



Merced County Employees' Retirement Association

**AGENDA
RETIREMENT BOARD MEETING**

Thursday, October 24, 2024, 8:30 A.M.

Location: Merced County Department of Public Health
260 E. 15th Street, Merced, CA, 95341
Auditorium

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 – September 26, 2024.

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>
Compton, Misty	25 Years	DA	10/19/2024
Kodman, Rod	2 Years	Public Defender	10/11/2024
Peterson, Glenn	22 Years	Sheriff	10/07/2024
Ramirez, Joann	18 Years	HSA	9/28/2024
Rodrigues, Ana	27 Years	HSA	10/01/2024

- b. Monthly Budget Report not available due to year end.
- c. Monthly Performance by Meketa.

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



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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 – Rosalie Rios
- b. Public Employee Annual Review (Govt. Code § 54957).
Title: Assistant Plan Administrator – Benefits and Administration

8. Report Out of Closed Session

9. Open Session

- a. Discussion and possible approval of MercedCERA moving plan with possible office closures in December 2024 – Staff.
- b. Discussion and Possible Action of Legislative Review proposed by SACRS – Staff.

10. Information Sharing & Agenda Item Requests

- a. Staff introductions of Pete Madrid (Assistant Plan Administrator – Investments), Alex Lovato (Fiscal Manager- Accounting/Investments), Theresa “Terri” Sanders (Accountant III), and Sarah Smith (Accountant II)- Staff.

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 3199 M Street, Merced, California 95348.

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, 3199 M Street, Merced, CA 95348 or telephonically by calling (209) 726-2724. Any such request for accommodation should be made at least 48 hours prior to the scheduled meeting for which assistance is requested.

Persons who require accommodation for any audio, visual or other disability or Spanish or Hmong interpretation in order to review an agenda, or to participate in a meeting of the Merced County Employees' Retirement Association per the American Disabilities Act (ADA), may obtain assistance by requesting such accommodation. Please address your written request to Merced County Employees' Association, 3199 M Street, Merced, CA 95348 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, September 26, 8:30 A.M.

Location: Merced County Administration Building
2222 M Street, Merced, CA
Los Banos and Livingston Conference Rooms, Basement
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- 8:45 A.M.

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

2. Roll Call

Board Members Present: Scott Johnston, Alfonse Peterson (arrived at 8:50 A.M.), Janey Cabral, Moses Nelson, Bayani Manilay, Aaron Rosenberg, Corrina Brown, Karen Adams and Michael Harris. **Absent:** Ryan Paskin and Scott Silveira. **Counsel:** Tom Ebersole **Staff:** Kristie Santos, Monica Gallegos, Khue Xiong, Alex Ortega, Patrick Armendarez, Nikki Barraza, Sheri Villagrana, Brenda Mojica and Marissa Coelho.

3. Teleconference Request

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

4. Approval of Minutes – August 22, 2024, and September 12, 2024.

Board voted unanimously to approve the August 22, 2024, and September 12, 2024, meeting minutes.

1st- Brown/2nd- Cabral, passes 6/0

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>Effective Date</u>
Avila, Aaron	12 Years	09/18/2024
Brownfield, J L	20 Years	09/07/2024
Larson, Cathryn	27 Years	08/31/2024
Luker, Debbie	8 Years	08/23/2024



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Machado, Teresa	7 Years	09/15/2024
Mitchell, Helene	34 Years	08/24/2024
Zapien, George ***SCD***	7 Years	08/23/2024

- b. Monthly Budget Report delayed due to fiscal year end close.
- c. Meketa Q2 quarterly performance report.
- d. Meketa July performance report.

Board voted unanimously to approve the consent agenda as presented.

1st- Adams/2nd- Rosenberg, passes 6/0

Trustee Adams asked for the retirements listing to include the department name as well.

7. Closed Session

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

- a. Public Employee Appointment (Govt. Code §§ 54957).
Agency designated representatives: Plan Administrator, Kristie Santos.
Title: Assistant Plan Administrator - Investments

8. Report Out of Closed Session

- a. Public Employee Appointment (Govt. Code §§ 54957).
Agency designated representatives: Plan Administrator, Kristie Santos.
Title: Assistant Plan Administrator – Investments
Staff given direction.

9. Open Session

- a. Discussion and possible action to confirm the appointment of Pete Madrid as MercedCERA’s Assistant Plan Administrator - Investments effective October 7, 2024, at an annual salary of \$165,000 – Staff.
Board voted unanimously to approve and appoint Pete Madrid as MercedCERA’s Assistant Plan Administrator – Investments effective October 7, 2024, at an annual salary of \$165,000.
1st- Adams/2nd- Manilay, passes 7/0
- b. Discussion on quarterly alternative performance and possible action on any funds and General Partners – Cliffwater.
No action taken.
- c. Discussion on Government Code Section 7514.7 Alternate Fee Reporting for MercedCERA - Cliffwater.
No action taken.
- d. Discussion on long-term investing diversification by Meketa Group - Meketa.
No action taken.
- e. Discussion on future trustee education activities - Staff.
Staff given direction.

10. Information Sharing & Agenda Item Requests

- a. Compliance tracking and acknowledgement forms - Staff.
Staff requested annual acknowledgements be completed by trustees for Conflict of Interest and Computer Equipment Policy.



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b. Trustee Adams will not attend the Retirement Board meeting on October 24th.

11. Adjournment 9:47 A.M.

Accepted By,

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

Merced County Employees' Retirement Association

October 24, 2024

Interim August Performance

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1. Economic and Market Update as of August 31, 2024
2. Interim Performance Highlights as of August 31, 2024
3. Interim Performance Update as of August 31, 2024
4. Disclaimer, Glossary, and Notes

Economic and Market Update

Data as of August 31, 2024

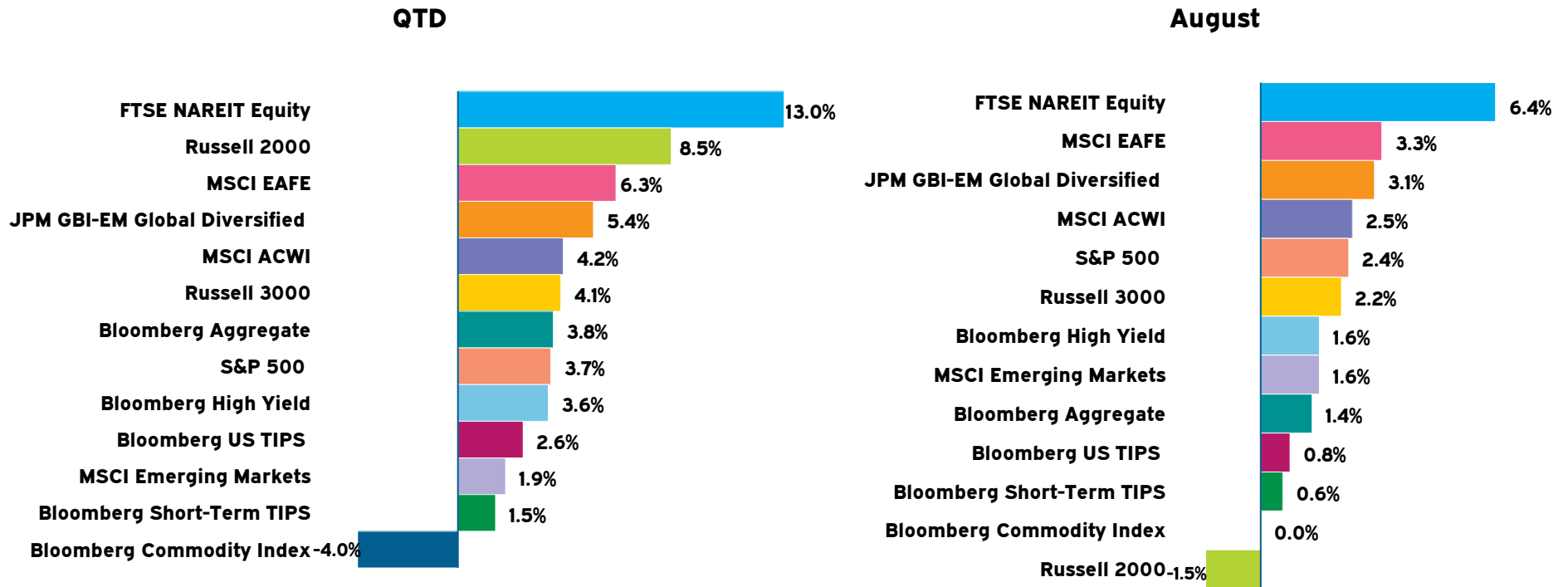
Commentary

→ After a very volatile start to the month, most asset classes posted gains in August.

- Weak US jobs data caused speculation that the Fed might have waited too long to cut interest rates increasing the risk of a “hard landing” for the US economy. This and pressure from the Bank of Japan raising rates on the yen carry trade drove the equity market volatility at the start of the month.
- Subsequent data was more reassuring though, including an above expectations retail sales report, and the equity market was able to recover for the month. The Bank of Japan also calmed markets with dovish comments to stabilize the unwinding of the yen carry trade.
- From Jackson Hole, Chair Powell indicated that improvements in inflation and a balancing labor market provided justification for rate cuts soon. At their subsequent September meeting they reduced rates by 0.50%.
- In August, the broad market (Russell 3000) returned +2.2%. Large cap stocks (+2.4%) outperformed small cap (-1.5%). For the month healthcare, utilities, and consumer staples took over leadership from technology.
- Non-US developed equity markets outperformed the broad US market in August (+3.3%). A weakening US dollar was a key driver of results.
- Emerging market equities (+1.6%) lagged developed markets with China gaining +1.0%.
- Fixed income markets posted positive returns on expectations for policy rate cuts this fall as inflation pressures recede, and the economy slows.

→ Looking ahead, the paths of inflation, labor markets, and monetary policy, China’s economic disorder and slowing economic growth, the yen-carry trade, and the looming US election will be key factors.

Index Returns¹



→ August was positive for most asset classes, but the month started off very volatile given concerns over weak economic data and an unwinding of the yen carry trade due to a rate increase by the Bank of Japan. Eventually things settled down though as additional economic data was released, and corporate earnings remained strong.

→ As we approach the end of the third quarter, US stocks have significantly outperformed other asset classes.

¹ Source: Bloomberg. Data is as of August 31, 2024.

Domestic Equity Returns¹

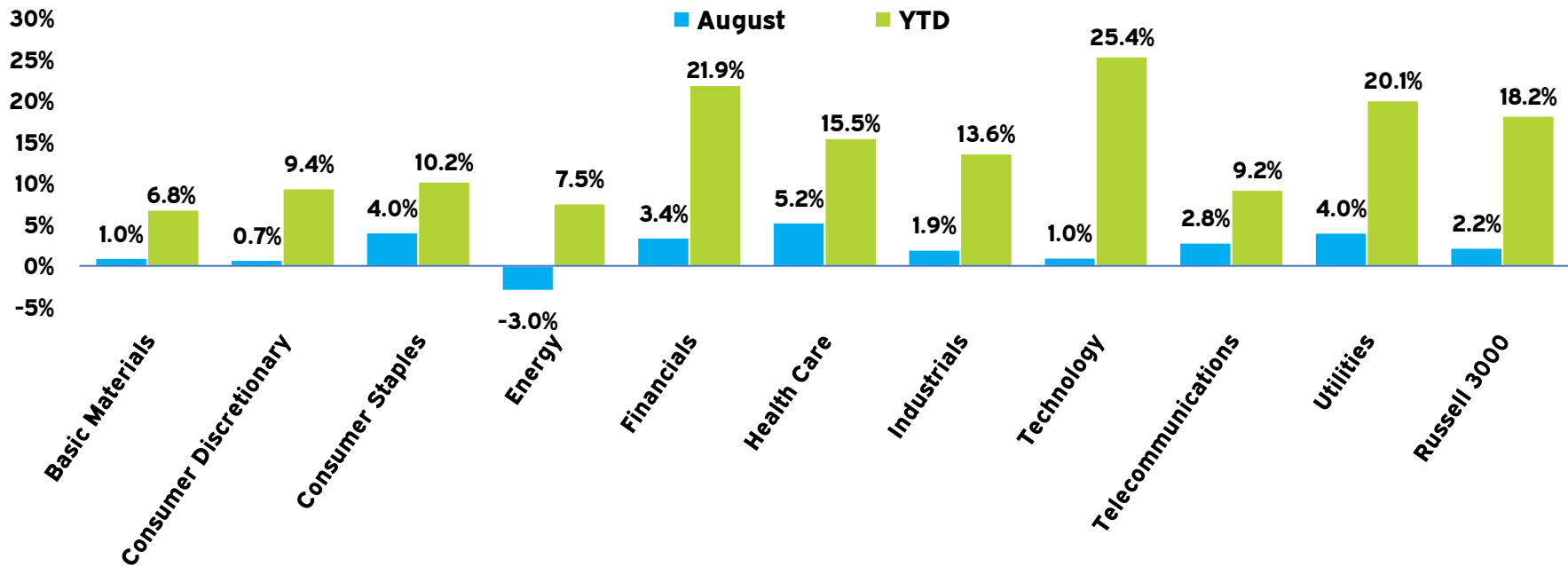
Domestic Equity	August (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	2.4	3.7	19.5	27.1	9.4	15.9	13.0
Russell 3000	2.2	4.1	18.2	26.1	7.9	15.2	12.3
Russell 1000	2.4	3.9	18.6	26.6	8.3	15.5	12.6
Russell 1000 Growth	2.1	0.3	21.1	30.8	8.9	19.1	16.0
Russell 1000 Value	2.7	7.9	15.1	21.1	7.3	11.2	8.8
Russell MidCap	2.0	6.8	12.1	20.2	3.5	11.2	9.6
Russell MidCap Growth	2.5	3.1	9.3	19.1	-0.5	10.5	10.6
Russell MidCap Value	1.9	8.0	13.0	20.2	5.4	10.8	8.3
Russell 2000	-1.5	8.5	10.4	18.5	0.6	9.7	8.0
Russell 2000 Growth	-1.1	7.0	11.7	17.7	-2.1	8.3	8.2
Russell 2000 Value	-1.9	10.1	9.1	19.2	3.1	10.4	7.5

US Equities: The Russell 3000 rose +2.2% in August, bringing the year-to-date results to +18.2%.

- US stocks experienced a sharp drawdown in early August, driven by the unwinding of the yen carry trade and a disappointing July jobs report. However, subsequent encouraging data on jobless claims and retail sales caused investors to be less concerned as the month wore on.
- Apple, Nvidia, and Microsoft now constitute 18% of the Russell 1000 Index (large cap). Taken together they drove the outperformance of the large cap index (+2.4%) over the small cap Russell 2000 index (-1.5%) for the month. The decline in energy prices also contributed to the underperformance as small cap energy companies were more impacted than their large cap peers.

¹ Source: Bloomberg. Data is as of August 31, 2024.

Russell 3000 Sector Returns¹



→ In August, economically sensitive energy stood out with negative returns, while other sectors posted positive results.

→ Health care (+5.2%) led the way for the month driven by strong results from Eli Lilly related to its weight loss drug. Consumer staples (+4.0%) and utilities (+4.0) also posted strong gains for the month.

→ All sectors have positive returns for the year-to-date period. Technology stocks (+25.4%) continue to lead the broader market, followed by financials (+21.9%), and utilities (+20.1%).

¹ Source: Bloomberg. Data is as of August 31, 2024.

Foreign Equity Returns¹

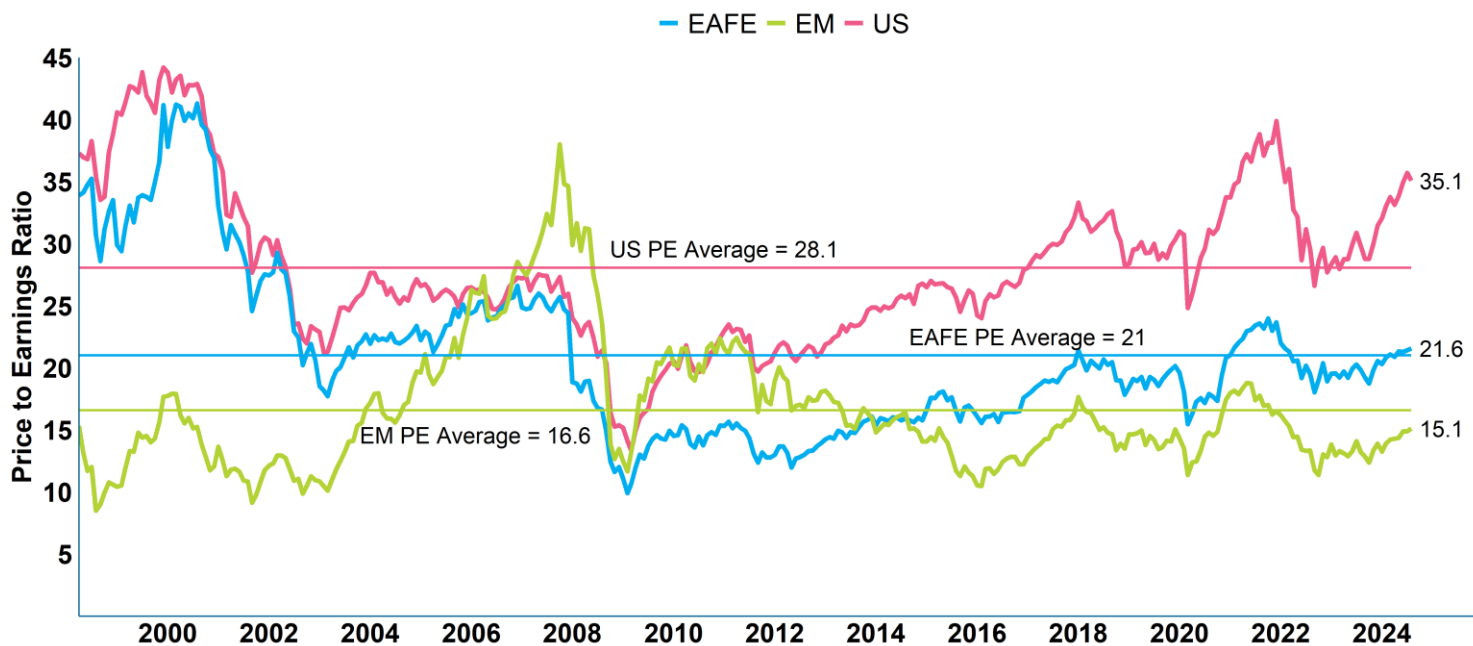
Foreign Equity	August (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	2.8	5.2	11.2	18.2	2.1	7.6	4.4
MSCI EAFE	3.3	6.3	12.0	19.4	4.1	8.6	5.2
MSCI EAFE (Local Currency)	0.4	1.2	12.4	16.7	7.6	9.6	7.4
MSCI EAFE Small Cap	2.0	7.8	8.3	15.1	-2.4	6.4	5.3
MSCI Emerging Markets	1.6	1.9	9.5	15.1	-3.1	4.8	2.6
MSCI Emerging Markets (Local Currency)	0.4	1.0	12.1	16.3	0.1	6.6	5.4
MSCI EM ex. China	1.8	2.7	11.3	22.6	1.8	8.7	3.9
MSCI China	1.0	-0.3	4.4	-2.8	-13.6	-3.4	0.6

Foreign Equity: Developed international equities (MSCI EAFE) rose +3.3% in August, while emerging market equities (MSCI Emerging Markets) gained just +1.6%.

- After a sell-off early in the month, developed market equities saw solid returns in August outpacing US equities. The weakening dollar was a major contributor to results with local currency returns much lower (+0.4% versus +3.3%). Europe led global returns for the month following promising inflation news and bolstered by spending around the Paris Olympics. UK returns were positive but comments that tax hikes and spending cuts were on the horizon weighed on relative returns. After initial significant volatility related to the strengthening yen, the Japanese TOPIX ended the month down -2.9%.
- Emerging market equities saw positive returns but lagged its developed peers. Smaller Asian markets saw the greatest returns, due to currency appreciation against the US dollar. China and India saw slight gains but lagged the broad index, while Korea saw losses as tech stocks experienced a correction.

¹ Source: Bloomberg. Data is as of August 31, 2024.

Equity Cyclically Adjusted P/E Ratios¹



→ In August, the US price to earnings ratio fell slightly to 35.1 it still remains well above its 21st century average (28.1).

→ Non-US developed market valuations have increased to slightly above their long-term average while emerging market stocks remain well below their long-term average price-to-earnings ratio.

¹ US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E – Source: Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years. Data is as of August 2024. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end respectively.

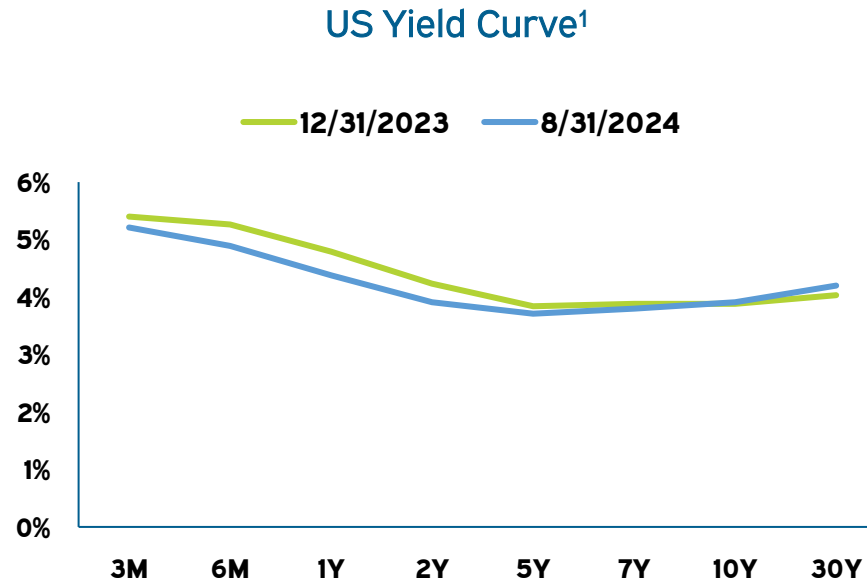
Fixed Income Returns¹

Fixed Income	August (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	1.5	3.8	3.5	7.9	-1.8	0.3	1.9	4.7	6.0
Bloomberg Aggregate	1.4	3.8	3.1	7.3	-2.1	0.0	1.6	4.4	6.2
Bloomberg US TIPS	0.8	2.6	3.3	6.2	-1.3	2.0	2.1	4.0	6.9
Bloomberg Short-term TIPS	0.6	1.5	3.8	6.3	2.2	3.3	2.2	4.1	2.5
Bloomberg High Yield	1.6	3.6	6.3	12.6	2.5	4.5	4.6	7.3	3.5
JPM GBI-EM Global Diversified (USD)	3.1	5.4	1.5	6.0	-1.7	0.1	-0.3	--	--

Fixed Income: The Bloomberg Universal index rose +1.5% in August, bringing the year-to-date return to +3.5%.

- Fixed income indexes rose in August, driven by market participants' expectations for a shift towards more accommodative monetary policy in the coming months largely due to continued easing of inflationary pressures and heightened concerns regarding a weakening labor market.
- The broad US bond market (Bloomberg Aggregate) rose +1.4% over the month, with the broad TIPS market gaining +0.8%. The less interest rate sensitive short-term TIPS index increased +0.6%.
- Riskier bonds led the way during the month, as risk appetite remains strong with emerging market and high yield bonds gaining +3.1% and +1.6%, respectively.

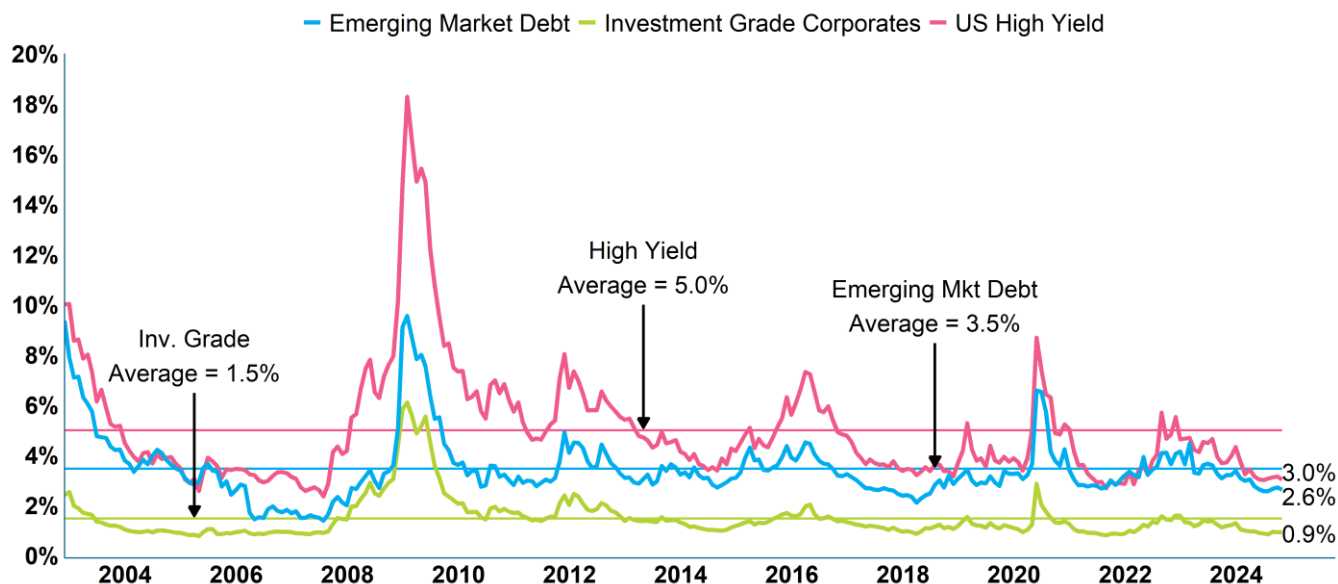
¹ Source: Bloomberg. Data is as of August 31, 2024. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.



- Weaker economic data and comments from Chair Powell in August that rate cuts were likely coming in September supported a bond rally for the month.
- Interest rates finished the month lower but largely off the levels reached during the start of the month volatility. The more policy sensitive 2-year Treasury yield declined from 4.26% at the end of July to 3.92% in August. The 10-year Treasury yield fell less in August declining from 4.03% to 3.90%.
- The yield curve was relatively flat at month-end after a long period of inversion, as shorter-dated yields declined the most over the month.

¹ Source: Bloomberg. Data is as of August 31, 2024.

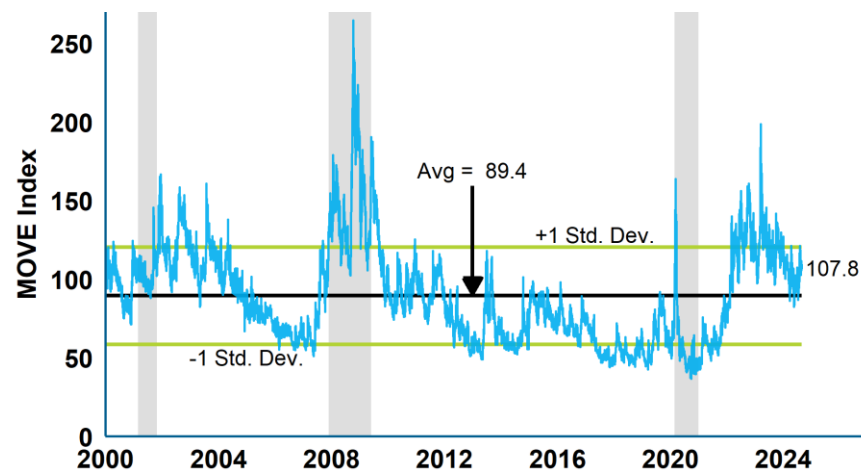
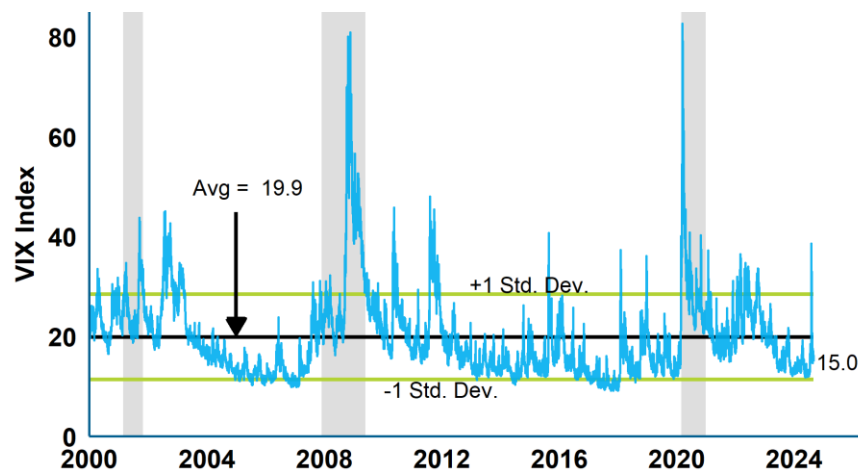
Credit Spreads vs. US Treasury Bonds¹



- Corporate bonds, particularly high yield, generally outperformed government bonds for the month given the prospective for materially lower interest rates.
- Spreads (the yield above a comparable maturity Treasury) widened significantly at the start of the month in the volatile environment but declined after.
- Overall spreads finished largely where they started the month despite the volatility. All spreads remained below their respective long-run averages, particularly high yield.
- Although spreads are relatively tight, yields remain at above-average levels compared to the last two decades, particularly for short-term issues.

¹ Source: Bloomberg. Data is as of August 31, 2024. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

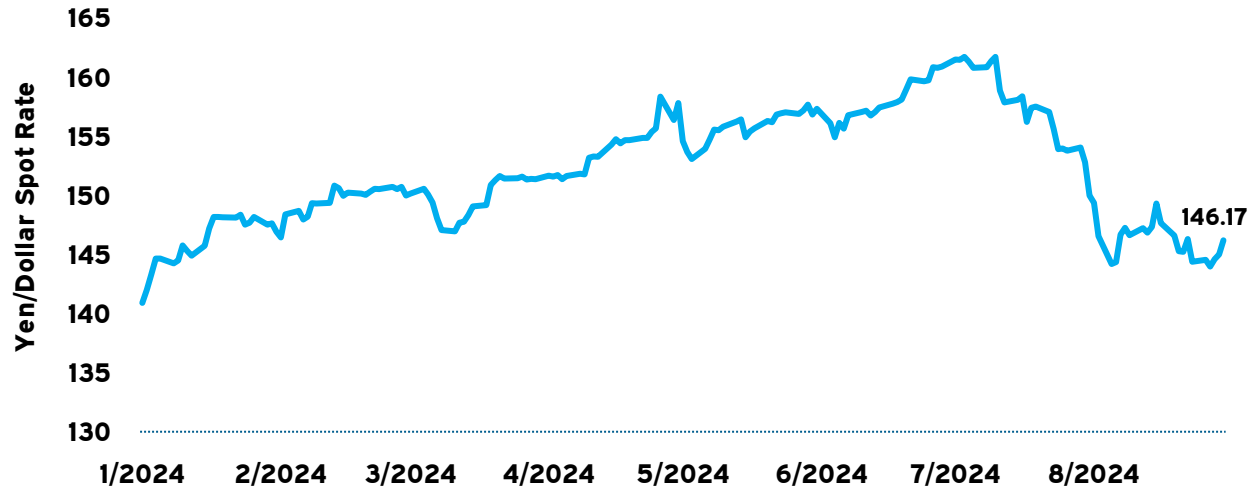
Equity and Fixed Income Volatility¹



- Equity market volatility fell slightly overall in August but this masks the significant volatility in the first part of the month related to the weaker than expected labor report in the US and pressures on the yen carry trade.
- Volatility levels (MOVE) in the bond market also fluctuated through the month finishing off their peak but at a level higher than where they started. Uncertainty in bond markets remain above the long-run average as markets continue to reprice interest rate cuts for the rest of 2024.

¹ Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of August 2024. The average line indicated is the average of the VIX and MOVE values between January 2000 and August 2024.

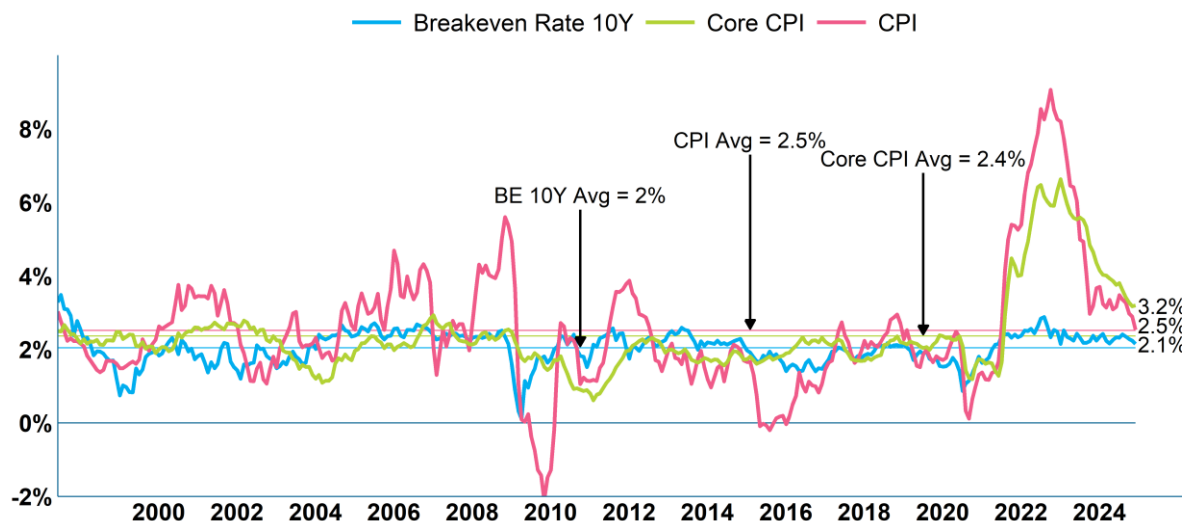
Recent Market Volatility: US Dollar versus Japanese Yen¹



- Given relatively lower interest rates in Japan many have entered the so-called “yen carry trade” borrowing cheaply in Japan and investing in other areas with perceived higher returns.
- This has traditionally involved taking the borrowed proceeds and investing them in Treasuries, but recently has expanded to investing in the US stock market particularly the technology sector.
- When the Bank of Japan signaled, it would continue to increase interest rates with expectations growing for the Fed to cut rates, many unwound this trade contributing to the significant market volatility (in addition to the unemployment miss) at the start of the month.
- With expectations for significant rate cuts ahead in the US the yen has further strengthened after month-end.

¹ Source: Bloomberg. Data as of August 31, 2024.

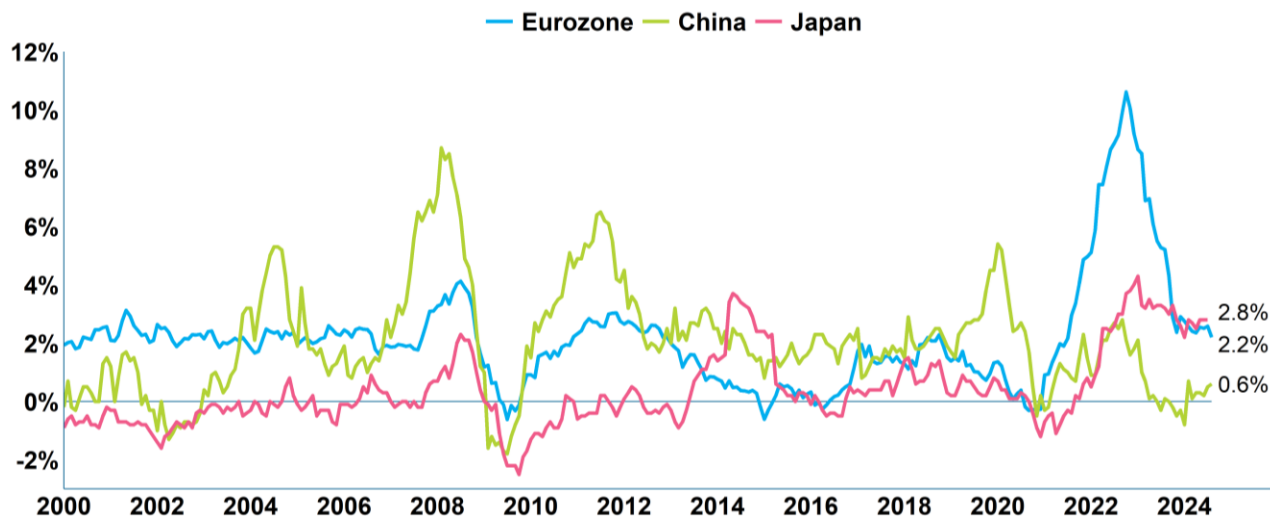
US Ten-Year Breakeven Inflation and CPI¹



- Year-over-year headline inflation continued to fall in August (2.9% to 2.5%), coming in at expectations.
- Month-over-month inflation increased 0.2% in August the same as in July. Shelter and transportation costs posted the largest gains rising 0.5% and 0.9%, respectively. Energy prices (-0.8%) fell for the month while food prices increased (0.1%).
- Core inflation (excluding food and energy) rose 0.3% (slightly above expectations) in August and 3.2% (at expectations) from a year prior.
- Inflation expectations (breakevens) have been relatively stable over the last several years. They remain below current inflation levels.

¹ Source: FRED. Data is as August 2024. The CPI and 10 Year Breakeven average lines denote the average values from February 1997 to the present month-end, respectively. Breakeven values represent month-end values for comparative purposes.

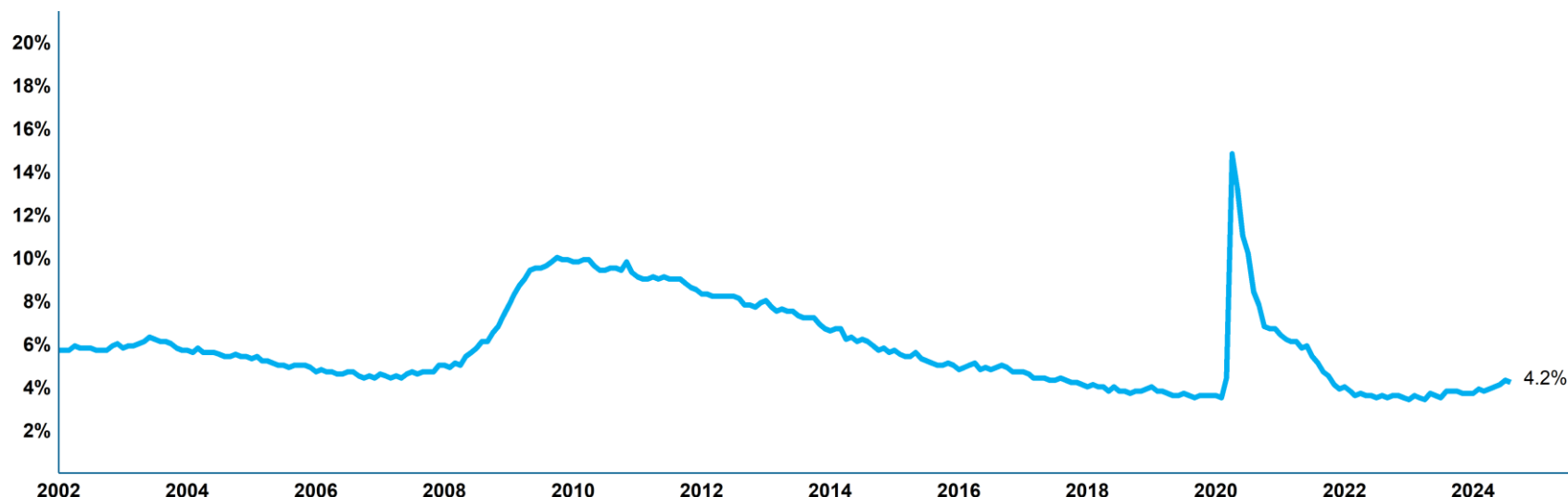
Global Inflation (CPI Trailing Twelve Months)¹



- In the eurozone, inflation fell from 2.5% to 2.2% in August, potentially clearing the way for further rate cuts from the ECB.
- Inflation in Japan remained steady at 2.8% in August for the third straight month. The Bank of Japan made some dovish comments in early August to calm markets, but in early September they signaled a willingness to raise interest rates in the future given inflation levels.
- In China, inflation was slightly up compared to last month representing the seventh straight month of positive price increases after declines late last year. Recent extreme weather has caused supply issues and contributed to higher prices. Inflation in China remains much lower than other countries though due to weak consumer spending and as issues in the real estate sector continue to weigh on sentiment.

¹ Source: Bloomberg. Data is as of August 31, 2024, except Japan which is as of July 31, 2024.

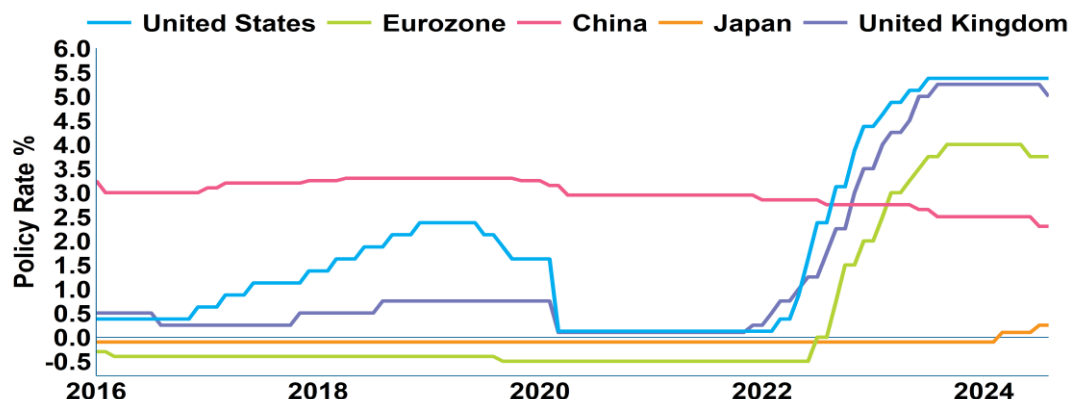
US Unemployment¹



- The unemployment rate fell slightly from 4.3% to 4.2% as the number of people on temporary layoff declined. Compared to a year ago the rate increased by 0.4% (3.8% to 4.2%).
- Construction (+34K), healthcare (+31K), and social services (+13K) sectors added jobs in August while manufacturing reduced jobs (-24k). The total number of jobs created was 142,000 compared to estimates of 165,000.
- The US labor market continues to show signs of slowing with the number of job openings falling to 7.7 million (the peak was over 12 million) and the rate of people quitting jobs is falling.
- The change in average hourly earnings from a year prior remains strong though (around 3.8%), and initial jobless claims are subdued.

¹ Source: FRED. Data is as August 31, 2024.

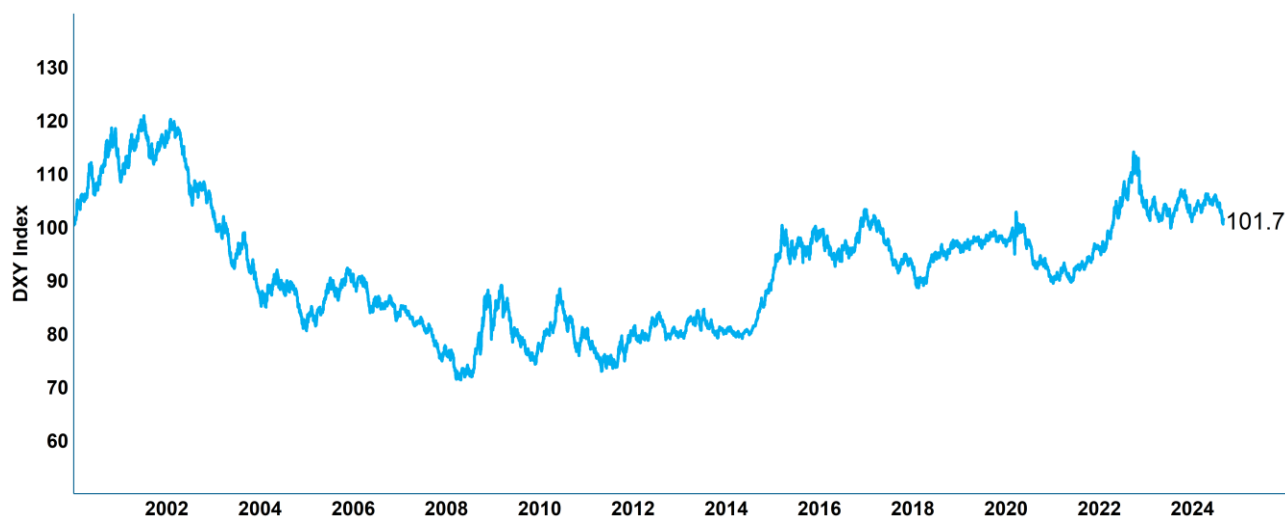
Policy Rates¹



- In the US, the Fed reduced interest rates by 0.5% after holding them at a 5.25%-5.50% level for over a year. Chair Powell cautioned though against assuming that the 0.5% initial cut would be the pace that policymakers would continue at. In their statement they highlighted that they would make additional interest rate cut decisions based on incoming data. Market participants are pricing in two to three additional cuts in 2024.
- The Bank of England (BoE) and European Central Bank (ECB) by contrast have both already started cutting rates. The BoE made a 25 basis points interest rate cut in July while the ECB made two similar cuts in June and September.
- Inflation in Japan remains elevated, prompting Bank of Japan officials to raise the policy rate 0.15% to 0.25% after decades at near-zero rates.
- China's central bank continues to pursue an easing policy given slowing economic growth and low inflation.

¹ Source: Bloomberg. Data is as of August 31, 2024. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.

US Dollar vs. Broad Currencies¹



- The US dollar weakened by over 2% in August on weak economic data and the prospect of rate cuts from the Fed later this year.
- Looking ahead, the track of policy rates across major central banks will be key for the path of the US dollar from here. If the US economy slows more than expected and the Fed relatedly lowers rates at a faster pace, we could see the dollar weaken.

¹ Source: Bloomberg. Data as of August 31, 2024.

Summary

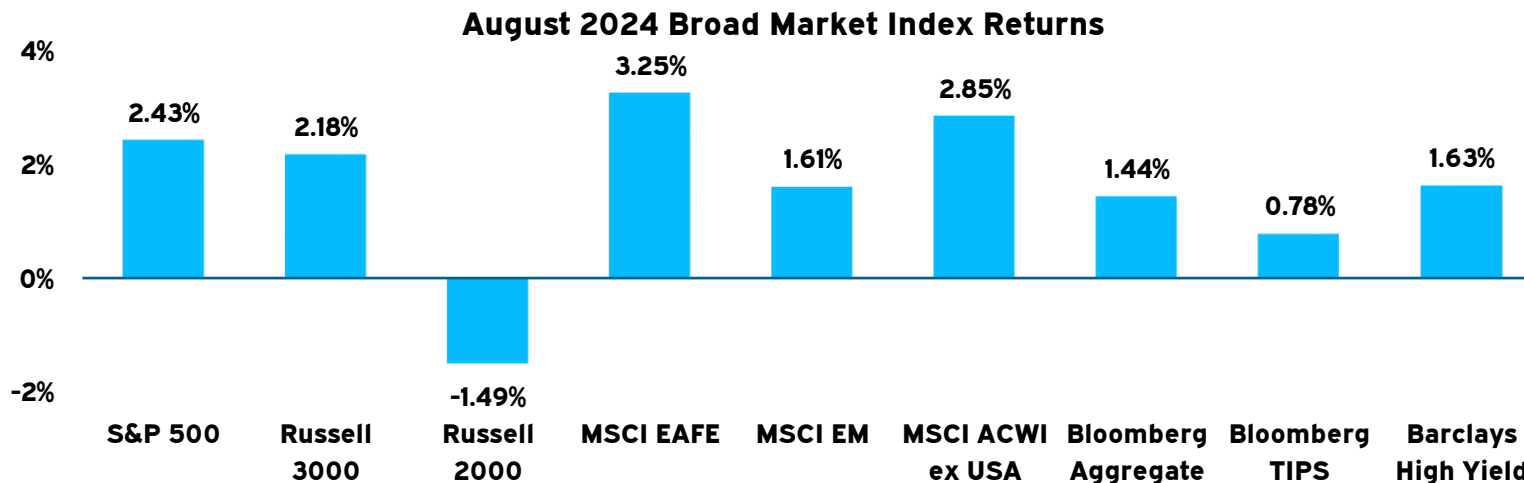
Key Trends:

- According to the International Monetary Fund's (IMF) July report, global growth this year is expected to match the 2023 estimate at around 3.2% with most major economies predicted to avoid a recession.
- Key economic data in the US has largely weakened and come in below expectations, causing markets to expect an additional two to three rate cuts this year after the Fed's initial 0.5% reduction. Uncertainty remains though regarding the timing and pace of interest rate cuts in the coming year.
- We have started to see divergences in monetary policy. Some central banks, such as the European Central Bank and the Bank of England have started to cut interest rates and others, like the Bank of Japan, have increased interest rates, while the Fed appears on the verge of starting rate cuts. This disparity will likely influence capital flows and currencies.
- US consumers could feel pressure as certain components of inflation (e.g., shelter) remain high, borrowing costs are elevated, and the job market may weaken further.
- A focus for US equities going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will be important.
- Equity valuations remain lower in emerging and developed markets, but risks remain, including China's economic uncertainty and ongoing weakness in the real estate sector. Japan's recent tightening of monetary policy along with changes in corporate governance in the country could influence relative results.

Performance Highlights

As of August 31, 2024

Market Review and Performance Summary for August 2024



→ Markets broadly climbed higher in August as strong corporate earnings and strong retail sales data served as tailwinds. Equities saw positive returns across markets, with International Developed markets outpacing US equities due to the weakening dollar. Fixed Incomes markets continued to climb higher with market expectations shifting towards policy rate cuts. Domestically, large cap sharply outpaced small cap stocks over the month, while international equities saw Developed Markets outpace their Emerging counterparts. US Fixed Income saw positive returns due to expected near term rate cuts, while High Yield bonds also rose.

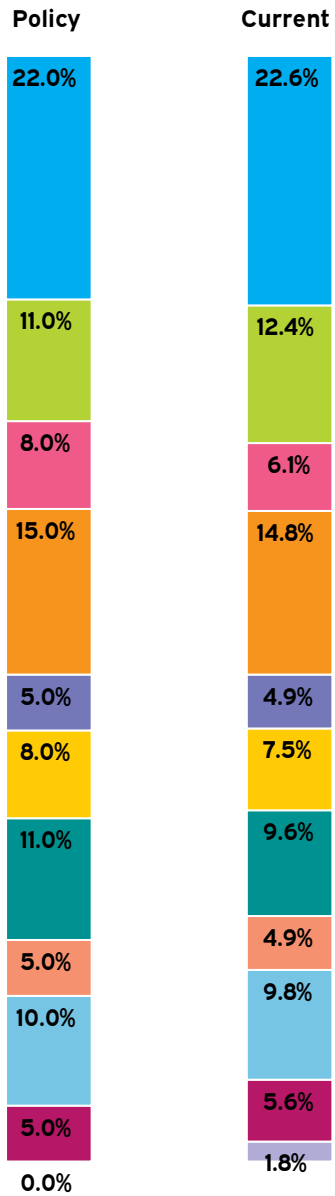
→ Merced CERA reported a monthly return of 1.4% net of fees. US Equities returned 2.3%, marginally outpacing the Russell 3000 Index return of 2.2%. International Equities return of 3.1% led the blended benchmark return of 2.6%, with the Developed International sleeve trailing its respective index by 0.6% while the Emerging Markets sleeve outpaced the MSCI EM index by 2.8%. US Fixed Income returned 1.5%, outpacing its benchmark by 10 basis points. Opportunistic Credit posted 0.8% for the month, trailing the blended benchmark by 0.5%.

→ As of August 30, 2024, total assets for the Merced CERA Portfolio are estimated at \$1.3 billion.

Interim Performance Update

As of August 31, 2024

Total Fund | As of August 31, 2024



Allocation vs. Targets and Policy						
	Current Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
US Equity	283,959,128	22.6	22.0	0.6	16.0 - 27.0	Yes
International Equity	155,331,182	12.4	11.0	1.4	6.0 - 16.0	Yes
Emerging Markets Equity	77,137,087	6.1	8.0	-1.9	4.0 - 12.0	Yes
Private Equity	185,407,130	14.8	15.0	-0.2	5.0 - 20.0	Yes
Direct Lending	61,428,337	4.9	5.0	-0.1	0.0 - 10.0	Yes
Real Estate	93,857,726	7.5	8.0	-0.5	6.0 - 10.0	Yes
US Fixed Income	120,299,041	9.6	11.0	-1.4	6.0 - 16.0	Yes
Opportunistic Credit	62,056,350	4.9	5.0	-0.1	3.0 - 7.0	Yes
Hedge Funds	123,182,105	9.8	10.0	-0.2	5.0 - 15.0	Yes
Real Assets	70,563,174	5.6	5.0	0.6	3.0 - 7.0	Yes
Cash	22,852,461	1.8	0.0	1.8	0.0 - 5.0	Yes
Total	1,256,073,722	100.0	100.0	0.0		

Asset Allocation & Performance | As of August 31, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund (Net)	1,256,073,722	100.0	1.4	2.3	9.4	2.3	14.0	4.2	9.1	7.4	8.1	Jan-95
Total Fund (Gross)			1.4	2.4	9.7	2.4	14.4	4.5	9.5	7.7	8.3	Jan-95
<i>Policy Index</i>			2.1	3.1	11.0	3.1	15.8	5.4	9.4	7.7	6.5	
Total Fund w/o Alternatives (Net)	698,782,789	55.6	2.3	3.7	13.1	3.7	19.1	3.0	9.5	7.5	--	Jan-08
Total Fund w/o Alternatives (Gross)			2.3	3.8	13.4	3.8	19.6	3.4	9.9	7.9	--	Jan-08
<i>Policy Index w/o AI</i>			1.8	4.3	11.0	4.3	17.3	2.8	8.1	6.7	--	
US Equity (Net)	283,959,128	22.6	2.3	4.2	17.5	4.2	25.0	6.9	14.2	12.4	10.7	Jan-95
US Equity (Gross)			2.3	4.2	17.7	4.2	25.2	7.2	14.5	12.6	10.8	Jan-95
<i>Russell 3000</i>			2.2	4.1	18.2	4.1	26.1	7.9	15.2	12.2	10.7	
International Equity (Net)	232,468,270	18.5	3.1	3.4	14.7	3.4	20.9	0.0	10.6	5.9	6.0	Jan-99
International Equity (Gross)			3.1	3.6	15.3	3.6	21.9	0.8	11.4	6.6	6.4	Jan-99
<i>International Equity Custom</i>			2.6	4.4	11.4	4.4	18.1	1.5	7.6	4.6	4.7	
Developed International Equity (Net)	155,331,182	12.4	2.4	4.8	15.0	4.8	22.1	4.7	10.4	5.8	5.1	Feb-08
Developed International Equity (Gross)			2.5	4.9	15.5	4.9	23.0	5.4	11.1	6.3	5.6	Feb-08
<i>Custom Blended Developed International Equity BM</i>			3.0	6.2	11.3	6.2	18.6	3.2	8.4	5.1	3.9	
Emerging Markets Equity (Net)	77,137,087	6.1	4.4	1.1	13.9	1.1	18.7	-7.3	9.3	5.6	5.5	May-12
Emerging Markets Equity (Gross)			4.5	1.2	14.7	1.2	19.9	-6.4	10.3	6.6	6.5	May-12
<i>MSCI EM</i>			1.6	1.9	9.5	1.9	15.1	-3.1	4.8	2.8	3.3	
US Fixed Income (Net)	120,299,041	9.6	1.5	4.0	3.6	4.0	7.9	-2.4	-0.2	1.6	4.4	Jan-95
US Fixed Income (Gross)			1.5	4.0	3.7	4.0	8.1	-2.3	-0.1	1.7	4.6	Jan-95
<i>US Fixed Income Custom Benchmark</i>			1.4	3.6	3.1	3.6	7.2	-1.8	0.1	1.7	4.6	

Data Prior to March 2018 provided by prior consultant.

Asset Allocation & Performance | As of August 31, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Opportunistic Credit (Net)	62,056,350	4.9	0.8	2.0	6.8	2.0	10.6	4.5	5.7	--	5.6	May-19
Opportunistic Credit (Gross)			0.9	2.1	7.0	2.1	11.1	5.0	6.2	--	6.1	May-19
<i>50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever</i>			<i>1.3</i>	<i>3.1</i>	<i>4.6</i>	<i>3.1</i>	<i>9.3</i>	<i>1.2</i>	<i>2.5</i>	<i>--</i>	<i>3.1</i>	
Real Estate (Net)	93,857,726	7.5	1.1	2.5	1.9	2.5	2.2	2.4	3.0	5.0	6.4	Dec-10
Real Estate (Gross)			1.1	2.5	1.9	2.5	2.2	2.5	3.0	5.4	7.4	Apr-99
<i>Custom Blended Real Estate Benchmark</i>			<i>0.0</i>	<i>0.0</i>	<i>-7.1</i>	<i>0.0</i>	<i>-11.3</i>	<i>3.4</i>	<i>3.5</i>	<i>6.1</i>	<i>6.6</i>	
<i>CPI +5% (Seasonally Adjusted)</i>			<i>0.6</i>	<i>1.2</i>	<i>5.1</i>	<i>1.2</i>	<i>7.7</i>	<i>10.1</i>	<i>9.4</i>	<i>8.0</i>	<i>7.7</i>	
Private Real Estate (Net)	74,231,693	5.9	0.0	0.0	0.0	0.0	-1.7	4.5	3.0	5.0	6.4	Dec-10
Private Real Estate (Gross)			0.0	0.0	0.0	0.0	-1.7	4.5	3.0	5.4	7.4	Apr-99
<i>Custom Blended Real Estate Benchmark</i>			<i>0.0</i>	<i>0.0</i>	<i>-7.1</i>	<i>0.0</i>	<i>-11.3</i>	<i>3.4</i>	<i>3.5</i>	<i>6.1</i>	<i>6.6</i>	
Private Equity (Net)	185,407,130	14.8	0.0	0.0	5.1	0.0	8.4	13.1	16.0	12.8	10.2	Jul-05
Private Equity (Gross)			0.0	0.0	5.1	0.0	8.4	13.1	16.0	12.8	10.3	Jul-05
<i>Custom Private Equity Benchmark</i>			<i>4.4</i>	<i>0.9</i>	<i>23.6</i>	<i>0.9</i>	<i>27.9</i>	<i>12.4</i>	<i>18.1</i>	<i>15.6</i>	<i>--</i>	
Direct Lending (Net)	61,428,337	4.9	0.0	0.0	5.7	0.0	11.8	6.7	--	--	9.9	Jul-20
Direct Lending (Gross)			0.0	0.0	5.7	0.0	11.8	6.7	--	--	9.9	Jul-20
<i>S&P LSTA Leveraged Loan +2%</i>			<i>0.8</i>	<i>1.7</i>	<i>7.2</i>	<i>1.7</i>	<i>12.0</i>	<i>8.6</i>	<i>7.8</i>	<i>6.8</i>	<i>9.7</i>	
Hedge Fund (Net)	123,182,105	9.8	-0.1	0.4	4.9	0.4	7.0	4.1	5.4	4.6	4.6	Jul-14
Hedge Fund (Gross)			0.0	0.6	5.9	0.6	8.5	5.3	6.4	5.2	5.1	Jul-14
<i>Custom Blended Hedge Fund Benchmark</i>			<i>0.4</i>	<i>0.9</i>	<i>5.8</i>	<i>0.9</i>	<i>8.7</i>	<i>2.2</i>	<i>5.1</i>	<i>3.8</i>	<i>3.8</i>	
Real Assets (Net)	70,563,174	5.6	0.1	0.2	6.8	0.2	11.6	12.7	11.3	9.6	9.7	Dec-10
Real Assets (Gross)			0.1	0.2	6.8	0.2	11.7	12.8	11.4	10.0	10.2	Dec-10
<i>Custom Blended Real Assets Benchmark</i>			<i>2.3</i>	<i>5.2</i>	<i>7.6</i>	<i>5.2</i>	<i>12.5</i>	<i>8.4</i>	<i>7.2</i>	<i>7.1</i>	<i>--</i>	
<i>CPI +5% (Seasonally Adjusted)</i>			<i>0.6</i>	<i>1.2</i>	<i>5.1</i>	<i>1.2</i>	<i>7.7</i>	<i>10.1</i>	<i>9.4</i>	<i>8.0</i>	<i>7.8</i>	

Real Assets includes State Street Real Assets NL Fund.

Asset Allocation & Performance | As of August 31, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Infrastructure (Net)	34,770,501	2.8	0.0	0.0	6.9	0.0	10.5	10.7	12.1	--	10.0	Jan-15
Private Infrastructure (Gross)			0.0	0.0	6.9	0.0	10.5	10.7	12.2	--	10.1	Jan-15
<i>S&P Global Infrastructure</i>			<i>4.6</i>	<i>9.3</i>	<i>13.7</i>	<i>9.3</i>	<i>20.2</i>	<i>7.8</i>	<i>6.5</i>	<i>5.5</i>	<i>6.0</i>	
Private Natural Resources (Net)	31,163,127	2.5	0.0	0.0	6.7	0.0	14.8	24.3	14.1	--	15.5	Oct-15
Private Natural Resources (Gross)			0.0	0.0	6.7	0.0	14.8	24.3	14.1	--	15.5	Oct-15
<i>S&P Global Natural Resources Sector Index (TR)</i>			<i>-0.1</i>	<i>1.3</i>	<i>1.7</i>	<i>1.3</i>	<i>4.9</i>	<i>7.4</i>	<i>10.7</i>	<i>4.7</i>	<i>10.6</i>	
Cash (Net)	22,852,461	1.8	0.4	0.8	2.9	0.8	4.4	2.3	1.6	--	--	Dec-10
Cash (Gross)			0.4	0.8	2.9	0.8	4.4	2.3	1.6	--	--	Dec-10

Asset Allocation & Performance | As of August 31, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	1,256,073,722	100.0	1.4	2.3	9.4	2.3	14.0	4.2	9.1	7.4	8.1	Jan-95
<i>Policy Index</i>			<i>2.1</i>	<i>3.1</i>	<i>11.0</i>	<i>3.1</i>	<i>15.8</i>	<i>5.4</i>	<i>9.4</i>	<i>7.7</i>	<i>6.5</i>	
Total Fund w/o Alternatives	698,782,789	55.6	2.3	3.7	13.1	3.7	19.1	3.0	9.5	7.5	--	Jan-08
<i>Policy Index w/o AI</i>			<i>1.8</i>	<i>4.3</i>	<i>11.0</i>	<i>4.3</i>	<i>17.3</i>	<i>2.8</i>	<i>8.1</i>	<i>6.7</i>	<i>--</i>	
US Equity	283,959,128	22.6	2.3	4.2	17.5	4.2	25.0	6.9	14.2	12.4	10.7	Jan-95
<i>Russell 3000</i>			<i>2.2</i>	<i>4.1</i>	<i>18.2</i>	<i>4.1</i>	<i>26.1</i>	<i>7.9</i>	<i>15.2</i>	<i>12.2</i>	<i>10.7</i>	
BNY Mellon Newton Dynamic US Equity	55,306,968	4.4	2.2	3.4	18.7	3.4	25.7	6.9	14.9	13.8	16.1	Jan-13
<i>S&P 500 Index</i>			<i>2.4</i>	<i>3.7</i>	<i>19.5</i>	<i>3.7</i>	<i>27.1</i>	<i>9.4</i>	<i>15.9</i>	<i>13.0</i>	<i>14.6</i>	
BNY Mellon Large Cap	196,454,406	15.6	2.4	3.9	18.7	3.9	26.6	8.3	15.5	--	14.5	Apr-16
<i>Russell 1000 Index</i>			<i>2.4</i>	<i>3.9</i>	<i>18.6</i>	<i>3.9</i>	<i>26.6</i>	<i>8.3</i>	<i>15.6</i>	<i>12.7</i>	<i>14.5</i>	
Champlain Small Cap	32,197,754	2.6	2.4	8.2	8.5	8.2	13.7	-0.2	--	--	8.8	Nov-20
<i>Russell 2000 Index</i>			<i>-1.5</i>	<i>8.5</i>	<i>10.4</i>	<i>8.5</i>	<i>18.5</i>	<i>0.6</i>	<i>9.7</i>	<i>8.0</i>	<i>11.5</i>	
International Equity	232,468,270	18.5	3.1	3.4	14.7	3.4	20.9	0.0	10.6	5.9	6.0	Jan-99
<i>International Equity Custom</i>			<i>2.6</i>	<i>4.4</i>	<i>11.4</i>	<i>4.4</i>	<i>18.1</i>	<i>1.5</i>	<i>7.6</i>	<i>4.6</i>	<i>4.7</i>	
Developed International Equity	155,331,182	12.4	2.4	4.8	15.0	4.8	22.1	4.7	10.4	5.8	5.1	Feb-08
<i>Custom Blended Developed International Equity BM</i>			<i>3.0</i>	<i>6.2</i>	<i>11.3</i>	<i>6.2</i>	<i>18.6</i>	<i>3.2</i>	<i>8.4</i>	<i>5.1</i>	<i>3.9</i>	
Acadian ACWI ex U.S. Small Cap Equity	19,806,882	1.6	1.9	5.1	14.0	5.1	21.1	3.4	12.4	--	10.6	May-19
<i>MSCI AC World ex USA Small Cap (Net)</i>			<i>1.8</i>	<i>5.7</i>	<i>8.7</i>	<i>5.7</i>	<i>15.2</i>	<i>-0.6</i>	<i>8.1</i>	<i>5.1</i>	<i>6.6</i>	
Driehaus International Small Cap Growth	18,939,302	1.5	1.5	5.1	11.2	5.1	15.5	-2.7	9.4	--	9.1	May-19
<i>MSCI AC World ex USA Small Growth Index (Net)</i>			<i>2.1</i>	<i>5.3</i>	<i>8.0</i>	<i>5.3</i>	<i>13.1</i>	<i>-3.9</i>	<i>7.3</i>	<i>5.2</i>	<i>6.0</i>	
GQG International Equity	57,609,131	4.6	2.5	1.9	18.9	1.9	30.2	7.5	--	--	11.4	Dec-19
<i>MSCI AC World ex USA (Net)</i>			<i>2.8</i>	<i>5.2</i>	<i>11.2</i>	<i>5.2</i>	<i>18.2</i>	<i>2.1</i>	<i>7.6</i>	<i>4.4</i>	<i>6.4</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.

Asset Allocation & Performance | As of August 31, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
First Eagle International Value Fund <i>MSCI EAFE (Net)</i>	58,975,867	4.7	2.8 3.3	7.5 6.3	11.9 12.0	7.5 6.3	15.9 19.4	4.4 4.1	-- 8.6	-- 5.2	5.5 7.4	Dec-19
Emerging Markets Equity <i>MSCI EM</i>	77,137,087	6.1	4.4 1.6	1.1 1.9	13.9 9.5	1.1 1.9	18.7 15.1	-7.3 -3.1	9.3 4.8	5.6 2.8	5.5 3.3	May-12
Artisan Developing World TR <i>MSCI Emerging Markets (Net)</i>	54,617,092	4.3	6.7 1.6	2.1 1.9	19.4 9.5	2.1 1.9	27.3 15.1	-6.5 -3.1	-- 4.8	-- 2.6	8.8 3.7	Dec-19
RWC <i>MSCI Emerging Markets (Net)</i>	22,519,996	1.8	-0.9 1.6	-1.8 1.9	1.7 9.5	-1.8 1.9	0.8 15.1	-9.2 -3.1	-- 4.8	-- 2.6	1.0 3.7	Dec-19
US Fixed Income <i>US Fixed Income Custom Benchmark</i>	120,299,041	9.6	1.5 1.4	4.0 3.6	3.6 3.1	4.0 3.6	7.9 7.2	-2.4 -1.8	-0.2 0.1	1.6 1.7	4.4 4.6	Jan-95
Vanguard Short-Term Treasury Index Fund <i>Bloomberg U.S. Government 1-3 Year Index</i>	6,939,826	0.6	0.9 0.9	2.1 2.1	3.3 3.3	2.1 2.1	5.9 5.9	0.9 1.0	1.3 1.3	-- 1.3	1.7 1.8	Mar-18
Vanguard Total Bond Market Index Fund <i>Blmbg. U.S. Aggregate Index</i>	18,199,283	1.4	1.3 1.4	3.7 3.8	3.1 3.1	3.7 3.8	7.2 7.3	-2.1 -2.1	-0.1 0.0	-- 1.6	1.1 1.1	May-19
Payden & Rygel Low Duration Fund <i>Blmbg. U.S. Treasury: 1-3 Year</i>	8,318,211	0.7	1.0 0.9	2.1 2.1	4.2 3.3	2.1 2.1	7.1 5.9	-- 1.0	-- 1.3	-- 1.3	6.8 4.6	Nov-22
Brandywine US Fixed Income <i>Blmbg. U.S. Aggregate Index</i>	35,324,265	2.8	1.9 1.4	5.3 3.8	3.0 3.1	5.3 3.8	7.5 7.3	-- -2.1	-- 0.0	-- 1.6	3.2 6.5	Nov-22
Wellington Core Bond <i>Blmbg. U.S. Aggregate Index</i>	51,517,455	4.1	1.3 1.4	3.8 3.8	4.0 3.1	3.8 3.8	8.8 7.3	-- -2.1	-- 0.0	-- 1.6	6.2 6.5	Nov-22

Developed International Equity and Emerging Markets Equity composites were only reported as one composite prior to March 2018.

Asset Allocation & Performance | As of August 31, 2024

	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Opportunistic Credit	62,056,350	4.9	0.8	2.0	6.8	2.0	10.6	4.5	5.7	--	5.6	May-19
<i>50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever</i>			<i>1.3</i>	<i>3.1</i>	<i>4.6</i>	<i>3.1</i>	<i>9.3</i>	<i>1.2</i>	<i>2.5</i>	<i>--</i>	<i>3.1</i>	
PIMCO Income Fund	12,095,312	1.0	0.8	3.2	5.0	3.2	9.7	2.0	3.5	--	3.4	May-19
<i>Blmbg. U.S. Aggregate Index</i>			<i>1.4</i>	<i>3.8</i>	<i>3.1</i>	<i>3.8</i>	<i>7.3</i>	<i>-2.1</i>	<i>0.0</i>	<i>1.6</i>	<i>1.1</i>	
GoldenTree Multi-Sector Credit	27,840,283	2.2	1.1	2.2	8.0	2.2	13.2	5.2	6.0	--	6.1	Jun-19
<i>50% BBg US High Yield TR/50% Credit Suisse Leveraged Loans</i>			<i>1.1</i>	<i>2.5</i>	<i>6.1</i>	<i>2.5</i>	<i>11.2</i>	<i>4.4</i>	<i>5.0</i>	<i>4.7</i>	<i>5.2</i>	
OWS Credit Opportunity Fund LP	22,120,755	1.8	0.4	1.2	6.3	1.2	--	--	--	--	8.7	Oct-23
<i>50% BBg US High Yield TR/50% Credit Suisse Leveraged Loans</i>			<i>1.1</i>	<i>2.5</i>	<i>6.1</i>	<i>2.5</i>	<i>11.2</i>	<i>4.4</i>	<i>5.0</i>	<i>4.7</i>	<i>11.4</i>	
Real Estate	93,857,726	7.5	1.1	2.5	1.9	2.5	2.2	2.4	3.0	5.0	6.4	Dec-10
<i>Custom Blended Real Estate Benchmark</i>			<i>0.0</i>	<i>0.0</i>	<i>-7.1</i>	<i>0.0</i>	<i>-11.3</i>	<i>3.4</i>	<i>3.5</i>	<i>6.1</i>	<i>7.9</i>	
<i>CPI +5% (Seasonally Adjusted)</i>			<i>0.6</i>	<i>1.2</i>	<i>5.1</i>	<i>1.2</i>	<i>7.7</i>	<i>10.1</i>	<i>9.4</i>	<i>8.0</i>	<i>7.8</i>	
Vanguard REIT Index	19,626,034	1.6	5.2	13.4	10.0	13.4	20.4	-0.5	--	--	7.9	Sep-20
<i>Spliced Vanguard REIT Benchmark</i>			<i>5.3</i>	<i>13.5</i>	<i>10.1</i>	<i>13.5</i>	<i>20.5</i>	<i>-0.4</i>	<i>4.6</i>	<i>6.4</i>	<i>8.0</i>	
Private Real Estate	74,231,693	5.9	0.0	0.0	0.0	0.0	-1.7	4.5	3.0	5.0	6.4	Dec-10
<i>Custom Blended Real Estate Benchmark</i>			<i>0.0</i>	<i>0.0</i>	<i>-7.1</i>	<i>0.0</i>	<i>-11.3</i>	<i>3.4</i>	<i>3.5</i>	<i>6.1</i>	<i>7.9</i>	
Greenfield Gap VII	711,794	0.1	0.0	0.0	-8.1	0.0	-3.0	14.7	13.0	--	13.6	Jan-15
Patron Capital V	4,989,728	0.4	0.0	0.0	0.8	0.0	-12.5	-12.6	-10.0	--	-0.4	Feb-16
UBS Trumbull Property	20,781,914	1.7	0.0	0.0	-5.6	0.0	-10.4	0.8	-0.1	3.0	5.5	Apr-99
Carlyle Realty VIII	2,393,508	0.2	0.0	0.0	-3.7	0.0	-0.9	36.2	27.0	--	8.7	Jan-18
Taconic CRE Dislocation Fund II	3,235,652	0.3	0.0	0.0	-2.0	0.0	0.7	8.3	8.5	--	7.9	Nov-18
Carmel Partners Investment Fund VII	4,715,615	0.4	0.0	0.0	7.3	0.0	8.5	5.1	-9.5	--	-16.0	Apr-19

All private markets performance and market values reflect a 03/31/2024 capital account balance 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.

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	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
AG Realty Value Fund X, L.P.	3,306,974	0.3	0.0	0.0	-3.7	0.0	-6.5	8.3	7.8	--	3.7	Jun-19
Rockpoint Real Estate Fund VI, L.P.	4,654,854	0.4	0.0	0.0	-2.5	0.0	-4.5	9.2	--	--	7.2	May-20
Cerberus Real Estate Debt Fund, L.P.	4,986,913	0.4	0.0	0.0	2.8	0.0	10.5	5.8	--	--	9.8	Jul-20
Taconic CRE Dislocation Onshore Fund III	7,783,315	0.6	0.0	0.0	4.9	0.0	10.8	8.4	--	--	7.7	Jun-21
Starwood Distressed Opportunity Fund XII Global	4,442,900	0.4	0.0	0.0	10.7	0.0	6.8	54.0	--	--	76.9	Jun-21
Carlyle Realty Partners IX	2,782,020	0.2	0.0	0.0	-6.6	0.0	-2.4	--	--	--	-161.9	Dec-21
Carmel Partners Investment Fund VIII	6,197,926	0.5	0.0	0.0	9.3	0.0	16.6	--	--	--	-0.7	Apr-22
Rockpoint Real Estate Fund VII L.P.	3,248,579	0.3	0.0	0.0	3.0	0.0	2.1	--	--	--	7.4	Aug-22
Private Equity	185,407,130	14.8	0.0	0.0	5.1	0.0	8.4	13.1	16.0	12.8	10.2	Jul-05
<i>Custom Private Equity Benchmark</i>			<i>4.4</i>	<i>0.9</i>	<i>23.6</i>	<i>0.9</i>	<i>27.9</i>	<i>12.4</i>	<i>18.1</i>	<i>15.6</i>	<i>--</i>	
Taconic Credit Dislocation Fund IV L.P.	4,180,758	0.3	0.0	0.0	10.2	0.0	16.6	--	--	--	14.1	Jul-23
Khosla Ventures Seed F, L.P.	850,634	0.1	0.0	0.0	10.6	0.0	5.4	--	--	--	4.6	Jul-23
Adams Street	3,380,992	0.3	0.0	0.0	-0.5	0.0	-4.3	-2.5	8.4	9.9	7.5	Oct-05
Invesco VI	368,007	0.0	0.0	0.0	-22.9	0.0	-30.6	-13.1	8.4	11.7	10.8	Jul-13
Ocean Avenue II	5,577,155	0.4	0.0	0.0	-10.1	0.0	-16.4	9.9	22.2	18.5	17.5	Jul-14
Pantheon I	57,486	0.0	0.0	0.0	-6.7	0.0	-8.2	-15.8	-15.1	-6.2	-1.9	Jan-06
Pantheon II	2,516,286	0.2	0.0	0.0	3.1	0.0	0.9	0.3	9.9	11.1	11.4	Jan-12
Pantheon Secondary	108,027	0.0	0.0	0.0	-0.9	0.0	-2.3	-8.8	-7.7	-2.6	0.4	Jul-07
Davidson Kempner Long-Term Distressed Opportunities Fund IV	2,667,114	0.2	0.0	0.0	4.4	0.0	11.5	28.3	19.0	--	17.4	Apr-18

Pantheon I includes Pantheon US Fund VI and Pantheon Europe Fund IV. Pantheon Europe Fund IV is adjusting from the 12/31/2023 NAV.

Pantheon II includes Pantheon US Fund IX, Pantheon Asia Fund VI, and Pantheon Europe Fund VII.

Pantheon Secondary includes Pantheon GLO SEC III B.

Adams Street includes Adams street 2005, Adams Street 2007, and Adams Street 2011.

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	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
GTCR Fund XII	5,874,631	0.5	0.0	0.0	2.2	0.0	8.5	15.6	23.6	--	14.0	Jun-18
Carrick Capital Partners III	4,970,159	0.4	0.0	0.0	1.5	0.0	8.5	12.7	12.3	--	10.5	Aug-18
Cressey & Company Fund VI	5,019,159	0.4	0.0	0.0	-4.3	0.0	-5.7	11.2	17.0	--	12.0	Jan-19
TCV X	6,978,388	0.6	0.0	0.0	15.7	0.0	21.4	9.8	20.9	--	17.6	Apr-19
Accel-KKR Growth Capital Partners III	5,076,480	0.4	0.0	0.0	3.6	0.0	-7.1	11.1	6.7	--	6.5	Jul-19
Genstar Capital Partners IX	9,853,406	0.8	0.0	0.0	3.4	0.0	12.2	25.1	23.7	--	23.2	Aug-19
Cortec Group Fund VII	9,146,610	0.7	0.0	0.0	3.6	0.0	8.0	21.3	--	--	22.3	Dec-19
Spark Capital Growth Fund III	8,447,769	0.7	0.0	0.0	-2.3	0.0	-3.8	13.2	--	--	11.6	Mar-20
Spark Capital VI	3,822,412	0.3	0.0	0.0	2.3	0.0	43.5	15.6	--	--	6.2	Mar-20
Summit Partners Growth Equity Fund X-A	9,081,248	0.7	0.0	0.0	4.9	0.0	8.3	12.7	--	--	6.8	Mar-20
Taconic Market Dislocation Fund III L.P.	5,040,466	0.4	0.0	0.0	11.8	0.0	19.2	12.6	--	--	14.8	Jul-20
Marlin Heritage Europe II, L.P.	7,897,211	0.6	0.0	0.0	3.8	0.0	2.7	1.4	--	--	0.5	Oct-20
Khosla Ventures VII	6,571,624	0.5	0.0	0.0	18.8	0.0	26.9	15.2	--	--	10.8	Jan-21
Accel-KKR Capital Partners VI	4,025,325	0.3	0.0	0.0	0.0	0.0	0.0	14.0	--	--	-3.9	Feb-21
Khosla Ventures Seed E	2,391,327	0.2	0.0	0.0	1.7	0.0	9.7	119.2	--	--	86.8	Feb-21
TCV XI	6,035,022	0.5	0.0	0.0	18.5	0.0	12.6	1.6	--	--	-0.2	Feb-21
Thoma Bravo Discover Fund III	9,637,354	0.8	0.0	0.0	10.4	0.0	14.9	7.8	--	--	8.6	Jun-21
Summit Partners Venture Capital Fund V-A	4,192,903	0.3	0.0	0.0	14.0	0.0	18.0	1.5	--	--	0.7	May-21

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	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
GTCR Fund XIII/A & B	6,294,699	0.5	0.0	0.0	9.1	0.0	15.1	37.6	--	--	65.0	Jun-21
Genstar Capital Partners X	7,858,624	0.6	0.0	0.0	0.1	0.0	0.1	--	--	--	4.0	Oct-21
Nautic Partners X	6,215,613	0.5	0.0	0.0	8.5	0.0	22.3	--	--	--	8.2	Jan-22
Spark Capital Growth Fund IV	4,316,809	0.3	0.0	0.0	1.2	0.0	-2.9	--	--	--	9.7	Jan-22
Spark Capital VII	2,088,335	0.2	0.0	0.0	-0.9	0.0	-4.1	--	--	--	-5.8	Feb-22
TCV Velocity Fund I	4,666,683	0.4	0.0	0.0	21.7	0.0	96.9	--	--	--	8.2	Feb-22
Accel-KKR Growth Capital Partners IV	2,279,946	0.2	0.0	0.0	0.5	0.0	1.2	--	--	--	-11.5	Apr-22
Summit Partners Growth Equity Fund XI-A	2,548,947	0.2	0.0	0.0	6.1	0.0	10.5	--	--	--	-29.6	Apr-22
GTCR Strategic Growth Fund I/A&B LP	2,343,377	0.2	0.0	0.0	0.6	0.0	7.0	--	--	--	-25.3	Jul-22
Threshold Ventures IV LP	1,663,281	0.1	0.0	0.0	-1.1	0.0	-8.9	--	--	--	-16.3	Aug-22
Thoma Bravo Discovery Fund IV	5,291,941	0.4	0.0	0.0	9.7	0.0	14.3	--	--	--	14.0	Jan-23
Marlin Heritage III	2,660,858	0.2	0.0	0.0	7.2	0.0	2.1	--	--	--	-65.3	Jan-23
Cortec Group Fund VIII, L.P.	876,175	0.1	0.0	0.0	-11.5	0.0	-23.8	--	--	--	-18.1	Apr-23
Khosla Ventures VIII	2,320,072	0.2	0.0	0.0	-0.3	0.0	-2.2	--	--	--	-2.2	Sep-23
Genstar Capital Partners XI	213,819	0.0	0.0	0.0	35.5	0.0	--	--	--	--	35.5	Nov-23

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	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Direct Lending	61,428,337	4.9	0.0	0.0	5.7	0.0	11.8	6.7	--	--	9.9	Jul-20
<i>S&P LSTA Leveraged Loan +2%</i>			<i>0.8</i>	<i>1.7</i>	<i>7.2</i>	<i>1.7</i>	<i>12.0</i>	<i>8.6</i>	<i>7.8</i>	<i>6.8</i>	<i>9.7</i>	
Silver Point Specialty Credit Fund II, L.P.	6,360,161	0.5	0.0	0.0	5.6	0.0	11.4	6.9	--	--	10.1	Jul-20
Ares Senior Direct Lending Fund II	13,188,632	1.0	0.0	0.0	7.9	0.0	17.4	--	--	--	11.3	Jan-22
Varagon Capital Direct Lending Fund	15,581,394	1.2	0.0	0.0	3.2	0.0	8.3	--	--	--	3.0	Jan-22
AG Direct Lending Fund IV Annex	8,425,467	0.7	0.0	0.0	6.0	0.0	11.7	--	--	--	9.0	May-22
AG Direct Lending Fund V	3,787,959	0.3	0.0	0.0	2.5	0.0	6.4	--	--	--	6.7	Aug-22
Accel-KKR Credit Partners II LP	2,091,611	0.2	0.0	0.0	4.3	0.0	11.6	--	--	--	28.3	Mar-23
Silver Point Specialty Credit Fund III	6,910,445	0.6	0.0	0.0	11.0	0.0	12.8	--	--	--	7.1	Mar-23
Ares Capital Europe VI (D) Levered, L.P.	5,021,764	0.4	0.0	0.0	3.0	0.0	--	--	--	--	9.6	Nov-23
Ares Senior Direct Lending Fund III	60,904	0.0										
Hedge Fund	123,182,105	9.8	-0.1	0.4	4.9	0.4	7.0	4.1	5.4	4.6	4.6	Jul-14
<i>Custom Blended Hedge Fund Benchmark</i>			<i>0.4</i>	<i>0.9</i>	<i>5.8</i>	<i>0.9</i>	<i>8.7</i>	<i>2.2</i>	<i>5.1</i>	<i>3.8</i>	<i>3.8</i>	
Hudson Bay Fund	16,343,809	1.3	0.5	1.5	5.6	1.5	7.0	--	--	--	7.1	Jun-23
Graham Absolute Return	10,766,587	0.9	-1.5	-1.3	5.2	-1.3	6.1	9.3	5.3	--	4.9	Sep-17
Wellington-Archipelago	18,515,667	1.5	0.7	1.8	12.8	1.8	16.4	8.4	8.0	--	7.0	Sep-17
Marshall Wace Eureka	5,048,623	0.4	-0.7	0.0	8.9	0.0	9.2	4.7	6.8	--	6.2	Dec-17
Silver Point Capital	20,648,393	1.6	0.0	0.4	7.2	0.4	8.7	6.4	11.1	--	8.2	Dec-17
Laurion Capital	13,082,163	1.0	-1.3	-3.1	-7.5	-3.1	-5.3	-4.0	6.7	--	6.7	Aug-18

Ares Capital Europe VI (D) Levered, L.P. was previously included in Private Equity, but starting as of the April 2024 report all of its return streams and trailing data has been moved to Direct Lending.

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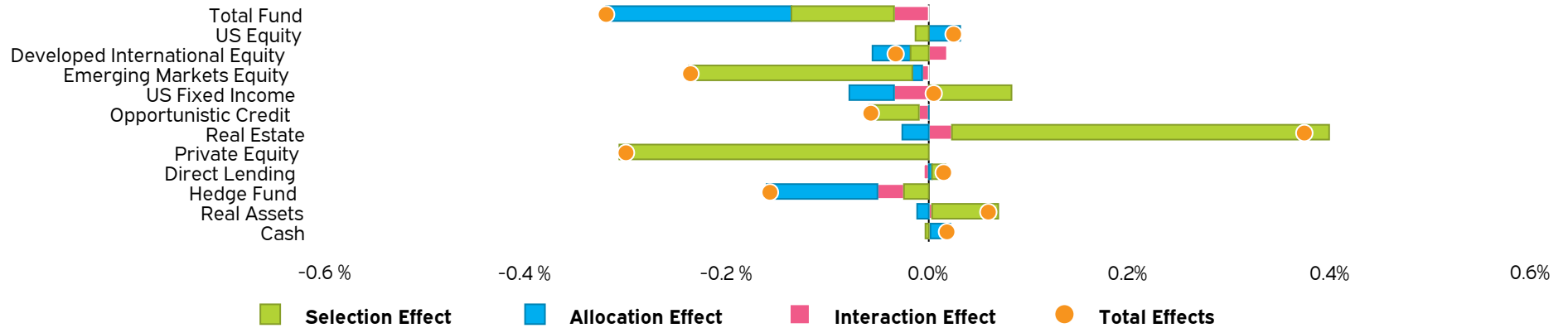
	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Taconic Opportunity Fund	14,595,228	1.2	0.5	0.2	1.9	0.2	2.9	1.5	2.8	--	3.1	Jan-19
Marshall Wace Global Opportunities	11,951,803	1.0	-1.0	0.3	7.3	0.3	7.8	5.8	--	--	6.1	May-20
Caxton Global Investments	12,229,833	1.0	0.9	2.4	3.8	2.4	9.7	7.7	--	--	5.5	May-21
Real Assets	70,563,174	5.6	0.1	0.2	6.8	0.2	11.6	12.7	11.3	9.6	9.7	Dec-10
<i>Custom Blended Real Assets Benchmark</i>			<i>2.3</i>	<i>5.2</i>	<i>7.6</i>	<i>5.2</i>	<i>12.5</i>	<i>8.4</i>	<i>7.2</i>	<i>7.1</i>	<i>--</i>	
SSgA	4,629,546	0.4	1.8	3.1	5.5	3.1	7.0	4.6	7.0	--	5.8	May-17
<i>Real Asset NL Custom Blended Index</i>			<i>1.7</i>	<i>3.0</i>	<i>5.4</i>	<i>3.0</i>	<i>7.3</i>	<i>4.1</i>	<i>7.0</i>	<i>--</i>	<i>5.9</i>	
Private Infrastructure	34,770,501	2.8	0.0	0.0	6.9	0.0	10.5	10.7	12.1	--	10.0	Jan-15
<i>S&P Global Infrastructure</i>			<i>4.6</i>	<i>9.3</i>	<i>13.7</i>	<i>9.3</i>	<i>20.2</i>	<i>7.8</i>	<i>6.5</i>	<i>5.5</i>	<i>6.0</i>	
KKR Global II	3,580,782	0.3	0.0	0.0	10.7	0.0	15.4	14.1	22.8	--	16.8	Jan-15
North Haven Infrastructure II	2,518,956	0.2	0.0	0.0	-3.8	0.0	-5.8	7.8	5.4	--	6.7	Jun-15
ISQ Global Infrastructure Fund II	5,761,176	0.5	0.0	0.0	6.4	0.0	9.6	11.4	11.8	--	4.9	Jul-18
KKR Global Infrastructure Investors III	4,330,345	0.3	0.0	0.0	14.4	0.0	22.0	7.9	6.0	--	1.7	Jan-19
Ardian Infrastructure Fund V	4,455,021	0.4	0.0	0.0	6.0	0.0	9.6	11.6	--	--	-5.3	Nov-19
ISQ Global Infrastructure Fund III	2,666,779	0.2	0.0	0.0	9.3	0.0	13.0	-435.6	--	--	-405.7	Jun-21
KKR Global Infrastructure Investors IV	6,129,220	0.5	0.0	0.0	6.7	0.0	13.8	-217.8	--	--	-217.8	Sep-21
BlackRock Global Infrastructure Fund IV	4,350,672	0.3	0.0	0.0	4.8	0.0	3.2	--	--	--	-5.5	Dec-22
Ardian Infrastructure Fund VI	977,550	0.1										

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	Market Value \$	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Natural Resources	31,163,127	2.5	0.0	0.0	6.7	0.0	14.8	24.3	14.1	--	15.5	Oct-15
<i>S&P Global Natural Resources Sector Index (TR)</i>			<i>-0.1</i>	<i>1.3</i>	<i>1.7</i>	<i>1.3</i>	<i>4.9</i>	<i>7.4</i>	<i>10.7</i>	<i>4.7</i>	<i>10.6</i>	
EnCap Flatrock Midstream Fund V	3,060,918	0.2	0.0	0.0	-1.7	0.0	-6.5	--	--	--	-5.2	Jun-23
EnCap XI	5,313,270	0.4	0.0	0.0	8.2	0.0	27.9	36.8	11.1	--	-3.1	Aug-17
EnCap IV	1,773,495	0.1	0.0	0.0	1.6	0.0	4.7	48.9	29.0	--	20.8	Mar-18
GSO Energy Opportunities	431,830	0.0	0.0	0.0	35.5	0.0	56.4	48.5	27.4	--	22.6	Dec-15
Taurus Mining	348,658	0.0	0.0	0.0	11.0	0.0	6.9	59.0	28.0	--	23.5	Oct-15
Taurus Mining Annex	168,246	0.0	0.0	0.0	0.4	0.0	-4.5	19.2	16.1	--	20.6	Feb-17
BlackRock Global Energy and Power Infrastructure Fund III LP	4,494,372	0.4	0.0	0.0	3.1	0.0	6.1	8.5	12.5	--	12.3	Aug-19
Tailwater Energy Fund IV, LP	4,292,271	0.3	0.0	0.0	9.8	0.0	10.3	26.0	--	--	7.3	Oct-19
Carnelian Energy Capital IV	4,751,226	0.4	0.0	0.0	3.9	0.0	17.9	--	--	--	3.5	May-22
EnCap Energy Capital Fund XII	5,587,295	0.4	0.0	0.0	17.1	0.0	34.0	--	--	--	31.0	Aug-23
Carnelian Energy Capital V, L.P	941,546	0.1										
Cash	22,852,461	1.8	0.4	0.8	2.9	0.8	4.4	2.3	1.6	--	--	Dec-10
Cash	21,126,724	1.7	0.4	0.9	3.6	0.9	5.3	2.6	1.8	1.4	-1.0	Dec-10
Treasury Cash	1,725,737	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--	0.1	Sep-17

Treasury Cash market values is as of 6/30/2024.

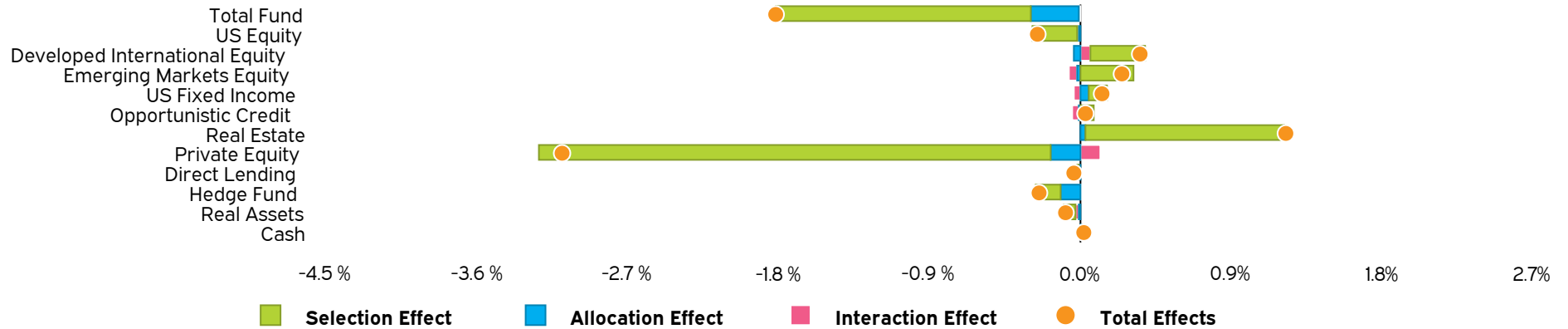
Attribution Effects 3 Months Ending August 31, 2024



Attribution Summary 3 Months Ending August 31, 2024

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	7.3	7.3	0.0	0.0	0.0	0.0	0.0
Developed International Equity	4.6	4.6	0.0	0.0	0.0	0.0	0.0
Emerging Markets Equity	2.9	5.9	-3.0	-0.2	0.0	0.0	-0.2
US Fixed Income	5.1	4.6	0.5	0.1	0.0	0.0	0.0
Opportunistic Credit	2.8	3.9	-1.2	0.0	0.0	0.0	-0.1
Real Estate	2.9	-2.4	5.3	0.4	0.0	0.0	0.4
Private Equity	2.5	4.4	-1.9	-0.3	0.0	0.0	-0.3
Direct Lending	2.5	2.2	0.3	0.0	0.0	0.0	0.0
Hedge Fund	0.7	1.2	-0.5	0.0	-0.1	0.0	-0.2
Real Assets	2.9	1.4	1.5	0.1	0.0	0.0	0.1
Cash	0.8	0.9	-0.1	0.0	0.0	0.0	0.0
Total Fund	4.0	4.3	-0.3	-0.1	-0.2	0.0	-0.3

Attribution Effects 1 Year Ending August 31, 2024



Attribution Summary 1 Year Ending August 31, 2024

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	25.0	26.1	-1.2	-0.2	0.0	0.0	-0.3
Developed International Equity	22.1	18.6	3.6	0.3	0.0	0.1	0.4
Emerging Markets Equity	18.7	15.1	3.6	0.3	0.0	-0.1	0.2
US Fixed Income	7.9	7.2	0.7	0.1	0.0	0.0	0.1
Opportunistic Credit	10.6	9.3	1.3	0.1	0.0	0.0	0.0
Real Estate	2.2	-11.3	13.5	1.2	0.0	0.0	1.2
Private Equity	8.4	27.9	-19.5	-3.0	-0.2	0.1	-3.1
Direct Lending	11.8	12.0	-0.3	0.0	0.0	0.0	0.0
Hedge Fund	7.0	8.7	-1.7	-0.1	-0.1	0.0	-0.2
Real Assets	11.6	12.5	-0.8	-0.1	0.0	0.0	-0.1
Cash	0.8	0.9	-0.1	0.0	0.0	0.0	0.0
Total Fund	14.0	15.8	-1.8	-1.4	-0.3	0.0	-1.8

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% Credit Suisse Lever, 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% Credit Suisse Lever
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% Credit Suisse Lever
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% Credit Suisse Lever
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

From Date	To Date	Benchmark
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
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
SSgA		
04/01/2017	Present	10.0% S&P Global Infrastructure, 15.0% Dow Jones U.S. Select RESI, 25.0% Bloomberg Roll Select Commodity TR Index, 25.0% S&P Global LargeMidcap Resources & Commodities Ind, 25.0% Blmbg. U.S. TIPS Index
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% Custom PE BM (Jan 2022 -) 1Q Lag
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

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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. $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} * (\text{market return} - \text{Risk Free Rate})]$.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Merced County Employees' Retirement Association

DATE: October 24, 2024

TO: MercedCERA Board of Retirement

FROM: Kristie Santos, Plan Administrator

SUBJECT: Moving Plan into the New MercedCERA Building

ITEM NUMBER: **Open Session Item a**

ITEM TYPE: **Action**

STAFF RECOMMENDATION:

1. Approve the proposed moving plan as presented.

DISCUSSION:

MercedCERA will be moving into our new headquarter building effective December 18, 2024. In preparation of the move, the following actions are being proposed;

- Furniture assembly in the new building will begin December 16, 2024. This allows the furniture movers to have access to the building prior to staff moving in on December 18, 2024.
- First floor furniture will be the priority during December. Second floor furniture (dais, Board's conference room and training room) will be installed starting January 2, 2025.
- New office be closed to the public (**staff will be working**) from December 18, 2024 to December 27, 2024. This allows staff and/or vendors to install computers, move/organize member files in file room, unpack and store office supplies, organize staff work areas, ensure building security system and internet connectivity is active and working properly, and ensure all necessary office/furniture set up is complete. Members will still be able to access MercedCERA staff through email or via our website and may drop documents off at the new office.
- MercedCERA will be utilizing the County's MC Info system to alert our Active members of our new address.
- MercedCERA will notify all retirees and deferred members of our new locating via mailed notifications. Our website will also include an alert message with office move information.
- Escrow is due to close as of December 31, 2024, and therefore will ensure the M Street building is cleaned and ready for sale.
- Quotes will be requested from several vendors for items such as; moving services for current office materials and furniture (prior board conference table and chairs), janitorial services, pest control
- All utilities in current building will be terminated as of the close of escrow date

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with new service activated in the new building (under MercedCERA's name) effective December 13, 2024 (to facilitate furniture being installed starting December 16, 2024).

Once the proposed move plan is approved, all stakeholders will be notified of the MercedCERA office closure, including all of the options available to contact the office during the closure.

RECOMMENDATION:

Staff recommends the Board approve the proposed moving plan as presented.



August 16, 2024

RE: SACRS Legislative Proposals 2025

Dear SACRS Board of Directors,

The SACRS Legislative Committee has developed a legislative package for consideration in the upcoming 2025 legislative session. These proposals reflect the input of SACRS member systems and are intended to provide technical and administrative clarity to various sections of the County Employees Retirement Law of 1937 (CERL).

The following proposed amendments to the CERL correct drafting omissions following the implementation of PEPRA in 2013:

- Three-Year Final Compensation (Government Code Section 31462.05): This amendment clarifies how the three-year final compensation period is calculated when a member has less than 36 months of service, consistent with similar sections of law.
- Safety Designation (Government Code Section 31470.14): This amendment clarifies that service for miscellaneous positions that are converted to safety positions after January 1, 2013, cannot be retroactively enhanced.

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

Respectfully,

/s/

David Nelsen and Eric Stern
Co-Chairs, Legislative Committee

ATTACHMENT

- SACRS 2025 Legislative Proposal – Draft Language

SACRS 2025 Legislative Proposal
DRAFT LANGUAGE
As of August 16, 2024

31462.05.

(a) For a member who is subject to the California Public Employees' Pension Reform Act of 2013 (Article 4 (commencing with Section 7522) of Chapter 21 of Division 7 of Title 1) for all or any portion of their membership in the county retirement system, "final compensation" as defined in Section 7522.32 shall apply. The computation for any absence shall be based on the pensionable compensation of the position held by the member at the beginning of the absence.

(b) If a member has less than three years of service, that member's final compensation shall be determined by dividing the total pensionable compensation by the number of months of service credited to the member and multiplying by 12.

~~(c) When determining final compensation for a member who does not have three consecutive years of earned pensionable compensation due to an absence, the compensation for any absence shall be based on the pensionable compensation of the position held by the member immediately prior to the absence.~~

31470.14.

(a) Local prosecutors, local public defenders, and local public defender investigators are eligible.

(b) Except as provided in subdivision (c) and notwithstanding Sections 31639.7 and 31639.75, past service as a general member shall be converted to safety service if the past service was rendered in a position that has subsequently been reclassified as a safety position pursuant to this section before January 1, 2013. On or after January 1, 2013, any enhancement to safety service shall be subject to Section 7522.44. For local prosecutors, as described in paragraph (2) of subdivision (a) of Section 31469.2, service in the office of a district attorney and a local child support agency shall be considered service for the district attorney for purposes of this section.

(c) Notwithstanding any other provision of this chapter, within 90 days after this section becomes operative in the county, or on the first day of the calendar month following his or her entrance into service, whichever is later, a local prosecutor, local public defender, or local public defender investigator may file a written election not to become a local safety member pursuant to this section.

(d) Notwithstanding any other provision of this chapter, local prosecutors, local public defenders, and local public defender investigators shall be subject to the benefit formula contained in Section 31664 or 31664.2, or any other benefit formula applicable to safety members that does not provide benefits greater than those benefits provided under Section 31664.2, as designated in the resolution described in subdivision (e). A local prosecutor, local public defender, or local public defender investigator shall not be deemed to be a county peace officer, as defined in Section 31469.1, for any purpose under this chapter.

(e) This section shall not be operative in a county unless and until the board of supervisors, by resolution adopted by majority vote, makes this section operative in the county. A resolution to make this section operative in the county shall include all local prosecutors, local public defenders, and local public defender investigators described in Section 31469.2.

(f) A provision in a memorandum of understanding that an employer is not obligated to meet and confer regarding wages, hours, or conditions of employment during the term of the memorandum shall not be construed to preclude meetings regarding the provisions of this section between an employer and local prosecutors, local public defenders, and local public defender investigators prior to the expiration of the term of the memorandum of understanding.

(g) This section does not apply to any person described in Section 31469.2 who dies prior to the date this section becomes applicable in the county.