



Merced County Employees' Retirement Association

**AGENDA
RETIREMENT BOARD MEETING**

Thursday, June 26, 2025, 8:30 A.M.

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

Zoom Conference Information:

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

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

(For use only if Zoom Connection Malfunctions)

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

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

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

2. Roll Call

3. Teleconference Request

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

4. Approval of Minutes – May 22, 2025.

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>
Alexander, Joy	11	HSA	6/03/2025
Clover, George	5	Castle Airport	5/31/2025
Cruz, Helen	13	HSA	5/06/2025
Espinoza, Janie	7	Superior Courts	5/31/2025
Joseph, Karen	15	Human Resources	6/14/2025
Lopes, Zelda	19	HSA	5/31/2025
Martino, Joy	19	Public Health	6/21/2025
Sobremonte, Priscilla	1	BHRS	6/01/2025
Soriano, Rudy	25	Administration Services/Custodial	6/12/2025
Taylor Jr., Randy Service-Connected Disability	16	Sheriff	4/05/2025



Merced County Employees' Retirement Association

- b. Monthly Budget Report Submitted.
- c. Approve interest crediting as of June 30, 2025, in the amount of 5.43268% compounded semiannually for active and deferred members and 6.75% for employer and retired reserves.
- d. SACRS legislative update.

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 – Anthony Wilson
 - 2. Initial Disability Application Recommendation – Dolores Mejia
- b. Pursuant to Section 54957: THREAT TO PUBLIC SERVICES OR FACILITIES
Consultation with: Martha Sanchez Barboa, Plan Administrator

8. Report Out of Closed Session

9. Open Session

- a. Discussion on market summary and investment performance update - Staff
- b. Discussion and possible action on May performance report and possible action on any funds or managers - Meketa
- c. Discussion and possible action on Quarterly Alternatives Performance Report and possible action on any funds or General Partners - Cliffwater
- d. Discussion and possible action on public fixed income portfolio review - Staff/Meketa

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



Merced County Employees' Retirement Association

accommodation. Please address your written request 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.

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, May 22, 2025, 8:30 A.M.

Location: MercedCERA Headquarter Building
690 W 19th Street, Merced, CA
Floor 2, Board Room

Zoom Conference Information:

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

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

(For use only if Zoom Connection Malfunctions)

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

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

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

2. Roll Call

Board Members Present: Corrina Brown, Janey Cabral, Alfonse Peterson, Scott Johnston, Bayani Manilay, Scott Silveira, and Ryan Paskin. **Absent:** Aaron Rosenberg, Moses Nelson, Karen Adams and Michael Harris. **Counsel:** Tom Ebersole. **Staff:** Martha Sanchez Barboa, Pete Madrid, Alex Lovato, Monica Gallegos, 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 – April 24, 2025.

Board voted unanimously to approve the April 24, 2025, meeting minutes.

1st- Brown/2nd- Johnston, passes 7/0

5. Public Comment

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

None

6. Consent Calendar

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

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

<u>Name</u>	<u>Years of Service</u>	<u>Department</u>	<u>Effective Date</u>
Bower, William	19	Admin. Services	5/03/2025
Gordon, Jacqueline	5	BHRS	5/14/2025
Kohn, Dennis	10	HSA	5/17/2025
Nishihama, Lorraine	30	HSA	5/03/2025



Merced County Employees' Retirement Association

- b. Monthly Budget Report submitted.
- c. Meketa Monthly and Quarterly Performance Reports submitted.
- d. Legislative Update.

Board voted unanimously to approve the consent agenda as presented.

1st- Silveira/2nd- Manilay, 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. Discussion and possible action regarding investments (Govt. Code § 54956.81) in recommended funds by Cliffwater LLC.
- b. Disability Retirement Applications: Personnel exceptions (Govt. Code § 54957, 31532; Cal Const. art I § 1).
 - 1. Initial Disability Application Recommendation – Randy Taylor, Jr.
- c. Conference with Legal Counsel – Anticipated Litigation.
Initiation of litigation pursuant to Government Code section 54956.9, subdivision c: One case.
- d. Discussion of Public Employee Positions (Govt. Code § 54957).
Title: Assistant Plan Administrator – Benefits & Administration

8. Report Out of Closed Session

- a. Discussion and possible action regarding investments (Govt. Code § 54956.81) in recommended funds by Cliffwater LLC.
Board voted unanimously to approve a commitment of up to \$6 million to *Khosla Ventures IX, L.P.* and up to \$2 million to *Khosla Ventures Seed G, L.P.*, private equity partnerships focused on venture capital investments in the technology sector across seed to early-stage to expansion-stage, subject to satisfactory legal negotiations.

1st- Manilay/2nd- Silveira, passes 7/0

- b. Disability Retirement Applications: Personnel exceptions (Govt. Code § 54957, 31532; Cal Const. art I § 1).
 - 1. Initial Disability Application Recommendation – Randy Taylor, Jr.
Board voted unanimously to approve a service-connected disability and deny a non-service-connected disability to Mr. Taylor.
- 1st- Cabral/2nd- Brown, passes 7/0**
- c. Conference with Legal Counsel – Anticipated Litigation.
Initiation of litigation pursuant to Government Code section 54956.9, subdivision c: One Case.
Staff given direction.
 - d. Discussion on Public Employee Positions (Govt. Code § 54957).
Title: Assistant Plan Administrator – Benefits & Administration
Staff given direction.

9. Open Session

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



Merced County Employees' Retirement Association

- b. Discussion and possible action to approve removal of the US equity small cap target overweight – Staff.
Board voted unanimously the approval to remove the US equity small cap target overweight.
1st- Johnston/2nd- Manilay, passes 7/0
- c. Discussion and possible action to approve proposed performance fee structure for Newton Dynamic US Equity – Staff.
Board voted unanimously to deny the proposed performance fee structure for Newton Dynamic US Equity and for the current fee structure to remain.
1st- Cabral/2nd- Peterson, passes 7/0
- d. Discussion and possible action to approve the MercedCERA Budget for Fiscal Year 2025/2026 – Staff.
Board voted unanimously to approve the Fiscal Year 2025/2026 MercedCERA Budget.
1st- Cabral/2nd- Johnston, passes 7/0
- e. Discussion and possible action to appoint Monica R. Gallegos as MercedCERA's Assistant Plan Administrator over Benefits & Administration effective June 2, 2025 – Staff.
Board voted unanimously to approve the appointment of Monica R. Gallegos as MercedCERA's Assistant Plan Administrator over Benefits & Administration effective June 2, 2025, with clerical non-substantive changes to her contract agreement.
1st- Johnston/2nd- Peterson, passes 7/0
- f. Discussion and possible action to approve Trustee Harris attend ValueEdge Advisors LLC 2025 Public Funds Forum – Staff.
No motion made.
- g. Discussion and possible action for Board Chair to appoint an ad hoc subcommittee to work with staff on MercedCERA's policy for the Delegation of Procurement Authority to the Plan Administrator – Staff.
Chair Paskin appointed Trustee Cabral, Trustee Manilay and Trustee Brown to the ad hoc subcommittee reviewing the Delegation of Procurement Authority to the Plan Administrator.

10. Information Sharing & Agenda Item Requests

- Plan Administrator Sanchez Barboa advised the board she would be at a conference the week of June 16th and Assistant Plan Administrator Madrid would be out of the office June 11th-18th. Executive managers would be available to assist.
- Trustee Brown, along with several other trustees and staff, congratulated Monica R. Gallegos on her appointment to Assistant Plan Administrator.

11. Adjournment at 10:06 A.M.

Trustee Name/Position	Signature	Date
Ryan Paskin/Chair		
Al Peterson/Secretary		

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended May 31, 2025

Administrative Budget	Adopted	Current Budget	Expended 2025-05	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages	1,975,000.00	1,975,000.00	90,425.97	1,063,047.18	911,952.82	53.83%
5/9/2025 Office Payroll 2025 PP10 - Administrative Allocation			43,599.19			
5/23/2025 Office Payroll 2025 PP11 - Administrative Allocation			46,826.78			
Total 10110 · Salaries & Wages			90,425.97			
20600 · Communications	9,800.00	9,800.00	1,112.39	9,393.08	406.92	95.85%
5/12/2025 2025-04 Communication Charges			1,112.39			
Total 20600 · Communications			1,112.39			
20900 · Household Expense*	20,000.00	20,000.00	2,918.41	20,595.46	(595.46)	102.98%
5/2/2025 Crites, Robert 2025-04 Pest Control			40.00			
5/14/2025 ADT Security 2025-05 Final Bill			501.41			
5/20/2025 Geil Enterprise 2025-05 Janitorial Svc			1,772.00			
5/1/2025 Hoffman 2025-05 CCTV Cameras			260.00			
5/21/2025 Hoffman 2025-05 Fire System			60.00			
5/21/2025 Hoffman 2025-05 Alarm System			285.00			
Total 20900 · Household Expense			2,918.41			
21000 · Insurance - Other	135,000.00	135,000.00	91.40	107,047.00	27,953.00	79.29%
5/1/2025 Hartford Insurance Cancellation for 3199 M St Building Refund			(1,005.00)			
5/7/2025 Nationwide 2025-04 Insurance			1,096.40			
Total 21000 · Insurance - Other			91.40			
21301 · Maintenance Structure Improvement	25,000.00	25,000.00	1,757.79	18,864.20	6,135.80	75.46%
5/9/2025 2025-02 DPW Svcs			1,357.79			
5/23/2025 Yard Masters 2025-05 Landscaping			400.00			
Total 21301 · Maintenance Structure Improvement			1,757.79			
21500 · Membership	10,000.00	10,000.00	-	5,815.00	4,185.00	58.15%
Total 21500 · Membership			-			
21700 · Office Expense - General	25,000.00	25,000.00	3,198.80	22,131.88	2,868.12	88.53%
5/7/2025 Evac Chair 300			1,726.59			
5/7/2025 Evac Chair 300 Shipping and handling			69.28			
5/12/2025 First Choice 5/07/25 Water Svc			50.95			
5/13/2025 2025-04 Pacific Shred			44.00			
5/14/2025 ODP 2025-04 Office Supplies			45.29			
5/14/2025 ODP 2025-04 Office Supplies			51.40			
5/14/2025 ODP 2025-04 Office Supplies			612.57			
5/23/2025 First Choice 05/21/25 Water Svc			60.27			
5/30/2025 ODP 2025-05 Office Supplies			529.18			
5/30/2025 ODP 2025-05 Office Supplies			9.27			
Total 21700 · Office Expense - General			3,198.80			
21710 · Office Expense - Postage**	25,000.00	25,000.00	3,240.37	35,726.89	(10,726.89)	142.91%
5/12/2025 2025-04 Printing Charges			1,207.25			
5/13/2025 2025-04 Mailroom Charges			1,983.69			
5/21/2025 Pitney Bowes 2025-04 Postage			49.43			
Total 21710 · Office Expense - Postage			3,240.37			
21805 · Audits	65,000.00	65,000.00	(2,912.45)	50,687.55	14,312.45	77.98%
5/30/2025 County Portion of UHY GASB 68 Reimbursement			(2,912.45)			
Total 21805 · Audits			(2,912.45)			
21808 · Board Membership	10,000.00	10,000.00	-	-	10,000.00	0%

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended May 31, 2025

Total 21808 · Board Membership			-			
21900 · Publications & Legal Notices	7,500.00	7,500.00	-	4,384.95	3,115.05	58.47%
Total 21900 · Publications & Legal Notices			-			
22300 · Spec Dept Exp - Other	1,000.00	1,000.00	-	-	1,000.00	0%
Total 22300 · Spec Dept Exp - Other			-			
22310 · Election Expense	30,000.00	30,000.00	-	-	30,000.00	0%
Total 22310 · Election Expense			-			
22327 · Spec Dept Exp - Cost Allocation	40,000.00	40,000.00	2,812.95	30,942.45	9,057.55	77.36%
5/8/2025 2025-05 CAP Charges			2,812.95			
Total 22327 · Spec Dept Exp - Cost Allocation			2,812.95			
22500 · Transportation & Travel	250.00	250.00	-	-	250.00	0%
Total 22500 · Transportation & Travel			-			
22505 · Trans & Travel - Staff Development***	10,000.00	10,000.00	-	13,276.66	(3,276.66)	133%
Total 22505 · Trans & Travel - Staff Development			-			
22515 · Trans & Travel - In State	45,000.00	45,000.00	3,744.14	28,175.54	16,824.46	62.61%
5/7/2025 CALAPRS 4/27/25-4/29/25 Travel Reimbursement			608.58			
5/15/2025 2025-04 Travel Charges			2,230.67			
5/27/2025 SACRS 5/12/25-5/16/25 Travel Reimbursement			342.55			
5/30/2025 SACRS 5/13/25-5/16/25 Travel Reimbursement			1,071.49			
5/30/2025 2025-05 Travel Charges			(509.15)			
Total 22515 · Trans & Travel - In State			3,744.14			
22516 · Trans & Travel - Out of State	7,500.00	7,500.00	-	2,175.34	5,324.66	29.00%
Total 22516 · Trans & Travel - Out of State			-			
22600 · Utilities	40,000.00	40,000.00	1,307.94	33,461.60	6,538.40	83.65%
5/5/2025 City of Merced 2025-04 Utilities			539.35			
5/20/2025 MID 2025-04 Utilities			768.59			
Total 22600 · Utilities			1,307.94			
Depreciation Expense	152,000.00	152,000.00	-	-	152,000.00	
Total Administrative Budget	2,633,050.00	2,633,050.00	107,697.71	1,445,724.78	1,187,325.22	54.91%

*(Account 20900) - Overage due to Janitorial & Security Services for new building that was not previously budgeted.
**(Account 21710) - Unanticipated mail room charges related to office location move and open house event.
***(Account 22505) - Overage due to Private Equity Accounting Investment course with other retirement systems (event date April 7th-9th).

Merced County Employees' Retirement Association
Non-Administrative Expenditures Report (Preliminary)
For the Month Ended May 31, 2025

Non-Administrative Expenses			Original Projection	Current Projection	Expended 2025-05	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses			3,878,000.00	3,878,000.00	94,380.16	1,133,241.76	2,744,758.24	29.22%
5/2/2025	Cliffwater 2025-04 Consulting Svcs				33,333.33			
5/2/2025	CLA 2025-03 CAAS Svcs				41,278.13			
5/14/2025	Nossaman 2025-03 Professional Svcs				468.00			
5/30/2025	Nossaman 2025-04 Professional Svcs				18,933.70			
5/30/2025	Nossaman 2025-04 Professional Svcs				367.00			
Total 21800 · Investment Expenses					94,380.16			
21802 · Actuarial Services			150,000.00	150,000.00	(6,626.28)	75,461.72	74,538.28	50.31%
5/30/2025	County Portion of Cheiron GASB 68 Reimbursement				(6,626.28)			
Total 21802 · Actuarial Services					(6,626.28)			
21812 · Data Processing			105,000.00	105,000.00	8,327.51	73,824.14	31,175.86	70.31%
5/2/2025	AT&T 2025-03 Fiberoptics Internet Svc.				1,963.25			
5/8/2025	2025-05 AC IS CAP Charges				431.13			
5/12/2025	2025-04 Cradlepoint Charges				800.00			
5/12/2025	2025-04 IS Charges				4,195.00			
5/29/2025	AT&T 2025-04 Fiberoptics Internet Svc.				938.13			
Total 21812 · Data Processing					8,327.51			
21834 · Legal Services			400,000.00	400,000.00	41,722.24	333,496.29	66,503.71	83.37%
5/8/2025	2025-05 County Counsel CAP Charge				5,956.84			
5/12/2025	Ted Cabral 2025-04 Legal Svcs				1,188.80			
5/12/2025	Ted Cabral 2025-04 Legal Svcs				10,934.80			
5/12/2025	Ted Cabral 2025-04 Legal Svcs				2,671.90			
5/12/2025	Ted Cabral 2025-04 Legal Svcs				354.60			
5/12/2025	Ted Cabral 2025-04 Legal Svcs				3,109.10			
5/12/2025	Ted Cabral 2025-04 Legal Svcs				25.00			
5/12/2025	Ted Cabral 2025-04 Legal Svcs				6,757.00			
5/12/2025	Ted Cabral 2025-04 Legal Svcs				189.80			
5/12/2025	Ted Cabral 2025-04 Legal Svcs				8,601.70			
5/12/2025	Ted Cabral 2025-04 Legal Svcs				1,794.10			
5/29/2025	Nossaman 2025-05 General Advice & Counsel				138.60			
Total 21834 · Legal Services					41,722.24			
21840 · Custodial Banking Services			180,000.00	180,000.00	330.00	1,683.00	178,317.00	0.94%
5/1/2025	2025-03 Wire Fees				165.00			
5/12/2025	2025-04 Wire Fees				165.00			
Total 21840 · Custodial Banking Services					330.00			
22350 · Software and Technology			605,000.00	605,000.00	10,134.78	494,911.04	110,088.96	81.80%
5/5/2025	Spriggs Q1 Printing Svcs.				371.26			
5/13/2025	CPAS 2025-05 Hosting Svcs.				9,763.52			
Total 22350 · Software and Technology					10,134.78			
Depreciation Expense			325,000.00	325,000.00		-	325,000.00	
Total Non-Administrative Items			5,643,000.00	5,643,000.00	148,268.41	2,112,617.95	3,530,382.05	37.44%



Merced County Employees' Retirement Association

DATE: June 26th, 2025
TO: MercedCERA Board of Retirement
FROM: Alex Lovato, Fiscal Manager
SUBJECT: Interest Crediting Rates for June 30th, 2025
ITEM NUMBER: Consent Item c
ITEM TYPE: Action

STAFF RECOMMENDATION:

1. Adopt the proposed interest credit rates of a 5.43268% annual rate, compounded semiannually, to be credited to the active reserves balances and a 6.75% annual rate, compounded semiannually, to retiree and employer reserves balances.

DISCUSSION: Pursuant to the Interest Crediting Policy adopted by the MercedCERA Retirement Board on September 14, 2017, and in accordance with Section 31591 of the County Employees Retirement Law of 1937, the Retirement Board shall determine a rate of interest to be credited on June 30th to all contributions in the retirement fund which have been on deposit for six months immediately prior to that date.

Active Member Reserves shall be credited first. The policy provides a range of 0% to 6.75% (the actuarial rate of return adopted September 2021). The policy provides guidance for establishing the amount to be credited by using the Bank of America Merrill Lynch Six Month Treasury Bill index. For the rolling twelve-month period ended May 31, 2025, the index return was 5.43268%, as reported to MercedCERA by Meketa. This rate will be compounded semiannually for the purpose of interest crediting.

Employer and Retiree Reserves shall be credited semiannually at the actuarial discount rate if there are sufficient funds. MercedCERA will only credit interest to the extent that there is a current fiscal year net investment revenue or any balance in the Interest Fluctuation Reserve.

The estimated net investment income through June 30th, 2025, is as follows:

Balance in Interest Fluctuation Reserve as of July 01, 2024	\$126,669,324
Total Estimated Investment Gain as of June 30, 2025*	\$50,006,306
Total Estimated Expenses as of June 30, 2025*	(\$2,516,187)
Total Interest Credited December 31, 2024	(\$27,062,362)
Total Estimated Available for Interest Crediting	\$147,097,082
Proposed Interest Crediting to all reserves on June 30, 2025	\$27,838,627
Estimated Balance in Interest Fluctuation Reserve as of June 30, 2025	\$119,258,455

**Investment gains and expenses are based on a blend of actuals and best estimates and may vary greatly between now and the final accounting for transactions occurring during the months of May and June.*



TO: State Association of County Retirement Systems
FROM: Cara Martinson, Public House Consulting
Laurie Johnson, LJ Consulting & Advocacy
DATE: June 10, 2025
RE: **Legislative Update – June 2025**

The Legislature wrapped up their House of Origin deadline on June 6 after convening two weeks of floor session votes to move over a thousand bills to the other House. But that was not before both Houses made its fiscal deadline on May 23 - when the Legislature took its first big cut of bills. With the state facing an estimated \$12 billion deficit and growing, both Appropriations Committees were tasked with holding many bills back that had fiscal impacts. In the Senate, with 432 measures, leaders held 29%, up from 25.5% last year; and, of the 666 bills in the Assembly, lawmakers held 35%, which is consistent with their actions last year.

Meanwhile, legislative leadership and budget staff are working to reach an agreement on a budget plan. The Senate and Assembly announced an agreement amongst the houses on June 9 but final negotiations with the Administration are ongoing. Key points of contention include the Governor's proposal to advance the Delta Conveyance Project, and significant cuts to Medi-Cal—such as eliminating dental benefits for adults, halting new enrollment for undocumented Californians, and imposing monthly premiums on those already enrolled. Amidst all of this activity, and after weeks of rumors, the Senate voted for a new leader this week, Senator Monique Limon from Santa Barbara. She will replace the current Senate President Pro Tempore Mike McGuire next year. This transition wasn't entirely unexpected as Senator McGuire is termed out in 2026. However, the vote came quickly after Senator Limon was able to secure the votes necessary to make the transition official. Focus will now return to the budget as the Legislature has until June 15 to pass a budget and send it to the Governor.

SACRS is tracking the following bills:

- **ACA 2 (Jackson)** - seeks to reinstate retirement for State Legislators. ACA 2 would establish a retirement system specifically for legislators elected or serving from November 1, 2010 onward. To qualify, legislators would be required to serve at least 10 years. If their service is less than 10 years, legislators could transfer their accumulated service credits to another public pension or retirement system they are a part of. Status: This bill did not receive a hearing and is now a 2-year bill.



- **AB 259 (Rubio)** - was amended to extend the 2026 sunset on existing laws governing teleconferencing procedures for public meetings to 2030. This bill is sponsored the CA Special District's Association (CSDA). Status: This bill passed out of the Assembly and has been referred to the Senate Local Government Committee.
- **AB 288 (McKinnor)** - expands the jurisdiction of the Public Employment Relations Board (PERB) by authorizing certain workers to petition the PERB to protect and enforce their rights. Status: This bill passed out of the Assembly and is awaiting a policy committee referral in the Senate.
- **AB 339 (Ortega)** - would require the governing body of a public agency to give a recognized employee organization no less than 120 days' written notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization. Status: This bill passed out of Assembly and is awaiting bill referral in the Senate.
- **AB 340 (Ahrens)** - would prohibit a public agency employer from questioning any employee or employee representative regarding communications made in confidence between an employee and an employee representative in connection with representation relating to any matter within the scope of the recognized employee organization's representation. Status: This bill passed out of the Assembly and is awaiting bill referral in the Senate.
- **AB 409 (Arambula)** - would extend the 2026 sunset on existing laws governing teleconferencing procedures for California Community College student body associations and student-run community college organizations to 2030. Status: This bill passed out of the Assembly and has been referred to the Senate Local Government Committee.
- **AB 467 (Fong)** – would extend the sunset date from 2026 to 2030 (as opposed to 2031) for teleconferencing procedures for neighborhood councils, defined as an advisory body with the purpose to promote more citizen participation in government and make government more responsive to local needs that is established pursuant to the charter of a city with a population of more than 3,000,000 people that is subject to the Brown Act. Status: This bill passed out of the Assembly and has been referred to the Senate Local Government Committee.



- **AB 569 (Stefani)** - was amended to maintain the proposed authorization to negotiate contributions to supplemental Defined Benefit plans but also maintain consistency with the existing PEPPRA prohibitions and limitations. Status: This bill was held on the Appropriations Suspense File and is now a 2-year bill.
- **AB 1323 (Chen)** – would increase the compensation rate for certain members of the Orange County Board of Retirement to not more than \$320 per meeting. Status: This bill did not receive a policy committee hearing and is now a 2-year bill.
- **AB 1383 (McKinnor)** - This bill would establish new retirement formulas, for employees first hired on or after January 1, 2026, as 2.5% at age 55, 2.7% at age 55, or 3% at age 55. For new members hired on or after January 1, 2013, who are safety members, the bill would require employers to adjust the formulas for service performed on or after January 1, 2026, to offer one of the 3 formulas for safety members that is closest to the formula the employer provided pursuant to existing law. The bill would authorize a public employer and a recognized employee organization to negotiate a prospective increase to the retirement benefit formulas for members and new members, consistent with the formulas permitted under the act. This bill would authorize an employer and its employees to agree in a memorandum of understanding to be subject to a higher safety plan or a lower safety plan, subject to certain requirements, including that the memorandum of understanding is collectively bargained in accordance with applicable laws. Status: This bill was held on the Assembly Suspense File and is now a 2-year bill.
- **AB 1439 (Garcia)** - would prohibit the board of a public pension or retirement system from making any additional or new investments of public employee pension or retirement funds in development projects in California or providing financing for those projects with public employee pension or retirement funds unless those projects include labor standards protections. Status: This bill did not receive a policy committee hearing and is now a 2-year bill.
- **SB 239 (Arreguín)** - allows flexibility for remote meetings of local advisory bodies (“subsidiary bodies” in the language of the bill). Specifically, this bill would allow the subsidiary body of a local agency to teleconference their meetings without having to make all locations publicly available and would require the subsidiary body to post the agenda at each physical



meeting location. The bill also sunsets these provisions in 2030. Status: The bill was moved in the inactive file. The sponsors of this bill are now working with Senator Durazo on SB 707 as the consensus measure.

- **SB 301 (Grayson)** - would beginning on or after January 1, 2026, prohibit a city or district that contracts with a retirement system under the CERL from amending their contract with the system in a manner that provides for the exclusion of some, but not all, employees. This bill passed out of the Senate and is awaiting policy committee referral in the Assembly.
- **SB 470 (Laird)** – would delete the 2026 sunset on existing laws governing teleconferencing procedures for state agencies relative to the Bagley-Keene Open Meeting Act and extend the sunset provision to 2030. Status: This bill passed out of the Senate and is awaiting policy committee referral in the Assembly.
- **SB 707 (Durazo)** - would add additional teleconferencing meeting requirements for certain local governments until 2030 to allow members of the public to attend a public meeting via a two-way teleconferencing option. The bill would also require additional alternative language noticing requirements, among other requirements. The sponsors of SB 239 (Arreguin) are now working with Senator Durazo and have amended the bill to narrow the public participation requirements to cities, counties and special districts with certain population thresholds. The bill's two-way conferencing and translation requirements appear to no longer apply to the County Boards of Retirement. Additional amendments are expected in the Assembly related to remote comments. Status: The bill passed out of the Senate and is now awaiting policy committee referral in the Assembly.

Contact:

If you have any questions, please feel free to contact Cara Martinson at cara@publichouseconsulting.net, or Laurie Johnson at lauriejconsult@gmail.com.



Merced County Employees' Retirement Association

DATE: June 26, 2025

TO: MercedCERA Board of Retirement

FROM: Pete Madrid, Assistant Plan Administrator - Investments

SUBJECT: Staff Market Summary and Investment Performance Update

ITEM NUMBER: Open Session Item a

ITEM TYPE: Information Only

DISCUSSION:

Capital Markets & Economic Summary

The US added 139,000 in May versus economists' estimated 125,000 and the unemployment rate held firm at 4.2%. April and March jobs figures were revised downward by a combined 95,000, showing a slightly weaker labor market than initially thought. Most of the job gains in May were in healthcare and leisure & hospitality, combining for a total 110,000 of the jobs added. Retail and manufacturing sectors lost jobs for the second month in a row shedding 6,500 and 8,000 jobs in May, respectively.

US inflation remained subdued in May, with the Consumer Price Index (CPI) rising just 0.1% from the prior month versus 0.2% expected, and 2.4% year-over-year. The lower than expected inflation results were largely driven by a 2.6% drop in gasoline prices, offsetting increases in food and housing. Core CPI, which excludes the more volatile food and energy prices, also increased 0.1% from the prior month.

The Federal Reserve met June 17th & 18th to discuss and vote on potential monetary policy changes. The two prior meetings left rates unchanged as the Federal Open Market Committee (FOMC) balanced its concerns over stubborn inflation with signs of slowing growth. With a unanimous vote, the Fed again decided in June to leave rates unchanged due to lingering concerns over inflation risks despite acknowledging that inflation has somewhat moderated. Fed Chair Jerome Powell cited the low unemployment level (4.2%) as a sign the US economy and labor market remains relatively strong, allowing the Fed to operate more cautiously around possible rate cuts. Looking forward, there is a split between Fed members that believe we are likely to see one or two rate cuts before the end of the year and those that believe no rate cuts in 2025 is more likely.

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US equity bounced back in May with the Russell 3000 Index returning 6.3% for the month. Earlier market losses caused in part by the scale of the tariff policy announced in April have largely been recovered as investors reassess the severity of the tariffs and the administration's willingness to soften its stance to negotiate. Small cap stocks, represented by the Russell 2000 Index, returned 5.3% in May but are still down 6.8% year-to-date.

Broad international equity, represented by the MSCI All Country World Ex US Investible Market (IM) Index, also produced strong returns during the month. The index gained 4.8% in May and is now up 13.8% in 2025. Developed international (MSCI EAFE Index) returned 4.6% in May and nearly 17% since the start of the year. Emerging markets equity also had a strong May, rising 4.3% during the month. The Emerging Markets Index is now up nearly 9% for the year.

Treasury yields increased across nearly all maturities during the month. While the yield fell 0.02% for the 1-month T-bill, Treasuries with maturities of 1-year or longer finished May with rates approximately 0.25% higher than the start of the month, hurting fixed income portfolio returns. US core fixed income, represented by the Bloomberg US Aggregate Bond Index, fell 0.7% in May as interest rates rose across most of the yield curve.

June Portfolio Performance Summary

The Total Fund returned 2.2% in May, just below the 2.4% return for the Policy Index. Total Fund excluding alternatives returned 3.6% for the month, in line with the Policy Index excluding alternatives. US equity, international equity, and US fixed income all performed inline with their benchmarks for the month. Emerging markets equity and opportunistic fixed income outperformed during May, while hedge funds slightly underperformed.

US equity performed in line with the Russell 3000 Index gaining 6.3% during May. Newton Dynamic US Equity underperformed the S&P 500 Index by 0.6%. Year-to-date the strategy is slightly trailing by 0.2%. Champlain beat the Russell 2000 Index by 1.5%. The strategy continues to perform well in 2025, outperforming -2.0% versus -6.8% since the start of the year.

International equity returned 4.4% in May versus 4.5% for its custom benchmark and 4.8% for the MSCI All Country World Ex US IM Index. Acadian returned 6.5%, tracking its benchmark, while Driehaus outperformed its small cap growth index, 8.1% to 7.4%. GQG

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trailed its benchmark by 1.7%. First Eagle underperformed in May, 2.5% versus 4.6%, but is in line with its benchmark year-to-date and is outperforming over the trailing 1-year period.

The emerging markets equity portfolio gained 5.5% during the month compared with 4.3% for the index. Artisan outperformed the benchmark by 2.0% while Redwheel trailed by 0.9%. The composite is outperforming the index by nearly 4% in 2025 and by more than 8% for the trailing 1-year period.

The US fixed income portfolio returned -0.6% for the month, roughly in line with the benchmark return of -0.7%. Despite losses in May, the composite is up 6.0% over the 1-year trailing period. Wellington and Brandywine both finished the month tracking the Bloomberg US Aggregate Bond Index, while Payden & Rygel outperformed its short-term benchmark by 0.3%.

Opportunistic credit, which holds more high yield and mortgage-backed security exposure, returned 1.0% in May, 0.6% ahead of its benchmark. PIMCO outperformed its Bloomberg US Aggregate Bond Index while GoldenTree and One Williams Street each trailed their custom benchmark by 0.3%. The portfolio's hedge fund managers outperformed their custom benchmark 0.8% versus 1.2%

Redwheel Capital (On watch)

Redwheel underperformed in May, trailing the MSCI Emerging Markets Index 3.4% to 4.3%. The strategy's underperformance was driven in part by its underweight to Taiwan and specifically Taiwan Semiconductor Manufacturing Company, which gained 13.6% during the month. Performance was also hurt by several specific holdings whose stock price fell during the month. Shares of Ivanhoe Mines, based in Democratic Republic of Congo, dropped 12.8% during the month following severe flooding at one of its copper mines. Two other company holdings, Raia Drogasil (Brazil) and Nio (China), fell 25.8% and 11.6%, respectively, during May.

Trailing Performance (As of May 30, 2025)

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
RWC	24,292,023	1.8	3.4	11.1	6.0	4.6	1.7	6.5	--	2.2	Dec-19
<i>MSCI Emerging Markets (Net)</i>			<i>4.3</i>	<i>8.7</i>	<i>8.7</i>	<i>13.0</i>	<i>5.1</i>	<i>7.1</i>	<i>3.9</i>	<i>4.5</i>	



Merced County Employees' Retirement Association

June 26, 2025

May Flash Report



- 1. Executive Summary as of May 31, 2025**
- 2. Performance Update as of May 31, 2025**
- 3. Disclaimer, Glossary, and Notes**

Executive Summary as of May 31, 2025

Portfolio Preliminary Performance Highlights

- May saw US equity markets rebound as the Russell 3000 returned 6.3% over the period, as equities broadly climbed higher. Developed International equities saw strong returns, with the MSCI EAFE returning 4.6% over the month while Emerging Markets (MSCI EM) returned 4.3%. Bonds fell over the month with the broad Bloomberg US Aggregate Index returning -0.7%.
- For May, Merced CERA reported a monthly return (w/o Alternatives) of 3.6% net of fees. US Equities returned 6.3%, matching the Russell 3000 Index. International Equities return of 4.4% trailing the blended benchmark which returned 4.5%, as well as the MSCI ACWI ex USA IMI Index return of 4.8%. The Emerging Markets sleeve returned 5.5%, trailing the MSCI EM index return of 4.3%. US Fixed Income returned -0.6%, trailing the blended asset class benchmark return of -0.7%. Opportunistic Credit posted 1.0% for the month, outpacing the blended benchmark of 0.4%.

Manager Highlights

Manager Highlights (Year to Date)

- **BNY Mellon Newton Dynamic US Equity**, the portfolio's active large cap manager, returned 0.9% through May, versus the S&P 500 Index return of 1.1%. Meketa last met with the manager in January 2025 to review portfolio strategy, performance and outlook. Meketa maintains a manager rating of 3 (Acceptable). Manager is expected to perform well under normal market conditions (fundamentals drive investment returns) and bull markets.
- **Champlain Small Cap**, the portfolio's active small cap manager, returned -2.0%, outpacing the Russell 2000 Index return of -6.8%. Meketa last met with manager in October 2024, though a comprehensive review of strategy was completed in September 2024. Meketa maintains a manager rating of 4 (Good).
- **First Eagle** returned 16.9% versus the MSCI EAFE Index return of 16.9% and the MSCI AC World ex US Value Index return of 16.6%. Meketa maintains a manager rating of 4 (Good). Meketa last met with the manager in March 2025 to review firm ownership changes set to take effect later this year. Fund exhibits high turnover relative to peers and uses gold as a hedge. The fund performs well in down cycles, as the strategy focuses on capital preservation in lieu of some upside potential.
- **GQG** returned 13.3% year to date, trailing the MSCI AC World ex US return of 14.0%. Meketa maintains a manager rating of 4 (Good). Meketa last reviewed the manager in November 2024 regarding their exposure to the Adani Group and last met with the manager regarding the strategy in September 2024.
- **Acadian** returned 13.0% versus the MSCI ACWI ex US Small Cap Index return of 12.2%. Meketa maintains a manager rating of 4 (Good). Meketa last met with the manager to discuss the strategy in July 2024.
- **Driehaus** returned 15.8%, outpacing the MSCI ACWI ex US Small Cap Growth Index return of 11.1%. Meketa maintains a manager rating of 4 (Good). Meketa last met with the manager to discuss the strategy in November 2024.

Manager Highlights (Year to Date) (continued)

- **Artisan Developing World** returned 13.2% through May, outpacing the MSCI EM index return of 8.7%. Meketa maintains a manager rating of 4 (Good). Meketa last met with the manager in November 2024 to discuss their strategy. The fund is a high conviction, concentrated strategy that is benchmark agnostic and has large deviations regionally, with meaningful weights in US equities. Note that tracking error for this strategy is expected to be high (5-10% annually) and has recently exceeded this, which has been driven by exposure to non-benchmark names, particularly in the US. Meketa continues to evaluate the performance of this strategy in the EM space, and believes it is best utilized with a complementary strategy.
- **RWC** returned 11.1% vs MSCI EM index return of 8.7% year to date. Meketa maintains a manager rating of 4 (Good). Meketa's research team maintains their conviction in RWC, despite a challenging year of performance. Tracking error for the strategy has always been expected to be high (6-10% annually) and has fallen within that range. Since Q4, RWC has rallied meaningfully, and as of mid- March, was outperforming its benchmark by 800 basis points year to date. The strategy maintains a large overweight to China which was a significant driver of underperformance in 2024. When proposed in 2019, Meketa recommended this strategy be used in conjunction with Artisan, to build a complementary Emerging Market portfolio, designed to outperform more frequently than either manager alone. The overall strategy has done exactly that, producing very strong results.

Manager Highlights (Year to Date) (continued)

US Fixed Income

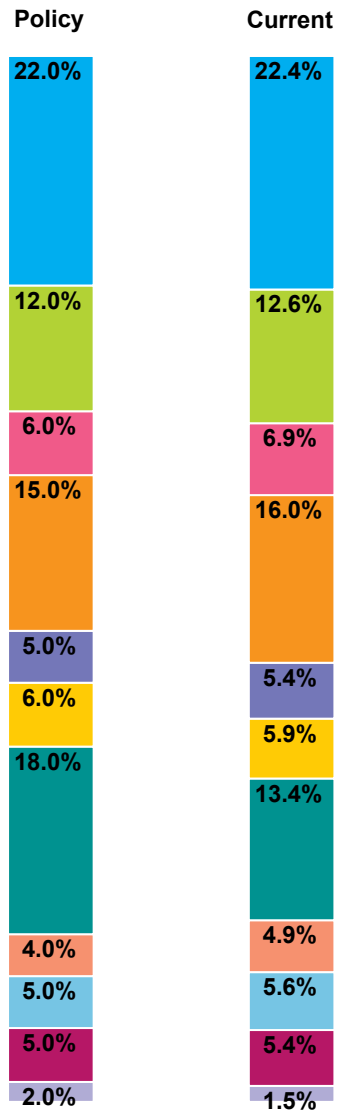
- Brandywine returned 2.2% through the period, trailing the Bloomberg US Aggregate Index return of 2.4%. Meketa maintains a manager rating of 5 (excellent). Meketa last met with the manager in January 2025 to discuss the strategy. The fund underperformed in Q1 due to its modestly underweight duration positioning relative to the benchmark.
- Wellington Core Bond returned 2.3%, marginally trailing the Bloomberg US Aggregate Index by 0.1%. Meketa maintains a manager rating of 5 (excellent). Meketa last met with the manager in September 2024 to discuss the strategy.
- Payden & Rygel Low Duration returned 2.4%, outpacing the Bloomberg US Treasury 1-3 Year Index return of 2.2%. Meketa maintains a manager rating of 4 (Good). Meketa last met with the manager in October 2024 to discuss the strategy. The strategy remained roughly duration neutral through 2024 and continues to maintain this position (neutral to modestly longer relative to benchmark).

Opportunistic Credit

- PIMCO Income Fund returned 3.6%, outpacing the Bloomberg US Aggregate Index return of 2.4%. Meketa maintains a manager rating of 3 (Acceptable). Meketa conducted an on-site meeting in April 2025 to discuss the strategy performance, outlook and organizational structure.
- GoldenTree Multi-Sector returned 2.4%, outpacing the blended benchmark (50% Bloomberg US High Yield/50% S&P UBS Leveraged Loans) return of 2.3%. Meketa maintains a manager rating of 4 (Good). Meketa last met with the manager regarding this strategy in June 2024. The strategy is benchmark agnostic and tends to have lower duration positioning.

Performance Update as of May 31, 2025

Total Fund | As of May 31, 2025



Allocation vs. Targets and Policy						
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
US Equity	295,392,124	22.4	22.0	0.4	16.0 - 27.0	Yes
Developed International Equity	166,724,226	12.6	12.0	0.6	7.0 - 17.0	Yes
Emerging Markets Equity	90,940,816	6.9	6.0	0.9	3.0 - 9.0	Yes
Private Equity	210,387,169	16.0	15.0	1.0	5.0 - 20.0	Yes
Direct Lending	70,784,766	5.4	5.0	0.4	0.0 - 10.0	Yes
Real Estate	77,609,626	5.9	6.0	-0.1	4.0 - 8.0	Yes
US Fixed Income	176,847,560	13.4	18.0	-4.6	13.0 - 23.0	Yes
Opportunistic Credit	64,957,571	4.9	4.0	0.9	2.0 - 6.0	Yes
Hedge Funds	73,468,686	5.6	5.0	0.6	2.5 - 7.5	Yes
Real Assets	70,677,673	5.4	5.0	0.4	3.0 - 7.0	Yes
Cash	20,296,044	1.5	2.0	-0.5	0.0 - 4.0	Yes
Total	1,318,086,260	100.0	100.0	0.0		

Trailing Net Performance | As of May 31, 2025

Asset Class Performance Summary											
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund (Net)	1,318,086,260	100.0	2.2	3.9	8.5	10.2	8.0	9.4	7.6	8.1	Jan-95
Total Fund (Gross)			2.2	4.0	8.8	10.6	8.4	9.8	8.0	8.3	Jan-95
Policy Index			2.4	4.4	9.3	10.5	8.5	9.8	7.9	6.5	
Total Fund w/o Alternatives (Net)	794,862,297	60.3	3.6	5.3	10.2	11.9	10.0	9.4	7.8	--	Jan-08
Total Fund w/o Alternatives (Gross)			3.7	5.5	10.6	12.4	10.4	9.8	8.2	--	Jan-08
Policy Index w/o AI			3.6	4.9	9.0	10.7	8.5	8.7	6.9	--	
Public Equity (Net)	553,057,166	42.0	5.4	6.5	12.0	14.1	12.4	12.6	--	10.4	Apr-18
Public Equity (Gross)			5.5	6.7	12.5	14.6	12.9	13.2	--	10.9	Apr-18
MSCI AC World IMI Index (Net)			5.8	5.1	10.9	12.9	11.7	13.1	9.0	9.5	
US Equity (Net)	295,392,124	22.4	6.3	0.7	9.8	13.0	13.2	14.4	12.1	10.6	Jan-95
US Equity (Gross)			6.3	0.7	10.0	13.2	13.4	14.7	12.3	10.7	Jan-95
Russell 3000			6.3	0.6	9.7	13.1	13.8	15.3	12.0	10.6	
International Equity (Net)	257,665,042	19.5	4.4	14.1	14.6	15.2	11.3	10.5	7.2	6.3	Jan-99
International Equity (Gross)			4.5	14.5	15.4	16.2	12.2	11.4	7.9	6.7	Jan-99
MSCI AC World ex USA IMI (Net)			4.8	13.8	13.7	13.5	9.1	10.4	5.5	5.6	
International Equity Custom			4.5	13.6	13.0	13.9	9.3	10.2	5.7	4.9	
Emerging Markets Equity (Net)	90,940,816	6.9	5.5	12.6	19.1	21.3	14.3	8.6	8.6	6.5	May-12
Emerging Markets Equity (Gross)			5.6	13.1	20.2	22.5	15.5	9.7	9.6	7.5	May-12
MSCI EM			4.3	8.7	8.7	13.0	5.1	7.1	4.1	3.6	

Data Prior to March 2018 provided by prior consultant.

Trailing Net Performance | As of May 31, 2025

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
US Fixed Income (Net)	176,847,560	13.4	-0.6	2.3	4.9	6.0	1.3	-1.0	1.5	4.3	Jan-95
US Fixed Income (Gross)			-0.6	2.4	5.1	6.2	1.4	-0.9	1.6	4.5	Jan-95
<i>US Fixed Income Custom Benchmark</i>			-0.7	2.4	4.5	5.5	1.7	-0.7	1.6	4.5	
Opportunistic Credit (Net)	64,957,571	4.9	1.0	3.0	7.8	8.5	7.5	7.3	--	5.9	May-19
Opportunistic Credit (Gross)			1.0	3.1	8.2	9.0	8.0	7.9	--	6.3	May-19
<i>50% Barclays US Aggregate / 25% Barclays US High Yield / 25% S&P UBS Lev Loans</i>			0.4	2.4	5.9	6.8	4.6	2.8	--	3.1	
Real Estate (Net)	77,609,626	5.9	0.0	1.1	5.7	6.1	1.5	3.6	4.8	6.3	Dec-10
Real Estate (Gross)			0.0	1.1	5.7	6.1	1.5	3.6	5.0	7.3	Apr-99
<i>Custom Blended Real Estate Benchmark</i>			0.0	1.2	1.0	-1.4	-5.6	1.8	4.7	6.2	
<i>CPI +5% (Seasonally Adjusted)</i>			0.5	3.0	7.1	7.5	8.4	9.8	8.2	7.7	
Private Real Estate (Net)	77,609,626	5.9	0.0	1.1	3.2	3.1	1.8	3.6	4.8	6.3	Dec-10
Private Real Estate (Gross)			0.0	1.1	3.2	3.1	1.8	3.7	5.0	7.3	Apr-99
<i>Custom Blended Real Estate Benchmark</i>			0.0	1.2	1.0	-1.4	-2.3	2.9	5.2	6.4	
Private Equity (Net)	210,387,169	16.0	-0.2	1.9	5.6	8.2	5.4	17.1	12.8	10.1	Jul-05
Private Equity (Gross)			-0.2	1.9	5.6	8.2	5.4	17.1	12.8	10.2	Jul-05
<i>Custom Private Equity Benchmark</i>			-0.7	3.2	14.7	18.7	12.8	18.6	15.5	--	
Direct Lending (Net)	70,784,766	5.4	0.0	1.0	6.9	9.6	8.6	--	--	9.8	Jul-20
Direct Lending (Gross)			0.0	1.0	6.9	9.6	8.6	--	--	9.8	Jul-20
<i>S&P LSTA Leveraged Loan +2%</i>			1.7	2.8	8.4	8.9	10.8	9.7	7.1	9.5	
Hedge Fund (Net)	73,468,686	5.6	0.8	2.7	4.7	5.0	5.0	7.1	4.3	4.6	Jul-14
Hedge Fund (Gross)			0.9	3.2	5.9	6.4	6.2	8.3	5.0	5.3	Jul-14
<i>Custom Blended Hedge Fund Benchmark</i>			1.2	1.0	5.1	5.4	5.4	6.2	3.8	--	
Real Assets (Net)	70,677,673	5.4	0.0	3.4	11.4	14.3	11.4	13.5	10.2	10.0	Dec-10
Real Assets (Gross)			0.0	3.4	11.4	14.3	11.4	13.7	10.5	10.5	Dec-10
<i>Custom Blended Real Assets Benchmark</i>			3.7	10.1	10.8	6.8	3.8	6.5	7.6	--	
<i>CPI +5% (Seasonally Adjusted)</i>			0.5	3.0	7.1	7.5	8.4	9.8	8.2	7.8	

Real Assets includes State Street Real Assets NL Fund.

Trailing Net Performance | As of May 31, 2025

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Infrastructure (Net)	43,004,018	3.3	0.0	2.3	10.1	12.4	12.1	13.2	9.9	10.3	Jan-15
Private Infrastructure (Gross)			0.0	2.3	10.1	12.4	12.1	13.3	10.0	10.3	Jan-15
<i>S&P Global Infrastructure</i>			4.4	13.2	25.3	21.6	8.8	12.4	7.0	6.9	
Private Natural Resources (Net)	27,673,655	2.1	0.0	5.0	13.1	17.7	19.2	16.1	--	15.7	Oct-15
Private Natural Resources (Gross)			0.0	5.0	13.1	17.7	19.2	16.1	--	15.7	Oct-15
<i>S&P Global Natural Resources Sector Index (TR)</i>			3.0	7.0	-2.3	-6.5	-1.3	12.4	5.7	9.4	
Cash (Net)	20,296,044	1.5	0.4	1.7	4.0	4.3	3.3	2.0	--	--	Dec-10
Cash (Gross)			0.4	1.7	4.0	4.3	3.3	2.0	--	--	Dec-10

Trailing Net Performance | As of May 31, 2025

Trailing Period Performance											
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	1,318,086,260	100.0	2.2	3.9	8.5	10.2	8.0	9.4	7.6	8.1	Jan-95
<i>Policy Index</i>			<i>2.4</i>	<i>4.4</i>	<i>9.3</i>	<i>10.5</i>	<i>8.5</i>	<i>9.8</i>	<i>7.9</i>	<i>6.5</i>	
Total Fund w/o Alternatives	794,862,297	60.3	3.6	5.3	10.2	11.9	10.0	9.4	7.8	--	Jan-08
<i>Policy Index w/o AI</i>			<i>3.6</i>	<i>4.9</i>	<i>9.0</i>	<i>10.7</i>	<i>8.5</i>	<i>8.7</i>	<i>6.9</i>	<i>--</i>	
Public Equity	553,057,166	42.0	5.4	6.5	12.0	14.1	12.4	12.6	--	10.4	Apr-18
<i>MSCI AC World IMI Index (Net)</i>			<i>5.8</i>	<i>5.1</i>	<i>10.9</i>	<i>12.9</i>	<i>11.7</i>	<i>13.1</i>	<i>9.0</i>	<i>9.5</i>	
US Equity	295,392,124	22.4	6.3	0.7	9.8	13.0	13.2	14.4	12.1	10.6	Jan-95
<i>Russell 3000</i>			<i>6.3</i>	<i>0.6</i>	<i>9.7</i>	<i>13.1</i>	<i>13.8</i>	<i>15.3</i>	<i>12.0</i>	<i>10.6</i>	
BNY Mellon Newton Dynamic US Equity	57,798,729	4.4	5.7	0.9	7.8	11.7	12.5	14.1	13.3	15.4	Jan-13
<i>S&P 500 Index</i>			<i>6.3</i>	<i>1.1</i>	<i>9.6</i>	<i>13.5</i>	<i>14.4</i>	<i>15.9</i>	<i>12.9</i>	<i>14.2</i>	
BNY Mellon Large Cap	208,228,508	15.8	6.4	1.0	10.1	13.7	14.2	15.7	--	14.0	Apr-16
<i>Russell 1000 Index</i>			<i>6.4</i>	<i>1.0</i>	<i>10.1</i>	<i>13.7</i>	<i>14.3</i>	<i>15.7</i>	<i>12.6</i>	<i>14.0</i>	
Champlain Small Cap	29,364,887	2.2	6.8	-2.0	11.4	10.7	8.8	--	--	8.0	Nov-20
<i>Russell 2000 Index</i>			<i>5.3</i>	<i>-6.8</i>	<i>2.1</i>	<i>1.2</i>	<i>5.0</i>	<i>9.6</i>	<i>6.6</i>	<i>8.1</i>	
International Equity	257,665,042	19.5	4.4	14.1	14.6	15.2	11.3	10.5	7.2	6.3	Jan-99
<i>MSCI AC World ex USA IMI (Net)</i>			<i>4.8</i>	<i>13.8</i>	<i>13.7</i>	<i>13.5</i>	<i>9.1</i>	<i>10.4</i>	<i>5.5</i>	<i>5.6</i>	
<i>International Equity Custom</i>			<i>4.5</i>	<i>13.6</i>	<i>13.0</i>	<i>13.9</i>	<i>9.3</i>	<i>10.2</i>	<i>5.7</i>	<i>4.9</i>	
Acadian ACWI ex U.S. Small Cap Equity	22,017,137	1.7	6.5	13.0	16.5	17.0	9.1	14.5	--	11.1	May-19
<i>MSCI AC World ex USA Small Cap (Net)</i>			<i>6.5</i>	<i>12.2</i>	<i>12.8</i>	<i>11.6</i>	<i>7.4</i>	<i>10.4</i>	<i>5.8</i>	<i>6.9</i>	

Historical returns for the US Equity Composite prior to January 2012 and for the International Equity Composite prior to December 2010 are gross only.

Trailing Net Performance | As of May 31, 2025

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Driehaus International Small Cap Growth <i>MSCI AC World ex USA Small Growth Index (Net)</i>	20,531,050	1.6	8.1 <i>7.4</i>	15.8 <i>11.1</i>	13.2 <i>11.8</i>	11.6 <i>11.2</i>	8.2 <i>6.0</i>	10.6 <i>8.0</i>	-- <i>5.6</i>	9.3 <i>6.3</i>	May-19
GQG International Equity <i>MSCI AC World ex USA (Net)</i>	58,416,790	4.4	2.9 <i>4.6</i>	13.3 <i>14.0</i>	3.4 <i>13.9</i>	4.7 <i>13.8</i>	10.1 <i>9.4</i>	11.8 <i>10.4</i>	-- <i>5.5</i>	10.0 <i>7.1</i>	Dec-19
First Eagle International Value Fund <i>MSCI EAFE (Net)</i> <i>MSCI AC World ex USA Value (Net)</i>	65,759,250	5.0	2.5 <i>4.6</i> <i>4.1</i>	16.9 <i>16.9</i> <i>16.6</i>	19.9 <i>15.2</i> <i>18.1</i>	17.9 <i>13.3</i> <i>16.8</i>	9.8 <i>11.5</i> <i>11.0</i>	9.4 <i>11.4</i> <i>13.4</i>	-- <i>6.0</i> <i>5.1</i>	6.8 <i>7.9</i> <i>7.9</i>	Dec-19
Emerging Markets Equity <i>MSCI EM</i>	90,940,816	6.9	5.5 <i>4.3</i>	12.6 <i>8.7</i>	19.1 <i>8.7</i>	21.3 <i>13.0</i>	14.3 <i>5.1</i>	8.6 <i>7.1</i>	8.6 <i>4.1</i>	6.5 <i>3.6</i>	May-12
Artisan Developing World TR <i>MSCI Emerging Markets (Net)</i>	66,648,793	5.1	6.3 <i>4.3</i>	13.2 <i>8.7</i>	24.6 <i>8.7</i>	28.6 <i>13.0</i>	20.4 <i>5.1</i>	9.5 <i>7.1</i>	-- <i>3.9</i>	11.5 <i>4.5</i>	Dec-19
RWC <i>MSCI Emerging Markets (Net)</i>	24,292,023	1.8	3.4 <i>4.3</i>	11.1 <i>8.7</i>	6.0 <i>8.7</i>	4.6 <i>13.0</i>	1.7 <i>5.1</i>	6.5 <i>7.1</i>	-- <i>3.9</i>	2.2 <i>4.5</i>	Dec-19
US Fixed Income <i>US Fixed Income Custom Benchmark</i>	176,847,560	13.4	-0.6 <i>-0.7</i>	2.3 <i>2.4</i>	4.9 <i>4.5</i>	6.0 <i>5.5</i>	1.3 <i>1.7</i>	-1.0 <i>-0.7</i>	1.5 <i>1.6</i>	4.3 <i>4.5</i>	Jan-95
Vanguard Short-Term Treasury Index Fund <i>Bloomberg U.S. Government 1-3 Year Index</i>	7,141,289	0.5	-0.2 <i>-0.2</i>	2.2 <i>2.2</i>	5.1 <i>5.1</i>	5.6 <i>5.7</i>	3.0 <i>3.0</i>	1.2 <i>1.2</i>	-- <i>1.5</i>	2.0 <i>2.0</i>	Mar-18
Vanguard Total Bond Market Index Fund <i>Blmbg. U.S. Aggregate Index</i>	22,803,491	1.7	-0.7 <i>-0.7</i>	2.5 <i>2.4</i>	4.4 <i>4.5</i>	5.4 <i>5.5</i>	1.6 <i>1.5</i>	-0.9 <i>-0.9</i>	-- <i>1.5</i>	1.1 <i>1.0</i>	May-19
Payden & Rygel Low Duration Fund <i>Blmbg. U.S. Treasury: 1-3 Year</i>	10,325,514	0.8	0.1 <i>-0.2</i>	2.4 <i>2.2</i>	5.4 <i>5.1</i>	6.1 <i>5.7</i>	-- <i>3.0</i>	-- <i>1.2</i>	-- <i>1.5</i>	6.1 <i>4.4</i>	Nov-22
Brandywine US Fixed Income <i>Blmbg. U.S. Aggregate Index</i>	58,819,186	4.5	-0.7 <i>-0.7</i>	2.2 <i>2.4</i>	5.7 <i>4.5</i>	7.2 <i>5.5</i>	-- <i>1.5</i>	-- <i>-0.9</i>	-- <i>1.5</i>	2.4 <i>4.8</i>	Nov-22
Wellington Core Bond <i>Blmbg. U.S. Aggregate Index</i>	77,758,081	5.9	-0.7 <i>-0.7</i>	2.3 <i>2.4</i>	4.5 <i>4.5</i>	5.5 <i>5.5</i>	-- <i>1.5</i>	-- <i>-0.9</i>	-- <i>1.5</i>	4.6 <i>4.8</i>	Nov-22

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

Trailing Net Performance | As of May 31, 2025

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Opportunistic Credit	64,957,571	4.9	1.0	3.0	7.8	8.5	7.5	7.3	--	5.9	May-19
50% Barclays US Aggregate / 25% Barclays US High Yield / 25% S&P UBS Lev Loans			0.4	2.4	5.9	6.8	4.6	2.8	--	3.1	
PIMCO Income Fund	12,004,880	0.9	0.0	3.6	7.2	7.7	5.4	4.3	--	3.6	May-19
Blmbg. U.S. Aggregate Index			-0.7	2.4	4.5	5.5	1.5	-0.9	1.5	1.0	
GoldenTree Multi-Sector Credit	29,281,915	2.2	1.2	2.4	7.5	8.6	8.4	8.0	--	6.2	Jun-19
50% BBg US High Yield TR/50% S&P UBS Leveraged Loans			1.5	2.3	7.4	8.0	7.6	6.7	5.0	5.3	
OWS Credit Opportunity Fund LP	23,670,776	1.8	1.2	3.4	8.4	8.9	--	--	--	9.6	Oct-23
50% BBg US High Yield TR/50% S&P UBS Leveraged Loans			1.5	2.3	7.4	8.0	7.6	6.7	5.0	9.7	
Private Real Estate	77,609,626	5.9	0.0	1.1	3.2	3.1	1.8	3.6	4.8	6.3	Dec-10
Custom Blended Real Estate Benchmark			0.0	1.2	1.0	-1.4	-2.3	2.9	5.2	7.5	
Private Equity	210,387,169	16.0	-0.2	1.9	5.6	8.2	5.4	17.1	12.8	10.1	Jul-05
Custom Private Equity Benchmark			-0.7	3.2	14.7	18.7	12.8	18.6	15.5	--	
Direct Lending	70,784,766	5.4	0.0	1.0	6.9	9.6	8.6	--	--	9.8	Jul-20
S&P LSTA Leveraged Loan +2%			1.7	2.8	8.4	8.9	10.8	9.7	7.1	9.5	
Hedge Fund	73,468,686	5.6	0.8	2.7	4.7	5.0	5.0	7.1	4.3	4.6	Jul-14
Custom Blended Hedge Fund Benchmark			1.2	1.0	5.1	5.4	5.4	6.2	3.8	--	
Private Infrastructure	43,004,018	3.3	0.0	2.3	10.1	12.4	12.1	13.2	9.9	10.3	Jan-15
S&P Global Infrastructure			4.4	13.2	25.3	21.6	8.8	12.4	7.0	6.9	
Private Natural Resources	27,673,655	2.1	0.0	5.0	13.1	17.7	19.2	16.1	--	15.7	Oct-15
S&P Global Natural Resources Sector Index (TR)			3.0	7.0	-2.3	-6.5	-1.3	12.4	5.7	9.4	
Cash	20,296,044	1.5	0.4	1.7	4.0	4.3	3.3	2.0	--	--	Dec-10
Cash	19,937,885	1.5	0.4	1.8	4.3	4.7	3.7	2.3	1.7	-0.7	Dec-10
Treasury Cash	358,159	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--	0.0	Sep-17

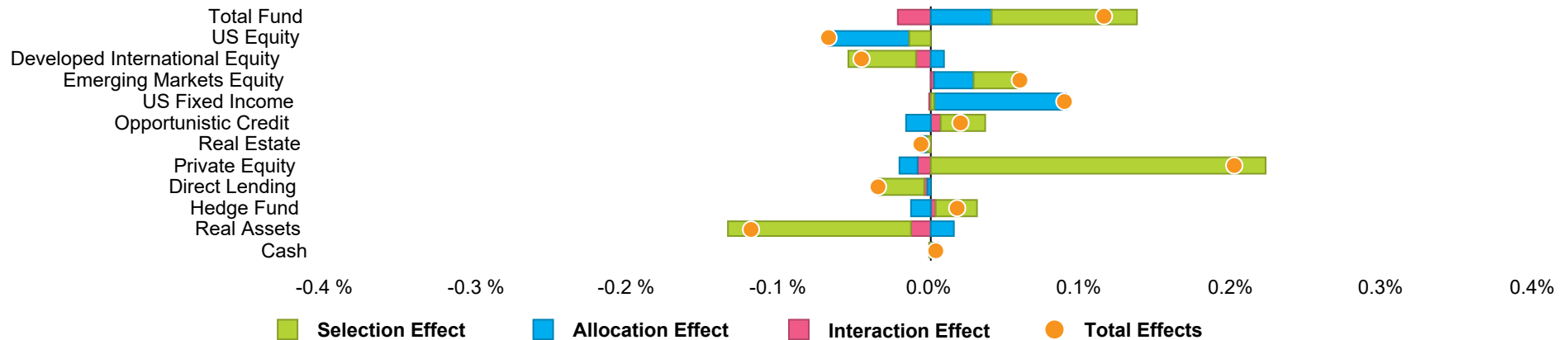
All private markets performance and market values reflect a 12/31/24 capital account balance (as of 04/30/2025) unless otherwise noted.

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

Throughout the report, the fair market values of GoldenTree Multi-Sector Credi and OWS Credit Opportunity Fund are based on estimated performance as of 05/31/2025, due to investor statement availability.

Total Fund Attribution | As of May 31, 2025

Attribution Effects 3 Months Ending May 31, 2025

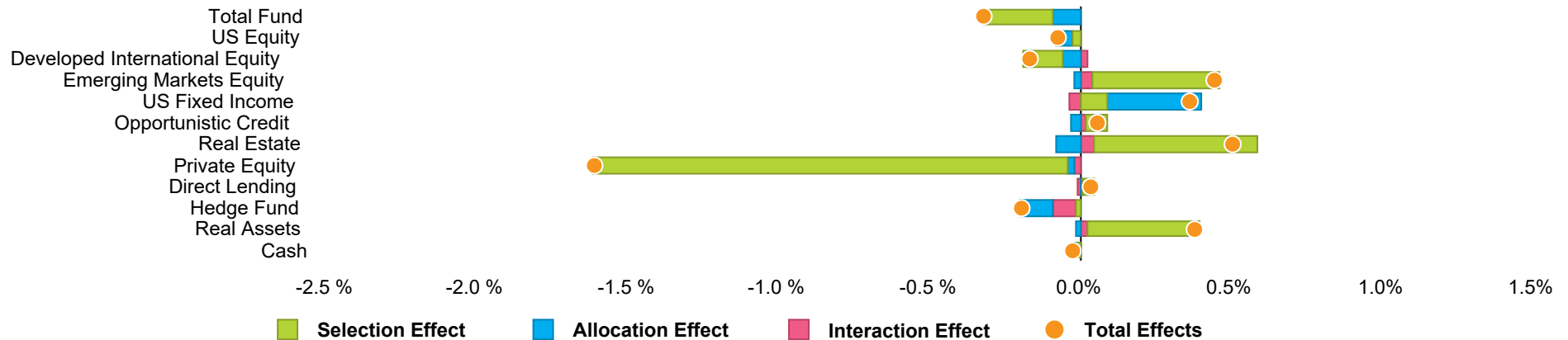


Attribution Summary 3 Months Ending May 31, 2025

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	-0.6	-0.5	-0.1	0.0	-0.1	0.0	-0.1
Developed International Equity	9.1	9.5	-0.4	0.0	0.0	0.0	0.0
Emerging Markets Equity	6.8	6.3	0.5	0.0	0.0	0.0	0.1
US Fixed Income	-0.1	-0.2	0.0	0.0	0.1	0.0	0.1
Opportunistic Credit	1.0	0.3	0.7	0.0	0.0	0.0	0.0
Real Estate	1.1	1.2	0.0	0.0	0.0	0.0	0.0
Private Equity	1.9	0.4	1.5	0.2	0.0	0.0	0.2
Direct Lending	1.0	1.7	-0.7	0.0	0.0	0.0	0.0
Hedge Fund	0.7	0.2	0.5	0.0	0.0	0.0	0.0
Real Assets	3.4	6.0	-2.6	-0.1	0.0	0.0	-0.1
Cash	1.0	1.1	0.0	0.0	0.0	0.0	0.0
Total Fund	2.1	2.0	0.1	0.1	0.0	0.0	0.1

Total Fund Attribution | As of May 31, 2025

Attribution Effects 1 Year Ending May 31, 2025



Attribution Summary 1 Year Ending May 31, 2025

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	13.0	13.1	-0.1	0.0	-0.1	0.0	-0.1
Developed International Equity	12.2	13.0	-0.9	-0.1	-0.1	0.0	-0.2
Emerging Markets Equity	21.3	13.0	8.3	0.4	0.0	0.0	0.4
US Fixed Income	6.0	5.5	0.5	0.1	0.3	0.0	0.4
Opportunistic Credit	8.5	6.8	1.8	0.1	0.0	0.0	0.1
Real Estate	6.1	-1.4	7.5	0.5	-0.1	0.0	0.5
Private Equity	8.2	18.7	-10.4	-1.6	0.0	0.0	-1.6
Direct Lending	9.6	8.9	0.6	0.0	0.0	0.0	0.0
Hedge Fund	5.0	5.4	-0.4	0.0	-0.1	-0.1	-0.2
Real Assets	14.3	6.8	7.5	0.4	0.0	0.0	0.4
Cash	4.0	4.4	-0.4	0.0	0.0	0.0	0.0
Total Fund	10.2	10.5	-0.3	-0.2	-0.1	0.0	-0.3

Benchmark History		
From Date	To Date	Benchmark
Total Fund		
07/01/2024	Present	22.0% Russell 3000, 12.0% Custom Blended Developed International Equity BM, 6.0% MSCI EM, 18.0% US Fixed Income Custom Benchmark, 5.0% Custom Blended Hedge Fund Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% S&P LSTA Leveraged Loan +2%, 5.0% Custom Blended Real Assets Benchmark, 6.0% Custom Blended Real Estate Benchmark, 4.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% S&P UBS Lev Loans, 2.0% Blmbg. U.S. Treasury Bills: 1-3 Months
01/01/2022	07/01/2024	22.0% Russell 3000, 11.0% Custom Blended Developed International Equity BM, 8.0% MSCI EM, 11.0% US Fixed Income Custom Benchmark, 10.0% Custom Blended Hedge Fund Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% S&P LSTA Leveraged Loan +2%, 5.0% Custom Blended Real Assets Benchmark, 8.0% Custom Blended Real Estate Benchmark, 5.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% S&P UBS Lev Loans
01/01/2020	01/01/2022	21.0% Russell 3000, 10.0% Custom Blended Developed International Equity BM, 8.0% MSCI EM, 18.0% BBgBarc US Aggregate TR, 10.0% Custom Blended Hedge Fund Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% Custom Blended Real Assets Benchmark, 8.0% Custom Blended Real Estate Benchmark, 5.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% S&P UBS Lev Loans
07/01/2019	01/01/2020	21.0% US Equity Custom, 18.0% International Equity Custom, 18.0% US Fixed Custom, 10.0% Custom Blended Hedge Fund Benchmark, 15.0% Thomson Reuters Cambridge Private Equity Index, 5.0% Real Asset Custom, 8.0% NCREIF ODCE (Net), 5.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% S&P UBS Lev Loans
01/01/2019	07/01/2019	21.0% US Equity Custom, 23.0% US Fixed Custom, 18.0% International Equity Custom, 10.0% Custom Blended Hedge Fund Benchmark, 15.0% Thomson Reuters Cambridge Private Equity Index, 5.0% Real Asset Custom, 8.0% NCREIF ODCE (Net)
01/01/2017	01/01/2019	27.0% US Equity Custom, 22.0% US Fixed Custom, 23.0% International Equity Custom, 5.0% Custom Blended Hedge Fund Benchmark, 9.0% Thomson Reuters Cambridge Private Equity Index, 14.0% Real Asset Custom
07/01/2014	01/01/2017	22.7% Russell 1000 Index, 5.7% Russell 2000 Index, 23.6% International Equity Custom, 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
US Equity		
01/01/2020	Present	100.0% Russell 3000 Index
12/31/1994	01/01/2020	100.0% Russell 3000
International Equity		
01/01/2019	Present	56.0% MSCI EAFE Index, 44.0% MSCI Emerging Markets Index
01/01/2017	01/01/2019	69.6% MSCI EAFE Index, 30.4% MSCI Emerging Markets Index
07/01/2013	01/01/2017	100.0% MSCI AC World ex USA index
US Fixed Income		
12/01/1994	Present	10.0% Blmbg. U.S. Treasury: 1-3 Year, 90.0% BBgBarc US Aggregate TR

Benchmark History | As of May 31, 2025

From Date	To Date	Benchmark
Hedge Fund		
07/01/2017	Present	100.0% HFRI Fund of Funds Composite Index
01/01/2015	07/01/2017	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	01/01/2022	50.0% Cambridge Energy Upstream & Royalties & Private Energy (1 Quarter Lagged), 50.0% Cambridge Infrastructure (1 Quarter Lagged)
03/01/1999	01/01/2020	100.0% Real Asset Custom
Private Real Estate		
01/01/2020	Present	100.0% NCREIF ODCE 1Q Lagged
03/01/1999	01/01/2020	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	01/01/2022	100.0% Cambridge Global Private Equity & VC (1 Quarter Lagged)
12/31/1994	01/01/2020	100.0% Thomson Reuters Cambridge Private Equity Index

Annual Investment Expense Analysis				
	Fee Schedule	Market Value (\$)	Estimated Annual Fee (%)	Estimated Expense (\$)
Total Fund		1,318,086,260		
Total Fund w/o Alternatives		794,862,297		
Public Equity		553,057,166		
US Equity		295,392,124		
BNY Mellon Newton Dynamic US Equity	0.30 % of Assets	57,798,729	0.30	173,396
BNY Mellon Large Cap	0.04 % of First \$100 M 0.02 % Thereafter	208,228,508	0.03	
Champlain Small Cap	1.00 % of Assets	29,364,887	1.00	293,649
International Equity		257,665,042		
Acadian ACWI ex U.S. Small Cap Equity	0.99 % of Assets	22,017,137	0.99	217,970
Driehaus International Small Cap Growth	0.90 % of Assets	20,531,050	0.90	184,779
GQG International Equity	0.50 % of Assets	58,416,790	0.50	292,084
First Eagle International Value Fund	0.79 % of Assets	65,759,250	0.79	519,498
Emerging Markets Equity		90,940,816		
Artisan Developing World TR	1.05 % of Assets	66,648,793	1.05	699,812
RWC	0.87 % of Assets	24,292,023	0.87	211,341
MCERA US FIXED+OPP CREDIT		241,805,131		
US Fixed Income		176,847,560		
Vanguard Short-Term Treasury Index Fund	0.04 % of Assets	7,141,289	0.04	2,857
Vanguard Total Bond Market Index Fund	0.03 % of Assets	22,803,491	0.03	5,701
Payden & Rygel Low Duration Fund	0.43 % of Assets	10,325,514	0.43	58,855
Brandywine US Fixed Income	0.29 % of Assets	58,819,186	0.29	170,576
Wellington Core Bond	0.12 % of Assets	77,758,081	0.12	93,310
Opportunistic Credit		64,957,571		
PIMCO Income Fund	0.51 % of Assets	12,004,880	0.51	99,641
GoldenTree Multi-Sector Credit	0.70 % of Assets	29,281,915	0.70	204,973
OWS Credit Opportunity Fund LP		23,670,776	-	-
Hedge Fund		73,468,686		
Silver Point Capital	Performance Based 1.50 % and 20.00 %	14,401,921	1.50	216,029
Marshall Wace Eureka	Performance Based 2.00 % and 20.00 %	5,124,732	2.00	102,495

Fee Schedule | As of May 31, 2025

Fee Schedule		Market Value (\$)	Estimated Annual Fee (%)	Estimated Expense (\$)
Marshall Wace Global Opportunities	Performance Based 2.00 % and 20.00 %	5,774,783	2.00	115,496
Taconic Opportunity Fund	Performance Based 1.40 % and 20.00 %	2,628,465	1.40	36,799
Silver Point Capital	Performance Based 1.50 % and 20.00 %	14,401,921	1.50	216,029
Graham Absolute Return	Performance Based 1.75 % and 20.00 %	5,293,812	1.75	92,642
Laurion Capital	Performance Based 2.00 % and 20.00 %	7,816,526	2.00	156,331
Wellington Global Equity Long/Short Fund	Performance Based 1.00 % and 20.00 %	10,094,332	1.00	100,943
Cash		20,296,044		
Cash		19,937,885	-	-
Treasury Cash		358,159	-	-

Disclaimer, Glossary, and Notes

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

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

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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.

Jun 26,
2025

Alternative Investment Performance

Merced County Employees' Retirement Association



Strictly Confidential. Not for Distribution.

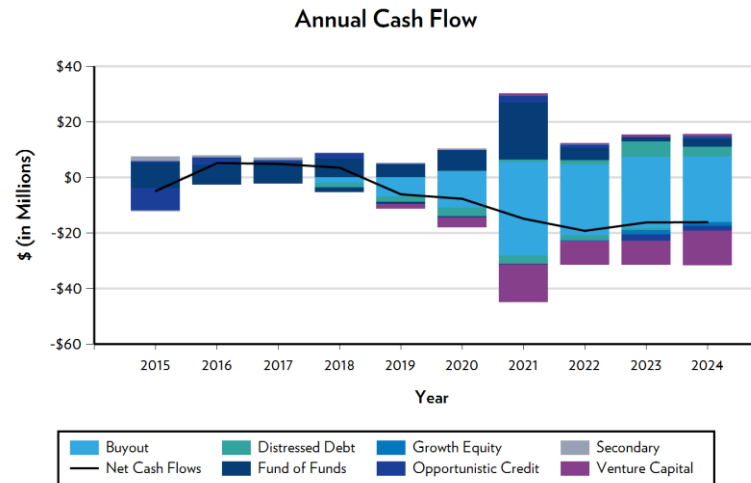
MercedCERA Private Equity Investment Structure & Portfolio Assessment

Investment structure (15% fund target; 16.2% invested as of March 2025):

- Legacy FoFs are winding down and the direct portfolio is beginning to mature; overall portfolio continues to improve
 - VY 2014 & earlier funds are mature with the funds in VY 2017-2024 still developing their portfolios
 - There were annual gains of \$14 million, including a \$5 million gain in 4Q
 - Contributions exceeded distributions by \$16 million over the past 12 months as the newer portfolios are being built and the exit market has slowed; the portfolio has generally been running cash flow negative

Annual Summary

(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain Loss	Net IRR	Benchmark
December 31, 2023	58	\$320,139	\$202,148	\$130,065	\$173,534	\$303,599	\$101,451	11.31%	12.00%
December 31, 2024	64	\$359,936	\$233,673	\$145,433	\$203,654	\$349,088	\$115,414	11.00%	11.71%
Annual Change	6	\$39,797	\$31,525	\$15,368	\$30,120	\$45,489	\$13,963		



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

MercedCERA Private Equity Performance – as of Dec 31, 2024

Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2004												
* Invesco Partnership Fund IV, L.P.	Fund of Funds	10,000	2,417	7,898	76%	16,233	0	16,233	8,336	11.75%	8.13%	2.06x
Vintage Year 2004 Total		10,000	2,417	7,898	76%	16,233	0	16,233	8,336	11.75%	8.18%	2.06x
Vintage Year 2005												
ASP 2005 Non-US Fund	Fund of Funds	1,500	74	1,426	95%	1,919	6	1,924	499	4.48%	5.39%	1.35x
ASP 2005 US Fund	Fund of Funds	3,500	177	3,323	95%	5,269	46	5,315	1,992	7.03%	7.04%	1.60x
Pantheon Ventures Euro Fund IV	Fund of Funds	1,038	44	1,284	96%	1,641	21	1,661	378	4.49%	5.39%	1.29x
Pantheon Ventures USA Fund VI	Fund of Funds	3,750	206	3,544	95%	5,329	34	5,362	1,818	6.43%	7.04%	1.51x
Vintage Year 2005 Total		9,788	501	9,576	95%	14,157	106	14,263	4,687	6.15%	7.37%	1.49x
Vintage Year 2006												
Pantheon Global Secondary Fund III "B"	Secondary	10,000	540	9,460	95%	10,400	107	10,507	1,047	1.87%	N/A	1.11x
Vintage Year 2006 Total		10,000	540	9,460	95%	10,400	107	10,507	1,047	1.87%	7.42%	1.11x
Vintage Year 2007												
ASP 2007 Direct Fund	Fund of Funds	450	12	438	97%	1,062	32	1,093	655	11.79%	11.95%	2.49x
ASP 2007 Non-US Fund	Fund of Funds	1,575	78	1,497	95%	2,425	8	2,433	936	7.60%	7.43%	1.63x
ASP 2007 US Fund	Fund of Funds	2,475	115	2,360	95%	4,717	47	4,764	2,404	12.03%	11.95%	2.02x
Vintage Year 2007 Total		4,500	205	4,295	95%	8,203	87	8,290	3,995	10.59%	8.77%	1.93x
Vintage Year 2011												
ASP 2011 Direct Fund	Fund of Funds	500	37	463	93%	738	232	970	507	13.35%	18.59%	2.10x
ASP 2011 Emerging Markets Fund	Fund of Funds	500	64	436	87%	684	316	1,000	564	11.81%	8.65%	2.29x
ASP 2011 Non-US Developed Fund	Fund of Funds	1,500	239	1,261	84%	1,971	646	2,617	1,356	13.40%	8.65%	2.08x
ASP 2011 US Fund	Fund of Funds	2,500	326	2,175	87%	4,016	1,275	5,291	3,116	15.79%	18.59%	2.43x
Pantheon Asia Fund VI	Fund of Funds	1,000	61	940	94%	1,075	487	1,561	621	8.25%	8.65%	1.66x
Pantheon Euro Fund VII	Fund of Funds	1,447	124	1,568	91%	2,247	733	2,980	1,411	11.15%	8.65%	1.90x
Pantheon Ventures USA Fund IX	Fund of Funds	2,000	170	1,830	92%	3,292	1,275	4,566	2,736	15.47%	18.59%	2.50x
Vintage Year 2011 Total		9,447	1,023	8,672	89%	14,023	4,962	18,985	10,312	13.49%	11.63%	2.19x

Note: The benchmark represents the Cambridge Associates LLC median for the respective strategy and vintage year. At the vintage year level, the Cambridge Associates LLC Global Private Equity & VC © median is used for the respective vintage year.

MercedCERA Private Equity Performance – as of Dec 31, 2024



Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2013												
Invesco Partnership Fund VI, L.P.	Fund of Funds	5,000	1,548	3,958	69%	13,540	353	13,894	9,935	23.11%	N/A	3.51x
Vintage Year 2013 Total		5,000	1,548	3,958	69%	13,540	353	13,894	9,935	23.11%	11.90%	3.51x
Vintage Year 2014												
Ocean Avenue Fund II	Fund of Funds	10,000	1,000	9,000	90%	16,708	4,600	21,308	12,308	17.56%	N/A	2.37x
* Raven Asset-Based Opportunity Fund II	Opp. Credit	10,000	474	9,526	95%	9,739	0	9,739	213	0.58%	7.33%	1.02x
Vintage Year 2014 Total		20,000	1,474	18,526	93%	26,447	4,600	31,047	12,521	11.05%	13.50%	1.68x
Vintage Year 2017												
GTCR XII	Buyout	5,000	742	4,258	85%	2,470	6,164	8,634	4,376	20.75%	21.92%	2.03x
Vintage Year 2017 Total		5,000	742	4,258	85%	2,470	6,164	8,634	4,376	20.75%	15.94%	2.03x
Vintage Year 2018												
Carrick Capital Partners III, L.P.	Buyout	5,000	0	5,000	100%	2,672	4,720	7,392	2,392	11.14%	18.01%	1.48x
Cressey & Company Fund VI LP	Buyout	5,000	325	4,675	94%	1,634	5,560	7,194	2,519	15.26%	18.01%	1.54x
DK LT Distressed Opp Fund IV LP	Distressed Debt	5,000	343	4,743	93%	6,247	2,571	8,818	4,075	16.20%	10.55%	1.86x
Vintage Year 2018 Total		15,000	668	14,418	96%	10,552	12,851	23,404	8,986	14.33%	12.85%	1.62x
Vintage Year 2019												
Accel-KKR Growth Capital Partners III	Buyout	5,000	0	5,066	100%	933	5,875	6,808	1,742	9.92%	14.98%	1.34x
Cortec Group Fund VII, L.P.	Buyout	10,000	1,061	11,442	89%	7,846	9,606	17,452	6,010	19.98%	14.98%	1.53x
Genstar Capital Partners IX, L.P.	Buyout	7,000	900	7,026	87%	5,233	9,926	15,159	8,133	27.50%	14.98%	2.16x
Summit Growth Equity Fund X-A, L.P.	Buyout	8,000	2,486	7,629	69%	2,115	9,409	11,525	3,895	14.97%	14.98%	1.51x
TCV X, L.P.	Venture Capital	5,000	1,247	3,753	75%	1,958	7,295	9,252	5,500	22.12%	10.91%	2.47x
Vintage Year 2019 Total		35,000	5,694	34,915	84%	18,085	42,111	60,196	25,281	19.81%	11.64%	1.72x

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MercedCERA Private Equity Performance – as of Dec 31, 2024



Partnership Name	Strategy	(A) Com mit. Amount	Unfund. Amount	(B) Cum ulat. Cont.	% Draw n	(C) Cum ulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2020												
Accel-KKR Capital Partners VI, LP	Buyout	5,000	343	4,657	93%	631	4,639	5,270	614	6.00%	16.93%	1.13x
GTCR Fund XIII A & B LP	Buyout	8,000	1,543	6,457	81%	949	7,561	8,511	2,053	17.85%	16.93%	1.32x
Marlin Heritage Europe II, L.P.	Buyout	7,263	622	6,305	91%	1,153	7,585	8,738	2,433	13.54%	9.81%	1.39x
Thoma Bravo Discover Fund III, L.P.	Buyout	8,000	312	8,055	96%	366	10,806	11,172	3,118	11.23%	16.93%	1.39x
Taconic Market Dislocation Fund III L.P.	Distressed Debt	8,000	1,150	7,252	86%	5,072	4,532	9,605	2,353	10.97%	10.69%	1.32x
Spark Capital Grow th Fund III, L.P.	Venture Capital	6,000	0	6,000	100%	1,055	8,485	9,540	3,540	14.96%	6.48%	1.59x
Spark Capital VI, L.P.	Venture Capital	3,000	315	2,685	90%	0	3,777	3,777	1,092	11.09%	6.48%	1.41x
Summit Venture Capital Fund V-A, L.P.	Venture Capital	6,000	1,817	4,450	70%	267	4,728	4,995	545	5.35%	6.48%	1.12x
Vintage Year 2020 Total		51,263	6,102	45,861	88%	9,494	52,114	61,608	15,748	11.89%	8.46%	1.34x
Vintage Year 2021												
Genstar Capital Partners X, L.P.	Buyout	8,000	411	7,871	95%	282	8,357	8,638	767	4.90%	10.87%	1.10x
Nautic Partners X, L.P.	Buyout	8,000	2,715	5,418	66%	133	6,819	6,952	1,534	16.47%	10.87%	1.28x
Summit Grow th Equity Fund XI-A, L.P.	Buyout	8,000	5,158	2,875	36%	33	3,135	3,168	293	6.81%	10.87%	1.10x
Khosla Ventures Seed E, L.P.	Venture Capital	2,000	200	1,800	90%	0	2,324	2,324	524	11.20%	0.23%	1.29x
Khosla Ventures VII, L.P.	Venture Capital	6,000	1,272	4,728	79%	0	5,395	5,395	667	5.00%	0.23%	1.14x
TCV Velocity Fund I, L.P.	Venture Capital	8,000	3,515	4,485	56%	0	5,674	5,674	1,189	18.03%	0.23%	1.26x
TCV XI, L.P.	Venture Capital	8,000	1,659	6,341	79%	0	6,465	6,465	123	0.80%	0.23%	1.02x
Vintage Year 2021 Total		48,000	14,929	33,518	69%	447	38,169	38,616	5,098	7.29%	3.16%	1.15x
Vintage Year 2022												
Accel-KKR Grow th Capital Partners IV	Buyout	5,000	2,483	2,517	50%	0	2,517	2,517	0	0.00%	9.93%	1.00x
Marlin Heritage III, L.P.	Buyout	8,000	5,322	2,678	33%	0	2,757	2,757	78	2.58%	9.93%	1.03x
Thoma Bravo Discover Fund IV, L.P.	Buyout	8,000	2,219	5,781	72%	0	7,316	7,316	1,535	19.05%	9.93%	1.27x
GTCR Strategic Grow th Fund I A & B LP	Grow th Equity	6,000	3,191	2,809	47%	87	3,076	3,164	355	9.68%	1.08%	1.13x
Spark Capital Grow th Fund IV, L.P.	Venture Capital	6,000	1,050	4,950	83%	0	6,139	6,139	1,189	17.18%	0.74%	1.24x
Spark Capital VII, L.P.	Venture Capital	3,000	765	2,235	75%	0	2,953	2,953	718	17.82%	0.74%	1.32x
Threshold Ventures IV, L.P.	Venture Capital	5,000	2,255	2,745	55%	0	2,687	2,687	-58	-2.54%	0.74%	0.98x
Vintage Year 2022 Total		41,000	17,284	23,716	58%	87	27,445	27,532	3,817	11.93%	4.30%	1.16x

Note: The benchmark represents the Cambridge Associates LLC median for the respective strategy and vintage year. At the vintage year level, the Cambridge Associates LLC Global Private Equity & VC @ median is used for the respective vintage year.

MercedCERA Private Equity Performance – as of Dec 31, 2024



Partnership Name	Strategy	(A) Com mit. Amount	Unfund. Amount	(B) Cum ulat. Cont.	% Draw n	(C) Cum ulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2023												
Cortec Group Fund VIII, L.P.	Buyout	10,000	7,543	3,407	25%	972	2,324	3,296	-111	N/M	N/M	0.97x
Genstar Capital Partners XI, L.P.	Buyout	8,000	7,366	663	8%	29	714	743	80	N/M	N/M	1.12x
Summit Europe Grow th Equity Fund IV	Grow th Equity	5,188	5,091	102	2%	0	40	40	-62	N/M	N/M	0.39x
Taconic Credit Dislocation Fund IV L.P.	Opp. Credit	8,000	4,240	3,977	47%	295	4,556	4,851	874	N/M	N/M	1.22x
Khosla Ventures Seed F, L.P.	Venture Capital	2,000	960	1,040	52%	0	1,284	1,284	244	N/M	N/M	1.23x
Khosla Ventures VIII	Venture Capital	6,000	3,690	2,310	39%	0	2,614	2,614	304	N/M	N/M	1.13x
Vintage Year 2023 Total		39,188	28,890	11,499	26%	1,296	11,532	12,828	1,329	N/M	N/M	1.12x
Vintage Year 2024												
Accel-KKR Capital Partners VII LP	Buyout	8,000	8,000	0	0%	0	-251	-251	-251	N/M	N/M	N/A
GTCR XIV/A & B LP	Buyout	8,000	7,162	838	10%	0	1,025	1,025	187	N/M	N/M	1.22x
Nautic Partners XI, L.P.	Buyout	8,000	8,000	0	0%	0	0	0	0	N/M	N/M	N/A
Thoma Bravo Discover Fund V, L.P.	Buyout	8,000	8,000	0	0%	0	0	0	0	N/M	N/M	N/A
Wynnchurch Capital Partners VI, L.P.	Buyout	7,750	6,759	991	13%	0	1,073	1,073	82	N/M	N/M	1.08x
Summit Grow th Equity Fund XII-A, L.P.	Grow th Equity	8,000	8,000	0	0%	0	0	0	0	N/M	N/M	N/A
Spark Capital Grow th Fund V, L.P.	Venture Capital	6,000	5,100	900	15%	0	865	865	-35	N/M	N/M	0.96x
Spark Capital VIII, L.P.	Venture Capital	3,000	2,625	375	13%	0	339	339	-36	N/M	N/M	0.90x
Vintage Year 2024 Total		56,750	53,645	3,105	5%	0	3,051	3,051	-53	N/M	N/M	0.98x
Portfolio Total :		359,936	135,664	233,673	62%	145,433	203,654	349,088	115,414	11.00%	11.71%	1.49x
Portfolio Strategy Totals												
Buyout		176,013	79,470	103,609	55%	27,450	117,639	145,089	41,480	15.20%		1.40x
Distressed Debt		13,000	1,493	11,994	89%	11,319	7,104	18,423	6,428	14.04%		1.54x
Fund of Funds		48,735	6,695	43,400	86%	82,864	10,109	92,973	49,573	11.84%		2.14x
Grow th Equity		19,188	16,282	2,911	15%	87	3,116	3,203	293	7.99%		1.10x
Opportunistic Credit		18,000	4,714	13,503	74%	10,033	4,556	14,590	1,087	2.40%		1.08x
Secondary		10,000	540	9,460	95%	10,400	107	10,507	1,047	1.87%		1.11x
Venture Capital		75,000	26,469	48,797	65%	3,279	61,024	64,303	15,506	12.62%		1.32x
Portfolio Total :		359,936	135,664	233,673	62%	145,433	203,654	349,088	115,414	11.00%	11.71%	1.49x

Note: The benchmark represents the Cambridge Associates LLC median for the respective strategy and vintage year. At the vintage year level, the Cambridge Associates LLC Global Private Equity & VC @ median is used for the respective vintage year.

MercedCERA Real Estate Investment Structure & Portfolio Assessment

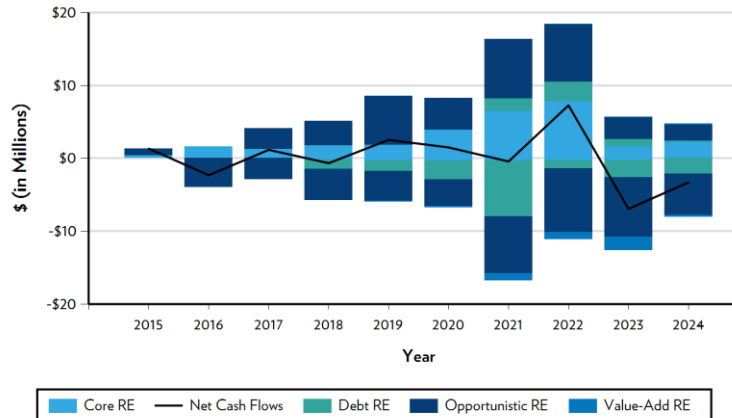
Real estate investment structure (6% target, 5.9% actual as of March 2025)

- MCERA invested in 1999 in a private core real estate fund; direct program began in 2014
- Contributions exceed distributions by \$3 million over the past year for the private real estate portfolio
- There were annual gains of \$2.5 million, including a \$0.9 million gain in 4Q for the private real estate portfolio

Annual Summary

(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain Loss	Net IRR	Benchmark
December 31, 2023	14	\$115,135	\$90,832	\$85,010	\$71,626	\$156,636	\$65,804	8.37%	8.03%
December 31, 2024	15	\$122,347	\$98,576	\$89,776	\$77,132	\$166,908	\$68,331	8.20%	7.73%
Annual Change	1	\$7,212	\$7,744	\$4,766	\$5,506	\$10,272	\$2,527		

Annual Cash Flow



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

MercedCERA Real Estate Performance – as of Dec 31, 2024

Real Estate Portfolio

- MCERA began investing in the UBS Trumbull core real estate fund in 1999, which still represents a meaningful portion of the real estate portfolio; began adding Opportunistic funds in 2014. Most of these funds are still being developed.
- Overall performance has met objectives, mostly driven by the core real estate fund; performance for many of the Opportunistic funds is not yet meaningful given the early stages of those portfolios.

Partnership Name	Strategy	(A) Comm. it. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 1999												
UBS Trumbull Property Fund	Core RE	17,000	0	18,667	100%	45,311	19,472	64,783	46,116	7.95%	10.20%	3.47x
Vintage Year 1999 Total		17,000	0	18,667	100%	45,311	19,472	64,783	46,116	7.95%	12.95%	3.47x
Vintage Year 2014												
Greenfield Acquisition Partners VII, L.P.	Opportunistic RE	13,000	1,876	12,662	86%	21,105	755	21,860	9,198	13.12%	9.36%	1.73x
Vintage Year 2014 Total		13,000	1,876	12,662	86%	21,105	755	21,860	9,198	13.12%	8.96%	1.73x
Vintage Year 2016												
Patron Capital Fund V	Opportunistic RE	12,347	1,338	12,131	89%	8,982	4,785	13,767	1,637	4.03%	8.57%	1.13x
Vintage Year 2016 Total		12,347	1,338	12,131	89%	8,982	4,785	13,767	1,637	4.03%	10.37%	1.13x
Vintage Year 2017												
Carlyle Realty Partners VIII, L.P.	Opportunistic RE	5,000	3,207	4,534	36%	4,342	2,117	6,460	1,926	18.71%	8.17%	1.42x
Vintage Year 2017 Total		5,000	3,207	4,534	36%	4,342	2,117	6,460	1,926	18.71%	8.34%	1.42x
Vintage Year 2018												
Taconic CRE Dislocation Fund II	Debt RE	5,000	370	4,927	93%	3,282	2,976	6,258	1,332	7.60%	9.81%	1.27x
AG Realty Value Fund X, L.P.	Opportunistic RE	5,000	1,194	4,743	76%	2,945	2,967	5,912	1,168	8.76%	14.12%	1.25x
Vintage Year 2018 Total		10,000	1,564	9,670	84%	6,227	5,943	12,170	2,500	8.08%	9.61%	1.26x
Vintage Year 2019												
Rockpoint Real Estate Fund VI, L.P.	Opportunistic RE	5,000	669	4,621	87%	712	4,577	5,289	668	5.00%	9.77%	1.14x
Carmel Partners Investment Fund VII, L.P.	Value-Add RE	5,000	727	4,466	85%	193	5,146	5,339	873	7.56%	-6.42%	1.20x
Vintage Year 2019 Total		10,000	1,396	9,087	86%	906	9,723	10,628	1,541	6.18%	2.58%	1.17x

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

MercedCERA Real Estate Performance – as of Dec 31, 2024



Partnership Name	Strategy	(A) Comm. it. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2020												
Cerberus Real Estate Debt Fund, L.P.	Debt RE	7,000	2,440	4,555	65%	814	4,807	5,621	1,066	6.44%	9.07%	1.23x
Starwood Distressed Opportunity Fund XII	Opportunistic RE	8,000	2,400	5,600	70%	11	6,402	6,412	812	9.75%	6.17%	1.15x
Vintage Year 2020 Total		15,000	4,840	10,155	68%	825	11,208	12,033	1,879	7.50%	7.42%	1.18x
Vintage Year 2021												
Taconic CRE Dislocation Onshore Fund III L.P.	Debt RE	8,000	400	9,047	95%	1,438	9,177	10,615	1,567	8.77%	2.54%	1.17x
Carlyle Realty Partners IX, L.P.	Opportunistic RE	8,000	4,404	3,719	45%	122	3,572	3,694	-25	-0.64%	0.37%	0.99x
Carmel Partners Investment Fund VIII, L.P.	Opportunistic RE	8,000	2,273	5,777	72%	50	7,362	7,411	1,634	16.18%	0.37%	1.28x
Vintage Year 2021 Total		24,000	7,077	18,544	71%	1,610	20,110	21,720	3,176	9.98%	2.54%	1.17x
Vintage Year 2022												
Rockpoint Real Estate Fund VII, L.P.	Opportunistic RE	8,000	5,263	3,127	34%	467	3,019	3,486	359	5.38%	N/A	1.11x
Vintage Year 2022 Total		8,000	5,263	3,127	34%	467	3,019	3,486	359	5.38%	-5.69%	1.11x
Vintage Year 2024												
Carlyle Realty Partners X, L.P.	Opportunistic RE	8,000	8,000	0	0%	0	0	0	0	N/M	N/M	N/A
Vintage Year 2024 Total		8,000	8,000	0	0%	0	0	0	0	N/M	N/M	N/A
Portfolio Total :		122,347	34,560	98,576	72%	89,776	77,132	166,908	68,331	8.20%	7.73%	1.69x
Portfolio Strategy Totals												
Core RE		17,000	0	18,667	100%	45,311	19,472	64,783	46,116	7.95%		3.47x
Debt RE		20,000	3,210	18,529	84%	5,534	16,959	22,494	3,965	7.62%		1.21x
Opportunistic RE		80,347	30,623	56,914	62%	38,737	35,555	74,291	17,377	10.23%		1.31x
Value-Add RE		5,000	727	4,466	85%	193	5,146	5,339	873	7.56%		1.20x
Portfolio Total :		122,347	34,560	98,576	72%	89,776	77,132	166,908	68,331	8.20%	7.73%	1.69x

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

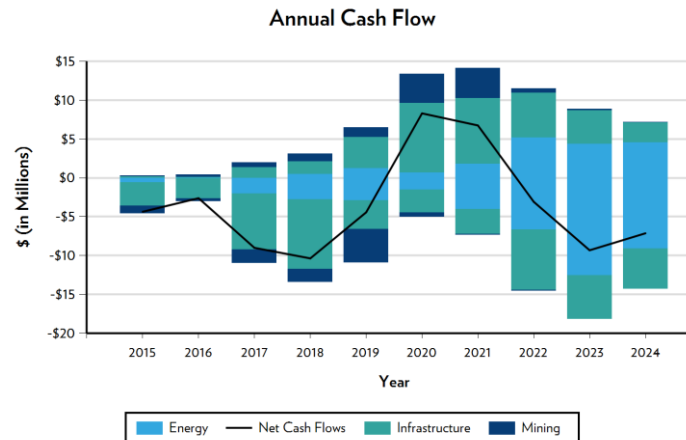
MercedCERA Real Assets Investment Structure & Portfolio Assessment

Real assets investment structure (5% target, 5.5% actual as of March 2025)

- Program is designed to be equally divided between private infrastructure and natural resource funds
 - Private fund commitments began in 2014 to infrastructure and 2015 to natural resources
- The majority of the portfolio is in development, but there were annual gains of \$9 million with \$1.8 million in 4Q
 - Contributions exceeded distributions by \$7 million though the older funds continue to return capital

Annual Summary

(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain Loss	Net IRR	Benchmark
December 31, 2023	19	\$126,346	\$88,472	\$60,060	\$59,017	\$119,077	\$30,605	13.09%	4.43%
December 31, 2024	21	\$142,055	\$102,703	\$67,158	\$74,920	\$142,078	\$39,375	13.24%	4.72%
Annual Change	2	\$15,709	\$14,231	\$7,098	\$15,903	\$23,001	\$8,770		



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

MercedCERA Real Assets Performance – as of Dec 31, 2024

Real Asset Portfolio

- MCERA began allocating to real assets in 2014 via direct fund commitments
- Portfolio is in its development stage as the VY 2017-24 funds are maturing/being built out
- Since inception net IRRs of 14.12% for Energy and 13.05% for Infrastructure

Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2014												
KKR Global Infrastructure II	Infrastructure	10,000	429	11,215	96%	17,363	3,605	20,968	9,753	16.77%	10.43%	1.87x
Vintage Year 2014 Total		10,000	429	11,215	96%	17,363	3,605	20,968	9,753	16.77%		1.87x
Vintage Year 2015												
GSO Energy Select Opportunities Fund	Energy	7,500	3,367	4,648	55%	6,300	411	6,711	2,063	10.16%	8.05%	1.44x
North Haven Infrastructure Partners II LP	Infrastructure	10,000	1,152	11,736	88%	13,160	2,771	15,932	4,195	9.40%	7.72%	1.36x
Taurus Mining Finance Fund	Mining	5,000	522	5,355	90%	5,958	315	6,273	918	7.90%	N/A	1.17x
Vintage Year 2015 Total		22,500	5,041	21,740	78%	25,419	3,497	28,915	7,176	9.37%		1.33x
Vintage Year 2016												
Taurus Mining Finance Annex Fund	Mining	5,000	948	4,658	81%	5,779	152	5,931	1,273	17.20%	N/A	1.27x
Vintage Year 2016 Total		5,000	948	4,658	81%	5,779	152	5,931	1,273	17.20%		1.27x
Vintage Year 2017												
EnCap Energy Capital Fund XI, L.P.	Energy	5,000	583	4,901	88%	5,181	4,508	9,689	4,788	22.66%	13.91%	1.98x
ISQ Global Infrastructure Fund II	Infrastructure	5,000	442	6,435	91%	3,108	6,561	9,669	3,234	13.36%	7.52%	1.50x
Vintage Year 2017 Total		10,000	1,025	11,336	90%	8,289	11,069	19,358	8,022	17.64%		1.71x
Vintage Year 2018												
EnCap Flatrock Midstream IV, L.P.	Energy	3,000	372	2,718	88%	1,345	2,054	3,399	680	8.00%	8.06%	1.25x
Ardian Infrastructure Fund V	Infrastructure	4,555	533	4,211	88%	553	4,792	5,345	1,134	9.65%	8.65%	1.27x
KKR Global Infrastructure Investors III	Infrastructure	5,000	669	4,826	87%	2,655	4,306	6,961	2,134	11.78%	8.65%	1.44x
Vintage Year 2018 Total		12,555	1,573	11,756	87%	4,552	11,153	15,705	3,949	10.27%		1.34x

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

MercedCERA Real Assets Performance – as of Dec 31, 2024



Partnership Name	Strategy	(A) Comm. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2019												
Global Energy & Power Infrastructure Fund III F, L.P.	Energy	5,000	162	5,279	97%	1,956	5,005	6,960	1,681	11.27%	N/A	1.32x
Tailwater Energy Fund IV, LP	Energy	5,000	1,293	4,518	74%	2,303	4,630	6,933	2,415	17.50%	16.52%	1.53x
Vintage Year 2019 Total		10,000	1,455	9,797	85%	4,258	9,635	13,893	4,096	14.30%		1.42x
Vintage Year 2021												
ISQ Global Infrastructure Fund III (UST), L.P.	Infrastructure	5,000	2,143	2,896	57%	40	3,511	3,551	654	14.53%	10.34%	1.23x
KKR Global Infrastructure Investors IV	Infrastructure	8,000	1,651	6,770	79%	260	7,671	7,931	1,161	10.26%	10.34%	1.17x
Vintage Year 2021 Total		13,000	3,794	9,666	71%	300	11,182	11,482	1,815	11.47%		1.19x
Vintage Year 2022												
BlackRock Global Infrastructure Fund IV D, L.P.	Energy	10,000	4,483	5,478	55%	88	5,891	5,979	501	8.30%	N/A	1.09x
Carnelian Energy Capital IV L.P.	Energy	8,000	2,517	6,167	69%	684	6,955	7,639	1,472	17.11%	16.80%	1.24x
Vintage Year 2022 Total		18,000	7,000	11,645	61%	772	12,846	13,618	1,973	13.53%		1.17x
Vintage Year 2023												
EnCap Energy Capital Fund XII, L.P.	Energy	8,000	5,919	2,507	26%	426	2,950	3,377	870	N/M	N/M	1.35x
EnCap Flatrock Midstream Fund V, L.P.	Energy	8,000	4,689	3,311	41%	0	3,793	3,793	482	N/M	N/M	1.15x
Ardian Infrastructure Fund VI B S.C.S., SICAV-RAIF	Infrastructure	9,000	6,672	2,328	26%	0	2,490	2,490	161	N/M	N/M	1.07x
Vintage Year 2023 Total		25,000	17,280	8,147	31%	426	9,233	9,659	1,512	N/M		1.19x
Vintage Year 2024												
Carnelian Energy Capital V, L.P.	Energy	8,000	5,256	2,744	34%	0	2,581	2,581	-163	N/M	N/M	0.94x
KKR Global Infrastructure Investors V (USD) SCSp	Infrastructure	8,000	8,000	0	0%	0	-32	-32	-32	N/M	N/M	N/A
Vintage Year 2024 Total		16,000	13,256	2,744	17%	0	2,549	2,549	-195	N/M		0.93x
Portfolio Total :		142,055	51,801	102,703	64%	67,158	74,920	142,078	39,375	13.24%	4.72%	1.38x
Portfolio Strategy Totals												
Energy		67,500	28,640	42,272	58%	18,282	38,777	57,060	14,788	14.12%		1.35x
Infrastructure		64,555	21,691	50,418	66%	37,138	35,676	72,814	22,396	13.05%		1.44x
Mining		10,000	1,470	10,013	85%	11,738	467	12,204	2,191	11.39%		1.22x
Portfolio Total :		142,055	51,801	102,703	64%	67,158	74,920	142,078	39,375	13.24%	4.72%	1.38x

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

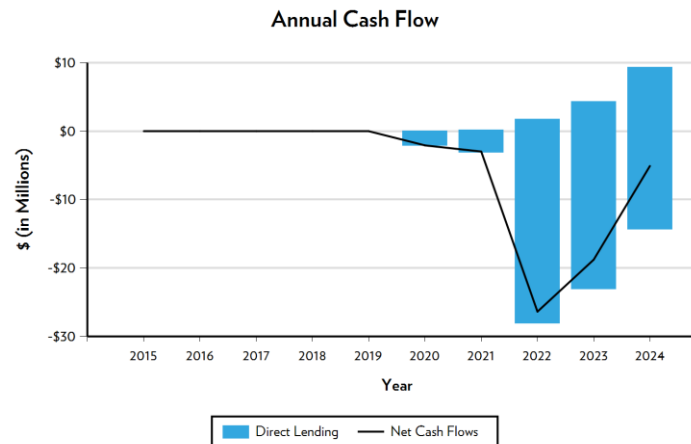
MercedCERA Direct Lending Investment Structure & Portfolio Assessment

Direct Lending investment structure (5% target, 5.6% actual as of March 2025)

- Program was approved with the asset allocation in Oct 2021
 - Silver Point was moved from the PE portfolio and new commitments began at year end 2021
- The overall portfolio is immature with many funds still developing
 - \$7 million in gains over the past year; contributions exceed distributions by \$5 million

Annual Summary

(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain Loss	Net IRR	Benchmark
December 31, 2023	9	\$138,000	\$56,665	\$6,466	\$58,046	\$64,511	\$7,847	11.51%	6.56%
December 31, 2024	9	\$138,000	\$71,055	\$15,774	\$70,457	\$86,230	\$15,175	11.80%	7.11%
Annual Change	0	\$0	\$14,390	\$9,308	\$12,411	\$21,719	\$7,328		



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

MercedCERA Direct Lending Performance – as of Dec 31, 2024



Direct Lending Portfolio

- Portfolio is developing (49% drawn) but performance exceeds benchmark (11.80% v. 7.11% since inception net IRR)

Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2019												
Silver Point Specialty Credit Fund II, L.P.	Direct Lending	8,000	596	7,342	93%	3,008	6,765	9,773	2,432	10.89%	6.32%	1.33x
Vintage Year 2019 Total		8,000	596	7,342	93%	3,008	6,765	9,773	2,432	10.89%		1.33x
Vintage Year 2021												
Ares Senior Direct Lending Fund II L.P.	Direct Lending	20,000	9,916	14,119	50%	4,039	14,111	18,150	4,031	14.60%	6.55%	1.29x
Varagon Capital Direct Lending Fund	Direct Lending	20,000	2,500	17,500	88%	2,803	17,119	19,922	2,422	8.42%	6.55%	1.14x
Vintage Year 2021 Total		40,000	12,416	31,619	69%	6,842	31,229	38,071	6,452	11.45%		1.20x
Vintage Year 2022												
Accel-KKR Credit Partners II LP	Direct Lending	10,000	8,414	1,941	16%	363	2,314	2,676	735	N/M	N/M	1.38x
AG Direct Lending Fund IV Annex, L.P.	Direct Lending	10,000	500	9,535	95%	3,588	8,521	12,110	2,574	11.49%	7.00%	1.27x
AG Direct Lending Fund V	Direct Lending	10,000	5,250	4,750	48%	1,184	4,531	5,715	965	10.00%	7.00%	1.20x
Vintage Year 2022 Total		30,000	14,164	16,227	53%	5,135	15,366	20,501	4,274	12.26%		1.26x
Vintage Year 2023												
Ares Capital Europe VI (D) Levered, L.P.	Direct Lending	20,000	13,891	6,082	31%	175	6,459	6,635	553	N/M	N/M	1.09x
Ares Senior Direct Lending Fund III	Direct Lending	20,000	16,664	3,409	17%	81	3,641	3,723	314	N/M	N/M	1.09x
Silver Point Specialty Credit Fund III, L.P.	Direct Lending	20,000	13,284	6,377	34%	531	6,996	7,527	1,150	N/M	N/M	1.18x
Vintage Year 2023 Total		60,000	43,838	15,868	27%	788	17,096	17,885	2,017	N/M		1.13x
Portfolio Total :		138,000	71,013	71,055	49%	15,774	70,457	86,230	15,175	11.80%	7.11%	1.21x

Note: Benchmark is Morningstar LSTA US Leveraged Loan Index.

MercedCERA Hedge Fund Performance – as of May 31, 2025

Fund	Market Value	Actual %	May	QTD	YTD	Returns 1 Year	3 Year	5 Year	Incep	Std Dev	Sharpe Ratio	Incep Date
Market Neutral												
Laurion Capital, Ltd.	7,816,526	10.6%	1.24%	2.24%	6.79%	1.19%	2.64%	5.37%	7.72%	11.01%	0.51	Jul-18
Market Neutral - HF Total	7,816,526	10.6%	1.24%	2.24%	6.79%	1.19%	2.64%	3.96%	2.93%	8.29%	0.13	Oct-17
HFRI Relative Value (Total) Index			0.86%	0.73%	2.48%	7.71%	5.85%	7.00%	4.70%	4.73%	0.51	Oct-17
Credit/Distressed												
Silver Point Capital Fund, L.P.	14,401,921	19.6%	1.15%	-0.06%	1.07%	5.74%	6.61%	12.87%	8.26%	6.57%	0.89	Dec-17
Credit/Distressed - HF Total	14,401,921	19.6%	1.15%	-0.06%	1.07%	5.74%	6.61%	12.87%	8.26%	6.57%	0.89	Dec-17
HFRI EDDistressed/Restructuring Index			1.54%	0.38%	0.68%	7.96%	5.27%	10.09%	5.97%	7.00%	0.53	Dec-17
Event Driven												
Taconic Opportunity Fund L.P.	2,628,465	3.6%	0.54%	-0.26%	-0.69%	0.00%	0.43%	4.36%	2.85%	5.37%	0.09	Dec-18
Event Driven - HF Total	2,628,465	3.6%	0.54%	-0.26%	-0.69%	0.00%	0.43%	4.36%	2.85%	5.37%	0.09	Dec-18
HFRI Event-Driven (Total) Index			3.81%	3.76%	3.05%	10.08%	7.39%	9.93%	6.79%	8.34%	0.55	Dec-18
Equity Long/Short												
Archipelago Partners, L.P.	10,094,332	13.7%	2.10%	4.34%	5.98%	11.17%	11.32%	10.84%	8.10%	6.66%	0.88	Sep-17
Marshall Wace Funds LP - MW Eureka (US) Fund	5,124,732	7.0%	1.55%	1.63%	-1.14%	3.55%	5.99%	8.90%	7.40%	5.67%	0.88	Dec-17
Marshall Wace Funds LP - MW Global Opportunities (US) Fund	5,774,783	7.9%	-0.55%	-1.23%	0.28%	-0.19%	5.44%	4.84%	5.03%	8.11%	0.33	Apr-20
Equity Long/Short - HF Total	20,993,847	28.6%	1.22%	2.09%	2.57%	5.82%	8.41%	8.37%	6.68%	6.36%	0.71	Sep-17
HFRI Equity Hedge (Total) Index			3.68%	4.12%	2.51%	8.22%	7.70%	9.91%	6.86%	9.48%	0.51	Sep-17
Global Macro-Discretionary												
Caxton Global Investments (USA) LLC	7,137,465	9.7%	-0.79%	2.10%	7.93%	13.74%	6.46%	-	7.87%	5.64%	0.80	May-21
Graham Absolute Return Trading Ltd.	5,293,812	7.2%	0.11%	0.26%	5.54%	9.26%	8.99%	11.69%	7.03%	8.09%	0.61	Sep-17
Global Macro-Discretionary - HF Total	12,431,277	16.9%	-0.41%	1.31%	6.90%	11.57%	7.59%	11.07%	6.65%	7.64%	0.60	Sep-17
HFRI Macro (Total) Index			-1.01%	-3.26%	-3.18%	-4.49%	0.44%	4.83%	3.50%	5.11%	0.25	Sep-17
Multi-Strategy												
Hudson Bay Fund LP	15,196,650	20.7%	1.04%	1.01%	2.45%	8.47%	-	-	7.60%	1.75%	1.39	Jun-23
Multi-Strategy - HF Total	15,196,650	20.7%	1.04%	1.01%	2.45%	8.47%	6.43%	6.27%	6.30%	6.66%	0.72	Jul-14
HFRI Relative Value (Total) Index			0.86%	0.73%	2.48%	7.71%	5.85%	7.00%	4.26%	4.24%	0.58	Jul-14
MCERA Hedge Fund Portfolio	73,468,686	100.0%	0.87%	1.22%	3.21%	6.45%	6.21%	8.24%	5.21%	4.81%	0.76	Jul-14
Benchmarks												
HFRI Fund of Funds Composite Index			0.82%	0.92%	0.52%	4.95%	5.20%	6.10%	3.63%	4.83%	0.39	Jul-14
Market Indices												
SOFR 90 Day			0.36%	0.71%	1.80%	4.84%	4.40%	2.65%	-	-	-	Jul-14
ML 3-month T-Bills			0.36%	0.71%	1.74%	4.76%	4.45%	2.70%	1.78%	0.55%	-0.10	Jul-14
Bloomberg US Aggregate Bond Index			-0.72%	-0.33%	2.45%	5.46%	1.49%	-0.90%	1.64%	4.89%	-0.01	Jul-14
Bloomberg US High Yield Bond Index			1.68%	1.66%	2.68%	9.32%	6.75%	5.79%	4.70%	7.36%	0.42	Jul-14
S&P 500 TR			6.29%	5.57%	1.06%	13.52%	14.41%	15.94%	12.66%	15.04%	0.75	Jul-14
MSCI AC World Index Free - Net			5.75%	6.73%	5.32%	13.65%	12.30%	13.37%	8.75%	14.48%	0.53	Jul-14
MSCI EAFE - Net			4.58%	9.37%	16.87%	13.33%	11.45%	11.42%	5.32%	14.90%	0.30	Jul-14
MSCI EMF (Emerging Markets Free) - Net			4.27%	5.64%	8.73%	13.04%	5.15%	7.07%	3.34%	16.71%	0.17	Jul-14

Important Notice

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

References to market or composite indices (such as the S&P 500), benchmarks or other measures of relative market performance over a specified period of time (each, an "index") are provided for information only. Reference to an index does not imply that a portfolio will achieve returns, volatility or other results similar to the index. The composition of an index may not reflect the manner in which a portfolio is constructed in relation to expected or achieved returns, portfolio guidelines, restrictions, sectors, correlations, concentrations, volatility or tracking error targets, all of which are subject to change over time.

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

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

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

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

The Cambridge Private Equity Index is based on data compiled from global institutional-quality buyout, growth equity, private equity energy, venture capital and mezzanine funds, including fully liquidated partnerships, formed between 1986 and 2016.

The Russell 3000 Index is a capitalization-weighted stock market index that seeks to track the entire U.S stock market. It measures the performance of the 3,000 largest publicly held companies incorporated in the United States based on market capitalization.



Merced County Employees' Retirement Association

DATE: June 26, 2025

TO: MercedCERA Board of Retirement

FROM: Pete Madrid, Assistant Plan Administrator - Investments

SUBJECT: Public Fixed Income Review

ITEM NUMBER: Open Session Item d

ITEM TYPE: Discussion and possible action

DISCUSSION:

The Board of Retirement holds a fiduciary responsibility to safeguard the retirement benefits of its members. One of the important ways it fulfills this duty is by periodically reviewing various areas of the investment portfolio. These reviews ensure that the Plan's investments are appropriately structured and there are no unintended risks in the portfolio. These evaluations also help reaffirm the portfolio's alignment with the Board's long-term goals. As Plan circumstances or the market environment evolves, Staff, in coordination with Meketa, may recommend changes to the portfolio, investment managers, or performance reporting.

Periodic investment reviews promote transparency and accountability in the management of MercedCERA's pension funds. These reviews provide the Board with critical information to make informed decisions and demonstrate to stakeholders – such as retirees and active employees – that the Pension is being managed prudently. Ultimately, this oversight strengthens the integrity and sustainability of the Pension for its members.

MERCEDCERA – FIXED INCOME REVIEW

REVIEW OF PUBLIC FIXED INCOME

June 2025

TOPICS COVERED

- **Executive summary – Page 3**
 - Fixed income review objectives
 - Observations & considerations
- **Core Fixed Income review – Page 11**
 - Portfolio overview
 - Sector distribution
 - Duration review
 - Active/passive management
 - Risk review
 - Trailing performance
- **Opportunistic Fixed Income review – Page 18**
 - Portfolio overview
 - Sector distribution
 - Risk review
 - Trailing performance
- **Appendix – Page 22**



EXECUTIVE SUMMARY

FIXED INCOME REVIEW HIGHLIGHTS



PUBLIC FIXED INCOME – REVIEW OBJECTIVES

- Review manager structure of current US fixed income and opportunistic credit portfolios
- Review sector and duration positioning relative to commonly used market indices
- Review performance and risk metrics of the portfolios
- Review benchmarking of public fixed income portfolios









PUBLIC FIXED INCOME – MERCEDCERA PORTFOLIO

- Two types of public fixed income mandates in MercedCERA portfolio: US core fixed income and opportunistic credit
- Each plays a different role in the portfolio

Core	Opportunistic
<ul style="list-style-type: none"> • Capital preservation • Lower risk • Uncorrelated, negative correlation to equity • Treasury, investment-grade credit, mortgage-backed securities 	<ul style="list-style-type: none"> • Capital growth • Higher risk • Higher correlation with equity • High yield bonds, securitized credit

Strategy	Market Value	Asset Class Allocation	Total Fund Allocation
Brandywine US Fixed Income	\$59,201,443	33.2%	4.6%
Vanguard Total Bond Market Index	\$23,039,131	12.9%	1.8%
Wellington Core Bond	\$78,570,013	44.1%	6.1%
Payden & Rygel Low Duration	\$10,355,357	5.8%	0.8%
Vanguard Short-Term Treasury Index	\$7,157,103	4.0%	0.6%
Core Fixed Income Total	\$178,323,047	100.0%	13.9%
PIMCO Income	\$12,061,400	18.7%	0.9%
GoldenTree Multi-Sector Credit	\$28,939,333	45.0%	2.3%
OWS Credit Opportunity	\$23,377,126	36.3%	1.8%
Opportunistic Credit Total	\$64,377,859	100.0%	5.0%
Public Fixed Income Total	\$242,700,906		18.9%

PUBLIC FIXED INCOME – OBSERVATIONS & CONSIDERATIONS

Status	Observations	Considerations
Core Fixed Income		
	US fixed income portfolio is underweight its target of 18%, currently at 13.5%	Rebalance the overall portfolio including funding contributions to US fixed income from overweight areas of the portfolio including public equity and opportunistic fixed income
	Short-term and low duration strategies were included to provide more conservative positioning in US fixed income and a source for liquidity	Consider removing the allocation to the passive Vanguard Short-Term Treasury fund, currently 0.6% of the Total Fund. Payden & Rygel Low Duration (active) continues to provide balance to Brandywine, for which the duration can vary materially.
	Market movement has shifted the portfolio from initial targets	Consider a rebalance within US fixed income to more closely align with the index
	Composite has slightly lower duration profile than Bloomberg US Aggregate Bond Index due to the low duration allocation	Low duration exposure is intentional, to offset the Brandywine exposure, which has variable duration, in many cases, far exceeding the duration of the index
	Current blended benchmark is a mix of Bloomberg US Aggregate Bond Index and Bloomberg US Treasury 1-3 Year Index.	Board should consider the Bloomberg US Aggregate Bond Index as sole benchmark, representing passive core exposure as the return objective.
	Active management currently represents 82.5% of the core fixed income portfolio	Active/passive mix is generally appropriate given historical data on the efficiency of US fixed income and heightened market volatility and uncertainty around future interest rates
Opportunistic Fixed Income		
	Structure of the opportunistic credit portfolio has evolved over time as managers with high yield and more securitized credit exposure were added to the portfolio	Recommend updating the custom blended benchmark to more closely align with the current exposures in the portfolio
	Active management currently represents 100% of opportunistic credit	Active management continues to be appropriate in the portfolio given the sectors in which the managers invest

CORE FIXED INCOME – MANAGER STRUCTURE

History: Vanguard Short-Term Treasury Index was the first of the current five strategies when funded in 2018. Vanguard Total Bond Market Index was funded the following year.






In November 2022, three active strategies were added to the portfolio: Brandywine US Fixed Income and Wellington Core Bond (both core strategies) and Payden & Rygel Low Duration.

Rationale: Wellington and Brandywine were funded to add active management to the core fixed income allocation. The low duration fund was recommended in part to balance Brandywine, which has a duration profile that can differ materially from the benchmark. Since its inception, Payden & Rygel has outperformed its short-term Treasury benchmark by 1.6% and is outperforming Brandywine.

However, at approximately 4% of core fixed income and just 0.6% of the Total Fund, the passively managed Vanguard Short-Term Treasury Index plays less of a role in the portfolio. Additionally, since the 2% cash target was approved in 2024, Vanguard Short-Term Treasury is no longer needed as a safe liquidity source.

Recommendation: Board should consider removing Vanguard Short-Term Treasury Index and rebalancing the US fixed income portfolio.

Core Fixed Income Manager Roster Current and Proposed

Managers	Current Allocation	Change	Proposed Allocation
Brandywine US Fixed Income	34.0%		29.0%
Wellington Core Bond	44.0%		47.0%
Payden & Rygel Low Duration	6.0%		10.0%
Vanguard Short-term Treasury Index	4.0%		0.0%
Vanguard Total Bond Market Index	12.0%		14.0%

CORE FIXED INCOME – BENCHMARKING

- The fixed income custom benchmark consists of 90% Bloomberg US Aggregate Bond Index and 10% Bloomberg US Treasury 1 – 3 Year Index, representing the US fixed income portfolio's 90% target to core strategies and 10% target to short-term/low duration strategies
- **Recommendation:** *The Board should consider replacing the custom blended index with the Bloomberg US Aggregate Bond Index which represents passive performance for the asset class*
- Measuring performance against a sole market index shows us the return impact of the Board's active decisions (e.g., adding active management, including exposure to shorter-duration strategies, etc.)

Weight	Strategies	Benchmark
10%	<ul style="list-style-type: none"> • Payden & Rygel Low Duration • Vanguard Short-Term Treasury Index 	Bloomberg US Treasury 1-3 Year Index
90%	<ul style="list-style-type: none"> • Brandywine US Fixed Income • Vanguard Total Bond Market Index • Wellington Core Bond 	Bloomberg US Aggregate Bond Index



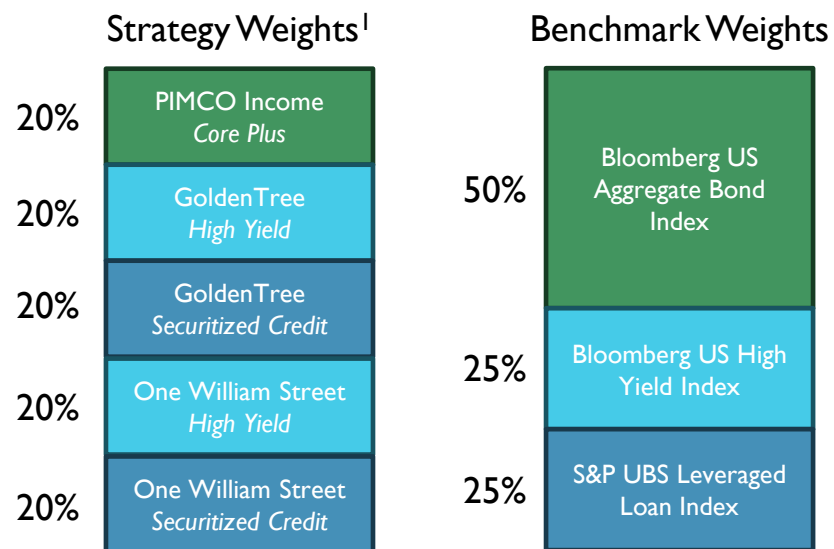
Weight	Strategies	Benchmark
100%	<ul style="list-style-type: none"> • Brandywine US Fixed Income • Vanguard Total Bond Market Index • Wellington Core Bond • Payden & Rygel Low Duration • Vanguard Short-Term Treasury Index¹ 	Bloomberg US Aggregate Bond Index

¹Pending Board approval of the recommendation to liquidate.

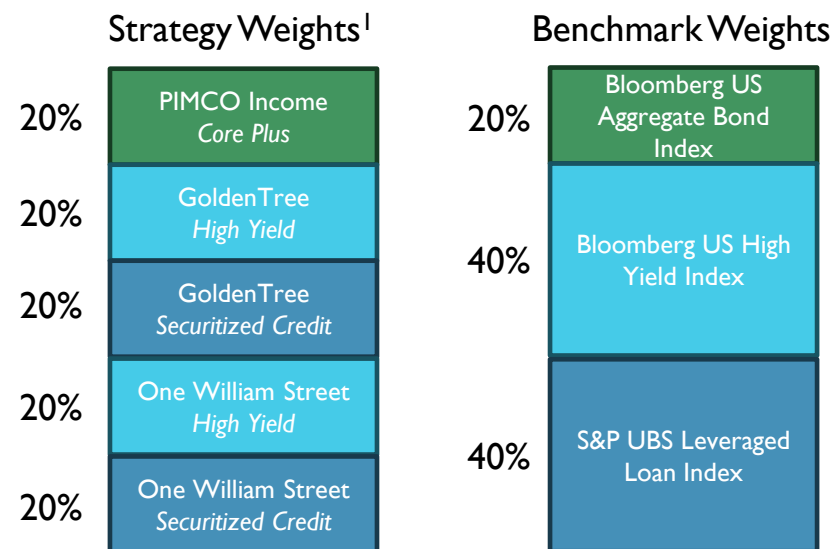
OPPORTUNISTIC CREDIT – BENCHMARKING

- Structure of the opportunistic credit portfolio has evolved over time as managers with high yield and more securitized credit exposure were added.
- **Recommendation: Update the custom blended benchmark to more closely align with the current exposures in the portfolio.**

Current Benchmark



Proposed Benchmark



¹Strategy weights are based on targets to each strategy and the estimated underlying sector allocation within the strategies.



US (CORE) FIXED INCOME REVIEW

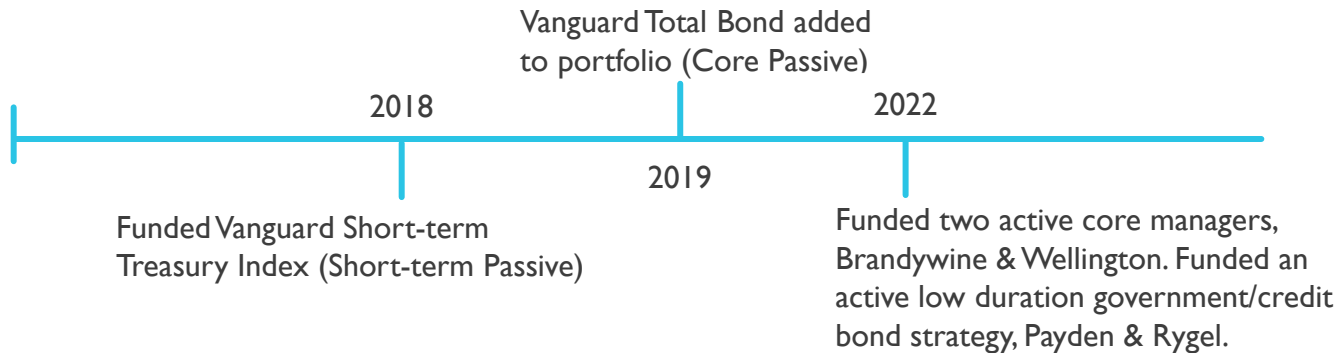
REVIEW OF CURRENT PORTFOLIO



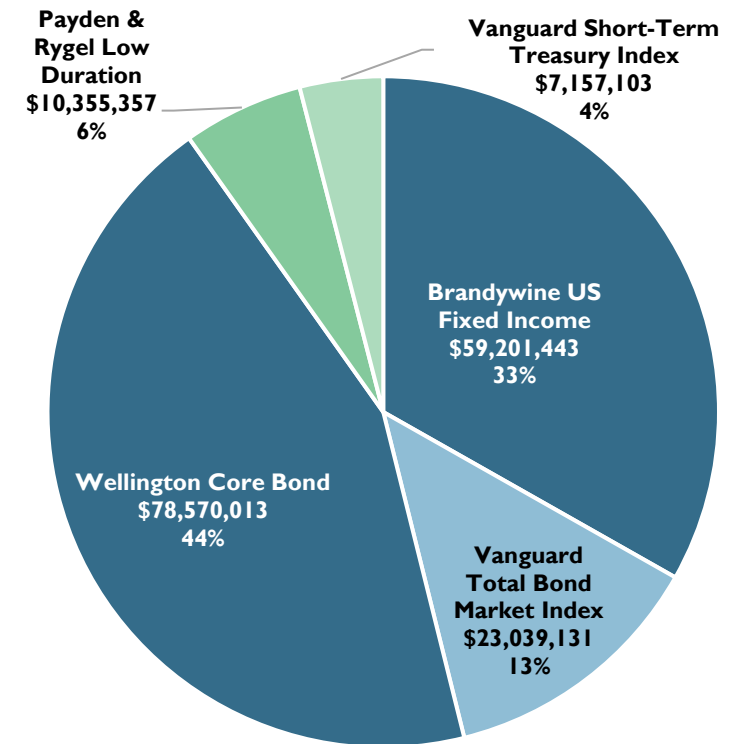
CORE FIXED INCOME – PORTFOLIO OVERVIEW

- Current US (core) fixed income portfolio is a mix of managers with the following mandates:
 - US core fixed income (Passive)
 - US core fixed income (Active)
 - Short-term government bond (Passive)
 - Low duration government/credit bond (Active)

US Fixed Income Manager Funding Timeline

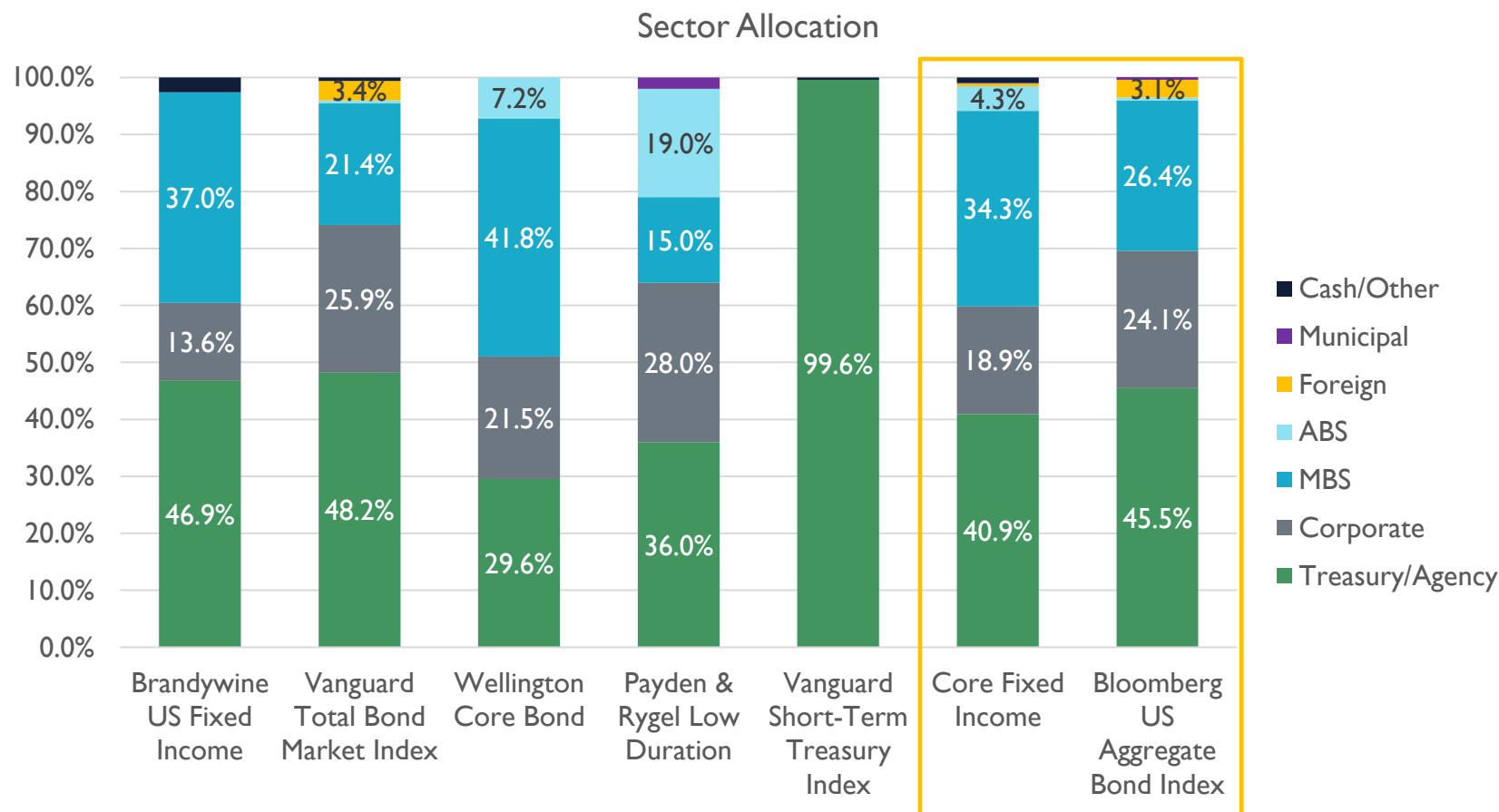


Current Core Fixed Income Managers



CORE FIXED INCOME – SECTOR DISTRIBUTION

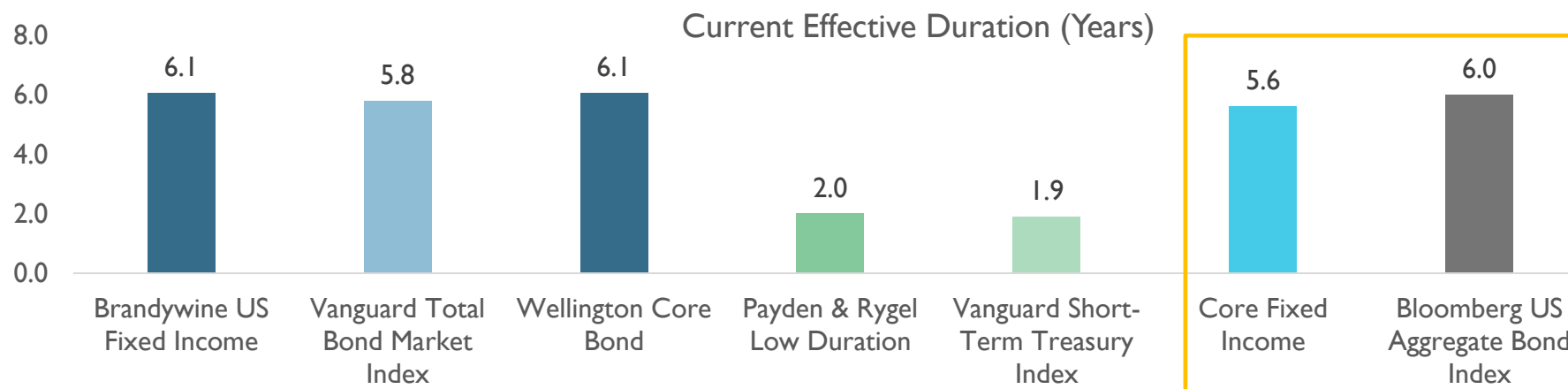
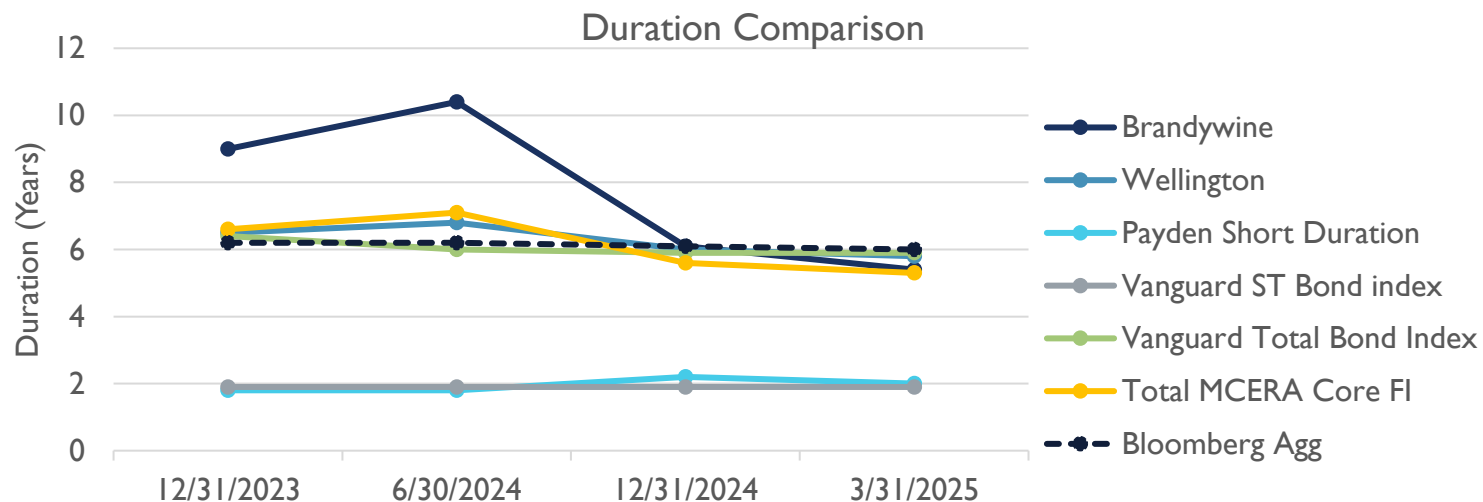
- Fixed income strategies include exposure to US Treasuries, corporate bonds, securitized credit, and small allocations to foreign/sovereign and municipal bonds
- On an aggregate basis, the fixed income portfolio is underweight Treasuries and corporate bonds in favor of mortgage-backed securities compared with the Bloomberg US Aggregate Bond Index.



Data as of March 31, 2025, and based on underlying bond holdings.

CORE FIXED INCOME – DURATION REVIEW

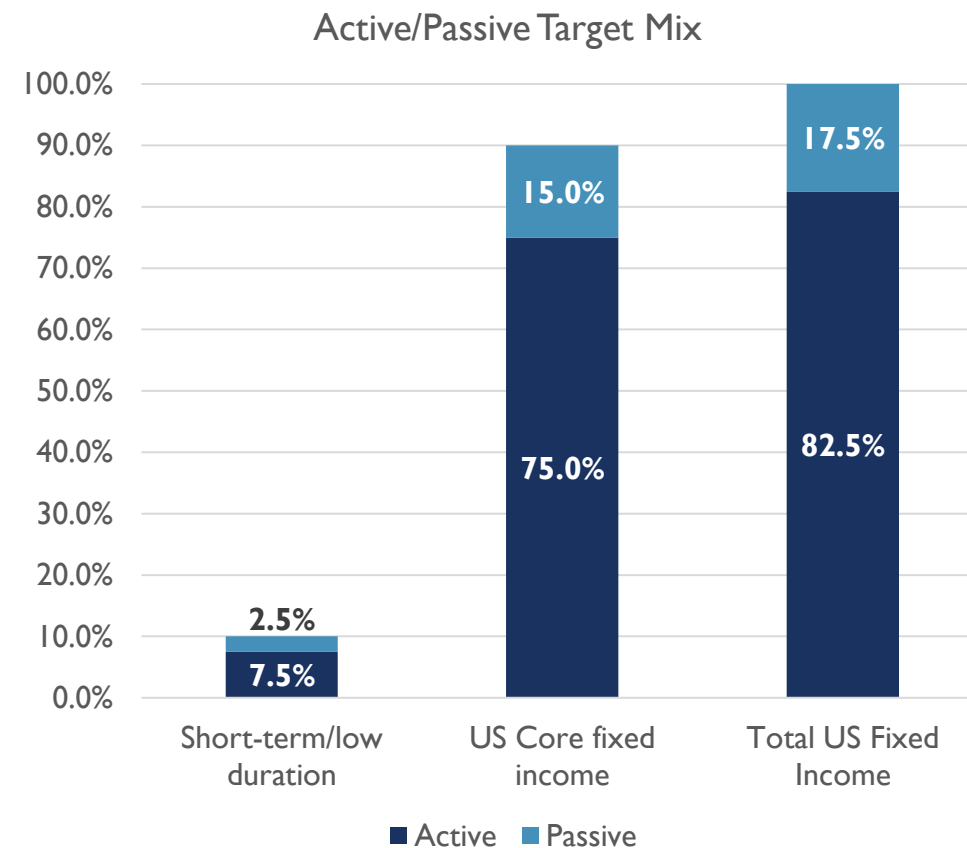
- As interest rates fall, the value of bonds increases since the interest payments are fixed. When interest rates rise the value of bonds decreases.
- Duration measures the sensitivity of the bond value to changes in interest rates.



- With a duration of 5.6 years versus 6.0 for the Bloomberg US Aggregate Bond Index, the core fixed income portfolio is less sensitive to interest rate changes than the benchmark.

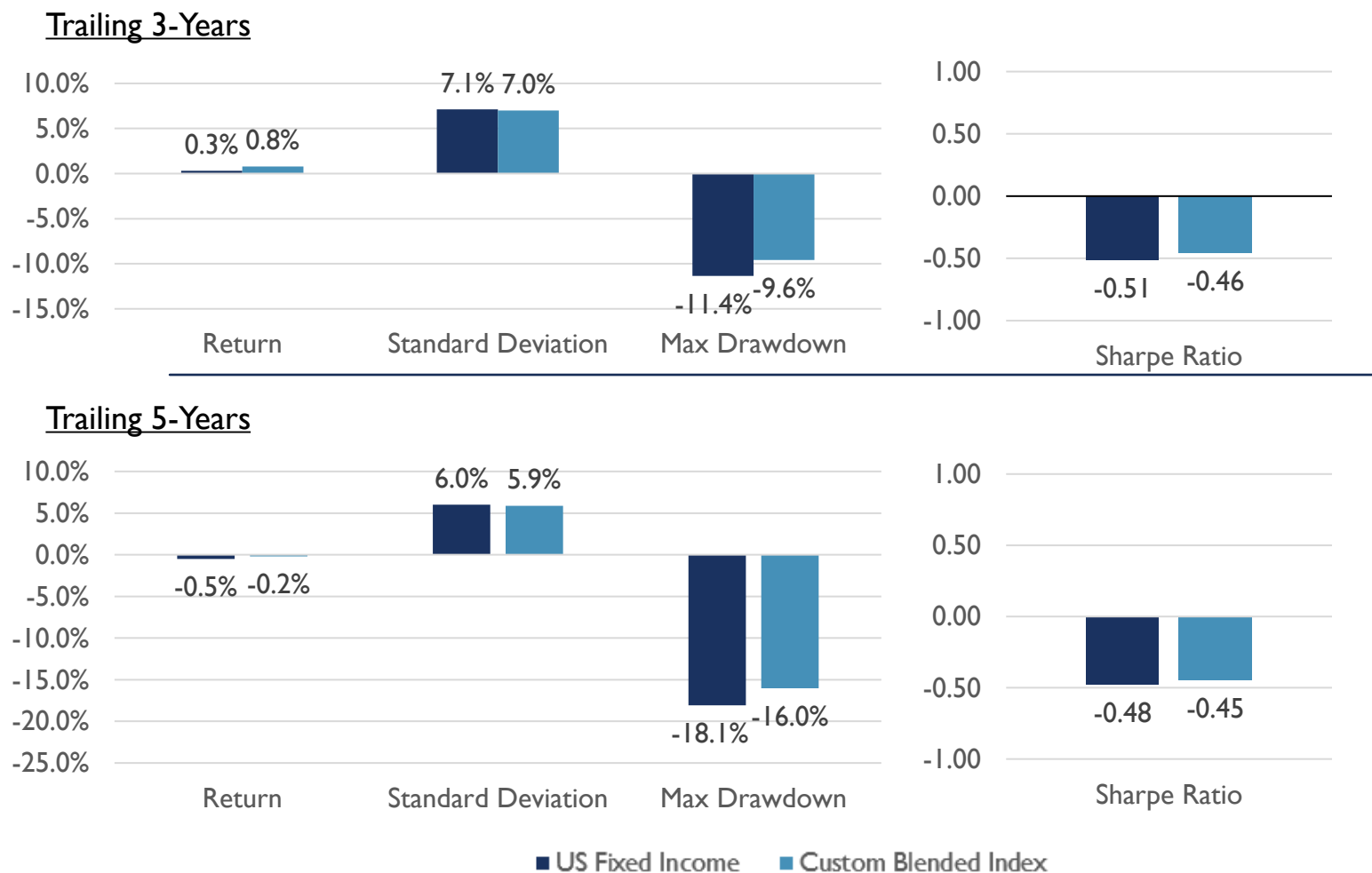
CORE FIXED INCOME – ACTIVE/PASSIVE MANAGEMENT

- Fixed income portfolio includes both actively managed strategies and Vanguard index funds.
- Core fixed income is generally a less efficient market than US large cap equity meaning active managers can create additional value.



CORE FIXED INCOME – RISK REVIEW

- Fixed Income risk is generally in line with its custom blended index¹.
- Over the trailing 3- and 5-year periods, the US fixed income portfolio has had larger drawdowns than its index.



¹ Custom blended index consists of 90% Bloomberg US Aggregate Bond Index and 10% Bloomberg US Treasury 1 – 3 Year Index. Data as of April 30, 2025.

CORE FIXED INCOME – TRAILING PERFORMANCE

- US fixed income is trailing over the longer 3-, 5-, and 10-year periods, but relative performance has been stronger more recently.
- Both active core strategies (Brandywine and Wellington) are outperforming the Bloomberg US Aggregate Bond Index over the trailing 1-year period. Although both trail since inception in November 2022.

Trailing Performance as of April 30, 2025

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
US Fixed Income	178,323,047	13.9	0.4	2.9	5.5	8.6	1.7	-0.8	1.5	4.4	Jan-95
<i>US Fixed Income Custom Benchmark</i>			<i>0.4</i>	<i>3.1</i>	<i>5.2</i>	<i>7.9</i>	<i>2.1</i>	<i>-0.5</i>	<i>1.7</i>	<i>4.5</i>	
Vanguard Short-Term Treasury Index Fund	7,157,103	0.6	0.8	2.4	5.3	6.6	3.2	1.2	--	2.0	Mar-18
<i>Bloomberg U.S. Government 1-3 Year Index</i>			<i>0.8</i>	<i>2.4</i>	<i>5.3</i>	<i>6.7</i>	<i>3.3</i>	<i>1.3</i>	<i>1.6</i>	<i>2.1</i>	
Vanguard Total Bond Market Index Fund	23,039,131	1.8	0.4	3.2	5.1	7.9	2.0	-0.7	--	1.2	May-19
<i>Blmbg. U.S. Aggregate Index</i>			<i>0.4</i>	<i>3.2</i>	<i>5.2</i>	<i>8.0</i>	<i>2.0</i>	<i>-0.7</i>	<i>1.5</i>	<i>1.2</i>	
Payden & Rygel Low Duration Fund	10,355,357	0.8	0.6	2.3	5.4	6.9	--	--	--	6.3	Nov-22
<i>Blmbg. U.S. Treasury: 1-3 Year</i>			<i>0.8</i>	<i>2.5</i>	<i>5.3</i>	<i>6.7</i>	<i>3.3</i>	<i>1.3</i>	<i>1.6</i>	<i>4.7</i>	
Brandywine US Fixed Income	59,201,443	4.6	0.5	2.9	6.4	10.4	--	--	--	2.8	Nov-22
<i>Blmbg. U.S. Aggregate Index</i>			<i>0.4</i>	<i>3.2</i>	<i>5.2</i>	<i>8.0</i>	<i>2.0</i>	<i>-0.7</i>	<i>1.5</i>	<i>5.3</i>	
Wellington Core Bond	78,570,013	6.1	0.2	3.0	5.2	8.2	--	--	--	5.0	Nov-22
<i>Blmbg. U.S. Aggregate Index</i>			<i>0.4</i>	<i>3.2</i>	<i>5.2</i>	<i>8.0</i>	<i>2.0</i>	<i>-0.7</i>	<i>1.5</i>	<i>5.3</i>	



OPPORTUNISTIC CREDIT REVIEW

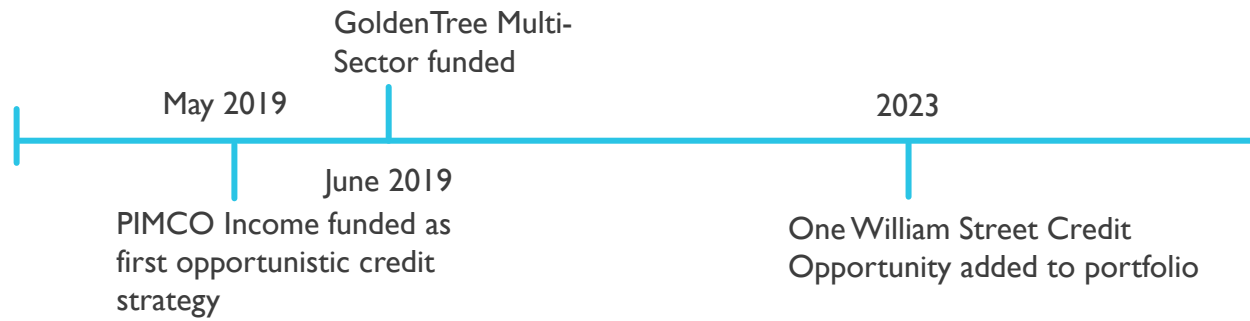
REVIEW OF CURRENT PORTFOLIO



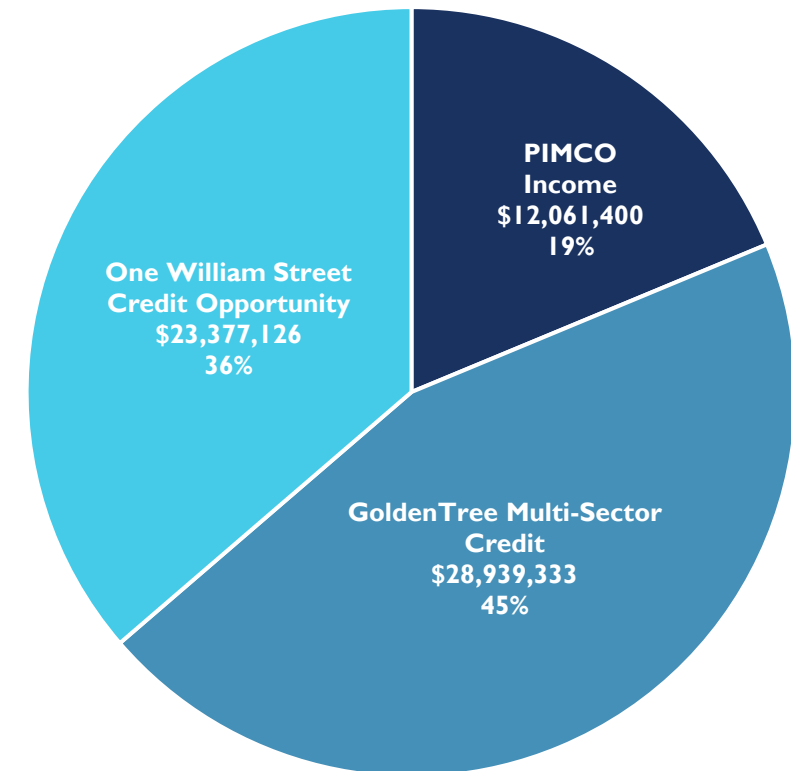
OPPORTUNISTIC CREDIT – PORTFOLIO OVERVIEW

- Current opportunistic credit portfolio is a mix of managers with the following active mandates:
 - US core plus fixed income (Active)
 - High Yield/Securitized Credit (Active)

Opportunistic Credit Manager Funding Timeline



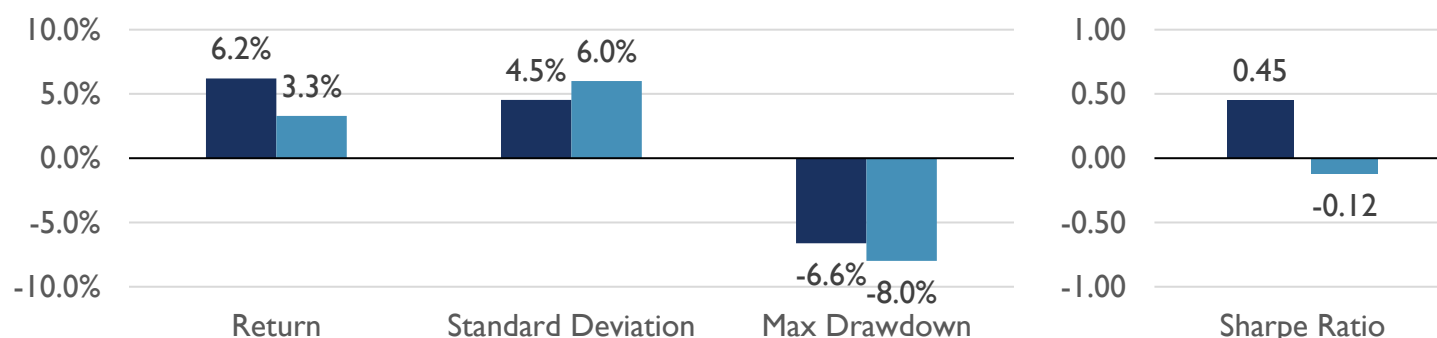
Opportunistic Credit Managers



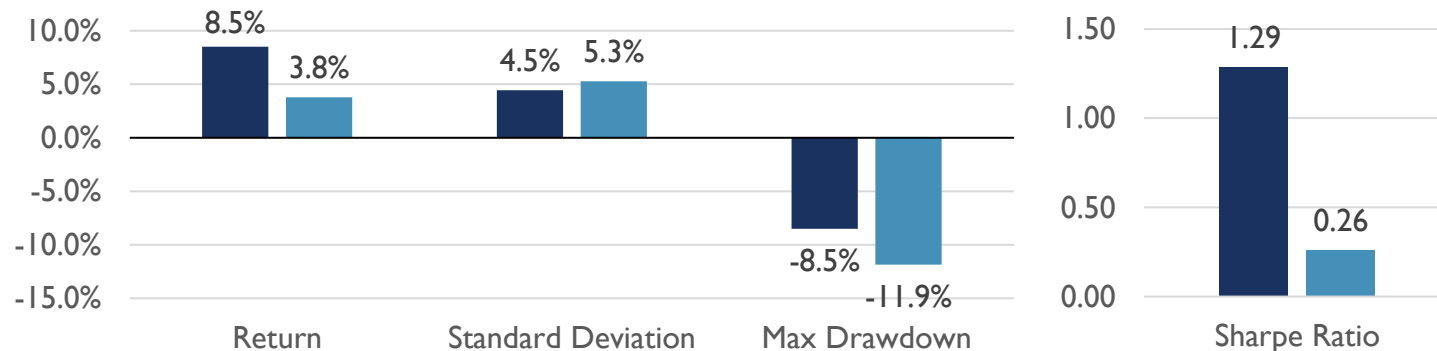
OPPORTUNISTIC CREDIT – RISK REVIEW

- Opportunistic credit has outperformed its custom blended index while incurring less volatility.
- The portfolio has also protected on the downside, outperforming the index by more than 3% during the asset class' steepest decline.

Trailing 3-Years



Trailing 5-Years



¹ Custom blended index consists of 50% Bloomberg US Aggregate Bond Index, 25% Bloomberg US High Yield Index, and 25% S&P UBS Leveraged Loan Index. Data as of April 30, 2025.

OPPORTUNISTIC CREDIT – TRAILING PERFORMANCE

- Since its inception in 2019, the opportunistic credit portfolio has returned nearly 6% annualized, outperforming its custom benchmark by more than 2%.
- Opportunistic credit has also outperformed US core fixed income which is expected given its higher risk profile
 - Opportunistic credit returned 6.7% and 7.9% over the 3- and 5-year trailing periods, respectively, versus 1.7% and -0.8% for core fixed income over the same periods.

Trailing Performance as of April 30, 2025

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Opportunistic Credit	64,377,858	5.0	0.0	1.9	6.7	8.7	6.7	7.9	--	5.8	May-19
50% Barclays US Aggregate / 25% Barclays US High Yield / 25% S&P UBS Lev Loans			0.2	2.0	5.5	7.8	4.3	3.2	--	3.1	
PIMCO Income Fund	12,061,400	0.9	0.2	3.5	7.2	9.6	5.7	4.8	--	3.7	May-19
Blmbg. U.S. Aggregate Index			0.4	3.2	5.2	8.0	2.0	-0.7	1.5	1.2	
GoldenTree Multi-Sector Credit	28,939,333	2.3	-0.2	1.2	6.3	8.4	7.5	8.9	--	6.0	Jun-19
50% BBg US High Yield TR/50% S&P UBS Leveraged Loans			0.0	0.8	5.8	7.5	6.7	7.2	4.9	5.1	
OWS Credit Opportunity Fund LP	23,377,126	1.8	0.2	2.1	7.0	8.6	--	--	--	9.2	Oct-23
50% BBg US High Yield TR/50% S&P UBS Leveraged Loans			0.0	0.8	5.8	7.5	6.7	7.2	4.9	9.2	



APPENDIX

ADDITIONAL INFORMATION FOR TRUSTEE REFERENCE



ACTIVE MANAGER EXPECTATIONS

Manager	Strategy Description	Beta (High/Neutral/Low)	Tracking Error Range (basis points)	Environments Manager Underperforms
Investment Grade Bonds				
Brandywine	Top-down, macro, value-oriented strategy that invests with a benchmark agnostic philosophy	Neutral	2.0% to 7.0%	
Payden & Rygel	Short-term portfolios with emphasis on sector selection and yield curve management rather than relying on duration management	Low	0.2% to 0.7%	
Wellington	Benchmark-relative, diversified strategy with emphasis on individual security analysis, with Broad Markets teams' top-down sector views taken into consideration	Neutral	1.0 to 1.5%	
Opportunistic Credit				
PIMCO Income	Global multi-sector, benchmark agnostic approach, utilizing firm's resources to identify best income ideas while staying senior in the capital structure.	Low	1.5% to 3.5%	During periods of lower quality bond rallies and volatility in interest rates and certain currencies.
GoldenTree Multi-Sector Credit	Bottom-up security selection, managing risk and adding value through credit sector rotation.	Low	2.5% to 4.5%	During initial periods of economic recovery and rapid spread tightening.