



Merced County Employees' Retirement Association

**AGENDA
RETIREMENT BOARD MEETING**

Thursday, October 22nd, 2026, 8:30 A.M.

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

Zoom Conference Information:

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

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

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

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

2. Roll Call

3. Teleconference Request

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

4. Approval of Minutes – September 24, 2026

5. Public Comment

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

6. Consent Calendar

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

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

<u>Name</u>	<u>Years of Service</u>	<u>Department</u>	<u>Effective Date</u>
Bugher, Jeanie	14	HSA	10/14/2026
Burdick, Michael	10	Sheriff	10/14/2026
Purtell, Gina	18	Probation	10/17/2026
Rogers, Lillian	3	District Attorney	10/01/2026

b. Monthly Expenditures Report submitted.

c. Quarterly Board Reports submitted.

d. SACRS Legislative Update – October 2026

7. Closed Session

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



Merced County Employees' Retirement Association

- a. Discussion and possible action regarding critical infrastructure (Govt. Code § 54957(a)(1) – Staff.
- b. Disability Retirement Applications: Personnel exceptions (Govt. Code § 54957, 31532; Cal Const. art I § 1).
 1. Initial Disability Application Recommendation – Clinton Landrum.

8. Report Out of Closed Session

9. Open Session

- a. Discussion on market summary and investment performance update – Staff.
- b. Discussion on Meketa's Investment Performance Report on the MercedCERA portfolio and Watch List managers with possible action on any managers or funds – Meketa.
- c. Discussion on the implementation of Functional Framework with possible action on any managers or funds – Meketa.
- d. Formally request that the Merced County Board of Supervisors adopt Government Code 31521(b), approve and direct the MercedCERA Board Chair to submit a signed letter directed to the Merced County Board of Supervisors Chair, and approve the draft resolution be presented to the Board of Supervisors on behalf of the MercedCERA Board of Retirement – Staff.
- e. Discussion and possible action to approve the Fall 2026 SACRS Business Meeting packet and delegate Pete Madrid as the voting delegate and Scott Johnston as the alternate voting delegate at the Business Meeting – Staff.

10. Information Sharing & Agenda Item Requests

11. Adjournment

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

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

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

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



Merced County Employees' Retirement Association

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, September 24, 2026, 8:30 A.M.

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

Zoom Conference Information:

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

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

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

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

2. Roll Call

Board Members Present: Corrina Brown, Bayani Manilay, Scott Johnston, Alfonse Peterson, Aaron Rosenberg, Janey Cabral, Karen Adams, and Moses Nelson. **Absent:** Scott Silveira and Michael Harris. **Counsel:** Rina Gonzales. **Staff:** Martha Sanchez Barboa (teleconference-left at 8:53 A.M.), Pete Madrid, Monica Gallegos, Alex Lovato, Maria Luisa Rodriguez, Khue Xiong, Brenda Mojica and Nikki Barraza.

3. Teleconference Request

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

None

4. Approval of Minutes – August 27, 2026, and September 3, 2026.

Board voted unanimously to approve August 27, 2026, Board meeting minutes and September 3, 2026, Board education minutes.

1st - Johnston / 2nd – 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.

Name	Years of Service	Department	Effective Date
Gorman, Curtis	6	Sheriff	09/02/2026
Heyer, David	16	Workforce Investment	09/12/2026
Maldonado, Maria E (Non-Service-Connected Disability)	16	HSA	04/23/2024
Nunes, Thomas	5	Sheriff	08/27/2026
Piwowski, Robin	13	BHRS	09/12/2026

b. Monthly Expenditures Report submitted.

c. Meketa Monthly Investment Report submitted.



Merced County Employees' Retirement Association

d. SACRS Legislative Update – September 2026.

Board voted unanimously to approve the consent agenda as presented.

1st - Cabral / 2nd – 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. Disability Retirement Applications: Personnel exceptions (Govt. Code § 54957, 31532; Cal Const. art I § 1).

1. Initial Disability Application Recommendation – Daniel Lopez

b. Public Employee Annual Review (Govt. Code § 54957).

Title: Assistant Plan Administrator – Investments

8. Report Out of Closed Session

a. Disability Retirement Applications: Personnel exceptions (Govt. Code § 54957, 31532; Cal Const. art I § 1).

1. Initial Disability Application Recommendation – Daniel Lopez

Board voted to approve a service-connected disability to Mr. Lopez.

1st – Johnston / 2nd – Peterson, passes 6/0, Trustee Rosenberg abstained

b. Public Employee Annual Review (Govt. Code § 54957).

Title: Assistant Plan Administrator – Investments

Staff given direction.

9. Open Session

a. Discussion on market summary and economic updates – Staff.

No action taken.

b. Discussion on quarterly alternative performance and possible action on any funds and General Partners – Cliffwater.

No action taken.

c. Discussion on Government Code Section 7514.7 Alternative Asset Fee & Expense Reporting for MercedCERA – Cliffwater.

No action taken.

d. Discussion and possible action to extend Meketa Investment Group, Inc.

General Investment Consulting Services agreement for an additional one-year term – Staff.

Board voted unanimously to approve a first extension to Meketa's General Investment Consulting Services agreement for an additional one-year term.

1st – Adams / 2nd – Manilay, passes 7/0

e. Discussion on contract renewals with Neumo for CPAS v5 and CPAS Enterprise Tools Maintenance and Software Support Services – Staff.

No action taken.

Trustee Cabral suggested creating an ad hoc subcommittee.

f. Discussion on Social Security and Merced County Superior Court – Staff.

No action taken.

g. Chair to appoint a policy review ad hoc subcommittee to work with staff on the possible development and updating of several Board policies – Chair.



Merced County Employees' Retirement Association

Chair appointed Trustees Roseberg, Johnston, Peterson, and Brown as the policy review ad hoc subcommittee to work with staff on the possible development and updating of several Board policies.

10. Information Sharing & Agenda Item Requests

-Pete Madrid informed the Board on the veto of AB 1383 for Safety Tier 4 members, AB 1619 is pending regarding possible Board of Supervisor increase to the per diem change from \$100 to \$320 to certain retirement board members, and AB 2780 that was signed by the Governor to clarify CERL rules across county public retirement systems.

-Monica Gallegos announced the internal promotion of Khue Xiong to Staff Services Analyst and notified the Board that Lauren Hammond, Office Assistant, will be leaving to the Auditor's Office in October. Staff will be moving forward to backfill both positions.

11. Adjournment at 10:00 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 September 30, 2026

Administrative Budget	Adopted	Current Budget	Expended 2026-09	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages	2,095,000.00	2,095,000.00	124,374.85	365,517.60	1,729,482.40	17.45%
9/11/2026 Office Payroll 2026 PP 19			91,194.19			
9/11/2026 2026 PP 19 Retirement Investment Staff Cost Reclass (see Account #21800)			(12,106.83)			
9/11/2026 2026 PP 19 Staff Salary Allocated to Investments (see Account #21800)			(16,265.31)			
9/11/2026 2026 PP 19 Board Member Stipends (See Account #21808)			(538.25)			
9/25/2026 Office Payroll 2026 PP 20			90,192.08			
9/25/2026 2026 PP 20 Retirement Investment Staff Cost Reclass (see Account #21800)			(12,106.83)			
9/25/2026 2026 PP 20 Staff Salary Allocated to Investments (see Account #21800)			(15,994.20)			
Total 10110 · Salaries & Wages			124,374.85			
20600 · Communications	14,200.00	14,200.00	1,038.10	3,114.30	11,085.70	21.93%
9/15/2026 2026-09 (Merced County Communication Charges) - Cellphone Charges			478.77			
9/15/2026 2026-09 (Merced County Communication Charges) - Desk Phone Charges			559.33			
Total 20600 · Communications			1,038.10			
21000 · Insurance - Other	118,000.00	118,000.00	889.17	101,468.51	16,531.49	85.99%
9/9/2026 Nationwide 2026-09 Building Insurance			889.17			
Total 21000 · Insurance - Other			889.17			
21301 · Maintenance Structure Improvement & Grounds	100,000.00	100,000.00	4,217.50	16,017.50	83,982.50	16.02%
9/8/2026 Bob's Pest Control 2026-09 Svcs			40.00			
9/15/2026 2026-09 DPW Charges			1,326.50			
9/18/2026 Geil Enterprises 2026-09 Janitorial Services			1,846.00			
9/25/2026 Yard Masters 2026-09 Landscaping Services			400.00			
9/25/2026 Hoffman Electronics Security/Access 2026-09			285.00			
9/25/2026 Hoffman Electronics CCTV Cameras 2026-09			260.00			
9/25/2026 Hoffman Electronics Fire Security 2026-09			60.00			
Total 21301 · Maintenance Structure Improvement			4,217.50			
21500 · Membership	11,300.00	11,300.00	630.00	4,630.00	6,670.00	40.97%
9/18/2026 NCPERS Annual Membership Fee FY2026-2027			630.00			
Total 21500 · Membership			630.00			
21700 · Office Expense - General	20,000.00	20,000.00	460.84	2,520.74	17,479.26	12.60%
9/1/2026 First Choice 08/28/26 Water Service			32.31			
9/15/2026 MercedCERA 09/03/2026 Board Trustee Education Lunch			356.22			
9/16/2026 Pacific Shredding 2026-08			40.00			
9/17/2026 First Choice 09/14/26 Water Service			32.31			
Total 21700 · Office Expense - General			460.84			
21710 · Office Expense - Postage	51,700.00	51,700.00	2,239.52	5,498.40	46,201.60	10.64%
9/16/2026 2026-08 Mail Room Charges			2,239.52			
Total 21710 · Office Expense - Postage			2,239.52			
21805 · Audits	63,500.00	63,500.00	11,500.00	11,500.00	52,000.00	18.11%
9/14/2026 UHY LLP FY 2026-2027 Audit Services (Pmt 1)			11,500.00			
Total 21805 · Audits			11,500.00			
21808 · Board Membership	15,000.00	15,000.00	538.25	1,399.45	13,600.55	9.33%
9/11/2026 2026 PP 19 Board Member Stipends (See Account #10110)			538.25			
Total 21808 · Board Membership			538.25			

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

21900 · Publications & Legal Notices	5,700.00	5,700.00	-	3,682.31	2,017.69	64.60%
Total 21900 · Publications & Legal Notices			-			
22300 · Spec Dept Exp - Other	4,000.00	4,000.00	-	-	4,000.00	0.00%
Total 22300 · Spec Dept Exp - Other			-			
22310 · Election Expense	30,000.00	30,000.00	-	-	30,000.00	0.00%
Total 22310 · Election Expense			-			
22327 · Spec Dept Exp - Cost Allocation Plan	46,600.00	46,600.00	3,864.93	11,594.79	35,005.21	24.88%
9/10/2026 2026-09 Auditor-Controller Admin CAP Charge			2,267.27			
9/10/2026 2026-09 External Audit CAP Charge			77.58			
9/10/2026 2026-09 Admin Service CAP Charge			347.83			
9/10/2026 2026-09 Human Resources CAP Charge			1,159.50			
9/10/2026 2026-09 Risk Management CAP Charge			12.75			
Total 22327 · Spec Dept Exp - Cost Allocation			3,864.93			
22500 · Transportation & Travel	200.00	200.00	-	-	200.00	0.00%
Total 22500 · Transportation & Travel			-			
22505 · Trans & Travel - Staff & Board Development	59,000.00	59,000.00	3,360.00	14,638.00	44,362.00	24.81%
9/23/2026 UC Merced Staff Training on 9/17/2026			3,360.00			
Total 22505 · Trans & Travel - Staff Development & Board Development			3,360.00			
22515 · Trans & Travel - In State (Staff & Board)	46,700.00	46,700.00	-	-	46,700.00	0.00%
Total 22515 · Trans & Travel - In State (Staff & Board)			-			
22516 · Trans & Travel - Out of State (Staff & Board)	26,200.00	26,200.00	1,834.05	1,834.05	24,365.95	7.00%
9/2/2026 2026-07 Travel Charges (Airfare) - Public Pension Financial Forum - Staff			1,228.79			
9/2/2026 2026-07 Travel Charges (Hotel) - Public Pension Financial Forum - Staff			605.26			
Total 22516 · Trans & Travel - Out of State (Staff & Board)			1,834.05			
22600 · Utilities	44,500.00	44,500.00	4,177.00	7,440.13	37,059.87	16.72%
9/2/2026 City of Merced FY2026-2027 Taxes			1,114.04			
9/8/2026 City of Merced 2026-09 Utilities			678.14			
9/23/2026 Merced Irrigation District 2026-08 Utilities			2,384.82			
Total 22600 · Utilities			4,177.00			
Administrative Depreciation Expense	364,400.00	364,400.00	30,262.32	90,786.96	273,613.04	24.91%
Total Administrative Budget	3,116,000.00	3,116,000.00	189,386.53	641,642.74	2,474,357.26	20.59%

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

Non-Administrative Expenses		Original Projection	Current Projection	Expended 2026-09	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses		16,790,000.00	16,790,000.00	678,436.59	1,799,719.99	14,990,280.01	10.72%
9/30/2026	Investment Management Fees			420,413.59			
9/30/2026	Investment Partnership Expenses			156,721.30			
9/11/2026	2026 PP 19 Retirement Investment Staff Cost Reclass (from Account #10110)			12,106.83			
9/11/2026	2026 PP 19 Staff Salary Allocated to Investments (from Account #10110)			16,265.31			
9/25/2026	2026 PP 20 Retirement Investment Staff Cost Reclass (from Account #10110)			12,106.83			
9/25/2026	2026 PP 20 Staff Salary Allocated to Investments (from Account #10110)			15,994.20			
9/1/2026	Cliffwater 2026-08 Professional Services			33,333.33			
9/29/2026	Nossaman 2026-08 Investment Advice & Counsel			11,495.20			
Total 21800 · Investment Expenses				678,436.59			
21802 · Actuarial Services		131,500.00	131,500.00	-	-	131,500.00	0.00%
Total 21802 · Actuarial Services				-			
21812 · Data Processing		141,000.00	141,000.00	2,839.44	8,518.32	132,481.68	6.04%
9/10/2026	2026-09 AC Technology CAP Charges			639.49			
9/15/2026	2026-09 (Merced County Communication Charges) - Cradlepoint Charges			850.90			
9/17/2026	AT&T 2026-09 Services & Wi-Fi Charges			1,349.05			
Total 21812 · Data Processing				2,839.44			
21834 · Legal Services		631,500.00	631,500.00	33,143.73	61,909.79	569,590.21	9.80%
9/10/2026	2026-09 County Counsel CAP Charges			2,184.83			
9/17/2026	Ted Cabral 2026-08 Legal Svcs			8,701.60			
9/17/2026	Ted Cabral 2026-08 Legal Svcs			9,198.90			
9/17/2026	Ted Cabral 2026-08 Legal Svcs			929.80			
9/17/2026	Ted Cabral 2026-08 Legal Svcs			134.30			
9/17/2026	Ted Cabral 2026-08 Legal Svcs			180.60			
9/17/2026	Ted Cabral 2026-08 Legal Svcs			1,677.00			
9/17/2026	Ted Cabral 2026-08 Legal Svcs			8,054.30			
9/17/2026	Ted Cabral 2026-08 Legal Svcs			71.70			
9/17/2026	Ted Cabral 2026-08 Legal Svcs			1,186.70			
9/17/2026	Ted Cabral 2026-08 Legal Svcs			772.40			
9/17/2026	Ted Cabral 2026-08 Legal Svcs			51.60			
Total 21834 · Legal Services				33,143.73			
21840 · Custodial Banking Services		285,000.00	285,000.00	10,463.77	15,083.09	269,916.91	5.29%
9/3/2026	Northern Trust STIF Income - Custodial Fee 2026-09			2,404.04			
9/15/2026	Merced County Treasury Wire Fee 2026-08			165.00			
9/28/2026	Northern Trust Treasury Account Analysis Fee 2026-09			519.73			
9/30/2026	Northern Trust Capital Call Execution Fee 2026-Q3			7,375.00			
Total 21840 · Custodial Banking Services				10,463.77			
22350 · Software & Technology		561,800.00	561,800.00	29,022.72	54,585.76	507,214.24	9.72%
9/8/2026	LexisNexis 2026-07 Accurint Services			936.56			
9/15/2026	FRSecure LLC 2026-Q3 CyberSecurity Svcs			13,380.00			
9/15/2026	Merced County Administrative Services (IS Charges) 2026-09			4,535.33			
9/17/2026	CPAS Systems 2026-08 Hosting Services			9,763.52			
9/28/2026	Pitney Bowes 2026- Q1 and Q2 Printer Services			407.31			
Total 22350 · Software and Technology				29,022.72			
Non-Administrative Depreciation Expense		-	-	-	-	-	-
Total Non-Administrative Items		18,540,800.00	18,540,800.00	753,906.25	1,939,816.95	16,600,983.05	10.46%



QUARTERLY BOARD REPORT

PROVIDED BY MERCEDCERA STAFF



PLAN ADMINISTRATOR'S REPORT

As of October 15, 2026

MercedCERA Organizational Highlights

- MercedCERA continued to host its inhouse member education series with the completions of Financial Literacy & Investing For Retirement, Reciprocity and Community Property, and Retirement Planning. Death Benefits will close up the series in November.
- MercedCERA Staff completed communications educational training provided by UC Merced. The training focused on teamwork, effective communication, learning styles, large group presentations, leadership and difficult conversations. The teaching from the courses provided a big impact in the development and presentation of the member education mentioned above.
- Staff executed the new contract with Cliffwater LLC for alternatives investment consulting services through 2029.
- MercedCERA Staff completed the second, and final, Alternative Payment Plan of 2026 for retiree benefit disbursements. Moving forward, alternate payment plans will be completed semiannually.
- Following a recruitment process in which MercedCERA worked with local colleges, we hired our first investment intern. Ryan is a senior at UC Merced studying Applied Mathematics. Ryan has an incredible enthusiasm for investing and hopes this internship, along with his degree, will lead to career opportunities in the industry. His first day will be October 19th. Staff are excited to welcome the newest member of the MercedCERA team!
- At its September board meeting, the Merced County Board Of Supervisors approved MercedCERA's request for the allocation of an additional Staff Services Analyst I/II position. Staff began the administrative requirements necessary to open a recruitment and hope to fill the position in early January.

Upcoming dates

SACRS Fall Conference	Nov 10 th – 13 th
November Board Meeting	Nov 12 th (2 nd Thursday)
December Board Meeting	Dec 10 th (2 nd Thursday)

Staff Milestones

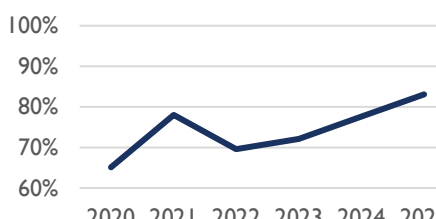
Monica Gallegos, Assistant Plan Administrator, celebrates **21** years of service!
Patrick Armendarez, Benefits Analyst, celebrates 5 years of service!

Keep in mind...

- One Board seat remains open to be appointed by the Board of Supervisors. Please let Staff know if you know someone you believe would be a good candidate to be a MercedCERA Trustee.
- Trustee General member (Seat 3) election ballots were distributed in early September. The last day to return ballots was October 6th and the results were certified. Trustee Cabral was elected to remain on the MercedCERA Board. Congratulations Trustee Cabral!
- The fiscal year 2026 annual audit is underway. Fiscal staff have begun coordinating with our audit firm, UHY, and anticipate convening the audit ad hoc meeting with Trustees Cabral, Manilay and Chair Brown in December.
- Staff will present the 2027 Board Meeting Calendar at the November Board meeting. The calendar will include monthly Board meetings, as well as Quarterly Investment Committee meetings and Quarterly Board Education meetings.

INVESTMENT REPORT

As of September 30, 2026

Plan Objectives					
Funded Status¹ (as of 6/30/2025) Ratio of Plan assets to its liabilities	Assets:	\$1,379M			
	<u>Liabilities</u>	<u>\$1,660M</u>			
	<i>Difference:</i>	<i>-\$281</i>			
	% of Liabilities Funded: 83.1%				
Assumed Rate of Return² Annualized rate of return required to meet Plan liabilities		1 Year	3 Years	5 Years	10 Years
	MercedCERA Total Fund	7.6	12.2	6.8	8.8
	Assumed Rate of Return	6.75	6.75	6.75	6.75
	<i>Difference</i>	<i>0.9</i>	<i>5.5</i>	<i>0.0</i>	<i>2.1</i>
Policy Index³ Blended benchmark consisting of each asset class benchmark at its target weight		1 Year	3 Years	5 Years	10 Years
	MercedCERA Total Fund	7.6	12.2	6.8	8.8
	Policy Index	13.4	15.2	8.6	9.8
	<i>Difference</i>	<i>-5.8</i>	<i>-3.0</i>	<i>-1.8</i>	<i>-1.0</i>

¹Funded Status based on most recent Actuarial Valuation Report provided by Cheiron.

²Assumed Rate of Return is the long-term annualized return required to meet all pension obligations.

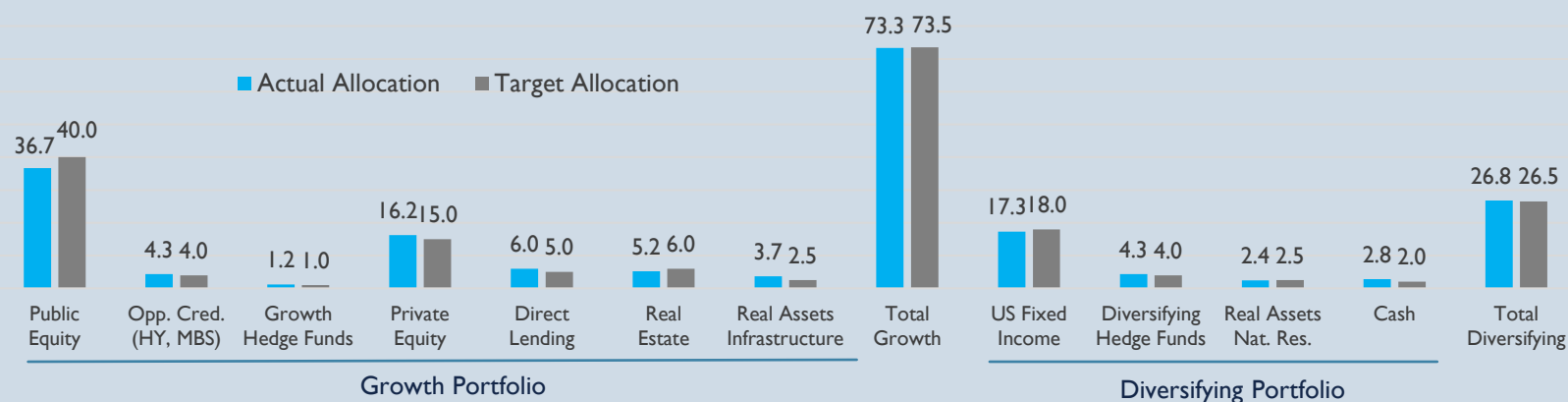
³Policy Index represents a blended benchmark consisting of the individual asset class benchmarks at their target weight.

2026 Review Topics	
1st Quarter - Trustee risk & objectives survey - Pension risk & liability aware investing - Functional framework (Intro.) - Capital market expectations & risk/return profile - Cash flow strategies - Private credit risk review	2nd Quarter - Risk mitigation strategies - Private markets full expense analysis
3rd Quarter - Functional framework (Cont.) - CA required disclosure of management fees paid	4th Quarter - Roles of asset classes - Future liquidity needs & cash flow modeling

INVESTMENT REPORT

As of September 30, 2026

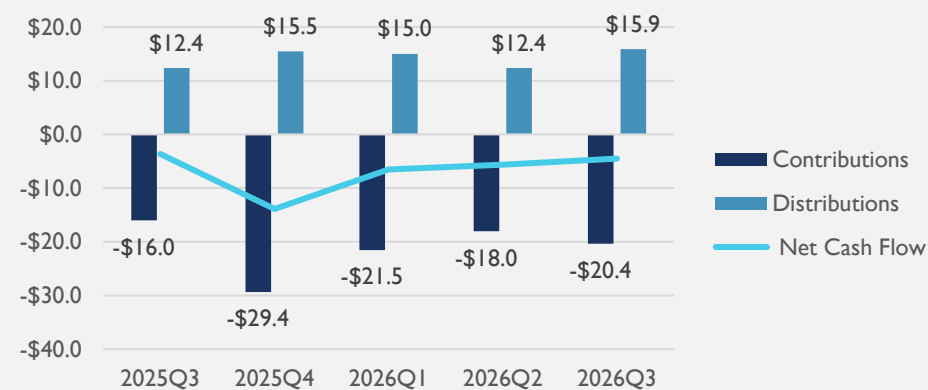
Actual Allocation versus Target Allocation (%)



Liquidity Profile¹

Time to Redeem Assets	Market Value	% of Portfolio
Day	\$536,547,537	36.5%
Week	\$134,197,840	9.1%
Month	\$90,743,340	6.2%
Quarter	\$102,440,169	7.0%
Year	\$113,231,690	7.7%
Illiquid	\$491,921,025	33.5%

Quarterly Contributions / Distributions² (\$ Millions)



MercedCERA Portfolio Highlights

- The portfolio (excluding private investments³) returned an estimated 0.3% for the first quarter of the fiscal year versus -0.6% for the Policy Index.
- Staff, in coordination with Meketa, conducted a portfolio rebalance. The rebalance reduced the Portfolio's overweight to Growth assets (i.e., risk assets), reinvesting the proceeds in Diversifying assets.
- Capital activity for the Plan's private investments increased in the third quarter. Managers called approximately \$20 million while distributing nearly \$16 million. Distribution in the third quarter were the highest they have been in at least two years.

¹Liquidity Profile is based on contract terms and frequency of redemption windows for each investment.

²Data for the current quarter contributions and distributions is estimated by staff. Historical data is provided by Cliffwater.

³Third quarter performance is currently unavailable for private investments.

INVESTMENT REPORT

As of September 30, 2026

Capital Markets & Economic Summary

The U.S. economy displayed mixed signals in the third quarter. Consumer Price Index (CPI) inflation excluding energy and food hovered around an annualized 2.6%, while Headline CPI remained 1% higher due to the ongoing conflict in the Middle East and its impact on energy prices. U.S. job growth slowed significantly, averaging around 50,000 payroll additions per month with nonfarm payroll figures of -10,000 in July, +133,000 in August, and +29,000 in September. The unemployment rate remained stable between 4.1% and 4.2%. Against this backdrop of elevated prices and relatively resilient employment, the Federal Open Market Committee (FOMC) decided to act on inflation. At the September 16th meeting, Fed officials voted unanimously (12 to 0) to raise the benchmark federal funds rate by 25 basis points to a target range of 3.75% to 4.00%, the first increase in three years.

Financial markets performance diverged across equities and fixed income in the third quarter. U.S. large cap stocks continued to climb, with the S&P 500 advancing 2.3% on strong corporate earnings and broad-based participation across sectors like energy and technology. However, US small cap stocks, represented by the Russell 2000, fell more than 7% as higher interest rates are expected to create a challenging environment. Additionally, the Treasury market experienced severe upward pressure on yields as solid economic data and persistent inflationary concerns pushed the 10-year Treasury yield up toward multi-decade highs near 5.3%. Despite the rise in risk-free rates putting pressure on bond prices, credit markets proved stable; corporate fundamentals remained strong, keeping investment-grade and high-yield credit spreads near historically tight levels as robust balance sheets helped insulate borrowers from default concerns.

¹Core CPI excludes more volatile food and energy sectors.

²2026 Q3 GDP is not yet available.

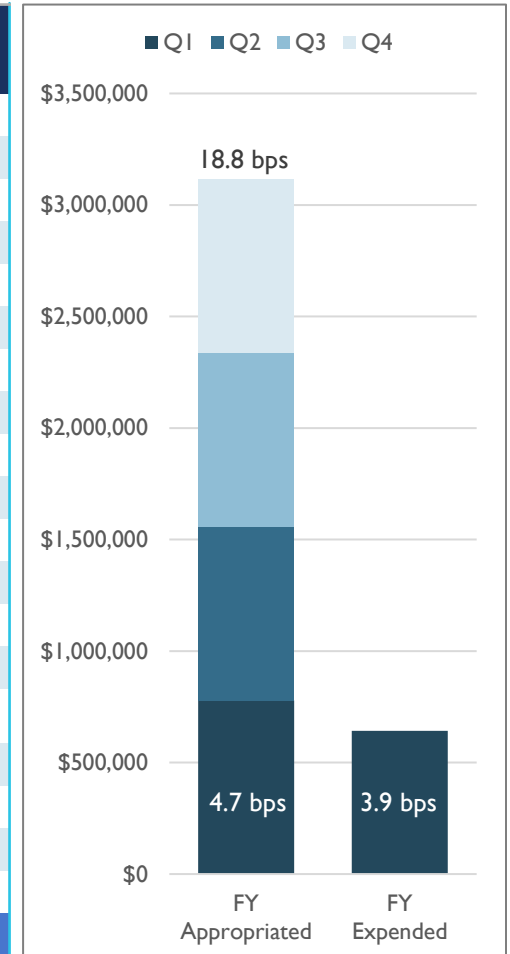
Economic Indicators							
Consumer Price Index "CPI" (Headline/Core¹) Broadly used inflation metric 3.7% / 2.6%	Prior Quarters			Federal Funds Rate (Target Range) Sets floor for lending rates 3.75% - 4.00%	Prior Quarters		
	2026Q3	3.7%	2.6%		2026Q3	3.75%	4.00%
	2026Q2	3.5%	2.6%		2026Q2	3.50%	3.75%
	2026Q1	3.3%	2.6%		2026Q1	3.50%	3.75%
	2025Q4	2.7%	2.6%		2025Q4	3.50%	3.75%
	2025Q3	3.0%	3.0%		2025Q3	3.50%	3.75%
	10-Yr Avg	3.3%	3.1%		10-Yr Avg (Effective)	2.44%	
Unemployment Rate US labor market indicator 4.2%	Prior Quarters			Gross Domestic Product US economic productivity 2.2%²	Prior Quarters		
	2026Q3	4.2%			2026Q3	n/a	
	2026Q2	4.2%			2026Q2	2.2%	
	2026Q1	4.3%			2026Q1	2.5%	
	2025Q4	4.4%			2025Q4	0.2%	
	2025Q3	4.4%			2025Q3	3.9%	
	10-Yr Avg	4.5%			10-Yr Avg	2.8%	

Market Performance (1 Quarter / 1 Year)				
Russell 3000 <i>Total US Equity</i>	S&P 500 <i>US Large Cap</i>	Russell 2000 <i>US Small Cap</i>	Bloomberg US Aggregate Bond <i>Broad US Bonds</i>	Bloomberg US High Yield <i>US HY Bonds</i>
1.4% / 15.1%	2.3% / 15.7%	-7.2% / 16.2%	-3.5% / -1.8%	-1.8% / 1.4%
MSCI ACWI ex US IM <i>All Non-US Equity</i>	MSCI EAFE <i>Developed Int'l Equity</i>	MSCI Emerging Markets <i>EM Equity</i>	Morningstar US Levqd Loans <i>Bank Loans</i>	HFRI Fund of Funds <i>Misc Hedge Funds</i>
0.5% / 20.0%	0.8% / 15.7%	-0.4% / 29.2%	1.9% / 4.5%	-1.7% / 10.1%

EXPENDITURE REPORT

As of September 30, 2026

Acct #	Account Name / Description	FY Appropriated	Q1 Expended	Q1 %	FY Total Expended	FY %	Appropriation Remaining
10110	SALARIES/BENEFITS	\$2,095,000	\$365,518	17%	\$365,518	17%	\$1,729,482
20600	COMMUNICATIONS	\$14,200	\$3,114	22%	\$3,114	22%	\$11,086
21000	INSURANCE	\$118,000	\$101,469	86%	\$101,469	86%	\$16,531
21301	MAINT STRUCT IMPROVE & GROUNDS	\$100,000	\$16,018	16%	\$16,018	16%	\$83,983
21500	MEMBERSHIP	\$11,300	\$4,630	41%	\$4,630	41%	\$6,670
21700	OFFICE EXPENSE - GENERAL	\$20,000	\$2,521	13%	\$2,521	13%	\$17,479
21710	OFFICE EXPENSE - POSTAGE	\$51,700	\$5,498	11%	\$5,498	11%	\$46,202
21805	AUDITS	\$63,500	\$11,500	18%	\$11,500	18%	\$52,000
21808	BOARD MEMBERSHIP	\$15,000	\$1,399	9%	\$1,399	9%	\$13,601
21900	PUBLICATIONS & LEGAL NOTICES	\$5,700	\$3,682	65%	\$3,682	65%	\$2,018
22300	SPEC DEPT EXPENSE - OTHER	\$4,000	\$0	0%	\$0	0%	\$4,000
22310	SPEC DEPT EXPENSE - ELECTION EXP	\$30,000	\$0	0%	\$0	0%	\$30,000
22327	SPEC DEPT EXP - COST ALLOC PLAN	\$46,600	\$11,595	25%	\$11,595	25%	\$35,005
22500	TRANSPORTATION & TRAVEL	\$200	\$0	0%	\$0	0%	\$200
22505	STAFF & BOARD DEVELOPMENT	\$59,000	\$14,638	25%	\$14,638	25%	\$44,362
22515	STAFF & BOARD TRANS & TRVL INSTATE	\$46,700	\$0	0%	\$0	0%	\$46,700
22516	STAFF & BOARD TRANS & TRVL OUT CA	\$26,200	\$1,834	7%	\$1,834	7%	\$24,366
22600	UTILITIES	\$44,500	\$7,440	17%	\$7,440	17%	\$37,060
N/A	ADMIN. DEPRECIATION EXPENSE	\$364,400	\$90,787	25%	\$90,787	25%	\$273,613
Total Administrative Budget		\$3,116,000	\$641,643	21%	\$641,643	21%	\$2,474,357



Basis point (bps) shown in chart are based on the most recent actuarial valuation of the Plan's liabilities as of June 30, 2025. Per the CERL, administrative expenditures are limited to 21 basis points of the actuarial liability.

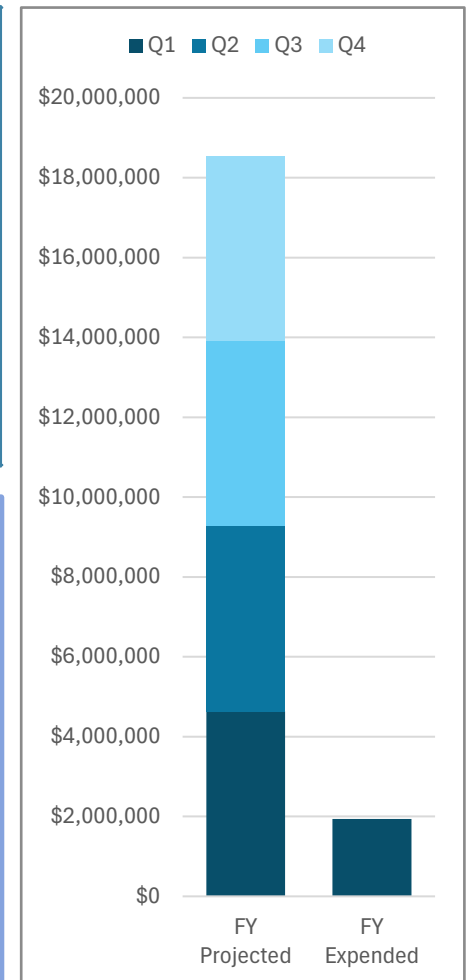
EXPENDITURE REPORT

As of September 30, 2026

Account #	Account Name/Description	Fiscal Year Projection	Q1 Expended	Q1 %	Total Expended	% Expended	Projection Remaining
21800	INVESTMENT EXPENSE	\$16,790,000	\$1,799,720	11%	\$1,799,720	11%	\$14,990,280
21802	ACTUARIAL SERVICES	\$131,500	\$0	0%	\$0	0%	\$131,500
21812	DATA PROCESSING	\$141,000	\$8,518	6%	\$8,518	6%	\$132,482
21834	LEGAL SERVICES	\$631,500	\$61,910	10%	\$61,910	10%	\$569,590
21840	BANKING SERVICES	\$285,000	\$15,083	5%	\$15,083	5%	\$269,917
22350	SOFTWARE & TECH	\$561,800	\$54,586	10%	\$54,586	10%	\$507,214
N/A	NON-ADMIN. DEPREC. EXP	\$0	\$0	0%	\$0	0%	\$0
Total Non-Administrative Projection		\$18,540,800	\$1,939,817	10%	\$1,939,817	10%	\$16,600,983

Expenditure Report Notes

- When the Fiscal Year (FY) 2026-2027 budget was presented to the MercedCERA Retirement Board in May of 2026, the administrative expenditures were anticipated to be \$3,116,000 (or 18.8 basis points). Through one quarter, administrative expenditures reached 21% of the annual administrative budget. (See prior slide)
- Non-Administrative expenses totaled \$1,939,817 in the first quarter of the fiscal year; however, several investment managers have not yet billed the Plan for Q3 management fees.



MEMBERSHIP REPORT

As of September 30, 2026

Active Members						
Tier	General	General %	Safety	Safety %	Total	Total %
Tier 1	15	1%	3	1%	18	1%
Tier 2	409	20%	85	23%	494	20%
Tier 3	39	2%	6	2%	45	2%
Tier 4	1586	77%	273	74%	1859	77%
Total Active	2049	85%	367	15%	2416	100%

Retired Members						
Tier	General	General %	Safety	Safety %	Total	Total %
Tier 1	1368	61%	295	70%	1663	62%
Tier 2	814	36%	120	29%	934	35%
Tier 3	16	1%	0	0%	16	1%
Tier 4	50	2%	5	1%	55	2%
Total Active	2248	84%	420	16%	2668	100%

Deferred Members						
Tier	General	General %	Safety	Safety %	Total	Total %
Tier 1	20	1%	1	1%	21	1%
Tier 2	404	29%	70	38%	474	30%
Tier 3	54	4%	4	2%	58	4%
Tier 4	902	65%	111	60%	1013	65%
Total Active	1380	88%	186	12%	1566	100%

Total Members						
Tier	General	General %	Safety	Safety %	Total	Total %
Tier 1	1403	25%	299	31%	1702	26%
Tier 2	1627	29%	275	28%	1902	29%
Tier 3	109	2%	10	1%	119	2%
Tier 4	2538	45%	389	40%	2927	44%
Total Active	5677	85%	973	15%	6650	100%





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

RE: Legislative Update – October

The 2026 California legislative session has officially wrapped, with the Legislature sending 1,160 bills to Governor Gavin Newsom for final action. The Governor ultimately signed 1,040 bills and vetoed 120, meaning approximately 90% of measures reaching his desk were signed and 10% were vetoed.

Among the most significant actions for SACRS was the veto of AB 1383, which would have lowered the full-retirement age for public safety employees from 57 to 55 and permitted increased pension formulas. The bill passed the Legislature with strong bipartisan support, receiving votes of 33 - 0 in the Senate and 69 - 2 in the Assembly. In his veto message, the Governor noted the bill's impact on PEPRA reforms and its significant implications for state and local finances. Newsom also vetoed AB 1054, which addressed a deferred retirement option program and public employee health benefits. On infrastructure and disaster recovery, the Governor vetoed SB 872, which would have provided additional funding for Delta levee improvements, citing funding already included in the budget. He also vetoed two wildfire insurance claims measures while signing other reforms intended to strengthen protections for policyholders following disasters.

The Governor's broader actions included signing legislation prohibiting marriage for anyone under 18; measures addressing immigration enforcement; new laws governing artificial intelligence in the workplace and health care; and measures intended to strengthen competition and streamline business permitting. He also signed AB 2222, establishing refundable tax credits for local news organizations, and SB 895, placing a \$7.5 billion state research bond on the March 2028 ballot.

With final bill actions complete, attention shifts to implementation and preparation for the 2027–28 legislative cycle. Focus is also turning to the November election and the upcoming transition to a new Governor and administration, whose priorities will help shape the state's approach to pension policy, local government funding and other issues important to SACRS members.



Legislative Update:

- **AB 1054 (Gipson)** - Creates the Deferred Retirement Option Program (DROP) – a voluntary program – for California Public Employee’s Retirement System (CalPERS) safety plan members of State Bargaining Units 5 (Highway Patrol) and 8 (CAL FIRE). The bill also states that the DROP becomes effective and applicable only after: 1) the applicable Bargaining Unit has entered into a MOU with the employer to implement the program; 2) The program has been certified via an actuarial analysis that it is cost neutral by the CalPERS Board of Administration; and 2) CalPERS has adopted regulations to implement and administer the program.
 - Status: The bill passed out of the Legislature and was vetoed by the Governor. In his veto message the Governor noted that the design and establishment of a DROP is more appropriately handled through the collective bargaining process.
 - Position: No Position/Watch
- **AB 1383 (McKinnor)** – The bill includes the following provisions:
 - Increases, on and after January 1, 2027, the PEPRA pensionable compensation limit to the Social Security compensation limit for members covered by Social Security and 120% of that amount for members not covered by Social Security;
 - Freezes existing 2013 PEPRA safety formulas to apply only to service from January 1, 2013, to December 31, 2026 and lowers the retirement age on a prospective basis from age 57 to 55 for three existing safety DB retirement formulas;
 - Authorize a public employer to create a fourth PEPRA safety formula of three percent (3%) at age 55, to be applied prospectively.
 - Amendments earlier this year removed a provision that would have permitted collective bargaining over the 50-50 normal cost sharing requirement.
 - Status: This bill was vetoed by the Governor
 - Position: Neutral
- **AB 1439 (Garcia)** - The bill would have required labor protection standards on pension system investments in development projections. The bill was amended coming out of the Assembly to 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 Legislature and was signed by the Governor.
 - Position: No position/watch
- **AB 1601 (Rogers)** – This bill would permit the Sonoma County Board of Supervisors to authorize a cost-of-living adjustment to the retirement allowances, optional death allowances, or annual death allowances payable by the retirement system.
 - Status: This bill passed out of the Legislature and was signed by the Governor.
 - Position: Neutral
 - **AB 1619 (Valencia)** – This bill allows county Boards of Supervisors to authorize an increase in the Board of Retirement trustee per diem from \$100 to \$320. The bill would then require action by the Board of Retirement to establish the increased compensation rate. This bill was amended to apply the same increase in compensation to CalPERS and CalSTRs Board Members.
 - Status: This bill passed out of the Legislature and was signed by the Governor.
 - Position: Neutral
 - **AB 1660 (Schiavo)** – This bill was amended to permit, as opposed to require, a court to award sanctions of no less than \$1,000 per violation if a financial institution, private agency, retirement fund administrator, insurance company, or other person fails to comply with existing requirements to provide information or surrender property of a decedent, minor, or conservatee to a public administrator or public guardian that is authorized to take possession and control of such property. Recent amendments require that the financial institution or other person or entity must receive notice of a violation.
 - Status: This bill passed out of the Legislature and was signed by the Governor.
 - Position: No position/watch
 - **AB 1844 (Pacheco)** – This bill modifies the Judges' Retirement System II, to give judges more flexibility in designating beneficiaries for their retirement benefits. This bill would authorize a judge who elects one of the optional



- retirement payment plans in lieu of receiving the maximum retirement allowance to designate a beneficiary other than their spouse to receive the payment or allowance after the judge's death, subject to the community property rights of the judge's spouse. Additionally, the bill extends existing survivor benefits to non-spouse beneficiaries, removing the stipulation that the judge must have served a minimum of 20 years if they die in office.
- Status: This bill passed out of the Legislature and was signed by the Governor.
 - Position: No position/watch
- **AB 2519 (McKinnor)** – The bill expands who must be included in the State Teachers' Retirement System (STRS) membership. Under current law STRS administers a defined-benefit retirement program funded by employer and employee contributions and applies to positions that generally require a valid credential or license; charter school positions were excluded. This bill adds permitholders and comparable positions at charter schools that receive state apportionment and perform specified directing, coordinating, supervising, or administrative functions to the definition of "position subject to membership." It also removes a board-triggered timing requirement and makes the new definition operative on July 1, 2027.
 - Status: This bill passed out of the Legislature and was signed by the Governor.
 - Position: No position/watch
 - **AB 2780 (Assembly Committee on Public Employment and Retirement) – Public Retirement Systems: Omnibus Bill** - This bill includes the SACRS-sponsored legislative package in the Legislature's annual omnibus bill for technical changes to laws affecting CalSTRS, CalPERS, and the CERL systems. The proposed changes in the CERL include the following:
 - Clarifying that deferred members cannot run for or vote in active member Miscellaneous and Safety trustee elections.
 - Establishing a 10-year statute of limitations for recovery of overpayments due to fraudulent reports of overpaid death benefits.
 - Formalizing the practice of the majority of CERL systems that only the last system pays a lump-sum burial allowance for reciprocal members.
 - Defining "concurrent retirement" to allow reciprocal members to retire on different dates with 30 days of each retirement date, as long as there is not overlapping service.
 - Status: This bill passed out of the Legislature and was signed by the Governor.



- Position: Support
- **SB 1187 (Durazo)** – This bill was amended to remove the language access requirements established in SB 707 (Chapters 327, 2025). Specifically, the bill would repeal several public participation and language access requirements, including requirements related to translation of meeting materials, interpretation services, multilingual website content, public outreach to underrepresented communities, and opportunities for the public to provide additional agenda translations. It would reduce the administrative obligations placed on eligible legislative bodies related to multilingual access and public engagement.
 - Status: This bill passed out of the Legislature and was signed by the Governor.
 - No position/watch
- **SB 1207 (Laird)** – This bill authorizes CalPERS members to buy back not more than three years of service credit for their prior service in the California Conservation Corps (CCC). The bill also makes changes to CCC's statutes to clarify the scope of authorized projects and to specifically permit CCC to contract with corps established by California Native American tribes
 - Status: This bill was passed by the Legislature and signed by the Governor.
 - No position/watch

Contact:

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



Merced County Employees' Retirement Association

DATE: October 22, 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

According to the U.S. Bureau of Labor Statistics (BLS), the September jobs report reflected a cooling labor market, with total nonfarm payroll employment adding just 29,000 jobs, below forecast expectations, while the unemployment rate edged up slightly to 4.2%. Net job creation was dampened by downward revisions of 60,000 combined jobs for July and August, alongside sector losses in government, information, professional and business services, and financial activities. Modest employment gains in healthcare, construction, and leisure and hospitality helped offset these declines, while the labor force participation rate held steady at 61.8%, reflecting a "low-hire, low-fire" environment characterized by cautious employer expansion despite stable overall labor supply.

The Consumer Price Index (CPI) increased 0.6% month-over-month in September, bringing the headline annual inflation rate to 3.7% year-over-year. The higher-than-expected figure was driven predominantly by energy costs, with the energy index climbing 5.2% over the month, fueled by a 9.1% rise in gasoline prices. Meanwhile, Core CPI (excluding volatile food and energy components) rose 0.3% month-over-month and 2.6% over the last 12 months. Core CPI has generally stayed below 3% but has stubbornly hovered above the Fed's 2% inflation target.

U.S. Treasury yields experienced a sharp upward surge across the curve in September, driven by persistent inflationary pressures and market recalibration following the Federal Reserve's 25-basis-point interest rate hike on September 16, its first rate increase since 2023. Yields on benchmark 10-year Treasury notes climbed 54 basis points over the month from 4.75% to close September at 5.29%, while 2-year notes rose in tandem by 54 basis points to finish at 4.88% and 30-year bond yields advanced 39 basis points to 5.64%. This pronounced fixed-income sell-off, reflecting higher real yields and an upward



Merced County Employees' Retirement Association

adjustment in long-term neutral rate expectations, pushed broad bond indices into negative territory for the month and triggered broader financial market spillovers, including widening high-yield credit spreads and a surge in 30-year fixed mortgage rates above 7.2%.

Heading into the October 27–28, 2026 meeting, markets broadly expect the Federal Open Market Committee (FOMC) to hold interest rates steady at 3.75% to 4.00%. Since the unanimous vote to raise rates in September, economic data has shown cooling consumer prices and slowing job growth, causing market-implied odds of another rate increase in October to drop. While September's meeting minutes reveal an internal divide between hawkish regional bank presidents favoring further tightening to crush stubborn inflation and more patient officials advocating for a pause to evaluate previous policy impact, the recent economic slowdown makes a pause the consensus expectation for the upcoming vote.

U.S. equity markets exhibited sharp divergence in September, as narrow mega-cap technology strength offset broad-based market weakness caused by surging Treasury yields and the Federal Reserve's rate hike. Driven by a resurgence in the artificial intelligence trade and gains among large companies across Information Technology and Communication Services, the benchmark S&P 500 limited its decline to a modest -0.3% drop for the month. In contrast, higher borrowing costs and tighter financial conditions disproportionately penalized smaller, capital-dependent companies, causing the small-cap Russell 2000 index to tumble 5.3%, its largest monthly decline since early 2024.

International and emerging markets equity performance diverged but both generally faced headwinds, pressured by a sharp 2.0% appreciation in the U.S. dollar, rising global bond yields, and heightened geopolitical tensions in the Middle East. Developed non-U.S. equities experienced significant weakness, with the MSCI EAFE Index falling 3.1% as European and Asian markets grappled with elevated energy costs and foreign exchange depreciation against the U.S. dollar. In contrast, emerging market equities demonstrated relative resilience; the MSCI Emerging Markets Index restricted its monthly loss to 0.6%, supported by robust demand for technology and semiconductor stocks across East Asia, even as broader risk sentiment softened following the Federal Reserve's interest rate hike.



Merced County Employees' Retirement Association

September Portfolio Performance Update

The Total Fund excluding alternatives fell -1.9% in September, in line with the Policy Index. The portfolio experienced losses across US and international equity as well as its Treasury and investment grade and high-yield bond investments. Performance was slightly positive for the third quarter (+0.3%) and is up approximately 5.5% since the start of 2026.

US equity returned -0.9% for the month versus -0.8% for the Russell 3000 Index. The Portfolio's US large cap equity managers fell -0.5% during the month while US small cap fell more than 5%. International equity performance was mixed; however, GQG (a watch list manager) protected during the month and returned 0.9% compared with -2.4% for its MSCI All Country World ex US Index. Artisan and Redwheel continued to struggle. Each fell more than 5% during September versus -0.6% for the MSCI Emerging Markets Index.

US fixed income returned -2.3% during the month as yields rose across the curve, 0.3% ahead of the Bloomberg US Aggregate Bond Index. The Portfolio has outperformed the benchmark as the Payden & Rygel Low Duration strategy brings down the overall duration, reducing the negative impact of rising interest rates. The opportunistic credit portfolio fell slightly, returning -0.6% versus -1.4% for the custom benchmark as high yield credit spreads widened during the month.



Merced County Employees' Retirement Association

October 22, 2026

September Flash Report

- 1. Executive Summary as of September 30, 2026**
- 2. Performance Update as of September 30, 2026**
- 3. Appendix**
 - Performance Update (Functional Framework) as of September 30, 2026**
- 4. Disclaimer, Glossary, and Notes**

Executive Summary

As of September 30, 2026

Portfolio Preliminary Performance Highlights

- September saw broad market declines, as higher energy prices and subsequent higher inflation, as well as the Fed's hawkish pivot served as major headwinds. US Equities (Russell 3000) returned -0.8%, Developed International equities (MSCI EAFE) returned -3.1% and Emerging Markets (MSCI EM) returned -0.6% over the month. Bonds also fell over the month with the broad Bloomberg US Aggregate Index returning -2.6%.
- For September, Merced CERA reported a monthly return (w/o Alternatives) of -1.9% net of fees. US Equities returned -0.9%, trailing the Russell 3000 Index return of -0.8%. International Equities return of -2.9% trailed the MSCI AC World ex USA IMI Index return of -2.4% and outpaced the secondary blended asset class benchmark return of -3.0%. The Emerging Markets sleeve returned -5.2%, trailing the MSCI EM index return of -0.6%. US Fixed Income returned -2.3%, outpacing the benchmark return of -2.6%. Opportunistic Credit posted -0.6% for the month, outpacing the blended benchmark.

Manager Highlights

Manager Highlights (Year to Date)**US Equity**

- BNY Mellon Newton Dynamic US Equity, the portfolio's active large cap manager, returned 11.8% through September, trailing the S&P 500 Index return of 12.7%. The manager is expected to perform well under normal market conditions (fundamentals drive investment returns) and bull markets.

International Equity

- Acadian ACWI ex US Small Cap returned 13.6% year to date, outpacing the MSCI AC World ex USA Small Cap Index return of 11.4%.
- First Eagle, through September, returned 8.6% versus the MSCI EAFE Index return of 10.3% and MSCI AC World ex US Value Index return of 18.5%. Fund exhibits high turnover relative to peers and uses gold as a hedge. The fund performs well in down cycles, as the strategy focuses on capital preservation in lieu of some upside potential.

Emerging Markets

- Artisan Developing World returned 1.0% through September vs MSCI EM index return of 23.4%. 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 4.5% vs MSCI EM index return of 23.4% through September. Tracking error for the strategy has always been expected to be high (6-10% annually) and has fallen within that range.

Manager Highlights (Year to Date)

US Fixed Income

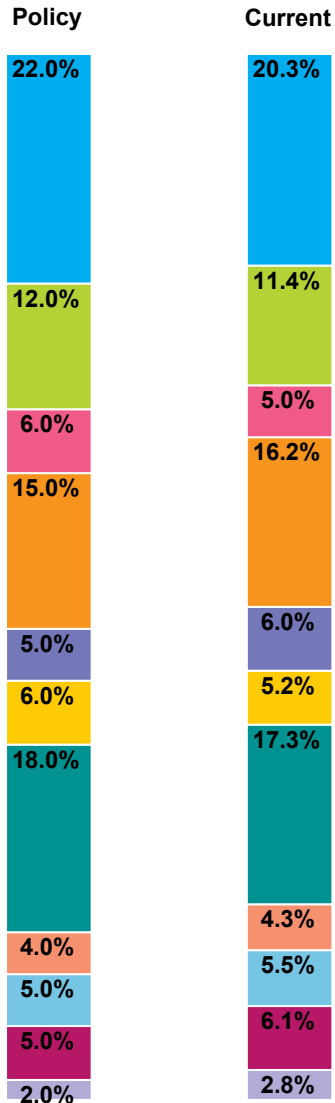
- Brandywine returned -1.1% through September, outpacing the Bloomberg US Aggregate Index return of -2.9%.
- Wellington Core Bond returned -3.0%, marginally trailing the Bloomberg US Aggregate Index.
- Payden & Rygel Low Duration returned 0.4%, trailing the Bloomberg US Treasury 1-3 Year Index return of 0.5%.

Opportunistic Credit

- PIMCO Income Fund returned -2.5%, outpacing the Bloomberg US Aggregate Index return of -2.9%.
- GoldenTree Multi-Sector returned 3.0%, outpacing the blended benchmark (50% Bloomberg US High Yield/50% S&P UBS Leveraged Loans) return of 1.7%. The strategy is benchmark agnostic and tends to have lower duration positioning.

Performance Update
As of September 30, 2026

Total Fund | As of September 30, 2026



Allocation vs. Targets and Policy						
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
US Equity	297,318,733	20.3	22.0	-1.7	16.0 - 27.0	Yes
Developed International Equity	167,820,585	11.4	12.0	-0.6	7.0 - 17.0	Yes
Emerging Markets Equity	73,498,356	5.0	6.0	-1.0	3.0 - 9.0	Yes
Private Equity	237,766,580	16.2	15.0	1.2	5.0 - 20.0	Yes
Direct Lending	88,534,189	6.0	5.0	1.0	0.0 - 10.0	Yes
Real Estate	75,705,090	5.2	6.0	-0.8	4.0 - 8.0	Yes
US Fixed Income	253,774,547	17.3	18.0	-0.7	13.0 - 23.0	Yes
Opportunistic Credit	62,451,728	4.3	4.0	0.3	2.0 - 6.0	Yes
Hedge Funds	80,002,021	5.5	5.0	0.5	2.5 - 7.5	Yes
Real Assets	89,915,166	6.1	5.0	1.1	3.0 - 7.0	Yes
Cash	41,100,530	2.8	2.0	0.8	0.0 - 4.0	Yes
Total	1,467,887,526	100.0	100.0	0.0		

Trailing Net Performance | As of September 30, 2026

Asset Class Performance Summary											
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	1,467,887,526	100.0	-1.1	0.1	5.5	7.6	12.2	6.8	8.8	8.2	Jan-95
<i>Policy Index</i>			-1.2	2.3	9.6	13.4	15.2	8.6	9.8	6.9	
Total Fund w/o Alternatives	854,863,950	58.2	-1.9	0.3	5.7	7.3	15.2	6.9	9.3	--	Jan-08
<i>Policy Index w/o AI</i>			-2.0	-0.6	8.5	11.4	15.9	7.5	8.9	--	
Public Equity	538,637,675	36.7	-1.8	1.5	9.2	11.1	19.5	9.2	--	11.4	Apr-18
<i>MSCI AC World IMI Index (Net)</i>			-1.4	1.1	13.0	16.6	21.3	11.1	--	11.4	
US Equity	297,318,733	20.3	-0.9	1.3	11.5	13.9	21.0	11.6	14.1	11.0	Jan-95
<i>Russell 3000</i>			-0.8	1.4	12.4	15.1	22.3	12.6	14.6	11.1	
International Equity	241,318,942	16.4	-2.9	1.9	6.4	7.7	17.6	6.1	9.7	6.6	Jan-99
<i>Primary Blended International Equity Benchmark</i>			-2.4	0.7	13.8	19.2	20.4	9.2	9.4	6.4	
<i>Secondary Blended International Equity Benchmark</i>			-3.0	1.1	11.0	16.0	18.7	8.2	8.9	6.2	
Emerging Markets Equity	73,498,356	5.0	-5.2	2.1	2.1	-3.5	16.1	0.9	9.0	6.4	May-12
<i>MSCI EM</i>			-0.6	-0.4	23.4	29.2	24.1	8.9	9.2	6.3	
US Fixed Income	253,774,547	17.3	-2.3	-2.9	-2.1	-1.0	4.6	-0.6	1.2	4.2	Jan-95
<i>US Fixed Income Custom Benchmark</i>			-2.6	-3.5	-2.9	-1.8	4.0	-0.4	1.3	4.4	
Opportunistic Credit	62,451,728	4.3	-0.6	0.4	3.2	4.9	8.4	5.4	--	5.9	May-19
<i>Custom Blended Opportunistic Credit Benchmark</i>			-1.4	-0.7	0.8	2.0	6.3	2.4	--	3.3	
Real Estate	75,705,090	5.2	0.0	0.0	-0.7	-1.4	2.5	1.5	3.5	5.7	Dec-10
<i>Custom Blended Real Estate Benchmark</i>			1.5	1.5	3.7	4.4	-0.6	0.8	3.7	6.9	
<i>CPI +5% (Seasonally Adjusted)</i>			1.1	2.4	7.0	8.9	8.2	9.4	8.5	7.9	
Private Real Estate	75,705,090	5.2	0.0	0.0	-0.7	-1.4	0.8	2.1	3.5	5.7	Dec-10
<i>Custom Blended Real Estate Benchmark</i>			1.5	1.5	3.7	4.4	-0.6	2.7	4.3	7.3	

Data Prior to March 2018 provided by prior consultant.

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

Trailing Net Performance | As of September 30, 2026

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Equity	237,766,580	16.2	0.0	0.0	7.2	10.9	9.2	10.2	14.0	10.2	Jul-05
<i>Custom Private Equity Benchmark</i>			-0.1	16.0	17.9	28.0	23.6	14.7	18.8	--	
<i>MSCI Global Private Equity Closed-end Fund Index (1Q Lag)</i>			5.6	5.6	9.8	13.2	9.2	6.9	14.6	13.5	
Direct Lending	88,534,189	6.0	0.0	0.0	3.3	5.9	9.1	8.0	--	9.5	Jul-20
<i>Morningstar LSTA Leveraged Loans +2%</i>			0.4	2.5	4.8	6.6	9.2	8.3	--	9.1	
Hedge Funds	80,002,021	5.5	0.0	-1.4	4.7	7.0	7.8	5.9	6.6	5.5	Jul-14
<i>Custom Blended Hedge Funds Benchmark</i>			-0.4	-1.7	6.8	10.1	9.9	5.4	5.6	--	
Real Assets	89,915,166	6.1	0.0	0.0	7.7	12.2	13.2	13.2	10.7	10.3	Dec-10
<i>Custom Blended Real Assets Benchmark</i>			-5.1	1.3	11.4	16.6	15.8	9.9	9.3	--	
<i>CPI +5% (Seasonally Adjusted)</i>			1.1	2.4	7.0	8.9	8.2	9.4	8.5	7.9	
Private Infrastructure	54,304,507	3.7	0.0	0.0	3.1	5.3	10.0	10.7	11.8	10.1	Jan-15
<i>S&P Global Infrastructure</i>			-5.4	-7.4	1.9	4.3	16.8	9.9	7.9	7.0	
Private Natural Resources	35,610,659	2.4	0.0	0.0	15.4	23.6	18.2	21.7	15.0	16.4	Oct-15
<i>S&P Global Natural Resources Sector Index (TR)</i>			-4.9	10.4	21.1	29.4	14.2	12.1	10.8	12.0	
Cash	41,100,530	2.8	0.5	1.0	3.4	4.5	4.6	3.3	--	--	Dec-10

Real Assets includes State Street Real Assets NL Fund.

Trailing Net Performance | As of September 30, 2026

Trailing Period Performance											
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	1,467,887,526	100.0	-1.1	0.1	5.5	7.6	12.2	6.8	8.8	8.2	Jan-95
<i>Policy Index</i>			<i>-1.2</i>	<i>2.3</i>	<i>9.6</i>	<i>13.4</i>	<i>15.2</i>	<i>8.6</i>	<i>9.8</i>	<i>6.9</i>	
Total Fund w/o Alternatives	854,863,950	58.2	-1.9	0.3	5.7	7.3	15.2	6.9	9.3	--	Jan-08
<i>Policy Index w/o AI</i>			<i>-2.0</i>	<i>-0.6</i>	<i>8.5</i>	<i>11.4</i>	<i>15.9</i>	<i>7.5</i>	<i>8.9</i>	<i>--</i>	
Public Equity	538,637,675	36.7	-1.8	1.5	9.2	11.1	19.5	9.2	--	11.4	Apr-18
<i>MSCI AC World IMI Index (Net)</i>			<i>-1.4</i>	<i>1.1</i>	<i>13.0</i>	<i>16.6</i>	<i>21.3</i>	<i>11.1</i>	<i>--</i>	<i>11.4</i>	
US Equity	297,318,733	20.3	-0.9	1.3	11.5	13.9	21.0	11.6	14.1	11.0	Jan-95
<i>Russell 3000</i>			<i>-0.8</i>	<i>1.4</i>	<i>12.4</i>	<i>15.1</i>	<i>22.3</i>	<i>12.6</i>	<i>14.6</i>	<i>11.1</i>	
BNY Mellon Newton Dynamic US Equity	69,446,860	4.7	-0.5	1.8	11.8	14.3	21.6	11.9	15.3	16.0	Jan-13
<i>S&P 500 Index</i>			<i>-0.3</i>	<i>2.3</i>	<i>12.7</i>	<i>15.7</i>	<i>22.9</i>	<i>13.8</i>	<i>15.3</i>	<i>15.0</i>	
BNY Mellon Large Cap	207,686,237	14.1	-0.6	1.8	12.3	15.0	22.5	13.0	15.0	15.0	Apr-16
<i>Russell 1000 Index</i>			<i>-0.6</i>	<i>1.8</i>	<i>12.3</i>	<i>15.0</i>	<i>22.5</i>	<i>13.0</i>	<i>15.0</i>	<i>15.0</i>	
Fidelity Small Cap	20,185,636	1.4	-5.3	--	--	--	--	--	--	-4.3	Aug-26
<i>Russell 2000 Index</i>			<i>-5.3</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>-4.3</i>	

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

Trailing Net Performance | As of September 30, 2026

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
International Equity	241,318,942	16.4	-2.9	1.9	6.4	7.7	17.6	6.1	9.7	6.6	Jan-99
Primary Blended International Equity Benchmark			-2.4	0.7	13.8	19.2	20.4	9.2	9.4	6.4	
Secondary Blended International Equity Benchmark			-3.0	1.1	11.0	16.0	18.7	8.2	8.9	6.2	
Acadian ACWI ex U.S. Small Cap Equity	20,770,910	1.4	-1.1	4.6	13.6	17.6	21.8	10.5	--	13.0	May-19
MSCI AC World ex USA Small Cap (Net)			-2.8	2.1	11.4	14.7	17.9	6.7	--	9.3	
Driehaus International Small Cap Growth[CE]	19,271,444	1.3	-2.4	-1.9	7.3	8.7	16.3	4.5	--	10.2	May-19
MSCI AC World ex USA Small Growth Index (Net)			-2.9	0.3	10.8	12.6	16.7	4.1	--	8.4	
GQG International Equity	61,220,438	4.2	0.9	2.4	6.7	11.4	15.3	8.4	--	10.0	Dec-19
MSCI AC World ex USA (Net)			-2.4	0.5	14.2	20.0	20.5	9.6	--	10.1	
First Eagle International Value Fund	66,557,794	4.5	-4.3	1.6	8.6	15.2	19.8	10.8	--	9.4	Dec-19
MSCI EAFE (Net)			-3.1	0.8	10.3	15.7	18.4	9.3	--	9.7	
MSCI AC World ex USA Value (Net)			-1.8	3.5	18.5	27.5	23.9	13.7	--	11.9	
Emerging Markets Equity	73,498,356	5.0	-5.2	2.1	2.1	-3.5	16.1	0.9	9.0	6.4	May-12
MSCI EM			-0.6	-0.4	23.4	29.2	24.1	8.9	9.2	6.3	
Artisan Developing World TR	46,910,220	3.2	-5.3	3.6	1.0	-8.4	16.1	-0.2	--	8.5	Dec-19
MSCI Emerging Markets (Net)			-0.6	-0.4	23.4	29.2	24.1	8.9	--	10.1	
RWC	26,588,136	1.8	-5.0	-1.0	4.5	7.6	14.8	2.8	--	6.2	Dec-19
MSCI Emerging Markets (Net)			-0.6	-0.4	23.4	29.2	24.1	8.9	--	10.1	

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 September 30, 2026

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
US Fixed Income	253,774,547	17.3	-2.3	-2.9	-2.1	-1.0	4.6	-0.6	1.2	4.2	Jan-95
<i>US Fixed Income Custom Benchmark</i>			<i>-2.6</i>	<i>-3.5</i>	<i>-2.9</i>	<i>-1.8</i>	<i>4.0</i>	<i>-0.4</i>	<i>1.3</i>	<i>4.4</i>	
Vanguard Total Bond Market Index Fund	40,549,600	2.8	-2.5	-3.4	-2.7	-1.7	4.0	-0.6	--	1.1	May-19
<i>Blmbg. U.S. Aggregate Index</i>			<i>-2.6</i>	<i>-3.5</i>	<i>-2.9</i>	<i>-1.8</i>	<i>4.1</i>	<i>-0.6</i>	<i>--</i>	<i>1.1</i>	
Payden & Rygel Low Duration Fund	27,290,206	1.9	-0.8	-0.4	0.4	1.6	4.7	--	--	4.6	Nov-22
<i>Blmbg. U.S. Treasury: 1-3 Year</i>			<i>-0.6</i>	<i>-0.2</i>	<i>0.5</i>	<i>1.6</i>	<i>4.1</i>	<i>--</i>	<i>--</i>	<i>3.8</i>	
Brandywine US Fixed Income	67,117,363	4.6	-1.9	-2.4	-1.1	-0.1	5.2	--	--	2.5	Nov-22
<i>Blmbg. U.S. Aggregate Index</i>			<i>-2.6</i>	<i>-3.5</i>	<i>-2.9</i>	<i>-1.8</i>	<i>4.1</i>	<i>--</i>	<i>--</i>	<i>3.6</i>	
Wellington Core Bond	118,817,378	8.1	-2.8	-3.6	-3.0	-2.0	4.6	--	--	3.5	Nov-22
<i>Blmbg. U.S. Aggregate Index</i>			<i>-2.6</i>	<i>-3.5</i>	<i>-2.9</i>	<i>-1.8</i>	<i>4.1</i>	<i>--</i>	<i>--</i>	<i>3.6</i>	
Opportunistic Credit	62,451,728	4.3	-0.6	0.4	3.2	4.9	8.4	5.4	--	5.9	May-19
<i>Custom Blended Opportunistic Credit Benchmark</i>			<i>-1.4</i>	<i>-0.7</i>	<i>0.8</i>	<i>2.0</i>	<i>6.3</i>	<i>2.4</i>	<i>--</i>	<i>3.3</i>	
PIMCO Income Fund	4,905,819	0.3	-3.3	-3.9	-2.5	0.0	6.5	2.9	--	3.6	May-19
<i>Blmbg. U.S. Aggregate Index</i>			<i>-2.6</i>	<i>-3.5</i>	<i>-2.9</i>	<i>-1.8</i>	<i>4.1</i>	<i>-0.6</i>	<i>--</i>	<i>1.1</i>	
GoldenTree Multi-Sector Credit	31,797,854	2.2	-0.7	0.6	3.0	4.5	9.0	5.8	--	6.2	Jun-19
<i>50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans</i>			<i>-1.2</i>	<i>0.1</i>	<i>1.7</i>	<i>3.0</i>	<i>7.5</i>	<i>4.9</i>	<i>--</i>	<i>5.3</i>	
OWS Credit Opportunity Fund LP	25,748,055	1.8	0.0	1.2	4.8	6.5	8.2	--	--	8.2	Oct-23
<i>50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans</i>			<i>-1.2</i>	<i>0.1</i>	<i>1.7</i>	<i>3.0</i>	<i>7.5</i>	<i>--</i>	<i>--</i>	<i>7.5</i>	

The market value of GoldenTree Multi-Sector Credit is based on a manager provided estimate as of 9/30/2026, due to data availability.
The market value of OWS Credit Opportunity Fund LP is lagged as of 08/31/2026, due to data availability.

Trailing Net Performance | As of September 30, 2026

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Real Estate	75,705,090	5.2	0.0	0.0	-0.7	-1.4	0.8	2.1	3.5	5.7	Dec-10
<i>Custom Blended Real Estate Benchmark</i>			<i>1.5</i>	<i>1.5</i>	<i>3.7</i>	<i>4.4</i>	<i>-0.6</i>	<i>2.7</i>	<i>4.3</i>	<i>7.3</i>	
Private Equity	237,766,580	16.2	0.0	0.0	7.2	10.9	9.2	10.2	14.0	10.2	Jul-05
<i>Custom Private Equity Benchmark</i>			<i>-0.1</i>	<i>16.0</i>	<i>17.9</i>	<i>28.0</i>	<i>23.6</i>	<i>14.7</i>	<i>18.8</i>	<i>--</i>	
<i>MSCI Global Private Equity Closed-end Fund Index (1Q Lag)</i>			<i>5.6</i>	<i>5.6</i>	<i>9.8</i>	<i>13.2</i>	<i>9.2</i>	<i>6.9</i>	<i>14.6</i>	<i>13.5</i>	
Direct Lending	88,534,189	6.0	0.0	0.0	3.3	5.9	9.1	8.0	--	9.5	Jul-20
<i>Morningstar LSTA Leveraged Loans +2%</i>			<i>0.4</i>	<i>2.5</i>	<i>4.8</i>	<i>6.6</i>	<i>9.2</i>	<i>8.3</i>	<i>--</i>	<i>9.1</i>	
Hedge Funds	80,002,021	5.5	0.0	-1.4	4.7	7.0	7.8	5.9	6.6	5.5	Jul-14
<i>Custom Blended Hedge Funds Benchmark</i>			<i>-0.4</i>	<i>-1.7</i>	<i>6.8</i>	<i>10.1</i>	<i>9.9</i>	<i>5.4</i>	<i>5.6</i>	<i>--</i>	
Private Infrastructure	54,304,507	3.7	0.0	0.0	3.1	5.3	10.0	10.7	11.8	10.1	Jan-15
<i>S&P Global Infrastructure</i>			<i>-5.4</i>	<i>-7.4</i>	<i>1.9</i>	<i>4.3</i>	<i>16.8</i>	<i>9.9</i>	<i>7.9</i>	<i>7.0</i>	
Private Natural Resources	35,610,659	2.4	0.0	0.0	15.4	23.6	18.2	21.7	15.0	16.4	Oct-15
<i>S&P Global Natural Resources Sector Index (TR)</i>			<i>-4.9</i>	<i>10.4</i>	<i>21.1</i>	<i>29.4</i>	<i>14.2</i>	<i>12.1</i>	<i>10.8</i>	<i>12.0</i>	
Cash	41,100,530	2.8	0.5	1.0	3.4	4.5	4.6	3.3	--	--	Dec-10
Cash	34,898,535	2.4	0.3	1.0	3.0	4.0	4.6	3.3	2.2	-0.3	Dec-10
Treasury Cash	6,201,995	0.4	5.4	5.4	12.7	18.6	11.1	6.5	--	3.6	Sep-17

All private markets performance and market values reflect a 3/31/26 capital account balance cash flow adjusted through 08/31/2026.

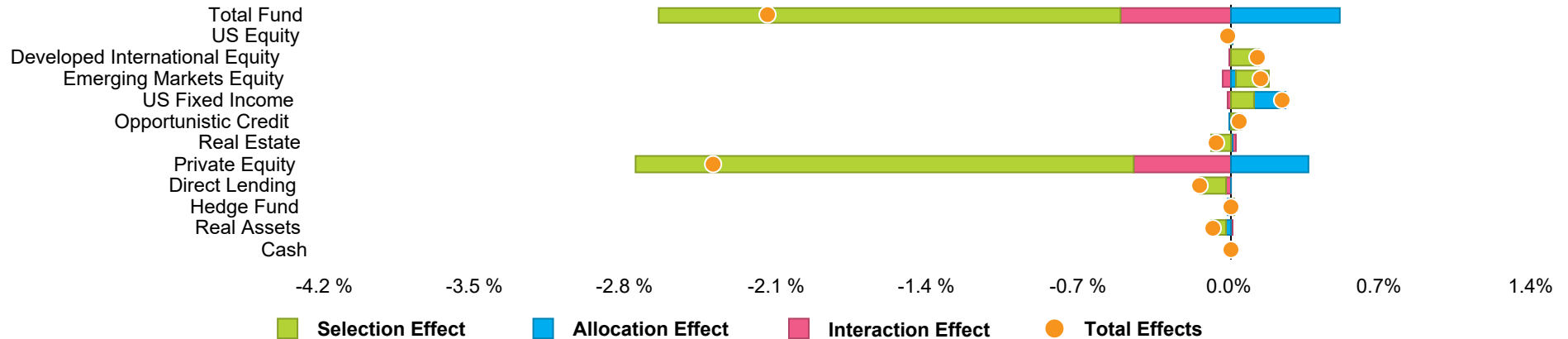
Private Real Estate results prior to 1/1/2019 were included in the Real Assets composite. All results for the Private Real Estate composite that include the period prior to 1/1/2019 will reflect only the latest lineup of managers that Meketa received information for; therefore, it may not reflect the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

Hedge Fund values are estimates as of 8/31/2026.

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

Total Fund Attribution | As of September 30, 2026

Attribution Effects 3 Months Ending September 30, 2026

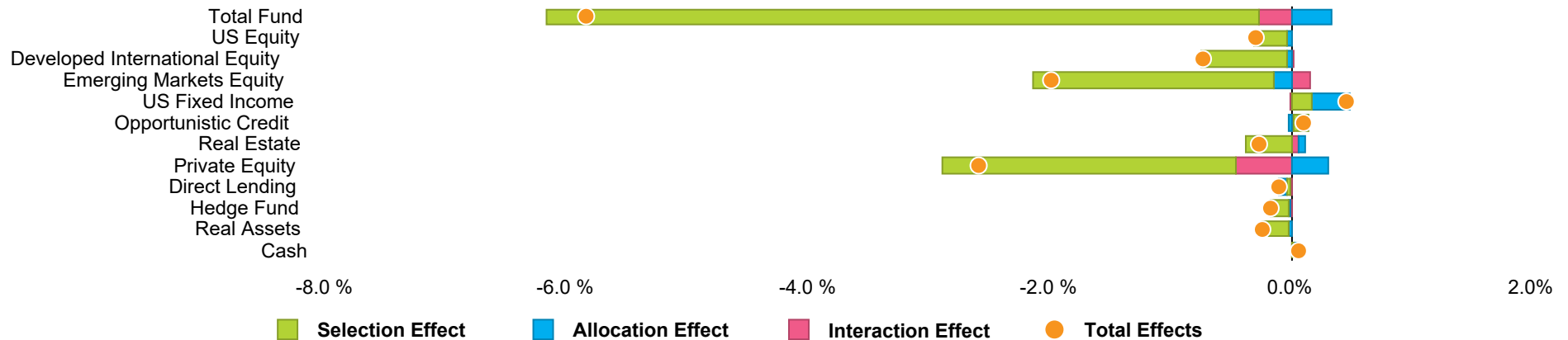


Attribution Summary 3 Months Ending September 30, 2026

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	1.3	1.4	-0.1	0.0	0.0	0.0	0.0
Developed International Equity	1.7	0.7	1.1	0.1	0.0	0.0	0.1
Emerging Markets Equity	2.1	-0.4	2.4	0.2	0.0	0.0	0.1
US Fixed Income	-2.9	-3.5	0.6	0.1	0.1	0.0	0.2
Opportunistic Credit	0.4	-0.7	1.1	0.0	0.0	0.0	0.0
Real Estate	0.0	1.5	-1.5	-0.1	0.0	0.0	-0.1
Private Equity	0.0	16.0	-16.0	-2.3	0.4	-0.4	-2.4
Direct Lending	0.0	2.5	-2.5	-0.1	0.0	0.0	-0.1
Hedge Fund	-1.4	-1.7	0.2	0.0	0.0	0.0	0.0
Real Assets	0.0	1.3	-1.3	-0.1	0.0	0.0	-0.1
Cash	1.0	0.9	0.1	0.0	0.0	0.0	0.0
Total Fund	0.1	2.3	-2.2	-2.2	0.5	-0.5	-2.2

Total Fund Attribution | As of September 30, 2026

Attribution Effects 1 Year Ending September 30, 2026



Attribution Summary 1 Year Ending September 30, 2026

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	13.9	15.1	-1.3	-0.3	0.0	0.0	-0.3
Developed International Equity	13.2	19.2	-6.0	-0.7	0.0	0.0	-0.7
Emerging Markets Equity	-3.5	29.2	-32.7	-2.0	-0.2	0.1	-2.0
US Fixed Income	-1.0	-1.8	0.8	0.2	0.3	0.0	0.5
Opportunistic Credit	4.9	2.0	2.9	0.1	0.0	0.0	0.1
Real Estate	-1.4	4.4	-5.8	-0.4	0.1	0.1	-0.3
Private Equity	10.9	28.0	-17.2	-2.4	0.3	-0.5	-2.6
Direct Lending	5.9	6.6	-0.7	0.0	-0.1	0.0	-0.1
Hedge Fund	7.0	10.1	-3.1	-0.2	0.0	0.0	-0.2
Real Assets	12.2	16.6	-4.4	-0.2	0.0	0.0	-0.3
Cash	4.5	3.8	0.8	0.0	0.0	0.0	0.1
Total Fund	7.6	13.4	-5.9	-5.9	0.3	-0.3	-5.9

Benchmark History | As of September 30, 2026

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

Benchmark History | As of September 30, 2026

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

Annual Investment Expense Analysis				
	Fee Schedule	Market Value (\$)	Estimated Annual Fee (%)	Estimated Annual Fee \$
Total Fund		1,467,887,526		
Total Fund w/o Alternatives		854,863,950		
Public Equity		538,637,675		
US Equity		297,318,733		
BNY Mellon Newton Dynamic US Equity	0.30 % of Assets	69,446,860	0.30	208,341
BNY Mellon Large Cap	0.04 % of First \$100 M 0.02 % Thereafter	207,686,237	0.03	61,537
Fidelity Small Cap	0.03 % of Assets	20,185,636	0.03	5,046
International Equity		241,318,942		
Acadian ACWI ex U.S. Small Cap Equity	0.85 % of First \$50 M 0.75 % Thereafter	20,770,910	0.85	176,553
Driehaus International Small Cap Growth[CE]	0.90 % of Assets	19,271,444	0.90	173,443
GQG International Equity	0.50 % of Assets	61,220,438	0.50	306,102
First Eagle International Value Fund	0.79 % of Assets	66,557,794	0.79	525,807
Emerging Markets Equity		73,498,356		
Artisan Developing World TR	1.05 % of Assets	46,910,220	1.05	492,557
RWC	0.87 % of Assets	26,588,136	0.87	231,317
MCERA US Fixed+Opp Credit		316,226,275		
US Fixed Income		253,774,547		
Vanguard Total Bond Market Index Fund	0.03 % of Assets	40,549,600	0.03	10,137
Payden & Rygel Low Duration Fund	0.38 % of Assets	27,290,206	0.38	103,703
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	67,117,363	0.27	182,658
Wellington Core Bond	0.12 % of Assets	118,817,378	0.12	142,581
Opportunistic Credit		62,451,728		
PIMCO Income Fund	0.50 % of Assets	4,905,819	0.50	24,529
GoldenTree Multi-Sector Credit	0.70 % of Assets	31,797,854	0.70	222,585
OWS Credit Opportunity Fund LP		25,748,055	-	-

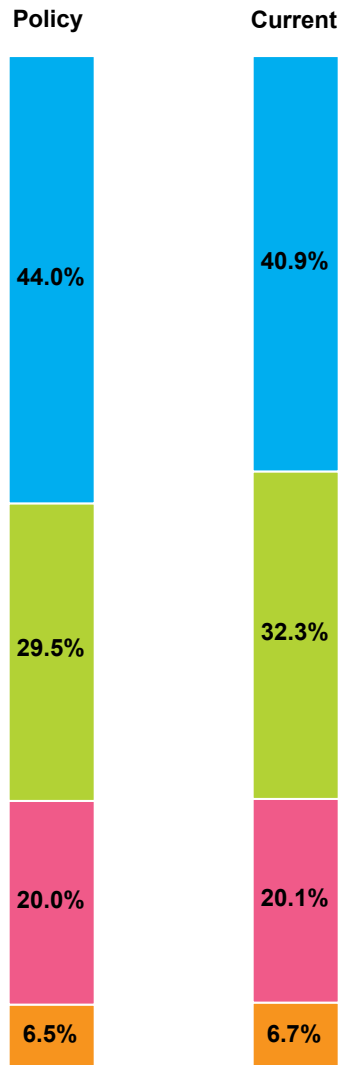
Fee Schedule | As of September 30, 2026

Fee Schedule		Market Value (\$)	Estimated Annual Fee (%)	Estimated Annual Fee \$
Hedge Funds		80,002,021		
Marshall Wace Eureka	Performance Based 2.00 % and 20.00 %	5,735,143	2.00	114,703
Marshall Wace Global Opportunities	Performance Based 2.00 % and 20.00 %	7,162,158	2.00	143,243
Taconic Opportunity Fund	Performance Based 1.40 % and 20.00 %	680,293	1.40	9,524
Silver Point Capital	Performance Based 1.50 % and 20.00 %	16,767,773	1.50	251,517
Graham Absolute Return	Performance Based 1.75 % and 20.00 %	5,663,094	1.75	99,104
Laurion Capital	Performance Based 2.00 % and 20.00 %	8,444,570	2.00	168,891
Wellington Global Equity Long/Short Fund	Performance Based 1.00 % and 20.00 %	11,668,682	1.00	116,687
Hudson Bay Fund		16,192,193	-	-
Caxton Global Investments	Performance Based 1.95 % and 22.50 %	7,688,116	1.95	149,918
Cash		41,100,530		
Cash		34,898,535	-	-
Treasury Cash		6,201,995	-	-

Appendix

Performance Update (Functional Framework) As of September 30, 2026

Total Fund | As of September 30, 2026



Allocation vs. Targets and Policy				
	Balance (\$)	Current (%)	Policy (%)	Difference (%)
Growth Assets - Public	601,089,403	40.9	44.0	-3.1
Public Equity	538,637,675	36.7	40.0	-3.3
Opportunistic Credit	62,451,728	4.3	4.0	0.3
Growth Assets - Private/Illiquid	473,714,191	32.3	29.5	2.8
Growth Hedge Funds	17,403,825	1.2	1.0	0.2
Private Equity	237,766,580	16.2	15.0	1.2
Direct Lending	88,534,189	6.0	5.0	1.0
Real Estate	75,705,090	5.2	6.0	-0.8
Real Assets Infrastructure	54,304,507	3.7	2.5	1.2
Diversification Assets - Public	294,875,077	20.1	20.0	0.1
Cash/Liquidity	41,100,530	2.8	2.0	0.8
US Fixed Income (Treasuries, IG Credit)	253,774,547	17.3	18.0	-0.7
Diversification Assets - Private/Illiquid	98,208,855	6.7	6.5	0.2
Diversifying Hedge Funds	62,598,196	4.3	4.0	0.3
Real Assets Natural Resources	35,610,659	2.4	2.5	-0.1
Total	1,467,887,526	100.0	100.0	0.0

¹ Cash allocation includes Overlay.

Trailing Net Performance | As of September 30, 2026

Asset Class Performance Summary											
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	1,467,887,526	100.0	-1.1	0.1	5.5	7.6	12.2	6.8	8.8	8.2	Jan-95
<i>Policy Index</i>			<i>-1.2</i>	<i>2.3</i>	<i>9.6</i>	<i>13.4</i>	<i>15.2</i>	<i>8.6</i>	<i>9.8</i>	<i>6.9</i>	
Growth Assets - Public	601,089,403	40.9	-1.7	1.4	--	--	--	--	--	0.0	Jun-26
Public Equity	538,637,675	36.7	-1.8	1.5	9.2	11.1	19.5	9.2	--	11.4	Apr-18
<i>MSCI AC World IMI Index (Net)</i>			<i>-1.4</i>	<i>1.1</i>	<i>13.0</i>	<i>16.6</i>	<i>21.3</i>	<i>11.1</i>	<i>--</i>	<i>11.4</i>	
Opportunistic Credit	62,451,728	4.3	-0.6	0.4	3.2	4.9	8.4	5.4	--	5.9	May-19
<i>Custom Blended Opportunistic Credit Benchmark</i>			<i>-1.4</i>	<i>-0.7</i>	<i>0.8</i>	<i>2.0</i>	<i>6.3</i>	<i>2.4</i>	<i>--</i>	<i>3.3</i>	
Growth Assets - Private/Illiquid	473,714,191	32.3	0.0	-0.2	--	--	--	--	--	1.6	Jun-26
Growth Hedge Funds	17,403,825	1.2	0.0	-5.2	--	--	--	--	--	-2.1	Jun-26
<i>Custom Blended Hedge Funds Benchmark</i>			<i>-0.4</i>	<i>-1.7</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>-0.2</i>	
Private Equity	237,766,580	16.2	0.0	0.0	7.2	10.9	9.2	10.2	14.0	10.2	Jul-05
<i>Custom Private Equity Benchmark</i>			<i>-0.1</i>	<i>16.0</i>	<i>17.9</i>	<i>28.0</i>	<i>23.6</i>	<i>14.7</i>	<i>18.8</i>	<i>--</i>	
<i>MSCI Global Private Equity Closed-end Fund Index (1Q Lag)</i>			<i>5.6</i>	<i>5.6</i>	<i>9.8</i>	<i>13.2</i>	<i>9.2</i>	<i>6.9</i>	<i>14.6</i>	<i>13.5</i>	
Direct Lending	88,534,189	6.0	0.0	0.0	3.3	5.9	9.1	8.0	--	9.5	Jul-20
<i>50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans</i>			<i>-1.2</i>	<i>0.1</i>	<i>1.7</i>	<i>3.0</i>	<i>7.5</i>	<i>4.9</i>	<i>--</i>	<i>6.2</i>	
Real Estate	75,705,090	5.2	0.0	0.0	-0.7	-1.4	2.5	1.5	3.5	5.7	Dec-10
<i>Custom Blended Real Estate Benchmark</i>			<i>1.5</i>	<i>1.5</i>	<i>3.7</i>	<i>4.4</i>	<i>-0.6</i>	<i>0.8</i>	<i>3.7</i>	<i>6.9</i>	
<i>CPI +5% (Seasonally Adjusted)</i>			<i>1.1</i>	<i>2.4</i>	<i>7.0</i>	<i>8.9</i>	<i>8.2</i>	<i>9.4</i>	<i>8.5</i>	<i>7.9</i>	
Real Assets Infrastructure	54,304,507	3.7	0.0	0.0	3.1	5.3	10.0	10.7	11.8	10.1	Jan-15
<i>CPI +5% (Seasonally Adjusted)</i>			<i>1.1</i>	<i>2.4</i>	<i>7.0</i>	<i>8.9</i>	<i>8.2</i>	<i>9.4</i>	<i>8.5</i>	<i>8.2</i>	

Data Prior to March 2018 provided by prior consultant.

Trailing Net Performance | As of September 30, 2026

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Diversification Assets - Public	294,875,077	20.1	-1.9	-2.5	--	--	--	--	--	-2.2	Jun-26
Cash	41,100,530	2.8	0.5	1.0	3.4	4.5	4.6	3.3	--	--	Dec-10
US Fixed Income	253,774,547	17.3	-2.3	-2.9	-2.1	-1.0	4.6	-0.6	1.2	4.2	Jan-95
<i>US Fixed Income Custom Benchmark</i>			-2.6	-3.5	-2.9	-1.8	4.0	-0.4	1.3	4.4	
Diversification Assets - Private/Illiquid	98,208,855	6.7	0.0	-0.2	--	--	--	--	--	3.3	Jun-26
Diversifying Hedge Funds	62,598,196	4.3	0.0	-0.4	--	--	--	--	--	0.7	Jun-26
<i>Custom Blended Hedge Funds Benchmark</i>			-0.4	-1.7	--	--	--	--	--	-0.2	
Real Assets Natural Resources	35,610,659	2.4	0.0	0.0	15.4	23.6	18.2	21.7	15.0	16.4	Oct-15
<i>CPI +5% (Seasonally Adjusted)</i>			1.1	2.4	7.0	8.9	8.2	9.4	8.5	8.4	

Real Assets includes State Street Real Assets NL Fund.

Trailing Net Performance | As of September 30, 2026

Trailing Period Performance											
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	1,467,887,526	100.0	-1.1	0.1	5.5	7.6	12.2	6.8	8.8	8.2	Jan-95
<i>Policy Index</i>			<i>-1.2</i>	<i>2.3</i>	<i>9.6</i>	<i>13.4</i>	<i>15.2</i>	<i>8.6</i>	<i>9.8</i>	<i>6.9</i>	
Growth Assets - Public	601,089,403	40.9	-1.7	1.4	--	--	--	--	--	0.0	Jun-26
Public Equity	538,637,675	36.7	-1.8	1.5	9.2	11.1	19.5	9.2	--	11.4	Apr-18
<i>MSCI AC World IMI Index (Net)</i>			<i>-1.4</i>	<i>1.1</i>	<i>13.0</i>	<i>16.6</i>	<i>21.3</i>	<i>11.1</i>	<i>--</i>	<i>11.4</i>	
BNY Mellon Newton Dynamic US Equity	69,446,860	4.7	-0.5	1.8	11.8	14.3	21.6	11.9	15.3	16.0	Jan-13
<i>S&P 500 Index</i>			<i>-0.3</i>	<i>2.3</i>	<i>12.7</i>	<i>15.7</i>	<i>22.9</i>	<i>13.8</i>	<i>15.3</i>	<i>15.0</i>	
BNY Mellon Large Cap	207,686,237	14.1	-0.6	1.8	12.3	15.0	22.5	13.0	15.0	15.0	Apr-16
<i>Russell 1000 Index</i>			<i>-0.6</i>	<i>1.8</i>	<i>12.3</i>	<i>15.0</i>	<i>22.5</i>	<i>13.0</i>	<i>15.0</i>	<i>15.0</i>	
Fidelity Small Cap (FSSNX)	20,185,636	1.4	-5.3	--	--	--	--	--	--	-4.3	Aug-26
<i>Russell 2000 Index</i>			<i>-5.3</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>-4.3</i>	
Acadian ACWI ex U.S. Small Cap Equity	20,770,910	1.4	-1.1	4.6	13.6	17.6	21.8	10.5	--	13.0	May-19
<i>MSCI AC World ex USA Small Cap (Net)</i>			<i>-2.8</i>	<i>2.1</i>	<i>11.4</i>	<i>14.7</i>	<i>17.9</i>	<i>6.7</i>	<i>--</i>	<i>9.3</i>	
Driehaus International Small Cap Growth[CE]	19,271,444	1.3	-2.4	-1.9	7.3	8.7	16.3	4.5	--	10.2	May-19
<i>MSCI AC World ex USA Small Growth Index (Net)</i>			<i>-2.9</i>	<i>0.3</i>	<i>10.8</i>	<i>12.6</i>	<i>16.7</i>	<i>4.1</i>	<i>--</i>	<i>8.4</i>	
GQG International Equity	61,220,438	4.2	0.9	2.4	6.7	11.4	15.3	8.4	--	10.0	Dec-19
<i>MSCI AC World ex USA (Net)</i>			<i>-2.4</i>	<i>0.5</i>	<i>14.2</i>	<i>20.0</i>	<i>20.5</i>	<i>9.6</i>	<i>--</i>	<i>10.1</i>	
First Eagle International Value Fund	66,557,794	4.5	-4.3	1.6	8.6	15.2	19.8	10.8	--	9.4	Dec-19
<i>MSCI EAFE (Net)</i>			<i>-3.1</i>	<i>0.8</i>	<i>10.3</i>	<i>15.7</i>	<i>18.4</i>	<i>9.3</i>	<i>--</i>	<i>9.7</i>	
RWC	26,588,136	1.8	-5.0	-1.0	4.5	7.6	14.8	2.8	--	6.2	Dec-19
<i>MSCI Emerging Markets (Net)</i>			<i>-0.6</i>	<i>-0.4</i>	<i>23.4</i>	<i>29.2</i>	<i>24.1</i>	<i>8.9</i>	<i>--</i>	<i>10.1</i>	
Artisan Developing World TR	46,910,220	3.2	-5.3	3.6	1.0	-8.4	16.1	-0.2	--	8.5	Dec-19
<i>MSCI Emerging Markets (Net)</i>			<i>-0.6</i>	<i>-0.4</i>	<i>23.4</i>	<i>29.2</i>	<i>24.1</i>	<i>8.9</i>	<i>--</i>	<i>10.1</i>	

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

Trailing Net Performance | As of September 30, 2026

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Opportunistic Credit	62,451,728	4.3	-0.6	0.4	3.2	4.9	8.4	5.4	--	5.9	May-19
<i>Custom Blended Opportunistic Credit Benchmark</i>			<i>-1.4</i>	<i>-0.7</i>	<i>0.8</i>	<i>2.0</i>	<i>6.3</i>	<i>2.4</i>	<i>--</i>	<i>3.3</i>	
OWS Credit Opportunity Fund LP	25,748,055	1.8	0.0	1.2	4.8	6.5	8.2	--	--	8.2	Oct-23
<i>50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans</i>			<i>-1.2</i>	<i>0.1</i>	<i>1.7</i>	<i>3.0</i>	<i>7.5</i>	<i>--</i>	<i>--</i>	<i>7.5</i>	
PIMCO Income Fund	4,905,819	0.3	-3.3	-3.9	-2.5	0.0	6.5	2.9	--	3.6	May-19
<i>Blmbg. U.S. Aggregate Index</i>			<i>-2.6</i>	<i>-3.5</i>	<i>-2.9</i>	<i>-1.8</i>	<i>4.1</i>	<i>-0.6</i>	<i>--</i>	<i>1.1</i>	
GoldenTree Multi-Sector Credit	31,797,854	2.2	-0.7	0.6	3.0	4.5	9.0	5.8	--	6.2	Jun-19
<i>50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans</i>			<i>-1.2</i>	<i>0.1</i>	<i>1.7</i>	<i>3.0</i>	<i>7.5</i>	<i>4.9</i>	<i>--</i>	<i>5.3</i>	
Growth Assets - Private/Illiquid	473,714,191	32.3	0.0	-0.2	--	--	--	--	--	1.6	Jun-26
Growth Hedge Funds	17,403,825	1.2	0.0	-5.2	--	--	--	--	--	-2.1	Jun-26
<i>Custom Blended Hedge Funds Benchmark</i>			<i>-0.4</i>	<i>-1.7</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>-0.2</i>	
Private Equity	237,766,580	16.2	0.0	0.0	7.2	10.9	9.2	10.2	14.0	10.2	Jul-05
<i>Custom Private Equity Benchmark</i>			<i>-0.1</i>	<i>16.0</i>	<i>17.9</i>	<i>28.0</i>	<i>23.6</i>	<i>14.7</i>	<i>18.8</i>	<i>--</i>	
<i>MSCI Global Private Equity Closed-end Fund Index (1Q Lag)</i>			<i>5.6</i>	<i>5.6</i>	<i>9.8</i>	<i>13.2</i>	<i>9.2</i>	<i>6.9</i>	<i>14.6</i>	<i>13.5</i>	
Direct Lending	88,534,189	6.0	0.0	0.0	3.3	5.9	9.1	8.0	--	9.5	Jul-20
<i>Morningstar LSTA Leveraged Loans +2%</i>			<i>0.4</i>	<i>2.5</i>	<i>4.8</i>	<i>6.6</i>	<i>9.2</i>	<i>8.3</i>	<i>--</i>	<i>9.1</i>	
Private Real Estate	75,705,090	5.2	0.0	0.0	-0.7	-1.4	0.8	2.1	3.5	5.7	Dec-10
<i>Custom Blended Real Estate Benchmark</i>			<i>1.5</i>	<i>1.5</i>	<i>3.7</i>	<i>4.4</i>	<i>-0.6</i>	<i>2.7</i>	<i>4.3</i>	<i>7.3</i>	
Real Assets Infrastructure	54,304,507	3.7	0.0	0.0	3.1	5.3	10.0	10.7	11.8	10.1	Jan-15

The market value of OWS Credit Opportunity Fund LP is lagged as of 08/31/2026, due to data availability.

The market value of GoldenTree Multi-Sector Credit is based on a manager provided estimate as of 9/30/2026, due to data availability.

Trailing Net Performance | As of September 30, 2026

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTR (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Diversification Assets - Public	294,875,077	20.1	-1.9	-2.5	--	--	--	--	--	-2.2	Jun-26
Cash	41,100,530	2.8	0.5	1.0	3.4	4.5	4.6	3.3	--	--	Dec-10
Cash	34,898,535	2.4	0.3	1.0	3.0	4.0	4.6	3.3	2.2	-0.3	Dec-10
Treasury Cash	6,201,995	0.4	5.4	5.4	12.7	18.6	11.1	6.5	--	3.6	Sep-17
US Fixed Income	253,774,547	17.3	-2.3	-2.9	-2.1	-1.0	4.6	-0.6	1.2	4.2	Jan-95
<i>US Fixed Income Custom Benchmark</i>			<i>-2.6</i>	<i>-3.5</i>	<i>-2.9</i>	<i>-1.8</i>	<i>4.0</i>	<i>-0.4</i>	<i>1.3</i>	<i>4.4</i>	
Vanguard Total Bond Market Index Fund	40,549,600	2.8	-2.5	-3.4	-2.7	-1.7	4.0	-0.6	--	1.1	May-19
<i>Blmbg. U.S. Aggregate Index</i>			<i>-2.6</i>	<i>-3.5</i>	<i>-2.9</i>	<i>-1.8</i>	<i>4.1</i>	<i>-0.6</i>	<i>--</i>	<i>1.1</i>	
Payden & Rygel Low Duration Fund	27,290,206	1.9	-0.8	-0.4	0.4	1.6	4.7	--	--	4.6	Nov-22
<i>Blmbg. U.S. Treasury: 1-3 Year</i>			<i>-0.6</i>	<i>-0.2</i>	<i>0.5</i>	<i>1.6</i>	<i>4.1</i>	<i>--</i>	<i>--</i>	<i>3.8</i>	
Brandywine US Fixed Income	67,117,363	4.6	-1.9	-2.4	-1.1	-0.1	5.2	--	--	2.5	Nov-22
<i>Blmbg. U.S. Aggregate Index</i>			<i>-2.6</i>	<i>-3.5</i>	<i>-2.9</i>	<i>-1.8</i>	<i>4.1</i>	<i>--</i>	<i>--</i>	<i>3.6</i>	
Wellington Core Bond	118,817,378	8.1	-2.8	-3.6	-3.0	-2.0	4.6	--	--	3.5	Nov-22
<i>Blmbg. U.S. Aggregate Index</i>			<i>-2.6</i>	<i>-3.5</i>	<i>-2.9</i>	<i>-1.8</i>	<i>4.1</i>	<i>--</i>	<i>--</i>	<i>3.6</i>	
Diversification Assets - Private/Illiquid	98,208,855	6.7	0.0	-0.2	--	--	--	--	--	3.3	Jun-26
Diversifying Hedge Funds	62,598,196	4.3	0.0	-0.4	--	--	--	--	--	0.7	Jun-26
<i>Custom Blended Hedge Funds Benchmark</i>			<i>-0.4</i>	<i>-1.7</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>-0.2</i>	
Real Assets Natural Resources	35,610,659	2.4	0.0	0.0	15.4	23.6	18.2	21.7	15.0	16.4	Oct-15
<i>S&P Global Natural Resources Sector Index (TR)</i>			<i>-4.9</i>	<i>10.4</i>	<i>21.1</i>	<i>29.4</i>	<i>14.2</i>	<i>12.1</i>	<i>10.8</i>	<i>12.0</i>	

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

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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: October 22, 2026

TO: MercedCERA Board of Retirement

FROM: Martha Sanchez Barboa, Plan Administrator

SUBJECT: Formally request that the Merced County Board of Supervisors adopt Government Code 31521(b), approve and direct the MercedCERA Board Chair to submit a signed letter directed to the Merced County Board of Supervisors Chair, and approve the draft resolution be presented to the Board of Supervisors on behalf of the MercedCERA Board of Retirement.

ITEM NUMBER: Open Session Item c

ITEM TYPE: Action

STAFF RECOMMENDATION:

1. Approve a formal request that the Merced County Board of Supervisors adopt Government Code 31521(b), approve and direct the MercedCERA Board Chair to submit a signed letter directed to the Merced County Board of Supervisors Chair, and approve the draft resolution be presented to the Board of Supervisors on behalf of the MercedCERA Board of Retirement.

DISCUSSION:

The Merced County Employees' Retirement Association (MercedCERA) Board of Retirement is formally requesting the Merced County Board of Supervisors adopt Government Code Section 31521(b), which will allow the MercedCERA Board of Retirement (Board) to establish an increased compensation rate from \$100 up to \$320 to eligible MercedCERA Board trustees for meeting attendance.

Background

Currently, Government Code Section 31521 allows the Board to compensate the fourth, sixth and ninth MercedCERA trustees (all Board of Supervisors appointed) and the eighth and eighth alternate trustees (both retired elected), with \$100 for each attendance at a Board meeting or a Board appointed committee meeting. The compensation is not to exceed more than five meetings per month, along with reimbursement for actual and necessary expenses for all members of the Board.

Since enactment, this legislation was amended in 1983, 1999, 2007 and most recently this year. Prior to the amendment recently approved by Governor Newsom on September 27, 2026, the \$100 compensation rate had not been increased. With the

recent approved amendment, county Board of Supervisors are allowed to authorize an increase in the Board of Retirement trustee compensation rate from \$100 up to \$320 per meeting. If authorized, county Boards of Retirement must then vote to approve an increased compensation rate.

Staff are recommending the Board increase the compensation rate to \$320 effective January 1, 2027. MercedCERA Board trustees are entrusted with the governance of a \$1.6 billion pension system, consisting of a complex investment portfolio with 130 investment managers and over 6,600 retired, deferred and active members. It is the responsibility of the Board to determine MercedCERA's investment strategy, actuarial funding, disability retirement claims, as well as address other complex retirement related topics.

The current annual meeting calendar for the MercedCERA Board includes monthly Board meetings, two to three Board education meetings, two to four Investment Committee meetings and as needed ad hoc committees appointed by the Board Chair. Trustees spend two to three hours at each Board meeting and longer for Board education meetings, in addition to the time spent reviewing Board meeting materials. The Board has a current appointed vacant seat and increasing the compensation rate would assist with recruitment efforts for qualified and experienced members as well as encourage ongoing participation from retired elected members.

Staff Recommendation:

Staff recommend the Board approve a formal request that the Merced County Board of Supervisors adopt Government Code 31521(b), approve and direct the MercedCERA Board Chair to submit a signed letter directed to the Merced County Board of Supervisors Chair, and approve the draft resolution be presented to the Board of Supervisors on behalf of the MercedCERA Board of Retirement.



Merced County Employees' Retirement Association

October 22, 2026

The Honorable Supervisor Darren McDaniel
Chair, Merced County Board of Supervisors
2222 M Street
Merced, CA 95340

Dear Supervisor McDaniel,

At its October 22, 2026, meeting, the Merced County Employees' Retirement Association (MercedCERA) Board of Retirement (Board) approved a formal request that the Merced County Board of Supervisors adopt Government Code Section 31521(b), which would allow the Board to establish an increased compensation rate from \$100 up to \$320 to eligible MercedCERA Board trustees for meeting attendance. The Board of Supervisors appointed fourth, sixth and ninth members and the elected eighth and eighth alternate retired members are eligible to receive such compensation.

Under existing law, the County Employees Retirement Law of 1937 (CERL), County Board of Supervisors are authorized to compensate certain members of county retirement boards at a rate of not more than \$100 for meeting attendance. This includes monthly Board meetings and committee meetings authorized by the board. Compensation is limited to five meetings per month, along with reimbursement for actual and necessary expenses for all members of the board.

Since the legislation was enacted and amended in 1983, 1999 and 2007, the compensation limit had not been increased. Assembly Bill 1619, signed by Governor Newsom on September 27, 2026, authorizes the compensation rate to be increased by the Board to not more than \$320 per meeting, provided that the section code be adopted by a majority vote of the Board of Supervisors, and not by a consent calendar.

The MercedCERA Board is entrusted with the governance of a \$1.6 billion pension system, consisting of a complex investment portfolio with 130 investment managers and over 6,600 retired, deferred and active members. It is the responsibility of the Board to select investment advisors and determine MercedCERA's investment strategy, consult with expert actuaries to determine MercedCERA's actuarial funding, to determine disability retirement claims, as well as address other complex retirement related topics. Providing compensation to these appointed and elected members assist in recruiting qualified, experienced, and committed Board trustees.

The MercedCERA Board of Retirement is formally requesting that the Merced County Board of Supervisors adopt Government Code Section 31521(b) for the increased compensation rate from \$100 up to \$320 to eligible MercedCERA Board trustees.

Respectfully,

Corrina Brown
Chair, MercedCERA Board of Retirement

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF MERCED, STATE OF CALIFORNIA

IN THE MATTER OF:
ADOPTING GOVERNMENT CODE
SECTION 31521(b) PROVIDING FOR A
COMPENSATION INCREASE TO ELIGIBLE
BOARD MEMBERS BY THE MERCED
COUNTY EMPLOYEES' RETIREMENT
ASSOCIATION'S BOARD OF RETIREMENT

RESOLUTION NO. _____

WHEREAS, Government Code section 31521 of the County Employees Retirement Law of 1937 (the "CERL") authorizes the Board of Retirement of the Merced County Employees' Retirement Association (the "Association") to provide compensation to the fourth, sixth, eighth, eighth alternate and ninth members; and

WHEREAS, the Board of Retirement adopted this section code and has provided compensation to such eligible members; and

WHEREAS, under Article XVI, section 17, of the California Constitution and the CERL, the Board of Retirement has the plenary authority and fiduciary responsibility for the investment of moneys and administration of the system; and

WHEREAS, the California Legislature has enacted AB 1619, which effective January 1, 2027, allows for the compensation rate increase from \$100 to not more than \$320 to such eligible members; and

WHEREAS, the Board of Supervisors recognizes the need for and benefit to the Association of attracting and retaining qualified educated, experienced, and committed appointed and elected board members.

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Supervisors hereby adopts and makes Government Code section 31521(b) applicable in the County of Merced, thus increasing the compensation rate from \$100 to not more than \$320 effective January 1, 2027.

BE IT FURTHER RESOLVED THAT, the Board of Supervisors acknowledges the Board of Retirement's authority over the administration of the retirement system, including but not limited to, determining the appropriate compensation rate for its board members.

I, **MARK HENDRICKSON**, Clerk of the Board of Supervisors of the County of Merced, do hereby certify that the foregoing resolution was regularly introduced, passed and adopted by said Board at a regular meeting thereof held on the _____ of _____, 2026 by the following vote:

SUPERVISORS:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

WITNESS my hand and the Seal of this Board this _____ day of _____, 2026.

Mark Hendrickson, Clerk of the Board

By: _____

Deputy



**SACRS
Fall Conference
Annual Business Meeting 2026**

Friday, November 13, 2026
10:15 am – 11:30 am

Omni Rancho Las Palmas Resort & Spa,
Rancho Mirage, CA



Vision, Mission, Core Values

The members and staff of the State Association of County Retirement Systems (SACRS) share a common purpose, mission and core values.

Statement of Purpose

The specific and primary purposes of SACRS are to provide forums for disseminating knowledge of and developing expertise in the operation of 20 county retirement systems existing under the County Employees Retirement Law of 1937 (CERL) sets forth in California Government Code section 31450 et. seq., and to foster and take an active role in the legislative process as it affects county retirement systems.

Mission Statement

The mission of this organization shall be to serve the 1937 Act Retirement Systems by exchanging information, providing education and analyzing legislation.

Core Values

Teamwork

Integrity

Education

Service and Support



SACRS Business Meeting Agenda
Friday, November 13, 2026
10:15 AM – 11:30 AM
Omni Rancho Las Palmas Resort & Spa
Rancho Mirage, CA

SACRS Parliamentarian – David Lantzer, Olson Remcho, LLP
SACRS Sergeant at Arms – Gabe Rodrigues, SACRS Safety Team

Meeting Call to Order

1. SACRS Retirement Systems Roll Call

Rhonda Biesemeier, Stanislaus CERA, SACRS Secretary

2. SACRS Secretary's Report - Receive and File

Rhonda Biesemeier, Stanislaus CERA, SACRS Secretary

- A. SACRS Business Meeting Minutes May 2026

3. SACRS Treasurer's Report - Receive and File

Zandra Cholmondeley, Santa Barbara CERS, SACRS Treasurer

- A. July 2026 Financials (*Accrual Basis*)
- B. 2026-2027 Proposed Budget

4. SACRS President Report - No Action

Adele Lopez Tagaloa, Orange CERS, SACRS President

- A. SACRS President Update

5. SACRS Legislative Committee Report – Action Item

Eric Stern, Sacramento CERS, SACRS Legislative Committee Chairs

- A. Legislative Committee Report
- B. SACRS Legislation/CERL Modernization Act Packet 2027

6. SACRS Nomination Committee Report – No Action

David MacDonald, Contra Costa CERA, SACRS Nomination Committee Chair & Immediate Past President

- A. SACRS Board of Directors Elections 2027-2028



7. SACRS Audit Committee Report – No Action

David Kim, San Diego CERA, SACRS Audit Committee Chair

- A. SACRS Audit 2025-2026 Update

8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Co-Chair and Renee Ostrander, San Joaquin CERA, SACRS Education Committee Co-Chair

- A. Education Committee Report

9. SACRS Program Committee Report – No Action

Jordan Kaufman, Kern CERA, SACRS Program Committee Chair & Vice President

- A. Program Committee Report

10. SACRS Affiliate Committee Report – No Action

Sean Gannon, Manulife Investments, SACRS Affiliate Committee Chair

- A. Affiliate Committee Report

11. SACRS Bylaws Committee Report – No Action

Barbara Hannah, San Bernardino CERA, SACRS Bylaws Committee Chair

- A. Bylaws Committee Report

12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give a verbal report on their meetings.

- A. Administrators
- B. Affiliates
- C. Attorneys
- D. General Trustees
- E. Internal Auditors
- F. Investment Officers
- G. Operations & Benefits
- H. Safety Trustees

13. Adjournment

Next scheduled SACRS Business Meeting will be held on Friday, May 14, 2027. The meeting will be held at the Hyatt Regency Monterey Hotel & Spa, Monterey, CA, during SACRS Annual Spring Conference May 11 – 14, 2027.



1. SACRS Retirement Systems Roll Call

Rhonda Biesemeier, Stanislaus CERA, SACRS Secretary

Roll Call of the 20 Retirement Systems

Please state your Retirement System, your name, and if you are the voting delegate or alternate delegate.



1. SACRS Retirement Systems Roll Call

Rhonda Biesemeier, Stanislaus CERA, SACRS Secretary

System	Delegate Name	Alternate Delegate Name	Absent
Alameda			
Contra Costa			
Fresno			
Imperial			
Kern			
Los Angeles			
Marin			
Mendocino			
Merced			
Orange			
Sacramento			
San Bernardino			
San Diego			
San Joaquin			
San Mateo			
Santa Barbara			
Sonoma			
Stanislaus			
Tulare			
Ventura			
Total			



2. SACRS Secretary's Report - Receive and File

Rhonda Biesemeier, Stanislaus CERA, SACRS Secretary

- A. SACRS Business Meeting Minutes May 2026



3. SACRS Treasurer's Report – Receive and File

Zandra Cholmondeley, Santa Barbara CERS, SACRS Treasurer

- A. July 2026 Financials (*Accrual*)
- B. 2026-2027 SACRS Proposed Budget

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2026

Ordinary Income/Expense

Income

4100 · Membership Dues

4101 · Affiliates	24,750.00	375,000.00	-350,250.00	6.6%
4102 · Non Profit - Organizations	150.00	3,000.00	-2,850.00	5.0%
4103 · Non Profit - Systems	600.00	6,500.00	-5,900.00	9.23%
4104 · Systems - Medium	666.74	28,000.00	-27,333.26	2.38%
4105 · Systems - Large	3,500.00	96,000.00	-92,500.00	3.65%

Total 4100 · Membership Dues	29,666.74	508,500.00	-478,833.26	5.83%
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4200 · Webinar Symposium Registration

4202 · Affiliates - Regular	0.00	3,500.00	-3,500.00	0.0%
4204 · Non Profit	0.00	2,500.00	-2,500.00	0.0%
4205 · Systems	0.00	2,500.00	-2,500.00	0.0%
4206 · Non-Members	0.00	4,500.00	-4,500.00	0.0%

Total 4200 · Webinar Symposium Registration	0.00	13,000.00	-13,000.00	0.0%
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4250 · Product Income

4251 · CERL	0.00	200.00	-200.00	0.0%
4254 · Website Job Board	100.00			
4269 · Product Shipping	0.00	50.00	-50.00	0.0%

Total 4250 · Product Income	100.00	250.00	-150.00	40.0%
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4270 · UC Berkeley Program

4271 · Registrations	85,000.00	130,000.00	-45,000.00	65.39%
4272 · Sponsorships	80,000.00	85,500.00	-5,500.00	93.57%
4273 · Spouse	0.00	500.00	-500.00	0.0%
4270 · UC Berkeley Program - Other	100.00			

Total 4270 · UC Berkeley Program	165,100.00	216,000.00	-50,900.00	76.44%
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4300 · Fall Conference Registration

4301 · Affiliates - Early	0.00	164,560.00	-164,560.00	0.0%
4302 · Affiliates - Regular	0.00	210,600.00	-210,600.00	0.0%
4303 · Affiliates - Late/Onsite	0.00	25,800.00	-25,800.00	0.0%
4304 · Non Profit	0.00	2,900.00	-2,900.00	0.0%
4305 · Systems	0.00	50,750.00	-50,750.00	0.0%
4306 · Non-Members	0.00	150,000.00	-150,000.00	0.0%
4307 · Fun Run	0.00	2,000.00	-2,000.00	0.0%
4308 · Yoga	0.00	500.00	-500.00	0.0%
4309 · Spouse	0.00	2,500.00	-2,500.00	0.0%
4310 · Sponsorship	0.00	70,000.00	-70,000.00	0.0%

Total 4300 · Fall Conference Registration	0.00	679,610.00	-679,610.00	0.0%
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4350 · Spring Conference Registration

4351 · Affiliates - Early	1,360.00	164,560.00	-163,200.00	0.83%
4352 · Affiliates - Regular	0.00	210,600.00	-210,600.00	0.0%
4353 · Affiliates - Late/Onsite	0.00	25,800.00	-25,800.00	0.0%
4354 · Non Profit	0.00	2,900.00	-2,900.00	0.0%
4355 · Systems	0.00	50,750.00	-50,750.00	0.0%
4356 · Non-Members	0.00	150,000.00	-150,000.00	0.0%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2026

	Jul 26	Budget	\$ Over Budget	% of Budget
4357 · Fun Run	0.00	2,000.00	-2,000.00	0.0%
4358 · Yoga	0.00	500.00	-500.00	0.0%
4359 · Spouse	0.00	2,500.00	-2,500.00	0.0%
4360 · Sponsorship	0.00	70,000.00	-70,000.00	0.0%
4350 · Spring Conference Registration - Other	-1,360.00			
Total 4350 · Spring Conference Registration	0.00	679,610.00	-679,610.00	0.0%
4800 · Credit Card Processing Fee	10,133.44			
4900 · Interest Earned	1,658.10	30,000.00	-28,341.90	5.53%
Total Income	206,658.28	2,126,970.00	-1,920,311.72	9.72%
Gross Profit	206,658.28	2,126,970.00	-1,920,311.72	9.72%
Expense				
5000 · Administrative Fee	38,625.00	225,000.00	-186,375.00	17.17%
5001 · Administrative Services	0.00	500.00	-500.00	0.0%
5002 · Awards	0.00	500.00	-500.00	0.0%
5003 · Bank Charges/Credit Card Fees	1,962.99	55,000.00	-53,037.01	3.57%
5010 · Berkeley & Symposium				
5011 · Audio/Visual	0.00	7,000.00	-7,000.00	0.0%
5013 · Hotel	1,475.79	25,000.00	-23,524.21	5.9%
5014 · Food & Beverage	577.28			
5015 · Materials/Printing/Design	0.00	2,500.00	-2,500.00	0.0%
5016 · Travel	0.00	1,000.00	-1,000.00	0.0%
5017 · UC Berkeley	308,402.95	277,200.00	31,202.95	111.26%
Total 5010 · Berkeley & Symposium	310,456.02	312,700.00	-2,243.98	99.28%
5020 · Webinar Symposium				
5022 · Webinar Technology	0.00	25,000.00	-25,000.00	0.0%
Total 5020 · Webinar Symposium	0.00	25,000.00	-25,000.00	0.0%
5030 · CERL				
5031 · Materials/Printing/Design	0.00	16,500.00	-16,500.00	0.0%
5032 · Shipping	0.00	1,300.00	-1,300.00	0.0%
Total 5030 · CERL	0.00	17,800.00	-17,800.00	0.0%
5039 · Charitable Contributions	0.00	4,000.00	-4,000.00	0.0%
5040 · Commissions & Fees	0.00	10,000.00	-10,000.00	0.0%
5042 · Dues & Subscriptions	0.00	4,500.00	-4,500.00	0.0%
5050 · Fall Conference				
5051 · Audio/Visual	0.00	130,000.00	-130,000.00	0.0%
5052 · Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
5053 · Entertainment	0.00	6,500.00	-6,500.00	0.0%
5054 · Hotel				
5054.1 · Wednesday Night Event	0.00	75,000.00	-75,000.00	0.0%
5054.2 · Conference	0.00	50,000.00	-50,000.00	0.0%
5054.3 · Food & Beverage	0.00	250,000.00	-250,000.00	0.0%
Total 5054 · Hotel	0.00	375,000.00	-375,000.00	0.0%
5055 · Program Material	0.00	15,000.00	-15,000.00	0.0%
5056 · Speakers	0.00	50,000.00	-50,000.00	0.0%
5057 · Supplies	0.00	500.00	-500.00	0.0%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2026

	Jul 26	Budget	\$ Over Budget	% of Budget
5058 · Travel	0.00	15,000.00	-15,000.00	0.0%
Total 5050 · Fall Conference	0.00	594,500.00	-594,500.00	0.0%
5070 · Insurance	0.00	6,200.00	-6,200.00	0.0%
5071 · Legal & Professional Fees	0.00	25,000.00	-25,000.00	0.0%
5072 · Legislative Advocacy	6,000.00	72,000.00	-66,000.00	8.33%
5080 · Magazine				
5082 · Design/Printing/Etc.	0.00	10,000.00	-10,000.00	0.0%
5083 · Magazine - Other	0.00	10,000.00	-10,000.00	0.0%
Total 5080 · Magazine	0.00	20,000.00	-20,000.00	0.0%
6000 · Board & Committees				
6001 · Board of Directors				
6001.1 · Food & Beverage	439.22	6,000.00	-5,560.78	7.32%
6001.3 · Travel - BOD Meetings	119.63	8,000.00	-7,880.37	1.5%
6001.5 · Board Of Directors - Other	0.00	5,500.00	-5,500.00	0.0%
Total 6001 · Board of Directors	558.85	19,500.00	-18,941.15	2.87%
6003 · Program Committee Meetings	0.00	1,500.00	-1,500.00	0.0%
Total 6000 · Board & Committees	558.85	21,000.00	-20,441.15	2.66%
6010 · Office Expenses / Supplies	0.00	2,500.00	-2,500.00	0.0%
6011 · Postage & Delivery	472.82	6,000.00	-5,527.18	7.88%
6020 · Spring Conference				
6021 · Audio/Visual	0.00	110,000.00	-110,000.00	0.0%
6022 · Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
6023 · Entertainment	0.00	6,800.00	-6,800.00	0.0%
6024 · Hotel				
6024.1 · Wednesday Night Event	0.00	85,000.00	-85,000.00	0.0%
6024.2 · Conference	-6,587.60	85,000.00	-91,587.60	-7.75%
6024.3 · Food & Beverage	0.00	150,000.00	-150,000.00	0.0%
6024.4 · Hotel - Other	0.00	45,000.00	-45,000.00	0.0%
Total 6024 · Hotel	-6,587.60	365,000.00	-371,587.60	-1.81%
6025 · Program Material	0.00	15,000.00	-15,000.00	0.0%
6026 · Speakers	0.00	50,000.00	-50,000.00	0.0%
6027 · Supplies	0.00	2,000.00	-2,000.00	0.0%
6028 · Travel	158.05	15,000.00	-14,841.95	1.05%
Total 6020 · Spring Conference	-6,429.55	566,300.00	-572,729.55	-1.14%
6051 · Taxes & Licenses	0.00	1,200.00	-1,200.00	0.0%
6053 · Technology/AMS/Website	5,614.14	50,000.00	-44,385.86	11.23%
6054 · Travel	0.00	5,000.00	-5,000.00	0.0%
Total Expense	357,260.27	2,024,700.00	-1,667,439.73	17.65%
Net Ordinary Income	-150,601.99	102,270.00	-252,871.99	-147.26%
	-150,601.99	102,270.00	-252,871.99	-147.26%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss

July 2026

	Jul 26
Ordinary Income/Expense	
Income	
4100 · Membership Dues	
4101 · Affiliates	24,750.00
4102 · Non Profit - Organizations	150.00
4103 · Non Profit - Systems	600.00
4104 · Systems - Medium	666.74
4105 · Systems - Large	3,500.00
Total 4100 · Membership Dues	29,666.74
4250 · Product Income	
4254 · Website Job Board	100.00
Total 4250 · Product Income	100.00
4270 · UC Berkeley Program	
4271 · Registrations	85,000.00
4272 · Sponsorships	80,000.00
4270 · UC Berkeley Program - Other	100.00
Total 4270 · UC Berkeley Program	165,100.00
4300 · Fall Conference Registration	
4303 · Affiliates - Late/Onsite	0.00
4308 · Yoga	0.00
Total 4300 · Fall Conference Registration	0.00
4350 · Spring Conference Registration	
4351 · Affiliates - Early	1,360.00
4352 · Affiliates - Regular	0.00
4355 · Systems	0.00
4357 · Fun Run	0.00
4358 · Yoga	0.00
4359 · Spouse	0.00
4350 · Spring Conference Registration - Other	-1,360.00
Total 4350 · Spring Conference Registration	0.00
4800 · Credit Card Processing Fee	10,133.44
4900 · Interest Earned	1,658.10
Total Income	206,658.28
Gross Profit	206,658.28
Expense	
5000 · Administrative Fee	38,625.00
5003 · Bank Charges/Credit Card Fees	1,962.99
5010 · Berkeley & Symposium	
5013 · Hotel	1,475.79
5014 · Food & Beverage	577.28
5017 · UC Berkeley	308,402.95
Total 5010 · Berkeley & Symposium	310,456.02
5072 · Legislative Advocacy	6,000.00
6000 · Board & Committees	
6001 · Board of Directors	
6001.1 · Food & Beverage	439.22

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss

July 2026

	Jul 26
6001.3 · Travel - BOD Meetings	119.63
Total 6001 · Board of Directors	558.85
Total 6000 · Board & Committees	558.85
6011 · Postage & Delivery	472.82
6020 · Spring Conference	
6024 · Hotel	
6024.2 · Conference	-6,587.60
Total 6024 · Hotel	-6,587.60
6028 · Travel	158.05
Total 6020 · Spring Conference	-6,429.55
6053 · Technology/AMS/Website	5,614.14
Total Expense	357,260.27
Net Ordinary Income	-150,601.99
Net Income	-150,601.99

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Balance Sheet

As of July 31, 2026

Jul 31, 26

ASSETS

Current Assets

Checking/Savings

1000 · First Foundation Bank-Checking	341,017.96
1001 · BofA Interest Checking 4389	6,648.20
1002 · First Foundation Bank ICS Acct	152,745.41

Total Checking/Savings	500,411.57
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Other Current Assets

1100 · CalTrust - Medium Term	330,072.68
1107 · CalTrust Liquidity Fund	9,891.37
1110 · CAMP-SACRS Liquidity Fund	583,544.53
1115 · Accounts Receivable	381,791.10
1200 · Prepaid Expenses	
1230 · Prepaid Expense - Fall Conf	100,166.67
1250 · Prepaid Expense - Spring Conf	30,000.00

Total 1200 · Prepaid Expenses	130,166.67
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Total Other Current Assets	1,435,466.35
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Total Current Assets	1,935,877.92
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TOTAL ASSETS	1,935,877.92
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LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2000 · Accounts Payable (A/P)	
2050 · Accounts Payable - Spring Conf	579.59
Total 2000 · Accounts Payable (A/P)	579.59

Total Accounts Payable	579.59
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Credit Cards

2210 · First Foundation Master Card	2,332.09
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Total Credit Cards	2,332.09
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Other Current Liabilities

2150 · Refund Liability	3,000.00
2200 · Deferred Revenue	
2201 · Deferred Dues - Affiliates	272,250.00
2202 · Deferred Dues - NonProfit Org	1,650.00
2203 · Deferred Dues - NonProf Systems	6,600.00
2204 · Deferred Dues - Systems Medium	7,333.26
2205 · Deferred Dues - Systems Large	38,500.00
2230 · Deferred Rev - Fall Conference	320,040.00

Total 2200 · Deferred Revenue	646,373.26
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Total Other Current Liabilities	649,373.26
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Total Current Liabilities	652,284.94
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Total Liabilities	652,284.94
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Equity

32000 · Retained Earnings	1,434,194.97
Net Income	-150,601.99

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Balance Sheet

As of July 31, 2026

	Jul 31, 26
Total Equity	1,283,592.98
TOTAL LIABILITIES & EQUITY	1,935,877.92

Ordinary Income/Expense	2026 - 27 Annual Budget
Income	
4101 · Affiliates	
4102 · Non Profit - Organizations	375,000.00
4103 · Non Profit - Systems	3,000.00
4104 · Systems - Medium	6,500.00
4105 · Systems - Large	28,000.00
Total 4100 · Membership Dues	96,000.00
4200 · Webinar Symposium Registration	508,500.00
4201 · Affiliates - Early	
4202 · Affiliates - Regular	0.00
4203 · Affiliates - Late/Onsite	3,500.00
4204 · Non Profit	0.00
4205 · Systems	2,500.00
4206 · Non-Members	2,500.00
4200 · Webinar Symposium Registration - Other	4,500.00
Total 4200 · Webinar Symposium Registration	0.00
4250 · Product Income	13,000.00
4251 · CERL	
4252 · Roster	200.00
4253 · Website Advertising	0.00
4254 · Website Job Board	0.00
4255 · Magazine Advertising	0.00
4256 · Conference Recordings	0.00
4257 · Trustee Handbooks	0.00
4269 · Product Shipping	0.00
4250 · Product Income - Other	50.00
Total 4250 · Product Income	0.00
4270 · UC Berkeley Program	250.00
4271 · Registrations	
4272 · Sponsorships	130,000.00
4273 · Spouse	85,500.00
4270 · UC Berkeley Program - Other	500.00
Total 4270 · UC Berkeley Program	0.00
4300 · Fall Conference Registration	216,000.00
4301 · Affiliates - Early	
4302 · Affiliates - Regular	164,560.00
4303 · Affiliates - Late/Onsite	210,600.00
4304 · Non Profit	25,800.00
4305 · Systems	2,900.00
4306 · Non-Members	50,750.00

4307 · Fun Run	150,000.00
4308 · Yoga	2,000.00
4309 · Spouse	500.00
4310 · Sponsorships	2,500.00
4300 · Fall Conference Registration - Other	70,000.00
Total 4300 · Fall Conference Registration	0.00
4350 · Spring Conference Registration	679,610.00
4351 · Affiliates - Early	
4352 · Affiliates - Regular	164,560.00
4353 · Affiliates - Late/Onsite	210,600.00
4354 · Non Profit	25,800.00
4355 · Systems	2,900.00
4356 · Non-Members	50,750.00
4357 · Fun Run	150,000.00
4358 · Yoga	2,000.00
4359 · Spouse	500.00
4360 · Sponsorship	2,500.00
4350 · Spring Conference Registration - Other	70,000.00
Total 4350 · Spring Conference Registration	0.00
4800 · Credit Card Processing Fee	679,610.00
4900 · Interest Earned	0.00
Total Income	30,000.00
Gross Profit	2,126,970.00
Expense	2,126,970.00
5000 · Administrative Fee	
5001 · Administrative Services	225,000.00
5002 · Awards	500.00
5003 · Bank Charges/Credit Card Fees	500.00
5010 · Berkeley & Symposium	55,000.00
5011 · Audio/Visual	
5012 · Delivery & Shipping	7,000.00
5013 · Hotel	0.00
5014 · Food & Beverage	25,000.00
5015 · Materials/Printing/Design	0.00
5016 · Travel	2,500.00
5017 · UC Berkeley	1,000.00
5010 · Berkeley & Symposium - Other	277,200.00
Total 5010 · Berkeley & Symposium	0.00
5020 · Webinar Symposium	312,700.00
5021 · Webinar Speaker	
5022 · Webinar Technology	0.00
5023 · Webinar Misc.	25,000.00
5020 · Webinar Symposium - Other	0.00
Total 5020 · Webinar Symposium	0.00

5030 · CERL	25,000.00
5031 · Materials/Printing/Design	
5032 · Shipping	16,500.00
5030 · CERL - Other	1,300.00
Total 5030 · CERL	0.00
5039 · Charitable Contributions	17,800.00
5040 · Commissions & Fees	4,000.00
5041 · Consulting	10,000.00
5042 · Dues & Subscriptions	0.00
5050 · Fall Conference	4,500.00
5051 · Audio/Visual	
5052 · Delivery & Shipping	130,000.00
5053 · Entertainment	2,500.00
5054 · Hotel	6,500.00
5054.1 · Wednesday Night Event	
5054.2 · Conference	75,000.00
5054.3 · Food & Beverage	50,000.00
5054 · Hotel - Other	250,000.00
Total 5054 · Hotel	0.00
5055 · Program Material	375,000.00
5056 · Speakers	15,000.00
5057 · Supplies	50,000.00
5058 · Travel	500.00
5050 · Fall Conference - Other	15,000.00
Total 5050 · Fall Conference	0.00
5070 · Insurance	594,500.00
5071 · Legal & Professional Fees	6,200.00
5072 · Legislative Advocacy	25,000.00
5080 · Magazine	72,000.00
5081 · Delivery & Shipping	
5082 · Design/Printing/Etc.	0.00
5083 · Magazine - Other	10,000.00
5080 · Magazine - Other	10,000.00
Total 5080 · Magazine	0.00
6000 · Board & Committees	20,000.00
6001 · Board of Directors	
6001.1 · Food & Beverage	
6001.2 · Printing/Supplies	6,000.00
6001.3 · Travel - BOD Meetings	0.00
6001.4 · Travel - Miscellaneous BOD	8,000.00
6001.5 · Board Of Directors - Other	0.00
6001 · Board of Directors - Other	500.00
Total 6001 · Board of Directors	5,000.00
6002 · Legislative Committee Meetings	19,500.00

6003 · Program Committee Meetings	0.00
6004 · Nominating Committee Meetings	1,500.00
6005 · Audit Committee Meetings	0.00
6006 · Education Committee Meetings	0.00
6007 · Bylaws Committee Meetings	0.00
6000 · Board & Committees - Other	0.00
Total 6000 · Board & Committees	0.00
6010 · Office Expenses / Supplies	21,000.00
6011 · Postage & Delivery	2,500.00
6020 · Spring Conference	6,000.00
6021 · Audio/Visual	
6022 · Delivery & Shipping	110,000.00
6023 · Entertainment	2,500.00
6024 · Hotel	6,800.00
6024.1 · Wednesday Night Event	
6024.2 · Conference	85,000.00
6024.3 · Food & Beverage	85,000.00
6024.4 · Hotel - Other	150,000.00
6024 · Hotel - Other	10,000.00
Total 6024 · Hotel	35,000.00
6025 · Program Material	365,000.00
6026 · Speakers	15,000.00
6027 · Supplies	50,000.00
6028 · Travel	2,000.00
6020 · Spring Conference - Other	15,000.00
Total 6020 · Spring Conference	0.00
6050 · Strategic Facilitator	566,300.00
6051 · Taxes & Licenses	0.00
6053 · Technology/AMS/Website	1,200.00
6054 · Travel	50,000.00
Total Expense	5,000.00
Net Ordinary Income	2,024,700.00
	102,270.00
	102,270.00



4. SACRS President Report - No Action

Adele Lopez Tagaloa, Orange CERS, SACRS President

A. SACRS President Update

Verbal report, no printed materials for this item



5. SACRS Legislative Committee Report – Action Item

Eric Stern, Sacramento CERS, SACRS Legislative Committee Chair

- A. Legislative Committee Report
- B. Proposed 2027 SACRS Legislation



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

RE: Legislative Update – October

The 2026 California legislative session has officially wrapped, with the Legislature sending 1,160 bills to Governor Gavin Newsom for final action. The Governor ultimately signed 1,040 bills and vetoed 120, meaning approximately 90% of measures reaching his desk were signed and 10% were vetoed.

Among the most significant actions for SACRS was the veto of AB 1383, which would have lowered the full-retirement age for public safety employees from 57 to 55 and permitted increased pension formulas. The bill passed the Legislature with strong bipartisan support, receiving votes of 33 - 0 in the Senate and 69 - 2 in the Assembly. In his veto message, the Governor noted the bill's impact on PEPRA reforms and its significant implications for state and local finances. Newsom also vetoed AB 1054, which addressed a deferred retirement option program and public employee health benefits. On infrastructure and disaster recovery, the Governor vetoed SB 872, which would have provided additional funding for Delta levee improvements, citing funding already included in the budget. He also vetoed two wildfire insurance claims measures while signing other reforms intended to strengthen protections for policyholders following disasters.

The Governor's broader actions included signing legislation prohibiting marriage for anyone under 18; measures addressing immigration enforcement; new laws governing artificial intelligence in the workplace and health care; and measures intended to strengthen competition and streamline business permitting. He also signed AB 2222, establishing refundable tax credits for local news organizations, and SB 895, placing a \$7.5 billion state research bond on the March 2028 ballot.

With final bill actions complete, attention shifts to implementation and preparation for the 2027–28 legislative cycle. Focus is also turning to the November election and the upcoming transition to a new Governor and administration, whose priorities will help shape the state's approach to pension policy, local government funding and other issues important to SACRS members.

Legislative Update:

- **AB 1054 (Gipson)** - Creates the Deferred Retirement Option Program (DROP) – a voluntary program – for California Public Employee’s Retirement System (CalPERS) safety plan members of State Bargaining Units 5 (Highway Patrol) and 8 (CAL FIRE). The bill also states that the DROP becomes effective and applicable only after: 1) the applicable Bargaining Unit has entered into a MOU with the employer to implement the program; 2) The program has been certified via an actuarial analysis that it is cost neutral by the CalPERS Board of Administration; and 2) CalPERS has adopted regulations to implement and administer the program.
 - Status: The bill passed out of the Legislature and was vetoed by the Governor. In his veto message the Governor noted that the design and establishment of a DROP is more appropriately handled through the collective bargaining process.
 - Position: No Position/Watch
- **AB 1383 (McKinnor)** – The bill includes the following provisions:
 - Increases, on and after January 1, 2027, the PEPRA pensionable compensation limit to the Social Security compensation limit for members covered by Social Security and 120% of that amount for members not covered by Social Security;
 - Freezes existing 2013 PEPRA safety formulas to apply only to service from January 1, 2013, to December 31, 2026 and lowers the retirement age on a prospective basis from age 57 to 55 for three existing safety DB retirement formulas;
 - Authorize a public employer to create a fourth PEPRA safety formula of three percent (3%) at age 55, to be applied prospectively.
 - Amendments earlier this year removed a provision that would have permitted collective bargaining over the 50-50 normal cost sharing requirement.
 - Status: This bill was vetoed by the Governor
 - Position: Neutral
- **AB 1439 (Garcia)** - The bill would have required labor protection standards on pension system investments in development projections. The bill was amended coming out of the Assembly to 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 Legislature and was signed by the Governor.
 - Position: No position/watch
- **AB 1601 (Rogers)** – This bill would permit the Sonoma County Board of Supervisors to authorize a cost-of-living adjustment to the retirement allowances, optional death allowances, or annual death allowances payable by the retirement system.
 - Status: This bill passed out of the Legislature and was signed by the Governor.
 - Position: Neutral
 - **AB 1619 (Valencia)** – This bill allows county Boards of Supervisors to authorize an increase in the Board of Retirement trustee per diem from \$100 to \$320. The bill would then require action by the Board of Retirement to establish the increased compensation rate. This bill was amended to apply the same increase in compensation to CalPERS and CalSTRs Board Members.
 - Status: This bill passed out of the Legislature and was signed by the Governor.
 - Position: Neutral
 - **AB 1660 (Schiavo)** – This bill was amended to permit, as opposed to require, a court to award sanctions of no less than \$1,000 per violation if a financial institution, private agency, retirement fund administrator, insurance company, or other person fails to comply with existing requirements to provide information or surrender property of a decedent, minor, or conservatee to a public administrator or public guardian that is authorized to take possession and control of such property. Recent amendments require that the financial institution or other person or entity must receive notice of a violation.
 - Status: This bill passed out of the Legislature and was signed by the Governor.
 - Position: No position/watch
 - **AB 1844 (Pacheco)** – This bill modifies the Judges' Retirement System II, to give judges more flexibility in designating beneficiaries for their retirement benefits. This bill would authorize a judge who elects one of the optional

- retirement payment plans in lieu of receiving the maximum retirement allowance to designate a beneficiary other than their spouse to receive the payment or allowance after the judge's death, subject to the community property rights of the judge's spouse. Additionally, the bill extends existing survivor benefits to non-spouse beneficiaries, removing the stipulation that the judge must have served a minimum of 20 years if they die in office.
- Status: This bill passed out of the Legislature and was signed by the Governor.
 - Position: No position/watch
- **AB 2519 (McKinnor)** – The bill expands who must be included in the State Teachers' Retirement System (STRS) membership. Under current law STRS administers a defined-benefit retirement program funded by employer and employee contributions and applies to positions that generally require a valid credential or license; charter school positions were excluded. This bill adds permitholders and comparable positions at charter schools that receive state apportionment and perform specified directing, coordinating, supervising, or administrative functions to the definition of "position subject to membership." It also removes a board-triggered timing requirement and makes the new definition operative on July 1, 2027.
 - Status: This bill passed out of the Legislature and was signed by the Governor.
 - Position: No position/watch
 - **AB 2780 (Assembly Committee on Public Employment and Retirement) – Public Retirement Systems: Omnibus Bill** - This bill includes the SACRS-sponsored legislative package in the Legislature's annual omnibus bill for technical changes to laws affecting CalSTRS, CalPERS, and the CERL systems. The proposed changes in the CERL include the following:
 - Clarifying that deferred members cannot run for or vote in active member Miscellaneous and Safety trustee elections.
 - Establishing a 10-year statute of limitations for recovery of overpayments due to fraudulent reports of overpaid death benefits.
 - Formalizing the practice of the majority of CERL systems that only the last system pays a lump-sum burial allowance for reciprocal members.
 - Defining "concurrent retirement" to allow reciprocal members to retire on different dates with 30 days of each retirement date, as long as there is not overlapping service.
 - Status: This bill passed out of the Legislature and was signed by the Governor.



- Position: Support
- **SB 1187 (Durazo)** – This bill was amended to remove the language access requirements established in SB 707 (Chapters 327, 2025). Specifically, the bill would repeal several public participation and language access requirements, including requirements related to translation of meeting materials, interpretation services, multilingual website content, public outreach to underrepresented communities, and opportunities for the public to provide additional agenda translations. It would reduce the administrative obligations placed on eligible legislative bodies related to multilingual access and public engagement.
 - Status: This bill passed out of the Legislature and was signed by the Governor.
 - No position/watch
- **SB 1207 (Laird)** – This bill authorizes CalPERS members to buy back not more than three years of service credit for their prior service in the California Conservation Corps (CCC). The bill also makes changes to CCC's statutes to clarify the scope of authorized projects and to specifically permit CCC to contract with corps established by California Native American tribes
 - Status: This bill was passed by the Legislature and signed by the Governor.
 - No position/watch

Contact:

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



August 25, 2026

RE: SACRS Legislative Proposals 2027

Dear SACRS Board of Directors,

The SACRS Legislative Committee has developed a legislative package for consideration in the upcoming 2027 legislative session. This proposal, called the CERL Modernization Act, reflects the input of SACRS member systems and is intended to provide administrative clarity and consistency for county retirement systems.

The CERL Modernization Act updates outdated provisions in the County Employees Retirement Law of 1937 to reflect modern governance practices, constitutional authority, and longstanding case law. Many of the proposed updates address statutory language that predates Proposition 162 (1992), which granted retirement boards plenary authority over the administration and investment of retirement system assets under Article XVI, Section 17 of the California Constitution. As a consortium of 20 independent county retirement systems, the 1937 Act systems have historically lacked the large legislative staffing resources available to statewide systems such as CalPERS and CalSTRS. As a result, portions of CERL still contain outdated references that no longer align with current constitutional governance standards or operational practice.

The proposed legislation clarifies the retirement boards' authority over administrative and procedural matters, consistent with the recent California Supreme Court ruling *LACERA v LA County*. It does not address retirement system staffing or personnel matters.

Clarifies Governance Roles

- Clarifies the respective roles of Boards of Retirement and Boards of Supervisors.
- Aligns CERL governance authority with constitutional standards established by Proposition 162.
- Aligns Board of Retirement authority more closely with governance standards applicable to CalPERS and CalSTRS.

Modernizes Administrative Authority

- Removes outdated statutory provisions requiring Board of Supervisors approval over actuarial and administrative functions now constitutionally vested in Boards of Retirement.



- Clarifies Board of Retirement authority over actuarial assumptions, contribution rates, administrative regulations, and reserve policies.
- Modernizes election administration and technical statutory provisions.

Promotes Administrative Efficiency

- Streamlines outdated procedural requirements.
- Eliminates obsolete administrative restrictions inconsistent with modern retirement system operations.
- Supports efficient, transparent, and accountable retirement system governance.

Preserves County Authority

- Does not change the authority of Boards of Supervisors to adopt retirement benefit formulas and other benefit provisions.
- Does not alter employer contribution obligations or collective bargaining responsibilities.
- Maintains existing county appointment authority for retirement board trustees.
- Does not alter retirement system staffing or personnel matters.

We thank the Legislative Committee for reviewing these proposals and engaging in a collaborative, deliberative process to achieve consensus on issues. These amendments represent governance and process improvements that will provide administrative efficiencies to retirement systems and members.

A summary table and proposed bill language is attached. Please note that draft language is subject to change during the legislative process.

Respectfully,

/s/

Eric Stern
Chair, SACRS Legislative Committee, and
Chief Executive Officer, Sacramento County Employees' Retirement System

ATTACHMENTS

- SACRS 2027 Legislative Proposal – Summary Table
- Chart: Administrative Rate by System Assets
- SACRS 2027 Legislative Proposal – Draft Language

CERL Modernization Act
August 2026

Issue	Gov Code	Topic	Issue/Justification
1	31452	Garnishments	This amendment corrects an irregularity in state law to clarify that a member's pension is not subject to an Order to Withhold (OTW) from the California Franchise Tax Board, consistent with other retirement systems. Under current law, the following retirement systems are generally restricted from garnishing pension payments by "any other process whatsoever," which include FTB orders: •US Government (5 USC 8346) •CalPERS (GC 21255) •CalSTRS (EDC 22005) •Legislators' Retirement Fund (GC 9359.3) •Municipal Utility District Retirement Systems •Transit District Retirement Systems However, for CERL systems, the Government Code restrictions on garnishments are tied to "any other process of court," which has created confusion over FTB orders because "process of court" refers to orders from the judicial branch of government. The FTB is an executive branch agency and thus not be covered under "process of court. However, it is the common practice of CERL systems to not recognize FTB orders to garnish pension payments.
2	31453	Actuarial valuation	This amendment clarifies that the Board of Retirement need only communicate actuarial information to the Board of Supervisors, updating outdated references that the Board of Supervisors must approve actuarial assumptions. The plenary authority to establish actuarial assumptions and contribution rates rests with the Board of Retirement, under Proposition 162. However, it is still necessary to provide this information to the Board of Supervisors (and plan sponsors) for budgeting purposes and transparency.
3	31456	"Actuarial Equivalent" defined	This amendment updates outdated phrasing from 1947 that refers to the adoption of mortality tables by the Board of Supervisors. The Board of Retirement has plenary authority under Article XVI of the California Constitution to adopt actuarial assumptions.
4	31459 31459.1	Board of Investments cross references	This amendment updates cross references to the LACERA Board of Investments

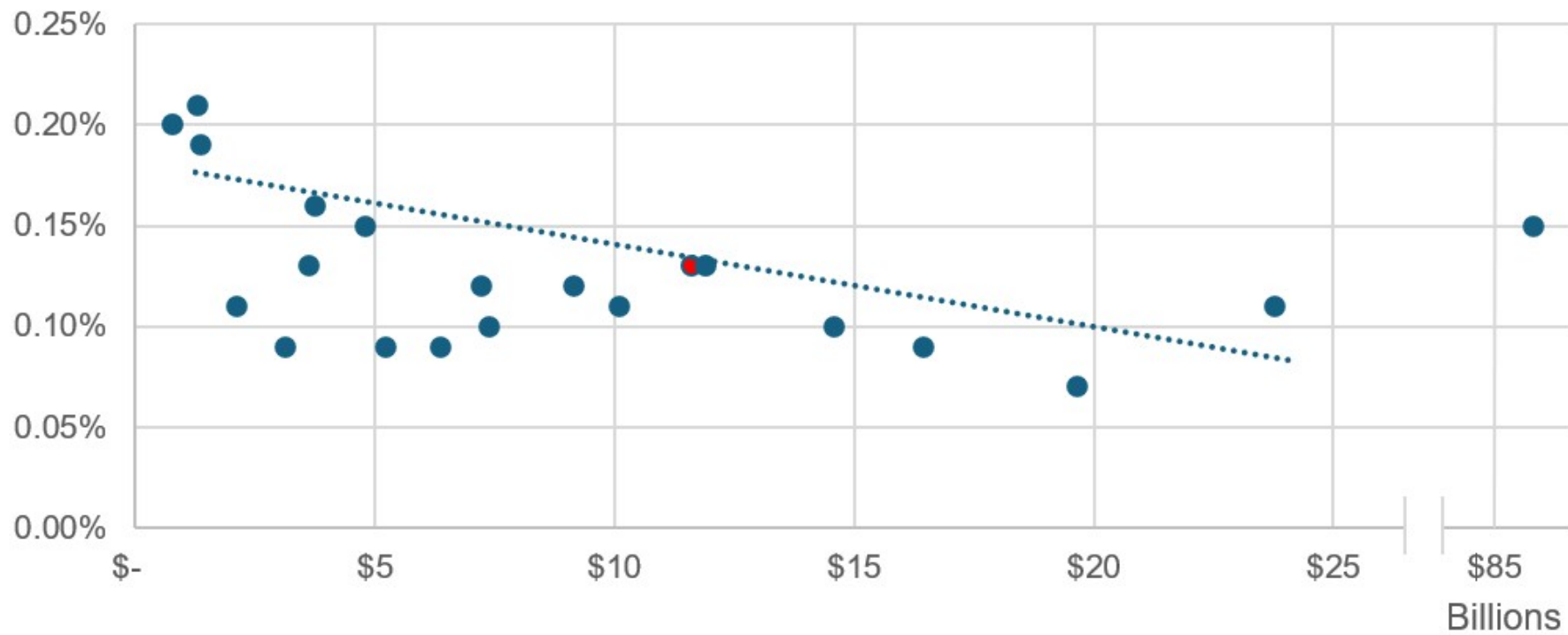
CERL Modernization Act
August 2026

5	31522	Employer Reimbursement for Trustees	This amendment provides a mechanism for the retirement system, upon adoption by the Board of Supervisors, to reimburse an employing agency of an elected Board of Retirement trustee when the trustee is fulfilling Board duties while on leave from work. This provision creates a pathway to encourage employer support for elected Board Members to attend training sessions to fulfill statutory education requirements. This language is similar to section 20092 for CalPERS elected members, adopted in 1985.
6	31523 31523.1	Trustee Elections	This amendment directs the Board of Retirement, and not the Board of Supervisors, to declare an unopposed board of retirement candidate the winner of the election. More and more CERL systems are not using the Registrar of Voters to conduct elections and are self-administering their board elections.
7	31525	Regulations; approval	This amendment deletes the requirement that Board of Retirement regulations must be approved by the Board of Supervisors. This language is a holdover from when CERL systems were managed as an internal county department, and was adopted prior to the passage of Prop. 162 in 1992, which provided plenary authority to the Board of Retirement. Many county retirement systems have already evolved its practices to adopt "policies" instead of "regulations," which is a distinction in name only. It is not appropriate for the Board of Supervisors to make decisions on practical and procedural administrative retirement matters, when the Board of Retirement is a bona fide administrative rule-making body. The Board of Supervisors still maintains appointment authority for four Board of Retirement trustees and maintains authority to adopt or discontinue numerous benefit options in the CERL.

CERL Modernization Act
August 2026

8	31580.2	Annual budget; expenses of administration	This amendment removes an outdated and unforceable provision that established an administrative cap on county retirement system expenses. The Board of Retirement has plenary authority under Article XVI of the California Constitution and is charged under this section to adopt its own budget using trust fund earnings. The purpose in enacting 31580.2 was to transfer costs of operating the retirement system from the county's General Fund to investment earnings, placing fiscal responsibility in the Retirement Board. Removing the administrative cap provides conformity with CalPERS statutes; the Legislature repealed a similar administrative cap for CalPERS under section 20202.5 (renumbered to 20173) in 1975. The CERL provision has been amended over the years to exclude investment, technology, and legal costs (as well as moving to a threshold based on total liabilities instead of assets) which has made the cap more arbitrary. The Board of Retirement has the appropriate budgetary control to ensure fiscal restraint, and almost all CERL systems adopt administration budgets far below the cap, the exceptions being the smallest systems that lack of economies of scale.
9	31591	Interest credits	This amendment updates outdated phrasing from 1947 that refers to the adoption of mortality tables by the Board of Supervisors. The Board of Retirement has plenary authority under Article XVI of the California Constitution to adopt actuarial assumptions.
10	31611	Actuarial valuation	This amendment removes references regarding Board of Supervisor approval of contribution rates and actuarial assumptions. This is an outdated practice that conflicts with Board of Retirement authority under Article XVI, Section 17, of the California Constitution. This language should have been updated after voters approved Prop 162 in 1992.
11	31612	"Actuarial rate" defined	This amendment updates phrasing to indicate that interest rate assumptions fall under the jurisdiction of and are adopted by the Board of Retirement, not the Board of Supervisors.
12	31615	Interest	This amendment updates phrasing to indicate that mortality tables fall under the jurisdiction of and are adopted by the Board of Retirement, not the Board of Supervisors.
13	31616	Reserve Policy	This amendment removes the 3% cap on reserves and authorizes the Board of Retirement to establish a reserve level it deems appropriate.

Admin Rate vs Plan Assets, FYE 2025



1. 31452 – Garnishments

Section 31452 of the Government Code is amended to read:

The right of a person to a pension, annuity, retirement allowance, return of contributions, the pension, annuity, or retirement allowance, any optional benefit, any other right accrued or accruing to any person under this chapter, the money in the fund created or continued under this chapter or the California Public Employees' Pension Reform Act of 2013, and any property purchased for investment purposes pursuant to this chapter, are exempt from taxation, including any inheritance tax, whether state, county, municipal, or district. They are not subject to execution or any ~~other process of court~~ **process** whatsoever except to the extent permitted by Section 31603 of this code and Section 704.110 of the Code of Civil Procedure, and are unassignable except as specifically provided in this chapter.

2. 31453 – Actuarial Valuation reporting

Section 31453 of the Government Code is amended to read:

(a) An actuarial valuation shall be made within one year after the date on which any system established under this chapter becomes effective, and thereafter at intervals not to exceed three years. The valuation shall be conducted under the supervision of an actuary and shall cover the mortality, service, and compensation experience of the members and beneficiaries, and shall evaluate the assets and liabilities of the retirement fund. Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 45 days prior to the beginning of the succeeding fiscal year, ~~recommend~~**transmit** to the board of supervisors the changes in the rates of interest, in the rates of contributions of members, and in county and district appropriations as are necessary. With respect to the rates of interest to be credited to members and to the county or district, the board may, in its sound discretion, ~~recommend~~**provide** a rate that is higher or lower than the interest assumption rate established by the actuarial survey. No adjustment shall be included in the new rates for time prior to the effective date of the revision.

(b) (1) Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 45 days prior to the beginning of the succeeding fiscal year, ~~recommend~~**transmit** to the governing body of a district within the county system that is not governed by the board of supervisors the changes in the rates of contributions of district members and in district appropriations as are necessary.

*CERL Modernization Act
Draft Language
August 2026*

(2) This subdivision shall not be operative in any county until the board of supervisors, by resolution adopted by majority vote, makes the provision applicable in that county.

3. 31456 – “Actuarial Equivalent” defined

Section 31456 of the Government Code is amended to read:

“Actuarial equivalent” means a benefit of equal value when computed upon the basis of the mortality tables adopted by the board of supervisors and regular interest thereon.

4. 31459, 31459.1 – Board of Investments cross-references

Section 31459 of the Government Code is amended to read:

(a) In a county in which a board of investments has been established pursuant to Section 31520.2:

(1) As used in Sections 31453, 31453.5, 31454, 31454.1, 31454.5, **31456**, 31472, 31588.1, 31589.1, 31591, 31592.3, 31594, 31595.1, 31595.9, 31596, 31596.1, 31601.1, 31607, 31611, **31612, 31615**, 31616, 31625, 31784, and 31872, “board” means a board of investments.

(2) As used in the first paragraph of Section 31592.2, “board” means a board of investments.

(3) Sections 31510.4, 31522, 31523, 31524, 31525, 31528, 31529, 31529.5, 31595, 31618, 31680, and 31680.1 apply to both the board of retirement and board of investments, and “board” means both “board of retirement” and “board of investments.”

(b) In Article 17 (commencing with Section 31880), “board” means the Board of Administration of the Public Employees’ Retirement System.

(c) In all other cases, “board” means the board of retirement.

Section 31459.1 is amended to read:

(a) In a county in which a board of investments has been established pursuant to Section 31520.2:

(1) As used in Sections 31453, 31453.5, 31454, 31454.1, 31454.5, **31456**, 31472, 31588.1, 31589.1, 31591, 31592.3, 31594, 31595.1, 31595.9, 31596, 31596.1, 31601.1, 31607, 31610, 31611, 31612, 31613, **31615**, 31616, 31618, 31621.11, 31625, 31639.26, 31784, and 31872, “board” means board of investments.

*CERL Modernization Act
Draft Language
August 2026*

(2) As used in the first paragraph of Section 31592.2 and the first paragraph and subdivision (c) of the second paragraph of Section 31595, “board” means a board of investments.

(3) Sections 31521, 31522, 31522.1, 31522.2, 31523, 31524, 31525, 31528, 31529, 31529.5, 31535.1, 31580.2, 31614, 31680, and 31680.1, apply to both the board of retirement and board of investments, and “board” means either or both the board of retirement and board of investments.

(4) Subdivision (a) of Section 31526 and subdivisions (a) and (b) of the second paragraph of Section 31595 apply to both the board of retirement and board of investments, and “board” means either or both the board of retirement and board of investments.

(b) In Article 17 (commencing with Section 31880) of this chapter, “board” means the Board of Administration of the Public Employees’ Retirement System.

(c) In all other cases, “board” means the board of retirement.

(d) This section shall apply only in a county of the first class, as defined in Section 28020, as amended by Chapter 1204 of the Statutes of 1971, and Section 28022, as amended by Chapter 43 of the Statutes of 1961.

5. 31522 – Duties of board members; additional compensation

Section 31522 is amended to read:

(1) The official duties of elected board members who are employees of the county or a district shall be included as part of their county or district employment and their board duties shall normally take precedence over any other duties, **except as provided in (2).** The elected board members who are county or district employees shall not receive any additional compensation by virtue of their election to the board.

(2) **Upon approval of the governing entity, each county or district that employs an elected member of the board shall be reimbursed by the retirement fund in an amount equal to the salary and benefits paid to the elected board member by the county or district for the percentage of the elected board member’s regular work schedule during which the elected board member is on leave from the county or district to attend meetings or activities of the board, or meetings of committees or subcommittees of the board, or to otherwise fulfill his or her responsibilities to the system. The system shall establish procedures for the reimbursement process, and the reimbursement shall not exceed 25% of the board member’s regular work schedule.**

*CERL Modernization Act
Draft Language
August 2026*

6. 31523, 31523.1 – Retirement Board Elections

Section 31523 of the Government Code is amended to read:

(a) In the event of a vacancy in the second, third, seventh, eighth, or alternate seventh member position on the board of retirement, the board shall cause an election to fill the vacancy to be held at the earliest possible date, except as provided in Sections 31520.3 and 31520.5. The vacancy in the second, third, or eighth member position on the board of retirement shall be filled for the duration of the current term except that, if the remaining portion of the current term is six months or less on the date of the election, a single election may be held to fill the vacancy for the remainder of the current term and to fill the position for the succeeding term. With respect to a vacancy in the seventh member position, candidates shall be a safety member from a group which is not represented by an incumbent alternate seventh member. With respect to the alternate seventh member position, the candidates shall be limited to the group under Section 31470.2 or 31470.4, or any other eligible safety member in a county if there is no eligible candidate from the groups under Sections 31470.2 and 31470.4 that is not represented by an incumbent seventh board member. The successful candidate shall serve for the duration of the current term.

(b) If there is a vacancy with respect to the alternate retired member, the board of retirement shall, by majority vote, appoint a replacement alternate member in the same manner as prescribed in Sections 31520.3 and 31520.5 for the initial appointment of an alternate retired member, who shall serve until the expiration of the current term of the current eighth member.

(c) If an election has been called on the expiration of the term of office of any member or alternate member, or to fill a vacancy for the second, third, seventh, eighth, or alternate seventh member of a board of retirement, and only one candidate has been duly nominated in accordance with the rules established for the holding of that election, the board supervisors shall order that no election be held and shall ~~direct the clerk to~~ cast a unanimous ballot in favor of the candidate.

Section 31523.1 of the Government Code is amended to read:

(a) In the event of a vacancy in the second, third, fourth, or eighth member position on a board of investments established pursuant to Section 31520.2, the board of investments shall cause an election to be held at the earliest possible date to fill the vacancy. The vacancy in the second, third, fourth, or eighth member position shall be filled for the duration of the current term except that, if the remaining portion of the current term on the date of the election is six months or less, a single election may be held to fill the vacancy for the remainder of the current term and to fill the position for the succeeding term.

*CERL Modernization Act
Draft Language
August 2026*

(b) If an election has been called on the expiration of the term of office of any member, or to fill a vacancy for the second, third, fourth, or eighth member position of a board of investments, and only one candidate has been duly nominated in accordance with the rules established for the holding of that election, the board ~~supervisors~~ shall order that no election be held and shall ~~direct the clerk to~~ cast a unanimous ballot in favor of the candidate.

7. 31525 – Regulations; approval

Section 31525 of the Government Code is amended to read:

The board may make regulations not inconsistent with this chapter, **the Public Employees' Pension Reform Act of 2013, and any other provisions of law applicable to county retirement systems.** ~~The regulations become effective when approved by the board of supervisors.~~

8. 31580.2 – Annual Budget Limit

Section 31580.2 of the Government Code is amended to read:

~~(a) In counties in which the board of retirement, or the board of retirement and the board of investment, have appointed personnel pursuant to Section 31522.1, 31522.5, 31522.7, 31522.9, 31522.10, or 31522.11, the respective board or boards shall annually adopt a budget covering the entire expense of administration of the retirement system, which expense shall be charged against the earnings of the retirement fund. The expense incurred in any year may not exceed the greater of either of the following:~~

~~(1) Twenty-one hundredths of 1 percent of the accrued actuarial liability of the retirement system.~~

~~(2) Two million dollars (\$2,000,000), as adjusted annually by the amount of the annual cost-of-living adjustment computed in accordance with Article 16.5 (commencing with Section 31870).~~

~~(b) Expenditures for computer software, computer hardware, and computer technology consulting services in support of these computer products shall not be considered a cost of administration of the retirement system for purposes of this section.~~

9. 31591 – Interest Credits

Section 31591 of the Government Code is amended to read:

(a) Regular interest shall be credited semiannually on June 30th and December 31st to all contributions in the retirement fund which have been on deposit for six months

*CERL Modernization Act
Draft Language
August 2026*

immediately prior to that date. Interest at the rate of $2\frac{1}{2}$ percent per annum, until otherwise determined by the board, compounded semiannually, shall be used in the calculation of benefits under any mortality table adopted by the board of supervisors.

(b) No interest shall be credited to a member's account after the membership of the member in the retirement association has ceased, except under any of the following circumstances:

(1) The former member has left his or her accumulated contributions in the retirement fund and has either elected, in writing, a deferred retirement allowance, or is eligible to so elect under Section 31700 but has failed to do so.

(2) The surviving spouse of a deceased member or the legally appointed guardian of the member's unmarried children under age 18 has elected to leave a death benefit on deposit as provided for in Section 31781.2.

(3) The former member, regardless of service, has left his or her accumulated contributions in the retirement fund and has not terminated employment.

10. 31611 – Actuarial Valuation

Section 31611 is amended to read:

An actuarial valuation shall be made within one year after the date on which any system established under this chapter becomes effective, and thereafter at intervals not to exceed three years. The valuation shall be conducted under the supervision of an enrolled actuary and shall cover the mortality, service, and compensation experience of the members and beneficiaries, and shall evaluate the assets and liabilities of the retirement fund. Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 60 days prior to the beginning of the succeeding fiscal year, transmit ~~recommend~~ to the board of supervisors of such changes in the rates of interest, in the rates of contributions of members, in county and district appropriations as are necessary, and appropriate mortality tables. ~~In making recommendations to the board of supervisors, the board shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. No adjustment shall be included in the new rates for time prior to the effective date of the revision. The cost of actuarial valuations and investigations may, in the sound discretion of the board, be charged against the earnings of the retirement fund.~~

11. 31612 – “Actuarial rate” defined

Section 31612 is amended to read:

*CERL Modernization Act
Draft Language
August 2026*

“Actuarial rate” means the interest assumption rate established by the most recent actuarial survey adopted ~~recommended by the board of retirement and adopted by the board of supervisors.~~

12. 31615: Interest

Section 31615 is amended to read:

Regular interest at the actuarial rate, or at the highest rate possible if net earnings, as defined in Section 31613 are not sufficient to credit the full actuarial rate, shall be credited semiannually on June 30 and December 31 to all contributions, reserves, and accounts in the retirement fund, except the Contingency Reserve Account, which have been on deposit for six months immediately prior to those dates.

Interest at the actuarial rate, compounded semiannually, shall be used in the calculation of benefits under any mortality table adopted by the board of supervisors. No interest shall be credited to a member's account after the termination of the member's county service, unless the member has elected, in writing, to leave his or her accumulated contributions in the retirement fund and be granted a deferred retirement allowance, or the surviving spouse of a deceased member or the legally appointed guardian of the member's unmarried children under age 18 has elected to leave a death benefit on deposit as provided for in Section 31781.2.

13. 31616: Reserves

Section 31616 is amended to read:

After the semiannual application of Section 31615, earnings of the retirement fund in excess of the total interest credited to contributions and reserves shall remain in the fund as a reserve against deficiencies in interest earnings, losses on investments, or payments made pursuant to Section 31588.1 or 31589.1, if applicable.

These funds shall be placed in an account known hereafter as the Contingency Reserve Account. The size of this account shall be determined semiannually by the board ~~but shall not exceed 3 percent of the total assets of the retirement fund.~~

If, at the end of any semiannual period, the balance of the Contingency Reserve Account falls below 1 percent of system assets, the board shall, by the end of the subsequent semiannual period, provide funds from earnings of fund assets from the subsequent semiannual period, to bring the level of the Contingency Reserve Account to at least 1 percent of system assets.

No funds in the Contingency Reserve Account shall be available for the payment of benefits.

*CERL Modernization Act
Draft Language
August 2026*

Net earnings remaining after the application of this section shall be applied as provided in Sections 31617, 31618, and 31619.



6. SACRS Nomination Committee Report – No Action

David MacDonald, Contra Costa CERA, SACRS Nomination Committee Chair & Immediate Past President

A. SACRS Board of Directors Election Notice 2027-2028



September 17, 2026

To: SACRS Trustees & SACRS Administrators/CEO's
From: David MacDonald, SACRS Immediate Past President, Nominating Committee Chair
SACRS Nominating Committee
Re: SACRS Board of Director Elections 2027-2028 - Elections Notice

SACRS BOD 2027-2028 election process will begin January 1, 2027. Please provide this election notice to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2027	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.
March 25, 2027	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 15, 2027	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference
May 15, 2027	Board of Directors takes office for 1 year

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

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

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

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

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

The Nominating Committee will report its suggested slate, along with a list of the names of all members who had been nominated, to each regular member County Retirement System prior to March 25. The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's suggested slate to each trustee and placing the election of



SACRS Directors on his or her board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee.

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

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

The elections will be held at the SACRS Spring Conference May 11-14, 2027. Elections will be held during the Annual Business meeting on Friday, May 14, at the Hyatt Regency Monterey Hotel and Spa, Monterey, CA.

If you have any questions, please contact David MacDonald at dmacdcccera@gmail.com or Sulema Peterson, SACRS Executive Director, at sulema@sacrs.org.

Thank you for your prompt attention to this timely matter.

Sincerely,

David MacDonald

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

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



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2027-2028**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2027.** Please submit to the Nominating Committee Chair at dmacdcccera@gmail.com **AND** to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name:
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: Email Address: Phone:
Name of Retirement System Candidate Currently Serves On	System Name:
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	☐ Chair ☐ Alternate ☐ General Elected ☐ Retiree ☐ Other _____
Applying for SACRS Board of Directors Position (select only one)	☐ President ☐ Vice President ☐ Treasurer ☐ Secretary ☐ Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	



7. SACRS Audit Committee Report – No Action

David Kim, San Diego CERA, SACRS Audit Committee Chair

A. SACRS Audit 2025-2026

Verbal report, no printed materials for this item



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Co-Chair
and Renee Ostrander, San Joaquin CERA, SACRS Education Committee
Co-Chair

A. Education Committee Report

Verbal report, no printed materials for this item



9. SACRS Program Committee Report – No Action

Jordan Kaufman, Kern CERA, SACRS Program Committee Chair & Vice President

A. Program Committee Report

Verbal report, no printed materials for this item



10. SACRS Affiliate Committee Report – No Action

Sean Gannon, Manulife Investments, SACRS Affiliate Committee Chair

A. Affiliate Committee Report

Verbal report, no printed materials for this item



11. SACRS Bylaws Committee Report – No Action

Barbara Hannah, San Bernardino CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Report

Verbal report, no printed materials for this item



12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give a verbal report on their meetings.

- A. Administrators
- B. Affiliates
- C. Attorneys
- D. Disability
- E. General Trustees
- F. Internal Auditors
- G. Investment Officers
- H. Operations/Benefits
- I. Safety Trustees

Verbal report, no printed materials for this item



13. Adjournment

Next scheduled SACRS Business Meeting will be held on Friday, May 14, 2027. The meeting will be held at the Hyatt Regency Monterey Hotel & Spa, Monterey, CA, during SACRS Annual Spring Conference May 11 – 14, 2027.



SACRS VOTING PROXY FORM

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

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

_____ Voting Delegate

_____ Alternate Voting Delegate

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

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

Signature: _____

Print Name: _____

Position: _____

Date: _____

Please send your system's voting proxy by the following due date to SACRS at sacrs@sacrs.org. If you require additional information, please contact SACRS as soon as possible.

Due Dates:

- Spring Conference Due by May 1
- Fall Conference Due by November 1