MERCED CERA
Merced County Employees' Retirement Association

AGENDA
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=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** – June 25, 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
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.

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

9. Open Session

a. Discussion on market summary and investment performance updates – Staff.
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.
c. Discussion and possible action to approve the ad hoc subcommittee's recommendations and adopt the new MercedCERA Code of Conduct Policy – Staff.
d. Discussion and possible action to approve the updated Post-Retirement Employment Policy and Reinstatement Application – Staff.
e. Discussion and possible action to approve the new MercedCERA Executive Level Performance Evaluation Policy – Staff.
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.
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.

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, June 25, 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 (arrived at 8:33 A.M.), Scott Silveira, Michael Harris (remote, left 12:08 P.M., returned 12:09 P.M.), Alfonse Peterson, Janey Cabral, Karen Adams, and Moses Nelson (left at 11:40 A.M.). ***Counsel:*** Tom Ebersole. ***Staff:*** Martha Sanchez Barboa, Pete Madrid, Monica Gallegos, and Alex Lovato.

3. **Teleconference Request**
   Trustee Teleconference Request (Govt. Code §54953(f)(2)(A)(i)).
   Board voted unanimously to approve Trustee Harris' teleconference request to attend Board meeting virtually due to travel for public agency business. His wife was present.
   1st- Silveira / 2nd- Peterson, passes 8/0

4. **Approval of Minutes** – May 28, 2026.
   Board voted unanimously to approve May 28, 2026, Board meeting minutes
   1st- Manilay / 2nd- Johnston, 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
Dunlap, Genevieve	14	BHRS	05/28/2026
Salyers, Melissa	20	Probation	05/30/2026

   b. Monthly Expenditures Report submitted.
   c. Meketa Monthly and Q1 Investment Performance Report submitted.
   d. Market Summary and Investment Performance Update submitted.
   e. SACRS Legislative Update – June 2026.

f. Approve the interest crediting rate of 3.97266% compounded semi-annually for June 30th for the active and deferred reserves and 6.75% interest crediting rate for retired and employer reserves.
g. Approve the Public Risk Innovation, Solutions, and Management (PRISM) Joint Powers Agreement and Memorandum of Understanding for the Master Crime Insurance Program.

Board voted unanimously to approve the consent agenda as presented.
1st- Silveira / 2nd- Peterson, passes 8/0

7. **Open Session**
   a. Specialty Investment Consultant Interviews – Staff.
      - Callan LLC
      - Meketa Investment Group, Inc.
      - Cliffwater LLC

      Each firm completed their interview. No action was taken.
   b. Discussion and possible action to select a Specialty Investment Consultant and approve and authorize staff to negotiate and execute an initial three-year agreement, including a renewal term of two one-year optional extensions – Staff.
      Board voted to select Callan LLC as the Specialty Investment Consultant and approve and authorize staff to negotiate and execute an initial three-year agreement, including a renewal term of two one-year optional extensions.
      1st- Adams / 2nd- Manilay, failed 3/4, Trustees Adams, Manilay and Cabral in favor. Trustees Brown, Johnston, Peterson and Silveira opposed.

      Second motion was made.
      Board voted to select Cliffwater LLC as the Specialty Investment Consultant and approve and authorize staff to negotiate and execute an initial three-year agreement, including a renewal term of two one-year optional extensions.
      1st- Silveira / 2nd- Peterson, passes 4/3, Trustees Brown, Johnston, Peterson and Silveira in favor. Trustees Adams, Manilay and Cabral opposed.

8. **Information Sharing & Agenda Item Requests**
   Plan Administrator, Martha Sanchez Barboa, announced elections for the Chair, Vice-Chair, and Secretary will occur at the July MercedCERA Board Meeting.

9. **Adjournment 12:15 P.M.**

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

Merced County Employees' Retirement Association

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

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

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

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

Spanish and Hmong interpreters are available.

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

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended June 30, 2026

	Administrative Budget	Adopted	Current Budget	Expended 2026-06	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages		**1,975,000.00**	**1,975,000.00**	**197,852.13**	**1,703,388.45**	**271,611.55**	**86.25%**
6/5/2026	Office Payroll 2026 PP 12			95,326.23			
6/5/2026	2026 PP 12 Retirement Investment Staff Cost Reclass (see Account #21800)			(11,885.91)			
6/5/2026	2026 PP 12 Staff Salary Allocated to Investments (see Account #21800)			(16,656.77)			
6/5/2026	2026 PP 12 Board Member Stipends (see Account #21808)			(1,184.15)			
6/19/2026	Office Payroll 2026 PP 13			95,057.54			
6/19/2026	2026 PP 13 Retirement Investment Staff Cost Reclass (see Account #21800)			(11,885.91)			
6/19/2026	2026 PP 13 Staff Salary Allocated to Investments (see Account #21800)			(16,656.77)			
6/30/2026	Office Payroll 2026 PP 14			93,976.29			
6/30/2026	2026 PP 14 Retirement Investment Staff Cost Reclass (see Account #21800)			(11,756.58)			
6/30/2026	2026 PP 14 Staff Salary Allocated to Investments (see Account #21800)			(16,481.84)			
Total 10110 · Salaries & Wages				**197,852.13**			
20600 · Communications		**16,000.00**	**16,000.00**	**(572.36)**	**17,895.19**	**(1,895.19)**	**111.84%**
6/25/2026	2026-05 Cellphone Charges			422.00			
6/25/2026	2026-05 Desk Phone Charges			493.00			
6/25/2026	2026-05 AT&T Circuit CREDIT			(1,487.36)			
Total 20600 · Communications				**(572.36)**			
21000 · Insurance - Other		**118,000.00**	**118,000.00**	**889.17**	**105,956.52**	**12,043.48**	**89.79%**
6/9/2026	Nationwide 2025-06 Building Insurance			889.17			
Total 21000 · Insurance - Other				**889.17**			
21301 · Maintenance Structure Improvement & Grounds		**100,000.00**	**100,000.00**	**3,995.56**	**56,051.63**	**43,948.37**	**56.05%**
6/2/2026	2026-03 DPW Services			417.31			
6/3/2026	Crites, Robert 2026-05 Pest Control			40.00			
6/3/2026	Otis Elevator Maintenance Charge			175.00			
6/8/2026	2026-02 DPW Services			577.25			
6/17/2026	Geil Enterprises 2026-06 Janitorial Svcs			1,846.00			
6/25/2026	Crites, Robert 2026-06 Pest Control			40.00			
6/25/2026	Yard Masters 2026-06 Landscaping Services			400.00			
6/26/2026	2026-06 Pressure Washing			500.00			
Total 21301 · Maintenance Structure Improvement				**3,995.56**			
21500 · Membership		**7,000.00**	**7,000.00**	**-**	**7,500.00**	**(500.00)**	**107.14%**
Total 21500 · Membership				**-**			
21700 · Office Expense - General		**20,000.00**	**20,000.00**	**1,516.76**	**11,196.91**	**8,803.09**	**55.98%**
6/3/2026	ODP Office Supplies 05-2026			18.38			
6/3/2026	ODP Office Supplies 05-2026			133.86			
6/3/2026	ODP Office Supplies 05-2026			74.04			
6/8/2026	First Choice 6/03/26 Water Service			50.95			
6/16/2026	Office Supplies			33.27			
6/25/2026	MAY2026 Pacific Shredding			44.00			
6/25/2026	ODP Office Supplies 06-2026			562.20			
6/25/2026	First Choice 6/17/26 Water Service			50.95			
6/30/2026	On Target Marketing - MercedCERA Apparel			549.11			
Total 21700 · Office Expense - General				**1,516.76**			
21710 · Office Expense - Postage		**54,000.00**	**54,000.00**	**2,775.17**	**41,473.17**	**12,526.83**	**76.80%**
6/25/2026	2026-05 Forms Processing Charges			131.25			
6/25/2026	2026-05 Mail/Print Charges			572.50			
6/26/2026	Pitney Bowes Postage Charge			102.21			

6/29/2026 2026-05 Mail Room Charges			1,969.21			
Total 21710 · Office Expense - Postage			**2,775.17**			
21805 · Audits	**72,000.00**	**72,000.00**	**-**	**55,000.00**	**17,000.00**	**76.39%**
Total 21805 · Audits			**-**			
21808 · Board Membership	**15,000.00**	**15,000.00**	**1,184.15**	**7,966.10**	**7,033.90**	**53.11%**
6/5/2026 2026 PP 12 Board Member Stipends (from Account #10110)			1,184.15			
Total 21808 · Board Membership			**1,184.15**			
21900 · Publications & Legal Notices	**5,000.00**	**5,000.00**	**-**	**4,917.28**	**82.72**	**98.35%**
Total 21900 · Publications & Legal Notices			**-**			
22300 · Spec Dept Exp - Other	**10,000.00**	**10,000.00**	**-**	**5,151.00**	**4,849.00**	**51.51%**
Total 22300 · Spec Dept Exp - Other			**-**			
22310 · Election Expense	**30,000.00**	**30,000.00**	**-**	**5,496.25**	**24,503.75**	**18.32%**
Total 22310 · Election Expense			**-**			
22327 · Spec Dept Exp - Cost Allocation Plan	**35,000.00**	**35,000.00**	**2,877.47**	**34,529.42**	**470.58**	**98.66%**
6/8/2026 2026-06 Auditor-Controller Admin CAP Charge			1,785.84			
6/8/2026 2026-06 External Audit CAP Charge			61.83			
6/8/2026 2026-06 Admin Service CAP Charge			13.83			
6/8/2026 2026-06 Human Resources CAP Charge			1,005.45			
6/8/2026 2026-06 Risk Management CAP Charge			10.52			
Total 22327 · Spec Dept Exp - Cost Allocation			**2,877.47**			
22500 · Transportation & Travel	**200.00**	**200.00**	**-**	**-**	**200.00**	**0.00%**
Total 22500 · Transportation & Travel			**-**			
22505 · Trans & Travel - Staff & Board Development	**70,000.00**	**70,000.00**	**6,720.00**	**29,436.67**	**40,563.33**	**42.05%**
6/10/2026 UC Merced Staff Training 6/8/2026			3,360.00			
6/29/2026 UC Merced Staff Training 6/25/2026			3,360.00			
Total 22505 · Trans & Travel - Staff Development & Board Development			**6,720.00**			
22515 · Trans & Travel - In State (Staff & Board)	**45,000.00**	**45,000.00**	**6,088.52**	**21,805.25**	**23,194.75**	**48.46%**
6/4/2026 SACRS Spring Conference Reimbursement - (Counsel)			(1,237.59)			
6/15/2026 SACRS Spring Conference (Staff)			1,642.68			
6/15/2026 SACRS Spring Conference (Board)			66.00			
6/17/2026 SACRS Spring Conference (Board)			459.90			
6/25/2026 SACRS Spring Conference Hotel Charges (Board/Staff)			2,475.18			
6/30/2026 NCPERS Conference - Travel Charges (Staff)			716.20			
6/30/2026 NCPERS CIO Summit - Hotel Charges (Staff)			1,966.15			
Total 22515 · Trans & Travel - In State (Staff & Board)			**6,088.52**			
22516 · Trans & Travel - Out of State (Staff & Board)	**10,000.00**	**10,000.00**	**976.16**	**5,712.13**	**4,287.87**	**57.12%**
6/30/2026 P2F2 Hotel Charges (Staff)			442.04			
6/30/2026 P2F2 Travel Reimbursement (Staff)			534.12			
Total 22516 · Trans & Travel - Out of State (Staff & Board)			**976.16**			
22600 · Utilities	**68,000.00**	**68,000.00**	**1,706.21**	**28,647.26**	**39,352.74**	**42.13%**
6/8/2026 City of Merced 2026-06 Utilities			656.08			

6/25/2026	Merced Irrigation District (MID) 2026-05 Utilities			1,050.13			
Total 22600 · Utilities				**1,706.21**			
Administrative Depreciation Expense		**364,400.00**	**364,400.00**	**30,262.33**	**363,147.96**	**1,252.04**	**99.66%**
Total Administrative Budget		**3,014,600.00**	**3,014,600.00**	**256,271.27**	**2,505,271.19**	**509,328.81**	**83.10%**

Merced County Employees' Retirement Association
Non-Administrative Expenditures Report (Preliminary)
For the Month Ended June 30, 2026

Non-Administrative Expenses		Original Projection	Current Projection	Expended 2026-06	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses		**8,998,000.00**	**8,998,000.00**	**1,212,541.11**	**15,442,968.55**	**(6,444,968.55)**	**171.63%**
6/30/2026	Investment Management Fees			749,786.09			
6/30/2026	Investment Partnership Expenses			285,051.33			
6/5/2026	2026 PP 12 Retirement Investment Staff Reclass (from Account #10110)			11,885.91			
6/19/2026	2026 PP 13 Retirement Investment Staff Reclass (from Account #10110)			11,885.91			
6/30/2026	2026 PP 14 Retirement Investment Staff Reclass (from Account #10110)			11,756.58			
6/5/2026	2026 PP 12 Staff Salary Allocated to Investments (from Account #10110)			16,656.77			
6/19/2026	2026 PP 13 Staff Salary Allocated to Investments (from Account #10110)			16,656.77			
6/30/2026	2026 PP 14 Staff Salary Allocated to Investments (from Account #10110)			16,481.84			
6/29/2026	Lunch for Trustees for Board Meeting on 6/25/2026			296.58			
6/30/2026	Investment Consultant - Cliffwater 2026-06 Consulting Svcs			33,333.33			
6/30/2026	Investment Consultant - Meketa 2026-Q2 Consulting Svcs			58,750.00			
Total 21800 · Investment Expenses				**1,212,541.11**			
21802 · Actuarial Services		**220,000.00**	**220,000.00**	**-**	**258,049.19**	**(38,049.19)**	**117.30%**
Total 21802 · Actuarial Services				-			
21812 · Data Processing		**135,000.00**	**135,000.00**	**9,523.51**	**90,932.02**	**44,067.98**	**67.36%**
6/8/2026	2026-06 IS CAP Charge			446.46			
6/11/2026	AT&T 2026-06 Services & Wi-Fi Charges			1,349.05			
6/25/2026	2026-05 Cradlepoint Charges			750.00			
6/25/2026	2026-05 Application Charges			732.00			
6/25/2026	2026-05 Network Device Charges			6,246.00			
Total 21812 · Data Processing				**9,523.51**			
21834 · Legal Services		**442,000.00**	**442,000.00**	**48,747.94**	**457,045.79**	**(15,045.79)**	**103.40%**
6/3/2026	Nossaman LLP 2026-04 General Legal Svcs			147.00			
6/8/2026	2026-06 County Counsel CAP Charge			3,678.44			
6/15/2026	Ted Cabral 2026-05 Legal Svcs			573.60			
6/15/2026	Ted Cabral 2026-05 Legal Svcs			5,238.90			
6/15/2026	Ted Cabral 2026-05 Legal Svcs			38.70			
6/15/2026	Ted Cabral 2026-05 Legal Svcs			657.90			
6/15/2026	Ted Cabral 2026-05 Legal Svcs			1,696.90			
6/15/2026	Ted Cabral 2026-05 Legal Svcs			4,134.70			
6/15/2026	Ted Cabral 2026-05 Legal Svcs			651.00			
6/15/2026	Ted Cabral 2026-05 Legal Svcs			733.30			
6/15/2026	Ted Cabral 2026-05 Legal Svcs			3,417.70			
6/15/2026	Ted Cabral 2026-05 Legal Svcs			7,934.80			
6/15/2026	Ted Cabral 2026-05 Legal Svcs			6,295.20			
6/16/2026	Ted Cabral 2026-05 Legal Svcs			464.60			
6/16/2026	Ted Cabral 2026-05 Legal Svcs			192.20			
6/17/2026	Mattos, Weldon Legal Services			10,437.50			
6/17/2026	Nossaman LLP 2026-05 General Legal Svcs			955.50			
6/30/2026	Hanson Bridgett Legal Services			1,500.00			
Total 21834 · Legal Services				**48,747.94**			
21840 · Custodial Banking Services		**260,000.00**	**260,000.00**	**43,900.78**	**180,684.91**	**79,315.09**	**69.49%**
6/2/2026	2026-04 Merced County Treasurer-Tax Collector Wire Fees			165.00			
6/3/2026	2026-05 Northern Trust STIF Fee			2,715.27			
6/25/2026	2026-06 Northern Trust Treasury Fees			518.22			
6/25/2026	2026-05 Merced County Treasurer-Tax Collector Wire Fees			165.00			
6/29/2026	2026-06 Northern Trust Capital Call Fee			7,250.00			
6/29/2026	2026-06 Northern Trust Quarterly Custodial Fee			30,000.00			
6/29/2026	2026-06 Northern Trust STIF Fee			3,087.29			
Total 21840 · Custodial Banking Services				**43,900.78**			

22350 · Software & Technology	**559,000.00**	**559,000.00**	**38,749.80**	**505,686.35**	**53,313.65**	**90.46%**
6/2/2026 SyTech Solutions - Archiving Svcs			1,212.66			
6/3/2026 CPAS - Hosting Services 2026-05			9,763.52			
6/3/2026 Digitial Deployment - 2026-05 Web Services			900.00			
6/5/2026 LexisNexis 2026-05 Accurint Svcs			936.56			
6/5/2026 Cobb Enterprises - Microphones for Boardroom			1,059.30			
6/15/2026 FRSecure 2026-06 3 Year FACT Program			13,380.00			
6/26/2026 Pitney Bowes Equipment Rental Quarterly Fee			215.63			
6/29/2026 CPAS - Hosting Services 06-2026			9,763.52			
6/30/2026 LexisNexis 2026-06 Accurint Svcs			936.56			
6/30/2026 Ubeo West 2026-Q2 Printing Services			582.05			
Total 22350 · Software and Technology			**38,749.80**			
Non-Administrative Depreciation Expense	-	-	-	-	-	-
Total Non-Administrative Items	**10,614,000.00**	**10,614,000.00**	**1,353,463.14**	**16,935,366.81**	**(6,321,366.81)**	**159.56%**

June 30, 2026

QUARTERLY BOARD REPORT

PROVIDED BY MERCEDCERA STAFF

PLAN ADMINISTRATOR'S REPORT

MercedCERA Organizational Highlights

- *MercedCERA hosted its first in-house member education in our new office location on July 15th as part of its new Pension Education Series organized by Monica Gallegos. Pete Madrid presented Financial Literacy & Investing For Retirement to our members in the MercedCERA office training room. Additional upcoming 2026 member education to be presented by Benefits Staff includes Reciprocity, Community Property, Retirement Planning, and Death Benefits.*
- *MercedCERA Staff attended educational training conducted by UC Merced. The training included Effective Communication and Large Group Presentations as we prepare to expand our outreach and provide robust educational training to our membership.*
- *Contract negotiations concluded and MercedCERA has signed a 4-year contract agreement with Northern Trust to provide custodial services for the Plan.*
- *MercedCERA Staff completed the first Alternative Payment Plan for retiree benefit disbursements. We want to thank the Benefits and Finance teams for accomplishing this goal, as well as our partnership with Merced County.*
- *MercedCERA Executive Management Staff have begun the intricate work of onboarding the Granicus Board Management Software Program. This work is expected to be completed by the end of 2026.*

Upcoming dates	
Trustee Education	Sept 3rd
MercedCERA Board Elections	Oct 6th
SACRS Fall Conference	Nov 10th – 13th

Staff Milestones

Brenda Mojica celebrated 24 years with Merced County!

Keep in mind…

- *Similar to 2026, Staff will be proposing a Trustee education schedule for 2027 to be discussed and approved by the Board. If there are any pension related topics for which you would like to receive education, please let Staff know.*
- *The upcoming Trustee education on September 3rd will focus on pension disability law and requirements presented by Ted Cabral.*
- *One Board seat remains open to be appointed by the Board of Supervisors. Please let Staff know if you know someone you believe would be a good candidate to be a MercedCERA Trustee.*
- *The fiscal year 2026 annual audit is underway. We will be asking for volunteers to serve on the ad hoc audit subcommittee. The Subcommittee meets with Staff to discuss any important items or issues that arise during the audit process. Participation on the Subcommittee typically involves 1 to 2 meetings with Staff.*

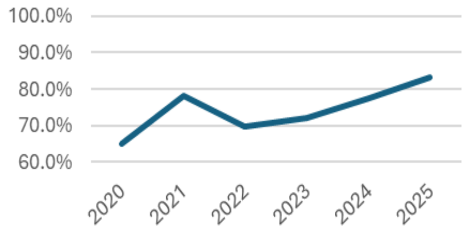
INVESTMENT REPORT

Plan Objectives

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

Assets:	$1,379M
Liabilities:	$1,660M
Difference:	*-$281M*

% of Liabilities Funded: **83.1%**



Assumed Rate of Return
Annualized rate of return required to meet Plan liabilities

	1 Year	3 Years	5 Years	10 Years
MercedCERA Total Fund	10.9	11.4	6.7	9.1
Assumed Rate of Return	6.75	6.75	6.75	6.75
Difference	*4.2*	*4.7*	*0.0*	*2.4*

Policy Index
Blended benchmark consisting of each asset class benchmark at its target weight

	1 Year	3 Years	5 Years	10 Years
MercedCERA Total Fund	10.9	11.4	6.7	9.1
Policy Index	16.6	12.9	8.3	9.5
Difference	*-5.7*	*-1.5*	*-1.6*	*-0.4*

2026 Review Topics

1st Quarter
- Trustee risk & objectives survey
- Pension risk & liability aware investing
- Functional framework (Intro.)
- Capital market expectations & risk/return profile
- Cash flow strategies
- Private credit risk review

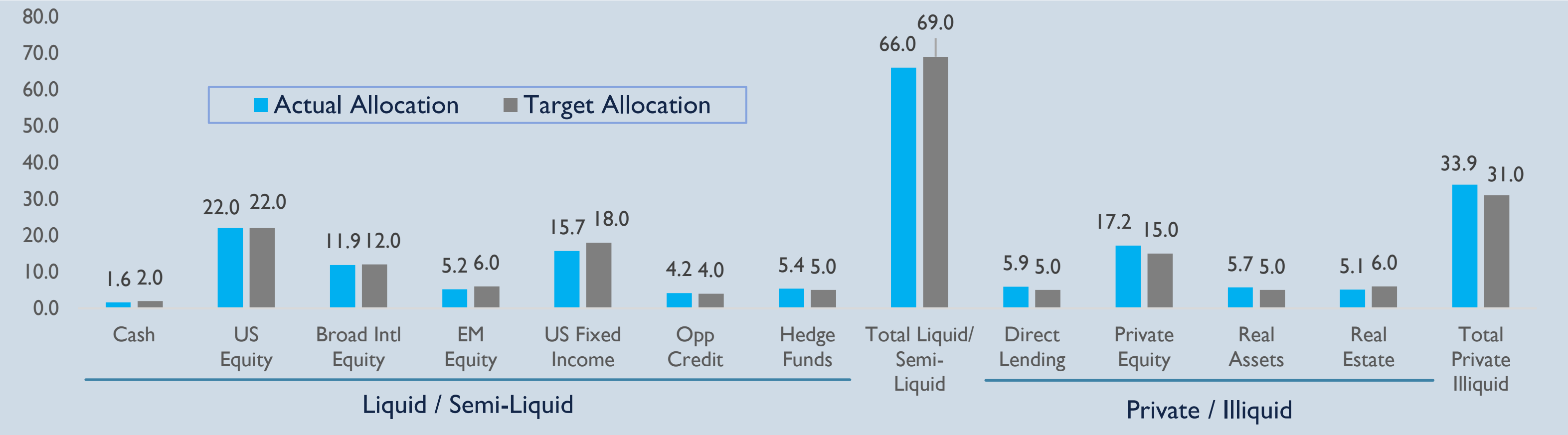
2nd Quarter
- Risk mitigation strategies
- Private markets full expense analysis

3rd Quarter
- Functional framework (Cont.)
- Roles of asset classes
- CA required disclosure of management fees paid

4th Quarter
- Future liquidity needs & cash flow modeling
- Active / passive study
- US equity review
- Hedge fund portfolio review
- Benchmarking review
- Pacing recommendation for 2027

INVESTMENT REPORT

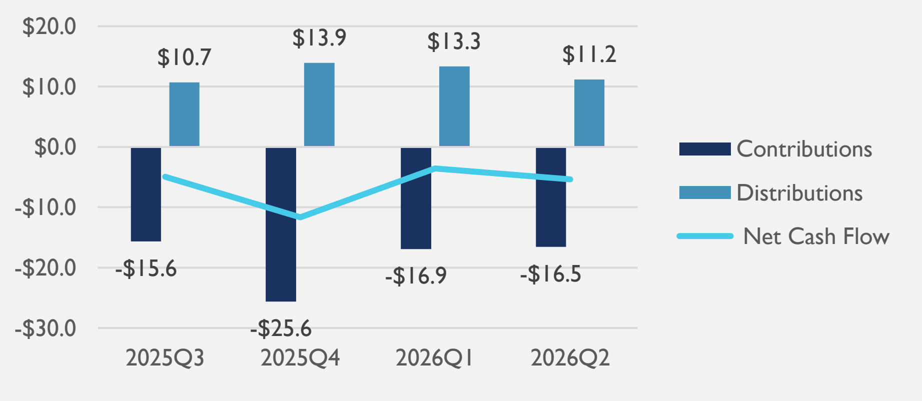
Actual Allocation versus Target Allocation (%)



Liquidity Profile

Time to Redeem Assets	Market Value ($ Millions)	% of Portfolio
Day	$515,748,627	34.9%
Week	$140,679,176	9.5%
Month	$108,456,067	7.3%
Quarter	$98,912,060	6.7%
Year	$112,079,862	7.6%
Illiquid	$503,945,721	34.1%

Quarterly Contributions / Distributions ($ Millions)



MercedCERA Portfolio Highlights

- The portfolio returned an estimated 10.9% for the fiscal year, well ahead of its 6.75% assumed rate of return objective.
- Following Board approval of Meketa's recommendation, Staff completed the liquidation of Champlain Small Cap and reinvestment of proceeds in Fidelity Small Cap Index.
- Capital activity for the Plan's private investments fell slightly from the prior quarter. Capital contributions totaled approximately $16.5 million in Q2 versus $11.2 million in distributions.

INVESTMENT REPORT

Capital Markets & Economic Summary

The US economy demonstrated notable resilience during the second quarter of 2026, despite an energy-led inflation shock. Geopolitical tensions in the Middle East temporarily drove headline CPI inflation up to a three-year high of 4.2% in May, fueled by a steep spike in gasoline prices before retreating in June. Core inflation (excluding food and energy) held steady at 2.9%, and the domestic labor market maintained a stable "low hiring, low firing" equilibrium. Growth was heavily supported by corporate capital spending, particularly the ongoing, capital-intensive infrastructure build-out tied to AI. Meanwhile, the monetary policy landscape shifted under new Federal Reserve Chairman Kevin Warsh, who assumed a hawkish stance in June by prioritizing price stability, prompting markets to price in a strong probability of a rate hike in 2026.

In the financial markets, equities staged a powerful recovery. Rebounding from a weak first quarter, the S&P 500 roared back with a 15% gain for Q2, fueled by blockbuster corporate earnings growth that topped 25% year-over-year and allowed stocks to easily absorb geopolitical anxieties. Market breadth also expanded, with small-cap stocks leading the charge as the Russell 2000 Index surged 21% in Q2, while international and emerging markets similarly stabilized as Middle East tensions began to ease later in the quarter. Conversely, fixed-income markets faced heavy headwinds as surging energy prices and hawkish Fed expectations pushed the 10-year Treasury yield to over a one-year high. This upward pressure on yields left the Bloomberg US Aggregate Bond Index with a muted total return of just 0.7% for the second quarter.

Economic Indicators

Consumer Price Index "CPI" (Headline/Core*)
Broadly used inflation metric
3.3% / 2.6%

Prior Quarters		
2026Q2	3.5%	2.6%
2026Q1	3.3%	2.6%
2025Q4	2.7%	2.6%
2025Q3	3.0%	3.0%
2025Q2	2.7%	2.9%
10-Yr Avg	3.4%	3.1%

Federal Funds Rate (Target Range)
Sets floor for lending rates
3.50% - 3.75%

Prior Quarters		
2026Q2	3.50%	3.75%
2026Q1	3.50%	3.75%
2025Q4	3.50%	3.75%
2025Q3	4.00%	4.25%
2025Q2	4.25%	4.50%
10-Yr Avg (Effective)		2.35%

Unemployment Rate
US labor market indicator
4.2%

Prior Quarters	
2026Q2	4.2%
2026Q1	4.3%
2025Q4	4.4%
2025Q3	4.4%
2025Q2	4.1%
10-Yr Avg	4.6%

Gross Domestic Product
US economic productivity
2.1%*

Prior Quarters	
2026Q2	n/a
2026Q1	2.1%
2025Q4	0.5%
2025Q3	3.8%
2025Q2	3.0%
10-Yr Avg	2.7%

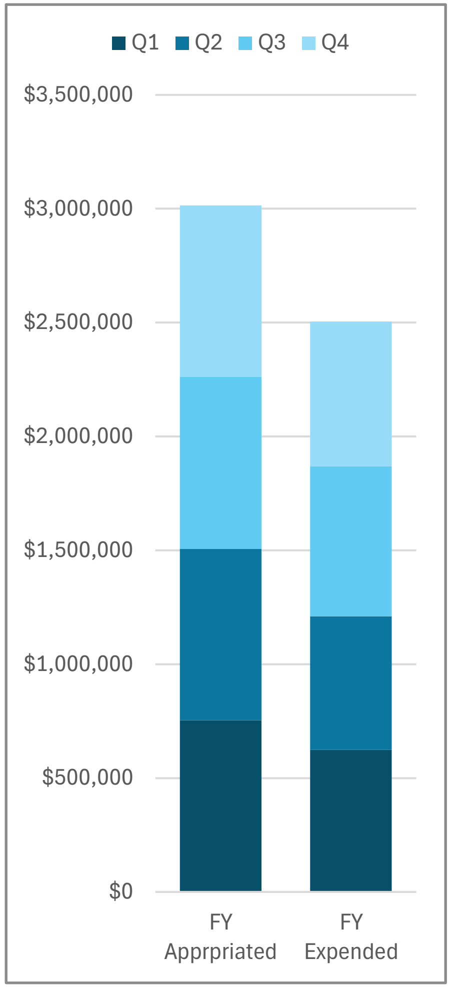
*Core CPI excludes more volatile food and energy sectors. **2026 Q2 GDP is not yet available.*

Market Performance (1 Quarter / 1 Year)

Index	Description	1 Quarter / 1 Year
Russell 3000	*Total US Equity*	15.4% / 22.8%
S&P 500	*US Large Cap*	15.2% / 22.3%
Russell 2000	*US Small Cap*	21.5% / 40.8%
Bloomberg US Aggregate Bond	*Broad US Bonds*	0.7% / 3.8%
Bloomberg US High Yield	*US HY Bonds*	2.5% / 5.9%
MSCI ACWI ex US IM	*All Non-US Equity*	13.8% / 26.6%
MSCI EAFE	*Developed Int'l Equity*	10.8% / 20.2%
MSCI Emerging Markets	*EM Equity*	24.1% / 43.5%
Morningstar US Levgd Loans	*Bank Loans*	1.9% / 4.4%
HFRI Fund of Funds	*Misc Hedge Funds*	7.1% / 15.9%

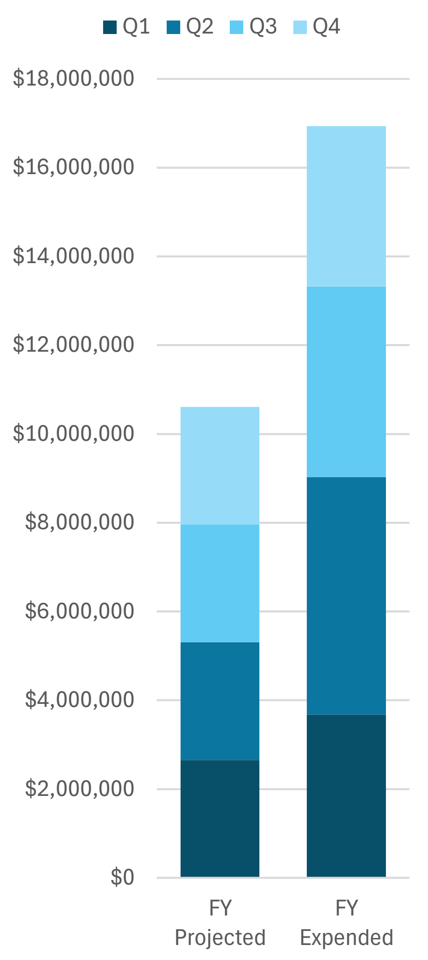
EXPENDITURE REPORT

Acct #	Account Name / Description	FY Appropriation	Q1 Expended	Q1 %	Q2 Expended	Q2 %	Q3 Expended	Q3 %	Q4 Expended	Q4%	Total Expended	Appropriation Remaining	% Expended
10110	SALARIES/BENEFITS	$1,975,000	$366,758	19%	$428,974	22%	$448,355	23%	$459,301	23%	$1,703,388	$271,612	86%
20600	COMMUNICATIONS	$16,000	$2,512	16%	$2,268	14%	$4,245	27%	$8,870	55%	$17,895	$-1,895	112%
21000	INSURANCE	$118,000	$97,747	83%	$2,875	2%	$2,667	2%	$2,668	2%	$105,957	$12,043	90%
21301	MAINT STRUCT IMPROVE & GROUNDS	$100,000	$11,116	11%	$19,282	19%	$13,205	13%	$12,448	12%	$56,052	$43,948	56%
21500	MEMBERSHIP	$7,000	$5,350	76%	$1,750	25%	$400	6%	$0	0%	$7,500	-$500	107%
21700	OFFICE EXPENSE - GENERAL	$20,000	$2,920	15%	$2,468	12%	$2,649	13%	$3,160	16%	$11,197	$8,803	56%
21710	OFFICE EXPENSE - POSTAGE	$54,000	$5,969	11%	$9,816	18%	$12,417	23%	$13,271	25%	$41,473	$12,527	77%
21805	AUDITS	$72,000	$0	0%	$0	0%	$55,000	76%	$0	0%	$55,000	$17,000	76%
21808	BOARD MEMBERSHIP	$15,000	$1,399	9%	$2,261	15%	$1,615	11%	$2,691	18%	$7,966	$7,034	53%
21900	PUBLICATIONS & LEGAL NOTICES	$5,000	$4,552	91%	$0	0%	$365	7%	$0	0%	$4,917	$83	98%
22300	SPEC DEPT EXPENSE - OTHER	$10,000	$2,692	27%	$2,459	25%	$0	0%	$0	0%	$5,151	$4,849	52%
22310	SPEC DEPT EXPENSE - ELECTION EXP	$30,000	$0	0%	$0	0%	$0	0%	$5,496	18%	$5,496	$24,504	18%
22327	SPEC DEPT EXP - COST ALLOC PLAN	$35,000	$8,632	25%	$8,632	25%	$8,632	25%	$8,632	25%	$34,529	$471	99%
22500	TRANSPORTATION & TRAVEL	$200	$0	0%	$0	0%	$0	0%	$0	0%	$0	$200	0%
22505	STAFF & BOARD DEVELOPMENT	$70,000	$10,337	15%	$1,530	2%	$1,470	2%	$16,100	23%	$29,437	$40,563	42%
22515	STAFF & BOARD TRANS & TRVL INSTATE	$45,000	$4,467	10%	$1,999	4%	$9,250	21%	$6,089	14%	$21,805	$23,195	48%
22516	STAFF & BOARD TRANS & TRVL OUT CA	$10,000	$695	7%	$3,474	35%	$0	0%	$1,543	15%	$5,712	$4,288	57%
22600	UTILITIES	$68,000	$8,133	12%	$8,400	12%	$7,981	12%	$4,133	6%	$28,647	$39,353	42%
N/A	ADMIN. DEPRECIATION EXPENSE	$364,400	$90,787	25%	$90,787	25%	$90,787	25%	$90,787	25%	$363,148	$1,252	99%
	Total Administrative Budget	**$3,014,600**	**$624,066**	**21%**	**$586,975**	**19%**	**$659,040**	**22%**	**$635,190**	**21%**	**$2,505,271**	**$509,329**	**83%**



EXPENDITURE REPORT

Account #	Account Name/ Description	Fiscal Year Projection	Q1 Expended	Q1 %	Q2 Expended	Q2 %	Q3 Expended	Q3 %	Q4 Expended	Q4 %	Total Expended	Projection Remaining	% Expended
21800	INVESTMENT EXPENSE	$8,998,000	$3,327,702	37%	$4,966,790	55%	$3,987,562	44%	$3,160,914	35%	$15,442,969	-$6,444,969	172%
21802	ACTUARIAL SERVICES	$220,000	$789	0%	$39,463	18%	$66,499	30%	$151,298	69%	$258,049	-$38,049	117%
21812	DATA PROCESSING	$135,000	$19,079	14%	$20,836	15%	$21,353	16%	$29,664	22%	$90,932	$44,068	67%
21834	LEGAL SERVICES	$442,000	$95,685	22%	$120,391	27%	$106,229	24%	$134,740	30%	$457,046	-$15,046	103%
21840	BANKING SERVICES	$260,000	$35,091	13%	$50,114	19%	$45,077	17%	$50,403	19%	$180,685	$79,315	69%
22350	SOFTWARE & TECH	$559,000	$198,373	35%	$158,630	28%	$65,943	12%	$82,740	15%	$505,686	$53,314	90%
N/A	NON-ADMIN. DEPREC. EXP	$0	$0	0%	$0	0%	$0	0%	$0	0%	$0	$0	0%
	Total Non-Administrative Projection	**$10,614,000**	**$3,676,721**	**35%**	**$5,356,224**	**50%**	**$4,292,663**	**40%**	**$3,609,759**	**34%**	**$16,935,367**	**-$6,321,367**	**160%**



Expenditure Report Notes

- *When the Fiscal Year (FY) 2025-2026 budget was presented to the MercedCERA Retirement Board in May of 2025, the administrative expenditures were anticipated to be $3,014,600 (or 18.6 basis points). As of June 30th, the FY 2025-2026 administrative expenditures totaled $2,505,271 ($509,329 under budget) and 15.6 basis points (3 basis points below the projection).*
- *Non-Administrative expenses totaled $16,935,367 for fiscal year 2025-2026; an increase of $6,321,367 over its initial projection. The increase is due to the change in methodology in the accounting for Management and Partnership Fees (in Account #21800) which are now being reflected at a more granular level.*

MEMBERSHIP REPORT

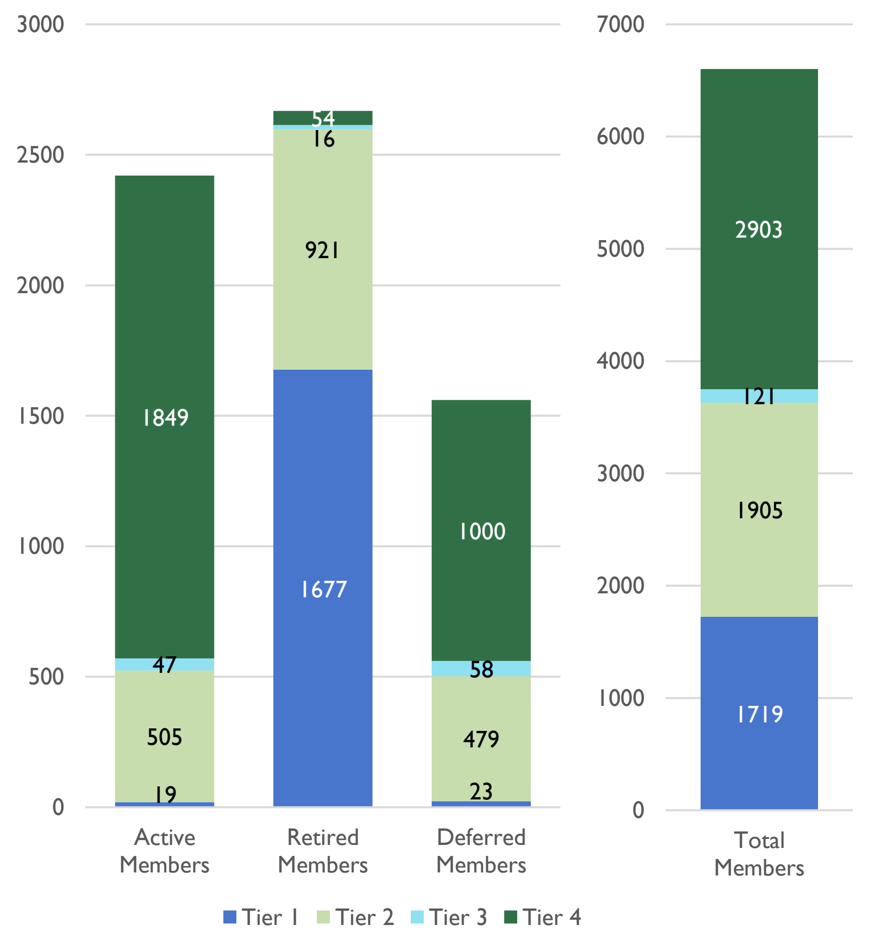
Active Members						
Tier	**General**	**General %**	**Safety**	**Safety %**	**Total**	**Total %**
Tier 1	16	1%	3	1%	19	1%
Tier 2	417	20%	88	24%	505	21%
Tier 3	41	2%	6	2%	47	2%
Tier 4	1586	77%	263	73%	1849	76%
Total Active	**2060**	**85%**	**360**	**15%**	**2420**	**100%**

Retired Members						
Tier	**General**	**General %**	**Safety**	**Safety %**	**Total**	**Total %**
Tier 1	1380	61%	297	72%	1677	63%
Tier 2	807	36%	114	27%	921	35%
Tier 3	16	1%	0	0%	16	1%
Tier 4	50	2%	4	1%	54	2%
Total Retired	**2253**	**84%**	**415**	**16%**	**2668**	**100%**

Deferred Members						
Tier	**General**	**General %**	**Safety**	**Safety %**	**Total**	**Total %**
Tier 1	22	2%	1	1%	23	1%
Tier 2	407	30%	72	38%	479	31%
Tier 3	54	4%	4	2%	58	4%
Tier 4	886	65%	114	60%	1000	64%
Total Deferred	**1369**	**88%**	**191**	**12%**	**1560**	**100%**

Total Members						
Tier	**General**	**General %**	**Safety**	**Safety %**	**Total**	**Total %**
Tier 1	1418	25%	301	31%	1719	26%
Tier 2	1631	29%	274	28%	1905	29%
Tier 3	111	2%	10	1%	121	2%
Tier 4	2522	44%	381	39%	2903	44%
Total Members	**5682**	**85%**	**966**	**15%**	**6648**	**100%**

Membership Count by Status and Tier



July 23, 2026

Alternative Investment Performance

Merced County Employees' Retirement Association

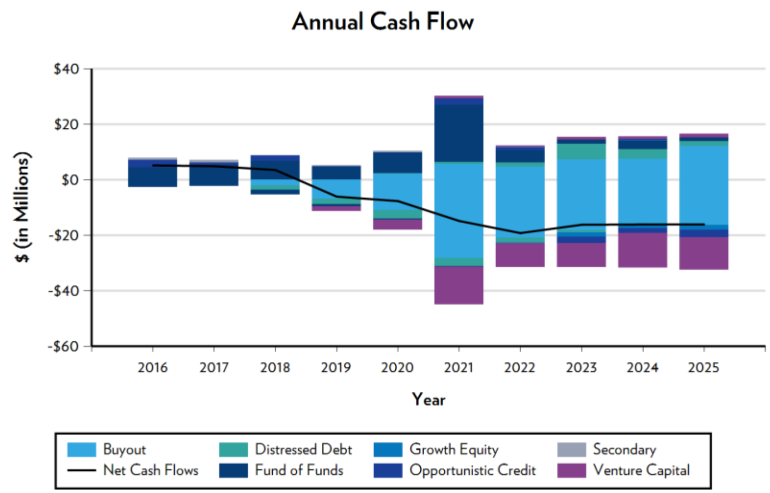
CLIFFWATER

MercedCERA Private Equity Investment Structure & Portfolio Assessment

Investment structure (15% fund target; 16.9% invested as of March 2026):

- Legacy FoFs are winding down and the direct portfolio is maturing; the direct portfolio continues to perform well despite the general slowdown seen in private equity over the last few years
  - There were annual gains of $30 million, including an $11 million gain in 4Q
  - Contributions exceeded distributions by $16 million over the past 12 months as the newer portfolios are being built and the exit market remains slow; the portfolio has generally been running cash flow negative

Annual Summary									
(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain Loss	Net IRR	Benchmark
December 31, 2024	64	$359,936	$233,673	$145,433	$203,654	$349,088	$115,414	11.00%	11.71%
December 31, 2025	68	$378,886	$266,221	$161,890	$249,650	$411,539	$145,319	11.25%	11.88%
Annual Change	4	$18,950	$32,548	$16,457	$45,996	$62,451	$29,905		



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

MercedCERA Private Equity Performance – as of Dec 31, 2025

Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2004 Total		10,000	2,417	7,898	76%	16,233	0	16,233	8,336	11.75%	8.18%	2.06x
Vintage Year 2005 Total		9,923	507	9,576	95%	14,192	81	14,273	4,697	6.15%	7.32%	1.49x
Vintage Year 2006 Total		10,000	540	9,460	95%	10,400	112	10,512	1,052	1.87%	7.46%	1.11x
Vintage Year 2007 Total		4,500	205	4,295	95%	8,243	68	8,311	4,016	10.61%	8.89%	1.94x
Vintage Year 2011 Total		9,636	1,016	8,695	89%	15,189	4,238	19,427	10,732	13.40%	11.91%	2.23x
Vintage Year 2013 Total		5,000	1,548	3,958	69%	13,540	290	13,831	9,872	23.03%	11.45%	3.49x
Vintage Year 2014 Total		20,000	1,474	18,526	93%	26,447	3,748	30,194	11,668	10.45%	13.42%	1.63x
Vintage Year 2017												
GTCR XII	Buyout	5,000	742	4,258	85%	5,493	3,385	8,878	4,620	18.79%	20.40%	2.09x
Vintage Year 2017 Total		5,000	742	4,258	85%	5,493	3,385	8,878	4,620	18.79%	14.84%	2.09x
Vintage Year 2018												
Carrick Capital Partners III, L.P.	Buyout	5,000	0	5,000	100%	2,672	4,581	7,253	2,253	9.10%	15.62%	1.45x
Cressey & Company Fund VI LP	Buyout	5,000	290	4,710	94%	1,634	5,252	6,886	2,176	10.95%	15.62%	1.46x
DK LT Distressed Opp Fund IV LP	Distressed Debt	5,000	343	4,743	93%	6,443	1,651	8,094	3,351	13.64%	12.36%	1.71x
Vintage Year 2018 Total		15,000	633	14,453	96%	10,749	11,484	22,233	7,780	11.36%	12.02%	1.54x

Note: The benchmark represents the Cambridge Associates LLC median for the respective strategy and vintage year. At the vintage year level, the Cambridge Associates LLC Global Private Equity & VC ® median is used for the respective vintage year; * indicates a liquidated partnership.

MercedCERA Private Equity Performance – as of Dec 31, 2025

Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2019												
Accel-KKR Growth Capital Partners III	Buyout	5,000	0	5,372	100%	1,755	5,482	7,237	1,866	8.35%	13.90%	1.35x
Cortec Group Fund VII, L.P.	Buyout	10,000	982	11,532	90%	7,948	10,261	18,209	6,677	17.73%	13.90%	1.58x
Genstar Capital Partners IX, L.P.	Buyout	7,000	494	7,512	93%	8,027	8,890	16,916	9,404	25.29%	13.90%	2.25x
Summit Growth Equity Fund X-A, L.P.	Buyout	8,000	3,318	7,880	59%	3,198	8,803	12,001	4,121	12.34%	13.90%	1.52x
TCV X, L.P.	Venture Capital	5,000	1,247	3,753	75%	2,816	8,633	11,449	7,697	23.30%	9.57%	3.05x
Vintage Year 2019 Total		35,000	6,042	36,048	83%	23,744	42,069	65,813	29,765	18.27%	10.53%	1.83x
Vintage Year 2020												
Accel-KKR Capital Partners VI, LP	Buyout	5,000	124	4,876	98%	631	5,144	5,775	899	6.00%	17.45%	1.18x
GTCR Fund XIII/A & B LP	Buyout	8,000	1,543	6,457	81%	2,757	7,229	9,986	3,529	18.92%	17.45%	1.55x
Marlin Heritage Europe II, L.P.	Buyout	8,211	1,184	7,148	86%	1,253	9,314	10,566	3,418	13.24%	12.29%	1.48x
Thoma Bravo Discover Fund III, L.P.	Buyout	8,000	443	8,055	94%	498	11,763	12,261	4,206	10.97%	17.45%	1.52x
Taconic Market Dislocation Fund III L.P.	Distressed Debt	8,000	1,150	7,313	86%	6,785	2,591	9,376	2,062	8.61%	10.21%	1.28x
Spark Capital Growth Fund III, L.P.	Venture Capital	6,000	0	6,000	100%	1,148	12,592	13,740	7,740	21.33%	6.82%	2.29x
Spark Capital VI, L.P.	Venture Capital	3,000	315	2,685	90%	0	3,691	3,691	1,006	7.82%	6.82%	1.37x
Summit Venture Capital Fund V-A, L.P.	Venture Capital	6,000	754	5,851	87%	605	6,480	7,085	1235	7.66%	6.82%	1.21x
Vintage Year 2020 Total		52,211	5,514	48,385	89%	13,677	58,803	72,480	24,095	12.86%	9.01%	1.50x
Vintage Year 2021												
Genstar Capital Partners X, L.P.	Buyout	8,000	191	8,143	98%	334	9,008	9,342	1,199	4.96%	10.68%	1.15x
Nautic Partners X, L.P.	Buyout	8,000	1,389	6,901	83%	291	9,295	9,585	2,684	15.89%	10.68%	1.39x
Summit Growth Equity Fund XI-A, L.P.	Buyout	8,000	3,461	4,572	57%	33	5,094	5,127	555	6.73%	10.68%	1.12x
Khosla Ventures Seed E, L.P.	Venture Capital	2,000	200	1,800	90%	0	3,311	3,311	1,511	19.42%	4.89%	1.84x
Khosla Ventures VII, L.P.	Venture Capital	6,000	600	5,400	90%	0	6,718	6,718	1,318	6.68%	4.89%	1.24x
TCV Velocity Fund I, L.P.	Venture Capital	8,000	3,515	4,485	56%	0	6,640	6,640	2,154	17.63%	4.89%	1.48x
TCV XI, L.P.	Venture Capital	8,000	1,056	6,944	87%	0	8,360	8,360	1,416	5.88%	4.89%	1.20x
Vintage Year 2021 Total		48,000	10,411	38,246	78%	657	48,427	49,084	10,838	9.52%	7.15%	1.28x

Note: The benchmark represents the Cambridge Associates LLC median for the respective strategy and vintage year. At the vintage year level, the Cambridge Associates LLC Global Private Equity & VC ® median is used for the respective vintage year; * indicates a liquidated partnership.

MercedCERA Private Equity Performance – as of Dec 31, 2025

CLIFFWATER

Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2022												
Accel-KKR Growth Capital Partners IV	Buyout	5,000	2,359	2,641	53%	0	2,854	2,854	213	3.12%	11.93%	1.08x
Marlin Heritage III, L.P.	Buyout	8,000	4,466	3,534	44%	0	3,773	3,773	240	4.00%	11.93%	1.07x
Thoma Bravo Discover Fund IV, L.P.	Buyout	8,000	1,760	7,697	78%	1,458	8,880	10,338	2,640	17.43%	11.93%	1.34x
GTCR Strategic Growth Fund I/A&B LP	Growth Equity	6,000	1,906	4,094	68%	87	4,621	4,708	614	8.19%	12.11%	1.15x
Spark Capital Growth Fund IV, L.P.	Venture Capital	6,000	480	5,520	92%	0	12,659	12,659	7,139	43.58%	11.13%	2.29x
Spark Capital VII, L.P.	Venture Capital	3,000	525	2,475	83%	0	3,895	3,895	1,420	19.71%	11.13%	1.57x
Threshold Ventures IV, L.P.	Venture Capital	5,000	1,365	3,635	73%	0	3,723	3,723	88	1.60%	11.13%	1.02x
Vintage Year 2022 Total		41,000	12,862	29,596	69%	1,545	40,405	41,950	12,354	19.16%	11.90%	1.42x
Vintage Year 2023												
Cortec Group Fund VIII, L.P.	Buyout	10,000	6,797	4,409	32%	1,229	3,199	4,428	19	0.36%	N/A	1.00x
Genstar Capital Partners XI, L.P.	Buyout	8,000	6,966	1,122	13%	93	1,328	1,420	298	28.22%	N/A	1.27x
Summit Europe Growth Equity Fund IV	Growth Equity	5,865	5,295	554	10%	0	430	430	-124	N/M	N/M	0.78x
Taconic Credit Dislocation Fund IV L.P.	Opp. Credit	8,000	1,600	6,617	80%	295	8,097	8,392	1,775	18.62%	N/A	1.27x
Khosla Ventures Seed F, L.P.	Venture Capital	2,000	500	1,500	75%	0	1,770	1,770	270	11.72%	N/A	1.18x
Khosla Ventures VIII	Venture Capital	6,000	1,854	4,146	69%	0	6,035	6,035	1,889	33.33%	N/A	1.46x
Vintage Year 2023 Total		39,865	23,012	18,348	42%	1,616	20,859	22,475	4,127	17.02%	12.50%	1.22x
Vintage Year 2024												
Accel-KKR Capital Partners VII LP	Buyout	8,000	6,540	1,460	18%	0	1,024	1,024	-436	N/M	N/M	0.70x
GTCR XIV/A & B LP	Buyout	8,000	6,441	1,559	19%	163	2,378	2,541	982	N/M	N/M	1.63x
Nautic Partners XI, L.P.	Buyout	8,000	6,185	1,815	23%	0	1,905	1,905	90	N/M	N/M	1.05x
Thoma Bravo Discover Fund V, L.P.	Buyout	8,000	6,893	1,107	14%	0	1,090	1,090	-17	N/M	N/M	0.98x
Wynnchurch Capital Partners VI, L.P.	Buyout	7,750	5,645	2,105	27%	0	2,461	2,461	357	N/M	N/M	1.17x
Summit Growth Equity Fund XII-A	Growth Equity	8,000	8,000	0	0%	0	0	0	0	N/M	N/M	N/A
Spark Capital Growth Fund V, L.P.	Venture Capital	6,000	1,950	4,050	68%	0	4,561	4,561	511	N/M	N/M	1.13x
Spark Capital VIII, L.P.	Venture Capital	3,000	1,830	1,170	39%	0	1,139	1,139	-31	N/M	N/M	0.97x
Vintage Year 2024 Total		56,750	43,484	13,266	23%	163	14,558	14,721	1,455	N/M	N/M	1.11x

Note: The benchmark represents the Cambridge Associates LLC median for the respective strategy and vintage year. At the vintage year level, the Cambridge Associates LLC Global Private Equity & VC ® median is used for the respective vintage year; * indicates a liquidated partnership.

MercedCERA Private Equity Performance – as of Dec 31, 2025

CLIFFWATER

Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2025												
GTCR Strategic Growth II Fund II/A&B LP	Buyout	4,000	4,000	0	0%	0	0	0	0	N/M	N/M	N/A
Khosla Ventures IX, L.P.	Venture Capital	6,000	5,328	672	11%	0	623	623	-49	N/M	N/M	0.93x
Khosla Ventures Seed G, L.P.	Venture Capital	2,000	1,760	240	12%	0	244	244	4	N/M	N/M	1.02x
Threshold Ventures V, LP	Venture Capital	5,000	4,700	300	6%	0	255	255	-45	N/M	N/M	0.85x
Vintage Year 2025 Total		17,000	15,788	1,212	7%	0	1,123	1,123	-89	N/M	N/M	0.93x
Portfolio Total :		378,886	126,195	266,221	67%	161,890	249,650	411,539	145,319	11.25%	11.88%	1.55x

Portfolio Strategy Totals											
Buyout	180,961	72,215	119,865	60%	39,465	132,393	171,857	51,992	13.61%		1.43x
Distressed Debt	13,000	1,493	12,056	89%	13,228	4,241	17,470	5,414	11.38%		1.45x
Fund of Funds	49,059	6,694	43,423	86%	84,107	8,425	92,532	49,109	11.72%		2.13x
Growth Equity	19,865	15,201	4,648	23%	87	5,051	5,139	491	6.38%		1.11x
Opportunistic Credit	18,000	2,074	16,143	88%	10,033	8,097	18,130	1,987	3.60%		1.12x
Secondary	10,000	540	9,460	95%	10,400	112	10,512	1,052	1.88%		1.11x
Venture Capital	88,000	27,979	60,626	68%	4,570	91,330	95,899	35,273	17.31%		1.58x
Portfolio Total :	378,886	126,195	266,221	67%	161,890	249,650	411,539	145,319	11.25%	11.88%	1.55x

Note: The benchmark represents the Cambridge Associates LLC median for the respective strategy and vintage year. At the vintage year level, the Cambridge Associates LLC Global Private Equity & VC ® median is used for the respective vintage year; * indicates a liquidated partnership.

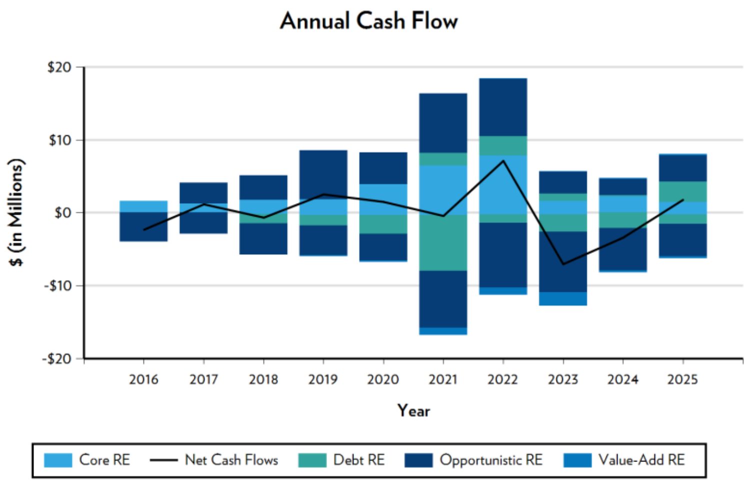
MercedCERA Real Estate Investment Structure & Portfolio Assessment

CLIFFWATER

Real estate investment structure (6% target, 5.4% actual as of March 2026)

- MercedCERA invested in 1999 in a private core real estate fund; further diversified the portfolio beginning in 2014
- Distributions exceed contributions by $1.4 million over the past year for the private real estate portfolio
- The total portfolio gain declined by $0.6 million during the year, including a $0.2 million decline in 4Q

Annual Summary									
(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain Loss	Net IRR	Benchmark
December 31, 2024	15	$122,347	$98,576	$89,776	$77,132	$166,908	$68,331	8.20%	7.73%
December 31, 2025	16	$131,959	$105,243	$97,841	$75,100	$172,942	$67,699	7.88%	7.62%
Annual Change	1	$9,612	$6,667	$8,065	-$2,032	$6,034	-$632		



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

MercedCERA Real Estate Performance – as of Dec 31, 2025

CLIFFWATER

Real Estate Portfolio

- MercedCERA began investing in core real estate (UBS Trumbull) in 1999 & started adding Opportunistic funds in 2014; UBS is still working through the partial redemption of Trumbull; most of the Opportunistic funds are still in early stages.
- Overall performance has met objectives, mostly driven by the core real estate fund; performance for many of the Opportunistic funds is not yet meaningful given the relative nascency of those portfolios.

Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 1999												
UBS Trumbull Property Fund	Core RE	17,000	0	18,935	100%	46,752	19,266	66,019	47,084	7.92%	10.20%	3.49x
Vintage Year 1999 Total		17,000	0	18,935	100%	46,752	19,266	66,019	47,084	7.92%	12.95%	3.49x
Vintage Year 2014												
Greenfield Acquisition Partners VII, L.P.	Opportunistic RE	13,000	1,876	12,662	86%	21,335	373	21,708	9,047	12.97%	9.71%	1.71x
Vintage Year 2014 Total		13,000	1,876	12,662	86%	21,335	373	21,708	9,047	12.97%	8.62%	1.71x
Vintage Year 2016												
Patron Capital Fund V	Opportunistic RE	13,959	1,418	12,222	90%	8,982	5,266	14,248	2,026	4.39%	4.84%	1.17x
Vintage Year 2016 Total		13,959	1,418	12,222	90%	8,982	5,266	14,248	2,026	4.39%	8.78%	1.17x
Vintage Year 2017												
Carlyle Realty Partners VIII, L.P.	Opportunistic RE	5,000	3,207	4,678	36%	4,861	1,505	6,366	1,687	15.42%	8.09%	1.36x
Vintage Year 2017 Total		5,000	3,207	4,678	36%	4,861	1,505	6,366	1,687	15.42%	6.28%	1.36x
Vintage Year 2018												
Taconic CRE Dislocation Fund II	Debt RE	5,000	370	5,069	93%	3,673	1,551	5,224	155	0.94%	8.96%	1.03x
AG Realty Value Fund X, L.P.	Opportunistic RE	5,000	1,194	4,736	76%	3,232	2,574	5,807	1,071	6.93%	13.11%	1.23x
Vintage Year 2018 Total		10,000	1,564	9,805	84%	6,906	4,125	11,031	1,225	3.79%	8.35%	1.12x
Vintage Year 2019												
Rockpoint Real Estate Fund VI, L.P.	Opportunistic RE	5,000	390	4,982	92%	1,434	4,439	5,874	892	5.01%	6.54%	1.18x
Carmel Partners Investment Fund VII, L.P.	Value-Add RE	5,000	645	4,774	87%	418	5,538	5,957	1,183	7.10%	5.04%	1.25x
Vintage Year 2019 Total		10,000	1,035	9,756	90%	1,853	9,978	11,830	2,074	6.01%	5.15%	1.21x

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

MercedCERA Real Estate Performance – as of Dec 31, 2025

CLIFFWATER

Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2020												
Cerberus Real Estate Debt Fund, L.P.	Debt RE	7,000	2,440	4,555	65%	2,623	3,295	5,919	1,364	6.52%	8.91%	1.30x
Starw ood Distressed Opportunity Fund XII	Opportunistic RE	8,000	2,400	5,600	70%	525	6,237	6,761	1,161	8.13%	10.20%	1.21x
Vintage Year 2020 Total		15,000	4,840	10,155	68%	3,148	9,532	12,680	2,525	7.15%	7.90%	1.25x
Vintage Year 2021												
Taconic CRE Dislocation Onshore Fund III L.P.	Debt RE	8,000	400	9,098	95%	2,041	6,406	8,446	-651	-2.86%	4.68%	0.93x
Carlyle Realty Partners IX, L.P.	Opportunistic RE	8,000	2,628	5,815	67%	443	5,478	5,922	106	1.24%	4.09%	1.02x
Carmel Partners Investment Fund VIII, L.P.	Opportunistic RE	8,000	2,520	6,397	69%	915	7,731	8,647	2,250	13.16%	4.09%	1.35x
Vintage Year 2021 Total		24,000	5,548	21,310	77%	3,399	19,615	23,015	1,705	3.46%	5.87%	1.08x
Vintage Year 2022												
Rockpoint Real Estate Fund VII, L.P.	Opportunistic RE	8,000	4,310	4,618	46%	597	4,483	5,080	463	4.18%	N/A	1.10x
Vintage Year 2022 Total		8,000	4,310	4,618	46%	597	4,483	5,080	463	4.18%	5.55%	1.10x
Vintage Year 2024												
Carlyle Realty Partners X, L.P.	Opportunistic RE	8,000	8,000	0	0%	0	-139	-139	-139	N/M	N/M	N/A
Vintage Year 2024 Total		8,000	8,000	0	0%	0	-139	-139	-139	N/M	N/M	N/A
Vintage Year 2025												
Blue Ow l Real Estate Fund VII LP	Debt RE	8,000	6,897	1,103	14%	8	1,096	1,104	1	N/M	N/M	1.00x
Vintage Year 2025 Total		8,000	6,897	1,103	14%	8	1,096	1,104	1	N/M	N/M	1.00x
Portfolio Total :		131,959	38,694	105,243	71%	97,841	75,100	172,942	67,699	7.88%	7.62%	1.64x

Portfolio Strategy Totals												
Core RE		17,000	0	18,935	100%	46,752	19,266	66,019	47,084	7.92%		3.49x
Debt RE		28,000	10,107	19,824	64%	8,346	12,347	20,693	868	1.45%		1.04x
Opportunistic RE		81,959	27,942	61,710	66%	42,325	37,948	80,274	18,564	9.34%		1.30x
Value-Add RE		5,000	645	4,774	87%	418	5,538	5,957	1,183	7.10%		1.25x
Portfolio Total :		131,959	38,694	105,243	71%	97,841	75,100	172,942	67,699	7.88%	7.62%	1.64x

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

MercedCERA Real Assets Investment Structure & Portfolio Assessment

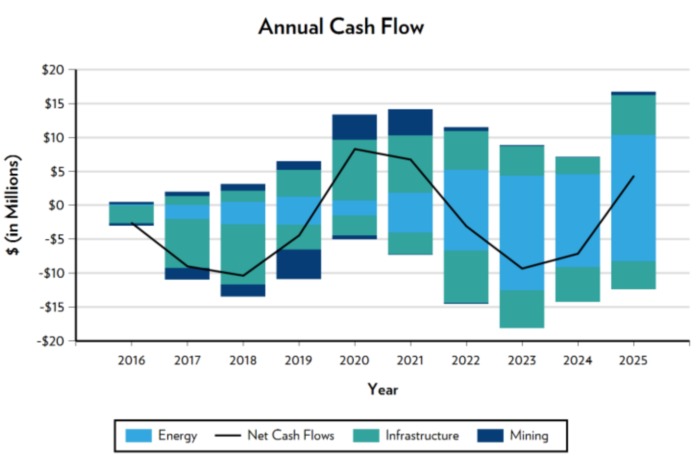
CLIFFWATER

Real assets investment structure (5% target, 5.8% actual as of March 2026)

- Program is designed to be equally divided between private infrastructure and natural resource funds
  - Private fund commitments began in 2014 to infrastructure and 2015 to natural resources
- The majority of the portfolio is in development, but there were annual gains of $9 million with $2 million in 4Q
  - Distributions exceeded contributions by $4.3 million as the portfolio's older funds continue to return capital

Annual Summary

(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain Loss	Net IRR	Benchmark
December 31, 2024	21	$142,055	$102,703	$67,158	$74,920	$142,078	$39,375	13.24%	4.72%
December 31, 2025	22	$154,650	$115,114	$83,852	$79,972	$163,824	$48,710	13.23%	6.16%
Annual Change	1	$12,595	$12,411	$16,694	$5,052	$21,746	$9,335		



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

MercedCERA Real Assets Performance – as of Dec 31, 2025

CLIFFWATER

Real Assets Portfolio

- MercedCERA began allocating to real assets in 2014 via direct fund commitments
- Portfolio continues to develop as the VY 2017-24 funds are maturing/being built out
- Since inception net IRRs of 14.81% for Energy and 12.53% for Infrastructure

Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2014												
KKR Global Infrastructure II	Infrastructure	10,000	435	11,246	96%	18,252	3,063	21,315	10,069	16.62%	10.00%	1.90x
Vintage Year 2014 Total		10,000	435	11,246	96%	18,252	3,063	21,315	10,069	16.62%		1.90x
Vintage Year 2015												
GSO Energy Select Opportunities Fund	Energy	7,500	3,367	4,652	55%	6,401	375	6,776	2,125	10.24%	7.21%	1.46x
North Haven Infrastructure Partners II LP	Infrastructure	10,000	1,147	11,797	89%	15,323	1,319	16,642	4,845	9.94%	9.90%	1.41x
* Taurus Mining Finance Fund	Mining	5,000	522	5,355	90%	6,279	0	6,279	924	7.87%	N/A	1.17x
Vintage Year 2015 Total		22,500	5,035	21,804	78%	28,004	1,694	29,698	7,894	9.71%		1.36x
Vintage Year 2016												
* Taurus Mining Finance Annex Fund	Mining	5,000	948	4,658	81%	5,929	0	5,929	1,271	17.12%	N/A	1.27x
Vintage Year 2016 Total		5,000	948	4,658	81%	5,929	0	5,929	1,271	17.12%		1.27x
Vintage Year 2017												
EnCap Energy Capital Fund XI, L.P.	Energy	5,000	378	5,106	92%	6,756	3,383	10,139	5,033	21.32%	13.57%	1.99x
ISQ Global Infrastructure Fund II	Infrastructure	5,000	367	6,586	93%	3,717	6,123	9,841	3,255	11.31%	8.32%	1.49x
Vintage Year 2017 Total		10,000	745	11,692	93%	10,474	9,506	19,979	8,288	15.83%		1.71x
Vintage Year 2018												
EnCap Flatrock Midstream IV, L.P.	Energy	3,000	215	2,875	93%	1,575	2,357	3,932	1,057	9.63%	7.60%	1.37x
Ardian Infrastructure Fund V	Infrastructure	5,150	469	4,342	91%	665	5,441	6,106	1,764	10.51%	8.19%	1.41x
KKR Global Infrastructure Investors III	Infrastructure	5,000	617	4,915	88%	3,858	3,009	6,867	1,953	9.42%	8.19%	1.40x
Vintage Year 2018 Total		13,150	1,300	12,132	90%	6,098	10,807	16,905	4,773	9.83%		1.39x

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

MercedCERA Real Assets Performance – as of Dec 31, 2025

CLIFFWATER

Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2019												
Global Energy & Power Infrastructure Fund III	Energy	5,000	78	5,363	98%	4,175	3,695	7,870	2,507	12.91%	N/A	1.47x
Tailwater Energy Fund IV, LP	Energy	5,000	768	5,043	85%	3,699	3,795	7,494	2,452	14.25%	13.93%	1.49x
Vintage Year 2019 Total		10,000	845	10,406	92%	7,874	7,490	15,364	4,958	13.54%		1.48x
Vintage Year 2021												
ISQ Global Infrastructure Fund III	Infrastructure	5,000	1,131	4,056	77%	187	4,921	5,108	1,053	12.47%	11.64%	1.26x
KKR Global Infrastructure Investors IV	Infrastructure	8,000	812	7,656	90%	855	8,807	9,662	2,007	10.52%	11.64%	1.26x
Vintage Year 2021 Total		13,000	1,943	11,711	85%	1,042	13,728	14,771	3,059	11.11%		1.26x
Vintage Year 2022												
BlackRock Global Infrastructure Fund IV	Energy	10,000	2,842	7,376	72%	353	8,235	8,588	1,212	9.25%	N/A	1.16x
Carnelian Energy Capital IV L.P.	Energy	8,000	4,885	7,080	39%	4,479	4,589	9,068	1,988	15.79%	18.52%	1.28x
Vintage Year 2022 Total		18,000	7,727	14,456	57%	4,832	12,824	17,656	3,200	12.54%		1.22x
Vintage Year 2023												
EnCap Energy Capital Fund XII, L.P.	Energy	8,000	2,732	6,290	66%	1,163	6,625	7,788	1,498	19.81%	N/A	1.24x
EnCap Flatrock Midstream V, L.P.	Energy	8,000	4,429	3,571	45%	0	5,576	5,576	2,005	22.08%	N/A	1.56x
Ardian Infrastructure Fund VI	Infrastructure	9,000	7,031	1,943	22%	75	2,203	2,278	335	9.29%	N/A	1.17x
Vintage Year 2023 Total		25,000	14,191	11,804	43%	1,238	14,404	15,642	3,838	19.05%		1.33x
Vintage Year 2024												
Carnelian Energy Capital V, L.P.	Energy	8,000	4,849	3,199	39%	49	4,504	4,553	1,353	N/M	N/M	1.42x
KKR Global Infrastructure Investors V	Infrastructure	8,000	6,054	2,006	24%	60	1,952	2,012	6	N/M	N/M	1.00x
Vintage Year 2024 Total		16,000	10,903	5,205	32%	109	6,456	6,565	1,360	N/M		1.26x
Vintage Year 2025												
abrdn Global Sustainable Infrastructure Partners IV	Infrastructure	12,000	12,000	0	0%	0	0	0	0	N/M	N/M	N/A
Vintage Year 2025 Total		12,000	12,000	0	0%	0	0	0	0	N/M		N/A
Portfolio Total :		154,650	56,074	115,114	64%	83,852	79,972	163,824	48,710	13.23%	6.16%	1.42x

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

MercedCERA Real Assets Performance – as of Dec 31, 2025

Portfolio Strategy Totals	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Energy	67,500	24,542	50,555	64%	28,650	43,134	71,784	21,229	14.81%		1.42x
Infrastructure	77,150	30,063	54,546	61%	42,994	36,838	79,832	25,286	12.53%		1.46x
Mining	10,000	1,470	10,013	85%	12,208	0	12,208	2,195	11.33%		1.22x
Portfolio Total :	154,650	56,074	115,114	64%	83,852	79,972	163,824	48,710	13.23%	6.16%	1.42x

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

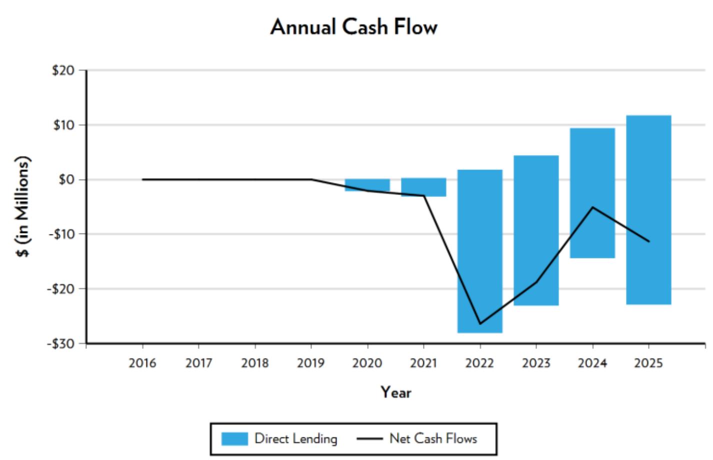
CLIFFWATER

Direct Lending investment structure (5% target, 6.2% actual as of March 2026)

- Program was approved with the Oct 2021 asset allocation
  - Silver Point was moved from the PE portfolio and new commitments began at year end 2021
- The overall portfolio is young with many funds still developing
  - $8 million in gains over the past year; contributions exceed distributions by $11 million

Annual Summary

(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain Loss	Net IRR	Benchmark
December 31, 2024	9	$138,000	$71,055	$15,774	$70,457	$86,230	$15,175	11.80%	7.11%
December 31, 2025	10	$153,000	$94,021	$27,424	$89,511	$116,935	$22,914	11.43%	6.88%
Annual Change	1	$15,000	$22,966	$11,650	$19,054	$30,705	$7,739		



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

MercedCERA Direct Lending Performance – as of Dec 31, 2025

CLIFFWATER

Direct Lending Portfolio

- Portfolio is developing (57% drawn) but performance exceeds benchmark (11.43% v. 6.88% since inception net IRR)

Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2019												
Silver Point Specialty Credit Fund II, L.P.	Direct Lending	8,000	1,078	7,575	87%	4,660	6,148	10,808	3,234	11.29%	6.26%	1.43x
Vintage Year 2019 Total		8,000	1,078	7,575	87%	4,660	6,148	10,808	3,234	11.29%		1.43x
Vintage Year 2021												
Ares Senior Direct Lending Fund II L.P.	Direct Lending	20,000	8,673	16,305	57%	6,772	15,033	21,805	5,501	13.29%	6.42%	1.34x
Varagon Capital Direct Lending Fund	Direct Lending	20,000	2,500	17,500	88%	4,346	16,422	20,768	3,268	7.32%	6.42%	1.19x
Vintage Year 2021 Total		40,000	11,173	33,805	72%	11,118	31,455	42,574	8,769	10.20%		1.26x
Vintage Year 2022												
Accel-KKR Credit Partners II LP	Direct Lending	10,000	3,510	7,186	65%	704	7,629	8,333	1,146	19.83%	6.73%	1.16x
AG Direct Lending Fund IV Annex, L.P.	Direct Lending	10,000	500	9,535	95%	6,025	6,630	12,656	3,120	10.79%	6.73%	1.33x
AG Direct Lending Fund V	Direct Lending	10,000	1,500	8,500	85%	1,788	8,371	10,158	1,658	10.65%	6.73%	1.20x
Vintage Year 2022 Total		30,000	5,510	25,222	82%	8,517	22,630	31,147	5,925	11.71%		1.23x
Vintage Year 2023												
Ares Capital Europe VI (D) Levered, L.P.	Direct Lending	20,000	11,247	8,636	44%	803	9,549	10,352	1,716	15.06%	N/A	1.20x
Ares Senior Direct Lending Fund III	Direct Lending	20,000	13,052	7,604	35%	690	7,987	8,678	1,073	N/M	N/M	1.14x
Silver Point Specialty Credit Fund III, L.P.	Direct Lending	20,000	10,767	8,895	46%	1,636	9,518	11,154	2,259	13.29%	N/A	1.25x
Vintage Year 2023 Total		60,000	35,066	25,135	42%	3,129	27,054	30,183	5,048	14.58%		1.20x
Vintage Year 2025												
Accel-KKR Credit Partners III LP	Direct Lending	15,000	12,720	2,285	15%	0	2,223	2,223	-62	N/M	N/M	0.97x
Vintage Year 2025 Total		15,000	12,720	2,285	15%	0	2,223	2,223	-62	N/M		0.97x
Portfolio Total :		153,000	65,548	94,021	57%	27,424	89,511	116,935	22,914	11.43%	6.88%	1.24x

Note: Benchmark is Morningstar LSTA US Leveraged Loan Index.

MercedCERA Hedge Fund Performance – as of Mar 31, 2026

CLIFFWATER

Fund	Market Value	Actual %	Mar	QTD	YTD	Returns 1 Year	3 Year	5 Year	Incep	Std Dev	Sharpe Ratio	Incep Date
Market Neutral												
Laurion Capital, Ltd.	8,122,431	10.6%	-5.09%	-3.44%	-3.44%	6.24%	2.13%	0.62%	7.39%	10.64%	0.48	Jul-18
Market Neutral - HF Total	8,122,431	10.6%	-5.09%	-3.44%	-3.44%	6.24%	2.13%	0.12%	3.11%	8.15%	0.12	Oct-17
HFRI Relative Value (Total) Index			-0.68%	1.28%	1.28%	7.06%	7.69%	5.45%	4.98%	4.53%	0.63	Oct-17
Credit/Distressed												
Silver Point Capital Fund, L.P.	16,100,092	21.0%	0.00%	2.03%	2.03%	11.73%	10.09%	9.57%	8.85%	6.28%	0.99	Dec-17
Credit/Distressed - HF Total	16,100,092	21.0%	0.00%	2.03%	2.03%	11.73%	10.09%	9.57%	8.85%	6.28%	0.99	Dec-17
HFRI EDDistressed/Restructuring Index			1.04%	3.93%	3.93%	13.62%	10.94%	6.97%	6.93%	6.72%	0.71	Dec-17
Event Driven												
Taconic Opportunity Fund L.P.	718,947	0.9%	0.00%	-4.32%	-4.32%	-57.56%	-23.10%	-14.55%	-8.75%	14.99%	-0.69	Dec-18
Event Driven - HF Total	718,947	0.9%	0.00%	-4.32%	-4.32%	-57.56%	-23.10%	-14.55%	-8.75%	14.99%	-0.69	Dec-18
HFRI Event-Driven (Total) Index			-1.42%	-0.05%	-0.05%	11.67%	9.86%	6.00%	7.06%	7.89%	0.64	Dec-18
Equity Long/Short												
Archipelago Partners, L.P.	11,001,312	14.4%	-2.20%	1.88%	1.88%	13.72%	13.24%	9.91%	8.36%	6.50%	0.91	Sep-17
Marshall Wace Funds LP - MW Eureka (US) Fund	5,243,014	6.8%	-5.37%	0.55%	0.55%	14.64%	9.93%	8.16%	8.19%	6.20%	0.91	Dec-17
Marshall Wace Funds LP - MW Global Opportunities (US) Fund	6,848,241	8.9%	-1.56%	7.95%	7.95%	17.13%	9.47%	7.41%	7.32%	8.12%	0.57	Apr-20
Equity Long/Short - HF Total	23,092,568	30.1%	-2.75%	3.29%	3.29%	14.98%	11.33%	8.72%	7.49%	6.35%	0.80	Sep-17
HFRI Equity Hedge (Total) Index			-4.33%	-0.47%	-0.47%	18.18%	12.25%	6.38%	7.75%	9.31%	0.63	Sep-17
Global Macro-Discretionary												
Caxton Global Investments (USA) LLC	7,445,125	9.7%	-6.94%	-3.42%	-3.42%	6.51%	7.81%	-	7.42%	6.49%	0.62	May-21
Graham Absolute Return Trading Ltd.	5,244,210	6.8%	-6.10%	-4.74%	-4.74%	-0.68%	6.78%	7.55%	6.21%	8.06%	0.50	Sep-17
Global Macro-Discretionary - HF Total	12,689,335	16.6%	-6.59%	-3.97%	-3.97%	3.42%	7.40%	7.59%	6.24%	7.75%	0.52	Sep-17
HFRI Macro (Total) Index			-2.35%	4.44%	4.44%	11.76%	6.41%	5.78%	4.90%	5.29%	0.53	Sep-17
Multi-Strategy												
Hudson Bay Fund LP	15,909,133	20.8%	-0.69%	0.02%	0.02%	5.75%	-	-	7.03%	1.87%	1.17	Jun-23
Multi-Strategy - HF Total	15,909,133	20.8%	-0.69%	0.02%	0.02%	5.75%	7.19%	3.25%	6.26%	6.44%	0.71	Jul-14
HFRI Relative Value (Total) Index			-0.68%	1.28%	1.28%	7.06%	7.69%	5.45%	4.49%	4.12%	0.68	Jul-14
MCERA Hedge Fund Portfolio	76,632,504	100.0%	-2.66%	0.28%	0.28%	6.96%	7.44%	5.85%	5.32%	4.76%	0.75	Jul-14
Benchmarks												
HFRI Fund of Funds Composite Index			-2.15%	0.71%	0.71%	11.62%	8.52%	4.88%	4.26%	4.81%	0.54	Jul-14
Market Indices												
SOFR 90 Day			0.31%	0.91%	0.91%	4.16%	4.78%	3.33%	-	-	-	Jul-14
ML 3-month T-Bills			0.29%	0.85%	0.85%	4.00%	4.74%	3.34%	1.93%	0.56%	0.54	Jul-14
Bloomberg US Aggregate Bond Index			-1.76%	-0.05%	-0.05%	4.35%	3.63%	0.31%	1.92%	4.81%	0.07	Jul-14
Bloomberg US High Yield Bond Index			-1.18%	-0.50%	-0.50%	7.01%	8.60%	4.23%	4.82%	7.13%	0.46	Jul-14
S&P 500 TR			-4.98%	-4.33%	-4.33%	17.80%	18.32%	12.06%	12.76%	14.69%	0.78	Jul-14
MSCI AC World Index Free - Net			-7.18%	-3.20%	-3.20%	20.01%	16.58%	9.49%	9.19%	14.25%	0.57	Jul-14
MSCI EAFE - Net			-10.29%	-1.24%	-1.24%	21.27%	13.62%	7.91%	5.86%	14.90%	0.35	Jul-14
MSCI EMF (Emerging Markets Free) - Net			-13.06%	-0.17%	-0.17%	29.55%	14.84%	3.69%	4.91%	17.10%	0.27	Jul-14

Important Notice

This presentation was prepared exclusively for information and discussion purposes, and is not meant to be, nor shall it be construed as, an attempt to define all information that may be material to you. All information including opinions or facts expressed herein are current as of the date appearing in this presentation and is subject to change without notice. All information has been obtained from sources believed to be reliable. No representation, warranty, or undertaking, express or implied, is given as to the accuracy or completeness of the information or opinions contained in this presentation. Past performance does not guarantee future performance.

This presentation may include sample or pro forma performance. Such information is presented for illustrative purposes only and is based on various assumptions, not all of which are described herein. Such assumptions, data, or projections may have a material impact on the returns shown.

References to market or composite indices, benchmarks or other measures of relative market performance over a specified period of time (each, an “index”) are provided for information only. Reference to an index does not imply that a portfolio will achieve returns, volatility or other results similar to the index. The composition of an index may not reflect the manner in which a portfolio is constructed in relation to expected or achieved returns, portfolio guidelines, restrictions, sectors, correlations, concentrations, volatility or tracking error targets, all of which are subject to change over time.

Hedge Fund Research, Inc. (“HFR”) is the source and owner of the HFR data contained or reflected in this report and all trademarks related thereto.

Frank Russell Company (“FRC”) is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto. The Russell Index data may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited.

Thomson Financial Inc. is the owner and/or licensor of the Cambridge Associates LLC data contained or reflected in this material.

The MSCI information is the exclusive property of MSCI Inc. (“MSCI”) and may not be reproduced or re-disseminated in any form or used to create any financial products or indices without MSCI’s express prior written permission. This information is provided “as is” without any express or implied warranties. In no event shall MSCI or any of its affiliates or information providers have any liability of any kind to any person or entity arising from or related to this information.

The S&P/LSTA U.S. Leveraged Loan Index is a market value weighted index tracking institutional leveraged loans in the United States based upon market weightings, spreads and interest payment, including Term Loan A, Term Loan B and Second Lien tranches.

The Bloomberg Barclays U.S. Corporate High Yield Index (Bloomberg Barclays High Yield) measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody’s, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on the indices’ EM country definition are excluded.

The Bloomberg Barclays U.S. Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

The NCREIF Property Index is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only. All properties in the index have been acquired, at least in part, on behalf of tax-exempt institutional investors.

MEKETA

Merced County Employees' Retirement Association

July 23, 2026

June Flash Report

Table of Contents

Executive Summary as of June 30, 2026

Portfolio Preliminary Performance Highlights

- June saw mixed returns as shifting momentum in AI related stocks and geopolitical tensions in the Middle East served as key themes in a turbulent period for markets. US Equities (Russell 3000) returned -0.3%, Developed International equities (MSCI EAFE) returned 0.1% and Emerging Markets (MSCI EM) returned -1.4% over the month. Bonds saw muted returns over the month with the broad Bloomberg US Aggregate Index returning 0.2%.
- For June, Merced CERA reported a monthly return (w/o Alternatives) of -0.8% net of fees. US Equities returned - 0.3%, mirroring the Russell 3000 Index. International Equities return of -2.6% trailed the MSCI AC World ex USA IMI Index return of -1.0% and the secondary blended asset class benchmark return of -0.7%. The Emerging Markets sleeve returned -2.2%, trailing the MSCI EM index return of -1.4%. US Fixed Income returned 0.3%, outpacing the benchmark. Opportunistic Credit posted 0.2% for the month, mirroring 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 9.8% through June, trailing the S&P 500 Index return of 10.2%. The manager is expected to perform well under normal market conditions (fundamentals drive investment returns) and bull markets.
- Champlain Small Cap, through June, the portfolio's active small cap manager, returned 7.9%, trailing the Russell 2000 Index return of 22.6%. The fund was recommended to be removed from the portfolio at the May meeting.

International Equity

- First Eagle, through June, returned 6.9% versus the MSCI EAFE Index return of 9.4% and MSCI AC World ex US Value Index return of 14.5%. 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 -2.6% through June vs MSCI EM index return of 23.8%. 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 5.5% vs MSCI EM index return of 23.8% through June. 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 1.4% through June, outpacing the Bloomberg US Aggregate Index return of 0.6%.

→ Wellington Core Bond returned 0.7%, outpacing the Bloomberg US Aggregate Index return of 0.6%.

→ Payden & Rygel Low Duration returned 0.8%, outpacing the Bloomberg US Treasury 1-3 Year Index return of 0.6%.

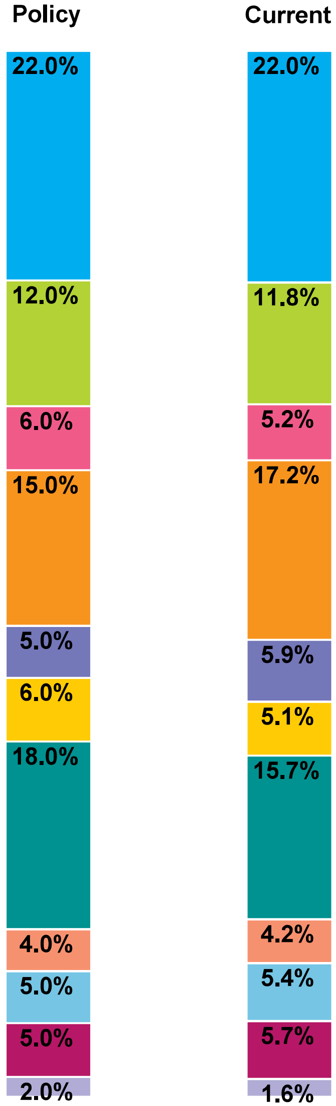
Opportunistic Credit

→ PIMCO Income Fund returned 1.5%, outpacing the Bloomberg US Aggregate Index return of 0.6%.

→ GoldenTree Multi-Sector returned 2.3%, outpacing the blended benchmark (50% Bloomberg US High Yield/50% S&P UBS Leveraged Loans) return of 1.6%. The strategy is benchmark agnostic and tends to have lower duration positioning.

Performance Update as of June 30, 2026

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	22.0	22.0	0.0	16.0 - 27.0	Yes
Developed International Equity	175,229,721	11.8	12.0	-0.2	7.0 - 17.0	Yes
Emerging Markets Equity	77,829,206	5.2	6.0	-0.8	3.0 - 9.0	Yes
Private Equity	255,526,593	17.2	15.0	2.2	5.0 - 20.0	Yes
Direct Lending	87,388,429	5.9	5.0	0.9	0.0 - 10.0	Yes
Real Estate	76,255,746	5.1	6.0	-0.9	4.0 - 8.0	Yes
US Fixed Income	232,845,768	15.7	18.0	-2.3	13.0 - 23.0	Yes
Opportunistic Credit	62,639,562	4.2	4.0	0.2	2.0 - 6.0	Yes
Hedge Funds	79,966,377	5.4	5.0	0.4	2.5 - 7.5	Yes
Real Assets	84,059,891	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	**1,483,167,850**	**100.0**	**100.0**	**0.0**		

Trailing Net Performance | As of June 30, 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	**1,483,167,850**	**100.0**	**-0.5**	**4.7**	**4.5**	**10.9**	**11.4**	**6.7**	**9.1**	**8.3**	**Jan-95**
Policy Index			*-1.2*	*6.6*	*7.2*	*17.8*	*14.1*	*8.6*	*10.0*	*6.9*	
Total Fund w/o Alternatives	**875,572,940**	**59.0**	**-0.8**	**7.7**	**5.4**	**12.3**	**13.8**	**6.5**	**9.7**	**--**	**Jan-08**
Policy Index w/o AI			*-0.2*	*10.6*	*9.2*	*18.9*	*14.9*	*7.3*	*9.5*	*--*	
Public Equity	**580,087,611**	**39.1**	**-1.3**	**11.5**	**7.6**	**16.3**	**17.4**	**8.3**	**--**	**11.5**	**Apr-18**
MSCI AC World IMI Index (Net)			*-0.6*	*14.9*	*11.8*	*24.2*	*19.5*	*10.6*	*--*	*11.6*	
US Equity	**327,028,683**	**22.0**	**-0.3**	**15.2**	**10.1**	**20.4**	**18.9**	**11.3**	**14.5**	**11.0**	**Jan-95**
Russell 3000			*-0.3*	*15.4*	*10.9*	*22.8*	*20.4*	*12.3*	*15.0*	*11.1*	
International Equity	**253,058,928**	**17.1**	**-2.6**	**6.9**	**4.5**	**11.5**	**15.5**	**4.7**	**10.3**	**6.6**	**Jan-99**
Primary Blended International Equity Benchmark			*-1.0*	*13.8*	*13.1*	*26.6*	*18.7*	*8.2*	*10.0*	*6.4*	
Secondary Blended International Equity Benchmark			*-0.7*	*10.8*	*9.7*	*20.6*	*16.8*	*7.2*	*9.5*	*6.2*	
Emerging Markets Equity	**77,829,206**	**5.2**	**-2.2**	**13.6**	**0.1**	**0.9**	**13.2**	**-1.4**	**9.7**	**6.3**	**May-12**
MSCI EM			*-1.4*	*24.1*	*23.8*	*43.5*	*23.0*	*7.2*	*10.2*	*6.5*	
US Fixed Income	**232,845,768**	**15.7**	**0.3**	**0.8**	**0.9**	**4.0**	**4.5**	**0.0**	**1.7**	**4.4**	**Jan-95**
US Fixed Income Custom Benchmark			*0.2*	*0.7*	*0.6*	*3.8*	*4.2*	*0.3*	*1.8*	*4.5*	
Opportunistic Credit	**62,639,562**	**4.2**	**0.2**	**1.8**	**2.6**	**6.5**	**8.6**	**5.5**	**--**	**6.1**	**May-19**
Custom Blended Opportunistic Credit Benchmark			*0.2*	*1.9*	*1.4*	*4.8*	*6.3*	*2.7*	*--*	*3.5*	
Real Estate	**76,255,746**	**5.1**	**0.0**	**0.0**	**0.2**	**-0.7**	**1.9**	**2.6**	**3.8**	**5.9**	**Dec-10**
Custom Blended Real Estate Benchmark			*1.2*	*1.2*	*2.2*	*4.0*	*-2.0*	*1.8*	*3.7*	*6.9*	
CPI +5% (Seasonally Adjusted)			*0.0*	*1.9*	*4.5*	*8.6*	*8.2*	*9.4*	*8.5*	*7.8*	
Private Real Estate	**76,255,746**	**5.1**	**0.0**	**0.0**	**0.2**	**-0.7**	**0.7**	**3.4**	**3.8**	**5.9**	**Dec-10**
Custom Blended Real Estate Benchmark			*1.2*	*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 June 30, 2026

	Market Value ($)	% of Portfolio	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Equity	**255,526,593**	**17.2**	**0.0**	**0.0**	**4.7**	**12.6**	**9.3**	**11.7**	**14.0**	**10.2**	**Jul-05**
Custom Private Equity Benchmark			*-6.5*	*-2.2*	*1.7*	*23.8*	*20.4*	*13.9*	*17.3*	*--*	
Preqin Private Equity (1QTR Lag)			*0.0*	*0.0*	*3.0*	*8.2*	*6.9*	*9.1*	*13.5*	*13.0*	
Direct Lending	**87,388,429**	**5.9**	**0.0**	**0.0**	**2.0**	**7.5**	**9.6**	**7.4**	**--**	**9.7**	**Jul-20**
50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans			*0.2*	*2.2*	*1.6*	*5.1*	*8.2*	*5.1*	*--*	*6.5*	
Hedge Funds	**79,966,377**	**5.4**	**0.0**	**4.4**	**4.6**	**9.5**	**8.6**	**6.1**	**6.9**	**5.6**	**Jul-14**
Custom Blended Hedge Funds Benchmark			*0.6*	*7.1*	*7.9*	*15.9*	*10.5*	*5.7*	*6.0*	*--*	
Real Assets	**84,059,891**	**5.7**	**0.0**	**0.0**	**2.7**	**9.3**	**11.9**	**12.6**	**10.4**	**10.1**	**Dec-10**
Custom Blended Real Assets Benchmark			*-3.3*	*-3.4*	*10.1*	*22.7*	*14.6*	*11.1*	*9.5*	*--*	
CPI +5% (Seasonally Adjusted)			*0.0*	*1.9*	*4.5*	*8.6*	*8.2*	*9.4*	*8.5*	*7.8*	
Private Infrastructure	**52,009,662**	**3.5**	**0.0**	**0.0**	**0.3**	**5.6**	**9.7**	**10.0**	**11.5**	**10.0**	**Jan-15**
S&P Global Infrastructure			*1.3*	*1.6*	*10.0*	*16.8*	*16.9*	*11.9*	*9.0*	*7.9*	
Private Natural Resources	**32,050,229**	**2.2**	**0.0**	**0.0**	**6.4**	**15.1**	**15.8**	**21.0**	**15.5**	**15.9**	**Oct-15**
S&P Global Natural Resources Sector Index (TR)			*-7.8*	*-8.5*	*9.7*	*28.4*	*11.9*	*9.4*	*10.4*	*11.3*	
Cash	**24,397,874**	**1.6**	**0.6**	**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	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	**1,483,167,850**	**100.0**	**-0.5**	**4.7**	**4.5**	**10.9**	**11.4**	**6.7**	**9.1**	**8.3**	**Jan-95**
Policy Index			*-1.2*	*6.6*	*7.2*	*17.8*	*14.1*	*8.6*	*10.0*	*6.9*	
Total Fund w/o Alternatives	**875,572,940**	**59.0**	**-0.8**	**7.7**	**5.4**	**12.3**	**13.8**	**6.5**	**9.7**	**--**	**Jan-08**
Policy Index w/o AI			*-0.2*	*10.6*	*9.2*	*18.9*	*14.9*	*7.3*	*9.5*	*--*	
Public Equity	**580,087,611**	**39.1**	**-1.3**	**11.5**	**7.6**	**16.3**	**17.4**	**8.3**	**--**	**11.5**	**Apr-18**
MSCI AC World IMI Index (Net)			*-0.6*	*14.9*	*11.8*	*24.2*	*19.5*	*10.6*	*--*	*11.6*	
US Equity	**327,028,683**	**22.0**	**-0.3**	**15.2**	**10.1**	**20.4**	**18.9**	**11.3**	**14.5**	**11.0**	**Jan-95**
Russell 3000			*-0.3*	*15.4*	*10.9*	*22.8*	*20.4*	*12.3*	*15.0*	*11.1*	
BNY Mellon Newton Dynamic US Equity	74,033,553	5.0	-1.2	15.1	9.8	21.2	19.3	11.6	15.4	16.2	Jan-13
S&P 500 Index			*-1.0*	*15.2*	*10.2*	*22.3*	*20.6*	*13.4*	*15.5*	*15.1*	
BNY Mellon Large Cap	231,719,880	15.6	-0.5	15.1	10.4	22.0	20.5	12.6	15.3	15.2	Apr-16
Russell 1000 Index			*-0.5*	*15.1*	*10.3*	*22.0*	*20.5*	*12.7*	*15.3*	*15.2*	
Champlain Small Cap	21,275,249	1.4	5.2	17.0	7.9	2.6	6.5	1.7	--	7.2	Nov-20
Russell 2000 Index			*3.7*	*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	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
International Equity	**253,058,928**	**17.1**	**-2.6**	**6.9**	**4.5**	**11.5**	**15.5**	**4.7**	**10.3**	**6.6**	**Jan-99**
Primary Blended International Equity Benchmark			*-1.0*	*13.8*	*13.1*	*26.6*	*18.7*	*8.2*	*10.0*	*6.4*	
Secondary Blended International Equity Benchmark			*-0.7*	*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	-4.2	9.2	8.6	19.6	19.3	8.8	--	12.8	May-19
MSCI AC World ex USA Small Cap (Net)			*-3.8*	*9.6*	*9.1*	*19.8*	*16.4*	*6.3*	*--*	*9.3*	
Driehaus International Small Cap Growth	22,195,160	1.5	-3.4	12.5	9.4	14.7	16.1	4.7	--	10.9	May-19
MSCI AC World ex USA Small Growth Index (Net)			*-3.8*	*11.5*	*10.4*	*18.9*	*15.1*	*4.1*	*--*	*8.7*	
GQG International Equity	64,770,164	4.4	-2.3	-0.1	4.2	9.1	14.0	7.7	--	10.0	Dec-19
MSCI AC World ex USA (Net)			*-0.6*	*14.5*	*13.7*	*27.7*	*18.8*	*8.8*	*--*	*10.4*	
First Eagle International Value Fund	65,526,877	4.4	-2.7	4.2	6.9	23.6	17.5	9.9	--	9.5	Dec-19
MSCI EAFE (Net)			*0.1*	*10.8*	*9.4*	*20.2*	*16.4*	*9.0*	*--*	*10.0*	
MSCI AC World ex USA Value (Net)			*-0.9*	*12.2*	*14.5*	*33.2*	*22.4*	*12.4*	*--*	*11.8*	
Emerging Markets Equity	**77,829,206**	**5.2**	**-2.2**	**13.6**	**0.1**	**0.9**	**13.2**	**-1.4**	**9.7**	**6.3**	**May-12**
MSCI EM			*-1.4*	*24.1*	*23.8*	*43.5*	*23.0*	*7.2*	*10.2*	*6.5*	
Artisan Developing World TR	50,973,017	3.4	0.0	18.7	-2.6	-9.8	12.0	-2.7	--	8.3	Dec-19
MSCI Emerging Markets (Net)			*-1.4*	*24.1*	*23.8*	*43.5*	*23.0*	*7.2*	*--*	*10.5*	
RWC	26,856,190	1.8	-6.1	5.1	5.5	27.9	14.8	1.0	--	6.6	Dec-19
MSCI Emerging Markets (Net)			*-1.4*	*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	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
US Fixed Income	**232,845,768**	**15.7**	**0.3**	**0.8**	**0.9**	**4.0**	**4.5**	**0.0**	**1.7**	**4.4**	**Jan-95**
US Fixed Income Custom Benchmark			*0.2*	*0.7*	*0.6*	*3.8*	*4.2*	*0.3*	*1.8*	*4.5*	
Vanguard Total Bond Market Index Fund	32,105,522	2.2	0.2	0.7	0.8	3.7	4.2	0.1	--	1.6	May-19
Blmbg. U.S. Aggregate Index			*0.2*	*0.7*	*0.6*	*3.8*	*4.2*	*0.1*	*--*	*1.6*	
Payden & Rygel Low Duration Fund	22,654,917	1.5	0.2	0.6	0.8	3.5	5.2	--	--	5.0	Nov-22
Blmbg. U.S. Treasury: 1-3 Year			*0.1*	*0.4*	*0.6*	*2.9*	*4.4*	*--*	*--*	*4.1*	
Brandywine US Fixed Income	68,802,510	4.6	0.3	1.0	1.4	4.5	4.1	--	--	3.4	Nov-22
Blmbg. U.S. Aggregate Index			*0.2*	*0.7*	*0.6*	*3.8*	*4.2*	*--*	*--*	*4.9*	
Wellington Core Bond	109,282,819	7.4	0.2	0.7	0.7	3.9	4.8	--	--	4.8	Nov-22
Blmbg. U.S. Aggregate Index			*0.2*	*0.7*	*0.6*	*3.8*	*4.2*	*--*	*--*	*4.9*	
Opportunistic Credit	**62,639,562**	**4.2**	**0.2**	**1.8**	**2.6**	**6.5**	**8.6**	**5.5**	**--**	**6.1**	**May-19**
Custom Blended Opportunistic Credit Benchmark			*0.2*	*1.9*	*1.4*	*4.8*	*6.3*	*2.7*	*--*	*3.5*	
PIMCO Income Fund	5,691,288	0.4	0.5	2.1	1.5	6.8	7.8	3.8	--	4.3	May-19
Blmbg. U.S. Aggregate Index			*0.2*	*0.7*	*0.6*	*3.8*	*4.2*	*0.1*	*--*	*1.6*	
GoldenTree Multi-Sector Credit	31,590,105	2.1	0.4	2.0	2.3	6.7	9.5	5.9	--	6.3	Jun-19
50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans			*0.2*	*2.2*	*1.6*	*5.1*	*8.2*	*5.1*	*--*	*5.5*	
OWS Credit Opportunity Fund LP	25,358,169	1.7	0.0	1.4	3.2	6.3	--	--	--	8.4	Oct-23
50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans			*0.2*	*2.2*	*1.6*	*5.1*	*--*	*--*	*--*	*8.2*	

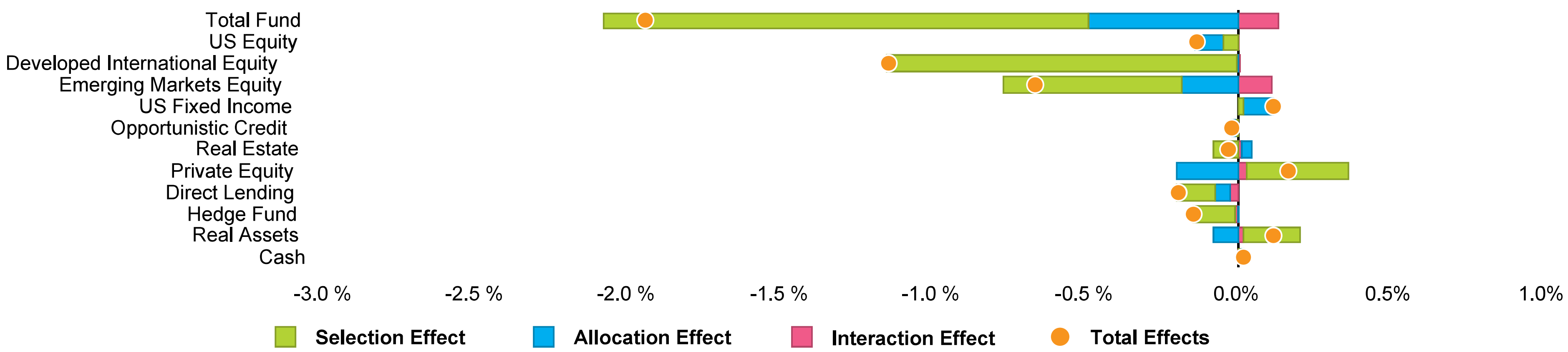
Historical returns for the US Fixed Income Composite prior to December 2010 are gross only.
The market values of GoldenTree Multi-Sector Credit and OWS Credit Opportunity Fund LP are estimated as of May, due to data availability.

Trailing Net Performance | As of June 30, 2026

	Market Value ($)	% of Portfolio	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Real Estate	**76,255,746**	**5.1**	**0.0**	**0.0**	**0.2**	**-0.7**	**0.7**	**3.4**	**3.8**	**5.9**	**Dec-10**
Custom Blended Real Estate Benchmark			*1.2*	*1.2*	*2.2*	*4.0*	*-2.0*	*3.2*	*4.3*	*7.3*	
Private Equity	**255,526,593**	**17.2**	**0.0**	**0.0**	**4.7**	**12.6**	**9.3**	**11.7**	**14.0**	**10.2**	**Jul-05**
Custom Private Equity Benchmark			*-6.5*	*-2.2*	*1.7*	*23.8*	*20.4*	*13.9*	*17.3*	*--*	
Preqin Private Equity (1QTR Lag)			*0.0*	*0.0*	*3.0*	*8.2*	*6.9*	*9.1*	*13.5*	*13.0*	
Direct Lending	**87,388,429**	**5.9**	**0.0**	**0.0**	**2.0**	**7.5**	**9.6**	**7.4**	**--**	**9.7**	**Jul-20**
Morningstar LSTA Leveraged Loans +2%			*0.2*	*2.4*	*2.3*	*6.4*	*9.7*	*8.1*	*--*	*9.1*	
Hedge Funds	**79,966,377**	**5.4**	**0.0**	**4.4**	**4.6**	**9.5**	**8.6**	**6.1**	**6.9**	**5.6**	**Jul-14**
Custom Blended Hedge Funds Benchmark			*0.6*	*7.1*	*7.9*	*15.9*	*10.5*	*5.7*	*6.0*	*--*	
Private Infrastructure	**52,009,662**	**3.5**	**0.0**	**0.0**	**0.3**	**5.6**	**9.7**	**10.0**	**11.5**	**10.0**	**Jan-15**
S&P Global Infrastructure			*1.3*	*1.6*	*10.0*	*16.8*	*16.9*	*11.9*	*9.0*	*7.9*	
Private Natural Resources	**32,050,229**	**2.2**	**0.0**	**0.0**	**6.4**	**15.1**	**15.8**	**21.0**	**15.5**	**15.9**	**Oct-15**
S&P Global Natural Resources Sector Index (TR)			*-7.8*	*-8.5*	*9.7*	*28.4*	*11.9*	*9.4*	*10.4*	*11.3*	
Cash	**24,397,874**	**1.6**	**0.6**	**1.0**	**2.3**	**4.8**	**4.6**	**3.1**	**--**	**--**	**Dec-10**
Cash	22,897,940	1.5	0.3	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	2.9	6.9	14.3	9.2	5.4	--	3.1	Sep-17

All private markets performance and market values reflect a 12/31/25 capital account balance (as of 05/31/2026) with the exception of Invesco VI, which is adjusted from the 9/30/25 captal account balance, due to data availability.
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 5/31/2026. Cash market value is subject to change pending final reconciliation of private markets data.

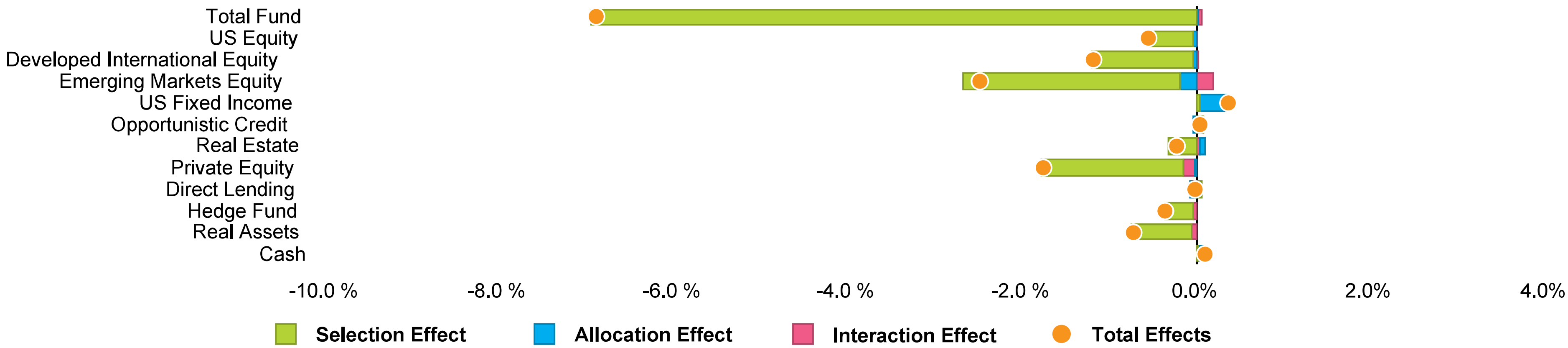
Attribution Effects
3 Months Ending June 30, 2026



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	-1.1
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	1.8	1.9	-0.1	0.0	0.0	0.0	0.0
Real Estate	0.0	1.2	-1.2	-0.1	0.0	0.0	0.0
Private Equity	0.0	-2.2	2.2	0.3	-0.2	0.0	0.2
Direct Lending	0.0	2.4	-2.4	-0.1	-0.1	0.0	-0.2
Hedge Fund	4.4	7.1	-2.8	-0.1	0.0	0.0	-0.1
Real Assets	0.0	-3.4	3.4	0.2	-0.1	0.0	0.1
Cash	1.0	0.9	0.1	0.0	0.0	0.0	0.0
Total Fund	**4.7**	**6.6**	**-1.9**	**-1.6**	**-0.5**	**0.1**	**-1.9**

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	-2.5	-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	6.5	4.8	1.7	0.1	0.0	0.0	0.0
Real Estate	-0.7	4.0	-4.7	-0.3	0.1	0.0	-0.2
Private Equity	12.6	23.8	-11.2	-1.6	0.0	-0.1	-1.8
Direct Lending	7.5	6.4	1.0	0.1	-0.1	0.0	0.0
Hedge Fund	9.5	15.9	-6.5	-0.3	0.0	0.0	-0.4
Real Assets	9.3	22.7	-13.4	-0.7	0.0	-0.1	-0.7
Cash	4.8	4.0	0.9	0.0	0.1	0.0	0.1
Total Fund	**10.9**	**17.8**	**-6.9**	**-6.9**	**0.0**	**0.0**	**-6.9**

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

Benchmark History | As of June 30, 2026

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

Annual Investment Expense Analysis

	Fee Schedule	Market Value ($)	Estimated Annual Fee (%)	Estimated Expense ($)
Total Fund		**1,483,167,850**		
Total Fund w/o Alternatives		**875,572,940**		
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		**295,485,330**		
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	0.43 % of Assets	22,654,917	0.43	122,337
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		**62,639,562**		
PIMCO Income Fund	0.51 % of Assets	5,691,288	0.51	30,733
GoldenTree Multi-Sector Credit	0.70 % of Assets	31,590,105	0.70	221,131
OWS Credit Opportunity Fund LP		25,358,169	-	-

Fee Schedule | As of June 30, 2026

	Fee Schedule	Market Value ($)	Estimated Annual Fee (%)	Estimated Expense ($)
Hedge Funds		**79,966,377**		
Marshall Wace Eureka	Performance Based 2.00 % and 20.00 %	5,844,162	2.00	116,883
Marshall Wace Global Opportunities	Performance Based 2.00 % and 20.00 %	7,317,565	2.00	146,351
Taconic Opportunity Fund	Performance Based 1.40 % and 20.00 %	707,245	1.40	9,901
Silver Point Capital	Performance Based 1.50 % and 20.00 %	16,451,572	1.50	246,774
Graham Absolute Return	Performance Based 1.75 % and 20.00 %	5,540,171	1.75	96,953
Laurion Capital	Performance Based 2.00 % and 20.00 %	8,250,814	2.00	165,016
Wellington Global Equity Long/Short Fund	Performance Based 1.00 % and 20.00 %	11,925,308	1.00	119,253
Hudson Bay Fund		16,267,609	-	-
Caxton Global Investments	Performance Based 1.95 % and 22.50 %	7,661,931	1.95	149,408
Cash		**24,397,874**		
Cash		22,897,940	-	-
Treasury Cash		1,499,934	-	-

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.

Merced County Employees' Retirement Association

DATE: July 23, 2026

TO: MercedCERA Board of Retirement

FROM: Pete Madrid, Assistant Plan Administrator - Investments

SUBJECT: Staff Market Summary and Investment Performance Update

ITEM NUMBER: **Open Session Item a**

ITEM TYPE: **Information Only**

DISCUSSION:

Capital Markets & Economic Summary

The US jobs market experienced a notably weak month for hiring, with nonfarm payrolls increasing by just 57,000 jobs, roughly half of what economists had forecast. The unemployment rate edged down to 4.2%, but broader indicators pointed to cooling momentum: labor force participation fell to 61.5%, wage growth (3.5% year-over-year) continued to lag inflation, and prior two months' job gains were revised downward by a combined 74,000 jobs. Sector performance was uneven as healthcare and professional services added 22,000 and 36,000 jobs, respectively, while leisure and hospitality shed 61,000 positions. Overall, the report painted a picture of a labor market losing steam, with structural labor-supply constraints and slowing demand contributing to the soft June reading.

The June Consumer Price Index showed a sharp cooling in inflation, driven primarily by a steep drop in energy prices. Headline CPI fell 0.4% month-over-month, the largest decline since April 2020, pulling the annual inflation rate down to 3.5% from 4.2% in May. Energy prices plunged 5.7%, including a 9.7% drop in gasoline, more than offsetting modest increases in food (up 0.2%) and shelter (up 0.1%). Core CPI, which excludes food and energy, was flat on the month, bringing its 12-month rate to 2.6%, down from 2.9% in May. Overall, the report signaled meaningful but largely energy-driven disinflation, with underlying price pressures easing but not yet fully resolved.

The benchmark 10-year U.S. Treasury yield ended June at 4.47%, rising just 3 basis points from the previous month, while shorter-term yields climbed slightly higher as the Federal Reserve kept its policy rate steady at 3.50%–3.75% and projected a potential year-end hike. This upward pressure on the front end of the curve further flattened the key 2-year/10-year Treasury yield spread, which compressed to 29 basis points by the end of the quarter. In credit markets, investment-grade corporate credit spreads experienced minor widening, with the Bloomberg U.S. Corporate Index spread increasing by 2 basis points to 74 basis points over Treasuries. Despite this slight monthly widening, credit spreads remained historically tight across the broader second quarter supported by resilient corporate fundamentals and robust investor demand that easily absorbed a large new-issue supply.

U.S. equity markets experienced a notable shift in leadership, characterized by a healthy rotation out of high-flying technology giants and into small-cap and value equities. The large-cap S&P 500 slid slightly by -1.0% as profit-taking hit mega-cap technology and AI-related stocks. In contrast, the small-cap Russell 2000 index delivered a strong performance, advancing 3.7% in June. This divergence was driven by investor optimism surrounding domestic economic resilience and falling oil prices, allowing small-cap equities (which have less exposure to the volatile tech sector) to thrive even as the major large-cap benchmarks temporarily paused. Despite the mixed monthly results, both indices capped off an exceptionally strong second quarter, with the Russell 2000 Index up 21.5% and the S&P 500 up over 15% for the three-month period.

International and emerging markets equities experienced contrasting fortunes as global investors grappled with shifting central bank policies and pockets of regional volatility. Developed international markets showed resilience, with the MSCI EAFE Index posting a modest gain of 0.1% for the month. Support for developed international equities came primarily from European markets, which managed a slight positive return as political uncertainties began to stabilize. On the other hand, emerging markets faced a tougher environment; the MSCI Emerging Markets Index retreated -1.4% in June as a hawkish turn from the Federal Reserve strengthened the U.S. dollar and dampened risk appetite. Despite the monthly pullback, emerging market equities capped off a strong second quarter with a quarterly surge of 24.1%, substantially outperforming the MSCI EAFE's second-quarter gain of 10.8% thanks to strong performance in Asian technology and semiconductor supply chains earlier in the spring.

June Portfolio Performance Update

The Total Fund (excluding private investments) returned -0.8% in June versus -0.2% for the Policy Index. Underperformance for the month was driven by relative performance in international and emerging markets equity as well as hedge funds. For the fiscal year ending on June 30th, the Total Fund (including private investments) gained 10.9%, well ahead of the Assumed Rate of Return objective of 6.75%. However, the Total Fund again trailed the Policy Index largely due to underperformance in public and private equity. Public equity performance was hurt by material underperformance across US, international, and emerging markets equity including from Champlain (recently terminated), GQG, Artisan, and Redwheel. Additionally, private equity lagged its public equity +3% benchmark despite returning a decent 12.6% return for the fiscal year.

US fixed income tracked its benchmark for June and over the trailing 1-year period, returning 0.3% and 4.0%, respectively. Opportunistic credit matched its benchmark return for the month but outperformed by 1.7% for the fiscal year with a return of 6.5%. The hedge fund portfolio returned nearly 10% for the fiscal year but trailed its benchmark by more than 6%.

MERCEDCERA
Merced County Employees' Retirement Association

DATE: July 23, 2026

TO: MercedCERA Board of Retirement

FROM: Martha Sanchez Barboa, Plan Administrator

SUBJECT: Conflict of Interest Code and Board Governance Policy and Resolution 2026-02

ITEM NUMBER: **Open Session Item b**

ITEM TYPE: **Action**

STAFF RECOMMENDATION:

1. Approve the updated MercedCERA Conflict of Interest Code and Board Governance Policy and Resolution 2026-02, which rescinds 2007-03.

DISCUSSION:

MercedCERA has long adopted a Conflict of Interest Code and Board Governance Policy. However, the code and policy were due for review. In addition, new legislation (SB 852) now requires public officials who manage public investments to file Form 700 with the Fair Political Practices Commission (FPPC). Previously, required individuals filed their Form 700 at the local agency level.

The Plan Administrator met with the policy review ad hoc subcommittee, appointed earlier this year by the Board Chair, and the ad hoc subcommittee is recommending the following policy and resolution changes:

- Update relevant government code section references, including updated requirements from Political Reform Act, Government Code Section 81000 et seq.
- Incorporate reference to the terms and amendments of the California Code of Regulations, title 2, section 18730
- Include Appendix A, B and C detailing which trustees, employees, and consultants are designated to file Form 700, and establish disclosure categories.
- Update a fiduciary duty that Board members are to direct plan member questions to MercedCERA Plan Administrator or appropriate staff.
- Update Board meeting expectation that Board members diligently attend to the business of the Board and shall not rely on other Board members to make decisions for them nor rely on other Board members to complete the administrative affairs of the Board.
- Include the Board position of Secretary with the other listed Board positions referenced.

- Include a Policy Review section requiring the Conflict of Interest Code to be reviewed every two (2) years to ensure it remains compliant.
- Include a Policy History section referencing prior policy updates.
- Additional non-substantive changes and updates were also made.

Attached to this agenda item are the updated clean and redlined version of the policy and resolution for full review.

Although the responsibility for reporting accurate disclosable interests rests with the individuals required to file pursuant to the statue or this code, and not with MercedCERA, MercedCERA Staff will provide notifications that assist all required individuals to file timely.

Staff Recommendation:
Staff are recommending the Board approve the updated MercedCERA Conflict of Interest Code and Board Governance Policy and Resolution 2026-02, which rescinds 2007-03.

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
RESOLUTION NO. 2026-02

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION RESOLUTION NO. 2026-02

Conflict of Interest Code and Board Governance Policy

WHEREAS, the Merced County Employees' Retirement Association ("MercedCERA") is an independent fiduciary board whose members function as pension trustees under the authority of the County Employees Retirement Law of 1937 (Government Code Title 3, Division 4, Sections 31450-31899.10), governed by the principles of Article 16, Section 17 of the California Constitution ("Proposition 162").

WHEREAS, MercedCERA was established July 1, 1950, as an organization that was created to administer retirement benefits; and,

WHEREAS, the actions of MercedCERA affect County officials, employee members, retired members and government sponsors; and,

WHEREAS, the Political Reform Act, Government Code Section 81000 et seq., requires local government agencies to adopt and promulgate Conflict of Interest Codes and the Fair Political Practices Commission has adopted a regulation (Cal. Code of Regs., tit 2, sec. 18730) which contains the terms of a standard Conflict of Interest Code ("standard code") which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act; and,

WHEREAS, the terms of the California Code of Regulations, title 2, section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference and, along with the attached Appendix A, Appendix B, and Appendix C in which trustees, employees, and consultants are designated and disclosure categories are set forth, shall constitute the Conflict of Interest Code for MercedCERA; and,

WHEREAS, the Board desires that this Conflict of Interest Code and Board Governance Policy be formally recognized as a MercedCERA Board of Retirement Resolution.

NOW THEREFORE, IT IS HEREBY RESOLVED by the Board of Retirement of MercedCERA that in furtherance of its duties as fiduciaries and Trustees responsible for MercedCERA, the following Conflict of Interest Code and Board Governance Policy is adopted as follows:

FIDUCIARY DUTIES:

A) Irrespective of their other capacities, Trustees shall discharge their duties with respect to the retirement system solely in the interests of, and for the exclusive purposes of, providing benefits to participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system, with the duty to the participants and beneficiaries taking precedence over any other duty.

B) Trustees shall execute their duties as set forth in the County Employees Retirement Law of 1937, as amended, with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.

C) The members of the Retirement Board shall diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.

D) Trustees shall avoid activities which may impair the ability to exercise independent judgment in the discharge of official duties.

E) Trustees and designated staff shall comply with the gift limitation provisions and the prohibition on acceptance of honoraria under California Government Code Sections 89500 et seq.

F) As part of their fiduciary responsibilities and conduct, Trustees shall act in a professional and appropriate manner at all times. Accordingly, Trustees shall never misuse or abuse their influence. Engagement in any criminal activity is prohibited and grounds for dismissal, subject to applicable law. Safeguarding the trust of fund beneficiaries is paramount. Conflicts of interest, gifts, favors, payments, or other forms of compensation, which subordinate the responsibilities of Trustees owed to MercedCERA in favor of private gains, are unacceptable.

G) In those situations where the law is not clear, the best interests of the fund beneficiaries must be served. Conscience is critical. Good ends never justify immoral means.

H) Trustees shall provide fair and equal treatment for all persons and matters coming before the Board or any Board committee.

I) In the conduct of Trustee business, Trustees shall refrain from abusive or disruptive conduct, personal charges or verbal attacks upon the character, motives, ethics, or morals of others. Moreover, Trustees have an obligation to report to the appropriate authority or venue any activities of others that they believe may be inappropriate in the conduct of MercedCERA affairs.

J) No Board member shall receive special consideration, treatment or advantage from the Retirement Board or Retirement Board staff beyond that which is available to every other individual.

K) Trustees are to direct plan member questions on plan benefits to the Retirement Administrator or appropriate staff. Trustees shall not provide specific advice or counsel to plan members with respect to the rights or benefits to which a plan member may be entitled.

L) Board members shall not individually direct the work of Board staff or Counsel, unless authorized by the Board, nor shall Board members attempt to influence the content of reports from staff or consultants.

M) No Trustee shall use their official position to secure a special privilege or exemption for themselves, or on the behalf of others.

N) No Trustee shall obtain or use for personal reasons or for private gain any confidential information acquired as a result of their position as a Trustee.

BOARD MEETING:

A) Each member of the MercedCERA Board shall diligently attend to the business of the Board and shall not rely on other Board members to make decisions for them nor rely on other members to complete the administrative affairs of the Board.

B) In recognition of their fiduciary duty, which supersedes all other duties (with respect to the operation of the Plan), all Board members shall prepare for, attend and participate in all Board meetings unless unable to do so because of compelling reasons. Generally, scheduling conflicts is not compelling reasons excusing Board members' attendance. Board members should schedule vacations and personal business to accommodate Board meetings and, where conflicts arise, provide sufficient notice so that Board meetings can be rescheduled if necessary. Wherever possible, the Board shall accommodate the calendars of individual Board members when scheduling special Board meetings.

C) Board members shall listen courteously to all discussions at meetings and avoid interrupting other speakers, including other Board members, staff or committee members, except as may be permitted by established Rules of Order.

D) Trustees shall abide by the provisions of Government Code Section 54963, which prohibits the disclosure of confidential information acquired during authorized closed sessions. No one shall obtain or use any confidential information for personal reasons or for private gain for oneself or for another.

E) Violation of this Code of Conduct is grounds to remove the offender from the position of Chair, Vice-Chair or Secretary of the Retirement Board or from any Retirement Board Committee, or from any other assignment on behalf of the Retirement Board and may also subject the offender to censorship by the Retirement Board.

CONFLICT:

A) Trustees shall abide by the provisions of California Government Code Sections 1090 et seq., which prohibit Board Members from being financially interested, directly, or indirectly, in any contract made by the Board.

B) Trustees shall be accountable for recognizing a potential or actual conflict of interest and for disqualifying themselves from making, participating in, or attempting to influence Board decisions which may affect any of their financial interests or those of a family member.

C) Trustees shall not become an endorser, surety, or obligor on, or have any personal interest, direct or indirect, in the making of any investment for the Board, or in the gains or profits accruing there from.

D) No Trustee shall engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible or in conflict with their duties as a member of the Board, nor represent themselves as a MercedCERA representative at any events or functions unless their attendance is approved by the MercedCERA Board or they have been designated to act on behalf of the Board.

E) Each member of the MercedCERA Board shall comply with California Government Code Section 87100 that prohibits a MercedCERA Board member from attempting in any way to influence a MercedCERA decision in which the Board member has a financial interest. A MercedCERA Board member is deemed to have a financial interest if all of the following are present:
1) It is reasonably foreseeable that the decision will have a financial effect;
2) The anticipated financial effect is on a financial interest of the Board member;
3) The anticipated financial effect is material; and
4) The decision's financial effect on the Board member's financial interest is distinguishable from its effect on the public generally.

RESOLVED, that this Resolution was PASSED, ADOPTED AND APPROVED by Board of Retirement of the Merced County Employees' Retirement Association on the 9 day of November, 2007 and made effective on the same date. Now be it resolved that this policy and resolution is hereby amended.

POLICY REVIEW

Per Fair Political Practices Commission regulations and state law, the Board shall review this Conflict of Interest Code at least every two (2) years to ensure it remains compliant.

POLICY HISTORY

The Board of Retirement reviewed and amended this policy on XX, XX, XXXX.

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

CONFLICT OF INTEREST CODE

APPENDIX A

DISCLOSURE CATEGORIES

Subject to the definitions set forth in the Political Reform Act and applicable regulations:

Category 1

Full Disclosure:

All investments in any business, entity, or real estate venture of the type which the MercedCERA Retirement Board is legally authorized to invest, or in any type of entity that provides services or supplies of the type used by MercedCERA (currently Schedules A-1 and/or A-2of Form 700).

Category 2

Interest in real property that could be affected by any decision made or participated in by the designated individual (currently Schedule B and/or C of Form 700). If the designated individual is a trustee or MercedCERA employee, disclosure is only required on real property located in Merced County.

Category 3

Income (including gifts and loans) from any source of the type in which the MercedCERA Retirement Board is legally authorized to invest, or from any person or entity that provides services or supplies of the type used by MercedCERA (currently Schedules C, D, E, and/or F of Form 700).

Category 4

Any position held as director, officer, partner, trustee or any position of management in any business entity that offers or holds investments of the type in which the MercedCERA Retirement Board is legally authorized to invest or in any type of entity that provides services or supplies of the type used by MercedCERA (currently Schedule C of Form 700).

MERCED CERA
Merced County Employees' Retirement Association

APPENDIX B

DESIGNATED POSITIONS

POSITION TITLE	DISCLOSURE CATEGORY
Board Member/Trustee	All*
Retirement Administrator	All*
Retirement Assistant Administrator	All*
Finance Manager	All*
Benefits Manager	All*
General Counsel	All*
Investment Consultant	All*
Investment Counsel	All*

*It has been determined that Board Members/Trustees, the Retirement Administrator, the Assistant Retirement Administrator, Finance Manager, Benefits Manager, General Counsel, Investment Counsel, and Investment Consultants are positions that manage public investments and are required to file statements of economic interest pursuant to Government Code section 87200 et seq.

Merced County Employees' Retirement Association

APPENDIX C

AGENCY POSITIONS THAT MANAGE PUBLIC INVESTMENTS FOR PURPOSES OF SECTION 87200 OF THE GOVERNMENT CODE

Pursuant to Government Code Section 87314, the following is a list of agency positions with the Retirement Board and MercedCERA for which an individual occupying the position is required to file a Form 700 – Statement of Economic Interests as a public official who manages public investments within the meaning of Government Code Section 87200:

POSITION TITLE	# OF POSITIONS
Board Members/Trustee	11
Retirement Administrator	1
Assistant Retirement Administrator	2
Finance Manager	1
Investment Consultant	2
Investment Counsel	1
General Counsel	1

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
RESOLUTION NO. 2026~~07~~-02~~3~~
~~**PERTAINING TO**~~ Conflict of Interest Code and Board Governance Policy

WHEREAS, the Merced County Employees' Retirement Association ("MercedCERA") is an independent fiduciary board whose members function as pension trustees under the authority of the County Employees Retirement Law of 1937 (Government Code Title 3, Division 4, Sections 31450-31899.10), governed by the principles of Article 16, Section 17 of the California Constitution ("Proposition 162").

WHEREAS, MercedCERA was established July 1, 1950, as an organization that was created to administer retirement benefits; and,

WHEREAS, the actions of MercedCERA affect County officials, employee members, retired members and government sponsors; and,

~~WHEREAS, the Board desires that the Conflict of Interest Board Governance Policy be formally recognized as an MCERA Board of Retirement Resolution.~~

WHEREAS, the Political Reform Act, Government Code Section 81000 et seq., requires local government agencies to adopt and promulgate Conflict of Interest Codes and the Fair Political Practices Commission has adopted a regulation (Cal. Code of Regs., tit 2, sec. 18730) which contains the terms of a standard Conflict of Interest Code ("standard code") which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act; and,

WHEREAS, the terms of the California Code of Regulations, title 2, section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference and, along with the attached Appendix A, Appendix B, and Appendix C in which trustees, employees, and consultants are designated and disclosure categories are set forth, shall constitute the Conflict of Interest Code for MercedCERA; and,

WHEREAS, the Board desires that this Conflict of Interest Code and Board Governance Policy be formally recognized as a MercedCERA Board of Retirement Resolution.

NOW THEREFORE, IT IS HEREBY RESOLVED by the Board of Retirement of MercedCERA that in furtherance of its duties as fiduciaries and Trustees responsible for MercedCERA, the following Conflict of Interest Code and Board ~~Governance Policy~~Governance Policy is adopted as follows:

FIDUCIARY DUTIES:

A) Irrespective of their other capacities, Trustees shall discharge their duties with respect to the retirement system solely in the interests of, and for the exclusive purposes of, providing benefits to participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system, with the duty to the participants and beneficiaries taking precedence over any other duty.

B) Trustees shall execute their duties as set forth in the County Employees~~'~~ Retirement Law of 1937, as amended, with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.

C) The members of the R~~r~~etirement B~~b~~oard shall diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.

D) Trustees shall avoid activities which may impair the ability to exercise independent judgment in the discharge of official duties.

E) Trustees and designated staff shall comply with the gift limitation provisions and the prohibition on acceptance of honoraria under California Government Code Sections 89500 et seq.

F) As part of their fiduciary responsibilities and conduct, Trustees shall act in a professional and appropriate manner at all times. Accordingly, Trustees shall never misuse or abuse their influence. Engagement in any criminal activity is prohibited and grounds for dismissal, subject to applicable law. Safeguarding the trust of fund beneficiaries is paramount. Conflicts of interest, gifts, favors, payments, or other forms of compensation, which subordinate the responsibilities of Trustees owed to MercedCERA in favor of private gains, are unacceptable.

G) In those situations where the law is not clear, the best interests of the fund beneficiaries must be served. Conscience is critical. Good ends never justify immoral means.

H) Trustees shall provide fair and equal treatment for all persons and matters coming before the Board or any Board committee.

—I) In the conduct of Trustee business, Trustees shall refrain from abusive or disruptive conduct, personal charges or verbal attacks upon the character, motives, ethics, or morals of others. Moreover, Trustees have an obligation to report to the appropriate authority or venue any activities of others that they believe may be inappropriate in the conduct of MercedCERA affairs.

—J) No Board member shall receive special consideration, treatment or advantage from the Retirement Board or Retirement Board staff beyond that which is available to every other individual.

– K) Trustees are to~~should~~ direct plan member questions on plan benefits to the Retirement Administrator or appropriate staff. Trustees shall not provide specific advice or counsel to plan members with respect to the rights or benefits to which a plan member may be entitled.

– L) Board members shall not individually direct the work of Board staff or Counsel, unless authorized by the Board, nor shall ~~any~~ Board members attempt to influence the content of reports from staff or consultants.

—M) - No Trustee shall use their~~his or her~~ official position to secure a special privilege or –exemption for themselves~~him or herself~~, or on the behalf of others.

—N)- No Trustee shall obtain or use for personal reasons or for private gain any confidential information acquired as a result of their~~his or her~~ position as a Trustee.

BOARD MEETING:

—A)- Each member of~~to~~ the MercedCERA Board shall diligently attend to the business of the Board ~~on which he or she serves, and~~and shall not rely on~~leave to the~~ other Board members to make decisions for them nor rely on other members to complete ~~of the Board control over~~ the administrative ~~on of the~~ affairs of the ~~such~~ Board.

–B) In recognition of their fiduciary duty, which supersedes all other duties (~~with respect~~with respect to the operation of the Plan), all Board members shall prepare for, attend and participate in all Board meetings unless unable to do so because of compelling reasons. Generally, scheduling conflicts is not compelling reasons excusing Board ~~members~~members' attendance. Board members should schedule vacations and personal business to accommodate Board meetings and, where conflicts arise, provide sufficient notice so that Board meetings ~~could~~can be rescheduled if necessary. Wherever possible, the Board shall accommodate the calendars of individual Board members when scheduling special Board meetings.

C) Board members shall listen courteously to all discussions at meetings and avoid interrupting other speakers, including other Board members, staff or committee members, except as may be permitted by established Rules of Order.

D) Trustees shall abide by the provisions of Government Code Section 54963, which prohibits the disclosure of confidential information acquired during authorized closed sessions. No one shall obtain or use any confidential information for personal reasons or for private gain for ~~one's self~~oneself or for another.

E) Violation of this Code of Conduct is grounds to remove the offender from the position of Chair, ~~or~~ Vice-Chair or Secretary of the Retirement Board or from any Retirement Board Committee, or from any other assignment on behalf of the Retirement ~~Board, and~~Board and may also subject the offender to censorship by the Retirement Board.

CONFLICT:

A) Trustees shall abide by the provisions of California Government Code Sections 1090 et seq., which prohibit Board Members from being financially interested, directly, or indirectly, in any contract made by the Board.

B) Trustees shall be accountable for recognizing a potential or actual conflict of interest and for disqualifying themselves from making, participating in, or attempting to influence Board decisions which may affect any of their financial interests or those of a family member.

C) Trustees shall not become an endorser, surety, or obligor on, or have any personal interest, direct or indirect, in the making of any investment for the Board, or in the gains or profits accruing there from.

D) No Trustee shall engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible or in conflict with their~~his or her~~ duties as a member of the Board, nor represent themselves as a MercedCERA representative at any events or functions unless their attendance is approved by the MercedCERA Board or they have been designated to act on behalf of the Board.

E) Each member of the MercedCERA Board shall comply with California Government Code Section 87100 that prohibits a MercedCERA Board member from attempting in any way to influence a MercedCERA decision in which the Board member has a financial interest. A~~n~~ MercedCERA Board member is deemed to have a financial interest if all of the following are present:

1) It is reasonably foreseeable that the decision will have a financial effect;
2) The anticipated financial effect is on a financial interest of the Board member;
3) The anticipated financial effect is material; and
4) The decision's financial effect on the Board member's financial interest is ~~D~~distinguishable from its effect on the public generally.

RESOLVED, that this Resolution was~~is~~ PASSED, ADOPTED AND APPROVED by Board of Retirement of the Merced County Employees' Retirement Association on the 9 day of November, 2007 and made effective on the same date. Now be it resolved that this policy and resolution is hereby amended. ~~and shall be effective on the day of November 2007.~~

POLICY REVIEW

Per Fair Political Practices Commission regulations and state law, the Board shall review this Conflict of Interest Code at least every two (2) years to ensure it remains compliant.

POLICY HISTORY

The Board of Retirement reviewed and amended this policy on XX, XX, XXXX.

~~AYES:~~

~~NOES:~~

~~ABSTAIN:~~

~~ABSENT~~

~~Jim Lindsey, Board Chair~~

~~Ralph Busby, Secretary~~

~~I hereby certify that on the ___ day of November 2007, the Board of Retirement of MercedCounty Employees' Retirement Association made and adopted this Resolution.~~

~~Maria L. Arevalo, MCERA Plan Administrator~~

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

CONFLICT OF INTEREST CODE

APPENDIX A

DISCLOSURE CATEGORIES

Subject to the definitions set forth in the Political Reform Act and applicable regulations:

Category 1

Full Disclosure:

All investments in any business, entity, or real estate venture of the type which the MercedCERA Retirement Board is legally authorized to invest, or in any type of entity that provides services or supplies of the type used by MercedCERA (currently Schedules A-1 and/or A-2of Form 700).

Category 2

Interest in real property that could be affected by any decision made or participated in by the designated individual (currently Schedule B and/or C of Form 700). If the designated individual is a trustee or MercedCERA employee, disclosure is only required on real property located in Merced County.

Category 3

Income (including gifts and loans) from any source of the type in which the MercedCERA Retirement Board is legally authorized to invest, or from any person or entity that provides services or supplies of the type used by MercedCERA (currently Schedules C, D, E, and/or F of Form 700).

Category 4

Any position held as director, officer, partner, trustee or any position of management in any business entity that offers or holds investments of the type in which the MercedCERA Retirement Board is legally authorized to invest or in any type of entity that provides services or supplies of the type used by MercedCERA (currently Schedule C of Form 700).

APPENDIX B

DESIGNATED POSITIONS

POSITION TITLE	DISCLOSURE CATEGORY
Board Member/Trustee	All*
Retirement Administrator	All*
Retirement Assistant Administrator	All*
Finance Manager	All*
Benefits Manager	All*
General Counsel	All*
Investment Consultant	All*
Investment Counsel	All*

*It has been determined that Board Members/Trustees, the Retirement Administrator, the Assistant Retirement Administrator, Finance Manager, Benefits Manager, General Counsel, Investment Counsel, and Investment Consultants are positions that manage public investments and are required to file statements of economic interest pursuant to Government Code section 87200 et seq.

MERCEDCERA
Merced County Employees' Retirement Association

APPENDIX C

AGENCY POSITIONS THAT MANAGE PUBLIC INVESTMENTS FOR PURPOSES OF SECTION 87200 OF THE GOVERNMENT CODE

Pursuant to Government Code Section 87314, the following is a list of agency positions with the Retirement Board and MercedCERA for which an individual occupying the position is required to file a Form 700 – Statement of Economic Interests as a public official who manages public investments within the meaning of Government Code Section 87200:

POSITION TITLE	# OF POSITIONS
Board Members/Trustee	11
Retirement Administrator	1
Assistant Retirement Administrator	2
Finance Manager	1
Investment Consultant	2
Investment Counsel	1
General Counsel	1

Merced County Employees' Retirement Association

DATE:	July 23, 2026
TO:	MercedCERA Board of Retirement
FROM:	Martha Sanchez Barboa, Plan Administrator
SUBJECT:	Code of Conduct Policy
ITEM NUMBER:	**Open Session Item c**
ITEM TYPE:	**Action**

STAFF RECOMMENDATION:

1. Adopt the new MercedCERA Code of Conduct Policy.

DISCUSSION:

The Merced County Employees' Retirement Association (MercedCERA) Board of Retirement understands that as fiduciaries of a public trust, they must carry out their duties in a manner consistent with the provisions of trust and confidence they hold. They further understand that the effectiveness of the Board requires that they abide by the highest standards of professionalism, ethics, and integrity. To that end, relevant guidance, policies, and resolutions have long been established. However, MercedCERA did not have a formalized independent code of conduct policy.

The Plan Administrator met with the policy review ad hoc subcommittee to discuss the newly created MercedCERA Code of Conduct Policy attached. The Code of Conduct Policy details the ad hoc committee's recommendations for the general expectations and guidelines of MercedCERA trustee behavior and the enforcement provisions to be applied when a breach of this code of conduct occurs.

Staff Recommendation:

Staff are recommending the Board adopt the new MercedCERA Code of Conduct Policy.

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

CODE OF CONDUCT POLICY

PURPOSE

As fiduciaries of a public trust, the trustees of the Merced County Employees' Retirement Association (MercedCERA) Board of Retirement are mindful that they must carry out their duties in a manner consistent with the positions of trust and confidence they hold. The success and effectiveness of the Board requires that all trustees abide by the highest standards of professionalism, ethics, and integrity. In addition to meeting these fiduciary and other duties, the Board believes it is important that the trustees conduct themselves in accordance with generally accepted standards of business and social behavior. To confirm and support its commitment to such standards, the Board has therefore established this Code of Conduct Policy, which is further supported by MercedCERA Resolution 2026-02, Conflict of Interest and Board Governance Policy.

GENERAL EXPECTATIONS AND GUIDELINES

Trustees shall:

i. Conduct themselves with a duty of candor; exhibiting decorum, honesty, integrity, professionalism and ethical behavior in all aspects of their Board duties and in their relations with fellow board members, staff, service providers, and other constituents;
ii. Comply with all policies and rules of the Board;
iii. Pay undivided attention during meetings;
iv. Acknowledge that offering advice or guidance to a MercedCERA member or beneficiary may expose the Board to claims or lawsuits. Accordingly, board members shall not offer advice as to what specific choices a member or beneficiary should make. Board members shall instead refer the member or beneficiary to MercedCERA staff;
v. Recognize that all board members and management have considerable commitments of their time, and to therefore strive to carry out the business of the Board in the most efficient and effective manner possible;
vi. Use of electronic devices during MercedCERA Board Meetings should only be for completing Board business. The board members are supplied with a portable electronic device for agenda review during meetings and MercedCERA related communication and research during all other times;
vii. Build and maintain the knowledge necessary to fulfill their fiduciary responsibilities;

viii. Speak on behalf of the Board only when explicitly authorized by Board vote/action to do so, including indicating in all statements made to the media or others concerning Board business that they do so personally and not on behalf of MercedCERA, unless so authorized; and,
ix. Refrain from making individual membership inquiries about their own accounts directly to MercedCERA executive management, including the Retirement Administrator, and instead adhere to the established protocols required of all other members.

ENFORCEMENT PROVISIONS

The chair, when presiding over meetings of the Board, will enforce and attempt to rectify any breaches of this Code of Conduct that may occur during meetings of the Board. Similarly, subcommittee chairs will enforce and attempt to rectify any breaches that may occur in the course of a meeting of a committee of the Board.

Board members who believe that a fellow board member may have breached any provisions of this Code of Conduct, or similarly, provisions of MercedCERA Resolution 2026-02, Conflict of Interest and Board Governance Policy, are encouraged to communicate this directly to the board member in question. Alternatively, the board member or any other external party may communicate such a concern to the Chair, who will consider the matter and determine appropriate action.

In the event the board member or external party has a concern with the conduct of the Chair, the board member may communicate such concern to the Vice-Chair, who will consider the matter and determine appropriate action.

When considering reported breaches of this Code of Conduct, the Chair and Vice Chair shall exercise their discretion, but the Board expects that they will at a minimum discuss the reported breach with the board member in question, and if necessary, with the Retirement Administrator, Board Counsel, or the full Board.

Where the Chair believes that a board member has committed or refuses to cease the offending behavior, the Chair may consult with the Retirement Administrator, Board Counsel, or the full Board and recommend that the Board:

a) Request the offending board member to rectify past actions, if possible, or refrain from similar actions in the future;
b) Request the offending board member to undertake special educational or counseling initiatives that may be of assistance to the board member in addressing the matter;
c) Remove the offending board member from the position of Chair, Vice-Chair, Secretary or committee chair, or from any Board committee assignment the board member may hold;
d) Preclude the offending board member from serving as Chair, Vice-Chair, Secretary or committee chair, or from service on a board committee, for a specified period of time;

e) Limiting the Board member's travel privileges, if the violation relates to travel;
f) Censuring the board member; or
g) Any other lawful action the Board deems appropriate, with advice from counsel.

Enforcement provisions "c" through "g" described above are to be discussed in open session with the board member in question. The Board, should it believe a governing principle has been violated, may, by majority vote of those Board members eligible to attend and vote (excluding the Board member in question), take enforcement action.

This policy will be reviewed with new board members during New Board Member Orientation.

POLICY HISTORY

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

DATE: July 23, 2026

TO: MercedCERA Board of Retirement

FROM: Martha Sanchez Barboa, Plan Administrator

SUBJECT: Post-Retirement Employment Policy and Reinstatement Application

ITEM NUMBER: **Open Session Item d**

ITEM TYPE: **Action**

STAFF RECOMMENDATION:

1. Approve the updated Post-Retirement Employment Policy and Retiree Reinstatement to Active Membership Application.

DISCUSSION:

The Merced County Employees' Retirement Association (MercedCERA) Board of Retirement adopted the Post-Retirement Employment Policy and Retiree Reinstatement to Active Membership Application on March 23, 2023. Per the Public Employees' Pension Reform Act of 2013 (PEPRA), specific mandates were set on a retiree's ability to return to work for a retirement system's participating employer. In addition, County Employees Retirement Law of 1937 (CERL) also included regulatory guidance regarding a retiree's ability to return to work. Since the initial post-retirement employment policy was adopted, both PEPRA and the CERL have issued additional regulatory mandates.

Employment Without Reinstatement

Hour Limit and Violations

Retirees who return to work with a MercedCERA participating employer via a personal services contract, through a private third-party employer providing contracted services to a participating employer or as an independent contractor of a participating employer must also adhere to the requirements of PEPRA and the CERL regarding the 960-hour maximum. MercedCERA staff are working with employers to finalize reporting mechanisms.

Retirees returning to work directly with a MercedCERA participating employer on a part-time temporary basis ("Extra Help"), without reinstating into active membership, have been reported to MercedCERA as required. However, due to the new regulatory guidance, county pension systems are now required to collect the overpaid retirement benefits made to retirees who exceed the maximum 960 hours allowable in a fiscal year.

For MercedCERA to collect such overpayments, it is necessary to specifically identify the timeframe for tracking the 960 hours and determine how the overpayment amount will be calculated.

For purposes of calculating retirees' hours worked during the fiscal year, this updated policy states the hours will be credited to the year in which payment is made, regardless of when the hours were worked.

- Example: Retiree was paid on July 3, 2025 (fiscal year 2025-2026) for hours worked in June (fiscal year 2024-2025). The hours will be counted towards the 960 total allowable for fiscal year 2025-2026. Furthermore, if the retiree was paid on June 19, 2026 (fiscal year 2025-2026), the hours will be counted towards the 960 total allowable hours for fiscal year 2025-2026.

Regarding the calculation of the overpayment amount for hours exceeding the maximum 960-hour limit, MercedCERA will divide the retiree's MercedCERA gross monthly pension benefits by 173.333 (average number of work hours in a month) in order to determine an hourly rate. The hourly rate will then be multiplied by the number of excess hours worked to equal the overpayment amount required to be collected.

- Example: Retiree worked 988 hours in a fiscal year and exceeded the maximum allowed by 28 hours. The retiree's monthly gross pension benefit is $7,000. The total benefit of $7,000 will be divided by 173.333 hours to equal $40.39 per hour. Thus, the member will reimburse MercedCERA $1,130.92 ($40.39 * 28 hours).

Bona-fide Separation / Break in Service

MercedCERA retirees must comply with the break in service requirements set forth in PEPRA before returning to work. This updated policy reiterates those requirements. However, additional bona-fide separation requirements are also set by the Internal Revenue Code (IRC). This section of the policy was updated to reference MercedCERA's Regulations for IRC Section 401 (a) – Normal Retirement Age and MercedCERA's Regulations for IRC 401(a) – Distribution Restrictions, Return to Work and Separation from Service, both of which are attached to this agenda item for reference. Referring to the IRC codes in lieu of stating all the requirements was necessary as updates to these regulations will soon require review and possible changes may be made.

<u>Employment Requiring Reinstatement</u>

Retirees who instead decide to work in a permanent full-time capacity must reinstate to active membership status, suspending their MercedCERA pension benefit, and accruing new service retirement credit. Retired members and employers who violate this PEPRA mandate are required to:

- pay the appropriate employee and employer contributions, plus interest, that otherwise would have been paid during the period of unlawful employment.
- reimburse MercedCERA for reasonable administrative expenses incurred in responding to the violation. Regardless of who the Plan Administrator determines is at fault for the violation, the calculation for repayment will be the specific time spent correcting the situation for the Benefits Analysts and Benefits Manager multiplied by their respective hourly salaries.

Lastly, MercedCERA may assess employers a fee of $200, per member, per month, who do not report member reinstatement information (i.e., rate of pay, hours worked) within a specified timeframe. This employer may not pass the fee to the employee.

Additional Updates

Updated section code references and grammatical non-substantive language wer also updated.

Staff Recommendation:
Staff are recommending the Board approve the updated Post-Retirement Employment Policy and Retiree Reinstatement to Active Membership Application.

POST-RETIREMENT EMPLOYMENT POLICY

PURPOSE

The purpose of this policy is to provide guidance on how Government Code Sections 31553, 31680.4, 31680.5, 31680.7, 31680.9, 31680.15 and Section 7522.56 apply to Merced County Employees' Retirement Association (MercedCERA) member's post-retirement employment.

SCOPE

This policy is applicable to all MercedCERA retired members returning to work for a MercedCERA participating employer in a temporary part-time/extra-help position, in a full-time position requiring reinstatement, or if the member becomes disabled or passes away during full-time reinstatement. This policy is also applicable to a retired member who engages in a personal services contract with a participating employer, a retired member working through a private third-party employer providing contract services to a participating employer and to an independent contractor of a participating employer.

This policy does not apply to a retired MercedCERA member working in private industry or for any other non-MercedCERA participating employer, as long as the employer is not providing contract services to a MercedCERA participating employer.

POLICY

<u>Employment Without Reinstatement (Part-Time / Extra-Help Employment)</u>

Government Code section 7522.56 defines how quickly the retiree can return to work, how much the retiree can be paid, and how many hours the retiree can work annually without reinstatement from retirement, or loss or interruption of benefits.

Hour Limit

Retired members may return to work for a MercedCERA participating employer as a temporary part-time/extra-help employee, via a personal services contract with a participating employer, working through a private third-party employer providing contracted services to a participating employer, or as an independent contractor of a participating employer, and continue to receive their retirement benefits, but are limited to a maximum of 960 hours during each fiscal year (July 1 to June 30). It is the responsibility of the retiree to ensure compliance with all MercedCERA plan documents regarding their re-employment. Retirees should carefully monitor hours worked to ensure they do not exceed the maximum allowed, as they will be required to reimburse MercedCERA for the overpayment of benefits.

For purposes of calculating a retiree's hours worked during each fiscal year, hours will be credited to the year in which payment is provided. For example:

- The first pay date of the 2026/2027 fiscal year was 7/02/2026. The hours worked in that pay period occurred between 6/15/2026 and 6/28/2026. The hours worked for this pay period will be credited towards the 2026-2027 fiscal year accumulated total.
- The last pay date of the 2025/2026 fiscal year was 6/19/2026. The hours worked in that pay period occured between 6/01/2026-6/14/2026. The hours worked for this pay period will be credited towards the 2025/2026 fiscal year accumulated total.

Rate of Pay
The rate of pay shall not be less than the minimum, nor exceed the maximum, paid by the employer to other employees performing comparable duties, divided by 173.333 to equal the hourly rate.

Unemployment Compensation
A retired member is ineligible for post-retirement employment with a MercedCERA participating employer if, during the 12-month period prior to the appointment, the retiree received any unemployment insurance compensation arising out of prior employment with a MercedCERA participating employer. The retiree is to provide written certification to the employer that they are in compliance with this requirement.

Bona-fide Separation / Break in Service
MercedCERA retirees must comply with the break in service requirements set forth in Government Code section 7522.56 before returning to work for a MercedCERA participating employer.

In general, retirees returning to work in any position with a MercedCERA-covered employer must have a break in service of at least 180 days following their date of retirement, unless they meet one of the following exceptions:

1. Public Safety Exception: If a Safety member is returning to a Safety position, the 180-day break in service requirement will not apply and such member may return to a Safety position immediately after retirement; or

2. Critical Need Exception: If the member's employer certifies that the member's appointment is necessary to fill a critically needed position and the member's appointment is approved by the employer's governing body in a public meeting and the appointment is not placed on the consent calendar, the 180-day break in service requirement will not apply.

Notwithstanding the above, pursuant to Government Code sections 31485.20 and 31485.21, MercedCERA retirees who have not attained Normal Retirement Age (as defined in Merced CERA's Regulations for IRC Section 401(a) – Normal Retirement Age) must also comply with the "bona-fide separation from service" requirements set forth in MercedCERA's Regulations for IRC Section 401(a) – Distribution Restrictions, Return to Work and Separation from Service.

Retirement Incentive
A retired member who accepted a retirement incentive upon MercedCERA retirement must wait 180 days following the date of retirement before being eligible for employment.

Violation of Hour Limit
Retired members who exceed the 960-hour maximum limit are in violation of the law and will be deemed to have received an overpayment of monthly pension benefits. Pension benefits shall be suspended effective the date the retiree exceeds the 960-hour limit. MercedCERA will calculate the amount of overpayment by dividing the retiree's

MercedCERA gross monthly pension benefits by 173.333 in order to equal the hourly rate used to compute the overpayment. For example:

Retiree worked a total of 988 hours in fiscal year 2025/2026. Their MercedCERA monthly gross pension is $7,000.

> $7000 divided by 173.333 is $40.39 per hour
> 988 minus 960 hours maximum is an overage of 28 hours
>
> 28 hours multiplied by $40.39 per hour equals an overpayment of $1,130.92

Collection of overpayments will adhere to MercedCERA's Error Collection Policy.

Employment Requiring Reinstatement (Full-Time Employment)

Government Code Sections 31680.4, 31680.5 and 31680.7 govern the reinstatement of any person who has retired for service from a MercedCERA participating employer. The referenced code sections were adopted by the Merced County Board of Supervisors in Resolution Numbers 91-55 and 97-192. If there is any discrepancy between information in this policy and legal requirements under State or Federal law, the law will govern.

A member retired for service and reemployed by a MercedCERA participating employer shall become an active member again when their application to the Board of Retirement for reinstatement is approved. Elective officers are not required to apply for reinstatement.

The application must include certification from a physician licensed by the California Medical Board that the retiree is not incapacitated for the duties of the new job. MercedCERA and the employer are not responsible for the costs related to the completion of any medical certifications.

The effective date of the member's reinstatement to active membership shall be the date of reemployment. The retirement allowance of the member shall be effective up to the member's reemployment date and shall be resumed only upon the subsequent termination of the member's period of reemployment.

Under Government Code section 31680.7, during the period of reemployment, the member shall accrue retirement service credit at the same tier or benefit level which was applicable to the member during their original period of employment. The member's contribution rate will be based on the same age at entry, and the same statutory formula, which was used in calculating the member's contribution rate during their original period of employment. This applies to members who did not retire under the Early Incentive to Retire program.

Upon their termination from reemployment (excluding terminations due to death or disability), the member's retirement allowance will consist of the monthly retirement allowance previously received immediately before reemployment and, for Tier 1 members, the cost-of-living increases (COLA) that would have been added to the monthly retirement allowance had the member not been reemployed. This will be combined with the additional service credit accrued during reemployment. As stated previously, the additional retirement allowance will consist of the same benefit formula and tier upon which the member's original retirement allowance was calculated, but shall be based on the member's age upon termination of the reemployment time period and the member's final compensation.

For members who retired under the Early Incentive to Retire program, upon reinstatement, the member's rate of contributions and retirement allowance shall be determined as if the member was first entering the system. The member's allowance upon the termination of their period of reemployment will be the sum of their credited service during reemployment in accordance with the formula applicable to them at the time of reinstatement plus their original retirement, adjusted by any COLAs for Tier 1 members.

For elective officers whose retirement allowance is based on service while in that elective office, the portion of retirement benefits based on service in that elective office shall be suspended during incumbency in that elective office. The full retirement benefit shall be paid for time on and after the member leaves the elective office in the monthly amount payable had the benefit not been suspended.

The retirement allowance payable to a member whose allowance prior to reinstatement was paid pursuant to an election under Section 31810 will have their allowance reduced as provided in that section. However, for a member who reinstates to active membership prior to attaining age 62, the reduction required by Section 31810 shall be the amount that is the actuarial value of the increase in the allowance from the date of retirement to the date of reinstatement.

Death or Disability During Reinstatement

If, after reemployment a member becomes disabled and is granted a service-connected or non-service-connected disability retirement by the Board of Retirement, the member's disability retirement allowance shall be the greater of either of the following:

1) The disability retirement allowance the member would have been entitled to receive if all of the member's service during his or her original period of employment and subsequent period of reemployment had been continuous.
2) The service retirement allowance the member would have been entitled to receive if the member had not become disabled and had voluntarily terminated his or her period of reemployment.

If the member dies during reemployment and leaves an eligible survivor or survivors entitled to receive a survivor's allowance, the allowance shall be the same amount that it would have been if all of the member's service during his or her original period of employment and subsequent period of reemployment had been continuous. If a lump sum death benefit is payable to the member's designated beneficiary instead of a survivor's allowance, the member's accumulated retirement contributions for purposes of computing the death benefit shall be the sum of the contributions made by the member during the period of reemployment, plus interest credited thereon, and the excess, if any, of the member's total contributions during the original period of employment, including interested credited thereon, over the total amount of retirement benefits paid to the member between the member's original retirement from employment and the member's reemployment.

Upon or after service retirement, the continuance shall be paid upon the member's death to the respective elected beneficiaries from each of the separate retirement period elections.

APPLICATION OF POLICY

It is the employer's responsibility to determine the appropriate use of retired members to meet public business needs in accordance with Government Code sections 31680.4, 31680.5 31680.7 and 7522.56.

MercedCERA and participating employers shall establish an administrative process to monitor and track MercedCERA retired members returning to employment with a participating employer. Participating employers shall provide MercedCERA a report, no less than semi-annually (by January 31 and July 31 of each year), disclosing the names of the retired members who have been employed in temporarily part-time/extra-help positions, through a personal services contract with a participating employer, through a private third-party employer providing contract services to a participating employer, and/or a retired member working as an independent contractor of a participating employer. The report is to include the retired members' hours worked per pay period, their job title, the department name, their rate of pay, start date and termination date.

MercedCERA shall notify retired members, both verbally and in writing, and a participating employer's Department Head or Human Resources Personnel when retired members have worked 800 and 880 hours. It is the responsibility of the retired member to ensure compliance with all MercedCERA plan documents regarding their employment. Retired members should carefully monitor their hours worked to ensure they do not exceed the limit.

Retired members who violate Government Code Section 7522.56 and are reinstated into active employment:

- must pay the appropriate employee contributions that would otherwise have been paid during the period of unlawful employment, plus interest.
- reimburse MercedCERA for reasonable administrative expenses incurred in responding to the situation, to the extent the MercedCERA Plan Administrator determines the member is at fault for the violation.
- the reimbursement amount will equal the total hours incurred by a MercedCERA retirement specialist multiplied by the retirement specialist's current hourly rate of pay. In addition to those administrative expenses, the total hours incurred by the MercedCERA benefits manager multiplied by their current hourly rate of pay.

A MercedCERA participating employer who employs a retired member in violation of Government Code Section 7522.56 and the member is reinstated, shall do the following:

- pay the appropriate employer contributions that would otherwise have been paid for the period that the retired member is employed in violation of this section code, plus interest.
- reimburse MercedCERA for reasonable administrative expenses incurred in responding to the situation, to the extent the MercedCERA Plan Administrator determines the employer is at fault for the violation.
- the reimbursement amount will equal the total hours incurred by a MercedCERA retirement specialist multiplied by the retirement specialist's current hourly rate of pay.

In addition to those administrative expenses, the total hours incurred by the MercedCERA Benefits Manager multiplied by their current hourly rate of pay.

If a participating employer fails to enroll, solely for administrative recordkeeping purposes, a retired member in any capacity, without reinstatement, within 30 days of the rehire date, the MercedCERA Board may assess the employer a $200 fee per retired member, per month, until the retired member is enrolled in the employer's administrative system. The same $200 fee, per retired member, per month, will be assessed if the participating employer fails to provide MercedCERA the rate of pay and hours worked of a retired member, within 30 days following the last day of the pay period in which the retired member worked. The employer is not to pass on the assessed fees to any employee.

POLICY HISTORY
The MercedCERA Board of Retirement adopted this policy on March 23, 2023.
The Board reviewed amended this policy on XX, XX, XXXX.

MERCEDCERA
Merced County Employees' Retirement Association

RETIREE REINSTATEMENT TO ACTIVE MEMBERSHIP APPLICATION

Purpose of the Form: Application to suspend your retirement and reinstate as an active Merced County Employees' Retirement Association (MercedCERA) member under Gov. Code sections 31680.4, 31680.5, 31680.7, and 31680.9.

Instructions: Retiree- Complete Section 1, sign and provide form to your new employer's Human Resources Department.
Human Resources Department - Complete Section 2 and send to the MercedCERA Office.

To be eligible: You must be receiving a retirement benefit from MercedCERA;
You must have a job offer from one of MercedCERA's participating employers;
You must provide MercedCERA a medical certification that you are not incapacitated for the duties of your new job; and
The new job must qualify for membership into MercedCERA.

Section 1—To be completed by Retiree

I hereby apply for reinstatement as an active member of MercedCERA. I understand that the Board of Retirement will determine my eligibility for reinstatement based upon the above eligibility criteria being met. **I understand I am not to begin work until my application is approved.**

I hereby certify that I am not incapacitated for the duties of my new job and have attached a certification from a physician licensed by the California Medical Board confirming that I am not incapacitated for the duties of my new job as described in the employer's job description.

I understand that upon approval of this application by the Board of Retirement, my monthly retirement benefit will stop **effective on the date of my reemployment** and I will return to MercedCERA any benefits I received to which I am not entitled. I will begin to make contributions into the system and my contributions will be based on my age at original entry, effective the first day of the month following my reemployment date.

Full Name:	**Social Security #:**	**Phone #:**
Member Signature:	**Date:**	

Section 2--- To be completed by Employer's Human Resources Representative

I certify that the MercedCERA member named above has been offered full-time employment for the below position:

Employer's Name:	**Job Title of Member's Position:**
Representative's Full Name:	**Representative's Job Title and Phone Number:**
Representative's Signature:	**Date:**

Section 3---To be completed by MercedCERA Office

Approved ☐	**MercedCERA Plan Administrator Signature:**	**Date:**	
Denied ☐	**Start Date of Reemployment:**	**Tier:**	**Age at Reinstatement:**

Reinstatement to Active Membership Frequently Asked Questions

What is reinstatement? Reinstatement allows a MercedCERA retiree to return to work full-time and earn additional service credits and re-retire later.

Who is eligible: A retired member receiving a retirement benefit from MercedCERA, provided they are medically able to perform the job.

How do I return to work? 1) Member applies for a full-time job with a MercedCERA participating employer. 2) Member is offered the full-time job. 3) Member obtains a medical certification stating the member is not incapacitated for the duties of the job. 4) Member completes Section 1 of the reinstatement application and forwards the application to the employer. 5) Employer completes Section 2 of the reinstatement application. 6) Member forwards the application and medical certification to MercedCERA. 7) The application is presented to the Board of Retirement for review. 8) Upon approval, member signs the "Acknowledgement of Reemployment" form and returns it to MercedCERA. 9) MercedCERA provides the employer's human resources a copy of the approved reinstatement application.

What happens if I am approved? We will stop your retirement benefit effective on the date of reemployment and you will start making contributions into the system again, earning additional service credit, effective the first day of the month following your reemployment date.

What if I already started the job? If your application is filed late, but it is approved, you will need to repay the system for any pension benefits you received after the date of reemployment. We will also collect any contributions which should have been paid into the system, but were not.

How are contributions computed? We will use your original age of entry into the system.

What Tier will I be placed in? You will be placed in the tier used to calculate your original retirement.

What happens when I retire again? You will get two benefits added together. The first benefit will be the one you were getting before, including costs of living (COLA) increases that may have been granted while you were reemployed (Tier 1 only). The second benefit will be computed on the service and salary you earned after you came back to work.

Can I change retirement option? No, your original retirement benefit option cannot be changed.

Can I take a refund of my account? No.

What if I become disabled? If the Board grants a service or non-service connected disability during your reemployment, you will receive the higher of two options; the disability retirement allowance you would have been entitled to if all of your service during your original period of employment and subsequent reemployment had been continuous or the amount you were entitled to receive had you not become disabled and had voluntarily terminated your period of reemployment.

What if I die while reemployed? The amount your beneficiary will receive is based on whether you elected for a survivor's allowance or a lump sum to be payable upon your death. MercedCERA staff can assist you with further details.

How is my health insurance affected? We recommend you contact:

Merced County Human Resources 209-385-7356 for County retirees

Merced Superior Court Human Resources 209-725-4103 for Court retirees

MERCEDCERA
Merced County Employees' Retirement Association

POST-RETIREMENT EMPLOYMENT POLICY

PURPOSE

The purpose of this policy is to provide guidance on how Government Code Sections 31553~~,~~ ~~31680.15~~, 31680.4, 31680.5, 31680.7, 31680.9, 31680.15 and Section 7522.56 apply to Merced County Employees' Retirement Association (MercedCERA) member's post-retirement employment.

SCOPE

This policy is applicable to all MercedCERA retired members returning to work for a MercedCERA participating employer in a temporary part-time/extra-help position, in a full-time position requiring reinstatement, or if the member becomes disabled or passes away during full-time reinstatement. This policy is also applicable to a retired member who engages in a personal services contract with a participating employer, a retired member working through a private third-party employer providing contract services to a participating employer and to an independent contractor of a participating employer.

This policy does not apply to a retired MercedCERA member working in private industry or for any other n~~N~~on-MercedCERA participating employer, as long as the employer is not providing contract services to a MercedCERA participating employer.

POLICY

Employment Without Reinstatement (Part-Time / Extra-Help Employment)

Government Code section 7522.56 defines how quickly the retiree can return to work, how much the retiree can be paid, and how many hours the retiree can work annually without reinstatement from retirement, or loss or interruption of benefits.

Hour Limit

Retired members may return to work for a MercedCERA participating employer as a~~n~~ temporary part-time/extra-help employee, via a personal services contract with a participating employer, working through a private third-party employer providing contracted services to a participating employer, or as an independent contractor of a participating employer, and continue to receive their retirement benefits, but are limited to a maximum of 960 hours during each fiscal year (July 1 to ~~-~~June 30). It is the responsibility of the retiree to ensure compliance with all MercedCERA plan documents regarding their re-employment. Retirees should carefully monitor hours worked to ensure they do not exceed the maximum allowed, as they will be required to reimburse MercedCERA for the overpayment of benefits.

For purposes of calculating a retiree's hours worked during each fiscal year, hours will be credited to the year in which payment is provided. For example:

- The first pay date of the 2026/2027 fiscal year was 7/02/2026. The hours worked in that pay period occurred between 6/15/2026 and 6/28/2026. The hours worked for this pay period will be credited towards the 2026-2027 fiscal year accumulated total.
- The last pay date of the 2025/2026 fiscal year was 6/19/2026. The hours worked in that pay period occured between 6/01/2026-6/14/2026. The hours worked for this pay period

will be credited towards the 2025/2026 fiscal year accumulated total.

Rate of Pay
The rate of pay shall not be less than the minimum, nor exceed the maximum, paid by the employer to other employees performing comparable duties, divided by 173.333 to equal the hourly rate.

Unemployment Compensation
A retired member is ineligible for post-retirement employment with a MercedCERA participating employer if, during the 12-month period prior to the appointment, the retiree received any unemployment insurance compensation arising out of prior employment with a MercedCERA participating employer. The retiree is to provide written certification to the employer that they are in compliance with this requirement.

Bona-fide Separation / Break in Service
~~There can be no agreement or understanding between a member and an employer prior to retirement regarding the member returning to work after retirement. MercedCERA members who retire younger than Normal Retirement Age (NRA) must have a bona fide separation from service. The NRA for Safety members is 50 years of age and 60 years of age for General members.~~

~~General members returning to any position must have a break in service of at least 180 days. Different waiting requirements apply to Safety members. If a Safety member is returning to a non-safety position, they must wait a period of 180 days. If the Safety member is returning to a safety position, and the member is at least 50 years of age, there is no separation period. Safety members younger than 50 years of age, returning to another safety position are not eligible to be reemployed for a period of 60 days following the date of retirement. The 180-day waiting period for a general member, or a safety member returning to a non-safety position, does not apply if the employer certifies that the appointment is necessary to fill a critically needed position, and the employer's governing body (i.e., Board of Supervisors) approves the appointment in a public meeting in an item not on its consent calendar.~~
~~Pursuant to Government Code section 7522.56 and the Internal Revenue Code 401(a),~~ MercedCERA retirees must ~~have a bona fide separation from service, or break in service,~~ comply with the break in service requirements set forth in Government Code section 7522.56 ~~between retirement and~~before returning to work for a MercedCERA participating employer. ~~In addition, there can be no agreement or understanding between a member and an employer prior to retirement regarding the member returning to work after retirement. The circumstances regarding the break in service depend on a member's age and membership type at the time of retirement.~~

In ~~G~~general, ~~members~~retirees returning to work in any position with a MercedCERA-covered employer must have a break in service of at least 180 days following their date of retirement, unless they meet one of the following exceptions:~~.~~

1. ~~Safety members returning to a General position must also have a 180-day break in service.~~ Public Safety Exception: If a Safety member is~~ers, 50 years of age and older, MercedCERA's Safety member Normal Retirement Age (NRA),~~ returning

to a Safety position, the ~~have no break in service requirements. These~~180-day break in service requirement will not apply and~~ members~~ such member may return to a Safety position immediately after retirement; or~~. Safety members younger than 50 years of age, returning to a Safety position, must have a 60-day bona fide break in service unless they meet the emergency exception detailed below.~~

Critical Need Exception: If

2. ~~The break in service or bona fide separation of service requirements do not apply if t~~the member's employer ~~considers~~certifies that the member's appointment is necessary to fill a critically needed position and the member's appointment is approved by the employer's governing body in a public meeting and the appointment is not placed on the consent calendar, the 180-day break in service requirement will not apply.

Notwithstanding the above, ~~However, if the member is a General member~~pursuant to Government Code sections 31485.20 and 31485.21, MercedCERA retirees who have not attained Normal Retirement Age (as defined in Merced CERA's Regulations for IRC Section 401(a) – Normal Retirement Age) must also comply with the "bona-fide separation from service" requirements set forth in MercedCERA's Regulations for IRC Section 401(a) – Distribution Restrictions, Return to Work and Separation from Service~~, younger than 60 years of age, MercedCERA's General member NRA, the member must have been separated from service for at least 60 days unless the appointment is made under conditions considered an emergency as defined by Government Code Section 8558.~~.

Retirement Incentive
A retired member who accepted a retirement incentive upon MercedCERA retirement must wait 180 days following the date of retirement before being eligible for employment.

Violation of Hour Limit
Retired members who exceed the 960-hour maximum limit are in violation of the law and will be deemed to have received an overpayment of monthly pension benefits. Pension benefits shall be suspended effective the date the retiree exceeds the 960-hour limit. MercedCERA will calculate the amount of overpayment by dividing the retiree's MercedCERA gross monthly pension benefits by 173.333 in order to equal the hourly rate used to compute the overpayment. For example:

Retiree worked a total of 988 hours in fiscal year 2025/2026. Their MercedCERA monthly gross pension is $7,000.

$7000 divided by 173.333 is $40.39 per hour
988 minus 960 hours maximum is an overage of 28 hours

28 hours multiplied by $40.39 per hour equals an overpayment of $1,130.92

Collection of overpayments will adhere to MercedCERA's Error Collection Policy.

Employment Requiring Reinstatement (Full-Time Employment)

Government Code Sections 31680.4, 31680.5 and 31680.7 govern the reinstatement of any person who has retired for service from a MercedCERA participating employer. The referenced code sections were adopted by the Merced County Board of Supervisors in Resolution Numbers 91-55 and 97-192. If there is any discrepancy between information in this policy and legal requirements under State or Federal law, the law will govern.

A member retired for service and reemployed by a MercedCERA participating employer shall become an active member again when their application to the Board of Retirement for reinstatement is approved. Elective officers are not required to apply for reinstatement.

The application must include certification from a physician licensed by the California Medical Board that the retiree is not incapacitated for the duties of the new job. MercedCERA and the employer are not responsible for the costs related to the completion of any medical certifications.

The effective date of the member's reinstatement to active membership shall be the date~~first day of the month following the date~~ of reemployment. The retirement allowance of the member shall be effective up to the member's reemployment date and shall be resumed only upon the subsequent termination of the member's period of reemployment.

Under Government Code section 31680.7, during the period of reemployment, the member shall accrue retirement service credit at the same tier or benefit level which was applicable to the member during their original period of employment. The member's contribution rate will be based on the same age at entry, and the same statutory formula, which was used in calculating the member's contribution rate during their original period of employment. This applies to members who did not retire under the Early Incentive to Retire program.

Upon their termination from reemployment (excluding terminations due to death or disability), the member's retirement allowance will consist of the monthly retirement allowance previously received immediately before reemployment and, for Tier 1 members, the cost-of-living increases (COLA) that would have been added to the monthly retirement allowance had the member not been reemployed. This will be combined with the additional service credit accrued during reemployment. As stated previously, the additional retirement allowance will consist of the same benefit formula and tier upon which the member's original retirement allowance was calculated, but shall be based on the member's age upon termination of the reemployment time period and the member's final compensation.

For members who retired under the Early Incentive to Retire program, upon reinstatement, the member's rate of contributions and retirement allowance shall be determined as if the member was first entering the system. The member's allowance upon the termination of their period of reemployment will be the sum of their credited service during reemployment in accordance with the formula applicable to them at the time of reinstatement plus their original retirement, adjusted by any COLAs for Tier 1 members.

For elective officers whose retirement allowance is based on service while in that elective office, the portion of retirement benefits based on service in that elective office shall be suspended during incumbency in that elective office. The full retirement benefit shall be paid for time on and after the member leaves the elective office in the monthly amount payable had the benefit not been suspended.

The retirement allowance payable to a member whose allowance prior to reinstatement was paid pursuant to an election under Section 31810 will have their allowance reduced as provided in that section. However, for a member who reinstates to active membership prior to attaining age 62, the reduction required by Section 31810 shall be the amount that is the actuarial value of the increase in the allowance from the date of retirement to the date of reinstatement.

Death or Disability During Reinstatement

If, after reemployment a member becomes disabled and is granted a service-connected or non-~~service connected~~service-connected disability retirement by the Board of Retirement, the member's disability retirement allowance shall be the greater of either of the following:

1) The disability retirement allowance the member would have been entitled to receive if all of the member's service during his or her original period of employment and subsequent period of reemployment had been continuous.
2) The service retirement allowance the member would have been entitled to receive if the member had not become disabled and had voluntarily terminated his or her period of reemployment.

If the member dies during reemployment and leaves an eligible survivor or survivors entitled to receive a survivor's allowance, the allowance shall be the same amount that it would have been if all of the member's service during his or her original period of employment and subsequent period of reemployment had been continuous. If a lump sum death benefit is payable to the member's designated beneficiary instead of a survivor's allowance, the member's accumulated retirement contributions for purposes of computing the death benefit shall be the sum of the contributions made by the member during the period of reemployment, plus interest credited thereon, and the excess, if any, of the member's total contributions during the original period of employment, including interested credited thereon, over the total amount of retirement benefits paid to the member between the member's original retirement from employment and the member's reemployment.

Upon or after service retirement, the continuance shall be paid upon the member's death to the respective elected beneficiaries from each of the separate retirement period elections.

APPLICATION OF POLICY

It is the employer's responsibility to determine the appropriate use of retired members to meet public business needs in accordance with Government Code sections 31680.4, 31680.5 31680.7 and 7522.56.

MercedCERA and participating employers shall establish an administrative process to monitor and track MercedCERA retired members returning to ~~Extra Help~~ employment with a participating employer. Participating employers shall provide MercedCERA a report, no less than semi-annually (by January 31 and July 31 of each year), disclosing the names of the ~~Extra-Help~~ retired members who have been employed in temporarily part-time/extra-help positions, through a personal services contract with a participating employer, through a private third-party employer providing contract services to a participating employer, and/or a retired member working as an independent contractor of a participating employer.~~,~~ The report is to include the retired members'~~their~~ hours worked per pay period, their job title, the department name, their rate of pay,~~,~~ start date and termination date.~~and their duration of service.~~

MercedCERA shall notify ~~the~~ retired members, both verbally and in writing, and a~~the~~ participating employer's Department Head or Human Resources Personnel when retired members have worked 800 and 880 hours. It is the responsibility of the retired member to ensure compliance with all MercedCERA plan documents regarding their employment. Retired members should carefully monitor their hours worked to ensure they do not exceed the limit.

~~Extra-Help retired members who work more than the maximum number of hours allowed in Government Code section 7522.56 (960 hours in a fiscal year) may be reinstated into full membership, and MercedCERA may suspend the retired member's retirement benefit as provided in Government Code section 7522.56.~~

~~A reinstated member's retirement benefit will be suspended until the discontinuance of the reinstated member's reemployment. Upon reinstatement, the employee and employer will both be required to pay contributions (including interest) for the period of unlawful employment. The retirement benefits received during the reinstated member's reemployment will also need to be repaid to MercedCERA. Upon reinstatement, should the reinstated member wish to return as a retired member to work for a MercedCERA participating employer, the return-to-work rules of Government Code section 7522.56 apply.~~

Retired members who violate Government Code Section 7522.56 and are reinstated into active employment:

- must pay the appropriate employee contributions that would otherwise have been paid during the period of unlawful employment, plus interest.
- reimburse MercedCERA for reasonable administrative expenses incurred in responding to the situation, to the extent the MercedCERA Plan Administrator determines the member is at fault for the violation.
- the reimbursement amount will equal the total hours incurred by a MercedCERA retirement specialist multiplied by the retirement specialist's current hourly rate of pay. In addition to those administrative expenses, the total hours incurred by the MercedCERA benefits manager multiplied by their current hourly rate of pay.

A MercedCERA participating employer who employs a retired member in violation of Government Code Section 7522.56 and the member is reinstated, shall do the following:

- pay the appropriate employer contributions that would otherwise have been paid for the period that the retired member is employed in violation of this section code, plus interest.

- reimburse MercedCERA for reasonable administrative expenses incurred in responding to the situation, to the extent the MercedCERA Plan Administrator determines the employer is at fault for the violation.
- the reimbursement amount will equal the total hours incurred by a MercedCERA retirement specialist multiplied by the retirement specialist's current hourly rate of pay. In addition to those administrative expenses, the total hours incurred by the MercedCERA Benefits Manager multiplied by their current hourly rate of pay.

If a participating employer fails to enroll, solely for administrative recordkeeping purposes, a retired member in any capacity, without reinstatement, within 30 days of the rehire date, the MercedCERA Board may assess the employer a $200 fee per retired member, per month, until the retired member is enrolled in the employer's administrative system. The same $200 fee, per retired member, per month, will be assessed if the participating employer fails to provide MercedCERA the rate of pay and hours worked of a retired member, within 30 days following the last day of the pay period in which the retired member worked. The employer is not to pass on the assessed fees to any employee.

POLICY HISTORY
The MercedCERA Board of Retirement adopted this policy on March 23, 2023.
The Board reviewed amended this policy on XX, XX, XXXX.

MERCEDCERA
Merced County Employees' Retirement Association

RETIREE REINSTATEMENT TO ACTIVE MEMBERSHIP APPLICATION

Purpose of the Form: Application to suspend your retirement and reinstate as an active Merced County Employees' Retirement Association (MercedCERA) member under Gov. Code sections 31680.4, 31680.5, 31680.7, and 31680.9.

Instructions: Retiree- Complete Section 1, sign and provide form to your new employer's Human Resources Department.
Human Resources Department - Complete Section 2 and send to the MercedCERA Office.

To be eligible: You must be receiving a retirement benefit from MercedCERA;
You must have a job offer from one of MercedCERA's participating employers;
You must provide MercedCERA a medical certification that you are not incapacitated for the duties of your new job; and
The new job must qualify for membership into MercedCERA.

Section 1—To be completed by Retiree

I hereby apply for reinstatement as an active member of MercedCERA. I understand that the Board of Retirement will determine my eligibility for reinstatement based upon the above eligibility criteria being met. **I understand I am not to begin work until my application is approved.**

I hereby certify that I am not incapacitated for the duties of my new job and have attached a certification from a physician licensed by the California Medical Board confirming that I am not incapacitated for the duties of my new job as described in the employer's job description.

I understand that upon approval of this application by the Board of Retirement, my monthly retirement benefit will stop **effective on the date of my reemployment** and I will return to MercedCERA any benefits I received to which I am not entitled. I will begin to make contributions into the system and my contributions will be based on my age at original entry, effective the first day of the month following my reemployment date.

Full Name:	**Social Security #:**	**Phone #:**
Member Signature:	**Date:**	

Section 2--- To be completed by Employer's Human Resources Representative

I certify that the MercedCERA member named above has been offered full-time employment for the below position:

Employer's Name:	**Job Title of Member's Position:**
Representative's Full Name:	**Representative's Job Title and Phone Number:**
Representative's Signature:	**Date:**

Section 3---To be completed by MercedCERA Office

Approved ☐	**MercedCERA Plan Administrator Signature:**	**Date:**	
Denied ☐	**Start Date of Reemployment:**	**Tier:**	**Age at Reinstatement:**

MERCEDCERA
Merced County Employees' Retirement Association

Reinstatement to Active Membership Frequently Asked Questions

What is reinstatement? Reinstatement allows a MercedCERA retiree to return to work full-time and earn additional service credits and re-retire later.

Who is eligible: A retired member receiving a retirement benefit from MercedCERA, provided they are medically able to perform the job.

How do I return to work? 1) Member applies for a full-time job with a MercedCERA participating employer. 2) Member is offered the full-time job. 3) Member obtains a medical certification stating the member is not incapacitated for the duties of the job. 4) Member completes Section 1 of the reinstatement application and forwards the application to the employer. 5) Employer completes Section 2 of the reinstatement application. 6) Member forwards the application and medical certification to MercedCERA. 7) The application is presented to the Board of Retirement for review. 8) Upon approval, member signs the "Acknowledgement of Reemployment" form and returns it to MercedCERA. 9) MercedCERA provides the employer's human resources a copy of the approved reinstatement application.

What happens if I am approved? We will stop your retirement benefit effective on the date of reemployment and you will start making contributions into the system again, earning additional service credit, effective the first day of the month following your reemployment date.

What if I already started the job? If your application is filed late, but it is approved, you will need to repay the system for any pension benefits you received after the date of reemployment. We will also collect any contributions which should have been paid into the system, but were not.

How are contributions computed? We will use your original age of entry into the system.

What Tier will I be placed in? You will be placed in the tier used to calculate your original retirement.

What happens when I retire again? You will get two benefits added together. The first benefit will be the one you were getting before, including costs of living (COLA) increases that may have been granted while you were reemployed (Tier 1 only). The second benefit will be computed on the service and salary you earned after you came back to work.

Can I change retirement option? No, your original retirement benefit option cannot be changed.

Can I take a refund of my account? No.

What if I become disabled? If the Board grants a service or non-service connected disability during your reemployment, you will receive the higher of two options; the disability retirement allowance you would have been entitled to if all of your service during your original period of employment and subsequent reemployment had been continuous or the amount you were entitled to receive had you not become disabled and had voluntarily terminated your period of reemployment.

What if I die while reemployed? The amount your beneficiary will receive is based on whether you elected for a survivor's allowance or a lump sum to be payable upon your death. MercedCERA staff can assist you with further details.

How is my health insurance affected? We recommend you contact:

Merced County Human Resources 209-385-7356 for County retirees

Merced Superior Court Human Resources 209-725-4103 for Court retirees

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

CODE § 401(a)(36)

NORMAL RETIREMENT AGE

REGULATIONS FOR IRC SECTION 401(a)

NORMAL RETIREMENT AGE

SECTION I. PURPOSE AND SCOPE

In accordance with sections 31485.21, 31485.22 and 31525 of the California Government Code, the regulations set forth herein are effective as of [___], and reaffirm and clarify the existing practices of the Merced County Employees' Retirement Association (the "Association") with respect to the normal retirement age applicable for the Association in accordance with the Internal Revenue Code (the "Code"). For these regulations, Code includes the Treasury regulations issued under the Code.

These regulations are intended to be in accordance with the Code and the applicable Treasury regulations. To the extent there is a conflict between these regulations and the Code and Treasury regulations, the applicable federal law will govern.

The Association may establish any reasonable procedures for determining and applying the normal retirement age requirements that it deems necessary or desirable for complying with applicable tax laws or for administrative purposes.

Terms defined in the County Employees Retirement Law of 1937 apply here unless otherwise stated.

SECTION II. NORMAL RETIREMENT AGE

1. Normal Retirement Age for general Members is age 60 years, or if later, the date at which a Member vests in his or her right to receive a monthly retirement allowance from the Association. In accordance with the County Employees Retirement Law, normal retirement age is not later than age 70 years.
2. Normal Retirement Age for safety Members is age 50 years, or if later, the date at which a Member vests in his or her right to receive a monthly retirement allowance from the Association. In accordance with the County Employees Retirement Law, normal retirement age is not later than age 70 years.
3. These normal retirement age for general Members is based on data provided by the Association's actuary finding that the most typical retirement age for general members of the Association is age 60 years and the normal retirement age for safety Members is based on safe harbor provisions in Treasury Regulation Section 1.401(a)-1(b)(2)(v) applicable to qualified public safety employees.
4. The Board of Retirement for the Association may change the normal retirement age determined herein to the extent required to comply with section 401(a) of Title 26 of the United States Code or for any other reasons determined by the Board. The normal retirement age determined herein does not create any "vested rights" under California or federal law including but not limited to the contracts clause of the California Constitution.

BOARD OF RETIREMENT
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
RESOLUTION NO. 2019-04

RESOLUTION
AMENDING REGULATION FOR INTERNAL REVENUE CODE
SECTION 4O1(a) (DISTRIBUTION RESTRICTIONS)

WHEREAS, the Board of Retirement for the Merced County Employees' Retirement Association ("MCERA") administers MCERA for the benefit of its members and their beneficiaries; and

WHEREAS, MCERA is intended to comply with the requirements of the Internal Revenue Code of 1986 (the "Code"), as amended or replaced from time to time and the regulations issued thereunder as applicable; and

WHEREAS, the Board of Retirement submitted to the Internal Revenue Service ("IRS") a request for a favorable determination that MCERA meets the applicable requirements of the Code; and

WHEREAS, the plan documents, including Regulations of the Board of Retirement, were submitted for review with MCERA's determination letter application; and

WHEREAS, Code section 401(a)(9) and IRS guidance issued under that Code section establish very complex rules concerning the time at which distributions of benefits to members and beneficiaries must commence and the period over which the benefits must be paid; and

WHEREAS, the granting of the favorable determination letter by the IRS was contingent upon MCERA's adoption of approved model tax regulations reviewed by the IRS; and

WHEREAS, the model tax regulation adopted under Code section 401(a) by the Board of Retirement on January 14, 2016, provided that members who had not reached normal retirement age must have a minimum break in service of at least the greater of (a) any required separation from service prior to return to work required under the terms of the California Public Employees' Pension Reform Act of 2013 ("PEPRA") or (b) a 15 calendar day separation from service; and

WHEREAS, the Board of Retirement determined by policy adopted on April 12, 2018 that the minimum calendar-day separation should be 60 days rather than 15 days, which is consistent with requirements under Code section 401(a);

NOW, THEREFORE, BE IT RESOLVED that the Board of Retirement hereby amends the Regulation for IRC Code §401(a) to reflect the prior change in MCERA procedures to read as follows:

Section II.2. is amended effective as of April 12, 2018 to read:

> "2. Prior to entering into an agreement to return or returning to employment with the County, or a participating employer under the Association, while retired, the Member must have a separation from service of at least the greater of (a) any required separation from service prior to return to work required under the terms of the California Public Employees' Pension Reform Act of 2013 or (b) a 60 calendar day separation from service."

ADOPTED: April 25, ___, 2019

Aye: Adams, Ingersoll, Johnston, Ness, Paskin, Rhodes, Peterson
Nay:
Abstain:
Absent: Cabral, Goins, Silveira

Darlene Ingersoll

Darlene Ingersoll, Chair

ATTEST:

Kristen Santos, Plan Administrator

DATE: July 23, 2026

TO: MercedCERA Board of Retirement

FROM: Martha Sanchez Barboa, Plan Administrator

SUBJECT: Executive Level Performance Evaluation Policy

ITEM NUMBER: **Open Session Item e**

ITEM TYPE: **Action**

STAFF RECOMMENDATION:

1. Adopt the MercedCERA Executive Level Performance Evaluation Policy.

DISCUSSION:

A fundamental action to ensure that the mission, vision and goals of the Merced County Employees' Retirement Association (MercedCERA) are carried out is the completion of staff performance evaluations. Performance reviews establish formal accountability, align the strategic vision with MercedCERA Board expectations and support the growth of the Association. They also provide an objective foundation for compensation adjustments and signal healthy governance to MercedCERA stakeholders. For such reason, MercedCERA completes performance reviews of their employees, but did not have a formal Board adopted performance evaluation process for completing the performance reviews of executive level staff. The attached performance evaluation policy formalizes the review process, assisting the Board in arriving at and communicating clear and meaningful goals and targets for executive level employees, while also ensuring that employees are compensated at competitive levels that attract and maintain the highest quality executives.

The executive level employees being evaluated through this performance review process are the Plan Administrator, Chief Investment Officer (position currently vacant), the Assistant Plan Administrator – Investments and the Assistant Plan Administrator – Benefits & Administration. The performance review will be completed on the MercedCERA Executive Level Performance Evaluation Form (Attachment A). The performance review of the Plan Administrator will be conducted through a self-assessment, which will then be provided to the MercedCERA Chair, and if created, the ad hoc subcommittee seated to participate in the review with the Chair. In contract, the Plan Administrator will complete the performance review of all other MercedCERA executive staff.

The MercedCERA Executive Level Performance Evaluation Policy further outlines the process the Board and the Plan Administrator will undertake to complete the performance review in closed and/or open session, the required information needed when base salary adjustments will be recommended, and the rating metrics to each of the positions.

Staff Recommendation:
Staff are recommending the Board adopt the MercedCERA Executive Level Performance Evaluation Policy.

MERCEDCERA
Merced County Employees' Retirement Association

EXECUTIVE LEVEL PERFORMANCE EVALUATION POLICY

PURPOSE

The following Executive Level Performance Evaluation Policy is designed to provide structure and accountability for the executive level annual review and consideration of performance-based compensation. The performance evaluation policy is applicable to MercedCERA executive level staff. The executive classifications covered by this Plan are:

- Plan Administrator
- Chief Investment Officer
- Assistant Plan Administrator – Investments
- Assistant Plan Administrator – Benefits and Administration

OBJECTIVES

The Executive Level Performance Evaluation Policy serves a number of objectives including:

- Supports the strategic mission of MercedCERA by setting performance objectives.
- Focuses the attention and efforts of executive level staff on the issues that are most important to the mission of MercedCERA.
- Provides a mechanism to enhance MercedCERA's ability to provide competitive pay levels to attract and maintain the highest quality executives.

ASSESSING PERFORMANCE

Assessing performance will include holistic consideration of the degree to which an individual effectively executed their duties and addressed issues of greatest priority and, as appropriate, may include either quantitative goals and/or qualitative goals. Evaluations of executive level staff will be written and presented to the Retirement Board for approval in the following manner:

- Performance assessments for the Plan Administrator will be conducted through a self-assessment.

- Performance assessments for the Chief Investment Officer and the Assistant Plan Administrators will be completed by the Plan Administrator.

Executive level performance assessments will be documented on the MercedCERA Executive Level Performance Evaluation Form (Attachment A). Assessments will include a rating for each critical element and performance comments. Critical elements have been assigned element weighting to ensure that critical elements with the highest organizational relevance are provided with the appropriate level of weighting.

Evaluation of Executive Staff Reporting to Plan Administrator

The Plan Administrator will participate in a performance appraisal meeting with the Board of Retirement to review the performance appraisal and discuss performance goals for the following year, in closed session.

Employees will be notified of the review and base salary adjustment, if any, after the performance appraisal meeting.

At the next Retirement Board Meeting, in closed session, the Plan Administrator will provide the Board with an update regarding the outcome of the performance appraisal review with the employee. If the base salary was adjusted, the Plan Administrator will add the amendment of the employment agreement to the open session agenda. Upon the amendment approval by the Board, the Plan Administrator will provide the signed employee contract amendment to Human Resources and the Auditor Controller's Office, with a transmittal form noting the base salary adjustment for processing.

Evaluation of the Plan Administrator

The Board Chair has discretion to create an ad hoc committee to participate in the performance review of the Plan Administrator. If the Board Chair appoints an ad hoc committee, the Board Chair will participate in the committee and lead the evaluation process.

The Plan Administrator will complete a self-assessment using the appraisal form and submit it to the Board Chair and if seated, all ad hoc committee members. The Board Chair and ad hoc committee, if seated, will review the Plan Administrator's self-evaluation. Throughout the evaluation process, the Board Chair shall establish and maintain a file containing the records of all relevant activities involving the Plan Administrator evaluation process, including the administrator's self-evaluation, employment contract and any other documents pertaining to Board member's feedback.

In evaluating the Plan Administrator's performance for each critical element, ad hoc committee members, if seated, will be asked to provide the Board Chair with an evaluation rating, strengths in meeting applicable goals, as well as suggestions on how the administrator can improve performance under specific elements. The Board Chair will then complete an updated final evaluation, incorporating the feedback of the ad hoc committee. The final evaluation will also address compensation and/or other contract amendments. Upon evaluation completion, the Board Chair will present the updated recommended evaluation to the full Board in closed session.

Upon full Board review, the Board Chair will meet with the Plan Administrator to discuss the final evaluation, including compensation and/or other contract amendments. The final compensation or contract amendments should be made through a negotiation process involving the Board Chair and the Plan Administrator. The final decision, however, rests with the full Board. Therefore, at the next Retirement Board Meeting, in closed session, the Board Chair will provide the Board with an update regarding the outcome of the performance appraisal review with the Plan Administrator and invite the administrator to join in the review. If the base salary was adjusted, the contract amendment will be added to the open session agenda for discussion and approval.

Once the evaluation process is completed, the Board Chair will provide the performance review file, in a sealed envelope, to the MercedCERA human resources liaison for proper storage.

Staff members reporting to the Plan Administrator should generally not play a role in the evaluation process unless requested by the Board, except to the extent they have an official role in assisting the Board and/or Board Chair.

BASE SALARY ADJUSTMENTS

Executive level staff's base salary is set by the Board of Retirement. Base salary adjustments may be granted at the discretion of the Board of Retirement based on performance.

If a base salary adjustment will be requested with the executive level evaluation, the Plan Administrator will need to conduct a salary survey amongst like 1937 Act plans. This survey will accompany the evaluation for consideration by the Board in closed session.

If through negotiations with the Plan Administrator, in their individual evaluation process, wishes to discuss their compensation, the Plan Administrator will provide a salary survey amongst like Chief Executive Officer/Plan Administrator 1937 Act plans.

Generally, any base salary adjustments will be effective in the next pay period after the Board has approved the new salary.

Annual Due Dates:

Completion Date	Item to be completed	Responsible Party
First two weeks of [Month] (2-3 months prior to pay period of annual employment date)	Preliminary Executive Performance appraisal is written, reviewed and finalized.	Plan Administrator
Two months prior to [Month] (2 months prior to pay period of annual employment date)	Executive staff: Written Executive Performance appraisal to be presented to Board in closed session. Plan Administrator: Written Executive Performance self-evaluation to be forwarded to Board Chair and ad hoc committee (if seated). Performance appraisal is reviewed and finalized with ad hoc committee.	Plan Administrator Board Chair

Last two weeks of [Month] (1 month prior to pay period of annual employment date)	Executive staff: Performance appraisal meeting is held with employee. Plan Administrator: Performance appraisal meeting is held with Plan Administrator.	Plan Administrator Board Chair
First two weeks of [Month] (month prior to pay period of annual employment date)	Executive staff: Signed Performance evaluation to be presented to the Board in closed session. * Plan Administrator: Signed Performance Evaluation to be presented to the Board in closed session. * *In the event of a salary or other adjustment, the employee contract amendment will be presented to the Board in both closed and open sessions.	Plan Administrator Board Chair
First pay period after contract salary amendment is approved	Plan Administrator: Contract amendment is provided to Plan Administrator. Executive Staff & Plan Administrator: Contract amendment and transmittal are provided to Merced County Human Resources and Auditor Controller's Office.	Board Chair Plan Administrator

METRICS

Each employee's performance is evaluated on the MercedCERA Executive Level Performance Review Form. The Plan Administrator, with approval from the Board, will establish the critical evaluation elements and the scoring weight for the Chief Investment Officer and the Assistant Plan Administrators. The Plan Administrator will evaluate their performance using the following six critical elements:

- 15% Leading Change
- 20% Leading Staff
- 20% Business & Role Acumen
- 10% Technology
- 10% Facilities & Emergency Plan Management
- 25% Relationships & Board Management

Each critical element is weighted to align with the organization's strategic goals. Based on the performance calculation, the overall rating is determined using the following metrics:

Rating Scale and Definitions:

1.0 - 1.9 = Needs Improvement: The employee's work performance is inconsistent and there are times that the work falls below the standards of performance required for the position. The employee requires a written performance plan.

2.0 - 2.9 = Meets Job Standards: The employee's work performance consistently meets the standards of the position.

3.0 - 3.9 = Exceeds Job Standards: The employees' work performance is consistently above the level of a satisfactory employee.

4.0 = Outstanding: The employees' work performance significantly exceeds the job standards of the position, demonstrating exceptional results.

In addition to completing the weighted rating section of the performance appraisal form, the Plan Administrator will need to complete a narrative justifying the rankings, the proposed salary increases, if any are being recommended, and identify goals for the next rating period.

POLICY HISTORY

This policy was adopted by the Merced County Employees' Retirement Association Board of Retirement on XX, XX, 2026.

Attachment A

Executive Level Performance Evaluation Form

Employee Name: XXXXXXX

Date of Appraisal: XX XX 2026

Position: XXXXXXXX

Rating Period: XX XX 2026 – XX XX 2027

Rating Scale and Definitions:			
1. Needs Improvement The employees' work performance is inconsistent and there are times that the work falls below the standards of performance required for the position. The employee requires a written performance plan.	**2. Meets Job Standards** The employees' work performance consistently meets the standards of the position.	**3. Exceeds Job Standards** The employees' work performance is consistently above the level of a satisfactory employee.	**4. Outstanding** The employees' work performance significantly exceeds the job standards of the position, demonstrating exceptional results.

Performance Calculation Summary Level Ranges

Summary Level Range	Overall Level Rating	Description
4.0	Level 4	Outstanding
3.0-3.9	Level 3	Exceeds Job Standards
2.0-2.9	Level 2	Meets Job Standards
1.0-1.9	Level 1*	Needs Improvement

*An employee at this rating should be on a written performance plan.

Employee Goals and Ratings

Critical Elements and Employee Ratings			
Weight	Critical Element	Employee's Goal	Score
20%	Business and Role Acumen		1. Needs Improvement 2. Meets Job Standards 3. Exceeds Job Standards 4. Outstanding Total x 20% =

20%	Leading Staff		1. Needs Improvement 2. Meets Job Standards 3. Exceeds Job Standards 4. Outstanding Total x 20% =
10%	Technology		1. Needs Improvement 2. Meets Job Standards 3. Exceeds Job Standards 4. Outstanding Total x 10% =
15%	Leading Change		1. Needs Improvement 2. Meets Job Standards 3. Exceeds Job Standards 4. Outstanding Total x 15% =
10%	Facilities and Emergency Plan Management		1. Needs Improvement 2. Meets Job Standards 3. Exceeds Job Standards 4. Outstanding Total x 10% =

25%	Relationships and Board Management		1. Needs Improvement 2. Meets Job Standards 3. Exceeds Job Standards 4. Outstanding Total x 25% =
100%			Total Level Range:

Remarks from Plan Administrator:

Business and Role Acumen –

Leading Staff –

Technology –

Leading Change –

Facilities and Emergency Plan Management –

Relationships and Board Management –

(If applicable, completed by Plan Administrator)

Justification for Proposed Salary Increase –

Future Development Objectives:
•
•
•
•
•
•

Remarks by Employee:

I hereby certify that this report was discussed with me, and I understand my signature does not necessarily mean that I agree with ratings in this evaluation.

Signature of Employee ___________________________________ Date__________

Signature of Plan Administrator ____________________________ Date__________