



Merced County Employees' Retirement Association

**AGENDA  
RETIREMENT BOARD MEETING**

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

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

Zoom Conference Information:

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

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

(For use only if Zoom Connection Malfunctions)

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

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

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

**2. Roll Call**

**3. Teleconference Request**

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

**4. Approval of Minutes – January 22, 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.

<b>Name</b>	<b>Years of Service</b>	<b>Department</b>	<b>Effective Date</b>
Ackerman, Yorel	31	DPW	01/03/2026
Avila, Sergio	19	Sheriff	02/08/2026
Firestine, Joseph	15	Admin Services	02/07/2026
Paz, Pedro	2	First Five	12/26/2025
Ponce De Leon, Beatriz	22	HSA	01/24/2026
Sandoval, Salvador	1	Health Admin	01/27/2026
Stolle, Rochelle	20	Probation	02/21/2026
Thomas Jr., Robert	6	DPW	02/07/2026

b. Monthly Budget Report submitted.

c. Meketa Monthly and Quarterly Performance Report submitted.

d. Approval of non-pensionable pay code LNG – Longevity Pay for Merced Superior Court.

e. SACRS Legislative Update – February 2026.



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**7. Open Session**

- a. Discussion on market summary and investment performance updates – Staff.
- b. Discussion and possible action on the proposed 2026 strategic investment reviews – Staff.
- c. Discussion on Meketa's 2026 Capital Market Expectations and the portfolio's updated risk and return profile – Meketa.
- d. Discussion on the trustee risk survey results – Meketa.
- e. Discussion and possible action to adopt the proposed Actuarial Valuation Report and employer and employee contribution rates as of June 30, 2025, as recommended by Cheiron – Cheiron.
- f. Discussion and possible action to adopt the annual cost of living adjustment (COLA) for Tier 1 members as recommended by Cheiron – Cheiron.
- g. Chair to appoint a policy review ad hoc subcommittee to work with staff on the possible updates to the Conflict of Interest, Trustee Education and Training and Code of Ethics – Chair.
- h. Discussion and possible action to approve the purchase of additional microphones to be placed at the Board dais – Staff.

**8. Information Sharing & Agenda Item Requests**

**9. Adjournment**

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

**MINUTES  
RETIREMENT BOARD MEETING**

Thursday, January 22, 2026, 8:30 A.M.

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

Zoom Conference Information:

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

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

(For use only if Zoom Connection Malfunctions)

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

**1. Call to Order- 8:31 A.M.**

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

**2. Roll Call**

**Board Members Present:** Scott Johnston, Karen Adams, Bayani Manilay, Alfonse Peterson, Aaron Rosenberg, Moses Nelson and Corrina Brown. **Absent:** Janey Cabral, Scott Silveira and Michael Harris. **Counsel:** Tom Ebersole. **Staff:** Martha Sanchez Barboa, Pete Madrid, Monica Gallegos, Alex Lovato, Maria Luisa Rodriguez, Patrick Armendarez and Khue Xiong.

**3. Teleconference Request**

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

**None**

**4. Approval of Minutes – December 11, 2025.**

**Board voted unanimously to approve December 11, 2025, meeting minutes.**

**1<sup>st</sup> – Manilay/2<sup>nd</sup> – Peterson, passes 7/0.**

**5. Public Comment**

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

**None**

**6. Consent Calendar**

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

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

<b><u>Name</u></b>	<b><u>Years of Service</u></b>	<b><u>Department</u></b>	<b><u>Effective Date</u></b>
Araiza, Mark	20	Probation	12/13/2025
Baltezore, Daniel	23	DPW	12/13/2025
Hogan, Jeffrey	6	Fire	12/23/2025
Masadey, Anthony	23	BHRS	12/27/2025
Masasso, Kenneth	4	Admin Services	12/31/2025
McGraw, Jan	6	Superior Court	12/14/2025



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O'Rourke, Robert	1	County Counsel	01/20/2026
Rubalcava, Lupe	17	HSA	01/15/2026

- b. Monthly and Quarterly Budget Report submitted.
- c. Quarterly Membership Status Report submitted.
- d. Meketa November and December 2025 Monthly Report submitted.
- e. Approve contract modifications with the MercedCERA Board of Retirement for Martha Sanchez Barboa, Plan Administrator, keeping the salary current but adding a 400-hour maximum vacation limit; for Pete Madrid, Assistant Plan Administrator – Investments, keeping the salary current but adding a 400-hour maximum vacation limit, as well as adding he shall receive all benefit increases provided to Merced County employees classified as B level Unrepresented Management; and Monica Gallegos, Assistant Plan Administrator – Benefits & Administration, keeping the salary current but adding she shall receive all benefit increases provided to Merced County employees classified as B level Unrepresented Management.
- f. SACRS Legislative Update – January 2026.
- g. SACRS Board of Director Elections – 2026-2027 – Elections Notice

**Board voted unanimously to approve the consent agenda as presented.**

**1<sup>st</sup> – Adams/2<sup>nd</sup> – Johnston, passes 7/0.**

**7. Closed Session**

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

- a. Public Employee Performance Evaluation (Govt. Code § 54957)  
Title: Plan Administrator, Assistant Plan Administrator - Investments and Assistant Plan Administrator – Benefits and Administration

**8. Report Out of Closed Session – 9:02 A.M.**

**Regarding closed session and the public employee performance evaluation of the Plan Administrator and Assistant Plan Administrators, no reportable action occurred.**

**9. Open Session**

- a. Discussion on the preliminary annual actuarial valuation results <https://presentation.cheiron.us/presentation/view/Merced2025PrelimAVR?token=GBZC> and actuarial experience study results <https://presentation.cheiron.us/presentation/view/Merced2025ExperienceStudy?token=x3w6> and possible action to approve the proposed updated assumptions, as recommended by Cheiron – Graham Schmidt, Cheiron.  
**Board voted unanimously to approve the proposed updated actuarial assumptions as recommended by Cheiron.**  
**1<sup>st</sup> – Adams/2<sup>nd</sup> – Manilay, passes 7/0**
- b. Discussion and possible action to adopt the 2025 MercedCERA audit report and adopt the 2025 Annual Comprehensive Financial Report (ACFR) – UHY.  
**Board voted unanimously to adopt the 2025 MercedCERA audit report and the 2025 Annual Comprehensive Financial Report.**  
**1<sup>st</sup> – Manilay/2<sup>nd</sup> – Johnston, passes 7/0**
- c. Discussion on capital markets summary – Staff.



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- d. **No action taken.**  
Discussion and possible action to add GQG International Strategy, Artisan Developing World, and Champlain Small Cap to MercedCERA Watch status – Staff/Meketa.  
**Board voted unanimously to add GQG International Strategy, Artisan Developing World, and Champlain Small Cap to MercedCERA Watch status. 1<sup>st</sup> – Johnston/2<sup>nd</sup> – Manilay, passes 7/0**
- e. Discussion and possible action to approve a short-term contract extension for Cliffwater of up to six months to allow sufficient time for the ongoing Request for Proposal (RFP) process for Specialty Investment Consulting services – Staff.  
**Board voted unanimously to approve a short-term contract extension for Cliffwater of up to six months to allow sufficient time for the ongoing Request for Proposal (RFP) process for Specialty Investment Consulting services. 1<sup>st</sup> – Manilay/2<sup>nd</sup> – Nelson, passes 7/0**
- f. Chair to appoint an ad hoc subcommittee to evaluate the request for proposal (RFP) submissions for Specialty Investment Consulting services – Chair.  
**Chair Brown appointed Trustees Cabral, Manilay, Johnston, and Adams to the ad hoc subcommittee to evaluate the request for proposal (RFP) submissions for Specialty Investment Consulting services.**
- g. Discussion regarding the updated annual MercedCERA Board Education Compliance Report and possible Board education topics for the upcoming March 5<sup>th</sup> trustee education meeting – Staff.  
**No action taken.**
- h. Chair to appoint budget ad hoc subcommittee to work with staff on Fiscal Year 2026/2027 budget – Chair.  
**Chair Brown appointed herself and Trustee Cabral to the budget ad hoc subcommittee to work with staff on the Fiscal Year 2026/2027 budget.**

#### **10. Information Sharing & Agenda Item Requests**

- a. Compliance tracking and acknowledgement forms – Staff.  
**Martha Sanchez Barboa requested trustees review the Conflict of Interest Policy and computer usage requirements and sign the corresponding acknowledgment forms.**  
**-Martha Sanchez Barboa will be out of the office from February 10 through the 17. Both Assistant Plan Administrators will be available in her absence.**  
**-Per Senate Bill 852, 700 Forms will be completed and submitted to the FPPC directly. All trustees were provided an email with further information. Some trustees confirmed they had already completed their form.**  
**-At the February MercedCERA Retirement Board Meeting, Martha Sanchez Barboa will request the Chair appoint an ad hoc subcommittee to review updated policies; Conflict of Interest, Trustee Education and Code of Ethics.**  
**-Pete Madrid informed the Board he will present staff investment education from 8:30 A.M. to 9:30 A.M. at the MercedCERA All-Staff Meeting on January 30, 2026, in case trustees wished to attend. Trustee Brown advised she would like to attend.**



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**11. Adjournment at 11:06 A.M.**

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

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

Administrative Budget	Adopted	Current Budget	Expended 2026-01	Expended YTD	Bal Remaining	% Exp YTD
<b>10110 · Salaries &amp; Wages</b>	<b>1,975,000.00</b>	<b>1,975,000.00</b>	<b>196,607.79</b>	<b>992,340.09</b>	<b>982,659.91</b>	<b>50.25%</b>
1/2/2026 Office Payroll 2026 PP01			94,985.28			
1/2/2026 2026 PP01 Retirement Investment Staff Cost Reclass (see Account #21800)			(11,834.95)			
1/2/2026 2026 PP01 Staff Salary Allocated to Investments (see Account #21800)			(16,753.20)			
1/16/2026 Office Payroll 2026 PP02			94,124.08			
1/16/2026 2026 PP02 Retirement Investment Staff Cost Reclass (see Account #21800)			(11,834.95)			
1/16/2026 2026 PP02 Staff Salary Allocated to Investments (see Account #21800)			(16,753.20)			
1/30/2026 Office Payroll 2026 PP03			96,179.61			
1/30/2026 2026 PP03 Retirement Investment Staff Cost Reclass (see Account #21800)			(13,567.53)			
1/30/2026 2026 PP03 Staff Salary Allocated to Investments (see Account #21800)			(16,753.20)			
1/30/2026 Board Member Stipends (see Account #21808)			(1,184.15)			
Total 10110 · Salaries & Wages			<b>196,607.79</b>			
<b>20600 · Communications</b>	<b>16,000.00</b>	<b>16,000.00</b>	<b>-</b>	<b>4,779.89</b>	<b>11,220.11</b>	<b>29.87%</b>
Total 20600 · Communications			<b>-</b>			
<b>21000 · Insurance - Other</b>	<b>118,000.00</b>	<b>118,000.00</b>	<b>889.16</b>	<b>101,510.68</b>	<b>16,489.32</b>	<b>86.03%</b>
1/7/2026 Nationwide 2025-12 Building Insurance			889.16			
Total 21000 · Insurance - Other			<b>889.16</b>			
<b>21301 · Maintenance Structure Improvement &amp; Grounds</b>	<b>100,000.00</b>	<b>100,000.00</b>	<b>5,751.39</b>	<b>36,149.23</b>	<b>63,850.77</b>	<b>36.15%</b>
1/7/2026 Crites, Robert 2025-12 Pest Control			40.00			
1/20/2026 Geil Enterprises 2026-01 Janitorial Svcs			1,846.00			
1/23/2026 Otis Elevator 2026 Maintenance			2,559.20			
1/23/2026 Yard Masters 2026-01 Landscaping			400.00			
1/23/2026 Hoffman 2026-02 Alarm System			285.00			
1/23/2026 Hoffman 2026-02 CCTV Cameras			260.00			
1/23/2026 Hoffman 2026-02 Fire System			60.00			
1/29/2026 Hoffman 10 Keyfobs & Programming			301.19			
Total 21301 · Maintenance Structure Improvement			<b>5,751.39</b>			
<b>21500 · Membership</b>	<b>7,000.00</b>	<b>7,000.00</b>	<b>400.00</b>	<b>7,500.00</b>	<b>(500.00)</b>	<b>107.14%</b>
1/12/2026 Public Pension Financial Forum 2026-01 to 2026-06 Membership			400.00			
Total 21500 · Membership			<b>400.00</b>			
<b>21700 · Office Expense - General</b>	<b>20,000.00</b>	<b>20,000.00</b>	<b>1,058.97</b>	<b>6,446.19</b>	<b>13,553.81</b>	<b>32.23%</b>
1/2/2026 ODP 2025-12 Office Supplies			34.39			
1/2/2026 ODP 2025-12 Office Supplies			447.74			
1/9/2026 First Choice 1/06/26 Water Svc			132.14			
1/20/2026 First Choice 1/13/26 Water Svc			18.64			
1/23/2026 Allied West Printing 1/06/26 Svc			140.67			
1/28/2026 ODP 2026-01 Office Supplies			263.10			
1/28/2026 ODP 2026-01 Office Supplies			22.29			
Total 21700 · Office Expense - General			<b>1,058.97</b>			
<b>21710 · Office Expense - Postage</b>	<b>54,000.00</b>	<b>54,000.00</b>	<b>-</b>	<b>15,785.42</b>	<b>38,214.58</b>	<b>29.23%</b>
Total 21710 · Office Expense - Postage			<b>-</b>			
<b>21805 · Audits</b>	<b>72,000.00</b>	<b>72,000.00</b>	<b>3,000.00</b>	<b>3,000.00</b>	<b>69,000.00</b>	<b>4.17%</b>
1/21/2026 MGO FY 2025-2026 Audit Services			3,000.00			
Total 21805 · Audits			<b>3,000.00</b>			
<b>21808 · Board Membership</b>	<b>15,000.00</b>	<b>15,000.00</b>	<b>1,184.15</b>	<b>4,844.25</b>	<b>10,155.75</b>	<b>32.30%</b>

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

1/31/2026 Board Member Stipends			1,184.15			
Total 21808 · Board Membership			<u>1,184.15</u>			
<b>21900 · Publications &amp; Legal Notices</b>	<b>5,000.00</b>	<b>5,000.00</b>	-	<b>4,551.95</b>	<b>448.05</b>	<b>91.04%</b>
Total 21900 · Publications & Legal Notices			<u>-</u>			
<b>22300 · Spec Dept Exp - Other</b>	<b>10,000.00</b>	<b>10,000.00</b>	-	<b>5,151.00</b>	<b>4,849.00</b>	<b>51.51%</b>
Total 22300 · Spec Dept Exp - Other			<u>-</u>			
<b>22310 · Election Expense</b>	<b>30,000.00</b>	<b>30,000.00</b>	-	-	<b>30,000.00</b>	<b>0.00%</b>
Total 22310 · Election Expense			<u>-</u>			
<b>22327 · Spec Dept Exp - Cost Allocation Plan</b>	<b>35,000.00</b>	<b>35,000.00</b>	<b>2,877.45</b>	<b>20,142.15</b>	<b>14,857.85</b>	<b>57.55%</b>
1/9/2026 2026-01 CAP Charges			2,877.45			
Total 22327 · Spec Dept Exp - Cost Allocation			<u>2,877.45</u>			
<b>22500 · Transportation &amp; Travel</b>	<b>200.00</b>	<b>200.00</b>	-	-	<b>200.00</b>	<b>0.00%</b>
Total 22500 · Transportation & Travel			<u>-</u>			
<b>22505 · Trans &amp; Travel - Staff &amp; Board Development</b>	<b>70,000.00</b>	<b>70,000.00</b>	-	<b>11,866.67</b>	<b>58,133.33</b>	<b>16.95%</b>
Total 22505 · Trans & Travel - Staff Development & Board Development			<u>-</u>			
<b>22515 · Trans &amp; Travel - In State (Staff &amp; Board)</b>	<b>45,000.00</b>	<b>45,000.00</b>	<b>8,197.53</b>	<b>14,664.14</b>	<b>30,335.86</b>	<b>32.59%</b>
1/2/2026 Board Member Janey Cabral SACRS Travel Reimbursement 11/10/25-11/14/25			449.20			
1/6/2026 2025-11 Staff Travel Charges (CALAPRS Conference) - multiple staff			6,685.21			
1/6/2026 2025-12 Staff Travel Charges (CALAPRS Conference) - multiple staff			164.50			
1/20/2026 Staff Member Pete Madrid SACRS Travel Reimbursement 11/11/25-11/14/25			700.20			
1/22/2026 Board Member Janey Cabral SACRS Travel Reimbursement 11/10/25-11/14/25			198.42			
Total 22515 · Trans & Travel - In State (Staff & Board)			<u>8,197.53</u>			
<b>22516 · Trans &amp; Travel - Out of State (Staff &amp; Board)</b>	<b>10,000.00</b>	<b>10,000.00</b>	-	<b>4,169.29</b>	<b>5,830.71</b>	<b>41.69%</b>
Total 22516 · Trans & Travel - Out of State (Staff & Board)			<u>-</u>			
<b>22600 · Utilities</b>	<b>68,000.00</b>	<b>68,000.00</b>	<b>2,722.76</b>	<b>19,255.56</b>	<b>48,744.44</b>	<b>28.32%</b>
1/7/2026 City of Merced 2026-01 Utilities			639.14			
1/21/2026 MID 2026-01 Utilities			2,083.62			
Total 22600 · Utilities			<u>2,722.76</u>			
<b>Administrative Depreciation Expense</b>	<b>364,400.00</b>	<b>364,400.00</b>	<b>30,262.33</b>	<b>211,836.31</b>	<b>152,563.69</b>	<b>58.13%</b>
<b>Total Administrative Budget</b>	<b>3,014,600.00</b>	<b>3,014,600.00</b>	<b>252,951.53</b>	<b>1,463,992.82</b>	<b>1,550,607.18</b>	<b>48.56%</b>

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

Non-Administrative Expenses		Original Projection	Current Projection	Expended 2026-01	Expended YTD	Bal Remaining	% Exp YTD
<b>21800 · Investment Expenses</b>		<b>8,998,000.00</b>	<b>8,998,000.00</b>	<b>1,274,877.97</b>	<b>8,064,603.92</b>	<b>933,396.08</b>	<b>89.63%</b>
1/31/2026	Investment Management Fees			571,845.64			
1/31/2026	Investment Partnership Expenses			525,462.84			
1/2/2026	2026 PP01 Retirement Investment Staff Reclass (from Account #10110)			11,834.95			
1/16/2026	2026 PP02 Retirement Investment Staff Reclass (from Account #10110)			11,834.95			
1/30/2026	2026 PP03 Retirement Investment Staff Reclass (from Account #10110)			13,567.53			
1/2/2026	2026 PP01 Staff Salary Allocated to Investments (from Account #10110)			16,753.20			
1/16/2026	2026 PP02 Staff Salary Allocated to Investments (from Account #10110)			16,753.20			
1/30/2026	2026 PP03 Staff Salary Allocated to Investments (from Account #10110)			16,753.20			
1/2/2026	Investment Consultants Cliffwater 2025-12 Consulting Svcs			33,333.33			
1/2/2026	Investment Consultants Meketa 2025 Q4 Consulting Svcs			56,739.13			
Total 21800 · Investment Expenses				<b>1,274,877.97</b>			
<b>21802 · Actuarial Services</b>		<b>220,000.00</b>	<b>220,000.00</b>	<b>73,962.21</b>	<b>114,214.19</b>	<b>105,785.81</b>	<b>51.92%</b>
1/22/2026	Cheiron 2025 Q4 Actuarial Svcs			73,962.21			
Total 21802 · Actuarial Services				<b>73,962.21</b>			
<b>21812 · Data Processing</b>		<b>135,000.00</b>	<b>135,000.00</b>	<b>1,793.51</b>	<b>41,708.41</b>	<b>93,291.59</b>	<b>30.90%</b>
1/9/2026	2026-01 IS CAP Charge			446.46			
1/13/2026	AT&T 2026-01 Wifi Svcs			299.74			
1/15/2026	AT&T 2026-01 Internet Svcs			1,047.31			
Total 21812 · Data Processing				<b>1,793.51</b>			
<b>21834 · Legal Services</b>		<b>442,000.00</b>	<b>442,000.00</b>	<b>34,247.12</b>	<b>250,323.84</b>	<b>191,676.16</b>	<b>56.63%</b>
1/9/2026	2026-01 County Counsel CAP Charge			3,678.42			
1/12/2026	Ted Cabral 2026-01 Legal Svcs			4,428.70			
1/12/2026	Ted Cabral 2026-01 Legal Svcs			6,617.20			
1/12/2026	Ted Cabral 2026-01 Legal Svcs			1,633.80			
1/12/2026	Ted Cabral 2026-01 Legal Svcs			50.00			
1/12/2026	Ted Cabral 2026-01 Legal Svcs			50.00			
1/12/2026	Ted Cabral 2026-01 Legal Svcs			50.00			
1/12/2026	Ted Cabral 2026-01 Legal Svcs			364.00			
1/12/2026	Ted Cabral 2026-01 Legal Svcs			8,396.90			
1/13/2026	Ted Cabral 2026-01 Legal Svcs			3,891.10			
1/13/2026	Ted Cabral 2026-01 Legal Svcs			863.70			
1/13/2026	Ted Cabral 2026-01 Legal Svcs			2,457.20			
1/13/2026	Ted Cabral 2026-01 Legal Svcs			1,628.60			
1/13/2026	Ted Cabral 2026-01 Legal Svcs			137.50			
Total 21834 · Legal Services				<b>34,247.12</b>			
<b>21840 · Custodial Banking Services</b>		<b>260,000.00</b>	<b>260,000.00</b>	<b>2,432.35</b>	<b>57,637.07</b>	<b>202,362.93</b>	<b>22.17%</b>
1/6/2026	2025-12 NT STIF Income - Custodial Fee			2,267.35			
1/9/2026	2025-12 Wire Fees			165.00			
Total 21840 · Custodial Banking Services				<b>2,432.35</b>			
<b>22350 · Software &amp; Technology</b>		<b>559,000.00</b>	<b>559,000.00</b>	<b>28,485.57</b>	<b>385,489.09</b>	<b>173,510.91</b>	<b>68.96%</b>
1/7/2026	Spriggs 2026 Q1 Printing Svcs			1,559.63			
1/7/2026	Spriggs 2025 Q4 Printing Svcs			508.34			
1/7/2026	Digital Deployment 2026-01 Web Support			900.00			
1/16/2026	LexisNexis 2025-12 Accruint & Batch Svcs			936.56			
1/28/2026	Granicus Legislar Setup & Configuration			23,561.49			
1/28/2026	2026-01 to 2026-06 Zoom License			1,019.55			
Total 22350 · Software and Technology				<b>28,485.57</b>			
<b>Non-Administrative Depreciation Expense</b>		-	-	-	-	-	-
<b>Total Non-Administrative Items</b>		<b>10,614,000.00</b>	<b>10,614,000.00</b>	<b>1,415,798.73</b>	<b>8,913,976.52</b>	<b>1,700,023.48</b>	<b>83.98%</b>

## Merced County Employees' Retirement Association

February 26, 2026

January Flash Report

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

## **Executive Summary as of January 31, 2026**

**Portfolio Preliminary Performance Highlights<sup>1</sup>**

- January results for equity markets were broadly positive, as International Developed and broad Emerging Markets continued to outpace US equities. US Equities (Russell 3000) returned 1.6%, Developed International equities (MSCI EAFE) returned 5.2% and Emerging Markets (MSCI EM) returned 8.9% over the month. Bonds also saw muted returns over the month with the broad Bloomberg US Aggregate Index returning 0.1%.
- For December, Merced CERA reported a monthly return (w/o Alternatives) of 1.8% net of fees. US Equities returned 1.4%, marginally trailing the Russell 3000 Index return of 1.6%. International Equities return of 4.0% trailed both the MSCI AC World ex USA IMI Index as well as the secondary blended asset class benchmark, which returned 6.0% and 5.5% respectively. The Emerging Markets sleeve returned 1.4%, trailing the MSCI EM index return of 8.9%. US Fixed Income returned 0.2%, marginally outpacing the benchmark return of 0.1%. Opportunistic Credit posted 0.6% for the month, outpacing the blended benchmark return of 0.1%.

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<sup>1</sup> Merced portfolio returns reflect manager level performance in November or December depending on data availability

## **Manager Highlights**

**Manager Highlights (Year to Date)<sup>1</sup>**

- **BNY Mellon Newton Dynamic US Equity**, the portfolio's active large cap manager, returned 1.3% through January, trailing the S&P 500 Index return of 1.5%. Manager is expected to perform well under normal market conditions (fundamentals drive investment returns) and bull markets.
- **Champlain Small Cap**, through January, the portfolio's active small cap manager, returned 1.0%, trailing the Russell 2000 Index return of 5.4%.
- **First Eagle**, through January, returned 6.4% versus the MSCI EAFE Index return of 5.2% and MSCI AC World ex US Value Index return of 6.4%. Fund exhibits high turnover relative to peers and uses gold as a hedge. The fund performs well in down cycles, as the strategy focuses on capital preservation in lieu of some upside potential.
- **GQG** returned 3.8% through January, trailing the MSCI AC World ex US return of 6.0%.
- **Acadian** returned 6.7% through January, outpacing the MSCI ACWI ex US Small Cap Index return of 6.4%.
- **Driehaus**, through January, returned 4.5%, outpacing the MSCI ACWI ex US Small Cap Growth Index return of 6.5%. Manager Highlights (Year to Date)

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<sup>1</sup> Manager Highlights reflect returns through January depending on data availability

### Manager Highlights (Year to Date)

- **Artisan Developing World** returned -3.5% through January vs MSCI EM index return of 8.9%. 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 11.4% vs MSCI EM index return of 8.9% through January. Tracking error for the strategy has always been expected to be high (6-10% annually) and has fallen within that range. The strategy maintains a large overweight to China which was a significant driver of underperformance in 2024. When proposed in 2019, Meketa recommended this strategy be used in conjunction with Artisan, to build a complementary Emerging Market portfolio, designed to outperform more frequently than either manager alone. The overall strategy has done exactly that, producing very strong results.

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

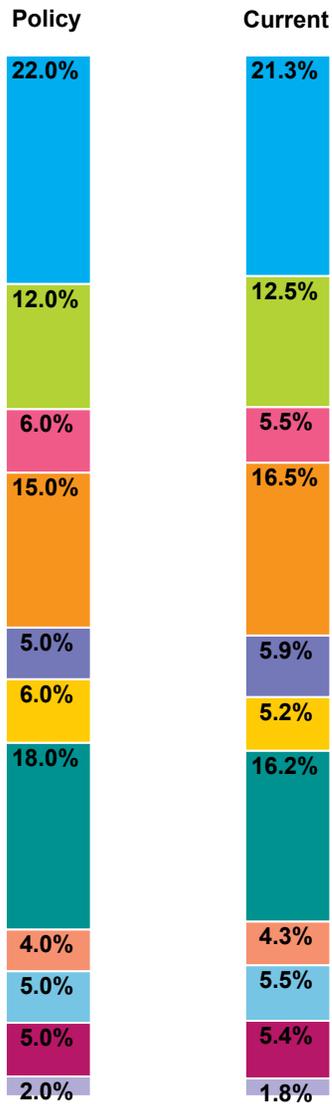
- Brandywine returned 0.1% through January, mirroring the Bloomberg US Aggregate Index return.
- Wellington Core Bond returned 0.3%, outpacing the Bloomberg US Aggregate Index return of 0.1%.
- Payden & Rygel Low Duration returned 0.3%, outpacing the Bloomberg US Treasury 1-3 Year Index return of 0.2%.

**Opportunistic Credit**

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

## **Performance Update as of January 31, 2026**

Total Fund | As of January 31, 2026



Allocation vs. Targets and Policy						
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
US Equity	306,657,030	21.3	22.0	-0.7	16.0 - 27.0	Yes
Developed International Equity	180,094,092	12.5	12.0	0.5	7.0 - 17.0	Yes
Emerging Markets Equity	78,855,853	5.5	6.0	-0.5	3.0 - 9.0	Yes
Private Equity	238,308,514	16.5	15.0	1.5	5.0 - 20.0	Yes
Direct Lending	85,493,054	5.9	5.0	0.9	0.0 - 10.0	Yes
Real Estate	75,003,109	5.2	6.0	-0.8	4.0 - 8.0	Yes
US Fixed Income	234,317,684	16.2	18.0	-1.8	13.0 - 23.0	Yes
Opportunistic Credit	61,574,483	4.3	4.0	0.3	2.0 - 6.0	Yes
Hedge Funds	78,620,664	5.5	5.0	0.5	2.5 - 7.5	Yes
Real Assets	77,747,349	5.4	5.0	0.4	3.0 - 7.0	Yes
Cash	25,621,544	1.8	2.0	-0.2	0.0 - 4.0	Yes
<b>Total</b>	<b>1,442,293,376</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		

## Trailing Net Performance | As of January 31, 2026

Asset Class Performance Summary									
	Market Value (\$)	% of Portfolio	1 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund</b>	1,442,293,376	100.0	1.2	12.6	11.1	7.9	9.5	8.3	Jan-95
<i>Policy Index</i>			2.5	18.0	13.5	9.7	10.2	6.9	
<b>Total Fund w/o Alternatives</b>	861,499,142	59.7	1.8	14.9	14.0	7.4	10.1	--	Jan-08
<i>Policy Index w/o AI</i>			2.8	18.7	13.6	7.6	9.6	--	
<b>Public Equity</b>	565,606,976	39.2	2.6	18.9	17.7	9.8	--	11.5	Apr-18
<i>MSCI AC World IMI Index (Net)</i>			3.3	22.1	18.4	11.5	12.5	11.2	
<b>US Equity</b>	306,657,030	21.3	1.4	13.4	18.9	12.8	14.8	10.9	Jan-95
<i>Russell 3000</i>			1.6	15.3	20.2	13.6	15.1	11.0	
<b>International Equity</b>	258,949,946	18.0	4.0	26.0	16.1	6.2	10.8	6.6	Jan-99
<i>Primary Blended International Equity Benchmark</i>			6.0	35.1	16.6	8.4	10.0	6.3	
<i>Secondary Blended International Equity Benchmark</i>			5.5	32.0	15.7	7.9	9.8	6.2	
<b>Emerging Markets Equity</b>	78,855,853	5.5	1.4	14.7	14.5	-0.3	11.6	6.6	May-12
<i>MSCI EM</i>			8.9	42.8	16.7	5.3	10.2	5.7	
<b>US Fixed Income</b>	234,317,684	16.2	0.2	6.8	3.8	-0.3	2.1	4.4	Jan-95
<i>US Fixed Income Custom Benchmark</i>			0.1	6.7	3.7	0.0	2.2	4.6	
<b>Opportunistic Credit</b>	61,574,483	4.3	0.6	7.7	9.1	6.0	--	6.1	May-19
<i>Custom Blended Opportunistic Credit Benchmark</i>			0.1	6.6	6.1	2.6	--	3.6	
<b>Real Estate</b>	75,003,109	5.2	0.0	1.5	0.2	3.8	4.2	6.0	Dec-10
<i>Custom Blended Real Estate Benchmark</i>			0.0	4.0	-4.8	2.4	3.9	7.0	
<i>CPI +5% (Seasonally Adjusted)</i>			0.6	7.5	7.9	9.7	8.4	7.8	

Data Prior to March 2018 provided by prior consultant.

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

## Trailing Net Performance | As of January 31, 2026

	Market Value (\$)	% of Portfolio	1 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Private Real Estate</b>	<b>75,003,109</b>	<b>5.2</b>	<b>0.0</b>	<b>1.5</b>	<b>-0.8</b>	<b>3.9</b>	<b>4.2</b>	<b>6.0</b>	<b>Dec-10</b>
<i>Custom Blended Real Estate Benchmark</i>			<i>0.0</i>	<i>4.0</i>	<i>-5.4</i>	<i>3.5</i>	<i>4.5</i>	<i>7.4</i>	
<b>Private Equity</b>	<b>238,308,514</b>	<b>16.5</b>	<b>0.0</b>	<b>11.0</b>	<b>8.2</b>	<b>16.3</b>	<b>13.4</b>	<b>10.2</b>	<b>Jul-05</b>
<i>Custom Private Equity Benchmark</i>			<i>2.4</i>	<i>25.8</i>	<i>25.0</i>	<i>19.9</i>	<i>17.5</i>	<i>--</i>	
<b>Direct Lending</b>	<b>85,493,054</b>	<b>5.9</b>	<b>0.0</b>	<b>9.2</b>	<b>10.6</b>	<b>9.7</b>	<b>--</b>	<b>10.1</b>	<b>Jul-20</b>
<i>50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans</i>			<i>0.1</i>	<i>6.3</i>	<i>8.6</i>	<i>5.4</i>	<i>6.3</i>	<i>6.7</i>	
<b>Hedge Funds</b>	<b>78,620,664</b>	<b>5.5</b>	<b>1.8</b>	<b>8.8</b>	<b>7.9</b>	<b>7.4</b>	<b>6.4</b>	<b>5.5</b>	<b>Jul-14</b>
<i>Custom Blended Hedge Funds Benchmark</i>			<i>1.9</i>	<i>11.0</i>	<i>8.5</i>	<i>5.7</i>	<i>5.5</i>	<i>--</i>	
<b>Real Assets</b>	<b>77,747,349</b>	<b>5.4</b>	<b>0.0</b>	<b>13.5</b>	<b>12.9</b>	<b>14.1</b>	<b>10.6</b>	<b>10.2</b>	<b>Dec-10</b>
<i>Custom Blended Real Assets Benchmark</i>			<i>7.7</i>	<i>30.8</i>	<i>11.6</i>	<i>12.9</i>	<i>10.4</i>	<i>--</i>	
<i>CPI +5% (Seasonally Adjusted)</i>			<i>0.6</i>	<i>7.5</i>	<i>7.9</i>	<i>9.7</i>	<i>8.4</i>	<i>7.8</i>	
<b>Private Infrastructure</b>	<b>44,908,510</b>	<b>3.1</b>	<b>0.0</b>	<b>10.5</b>	<b>12.6</b>	<b>12.5</b>	<b>11.7</b>	<b>10.4</b>	<b>Jan-15</b>
<i>S&amp;P Global Infrastructure</i>			<i>5.1</i>	<i>25.9</i>	<i>14.6</i>	<i>12.5</i>	<i>10.1</i>	<i>7.8</i>	
<b>Private Natural Resources</b>	<b>32,838,838</b>	<b>2.3</b>	<b>0.0</b>	<b>18.0</b>	<b>16.7</b>	<b>21.3</b>	<b>16.7</b>	<b>15.9</b>	<b>Oct-15</b>
<i>S&amp;P Global Natural Resources Sector Index (TR)</i>			<i>10.4</i>	<i>35.5</i>	<i>8.3</i>	<i>13.4</i>	<i>13.0</i>	<i>11.8</i>	
<b>Cash</b>	<b>25,621,544</b>	<b>1.8</b>	<b>0.3</b>	<b>4.9</b>	<b>4.5</b>	<b>2.7</b>	<b>--</b>	<b>--</b>	<b>Dec-10</b>

Real Assets includes State Street Real Assets NL Fund.

Trailing Net Performance | As of January 31, 2026

Trailing Period Performance										
	Market Value (\$)	% of Portfolio	1 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
<b>Total Fund</b>	<b>1,442,293,376</b>	<b>100.0</b>	<b>1.2</b>	<b>12.6</b>	<b>11.1</b>	<b>7.9</b>	<b>9.5</b>	<b>8.3</b>	<b>Jan-95</b>	
<i>Policy Index</i>			<i>2.5</i>	<i>18.0</i>	<i>13.5</i>	<i>9.7</i>	<i>10.2</i>	<i>6.9</i>		
<b>Total Fund w/o Alternatives</b>	<b>861,499,142</b>	<b>59.7</b>	<b>1.8</b>	<b>14.9</b>	<b>14.0</b>	<b>7.4</b>	<b>10.1</b>	<b>--</b>	<b>Jan-08</b>	
<i>Policy Index w/o AI</i>			<i>2.8</i>	<i>18.7</i>	<i>13.6</i>	<i>7.6</i>	<i>9.6</i>	<i>--</i>		
<b>Public Equity</b>	<b>565,606,976</b>	<b>39.2</b>	<b>2.6</b>	<b>18.9</b>	<b>17.7</b>	<b>9.8</b>	<b>--</b>	<b>11.5</b>	<b>Apr-18</b>	
<i>MSCI AC World IMI Index (Net)</i>			<i>3.3</i>	<i>22.1</i>	<i>18.4</i>	<i>11.5</i>	<i>12.5</i>	<i>11.2</i>		
<b>US Equity</b>	<b>306,657,030</b>	<b>21.3</b>	<b>1.4</b>	<b>13.4</b>	<b>18.9</b>	<b>12.8</b>	<b>14.8</b>	<b>10.9</b>	<b>Jan-95</b>	
<i>Russell 3000</i>			<i>1.6</i>	<i>15.3</i>	<i>20.2</i>	<i>13.6</i>	<i>15.1</i>	<i>11.0</i>		
BNY Mellon Newton Dynamic US Equity	68,230,258	4.7	1.3	15.7	19.6	13.5	15.9	16.1	Jan-13	
<i>S&amp;P 500 Index</i>			<i>1.5</i>	<i>16.3</i>	<i>21.1</i>	<i>15.0</i>	<i>15.6</i>	<i>14.9</i>		
BNY Mellon Large Cap	218,510,146	15.2	1.4	15.3	20.7	14.1	--	14.9	Apr-16	
<i>Russell 1000 Index</i>			<i>1.4</i>	<i>15.3</i>	<i>20.7</i>	<i>14.1</i>	<i>15.4</i>	<i>14.9</i>		
Champlain Small Cap	19,916,625	1.4	1.0	-7.1	4.8	1.8	--	6.5	Nov-20	
<i>Russell 2000 Index</i>			<i>5.4</i>	<i>15.8</i>	<i>12.2</i>	<i>6.2</i>	<i>11.2</i>	<i>12.1</i>		

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

## Trailing Net Performance | As of January 31, 2026

	Market Value (\$)	% of Portfolio	1 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>International Equity</b>	<b>258,949,946</b>	<b>18.0</b>	<b>4.0</b>	<b>26.0</b>	<b>16.1</b>	<b>6.2</b>	<b>10.8</b>	<b>6.6</b>	<b>Jan-99</b>
<i>Primary Blended International Equity Benchmark</i>			6.0	35.1	16.6	8.4	10.0	6.3	
<i>Secondary Blended International Equity Benchmark</i>			5.5	32.0	15.7	7.9	9.8	5.5	
Acadian ACWI ex U.S. Small Cap Equity	22,299,265	1.5	6.7	36.6	18.2	12.6	--	13.3	May-19
<i>MSCI AC World ex USA Small Cap (Net)</i>			6.4	35.8	15.3	8.3	9.7	9.5	
Driehaus International Small Cap Growth	21,129,444	1.5	4.5	33.8	14.3	6.4	--	10.9	May-19
<i>MSCI AC World ex USA Small Growth Index (Net)</i>			6.5	32.5	13.8	5.4	9.0	8.7	
GQG International Equity	64,472,086	4.5	3.8	19.5	15.6	10.1	--	10.6	Dec-19
<i>MSCI AC World ex USA (Net)</i>			6.0	34.9	16.6	9.1	9.8	9.9	
First Eagle International Value Fund	72,193,297	5.0	6.4	41.0	17.5	11.1	--	10.1	Dec-19
<i>MSCI EAFE (Net)</i>			5.2	31.2	16.2	10.3	9.6	10.0	
<i>MSCI AC World ex USA Value (Net)</i>			6.4	43.0	19.7	13.3	10.3	11.3	
<b>Emerging Markets Equity</b>	<b>78,855,853</b>	<b>5.5</b>	<b>1.4</b>	<b>14.7</b>	<b>14.5</b>	<b>-0.3</b>	<b>11.6</b>	<b>6.6</b>	<b>May-12</b>
<i>MSCI EM</i>			8.9	42.8	16.7	5.3	10.2	5.7	
Artisan Developing World TR	50,504,084	3.5	-3.5	-0.4	14.2	-2.2	--	8.7	Dec-19
<i>MSCI Emerging Markets (Net)</i>			8.9	42.8	16.7	5.3	10.1	9.0	
RWC	28,351,770	2.0	11.4	54.2	13.9	3.5	--	8.0	Dec-19
<i>MSCI Emerging Markets (Net)</i>			8.9	42.8	16.7	5.3	10.1	9.0	

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 January 31, 2026

	Market Value (\$)	% of Portfolio	1 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>US Fixed Income</b>	<b>234,317,684</b>	<b>16.2</b>	<b>0.2</b>	<b>6.8</b>	<b>3.8</b>	<b>-0.3</b>	<b>2.1</b>	<b>4.4</b>	<b>Jan-95</b>
<i>US Fixed Income Custom Benchmark</i>			<i>0.1</i>	<i>6.7</i>	<i>3.7</i>	<i>0.0</i>	<i>2.2</i>	<i>4.6</i>	
Vanguard Total Bond Market Index Fund <i>Blmbg. U.S. Aggregate Index</i>	32,471,189	2.3	0.2 <i>0.1</i>	6.7 <i>6.8</i>	3.7 <i>3.6</i>	-0.2 <i>-0.2</i>	-- <i>1.9</i>	1.7 <i>1.6</i>	May-19
Payden & Rygel Low Duration Fund <i>Blmbg. U.S. Treasury: 1-3 Year</i>	22,954,417	1.6	0.3 <i>0.2</i>	5.5 <i>4.9</i>	5.2 <i>4.3</i>	-- <i>1.8</i>	-- <i>1.8</i>	5.5 <i>4.5</i>	Nov-22
Brandywine US Fixed Income <i>Blmbg. U.S. Aggregate Index</i>	67,917,078	4.7	0.1 <i>0.1</i>	6.8 <i>6.8</i>	3.0 <i>3.6</i>	-- <i>-0.2</i>	-- <i>1.9</i>	3.4 <i>5.3</i>	Nov-22
Wellington Core Bond <i>Blmbg. U.S. Aggregate Index</i>	110,974,999	7.7	0.3 <i>0.1</i>	7.0 <i>6.8</i>	3.8 <i>3.6</i>	-- <i>-0.2</i>	-- <i>1.9</i>	5.3 <i>5.3</i>	Nov-22
<b>Opportunistic Credit</b>	<b>61,574,483</b>	<b>4.3</b>	<b>0.6</b>	<b>7.7</b>	<b>9.1</b>	<b>6.0</b>	<b>--</b>	<b>6.1</b>	<b>May-19</b>
<i>Custom Blended Opportunistic Credit Benchmark</i>			<i>0.1</i>	<i>6.6</i>	<i>6.1</i>	<i>2.6</i>	<i>--</i>	<i>3.6</i>	
PIMCO Income Fund <i>Blmbg. U.S. Aggregate Index</i>	5,764,657	0.4	0.6 <i>0.1</i>	10.4 <i>6.8</i>	7.6 <i>3.6</i>	3.9 <i>-0.2</i>	-- <i>1.9</i>	4.4 <i>1.6</i>	May-19
GoldenTree Multi-Sector Credit <i>50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans</i>	31,037,692	2.2	0.5 <i>0.1</i>	7.3 <i>6.3</i>	9.7 <i>8.6</i>	6.3 <i>5.4</i>	-- <i>6.3</i>	6.5 <i>5.6</i>	Jun-19
OWS Credit Opportunity Fund LP <i>50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans</i>	24,772,134	1.7	0.8 <i>0.1</i>	7.4 <i>6.3</i>	-- <i>8.6</i>	-- <i>5.4</i>	-- <i>6.3</i>	8.8 <i>9.1</i>	Oct-23

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

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

## Trailing Net Performance | As of January 31, 2026

	Market Value (\$)	% of Portfolio	1 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Private Real Estate</b>	<b>75,003,109</b>	<b>5.2</b>	<b>0.0</b>	<b>1.5</b>	<b>-0.8</b>	<b>3.9</b>	<b>4.2</b>	<b>6.0</b>	<b>Dec-10</b>
<i>Custom Blended Real Estate Benchmark</i>			<i>0.0</i>	<i>4.0</i>	<i>-5.4</i>	<i>3.5</i>	<i>4.5</i>	<i>7.4</i>	
<b>Private Equity</b>	<b>238,308,514</b>	<b>16.5</b>	<b>0.0</b>	<b>11.0</b>	<b>8.2</b>	<b>16.3</b>	<b>13.4</b>	<b>10.2</b>	<b>Jul-05</b>
<i>Custom Private Equity Benchmark</i>			<i>2.4</i>	<i>25.8</i>	<i>25.0</i>	<i>19.9</i>	<i>17.5</i>	<i>--</i>	
<b>Direct Lending</b>	<b>85,493,054</b>	<b>5.9</b>	<b>0.0</b>	<b>9.2</b>	<b>10.6</b>	<b>9.7</b>	<b>--</b>	<b>10.1</b>	<b>Jul-20</b>
<i>Morningstar LSTA Leveraged Loans +2%</i>			<i>-0.1</i>	<i>6.9</i>	<i>10.4</i>	<i>8.2</i>	<i>8.0</i>	<i>9.3</i>	
<b>Hedge Funds</b>	<b>78,620,664</b>	<b>5.5</b>	<b>1.8</b>	<b>8.8</b>	<b>7.9</b>	<b>7.4</b>	<b>6.4</b>	<b>5.5</b>	<b>Jul-14</b>
<i>Custom Blended Hedge Funds Benchmark</i>			<i>1.9</i>	<i>11.0</i>	<i>8.5</i>	<i>5.7</i>	<i>5.5</i>	<i>--</i>	
<b>Private Infrastructure</b>	<b>44,908,510</b>	<b>3.1</b>	<b>0.0</b>	<b>10.5</b>	<b>12.6</b>	<b>12.5</b>	<b>11.7</b>	<b>10.4</b>	<b>Jan-15</b>
<i>S&amp;P Global Infrastructure</i>			<i>5.1</i>	<i>25.9</i>	<i>14.6</i>	<i>12.5</i>	<i>10.1</i>	<i>7.8</i>	
<b>Private Natural Resources</b>	<b>32,838,838</b>	<b>2.3</b>	<b>0.0</b>	<b>18.0</b>	<b>16.7</b>	<b>21.3</b>	<b>16.7</b>	<b>15.9</b>	<b>Oct-15</b>
<i>S&amp;P Global Natural Resources Sector Index (TR)</i>			<i>10.4</i>	<i>35.5</i>	<i>8.3</i>	<i>13.4</i>	<i>13.0</i>	<i>11.8</i>	
<b>Cash</b>	<b>25,621,544</b>	<b>1.8</b>	<b>0.3</b>	<b>4.9</b>	<b>4.5</b>	<b>2.7</b>	<b>--</b>	<b>--</b>	<b>Dec-10</b>
Cash	23,129,889	1.6	0.3	4.3	4.7	2.8	2.0	-0.5	Dec-10
Treasury Cash	2,491,655	0.2	0.0	21.8	6.8	4.0	--	2.4	Sep-17

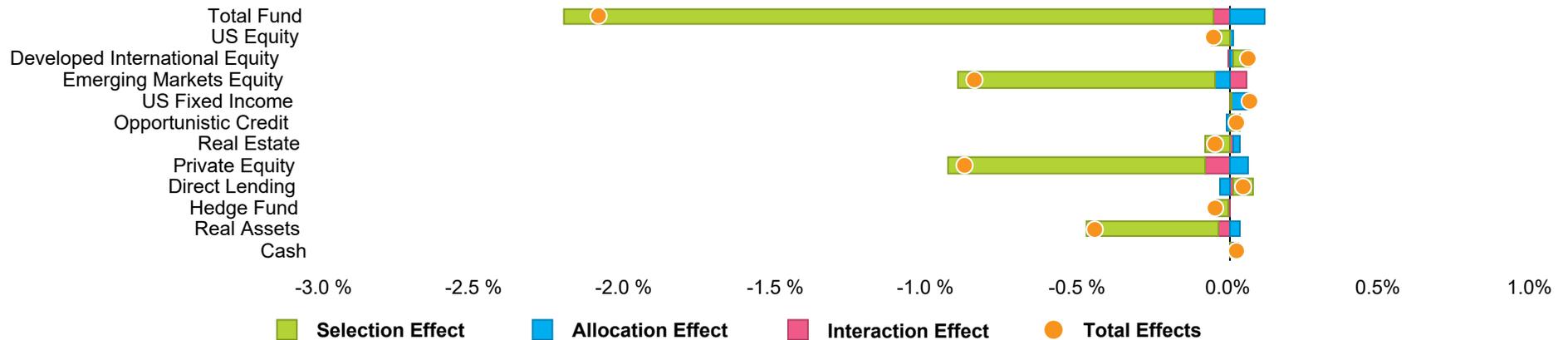
All private markets performance and market values reflect a 09/30/25 capital account balance (as of 12/31/2025) unless otherwise noted.

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

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

#### Attribution Effects

3 Months Ending January 31, 2026

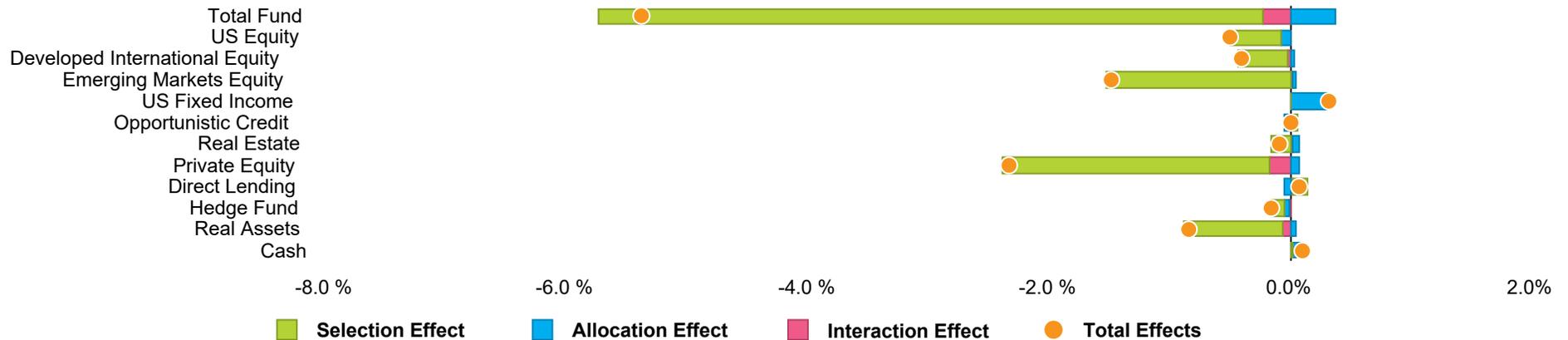


#### Attribution Summary

3 Months Ending January 31, 2026

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	1.5	1.8	-0.3	-0.1	0.0	0.0	-0.1
Developed International Equity	9.7	9.2	0.5	0.1	0.0	0.0	0.1
Emerging Markets Equity	-4.5	9.4	-13.9	-0.9	-0.1	0.1	-0.8
US Fixed Income	0.6	0.6	0.0	0.0	0.1	0.0	0.1
Opportunistic Credit	1.7	1.0	0.7	0.0	0.0	0.0	0.0
Real Estate	-0.6	0.7	-1.4	-0.1	0.0	0.0	-0.1
Private Equity	3.4	9.3	-5.8	-0.9	0.1	-0.1	-0.9
Direct Lending	2.5	1.2	1.3	0.1	0.0	0.0	0.1
Hedge Fund	2.8	3.6	-0.8	0.0	0.0	0.0	0.0
Real Assets	4.2	13.2	-9.1	-0.4	0.0	0.0	-0.4
Cash	1.2	0.9	0.3	0.0	0.0	0.0	0.0
<b>Total Fund</b>	<b>2.4</b>	<b>4.5</b>	<b>-2.1</b>	<b>-2.2</b>	<b>0.1</b>	<b>-0.1</b>	<b>-2.1</b>

#### Attribution Effects 1 Year Ending January 31, 2026



#### Attribution Summary 1 Year Ending January 31, 2026

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	13.4	15.3	-1.9	-0.4	-0.1	0.0	-0.5
Developed International Equity	31.5	35.4	-3.8	-0.4	0.0	0.0	-0.4
Emerging Markets Equity	14.7	42.8	-28.1	-1.5	0.0	0.0	-1.5
US Fixed Income	6.8	6.7	0.0	0.0	0.3	0.0	0.3
Opportunistic Credit	7.7	6.6	1.1	0.0	-0.1	0.0	0.0
Real Estate	1.5	4.0	-2.6	-0.2	0.1	0.0	-0.1
Private Equity	11.0	25.8	-14.8	-2.2	0.1	-0.2	-2.3
Direct Lending	9.2	6.9	2.3	0.1	-0.1	0.0	0.1
Hedge Fund	8.8	11.0	-2.2	-0.1	0.0	0.0	-0.2
Real Assets	13.5	30.8	-17.2	-0.8	0.0	-0.1	-0.8
Cash	4.9	4.2	0.7	0.0	0.1	0.0	0.1
<b>Total Fund</b>	<b>12.6</b>	<b>18.0</b>	<b>-5.4</b>	<b>-5.5</b>	<b>0.4</b>	<b>-0.2</b>	<b>-5.4</b>

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

From Date	To Date	Benchmark
<b>US Equity</b>		
01/01/2020	Present	100.0% Russell 3000 Index
12/01/1994	12/31/2019	100.0% Russell 3000
<b>International Equity</b>		
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
<b>US Fixed Income</b>		
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
<b>Hedge Funds</b>		
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
<b>Real Assets</b>		
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
<b>Private Real Estate</b>		
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)
<b>Private Equity</b>		
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
<b>Opportunistic Credit</b>		
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 (\$)
<b>Total Fund</b>		<b>1,442,293,376</b>		
<b>Total Fund w/o Alternatives</b>		<b>861,499,142</b>		
<b>Public Equity</b>		<b>565,606,976</b>		
<b>US Equity</b>		<b>306,657,030</b>		
BNY Mellon Newton Dynamic US Equity	0.30 % of Assets	68,230,258	0.30	204,691
BNY Mellon Large Cap	0.04 % of First \$100 M 0.02 % Thereafter	218,510,146	0.03	63,702
Champlain Small Cap	1.00 % of Assets	19,916,625	1.00	199,166
<b>International Equity</b>		<b>258,949,946</b>		
Acadian ACWI ex U.S. Small Cap Equity	0.85 % of First \$50 M 0.75 % Thereafter	22,299,265	0.85	189,544
Driehaus International Small Cap Growth	0.90 % of Assets	21,129,444	0.90	190,165
GQG International Equity	0.50 % of Assets	64,472,086	0.50	322,360
First Eagle International Value Fund	0.79 % of Assets	72,193,297	0.79	570,327
<b>Emerging Markets Equity</b>		<b>78,855,853</b>		
Artisan Developing World TR	1.05 % of Assets	50,504,084	1.05	530,293
RWC	0.87 % of Assets	28,351,770	0.87	246,660
<b>MCERA US FIXED+OPP CREDIT</b>		<b>295,892,166</b>		
<b>US Fixed Income</b>		<b>234,317,684</b>		
Vanguard Total Bond Market Index Fund	0.03 % of Assets	32,471,189	0.03	8,118
Payden & Rygel Low Duration Fund	0.43 % of Assets	22,954,417	0.43	130,840
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	67,917,078	0.27	184,418
Wellington Core Bond	0.12 % of Assets	110,974,999	0.12	133,170
<b>Opportunistic Credit</b>		<b>61,574,483</b>		
PIMCO Income Fund	0.51 % of Assets	5,764,657	0.51	31,129
GoldenTree Multi-Sector Credit	0.70 % of Assets	31,037,692	0.70	217,264
OWS Credit Opportunity Fund LP		24,772,134	-	-

Fee Schedule | As of January 31, 2026

	Fee Schedule	Market Value (\$)	Estimated Annual Fee (%)	Estimated Expense (\$)
<b>Hedge Funds</b>		<b>78,620,664</b>		
Silver Point Capital	Performance Based 1.50 % and 20.00 %	15,976,497	1.50	239,647
Marshall Wace Eureka	Performance Based 2.00 % and 20.00 %	5,917,298	2.00	118,346
Marshall Wace Global Opportunities	Performance Based 2.00 % and 20.00 %	6,576,184	2.00	131,524
Taconic Opportunity Fund	Performance Based 1.40 % and 20.00 %	1,028,498	1.40	14,399
Silver Point Capital	Performance Based 1.50 % and 20.00 %	15,976,497	1.50	239,647
Graham Absolute Return	Performance Based 1.75 % and 20.00 %	5,597,075	1.75	97,949
Laurion Capital	Performance Based 2.00 % and 20.00 %	8,421,938	2.00	168,439
Wellington Global Equity Long/Short Fund	Performance Based 1.00 % and 20.00 %	11,176,417	1.00	111,764
<b>Cash</b>		<b>25,621,544</b>		
Cash		23,129,889	-	-
Treasury Cash		2,491,655	-	-

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Merced County Employees' Retirement Association

February 26, 2026

Q4 Performance Update

- 1. Economic and Market Update as of December 31, 2025**
- 2. Q4 Executive Summary**
- 3. Manager Monitoring / Probation Status**
- 4. Q4 Performance Update**
- 5. Appendix**
  - Supplemental Performance and Manager Watch Pages
- 6. Disclaimer, Glossary, and Notes**

# **Economic and Market Update**

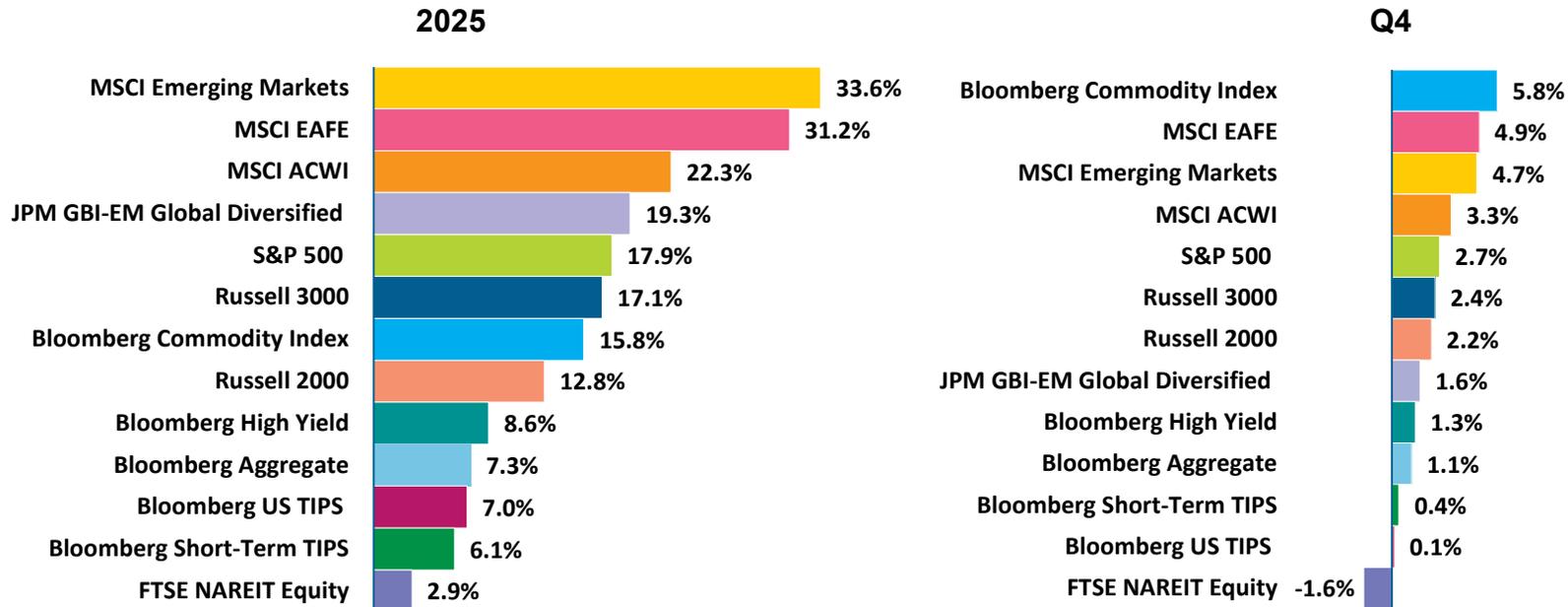
## Data as of December 31, 2025

## Commentary

**Despite considerable policy and trade uncertainty, most major markets posted positive returns in the fourth quarter and for the year, with non-US equities leading the way.**

- In the fourth quarter US equities (Russell 3000) returned 2.4% bringing the full year results to 17.1%. Value outperformed growth for the quarter as market sentiment turned cautious given valuations in the AI related tech sector.
- Non-US equities outperformed US stocks in the fourth quarter and for the year, supported by attractive valuations, a rotation out of US tech stocks, a weaker US dollar, and defense and infrastructure spending.
  - Non-US developed stocks (MSCI EAFE) rose 4.9% in the fourth quarter and 31.2% in 2025.
  - Emerging markets (MSCI Emerging Markets) gained 4.7% for the quarter and led the way in 2025 returning 33.6%. Although Chinese stocks declined in the fourth quarter (MSCI China: -7.8%), the broad emerging market group rallied, supported by strong returns in South Korea and Taiwan.
- Most major bond markets finished the fourth quarter in positive territory with strong overall results for the year, particularly for riskier bonds. In the fourth quarter the broad US bond market (Bloomberg Aggregate) returned 1.1%, while cooling inflation led to lower returns for TIPS (+0.1%) and short-term TIPS (+0.4%). High yield and emerging market debt led the way, returning 1.3% and 1.6%, respectively.
- The government reopened in mid-November but the longest shutdown on record likely had a meaningful short-term impact on the economy, while delayed and, in some cases, skipped economic data releases increased uncertainty for policymakers and financial markets.
- Key questions going forward include how the Fed will manage interest rates given competing pressures on its dual mandate of inflation and employment, will the impact of tariffs on inflation grow, can earnings growth remain resilient in the US, will the significant investment in the AI infrastructure buildout pay off, and how will China's economy and relations with the US track.

### Index Returns<sup>1</sup>



- In the fourth quarter, except for REITs, markets delivered positive returns. Non-US developed and emerging market stocks outperformed US stocks while bond markets benefited from stable inflation and lower interest rates. Commodities were the top performer given the significant run in precious and industrial metals.
- In 2025, all asset classes rose, with international equities leading the way. Key drivers of the strong performance last year include resilient earnings, AI optimism, a weaker US dollar, and expectations for lower interest rates.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2025.

### Domestic Equity Returns<sup>1</sup>

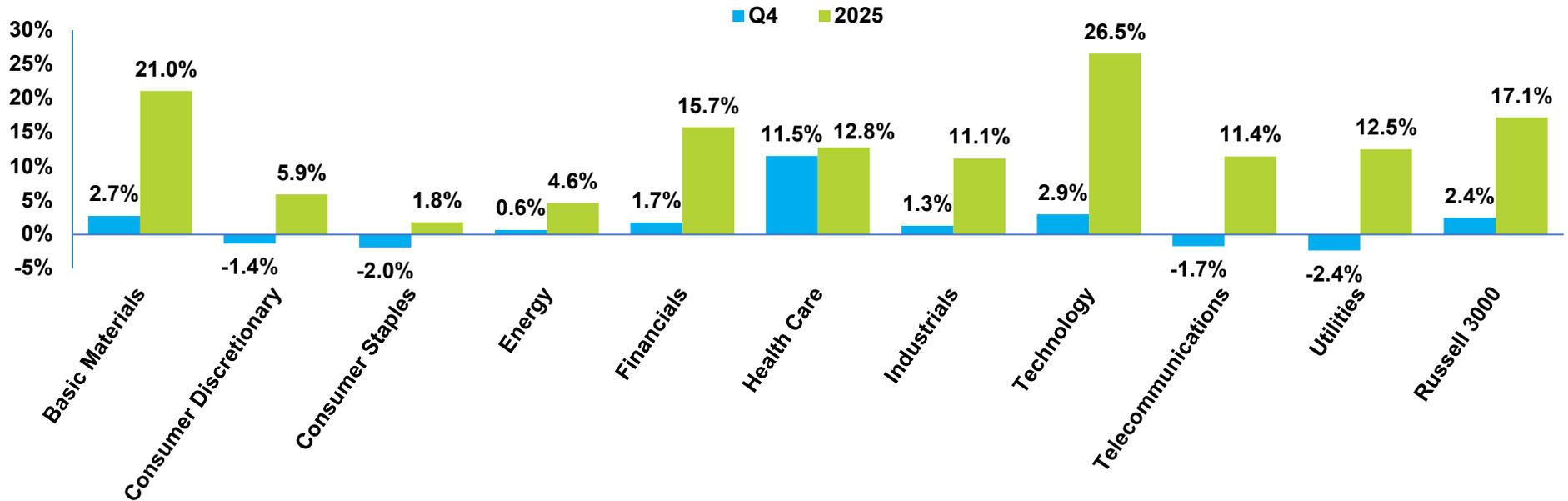
Domestic Equity	December (%)	Q4 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	0.1	2.7	17.9	23.0	14.4	14.8
Russell 3000	0.0	2.4	17.1	22.2	13.1	14.3
Russell 1000	0.0	2.4	17.4	22.7	13.6	14.6
Russell 1000 Growth	-0.6	1.1	18.6	31.1	15.3	18.1
Russell 1000 Value	0.7	3.8	15.9	13.9	11.3	10.5
Russell MidCap	-0.3	0.2	10.6	14.3	8.7	11.0
Russell MidCap Growth	-1.3	-3.7	8.7	18.6	6.6	12.5
Russell MidCap Value	0.1	1.4	11.0	12.3	9.8	9.8
Russell 2000	-0.6	2.2	12.8	13.7	6.1	9.6
Russell 2000 Growth	-1.3	1.2	13.0	15.6	3.2	9.6
Russell 2000 Value	0.2	3.3	12.6	11.7	8.9	9.3

#### US Equities: The Russell 3000 index returned 2.4% in the fourth quarter and 17.1% in 2025.

- The gains in Q4 were driven mainly by a double-digit rebound in health care stocks. For the full calendar year, roughly half the 17.1% return came from the “Magnificent 7” stocks. Besides enthusiasm for the AI trade, the Fed starting to cut interest rates, an overall resilient economy, and strong earnings all helped US equity markets have another double-digit return year.
- Growth stocks trailed value for the quarter given concerns over valuations for AI-related companies and a shift in sentiment toward more “reasonably” priced economically sensitive areas.
- Large (Russell 1000) and small (Russell 2000) cap stocks had similar returns for the quarter, but large cap outperformed by close to 5.0% for the full year. The 2025 outperformance was mostly driven by the “Magnificent 7” stocks. Large cap banks also contributed to this divergence in performance. While small cap stocks rose nearly 13% for the full year, unprofitable stocks rose nearly twice as much as profitable stocks.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2025.

### Russell 3000 Sector Returns<sup>1</sup>



- For the quarter, sector results were mixed with seven sectors increasing and four declining.
- Health care stocks (+11.5%) significantly outperformed other sectors in the fourth quarter. Eli Lilly rose over 40% during the quarter as investors expressed enthusiasm for its lead in the GLP-1 market. The technology and materials sectors both returned over 2.0%, given AI momentum and strength in metals/mining, respectively. More defensive sectors like utilities and consumer staples trailed in Q4.
- For the full year, technology led the way, driven by the “Magnificent 7” stocks, plus Broadcom. Materials also rose over 20% in 2025, given easing trade tensions and stronger demand for industrial and energy transition metals.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2025.

### Foreign Equity Returns<sup>1</sup>

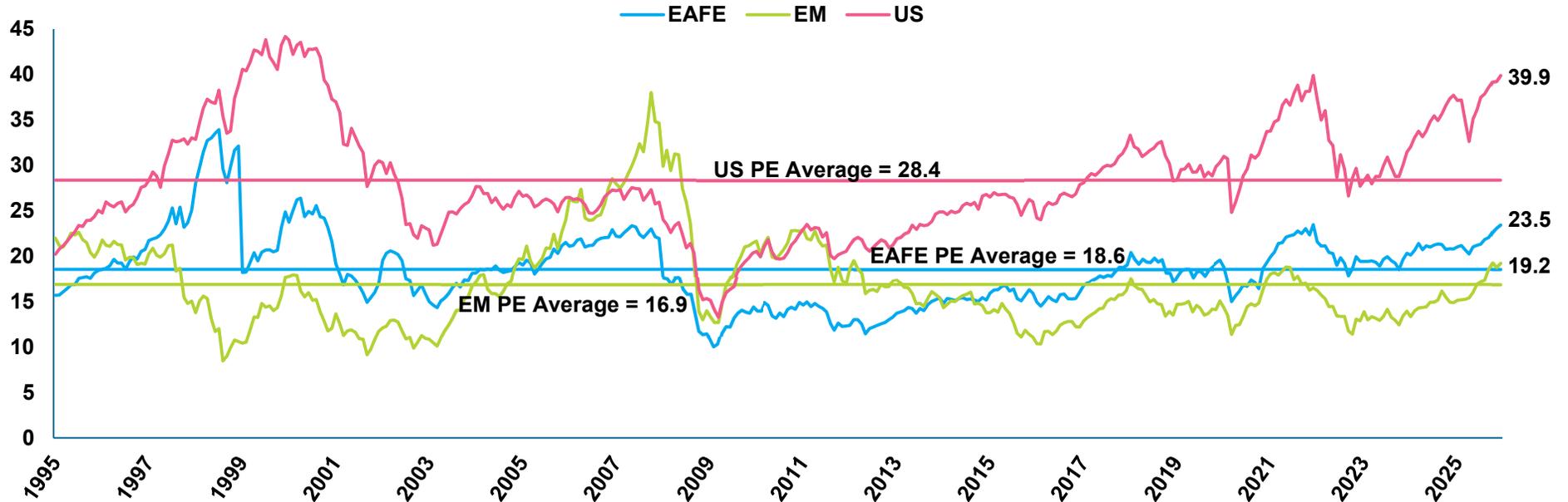
Foreign Equity	December (%)	Q4 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	3.0	5.1	32.4	17.3	7.9	8.4
MSCI EAFE	3.0	4.9	31.2	17.2	8.9	8.2
MSCI EAFE (Local Currency)	2.1	6.1	20.6	15.9	11.5	8.6
MSCI EAFE Small Cap	2.3	2.7	31.8	14.9	5.6	7.5
MSCI Emerging Markets	3.0	4.7	33.6	16.4	4.2	8.4
MSCI Emerging Markets (Local Currency)	2.6	5.6	31.3	17.7	6.6	9.5
MSCI EM ex China	4.7	10.2	34.6	18.7	8.2	9.9
MSCI China	-1.2	-7.4	31.2	11.6	-3.2	5.5

**Foreign Equity: Developed international equities (MSCI EAFE) returned 4.9% in the fourth quarter and 31.2% in 2025. Emerging markets equities rose 4.7% in the fourth quarter, returning 33.6% for the full year.**

- Developed markets posted solid gains in the fourth quarter, outperforming US equities. Eurozone performance was broad-based with financials, health care, and utilities leading. The UK saw similarly strong performance led by financials. Japanese equities rose significantly, with AI investment generating enthusiasm, yen weakness boosting exporters, and the newly elected government announcing stimulus measures.
- Emerging market stocks had strong fourth quarter performance, also benefitting from AI themes and central bank easing. Korea and Taiwan saw solid gains, driven by record-high profits in the tech sector, particularly among semiconductor companies. India rose modestly, benefitting from easing inflation and strong exports, despite steep US tariffs. China fell over the quarter amid lackluster economic data, weak domestic consumption, and slowing US exports.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2025.

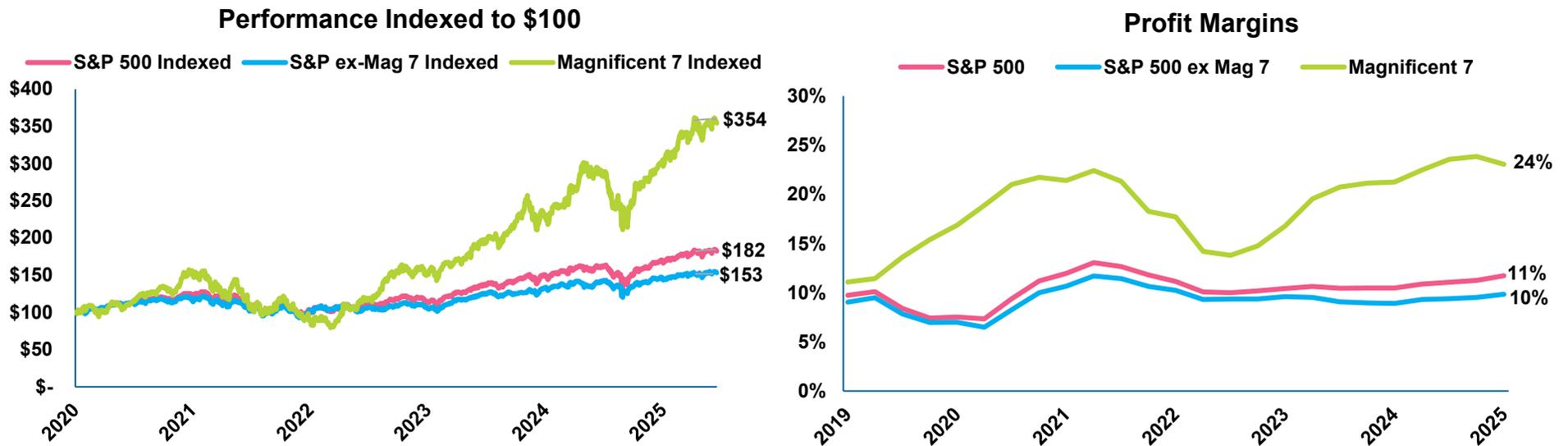
### Equity Cyclically Adjusted P/E Ratios<sup>1</sup>



- Cyclically adjusted US stock valuations finished the year just shy of 40, a level slightly above the post-pandemic peak. AI-related optimism has been a key driver pushing valuations higher since the April lows.
- Given strong results this year in non-US developed stocks, valuations moved further above their long-run P/E ratio (23.5 versus 18.6).
- As emerging market stocks led the way in 2025, their valuations are now also trading at levels above their long-run average (19.2 versus 16.9).

<sup>1</sup> US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E Source: Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of December 2025. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end, respectively.

### Performance and Profit Margins: S&P 500 and “Magnificent 7”<sup>1</sup>



- Despite an over 25% decline to start last year, the so-called “Magnificent 7” AI-related technology stocks continued to drive market results, gaining close to 25% for 2025. Since 2020, these stocks increased roughly 3.5x while the other members of the S&P 500 increased about 1.5x.
- The relatively strong performance of the “Magnificent 7” has led to them currently comprising roughly a third of the entire S&P 500 index by market-capitalization, making their performance going forward key to overall market results.
- Profit margins have been relatively strong for these companies, with the latest readings more than double the broad market (24% versus 11%).

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2025, for index prices and September 30, 2025, for profit margins.

### Fixed Income Returns<sup>1</sup>

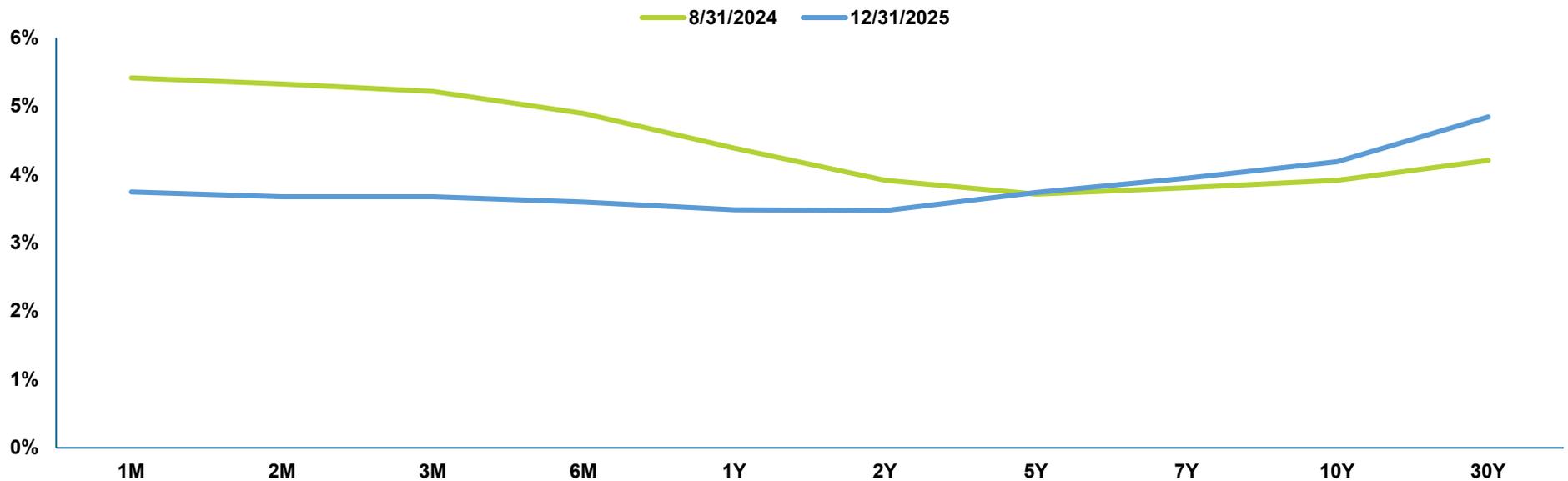
Fixed Income	December (%)	QTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-0.1	1.2	7.6	5.2	0.1	2.4	4.5	5.8
Bloomberg Aggregate	-0.1	1.1	7.3	4.7	-0.4	2.0	4.3	6.0
Bloomberg US TIPS	-0.4	0.1	7.0	4.2	1.1	3.1	4.0	6.5
Bloomberg Short-term TIPS	0.1	0.4	6.1	5.1	3.5	3.2	3.6	2.4
Bloomberg US Long Treasury	-1.1	0.1	5.6	0.6	-7.2	0.0	4.8	14.5
Bloomberg High Yield	0.6	1.3	8.6	10.0	4.5	6.5	6.5	3.0
JPM GBI-EM Global Diversified (USD)	2.2	1.6	19.3	9.5	1.1	3.9	--	--

**Fixed Income: The Bloomberg Universal index rose 1.2% in the fourth quarter, returning 7.6% in 2025.**

- In the fourth quarter falling short-term interest rates and relatively stable credit spreads led to overall gains in the bond market.
- The broad US bond market (Bloomberg Aggregate) rose 1.1% with longer-dated US Treasuries essentially flat. Shorter and longer-dated TIPS gained 0.4% and 0.1%, respectively, as inflation concerns eased modestly.
- As overall risk appetite remained strong, riskier bonds led the way with emerging market debt and US high yield returning 1.6% and 1.3%, respectively. In 2025 emerging market bonds returned an impressive 19.3% given relatively high yields, an earlier start to central bank easing, and generally contained inflation.

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

### US Yield Curve<sup>1</sup>

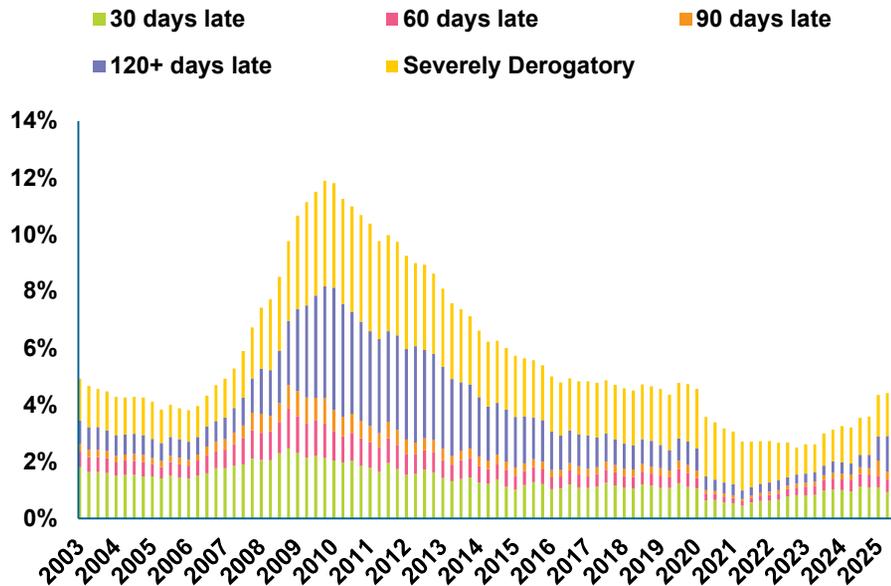


- In the fourth quarter interest rates for shorter maturities fell, while rates for longer-dated maturities stayed stable or rose. These dynamics were driven by expectations for additional interest rate cuts by the Fed and rising term premium, lingering inflation, and fiscal uncertainty.
- The policy-sensitive 2-year nominal Treasury yield fell from 3.61% to 3.48%. The 10-year nominal Treasury yield rose from 4.15% to 4.17%, while the 30-year nominal Treasury yield moved from 4.73% to 4.84%.
- Given these dynamics the yield curve steepened further in the fourth quarter. The spread between a two-year and ten-year Treasury increased from 54 basis points to 70 basis points.

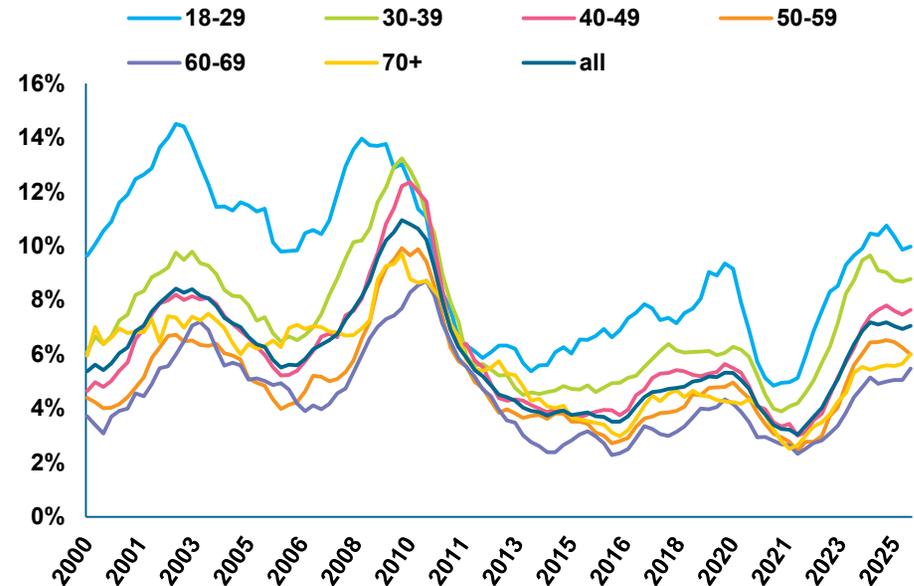
<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2025. The August 2024 Treasury yields are shown as a reference before the first interest rate cut.

### Stress is Building Among US Consumers

Percent of Total Outstanding Credit Card Balance by Delinquency Status<sup>1</sup>



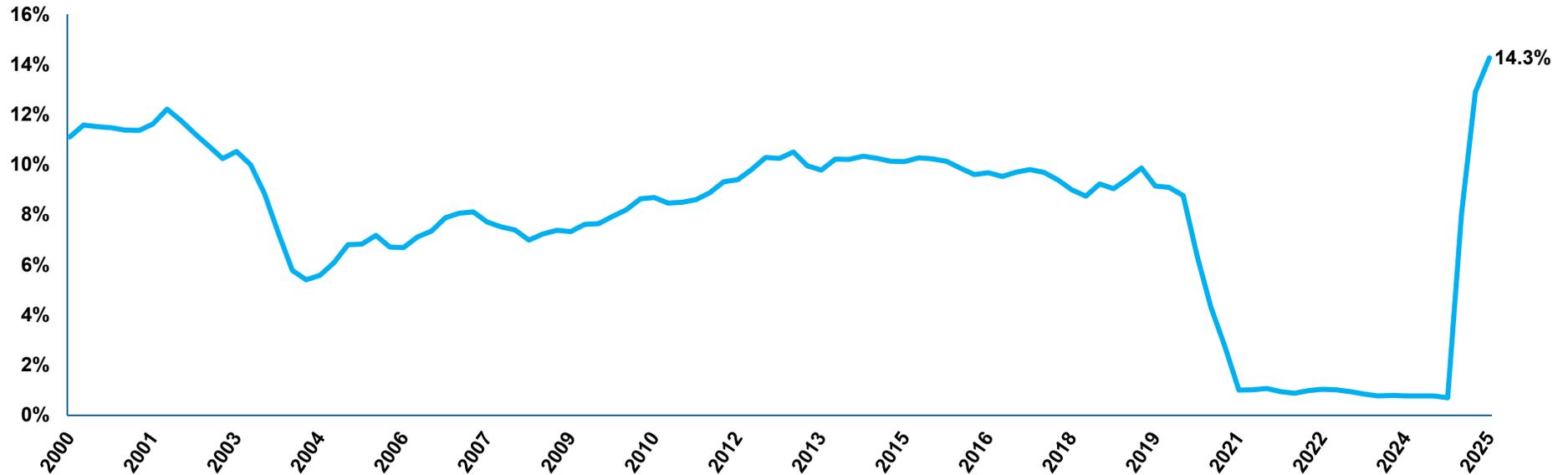
Transition into Serious Delinquency for Credit Cards by Age<sup>1</sup>



- Signs of stress on the US consumer have started to emerge, given persistently higher prices and interest rates.
- After falling to historic lows during the pandemic, loan delinquencies have increased.
- Parts of the credit card market, especially for younger cohorts, have begun to show stress as most borrowers are subject to variable and higher borrowing costs. Total delinquencies are below pre-pandemic levels though.

<sup>1</sup> Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. See also FRED. Data is as of September 30, 2025.

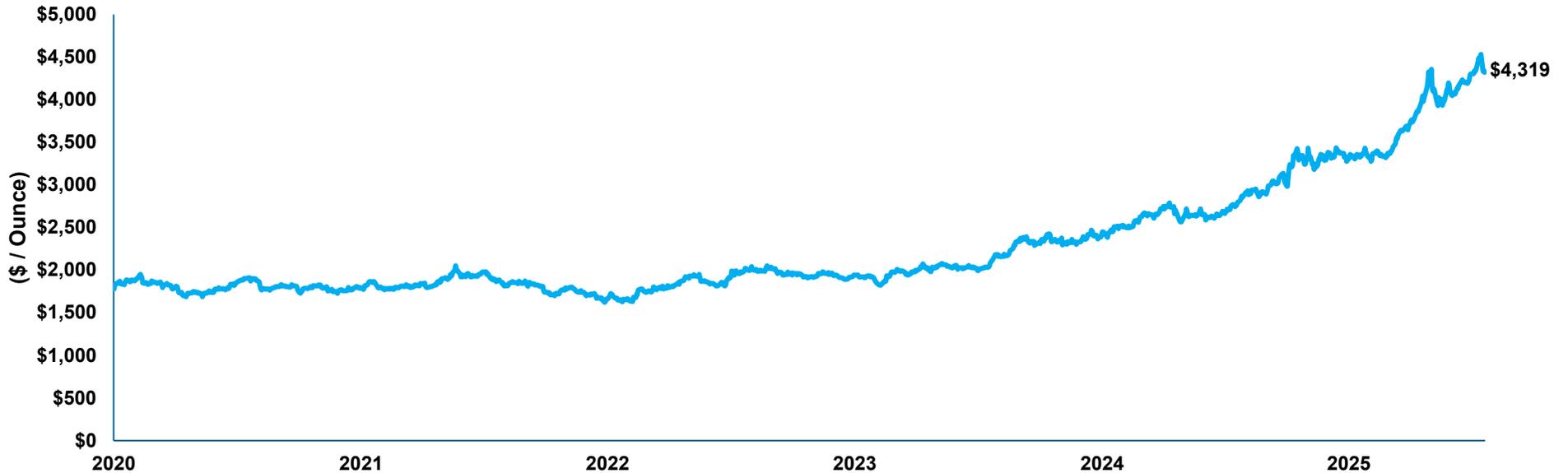
### Transition Into Serious Delinquency (90+ Days) for Student Loans<sup>1</sup>



- The restarting of student loan payments and reporting for those in default could add further pressures to consumers.
- During the pandemic, student loan repayments were suspended with an estimated 43 million borrowers deferring payments.
- Pressures have been growing in the student loan market. Roughly nine million borrowers missed at least one loan payment last year and approximately 14.3% of student debt has moved into seriously delinquent status.

<sup>1</sup> Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. See also FRED. Data is as of September 30, 2025. Percent of student loan holders transitioning in serious default (90-days or more) based on four quarter moving average. Delays in reporting may cause fluctuations.

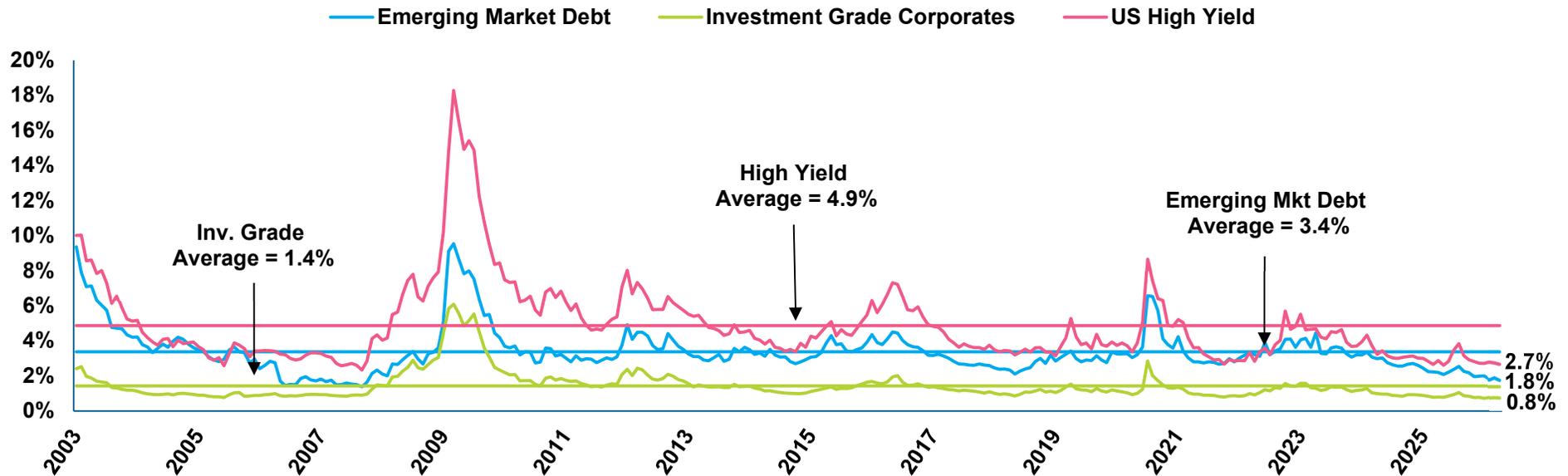
### Gold<sup>1</sup>



- In a year where risk assets did particularly well, gold, which is usually perceived as a safe haven, did even better, gaining close to 65%.
- Key drivers of gold's strong year include central bank demand, a weaker US dollar, inflation concerns, central banks purchasing bullion, and expectations for lower rates.
- In 2025, the price of gold rose from just over \$2,600 an ounce to over \$4,300 an ounce.

<sup>1</sup> Source: Bloomberg as of December 31, 2025. Gold Spot Price is quoted as US Dollars per Troy Ounce.

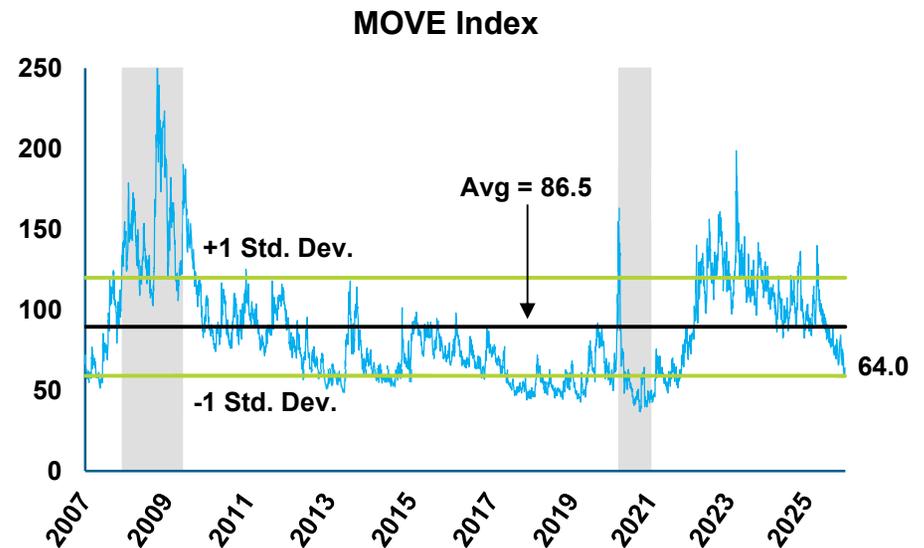
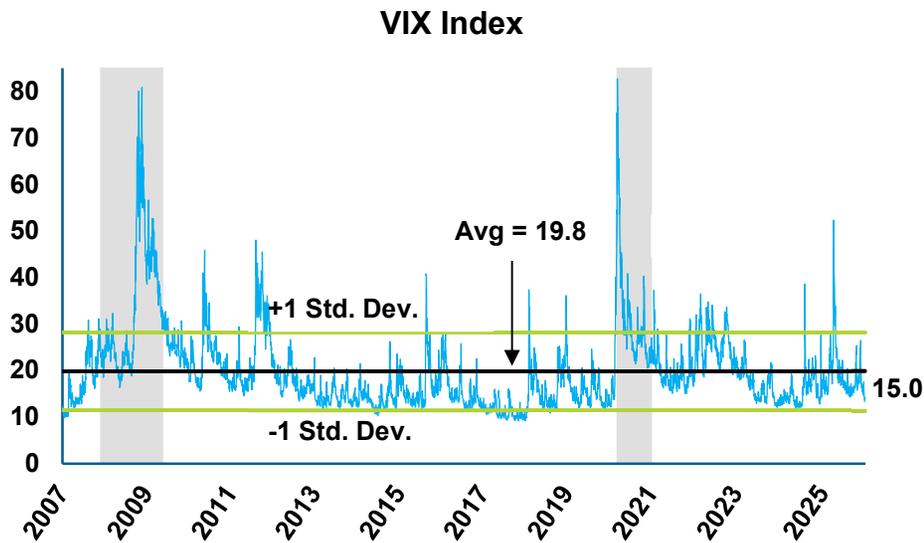
**Credit Spreads vs. US Treasury Bonds<sup>1</sup>**



- Credit spreads (the difference in yield from a comparable maturity Treasury) remained relatively stable over the quarter at historically tight levels. A resilient US economy, strong corporate balance sheets/low default rates, and investor demand for yield have all contributed to tight spreads.
- Investment grade spreads remained below 1.0% in December.
- High yield spreads stayed at 2.7% for the quarter, while emerging market spreads tightened from 2.0% to 1.8%.
- All yield spreads remained well below their respective long-run averages, especially high yield (2.7% versus 4.9%).

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2025. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

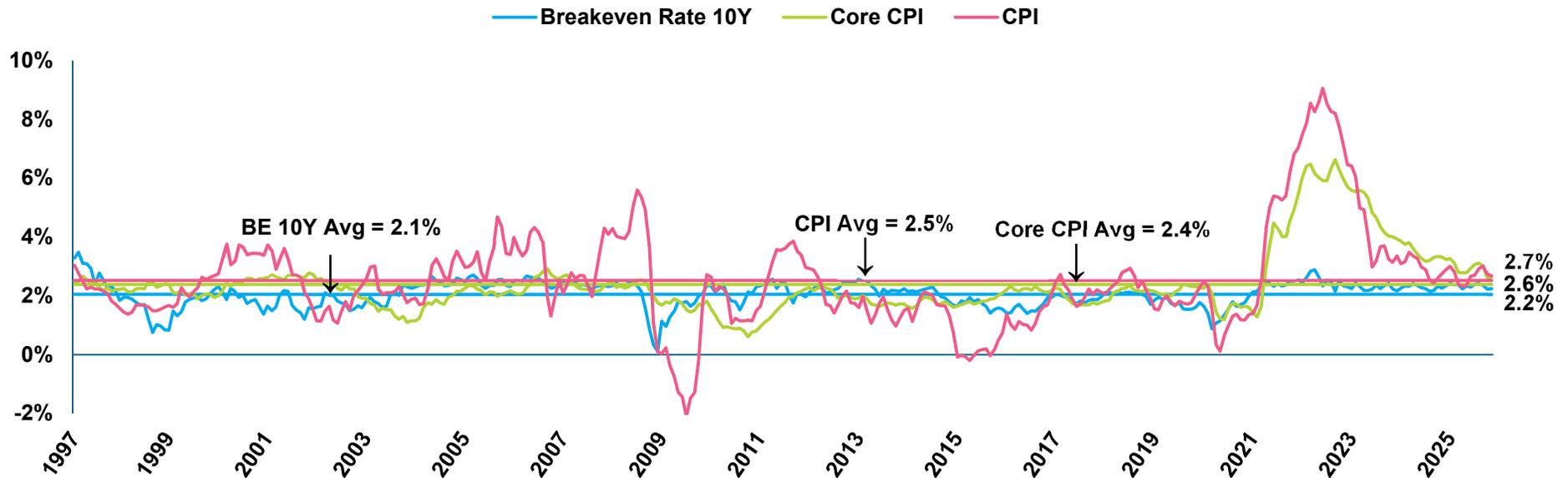
**Equity and Fixed Income Volatility<sup>1</sup>**



- Equity and bond market volatility eased in the fourth quarter to levels well below their long-run averages but there were several spikes in volatility during the quarter.
- Equity market volatility (VIX) finished the quarter at 15.0 versus a long-term average of 19.8. There were spikes above the 25 level in October and November in the wake of geopolitical tensions, questions about the path of interest rates given Fed messaging, and mixed economic data.
- Despite several spikes, bond market volatility (MOVE) ended the quarter at 64.0, below a long-term average of 86.5. Interest-rate uncertainty declining as inflation moderated and the Fed’s policy path became clearer drove bond market volatility lower over the quarter.

<sup>1</sup> Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of December 31, 2025. The average line indicated is the average of the VIX and MOVE values between January 2007 and December 2025.

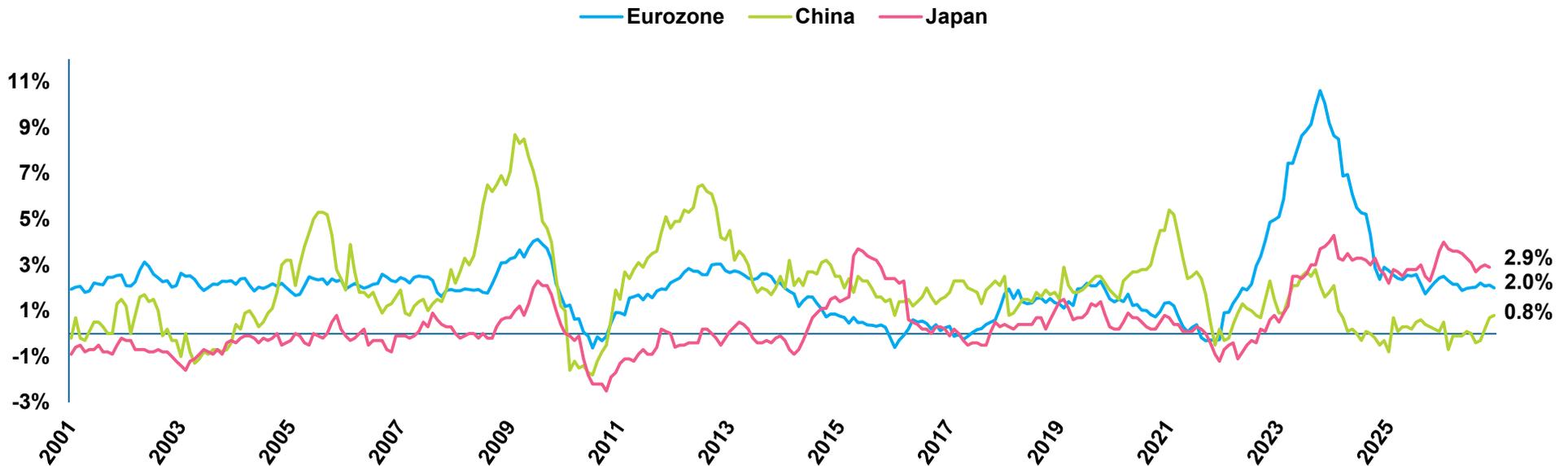
### US Inflation<sup>1</sup>



- In the final quarter of 2025, year-on-year headline inflation fell 0.3% to 2.7% (matching expectations). This was driven by a drop in services, as prices for goods, food, and energy remained stable. The month-on-month rate was 0.3% (like September). This was the only monthly reading during the quarter given the government shutdown.
- Core inflation year-on-year fell from 3.0% to 2.6% (below expectations of 2.7%) in Q4 largely due to a decline in services, particularly shelter. The monthly growth rate came in at 0.2% in December (the same as September) slightly below expectations. This was also the only monthly reading during the quarter.
- Long-term inflation expectations fell slightly over the quarter (2.4% to 2.2%) and remain well anchored close to their long-run average of 2.1%.

<sup>1</sup> Source: FRED. Data is as of December 31, 2025. This represents the latest inflation data. The October report was canceled given the government shutdown.

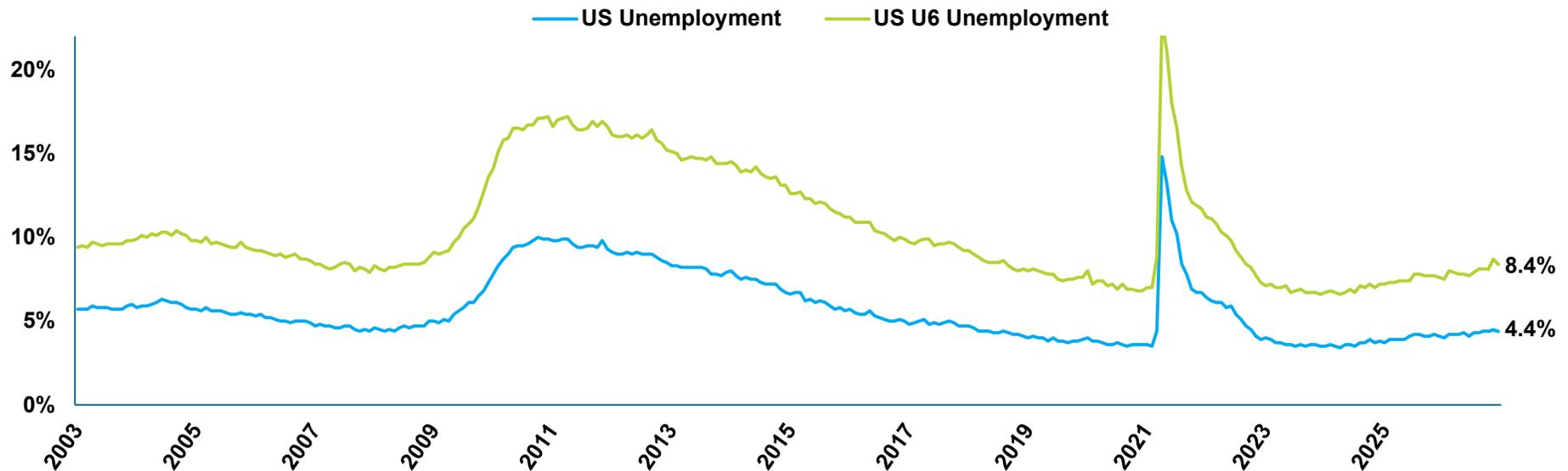
### Global Inflation (CPI Trailing Twelve Months)<sup>1</sup>



- With inflation at its 2.0% target, the ECB has held policy rates steady at 2.0% with disinflationary pressures expected to continue in 2026.
- In December the Bank of Japan raised interest rates to their highest level in three decades from 0.5% to 0.75%. Inflation in Japan fell slightly (3.0% to 2.9%) but remains above target. Despite the slight drop, inflation levels continue to be roughly 1% above the Bank of Japan's target level.
- China's annual inflation rate moved into positive territory in the fourth quarter. It finished the year at 0.8%, the highest level since early 2023, largely driven by higher food prices particularly fresh vegetables (+18.2% yoy). Despite the positive reading, inflation in China remains stubbornly low even after significant stimulus.

<sup>1</sup> Source: Bloomberg. Data is as of December 2025 except Japan which is of November.

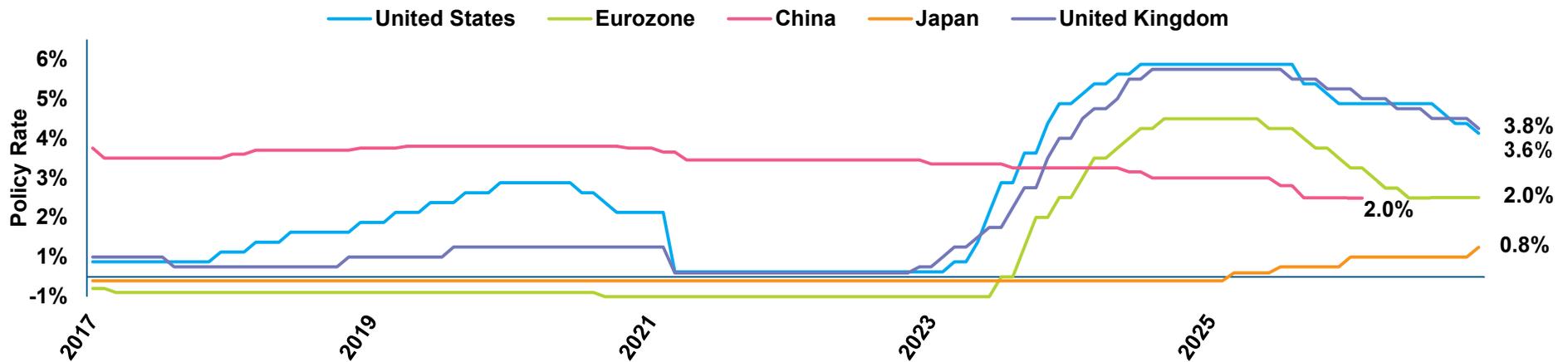
### US Unemployment<sup>1</sup>



- In December, the US added 50,000 new jobs and the unemployment rate declined slightly from 4.6% to 4.4% (the same level as the end of Q3). Over the quarter the US shed 67,000 jobs, driven by the loss of government jobs in October related to the shutdown.
- Food services, health care, and social assistance sectors added the most jobs in December while the retail sector lost jobs. These steady job gains plus fewer people re-entering the labor force and slowing layoffs drove the decline in the unemployment rate.
- In other labor data, job openings continued to decline and hiring slowed, but layoffs have recently fallen and wages continued to grow above the rate of inflation.

<sup>1</sup> Source: FRED. Data is as of December 31, 2025.

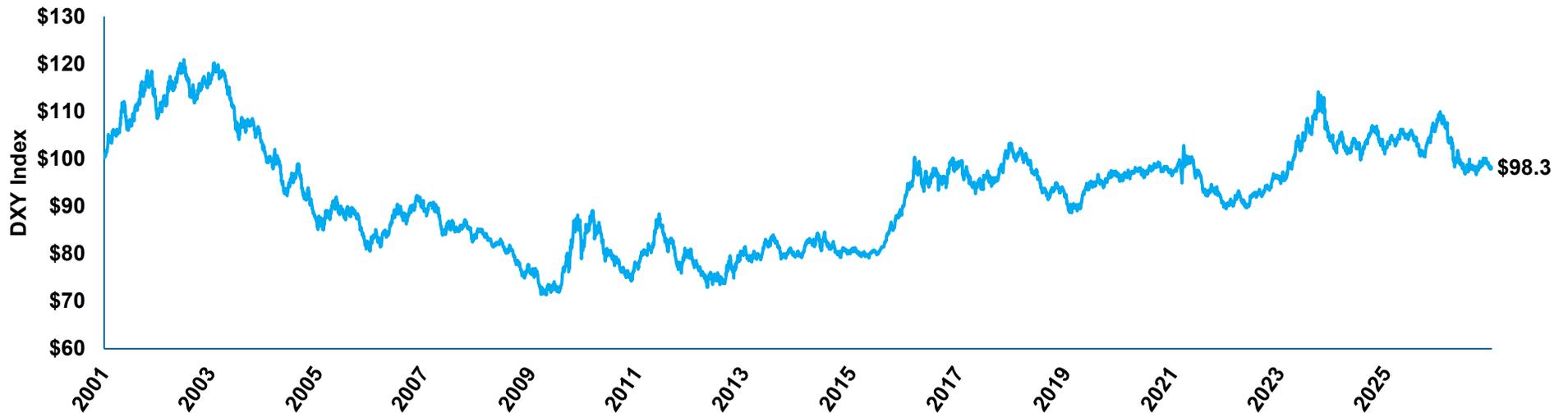
### Global Policy Rates<sup>1</sup>



- It appears that we are moving into an environment in which the Fed may continue to cut interest rates while other central banks are on hold or are moving rates higher.
- The Fed cut interest rates again in December to a range of 3.5% to 3.75% with market expectations for roughly two more cuts over the next 12 months. Based on comments after the recent meeting it appears the Fed will move cautiously, given inflation remaining elevated despite signs of weakness in the labor market.
- The ECB has held rates steady since last summer. In 2026, there are no expectations of further cuts by the ECB, but markets are pricing in nearly two cuts from the BOE.
- After cutting rates in May of last year, China's central bank has held rates steady, although disinflationary pressures continue to be a concern.
- The BOJ increased rates by 0.25% at their last meeting with markets expecting nearly two more hikes this year, given inflation levels remaining above their 2% target.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2025, except China which is as of February 28, 2025. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.

### US Dollar vs. Broad Currencies<sup>1</sup>



- The US dollar weakened by over 9% in 2025 on lower rate expectations, slowing growth, and fiscal deficit concerns.
- After a decline in the first half of the year, the dollar largely stayed range bound for the second half of 2025 as expectations for aggressive Fed rate cuts eased, yields in the US remained relatively high, and demand for safe-haven assets rose.

<sup>1</sup> Source: Bloomberg. Data as of December 31, 2025.

### Key Trends

- According to the International Monetary Fund's (IMF) October's World Economic Outlook, the global economy will decelerate from 3.2% in 2025 to 3.1% in 2026. The US is expected to modestly accelerate economic growth in 2026 to 2.1% from 2.0% in 2025. The euro area will slow slightly from 1.2% in 2025 to 1.1% in 2026. China's economy is expected to slow from 4.8% in 2025 to 4.2% in 2026.
- Despite the decline in tariff rhetoric since earlier in 2025, questions remain about how tariffs will ultimately impact inflation. Overall, higher tariff levels and continued uncertainty could weigh on growth while increasing prices. Inflation levels and potential developments with tariffs combined with a weakening labor market will complicate the Fed's rate cutting path.
- Some signs of US consumer stress have started to emerge, with weakness in the jobs market and sentiment deteriorating. Consumers are particularly concerned about losing their jobs and the potential for higher prices. Overall, risk to economic growth and to inflation from tariffs, as well as elevated borrowing costs, could put further pressure on consumers and lead to an even weaker job market. The resumption of collecting and reporting delinquent student loans could be a further headwind to consumption.
- US equities continue to reach new highs. Relatively strong earnings, AI optimism, and rate cuts from the Fed all helped drive stocks higher last year. How earnings track from here, particularly for the large AI-related companies that make up a significant portion of the market, will be key going forward. Many questions remain about the return on investment for companies making significant investments in building AI infrastructure. We could see this year a divergence in results within the "Magnificent 7" as well as a rotation into other more economically sensitive sectors.
- Trade tensions between the US and China will remain an important focus as well as the overall health of China's economy. President Trump and President Xi met in late October last year and agreed to suspend trade sanctions for a year. However, it is not clear if China and the US will indeed de-escalate strategic high tech and rare earth tensions despite the official truce. How China manages its slowing economy, and deflationary pressures will also be important. Rising geopolitical tensions related to other countries like Venezuela, Denmark/Greenland, and Iran could also add to volatility this year.

## **Q4 Executive Summary**

Performance Overview – Q4 2025

Total Market Value		Quarter Results		5 Year Results	
Q4 2025	\$1,428,276,818	MercedCERA	2.0%	MercedCERA	9.0%
Q3 2025	\$1,406,399,656	Policy Benchmark	3.4%	Policy Benchmark	9.5%

**As of December 31, 2025, the value of the Fund's assets was \$1,428 million.**

- The MercedCERA portfolio returned 2.0% for the quarter, trailing its policy index. This translates to annualized returns of 12.1 %, 7.6% and 9.0% over the three, five and ten-year trailing periods. The portfolio's since inception annualized return is 8.2%.
- During the fourth quarter of 2025, Equity markets continued to climbed higher despite increasing concerns regarding valuations of the AI related tech sector, as the rally in the Healthcare sector drove domestic gains, while the rotation out of US tech stocks and weaker dollar drove international equities higher. Fixed Income markets broadly rose due to falling short term rates. High yield continued to lead its US Agg/TIPS counterparts in the risk on environment.
- US Equities returned 2.1%, trailing the index return (Russell 3000) of 2.4%. International Equity returned 1.2% over the period, versus the primary benchmark (MSCI ACWI ex US Index) return of 4.8% and the secondary blended benchmark (80% MSCI EAFE Index / 20% MSCI ACWI ex US Small Cap Index) return of 4.5%. US Fixed Income returned 1.1%, mirroring the blended benchmark. Opportunistic Credit returned 1.1% over the quarter, outpacing the asset class benchmark of 1.2%. Real Estate posted -0.6% for the quarter, trailing the benchmark return of 0.7%. Private Equity saw positive absolute returns at 3.4%, compared to the (public market plus premium) index return of 8.6%. Real Assets returned 4.2%, trailing the index return of 4.6%.
- Portfolio underperformance over the quarter was primarily attributable to Private Equity and Emerging Markets.

**Public Manager Highlights Q4 2025**

**5 out of 13 Public Active Managers<sup>1</sup> either outperformed or matched their respective benchmarks for Q4 2025.**

**Total Equity (Active)**

- US Equity returned 2.1%, trailing the Russell 3000 Index return of 2.4% over the quarter. BNY Mellon Newton Dynamic US Equity, the portfolio's active large cap manager, returned 2.2%, trailing the S&P 500 Index return of 2.7%. Champlain Small Cap, the portfolio's active small cap manager, returned -1.8%, trailing the Russell 2000 Index return of 2.2%. Underperformance was attributable to the fund's exclusion of the Communication Services sector, as well as stock selection in Financials, Consumer Staples and Consumer Discretionary sectors.
- International Equity returned 1.2%, trailing the primary benchmark return of 4.8% as well as the secondary blended benchmark return of 4.5%. First Eagle was the strongest performer on both absolute and relative to its respective benchmark, returning 6.1% versus the MSCI EAFE Index return of 4.9%. The strong performance was attributable to strong security selection in the Materials, Consumer Staples and Information Technology sectors, as well as gold bullion, which continues to be a strong contributor to fund performance. GQG returned 4.4% over the quarter, lagging the MSCI ACWI ex USA return of 5.1%. Acadian returned 3.4%, which outpaced the MSCI AC World ex USA Small Cap Index by 0.4%, as security selection in Health Care, Financials And Industrials were the primary contributors over the period. Driehaus returned 1.4% for the quarter, trailing the MSCI AC World ex USA Small Cap index return of 1.6%.
- Artisan & RWC, the two managers in the Emerging Markets space posted returns of -9.2% & 3.0% respectively. Relative to their index (MSCI Emerging Markets) return of 4.7%, both underperformed over the period. Artisan, a benchmark-agnostic strategy that invests in a small number of securities, cited Southeast Asian e-commerce conglomerate Sea as the primary detractor.

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<sup>1</sup> Excludes Public Managers that do not have a full quarter of performance, Private Markets and Hedge Fund Managers.

**Public Manager Highlights Q4 2025 (continued)****Total Fixed Income (Active)**

- US Fixed Income returned 1.1%, mirroring the asset class benchmark over the quarter. Both Brandywine and Wellington Core Bond returned 1.0% over the period, trailing the Bloomberg US Aggregate Index return. Payden & Rygel Low Duration rounded out the active fixed income manager in the portfolio returning 1.2% for the period, marginally outpacing its respective index.
- Opportunistic Credit returned 1.6%, outpacing the asset class blended benchmark return of 1.2%. Both PIMCO and GoldenTree funds posted positive returns on both absolute and relative to benchmark basis. PIMCO return of 2.5% outpaced the Bloomberg US Aggregate Index by 1.1%, primarily attributable to their exposure to residential mortgages, emerging markets currencies/debt and both investment grade and emerging markets credit. GoldenTree returned 1.5%, versus the security level blended benchmark (50% Bloomberg US High Yield Index / 50% S&P UBS Leveraged Loans Index) return of 1.2%.

Active Manager Expectations

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

Active Manager Expectations (continued)

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

### Manager Monitor

Manager	Significant Events (Yes/No)	Last Meeting w Board of Retirement	Last Meeting with MIG	Comments <sup>1</sup>
<b>Domestic Equity Assets</b>				
BNY Mellon Newton Dynamic US Equity Fund	No	-	Q1-26	<i>Meketa scheduling meeting to discuss organizational changes</i>
Champlain Small Cap	No	-	Jan-26	Review of fund performance, organizational changes (both PM team & back office).
<b>Developed Markets Equity (Non-US) Assets</b>				
Driehaus International Small Cap Growth	No	-	May-25	Review of strategy & outlook, organizational/firm update.
Acadian ACWI ex US Small Cap Equity	No	-	Oct-25	Review of strategy, no changes to conviction level.
First Eagle International Value Fund	No	-	Oct-25	Review of changes to Global Value team leadership.
GQG International Equity	Yes	-	Aug-25	Onsite discussion of recent performance, PM team changes, portfolio repositioning.
<b>Emerging Markets Equity Assets</b>				
Artisan Developing World	No	-	Nov-25	Review of strategy, portfolio/team updates.
RWC Emerging Markets	No	-	Jun-25	Discussion regarding changes to strategy/PM team structure, investment committee procedures as well as review of recent performance.
<b>US Fixed Income Assets</b>				
Brandywine US Fixed Income	No	-	Aug-25	Discussion regarding announced restructuring/consolidation of Fixed Income team with parent company (Franklin Templeton).
Payden & Rygel Low Duration	No	-	Nov-25	Review of strategy, macroeconomic outlook, ownership succession planning.
Wellington Core Bond	No	-	Oct-25	Strategy review, macroeconomic outlook.
<b>Opportunistic Credit</b>				
PIMCO Income Fund	No	-	Nov-25	Discussion regarding CIO of Global Credit departure
GoldenTree Multi-Sector Credit	No	-	Aug-25	Review of strategy, no changes to conviction level.
Private Equity Program	N/A	N/A	N/A	Oversight by Cliffwater.
Real Assets Program	N/A	N/A	N/A	Oversight by Cliffwater.
Hedge Fund Program	N/A	N/A	N/A	Oversight by Cliffwater.

<sup>1</sup> Italics indicate meetings have been scheduled or have recently occurred

Active Manager Peer Rankings<sup>1</sup>

Investment Managers	Product	Peer Group	Market Value (\$M)	Market Value				Client Inception	Years in Portfolio
				1YR	3YR	5YR	10YR		
Champlain	Small Cap Fund	US Small Cap Core	20	96	95	99	87	Nov-20	5.1
Newton	Dynamic US Equity Strategy	US Large Cap Core	67	39	46	57	17	Dec-12	13.0
Acadian	All-Country World ex US Small Cap	Non-US Div Small Cap	21	58	44	24	1	May-19	6.6
Driehaus	International Small Cap Growth	ACWI ex US Small Cap Growth	23	48	58	55	52	May-19	6.6
GQG	International Equity	All ACWI ex US Equity	62	76	63	36	8	Dec-19	13.0
First Eagle	International Value	EAFE Value Equity	68	39	62	72	70	Dec-19	13.0
Artisan	Developing World	Emerging Markets	52	99	21	97	-	Dec-19	13.0
RWC	Emerging Markets	Emerging Markets	25	15	86	91	66	Dec-19	13.0
Brandywine	US Fixed Income	US Fixed Income	68	98	99	59	3	Nov-22	3.1
Payden & Rygel	Low Duration	US Short Duration Gov/Cred Fixed Income	23	71	58	47	69	Nov-22	3.1
Wellington	Core Bond	US Fixed Income	111	85	37	88	65	Nov-22	3.1
PIMCO	Income Fund	Global Multi-Sector Fixed Income	6	28	33	14	33	May-19	6.6
GoldenTree	Multi-Sector Credit Strategy	Global Multi-Sector Fixed Income	31	73	24	7	33	Jun-19	6.5

<sup>1</sup> Source: eVestment. Ranks are greyed out for periods before Merced CERA was invested.

## **Manager Monitoring / Probation Status**

**Managers on Watch / Probation Status**

Manager & Strategy	Concern Triggering Watch Status	Date of Corrective Action <sup>1</sup>	Months Since Placement	Performance <sup>2</sup> Since Placement	Peer Group Rank Since Placement
Champlain Small Cap	Organization / Performance	1/22/2026	--	--	--
<i>Russell 2000 Index</i>	--	--	--	--	--
GQG International Equity	Performance	1/22/2026	--	--	--
<i>MSCI AC World ex USA Index</i>	--	--	--	--	--
Artisan Developing World	Performance	1/22/2026	--	--	--
<i>MSCI Emerging Markets Index</i>	--	--	--	--	--

**Breach of Investment Manager Monitoring Criteria**

As of December 31, 2025, Champlain Small Cap has breached the short-term monitoring criteria, as well as material qualitative changes:

- The fund’s rolling 1-year return lagged the benchmark (Russell 2000 Index) by more than its respective limit (3.5%).
- Champlain Investment Partners announced changes to the portfolio management team, specifically the departures of co-PM/deputy CIO Corey Bronner and co-PM/sector analyst Andrew Hanson, effective January 12, 2026.

As of December 31, 2025, GQG International Equity has breached the short-term monitoring criteria:

- The fund’s rolling 1-year return lagged the benchmark (MSCI AC World ex USA Index) by more than its respective limit (3.5%).

As of December 31, 2025, Artisan Developing World has breached the short-term monitoring criteria:

- The fund’s rolling 1-year return lagged the benchmark (MSCI Emerging Markets Index) by more than its respective limit (3.5%).

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

<sup>1</sup> Date when the Board voted to either monitor a manager at a heightened level or place it on probation.

<sup>2</sup> Performance Since Placement starts at the beginning of the full month following the date of corrective action. Performance shown is net of fees and annualized after one year mark.

### Investment Manager Monitoring Criteria<sup>1</sup>

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

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

<sup>1</sup> Per Investment Policy Statement and Manager Guidelines ("IPS"), Revised 10/23/2025, section 6.4

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

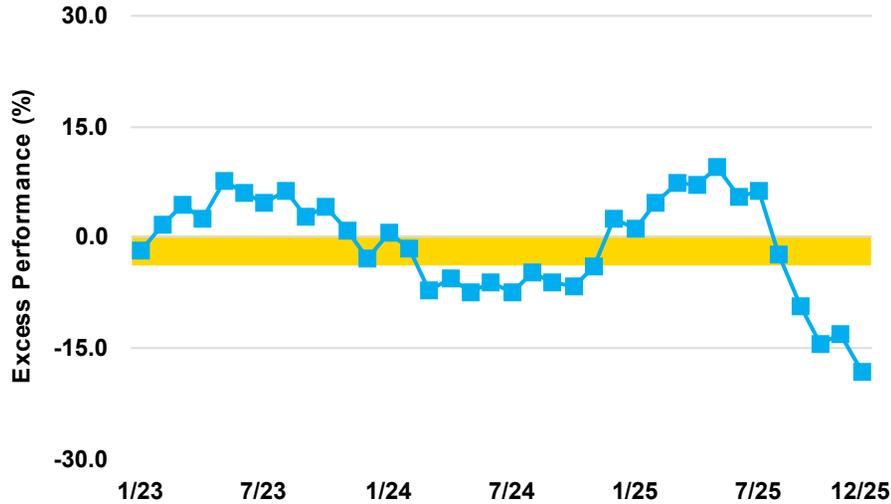
Active International Equity			
Fund Name	Short-Term	Medium-Term	Long-Term
Acadian ACWI ex U.S. Small Cap Equity	Pass	Pass	Pass
Driehaus International Small Cap Growth	Pass	Pass	Pass
GQG International Equity	Fail	Pass	Pass
First Eagle International Value Fund	Pass	Pass	Pass
Artisan Developing World TR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

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

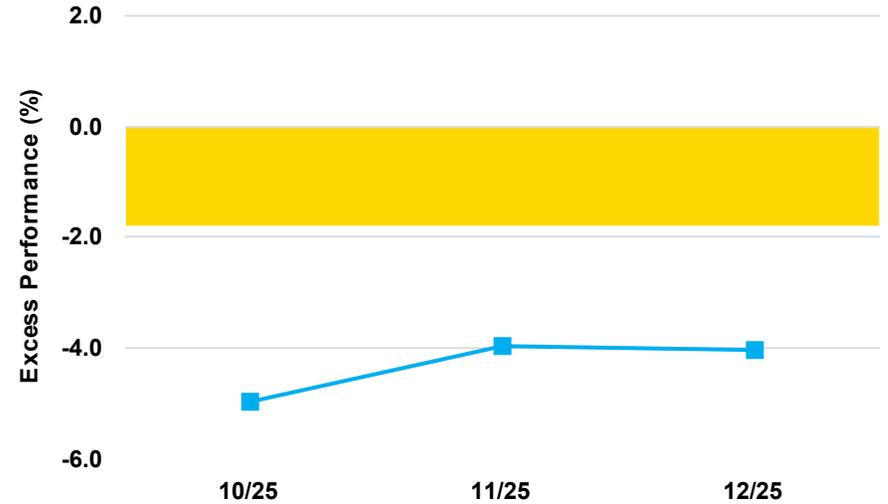
Fixed Income			
Fund Name	Short-Term	Medium-Term	Long-Term
Vanguard Total Bond Market Index Fund	Pass	Pass	Pass
Payden & Rygel Low Duration Fund	Pass	-	-
Brandywine US Fixed Income	Pass	-	-
Wellington Core Bond	Pass	-	-
PIMCO Income Fund	Pass	Pass	Pass
GoldenTree Multi-Sector Credit	Pass	Pass	Pass

### Champlain Small Cap | As of December 31, 2025

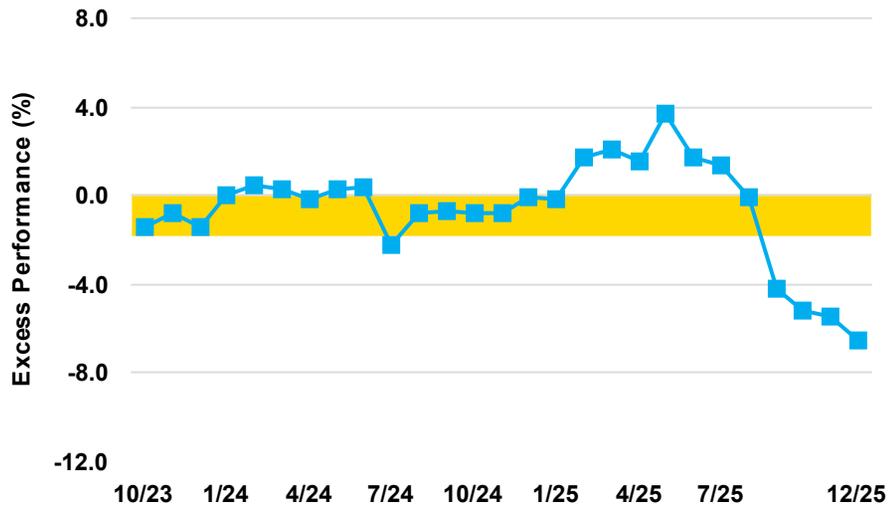
#### Short-Term (Rolling 12-Month Excess Performance)



#### Long-Term (Rolling 60-Month Excess Performance)



#### Medium Term (Rolling 36-Month Excess Performance)

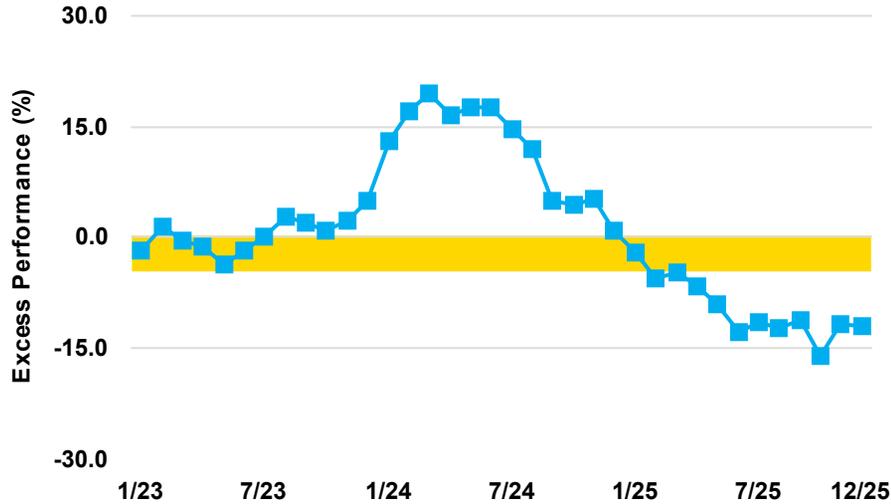


#### Portfolio Performance Summary

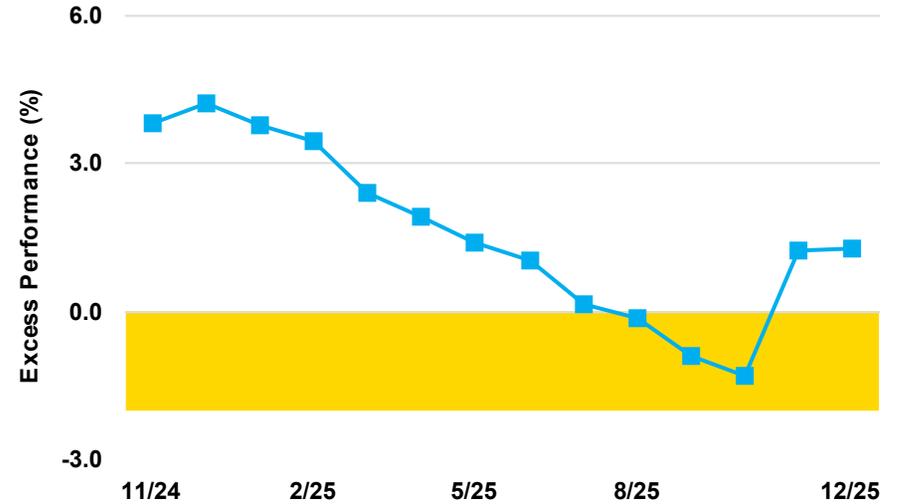
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Champlain Small Cap	-1.8	-5.3	7.2	2.1	6.4	11/01/2020
Russell 2000 Index	2.2	12.8	13.7	6.1	11.2	
eV US Small Cap Core Equity Median	1.9	8.3	12.3	7.7	12.3	
eV US Small Cap Core Equity Rank	88	95	91	98	96	

### GQG International Equity | As of December 31, 2025

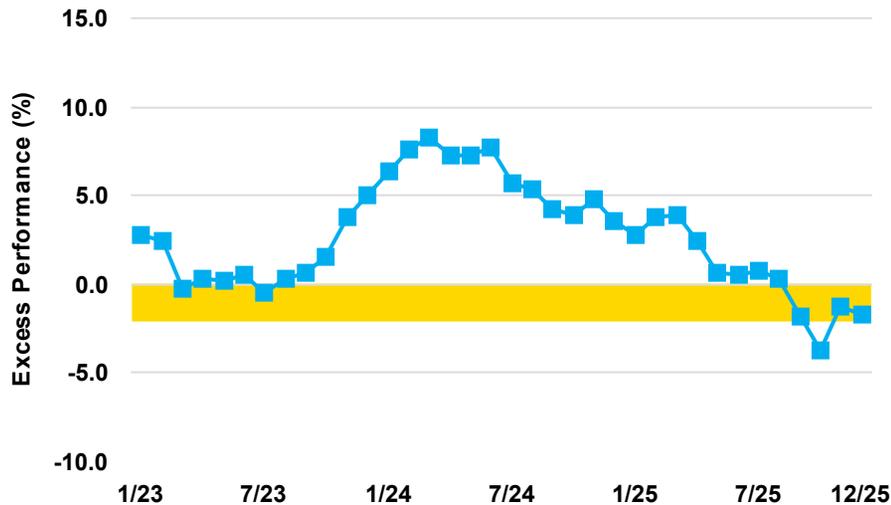
#### Short-Term (Rolling 12-Month Excess Performance)



#### Long-Term (Rolling 60-Month Excess Performance)



#### Medium Term (Rolling 36-Month Excess Performance)

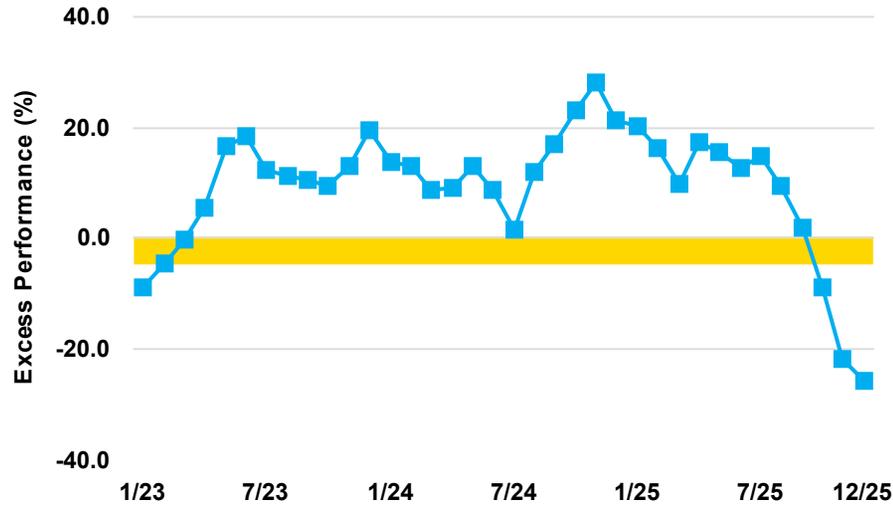


#### Portfolio Performance Summary

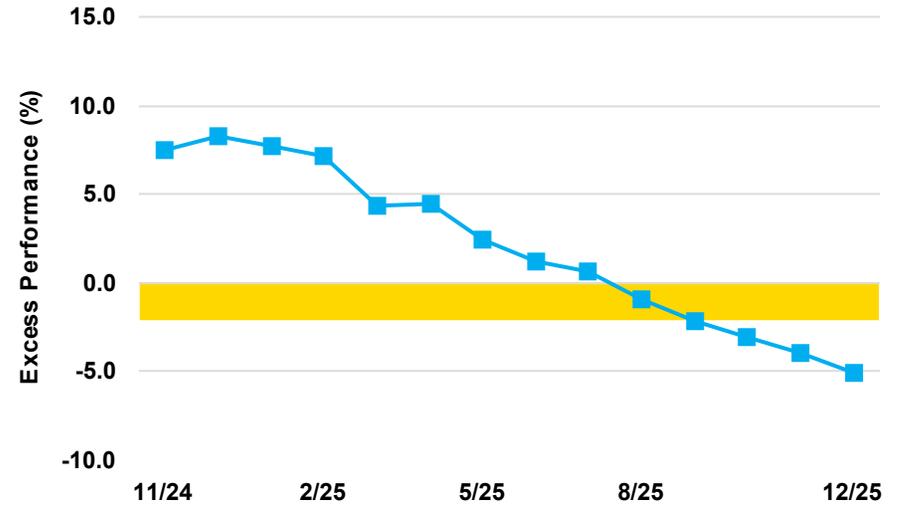
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
GQG International Equity	4.4	20.5	15.6	9.2	10.1	12/01/2019
MSCI AC World ex USA (Net)	5.1	32.4	17.3	7.9	9.0	
eV Global Growth Equity Median	1.0	14.7	16.2	5.8	10.5	
eV Global Growth Equity Rank	12	24	54	23	53	

### Artisan Developing World TR | As of December 31, 2025

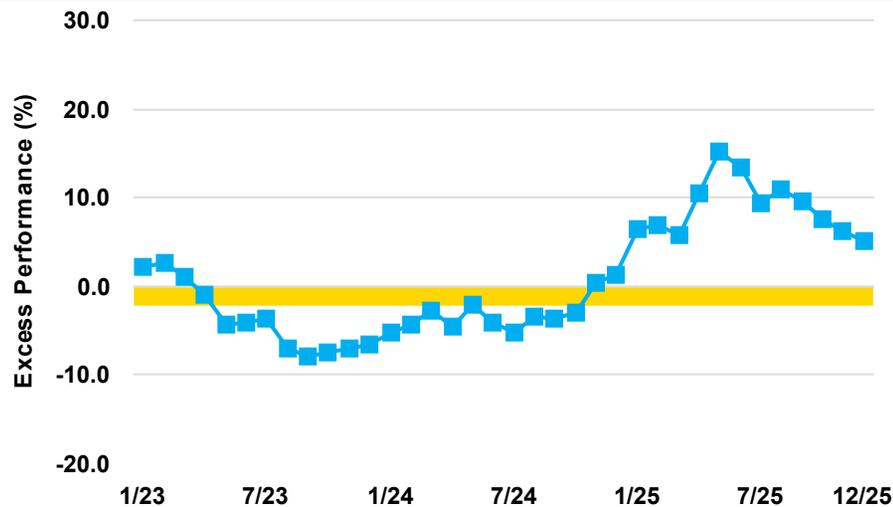
#### Short-Term (Rolling 12-Month Excess Performance)



#### Long-Term (Rolling 60-Month Excess Performance)



#### Medium Term (Rolling 36-Month Excess Performance)

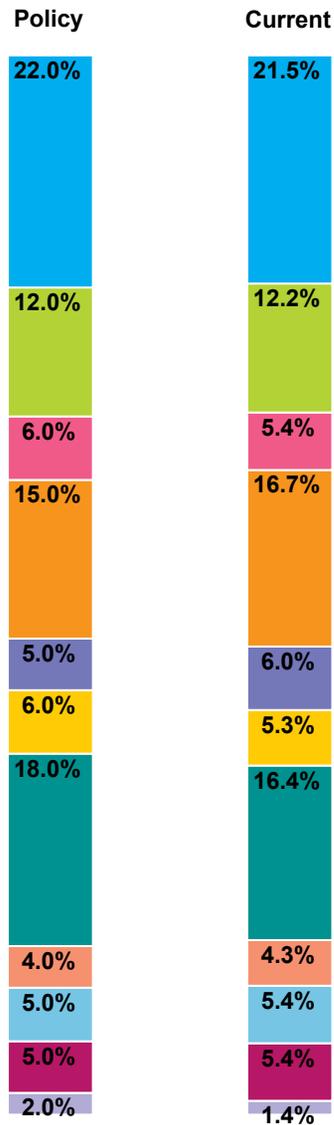


#### Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Artisan Developing World TR	-9.2	7.9	21.5	-0.9	9.5	12/01/2019
MSCI Emerging Markets (Net)	4.7	33.6	16.4	4.2	7.6	
eV Emg Mkts Equity Median	4.5	32.6	16.7	5.2	8.5	
eV Emg Mkts Equity Rank	100	99	13	95	33	

# Q4 Performance Update

Total Fund | As of December 31, 2025



Allocation vs. Targets and Policy							
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?	
US Equity	307,498,712	21.5	22.0	-0.5	16.0 - 27.0	Yes	
Developed International Equity	174,010,768	12.2	12.0	0.2	7.0 - 17.0	Yes	
Emerging Markets Equity	77,782,847	5.4	6.0	-0.6	3.0 - 9.0	Yes	
Private Equity	238,308,514	16.7	15.0	1.7	5.0 - 20.0	Yes	
Direct Lending	85,493,054	6.0	5.0	1.0	0.0 - 10.0	Yes	
Real Estate	75,003,109	5.3	6.0	-0.7	4.0 - 8.0	Yes	
US Fixed Income	234,436,050	16.4	18.0	-1.6	13.0 - 23.0	Yes	
Opportunistic Credit	61,221,295	4.3	4.0	0.3	2.0 - 6.0	Yes	
Hedge Funds	77,230,387	5.4	5.0	0.4	2.5 - 7.5	Yes	
Real Assets	77,747,349	5.4	5.0	0.4	3.0 - 7.0	Yes	
Cash	19,544,733	1.4	2.0	-0.6	0.0 - 4.0	Yes	
<b>Total</b>	<b>1,428,276,818</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>			

## Trailing Net Performance | As of December 31, 2025

Asset Class Performance Summary									
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund</b>	<b>1,428,276,818</b>	<b>100.0</b>	<b>2.0</b>	<b>13.1</b>	<b>12.1</b>	<b>7.6</b>	<b>9.0</b>	<b>8.2</b>	<b>Jan-95</b>
<i>Policy Index</i>			<i>3.4</i>	<i>16.9</i>	<i>14.5</i>	<i>9.1</i>	<i>9.5</i>	<i>6.8</i>	
<b>Total Fund w/o Alternatives</b>	<b>854,949,672</b>	<b>59.9</b>	<b>1.5</b>	<b>15.8</b>	<b>15.6</b>	<b>7.0</b>	<b>9.5</b>	<b>--</b>	<b>Jan-08</b>
<i>Policy Index w/o AI</i>			<i>2.8</i>	<i>18.4</i>	<i>14.9</i>	<i>7.1</i>	<i>8.8</i>	<i>--</i>	
<b>Public Equity</b>	<b>559,292,327</b>	<b>39.2</b>	<b>1.7</b>	<b>19.8</b>	<b>19.5</b>	<b>9.2</b>	<b>--</b>	<b>11.2</b>	<b>Apr-18</b>
<i>MSCI AC World IMI Index (Net)</i>			<i>3.2</i>	<i>22.1</i>	<i>20.0</i>	<i>10.7</i>	<i>11.4</i>	<i>10.8</i>	
<b>US Equity</b>	<b>307,498,712</b>	<b>21.5</b>	<b>2.1</b>	<b>15.3</b>	<b>20.9</b>	<b>12.3</b>	<b>14.0</b>	<b>10.9</b>	<b>Jan-95</b>
<i>Russell 3000</i>			<i>2.4</i>	<i>17.1</i>	<i>22.2</i>	<i>13.1</i>	<i>14.2</i>	<i>10.9</i>	
<b>International Equity</b>	<b>251,793,615</b>	<b>17.6</b>	<b>1.2</b>	<b>25.6</b>	<b>17.8</b>	<b>5.6</b>	<b>9.6</b>	<b>6.5</b>	<b>Jan-99</b>
<i>Primary Blended International Equity Benchmark</i>			<i>4.8</i>	<i>32.1</i>	<i>17.3</i>	<i>7.3</i>	<i>8.6</i>	<i>6.1</i>	
<i>Secondary Blended International Equity Benchmark</i>			<i>4.5</i>	<i>29.8</i>	<i>16.6</i>	<i>6.9</i>	<i>8.4</i>	<i>6.0</i>	
<b>Emerging Markets Equity</b>	<b>77,782,847</b>	<b>5.4</b>	<b>-5.5</b>	<b>17.6</b>	<b>19.3</b>	<b>-0.1</b>	<b>10.8</b>	<b>6.6</b>	<b>May-12</b>
<i>MSCI EM</i>			<i>4.7</i>	<i>33.6</i>	<i>16.4</i>	<i>4.2</i>	<i>8.6</i>	<i>5.1</i>	
<b>US Fixed Income</b>	<b>234,436,050</b>	<b>16.4</b>	<b>1.1</b>	<b>7.1</b>	<b>4.7</b>	<b>-0.5</b>	<b>2.1</b>	<b>4.4</b>	<b>Jan-95</b>
<i>US Fixed Income Custom Benchmark</i>			<i>1.1</i>	<i>7.2</i>	<i>4.7</i>	<i>-0.1</i>	<i>2.3</i>	<i>4.6</i>	
<b>Opportunistic Credit</b>	<b>61,221,295</b>	<b>4.3</b>	<b>1.6</b>	<b>8.1</b>	<b>9.9</b>	<b>6.1</b>	<b>--</b>	<b>6.1</b>	<b>May-19</b>
<i>Custom Blended Opportunistic Credit Benchmark</i>			<i>1.2</i>	<i>7.4</i>	<i>7.2</i>	<i>2.6</i>	<i>--</i>	<i>3.6</i>	

Data Prior to March 2018 provided by prior consultant.

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

## Trailing Net Performance | As of December 31, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Real Estate</b>	<b>75,003,109</b>	<b>5.3</b>	<b>-0.6</b>	<b>1.5</b>	<b>0.9</b>	<b>3.8</b>	<b>4.2</b>	<b>6.0</b>	<b>Dec-10</b>
<i>Custom Blended Real Estate Benchmark</i>			<i>0.7</i>	<i>4.0</i>	<i>-4.8</i>	<i>2.4</i>	<i>3.9</i>	<i>7.0</i>	
<i>CPI +5% (Seasonally Adjusted)</i>			<i>1.7</i>	<i>7.7</i>	<i>8.1</i>	<i>9.7</i>	<i>8.4</i>	<i>7.8</i>	
<b>Private Real Estate</b>	<b>75,003,109</b>	<b>5.3</b>	<b>-0.6</b>	<b>1.5</b>	<b>-0.8</b>	<b>3.9</b>	<b>4.1</b>	<b>6.0</b>	<b>Dec-10</b>
<i>Custom Blended Real Estate Benchmark</i>			<i>0.7</i>	<i>4.0</i>	<i>-5.4</i>	<i>3.5</i>	<i>4.5</i>	<i>7.4</i>	
<b>Private Equity</b>	<b>238,308,514</b>	<b>16.7</b>	<b>3.4</b>	<b>11.0</b>	<b>8.2</b>	<b>16.3</b>	<b>13.4</b>	<b>10.2</b>	<b>Jul-05</b>
<i>Custom Private Equity Benchmark</i>			<i>8.6</i>	<i>20.8</i>	<i>26.8</i>	<i>19.3</i>	<i>18.2</i>	<i>--</i>	
<b>Direct Lending</b>	<b>85,493,054</b>	<b>6.0</b>	<b>2.5</b>	<b>9.2</b>	<b>10.6</b>	<b>9.7</b>	<b>--</b>	<b>10.3</b>	<b>Jul-20</b>
<i>S&amp;P LSTA Leveraged Loan +2%</i>			<i>1.7</i>	<i>8.0</i>	<i>11.5</i>	<i>8.5</i>	<i>7.9</i>	<i>9.5</i>	
<b>Hedge Fund</b>	<b>77,230,387</b>	<b>5.4</b>	<b>2.2</b>	<b>8.8</b>	<b>7.8</b>	<b>6.8</b>	<b>5.9</b>	<b>5.4</b>	<b>Jul-14</b>
<i>Custom Blended Hedge Fund Benchmark</i>			<i>3.1</i>	<i>10.4</i>	<i>8.5</i>	<i>5.1</i>	<i>5.1</i>	<i>--</i>	
<b>Real Assets</b>	<b>77,747,349</b>	<b>5.4</b>	<b>4.2</b>	<b>13.5</b>	<b>13.2</b>	<b>14.1</b>	<b>10.6</b>	<b>10.3</b>	<b>Dec-10</b>
<i>Custom Blended Real Assets Benchmark</i>			<i>4.6</i>	<i>26.2</i>	<i>11.1</i>	<i>11.2</i>	<i>9.4</i>	<i>--</i>	
<i>CPI +5% (Seasonally Adjusted)</i>			<i>1.7</i>	<i>7.7</i>	<i>8.1</i>	<i>9.7</i>	<i>8.4</i>	<i>7.8</i>	
<b>Private Infrastructure</b>	<b>44,908,510</b>	<b>3.1</b>	<b>2.1</b>	<b>10.5</b>	<b>12.6</b>	<b>12.5</b>	<b>11.6</b>	<b>10.5</b>	<b>Jan-15</b>
<i>S&amp;P Global Infrastructure</i>			<i>2.4</i>	<i>22.6</i>	<i>14.6</i>	<i>11.0</i>	<i>9.4</i>	<i>7.3</i>	
<b>Private Natural Resources</b>	<b>32,838,838</b>	<b>2.3</b>	<b>7.1</b>	<b>18.0</b>	<b>16.7</b>	<b>21.3</b>	<b>16.6</b>	<b>16.0</b>	<b>Oct-15</b>
<i>S&amp;P Global Natural Resources Sector Index (TR)</i>			<i>6.9</i>	<i>29.7</i>	<i>7.4</i>	<i>11.3</i>	<i>11.1</i>	<i>10.9</i>	
<b>Cash</b>	<b>19,544,733</b>	<b>1.4</b>	<b>1.2</b>	<b>5.0</b>	<b>5.1</b>	<b>2.6</b>	<b>--</b>	<b>--</b>	<b>Dec-10</b>

Real Assets includes State Street Real Assets NL Fund.

Trailing Net Performance | As of December 31, 2025

Trailing Period Performance									
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund</b>	<b>1,428,276,818</b>	<b>100.0</b>	<b>2.0</b>	<b>13.1</b>	<b>12.1</b>	<b>7.6</b>	<b>9.0</b>	<b>8.2</b>	<b>Jan-95</b>
<i>Policy Index</i>			<i>3.4</i>	<i>16.9</i>	<i>14.5</i>	<i>9.1</i>	<i>9.5</i>	<i>6.8</i>	
<b>Total Fund w/o Alternatives</b>	<b>854,949,672</b>	<b>59.9</b>	<b>1.5</b>	<b>15.8</b>	<b>15.6</b>	<b>7.0</b>	<b>9.5</b>	<b>--</b>	<b>Jan-08</b>
<i>Policy Index w/o AI</i>			<i>2.8</i>	<i>18.4</i>	<i>14.9</i>	<i>7.1</i>	<i>8.8</i>	<i>--</i>	
<b>Public Equity</b>	<b>559,292,327</b>	<b>39.2</b>	<b>1.7</b>	<b>19.8</b>	<b>19.5</b>	<b>9.2</b>	<b>--</b>	<b>11.2</b>	<b>Apr-18</b>
<i>MSCI AC World IMI Index (Net)</i>			<i>3.2</i>	<i>22.1</i>	<i>20.0</i>	<i>10.7</i>	<i>11.4</i>	<i>10.8</i>	
<b>US Equity</b>	<b>307,498,712</b>	<b>21.5</b>	<b>2.1</b>	<b>15.3</b>	<b>20.9</b>	<b>12.3</b>	<b>14.0</b>	<b>10.9</b>	<b>Jan-95</b>
<i>Russell 3000</i>			<i>2.4</i>	<i>17.1</i>	<i>22.2</i>	<i>13.1</i>	<i>14.2</i>	<i>10.9</i>	
BNY Mellon Newton Dynamic US Equity	67,347,183	4.7	2.2	17.3	21.4	12.9	15.3	16.1	Jan-13
<i>S&amp;P 500 Index</i>			<i>2.7</i>	<i>17.9</i>	<i>23.0</i>	<i>14.4</i>	<i>14.8</i>	<i>14.9</i>	
BNY Mellon Large Cap	220,437,705	15.4	2.4	17.3	22.7	13.6	--	14.8	Apr-16
<i>Russell 1000 Index</i>			<i>2.4</i>	<i>17.4</i>	<i>22.7</i>	<i>13.6</i>	<i>14.6</i>	<i>14.9</i>	
Champlain Small Cap	19,713,824	1.4	-1.8	-5.3	7.2	2.1	--	6.4	Nov-20
<i>Russell 2000 Index</i>			<i>2.2</i>	<i>12.8</i>	<i>13.7</i>	<i>6.1</i>	<i>9.6</i>	<i>11.2</i>	

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

## Trailing Net Performance | As of December 31, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>International Equity</b>	<b>251,793,615</b>	<b>17.6</b>	<b>1.2</b>	<b>25.6</b>	<b>17.8</b>	<b>5.6</b>	<b>9.6</b>	<b>6.5</b>	<b>Jan-99</b>
<i>Primary Blended International Equity Benchmark</i>			4.8	32.1	17.3	7.3	8.6	6.1	
<i>Secondary Blended International Equity Benchmark</i>			4.5	29.8	16.6	6.9	8.4	5.3	
Acadian ACWI ex U.S. Small Cap Equity	20,926,926	1.5	3.4	29.9	18.2	11.4	--	12.4	May-19
<i>MSCI AC World ex USA Small Cap (Net)</i>			3.0	29.3	15.6	6.9	8.1	8.6	
Driehaus International Small Cap Growth	23,092,767	1.6	1.4	29.7	14.6	5.3	--	10.3	May-19
<i>MSCI AC World ex USA Small Growth Index (Net)</i>			1.6	26.2	14.1	4.1	7.5	7.8	
GQG International Equity	62,133,513	4.4	4.4	20.5	15.6	9.2	--	10.1	Dec-19
<i>MSCI AC World ex USA (Net)</i>			5.1	32.4	17.3	7.9	8.4	9.0	
First Eagle International Value Fund	67,857,562	4.8	6.1	38.2	17.5	9.6	--	9.1	Dec-19
<i>MSCI EAFE (Net)</i>			4.9	31.2	17.2	8.9	8.2	9.2	
<i>MSCI AC World ex USA Value (Net)</i>			7.6	39.5	20.2	11.9	8.7	10.3	
<b>Emerging Markets Equity</b>	<b>77,782,847</b>	<b>5.4</b>	<b>-5.5</b>	<b>17.6</b>	<b>19.3</b>	<b>-0.1</b>	<b>10.8</b>	<b>6.6</b>	<b>May-12</b>
<i>MSCI EM</i>			4.7	33.6	16.4	4.2	8.6	5.1	
Artisan Developing World TR	52,332,922	3.7	-9.2	7.9	21.5	-0.9	--	9.5	Dec-19
<i>MSCI Emerging Markets (Net)</i>			4.7	33.6	16.4	4.2	8.4	7.6	
RWC	25,449,925	1.8	3.0	41.8	13.9	1.4	--	6.2	Dec-19
<i>MSCI Emerging Markets (Net)</i>			4.7	33.6	16.4	4.2	8.4	7.6	

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 December 31, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>US Fixed Income</b>	<b>234,436,050</b>	<b>16.4</b>	<b>1.1</b>	<b>7.1</b>	<b>4.7</b>	<b>-0.5</b>	<b>2.1</b>	<b>4.4</b>	<b>Jan-95</b>
<i>US Fixed Income Custom Benchmark</i>			<i>1.1</i>	<i>7.2</i>	<i>4.7</i>	<i>-0.1</i>	<i>2.3</i>	<i>4.6</i>	
Vanguard Total Bond Market Index Fund	32,504,198	2.3	1.0	7.2	4.7	-0.4	--	1.6	May-19
<i>Blmbg. U.S. Aggregate Index</i>			<i>1.1</i>	<i>7.3</i>	<i>4.7</i>	<i>-0.4</i>	<i>2.0</i>	<i>1.6</i>	
Payden & Rygel Low Duration Fund	22,977,090	1.6	1.2	5.8	5.5	--	--	5.6	Nov-22
<i>Blmbg. U.S. Treasury: 1-3 Year</i>			<i>1.1</i>	<i>5.2</i>	<i>4.5</i>	<i>1.8</i>	<i>1.8</i>	<i>4.5</i>	
Brandywine US Fixed Income	67,858,981	4.8	1.0	7.1	4.7	--	--	3.5	Nov-22
<i>Blmbg. U.S. Aggregate Index</i>			<i>1.1</i>	<i>7.3</i>	<i>4.7</i>	<i>-0.4</i>	<i>2.0</i>	<i>5.5</i>	
Wellington Core Bond	111,095,781	7.8	1.0	7.3	4.8	--	--	5.3	Nov-22
<i>Blmbg. U.S. Aggregate Index</i>			<i>1.1</i>	<i>7.3</i>	<i>4.7</i>	<i>-0.4</i>	<i>2.0</i>	<i>5.5</i>	
<b>Opportunistic Credit</b>	<b>61,221,295</b>	<b>4.3</b>	<b>1.6</b>	<b>8.1</b>	<b>9.9</b>	<b>6.1</b>	<b>--</b>	<b>6.1</b>	<b>May-19</b>
<i>Custom Blended Opportunistic Credit Benchmark</i>			<i>1.2</i>	<i>7.4</i>	<i>7.2</i>	<i>2.6</i>	<i>--</i>	<i>3.6</i>	
PIMCO Income Fund	5,759,416	0.4	2.5	11.0	8.6	3.9	--	4.4	May-19
<i>Blmbg. U.S. Aggregate Index</i>			<i>1.1</i>	<i>7.3</i>	<i>4.7</i>	<i>-0.4</i>	<i>2.0</i>	<i>1.6</i>	
GoldenTree Multi-Sector Credit	30,886,348	2.2	1.5	8.0	10.5	6.4	--	6.5	Jun-19
<i>50% BBg US High Yield TR/50% S&amp;P UBS Leveraged Loans</i>			<i>1.2</i>	<i>7.3</i>	<i>9.7</i>	<i>5.5</i>	<i>6.2</i>	<i>5.6</i>	
OWS Credit Opportunity Fund LP	24,575,530	1.7	1.6	7.3	--	--	--	8.8	Oct-23
<i>50% BBg US High Yield TR/50% S&amp;P UBS Leveraged Loans</i>			<i>1.2</i>	<i>7.3</i>	<i>9.7</i>	<i>5.5</i>	<i>6.2</i>	<i>9.4</i>	

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

## Trailing Net Performance | As of December 31, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Private Real Estate</b>	<b>75,003,109</b>	<b>5.3</b>	<b>-0.6</b>	<b>1.5</b>	<b>-0.8</b>	<b>3.9</b>	<b>4.1</b>	<b>6.0</b>	<b>Dec-10</b>
<i>Custom Blended Real Estate Benchmark</i>			<i>0.7</i>	<i>4.0</i>	<i>-5.4</i>	<i>3.5</i>	<i>4.5</i>	<i>7.4</i>	
<b>Private Equity</b>	<b>238,308,514</b>	<b>16.7</b>	<b>3.4</b>	<b>11.0</b>	<b>8.2</b>	<b>16.3</b>	<b>13.4</b>	<b>10.2</b>	<b>Jul-05</b>
<i>Custom Private Equity Benchmark</i>			<i>8.6</i>	<i>20.8</i>	<i>26.8</i>	<i>19.3</i>	<i>18.2</i>	<i>--</i>	
<b>Direct Lending</b>	<b>85,493,054</b>	<b>6.0</b>	<b>2.5</b>	<b>9.2</b>	<b>10.6</b>	<b>9.7</b>	<b>--</b>	<b>10.3</b>	<b>Jul-20</b>
<i>S&amp;P LSTA Leveraged Loan +2%</i>			<i>1.7</i>	<i>8.0</i>	<i>11.5</i>	<i>8.5</i>	<i>7.9</i>	<i>9.5</i>	
<b>Hedge Fund</b>	<b>77,230,387</b>	<b>5.4</b>	<b>2.2</b>	<b>8.8</b>	<b>7.8</b>	<b>6.8</b>	<b>5.9</b>	<b>5.4</b>	<b>Jul-14</b>
<i>Custom Blended Hedge Fund Benchmark</i>			<i>3.1</i>	<i>10.4</i>	<i>8.5</i>	<i>5.1</i>	<i>5.1</i>	<i>--</i>	
<b>Private Infrastructure</b>	<b>44,908,510</b>	<b>3.1</b>	<b>2.1</b>	<b>10.5</b>	<b>12.6</b>	<b>12.5</b>	<b>11.6</b>	<b>10.5</b>	<b>Jan-15</b>
<i>S&amp;P Global Infrastructure</i>			<i>2.4</i>	<i>22.6</i>	<i>14.6</i>	<i>11.0</i>	<i>9.4</i>	<i>7.3</i>	
<b>Private Natural Resources</b>	<b>32,838,838</b>	<b>2.3</b>	<b>7.1</b>	<b>18.0</b>	<b>16.7</b>	<b>21.3</b>	<b>16.6</b>	<b>16.0</b>	<b>Oct-15</b>
<i>S&amp;P Global Natural Resources Sector Index (TR)</i>			<i>6.9</i>	<i>29.7</i>	<i>7.4</i>	<i>11.3</i>	<i>11.1</i>	<i>10.9</i>	
<b>Cash</b>	<b>19,544,733</b>	<b>1.4</b>	<b>1.2</b>	<b>5.0</b>	<b>5.1</b>	<b>2.6</b>	<b>--</b>	<b>--</b>	<b>Dec-10</b>
Cash	18,661,905	1.3	1.0	4.3	5.3	2.7	1.9	-0.5	Dec-10
Treasury Cash	882,828	0.1	5.3	21.8	6.8	4.0	--	2.4	Sep-17

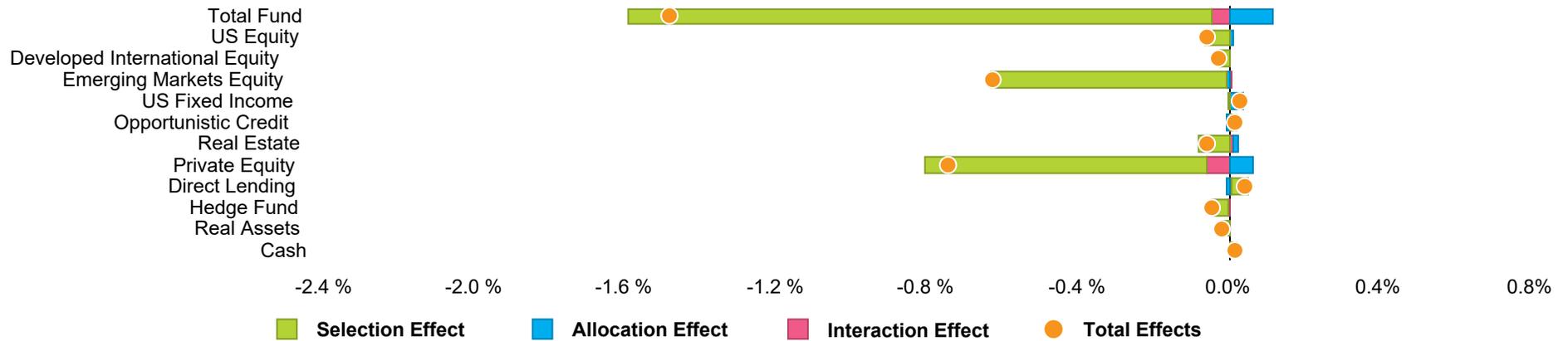
All private markets performance and market values reflect a 09/30/25 capital account balance (as of 12/31/2025) unless otherwise noted.

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

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

Total Fund Attribution | As of December 31, 2025

### Attribution Effects 3 Months Ending December 31, 2025

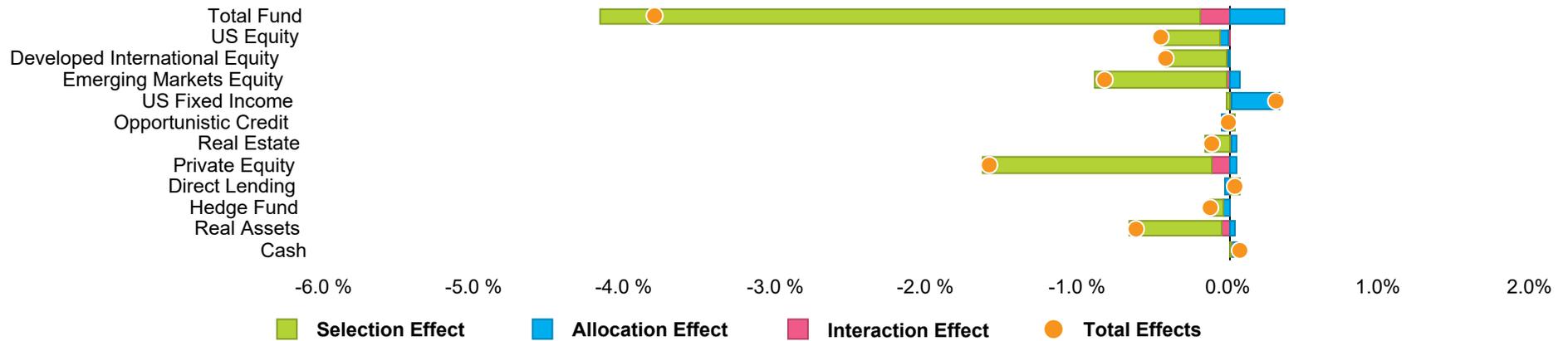


### Attribution Summary 3 Months Ending December 31, 2025

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	2.1	2.4	-0.3	-0.1	0.0	0.0	-0.1
Developed International Equity	4.5	4.8	-0.2	0.0	0.0	0.0	0.0
Emerging Markets Equity	-5.5	4.7	-10.2	-0.6	0.0	0.0	-0.6
US Fixed Income	1.1	1.1	0.0	0.0	0.0	0.0	0.0
Opportunistic Credit	1.6	1.2	0.4	0.0	0.0	0.0	0.0
Real Estate	-0.6	0.7	-1.4	-0.1	0.0	0.0	-0.1
Private Equity	3.4	8.6	-5.1	-0.8	0.1	-0.1	-0.7
Direct Lending	2.5	1.7	0.8	0.0	0.0	0.0	0.0
Hedge Fund	2.2	3.1	-0.9	0.0	0.0	0.0	0.0
Real Assets	4.2	4.6	-0.5	0.0	0.0	0.0	0.0
Cash	1.2	1.0	0.1	0.0	0.0	0.0	0.0
<b>Total Fund</b>	<b>2.0</b>	<b>3.4</b>	<b>-1.5</b>	<b>-1.6</b>	<b>0.1</b>	<b>0.0</b>	<b>-1.5</b>

### Total Fund Attribution | As of December 31, 2025

#### Attribution Effects 1 Year Ending December 31, 2025



#### Attribution Summary 1 Year Ending December 31, 2025

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	15.3	17.1	-1.8	-0.4	-0.1	0.0	-0.5
Developed International Equity	29.5	33.4	-3.8	-0.4	0.0	0.0	-0.4
Emerging Markets Equity	17.6	33.6	-15.9	-0.9	0.1	0.0	-0.8
US Fixed Income	7.1	7.2	-0.1	0.0	0.3	0.0	0.3
Opportunistic Credit	8.1	7.4	0.8	0.0	-0.1	0.0	0.0
Real Estate	1.5	4.0	-2.6	-0.2	0.0	0.0	-0.1
Private Equity	11.0	20.8	-9.7	-1.5	0.0	-0.1	-1.6
Direct Lending	9.2	8.0	1.2	0.1	0.0	0.0	0.0
Hedge Fund	8.8	10.4	-1.6	-0.1	0.0	0.0	-0.1
Real Assets	13.5	26.2	-12.7	-0.6	0.0	-0.1	-0.6
Cash	5.0	4.3	0.7	0.0	0.0	0.0	0.1
<b>Total Fund</b>	<b>13.1</b>	<b>16.9</b>	<b>-3.8</b>	<b>-4.0</b>	<b>0.4</b>	<b>-0.2</b>	<b>-3.8</b>

Benchmark History | As of December 31, 2025

Benchmark History

From Date	To Date	Benchmark
<b>Total Fund</b>		
07/01/2025	Present	22.0% Russell 3000, 12.0% Merced - Primary Blended International Equity Benchmark v2, 6.0% MSCI EM, 18.0% US Fixed Income Custom Benchmark, 5.0% Custom Blended Hedge Fund Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% S&P LSTA Leveraged Loan +2%, 5.0% Custom Blended Real Assets Benchmark, 6.0% Custom Blended Real Estate Benchmark, 4.0% 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 Fund Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% S&P LSTA Leveraged Loan +2%, 5.0% Custom Blended Real Assets Benchmark, 6.0% Custom Blended Real Estate Benchmark, 4.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% 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 Fund Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% S&P LSTA Leveraged Loan +2%, 5.0% Custom Blended Real Assets Benchmark, 8.0% Custom Blended Real Estate Benchmark, 5.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% 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 Fund Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% Custom Blended Real Assets Benchmark, 8.0% Custom Blended Real Estate Benchmark, 5.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% 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 Fund Benchmark, 15.0% Thomson Reuters Cambridge Private Equity Index, 5.0% Real Asset Custom, 8.0% NCREIF ODCE (Net), 5.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% 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 Fund 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 Fund 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
<b>US Equity</b>		
01/01/2020	Present	100.0% Russell 3000 Index
12/01/1994	12/31/2019	100.0% Russell 3000

Benchmark History | As of December 31, 2025

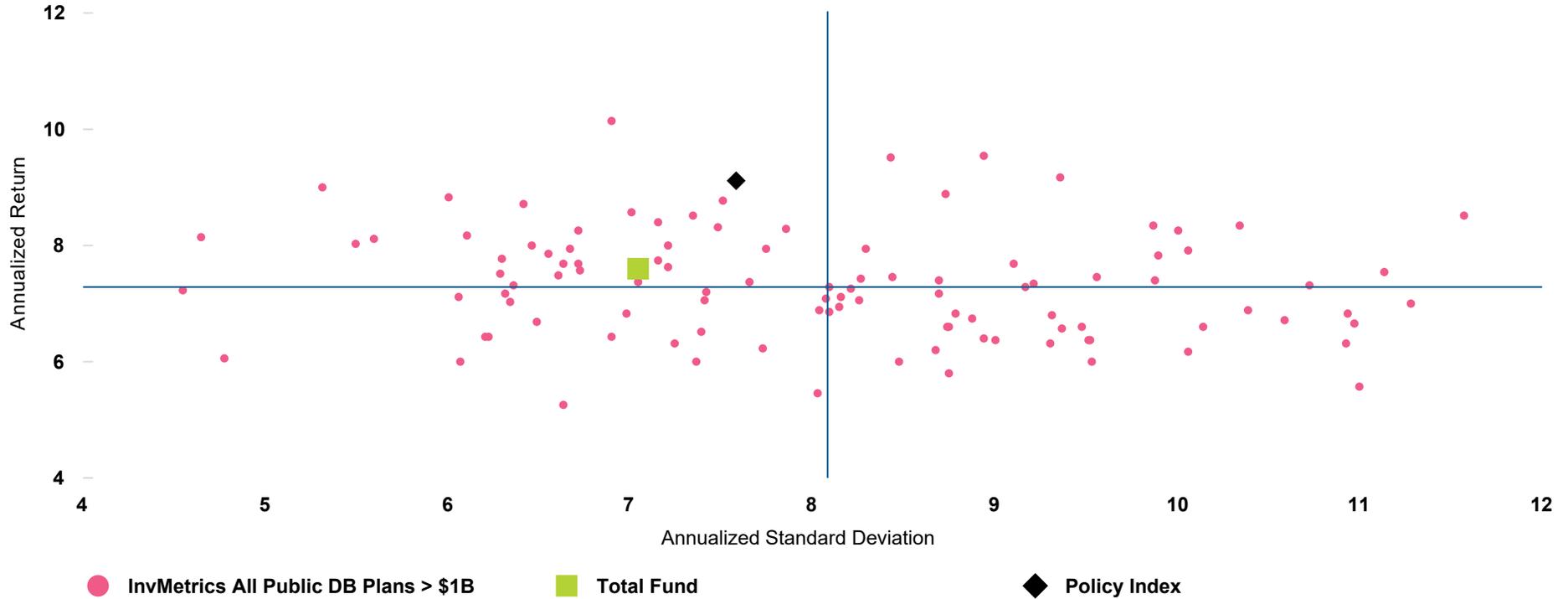
From Date	To Date	Benchmark
<b>International Equity</b>		
07/01/2025	Present	100.0% MSCI AC World ex USA IMI (Net)
01/01/2019	06/30/2025	56.0% MSCI EAFE Index, 44.0% MSCI Emerging Markets Index
01/01/2017	12/31/2018	69.6% MSCI EAFE Index, 30.4% MSCI Emerging Markets Index
01/01/1999	12/31/2016	100.0% MSCI AC World ex USA Index
<b>US Fixed Income</b>		
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
<b>Hedge Fund</b>		
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
<b>Real Assets</b>		
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
<b>Private Real Estate</b>		
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)
<b>Private Equity</b>		
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
<b>Opportunistic Credit</b>		
07/01/2025	Present	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 (\$)
<b>Total Fund</b>		<b>1,428,276,818</b>		
<b>Total Fund w/o Alternatives</b>		<b>854,949,672</b>		
<b>Public Equity</b>		<b>559,292,327</b>		
<b>US Equity</b>		<b>307,498,712</b>		
BNY Mellon Newton Dynamic US Equity	0.30 % of Assets	67,347,183	0.30	202,042
BNY Mellon Large Cap	0.04 % of First \$100 M 0.02 % Thereafter	220,437,705	0.03	64,088
Champlain Small Cap	1.00 % of Assets	19,713,824	1.00	197,138
<b>International Equity</b>		<b>251,793,615</b>		
Acadian ACWI ex U.S. Small Cap Equity	0.85 % of First \$50 M 0.75 % Thereafter	20,926,926	0.85	177,879
Driehaus International Small Cap Growth	0.90 % of Assets	23,092,767	0.90	207,835
GQG International Equity	0.50 % of Assets	62,133,513	0.50	310,668
First Eagle International Value Fund	0.79 % of Assets	67,857,562	0.79	536,075
<b>Emerging Markets Equity</b>		<b>77,782,847</b>		
Artisan Developing World TR	1.05 % of Assets	52,332,922	1.05	549,496
RWC	0.87 % of Assets	25,449,925	0.87	221,414
<b>MCERA US FIXED+OPP CREDIT</b>		<b>295,657,345</b>		
<b>US Fixed Income</b>		<b>234,436,050</b>		
Vanguard Total Bond Market Index Fund	0.03 % of Assets	32,504,198	0.03	8,126
Payden & Rygel Low Duration Fund	0.43 % of Assets	22,977,090	0.43	130,969
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	67,858,981	0.27	184,290
Wellington Core Bond	0.12 % of Assets	111,095,781	0.12	133,315
<b>Opportunistic Credit</b>		<b>61,221,295</b>		
PIMCO Income Fund	0.51 % of Assets	5,759,416	0.51	31,101
GoldenTree Multi-Sector Credit	0.70 % of Assets	30,886,348	0.70	216,204
OWS Credit Opportunity Fund LP		24,575,530	-	-

Fee Schedule | As of December 31, 2025

	Fee Schedule	Market Value (\$)	Estimated Annual Fee (%)	Estimated Expense (\$)
<b>Hedge Fund</b>		<b>77,230,387</b>		
Silver Point Capital	Performance Based 1.50 % and 20.00 %	15,779,257	1.50	236,689
Marshall Wace Eureka	Performance Based 2.00 % and 20.00 %	5,748,857	2.00	114,977
Marshall Wace Global Opportunities	Performance Based 2.00 % and 20.00 %	6,343,994	2.00	126,880
Taconic Opportunity Fund	Performance Based 1.40 % and 20.00 %	1,028,498	1.40	14,399
Silver Point Capital	Performance Based 1.50 % and 20.00 %	15,779,257	1.50	236,689
Graham Absolute Return	Performance Based 1.75 % and 20.00 %	5,505,139	1.75	96,340
Laurion Capital	Performance Based 2.00 % and 20.00 %	8,411,843	2.00	168,237
Wellington Global Equity Long/Short Fund	Performance Based 1.00 % and 20.00 %	10,798,471	1.00	107,985
<b>Cash</b>		<b>19,544,733</b>		
Cash		18,661,905	-	-
Treasury Cash		882,828	-	-

### Annualized Return vs. Annualized Standard Deviation 5 Years Ending December 31, 2025

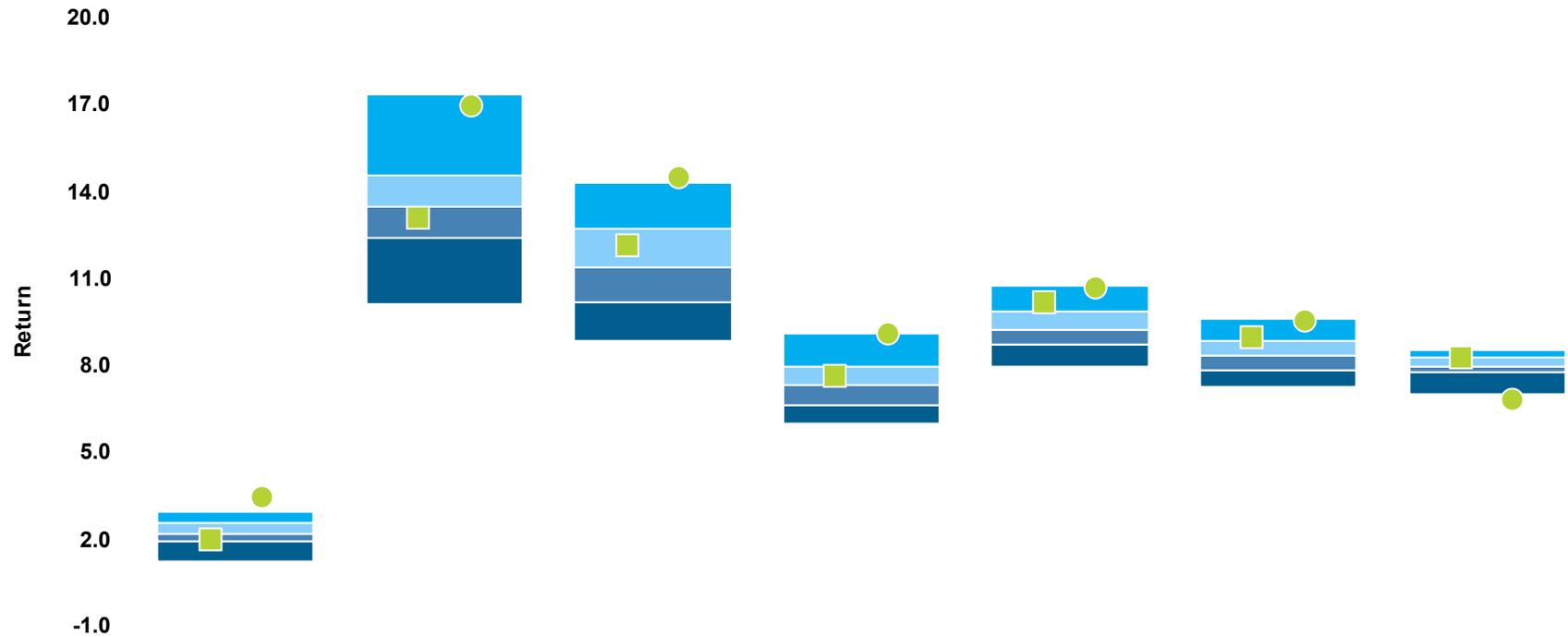


	5 Years Return	5 Years Standard Deviation	5 Years Information Ratio	5 Years Beta	5 Years Sharpe Ratio	5 Years Tracking Error
Total Fund	7.6 (37)	7.0 (31)	-0.5 (60)	0.9 (36)	0.6 (34)	2.7 (4)
Policy Index	9.1 (5)	7.6 (43)	-	1.0	0.8 (11)	0.0
InvMetrics All Public DB Plans > \$1B Median	7.3	8.1	-0.5	1.0	0.5	3.3

Multi Time Period Statistics | As of December 31, 2025

Statistics Summary 5 Years Ending December 31, 2025						
	5 Years Return	5 Years Standard Deviation	5 Years Information Ratio	5 Years Beta	5 Years Sharpe Ratio	5 Years Tracking Error
Total Fund	7.6	7.0	-0.5	0.9	0.6	2.7
<i>Policy Index</i>	9.1	7.6	-	1.0	0.8	0.0
InvMetrics All Public DB Plans > \$1B Median	7.3	8.1	-0.5	1.0	0.5	3.3

### InvMetrics All Public DB Plans > \$1B | As of December 31, 2025

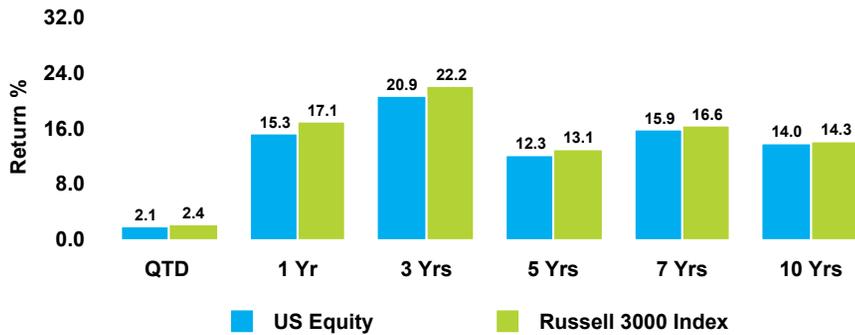


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Since Inception
■ Total Fund	2.0 (73)	13.1 (60)	12.1 (35)	7.6 (37)	10.2 (17)	9.0 (21)	8.2 (26)
● Policy Index	3.4 (1)	16.9 (6)	14.5 (3)	9.1 (5)	10.7 (6)	9.5 (6)	6.8 (97)
5th Percentile	2.9	17.4	14.3	9.1	10.7	9.6	8.5
1st Quartile	2.6	14.5	12.7	7.9	9.8	8.8	8.3
Median	2.2	13.5	11.4	7.3	9.2	8.3	8.0
3rd Quartile	1.9	12.4	10.2	6.6	8.7	7.8	7.7
95th Percentile	1.2	10.1	8.8	6.0	7.9	7.2	7.0
Population	113	113	113	110	107	106	21

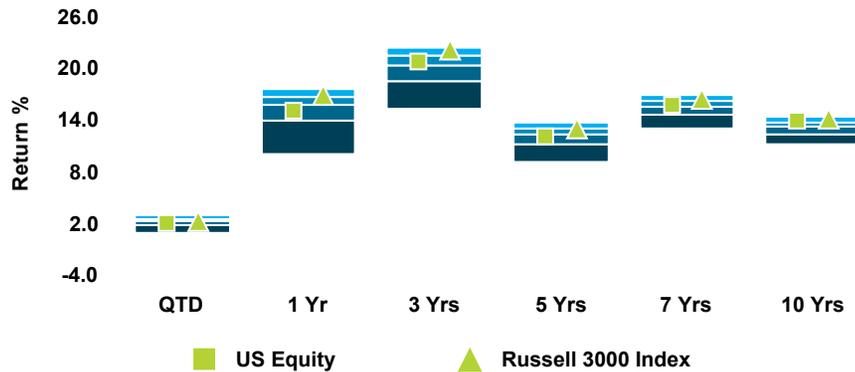
Parenteses contain percentile rankings.  
Calculation based on monthly periodicity.

US Equity | As of December 31, 2025

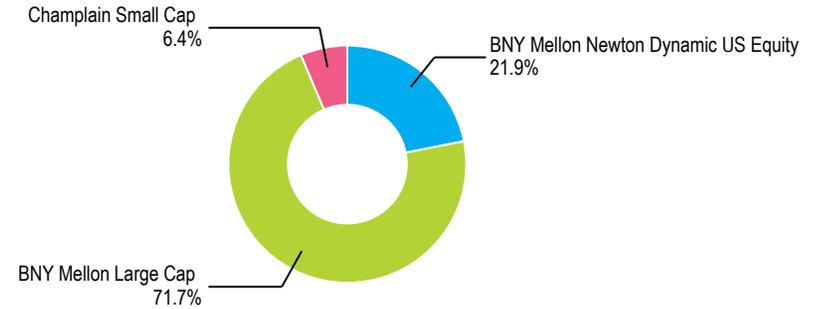
### Return Summary



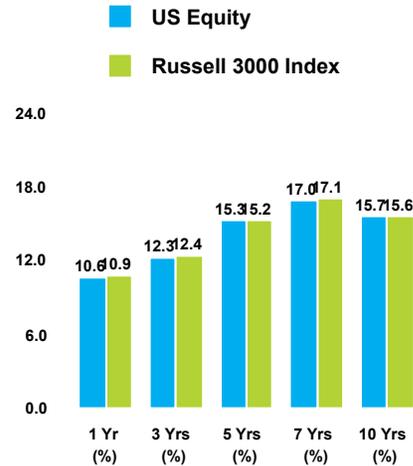
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
US Equity	2.1	15.3	20.9	12.3	15.9	14.0
Russell 3000	2.4	17.1	22.2	13.1	16.5	14.2
Excess Return	-0.3	-1.8	-1.3	-0.9	-0.7	-0.2



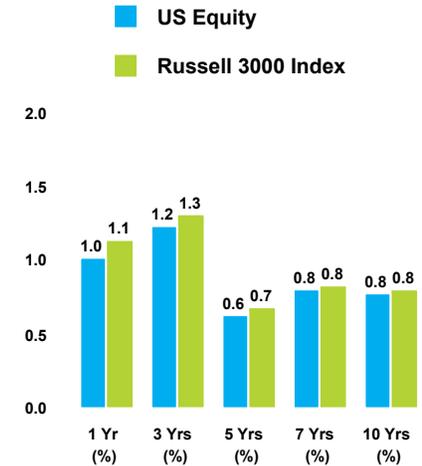
### Current Allocation



### Annualized Standard Deviation



### Sharpe Ratio

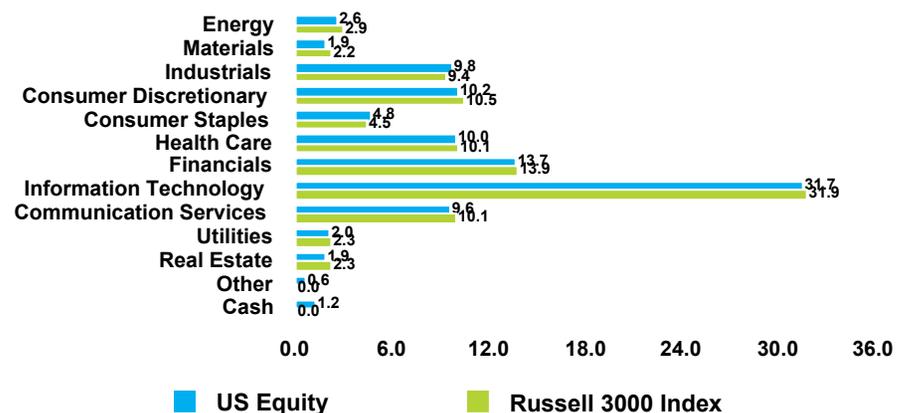


US Equity | As of December 31, 2025

### Equity Characteristics vs Russell 3000 Index

	Portfolio	Benchmark
Number of Holdings	1,073	2,966
Wtd. Avg. Mkt. Cap \$B	1,220.2	1,241.5
Median Mkt. Cap \$B	14.3	2.3
P/E Ratio	27.9	27.4
Yield (%)	1.1	1.2
EPS Growth - 5 Yrs. (%)	25.2	25.2
Price to Book	4.9	4.8

### Sector Weights (%)



### Top Holdings

NVIDIA Corporation	6.6
Apple Inc	5.9
Microsoft Corp	5.4
Amazon.com Inc	3.3
Alphabet Inc Class A	2.7
Broadcom Inc	2.4
Alphabet Inc Class C	2.2
Meta Platforms Inc	2.2
Tesla Inc	1.9
Berkshire Hathaway Inc	1.4
<b>% of Portfolio</b>	<b>34.0</b>

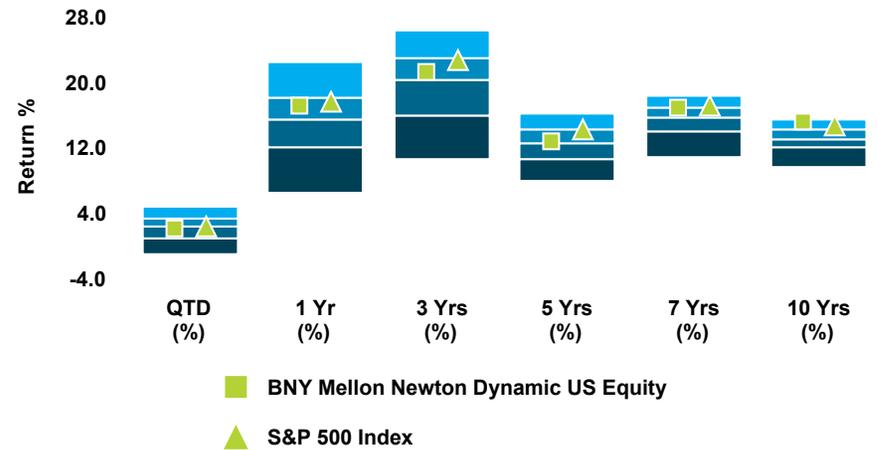
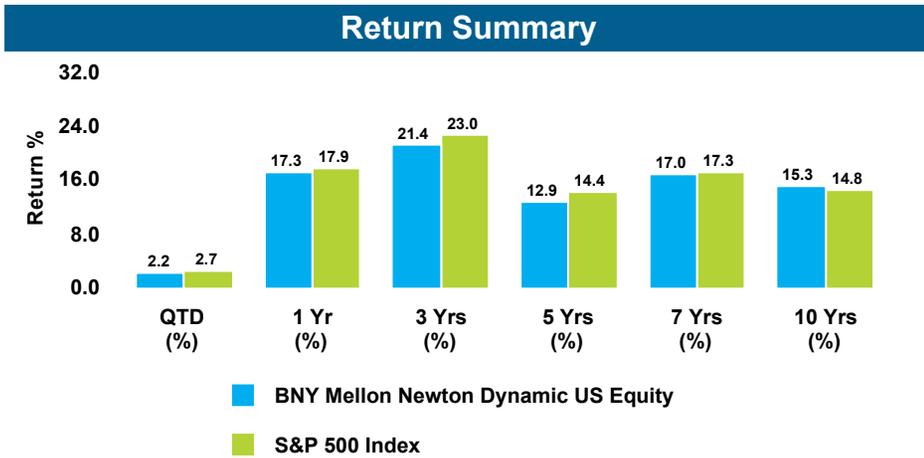
### Ten Best Performers

	Quarterly Return (%)
Lumentum Holdings Inc	126.5
Sandisk Corp	111.6
Exact Sciences Corporation	85.6
Albemarle Corp	75.0
Coherent Corp	71.3
Micron Technology Inc.	70.7
Revolution Medicines Inc	70.6
Alcoa Corporation	62.0
Ciena Corp	60.5
Confluent Inc	52.7

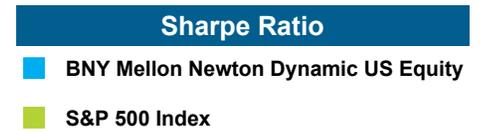
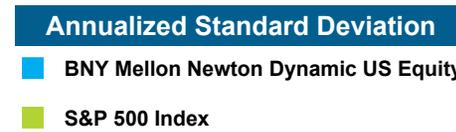
### Ten Worst Performers

	Quarterly Return (%)
FMC Corp.	-58.5
Corcept Therapeutics Inc	-58.1
Lucid Group Inc	-55.6
Strategy Inc	-52.8
Fiserv Inc.	-47.9
Duolingo Inc	-45.5
Acadia Healthcare Co Inc	-42.7
e l f Beauty Inc	-42.6
Roblox Corp	-41.5
Bullish	-40.5

### BNY Mellon Newton Dynamic US Equity | As of December 31, 2025



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
BNY Mellon Newton Dynamic US Equity	2.2	17.3	21.4	12.9	17.0	15.3
S&P 500 Index	2.7	17.9	23.0	14.4	17.3	14.8
Excess Return	-0.4	-0.5	-1.6	-1.6	-0.2	0.5



### BNY Mellon Newton Dynamic US Equity | As of December 31, 2025

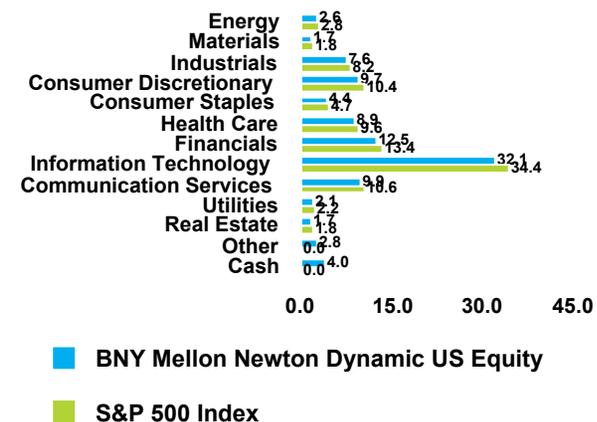
#### Equity Characteristics vs S&P 500 Index

	Portfolio	Benchmark
Number of Holdings	507	503
Wtd. Avg. Mkt. Cap \$B	1,313.4	1,409.2
Median Mkt. Cap \$B	38.9	38.7
P/E Ratio	28.3	28.3
Yield (%)	1.2	1.2
EPS Growth - 5 Yrs. (%)	25.7	25.7
Price to Book	5.2	5.2

#### Account Information

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

#### Sector Weights (%)



#### Top Holdings

NVIDIA Corporation	7.2
Apple Inc	6.4
Microsoft Corp	5.7
Amazon.com Inc	3.6
Alphabet Inc Class A	2.9
Generic Fixed Income	2.8
Broadcom Inc	2.6
Alphabet Inc Class C	2.3
Meta Platforms Inc	2.3
Tesla Inc	2.0
<b>% of Portfolio</b>	<b>37.8</b>

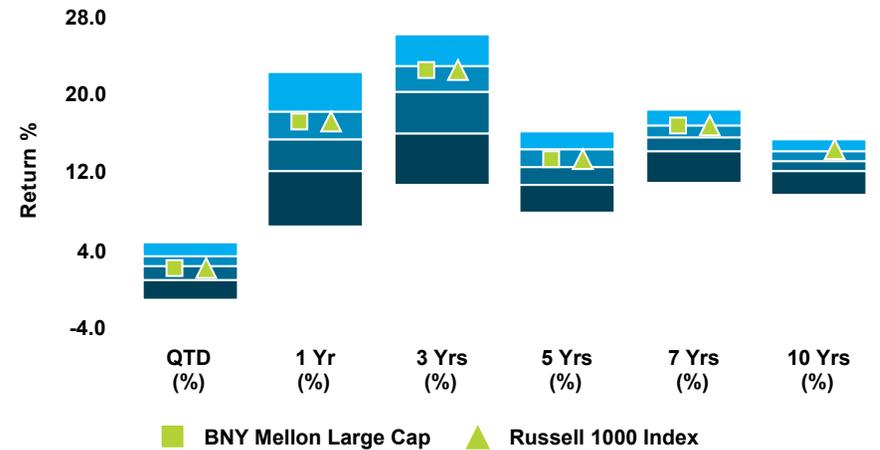
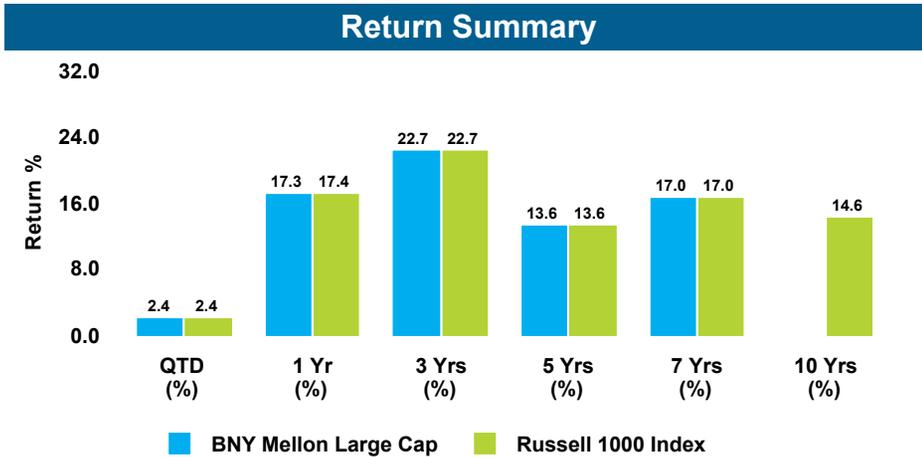
#### Ten Best Performers

	Quarterly Return (%)
Sandisk Corp	111.6
Albemarle Corp	75.0
Micron Technology Inc.	70.7
WARNER BROS DISCOVERY INC	47.6
J.B. Hunt Transport Services Inc.	45.2
Western Digital Corp	43.6
Eli Lilly and Co	41.1
Teradyne Inc	40.7
Regeneron Pharmaceuticals Inc	37.4
EPAM Systems Inc	35.9

#### Ten Worst Performers

	Quarterly Return (%)
Fiserv Inc.	-47.9
Alexandria Real Estate Equities Inc.	-40.4
Super Micro Computer Inc	-38.9
COINBASE GLOBAL INC	-33.0
Oracle Corp	-30.6
Mosaic Company (The)	-29.9
Paramount Skydance Corp	-28.9
Lamb Weston Holdings Inc	-27.9
Pool Corp	-25.9
Charter Communications Inc	-24.1

### BNY Mellon Large Cap | As of December 31, 2025



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
BNY Mellon Large Cap	2.4	17.3	22.7	13.6	17.0	-
<i>Russell 1000 Index</i>	<i>2.4</i>	<i>17.4</i>	<i>22.7</i>	<i>13.6</i>	<i>17.0</i>	<i>14.6</i>
Excess Return	0.0	0.0	0.0	0.0	0.0	-



### BNY Mellon Large Cap | As of December 31, 2025

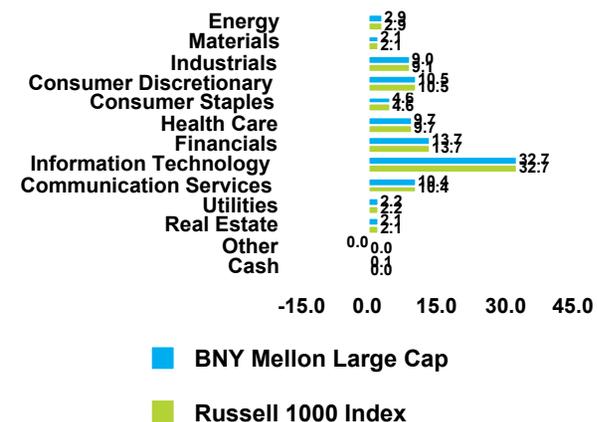
#### Equity Characteristics vs Russell 1000 Index

	Portfolio	Benchmark
Number of Holdings	1,014	1,010
Wtd. Avg. Mkt. Cap \$B	1,297.6	1,298.2
Median Mkt. Cap \$B	15.9	15.9
P/E Ratio	27.8	27.8
Yield (%)	1.2	1.2
EPS Growth - 5 Yrs. (%)	25.4	25.4
Price to Book	5.0	5.0

#### Account Information

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

#### Sector Weights (%)



#### Top Holdings

NVIDIA Corporation	7.0
Apple Inc	6.3
Microsoft Corp	5.7
Amazon.com Inc	3.5
Alphabet Inc Class A	2.9
Broadcom Inc	2.5
Alphabet Inc Class C	2.4
Meta Platforms Inc	2.3
Tesla Inc	2.0
Berkshire Hathaway Inc	1.5
<b>% of Portfolio</b>	<b>36.1</b>

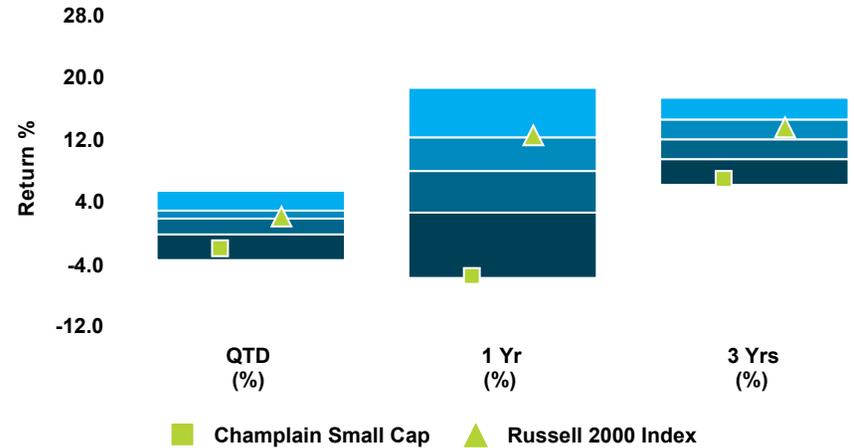
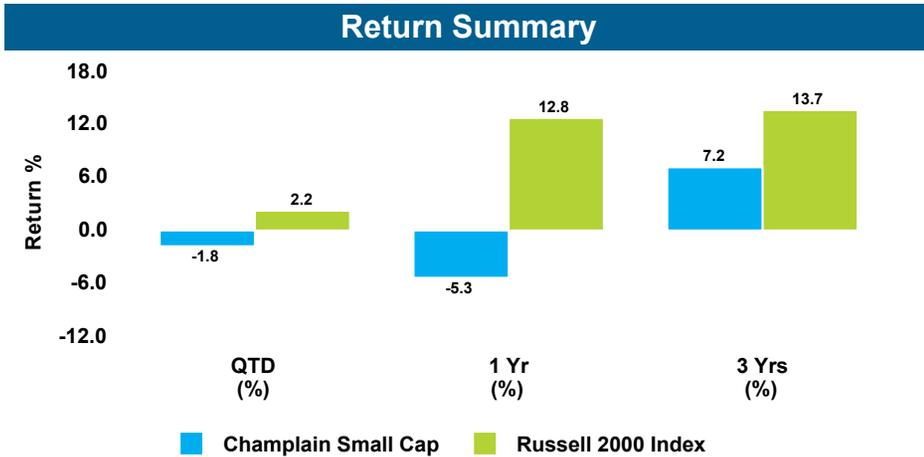
#### Ten Best Performers

	Quarterly Return (%)
Lumentum Holdings Inc	126.5
Sandisk Corp	111.6
Exact Sciences Corporation	85.6
Albemarle Corp	75.0
Coherent Corp	71.3
Micron Technology Inc.	70.7
Revolution Medicines Inc	70.6
Alcoa Corporation	62.0
Ciena Corp	60.5
Confluent Inc	52.7

#### Ten Worst Performers

	Quarterly Return (%)
FMC Corp.	-58.5
Corcept Therapeutics Inc	-58.1
Lucid Group Inc	-55.6
Strategy Inc	-52.8
Fiserv Inc.	-47.9
Duolingo Inc	-45.5
Acadia Healthcare Co Inc	-42.7
e l f Beauty Inc	-42.6
Roblox Corp	-41.5
Bullish	-40.5

### Champlain Small Cap | As of December 31, 2025



	QTD (%)	1 Yr (%)	3 Yrs (%)
Champlain Small Cap	-1.8	-5.3	7.2
<i>Russell 2000 Index</i>	<i>2.2</i>	<i>12.8</i>	<i>13.7</i>
Excess Return	-4.0	-18.1	-6.5



### Champlain Small Cap | As of December 31, 2025

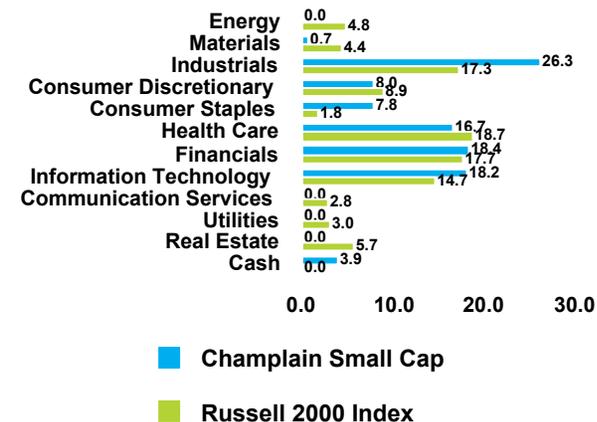
#### Equity Characteristics vs Russell 2000 Index

	Portfolio	Benchmark
Number of Holdings	82	1,956
Wtd. Avg. Mkt. Cap \$B	5.6	4.5
Median Mkt. Cap \$B	4.0	1.0
P/E Ratio	26.9	18.7
Yield (%)	0.6	1.2
EPS Growth - 5 Yrs. (%)	19.3	16.1
Price to Book	3.5	2.6

#### Account Information

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

#### Sector Weights (%)



#### Top Holdings

Globus Medical Inc	2.6
Confluent Inc	2.5
Pure Storage Inc	2.3
Repligen Corp	2.2
Standex International Corp	2.2
MSA Safety Inc	2.1
ESAB Corp	2.1
JBT Marel Corporation	2.1
ServisFirst Bancshares Inc	2.0
CSW Industrials Inc	1.9
<b>% of Portfolio</b>	<b>22.0</b>

#### Ten Best Performers

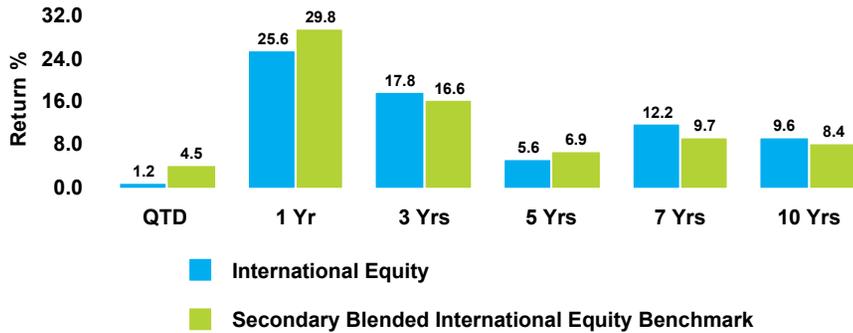
	Quarterly Return (%)
Confluent Inc	52.7
Globus Medical Inc	52.5
Brucker Corporation	45.2
Glaukos Corp	38.5
SI-BONE Inc	34.0
Inspire Medical Systems Inc	24.3
Penumbra Inc	22.7
Veracyte Inc	22.6
Repligen Corp	22.6
CSW Industrials Inc	20.9

#### Ten Worst Performers

	Quarterly Return (%)
e l f Beauty Inc	-42.6
Commvault Systems Inc	-33.6
Nutanix Inc	-30.5
Phreesia Inc	-28.1
BellRing Brands Inc	-26.5
Transcat Inc	-22.5
Stevanato Group S p A	-21.9
Bath & Body Works Inc	-21.0
Celsius Holdings Inc	-20.4
Pure Storage Inc	-20.0

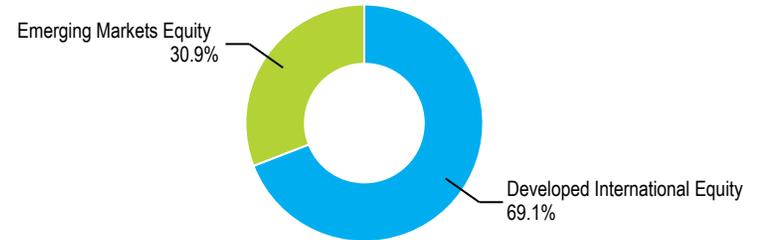
Champlain Small Cap holdings are as of 09/30/2025, due to data availability.

#### Return Summary

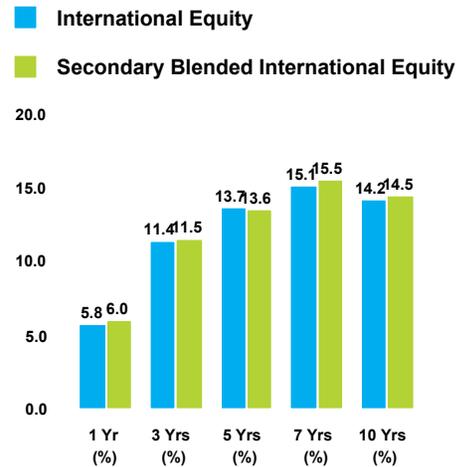


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
International Equity	1.2	25.6	17.8	5.6	12.2	9.6
Secondary Blended International Equity Benchmark	4.5	29.8	16.6	6.9	9.7	8.4
Excess Return	-3.3	-4.2	1.2	-1.3	2.5	1.2

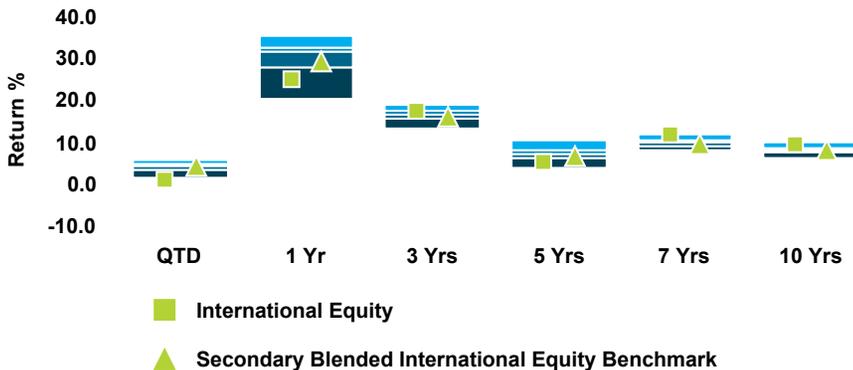
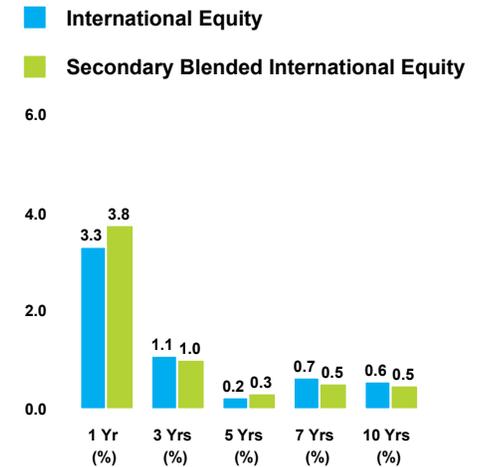
#### Current Allocation



#### Annualized Standard Deviation



#### Sharpe Ratio

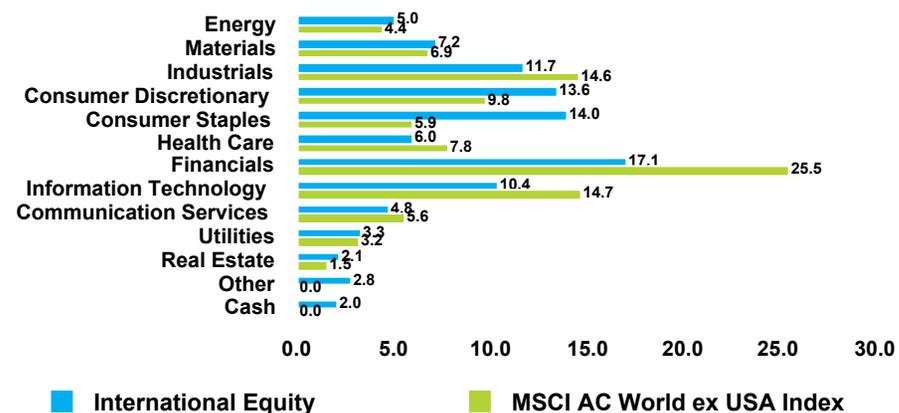


### International Equity | As of December 31, 2025

#### Equity Characteristics vs MSCI AC World ex USA Index

	Portfolio	Benchmark
Number of Holdings	2,391	1,973
Wtd. Avg. Mkt. Cap \$B	148.3	154.1
Median Mkt. Cap \$B	1.0	13.2
P/E Ratio	19.1	17.0
Yield (%)	2.4	2.7
EPS Growth - 5 Yrs. (%)	18.2	19.4
Price to Book	3.0	2.7

#### Sector Weights (%)



#### Top Holdings

Gold - Physical	2.6
British American Tobacco PLC	1.8
Tencent Holdings LTD	1.7
Philip Morris International Inc	1.6
MercadoLibre Inc	1.5
Sea Limited	1.3
Nestle SA, Cham Und Vevey	1.1
Chubb Ltd	1.0
Visa Inc	1.0
MakeMyTrip Ltd	1.0
<b>% of Portfolio</b>	<b>14.6</b>

#### Ten Best Performers

	Quarterly Return (%)
PT RMK Energy Tbk	225.4
Core Lithium Ltd	163.5
Nanya Technology Corp	156.5
Soechi Line Tbk (PT)	150.1
Winbond Electronics Corp	135.3
SJ Group Co Ltd	131.7
D-Box Technologies Inc	124.5
Phison Electronics Corp	100.4
Verbio SE	98.4
Grupo Financiero Galicia, Buenos Aires	97.2

#### Ten Worst Performers

	Quarterly Return (%)
Adaptimmune Therapeutics plc	-80.0
Yangzijiang Financial Holding Ltd	-66.6
DCM Shriram Industries Ltd	-64.5
Truecaller AB	-52.5
Q Technology (Group) Company Ltd	-49.4
Samyang Holding Corp	-45.5
MK Restaurant Group PCL	-44.9
Viomi Technology Co Ltd	-44.9
Net Protections Holdings Inc	-43.7
Anton Oilfield Services Group	-42.1

### Acadian ACWI ex U.S. Small Cap Equity | As of December 31, 2025



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Acadian ACWI ex U.S. Small Cap Equity	3.4	29.9	18.2	11.4	-	-
MSCI AC World ex USA Small Cap (Net)	3.0	29.3	15.6	6.9	10.0	8.1
Excess Return	0.5	0.6	2.6	4.5	-	-



### Acadian ACWI ex U.S. Small Cap Equity | As of December 31, 2025

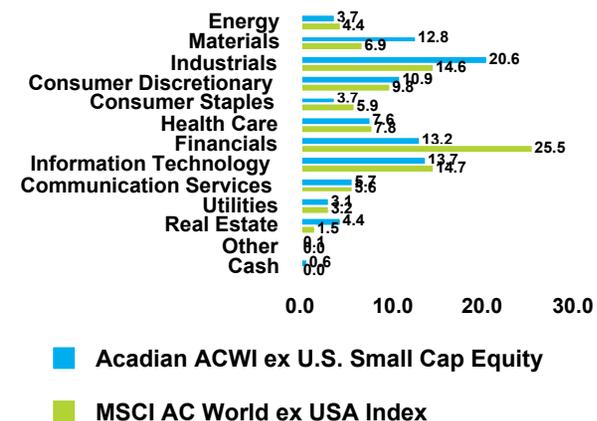
#### Equity Characteristics vs MSCI AC World ex USA Index

	Portfolio	Benchmark
Number of Holdings	2,065	1,973
Wtd. Avg. Mkt. Cap \$B	3.4	154.1
Median Mkt. Cap \$B	0.8	13.2
P/E Ratio	13.4	17.0
Yield (%)	3.0	2.7
EPS Growth - 5 Yrs. (%)	20.3	19.4
Price to Book	2.2	2.7

#### Account Information

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

#### Sector Weights (%)



#### Top Holdings

Accelleron Industries AG	0.8
Hudbay Minerals Inc	0.8
Quebecor Inc	0.7
Santen Pharmaceutical Co Ltd	0.7
Perseus Mining Ltd	0.6
A2A SPA	0.6
BAWAG Group AG	0.6
First International Bank Of Israel	0.6
TOA PAINT THAILAND	0.6
Compeq Manufacturing Co Ltd	0.6
<b>% of Portfolio</b>	<b>6.6</b>

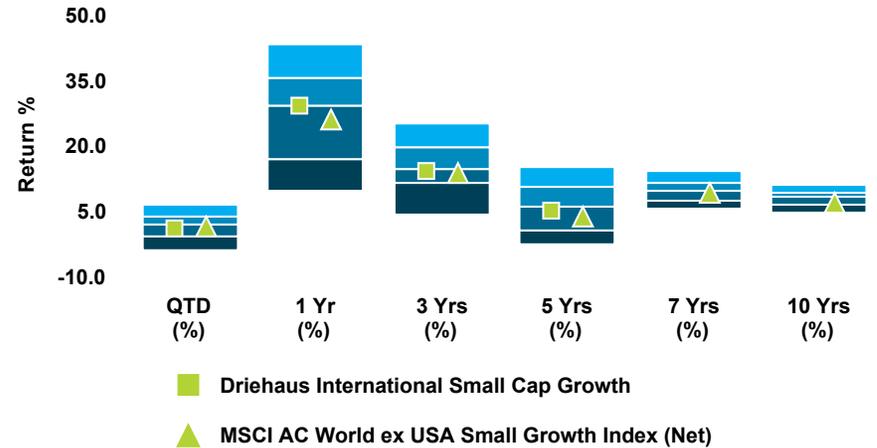
#### Ten Best Performers

	Quarterly Return (%)
PT RMK Energy Tbk	225.4
Core Lithium Ltd	163.5
Nanya Technology Corp	156.5
Soechi Line Tbk (PT)	150.1
Winbond Electronics Corp	135.3
SJ Group Co Ltd	131.7
D-Box Technologies Inc	124.5
Phison Electronics Corp	100.4
WIN Semiconductors Corp	91.1
Chiyoda Corp	76.2

#### Ten Worst Performers

	Quarterly Return (%)
Adaptimmune Therapeutics plc	-80.0
Yangzijiang Financial Holding Ltd	-66.6
DCM Shriram Industries Ltd	-64.5
Truecaller AB	-52.5
Q Technology (Group) Company Ltd	-49.4
Samyang Holding Corp	-45.5
MK Restaurant Group PCL	-44.9
Viomi Technology Co Ltd	-44.9
Anton Oilfield Services Group	-42.1
Devsisters Co Ltd	-40.6

### Driehaus International Small Cap Growth | As of December 31, 2025



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Driehaus International Small Cap Growth	1.4	29.7	14.6	5.3	-	-
MSCI AC World ex USA Small Growth Index (Net)	1.6	26.2	14.1	4.1	9.5	7.5
Excess Return	-0.3	3.6	0.5	1.2	-	-



### Driehaus International Small Cap Growth | As of December 31, 2025

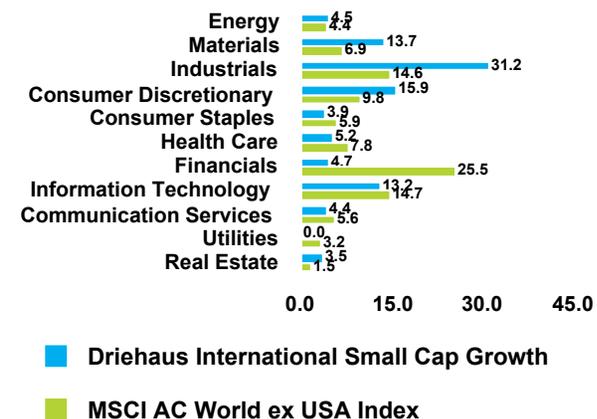
#### Equity Characteristics vs MSCI AC World ex USA Index

	Portfolio	Benchmark
Number of Holdings	115	1,973
Wtd. Avg. Mkt. Cap \$B	5.6	154.1
Median Mkt. Cap \$B	3.7	13.2
P/E Ratio	18.4	17.0
Yield (%)	1.7	2.7
EPS Growth - 5 Yrs. (%)	26.6	19.4
Price to Book	2.9	2.7

#### Account Information

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

#### Sector Weights (%)



#### Top Holdings

Smiths Group PLC	2.8
SigmaRoc PLC	2.5
Melrose Industries PLC	2.2
Aritzia Inc	2.1
Fluidra SA	1.9
DO & CO AG	1.8
Azbil Corp	1.7
Yaskawa Electric Corp	1.7
Wiwynn Corporation	1.7
DormaKaba Holding AG	1.6
<b>% of Portfolio</b>	<b>20.0</b>

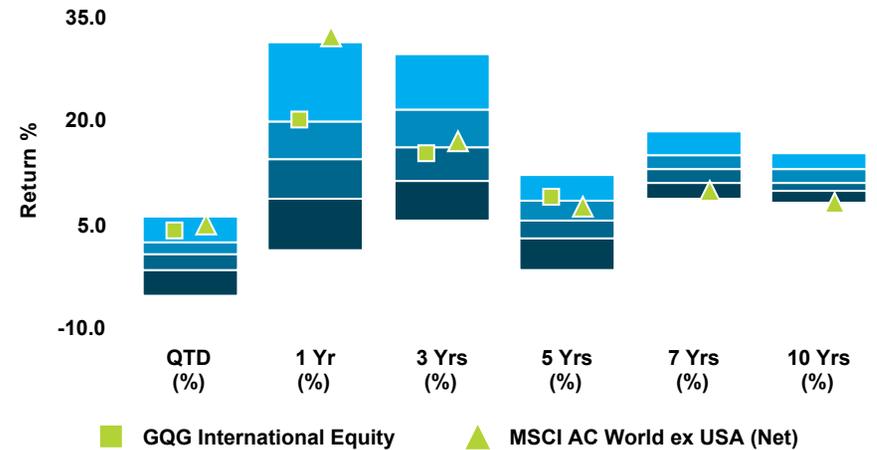
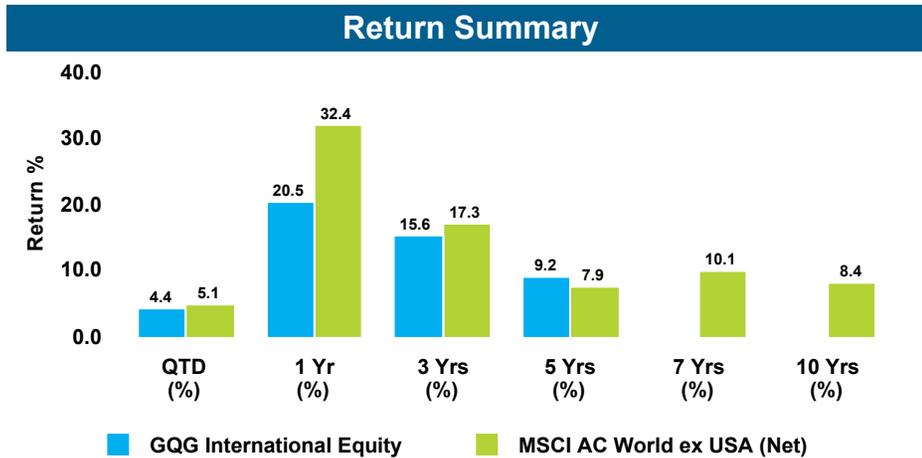
#### Ten Best Performers

	Quarterly Return (%)
Verbio SE	98.4
Cosmo Pharmaceuticals NV	63.5
Thangamayil Jewellery Ltd	58.1
Salzgitter AG, Salzgitter	55.9
Netcompany Group A/S	48.0
Groupe Dynamite Inc	44.5
Vienna Insurance Group AG	43.4
Yaskawa Electric Corp	41.9
Aritzia Inc	41.5
RVRC Holding AB	40.6

#### Ten Worst Performers

	Quarterly Return (%)
Net Protections Holdings Inc	-43.7
Catapult Sports Ltd	-39.3
Baycurrent Inc	-29.6
Lifedrink Company Inc	-28.0
Sunny Optical Technology Group Co Ltd	-27.6
Trustpilot Group plc	-27.5
Superloop Ltd	-23.4
StoneCo Ltd	-21.8
Scout24 SE	-19.6
Goria Limited	-18.8

### GQG International Equity | As of December 31, 2025



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
GQG International Equity	4.4	20.5	15.6	9.2	-	-
MSCI AC World ex USA (Net)	5.1	32.4	17.3	7.9	10.1	8.4
Excess Return	-0.7	-11.9	-1.7	1.3	-	-



### GQG International Equity | As of December 31, 2025

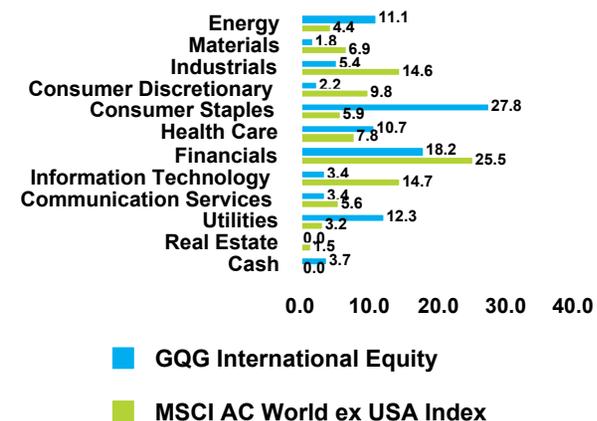
#### Equity Characteristics vs MSCI AC World ex USA Index

	Portfolio	Benchmark
Number of Holdings	68	1,973
Wtd. Avg. Mkt. Cap \$B	143.5	154.1
Median Mkt. Cap \$B	76.0	13.2
P/E Ratio	17.8	17.0
Yield (%)	3.6	2.7
EPS Growth - 5 Yrs. (%)	13.5	19.4
Price to Book	2.6	2.7

#### Account Information

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

#### Sector Weights (%)



#### Top Holdings

Philip Morris International Inc	6.3
British American Tobacco PLC	4.6
Chubb Ltd	4.1
Iberdrola SA	3.4
Astrazeneca PLC	3.3
Enbridge Inc	3.2
Novartis AG	3.1
TotalEnergies SE	2.9
Nestle SA, Cham Und Vevey	2.9
Enel Ente Nazionale	2.4
<b>% of Portfolio</b>	<b>36.2</b>

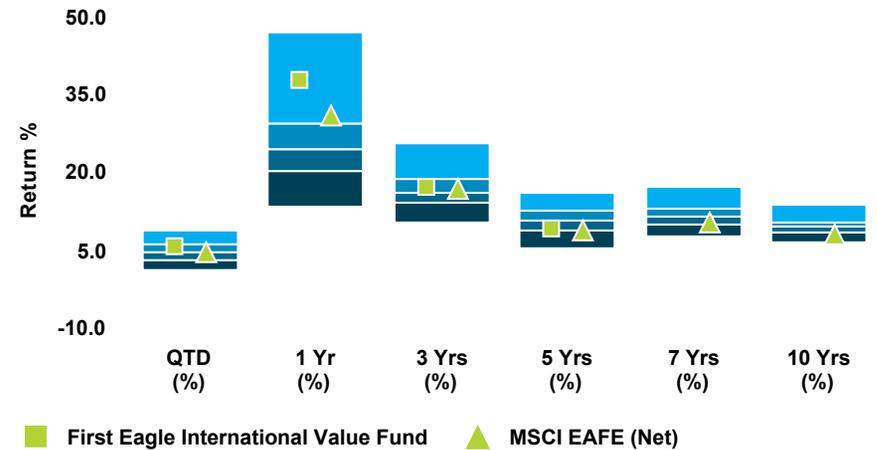
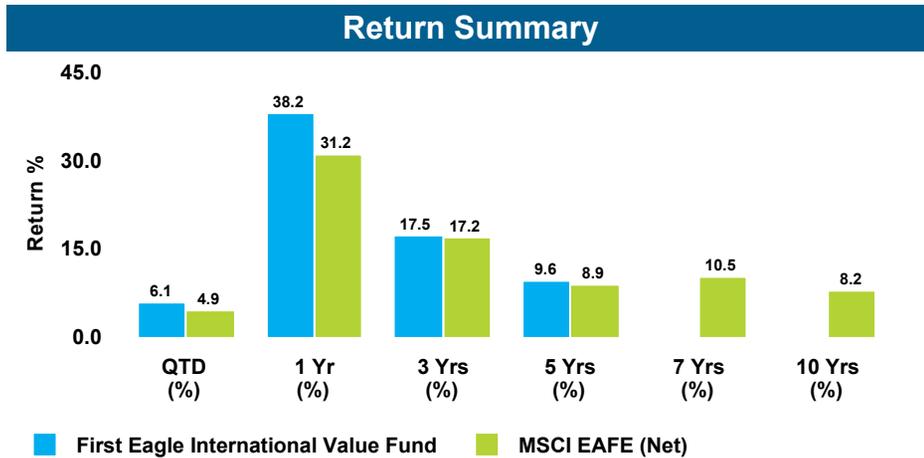
#### Ten Best Performers

	Quarterly Return (%)
Roche Holding AG	26.8
SSE plc	26.2
Cognizant Technology	24.3
Astrazeneca PLC	23.2
Glencore Plc	18.9
Caixabank SA	18.9
GMR Airports Limited	18.2
Adani Energy Solutions Ltd	16.4
Taiwan Semiconductor	14.6
Iberdrola SA	14.6

#### Ten Worst Performers

	Quarterly Return (%)
Thales SA	-13.5
Tokio Marine Holdings Inc	-12.6
Adani Enterprises Ltd	-8.9
SAP SE	-8.6
Diageo PLC	-7.4
Franco-Nevada Corp	-6.6
Procter & Gamble Co (The)	-6.1
Novo Nordisk A/S	-5.7
Deutsche Telekom AG	-4.7
Enbridge Inc	-3.7

### First Eagle International Value Fund | As of December 31, 2025



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
First Eagle International Value Fund	6.1	38.2	17.5	9.6	-	-
MSCI EAFE (Net)	4.9	31.2	17.2	8.9	10.5	8.2
Excess Return	1.2	7.0	0.3	0.7	-	-



### First Eagle International Value Fund | As of December 31, 2025

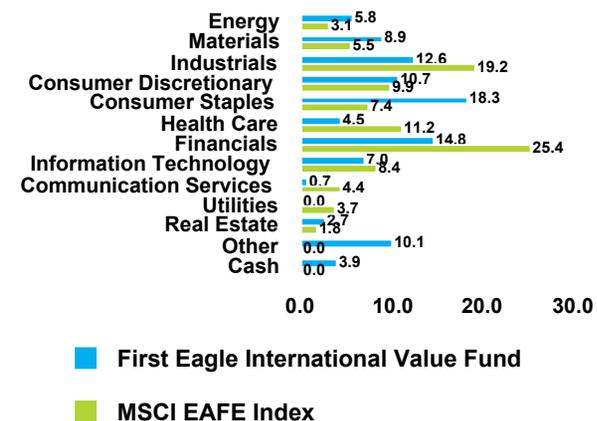
#### Equity Characteristics vs MSCI EAFE Index

	Portfolio	Benchmark
Number of Holdings	106	693
Wtd. Avg. Mkt. Cap \$B	97.5	106.6
Median Mkt. Cap \$B	21.9	19.9
P/E Ratio	16.9	17.5
Yield (%)	2.9	2.8
EPS Growth - 5 Yrs. (%)	16.0	19.0
Price to Book	2.3	2.6

#### Account Information

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

#### Sector Weights (%)



#### Top Holdings

Gold - Physical	9.5
Imperial Oil Ltd	3.0
Shell Plc	2.7
British American Tobacco PLC	2.4
Taiwan Semiconductor Manufac.	2.2
Prosus NV	2.2
LVMH Moet Hennessy Louis Vuitton SE	2.0
Compagnie Financiere Richemont SA	1.9
Merck KGaA	1.9
Reckitt Benckiser Group PLC	1.6
<b>% of Portfolio</b>	<b>29.4</b>

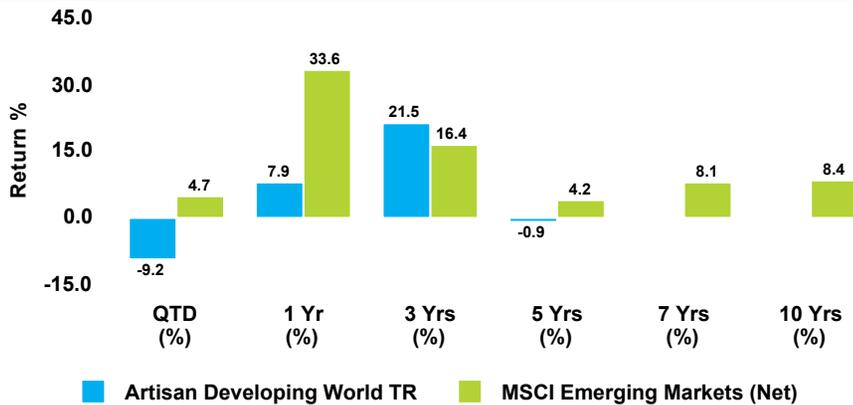
#### Ten Best Performers

	Quarterly Return (%)
Fresnillo PLC	41.1
Samsung Electronics Co Ltd	39.2
Fanuc Corp	34.5
Barrick Mining Corporation	33.5
Samsung Electronics Co Ltd	30.8
LVMH Moet Hennessy Louis Vuitton SE	24.9
Power Corp of Canada	24.0
Hyundai Mobis	21.7
Newmont Corporation	18.8
Industrias Penoles S.A.B. de C.V.	17.9

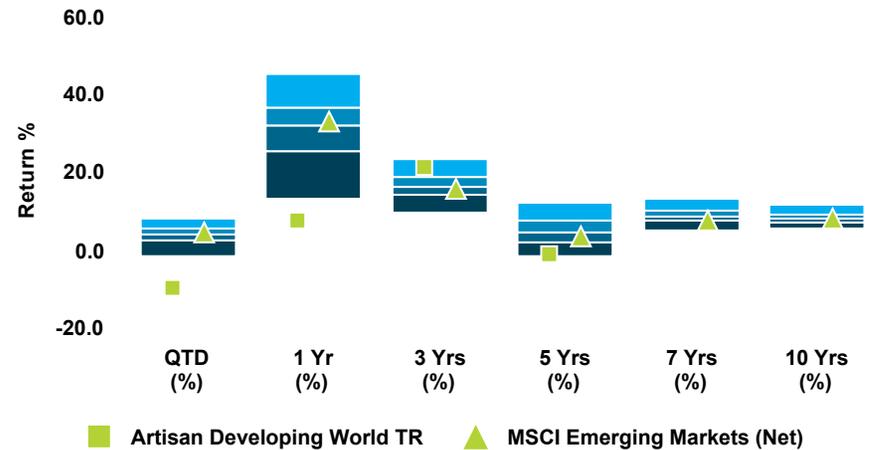
#### Ten Worst Performers

	Quarterly Return (%)
Alibaba Group Holding Ltd	-19.4
Dassault Systemes SE	-17.3
BAE Systems PLC	-16.2
Nagaileben Co Ltd	-15.8
Sodexo S A	-13.4
NAVER Corp	-12.0
Hirose Electric Co Ltd	-11.6
Prosus NV	-11.6
Hoshizaki Corp	-10.5
Legrand	-9.5

### Return Summary

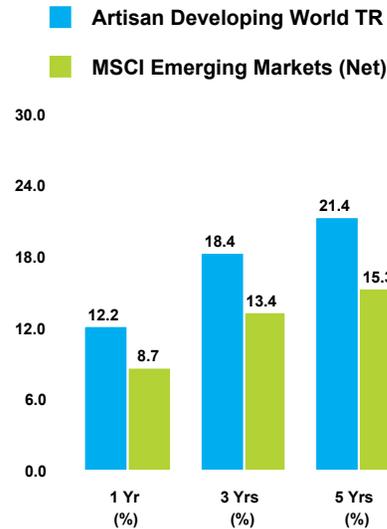


### Artisan Developing World TR | As of December 31, 2025

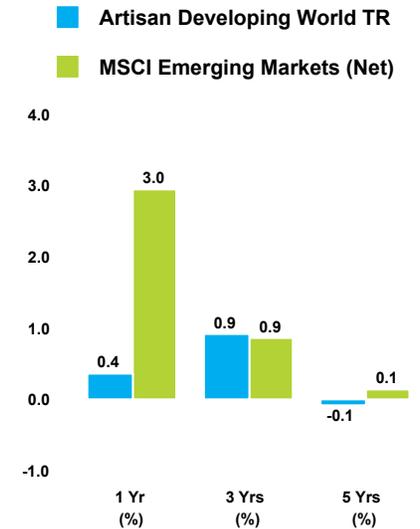


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Artisan Developing World TR	-9.2	7.9	21.5	-0.9	-	-
<i>MSCI Emerging Markets (Net)</i>	<i>4.7</i>	<i>33.6</i>	<i>16.4</i>	<i>4.2</i>	<i>8.1</i>	<i>8.4</i>
Excess Return	-13.9	-25.7	5.1	-5.1	-	-

### Annualized Standard Deviation



### Sharpe Ratio



### Artisan Developing World TR | As of December 31, 2025

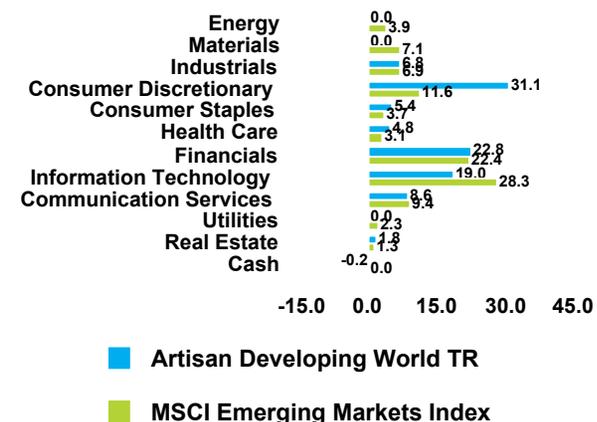
#### Equity Characteristics vs MSCI Emerging Markets Index

	Portfolio	Benchmark
Number of Holdings	45	1,197
Wtd. Avg. Mkt. Cap \$B	339.1	268.4
Median Mkt. Cap \$B	73.4	10.2
P/E Ratio	38.2	15.5
Yield (%)	0.5	2.4
EPS Growth - 5 Yrs. (%)	26.1	20.9
Price to Book	6.0	3.0

#### Account Information

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

#### Sector Weights (%)



#### Top Holdings

Tencent Holdings LTD	6.5
Sea Limited	6.4
MercadoLibre Inc	6.3
Visa Inc	4.8
MakeMyTrip Ltd	4.6
Adyen N.V	4.5
CrowdStrike Holdings Inc	4.4
NVIDIA Corporation	3.9
Snowflake Inc	3.8
Eternal Limited	3.5
<b>% of Portfolio</b>	<b>48.7</b>

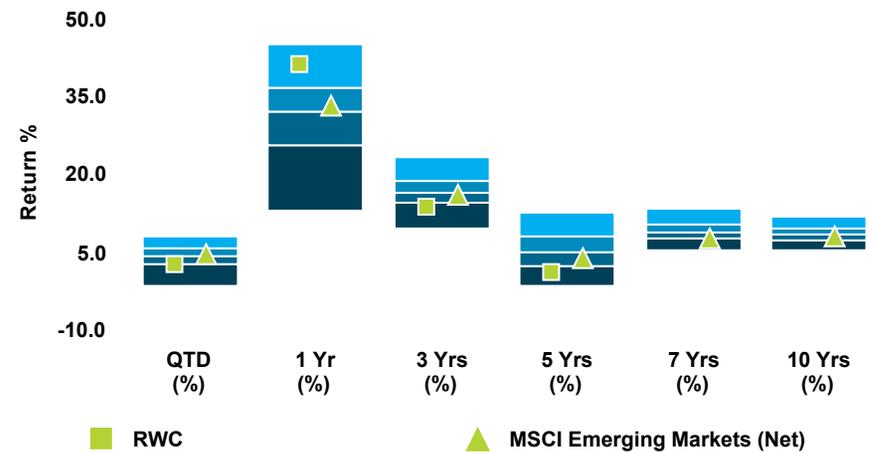
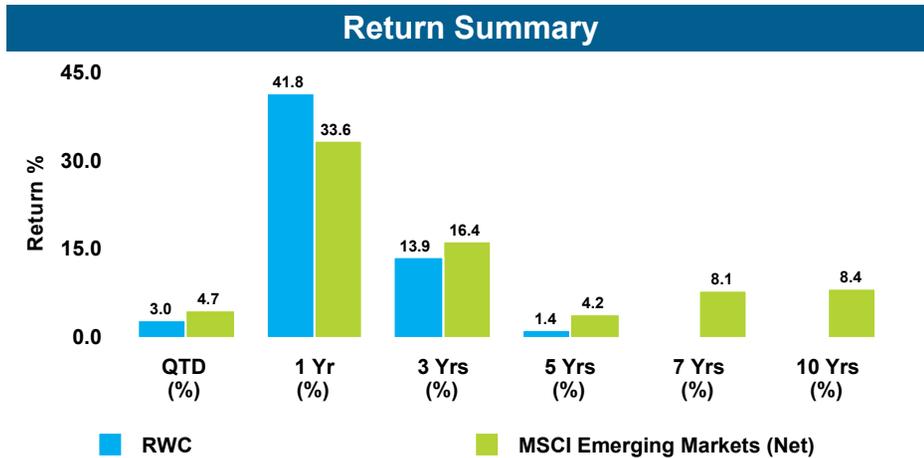
#### Ten Best Performers

	Quarterly Return (%)
One97 Communications Limited	14.2
Compagnie Financiere Richemont SA	14.0
Airbnb Inc	11.8
Coca-Cola Co (The)	6.2
PB Fintech Limited	6.0
Nu Holdings Ltd	4.6
HDFC Bank Limited	3.0
Visa Inc	2.9
Hermes International SA	1.8
Adyen N.V	0.7

#### Ten Worst Performers

	Quarterly Return (%)
COINBASE GLOBAL INC	-33.0
Kingsoft Cloud Holdings Limited	-30.7
Sea Limited	-28.6
Veeva Systems Inc	-25.1
Meitu Inc	-24.5
Ferrari NV	-23.8
Arm Holdings plc	-22.7
Netflix Inc	-21.8
Alibaba Group Holding Ltd	-18.0
Grab Holdings Limited	-17.1

RWC | As of December 31, 2025



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
RWC	3.0	41.8	13.9	1.4	-	-
MSCI Emerging Markets (Net)	4.7	33.6	16.4	4.2	8.1	8.4
Excess Return	-1.8	8.2	-2.5	-2.8	-	-



RWC | As of December 31, 2025

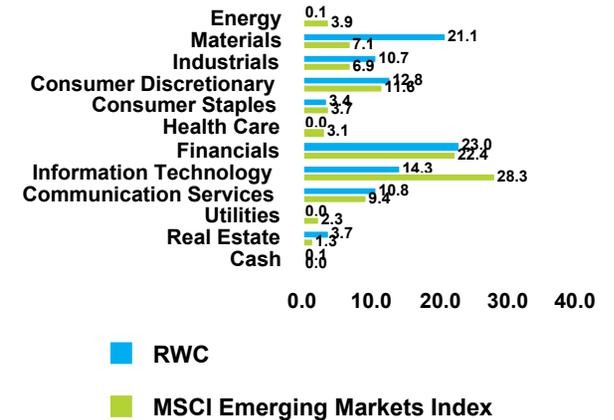
### Equity Characteristics vs MSCI Emerging Markets Index

	Portfolio	Benchmark
Number of Holdings	70	1,197
Wtd. Avg. Mkt. Cap \$B	147.9	268.4
Median Mkt. Cap \$B	25.8	10.2
P/E Ratio	16.3	15.5
Yield (%)	2.5	2.4
EPS Growth - 5 Yrs. (%)	18.6	20.9
Price to Book	2.9	3.0

### Account Information

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

### Sector Weights (%)



### Top Holdings

Samsung Electronics Co Ltd	4.9
Taiwan Semiconductor	3.8
Tencent Holdings LTD	3.7
Contemporary Amperex Technology	3.4
Vale SA	3.2
Alibaba Group Holding Ltd	3.2
Kia Corporation	3.1
Kuaishou Technology	2.9
ociedad Quimica y Minera de Chile	2.9
First Quantum Minerals Ltd	2.6
<b>% of Portfolio</b>	<b>33.7</b>

### Ten Best Performers

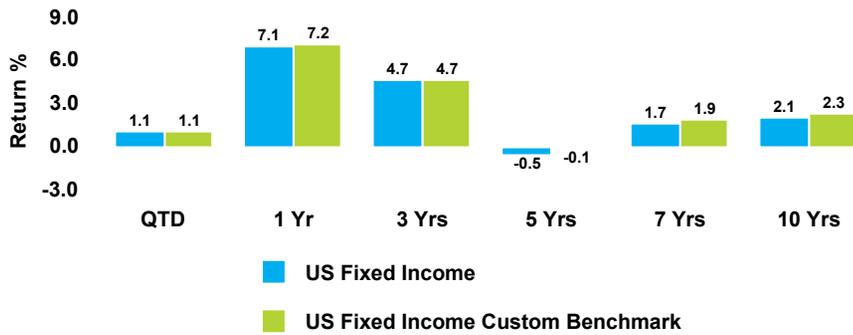
	Quarterly Return (%)
Grupo Financiero Galicia, Buenos Aires	97.2
ociedad Quimica y Minera de Chile	60.1
Samsung Electronics Co Ltd	39.2
Weg Sa	33.5
Standard Bank Group Ltd	27.9
Fortune Electric Co Ltd	27.7
Vale SA	26.3
Capitec Bank Holdings Ltd	25.4
Impala Platinum Holdings Ltd	23.7
AngloGold Ashanti plc	22.5

### Ten Worst Performers

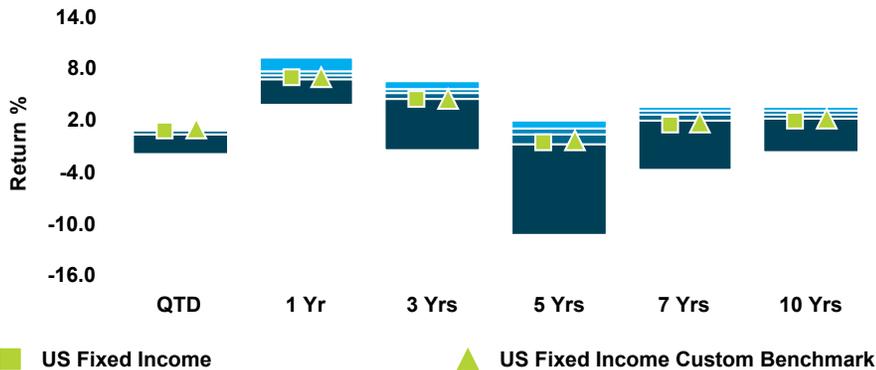
	Quarterly Return (%)
Tullow Oil plc	-42.0
Longfor Group Holdings Ltd	-28.0
Eve Energy Co Ltd	-26.4
Kuaishou Technology	-24.4
Alibaba Group Holding Ltd	-19.4
Alibaba Group Holding Ltd	-18.0
MercadoLibre Inc	-13.8
BYD Company Limited	-13.5
Kanzhun Limited	-12.2
InterGlobe Aviation Ltd	-10.7

### US Fixed Income | As of December 31, 2025

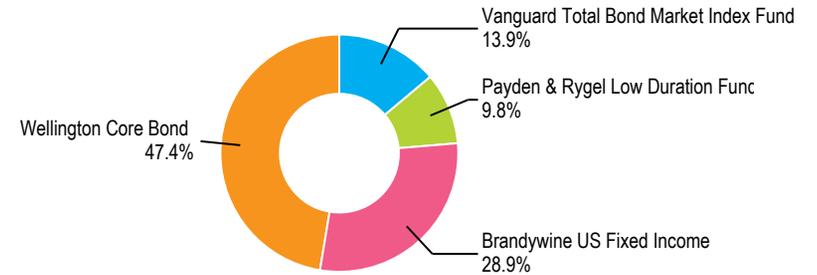
#### Return Summary



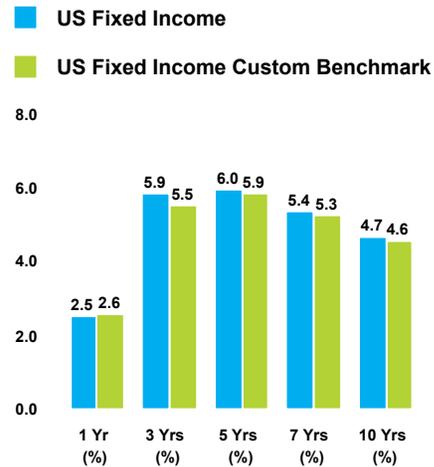
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
US Fixed Income	1.1	7.1	4.7	-0.5	1.7	2.1
<i>US Fixed Income Custom Benchmark</i>	<i>1.1</i>	<i>7.2</i>	<i>4.7</i>	<i>-0.1</i>	<i>1.9</i>	<i>2.3</i>
Excess Return	0.0	-0.1	0.0	-0.4	-0.2	-0.2



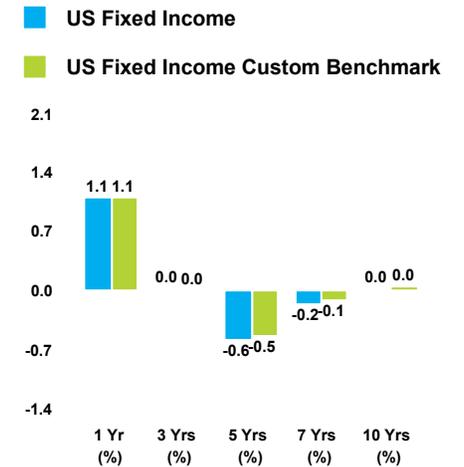
#### Current Allocation



#### Annualized Standard Deviation



#### Sharpe Ratio

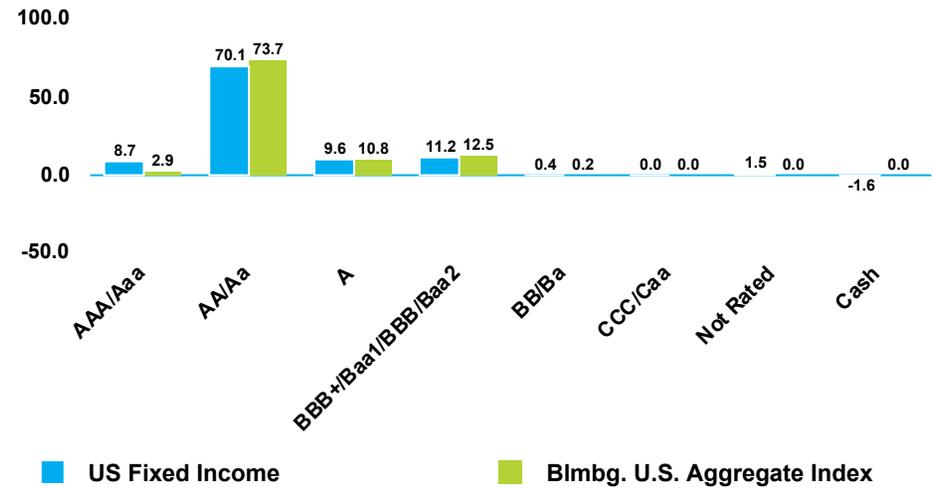


US Fixed Income | As of December 31, 2025

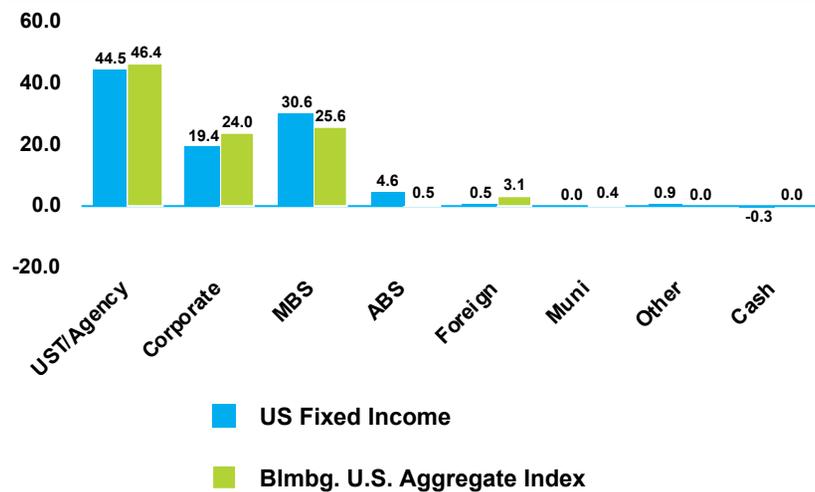
### US Fixed Income Portfolio Characteristics

	Portfolio	Benchmark
Yield To Maturity (%)	4.5	4.3
Effective Duration	5.3	6.0
Avg. Quality	AA	AA

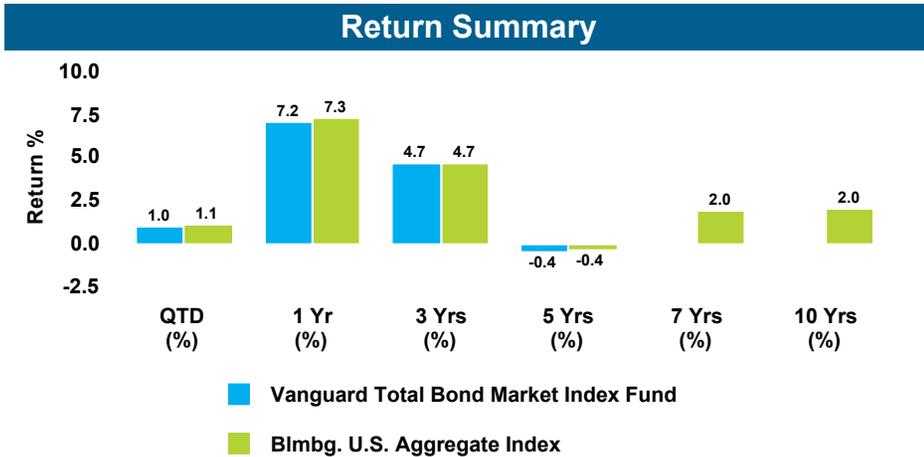
### Credit Quality Distribution (%)



### Sector Distribution (%)



### Vanguard Total Bond Market Index Fund | As of December 31, 2025

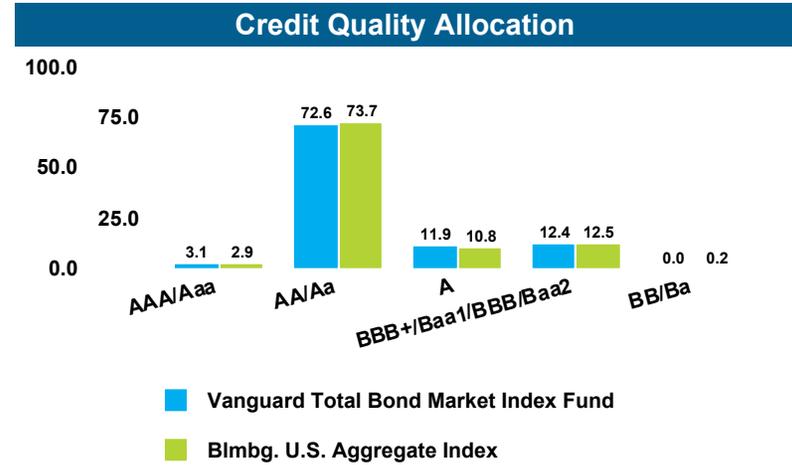


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Vanguard Total Bond Market Index Fund	1.0	7.2	4.7	-0.4	-	-
Blmbg. U.S. Aggregate Index	1.1	7.3	4.7	-0.4	2.0	2.0
Excess Return	-0.1	-0.1	0.0	0.0	-	-

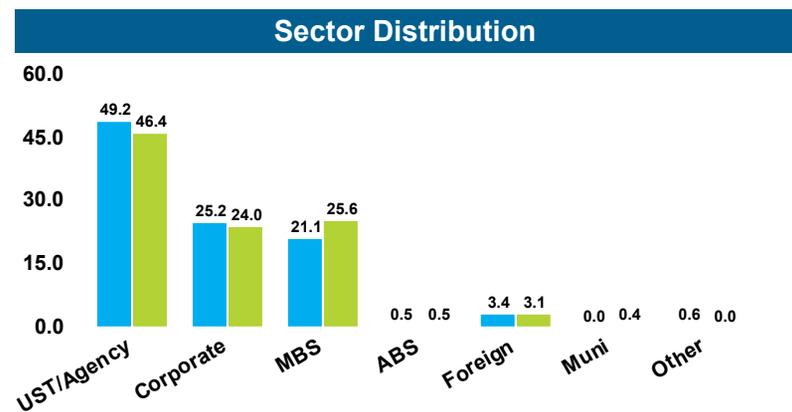


### Vanguard Total Bond Market Index Fund | As of December 31, 2025

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

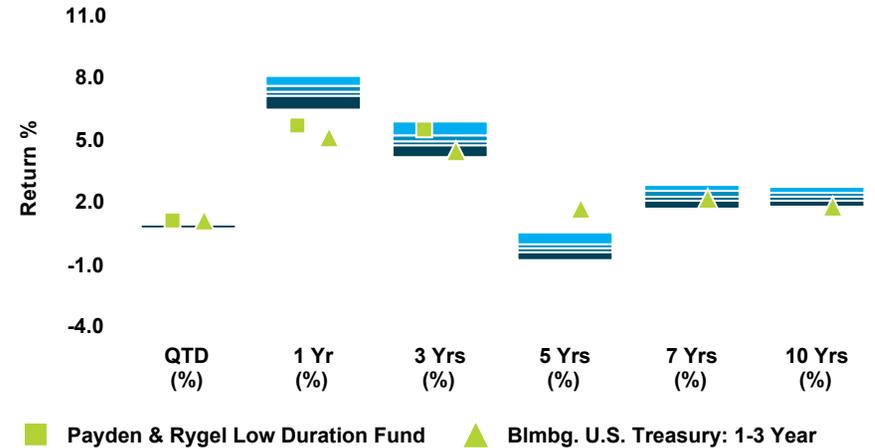
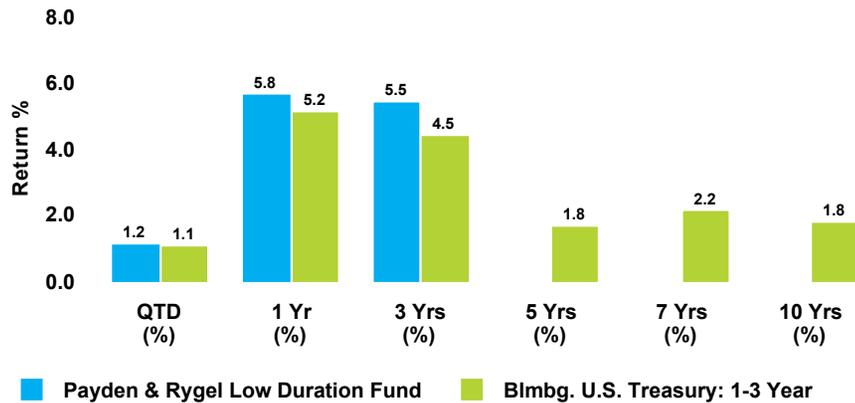


Fixed Income Characteristics	Q4 -25		Q3 -25
	Vanguard Total Bond Market Index Fund	Blmbg. U.S. Aggregate Index	Vanguard Total Bond Market Index Fund
Yield To Maturity	4.33	4.32	4.38
Average Duration	5.70	5.98	5.84
Average Quality	AA	AA	AA
Weight Average Maturity	8.00	8.20	8.10



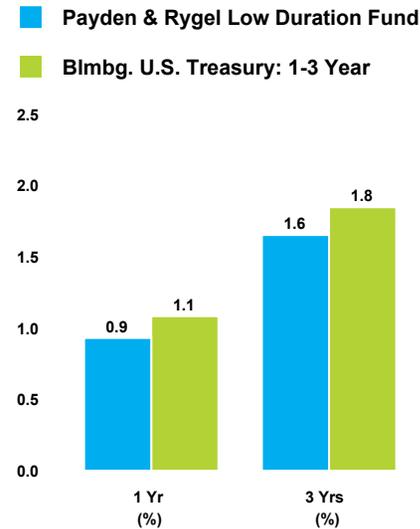
### Payden & Rygel Low Duration Fund | As of December 31, 2025

#### Return Summary

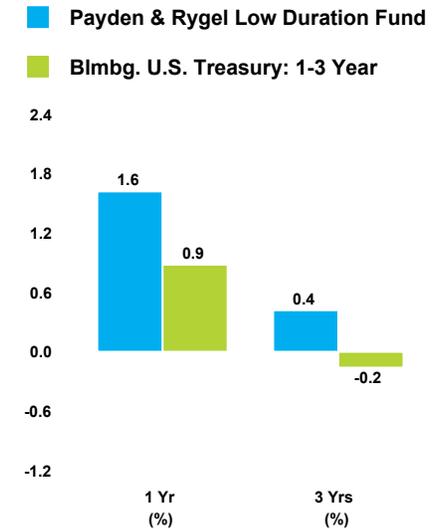


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Payden & Rygel Low Duration Fund	1.2	5.8	5.5	-	-	-
<i>Blmbg. U.S. Treasury: 1-3 Year</i>	<i>1.1</i>	<i>5.2</i>	<i>4.5</i>	<i>1.8</i>	<i>2.2</i>	<i>1.8</i>
Excess Return	0.1	0.6	1.0	-	-	-

#### Annualized Standard Deviation

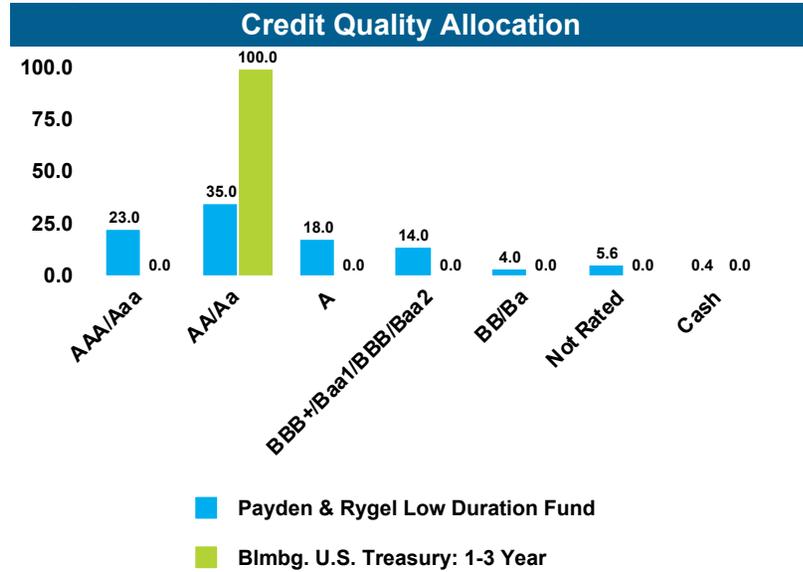


#### Sharpe Ratio

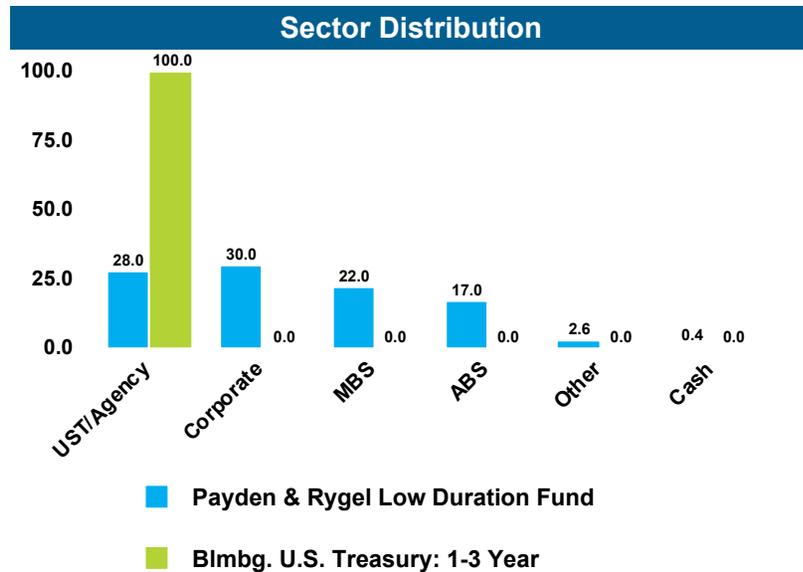


### Payden & Rygel Low Duration Fund | As of December 31, 2025

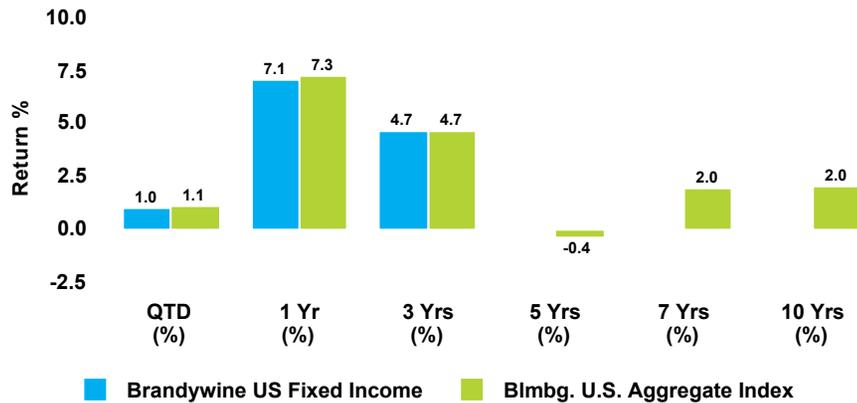
Account Information	
Account Name	Payden & Rygel Low Duration Fund
Inception Date	11/01/2022
Account Structure	Mutual Fund
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Treasury: 1-3 Year



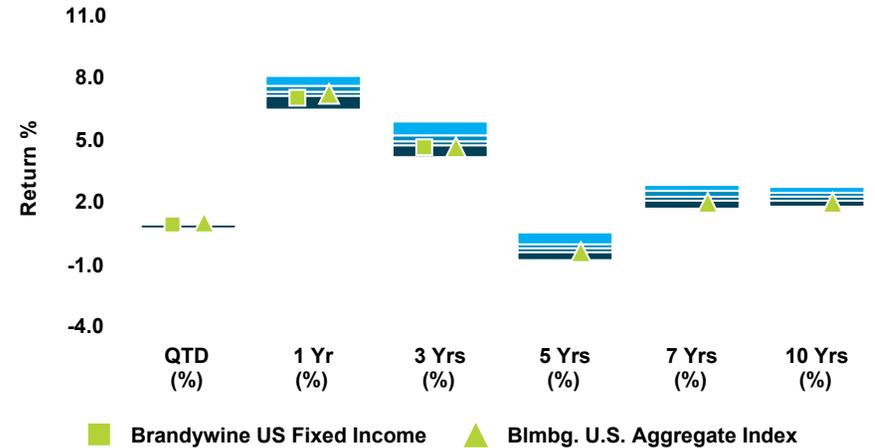
	Q4 -25		As of December 31, 2025
	Payden & Rygel Low Duration Fund	Blmbg. U.S. Treasury: 1-3 Yr	Payden & Rygel Low Duration Fund
Yield To Maturity	4.30	3.50	4.41
Average Duration	2.24	1.89	2.02
Average Quality	AA	AA	AA
Weighted Average Maturity	1.95	1.98	2.04



### Return Summary

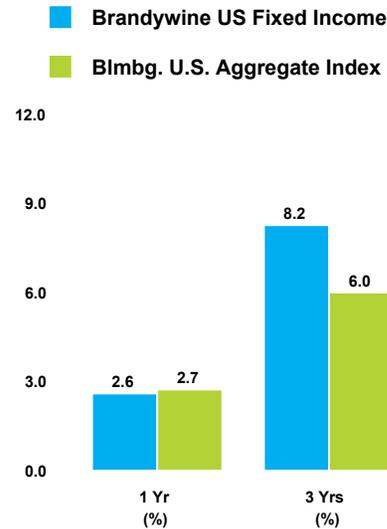


### Brandywine US Fixed Income | As of December 31, 2025

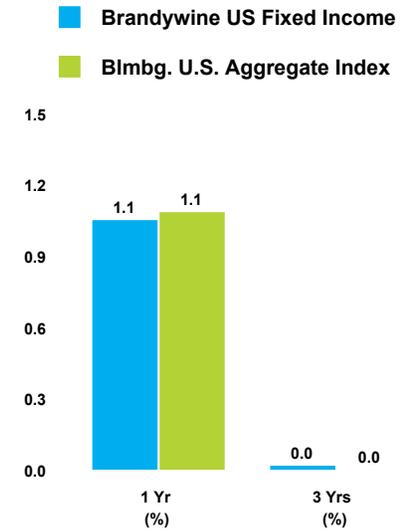


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Brandywine US Fixed Income	1.0	7.1	4.7	-	-	-
<i>Blmbg. U.S. Aggregate Index</i>	<i>1.1</i>	<i>7.3</i>	<i>4.7</i>	<i>-0.4</i>	<i>2.0</i>	<i>2.0</i>
Excess Return	-0.1	-0.2	0.0	-	-	-

### Annualized Standard Deviation



### Sharpe Ratio



### Account Information

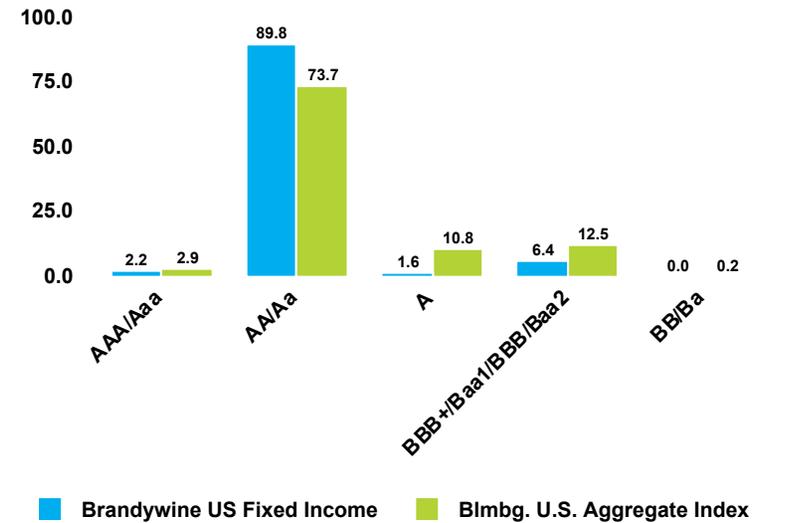
Account Name	Brandywine US Fixed Income
Inception Date	11/01/2022
Account Structure	Mutual Fund
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Aggregate Index

### Fixed Income Characteristics

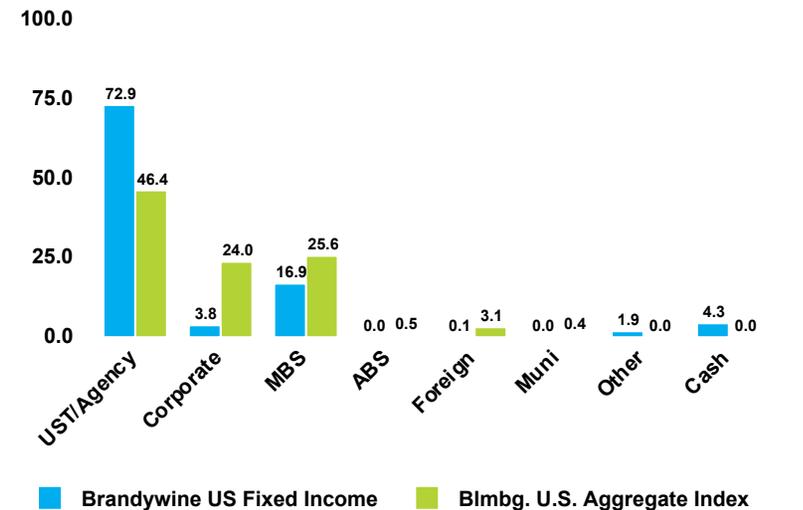
	Q4 -25	
	Brandywine US Fixed Income	Blmbg. U.S. Aggregate Index
Yield To Maturity	4.07	4.32
Average Duration	4.38	5.98
Average Quality	AA	AA
Weighted Average Maturity	11.45	8.20

### Brandywine US Fixed Income | As of December 31, 2025

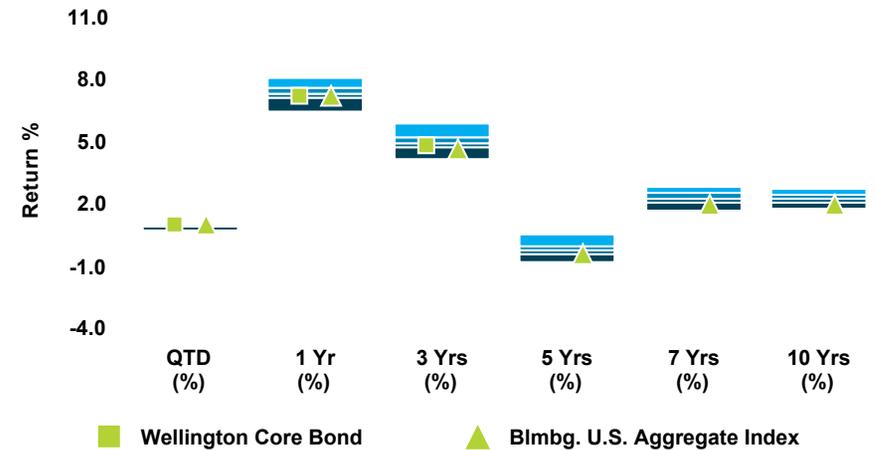
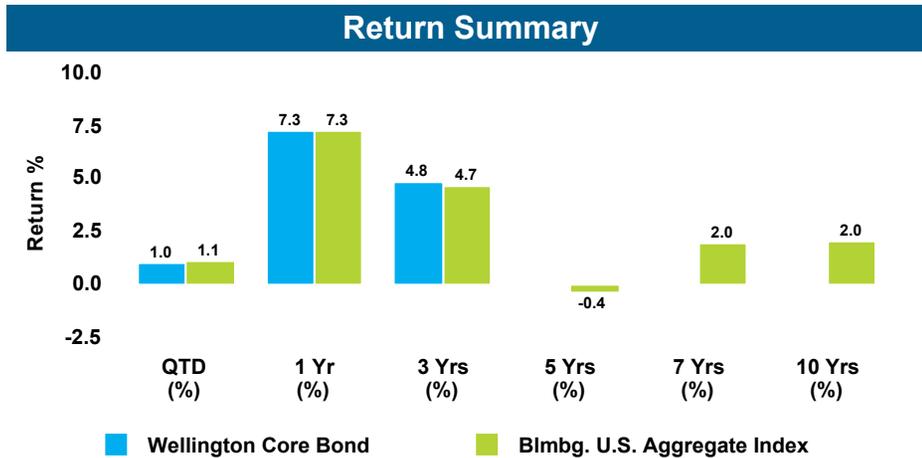
#### Credit Quality Allocation



#### Sector Distribution



### Wellington Core Bond | As of December 31, 2025



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Wellington Core Bond	1.0	7.3	4.8	-	-	-
<i>Blmbg. U.S. Aggregate Index</i>	<i>1.1</i>	<i>7.3</i>	<i>4.7</i>	<i>-0.4</i>	<i>2.0</i>	<i>2.0</i>
Excess Return	-0.1	0.0	0.2	-	-	-



### Account Information

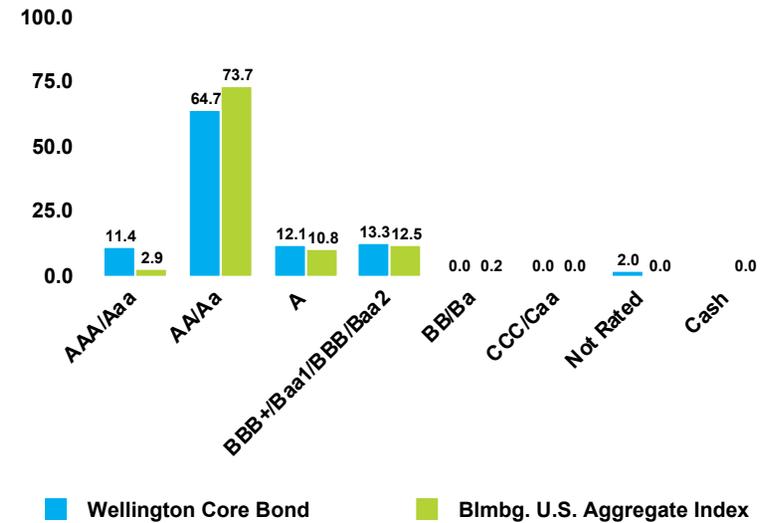
Account Name	Wellington Core Bond
Inception Date	11/01/2022
Account Structure	Mutual Fund
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Aggregate Index

### Fixed Income Characteristics

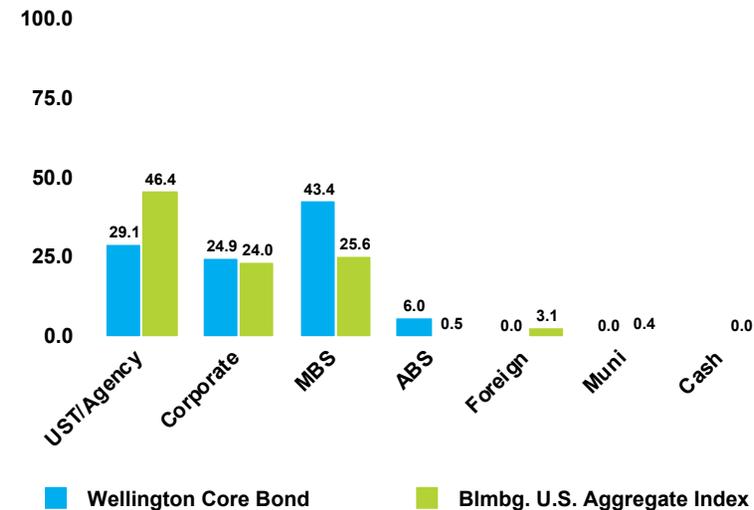
	Q4 -25	
	Wellington Core Bond	Blmbg. U.S. Aggregate Index
Yield To Maturity	4.78	4.32
Average Duration	6.37	5.98
Average Quality	AA	AA
Weighted Average Maturity)	9.09	8.20

### Wellington Core Bond | As of December 31, 2025

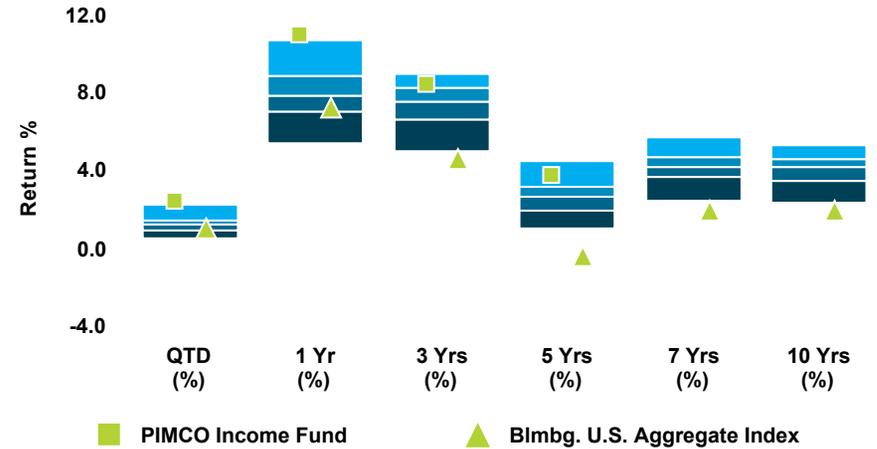
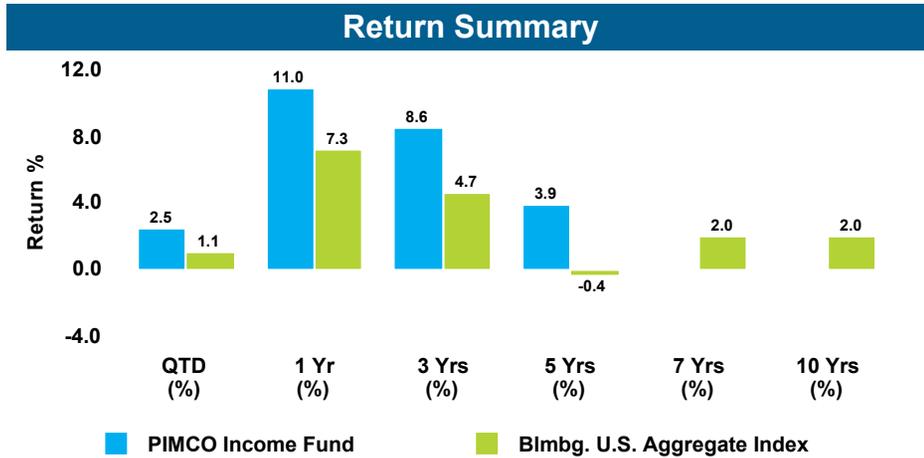
#### Credit Quality Allocation



#### Sector Distribution



### PIMCO Income Fund | As of December 31, 2025

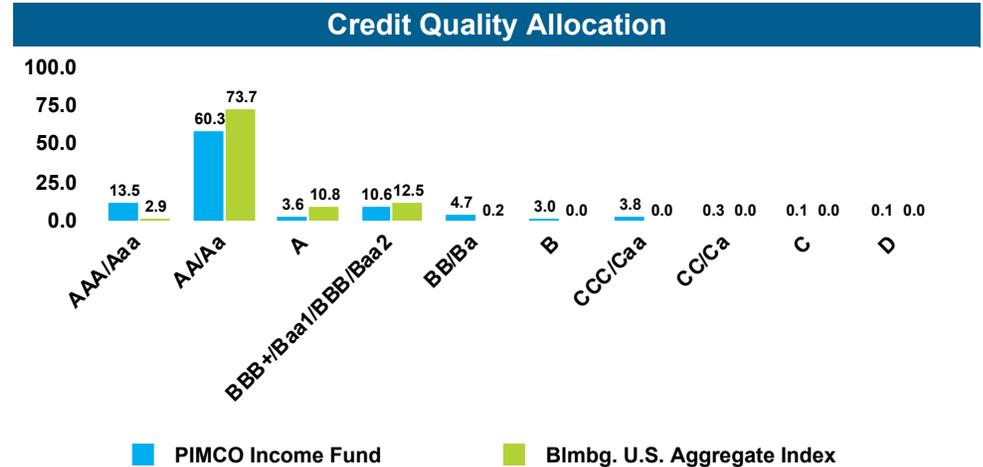


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
PIMCO Income Fund	2.5	11.0	8.6	3.9	-	-
<i>Blmbg. U.S. Aggregate Index</i>	<i>1.1</i>	<i>7.3</i>	<i>4.7</i>	<i>-0.4</i>	<i>2.0</i>	<i>2.0</i>
Excess Return	1.4	3.7	3.9	4.3	-	-



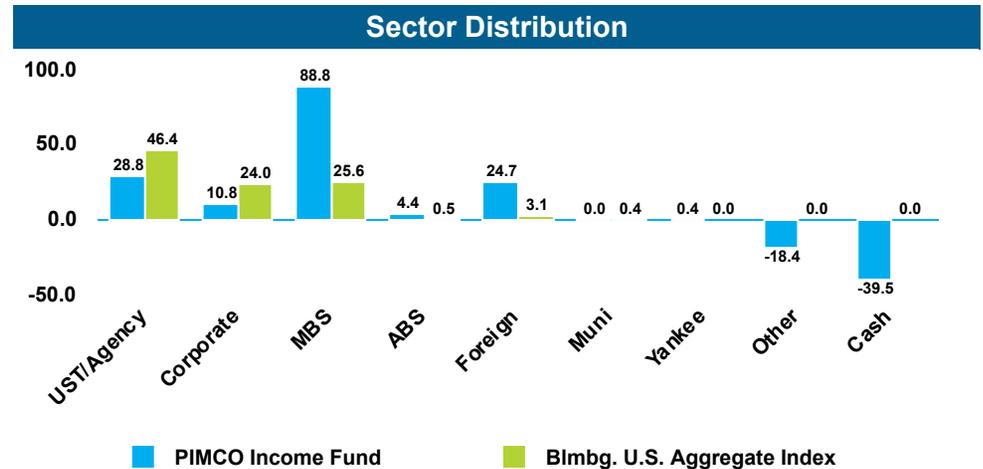
### PIMCO Income Fund | As of December 31, 2025

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



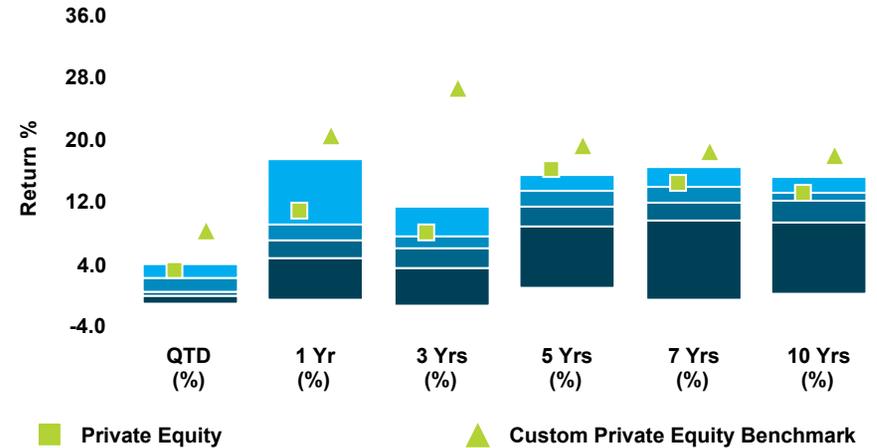
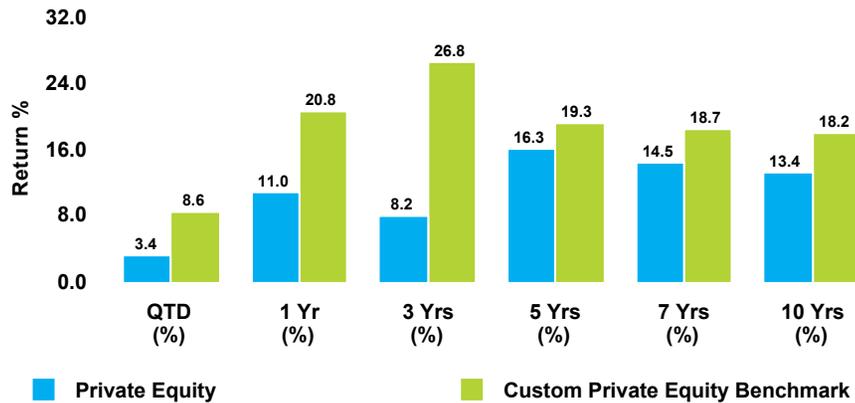
#### Fixed Income Characteristics

	Q4 -25	
	PIMCO Income Fund	Blmbg. U.S. Aggregate Index
Yield To Maturity	6.65	4.32
Average Duration	4.95	5.98
Average Quality	AA-	AA
Weighted Average Maturity	7.35	8.20



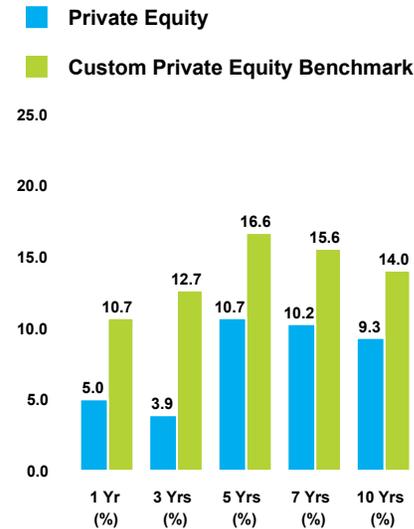
### Private Equity | As of December 31, 2025

#### Return Summary

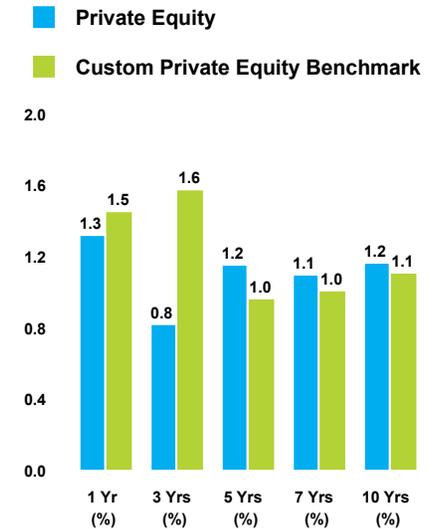


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Private Equity	3.4	11.0	8.2	16.3	14.5	13.4
<i>Custom Private Equity Benchmark</i>	<i>8.6</i>	<i>20.8</i>	<i>26.8</i>	<i>19.3</i>	<i>18.7</i>	<i>18.2</i>
Excess Return	-5.1	-9.7	-18.7	-3.1	-4.2	-4.7

#### Annualized Standard Deviation

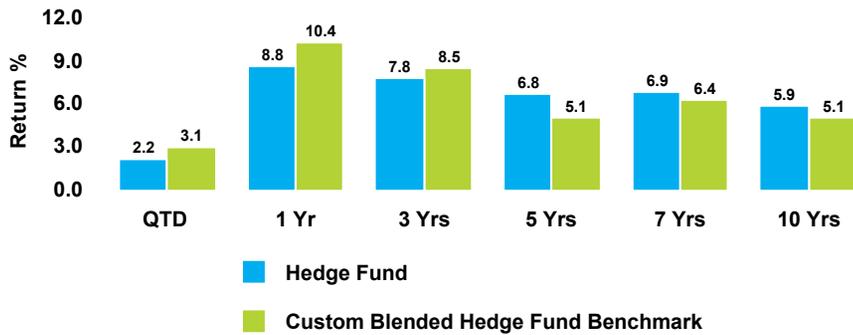


#### Sharpe Ratio

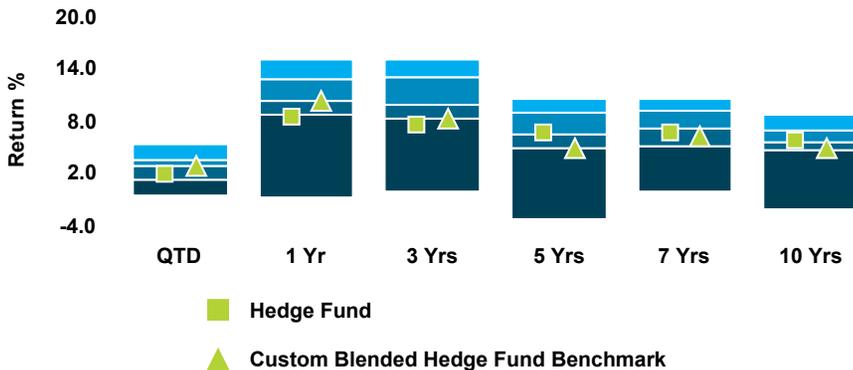


Hedge Fund | As of December 31, 2025

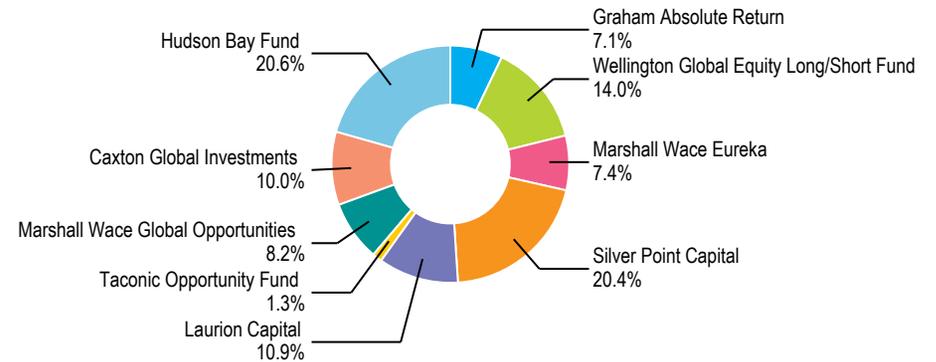
### Return Summary



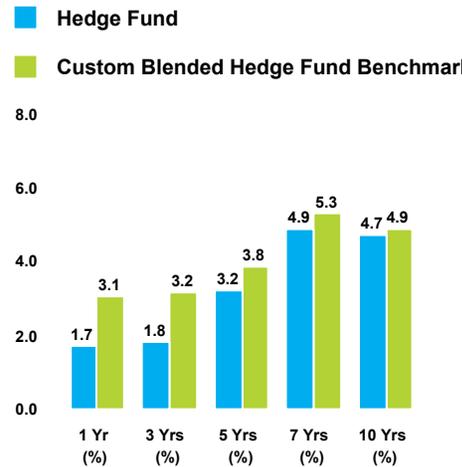
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Hedge Fund	2.2	8.8	7.8	6.8	6.9	5.9
Custom Blended Hedge Fund Benchmark	3.1	10.4	8.5	5.1	6.4	5.1
Excess Return	-0.9	-1.6	-0.7	1.7	0.5	0.8



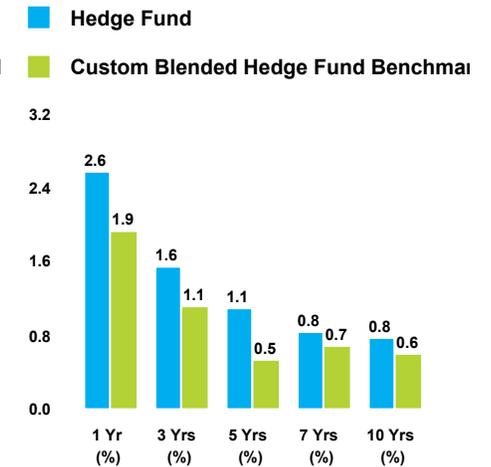
### Current Allocation



### Annualized Standard Deviation



### Sharpe Ratio



Real Assets | As of December 31, 2025

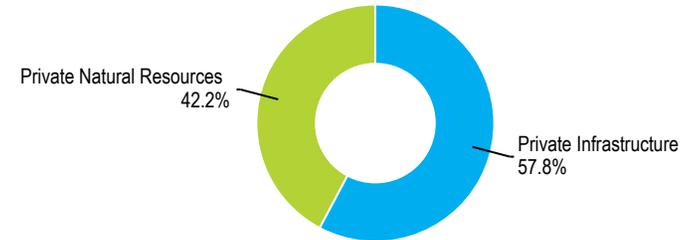
### Return Summary



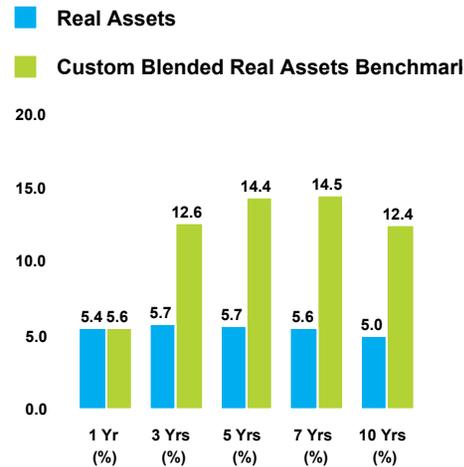
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Real Assets	4.2	13.5	13.2	14.1	12.6	10.6
Custom Blended Real Assets Benchmark	4.6	26.2	11.1	11.2	9.8	9.4
Excess Return	-0.5	-12.7	2.1	2.9	2.8	1.2



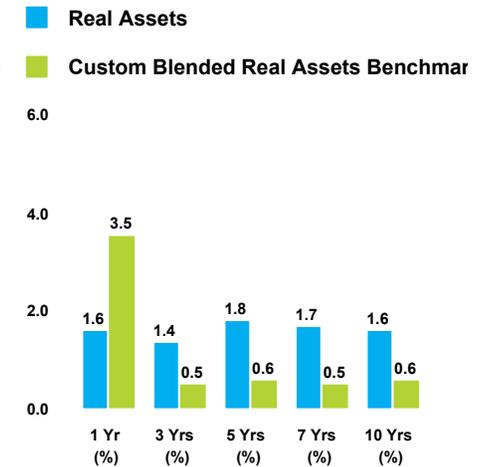
### Current Allocation



### Annualized Standard Deviation



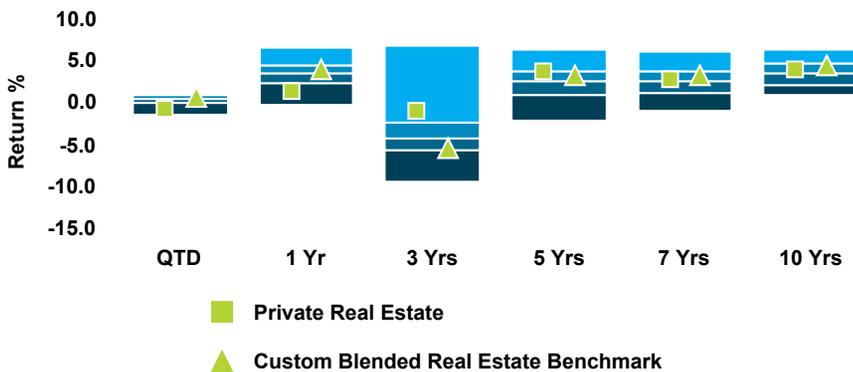
### Sharpe Ratio



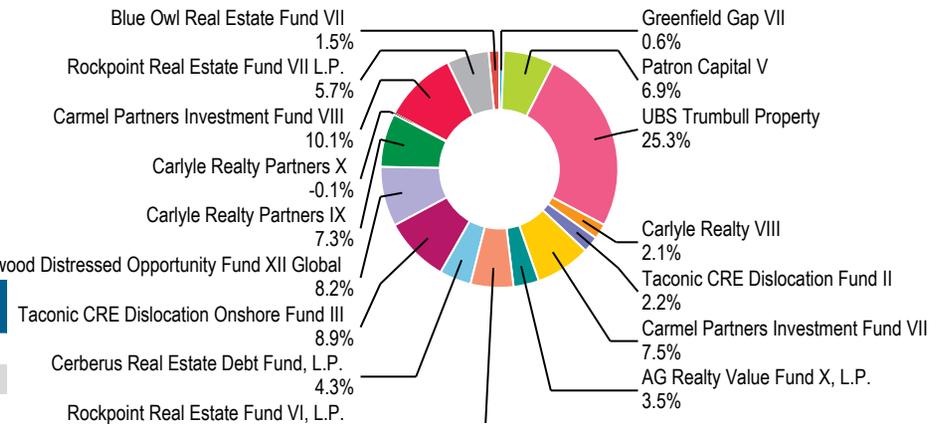
#### Return Summary



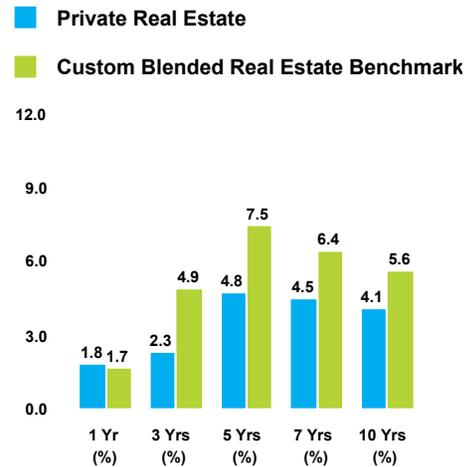
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Private Real Estate	-0.6	1.5	-0.8	3.9	2.8	4.1
Custom Blended Real Estate Benchmark	0.7	4.0	-5.4	3.5	3.3	4.5
Excess Return	-1.4	-2.6	4.6	0.4	-0.5	-0.3



#### Current Allocation



#### Annualized Standard Deviation



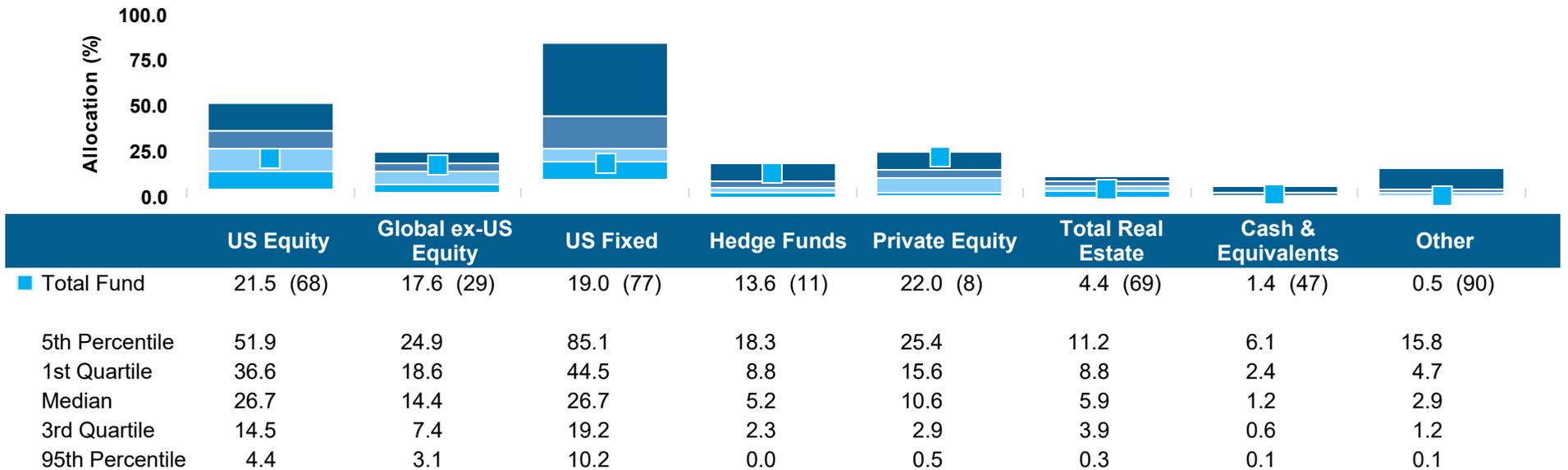
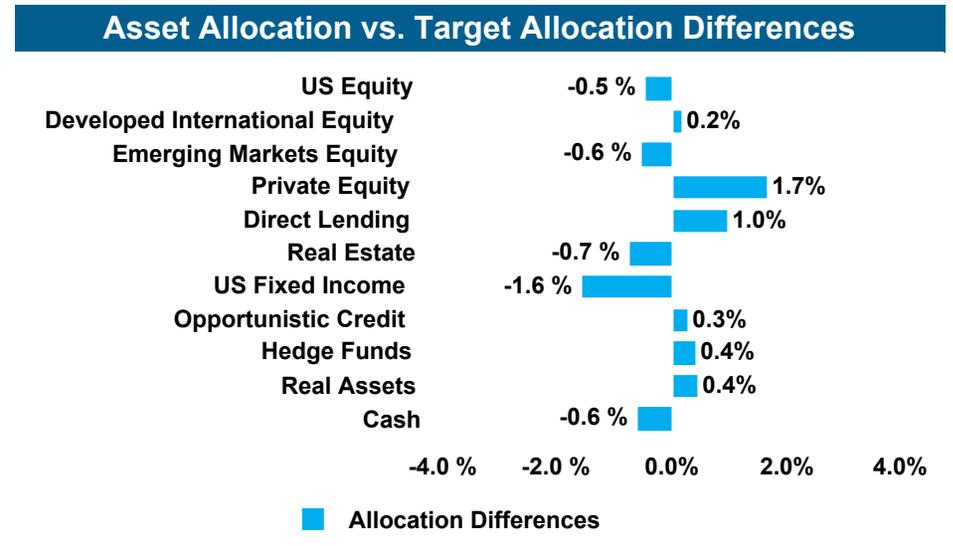
#### Sharpe Ratio



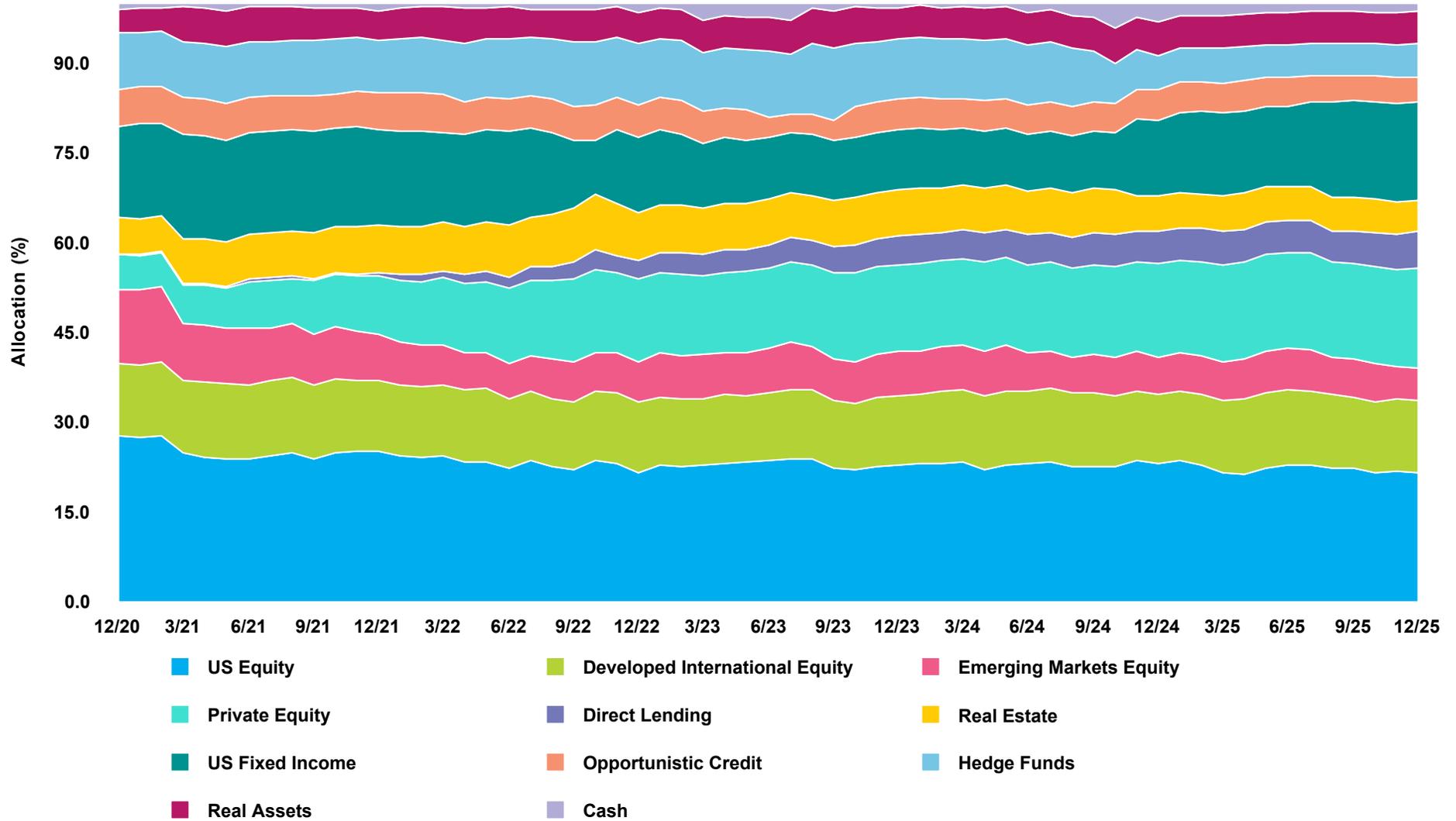
## **Appendix: Supplemental Performance and Manager Watch Pages**

### Asset Allocation vs. Target and Plan Sponsor Peer Group - Retirement | As of December 31, 2025

Asset Allocation vs. Target Allocation			
	Market Value (\$)	Current Allocation (%)	Target (%)
US Equity	307,498,712	22	22
Developed International Equity	174,010,768	12	12
Emerging Markets Equity	77,782,847	5	6
Private Equity	238,308,514	17	15
Direct Lending	85,493,054	6	5
Real Estate	75,003,109	5	6
US Fixed Income	234,436,050	16	18
Opportunistic Credit	61,221,295	4	4
Hedge Funds	77,230,387	5	5
Real Assets	77,747,349	5	5
Cash	19,544,733	1	2
<b>Total</b>	<b>1,428,276,818</b>	<b>100</b>	<b>100</b>

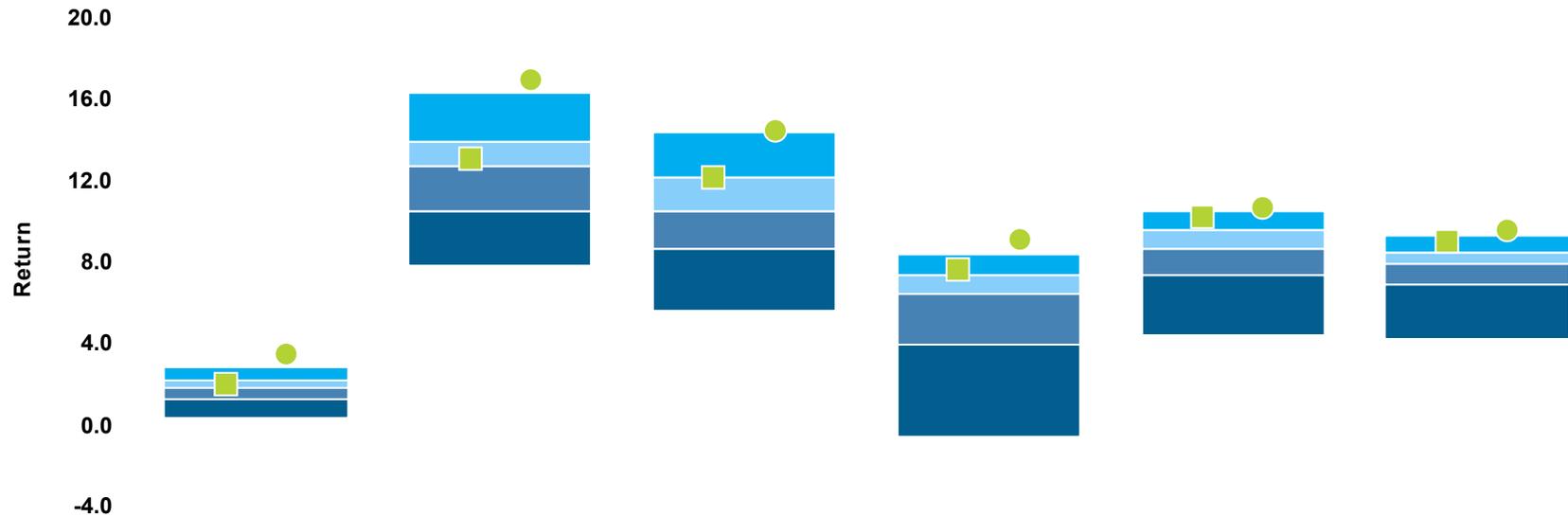


#### Historical Asset Allocation 5 Years Ending December 31, 2025



## **Total Fund Performance & Risk vs. Peers**

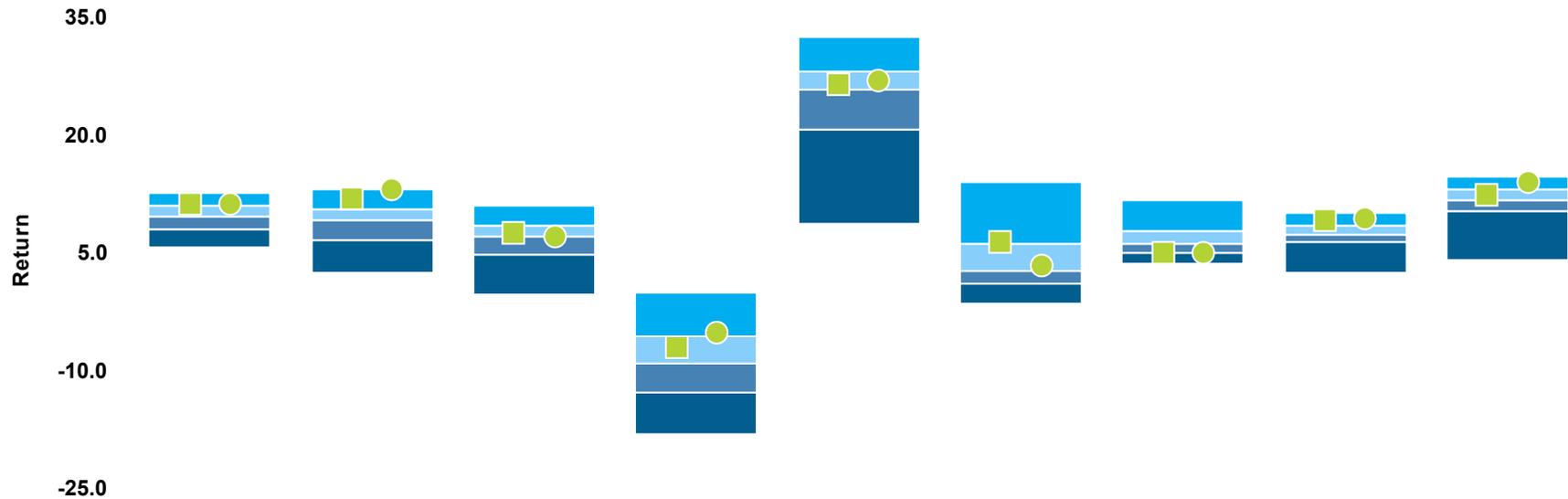
InvMetrics All DB \$1B - \$5B | As of December 31, 2025



	QTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ Total Fund	2.0 (43)	13.1 (42)	12.1 (26)	7.6 (21)	10.2 (12)	9.0 (12)
● Policy Index	3.4 (1)	16.9 (2)	14.5 (5)	9.1 (3)	10.7 (5)	9.6 (4)
5th Percentile	2.8	16.3	14.3	8.4	10.5	9.3
1st Quartile	2.2	13.9	12.1	7.4	9.6	8.5
Median	1.8	12.7	10.5	6.5	8.7	7.9
3rd Quartile	1.3	10.5	8.6	4.0	7.4	6.9
95th Percentile	0.3	7.8	5.6	-0.6	4.4	4.2
Population	189	189	188	185	182	176

Parenttheses contain percentile rankings.  
Calculation based on monthly periodicity.

InvMetrics All DB \$1B - \$5B | As of December 31, 2025

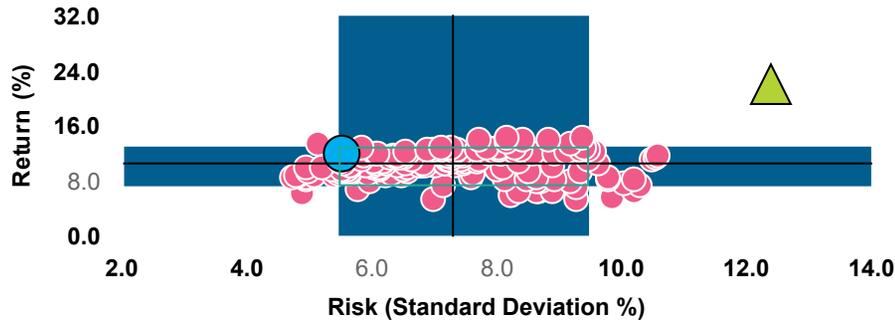


	Jul-2024 To Jun-2025	Jul-2023 To Jun-2024	Jul-2022 To Jun-2023	Jul-2021 To Jun-2022	Jul-2020 To Jun-2021	Jul-2019 To Jun-2020	Jul-2018 To Jun-2019	Jul-2017 To Jun-2018	Jul-2016 To Jun-2017
■ Total Fund	11.3 (16)	11.9 (13)	7.6 (41)	-7.1 (35)	26.5 (42)	6.4 (25)	5.1 (74)	9.2 (14)	12.4 (38)
● Policy Index	11.3 (16)	13.2 (5)	7.2 (47)	-5.2 (22)	26.9 (39)	3.3 (42)	5.0 (77)	9.4 (13)	13.9 (13)
5th Percentile	12.6	13.1	11.0	-0.1	32.4	13.9	11.8	10.1	14.6
1st Quartile	10.9	10.5	8.4	-5.6	28.1	6.3	7.8	8.6	13.1
Median	9.7	9.1	7.0	-9.0	25.8	2.8	6.1	7.4	11.8
3rd Quartile	8.0	6.7	4.8	-12.7	20.6	1.0	5.0	6.3	10.3
95th Percentile	5.7	2.6	-0.2	-18.2	8.7	-1.4	3.6	2.5	4.1
Population	299	300	327	326	394	368	287	250	248

Parenteses contain percentile rankings.  
Calculation based on monthly periodicity.

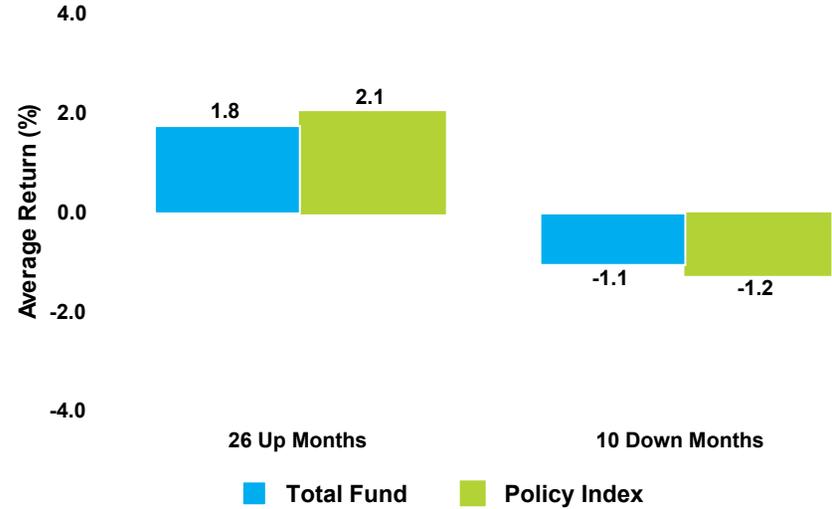
### Total Fund vs All Public Plans \$1B-\$5B | As of December 31, 2025

#### Plan Sponsor Scattergram - 3 Years



	Return	Standard Deviation
● Total Fund	12.1	5.5
▲ Russell 3000	22.2	12.4
— Median	10.5	7.3

#### Up/Down Markets - 3 Years



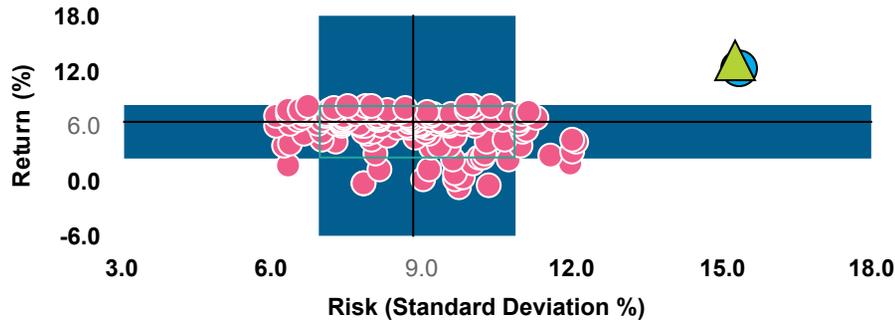
#### Plan Sponsor Peer Group Analysis - Multi Statistics



	3 Yrs		3 Yrs		3 Yrs		3 Yrs		3 Yrs	
	Total Fund	Policy Index								
5th Percentile	0.6	1.0	2.1	2.3	9.1	9.0	1.2	1.5	4.7	6.1
1st Quartile	0.9	1.0	2.9	2.3	7.1	9.0	1.0	1.5	6.1	6.1
Median	1.1	1.0	3.7	2.3	5.6	9.0	0.8	1.5	7.3	6.1
3rd Quartile	1.3	1.0	4.7	2.3	3.9	9.0	0.6	1.5	8.7	6.1
95th Percentile	1.5	1.0	6.4	2.3	1.0	9.0	0.1	1.5	10.9	6.1

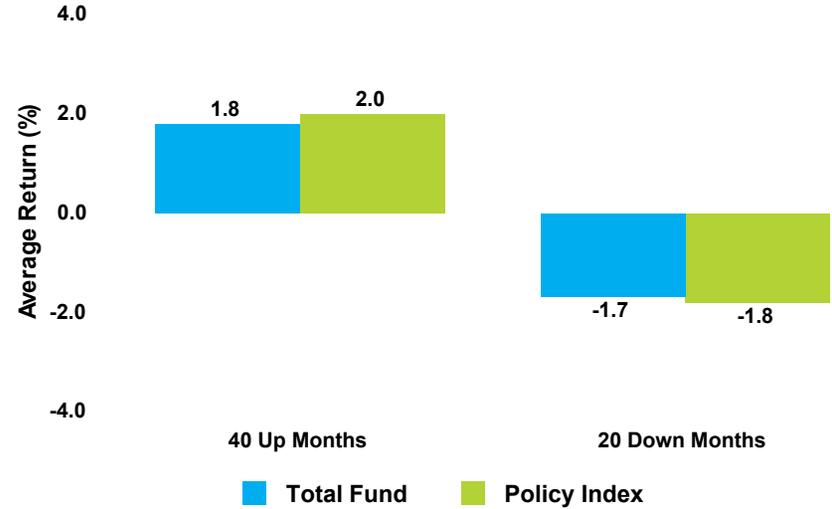
### Total Fund vs All Public Plans \$1B-\$5B | As of December 31, 2025

#### Plan Sponsor Scattergram - 5 Years



	Return	Standard Deviation
● US Equity	12.3	15.3
▲ Russell 3000	13.1	15.2
— Median	6.5	8.8

#### Up/Down Markets - 5 Years

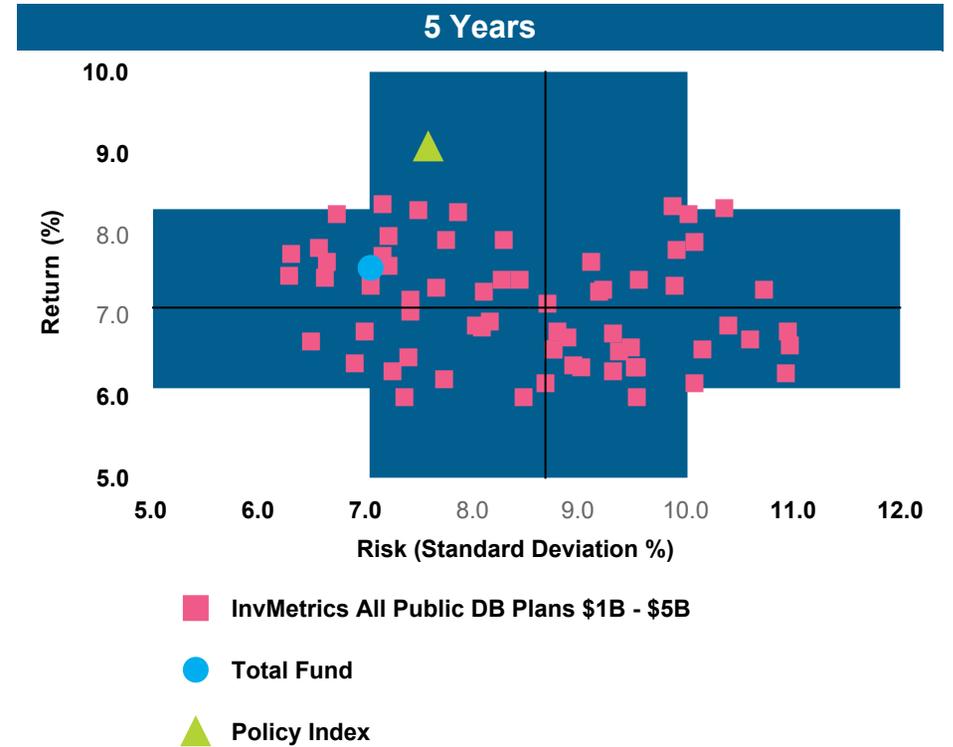
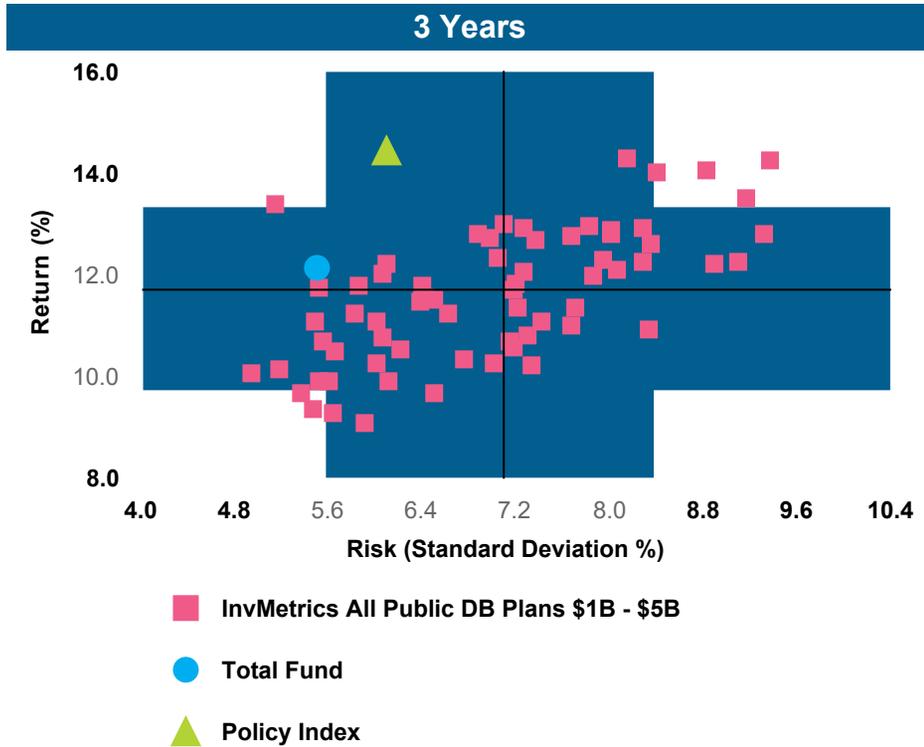


#### Plan Sponsor Peer Group Analysis - Multi Statistics



	5 Yrs		5 Yrs		5 Yrs		5 Yrs		5 Yrs	
	Total Fund	Policy Index								
Beta	0.9 (22)	1.0 (41)	4.3 (17)	4.6 (23)	4.5 (24)	5.9 (4)	0.6 (12)	0.8 (2)	7.0 (17)	7.6 (25)
Downside Risk										
Excess Return										
Sharpe Ratio										
Standard Deviation										
5th Percentile	0.6		3.6		5.4		0.7		6.1	
1st Quartile	0.9		4.7		4.4		0.5		7.5	
Median	1.1		5.8		3.5		0.4		8.8	
3rd Quartile	1.2		6.8		1.2		0.2		10.1	
95th Percentile	1.4		8.6		-3.2		-0.3		12.1	

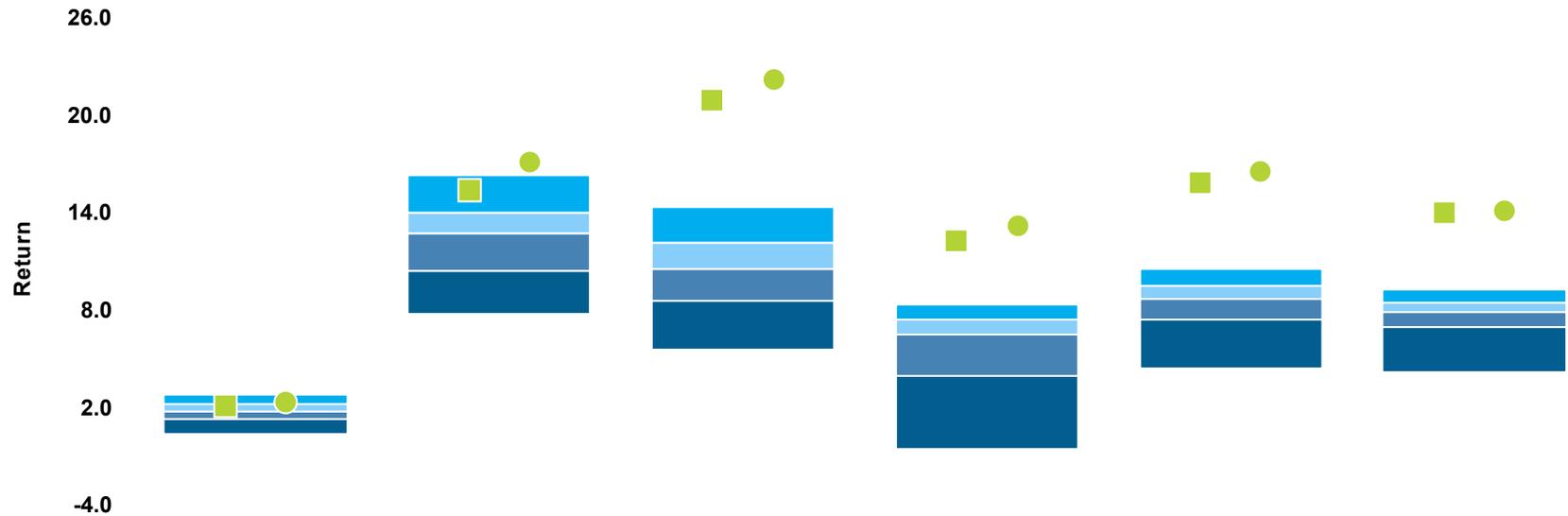
### Risk vs. Return | As of December 31, 2025



	Return	Standard Deviation	Sharpe Ratio
Total Fund	12.1 (40)	5.5 (13)	1.3 (2)
Policy Index	14.5 (3)	6.1 (31)	1.5 (1)
Population	79	79	79

	Return	Standard Deviation	Sharpe Ratio
Total Fund	12.1 (40)	5.5 (13)	1.3 (2)
Policy Index	14.5 (3)	6.1 (31)	1.5 (1)
Population	79	79	79

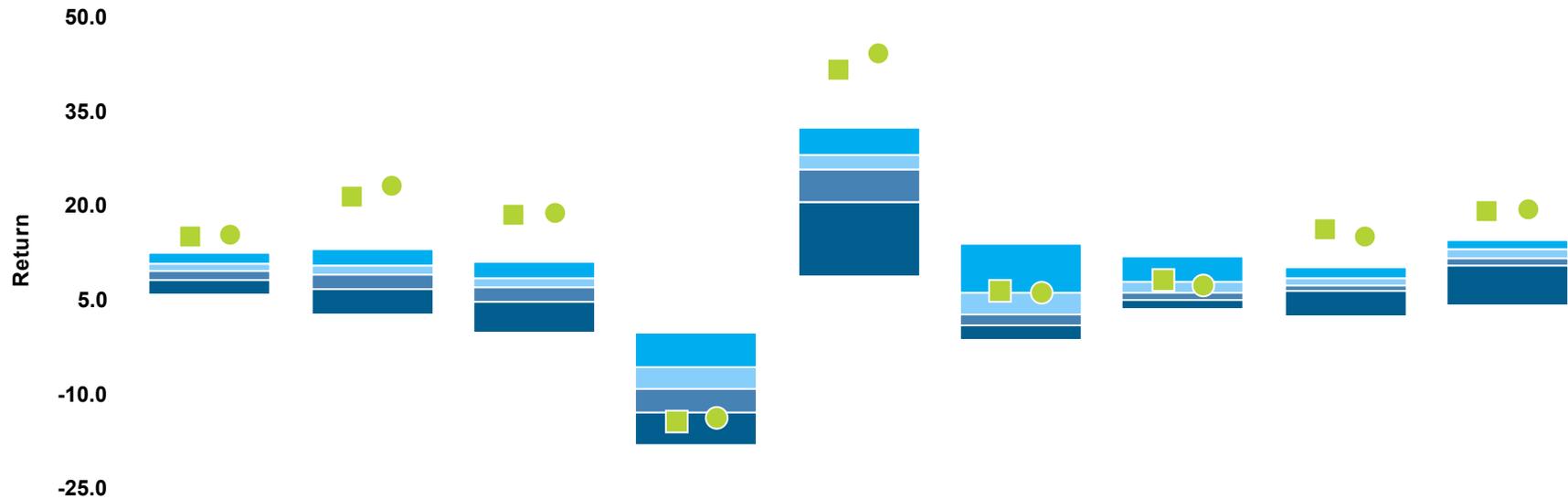
## **US Equity Analysis**



	QTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ US Equity	2.1 (36)	15.3 (10)	20.9 (1)	12.3 (1)	15.9 (1)	14.0 (1)
● Russell 3000	2.4 (18)	17.1 (2)	22.2 (1)	13.1 (1)	16.5 (1)	14.2 (1)
5th Percentile	2.8	16.3	14.3	8.4	10.5	9.3
1st Quartile	2.2	13.9	12.1	7.4	9.6	8.5
Median	1.8	12.7	10.5	6.5	8.7	7.9
3rd Quartile	1.3	10.5	8.6	4.0	7.4	6.9
95th Percentile	0.3	7.8	5.6	-0.6	4.4	4.2
Population	189	189	188	185	182	176

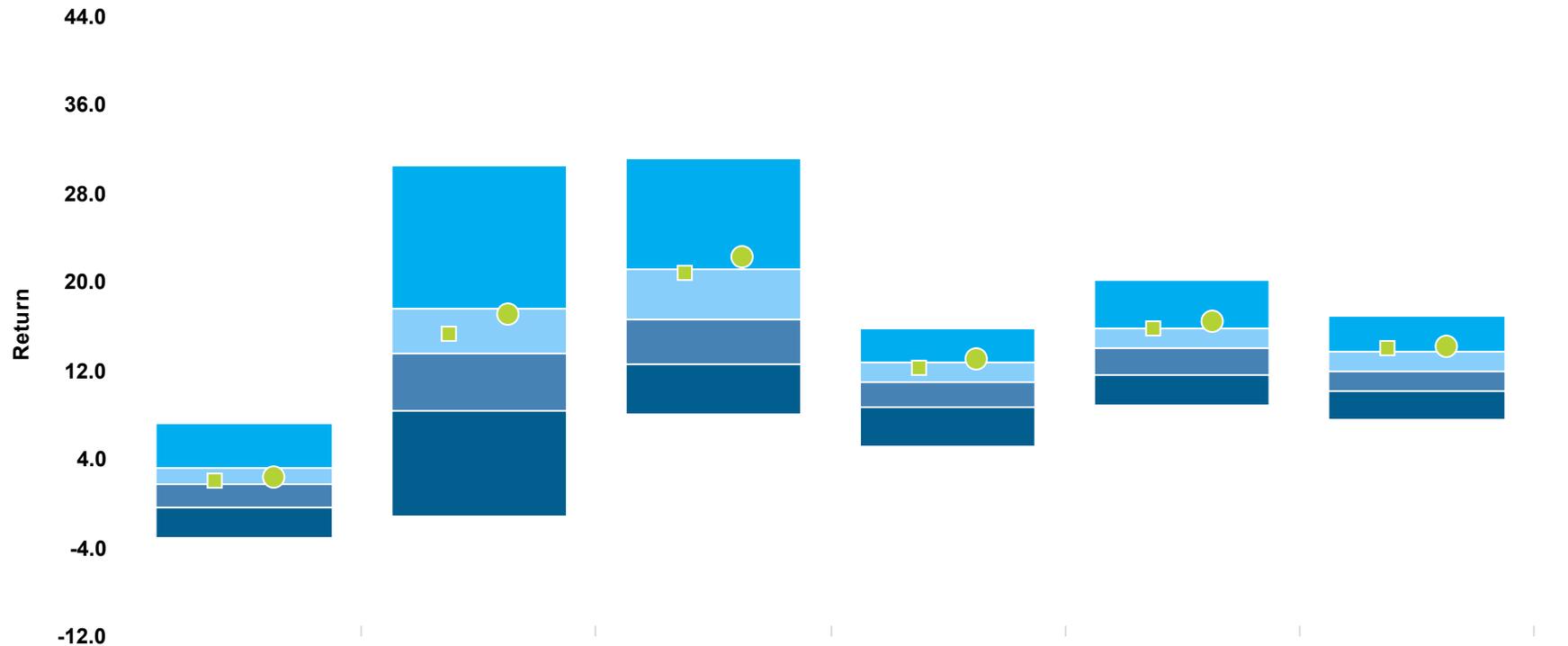
Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

InvMetrics All DB \$1B - \$5B | As of December 31, 2025



	Jul-2024 To Jun-2025	Jul-2023 To Jun-2024	Jul-2022 To Jun-2023	Jul-2021 To Jun-2022	Jul-2020 To Jun-2021	Jul-2019 To Jun-2020	Jul-2018 To Jun-2019	Jul-2017 To Jun-2018	Jul-2016 To Jun-2017
■ US Equity	15.0 (1)	21.5 (1)	18.6 (1)	-14.3 (80)	41.6 (1)	6.3 (25)	8.2 (23)	16.3 (1)	19.0 (1)
● Russell 3000	15.3 (1)	23.1 (1)	19.0 (1)	-13.9 (80)	44.2 (1)	6.1 (27)	7.3 (33)	15.2 (1)	19.4 (1)
5th Percentile	12.6	13.1	11.0	-0.1	32.4	13.9	11.8	10.1	14.6
1st Quartile	10.9	10.5	8.4	-5.6	28.1	6.3	7.8	8.6	13.1
Median	9.7	9.1	7.0	-9.0	25.8	2.8	6.1	7.4	11.8
3rd Quartile	8.0	6.7	4.8	-12.7	20.6	1.0	5.0	6.3	10.3
95th Percentile	5.7	2.6	-0.2	-18.2	8.7	-1.4	3.6	2.5	4.1
Population	299	300	327	326	394	368	287	250	248

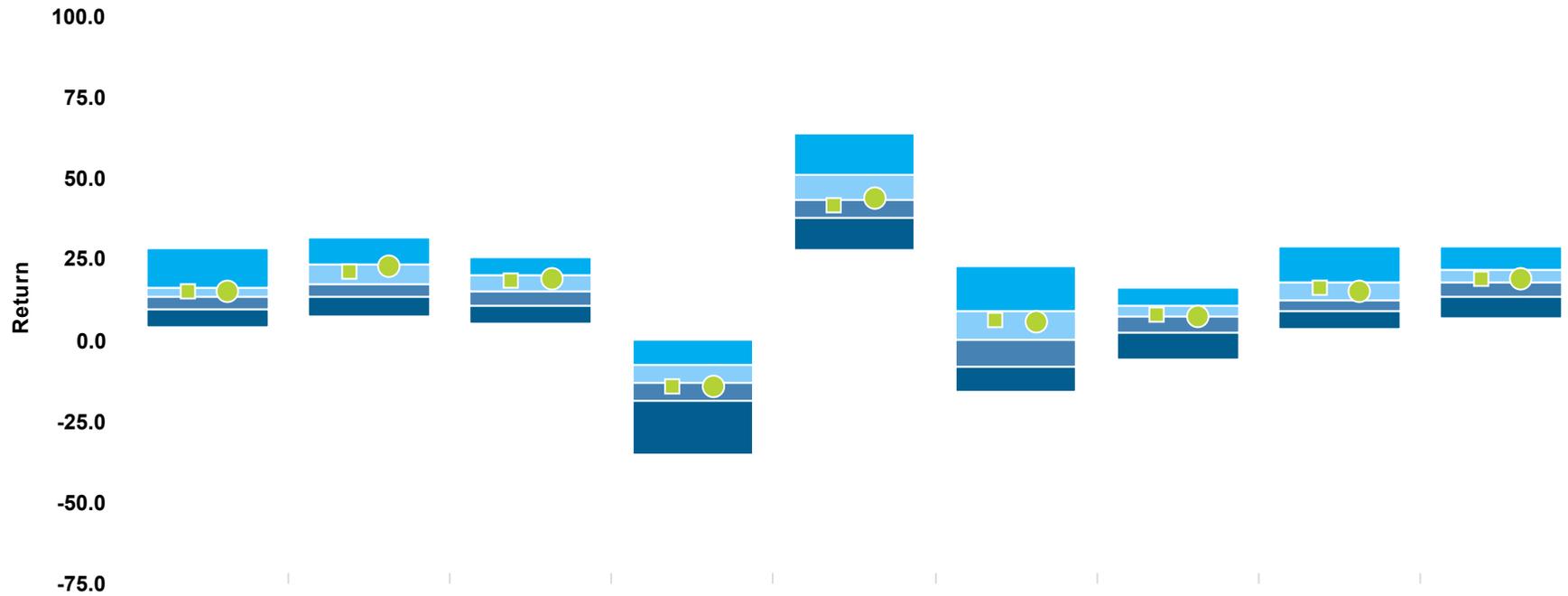
Parenteses contain percentile rankings.  
Calculation based on monthly periodicity.



	QTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ US Equity	2.1 (43)	15.3 (39)	20.9 (27)	12.3 (32)	15.9 (24)	14.0 (22)
● Russell 3000	2.4 (40)	17.1 (27)	22.2 (21)	13.1 (22)	16.5 (19)	14.2 (18)
5th Percentile	7.3	30.5	31.3	15.9	20.1	17.0
1st Quartile	3.2	17.5	21.3	12.8	15.8	13.7
Median	1.7	13.6	16.7	11.0	14.0	12.0
3rd Quartile	-0.3	8.4	12.6	8.8	11.7	10.2
95th Percentile	-3.2	-1.1	8.1	5.1	8.9	7.6
Population	194	194	189	178	172	160

Parenteses contain percentile rankings.  
Calculation based on monthly periodicity.

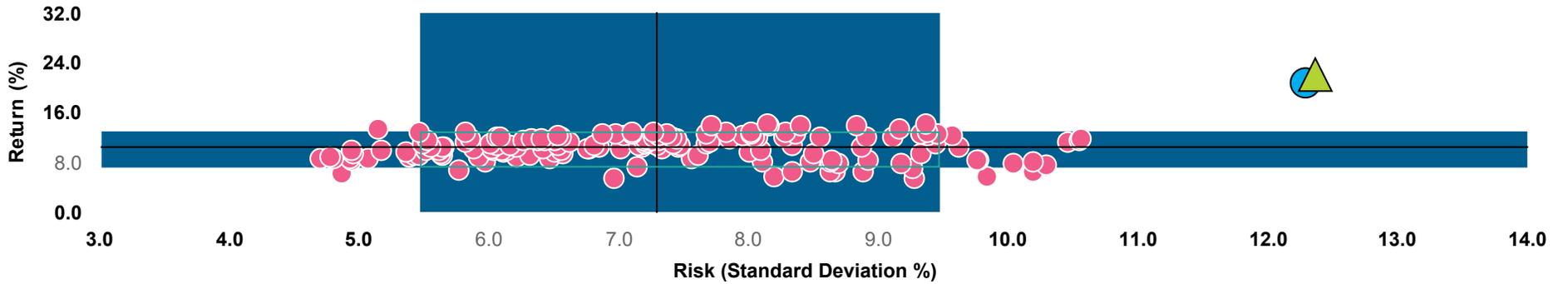
### Peer Group Analysis | As of December 31, 2025



	Jul-2024 To Jun-2025	Jul-2023 To Jun-2024	Jul-2022 To Jun-2023	Jul-2021 To Jun-2022	Jul-2020 To Jun-2021	Jul-2019 To Jun-2020	Jul-2018 To Jun-2019	Jul-2017 To Jun-2018	Jul-2016 To Jun-2017
■ US Equity	15.0 (41)	21.5 (34)	18.6 (34)	-14.3 (60)	41.6 (62)	6.3 (35)	8.2 (47)	16.3 (29)	19.0 (43)
● Russell 3000	15.3 (36)	23.1 (27)	19.0 (31)	-13.9 (56)	44.2 (47)	6.1 (36)	7.3 (51)	15.2 (33)	19.4 (40)
5th Percentile	28.4	32.1	25.9	0.5	64.0	22.9	16.6	28.9	28.9
1st Quartile	16.6	23.3	20.4	-7.3	51.1	9.4	11.1	18.0	21.9
Median	13.7	17.4	15.2	-13.2	43.5	0.1	7.4	12.2	18.1
3rd Quartile	9.8	13.6	11.1	-18.6	37.8	-7.8	2.5	8.9	13.8
95th Percentile	4.2	7.4	5.4	-34.9	27.9	-16.0	-5.9	3.6	6.9
Population	200	207	214	216	235	252	262	265	274

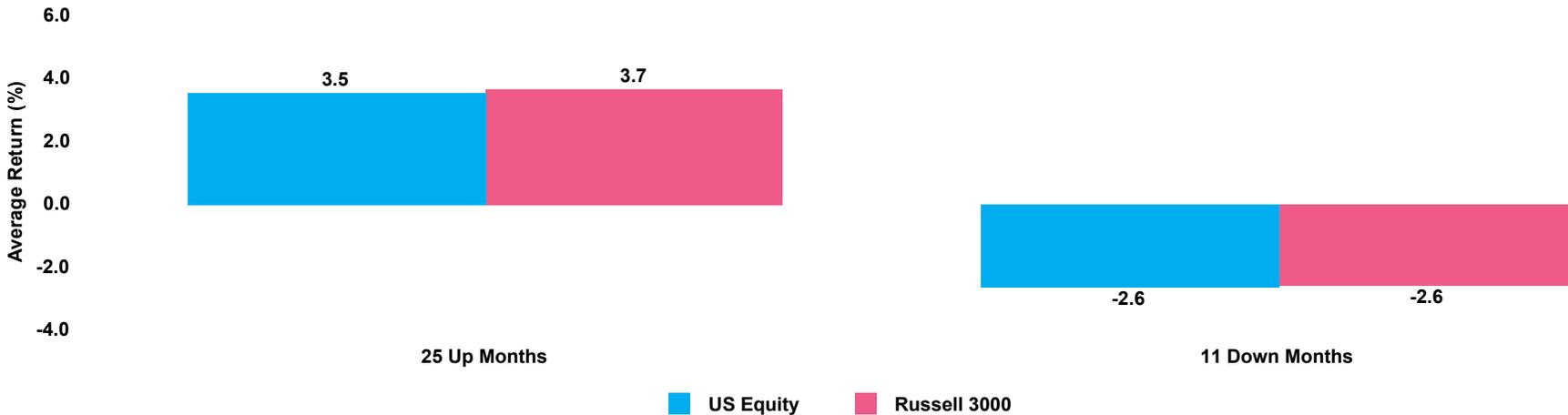
Parenteses contain percentile rankings.  
Calculation based on monthly periodicity.

### Plan Sponsor Peer Group Analysis 3-year | As of December 31, 2025

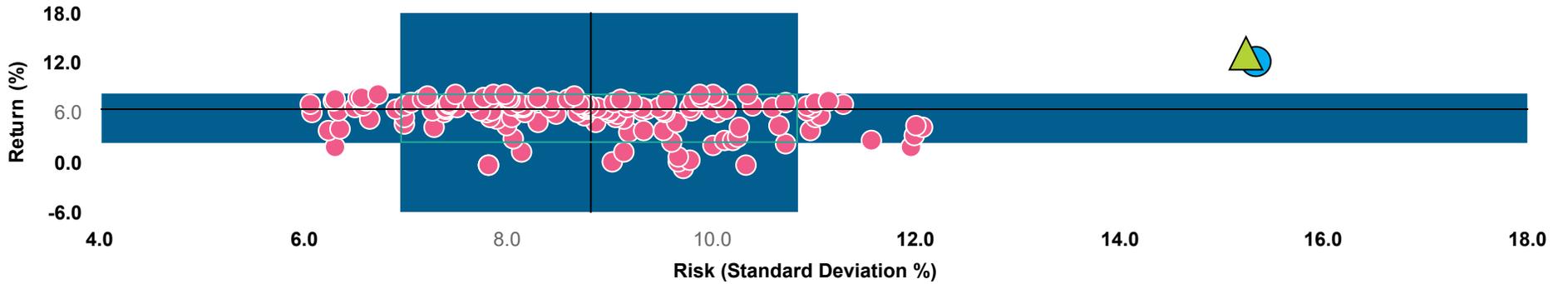


	Return	Standard Deviation
● US Equity	20.9	12.3
▲ Russell 3000	22.2	12.4
— Median	10.5	7.3

### Up Down Market Bar Chart

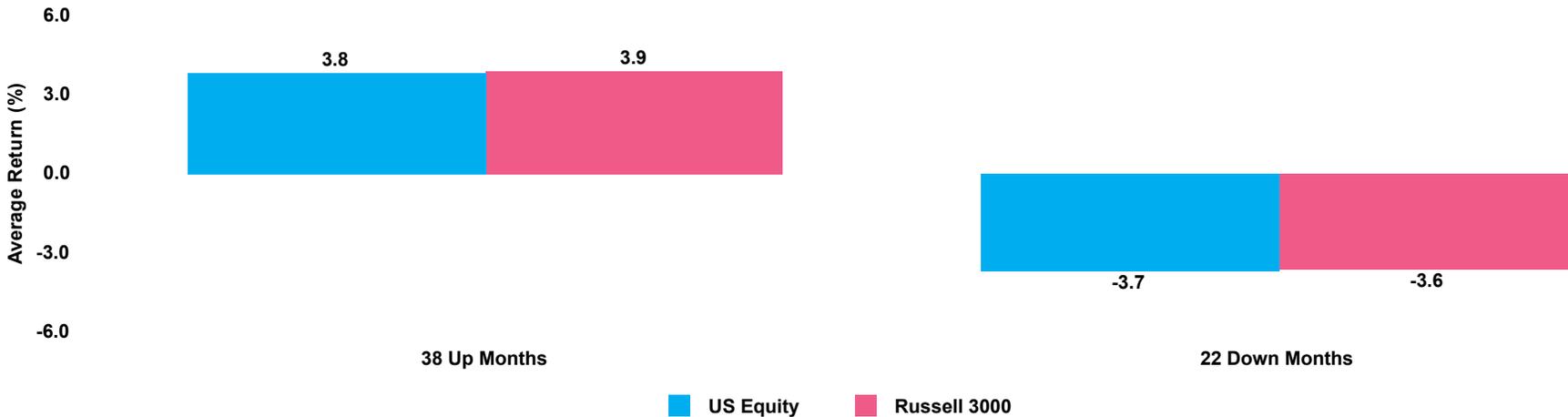


### Plan Sponsor Peer Group Analysis 5-year | As of December 31, 2025



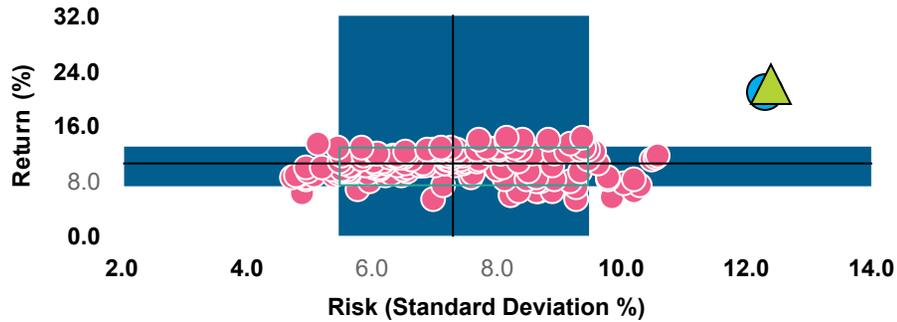
	Return	Standard Deviation
● US Equity	12.3	15.3
▲ Russell 3000	13.1	15.2
— Median	6.5	8.8

### Up Down Market Bar Chart



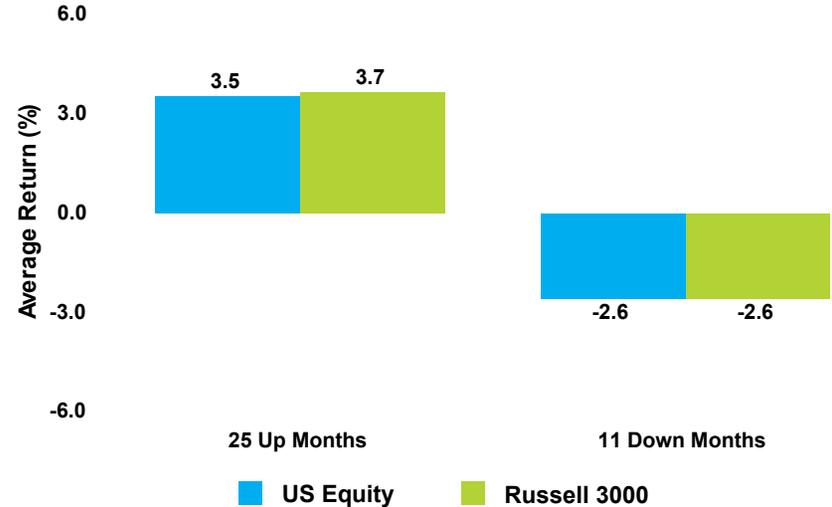
### US Equity vs All Public Plans \$1B-\$5B | As of December 31, 2025

#### Plan Sponsor Scattergram - 3 Years



	Return	Standard Deviation
● US Equity	20.9	12.3
▲ Russell 3000	22.2	12.4
— Median	10.5	7.3

#### Up/Down Markets - 3 Years



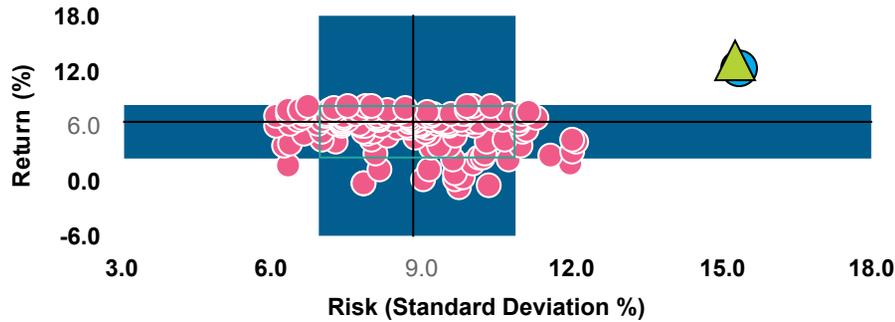
#### Plan Sponsor Peer Group Analysis - Multi Statistics



	3 Yrs (%)				
■ US Equity	1.0 (100)	6.0 (94)	15.2 (1)	1.2 (3)	12.3 (98)
● Russell 3000	1.0 (100)	6.0 (93)	16.3 (1)	1.3 (2)	12.4 (98)
5th Percentile	0.3	2.1	9.1	1.2	4.7
1st Quartile	0.4	2.9	7.1	1.0	6.1
Median	0.5	3.7	5.6	0.8	7.3
3rd Quartile	0.6	4.7	3.9	0.6	8.7
95th Percentile	0.7	6.4	1.0	0.1	10.9

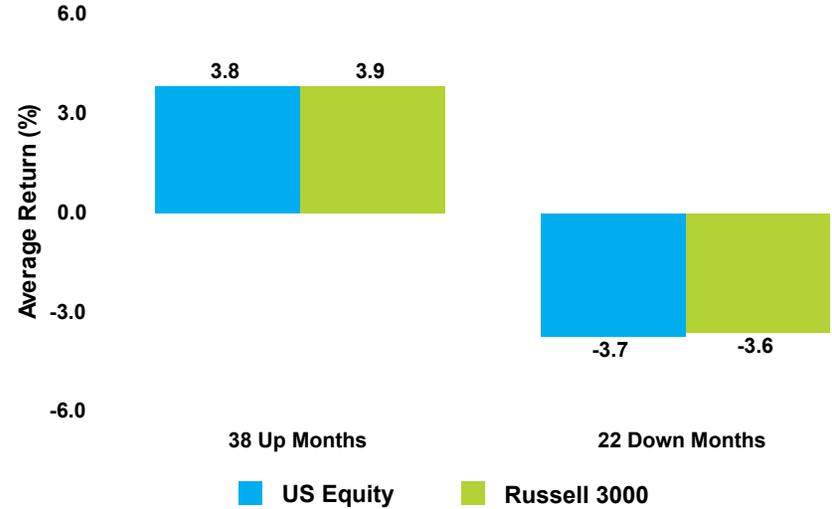
### US Equity vs All Public Plans \$1B-\$5B | As of December 31, 2025

Plan Sponsor Scattergram - 5 Years



	Return	Standard Deviation
● US Equity	12.3	15.3
▲ Russell 3000	13.1	15.2
— Median	6.5	8.8

Up/Down Markets - 5 Years



Plan Sponsor Peer Group Analysis - Multi Statistics

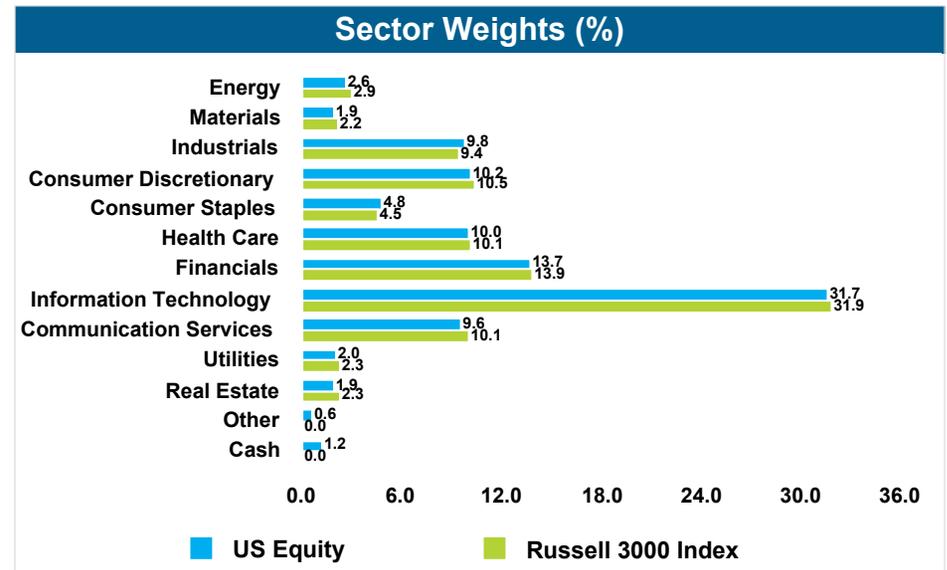
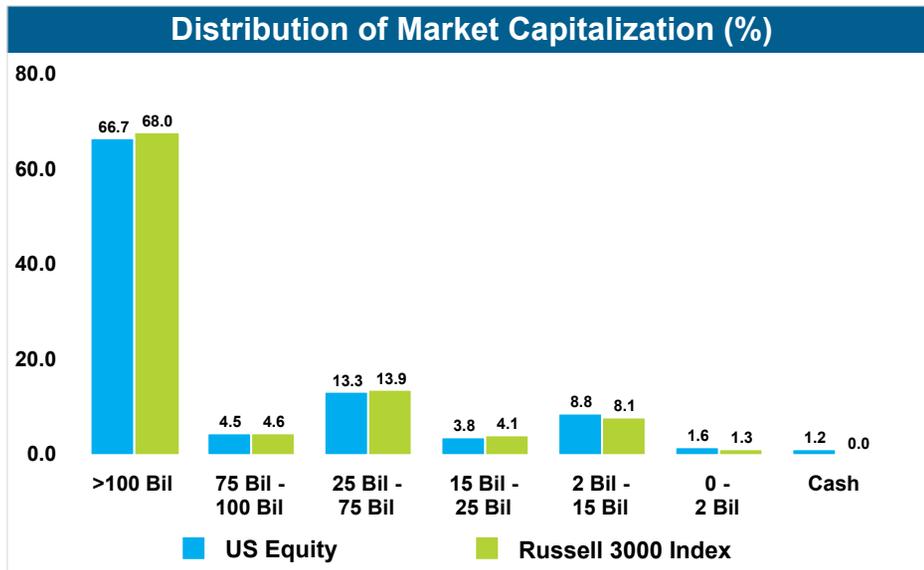


	Beta	Downside Risk	Excess Return	Sharpe Ratio	Standard Deviation
	5 Yrs (%)	5 Yrs (%)	5 Yrs (%)	5 Yrs (%)	5 Yrs (%)
■ US Equity	1.0 (100)	9.7 (100)	9.7 (1)	0.6 (12)	15.3 (100)
● Russell 3000	1.0 (100)	9.5 (100)	10.5 (1)	0.7 (7)	15.2 (100)
5th Percentile	0.3	3.6	5.4	0.7	6.1
1st Quartile	0.4	4.7	4.4	0.5	7.5
Median	0.5	5.8	3.5	0.4	8.8
3rd Quartile	0.6	6.8	1.2	0.2	10.1
95th Percentile	0.7	8.6	-3.2	-0.3	12.1

US Equity | As of December 31, 2025

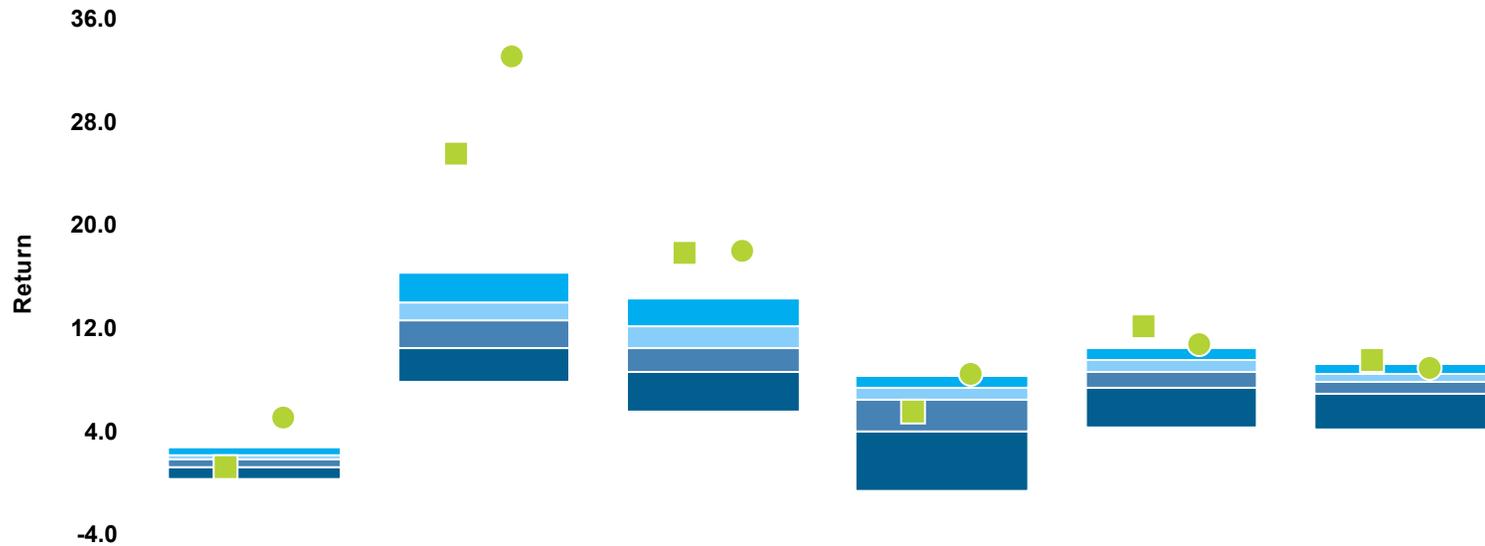
Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
NVIDIA Corporation	6.6	6.7	-0.1	0.0
Apple Inc	5.9	6.0	-0.1	6.9
Microsoft Corp	5.4	5.5	-0.1	-6.5
Amazon.com Inc	3.3	3.4	-0.1	5.1
Alphabet Inc Class A	2.7	2.8	-0.1	28.8
Broadcom Inc	2.4	2.4	0.0	5.1
Alphabet Inc Class C	2.2	2.3	-0.1	28.9
Meta Platforms Inc	2.2	2.2	0.0	-10.0
Tesla Inc	1.9	1.9	0.0	1.1
Berkshire Hathaway Inc	1.4	1.4	0.0	0.0
<b>% of Portfolio</b>	<b>34.0</b>	<b>34.6</b>	<b>-0.6</b>	

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap \$	1,220,181,449,943.0	1,241,453,699,734.5
Median Mkt. Cap \$	14,339,536,500.0	2,333,385,570.0
Price/Earnings ratio	27.9	27.4
Price/Book ratio	4.9	4.8
5 Yr. EPS Growth Rate (%)	25.2	25.2
Current Yield (%)	1.1	1.2
Beta (5 Years, Monthly)	1.0	1.0
Number of Stocks	1,073	2,966



## **International (non-US) Equity Analysis**

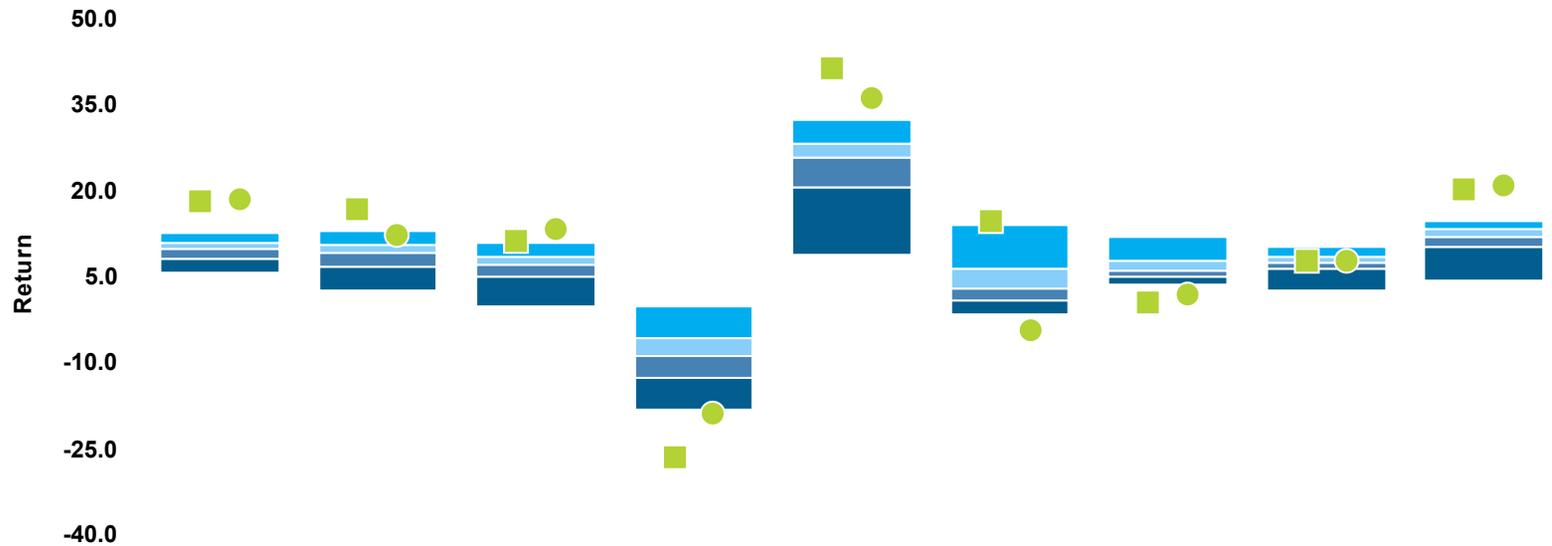
InvMetrics All DB \$1B - \$5B | As of December 31, 2025



	QTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ International Equity	1.2 (79)	25.6 (1)	17.8 (1)	5.6 (64)	12.2 (2)	9.6 (4)
● MSCI AC World ex USA Index	5.1 (1)	33.1 (1)	18.0 (1)	8.5 (5)	10.7 (5)	8.9 (13)
5th Percentile	2.8	16.3	14.3	8.4	10.5	9.3
1st Quartile	2.2	13.9	12.1	7.4	9.6	8.5
Median	1.8	12.7	10.5	6.5	8.7	7.9
3rd Quartile	1.3	10.5	8.6	4.0	7.4	6.9
95th Percentile	0.3	7.8	5.6	-0.6	4.4	4.2
Population	189	189	188	185	182	176

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

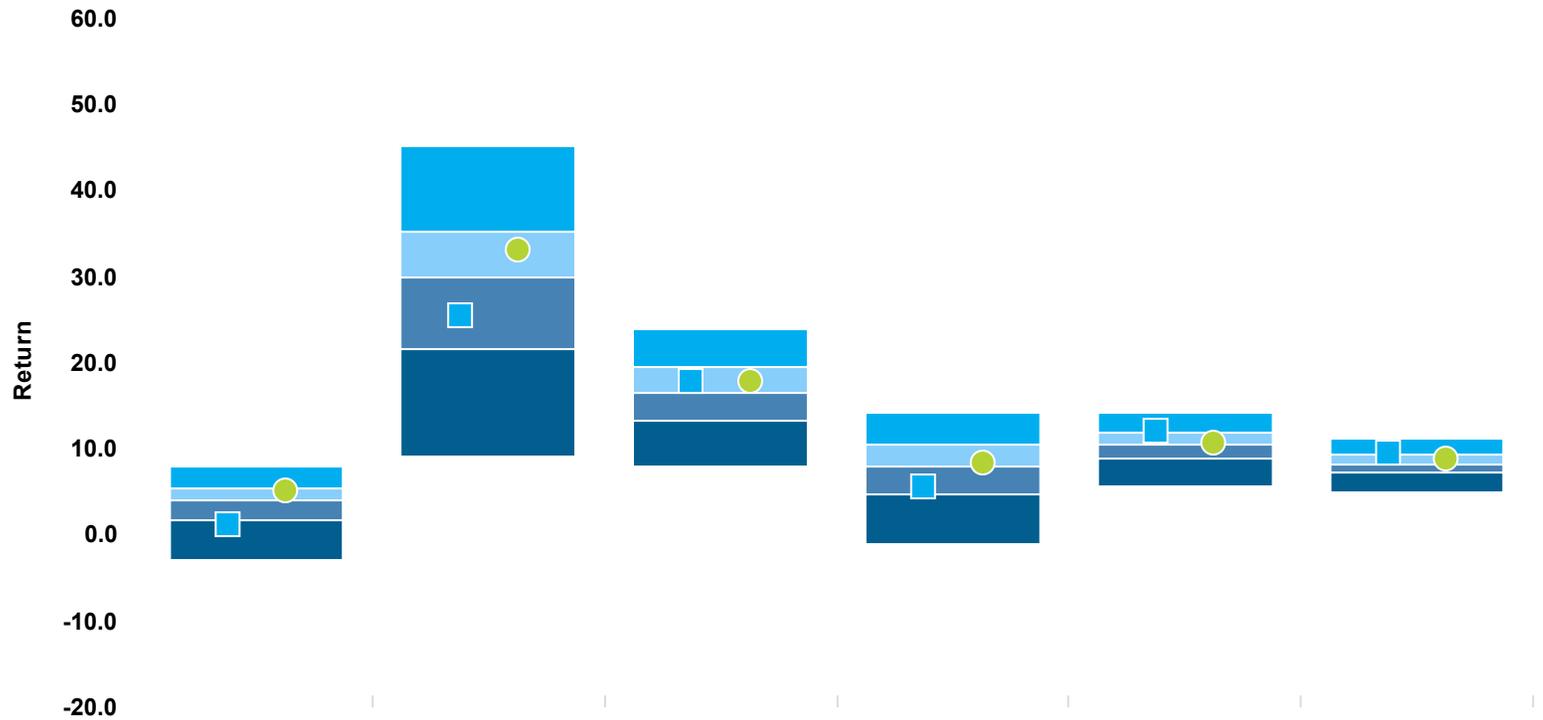
InvMetrics All DB \$1B - \$5B | As of December 31, 2025



	Jul-2024 To Jun-2025	Jul-2023 To Jun-2024	Jul-2022 To Jun-2023	Jul-2021 To Jun-2022	Jul-2020 To Jun-2021	Jul-2019 To Jun-2020	Jul-2018 To Jun-2019	Jul-2017 To Jun-2018	Jul-2016 To Jun-2017
■ International Equity	18.1 (1)	16.9 (1)	11.2 (5)	-26.5 (100)	41.5 (1)	14.5 (4)	0.6 (100)	7.8 (42)	20.2 (1)
● MSCI AC World ex USA Index	18.4 (1)	12.2 (9)	13.3 (2)	-19.0 (97)	36.3 (1)	-4.4 (99)	1.8 (100)	7.8 (45)	21.0 (1)
5th Percentile	12.6	13.1	11.0	-0.1	32.4	13.9	11.8	10.1	14.6
1st Quartile	10.9	10.5	8.4	-5.6	28.1	6.3	7.8	8.6	13.1
Median	9.7	9.1	7.0	-9.0	25.8	2.8	6.1	7.4	11.8
3rd Quartile	8.0	6.7	4.8	-12.7	20.6	1.0	5.0	6.3	10.3
95th Percentile	5.7	2.6	-0.2	-18.2	8.7	-1.4	3.6	2.5	4.1
Population	299	300	327	326	394	368	287	250	248

Parenteses contain percentile rankings.  
Calculation based on monthly periodicity.

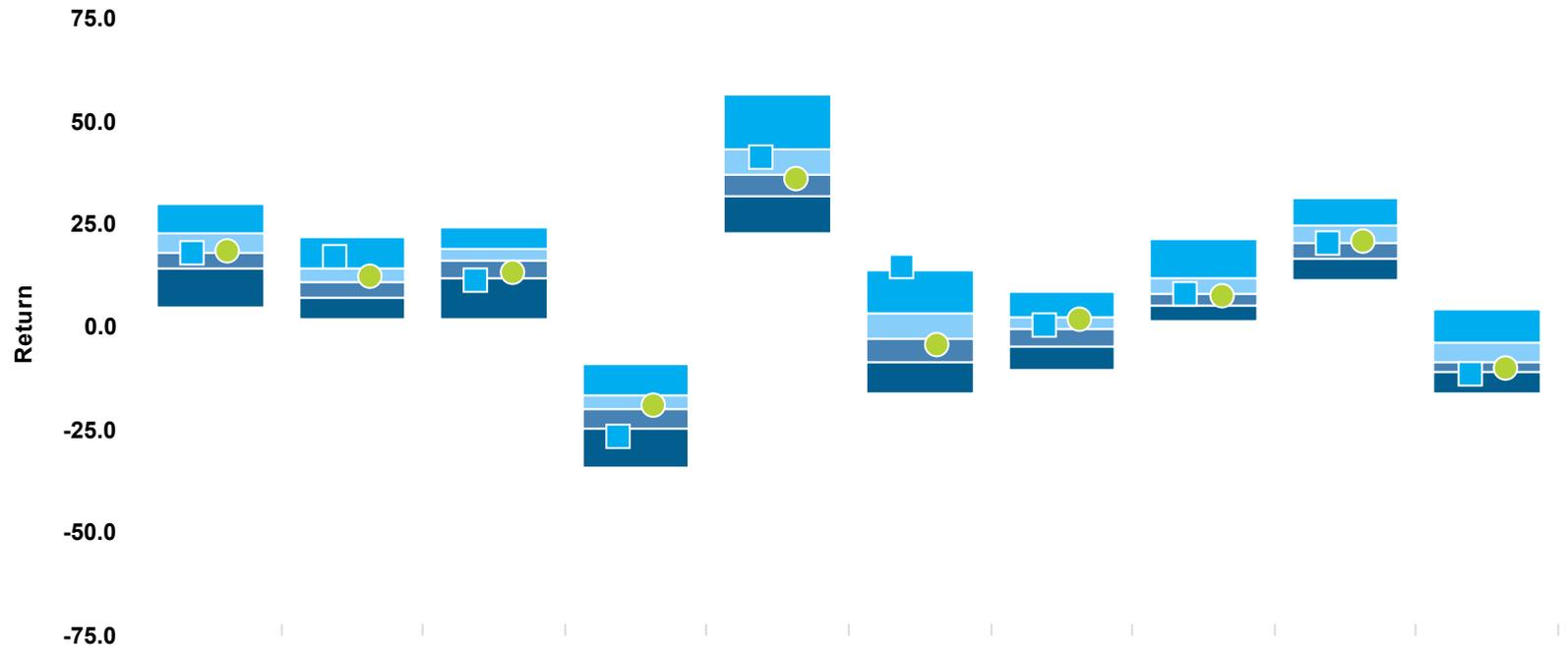
### Peer Group Analysis | As of December 31, 2025



	QTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ International Equity	1.2 (80)	25.6 (65)	17.8 (37)	5.6 (70)	12.2 (20)	9.6 (21)
● MSCI AC World ex USA Index	5.1 (30)	33.1 (34)	18.0 (37)	8.5 (45)	10.7 (47)	8.9 (33)
5th Percentile	7.9	45.1	23.9	14.3	14.2	11.3
1st Quartile	5.4	35.3	19.6	10.6	11.9	9.4
Median	4.1	29.9	16.6	7.9	10.6	8.3
3rd Quartile	1.8	21.6	13.2	4.7	9.0	7.3
95th Percentile	-2.9	9.1	8.0	-0.9	5.8	5.1
Population	624	621	588	562	528	466

Parenteses contain percentile rankings.  
Calculation based on monthly periodicity.

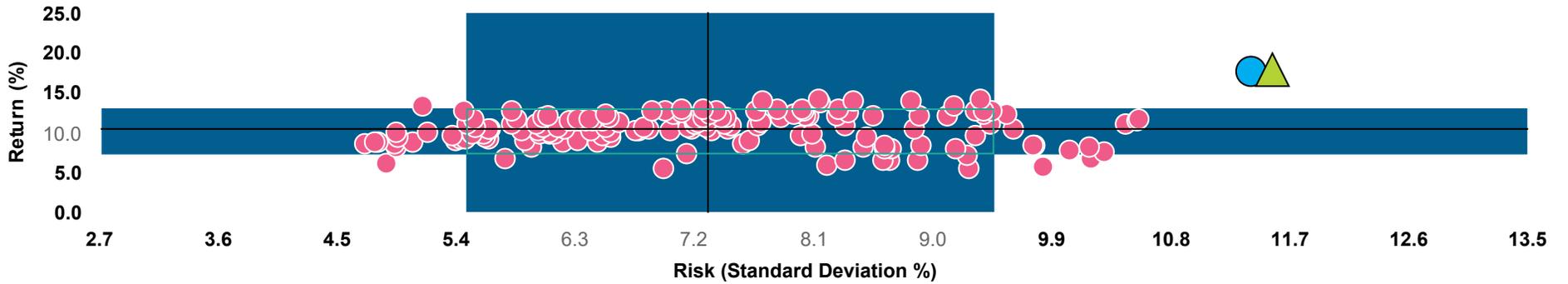
### Peer Group Analysis | As of December 31, 2025



	Jul-2024 To Jun-2025	Jul-2023 To Jun-2024	Jul-2022 To Jun-2023	Jul-2021 To Jun-2022	Jul-2020 To Jun-2021	Jul-2019 To Jun-2020	Jul-2018 To Jun-2019	Jul-2017 To Jun-2018	Jul-2016 To Jun-2017	Jul-2015 To Jun-2016
■ International Equity	18.1 (51)	16.9 (14)	11.2 (79)	-26.5 (82)	41.5 (32)	14.5 (5)	0.6 (42)	7.8 (52)	20.2 (50)	-11.4 (78)
● MSCI AC World ex USA Index	18.4 (48)	12.2 (38)	13.3 (67)	-19.0 (43)	36.3 (55)	-4.4 (56)	1.8 (30)	7.8 (52)	21.0 (46)	-9.8 (63)
5th Percentile	29.8	22.0	24.2	-9.2	56.3	14.0	8.7	21.6	31.5	4.0
1st Quartile	22.6	14.3	19.1	-16.5	43.0	3.2	2.4	12.0	24.5	-4.0
Median	18.1	10.7	16.1	-19.9	37.1	-2.9	-0.5	8.0	20.2	-8.4
3rd Quartile	14.2	7.0	11.9	-24.7	31.7	-8.6	-4.8	5.2	16.7	-11.1
95th Percentile	4.9	1.7	1.7	-34.3	22.7	-16.4	-10.3	1.4	11.2	-16.0
Population	686	690	723	738	750	770	781	784	773	767

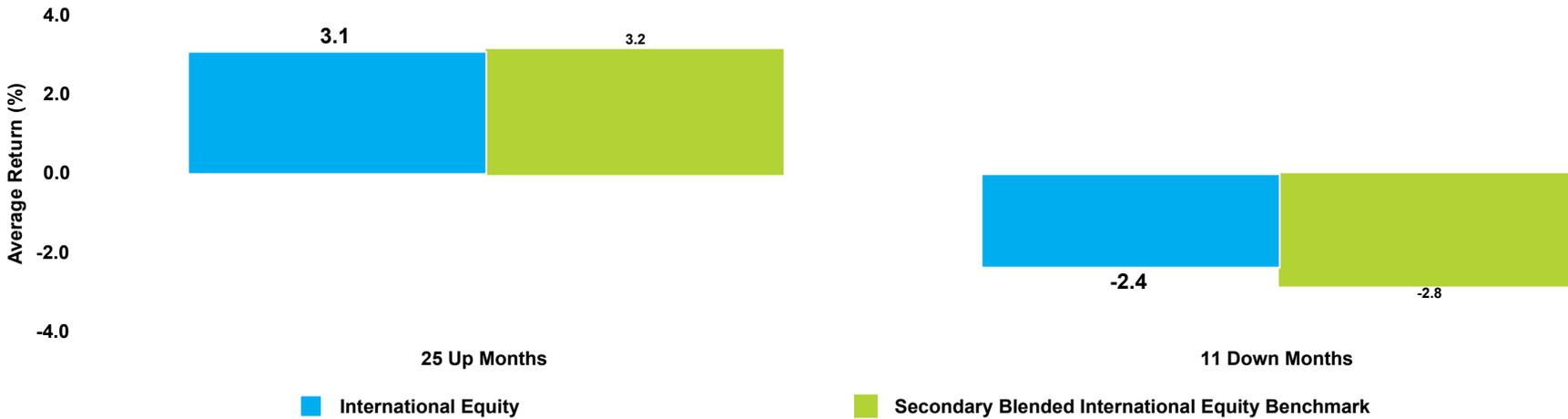
Parenteses contain percentile rankings.  
Calculation based on monthly periodicity.

### Plan Sponsor Peer Group Analysis 3-year | As of December 31, 2025

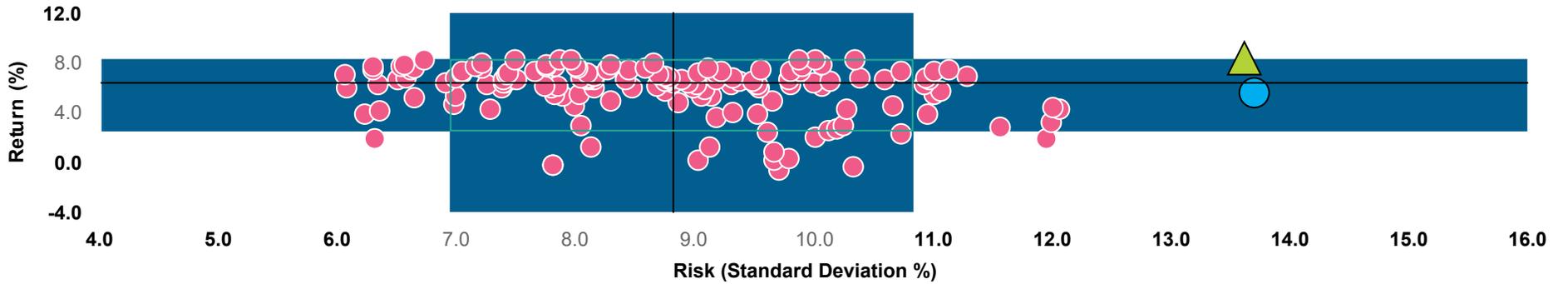


	Return	Standard Deviation
● International Equity	17.8	11.4
▲ MSCI AC World ex USA Index	18.0	11.6
— Median	10.5	7.3

### Up Down Market Bar Chart

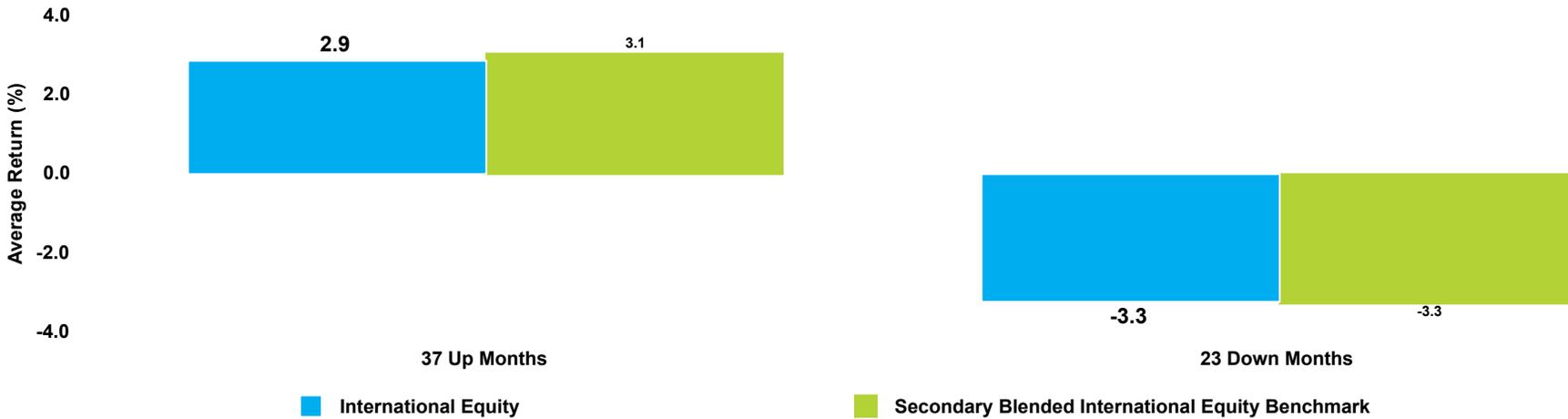


### Plan Sponsor Peer Group Analysis 5-year | As of December 31, 2025



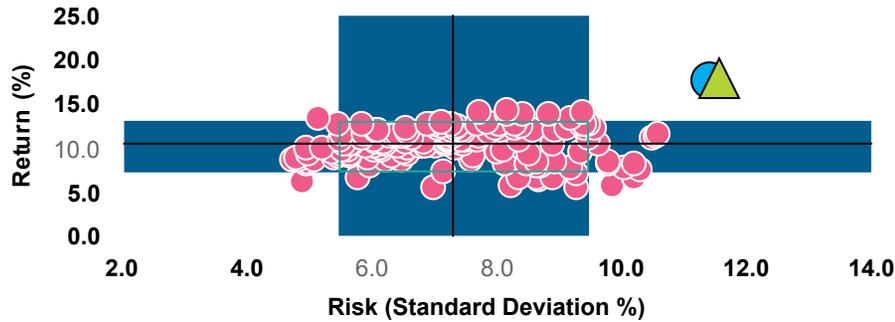
	Return	Standard Deviation
● International Equity	5.6	13.7
▲ MSCI AC World ex USA Index	8.5	13.6
— Median	6.5	8.8

### Up Down Market Bar Chart



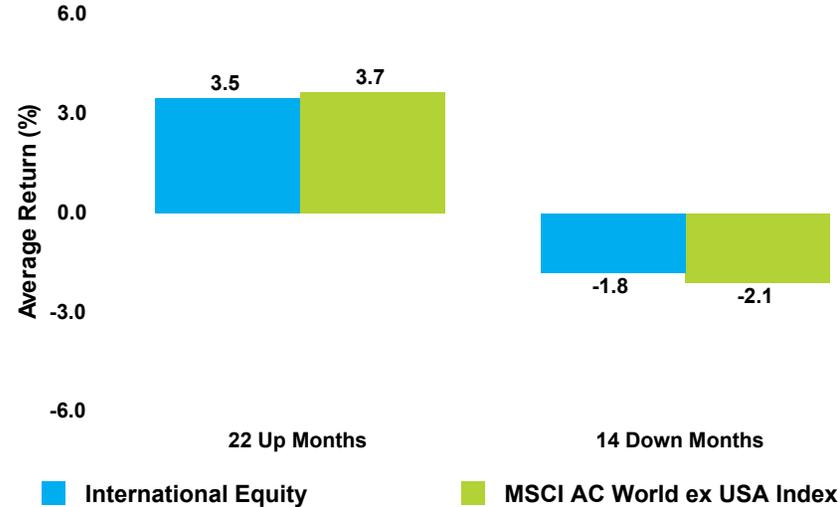
### International Equity vs All Public Plans \$1B-\$5B | As of December 31, 2025

Plan Sponsor Scattergram - 3 Years



	Return	Standard Deviation
● International Equity	17.8	11.4
▲ MSCI AC World ex USA Index	18.0	11.6
— Median	10.5	7.3

Up/Down Markets - 3 Years



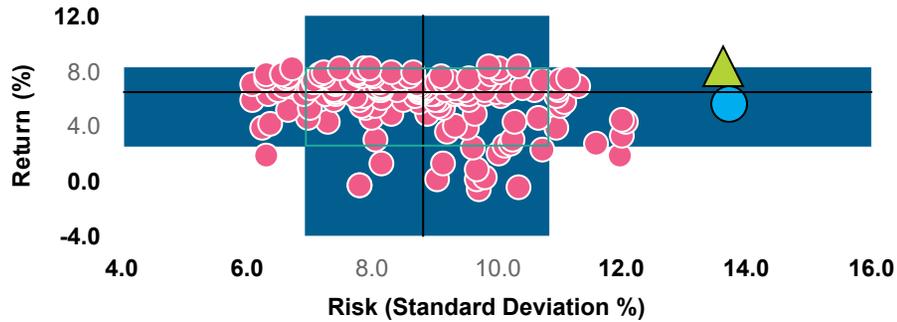
Plan Sponsor Peer Group Analysis - Multi Statistics



	3 Yrs (%)				
■ International Equity	0.9 (100)	5.4 (87)	12.5 (1)	1.1 (12)	11.4 (96)
● MSCI AC World ex USA Index	1.0 (100)	5.9 (92)	12.6 (1)	1.1 (12)	11.6 (97)
5th Percentile	0.3	2.1	9.1	1.2	4.7
1st Quartile	0.5	2.9	7.1	1.0	6.1
Median	0.6	3.7	5.6	0.8	7.3
3rd Quartile	0.6	4.7	3.9	0.6	8.7
95th Percentile	0.8	6.4	1.0	0.1	10.9

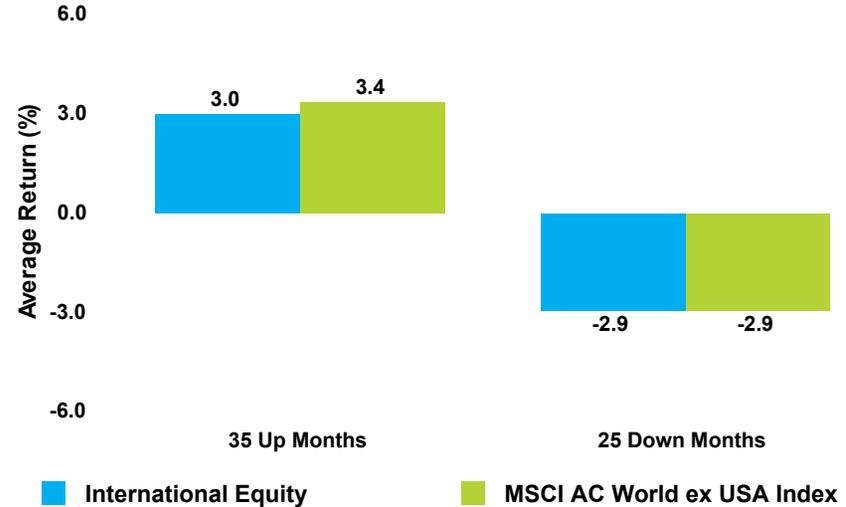
### International Equity vs All Public Plans \$1B-\$5B | As of December 31, 2025

Plan Sponsor Scattergram - 5 Years



	Return	Standard Deviation
● International Equity	5.6	13.7
▲ MSCI AC World ex USA Index	8.5	13.6
— Median	6.5	8.8

Up/Down Markets - 5 Years



Plan Sponsor Peer Group Analysis - Multi Statistics

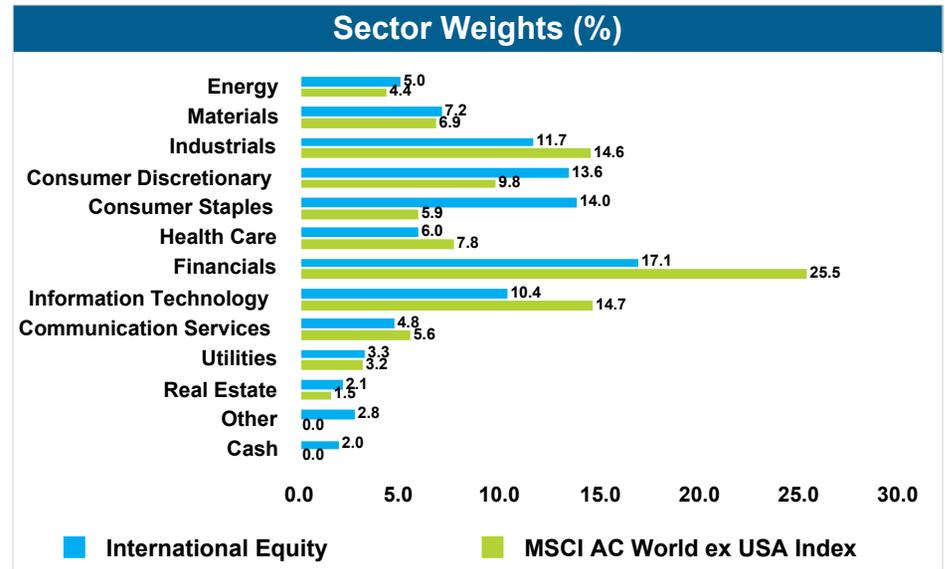
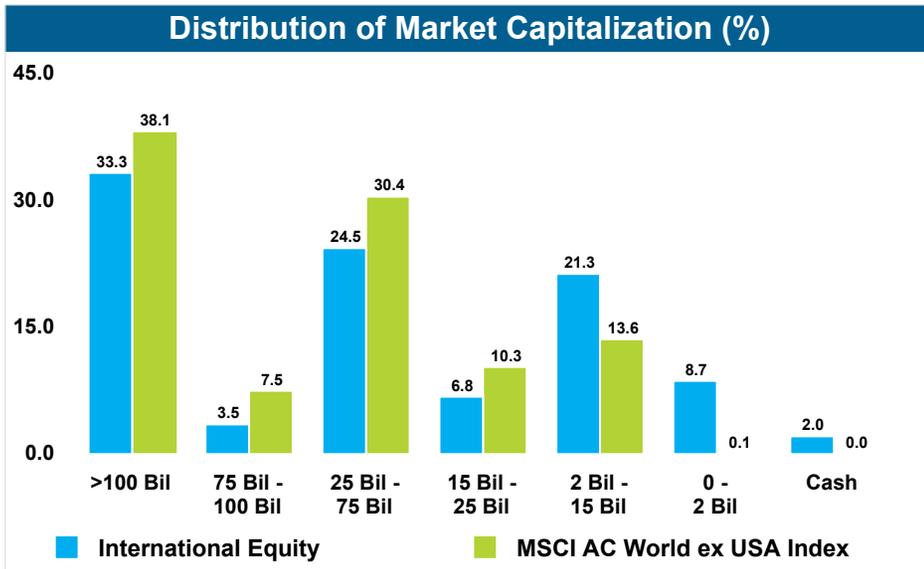


	5 Yrs (%)				
■ International Equity	1.0 (100)	8.9 (96)	3.3 (56)	0.2 (70)	13.7 (100)
● MSCI AC World ex USA Index	1.0 (100)	8.7 (95)	5.9 (3)	0.4 (42)	13.6 (100)
5th Percentile	0.4	3.6	5.4	0.7	6.1
1st Quartile	0.5	4.7	4.4	0.5	7.5
Median	0.6	5.8	3.5	0.4	8.8
3rd Quartile	0.6	6.8	1.2	0.2	10.1
95th Percentile	0.8	8.6	-3.2	-0.3	12.1

### International Equity | As of December 31, 2025

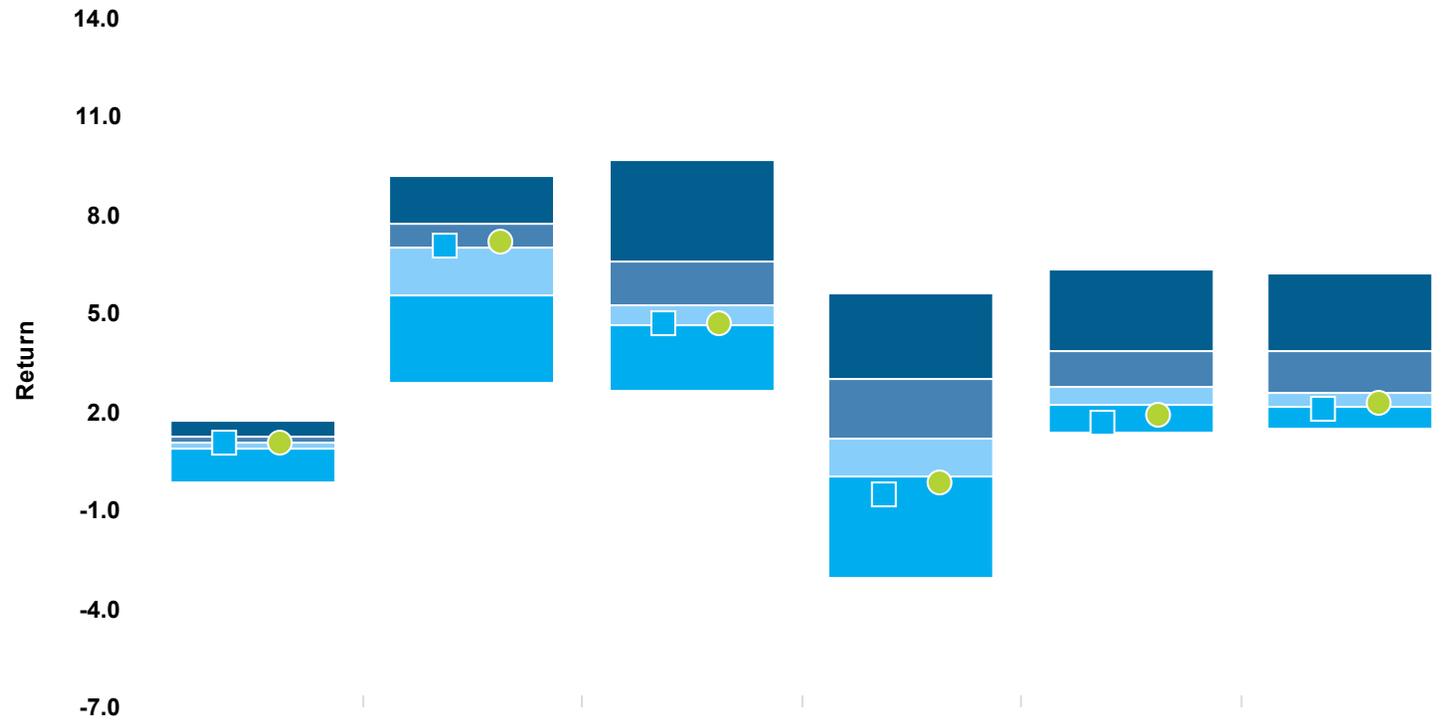
Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Gold - Physical	2.6	0.0	2.6	-
British American Tobacco PLC	1.8	0.4	1.4	9.9
Tencent Holdings LTD	1.7	1.5	0.2	-9.7
Philip Morris International Inc	1.6	0.0	1.6	0.7
MercadoLibre Inc	1.5	0.0	1.5	-13.8
Sea Limited	1.3	0.1	1.2	-28.6
Nestle SA, Cham Und Vevey	1.1	0.8	0.3	8.2
Chubb Ltd	1.0	0.0	1.0	10.9
Visa Inc	1.0	0.0	1.0	2.9
MakeMyTrip Ltd	1.0	0.0	1.0	-12.3
<b>% of Portfolio</b>	<b>14.6</b>	<b>2.8</b>	<b>11.8</b>	

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap \$	148,345,282,661.1	154,072,335,084.1
Median Mkt. Cap \$	1,017,832,205.3	13,184,959,300.8
Price/Earnings ratio	19.1	17.0
Price/Book ratio	3.0	2.7
5 Yr. EPS Growth Rate (%)	18.2	19.4
Current Yield (%)	2.4	2.7
Beta (5 Years, Monthly)	1.0	1.0
Number of Stocks	2,391	1,973



## Fixed Income Analysis

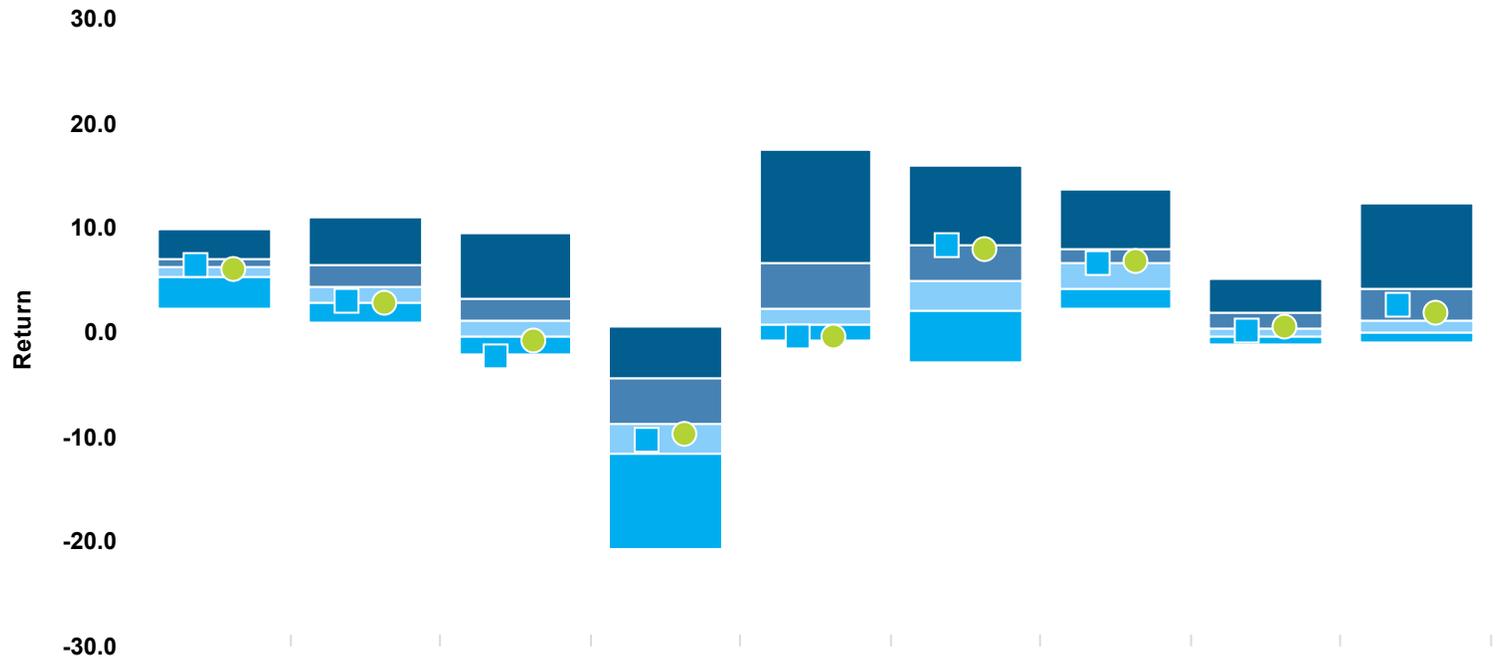
### Peer Group Analysis | As of December 31, 2025



	QTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ US Fixed Income	1.1 (59)	7.1 (50)	4.7 (73)	-0.5 (89)	1.7 (92)	2.1 (78)
● US Fixed Income Custom Benchmark	1.1 (51)	7.2 (46)	4.7 (74)	-0.1 (80)	1.9 (88)	2.3 (66)
5th Percentile	1.7	9.2	9.7	5.6	6.4	6.3
1st Quartile	1.3	7.7	6.6	3.0	3.8	3.9
Median	1.1	7.0	5.2	1.2	2.8	2.6
3rd Quartile	0.9	5.6	4.6	0.1	2.3	2.2
95th Percentile	-0.2	2.9	2.6	-3.0	1.4	1.5
Population	1,232	1,229	1,189	1,130	1,094	1,001

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

### Peer Group Analysis | As of December 31, 2025



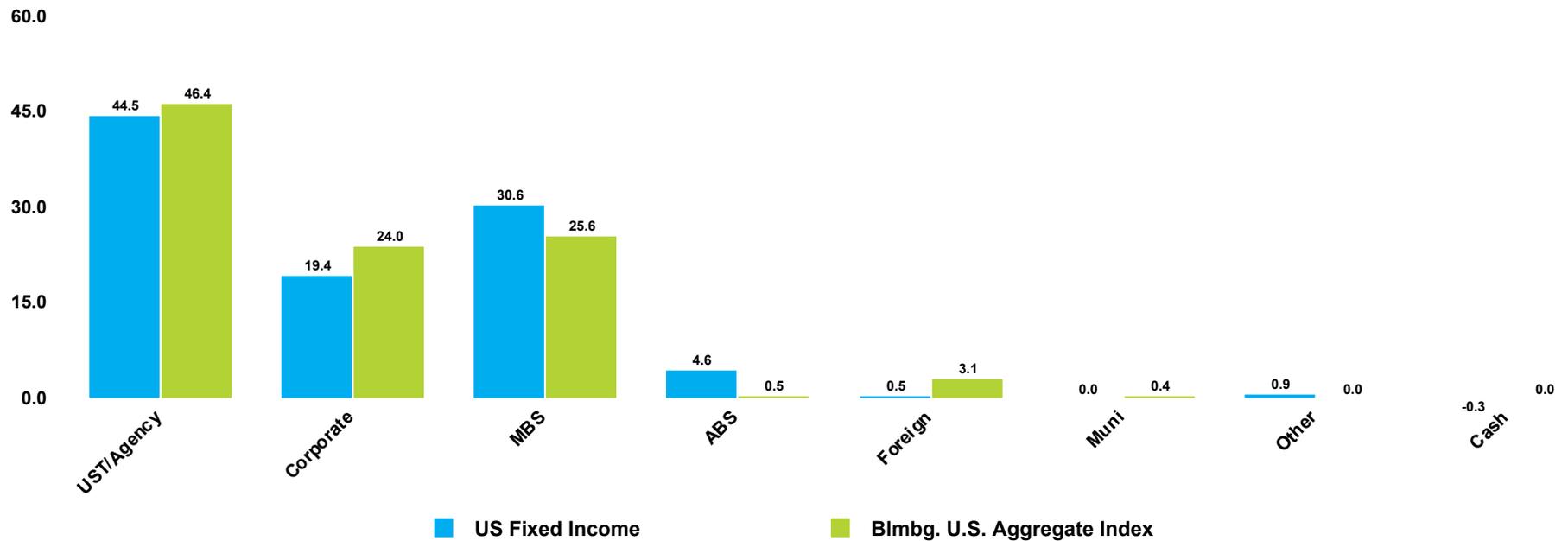
	Jul-2024 To Jun-2025	Jul-2023 To Jun-2024	Jul-2022 To Jun-2023	Jul-2021 To Jun-2022	Jul-2020 To Jun-2021	Jul-2019 To Jun-2020	Jul-2018 To Jun-2019	Jul-2017 To Jun-2018	Jul-2016 To Jun-2017
■ US Fixed Income	6.5 (45)	3.0 (71)	-2.4 (96)	-10.3 (61)	-0.3 (92)	8.3 (26)	6.7 (48)	0.2 (58)	2.6 (34)
● US Fixed Income Custom Benchmark	6.0 (62)	2.8 (75)	-0.8 (82)	-9.6 (56)	-0.3 (92)	8.0 (28)	6.9 (45)	0.5 (48)	2.0 (40)
5th Percentile	9.8	11.0	9.5	0.7	17.5	15.9	13.7	5.0	12.4
1st Quartile	7.1	6.5	3.3	-4.5	6.7	8.3	8.0	1.8	4.3
Median	6.3	4.4	1.2	-8.8	2.3	4.9	6.6	0.4	1.2
3rd Quartile	5.4	2.8	-0.4	-11.6	0.7	2.0	4.3	-0.3	0.0
95th Percentile	2.2	0.9	-2.0	-20.7	-0.7	-2.9	2.2	-1.2	-1.0
Population	1,313	1,356	1,416	1,433	1,488	1,514	1,535	1,564	1,540

Parenteses contain percentile rankings.  
Calculation based on monthly periodicity.

US Fixed Income | As of December 31, 2025

Fixed Income Characteristics			
	Q4 -25		Q3 -25
	US Fixed Income	BImbg. U.S. Aggregate Index	US Fixed Income
Yield To Maturity	4.47	4.32	4.66
Average Duration	5.30	5.98	5.81
Average Quality	AA	AA	AA
Weight Average Maturity	8.00	8.20	8.10

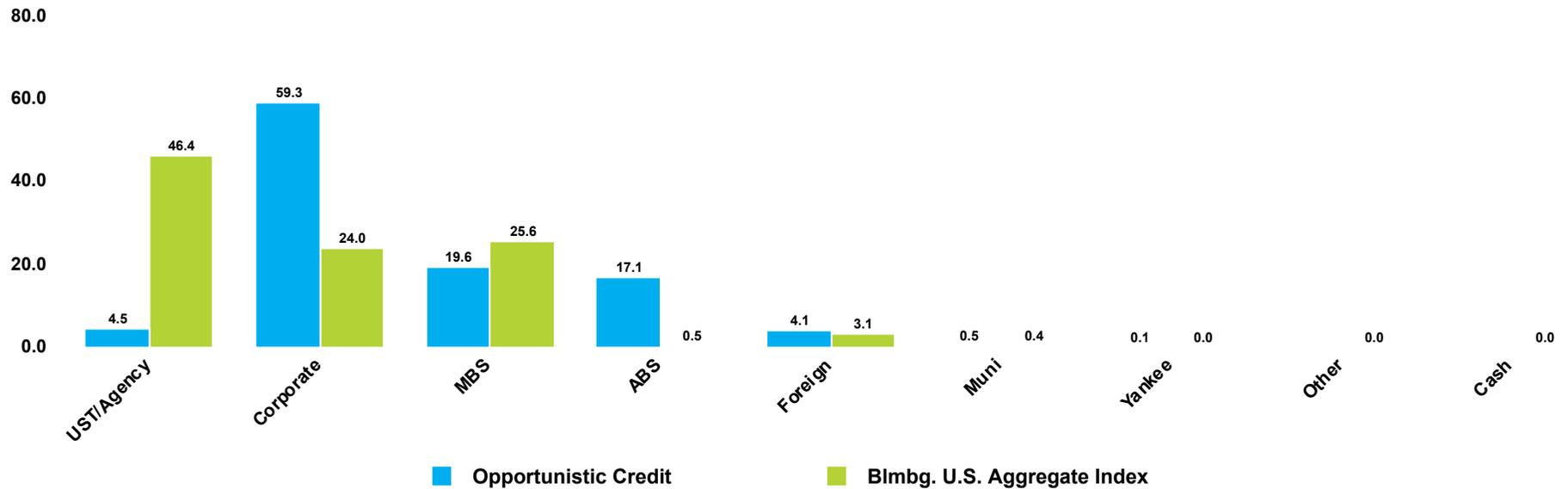
### Sector Distribution (%)



### Opportunistic Credit | As of December 31, 2025

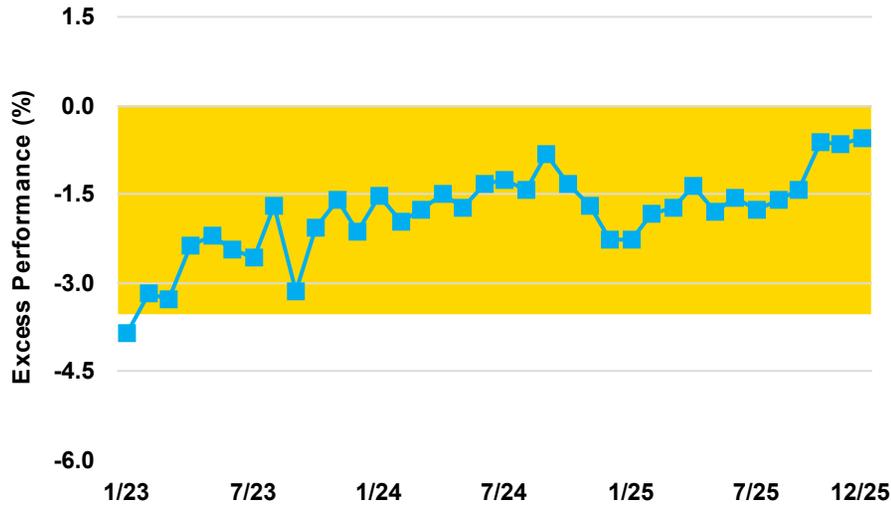
Fixed Income Characteristics			
	Q4 -25		Q3 -25
	Opportunistic Credit	Blmbg. U.S. Aggregate Index	Opportunistic Credit
Yield To Maturity	7.83	4.32	8.09
Average Duration	2.30	5.98	2.53
Average Quality	AA	AA	BB
Weight Average Maturity	-	8.20	-

### Sector Distribution (%)

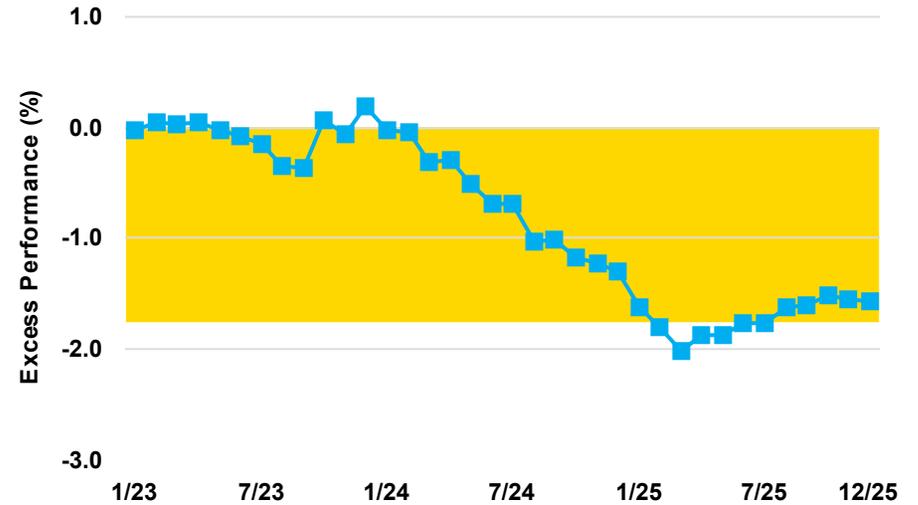


### BNY Mellon Newton Dynamic US Equity | As of December 31, 2025

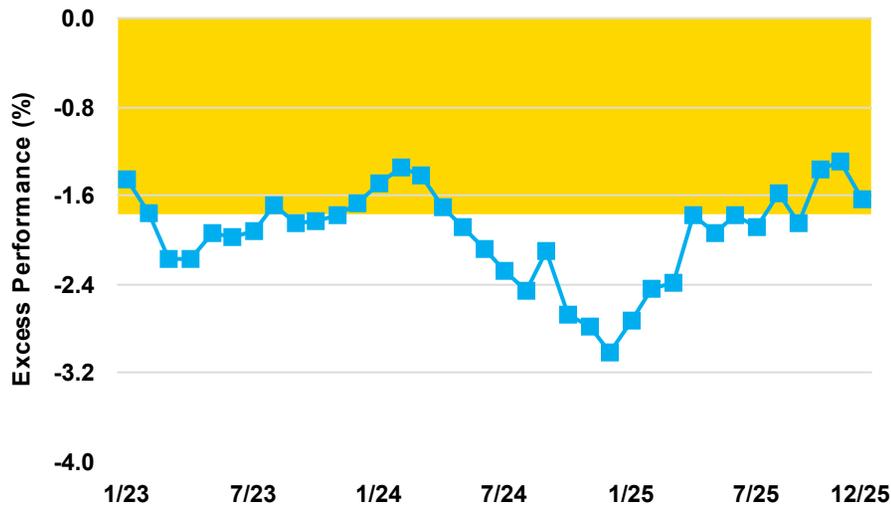
#### Short-Term (Rolling 12-Month Excess Performance)



#### Long-Term (Rolling 60-Month Excess Performance)



#### Medium Term (Rolling 36-Month Excess Performance)

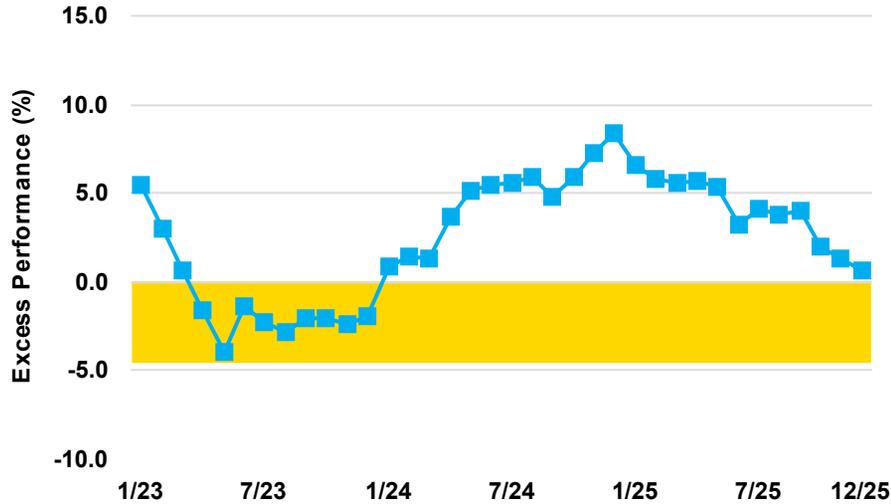


#### Portfolio Performance Summary

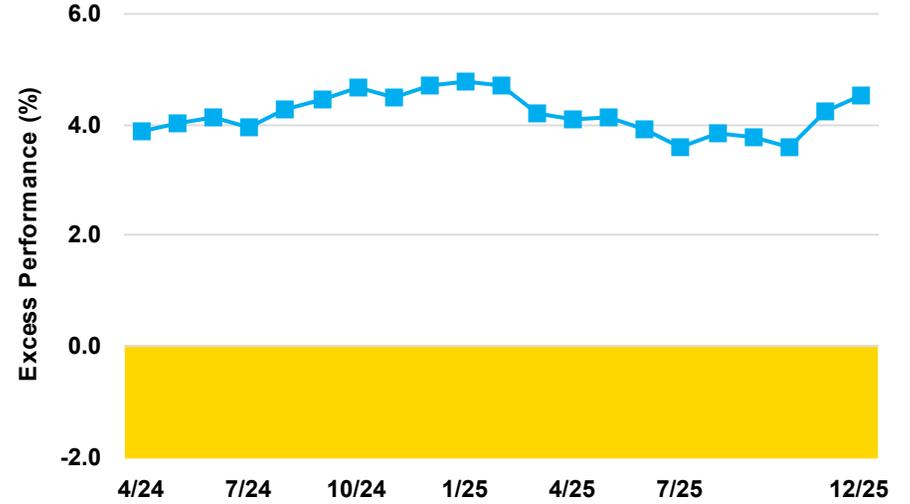
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
BNY Mellon Newton Dynamic US Equity	2.2	17.3	21.4	12.9	16.1	01/01/2013
S&P 500 Index	2.7	17.9	23.0	14.4	14.9	
eV US Large Cap Core Equity Median	2.5	15.7	20.5	12.8	13.8	
eV US Large Cap Core Equity Rank	55	33	42	49	3	

### Acadian ACWI ex US Small Cap Equity | As of December 31, 2025

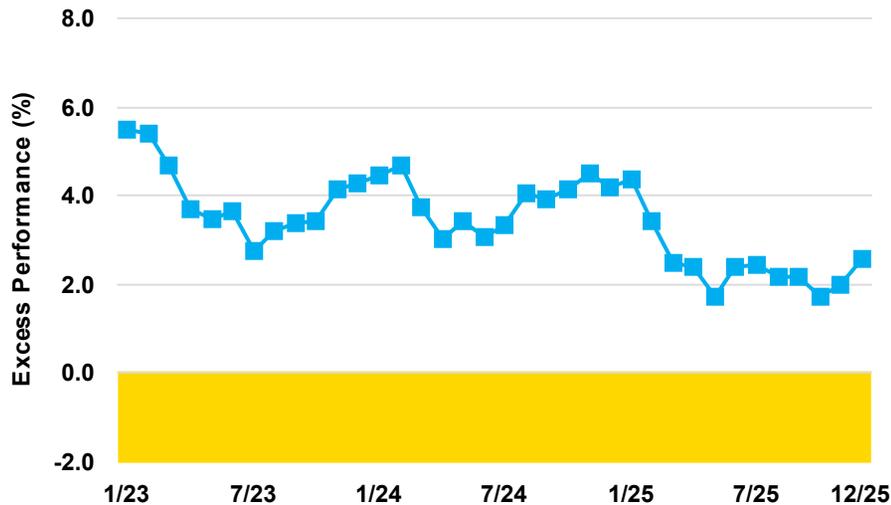
#### Short-Term (Rolling 12-Month Excess Performance)



#### Long-Term (Rolling 60-Month Excess Performance)



#### Medium Term (Rolling 36-Month Excess Performance)

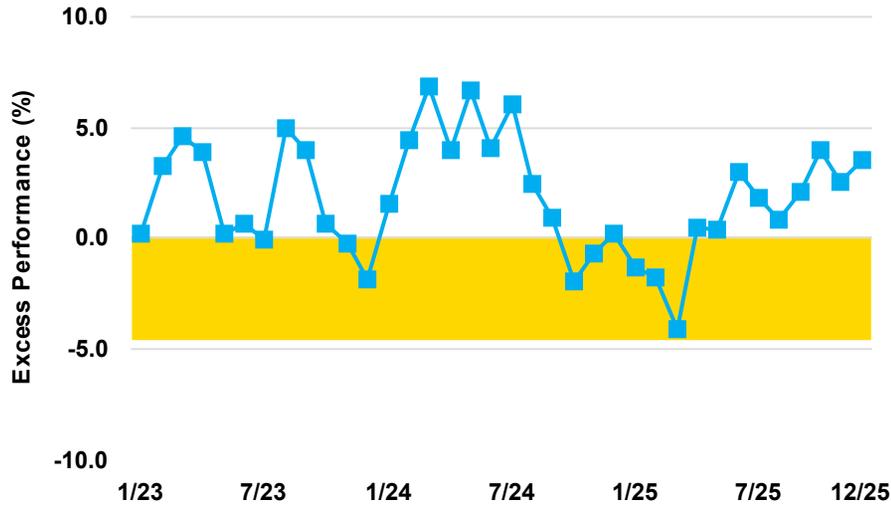


#### Portfolio Performance Summary

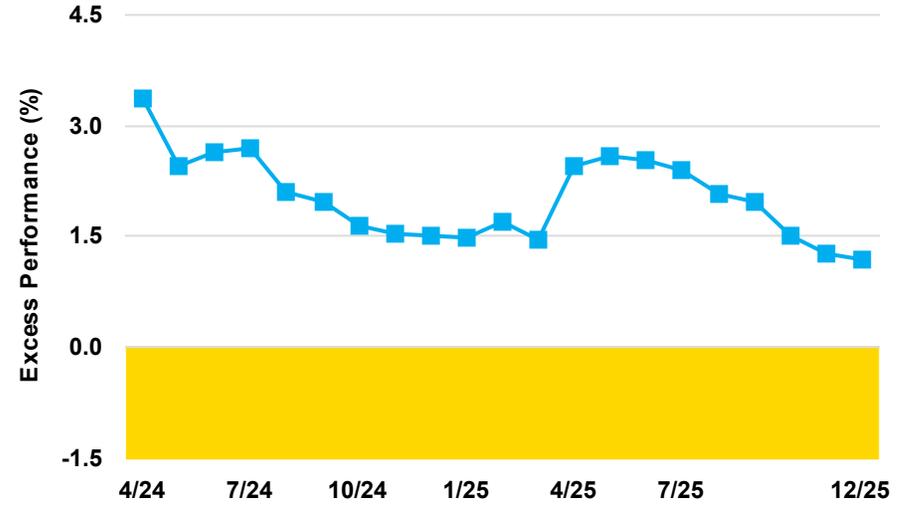
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Acadian ACWI ex U.S. Small Cap Equity	3.4	29.9	18.2	11.4	12.4	05/01/2019
MSCI AC World ex USA Small Cap (Net)	3.0	29.3	15.6	6.9	8.6	
eV ACWI ex-US Small Cap Equity Median	2.3	29.4	15.0	6.4	8.2	
eV ACWI ex-US Small Cap Equity Rank	33	48	36	24	12	

### Driehaus International Small Cap Growth | As of December 31, 2025

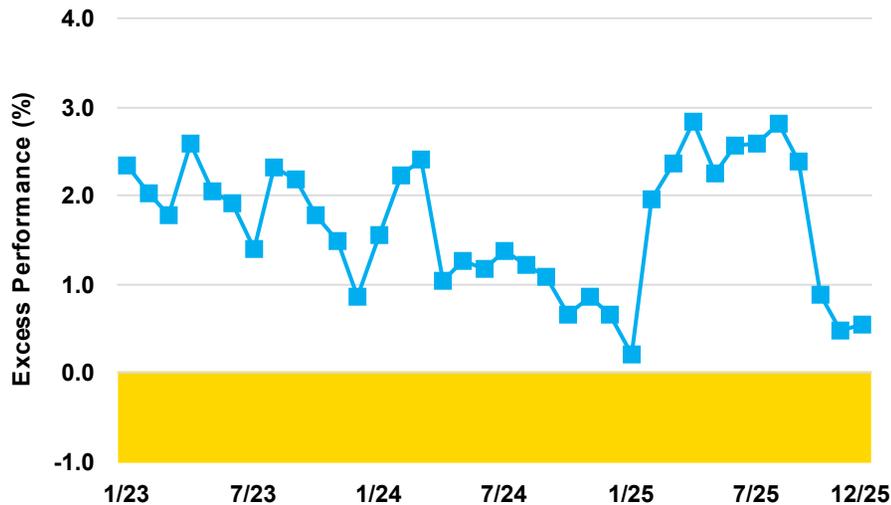
#### Short-Term (Rolling 12-Month Excess Performance)



#### Long-Term (Rolling 60-Month Excess Performance)



#### Medium Term (Rolling 36-Month Excess Performance)

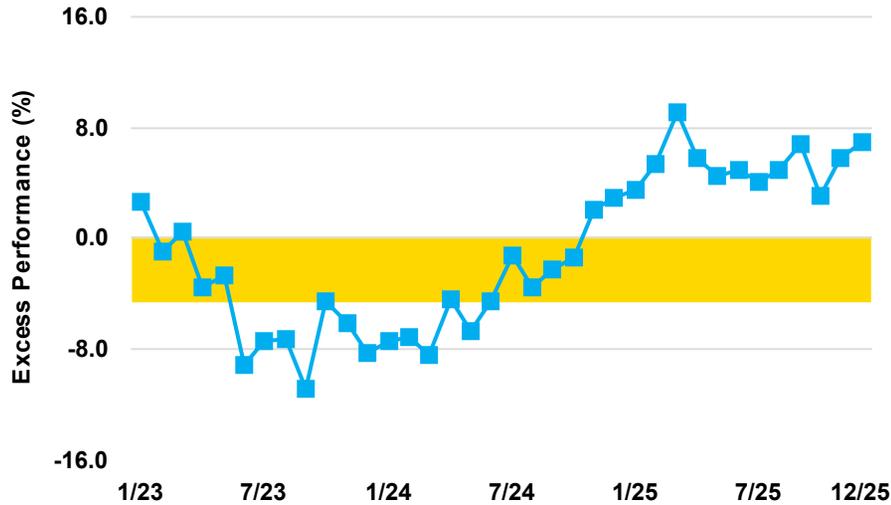


#### Portfolio Performance Summary

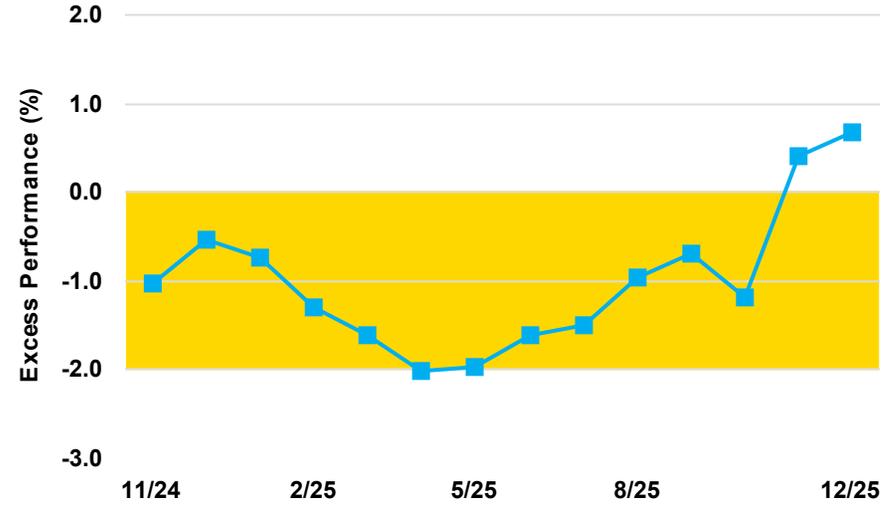
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Driehaus International Small Cap Growth	1.4	29.7	14.6	5.3	10.3	05/01/2019
MSCI AC World ex USA Small Growth Index (Net)	1.6	26.2	14.1	4.1	7.8	
eV ACWI ex-US Small Cap Equity Median	2.3	29.4	15.0	6.4	8.2	
eV ACWI ex-US Small Cap Equity Rank	59	48	55	54	33	

### First Eagle International Value Fund | As of December 31, 2025

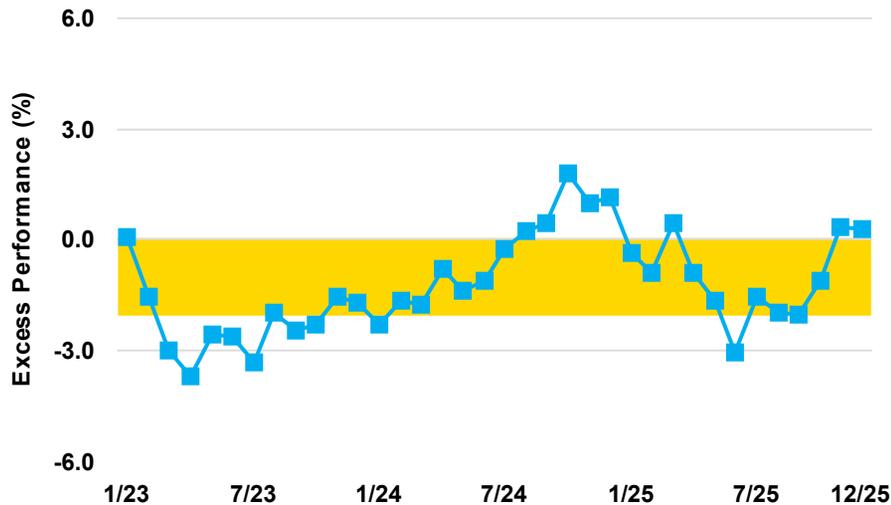
#### Short-Term (Rolling 12-Month Excess Performance)



#### Long-Term (Rolling 60-Month Excess Performance)



#### Medium Term (Rolling 36-Month Excess Performance)

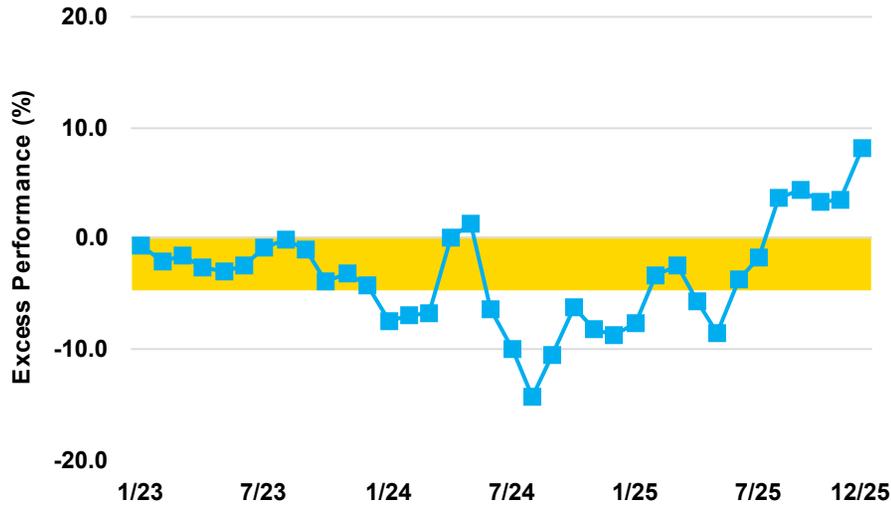


#### Portfolio Performance Summary

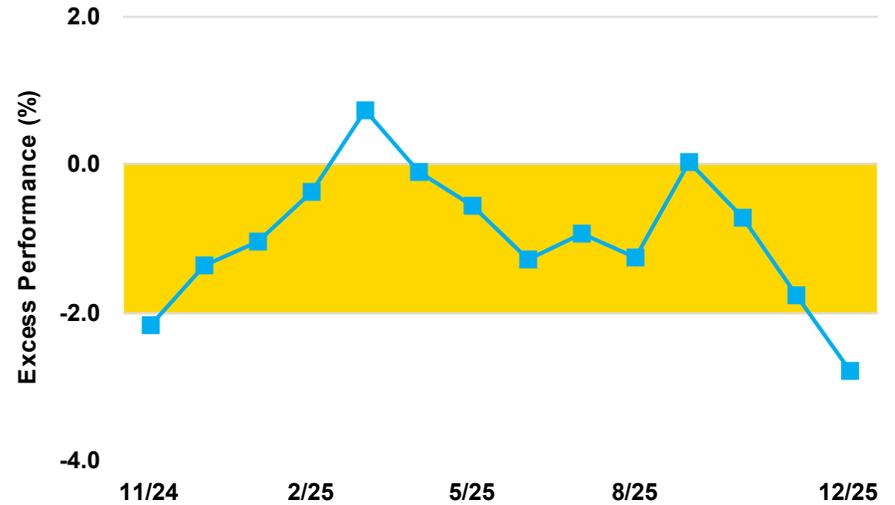
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
First Eagle International Value Fund	6.1	38.2	17.5	9.6	9.1	12/01/2019
MSCI EAFE (Net)	4.9	31.2	17.2	8.9	9.2	
eV Global Value Equity Median	4.9	24.7	16.4	11.0	10.5	
eV Global Value Equity Rank	32	9	34	71	76	

RWC | As of December 31, 2025

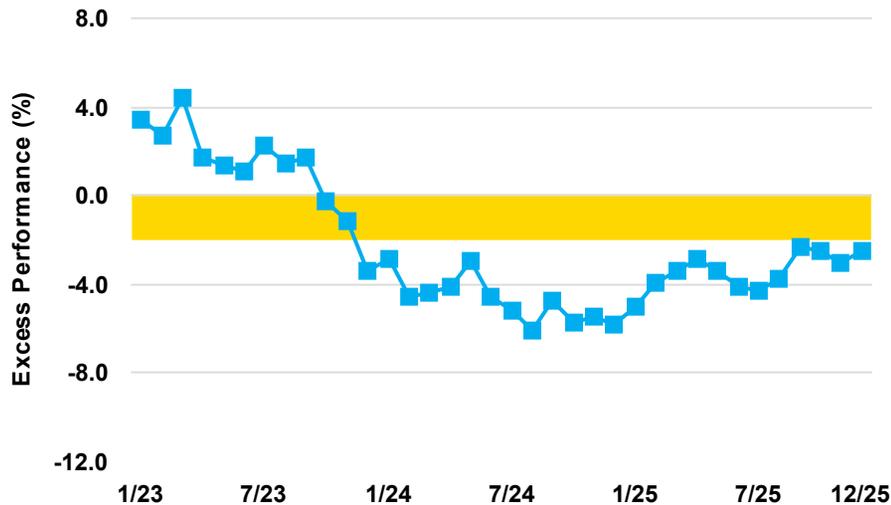
### Short-Term (Rolling 12-Month Excess Performance)



### Long-Term (Rolling 60-Month Excess Performance)



### Medium Term (Rolling 36-Month Excess Performance)

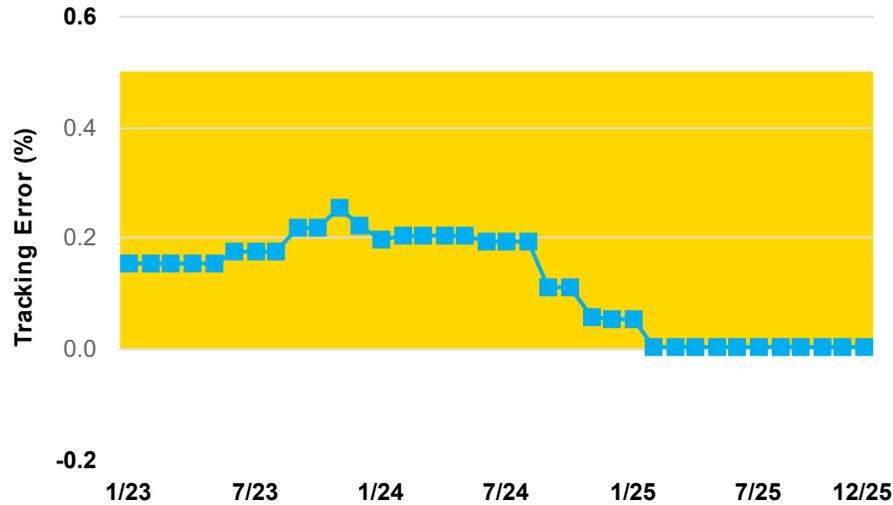


### Portfolio Performance Summary

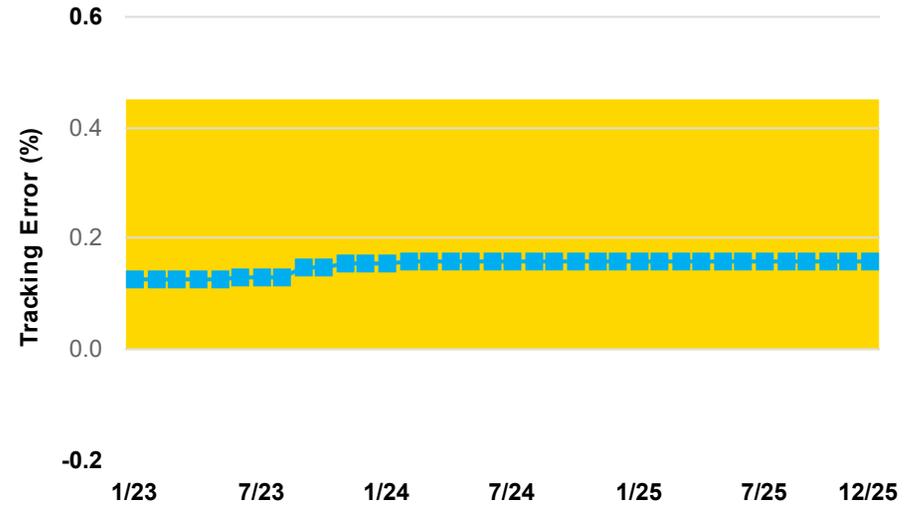
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
RWC	3.0	41.8	13.9	1.4	6.2	12/01/2019
MSCI Emerging Markets (Net)	4.7	33.6	16.4	4.2	7.6	
eV Emg Mkts Equity Median	4.5	32.6	16.7	5.2	8.5	
eV Emg Mkts Equity Rank	77	10	80	84	82	

BNY Mellon Large Cap | As of December 31, 2025

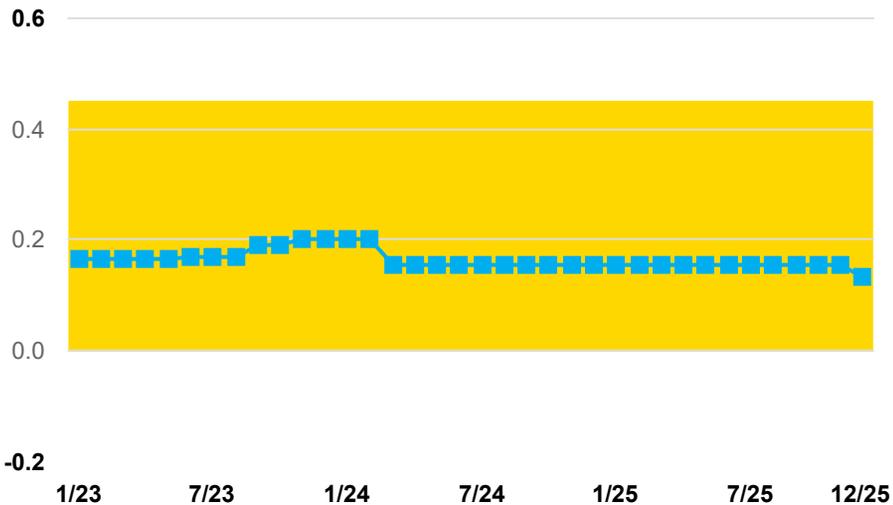
### Short-Term (Rolling 12-Month Tracking Error)



### Long-Term (Rolling 60-Month Tracking Error)



### Medium Term (Rolling 36-Month Tracking Error)

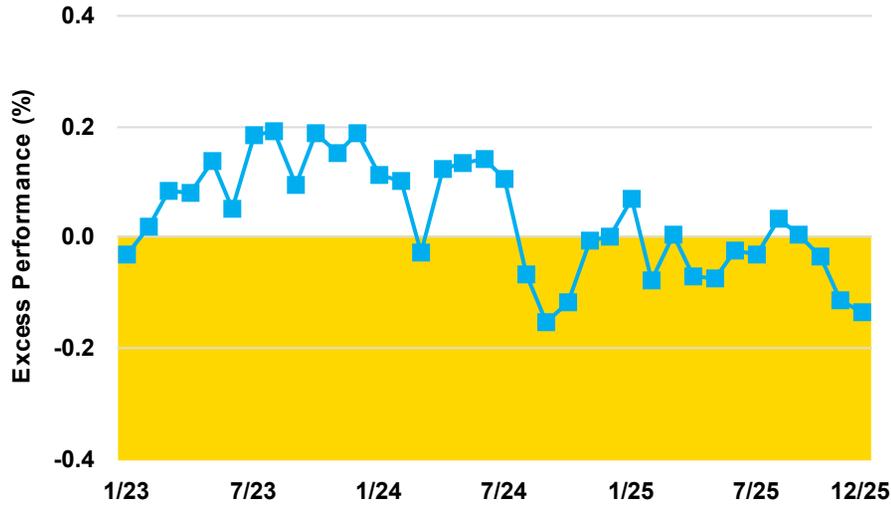


### Portfolio Performance Summary

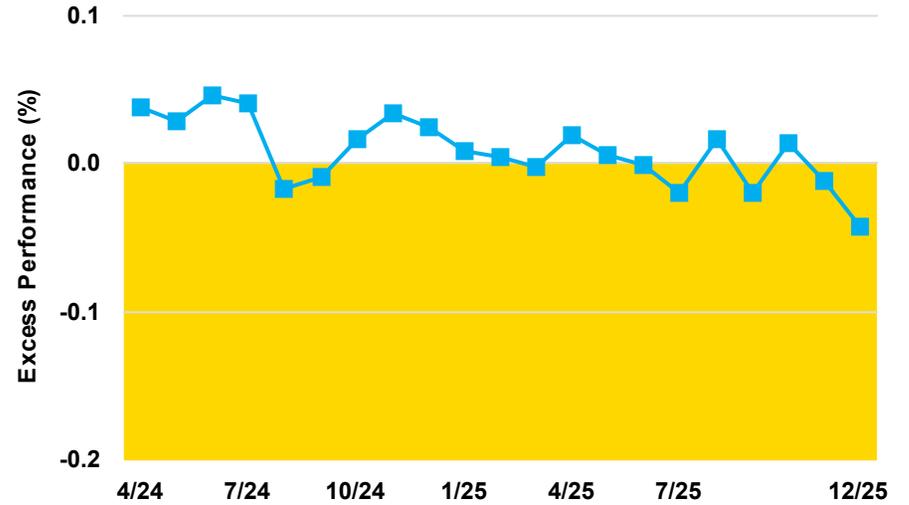
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
BNY Mellon Large Cap	2.4	17.3	22.7	13.6	14.8	04/01/2016
Russell 1000 Index	2.4	17.4	22.7	13.6	14.9	
eV US Large Cap Core Equity Median	2.5	15.7	20.5	12.8	13.7	
eV US Large Cap Core Equity Rank	53	34	30	39	24	

### Vanguard Total Bond Market Index Fund | As of December 31, 2025

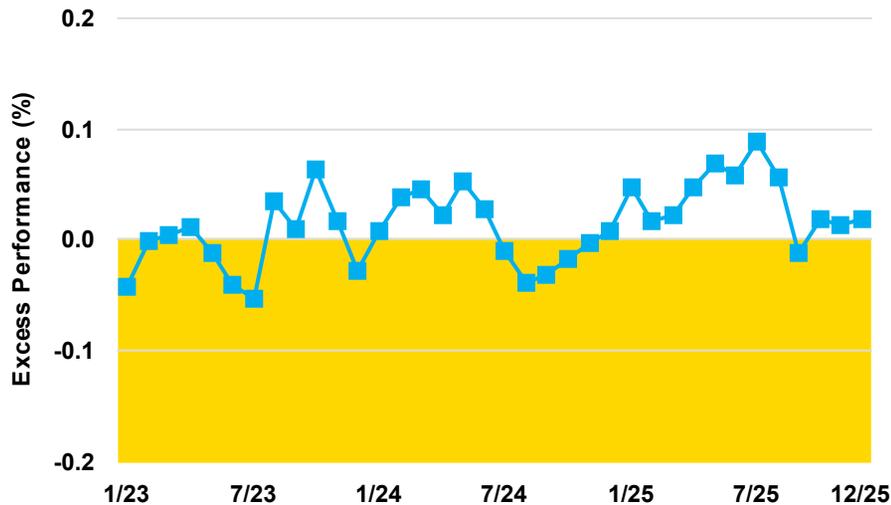
**Short-Term (Rolling 12-Month Excess Performance)**



**Long-Term (Rolling 60-Month Excess Performance)**



**Medium Term (Rolling 36-Month Excess Performance)**



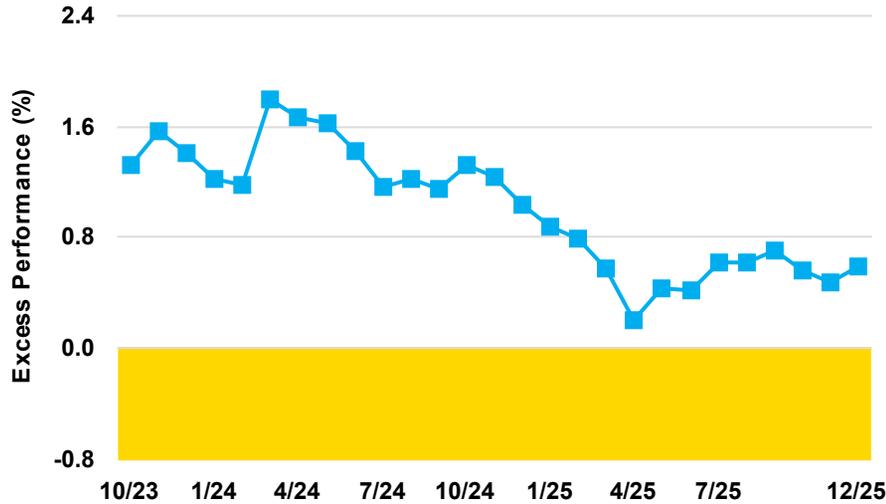
**Portfolio Performance Summary**

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Vanguard Total Bond Market Index Fund	1.0	7.2	4.7	-0.4	1.6	05/01/2019
Blmbg. U.S. Aggregate Index	1.1	7.3	4.7	-0.4	1.6	
eV US Core Fixed Inc Median	1.1	7.4	5.0	-0.2	1.9	
eV US Core Fixed Inc Rank	72	74	82	83	84	

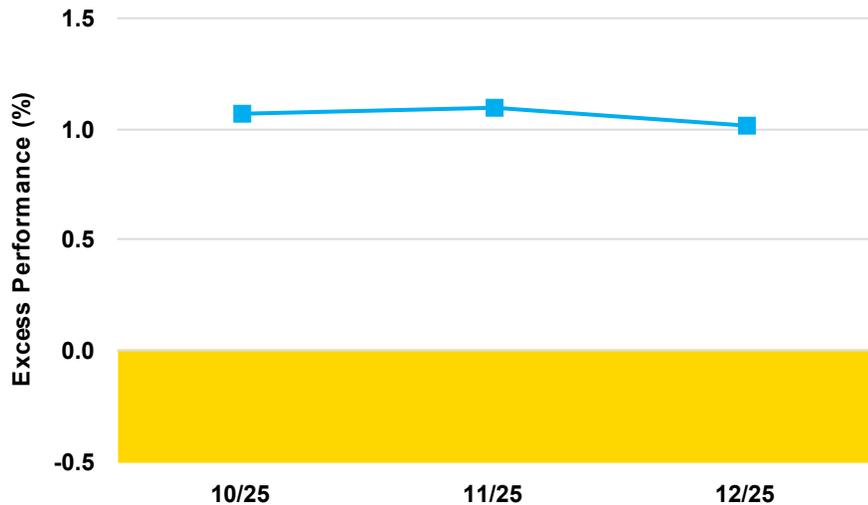
### Payden & Rygel Low Duration Fund | As of December 31, 2025

No data found.

#### Short-Term (Rolling 12-Month Excess Performance)



#### Medium Term (Rolling 36-Month Excess Performance)



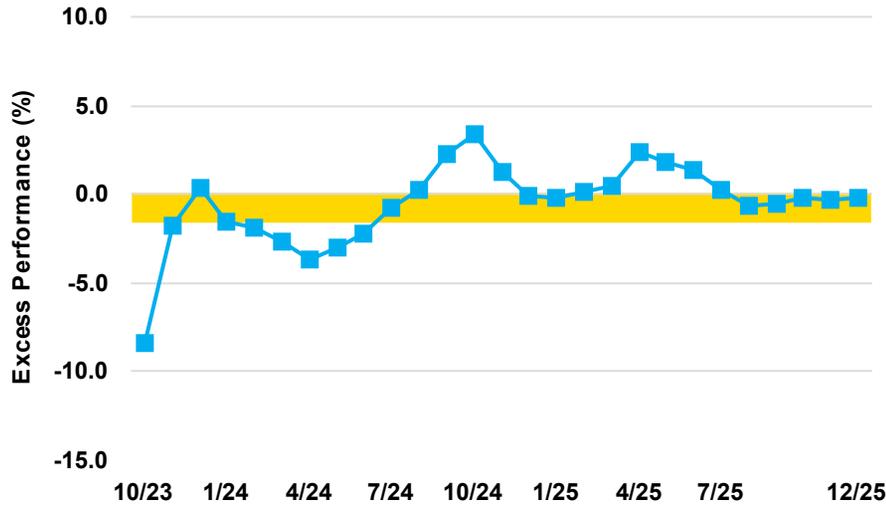
#### Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Payden & Rygel Low Duration Fund	1.2	5.8	5.5	-	5.6	11/01/2022
Bimbg. U.S. Treasury: 1-3 Year	1.1	5.2	4.5	1.8	4.5	
Short-Term Bond Median	1.1	5.8	5.4	2.1	5.6	
Short-Term Bond Rank	34	54	45	-	50	

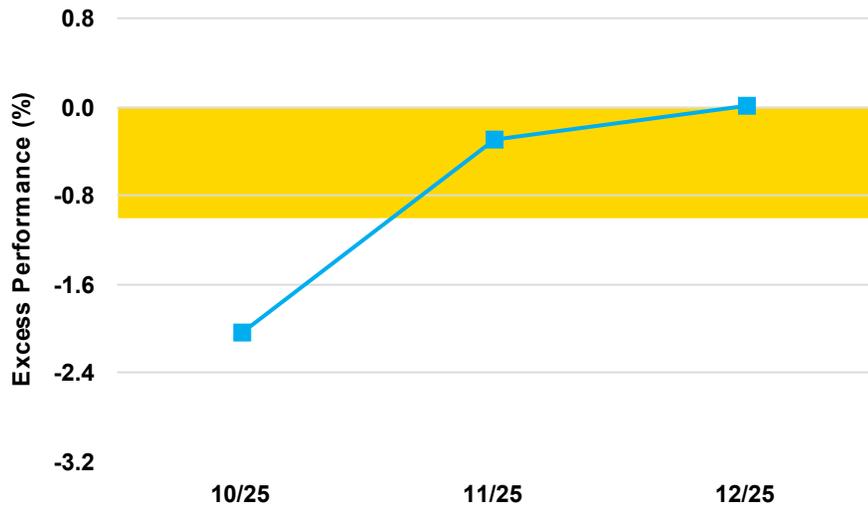
### Brandywine US Fixed Income | As of December 31, 2025

No data found.

#### Short-Term (Rolling 12-Month Excess Performance)



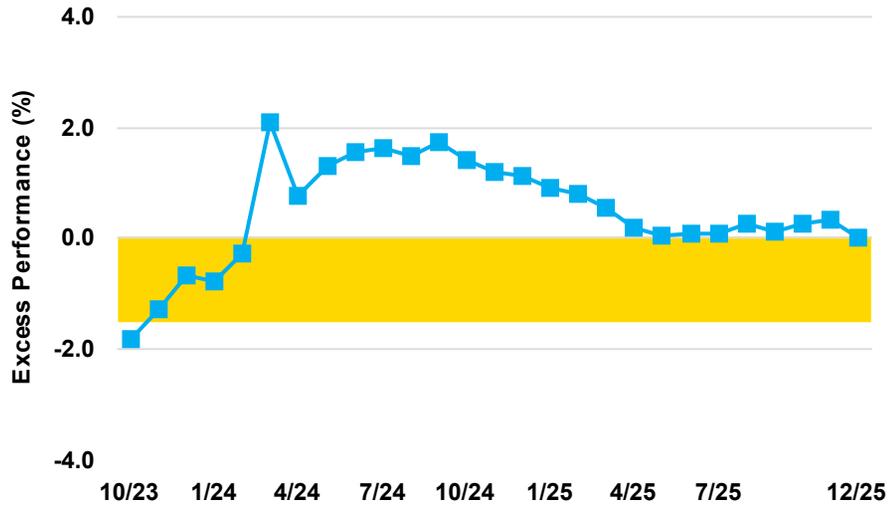
#### Medium Term (Rolling 36-Month Excess Performance)



#### Portfolio Performance Summary

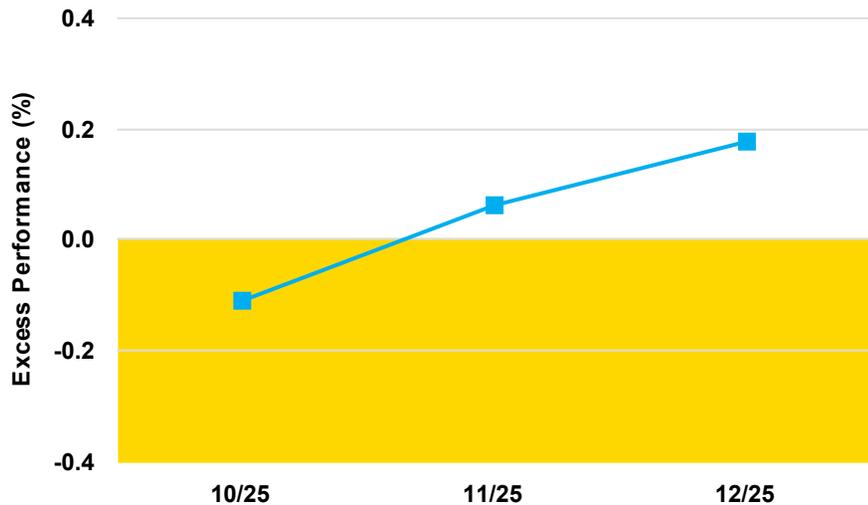
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Brandywine US Fixed Income	1.0	7.1	4.7	-	3.5	11/01/2022
Bimbg. U.S. Aggregate Index	1.1	7.3	4.7	-0.4	5.5	

#### Short-Term (Rolling 12-Month Excess Performance)



No data found.

#### Medium Term (Rolling 36-Month Excess Performance)

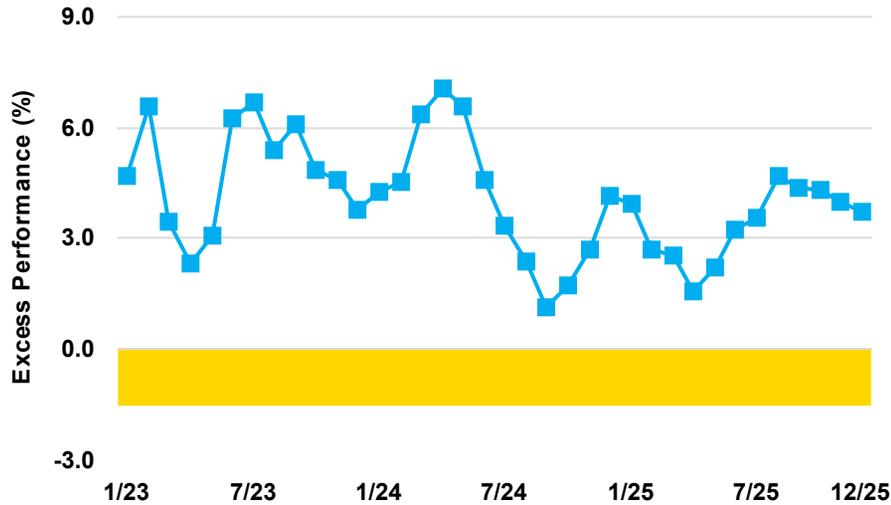


#### Portfolio Performance Summary

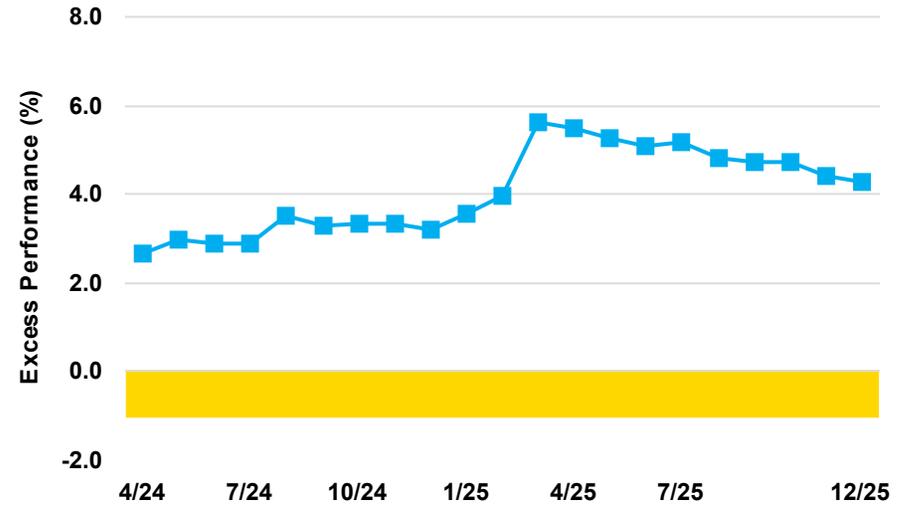
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Wellington Core Bond	1.0	7.3	4.8	-	5.3	11/01/2022
Bimbg. U.S. Aggregate Index	1.1	7.3	4.7	-0.4	5.5	

PIMCO Income Fund | As of December 31, 2025

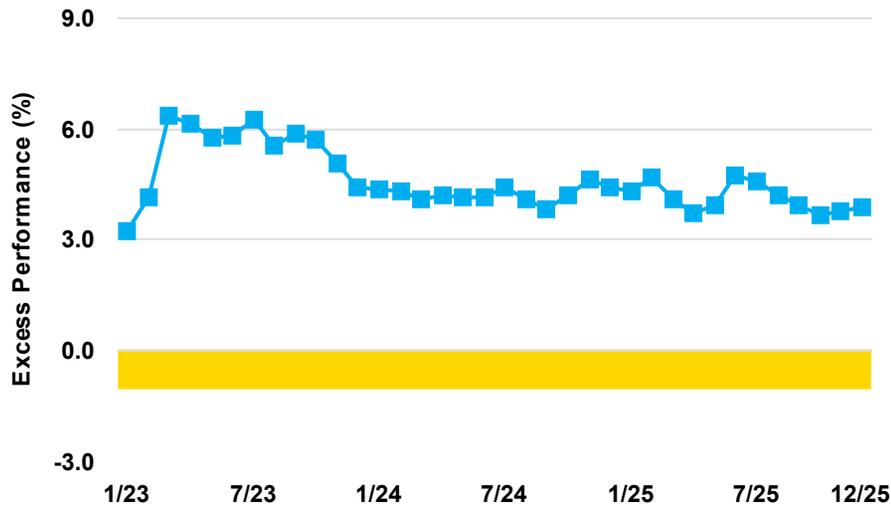
### Short-Term (Rolling 12-Month Excess Performance)



### Long-Term (Rolling 60-Month Excess Performance)



### Medium Term (Rolling 36-Month Excess Performance)

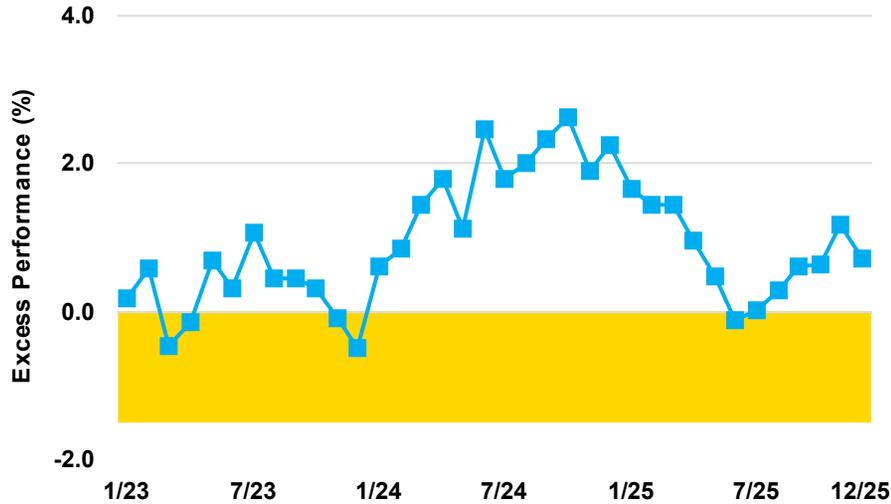


### Portfolio Performance Summary

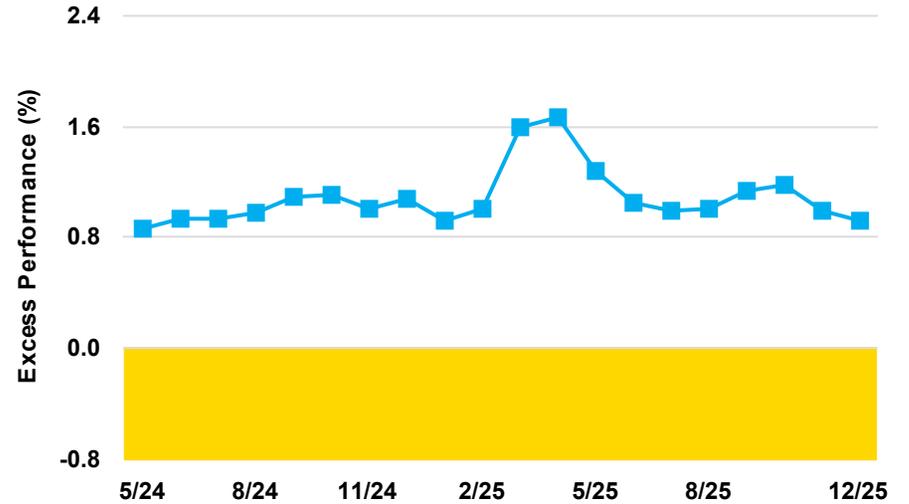
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
PIMCO Income Fund	2.5	11.0	8.6	3.9	4.4	05/01/2019
Bimbg. U.S. Aggregate Index	1.1	7.3	4.7	-0.4	1.6	
Multisector Bond Median	1.3	8.0	7.6	2.7	3.7	
Multisector Bond Rank	2	4	19	12	21	

### GoldenTree Multi-Sector Credit | As of December 31, 2025

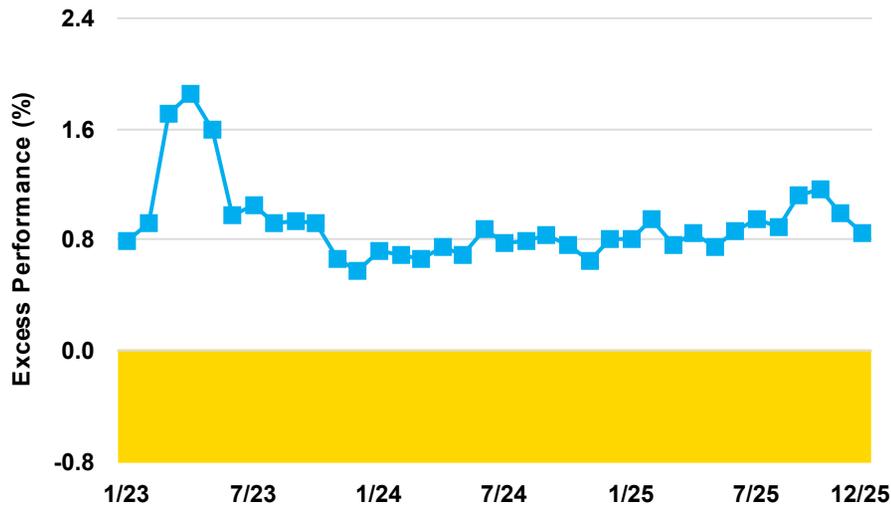
#### Short-Term (Rolling 12-Month Excess Performance)



#### Long-Term (Rolling 60-Month Excess Performance)



#### Medium Term (Rolling 36-Month Excess Performance)



#### Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
GoldenTree Multi-Sector Credit	1.5	8.0	10.5	6.4	6.5	06/01/2019
50% BBg US High Yield TR/50% S&P UBS Leveraged Loans	1.2	7.3	9.7	5.5	5.6	
eV US High Yield Fixed Inc Median	1.4	8.3	9.3	4.4	5.1	
eV US High Yield Fixed Inc Rank	39	59	9	5	10	

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Merced County Employees' Retirement Association

**DATE:** February 26, 2026

**TO:** MercedCERA Board of Retirement

**FROM:** Monica Gallegos, Assistant Plan Administrator – Benefits & Administration

**SUBJECT:** Adoption of Non-Pensionable Pay Code for Merced Superior Court

**ITEM NUMBER:** **Consent Item d**

**ITEM TYPE:** **Action**

**STAFF RECOMMENDATION:**

1. Adoption of pay code LNG – Longevity Pay as non-pensionable pay code for Merced Superior Court.

**DISCUSSION:**

Merced Superior Court has established wage code LNG – Longevity Pay as part of a tentative agreement between Merced County Trial Court Employees, Local 1, AFSCME Council 57 and Merced Superior Court.

To recognize long-term employees for their service and to improve retention, employees shall receive longevity pay based on their years of service. This pay code is non-pensionable.

**Staff Recommendation:**

Staff recommend the Board adopt pay code LNG- Longevity Pay as non-pensionable pay code for Merced Superior Court.

# MercedCERA Pay Codes

Updated: February 26, 2026

Pay Codes [5]	Description	Legacy (Tiers 1 - 3)	PEPRA (Tier 4)
		Included (Pensionable)	
001	Scheduled Regular Hours	N	N
002/RG	Reg Hrs Worked	Y	Y
020/VAC/1AV	Vacation	Y	Y
021/SLE/1AS	Sick Leave Employee	Y	Y
022/SLF	Sick Leave Family	Y	Y
023/HOL	Holiday Schedule	Y	Y
024/PH	Holiday Personal	Y	Y
025/CTO/1AC	Comp Time off Regular	Y	Y
026	Furlough Bank	Y	Y
027/MTO/1AM	Management Leave	Y	Y
028/ADM	Administrative Leave	Y	Y
029/IUR	Jury Duty	Y	Y
030/BER	Bereavement Leave	Y	Y
031	Furlough Day	Y	Y
032/MIL	Military Leave	Y	Y
033	Sheriff Administrative Leave	Y	Y
034/CAO	CAO Administrative Leave	Y	Y
035	Education Leave	Y	Y
036	Unit Holiday CTO	Y	Y
037	Witness Duty	Y	Y
038	MCMC Orientation	Y	Y
039	MCMC Training Time	Y	Y
040	Paid Non-Worked Mgt Hours	N	N
041/CLD	Catastrophic Leave Donated	N	N
042/CLU	Catastrophic Leave Used	Y	Y
043	Management Leave - Ineligible	N	N
044	Involuntary Furlough (Court)	Y	Y
045	Holiday Comp Time Off	Y	Y
046/AIP	Attendance Incentive Program (Court)	Y	Y
059	Election Day Leave	Y	Y
060	LV-Emergency Paid Sick-Employee	Y	Y
061	LV-Emergency Paid Sick-Child/Dependant	Y	Y
062	LV-Emergency Family and Medical	Y	Y
063	CEO Admin-Lv DSWCTO	Y	Y
064	CSPSL (COVID Sup Pd Sick Lv)	Y	Y
099	B/R Retirement	Y	Y
101/WC	Workers Comp	Y	Y
102/SDI	State Disability Insurance	N	N
103/FCL	Family Care Leave	N	N
104/LAM	Approved LOA Medical	N	N
105/LAP	Approved LOA Personal	N	N
106/LAU	Unauthorized LOA	N	N
107/SUS	Suspension	N	N
108/MLD	Management LTD	N	N
109/MSD	Management STD	N	N
110/MLA	Approved Military LOA	N	N
111	LOA Military - Seniority	N	N
112/MSL	Voluntary Furlough (Court)	N	N
199/WCN	Workers Comp - No Cont Deducted	N	N
201/CTE	Time & One Half Rate O/T CTE	N	N
202/OT	Time & One Half Rate O/T PMT	N	N
203/CBC	Callback CTE	N	N
204/CBO	Callback Payment	N	N
205/HCE	Holiday CTE	N	N
206/SOC	Straight Time OT CTE	N	N
207/SOT	Straight Time OT PMT	N	N
208	Sheriff Outside Police Protect	N	N
209	Sheriff Qtr Shift Change CTE	N	N
210	Sheriff Qtr Shift Change PMT	N	N
211	Sheriff Mandatory Training CTE	N	N
212	Sheriff Mandatory Training PMT	N	N
213	Traffic Night Court O/T	N	N
214	MCMC OR Double Time CTE	N	N
215	MCMC OR Double Time PMT	N	N
216	MCMC Registry Pay	N	N
217/CPO	CTE Payoff After 7 Pay Periods	N[4]	N
218	Special Dist Time & One Half	N	N
219	Special Dist Straight Time OT	N	N
220/PPT	Prior Pay Period Overtime	N	N
221	Budget Reduction Hours CTE	N	N
222	MCMC O/C Callback CTE	N	N
223	MCMC O/C Callback PMT	N	N
224	Physician O/T	N	N
225	MCMC Unit 6	N	N
226	Sheriff K-9 Time 1/2 of PMT	N	N
227	Social Worker Phone/Doc PMT	N	N
228	Call Back Payment-Rounds	N	N
229	Special Day Remembrance CTE	N	N
230	Call Back Court CTE	N	N
231	Call Back Court Payment	N	N
235	Double Time OT Pay (Spring Fair)	N	N
301	On Call Standard Rate	N[4]	N
302	On Call Subpoena	N[4]	N
303	On Call MCMC RN Surg/OR/Rec	N	N
304	On Call MCMC RN Other Areas	N	N
305	On Call MCMC Non RN Lic/Cert	N	N
306	On Call Physician Weekdays	N[4]	N
307	On Call Physician Weekends	N[4]	N
308	On Call Home Health RN	N	N
309/BIL	Bilingual Pay	Y	Y
310	Evening Shift Differential	Y	Y
311	Night Shift Differential	Y	Y
312	Appraisers Differential	Y	Y
313	Auditors Differential	Y	Y
314	MCMC ICU/TCU/CCU Differential	Y	N
315	MCMC Charge Nurse Differential	Y	N
316	MCMC Relief Cook Differential	Y	N
317	MCMC Medical Records Dir Diff	Y	N
318	Mental Health BRITE Differential	Y	Y

319	Mental Health Supervisor Differential	Y	Y
320	Mental Health Mentor Differential	Y	Y
321	Group Counselor Lead Differential	Y	Y
322	DPW Licensed Engineer Differential	Y	Y
323	DPW Spraying Differential	Y	Y
324	DPW S/W Lead Worker Differential	Y	Y
325	Tool Replacement Allowance	Y	N
327	HSA Fair Hearing Duty Differential	Y	Y
328	HSA Child Welfare Deputy Recruitment Differential 5%	N	N
329	HSA Underfill SW III Differential	Y	Y
330	HSA Los Banos Supervisor Differential	Y	Y
331	HSA Social Worker Mentor Differential	Y	Y
332	Risk Management Director Differential	Y	Y
333	Uniform Allowance	Y	N
334	Medical Transcriptionist Differential	Y	Y
335	Sheriff Investigator Pay	Y	Y
336	S.W.A.T. Pay	Y	Y
337	Sheriff Deputy Field Training Officer Pay	Y	Y
338	Sheriff Sergeant FTO Pay	Y	Y
339	Sheriff Jail Training Officer Pay	Y	Y
340	Intermediate POST Certificate	Y	Y
341	Advanced POST Certificate	Y	Y
342/TPR	Temporary Promotion	Y	N
343	Confidential Pay	Y	Y
344	Dept. Head Expense Allowance	Y	N
345	Dept. Head Car Allowance	Y	N
346/NHR	No Extra Help Work Hours	N	N
347	Intermediate POST Certificate	Y	Y
348	Transferred to B/U	N	N
349	One-Way Vehicle Commute	N	N
350/VPO	Vacation Payoff	N	N
351/SSR	S/L Payoff Service Retirement	N[1]	N
352/SDR	S/L Payoff Disable Ret/Death	N[1]	N
353	MCMC Physician Unit of Service	Y	Y
354/SBS	Sick Leave Sell-back (25 <sup>th</sup> Pay Period)	Y	N
355	New Hire Error	N	N
356	Budget Unit Transfer Error	N	N
357/NOP	New Hire Hours Not On Payroll	N	N
358/TNP	Terminate Hours Not On Payroll	N	N
359/CPT	CTE Termination Pay	N[4]	N
360	Car Allowance Adjustment	Y	N
361	Expense Allowance Adjustment	Y	N
362	Uniform Allowance Adjustment	Y	N
363	Tool Allowance Adjustment	Y	N
364	Special District Pay	N	N
365	HSA CWS Recruitment and Retention Diff	Y	Y
366	HSA CWS Recruitment and Retention Diff (2)	Y	Y
367/RSI	Retroactive Merit Increase	Y	Y
368	Retroactive Temporary Promotion	Y	N
369	Retroactive Permanent Promotion	Y	Y
370	Retroactive Demotion	Y	Y
371	Retroactive Suspension	Y	Y
372	Retroactive Reclassification	Y	Y
373	Retroactive Overpay Adjustment	Y	Y
374	Retroactive Underpay Adjustment	Y	Y
375	Recruitment and Retention	Y	N
376	Extra Help Phy Therapy Differential 10%	N	N
377	Residents Pay Other Departments	Y	Y
378	MH Temporary Duty Differential	Y	N
379	DPW Tree Trimming Differential	Y	Y
380	Health Dept. Jail Differential	Y	Y
381	Acting Treasurer Differential	Y	Y
382	Court Room Differential	Y	Y
383	Asst CAO Metal Health Int HR	Y	Y
384	Health Dept. Jail Incentive	Y	Y
385	Advanced POST Certificate	Y	Y
386	Correctional Sergeant FTO Differential	Y	Y
387	Special Enforcement Reaction Team	Y	Y
388	W&M Insp Computer Differential	Y	Y
389	Special Duty Prosecution Pay	Y	Y
390	Retro Pay with Retirement	Y	Y
391	Retro Pay Without Retirement	N	N
392	DPW Bldg Inspector/Plan Check Differential	Y	Y
393/AVS	Vacation Sell-back (Mgmt 25 <sup>th</sup> Pay Period)	Y[3]	N
394	LCSW, MFT or MFCC Differential	Y	Y
395	Court Interpreter Coordinator Differential	Y	Y
396	Coroner Differential	Y	Y
397	Castle Differential	Y	Y
398	Litter Control Worker Differential	Y	Y
399	Extra Help M/H LCSW or MFCC Lic Diff	N	N
400	Temp Promotion Unrep Management	Y	N
401	Sheriff 8 Hr Evening Shift Differential	Y	Y
402	Customer Care Unit Differential	Y	Y
403	HSA C-IV Project Differential	Y	Y
404	Loyalty Bonus	Y	N
405	Successor Pay 5%	Y	Y
406	HSA Satellite Facility Differential	Y	Y
407	CPA Differential	Y	Y
408	On Call Physician Holiday Pay	N[4]	N
409	MH Fellowship Differential	Y	Y
410	Public Defender Three Strikes Differential	Y	Y
411	Dept Head Comm Allowance	Y	N
412	Cty Counsel Family Violence Prevention Pay	Y	Y
413/JCA	Judicial Cell Phone Allowance	Y	N
414	Full Day Differential	N	N
415	Correctional Sergeant Bonus	N	N
416	Juvenile Institutions Officer Prep Time	Y	Y
417	Dispatch Trainer Differential	Y	Y
419	Corrections Certificate Pay	Y	Y
420	Attorney Specialization	Y	Y
421	Officer in Charge Differential	Y	Y
422/JAD	Judicial Assistant Conf Diff	Y	Y
423/LSP	Court Lump Sum Payout	N	N

424	Fire Dept Driver/Operator Diff	N/A	N/A
425	Court One-Time Bonus	N	N
426/RTC	CRR Certification	Y	Y
427/RTN	Non CRR Certification	Y	Y
428	Court Exp/Comm Allowance	Y	N
429	DPW Lead Worker Differential	Y	Y
430	Meal Reimbursement	N	N
431/CRT	Courtroom Training Differential	Y	Y
432	On Call 24 Hours Period	N	N
433	Call Back Staff Psych	N	N
434	Educational Reimbursement	N	N
435	On Call 24 Hr Pr Dr Ilano	N	N
436	Call Back Dr. Ilano	N	N
437	Court Testimony	N	N
438	Psych Therapy and Admin of Meds	Y	Y
439	Court Child Custody Coordinator	Y	Y
440/CCA	Court CEO Cell Phone Allowance	Y	N
441/1H/12H/13H	Court 4 Hour Interpreter Shift	N	N
442/1F/12F/13F	Court 8 Hour Interpreter Shift	N	N
443	Temp Transitional Pay Differential	Y	N
444/PHP	Courts - Personal Holiday Payout	N	N
445/VTI	Voluntary Separation Incentive	N	N
450/VPN	Vacation Payoff In Excess Of Eligible Amount	N	N
453 PPLMPEN	Prior Pay Period Lump-Sum Payout-Pensionable	Y	Y
454 PPLMPNON	Prior Pay Period Lump-Sum Payout- Non-Pensionable	N	N
455	Extra Help Paid Call Firefighters Strike Team-Diff	N	N
457 ONCALLEH	On Call Enhanced Pay	N	N
458	HSA Social Worker Mentor Pay	N	N
459	Homicide DA Differential	Y	Y
462	TRAINDIFF - Training Differential - Sheriff	Y	Y
463	CDSADIFF - Training Differential - Sheriff	Y	Y
464	STAKDIFF - Stacking Differential - Sheriff	Y	Y
465	DIVEDIFF - Dive Team Differential - Sheriff	Y	Y
466	SRODIFF - School Resource Officer Differential - Sheriff	Y	Y
467	SAFESADF - Safe Special Assignment Differential	Y	Y
501	Board of Supervisors Chair Differential	Y	N
502 PANPAY1	Pandemic Pay 1	N	N
503 PANPAY2	Pandemic Pay 2	N	N
504 SUPPOCRT	Supervisor P.O.S.T. Differential	Y	Y
505 DAINVCRT	D.A. Investigator Certificate Pay	Y	Y
506 HIREINCT	Hiring Incentive-Hard to Recruit	N	N
507 REFFINCT	Referral Incentive-For Hard to Recruit	N	N
508 ADVPO7.5%	Advanced POST Certificate 7.5%	Y	Y
509 ADVPO10%	Advanced POST Certificate 10%	Y	Y
901/EHR	Extra-Help Regular Hours	N	N
902/EHO	Extra-Help Overtime Hours	N	N
903/EHS	Extra-Help Special Pays	N	N
921/EXS	County Extra Help Sick Leave Employee	N	N
BRN	Bereavement Leave Unpaid	N	N
CAP	Cross-Assignment Pay	N	N
CRF	Court Reporter - Full Day	Y	Y
CRH	Court Reporter - Half Day	Y	Y
DCS	Courts - FSA Dependent Care Spending	N	N
ECA	Court Cell Phone Allowance	Y	N
1FA (EFL)	FF FMLA (Emergency Expanded FMLA)	Y	Y
EHT	Court Extra Help Temporary Assignment	N	N
EPA	Emergency Pay Administrative Leave	Y	Y
ERC	Emergency Half Comp Time	N	N
ERO	Emergency Half Time OT	N	N
1FE (ESF)	FF PSL EE (Emergency Paid Sick Leave Full Pay)	Y	Y
1FF (ESP)	FF PSL FAM (Emergency Sick Leave Partial Pay)	Y	Y
EXS	Court Extra Help Sick Leave Employee	N	N
HCS	Courts - FSA Health Care Spending	N	N
HIL	Court Holiday Payout for Interpreter	N	N
HIN	Hiring Incentive	N	N
LNG	Longevity Pay	N	N
LPH	Interpreter Language Pair - Full Day	Y	N
LPH	Interpreter Language Pair - Half Day	Y	N
LSP	Lump Sum Payout	N	N
MTP	Management Time Payout	N	N
OBL	OT Bilingual	N	N
ORC	OT RT Cert	N	N
ORN	OT RT Non Cert	N	N
OTP	Overtime Temp. Promotion - Superior Courts	N	N
RIN	Referral Incentive	N	N
RTI	RETN INCNTV- Retention Incentive	N	N
SPS/1XQ	Supplemental Paid Sick Leave	Y	Y
TAP	Courts - Temporary Assignment Pay	Y	Y
TST	Tech STPNP	N	N
VRF	Interpreter Virtual Remote - Full Day	Y	N
VRH	Interpreter Virtual Remote- Half Day	Y	N
No Code (¶ 8(K)(1-3) of Salary Reso.)	Bar Association Dues	N	N
No Code(¶8(J) of Salary Reso.)	Corrections Certificate - REFER TO 419	Y	Y

(1) This item may be includable to the limited extent that such pay was earned and payable during the member final compensation period, but was not taken during that period.

(2) The differentials provided for in Pay Codes 365 and 366 apply to the same duties, but vary according to the date the employee began receiving it, with those started before January 10, 1994 receiving 1.5 ranges and others receiving 1.0 range.

(3) The pensionable portion of the vacation sell back for any member may not exceed the limit that applies to any group or class or most comparable class if only one member of a class.

**Supreme Court ruling 7/30/2020 excludes codes as pensionable.** Prior to ruling, exclusion of these paycodes was stayed until July 12, 2014. Effective July 12, 2014 items were not compensation earnable. January 8, 2018 court decision made some of these compensation earnable for Tier 1 through 3 members (specifically vacation payout earnings), except for those reciprocal members (Tier 2R and 3R) starting with MCERA system on February 8, 2018, or after.

(4) Numeric Wage codes represent pay codes for County, Cemetery, & Solid Waste. Alpha Wage Codes represent pay codes for Courts. Numeric Wage codes representing pay codes for County and Cemetery are four digit codes, all preceded with a number "3". However, CPAS pension administration system allows three digit codes.



**TO:** State Association of County Retirement Systems  
**FROM:** Cara Martinson, Capitol Advocacy  
Laurie Johnson, LJ Consulting & Advocacy  
**DATE:** February 6, 2026  
**RE:** **Legislative Update – February**

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The Legislature reconvened in early January for the second year of the two-year session. With legislators scrambling to move bills introduced last year to meet the “bill of origin” deadline, advocates are actively lobbying to advance their priorities among the more than 2,000 bills expected to be introduced before the February 20 deadline.

As in previous years, legislation related to housing, homelessness, and climate resiliency will be plentiful. However, emerging priorities in this session include artificial intelligence, immigration, and general cost-of-living and affordability issues across multiple sectors. Leadership changes are also underway. New Senate President pro Tempore Monique Limón announced her leadership team and policy committee chairs just before the holiday break. This year also marks the final year of Governor Newsom’s term, with increasing attention focused on the gubernatorial election as it takes shape. The list of candidates and potential candidates is long, with polls showing nine Democrats and two Republicans as viable contenders. In addition, advocacy and interest groups are actively organizing and collecting signatures for several ballot initiatives expected to appear before voters in November. These measures could increase pressure on lawmakers, as the balance between legislative negotiations and campaign-driven outcomes remains a central consideration.

## **Budget Update**

Governor Newsom’s proposed 2026-27 budget, his final budget in office, is being shaped by both a significant projected deficit and optimistic revenue assumptions. Greater clarity on the proposed spending plan and how the Administration plans to address the deficit will emerge as the Legislature reviews and amends the proposal in the coming months.

### Key Details:

- \$349 billion total budget, including \$248 billion from the General Fund
- The Administration projects a \$2.9 billion deficit, significantly lower than the LAO’s projected \$18 billion shortfall. The Governor’s more optimistic outlook assumes



strong stock market-related tax revenues and other favorable economic performance factors.

- Total reserves across all accounts are estimated at approximately \$35-37 billion.

The Department of Finance's 200-plus-page [budget summary](#) provides limited detail and remains largely vague, serving primarily as an initial negotiating framework for the Legislature and stakeholders.

## II. Legislative Update:

- **AB 1054 (Gipson)** - This bill would establish the Deferred Retirement Option Program (DRO) as a voluntary program within PERS for employees of State Bargaining Units 5 (Highway Patrol) and 8 (Firefighters). The bill states that the DRO becomes effective and applicable only after: 1) the applicable Bargaining Unit has entered into a MOU with the employer to implement the program; 2) The program has been certified via an actuarial analysis that it is cost neutral by the CalPERS Board of Administration; and 2) CalPERS has adopted regulations to implement and administer the program.
  - Status: This bill passed out the Assembly and is awaiting action in the Senate.
  - Position: No Position/Watch
- **AB 1619 (Valencia)** – This bill would allow county Boards of Supervisors to increase the Board of Retirement trustee per diem from \$100 to \$320.
  - Status: This bill is awaiting policy committee referral in the Assembly.
  - Position: Neutral
- **AB 1383 (McKinnor)** - The bill was heard in the Assembly PERS Committee and advanced out of the Appropriations Committee this month after taking some amendments. The bill includes the following provisions:
  - - Adjust, on and after January 1, 2027, the pensionable compensation limit to the Social Security compensation limit. The prior version of the bill would have increased the pensionable compensation limit to the higher IRC 415(b) threshold.
    - Authorize a public employer and a recognized employee organization to negotiate a prospective increase to the Defined Benefit (DB) retirement formulas for existing and new safety plan members by:



- Lowering the retirement age from age 57 to 55 for three existing safety DB retirement formulas, and
  - Creating a fourth PEPRA safety DB retirement formula of three percent (3%) at age 55.
- Recent amendments removed a provision that would have permitted collective bargaining over the 50-50 normal cost sharing requirement.
  - Status: This bill advanced out of the Assembly and is now awaiting action in the Senate
  - Position: Neutral
  
- **AB 1439 (Garcia)** - The bill would have required labor protection standards on pension system investments in development projections. The bill was amended coming out the Assembly to now require CalPERS and CalSTRS to contract with the University of California Labor Centers to conduct an independent study to determine the impacts on public employee retirement funds of prohibiting the boards from investing in California development projects that do not provide labor standards protections for workers. The bill no longer applies to the CERL systems and removes SACRS' opposition.
  - Status: The bill passed out of the Assembly and is awaiting action in the Senate.
  - Position: No position/watch
  
- **Assembly Committee on Public Employment and Retirement – Public Retirement Systems: Omnibus Bill** - This bill is expected to include the SACRS-sponsored legislative package in the Legislature's annual omnibus bill for technical changes to laws affecting CalSTRS, CalPERS, and the CERL systems. The proposed changes in the CERL include the following:
  - Clarifying that deferred members cannot run for or vote in active member Miscellaneous and Safety trustee elections.
  - Establishing a 10-year statute of limitations for recovery of overpayments due to fraudulent reports of overpaid death benefits.
  - Formalizing the practice of the majority of CERL systems that only the last system pays a lump-sum burial allowance for reciprocal members.
  - Defining “concurrent retirement” to allow reciprocal members to retire on different dates with 30 days of each retirement date, as long as there is not overlapping service.



- Status: Not yet introduced
- Position: Support

Contact:

If you have any questions, contact Cara Martinson at [cmartinson@capitoladvocacy.com](mailto:cmartinson@capitoladvocacy.com), or Laurie Johnson at [lauriejconsult@gmail.com](mailto:lauriejconsult@gmail.com).



Merced County Employees' Retirement Association

**DATE:** February 26, 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 delayed jobs report from the Bureau of Labor Statistics (BLS) showed the US economy added 130,000 jobs in January, more than expected. Additionally, the unemployment rate ticked down to 4.3% from 4.4% the prior month. The surprisingly strong jobs report is in sharp contrast to the January ADP report showing a total of only 22,000 private sector jobs created during the month. The BLS also released revisions to its prior year jobs figures that reduced the total jobs added in 2025 by 400,000. The revisions show the US created 181,000 new jobs during the year, approximately 15,000 per month.

The BLS's January inflation report showed that consumer prices continued to moderate, with the Consumer Price Index (CPI) rising 0.2% month-over-month and 2.4% on a year-over-year basis, the slowest annual pace since mid-2025 and slightly below many economists' forecasts. Core inflation, which excludes volatile food and energy prices, rose 0.3% for the month and 2.5% over the past year, also near multi-year lows. The monthly increase was driven mainly by shelter and food costs, while energy prices declined, partly due to falling gasoline prices. Overall, the data suggests ongoing disinflationary trends but still show prices above the Federal Reserve's long-term 2% target, leaving policymakers cautious on the timing of future rate adjustments.

The Federal Reserve concluded its first policy meeting of the year on January 28<sup>th</sup> with the Federal Open Market Committee (FOMC) voting to hold the target range for the federal funds rate steady at 3.50% to 3.75%. The decision aligned with market expectations for January after a series of rate cuts in late 2025. In the accompanying statement, policymakers noted that economic activity was expanding at a solid pace, labor market indicators showed some stabilization, while inflation remained somewhat elevated, underscoring the Committee's data-dependent approach as it balances its dual



Merced County Employees' Retirement Association

mandate of price stability and maximum employment. The decision was not unanimous, with two members preferring a quarter-point cut, but the majority signaled a pause in the easing cycle while remaining ready to adjust policy if incoming data warranted it.

Treasury yields experienced notable volatility in January. Yields climbed in earlier in the month as markets reacted to economic data, geopolitical risk, and expectations around Federal Reserve policy. Yields later retreated modestly as cooler inflation and mixed data eased some pressure, keeping the 10-year Treasury yield around 4.25% by late January. Yield on shorter-term notes like the 2-year generally moved lower as investors weighed a potential pivot in monetary policy, while longer maturities saw smaller adjustments. These rate movements reflect an evolving balance of growth expectations and demand for safe assets. The decline in yields carried into February as the 10-year yield hit a multi-month low of 4.05% by Valentine's Day.

US large cap equity rose modestly during January. The S&P 500 Index climbed roughly 1.4% for the month, supported by strong corporate earnings and optimism around AI-driven growth, even as bouts of geopolitical and tariff-related uncertainty brought heightened volatility. In contrast, the Russell 2000 Index returned 5.4% as investors rotated out of mega-cap tech into more economically sensitive, domestically oriented companies. That rotation produced a historic streak of daily outperformance by the Russell 2000 relative to the S&P 500, highlighting a broadening of market leadership early in the year.

International equity markets delivered solid gains during January, extending the momentum from late 2025 as global stocks outside the US responded positively to improving economic sentiment and easing financial conditions. The MSCI All Country World Ex US Index (which reflects both developed and emerging markets) rose by approximately 3% over the month, while the MSCI EAFE Index (focused on developed markets in Europe, Australasia and the Far East) also gained close to 3% in January. Emerging markets equity showed continued strength with a nearly 9% gain for the month. The MSCI Emerging Markets Index is now up more than 42% for the trailing twelve months.

The US fixed income market delivered modest positive returns overall, with the Bloomberg US Aggregate Bond Index (a broad measure of investment-grade bonds) posting a small gain of around 0.1% for the month. Modest Treasury yield increases and spread tightening in some sectors balanced out price pressures from rising rates. Meanwhile, credit markets outperformed Treasuries as the Bloomberg US High Yield



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Index returned roughly 0.5 % in January, reflecting continued demand for higher-yielding corporate debt.

### **January Portfolio Performance Update**

The Total Fund returned 1.2% in January, or 1.8% excluding alternatives, trailing its Policy Index. US core fixed income and opportunistic credit contributed positively to relative performance but was offset by underperformance in US, developed, and emerging markets equity. The hedge fund composite performed roughly in line with its benchmark for the month.

Public equity gained 2.6% for the month but trailed its benchmark by 0.7% as US, developed international, and emerging markets equity all underperformed their respective indices. US large cap equity generally tracked the benchmark for the month but Champlain, the US small cap manager, underperformed 1.0% versus 5.4% for the Russell 2000 Index in January. Within international equity, Acadian and First Eagle outperformed their respective benchmarks while Driehaus and GQG trailed theirs. Emerging market equity performance was mixed for the month. Artisan again underperformed the MSCI Emerging Market Index, -3.5% to 8.9%, while Redwheel returned 11.4%.

The US fixed income portfolio edged higher as yields fell slightly during the month. Brandywine performed in line with the Bloomberg US Aggregate Bond Index, each returning 0.1%, while Wellington and Payden & Rygel both returned 0.3%. Opportunistic credit outperformed by 0.5% as all three managers, PIMCO, GoldenTree, and One William Street, beat their indices.



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Trailing Performance as of January 31, 2026	Market Value (\$M)	% of Portfolio	1 Month	1 Year	3 Years	5 Years	Since Incep.	Incep. Date
<b>Champlain Small Cap</b> <i>Russell 2000 Index</i>	<b>19,916,625</b>	<b>1.4</b>	<b>1.0</b> 5.4	<b>-7.1</b> 15.8	<b>4.8</b> 12.2	<b>1.8</b> 6.2	<b>6.5</b> 12.1	<b>Nov-20</b>
<b>GQG International Equity</b> <i>MSCI ACW Ex US Index (Net)</i>	<b>64,472,086</b>	<b>4.5</b>	<b>3.8</b> 6.0	<b>19.5</b> 34.9	<b>15.6</b> 16.6	<b>10.1</b> 9.1	<b>10.6</b> 9.9	<b>Dec-19</b>
<b>Artisan Developing World</b> <i>MSCI Emerging Markets Index</i>	<b>50,504,084</b>	<b>3.5</b>	<b>-3.5</b> 8.9	<b>-0.4</b> 42.8	<b>14.2</b> 16.7	<b>-2.2</b> 5.3	<b>8.7</b> 9.0	<b>Dec-19</b>

### **Watch List Manager Summary**

Champlain underperformed the Russell 2000 Index 1.0% versus 5.4% in January and is trailing by nearly 23% over the past twelve months. The strategy's technology holdings were the largest relative detractor primarily due to selection in and overweight of the software industry. Lack of exposure in energy, which was the strongest sector for the month returning more than 17%, also detracted from performance. The companies in the small cap portfolio show higher profitability, larger margins, lower debt, and stronger growth than the overall benchmark – which Champlain continues to believe will deliver outperformance over the long-term.

GQG returned 3.8% in January versus 6.0% for the MSCI ACW Ex US Index. The strategy is now underperforming by about 15% over the trailing 1-year period. The strategy benefitted in January from an underweight to the consumer discretionary sector as well as stock selection within consumer staples and energy. The strategy's allocation to and stock selection within Brazil also helped performance. However, GQG was again hurt by its overweight to India's market, positioning the manager believes will create strong long-term returns based on the country's infrastructure investment and growth outlook.

Artisan, the highest returning manager in 2024, continued to lag the MSCI Emerging Markets Index in January. It trailed -3.5% versus 8.9% for the month and has returned -0.4% versus 42.8% for the trailing twelve months. The manager has attributed the underperformance in part to a 'narrow market' in which a concentrated few companies (specifically within South Korea and Taiwan) have overwhelmingly driven market returns. The strategy's software holdings also negatively impacted relative performance as concerns grow over whether AI developments in computer productivity tools would hurt the traditional software business model. Since its peak in October 2025, the software component of the S&P 500 Index has fallen by 26%.



Merced County Employees' Retirement Association

**DATE:** February 26, 2026

**TO:** MercedCERA Board of Retirement

**FROM:** Pete Madrid, Assistant Plan Administrator – Investments

**SUBJECT:** Proposed 2026 Strategic Investment Reviews

**ITEM NUMBER:** Open Session Item b

**ITEM TYPE:** Action

**STAFF RECOMMENDATION:**

1. Approve the proposed 2026 strategic investment reviews.

**DISCUSSION:**

The MercedCERA Board has a duty of prudence and loyalty to ensure that assets are managed in the best interests of members and beneficiaries, and establishing a structured review process for the investment portfolio is essential to fulfilling that obligation. A formal review plan enables the board to assess asset allocation and positioning relative to return targets, evaluate the changing environment and circumstances under which the Plan is operating, and identify emerging risks across market, credit, and liquidity.

Equally important, a comprehensive review process ensures that the investment strategy remains aligned with the Plan's funded status, cash flow needs, liability profile, demographic trends, and any unique constraints or objectives specific to MercedCERA. Documenting the review cycle strengthens governance, enhances transparency, and better positions the investment portfolio to achieve its long-term obligations while prudently managing risk.

**Staff Recommendation:**

Staff recommend the Board approve the proposed 2026 strategic investment reviews.



# MERCEDCERA STRATEGIC PLAN

PROPOSED 2026 STRATEGIC INVESTMENT REVIEWS

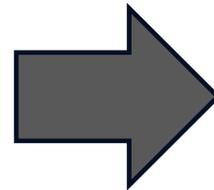
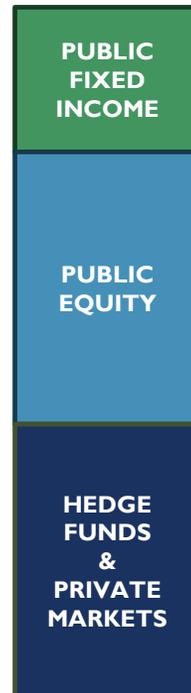
February 2026

# HISTORY AND OUTLOOK

- It is important to understand the Plan circumstances and economic environment in which the current investment portfolio was constructed – and how those circumstances and environment have evolved.

## MercedCERA/Economic Environment *Mid-2010s to Present*

- Funded ratio in mid 50s to low 60s
- Increased County payroll contributions
- Historically low interest rates
- Sustained low inflation environment transitioned to high-inflation era
- Strong US equity returns



## MercedCERA/Economic Environment *Present to 2030s*

- Funded ratio in low 80s
- Normalized County payroll contributions
- Stubbornly elevated inflation
- Higher interest rate environment
- Impending AI disruption to productivity and labor markets

???

# QUESTIONS THAT NEED ANSWERS

## Obvious questions

- When should we transition from seeking to improve the Plan's funded status, to also protecting the funded status gains?
- How do we meet monthly retiree payroll when total contributions are less than monthly payments?
- What is the appropriate level of illiquid assets when the Plan reaches negative cash flow?

## Less obvious questions

- What is the ultimate objective of the investment portfolio?
- What are sources of risk other than uncertainty and volatility of asset values?
- How do the Plan's assets perform in different economic and market environments versus how the liabilities are impacted in the same environment?
- Is there a benefit to more closely aligning the Plan's assets and liabilities?

# PROCESS FOR TRANSITIONING THE PORTFOLIO

- One of the most important responsibilities of the Board is strategic planning of the investment program.
- Understanding the Plan's needs into the future and taking the appropriate actions to meet those needs
- We will do this through comprehensive education, thoughtful analysis, and well-informed decision making.

## EDUCATION

- Pension risk / de-risking
- Cash flow strategies
- Liability aware investing
- Risk mitigation strategies
- Role of different asset classes
- Evolving market environment



## ANALYSIS

- Active / passive
- Liquidity and cash flow projection
- Asset allocation modeling
- Scenario & stress testing
- Private markets pacing
- Asset class structure review



## DECISIONS

- Appropriate return objective and levels of risk
- Liquidity profile, target to private (illiquid) investments
- Strategy to manage cash flow needs

# 2026 TOPICS FOR EDUCATION & REVIEW

## 1<sup>st</sup> Quarter

- Trustee risk and objectives survey (*Jan./Feb.*)
- Capital market expectations & portfolio risk/return profile (*Feb.*)
- Pension risks and liability aware investing (*Mar.*)
- Cash flow strategies to meet liquidity needs (*Mar.*)
- Private credit review and risk analysis (*Mar.*)

## 3<sup>rd</sup> Quarter

- Liquidity study and future cash flow modeling
- Analysis of MercedCERA liabilities
- Review of MercedCERA management fees & overall investment expenses

## 2<sup>nd</sup> Quarter

- Active / passive management review
- US large cap review
- Risk mitigation strategies
- Hedge fund portfolio review

## 4<sup>th</sup> Quarter

- Investment policy review
- Forward looking pacing study

## Meketa Investment Group

## 2026 Capital Markets Expectations

## Table of Contents

1. Executive Summary
2. MercedCERA Plan Asset Allocation
3. 2026 Capital Markets Expectations

## Executive Summary

- Changes in our capital markets expectations (CMEs) are driven by shifts in the capital markets, including factors such as interest rates, credit spreads, cap rates, and equity prices.
  - Capital markets are dynamic, and regular updates help to ensure that assumptions accurately reflect the current market environment.
- The return assumption decreased for ~80% of the asset classes over the 10-year horizon, and it decreased for nearly 90% of the asset classes over the 20-year horizon.
- Our 10-year CMEs continue to be lower than our 20-year CMEs for every major asset class, largely due to the market projecting a higher “risk-free” rate in the future than today.
  - Our lower return assumptions over the 10-year horizon implies that many investors might be well served by moderating their return expectations for the next ten years.

Year over Year Expected Risk/Return Profile Changes

Asset Allocation Policy Options<sup>1</sup>

Asset Group	Current Policy Targets 2026 CMEs (%)	Current Policy Targets 2025 CMEs (%)
<b>Public Equity</b>	<b>40.0</b>	<b>40.0</b>
US Equity	22.0	22.0
Developed Market Equity (non-US)	12.0	12.0
Emerging Market Equity	6.0	6.0
<b>Private Equity</b>	<b>15.0</b>	<b>15.0</b>
<b>Public Fixed Income</b>	<b>22.0</b>	<b>22.0</b>
Investment Grade Bonds	18.0	18.0
Opportunistic Credit <sup>2</sup>	4.0	4.0
<b>Direct Lending</b>	<b>5.0</b>	<b>5.0</b>
<b>Core Private Real Estate</b>	<b>6.0</b>	<b>6.0</b>
<b>Natural Resources (Private)</b>	<b>2.5</b>	<b>2.5</b>
<b>Infrastructure (Core Private)</b>	<b>2.5</b>	<b>2.5</b>
<b>Hedge Funds</b>	<b>5.0</b>	<b>5.0</b>
<b>Cash Equivalents</b>	<b>2.0</b>	<b>2.0</b>
<b>Expected Return (10 years)<sup>3</sup></b>	<b>6.6</b>	<b>7.1</b>
<b>Expected Return (20 years)</b>	<b>7.9</b>	<b>8.4</b>
Standard Deviation	12.6	12.6
Probability of Achieving 6.75% over 10 Years <sup>4</sup>	47.4	52.5
Probability of Achieving 6.75% over 20 Years	65.6	72.6

<sup>1</sup> Expected return and standard deviation are based upon Meketa Investment Group's Annual 20 Year Capital Markets Expectations. Throughout this document, returns for periods longer than one year are annualized.

<sup>2</sup> The 4% weight to Opportunistic Credit is an equal weighted composite of the High Yield Bonds and Bank Loans asset classes within Meketa Investment Group's Asset Allocation Tool

<sup>3</sup> Expected Returns (10 years) are based on Meketa Investment Group's Annual 10 Year Capital Market Expectations

<sup>4</sup> Probability of Achieving 6.75% over 10 Years is based on Meketa Investment Group's Annual 10 Year Capital Market Expectations

Expected Return and Changes for Major Asset Classes

Asset Class	2026 10-year Expected Return (%)	Δ From 2025 (%)	2026 20-year Expected Return (%)	Δ From 2025 (%)
Cash Equivalents	2.8	0.0	3.1	0.0
Investment Grade Bonds	4.2	-0.7	4.9	-0.4
Long-term Government Bonds	4.5	-0.5	5.1	-0.6
TIPS	3.8	-0.5	4.7	-0.3
High Yield Bonds	5.4	-0.9	6.6	-0.5
Bank Loans	5.6	-0.7	6.4	-0.4
Emerging Market Debt	5.7	-0.6	6.4	-0.4
Private Debt	7.8	-0.9	8.2	-0.9
US Equity	6.3	-0.1	8.0	-0.4
Developed Non-US Equity	6.2	-1.0	7.9	-0.8
Emerging Non-US Equity	6.2	-0.9	8.0	-0.7
Global Equity	6.3	-0.3	8.0	-0.5
Private Equity	9.0	-0.8	10.2	-1.0
Real Estate	7.1	+0.2	8.3	-0.2
Infrastructure	7.5	+0.3	9.0	-0.2
Commodities	5.0	-0.5	5.4	-0.5
Hedge Funds	3.8	-0.4	5.7	-0.3
Inflation	2.3	0.0	2.7	0.0

## Setting Capital Market Expectations

- CMEs are the inputs needed to determine the long-term risk and returns expectations for a portfolio.
  - They serve as the starting point for determining asset allocation.
- Investors generally set them once a year.
  - Our results are published in January and based on data as of December 31 for public markets and September 30 for private markets.
- Setting CMEs involves crafting long-term forecasts for:
  - Returns
  - Standard Deviation
  - Correlations (i.e., covariance)
- We do not assume any “alpha.”
- For asset classes where there is no passive option (e.g., private markets) we include an assumption for estimated fees.
- Our process relies on both quantitative and qualitative methodologies.

### Building 10-Year Forecasts

→ Our first step is to develop 10-year forecasts based on fundamental models.

- Each model is based on the most important factors that drive returns for that asset class:

Asset Class Category	Major Factors
Equities	Dividend Yield, Earnings Growth, Valuation
Bonds	Yield to Worst, Default Rate, Recovery Rate
Commodities	Collateral Yield, Roll Yield, Inflation
Infrastructure	Public IS Valuation, Income, Growth, Leverage
Natural Resources	Price per Acre, Income, Public Market Valuation
Real Estate	Cap Rate, Yield, Growth, Leverage
Private Equity	EBITDA Multiple, Leverage, Public VC Valuation
Hedge Funds and Other	Leverage, Alternative Betas

→ The common components are income, growth, and valuation.

- Leverage and currency impact are also key factors for many strategies.

## 10-Year Model Example: Bonds

→ The short version for investment grade bond models is:

$$E(R) = \text{Current YTW (yield to worst)}$$

→ Our models assume that there is a reversion to the mean for spreads (though not yields).

→ For TIPS, we add the real yield of the TIPS index to the breakeven inflation rate.

→ As with equities, we make currency adjustments when necessary for foreign bonds.

→ For bonds with credit risk, Meketa Investment Group estimates default rates and loss rates in order to project an expected return:

$$E(R) = YTW - (\text{Annual Default Rate} \times \text{Loss Rate})$$

## 10-Year Model Example: Equities

→ We use a fundamental model for equities that combines income and capital appreciation.

$$E(R) = \text{Dividend Yield} + \text{Expected Earnings Growth} + \text{Valuation Effect} + \text{Currency Effect}$$

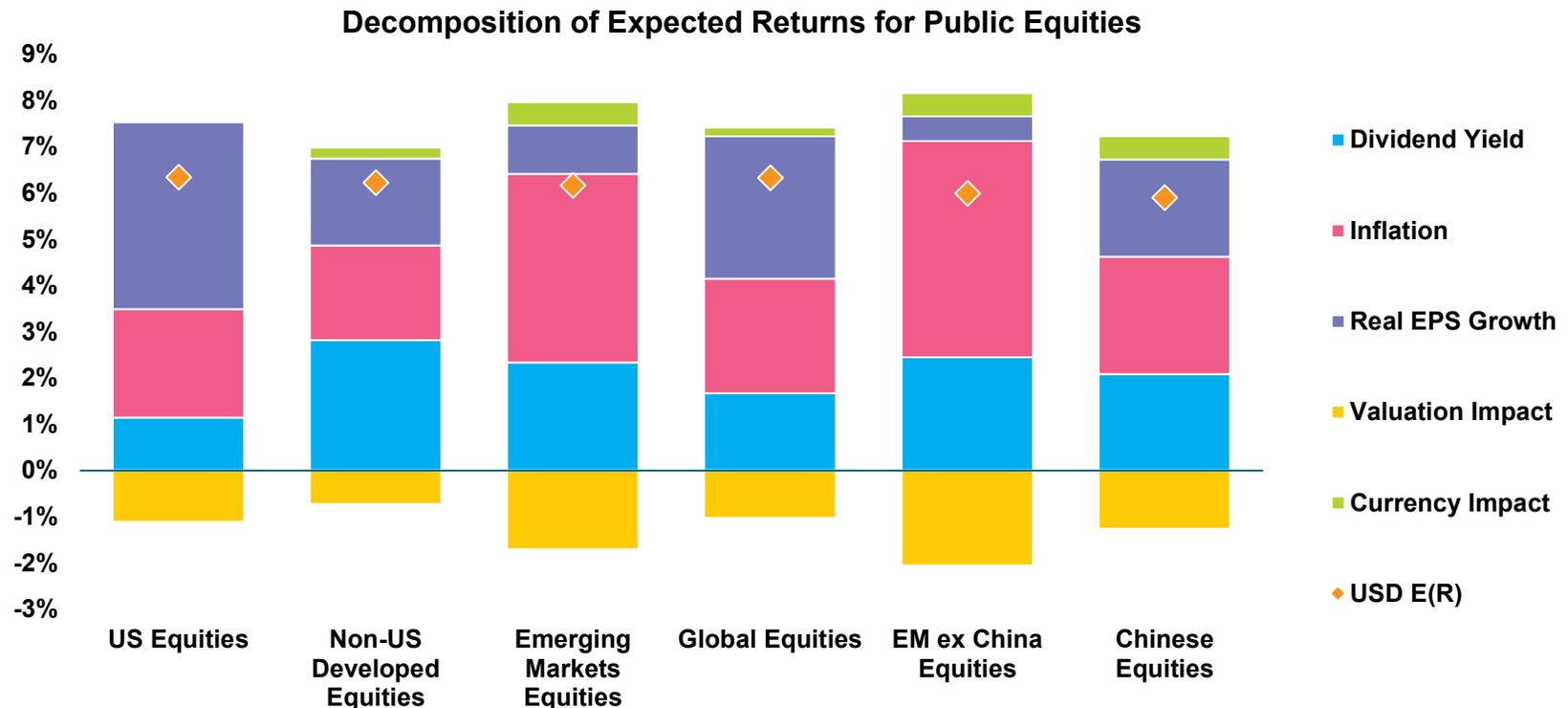
→ Meketa evaluates historical data to develop expectations for dividend yield, earnings growth, the multiple effect, and currency effect.

- Earnings growth is a function of real GDP growth, inflation, and exposure to foreign revenue sources.
- We assume that long-term earnings growth is linked to economic growth.
- However, many factors can cause differences between economic growth and EPS growth.

→ Our models assume that there is a reversion toward mean pricing over this time frame.

## Building Blocks Example: Equities

- Earnings growth (composed of real EPS growth and inflation) is typically the main driver of expected return.
- Valuations can serve as a headwind or tailwind, depending on current market conditions.
- Currency movements can also be additive or detractive to expected returns for non-US equities.



Source: Meketa analysis of MSCI and Bloomberg data.

## Moving from 10-Year to 20-Year Forecasts

- Our next step is to combine our 10-year forecasts with projections for years 11-20 for each asset class.
- We use a risk premium approach to forecast 10-year returns in ten years (i.e., years 11-20).
  - We start with an assumption (market informed, specifically the projected 10-year forward rate) for what the risk-free rate will be in ten years.
  - We then add a risk premium for each asset class.
  - We use historical risk premia as a guide, but many asset classes will differ from this, especially if they have a shorter history.
  - We seek consistency with finance theory (i.e., riskier assets will have a higher risk premia assumption).
- Essentially, we assume mean-reversion over the first ten years (where appropriate), and consistency with CAPM thereafter.
- The final step is to make any qualitative adjustments.
  - The Investment Policy Committee reviews the output and may make adjustments.

## The Other Inputs: Standard Deviation and Correlation

### Standard Deviation:

- We review the trailing twenty-year standard deviation, as well as skewness.
- Historical standard deviation serves as the base for our assumptions.
- If there is a negative skew, we increased the volatility assumption based on the size of the historical skewness.
- We also adjust for private market asset classes with “smoothed” return streams.

### Correlation:

- We use trailing twenty-year correlations as our guide.
- Again, we make adjustments for “smoothed” return streams.
- Most of our adjustments are conservative in nature (i.e., they increase the standard deviation and correlation).
  - Bitcoin is the current exception, where we have decreased volatility relative to its full history.
- Note that we also offer CMEs that do not de-smooth private market return streams.

<sup>1</sup> Note that we round our standard deviation assumptions to whole numbers.

## What is Driving the Changes from Last Year?

- Interest rates declined, decreasing yields and hence expected returns for higher quality bonds.
- Credit spreads tightened slightly, further lowering yields for riskier fixed income assets.
- Lower yields benefitted several asset classes that rely on leverage, particularly real estate and infrastructure.
- Equity market valuations moved higher, especially outside the US, thus reducing their forward-looking returns.
- Relative valuations for private equity, which are quite lagged, are acting as a headwind in that asset class.
- Lower anticipated long-term interest rates serve to decrease our 20-year projections.
  - The bridge from 10 to 20 years is made via a risk premium being added to a (lower) future risk-free rate.
  - The market projection for the 10-year risk-free rate declined from 5.42% to 5.30%.

### Lower Yields

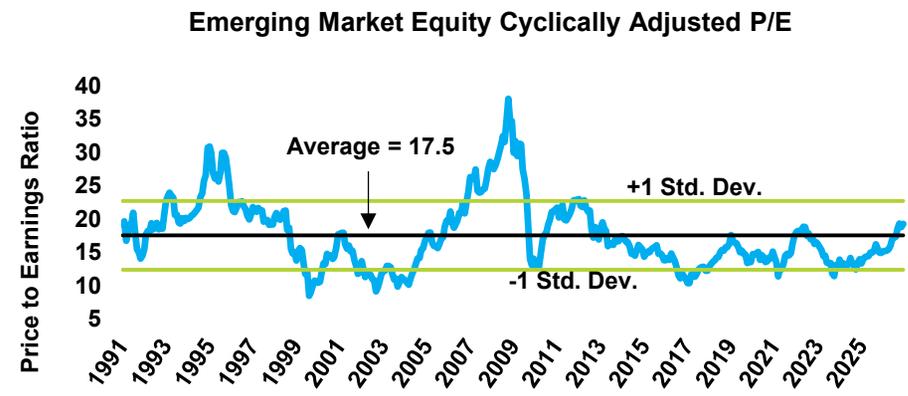
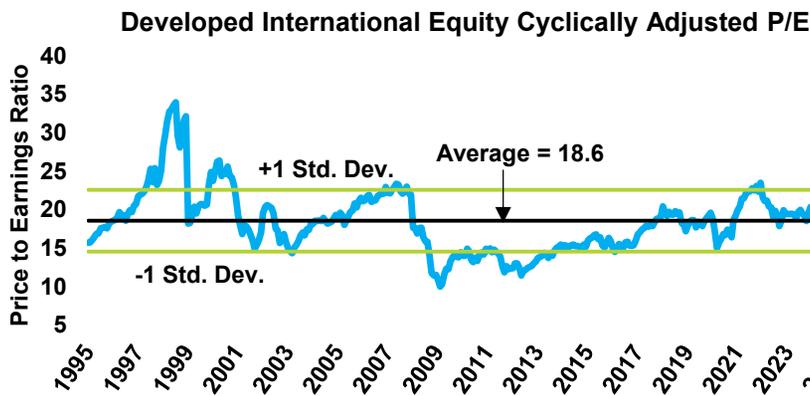
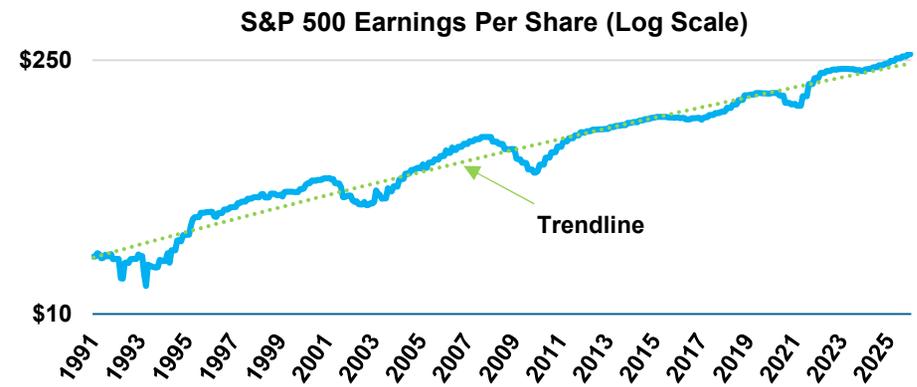
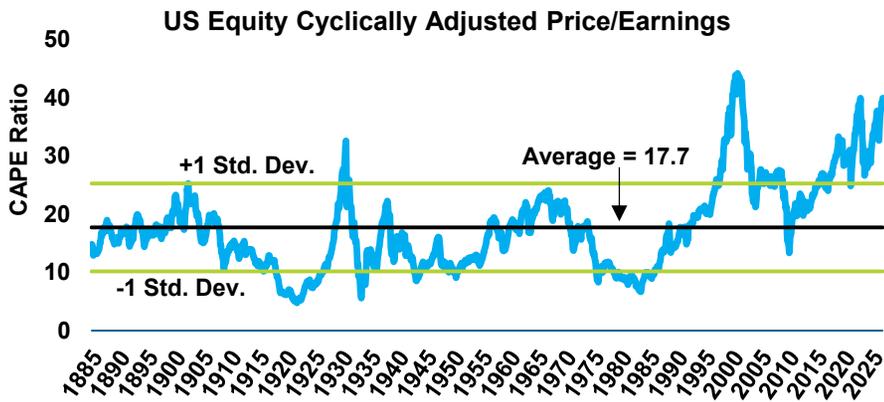
- Short-term interest rates declined as the Fed cut its target rate, and the yield on the 10-year Treasury decreased.
- Tighter credit spreads amplified the yield reduction in credit markets.

Index	Yield to Worst 12/31/25 (%)	Yield to Worst 12/31/24 (%)
Fed Funds Effective Rate	3.50 – 3.75	4.25 – 4.50
10-year Treasury	4.18	4.58
Bloomberg Aggregate	4.32	4.91
Bloomberg Corporate	4.81	5.33
Bloomberg Securitized	4.61	5.25
Bloomberg Global Aggregate	3.52	3.68
Bloomberg US Corporate High Yield	6.53	7.49

Source: Bloomberg. Data is as of December 31, 2024 and December 31, 2025.

## Higher Equity Valuations

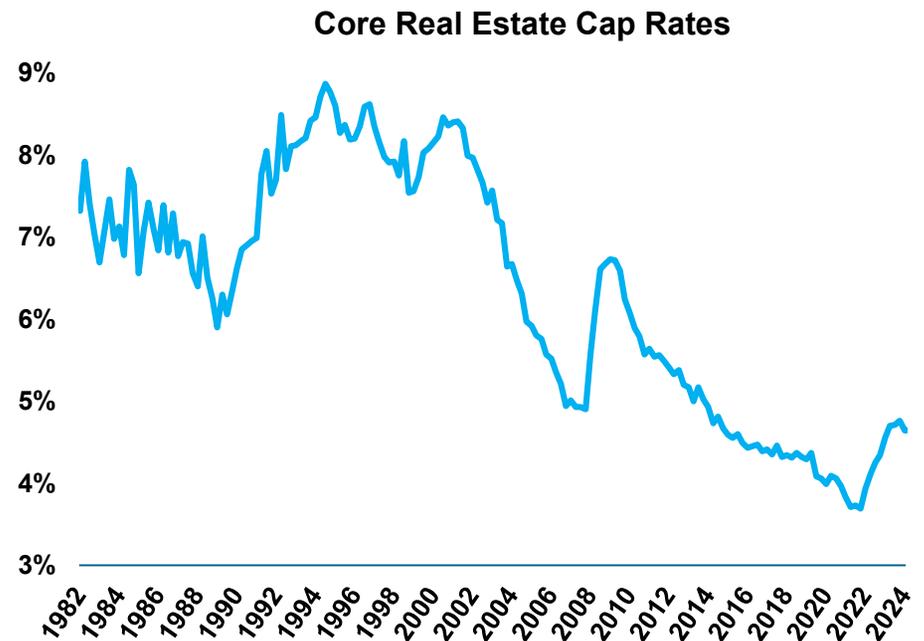
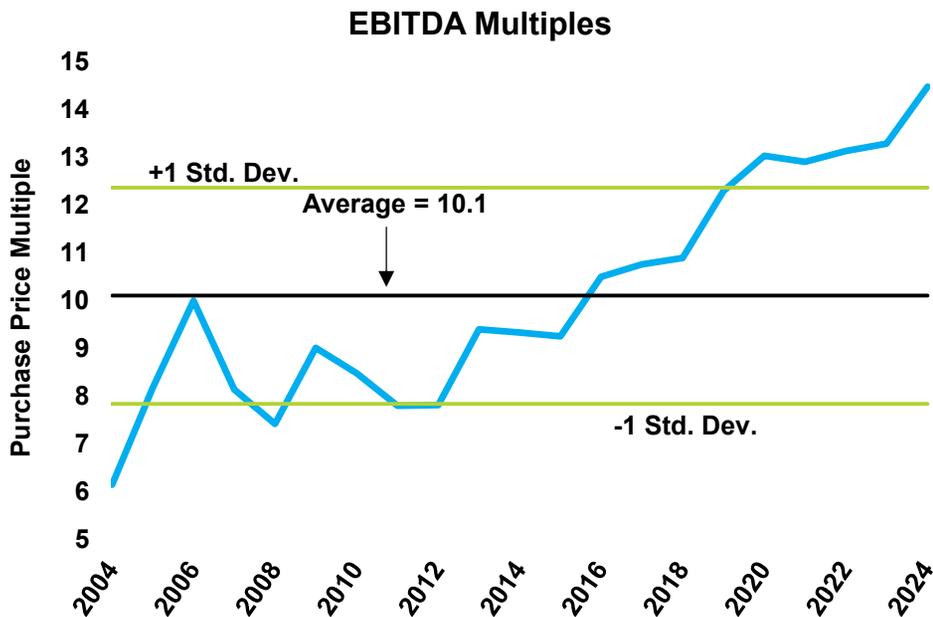
- Large gains for US, developed non-US, and emerging market stocks led to higher valuations.
  - As a result, EAFE and EM equity valuations have moved above their long-term average.
  - The gains in US equities continue to be supported by strong earnings growth.



Sources: Robert Shiller, Yale University, Bloomberg, and Meketa Investment Group for the S&P 500 Index; MSCI and Bloomberg for MSCI indices. Earnings figures for cyclically adjusted P/E represent the average of monthly "as reported" earnings over the previous ten years. EPS figures for S&P 500 earnings represents trailing 12-month "as reported" earnings per share. Data is as of December 31, 2025.

## Private Equity and Real Estate Prices Rebounding

- EBITDA multiples for buyouts have risen substantially over the past ten years.
  - Preliminary data for 2025 show a slight downtick in multiples, but that is based on a very small fraction of the anticipated number of deals (~15% of the number of deals from 2024).
- Cap rates for core real estate appeared to level off in 2025.
  - Still, cap rates remain below the trough experienced during the Global Financial Crisis (GFC).

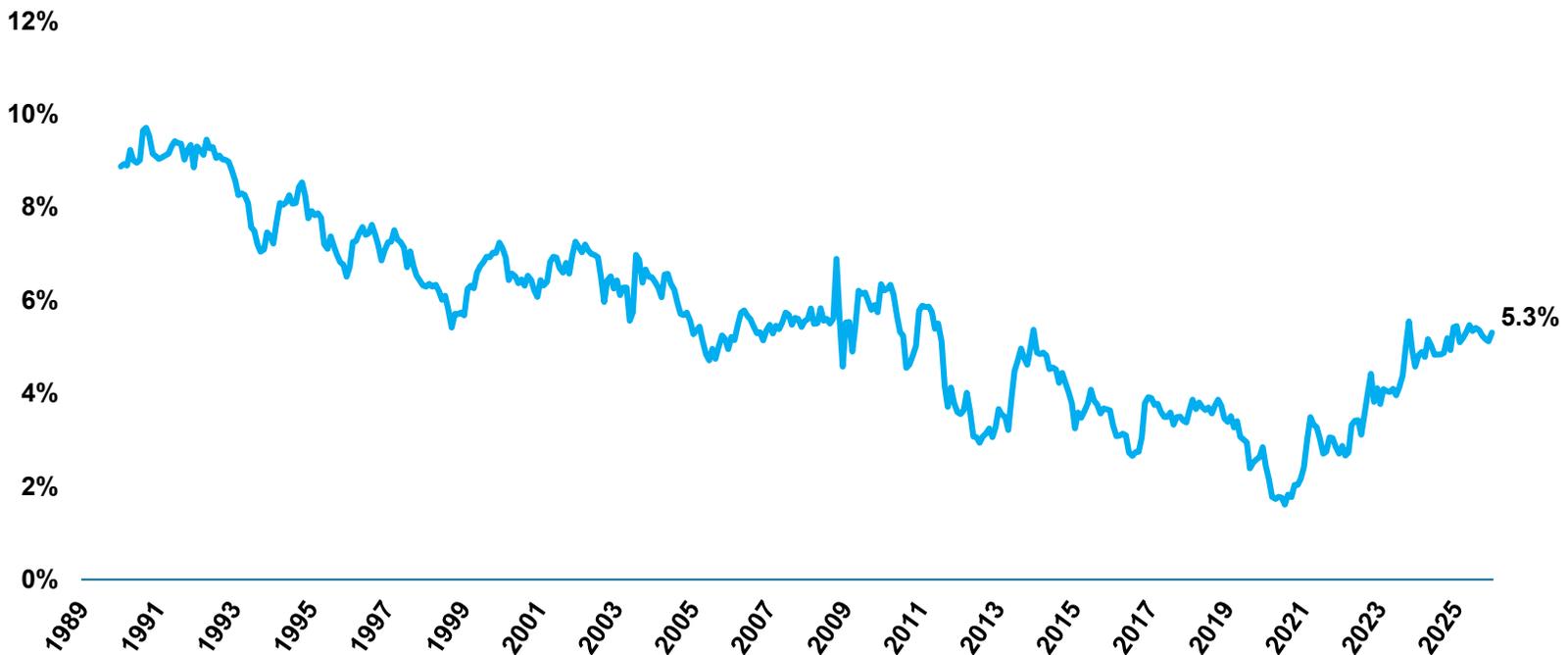


Sources: Preqin Median EBITDA Multiples Paid in All LBOs, data pulled as of 1/8/2025; NCREIF NPI value-weighted cap rates, as of September 30, 2025.

## Slightly Lower Projected Rates in the Future

- As interest rates have declined, so have the market's predictions for future interest rates.
  - The market is forecasting that the 10-year Treasury yield in ten years will be 5.30%, versus a prediction of 5.42% twelve months ago.
- Lower future interest rates for “risk-free” assets implies lower expected returns for any forecasting model that includes a risk premium approach.

Market Projection for the 10-Year Treasury Yield in Ten Years



Source: FRED. Represents the Fitted Instantaneous Forward Rate 10 Years Hence, as of December 31, 2025.

### Expected Return and Risk Data

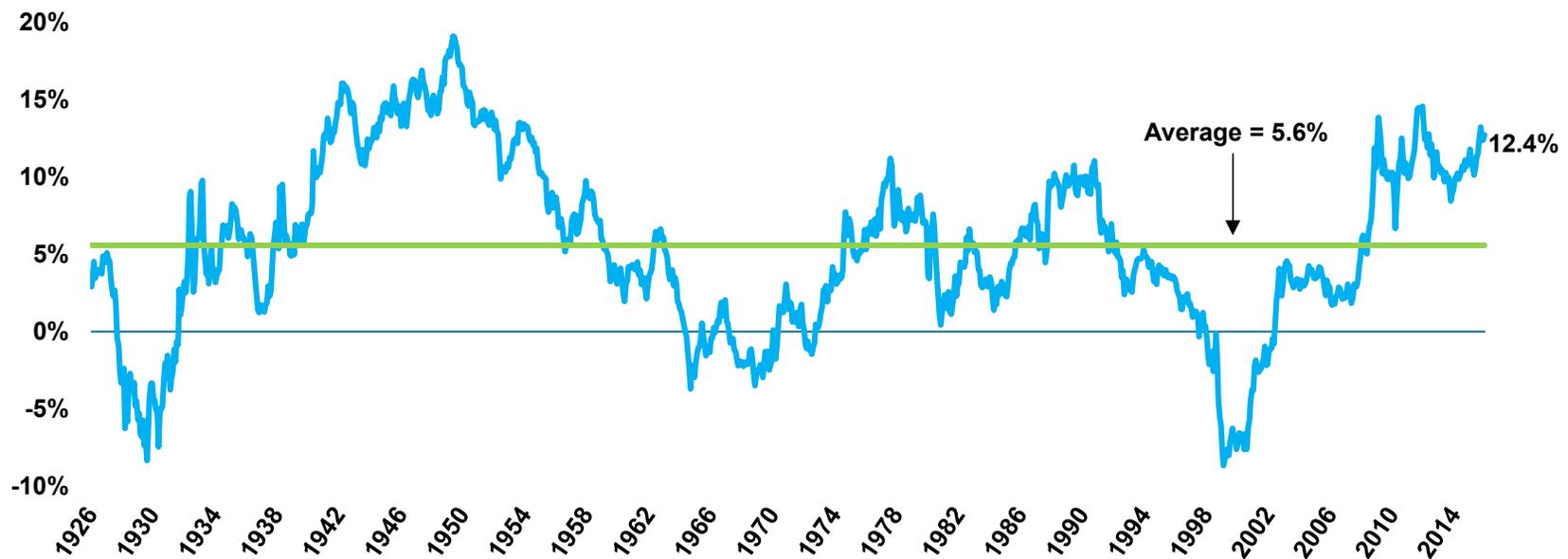
Asset Class	10-year Expected Return (%)	20-year Expected Return (%)	Standard Deviation (%)	Years 11-20 Risk Premium <sup>1</sup> (%)
Cash Equivalents	2.8	3.1	1.0	-2.0
Investment Grade Bonds	4.2	4.9	4.0	0.4
Long-term Government Bonds	4.5	5.1	12.0	0.5
TIPS	3.8	4.7	7.0	0.4
High Yield Bonds	5.4	6.6	11.0	2.5
Bank Loans	5.6	6.4	10.0	2.0
Emerging Market Debt	5.7	6.4	11.0	1.8
Private Debt	7.8	8.2	15.0	3.3
US Equity	6.3	8.0	17.0	4.5
Developed Non-US Equity	6.2	7.9	18.0	4.4
Emerging Non-US Equity	6.2	8.0	21.0	4.5
Global Equity	6.3	8.0	17.0	4.5
Private Equity	9.0	10.2	26.0	6.3
Real Estate	7.1	8.3	16.0	4.3
Infrastructure	7.5	9.0	19.0	5.2
Commodities	5.0	5.4	17.0	0.5
Hedge Funds	3.8	5.7	7.0	2.3
Inflation	2.3	2.7	NA	NA

<sup>1</sup> Risk premia are calculated relative to the market's projection for the yield on the 10-year Treasury in ten years..

## What is the Equity Risk Premium Implied by the CMEs?

- We assume a long-term risk premium of 4.5% for US equities over 10-year Treasuries in our model.
  - However, our 10-year assumptions imply an equity risk premium of ~2.1%.
  - This averages out to a 20-year implied equity risk premium of ~3.3%.
- Historically, the risk premium for the S&P 500 over the yield for the 10-year Treasury has averaged 5.6%, though the range has varied considerably.

US Equity Risk Premium over 10-year Treasury<sup>1</sup>



<sup>1</sup> Represents the ten-year risk premium for the S&P 500 index over the 10-year Treasury yield at the start of the period. Data is through December 31, 2025.

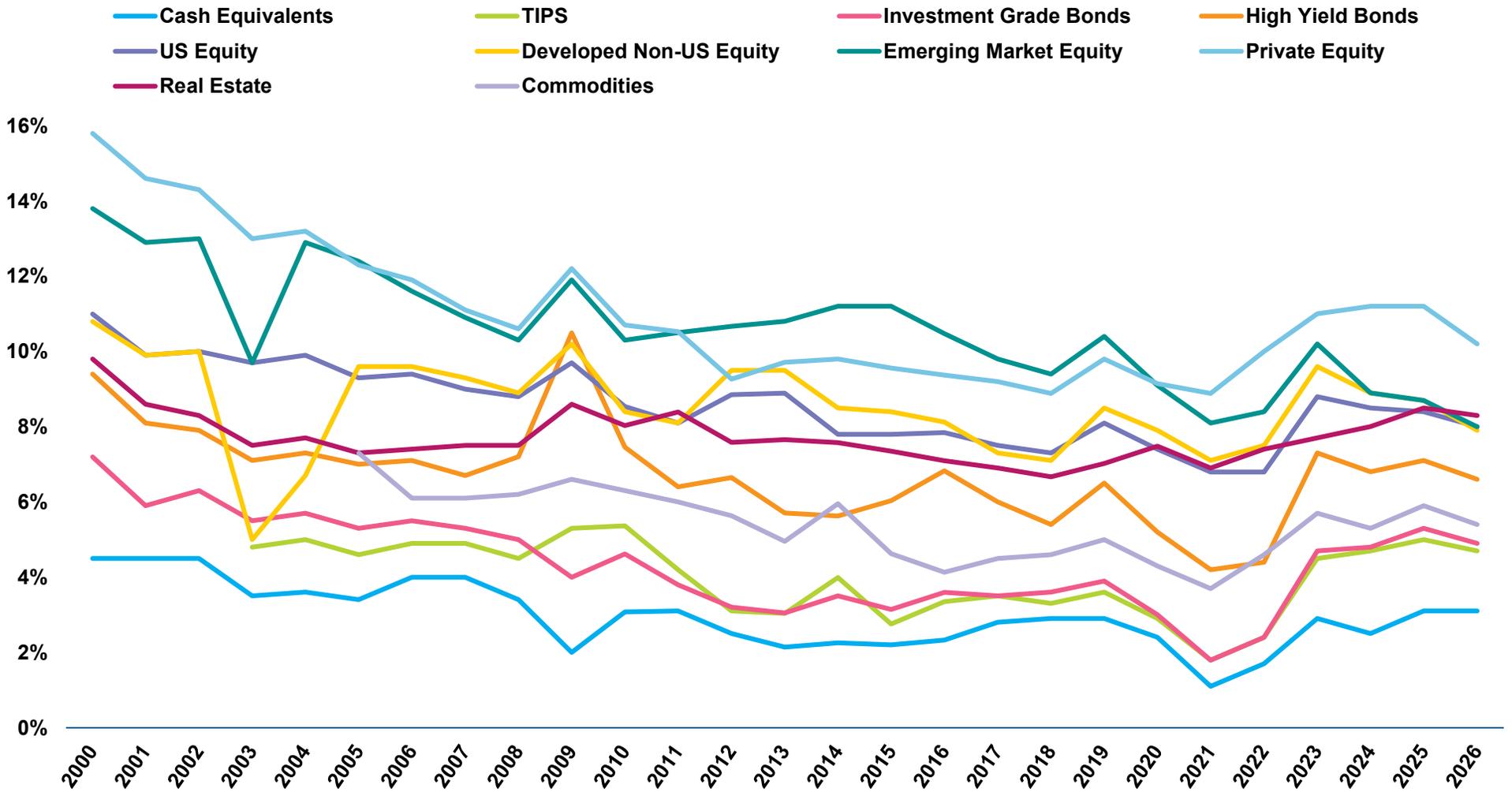
### How do These CMEs Compare to Prior Years' Assumptions?

- To help evaluate this, we created a weighted average of expected returns for the asset classes that comprise a typical institutional portfolio.<sup>1</sup>
- The value of the expected return for the portfolio is not a precise expected return (i.e., it has not been run via MPT), but the magnitude of the change is what is relevant.
- In short, the 20-year expected return for a typical portfolio is ~50 basis points lower than last January.

Year	Weighted Average Expected Return (%)	Change from Prior Year (%)
2026	7.6	-0.5
2025	8.1	+0.1
2024	8.0	-0.2
2023	8.2	+1.7
2022	6.5	+0.4
2021	6.1	-0.7
2020	6.8	-0.6
2019	7.4	+0.7

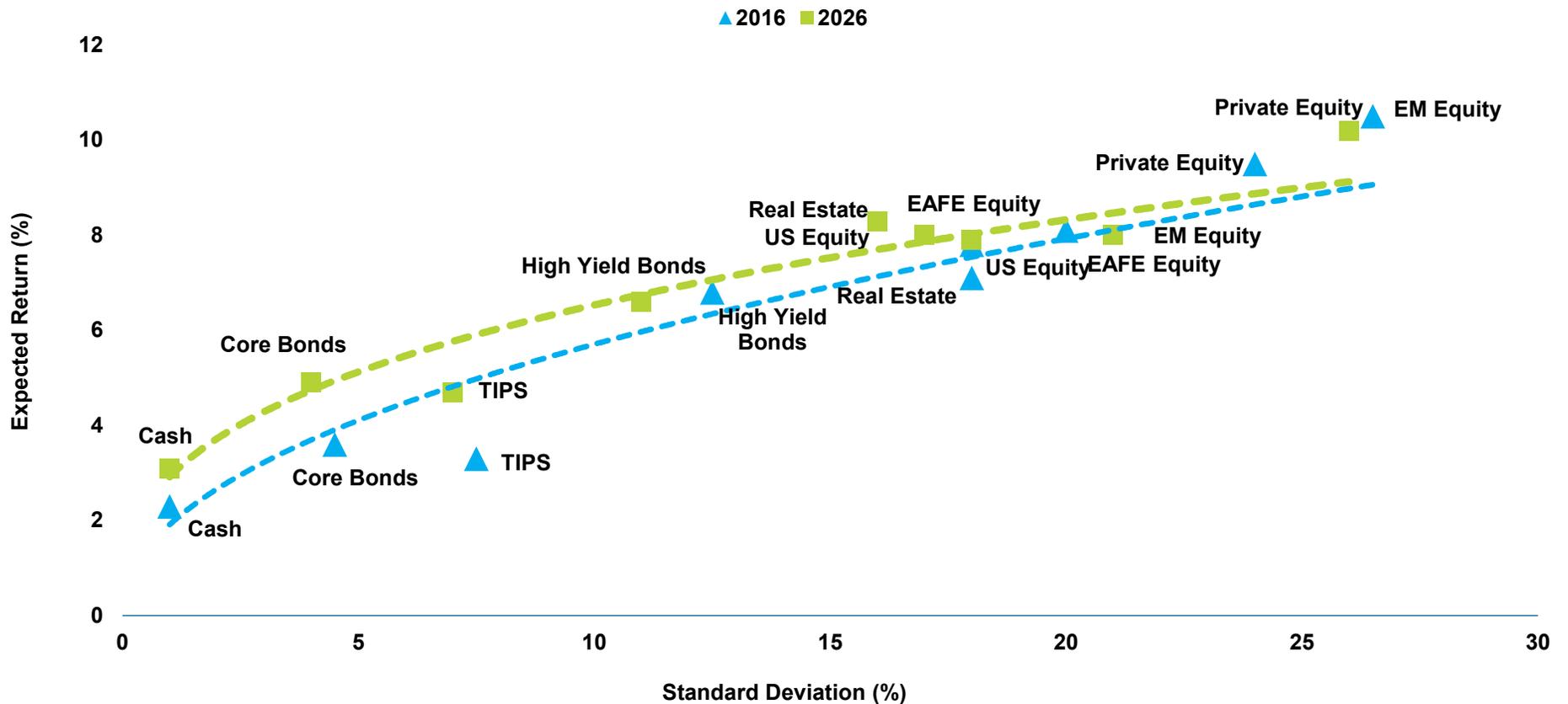
<sup>1</sup> The weights are as follows: 10% investment grade bonds, 3% LT government bonds, 4% TIPS, 3% high yield, 2% bank loans, 3% EM debt, 3% private debt, 25% US equity, 12% EAFE equity, 8% EM equity, 10% private equity, 10% real estate, 2% natural resources, 3% infrastructure, 2% hedge funds.

## Our 20-Year CMEs Since 2000



## The Big Picture: Higher Return for Similar Risk<sup>1</sup>

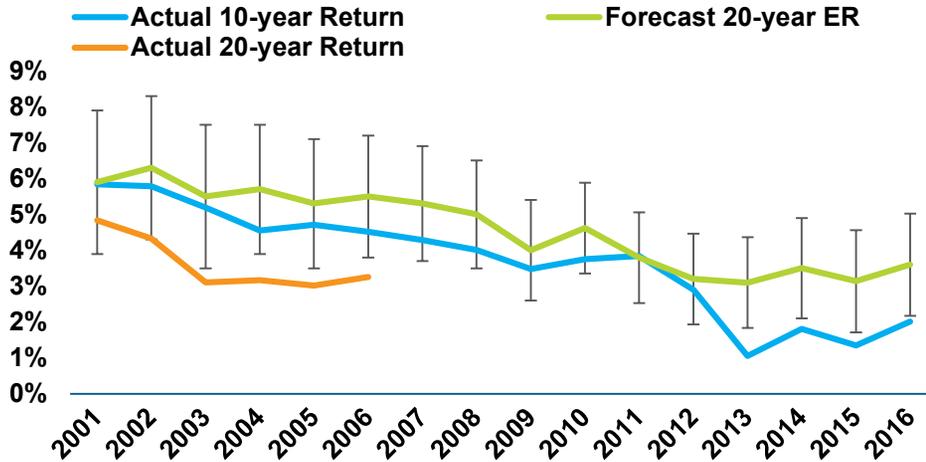
- The relationship between long-term return expectations and the level of risk accepted is not static.
- The higher interest rates compared to a decade ago mean that many investors have greater flexibility in how they structure a portfolio to achieve their target returns.



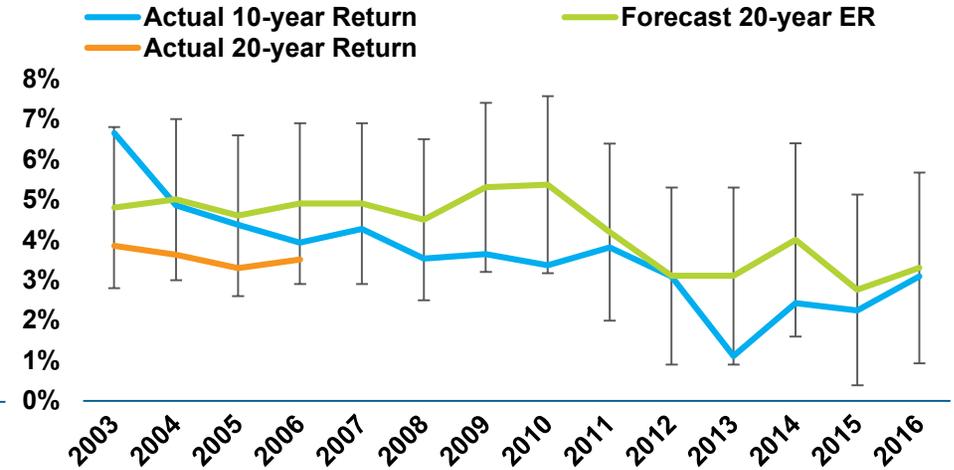
<sup>1</sup> Expected return and standard deviation are based upon Meketa Investment Group's 2016 and 2026 20-year capital market expectations.

## Our Track Record

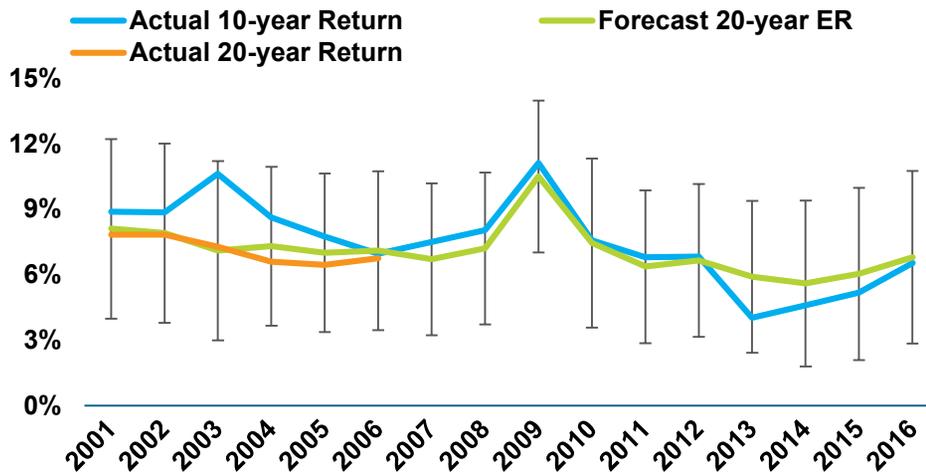
### Investment Grade Bonds



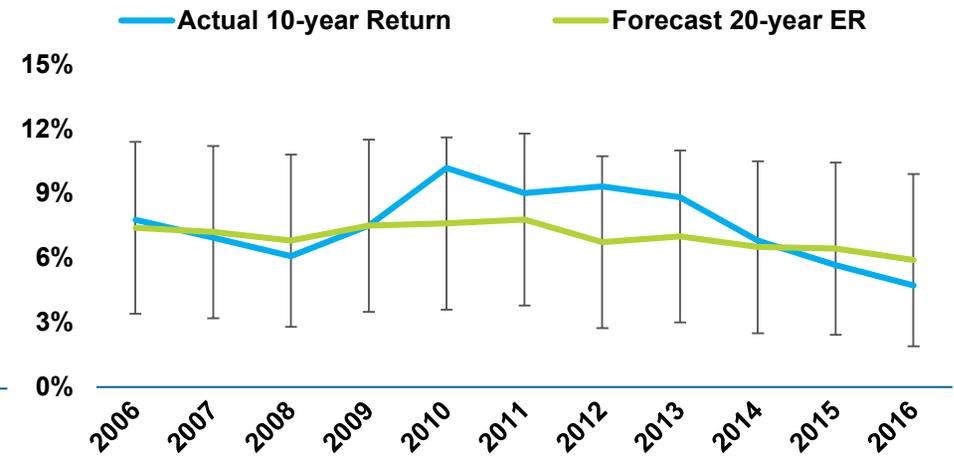
### TIPS



### High Yield Bonds

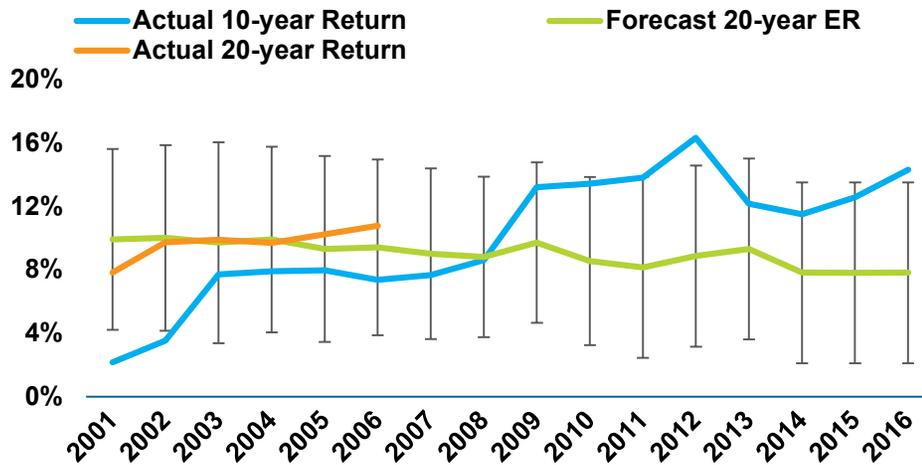


### Core Real Estate

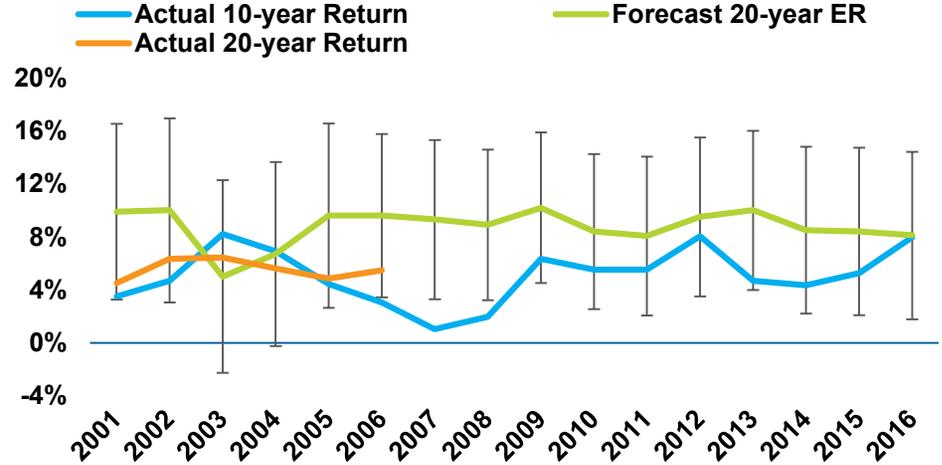


## Our Track Record (continued)

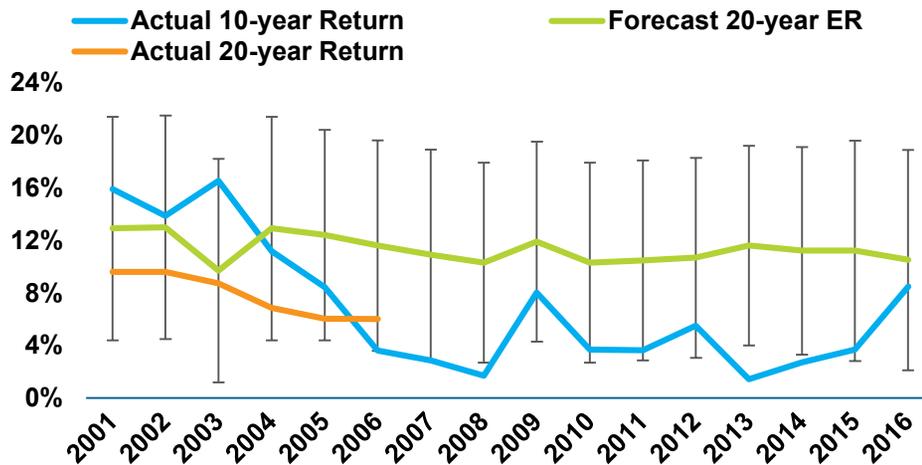
### US Equity



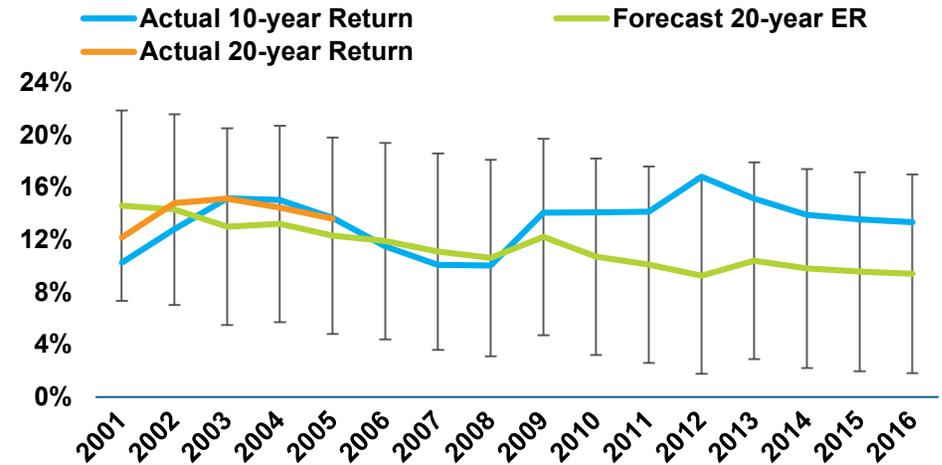
### EAFE Equity



### Emerging Markets Equity



### Private Equity



## How do Meketa's CMEs Compare to Peers?

- Our CMEs are typically in the same ballpark as our peers.
- While we expect to be above or below the median for various asset classes, we tend not to be systematically above or below for the entire group.
- We generally cite the survey conducted each year by Horizon Actuarial Services for making peer comparisons, as it is the most comprehensive survey of CMEs of which we are aware.
  - However, this survey is usually not published until July or August.
- It is important to distinguish between intermediate-term assumptions (e.g., 7-10 years) and long-term assumptions (e.g., 20-30 years) when making these comparisons.
  - The average long-term return assumptions tend to be higher than the intermediate-term assumptions across the peer group, typically by 10 to 50 basis points.
  - In 2025, the difference tended to be larger for riskier asset classes.

## 2025 Peer Survey

- Annually, Horizon Actuarial Services, LLC publishes a survey of capital market assumptions that they collect from various investment advisors.<sup>1</sup>
- The Horizon survey is a useful tool to determine whether a consultant's expectations for returns (and risk) are reasonable.

Asset Class	Horizon 10-Year Average (%)	Meketa 10-Year (%)	Horizon 20-Year Average (%)	Meketa 20-Year (%)
Cash Equivalents	3.6	2.8	3.6	3.1
TIPS	4.4	4.3	4.4	5.0
US Core Bonds	5.0	4.9	5.1	5.3
US High Yield Bonds	6.0	6.3	6.3	7.1
Emerging Market Debt	6.0	6.3	6.3	6.8
Private Debt	7.9	8.7	8.1	9.1
US Equity (large cap)	6.4	6.4	7.0	8.4
Developed Non-US Equity	7.0	7.2	7.4	8.7
Emerging Non-US Equity	7.4	7.1	7.9	8.7
Private Equity	9.1	9.8	9.6	11.2
Real Estate	6.2	6.9	6.4	8.5
Infrastructure	7.2	7.2	7.5	9.2
Commodities	4.7	5.5	4.8	5.9
Hedge Funds	5.9	4.2	6.2	6.0
Inflation	2.4	2.3	2.4	2.7

<sup>1</sup> The 10-year horizon included all 41 respondents to the survey, and the 20-year horizon included 27 respondents. Figures are based on Meketa's 2025 CMEs. The survey is typically published in August.

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## Merced County Employees Retirement Association

February 26, 2026

Risk and Implementation Survey  
Results

## Introduction

- This report presents the responses to the 2025 Risk and Implementation Survey.
- Results are combined for each question: 1) Board and 2) Staff.
- Total responses: seven board members and two Staff.
- Additional dialogue during the presentation will enhance the takeaways and utility of the exercise.
- The main goals in reviewing these results:
  1. Reaffirm and/or potentially modify the key objectives and viewpoints of MCERA as a whole.
- Additional dialogue during the presentation will enhance the takeaways and utility of the exercise.
- The results of the survey serve as a foundation for the continued management of the MCERA portfolio and considerations for potential portfolio changes/enhancements in the future.

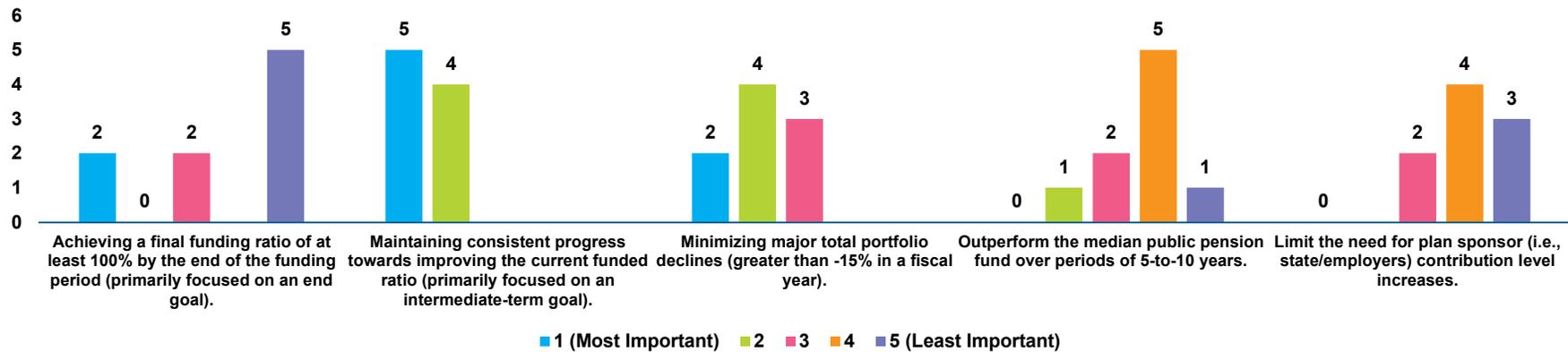
#### Key Takeaways

- **The survey results suggest a need to examine liquidity and downside portfolio protection. This can lead to changes with how the MCERA portfolio is currently constructed.**
- The majority of the results indicate support for the continued evolution and refinement of the MCERA portfolio and how outcomes are interpreted.
  - The current portfolio construct may not be fully aligned with these objectives.
- It may be worthwhile to review liquidity (cash flow and Private Market exposure) as both a concept and a risk at some point in 2026. There were differing perspectives on liquidity as well as indications in the comments section that this is something to be discussed.

**Objectives: Please rank the following objectives in order of importance.**

(1 = most important, 5 = least important)

### Results

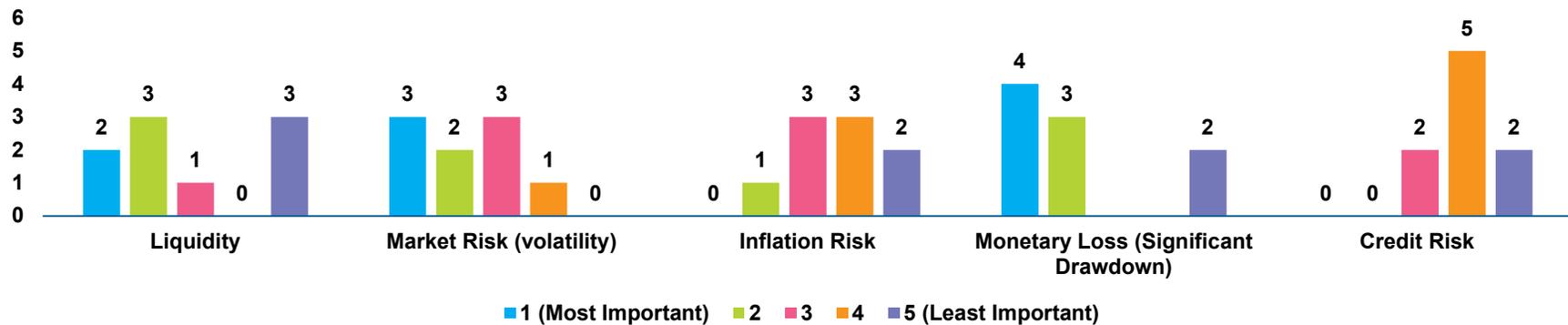


### → Takeaways

- MCERA is generally focused on two objectives: making consistent progress on the funding path while avoiding major portfolio drawdowns.
- MCERA placed a meaningful emphasis on minimizing major portfolio declines.
  - This is important as the current portfolio may not be structured to best accomplish this goal.
- The goal of “outperforming the median public pension” exhibited variability.
  - From Meketa’s perspective, this should generally be considered a tertiary goal as it has little to no relation to the primary objective of consistent funding progress.

**Risk Appetite: When thinking about the MCERA portfolio, please rank the following 5 investment risks in order of most important to least important over the next 5-10 years.**  
 (1 = most important, 5 = least important)

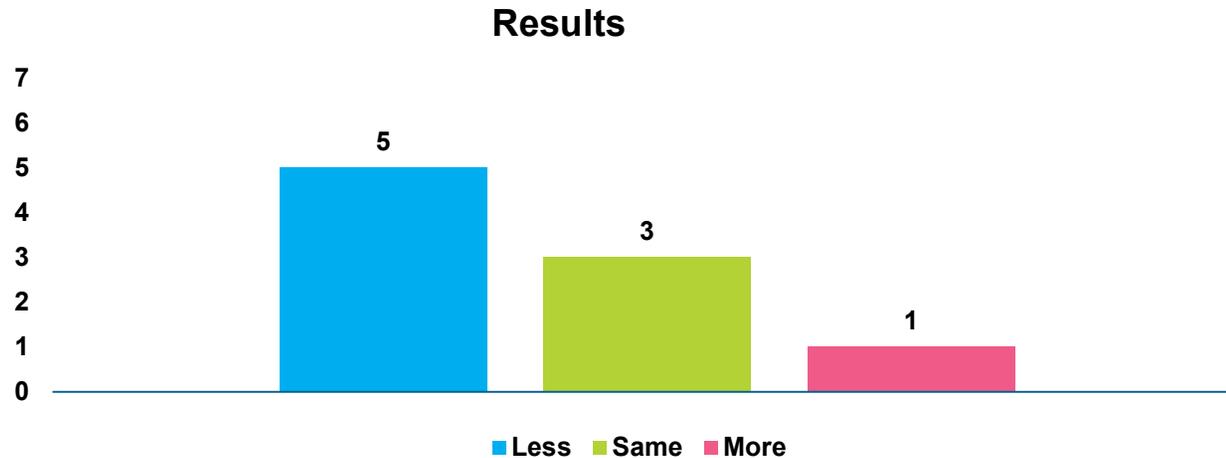
### Results



### → Takeaways

- There is some consensus among MCERA as it relates to investment risks.
  - Monetary Loss is the primary concern with Market Risk (volatility) being the secondary concern followed by liquidity.
  - From Meketa’s perspective, the modest divergence in responses is positive as it supports the notion that MCERA has diversity of thought and that a variety of major investment risks are being examined.
- Credit Risk is generally a lower concern.
- It may be worthwhile to discuss the topic of liquidity. Liquidity can mean different things (e.g., liquid assets within the portfolio vs. liquidity, and lack thereof, within private markets, etc.).

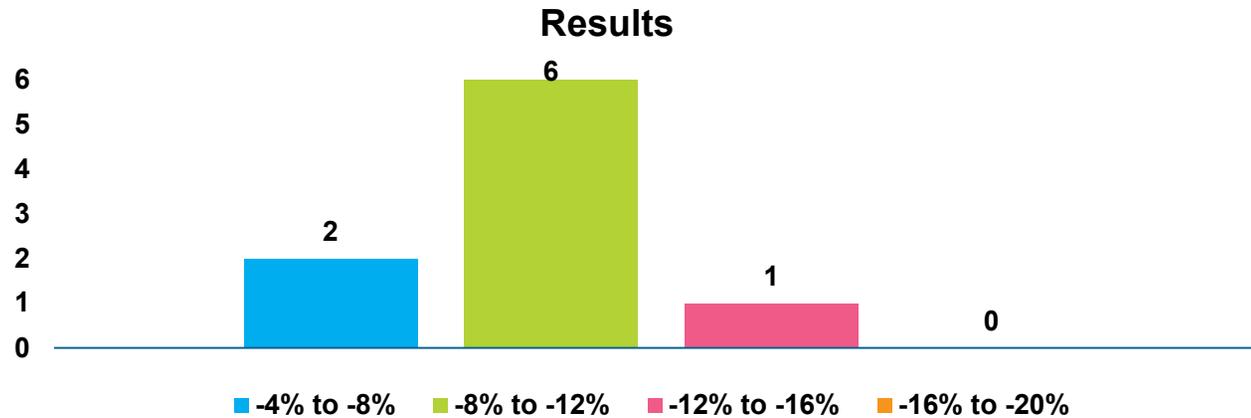
#### Risk Appetite: To achieve long term goals, should MCERA be taking more, less, or the same amount of investment risk in the portfolio?



#### → Takeaways

- In aggregate, MCERA is aligned with respect to the amount of investment risk that should be taken in the portfolio (same or less).
- In general, MCERA appears less comfortable with the amount of investment risk that is currently present.
  - Note: one respondent indicated that MCERA should explore taking more investment risk.

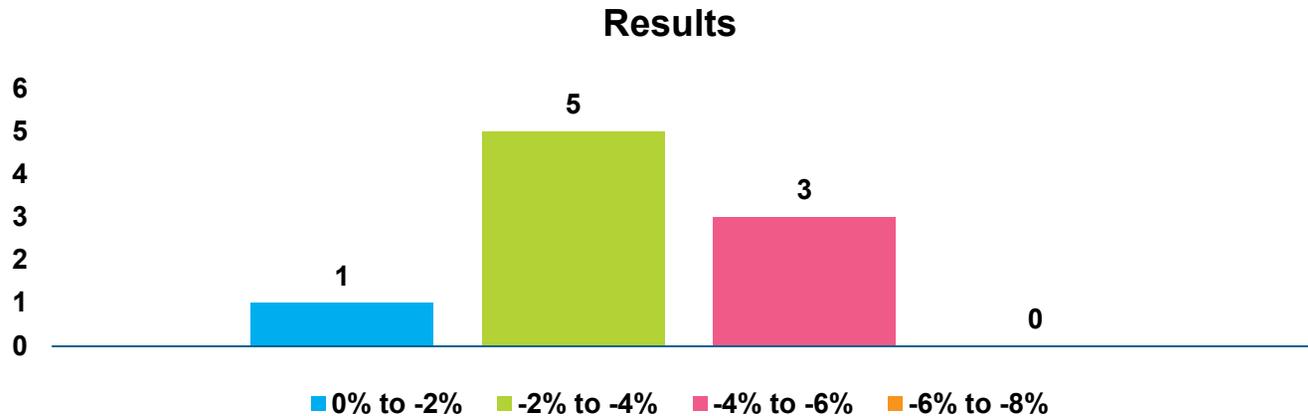
#### Risk Appetite: In your opinion, what would be considered to be a bad but not necessarily a catastrophic year for the Total Fund?



#### → Takeaways

- MCERA exhibited some variability as to “what would be considered a bad but not necessarily a catastrophic year.”
- Majority of the responses were with the combined range of -8% to -12%.
  - Two responded with the range of -4% to -8%.
  - Such differences may simply be the result of how individuals interpret the phrase “bad but not necessarily catastrophic.”
- The range of -8% to -12% represents the loss of roughly 2.5 fiscal years.

**Risk Appetite: In your opinion, what would be considered to be a bad but not necessarily a catastrophic annualized return over three years for the Total Fund?**

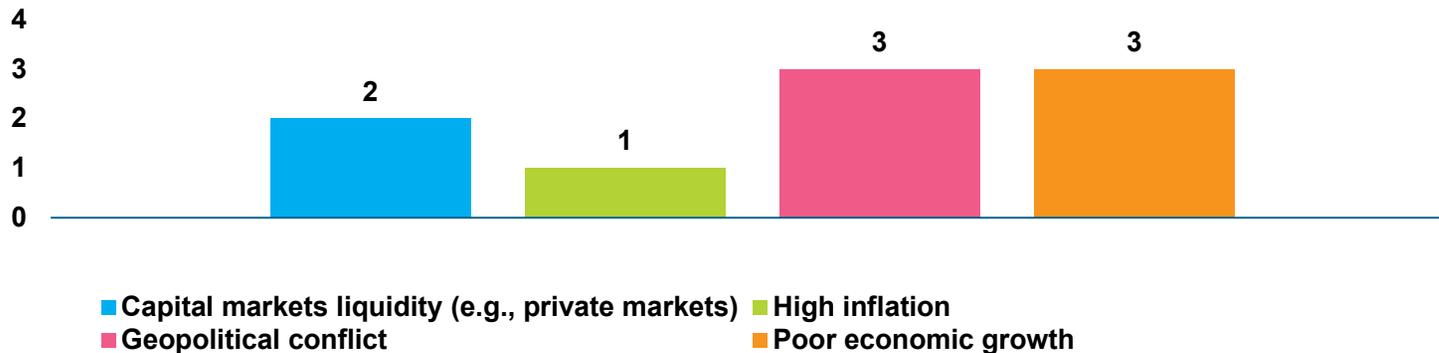


#### → Takeaways

- There was slightly more variability for this three-year question compared to the one-year question.
- The majority of responses are consistent with the -2% to -4% and -4% to -6% ranges being the most common responses.

**Risk Appetite: I am most concerned with which of the following macroeconomic issues (and its impact on MCERA) over the next 2-5 years?**

#### Results

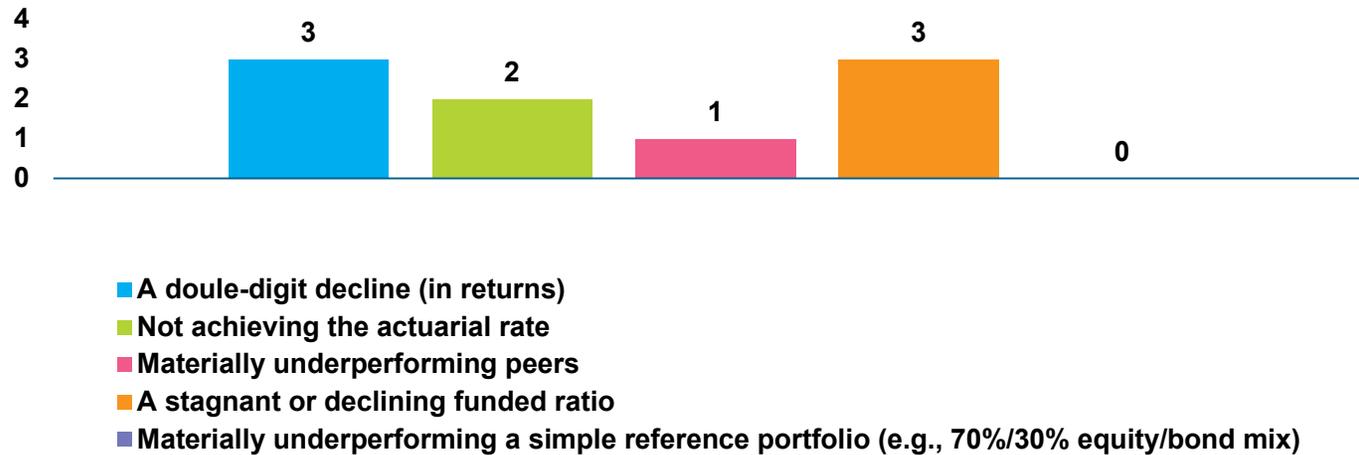


#### → Takeaways

- Poor economic growth and Geopolitical conflict are the two primary macroeconomic concern among MCERA.
- Two of the respondents are most concerned about capital markets liquidity.

## Risk Appetite: Which of the following outcomes is of the greatest concern over the next 10 years?

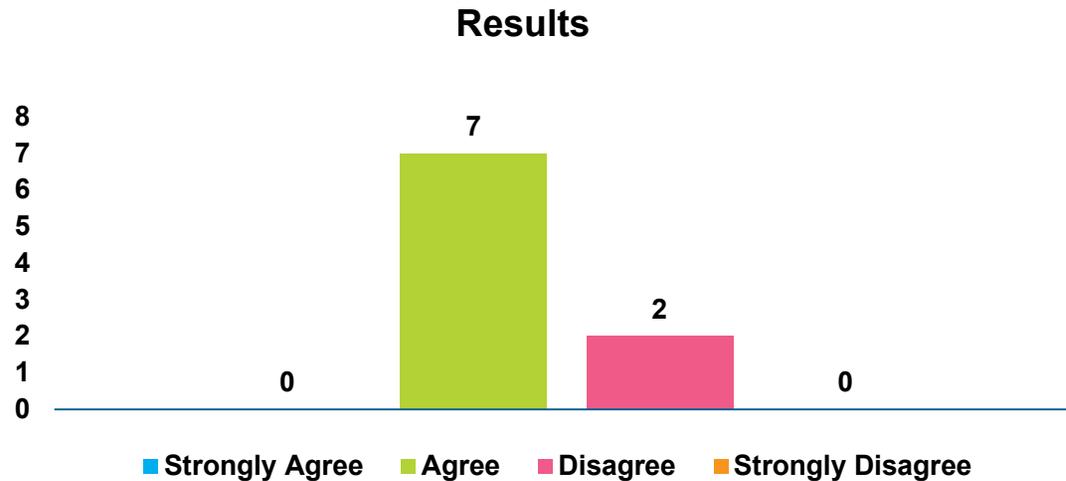
### Results



### → Takeaways

- There is a wide degree of responses among MCERA as it relates to the greatest concerns over the next 10 years.
- While there was no dominant concern, the three primary concerns are all interrelated.
- Importantly, no individual stated that materially underperforming a simple reference portfolio is a primary concern.
- For one respondent, there is a concern about underperforming peers.
  - This relates to the concept of “Does MCERA believe that peers are better off?”

#### Risk Mitigation: Fixed Income is the best way to diversify the portfolio during equity market downturns.

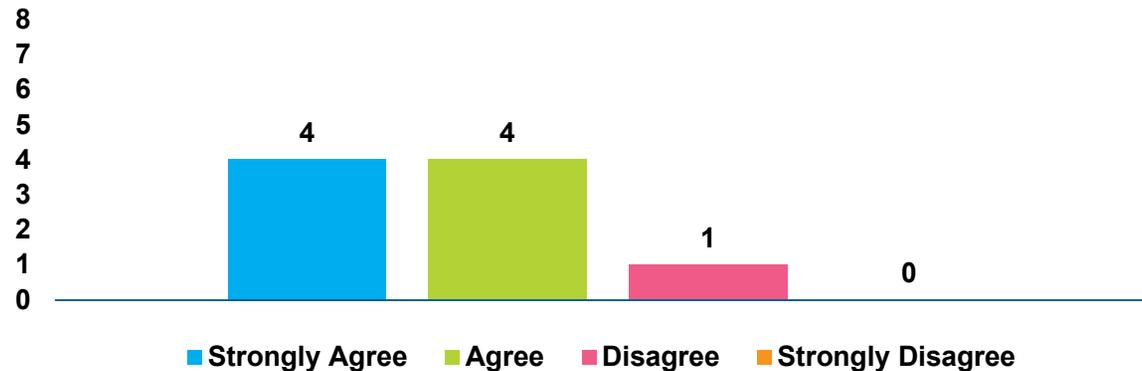


#### → Takeaways

- The majority of responses among MCERA believe fixed income is a good portfolio diversifier.
- However, two respondents did not agree. This should be a topic of education as there have been periods of high correlation between fixed income and equities.
- Importantly, no individual stated that they strongly agreed or disagreed.

**Risk Mitigation: The cash-flow position of the MCERA (e.g., net positive contributions or net negative benefit payments) is an important consideration when constructing an investment portfolio.**

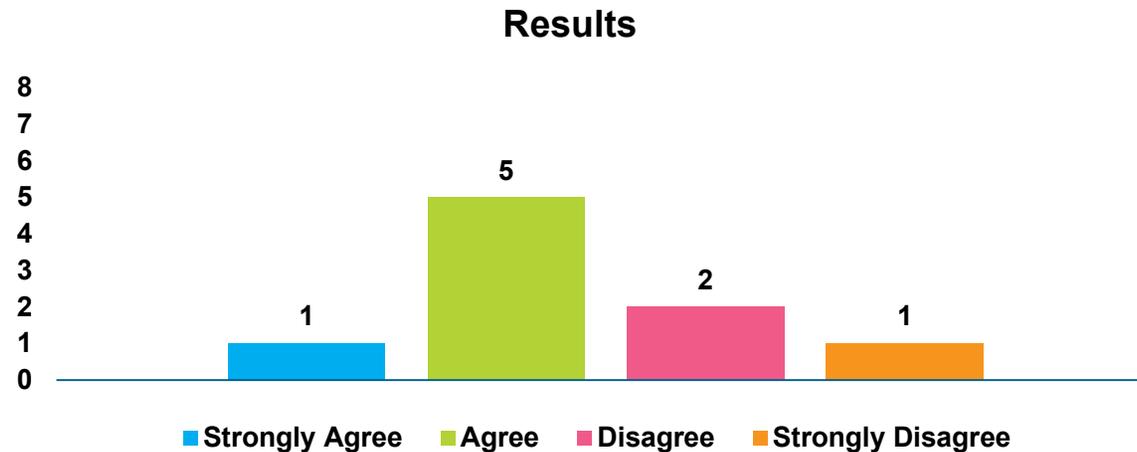
#### Results



#### → Takeaways

- This is the only question in the survey with correct and incorrect options.
- MCERA as a whole recognizes the importance of cash-flows as it relates to portfolio construction and long-term success of the portfolio.

**Implementation: High fee strategies are worthwhile if they produce high net-of-fee returns (e.g., a strategy with a 1% management fee and an 8.5% expected net-of-fee return is preferred to a strategy with a 20 basis point management fee and an 8.3% expected net-of-fee return).**

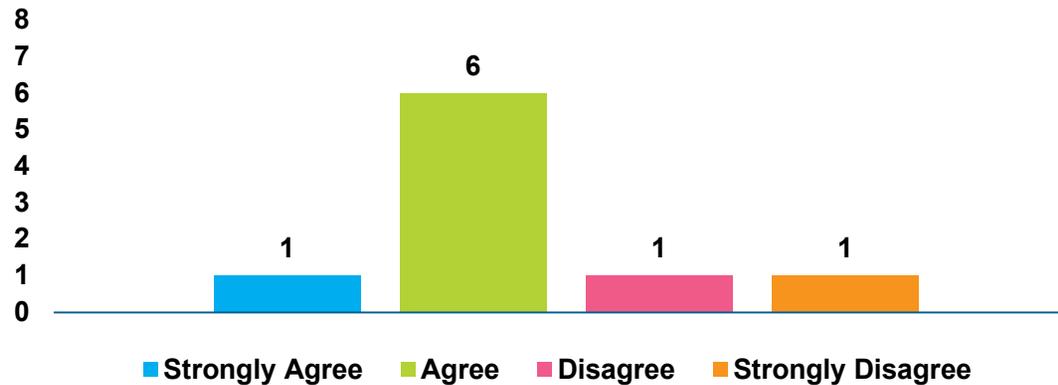


#### → Takeaways

- The majority of respondents believe that high fee strategies are worthwhile if they produce high net-of-fee returns.
- This can be rephrased as “MCERA is generally focused on net-of-fee results.”
- Fees are a critical consideration for any investment portfolio, but low fees by themselves do not guarantee strong returns.
  - Fees are, however, the only guaranteed element of investment results.

**Implementation: Illiquid strategies typically return more than similar-risk, liquid strategies (e.g., private equity typically returns more than public equity on a risk-adjusted basis).**

#### Results

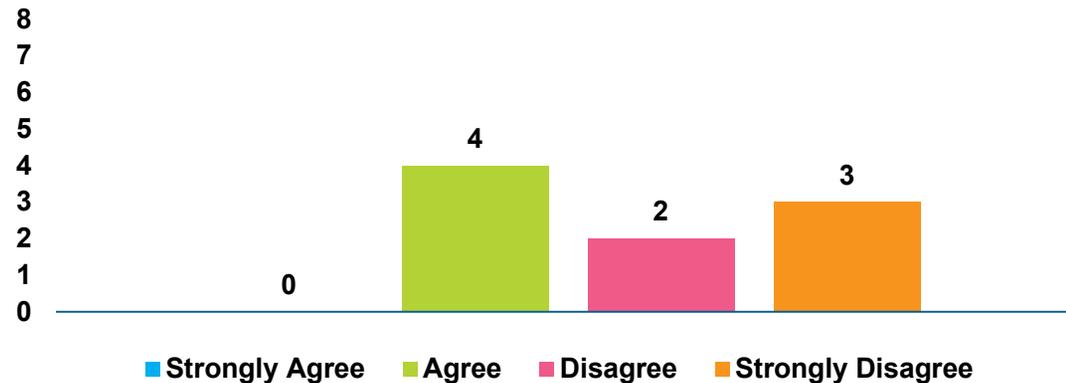


#### → Takeaways

- The majority of both the responses believe that illiquid strategies are attractive and competitive compared to alternatives.
- These results support MCERA's current allocation (not targets) to private markets, however further discussion needs to take place about the long-term allocations to private asset classes amid future cash flows.

**Implementation: Producing a return pattern that is different than peers is something I care about (given the same long-term return).**

#### Results

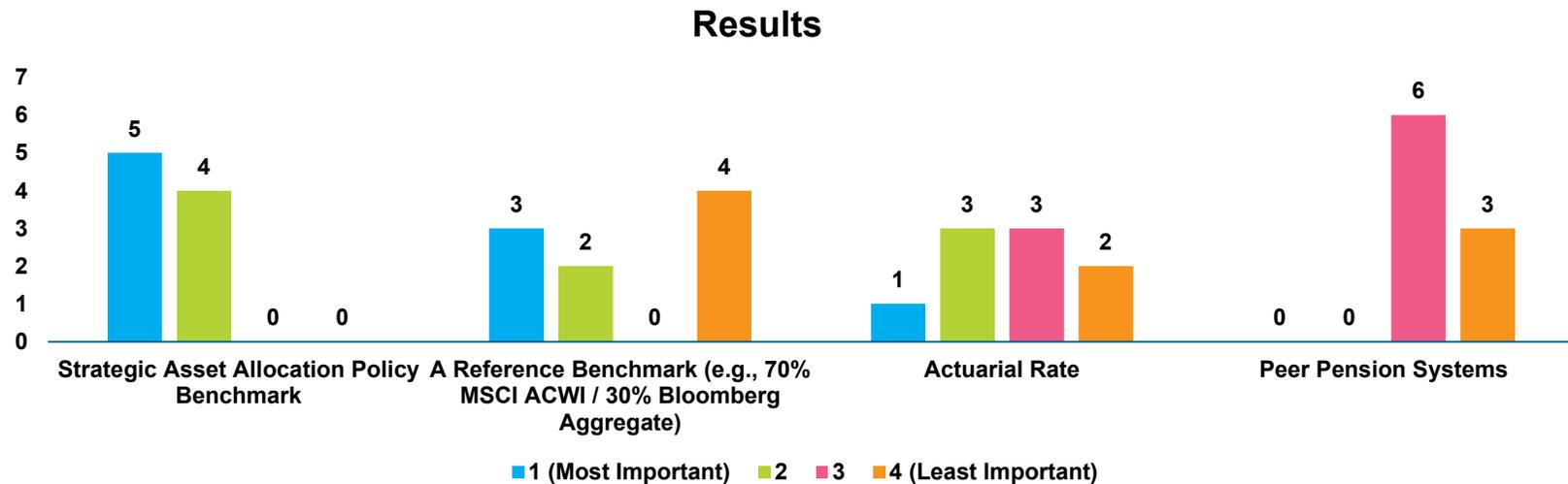


#### → Takeaways

- Based on this question, about half of MCERA does care how closely the portfolio tracks peer performance, assuming the long-term performance is similar.
- There was a wide dispersion among responses, although 4 of 9 respondents do care about how closely MCERA tracks peer performance.
  - Given the abundance of performance comparisons that occur in the investment industry, this is not an uncommon finding.

**Implementation: Rank the following benchmarks in order based on how important it is for MCERA to avoid underperformance over a 1–5 year horizon.**

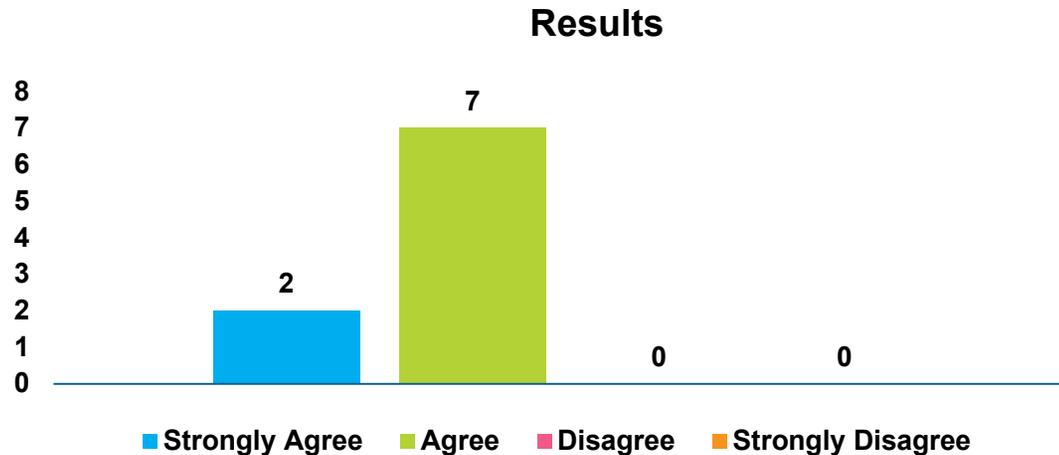
(1 = the most important benchmark from your perspective)



### → Takeaways

- There is a high degree of consensus among and within the Board and Staff groups.
- The appears to be some differences as to the hierarchical ranking of benchmarks:
  1. Policy Benchmark
  2. Reference Benchmark (e.g., 70/30, Simple Target Index, etc.)
  3. Actuarial Rate
  4. Peer Median

**Implementation: A globally diversified portfolio (e.g., US, non-US developed, and emerging markets) offers a better forward-looking risk-adjusted portfolio than a US-centric portfolio.**



#### → Takeaways

- MCERA believes that a globally diversified portfolio is more optimal than a US-centric portfolio on a forward-looking basis.
- This concept will continue to be discussed during capital market assumption updates, asset allocation reviews, and asset-liability studies.

#### Conclusion

- This survey was a level setting exercise to examine where the Board and Staff stand on various objectives, concerns, and potential priorities for the near-term. More specifically, it sought to examine areas of consensus and disagreement across with the current portfolio structure.
- **The survey results suggest a need to examine liquidity and downside portfolio protection. This can lead to changes in how the MCERA portfolio is currently constructed.**
- The majority of the results indicate support for the continued evolution and refinement of the MCERA portfolio and how outcomes are interpreted.
- MCERA appears to have similar overall objectives: continue to make progress on the funding path while avoiding major portfolio drawdowns.
  - The current portfolio construct is not fully aligned with these objectives.
- It may be worthwhile to review liquidity as both a concept and a risk at some point in 2026. There were differing perspectives on liquidity as well as indications in the comments section (exposure to private markets) that this is something to be discussed.

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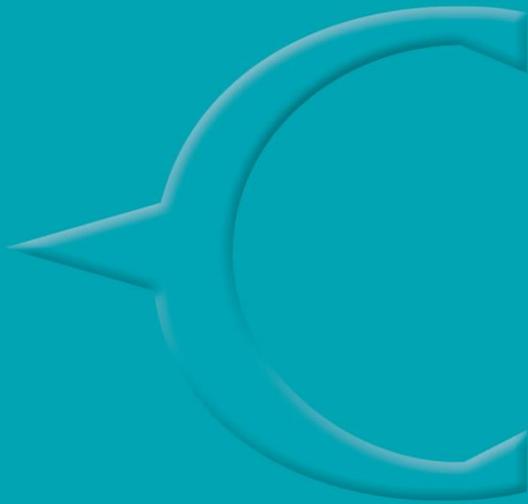
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# **Merced County Employees' Retirement Association**

## **Actuarial Valuation Report as of June 30, 2025**

**Produced by Cheiron**

**February 2026**

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February 20, 2026

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

Dear Board Members:

At your request, we have conducted an actuarial valuation of the Merced County Employees' Retirement Association (MercedCERA, the Fund, the Plan) as of June 30, 2025. This report contains information on the Plan's assets, liabilities, and discloses employer and employee contribution levels. We call your attention to the Foreword in which we refer to the general approach employed in the preparation of this report.

The purpose of this report is to present the results of the annual actuarial valuation of MercedCERA. This report is for the use of the Retirement Board of MercedCERA and its auditors in preparing financial reports in accordance with applicable law and accounting requirements. Any other user of this report is not an intended user and is considered a third party.

This report was prepared for the Retirement Board of MercedCERA for the purposes described herein and for the use by the Plan auditor in completing an audit related to the matters herein. Other users of this valuation report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

Sincerely,  
Cheiron



Graham A. Schmidt, FSA, EA, MAAA, FCA  
Principal Consulting Actuary



Anne D. Harper, FSA, EA, MAAA  
Principal Consulting Actuary

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025**

**FOREWORD**

Cheiron has performed the actuarial valuation of the Merced County Employees' Retirement Association as of June 30, 2025. The valuation is organized as follows:

- In Section I, the **Executive Summary**, we describe the purpose of an actuarial valuation, summarize the key results found in this valuation, and disclose important trends.
- The **Main Body** of the report presents details on the Plan's
  - Section II – Identification and Assessment of Risks
  - Section III – Assets
  - Section IV – Liabilities
  - Section V – Contributions
  - Section VI – Annual Comprehensive Financial Reporting Information
- In the **Appendices**, we conclude our report with detailed information describing plan membership (Appendix A), actuarial assumptions and methods employed in the valuation (Appendix B), a summary of pertinent plan provisions (Appendix C), tables containing member contribution rates (Appendix D), and a glossary of key actuarial terms (Appendix E).

Future results may differ significantly from the current results presented in this valuation report due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and, changes in plan provisions or applicable law.

In preparing our report, we relied on information (some oral and written) supplied by the MercedCERA staff. This information includes, but is not limited to, plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Cheiron utilizes ProVal, an actuarial valuation application leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have a basic understanding of ProVal and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this valuation.

The deterministic and stochastic projections in this valuation report were developed using R-scan, a proprietary tool used to illustrate the impact of changes in assumptions, methods, plan provisions, or actual experience (particularly investment experience) on the future financial status of the Plan. R-scan uses standard roll-forward techniques that implicitly assume a stable active population. Because R-scan does not automatically capture how changes in one variable affect all other variables, some scenarios may not be consistent. The stochastic projections of investment returns assume that each future year's investment return is independent from all other years and is identically distributed according to a lognormal distribution. We relied on Cheiron colleagues for the development of the model.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025**

**SECTION I – EXECUTIVE SUMMARY**

The primary purpose of the actuarial valuation and this report is to measure, describe, and identify the following as of the valuation date:

- The financial condition of the Plan,
- Past and expected trends in the financial progress of the Plan,
- Employer and employee contribution rates for Fiscal Year 2027,
- An assessment and disclosure of key risks, and
- Information required by the GFOA for the Annual Comprehensive Financial Report.

In the balance of this Executive Summary, we present (A) the basis upon which this year's valuation was completed, (B) the key findings of this valuation including a summary of all key financial results, (C) an examination of the historical trends, and (D) the projected financial outlook for the Plan.

**A. Valuation Basis**

This valuation determines the employer contributions for the fiscal year ending June 30, 2027. The Plan's funding policy is to collect contributions from the employers and employees equal to the sum of:

- The normal cost under the Entry Age Normal Cost Method,
- Amortization of the Unfunded Actuarial Liability, and
- The Plan's expected administrative expenses.

The Unfunded Actuarial Liability payment is determined as the amount needed to fund the outstanding Unfunded Actuarial Liability (UAL), using the amortization method as described in Section V of the report. The amortization method is similar to a traditional five- or three-year asset smoothing and a 20-year amortization period with level payments as a percentage of payroll. The Plan also uses the Market Value of Assets to calculate the UAL, rather than a smoothed value. These amortization and funding policies in conjunction are a type of policy known as direct rate smoothing.

Experience studies are performed every three years. This valuation was performed on the basis of the economic and demographic assumptions and methods that were adopted by the Retirement Board at the January 22, 2026 Board meeting, based on Cheiron's Actuarial Experience Study covering plan experience during the period from July 1, 2022 through June 30, 2025. A summary of the assumptions and methods used in the current valuation is shown in Appendix B.

This valuation was prepared based on the Plan provisions shown in Appendix C. Employee contribution rates are shown in Appendix D. The rates for PEPRA members are recomputed each year to be one-half of the total normal cost rate for their benefits. This year, the rates for the legacy members have also been updated, as a result of the changes in assumptions adopted as part of the Experience Study.

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025

SECTION I – EXECUTIVE SUMMARY

**B. Key Findings of this Valuation**

The following discussion summarizes the key results of the June 30, 2025 valuation and how they compare to the results from the June 30, 2024 valuation.

**Summary of Key Valuation Results**

Table I-1 summarizes the key results of the valuation with respect to assets, liabilities, and contributions.

Table I-1 Merced County Employees' Retirement Association Summary of Key Valuation Results (in millions)		
Valuation Date Fiscal Year End	June 30, 2025 2027	June 30, 2024 2026
Actuarial Liability	\$ 1,659.6	\$ 1,615.9
Market Value of Assets	1,378.7	1,253.8
Unfunded Actuarial Liability	\$ 280.9	\$ 362.1
Funded Ratio	83.1%	77.6%
Net Employer Contribution Rate	42.59%	44.83%
Projected Payroll	\$ 176.7	\$ 168.0
Projected Employer Contribution	\$ 75.3	\$ 75.3

More discussion of the factors that affected these results can be found in the remainder of this section. Some key points are as follows:

- The employer contribution rate decreased by 2.24% of payroll from 44.83% to 42.59%.
- The Unfunded Actuarial Liability (UAL) is the excess of the Plan's Actuarial Liability over the Market Value of Assets. The Plan's UAL decreased by \$81.2 million from \$362.1 million to \$280.9 million. This decrease in UAL was primarily due to the recent investment gains and the level of contributions made to the Plan.
- The Plan's funded ratio, the ratio of market assets over Actuarial Liability, increased significantly by 5.5% from 77.6% last year to 83.1% as of June 30, 2025.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025**

**SECTION I – EXECUTIVE SUMMARY**

**Plan Membership**

Table I-2 summarizes Plan membership as of June 30, 2025 and June 30, 2024. More detailed membership statistics are in Appendix A.

<b>Table I-2 Membership Total</b>					
<b>Item</b>	<b>June 30, 2025</b>		<b>June 30, 2024</b>		<b>% Change</b>
Actives	2,289		2,262		1.2%
Deferred Members	1,559		1,473		5.8%
Retired Members	<u>2,657</u>		<u>2,623</u>		<u>1.3%</u>
Total Members	6,505		6,358		2.3%
Active Member Payroll	\$	171,543,473	\$	163,516,467	4.9%
Average Pay per Active	74,943		72,288		3.7%

Total Plan membership increased by 2.3%, with increases in all member categories: active participants, deferred members (including non-vested members who have left their contributions on account), and retired members in pay status.

The pay figures above reflect the annualized rate as of June 30, plus expected increases due to wage inflation for the upcoming year. For valuation purposes, annualized salary is determined as follows: for continuing active members, if current year earnings exceed prior year valuation salary, current year earnings are used; otherwise, the greater of current year earnings or current year pay rate multiplied by 26, the number of expected pay periods. For new active members, the annualized salary is the greater of current year earnings or the current year pay rate multiplied by 26. If the reported pay rate is under \$100, it is assumed to be hourly and is converted to a biweekly rate before annualizing.

No merit or longevity salary increases are assumed in determining the overall projected payroll. The merit/longevity salary increases are still applied to project individual member's compensation and benefits for the current year.

Total projected payroll increased by 4.9% compared to the assumed wage inflation of 2.75% for FYE 2025, while the average pay per active member increased by 3.7%.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025**

**SECTION I – EXECUTIVE SUMMARY**

**Components of UAL Change between June 30, 2024 and June 30, 2025**

Table I-3 is a detailed reconciliation of the components that affected the UAL between June 30, 2024 and June 30, 2025.

<b>Table I-3 Change in Unfunded Actuarial Liability</b>	
<b>Experience</b>	<b>in millions</b>
Unfunded actuarial liability, 6/30/2024	\$ 362.1
Expected change in unfunded actuarial liability	\$ (33.3)
Unfunded decrease due to investment gain	(55.1)
Unfunded decrease due to contributions more than expected	(1.0)
Unfunded decrease due to liability gain	(7.8)
Unfunded increase due to assumption changes	16.0
Total change in unfunded actuarial liability	\$ (81.2)
Unfunded actuarial liability, 6/30/2025	\$ 280.9

The Plan's UAL decreased from \$362.1 million as of June 30, 2024 to \$280.9 million as of June 30, 2025. The largest contributing factors were investment gains of \$55.1 million and expected UAL contributions, which were scheduled to pay off \$33.3 million of principal on the UAL. Contributions were more than expected by \$1.0 million, due to the differences between actual and expected payroll and the 12-month delay in the implementation of the contribution rates, which decreased the UAL. There were gains on the Actuarial Liabilities of \$7.8 million, most of which were from lower than expected salary increases among continuing active members, more pre-retirement terminations than expected, and more beneficiary deaths than expected. The assumption changes increased the UAL by \$16.0 million.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION I – EXECUTIVE SUMMARY**

**Employer Contribution Reconciliation**

Table I-4 is a detailed reconciliation between the Fiscal Year 2026 and Fiscal Year 2027 employer contribution rates, in total and by component.

Table I-4				
Item	Employer Contribution Reconciliation			
	Total	Normal Cost	Amortization	Expenses
FYE 2026 Net Employer Contribution Rate	44.83%	8.91%	34.41%	1.51%
Expected Change due to phase-in	-0.88%	0.00%	-0.88%	0.00%
Change due to investment gain	-0.51%	0.00%	-0.51%	0.00%
Change due to contributions more than expected	-0.01%	0.00%	-0.01%	0.00%
Change due to PEPRA new hires	-0.11%	-0.11%	0.00%	0.00%
Change due to liability changes	-0.08%	-0.01%	-0.07%	0.00%
Change due to effect of payroll on amort / expense	-0.64%	0.00%	-0.60%	-0.04%
Change due to change in assumptions	-0.01%	-0.03%	-0.06%	0.08%
Total Change	-2.24%	-0.15%	-2.13%	0.04%
FYE 2027 Net Employer Contribution Rate	42.59%	8.76%	32.28%	1.55%

The employer contribution rate decreased from 44.83% for Fiscal Year 2026 to 42.59% for Fiscal Year 2027:

- The phase-in of the net UAL experience from the last four years due to the direct rate smoothing method (based on net gains in FYE 2024, FYE 2023 and FYE 2021, and net losses, including assumption changes, in FYE 2022) decreased the contribution rate by 0.88% this year. The expected phase-in for the next valuation (2026) from previous years' changes is a contribution rate increase of 0.69%.
- The investment gain for the current fiscal year decreased the current year contribution rate by 0.51% of pay. The assets of the Plan returned 11.17% (net of investment expenses) on a market basis, which is higher than the assumed rate of 6.75%. The amortization payment for the current year investment gain will continue to be phased-in over the next four years.
- Contributions were slightly more than expected and decreased the employer contribution rate by 0.01% of pay, due to differences between actual and expected payroll and the 12-month delay in the implementation of the contribution rates.
- The employer normal cost rate is expected to decrease as more PEPRA members enter the Plan. For the current valuation, the replacement of legacy members by PEPRA members decreased the average employer normal cost rate by about 0.11% of pay.
- Demographic experience resulted in a net decrease in cost of about 0.08% of pay, based on a 0.07% decrease in the UAL amortization payment rate and a 0.01% decrease in employer normal cost rates within tiers. As with the investment gain, the changes in the

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025**

**SECTION I – EXECUTIVE SUMMARY**

UAL payment for demographic experience will continue to be phased-in over the next four years.

- A larger than expected increase in the projected payroll decreased the employer contribution rate by 0.64% of pay, since it results in the Plan's UAL and administrative expenses being spread over a larger-than-anticipated payroll base.
- The assumption changes adopted for the 2025 valuation resulted in a decrease of about 0.01% in the employer's current contribution rate as a percent of pay this year. There was a decrease of 0.03% in the employer normal cost rate and a decrease of 0.06% for changes in the UAL amortization payment, partially offset by an increase of 0.08% for changes in the administrative expense assumption.

Although the assumption changes resulted in an increase in the UAL of \$16.0 million, the impact on the UAL payment in the current year was a reduction in the UAL rate, because of the change in the payroll growth assumption from 2.75% to 3.00% that was adopted as part of the assumption changes. The UAL payments associated with the \$16.0 million increase in liability resulting from the new assumptions will continue to be phased-in over the next two years.

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025

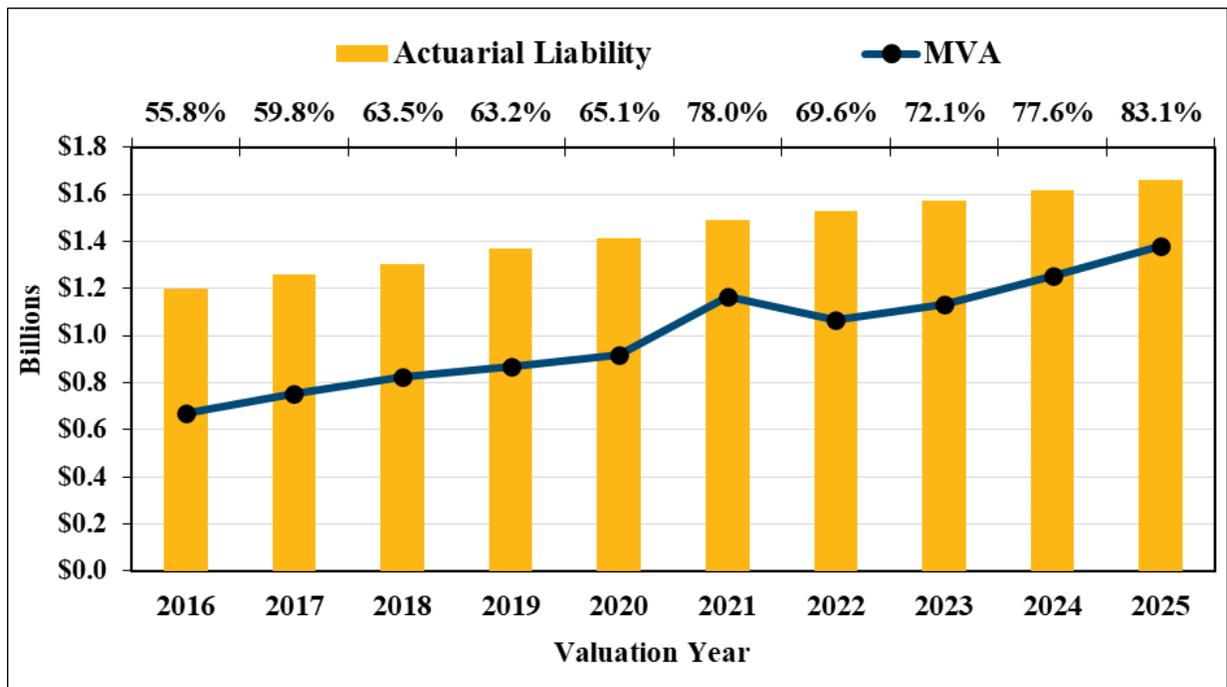
SECTION I – EXECUTIVE SUMMARY

C. Historical Trends

For most retirement plans the greatest attention is given to the current valuation results and in particular, the size of the current Unfunded Actuarial Liability and the employer contribution. However, it is important to remember that each valuation is only a snapshot in the long-term progress of a pension fund, and the results should be analyzed relative to historical trends.

Assets and Liabilities

The following chart compares the Market Value of Assets (MVA) to the Actuarial Liabilities. The percentage shown at the top of each bar is the ratio of the Market Value of Assets to the Actuarial Liability (the funded ratio). The funded ratio has increased from 55.8% in 2016 to 83.1% as of June 30, 2025.



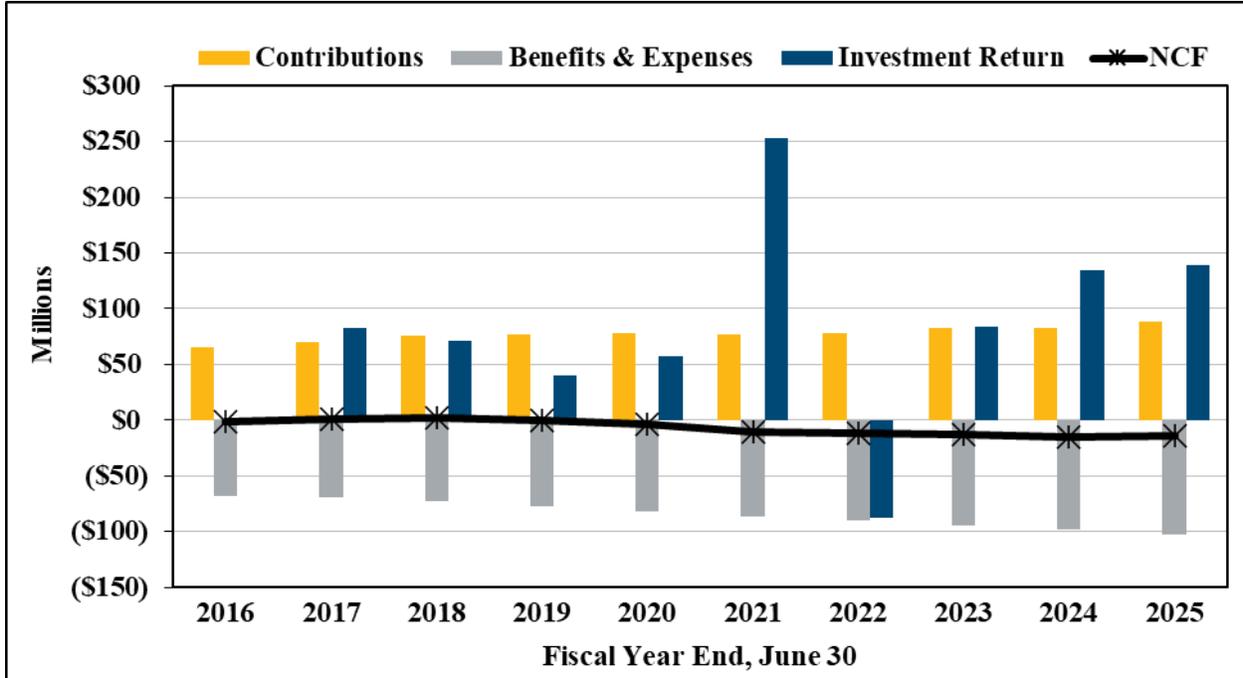
Over the last 10 years, the discount rate was reduced from 7.25% to 6.75%. The high level of contributions and net favorable investment returns over the same period have more than offset the impact of the reduction in the discount rate, resulting in a substantial increase in funded status.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025**

**SECTION I – EXECUTIVE SUMMARY**

**Cash Flows**

The chart below shows the Plan’s cash flows. The contributions, outflows (benefit payments and expenses), and investment returns are shown as bars and the Plan’s net cash flow (NCF; contributions less benefit payments and administrative expenses) is shown as a black line. This is an important measure, as it reflects the ability to have funds available to meet benefit payments without having to make difficult investment decisions, especially during volatile markets.



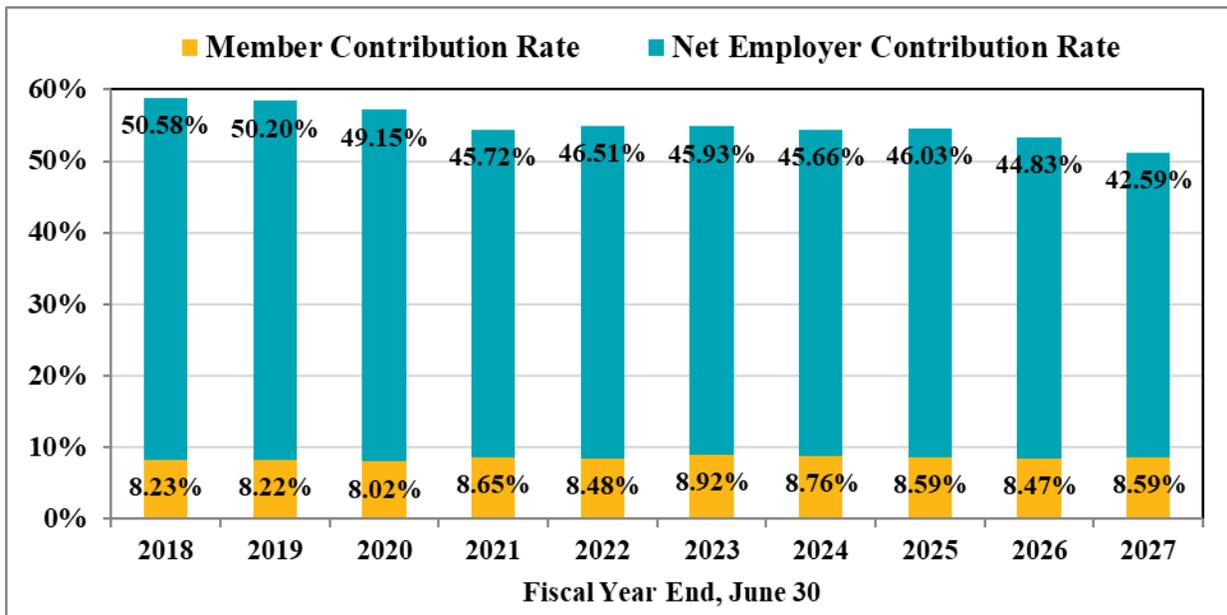
The NCF has remained approximately neutral over the past decade, though since 2021, there has been a small uptick in negative NCF, primarily due to reduced contributions following adjustments in the amortization of the 2013 UAL base. While a significant negative NCF can exacerbate losses in a market downturn, MercedCERA's current negative cash flow, representing only about 1% of Plan assets, does not pose a substantial risk to its market fluctuation absorption capacity.

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SECTION I – EXECUTIVE SUMMARY

**Contributions**

The chart below shows the historical member and employer contribution rates over the past decade calculated as of the valuation date but payable the following Fiscal Year. The employer contribution rates have remained relatively stable – other than a substantial decrease for FYE 2021 mostly due to an adjustment to the amortization of the 2013 UAL base – as positive investment experience and the shift towards the lower-cost PEPRA membership have offset the use of more conservative assumptions. The weighted-average member contribution rate increased with discount rate reductions in the FYE 2021 and 2023 and has also fluctuated based on shifts in the population.



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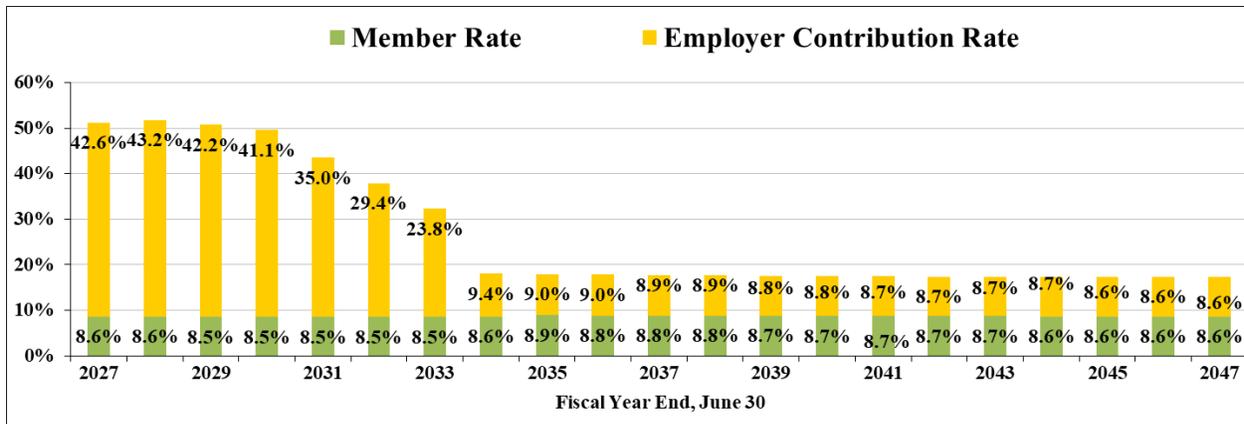
**D. Future Expected Financial Trends**

The analysis of projected financial trends is perhaps the most important component of this valuation. In this section, we present our assessment of the implications of the June 30, 2025 valuation results in terms of contributions and benefit security (assets compared to liabilities). All the projections in this section are based on the current interest rate assumption of 6.75%. We have assumed increases in future pensionable payroll of 3.00% per year.

**Contribution Projections:**

The following graph shows the expected employer and member contribution rates based on actually achieving the 6.75% assumption each year for the next 20 years. This scenario is highly unlikely; even if the Plan does achieve an average return of 6.75% over this period, the returns in each given year will certainly vary.

**Projection of Employer and Member Contributions, 6.75% return each year**



The graph above shows employer contributions remaining relatively stable through 2030 and then dropping off significantly from 2031 to 2034 as the amortization of the 2013 UAL is phased out. After that point, employer contribution rates are expected to stabilize and eventually approach the normal cost rates. The employee rates are expected to remain stable, shifting slightly as the Tier 1 and Tier 2 Legacy members retire and are replaced by PEPRA members.

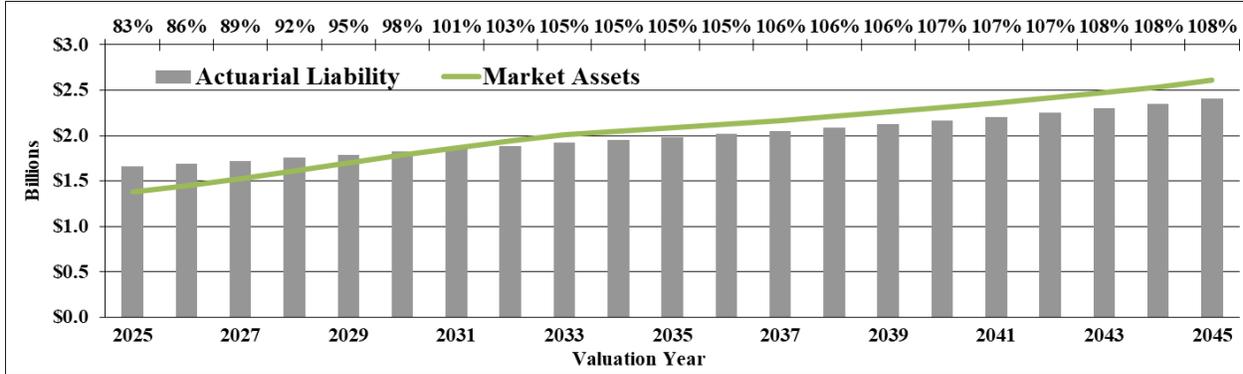
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**Asset and Liability Projections:**

The graph below shows the projection of assets and liabilities assuming that assets will earn the 6.75% assumption each year during the projection period. The percentages along the top of the graph represent the funded ratio or status of the Plan.

**Projection of Assets and Liabilities, 6.75% return each year**



The graph shows that the projected funded status is expected to reach 100% in the 2031 actuarial valuation and increases over the next 20 years to 108%, assuming the actuarial assumptions are achieved. The projections show the funded status increasing above 100% because PEPR mandates that employers must continue to contribute at least the normal cost rate unless the plan is 120% funded and has met certain legal requirements as well. However, it is the actual return on plan assets that will determine the future funded status and contribution rates.

## SECTION II – IDENTIFICATION AND ASSESSMENT OF RISKS

Actuarial valuations are based on a set of assumptions about future economic and demographic experience. These assumptions represent a reasonable estimate of future experience, but actual future experience will undoubtedly be different and may vary significantly. Actuarial Standard of Practice No. 51 requires actuaries to identify and assess risks that “may reasonably be anticipated to significantly affect the plan’s future financial condition.” This section of the report is intended to identify the primary risks to the Plan, provide some background information about those risks, and provide an assessment of those risks.

### Identification of Risks

A fundamental risk to a pension plan is that the contributions needed to pay the benefits become unaffordable. While MercedCERA cannot determine on its own what contribution level is unaffordable, we can project expected contribution rates and illustrate the potential impact of key sources of risk on those contribution rates so the employers can assess affordability. While there are a number of factors that could lead to contribution amounts becoming unaffordable, we believe the primary risks are:

- Investment risk,
- Assumption change risk, and
- Contribution risk.

Other risks that we have not identified may also turn out to be important.

*Investment Risk* is the potential for investment returns to be different than expected. Lower investment returns than anticipated will increase the unfunded actuarial liability necessitating higher contributions in the future unless there are other gains that offset these investment losses. The potential volatility of future investment returns is determined by the Plan’s asset allocation and the affordability of the investment risk is determined by the amount of assets invested relative to the size of the plan sponsors or other contribution base.

*Assumption change risk* is the potential for the environment to change such that future appropriate valuation assumptions are different than the current assumptions. For example, declines in interest rates over the last three decades (which have recently reversed) resulted in higher investment returns for fixed income investments, but lower expected future returns necessitating either a change in investment policy, a reduction in discount rate, or some combination of the two. Assumption change risk is an extension of the other risks identified, but rather than capturing the risk as it is experienced, it captures the cost of recognizing a change in environment when the current assumption is no longer reasonable.

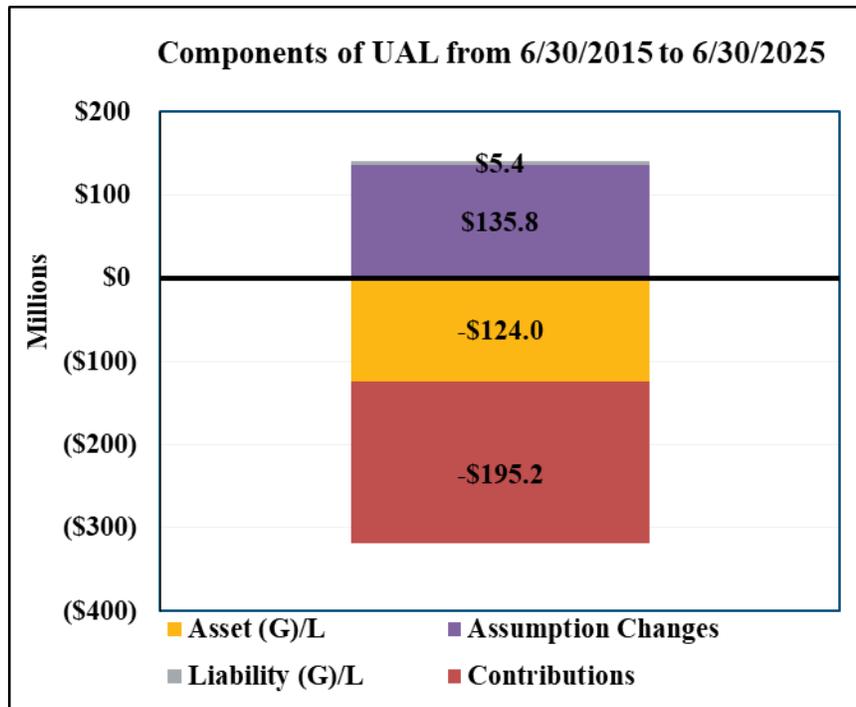
*Contribution risk* is the potential for actual future contributions to deviate from expected future contributions. There are different sources of contribution risk such as the sponsor failing to make contributions in accordance with the funding policy or the contribution requirement becoming such a financial strain on the sponsor as a result of material changes in the contribution base (e.g., covered employees, covered payroll) that affects the amount of contributions the Plan can collect.

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The chart below shows the components contributing to the Unfunded Actuarial Liability (UAL) from June 30, 2015 through June 30, 2025. Over the last 10 years, the UAL has decreased by approximately \$178.0 million. Asset gains (gold bar) of \$124.0 million, and contributions in excess of the “tread water” level (red bar) of \$195.2 million are the primary sources in the UAL decrease. Liability losses (gray bar) of \$5.4 million, and assumptions changes (purple bar) of \$135.8 million have increased the UAL since June 30, 2015.

Chart II-1



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**SECTION II – IDENTIFICATION AND ASSESSMENT OF RISKS**

Chart II-2 below details the annual sources of the UAL change (colored bars) for the Plan years ending June 30. The net UAL change for each year is represented by the blue diamonds.

**Chart II-2**

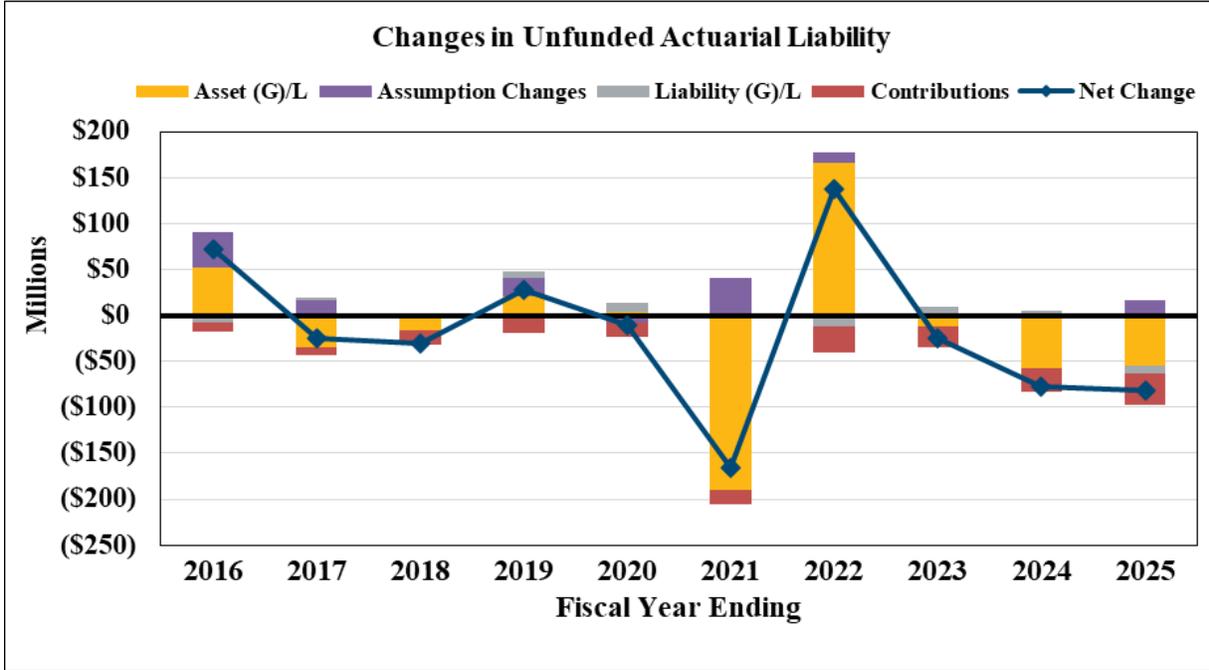


Table II-1 below summarizes the changes in the UAL for each year by source over the last 10 years.

**Table II-1**

<b>Unfunded Actuarial Liability (UAL) Change by Source</b>					
(in millions)					
FYE	Asset Experience	Liability Experience	Assumption Changes	Contributions	Total UAL Change
<b>2016</b>	\$52.4	(\$8.3)	\$38.1	(\$9.9)	\$72.3
<b>2017</b>	(34.5)	2.7	16.0	(9.4)	(25.2)
<b>2018</b>	(16.0)	1.2	0.0	(15.9)	(30.7)
<b>2019</b>	20.2	7.0	20.7	(19.5)	28.4
<b>2020</b>	3.3	9.7	(7.7)	(15.9)	(10.6)
<b>2021</b>	(189.4)	(1.0)	40.7	(15.4)	(165.1)
<b>2022</b>	165.2	(12.6)	11.9	(27.6)	136.9
<b>2023</b>	(12.0)	8.9	0.0	(22.3)	(25.4)
<b>2024</b>	(58.1)	5.7	0.0	(24.9)	(77.4)
<b>2025</b>	(55.1)	(7.8)	16.0	(34.4)	(81.3)
<b>Total</b>	<b>(\$124.0)</b>	<b>\$5.4</b>	<b>\$135.8</b>	<b>(\$195.2)</b>	<b>(\$178.0)</b>

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**SECTION II – IDENTIFICATION AND ASSESSMENT OF RISKS**

The average annual geometric investment return over the 10-year period is 8.1% and has resulted in investment gains in six of the last 10 years, and decreased the UAL in total over the period. The significant gain in 2021 was largely offset by a large loss in 2022. The gains and losses from 2022 to 2025 are still being phased-in to the contribution rate calculation under the direct rate smoothing amortization method but are fully recognized immediately in the UAL calculation.

Over the same time period, the assumed rate of return decreased from 7.75% to 6.75%. It is important to note that these changes simply reflect a downward revision of the estimate of future investment earnings and ultimately costs will be determined by actual investment earnings.

The impact of all assumption changes is represented by the purple bars in the earlier charts and also includes changes in mortality rates projected in the future which had an impact on the measurement of the UAL.

Each year, the UAL is expected to increase for benefits earned in the current year (the normal cost), administrative expenses, and interest on the UAL. This expected increase is referred to as the tread water level. The difference between actual contributions and the tread water level are shown by the red bars in the prior charts. If contributions are greater than the tread water level, the UAL is expected to decrease. Conversely, if contributions are less than the tread water level, the UAL is expected to increase. The amortization policy (as well as the contribution-timing lag) can impact whether or not the contributions exceed the tread water level. Contributions have been above the tread water level since 2015.

Effective with the June 30, 2019 valuation, changes were made to the amortization policy that reduced the current contribution level by extending the amortization schedule for the remaining 2013 UAL. However, even with these changes, contributions are still significantly above the tread water level. The single period equivalent amortization period – i.e., the length of time required to amortize the overall UAL as a level percentage of payroll based on the total current amortization payment – is approximately six years.

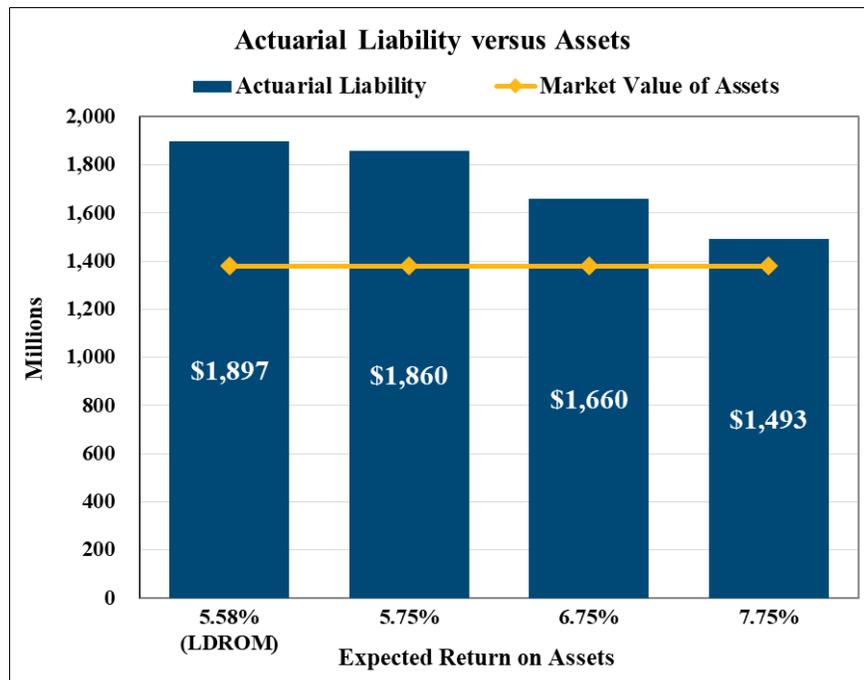
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SECTION II – IDENTIFICATION AND ASSESSMENT OF RISKS

Assessing Costs and Risks

Sensitivity to Investment Returns

The chart below compares the Market Value of Assets (line) to the Actuarial Liability (bars) discounted at the current expected rate of return (6.75%) and at discount rates 100 basis points above and below the expected rate of return. In addition, we have included an additional measurement, the Low Default Risk Obligation Measure (LDRM), which is the Actuarial Liability using a discount rate derived from low-default-risk fixed income securities that approximately match the benefit payments of the plan.



If investments return 6.75% annually, the Plan will need approximately \$1.7 billion in assets today to pay the benefits associated with service earned to date, compared to current assets of \$1.4 billion. If investment returns are only 5.75%, the Plan would need approximately \$1.9 billion in assets today, and if investment returns are 7.75%, the Plan would need approximately \$1.5 billion in assets.

MercedCERA invests in a diversified portfolio to achieve the best possible returns at an acceptable level of risk. MercedCERA's average return over the last 20 years is 6.7%. Please refer to Table III-4 (page 27) for the asset returns by year since 2000.

The lowest risk portfolio for a pension plan would be composed entirely of low-default-risk fixed income securities whose cash flows approximately match the benefit cash flows of the plan. However, such a portfolio would have a lower expected rate of return (5.58% as of June 30, 2025) than the diversified portfolio (6.75%). The Low-Default-Risk Obligation Measure (LDRM) represents what the Actuarial Liability would be if MercedCERA's assets were

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invested in such a portfolio. As of June 30, 2025, the LDROM is \$1.90 billion<sup>1</sup> compared to the Actuarial Liability of \$1.66 billion for MercedCERA. The \$0.24 billion difference can be viewed as the expected savings from taking on the investment risk of the diversified portfolio. Alternatively, it can be viewed as the potential cost of minimizing the investment risk.

If MercedCERA were to invest in the LDROM portfolio and not a diversified portfolio, the funded status would be lower and expected contribution requirements would increase. The security of MercedCERA's pension benefits relies on the current assets, future investment earnings, and the ability and willingness of employers to make future contributions. If MercedCERA were to invest in the LDROM portfolio, it would not change current assets, but it could potentially reduce future investment earnings, potentially changing the level of reliance on future employer contributions. However, investing in an LDROM portfolio would generate more predictable future investment earnings and future contributions.

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<sup>1</sup> Based on a discount rate equal to the June 30, 2025 FTSE Pension Liability Index of 5.58%, and all other assumptions and methods as used to calculate the Actuarial Liability.

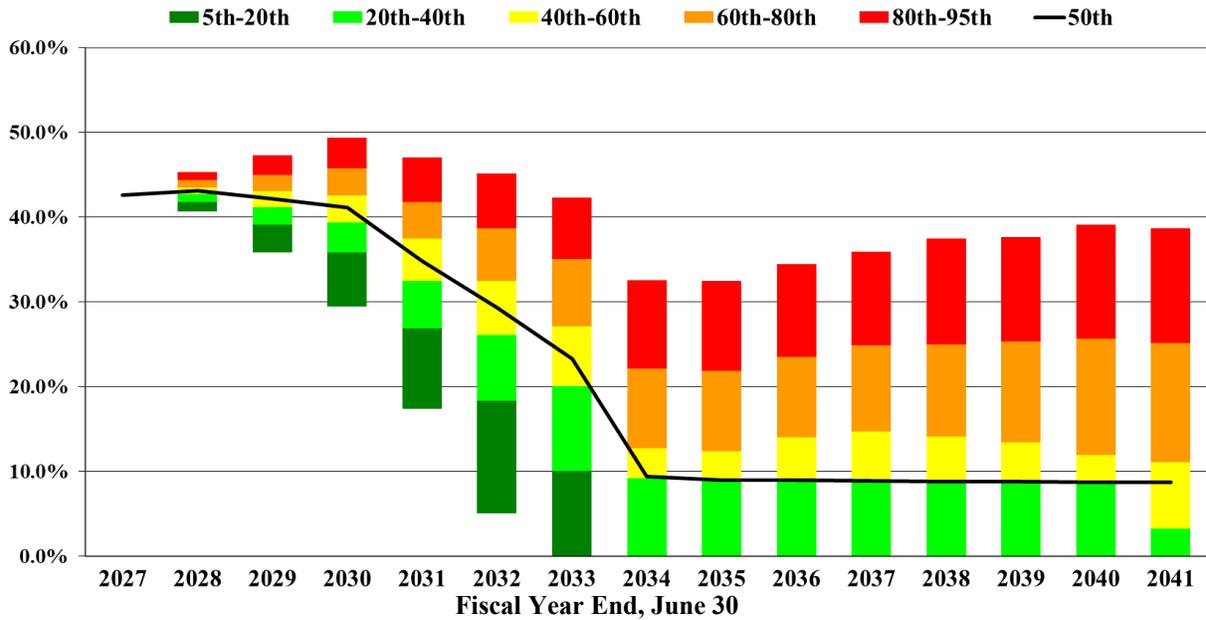
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SECTION II – IDENTIFICATION AND ASSESSMENT OF RISKS

Sensitivity to Investment Returns - Stochastic Projections

Stochastic projections serve to show the range of probable outcomes of various measurements. The following graphs show the projected range of the employer contribution rate and the funded ratio on a Market Value of Assets basis. The range in both scenarios is driven by the volatility of investment returns, which reflect a 12.5% standard deviation of annual returns, as indicated by Meketa's 2025 capital market assumptions.

Stochastic Projection of Employer Contribution Rates as a Percent of Pay

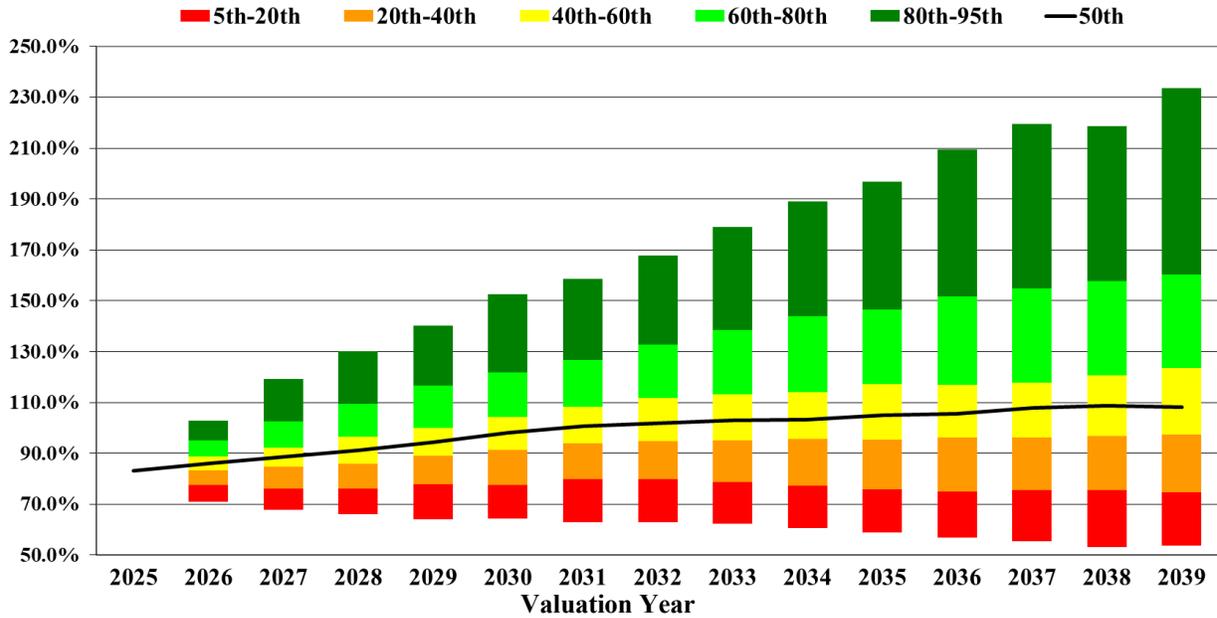


The stochastic projection of employer contributions as a percent of pay shows the probable range of future contribution rates. The baseline contribution rate (black line), which is based on the median of the simulations using an average return of 6.75%, aligns closely with the projections discussed in subsection D of the Executive Summary of this report. In the most pessimistic scenario shown, the 95<sup>th</sup> percentile, the projected employer contribution rate is about 50% of pay for FYE 2030. Conversely, the most optimistic scenario shown, the 5<sup>th</sup> percentile, the projected employer contribution rate declines to 0% for FYE 2033. We note that these projections allow the employer contribution to drop below the normal cost only if the Plan becomes extremely over-funded (above 120%), as required under PEPRA.

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**Stochastic Projection of Funded Ratio on a Market Value of Assets Basis**



The graph above shows the projection of the funded ratio based on the Market Value of Assets. While the baseline-funded ratio (black line) is projected to be approximately 108% at the end of the 15-year period shown here, there is a wide range of potential outcomes. Good investment returns have the likelihood of bringing the funded ratio well over 100%. Due to the current funding policy of the Plan, even in scenarios with unfavorable investment returns, the Plan is projected to remain over 50% funded as long as the actuarially determined contributions continue to be made.

**Contribution Risk**

While investment returns are typically the dominant factor in volatility, contribution rates can also be sensitive to future salary increases and the hiring of new members. When member payroll growth stagnates or even declines, the dollar level of contributions made to the Plan also stagnate or decline because contributions are based on payroll levels, though this will generally only present a funding issue if there is an extended pattern of payroll reductions.

There is also a risk of the contribution rate increasing even higher when payroll decreases because the Plan’s funding policy amortizes the UAL as a level percentage of pay. This means that the UAL payments increase at the assumed payroll growth rate of 3.00%, so that the payment is expected to remain constant as a percentage of payroll. If payroll growth is less than the expected 3.00% or there is a decline in payroll, the UAL payments are spread over a smaller payroll base and the contribution rate as a percentage of pay increases, potentially making the Plan less affordable for a sponsor with a declining payroll and/or revenue base.

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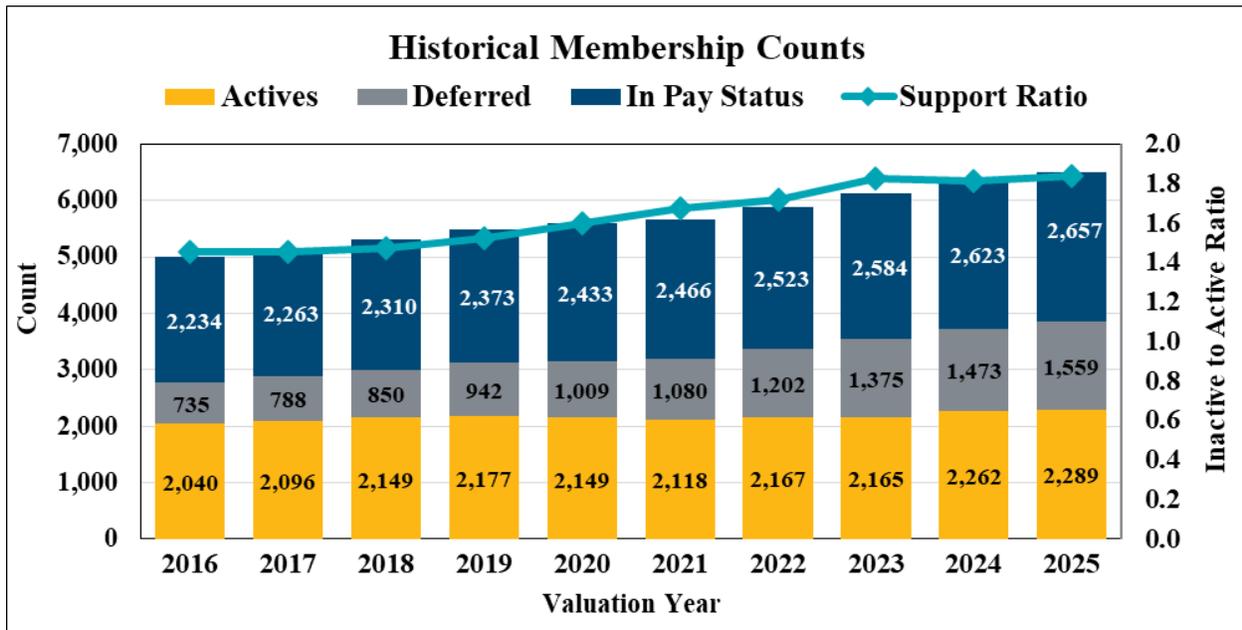
**Plan Maturity Measures**

The future financial condition of a mature pension plan is more sensitive to each of the risks identified above than a less mature plan. It is important to understand the maturity of the Plan and how the maturity has changed over time.

Plan maturity can be measured in a variety of ways, but they all get at one basic dynamic – the larger the plan assets and/or liabilities are compared to the contribution or revenue base that supports it; the more sensitive the plan will be to risk. The measures below have been selected as the most important in understanding the primary risks identified for the Plan.

**Inactives per Active (Support Ratio)**

One simple measure of plan maturity is the ratio of the number of inactive members (those receiving benefits or those entitled to a deferred benefit) to the number of active members. The Support Ratio is expected to increase gradually as a plan matures. The chart below shows the growth in the Support Ratio from 2016 to 2025 as the number of inactives increased relative to the number of actives.



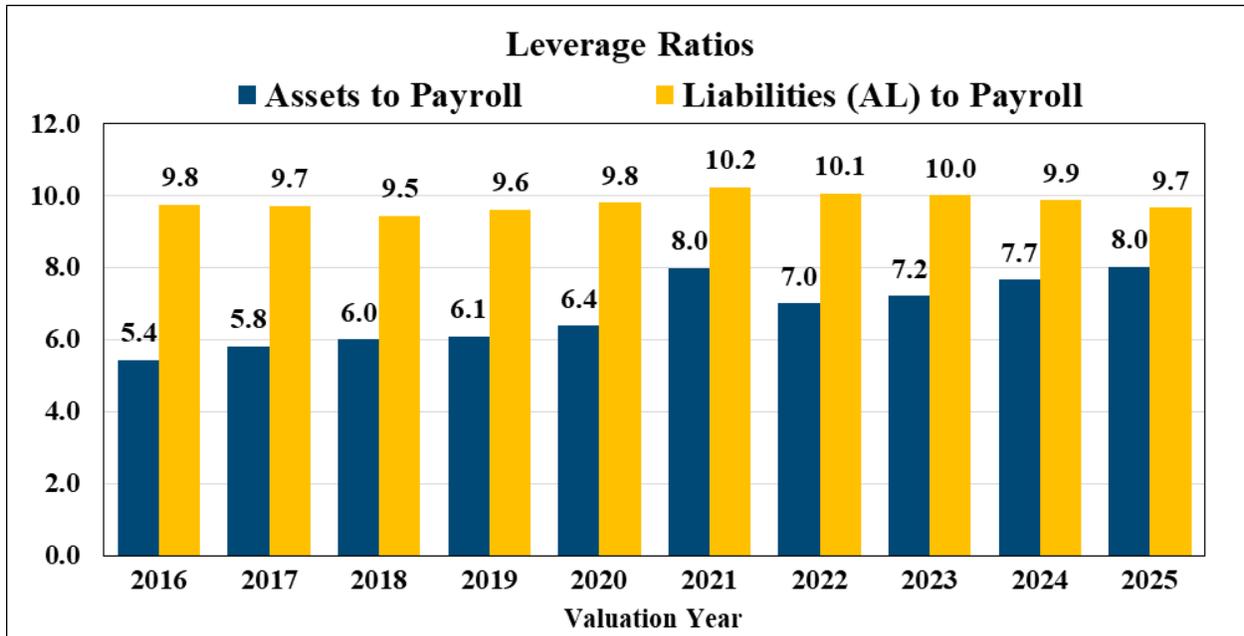
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Leverage Ratios

Leverage or volatility ratios measure the size of the plan compared to its revenue base more directly. The asset leverage ratio is simply the Market Value of Assets to active member payroll and indicates the sensitivity of the Plan to investment returns. The liability leverage ratio is the Plan's Actuarial Liability to active member payroll and indicates the sensitivity of the Plan to assumption changes or demographic experience.

The following charts show the historical leverage ratios of the Plan. The assets to payroll leverage ratio has gradually increased, while the liabilities to payroll leverage ratio has remained relatively stable since 2016. However, the assets to payroll ratio still lags behind the liabilities to payroll ratio due to the funded status of the Plan. We note that the asset leverage ratio increased significantly in 2021, from 6.4 to 8.0, due to investment returns, and conversely decreased in 2022 to 7.0 due to investment losses. The asset leverage ratio also increased in 2025, from 7.7 to 8.0, due to investment returns. We expect these ratios to converge over time as the Plan becomes better funded if assumptions are met. Therefore, the Plan is expected to become more sensitive to market variation in the future than it is today.



To appreciate the impact of the ratio of assets to payroll on contributions rates, consider the situation for a new plan with almost no assets. Even if the assets suffer a bad year of investment returns, the impact on the contribution rate is nil, because the assets are so small.

On the other hand, suppose MercedCERA's assets lose 10% of their value in a year. Because they were assumed to earn 6.75%, there is an actuarial loss of 16.75% of plan assets. Based on the current ratio of assets to payroll (800%), that means the loss in assets is about 134.0% of active payroll (800% of the 16.75% loss). There is only one source of funding to make up for this loss: contributions. Consequently, barring future offsetting investment gains, the employers must make up the asset loss in future contributions. In this example of a one-year loss of 10%, this

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shortfall will eventually require an additional amortization payment of approximately 10.3% of payroll once fully phased-in, if amortized over the Plan's 24-year schedule for gains and losses.

**More Detailed Assessment**

While a more detailed assessment is always valuable to enhance the understanding of the risks identified above, we believe the scenarios illustrated above cover the primary risks facing the Plan at this time. We would be happy to provide the Board with a more in-depth analysis at their request.

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**SECTION III – ASSETS**

Pension Plan assets play a key role in the financial operation of the Plan and in the decisions the Board may make with respect to future deployment of those assets. The level of assets, the allocation of assets among asset classes, and the methodology used to measure assets will likely impact benefit levels, employer contributions, and the ultimate security of participants' benefits.

In this section, we present detailed information on Plan assets including:

- **Disclosure** of Plan assets as of June 30, 2024 and June 30, 2025,
- Statement of the **changes** in market values during the year,
- Comparison of the actual and expected investment performance during the year, and
- Historical **investment performance**.

As of June 30, 2014, an Actuarial Value of Assets distinct from the Market Value of Assets is no longer used in the calculations of the Unfunded Actuarial Liability or funded status due to the implementation of the funding policy adopted by the Board on January 22, 2015. This policy change was made in conjunction with 24-year (22-year for assumption changes) layered amortization of any unexpected changes in the Unfunded Actuarial Liability starting with the June 30, 2014 valuation. A calculation of the Actuarial Value of Assets is no longer shown in the valuation report, except to show the history of returns on the actuarial assets in Table III-4.

Also in prior valuations, a distinction was made between actuarial assets and valuation assets, with the latter reduced for non-valuation reserves, such as the Contingency Reserve. Because there are no such reserves as of June 30, 2024 and June 30, 2025, the two asset values are equal, and throughout this report we have used the term Market Value of Assets exclusively, except to show the history of returns on the valuation assets in Table III-4.

**Disclosure**

The market value represents “snapshot” or “cash out” values that provide the principal basis for measuring financial performance from one year to the next.

Table III-1 on the next page discloses and compares each asset value as of June 30, 2024 and June 30, 2025.

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**SECTION III – ASSETS**

<b>Table III-1 Statement of Assets at Market Value</b>		
<b>Assets</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
<b>Cash and Short-Term Investments:</b>		
Cash invested with Merced County Treasurer	\$ 576,969	\$ 0
Cash invested with Northern Trust	21,311,398	16,252,482
Other cash and cash equivalents with Northern Trust	327,941	359,521
Total Cash and Short-Term Investments	<u>\$ 22,216,308</u>	<u>\$ 16,612,003</u>
<b>Receivables:</b>		
Bond interest	\$ 2,425	\$ 310,411
Dividends	0	0
Contributions	3,896,283	3,332,616
Distributions	227,438	61,067
Securities sold	0	0
Other	542,304	0
Total Receivables	<u>\$ 4,668,450</u>	<u>\$ 3,704,094</u>
<b>Investments at Market Value:</b>		
U.S. government and agency obligations	\$ 0	\$ 0
Domestic fixed income	221,407,117	155,395,445
Common stocks (domestic)	29,844,072	29,765,848
Common stocks (index funds)	279,658,555	256,695,891
Common stocks (international)	265,716,017	228,678,529
Common stocks (international index funds)	0	0
Real estate	77,466,701	92,333,506
Alternative investments	470,294,016	462,163,552
Total Investments at Market Value	<u>\$ 1,344,386,478</u>	<u>\$ 1,225,032,771</u>
<b>Other Assets:</b>		
Prepaid expense	\$ 112,795	\$ 96,790
Capital assets, net of accumulated depreciation	11,346,764	8,516,580
<b>Total Assets</b>	<u>1,382,730,795</u>	<u>1,253,962,238</u>
<b>Liabilities</b>		
Accounts payable	\$ 3,605,810	\$ 101,444
Securities purchased	337,769	22,719
Unclaimed contributions	85,403	85,403
Capital Calls	0	0
<b>Total Liabilities</b>	<u>4,028,982</u>	<u>209,566</u>
<b>Market Value of Assets</b>	<u>\$ 1,378,701,813</u>	<u>\$ 1,253,752,672</u>

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**SECTION III – ASSETS**

**Changes in Market Value**

The components of asset change are:

- Contributions (employer and employee)
- Benefit payments
- Expenses (investment and administrative)
- Investment income (realized and unrealized)

Table III-2 shows the components of change in the Market Value of Assets during 2024 and 2025.

<b>Table III-2 Changes in Market Values</b>		
	<b>Fiscal Year ending <u>June 30, 2025</u></b>	<b>Fiscal Year ending <u>June 30, 2024</u></b>
<b>Additions</b>		
Contributions:		
Employer	\$ 74,195,843	\$ 69,632,270
Plan members	13,943,864	13,403,198
Total Contributions	<u>\$ 88,139,707</u>	<u>\$ 83,035,468</u>
Investment Income/(Loss) from Investment Activities:		
Net appreciation/(depreciation) in fair value of investments	\$ 127,130,274	\$ 120,407,326
Investment income	20,110,745	16,238,236
Other revenue	688,206	502
Less investment expenses	(8,678,814)	(2,398,063)
Total Investment Income/(Loss) from Investment Activities	<u>\$ 139,250,411</u>	<u>\$ 134,248,001</u>
	<b>Total Additions</b>	<b>217,283,469</b>
<b>Deductions</b>		
Benefits paid	\$ 97,575,371	\$ 94,081,287
Refunds of contributions	1,603,026	1,692,862
Administrative expense	3,181,170	2,753,296
Actuarial expense	81,410	84,737
	<b>Total Deductions</b>	<b>98,612,182</b>
Net Increase/(Decrease)	\$ 124,949,141	\$ 118,671,287
Market Value of Assets, Beginning of Year	<u>1,253,752,672</u>	<u>1,135,081,385</u>
<b>Market Value of Assets, End of Year</b>	<b>\$ 1,378,701,813</b>	<b>\$ 1,253,752,672</b>

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION III – ASSETS**

**Investment Performance**

The following table shows the development of the asset gain/(loss) and investment return.

<b>Table III-3 Development of Asset Return</b>	
Market Value of Assets, Beginning of Year	\$ 1,253,752,672
Contributions	88,139,707
Benefit Paid and Refunds of Contributions	(99,178,397)
Administrative Expense	(3,262,580)
Expected Investment Earnings (6.75%)	<u>84,153,519</u>
Expected Market Value of Assets, End of Year	\$ 1,323,604,921
Investment Gain / (Loss)	<u>55,096,892</u>
Market Value of Assets, End of Year	\$1,378,701,813
Actual Investment Earnings	\$ 139,250,411
Return	11.17%

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION III – ASSETS**

The table below shows the historical annual asset returns on a market value and actuarial value basis, as well as the increase in the Consumer Price Index (CPI) since 2000. Beginning June 30, 2014, the Actuarial Value of Assets is equal to the Market Value of Assets, so the net returns are the same for FY 2015 onwards.

<b>Table III-4 Net Return on Assets vs. Increase in Consumer Price Index</b>			
<b>Year Ended June 30</b>	<b>Net Return at Market Value</b>	<b>Net Return at Actuarial Value</b>	<b>Increase in Consumer Price Index<sup>1</sup></b>
2000	9.1%	11.5%	3.7%
2001	-3.6%	8.6%	3.2%
2002	-5.6%	4.9%	1.1%
2003	4.6%	3.3%	2.1%
2004	12.6%	3.3%	3.3%
2005	8.7%	2.5%	2.5%
2006	7.6%	4.7%	4.3%
2007	16.3%	8.9%	2.7%
2008	-6.7%	1.2%	5.0%
2009	-22.1%	-4.9%	-1.4%
2010	12.7%	7.0%	1.1%
2011	22.6%	2.6%	3.6%
2012	-1.6%	0.6%	1.7%
2013	11.8%	3.8%	1.8%
2014	17.1%	11.8%	2.1%
2015	2.9%	2.9%	0.1%
2016	-0.1%	-0.1%	1.0%
2017	12.4%	12.4%	1.6%
2018	9.4%	9.4%	2.9%
2019	4.8%	4.8%	1.6%
2020	6.6%	6.6%	0.6%
2021	27.7%	27.7%	5.4%
2022	-7.5%	-7.5%	9.1%
2023	7.9%	7.9%	3.0%
2024	11.9%	11.9%	3.0%
2025	11.2%	11.2%	2.7%
<b>20-Year Compound Average</b>	<b>6.7%</b>	<b>5.9%</b>	<b>2.6%</b>
<b>15-Year Compound Average</b>	<b>8.8%</b>	<b>6.8%</b>	<b>2.7%</b>
<b>10-Year Compound Average</b>	<b>8.1%</b>	<b>8.1%</b>	<b>3.1%</b>
<b>5-Year Compound Average</b>	<b>9.7%</b>	<b>9.7%</b>	<b>4.6%</b>

<sup>1</sup> Based on All Urban Consumers - U.S. City Average, June indices.

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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SECTION IV – LIABILITIES

In this section, we present detailed information on Plan liabilities including:

- **Disclosure** of Plan liabilities at June 30, 2024 and June 30, 2025, and
- Plan liabilities by **tier** as of June 30, 2025.

**Disclosure**

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the people ultimately using the figures and the purpose for which they are using them. Note that these liabilities are not applicable for settlement purposes, including the purchase of annuities and the payment of lump sums.

- **Present Value of Future Benefits:** Used for measuring all future Plan obligations, represents the amount of money needed today to fully fund all benefits of the Plan both earned as of the valuation date and those to be earned in the future by current plan participants, under the current Plan provisions.
- **Actuarial Liability:** Used for funding calculations, this liability is calculated taking the Present Value of Future Benefits and subtracting the present value of future Member Contributions and future employer normal costs under an acceptable actuarial funding method. The method used for this Plan is called the **Entry Age Normal** (EAN) funding method.
- **Unfunded Actuarial Liability:** The excess of the Actuarial Liability over the Market Value of Assets.

Table IV-1 on the following page discloses each of these liabilities for the current and prior valuations.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION IV – LIABILITIES**

<b>Table IV-1</b>		
<b>Present Value of Future Benefits and Actuarial Liability</b>		
(in thousands)		
<b>Item</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
<b>Present Value of Future Benefits</b>		
Actives	\$ 643,151	\$ 630,207
Deferred Members	93,427	85,012
Retirees	996,955	975,525
Disabled	70,834	69,232
Beneficiaries	79,326	75,533
<b>Total MercedCERA</b>	<b>\$ 1,883,692</b>	<b>\$ 1,835,509</b>
<b>Actuarial Liability</b>		
Total Present Value of Future Benefits	\$ 1,883,692	\$ 1,835,509
Present Value of Future Normal Costs		
Employer Portion	114,139	113,172
Employee Portion	109,998	106,461
<b>Actuarial Liability</b>	<b>\$ 1,659,555</b>	<b>\$ 1,615,876</b>
Market Value of Assets	\$ 1,378,702	\$ 1,253,753
<b>Unfunded Actuarial Liability/(Surplus)</b>	<b>\$ 280,853</b>	<b>\$ 362,123</b>

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION IV – LIABILITIES**

Table IV-2 discloses the liabilities of the Plan as of June 30, 2025, split by tier.

Table IV-2 Liabilities by Group as of June 30, 2025 (in thousands)												
Present Value of Future Benefits			General			Safety					All	
	Tier 1	Tier 2	Tier 3	Tier 4	Total	Tier 1	Tier 2	Tier 3	Tier 4	Total	Total	
Actives	\$ 20,237	\$ 262,659	\$ 12,008	\$ 191,534	\$ 486,438	\$ 11,067	\$ 84,067	\$ 2,290	\$ 59,288	\$ 156,712	\$ 643,151	
Deferred Members	5,600	57,640	3,056	9,952	76,248	158	14,708	187	2,126	17,179	93,427	
Retirees	609,995	204,877	1,026	4,862	820,759	142,934	32,817	0	444	176,196	996,955	
Disabled	13,715	8,619	222	232	22,788	32,561	14,804	0	680	48,046	70,834	
Beneficiaries	46,821	6,430	248	408	53,907	23,492	1,927	0	0	25,419	79,326	
<b>Total</b>	<b>\$ 696,367</b>	<b>\$ 540,225</b>	<b>\$ 16,560</b>	<b>\$ 206,988</b>	<b>\$ 1,460,140</b>	<b>\$ 210,214</b>	<b>\$ 148,323</b>	<b>\$ 2,477</b>	<b>\$ 62,538</b>	<b>\$ 423,552</b>	<b>\$ 1,883,692</b>	
<b>Actuarial Liability</b>												
Actives	\$ 18,675	\$ 219,984	\$ 6,550	\$ 73,006	\$ 318,215	\$ 10,424	\$ 69,722	\$ 1,370	\$ 19,283	\$ 100,798	\$ 419,013	
Deferred Members	5,600	57,640	3,056	9,952	76,248	158	14,708	187	2,126	17,179	93,427	
Retirees	609,995	204,877	1,026	4,862	820,759	142,934	32,817	0	444	176,196	996,955	
Disabled	13,715	8,619	222	232	22,788	32,561	14,804	0	680	48,046	70,834	
Beneficiaries	46,821	6,430	248	408	53,907	23,492	1,927	0	0	25,419	79,326	
<b>Total</b>	<b>\$ 694,805</b>	<b>\$ 497,549</b>	<b>\$ 11,102</b>	<b>\$ 88,460</b>	<b>\$ 1,291,917</b>	<b>\$ 209,570</b>	<b>\$ 133,977</b>	<b>\$ 1,557</b>	<b>\$ 22,534</b>	<b>\$ 367,638</b>	<b>\$ 1,659,555</b>	

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION V – CONTRIBUTIONS**

In the process of evaluating the financial condition of any pension plan, we analyze the assets and liabilities to determine what level (if any) of contributions is needed to properly maintain the funding status of the Plan. Typically, the actuarial process will use a funding technique that will result in a pattern of contributions that are both stable and predictable.

For this Plan, the actuarial funding method used to determine the normal cost and the Unfunded Actuarial Liability is the **Entry Age Normal (EAN) Cost Method**. There are three primary components to the total contribution: the **normal cost rate** (employee and employer), the **Unfunded Actuarial Liability rate (UAL rate)**, and the **administrative expense rate**.

The normal cost rate is determined in the following steps. First, an individual normal cost rate is determined by taking the value, as of entry age into the Plan, of each member's projected future benefits. This value is then divided by the value, also at entry age, of the member's expected future salary producing a normal cost rate that should remain relatively constant over a member's career.

The total normal cost is computed by adding the expected dollar amount of each active member's normal cost for the current year – known as the Individual Entry Age Method. The total normal cost is adjusted with interest to the middle of the year, to reflect the fact that the normal cost contributions are paid throughout the year as member payroll payments are made. Finally, the total normal cost rate, calculated by dividing the total normal cost by expected payroll of the closed group, is reduced by the member contribution rate to produce the employer normal cost rate.

Starting with the June 30, 2014 valuation, the Unfunded Actuarial Liability (UAL) is the difference between the EAN Actuarial Liability and the Market Value of Assets. The Unfunded Actuarial Liability payment was determined as the amount needed to fund the outstanding Unfunded Actuarial Liability as of June 30, 2013 over a closed period of 16 years, as a level percentage of pay. Effective with the June 30, 2019 valuation, 15% of the outstanding balance as of June 30, 2019 of the June 30, 2013 UAL amortization base is carved out as a separate base and amortized over a closed 14-year period (with eight years remaining with this valuation) as a level percentage of payroll. The remaining 85% is amortized over a closed 14-year period (with eight years remaining with this valuation), with 10 years of level payments as a percentage of payroll, and a four-year ramp down at the end of the period. Any subsequent unexpected change in the Unfunded Actuarial Liability after June 30, 2013 is amortized over 24 years (22 years for assumption changes) that includes a five-year phase-in/four-year phase-out (three-year phase-in/two-year phase-out for assumption changes) of the payments/credits for each annual layer.

The administrative expenses are assumed to be \$3.2 million for the current Plan year, and are expected to increase by the inflation rate in future years. The administrative expenses are split between the employees and employers based on each group's share of the normal cost and UAL rates.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION V – CONTRIBUTIONS**

The table below and on the next page present the employer contribution rates for the Plan for this valuation.

<b>Table V-1 Development of the Net Employer Contribution Rate as of June 30, 2025 for FYE 2027</b>		
	<b>June 30, 2025</b>	<b>June 30, 2024</b>
1. Total Normal Cost Rate	17.04%	17.09%
2. Member Contribution Rate <sup>1</sup>	<u>8.28%</u>	<u>8.18%</u>
3. Employer Normal Cost Rate (1-2)	8.76%	8.91%
4. UAL Amortization Rate	32.28%	34.41%
5. Administrative Expense Rate	1.55%	1.51%
6. Net Employer Contribution Rate (3+4+5)	42.59%	44.83%

<sup>1</sup> Not including member's share of administrative expenses.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION V – CONTRIBUTIONS**

**Table V-2  
FYE 2027 Net Employer Contribution Rate by Group**

	General					Safety					All
	Tier 1	Tier 2	Tier 3	Tier 4	Total	Tier 1	Tier 2	Tier 3	Tier 4	Total	Total
<b>County</b>											
1. Total Normal Cost Rate	27.39%	19.07%	16.20%	14.05%	15.66%	35.68%	25.13%	24.10%	22.01%	23.35%	17.04%
2. Member Contribution Rate <sup>1</sup>	<u>12.81%</u>	<u>9.59%</u>	<u>6.97%</u>	<u>7.03%</u>	<u>7.80%</u>	<u>5.11%</u>	<u>9.83%</u>	<u>9.69%</u>	<u>11.01%</u>	<u>10.48%</u>	<u>8.28%</u>
3. Employer Normal Cost Rate (1-2)	14.58%	9.48%	9.23%	7.02%	7.86%	30.57%	15.30%	14.41%	11.00%	12.87%	8.76%
4. UAL Amortization Rate	29.95%	29.95%	29.95%	29.95%	29.95%	42.82%	42.82%	42.82%	42.82%	42.82%	32.28%
5. Administrative Expense Rate	<u>1.68%</u>	<u>1.49%</u>	<u>1.48%</u>	<u>1.40%</u>	<u>1.43%</u>	<u>2.77%</u>	<u>2.20%</u>	<u>2.16%</u>	<u>2.03%</u>	<u>2.11%</u>	<u>1.55%</u>
<b>6. Net Employer Contribution Rate (3+4+5)</b>	<b>46.21%</b>	<b>40.92%</b>	<b>40.66%</b>	<b>38.37%</b>	<b>39.24%</b>	<b>76.16%</b>	<b>60.32%</b>	<b>59.39%</b>	<b>55.85%</b>	<b>57.80%</b>	<b>42.59%</b>

<sup>1</sup> Not including member's share of administrative expenses.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION V – CONTRIBUTIONS**

The assets of the Plan are allocated between the General and Safety groups based on their share of the Actuarial Liability for non-active members. If the assets of the Plan exceed the Actuarial Liabilities of the non-active members, the remaining assets are allocated between the General and Safety groups based on their share of the Actuarial Liabilities for active members. The UAL Amortization payment is allocated to the General and Safety groups based on their share of the UAL.

<b>Table V-3 Allocation of the June 30, 2025 UAL and Development of UAL Amortization Rates for FYE 2027</b>			
	<b>General</b>	<b>Safety</b>	<b>Total</b>
1. Market Value of Assets			\$ 1,378,701,813
2. Inactive Actuarial Liability	973,702,008	266,839,666	1,240,541,674
3. Allocation of Assets for Inactives	78.49%	21.51%	100.00%
4. Total Assets for Inactives	973,702,008	266,839,666	<u>1,240,541,674</u>
5. Net Assets for Distribution (1 - 4 not less than zero)			\$ 138,160,139
6. Active Actuarial Liability	\$ 318,214,823	\$ 100,798,057	\$ 419,012,880
7. Allocation of Remaining Assets	75.94%	24.06%	100.00%
8. Total Assets for Actives (7 x 5)	104,924,231	33,235,908	138,160,139
9. Market Value of Assets (4 + 8)	\$ 1,078,626,239	\$ 300,075,574	\$ 1,378,701,813
10. Total Actuarial Liability	1,291,916,831	367,637,723	1,659,554,554
<b>11. Unfunded Actuarial Liability (UAL) (10 - 9)</b>	<b>\$ 213,290,592</b>	<b>\$ 67,562,149</b>	<b>\$ 280,852,741</b>
12. UAL Amortization (see table V-4)	42,054,839	13,321,334	55,376,173
13. Total Payroll	140,432,665	31,110,808	171,543,473
<b>14. UAL Amortization Rate (12 divided by 13)</b>	<b>29.95%</b>	<b>42.82%</b>	<b>32.28%</b>

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION V – CONTRIBUTIONS**

Table V-4 presents the calculation of the UAL payments for the Plan.

Table V-4 Development of Amortization Payment For the June 30, 2025 Actuarial Valuation									
Type of Base	Date Established	Initial Amount	Initial Amortization Years	June 30, 2025 Outstanding Balance	Remaining Amortization Years	Current Phase In/Out Percentage	Amortization Amount	% of Pay	% of Pay After Phase-In
1. Initial UAL - extended	6/30/2019	\$ 367,575,087	14	\$ 240,657,037	8	100%	\$ 45,475,347	26.51%	26.51%
2. Initial UAL - carve out	6/30/2019	64,866,192	14	48,618,404	8	100%	7,092,430	4.13%	4.13%
3. (Gain)/Loss Base	6/30/2014	(71,384,203)	24	(68,037,256)	13	100%	(7,613,289)	-4.44%	-4.44%
4. (Gain)/Loss Base	6/30/2015	34,000,650	24	33,616,569	14	100%	3,505,166	2.04%	2.04%
5. (Gain)/Loss Base	6/30/2016	47,466,429	24	48,322,160	15	100%	4,727,483	2.76%	2.76%
6. (Gain)/Loss Assumption	6/30/2016	38,112,827	22	35,088,996	13	100%	3,652,866	2.13%	2.13%
7. (Gain)/Loss Base	6/30/2017	(29,098,191)	24	(30,446,646)	16	100%	(2,811,237)	-1.64%	-1.64%
8. (Gain)/Loss Assumption	6/30/2017	15,960,129	22	15,196,341	14	100%	1,484,553	0.87%	0.87%
9. (Gain)/Loss Base	6/30/2018	(14,219,151)	24	(15,207,280)	17	100%	(1,331,898)	-0.78%	-0.78%
10. (Gain)/Loss Base	6/30/2019	28,753,231	24	31,277,818	18	100%	2,609,850	1.52%	1.52%
11. (Gain)/Loss Assumption	6/30/2019	20,714,918	22	20,719,586	16	100%	1,812,500	1.06%	1.06%
12. (Gain)/Loss Base	6/30/2020	12,189,143	24	13,457,861	19	100%	1,073,932	0.63%	0.63%
13. (Gain)/Loss Assumption	6/30/2020	(7,652,716)	22	(7,800,485)	17	100%	(650,160)	-0.38%	-0.38%
14. (Gain)/Loss Base	6/30/2021	(187,358,380)	24	(209,188,575)	20	100%	(16,018,672)	-9.34%	-9.34%
15. (Gain)/Loss Assumption	6/30/2021	40,723,349	22	42,121,834	18	100%	3,357,877	1.96%	1.96%
16. (Gain)/Loss Base	6/30/2022	154,923,054	24	172,202,505	21	80%	10,300,277	6.00%	7.51%
17. (Gain)/Loss Assumption	6/30/2022	11,871,588	22	12,441,012	19	100%	951,774	0.55%	0.55%
18. (Gain)/Loss Base	6/30/2023	(2,264,333)	24	(2,466,195)	22	60%	(109,727)	-0.06%	-0.11%
19. (Gain)/Loss Base	6/30/2024	(49,590,216)	24	(52,137,002)	23	40%	(1,556,456)	-0.91%	-2.27%
20. (Gain)/Loss Base	6/30/2025	(63,603,949)	24	(63,603,949)	24	20%	(969,441)	-0.57%	-2.83%
21. (Gain)/Loss Assumption	6/30/2025	16,020,005	22	<u>16,020,005</u>	22	33%	<u>392,996</u>	<u>0.23%</u>	<u>0.69%</u>
<b>Total</b>				\$ 280,852,741			\$ 55,376,173	32.28%	30.58%

The single period equivalent amortization period – i.e., the length of time required to amortize the overall UAL as a level percentage of payroll based on the total current amortization payment – is approximately six years.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION VI – ANNUAL COMPREHENSIVE FINANCIAL  
REPORTING INFORMATION**

The Governmental Accounting Standards Board (GASB) adopted Statement Nos. 67 and 68, replacing GASB Statement Nos. 25 and 27. GASB 67 is effective for periods beginning after June 15, 2013 (first effective for the fiscal year ending June 30, 2014 for the Plan) and GASB 68 is effective for fiscal years beginning after June 15, 2014 (first effective for the fiscal year ending June 30, 2015 for the Employer). The disclosures needed to satisfy the GASB requirements can be found in the MercedCERA GASB 67/68 Report as of June 30, 2025.

In accordance with Governmental Finance Officers Association (GFOA) and their recommended checklist for Annual Comprehensive Financial Reports (ACFRs), we continue to prepare the following disclosures:

*Analysis of Financial Experience*

This schedule shows the history of gains or losses arising from investment and liability sources, as well as non-recurring items.

*Schedule of Funded Liabilities by Type*

The schedule of funded liabilities by type (formerly referred to as the solvency test) shows the portion of Actuarial Liabilities for active member contributions, inactive members, and the employer financed portion of the active members that are covered by the Actuarial Value of Assets.

*Actuarial Balance Sheet*

The actuarial balance sheet shows the components of the Actuarial Liabilities of the Plan and the actuarial assets that are intended to satisfy those liabilities.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION VI – ANNUAL COMPREHENSIVE FINANCIAL REPORTING INFORMATION**

**Table VI-1  
Analysis of Financial Experience  
Gain (or Loss) in Actuarial Liability During Years Ended June 30  
Resulting from Differences Between Assumed Experience  
and Actual Experience  
(in thousands)**

Type of Activity	Gain (or Loss) for Year Ending June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Investment Income and Expenses	\$ 55,097	\$ 58,147	\$ 11,992	\$ (165,247)	\$ 189,425	\$ (3,288)	\$ (20,208)	\$ 15,963	\$ 34,498	\$ (52,420)
Combined Liability Experience	<u>7,814</u>	<u>(5,664)</u>	<u>(8,913)</u>	<u>12,615</u>	<u>999</u>	<u>(9,654)</u>	<u>(7,038)</u>	<u>(1,158)</u>	<u>(2,720)</u>	<u>8,327</u>
Gain (or Loss) During Year from Financial Experience	\$ 62,911	\$ 52,483	\$ 3,079	\$ (152,632)	\$ 190,424	\$ (12,942)	\$ (27,246)	\$ 14,805	\$ 31,778	\$ (44,093)
Non-Recurring Gain (or Loss) Items	<u>(15,333)</u>	<u>(2,918)</u>	<u>(819)</u>	<u>(14,169)</u>	<u>(43,792)</u>	<u>8,408</u>	<u>(22,230)</u>	<u>(576)</u>	<u>(18,639)</u>	<u>(41,488)</u>
Composite Gain (or Loss) During Year	\$ 47,578	\$ 49,565	\$ 2,260	\$ (166,801)	\$ 146,632	\$ (4,534)	\$ (49,476)	\$ 14,229	\$ 13,139	\$ (85,581)

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION VI – ANNUAL COMPREHENSIVE FINANCIAL  
REPORTING INFORMATION**

Table VI-2 Schedule of Funded Liabilities by Type (dollars in thousands)								
Valuation Date	(A)	(B)	(C)	Reported Assets	Portion of Actuarial Liabilities Covered by Reported Assets			
	Active Member Contributions	Retirees And Beneficiaries	Remaining Active Members' Liabilities <sup>1</sup>		(A)	(B)	(C)	
2025 <sup>2</sup>	\$ 101,713	\$ 1,147,115	\$ 410,727	\$ 1,378,702	100%	100%	32%	
2024	95,828	1,120,290	399,758	1,253,753	100%	100%	9%	
2023	91,021	1,102,303	381,285	1,135,081	100%	95%	0%	
2022 <sup>2</sup>	89,217	1,071,129	368,988	1,064,441	100%	91%	0%	
2021 <sup>4</sup>	88,147	1,038,307	364,778	1,163,254	100%	100%	10%	
2020 <sup>3</sup>	84,767	986,071	342,043	919,815	100%	85%	0%	
2019 <sup>2</sup>	86,356	932,909	350,930	866,503	100%	84%	0%	
2018	86,585	871,095	344,239	826,654	100%	85%	0%	
2017	85,150	834,643	339,909	753,769	100%	80%	0%	
2016 <sup>2</sup>	81,880	804,658	314,657	670,016	100%	73%	0%	

<sup>1</sup> Includes deferred members.

<sup>2</sup> Reflects revised economic and demographic assumptions.

<sup>3</sup> Reflects revised demographic assumptions.

<sup>4</sup> Reflects revised economic assumptions.

Table VI-3 Actuarial Balance Sheet as of June 30, 2025	
<b>Assets</b>	
1. Market value of assets	\$ 1,378,701,813
2. Present value of future contributions by members	109,998,314
3. Present value of future employer contributions for normal cost	114,139,349
4. Present value of other future employer contributions (UAL)	280,852,741
5. <b>Total actuarial assets</b>	<b>\$ 1,883,692,217</b>
<b>Liabilities</b>	
6. Present value of retirement allowances payable to retired/disabled members and their survivors	\$ 1,147,114,527
7. Present value of service retirement allowances payable to presently active members and their survivors	521,403,990
8. Present value of allowances payable to current and future vested terminated and their survivors	169,370,752
9. Present value of disability retirement allowances payable to presently active members and their survivors	28,590,870
10. Present value of death benefits payable on behalf of presently active members	3,876,569
11. Present value of members' contributions to be returned upon withdrawal	13,335,509
12. Special Reserves	-
13. <b>Total present value of benefits</b>	<b>\$ 1,883,692,217</b>

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025**

**APPENDIX A – MEMBERSHIP INFORMATION**

<b>Summary of Participant Data (By Group) As of June 30, 2025</b>			
	<b>General</b>	<b>Safety</b>	<b>Total</b>
<b>Active Participants</b>			
Number	1,939	350	2,289
Average Age	42.30	37.37	41.55
Average Benefit Service	8.12	8.56	8.19
Average Pay	\$70,652	\$86,305	\$73,045
<b>Service Retired</b>			
Number	1,863	254	2,117
Average Age	72.41	66.40	71.69
Average Annual Total Benefit	\$38,642	\$52,262	\$40,276
<b>Beneficiaries &amp; QDROs</b>			
Number	289	77	366
Average Age	74.90	73.16	74.53
Average Annual Total Benefit	\$20,890	\$32,484	\$23,329
<b>Duty Disabled</b>			
Number	47	87	134
Average Age	69.91	63.89	66.00
Average Annual Total Benefit	\$29,998	\$40,838	\$37,036
<b>Non-Duty Disabled</b>			
Number	38	2	40
Average Age	70.28	66.66	70.10
Average Annual Total Benefit	\$19,620	\$27,821	\$20,030
<b>Total Receiving Benefits</b>			
Number	2,237	420	2,657
Average Age	72.64	67.12	71.77
Average Annual Total Benefit	\$35,844	\$46,153	\$37,473
<b>Terminated Vested</b>			
Number	433	55	488
Average Age	47.39	42.67	46.86
Average Benefit Service	9.10	9.27	9.12
<b>Transfers</b>			
Number	208	58	266
Average Age	49.11	45.32	48.28
Average Benefit Service	5.16	4.75	5.07
<b>Funds on Account</b>			
Number	716	89	805
Average Age	39.70	34.36	39.11
Average Benefit Service	1.28	1.29	1.28
<b>Total Deferred</b>			
Number	1,357	202	1,559
Average Age	43.59	39.77	43.10
Average Benefit Service	4.37	4.46	4.38

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025**

**APPENDIX A – MEMBERSHIP INFORMATION**

Summary of Participant Data (General) As of June 30, 2025					
	General Tier 1	General Tier 2	General Tier 3	General Tier 4	General Total
<b>Active Participants</b>					
Number	16	444	43	1,436	1,939
Average Age	59.27	51.10	47.39	39.25	42.30
Average Benefit Service	27.48	19.98	8.08	4.23	8.12
Average Pay	\$114,395	\$85,471	\$107,049	\$64,493	\$70,652
<b>Service Retired</b>					
Number	1,135	682	12	34	1,863
Average Age	74.92	68.70	63.50	65.90	72.41
Average Annual Total Benefit	\$46,651	\$27,181	6,936	12,349	\$38,642
<b>Beneficiaries &amp; QDROs</b>					
Number	230	53	1	5	289
Average Age	77.50	66.61	49.01	48.41	74.90
Average Annual Total Benefit	\$23,332	\$11,746	\$18,286	\$5,961	\$20,890
<b>Duty Disabled</b>					
Number	25	22	0	0	47
Average Age	76.22	62.75	N/A	N/A	69.91
Average Annual Total Benefit	\$33,659	\$25,838	N/A	N/A	\$29,998
<b>Non-Duty Disabled</b>					
Number	23	13	1	1	38
Average Age	77.07	60.93	53.33	52.41	70.28
Average Annual Total Benefit	\$22,898	\$13,841	\$17,236	\$21,737	\$19,620
<b>Total Receiving Benefits</b>					
Number	1,413	770	14	40	2,237
Average Age	75.40	68.26	58.24	63.38	72.64
Average Annual Total Benefit	\$42,239	\$25,855	\$8,482	\$11,785	\$35,844
<b>Terminated Vested</b>					
Number	17	238	41	137	433
Average Age	63.06	49.77	46.27	41.64	47.39
Average Benefit Service	9.86	11.55	4.10	6.24	9.10
<b>Transfers</b>					
Number	8	135	5	60	208
Average Age	60.65	52.11	54.75	40.34	49.11
Average Benefit Service	6.86	5.99	5.84	2.99	5.16
<b>Funds on Account</b>					
Number	3	60	9	644	716
Average Age	65.79	50.53	43.21	38.51	39.70
Average Benefit Service	2.68	2.17	1.58	1.18	1.28
<b>Total Deferred</b>					
Number	28	433	55	841	1,357
Average Age	62.66	50.61	46.54	39.15	43.59
Average Benefit Service	8.24	8.52	3.85	2.13	4.37

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025**

**APPENDIX A – MEMBERSHIP INFORMATION**

Summary of Participant Data (Safety) As of June 30, 2025					
	Safety Tier 1	Safety Tier 2	Safety Tier 3	Safety Tier 4	Safety Total
<b>Active Participants</b>					
Number	5	99	6	240	350
Average Age	59.86	47.00	42.83	32.80	37.37
Average Benefit Service	25.94	19.02	9.53	3.87	8.56
Average Pay	\$183,328	\$107,315	\$96,596	\$75,359	\$86,305
<b>Service Retired</b>					
Number	182	70	0	2	254
Average Age	69.72	57.84	N/A	63.00	66.40
Average Annual Total Benefit	\$58,873	\$36,088	N/A	\$16,777	\$52,262
<b>Beneficiaries &amp; QDROs</b>					
Number	72	5	0	0	77
Average Age	74.61	52.30	N/A	N/A	73.16
Average Annual Total Benefit	\$32,732	\$28,909	N/A	N/A	\$32,484
<b>Duty Disabled</b>					
Number	50	36	0	1	87
Average Age	71.51	54.01	N/A	38.38	63.89
Average Annual Total Benefit	\$48,463	\$30,110	N/A	\$45,793	\$40,838
<b>Non-Duty Disabled</b>					
Number	1	1	0	0	2
Average Age	55.54	77.78	N/A	N/A	66.66
Average Annual Total Benefit	\$36,486	\$19,156	N/A	N/A	\$27,821
<b>Total Receiving Benefits</b>					
Number	305	112	0	3	420
Average Age	71.12	56.54	N/A	42.00	67.12
Average Annual Total Benefit	\$50,922	\$33,695	N/A	\$26,449	\$46,153
<b>Terminated Vested</b>					
Number	0	41	2	12	55
Average Age	0.00	44.86	44.81	34.83	42.67
Average Benefit Service	0.00	10.21	4.90	6.78	9.27
<b>Transfers</b>					
Number	1	41	1	15	58
Average Age	56.78	47.82	43.86	37.82	45.32
Average Benefit Service	4.63	5.30	1.26	3.50	4.75
<b>Funds on Account</b>					
Number	0	7	1	81	89
Average Age	0.00	47.33	36.73	33.21	34.36
Average Benefit Service	0.00	1.05	0.09	1.32	1.29
<b>Total Deferred</b>					
Number	1	89	4	108	202
Average Age	56.78	46.42	31.59	34.03	39.77
Average Benefit Service	4.63	7.23	2.48	2.23	4.46

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025**

**APPENDIX A – MEMBERSHIP INFORMATION**

Change in Plan Membership: Total									
	Actives	Transfers	Non-Vested Terminations	Vested Terminations	Non-Duty Disabled	Duty Disabled	Retired	Beneficiaries & QDROs	Total
<b>June 30, 2024</b>	<b>2,262</b>	<b>254</b>	<b>747</b>	<b>472</b>	<b>41</b>	<b>134</b>	<b>2,092</b>	<b>356</b>	<b>6,358</b>
New Entrants	330	3	35	0	0	0	0	0	368
Rehires	20	0	(14)	(6)	0	0	0	0	0
Duty Disabilities	(4)	0	0	0	0	5	(1)	0	0
Non-Duty Disabilities	0	0	0	0	0	0	0	0	0
Retirements	(56)	(14)	0	(11)	0	0	81	0	0
Dual Service Retirements	0	0	0	0	0	0	0	0	0
Vested Terminations	(58)	0	0	58	0	0	0	0	0
Transfers	(13)	32	(10)	(9)	0	0	0	0	0
Non-Vested Terminations with Funds on Account	(105)	0	105	0	0	0	0	0	0
Withdrawals Paid	(81)	(8)	(57)	(15)	0	0	0	0	(161)
Died, With Beneficiary	0	0	0	0	0	(2)	(21)	25	2
Died, Without Beneficiary	(3)	0	0	0	(1)	(3)	(37)	0	(44)
Beneficiary Deaths	0	0	0	0	0	0	0	(16)	(16)
Domestic Relations Orders	0	0	0	0	0	0	0	1	1
Data Corrections	(3)	(1)	(1)	(1)	0	0	3	0	(3)
<b>June 30, 2025</b>	<b>2,289</b>	<b>266</b>	<b>805</b>	<b>488</b>	<b>40</b>	<b>134</b>	<b>2,117</b>	<b>366</b>	<b>6,505</b>

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025**

**APPENDIX A – MEMBERSHIP INFORMATION**

Change in Plan Membership: General									
	Actives	Transfers	Non-Vested Terminations	Vested Terminations	Non-Duty Disabled	Duty Disabled	Retired	Beneficiaries & QDROs	Total
<b>June 30, 2024</b>	<b>1,932</b>	<b>197</b>	<b>667</b>	<b>419</b>	<b>39</b>	<b>48</b>	<b>1,846</b>	<b>278</b>	<b>5,426</b>
New Entrants	267	1	29	0	0	0	0	0	297
Rehires	19	0	(13)	(6)	0	0	0	0	0
Duty Disabilities	(1)	0	0	0	0	1	0	0	0
Non-Duty Disabilities	0	0	0	0	0	0	0	0	0
Retirements	(49)	(11)	0	(9)	0	0	69	0	0
Dual Service Retirements	0	0	0	0	0	0	0	0	0
Vested Terminations	(51)	0	0	51	0	0	0	0	0
Transfers	(11)	27	(9)	(7)	0	0	0	0	0
Non-Vested Terminations with Funds on Account	(93)	0	93	0	0	0	0	0	0
Withdrawals Paid	(70)	(5)	(51)	(14)	0	0	0	0	(140)
Died, With Beneficiary	0	0	0	0	0	(1)	(19)	22	2
Died, Without Beneficiary	(3)	0	0	0	(1)	(1)	(35)	0	(40)
Beneficiary Deaths	0	0	0	0	0	0	0	(12)	(12)
Domestic Relations Orders	0	0	0	0	0	0	0	1	1
Data Corrections	(1)	(1)	0	(1)	0	0	2	0	(1)
<b>June 30, 2025</b>	<b>1,939</b>	<b>208</b>	<b>716</b>	<b>433</b>	<b>38</b>	<b>47</b>	<b>1,863</b>	<b>289</b>	<b>5,533</b>

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025**

**APPENDIX A – MEMBERSHIP INFORMATION**

Change in Plan Membership: Safety									
	Actives	Transfers	Non-Vested Terminations	Vested Terminations	Non-Duty Disabled	Duty Disabled	Retired	Beneficiaries & QDROs	Total
<b>June 30, 2024</b>	<b>330</b>	<b>57</b>	<b>80</b>	<b>53</b>	<b>2</b>	<b>86</b>	<b>246</b>	<b>78</b>	<b>932</b>
New Entrants	63	2	6	0	0	0	0	0	71
Rehires	1	0	(1)	0	0	0	0	0	0
Duty Disabilities	(3)	0	0	0	0	4	(1)	0	0
Non-Duty Disabilities	0	0	0	0	0	0	0	0	0
Retirements	(7)	(3)	0	(2)	0	0	12	0	0
Dual Service Retirements	0	0	0	0	0	0	0	0	0
Vested Terminations	(7)	0	0	7	0	0	0	0	0
Transfers	(2)	5	(1)	(2)	0	0	0	0	0
Non-Vested Terminations with Funds on Account	(12)	0	12	0	0	0	0	0	0
Withdrawals Paid	(11)	(3)	(6)	(1)	0	0	0	0	(21)
Died, With Beneficiary	0	0	0	0	0	(1)	(2)	3	0
Died, Without Beneficiary	0	0	0	0	0	(2)	(2)	0	(4)
Beneficiary Deaths	0	0	0	0	0	0	0	(4)	(4)
Domestic Relations Orders	0	0	0	0	0	0	0	0	0
Data Corrections	(2)	0	(1)	0	0	0	1	0	(2)
<b>June 30, 2025</b>	<b>350</b>	<b>58</b>	<b>89</b>	<b>55</b>	<b>2</b>	<b>87</b>	<b>254</b>	<b>77</b>	<b>972</b>

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025

APPENDIX A – MEMBERSHIP INFORMATION

Valuation at Year End	Plan Type	Active Member Data by Plan			
		Member Count	Annual Payroll	Average Annual Salary	Average Salary Increase
2016	General	1,729	\$97,337,917	\$56,297	-0.28%
	Safety	311	\$19,394,922	\$62,363	1.02%
	<b>Total</b>	<b>2,040</b>	<b>\$116,732,839</b>	<b>\$57,222</b>	<b>-0.06%</b>
2017	General	1,783	\$102,498,328	\$57,486	2.11%
	Safety	313	\$20,136,322	\$64,333	3.16%
	<b>Total</b>	<b>2,096</b>	<b>\$122,634,651</b>	<b>\$58,509</b>	<b>2.25%</b>
2018	General	1,827	\$108,067,248	\$59,150	2.89%
	Safety	322	\$22,018,174	\$68,379	6.29%
	<b>Total</b>	<b>2,149</b>	<b>\$130,085,423</b>	<b>\$60,533</b>	<b>3.46%</b>
2019	General	1,861	\$111,267,187	\$59,789	1.08%
	Safety	316	\$22,498,224	\$71,197	4.12%
	<b>Total</b>	<b>2,177</b>	<b>\$133,765,412</b>	<b>\$61,445</b>	<b>1.51%</b>
2020	General	1,828	\$112,315,867	\$61,442	2.76%
	Safety	321	\$22,982,055	\$71,595	0.56%
	<b>Total</b>	<b>2,149</b>	<b>\$135,297,921</b>	<b>\$62,959</b>	<b>2.46%</b>
2021	General	1,799	\$116,284,193	\$64,638	5.20%
	Safety	319	\$23,871,550	\$74,832	4.52%
	<b>Total</b>	<b>2,118</b>	<b>\$140,155,743</b>	<b>\$66,174</b>	<b>5.11%</b>
2022	General	1,842	\$120,774,476	\$65,567	1.44%
	Safety	325	\$25,176,047	\$77,465	3.52%
	<b>Total</b>	<b>2,167</b>	<b>\$145,950,524</b>	<b>\$67,351</b>	<b>1.78%</b>
2023	General	1,857	\$126,256,107	\$67,989	3.69%
	Safety	308	\$24,891,179	\$80,816	4.33%
	<b>Total</b>	<b>2,165</b>	<b>\$151,147,286</b>	<b>\$69,814</b>	<b>3.66%</b>
2024	General	1,932	\$135,194,222	\$69,976	2.92%
	Safety	330	\$27,952,496	\$84,705	4.81%
	<b>Total</b>	<b>2,262</b>	<b>\$163,146,718</b>	<b>\$72,125</b>	<b>3.31%</b>
2025	General	1,939	\$136,994,395	\$70,652	0.97%
	Safety	350	\$30,206,584	\$86,305	1.89%
	<b>Total</b>	<b>2,289</b>	<b>\$167,200,979</b>	<b>\$73,045</b>	<b>1.28%</b>

Payroll figures represent active members' annualized pay rates on June 30.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025**

**APPENDIX A – MEMBERSHIP INFORMATION**

Retirees and Beneficiaries Added to and Removed from Retiree Payroll										
Fiscal Year	Beginning of Year	Added During Year	Allowances Added	Removed During Year	Allowances Removed	End of Year	Annual Retirement Payroll (in 000s)	Total Allowance Percentage Increase	Average Annual Allowance	Average Allowance Percentage Increase
2016	2,200	68	1,716,361	34	946,189	2,234	65,505,679	3.56%	29,322	1.98%
2017	2,234	85	2,282,779	56	1,022,708	2,263	68,476,111	4.53%	30,259	3.20%
2018	2,263	120	3,617,034	73	1,671,956	2,310	72,002,829	5.15%	31,170	3.01%
2019	2,310	141	4,908,365	78	1,805,138	2,373	76,948,959	6.87%	32,427	4.03%
2020	2,373	126	4,589,556	66	1,555,353	2,433	81,827,236	6.34%	33,632	3.72%
2021	2,433	117	3,953,617	84	2,671,254	2,466	84,975,315	3.85%	34,459	2.46%
2022	2,466	144	4,842,484	87	2,714,427	2,523	88,406,770	4.04%	35,040	1.69%
2023	2,523	135	4,160,108	74	1,793,800	2,584	92,660,543	4.81%	35,859	2.34%
2024	2,584	121	3,678,753	82	2,026,744	2,623	96,370,679	4.00%	36,741	2.46%
2025	2,623	114	3,646,605	80	2,550,161	2,657	99,566,747	3.32%	37,473	1.99%

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025**

**APPENDIX A – MEMBERSHIP INFORMATION**

**GENERAL**

**Count**

Age	Benefit Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 20	1	0	0	0	0	0	0	0	0	0	1
20 to 25	39	38	0	0	0	0	0	0	0	0	77
25 to 29	58	145	6	0	0	0	0	0	0	0	209
30 to 34	58	148	72	8	0	0	0	0	0	0	286
35 to 39	38	95	96	45	9	0	0	0	0	0	283
40 to 44	27	96	86	55	48	10	1	0	0	0	323
45 to 49	21	54	64	39	39	42	14	0	0	0	273
50 to 54	12	32	37	32	39	35	23	4	1	0	215
55 to 59	10	25	22	18	20	22	19	10	0	0	146
60 to 64	4	11	14	14	13	13	5	1	2	0	77
65 to 69	0	9	11	5	3	5	5	1	1	0	40
70 & up	0	2	2	3	1	1	0	0	0	0	9
<b>Total</b>	<b>268</b>	<b>655</b>	<b>410</b>	<b>219</b>	<b>172</b>	<b>128</b>	<b>67</b>	<b>16</b>	<b>4</b>	<b>0</b>	<b>1,939</b>

**Average Compensation**

Age	Benefit Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 20	38,646	0	0	0	0	0	0	0	0	0	38,646
20 to 25	48,815	48,534	0	0	0	0	0	0	0	0	48,676
25 to 29	52,082	53,455	64,325	0	0	0	0	0	0	0	53,386
30 to 34	52,502	56,314	73,853	83,258	0	0	0	0	0	0	60,710
35 to 39	59,078	60,568	73,767	83,277	75,354	0	0	0	0	0	68,927
40 to 44	63,464	67,837	73,004	78,438	90,310	88,775	89,710	0	0	0	74,708
45 to 49	55,078	71,429	75,021	83,825	90,537	94,869	86,207	0	0	0	79,878
50 to 54	51,026	69,716	81,743	93,412	98,228	82,930	81,617	91,343	60,923	0	83,227
55 to 59	69,676	68,994	82,570	91,678	69,161	78,273	99,927	88,019	0	0	80,633
60 to 64	45,651	60,725	77,188	96,229	86,297	70,857	66,220	50,814	49,499	0	75,355
65 to 69	0	65,461	65,896	96,587	66,671	61,407	64,447	206,136	74,566	0	72,673
70 & up	0	94,538	112,049	110,100	65,562	58,864	0	0	0	0	96,433
<b>Total</b>	<b>54,534</b>	<b>60,237</b>	<b>74,964</b>	<b>85,829</b>	<b>88,056</b>	<b>84,249</b>	<b>85,459</b>	<b>93,907</b>	<b>58,622</b>	<b>0</b>	<b>70,652</b>



**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**APPENDIX A – MEMBERSHIP INFORMATION**

**SAFETY**

**Count**

Age	Benefit Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 20	5	0	0	0	0	0	0	0	0	0	5
20 to 25	18	23	0	0	0	0	0	0	0	0	41
25 to 29	19	31	5	0	0	0	0	0	0	0	55
30 to 34	11	26	16	5	0	0	0	0	0	0	58
35 to 39	4	10	20	7	8	0	0	0	0	0	49
40 to 44	0	6	16	7	25	4	0	0	0	0	58
45 to 49	2	1	3	2	17	12	2	0	0	0	39
50 to 54	0	2	4	2	6	7	1	1	0	0	23
55 to 59	1	2	4	1	0	6	2	1	0	0	17
60 to 64	0	0	1	1	0	0	1	0	0	0	3
65 to 69	0	0	0	0	1	0	0	0	0	1	2
70 & up	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>60</b>	<b>101</b>	<b>69</b>	<b>25</b>	<b>57</b>	<b>29</b>	<b>6</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>350</b>

**Average Compensation**

Age	Benefit Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 20	56,326	0	0	0	0	0	0	0	0	0	56,326
20 to 25	59,772	60,508	0	0	0	0	0	0	0	0	60,185
25 to 29	56,142	62,558	86,842	0	0	0	0	0	0	0	62,549
30 to 34	62,555	75,155	90,649	99,779	0	0	0	0	0	0	79,162
35 to 39	69,675	80,165	94,493	93,822	123,555	0	0	0	0	0	94,192
40 to 44	0	79,365	88,459	100,633	113,410	110,932	0	0	0	0	101,292
45 to 49	117,518	59,155	93,771	99,073	93,306	96,988	201,638	0	0	0	100,692
50 to 54	0	98,125	97,575	100,871	108,590	110,339	106,933	184,021	0	0	108,833
55 to 59	102,835	102,502	113,653	115,176	0	89,261	106,280	162,829	0	0	105,211
60 to 64	0	0	99,840	104,448	0	0	67,184	0	0	0	90,491
65 to 69	0	0	0	0	184,021	0	0	0	0	261,172	222,597
70 & up	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>62,149</b>	<b>69,537</b>	<b>92,984</b>	<b>99,184</b>	<b>109,569</b>	<b>100,535</b>	<b>131,659</b>	<b>173,425</b>	<b>0</b>	<b>261,172</b>	<b>86,305</b>



**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**APPENDIX A – MEMBERSHIP INFORMATION**

Current Age	Service Retired Benefits					
	<u>General</u>		<u>Safety</u>		<u>Total</u>	
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit
0-24	0	\$0	0	\$0	0	\$0
25-29	0	\$0	0	\$0	0	\$0
30-34	0	\$0	0	\$0	0	\$0
35-39	0	\$0	0	\$0	0	\$0
40-44	0	\$0	0	\$0	0	\$0
45-49	1	\$812	9	\$53,441	10	\$48,178
50-54	8	\$34,212	28	\$39,712	36	\$38,489
55-59	119	\$37,874	32	\$55,233	151	\$41,553
60-64	255	\$36,893	50	\$55,603	305	\$39,961
65-69	379	\$37,275	41	\$51,238	420	\$38,638
70-74	398	\$42,191	36	\$54,128	434	\$43,181
75-79	345	\$43,449	36	\$56,373	381	\$44,670
80-84	218	\$34,736	16	\$48,262	234	\$35,661
85-89	95	\$32,682	4	\$40,995	99	\$33,018
90-94	37	\$29,618	1	\$45,309	38	\$30,031
95+	8	\$14,756	1	\$73,742	9	\$21,310
<b>All Ages</b>	<b>1,863</b>	<b>\$38,642</b>	<b>254</b>	<b>\$52,262</b>	<b>2,117</b>	<b>\$40,276</b>

Current Age	Duty Disabled Benefits					
	<u>General</u>		<u>Safety</u>		<u>Total</u>	
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit
0-24	0	\$0	0	\$0	0	\$0
25-29	0	\$0	0	\$0	0	\$0
30-34	0	\$0	0	\$0	0	\$0
35-39	1	\$26,458	1	\$45,793	2	\$36,125
40-44	0	\$0	6	\$35,014	6	\$35,014
45-49	3	\$26,750	9	\$25,851	12	\$26,075
50-54	2	\$39,872	11	\$33,856	13	\$34,782
55-59	2	\$26,593	4	\$58,762	6	\$48,039
60-64	5	\$40,124	14	\$48,427	19	\$46,242
65-69	8	\$26,150	6	\$30,297	14	\$27,927
70-74	8	\$26,504	17	\$36,563	25	\$33,344
75-79	9	\$30,631	9	\$65,623	18	\$48,127
80-84	7	\$32,996	6	\$40,520	13	\$36,469
85-89	0	\$0	4	\$35,464	4	\$35,464
90-94	1	\$22,735	0	\$0	1	\$22,735
95+	1	\$19,034	0	\$0	1	\$19,034
<b>All Ages</b>	<b>47</b>	<b>\$29,998</b>	<b>87</b>	<b>\$40,838</b>	<b>134</b>	<b>\$37,036</b>

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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Non-Duty Disabled Benefits						
Current Age	General		Safety		Total	
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit
0-24	0	\$0	0	\$0	0	\$0
25-20	0	\$0	0	\$0	0	\$0
30-34	0	\$0	0	\$0	0	\$0
35-39	0	\$0	0	\$0	0	\$0
40-44	1	\$14,883	0	\$0	1	\$14,883
45-49	2	\$18,626	0	\$0	2	\$18,626
50-54	5	\$15,755	0	\$0	5	\$15,755
55-59	1	\$15,021	1	\$36,486	2	\$25,753
60-64	3	\$26,341	0	\$0	3	\$26,341
65-69	5	\$17,108	0	\$0	5	\$17,108
70-74	7	\$18,495	0	\$0	7	\$18,495
75-79	2	\$19,544	1	\$19,156	3	\$19,415
80-84	6	\$17,063	0	\$0	6	\$17,063
85-89	5	\$27,460	0	\$0	5	\$27,460
90-94	1	\$26,825	0	\$0	1	\$26,825
95+	0	\$0	0	\$0	0	\$0
<b>All Ages</b>	<b>38</b>	<b>\$19,620</b>	<b>2</b>	<b>\$27,821</b>	<b>40</b>	<b>\$20,030</b>

Surviving Beneficiary & QDRO Benefits						
Current Age	General		Safety		Total	
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit
0-24	2	\$9,596	0	\$0	2	\$9,596
25-29	1	\$14,577	0	\$0	1	\$14,577
30-34	1	\$10,974	0	\$0	1	\$10,974
35-39	1	\$1,708	0	\$0	1	\$1,708
40-44	3	\$14,586	2	\$20,706	5	\$17,034
45-49	5	\$20,274	2	\$44,632	7	\$27,233
50-54	9	\$6,451	4	\$27,821	13	\$13,026
55-59	10	\$14,638	3	\$19,091	13	\$15,666
60-64	30	\$15,035	8	\$13,472	38	\$14,706
65-69	30	\$20,055	9	\$35,667	39	\$23,658
70-74	34	\$20,334	8	\$40,744	42	\$24,221
75-79	47	\$30,051	19	\$39,715	66	\$32,833
80-84	46	\$23,423	8	\$33,523	54	\$24,919
85-89	40	\$17,522	10	\$29,711	50	\$19,960
90-94	22	\$20,266	4	\$31,856	26	\$22,049
95+	8	\$32,556	0	\$0	8	\$32,556
<b>All Ages</b>	<b>289</b>	<b>\$20,890</b>	<b>77</b>	<b>\$32,484</b>	<b>366</b>	<b>\$23,329</b>

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**APPENDIX B – STATEMENT OF CURRENT ACTUARIAL  
ASSUMPTIONS AND METHODS**

The assumptions and methods used in the actuarial valuation reflect the results of an experience study performed by Cheiron covering the period from July 1, 2022 through June 30, 2025 and adopted by the Board at their January 22, 2026 meeting. More details on the rationale for the demographic and economic assumptions can be found in the experience study presentation from the January 22, 2026 meeting. The combined effect of the assumptions is expected to have no significant bias for the purpose of this measurement.

**A. Actuarial Assumptions**

**1. Rate of Return**

Assets are assumed to earn 6.75% net of investment expenses.

**2. Low-Default-Risk Obligation Measure Discount Rate (effective June 30, 2025)**

The discount rate used to calculate the Low-Default-Risk Obligation Measure (LDROM) is the FTSE Pension Liability Index as of the valuation date. This index was selected because it reflects the types of fixed-income securities the Plan would likely invest in if the Trustees wanted to match cash flows. The rate for this valuation is 5.58%.

**3. Administrative Expenses**

Administrative expenses are assumed to be \$3.200 million for the next year to be allocated between the employer and employees based on each group's share of the non-expense related contributions. Administrative expenses in future years are expected to increase with the Consumer Price Index (CPI).

**4. Cost of Living**

The cost of living as measured by the Consumer Price Index (CPI) will increase at the rate of 2.50% per year.

**5. Post Retirement COLA**

For Tier 1 members currently in pay status with COLA banks, benefits are assumed to increase by 3.00% per year until the COLA banks are depleted. The COLA banks are assumed to be reduced at a rate of 0.50% per year (3.00% COLA less the 2.50% inflation assumption). Once the COLA banks are exhausted, benefits are assumed to increase at the ultimate COLA rate of 2.40%.

For future Tier 1 retirees and current Tier 1 retirees without COLA Banks, benefits are assumed to increase at a rate of 2.40% per year.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**6. Increases in Pay**

Wage inflation component: 3.00%

Additional longevity and promotion component:

Years of Service	General	Safety	Years of Service	General	Safety
0	8.00%	8.50%	11	2.50%	1.25%
1	6.50%	7.50%	12	2.25%	1.25%
2	6.00%	5.25%	13	2.00%	1.25%
3	5.50%	4.50%	14	1.85%	1.25%
4	5.00%	3.75%	15	1.70%	1.25%
5	4.00%	3.25%	16	1.55%	1.25%
6	3.25%	2.75%	17	1.40%	1.25%
7	2.75%	2.25%	18	1.25%	1.25%
8	2.50%	2.00%	19	1.10%	1.25%
9	2.50%	1.50%	20+	1.00%	1.25%
10	2.50%	1.50%			

**7. Final Average Compensation Load**

None.

**8. Family Composition**

55% of female General members, 70% of male General members and 85% of Safety members are assumed to be married at retirement. Male members are assumed to be three years older than their spouses and female members are assumed to be two years younger than their spouses.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**9. Rates of Mortality**

Mortality rates for actives, retirees, disabled members, beneficiaries, terminated vesteds, and reciprocal transfers are based on the sex-distinct employee and annuitant mortality tables as described below. Future mortality improvements are reflected by applying 80% of the SOA MP-2021 projection scale on a generational basis from the base year of 2017 for the CalPERS tables.

Category	Base Mortality Table	
	General	Safety
Healthy Annuitant	1.05 times the CalPERS 2025 Healthy Annuitant Mortality Table	1.05 times the CalPERS 2025 Healthy Annuitant Mortality Table
Duty Disabled Annuitants	CalPERS 2025 Industrial Disability Mortality Table	CalPERS 2025 Industrial Disability Mortality Table
Non-Duty Disabled Annuitant	CalPERS 2025 Non-Industrial Disability Mortality Table	CalPERS 2025 Non-Industrial Disability Mortality Table
Active Employees	CalPERS 2025 Non-Industrial Employees Mortality Table (Miscellaneous Plans Only)	CalPERS 2025 Non-Industrial Safety Employees Mortality Table
Actives, Line of Duty (Safety only)	N/A	CalPERS 2025 Industrial Employees Mortality Table

For determining mortality rates for future disabled members, 50% of future General disabilities are assumed to be duty-related and 50% are assumed to be non-duty related. 100% of future Safety disabilities are assumed to be duty related.

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**10. Rates of Termination**

Rates of termination are shown in the following table.

Rates of Termination		
Service	General	Safety
0	22.50%	21.00%
1	17.00%	15.00%
2	12.00%	12.50%
3	11.00%	12.50%
4	10.00%	10.00%
5	9.50%	10.00%
6	8.50%	6.00%
7	8.00%	5.50%
8	7.50%	5.25%
9	7.00%	5.00%
10	6.50%	5.00%
11	6.00%	5.00%
12	5.50%	5.00%
13	5.00%	5.00%
14	5.00%	4.00%
15	5.00%	4.00%
16	5.00%	4.00%
17	5.00%	3.00%
18	5.00%	3.00%
19	5.00%	3.00%
20	5.00%	0.00%
21	5.00%	
22	5.00%	
23	5.00%	
24	5.00%	
25	5.00%	
26	5.00%	
27	5.00%	
28	5.00%	
29	5.00%	
30	0.00%	

*Termination rates do not apply once a member is eligible for retirement.*

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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There are three types of terminations: withdrawals, reciprocal transfers, and vested terminations. Rates of withdrawal apply to active Members who terminate their employment and withdraw their member contributions, forfeiting entitlement to future Plan benefits. Rates of reciprocal transfer are for members who leave their member contributions on deposit and engage in employment covered by a pension plan with a reciprocal relationship with MercedCERA. Finally, rates of vested termination apply to active Members who terminate their employment and leave their member contributions on deposit with the Plan.

The table below shows the percentages of total terminations falling into these categories.

	Termination Types						
	General				Safety		
	Years of Service						
	0-4	5-9	10-14	15+	0-4	5-9	10+
Withdrawals	95.00%	25.00%	10.00%	5.00%	95.00%	40.00%	20.00%
Transfers	5.00%	37.50%	45.00%	47.50%	5.00%	40.00%	53.33%
Vested Terminations	0.00%	37.50%	45.00%	47.50%	0.00%	20.00%	26.67%

Current and future vested terminated members are assumed to begin receiving benefits at the following ages:

General Members: Age 60  
 Safety Non-PEPRA Members: Age 50  
 Safety PEPRA Members: Age 55

Current reciprocal transfer members are assumed to begin receiving benefits based on the probabilities of retirement applied to the active members. Future reciprocal transfer members are assumed to begin receiving benefits at the following ages:

General Members: Age 61  
 Safety Non-PEPRA Members: Age 53  
 Safety PEPRA Members: Age 55

Future reciprocal transfers' annual pay growth is assumed to be 4.00% for General Members and 4.25% for Safety Members while employed by a reciprocal employer. Current reciprocal transfers' pay growth is assumed to increase according to the assumptions applied to the active members until the assumed retirement age.

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**11. Rates of Retirement**

Rates of retirement are based on age and service according to the following table.

Rates of Retirement									
Age	General					Safety			
	Non-PEPRA			PEPRA		Non-PEPRA		PEPRA	
	Years of Service								
	<20	20-29	30+	5-19	20+	<20	20+	<20	20+
<40	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%
41	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%
42	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%
43	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%
44	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%
45	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%
46	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%	10.0%	0.0%	0.0%
47	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%	10.0%	0.0%	0.0%
48	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%	10.0%	0.0%	0.0%
49	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%	25.0%	0.0%	0.0%
50	10.0%	12.5%	15.0%	0.0%	0.0%	10.0%	25.0%	5.0%	12.5%
51	10.0%	12.5%	15.0%	0.0%	0.0%	10.0%	25.0%	5.0%	12.5%
52	10.0%	12.5%	15.0%	5.0%	10.0%	5.0%	15.0%	2.5%	7.5%
53	10.0%	12.5%	15.0%	5.0%	10.0%	5.0%	15.0%	2.5%	7.5%
54	10.0%	12.5%	25.0%	10.0%	10.0%	15.0%	20.0%	7.5%	10.0%
55	10.0%	12.5%	30.0%	10.0%	10.0%	15.0%	20.0%	7.5%	10.0%
56	10.0%	12.5%	30.0%	10.0%	10.0%	15.0%	20.0%	7.5%	10.0%
57	10.0%	15.0%	30.0%	10.0%	10.0%	15.0%	20.0%	15.0%	20.0%
58	10.0%	15.0%	30.0%	10.0%	10.0%	15.0%	20.0%	15.0%	20.0%
59	10.0%	30.0%	30.0%	10.0%	15.0%	15.0%	20.0%	15.0%	20.0%
60	20.0%	30.0%	30.0%	10.0%	15.0%	15.0%	25.0%	15.0%	25.0%
61	20.0%	30.0%	30.0%	10.0%	15.0%	15.0%	30.0%	15.0%	30.0%
62	15.0%	30.0%	30.0%	10.0%	15.0%	25.0%	30.0%	25.0%	30.0%
63	15.0%	30.0%	30.0%	10.0%	15.0%	25.0%	30.0%	25.0%	30.0%
64	15.0%	30.0%	30.0%	10.0%	15.0%	25.0%	30.0%	25.0%	30.0%
65	35.0%	35.0%	35.0%	10.0%	15.0%	100.0%	100.0%	100.0%	100.0%
66	35.0%	35.0%	35.0%	10.0%	15.0%				
67	35.0%	35.0%	35.0%	30.0%	35.0%				
68	35.0%	35.0%	35.0%	30.0%	35.0%				
69	35.0%	35.0%	35.0%	30.0%	35.0%				
70	100.0%	100.0%	100.0%	100.0%	100.0%				

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**12. Rates of Disability**

General member rates are based on the unisex 2025 CalPERS Public Agency Miscellaneous Non-Industrial Disability Incidence Table, with disability incidence assumed to be 50% service-connected and 50% non-service-connected.

Safety member rates are based on the 2025 CalPERS Public Agency County Peace Officer Industrial Disability Incidence Table for service-connected disabilities and the Non-Industrial Disability Incidence Table for non-service-connected disabilities.

Representative disability rates for active participants are shown below.

Age	General		Safety	
	Service-Connected	Non-Service Connected <sup>1</sup>	Service-Connected	Non-Service Connected <sup>1</sup>
20	0.0025%	0.0025%	0.0420%	0.0030%
25	0.0025%	0.0025%	0.1310%	0.0030%
30	0.0143%	0.0143%	0.2490%	0.0290%
35	0.0250%	0.0250%	0.4260%	0.0290%
40	0.0484%	0.0484%	0.6160%	0.0450%
45	0.0911%	0.0911%	0.8060%	0.0650%
50	0.1252%	0.1252%	1.0570%	0.0770%
55	0.0941%	0.0941%	1.5050%	0.1180%
60	0.0853%	0.0853%	1.7400%	0.2820%
65	0.0852%	0.0852%	2.0930%	0.5220%

<sup>1</sup> Rates are applied once members have at least five years of service.

**13. Member Contribution Balance Crediting Rate**

4.75% (2.00% less than the assumed rate of return of 6.75%).

**14. Sick Leave Service Load**

A 0.40% sick leave service load is applied to service and disability retirements from active status.

**15. Changes Since Last Valuation**

The demographic and economic assumptions were updated based on the most recent experience study covering the period from July 1, 2022, through June 30, 2025. Please refer to the full experience study presentation for details on the specific changes.

The LDRM discount rate assumption was updated from 5.35% to 5.58%.

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**APPENDIX B – STATEMENT OF CURRENT ACTUARIAL  
ASSUMPTIONS AND METHODS**

**B. Contribution Allocation Procedure**

The contribution allocation procedure primarily consists of an actuarial cost method, an asset valuation method, and an amortization method as described below. This contribution allocation procedure, combined with reasonable assumptions, produces a Reasonable Actuarially Determined Contribution as defined in Actuarial Standard of Practice No. 4. The contribution allocation procedure was selected to balance benefit security, intergenerational equity, and the stability of actuarially determined contributions. The selection also considered the demographics of plan members, the funding goals and objectives of the Board, and the need to accumulate assets to make benefit payments when due. There were no changes to the contribution allocation procedures from the prior valuation.

**1. Actuarial Cost Method**

The Entry Age Normal actuarial funding method was used for active employees, whereby the normal cost is computed as the level annual percentage of pay required to fund the retirement benefits between each Member's date of hire and assumed retirement. The Actuarial Liability is the difference between the present value of future benefits and the present value of future normal cost. The Unfunded Actuarial Liability is the difference between the Actuarial Liability and the Actuarial Value of Assets.

**2. Amortization Method**

The UAL (or Surplus Funding) is amortized as a percentage of the projected salaries of present and future members of MercedCERA.

- Effective with the June 30, 2013 valuation, the UAL as of June 30, 2013 is amortized over a closed 16-year period. Effective with the June 30, 2019 valuation, 15% of the outstanding balance as of June 30, 2019 of the June 30, 2013 UAL amortization base is carved out as a separate base and amortized over a closed 14-year period as a level percentage of payroll. The remaining 85% is amortized over a closed 14-year period, with 10 years of level payments as a percentage of payroll, and a four-year ramp down at the end of the period.
- Effective with the June 30, 2014 valuation, any new sources of UAL due to actuarial gains and losses or method changes is amortized over a closed 24-year period, with five-year ramp up period at the beginning of the period, a four-year ramp down at the end of the period, and 15 years of level payments as a percentage of payroll.
- Assumption changes will be amortized over a closed 22-year period, with a three-year ramp up period, two-year ramp down period, and 17 years of level payments as a percentage of payroll. This method is a type of direct rate smoothing method.

**3. Asset Valuation Method**

As of June 30, 2014, the Market Value of Assets is used to determine the Plan's UAL.

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**4. Changes Since Last Valuation**

None.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

**A. Definitions**

**Compensation:** Compensation means the cash remuneration for services paid by the employer. It includes base pay and certain differential, incentive, and special pay allowances defined by the Board of Retirement. Overtime is excluded, with the exception of overtime paid under the Fair Labor Standards Act that is regular and recurring.

PEPRA: For members joining the Plan on and after January 1, 2013 (Tier 4 Members), only pensionable compensation up to the PEPRA Compensation Limit (for 2026, \$159,733 for those participating in Social Security, \$191,679 for those not participating in Social Security) will count for computing Plan benefits and employee contributions and employer contributions. In future years, the cap on pensionable compensation will increase with the increase in the CPI-U. In addition, some sources of compensation, such as any payments deemed to be terminal or special pays, are excluded from benefit and contribution computations for Tier 4 Members.

**Credited Service:** In general, Credited Service is earned for the period during which Member Contributions are paid. One year of service credit is earned for each 2,080 hours worked (not including overtime), not to exceed one year of service per year.

Temporary service for which the Member was not credited, or service for which the Member withdrew his or her Member Contributions, may be purchased by paying or repaying the Member Contributions with interest. The categories of services for which credit may be purchased are listed below:

**Prior Part-Time Service:** If a Member worked for an employer within the Association on a part-time or 'extra help' basis before his membership in the Retirement Association, the Member may buyback this service.

**Intermittent Part-Time Service.**

**Prior Full-Time Service:** Member may buyback full-time service that may have been cashed out upon termination.

**Leave of Absence (Including Absence with State Disability or Worker's Compensation):** No unpaid leave of absence can be bought back except for absence due to medical reasons up to one year.

**Public Service:** Members may purchase service credit for prior service in the following public agencies: Federal Civil Service, Military Service, and

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**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

some public employers in California. This service is only eligible for purchase when the Board of Supervisors opens the window for purchase.

**Military Time:** Members who resign or obtain a leave of absence to enter the military may purchase service credit for the period of military service. Members must re-enter employment within one year of terminating military service to be eligible to purchase service.

At retirement, Members have the option to convert 100% of sick leave time into retirement years of service credit. Unrepresented Management and Unit 7 will instead have some or all of their sick leave contributed to the Post Employment Health Plan.

**Final**

**Compensation:** For Tier 1 Members, Final Compensation means the highest average Compensation earned during any 26 consecutive pay periods of the Member's employment. For Tier 2 and Tier 3 Members, Final Compensation means the highest average Compensation earned during any 78 consecutive pay periods of the Member's employment.

The following compensation elements are no longer included in Final Compensation computation:

- Loyalty Bonus
- Up to 160 hours of vacation payoff

For Tier 4 Members, highest average Compensation will be based on the highest 36 consecutive months of the Member's employment.

**General Member:** Any Member who is not a Safety Member is a General Member.

**Public Service:** During designated periods of time authorized by the County Board of Supervisors, Members may elect to purchase Public Service for time spent while employed in another recognized public agency. The public agency must have a reciprocal agreement with the Plan or be one of several specified municipalities, counties, special districts, or State and Federal agencies. Public Service cannot be purchased if it is used for eligibility for another pension.

The cost to purchase Public Service is twice the Member Contributions and interest applicable for the period of time purchased. Public Service is used to compute benefits but does not count toward eligibility for benefits or vesting.

**Safety Member:** Any sworn Member engaged in law enforcement or as a probation officer is a Safety Member.

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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APPENDIX C – SUMMARY OF PLAN PROVISIONS

**B. Membership**

Eligibility: All full-time and variable-shift permanent employees of Merced County and other participating employers become Members on their first date of service. Membership is mandatory; only elected officials and those entering employment at age 60 or older who are not reciprocal members of another system may choose not to participate.

PEPRA: A New Member is any Member joining the Plan for the first time on or after January 1, 2013. Employees who transfer from and are eligible for reciprocity with another public employer will not be Tier 4 Members if their service in the reciprocal system was under a pre-PEPRA tier. Employees who were Members of MercedCERA prior to January 1, 2013, experienced a break in service of more than six months, and then were re-employed by a *different* MercedCERA-participating employer on or after January 1, 2013 will be considered Tier 4 Members for all subsequent service.

Member

Contributions: Each Member contributes a percentage of Compensation to the Plan through a pre-tax payroll deduction. The percentage contributed depends on the Member's age upon joining the Plan. Complete Rates are shown in Appendix D.

Members covered by Social Security have their contributions reduced by one-third on the first \$161.54 of biweekly Compensation. General Members who joined the Plan prior to March 7, 1973, and who have earned 30 years of Credited Service do not contribute; Safety Members do not contribute after earning 30 years of Credited Service.

PEPRA: Tier 4 Members must contribute half of the normal cost of the Plan. Contributions for these Members will be based on the Normal Cost associated with their benefits; General and Safety members will pay different Rates.

Tier 4 Members will pay a single contribution rate, not a rate based on entry age. All Tier 4 Members are expected to continue contributing after earning 30 years of service.

Interest is credited semi-annually to each Member's accumulated contributions. The crediting rate is set by the Board, and will fluctuate between zero and two percent less than the assumed rate of return (currently  $6.75\% - 2.00\% = 4.75\%$ ), based in part on the investment earnings during that period.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

C. Service Retirement

Eligibility: Tier 1 General Members are eligible to retire at age 50 if they have earned 10 years of Credited Service. Tier 1 General Members hired prior to December 31, 1978, may retire upon reaching age 65 with no service requirement.

Tier 2 and Tier 3 General Members are eligible to retire at age 55 if they have earned 10 years of Credited Service or upon reaching age 70 with no service requirement.

Alternatively, all Tier 1, 2, and 3 General Members are eligible to retire at any age after having earned 30 years of Credited Service, or upon reaching age 70 with no service requirement.

Safety Members are eligible to retire at age 50 if they have earned 10 years of Credited Service. Alternatively, Safety Members are eligible to retire at any age after having earned 20 years of Credited Service, or upon reaching age 70 with no service requirement. All Tier 1, 2, and 3 Safety Members hired prior to December 31, 1978, may retire upon reaching age 65 with no service requirement.

PEPRA: Tier 4 General Members are eligible to retire upon attaining age 52 and completing five or more years of service. Tier 4 Safety Members are eligible to retire upon attaining age 50 and completing five or more years of service. Tier 4 Members are eligible to retire, regardless of service, after attaining age 70.

Benefit Amount: The Service Retirement Benefit payable to the Member is equal to the Member's Final Compensation multiplied by credited service, the benefit factor from Table 1, and the age factor from Table 2 corresponding to the Member's code section. The appropriate code sections for each group are listed in Table 1. For General Members in the Merced County Cemetery District and those in Deferred Inactive Reciprocity status prior to March 15, 2005, benefits are calculated using the formula in Government Code Section 31676.11 or 31676.1.

For Tiers 1, 2, and 3, the percentage of Final Compensation may not exceed 100%. For those members integrated with Social Security, Retirement Benefits based on the first \$350 of monthly Final Average Compensation are reduced by one-third.

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**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

**Table 1:**

Group	Open or Closed	FAP	Max COLA	Code Section	Description	Top Retirement Factor Age	Benefit Factor
General Tier 1	Closed	1	3	31676.17	3% at 60	60	2.00%
General Tier 2	Closed <sup>1</sup>	3	0	31676.17	3% at 60	60	2.00%
General Tier 2 (Cemetery)	Closed <sup>1</sup>	3	0	31676.11	2% at 58 1/2	65	1.67%
General Tier 3	Closed <sup>1</sup>	3	0	31676.1	2.43% at 65	65	1.67%
General Tier 4	Open	3	0	7522.20(a)	PEPRA	67	1.00%
Safety Tier 1	Closed	1	3	31664.1	3% at 50	50	3.00%
Safety Tier 2	Closed	3	0	31664.1	3% at 50	50	3.00%
Safety Tier 3	Closed <sup>1</sup>	3	0	31664	2% at 50	55	2.00%
Safety Tier 4	Open	3	0	7522.25(d)	PEPRA	57	1.00%

<sup>1</sup> Open for reciprocal members.

**Table 2:**

Age	General 3% @ 60 CERL: 31676.17	General 2% @ 58 1/2 CERL: 31676.11	General 2.43% @ 65 CERL: 31676.1	General PEPRA GC: 7522.20(a)	Safety 3% @ 50 CERL: 31664.1	Safety 2% @ 50 CERL: 31664	Safety PEPRA GC: 7522.25(d)
41	N/A	N/A	N/A	N/A	0.6258	0.6258	N/A
42	N/A	N/A	N/A	N/A	0.6625	0.6625	N/A
43	N/A	N/A	N/A	N/A	0.7004	0.7004	N/A
44	N/A	N/A	N/A	N/A	0.7397	0.7397	N/A
45	N/A	N/A	N/A	N/A	0.7805	0.7805	N/A
46	N/A	N/A	N/A	N/A	0.8226	0.8226	N/A
47	N/A	N/A	N/A	N/A	0.8678	0.8678	N/A
48	N/A	N/A	N/A	N/A	0.9085	0.9085	N/A
49	N/A	N/A	N/A	N/A	0.9522	0.9522	N/A
50	1.0000	0.7454	0.7091	N/A	1.0000	1.0000	2.0000
51	1.0500	0.7882	0.7457	N/A	1.0000	1.0516	2.1000
52	1.1000	0.8346	0.7816	1.0000	1.0000	1.1078	2.2000
53	1.1500	0.8850	0.8181	1.1000	1.0000	1.1692	2.3000
54	1.2000	0.9399	0.8556	1.2000	1.0000	1.2366	2.4000
55	1.2500	1.0000	0.8954	1.3000	1.0000	1.3099	2.5000
56	1.3000	1.0447	0.9382	1.4000	1.0000	1.3099	2.6000
57	1.3500	1.1048	0.9846	1.5000	1.0000	1.3099	2.7000
58	1.4000	1.1686	1.0350	1.6000	1.0000	1.3099	2.7000
59	1.4500	1.2365	1.0899	1.7000	1.0000	1.3099	2.7000
60	1.5000	1.3093	1.1500	1.8000	1.0000	1.3099	2.7000
61	1.5000	1.3608	1.1947	1.9000	1.0000	1.3099	2.7000
62	1.5000	1.4123	1.2548	2.0000	1.0000	1.3099	2.7000
63	1.5000	1.4638	1.3186	2.1000	1.0000	1.3099	2.7000
64	1.5000	1.5153	1.3865	2.2000	1.0000	1.3099	2.7000
65	1.5000	1.5668	1.4593	2.3000	1.0000	1.3099	2.7000
66	1.5000	1.5668	1.4593	2.4000	1.0000	1.3099	2.7000
67	1.5000	1.5668	1.4593	2.5000	1.0000	1.3099	2.7000

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**Form of Benefit:** The Service Retirement Benefit will be paid monthly beginning at retirement and for the life of the Member. If the member selects the unmodified benefit form, in the event of the Member's death 60% of the benefit will continue for the life of the Member's eligible spouse, domestic partner, or to the age of majority of dependent minor children if there is no eligible spouse or domestic partner. To be eligible to receive this benefit, a surviving spouse or domestic partner must be married or state-registered at least one year prior to retirement. In the event there is no eligible surviving spouse, domestic partner, or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms are also available.

Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases in excess of 3% are "banked" and used for future increases when the CPI increases by less than 3%.

A lump sum benefit of \$3,000 will be payable upon the death of a retired member.

**D. Service-Connected Disability**

**Eligibility:** Members are eligible for Service-Connected Disability Retirement benefits at any age if they are permanently disabled as a result of injuries or illness sustained in the line of duty.

**Benefit Amount:** The Service-Connected Disability Retirement Benefit payable to Members is equal to the greater of 50% of their Final Compensation or – if the Member is eligible at disability for a Service Retirement Benefit – the Service Retirement Benefit accrued on the date of disability.

Members who return to work at a different position with lower pay may receive a Supplemental Disability Allowance that, when added to their new pay, may bring the Member's total income up to the current pay for his or her position at the time of disability. The Supplemental Disability Allowance may not exceed the Service-Connected Disability Retirement benefit.

**Form of Benefit:** The Service-Connected Disability Retirement Benefit will be paid monthly beginning at the effective date of disability retirement and for the life of the Member; in the event of the Member's death, 100% of the benefit will continue for the life of the Member's eligible spouse, domestic partner, or to the age of majority of dependent minor children if there is no eligible spouse or domestic partner. In the event there is no eligible

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surviving spouse, domestic partner, or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms are also available.

Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases in excess of 3% are "banked" and used for future increases when the CPI increases by less than 3%.

A lump sum benefit of \$3,000 will be payable upon the death of a retired member.

**E. Non Service-Connected Disability**

**Eligibility:** Members are eligible for Non Service-Connected Disability Retirement benefits if they are permanently disabled at any age after earning five years of Credited Service or after becoming eligible for a deferred vested benefit.

**Benefit Amount:** The Non Service-Connected Disability Retirement Benefit payable to General Members is equal to the greatest of:

- 1.5% of Final Compensation at disability multiplied by years of Credited Service at disability,
- 1.5% of Final Compensation at disability multiplied by years of Credited Service projected to age 65, but not to exceed one-third of Final Compensation, or
- If the Member is eligible at disability for a Service Retirement Benefit, the Service Retirement Benefit accrued on the date of disability.

The Non Service-Connected Disability Retirement Benefit payable to Safety Members is equal to the greatest of:

- 1.8% of Final Compensation at disability multiplied by years of Credited Service at disability,
- 1.8% of Final Compensation at disability multiplied by years of Credited Service projected to age 55, but not to exceed one-third of Final Compensation, or
- If the Member is eligible at disability for a Service Retirement Benefit, the Service Retirement Benefit accrued on the date of disability.

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Members who return to work at a different position with lower pay may receive a Supplemental Disability Allowance that, when added to their new pay, may bring the Member's total income up to the current pay for his or her position at the time of disability. The Supplemental Disability Allowance may not exceed the Non Service-Connected Disability Retirement benefit.

**Form of Benefit:** The Non Service-Connected Disability Retirement Benefit will be paid monthly beginning at the effective date of disability retirement, and for the life of the Member; in the event of the Member's death, 60% of the benefit will continue for the life of the Member's eligible spouse, domestic partner, or to the age of majority of dependent minor children if there is no spouse. In the event there is no eligible surviving spouse, domestic partner, or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms are also available.

Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases in excess of 3% are "banked" and used for future increases when the CPI increases by less than 3%.

A lump sum benefit of \$3,000 will be payable upon the death of a retired member.

**F. Service-Connected Death**

**Eligibility:** A Member's survivors are eligible to receive Service-Connected Death benefits if the Member's death resulted from injury or illness sustained in connection with the Member's duties.

**Benefit Amount:** The Service-Connected Death benefit payable to an eligible surviving spouse, domestic partner, or minor children will be 50% of the Member's Final Compensation.

Furthermore, for Safety Members only, there will be an additional lump sum benefit of 12 months of pay at the time of death. An additional benefit of 25% of the above basic benefit will be paid for the first minor child, 15% for the second, and 10% for the third.

**Form of Benefit:** The Service-Connected Death Benefit will be paid monthly beginning at the Member's death and for the life of the eligible surviving spouse, domestic partner, or to the age of majority of dependent minor children if there is no eligible surviving spouse or domestic partner.

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Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases in excess of 3% are “banked” and used for future increases when the CPI increases by less than 3%.

**G. Non Service-Connected Death**

**Eligibility:** A Member’s survivors are eligible to receive Non Service-Connected Death benefits if the Member’s death arose from causes unrelated to the Member’s duties.

**Benefit Amount:** In the event the Member had earned fewer than five years of Credited Service and has no or insufficient reciprocity service from another system, the Non Service-Connected Death benefit will be a refund of the Member’s accumulated contributions with interest plus a payment of one month of Final Compensation for each year of Credited Service, not to exceed six months.

In the event the Member had earned five or more years of Credited Service, the Non Service-Connected Death benefit payable to an eligible surviving spouse, domestic partner, or minor children will be 60% of the amount the Member would have received as a Non Service-Connected Disability Retirement Benefit on the date of death.

**Form of Benefit:** For Members who had earned fewer than five years of Credited Service at death, the benefit will be paid as a lump sum.

For Members with five or more years of Credited Service, the Non Service-Connected Death Benefit will be paid monthly beginning at the Member’s death and for the life of the eligible surviving spouse, domestic partner, or to the age of majority of dependent minor children if there is no eligible spouse or domestic partner.

Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases in excess of 3% are “banked” and used for future increases when the CPI increases by less than 3%.

**H. Withdrawal Benefit**

**Eligibility:** A Member is eligible for a Withdrawal Benefit upon termination of employment.

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**Benefit Amount:** The Withdrawal Benefit is a refund of the Member's accumulated Contributions with interest. Upon receipt of the Withdrawal Benefit, the Member forfeits all Credited Service.

**Form of Benefit:** The Withdrawal Benefit is paid in a lump sum upon election by the Member.

**I. Deferred Vested Benefit**

**Eligibility:** A Member is eligible for a Deferred Vested Benefit upon termination of employment after earning five years of Credited Service, including reciprocity service from another system. The Member must leave his or her Member Contributions with interest on deposit with the Plan.

**Benefit Amount:** The Deferred Vested Benefit is computed in the same manner as the Service Retirement Benefit, but it is based on Credited Service and Final Compensation on the date of termination.

**Form of Benefit:** The Deferred Vested Benefit will be paid monthly beginning at retirement and for the life of the Member; in the event of the Member's death, 60% of the benefit will continue for the life of the Member's eligible surviving spouse, domestic partner, or to the age of majority of dependent minor children if there is no eligible surviving spouse or domestic partner. In the event there is no eligible surviving spouse, domestic partner, or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms are also available.

Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases in excess of 3% are "banked" and used for future increases when the CPI increases by less than 3%.

A lump sum benefit of \$3,000 will be payable upon the death of a retired member.

**J. Reciprocal Benefit**

**Eligibility:** A Member is eligible for a Reciprocal Benefit upon termination of employment and entry, within a specified period of time, into another retirement system recognized as a reciprocal system by the Plan. In addition, the Member must leave his or her Member Contributions with interest on deposit with the Plan.

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**Benefit Amount:** The Reciprocal Benefit is computed in the same manner as the Service Retirement Benefit, but it is based on Credited Service on the date of termination and Final Compensation on the date of retirement; Final Compensation is based on the highest of the Compensation earned under this Plan or the reciprocal plan.

**Form of Benefit:** The Reciprocal Benefit will be paid monthly beginning at retirement and for the life of the Member; in the event of the Member's death, 60% of the benefit will continue for the life of the Member's eligible surviving spouse, domestic partner, or to the age of majority of dependent minor children if there is no eligible surviving spouse or domestic partner. In the event there is no eligible surviving spouse, domestic partner, or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms are also available.

Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases in excess of 3% are "banked" and used for future increases when the CPI increases by less than 3%.

A lump sum benefit may be payable upon the death of a retired Member by the last system under which the Member's service was covered.

**K. Changes Since Last Valuation**

None.

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**APPENDIX D – MEMBER CONTRIBUTION RATES**

## **Contribution Rates**

Employee contribution rates vary by member Group and Tier. For non-PEPRA members, the rates were updated this year, following an experience study covering the period July 1, 2022 – June 30, 2025. For PEPRA members, the Rates were also re-computed, in accordance with the requirement that employees pay half of the total normal cost rate from the most recent actuarial valuation.

### Non-PEPRA Members

- The basic rates are determined based on Government Code Section 31621.8 for General Tier 1 and Tier 2 members (31621.1 for Tier 2 members under benefit section 31676.11), 31621 for General Tier 3 members, and Section 31639.25 for Safety members. The COLA Rates for members in Tier 1 are determined based on 50% of the normal cost associated with the expected COLA benefits, including joint and survivor benefits, determined for each individual entry age.
- The rates are determined based on an interest rate of 6.75% per annum, an average salary increase of 3.00% per year (plus service-based increases for merit/longevity) and the healthy annuitant mortality tables used in the most recent valuation, projected using 80% of Projection Scale MP-2021 to 2046. The rates are blended based on a male/female weighting of 25% male / 75% female for General members, and 65% male / 35% female for Safety members.
- Effective with the June 30, 2013 valuation, an administrative expense load was added to the rates. The expense load added is currently 3.7%. This load was determined to account for the employees' share of the assumed administrative expense assumption, assuming the employer and employees would share administrative expenses in proportion to their overall share of the contributions. The load produces an average increase in the employee rates of approximately 0.31% of payroll.

### PEPRA Members

- Employee contribution rates are equal to half of the total normal cost rate from the actuarial valuation, determined separately for General and Safety. Due to the passage of SB13, contribution rates for PEPRA members are not rounded, and will be recomputed each year.
- An administrative expenses load of 3.7% was applied to the PEPRA rates.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025**

**APPENDIX D – MEMBER CONTRIBUTION RATES**

**Current Year Contribution Rates (General Non-PEPRA):**

Entry Age	Basic		Tier 1 COLA		Total		Tier 2 Basic		Tier 3 Basic	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
16	5.88%	8.82%	1.45%	2.18%	7.33%	11.00%	5.66%	8.49%	4.11%	6.16%
17	5.88%	8.82%	1.45%	2.18%	7.33%	11.00%	5.66%	8.49%	4.11%	6.16%
18	5.88%	8.82%	1.45%	2.18%	7.33%	11.00%	5.66%	8.49%	4.11%	6.16%
19	5.88%	8.82%	1.45%	2.18%	7.33%	11.00%	5.66%	8.49%	4.11%	6.16%
20	5.88%	8.82%	1.45%	2.18%	7.33%	11.00%	5.66%	8.49%	4.11%	6.16%
21	5.98%	8.98%	1.50%	2.25%	7.48%	11.23%	5.76%	8.64%	4.17%	6.25%
22	6.09%	9.13%	1.55%	2.32%	7.64%	11.45%	5.85%	8.77%	4.24%	6.36%
23	6.19%	9.28%	1.61%	2.41%	7.80%	11.69%	5.95%	8.93%	4.31%	6.47%
24	6.29%	9.44%	1.65%	2.48%	7.94%	11.92%	6.05%	9.07%	4.39%	6.57%
25	6.40%	9.59%	1.71%	2.56%	8.11%	12.15%	6.15%	9.23%	4.45%	6.68%
26	6.50%	9.76%	1.75%	2.63%	8.25%	12.39%	6.25%	9.38%	4.53%	6.79%
27	6.62%	9.92%	1.80%	2.71%	8.42%	12.63%	6.37%	9.55%	4.60%	6.91%
28	6.73%	10.10%	1.86%	2.78%	8.59%	12.88%	6.48%	9.72%	4.68%	7.02%
29	6.85%	10.28%	1.91%	2.86%	8.76%	13.14%	6.58%	9.88%	4.76%	7.14%
30	6.98%	10.46%	1.96%	2.95%	8.94%	13.41%	6.71%	10.06%	4.84%	7.26%
31	7.10%	10.65%	2.02%	3.03%	9.12%	13.68%	6.83%	10.25%	4.93%	7.38%
32	7.23%	10.85%	2.08%	3.12%	9.31%	13.97%	6.96%	10.43%	5.01%	7.52%
33	7.36%	11.04%	2.14%	3.20%	9.50%	14.24%	7.08%	10.62%	5.09%	7.64%
34	7.51%	11.26%	2.19%	3.29%	9.70%	14.55%	7.21%	10.82%	5.19%	7.78%
35	7.64%	11.47%	2.25%	3.37%	9.89%	14.84%	7.33%	10.99%	5.28%	7.91%
36	7.78%	11.67%	2.31%	3.46%	10.09%	15.13%	7.45%	11.17%	5.37%	8.06%
37	7.91%	11.86%	2.36%	3.55%	10.27%	15.41%	7.56%	11.34%	5.46%	8.20%
38	8.04%	12.05%	2.42%	3.63%	10.46%	15.68%	7.66%	11.50%	5.57%	8.36%
39	8.15%	12.23%	2.48%	3.71%	10.63%	15.94%	7.77%	11.66%	5.67%	8.50%
40	8.26%	12.39%	2.52%	3.77%	10.78%	16.16%	7.86%	11.79%	5.77%	8.65%
41	8.37%	12.56%	2.52%	3.79%	10.89%	16.35%	7.95%	11.93%	5.86%	8.79%
42	8.46%	12.69%	2.53%	3.80%	10.99%	16.49%	8.03%	12.04%	5.95%	8.93%
43	8.54%	12.82%	2.53%	3.80%	11.07%	16.62%	8.10%	12.15%	6.04%	9.05%
44	8.64%	12.95%	2.53%	3.80%	11.17%	16.75%	8.18%	12.28%	6.11%	9.17%
45	8.73%	13.10%	2.52%	3.77%	11.25%	16.87%	8.26%	12.40%	6.19%	9.28%
46	8.84%	13.25%	2.52%	3.79%	11.36%	17.04%	8.35%	12.52%	6.25%	9.38%
47	8.94%	13.41%	2.52%	3.77%	11.46%	17.18%	8.40%	12.60%	6.32%	9.47%
48	9.02%	13.53%	2.51%	3.76%	11.53%	17.29%	8.41%	12.62%	6.38%	9.56%
49	9.05%	13.58%	2.50%	3.75%	11.55%	17.33%	8.38%	12.57%	6.44%	9.65%
50	9.03%	13.55%	2.49%	3.73%	11.52%	17.28%	8.32%	12.48%	6.50%	9.76%
51	8.98%	13.47%	2.44%	3.66%	11.42%	17.13%	8.23%	12.35%	6.56%	9.85%
52	8.91%	13.36%	2.40%	3.59%	11.31%	16.95%	8.10%	12.15%	6.61%	9.91%
53	8.80%	13.20%	2.35%	3.53%	11.15%	16.73%	8.36%	12.54%	6.62%	9.92%
54	8.63%	12.94%	2.31%	3.46%	10.94%	16.40%	8.63%	12.94%	6.60%	9.89%
55	8.53%	12.81%	2.27%	3.40%	10.80%	16.21%	8.53%	12.81%	6.54%	9.82%
56	8.45%	12.67%	2.18%	3.27%	10.63%	15.94%	8.45%	12.67%	6.48%	9.72%
57	8.36%	12.54%	2.09%	3.14%	10.45%	15.68%	8.36%	12.54%	6.38%	9.56%
58	8.25%	12.38%	2.02%	3.03%	10.27%	15.41%	8.25%	12.38%	6.57%	9.86%
59+	8.15%	12.23%	1.96%	2.93%	10.11%	15.16%	8.15%	12.23%	6.79%	10.18%



**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025**

**APPENDIX D – MEMBER CONTRIBUTION RATES**

**Current Year Contribution Rates (Safety Non-PEPRA):**

Entry Age	Basic		Tier 1 COLA		Total		Tier 2 & 3 Basic	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
20	6.48%	9.73%	2.57%	3.86%	9.05%	13.59%	6.22%	9.33%
21	6.58%	9.87%	2.63%	3.95%	9.21%	13.82%	6.32%	9.47%
22	6.67%	10.01%	2.71%	4.05%	9.38%	14.06%	6.40%	9.60%
23	6.77%	10.15%	2.76%	4.14%	9.53%	14.29%	6.49%	9.74%
24	6.85%	10.29%	2.82%	4.23%	9.67%	14.52%	6.58%	9.87%
25	6.96%	10.44%	2.87%	4.31%	9.83%	14.75%	6.68%	10.02%
26	7.06%	10.59%	2.93%	4.41%	9.99%	15.00%	6.77%	10.16%
27	7.17%	10.74%	2.99%	4.48%	10.16%	15.22%	6.88%	10.31%
28	7.27%	10.90%	3.04%	4.55%	10.31%	15.45%	6.97%	10.45%
29	7.37%	11.05%	3.08%	4.61%	10.45%	15.66%	7.07%	10.61%
30	7.48%	11.22%	3.08%	4.63%	10.56%	15.85%	7.18%	10.76%
31	7.59%	11.39%	3.10%	4.66%	10.69%	16.05%	7.28%	10.92%
32	7.70%	11.56%	3.13%	4.70%	10.83%	16.26%	7.39%	11.09%
33	7.83%	11.74%	3.17%	4.76%	11.00%	16.50%	7.51%	11.26%
34	7.95%	11.93%	3.21%	4.82%	11.16%	16.75%	7.62%	11.44%
35	8.08%	12.11%	3.27%	4.91%	11.35%	17.02%	7.75%	11.62%
36	8.21%	12.32%	3.32%	4.98%	11.53%	17.30%	7.88%	11.82%
37	8.35%	12.53%	3.37%	5.06%	11.72%	17.59%	8.02%	12.02%
38	8.50%	12.76%	3.43%	5.14%	11.93%	17.90%	8.14%	12.22%
39	8.65%	12.97%	3.47%	5.22%	12.12%	18.19%	8.26%	12.40%
40	8.80%	13.21%	3.53%	5.29%	12.33%	18.50%	8.38%	12.57%
41	8.93%	13.40%	3.52%	5.27%	12.45%	18.67%	8.47%	12.71%
42	9.05%	13.58%	3.49%	5.25%	12.54%	18.83%	8.56%	12.83%
43	9.16%	13.73%	3.52%	5.28%	12.68%	19.01%	8.61%	12.91%
44	9.23%	13.84%	3.54%	5.31%	12.77%	19.15%	8.63%	12.94%
45	9.28%	13.92%	3.52%	5.27%	12.80%	19.19%	8.62%	12.92%
46	9.29%	13.94%	3.48%	5.23%	12.77%	19.17%	8.53%	12.81%
47	9.28%	13.92%	3.46%	5.20%	12.74%	19.12%	8.39%	12.58%
48	9.14%	13.70%	3.44%	5.16%	12.58%	18.86%	8.65%	12.97%
49+	8.93%	13.39%	3.43%	5.14%	12.36%	18.53%	8.93%	13.39%



**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025**

**APPENDIX D – MEMBER CONTRIBUTION RATES**

**Prior Year Contribution Rates (General Non-PEPRA):**

Entry Age	Basic		Tier 1 COLA		Total		Tier 2 Basic		Tier 3 Basic	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
16	5.57%	8.36%	1.46%	2.19%	7.03%	10.55%	5.38%	8.06%	3.86%	5.79%
17	5.57%	8.36%	1.46%	2.19%	7.03%	10.55%	5.38%	8.06%	3.86%	5.79%
18	5.57%	8.36%	1.46%	2.19%	7.03%	10.55%	5.38%	8.06%	3.86%	5.79%
19	5.57%	8.36%	1.46%	2.19%	7.03%	10.55%	5.38%	8.06%	3.86%	5.79%
20	5.57%	8.36%	1.46%	2.19%	7.03%	10.55%	5.38%	8.06%	3.86%	5.79%
21	5.67%	8.51%	1.50%	2.26%	7.17%	10.77%	5.47%	8.21%	3.93%	5.89%
22	5.77%	8.66%	1.55%	2.33%	7.32%	10.99%	5.56%	8.35%	4.00%	6.00%
23	5.88%	8.83%	1.61%	2.41%	7.49%	11.24%	5.67%	8.51%	4.07%	6.11%
24	5.99%	8.98%	1.66%	2.49%	7.65%	11.47%	5.77%	8.66%	4.14%	6.22%
25	6.10%	9.16%	1.71%	2.56%	7.81%	11.72%	5.88%	8.83%	4.22%	6.33%
26	6.22%	9.32%	1.75%	2.62%	7.97%	11.94%	6.00%	8.99%	4.30%	6.44%
27	6.33%	9.50%	1.79%	2.69%	8.12%	12.19%	6.10%	9.16%	4.38%	6.57%
28	6.45%	9.68%	1.84%	2.77%	8.29%	12.45%	6.23%	9.33%	4.45%	6.68%
29	6.58%	9.86%	1.90%	2.84%	8.48%	12.70%	6.34%	9.51%	4.54%	6.81%
30	6.70%	10.05%	1.94%	2.91%	8.64%	12.96%	6.45%	9.69%	4.62%	6.93%
31	6.83%	10.25%	2.00%	2.99%	8.83%	13.24%	6.59%	9.88%	4.71%	7.07%
32	6.97%	10.45%	2.04%	3.07%	9.01%	13.52%	6.71%	10.07%	4.80%	7.20%
33	7.11%	10.66%	2.10%	3.15%	9.21%	13.81%	6.85%	10.28%	4.89%	7.33%
34	7.25%	10.88%	2.14%	3.22%	9.39%	14.10%	6.98%	10.47%	4.98%	7.47%
35	7.40%	11.10%	2.21%	3.30%	9.61%	14.40%	7.11%	10.66%	5.08%	7.61%
36	7.53%	11.30%	2.26%	3.39%	9.79%	14.69%	7.23%	10.85%	5.17%	7.76%
37	7.68%	11.51%	2.31%	3.47%	9.99%	14.98%	7.36%	11.03%	5.27%	7.92%
38	7.80%	11.70%	2.37%	3.55%	10.17%	15.25%	7.47%	11.20%	5.38%	8.07%
39	7.93%	11.89%	2.43%	3.65%	10.36%	15.54%	7.57%	11.36%	5.48%	8.23%
40	8.05%	12.07%	2.49%	3.73%	10.54%	15.80%	7.68%	11.51%	5.58%	8.38%
41	8.16%	12.25%	2.50%	3.75%	10.66%	16.00%	7.77%	11.66%	5.69%	8.53%
42	8.26%	12.39%	2.52%	3.78%	10.78%	16.17%	7.85%	11.78%	5.78%	8.67%
43	8.35%	12.53%	2.54%	3.80%	10.89%	16.33%	7.94%	11.90%	5.87%	8.81%
44	8.44%	12.67%	2.54%	3.80%	10.98%	16.47%	8.03%	12.05%	5.96%	8.93%
45	8.56%	12.84%	2.54%	3.80%	11.10%	16.64%	8.12%	12.18%	6.03%	9.04%
46	8.67%	13.00%	2.54%	3.80%	11.21%	16.80%	8.22%	12.32%	6.10%	9.16%
47	8.79%	13.18%	2.54%	3.80%	11.33%	16.98%	8.27%	12.40%	6.17%	9.26%
48	8.88%	13.31%	2.53%	3.79%	11.41%	17.10%	8.30%	12.44%	6.24%	9.36%
49	8.92%	13.39%	2.50%	3.75%	11.42%	17.14%	8.28%	12.41%	6.31%	9.47%
50	8.91%	13.36%	2.47%	3.70%	11.38%	17.06%	8.22%	12.33%	6.38%	9.57%
51	8.86%	13.29%	2.41%	3.63%	11.27%	16.92%	8.15%	12.22%	6.45%	9.68%
52	8.80%	13.20%	2.37%	3.55%	11.17%	16.75%	8.03%	12.04%	6.50%	9.75%
53	8.71%	13.06%	2.31%	3.47%	11.02%	16.53%	8.28%	12.42%	6.52%	9.77%
54	8.55%	12.82%	2.27%	3.41%	10.82%	16.23%	8.55%	12.82%	6.50%	9.75%
55	8.46%	12.69%	2.23%	3.34%	10.69%	16.03%	8.46%	12.69%	6.46%	9.70%
56	8.37%	12.56%	2.14%	3.21%	10.51%	15.77%	8.37%	12.56%	6.40%	9.60%
57	8.28%	12.41%	2.06%	3.09%	10.34%	15.50%	8.28%	12.41%	6.31%	9.46%
58	8.17%	12.26%	1.99%	2.98%	10.16%	15.24%	8.17%	12.26%	6.51%	9.76%
59+	8.06%	12.09%	1.94%	2.90%	10.00%	14.99%	8.06%	12.09%	6.71%	10.07%



**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025**

**APPENDIX D – MEMBER CONTRIBUTION RATES**

**Prior Year Contribution Rates (Safety Non-PEPRA):**

Entry Age	Basic		Tier 1 COLA		Total		Tier 2 & 3 Basic	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
20	6.07%	9.11%	2.50%	3.75%	8.57%	12.86%	5.84%	8.76%
21	6.16%	9.25%	2.56%	3.84%	8.72%	13.09%	5.94%	8.90%
22	6.27%	9.40%	2.62%	3.93%	8.89%	13.33%	6.02%	9.03%
23	6.36%	9.54%	2.67%	4.01%	9.03%	13.55%	6.12%	9.18%
24	6.46%	9.70%	2.74%	4.10%	9.20%	13.80%	6.22%	9.32%
25	6.56%	9.84%	2.79%	4.19%	9.35%	14.03%	6.31%	9.47%
26	6.66%	10.00%	2.84%	4.26%	9.50%	14.26%	6.41%	9.61%
27	6.78%	10.16%	2.89%	4.34%	9.67%	14.50%	6.52%	9.77%
28	6.88%	10.32%	2.93%	4.40%	9.81%	14.72%	6.62%	9.92%
29	6.99%	10.48%	2.96%	4.44%	9.95%	14.92%	6.72%	10.09%
30	7.11%	10.66%	2.95%	4.43%	10.06%	15.09%	6.83%	10.25%
31	7.22%	10.83%	2.98%	4.48%	10.20%	15.31%	6.94%	10.41%
32	7.35%	11.01%	2.98%	4.48%	10.33%	15.49%	7.06%	10.59%
33	7.47%	11.20%	3.03%	4.54%	10.50%	15.74%	7.18%	10.76%
34	7.59%	11.39%	3.07%	4.60%	10.66%	15.99%	7.30%	10.95%
35	7.73%	11.59%	3.12%	4.67%	10.85%	16.26%	7.43%	11.15%
36	7.86%	11.80%	3.18%	4.78%	11.04%	16.58%	7.56%	11.34%
37	8.01%	12.02%	3.24%	4.87%	11.25%	16.89%	7.70%	11.55%
38	8.17%	12.26%	3.30%	4.96%	11.47%	17.22%	7.84%	11.76%
39	8.32%	12.47%	3.37%	5.06%	11.69%	17.53%	7.97%	11.95%
40	8.47%	12.71%	3.44%	5.16%	11.91%	17.87%	8.09%	12.13%
41	8.61%	12.92%	3.42%	5.13%	12.03%	18.05%	8.19%	12.29%
42	8.73%	13.11%	3.45%	5.18%	12.18%	18.29%	8.28%	12.41%
43	8.84%	13.26%	3.49%	5.23%	12.33%	18.49%	8.34%	12.50%
44	8.92%	13.39%	3.52%	5.28%	12.44%	18.67%	8.36%	12.55%
45	8.98%	13.48%	3.53%	5.30%	12.51%	18.78%	8.36%	12.55%
46	9.01%	13.52%	3.51%	5.27%	12.52%	18.79%	8.30%	12.44%
47	9.01%	13.52%	3.51%	5.26%	12.52%	18.78%	8.16%	12.25%
48	8.88%	13.31%	3.51%	5.27%	12.39%	18.58%	8.42%	12.63%
49+	8.69%	13.03%	3.53%	5.29%	12.22%	18.32%	8.69%	13.03%



**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2025**

**APPENDIX D – MEMBER CONTRIBUTION RATES**

**Current Year Contribution Rates (PEPRA):**

PEPRA Rates		
	General	Safety
	7.28%	11.41%
Assumptions:		
Interest	6.75%	
Salary	2025 Valuation Scale (service-based, includes wage inflation at 3.0%)	
Mortality	CalPERS 2025 tables projected with 80% of MP-2021	
Other	Same as June 30, 2025 valuation (see Appendix B)	

**Prior Year Contribution Rates (PEPRA):**

PEPRA Rates		
	General	Safety
	7.21%	11.28%
Assumptions:		
Interest	6.75%	
Salary	2022 Valuation Scale (service-based, includes wage inflation at 2.75%)	
Mortality	CalPERS 2021 / PubS(B) 2010 tables, projected with 80% of MP-2020	
Other	Same as June 30, 2024 valuation (see Appendix B)	

## APPENDIX E – GLOSSARY

### 1. Actuarial Assumptions

Assumptions as to the occurrence of future events affecting pension costs such as mortality, withdrawal, disability, retirement, changes in compensation, and rates of investment return.

### 2. Actuarial Cost Method

A procedure for determining the actuarial present value of pension plan benefits and expenses and for developing an allocation of such value to each year of service, usually in the form of a normal cost and an Actuarial Liability.

### 3. Actuarial Gain (Loss)

The difference between actual experience and that expected is based upon a set of actuarial assumptions during the period between two actuarial valuation dates, as determined in accordance with a particular actuarial cost method.

### 4. Actuarial Liability

The portion of the actuarial present value of projected benefits which will not be paid by future normal costs. It represents the value of the past normal costs with interest to the valuation date.

### 5. Actuarial Present Value (Present Value)

The value as of a given date of a future amount or series of payments. The actuarial present value discounts the payments to the given date at the assumed investment return and includes the probability of the payment being made.

### 6. Actuarial Valuation

The determination, as of a specified date, of the normal cost, Actuarial Liability, Actuarial Value of Assets, and related actuarial present values for a pension plan.

### 7. Actuarial Value of Assets

The value of cash, investments, and other property belonging to a pension plan as used by the actuary for the purpose of an actuarial valuation. The purpose of an Actuarial Value of Assets is to smooth out fluctuations in market values. No longer applicable as of the June 30, 2014 actuarial valuation.

**APPENDIX E – GLOSSARY**

**8. Actuarially Equivalent**

Of equal actuarial present value, determined as of a given date, with each value based on the same set of actuarial assumptions.

**9. Amortization Payment**

The portion of the pension plan contribution that is designed to pay interest and principal on the Unfunded Actuarial Liability in order to pay for that liability in a given number of years.

**10. Entry Age Normal Actuarial Cost Method**

A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages.

**11. Funded Ratio**

The ratio of the Market Value of Assets to the Actuarial Liabilities.

**12. Normal Cost**

That portion of the actuarial present value of pension plan benefits and expenses, which is allocated to a valuation year by the actuarial cost method.

**13. Projected Benefits**

Those pension plan benefit amounts which are expected to be paid in the future under a particular set of actuarial assumptions, taking into account such items as increases in future compensation and service credits.

**14. Unfunded Actuarial Liability**

The excess of the Actuarial Liability over the Market Value of Assets.



*Classic Values, Innovative Advice*

***Via Electronic Mail***

January 15, 2026

Ms. Martha Sanchez  
Plan Administrator  
Merced County Employees' Retirement Association  
690 W. 19th Street  
Merced, CA 95340

***Re: Cost-of-Living Adjustment (COLA) as of April 1, 2026***

Dear Martha:

Pursuant to the scope of retainer services under Cheiron's agreement to provide actuarial services to Merced CERA, we have computed the Cost-of-Living Adjustment (COLA) percentages to be used by the Association as of April 1, 2026. The calculations outlined herein have been performed in accordance with 31870.1 of the County Employees' Retirement Law of 1937.

***Background***

The Cost-of-Living Adjustment (COLA) is determined annually based on increases in the December Consumer Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-Hayward area, using a base period of 1982-1984. The ratio is calculated and rounded to the nearest one-half percent.

***COLA Calculations***

The CPIs described above were 358.568 and 348.001 for 2025 and 2024, respectively. This represents an increase of 3.04%, which is subsequently rounded to 3.00%. As a point of comparison, the U.S. City CPI increased by 2.68% over the same time period.

Tier 1 members are subject to the provisions of Section 31870.1, which limits annual COLA increases to 3.00% annually. Therefore, these members should receive an increase in benefits of 3.00%, based on the current year change in the CPI, with no change in the accumulated carry-over balances from those as of April 1, 2025. The enclosed exhibit summarizes the COLA calculations and carry-over balances for the Tier 1 members. Non-Tier 1 members do not receive an automatic COLA from the Association.

Sincerely,  
Cheiron

A handwritten signature in blue ink that reads "Graham Schmidt".

Graham A. Schmidt, FSA, EA, MAAA, FCA  
Principal Consulting Actuary

Exhibit

# EXHIBIT

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION					
COST OF LIVING ADJUSTMENTS (COLA) - Section 31870.1 As of April 1, 2026					
Maximum Annual COLA: <u>3.0%</u>					
Initial Retirement Date	April 1, 2025	Increase in the Annual		April 1, 2026	
	Accumulated Carry-Over	Average CPI <sup>1</sup>		COLA	Accumulated Carry-Over
		Actual	Rounded		
	(A)	(B)	(C)		
On or Before 7/1/1967	78.0%	3.04%	3.0%	<b>3.0%</b>	78.0%
01/02/1904 to 07/01/1968	77.5%	3.04%	3.0%	<b>3.0%</b>	77.5%
07/02/1968 to 04/01/1969	76.5%	3.04%	3.0%	<b>3.0%</b>	76.5%
04/02/1969 to 04/01/1970	74.0%	3.04%	3.0%	<b>3.0%</b>	74.0%
04/02/1970 to 04/01/1971	70.5%	3.04%	3.0%	<b>3.0%</b>	70.5%
04/02/1971 to 04/01/1972	67.5%	3.04%	3.0%	<b>3.0%</b>	67.5%
04/02/1972 to 04/01/1973	65.5%	3.04%	3.0%	<b>3.0%</b>	65.5%
04/02/1973 to 04/01/1974	64.0%	3.04%	3.0%	<b>3.0%</b>	64.0%
04/02/1974 to 04/01/1975	60.0%	3.04%	3.0%	<b>3.0%</b>	60.0%
04/02/1975 to 04/01/1976	53.0%	3.04%	3.0%	<b>3.0%</b>	53.0%
04/02/1976 to 04/01/1977	46.0%	3.04%	3.0%	<b>3.0%</b>	46.0%
04/02/1977 to 04/01/1978	43.5%	3.04%	3.0%	<b>3.0%</b>	43.5%
04/02/1978 to 04/01/1979	39.0%	3.04%	3.0%	<b>3.0%</b>	39.0%
04/02/1979 to 04/01/1980	32.5%	3.04%	3.0%	<b>3.0%</b>	32.5%
04/02/1980 to 04/01/1981	27.0%	3.04%	3.0%	<b>3.0%</b>	27.0%
04/02/1981 to 04/01/1982	15.0%	3.04%	3.0%	<b>3.0%</b>	15.0%
04/02/1982 to 04/01/1983	5.0%	3.04%	3.0%	<b>3.0%</b>	5.0%
04/02/1983 to 04/01/2017	2.5%	3.04%	3.0%	<b>3.0%</b>	2.5%
04/02/2017 to 04/01/2022	2.0%	3.04%	3.0%	<b>3.0%</b>	2.0%
04/02/2022 to 04/01/2023	1.0%	3.04%	3.0%	<b>3.0%</b>	1.0%
04/02/2023 to 04/01/2026	0.0%	3.04%	3.0%	<b>3.0%</b>	0.0%

<sup>1</sup> All Urban Consumers, San Francisco-Oakland-San Jose Area (1982-84 base). (G.C. 31870.1)



Merced County Employees' Retirement Association

**DATE:** February 26, 2026

**TO:** MercedCERA Board of Retirement

**FROM:** Martha Sanchez Barboa, Plan Administrator

**SUBJECT:** Proposed Installation of Microphones at the Board Dais

**ITEM NUMBER:** Open Session Item h

**ITEM TYPE:** Action

**STAFF RECOMMENDATION:**

1. Approve installation of wired or wireless microphones at the Board dais.

**DISCUSSION:**

The new MercedCERA Board Meeting Room includes a Board dais which seats up to 13 individuals, including the 11-member MercedCERA Board, Board Counsel and the Plan Administrator. The dais currently includes countertop microphones that allow virtual attendees to clearly hear Board matters. However, several trustees have noted the difficulty of hearing other trustees speak across the dais. Therefore, Staff is recommending that microphones be installed at the dais. These microphones would allow for trustees to be clearly heard, while not causing conflict with the sound being transmitted to virtual attendees.

Hi-Tech Home, the company MercedCERA contracts to provide technical equipment for the MercedCERA headquarters building, provided two quotes detailing the relevant costs to installing wired or wireless microphones. Both quotes are attached to this agenda item.

Wireless microphone equipment and installation costs total \$31,713.09. Each microphone sits on the table and transmits audio wirelessly to the sound system in the room. There is no need to change batteries, as the microphones sit on a docking station recharging when not in use. Wireless also allows flexibility to move microphones should seating arrangements need to be modified (i.e., changes in regulatory Retirement Board appointments).

Wired microphone equipment and installation costs total \$17,963.61. Each microphone is permanently connected by cable to the audio system. There is no charging required of the equipment, allowing for straightforward microphone operation. However, there would be no flexibility for microphones to be moved. In addition, the wires would be visible across the dais. Additional installation costs of approximately \$2,000 would be incurred if the wires were to be hidden under the dais, as additional openings would need to be made on the dais countertop. The installation work would be done by a different vendor, as Hi-Tech Home does not perform this type of work.

**Staff Recommendation:**

Staff recommend the Board approve the installation of wired or wireless microphones at the Board dais.



# New Mics for Boardroom

A PROPOSAL FOR

## **Merced County ERA**

Martha Sanchez

Martha.Sanchez@countyofmerced.com

(209) 726-2724

690 West 19th Street

Merced, CA 95340

PREPARED BY JACOB PIRIE • EXPIRES MARCH 15, 2026

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Hi-Tech Home

# About Us

Hi-Tech Home is Central California's leading electronic systems provider, specializing in the design, sales, and installation of entertainment, security, and energy management services. We provide services to a vast number of homeowners, homebuilders, businesses, commercial developers, architects, and interior designers. We offer competitively priced systems, ranging from a couple hundred dollars to several hundred thousand dollars, based on the goals and objectives of our customers. Regardless of the size, our mission is to provide the best workmanship and experience for our customers.

## Our Process

### Planning

You're already investing much of your time and money into your project. So, why not take the step to have your project professionally designed, ensuring you not only have a good system, but you have "your" system?

### Design

There are many elements to a professionally designed system. Many of these are performed behind the scenes. Though sometimes not visible, each and every part of the system design is important to the quality and success of the final project.

### Equipment

Hi-Tech Home supplies all the material and equipment. We offer competitive prices on everything from TVs to automation equipment allowing peace of mind and convenience.

### Installation

We pre-wire for all necessary systems and take precautionary steps before walls are closed to minimize potential obstacles down the road. We return to the project to install and program the equipment as specified in the final design. Finally, we walk through the home and provide you with any necessary training.

### Project Management

Project management is a critical but often overlooked service in many projects. At Hi-Tech Home every project is assigned a project manager. Our project managers plan and coordinate each phase of the project and interface between all parties, from the builder to the supply house to the customer.

### Support

We are all about long term client relationships and providing exceptional support for our products and services. Our extended maintenance programs provide ongoing and preventative maintenance, system upgrades, and consultation on new innovations.

## Customer Feedback

*"There was only one choice to make my vision come alive. Even then, Hi-Tech Home exceeded my expectations."*

**George Brown III**

*GB3 Sports Club, Fresno, CA*

*"These guys are awesome! Wahoo's requires technology diversity that ranges from telephone to the sophisticated point of sale computer equipment and entertainment systems. We, and our contractor, are pleased with their knowledge, service, and professional work ethic."*

**Annette Benevedes**

*Wahoo's Fish Tacos Fresno, CA*

*"Please extend my appreciation to your entire team for their efforts to accommodate our needs."*

**Rick Evans, Clubhouse Manager**

*Visalia Country Club, Visalia, CA*

*"Hi-Tech Home provided great service and insight regarding our home entertainment needs."*

**Warren and Lesa Paboojian**

*Fresno, CA*

*"Thank you for being so responsive in the installation and support for our Entertainment and Security system. We now pay less for Broadcast TV and Home Security compared to what other providers have to offer."*

**Steve Magarian**

*Fresno, CA*

# Project Description

This proposal encompasses the supply and installation of 13 Shure wireless gooseneck microphone base units and microphones, 2 wireless audio access points, 2 networked charging stations, and 2 automatic audio mixers in the boardroom, along with associated wiring, programming, calibration, and client training to integrate the new system with the existing audio infrastructure for enhanced audio capture and performance.

**Note:** The new Shure microphones will operate independently from the existing round Logitech mics in the room and will not interfere with their functionality.

# Areas & Items

## Board Room (Option 1)

Items	Sell Price	Qty	Total
 <b>Shure MXW8X=-Z10</b> Wireless Gooseneck Microphone Base Unit	\$693.00	x13	\$9,009.00
 <b>Shure MX415LPDF/C</b> 15" Shock-Mounted Cardioid Gooseneck Microphone	\$299.95	x13	\$3,899.35
 <b>Shure MXWAPX8</b> 8-Channel Wireless Audio Access Point	\$4,070.00	x2	\$8,140.00
 <b>Shure MXWDX8G</b> 8-Bay Gooseneck Networked Charging Station for Transmitters	\$1,540.00	x2	\$3,080.00
 <b>AtlasIED AS2PHX-1M-XLR</b> 1m XLR to Phoenix Audio Cable	\$52.99	x13	\$688.87
 <b>Shure SCM810</b> Eight-Channel Automatic Audio Mixer <i>These will accept the outputs of the 13 new mics and integrate them with the existing audio system.</i>	\$1,873.00	x2	\$3,746.00
 <b>TRENDnet TPE-TG52</b> 5-Port Gigabit PoE+ Network Switch	\$59.95	x1	\$59.95
 Wire & materials for installation	\$43.92	x1	\$43.92

Items	Sell Price	Qty	Total
 <p><b>Labor Installation</b>            Installation of equipment, running of wires and instructing client on proper operation of system - \$140.00 per technician, per hour  <i>Estimated with 2 techs for one day</i>            Tax Exempt</p>	\$140.00	x14	\$1,960.00
 <p><b>Labor Travel</b>            Travel &amp; Lodge expense            Tax Exempt</p>	\$65.00	x2	\$130.00
 <p><b>Essentials+ Membership (Annual)</b>            24/7/365 Commercial Remote Support plan from Hi-Tech Home with 60 minute response time. 8-5 M-F Advanced Support (local), no weekends or holidays. This is a recommendation based on the size and scope of your project. The membership is a recurring service and is optional. It can also be added any time later. This is separate from the manufacturer 1-year service plan above. See additional membership info in the terms below.            Tax Exempt</p>	\$956.00	x1	\$956.00
<b>Board Room Total : \$31,713.09</b>			

## Board Room (Option 2)

Items	Sell Price	Qty	Total
 <p><b>Shure MX415/C</b>            15" Cardioid Gooseneck Microphone</p>	\$526.00	x13	\$6,838.00
 <p><b>Shure A412B</b>            Base Accessory for Gooseneck Microphones</p>	\$87.00	x13	\$1,131.00
 <p><b>Shure A400SM</b>            Recessed Shock Mount for Gooseneck Microphones</p>	\$33.00	x13	\$429.00
 <p><b>Binary B6-XLR-3FM-50FT</b>            50ft XLR Female to Male Audio Cable</p>	\$71.99	x13	\$935.87

Items	Sell Price	Qty	Total
 <b>AtlasIED AS2PHX-1M-XLR</b> 1m XLR to Phoenix Audio Cable	\$52.99	x13	\$688.87
 <b>Shure SCM810</b> Eight-Channel Automatic Audio Mixer <i>These will accept the outputs of the 13 new mics and integrate them with the existing audio system.</i>	\$1,873.00	x2	\$3,746.00
 <b>TRENDnet TPE-TG52</b> 5-Port Gigabit PoE+ Network Switch	\$59.95	x1	\$59.95
 Wire & materials for installation	\$43.92	x1	\$43.92
 <b>Labor Installation</b> Installation of equipment, running of wires and instructing client on proper operation of system - \$140.00 per technician, per hour <i>Estimated with 2 techs for one day</i> Tax Exempt	\$140.00	x21	\$2,940.00
 <b>Labor Travel</b> Travel & Lodge expense Tax Exempt	\$65.00	x3	\$195.00
 <b>Essentials+ Membership (Annual)</b> 24/7/365 Commercial Remote Support plan from Hi-Tech Home with 60 minute response time. 8-5 M-F Advanced Support (local), no weekends or holidays. This is a recommendation based on the size and scope of your project. The membership is a recurring service and is optional. It can also be added any time later. This is separate from the manufacturer 1-year service plan above. See additional membership info in the terms below. Tax Exempt	\$956.00	x1	\$956.00
<b>Board Room Total :</b>			<b>\$17,963.61</b>

## Financial Summary

This proposal has options in the following areas:

- Board Room

Once you select options for each area, your financial summary will be shown.