment to fiduciary responsibility to my role on the Board.

Prior to my current position, I worked in private industry, state service, and multiple local government fire departments. This diverse professional background has given me a broad perspective on workforce challenges, retirement security, and the importance of maintaining a strong, sustainable pension system for employees and retirees alike.

My interest in finance began at a young age, influenced by my father and grandfather, both of whom worked in the financial field. That early exposure instilled a lasting respect for sound financial principles, disciplined decision-making, and long-term planning—values that continue to guide my service.

In addition to my work with SACRS /SCERS, I was appointed to the Sacramento County 457 Committee, further strengthening my understanding of deferred compensation and the broader retirement landscape faced by County employees. I also serve on the SACRS Legislative Committee.

I hold a bachelor's degree and have dedicated my career to public service. As a Board member, I remain focused on transparency, prudent investment oversight, and ensuring SACRS remains strong, stable, and well-managed for current and future members. I respectfully ask for your support to continue serving in this role.

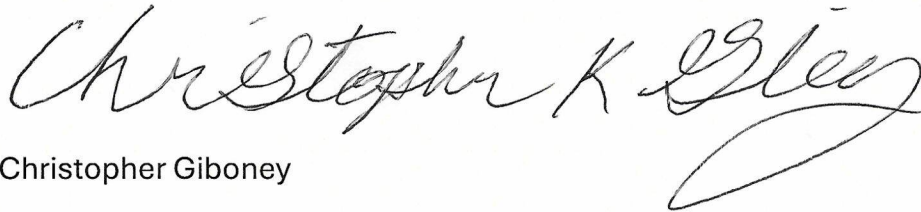
2/25/2026

SACRS Nomination Committee,

I am writing to formally nominate myself for the SACRS Board of Directors. I have received the full support and backing of the SCERS Board and staff, as affirmed at our most recent board meeting.

I am currently in the middle of my second three-year term as the Safety Alternate Trustee. Over the past year serving on the SACRS Board, I have gained valuable experience and insight into the organization's mission and governance. I greatly value the opportunity to serve and would welcome the chance to continue contributing to the Board and its membership.

Thank you for your consideration.

A handwritten signature in black ink, reading "Christopher K. Giboney". The signature is written in a cursive style with a large, sweeping flourish at the end.

Christopher Giboney



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 7

MEETING DATE: February 18, 2026

SUBJECT: SACRS Board of Directors Nominations

SUBMITTED FOR: X Action Information

RECOMMENDATION

Support nomination of Chris Giboney for SACRS Board of Directors.

PURPOSE/STRATEGIC PRIORITY

This item supports SACRS nominating procedures for Board of Director seats.

DISCUSSION

The annual SACRS Board of Directors election process begins with nominations due March 1, 2026, and concludes with a vote of the member systems at the SACRS business meeting during the Spring Conference on May 15, 2026. Terms are one year.

Mr. Giboney currently serves on the Board of Directors and has expressed his desire to continue serving. A formal endorsement by this retirement board demonstrates support for Mr. Giboney to continue representing SCERS at the statewide association.

SACRS Board of Directors meetings are held monthly, generally in Sacramento or virtually. For out-of-town SACRS Board meetings, SCERS has covered travel expenses for Mr. Giboney, consistent with the practices of other retirement systems. These costs are minor and absorbable in the SCERS operating budget.

Mr. Giboney has provided the following nomination statement for submission to SACRS:

I am seeking reelection for my second year on the SACRS board as a general member. I am currently serving my second three-year term on the Sacramento County Employees' Retirement System (SCERS) Board and am honored to serve as Board President.

With over 20 years in the fire service and 12 years as a Fire Captain with Sacramento Airport Fire, I bring both frontline public safety experience and a strong commitment to fiduciary responsibility to my role on the Board.

Prior to my current position, I worked in private industry, state service, and multiple local government fire departments. This diverse professional background has given me a

broad perspective on workforce challenges, retirement security, and the importance of maintaining a strong, sustainable pension system for employees and retirees alike.

My interest in finance began at a young age, influenced by my father and grandfather, both of whom worked in the financial field. That early exposure instilled a lasting respect for sound financial principles, disciplined decision-making, and long-term planning—values that continue to guide my service.

In addition to my work with SACRS /SCERS, I was appointed to the Sacramento County 457 Committee, further strengthening my understanding of deferred compensation and the broader retirement landscape faced by County employees. I also serve on the SACRS Legislative Committee.

I hold a bachelor's degree and have dedicated my career to public service. As a Board member, I remain focused on transparency, prudent investment oversight, and ensuring SACRS remains strong, stable, and well-managed for current and future members. I respectfully ask for your support to continue serving in this role.

ATTACHMENTS

- Board Order

Prepared by:

/S/

Eric Stern
Chief Executive Officer



Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
February 18, 2026

AGENDA ITEM:

SACRS Board of Directors Nominations

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to support nomination of Chris Giboney for SACRS Board of Directors.

I HEREBY CERTIFY that the above order was passed and adopted on February 18, 2026 by the following vote of the Board of Retirement, to wit:

AYES: Aguallo, DeVore, Suter, Rinde, Banda, Mangru, Gayman, Hoover, Shah

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting): Giboney, Irish

Signed by:

A handwritten signature in blue ink that reads "Chris Giboney".

Chris Giboney
Board President

Signed by:

A handwritten signature in blue ink that reads "Eric Stern".

Eric Stern
Chief Executive Officer and
Board Secretary



SACRS VOTING PROXY FORM

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

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

_____ Voting Delegate

_____ Alternate Voting Delegate

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

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

Signature: _____

Print Name: _____

Position: _____

Date: _____

Please send your system's voting proxy by May 1, 2025 to SACRS at sacrs@sacrs.org.