Merced County Employees' Retirement Association

AGENDA
RETIREMENT BOARD MEETING

Thursday, August 27, 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=NGhFeGltSVhaSTlsK2JGWE83TVFydz09
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** – July 23, 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.

Name	Years of Service	Department	Effective Date
Coggin, Katherine	9	HSA	08/07/2026
Craig, Kurt	18	Behavioral Health	08/01/2026
Framstad, Raymond	20	Sheriff	07/27/2026
Gomez, Sandra	27	HSA	08/19/2026
Johann, Christina	22	Sheriff	08/23/2026
Pettit, Rana	24	HSA	08/22/2026
Pfeiff, Thomas	13	District Attorney	08/22/2026
Rios, Jose M	20	Sheriff	08/05/2026
Rosal, Maria Venus	9	Merced Community Medical Center	08/17/2026
Smith, Michelle	28	HSA	08/01/2026
Straughter-Eguia, Mary	28	Juvenile Hall	07/25/2026
Valadez, Juan	20	HSA	08/01/2026

   b. Monthly Expenditures Report submitted.
   c. Meketa Quarterly Report submitted.
   d. SACRS Legislative Update – August 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 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 – Investments

8. **Report Out of Closed Session**

9. **Open Session**
    a. Discussion on market summary and economic updates – Staff.
    b. Discussion and possible action regarding portfolio performance review and Watch Status update – Meketa.
    c. Discussion and possible action to approve a Functional Framework recommendation – Meketa.
    d. Discussion and possible action to approve a 3-year contract, with two optional 1-year extensions, with Cliffwater LLC for Specialty Investment Consulting services – Staff.
    e. Discussion and possible action to approve the updated MercedCERA Error Correction Policy – Staff.
    f. Discussion and possible action to approve the Policy Ad Hoc Subcommittee's recommendations and approve the new charters for MercedCERA Chair, Vice-Chair, Secretary, Investment Committee and Investment Committee Chair – Staff.
    g. Chair to appoint up to 3 trustees to work with Chair on the annual performance review of MercedCERA's Plan Administrator – Chair.

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 Association per the American Disabilities Act (ADA), may obtain assistance by requesting such accommodation. Please address your written request to Merced County Employees' Retirement Association, 690 W 19th Street, Merced, CA 95340 or telephonically by calling (209) 726-2724. Any such request for accommodation should be made at least 48 hours prior to the scheduled meeting for which assistance is requested.

Spanish and Hmong interpreters are available.

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

MERCED CERA
Merced County Employees' Retirement Association

MINUTES
RETIREMENT BOARD MEETING

Thursday, July 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=NGhFeGItSVhaSTIsK2JGWE83TVFydz09
Dial In Number: 669-900-6833, MEETING ID: 930 3019 5748, PASSCODE: 095484

1. **Call to Order- 8:31 A.M.**
   The Retirement Board may discuss and take action on the following:

2. **Roll Call**
   Board Members Present: Corrina Brown, Bayani Manilay, Scott Johnston, Scott Silveira, Michael Harris (left at 9:44am), Alfonse Peterson, Aaron Rosenberg, Janey Cabral, Karen Adams, and Moses Nelson. ***Counsel:*** Rina Gonzales. ***Staff:*** Martha Sanchez Barboa, Pete Madrid, Monica Gallegos, Alex Lovato, Patrick Armendarez, Khue Xiong, Brenda Mojica and Nikki Barraza.

3. **Teleconference Request**
   Trustee Teleconference Request (Govt. Code §54953(f)(2)(A)(i)).
   None

4. **Approval of Minutes** – June 25, 2026
   Board voted unanimously to approve June 25, 2026, Board meeting minutes.
   1st - Adams / 2nd - Peterson, passes 8/0

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
Chang, Kane	24	Sheriff	07/11/2026
Gatlin, Billy	13	Child Support	06/30/2026
Meraz, Jesus	10	Sheriff	07/18/2026
Rodriguez, Pauline	20	HSA	07/01/2026
Turner-Cross, Lisa	9	Probation-Juvenile	07/21/2026
Turner, Jamal	23	BHRS	07/06/2026
Tweed, Joann	16	HSA	07/18/2026

   b. Monthly Expenditures Report submitted.
   c. Quarterly Board Reports submitted.

   d. Cliffwater Quarterly Alternative Performance Report submitted.
   e. Meketa Monthly Performance Report submitted.

Board voted unanimously to approve the consent agenda as presented.
1st – Manilay / 2nd – Johnston, passes 8/0
Trustee Adams commented on the new Quarterly Board Reports. She praised staff for their creation.

7. **Closed Session**

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

   a. Discussion and possible action regarding investments (Govt. Code § 54956.81) in recommended funds by Cliffwater LLC.
   b. Disability Retirement Applications: Personnel exceptions (Govt. Code § 54957, 31532; Cal Const. art I § 1).
      1. Initial Disability Application Recommendation – Jennifer Jones
      2. Initial Disability Application Recommendation – Frank Swiggart
      3. Initial Disability Application Recommendation – Mark Araiza
      4. Initial Disability Application Recommendation – Megan Burk
      5. Hearing Officer Recommendation – Raul Garcia

8. **Report Out of Closed Session**

   a. Discussion and possible action regarding investments (Govt. Code § 54956.81) in recommended funds by Cliffwater LLC.
      Board voted unanimously to approve a commitment of up to $8 million to GTCR Fund XV, L.P., a private equity partnership focused on control buyouts of upper middle market companies in North America, subject to satisfactory legal negotiations.
      1st – Peterson / 2nd – Manilay, passes 8/0
   b. Disability Retirement Applications: Personnel exceptions (Govt. Code § 54957, 31532; Cal Const. art I § 1).
      1. Initial Disability Application Recommendation – Jennifer Jones
         Board voted unanimously to approve a service-connected disability and deny a non-service-connected disability to Jennifer Jones.
         1st – Cabral / 2nd – Johnston, passes 8/0
      2. Initial Disability Application Recommendation – Frank Swiggart
         Board voted to approve a service-connected disability and deny a non-service-connected disability to Frank Swiggart.
         1st – Silveira / 2nd – Manilay, passes 7/0, Trustee Rosenberg abstained
      3. Initial Disability Application Recommendation – Mark Araiza
         Board voted unanimously to approve a service-connected disability to Mark Araiza.
         1st – Johnston / 2nd – Peterson, passes 8/0
      4. Initial Disability Application Recommendation – Megan Burk
         Board voted to deny a service-connected disability retirement with prejudice pursuant to section 4 of the MercedCERA regulations to Megan Burk.

1st – Cabral / 2nd – Silveira, passes 7/0, Trustee Rosenberg abstained

5. Hearing Officer Recommendation – Raul Garcia
   Board voted to approve and adopt the recommendation of the Administrative Hearing Officer and deny a service-connected disability to Raul Garcia.
   1st- Adams / 2nd – Cabral, passes 7/0, Trustee Rosenberg abstained

9. <u>Open Session</u>

a. Discussion on market summary and investment performance updates – Staff.
   No action taken.

b. Discussion and possible action to approve the ad hoc subcommittee's recommendations and approve the revised MercedCERA Conflict of Interest Code and Board Governance Policy and Resolution 2026-02 – Staff.
   Board voted unanimously to approve the ad hoc subcommittee's recommendations and approve the revised MercedCERA Conflict of Interest Code and Board Governance Policy and Resolution 2026-02.
   1st – Adams / 2nd – Silveira, passes 8/0

c. Discussion and possible action to approve the ad hoc subcommittee's recommendations and adopt the new MercedCERA Code of Conduct Policy – Staff.
   Board voted unanimously to approve the ad hoc subcommittee's recommendations and adopt the new MercedCERA Code of Conduct Policy.
   1st – Johnston / 2nd – Manilay, passes 8/0

d. Discussion and possible action to approve the updated Post-Retirement Employment Policy and Reinstatement Application – Staff.
   Board voted unanimously to approve the updated Post-Retirement Employment Policy and Reinstatement Application with a change in the policy to state that the MercedCERA Board "will" assess the employers a $200 fee instead of "may" assess a fee.
   1st – Silveira / 2nd – Peterson, passes 8/0

e. Discussion and possible action to approve the new MercedCERA Executive Level Performance Evaluation Policy – Staff.
   Board voted unanimously to approve the new MercedCERA Executive Level Performance Evaluation Policy with a change in the policy to state that the Board Chair is to seat an ad hoc committee.
   1st – Adams / 2nd – Silveira, passes 8/0

f. Chair to appoint up to four trustees to the audit ad hoc subcommittee to work with staff on the annual audit with UHY – Chair.
   Chair appointed Trustees Cabral, Manilay, and herself to the audit ad hoc subcommittee to work with staff on the annual audit with UHY.

g. Discussion and possible action for the Chair to call for nominations for the seats of Chair, Vice Chair and Secretary for the MercedCERA Board of Retirement effective August 1, 2026 – Chair.
   Board voted unanimously to approve the nominations for the seats of Chair, Trustee Brown, Vice Chair, Trustee Manilay and Secretary, Trustee Peterson, for the MercedCERA Board of Retirement effective August 1st, 2026.
   1st – Silveira / 2nd – Johnston, passes 8/0

10. <u>Information Sharing & Agenda Item Requests</u>

- Trustee Brown thanked the Board for their support and encouragement.

- Martha Sanchez Barboa and Pete Madrid gave a summary of their attendance at the National Conference on Public Employee Retirement Systems (NCPERS) Annual CEO/CIO Summit.

- Martha informed the Board that the Charters for Chair, Vice Chair, Secretary, Investment Committee and Investment Committee Chair will be brought to the Board meeting for review.

- Martha advised the Board she made the annual Waiver of Recourse payment and Trustees could reimburse her directly.

- Martha announced she will be on vacation from 7/28 through 8/8.

11. <u>Adjournment at 10:14 A.M.</u>

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

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

Administrative Budget		Adopted	Current Budget	Expended 2026-07	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages		**2,095,000.00**	**2,095,000.00**	**116,911.99**	**116,911.99**	**1,978,088.01**	**5.58%**
7/17/2026	Office Payroll 2026 PP 15			77,524.94			
7/17/2026	2026 PP 15 Retirement Investment Staff Cost Reclass (see Account #21800)			(9,685.46)			
7/17/2026	2026 PP 15 Staff Salary Allocated to Investments (see Account #21800)			(13,042.87)			
7/31/2026	Office Payroll 2026 PP 16			90,525.79			
7/31/2026	2026 PP 16 Retirement Investment Staff Cost Reclass (see Account #21800)			(12,106.83)			
7/31/2026	2026 PP 16 Staff Salary Allocated to Investments (see Account #21800)			(16,303.58)			
Total 10110 · Salaries & Wages				**116,911.99**			
20600 · Communications		**14,200.00**	**14,200.00**	**1,038.10**	**1,038.10**	**13,161.90**	**7.31%**
7/28/2026	2026-07 (Merced County Communication Charges) - Cellphone Charges			478.77			
7/28/2026	2026-07 (Merced County Communication Charges) - Desk Phone Charges			559.33			
Total 20600 · Communications				**1,038.10**			
21000 · Insurance - Other		**118,000.00**	**118,000.00**	**99,690.17**	**99,690.17**	**18,309.83**	**84.48%**
7/8/2026	Nationwide 2026-07 Building Insurance			889.17			
7/8/2026	Alliant Fiduciary Insurance FY26/27			87,139.00			
7/13/2026	PRISM (Master Crime Insurance and Liability) FY26/27			11,762.00			
7/21/2026	Waiver of Recourse PRISM FY26/27			(100.00)			
Total 21000 · Insurance - Other				**99,690.17**			
21301 · Maintenance Structure Improvement & Grounds		**100,000.00**	**100,000.00**	**4,822.50**	**4,822.50**	**95,177.50**	**4.82%**
7/6/2026	Hoffman Electronics Security/Access 2026-07			285.00			
7/6/2026	Hoffman Electronics CCTV Cameras 2026-07			260.00			
7/6/2026	Hoffman Electronics Fire Security 2026-07			60.00			
7/8/2026	Crites, Robert 2026-07 Pest Control			40.00			
7/21/2026	Geil Enterprises 2026-07 Janitorial Svcs			1,846.00			
7/27/2026	Yard Masters 2026-07 Landscaping Services			400.00			
7/27/2026	Hoffman Electronics Security/Access 2026-08			285.00			
7/27/2026	Hoffman Electronics CCTV Cameras 2026-08			260.00			
7/27/2026	Hoffman Electronics Fire Security 2026-08			60.00			
7/28/2026	2026-07 Building Services (DPW Charges)			1,326.50			
Total 21301 · Maintenance Structure Improvement				**4,822.50**			
21500 · Membership		**11,300.00**	**11,300.00**	**4,000.00**	**4,000.00**	**7,300.00**	**35.40%**
7/16/2026	SACRS FY2627 Annual Membership Renewal			4,000.00			
Total 21500 · Membership				**4,000.00**			
21700 · Office Expense - General		**20,000.00**	**20,000.00**	**92.58**	**92.58**	**19,907.42**	**0.46%**
7/8/2026	First Choice 07/02/26 Water Service			50.95			
7/27/2026	First Choice 07/27/26 Water Service			41.63			
Total 21700 · Office Expense - General				**92.58**			
21710 · Office Expense - Postage		**51,700.00**	**51,700.00**	**-**	**-**	**51,700.00**	**0.00%**
Total 21710 · Office Expense - Postage				**-**			
21805 · Audits		**63,500.00**	**63,500.00**	**-**	**-**	**63,500.00**	**0.00%**
Total 21805 · Audits				**-**			
21808 · Board Membership		**15,000.00**	**15,000.00**	**-**	**-**	**15,000.00**	**0.00%**

Total 21808 · Board Membership			-			
21900 · Publications & Legal Notices	**5,700.00**	**5,700.00**	**3,682.31**	**3,682.31**	**2,017.69**	**64.60%**
7/8/2026 Dow Jones & Company (Wall Street Journal) FY26/27 Subscription			3,682.31			
Total 21900 · Publications & Legal Notices			**3,682.31**			
22300 · Spec Dept Exp - Other	**4,000.00**	**4,000.00**	**-**	**-**	**4,000.00**	**0.00%**
Total 22300 · Spec Dept Exp - Other			-			
22310 · Election Expense	**30,000.00**	**30,000.00**	**-**	**-**	**30,000.00**	**0.00%**
Total 22310 · Election Expense			-			
22327 · Spec Dept Exp - Cost Allocation Plan	**46,600.00**	**46,600.00**	**3,864.93**	**3,864.93**	**42,735.07**	**8.29%**
7/30/2026 2026-07 Auditor-Controller Admin CAP Charge			2,267.27			
7/30/2026 2026-07 External Audit CAP Charge			77.58			
7/30/2026 2026-07 Admin Service CAP Charge			347.83			
7/30/2026 2026-07 Human Resources CAP Charge			1,159.50			
7/30/2026 2026-07 Risk Management CAP Charge			12.75			
Total 22327 · Spec Dept Exp - Cost Allocation			**3,864.93**			
22500 · Transportation & Travel	**200.00**	**200.00**	**-**	**-**	**200.00**	**0.00%**
Total 22500 · Transportation & Travel			-			
22505 · Trans & Travel - Staff & Board Development	**59,000.00**	**59,000.00**	**-**	**-**	**59,000.00**	**0.00%**
Total 22505 · Trans & Travel - Staff Development & Board Development			-			
22515 · Trans & Travel - In State (Staff & Board)	**46,700.00**	**46,700.00**	**-**	**-**	**46,700.00**	**0.00%**
Total 22515 · Trans & Travel - In State (Staff & Board)			-			
22516 · Trans & Travel - Out of State (Staff & Board)	**26,200.00**	**26,200.00**	**-**	**-**	**26,200.00**	**0.00%**
Total 22516 · Trans & Travel - Out of State (Staff & Board)			-			
22600 · Utilities	**44,500.00**	**44,500.00**	**657.62**	**657.62**	**43,842.38**	**1.48%**
7/8/2026 City of Merced 2026-07 Utilities			657.62			
Total 22600 · Utilities			**657.62**			
Administrative Depreciation Expense	**364,400.00**	**364,400.00**	**30,262.32**	**30,262.32**	**334,137.68**	**8.30%**
Total Administrative Budget	**3,116,000.00**	**3,116,000.00**	**265,022.52**	**265,022.52**	**2,850,977.48**	**8.51%**

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

Non-Administrative Expenses		Original Projection	Current Projection	Expended 2026-07	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses		**16,790,000.00**	**16,790,000.00**	**455,556.22**	**455,556.22**	**16,334,443.78**	**2.71%**
7/31/2026	Investment Management Fees			202,557.16			
7/31/2026	Investment Partnership Expenses			201,860.32			
7/17/2026	2026 PP 15 Retirement Investment Staff Cost Reclass (from Account #10110)			9,685.46			
7/17/2026	2026 PP 15 Staff Salary Allocated to Investments (from Account #10110)			13,042.87			
7/31/2026	2026 PP 16 Retirement Investment Staff Cost Reclass (from Account #10110)			12,106.83			
7/31/2026	2026 PP 16 Staff Salary Allocated to Investments (from Account #10110)			16,303.58			
Total 21800 · Investment Expenses				**455,556.22**			
21802 · Actuarial Services		**131,500.00**	**131,500.00**	**-**	**-**	**131,500.00**	**0.00%**
Total 21802 · Actuarial Services				**-**			
21812 · Data Processing		**141,000.00**	**141,000.00**	**7,374.77**	**7,374.77**	**133,625.23**	**5.23%**
7/13/2026	AT&T 2026-07 Services & Wi-Fi Charges			1,349.05			
7/28/2026	IS Billing 2026-07			4,535.33			
7/28/2026	2026-07 Cradlepoint Charges			850.90			
7/30/2026	2026-07 AC Technology CAP Chg			639.49			
Total 21812 · Data Processing				**7,374.77**			
21834 · Legal Services		**631,500.00**	**631,500.00**	**2,184.83**	**2,184.83**	**629,315.17**	**0.35%**
7/30/2026	2026-07 County Counsel CAP Chg			2,184.83			
Total 21834 · Legal Services				**2,184.83**			
21840 · Custodial Banking Services		**285,000.00**	**285,000.00**	**527.27**	**527.27**	**284,472.73**	**0.19%**
7/24/2026	2026-07 Northern Trust Treasury Account Analysis Fees			527.27			
Total 21840 · Custodial Banking Services				**527.27**			
22350 · Software & Technology		**561,800.00**	**561,800.00**	**7,559.63**	**7,559.63**	**554,240.37**	**1.35%**
7/9/2026	Spriggs 2026-Q2 C558 Printing Svcs			1,559.63			
7/27/2026	SyTech Solutions FY2627 Document Management System			6,000.00			
Total 22350 · Software and Technology				**7,559.63**			
Non-Administrative Depreciation Expense		**-**	**-**	**-**	**-**	**-**	**-**
Total Non-Administrative Items		**18,540,800.00**	**18,540,800.00**	**473,202.72**	**473,202.72**	**18,067,597.28**	**2.55%**

MEKETA

Merced County Employees' Retirement Association

August 27, 2026

Q2 Performance Update

Table of Contents

Economic and Market Update

Data as of June 30, 2026

Commentary

Global equities posted strong returns in the second quarter of 2026, led by emerging markets and US small-cap stocks. Continued enthusiasm around artificial intelligence and a ceasefire in the Middle East helped support risk assets, while bonds benefited from the decline in energy lowering inflation concerns.

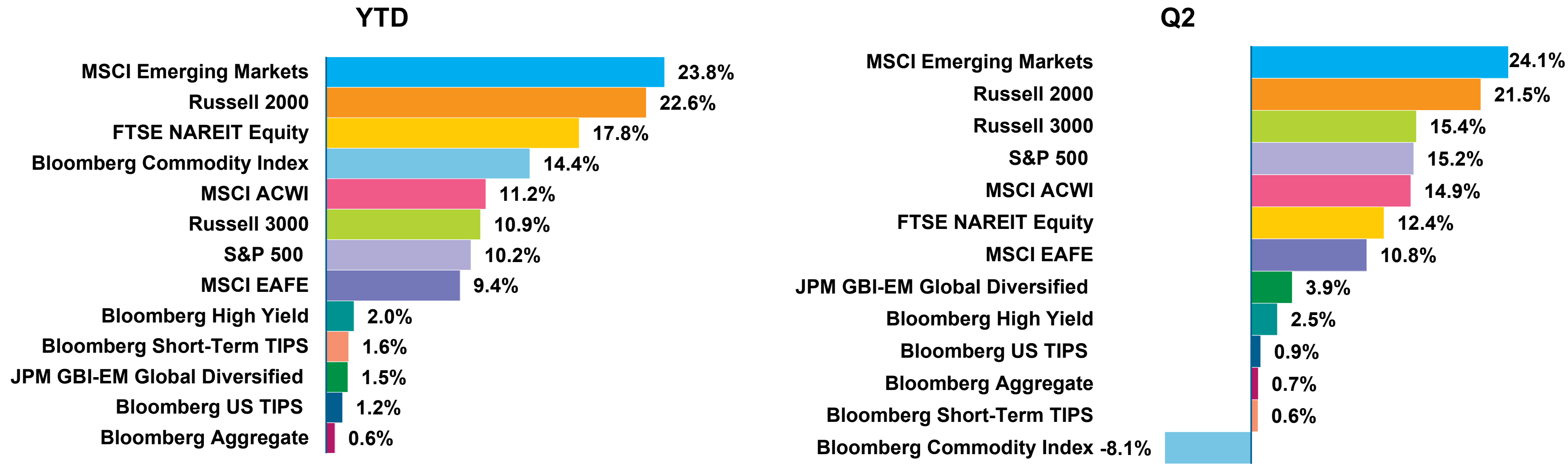
→ US equities (Russell 3000) rose 15.4% in the second quarter, recovering first-quarter losses and lifting the year-to-date gain to 10.9%. Growth stocks led the rebound after lagging in the first quarter, with the Russell 1000 Growth Index advancing 16.7% versus 13.9% for the Russell 1000 Value Index. Small cap stocks and strong performance from technology and AI-related companies helped drive the recovery.

→ Emerging markets (MSCI Emerging Markets +24.1%) led global equity markets in the second quarter, significantly outperforming developed markets (MSCI EAFE +10.8%). Strong performance in several Asian markets driven by technology-related industries, particularly South Korea and Taiwan, helped drive returns, while China lagged amid continued economic challenges.

→ Fixed income generated modest positive returns during the second quarter, with credit-sensitive sectors outperforming the broader bond market. The Bloomberg Universal Index gained 0.9%, while emerging market debt (+3.9%) and high yield bonds (+2.5%) benefited from supportive credit conditions and continued investor demand for risk assets.

→ Looking ahead, investors will be focused on whether inflation continues to moderate, if the Federal Reserve signals a shift in policy, how the AI-related technology tracks, and whether corporate earnings can support current equity valuations following the strong second-quarter rally.

Index Returns[1]



→ In the second quarter of 2026, equities led performance across asset classes, with emerging markets and small-cap US stocks posting the strongest returns. Resilient earnings, tailwinds from the AI-related infrastructure buildout, and relief from the sharp decline in oil prices were the primary catalysts for the broad advance.

→ Commodities were the notable laggard during the quarter, declining 8.1% as oil prices reversed sharply on easing Middle East tensions, after leading all asset classes in the prior quarter.

→ The broad bond market generated modest positive returns given the decline in inflation concerns driven by falling energy prices. Emerging market debt and high yield bonds produced the strongest fixed income results given the improvement in risk sentiment.

[1] Source: Bloomberg. Data is as of June 30, 2026.

Domestic Equity Returns[1]

Domestic Equity	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-1.0	15.2	10.2	22.3	20.6	13.4	15.5
Russell 3000	-0.3	15.4	10.9	22.8	20.3	12.3	15.1
Russell 1000	-0.5	15.1	10.3	22.0	20.4	12.7	15.3
Russell 1000 Growth	-2.7	16.7	5.3	17.7	22.6	13.7	18.6
Russell 1000 Value	2.3	13.9	16.3	27.1	17.8	11.2	11.5
Russell MidCap	3.1	13.8	15.3	21.6	16.5	8.5	12.0
Russell MidCap Growth	2.7	14.5	7.3	6.2	15.6	6.0	13.0
Russell MidCap Value	3.0	13.4	17.6	26.6	16.5	9.5	10.6
Russell 2000	3.7	21.5	22.6	40.8	18.6	7.0	11.6
Russell 2000 Growth	3.6	25.7	22.2	38.7	18.4	5.6	12.0
Russell 2000 Value	4.0	17.2	23.0	43.0	18.7	8.2	10.9

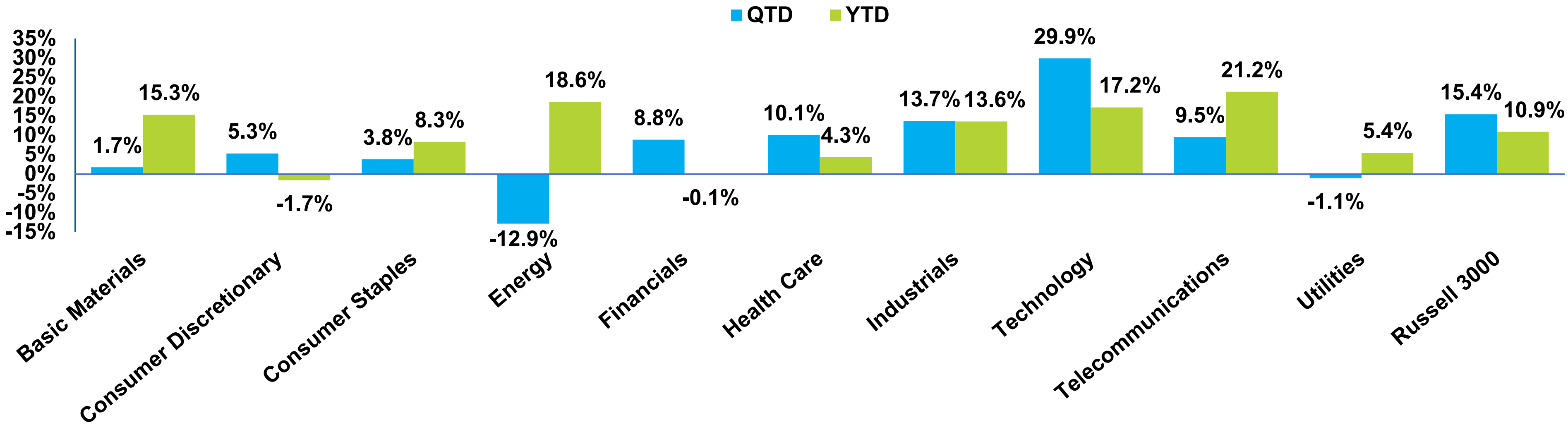
US Equities: The Russell 3000 index rose 15.4% in the second quarter of 2026, bringing the year-to-date return to 10.9%.

→ Growth stocks regained leadership in the second quarter, with the Russell 1000 Growth Index advancing 16.7% compared to 13.9% for the Russell 1000 Value Index. Small-cap equities posted the strongest returns given the resilient US economy, a lower likelihood of rate increases, and strong earnings. The Russell 2000 Index gained 21.5%, outperforming large-cap stocks (Russell 1000: +15.1%).

→ The “Magnificent Seven” contributed meaningfully to the quarter’s gains given their substantial index weight, rebounding from first-quarter declines as demand for AI infrastructure and computing capacity supported mega-cap technology shares. Investor confidence in the durability of AI-related revenue growth underpinned the group’s leadership through the quarter.

[1] Source: Bloomberg. Data is as of June 30, 2026.

Russell 3000 Sector Returns[1]



Sector performance reversed sharply in the second quarter, with technology leading the market and energy the weakest-performing sector. The Russell 3000 rose 15.4% as eight of the ten sectors generated positive returns.

- → Technology led all sectors, rising 29.9% as strength in cloud and AI-related earnings reinforced confidence in the capital-spending cycle. Industrials (+13.7%) and health care (+10.1%) also posted solid gains.
- → Energy was the weakest sector, falling 12.9% as oil prices retreated sharply on easing Middle East tensions, reversing a portion of its strong first-quarter gains. Utilities (-1.1%) were the only other sector to decline.
- → The remaining sectors advanced, led by telecommunications (+9.5%) and financials (+8.8%). On a year-to-date basis, telecommunications (+21.2%) and energy (+18.6%) remain the top performers despite energy's second-quarter reversal.

[1] Source: Bloomberg. Data is as of June 30, 2026.

Foreign Equity Returns[1]

Foreign Equity	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	-0.6	14.5	13.7	27.7	18.8	8.8	9.9
MSCI EAFE	0.1	10.8	9.4	20.2	16.4	9.0	9.7
MSCI EAFE (Local Currency)	2.4	11.5	11.7	24.9	15.8	11.3	10.6
MSCI EAFE Small Cap	-3.7	9.0	7.6	17.4	15.7	5.3	8.6
MSCI Emerging Markets	-1.4	24.1	23.8	43.5	23.0	7.2	10.1
MSCI Emerging Markets (Local Currency)	-0.1	24.1	26.8	50.2	25.1	10.1	11.8
MSCI EM ex China	0.0	34.5	38.8	63.1	28.3	13.2	12.4
MSCI China	-7.1	-6.6	-15.0	-4.9	7.7	-6.6	4.3

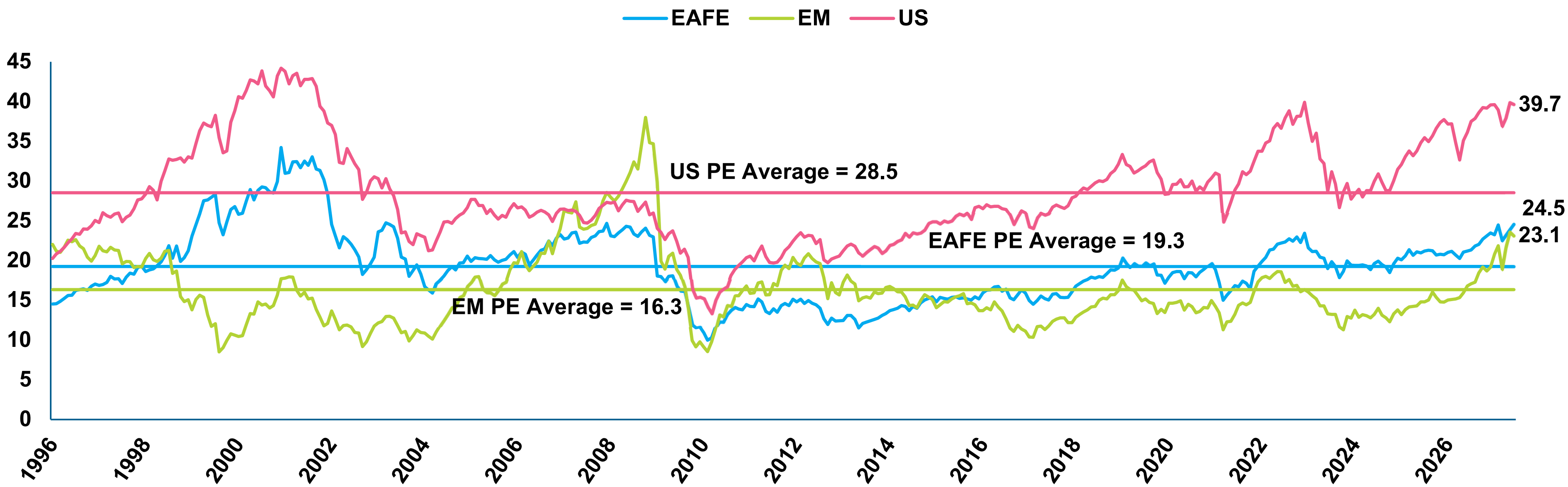
Developed international equities (MSCI EAFE) returned 10.8% in the second quarter of 2026 and emerging markets equities (MSCI Emerging Markets) rose 24.1%, though performance varied significantly by region.

→ Developed market equities rose over the quarter, supported by resilient corporate earnings, strength in semiconductor-related names, and a reduction of Middle East tensions. Europe and Japan both advanced, with Japan aided by firm AI-related hardware demand, though a stronger US dollar trimmed returns for dollar-based investors, with the local-currency EAFE index returning 11.5% compared to 10.8% in USD terms.

→ Emerging markets substantially outperformed developed peers, led by South Korea and Taiwan on robust technology demand. The MSCI Emerging Markets ex-China index returned an impressive 34.5% for the quarter, while China (-6.6%) lagged sharply over the quarter amid continued economic weakness and challenges in the property sector.

[1] Source: Bloomberg. Data is as of June 30, 2026.

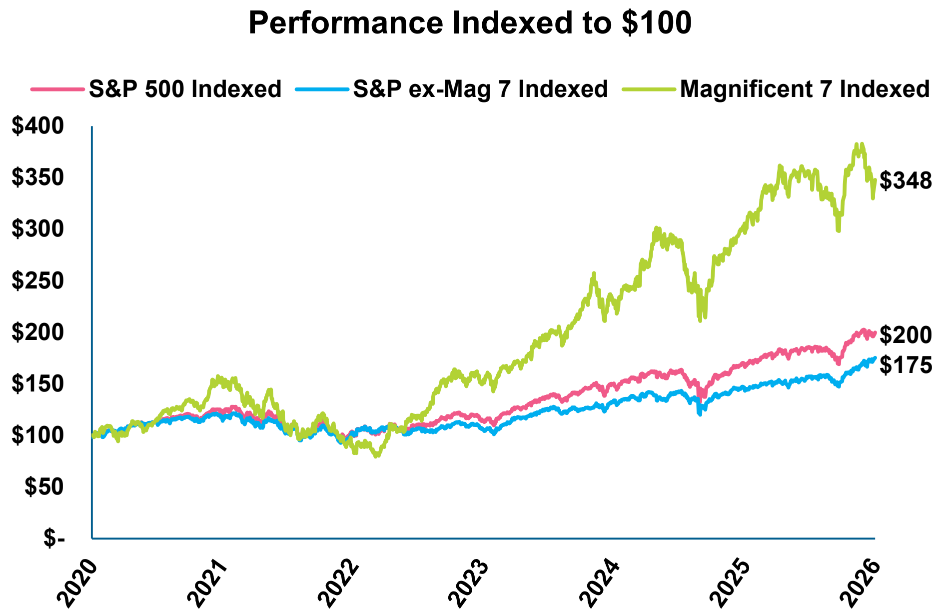
Equity Cyclically Adjusted P/E Ratios[1]

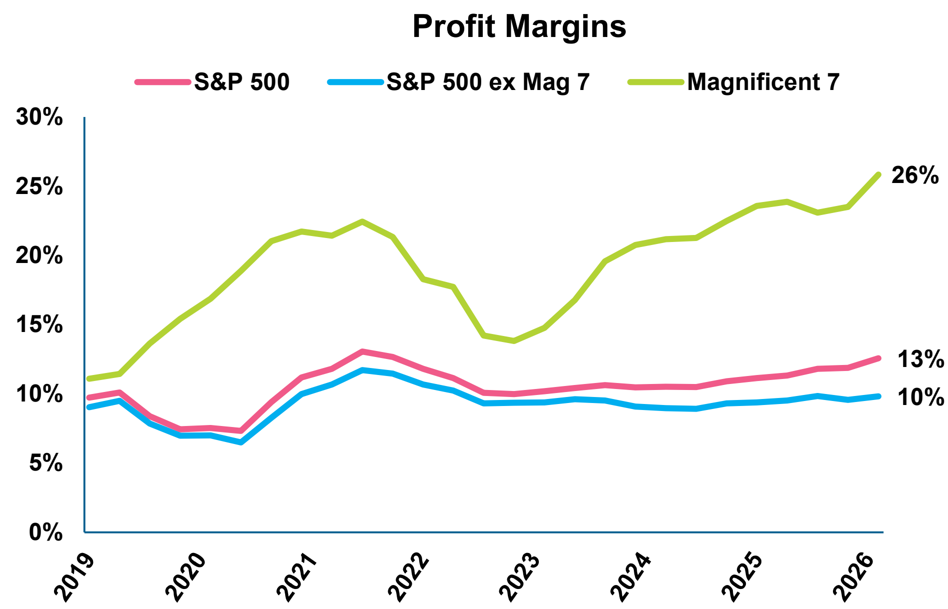


- Cyclically adjusted US equity valuations rose over the second quarter as strong market performance lifted the US CAPE to 39.7, well above its long-run average of 28.5.
- Non-US developed market valuations (EAFE) also rose, reaching 24.5 versus a long-run average of 19.3. Despite trading above historical norms, EAFE valuations remain considerably less expensive than those in the US.
- Emerging market valuations increased to 23.1, moving further above their long-run average of 16.3. The continued multiple expansion reflects elevated investor confidence in AI-related hardware and semiconductor demand across developing markets.

[1] US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E Source: Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of June 2026. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end, respectively.

Performance and Profit Margins: S&P 500 and "Magnificent 7"[1]





- The "Magnificent Seven" rebounded from first-quarter weakness and contributed meaningfully to the strong performance of US equities given their large weight in the index. Despite periodic concerns around valuations, capital spending, and the return on investment, the group remains a dominant driver of index returns.
- The group's profitability continues to differentiate it from the broader market. Average profit margins for the "Magnificent Seven" reached 26%, compared to 13% for the S&P 500, and 10% for the S&P 500 excluding the "Magnificent Seven".

[1] Source: Bloomberg. Data is as of June 30, 2026.

Fixed Income Returns[1]

Fixed Income	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	0.3	0.9	0.8	4.2	4.7	0.4	1.9	4.9	5.8
Bloomberg Aggregate	0.2	0.7	0.6	3.8	4.2	0.1	1.5	4.7	6.0
Bloomberg US TIPS	-0.5	0.9	1.2	3.4	4.0	1.0	2.6	4.4	6.5
Bloomberg Short-term TIPS	-0.4	0.6	1.6	3.6	5.1	3.3	3.1	4.2	2.4
Bloomberg US Long Treasury	1.0	0.9	0.4	2.9	-0.5	-5.6	-1.3	4.9	14.3
Bloomberg High Yield	0.3	2.5	2.0	5.9	8.8	4.2	5.8	7.2	3.2
JPM GBI-EM Global Diversified (USD)	0.2	3.9	1.5	7.9	7.3	2.1	2.7	--	--

Fixed Income: The Bloomberg Universal index returned 0.9% in the second quarter of 2026, bringing the year-to-date return to 0.8%.

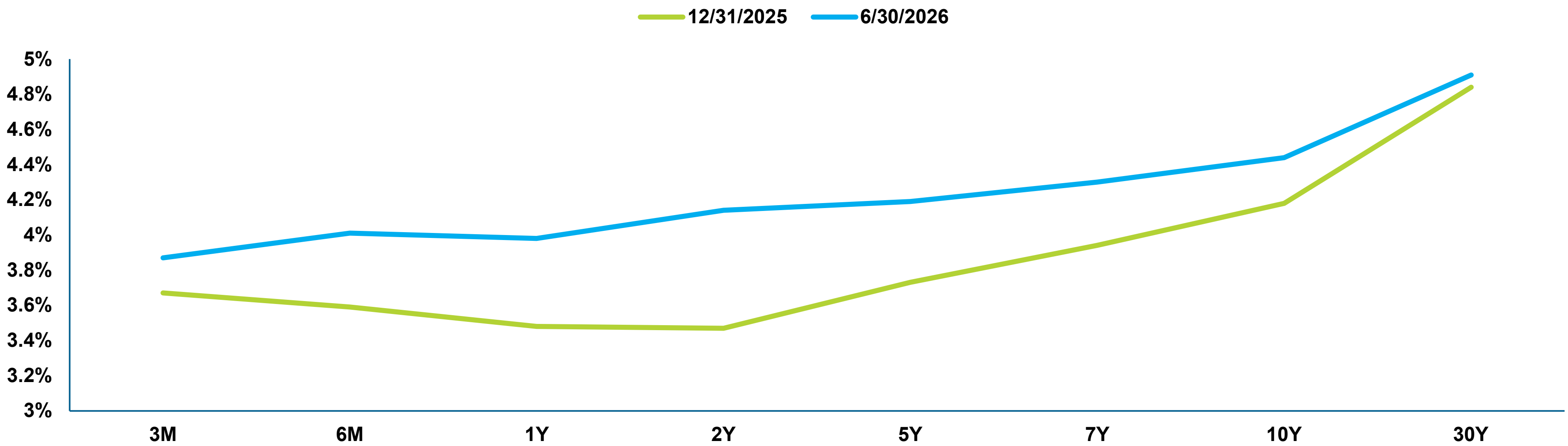
→ Fixed income posted modest gains over the second quarter as inflation concerns eased and credit conditions remained supportive. The Federal Reserve held rates steady at its June meeting, with markets continuing to price a potential rate hike as inflation remains elevated despite recent declines in energy prices.

→ Credit-oriented sectors led fixed income performance, with emerging market debt (+3.9%) and high yield bonds (+2.5%) posting the strongest returns. Longer-term Treasuries managed modest gains, with the Bloomberg US Long Treasury index up 0.9% as I yields at the long-end of the curve held roughly steady.

→ TIPS also posted modest positive returns (Bloomberg US TIPS +0.9%; Bloomberg Short-term TIPS +0.6%), reflecting inflation that remained above long-term central bank targets despite some easing in inflation concerns during the quarter.

[1] Source: Bloomberg. Data is as of June 30, 2026. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.

US Yield Curve[1]

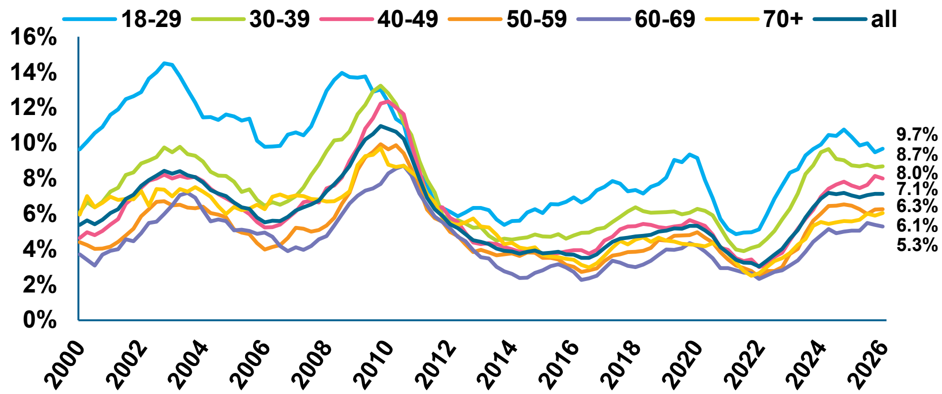


- Treasury yields continued to increase in the second quarter across most of the curve as the Middle East conflict and resulting energy shock lifted inflation concerns and reduced expectations of interest rate cuts from the Federal Reserve. Yields did retreat modestly from their May highs though as oil prices fell and tensions eased into quarter-end.
- The policy-sensitive 2-year nominal Treasury yield rose from 3.80% at the end of the first quarter to 4.18%, reflecting growing expectations of a potential interest rate increase by the Fed. The 10-year nominal Treasury yield increased from 4.32% to 4.47%, while the 30-year nominal Treasury yield rose from 4.91% to 4.96%.
- As the front end of the curve rose more than longer-dated yields, the spread between the two-year and ten-year Treasury narrowed from 53 basis points to 30 basis points over the quarter.

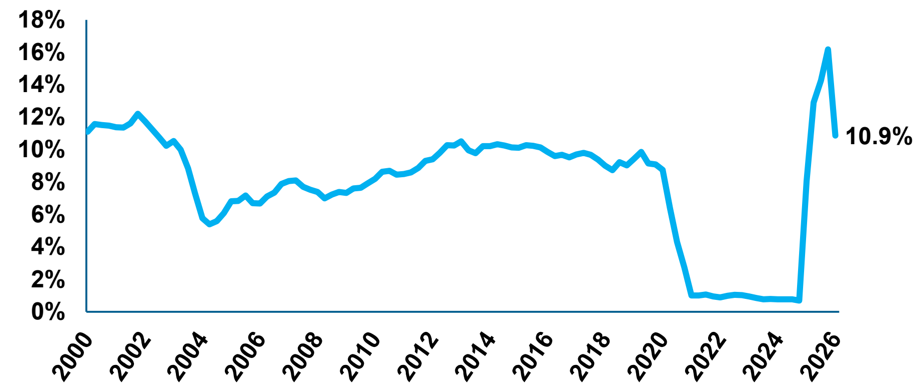
[1] Source: Bloomberg. Data is as of June 30, 2026.

Stress is Building Among Some US Consumers[1]

Transition into Serious Delinquency for Credit Cards by Age



Transition Into Serious Delinquency (90+ Days) for Student Loans[2]



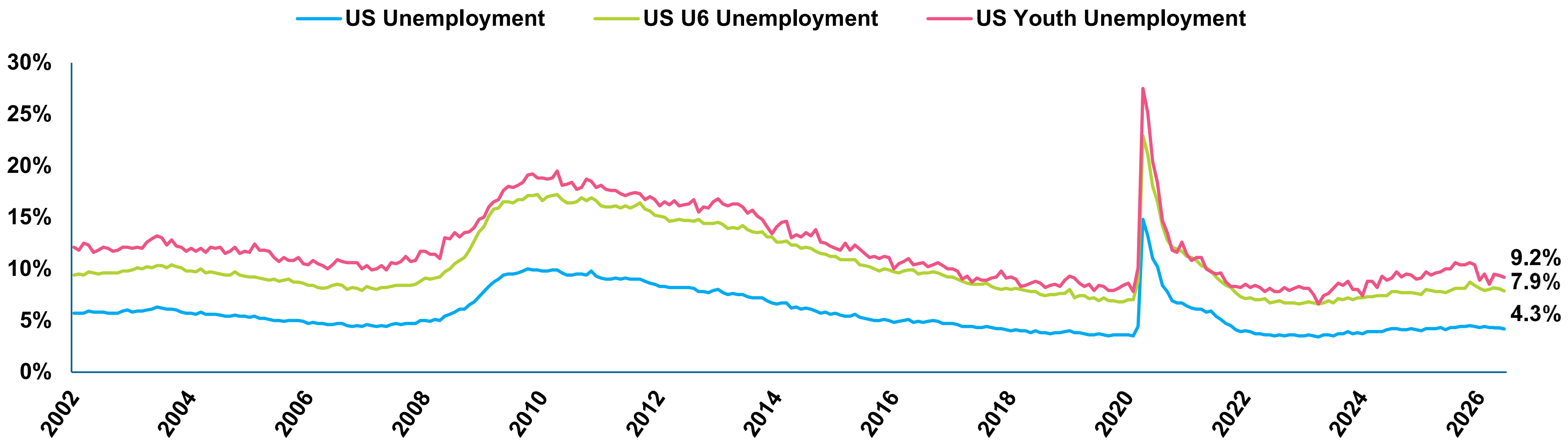
→ US consumer trends remain increasingly K-shaped: higher-income households show resilience, while younger, rate-sensitive borrowers face mounting pressure from elevated borrowing cost and inflation that, while moderating, remains above the Federal Reserve's target.

→ Delinquencies remain elevated relative to pandemic lows, particularly among younger cohorts. While overall delinquency rates remain below levels seen during prior economic downturns, differences in household financial health have continued to widen.

→ Student loan repayment also remains a pressure point for some households. The serious delinquency rate decline from 16.2% to 10.9% does not represent an improvement but a fading of the initial post pandemic one-time spike caused by a backlog of old unpaid loans all hitting credit reports at once.

[1] Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. See also FRED. Data is as of March 31, 2026.
[2] Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. Percent of student loan holders transitioning in serious default (90-days or more) based on four quarter moving average. Delays in reporting may cause fluctuations. Data is as of March 31, 2026.

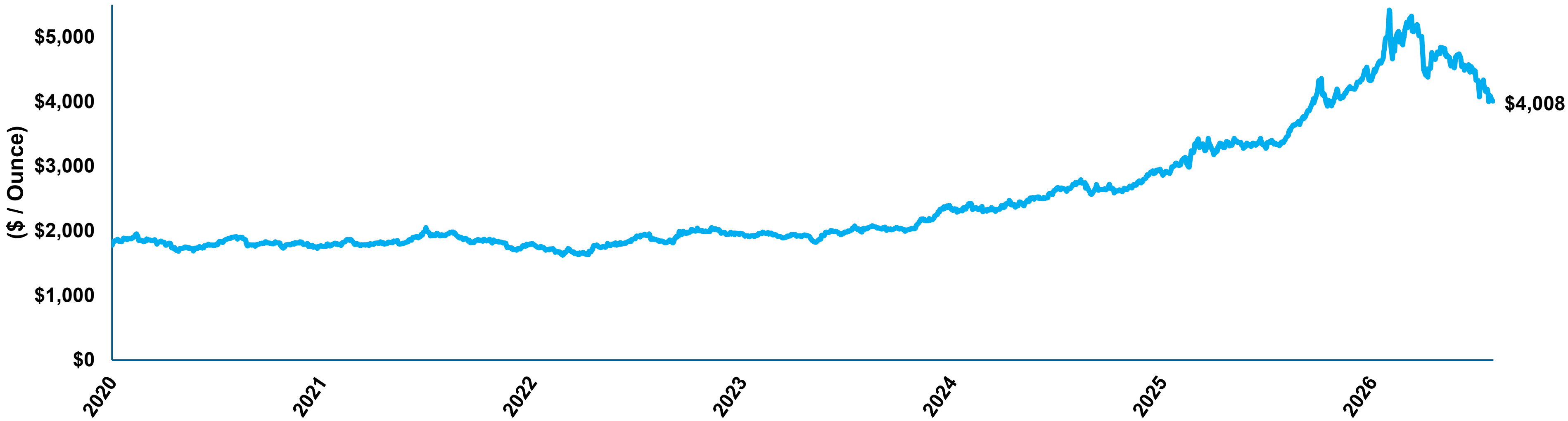
US Unemployment[1]



- → The unemployment rate remains in a relatively narrow band suggesting a labor market that continues to stabilize rather than weaken materially. During the quarter 334,000 jobs were added with more than half the gains coming from the health care sector.
- → Broader labor market indicators were relatively stable during the quarter, with the U-6 underemployment rate edging down from 8.0% to 7.9%. In contrast, youth unemployment increased from 8.5% to 9.2%. Average hourly earnings growth (3.5% YoY) has slowly declined and is now around the pace of headline inflation given the recent increase.
- → Beneath a broadly stable headline, labor force participation (61.5) has drifted toward multi-year lows and hiring has slowed across sectors, pointing to some underlying softening even as the aggregate labor market holds firm.

[1] Source: FRED and BLS. Data is as of June 30, 2026. U-3: Total unemployed, as a percent of the civilian labor force (official unemployment rate), U-6: Total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.

Gold[1]

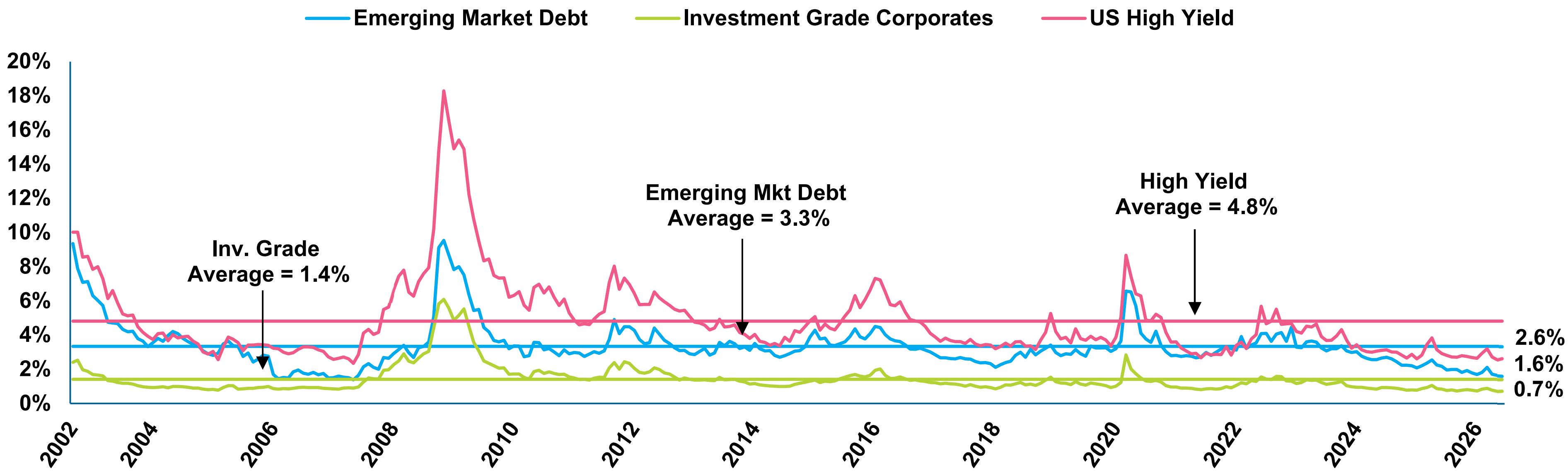


→ Gold declined over the second quarter, falling roughly 14% from $4,668 per ounce at the end of March to $4,008/oz and extending its retreat from record highs of over $5,400/oz earlier this year. Expectations for interest rates to remain higher for longer, a firmer US dollar, and easing geopolitical tensions reduced the appeal of the non-yielding metal.

→ Despite the recent pullback, structural support remains intact though, driven by persistent inflation concerns, large fiscal deficits, and ongoing central bank reserve diversification. A return to Federal Reserve rate-cut expectations or renewed geopolitical uncertainty could support prices going forward.

[1] Source: Bloomberg. Data is as of June 30, 2026. Gold Spot Price is quoted as US Dollars per Troy Ounce.

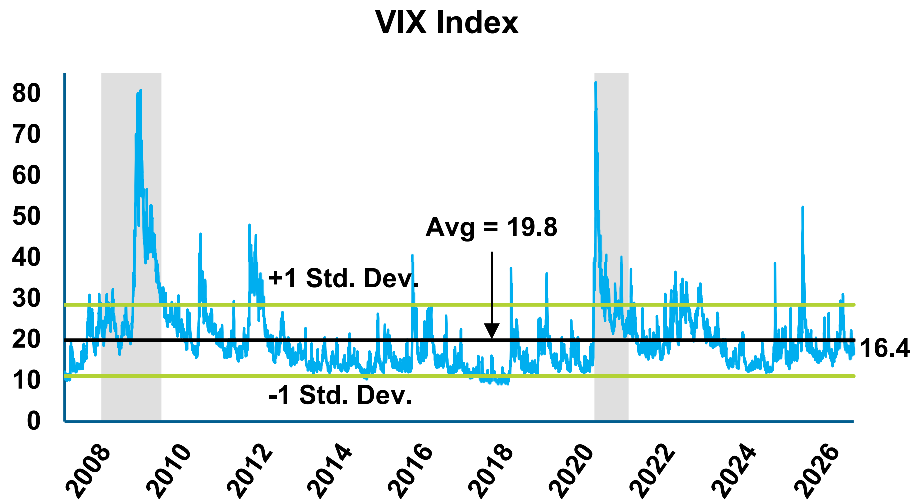
Credit Spreads vs. US Treasury Bonds[1]

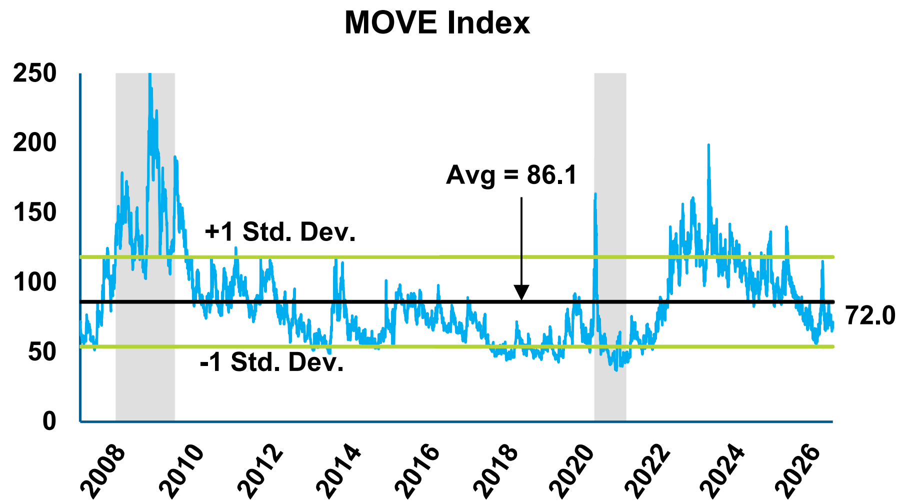


- Credit spreads tightened during the second quarter, reflecting resilient investor sentiment and supportive credit conditions despite ongoing uncertainty around inflation and monetary policy.
- Investment grade spreads fell from 0.9% to 0.7% during the quarter, well inside the 1.4% long-run average, supported by persistent demand for high-quality credit.
- High yield spreads tightened to 2.6% (from 3.2% at the end of March), versus a 4.8% long-run average, while emerging market debt spreads tightened to 1.6% (from 2.1%), versus a 3.3% long-run average.
- All yield spreads remain well below their respective long-run averages, but many investors continue to be attracted to their higher relative yields compared to Treasuries.

[1] Source: Bloomberg. Data is as of June 30, 2026. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

Equity and Fixed Income Volatility[1]

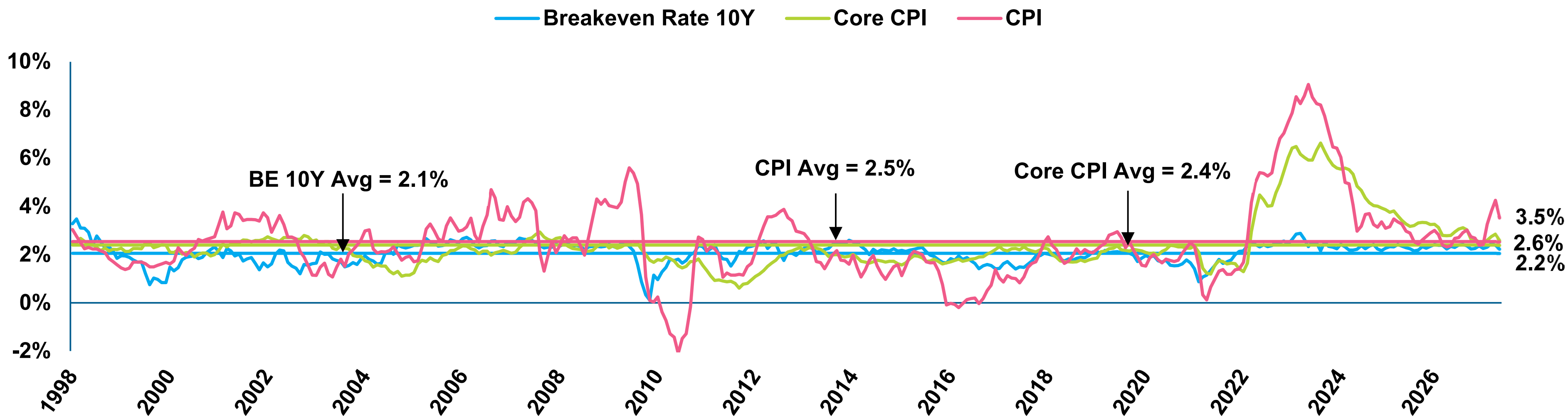




- Volatility declined meaningfully during the second quarter, with both equity and bond market measures dropping well below their long-run averages as strong equity performance, stable monetary policy, and moderating inflation concerns supported a calmer market environment.
- Equity volatility (VIX) fell from 25.2 at the end of March to 16.4, moving below its long-run average of 19.8, as resilient earnings and easing geopolitical tensions supported risk sentiment.
- Bond volatility (MOVE) declined from 96.0 at the end of March to 72.0, also dropping below its long-run average of 86.1 as interest rate expectations stabilized and markets increasingly aligned around a Fed-on-hold outlook.

[1] Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of June 30, 2026. The average line indicated is the average of the VIX and MOVE values between January 2007 and June 2026.

US Inflation[1]



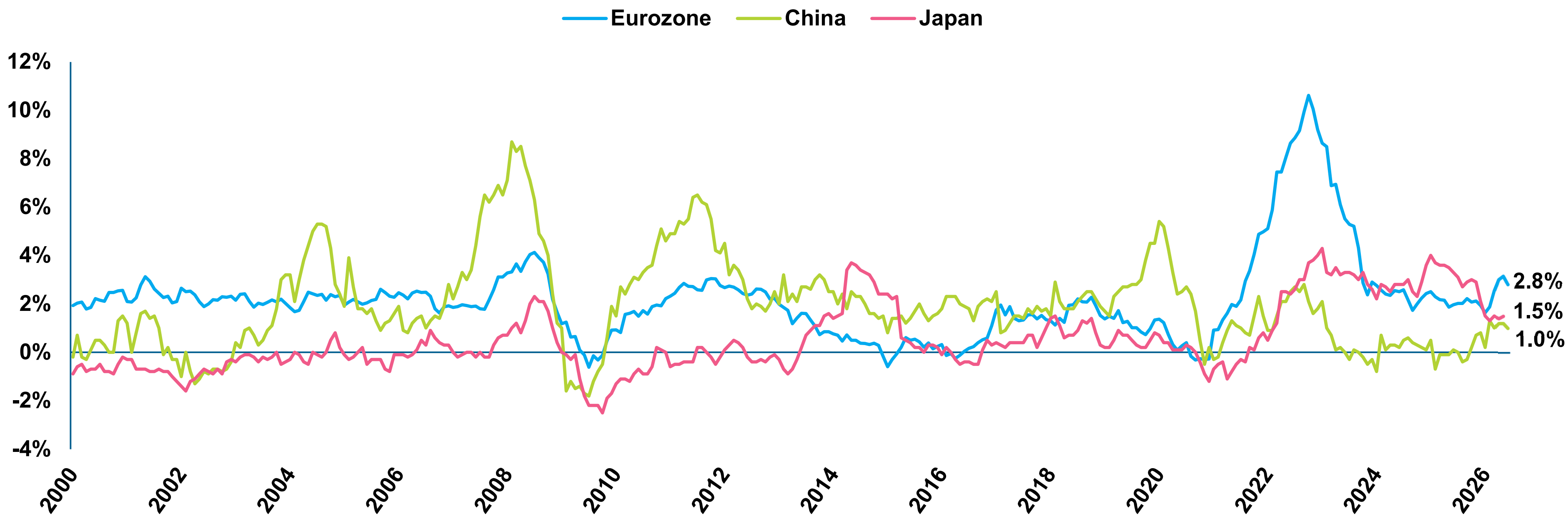
→ In June, headline inflation fell from 4.2% to 3.5% YoY, below expectations for a 3.8% reading with an also below expectations monthly reading (-0.4% versus -0.1%). Energy declines on easy tensions in the Middle East was the main driver, falling 5.7% in June after three months of strong increases. Food prices increased 0.5% in April, 0.2% in May, and 0.2% in June with a YoY change through June of 3.0%.

→ Core inflation fell from 2.9% YoY to 2.6% (also below expectations), with the monthly pace cooling further from 0.2% to 0.0%, suggesting underlying price pressures continue to moderate. Notably the monthly shelter rate declined over the quarter from 0.6% in April, to 0.3% in May, and 0.1% in June.

→ Long-term inflation expectations largely tracked moves of energy over the quarter, with 10-year breakevens finishing June at 2.2% compared to the 2.5% peak in May that corresponded to oil prices peaking.

[1] Source: FRED. Data is as of June 30, 2026.

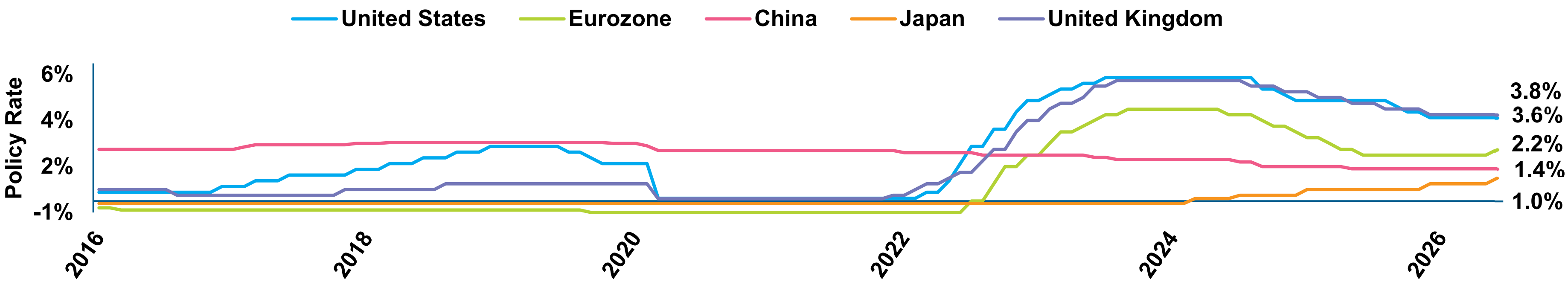
Global Inflation (CPI Trailing Twelve Months)[1]



- Over the quarter Eurozone inflation rose in April (3.0%) and May (3.2%) YoY before declining in June (2.8%) on easing energy prices. Despite the recent decline inflation remains above the ECB's 2% target.
- Japan's inflation was 1.5% at the end of May, up slightly from the 1.4% level in April, but still below the BOJ's 2.0% target. The slight increase was driven by the expiration of government subsidies for electricity and gas.
- China's inflation fell to 1.0% in June from 1.2% in both April and May, mainly because the government cut retail gasoline and diesel prices as the Strait of Hormuz reopened and energy costs fell. Continued food deflation and still-soft core inflation reflecting weak domestic demand also contributed to the lower rate.

[1] Source: Bloomberg. Data is as of June 2026 except for Japan which is as of May 2026.

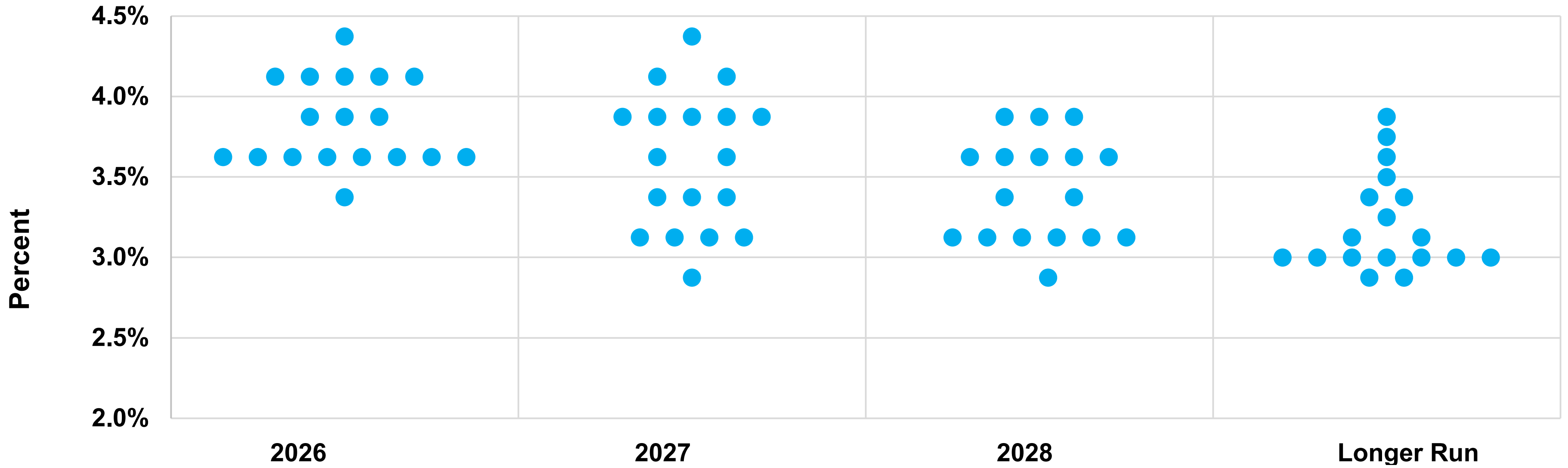
Global Policy Rates[1]



- Global monetary policy stayed tight through the second quarter, as inflation moderated but generally remained above central bank targets. Energy prices led most major central banks to continue signaling the potential for rate increases later this year and next.
- The Federal Reserve held rates steady at 3.5%–3.75% during the second quarter as inflation remained above target and the labor market continues to stabilize. Despite the decline in oil prices markets continue to price a modest probability of a rate hike into 2027.
- The European Central Bank (ECB) raised its policy rate by 0.25% to 2.25% during the quarter given higher energy prices while the Bank of England (BOE) held rates steady. Both the ECB and BOE are expected to tighten further this year, given the impact of higher oil prices on inflation in their regions. Both economies are net importers of oil, exposing them to supply disruption through the Strait of Hormuz.
- The Bank of Japan also increased interest rates over the quarter by 0.25% with markets expecting potentially one additional hike this year.
- China is expected to remain accommodative, with the 7-day reverse repo rate held at a record-low 1.40% since May 2025 and subdued inflation and weak domestic growth pointing to further easing ahead.

[1] Source: Bloomberg. Data is as of June 30, 2026. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the PBOC 7-day Reverse Repo Rate. UK rate is the UK Bank of England Official Bank Rate.

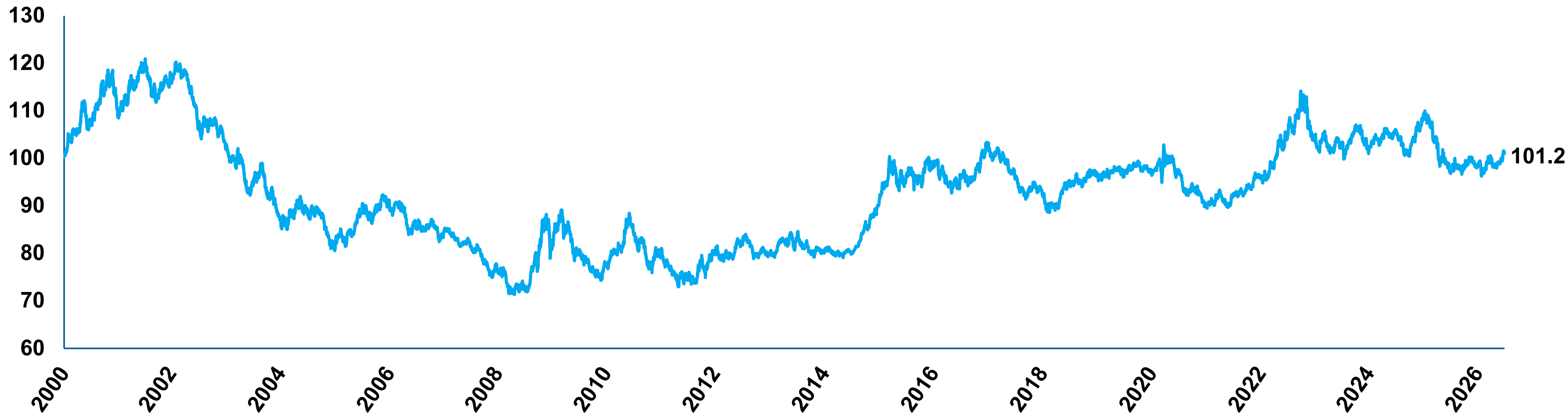
Federal Reserve Dot Plot[1]



- The Federal Reserve's dot plot reflects expectations for interest rates by each member across various periods. Within the Fed, the dot plot reveals notable disagreement, with some members projecting rate increases, others holding steady, and a minority still anticipating cuts before year-end.
- The median June FOMC projection clusters around 3.75% (near the current range) for 2026, with dots dispersed across a wide range from 3.4% to 4.4%. It is worth noting that markets are expecting rates to be higher than the Fed's forecast by year-end. The wide range of forecasts suggests limited consensus regarding whether future policy adjustments will involve additional tightening or eventual easing.
- The median policy rate gradually declines over the projection horizon, implying only modest easing over time. However, the persistent dispersion of forecasts suggests policymakers remain divided on both pace and timing of future rate changes.

[1] Source: June 18, 2026, FOMC Summary of Economic Projections.

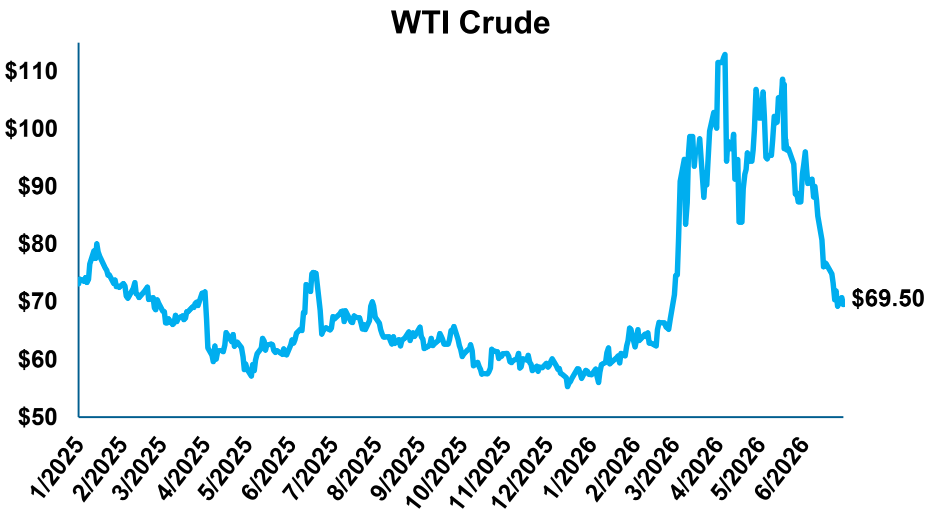
US Dollar vs. Broad Currencies[1]

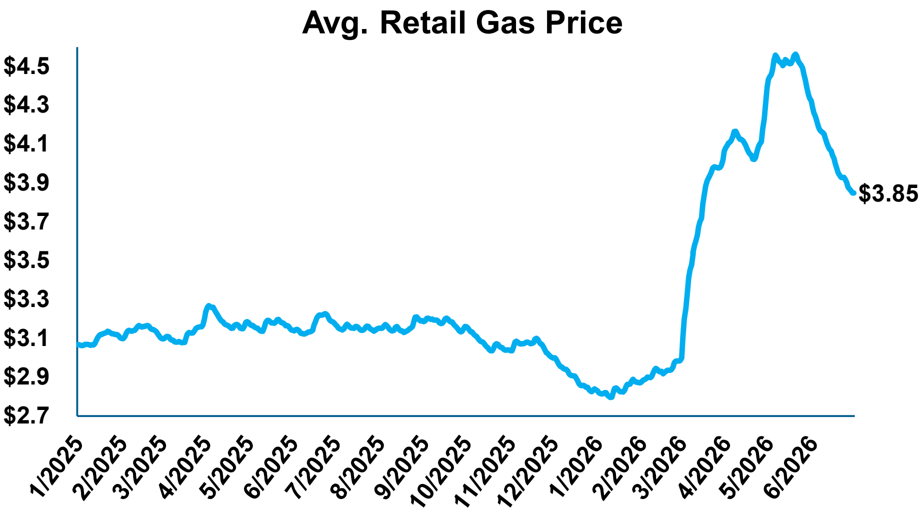


- → The US dollar firmed over the second quarter, with the DXY rising from 100.0 at the end of March to 101.2 by quarter-end.
- → The gain reflected a higher for longer interest rate backdrop as inflation remained above target and markets reduced expectations for near-term Federal Reserve rate cuts. A stronger dollar modestly reduced returns on unhedged international holdings for US-based investors.
- → The dollar remains sensitive to changes in monetary policy expectations, inflation trends, and geopolitical developments. Additionally, policy divergence across regions continues to play a central role in currency markets.

[1] Source: Bloomberg. Data is as of June 30, 2026.

Gas and Oil[1]



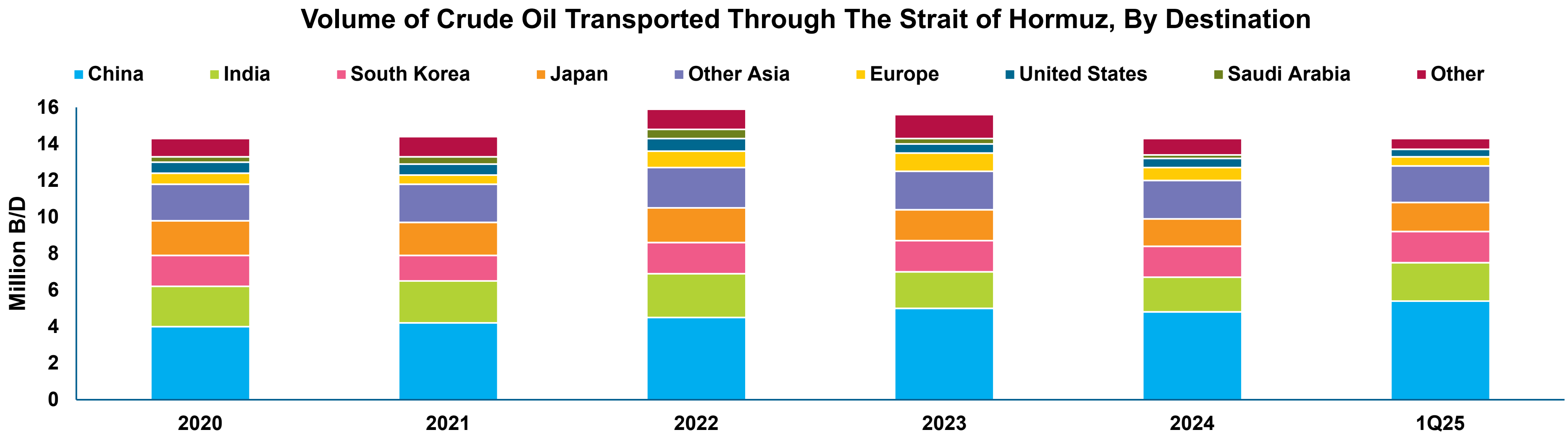


→ Oil prices fell sharply during the second quarter, with WTI crude dropping roughly 32% to finish June at $69.50/barrel. Easing tensions around the Strait of Hormuz and growing optimism over de-escalation in the Middle East relieved supply-disruption fears driving the decline in prices. The pullback reversed most of the run-up that had pushed US crude over $110/barrel earlier in the spring.

→ US retail gasoline prices fell to $3.85/gallon by the end of June, falling back below $4/gallon as the decline in crude filtered through to the pump. While conditions improved during the quarter, energy costs continue to weigh most heavily on lower-income households, where fuel represents a larger share of spending.

[1] Source: Bloomberg. Data is as of June 30, 2026.

Volume of Crude Oil[1]



- The impact of the conflict has remained uneven across regions, shaped by oil dependence and trade flows. The Strait of Hormuz remains a critical chokepoint, and any disruption constrains supply from key exporters such as Saudi Arabia, Iraq, and the UAE while limiting global distribution.
- China remains heavily reliant on Iranian oil (~90% of its imports), while Japan, South Korea, and India depend on broader Gulf supply, amplifying their vulnerability to disruptions.
- Strong US production continues to provide a partial buffer, limiting WTI's upside relative to global benchmarks. The sharp second-quarter decline in prices suggests markets grew more confident that supply would remain adequate as tensions eased, though a recent re-escalation has led to volatility returning.
- The duration and trajectory of the conflict remain the key macro variables, shaping the outlook for both inflation and growth.

[1] Source: Apollo Academy. Data is as of March 31, 2025.

Key Trends

- → Global growth expectations remain subdued amid the conflict in the Middle East. The IMF's April 2026 World Economic Outlook cut projected global growth to 3.1% (from 3.3%), and downside risks continue to dominate, with the renewed escalation capable of pushing growth materially lower.
- → The dominant macro tension has shifted. The sharp reversal in oil prices late in the second quarter and the below expectations jobs report has effectively taken a July rate hike off the table for the Fed, but it reflects a one-off energy round-trip rather than resolved underlying inflation. With the ceasefire already fraying and the committee split on the balance of risks, the question has moved from whether the energy spike would force the Fed's hand to whether June's disinflation holds into September, when a hike remains a coin flip. The leadership question, by contrast, is largely settled. Chair Warsh has anchored the Fed to an explicit price-stability mandate, with reduced forward guidance and a reaction function that leaves little tolerance for a renewed inflation impulse.
- → US consumers show increasing strain at the lower end, and although gasoline has fallen back below $4/gallon, a rising share of younger and rate-sensitive borrowers is falling behind on debt. The unemployment rate has remained in a narrow band this year, but soft participation and widening dispersion in household financial health point to underlying weakness beneath a still-firm headline labor market.
- → US equity performance has been strong, with the rally led by technology and the largest mega-cap constituents and extended by robust emerging market gains in Asia. While leadership has broadened on a year-to-date basis, the second-quarter advance again leaned heavily on technology, while energy and other commodity-sensitive sectors gave back ground as oil prices fell. Into the third quarter, that same concentration is the principal risk with scrutiny turning from AI enthusiasm to the gap between soaring capex and still-thin monetization.

Q2 Executive Summary

Performance Overview – Q2 2026

Total Market Value ($)		Quarter Results (%)		5 Year Results (%)	
Q2 2026	1,499,006,134	MercedCERA	5.5	MercedCERA	6.8
Q1 2026	1,425,003,937	Policy Benchmark	6.7	Policy Benchmark	8.6

As of June 30, 2026, the value of the Fund's assets was $1,499 million.

- The MercedCERA portfolio returned 5.5% for the quarter, trailing its policy index. This translates to annualized returns of 11.7%, 6.8% and 9.2% over the three, five and ten-year trailing periods. The portfolio's since inception annualized return is 8.3%.
- During the second quarter of 2026, Equity markets rebounded from the first quarter as easing geopolitical concerns and falling energy costs served as major tailwinds, while renewed enthusiasm around AI related stocks resulted in tech and other growth oriented securities to outpace their defensive counterparts. Fixed Income markets broadly gained over the quarter, primarily attributable to easing inflation concerns. Emerging market and high yield bonds saw the sharpest gains in the risk-on environment.
- Over the quarter, US Equities returned 15.2%, trailing the index return (Russell 3000) of 15.4%. International Equity returned 6.9%, versus the primary benchmark (MSCI ACWI ex US Index) return of 13.8% and the secondary blended benchmark (80% MSCI EAFE Index / 20% MSCI ACWI ex US Small Cap Index) return of 10.8%. US Fixed Income returned 0.8%, outpacing the blended benchmark return of 0.7%. Opportunistic Credit returned 1.9%, mirroring the asset class benchmark return. Real Estate posted -0.9%, trailing the benchmark return of 1.2%. Private Equity saw positive absolute returns at 2.4%, compared to the (public market plus premium) index return of -2.2%. Real Assets returned 4.9%, versus the index return of -3.4%.
- Portfolio underperformance over the quarter was primarily attributable to International Equity (both developed and emerging markets).

Public Manager Highlights Q2 2026

<u>*5 out of 13 Public Active Managers*</u>[1] either outperformed or matched their respective benchmarks for Q2 2026.

Total Equity (Active)

- US Equity returned 15.2%, trailing the Russell 3000 Index return of 15.4% over the quarter. BNY Mellon Newton Dynamic US Equity, the portfolio's active large cap manager, returned 15.1%, marginally trailing the S&P 500 Index return of 15.2%. Champlain Small Cap, the portfolio's active small cap manager, returned 17.0%, trailing the Russell 2000 Index return of 21.5%. Underperformance was attributable to the fund's security selection and underweight position in the Energy and Information Technology sectors relative to the Russell 2000, as well as selection within Industrials.
- International Equity returned 6.9%, trailing the primary benchmark return of 13.8% as well as the secondary blended benchmark return of 10.8%. Driehaus was the strongest performer on both absolute and relative to its respective benchmark, returning 12.5% versus the MSCI AC World ex USA Small Cap Growth index return of 11.5%. The strong performance was attributable to strong security selection, as positioning within Health Care,Materials and Consumer Discretionary were the primary contributors to outperformance over the period. Acadian had the second strongest absolute returns at 9.2% over the quarter, which trailed the MSCI AC World ex USA Small Cap index return of 9.6%. First Eagle returned 4.2%, trailing the MSCI EAFE return of 10.8%. GQG returned -0.1% for the quarter, trailing the MSCI AC World ex USA index return of 14.5%.
- Artisan & RWC, the two managers in the Emerging Markets space posted returns of 18.7% & 5.1% respectively. Relative to their index (MSCI Emerging Markets) return of 24.1%, both underperformed over the period. Artisan, as a benchmark-agnostic strategy that invests in a small number of securities, underperformed due to positions in 3 Chinese securities: AI model company MiniMax and tech conglomerates Tencent and Alibaba.

---

[1] Excludes Public Managers that do not have a full quarter of performance, Private Markets and Hedge Fund Managers.

Public Manager Highlights Q2 2026 (continued)

Total Fixed Income (Active)

- US Fixed Income returned 0.8%, marginally outpacing the asset class benchmark return of 0.7% over the quarter. Wellington Core Bond mirrored the Bloomberg US Aggregate Index return of 0.7%, while Brandywine returned 1.0% over the period, outpacing the Index over the period. Payden & Rygel Low Duration rounded out the active fixed income manager in the portfolio returning 0.6% for the period, outpacing its respective index.
- Opportunistic Credit returned 1.9%, mirroring the asset class blended benchmark. PIMCO returned 2.1%, outpacing the Bloomberg US Aggregate Index, while GoldenTree returned 2.1%, marginally trailing its benchmark return of 2.2%. PIMCO's relative outperformance was primarily due to their positioning in residential mortgages, emerging markets currencies and debt, as well as investment grade and high yield corporate debt securities.

Active Manager Expectations

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

Active Manager Expectations (continued)

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

Manager Monitor

Manager	Significant Events (Yes/No)	Last Meeting w Board of Retirement	Last Meeting with MIG	Comments[1]
Domestic Equity Assets				
BNY Mellon Newton Dynamic US Equity Fund	No	-	Jan-26	Review of organizational changes
Champlain Small Cap	No	-	Apr-26	Review of fund performance, AUM trend, succession planning
Developed Markets Equity (Non-US) Assets				
Driehaus International Small Cap Growth	No	-	May-26	Review of strategy & outlook, organizational/firm update
Acadian ACWI ex US Small Cap Equity	No	-	Oct-25	Review of strategy, no changes to conviction level
First Eagle International Value Fund	Yes	-	Oct-25	Review of changes to Global Value team leadership
GQG International Equity	Yes	-	Jul-26	Update on strategy, portfolio positioning, outlook
Emerging Markets Equity Assets				
Artisan Developing World	No		Feb-26	Review of strategy, market outlook
RWC Emerging Markets	No	-	Jul-26	Organizational update, review of strategy/cash flows, recent performance, outlook
US Fixed Income Assets				
Brandywine US Fixed Income	No	-	*Q3 2026*	*Meketa to meet with GoldenTree in Q3*
Payden & Rygel Low Duration	No	-	Nov-25	Review of strategy, macroeconomic outlook, ownership succession planning
Wellington Core Bond	No	-	Oct-25	Strategy review, macroeconomic outlook
Opportunistic Credit				
PIMCO Income Fund	No	-	Mar-26	Review of strategy, market outlook
GoldenTree Multi-Sector Credit	No	-	*Q3 2026*	*Meketa to meet with GoldenTree in Q3*
Private Equity Program	**N/A**	**N/A**	**N/A**	**Oversight by Cliffwater.**
Real Assets Program	**N/A**	**N/A**	**N/A**	**Oversight by Cliffwater.**
Hedge Fund Program	**N/A**	**N/A**	**N/A**	**Oversight by Cliffwater.**

[1] Italics indicate meetings have been scheduled or have recently occurred.

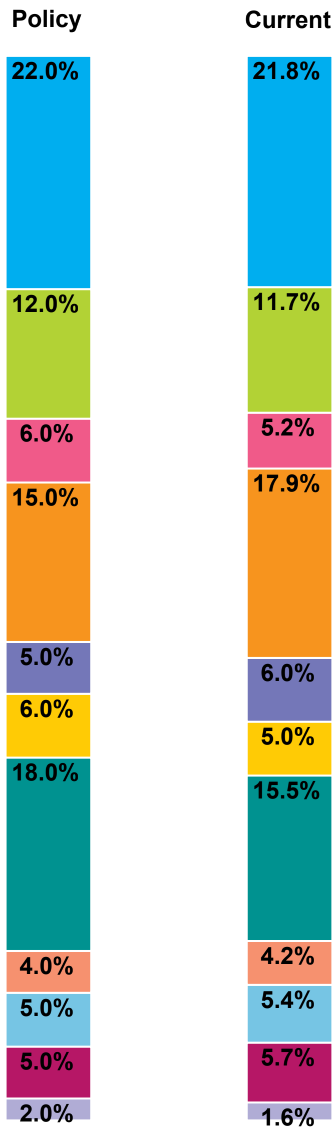
Active Manager Peer Rankings[1]

Investment Managers	Product	Peer Group	Market Value ($M)	1YR	3YR	5YR	10YR	Client Inception	Years in Portfolio
Champlain	Small Cap Fund	US Small Cap Core	21	99	97	99	98	Nov-20	5.7
Newton	Dynamic US Equity Strategy	US Large Cap Core	74	43	49	58	37	Dec-12	13.6
Acadian	All-Country World ex US Small Cap	Non-US Div Small Cap	23	53	50	50	13	May-19	7.2
Driehaus	International Small Cap Growth	ACWI ex US Small Cap Growth	22	56	53	59	46	May-19	7.2
GQG	International Equity	All ACWI ex US Equity	65	83	73	55	21	Dec-19	6.6
First Eagle	International Value	EAFE Value Equity	66	43	65	71	90	Dec-19	6.6
Artisan	Developing World	Emerging Markets	51	99	94	99	51	Dec-19	6.6
RWC	Emerging Markets	Emerging Markets	27	78	88	96	85	Dec-19	6.6
Brandywine	US Fixed Income	US Fixed Income	69	38	96	51	2	Nov-22	3.7
Payden & Rygel	Low Duration	US Short Duration Gov/Cred Fixed Income	23	70	59	49	62	Nov-22	3.7
Wellington	Core Bond	US Fixed Income	109	80	50	87	71	Nov-22	3.7
PIMCO	Income Fund	Global Multi-Sector Fixed Income	6	25	37	16	34	May-19	7.2
GoldenTree	Multi-Sector Credit Strategy	Global Multi-Sector Fixed Income	32	71	12	6	24	Jun-19	6.8

[1] Source: eVestment. Ranks are greyed out for periods before Merced CERA was invested.

Q2 Performance Update

Total Fund | As of June 30, 2026



Allocation vs. Targets and Policy

	Balance ($)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
US Equity	327,028,683	21.8	22.0	-0.2	16.0 - 27.0	Yes
Developed International Equity	175,229,721	11.7	12.0	-0.3	7.0 - 17.0	Yes
Emerging Markets Equity	77,829,206	5.2	6.0	-0.8	3.0 - 9.0	Yes
Private Equity	268,034,222	17.9	15.0	2.9	5.0 - 20.0	Yes
Direct Lending	89,559,100	6.0	5.0	1.0	0.0 - 10.0	Yes
Real Estate	75,027,807	5.0	6.0	-1.0	4.0 - 8.0	Yes
US Fixed Income	232,845,768	15.5	18.0	-2.5	13.0 - 23.0	Yes
Opportunistic Credit	62,751,504	4.2	4.0	0.2	2.0 - 6.0	Yes
Hedge Funds	81,179,312	5.4	5.0	0.4	2.5 - 7.5	Yes
Real Assets	85,122,938	5.7	5.0	0.7	3.0 - 7.0	Yes
Cash	24,397,874	1.6	2.0	-0.4	0.0 - 4.0	Yes
Total	**1,499,006,134**	**100.0**	**100.0**	**0.0**		

Trailing Net Performance | As of June 30, 2026

Asset Class Performance Summary

	Market Value ($)	% of Portfolio	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	**1,499,006,134**	**100.0**	**5.5**	**5.4**	**11.8**	**11.7**	**6.8**	**9.2**	**8.3**	**Jan-95**
Policy Index			*6.7*	*7.2*	*17.8*	*14.1*	*8.6*	*10.0*	*6.9*	
Total Fund w/o Alternatives	**875,684,882**	**58.4**	**7.7**	**5.4**	**12.3**	**13.8**	**6.5**	**9.7**	**--**	**Jan-08**
Policy Index w/o AI			*10.6*	*9.2*	*18.9*	*14.9*	*7.3*	*9.5*	*--*	
Public Equity	**580,087,611**	**38.7**	**11.5**	**7.6**	**16.3**	**17.4**	**8.3**	**--**	**11.5**	**Apr-18**
MSCI AC World IMI Index (Net)			*14.9*	*11.8*	*24.2*	*19.5*	*10.6*	*--*	*11.6*	
US Equity	**327,028,683**	**21.8**	**15.2**	**10.1**	**20.4**	**18.9**	**11.3**	**14.5**	**11.0**	**Jan-95**
Russell 3000			*15.4*	*10.9*	*22.8*	*20.4*	*12.3*	*15.0*	*11.1*	
International Equity	**253,058,928**	**16.9**	**6.9**	**4.5**	**11.5**	**15.5**	**4.7**	**10.3**	**6.6**	**Jan-99**
Primary Blended International Equity Benchmark			*13.8*	*13.1*	*26.6*	*18.7*	*8.2*	*10.0*	*6.4*	
Secondary Blended International Equity Benchmark			*10.8*	*9.7*	*20.6*	*16.8*	*7.2*	*9.5*	*6.2*	
Emerging Markets Equity	**77,829,206**	**5.2**	**13.6**	**0.1**	**0.9**	**13.2**	**-1.4**	**9.7**	**6.3**	**May-12**
MSCI EM			*24.1*	*23.8*	*43.5*	*23.0*	*7.2*	*10.2*	*6.5*	
US Fixed Income	**232,845,768**	**15.5**	**0.8**	**0.9**	**4.0**	**4.5**	**0.0**	**1.7**	**4.4**	**Jan-95**
US Fixed Income Custom Benchmark			*0.7*	*0.6*	*3.8*	*4.2*	*0.3*	*1.8*	*4.5*	
Opportunistic Credit	**62,751,504**	**4.2**	**1.9**	**2.8**	**6.7**	**8.7**	**5.5**	**--**	**6.1**	**May-19**
Custom Blended Opportunistic Credit Benchmark			*1.9*	*1.4*	*4.8*	*6.3*	*2.7*	*--*	*3.5*	
Real Estate	**75,027,807**	**5.0**	**-0.9**	**-0.7**	**-1.7**	**1.5**	**2.4**	**3.7**	**5.8**	**Dec-10**
Custom Blended Real Estate Benchmark			*1.2*	*2.2*	*4.0*	*-2.0*	*1.8*	*3.7*	*6.9*	
CPI +5% (Seasonally Adjusted)			*1.9*	*4.5*	*8.6*	*8.2*	*9.4*	*8.5*	*7.8*	

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 June 30, 2026

	Market Value ($)	% of Portfolio	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Real Estate	**75,027,807**	**5.0**	**-0.9**	**-0.7**	**-1.7**	**0.3**	**3.2**	**3.7**	**5.8**	**Dec-10**
Custom Blended Real Estate Benchmark			*1.2*	*2.2*	*4.0*	*-2.0*	*3.2*	*4.3*	*7.3*	
Private Equity	**268,034,222**	**17.9**	**2.4**	**7.2**	**15.4**	**10.2**	**12.3**	**14.2**	**10.4**	**Jul-05**
Custom Private Equity Benchmark			*-2.2*	*1.7*	*23.8*	*20.4*	*13.9*	*17.3*	*--*	
Preqin Private Equity (1QTR Lag)			*0.0*	*3.0*	*8.2*	*6.9*	*9.1*	*13.5*	*13.0*	
Direct Lending	**89,559,100**	**6.0**	**1.3**	**3.3**	**8.8**	**10.1**	**7.7**	**--**	**10.0**	**Jul-20**
50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans			*2.2*	*1.6*	*5.1*	*8.2*	*5.1*	*--*	*6.5*	
Hedge Funds	**81,179,312**	**5.4**	**6.0**	**6.2**	**11.1**	**9.1**	**6.4**	**7.1**	**5.7**	**Jul-14**
Custom Blended Hedge Funds Benchmark			*7.8*	*8.6*	*16.7*	*10.7*	*5.9*	*6.0*	*--*	
Real Assets	**85,122,938**	**5.7**	**4.9**	**7.7**	**14.7**	**13.7**	**13.6**	**11.0**	**10.5**	**Dec-10**
Custom Blended Real Assets Benchmark			*-3.4*	*10.1*	*22.7*	*14.6*	*11.1*	*9.5*	*--*	
CPI +5% (Seasonally Adjusted)			*1.9*	*4.5*	*8.6*	*8.2*	*9.4*	*8.5*	*7.8*	
Private Infrastructure	**51,789,891**	**3.5**	**2.8**	**3.1**	**8.6**	**10.7**	**10.7**	**11.8**	**10.3**	**Jan-15**
S&P Global Infrastructure			*1.6*	*10.0*	*16.8*	*16.9*	*11.9*	*9.0*	*7.9*	
Private Natural Resources	**33,333,047**	**2.2**	**8.4**	**15.4**	**24.8**	**19.0**	**23.0**	**16.4**	**16.8**	**Oct-15**
S&P Global Natural Resources Sector Index (TR)			*-8.5*	*9.7*	*28.4*	*11.9*	*9.4*	*10.4*	*11.3*	
Cash	**24,397,874**	**1.6**	**1.0**	**2.3**	**4.8**	**4.6**	**3.1**	**--**	**--**	**Dec-10**

Preqin Private Equity (1QTR Lag) reflects a 0% proxy return due to data availability.
Real Assets includes State Street Real Assets NL Fund.

Trailing Net Performance | As of June 30, 2026

Trailing Period Performance	Market Value ($)	% of Portfolio	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	**1,499,006,134**	**100.0**	**5.5**	**5.4**	**11.8**	**11.7**	**6.8**	**9.2**	**8.3**	**Jan-95**
Policy Index			*6.7*	*7.2*	*17.8*	*14.1*	*8.6*	*10.0*	*6.9*	
Total Fund w/o Alternatives	**875,684,882**	**58.4**	**7.7**	**5.4**	**12.3**	**13.8**	**6.5**	**9.7**	**--**	**Jan-08**
Policy Index w/o AI			*10.6*	*9.2*	*18.9*	*14.9*	*7.3*	*9.5*	*--*	
Public Equity	**580,087,611**	**38.7**	**11.5**	**7.6**	**16.3**	**17.4**	**8.3**	**--**	**11.5**	**Apr-18**
MSCI AC World IMI Index (Net)			*14.9*	*11.8*	*24.2*	*19.5*	*10.6*	*--*	*11.6*	
US Equity	**327,028,683**	**21.8**	**15.2**	**10.1**	**20.4**	**18.9**	**11.3**	**14.5**	**11.0**	**Jan-95**
Russell 3000			*15.4*	*10.9*	*22.8*	*20.4*	*12.3*	*15.0*	*11.1*	
BNY Mellon Newton Dynamic US Equity	74,033,553	4.9	15.1	9.8	21.2	19.3	11.6	15.4	16.2	Jan-13
S&P 500 Index			*15.2*	*10.2*	*22.3*	*20.6*	*13.4*	*15.5*	*15.1*	
BNY Mellon Large Cap	231,719,880	15.5	15.1	10.4	22.0	20.5	12.6	15.3	15.2	Apr-16
Russell 1000 Index			*15.1*	*10.3*	*22.0*	*20.5*	*12.7*	*15.3*	*15.2*	
Champlain Small Cap	21,275,249	1.4	17.0	7.9	2.6	6.5	1.7	--	7.2	Nov-20
Russell 2000 Index			*21.5*	*22.6*	*40.8*	*18.6*	*7.0*	*--*	*14.2*	

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

Trailing Net Performance | As of June 30, 2026

	Market Value ($)	% of Portfolio	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
International Equity	**253,058,928**	**16.9**	**6.9**	**4.5**	**11.5**	**15.5**	**4.7**	**10.3**	**6.6**	**Jan-99**
Primary Blended International Equity Benchmark			*13.8*	*13.1*	*26.6*	*18.7*	*8.2*	*10.0*	*6.4*	
Secondary Blended International Equity Benchmark			*10.8*	*9.7*	*20.6*	*16.8*	*7.2*	*9.5*	*5.6*	
Acadian ACWI ex U.S. Small Cap Equity	22,737,521	1.5	9.2	8.6	19.6	19.3	8.8	--	12.8	May-19
MSCI AC World ex USA Small Cap (Net)			*9.6*	*9.1*	*19.8*	*16.4*	*6.3*	*--*	*9.3*	
Driehaus International Small Cap Growth	22,195,160	1.5	12.5	9.4	14.7	16.1	4.7	--	10.9	May-19
MSCI AC World ex USA Small Growth Index (Net)			*11.5*	*10.4*	*18.9*	*15.1*	*4.1*	*--*	*8.7*	
GQG International Equity	64,770,164	4.3	-0.1	4.2	9.1	14.0	7.7	--	10.0	Dec-19
MSCI AC World ex USA (Net)			*14.5*	*13.7*	*27.7*	*18.8*	*8.8*	*--*	*10.4*	
First Eagle International Value Fund	65,526,877	4.4	4.2	6.9	23.6	17.5	9.9	--	9.5	Dec-19
MSCI EAFE (Net)			*10.8*	*9.4*	*20.2*	*16.4*	*9.0*	*--*	*10.0*	
MSCI AC World ex USA Value (Net)			*12.2*	*14.5*	*33.2*	*22.4*	*12.4*	*--*	*11.8*	
Emerging Markets Equity	**77,829,206**	**5.2**	**13.6**	**0.1**	**0.9**	**13.2**	**-1.4**	**9.7**	**6.3**	**May-12**
MSCI EM			*24.1*	*23.8*	*43.5*	*23.0*	*7.2*	*10.2*	*6.5*	
Artisan Developing World TR	50,973,017	3.4	18.7	-2.6	-9.8	12.0	-2.7	--	8.3	Dec-19
MSCI Emerging Markets (Net)			*24.1*	*23.8*	*43.5*	*23.0*	*7.2*	*--*	*10.5*	
RWC	26,856,190	1.8	5.1	5.5	27.9	14.8	1.0	--	6.6	Dec-19
MSCI Emerging Markets (Net)			*24.1*	*23.8*	*43.5*	*23.0*	*7.2*	*--*	*10.5*	

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 June 30, 2026

	Market Value ($)	% of Portfolio	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
US Fixed Income	**232,845,768**	**15.5**	**0.8**	**0.9**	**4.0**	**4.5**	**0.0**	**1.7**	**4.4**	**Jan-95**
US Fixed Income Custom Benchmark			*0.7*	*0.6*	*3.8*	*4.2*	*0.3*	*1.8*	*4.5*	
Vanguard Total Bond Market Index Fund	32,105,522	2.1	0.7	0.8	3.7	4.2	0.1	--	1.6	May-19
Blmbg. U.S. Aggregate Index			*0.7*	*0.6*	*3.8*	*4.2*	*0.1*	*--*	*1.6*	
Payden & Rygel Low Duration Fund	22,654,917	1.5	0.6	0.8	3.5	5.2	--	--	5.0	Nov-22
Blmbg. U.S. Treasury: 1-3 Year			*0.4*	*0.6*	*2.9*	*4.4*	*--*	*--*	*4.1*	
Brandywine US Fixed Income	68,802,510	4.6	1.0	1.4	4.5	4.1	--	--	3.4	Nov-22
Blmbg. U.S. Aggregate Index			*0.7*	*0.6*	*3.8*	*4.2*	*--*	*--*	*4.9*	
Wellington Core Bond	109,282,819	7.3	0.7	0.7	3.9	4.8	--	--	4.8	Nov-22
Blmbg. U.S. Aggregate Index			*0.7*	*0.6*	*3.8*	*4.2*	*--*	*--*	*4.9*	
Opportunistic Credit	**62,751,504**	**4.2**	**1.9**	**2.8**	**6.7**	**8.7**	**5.5**	**--**	**6.1**	**May-19**
Custom Blended Opportunistic Credit Benchmark			*1.9*	*1.4*	*4.8*	*6.3*	*2.7*	*--*	*3.5*	
PIMCO Income Fund	5,691,288	0.4	2.1	1.5	6.8	7.8	3.8	--	4.3	May-19
Blmbg. U.S. Aggregate Index			*0.7*	*0.6*	*3.8*	*4.2*	*0.1*	*--*	*1.6*	
GoldenTree Multi-Sector Credit	31,609,744	2.1	2.1	2.3	6.7	9.5	5.9	--	6.3	Jun-19
50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans			*2.2*	*1.6*	*5.1*	*8.2*	*5.1*	*--*	*5.5*	
OWS Credit Opportunity Fund LP	25,450,471	1.7	1.7	3.6	6.7	--	--	--	8.5	Oct-23
50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans			*2.2*	*1.6*	*5.1*	*--*	*--*	*--*	*8.2*	

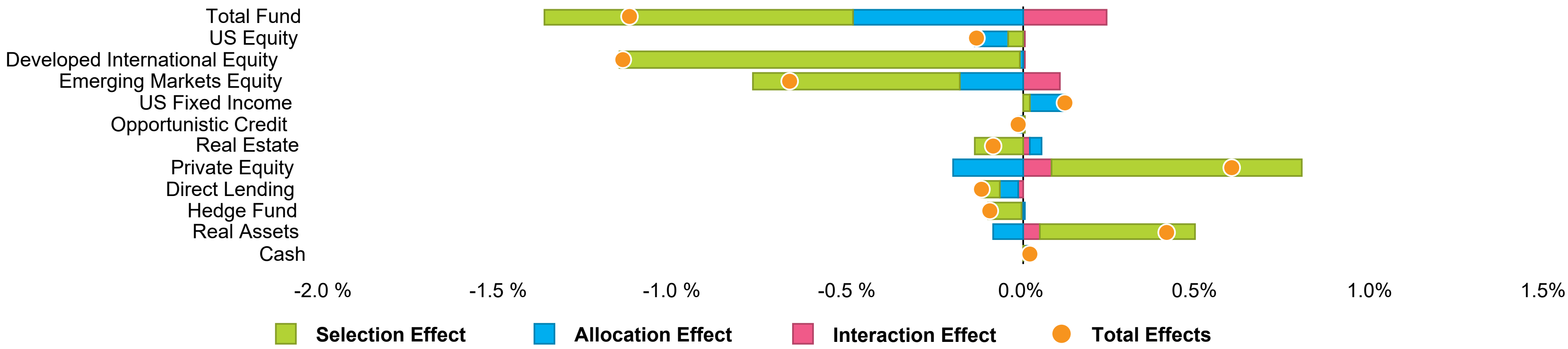
Historical returns for the US Fixed Income Composite prior to December 2010 are gross only.

Trailing Net Performance | As of June 30, 2026

	Market Value ($)	% of Portfolio	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Real Estate	**75,027,807**	**5.0**	**-0.9**	**-0.7**	**-1.7**	**0.3**	**3.2**	**3.7**	**5.8**	**Dec-10**
Custom Blended Real Estate Benchmark			*1.2*	*2.2*	*4.0*	*-2.0*	*3.2*	*4.3*	*7.3*	
Private Equity	**268,034,222**	**17.9**	**2.4**	**7.2**	**15.4**	**10.2**	**12.3**	**14.2**	**10.4**	**Jul-05**
Custom Private Equity Benchmark			*-2.2*	*1.7*	*23.8*	*20.4*	*13.9*	*17.3*	*--*	
Preqin Private Equity (1QTR Lag)			*0.0*	*3.0*	*8.2*	*6.9*	*9.1*	*13.5*	*13.0*	
Direct Lending	**89,559,100**	**6.0**	**1.3**	**3.3**	**8.8**	**10.1**	**7.7**	**--**	**10.0**	**Jul-20**
Morningstar LSTA Leveraged Loans +2%			*2.4*	*2.3*	*6.4*	*9.7*	*8.1*	*--*	*9.1*	
Hedge Funds	**81,179,312**	**5.4**	**6.0**	**6.2**	**11.1**	**9.1**	**6.4**	**7.1**	**5.7**	**Jul-14**
Custom Blended Hedge Funds Benchmark			*7.8*	*8.6*	*16.7*	*10.7*	*5.9*	*6.0*	*--*	
Private Infrastructure	**51,789,891**	**3.5**	**2.8**	**3.1**	**8.6**	**10.7**	**10.7**	**11.8**	**10.3**	**Jan-15**
S&P Global Infrastructure			*1.6*	*10.0*	*16.8*	*16.9*	*11.9*	*9.0*	*7.9*	
Private Natural Resources	**33,333,047**	**2.2**	**8.4**	**15.4**	**24.8**	**19.0**	**23.0**	**16.4**	**16.8**	**Oct-15**
S&P Global Natural Resources Sector Index (TR)			*-8.5*	*9.7*	*28.4*	*11.9*	*9.4*	*10.4*	*11.3*	
Cash	**24,397,874**	**1.6**	**1.0**	**2.3**	**4.8**	**4.6**	**3.1**	**--**	**--**	**Dec-10**
Cash	22,897,940	1.5	0.9	2.1	4.2	4.6	3.1	2.1	-0.4	Dec-10
Treasury Cash	1,499,934	0.1	2.9	6.9	14.3	9.2	5.4	--	3.1	Sep-17

All private markets performance and market values reflect a 3/31/26 capital account balance (as of 06/30/2026).
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.
Hedge Fund values are estimates as of 6/30/2026.

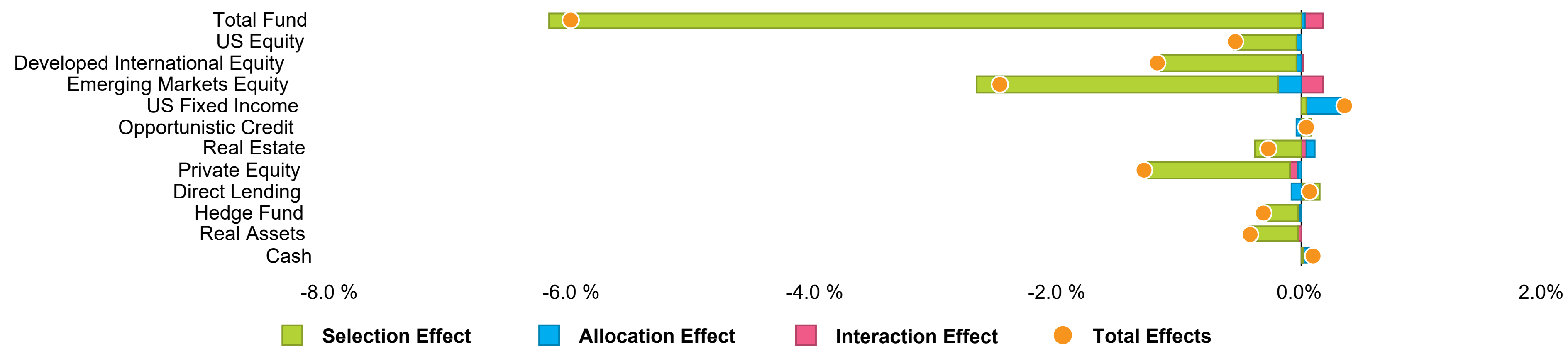
Attribution Effects
3 Months Ending June 30, 2026



Attribution Summary
3 Months Ending June 30, 2026

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	15.2	15.4	-0.2	0.0	-0.1	0.0	-0.1
Developed International Equity	4.1	13.8	-9.7	-1.1	0.0	0.0	-1.2
Emerging Markets Equity	13.6	24.1	-10.4	-0.6	-0.2	0.1	-0.7
US Fixed Income	0.8	0.7	0.1	0.0	0.1	0.0	0.1
Opportunistic Credit	1.9	1.9	0.1	0.0	0.0	0.0	0.0
Real Estate	-0.9	1.2	-2.2	-0.1	0.0	0.0	-0.1
Private Equity	2.4	-2.2	4.6	0.7	-0.2	0.1	0.6
Direct Lending	1.3	2.4	-1.1	-0.1	-0.1	0.0	-0.1
Hedge Fund	6.0	7.8	-1.9	-0.1	0.0	0.0	-0.1
Real Assets	4.9	-3.4	8.4	0.4	-0.1	0.0	0.4
Cash	1.0	0.9	0.1	0.0	0.0	0.0	0.0
Total Fund	**5.5**	**6.7**	**-1.1**	**-0.9**	**-0.5**	**0.2**	**-1.1**

Attribution Effects
1 Year Ending June 30, 2026



Attribution Summary
1 Year Ending June 30, 2026

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	20.4	22.8	-2.4	-0.5	0.0	0.0	-0.5
Developed International Equity	16.6	26.6	-9.9	-1.2	0.0	0.0	-1.2
Emerging Markets Equity	0.9	43.5	-42.6	-2.5	-0.2	0.2	-2.5
US Fixed Income	4.0	3.8	0.2	0.0	0.3	0.0	0.4
Opportunistic Credit	6.7	4.8	1.8	0.1	0.0	0.0	0.0
Real Estate	-1.7	4.0	-5.6	-0.4	0.1	0.0	-0.3
Private Equity	15.4	23.8	-8.4	-1.2	0.0	-0.1	-1.3
Direct Lending	8.8	6.4	2.4	0.1	-0.1	0.0	0.1
Hedge Fund	11.1	16.7	-5.5	-0.3	0.0	0.0	-0.3
Real Assets	14.7	22.7	-8.0	-0.4	0.0	0.0	-0.4
Cash	4.8	4.0	0.9	0.0	0.1	0.0	0.1
Total Fund	**11.8**	**17.8**	**-6.0**	**-6.2**	**0.0**	**0.1**	**-6.0**

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

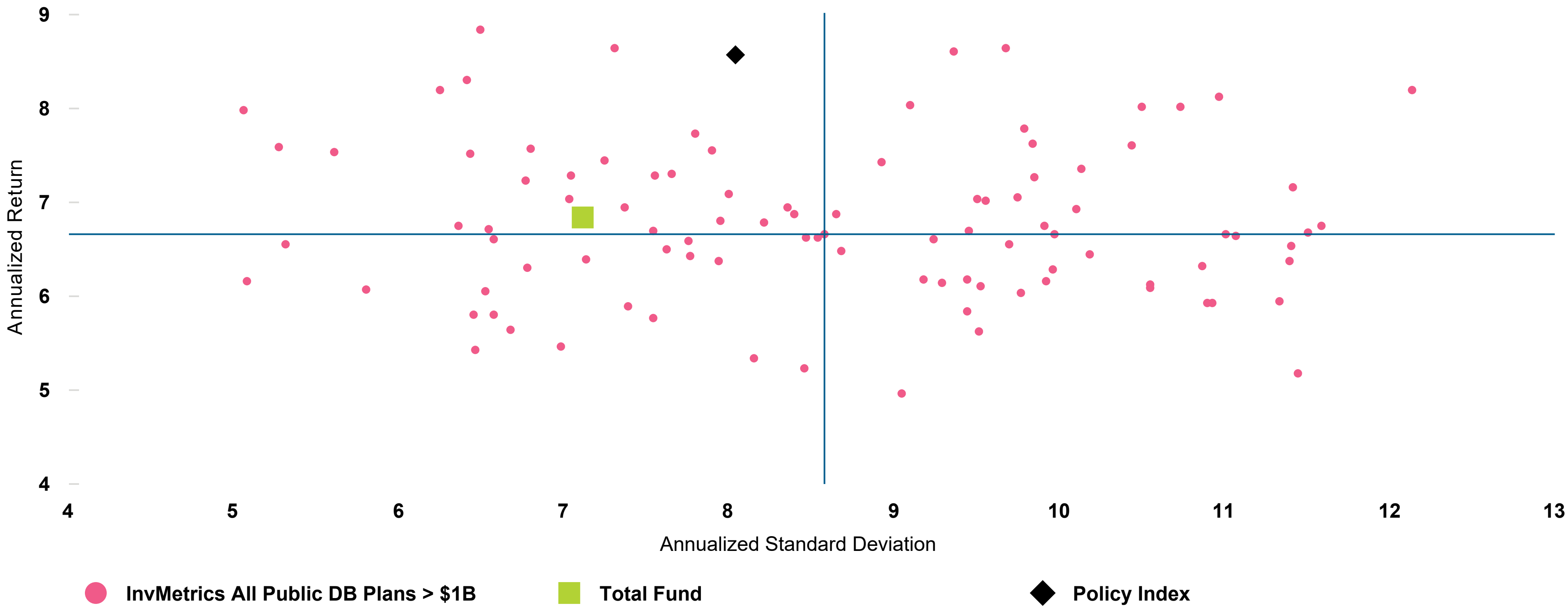
Annual Investment Expense Analysis

	Fee Schedule	Market Value ($)	Estimated Annual Fee (%)	Estimated Annual Fee ($)
Total Fund		**1,499,006,134**		
Total Fund w/o Alternatives		**875,684,882**		
Public Equity		**580,087,611**		
US Equity		**327,028,683**		
BNY Mellon Newton Dynamic US Equity	0.30 % of Assets	74,033,553	0.30	222,101
BNY Mellon Large Cap	0.04 % of First $100 M 0.02 % Thereafter	231,719,880	0.03	66,344
Champlain Small Cap	1.00 % of Assets	21,275,249	1.00	212,752
International Equity		**253,058,928**		
Acadian ACWI ex U.S. Small Cap Equity	0.85 % of First $50 M 0.75 % Thereafter	22,737,521	0.85	193,269
Driehaus International Small Cap Growth	0.90 % of Assets	22,195,160	0.90	199,756
GQG International Equity	0.50 % of Assets	64,770,164	0.50	323,851
First Eagle International Value Fund	0.79 % of Assets	65,526,877	0.79	517,662
Emerging Markets Equity		**77,829,206**		
Artisan Developing World TR	1.05 % of Assets	50,973,017	1.05	535,217
RWC	0.87 % of Assets	26,856,190	0.87	233,649
MCERA US FIXED+OPP CREDIT		**295,597,271**		
US Fixed Income		**232,845,768**		
Vanguard Total Bond Market Index Fund	0.03 % of Assets	32,105,522	0.03	8,026
Payden & Rygel Low Duration Fund	0.38 % of Assets	22,654,917	0.38	86,089
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	68,802,510	0.27	186,366
Wellington Core Bond	0.12 % of Assets	109,282,819	0.12	131,139
Opportunistic Credit		**62,751,504**		
PIMCO Income Fund	0.50 % of Assets	5,691,288	0.50	28,456
GoldenTree Multi-Sector Credit	0.70 % of Assets	31,609,744	0.70	221,268
OWS Credit Opportunity Fund LP		25,450,471	-	-

Fee Schedule | As of June 30, 2026

	Fee Schedule	Market Value ($)	Estimated Annual Fee (%)	Estimated Annual Fee $
Hedge Funds		**81,179,312**		
Marshall Wace Eureka	Performance Based 2.00 % and 20.00 %	6,232,120	2.00	124,642
Marshall Wace Global Opportunities	Performance Based 2.00 % and 20.00 %	7,680,003	2.00	153,600
Taconic Opportunity Fund	Performance Based 1.40 % and 20.00 %	674,805	1.40	9,447
Silver Point Capital	Performance Based 1.50 % and 20.00 %	16,541,842	1.50	248,128
Graham Absolute Return	Performance Based 1.75 % and 20.00 %	5,558,938	1.75	97,281
Laurion Capital	Performance Based 2.00 % and 20.00 %	8,502,041	2.00	170,041
Wellington Global Equity Long/Short Fund	Performance Based 1.00 % and 20.00 %	12,127,130	1.00	121,271
Hudson Bay Fund		16,303,023	-	-
Caxton Global Investments	Performance Based 1.95 % and 22.50 %	7,559,411	1.95	147,409
Cash		**24,397,874**		
Cash		22,897,940	-	-
Treasury Cash		1,499,934	-	-

Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2026

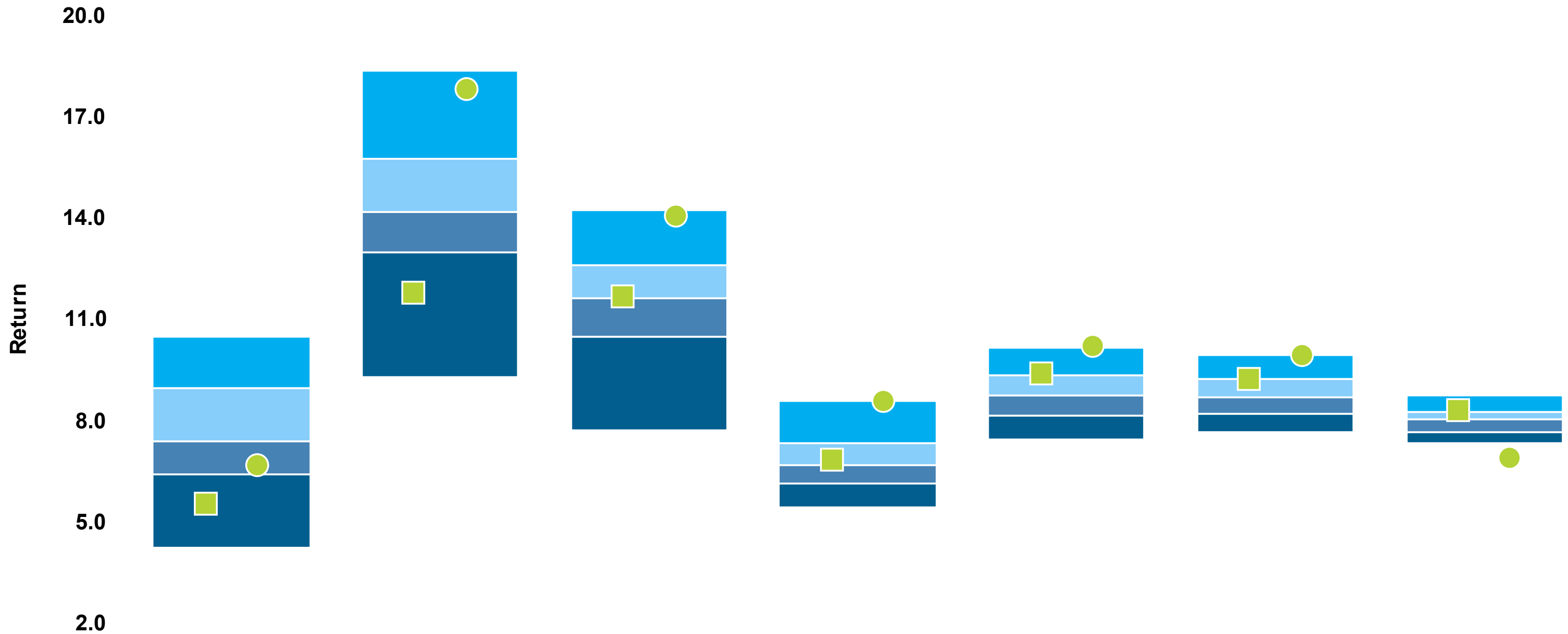


	5 Years Return	5 Years Standard Deviation	5 Years Information Ratio	5 Years Beta	5 Years Sharpe Ratio	5 Years Tracking Error
Total Fund	6.8 (41)	7.1 (25)	-0.6 (68)	0.8 (26)	0.5 (28)	2.9 (16)
Policy Index	8.6 (6)	8.0 (41)	-	1.0	0.6 (10)	0.0
InvMetrics All Public DB Plans > $1B Median	6.7	8.6	-0.5	1.0	0.4	3.3

Statistics Summary
5 Years Ending June 30, 2026

	5 Years Return	5 Years Standard Deviation	5 Years Information Ratio	5 Years Beta	5 Years Sharpe Ratio	5 Years Tracking Error
Total Fund	6.8	7.1	-0.6	0.8	0.5	2.9
Policy Index	*8.6*	*8.0*	-	*1.0*	*0.6*	*0.0*
InvMetrics All Public DB Plans > $1B Median	6.7	8.6	-0.5	1.0	0.4	3.3

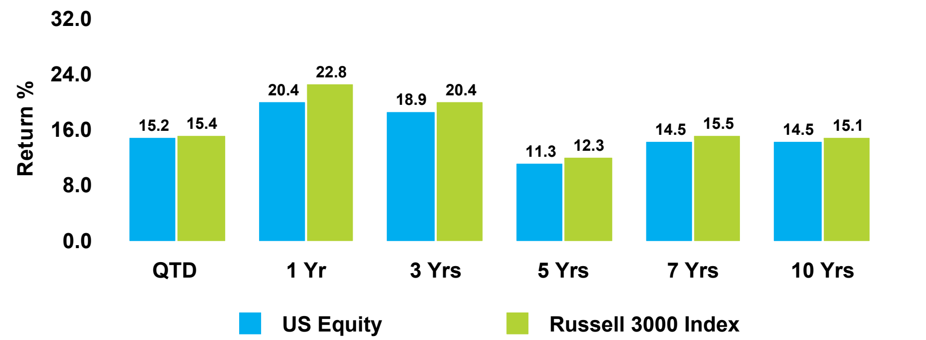
InvMetrics All Public DB Plans > $1B | As of June 30, 2026



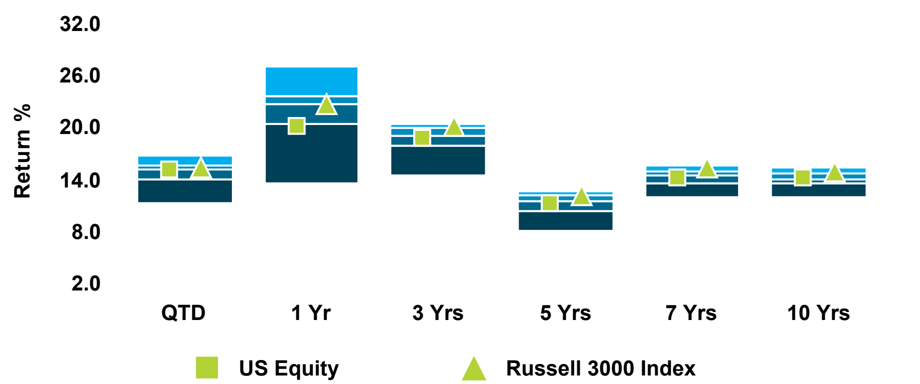
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Since Inception
■ Total Fund	5.5 (88)	11.8 (88)	11.7 (47)	6.8 (41)	9.4 (25)	9.2 (25)	8.3 (22)
● Policy Index	6.7 (71)	17.8 (8)	14.1 (8)	8.6 (6)	10.2 (4)	10.0 (5)	6.9 (98)
5th Percentile	10.5	18.4	14.2	8.6	10.1	10.0	8.8
1st Quartile	8.9	15.7	12.6	7.3	9.3	9.2	8.3
Median	7.4	14.2	11.6	6.7	8.7	8.7	8.0
3rd Quartile	6.4	13.0	10.5	6.2	8.2	8.2	7.7
95th Percentile	4.2	9.3	7.7	5.4	7.4	7.6	7.3
Population	107	107	107	103	101	99	23

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

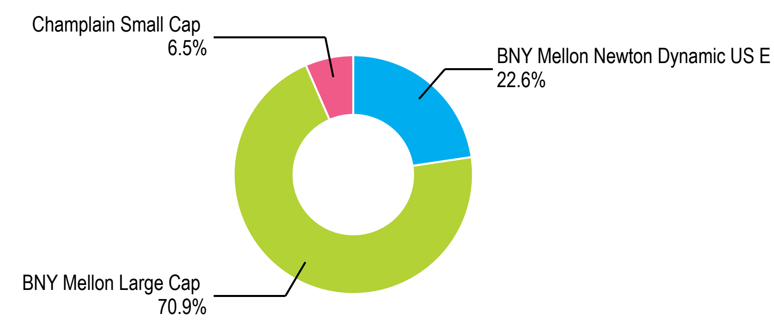
Return Summary



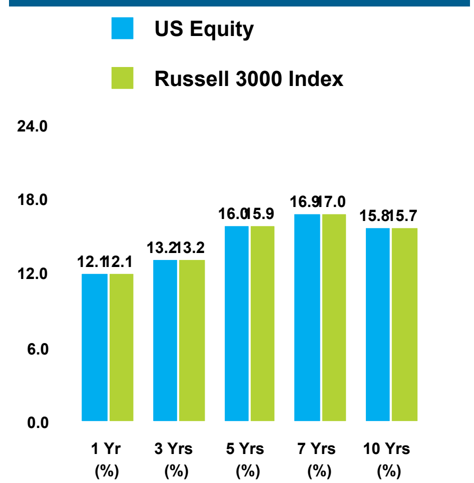
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
US Equity	15.2	20.4	18.9	11.3	14.5	14.5
Russell 3000	*15.4*	*22.8*	*20.4*	*12.3*	*15.4*	*15.0*
Excess Return	-0.2	-2.4	-1.4	-1.0	-1.0	-0.5



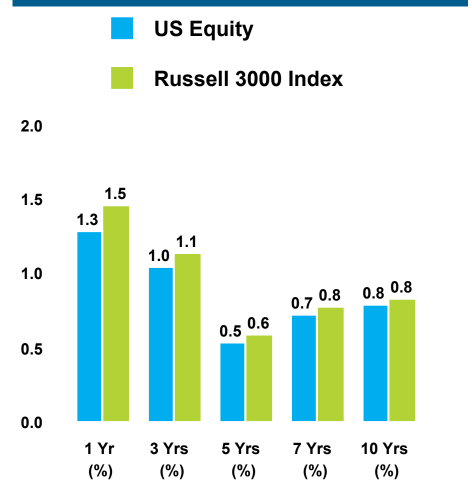
Current Allocation



Annualized Standard Deviation



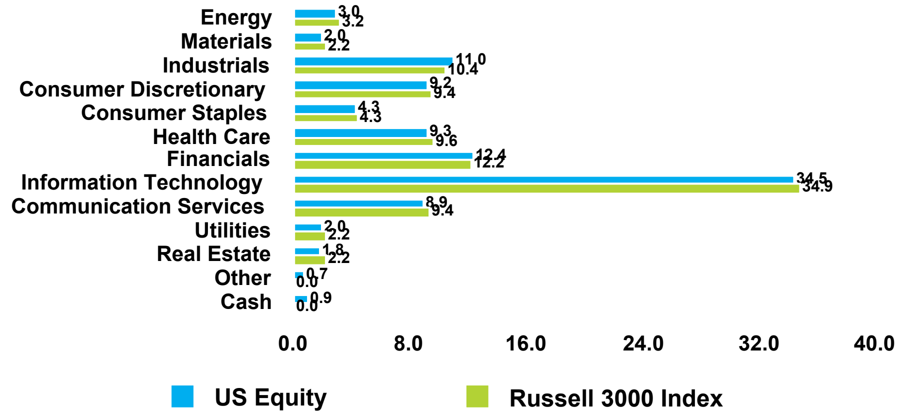
Sharpe Ratio



Equity Characteristics vs Russell 3000 Index

	Portfolio	Benchmark
Number of Holdings	1,074	2,998
Wtd. Avg. Mkt. Cap $B	1,201.9	1,235.9
Median Mkt. Cap $B	16.0	2.7
P/E Ratio	25.1	24.5
Yield (%)	1.1	1.1
EPS Growth - 5 Yrs. (%)	23.8	23.7
Price to Book	5.0	4.9

Sector Weights (%)



Top Holdings

NVIDIA Corporation	6.3
Apple Inc	5.6
Microsoft Corp	3.7
Amazon.com Inc	3.1
Alphabet Inc Class A	2.8
Broadcom Inc	2.4
Alphabet Inc Class C	2.2
Micron Technology Inc.	1.7
Meta Platforms Inc	1.7
Tesla Inc	1.6
% of Portfolio	**31.1**

Ten Best Performers

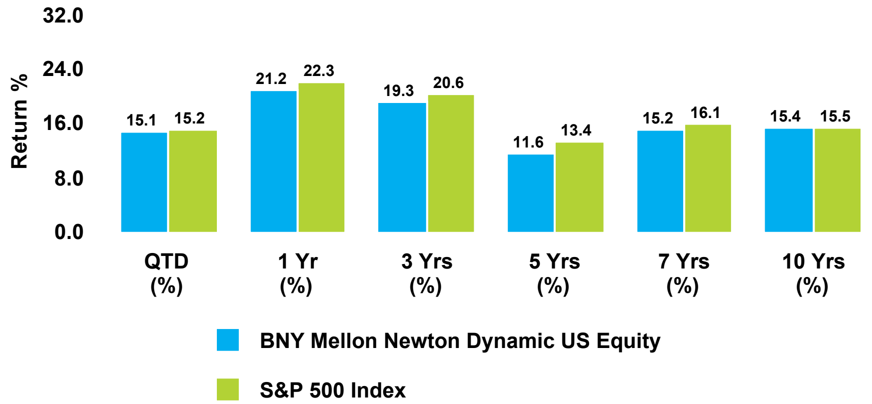
	Quarterly Return (%)
Astera Labs Inc	340.7
Sandisk Corp	257.9
Micron Technology Inc.	241.7
Intel Corp	216.4
Marvell Technology Inc	200.9
Credo Technology Group	189.7
Advanced Micro Devices Inc	185.6
Dell Technologies Inc	163.7
Flex Ltd	147.6
Seagate Technology Holdings plc	146.5

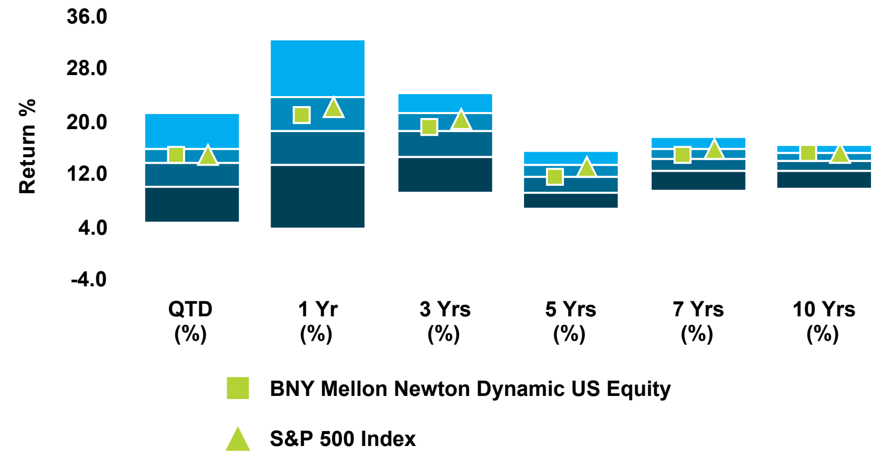
Ten Worst Performers

	Quarterly Return (%)
EPAM Systems Inc	-41.4
Intuit Inc.	-39.4
Zoetis Inc	-38.9
Karman Holdings Inc	-37.6
Westlake Corp	-37.1
Accenture PLC	-36.7
Shake Shack Inc	-36.7
Cognizant Technology	-36.5
Insmed Inc	-34.8
Bullish	-34.4

BNY Mellon Newton Dynamic US Equity | As of June 30, 2026

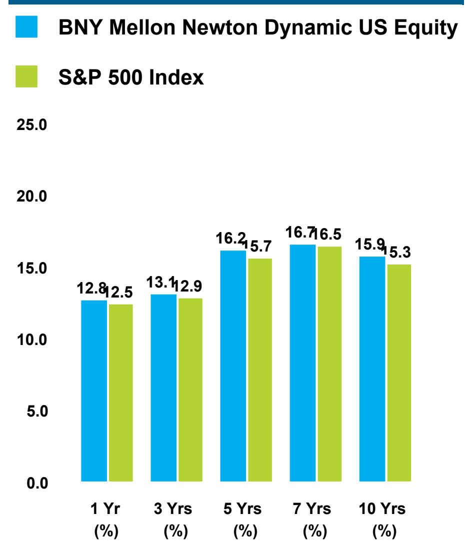
Return Summary



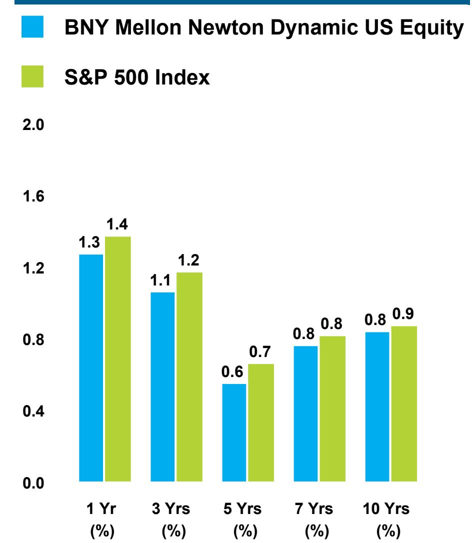


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
BNY Mellon Newton Dynamic US Equity	15.1	21.2	19.3	11.6	15.2	15.4
S&P 500 Index	*15.2*	*22.3*	*20.6*	*13.4*	*16.1*	*15.5*
Excess Return	-0.1	-1.1	-1.3	-1.8	-0.9	-0.1

Annualized Standard Deviation



Sharpe Ratio



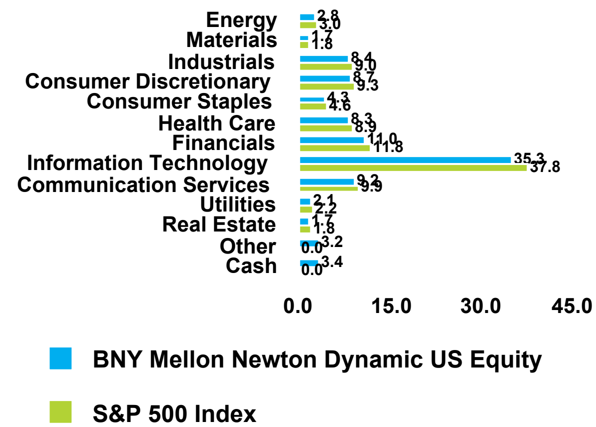
Equity Characteristics vs S&P 500 Index

	Portfolio	Benchmark
Number of Holdings	508	503
Wtd. Avg. Mkt. Cap $B	1,312.4	1,405.6
Median Mkt. Cap $B	44.1	44.1
P/E Ratio	25.0	25.0
Yield (%)	1.1	1.1
EPS Growth - 5 Yrs. (%)	24.7	24.7
Price to Book	5.3	5.3

Account Information

Account Name	BNY Mellon Newton Dynamic US Equity
Account Structure	Collective Investment Trust
Inception Date	11/30/2012
Asset Class	US Equity
Benchmark	S&P 500 Index
Peer Group	eV US Large Cap Core Equity

Sector Weights (%)



Top Holdings

NVIDIA Corporation	7.0
Apple Inc	6.2
Microsoft Corp	4.0
Amazon.com Inc	3.4
Generic Fixed Income	3.2
Alphabet Inc Class A	3.0
Broadcom Inc	2.6
Alphabet Inc Class C	2.4
Micron Technology Inc.	1.9
Meta Platforms Inc	1.8
% of Portfolio	**35.5**

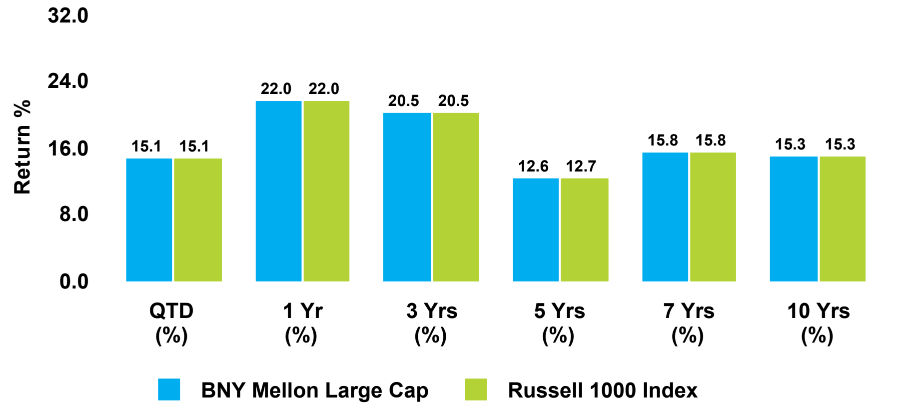
Ten Best Performers

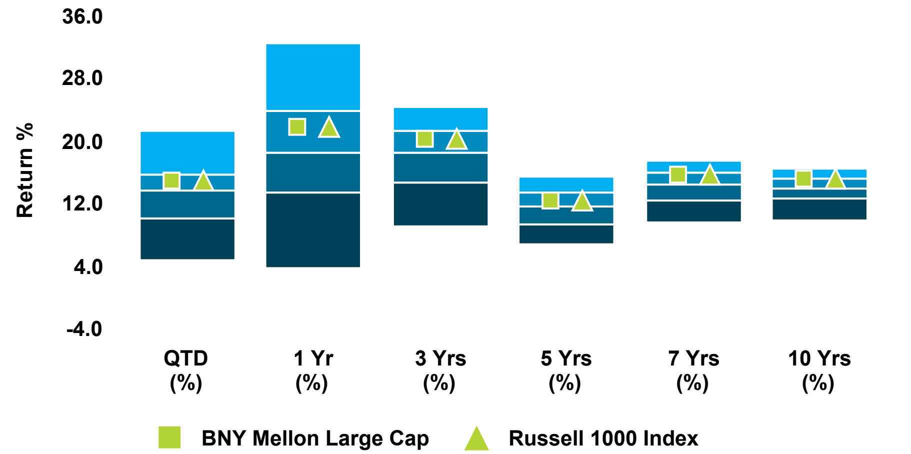
	Quarterly Return (%)
Sandisk Corp	257.9
Micron Technology Inc.	241.7
Intel Corp	216.4
Marvell Technology Inc	200.9
Advanced Micro Devices Inc	185.6
Dell Technologies Inc	163.7
Flex Ltd	147.6
Seagate Technology Holdings plc	146.5
Western Digital Corp	136.2
Humana Inc.	129.6

Ten Worst Performers

	Quarterly Return (%)
Intuit Inc.	-39.4
Zoetis Inc	-38.9
Accenture PLC	-36.7
Cognizant Technology	-36.5
Charter Communications Inc	-34.1
LyondellBasell Industries NV	-34.0
Dow Inc	-33.6
Leidos Holdings Inc	-33.5
Boston Scientific Corp	-32.0
CoStar Group Inc	-29.8

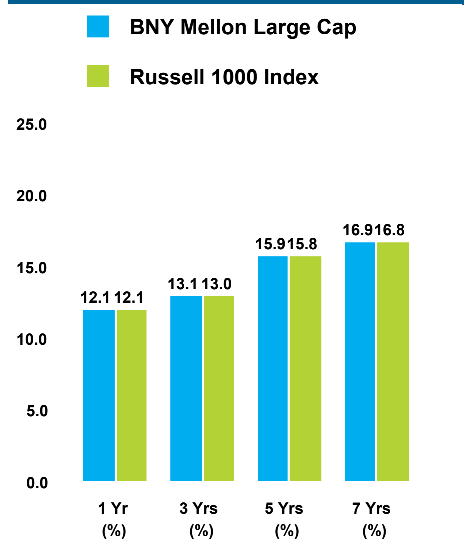
Return Summary



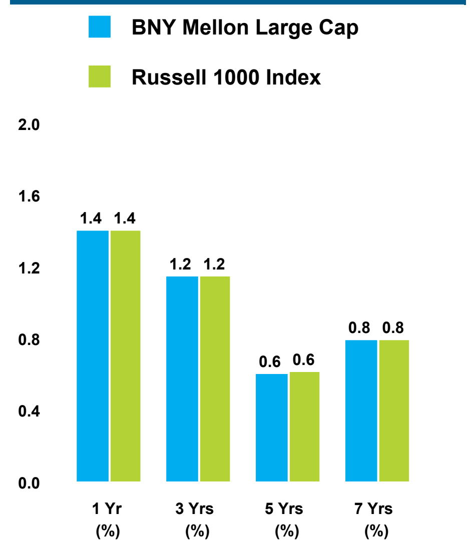


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
BNY Mellon Large Cap	15.1	22.0	20.5	12.6	15.8	15.3
Russell 1000 Index	*15.1*	*22.0*	*20.5*	*12.7*	*15.8*	*15.3*
Excess Return	0.0	0.0	0.0	0.0	0.0	0.0

Annualized Standard Deviation



Sharpe Ratio



BNY Mellon Large Cap | As of June 30, 2026

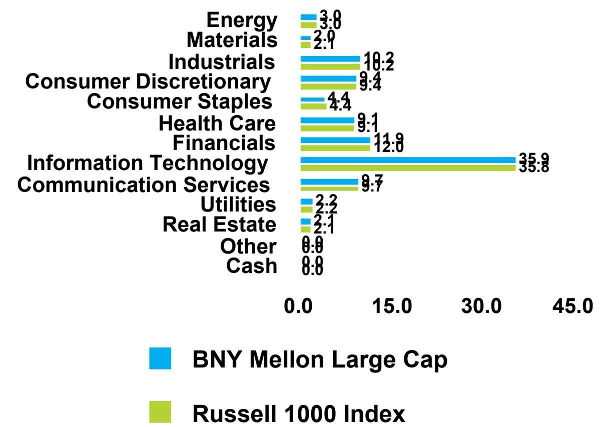
Equity Characteristics vs Russell 1000 Index

	Portfolio	Benchmark
Number of Holdings	1,028	1,023
Wtd. Avg. Mkt. Cap $B	1,293.8	1,291.8
Median Mkt. Cap $B	16.8	16.8
P/E Ratio	24.8	24.8
Yield (%)	1.1	1.1
EPS Growth - 5 Yrs. (%)	24.0	24.0
Price to Book	5.1	5.1

Account Information

Account Name	BNY Mellon Large Cap
Account Structure	Separate Account
Inception Date	03/31/2016
Asset Class	US Equity
Benchmark	Russell 1000 Index
Peer Group	eV US Large Cap Core Equity

Sector Weights (%)



Top Holdings

NVIDIA Corporation	6.8
Apple Inc	6.0
Microsoft Corp	4.0
Amazon.com Inc	3.3
Alphabet Inc Class A	3.0
Broadcom Inc	2.5
Alphabet Inc Class C	2.4
Micron Technology Inc.	1.9
Meta Platforms Inc	1.8
Tesla Inc	1.8
% of Portfolio	**33.5**

Ten Best Performers

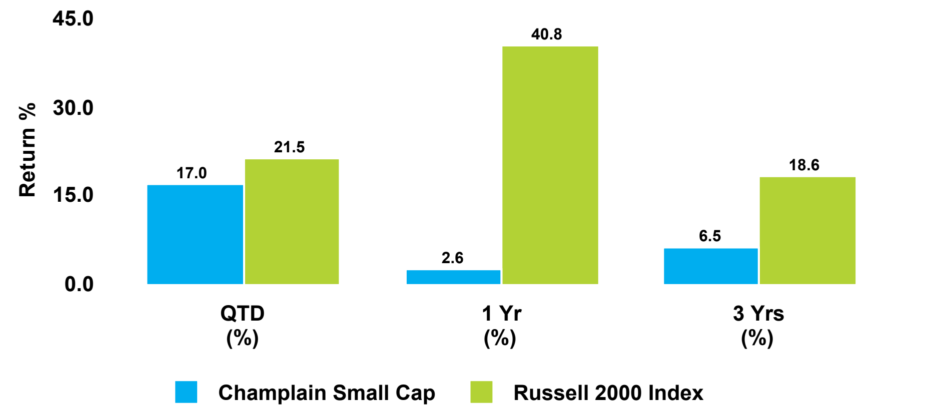
	Quarterly Return (%)
Astera Labs Inc	340.7
Sandisk Corp	257.9
Micron Technology Inc.	241.7
Intel Corp	216.4
Marvell Technology Inc	200.9
Credo Technology Group	189.7
Advanced Micro Devices Inc	185.6
Dell Technologies Inc	163.7
Flex Ltd	147.6
Western Digital Corp	136.2

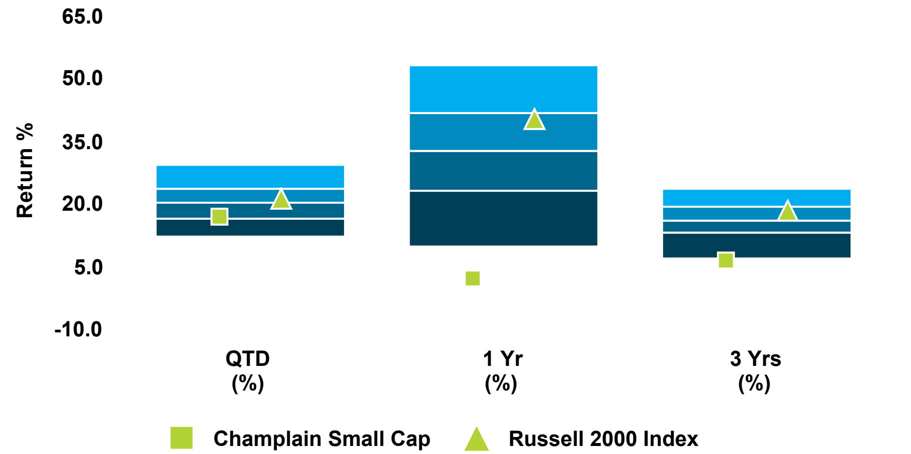
Ten Worst Performers

	Quarterly Return (%)
EPAM Systems Inc	-41.4
Intuit Inc.	-39.4
Zoetis Inc	-38.9
Karman Holdings Inc	-37.6
Westlake Corp	-37.1
Accenture PLC	-36.7
Cognizant Technology	-36.5
Insmed Inc	-34.8
Bullish	-34.4
Circle Internet Group Inc	-34.4

Champlain Small Cap | As of June 30, 2026

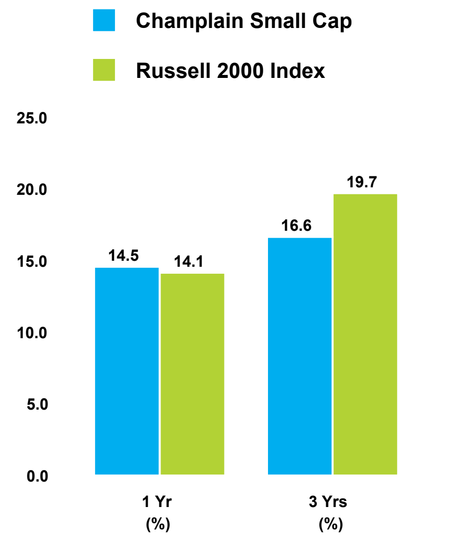
Return Summary



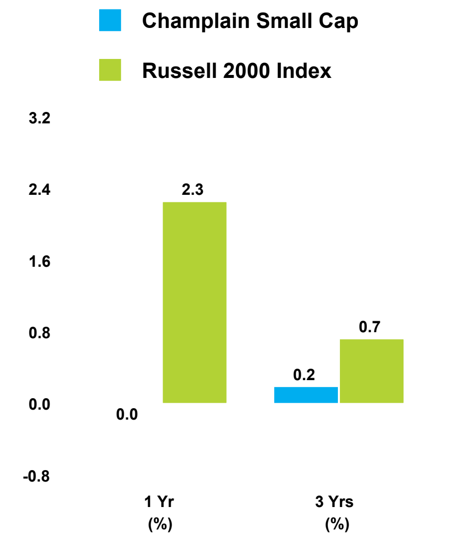


	QTD (%)	1 Yr (%)	3 Yrs (%)
Champlain Small Cap	17.0	2.6	6.5
Russell 2000 Index	*21.5*	*40.8*	*18.6*
Excess Return	-4.5	-38.1	-12.1

Annualized Standard Deviation



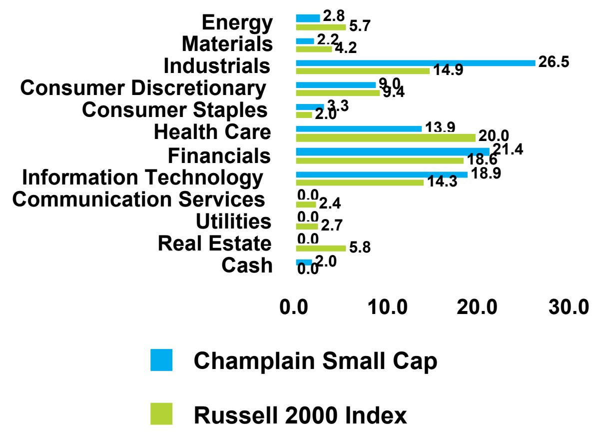
Sharpe Ratio



Equity Characteristics vs Russell 2000 Index	Portfolio	Benchmark
Number of Holdings	81	1,975
Wtd. Avg. Mkt. Cap $B	9.4	4.2
Median Mkt. Cap $B	5.4	1.1
P/E Ratio	29.9	18.3
Yield (%)	0.6	1.2
EPS Growth - 5 Yrs. (%)	15.9	11.1
Price to Book	3.8	2.6

Account Information	
Account Name	Champlain Small Cap
Account Structure	Mutual Fund
Inception Date	10/31/2020
Asset Class	US Equity
Benchmark	Russell 2000 Index
Peer Group	eV US Small Cap Core Equity

Sector Weights (%)

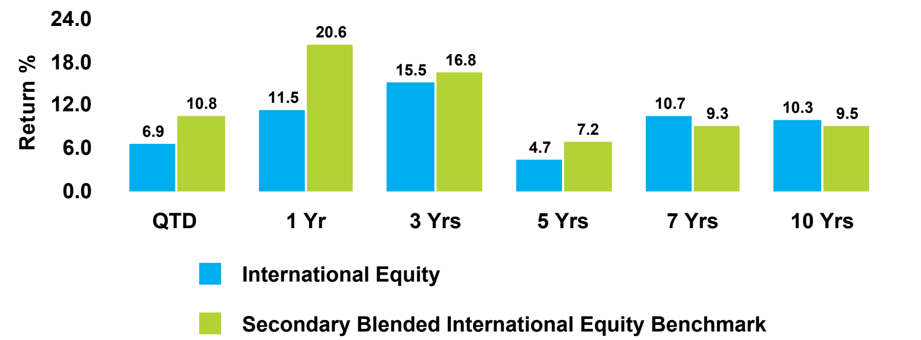


Top Holdings	
StoneX Group Inc	2.5
Standex International Corp	2.4
Novanta Inc	2.4
Nutanix Inc	2.2
AAON Inc	2.2
SPX Technologies Inc	2.2
Bloom Energy Corp	2.1
Commvault Systems Inc	2.1
Simpson Manufacturing Co. Inc.	2.0
Everpure Inc	1.9
% of Portfolio	**22.0**

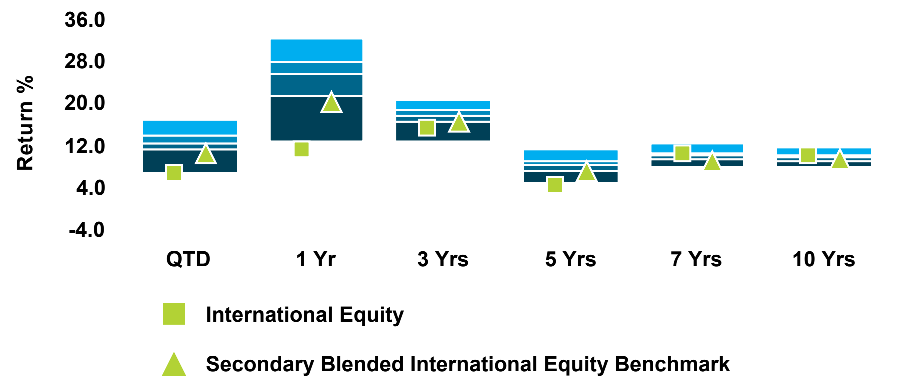
Ten Best Performers	Quarterly Return (%)
Credo Technology Group	189.7
Bloom Energy Corp	123.4
SiTime Corp	115.9
Veracyte Inc	82.3
Commvault Systems Inc	82.0
Ralliant Corp	77.2
Bruker Corporation	66.8
Rambus Inc	54.3
AAON Inc	53.4
StoneX Group Inc	46.9

Ten Worst Performers	Quarterly Return (%)
Shake Shack Inc	-36.7
MarketAxess Holdings Inc	-30.8
Planet Fitness Inc	-29.9
Kratos Defense & Security Solutions Inc	-29.3
Matador Resources Co	-20.7
Hamilton Lane Inc	-20.1
Celsius Holdings Inc	-17.5
Inspire Medical Systems Inc	-13.5
AeroVironment Inc	-9.8
PROCEPT BioRobotics Corp	-9.7

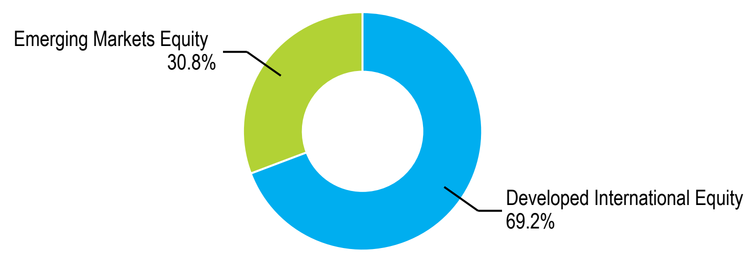
Return Summary



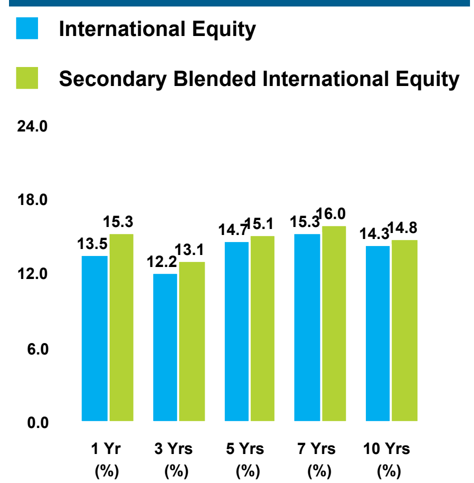
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
International Equity	6.9	11.5	15.5	4.7	10.7	10.3
Secondary Blended International Equity Benchmark	*10.8*	*20.6*	*16.8*	*7.2*	*9.3*	*9.5*
Excess Return	-3.9	-9.1	-1.4	-2.5	1.4	0.8



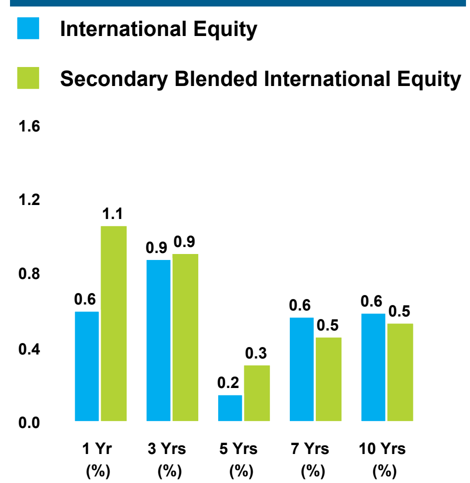
Current Allocation



Annualized Standard Deviation



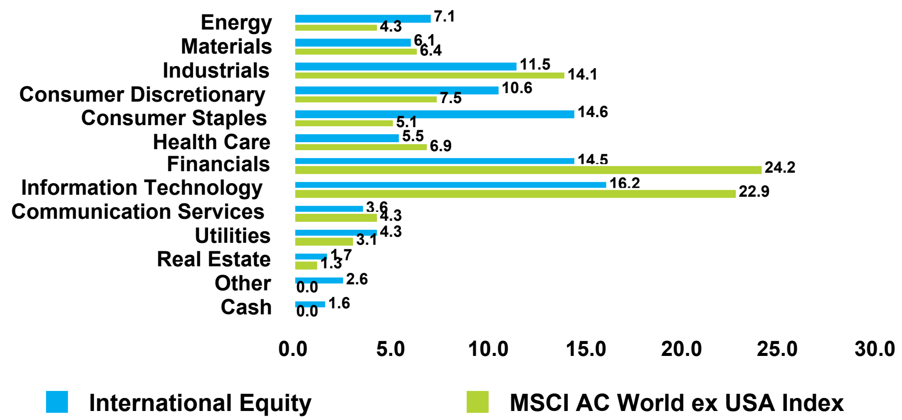
Sharpe Ratio



Equity Characteristics vs MSCI AC World ex USA Index

	Portfolio	Benchmark
Number of Holdings	2,255	1,934
Wtd. Avg. Mkt. Cap $B	179.6	274.0
Median Mkt. Cap $B	1.1	13.9
P/E Ratio	18.1	18.1
Yield (%)	2.3	2.4
EPS Growth - 5 Yrs. (%)	17.2	17.8
Price to Book	2.9	2.9

Sector Weights (%)



Top Holdings

Gold - Physical	2.3
Arm Holdings plc	2.2
British American Tobacco PLC	1.9
Philip Morris International Inc	1.7
CrowdStrike Holdings Inc	1.5
Tencent Holdings LTD	1.2
Nestle SA, Cham Und Vevey	1.2
Samsung Electronics Co Ltd	1.1
Chubb Ltd	1.1
MercadoLibre Inc	1.1
% of Portfolio	**15.3**

Ten Best Performers

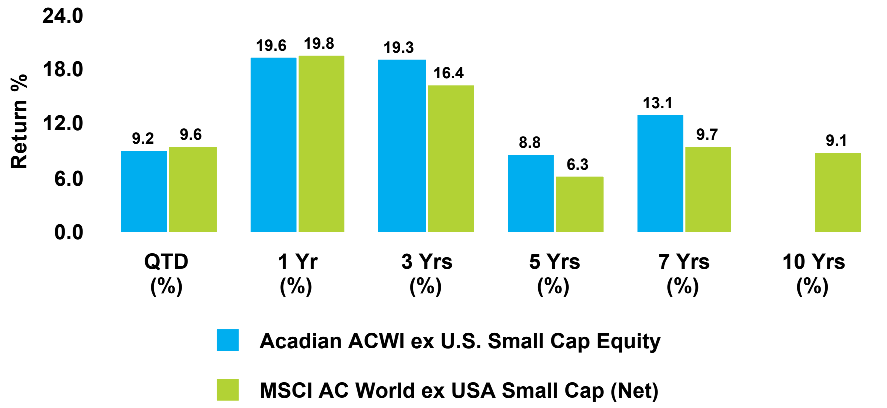
	Quarterly Return (%)
Vitro Sab De CV	549.4
At & S Technologie	305.0
BlackBerry Ltd	290.4
Nippon Chemi-Con Corp	278.4
Tes Co Ltd	271.2
LG Innotek Co Ltd	230.4
Tesmec SPA	225.6
Silicon Motion Technology Corp	197.5
Mediatek Incorporation	185.9
Kinsus Interconnect Technology Corp	185.7

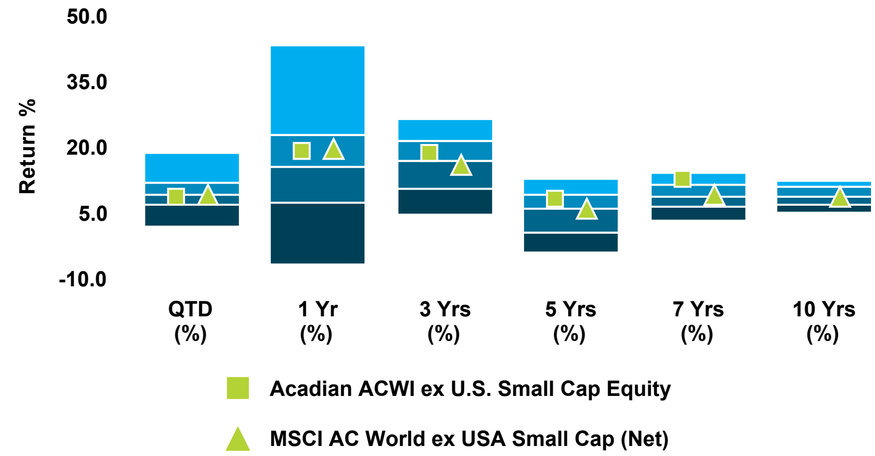
Ten Worst Performers

	Quarterly Return (%)
Dongkuk Holdings Co Ltd	-74.1
Edvantage Group Holdings Ltd	-65.9
Fenbi Ltd	-63.8
Tianli International Holdings Limited	-50.2
China Yongda Automobiles	-49.7
Wix.com Ltd	-49.6
BAIC Motor Corp Ltd	-49.0
Pearl Abyss Corp	-48.1
PlaySide Studios Limited	-43.1
Tongda Group Holdings Ltd	-42.8

Acadian ACWI ex U.S. Small Cap Equity | As of June 30, 2026

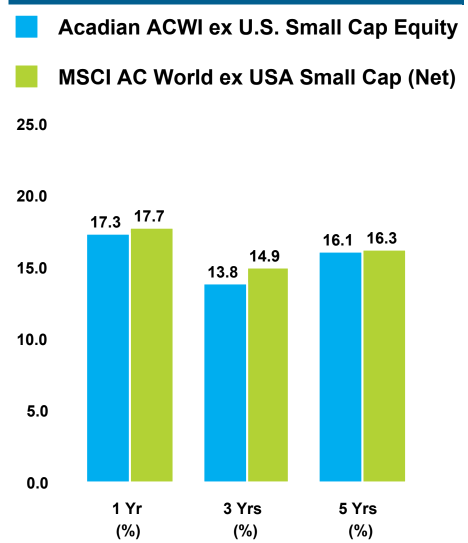
Return Summary



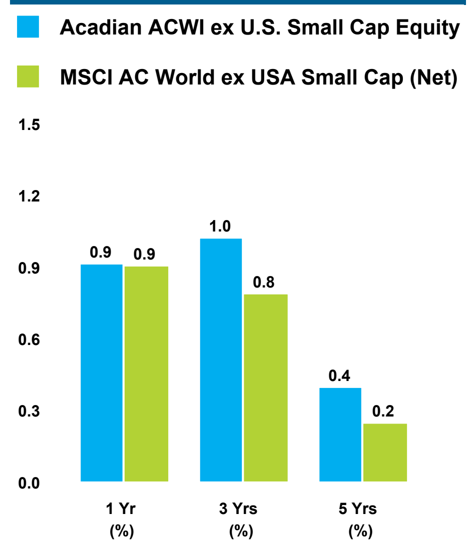


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Acadian ACWI ex U.S. Small Cap Equity	9.2	19.6	19.3	8.8	13.1	-
MSCI AC World ex USA Small Cap (Net)	*9.6*	*19.8*	*16.4*	*6.3*	*9.7*	*9.1*
Excess Return	-0.4	-0.2	2.9	2.5	3.4	-

Annualized Standard Deviation



Sharpe Ratio



Acadian ACWI ex U.S. Small Cap Equity | As of June 30, 2026

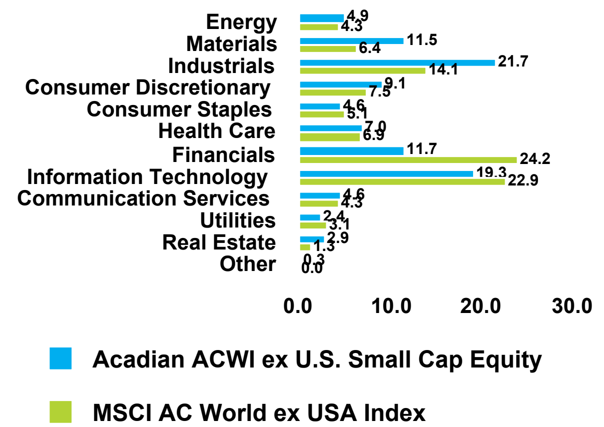
Equity Characteristics vs MSCI AC World ex USA Index

	Portfolio	Benchmark
Number of Holdings	1,909	1,934
Wtd. Avg. Mkt. Cap $B	3.9	274.0
Median Mkt. Cap $B	0.8	13.9
P/E Ratio	13.2	18.1
Yield (%)	3.1	2.4
EPS Growth - 5 Yrs. (%)	18.2	17.8
Price to Book	2.3	2.9

Account Information

Account Name	Acadian ACWI ex U.S. Small Cap Equity
Account Structure	Commingled Fund
Inception Date	04/04/2019
Asset Class	International Equity
Benchmark	MSCI AC World ex USA Small Cap (Net)
Peer Group	eV ACWI ex-US Small Cap Equity

Sector Weights (%)



Top Holdings

OSOTSPA PCL	1.4
Accelleron Industries AG	1.0
Winbond Electronics Corp	1.0
Santen Pharmaceutical Co Ltd	0.9
L&K Engineering Co Ltd	0.8
Phison Electronics Corp	0.8
LG Innotek Co Ltd	0.7
Hudbay Minerals Inc	0.7
Ono Pharmaceutical Co Ltd	0.6
TOA PAINT THAILAND	0.6
% of Portfolio	**8.5**

Ten Best Performers

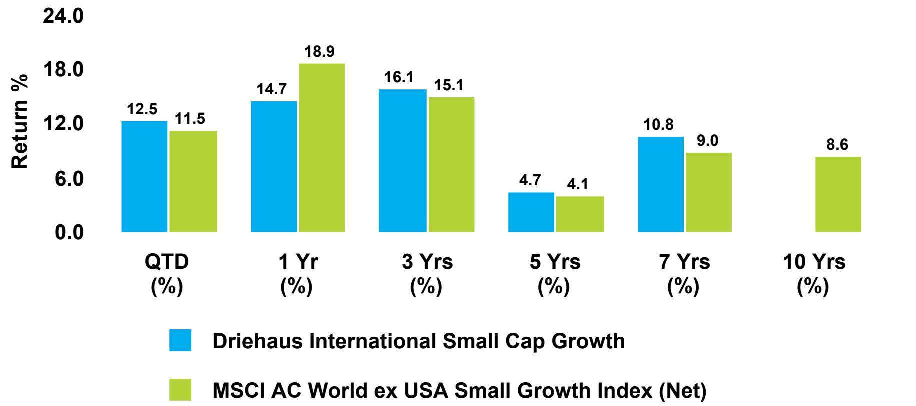
	Quarterly Return (%)
Vitro Sab De CV	549.4
BlackBerry Ltd	290.4
Nippon Chemi-Con Corp	278.4
Tes Co Ltd	271.2
LG Innotek Co Ltd	230.4
Tesmec SPA	225.6
Silicon Motion Technology Corp	197.5
Kinsus Interconnect Technology Corp	185.7
Gulf Insurance Co	165.7
KCTech Co Ltd	159.2

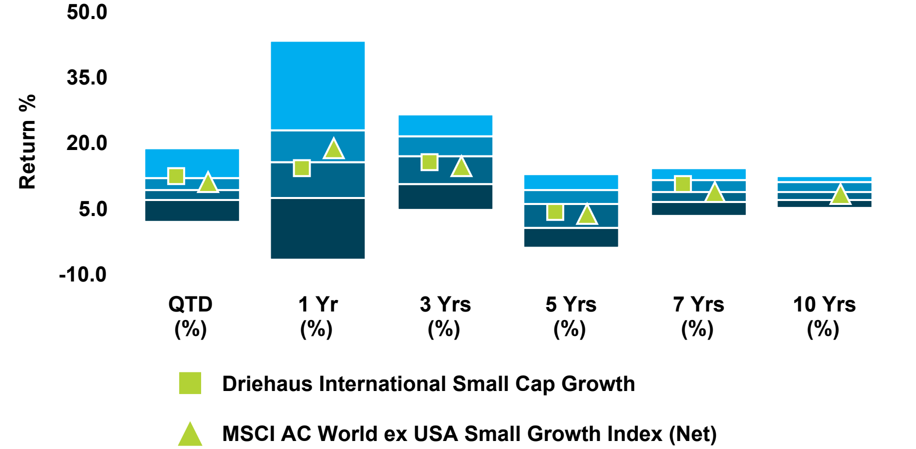
Ten Worst Performers

	Quarterly Return (%)
Dongkuk Holdings Co Ltd	-74.1
Edvantage Group Holdings Ltd	-65.9
Fenbi Ltd	-63.8
Tianli International Holdings Limited	-50.2
China Yongda Automobiles	-49.7
Wix.com Ltd	-49.6
BAIC Motor Corp Ltd	-49.0
Pearl Abyss Corp	-48.1
PlaySide Studios Limited	-43.1
Tongda Group Holdings Ltd	-42.8

Driehaus International Small Cap Growth | As of June 30, 2026

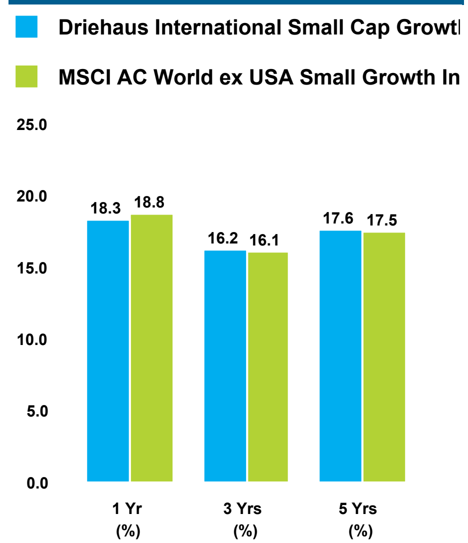
Return Summary



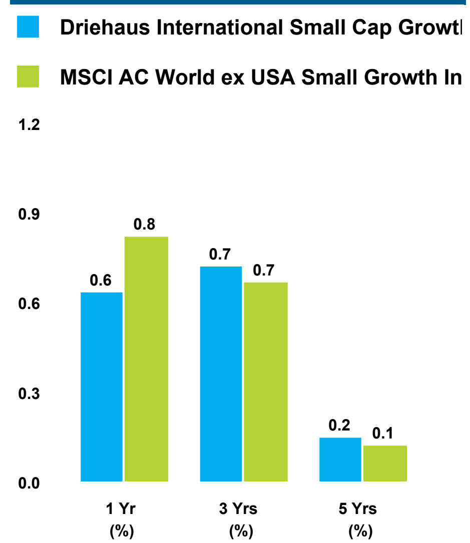


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Driehaus International Small Cap Growth	12.5	14.7	16.1	4.7	10.8	-
MSCI AC World ex USA Small Growth Index (Net)	*11.5*	*18.9*	*15.1*	*4.1*	*9.0*	*8.6*
Excess Return	1.1	-4.2	1.0	0.5	1.8	-

Annualized Standard Deviation



Sharpe Ratio



Driehaus International Small Cap Growth | As of June 30, 2026

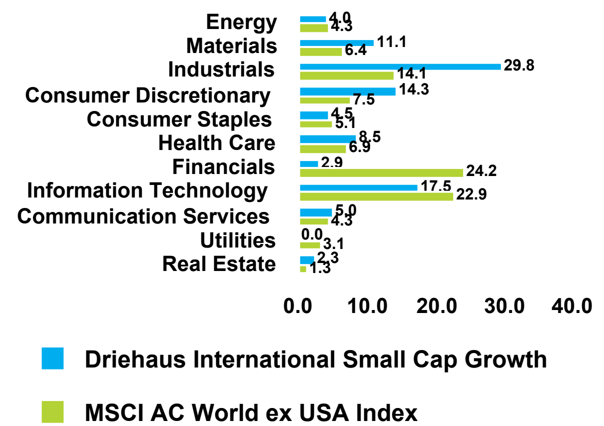
Equity Characteristics vs MSCI AC World ex USA Index

	Portfolio	Benchmark
Number of Holdings	117	1,934
Wtd. Avg. Mkt. Cap $B	5.7	274.0
Median Mkt. Cap $B	3.6	13.9
P/E Ratio	24.6	18.1
Yield (%)	1.6	2.4
EPS Growth - 5 Yrs. (%)	17.6	17.8
Price to Book	3.4	2.9

Account Information

Account Name	Driehaus International Small Cap Growth
Account Structure	Commingled Fund
Inception Date	04/25/2019
Asset Class	International Equity
Benchmark	MSCI AC World ex USA Small Growth Index (Net)
Peer Group	eV ACWI ex-US Small Cap Equity

Sector Weights (%)



Top Holdings

At & S Technologie	2.9
SigmaRoc PLC	2.2
Resonac Holdings Corporation	2.0
Omron Corp	2.0
Smiths Group PLC	2.0
Azbil Corp	1.8
Seiko Group Corporation	1.8
Senior PLC	1.7
Pva Tepla AG, Feldkirchen	1.7
Asahi Intecc KK	1.6
% of Portfolio	**19.7**

Ten Best Performers

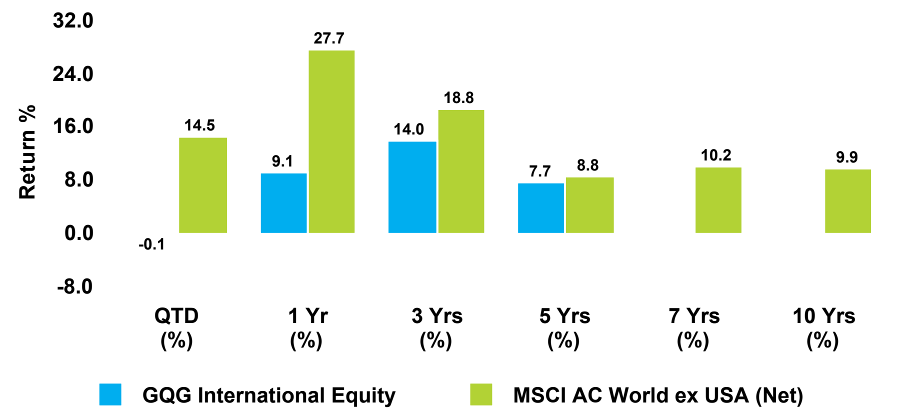
	Quarterly Return (%)
At & S Technologie	305.0
Shinsegae Co Ltd	149.0
MTAR Technologies Limited	120.2
Thangamayil Jewellery Ltd	87.1
R R Kabel Limited	86.0
Resonac Holdings Corporation	76.8
Yaskawa Electric Corp	71.1
PolyPeptide Group AG	65.3
X-FAB Silicon Foundries SE	65.2
Bird Construction Inc	60.4

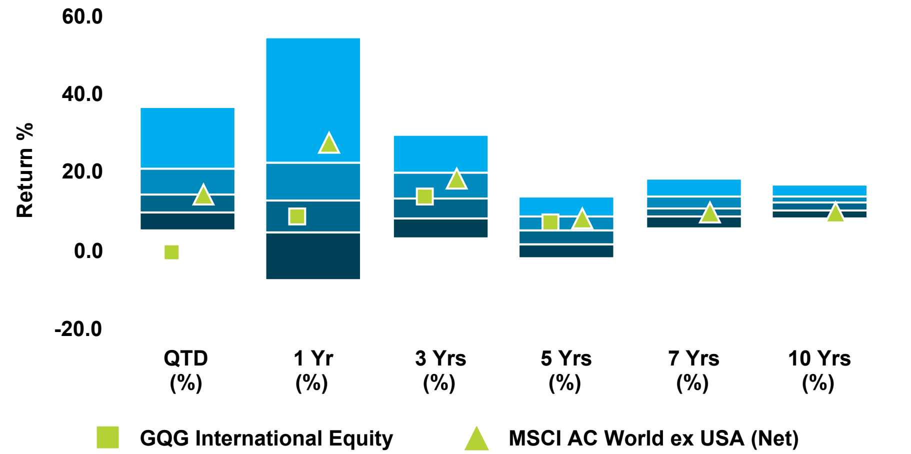
Ten Worst Performers

	Quarterly Return (%)
Verbio SE	-35.4
Tenaz Energy Corp	-29.5
Netcompany Group A/S	-24.3
Precision Drilling Corp	-21.7
Sprott Inc	-20.6
Ovzon Ab (Publ)	-19.8
Greencore Group PLC	-17.4
G Mining Ventures Corp	-16.3
Vista Energy SAB de CV	-15.5
IAMGold Corp	-15.4

GQG International Equity | As of June 30, 2026

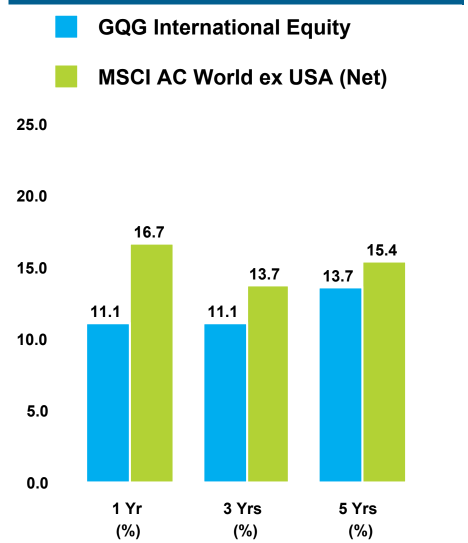
Return Summary



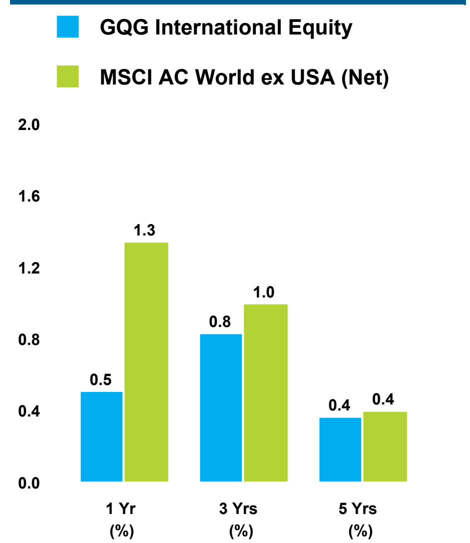


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
GQG International Equity	-0.1	9.1	14.0	7.7	-	-
MSCI AC World ex USA (Net)	*14.5*	*27.7*	*18.8*	*8.8*	*10.2*	*9.9*
Excess Return	-14.6	-18.5	-4.8	-1.0	-	-

Annualized Standard Deviation



Sharpe Ratio



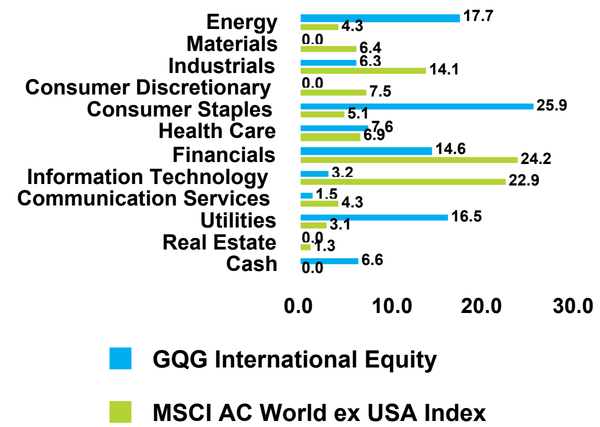
Equity Characteristics vs MSCI AC World ex USA Index

	Portfolio	Benchmark
Number of Holdings	68	1,934
Wtd. Avg. Mkt. Cap $B	131.7	274.0
Median Mkt. Cap $B	92.1	13.9
P/E Ratio	17.0	18.1
Yield (%)	3.3	2.4
EPS Growth - 5 Yrs. (%)	17.7	17.8
Price to Book	2.5	2.9

Account Information

Account Name	GQG International Equity
Account Structure	Commingled Fund
Inception Date	12/01/2019
Asset Class	International Equity
Benchmark	MSCI AC World ex USA (Net)
Peer Group	eV Global Growth Equity

Sector Weights (%)



Top Holdings

Philip Morris International Inc	6.8
British American Tobacco PLC	5.0
Chubb Ltd	4.5
TotalEnergies SE	4.2
Iberdrola SA	3.8
Novartis AG	3.5
Astrazeneca PLC	3.3
Nestle SA, Cham Und Vevey	3.0
Enbridge Inc	3.0
Petroleo Brasileiro S.A.- Petrobras	2.8
% of Portfolio	**39.9**

Ten Best Performers

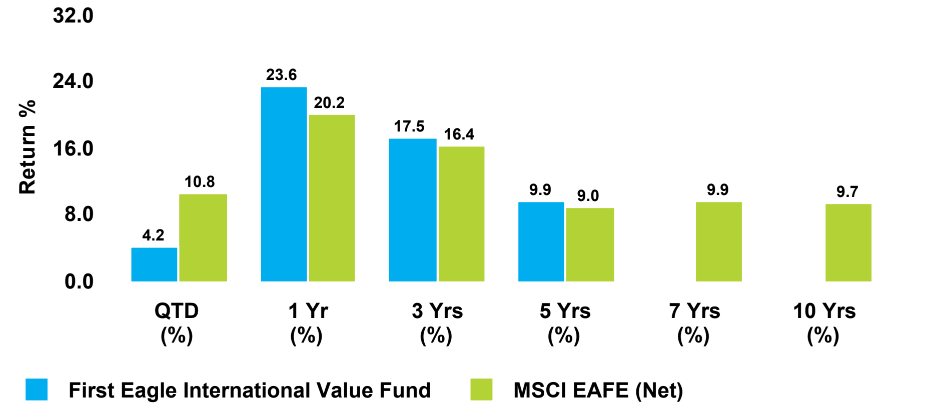
	Quarterly Return (%)
Adani Green Energy Limited	85.3
Adani Enterprises Ltd	73.0
Adani Energy Solutions Ltd	59.8
ASML Holding NV	52.9
Adani Power Ltd	49.1
Adani Ports & Special Economic Zone	38.8
Siemens AG	35.6
GMR Airports Limited	32.5
Rolls Royce Holdings PLC	29.0
Caixabank SA	24.9

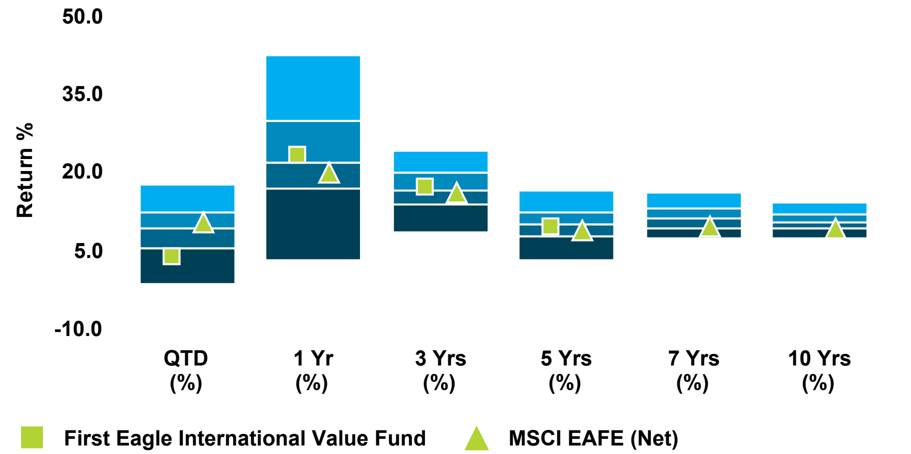
Ten Worst Performers

	Quarterly Return (%)
BP plc	-21.6
BP plc	-20.5
Petroleo Brasileiro S.A.- Petrobras	-20.0
Petroleo Brasileiro S.A.- Petrobras	-19.3
Chevron Corp	-19.2
Suncor Energy Inc.	-17.9
Shell Plc	-16.9
Eni SpA	-16.7
TotalEnergies SE	-15.5
Chocoladefabriken Lindt & Spruengli	-15.1

First Eagle International Value Fund | As of June 30, 2026

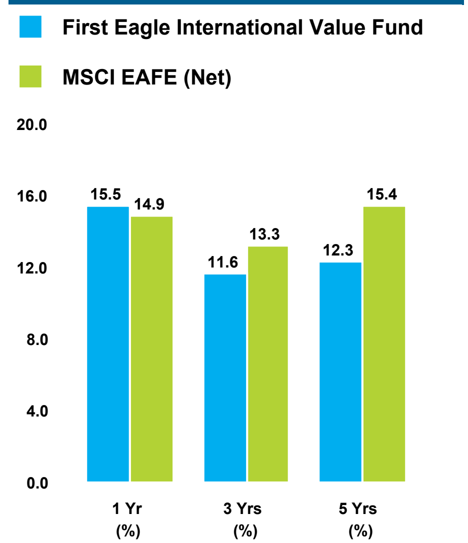
Return Summary



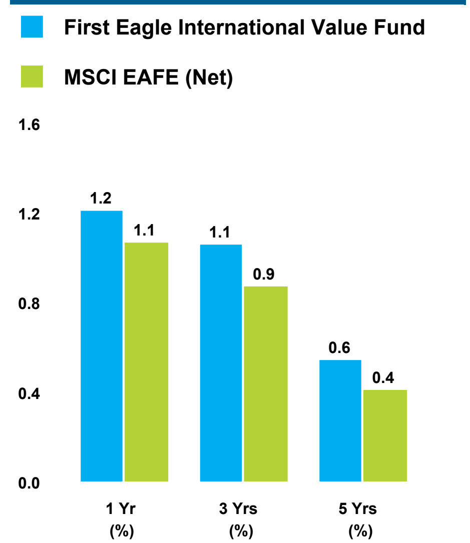


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
First Eagle International Value Fund	4.2	23.6	17.5	9.9	-	-
MSCI EAFE (Net)	*10.8*	*20.2*	*16.4*	*9.0*	*9.9*	*9.7*
Excess Return	-6.6	3.4	1.1	0.8	-	-

Annualized Standard Deviation



Sharpe Ratio



First Eagle International Value Fund | As of June 30, 2026

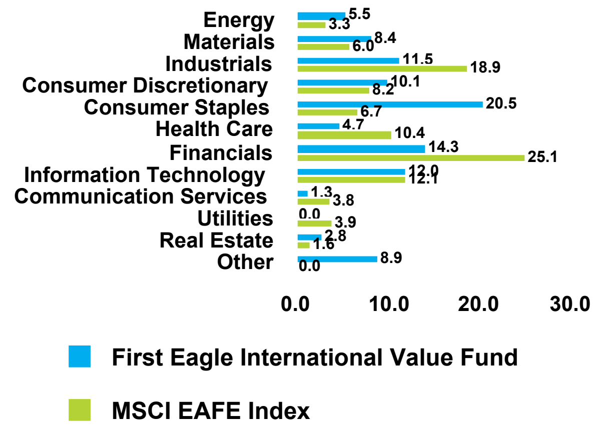
Equity Characteristics vs MSCI EAFE Index

	Portfolio	Benchmark
Number of Holdings	105	673
Wtd. Avg. Mkt. Cap $B	144.0	130.0
Median Mkt. Cap $B	22.9	20.8
P/E Ratio	14.8	18.2
Yield (%)	2.8	2.7
EPS Growth - 5 Yrs. (%)	11.3	14.4
Price to Book	2.3	2.7

Account Information

Account Name	First Eagle International Value Fund
Account Structure	Commingled Fund
Inception Date	12/01/2019
Asset Class	International Equity
Benchmark	MSCI EAFE (Net)
Peer Group	eV Global Value Equity

Sector Weights (%)



Top Holdings

Gold - Physical	8.4
Samsung Electronics Co Ltd	2.9
Imperial Oil Ltd	2.8
Shell Plc	2.7
British American Tobacco PLC	2.3
LVMH Moet Hennessy Louis Vuitton SE	2.3
Merck KGaA	2.2
Prosus NV	2.1
Compagnie Financiere Richemont SA	2.0
Fomento Economico Mexican	1.9
% of Portfolio	**29.6**

Ten Best Performers

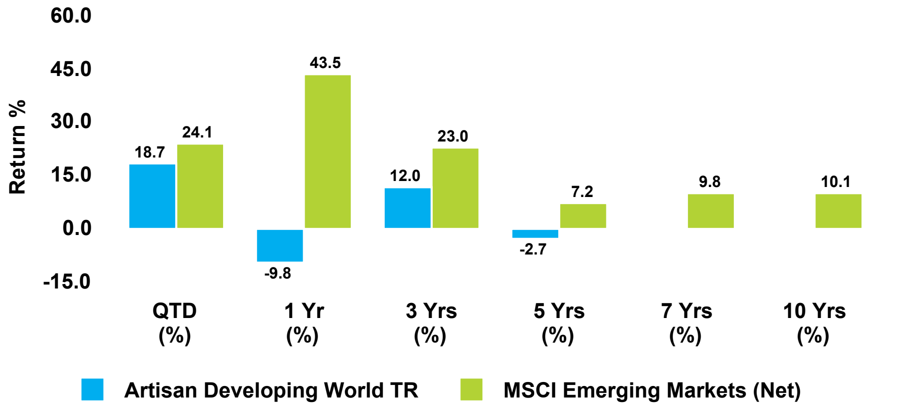
	Quarterly Return (%)
Samsung Electronics Co Ltd	97.7
Samsung Electronics Co Ltd	84.2
Keyence Corp	44.6
Taiwan Semiconductor Manufac.	41.6
Hirose Electric Co Ltd	39.9
Merck KGaA	38.8
DSM Firmenich AG	37.4
Fanuc Corp	35.8
Compagnie Financiere Richemont SA	34.1
Power Corp of Canada	30.9

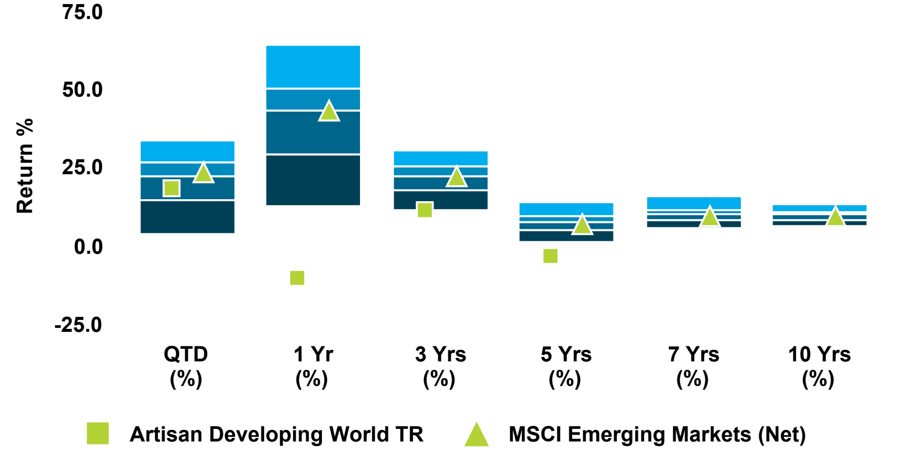
Ten Worst Performers

	Quarterly Return (%)
Fursys Inc	-35.0
Agnico Eagle Mines Ltd	-23.0
Alibaba Group Holding Ltd	-21.3
Nutrien Ltd	-15.8
Franco-Nevada Corp	-15.3
Fresnillo PLC	-14.6
Wheaton Precious Metals Corp	-14.1
Imperial Oil Ltd	-13.6
Jardine Matheson Holdings Ltd	-13.6
Newmont Corporation	-13.5

Artisan Developing World TR | As of June 30, 2026

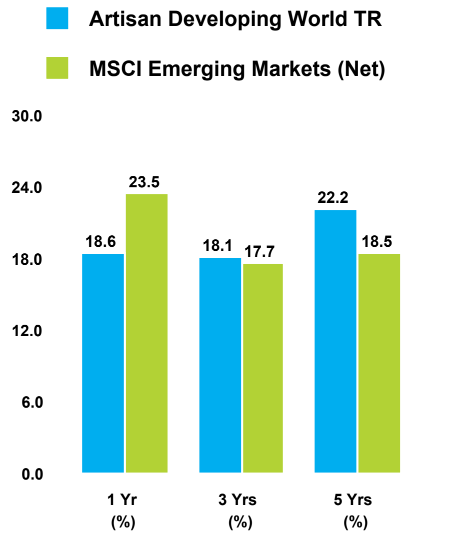
Return Summary



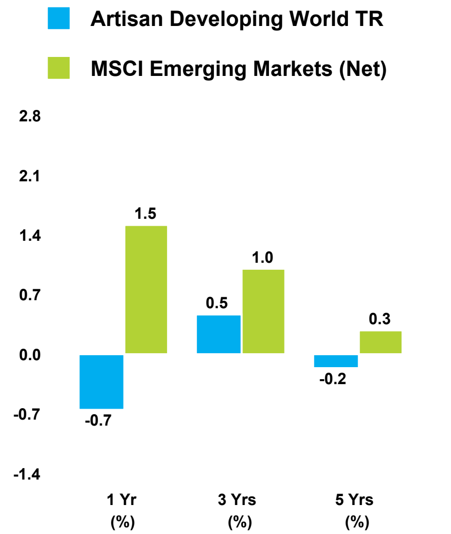


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Artisan Developing World TR	18.7	-9.8	12.0	-2.7	-	-
MSCI Emerging Markets (Net)	*24.1*	*43.5*	*23.0*	*7.2*	*9.8*	*10.1*
Excess Return	-5.3	-53.3	-11.1	-9.9	-	-

Annualized Standard Deviation



Sharpe Ratio



Portfolio characteristics for Artisan Developing World TR reflect holdings as of 3/31/2026 due to data availability.

Artisan Developing World TR | As of June 30, 2026

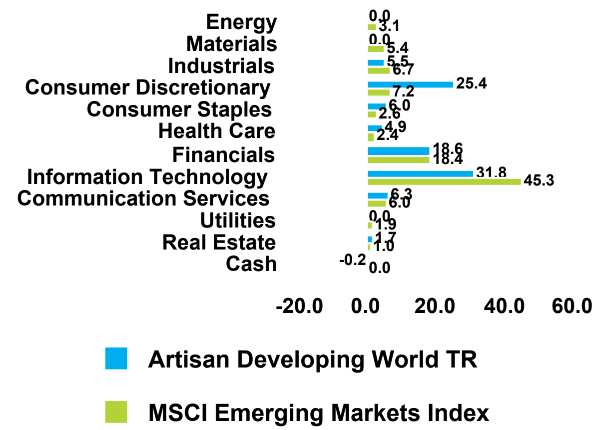
Equity Characteristics vs MSCI Emerging Markets Index

	Portfolio	Benchmark
Number of Holdings	45	1,178
Wtd. Avg. Mkt. Cap $B	384.9	568.1
Median Mkt. Cap $B	66.0	10.9
P/E Ratio	34.2	17.6
Yield (%)	0.5	1.9
EPS Growth - 5 Yrs. (%)	25.5	24.1
Price to Book	5.9	3.5

Account Information

Account Name	Artisan Developing World TR
Account Structure	Separate Account
Inception Date	12/01/2019
Asset Class	International Equity
Benchmark	MSCI Emerging Markets (Net)
Peer Group	eV Emg Mkts Equity

Sector Weights (%)



Top Holdings

Arm Holdings plc	11.2
CrowdStrike Holdings Inc	7.5
MercadoLibre Inc	5.5
Sea Limited	5.0
Visa Inc	4.9
Tencent Holdings LTD	4.8
Snowflake Inc	4.6
NVIDIA Corporation	4.4
Coca-Cola Co (The)	4.1
Eternal Limited	3.3
% of Portfolio	**55.3**

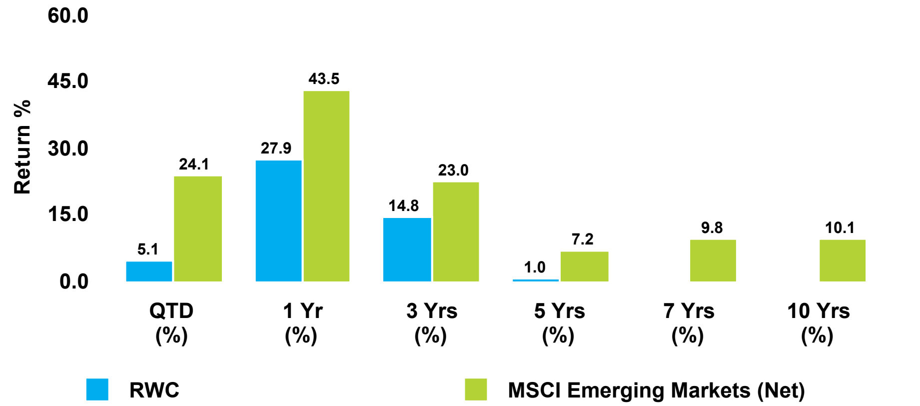
Ten Best Performers

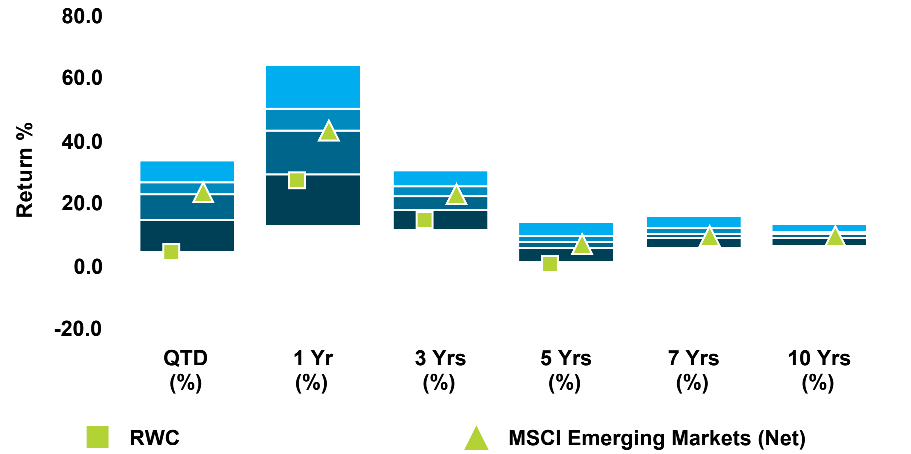
	Quarterly Return (%)
Arm Holdings plc	134.4
CrowdStrike Holdings Inc	95.5
Snowflake Inc	68.7
MakeMyTrip Ltd	42.9
Cadence Design Systems Inc	35.1
Compagnie Financiere Richemont SA	34.1
Safran SA	23.9
One97 Communications Limited	19.3
Apollo Hospitals Enterprise Ltd	17.3
Eternal Limited	15.8

Ten Worst Performers

	Quarterly Return (%)
Kingsoft Cloud Holdings Limited	-32.3
Netflix Inc	-25.7
Alibaba Group Holding Ltd	-22.8
Meituan	-17.4
COINBASE GLOBAL INC	-16.3
Kweichow Moutai Co Ltd	-14.8
Meitu Inc	-11.7
Tencent Holdings LTD	-10.2
Nu Holdings Ltd	-7.0
Adyen N.V	-4.3

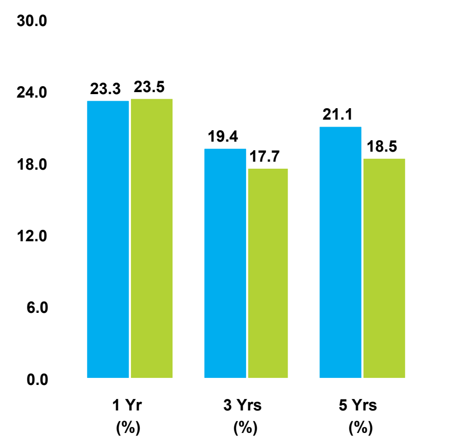
Return Summary





	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
RWC	5.1	27.9	14.8	1.0	-	-
MSCI Emerging Markets (Net)	*24.1*	*43.5*	*23.0*	*7.2*	*9.8*	*10.1*
Excess Return	-18.9	-15.6	-8.2	-6.2	-	-

Annualized Standard Deviation



Sharpe Ratio

RWC | As of June 30, 2026

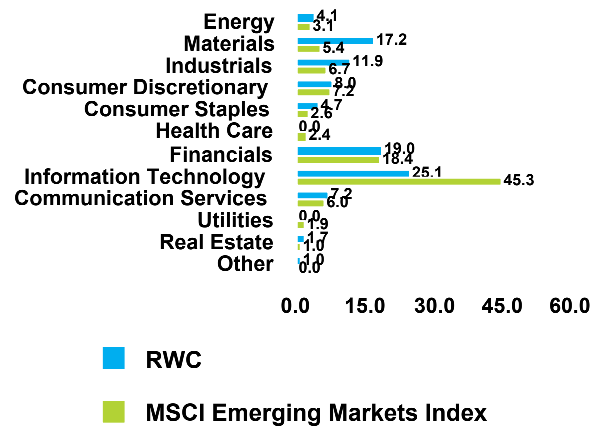
Equity Characteristics vs MSCI Emerging Markets Index

	Portfolio	Benchmark
Number of Holdings	68	1,178
Wtd. Avg. Mkt. Cap $B	292.3	568.1
Median Mkt. Cap $B	25.5	10.9
P/E Ratio	16.5	17.6
Yield (%)	2.2	1.9
EPS Growth - 5 Yrs. (%)	19.3	24.1
Price to Book	2.9	3.5

Account Information

Account Name	RWC
Account Structure	Commingled Fund
Inception Date	12/01/2019
Asset Class	International Equity
Benchmark	MSCI Emerging Markets (Net)
Peer Group	eV Emg Mkts Equity

Sector Weights (%)



Top Holdings

Samsung Electronics Co Ltd	7.5
Taiwan Semiconductor	5.2
Alchip Technologies Inc	3.2
First Quantum Minerals Ltd	3.0
Contemporary Amp. Tech.	2.8
Tencent Holdings LTD	2.8
ICICI Bank Ltd	2.6
Mediatek Incorporation	2.6
Alibaba Group Holding Ltd	2.5
Petroleo Brasileiro S.A.- Petrobras	2.5
% of Portfolio	**34.7**

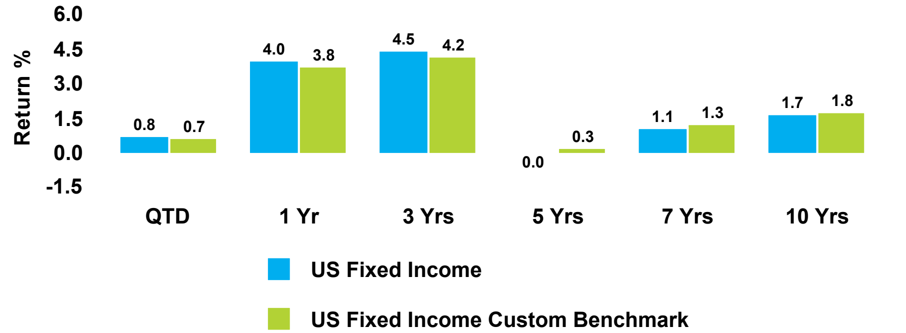
Ten Best Performers

	Quarterly Return (%)
Mediatek Incorporation	185.9
ASE Technology Holding Co Ltd	107.7
Samsung Electronics Co Ltd	97.7
Alchip Technologies Inc	68.8
Accton Technology Corp	65.8
Taiwan Semiconductor Manufac.	41.6
Victory Giant Technology (HuiZhou) Co Ltd	41.5
Taiwan Semiconductor	37.8
GMR Airports Limited	32.5
Piraeus Bank SA	29.1

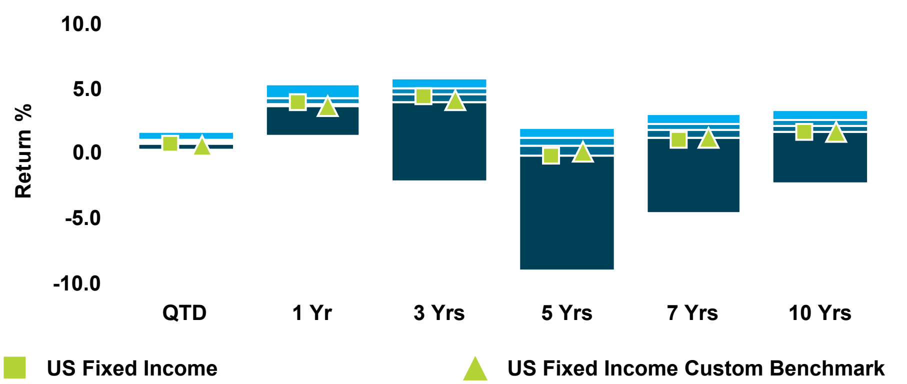
Ten Worst Performers

	Quarterly Return (%)
BYD Company Limited	-31.2
Gold Fields Ltd	-26.0
Impala Platinum Holdings Ltd	-24.8
Alibaba Group Holding Ltd	-22.8
Alibaba Group Holding Ltd	-21.3
Longfor Group Holdings Ltd	-20.8
Infosys Ltd	-20.6
Petroleo Brasileiro S.A.- Petrobras	-20.0
Zijin Mining Group Co Ltd	-19.1
AngloGold Ashanti plc	-15.9

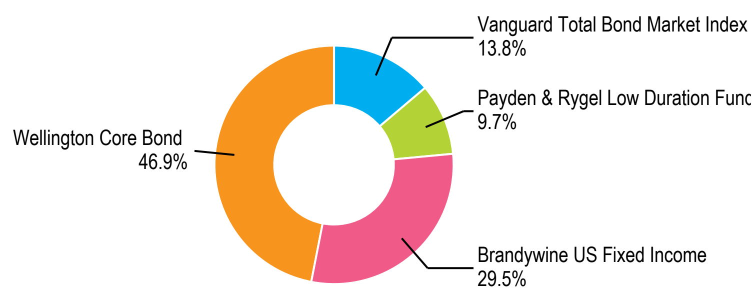
Return Summary



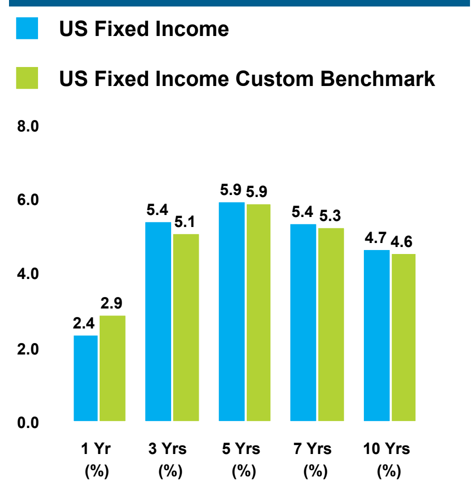
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
US Fixed Income	0.8	4.0	4.5	0.0	1.1	1.7
US Fixed Income Custom Benchmark	*0.7*	*3.8*	*4.2*	*0.3*	*1.3*	*1.8*
Excess Return	0.1	0.2	0.3	-0.3	-0.2	-0.1



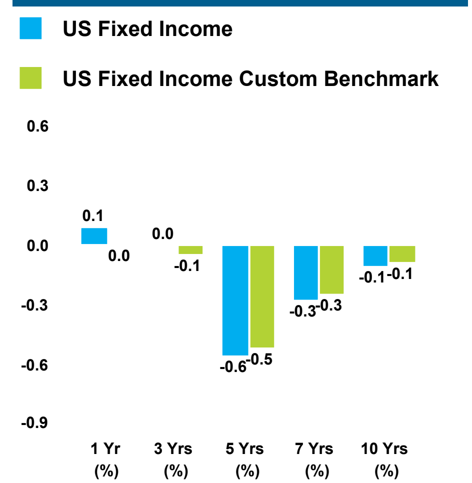
Current Allocation



Annualized Standard Deviation



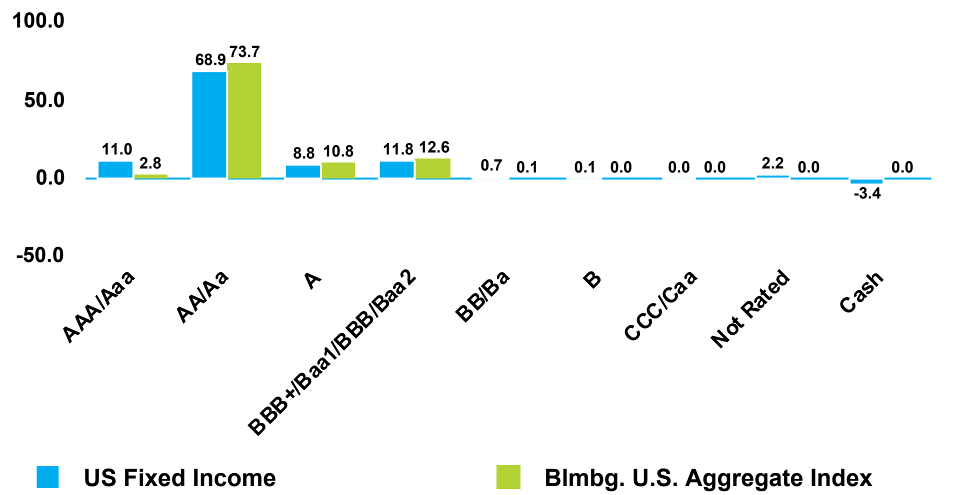
Sharpe Ratio



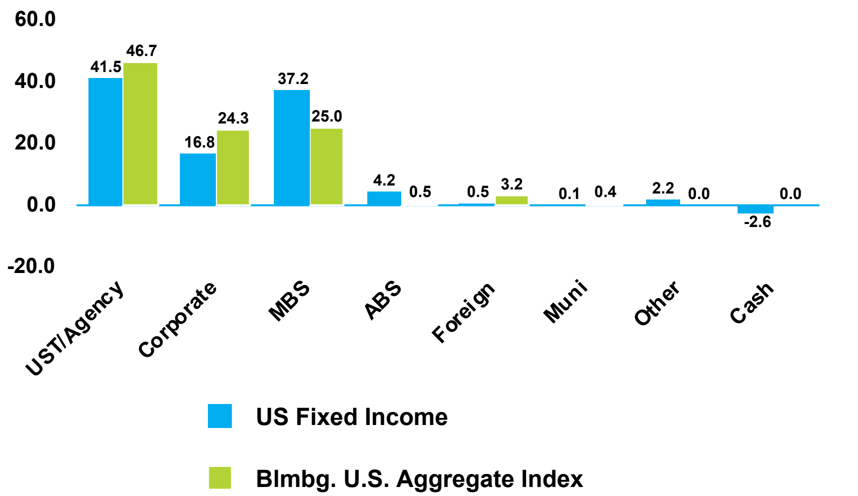
Portfolio characteristics for Wellington Core Bond reflect holdings as of 3.31.26 due to data availability.

US Fixed Income Portfolio Characteristics	Portfolio	Benchmark
Yield To Maturity (%)	4.9	4.7
Effective Duration	5.2	5.8
Avg. Quality	AA	AA

Credit Quality Distribution (%)

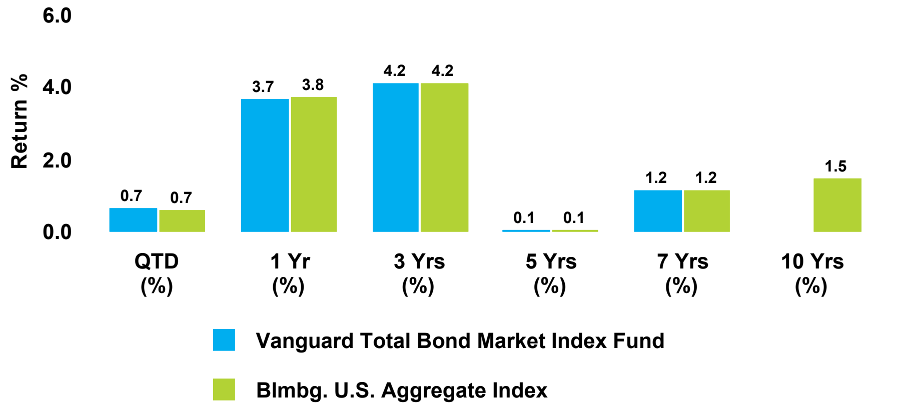


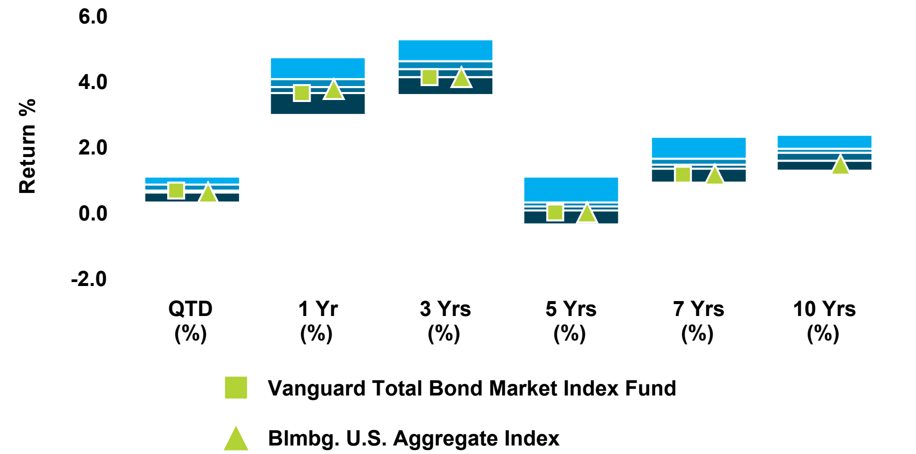
Sector Distribution (%)



Vanguard Total Bond Market Index Fund | As of June 30, 2026

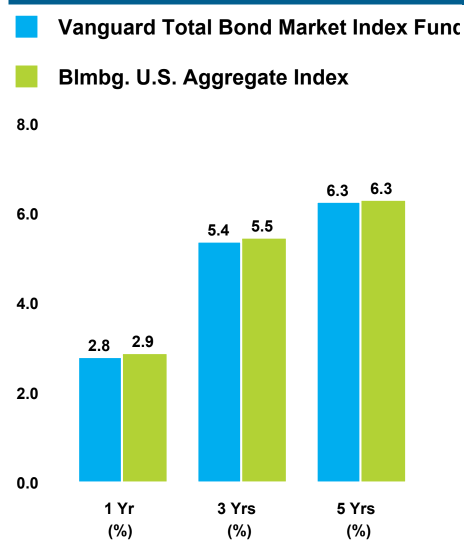
Return Summary



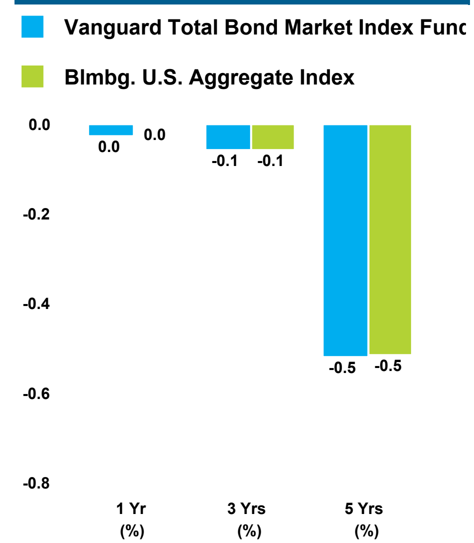


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Vanguard Total Bond Market Index Fund	0.7	3.7	4.2	0.1	1.2	-
Blmbg. U.S. Aggregate Index	*0.7*	*3.8*	*4.2*	*0.1*	*1.2*	*1.5*
Excess Return	0.0	-0.1	0.0	0.0	0.0	-

Annualized Standard Deviation



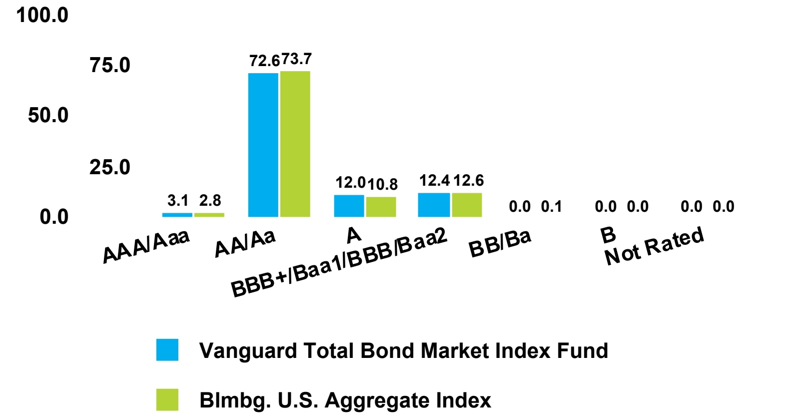
Sharpe Ratio



Account Information

Account Name	Vanguard Total Bond Market Index Fund
Inception Date	04/12/2019
Account Structure	Mutual Fund
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Aggregate Index

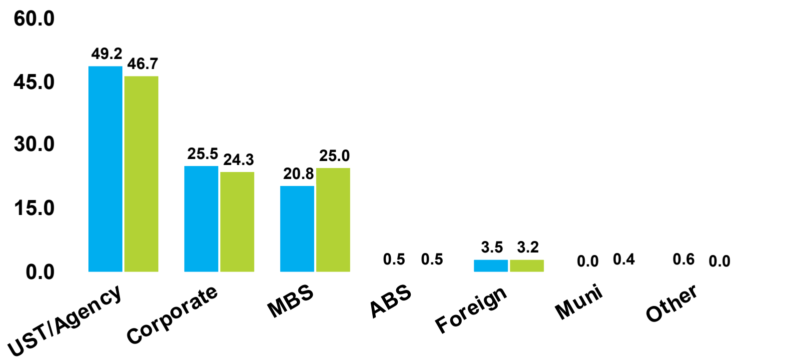
Credit Quality Allocation



Fixed Income Characteristics

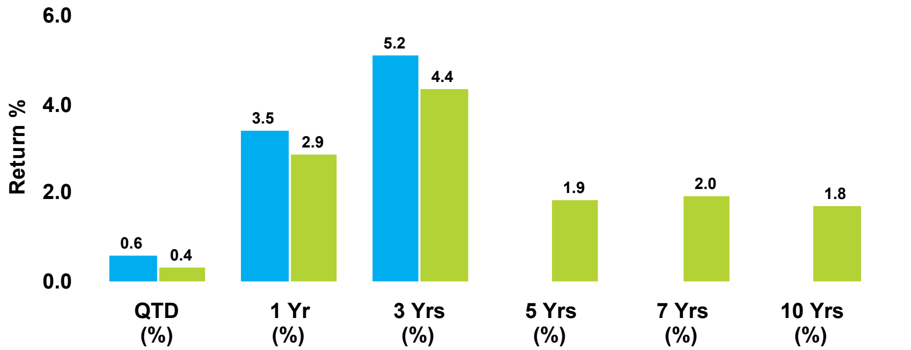
	Q2 -26		Q1 -26
	Vanguard Total Bond Market Index Fund	Blmbg. U.S. Aggregate Index	Vanguard Total Bond Market Index Fund
Yield To Maturity	4.74	4.71	4.57
Average Duration	5.77	5.87	5.75
Average Quality	AA	AA	AA
Weighted Average Maturity	8.18	8.23	8.10

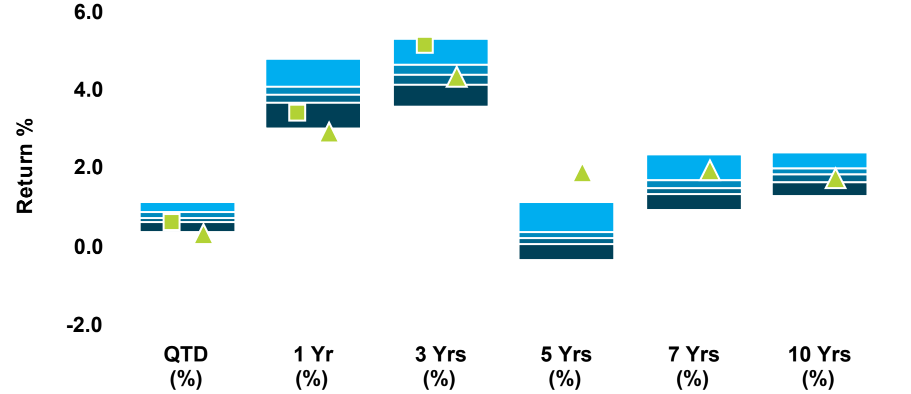
Sector Distribution



Payden & Rygel Low Duration Fund | As of June 30, 2026

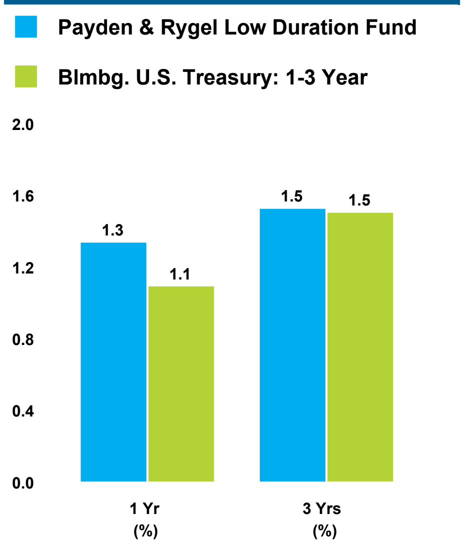
Return Summary



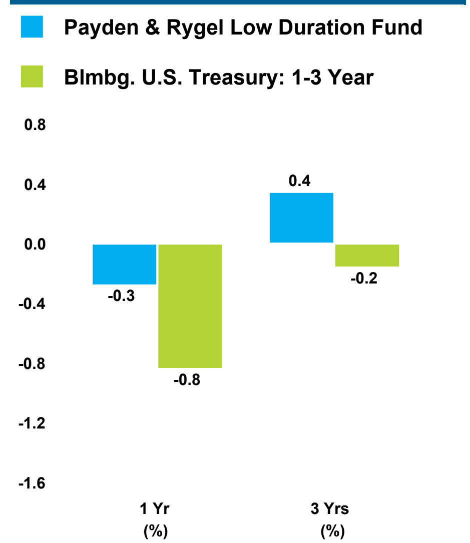


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Payden & Rygel Low Duration Fund	0.6	3.5	5.2	-	-	-
Blmbg. U.S. Treasury: 1-3 Year	*0.4*	*2.9*	*4.4*	*1.9*	*2.0*	*1.8*
Excess Return	0.3	0.5	0.8	-	-	-

Annualized Standard Deviation



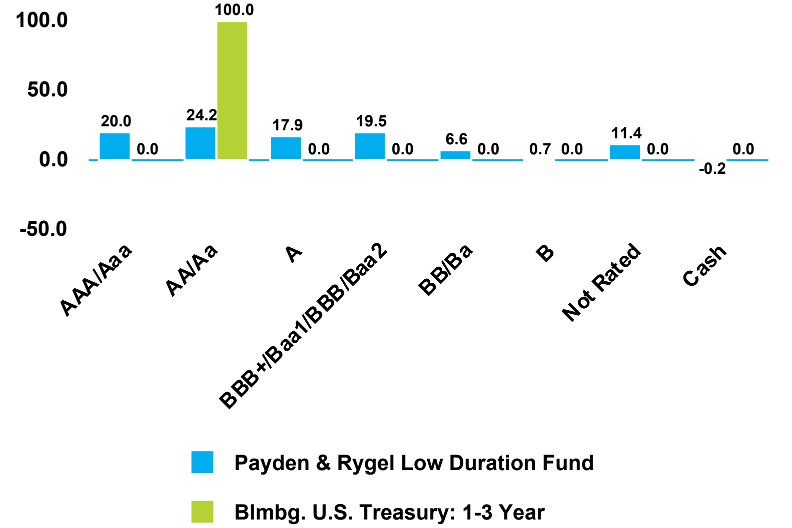
Sharpe Ratio



Account Information

Account Name	Payden & Rygel Low Duration Fund
Inception Date	11/01/2022
Account Structure	Mutual Fund
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Treasury: 1-3 Year

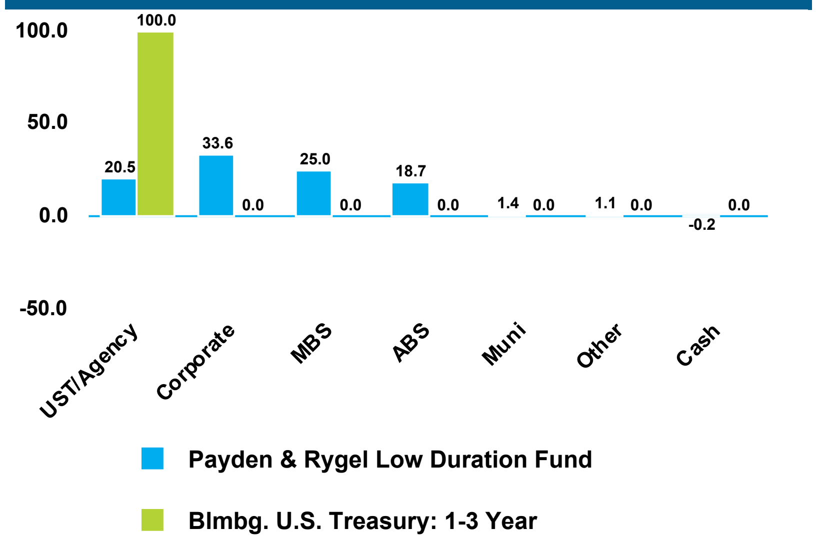
Credit Quality Allocation



Fixed Income Characteristics

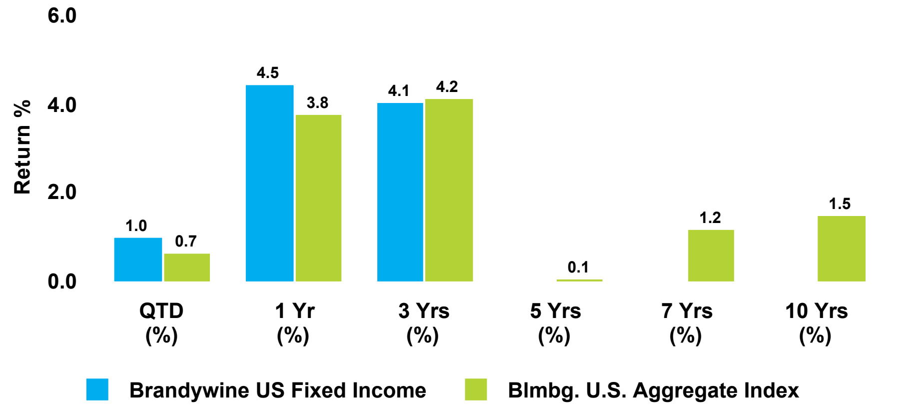
	Q2 -26		As of June 30, 202
	Payden & Rygel Low Duration Fund	Blmbg. U.S. Treasury: 1-3 Yr	Payden & Rygel Low Duration Fur
Yield To Maturity	5.12	4.16	4.41
Average Duration	2.35	1.87	2.02
Average Quality	AA	AA	AA
Weighted Average Maturity	2.26	1.98	2.04

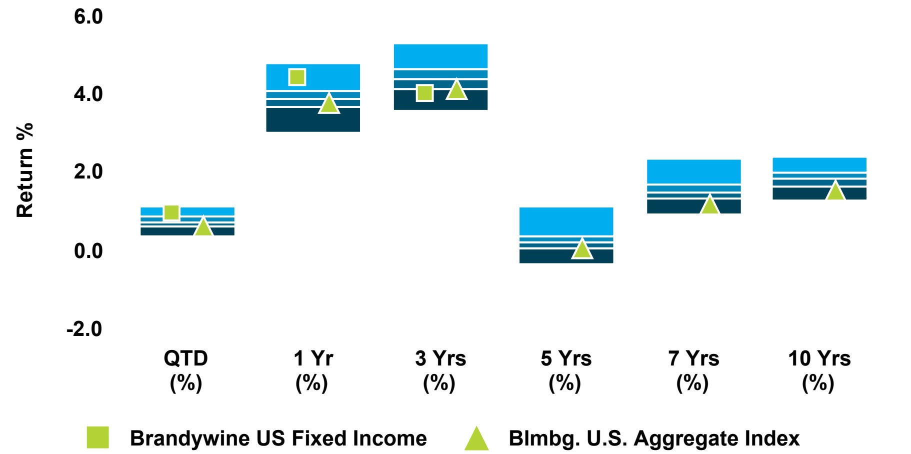
Sector Distribution



Brandywine US Fixed Income | As of June 30, 2026

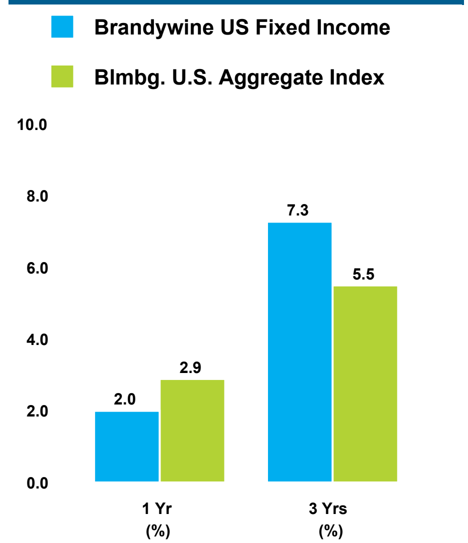
Return Summary



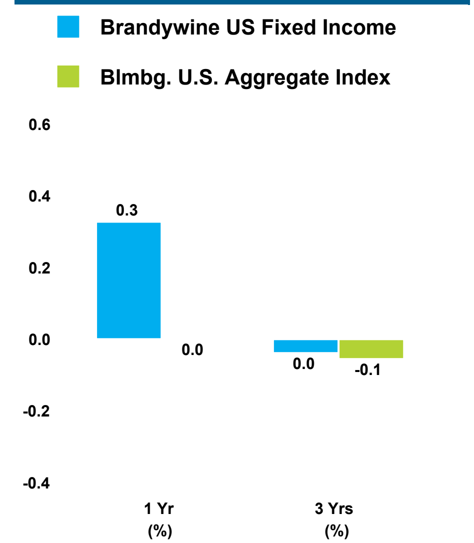


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Brandywine US Fixed Income	1.0	4.5	4.1	-	-	-
Blmbg. U.S. Aggregate Index	*0.7*	*3.8*	*4.2*	*0.1*	*1.2*	*1.5*
Excess Return	0.3	0.7	-0.1	-	-	-

Annualized Standard Deviation



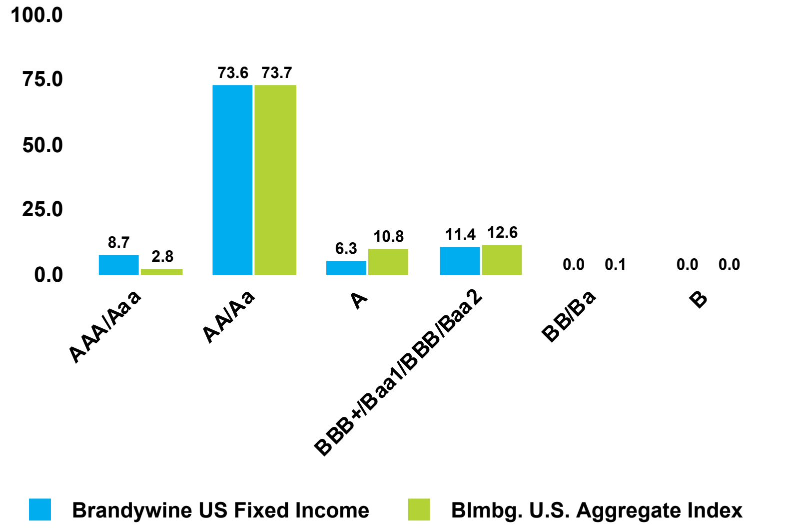
Sharpe Ratio



Account Information

Account Name	Brandywine US Fixed Income
Inception Date	11/01/2022
Account Structure	Separate Account
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Aggregate Index

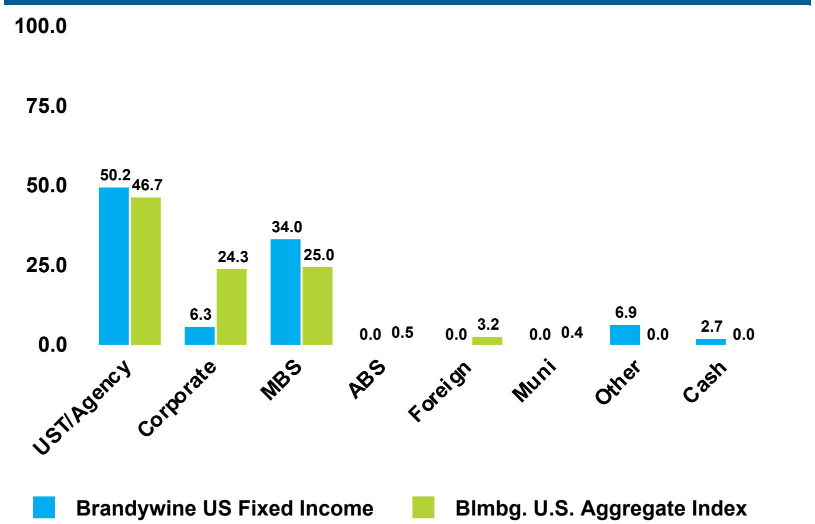
Credit Quality Allocation



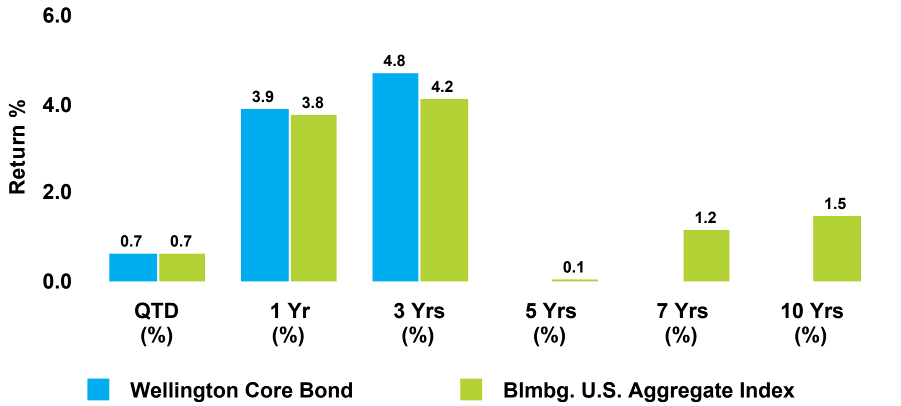
Fixed Income Characteristics

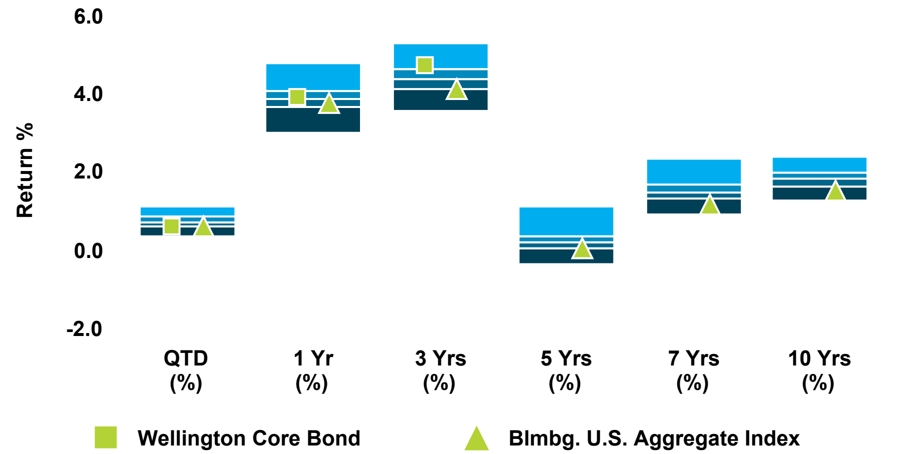
	Q2 -26	
	Brandywine US Fixed Income	Blmbg. U.S. Aggregate Inde
Yield To Maturity	4.68	4.71
Average Duration	4.03	5.87
Average Quality	AA	AA
Weighted Average Maturity	15.63	8.23

Sector Distribution



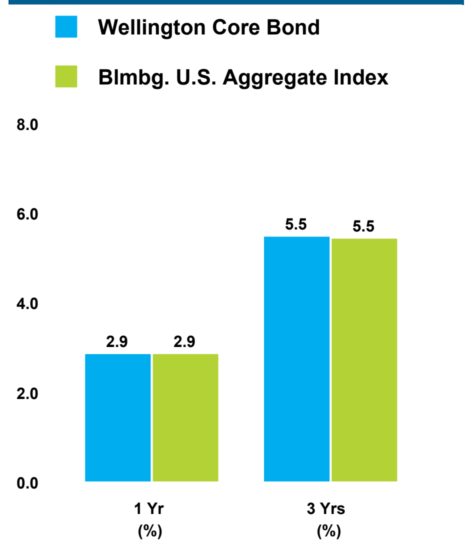
Return Summary



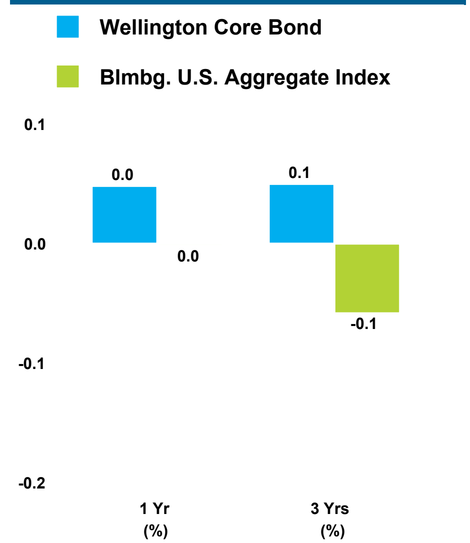


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Wellington Core Bond	0.7	3.9	4.8	-	-	-
Blmbg. U.S. Aggregate Index	*0.7*	*3.8*	*4.2*	*0.1*	*1.2*	*1.5*
Excess Return	0.0	0.1	0.6	-	-	-

Annualized Standard Deviation



Sharpe Ratio

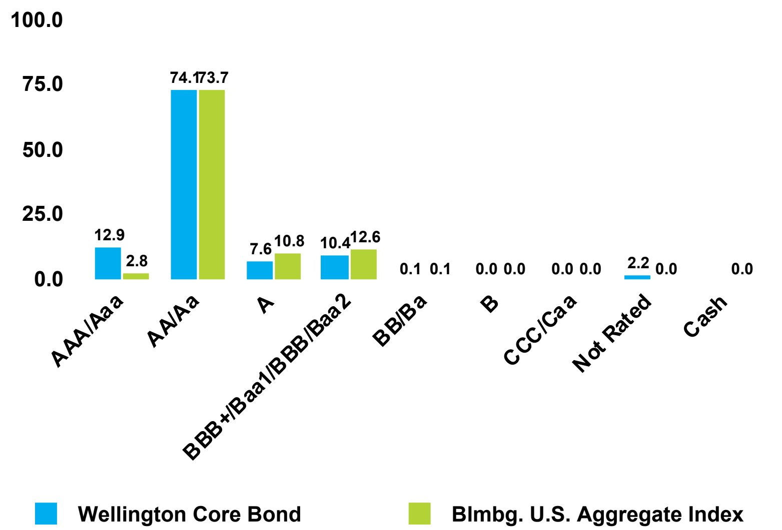


Portfolio characteristics for Wellington Core Bond reflect holdings as of 3.31.26 due to data availability.

Account Information

Account Name	Wellington Core Bond
Inception Date	11/01/2022
Account Structure	Separate Account
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Aggregate Index

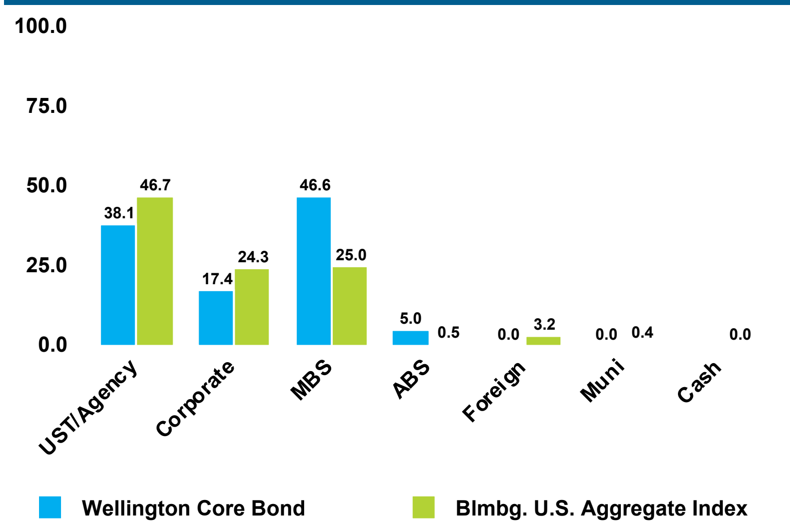
Credit Quality Allocation



Fixed Income Characteristics

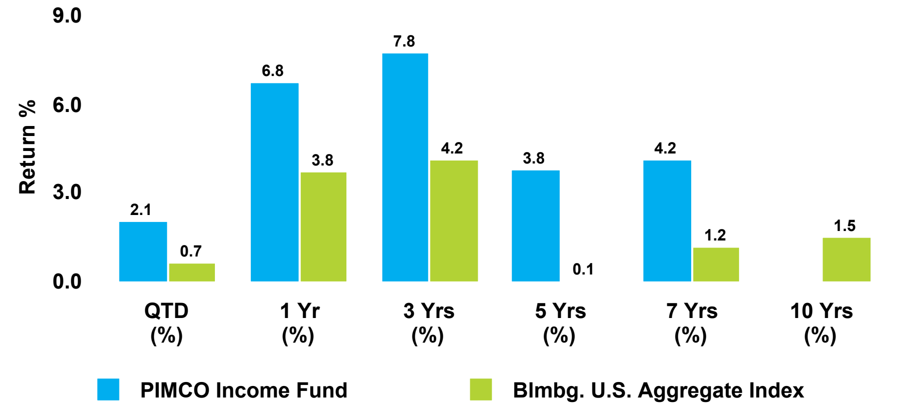
	Q2 -26	
	Wellington Core Bond	Blmbg. U.S. Aggregate Index
Yield To Maturity	4.97	4.71
Average Duration	6.36	5.87
Average Quality	AA	AA
Weighted Average Maturity)	9.09	8.23

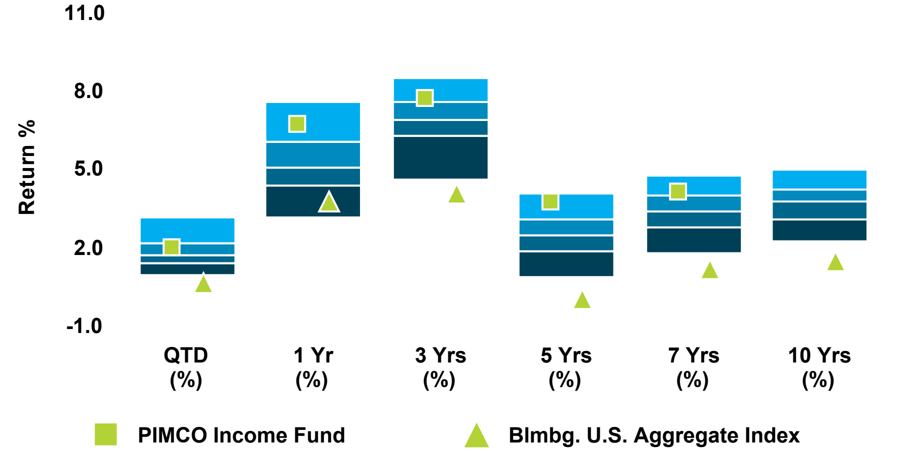
Sector Distribution



PIMCO Income Fund | As of June 30, 2026

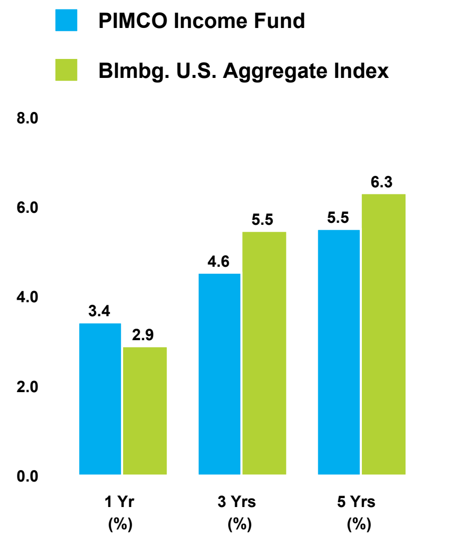
Return Summary



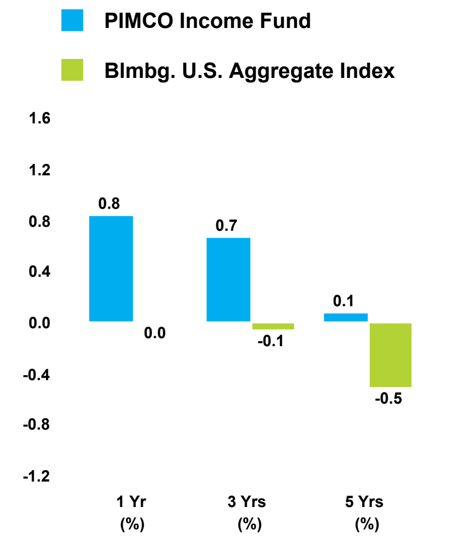


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
PIMCO Income Fund	2.1	6.8	7.8	3.8	4.2	-
Blmbg. U.S. Aggregate Index	*0.7*	*3.8*	*4.2*	*0.1*	*1.2*	*1.5*
Excess Return	1.4	3.0	3.6	3.7	3.0	-

Annualized Standard Deviation



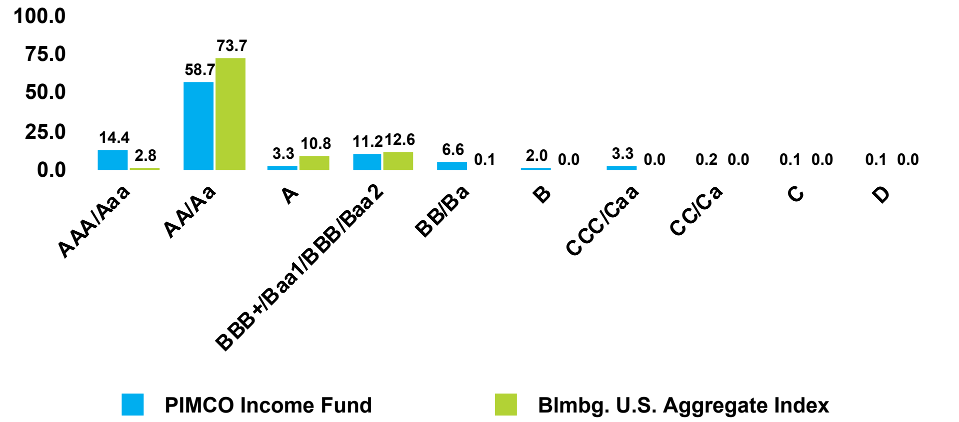
Sharpe Ratio



Account Information

Account Name	PIMCO Income Fund
Inception Date	04/30/2019
Account Structure	Mutual Fund
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Aggregate Index

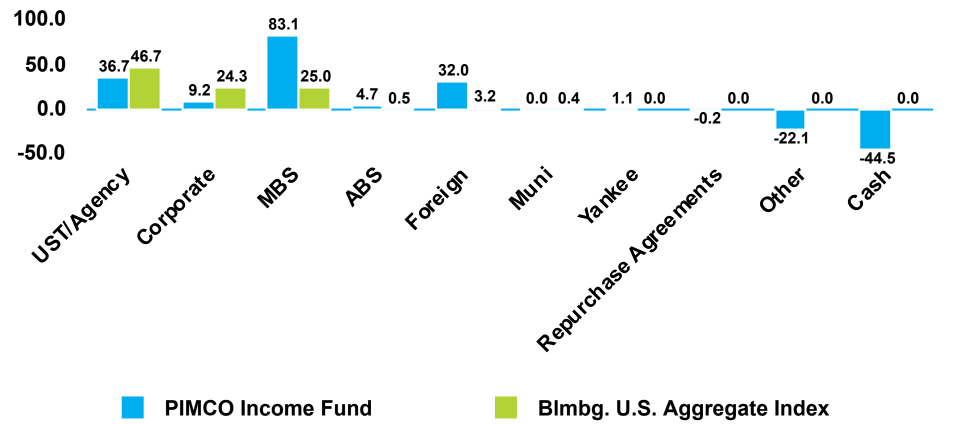
Credit Quality Allocation



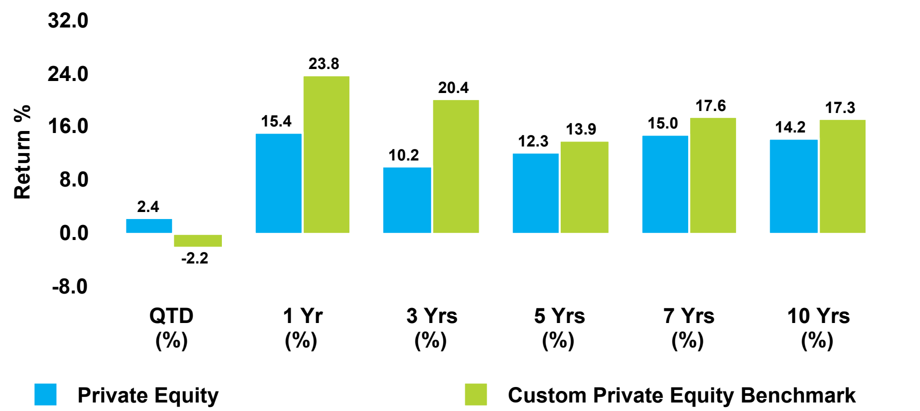
Fixed Income Characteristics

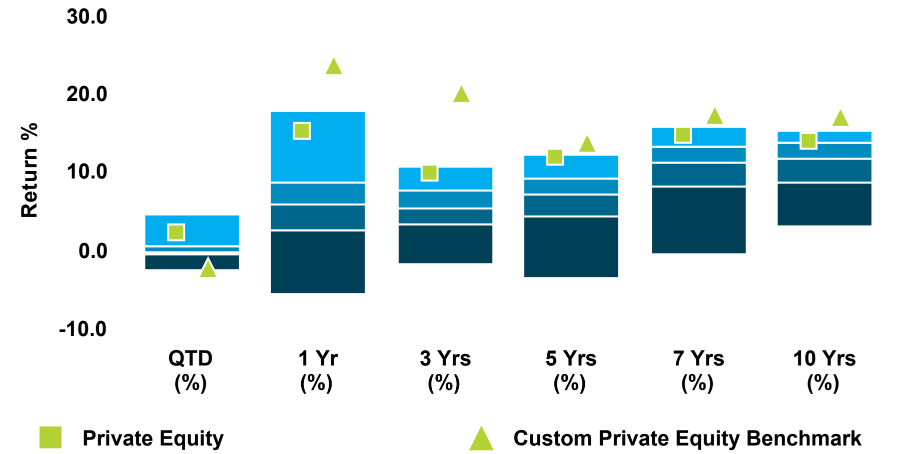
	Q2 -26	
	PIMCO Income Fund	Blmbg. U.S. Aggregate Index
Yield To Maturity	7.20	4.71
Average Duration	6.14	5.87
Average Quality	AA-	AA
Weighted Average Maturity	9.26	8.23

Sector Distribution



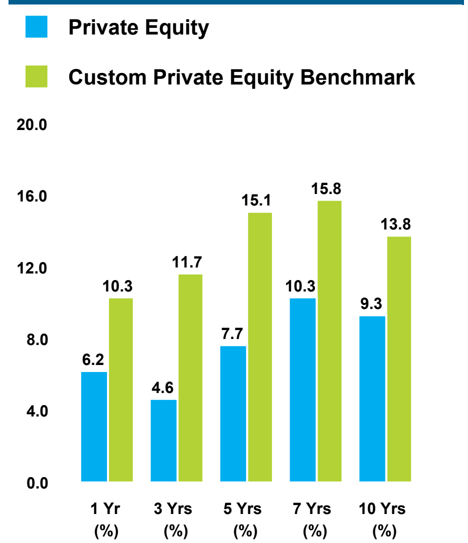
Return Summary



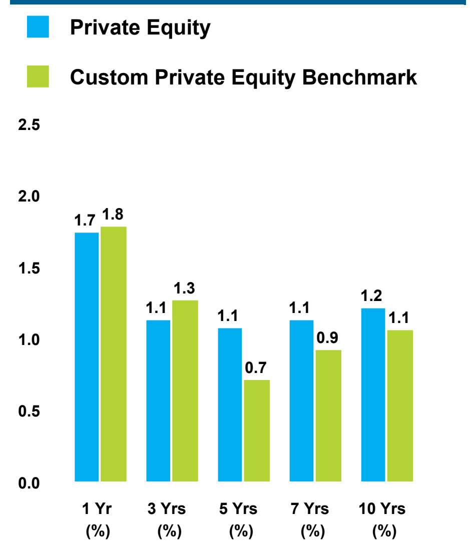


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Private Equity	2.4	15.4	10.2	12.3	15.0	14.2
Custom Private Equity Benchmark	*-2.2*	*23.8*	*20.4*	*13.9*	*17.6*	*17.3*
Excess Return	4.6	-8.4	-10.2	-1.7	-2.5	-3.1

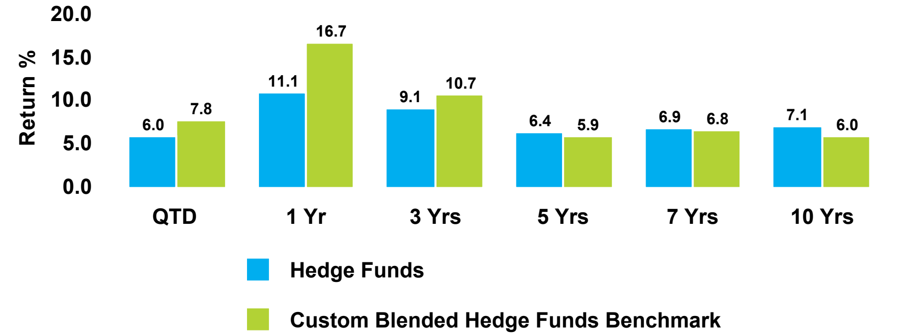
Annualized Standard Deviation



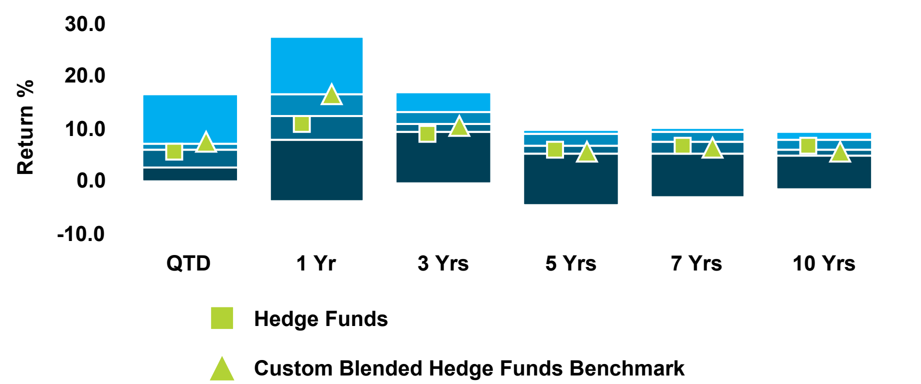
Sharpe Ratio



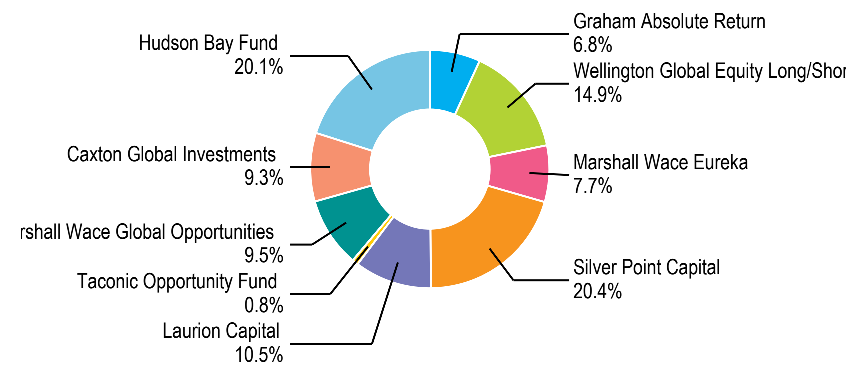
Return Summary



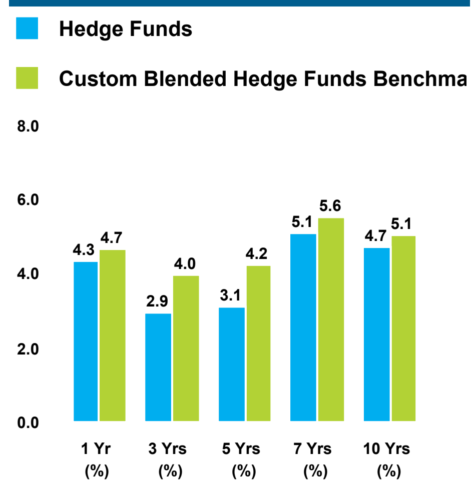
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Hedge Funds	6.0	11.1	9.1	6.4	6.9	7.1
Custom Blended Hedge Funds Benchmark	*7.8*	*16.7*	*10.7*	*5.9*	*6.8*	*6.0*
Excess Return	-1.9	-5.5	-1.6	0.5	0.2	1.0



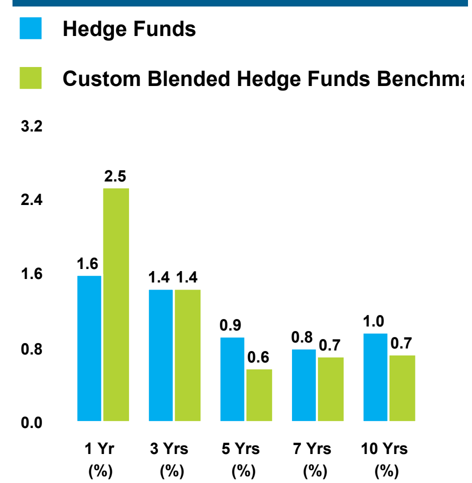
Current Allocation



Annualized Standard Deviation

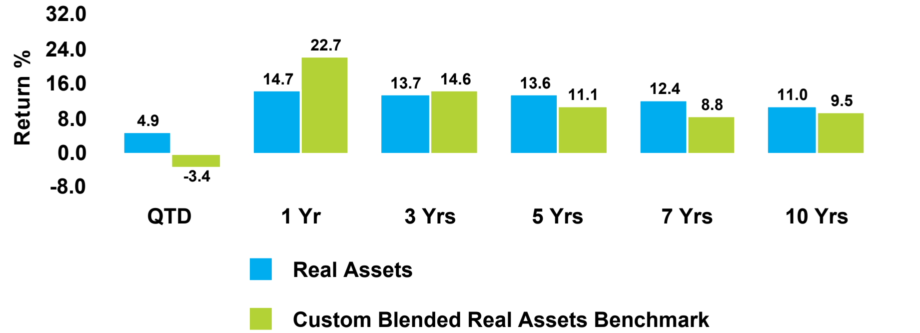


Sharpe Ratio

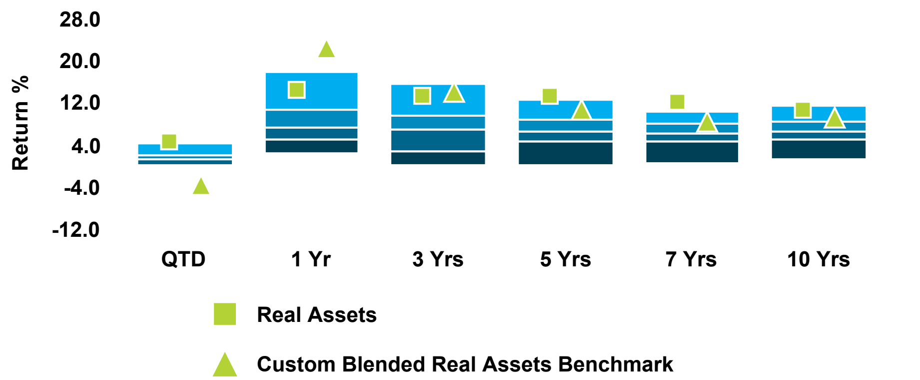


Real Assets | As of June 30, 2026

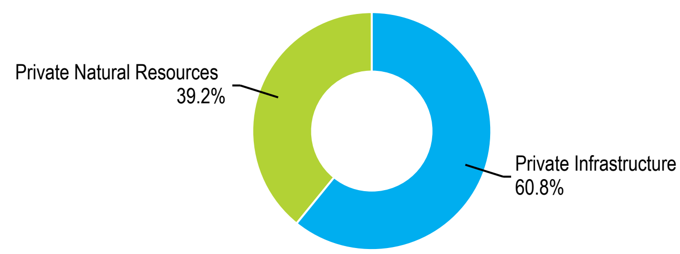
Return Summary



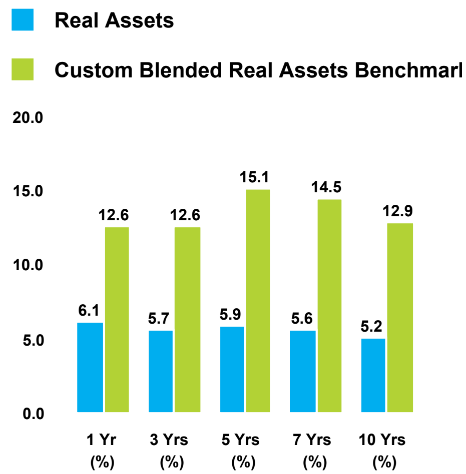
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Real Assets	4.9	14.7	13.7	13.6	12.4	11.0
Custom Blended Real Assets Benchmark	*-3.4*	*22.7*	*14.6*	*11.1*	*8.8*	*9.5*
Excess Return	8.4	-8.0	-0.8	2.5	3.6	1.5



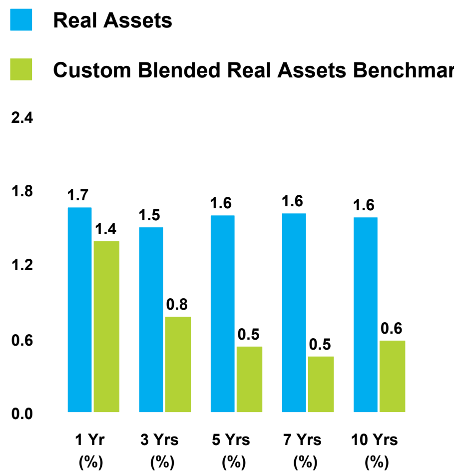
Current Allocation



Annualized Standard Deviation

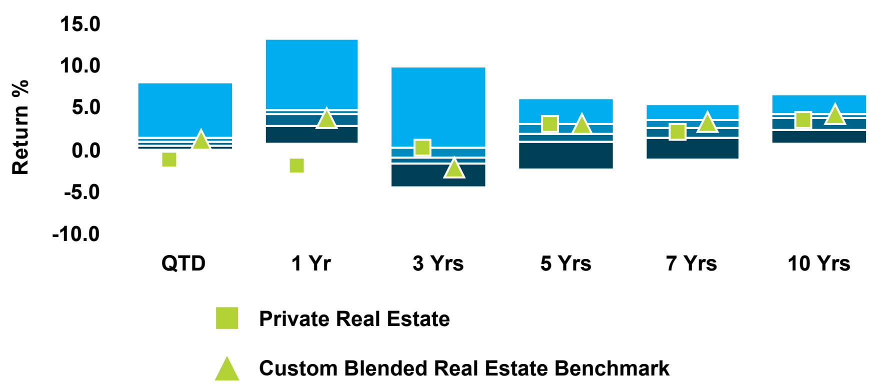


Sharpe Ratio

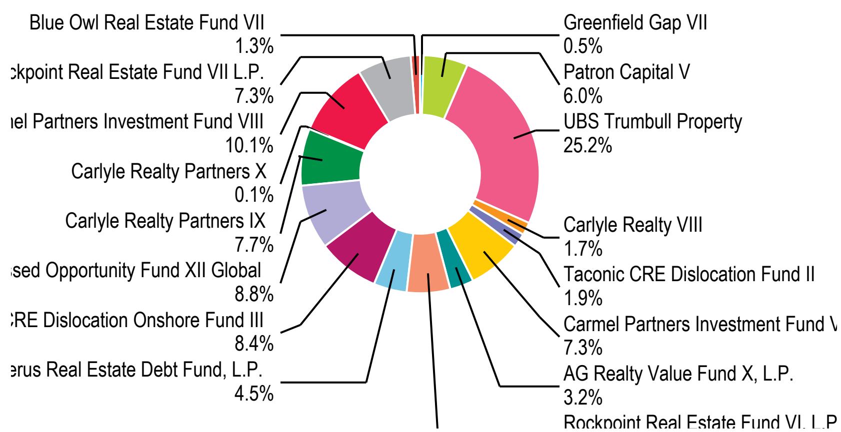


Return Summary

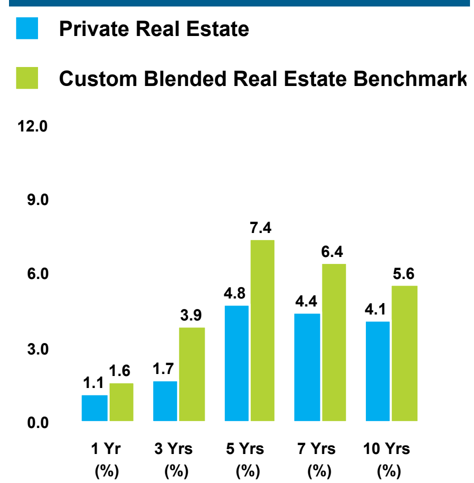
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Private Real Estate	-0.9	-1.7	0.3	3.2	2.4	3.7
Custom Blended Real Estate Benchmark	*1.2*	*4.0*	*-2.0*	*3.2*	*3.3*	*4.3*
Excess Return	-2.2	-5.6	2.3	0.0	-1.0	-0.6



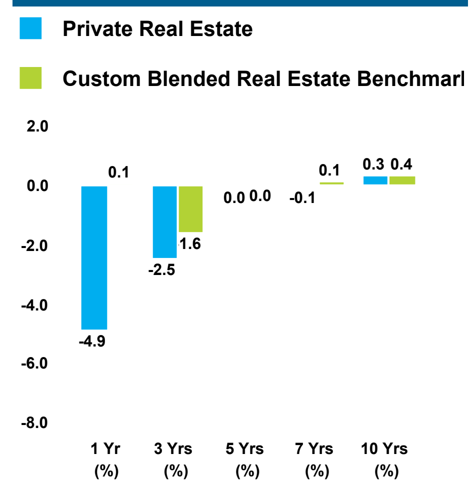
Current Allocation



Annualized Standard Deviation



Sharpe Ratio



Manager Monitoring / Probation Status

Managers on Watch / Probation Status

Manager & Strategy	Concern Triggering Watch Status	Date of Corrective Action[1]	Months Since Placement	Performance[2] Since Placement (%)	Peer Group Rank Since Placement
Champlain Small Cap	Organization / Performance	1/22/2026	5	6.8	94
Russell 2000 Index	--	--	--	*16.3*	50
GQG International Equity	Performance	1/22/2026	5	0.5	81
MSCI AC World ex USA Index	--	--	--	*7.3*	42
Artisan Developing World	Performance	1/22/2026	5	0.9	91
MSCI Emerging Markets Index	--	--	--	*13.8*	54
RWC	Performance	6/25/2026	--	--	--
MSCI Emerging Markets Index	--	--	--	--	--

Breach of Investment Manager Monitoring Criteria

As of June 30, 2026, Champlain Small Cap has breached the short-, medium- and long-term monitoring criteria, as well as material qualitative changes:

- The fund's rolling 1-, 3- and 5-year returns lagged the benchmark (Russell 2000 Index) by more than the respective limits (3.5%, 1.75%, 1.75%, respectively).
- Per Meketa's recommendation at the May 2026 meeting, Champlain Small Cap will be terminated. The allocation will be placed into the Fidelity Small Cap Index fund in the interim.

As of June 30, 2026, GQG International Equity has breached the short-term monitoring criteria:

- The fund's rolling 1-year return lagged the benchmark (MSCI AC World ex USA Index) by more than its respective limit (4.5%).

[1] Date when the Board voted to either monitor a manager at a heightened level or place it on probation.
[2] Performance Since Placement starts at the beginning of the full month following the date of corrective action. Performance shown is net of fees and annualized after one year mark.

Breach of Investment Manager Monitoring Criteria (continued)

As of June 30, 2026, Artisan Developing World has breached the short-, medium- and long-term monitoring criteria:

→ The fund's rolling 1-, 3- and 5-year returns lagged the benchmark (MSCI Emerging Markets Index) by more than the respective limits (4.5%, 2.0%, 2.0% respectively).

As of June 30, 2026, RWC has breached the short- and medium-term monitoring criteria:

→ The fund's rolling 1- and 3-year return lagged the benchmark (MSCI Emerging Markets Index) by more than its respective limit (4.5%, 2.0% respectively).

All other public equity and fixed income managers pass the monitoring criteria.

Investment Manager Monitoring Criteria[1]

Investment managers are evaluated on ongoing and periodic basis using both quantitative performance criteria and qualitative aspects of the managers. The quantitative criteria for different asset classes are as follows:

Asset Class	Short-term (Rolling 12 months)	Medium-term (Rolling 36 months)	Long-term (60 + months)
Active US Equity	Fund return < benchmark return by 3.5%	Annualized Fund return < benchmark return by 1.75% for 6 consecutive months	Annualized Fund return < benchmark return by 1.75% for 6 consecutive months
Active Non-US Equity	Fund return < benchmark return by 4.5%	Annualized Fund return < benchmark return by 2.0% for 6 consecutive months	Annualized Fund return < benchmark return by 2.0% for 6 consecutive months
Passive Non-US Equity	Tracking Error >0.50%	Tracking Error >0.45% for 6 consecutive months	Tracking Error >0.45% for 6 consecutive months
Fixed Income	Fund return < benchmark return by 1.5%	Annualized Fund return < benchmark return by 1.0% for 6 consecutive months	Annualized Fund return < benchmark return by 1.0% for 6 consecutive months

[1] Per Investment Policy Statement and Manager Guidelines ("IPS"), Revised 10/23/2025, section 6.4.

Manager Scorecard | As of June 30, 2026

Active Domestic Equity

Fund Name	Short-Term	Medium-Term	Long-Term
BNY Mellon Newton Dynamic US Equity	Pass	Pass	Pass
Champlain Small Cap	Fail	Fail	Fail

Active International Equity

Fund Name	Short-Term	Medium-Term	Long-Term
Acadian ACWI ex U.S. Small Cap Equity	Pass	Pass	Pass
Driehaus International Small Cap Growth	Pass	Pass	Pass
GQG International Equity	Fail	Pass	Pass
First Eagle International Value Fund	Pass	Pass	Pass
Artisan Developing World TR	Fail	Fail	Fail
RWC	Fail	Fail	Pass

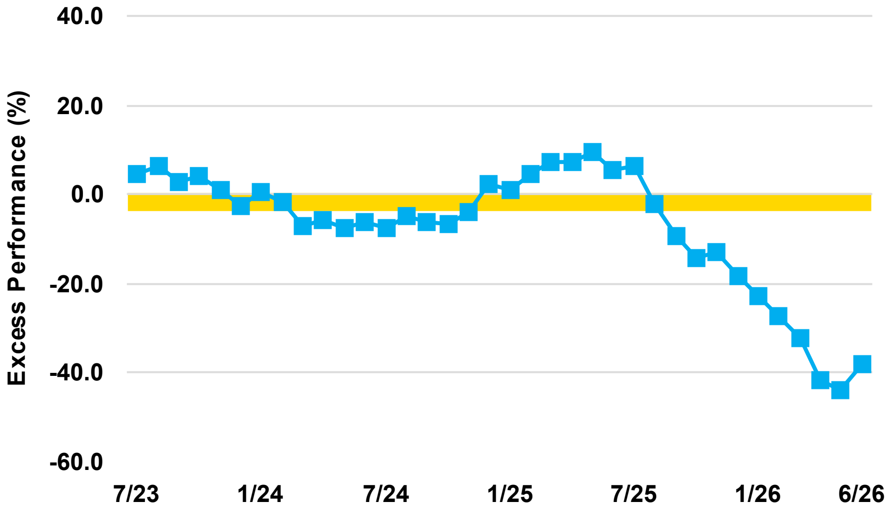
Passive Equity

Fund Name	Short-Term	Medium-Term	Long-Term
BNY Mellon Large Cap	Pass	Pass	Pass

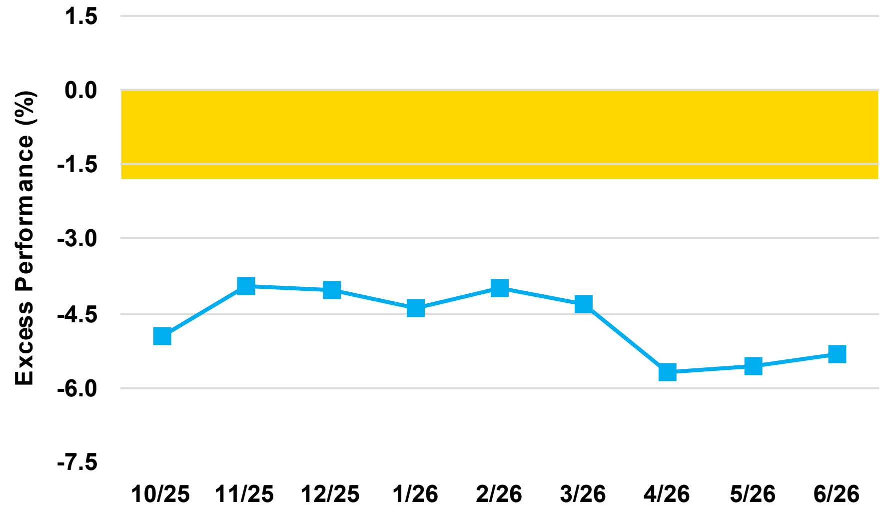
Fixed Income

Fund Name	Short-Term	Medium-Term	Long-Term
Vanguard Total Bond Market Index Fund	Pass	Pass	Pass
Payden & Rygel Low Duration Fund	Pass	Pass	-
Brandywine US Fixed Income	Pass	Pass	-
Wellington Core Bond	Pass	Pass	-
PIMCO Income Fund	Pass	Pass	Pass
GoldenTree Multi-Sector Credit	Pass	Pass	Pass

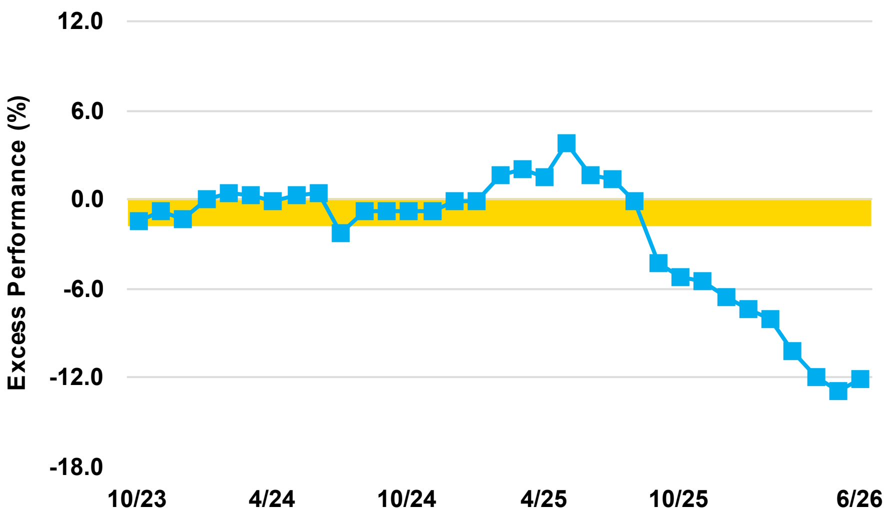
Short-Term (Rolling 12-Month Excess Performance)



Long-Term (Rolling 60-Month Excess Performance)



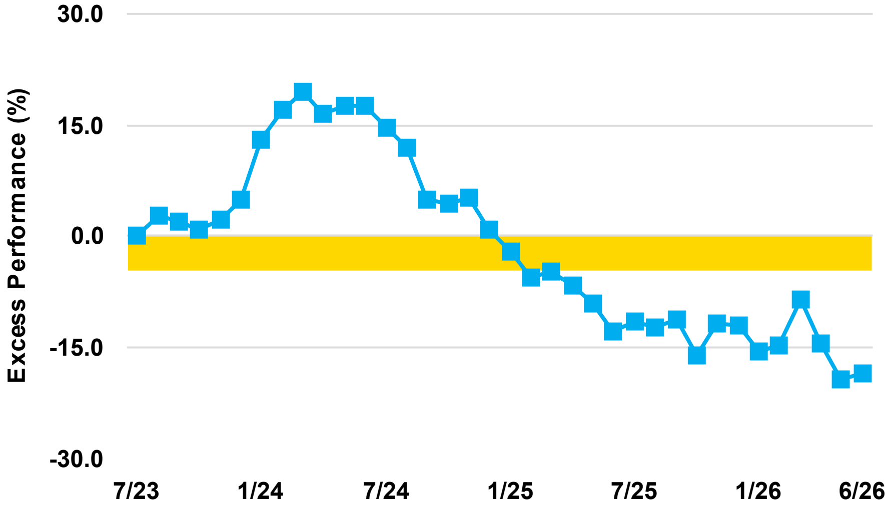
Medium Term (Rolling 36-Month Excess Performance)



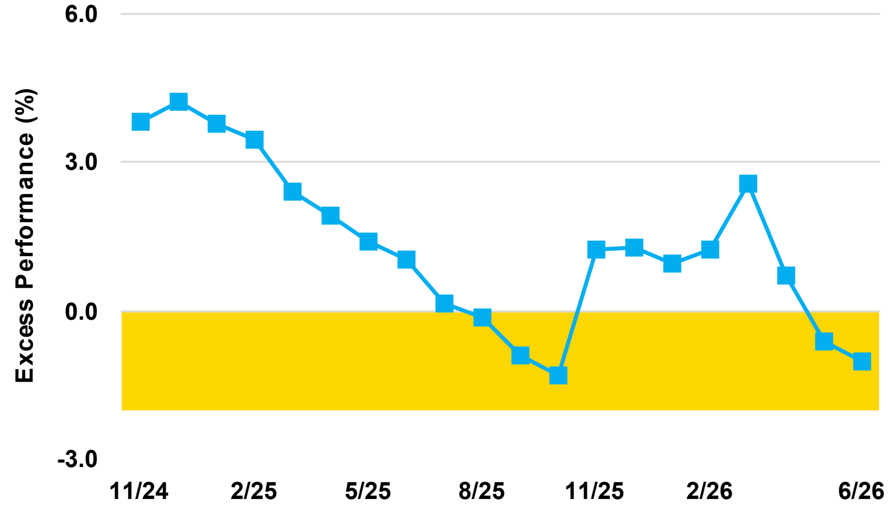
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Champlain Small Cap	17.0	7.9	2.6	6.5	1.7	7.2	11/01/2020
Russell 2000 Index	21.5	22.6	40.8	18.6	7.0	14.2	
eV US Small Cap Core Equity Median	20.4	21.8	33.1	16.4	8.3	15.3	
eV US Small Cap Core Equity Rank	74	98	99	97	100	99	

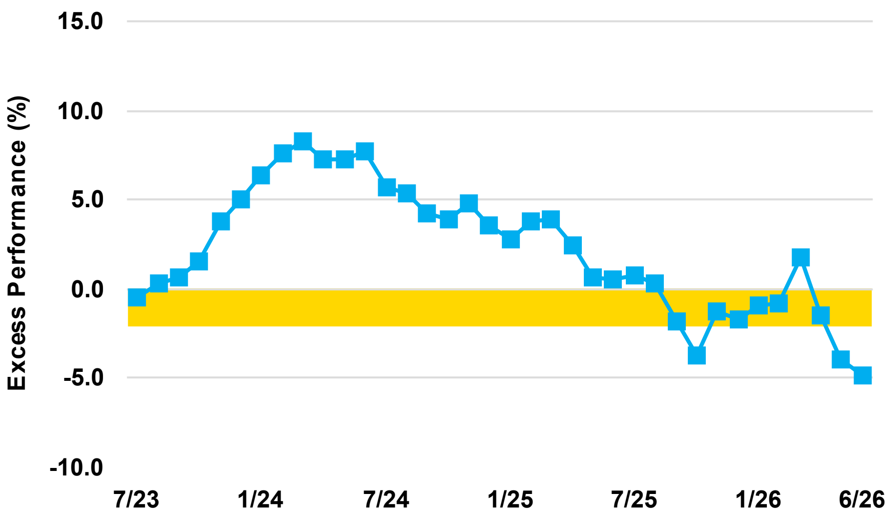
Short-Term (Rolling 12-Month Excess Performance)



Long-Term (Rolling 60-Month Excess Performance)



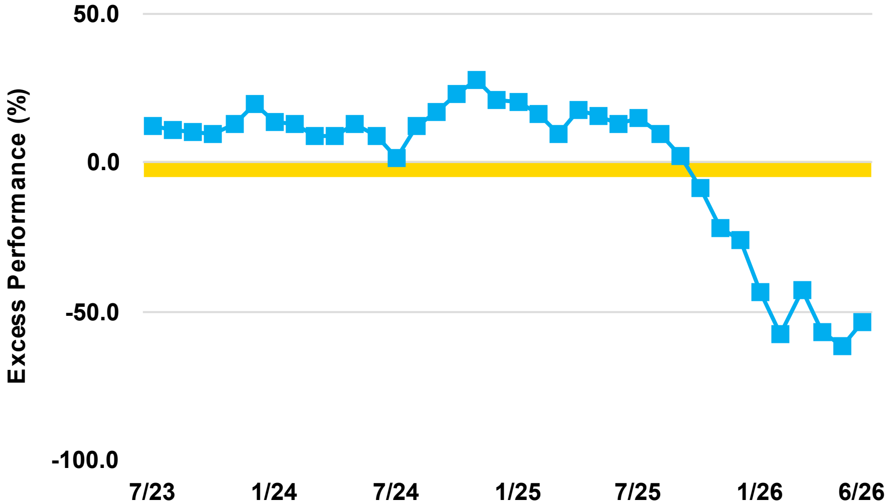
Medium Term (Rolling 36-Month Excess Performance)



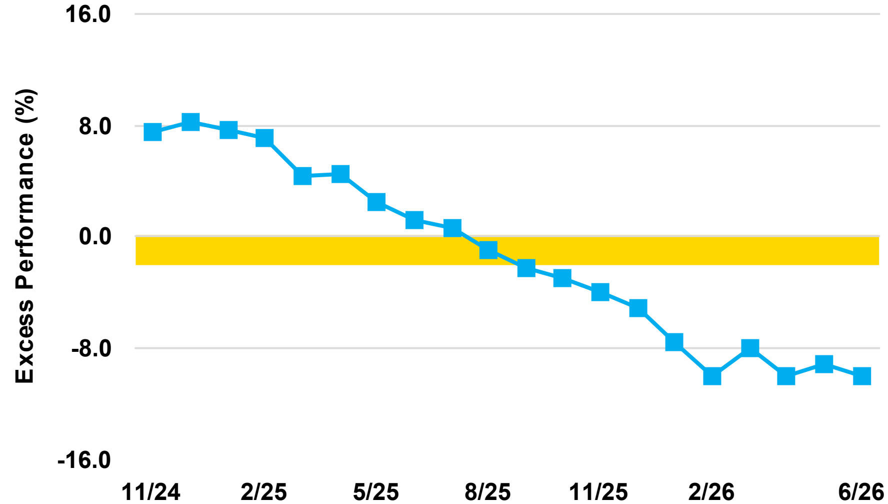
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
GQG International Equity	-0.1	4.2	9.1	14.0	7.7	10.0	12/01/2019
MSCI AC World ex USA (Net)	14.5	13.7	27.7	18.8	8.8	10.4	
eV Global Growth Equity Median	14.8	7.5	13.3	13.8	5.3	11.0	
eV Global Growth Equity Rank	99	66	62	50	31	60	

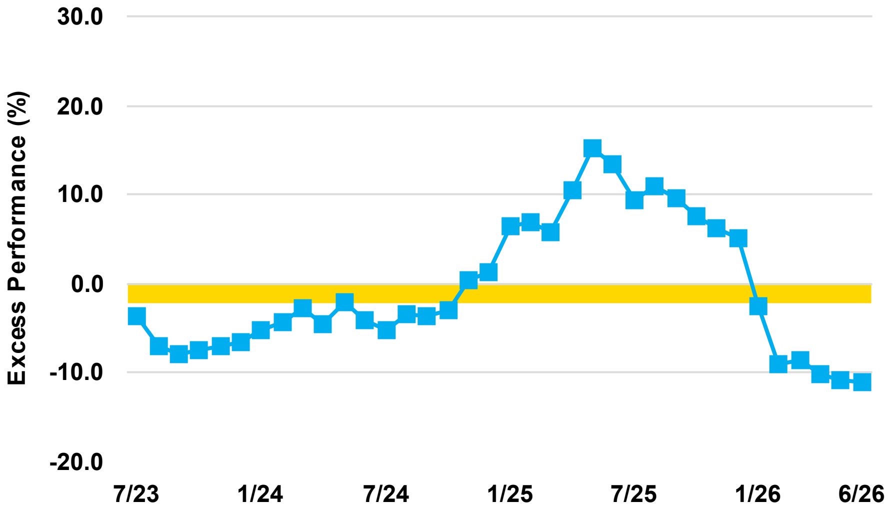
Short-Term (Rolling 12-Month Excess Performance)



Long-Term (Rolling 60-Month Excess Performance)



Medium Term (Rolling 36-Month Excess Performance)



Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Artisan Developing World TR	18.7	-2.6	-9.8	12.0	-2.7	8.3	12/01/2019
MSCI Emerging Markets (Net)	24.1	23.8	43.5	23.0	7.2	10.5	
eV Emg Mkts Equity Median	23.1	24.3	43.7	22.8	7.8	11.3	
eV Emg Mkts Equity Rank	68	100	100	96	100	87	

Appendix: Supplemetal Q2 Performance and Manager Pages

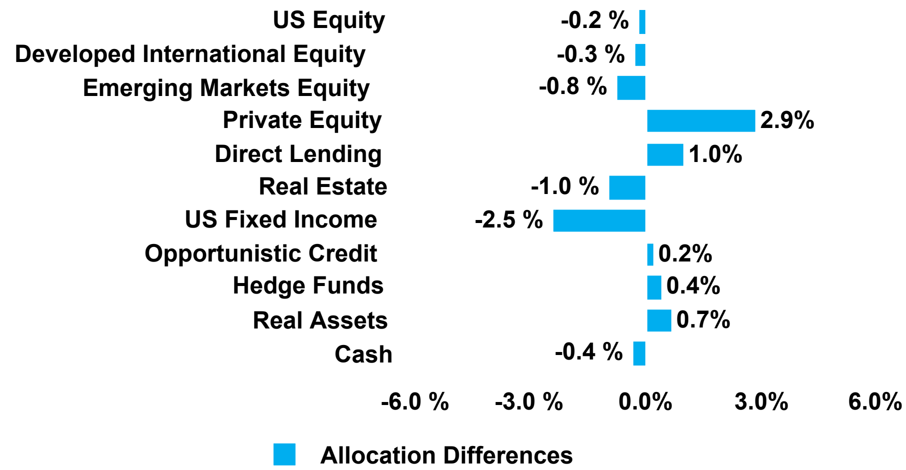
Total Fund Asset Allocation

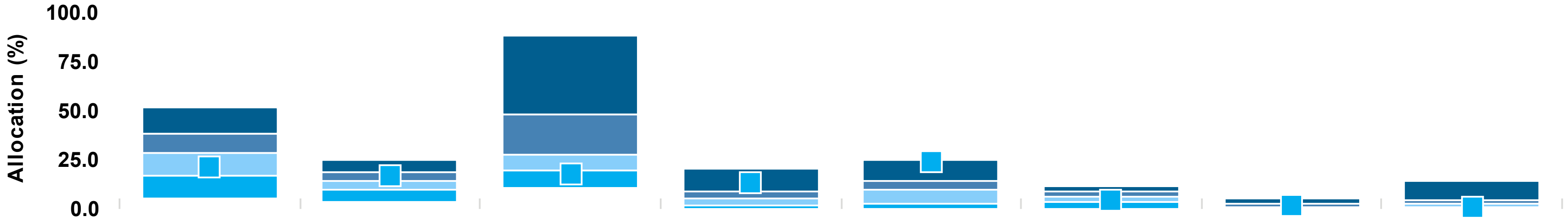
Asset Allocation vs. Target and Plan Sponsor Peer Group - Retirement | As of June 30, 2026

Asset Allocation vs. Target Allocation

	Market Value ($)	Current Allocation (%)	Target (%)
US Equity	327,028,683	22	22
Developed International Equity	175,229,721	12	12
Emerging Markets Equity	77,829,206	5	6
Private Equity	268,034,222	18	15
Direct Lending	89,559,100	6	5
Real Estate	75,027,807	5	6
US Fixed Income	232,845,768	16	18
Opportunistic Credit	62,751,504	4	4
Hedge Funds	81,179,312	5	5
Real Assets	85,122,938	6	5
Cash	24,397,874	2	2
Total	**1,499,006,134**	**100**	**100**

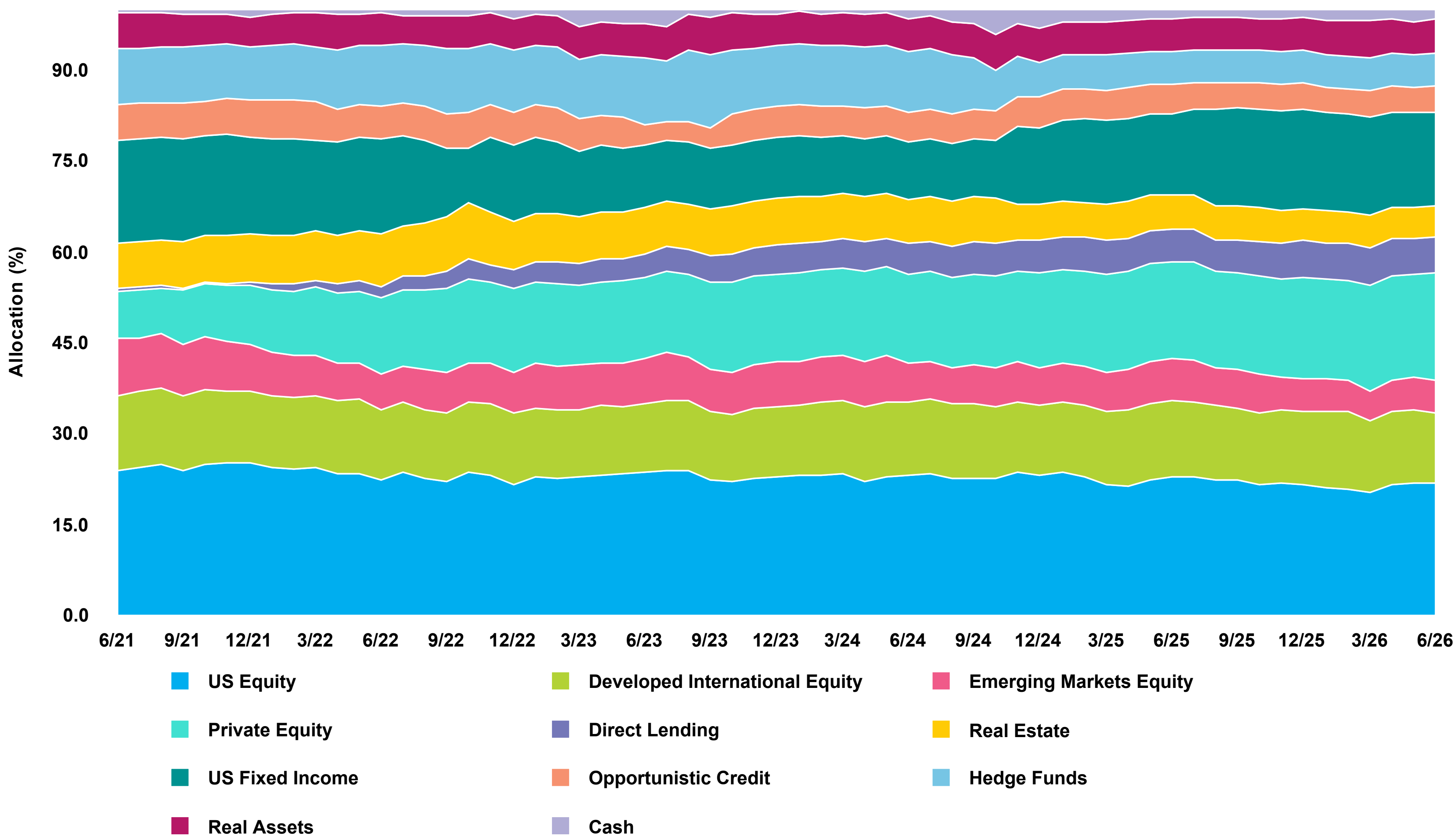
Asset Allocation vs. Target Allocation Differences





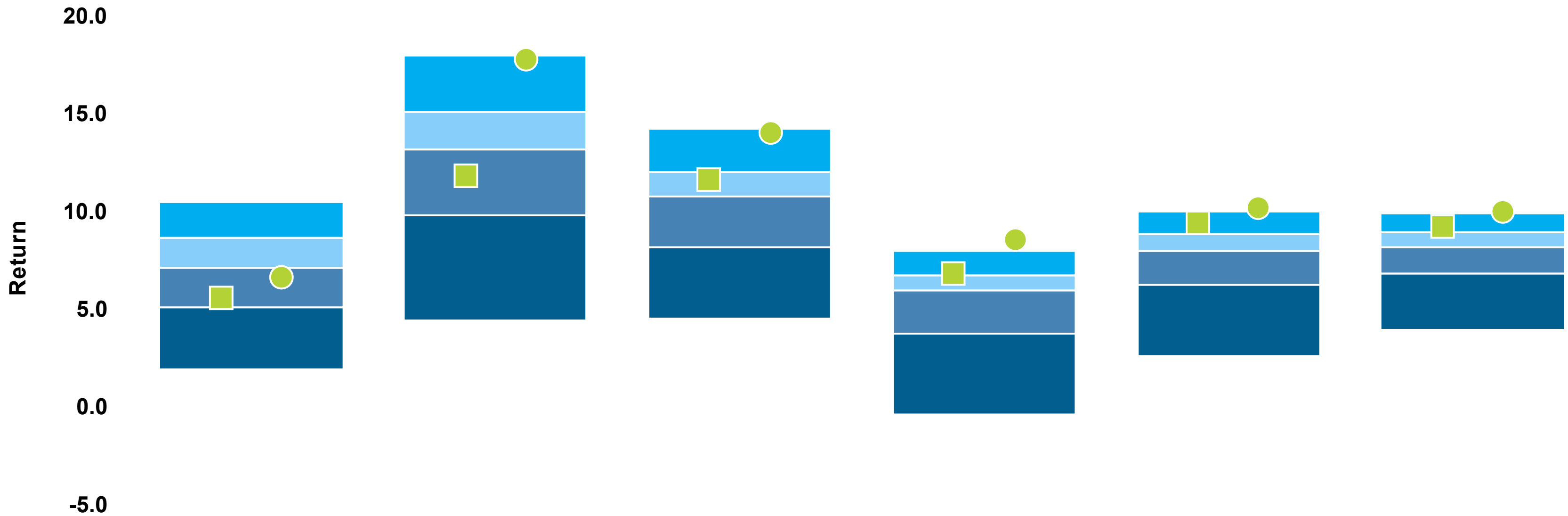
	US Equity	Global ex-US Equity	US Fixed	Hedge Funds	Private Equity	Total Real Estate	Cash & Equivalents	Other
Total Fund	21.8 (69)	16.9 (33)	18.0 (79)	13.2 (10)	23.7 (6)	4.2 (70)	1.6 (37)	0.5 (76)
5th Percentile	51.7	25.2	88.2	20.6	24.7	11.6	5.5	14.6
1st Quartile	38.4	18.9	47.9	9.0	14.4	8.6	2.3	4.2
Median	28.4	14.0	27.8	5.2	9.4	6.2	1.2	2.5
3rd Quartile	17.3	9.5	19.4	1.7	2.8	3.4	0.5	0.5
95th Percentile	5.0	3.9	10.3	0.0	0.3	0.2	0.1	0.1

Historical Asset Allocation
5 Years Ending June 30, 2026



Total Fund Performance and Risk vs. Peers

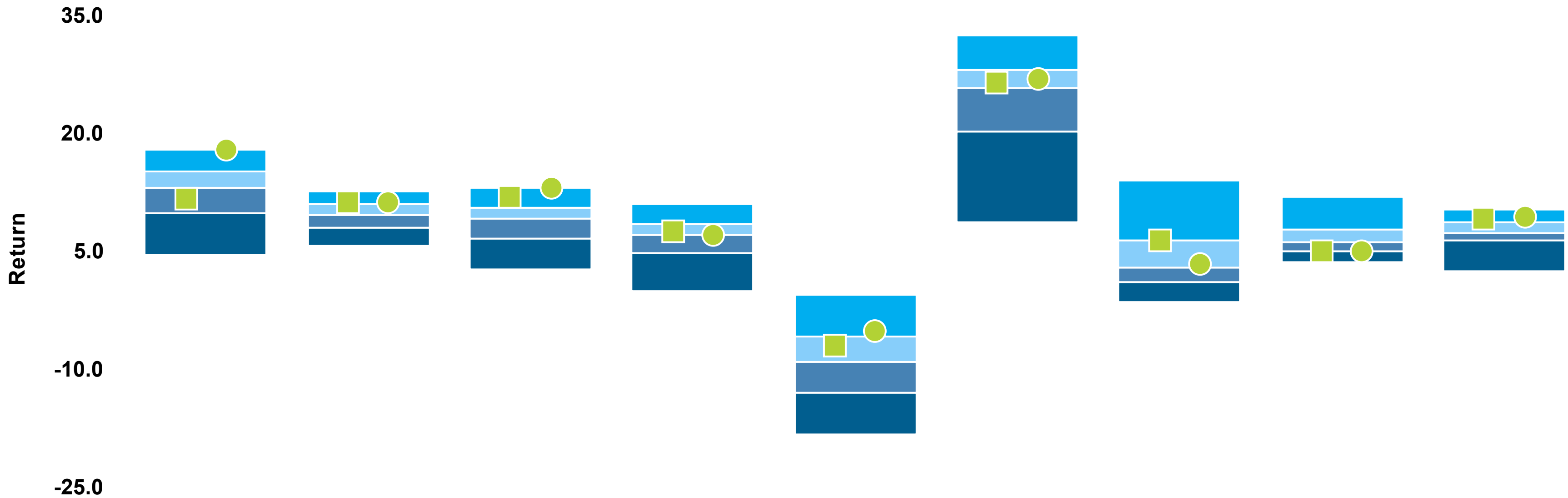
InvMetrics All DB $1B - $5B | As of June 30, 2026



	QTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund	5.5 (73)	11.8 (65)	11.7 (32)	6.8 (23)	9.4 (15)	9.2 (15)
Policy Index	6.7 (60)	17.8 (6)	14.1 (7)	8.6 (2)	10.2 (3)	10.0 (4)
5th Percentile	10.5	17.9	14.2	8.0	10.0	9.9
1st Quartile	8.6	15.1	12.0	6.7	8.9	8.9
Median	7.1	13.2	10.7	5.9	8.0	8.2
3rd Quartile	5.1	9.8	8.2	3.8	6.2	6.8
95th Percentile	1.9	4.4	4.5	-0.4	2.6	3.9
Population	193	190	188	184	183	178

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

InvMetrics All DB $1B - $5B | As of June 30, 2026

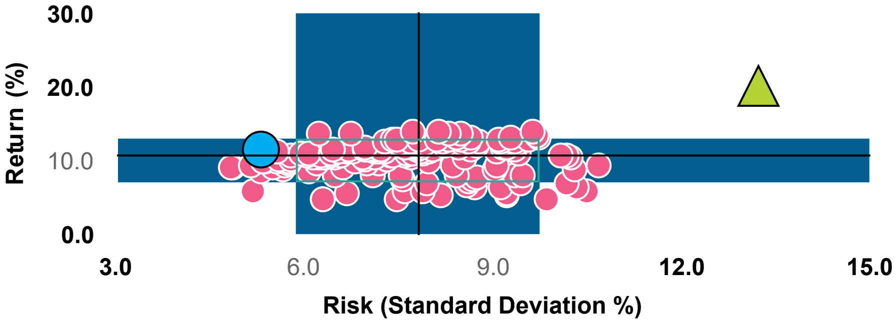


	Jul-2025 To Jun-2026	Jul-2024 To Jun-2025	Jul-2023 To Jun-2024	Jul-2022 To Jun-2023	Jul-2021 To Jun-2022	Jul-2020 To Jun-2021	Jul-2019 To Jun-2020	Jul-2018 To Jun-2019	Jul-2017 To Jun-2018
■ Total Fund	11.8 (65)	11.3 (16)	11.9 (13)	7.6 (41)	-7.1 (35)	26.5 (42)	6.4 (25)	5.1 (73)	9.2 (14)
● Policy Index	17.8 (6)	11.3 (16)	13.2 (5)	7.2 (48)	-5.2 (21)	26.9 (40)	3.4 (43)	5.0 (75)	9.4 (14)
5th Percentile	17.9	12.6	13.1	11.1	-0.4	32.5	14.0	11.8	10.2
1st Quartile	15.1	11.0	10.6	8.4	-5.9	28.1	6.3	7.8	8.6
Median	13.2	9.7	9.1	7.0	-9.0	25.8	2.9	6.1	7.4
3rd Quartile	9.8	8.0	6.7	4.9	-13.1	20.3	1.0	5.0	6.3
95th Percentile	4.4	5.8	2.7	-0.2	-18.3	8.6	-1.4	3.7	2.4
Population	190	291	289	317	315	383	358	277	239

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

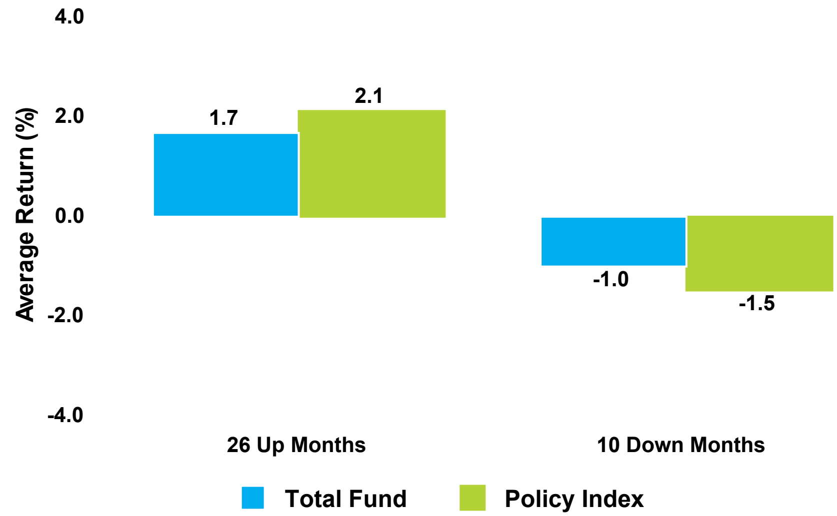
Total Fund vs All Public Plans $1B-$5B | As of June 30, 2026

Plan Sponsor Scattergram - 3 Years

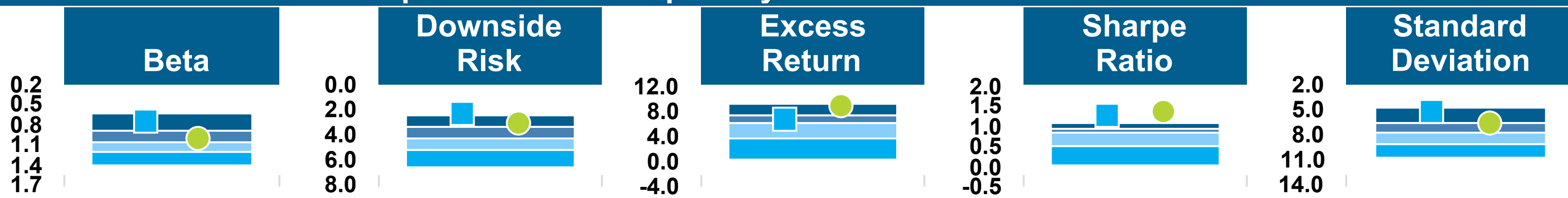


	Return	Standard Deviation
Total Fund	11.7	5.3
Russell 3000	20.4	13.2
Median	10.7	7.8

Up/Down Markets - 3 Years



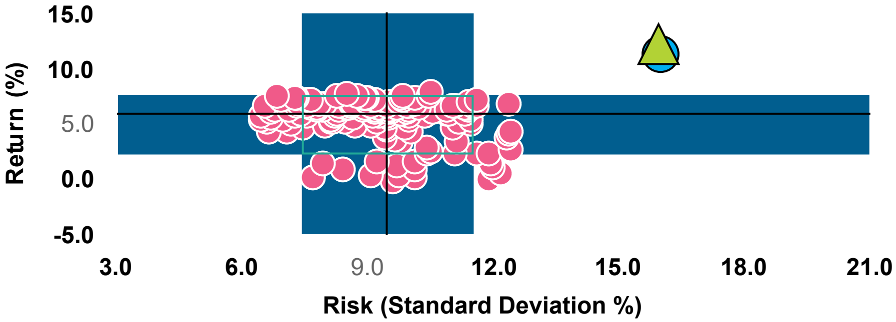
Plan Sponsor Peer Group Analysis - Multi Statistics



	Beta 3 Yrs	Downside Risk 3 Yrs	Excess Return 3 Yrs	Sharpe Ratio 3 Yrs	Standard Deviation 3 Yrs
Total Fund	0.8 (10)	2.3 (3)	6.7 (37)	1.3 (2)	5.3 (7)
Policy Index	1.0 (38)	3.0 (14)	8.9 (7)	1.4 (1)	6.5 (25)
5th Percentile	0.6	2.5	9.2	1.1	4.8
1st Quartile	0.9	3.4	7.2	1.0	6.5
Median	1.1	4.2	6.0	0.8	7.8
3rd Quartile	1.2	5.2	3.7	0.5	9.0
95th Percentile	1.4	6.6	0.2	0.0	10.7

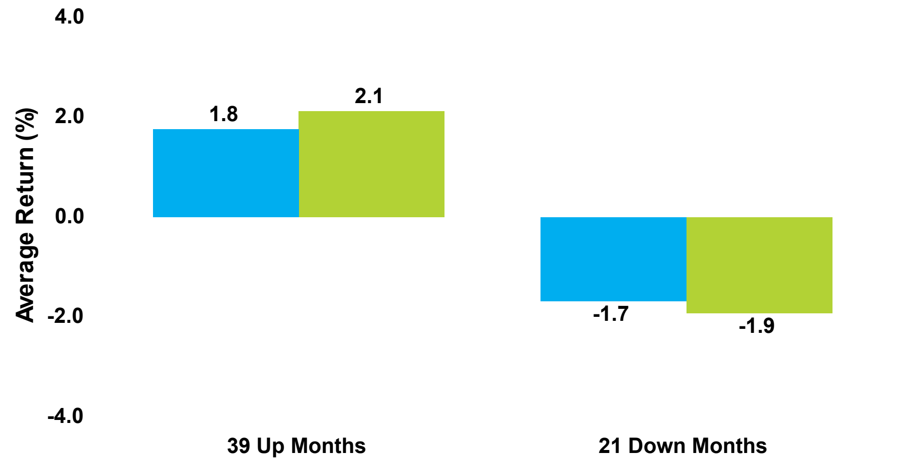
Total Fund vs All Public Plans $1B-$5B | As of June 30, 2026

Plan Sponsor Scattergram - 5 Years

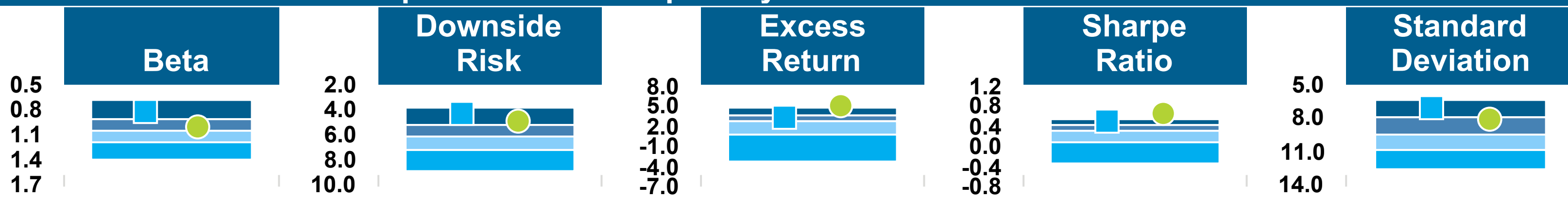


	Return	Standard Deviation
US Equity	11.3	16.0
Russell 3000	12.3	15.9
Median	5.9	9.4

Up/Down Markets - 5 Years

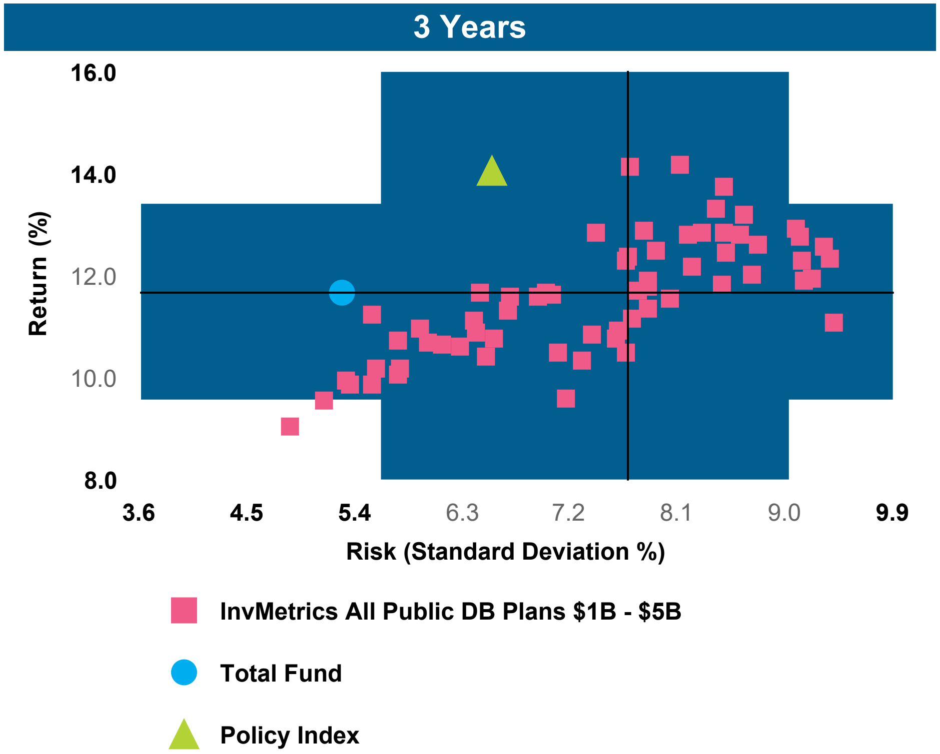


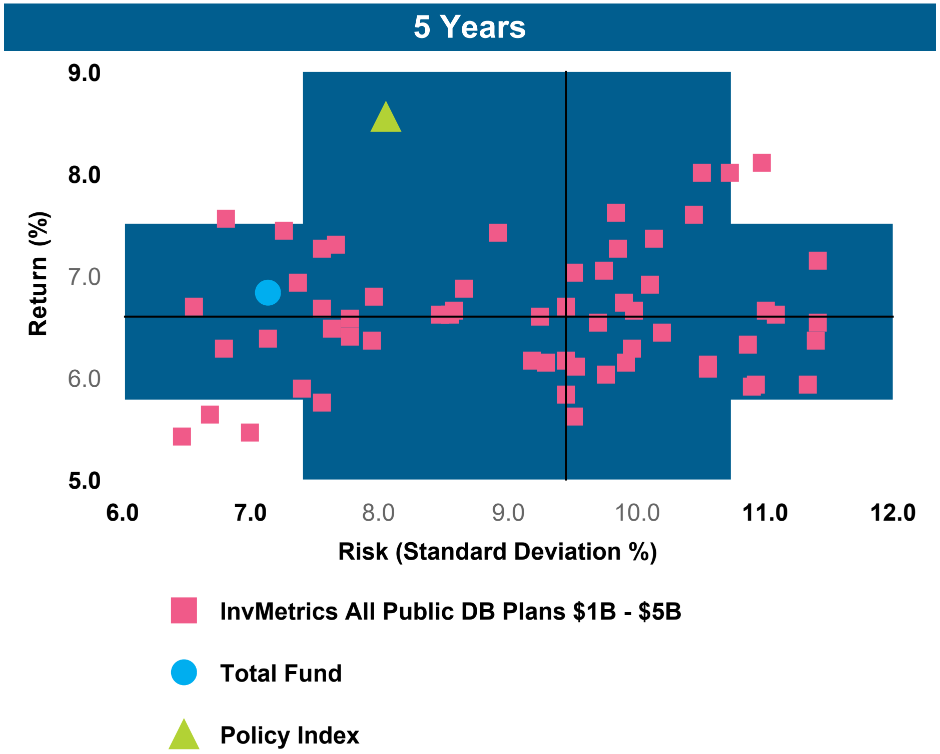
Plan Sponsor Peer Group Analysis - Multi Statistics



	Beta 5 Yrs	Downside Risk 5 Yrs	Excess Return 5 Yrs	Sharpe Ratio 5 Yrs	Standard Deviation 5 Yrs
Total Fund	0.8 (16)	4.4 (12)	3.4 (29)	0.5 (11)	7.1 (12)
Policy Index	1.0 (38)	4.9 (20)	5.1 (4)	0.6 (2)	8.0 (25)
5th Percentile	0.7	3.8	4.8	0.5	6.4
1st Quartile	0.9	5.2	3.5	0.4	8.0
Median	1.1	6.2	2.8	0.3	9.4
3rd Quartile	1.2	7.2	0.7	0.1	10.9
95th Percentile	1.4	8.9	-3.3	-0.3	12.7

Risk vs. Return | As of June 30, 2026



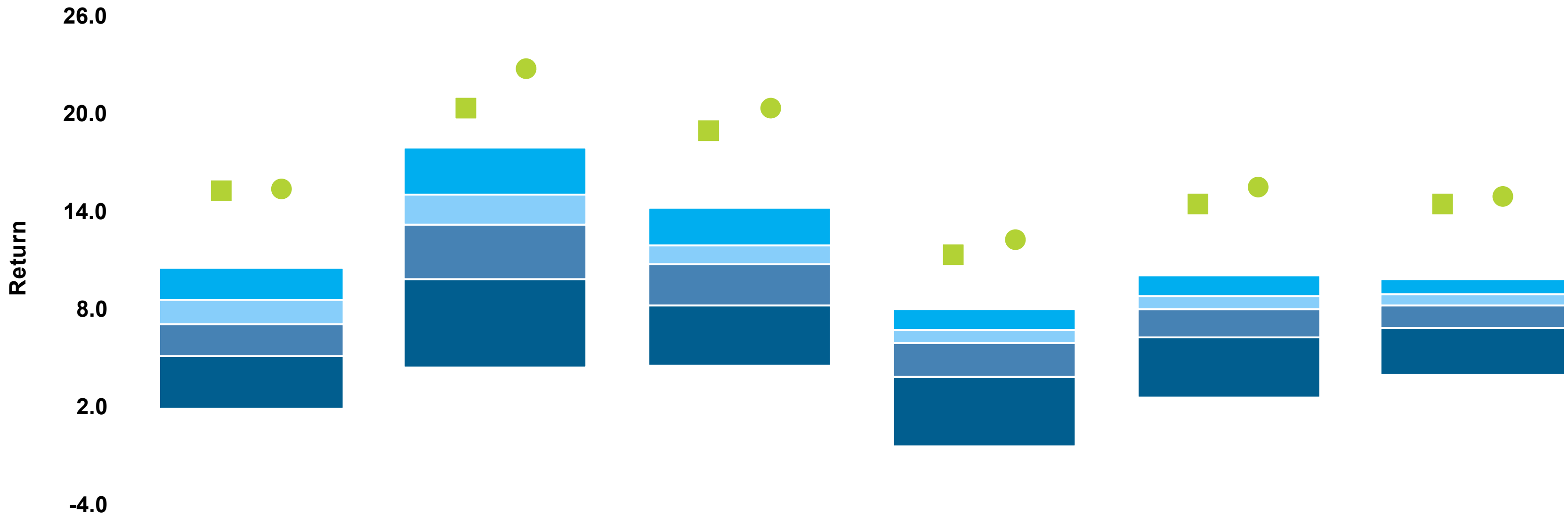


	Return	Standard Deviation	Sharpe Ratio
Total Fund	6.8 (31)	7.1 (14)	0.5 (15)
Policy Index	8.6 (3)	8.0 (32)	0.6 (4)
Population	74	74	74

	Return	Standard Deviation	Sharpe Ratio
Total Fund	11.7 (50)	5.3 (9)	1.3 (1)
Policy Index	14.1 (8)	6.5 (30)	1.4 (1)
Population	76	76	76

US Equity Analysis

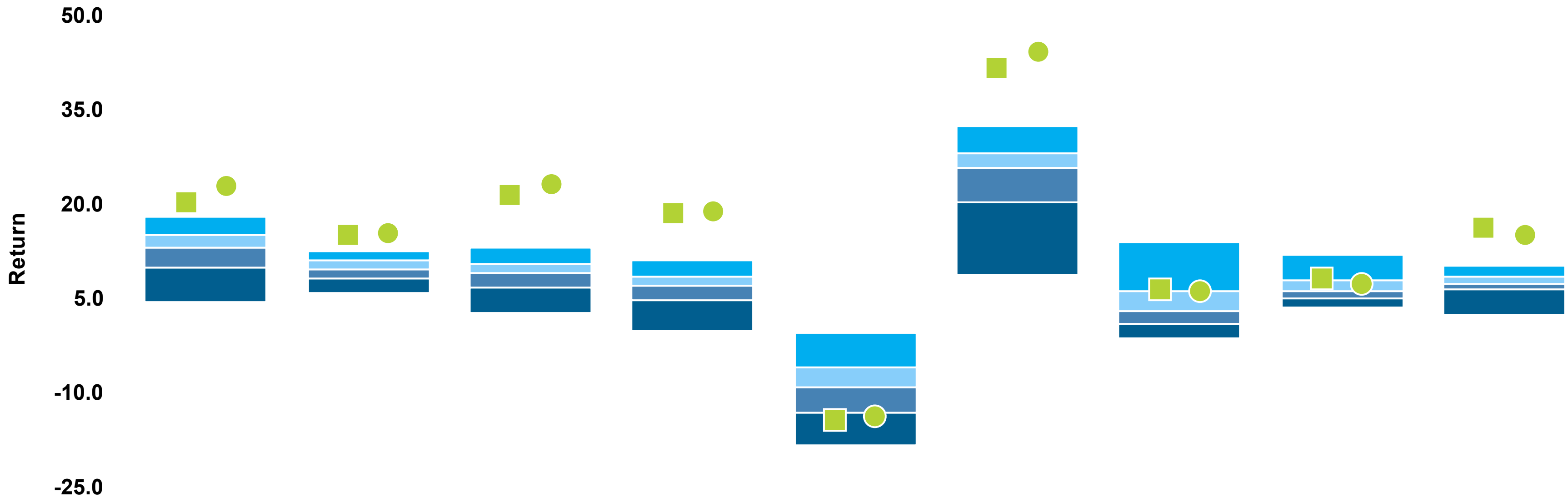
InvMetrics All DB $1B - $5B | As of June 30, 2026



	QTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
US Equity	15.2 (1)	20.4 (1)	18.9 (1)	11.3 (1)	14.5 (1)	14.5 (1)
Russell 3000	15.4 (1)	22.8 (1)	20.4 (1)	12.3 (1)	15.4 (1)	15.0 (1)
5th Percentile	10.5	17.9	14.2	8.0	10.0	9.9
1st Quartile	8.6	15.1	12.0	6.7	8.9	8.9
Median	7.1	13.2	10.7	5.9	8.0	8.2
3rd Quartile	5.1	9.8	8.2	3.8	6.2	6.8
95th Percentile	1.9	4.4	4.5	-0.4	2.6	3.9
Population	193	190	188	184	183	178

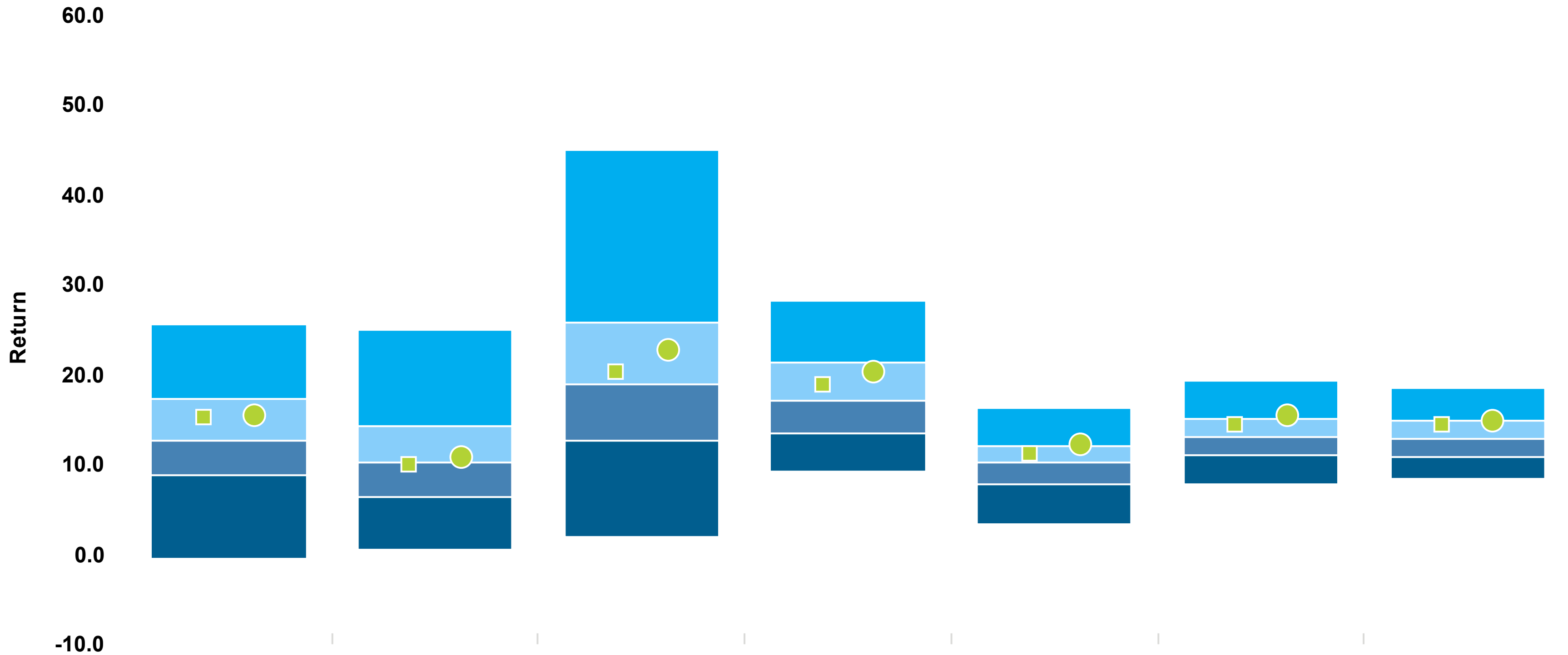
Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

InvMetrics All DB $1B - $5B | As of June 30, 2026



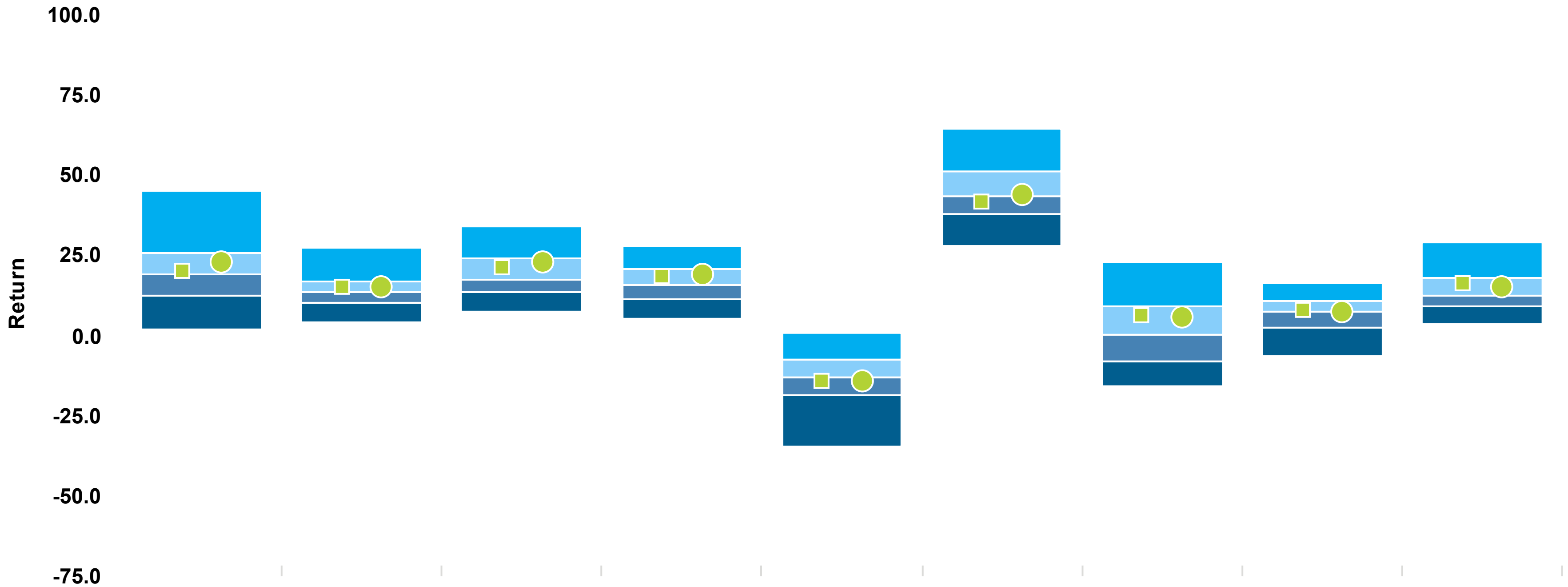
	Jul-2025 To Jun-2026	Jul-2024 To Jun-2025	Jul-2023 To Jun-2024	Jul-2022 To Jun-2023	Jul-2021 To Jun-2022	Jul-2020 To Jun-2021	Jul-2019 To Jun-2020	Jul-2018 To Jun-2019	Jul-2017 To Jun-2018
US Equity	20.4 (1)	15.0 (1)	21.5 (1)	18.6 (1)	-14.3 (80)	41.6 (1)	6.3 (25)	8.2 (23)	16.3 (1)
Russell 3000	22.8 (1)	15.3 (1)	23.1 (1)	19.0 (1)	-13.9 (79)	44.2 (1)	6.1 (27)	7.3 (34)	15.2 (1)
5th Percentile	17.9	12.6	13.1	11.1	-0.4	32.5	14.0	11.8	10.2
1st Quartile	15.1	11.0	10.6	8.4	-5.9	28.1	6.3	7.8	8.6
Median	13.2	9.7	9.1	7.0	-9.0	25.8	2.9	6.1	7.4
3rd Quartile	9.8	8.0	6.7	4.9	-13.1	20.3	1.0	5.0	6.3
95th Percentile	4.4	5.8	2.7	-0.2	-18.3	8.6	-1.4	3.7	2.4
Population	190	291	289	317	315	383	358	277	239

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.



	QTD	CYTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
US Equity	15.2 (38)	10.1 (52)	20.4 (47)	18.9 (41)	11.3 (36)	14.5 (32)	14.5 (31)
Russell 3000	15.4 (35)	10.9 (48)	22.8 (34)	20.4 (30)	12.3 (24)	15.4 (21)	15.0 (25)
5th Percentile	25.6	25.1	45.1	28.3	16.3	19.2	18.4
1st Quartile	17.4	14.3	25.8	21.4	12.1	15.0	14.9
Median	12.7	10.3	18.9	17.2	10.2	13.1	12.8
3rd Quartile	8.7	6.3	12.7	13.6	7.9	11.1	10.8
95th Percentile	-0.5	0.5	1.9	9.2	3.3	7.9	8.5
Population	184	184	184	181	173	163	151

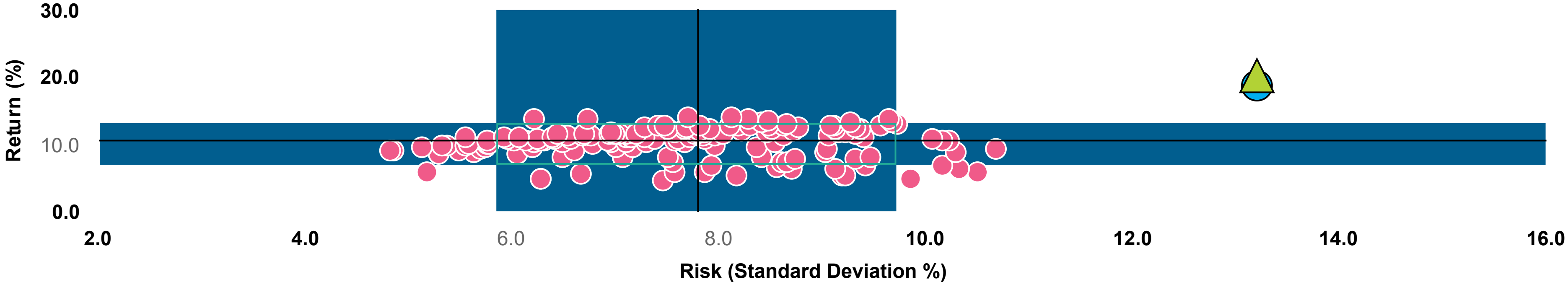
Parentheses contain percentile rankings.
Calculation based on monthly periodicity.



	Jul-2025 To Jun-2026	Jul-2024 To Jun-2025	Jul-2023 To Jun-2024	Jul-2022 To Jun-2023	Jul-2021 To Jun-2022	Jul-2020 To Jun-2021	Jul-2019 To Jun-2020	Jul-2018 To Jun-2019	Jul-2017 To Jun-2018
US Equity	20.4 (47)	15.0 (41)	21.5 (36)	18.6 (35)	-14.3 (60)	41.6 (63)	6.3 (35)	8.2 (47)	16.3 (29)
Russell 3000	22.8 (34)	15.3 (36)	23.1 (28)	19.0 (32)	-13.9 (56)	44.2 (48)	6.1 (35)	7.3 (51)	15.2 (35)
5th Percentile	45.1	27.4	33.9	27.7	0.8	64.8	22.8	16.5	28.9
1st Quartile	25.8	16.8	24.1	20.5	-7.3	51.2	9.3	10.9	18.0
Median	18.9	13.7	17.7	15.7	-13.2	43.7	0.2	7.5	12.4
3rd Quartile	12.7	10.2	13.7	11.5	-18.7	38.2	-7.8	2.4	9.0
95th Percentile	1.9	4.3	7.5	5.5	-34.8	28.0	-15.9	-6.5	3.6
Population	184	208	214	221	224	243	259	267	269

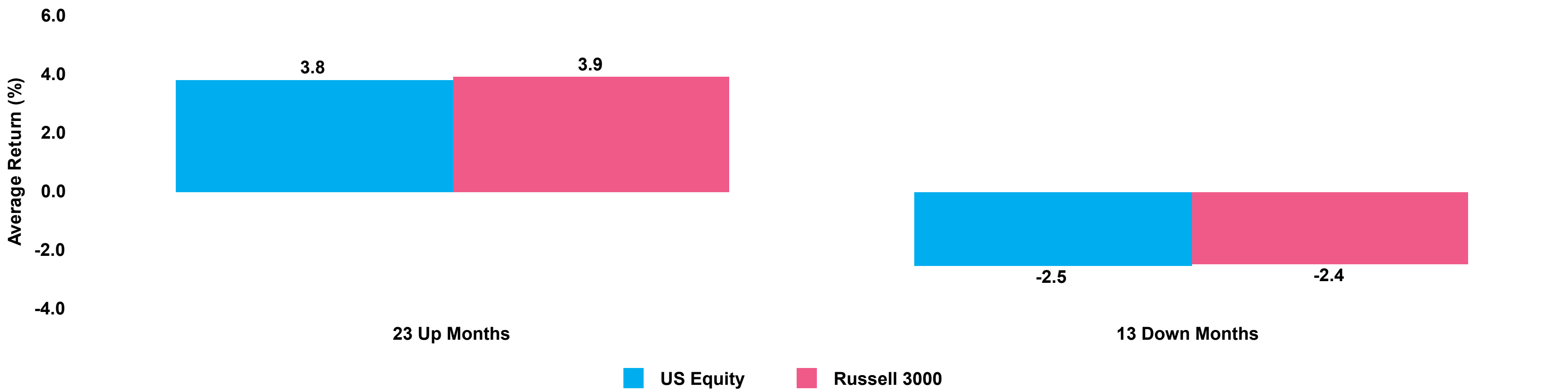
Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Plan Sponsor Peer Group Analysis 3-year | As of June 30, 2026

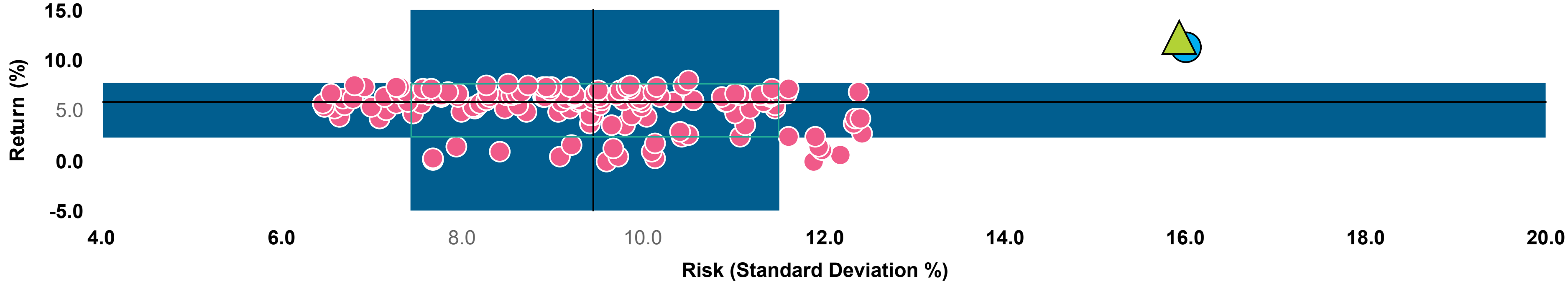


	Return	Standard Deviation
US Equity	18.9	13.2
Russell 3000	20.4	13.2
Median	10.7	7.8

Up Down Market Bar Chart

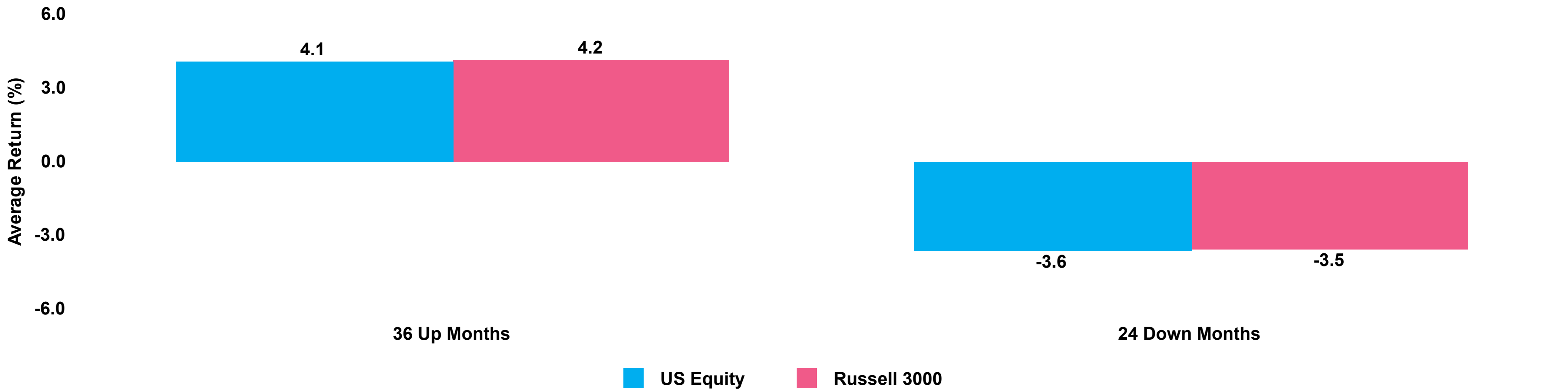


Plan Sponsor Peer Group Analysis 5-year | As of June 30, 2026



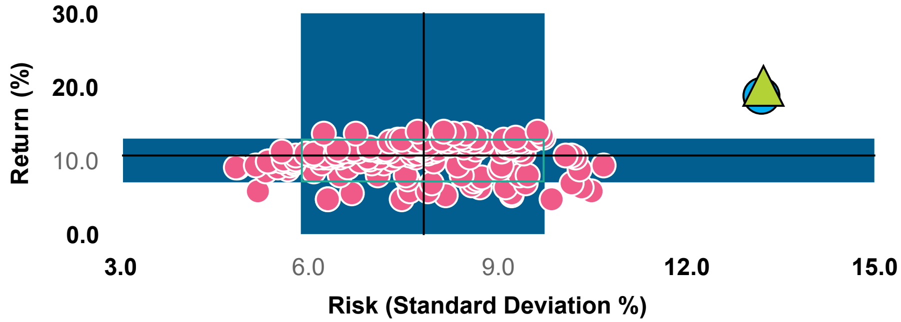
	Return	Standard Deviation
US Equity	11.3	16.0
Russell 3000	12.3	15.9
Median	5.9	9.4

Up Down Market Bar Chart



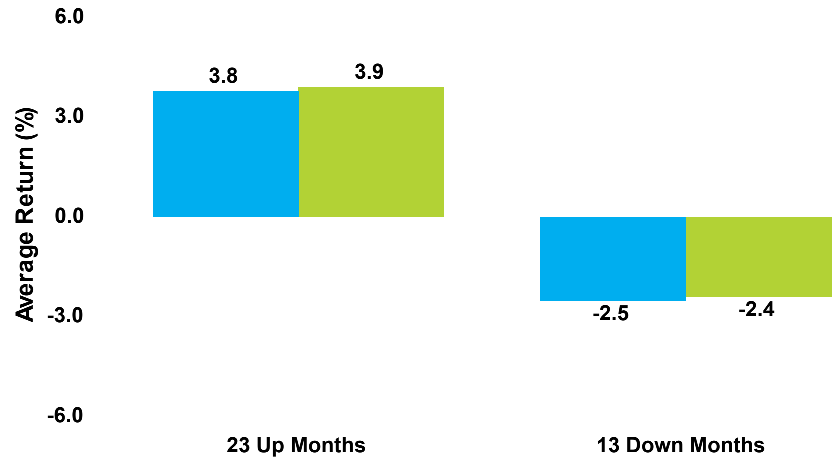
US Equity vs All Public Plans $1B-$5B | As of June 30, 2026

Plan Sponsor Scattergram - 3 Years



	Return	Standard Deviation
US Equity	18.9	13.2
Russell 3000	20.4	13.2
Median	10.7	7.8

Up/Down Markets - 3 Years

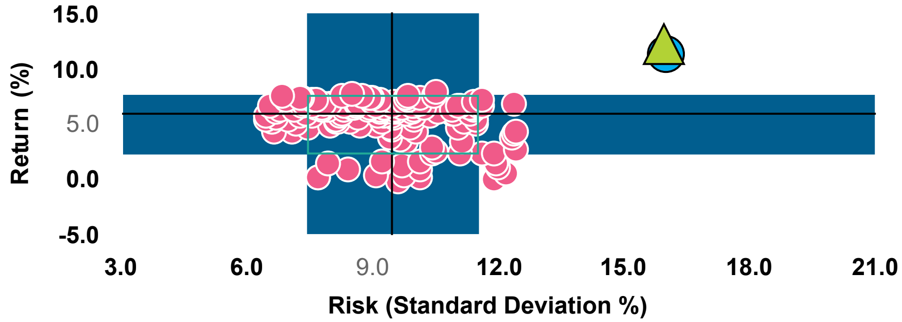


Plan Sponsor Peer Group Analysis - Multi Statistics

	Beta 3 Yrs (%)	Downside Risk 3 Yrs (%)	Excess Return 3 Yrs (%)	Sharpe Ratio 3 Yrs (%)	Standard Deviation 3 Yrs (%)
US Equity	1.0 (100)	6.7 (95)	13.8 (1)	1.0 (9)	13.2 (100)
Russell 3000	1.0 (100)	6.5 (94)	15.0 (1)	1.1 (3)	13.2 (100)
5th Percentile	0.3	2.5	9.2	1.1	4.8
1st Quartile	0.4	3.4	7.2	1.0	6.5
Median	0.5	4.2	6.0	0.8	7.8
3rd Quartile	0.6	5.2	3.7	0.5	9.0
95th Percentile	0.7	6.6	0.2	0.0	10.7

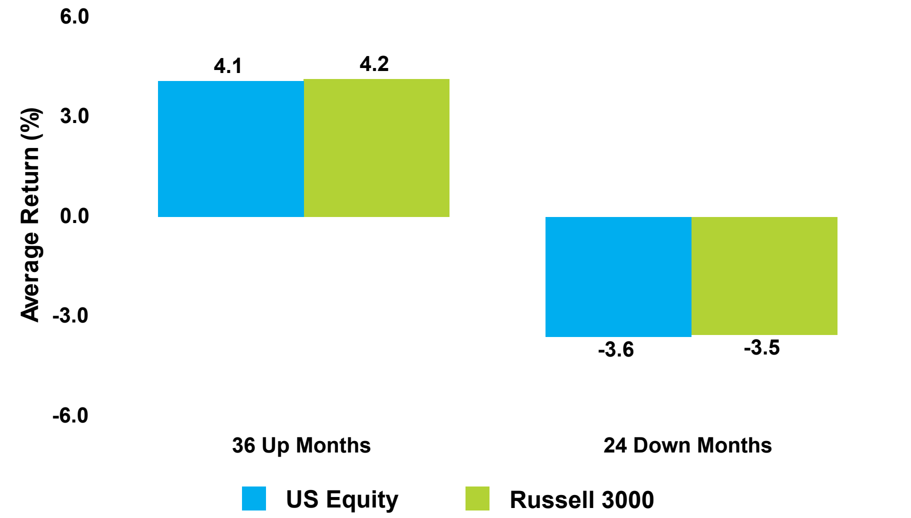
US Equity vs All Public Plans $1B-$5B | As of June 30, 2026

Plan Sponsor Scattergram - 5 Years

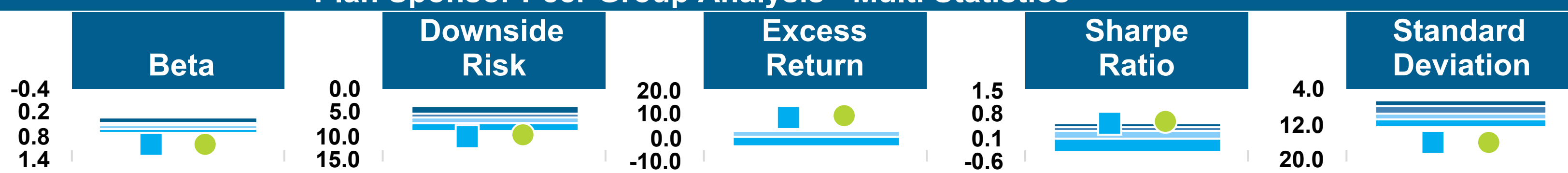


	Return	Standard Deviation
US Equity	11.3	16.0
Russell 3000	12.3	15.9
Median	5.9	9.4

Up/Down Markets - 5 Years



Plan Sponsor Peer Group Analysis - Multi Statistics



	Beta 5 Yrs (%)	Downside Risk 5 Yrs (%)	Excess Return 5 Yrs (%)	Sharpe Ratio 5 Yrs (%)	Standard Deviation 5 Yrs (%)
US Equity	1.0 (100)	10.0 (98)	8.6 (1)	0.5 (5)	16.0 (100)
Russell 3000	1.0 (100)	9.8 (98)	9.5 (1)	0.6 (3)	15.9 (100)
5th Percentile	0.3	3.8	4.8	0.5	6.4
1st Quartile	0.5	5.2	3.5	0.4	8.0
Median	0.5	6.2	2.8	0.3	9.4
3rd Quartile	0.6	7.2	0.7	0.1	10.9
95th Percentile	0.7	8.9	-3.3	-0.3	12.7

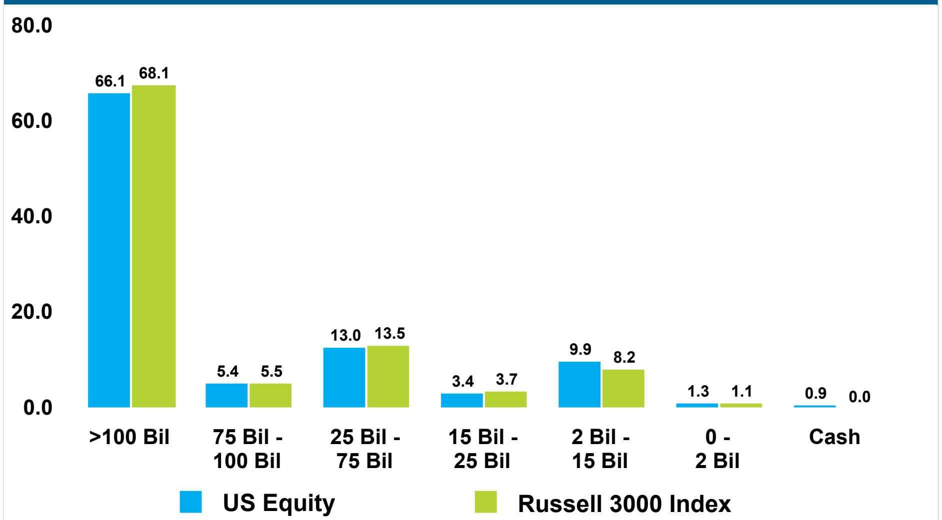
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
NVIDIA Corporation	6.3	6.4	-0.1	14.9
Apple Inc	5.6	5.8	-0.2	14.1
Microsoft Corp	3.7	3.8	-0.1	1.0
Amazon.com Inc	3.1	3.2	-0.1	14.4
Alphabet Inc Class A	2.8	2.9	-0.1	24.4
Broadcom Inc	2.4	2.4	0.0	22.2
Alphabet Inc Class C	2.2	2.3	-0.1	23.2
Micron Technology Inc.	1.7	1.8	-0.1	241.7
Meta Platforms Inc	1.7	1.7	0.0	-1.5
Tesla Inc	1.6	1.7	-0.1	13.1
% of Portfolio	**31.1**	**32.0**	**-0.9**	

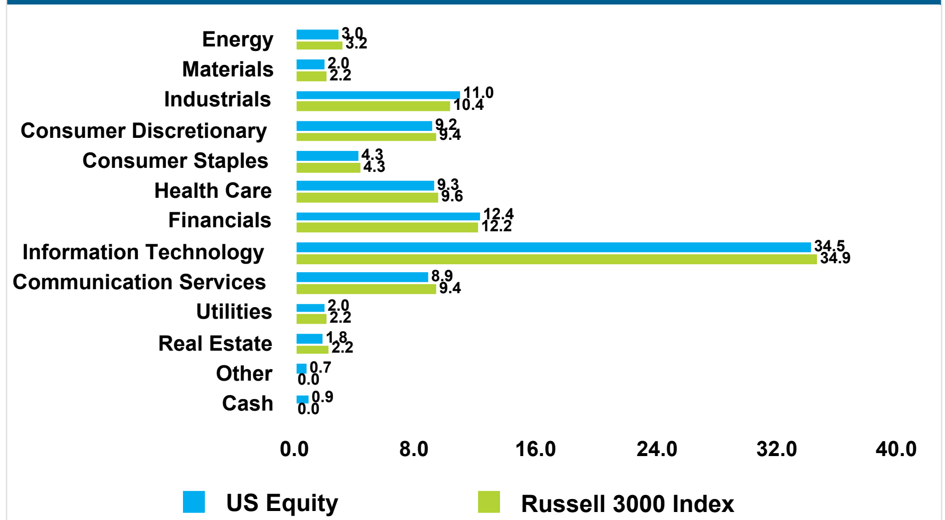
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap $	1,201,858,336,237.4	1,235,925,679,257.5
Median Mkt. Cap $	16,017,722,060.0	2,725,010,200.0
Price/Earnings ratio	25.1	24.5
Price/Book ratio	5.0	4.9
5 Yr. EPS Growth Rate (%)	23.8	23.7
Current Yield (%)	1.1	1.1
Beta (5 Years, Monthly)	1.0	1.0
Number of Stocks	1,074	2,998

Distribution of Market Capitalization (%)

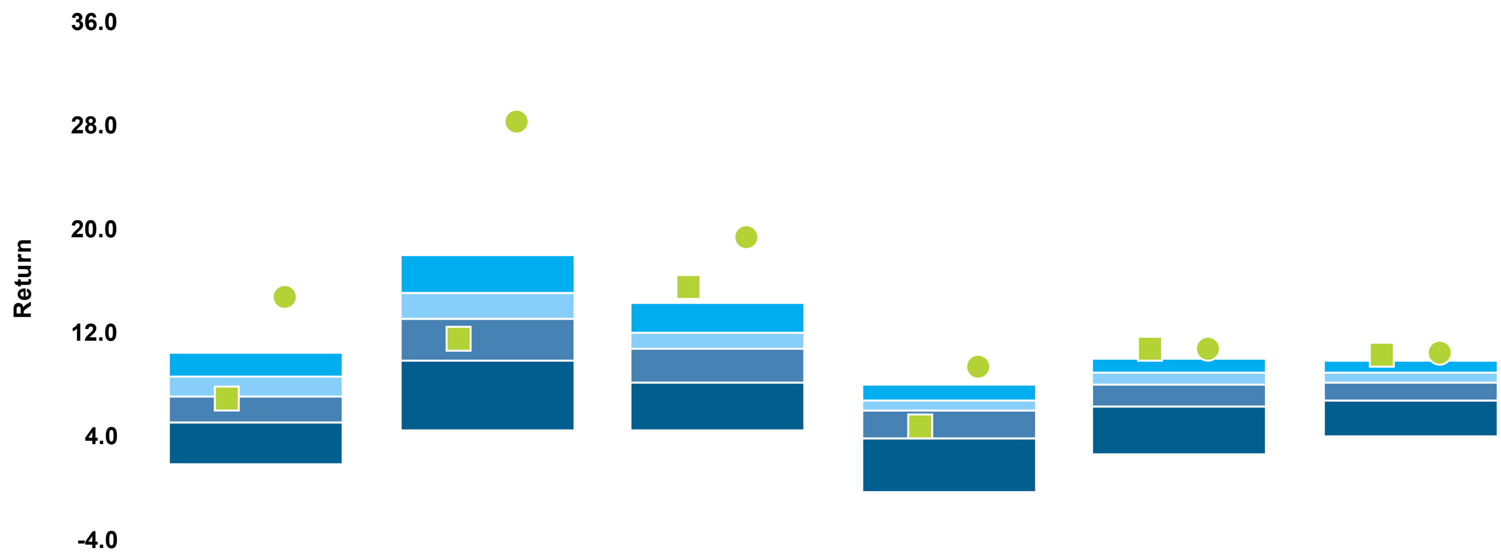


Sector Weights (%)



Int'l (non-US) Equity Analysis

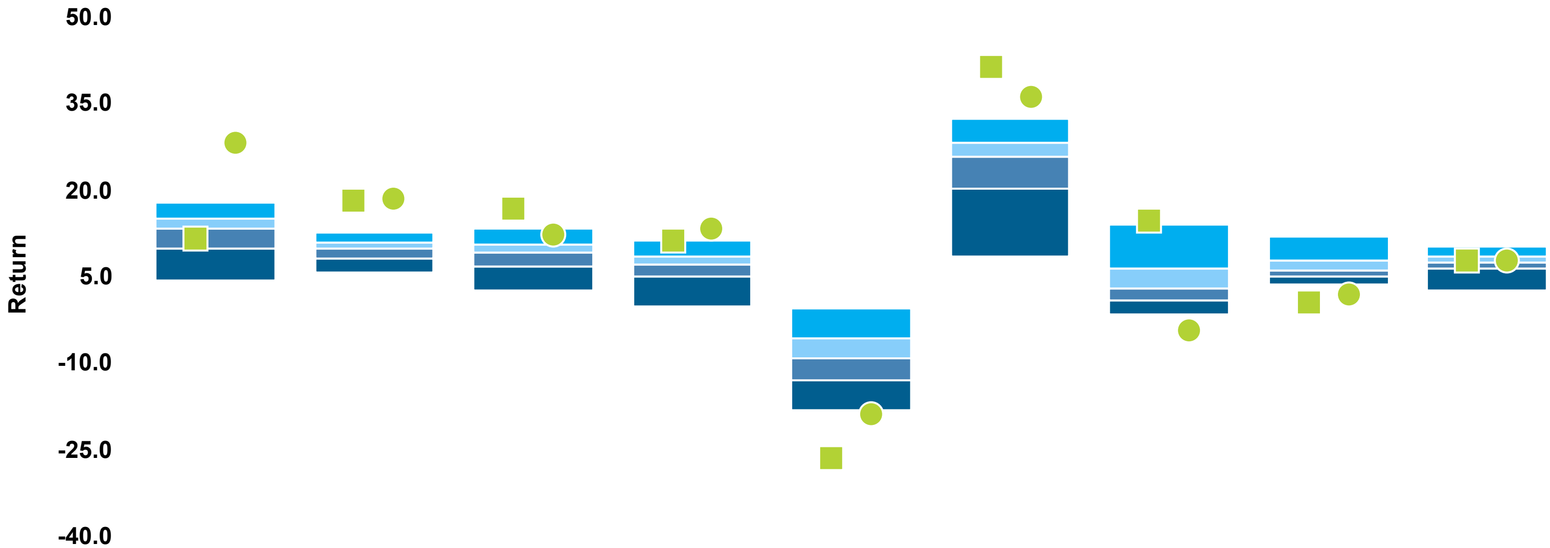
InvMetrics All DB $1B - $5B | As of June 30, 2026



	QTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
International Equity	6.9 (55)	11.5 (67)	15.5 (1)	4.7 (69)	10.7 (2)	10.3 (2)
MSCI AC World ex USA Index	14.7 (1)	28.3 (1)	19.4 (1)	9.3 (1)	10.7 (2)	10.5 (2)
5th Percentile	10.5	17.9	14.2	8.0	10.0	9.9
1st Quartile	8.6	15.1	12.0	6.7	8.9	8.9
Median	7.1	13.2	10.7	5.9	8.0	8.2
3rd Quartile	5.1	9.8	8.2	3.8	6.2	6.8
95th Percentile	1.9	4.4	4.5	-0.4	2.6	3.9
Population	193	190	188	184	183	178

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

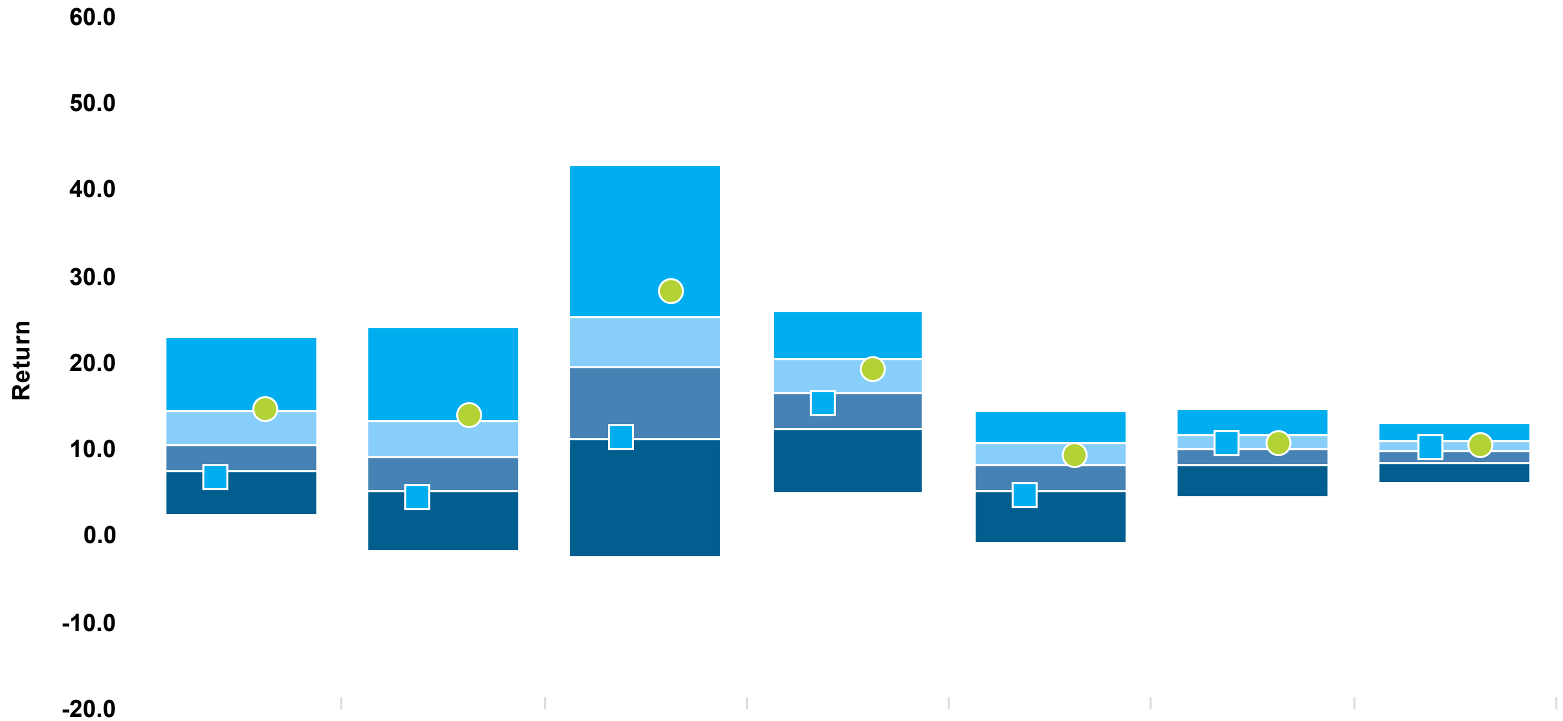
InvMetrics All DB $1B - $5B | As of June 30, 2026



	Jul-2025 To Jun-2026	Jul-2024 To Jun-2025	Jul-2023 To Jun-2024	Jul-2022 To Jun-2023	Jul-2021 To Jun-2022	Jul-2020 To Jun-2021	Jul-2019 To Jun-2020	Jul-2018 To Jun-2019	Jul-2017 To Jun-2018
International Equity	11.5 (67)	18.1 (1)	16.9 (1)	11.2 (5)	-26.5 (100)	41.5 (1)	14.5 (4)	0.6 (100)	7.8 (43)
MSCI AC World ex USA Index	28.3 (1)	18.4 (1)	12.2 (10)	13.3 (2)	-19.0 (97)	36.3 (1)	-4.4 (99)	1.8 (100)	7.8 (45)
5th Percentile	17.9	12.6	13.1	11.1	-0.4	32.5	14.0	11.8	10.2
1st Quartile	15.1	11.0	10.6	8.4	-5.9	28.1	6.3	7.8	8.6
Median	13.2	9.7	9.1	7.0	-9.0	25.8	2.9	6.1	7.4
3rd Quartile	9.8	8.0	6.7	4.9	-13.1	20.3	1.0	5.0	6.3
95th Percentile	4.4	5.8	2.7	-0.2	-18.3	8.6	-1.4	3.7	2.4
Population	190	291	289	317	315	383	358	277	239

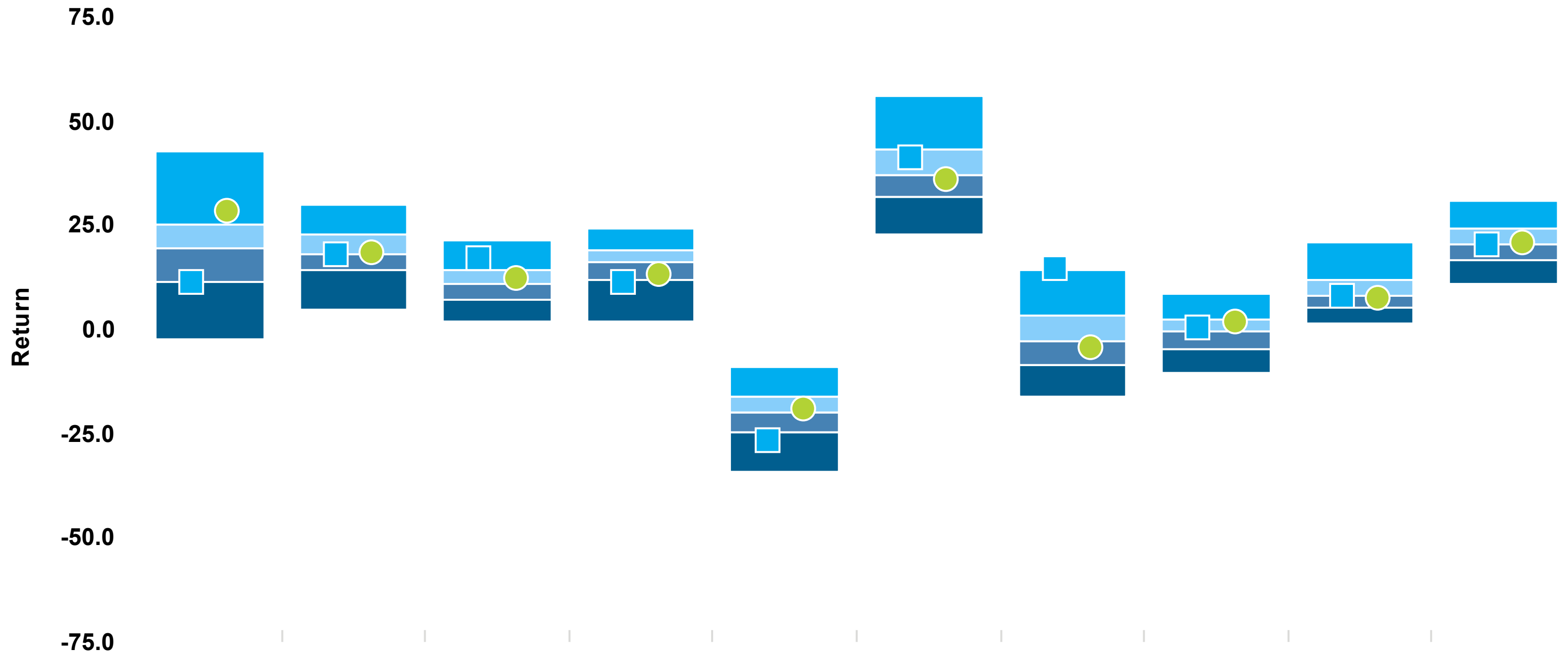
Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Peer Group Analysis | As of June 30, 2026



	QTD	CYTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
International Equity	6.9 (80)	4.5 (79)	11.5 (75)	15.5 (57)	4.7 (77)	10.7 (38)	10.3 (36)
MSCI AC World ex USA Index	14.7 (24)	14.0 (21)	28.3 (18)	19.4 (32)	9.3 (38)	10.7 (39)	10.5 (32)
5th Percentile	23.1	24.1	42.8	26.1	14.4	14.6	13.0
1st Quartile	14.4	13.3	25.3	20.4	10.7	11.7	10.9
Median	10.6	9.2	19.5	16.6	8.1	10.1	9.8
3rd Quartile	7.6	5.1	11.3	12.3	5.2	8.2	8.5
95th Percentile	2.3	-1.7	-2.5	5.0	-0.9	4.5	6.1
Population	635	635	632	608	584	550	489

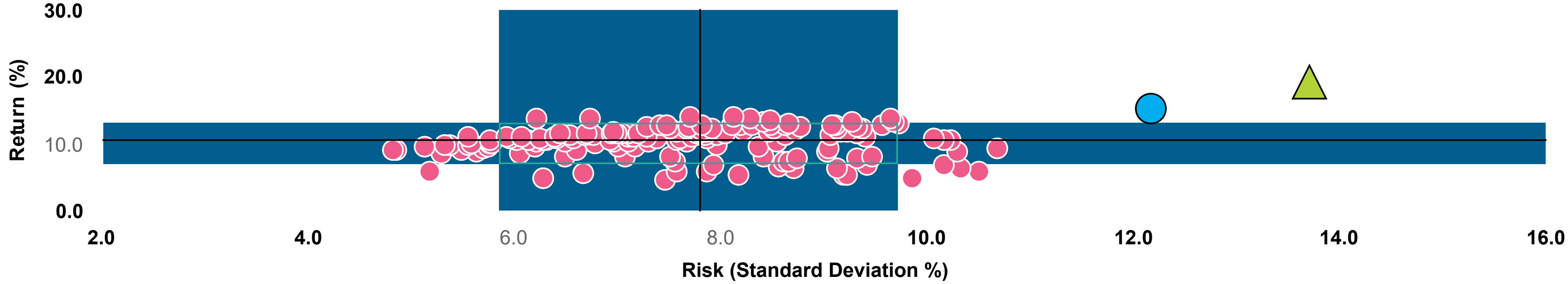
Parentheses contain percentile rankings.
Calculation based on monthly periodicity.



	Jul-2025 To Jun-2026	Jul-2024 To Jun-2025	Jul-2023 To Jun-2024	Jul-2022 To Jun-2023	Jul-2021 To Jun-2022	Jul-2020 To Jun-2021	Jul-2019 To Jun-2020	Jul-2018 To Jun-2019	Jul-2017 To Jun-2018	Jul-2016 To Jun-2017
International Equity	11.5 (75)	18.1 (51)	16.9 (15)	11.2 (79)	-26.5 (82)	41.5 (32)	14.5 (5)	0.6 (42)	7.8 (52)	20.2 (50)
MSCI AC World ex USA Index	28.3 (18)	18.4 (49)	12.2 (38)	13.3 (67)	-19.0 (43)	36.3 (55)	-4.4 (56)	1.8 (30)	7.8 (52)	21.0 (45)
5th Percentile	42.8	29.7	21.4	24.2	-9.0	56.1	14.1	8.6	21.0	31.0
1st Quartile	25.3	22.6	14.3	19.1	-16.4	43.0	3.1	2.3	11.9	24.3
Median	19.5	18.2	10.7	16.1	-19.8	37.1	-2.9	-0.5	8.0	20.2
3rd Quartile	11.3	14.4	7.1	12.0	-24.6	31.8	-8.6	-4.8	5.2	16.7
95th Percentile	-2.5	4.9	1.7	1.9	-34.3	22.7	-16.3	-10.3	1.4	11.1
Population	632	704	706	738	752	763	782	791	792	781

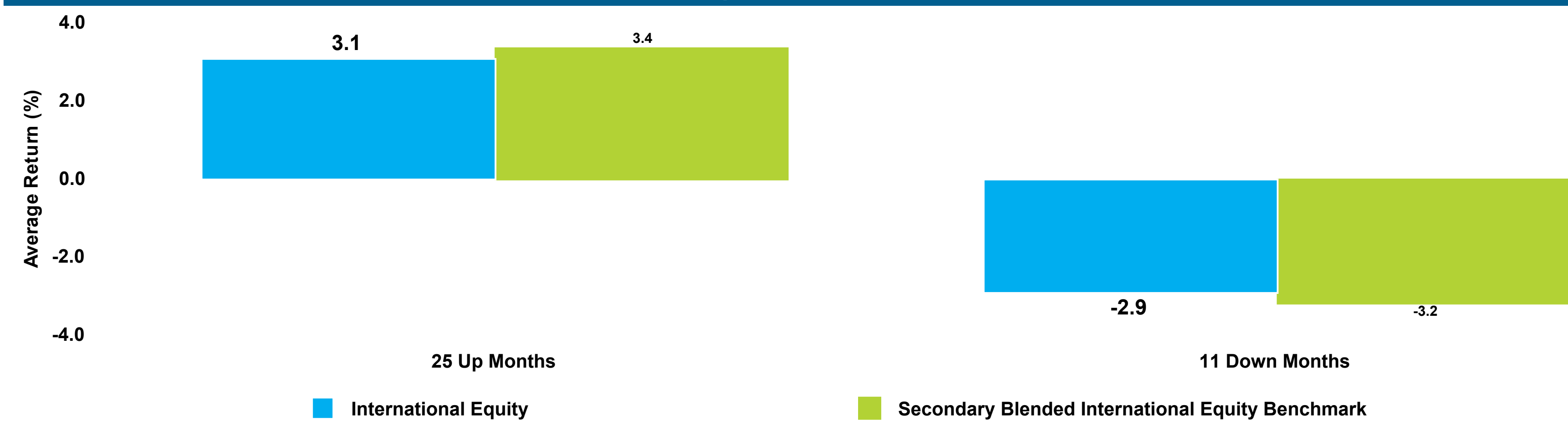
Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Plan Sponsor Peer Group Analysis 3-year | As of June 30, 2026



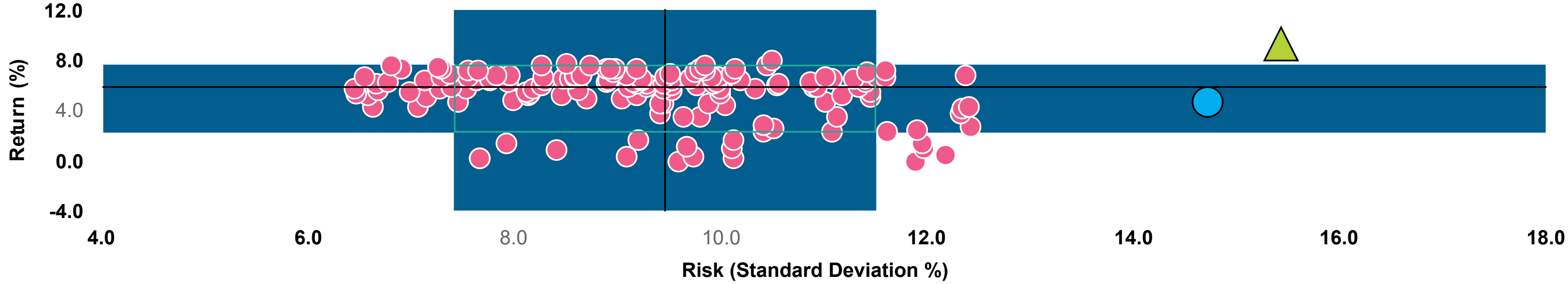
	Return	Standard Deviation
International Equity	15.5	12.2
MSCI AC World ex USA Index	19.4	13.7
Median	10.7	7.8

Up Down Market Bar Chart



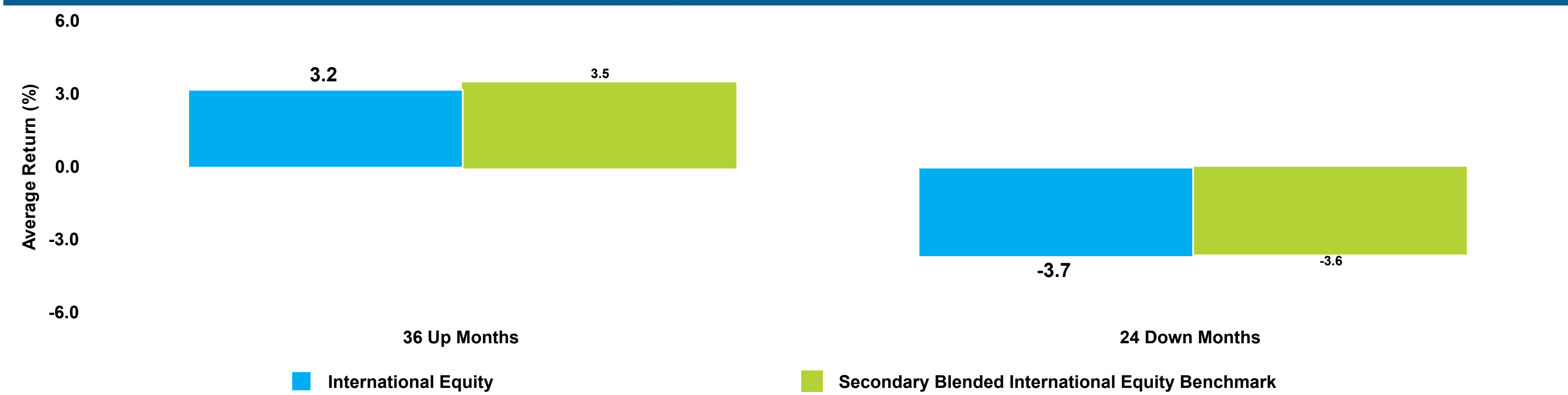
MEKETA

Plan Sponsor Peer Group Analysis 5-year | As of June 30, 2026



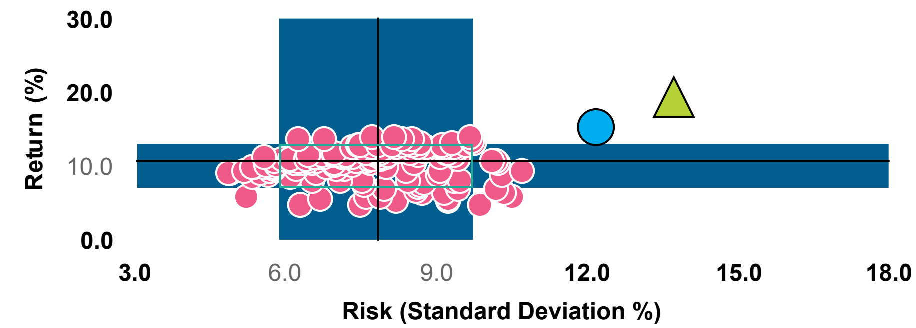
	Return	Standard Deviation
International Equity	4.7	14.7
MSCI AC World ex USA Index	9.3	15.4
Median	5.9	9.4

Up Down Market Bar Chart



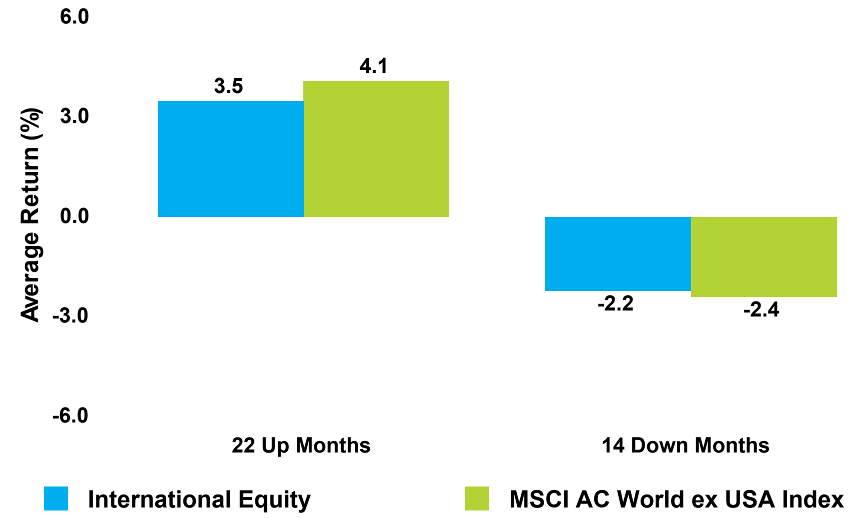
International Equity vs All Public Plans $1B-$5B | As of June 30, 2026

Plan Sponsor Scattergram - 3 Years



	Return	Standard Deviation
International Equity	15.5	12.2
MSCI AC World ex USA Index	19.4	13.7
Median	10.7	7.8

Up/Down Markets - 3 Years

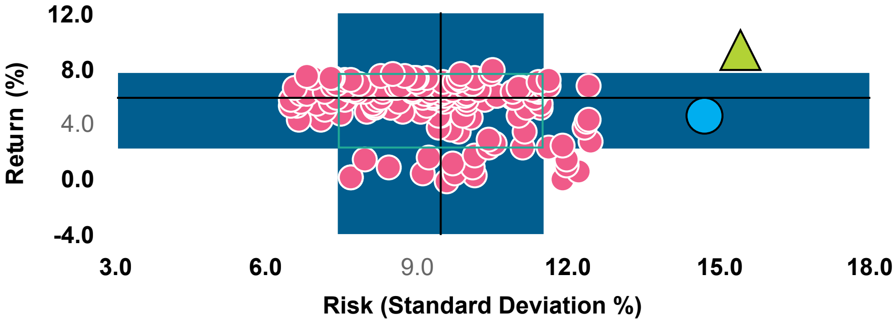


Plan Sponsor Peer Group Analysis - Multi Statistics

	Beta 3 Yrs (%)	Downside Risk 3 Yrs (%)	Excess Return 3 Yrs (%)	Sharpe Ratio 3 Yrs (%)	Standard Deviation 3 Yrs (%)
International Equity	0.8 (100)	7.3 (96)	10.7 (1)	0.9 (44)	12.2 (98)
MSCI AC World ex USA Index	1.0 (100)	8.0 (97)	14.3 (1)	1.0 (9)	13.7 (100)
5th Percentile	0.3	2.5	9.2	1.1	4.8
1st Quartile	0.4	3.4	7.2	1.0	6.5
Median	0.5	4.2	6.0	0.8	7.8
3rd Quartile	0.5	5.2	3.7	0.5	9.0
95th Percentile	0.6	6.6	0.2	0.0	10.7

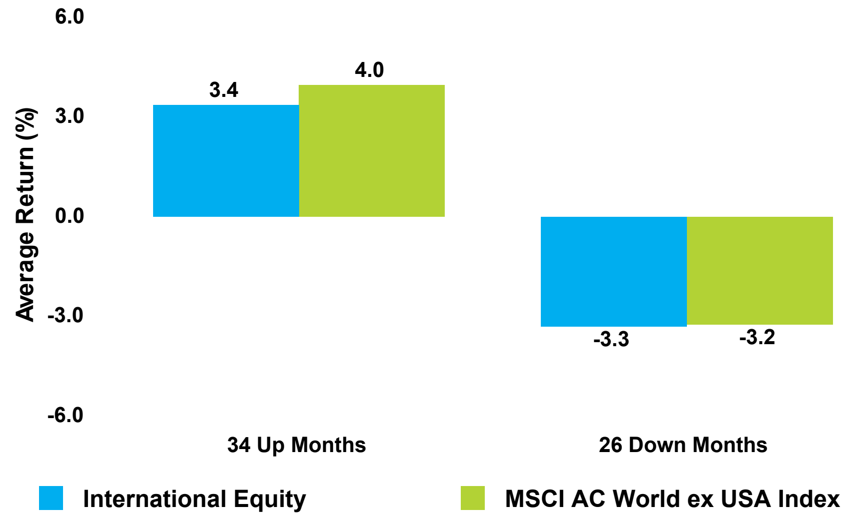
International Equity vs All Public Plans $1B-$5B | As of June 30, 2026

Plan Sponsor Scattergram - 5 Years



	Return	Standard Deviation
International Equity	4.7	14.7
MSCI AC World ex USA Index	9.3	15.4
Median	5.9	9.4

Up/Down Markets - 5 Years



Plan Sponsor Peer Group Analysis - Multi Statistics

	Beta 5 Yrs (%)	Downside Risk 5 Yrs (%)	Excess Return 5 Yrs (%)	Sharpe Ratio 5 Yrs (%)	Standard Deviation 5 Yrs (%)
International Equity	0.9 (100)	9.9 (98)	2.2 (61)	0.2 (71)	14.7 (100)
MSCI AC World ex USA Index	1.0 (100)	9.9 (98)	6.7 (1)	0.4 (18)	15.4 (100)
5th Percentile	0.4	3.8	4.8	0.5	6.4
1st Quartile	0.5	5.2	3.5	0.4	8.0
Median	0.5	6.2	2.8	0.3	9.4
3rd Quartile	0.6	7.2	0.7	0.1	10.9
95th Percentile	0.7	8.9	-3.3	-0.3	12.7

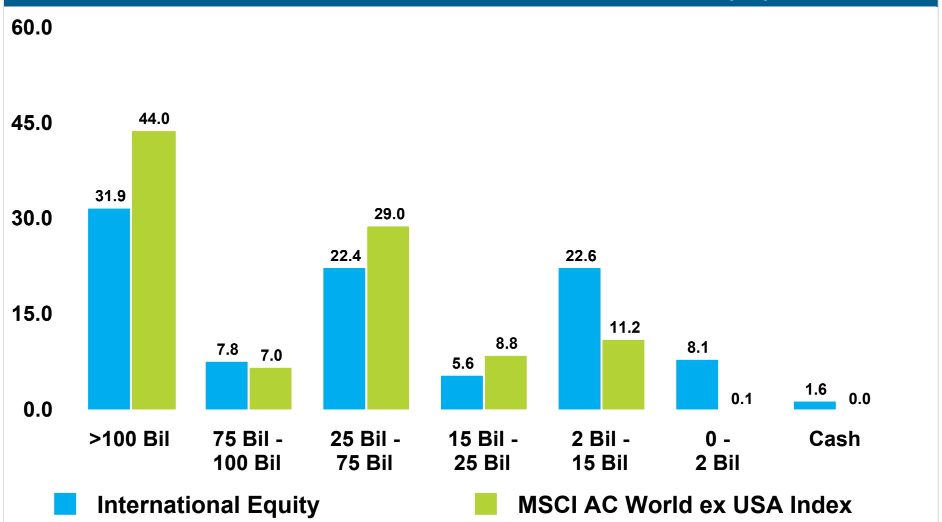
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Gold - Physical	2.3	0.0	2.3	-
Arm Holdings plc	2.2	0.0	2.2	134.4
British American Tobacco PLC	1.9	0.3	1.6	7.7
Philip Morris International Inc	1.7	0.0	1.7	10.3
CrowdStrike Holdings Inc	1.5	0.0	1.5	95.5
Tencent Holdings LTD	1.2	0.9	0.3	-10.2
Nestle SA, Cham Und Vevey	1.2	0.7	0.5	9.8
Samsung Electronics Co Ltd	1.1	2.7	-1.6	97.7
Chubb Ltd	1.1	0.0	1.1	4.9
MercadoLibre Inc	1.1	0.0	1.1	-1.8
% of Portfolio	**15.3**	**4.6**	**10.7**	

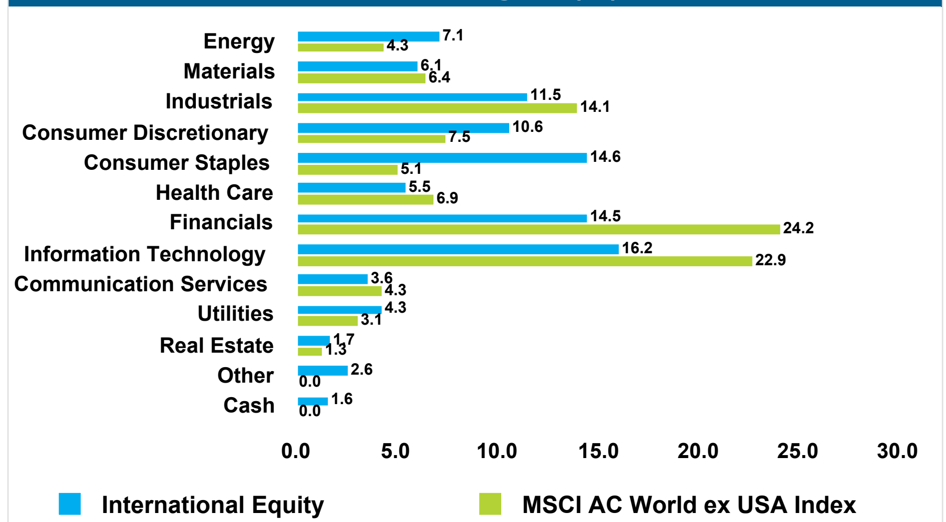
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap $	179,584,496,514.6	273,967,829,891.9
Median Mkt. Cap $	1,074,892,317.9	13,898,191,636.3
Price/Earnings ratio	18.1	18.1
Price/Book ratio	2.9	2.9
5 Yr. EPS Growth Rate (%)	17.2	17.8
Current Yield (%)	2.3	2.4
Beta (5 Years, Monthly)	0.9	1.0
Number of Stocks	2,255	1,934

Distribution of Market Capitalization (%)

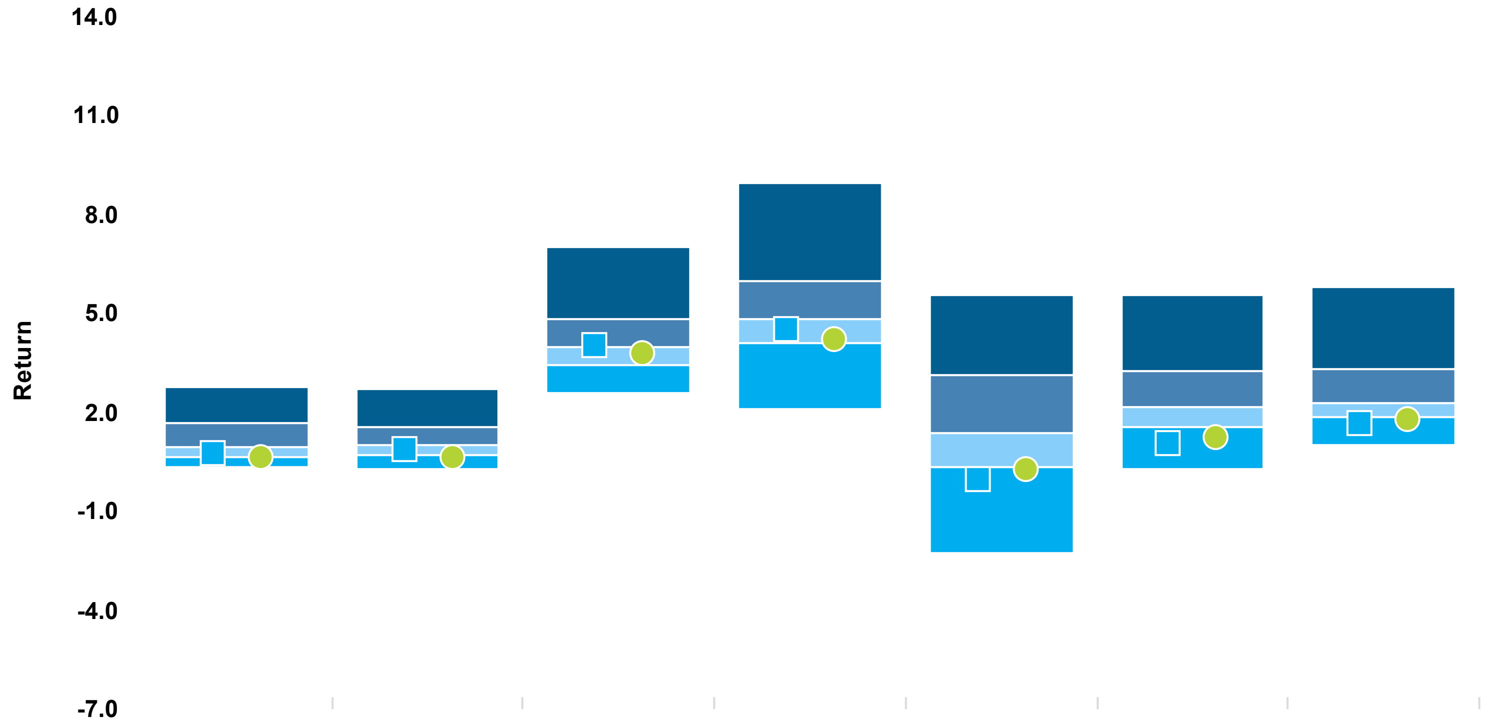


Sector Weights (%)



MEKETA

Fixed Income Analysis

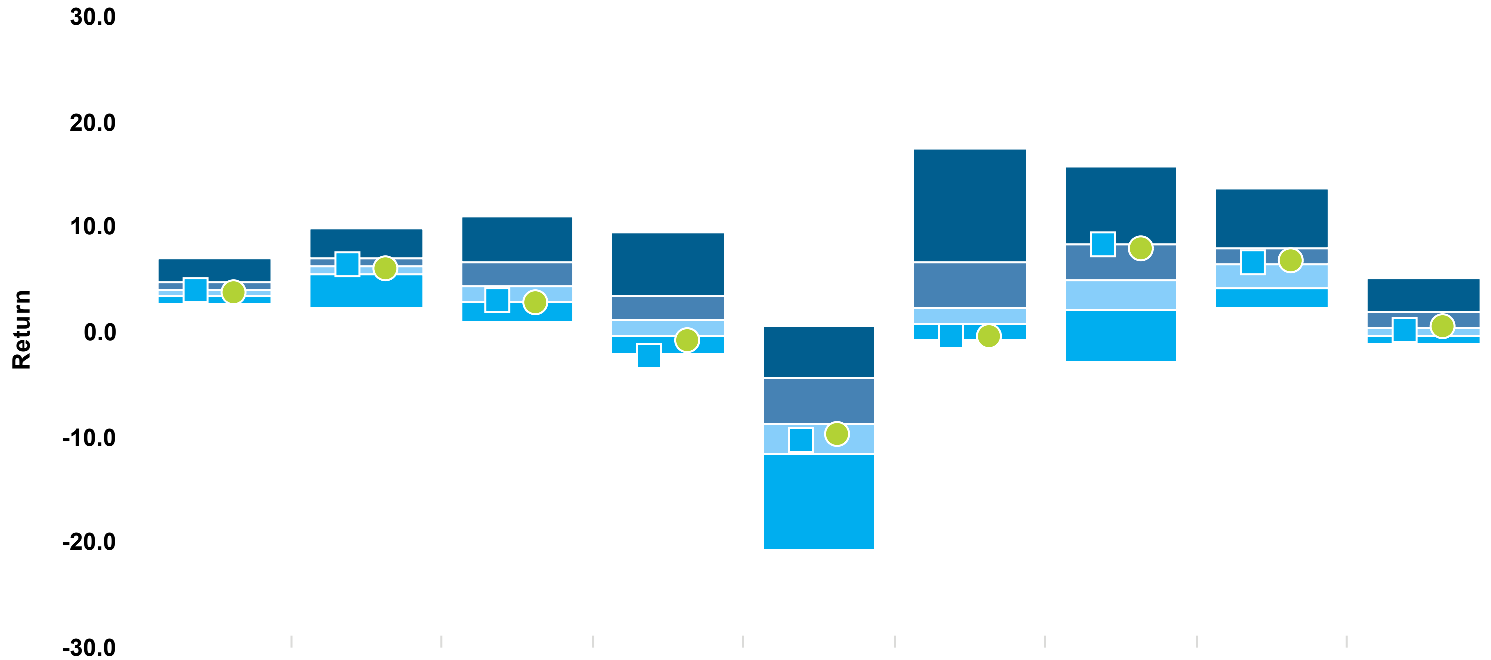


	QTD	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
US Fixed Income	0.8 (65)	0.9 (59)	4.0 (50)	4.5 (63)	0.0 (87)	1.1 (90)	1.7 (82)
US Fixed Income Custom Benchmark	0.7 (76)	0.6 (81)	3.8 (63)	4.2 (72)	0.3 (79)	1.3 (85)	1.8 (77)
5th Percentile	2.8	2.7	7.0	8.9	5.5	5.6	5.8
1st Quartile	1.7	1.5	4.8	6.0	3.1	3.2	3.3
Median	1.0	1.0	4.0	4.8	1.4	2.2	2.3
3rd Quartile	0.7	0.7	3.5	4.1	0.4	1.6	1.8
95th Percentile	0.4	0.3	2.6	2.1	-2.3	0.3	1.0
Population	1,248	1,248	1,246	1,212	1,142	1,115	1,027

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

MEKETA

Peer Group Analysis | As of June 30, 2026

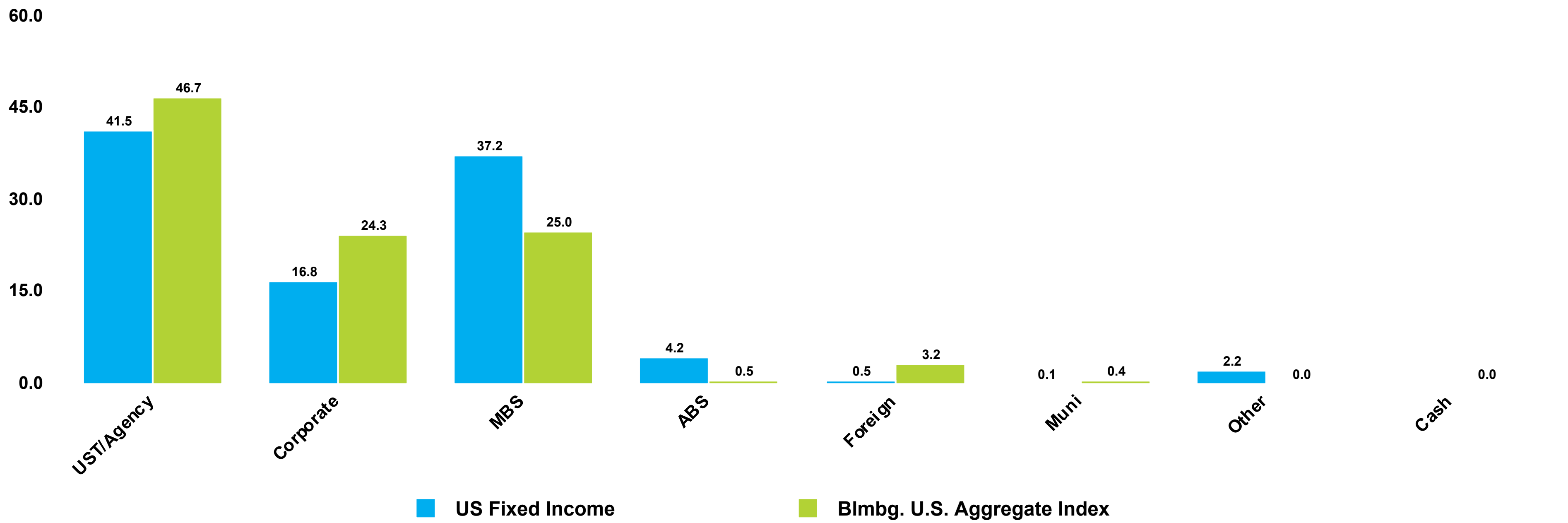


	Jul-2025 To Jun-2026	Jul-2024 To Jun-2025	Jul-2023 To Jun-2024	Jul-2022 To Jun-2023	Jul-2021 To Jun-2022	Jul-2020 To Jun-2021	Jul-2019 To Jun-2020	Jul-2018 To Jun-2019	Jul-2017 To Jun-2018
US Fixed Income	4.0 (50)	6.5 (45)	3.0 (72)	-2.4 (96)	-10.3 (61)	-0.3 (92)	8.3 (26)	6.7 (48)	0.2 (58)
US Fixed Income Custom Benchmark	3.8 (63)	6.0 (63)	2.8 (75)	-0.8 (82)	-9.6 (55)	-0.3 (92)	8.0 (28)	6.9 (45)	0.5 (48)
5th Percentile	7.0	9.8	11.0	9.5	0.6	17.5	15.8	13.7	5.1
1st Quartile	4.8	7.1	6.6	3.4	-4.4	6.7	8.3	8.0	1.8
Median	4.0	6.3	4.4	1.2	-8.8	2.3	4.9	6.5	0.4
3rd Quartile	3.5	5.5	2.8	-0.4	-11.6	0.7	2.0	4.3	-0.3
95th Percentile	2.6	2.2	0.9	-2.0	-20.6	-0.7	-2.9	2.2	-1.2
Population	1,246	1,336	1,378	1,437	1,454	1,509	1,533	1,549	1,577

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Fixed Income Characteristics			
	Q2 -26		Q1 -26
	US Fixed Income	Blmbg. U.S. Aggregate Index	US Fixed Income
Yield To Maturity	4.87	4.71	4.82
Average Duration	5.20	5.87	5.00
Average Quality	AA	AA	AA
Weight Average Maturity	-	8.38	-

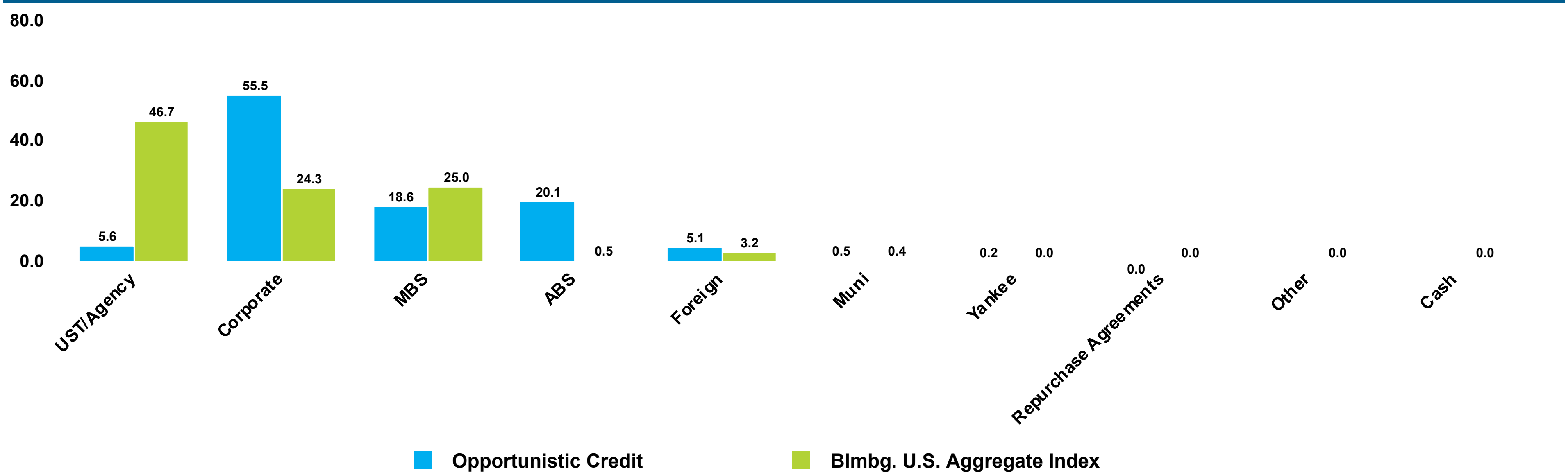
Sector Distribution (%)



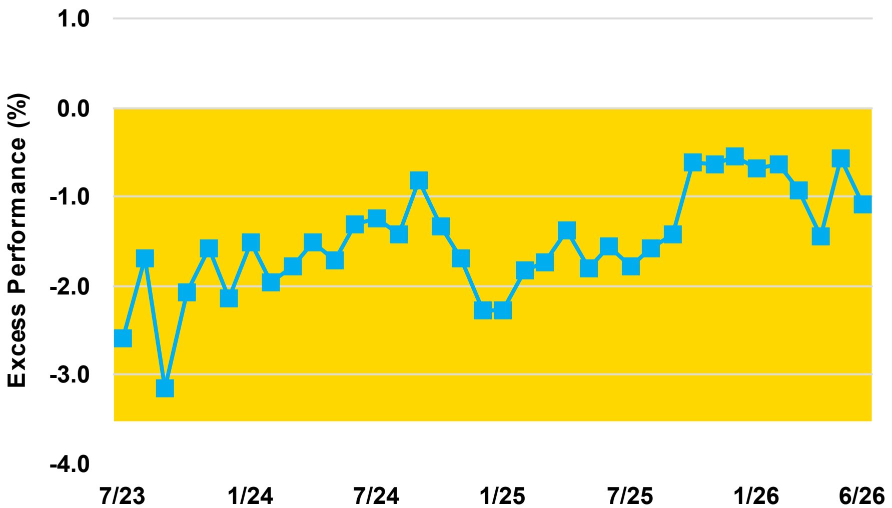
Fixed Income Characteristics

	Q2 -26		Q1 -26
	Opportunistic Credit	Blmbg. U.S. Aggregate Index	Opportunistic Credit
Yield To Maturity	8.56	4.71	8.39
Average Duration	2.59	5.87	2.54
Average Quality	BB	AA	BB
Weight Average Maturity	-	8.38	-

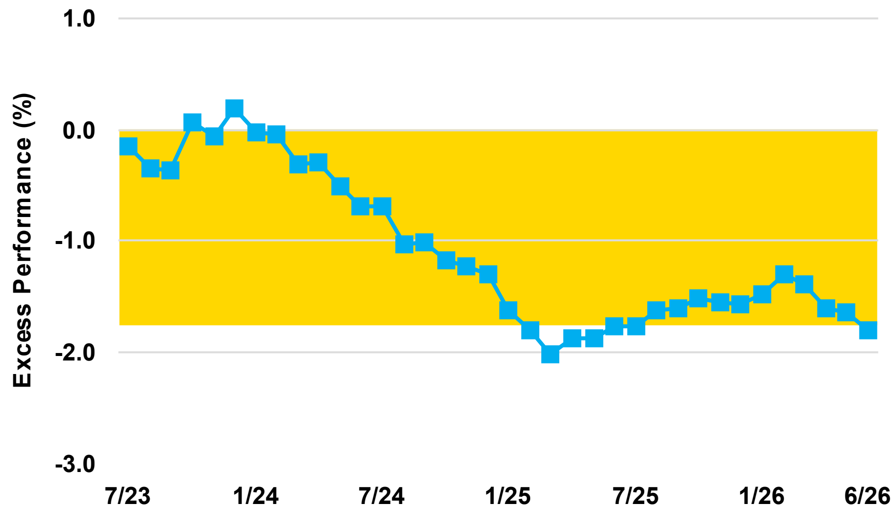
Sector Distribution (%)



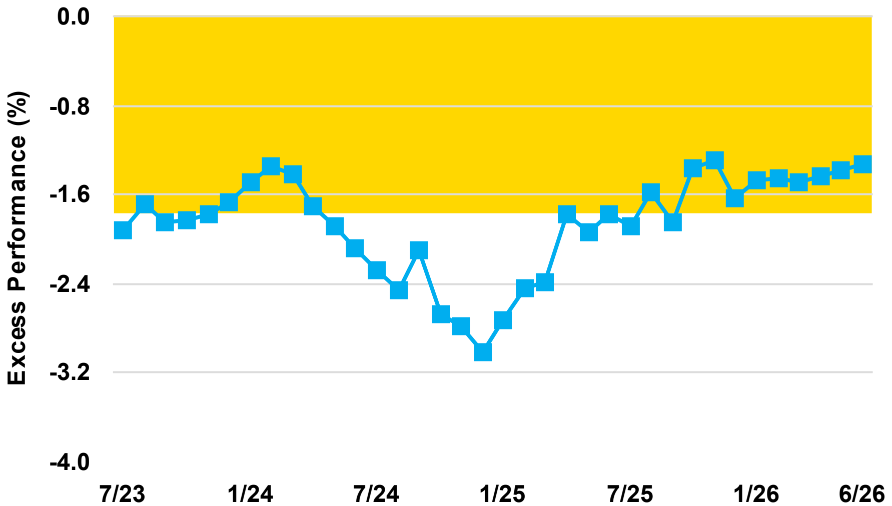
Short-Term (Rolling 12-Month Excess Performance)



Long-Term (Rolling 60-Month Excess Performance)



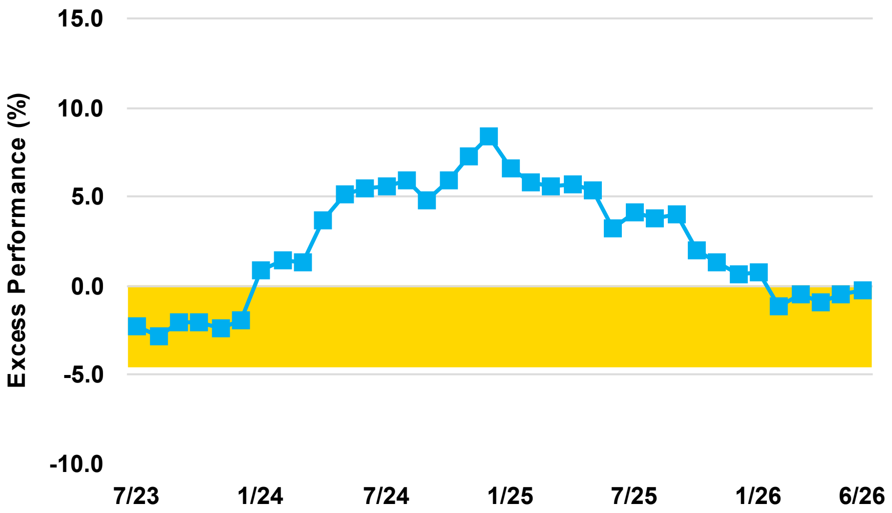
Medium Term (Rolling 36-Month Excess Performance)



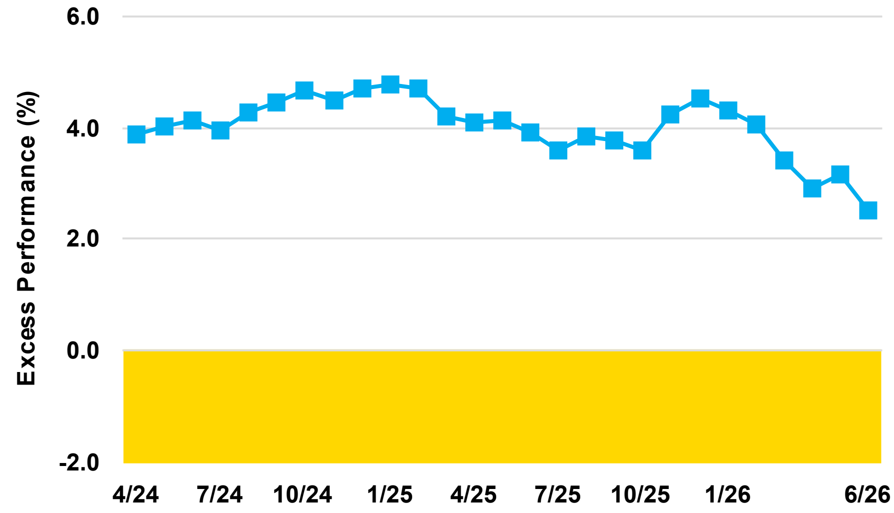
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
BNY Mellon Newton Dynamic US Equity	15.1	9.8	21.2	19.3	11.6	16.2	01/01/2013
S&P 500 Index	15.2	10.2	22.3	20.6	13.4	15.1	
eV US Large Cap Core Equity Median	13.8	8.8	18.7	18.7	11.8	14.0	
eV US Large Cap Core Equity Rank	37	40	38	45	52	4	

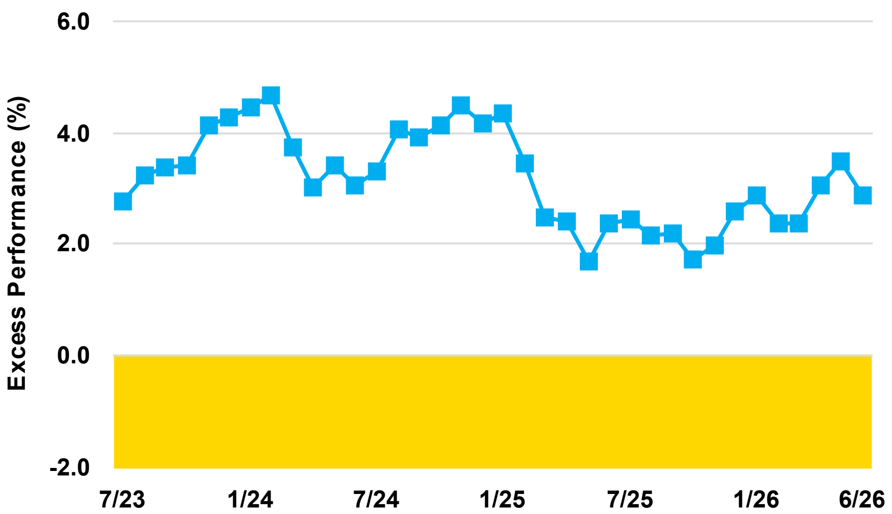
Short-Term (Rolling 12-Month Excess Performance)



Long-Term (Rolling 60-Month Excess Performance)



Medium Term (Rolling 36-Month Excess Performance)

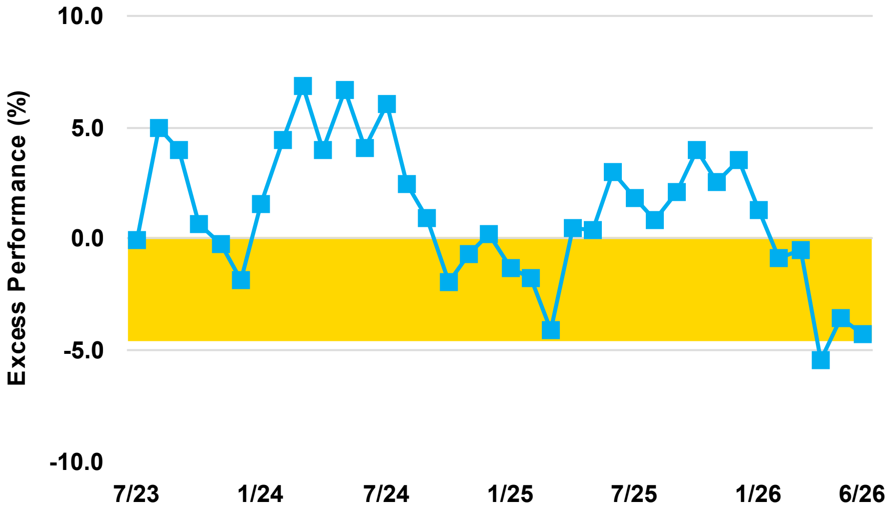


Portfolio Performance Summary

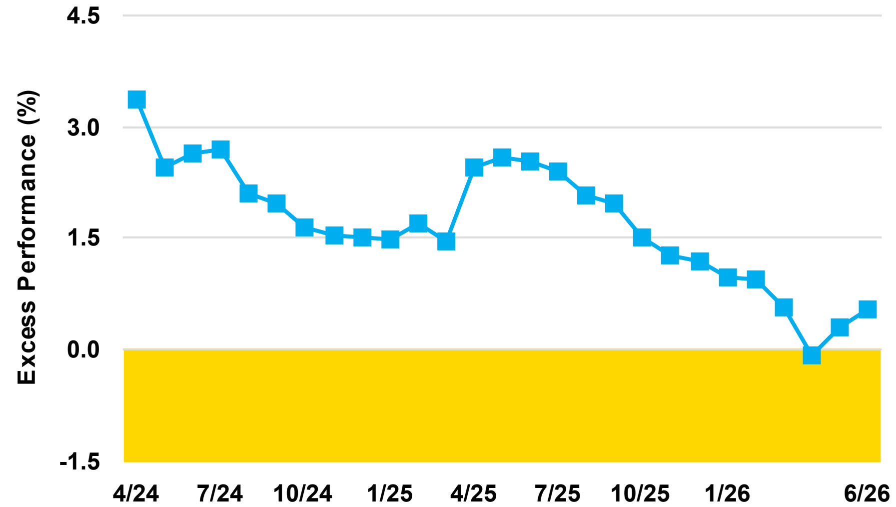
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Acadian ACWI ex U.S. Small Cap Equity	9.2	8.6	19.6	19.3	8.8	12.8	05/01/2019
MSCI AC World ex USA Small Cap (Net)	9.6	9.1	19.8	16.4	6.3	9.3	
eV ACWI ex-US Small Cap Equity Median	9.8	9.3	15.9	17.1	6.4	9.0	
eV ACWI ex-US Small Cap Equity Rank	57	58	39	36	34	14	

Driehaus International Small Cap Growth | As of June 30, 2026

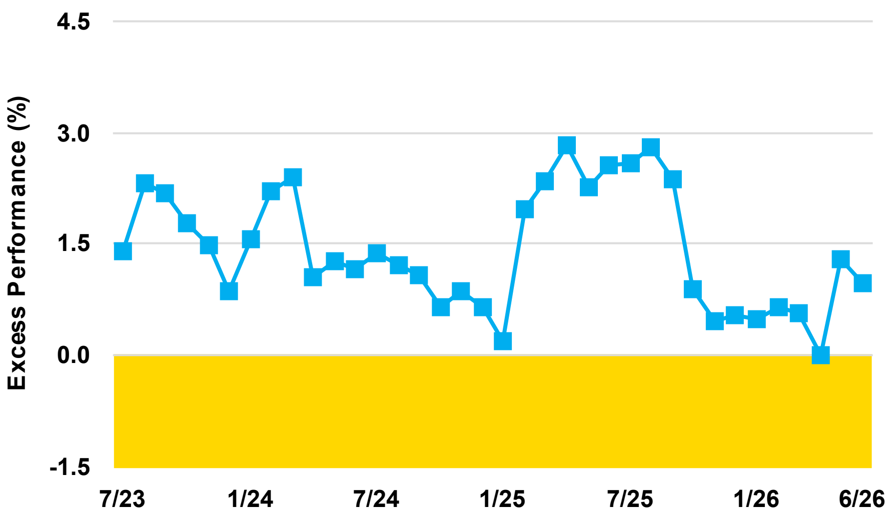
Short-Term (Rolling 12-Month Excess Performance)



Long-Term (Rolling 60-Month Excess Performance)



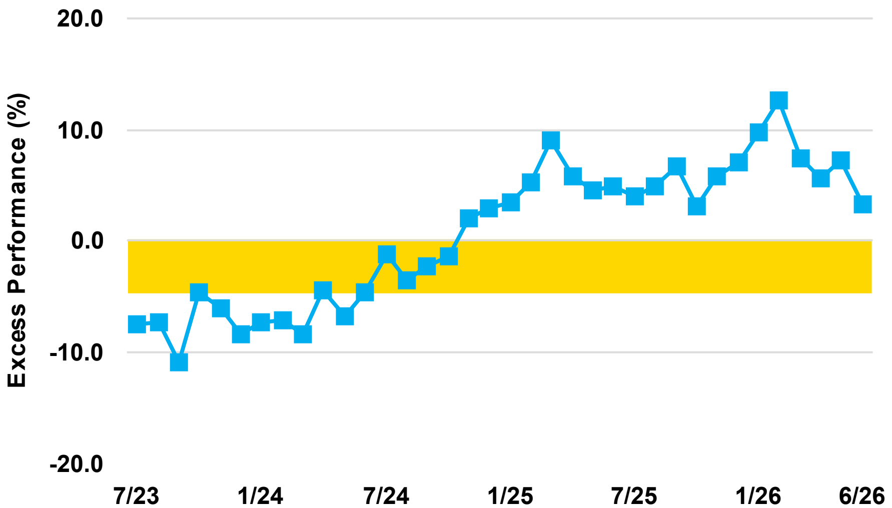
Medium Term (Rolling 36-Month Excess Performance)



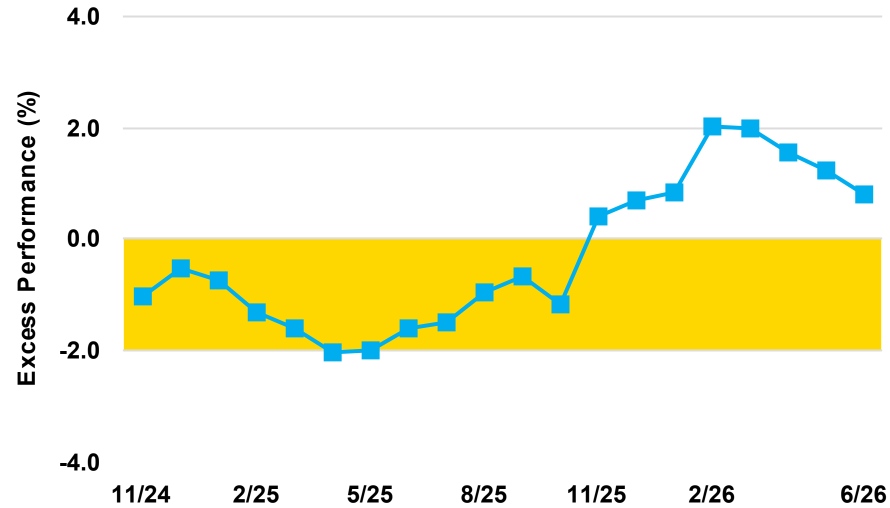
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Driehaus International Small Cap Growth	12.5	9.4	14.7	16.1	4.7	10.9	05/01/2019
MSCI AC World ex USA Small Growth Index (Net)	11.5	10.4	18.9	15.1	4.1	8.7	
eV ACWI ex-US Small Cap Equity Median	9.8	9.3	15.9	17.1	6.4	9.0	
eV ACWI ex-US Small Cap Equity Rank	25	49	55	52	58	32	

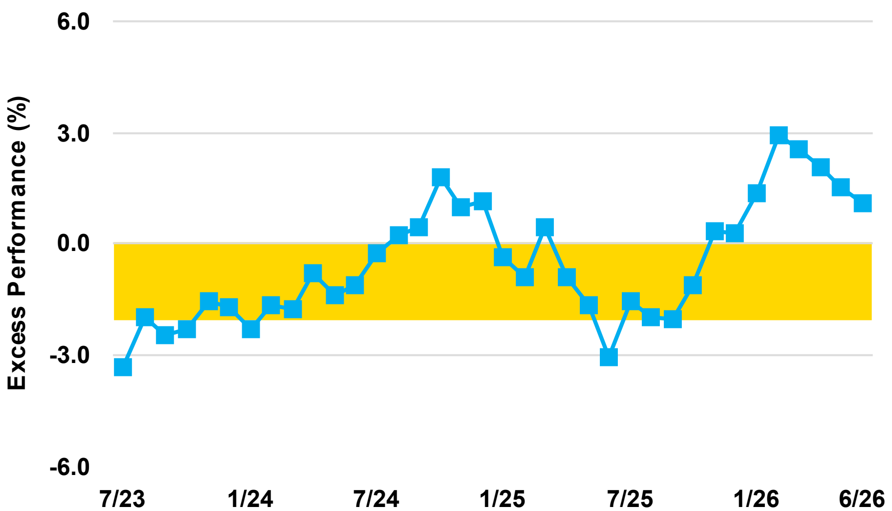
Short-Term (Rolling 12-Month Excess Performance)



Long-Term (Rolling 60-Month Excess Performance)



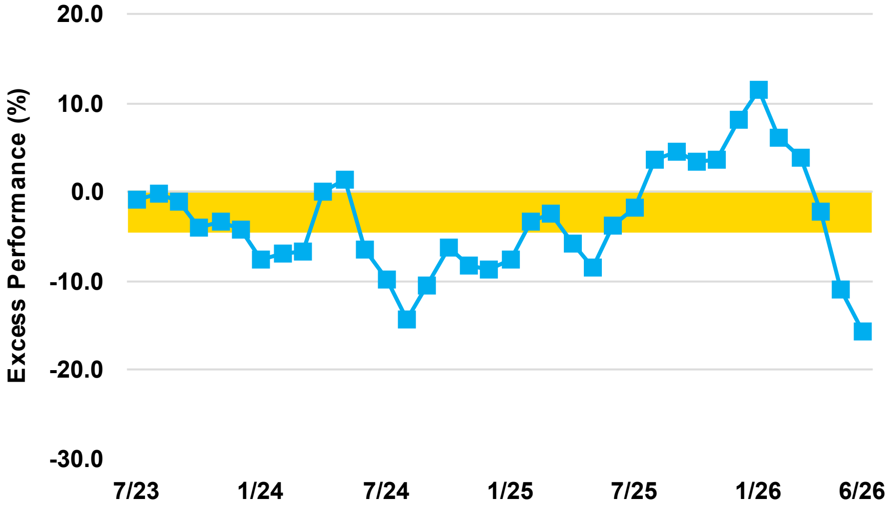
Medium Term (Rolling 36-Month Excess Performance)



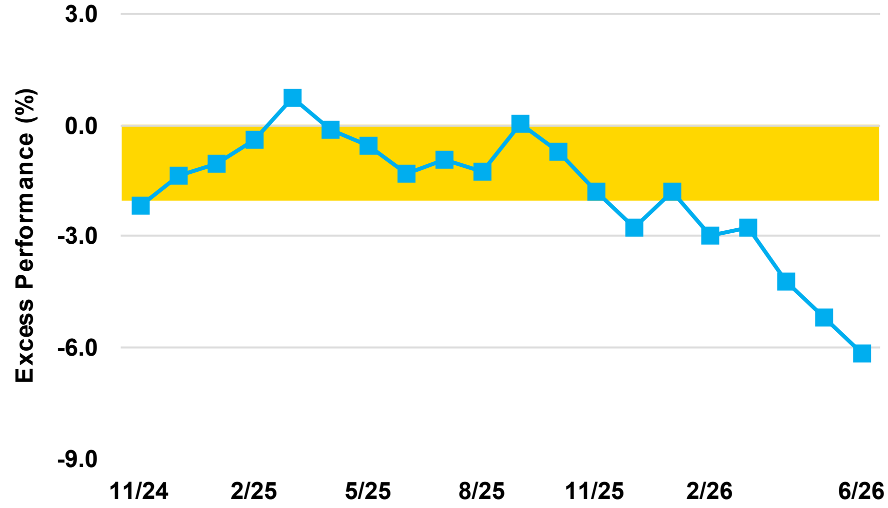
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
First Eagle International Value Fund	4.2	6.9	23.6	17.5	9.9	9.5	12/01/2019
MSCI EAFE (Net)	10.8	9.4	20.2	16.4	9.0	10.0	
eV Global Value Equity Median	9.6	9.4	22.1	16.9	10.3	11.3	
eV Global Value Equity Rank	83	69	44	45	57	77	

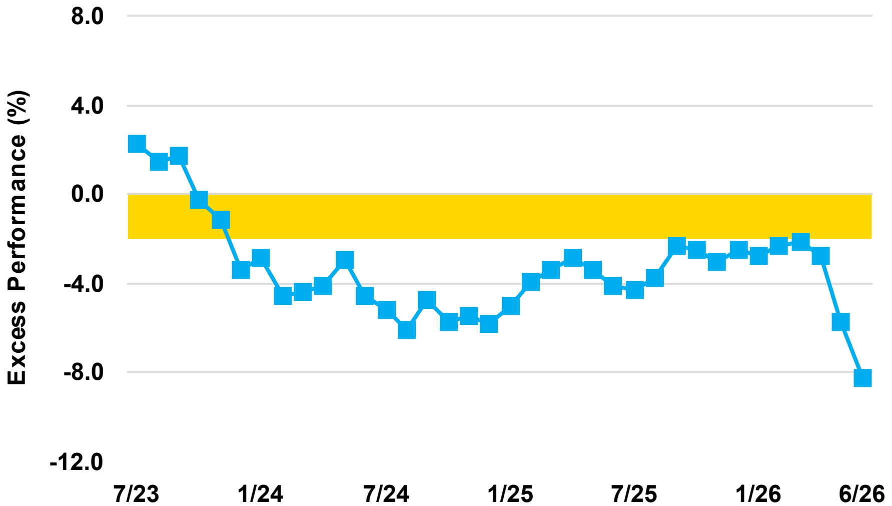
Short-Term (Rolling 12-Month Excess Performance)



Long-Term (Rolling 60-Month Excess Performance)



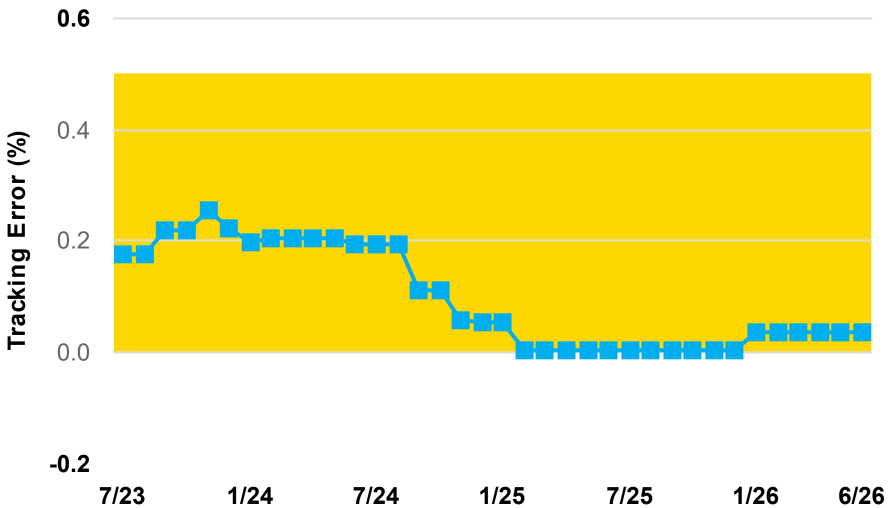
Medium Term (Rolling 36-Month Excess Performance)



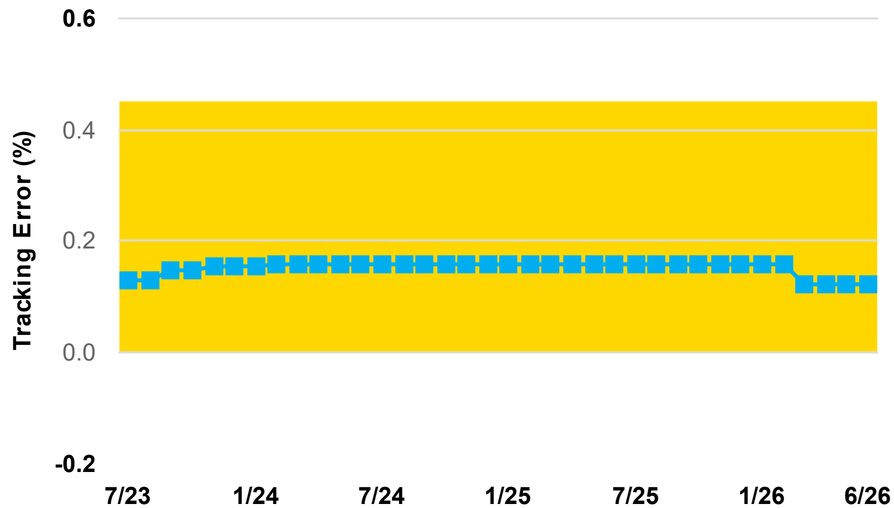
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
RWC	5.1	5.5	27.9	14.8	1.0	6.6	12/01/2019
MSCI Emerging Markets (Net)	24.1	23.8	43.5	23.0	7.2	10.5	
eV Emg Mkts Equity Median	23.1	24.3	43.7	22.8	7.8	11.3	
eV Emg Mkts Equity Rank	95	95	78	91	96	94	

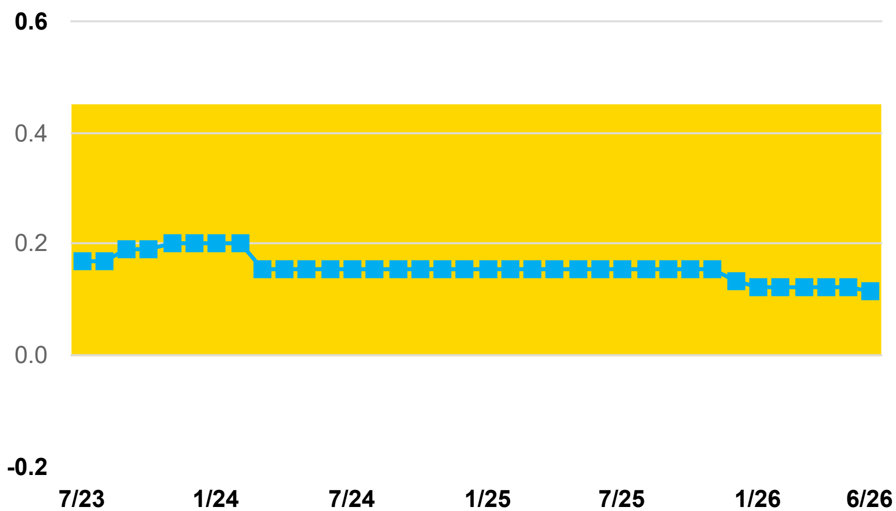
Short-Term (Rolling 12-Month Tracking Error)



Long-Term (Rolling 60-Month Tracking Error)



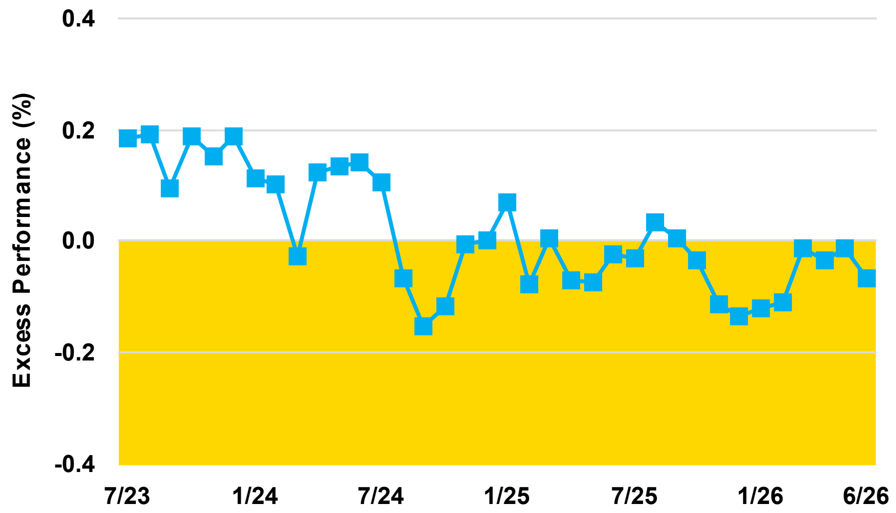
Medium Term (Rolling 36-Month Tracking Error)



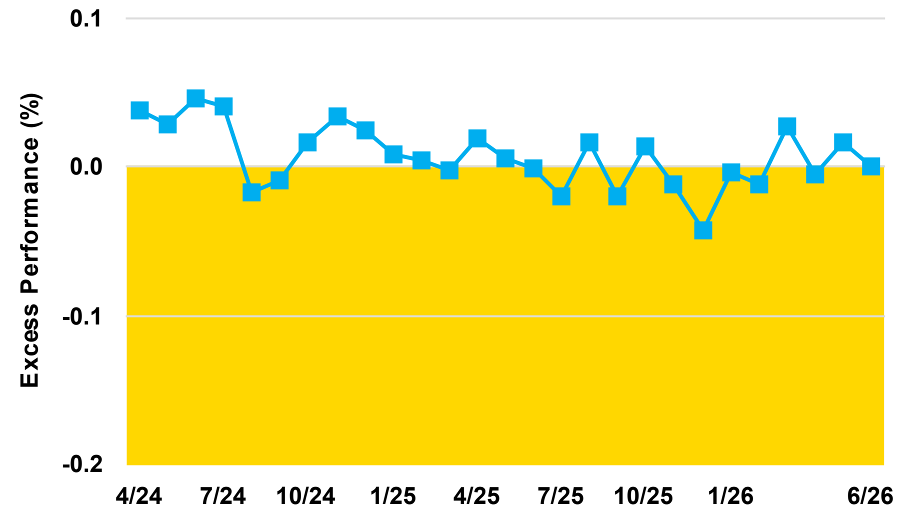
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
BNY Mellon Large Cap	15.1	10.4	22.0	20.5	12.6	15.2	04/01/2016
Russell 1000 Index	15.1	10.3	22.0	20.5	12.7	15.2	
eV US Large Cap Core Equity Median	13.8	8.8	18.7	18.7	11.8	13.8	
eV US Large Cap Core Equity Rank	36	35	34	32	38	24	

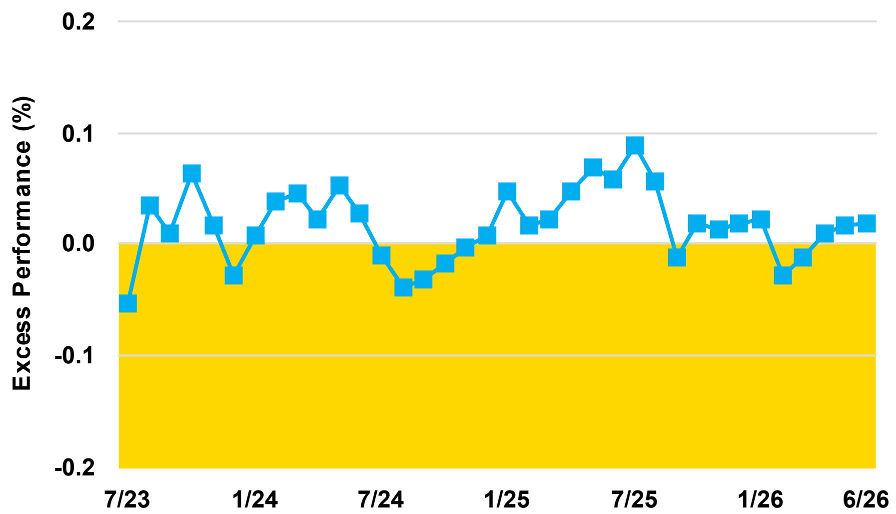
Short-Term (Rolling 12-Month Excess Performance)



Long-Term (Rolling 60-Month Excess Performance)



Medium Term (Rolling 36-Month Excess Performance)

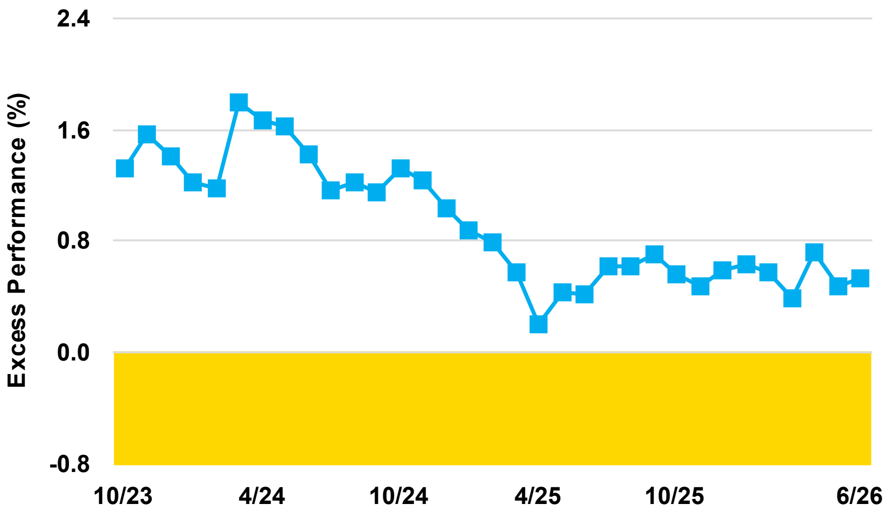


Portfolio Performance Summary

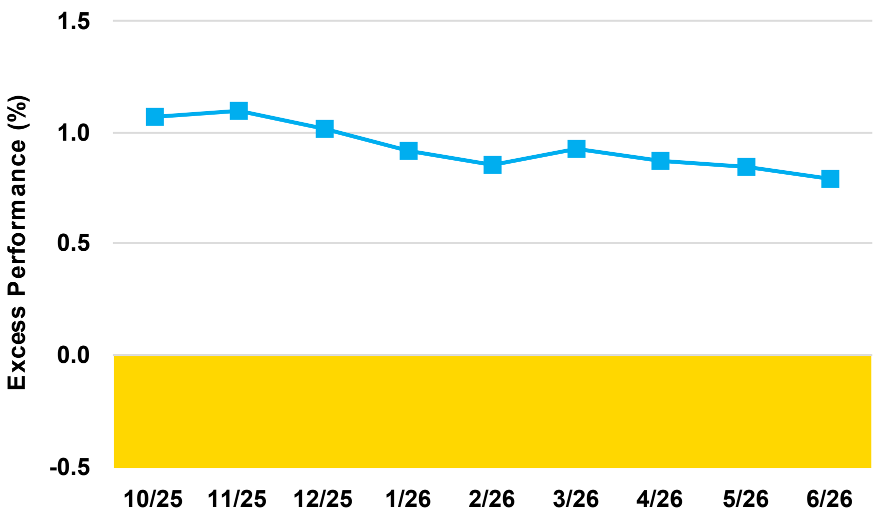
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Vanguard Total Bond Market Index Fund	0.7	0.8	3.7	4.2	0.1	1.6	05/01/2019
Blmbg. U.S. Aggregate Index	0.7	0.6	3.8	4.2	0.1	1.6	
eV US Core Fixed Inc Median	0.7	0.7	3.9	4.4	0.2	1.9	
eV US Core Fixed Inc Rank	62	38	74	76	78	84	

Payden & Rygel Low Duration Fund | As of June 30, 2026

Short-Term (Rolling 12-Month Excess Performance)



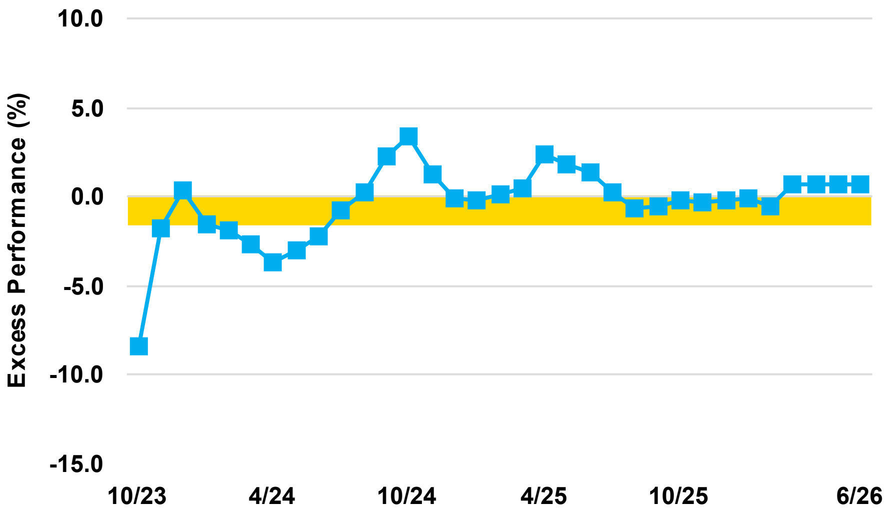
Medium Term (Rolling 36-Month Excess Performance)



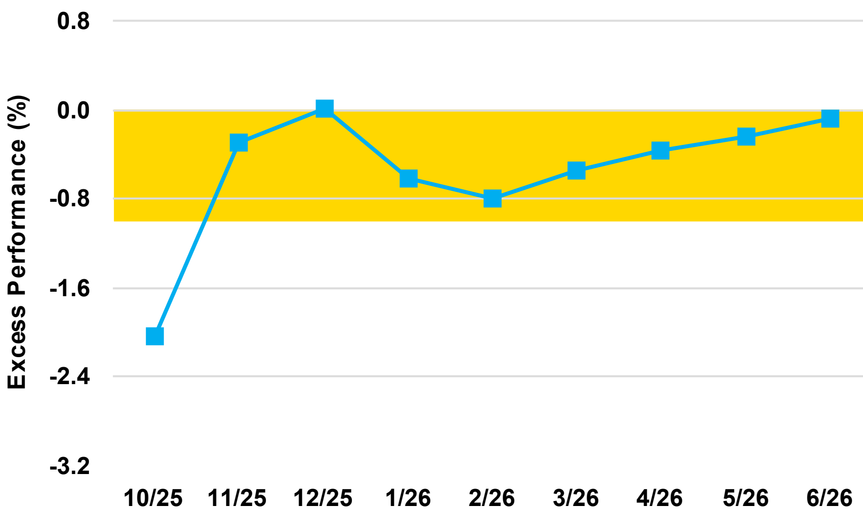
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Payden & Rygel Low Duration Fund	0.6	0.8	3.5	5.2	-	5.0	11/01/2022
Blmbg. U.S. Treasury: 1-3 Year	0.4	0.6	2.9	4.4	1.9	4.1	
Short-Term Bond Median	0.7	0.9	3.5	5.2	2.3	5.1	
Short-Term Bond Rank	66	64	55	52	-	54	

Short-Term (Rolling 12-Month Excess Performance)



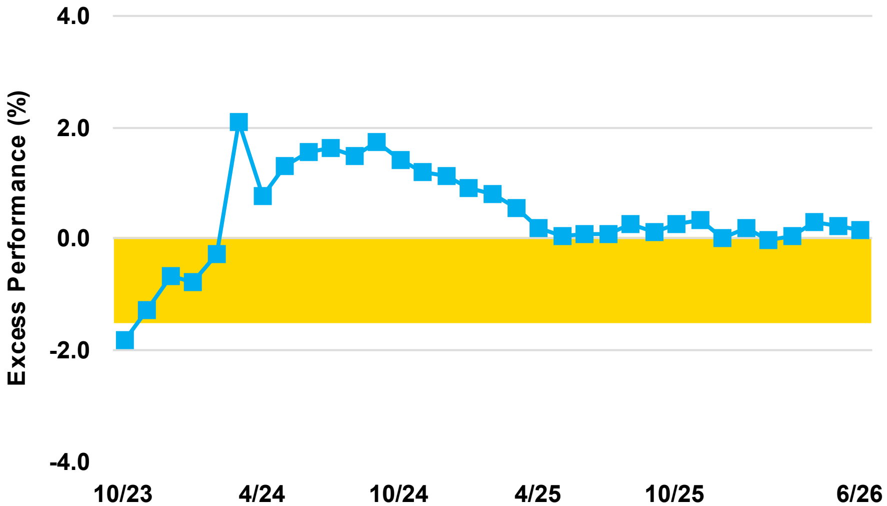
Medium Term (Rolling 36-Month Excess Performance)



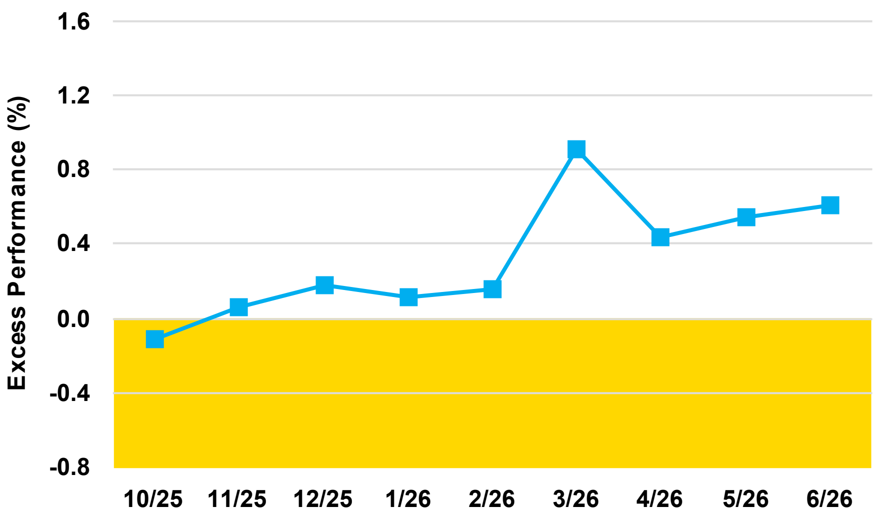
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Brandywine US Fixed Income	1.0	1.4	4.5	4.1	-	3.4	11/01/2022
Blmbg. U.S. Aggregate Index	0.7	0.6	3.8	4.2	0.1	4.9	

Short-Term (Rolling 12-Month Excess Performance)



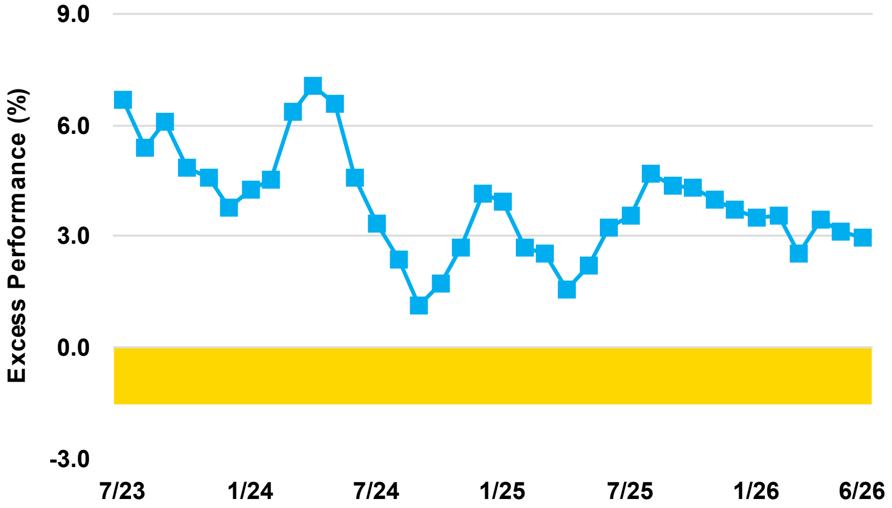
Medium Term (Rolling 36-Month Excess Performance)



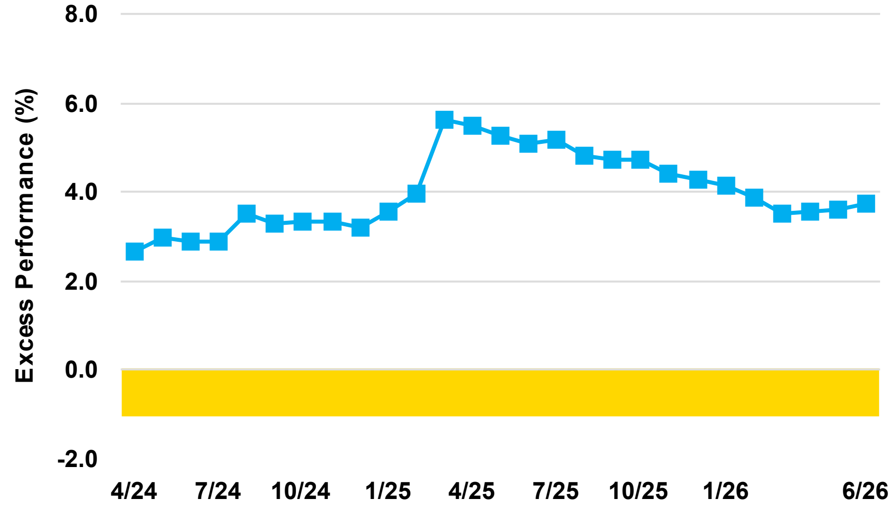
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Wellington Core Bond	0.7	0.7	3.9	4.8	-	4.8	11/01/2022
Blmbg. U.S. Aggregate Index	0.7	0.6	3.8	4.2	0.1	4.9	

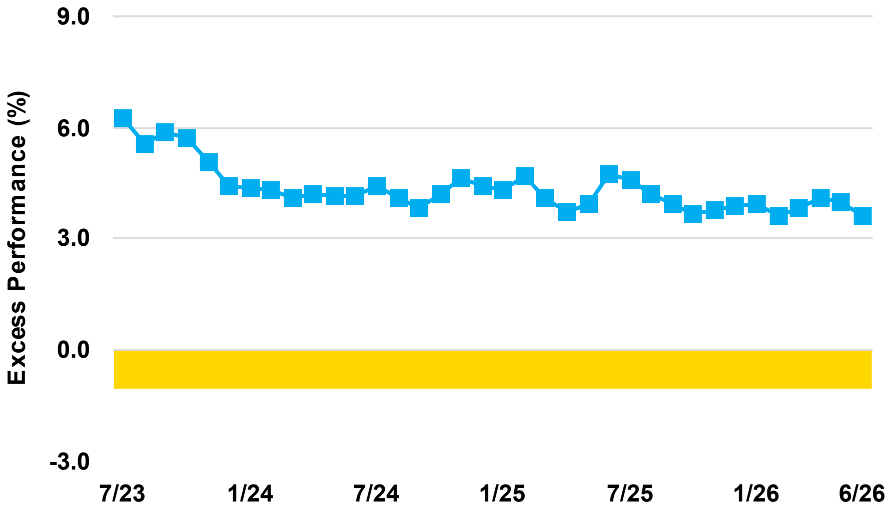
Short-Term (Rolling 12-Month Excess Performance)



Long-Term (Rolling 60-Month Excess Performance)



Medium Term (Rolling 36-Month Excess Performance)

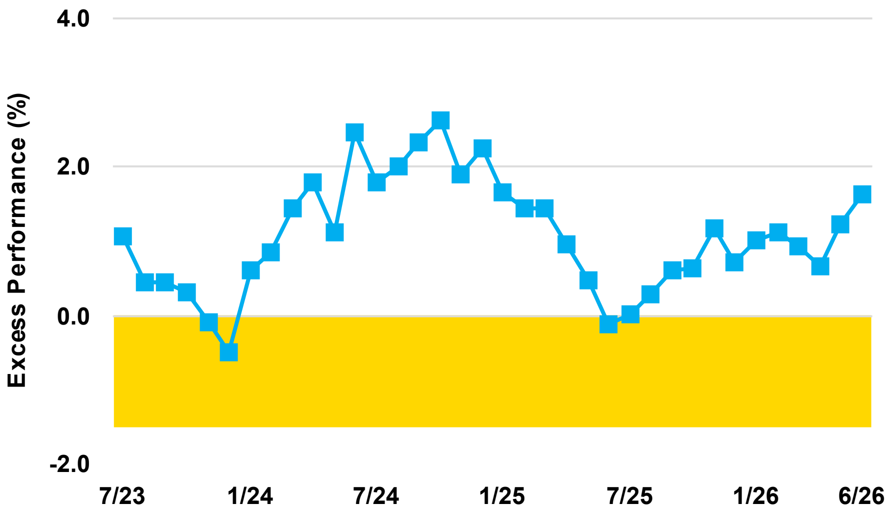


Portfolio Performance Summary

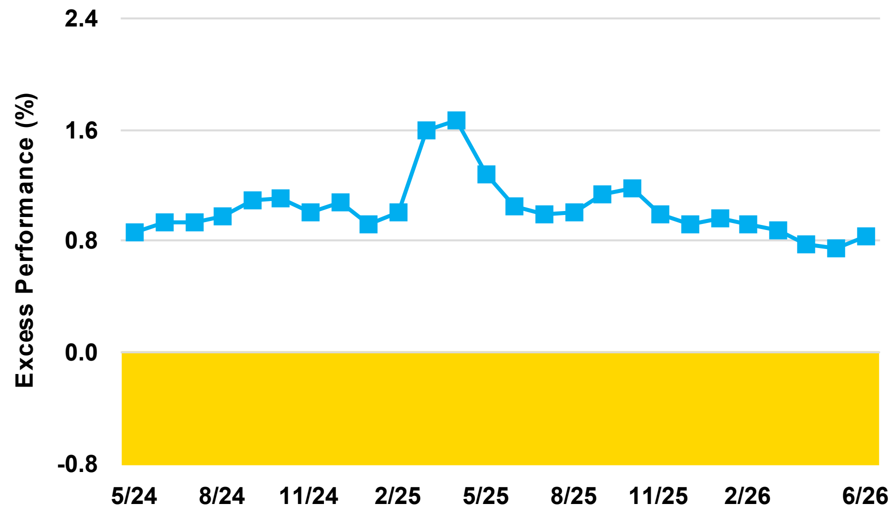
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
PIMCO Income Fund	2.1	1.5	6.8	7.8	3.8	4.3	05/01/2019
Blmbg. U.S. Aggregate Index	0.7	0.6	3.8	4.2	0.1	1.6	
Multisector Bond Median	1.8	1.5	5.1	7.0	2.5	3.6	
Multisector Bond Rank	33	51	11	20	9	23	

GoldenTree Multi-Sector Credit | As of June 30, 2026

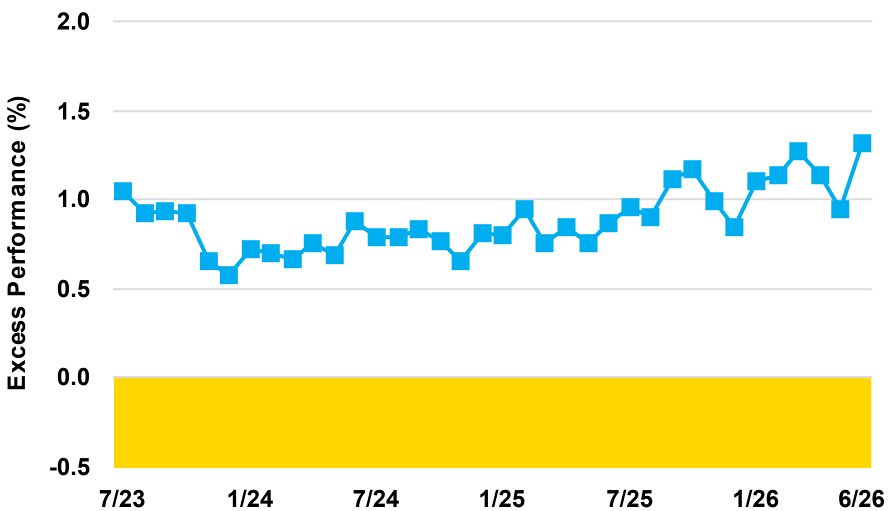
Short-Term (Rolling 12-Month Excess Performance)



Long-Term (Rolling 60-Month Excess Performance)



Medium Term (Rolling 36-Month Excess Performance)



Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
GoldenTree Multi-Sector Credit	2.1	2.3	6.7	9.5	5.9	6.3	06/01/2019
50% BBg US High Yield TR/50% S&P UBS Leveraged Loans	2.2	1.7	5.1	8.2	5.1	5.5	
eV US High Yield Fixed Inc Median	2.4	1.9	5.6	8.3	4.0	5.0	
eV US High Yield Fixed Inc Rank	78	22	13	7	4	10	

Disclaimer, Glossary, and Notes

THIS REPORT (THE “REPORT”) HAS BEEN PREPARED FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE “RECIPIENT”).

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

THE INFORMATION USED TO PREPARE THIS REPORT MAY HAVE BEEN OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. SOME OF THIS REPORT MAY HAVE BEEN PRODUCED WITH THE ASSISTANCE OF ARTIFICIAL INTELLIGENCE (“AI”) TECHNOLOGY. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY, ADEQUACY, VALIDITY, RELIABILITY, AVAILABILITY, OR COMPLETENESS OF ANY INFORMATION CONTAINED HEREIN, WHETHER OBTAINED EXTERNALLY OR PRODUCED BY THE AI.

THE RECIPIENT SHOULD BE AWARE THAT THIS REPORT MAY INCLUDE AI-GENERATED CONTENT THAT MAY NOT HAVE CONSIDERED ALL RISK FACTORS. THE RECIPIENT IS ADVISED TO CONSULT WITH THEIR MEKETA ADVISOR OR ANOTHER PROFESSIONAL ADVISOR BEFORE MAKING ANY FINANCIAL DECISIONS OR TAKING ANY ACTION BASED ON THE CONTENT OF THIS REPORT. WE BELIEVE THE INFORMATION TO BE FACTUAL AND UP TO DATE BUT DO NOT ASSUME ANY RESPONSIBILITY FOR ERRORS OR OMISSIONS IN THE CONTENT PRODUCED. UNDER NO CIRCUMSTANCES SHALL WE BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES OR ANY DAMAGES WHATSOEVER, WHETHER IN AN ACTION OF CONTRACT, NEGLIGENCE, OR OTHER TORT, ARISING OUT OF OR IN CONNECTION WITH THE USE OF THIS CONTENT. IT IS IMPORTANT FOR THE RECIPIENT TO CRITICALLY EVALUATE THE INFORMATION PROVIDED.

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

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

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

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

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

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

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

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

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

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

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

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about is 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%.

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

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

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:	August 4, 2026
RE:	**Legislative Update – August**

The Legislature has entered the final stretch of the 2026 legislative session. Policy committee hearings have concluded, shifting the focus to bills that advanced to the Appropriations Committees, negotiations over amendments needed to secure votes, and the final rounds of discussions among the Assembly, Senate, Governor's Office, and key stakeholders. As the Legislature approaches its constitutional adjournment deadline on August 31st, bills will move to the respective Senate and Assembly floors for debate and final consideration.

Several issues continue to dominate the Capitol agenda. Housing production and land use reform remain top priorities, particularly proposals aimed at streamlining development, reducing permitting barriers, and expanding infrastructure financing. Climate resilience, water reliability, wildfire preparedness, and energy affordability continue to drive significant legislative activity, while public finance issues, including local revenue authority, infrastructure investment, and implementation of voter-approved bond measures, remain central concerns for local governments. Lawmakers are also advancing proposals related to government operations, including Brown Act modernization, artificial intelligence governance, and regulatory changes affecting state and local agencies.

Legislative activity will intensify considerably over the coming weeks. Hundreds of bills will be considered on the Assembly and Senate Floors, many of which will be amended late in the process to resolve policy disagreements, fiscal concerns, or stakeholder issues.

California's November General Election is shaping up to be one of the most consequential and expensive in recent history. In addition to statewide contests for Governor, Lieutenant Governor, Attorney General, Controller, Treasurer, Insurance Commissioner, Superintendent of Public Instruction, all 80 Assembly seats, and 20 Senate seats, voters are expected to consider approximately 14 statewide ballot measures. The election is anticipated to generate record levels of campaign spending as business organizations, labor groups, and stakeholder groups compete to influence public opinion on several high-profile initiatives.

The statewide ballot is expected to feature several significant policy debates. Among the measures likely to receive the greatest attention are proposals related to housing affordability, including an affordable housing bond and a second-mortgage homebuyer assistance program; election administration, including voter identification requirements and changes to initiative voting thresholds; taxation, including a closely watched proposal to tax ultra-high-net-worth individuals alongside other tax-related measures; healthcare financing; and campaign finance reform. Collectively, these initiatives present competing approaches to California's fiscal priorities and regulatory framework and are expected to drive robust statewide campaigns through Election Day.

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 is in the Senate Appropriations Committee
    - 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 is in the Senate Appropriations Committee
- Position: Neutral

- **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 is in the Senate Appropriations Committee
  - 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 is awaiting action on the Senate floor
  - Position: Neutral

- **AB 1619 (Valencia)** –This bill allows 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. This bill was amended to apply the same increase in compensation to CalPERS and CalSTRs Board Members.
  - Status: This bill is awaiting action on the Senate floor
  - Position: Neutral

- **AB 1660 (Schiavo)** – This bill was amended to now permit as opposed to 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 is awaiting action on the Senate floor
  - 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 is in the Senate Appropriations Committee
  - Position: No position/watch

- **AB 2519 (McKinnor)** – The bill expands who must be included in the State Teachers' Retirement System (STRS) membership. Under current law STRS administers a defined-benefit retirement program funded by employer and employee contributions and applies to positions that generally require a valid credential or license; charter school positions were excluded. This bill adds permitholders and comparable positions at charter schools that receive state apportionment and perform specified directing, coordinating, supervising, or administrative functions to the definition of "position subject to membership." It also removes a board-triggered timing requirement and makes the new definition operative on July 1, 2027.
  - Status: This bill is in the Senate Appropriations Committee
  - 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 is awaiting action on the Senate floor

- Position: Support

- **SB 1187 (Durazo)** – This bill was amended to remove language access requirements for the purposes of Act that were established by SB 707 from last year. Specifically, the bill would repeal several public participation and language access requirements established by SB 707, including requirements related to translation of meeting materials, interpretation services, multilingual website content, public outreach to underrepresented communities, and opportunities for the public to provide additional agenda translations. It would reduce the administrative obligations placed on eligible legislative bodies related to multilingual access and public engagement.
  - Status: This bill is awaiting action on the Assembly floor
  - No position/watch

- **SB 1207 (Laird)** – This bill authorizes CalPERS members to buy back not more than three years of service credit for their prior service in the California Conservation Corps (CCC). The bill also makes changes to CCC's statutes to clarify the scope of authorized projects and to specifically permit CCC to contract with corps established by California Native American tribes
  - Status: This bill is in the Assembly Appropriations Committee
  - No position/watch

- **SB 1407 (Archuletta) –** This bill doubles the amount of retirement and annuity payments that a qualifying military retiree or surviving spouse may exclude from gross income under the Personal Income Tax (PIT) Law from $20,000 to $40,000.
  - Status: This bill is in the Assembly Appropriations Committee
  - Position: No position/watch

Contact:

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

MERCEDCERA
Merced County Employees' Retirement Association

DATE: August 27, 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

The Bureau of Labor Statistics' (BLS) U.S. employment report showed a net loss of 23,000 jobs in July, missing economist expectations for positive growth. The report also included downward revisions totaling 103,000 fewer jobs for May and June. Job losses were concentrated in local government education (-50,000) and retail trade (-19,000), while healthcare offered a rare bright spot with 22,000 positions added. Despite the net job reduction, the unemployment rate edged down slightly from 4.2% in June to 4.1%, largely due to a shrinking labor force as the participation rate slipped to 61.4%.

Headline Consumer Price Index (CPI) inflation rose a modest 0.1% on a seasonally adjusted basis during the month according to the BLS, as the annual headline inflation rate cooled slightly to 3.4% year-over-year from 3.5% in June. Core CPI, which excludes the volatile food and energy components, increased 0.2% over the month, bringing its 12-month trailing rate down to 2.5%. The small monthly uptick was primarily driven by shelter costs, which rose 0.1% over the month and accounted for nearly two-thirds of the overall headline index gain. While a 2.9% drop in gasoline prices during early July helped temper headline monthly pressure, energy costs remained elevated overall (+14.7% year-over-year).

At its July 28–29, 2026 meeting, the Federal Open Market Committee (FOMC) voted 9 to 3 to maintain the target range for the federal funds rate at 3.50% to 3.75% for the fifth consecutive meeting. In its policy statement, the central bank noted that economic expansion remains solid alongside strong capital investment and productivity gains but emphasized that inflation stays elevated relative to its 2% target due in part to supply-side shocks and energy prices. The decision highlighted a growing hawkish rift within the Committee, as three members dissented in favor of a 25-basis-point interest rate hike. During his post-meeting press conference, Fed Chair Kevin Warsh addressed the internal policy friction, reiterating the Fed's firm commitment to price stability and signaling that future rate decisions will remain strictly data-dependent rather than reliant on explicit forward guidance.

U.S. Treasury yields moved sharply higher in July as sticky inflation data, large supply from federal deficit spending, and heavy corporate issuance, particularly debt linked to artificial intelligence infrastructure, prompted investors to demand higher long-term risk premiums. The benchmark 10-year Treasury yield rose over the course of the month to finish July at 4.75%, while the 30-year Treasury yield climbed past the key 5.00% threshold to close at 5.27%, reaching its highest level since 2007. This upward trajectory in long-term risk-free rates pushed corporate borrowing costs higher, leading credit spreads to widen modestly toward the end of the month as the heavy influx of new debt supply challenged market capacity. Investment-grade corporate credit spreads widened to around 0.81% (81 basis points) before settling near 80 basis points, while high-yield credit spreads widened to a late-July peak of 2.87%, reflecting a slight pullback in risk appetite amid higher base interest rates.

U.S. equity markets experienced notable performance divergence, characterized by a sharp rotation away from mega cap technology and artificial intelligence leaders toward value-oriented and cyclical sectors. The benchmark S&P 500 Index was flat for the month, despite roughly 86% of reporting S&P companies topping second-quarter earnings estimates as losses in Information Technology (-3.4%) weighed down the index. US small cap, represented by the Russell 2000 Index, fell 3.1% in July driven by renewed trade-related uncertainties, persistent geopolitical tensions, and a cautious stance from the Federal Reserve, which kept interest rates unchanged.

International and emerging markets equity experienced mixed results, driven by a global rotation out of artificial intelligence technology trades and into value-oriented sectors, mirroring US equity behavior. Developed market equities posted a gain, with the MSCI EAFE Index returning 2.0%. The index benefitted from its heavier structural weightings in financial, industrial, and traditional value stocks, as well as foreign currency tailwinds. In contrast, the MSCI Emerging Markets Index fell 3.1% for the month. This downturn was primarily led by sharp pullbacks in semiconductor-heavy Asian markets, notably South Korea and Taiwan, as investors reassessed heavy AI supply-chain capital expenditures, alongside ongoing economic friction and subdued domestic demand in China.

Merced County Employees' Retirement Association

July Portfolio Performance Update

The Total Fund excluding alternatives returned 0.2% in July versus -0.6% for the Policy Index with each reporting asset class outperforming their respective policy benchmark during the month. The Total Fund has now returned approximately 5.5% year-to-date.

US equity performed in line with the Russell 3000 Index while international and emerging markets beat their respective benchmarks by 1.9% and 4.5% respectively. International equity benefited from strong relative performance from GQG (currently on Watch Status) and First Eagle. Both emerging markets managers outperformed as Artisan finished the month more than 5% ahead of the index.

US fixed income fell in July but slightly outperformed the Bloomberg US Aggregate Bond Index, -1.0% to -1.3%. Wellington and Payden & Rygel tracked their respective indices while Brandywine was the sole contributor to the outperformance. The asset class is flat since the start of 2026 with a -0.1% return. Opportunistic credit experienced a gain of 0.3% in July versus 0.0% for its custom benchmark. The asset class is up 3.1% year-to-date. The hedge fund portfolio trailed both US equity and fixed income in July despite beating its policy benchmark, -1.4% versus -2.0%.

690 W 19th Street • Merced, CA 95340 • (p) 209.726.2724 (f) 209.725.3637
www.mercedcera.com • mercedcera@countyofmerced.com

MERCED CERA

Merced County Employees' Retirement Association

DATE: August 27, 2026

TO: MercedCERA Board of Retirement

FROM: Meketa Investment Group

SUBJECT: Portfolio Performance Review and Watch Status Update

ITEM NUMBER: **Open Session Item b**

ITEM TYPE: **Action**

DISCUSSION:
Meketa will review investment performance for the Total Fund and public equity and fixed income investment managers as of July 31st. The team will also provide an update on the two investment managers currently on Watch Status, GQG International Equity and Artisan Developing Worlds. The last Watch Status update was provided by Meketa in May 2026.

MEKETA

Merced County Employees' Retirement Association

August 27, 2026

July Flash Report

Table of Contents

Executive Summary as of July 31, 2026

Portfolio Preliminary Performance Highlights

- July saw continued turbulence in the markets as volatility within AI related stocks and rotation from growth to value served as key themes . US Equities (Russell 3000) returned -0.5%, Developed International equities (MSCI EAFE) returned 2.0% and Emerging Markets (MSCI EM) returned -3.1% over the month. Bonds saw muted returns over the month with the broad Bloomberg US Aggregate Index returning -0.1%.
- For July, Merced CERA reported a monthly return (w/o Alternatives) of 0.2% net of fees. US Equities returned -0.4%, outpacing the Russell 3000 Index return of -0.5%. International Equities return of 2.1% outpaced the MSCI AC World ex USA IMI Index return of 0.2% and the secondary blended asset class benchmark return of 1.4%. The Emerging Markets sleeve returned 1.4%, outpacing the MSCI EM index return of -3.1%. US Fixed Income returned -1.0%, outpacing the benchmark. Opportunistic Credit posted 0.3% for the month, outpacing the blended benchmark.

Manager Highlights

Manager Highlights (Year to Date)

US Equity

- BNY Mellon Newton Dynamic US Equity, the portfolio's active large cap manager, returned 9.5% through July, trailing the S&P 500 Index return of 10.1%. The manager is expected to perform well under normal market conditions (fundamentals drive investment returns) and bull markets.

International Equity

- First Eagle**,** through July, returned 12.0% versus the MSCI EAFE Index return of 11.6% and MSCI AC World ex US Value Index return of 18.5%. 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.

Emerging Markets

- Artisan Developing World returned -0.5% through July vs MSCI EM index return of 20.0%. 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 5.4% vs MSCI EM index return of 20.0% through July. 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

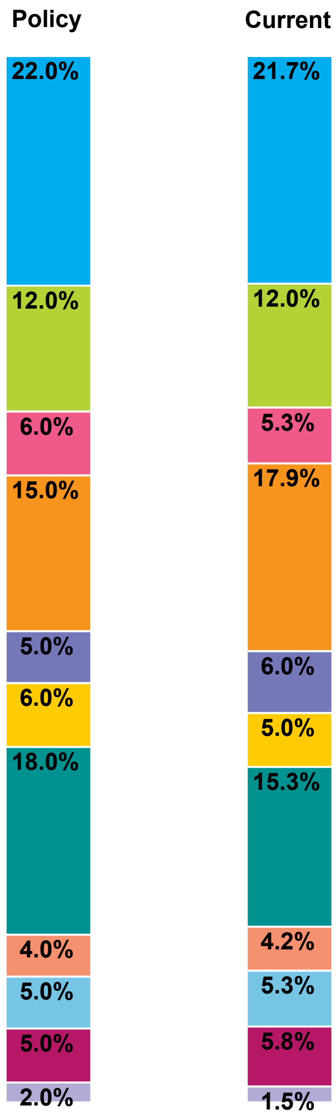
- Brandywine returned 0.7% through July, outpacing the Bloomberg US Aggregate Index return of -0.7%.
- Wellington Core Bond returned -0.7%, mirroring the Bloomberg US Aggregate Index.
- Payden & Rygel Low Duration returned 0.9%, outpacing the Bloomberg US Treasury 1-3 Year Index return of 0.8%.

Opportunistic Credit

- PIMCO Income Fund returned 0.4%, outpacing the Bloomberg US Aggregate Index return of -0.7%.
- GoldenTree Multi-Sector returned 2.6%, outpacing the blended benchmark (50% Bloomberg US High Yield/50% S&P UBS Leveraged Loans) return of 1.9%. The strategy is benchmark agnostic and tends to have lower duration positioning.

Performance Update as of July 31, 2026

Total Fund | As of July 31, 2026



Allocation vs. Targets and Policy

	Balance ($)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
US Equity	325,871,847	21.7	22.0	-0.3	16.0 - 27.0	Yes
Developed International Equity	179,505,038	12.0	12.0	0.0	7.0 - 17.0	Yes
Emerging Markets Equity	78,907,076	5.3	6.0	-0.7	3.0 - 9.0	Yes
Private Equity	268,732,826	17.9	15.0	2.9	5.0 - 20.0	Yes
Direct Lending	90,478,557	6.0	5.0	1.0	0.0 - 10.0	Yes
Real Estate	75,027,123	5.0	6.0	-1.0	4.0 - 8.0	Yes
US Fixed Income	229,929,307	15.3	18.0	-2.7	13.0 - 23.0	Yes
Opportunistic Credit	62,916,349	4.2	4.0	0.2	2.0 - 6.0	Yes
Hedge Funds	80,002,342	5.3	5.0	0.3	2.5 - 7.5	Yes
Real Assets	87,357,340	5.8	5.0	0.8	3.0 - 7.0	Yes
Cash	22,007,422	1.5	2.0	-0.5	0.0 - 4.0	Yes
Total	**1,500,735,228**	**100.0**	**100.0**	**0.0**		

Trailing Net Performance | As of July 31, 2026

Asset Class Performance Summary

	Market Value ($)	% of Portfolio	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	1,500,735,228	100.0	0.0	2.2	5.4	11.5	11.0	6.8	8.9	8.3	Jan-95
Policy Index			1.2	2.6	8.5	18.3	13.6	8.8	9.8	6.9	
Total Fund w/o Alternatives	877,129,617	58.4	0.2	2.4	5.6	12.0	12.7	6.5	9.4	--	Jan-08
Policy Index w/o AI			-0.6	2.7	8.5	17.5	13.6	7.2	9.0	--	
Public Equity	584,283,961	38.9	0.7	3.6	8.3	16.3	16.1	8.5	--	11.5	Apr-18
MSCI AC World IMI Index (Net)			-0.3	4.1	11.5	22.3	17.9	10.4	--	11.5	
US Equity	325,871,847	21.7	-0.4	4.3	9.6	17.7	17.5	10.8	13.9	11.0	Jan-95
Russell 3000			-0.5	4.3	10.3	19.6	18.8	11.8	14.4	11.1	
International Equity	258,412,114	17.2	2.1	2.8	6.7	14.7	14.5	5.7	10.0	6.6	Jan-99
Primary Blended International Equity Benchmark			0.2	4.0	13.3	27.1	17.0	8.8	9.5	6.4	
Secondary Blended International Equity Benchmark			1.4	4.0	11.2	23.6	15.6	8.0	9.1	6.3	
Emerging Markets Equity	78,907,076	5.3	1.4	6.3	1.4	2.7	10.9	0.4	9.4	6.4	May-12
MSCI EM			-3.1	4.8	20.0	36.4	19.3	8.0	9.3	6.2	
US Fixed Income	229,929,307	15.3	-1.0	-0.4	-0.1	3.3	4.2	-0.4	1.5	4.3	Jan-95
US Fixed Income Custom Benchmark			-1.3	-0.8	-0.7	2.7	3.8	-0.2	1.6	4.5	
Opportunistic Credit	62,916,349	4.2	0.3	1.3	3.1	6.3	8.2	5.5	--	6.1	May-19
Custom Blended Opportunistic Credit Benchmark			0.0	0.6	1.4	4.3	6.1	2.5	--	3.5	
Real Estate	75,027,123	5.0	0.0	-0.9	-0.7	-1.7	1.4	2.1	3.6	5.8	Dec-10
Custom Blended Real Estate Benchmark			0.0	1.2	2.2	4.0	-2.0	1.8	3.7	6.9	
CPI +5% (Seasonally Adjusted)			0.5	1.4	5.0	8.5	8.1	9.3	8.5	7.8	
Private Real Estate	75,027,123	5.0	0.0	-0.9	-0.7	-1.7	0.3	3.2	3.6	5.8	Dec-10
Custom Blended Real Estate Benchmark			0.0	1.2	2.2	4.0	-2.0	3.2	4.3	7.3	

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 July 31, 2026

	Market Value ($)	% of Portfolio	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Equity	**268,732,826**	**17.9**	**0.0**	**2.4**	**7.2**	**15.4**	**10.2**	**12.3**	**14.0**	**10.3**	**Jul-05**
Custom Private Equity Benchmark			*10.3*	*4.6*	*12.2*	*35.4*	*23.8*	*16.2*	*18.5*	*--*	
Preqin Private Equity (1QTR Lag)			*0.0*	*0.5*	*2.9*	*8.2*	*6.8*	*9.1*	*13.5*	*12.9*	
Direct Lending	**90,478,557**	**6.0**	**0.0**	**1.3**	**3.3**	**8.8**	**10.1**	**7.7**	**--**	**9.8**	**Jul-20**
50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans			*0.3*	*0.9*	*1.9*	*4.7*	*7.8*	*5.1*	*--*	*6.4*	
Hedge Funds	**80,002,342**	**5.3**	**-1.4**	**1.7**	**4.7**	**9.0**	**8.3**	**6.4**	**6.8**	**5.5**	**Jul-14**
Custom Blended Hedge Funds Benchmark			*-2.0*	*1.4*	*6.4*	*13.4*	*9.6*	*5.6*	*5.7*	*--*	
Real Assets	**87,357,340**	**5.8**	**0.0**	**4.9**	**7.7**	**14.7**	**13.4**	**13.5**	**10.8**	**10.4**	**Dec-10**
Custom Blended Real Assets Benchmark			*3.8*	*-1.2*	*14.3*	*26.9*	*14.2*	*11.9*	*9.7*	*--*	
CPI +5% (Seasonally Adjusted)			*0.5*	*1.4*	*5.0*	*8.5*	*8.1*	*9.3*	*8.5*	*7.8*	
Private Infrastructure	**54,316,462**	**3.6**	**0.0**	**2.8**	**3.1**	**8.6**	**10.7**	**10.7**	**11.8**	**10.2**	**Jan-15**
S&P Global Infrastructure			*0.2*	*-1.0*	*10.2*	*16.8*	*16.2*	*11.7*	*8.7*	*7.9*	
Private Natural Resources	**33,040,878**	**2.2**	**0.0**	**8.4**	**15.4**	**24.8**	**19.0**	**23.0**	**15.7**	**16.7**	**Oct-15**
S&P Global Natural Resources Sector Index (TR)			*7.5*	*-1.8*	*17.9*	*37.0*	*11.8*	*11.0*	*10.7*	*11.9*	
Cash	**22,007,422**	**1.5**	**0.3**	**1.1**	**2.6**	**4.7**	**4.6**	**3.2**	**--**	**--**	**Dec-10**

Real Assets includes State Street Real Assets NL Fund.

Trailing Period Performance

	Market Value ($)	% of Portfolio	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	**1,500,735,228**	**100.0**	**0.0**	**2.2**	**5.4**	**11.5**	**11.0**	**6.8**	**8.9**	**8.3**	**Jan-95**
Policy Index			*1.2*	*2.6*	*8.5*	*18.3*	*13.6*	*8.8*	*9.8*	*6.9*	
Total Fund w/o Alternatives	**877,129,617**	**58.4**	**0.2**	**2.4**	**5.6**	**12.0**	**12.7**	**6.5**	**9.4**	**--**	**Jan-08**
Policy Index w/o AI			*-0.6*	*2.7*	*8.5*	*17.5*	*13.6*	*7.2*	*9.0*	*--*	
Public Equity	**584,283,961**	**38.9**	**0.7**	**3.6**	**8.3**	**16.3**	**16.1**	**8.5**	**--**	**11.5**	**Apr-18**
MSCI AC World IMI Index (Net)			*-0.3*	*4.1*	*11.5*	*22.3*	*17.9*	*10.4*	*--*	*11.5*	
US Equity	**325,871,847**	**21.7**	**-0.4**	**4.3**	**9.6**	**17.7**	**17.5**	**10.8**	**13.9**	**11.0**	**Jan-95**
Russell 3000			*-0.5*	*4.3*	*10.3*	*19.6*	*18.8*	*11.8*	*14.4*	*11.1*	
BNY Mellon Newton Dynamic US Equity	73,882,418	4.9	-0.2	3.9	9.5	18.5	18.0	10.9	14.9	16.1	Jan-13
S&P 500 Index			*-0.1*	*4.2*	*10.1*	*19.6*	*19.3*	*12.9*	*15.1*	*15.0*	
BNY Mellon Large Cap	230,890,442	15.4	-0.4	4.2	10.0	18.9	19.0	12.1	14.8	15.0	Apr-16
Russell 1000 Index			*-0.4*	*4.2*	*9.9*	*18.9*	*19.0*	*12.1*	*14.8*	*15.0*	
Fidelity Small Cap	21,098,987	1.4	--	--	--	--	--	--	--	--	Aug-26
Russell 2000 Index			*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	

Fidelity Small Cap was funded as of July 2026. Returns will begin following the first full month of performance.
Champlain Small Cap was liquidated as of July 2026.
Historical returns for the US Equity Composite prior to January 2012 are gross only.

Trailing Net Performance | As of July 31, 2026

	Market Value ($)	% of Portfolio	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
International Equity	**258,412,114**	**17.2**	**2.1**	**2.8**	**6.7**	**14.7**	**14.5**	**5.7**	**10.0**	**6.6**	**Jan-99**
Primary Blended International Equity Benchmark			*0.2*	*4.0*	*13.3*	*27.1*	*17.0*	*8.8*	*9.5*	*6.4*	
Secondary Blended International Equity Benchmark			*1.4*	*4.0*	*11.2*	*23.6*	*15.6*	*8.0*	*9.1*	*5.6*	
Acadian ACWI ex U.S. Small Cap Equity	22,493,341	1.5	-0.9	-1.1	7.6	18.0	17.3	8.7	--	12.5	May-19
MSCI AC World ex USA Small Cap (Net)			*-0.9*	*-1.2*	*8.1*	*18.5*	*14.2*	*5.9*	*--*	*9.0*	
Driehaus International Small Cap Growth	21,303,438	1.4	-4.1	-1.9	4.9	10.7	13.4	3.6	--	10.2	May-19
MSCI AC World ex USA Small Growth Index (Net)			*-3.5*	*-3.6*	*6.6*	*14.8*	*12.1*	*3.2*	*--*	*8.1*	
GQG International Equity	67,069,719	4.5	3.6	0.3	7.9	15.4	14.1	8.2	--	10.5	Dec-19
MSCI AC World ex USA (Net)			*0.3*	*4.8*	*14.1*	*28.5*	*17.4*	*9.2*	*--*	*10.3*	
First Eagle International Value Fund	68,638,539	4.6	4.7	4.2	12.0	30.0	18.6	10.9	--	10.1	Dec-19
MSCI EAFE (Net)			*2.0*	*5.2*	*11.6*	*24.3*	*16.0*	*9.3*	*--*	*10.1*	
MSCI AC World ex USA Value (Net)			*3.5*	*7.2*	*18.5*	*36.9*	*21.8*	*13.6*	*--*	*12.2*	
Emerging Markets Equity	**78,907,076**	**5.3**	**1.4**	**6.3**	**1.4**	**2.7**	**10.9**	**0.4**	**9.4**	**6.4**	**May-12**
MSCI EM			*-3.1*	*4.8*	*20.0*	*36.4*	*19.3*	*8.0*	*9.3*	*6.2*	
Artisan Developing World TR	52,082,825	3.5	2.2	12.4	-0.5	-6.4	10.1	-0.7	--	8.5	Dec-19
MSCI Emerging Markets (Net)			*-3.1*	*4.8*	*20.0*	*36.4*	*19.3*	*8.0*	*--*	*9.9*	
RWC	26,824,252	1.8	-0.1	-3.8	5.4	24.5	11.5	2.4	--	6.5	Dec-19
MSCI Emerging Markets (Net)			*-3.1*	*4.8*	*20.0*	*36.4*	*19.3*	*8.0*	*--*	*9.9*	

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 July 31, 2026

	Market Value ($)	% of Portfolio	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
US Fixed Income	**229,929,307**	**15.3**	**-1.0**	**-0.4**	**-0.1**	**3.3**	**4.2**	**-0.4**	**1.5**	**4.3**	**Jan-95**
US Fixed Income Custom Benchmark			*-1.3*	*-0.8*	*-0.7*	*2.7*	*3.8*	*-0.2*	*1.6*	*4.5*	
Vanguard Total Bond Market Index Fund	31,578,207	2.1	-1.3	-0.7	-0.6	2.7	3.7	-0.4	--	1.4	May-19
Blmbg. U.S. Aggregate Index			*-1.3*	*-0.8*	*-0.7*	*2.7*	*3.7*	*-0.4*	*--*	*1.4*	
Payden & Rygel Low Duration Fund	22,589,735	1.5	0.1	0.5	0.9	3.5	5.0	--	--	5.0	Nov-22
Blmbg. U.S. Treasury: 1-3 Year			*0.1*	*0.3*	*0.8*	*3.1*	*4.3*	*--*	*--*	*4.0*	
Brandywine US Fixed Income	68,344,393	4.6	-0.7	0.1	0.7	4.2	4.0	--	--	3.1	Nov-22
Blmbg. U.S. Aggregate Index			*-1.3*	*-0.8*	*-0.7*	*2.7*	*3.7*	*--*	*--*	*4.4*	
Wellington Core Bond	107,416,972	7.2	-1.3	-0.8	-0.7	2.8	4.3	--	--	4.3	Nov-22
Blmbg. U.S. Aggregate Index			*-1.3*	*-0.8*	*-0.7*	*2.7*	*3.7*	*--*	*--*	*4.4*	
Opportunistic Credit	**62,916,349**	**4.2**	**0.3**	**1.3**	**3.1**	**6.3**	**8.2**	**5.5**	**--**	**6.1**	**May-19**
Custom Blended Opportunistic Credit Benchmark			*0.0*	*0.6*	*1.4*	*4.3*	*6.1*	*2.5*	*--*	*3.5*	
PIMCO Income Fund	5,602,198	0.4	-1.1	0.1	0.4	5.4	6.9	3.5	--	4.1	May-19
Blmbg. U.S. Aggregate Index			*-1.3*	*-0.8*	*-0.7*	*2.7*	*3.7*	*-0.4*	*--*	*1.4*	
GoldenTree Multi-Sector Credit	31,698,251	2.1	0.3	1.3	2.6	6.5	9.0	5.9	--	6.3	Jun-19
50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans			*0.3*	*0.9*	*1.9*	*4.7*	*7.8*	*5.1*	*--*	*5.5*	
OWS Credit Opportunity Fund LP	25,615,899	1.7	0.7	1.7	4.2	6.4	--	--	--	8.5	Oct-23
50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans			*0.3*	*0.9*	*1.9*	*4.7*	*--*	*--*	*--*	*8.1*	

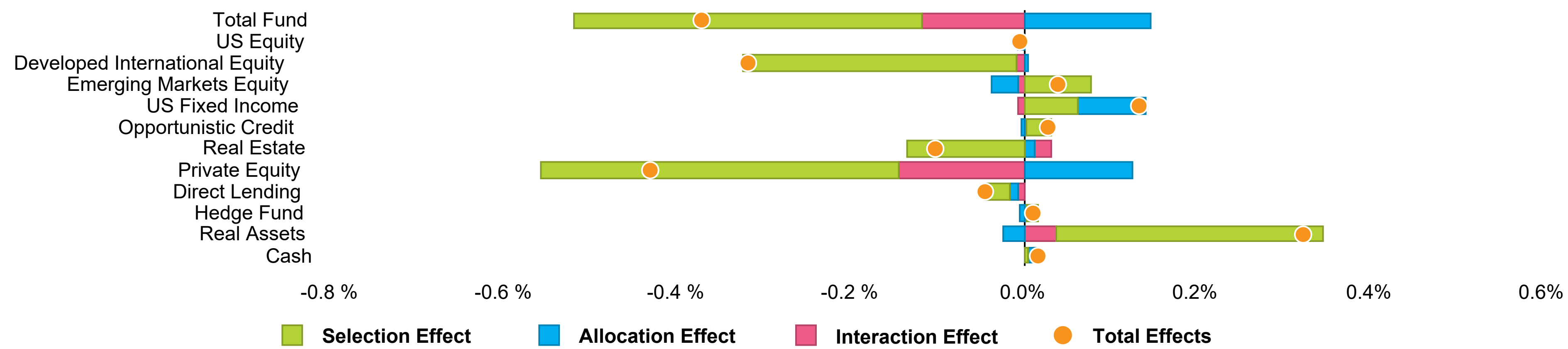
The market values of GoldenTree Multi-Sector Credit and OWS Credit Opportunity Fund LP are based on manager provided estimates, due to data availability.
Historical returns for the US Fixed Income Composite prior to December 2010 are gross only.

Trailing Net Performance | As of July 31, 2026

	Market Value ($)	% of Portfolio	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Real Estate	**75,027,123**	**5.0**	**0.0**	**-0.9**	**-0.7**	**-1.7**	**0.3**	**3.2**	**3.6**	**5.8**	**Dec-10**
Custom Blended Real Estate Benchmark			*0.0*	*1.2*	*2.2*	*4.0*	*-2.0*	*3.2*	*4.3*	*7.3*	
Private Equity	**268,732,826**	**17.9**	**0.0**	**2.4**	**7.2**	**15.4**	**10.2**	**12.3**	**14.0**	**10.3**	**Jul-05**
Custom Private Equity Benchmark			*10.3*	*4.6*	*12.2*	*35.4*	*23.8*	*16.2*	*18.5*	*--*	
Preqin Private Equity (1QTR Lag)			*0.0*	*0.5*	*2.9*	*8.2*	*6.8*	*9.1*	*13.5*	*12.9*	
Direct Lending	**90,478,557**	**6.0**	**0.0**	**1.3**	**3.3**	**8.8**	**10.1**	**7.7**	**--**	**9.8**	**Jul-20**
Morningstar LSTA Leveraged Loans +2%			*1.0*	*1.9*	*3.3*	*6.4*	*9.5*	*8.3*	*--*	*9.1*	
Hedge Funds	**80,002,342**	**5.3**	**-1.4**	**1.7**	**4.7**	**9.0**	**8.3**	**6.4**	**6.8**	**5.5**	**Jul-14**
Custom Blended Hedge Funds Benchmark			*-2.0*	*1.4*	*6.4*	*13.4*	*9.6*	*5.6*	*5.7*	*--*	
Private Infrastructure	**54,316,462**	**3.6**	**0.0**	**2.8**	**3.1**	**8.6**	**10.7**	**10.7**	**11.8**	**10.2**	**Jan-15**
S&P Global Infrastructure			*0.2*	*-1.0*	*10.2*	*16.8*	*16.2*	*11.7*	*8.7*	*7.9*	
Private Natural Resources	**33,040,878**	**2.2**	**0.0**	**8.4**	**15.4**	**24.8**	**19.0**	**23.0**	**15.7**	**16.7**	**Oct-15**
S&P Global Natural Resources Sector Index (TR)			*7.5*	*-1.8*	*17.9*	*37.0*	*11.8*	*11.0*	*10.7*	*11.9*	
Cash	**22,007,422**	**1.5**	**0.3**	**1.1**	**2.6**	**4.7**	**4.6**	**3.2**	**--**	**--**	**Dec-10**
Cash	19,685,348	1.3	0.3	0.9	2.4	4.1	4.6	3.2	2.1	-0.3	Dec-10
Treasury Cash	2,322,074	0.2	0.0	2.9	6.9	14.3	9.2	5.4	--	3.1	Sep-17

All private markets performance and market values reflect a 3/31/26 capital account balance cash flow adjusted through 07/31/2026.
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.
Hedge Fund values are estimates as of 7/31/2026 except for Taconic Opportunity Fund which is lagged from June.
Cash market value is subject to change pending final reconciliation of private markets data.

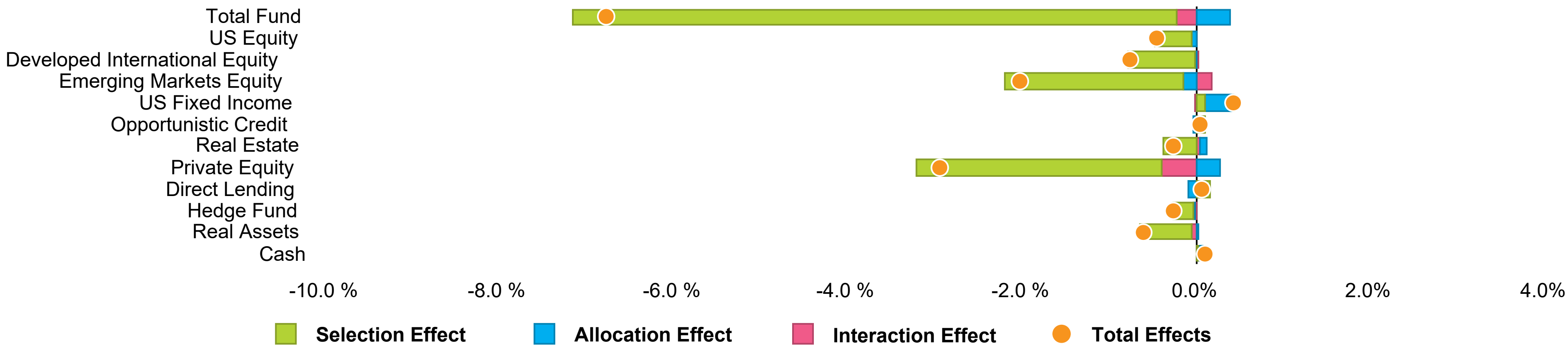
Attribution Effects
3 Months Ending July 31, 2026



Attribution Summary
3 Months Ending July 31, 2026

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	4.3	4.3	0.0	0.0	0.0	0.0	0.0
Developed International Equity	1.3	4.0	-2.6	-0.3	0.0	0.0	-0.3
Emerging Markets Equity	6.3	4.8	1.5	0.1	0.0	0.0	0.0
US Fixed Income	-0.4	-0.8	0.3	0.1	0.1	0.0	0.1
Opportunistic Credit	1.3	0.6	0.7	0.0	0.0	0.0	0.0
Real Estate	-0.9	1.2	-2.2	-0.1	0.0	0.0	-0.1
Private Equity	2.4	4.6	-2.2	-0.4	0.1	-0.1	-0.4
Direct Lending	1.3	1.9	-0.6	0.0	0.0	0.0	0.0
Hedge Fund	1.7	1.4	0.3	0.0	0.0	0.0	0.0
Real Assets	4.9	-1.2	6.2	0.3	0.0	0.0	0.3
Cash	1.1	0.9	0.2	0.0	0.0	0.0	0.0
Total Fund	**2.2**	**2.6**	**-0.4**	**-0.4**	**0.1**	**-0.1**	**-0.4**

Attribution Effects
1 Year Ending July 31, 2026



Attribution Summary
1 Year Ending July 31, 2026

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	17.7	19.6	-1.9	-0.4	0.0	0.0	-0.5
Developed International Equity	20.6	27.1	-6.5	-0.8	0.0	0.0	-0.8
Emerging Markets Equity	2.7	36.4	-33.7	-2.0	-0.2	0.2	-2.0
US Fixed Income	3.3	2.7	0.5	0.1	0.3	0.0	0.4
Opportunistic Credit	6.3	4.3	2.0	0.1	0.0	0.0	0.0
Real Estate	-1.7	4.0	-5.6	-0.4	0.1	0.0	-0.3
Private Equity	15.4	35.4	-20.0	-2.8	0.3	-0.4	-2.9
Direct Lending	8.8	6.4	2.5	0.1	-0.1	0.0	0.1
Hedge Fund	9.0	13.4	-4.4	-0.2	0.0	0.0	-0.3
Real Assets	14.7	26.9	-12.1	-0.6	0.0	0.0	-0.6
Cash	4.7	3.9	0.8	0.0	0.1	0.0	0.1
Total Fund	**11.5**	**18.3**	**-6.8**	**-6.9**	**0.4**	**-0.2**	**-6.8**

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 ($)	Estimated Annual Fee (%)	Estimated Annual Fee ($)
Total Fund		**1,500,735,228**		
Total Fund w/o Alternatives		**877,129,617**		
Public Equity		**584,283,961**		
US Equity		**325,871,847**		
BNY Mellon Newton Dynamic US Equity	0.30 % of Assets	73,882,418	0.30	221,647
BNY Mellon Large Cap	0.04 % of First $100 M 0.02 % Thereafter	230,890,442	0.03	66,178
Fidelity Small Cap	0.03 % of Assets	21,098,987	0.03	5,275
Champlain Small Cap	1.00 % of Assets	-	1.00	-
International Equity		**258,412,114**		
Acadian ACWI ex U.S. Small Cap Equity	0.85 % of First $50 M 0.75 % Thereafter	22,493,341	0.85	191,193
Driehaus International Small Cap Growth	0.90 % of Assets	21,303,438	0.90	191,731
GQG International Equity	0.50 % of Assets	67,069,719	0.50	335,349
First Eagle International Value Fund	0.79 % of Assets	68,638,539	0.79	542,244
Emerging Markets Equity		**78,907,076**		
Artisan Developing World TR	1.05 % of Assets	52,082,825	1.05	546,870
RWC	0.87 % of Assets	26,824,252	0.87	233,371
MCERA US FIXED+OPP CREDIT		**292,845,656**		
US Fixed Income		**229,929,307**		
Vanguard Total Bond Market Index Fund	0.03 % of Assets	31,578,207	0.03	7,895
Payden & Rygel Low Duration Fund	0.38 % of Assets	22,589,735	0.38	85,841
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	68,344,393	0.27	185,358
Wellington Core Bond	0.12 % of Assets	107,416,972	0.12	128,900
Opportunistic Credit		**62,916,349**		
PIMCO Income Fund	0.50 % of Assets	5,602,198	0.50	28,011
GoldenTree Multi-Sector Credit	0.70 % of Assets	31,698,251	0.70	221,888

	Fee Schedule	Market Value ($)	Estimated Annual Fee (%)	Estimated Annual Fee ($)
OWS Credit Opportunity Fund LP		25,615,899	-	-
Hedge Funds		**80,002,342**		
Marshall Wace Eureka	Performance Based 2.00 % and 20.00 %	5,797,741	2.00	115,955
Marshall Wace Global Opportunities	Performance Based 2.00 % and 20.00 %	7,350,334	2.00	147,007
Taconic Opportunity Fund	Performance Based 1.40 % and 20.00 %	674,805	1.40	9,447
Silver Point Capital	Performance Based 1.50 % and 20.00 %	16,682,447	1.50	250,237
Graham Absolute Return	Performance Based 1.75 % and 20.00 %	5,578,950	1.75	97,632
Laurion Capital	Performance Based 2.00 % and 20.00 %	8,529,247	2.00	170,585
Wellington Global Equity Long/Short Fund	Performance Based 1.00 % and 20.00 %	11,642,044	1.00	116,420
Hudson Bay Fund		16,167,708	-	-
Caxton Global Investments	Performance Based 1.95 % and 22.50 %	7,579,065	1.95	147,792
Cash		**22,007,422**		
Cash		19,685,348	-	-
Treasury Cash		2,322,074	-	-

Disclaimer, Glossary, and Notes

THIS REPORT (THE "REPORT") HAS BEEN PREPARED FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE "RECIPIENT").

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

THE INFORMATION USED TO PREPARE THIS REPORT MAY HAVE BEEN OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. SOME OF THIS REPORT MAY HAVE BEEN PRODUCED WITH THE ASSISTANCE OF ARTIFICIAL INTELLIGENCE ("AI") TECHNOLOGY. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY, ADEQUACY, VALIDITY, RELIABILITY, AVAILABILITY, OR COMPLETENESS OF ANY INFORMATION CONTAINED HEREIN, WHETHER OBTAINED EXTERNALLY OR PRODUCED BY THE AI.

THE RECIPIENT SHOULD BE AWARE THAT THIS REPORT MAY INCLUDE AI-GENERATED CONTENT THAT MAY NOT HAVE CONSIDERED ALL RISK FACTORS. THE RECIPIENT IS ADVISED TO CONSULT WITH THEIR MEKETA ADVISOR OR ANOTHER PROFESSIONAL ADVISOR BEFORE MAKING ANY FINANCIAL DECISIONS OR TAKING ANY ACTION BASED ON THE CONTENT OF THIS REPORT. WE BELIEVE THE INFORMATION TO BE FACTUAL AND UP TO DATE BUT DO NOT ASSUME ANY RESPONSIBILITY FOR ERRORS OR OMISSIONS IN THE CONTENT PRODUCED. UNDER NO CIRCUMSTANCES SHALL WE BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES OR ANY DAMAGES WHATSOEVER, WHETHER IN AN ACTION OF CONTRACT, NEGLIGENCE, OR OTHER TORT, ARISING OUT OF OR IN CONNECTION WITH THE USE OF THIS CONTENT. IT IS IMPORTANT FOR THE RECIPIENT TO CRITICALLY EVALUATE THE INFORMATION PROVIDED.

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

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

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

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

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

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

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

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

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

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

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

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about is 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%.

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

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

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

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

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

MERCEDCERA

Merced County Employees' Retirement Association

DATE:	August 27, 2026
TO:	MercedCERA Board of Retirement
FROM:	Pete Madrid, Assistant Plan Administrator – Investments
SUBJECT:	Recommendation to adopt a "Functional Framework" for the Portfolio
ITEM NUMBER:	**Open Session Item c**
ITEM TYPE:	**Action**

STAFF RECOMMENDATION:

1. Adopt a Functional Framework for the investment portfolio.

DISCUSSION:

In May 2026, Meketa provided education to the Board of Retirement on a "Functional Framework" approach to managing the MercedCERA investment portfolio. This approach views the investments based on their specific roles in achieving Plan objectives, rather than solely on their asset class categorization. For example, adoption of a functional framework would bifurcate the Portfolio into growth assets and diversifying (capital preservation) assets. Viewing the Portfolio through this lens can help in discussions around meeting return objectives, de-risking as the funded status improves, and ensuring sufficient liquidity to meet Plan obligations. Staff support Meketa's recommendation to adopt a functional framework approach for the Portfolio.

Staff Recommendation:

Staff recommend the Board adopt a Functional Framework for the investment portfolio.

MEKETA

Functional Allocation Framework

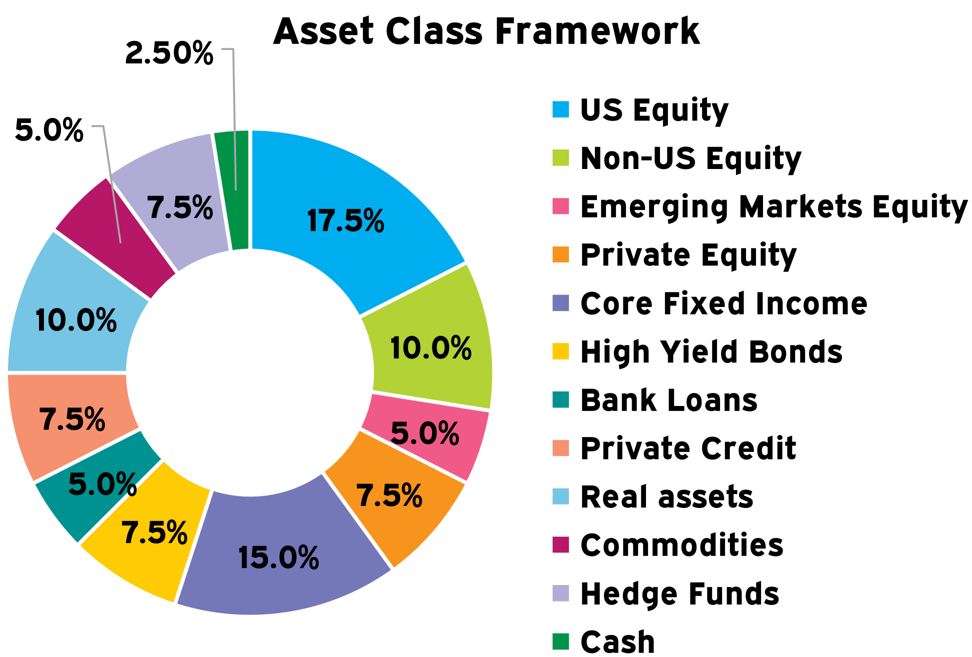
August 2026

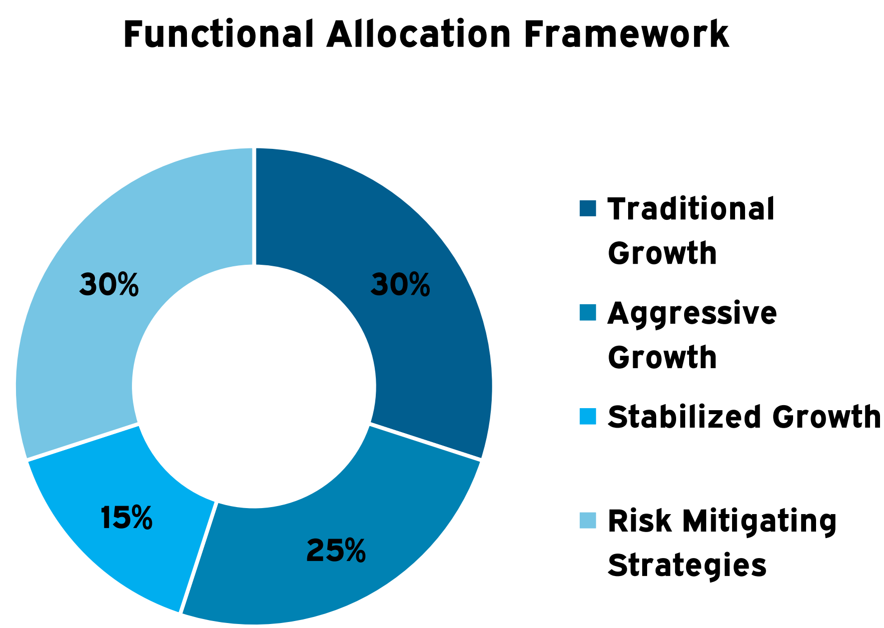
Merced County Employees' Retirement Association (MercedCERA)

Introduction

- → In a functional allocation framework, assets are aligned based on their functional role within a portfolio.
- → Functional frameworks represent a departure from the classic asset class allocation paradigm.
- → While hundreds of billions of dollars are allocated via functional allocation frameworks, they remain the minority.[1]

Allocation Framework Examples





[1] See slide 14 for a sample of institutional investors.

Framework Comparison

Asset Class Framework

→ *Organizes investments based on type of instrument.*

→ Fundamental drivers of results not necessarily prioritized.

→ Often leads to "diversification-in-name only."

→ Portfolios often contain "Alternatives" allocations that are catch-all buckets.

→ Works well during "normal times."

→ Historically applicable when investments were primarily public equities and government bonds.

Functional Framework

→ *Organizes investments by primary risk drivers and/or function/role.*

→ Improves transparency into the portfolio's true risk posture.

→ Incorporates portfolio flexibility to address continually changing product offerings.

→ Shifts the oversight prism to "bad times."

→ Requires new strategies to be truly additive in an economic/intuitive sense.

→ Improves full-cycle and intra-Asset/Liability portfolio risk positioning (i.e., avoids risk drift).

Key Takeaways

→ The utilization of a functional allocation framework seeks to improve portfolio transparency and oversight, particularly for key decision makers such as boards or investment committees.

→ A functional allocation framework helps to separate and define the fiduciary and oversight roles of boards and staff.

- Provides clear and intuitive insight into fundamental risks and functions of each portfolio component.
- May improve implementation flexibility.
- Easy integration of non-traditional asset classes and investment strategies.
- Highly customizable with no consensus on what the framework should look like.
- Many institutional investors utilize a hybrid functional/asset class framework.

→ The adoption of a functional allocation framework is not a source of alpha or outperformance.

→ The methodology for designing an aggregate portfolio does not materially change whether one utilizes a functional framework or an asset class framework.

Categorizing Investments

→ As it relates to functional versus asset allocation frameworks, one can think of asset classes as the "basic" level and functional classes as the "superordinate" level.

- Still, many investors segment the superordinate level into two components (e.g., strategic level and sub-class level).

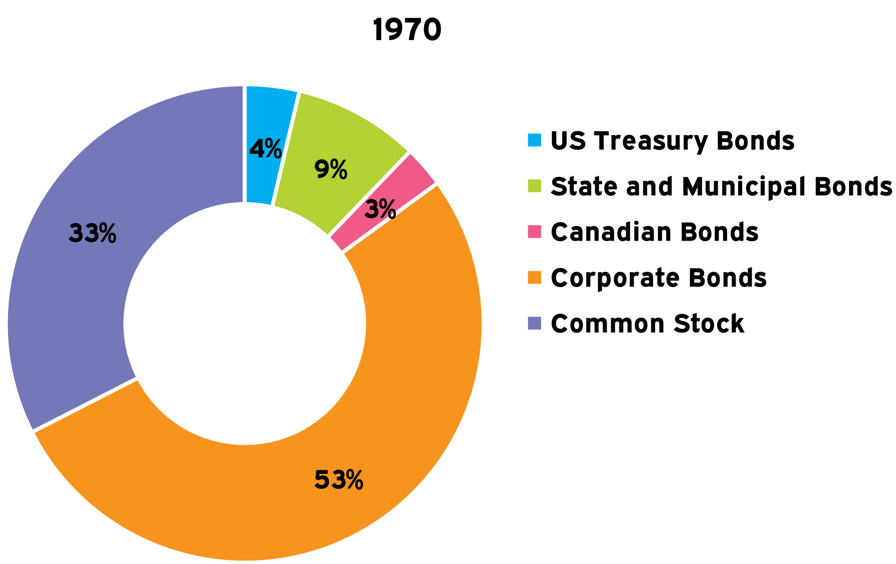
Functional Classes =	Superordinate	Ex. Animal
Asset Classes =	Basic	Ex. Dog
Strategic Level and Sub-Class Level =	Subordinate	Ex. German Shepherd, Dalmatian, etc.

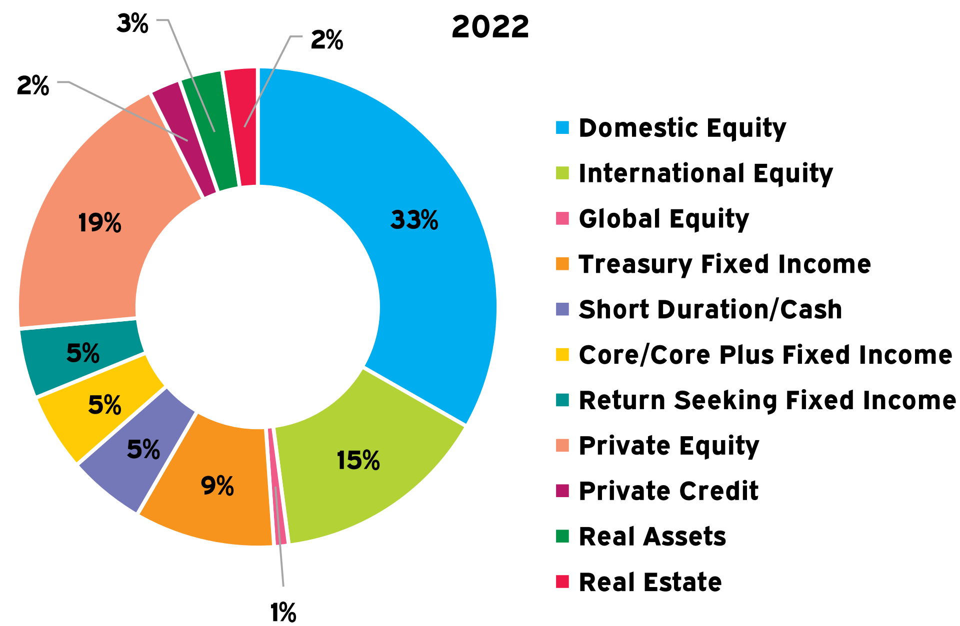
[2] Source: Rosch, E. H. (1973). Natural categories. *Cognitive Psychology*, *4*(3), 328–350 and Rosch, Eleanor (1978). *Cognition and Categorization*. Hillsdale, NJ: Lawrence Erlbaum, among others.

Example Public Pension Asset Allocation

→ Despite a wide variety of asset classes in 2022, the true fundamental drivers of the portfolio remain very similar to those in 1970, just at different weights.

→ An institutional investor likely has more types of investments today than they did in 1970, but their functions are similar to those of the broad asset classes of fifty years ago.[4]





[4] We show the Minnesota Combined Retirement Funds portfolio because Minnesota is one of the few institutional investors who make publicly available historical documentation form 50+ years ago (https://msbi.us/annual-reports).

Putting It All Together

→ A more descriptive name for the "functional allocation framework" is the "functional, risk-based allocation framework."

- Overarching strategic classes commonly used in functional frameworks tend to have key risks (factors) that drive most of the return variability within the classes.
- Assets within a "growth class" are explicitly exposed to economic growth risk, which means they are susceptible to changes in global economic growth and/or corporate profitability.
  - Growth risk is pervasive across asset classes and/or strategies that target meaningful levels of return (i.e., near, at, or above that of public equities).
- Whereas a "diversification class" is driven by a variety of other risks, such as duration risk, volatility risk, and time series momentum.
  - This concept shares some overlap with traditional risk parity and factor investing strategies.

→ The core philosophy behind a functional framework rests on investor awareness of the driving factors within each class and its role in the portfolio.

- Functional frameworks encourage investors to be cognizant of tail events.

Drawbacks/Challenges

→ There are two significant challenges to the functional framework.

→ The first challenge pertains to the high degree of abstraction.

- While the framework tilts the portfolio review lens towards the major risks and functions within a portfolio, this comes at the cost of decreased detail and granularity.
- There will certainly be times where key decision makers want to examine specific asset level exposures, and this may require peering through multiple layers.
- Relatedly, functional frameworks make comparing allocations across peer groups challenging.

→ The second challenge relates to the actual design/construction of the classes.

- In a perfect world, asset classes would be "pure" in the sense that they are largely driven by a single factor.
- While there are certain asset classes where this is more or less true (e.g., US Treasury bonds,), this tends to be more of exception than the rule.
- Real assets and TIPS, for example, have a variety of driving forces and economic sensitivities.
  - This is an example of the imprecise nature of functional frameworks.

Growth Risk and Growth Classes

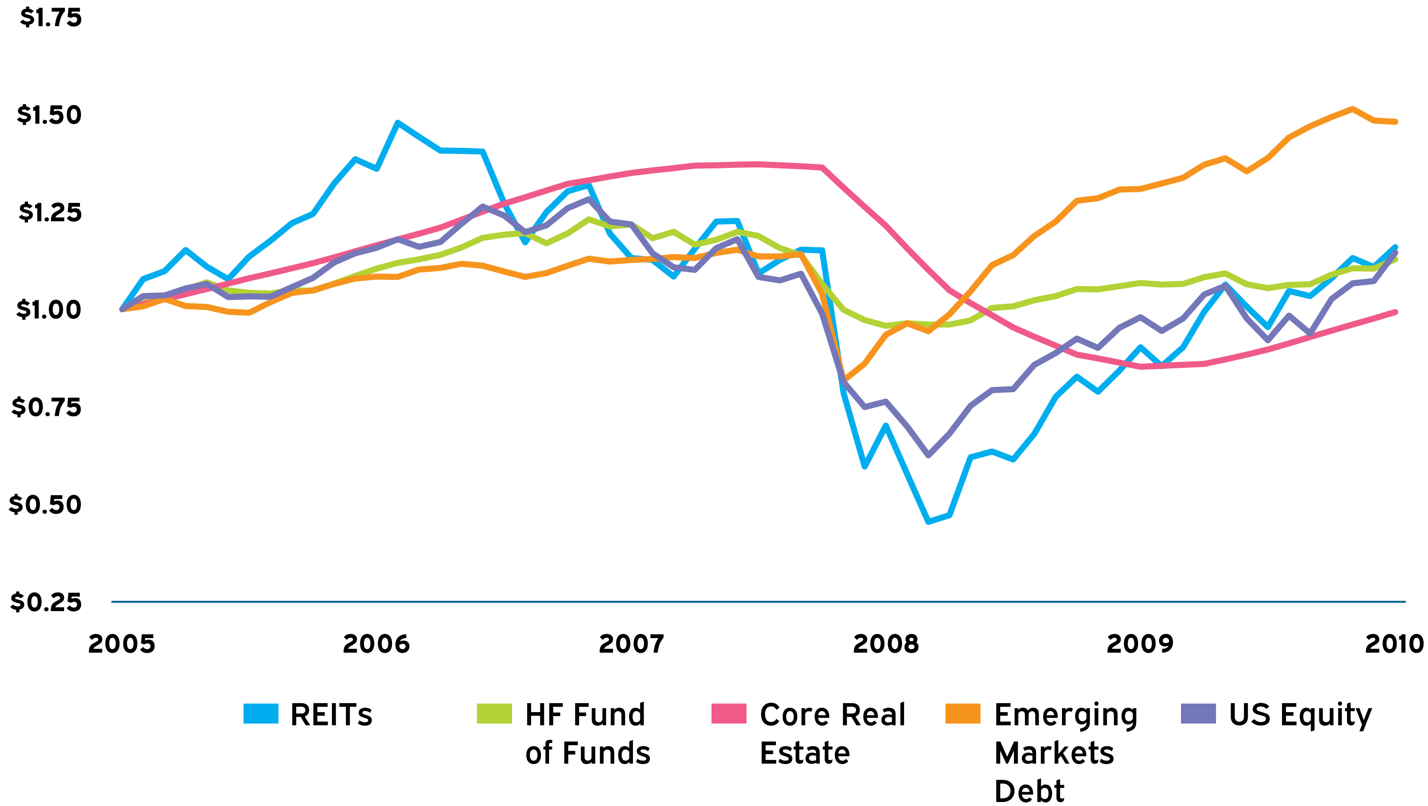
→ Historically, most asset classes tend to share a similar sensitivity to economic growth.

	US Equity	Non-US Equity	EM Equity	Private Equity	Real Estate	Infrastructure	High Yield	EM Debt (local)	Natural Resources (private)	Hedge Funds
COVID-19 Market Shock (Feb 2020-Mar 2020)	-35.0%	-32.7%	-31.2%	-7.4%	0.7%	-6.3%	-20.8%	-13.9%	-22.1%	-9.1%
Global Financial Crisis (Oct 2007 - Mar 2009)	-45.8%	-52.1%	-51.2%	-28.2%	-28.4%	-10.0%	-22.8%	-7.9%	-31.2%	-17.8%
Popping of the TMT Bubble (Apr 2000 - Sep 2002)	-43.8%	-46.7%	-43.9%	-26.2%	28.7%	13.5%	-6.3%	7.2%	-3.9%	-2.1%
Long Term Capital Management (LTCM) (Jul - Aug 1998)	-15.4%	-11.5%	-26.7%	-3.3%	-1.2%	-0.8%	-5.0%	-34.1%	-16.9%	-9.4%
Early 1990s Recession (Jun - Oct 1990)	-14.7%	-9.7%	-15.9%	1.8%	-2.4%	0.7%	-12.9%	-10.5%	5.6%	-1.9%
Crash of 1987 (Sep - Nov 1987)	-29.5%	-14.5%	-25.3%	-0.5%	-0.8%	-2.7%	-3.6%	-11.0%	-9.9%	-7.8%
Strong dollar (Jan 1981 - Sep 1982)	-2.3%	-18.0%	-12.1%	-3.9%	24.4%	-1.8%	6.9%	-2.0%	-9.5%	-3.8%
Volcker Recession (Jan - Mar 1980)	-4.1%	-7.0%	-6.6%	-2.7%	4.8%	-1.0%	-2.3%	-3.2%	-9.1%	-1.9%
Stagflation (Jan 1973 - Sep 1974)	-42.6%	-36.3%	-44.2%	-20.1%	-10.8%	-3.8%	-15.5%	-23.9%	19.3%	-15.7%

Source: Meketa Investment Group. Historical scenarios are modeled off of benchmark proxies when available and uses simulated returns when the proxies were unavailable.

Asset Classes Potentially Provide Illusory Diversification

→ In-line with the common notion of "correlations move to 1," the GFC provided one of many historical examples of perceived diversification benefits being overestimated.



Drawdown	-69%	-22%	-38%	-29%	-51%

Data Sources: MSCI US REITs, HFRI FOF Composite, NCREIF ODCE, 50%JPM EMBI Global Diversified/50%BB EM Corporate Hard, Russell 3000

Functional Framework

2 TYPES OF FUNCTIONAL CLASSES

GROWTH

- Requires exposure to economic engine in order to succeed
- Often utilize significant levels of financial/economic leverage
- Often linked closely to overall economic success/failure
- Long-term holding periods often result in significant growth in purchasing power/wealth

DIVERSIFICATION
(HAS 2 SUB-VARIETIES)

ANCHOR

- Low volatility (e.g., 2-6%)
- Known source of liquidity at all times
- Typically cash + 0-2% returns
- Not powerful/volatile enough to materially rebalance away from and into Public Equity

OFFSET

- High volatility (e.g., 10-20%) / capital efficient
- Zero-to-negative conditional correlation to public equity
- Certain implementations work in inflationary crises and others work in deflationary crises
- Can be rebalanced away from and into Public Equity

Example: Functional Framework A

Growth	**Aggressive Growth**	Provide growth in excess of traditional growth investments (i.e., public equity markets) through exposure to investments driven mainly by exposure to both the equity risk and illiquidity risk premiums. (e.g., private equity and non-core real assets).
	Traditional Growth	Provide growth in-line with traditional public equity markets through global public equity investments and those of similar risk/return (e.g., US equity, non-US equity, REITs, etc.).
	Stabilized Growth	Provide growth through strategies that are exposed to market beta, exhibiting expected returns similar to traditional growth but with 50-75% of the volatility (e.g., credit, options strategies, and core real assets).

Diversification	**Inflation Protection**	Serve a mixed role of part anchor (e.g., TIPS) and part offset (e.g., commodities) depending on the market environment. Designed to help protect the portfolio during periods of high inflation.
	Principal Protection	Provide an anchor to the portfolio by exhibiting low volatility with minimal or zero exposure to the equity risk premia. Designed to provide consistent, stable returns during all or most market environments and preserve principal during periods where growth investments are experiencing significant drawdowns (e.g., intermediate duration investment grade fixed income).
	Risk Mitigating Strategies	Provide an offset to portfolio growth risk, through liquid exposures to systematic market and non-market based risk premiums expected to exhibit offsetting behavior to growth investments during periods of significant drawdowns (e.g., long duration Treasuries, systematic trend following, alternative risk premia, long volatility, global macro, etc.).

Example: Functional Framework B

Growth	**Private Growth**	Provide growth in excess of traditional growth investments (i.e., public equity markets) through exposure to investments driven mainly by exposure to both the equity risk and illiquidity risk premiums (e.g., private equity).
	Traditional Growth	Provide growth in-line with traditional public equity markets through global public equity investments and those of similar risk/return (e.g., US equity, non-US equity, REITs, etc.).
	Credit	Provide exposure to economic growth risk via debt-related holdings across both public and private markets. (e.g., high yield bonds, private credit, etc.).
	Real Assets	A spectrum of illiquid strategies that represent interests directly in or derived from physical, real assets. Represents a multitude of sensitivities to economic growth, interest rates, and inflation.

Diversification	**Liquid Defensive**	Structured to provide significant positive returns when growth assets are producing significant negative returns. Potential strategies include long duration Treasuries, long volatility, systematic trend following, etc.
	Liquid Diversifying	Structured to produce uncorrelated returns during both crisis and non-crisis periods for growth assets. Potential strategies include global macro, alternative risk premia, equity market-neutral, relative value, etc.
	Illiquid Diversifying	Structured to produce uncorrelated returns during both crisis and non-crisis periods for growth assets but with illiquid investments or vehicles. Potential strategies include insurance-linked/reinsurance, litigation finance, etc.

Sample of Institutional Investors with Functional Classes

Strategic Classes/Factors		CalSTRS	SJCERA	Hawaii ERS	Contra Costa County (CCCERA)	Illinois SURS	Orange County ERS
	Functional/ Factor Class	• Economic Growth • Diversifying	• Aggressive Growth • Stabilized Growth • Traditional Growth • CRO • Principal Protection	• Broad Growth • Diversifying Strategies	• Growth • Diversifying • Liquidity	• Broad Growth • Inflation Sensitive • Principal Protection • Crisis Risk Offset	• Risk Mitigation
	Asset Class	• Real Assets	• Cash		• Cash		• Public Equity • Private Equity • Fixed Income • Credit • Real Assets
Approximate Size (USD)		$413B	$5B	$25B	$14B	$26B	$28B

Source: Approximate AUM figures are as 3/2026 or 6/2026 values.
CalSTRS: https://www.calstrs.com/files/f46b99b00/A-InvestmentPolicyandManagementPlan07-2022.pdf
ATP: https://www.atp.dk/en/dokument/factor-investing-atp-way
Hawaii ERS: https://ers.ehawaii.gov/investments/asset-allocation
Contra Costa (CCCERA): https://www.cccera.gov/sites/main/files/file-attachments/quarterly_performance_review_-_march_31_20226.pdf?1779397171
Illinois SURS: https://surs.org/wp-content/uploads/policy.pdf
Orange County ERS: https://www.ocers.org/investments

MERCED CERA Portfolio

Sample: MERCED CERA Structural Framework

High-Level Class	Strategy
Broad Growth (79)	Private Equity
	Private Infrastructure
	Value-Add/Opp Real Estate
	US Equity
	Non-US Equity
	Emerging Market Equity
	Opportunistic Credit
	Hedge Funds
	Private Credit
	Core Real Assets
Diversifying Strategies (21)	US Fixed Income
	Cash
	Private Natural Resources

Summary

Summary and Recommendation

→ Functional allocation frameworks seek to group assets into classes/buckets in a way that may more accurately represent critical commonalities.

- These groupings tend to be focused on specific factor risks, particularly macroeconomic factors and/or an alignment with portfolio functions.

→ Functional frameworks have the potential to dampen the undesirable tendences (e.g., behavioral biases) of the well-intentioned professionals who oversee institutional portfolios.

→ Functional frameworks do not necessarily change the nature of a given investment portfolio.

- Rather, they provide a different lens for examining the major risks of an investment portfolio and often spark improved conversations related to diversification.

→ These frameworks offer the potential to improve portfolio management and oversight.

→ <u>Meketa recommends Merced CERA adopt the functional framework structure which creates a high-level allocation to Growth and Diversifying assets.</u>

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

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

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

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

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

MERCEDCERA
Merced County Employees' Retirement Association

DATE: August 27, 2026

TO: MercedCERA Board of Retirement

FROM: Martha Sanchez Barboa, Plan Administrator

SUBJECT: Three-year Contract Agreement with Cliffwater LLC for Specialty Investment Consulting Services

ITEM NUMBER: **Open Session Item d**

ITEM TYPE: **Action**

STAFF RECOMMENDATION:

1. Approve a 3-year contract, with two optional 1-year extensions, with Cliffwater LLC for Specialty Investment Consulting Services.

DISCUSSION:

Following in-person candidate presentations by three investment consulting firms, the MercedCERA Board of Retirement voted to retain Cliffwater LLC as the Plan's Specialty Investment Consultant. Staff has worked with County Counsel to finalize negotiations on the consulting services contract with Cliffwater. The contract is largely unchanged from the current Specialty Investment Consulting Services contract first awarded in 2017, and extended in 2022, except for the annual fees for services. Below are the updated annual fees for services over the life of the new contract.

Period	Annual Fee
Year 1	$250,000.00
Year 2	$250,000.00
Year 3	$250,000.00
Year 4 (1st Extension)	$250,000.00
Year 5 (2nd Extension)	$250,000.00

Staff Recommendation:

Staff recommend the Board approve a 3-year contract, with two optional 1-year extensions, with Cliffwater LLC for Specialty Investment Consulting Services.

DATE: August 27, 2026

TO: MercedCERA Board of Retirement

FROM: Martha Sanchez Barboa, Plan Administrator

SUBJECT: Error Correction Policy

ITEM NUMBER: **Open Session Item e**

ITEM TYPE: **Action**

STAFF RECOMMENDATION:

1. Adopt the updated Error Correction Policy.

DISCUSSION:
The Merced County Employees' Retirement Association (MercedCERA) Board of Retirement adopted the Error Correction Policy on July 27, 2023. The policy's intention was to provide clarity regarding the policy and procedures to be used by MercedCERA staff when correcting member account errors due to actions like under collection of member contributions, or overpayment of member monthly benefits, to name a couple.

After discussions with MercedCERA's tax attorney, Hanson Bridgett, it was recommended that updated IRS references be incorporated into the policy. Attached to this agenda are the clean and red-lined versions of the policy updates.

In addition to the updated IRS references made, and other minor clarification edits, staff are recommending the policy include additional procedural actions. Page 3 of the redlined policy version highlights current language directing how uncollectable overpayments from members be reconciled through the Actuarial Accrued Liability as part of the annual actuarial valuation process. Staff are not recommending changes to this practice. However, staff are recommending that the policy incorporate new language, highlighted on page 6 of the same document. This language requires that the Plan Administrator present annually to the Board at the same meeting where the annual Budget is presented, the amount of overpaid benefits and under collected contributions pending repayment to MercedCERA.

The Plan Administrator believes this reporting is an essential governance and transparency practice, supports the Board's oversight role, and strengthens staff accountability.

Staff Recommendation:
Staff are recommending the Board adopt the updated Error Correction Policy.

690 W 19th Street • Merced, CA 95340 • (p) 209.726.2724 (f) 209.725.3637
www.mercedcera.com • mercedcera@countyofmerced.com

Merced County Employees' Retirement Association

Error Correction Policy

Purpose

The purpose of this policy is to establish a framework for correcting errors in connection with the payment of member or beneficiary (collectively, "member") benefits and the collection of member contributions. In particular, this policy sets out MercedCERA's authority and procedures for making prospective corrections (i.e., adjusting benefits and contributions on a going forward basis) and retroactive corrections (i.e., recouping past over-payments and refunding past over-collections) in accordance with the MercedCERA Bylaws and in a manner consistent with the Internal Revenue Service ("IRS") Employee Plans Compliance Resolution System ("EPCRS") (currently contained in Revenue Procedure 2021-30), including any future changes to EPCRS.

Policy

This policy pertains to three categories of errors caused by the acts and omissions of MercedCERA and/or MercedCERA members:

1. Overpayment of member benefits;
2. The over-collection or under-collection of member contributions; and
3. The underpayment of member benefits.

For the avoidance of doubt, this policy, and the procedures, do not apply to errors, under-collections, over-collections, and other correctible events driven by employer operations.

Interest

All references to "interest" refer to the semiannual interest crediting rate for Members and or Retirees for the period(s) to be corrected. Active and deferred members will be paid the interest credited on their accounts in accordance with the MercedCERA Board Approved Interest Crediting Policy and retirees' interest will be the average rate of the ten-year US Treasury Bond over the period of over/under payment. The Board of Retirement has the ability and discretion to change the interest rate, as needed, dependent upon the circumstances of the under/over payment or collection of contributions.

Correcting the Overpayment of Member Benefits

On occasion, MercedCERA may discover that it has paid a retirement allowance or other benefit to a member in excess of what is owed under the law. When that occurs, MercedCERA shall take steps to make prospective and retroactive corrections as soon as practicable in accordance with this policy, EPCRS and IRS guidance. No action will be commenced by or against the Board of Retirement or the Association more than 10 years after all obligations to or on behalf of the member have been discharged.

Please note, this policy does not apply to rounding of retirement estimates and retirement benefits by the pension administration system. Rounding is considered to be $2 or less difference between estimates and the benefit payout.

1. Prospective Corrections (Adjusting Benefits Going Forward)

With respect to prospective corrections, MercedCERA shall adjust the amount of the member's benefit to ensure that, going forward, the member receives a benefit that does not exceed what is owed under the law.

Where there has been a system-wide error affecting a significant number of members, MercedCERA may encounter practical limitations on its ability to gather the facts necessary to recreate the members' final compensation and achieve exact prospective corrections. If, in the judgment of the Board, the cost of such fact gathering and prospective correction exceeds what is administratively prudent under the circumstances, the Board may authorize alternative corrective actions so long as they reasonably protect members' rights and are consistent with the prudent administration of fund assets and EPCRS.

2. Retroactive Corrections (Recovery of Overpaid Benefits)

With respect to retroactive corrections, MercedCERA shall take all reasonable steps to recover and collect overpaid benefits, plus interest, from members in accordance with EPCRS, IRS guidance and the following criteria:

a. Where the overpayment of a benefit was due to fraudulent reports made or caused to be made by the member, or the member caused the member's final compensation to be improperly increased or overstated at the time of retirement, MercedCERA shall seek recovery of such overpayments from the member to the extent permitted under Gov. Code § 31539 and IRS guidance. MercedCERA may use any and all collection methods and legal remedies that, in its judgment, would facilitate a full recovery. MercedCERA may seek to recover overpayments from the member in a lump sum or by installment plan (which may, but need not be, over the same period of time that the error occurred). MercedCERA may also offset the amount of overpayment to be recovered against future benefit payments. MercedCERA may also seek recovery by adjusting the allowance so that the retired member or the retired member and the retired member's beneficiary will receive the actuarial equivalent of the allowance to which the member is entitled. MercedCERA may also institute an action against the member for declaratory, legal, and equitable relief. The Plan Administrator as a designee of the Board, may commence action up to 10 years from the date of the overpayment or upon the discovery of the facts, fraud or intentional misrepresentation whichever is later.

b. Where the overpayment of a benefit was due to an act or omission by MercedCERA, the member, or beneficiary, MercedCERA shall seek recovery of such overpayments from the member or beneficiary to the extent permitted under IRS guidance. MercedCERA may use any and all collection methods and legal remedies that, in its judgment, will most likely facilitate a full recovery. The right to recovery shall expire 10 years from the date the incorrect payment was made or the discovery of the error was made, whichever is later.

c. Where the overpayment of a benefit was due to inadvertent error by MercedCERA (including an inadvertent error in statutory or legal interpretation), and such error would (in the judgment of the Board through the Board's designee of the Plan Administrator, with consultation with legal counsel) subject MercedCERA to valid equitable defenses and potential fiduciary claims by the member, MercedCERA need not seek to recover such overpayments from the member (as allowed under Internal Revenue Code section 414(aa)) unless ordered to do so by the IRS and/or a final, non-appealable order of a court of competent jurisdiction. The right to commence recovery shall expire 10 years from the date the incorrect payment was made or the discovery of the of the error was made, whichever is later.

d. If the member is not receiving an ongoing benefit and has received an overpayment in a lump sum benefit of up to $25,000, then the Plan Administrator shall have authority pursuant to the MercedCERA Bylaws to take action to recover the overpayment to the extent permitted by EPCRS and IRS guidance. If the member is not receiving an ongoing benefit and has received an overpayment in a lump sum benefit of more than $25,000, then the Plan Administrator will pursue collection efforts after consultation with the Board to the extent consistent with EPCRS.

To the extent MercedCERA is unable to collect any overpayments from members, those overpayments will be reconciled through the Actuarial Accrued Liability as part of the annual actuarial valuation process to the extent consistent with EPCRS and IRS guidance.

3. Correcting Over Collection or Under Collection of Member Contributions

When MercedCERA has over-collected or under-collected member contributions, MercedCERA shall take steps to make prospective and retroactive corrections as soon as practicable in accordance with this policy, EPCRS and IRS guidance.

In the event an active or deferred member overpaid member contributions, MercedCERA will refund the full overpayment amount, plus interest, to such member. In the event contributions were overpaid by a member who has since retired, the full amount of overpaid contributions will be refunded to the member, plus interest, with any offset necessary to recover overpaid benefits, if any, to the extent allowable under IRS guidance.

In the event an active or deferred member underpaid the member's contributions, the full underpaid amount must be collected, plus interest, in order for the member to be entitled to the member's benefits under the law. In the event of any underpaid contributions by a retired member, the full member contribution underpayment will be recouped, plus interest, to support the continuing payment of ongoing monthly benefits supported by those contributions. MercedCERA may recoup the contribution underpayment from the retired member by deducting the underpayment from the retired member's benefits to the extent allowed under EPCRS and IRS guidance.

MercedCERA shall take actions to collect underpaid contributions and refund overpaid contributions. Although MercedCERA will strive to commence corrective recovery actions in a timely manner, no limitations period applies to the administrative actions described above.

To the extent MercedCERA is unable to recoup any underpaid contributions from members as described above, the shortfall will be reconciled through the Actuarial Accrued Liability as part of the annual actuarial valuation process to the extent consistent with EPCRS and IRS guidance.

4. Correcting the Underpayment of Member Benefits

When MercedCERA has underpaid a retirement allowance or other benefit to a member, MercedCERA shall take steps to make prospective and retroactive corrections as soon as practicable in accordance with this policy, EPCRS and IRS guidance.

With respect to prospective corrections, MercedCERA shall adjust the amount of the member's benefit to ensure that, going forward, the member receives a benefit in the amount owed under the law.

With respect to retroactive corrections, MercedCERA shall pay the member an amount equal to the member's underpayment with interest. Interest will be the average rate of the ten-year Treasury Bond of the US Government over the period of correction, compounded monthly.

5. Notice of Correction and Administrative Appeal

MercedCERA shall notify members of errors, and provide an opportunity for administrative appeal, in accordance with the following procedure and MercedCERA's Bylaws:

a. Upon the discovery of an error concerning the payment of benefits or collection of contributions, MercedCERA staff shall conduct an investigation to determine the cause of the error. As soon as practicable, staff shall form a plan to correct the error prospectively and retroactively in accordance with this policy, EPCRS and IRS guidance. Staff shall consult with the Benefits Manager, and the Plan Administrator as appropriate. The Plan Administrator may, in the Plan Administrator's discretion, decide not to pursue recovery when overpaid benefits are $1,000 or less.

b. Staff shall send a <u>Notice of Correction</u> (Notice) to the member containing information about the nature of the error and a proposed plan for prospective and retroactive corrections that aligns with EPCRS and IRS correction principles. The Notice shall be sent via Certified Mail or other method that allows staff to verify its receipt by the member.

c. If the member does not object, or respond to the Notice of Correction in writing by the date identified in the letter (90 days after date of the Notice), the member will be deemed to have agreed and consented to all aspects of the Notice, including the proposed repayment plan. The repayment plan is thereafter deemed final, and MercedCERA will proceed to implement the recovery plan.

d. If the member does not agree with the proposed correction plan in the Notice, or any other aspect of the Notice (e.g., whether MercedCERA correctly calculated the error), the member must object to the Notice in writing within the 90 day period to the Plan Administrator. In addition, the member may confer with the Plan Administrator and attempt to negotiate an agreement with alternative terms, provided such alternate terms are consistent with EPCRS and IRS guidance. The Plan Administrator has the authorization to accept the alternate terms or deny the alternate terms.

e. If no agreement is reached between the member and the Plan Administrator, the member has the right to request to address the Board of Retirement in an open session meeting to review the matter. The Board may review the matter and the Board's decision will be final.

f. The member may appeal the Plan Administrator's decision in accordance with the MercedCERA's Appeal Process. As a part of that appeal process, the Plan Administrator and/or the Board may consider an agreement of compromise in accordance with this policy, EPCRS and IRS guidance.

g. At the conclusion of the administrative appeal process, there should be a final administrative decision about the scope of the error and a plan of correction for MercedCERA to implement. MercedCERA shall then take all reasonable steps to implement, administer, and enforce the final administrative decision. The Board may meet in closed session to consider whether to initiate any litigation so that MercedCERA may obtain and execute on a civil judgment.

h. Any member has a right to appeal to a Judicial Review, as provided under Cal. Code of Civil Procedure section 1094.6..

6. Modified Procedures for Overpaid Persons Not Receiving Ongoing Benefits

Where MercedCERA has overpaid an individual who is <u>not</u> receiving ongoing benefits, a modified procedure applies.

After staff sends a Notice of Correction pursuant to this policy, staff shall reach out to the individual and attempt to obtain the individual's affirmative agreement to the proposed repayment plan. The Plan Administrator and the individual may also negotiate for some alternative repayment plan, provided the terms of an alternative repayment plan are consistent with EPCRS and IRS guidance. If the agreement involves a compromise in the amount owed, the agreement must be reviewed and approved by the Board (depending on whether the total overpayment exceeds $25,000). Any such agreement must be in writing and fully executed by both parties.

If the parties come to terms on a plan for repayment, MercedCERA shall implement the agreed upon plan. If the individual subsequently breaches the agreement, MercedCERA may, at its discretion, use any available legal remedy to enforce the agreement, including by obtaining a civil judgment against the individual and executing on the judgment.

If the parties cannot come to terms on a plan for repayment, then the administrative appeal process prevails, and MercedCERA may take all reasonable steps to implement, administer, and enforce the final administrative decision, including by obtaining and executing on a civil judgment.

7. Contents of Notice of Correction

The Notice of Correction shall inform members of the following;

- If a member has objections to any aspect of the Notice, the member must contact the Plan Administrator by a certain date. Generally, that date should be no less than 90 days after the date of Notice.

- A member may submit an administrative appeal in accordance with the MercedCERA Bylaws and this policy to dispute the proposed correction plan or any aspect of the Notice.

- Inform the member of the amount of the prospective correction, the total amount previously under/overpaid to the member, and the amount of any interest charged or credited.

- The correction shall be made with the next available benefit payment after the 90 days as stated in the Notice.

- Identify the expected duration of the repayment to recover the overpaid amount plus interest.

- In the event of any under-payment of contributions by the member, the Notice shall inform the member that the correction will commence, if practicable, with the next available payroll if the member is in active service or otherwise for deferred members, and that the full contribution underpayment amount, plus interest on contributions, will need to be recouped for the member to be entitled to the monthly benefits supported by those contributions.

8. Reporting Out of Corrections

The Plan Administrator may, at any time, bring information to the Board in open session on any correction. However, the Plan Administrator shall present annually to the Board at the same Board meeting where the annual Budget is presented, the amount of overpaid benefits and underpaid contributions pending collection. Any and all information may be presented in aggregate to protect our members' identity and rights to privacy.

The Board's Counsel may bring information to the Board in closed session with the threat of litigation.

Policy History

The MercedCERA Board of Retirement adopted this policy on July 27, 2023.

The Board amended this policy on XX, XX, XXXX.

Merced County Employees' Retirement Association

Error Correction Policy

Purpose

The purpose of this policy is to establish a framework for correcting errors in connection with the payment of member or beneficiary (collectively, "member") benefits and the collection of member contributions. In particular, this policy sets out MercedCERA's authority and procedures for making prospective corrections (i.e., adjusting benefits and contributions on a going forward basis) and retroactive corrections (i.e., recouping past over-payments and refunding past over-collections) in accordance with the MercedCERA Bylaws and in a manner consistent with the Internal Revenue Service ("IRS") Employee Plans Compliance Resolution System ("EPCRS") (currently contained in Revenue Procedure 2021-30), including any future changes to EPCRS.

Policy

This policy pertains to three categories of errors caused by the acts and omissions of MercedCERA and/or MercedCERA members:

1. Overpayment of member benefits;
2. The over-collection or under-collection of member contributions; and
3. The underpayment of member benefits.

For the avoidance of doubt, this policy, and the procedures, do not apply to errors, under-collections, over-collections, and other correctible events driven by employer operations.

Interest

All references to "interest" refer~~s~~ to the semiannual interest crediting rate for Members and or Retirees for the period(s) to be corrected. Active and deferred members will be paid the interest credited on their accounts in accordance with the MercedCERA Board Approved Interest Crediting Policy and retirees' interest will be the average rate of the ten-~~-~~year US Treasury Bond over the period of over/under payment. The Board of Retirement has the ability and discretion to change the interest rate, as needed, dependent upon the circumstances of the under/over payment or collection of contributions.

Correcting the Overpayment of Member Benefits

On occasion, MercedCERA may discover that it has paid a retirement allowance or other benefit to a member ~~or beneficiary (collectively, "member")~~ in excess of what is owed under the law. When that occurs, MercedCERA shall take steps to make prospective and retroactive corrections as soon as practicable in accordance with this policy, EPCRS and IRS guidance. No action will be commenced by or against the Board of Retirement or the Association more than 10 years after all obligations to or on behalf of the member have been discharged.

Please note, this policy does not apply to rounding of retirement estimates and retirement benefits by the pension administration system. Rounding is considered to be $2 or less difference between estimates and the benefit payout.

1. **Prospective Corrections (Adjusting Benefits Going Forward)**

With respect to prospective corrections, MercedCERA shall adjust the amount of the member's benefit to ensure that, going forward, the member receives a benefit that does not exceed what is owed under the law.

Where there has been a system-wide error affecting a significant number of members, MercedCERA may encounter practical limitations on its ability to gather the facts necessary to recreate the members' final compensation and achieve exact prospective corrections. If, in the judgment of the Board, the cost of such fact gathering and prospective correction exceeds what is administratively prudent under the circumstances, the Board may authorize alternative corrective actions so long as they reasonably protect members' rights and are consistent with the prudent administration of fund assets and EPCRS.

2. **Retroactive Corrections (Recovery of Overpaid Benefits)**

With respect to retroactive corrections, MercedCERA shall take all reasonable steps to recover and collect overpaid benefits, plus interest, from members in accordance with EPCRS, IRS guidance and the following criteria:

a. Where the overpayment of a benefit was due to fraudulent reports made or caused to be made by the member, or the member caused ~~his or her~~the member's final compensation to be improperly increased or overstated at the time of retirement, MercedCERA shall seek recovery of such overpayments from the member~~. See~~ to the extent permitted under Gov. Code § 31539 and IRS guidance. MercedCERA may use any and all collection methods and legal remedies that, in its judgment, would facilitate a full recovery. MercedCERA may seek to recover overpayments from the member in a lump sum or by installment plan (which may, but need not be, over the same period of time that the error occurred). MercedCERA may also offset the amount of overpayment to be recovered against future benefit payments. MercedCERA may also seek recovery by adjusting the allowance so that the retired member or the retired member and ~~his/her~~the retired member's beneficiary will receive the actuarial equivalent of the allowance to which the member is entitled. MercedCERA may also institute an action against the member for declaratory, legal, and equitable relief. The Plan Administrator as a designee of the Board, may commence action up to 10 years from the date of the overpayment or upon the discovery of the facts, fraud or intentional misrepresentation whichever is later.

b. Where the overpayment of a benefit was due to an act or omission by MercedCERA, the member, or beneficiary, MercedCERA shall seek recovery of such overpayments from the member or beneficiary to the extent permitted under IRS guidance. MercedCERA may use any and all collection methods and legal remedies that, in its judgment, will most likely facilitate a full recovery. The right to recovery shall expire 10 years from the date the incorrect payment was made or the discovery of the error was made, whichever is later.

c. Where the overpayment of a benefit was due to inadvertent error by MercedCERA (including an inadvertent error in statutory or legal interpretation), and such error would (in the judgment of the Board through ~~their~~ the Board's designee of the Plan Administrator, with consultation with legal counsel) subject MercedCERA to valid equitable defenses and potential fiduciary claims by the member, MercedCERA need not seek to recover such overpayments from the member (as allowed under Internal Revenue Code section 414(aa)) unless ordered to do so by the IRS and/or a final, non-appealable order of a court of competent jurisdiction. The right to commence recovery shall expire 10 years from the date the incorrect payment was made or the discovery of the of the error was made, whichever is later.

d. If the member is not receiving an ongoing benefit and has received an overpayment in a lump sum benefit of up to $25,000, then the Plan Administrator shall have authority pursuant to the MercedCERA Bylaws to take action to recover the overpayment to the extent permitted by EPCRS and IRS guidance. If the member is not receiving an ongoing benefit and has received an overpayment in a lump sum benefit of more than $25,000, then the Plan Administrator will pursue collection efforts after consultation with the Board to the extent consistent with EPCRS.

To the extent MercedCERA is unable to collect any overpayments from members, those overpayments will be reconciled through the Actuarial Accrued Liability as part of the annual actuarial valuation process to the extent consistent with EPCRS and IRS guidance.

3. Correcting Over Collection or Under Collection of Member Contributions

When MercedCERA has over-collected or under-collected member contributions, MercedCERA shall take steps to make prospective and retroactive corrections as soon as practicable in accordance with this policy, EPCRS and IRS guidance.

In the event an active or deferred member overpaid member contributions, MercedCERA will refund the full overpayment amount, plus interest, to such member. In the event contributions were overpaid by a member who has since retired, the full amount of overpaid contributions will be refunded to the member, plus interest, with any offset necessary to recover overpaid benefits, if any, to the extent allowable under IRS guidance.

In the event ~~of~~ an active or deferred member underpaid ~~their~~ the member's contributions, the full underpaid amount must be collected, plus interest, in order for the member to be entitled to ~~their~~ the member's benefits under the law. In the event of any underpaid contributions by a retired member, the full member contribution underpayment will be recouped, plus interest, to support the continuing payment of ongoing monthly benefits supported by those contributions. MercedCERA may recoup the contribution underpayment from the retired member by deducting the underpayment from ~~their~~ the retired member's benefits to the extent allowed under EPCRS and IRS guidance.

MercedCERA shall take actions to collect underpaid contributions and refund overpaid contributions. Although MercedCERA will strive to commence corrective recovery actions in a timely manner, no limitations period applies to the administrative actions described above.

To the extent MercedCERA is unable to recoup any underpaid contributions from members as described above, the shortfall will be reconciled through the Actuarial Accrued Liability as part of the annual actuarial valuation process to the extent consistent with EPCRS and IRS guidance.

4. Correcting the Underpayment of Member Benefits

When MercedCERA has underpaid a retirement allowance or other benefit to a member, MercedCERA shall take steps to make prospective and retroactive corrections as soon as practicable in accordance with this policy, EPCRS and IRS guidance.

With respect to prospective corrections, MercedCERA shall adjust the amount of the member's benefit to ensure that, going forward, the member receives a benefit in the amount owed under the law.

With respect to retroactive corrections, MercedCERA shall pay the member an amount equal to the member's underpayment with interest. Interest will be the average rate of the ten-~~-~~year Treasury Bond of the US Government over the period of correction, compounded monthly.

5. Notice of Correction and Administrative Appeal

MercedCERA shall notify members of errors, and provide an opportunity for administrative appeal, in accordance with the following procedure and MercedCERA's Bylaws:

a. Upon the discovery of an error concerning the payment of benefits or collection of contributions, MercedCERA staff shall conduct an investigation to determine the cause of the error. As soon as practicable, staff shall form a plan to correct the error prospectively and retroactively in accordance with this policy, EPCRS and IRS guidance. Staff shall consult with the Benefits Manager, and the Plan Administrator as appropriate. The Plan Administrator may, in ~~their~~ the Plan Administrator's discretion, decide not to pursue recovery when overpaid benefits are $1,000 or less.

b. Staff shall send a Notice of Correction (Notice) to the member containing information about the nature of the error and a proposed plan for prospective and retroactive corrections that aligns with EPCRS and IRS correction principles. The Notice shall be sent via Certified Mail or other method that allows staff to verify its receipt by the member.

c. If the member does not object, or respond to the Notice of Correction in writing by the date identified in the letter (90 days after date of the Notice), the member will be deemed to have agreed and consented to all aspects of the Notice, including the proposed repayment plan. The repayment plan is thereafter deemed final, and MercedCERA will proceed to implement the recovery plan.

d. If the member does not agree with the proposed correction plan in the Notice, or any other aspect of the Notice (e.g., whether MercedCERA correctly calculated the error), the member must object to the Notice in writing within the ~~approximately~~ 90 day period to the Plan Administrator. In addition, the member may confer with the Plan Administrator and attempt to negotiate an agreement with alternative terms, provided such alternate terms are consistent with EPCRS and IRS guidance. The Plan Administrator has the authorization to accept the alternate terms or deny the alternate terms.

e. If no agreement is reached between the member and the Plan Administrator, the member has the right to request to address the Board of Retirement in an open session meeting to review the matter. The Board may review the matter and the Board's decision will be final.

f. The member may appeal the Plan Administrator's decision in accordance with the MercedCERA's Appeal Process. As a part of that appeal process, the Plan Administrator and/or the Board may consider an agreement of compromise in accordance with this policy, EPCRS and IRS guidance.

g. At the conclusion of the administrative appeal process, there should be a final administrative decision about the scope of the error and a plan of correction for MercedCERA to implement. ~~Per Judicial review, of the Board's decision shall be subject to Code of Civil Procedure section 1094.6.~~ MercedCERA shall then take all reasonable steps to implement, administer, and enforce the final administrative decision. The Board may meet in closed session to consider whether to initiate any litigation so that MercedCERA may obtain and execute on a civil judgment.

h. Any member has a right to appeal to a Judicial Review, as provided under Cal. Code of Civil Procedure section 1094.6.~~of the Code of Civil Procedure of the State of California~~.

6. Modified Procedures for Overpaid Persons Not Receiving Ongoing Benefits

Where MercedCERA has overpaid an individual ~~that~~ who is not receiving ongoing benefits, a modified procedure applies.

After staff sends a Notice of Correction pursuant to this policy, staff shall reach out to the individual and attempt to obtain ~~his or her~~the individual's affirmative agreement to the proposed repayment plan. The Plan Administrator and the individual may also negotiate for some alternative repayment plan, provided the terms of an alternative repayment plan are consistent with EPCRS and IRS guidance. If the agreement involves a compromise in the amount owed, the agreement must be reviewed and approved by the Board (depending on whether the total overpayment exceeds $25,000). Any such agreement must be in writing and fully executed by both parties.

If the parties come to terms on a plan for repayment, MercedCERA shall implement the agreed upon plan. If the individual subsequently breaches the agreement, MercedCERA may, at its discretion, use any available legal remedy to enforce the agreement, including by obtaining a civil judgment against the individual and executing on the judgment.

If the parties cannot come to terms on a plan for repayment, then the administrative appeal process prevails, and MercedCERA may take all reasonable steps to implement, administer, and enforce the final administrative decision, including by obtaining and executing on a civil judgment.

7. Contents of Notice of Correction

The Notice of Correction shall inform members of the following;

- If a member has objections to any aspect of the Notice, ~~they~~ the member must contact the Plan Administrator by a certain date. Generally, that date should be no less than 90 days after the date of Notice.

- A member may submit an administrative appeal in accordance with the MercedCERA Bylaws and this policy to dispute the proposed correction plan or any aspect of the Notice.

- Inform the member of the amount of the prospective correction, the total amount previously under/overpaid to the member, and the amount of any interest charged or credited.

- The correction shall be made with the next available benefit payment after the 90 days as stated in the Notice.

- Identify the expected duration of the repayment to recover the overpaid amount plus interest.

- In the event of any under-payment of contributions by the member, the Notice shall inform the member that the correction will commence, if practicable, with the next available payroll if the member is in active service or otherwise for deferred members, and that the full contribution underpayment amount, plus interest on contributions, will need to be recouped for the member to be entitled to the monthly benefits supported by those contributions.

8. Reporting Out of Corrections

The Plan Administrator may, at any time, bring information to the Board in open session on any correction. However, the Plan Administrator shall present annually to the Board at the same Board meeting where the annual Budget is presented, the amount of overpaid benefits and underpaid contributions pending collection. Any and all information may be presented in aggregate to protect our ~~members~~members' identity and rights to privacy.

The Board's Counsel may bring information to the Board in closed session with the threat of litigation.

Policy History

The MercedCERA Board of Retirement adopted this policy on July 27, 2023.

The Board amended this policy on XX, XX, XXXX.

DATE: August 27, 2026

TO: MercedCERA Board of Retirement

FROM: Martha Sanchez Barboa, Plan Administrator

SUBJECT: MercedCERA Charters for Chair, Vice-Chair, Secretary, Investment Committee and Investment Committee Chair

ITEM NUMBER: **Open Session Item f**

ITEM TYPE: **Action**

STAFF RECOMMENDATION:

1. Adopt the MercedCERA Charters for Chair, Vice-Chair, Secretary, Investment Committee and Investment Committee Chair.

DISCUSSION:

Retirement pension systems often use charters to formally define the roles, responsibilities, and authority of their officers and committees. Establishing charters serves several important governance and risk management purposes. Charters provide for clear delegation of authority, are evidence of prudent fiduciary management, represent operational efficiency and provide risk management and effective governance.

The Plan Administrator met with the policy review ad hoc subcommittee to discuss the newly drafted MercedCERA Board Charters of Chair, Vice-Chair, Secretary, Investment Committee and Investment Committee Chair. Described below is a summation of each of the charters discussed by the ad hoc subcommittee and some of the roles and responsibilities recommended for each charter. All charters are attached to this agenda item for full review.

Chair Charter

The charter reconfirms that the MercedCERA Board Chair will be elected by the full Board, according to MercedCERA Bylaws. Beyond the current duties of the Chair (i.e., presiding over the monthly Board meetings, signing approved Board meeting minutes, reviewing Board agendas with staff), the ad hoc subcommittee is recommending additional duties; such as:

- perform a quarterly review of Board Members and Plan Administrator's travel
- with Plan Administrator, meet with and orient new Board members
- act as official spokesperson of the Board, communicating only approved positions of the Board

- discuss with the Plan Administrator matters that may be potentially sensitive or controversial.

Vice-Chair Charter

The charter reconfirms that the MercedCERA Board Vice-Chair will be elected by the full Board, according to MercedCERA Bylaws. Beyond the current duties of the Vice-Chair (i.e., presiding over the monthly Board meetings when the Chair is unavailable and reviewing Board agendas with staff), the ad hoc subcommittee is recommending additional duties, such as:

- assume all responsibilities of the Chair, as set forth in the new Chair Charter, when the Chair is unable to temporarily fulfill them
- determine appropriate action, in consultation with Board Counsel, when informed of concerns with the conduct of the Chair

Secretary Charter

The charter reconfirms that the MercedCERA Board Secretary will be elected by the full Board, according to MercedCERA Bylaws. Beyond the current duties of the Secretary (i.e., signing approved Board meeting minutes), the ad hoc subcommittee is recommending additional duties; such as:

- assume all responsibilities of the Chair, as set forth in the new Chair Charter, when the Chair and Vice-Chair are unable to temporarily fulfill them
- if assuming the responsibilities of presiding over a Board meeting, may delegate the meeting Chair responsibilities to the Plan Administrator
- assist the Chair and Vice-Chair with the performance of their duties as the Chair may direct

Investment Committee Charter

The charter reconfirms that the MercedCERA Investment Committee (IC) serves an advisory role and is not authorized to act on behalf of the Board. The full Board will retain authority regarding all investment-related matters. The Charter memorializes that the IC Chair will be elected by the full Board and that the Board Chair may appoint a maximum of three additional IC members. Beyond the current role of the IC (i.e., review investment related policies, adhere to Brown Act requirements, make investment related recommendations to the Board), the ad hoc subcommittee is recommending additional committee duties; such as:

- meet quarterly or as deemed necessary by the IC Chair
- report its activities at the following Board meeting
- perform other investment related duties as assigned by the Board

Investment Committee Chair Charter

Beyond the current duties of the IC Chair (i.e., ensuring the efficient operation of the IC, confirming the IC meeting agenda), the ad hoc subcommittee is recommending additional duties; such as:

- act as a liaison between the IC, the Board Chair and the full Board.
- coordinate with staff to report to the Board all IC related actions and deliberations

All MercedCERA charters will be reviewed at least every 3 years in conjunction with the review of MercedCERA's Bylaws.

Staff Recommendation:
Staff are recommending the Board adopt the Charters of Chair, Vice-Chair, Secretary, Investment Committee and Investment Committee Chair.

MERCEDCERA
Merced County Employees' Retirement Association

CHAIR CHARTER

INTRODUCTION

The position of Chair of the Merced County Employees' Retirement Association (MercedCERA) will be elected by the MercedCERA Board of Retirement (Board) in accordance with the Board's Bylaws.

DUTIES AND RESPONSABILITIES

The Chair will:

1) Review with MercedCERA executive management the agenda for each Board meeting, considering input and requests from Board members, articulating, prioritizing and scheduling agenda items as appropriate.
2) Preside at all Board meetings, ensuring that such meetings are conducted in an efficient manner and in accordance with the Ralph M. Brown Act (Government Code Sections 54950, *et seq*.), the California Constitution, the MercedCERA Bylaws and other Board governance policies, and shall refer to Robert's Rules of Order to resolve any disagreements, in consultation with Board Counsel.
3) Refrain from making a motion or second a motion and refrain from entering into any discussion on the merits of any issue before the Board, while presiding over Board meetings, until it appears all other members of the Board wishing to comment have had the opportunity to state their positions on such issue.
4) Be available to discuss with the Plan Administrator any public relations matter the Plan Administrator believes to be potentially sensitive or controversial.
5) Act as the official spokesperson for the Board, upon consultation with the Plan Administrator and Board Counsel, communicating only approved positions of the Board.
6) Call special meetings of the Board as necessary in accordance with the required provisions of Government Code 54956.
7) Appoint members of the Board to ad hoc subcommittees.
8) Ensure coordination of meetings, agendas, schedules, and presentations, in consultation~~s~~ with the MercedCERA Plan Administrator.
9) Sign the Board approved Board meeting minutes and resolutions, which will be part of the permanent records of the Board.
10) Sign the Board approved contract agreements of MercedCERA executive management.

11) Perform a quarterly review of Board members' and Plan Administrator's travel.
12) Meet with and orient new Board members, in coordination with the Plan Administrator.
13) Coordinate the process for evaluating the performance of the Plan Administrator on an annual basis as prescribed in applicable Board policy.
14) Carry out other functions and duties as may be prescribed by the Board.

POLICY REVIEW

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

POLICY HISTORY

The Board adopted this policy on XX, XX, XXXX.

MERCEDCERA
Merced County Employees' Retirement Association

VICE-CHAIR CHARTER

INTRODUCTION

The position of Vice-Chair of the Merced County Employees' Retirement Association (MercedCERA) will be elected by the MercedCERA Board of Retirement (Board) in accordance with the Board's Bylaws.

DUTIES AND RESPONSIBILITIES

The Vice-Chair will:

1) Ensure they are familiar with the responsibilities of the Chair so they may temporarily assume the duties and responsibilities of the Chair as set forth in the Chair Charter in the event the Chair is unable to fulfill the duties of the position.
2) Review the agenda for each Board meeting with MercedCERA executive management and the Board Chair.
3) Determine appropriate action, in consultation with Board Counsel, when informed of concerns with the conduct of the Chair.

POLICY REVIEW

The Board shall review this Vice-Chair Charter at least every 3 years in conjunction with the review of the MercedCERA Bylaws.

POLICY HISTORY

The Board adopted this policy on XX, XX, XXXX.

Merced County Employees' Retirement Association

SECRETARY CHARTER

INTRODUCTION

The position of Secretary of the Merced County Employees' Retirement Association (MercedCERA) will be elected by the MercedCERA Board of Retirement (Board) in accordance with the Board's Bylaws.

DUTIES AND RESPONSIBILITIES

The Secretary will:

1) Assume the duties and responsibilities of the Chair as set forth in the Chair Charter in the event that neither the Chair nor the Vice-Chair is able to fulfill the duties of the position. If assuming the responsibilities of presiding over a Board Meeting, the Secretary may delegate the meeting Chair responsibility to the Plan Administrator.
2) Assist the Chair and Vice-Chair in the performance of their duties as the Chair may direct, including orientation of the new Board Members.
3) Consult with staff and sign minutes of the Board of Retirement meetings and other such documents that the Chair or Plan Administrator may request.

POLICY REVIEW

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

POLICY HISTORY

The Board adopted this policy on XX, XX, XXXX.

INVESTMENT COMMITTEE CHARTER

INTRODUCTION

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

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

DUTIES AND RESPONSIBILITIES

The Investment Committee will:

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

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

POLICY REVIEW

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

POLICY HISTORY

The Board adopted this policy on XX, XX, XXXX.

Merced County Employees' Retirement Association

INVESTMENT COMMITTEE CHAIR CHARTER

INTRODUCTION

The position of Investment Committee Chair of the Merced County Employees' Retirement Association (MercedCERA) is responsible for organizing the work of the Investment Committee. The Investment Committee Chair will be elected by the MercedCERA Board of Retirement (Board).

DUTIES AND RESPONSIBILITIES

The Investment Committee Chair will:

1) Review and finalize the agenda for the Investment Committee meeting with MercedCERA's staff (Chief Investment Officer/Assistant Plan Administrator – Investments and Plan Administrator).
2) Notify staff and Investment Committee members of their absence prior to the start of the meeting. Investment Committee members present will appoint a temporary member to Chair the meeting.
3) Ensure the efficient operation of the Investment Committee, limiting meeting discussions to those topics properly agendized.
4) Facilitate the work outlined in the Investment Committee Charter, retaining focus primarily on investment policy and oversight while allowing staff to carry out the day-to-day implementation of Board and Investment Committee priorities.
5) Guide the Investment Committee in achieving a consensus on decisions, when possible, while allowing full and open debate.
6) Coordinate with staff and report to the full Board all recommended action and deliberations of the Investment Committee.
7) Act as liaison between the Investment Committee, the Board Chair and the Board.

POLICY REVIEW

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

POLICY HISTORY

The Board adopted this policy on XX, XX, XXXX.