



Merced County Employees' Retirement Association

**AGENDA
RETIREMENT BOARD MEETING**

Thursday, February 27, 2025, 8:30 A.M.

Location: Merced County Employees' Retirement Association
690 W. 19th Street, Merced, CA 95340
Board Room, Floor 2

Zoom Conference Information:

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

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

(For use only if Zoom Connection Malfunctions)

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

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

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

2. Roll Call

3. Teleconference Request

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

4. Approval of Minutes – January 23, 2025, and January 28, 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>
Banks, Jeffrey	11 years	Admin Services	02/15/2025
Giacalone, Annette	24 years	Human Resources	02/08/2025
Humphries, George	17 years	DPW	02/08/2025
Lockerby, Christina	26 years	BHRS	02/08/2025
Offermann, Ralph	16 years	DPW	01/25/2025
Richardson, Cheweeta	27 years	HSA	01/25/2025
Spurgeon, Gregory	11 years	Merced Comm. Medical Center	02/03/2025
Tilley, Clifford	20 years	Sheriff	02/21/2025

b. Monthly Budget Report submitted.

c. Monthly Construction Report submitted.

d. Meketa Monthly and Quarterly Performance Reports submitted.



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- e. Rebalancing transactions (for informational purposes only – transactions already completed):

<u>Redemptions</u>	
Hedge Funds	\$6,827,753
US Small Cap Equity	\$4,000,000
Cash	\$2,172,247
Total	\$13,000,000
<u>Contributions</u>	
Fixed Income	\$13,000,000
Total	\$13,000,000

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. Conference with Real Property Negotiator (Gov. Code section 54956.8.)
Property: 3199 M Street, Merced, CA 95348
Agency negotiator: Martha Sanchez Barboa
Under negotiation: Price and terms of payment.
- b. Disability Retirement Applications: Personnel exceptions (Govt. Code § 54957, 31532; Cal Const. art I § 1).
 - 1. Initial Disability Application Recommendation – Dustin McAdam

8. Report Out of Closed Session

9. Open Session

- a. Discussion and possible action to adopt the MercedCERA audit report and adopt the MercedCERA Annual Comprehensive Financial Report (ACFR) – UHY.
- b. Discussion and possible action to correct an administrative error for sick leave accrual in Martha Sanchez Barboa’s Plan Administrator employment contract with the Merced County Employees’ Retirement Association Board – Staff.
- c. Chair to appoint budget ad hoc subcommittee to work with staff on Fiscal Year 2025/2026 budget – Chair.
- d. Discussion and possible action or direction on timeline and investment education. – Staff.
- e. Discussion on capital markets and investment performance summary – Staff.
- f. Review 2025 capital market expectations and investment portfolio’s new return estimate – Meketa.
- g. Discussion and possible action on a date, budget and activities for MercedCERA’s 75th Anniversary event – Staff.

10. Information Sharing & Agenda Item Requests

11. Adjournment



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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, 692 W 19th Street, Merced, CA 95340 or telephonically by calling (209) 726-2724. Any such request for accommodation should be made at least 48 hours prior to the scheduled meeting for which assistance is requested.

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

Spanish and Hmong interpreters are available.

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



Merced County Employees' Retirement Association

**MINUTES
RETIREMENT BOARD MEETING**

Thursday, January 23, 2025, 8:30 A.M.

Location: Merced County Employees' Retirement Association
690 W 19th Street, Merced, CA 95340
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- 8:32 A.M.

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

2. Roll Call

Board Members Present: Scott Johnston, Ryan Paskin, Aaron Rosenberg, Scott Silveira, Alfonse Peterson, Bayani Manilay, Moses Nelson, Janey Cabral and Michael Harris. **Absent:** Corrina Brown and Karen Adams **Counsel:** Tom Ebersole **Staff:** Kristen Santos, Martha Sanchez Barboa, Pete Madrid, Alex Lovato, Khue Xiong, Sheri Villagrana, Alex Ortega, Dominic Barraza and Brenda Mojica.

3. Teleconference Request

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

None

4. Approval of Minutes – December 12, 2024.

Board voted unanimously to approve the December 12, 2024, meeting minutes.

1st- Silveira/2nd- Johnston, passes 8/0

5. Public Comment

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

None

6. Consent Calendar

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

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

Name	Years of Service	Department	Effective Date
Robert Blich	20	Admin Services	12/28/2024
Micah Brawley	13	Sheriff	01/03/2025
Gilbert Dominguez	26	Child Support Services	01/11/2025
Kenneth Elliot	6	DPW	01/01/2025
Gregory Hausmann	2	Sheriff	12/15/2024
Annie Huff	25	Superior Court	12/28/2024
Jami Johnson	20	Human Service Agency	12/28/2024



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Jennifer Jones	21	Probation	01/13/2025
Kimberley Krebs	33	Child Support Services	12/13/2024
Pam Larimer	12	Auditor Controller	01/02/2025
Catherine Lipscomb	13	Probation	12/12/2024
Vincent A. Mirabal	1	Juvenile Hall	12/31/2024
Judith Perry	10	BHRS	12/28/2024
Xiaopei Qi	4	DPW	12/31/2024

- b. Monthly Budget Reports – submitted.
- c. Monthly Construction Reports – submitted.

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

7. Closed Session

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

- a. Disability Retirement Applications: Personnel Exceptions (Govt. Code § 54957, 31532; Cal Const. art I § 1).
 - 1. Initial Disability Application Recommendation – Arnulfo Rocha
- b. Conference with Real Property Negotiator (Gov. Code section 54956.8.)
Property: 3199 M Street, Merced, CA 95348
Agency negotiator: Kristen Santos
Under negotiation: Price and terms of payment.
- c. Discussion of Public Employee Positions (Govt. Code §§ 54957)
Title: Plan Administrator
Title: Chief Investment Officer

8. Report Out of Closed Session

- a. Disability Retirement Applications: Personnel Exceptions (Govt. Code § 54957, 31532; Cal Const. art I § 1).
 - 1. Initial Disability Application Recommendation – Arnulfo Rocha
**Board voted unanimously to approve a service-connected disability and to deny a non-service-connected disability to applicant Arnulfo Rocha.
1st- Johnston/2nd- Peterson, passes 8/0**
- b. Conference with Real Property Negotiator (Gov. section 54956.8.)
Property: 3199 M Steet, Merced, CA 95348
Agency negotiator: Kristen Santos
Under negotiation: Price and terms of payment.
Staff given direction.
- c. Discussion of Public Employee Positions (Govt. Code §§ 54957)
Title: Plan Administrator
Title: Chief Investment Officer
Staff given direction.

9. Open Session

- a. Discussion and possible action to approve the annual cost of living adjustment (COLA) for Tier 1 members, approve the proposed Actuarial Valuation Report and employer and employee contribution rates as of June 30, 2024



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<https://presentation.cheiron.us/presentation/view/MercedCERA2024AVR?token=LbN2> – Graham Schmidt, Cheiron.

Board voted unanimously to approve the annual cost of living adjustment (COLA) for Tier 1 members, the proposed Actuarial Valuation Report, and employer and employee contribution rates as of June 30, 2024.

1st- Silveira/2nd- Cabral, passes 8/0

- b. Discussion on capital markets summary – Staff.

No action taken.

- c. Discussion and possible action to approve Resolution 2025-01 which updates the salary and benefits for the MercedCERA Chief Investment Officer classification – Staff.

Board voted to approve Resolution 2025-01 which updates the salary and benefits for the MercedCERA Chief Investment Officer classification.

1st- Silveira/2nd- Manilay, passes 7/1, Nelson voted No

- d. Discussion and possible action to appoint Kristen Santos to the Chief Investment Officer Position of MercedCERA effective 1/27/2025 -Staff.

Board voted to approve the appointment of Kristen Santos as the Chief Investment Officer for MercedCERA effective 1/27/2025, with the below modifications to the contract agreement:

-Section 1: Removal of “Employment of the Assistant Chief Investment Officer.” and replaced with “Employment of the Chief Investment Officer.” and,

-Section 3(c): Removal of “The Chief Investment Officer may work remotely.” and replaced with “The Chief Investment Officer may work remotely provided a minimum of 8 workdays per month are worked in person at the MercedCERA worksite.” and,

-Non substantive corrections to gender references.

1st- Johnston/2nd- Cabral, passes 7/1, Nelson voted No

- e. Discussion and possible action to appoint Martha Sanchez Barboa as Plan Administrator of MercedCERA effective 1/27/2025- Staff.

Board voted to approve the appointment of Martha Sanchez Barboa as Plan Administrator of MercedCERA effective 1/27/2025, with the below modifications to the agreement:

-Section 3(c): Removal of “The Plan Administrator may work remotely.” and replaced with “The Plan Administrator may work remotely provided a minimum of 8 workdays per month are worked in person at the MercedCERA worksite.” and,

-Non substantive corrections to gender references.

1st- Silveira/2nd- Johnston, passes 7/1, Nelson voted No

- f. Discussion and possible action to have lettering and or signage on the MercedCERA new headquarters building

Board voted unanimously to approve lettering be placed only to the front door and back door of the building and no signage to the front or side of the building.

1st- Cabral/2nd- Nelson, passes 8/0

- g. Discussion and possible action on possible dates for MercedCERA to have an open house for retirees and active members – Staff.

Board voted to approve an open house event for retirees and active members on Thursday, February 27, 2025, after the MercedCERA Board Meeting.

1st- Nelson/2nd- Johnston, passes 7/1, Silveira voted No



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10. Information Sharing & Agenda Item Requests

-Trustees Rosenberg, Paskin, Peterson and Silveira, as well as Plan Administrator Kristen Santos, thanked all involved for the completion of the new MercedCERA headquarters building. Specifically mentioned were Hilbers Inc., Golden Valley Engineering & Surveying, Merced County Department of Information Systems, Plan Administrator Kristen Santos, Hi-Tech Home, The Phone Connection Inc., Facility Designs and MercedCERA staff. Trustees were pleased with the construction process.

-Trustees also requested staff organize MercedCERA's 75th Anniversary celebration. Trustees want to commemorate MercedCERA's funded sovereignty with a commemorative plaque and coin. MercedCERA staff will bring a future agenda item to the Board.

11. Adjournment at 10:48 A.M.

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



Merced County Employees' Retirement Association

MINUTES
MercedCERA SPECIAL RETIREMENT BOARD MEETING
Tuesday, January 28, 2025 – 4:00 P.M.

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
690 W 19th Street, Merced, CA 95380
Floor 2, Board Room

Call to Order - 4:00 P.M.

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

Roll Call

Board Members Present: Corrina Brown, Al Peterson, Karen Adams (arrived at 4:03 P.M.), Scott Johnston, Moses Nelson, Bayani Manilay and Ryan Paskin. **Absent:** Aaron Rosenberg, Scott Silveira, Janey Cabral, and Michael Harris. **Counsel:** Tom Ebersole **Staff:** Martha Sanchez Barboa, Monica Gallegos and Khue Xiong.

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

MercedCERA Upcoming Board Meetings:

1. Discussion and possible action to approve Resolution 2025-02 designating Martha Sanchez Barboa, Plan Administrator or Pete Madrid, Assistant Plan Administrator - Investments, or Kristen Santos, Chief Investment Officer as Retirement Board designees for all real estate transactions regarding the sale of real property located at 3199 M Street, Merced, CA 95348.

The Board voted unanimously to approve Resolution 2025-02 designating Martha Sanchez Barboa, Plan Administrator or Pete Madrid, Assistant Plan Administrator - Investments, or Kristen Santos, Chief Investment Officer as Retirement Board designees for all real estate transactions regarding the sale of real property located at 3199 M Street, Merced, CA 95348.

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

Adjournment at 4:04 P.M.

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

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

Non-Administrative Expenses		Original Projection	Current Projection	Expended 2025-01	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses		3,878,000.00	3,878,000.00	192,285.00	666,235.41	3,211,764.59	17.18%
1/3/2025	CLIFFWATER LLC 2024-12 Consulting Svcs			33,333.33			
1/6/2025	MEKETA INVESTMENTS Q4 Services 2024-10 Thru 2024-12			54,239.13			
1/10/2025	CLIFTON LARSON 2024-11 CAAS Services			55,382.25			
1/14/2025	BLOOMBERG LP Consulting Services			(1,700.00)			
1/14/2025	BLOOMBERG LP Consulting Services			10,791.66			
1/23/2025	CLIFTON LARSON 2024-12 CAAS Services			40,238.63			
Total 21800 · Investment Expenses				192,285.00			
21802 · Actuarial Services		150,000.00	150,000.00	41,941.75	72,635.50	77,364.50	48.42%
1/30/2025	CHEIRON Q42024 Actuarial Services			41,941.75			
Total 21802 · Actuarial Services				41,941.75			
21812 · Data Processing		105,000.00	105,000.00	6,619.58	42,482.73	62,517.27	40.46%
1/15/2025	2024-12 Cradlepoint Charges			700.00			
1/15/2025	2024-12 IS Billing Charges			5,581.70			
1/24/2025	COMCAST December 2024 Services			337.88			
Total 21812 · Data Processing				6,619.58			
21834 · Legal Services		400,000.00	400,000.00	24,543.89	143,591.13	256,408.87	35.90%
1/14/2025	CABRAL, TED M 2024-12 Legal Services			2,025.00			
1/14/2025	CABRAL, TED M 2024-12 Legal Services			8,392.50			
1/14/2025	CABRAL, TED M 2024-12 Legal Services			62.50			
1/14/2025	CABRAL, TED M 2024-12 Legal Services			49.56			
1/14/2025	CABRAL, TED M 2024-12 Legal Services			9,577.50			
1/14/2025	CABRAL, TED M 2024-12 Legal Services			137.50			
1/14/2025	CABRAL, TED M 2024-12 Legal Services			37.50			
1/14/2025	CABRAL, TED M 2024-12 Legal Services			1,062.50			
1/14/2025	CABRAL, TED M 2024-12 Legal Services			865.63			
1/23/2025	CABRAL, TED M 2024-12 Legal Services			1,380.90			
1/24/2025	HANSON BRIDGETT Legal Services Thru 2024-09			656.40			
1/28/2025	HANSON BRIDGETT Legal Services Thru 2024-12			296.40			
Total 21834 · Legal Services				24,543.89			
21840 · Custodial Banking Services		180,000.00	180,000.00	330.00	825.00	179,175.00	0.46%
1/3/2025	2024-11 Wire Fees			165.00			
1/7/2025	2024-12 Wire Fees			165.00			
Total 21840 · Custodial Banking Services				330.00			
22350 · Software and Technology		605,000.00	605,000.00	239,424.39	397,483.21	207,516.79	65.70%
1/3/2025	GRANITE Data Solutions- Dell Monitors & Computers			6,578.33			
1/3/2025	GRANITE Data Solutions- Dell Monitors & Computers			1,388.21			
1/3/2025	GRANITE Data Solutions- Dell Monitors & Computers			45.00			
1/6/2025	CPAS 2025-01 Hosting			6,107.00			
1/6/2025	CPAS 2025-1 Thru 2025-12 Annual Support Item			162,000.00			
1/6/2025	CPAS 2025-01 Thru 2025-12 Annual Maintenance			29,073.75			
1/6/2025	SPRIGGS INC- 2025-1 Thru 2025-03 Printer Svc			1,467.39			
1/10/2025	INTELLISITE- Router & Wifi Connection Setup			1,491.69			
1/10/2025	SPRIGGS INC- Moved Konica Minolta from old office location to new office location			150.00			
1/14/2025	WYAN, ROGER- Construction Photos			1,400.00			
1/23/2025	CPAS- Enterprise Tools License & Maint. Items			24,000.00			
1/28/2025	PITNEY BOWES-Postage Meter Service			261.93			
1/31/2025	2025 Annual Zoom Subscription			1,719.30			
1/31/2025	WYAN, ROGER- 11 11x14 Color Board Member Framed Photos			3,741.79			
Total 22350 · Software and Technology				239,424.39			
Depreciation Expense		325,000.00	325,000.00	-	-	325,000.00	
Total Non-Administrative Items		5,643,000.00	5,643,000.00	505,144.61	1,323,252.98	4,319,747.02	23.45%

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

Administrative Budget	Adopted	Current Budget	Expended 2025-01	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages	1,975,000.00	1,975,000.00	151,207.77	670,574.51	1,304,425.49	33.95%
1/3/2025 Office Payroll 2025 PP 01 - Administrative Allocation			50,402.59			
1/17/2025 Office Payroll 2025 PP 02 - Administrative Allocation			50,402.59			
1/31/2025 Office Payroll 2025 PP 03 - Administrative Allocation			50,402.59			
Total 10110 · Salaries & Wages			151,207.77			
20600 · Communications	9,800.00	9,800.00	771.22	4,580.96	5,219.04	46.74%
1/3/2025 AT&T 2024-12 CALNET			182.97			
1/15/2025 2024-12 Communication Charges			588.25			
Total 20600 · Communications			771.22			
20900 · Household Expense	20,000.00	20,000.00	2,512.53	8,886.94	11,113.06	44.43%
1/10/2025 Bob's Pest Control- 2024-12 Pest Control			40.00			
1/10/2025 HOFFMAN Fire System Svc Thru 2025-01			76.00			
1/23/2025 GEIL ENTERPRISE 2025-01 3199 M St Cleanout			1,772.00			
1/23/2025 HOFFMAN Alarm Security Svc Thru 2025-01			294.49			
1/23/2025 HOFFMAN CCTV Security Svc Thru 2025-01			268.67			
1/28/2025 ADT SECURITY Svcs Thru 2025-02			61.37			
Total 20900 · Household Expense			2,512.53			
21000 · Insurance - Other	135,000.00	135,000.00	1,005.40	103,656.40	31,343.60	76.78%
1/28/2025 NATIONWIDE LIFE Ins. Acct 320178051			1,005.40			
Total 21000 · Insurance - Other			1,005.40			
21301 · Maintenance Structure Improvement	25,000.00	25,000.00	1,450.31	5,099.54	19,900.46	20.40%
1/15/2025 2024-11 DPW Svcs			690.31			
1/24/2025 YARD MASTERS 2025-01 3199 M St. Landscaping Svc.			360.00			
1/24/2025 YARD MASTERS 025-01 690 19th St. Landscaping Svc.			400.00			
Total 21301 · Maintenance Structure Improvement			1,450.31			
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	1,535.54	10,745.23	14,254.77	42.98%
1/3/2025 Simply Space Refund Deposit			(386.00)			
1/10/2025 Petty Cash-Replenishment - Rite Aid Batteries			16.56			
1/15/2025 2024-12 Pacific Shred			27.00			
1/24/2025 Logitech Keyboard			47.62			
1/24/2025 ODP BUSINESS 2025-01 Office Supplies			122.10			
1/24/2025 ODP BUSINESS 2025-01 Office Supplies			88.75			
1/24/2025 ODP BUSINESS 2025-01 Office Supplies			134.19			
1/24/2025 ODP BUSINESS 2025-01 Office Supplies			491.05			
1/24/2025 ODP BUSINESS 2025-01 Office Supplies			110.45			
1/27/2025 ODP BUSINESS 2025-01 Office Supplies			140.61			
1/29/2025 FIRST CHOICE 1/27/25 Water Svcs.			107.23			
1/29/2025 Petty Cash-Replenishment Funnel Tools & Locks			15.11			
1/29/2025 Petty Cash-Replenishment - Best Buy Webcam			75.76			
1/29/2025 UPS Refund for Equipment Deposit			(77.06)			
1/29/2025 2025 Treasury Blank Checks			62.58			
1/31/2025 ODP BUSINESS 2025-01 Office Supplies			303.06			
1/31/2025 VistaPrint 3000 4 x 6 Postcards			256.53			

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

Total 21700 · Office Expense - General			<u>1,535.54</u>			
21710 · Office Expense - Postage	25,000.00	25,000.00	1,798.24	15,657.89	9,342.11	62.63%
1/15/2025 2024-12 Mailroom Charges			1,798.24			
Total 21710 · Office Expense - Postage			<u>1,798.24</u>			
21805 · Audits*	65,000.00	65,000.00	58,223.32	111,790.03	(46,790.03)	171.98%
1/14/2025 MGO 2024-12 Recon, Audit, Acct. support			19,530.00			
1/14/2025 UHY LLP FY 2024 Audit Progress			16,500.00			
1/27/2025 MGO 2024-11 Professional Svcs.			22,193.32			
Total 21805 · Audits			<u>58,223.32</u>			
21808 · Board Membership	10,000.00	10,000.00	-	-	10,000.00	0%
Total 21808 · Board Membership			<u>-</u>			
21900 · Publications & Legal Notices	7,500.00	7,500.00	-	3,339.97	4,160.03	44.53%
Total 21900 · Publications & Legal Notices			<u>-</u>			
22300 · Spec Dept Exp - Other	1,000.00	1,000.00	-	-	1,000.00	0%
Total 22300 · Spec Dept Exp - Other			<u>-</u>			
22310 · Election Expense	30,000.00	30,000.00	-	-	30,000.00	0%
Total 22310 · Election Expense			<u>-</u>			
22327 · Spec Dept Exp - Cost Allocation	40,000.00	40,000.00	9,200.92	64,406.44	(24,406.44)	161.02%
1/15/2025 2025-01 Intra Department Cost Plan			9,200.92			
Total 22327 · Spec Dept Exp - Cost Allocation			<u>9,200.92</u>			
22500 · Transportation & Travel	250.00	250.00	-	-	250.00	0%
Total 22500 · Transportation & Travel			<u>-</u>			
22505 · Trans & Travel - Staff Development	10,000.00	10,000.00	-	-	10,000.00	0%
Total 22505 · Trans & Travel - Staff Development			<u>-</u>			
22515 · Trans & Travel - In State	45,000.00	45,000.00	5,111.93	24,503.64	20,496.36	54.45%
1/6/2025 2024-12 Travel Charges			2,518.68			
1/13/2025 CALAPRS Travel Reimbursement			295.76			
1/13/2025 CALAPRS Travel Reimbursement			267.18			
1/13/2025 CALAPRS Travel Reimbursement			257.18			
1/15/2025 CALAPRS Travel Reimbursement			250.00			
1/3/2025 Retirement Travel Car Allowance PP01			507.71			
1/17/2025 Retirement Travel Car Allowance PP02			507.71			
1/31/2025 Retirement Travel Car Allowance PP03			507.71			
Total 22515 · Trans & Travel - In State			<u>5,111.93</u>			
22516 · Trans & Travel - Out of State	7,500.00	7,500.00	-	1,297.35	6,202.65	17.30%

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

Total 22516 · Trans & Travel - Out of State			-			
22600 · Utilities	40,000.00	40,000.00	3,441.32	18,639.46	21,360.54	46.60%
1/3/2025 PG&E Gas & Electric 2024-12			1,353.30			
1/10/2025 City of Merced Utilities 2024-12 3199 M St			198.02			
1/10/2025 City of Merced Utilities 2024-12 690 W 19th St			173.27			
1/24/2025 Merced Irrigation - Electrical Charges 2025-01			1,716.73			
Total 22600 · Utilities			3,441.32			
Depreciation Expense	152,000.00	152,000.00	-	-	152,000.00	
Total Administrative Budget	2,633,050.00	2,633,050.00	236,258.50	1,048,993.36	1,584,056.64	39.84%

Merced County Employees' Retirement Association
New Headquarters Expenditure Report
Through the Month Ended January 31, 2025

MercedCERA New Headquarters Expenditures		
Land and Due Diligence Expenditures		
08/01/2019	Golden Valley Engineering - Inv 106670 - 2019-07 Due Diligence New Building	3,225.00
08/12/2019	Golden Valley Engineering - Inv 106727 - 2019-07 Due Diligence New Building	11,877.50
10/03/2019	Nossaman - Inv 500498 - 2019-08 - Real Estate Purchase Related Legal	3,707.55
10/10/2019	Golden Valley Engineering - Inv 106900 - 2019-09 Due Diligence New Building	3,277.50
10/23/2019	TransCounty Title - Purchase of Land for New MCERA Building	352,585.00
11/05/2019	Golden Valley Engineering - Inv 106900 - 2019-10 Due Diligence - New Building	9,357.25
11/05/2019	Nossaman - Inv 501678 - 2019-09 - Real Estate Purchase Related Legal	3,288.60
12/05/2019	Nossaman - Inv 502566 - 2019-10 - Real Estate Purchase Related Legal	5,481.91
01/30/2020	Golden Valley Engineering - Inv107252 - Thru 2020-01-11 Due Diligence - New Building	4,492.50
01/30/2020	Nossaman - Inv 503888 - 2019-11 - Real Estate Purchase Related Legal	2,506.67
01/30/2020	Nossaman - Inv 504751 - 2019-12 - Real Estate Purchase Related Legal	1,289.25
01/31/2020	Golden Valley Engineering - Inv107210 - Thru 2019-12-28 Due Diligence - New Building	4,572.50
02/07/2020	Golden Valley Engineering - Inv107301 - Thru 2020-01-25 Due Diligence - New Building	432.50
02/24/2020	Golden Valley Engineering - Inv107349 - Thru 2020-02-08 Due Diligence - New Building	1,140.00
03/10/2020	Golden Valley Engineering - Inv107387 - Thru 2020-02-22 Due Diligence - New Building	1,165.00
04/09/2020	Golden Valley Engineering - Inv107451 - Thru 2020-03-21 Due Diligence - New Building	2,132.50
06/29/2020	Golden Valley Engineering - Inv107881 - 2020-03-21 Thru 2020-06-21 Due Diligence - New Building	523.13
06/29/2020	Nossaman - Inv 505773 - 2020-01-Potential Real Estate Purchase by MCERA	987.45
08/21/2020	Golden Valley Engineering - Inv107881 - Thru 2020-07-25 Due Diligence - New Building	174.37
09/22/2020	Nossaman - Inv 513318 - 2020-08 - MCERA New Building	144.45
03/16/2021	Golden Valley Engineering - Inv 108508 - Thru 2021-02-20 Due Diligence - New Building	120.00
06/02/2021	Golden Valley Engineering - Inv 108836 - Thru 2021-05-15 Due Diligence - New Building	240.00
11/03/2021	Golden Valley Engineering - Inv 109356 - New Building Due Diligence thru 2021-10-16	180.00
11/10/2021	Golden Valley Engineering - Inv 109429 - New Bldg Due Diligence Thru 10/31/2021	1,928.00
03/01/2022	Nossaman - Inv 531558 - 2022-01 New Bldg Legal	2,740.05
06/08/2022	Nossaman - Inv 535102 - 2022-04 New Bldg	155.25
Total Land & Due Diligence Expenditures		417,723.93
Maintenance Expenditures		
12/04/2019	J & B Fencing - Inv 943 - 2019-11 Temp Fencing Installment	1,980.00
02/11/2020	Yard Masters - Inv16037 - 2020-01 - New Building Weed Abatement	250.00
06/29/2020	Yard Masters - Inv16825 - 2020-06 - New Building Weed Abatement	300.00
02/01/2021	J & B Fencing - Inv 1027 - 2 Months of Temp Fencing Rental	300.00
04/19/2021	J & B Fencing - Inv 1156 - 3 Months of Temp Fencing Rental (Feb, Mar, Apr)	450.00
11/03/2021	J & B Fencing - Inv 1329 - 2021-05 - 2021-11 Fencing at 19th & N.	1,050.00
03/17/2022	Yard Masters - Inv 20451 - Weed Control for New Bldg	950.00
06/20/2022	J & B Fencing - Inv 1453 - 2021-12 thru 2022-05 Fence Rental	900.00
08/16/2022	J & B Fencing - Inv 1472 - 2022-06 thru 2022-08 Fence Rental	450.00
09/21/2022	J & B Fencing - Inv 1501 - 2022-09 Fence Rental	350.00
12/09/2022	J&B Fencing - Inv 1548 - 2022-10 Thru 2022-12 Fence Rental	1,050.00
02/27/2023	J&B Fencing - Inv 1582 - 2023-01 Thru 2023-02 Fence Rental	700.00
04/28/2023	Yard Masters - Inv 23021 - Weed Abatement at New Building Lot	975.00
06/29/2023	J&B Fencing - Inv 1640 - 2023-03 thru 2023-06 Fencing	1,400.00
11/21/2023	J&B Fencing - Inv 1681 - 2023-07 thru 2023-09 Fencing	1,050.00
Total Maintenance Expenditures		12,155.00

Merced County Employees' Retirement Association
New Headquarters Expenditure Report
Through the Month Ended January 31, 2025

Architectural, Engineering, and Construction Expenditures (Budgeted per Hilbers Contract)		
06/29/2022	Golden Valley Engineering - Inv 110079 - Prof Svcs thru 2022-06-20	18,862.50
06/29/2022	Golden Valley Engineering - Inv 110118 - Prof Svcs thru 2022-06-25	10,620.00
09/08/2022	Golden Valley Engineering - Inv 1101022 - Prof Svcs thru 2022-08-20	16,747.50
09/20/2022	Golden Valley Engineering - Inv 1100934 - Prof Svcs thru 2022-07-23	11,850.00
09/20/2022	Golden Valley Engineering - Inv 110157 - Prof Svcs thru 2022-07-09	7,007.50
09/21/2022	Golden Valley Engineering - Inv 1101056 - Prof Svcs thru 2022-09-03	6,672.50
10/07/2022	Golden Valley Engineering - Inv 1101130 - Prof Svcs thru 2022-10-01	10,577.50
10/31/2022	Golden Valley Engineering - Inv 1101081 - Prof Svcs thru 2022-09-17	10,480.00
10/31/2022	Golden Valley Engineering - Inv 1101217 - Prof Svcs thru 2022-10-15	16,850.50
11/08/2022	Golden Valley Engineering - Inv 1101255 - Prof Svcs thru 2022-10-29	12,092.50
11/23/2022	Golden Valley Engineering - Inv 1101329 - Prof Svcs thru 2022-11-12	19,325.00
12/06/2022	Golden Valley Engineering - Inv 1101374 - Prof Svcs thru 2022-11-26	14,042.50
12/29/2022	Golden Valley Engineering - Inv 1101434 - Prof Svcs thru 2022-12-23	27,410.50
02/01/2023	Golden Valley Engineering - Inv 1101432 - Prof Svcs thru 2022-12-10	26,499.50
02/01/2023	Golden Valley Engineering - Inv 1101533 - Prof Svcs thru 2023-01-21	6,560.00
02/14/2023	Golden Valley Engineering - Inv 1101548 - Prof Svcs thru 2023-02-04	3,030.00
03/07/2023	Golden Valley Engineering - Inv 1101659 - Prof Svcs thru 2023-02-18	9,040.00
03/17/2023	Golden Valley Engineering - Inv 1101675 - Prof Svcs thru 2023-03-04	14,260.00
03/31/2023	Golden Valley Engineering - Inv 1101749 - Prof Svcs thru 2023-03-18	6,820.00
04/28/2023	Golden Valley Engineering - Inv 1101839 - Prof Svcs thru 2023-04-15	7,047.50
05/25/2023	Golden Valley Engineering - Inv 1101893 - Prof Svcs Thru 2023-04-29	1,255.00
06/16/2023	Golden Valley Engineering - Inv 1101975 - Prof Svcs thru 2023-05-27	8,109.50
06/29/2023	Golden Valley Engineering - Svcs Thru 2023-06-10	5,602.00
08/01/2023	Golden Valley Engineering - Inv 1102166 - Prof Svcs Thru 2023-07-08	260.00
08/17/2023	Golden Valley Engineering - Inv 1102232 - Prof Svcs Thru 2023-07-22	7,552.50
10/02/2023	Golden Valley Engineering - Inv 1102416 - 2023-07 thru 2023-09	13,111.25
11/22/2023	Hilbers Inc - Inv 23-1119 - New HQ Bldg Progress Billing #1	195,024.68
11/27/2023	Hilbers Inc - Inv 23-1132 - Permit & Process Fee - New Bldg	38,411.16
11/28/2023	Golden Valley Engineering - Inv 1102541 - Prof Svcs Thru 2023-10-28	8,867.50
11/28/2023	Golden Valley Engineering - Inv 1102606 - Prof Svcs Thru 2023-11-11	7,860.00
12/14/2023	Golden Valley Engineering - Inv 1102656 Prof Svcs Thru 2023-11-25	15,369.50
12/21/2023	RMA Geoscience Inc - Inv 17540 - Prof Svcs 2023 Oct 16-Nov 12	1,443.25
12/27/2023	Golden Valley Engineering - Inv 1102689 - Prof Svcs Thru 2023-12-09	2,310.00
12/28/2023	Hilbers Inc - New HQ Bldg Progress Billing #2	370,256.66
01/18/2024	Golden Valley Engineering - Inv 1102729 - Prof Svcs Thru 2024-01-06	20,679.58
01/22/2024	RMA Geoscience Inc - Inv 17732 - Prof Svcs 2023-11-13 thru 2023-12-10	8,242.25
02/05/2024	Hilbers - Inv 24-0102 - Progress Billing #3 - Dec 2023	541,025.25
02/09/2024	Hilbers - Inv 24-0140 - Progress Billing #4 - Jan 2024	1,248,126.73
02/13/2024	Hilbers - Inv 24-0209 - Permit/Processing Fees	3,932.73
2/21/2024	Guardco Security Services- 2024-01	1,239.75
02/23/2024	Hoffman Electronic Systems - Inv 659689 - Permit Fees	389.00
3/07/2024	Guardco Security Services- 2024-02	9,747.00
03/13/2024	Hilbers Inc - Inv23-1147rvs - New HQ Bldg Progress Pymt 2	507,195.46
03/28/2024	Merced Irrigation District - Inv 8291 - Project EC24AA00-0016 Deposit	32,733.16
04/04/2024	RMA Geoscience Inc - Inv 17953 - Prof Svcs 2023-12-11 thru 2024-01-14	6,788.00
04/04/2024	RMA Geoscience Inc - Inv 18153 - Prof Svcs 2024-01-15 thru 2024-02-11	2,679.00
04/04/2024	RMA Geoscience Inc - Inv 18313 - Prof Svcs 2024-02-12 thru 2024-03-10	1,986.50
04/08/2024	Guardco Security Services- 2024-03	13,822.50
04/17/2024	COBB Enterprises - Inv 22643 - Network/Audio/Video System	12,797.05
04/17/2024	Golden Valley Engineering - Inv 1102971 - Prof Svcs Thru 2024-03-30	15,350.00

Merced County Employees' Retirement Association
New Headquarters Expenditure Report
Through the Month Ended January 31, 2025

04/26/2024	Hilbers Inc - Inv 24-0423 - Expedited Switch Gear Deposit	47,500.00
05/01/2024	Facility Designs - Inv 36570 - Designer/Furniture 50% Deposit	5,739.48
05/01/2024	Facility Designs - Inv 36486 - Designer/Furniture 50% Deposit	212,435.06
05/03/2024	Hilbers Inc - Inv 24-0404 - Progress Billing #6 - March 2024	934,908.33
05/07/2024	Facility Designs - Inv 36064 - Designer/Furniture 50% Deposit	109,465.40
05/08/2024	Guardco Security Services- 2024-04	12,996.00
05/15/2024	Hilbers Inc - Inv 24-0500 - Progress Billing #7 - April 2024	843,651.05
05/22/2024	RMA Geoscience Inc - Inv 18653 - Prof Svcs 2024-03-11 thru 2024-04-14	716.00
06/06/2024	Golden Valley Engineering - Inv 1103050 - Prof Svcs Thru 2024-04-27	14,511.00
06/11/2024	Hilbers Inc - Inv 24-0528 - Progress Billing #8 - May 2024	971,270.19
06/19/2024	RT Maher Construction & Solar Installation - Inv 615 - Contract Deposit, Permit, Hardware	40,000.00
06/11/2024	Guardco Security Services- 2024-05	13,509.00
06/25/2024	Guardco Security Services- 2024-06	13,338.00
06/19/2024	Wyan Roger Construction-photography	1,400.00
06/19/2024	City of Merced- Water & Garbage	173.27
06/30/2024	City of Merced- Water & Garbage	173.27
06/30/2024	Golden Valley Engineering - Inv 1103082 Prof Svcs 2024-04-27 thru 2024-05-25	12,506.10
06/30/2024	Golden Valley Engineering - Inv 1102800 Prof Svcs 2024-01-06 Thru 2024-01-20	7,152.25
06/30/2024	Golden Valley Engineering - Inv 1103193 Prof Svcs 2024-05-25 Thru 2024-06-22	4,859.00
06/30/2024	Golden Valley Engineering - Inv 1102882 Prof Svcs 2024-01-20 Thru 2024-03-02	27,638.60
06/30/2024	Hilbers Inc - Inv 24-0714 - Progress Billing #9 - June2024	1,442,055.43
06/30/2024	The Phone Connection - Inv 297577 - Instillation of Network Cables	31,064.11
06/30/2024	RMA Geoscience Inc - Inv 19122 - Prof Svcs 2024-05-13 Thru 2024-06-09	1,537.50
07/12/2024	The Phone Connection - Inv 297593 - Instillation of 6 RJ45 Inserts, 2 Faceplates, 6 Cables for Access points	7,891.99
08/09/2024	Guardco Security Services- 2024-07	11,628.00
08/12/2024	Wyan Roger Construction-photography	1,400.00
08/12/2024	City of Merced- Water & Garbage	192.32
08/05/2024	Golden Valley Engineering - Inv 1103264 Prof Svcs 2024-06-22 Thru 2024-07-20	23,757.20
08/08/2024	Hilbers Inc - Inv 24-0803 - Progress Billing #9 July2024	627,180.91
08/16/2024	RMA Geoscience - Inv 18905 - Prof Svcs 2024-04-15 Thru 2024-05-12	716.00
08/21/2024	RMA Geoscience - Inv 19424 - Prof Svcs 2024-06-10 Thru 2024-07-14	5,342.00
08/28/2024	Golden Valley Engineering - Inv 1103358 - Prof Svcs 2024-07-20 Thru 2024-08-17	12,191.00
09/04/2024	Guardo Security Services- 2024-08	13,167.00
09/17/2024	City of Merced- Water & Garbage	195.60
09/17/2024	Golden Valley Engineering - Inv 1103358 Short Paid	100.00
09/26/2024	Golden Valley Engineering - Inv 1103433 Prof Svcs 2024-08-17 Thru 2024-09-14	14,001.00
09/27/2024	Hilbers Inc - Inv 24-0831 - Progress Billing #10 - Aug2024	423,827.77
10/02/2024	Guardo Security Services- 2024-09	13,851.00
10/09/2024	City of Merced- Property Business Imporvement District	2,141.56
10/09/2024	City of Merced- Water & Garbage	276.45
10/31/2024	Merced Irrigation District	154.14
10/11/2024	RT Maher Construction - Inv 851 - Purchase & Install of Modules / Inverters	51,900.00
10/11/2024	RMA GeoScience - Inv 19640 - Prof Svcs 2024-07-15 Thru 2024-08-11	1,704.00
10/24/2024	Golden Valley Engineering - Inv 1103496 - Prof Svcs 2024-09-14 Thru 2024-10-12	12,031.00
10/28/2024	Hilbers Inc. - Inv 24-1006 - Progress Billing #11 Sept2024	173,284.37
10/29/2024	RT Maher Construction - Inv 853 - Purchase & Install of Modules / Inverters	51,900.00
11/5/2024	Guardco Security Services- 2024-10	14,706.00
11/04/2024	RMA Geoscience - Inv 20058 - Prof Svcs 2024-09-09 Thru 2024-10-13	726.00
11/07/2024	CDWG 4 APC Smart-UPS 1500 Smartconn	3,171.73
11/14/2024	Hilbers Inc. - Inv 24-1110 - Progress Billing #12 - Oct2024	134,845.46
11/14/2024	RT Maher - Inv 880 - Solar Job Completion	16,000.00

**Merced County Employees' Retirement Association
New Headquarters Expenditure Report
Through the Month Ended January 31, 2025**

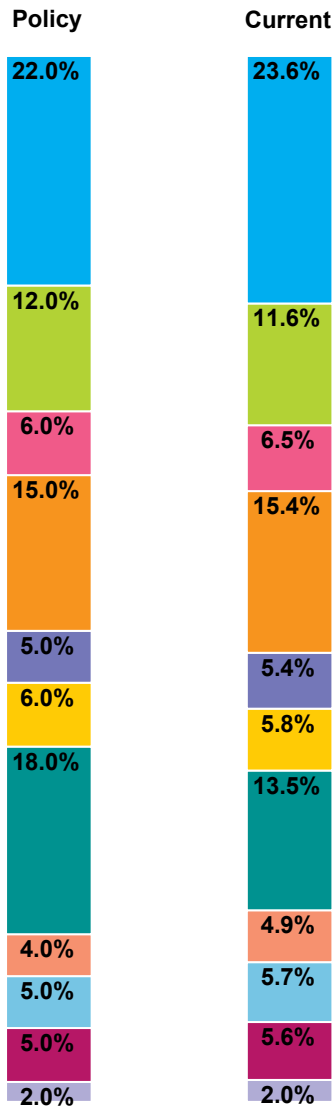
11/21/2024	The Phone Connection - Inv 297744 - Cable / Wire Instillation	30,613.05
11/07/2024	City of Merced- Water & Garbage	309.56
11/25/2024	Merced Irrigation District	141.47
11/08/2024	Wyan Roger Construction-photography	2,100.00
12/06/2024	Yard Masters- Gardening Service	400.00
12/04/2024	Guardco Security Services- 2024-11	13,680.00
12/11/2024	City of Merced- Water & Garbage	178.69
12/31/2024	Merced Irrigation District	1,533.29
12/03/2024	Golden Valley Engineering - Inv 1103575 - Prof Svcs 2024-10-12 Thru 2024-11-24	13,903.50
12/06/2024	City of Merced 690 W. 19th St (Impact Fees for new building)	81,935.02
12/06/2024	City of Merced 690 W 19th St. (Engineering Fees for new building)	104,823.60
12/12/2024	Hilbers Inc 2024-11 Progress B	116,407.98
12/17/2024	Atlantech Resel Cables & Kits Dell Server	3,015.83
12/19/2024	Cobb Enterprise 30% Deposit Es	38,391.15
12/19/2024	Hoffman Electronics New Building P	268.00
12/19/2024	The Phone Connection Instillation o	20,127.00
12/31/2024	Facility Designs Proposal #3648	212,198.57
12/31/2024	Golden Valley Engineering Prof Svcs 2024	4,600.00
12/31/2024	Hoffman Electronic	63.00
12/31/2024	Merced Irrigation District Groundwater Su	7.44
01/06/2025	Guardco Security Svcs. Thru 2024-12 Invoice 16306	14,193.00
01/10/2025	Hoffman - Install Fire System Invoice 704822	35,132.51
01/15/2025	Hilbers 2024-12 Final Bill Invoice 25-0100	465,109.95
01/24/2025	Facility Design - Desks & Workstations Invoice 62075	5,739.48
01/24/2025	Golden Valley Engineering - Professional Svs Thru 2025-01-12 Invoice 1103717	20,829.46
01/24/2025	Hoffman - Install Alarm System Invoice 704876	88,260.61
01/24/2025	Hoffman - Install CCTV System Invoice 704878	26,511.15
01/24/2025	Valley Business - Ergonomic Chairs Invoice 98785	9,718.69
01/27/2025	The Phone Connection - Instillation of Dias Cables Invoice 297814	22,800.00
01/31/2025	Facility Designs Dias Furnature Instillation Invoice 62238	109,465.36
01/31/2025	CASignCo 2 Door Decals Invoice 2174	1,100.00
Total Architectural, Engineering, and Construction Expenditures		11,168,401.36
Total Budgeted for Architectural, Engineering, & Construction		10,591,802.40
Balance Remaining		(576,598.96)
Percentage Expended		105.44%
All new headquarters building-related expenditures through 01/31/25 (Grand Total)		11,598,280.29

Merced County Employees' Retirement Association

February 27, 2025

January Flash Report

Total Fund | As of January 31, 2025



Allocation vs. Targets and Policy						
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
US Equity	306,416,835	23.6	22.0	1.6	16.0 - 27.0	Yes
International Equity	150,277,695	11.6	12.0	-0.4	7.0 - 17.0	Yes
Emerging Markets Equity	83,919,738	6.5	6.0	0.5	3.0 - 9.0	Yes
Private Equity	199,145,101	15.4	15.0	0.4	5.0 - 20.0	Yes
Direct Lending	69,728,170	5.4	5.0	0.4	0.0 - 10.0	Yes
Real Estate	75,430,000	5.8	6.0	-0.2	4.0 - 8.0	Yes
US Fixed Income	175,361,143	13.5	18.0	-4.5	13.0 - 23.0	Yes
Opportunistic Credit	63,948,276	4.9	4.0	0.9	2.0 - 6.0	Yes
Hedge Funds	73,849,270	5.7	5.0	0.7	2.5 - 7.5	Yes
Real Assets	72,364,479	5.6	5.0	0.6	3.0 - 7.0	Yes
Cash	26,302,565	2.0	2.0	0.0	0.0 - 4.0	Yes
Total	1,296,743,271	100.0	100.0	0.0		

Asset Allocation & Performance | As of January 31, 2025

Asset Class Performance Summary										
	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund (Net)	1,296,743,271	100.0	1.6	6.1	13.2	5.5	8.6	7.8	8.1	Jan-95
Total Fund (Gross)			1.6	6.3	13.6	5.9	9.0	8.2	8.3	Jan-95
<i>Policy Index</i>			1.5	6.2	15.1	5.9	8.8	8.1	6.5	
Total Fund w/o Alternatives (Net)	779,923,687	60.1	2.5	7.3	16.6	5.8	8.5	8.0	--	Jan-08
Total Fund w/o Alternatives (Gross)			2.6	7.6	17.1	6.2	9.0	8.4	--	Jan-08
<i>Policy Index w/o AI</i>			2.5	6.6	13.9	4.9	7.1	7.2	--	
US Equity (Net)	306,416,835	23.6	3.1	12.4	25.5	10.2	13.6	13.0	10.8	Jan-95
US Equity (Gross)			3.1	12.5	25.7	10.5	13.8	13.3	10.9	Jan-95
<i>Russell 3000</i>			3.2	12.5	26.3	11.4	14.6	13.0	10.8	
International Equity (Net)	234,197,433	18.1	3.8	4.2	15.9	3.9	8.3	7.0	6.0	Jan-99
International Equity (Gross)			3.8	4.7	16.8	4.7	9.2	7.7	6.3	Jan-99
<i>International Equity Custom</i>			3.7	3.2	12.0	3.2	5.5	5.5	4.6	
Developed International Equity (Net)	150,277,695	11.6	3.7	1.3	10.5	4.9	7.6	6.3	4.7	Feb-08
Developed International Equity (Gross)			3.7	1.7	11.3	5.6	8.3	6.8	5.3	Feb-08
<i>Custom Blended Developed International Equity BM</i>			4.5	3.4	8.3	4.3	6.1	5.6	3.7	
Emerging Markets Equity (Net)	83,919,738	6.5	3.9	9.9	26.3	2.2	8.3	8.0	6.0	May-12
Emerging Markets Equity (Gross)			4.0	10.6	27.6	3.2	9.4	9.0	7.0	May-12
<i>MSCI EM</i>			1.8	1.8	14.8	-0.7	3.0	4.0	3.2	
US Fixed Income (Net)	175,361,143	13.5	0.5	3.0	2.7	-1.6	-0.7	1.3	4.3	Jan-95
US Fixed Income (Gross)			0.5	3.1	2.9	-1.5	-0.6	1.5	4.5	Jan-95
<i>US Fixed Income Custom Benchmark</i>			0.5	2.6	2.3	-1.2	-0.4	1.4	4.5	

Data Prior to March 2018 provided by prior consultant.

Asset Allocation & Performance | As of January 31, 2025

	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Opportunistic Credit (Net)	63,948,276	4.9	1.0	5.8	9.7	5.5	5.7	--	5.9	May-19
Opportunistic Credit (Gross)			1.0	6.1	10.1	6.0	6.2	--	6.3	May-19
<i>50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever</i>			0.8	4.3	5.7	2.1	2.3	--	3.0	
Real Estate (Net)	75,430,000	5.8	0.0	4.5	4.9	0.8	4.0	4.9	6.3	Dec-10
Real Estate (Gross)			0.0	4.6	4.9	0.8	4.0	5.2	7.3	Apr-99
<i>Custom Blended Real Estate Benchmark</i>			0.0	-0.2	-7.3	-0.2	2.9	5.4	6.5	
<i>CPI +5% (Seasonally Adjusted)</i>			0.9	4.8	8.1	9.3	9.5	8.3	7.7	
Private Real Estate (Net)	75,430,000	5.8	0.0	2.0	2.0	1.8	4.0	4.9	6.3	Dec-10
Private Real Estate (Gross)			0.0	2.0	2.0	1.8	4.0	5.2	7.3	Apr-99
<i>Custom Blended Real Estate Benchmark</i>			0.0	-0.2	-7.3	-0.2	2.9	5.4	6.5	
Private Equity (Net)	199,145,101	15.4	0.0	3.6	9.0	7.3	16.8	13.0	10.2	Jul-05
Private Equity (Gross)			0.0	3.6	9.0	7.3	16.9	13.0	10.3	Jul-05
<i>Custom Private Equity Benchmark</i>			-1.7	9.2	37.6	9.1	18.8	15.7	--	
Direct Lending (Net)	69,728,170	5.4	0.0	5.9	11.9	8.9	--	--	10.3	Jul-20
Direct Lending (Gross)			0.0	5.9	11.9	8.9	--	--	10.3	Jul-20
<i>S&P LSTA Leveraged Loan +2%</i>			0.9	6.3	11.1	9.3	8.0	7.3	9.8	
Hedge Fund (Net)	73,849,270	5.7	1.7	4.0	7.6	4.7	5.6	4.7	4.7	Jul-14
Hedge Fund (Gross)			1.8	4.9	9.1	5.8	6.7	5.3	5.3	Jul-14
<i>Custom Blended Hedge Fund Benchmark</i>			1.2	5.4	9.7	4.4	5.4	4.2	4.1	
Real Assets (Net)	72,364,479	5.6	0.0	7.7	15.0	13.0	12.4	10.0	10.0	Dec-10
Real Assets (Gross)			0.0	7.7	15.0	13.0	12.5	10.4	10.5	Dec-10
<i>Custom Blended Real Assets Benchmark</i>			4.0	4.6	11.7	5.4	5.0	7.2	--	
<i>CPI +5% (Seasonally Adjusted)</i>			0.9	4.8	8.1	9.3	9.5	8.3	7.8	

Real Assets includes State Street Real Assets NL Fund.

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	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Infrastructure (Net)	40,405,616	3.1	0.0	7.7	15.1	12.2	13.2	10.5	10.4	Jan-15
Private Infrastructure (Gross)			0.0	7.7	15.1	12.2	13.4	10.5	10.4	Jan-15
<i>S&P Global Infrastructure</i>			2.3	13.2	21.6	8.2	5.4	6.2	6.1	
Private Natural Resources (Net)	31,958,863	2.5	0.0	7.7	15.0	22.5	15.1	--	15.7	Oct-15
Private Natural Resources (Gross)			0.0	7.7	15.0	22.5	15.1	--	15.7	Oct-15
<i>S&P Global Natural Resources Sector Index (TR)</i>			5.6	-3.5	2.3	2.3	8.7	6.2	9.6	
Cash (Net)	26,302,565	2.0	0.4	2.7	4.4	2.9	1.8	--	--	Dec-10
Cash (Gross)			0.4	2.7	4.4	2.9	1.8	--	--	Dec-10

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Trailing Period Performance										
	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	1,296,743,271	100.0	1.6	6.1	13.2	5.5	8.6	7.8	8.1	Jan-95
<i>Policy Index</i>			<i>1.5</i>	<i>6.2</i>	<i>15.1</i>	<i>5.9</i>	<i>8.8</i>	<i>8.1</i>	<i>6.5</i>	
Total Fund w/o Alternatives	779,923,687	60.1	2.5	7.3	16.6	5.8	8.5	8.0	--	Jan-08
<i>Policy Index w/o AI</i>			<i>2.5</i>	<i>6.6</i>	<i>13.9</i>	<i>4.9</i>	<i>7.1</i>	<i>7.2</i>	<i>--</i>	
US Equity	306,416,835	23.6	3.1	12.4	25.5	10.2	13.6	13.0	10.8	Jan-95
<i>Russell 3000</i>			<i>3.2</i>	<i>12.5</i>	<i>26.3</i>	<i>11.4</i>	<i>14.6</i>	<i>13.0</i>	<i>10.8</i>	
BNY Mellon Newton Dynamic US Equity	58,824,236	4.5	2.7	9.9	24.1	9.2	13.5	14.1	16.1	Jan-13
<i>S&P 500 Index</i>			<i>2.8</i>	<i>11.5</i>	<i>26.4</i>	<i>11.9</i>	<i>15.2</i>	<i>13.8</i>	<i>14.8</i>	
BNY Mellon Large Cap	212,722,376	16.4	3.2	12.4	26.7	11.6	15.0	--	14.8	Apr-16
<i>Russell 1000 Index</i>			<i>3.2</i>	<i>12.5</i>	<i>26.7</i>	<i>11.7</i>	<i>15.0</i>	<i>13.5</i>	<i>14.8</i>	
Champlain Small Cap	34,870,223	2.7	3.0	17.1	20.2	5.5	--	--	9.9	Nov-20
<i>Russell 2000 Index</i>			<i>2.6</i>	<i>12.5</i>	<i>19.1</i>	<i>5.6</i>	<i>8.7</i>	<i>8.4</i>	<i>11.3</i>	
International Equity	234,197,433	18.1	3.8	4.2	15.9	3.9	8.3	7.0	6.0	Jan-99
<i>International Equity Custom</i>			<i>3.7</i>	<i>3.2</i>	<i>12.0</i>	<i>3.2</i>	<i>5.5</i>	<i>5.5</i>	<i>4.6</i>	
Developed International Equity	150,277,695	11.6	3.7	1.3	10.5	4.9	7.6	6.3	4.7	Feb-08
<i>Custom Blended Developed International Equity BM</i>			<i>4.5</i>	<i>3.4</i>	<i>8.3</i>	<i>4.3</i>	<i>6.1</i>	<i>5.6</i>	<i>3.7</i>	
Acadian ACWI ex U.S. Small Cap Equity	19,741,586	1.5	1.5	4.6	13.2	5.5	10.0	--	9.7	May-19
<i>MSCI AC World ex USA Small Cap (Net)</i>			<i>1.3</i>	<i>1.9</i>	<i>6.6</i>	<i>1.1</i>	<i>5.2</i>	<i>5.8</i>	<i>5.5</i>	
Driehaus International Small Cap Growth	17,907,154	1.4	1.3	-1.0	5.7	-0.6	6.0	--	7.3	May-19
<i>MSCI AC World ex USA Small Growth Index (Net)</i>			<i>1.3</i>	<i>2.0</i>	<i>7.0</i>	<i>-0.8</i>	<i>4.5</i>	<i>5.8</i>	<i>5.0</i>	
GQG International Equity	53,938,822	4.2	4.6	-4.6	8.8	6.2	9.3	--	9.0	Dec-19
<i>MSCI AC World ex USA (Net)</i>			<i>4.0</i>	<i>3.9</i>	<i>10.9</i>	<i>3.4</i>	<i>5.5</i>	<i>5.2</i>	<i>5.6</i>	
First Eagle International Value Fund	58,690,133	4.5	4.3	7.0	12.1	4.7	5.5	--	4.9	Dec-19
<i>MSCI EAFE (Net)</i>			<i>5.3</i>	<i>3.7</i>	<i>8.7</i>	<i>5.1</i>	<i>6.3</i>	<i>5.7</i>	<i>6.3</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.

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	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Emerging Markets Equity	83,919,738	6.5	3.9	9.9	26.3	2.2	8.3	8.0	6.0	May-12
<i>MSCI EM</i>			<i>1.8</i>	<i>1.8</i>	<i>14.8</i>	<i>-0.7</i>	<i>3.0</i>	<i>4.0</i>	<i>3.2</i>	
Artisan Developing World TR	61,524,882	4.7	4.5	15.0	34.9	5.7	10.7	--	10.6	Dec-19
<i>MSCI Emerging Markets (Net)</i>			<i>1.8</i>	<i>1.8</i>	<i>14.8</i>	<i>-0.7</i>	<i>3.0</i>	<i>3.8</i>	<i>3.4</i>	
RWC	22,394,855	1.7	2.4	-2.3	7.1	-5.7	2.0	--	0.8	Dec-19
<i>MSCI Emerging Markets (Net)</i>			<i>1.8</i>	<i>1.8</i>	<i>14.8</i>	<i>-0.7</i>	<i>3.0</i>	<i>3.8</i>	<i>3.4</i>	
US Fixed Income	175,361,143	13.5	0.5	3.0	2.7	-1.6	-0.7	1.3	4.3	Jan-95
<i>US Fixed Income Custom Benchmark</i>			<i>0.5</i>	<i>2.6</i>	<i>2.3</i>	<i>-1.2</i>	<i>-0.4</i>	<i>1.4</i>	<i>4.5</i>	
Vanguard Short-Term Treasury Index Fund	7,019,260	0.5	0.4	3.3	4.1	1.8	1.3	--	1.8	Mar-18
<i>Bloomberg U.S. Government 1-3 Year Index</i>			<i>0.4</i>	<i>3.3</i>	<i>4.1</i>	<i>1.8</i>	<i>1.3</i>	<i>1.4</i>	<i>1.8</i>	
Vanguard Total Bond Market Index Fund	22,682,634	1.7	0.6	2.5	2.1	-1.5	-0.6	--	0.8	May-19
<i>Blmbg. U.S. Aggregate Index</i>			<i>0.5</i>	<i>2.5</i>	<i>2.1</i>	<i>-1.5</i>	<i>-0.6</i>	<i>1.2</i>	<i>0.8</i>	
Payden & Rygel Low Duration Fund	10,282,814	0.8	0.5	3.5	5.0	--	--	--	6.2	Nov-22
<i>Blmbg. U.S. Treasury: 1-3 Year</i>			<i>0.4</i>	<i>3.3</i>	<i>4.1</i>	<i>1.8</i>	<i>1.3</i>	<i>1.4</i>	<i>4.3</i>	
Brandywine US Fixed Income	57,720,524	4.5	0.4	3.8	1.9	--	--	--	1.9	Nov-22
<i>Blmbg. U.S. Aggregate Index</i>			<i>0.5</i>	<i>2.5</i>	<i>2.1</i>	<i>-1.5</i>	<i>-0.6</i>	<i>1.2</i>	<i>4.7</i>	
Wellington Core Bond	77,655,911	6.0	0.5	2.7	3.0	--	--	--	4.5	Nov-22
<i>Blmbg. U.S. Aggregate Index</i>			<i>0.5</i>	<i>2.5</i>	<i>2.1</i>	<i>-1.5</i>	<i>-0.6</i>	<i>1.2</i>	<i>4.7</i>	

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

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	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Opportunistic Credit	63,948,276	4.9	1.0	5.8	9.7	5.5	5.7	--	5.9	May-19
<i>50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever</i>			<i>0.8</i>	<i>4.3</i>	<i>5.7</i>	<i>2.1</i>	<i>2.3</i>	<i>--</i>	<i>3.0</i>	
PIMCO Income Fund	11,970,968	0.9	1.2	4.8	6.0	2.8	3.0	--	3.4	May-19
<i>Blmbg. U.S. Aggregate Index</i>			<i>0.5</i>	<i>2.5</i>	<i>2.1</i>	<i>-1.5</i>	<i>-0.6</i>	<i>1.2</i>	<i>0.8</i>	
GoldenTree Multi-Sector Credit	28,922,869	2.2	1.1	6.2	11.0	6.5	6.1	--	6.3	Jun-19
<i>50% BBg US High Yield TR/50% S&P UBS Leveraged Loans</i>			<i>1.0</i>	<i>6.0</i>	<i>9.3</i>	<i>5.7</i>	<i>5.2</i>	<i>5.2</i>	<i>5.4</i>	
OWS Credit Opportunity Fund LP	23,054,439	1.8	0.7	5.6	9.7	--	--	--	9.9	Oct-23
<i>50% BBg US High Yield TR/50% S&P UBS Leveraged Loans</i>			<i>1.0</i>	<i>6.0</i>	<i>9.3</i>	<i>5.7</i>	<i>5.2</i>	<i>5.2</i>	<i>11.2</i>	
Private Real Estate	75,430,000	5.8	0.0	2.0	2.0	1.8	4.0	4.9	6.3	Dec-10
<i>Custom Blended Real Estate Benchmark</i>			<i>0.0</i>	<i>-0.2</i>	<i>-7.3</i>	<i>-0.2</i>	<i>2.9</i>	<i>5.4</i>	<i>7.6</i>	
Greenfield Gap VII	726,197	0.1	0.0	8.0	-0.7	12.4	14.6	14.0	13.9	Jan-15
Patron Capital V	5,171,773	0.4	0.0	5.9	6.8	-15.4	-2.0	--	0.3	Feb-16
UBS Trumbull Property	19,253,392	1.5	0.0	-1.8	-7.3	-2.9	-0.7	2.2	5.4	Apr-99
Carlyle Realty VIII	2,132,216	0.2	0.0	0.1	-3.6	14.7	26.4	--	8.2	Jan-18
Taconic CRE Dislocation Fund II	3,068,870	0.2	0.0	-5.2	-7.1	7.9	6.3	--	6.4	Nov-18
Carmel Partners Investment Fund VII	4,788,162	0.4	0.0	3.7	11.3	7.4	-5.5	--	-14.4	Apr-19
AG Realty Value Fund X, L.P.	2,970,062	0.2	0.0	-2.7	-6.3	4.3	7.4	--	2.9	Jun-19
Rockpoint Real Estate Fund VI, L.P.	4,559,896	0.4	0.0	1.3	-1.2	2.8	--	--	6.9	May-20
Cerberus Real Estate Debt Fund, L.P.	4,797,538	0.4	0.0	-1.2	1.6	5.5	--	--	8.6	Jul-20
Taconic CRE Dislocation Onshore Fund III	8,246,605	0.6	0.0	6.0	11.2	9.4	--	--	8.5	Jun-21
Starwood Distressed Opportunity Fund XII Global	6,420,679	0.5	0.0	6.9	18.3	8.5	--	--	68.9	Jun-21
Carlyle Realty Partners IX	3,517,524	0.3	0.0	9.7	2.4	-166.4	--	--	-167.9	Dec-21

All private markets performance and market values reflect a 09/30/24 capital account balance (as of 12/31/2024) 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 value of GoldenTree Multi-Sector Credit is based on estimated performance due to investor statement availability.

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	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Carmel Partners Investment Fund VIII	6,737,059	0.5	0.0	7.1	17.1	--	--	--	1.9	Apr-22
Rockpoint Real Estate Fund VII L.P.	3,040,027	0.2	0.0	0.3	3.4	--	--	--	6.3	Aug-22
Private Equity	199,145,101	15.4	0.0	3.6	9.0	7.3	16.8	13.0	10.2	Jul-05
<i>Custom Private Equity Benchmark</i>			<i>-1.7</i>	<i>9.2</i>	<i>37.6</i>	<i>9.1</i>	<i>18.8</i>	<i>15.7</i>	<i>--</i>	
Taconic Credit Dislocation Fund IV L.P.	4,386,186	0.3	0.0	6.5	17.3	--	--	--	14.6	Jul-23
Khosla Ventures Seed F, L.P.	1,206,814	0.1	0.0	13.1	25.1	--	--	--	11.8	Jul-23
Adams Street	2,574,644	0.2	0.0	-2.6	-3.1	-8.5	8.1	9.0	7.1	Oct-05
Invesco VI	353,195	0.0	0.0	-4.0	-26.0	-31.2	7.5	10.8	10.0	Jul-13
Ocean Avenue II	4,462,889	0.3	0.0	-18.3	-26.6	-4.3	17.6	16.2	14.5	Jul-14
Pantheon I	58,831	0.0	0.0	2.3	-4.5	-11.4	-13.0	-6.0	-1.7	Jan-06
Pantheon II	2,524,579	0.2	0.0	2.4	5.6	-2.9	11.2	11.2	11.2	Jan-12
Pantheon Secondary	107,102	0.0	0.0	-0.9	-1.8	-2.6	-8.1	-2.3	0.3	Jul-07
Davidson Kempner Long-Term Distressed Opportunities Fund IV	2,669,947	0.2	0.0	0.1	4.6	24.0	18.7	--	16.3	Apr-18
GTCR Fund XII	6,109,432	0.5	0.0	7.2	9.6	6.9	21.2	--	14.3	Jun-18
Carrick Capital Partners III	4,690,497	0.4	0.0	-5.6	-4.3	7.6	11.0	--	8.8	Aug-18
Cressey & Company Fund VI	5,659,255	0.4	0.0	8.6	4.0	1.0	18.7	--	12.6	Jan-19
TCV X	7,210,209	0.6	0.0	11.7	29.3	-0.2	24.4	--	18.5	Apr-19
Accel-KKR Growth Capital Partners III	5,654,379	0.4	0.0	2.7	6.4	-0.6	11.1	--	6.5	Jul-19
Genstar Capital Partners IX	9,707,429	0.7	0.0	11.9	15.7	21.4	26.6	--	23.8	Aug-19
Cortec Group Fund VII	8,757,694	0.7	0.0	-4.9	-1.5	10.2	19.8	--	19.1	Dec-19

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 (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Spark Capital Growth Fund III	8,508,741	0.7	0.0	0.7	-1.5	1.8	--	--	10.7	Mar-20
Spark Capital VI	3,797,338	0.3	0.0	-0.7	1.7	15.1	--	--	5.5	Mar-20
Summit Partners Growth Equity Fund X-A	8,966,562	0.7	0.0	2.2	7.3	7.5	--	--	6.7	Mar-20
Taconic Market Dislocation Fund III L.P.	5,459,268	0.4	0.0	4.4	16.7	8.4	--	--	14.4	Jul-20
Marlin Heritage Europe II, L.P.	8,134,878	0.6	0.0	15.3	19.7	13.0	--	--	3.8	Oct-20
Khosla Ventures VII	5,426,930	0.4	0.0	-17.4	-1.9	7.1	--	--	4.6	Jan-21
Accel-KKR Capital Partners VI	4,571,367	0.4	0.0	13.6	13.6	6.8	--	--	-0.4	Feb-21
Khosla Ventures Seed E	2,340,767	0.2	0.0	-2.1	-0.4	16.4	--	--	74.1	Feb-21
TCV XI	6,420,291	0.5	0.0	6.4	26.1	4.0	--	--	1.4	Feb-21
Thoma Bravo Discover Fund III	10,349,457	0.8	0.0	7.4	18.6	11.2	--	--	9.7	Jun-21
Summit Partners Venture Capital Fund V-A	4,512,220	0.3	0.0	3.4	17.9	2.6	--	--	1.6	May-21
GTCR Fund XIII/A & B	7,401,800	0.6	0.0	8.8	18.7	17.0	--	--	59.5	Jun-21
Genstar Capital Partners X	8,305,074	0.6	0.0	5.4	5.6	5.8	--	--	5.2	Oct-21
Nautic Partners X	6,623,907	0.5	0.0	6.6	15.6	9.6	--	--	9.3	Jan-22
Spark Capital Growth Fund IV	5,379,908	0.4	0.0	17.3	18.7	14.5	--	--	14.1	Jan-22
Spark Capital VII	2,043,990	0.2	0.0	-2.1	-3.0	-5.7	--	--	-5.7	Feb-22
TCV Velocity Fund I	5,578,794	0.4	0.0	-9.5	10.2	3.5	--	--	3.5	Feb-22
Accel-KKR Growth Capital Partners IV	2,517,500	0.2	0.0	3.4	3.8	--	--	--	-8.8	Apr-22
Summit Partners Growth Equity Fund XI-A	3,130,241	0.2	0.0	14.9	21.9	--	--	--	-22.2	Apr-22
GTCR Strategic Growth Fund I/A&B LP	2,846,592	0.2	0.0	6.4	7.1	--	--	--	-19.8	Jul-22

Asset Allocation & Performance | As of January 31, 2025

	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Threshold Ventures IV LP	2,569,142	0.2	0.0	-0.1	-1.2	--	--	--	-13.8	Aug-22
Thoma Bravo Discovery Fund IV	7,004,358	0.5	0.0	8.4	19.0	--	--	--	15.5	Jan-23
Marlin Heritage III	2,792,354	0.2	0.0	4.9	12.5	--	--	--	-56.1	Jan-23
Cortec Group Fund VIII, L.P.	2,169,207	0.2	0.0	5.3	-6.8	--	--	--	-11.9	Apr-23
Khosla Ventures VIII	2,414,199	0.2	0.0	4.1	3.8	--	--	--	1.3	Sep-23
Genstar Capital Partners XI	717,943	0.1	0.0	20.0	62.7	--	--	--	47.6	Nov-23
Summit Partners Europe Growth Equity Fund IV, SCSp	46,847	0.0	0.0	-43.3	--	--	--	--	-43.3	Jul-24
Spark Capital VIII	357,606	0.0	0.0	-4.6	--	--	--	--	-4.6	Aug-24
Wynnchurch Capital Partners VI, L.P.	991,421	0.1	0.0	--	--	--	--	--	0.0	Sep-24
Accel-KKR Capital Partners VII LP	-189,447	0.0	0.0	--	--	--	--	--	-44.6	Oct-24
GTCR XIV/A&B L.P.	922,765	0.1	0.0	--	--	--	--	--	10.1	Nov-24
Spark Capital Growth Fund V	900,000	0.1	0.0	--	--	--	--	--	0.0	Nov-24
Direct Lending	69,728,170	5.4	0.0	5.9	11.9	8.9	--	--	10.3	Jul-20
<i>S&P LSTA Leveraged Loan +2%</i>			<i>0.9</i>	<i>6.3</i>	<i>11.1</i>	<i>9.3</i>	<i>8.0</i>	<i>7.3</i>	<i>9.8</i>	
Silver Point Specialty Credit Fund II, L.P.	6,495,621	0.5	0.0	6.5	12.4	9.4	--	--	10.6	Jul-20
Ares Senior Direct Lending Fund II	13,791,382	1.1	0.0	7.3	15.8	12.6	--	--	12.2	Jan-22
Varagon Capital Direct Lending Fund	16,867,519	1.3	0.0	4.9	8.2	4.3	--	--	4.2	Jan-22
AG Direct Lending Fund IV Annex	8,309,188	0.6	0.0	6.2	12.6	--	--	--	10.0	May-22
AG Direct Lending Fund V	4,396,414	0.3	0.0	5.8	8.4	--	--	--	7.9	Aug-22
Accel-KKR Credit Partners II LP	2,205,633	0.2	0.0	12.3	17.1	--	--	--	29.1	Mar-23

Asset Allocation & Performance | As of January 31, 2025

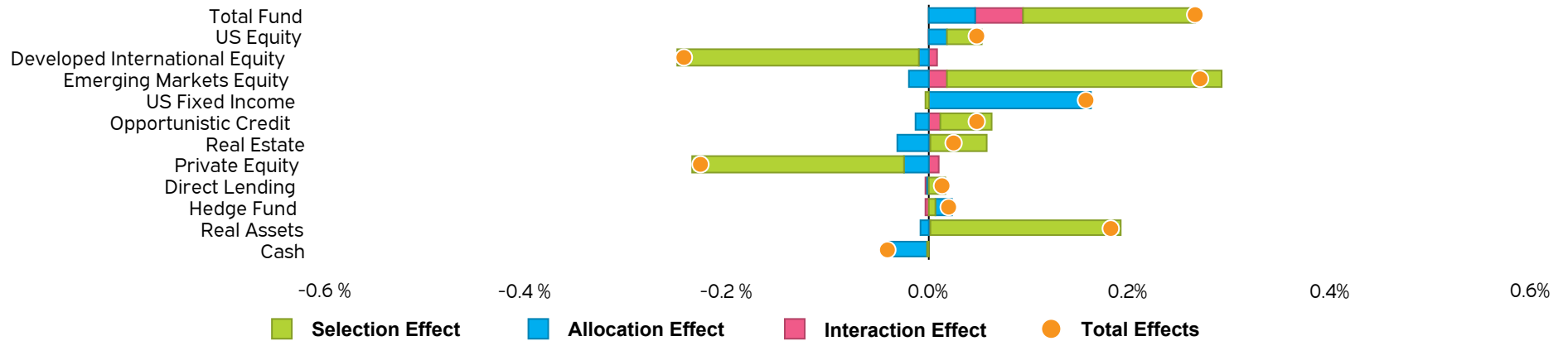
	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Silver Point Specialty Credit Fund III	6,893,340	0.5	0.0	4.8	16.4	--	--	--	8.1	Mar-23
Ares Capital Europe VI (D) Levered, L.P.	7,265,065	0.6	0.0	3.5	6.6	--	--	--	10.7	Nov-23
Ares Senior Direct Lending Fund III	3,504,009	0.3								
Hedge Fund	73,849,270	5.7	1.7	4.0	7.6	4.7	5.6	4.7	4.7	Jul-14
<i>Custom Blended Hedge Fund Benchmark</i>			<i>1.2</i>	<i>5.4</i>	<i>9.7</i>	<i>4.4</i>	<i>5.4</i>	<i>4.2</i>	<i>4.1</i>	
Hudson Bay Fund	15,055,840	1.2	1.5	6.9	10.5	--	--	--	8.6	Jun-23
Graham Absolute Return	5,156,839	0.4	2.8	5.0	8.9	9.6	6.7	--	5.5	Sep-17
Wellington-Archipelago	9,657,843	0.7	1.3	4.0	12.2	8.5	7.7	--	6.9	Sep-17
Marshall Wace Eureka	5,302,519	0.4	2.1	4.2	11.3	6.0	7.1	--	6.4	Dec-17
Silver Point Capital	14,434,451	1.1	1.2	5.2	11.4	7.0	11.0	--	8.4	Dec-17
Laurion Capital	7,446,939	0.6	1.6	-3.6	-6.2	-5.4	6.2	--	6.2	Aug-18
Taconic Opportunity Fund	4,100,471	0.3	1.0	0.8	2.4	0.9	2.7	--	3.0	Jan-19
Marshall Wace Global Opportunities	5,961,475	0.5	3.3	-0.4	3.1	6.0	--	--	5.5	May-20
Caxton Global Investments	6,732,892	0.5	1.6	6.8	7.7	6.1	--	--	6.0	May-21
Private Infrastructure	40,405,616	3.1	0.0	7.7	15.1	12.2	13.2	10.5	10.4	Jan-15
<i>S&P Global Infrastructure</i>			<i>2.3</i>	<i>13.2</i>	<i>21.6</i>	<i>8.2</i>	<i>5.4</i>	<i>6.2</i>	<i>6.1</i>	
KKR Global II	3,659,614	0.3	0.0	11.8	23.8	16.1	25.1	17.5	17.4	Jan-15
North Haven Infrastructure II	2,688,877	0.2	0.0	6.7	2.7	7.3	6.4	--	7.1	Jun-15
ISQ Global Infrastructure Fund II	6,296,020	0.5	0.0	8.2	15.1	11.3	12.6	--	5.8	Jul-18
KKR Global Infrastructure Investors III	4,234,677	0.3	0.0	4.1	19.0	15.9	6.2	--	2.3	Jan-19
Ardian Infrastructure Fund V	4,904,904	0.4	0.0	8.3	14.8	11.3	-3.6	--	-3.4	Nov-19

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.

Asset Allocation & Performance | As of January 31, 2025

	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
ISQ Global Infrastructure Fund III	3,346,681	0.3	0.0	5.9	15.7	12.8	--	--	-373.5	Jun-21
KKR Global Infrastructure Investors IV	7,513,022	0.6	0.0	7.2	14.4	-14.4	--	--	-217.8	Sep-21
BlackRock Global Infrastructure Fund IV	5,842,102	0.5	0.0	7.7	12.9	--	--	--	-1.1	Dec-22
Ardian Infrastructure Fund VI	1,919,719	0.1								
Private Natural Resources	31,958,863	2.5	0.0	7.7	15.0	22.5	15.1	--	15.7	Oct-15
<i>S&P Global Natural Resources Sector Index (TR)</i>			<i>5.6</i>	<i>-3.5</i>	<i>2.3</i>	<i>2.3</i>	<i>8.7</i>	<i>6.2</i>	<i>9.6</i>	
EnCap Flatrock Midstream Fund V	3,719,521	0.3	0.0	18.5	16.5	--	--	--	6.3	Jun-23
EnCap XI	3,901,898	0.3	0.0	15.2	24.7	33.0	15.3	--	-1.1	Aug-17
EnCap IV	2,019,192	0.2	0.0	7.6	9.3	40.0	28.9	--	20.7	Mar-18
GSO Energy Opportunities	394,483	0.0	0.0	6.8	44.7	45.8	29.3	--	22.3	Dec-15
Taurus Mining	335,413	0.0	0.0	3.0	14.4	54.2	27.7	--	22.8	Oct-15
Taurus Mining Annex	161,891	0.0	0.0	1.5	1.9	16.3	14.8	--	19.7	Feb-17
BlackRock Global Energy and Power Infrastructure Fund III LP	4,840,558	0.4	0.0	9.0	12.3	11.1	10.8	--	13.1	Aug-19
Tailwater Energy Fund IV, LP	4,654,272	0.4	0.0	8.4	19.0	23.3	8.9	--	8.4	Oct-19
Carnelian Energy Capital IV	6,371,190	0.5	0.0	4.7	8.8	--	--	--	4.7	May-22
EnCap Energy Capital Fund XII	2,937,521	0.2	0.0	-6.2	9.8	--	--	--	16.4	Aug-23
Carnelian Energy Capital V, L.P	2,622,925	0.2								
Cash	26,302,565	2.0	0.4	2.7	4.4	2.9	1.8	--	--	Dec-10
Cash	23,077,080	1.8	0.4	2.9	5.2	3.3	2.1	1.6	-0.8	Dec-10
Treasury Cash	3,225,485	0.2	0.0	0.0	0.0	0.0	0.0	--	0.0	Sep-17

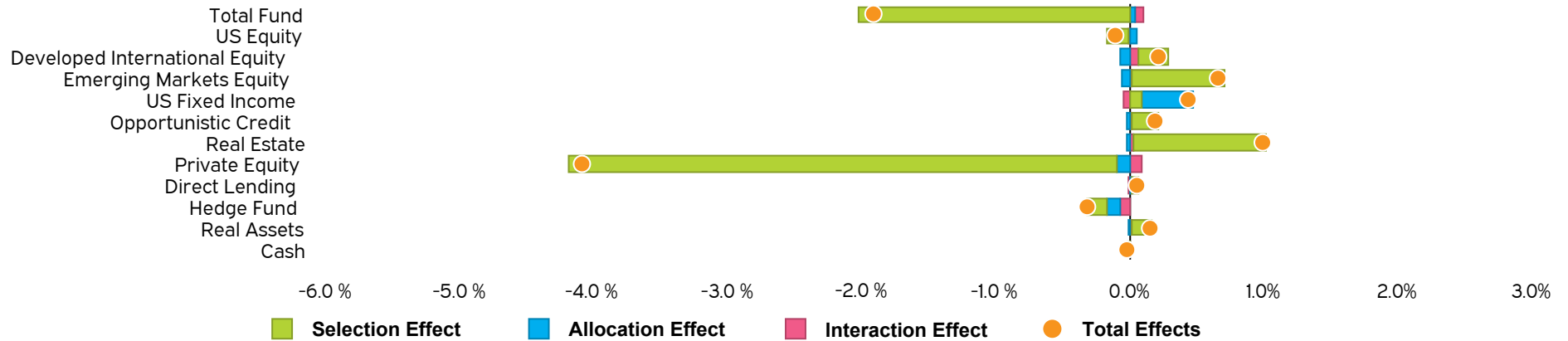
Attribution Effects 3 Months Ending January 31, 2025



Attribution Summary 3 Months Ending January 31, 2025

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	6.8	6.7	0.1	0.0	0.0	0.0	0.0
Developed International Equity	-0.4	1.6	-2.0	-0.2	0.0	0.0	-0.2
Emerging Markets Equity	2.5	-2.0	4.5	0.3	0.0	0.0	0.3
US Fixed Income	0.0	0.0	0.0	0.0	0.2	0.0	0.2
Opportunistic Credit	2.3	1.0	1.2	0.1	0.0	0.0	0.0
Real Estate	1.1	0.2	0.9	0.1	0.0	0.0	0.0
Private Equity	2.0	3.4	-1.4	-0.2	0.0	0.0	-0.2
Direct Lending	2.8	2.6	0.2	0.0	0.0	0.0	0.0
Hedge Fund	3.3	3.2	0.1	0.0	0.0	0.0	0.0
Real Assets	3.1	-0.7	3.7	0.2	0.0	0.0	0.2
Cash	1.1	1.2	-0.1	0.0	0.0	0.0	0.0
Total Fund	2.7	2.4	0.3	0.2	0.0	0.0	0.3

Attribution Effects 1 Year Ending January 31, 2025



Attribution Summary 1 Year Ending January 31, 2025

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	25.5	26.3	-0.8	-0.2	0.1	0.0	-0.1
Developed International Equity	10.5	8.3	2.3	0.2	-0.1	0.1	0.2
Emerging Markets Equity	26.3	14.8	11.6	0.7	-0.1	0.0	0.6
US Fixed Income	2.7	2.3	0.4	0.1	0.4	0.0	0.4
Opportunistic Credit	9.7	5.7	4.0	0.2	0.0	0.0	0.2
Real Estate	4.9	-7.3	12.2	1.0	0.0	0.0	1.0
Private Equity	9.0	37.6	-28.7	-4.1	-0.1	0.1	-4.1
Direct Lending	11.9	11.1	0.8	0.0	0.0	0.0	0.1
Hedge Fund	7.6	9.7	-2.1	-0.1	-0.1	-0.1	-0.3
Real Assets	15.0	11.7	3.3	0.2	0.0	0.0	0.1
Cash	2.7	3.0	-0.3	0.0	0.0	0.0	0.0
Total Fund	13.2	15.1	-1.9	-2.0	0.0	0.1	-1.9

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
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 January 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

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Merced County Employees' Retirement Association

February 27, 2025

Q4 Performance Update

- 1. Economic and Market Update as of December 31, 2024**
- 2. Q4 Executive Summary**
- 3. Performance Update as of December 31, 2024**
- 4. Disclaimer, Glossary, and Notes**

Economic and Market Update

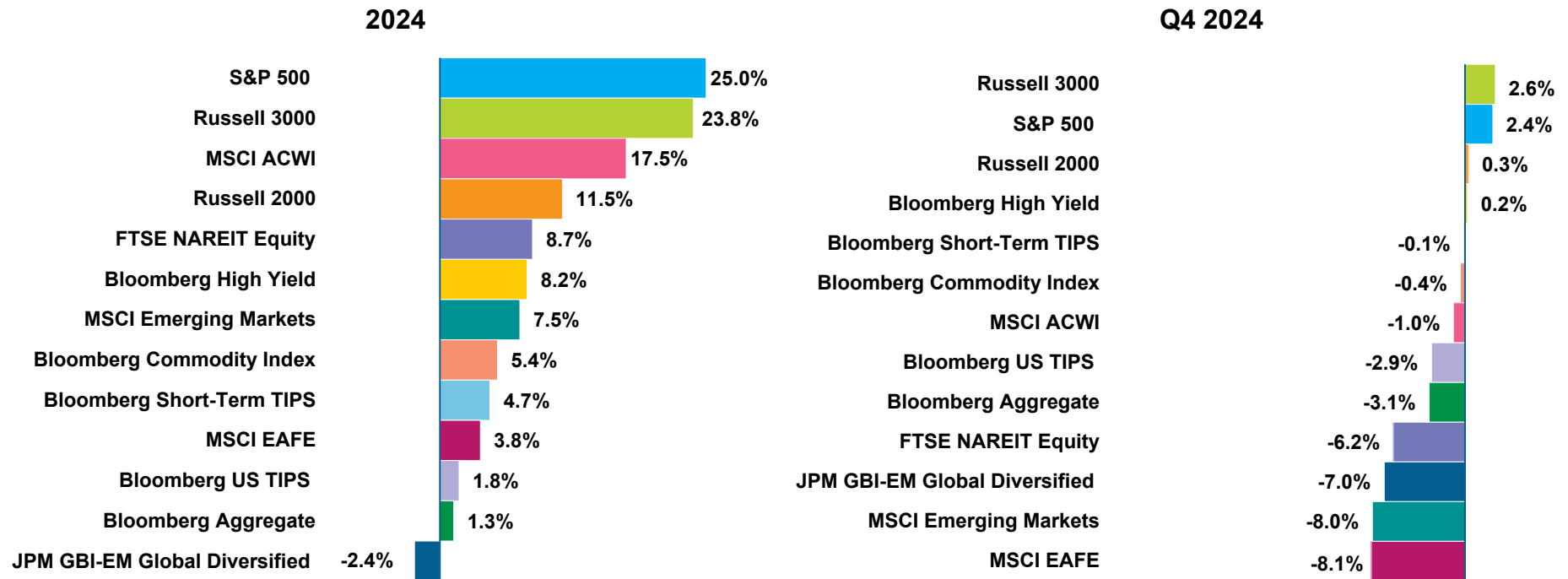
Data as of December 31, 2024

Commentary

Although most major markets finished 2024 in positive territory, in the fourth quarter, with the exception of US stocks, the majority of markets declined.

- Trump's victory along with a now Republican controlled Congress, supported US equity markets in the fourth quarter on anticipation of pro-growth policies. Domestic equity markets (Russell 3000) posted a return of 2.6% in the quarter and an impressive 23.8% for the year driven by large cap technology stocks.
- Non-US developed stocks sold-off in the fourth quarter (MSCI EAFE: -8.1%) largely driven by the strength of the US dollar, as well as slowing growth in Europe and the potential for trade wars. For the year, they trailed US equities by a wide 20% margin (3.8% versus 23.8%).
- Emerging market stocks also fell (MSCI Emerging Markets: -8.0%) in the fourth quarter, again driven by the strong dollar and concerns about US tariffs. In 2024, emerging markets beat developed international markets (7.5% versus 3.8%) but significantly trailed the US.
- The Federal Reserve cut its policy rate another 0.25% in December, but its Summary of Economic Projections and hawkish comments provoked a repricing of future rate cuts and their timing.
- Most fixed income markets fell for the quarter with interest rates rising given fears of inflation from the proposed policies of the incoming US administration. The broad US bond market (Bloomberg Aggregate) declined 3.1% for the quarter, reducing its 2024 gain to 1.3%. For the year, most major bond markets delivered positive returns on cooling global inflation.
- Looking ahead, uncertainty related to the policies of the new Trump Administration and its impact on the economy, inflation, and Fed policy will be key. The path of China's economy and concerns over elevated valuations and technology driven concentration in the US equity market will also be important focuses of 2025.

Index Returns¹



- In 2024, most major assets classes posted gains, led by the S&P 500's 25.0% return.
- Markets had mixed returns in the fourth quarter. US equities rose on optimism over potential pro-growth policies from the incoming administration while inflation concerns and a strong dollar, respectively, weighed on bonds and international equities.

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

Domestic Equity Returns¹

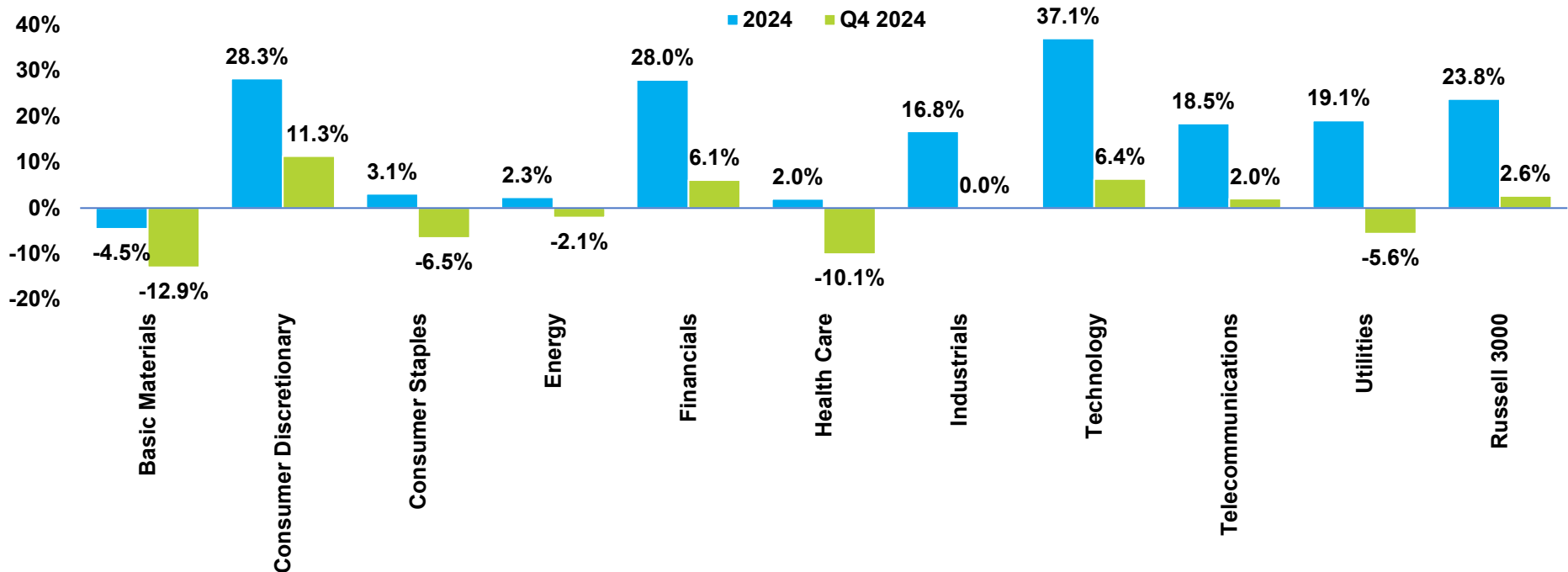
Domestic Equity	December (%)	Q4 2024 (%)	2024 (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-2.4	2.4	25.0	8.9	14.5	13.1
Russell 3000	-3.1	2.6	23.8	8.0	13.9	12.5
Russell 1000	-2.8	2.7	24.5	8.4	14.3	12.9
Russell 1000 Growth	0.9	7.1	33.4	10.5	19.0	16.8
Russell 1000 Value	-6.8	-2.0	14.4	5.6	8.7	8.5
Russell MidCap	-7.0	0.6	15.3	3.8	9.9	9.6
Russell MidCap Growth	-6.2	8.1	22.1	4.0	11.5	11.5
Russell MidCap Value	-7.3	-1.7	13.1	3.9	8.6	8.1
Russell 2000	-8.3	0.3	11.5	1.2	7.4	7.8
Russell 2000 Growth	-8.2	1.7	15.2	0.2	6.9	8.1
Russell 2000 Value	-8.3	-1.1	8.1	1.9	7.3	7.1

US Equities: The Russell 3000 rose 2.6% in the fourth quarter, bringing the year-to-date results to +23.8%.

- US stocks rose broadly in the fourth quarter on a post-election rally. However, value stocks did not participate and ended the quarter lower. In the large cap space, the Russell 1000 Value index's omission of several "Magnificent 7" stocks, such as NVIDIA, Amazon, and Tesla, drove much of the divergence.
- For the full year, US equities gained 23.8%. NVIDIA was the leading contributor among all stocks in the Russell 3000 index. The stock appreciated 171% during the year and was responsible for 20% of total index gains. The "Magnificent 7" stocks contributed just under 50% of the 2024 index gains.
- Growth stocks outperformed value stocks across the market cap spectrum in 2024, which was more pronounced in the large cap space. Larger companies (Russell 1000) produced more than double the returns of smaller companies (Russell 2000) for the year.

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

Russell 3000 Sector Returns¹



- US equity sectors experienced mixed results in the final quarter of the year but all sectors except materials, experienced gains in 2024.
- Technology stocks rose 37.1% last year, which led all sectors. Within technology, NVIDIA and Broadcom accounted for more than half of the sector's contribution to overall index gains.
- After technology, consumer discretionary (+28.3%) and financials (+28.0%) were next driven by Amazon and Tesla and a steepening yield curve/strong economy, respectively.

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

Foreign Equity Returns¹

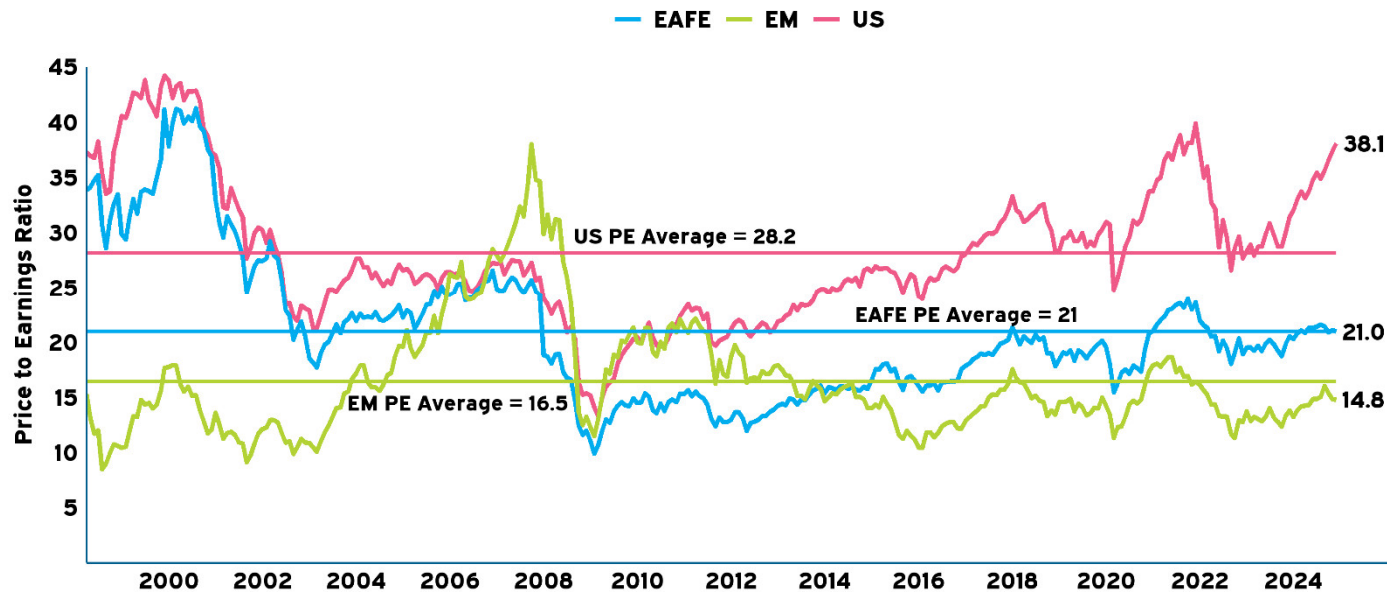
Foreign Equity	December (%)	Q4 2024 (%)	2024 (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	-1.9	-7.6	5.5	0.8	4.1	4.8
MSCI EAFE	-2.3	-8.1	3.8	1.6	4.7	5.2
MSCI EAFE (Local Currency)	0.4	-0.6	11.3	6.3	7.5	7.1
MSCI EAFE Small Cap	-2.3	-8.4	1.8	-3.2	2.3	5.5
MSCI Emerging Markets	-0.1	-8.0	7.5	-1.9	1.7	3.6
MSCI Emerging Markets (Local Currency)	1.2	-4.4	13.1	1.6	4.5	6.0
MSCI EM ex China	-1.2	-8.1	3.6	0.1	4.4	4.7
MSCI China	2.7	-7.7	19.4	-6.1	-3.4	1.9

Foreign Equity: Developed international equities (MSCI EAFE) fell -8.1% in the fourth quarter but rose 3.8% for the year, while emerging market equities (MSCI Emerging Markets) fell -8.0% in the quarter but returned 7.5% for the year.

- Continued strength in the US dollar weighed on developed market shares, with declines in local terms significantly lower (-0.6% versus -8.1%). An unstable political environment, potential tariffs from the US, and weak growth all weighed on eurozone equities. Japan was a bright spot, outperforming the US for the quarter, with renewed yen weakness boosting the outlook for exporters.
- Emerging markets reacted poorly to Mr. Trump’s win in the fourth quarter, due largely to tariff fears and the Fed’s decreased likelihood of reducing rates in 2025. A strong dollar also weighed on results but not as much as in developed markets. China declined less than the broader index for the quarter (-7.7% versus -8.0%).
- Over the full 2024 calendar year, international equities significantly trailed US equities.

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

Equity Cyclically Adjusted P/E Ratios¹



- Valuations in US stocks continued to move higher over the quarter while valuations for international equities fell.
- US stocks, priced at 38.1 times earnings, continue to trade well above their long-run PE average of 28.2.
- Non-US developed market valuations are trading at their long-term average. Emerging market stock valuations declined the most over the quarter (16.1 to 14.8) and remain below their long-term average.

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 December 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.

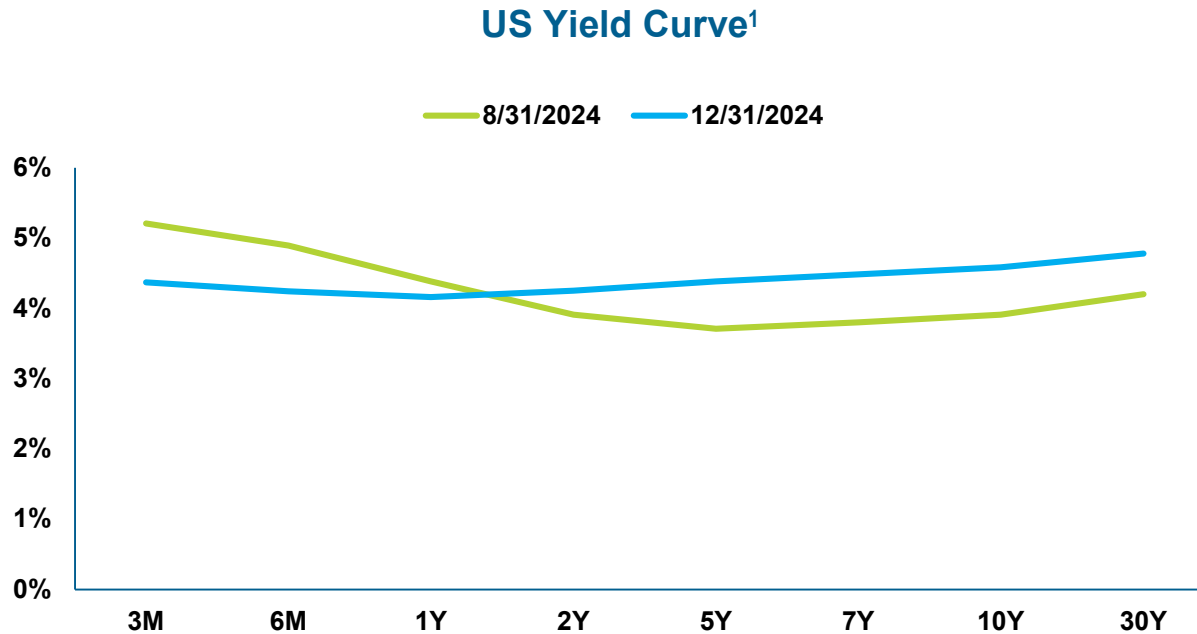
Fixed Income Returns¹

Fixed Income	December (%)	Q4 2024 (%)	2024 (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-1.5	-2.7	2.0	-1.9	0.1	1.7	5.1	5.9
Bloomberg Aggregate	-1.6	-3.1	1.3	-2.4	-0.3	1.3	4.9	6.1
Bloomberg US TIPS	-1.6	-2.9	1.8	-2.3	1.9	2.2	4.6	6.5
Bloomberg Short-term TIPS	-0.1	-0.1	4.7	2.1	3.3	2.6	4.4	2.4
Bloomberg US Long Treasury	-5.3	-8.6	-6.4	-12.0	-5.2	-0.6	4.9	14.9
Bloomberg High Yield	-0.4	0.2	8.2	2.9	4.2	5.2	7.5	3.5
JPM GBI-EM Global Diversified (USD)	-1.9	-7.0	-2.4	-1.0	-1.9	-0.4	--	--

Fixed Income: The Bloomberg Universal index fell 2.7% in the quarter, bringing the year-to-date return to +2.0%.

- Fixed income indexes largely declined over the quarter due to rising interest rates as investors considered proposed policies like tariffs and deportations and their respective risks to inflation.
- The broad US bond market (Bloomberg Aggregate) fell 3.1% over the quarter, with TIPS performing similarly at longer maturities. Long-term Treasury bonds experienced the largest declines, with a drop of 8.6%.
- High yield bonds outperformed as investor risk appetite remained robust, while emerging market debt weakened on uncertainty about the path of proposed US tariffs by the incoming administration as well as by higher US interest rates.

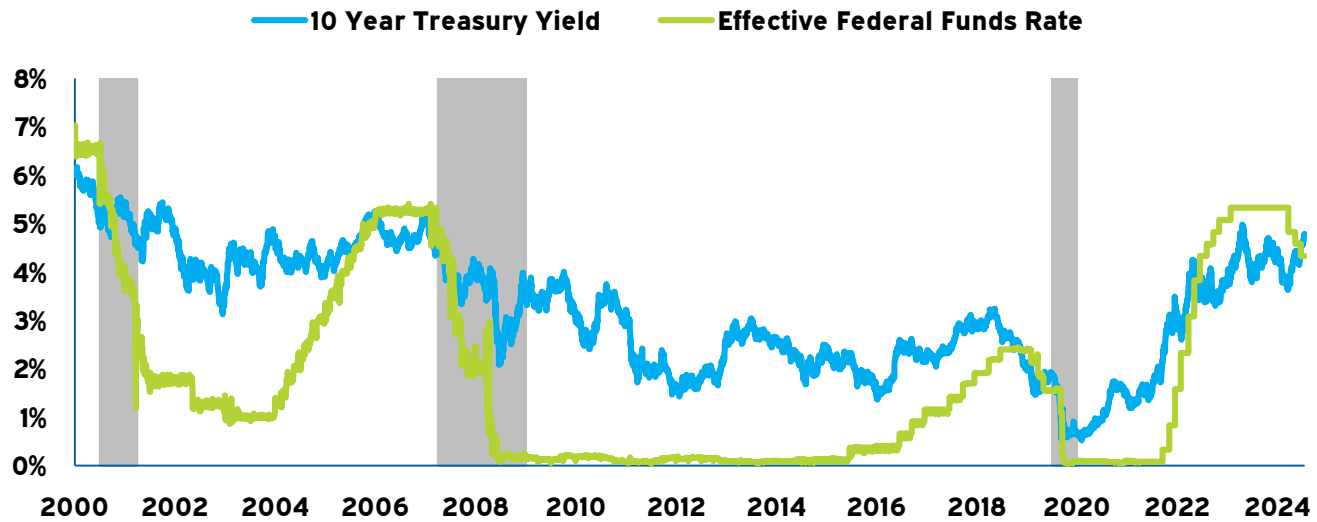
¹ Source: Bloomberg. Data is as of December 31, 2024. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.



- With the exception of the very shortest maturities, US Treasury yields rose in the fourth quarter driven by resilient growth and increased inflation expectations. Term premium (a measure of interest rate uncertainty) spiking over the quarter was a key driver of higher rates.
- Over the quarter, the more policy sensitive 2-year Treasury yield rose from 3.64% to 4.24%, while the 10-year Treasury yield rose from 3.78% to 4.57%.
- The yield curve was no longer inverted (short-term interest rates higher than long-term interest rates) at year-end given expectations for the Fed to continue to reduce rates and resilient economic growth and persistent inflation.

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

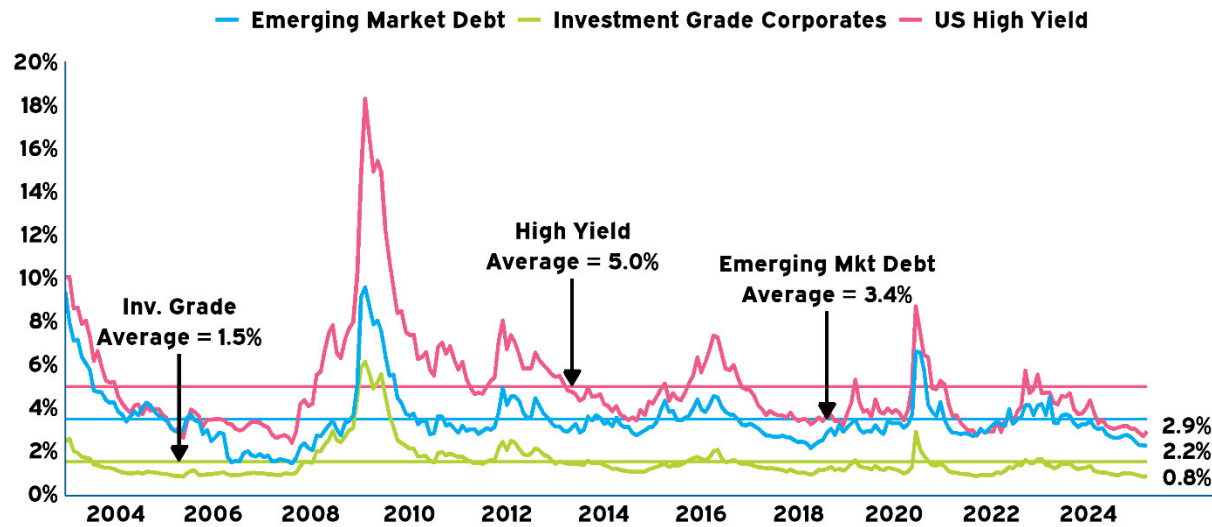
10-Year Treasury Yield versus Fed Funds Rate¹



- Typically, when the Fed cuts interest rates, the yield on the ten-year Treasury follows as rate cuts often come in an environment of falling inflation and rising unemployment.
- The recent dynamic has been very unusual with the Fed cutting interest rates by a total of 1.0% since September and the ten-year Treasury increasing by a similar amount over the same time period.
- Questions remain about why this is happening with some saying it is related to fiscal concerns and others pointing to lower demand for our debt from overseas. It is also possible the market feels the Fed has overcut rates already.

¹ Source: FRED. Data is as of January 15, 2025.

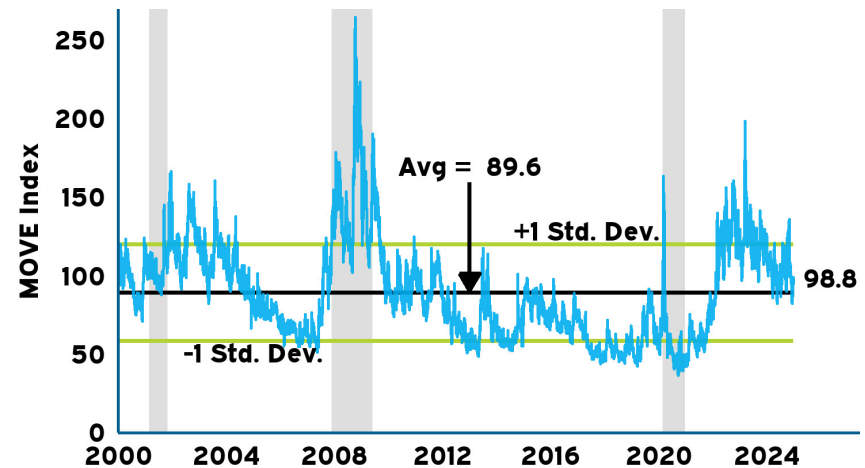
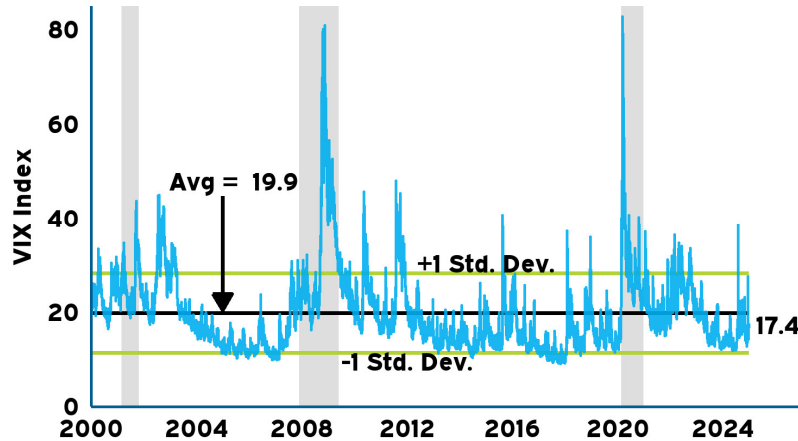
Credit Spreads vs. US Treasury Bonds¹



- Spreads (the yield above a comparable maturity Treasury) all continued to tighten over the quarter.
- All yield spreads remained below their respective long-run averages, particularly high yield (2.9% versus 5.0%).
- Although spreads are tight, absolute yields remain at above-average levels compared to the last two decades.

¹ Source: Bloomberg. Data is as December 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.

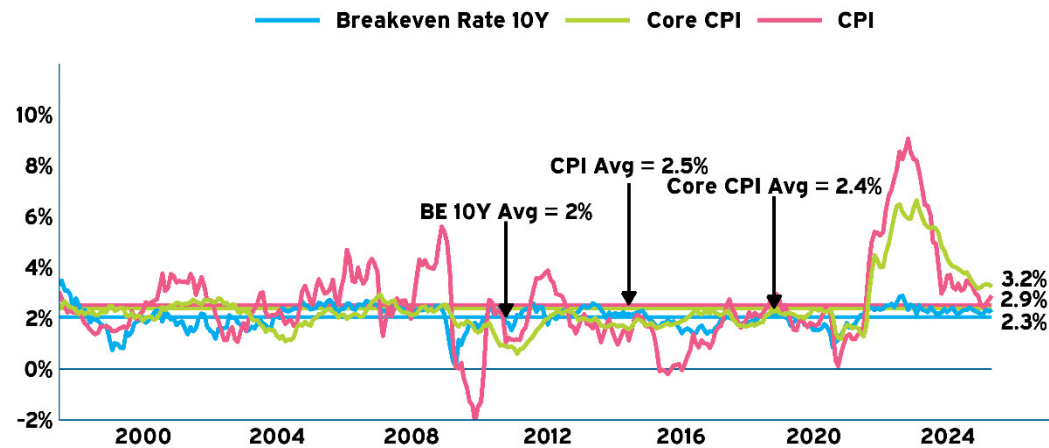
Equity and Fixed Income Volatility¹



- Bond and equity volatility experienced several spikes over the quarter ahead of the election but finished lower after the clear results.
- Volatility levels (VIX) in the US stock market finished the quarter below its long-run average, while volatility in the bond market (MOVE) ended December above its long-run average.

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 December 31, 2024. The average line indicated is the average of the VIX and MOVE values between January 2000 and December 2024.

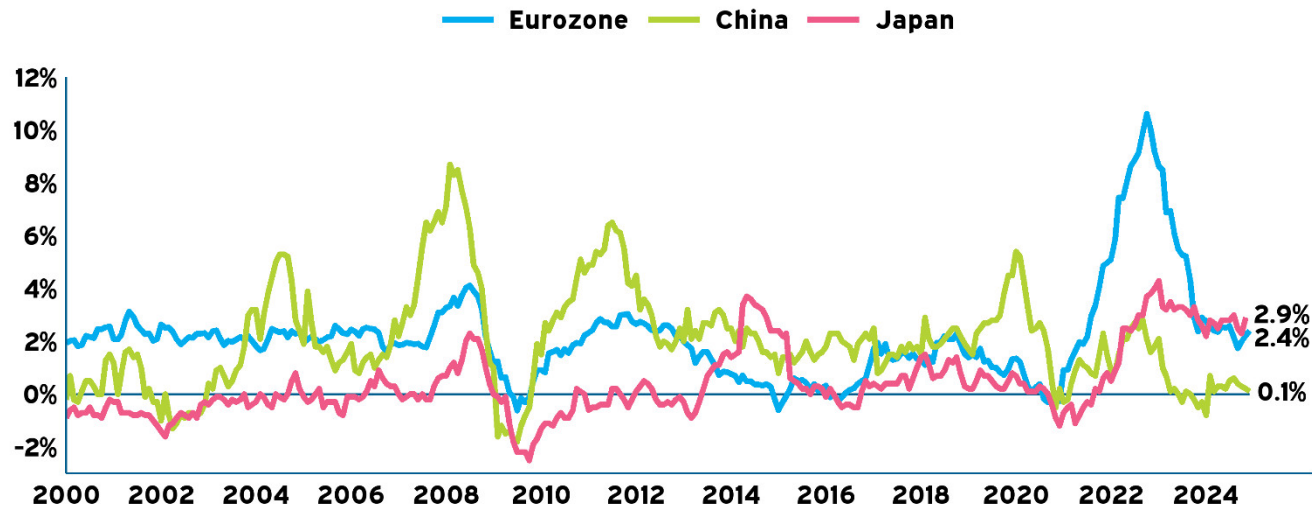
US Ten-Year Breakeven Inflation and CPI¹



- In December, inflation rose 0.4% month-over-month with energy prices accounting for 40% of the monthly increase.
- Year-over-year inflation increased from 2.4% to 2.9% over the quarter largely driven by base year effects. In the December reading shelter (+4.6%), transportation (+7.3%), and medical care (+3.4%) contributed to the annual gain while energy prices (-0.5%) fell over the past year despite the December (+2.6%) gains.
- Year-over-year core inflation (excluding food and energy) fell slightly over the quarter (3.3% to 3.2%).
- Inflation expectations (breakevens) rose over the quarter from the September lows of 2.0%, on continued uncertainty regarding the likelihood and magnitude of potential policies of the next US president.

¹ Source: FRED. Data is as of December 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.

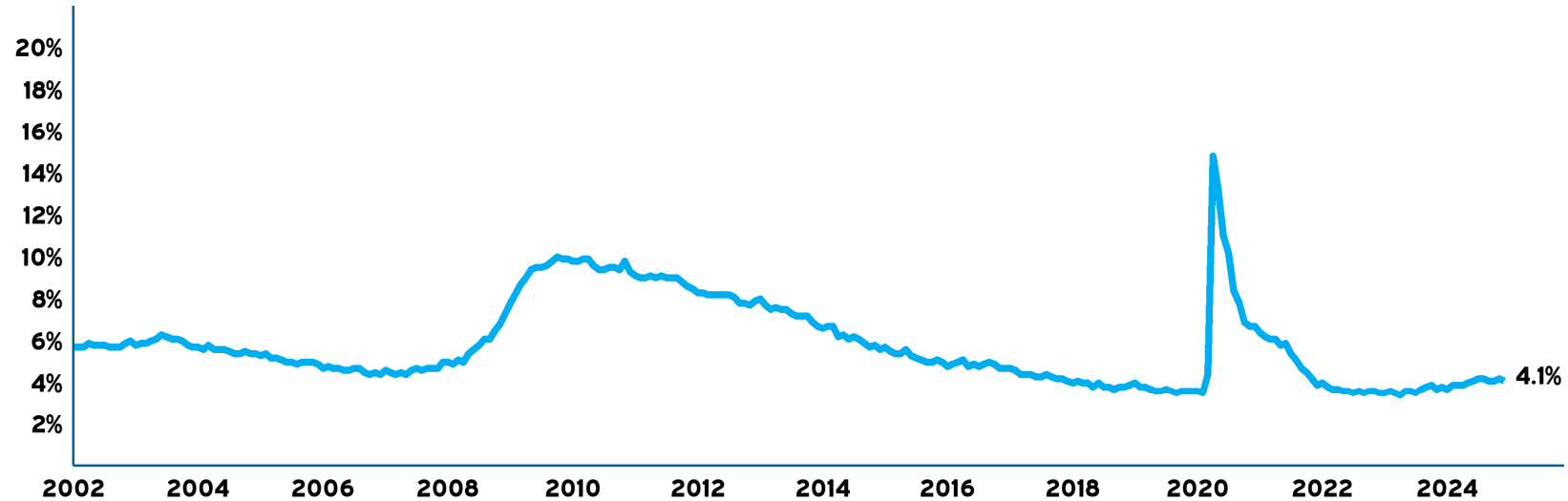
Global Inflation (CPI Trailing Twelve Months)¹



- In the eurozone, inflation rose each month over the quarter (1.7% to 2.4%) but levels remain below the US. The increase was largely driven by last year's significant fall in energy prices no longer being included in the calculation.
- Inflation in Japan rose over the quarter due in part to an increase in food prices and the end of energy subsidies driving electricity and gas prices higher.
- Inflation in China grinded lower in the fourth quarter (0.4% to 0.1%). China continues to experience deflationary pressures despite recent stimulus measures.

¹ Source: Bloomberg. Data is as December 2024, except Japan which is as of November 2024.

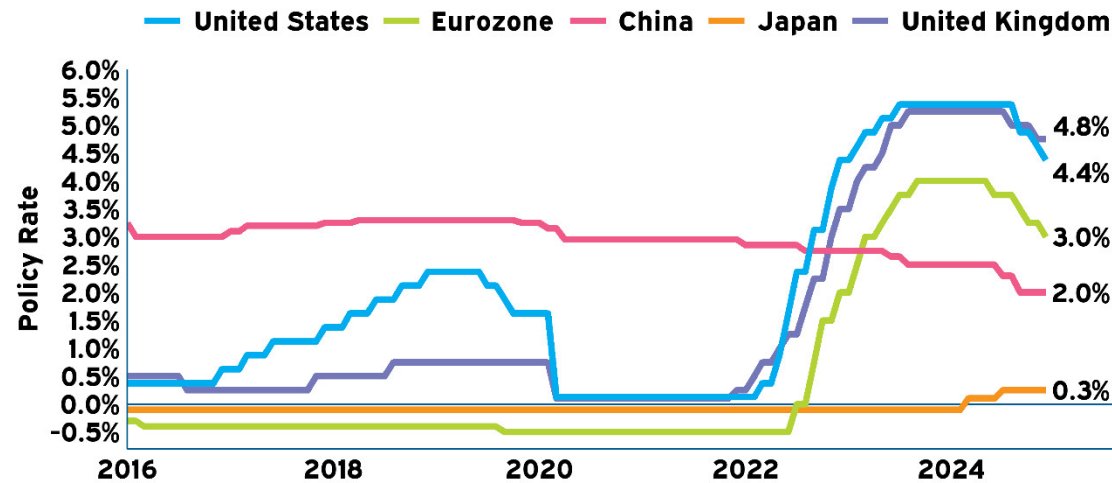
US Unemployment¹



- The unemployment rate stayed stable over the quarter at 4.1% with close to 500k jobs added to the economy since the end of September.
- In December, the health care (+46K), retail (+43k), and government (+33K) sectors added jobs, while retail – which lost jobs in November – rebounded (+43K) jobs.
- Job openings (8.1M) rose over last month’s openings (7.7M) but are well below pandemic highs (>12M); the number of openings exceeds the number of unemployed workers looking for work (6.9M).
- Separations (5.1M) and hires (5.3M) remain steady and average hourly wages continue to grow at approximately 3.9% a year.

¹ Source: FRED and BLS. Data is as of December 31, 2024.

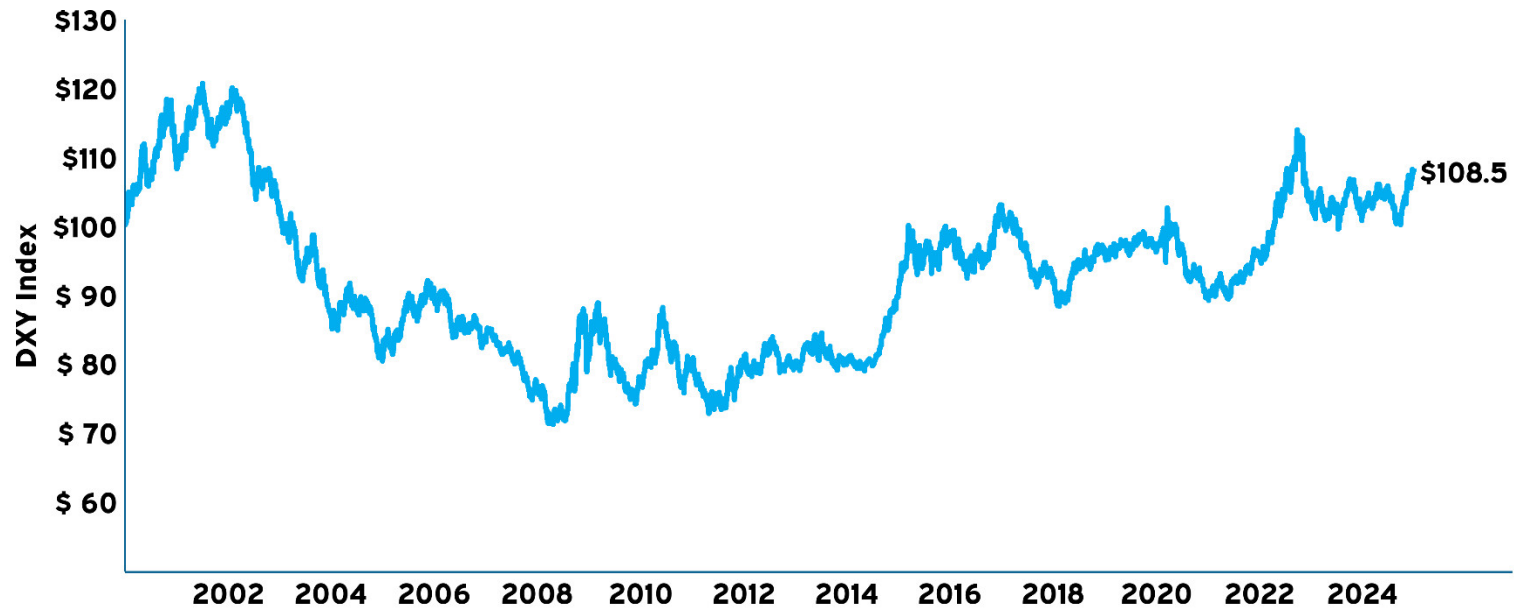
Policy Rates¹



- In the US, the Fed reduced interest rates by 0.25% twice over the quarter to a range of 4.25% to 4.50%, in moves largely expected by investors. Going forward, questions remain about the timing and amount of additional cuts given the strength of the economy and persistent above-target inflation.
- The Bank of England left rates unchanged in December after their November 0.25% cut, while the European Central Bank cut rates by another 0.25% in early December.
- After exiting negative interest rates in 2024 and making several rate increases, rate cutting by other major central banks are complicating prospects for further policy rate hikes in Japan.

¹ Source: Bloomberg. Data is as of December 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



- Over the quarter, the US dollar sharply strengthened (+8.0%) versus other currencies.
- A rise in interest rates driven by potential inflationary impacts of proposed higher tariffs, lower taxes, and immigration policies from candidate, and now president-elect Trump, drove the dollar's gains.

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

Summary

Key Trends:

- According to the International Monetary Fund's (IMF) October report, global growth in 2025 is expected to be similar to 2024 at around 3.2% with most major economies predicted to avoid a recession.
- Questions remain about what policies will be implemented by the new administration in the US. Although deregulation and tax cuts could support growth, these policies, along with higher tariffs and restrictive immigration, could fan inflation. This will likely lead to additional uncertainty regarding the timing and pace of interest rate cuts in the coming year.
- US consumers could feel pressure as certain components of inflation (e.g., shelter) remain high, borrowing costs stay 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.
- We have started to see divergences in monetary policy. Some central banks, such as the Fed, 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. This disparity will likely influence capital flows and currencies.
- China appears to have shifted focus to more policy support for the economy/asset prices with a suite of fiscal and financial policy stimulus measures. Thus far, these efforts have not increased weak consumer spending or helped the lingering trouble in the real estate sector. It is still not clear what the long-term impact of these policies will be on the economy and if policy makers will remain committed to these efforts.

Q4 Executive Summary

Performance Overview – Q4 2024

Total Market Value		Quarter Results		5 Year Results	
Q4 2024	\$1,277,326,100	MercedCERA	0.0%	MercedCERA	8.3%
Q3 2024	\$1,275,053,416	Policy Benchmark	(0.4%)	Policy Benchmark	8.4%

As of December 31, 2024, the value of the Fund's assets was \$1,277 million.

- The MercedCERA portfolio returned 0.0% for the quarter, outpacing its policy index. This translates to annualized returns of 3.8%, 8.3% and 7.6% over the three, five and ten-year trailing periods. The portfolio's since inception annualized return is 8.1%.
- With exception to US Equities, Equity markets broadly fell during the fourth quarter of 2024 in response to US Election results, while Fixed Income markets also fell as the incoming administration's proposed policies stoked inflationary fears. US Equities returned 2.7%, marginally outpacing the index return (Russell 3000). Developed International Equity returned -7.3% over the period, outpacing the blended benchmark by 0.7%. Emerging Markets Equity posted -3.1% over the period, outpacing the benchmark (MSCI EM) by 4.9%. US Fixed Income returned matched the benchmark return of -2.8%. Opportunistic Credit saw positive returns at 1.5% over the quarter, outpacing the blended benchmark of -0.9%. Real Estate posted 0.4% for the quarter, outpacing the benchmark by 20 basis points. Private Equity saw positive absolute returns at 2.0%, compared to the (public market plus premium) index return of 7.6%. Real Assets returned 2.9%, outpacing the index return of -7.2%.
- Outperformance over the quarter was primarily attributable to Real Assets, Emerging Markets Equity and US Fixed Income sleeves, marginally offset by Private Equity's underperformance relative to the public equity + premium benchmark.

Public Manager Highlights Q4 2024

8 out of 13 Public Active Managers¹ either outperformed or matched their respective benchmarks for Q4 2024.

Total Equity (Active)

- US Equity returned 2.7%, marginally outpacing the benchmark over the quarter. BNY Mellon Newton Dynamic US Equity, the portfolio's active large cap manager, returned 1.2%, versus the S&P 500 Index return of 2.4%. Champlain Small Cap, the portfolio's active small cap manager, returned 5.2%, outpacing the Russell 2000 Index return of 0.3%. Outperformance was attributable to the fund's exclusion the Real Estate sector as well as stock selection in Consumer Discretionary, Healthcare, Information Technology and Financials sectors.
- Developed International Equity returned -7.3%, outpacing the asset class blended benchmark by 70 basis points. First Eagle outperformed relative to the MSCI EAFE Index, citing positions in Taiwan Semiconductor, Japanese insurance firm Sampo Holdings and Willis Towers Watson as the primary contributors. Acadian, the strongest performer on both absolute and relative to benchmark basis, cited both stock selection and sector overweight allocation in information technology and financials sectors as contributors. Driehaus, which also produced positive returns while trailing its benchmark, cited manager selection in Information Technology, Energy and Materials sectors as the largest detractors over the period. GQG returned -8.7% for the quarter, trailing the MSCI AC World ex US index by 1.1%. Underperformance was attributable to stock selection in Health Care and Utilities.
- Artisan & RWC, the two managers in the Emerging Markets space posted returns of 0.4% & -11.5% respectively. Relative to their index (MSCI Emerging Markets) return of -8.0%, Artisan outpaced the index, whereas RWC underperformed over the period. Artisan is a benchmark-agnostic strategy that invests in a small number of securities. Artisan cited positions in Indian online travel company MakeMyTrip, CrowdStrike, Southeast Asian e-commerce company Sea, Netflix and Southeast Asian mobility company Grab as some of the strongest contributors over the quarter.

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

Public Manager Highlights Q4 2024 (continued)**Total Fixed Income (Active)**

- US Fixed Income returned -2.8%, mirroring the asset class benchmark performance over the quarter. Brandywine returned at -3.5% over the period, trailing the Bloomberg US Aggregate Index by 0.4%, as the manager cited overweight duration positioning as the primary detractor as yields rose over the period. Wellington Core Bond returned -3.0%, marginally outpacing the Bloomberg US Aggregate Index return of -3.1%. Payden & Rygel Low Duration rounded out the active fixed income manager in the portfolio returning 0.1% for the period, outpacing its respective index.
- Opportunistic Credit returned 1.5%, trailing outpacing the blended benchmark return of -0.9%. Both PIMCO and GoldenTree funds posted positive returns relative to their respective indices. PIMCO cited exposure to Agency MBS, EM debt/currencies and investment grade/high yield corporate securities as the primary contributors over the period. GoldenTree cited security selection across all major asset types (bonds, loans, structured credit) as well as overweight allocation to structured credit as primary contributors to performance.

Active Manager Expectations

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

Active Manager Expectations (continued)

Manager	Strategy Description	Beta (High/Neutral/Low)	Tracking Error Range (basis points)	Environments Manager Underperforms
Emerging Markets Equity				
Artisan Developing World	Concentrated, benchmark agnostic emerging markets strategy focused on high quality companies, overlaid with top-down macro (currency) awareness.	Neutral	5.0% to 10.0%	During cyclical rallies concentrated in deeper value, smaller cap stocks.
RWC Emerging Markets	Concentrated, growth-at-a-reasonable-price emerging markets equity strategy focused on mid cap stocks.	High	6.0% to 10.0%	Narrow rallies in large cap stocks where small and mid-caps lag, periods of heightened market volatility, deep drawdowns in asset-heavy cyclicals.
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.

Manager Monitor

Manager	Significant Events (Yes/No)	Last Meeting w Board of Retirement	Last Meeting with MIG	Comments ¹
Domestic Equity Assets				
BNY Mellon Newton Dynamic US Equity Fund	No	-	Jan-25	Review of strategy. No changes to conviction level
Champlain Small Cap	No	-	Oct-24	Review of strategy & recent performance, no changes to conviction level
Developed Markets Equity (Non-US) Assets				
Driehaus International Small Cap Growth	No	-	Nov-24	Review of PM team changes in 2024, outlook. No concerns after review.
Acadian ACWI ex US Small Cap Equity	No	-	Oct-24	Review of executive team structure changes
First Eagle International Value Fund	No	-	Oct-24	Review of firm level changes (unrelated to fund), fund strategy & future outlook. No changes to conviction level.
GQG International Equity	Yes	-	Nov-24	Discussion regarding GQG's investment in Adani following the indictment of Adani Group executives. Fund was last reviewed with PM team in September 2024, no changes to conviction level.
Emerging Markets Equity Assets				
Artisan Developing World	No	-	Nov-24	Review of strategy, organization, outlook. No changes to conviction level.
RWC Emerging Markets	No	-	Apr-24	Review of strategy, no changes to conviction level.
US Fixed Income Assets				
Brandywine US Fixed Income	No	-	Jul-24	Review of strategy, no changes to conviction level
Payden & Rygel Low Duration	No	-	Oct-24	On site review of their strategy & management team. No changes to conviction level
Wellington Core Bond	No	-	Sep-24	Review of strategy, no changes to conviction level
Opportunistic Credit				
PIMCO Income Fund	No	-	Q1-25	<i>Strategy was last reviewed with PIMCO team in March 2024, no changes to conviction level. Meketa to meet with PIMCO team in 2025 Q1</i>
GoldenTree Multi-Sector Credit	No	-	Jun-24	Review of strategy & market outlook, no changes to conviction level.
Private Equity Program	N/A	N/A	N/A	Oversight by Cliffwater.
Real Assets Program	N/A	N/A	N/A	Oversight by Cliffwater.
Hedge Fund Program	N/A	N/A	N/A	Oversight by Cliffwater.

¹ Italics indicate meetings have been scheduled or have recently occurred

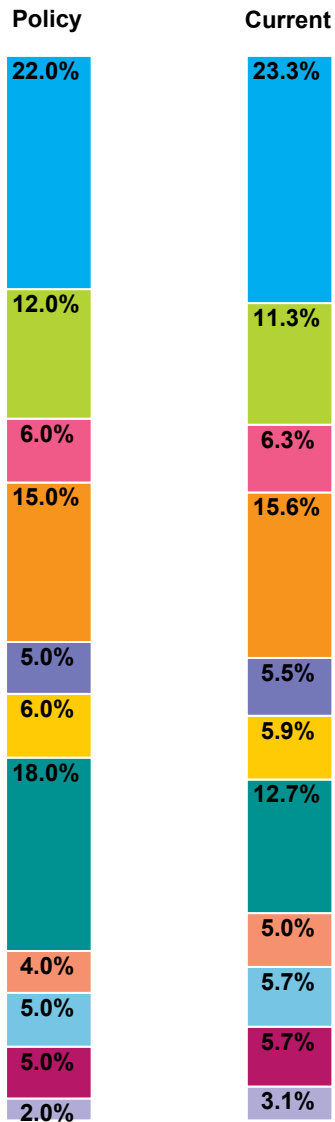
Active Manager Peer Rankings¹

Investment Managers	Product	Peer Group	Market Value					Client Inception	Years in Portfolio
			(\$M)	1YR	3YR	5YR	10YR		
Champlain	Small Cap Fund	US Small Cap Core	34	39	81	88	52	Nov-20	4.2
Newton	Dynamic US Equity Strategy	US Large Cap Core	57	46	74	55	20	Dec-12	12.1
Acadian	All-Country World ex US Small Cap	Non-US Div Small Cap	19	22	27	11	16	May-19	5.6
Driehaus	International Small Cap Growth	ACWI ex US Small Cap Growth	18	57	65	41	30	May-19	5.6
GQG	International Equity	All ACWI ex US Equity	52	48	13	10	5	Dec-19	5.1
First Eagle	International Value	EAFE Value Equity	56	32	69	76	72	Dec-19	5.1
Artisan	Developing World	Emerging Markets	59	1	54	9	-	Dec-19	5.1
RWC	Emerging Markets	Emerging Markets	22	87	96	80	-	Dec-19	5.1
Brandywine	US Fixed Income	US Fixed Income	51	95	47	8	2	Nov-22	2.2
Payden & Rygel	Low Duration	US Short Duration Gov/Cred Fixed Income	10	42	34	48	51	Nov-22	2.2
Wellington	Core Bond	US Fixed Income	72	32	56	48	32	Nov-22	2.2
PIMCO	Income Fund	Global Multi-Sector Fixed Income	12	40	29	39	25	May-19	5.6
GoldenTree	Multi-Sector Credit Strategy	Global Multi-Sector Fixed Income	29	6	5	10	-	Jun-19	5.5

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

Performance Update
As of December 31, 2024

Total Fund | As of December 31, 2024



Allocation vs. Targets and Policy						
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
US Equity	297,255,000	23.3	22.0	1.3	16.0 - 27.0	Yes
International Equity	144,954,785	11.3	12.0	-0.7	7.0 - 17.0	Yes
Emerging Markets Equity	80,736,987	6.3	6.0	0.3	3.0 - 9.0	Yes
Private Equity	199,145,101	15.6	15.0	0.6	5.0 - 20.0	Yes
Direct Lending	69,728,170	5.5	5.0	0.5	0.0 - 10.0	Yes
Real Estate	75,430,000	5.9	6.0	-0.1	4.0 - 8.0	Yes
US Fixed Income	161,985,039	12.7	18.0	-5.3	13.0 - 23.0	No
Opportunistic Credit	63,385,712	5.0	4.0	1.0	2.0 - 6.0	Yes
Hedge Funds	72,547,275	5.7	5.0	0.7	2.5 - 7.5	Yes
Real Assets	72,364,479	5.7	5.0	0.7	3.0 - 7.0	Yes
Cash	39,793,553	3.1	2.0	1.1	0.0 - 4.0	Yes
Total	1,277,326,100	100.0	100.0	0.0		

Asset Allocation & Performance | As of December 31, 2024

	Market Value \$	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund (Net)	1,277,326,100	100.0	0.0	4.4	11.6	3.8	8.3	7.6	8.1	Jan-95
Total Fund (Gross)			0.1	4.6	12.0	4.2	8.7	8.0	8.3	Jan-95
<i>Policy Index</i>			-0.4	4.6	12.6	4.8	8.4	7.9	6.5	
Total Fund w/o Alternatives (Net)	748,317,523	58.6	-1.2	4.6	14.1	3.2	8.0	7.7	--	Jan-08
Total Fund w/o Alternatives (Gross)			-1.1	4.9	14.6	3.7	8.4	8.1	--	Jan-08
<i>Policy Index w/o AI</i>			-2.4	4.0	10.6	2.6	6.4	6.9	--	
US Equity (Net)	297,255,000	23.3	2.7	9.1	23.0	6.8	12.9	12.4	10.7	Jan-95
US Equity (Gross)			2.8	9.2	23.3	7.0	13.1	12.6	10.8	Jan-95
<i>Russell 3000</i>			2.6	9.0	23.8	8.0	13.9	12.4	10.7	
International Equity (Net)	225,691,772	17.7	-5.8	0.4	11.3	0.6	7.3	6.6	5.8	Jan-99
International Equity (Gross)			-5.6	0.8	12.2	1.4	8.1	7.3	6.2	Jan-99
<i>International Equity Custom</i>			-7.9	-0.5	6.1	0.7	4.0	5.1	4.5	
Developed International Equity (Net)	144,954,785	11.3	-7.3	-2.3	7.3	2.8	6.5	5.9	4.5	Feb-08
Developed International Equity (Gross)			-7.1	-1.9	8.0	3.5	7.2	6.5	5.1	Feb-08
<i>Custom Blended Developed International Equity BM</i>			-8.0	-1.0	3.7	1.0	4.7	5.2	3.4	
Emerging Markets Equity (Net)	80,736,987	6.3	-3.1	5.8	19.2	-2.7	7.3	7.6	5.7	May-12
Emerging Markets Equity (Gross)			-2.9	6.3	20.4	-1.8	8.3	8.6	6.7	May-12
<i>MSCI EM</i>			-8.0	0.0	7.5	-1.9	1.7	3.8	3.1	
US Fixed Income (Net)	161,985,039	12.7	-2.8	2.5	2.1	-2.5	-0.4	1.4	4.3	Jan-95
US Fixed Income (Gross)			-2.8	2.6	2.3	-2.4	-0.3	1.6	4.5	Jan-95
<i>US Fixed Income Custom Benchmark</i>			-2.8	2.1	1.5	-2.0	-0.1	1.6	4.5	

Data Prior to March 2018 provided by prior consultant.

Asset Allocation & Performance | As of December 31, 2024

	Market Value \$	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Opportunistic Credit (Net)	63,385,712	5.0	1.5	4.8	9.6	4.8	5.7	--	5.8	May-19
Opportunistic Credit (Gross)			1.6	5.0	10.0	5.4	6.2	--	6.2	May-19
<i>50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever</i>			-0.9	3.5	4.9	1.2	2.4	--	2.9	
Real Estate (Net)	75,430,000	5.9	0.4	4.5	3.9	0.0	4.0	4.9	6.4	Dec-10
Real Estate (Gross)			0.4	4.6	3.9	0.0	4.0	5.2	7.4	Apr-99
<i>Custom Blended Real Estate Benchmark</i>			0.2	-0.2	-7.3	-0.2	2.9	5.4	6.5	
<i>CPI +5% (Seasonally Adjusted)</i>			2.1	3.9	8.0	9.4	9.4	8.1	7.7	
Private Real Estate (Net)	75,430,000	5.9	0.9	2.0	2.0	1.8	4.0	4.9	6.4	Dec-10
Private Real Estate (Gross)			0.9	2.0	2.0	1.8	4.0	5.2	7.4	Apr-99
<i>Custom Blended Real Estate Benchmark</i>			0.2	-0.2	-7.3	-0.2	2.9	5.4	6.5	
Private Equity (Net)	199,145,101	15.6	2.0	3.6	9.0	7.3	16.8	13.2	10.2	Jul-05
Private Equity (Gross)			2.0	3.6	9.0	7.3	16.9	13.2	10.3	Jul-05
<i>Custom Private Equity Benchmark</i>			7.6	11.1	36.1	11.7	19.2	16.2	--	
Direct Lending (Net)	69,728,170	5.5	2.8	5.9	11.9	8.9	--	--	10.5	Jul-20
Direct Lending (Gross)			2.8	5.9	11.9	8.9	--	--	10.5	Jul-20
<i>S&P LSTA Leveraged Loan +2%</i>			2.8	5.4	11.1	9.1	8.0	7.2	9.8	
Hedge Fund (Net)	72,547,275	5.7	1.3	2.0	6.7	4.2	5.4	4.5	4.6	Jul-14
Hedge Fund (Gross)			1.6	2.7	8.1	5.4	6.5	5.1	5.2	Jul-14
<i>Custom Blended Hedge Fund Benchmark</i>			2.1	4.1	9.1	3.1	5.2	4.1	4.0	
Real Assets (Net)	72,364,479	5.7	2.9	7.7	14.8	13.3	12.2	10.1	10.1	Dec-10
Real Assets (Gross)			2.9	7.7	14.8	13.4	12.3	10.5	10.5	Dec-10
<i>Custom Blended Real Assets Benchmark</i>			-7.2	0.6	2.9	4.5	4.2	6.7	--	
<i>CPI +5% (Seasonally Adjusted)</i>			2.1	3.9	8.0	9.4	9.4	8.1	7.8	

Real Assets includes State Street Real Assets NL Fund.

Asset Allocation & Performance | As of December 31, 2024

	Market Value \$	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Infrastructure (Net)	40,405,616	3.2	5.2	7.7	15.1	12.2	13.2	10.5	10.5	Jan-15
Private Infrastructure (Gross)			5.2	7.7	15.1	12.2	13.4	10.5	10.5	Jan-15
<i>S&P Global Infrastructure</i>			-2.5	10.6	15.1	7.1	5.3	5.9	5.9	
Private Natural Resources (Net)	31,958,863	2.5	0.5	7.7	15.0	22.5	15.1	--	15.8	Oct-15
Private Natural Resources (Gross)			0.5	7.7	15.0	22.5	15.1	--	15.8	Oct-15
<i>S&P Global Natural Resources Sector Index (TR)</i>			-11.8	-8.6	-8.3	1.7	5.8	5.3	9.0	
Cash (Net)	39,793,553	3.1	1.1	2.2	4.4	2.8	1.8	--	--	Dec-10
Cash (Gross)			1.1	2.2	4.4	2.8	1.8	--	--	Dec-10

Asset Allocation & Performance | As of December 31, 2024

	Market Value \$	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	1,277,326,100	100.0	0.0	4.4	11.6	3.8	8.3	7.6	8.1	Jan-95
<i>Policy Index</i>			<i>-0.4</i>	<i>4.6</i>	<i>12.6</i>	<i>4.8</i>	<i>8.4</i>	<i>7.9</i>	<i>6.5</i>	
Total Fund w/o Alternatives	748,317,523	58.6	-1.2	4.6	14.1	3.2	8.0	7.7	--	Jan-08
<i>Policy Index w/o AI</i>			<i>-2.4</i>	<i>4.0</i>	<i>10.6</i>	<i>2.6</i>	<i>6.4</i>	<i>6.9</i>	<i>--</i>	
US Equity	297,255,000	23.3	2.7	9.1	23.0	6.8	12.9	12.4	10.7	Jan-95
<i>Russell 3000</i>			<i>2.6</i>	<i>9.0</i>	<i>23.8</i>	<i>8.0</i>	<i>13.9</i>	<i>12.4</i>	<i>10.7</i>	
BNY Mellon Large Cap	206,166,630	16.1	2.7	9.0	24.6	8.3	14.3	--	14.6	Apr-16
<i>Russell 1000 Index</i>			<i>2.7</i>	<i>9.0</i>	<i>24.5</i>	<i>8.4</i>	<i>14.3</i>	<i>12.9</i>	<i>14.6</i>	
BNY Mellon Newton Dynamic US Equity	57,237,707	4.5	1.2	6.9	22.7	5.9	13.2	13.5	15.9	Jan-13
<i>S&P 500 Index</i>			<i>2.4</i>	<i>8.4</i>	<i>25.0</i>	<i>8.9</i>	<i>14.5</i>	<i>13.1</i>	<i>14.6</i>	
Champlain Small Cap	33,850,664	2.7	5.2	13.7	14.0	1.1	--	--	9.4	Nov-20
<i>Russell 2000 Index</i>			<i>0.3</i>	<i>9.6</i>	<i>11.5</i>	<i>1.2</i>	<i>7.4</i>	<i>7.8</i>	<i>10.8</i>	
International Equity	225,691,772	17.7	-5.8	0.4	11.3	0.6	7.3	6.6	5.8	Jan-99
<i>International Equity Custom</i>			<i>-7.9</i>	<i>-0.5</i>	<i>6.1</i>	<i>0.7</i>	<i>4.0</i>	<i>5.1</i>	<i>4.5</i>	
Developed International Equity	144,954,785	11.3	-7.3	-2.3	7.3	2.8	6.5	5.9	4.5	Feb-08
<i>Custom Blended Developed International Equity BM</i>			<i>-8.0</i>	<i>-1.0</i>	<i>3.7</i>	<i>1.0</i>	<i>4.7</i>	<i>5.2</i>	<i>3.4</i>	
First Eagle International Value Fund	56,273,080	4.4	-6.5	2.6	6.8	2.8	4.2	--	4.1	Dec-19
<i>MSCI EAFE (Net)</i>			<i>-8.1</i>	<i>-1.4</i>	<i>3.8</i>	<i>1.6</i>	<i>4.7</i>	<i>5.2</i>	<i>5.3</i>	
GQG International Equity	51,581,393	4.0	-8.7	-8.7	6.4	4.3	8.3	--	8.2	Dec-19
<i>MSCI AC World ex USA (Net)</i>			<i>-7.6</i>	<i>-0.1</i>	<i>5.5</i>	<i>0.8</i>	<i>4.1</i>	<i>4.8</i>	<i>4.9</i>	
Acadian ACWI ex U.S. Small Cap Equity	19,441,868	1.5	-4.5	3.1	11.8	2.7	9.0	--	9.6	May-19
<i>MSCI AC World ex USA Small Cap (Net)</i>			<i>-7.7</i>	<i>0.6</i>	<i>3.4</i>	<i>-1.5</i>	<i>4.3</i>	<i>5.7</i>	<i>5.3</i>	
Driehaus International Small Cap Growth	17,658,444	1.4	-8.4	-2.3	3.4	-3.9	5.2	--	7.2	May-19
<i>MSCI AC World ex USA Small Growth Index (Net)</i>			<i>-7.2</i>	<i>0.6</i>	<i>3.1</i>	<i>-4.5</i>	<i>3.7</i>	<i>5.7</i>	<i>4.8</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 December 31, 2024

	Market Value \$	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Emerging Markets Equity	80,736,987	6.3	-3.1	5.8	19.2	-2.7	7.3	7.6	5.7	May-12
<i>MSCI EM</i>			<i>-8.0</i>	<i>0.0</i>	<i>7.5</i>	<i>-1.9</i>	<i>1.7</i>	<i>3.8</i>	<i>3.1</i>	
Artisan Developing World TR	58,868,040	4.6	0.4	10.0	28.7	-0.7	9.9	--	9.8	Dec-19
<i>MSCI Emerging Markets (Net)</i>			<i>-8.0</i>	<i>0.0</i>	<i>7.5</i>	<i>-1.9</i>	<i>1.7</i>	<i>3.6</i>	<i>3.1</i>	
RWC	21,868,948	1.7	-11.5	-4.6	-1.2	-7.7	0.3	--	0.3	Dec-19
<i>MSCI Emerging Markets (Net)</i>			<i>-8.0</i>	<i>0.0</i>	<i>7.5</i>	<i>-1.9</i>	<i>1.7</i>	<i>3.6</i>	<i>3.1</i>	
US Fixed Income	161,985,039	12.7	-2.8	2.5	2.1	-2.5	-0.4	1.4	4.3	Jan-95
<i>US Fixed Income Custom Benchmark</i>			<i>-2.8</i>	<i>2.1</i>	<i>1.5</i>	<i>-2.0</i>	<i>-0.1</i>	<i>1.6</i>	<i>4.5</i>	
Wellington Core Bond	71,583,575	5.6	-3.0	2.2	2.4	--	--	--	4.4	Nov-22
<i>Blmbg. U.S. Aggregate Index</i>			<i>-3.1</i>	<i>2.0</i>	<i>1.3</i>	<i>-2.4</i>	<i>-0.3</i>	<i>1.3</i>	<i>4.6</i>	
Brandywine US Fixed Income	50,529,929	4.0	-3.5	3.4	1.1	--	--	--	1.9	Nov-22
<i>Blmbg. U.S. Aggregate Index</i>			<i>-3.1</i>	<i>2.0</i>	<i>1.3</i>	<i>-2.4</i>	<i>-0.3</i>	<i>1.3</i>	<i>4.6</i>	
Vanguard Total Bond Market Index Fund	22,610,837	1.8	-3.0	1.9	1.3	-2.4	-0.3	--	0.7	May-19
<i>Blmbg. U.S. Aggregate Index</i>			<i>-3.1</i>	<i>2.0</i>	<i>1.3</i>	<i>-2.4</i>	<i>-0.3</i>	<i>1.3</i>	<i>0.7</i>	
Payden & Rygel Low Duration Fund	10,272,037	0.8	0.1	3.0	5.1	--	--	--	6.2	Nov-22
<i>Blmbg. U.S. Treasury: 1-3 Year</i>			<i>-0.1</i>	<i>2.8</i>	<i>4.0</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>4.2</i>	
Vanguard Short-Term Treasury Index Fund	6,988,661	0.5	-0.1	2.8	4.0	1.4	1.3	--	1.8	Mar-18
<i>Bloomberg U.S. Government 1-3 Year Index</i>			<i>-0.1</i>	<i>2.8</i>	<i>4.0</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>1.8</i>	

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

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	Market Value \$	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Opportunistic Credit	63,385,712	5.0	1.5	4.8	9.6	4.8	5.7	--	5.8	May-19
<i>50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever</i>			<i>-0.9</i>	<i>3.5</i>	<i>4.9</i>	<i>1.2</i>	<i>2.4</i>	<i>--</i>	<i>2.9</i>	
GoldenTree Multi-Sector Credit	28,599,692	2.2	1.4	5.0	10.9	5.7	6.1	--	6.2	Jun-19
<i>50% BBg US High Yield TR/50% S&P UBS Leveraged Loans</i>			<i>1.2</i>	<i>4.9</i>	<i>8.6</i>	<i>4.9</i>	<i>5.0</i>	<i>5.2</i>	<i>5.3</i>	
OWS Credit Opportunity Fund LP	22,894,180	1.8	2.8	4.8	10.1	--	--	--	10.0	Oct-23
<i>50% BBg US High Yield TR/50% S&P UBS Leveraged Loans</i>			<i>1.2</i>	<i>4.9</i>	<i>8.6</i>	<i>4.9</i>	<i>5.0</i>	<i>5.2</i>	<i>11.1</i>	
PIMCO Income Fund	11,891,839	0.9	-1.0	3.5	5.4	2.0	2.9	--	3.3	May-19
<i>Bimbg. U.S. Aggregate Index</i>			<i>-3.1</i>	<i>2.0</i>	<i>1.3</i>	<i>-2.4</i>	<i>-0.3</i>	<i>1.3</i>	<i>0.7</i>	
Real Estate	75,430,000	5.9	0.4	4.5	3.9	0.0	4.0	4.9	6.4	Dec-10
<i>Custom Blended Real Estate Benchmark</i>			<i>0.2</i>	<i>-0.2</i>	<i>-7.3</i>	<i>-0.2</i>	<i>2.9</i>	<i>5.4</i>	<i>7.6</i>	
<i>CPI +5% (Seasonally Adjusted)</i>			<i>2.1</i>	<i>3.9</i>	<i>8.0</i>	<i>9.4</i>	<i>9.4</i>	<i>8.1</i>	<i>7.8</i>	
Private Real Estate	75,430,000	5.9	0.9	2.0	2.0	1.8	4.0	4.9	6.4	Dec-10
<i>Custom Blended Real Estate Benchmark</i>			<i>0.2</i>	<i>-0.2</i>	<i>-7.3</i>	<i>-0.2</i>	<i>2.9</i>	<i>5.4</i>	<i>7.6</i>	
UBS Trumbull Property	19,253,392	1.5	-1.1	-1.8	-7.3	-2.9	-0.7	2.2	5.4	Apr-99
Taconic CRE Dislocation Onshore Fund III	8,246,605	0.6	2.1	6.0	11.2	9.4	--	--	8.7	Jun-21
Carmel Partners Investment Fund VIII	6,737,059	0.5	1.9	7.1	17.1	--	--	--	1.9	Apr-22
Starwood Distressed Opportunity Fund XII Global	6,420,679	0.5	4.5	6.9	18.3	8.5	--	--	70.9	Jun-21
Patron Capital V	5,171,773	0.4	7.0	5.9	6.8	-15.4	-2.0	--	0.3	Feb-16
Cerberus Real Estate Debt Fund, L.P.	4,797,538	0.4	0.5	-1.2	1.6	5.5	--	--	8.8	Jul-20
Carmel Partners Investment Fund VII	4,788,162	0.4	-1.0	3.7	11.3	7.4	-5.5	--	-14.6	Apr-19
Rockpoint Real Estate Fund VI, L.P.	4,559,896	0.4	0.3	1.3	-1.2	2.8	--	--	7.0	May-20
Carlyle Realty Partners IX	3,517,524	0.3	4.5	9.7	2.4	-166.4	--	--	-167.2	Dec-21
Taconic CRE Dislocation Fund II	3,068,870	0.2	-3.1	-5.2	-7.1	7.9	6.3	--	6.5	Nov-18

All private markets performance and market values reflect a 09/30/2024 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	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Rockpoint Real Estate Fund VII L.P.	3,040,027	0.2	-0.8	0.3	3.4	--	--	--	6.5	Aug-22
AG Realty Value Fund X, L.P.	2,970,062	0.2	-1.2	-2.7	-6.3	4.3	7.4	--	3.0	Jun-19
Carlyle Realty VIII	2,132,216	0.2	0.6	0.1	-3.6	14.7	26.4	--	8.3	Jan-18
Greenfield Gap VII	726,197	0.1	0.2	8.0	-0.7	12.4	14.6	14.0	14.0	Jan-15
Private Equity	199,145,101	15.6	2.0	3.6	9.0	7.3	16.8	13.2	10.2	Jul-05
<i>Custom Private Equity Benchmark</i>			<i>7.6</i>	<i>11.1</i>	<i>36.1</i>	<i>11.7</i>	<i>19.2</i>	<i>16.2</i>	<i>--</i>	
Thoma Bravo Discover Fund III	10,349,457	0.8	2.9	7.4	18.6	11.2	--	--	10.0	Jun-21
Genstar Capital Partners IX	9,707,429	0.8	2.6	11.9	15.7	21.4	26.6	--	24.2	Aug-19
Summit Partners Growth Equity Fund X-A	8,966,562	0.7	0.8	2.2	7.3	7.5	--	--	6.8	Mar-20
Cortec Group Fund VII	8,757,694	0.7	-4.6	-4.9	-1.5	10.2	19.8	--	19.5	Dec-19
Spark Capital Growth Fund III	8,508,741	0.7	-0.3	0.7	-1.5	1.8	--	--	10.9	Mar-20
Genstar Capital Partners X	8,305,074	0.7	4.5	5.4	5.6	5.8	--	--	5.3	Oct-21
Marlin Heritage Europe II, L.P.	8,134,878	0.6	3.9	15.3	19.7	13.0	--	--	3.9	Oct-20
GTCR Fund XIII/A & B	7,401,800	0.6	5.1	8.8	18.7	17.0	--	--	61.3	Jun-21
TCV X	7,210,209	0.6	12.2	11.7	29.3	-0.2	24.4	--	18.8	Apr-19
Thoma Bravo Discovery Fund IV	7,004,358	0.5	4.9	8.4	19.0	--	--	--	16.2	Jan-23
Nautic Partners X	6,623,907	0.5	1.0	6.6	15.6	9.6	--	--	9.6	Jan-22
TCV XI	6,420,291	0.5	5.4	6.4	26.1	4.0	--	--	1.4	Feb-21
GTCR Fund XII	6,109,432	0.5	2.4	7.2	9.6	6.9	21.2	--	14.5	Jun-18
Cressey & Company Fund VI	5,659,255	0.4	6.4	8.6	4.0	1.0	18.7	--	12.8	Jan-19
Accel-KKR Growth Capital Partners III	5,654,379	0.4	0.9	2.7	6.4	-0.6	11.1	--	6.6	Jul-19

Asset Allocation & Performance | As of December 31, 2024

	Market Value \$	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
TCV Velocity Fund I	5,578,794	0.4	-8.5	-9.5	10.2	--	--	--	3.6	Feb-22
Taconic Market Dislocation Fund III L.P.	5,459,268	0.4	2.3	4.4	16.7	8.4	--	--	14.7	Jul-20
Khosla Ventures VII	5,426,930	0.4	-2.4	-17.4	-1.9	7.1	--	--	4.7	Jan-21
Spark Capital Growth Fund IV	5,379,908	0.4	5.7	17.3	18.7	14.5	--	--	14.5	Jan-22
Carrick Capital Partners III	4,690,497	0.4	-0.7	-5.6	-4.3	7.6	11.0	--	8.9	Aug-18
Accel-KKR Capital Partners VI	4,571,367	0.4	1.6	13.6	13.6	6.8	--	--	-0.4	Feb-21
Summit Partners Venture Capital Fund V-A	4,512,220	0.4	2.3	3.4	17.9	2.6	--	--	1.6	May-21
Ocean Avenue II	4,462,889	0.3	-2.7	-18.3	-26.6	-4.3	17.6	16.9	14.7	Jul-14
Taconic Credit Dislocation Fund IV L.P.	4,386,186	0.3	4.7	6.5	17.3	--	--	--	15.5	Jul-23
Spark Capital VI	3,797,338	0.3	-0.2	-0.7	1.7	15.1	--	--	5.6	Mar-20
Summit Partners Growth Equity Fund XI-A	3,130,241	0.2	-0.2	14.9	21.9	--	--	--	-22.8	Apr-22
GTCR Strategic Growth Fund I/A&B LP	2,846,592	0.2	6.7	6.4	7.1	--	--	--	-20.4	Jul-22
Marlin Heritage III	2,792,354	0.2	6.3	4.9	12.5	--	--	--	-57.6	Jan-23
Davidson Kempner Long-Term Distressed Opportunities Fund IV	2,669,947	0.2	-2.7	0.1	4.6	24.0	18.7	--	16.5	Apr-18
Adams Street	2,574,644	0.2	3.8	-2.6	-3.1	-8.5	8.1	9.5	7.2	Oct-05
Threshold Ventures IV LP	2,569,142	0.2	1.9	-0.1	-1.2	--	--	--	-14.2	Aug-22
Pantheon II	2,524,579	0.2	1.7	2.4	5.6	-2.9	11.2	11.5	11.3	Jan-12
Accel-KKR Growth Capital Partners IV	2,517,500	0.2	0.3	3.4	3.8	--	--	--	-9.1	Apr-22
Khosla Ventures VIII	2,414,199	0.2	4.1	4.1	3.8	--	--	--	1.4	Sep-23
Khosla Ventures Seed E	2,340,767	0.2	-3.1	-2.1	-0.4	16.4	--	--	76.2	Feb-21

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.

Asset Allocation & Performance | As of December 31, 2024

	Market Value \$	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Cortec Group Fund VIII, L.P.	2,169,207	0.2	-4.2	5.3	-6.8	--	--	--	-12.4	Apr-23
Spark Capital VII	2,043,990	0.2	-1.6	-2.1	-3.0	--	--	--	-5.9	Feb-22
Khosla Ventures Seed F, L.P.	1,206,814	0.1	6.3	13.1	25.1	--	--	--	12.4	Jul-23
Wynnchurch Capital Partners VI, L.P.	991,421	0.1	4.5	--	--	--	--	--	0.0	Aug-24
Genstar Capital Partners XI	717,943	0.1	8.2	20.0	62.7	--	--	--	51.7	Nov-23
Spark Capital VIII	357,606	0.0	-4.6	-4.6	--	--	--	--	-4.6	Jul-24
Invesco VI	353,195	0.0	-1.7	-4.0	-26.0	-31.2	7.5	10.8	10.0	Jul-13
Pantheon Secondary	107,102	0.0	-0.3	-0.9	-1.8	-2.6	-8.1	-2.2	0.3	Jul-07
Pantheon I	58,831	0.0	2.2	2.3	-4.5	-11.4	-13.0	-5.7	-1.7	Jan-06
Summit Partners Europe Growth Equity Fund IV, SCSp	46,847	0.0	-23.3	-43.3	--	--	--	--	-43.3	Jun-24
Accel-KKR Capital Partners VII LP	-189,447	0.0	-44.6	--	--	--	--	--	-44.6	Oct-24
Direct Lending	69,728,170	5.5	2.8	5.9	11.9	8.9	--	--	10.5	Jul-20
<i>S&P LSTA Leveraged Loan +2%</i>			<i>2.8</i>	<i>5.4</i>	<i>11.1</i>	<i>9.1</i>	<i>8.0</i>	<i>7.2</i>	<i>9.8</i>	
Varagon Capital Direct Lending Fund	16,867,519	1.3	1.7	4.9	8.2	4.3	--	--	4.3	Jan-22
Ares Senior Direct Lending Fund II	13,791,382	1.1	3.4	7.3	15.8	12.6	--	--	12.6	Jan-22
AG Direct Lending Fund IV Annex	8,309,188	0.7	3.0	6.2	12.6	--	--	--	10.3	May-22
Ares Capital Europe VI (D) Levered, L.P.	7,265,065	0.6	0.9	3.5	6.6	--	--	--	11.5	Nov-23
Silver Point Specialty Credit Fund III	6,893,340	0.5	3.1	4.8	16.4	--	--	--	8.5	Mar-23
Silver Point Specialty Credit Fund II, L.P.	6,495,621	0.5	2.5	6.5	12.4	9.4	--	--	10.8	Jul-20
AG Direct Lending Fund V	4,396,414	0.3	6.1	5.8	8.4	--	--	--	8.2	Aug-22
Ares Senior Direct Lending Fund III	3,504,009	0.3	1.9	5.7	--	--	--	--	5.7	Jun-24

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.

Asset Allocation & Performance | As of December 31, 2024

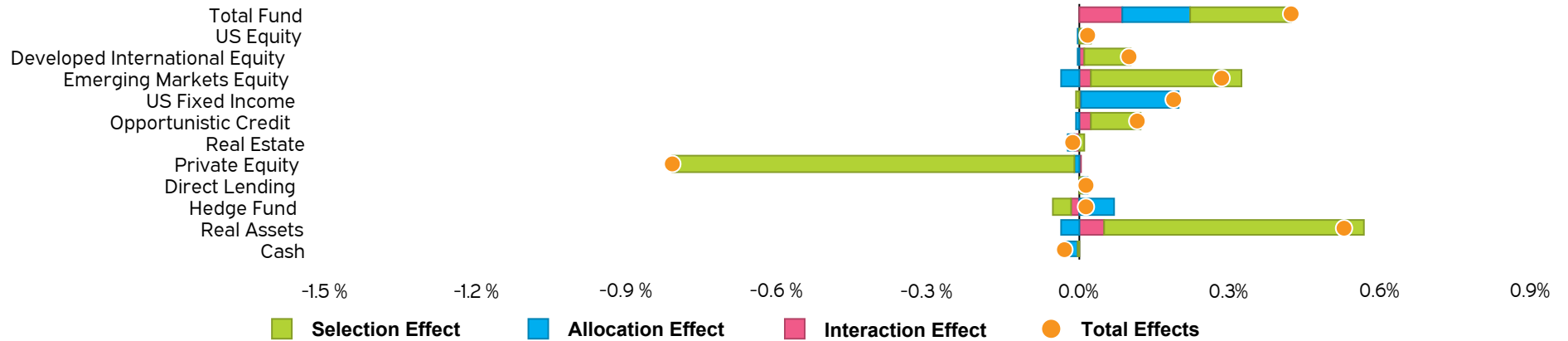
	Market Value \$	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Accel-KKR Credit Partners II LP	2,205,633	0.2	9.4	12.3	17.1	--	--	--	30.6	Mar-23
Hedge Fund	72,547,275	5.7	1.3	2.0	6.7	4.2	5.4	4.5	4.6	Jul-14
<i>Custom Blended Hedge Fund Benchmark</i>			<i>2.1</i>	<i>4.1</i>	<i>9.1</i>	<i>3.1</i>	<i>5.2</i>	<i>4.1</i>	<i>4.0</i>	
Silver Point Capital	14,249,211	1.1	1.6	3.9	11.0	6.6	11.2	--	8.3	Dec-17
Hudson Bay Fund	14,833,340	1.2	2.9	5.3	9.6	--	--	--	8.0	Jun-23
Taconic Opportunity Fund	4,054,654	0.3	-0.7	-0.2	1.5	0.6	2.5	--	2.9	Jan-19
Wellington-Archipelago	9,524,500	0.7	2.0	2.6	13.7	7.8	7.3	--	6.8	Sep-17
Laurion Capital	7,319,578	0.6	0.9	-5.1	-9.3	-4.6	6.2	--	6.0	Aug-18
Caxton Global Investments	6,613,194	0.5	-0.3	5.1	6.5	6.9	--	--	5.7	May-21
Marshall Wace Global Opportunities	5,758,765	0.5	-4.0	-3.6	3.2	4.9	--	--	4.8	May-20
Marshall Wace Eureka	5,183,877	0.4	1.5	2.0	11.1	4.7	6.7	--	6.2	Dec-17
Graham Absolute Return	5,010,157	0.4	2.9	2.2	8.9	9.8	6.0	--	5.2	Sep-17
Real Assets	72,364,479	5.7	2.9	7.7	14.8	13.3	12.2	10.1	10.1	Dec-10
<i>Custom Blended Real Assets Benchmark</i>			<i>-7.2</i>	<i>0.6</i>	<i>2.9</i>	<i>4.5</i>	<i>4.2</i>	<i>6.7</i>	<i>--</i>	
Private Infrastructure	40,405,616	3.2	5.2	7.7	15.1	12.2	13.2	10.5	10.5	Jan-15
<i>S&P Global Infrastructure</i>			<i>-2.5</i>	<i>10.6</i>	<i>15.1</i>	<i>7.1</i>	<i>5.3</i>	<i>5.9</i>	<i>5.9</i>	
KKR Global Infrastructure Investors IV	7,513,022	0.6	4.5	7.2	14.4	-14.4	--	--	-218.3	Sep-21
ISQ Global Infrastructure Fund II	6,296,020	0.5	6.3	8.2	15.1	11.3	12.6	--	5.9	Jul-18
BlackRock Global Infrastructure Fund IV	5,842,102	0.5	5.9	7.7	12.9	--	--	--	-1.2	Dec-22
Ardian Infrastructure Fund V	4,904,904	0.4	6.0	8.3	14.8	11.3	-3.6	--	-3.5	Nov-19
KKR Global Infrastructure Investors III	4,234,677	0.3	1.8	4.1	19.0	15.9	6.2	--	2.3	Jan-19

Asset Allocation & Performance | As of December 31, 2024

	Market Value \$	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
KKR Global II	3,659,614	0.3	9.3	11.8	23.8	16.1	25.1	17.5	17.5	Jan-15
ISQ Global Infrastructure Fund III	3,346,681	0.3	3.9	5.9	15.7	12.8	--	--	-380.0	Jun-21
North Haven Infrastructure II	2,688,877	0.2	7.3	6.7	2.7	7.3	6.4	--	7.1	Jun-15
Ardian Infrastructure Fund VI	1,919,719	0.2	0.4	12.8	11.0	--	--	--	10.1	Dec-23
Private Natural Resources	31,958,863	2.5	0.5	7.7	15.0	22.5	15.1	--	15.8	Oct-15
<i>S&P Global Natural Resources Sector Index (TR)</i>			<i>-11.8</i>	<i>-8.6</i>	<i>-8.3</i>	<i>1.7</i>	<i>5.8</i>	<i>5.3</i>	<i>9.0</i>	
Carnelian Energy Capital IV	6,371,190	0.5	2.9	4.7	8.8	--	--	--	4.9	May-22
BlackRock Global Energy and Power Infrastructure Fund III LP	4,840,558	0.4	7.6	9.0	12.3	11.1	10.8	--	13.3	Aug-19
Tailwater Energy Fund IV, LP	4,654,272	0.4	0.7	8.4	19.0	23.3	8.9	--	8.5	Oct-19
EnCap XI	3,901,898	0.3	2.3	15.2	24.7	33.0	15.3	--	-1.1	Aug-17
EnCap Flatrock Midstream Fund V	3,719,521	0.3	1.6	18.5	16.5	--	--	--	6.7	Jun-23
EnCap Energy Capital Fund XII	2,937,521	0.2	-15.8	-6.2	9.8	--	--	--	17.5	Aug-23
Carnelian Energy Capital V, L.P	2,622,925	0.2								
EnCap IV	2,019,192	0.2	1.4	7.6	9.3	40.0	28.9	--	21.0	Mar-18
GSO Energy Opportunities	394,483	0.0	4.6	6.8	44.7	45.8	29.3	--	22.6	Dec-15
Taurus Mining	335,413	0.0	1.3	3.0	14.4	54.2	27.7	--	23.0	Oct-15
Taurus Mining Annex	161,891	0.0	1.7	1.5	1.9	16.3	14.8	--	19.9	Feb-17
Cash	39,793,553	3.1	1.1	2.2	4.4	2.8	1.8	--	--	Dec-10
Cash	38,515,999	3.0	1.1	2.4	5.2	3.1	2.0	1.5	-0.9	Dec-10
Treasury Cash	1,277,555	0.1	0.0	0.0	0.0	0.0	0.0	--	0.0	Sep-17

Cash manually adjusted for Silver Point Capital cash flow.

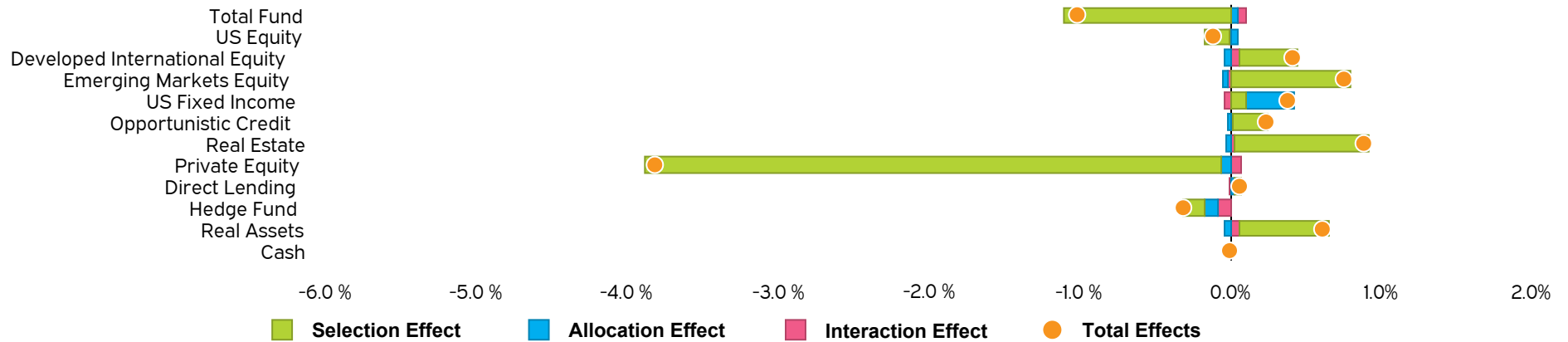
Attribution Effects 3 Months Ending December 31, 2024



Attribution Summary 3 Months Ending December 31, 2024

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	2.7	2.6	0.1	0.0	0.0	0.0	0.0
Developed International Equity	-7.3	-8.0	0.8	0.1	0.0	0.0	0.1
Emerging Markets Equity	-3.1	-8.0	4.9	0.3	0.0	0.0	0.3
US Fixed Income	-2.8	-2.8	0.0	0.0	0.2	0.0	0.2
Opportunistic Credit	1.5	-0.9	2.4	0.1	0.0	0.0	0.1
Real Estate	0.4	0.2	0.2	0.0	0.0	0.0	0.0
Private Equity	2.0	7.6	-5.6	-0.8	0.0	0.0	-0.8
Direct Lending	2.8	2.8	0.1	0.0	0.0	0.0	0.0
Hedge Fund	1.3	2.1	-0.8	0.0	0.1	0.0	0.0
Real Assets	2.9	-7.2	10.1	0.5	0.0	0.1	0.5
Cash	1.1	1.2	-0.1	0.0	0.0	0.0	0.0
Total Fund	0.0	-0.4	0.4	0.2	0.1	0.1	0.4

Attribution Effects 1 Year Ending December 31, 2024



Attribution Summary 1 Year Ending December 31, 2024

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	23.0	23.8	-0.8	-0.2	0.0	0.0	-0.1
Developed International Equity	7.3	3.7	3.5	0.4	0.0	0.1	0.4
Emerging Markets Equity	19.2	7.5	11.7	0.8	0.0	0.0	0.7
US Fixed Income	2.1	1.5	0.6	0.1	0.3	0.0	0.4
Opportunistic Credit	9.6	4.9	4.7	0.2	0.0	0.0	0.2
Real Estate	3.9	-7.3	11.2	0.9	0.0	0.0	0.9
Private Equity	9.0	36.1	-27.1	-3.8	-0.1	0.1	-3.8
Direct Lending	11.9	11.1	0.8	0.0	0.0	0.0	0.1
Hedge Fund	6.7	9.1	-2.5	-0.1	-0.1	-0.1	-0.3
Real Assets	14.8	2.9	11.9	0.6	0.0	0.1	0.6
Cash	2.2	2.6	-0.3	0.0	0.0	0.0	0.0
Total Fund	11.6	12.6	-1.0	-1.1	0.0	0.1	-1.0

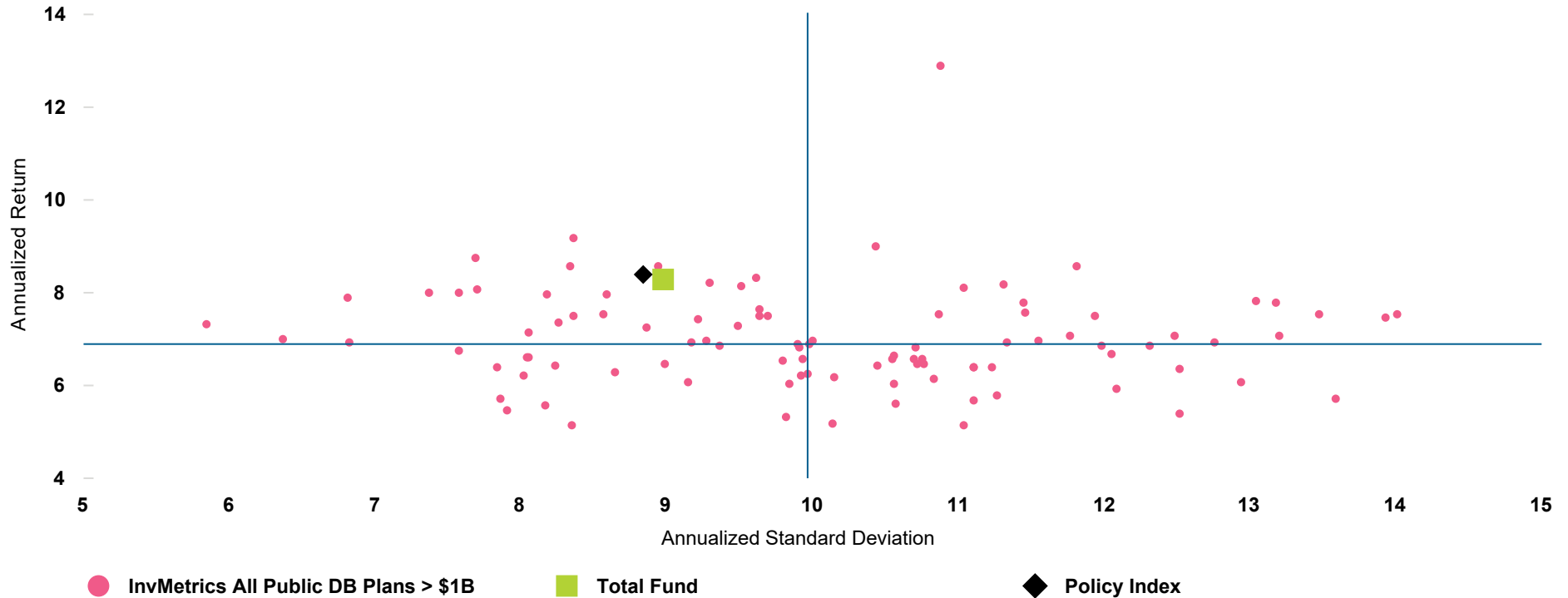
Benchmark History

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
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 December 31, 2024

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

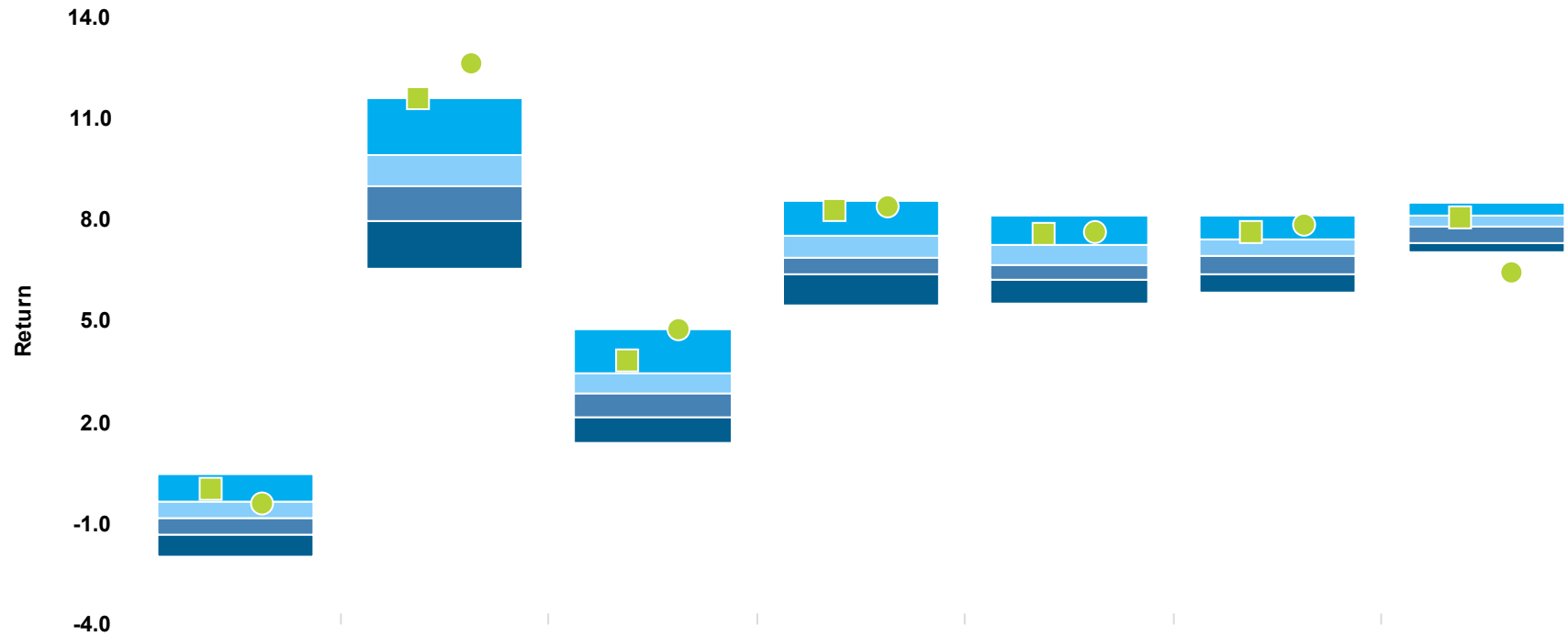
Annualized Return vs. Annualized Standard Deviation 5 Years Ending December 31, 2024



	5 Years Return	5 Years Standard Deviation	5 Years Information Ratio	5 Years Beta	5 Years Sharpe Ratio	5 Years Tracking Error
Total Fund	8.3 (8)	9.0 (29)	0.0 (12)	1.0 (31)	0.7 (13)	3.0 (11)
Policy Index	8.4 (7)	8.8 (27)	-	1.0	0.7 (11)	0.0
InvMetrics All Public DB Plans > \$1B Median	6.9	10.0	-0.3	1.0	0.5	3.9

Multi Time Period Statistics | As of December 31, 2024

Statistics Summary						
5 Years Ending December 31, 2024						
	5 Years Return	5 Years Standard Deviation	5 Years Information Ratio	5 Years Beta	5 Years Sharpe Ratio	5 Years Tracking Error
Total Fund	8.3	9.0	0.0	1.0	0.7	3.0
<i>Policy Index</i>	8.4	8.8	-	1.0	0.7	0.0
InvMetrics All Public DB Plans > \$1B Median	6.9	10.0	-0.3	1.0	0.5	3.9

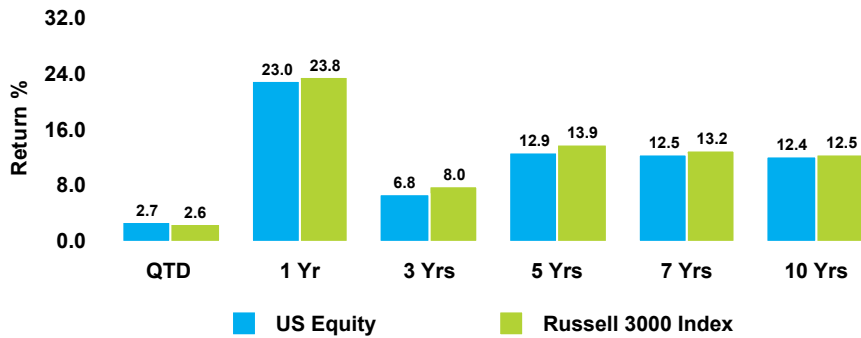


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Since Inception
■ Total Fund	0.0 (11)	11.6 (5)	3.8 (18)	8.3 (8)	7.6 (17)	7.6 (18)	8.1 (32)
● Policy Index	-0.4 (28)	12.6 (1)	4.8 (5)	8.4 (7)	7.6 (16)	7.9 (11)	6.5 (100)
5th Percentile	0.5	11.6	4.8	8.6	8.2	8.1	8.5
1st Quartile	-0.4	9.9	3.5	7.5	7.2	7.4	8.1
Median	-0.9	9.0	2.9	6.9	6.7	6.9	7.8
3rd Quartile	-1.4	8.0	2.2	6.4	6.2	6.4	7.3
95th Percentile	-2.0	6.6	1.4	5.5	5.5	5.9	7.1
Population	106	105	101	99	97	94	26

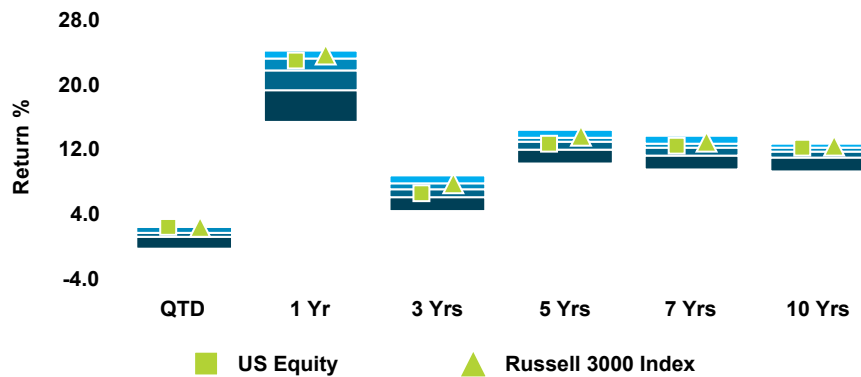
Parenteses contain percentile rankings.
Calculation based on monthly periodicity.

US Equity | As of December 31, 2024

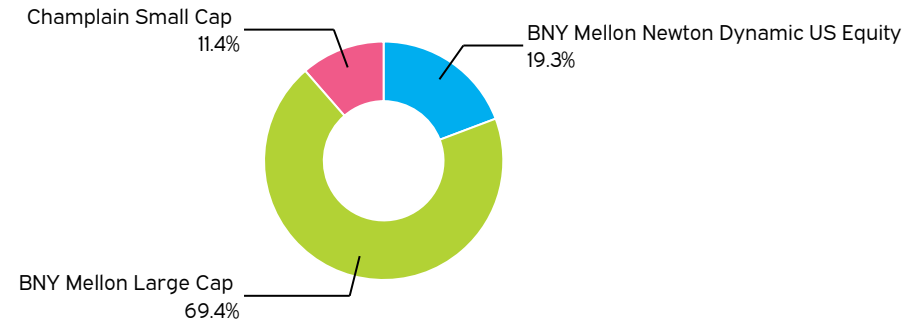
Return Summary



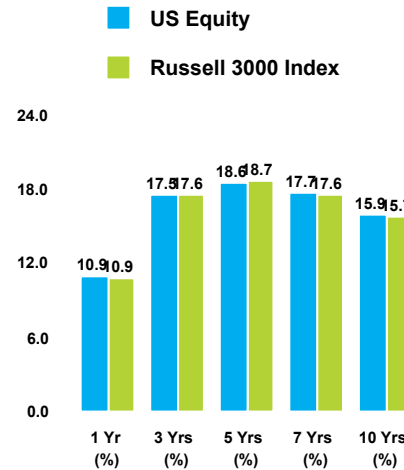
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
US Equity	2.7	23.0	6.8	12.9	12.5	12.4
Russell 3000	2.6	23.8	8.0	13.9	12.9	12.4
Excess Return	0.1	-0.8	-1.2	-1.0	-0.4	0.0



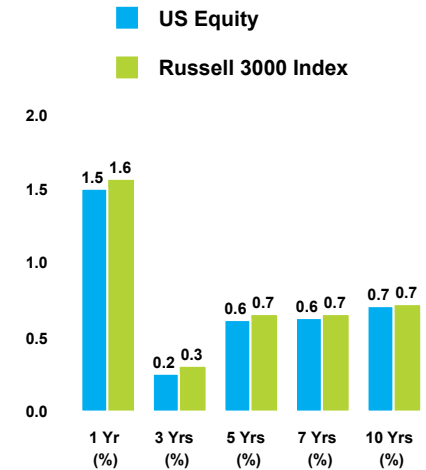
Current Allocation



Annualized Standard Deviation



Sharpe Ratio

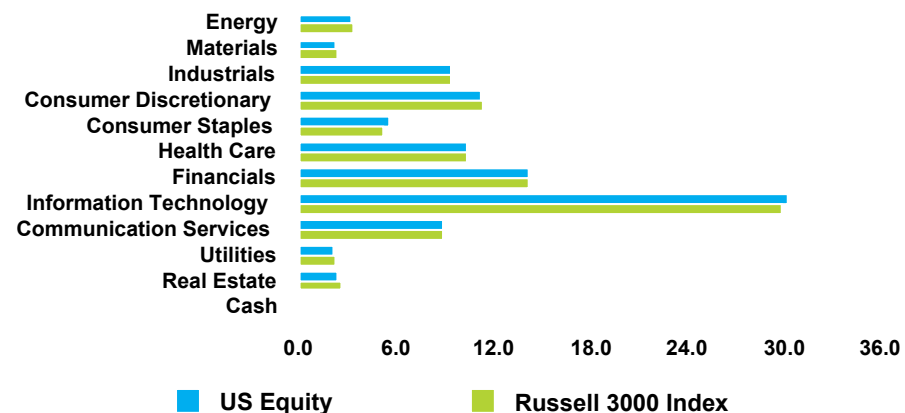


US Equity | As of December 31, 2024

Equity Characteristics vs Russell 3000 Index

	Portfolio	Benchmark
Number of Holdings	1,069	2,973
Wtd. Avg. Mkt. Cap \$B	962.8	951.6
Median Mkt. Cap \$B	14.2	2.2
P/E Ratio	26.7	26.2
Yield (%)	1.3	1.3
EPS Growth - 5 Yrs. (%)	20.2	20.1
Price to Book	4.8	4.7

Sector Weights (%)



Top Holdings

Apple Inc	6.4
NVIDIA Corporation	5.6
Microsoft Corp	5.6
Amazon.com Inc	3.7
Meta Platforms Inc	2.3
Tesla Inc	2.0
Alphabet Inc Class A	2.0
Broadcom Inc	1.9
Alphabet Inc Class C	1.7
Berkshire Hathaway Inc	1.5
% of Portfolio	32.7

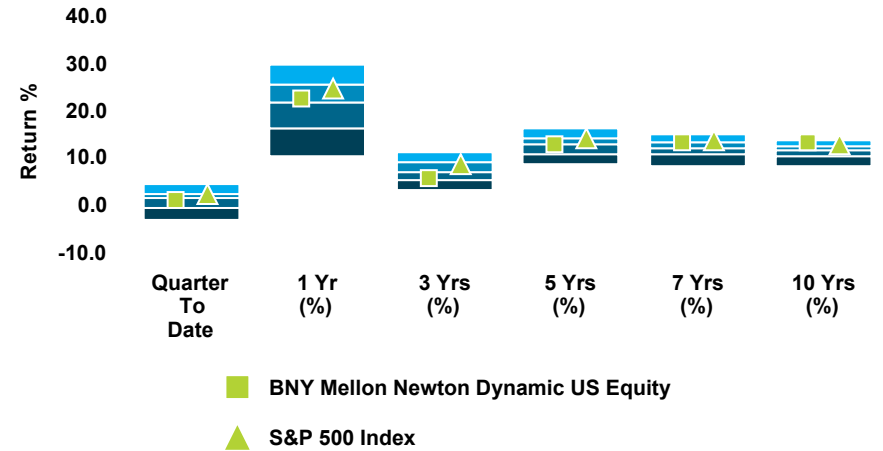
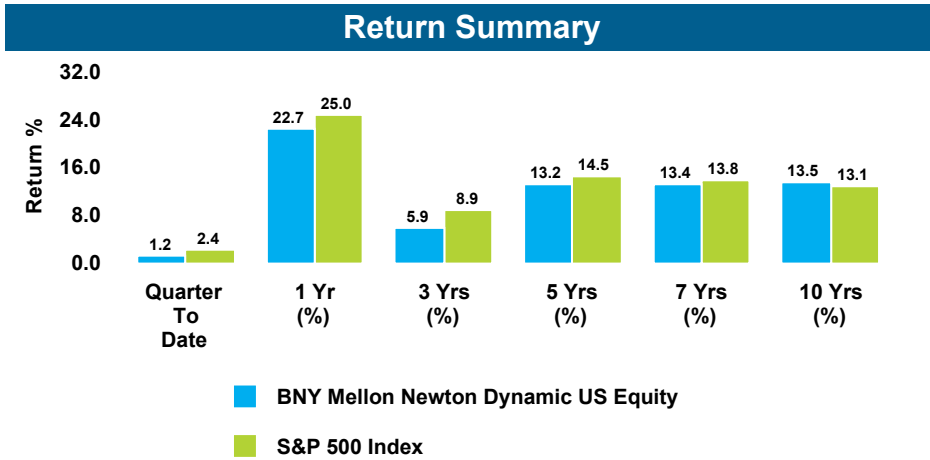
Ten Best Performers

	Quarterly Return (%)
Astera Labs Inc	152.8
AppLovin Corporation	148.1
Trump Media & Technology Group Corp	112.2
Palantir Technologies Inc	103.3
Rubrik Inc	103.3
SoFi Technologies Inc	95.9
Amer Sports Inc	75.3
Asana Inc	74.9
MicroStrategy Inc	71.8
United Airlines Holdings Inc	70.2

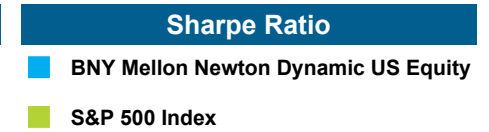
Ten Worst Performers

	Quarterly Return (%)
MGP Ingredients Inc	-52.6
Capri Holdings Ltd	-50.4
Celanese Corp	-48.8
Rocket Cos Inc	-41.3
Enphase Energy Inc	-39.2
Moderna Inc	-37.8
Acadia Healthcare Co Inc	-37.5
Viking Therapeutics Inc	-36.4
10x Genomics Inc	-36.4
Monolithic Power Systems Inc	-35.9

BNY Mellon Newton Dynamic US Equity | As of December 31, 2024



	Quarter To Date	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
BNY Mellon Newton Dynamic US Equity	1.2	22.7	5.9	13.2	13.4	13.5
S&P 500 Index	2.4	25.0	8.9	14.5	13.8	13.1
Excess Return	-1.2	-2.3	-3.0	-1.3	-0.4	0.4



BNY Mellon Newton Dynamic US Equity | As of December 31, 2024

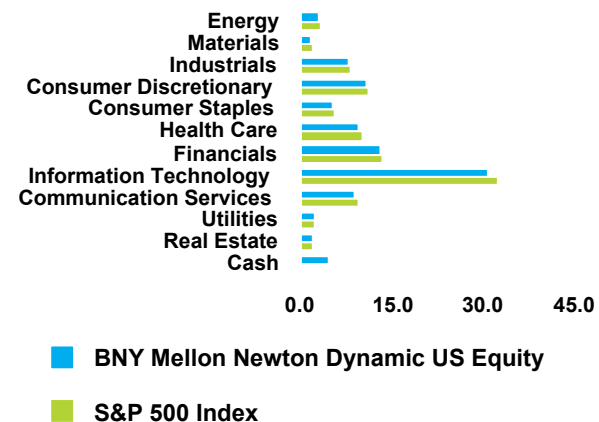
Equity Characteristics vs S&P 500 Index

	Portfolio	Benchmark
Number of Holdings	507	503
Wtd. Avg. Mkt. Cap \$B	948.9	1,104.2
Median Mkt. Cap \$B	37.1	37.1
P/E Ratio	27.1	27.1
Yield (%)	1.3	1.3
EPS Growth - 5 Yrs. (%)	20.9	20.9
Price to Book	5.1	5.1

Account Information

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

Sector Weights (%)



Top Holdings

Generic Fixed Income	9.8
Apple Inc	6.5
NVIDIA Corporation	5.7
Microsoft Corp	5.4
Amazon.com Inc	3.5
Meta Platforms Inc	2.2
Tesla Inc	1.9
Alphabet Inc Class A	1.9
Broadcom Inc	1.9
Alphabet Inc Class C	1.6
% of Portfolio	40.4

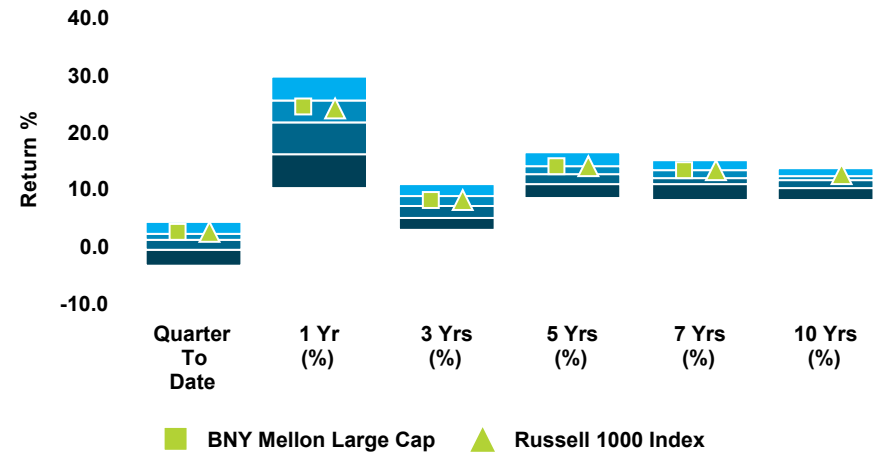
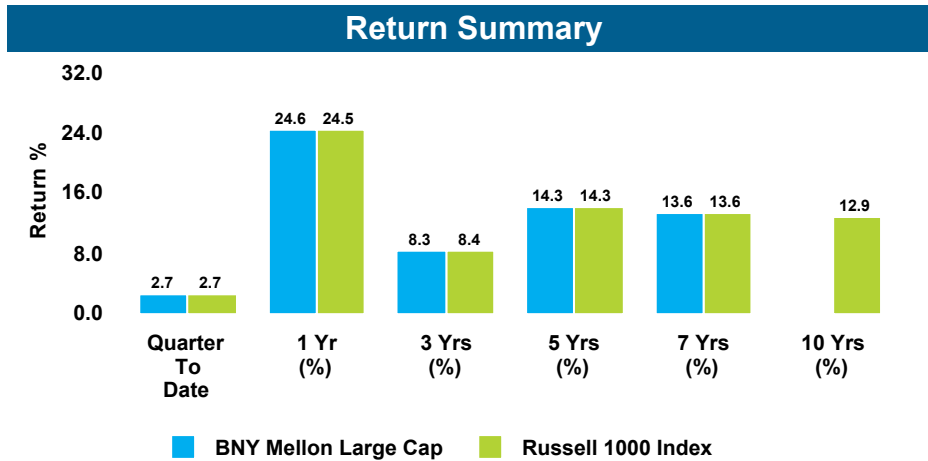
Ten Best Performers

	Quarterly Return (%)
Palantir Technologies Inc	103.3
United Airlines Holdings Inc	70.2
Tesla Inc	54.4
Axon Enterprise Inc	48.7
Lululemon Athletica Inc	40.9
Tapestry Inc	39.8
Carnival Corporation & Plc	34.8
Broadcom Inc	34.7
Apollo Global Management Inc	32.6
Synchrony Financial	30.9

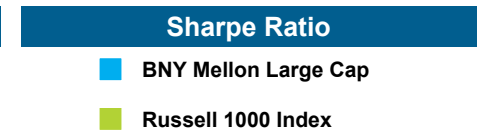
Ten Worst Performers

	Quarterly Return (%)
Celanese Corp	-48.8
Enphase Energy Inc	-39.2
Moderna Inc	-37.8
Monolithic Power Systems Inc	-35.9
AES Corp (The)	-35.1
Regeneron Pharmaceuticals Inc	-32.2
Newmont Corporation	-30.0
First Solar Inc	-29.3
Elevance Health Inc	-28.8
Microchip Technology Inc	-28.1

BNY Mellon Large Cap | As of December 31, 2024



	Quarter To Date	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
BNY Mellon Large Cap	2.7	24.6	8.3	14.3	13.6	-
Russell 1000 Index	2.7	24.5	8.4	14.3	13.6	12.9
Excess Return	0.0	0.0	-0.1	0.0	0.0	-



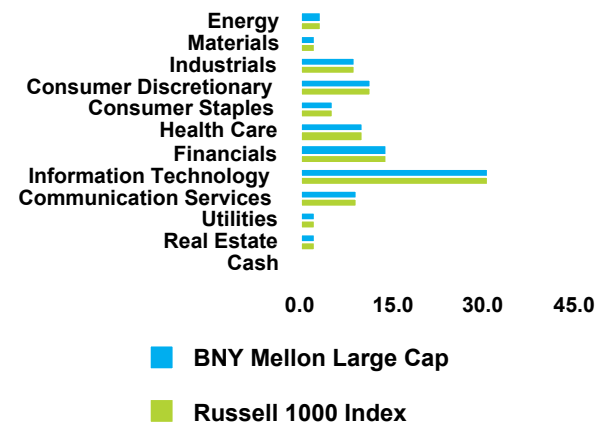
Equity Characteristics vs Russell 1000 Index

	Portfolio	Benchmark
Number of Holdings	1,011	1,007
Wtd. Avg. Mkt. Cap \$B	998.3	998.3
Median Mkt. Cap \$B	15.2	15.2
P/E Ratio	26.6	26.6
Yield (%)	1.3	1.3
EPS Growth - 5 Yrs. (%)	20.3	20.3
Price to Book	4.9	4.9

Account Information

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

Sector Weights (%)



Top Holdings

Apple Inc	6.6
NVIDIA Corporation	5.8
Microsoft Corp	5.8
Amazon.com Inc	3.8
Meta Platforms Inc	2.4
Tesla Inc	2.1
Alphabet Inc Class A	2.1
Broadcom Inc	2.0
Alphabet Inc Class C	1.7
Berkshire Hathaway Inc	1.5
% of Portfolio	33.8

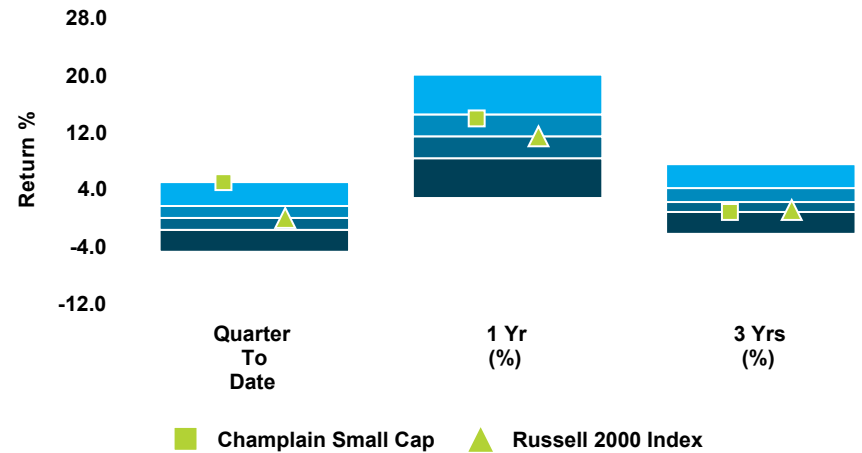
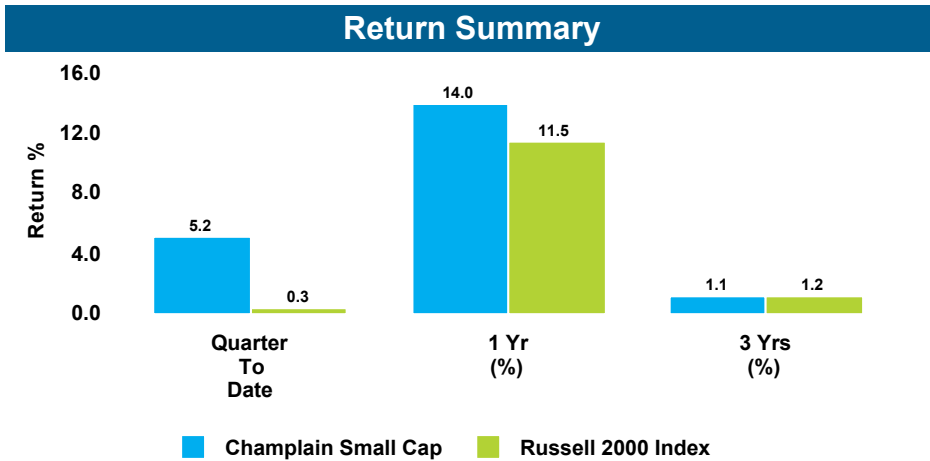
Ten Best Performers

	Quarterly Return (%)
Astera Labs Inc	152.8
AppLovin Corporation	148.1
Trump Media & Technology Group Corp	112.2
Palantir Technologies Inc	103.3
SoFi Technologies Inc	95.9
Amer Sports Inc	75.3
MicroStrategy Inc	71.8
United Airlines Holdings Inc	70.2
New Fortress Energy Inc	66.3
Twilio Inc	65.7

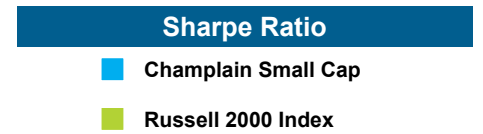
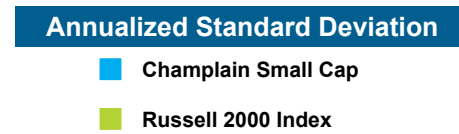
Ten Worst Performers

	Quarterly Return (%)
Capri Holdings Ltd	-50.4
Celanese Corp	-48.8
Rocket Cos Inc	-41.3
Enphase Energy Inc	-39.2
Moderna Inc	-37.8
Acadia Healthcare Co Inc	-37.5
Viking Therapeutics Inc	-36.4
10x Genomics Inc	-36.4
Monolithic Power Systems Inc	-35.9
AES Corp (The)	-35.1

Champlain Small Cap | As of December 31, 2024



	Quarter To Date	1 Yr (%)	3 Yrs (%)
Champlain Small Cap	5.2	14.0	1.1
Russell 2000 Index	0.3	11.5	1.2
Excess Return	4.9	2.5	-0.1



Champlain Small Cap | As of December 31, 2024

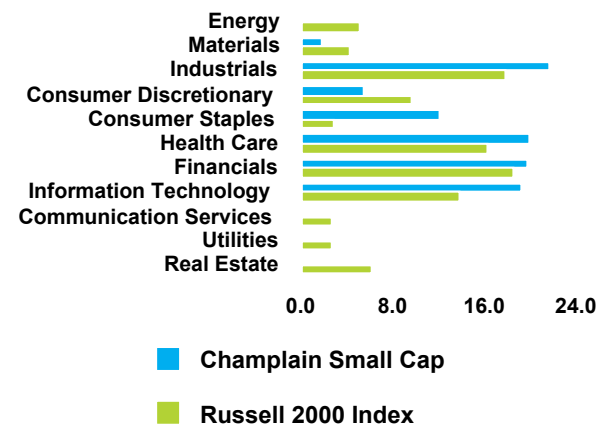
Equity Characteristics vs Russell 2000 Index

	Portfolio	Benchmark
Number of Holdings	72	1,966
Wtd. Avg. Mkt. Cap \$B	5.4	3.6
Median Mkt. Cap \$B	3.8	1.0
P/E Ratio	29.4	17.8
Yield (%)	0.6	1.3
EPS Growth - 5 Yrs. (%)	11.6	12.1
Price to Book	3.5	2.5

Account Information

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

Sector Weights (%)



Top Holdings

JBT Marel Corporation	3.0
ESCO Technologies Inc.	2.9
Simply Good Foods Co (The)	2.7
Cullen/Frost Bankers Inc	2.7
Globus Medical Inc	2.6
Smartsheet Inc	2.4
Nutanix Inc	2.3
ESAB Corp	2.2
Penumbra Inc	2.2
First Financial Bankshares Inc	2.2
% of Portfolio	25.2

Ten Best Performers

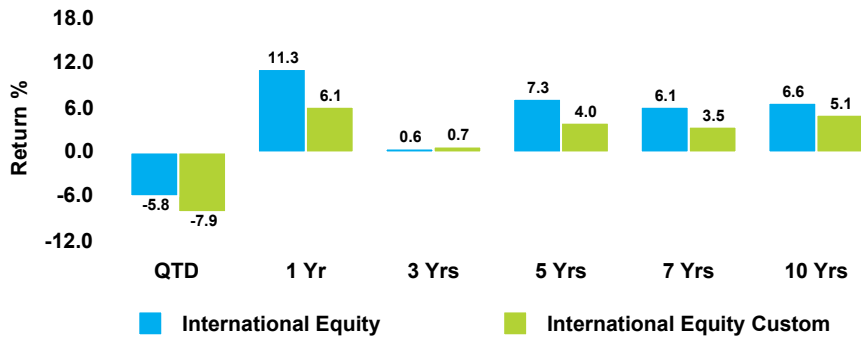
	Quarterly Return (%)
Rubrik Inc	103.3
Asana Inc	74.9
Freshworks Inc	40.9
Confluent Inc	37.2
Vita Coco Company Inc	30.4
Braze Inc	29.5
JBT Marel Corporation	29.1
Shake Shack Inc	25.8
Skyward Specialty Insurance Group Inc	24.1
Pure Storage Inc	22.3

Ten Worst Performers

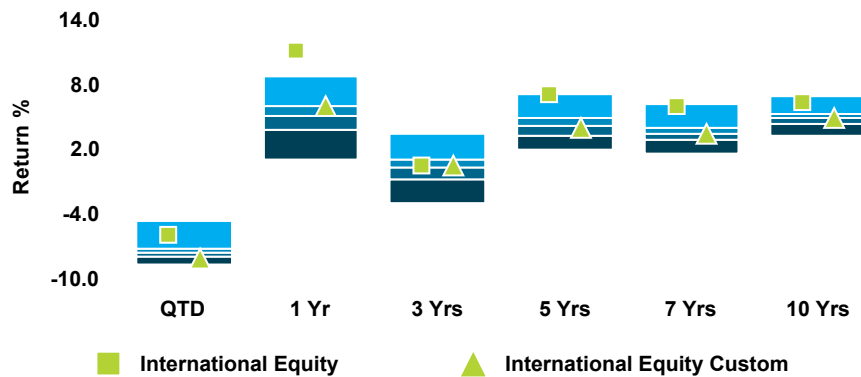
	Quarterly Return (%)
MGP Ingredients Inc	-52.6
Neogen Corp	-27.8
Baldwin Insurance Group Inc (The)	-22.2
Tandem Diabetes Care Inc	-15.1
Novanta Inc	-14.6
Lucky Strike Entertainment Corp	-14.3
Simpson Manufacturing Co. Inc.	-13.2
Transcat Inc	-12.4
Inspire Medical Systems Inc	-12.2
Utz Brands Inc	-11.2

Champlain Small Cap holdings are as of 9/30/2024, due to data availability.

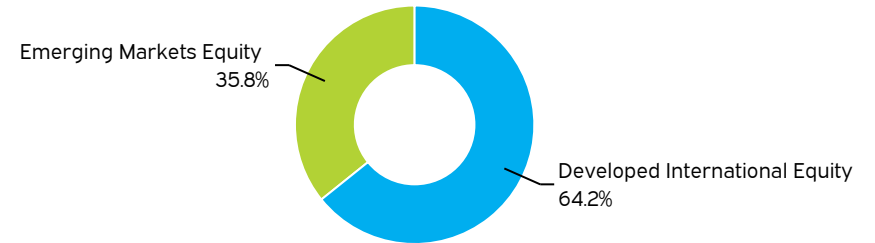
Return Summary



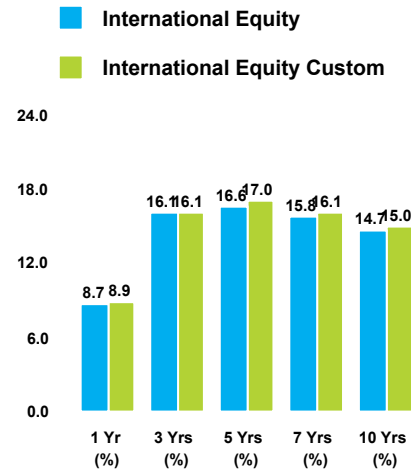
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
International Equity	-5.8	11.3	0.6	7.3	6.1	6.6
International Equity Custom	-7.9	6.1	0.7	4.0	3.5	5.1
Excess Return	2.1	5.1	-0.1	3.3	2.6	1.5



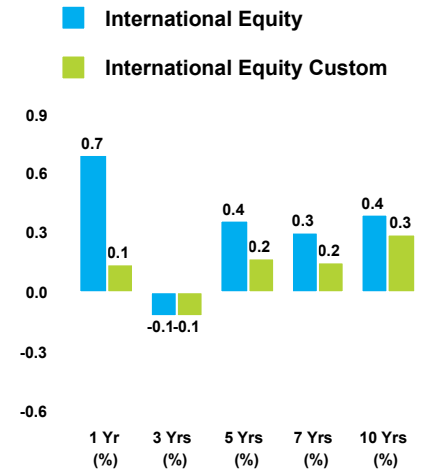
Current Allocation



Annualized Standard Deviation



Sharpe Ratio

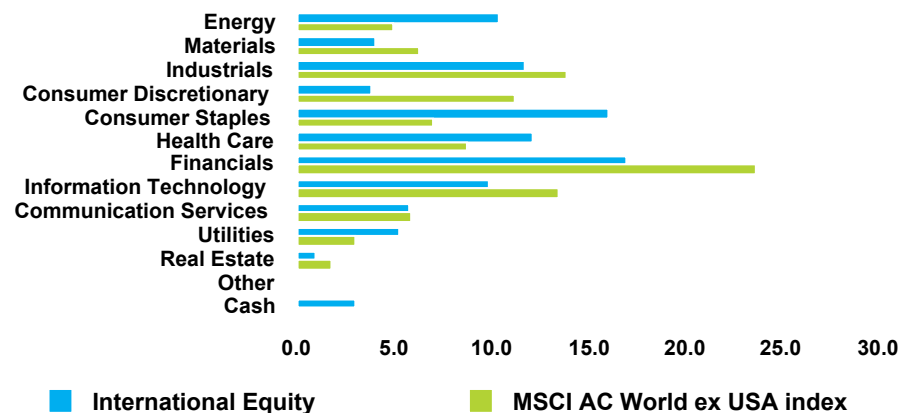


Equity Characteristics vs MSCI AC World ex USA index

	Portfolio	Benchmark
Number of Holdings	2,706	2,058
Wtd. Avg. Mkt. Cap \$B	181.8	107.6
Median Mkt. Cap \$B	0.7	9.8
P/E Ratio	16.7	15.8
Yield (%)	3.4	3.0
EPS Growth - 5 Yrs. (%)	16.0	12.0
Price to Book	2.5	2.5

International Equity | As of December 31, 2024

Sector Weights (%)



Top Holdings

Novo Nordisk A/S	4.2
SAP SE	4.0
Philip Morris International Inc	4.0
Astrazeneca PLC	3.2
Taiwan Semiconductor Manufac. COM	2.5
Enbridge Inc	2.4
TotalEnergies SE	2.3
Petroleo Brasileiro S.A.- Petrobras	2.0
Novartis AG	2.0
Shell Plc	1.7
% of Portfolio	28.3

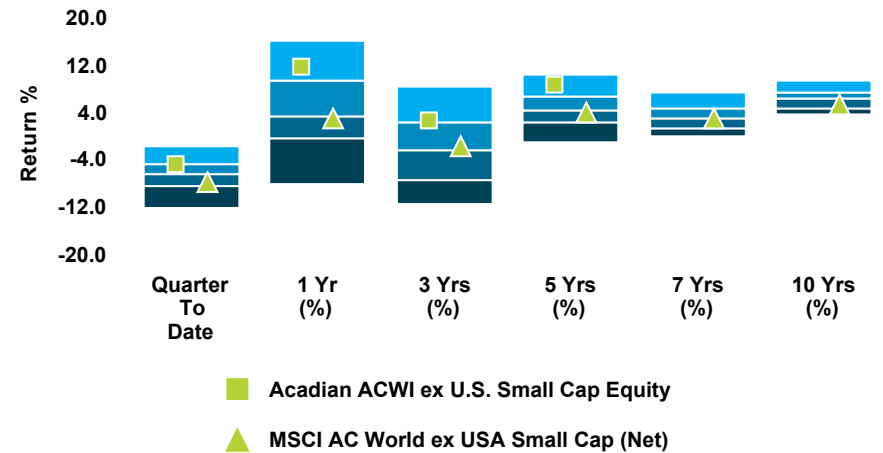
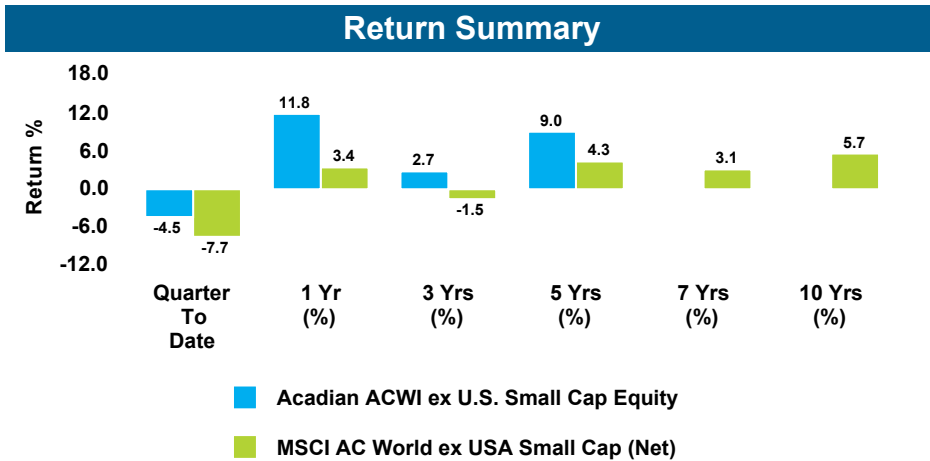
Ten Best Performers

	Quarterly Return (%)
Alafco Aviation	190.7
Inkeverse Group Limited	138.5
LexinFintech Holdings Ltd	113.2
Ferrexpo PLC	104.7
Ypf Sociedad Anon. Yaci. Petro. Fiscal	100.4
Musashi Seimitsu Industry Co Ltd	84.5
Youdao Inc	78.3
Super Group (SGHC) Ltd	75.7
Ceragon Networks Ltd	70.4
On the Beach Group Plc	69.9

Ten Worst Performers

	Quarterly Return (%)
Jaguar Mining Inc	-59.9
Digital Value S.p.A	-57.1
Strides Pharma Science Ltd	-53.9
ams-OSRAM AG	-53.2
Resolute Mining Ltd	-52.4
Clio Cosmetics Co Ltd	-50.8
11 Bit Studios SA	-49.5
Guoquan Food Shanghai Co Ltd	-49.1
Azure Power Global Limited	-48.1
Adani Green Energy Limited	-46.5

Acadian ACWI ex U.S. Small Cap Equity | As of December 31, 2024



	Quarter To Date	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Acadian ACWI ex U.S. Small Cap Equity	-4.5	11.8	2.7	9.0	-	-
MSCI AC World ex USA Small Cap (Net)	-7.7	3.4	-1.5	4.3	3.1	5.7
Excess Return	3.2	8.4	4.2	4.7	-	-



Acadian ACWI ex U.S. Small Cap Equity | As of December 31, 2024

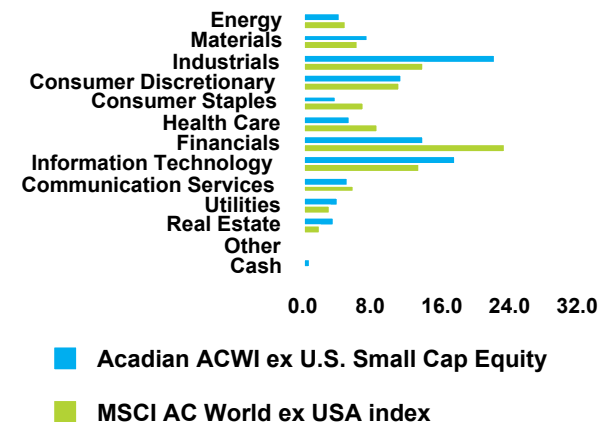
Equity Characteristics vs MSCI AC World ex USA index

	Portfolio	Benchmark
Number of Holdings	2,381	2,058
Wtd. Avg. Mkt. Cap \$B	2.6	107.6
Median Mkt. Cap \$B	0.5	9.8
P/E Ratio	11.5	15.8
Yield (%)	3.2	3.0
EPS Growth - 5 Yrs. (%)	14.9	12.0
Price to Book	2.2	2.5

Account Information

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

Sector Weights (%)



Top Holdings

Yangzijiang Shipbuilding Holdings Ltd	1.1
Accelleron Industries AG	0.8
Nova Ltd	0.7
AGL Energy	0.7
BPER Banca SpA	0.7
Miscellaneous Security	0.7
Cellebrite DI Ltd	0.7
A2A SPA	0.7
Banco Comercial Portugues SA Bcp, Porto	0.6
Jb Hi-Fi Ltd	0.6
% of Portfolio	7.3

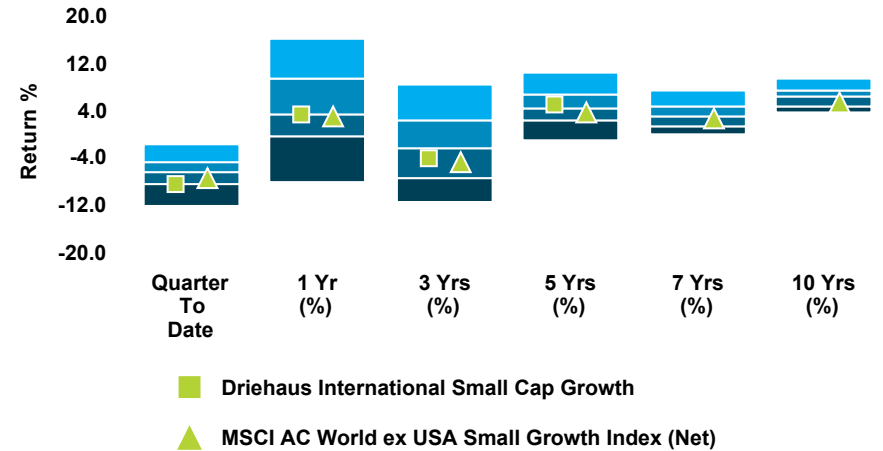
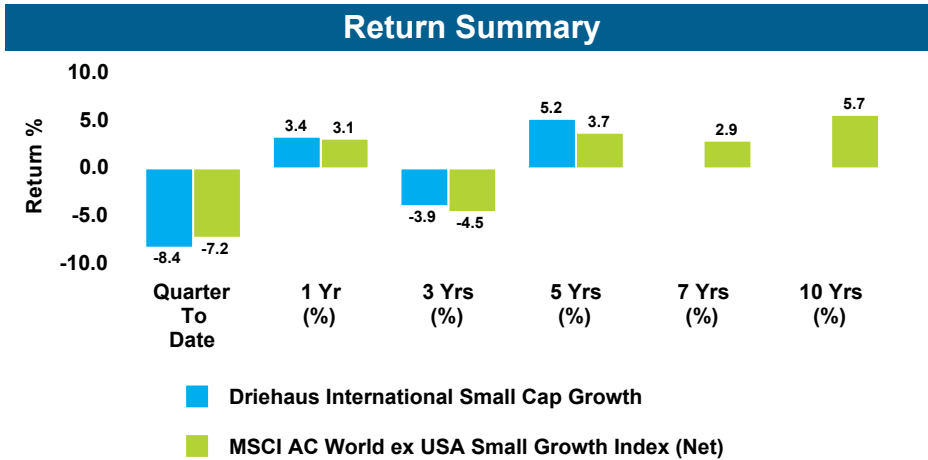
Ten Best Performers

	Quarterly Return (%)
Alafco Aviation	190.7
Inkeverse Group Limited	138.5
LexinFintech Holdings Ltd	113.2
Ferrexpo PLC	104.7
Youdao Inc	78.3
Super Group (SGHC) Ltd	75.7
Ceragon Networks Ltd	70.4
On the Beach Group Plc	69.9
Posiflex Technology Inc	69.3
Enerflex Ltd	67.3

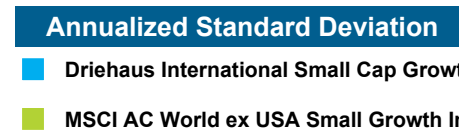
Ten Worst Performers

	Quarterly Return (%)
Jaguar Mining Inc	-59.9
Digital Value S.p.A	-57.1
Strides Pharma Science Ltd	-53.9
ams-OSRAM AG	-53.2
Resolute Mining Ltd	-52.4
Clio Cosmetics Co Ltd	-50.8
11 Bit Studios SA	-49.5
Guoquan Food Shanghai Co Ltd	-49.1
Azure Power Global Limited	-48.1
VisasQ Inc	-45.5

Driehaus International Small Cap Growth | As of December 31, 2024



	Quarter To Date	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Driehaus International Small Cap Growth	-8.4	3.4	-3.9	5.2	-	-
MSCI AC World ex USA Small Growth Index (Net)	-7.2	3.1	-4.5	3.7	2.9	5.7
Excess Return	-1.1	0.3	0.7	1.5	-	-



Driehaus International Small Cap Growth | As of December 31, 2024

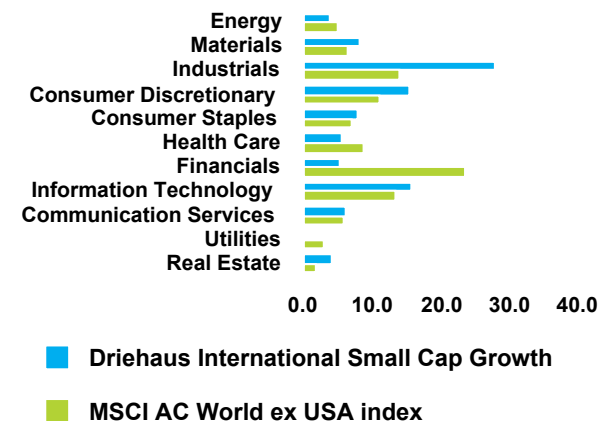
Equity Characteristics vs MSCI AC World ex USA index

	Portfolio	Benchmark
Number of Holdings	115	2,058
Wtd. Avg. Mkt. Cap \$B	5.4	107.6
Median Mkt. Cap \$B	4.0	9.8
P/E Ratio	17.9	15.8
Yield (%)	1.8	3.0
EPS Growth - 5 Yrs. (%)	16.7	12.0
Price to Book	2.9	2.5

Account Information

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

Sector Weights (%)



Top Holdings

ASICS Corporation	2.1
Ryohin Keikaku Co Ltd	2.0
Hoshizaki Corp	2.0
Saipem SpA	1.9
Azbil Corp	1.7
Marks and Spencer Group PLC	1.7
Indian Hotels Co Ltd	1.7
Aritzia Inc	1.7
Belimo Holding AG, Wetzikon Zh	1.7
Flughafen Zuerich AG	1.6
% of Portfolio	18.1

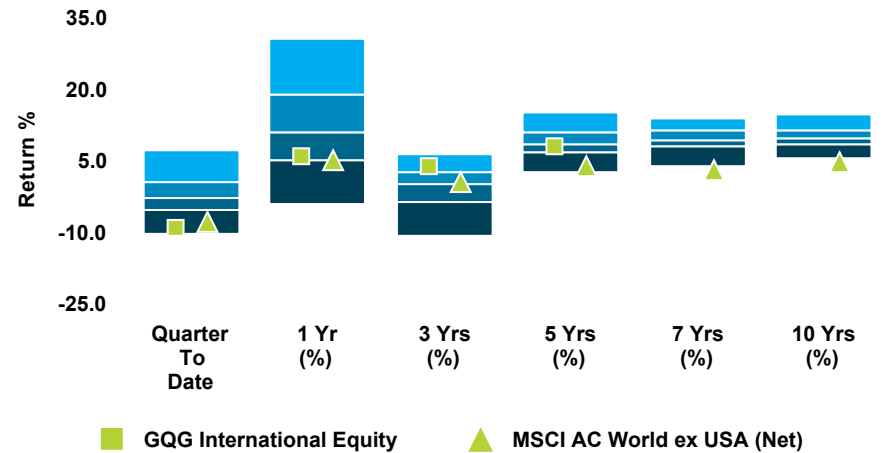
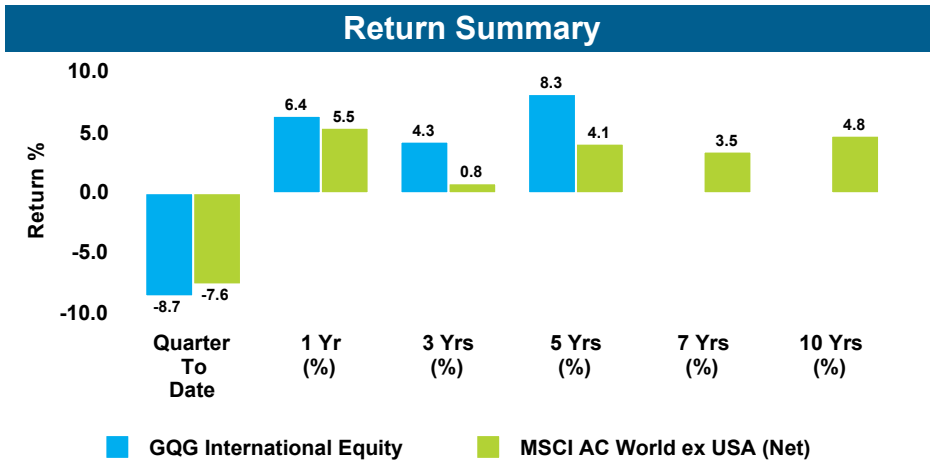
Ten Best Performers

	Quarterly Return (%)
Musashi Seimitsu Industry Co Ltd	84.5
Wiwynn Corporation	47.5
Kraken Robotics Inc	46.8
AUTO1 Group SE	42.6
Global-E Online Ltd	41.9
Catapult Group International Ltd	36.3
Lotes Co Ltd	36.3
King Slide Wroks Co Ltd	36.0
COVER Corporation	32.9
Cellebrite DI Ltd	30.8

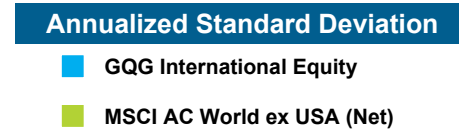
Ten Worst Performers

	Quarterly Return (%)
Boardwalk Real Estate Investment Trust	-29.2
NFI Group Inc	-27.3
Seria Co Ltd	-27.0
Nexans, Paris	-26.5
Nordex SE	-24.9
Fugro NV	-24.1
Direcional Engenharia SA	-22.5
Corbion NV	-21.8
Capstone Copper Corp	-21.0
Shurgard Self Storage Ltd	-21.0

GQG International Equity | As of December 31, 2024



	Quarter To Date	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
GQG International Equity	-8.7	6.4	4.3	8.3	-	-
MSCI AC World ex USA (Net)	-7.6	5.5	0.8	4.1	3.5	4.8
Excess Return	-1.1	0.9	3.5	4.2	-	-



GQG International Equity | As of December 31, 2024

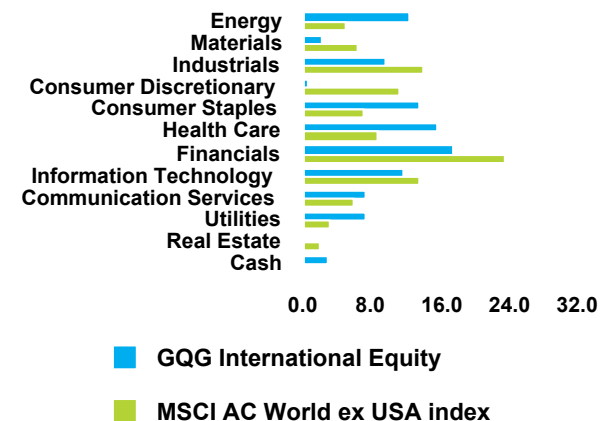
Equity Characteristics vs MSCI AC World ex USA index

	Portfolio	Benchmark
Number of Holdings	63	2,058
Wtd. Avg. Mkt. Cap \$B	240.6	107.6
Median Mkt. Cap \$B	82.9	9.8
P/E Ratio	18.0	15.8
Yield (%)	3.8	3.0
EPS Growth - 5 Yrs. (%)	17.0	12.0
Price to Book	2.6	2.5

Account Information

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

Sector Weights (%)



Top Holdings

Novo Nordisk A/S	6.0
SAP SE	5.8
Philip Morris International Inc	5.8
Astrazeneca PLC	4.7
Taiwan Semiconductor Manufac. COM	3.5
Enbridge Inc	3.5
TotalEnergies SE	3.3
Petroleo Brasileiro S.A.- Petrobras	2.9
Novartis AG	2.9
British American Tobacco PLC	2.3
% of Portfolio	40.7

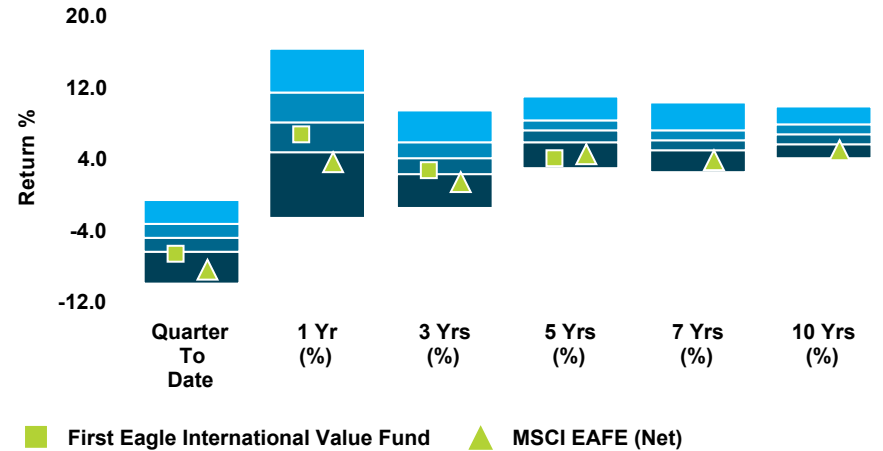
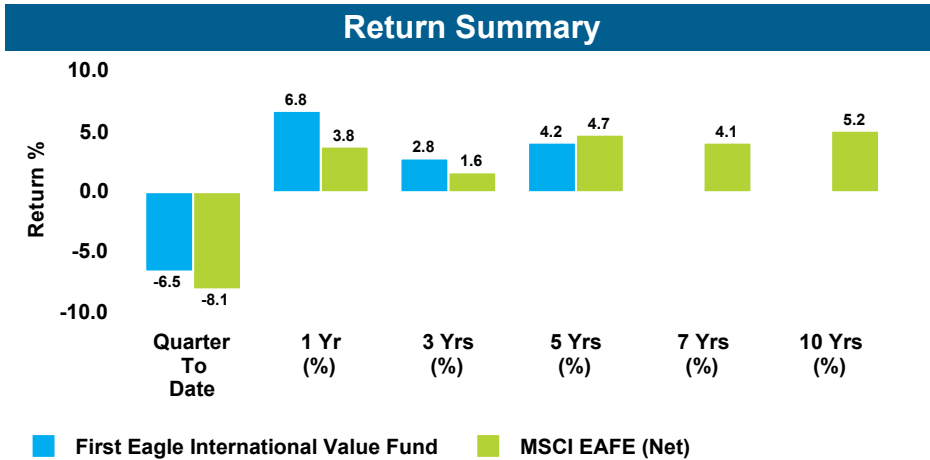
Ten Best Performers

	Quarterly Return (%)
Spotify Technology SA	21.4
Alphabet Inc Class A	14.3
HSBC Holdings PLC	10.7
NVIDIA Corporation	10.6
Airbus SE	9.4
Taiwan Semiconductor Manufac. COM	8.8
SAP SE	7.3
Enbridge Inc	5.9
Meta Platforms Inc	2.4
Deutsche Telekom AG	1.6

Ten Worst Performers

	Quarterly Return (%)
Adani Green Energy Limited	-46.5
Novo Nordisk A/S	-27.8
Novo Nordisk A/S	-26.4
Anheuser-Busch InBev SA/NV	-24.6
Itau Unibanco Holding SA	-24.2
Glencore Plc	-22.9
Adani Energy Solutions Ltd	-21.8
Adani Enterprises Ltd	-21.1
Adani Power Ltd	-21.0
GMR Airports Limited	-18.2

First Eagle International Value Fund | As of December 31, 2024



	Quarter To Date	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
First Eagle International Value Fund	-6.5	6.8	2.8	4.2	-	-
MSCI EAFE (Net)	-8.1	3.8	1.6	4.7	4.1	5.2
Excess Return	1.6	3.0	1.2	-0.5	-	-



First Eagle International Value Fund | As of December 31, 2024

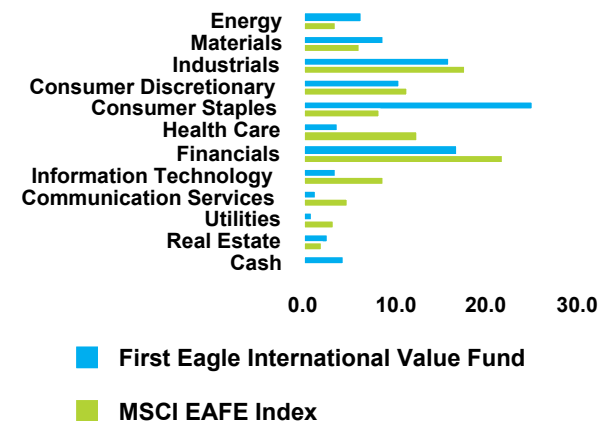
Equity Characteristics vs MSCI EAFE Index

	Portfolio	Benchmark
Number of Holdings	105	722
Wtd. Avg. Mkt. Cap \$B	48.1	85.9
Median Mkt. Cap \$B	14.4	14.5
P/E Ratio	13.5	16.4
Yield (%)	2.8	3.1
EPS Growth - 5 Yrs. (%)	11.8	10.6
Price to Book	1.9	2.5

Account Information

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

Sector Weights (%)



Top Holdings

Imperial Oil Ltd	3.8
Diageo PLC	2.6
Unilever PLC	2.5
Shell Plc	2.5
British American Tobacco PLC	2.5
Danone SA	2.4
Prosus NV	2.3
Compagnie Financiere Richemont SA	2.3
Willis Towers Watson plc	2.3
Investor AB publ	2.1
% of Portfolio	25.3

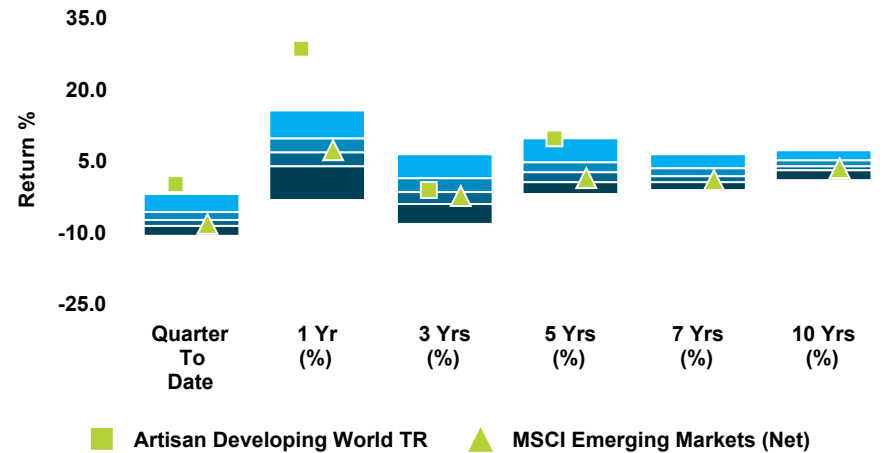
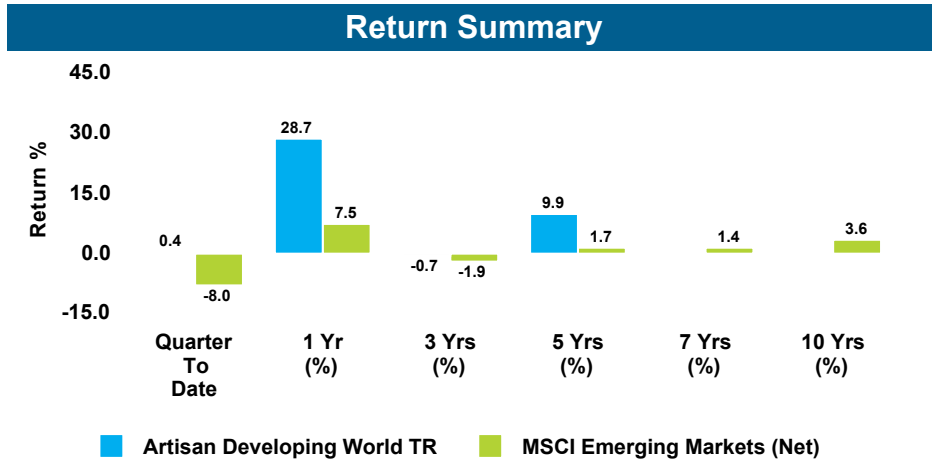
Ten Best Performers

	Quarterly Return (%)
CAE Inc.	35.0
Hongkong Land Holdings Ltd	21.3
Sompo Holdings Inc	17.1
Hoshizaki Corp	15.3
Willis Towers Watson plc	6.7
Mitsubishi Electric Corp	6.2
United Overseas Bank Ltd	6.1
Jardine Matheson Holdings Ltd	4.9
NAVER Corp	4.3
Sodexo S A	3.7

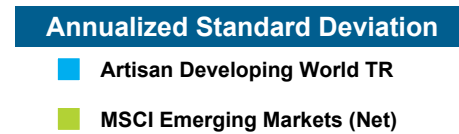
Ten Worst Performers

	Quarterly Return (%)
Newmont Corporation	-29.7
Shimano Inc	-27.8
Cia Distribuidora De Gas Do	-25.6
Itausa S A	-25.5
Big Yellow Group Plc	-25.5
Alibaba Group Holding Ltd	-25.1
Great Portland Estates PLC	-23.7
Samsung Electronics Co Ltd	-23.2
Samsung Electronics Co Ltd	-22.9
Berkeley Group Holdings PLC	-22.9

Artisan Developing World TR | As of December 31, 2024



	Quarter To Date	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Artisan Developing World TR	0.4	28.7	-0.7	9.9	-	-
MSCI Emerging Markets (Net)	-8.0	7.5	-1.9	1.7	1.4	3.6
Excess Return	8.4	21.2	1.2	8.2	-	-



Artisan Developing World TR | As of December 31, 2024

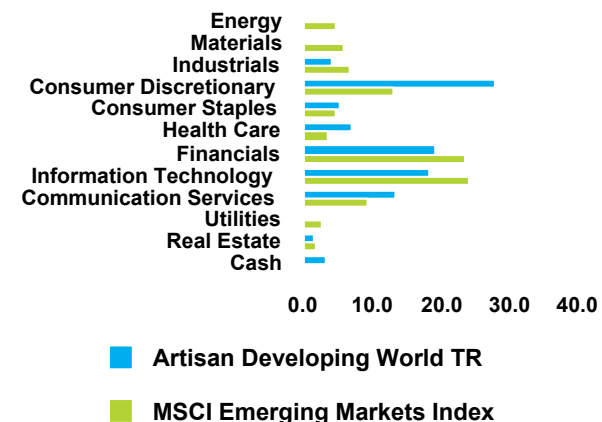
Equity Characteristics vs MSCI Emerging Markets Index

	Portfolio	Benchmark
Number of Holdings	43	1,252
Wtd. Avg. Mkt. Cap \$B	261.1	165.6
Median Mkt. Cap \$B	76.2	7.6
P/E Ratio	43.7	14.0
Yield (%)	0.4	2.7
EPS Growth - 5 Yrs. (%)	28.5	16.7
Price to Book	7.7	2.8

Account Information

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

Sector Weights (%)



Top Holdings

Sea Limited	5.6
MercadoLibre Inc	5.6
MakeMyTrip Ltd	5.2
Visa Inc	4.6
Adyen N.V	4.4
CrowdStrike Holdings Inc	4.3
NVIDIA Corporation	4.2
Airbnb Inc	4.1
Grab Holdings Limited	4.0
Meituan	4.0
% of Portfolio	46.0

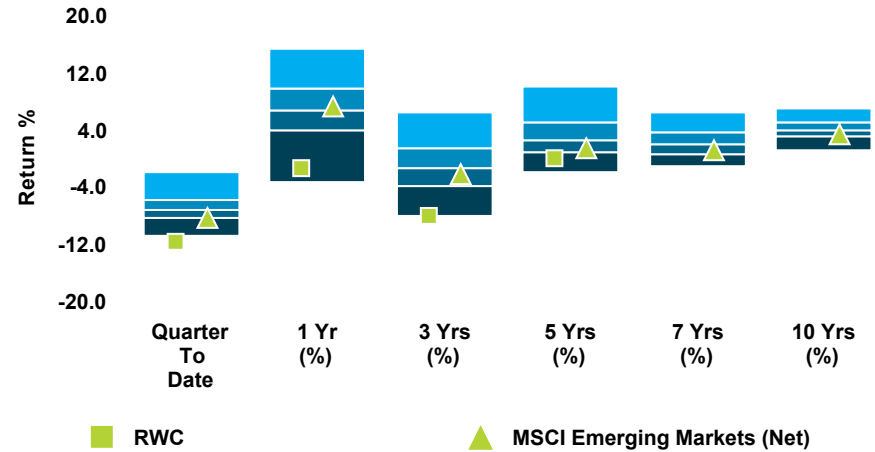
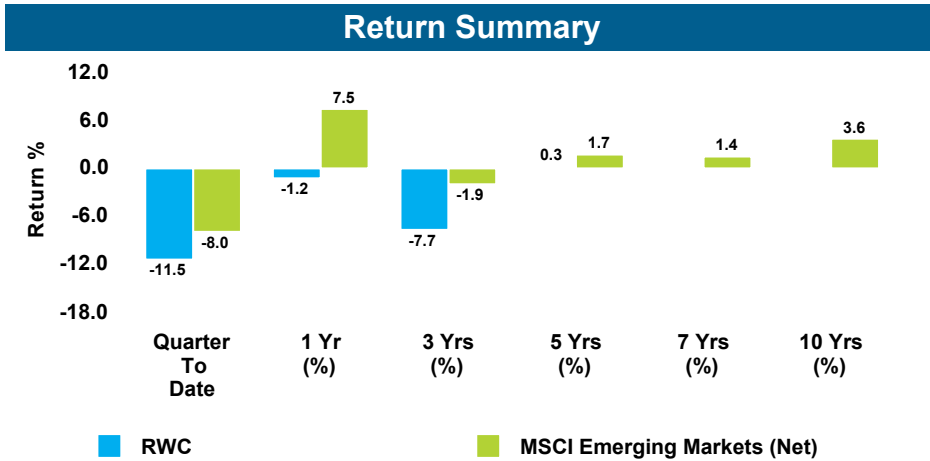
Ten Best Performers

	Quarterly Return (%)
One97 Communications Limited	44.7
Snowflake Inc	34.4
PB Fintech Limited	27.4
Netflix Inc	25.7
Grab Holdings Limited	24.2
CrowdStrike Holdings Inc	22.0
MakeMyTrip Ltd	20.8
Visa Inc	15.2
Sea Limited	12.5
Cadence Design Systems Inc	10.9

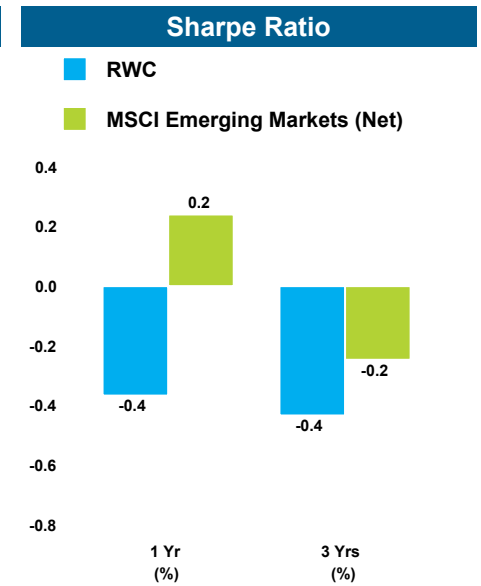
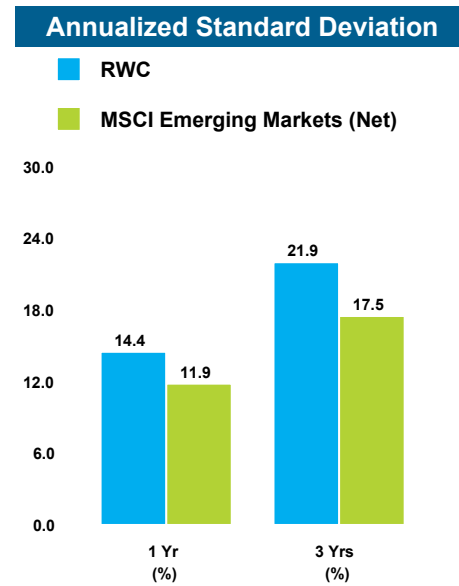
Ten Worst Performers

	Quarterly Return (%)
PDD Holdings Inc	-28.1
Nu Holdings Ltd	-24.1
Wisetech Global Ltd	-21.2
Kanzhun Limited	-20.5
MercadoLibre Inc	-17.1
Shenzhen Mindray Bio-Medical Electronics Co Ltd	-15.9
Kweichow Moutai Co Ltd	-14.9
Arm Holdings plc	-13.7
LVMH Moet Hennessy Louis Vuitton SE	-13.6
Coca-Cola Co (The)	-12.7

RWC | As of December 31, 2024



	Quarter To Date	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
RWC	-11.5	-1.2	-7.7	0.3	-	-
MSCI Emerging Markets (Net)	-8.0	7.5	-1.9	1.7	1.4	3.6
Excess Return	-3.5	-8.7	-5.8	-1.4	-	-



RWC | As of December 31, 2024

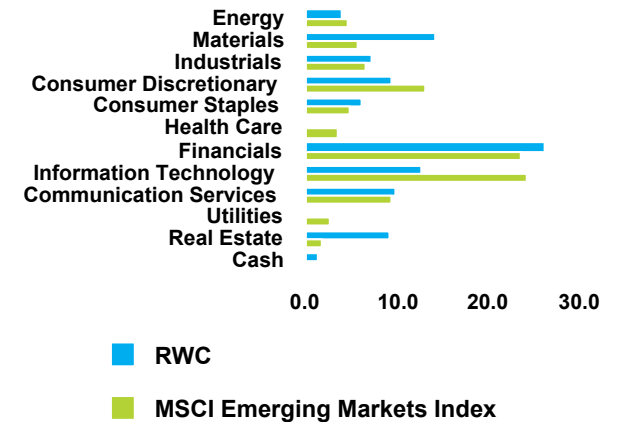
Equity Characteristics vs MSCI Emerging Markets Index

	Portfolio	Benchmark
Number of Holdings	68	1,252
Wtd. Avg. Mkt. Cap \$B	96.5	165.6
Median Mkt. Cap \$B	16.1	7.6
P/E Ratio	11.7	14.0
Yield (%)	2.7	2.7
EPS Growth - 5 Yrs. (%)	20.6	16.7
Price to Book	2.6	2.8

Account Information

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

Sector Weights (%)



Top Holdings

Taiwan Semiconductor Manufac. COM	4.9
Tencent Holdings LTD	4.1
Ping An Insurance Group Co of China	3.7
Kuaishou Technology	3.1
Longfor Group Holdings Ltd	3.0
Ivanhoe Mines Ltd	2.7
First Quantum Minerals Ltd	2.5
Contemporary Amperex Technology	2.5
ICICI Bank Ltd	2.5
Mediatek Incorporation	2.3
% of Portfolio	31.3

Ten Best Performers

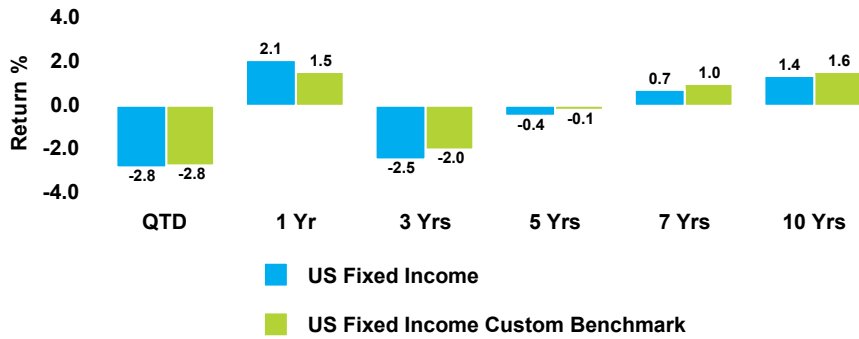
	Quarterly Return (%)
Ypf Sociedad Anon. Yaci. Petro. Fiscal	100.4
Grupo Financiero Galicia, Buenos Aires	48.1
Guaranty Trust Holding Co Plc	28.4
360 One Wam LTD	18.1
Mediatek Incorporation	16.2
Macrotech Developers Limited	10.2
Taiwan Semiconductor Manufac. COM	8.8
Bim Birlesik Magazalar	4.7
NAVER Corp	4.3
Akbank T A S	1.8

Ten Worst Performers

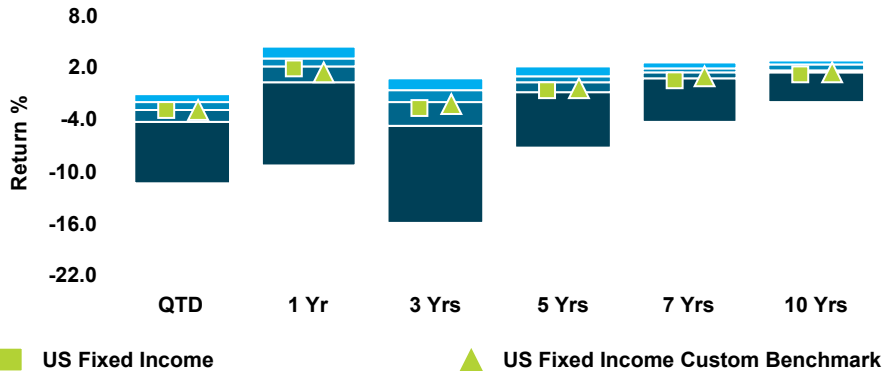
	Quarterly Return (%)
Amorepacific Corp	-37.0
Longfor Group Holdings Ltd	-33.5
Banco BTG Pactual SA	-27.2
LG Energy Solution Ltd	-25.4
Alibaba Group Holding Ltd	-25.1
Kuaishou Technology	-24.6
Itau Unibanco Holding SA	-24.2
Raia Drogasil SA	-23.3
Samsung Electronics Co Ltd	-23.2
PT Bank Mandiri (Persero) TBK	-22.6

US Fixed Income | As of December 31, 2024

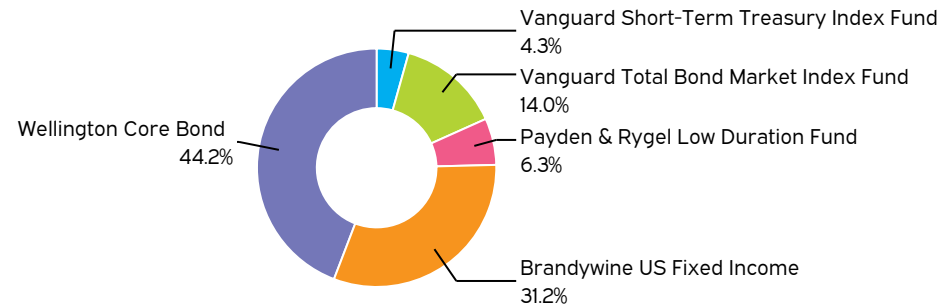
Return Summary



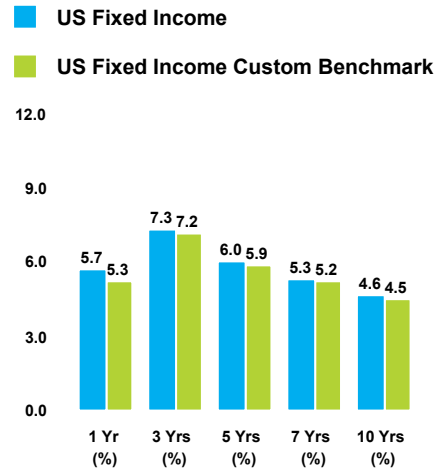
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
US Fixed Income	-2.8	2.1	-2.5	-0.4	0.7	1.4
US Fixed Income Custom Benchmark	-2.8	1.5	-2.0	-0.1	1.0	1.6
Excess Return	0.0	0.6	-0.5	-0.3	-0.3	-0.1



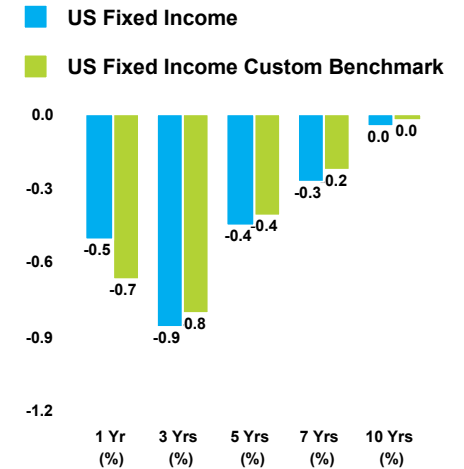
Current Allocation



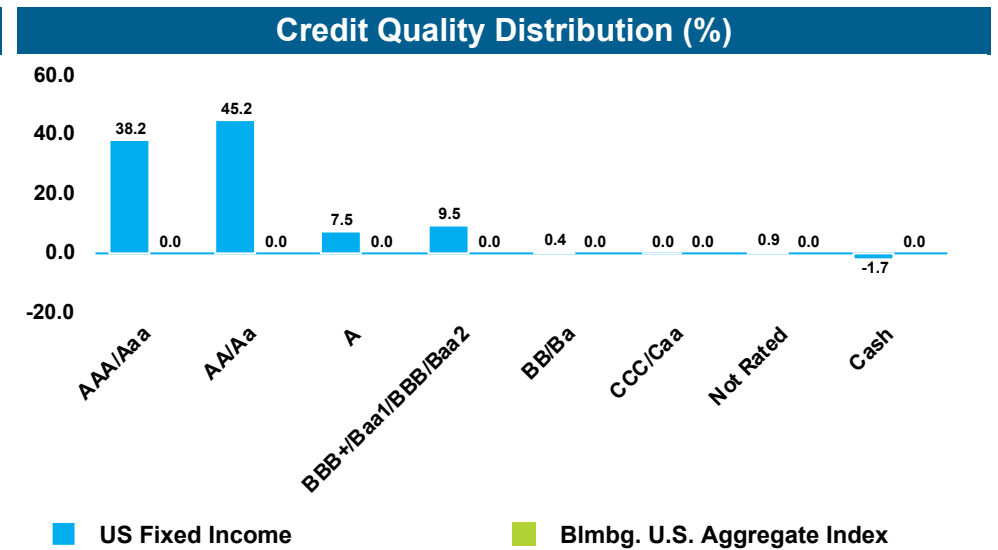
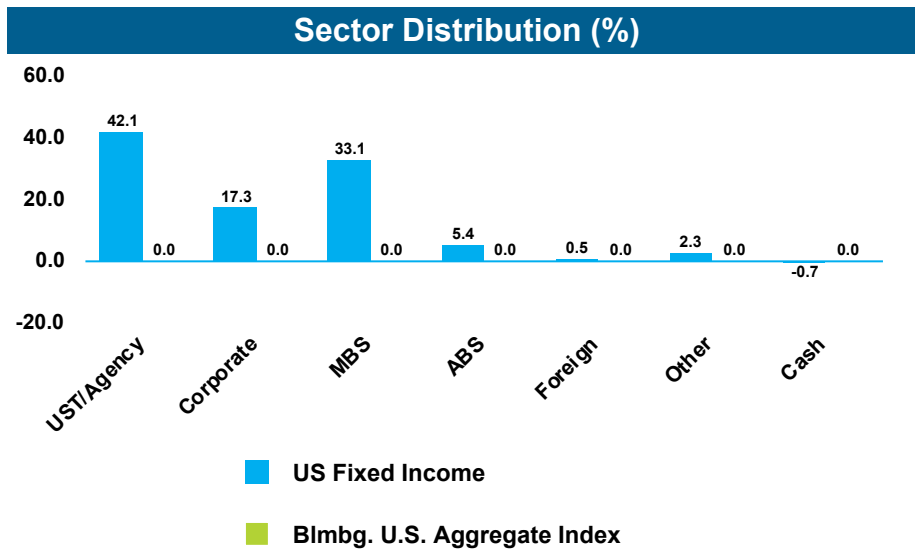
Annualized Standard Deviation



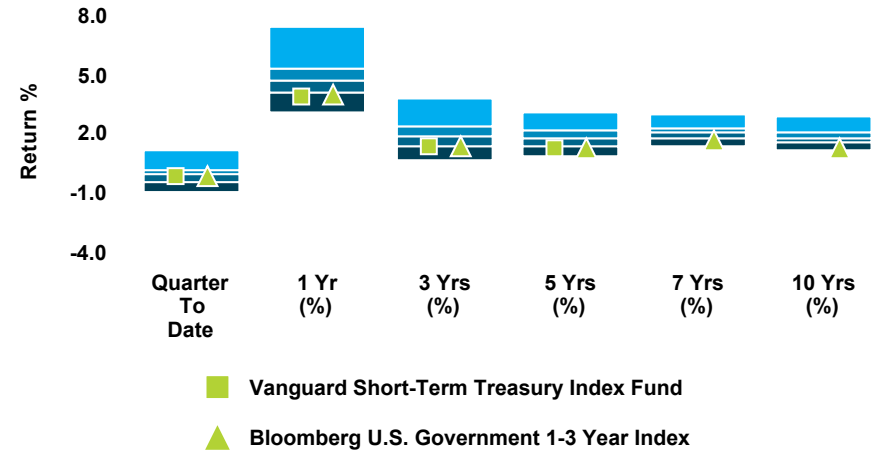
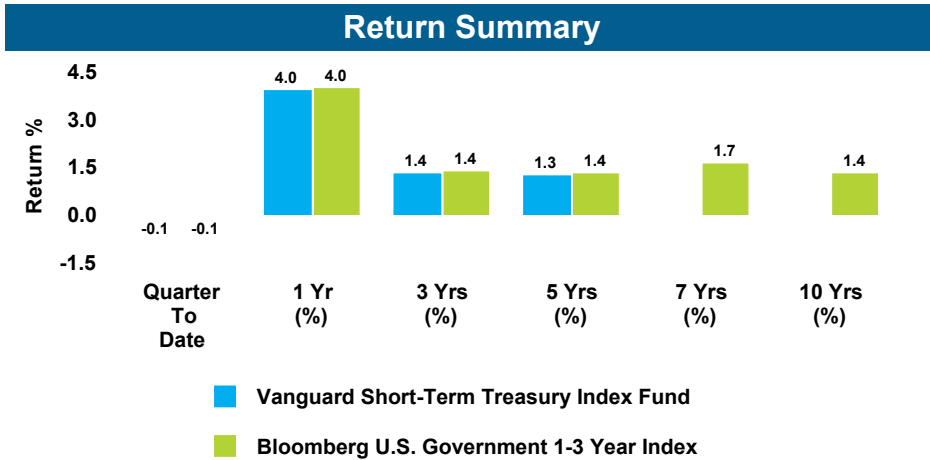
Sharpe Ratio



US Fixed Income Portfolio Characteristics		
	Portfolio	Benchmark
Yield To Maturity (%)	5.1	4.9
Effective Duration	5.6	6.1
Avg. Quality	AA	AA



Vanguard Short-Term Treasury Index Fund | As of December 31, 2024

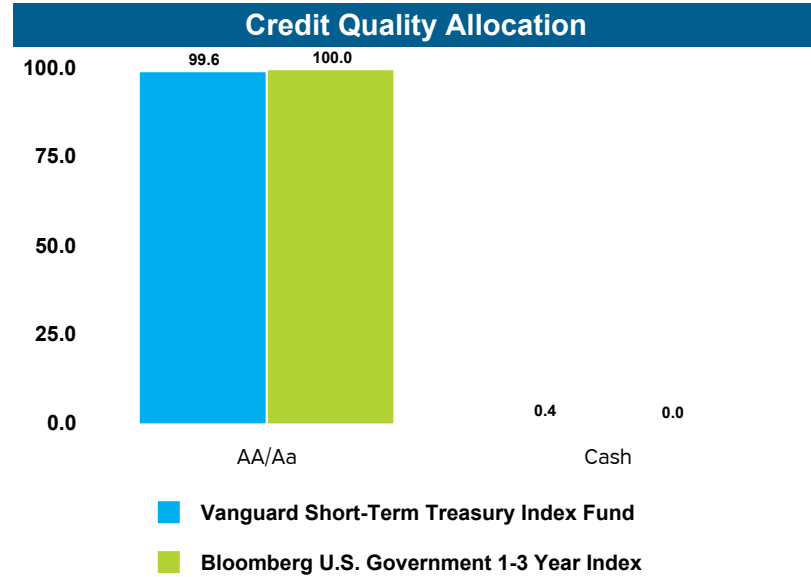


	Quarter To Date	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Vanguard Short-Term Treasury Index Fund	-0.1	4.0	1.4	1.3	-	-
Bloomberg U.S. Government 1-3 Year Index	-0.1	4.0	1.4	1.4	1.7	1.4
Excess Return	0.0	0.0	0.0	0.0	-	-



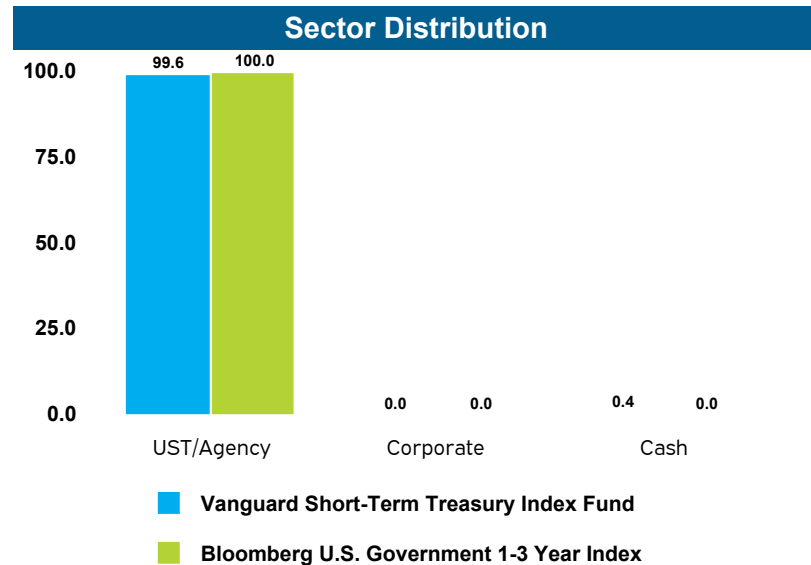
Vanguard Short-Term Treasury Index Fund | As of December 31, 2024

Account Information	
Account Name	Vanguard Short-Term Treasury Index Fund
Inception Date	02/26/2018
Account Structure	Mutual Fund
Asset Class	US Fixed Income
Benchmark	Bloomberg U.S. Government 1-3 Year Index

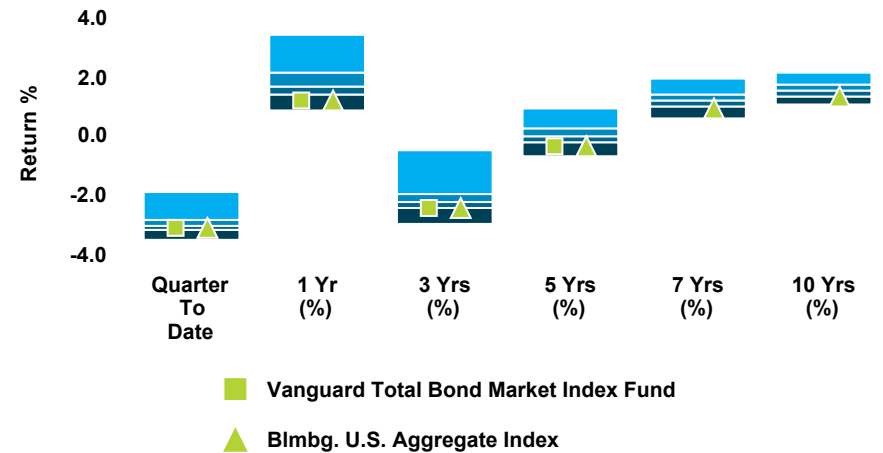
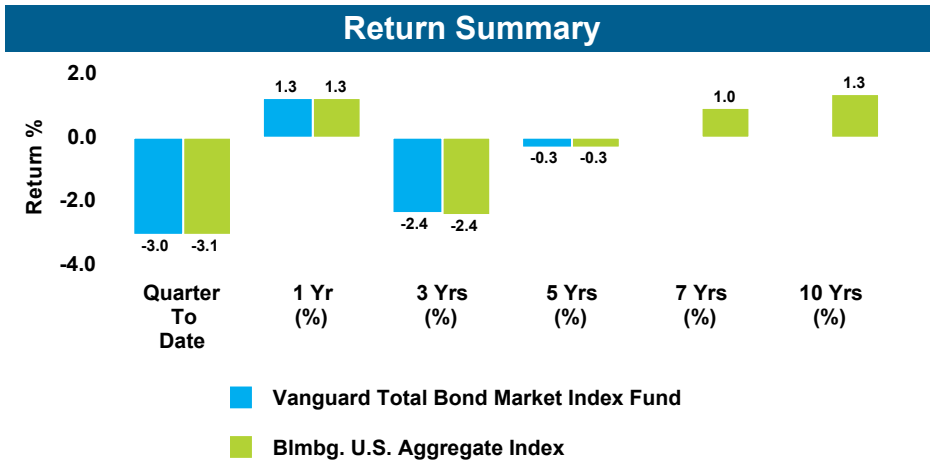


Fixed Income Characteristics

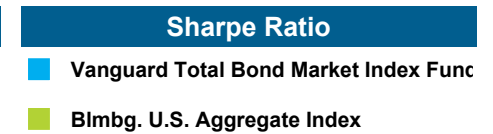
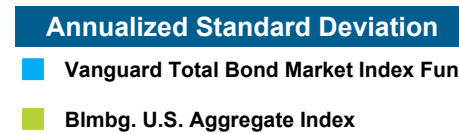
	Q4 -24	Q3 -24
	Vanguard Short-Term Treasury Index Fund	Vanguard Short-Term Treasury Index Fund
Yield To Maturity	4.19	4.33
Average Duration	1.86	1.87
Average Quality	AA	AA
Weight Average Maturity	2.00	2.00



Vanguard Total Bond Market Index Fund | As of December 31, 2024



	Quarter To Date	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Vanguard Total Bond Market Index Fund	-3.0	1.3	-2.4	-0.3	-	-
Blmbg. U.S. Aggregate Index	-3.1	1.3	-2.4	-0.3	1.0	1.3
Excess Return	0.0	0.0	0.0	0.0	-	-



Vanguard Total Bond Market Index Fund | As of December 31, 2024

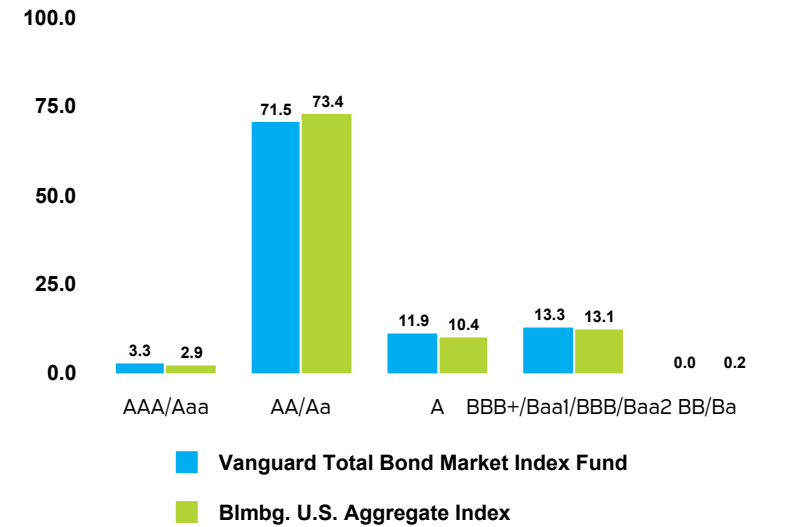
Account Information

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

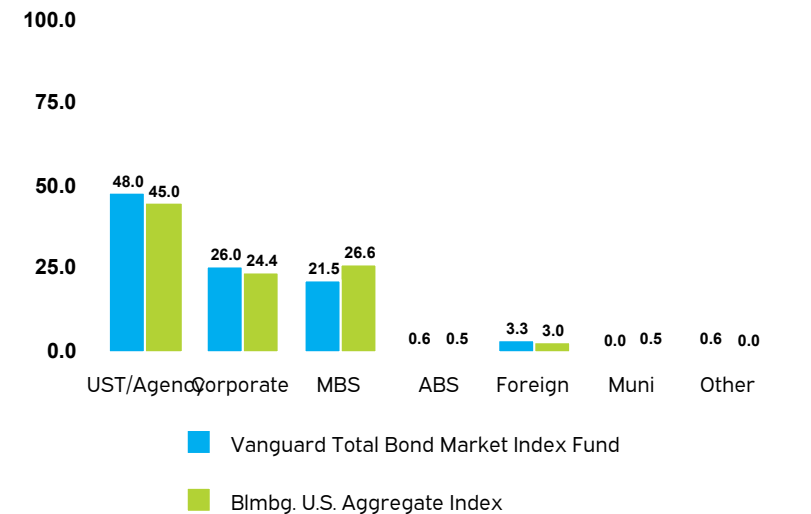
Fixed Income Characteristics

	Q4 -24	
	Vanguard Total Bond Market Index Fund	Blmbg. U.S. Aggregate Index
Yield To Maturity	4.90	4.91
Average Duration	5.87	6.08
Average Quality	AA	AA
Weight Average Maturity	8.30	8.36

Credit Quality Allocation

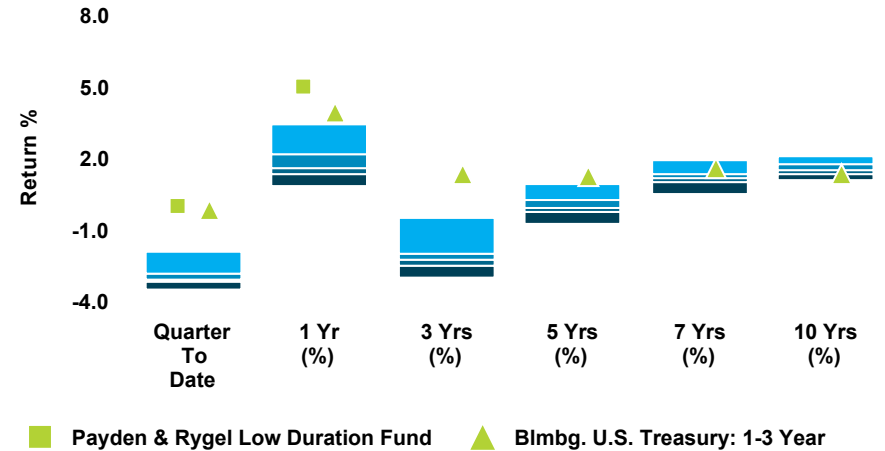
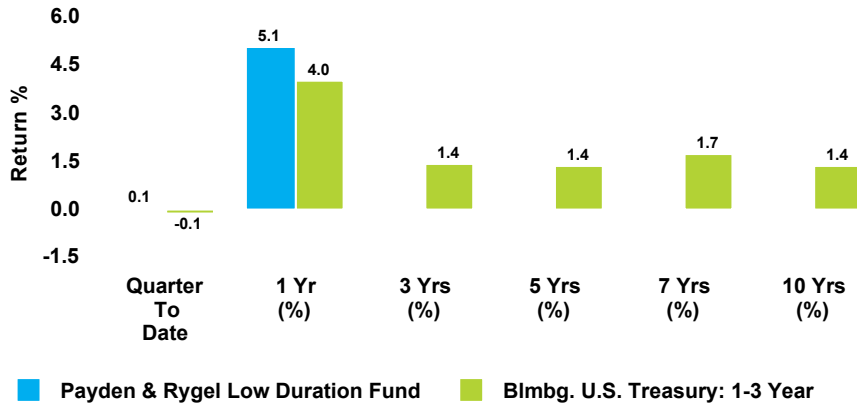


Sector Distribution



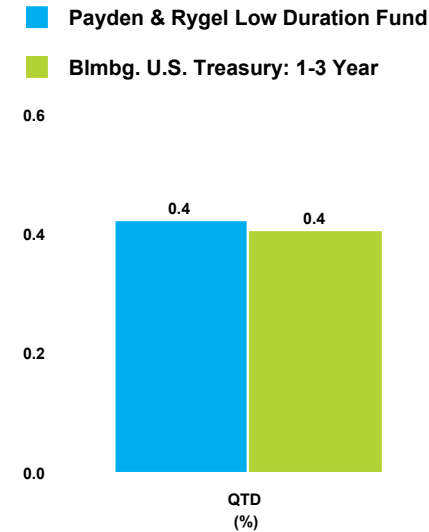
Payden & Rygel Low Duration Fund | As of December 31, 2024

Return Summary

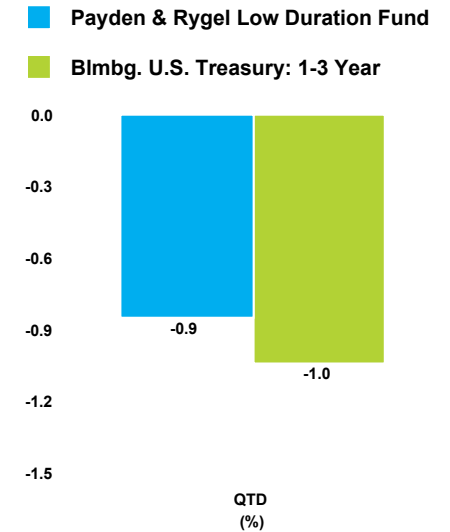


	Quarter To Date	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Payden & Rygel Low Duration Fund	0.1	5.1	-	-	-	-
Blmbg. U.S. Treasury: 1-3 Year	-0.1	4.0	1.4	1.4	1.7	1.4
Excess Return	0.2	1.0	-	-	-	-

Annualized Standard Deviation



Sharpe Ratio



Payden & Rygel Low Duration Fund | As of December 31, 2024

Account Information

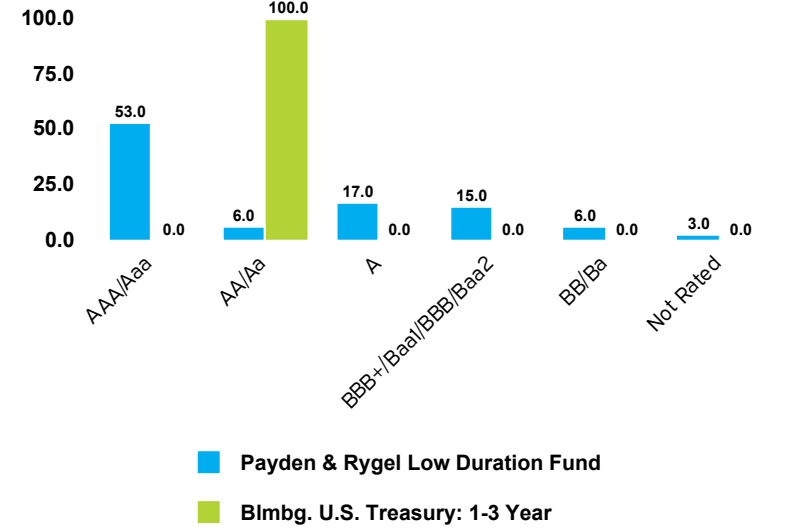
Account Name	Payden & Rygel Low Duration Fund
Inception Date	11/01/2022
Account Structure	Mutual Fund
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Treasury: 1-3 Year

Fixed Income Characteristics

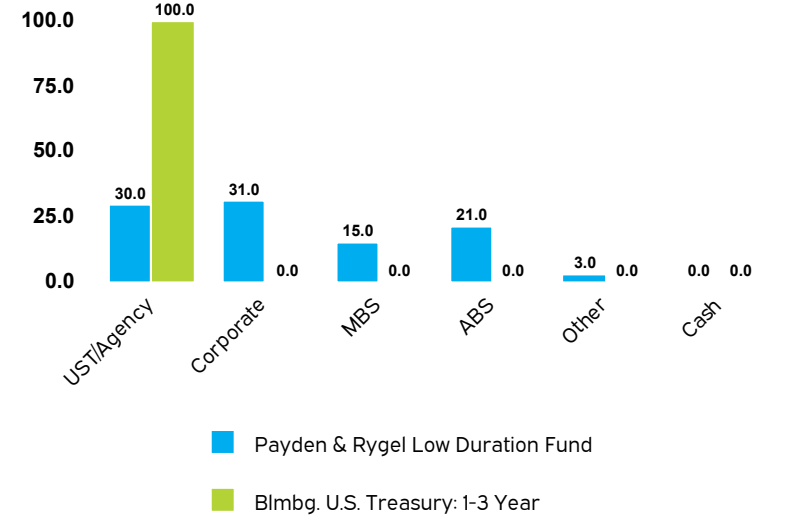
Q4 -24

	Payden & Rygel Low Duration Fund	Blmbg. U.S. Treasury: 1-3 Year
Yield To Maturity	5.01	4.26
Average Duration	2.20	1.86
Average Quality	AA	AA
Weight Average Maturity	2.00	1.96

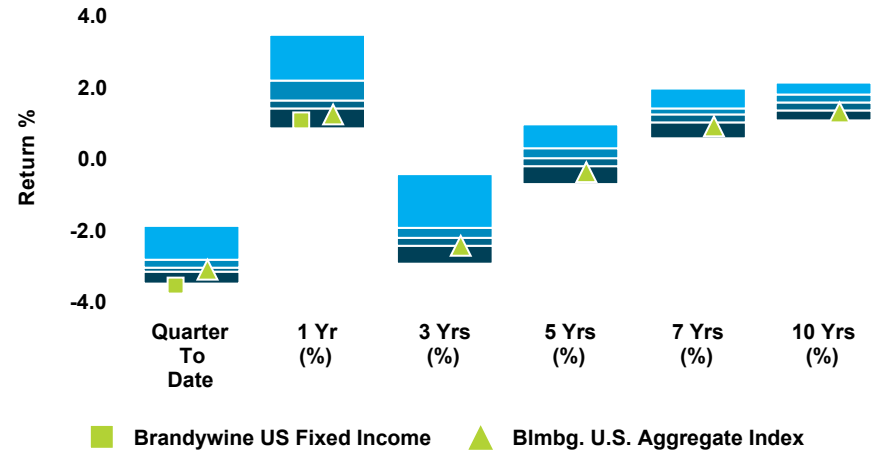
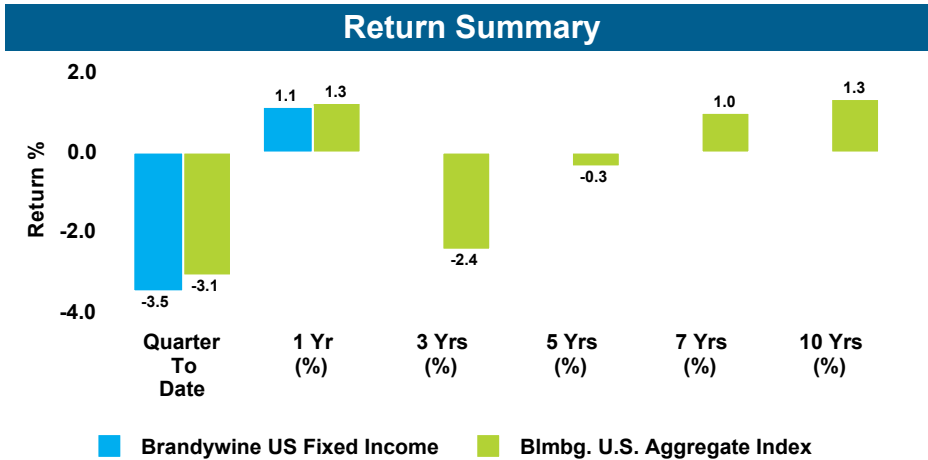
Credit Quality Allocation



Sector Distribution



Brandywine US Fixed Income | As of December 31, 2024



	Quarter To Date	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Brandywine US Fixed Income	-3.5	1.1	-	-	-	-
Blmbg. U.S. Aggregate Index	-3.1	1.3	-2.4	-0.3	1.0	1.3
Excess Return	-0.4	-0.1	-	-	-	-

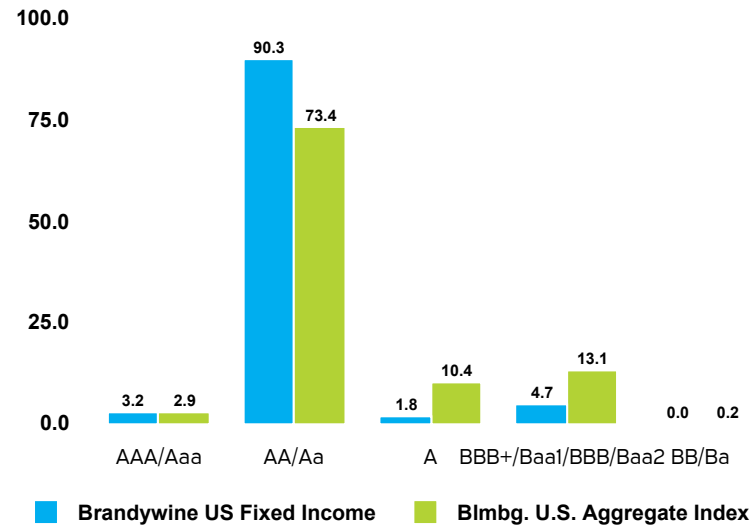


Account Information

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

Brandywine US Fixed Income | As of December 31, 2024

Credit Quality Allocation

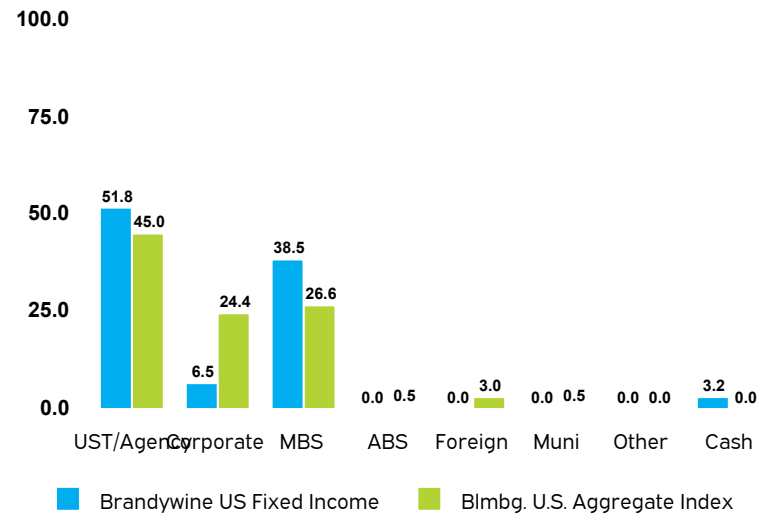


Fixed Income Characteristics

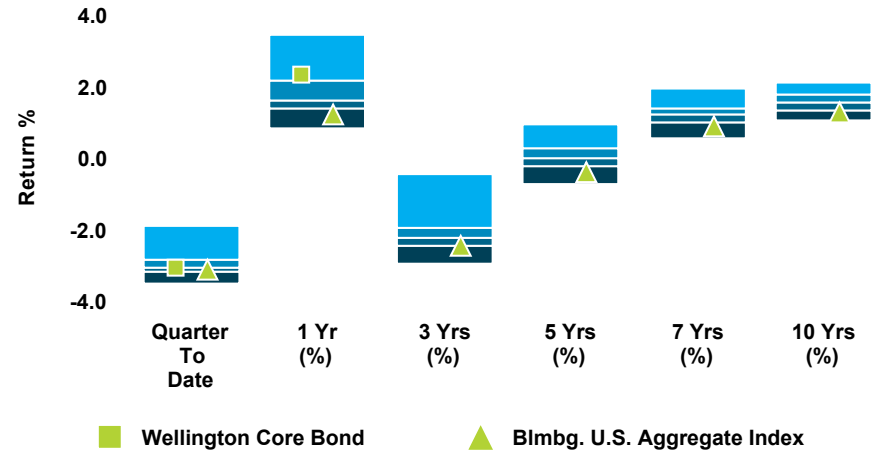
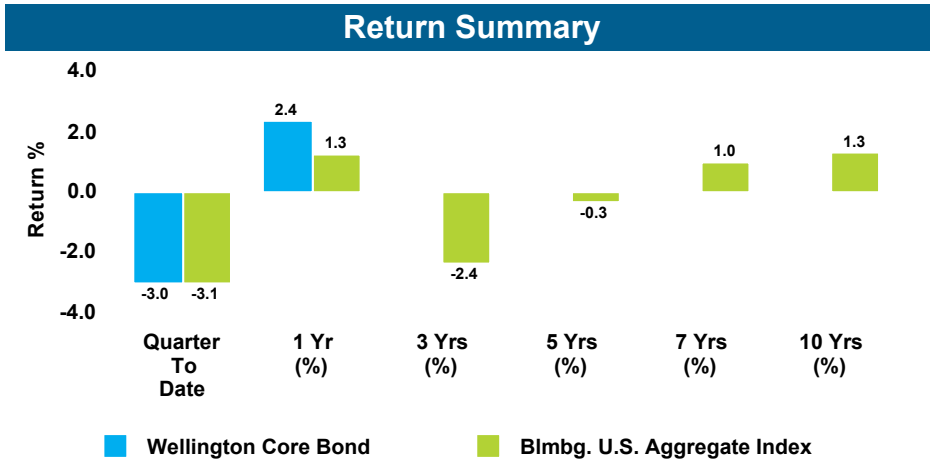
Q4 -24

	Brandywine US Fixed Income	Blmbg. U.S. Aggregate Index
Yield To Maturity	4.95	4.91
Average Duration	6.09	6.08
Average Quality	AA	AA
Weight Average Maturity	16.81	8.36

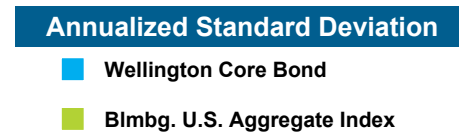
Sector Distribution



Wellington Core Bond | As of December 31, 2024



	Quarter To Date	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Wellington Core Bond	-3.0	2.4	-	-	-	-
Blmbg. U.S. Aggregate Index	-3.1	1.3	-2.4	-0.3	1.0	1.3
Excess Return	0.0	1.1	-	-	-	-



Account Information

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

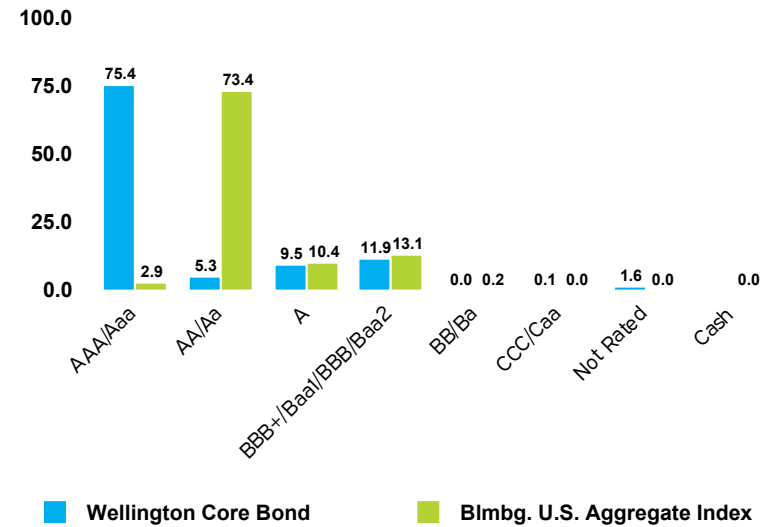
Fixed Income Characteristics

Q4 -24

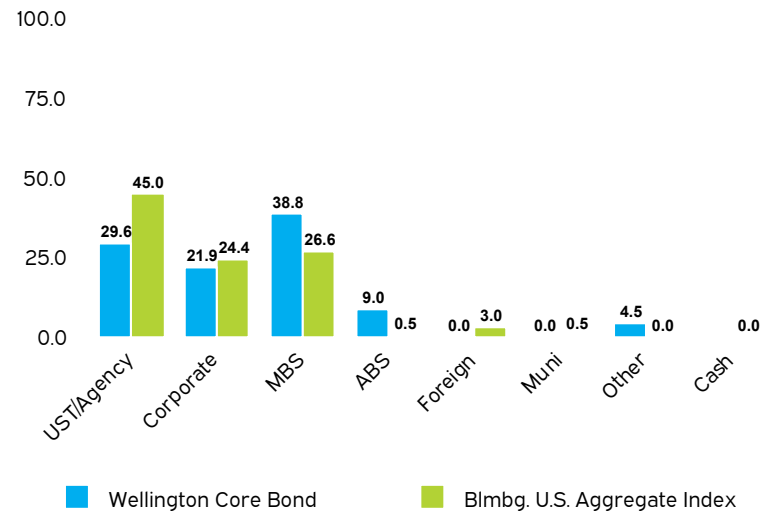
	Wellington Core Bond	Blmbg. U.S. Aggregate Index
Yield To Maturity	5.29	4.91
Average Duration	5.97	6.08
Average Quality	AA	AA
Weight Average Maturity	-	8.36

Wellington Core Bond | As of December 31, 2024

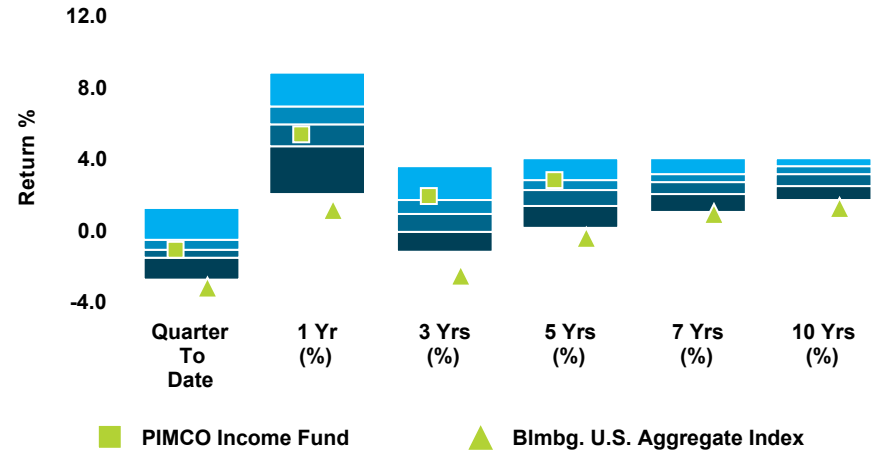
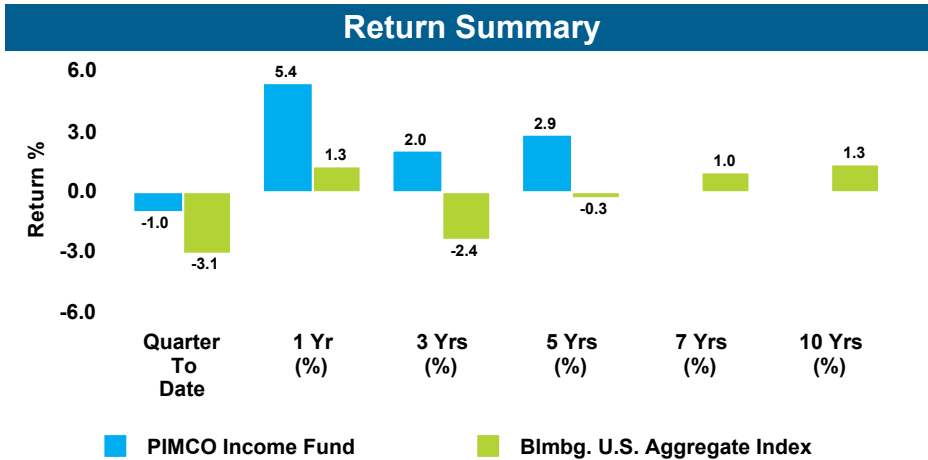
Credit Quality Allocation



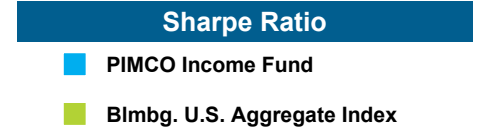
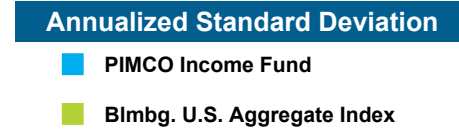
Sector Distribution



PIMCO Income Fund | As of December 31, 2024



	Quarter To Date	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
PIMCO Income Fund	-1.0	5.4	2.0	2.9	-	-
Blmbg. U.S. Aggregate Index	-3.1	1.3	-2.4	-0.3	1.0	1.3
Excess Return	2.1	4.2	4.4	3.2	-	-



Account Information

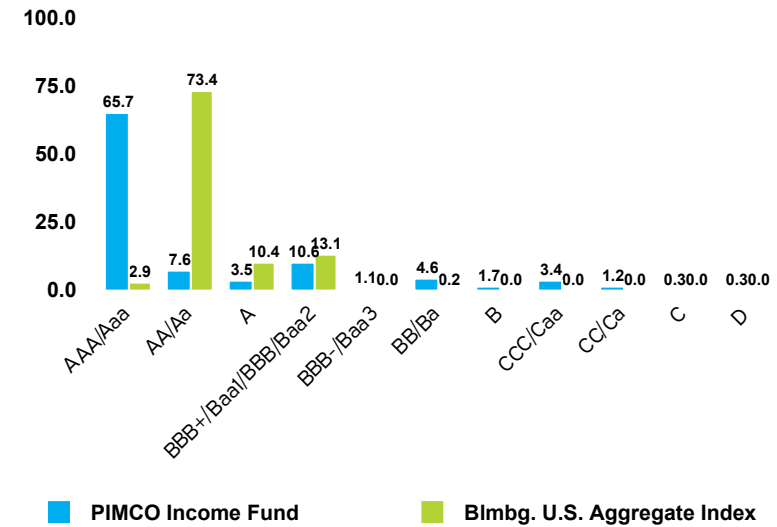
Account Name	PIMCO Income Fund
Inception Date	04/30/2019
Account Structure	Mutual Fund
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Aggregate Index

Fixed Income Characteristics

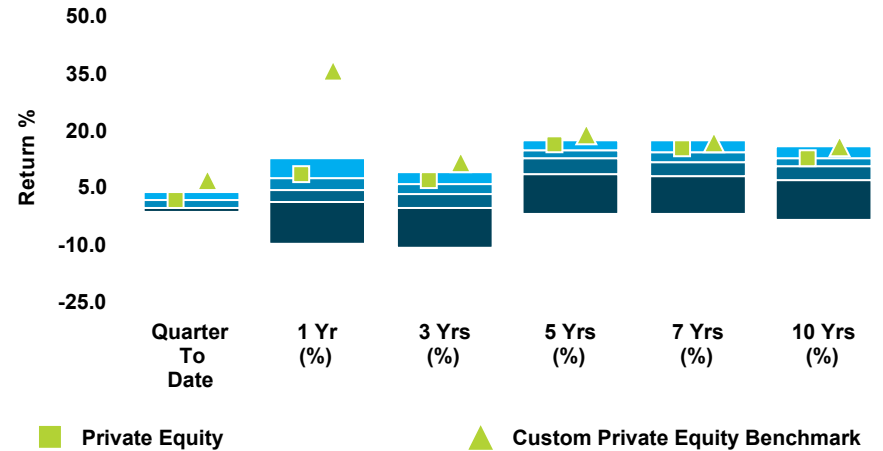
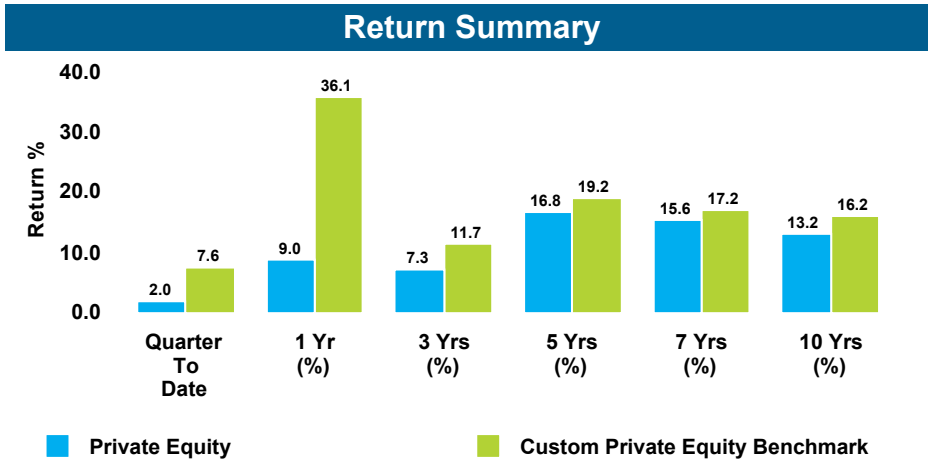
	Q4 -24	
	PIMCO Income Fund	Blmbg. U.S. Aggregate Index
Yield To Maturity	7.44	4.91
Average Duration	4.72	6.08
Average Quality	AA-	AA
Weight Average Maturity	6.32	8.36

PIMCO Income Fund | As of December 31, 2024

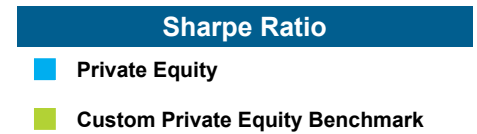
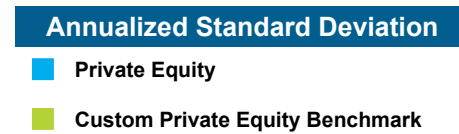
Credit Quality Allocation



Private Equity | As of December 31, 2024

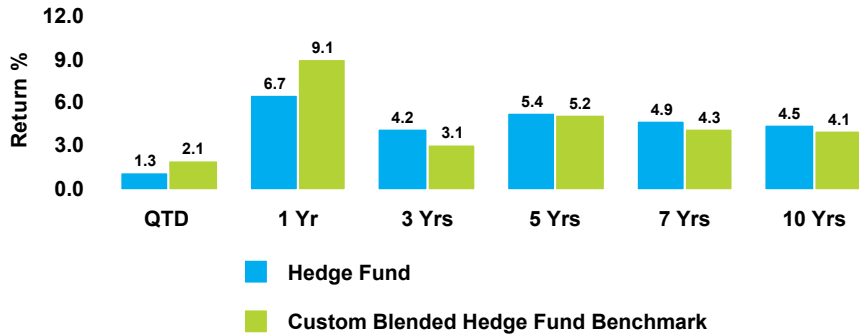


	Quarter To Date	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Private Equity	2.0	9.0	7.3	16.8	15.6	13.2
Custom Private Equity Benchmark	7.6	36.1	11.7	19.2	17.2	16.2
Excess Return	-5.6	-27.1	-4.4	-2.4	-1.6	-3.0

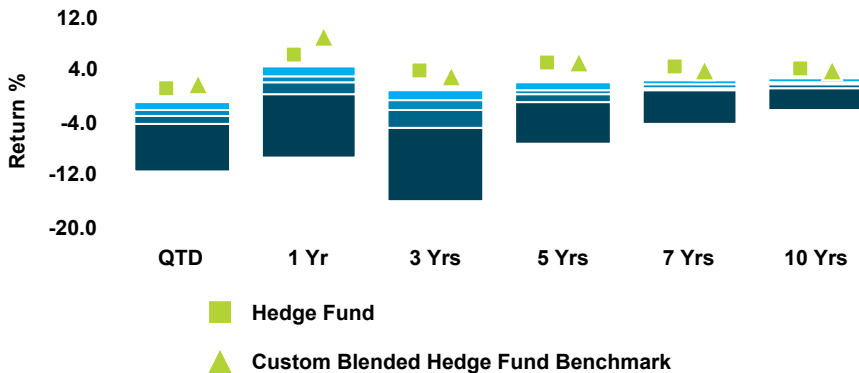


Hedge Fund | As of December 31, 2024

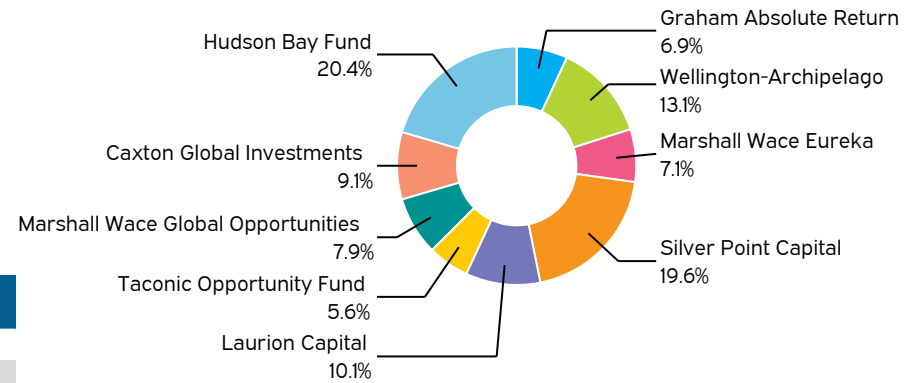
Return Summary



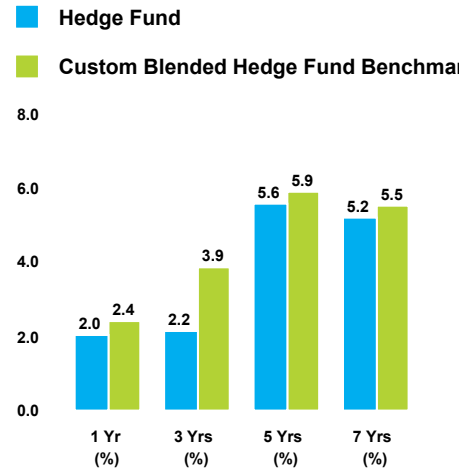
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Hedge Fund	1.3	6.7	4.2	5.4	4.9	4.5
Custom Blended Hedge Fund Benchmark	2.1	9.1	3.1	5.2	4.3	4.1
Excess Return	-0.8	-2.5	1.1	0.1	0.6	0.4



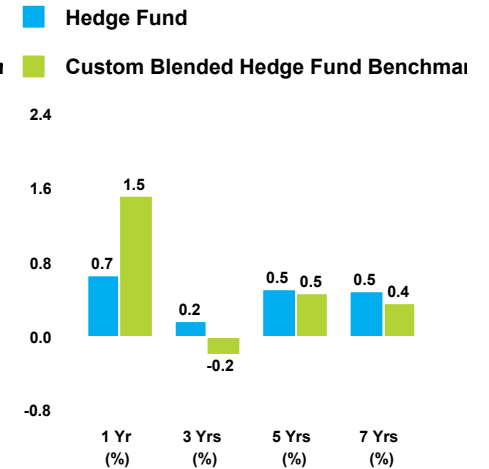
Current Allocation



Annualized Standard Deviation

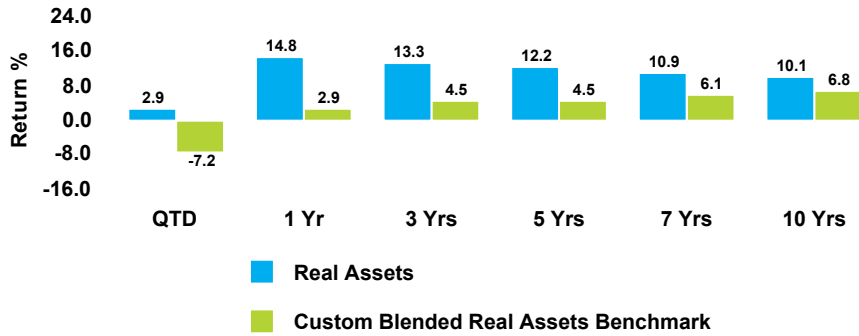


Sharpe Ratio

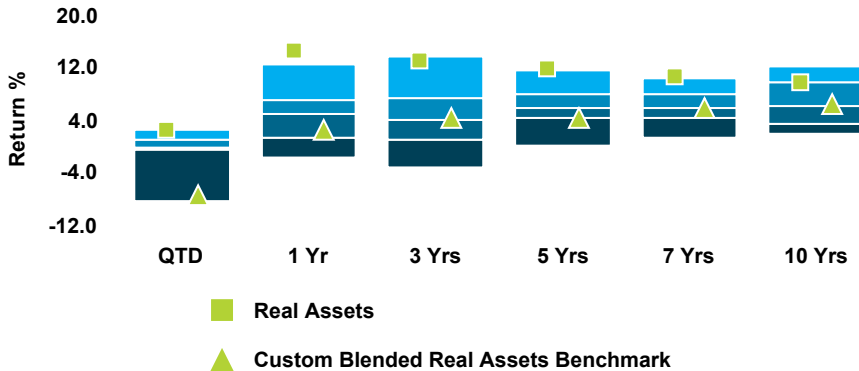


Real Assets | As of December 31, 2024

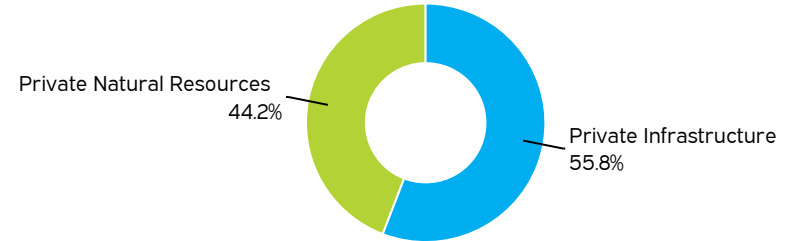
Return Summary



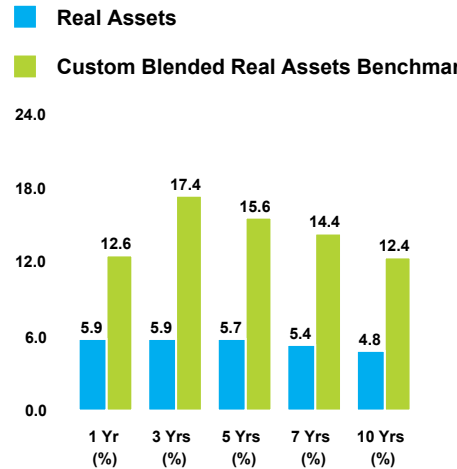
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Real Assets	2.9	14.8	13.3	12.2	10.9	10.1
Custom Blended Real Assets Benchmark	-7.2	2.9	4.5	4.5	6.1	6.8
Excess Return	10.1	11.9	8.8	7.7	4.8	3.2



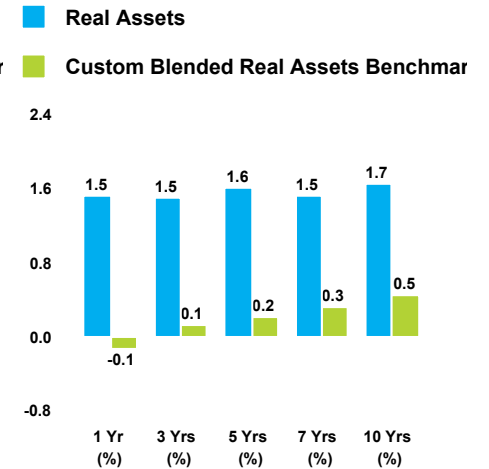
Current Allocation



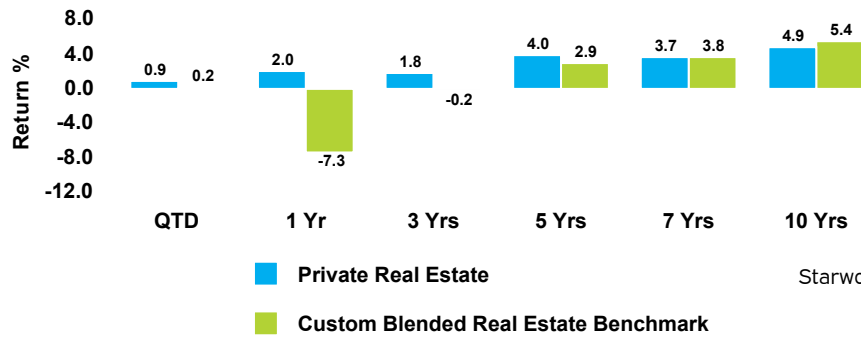
Annualized Standard Deviation



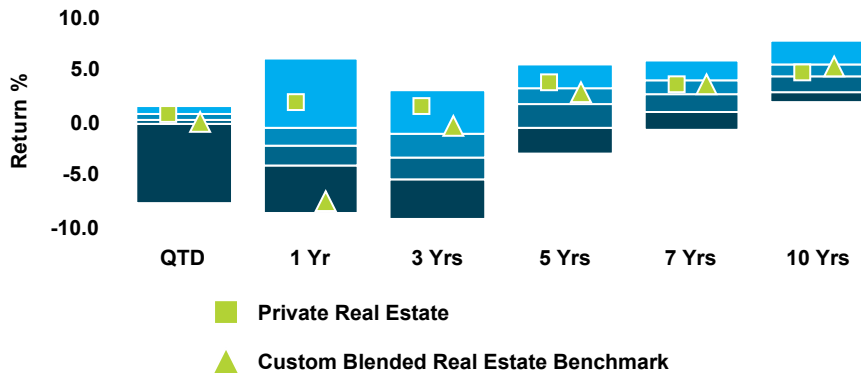
Sharpe Ratio



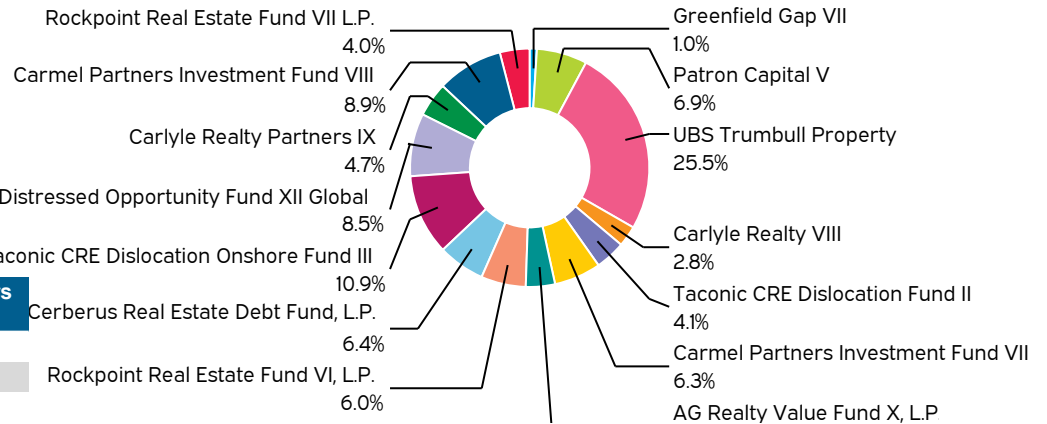
Return Summary



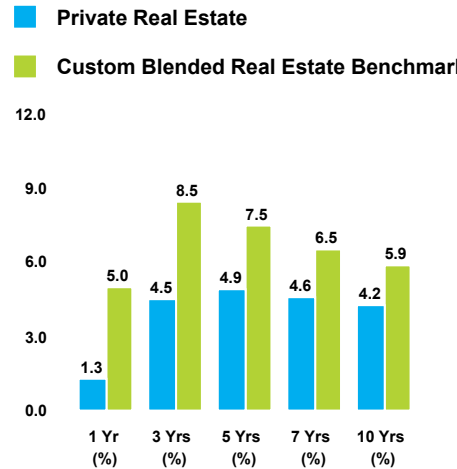
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Private Real Estate	0.9	2.0	1.8	4.0	3.7	4.9
Custom Blended Real Estate Benchmark	0.2	-7.3	-0.2	2.9	3.8	5.4
Excess Return	0.7	9.3	1.9	1.0	-0.1	-0.5



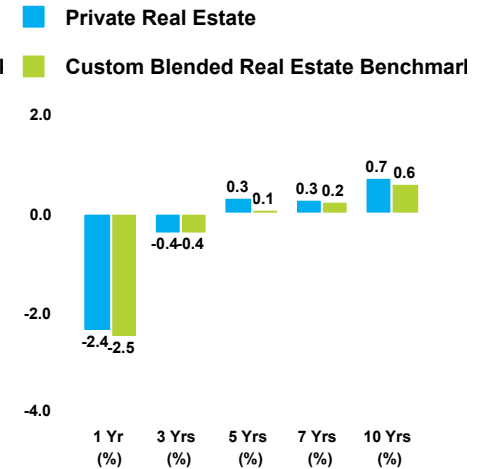
Current Allocation



Annualized Standard Deviation



Sharpe Ratio



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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.



Audit Results Presentation

Merced County Employees' Retirement Association

February 27, 2025

2024 Audit Results

- Independent Auditors' Report - Unmodified "clean" opinion that the financial statements are presented fairly, in all material respects, in conformity with U.S. Generally Accepted Accounting Principles (GAAP).
 - Includes schedules of employer allocations and pension amounts (i.e., GASB 68)
- Limited procedures were performed, and no opinion rendered, on management's discussion and analysis, required supplemental information, and the Introductory, Investment, Actuarial, and Statistical sections.
- Limited procedures were performed, and an "in-relation to" opinion was rendered on the supplemental schedules.
- Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
 - No material weaknesses were identified.
- Letter to the Board providing required communications with those charged with governance.

Required Governing Body Communication

- Auditor's responsibility under U.S. Generally Accepted Auditing Standards
- Significant accounting policies
- No new accounting standards in fiscal year 2024
- Management judgments and accounting estimates
 - Valuation of alternative investments
 - Actuarial assumptions and methods used



Required Governing Body Communication (cont'd)

- Management was very cooperative and professional during the process
- No corrected or uncorrected misstatements
- No disagreements with management
- Management did not consult with other accountants on the application of GAAP or GAAS
- No major issues were discussed with management prior to retention
- Management Representations

Thank you!

Jason Ostroski, CPA

Engagement Principal

jostroski@uhy-us.com | 410-423-4839





Merced County Employees' Retirement Association

A Component Unit of the County of Merced and a Pension Trust Fund of the
County of Merced and Participating Employers.
Merced, California

2024

Annual Comprehensive Financial Report

For the fiscal years ended June 30, 2024 and 2023



Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2024 and 2023

Issued by:

Kristen Santos

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Fiscal Manager

Merced County Employees' Retirement Association

A Component Unit of the County of Merced and a Pension Trust Fund of the County of Merced and Participating Employers.

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MercedCERA's mission is to provide benefits to its members, to manage assets prudently in accordance with plan provisions, and to provide competent and efficient services to our members.

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January 17, 2025

Board of Retirement
Merced County Employees' Retirement Association
3199 M Street
Merced, CA 95326

Dear Board Members, Plan Sponsors, and Members of the Association:

As the Plan Administrator of the Merced County Employees' Retirement Association (MercedCERA or the Association), I am pleased to present this Annual Comprehensive Financial Report (ACFR) for the fiscal years ended June 30, 2024 and 2023. This report is intended to provide readers with complete and reliable information about MercedCERA's financial status, compliance with the law and MercedCERA policies. This is MercedCERA's 74th year of operation.

MercedCERA's Mission Statement and Core Values

MercedCERA's mission is to provide benefits to its members, manage assets prudently in accordance with plan provisions, and provide competent and efficient services to our members.

The Annual Comprehensive Financial Report (ACFR)

MercedCERA management is responsible for both the accuracy of the data and the completeness and fairness of the financial information contained in this ACFR. The ACFR is presented in five sections:

- The **Introductory Section** describes MercedCERA's management and organizational structure, identifies the members of the MercedCERA Board of Retirement (Board), provides a listing of professional consultants utilized by MercedCERA, and presents this Letter of Transmittal.
- The **Financial Section** presents the report of the MercedCERA's independent auditor, UHY, LLP, along with MercedCERA management's discussion and analysis, basic financial statements, required supplementary schedules, other supplemental schedules, and other information.
- The **Investment Section** contains a report on MercedCERA's investment performance from MercedCERA's general investment consultant, Meketa Investment Group, along with information regarding MercedCERA's investment policies, asset allocation, investment holdings, and investment management fees.
- The **Actuarial Section** contains the independent actuary's certification letter from MercedCERA's actuary, Cheiron, Inc., along with a summary of actuarial assumptions and funding methods, and actuarial statistics.
- The **Statistical Section** presents information pertaining to MercedCERA's operations on a multi-year basis. The financial and operating information provides contextual data for MercedCERA's fiduciary net position, contributions, refunds, and different types of retirement benefits.

MercedCERA and its Services

MercedCERA is a public employee retirement system established by the County of Merced on July 1, 1950. MercedCERA is administered by the MercedCERA Board of Retirement to provide retirement, disability, death, and survivor benefits for eligible employees of the County of Merced, Superior Court of California for the County of Merced, and the Merced Cemetery District pursuant to the California Constitution, the County

Employees' Retirement Law of 1937, Government Code Section 31450 et. seq. (the 1937 Act), and the by-laws, policies, and procedures adopted by the MercedCERA Board. The County of Merced Board of Supervisors may also adopt resolutions, as permitted by the 1937 Act, which may affect benefits of MercedCERA members.

The MercedCERA Board is responsible for the overview of the Association, including managing the investment of the Association's assets. The day-to-day management of MercedCERA is vested in the Plan Administrator appointed by the Board.

The Board is comprised of nine members and two alternates: two elected by the active general membership, one regular and one alternate elected by the active safety membership, one regular and one alternate elected by the retired membership, four appointed by the County of Merced Board of Supervisors, and the County of Merced Treasurer, who serves as an ex-officio member. With the exception of the County Treasurer, Board members serve three-year terms, with no term limits.

Financial Information

A review of MercedCERA's fiscal affairs for the fiscal years ended June 30, 2024 and 2023 is presented in the Management's Discussion and Analysis (MD&A), which is located in the Financial Section of this ACFR. Together, the MD&A and this Letter of Transmittal provide an expanded overview of MercedCERA's financial activities for the fiscal years reported.

The audit of MercedCERA's financial statements has been performed by an independent auditor, UHY, LLP, who has determined that the financial statements are presented in conformity with Generally Accepted Accounting Principles (GAAP) and are free of material misstatement and that sufficient internal controls exist to provide reasonable assurance regarding the safekeeping of assets and fair presentation of the financial statements and supporting schedules. This document has been prepared in compliance with the Governmental Accounting Standards Board (GASB) Statement No. 100 and all applicable prior and relevant standards.

Management is responsible for establishing and maintaining appropriate internal controls to ensure that MercedCERA's assets are protected from loss, theft, or misuse. We believe that internal controls are designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits to be derived and the assessment of control should not exceed the benefits to be derived and the assessment of costs and benefits requires estimates and judgments by management.

As of June 30, 2024, MercedCERA's fiduciary net position restricted for pension benefits totaled approximately \$1.254 billion reflecting an increase of approximately \$118.7 million or 10.4% in fiduciary net position from the end of the previous fiscal year. This was primarily attributable to an increase in fair value of investments.

Actuarial Funding Status

MercedCERA's funding objective is to meet long-term benefit obligations by maintaining a well-funded plan and obtaining optimum investment returns consistent with a prudent level of risk.

Pursuant to provisions in the 1937 Act, MercedCERA engages an independent actuarial firm to perform annual actuarial valuations of the Association. As part of the valuation, economic assumptions are reviewed and, in addition, every three years a triennial experience study of MercedCERA membership is conducted and demographic and economic assumptions are reviewed and modified as necessary. The most recent experience study was conducted in 2022. As a result of the study, several economic and demographic assumptions were changed. The most recent actuarial valuation as of June 30, 2023, reported the Association's actuarial funding

status (the ratio of assets to actuarial liabilities) as 72.1%. This increase in funding ratio (72.1% from 69.6% as of June 30, 2022) was primarily due to a combination of MercedCERA's fair value of assets increasing at a rate faster than the increase of the actuarial liabilities, which were both driven by the changes in the assumptions and performance of MercedCERA's investments.

Investments

The Board has fiduciary control of all investments of MercedCERA and is responsible for establishing investment objectives, strategies, and policies. Pursuant to the California Constitution and the 1937 Act, the Board is authorized to invest in any form or type of investment to create a portfolio deemed prudent in the informed judgement of the Board. In making decisions regarding the MercedCERA investment portfolio, the Board acts in a fiduciary capacity and must discharge its duties in accordance with fiduciary principles. In carrying out its investment responsibilities, the Board receives guidance from professional investment consultants, Meketa Investment Group, Inc. and Cliffwater, LLC.

The Board has adopted Investment Policies, which provide the framework for the management of MercedCERA's investments. The Investment Policies establish the investment program goals, asset allocation policies, performance objectives, investment management policies, and risk controls.

The Investment Policy Statement also delineates the principal fiscal duties of the Board, MercedCERA's custodial bank, MercedCERA staff, and investment managers.

The asset allocation plan adopted by the Board is an integral part of MercedCERA's investment program. It is designed to provide an optimum mix of asset classes with return expectations to satisfy the expected growth of liabilities while finding a tolerable level of risk exposure. A summary of the asset allocation plan is located in the Investment Section of this ACFR.

The assets of MercedCERA are exclusively managed by external professional investment management firms. A listing of the investment service providers and investment fees is located on pages 80 and 79, respectively.

For the fiscal year ended June 30, 2024, MercedCERA's investment return, gross of fees, as reported by Meketa Investment Group, was a positive 12.4% and the annualized rates of return, gross of fees, over the last three and five years were a positive 4.2% and 8.9%, respectively.

Service Efforts and Accomplishments

- Adopted and implemented a cost-of-living adjustment (COLA) of 2.5% effective April 1, 2024 for Tier 1 retired members.
- For the twentieth consecutive year, MercedCERA was awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting for MercedCERA's 2022-2023 Annual Comprehensive Financial Report.
- Approved commitments for each of the following Private Equity Investments (regardless of funding progress at June 30, 2024):
 - Wynnchurch Capital Partners VI, L.P. - \$8M
 - Carnelian Energy Fund V, LP - \$8M
 - Spark Capital VIII - \$3M
 - Spark Capital Growth Fund V, L.P - \$6M

- Nautic Partners XI, L.P - \$8M
- Thoma Bravo Discover Fund V, L.P - \$8M
- Approved commitments for each of the following Private Infrastructure Partnerships (regardless of funding progress at June 30, 2024):
 - Ardian Infrastructure Fund VI – €8M
 - KKR Global Infrastructure Investors - \$8M
- Approved commitments for the following Real Estate Partnership (regardless of funding progress at June 30, 2024):
 - Carlyle Realty Partners X, L.P - \$8M
- Adopted the 2023 actuarial valuation report as presented by Cheiron, Inc.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to MercedCERA for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. The Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. This is MercedCERA's twentieth Certificate of Achievement for excellence in Financial Reporting. We believe our current report continues to conform to the Certificate of Achievement program requirements.

Acknowledgements

The compilation of this report reflects the dedicated efforts of MercedCERA's Assistant Plan Administrator, Pete Madrid, our Fiscal Manager, Alex Lovato, and Accountants, Terri Sanders and Sarah Smith. I would also like to thank MercedCERA's professional consultants: our actuary, our investment consultants, and our auditor for their assistance.

Sincerely,



Kristen Santos
Plan Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Merced County Employees' Retirement Association
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

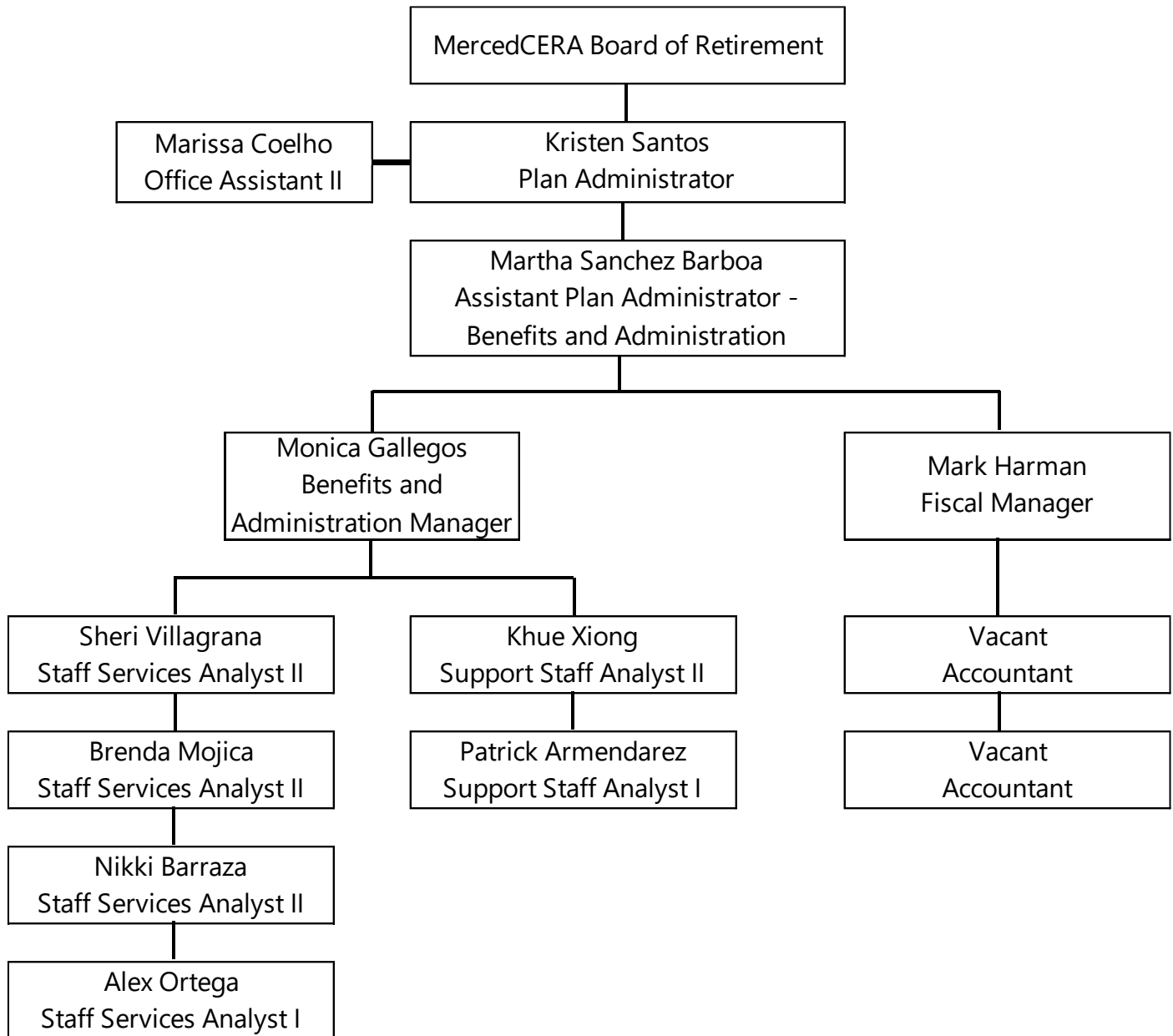
Christopher P. Morill

Executive Director/CEO

Merced County Employees' Retirement Association
 Members of the Board of Retirement
 As of June 30, 2024

<u>Trustees</u>	<u>Term Expiration</u>	<u>Appointed/Elected by</u>
Ryan Paskin, Chair	December 31, 2025	Board of Supervisors
Scott Johnston, Vice Chair	December 31, 2026	Retired Members
Alfonse Peterson, Secretary	December 31, 2025	Board of Supervisors
Karen Adams, County Treasurer	Permanent by office	Ex-officio Member
Janey Cabral	December 31, 2026	General Members
Bayani Manilay	December 31, 2025	Board of Supervisors
Scott Silveira	December 31, 2024	Board of Supervisors
Corrina Brown	December 31, 2025	General Members
Aaron Rosenberg	December 31, 2025	Safety Members
Moses Nelson, Alternate	December 31, 2026	Safety Members
Michael Harris, Alternate	December 31, 2026	Retired Members

Merced County Employees' Retirement Association
 Administrative Organization Chart
 As of June 30, 2024



Since June 30th, MercedCERA added the following staff members: Pete Madrid - Assistant Plan Administrator - Investments, Alex Lovato - Fiscal Manager, Terri Sanders – Accountant III, and Sarah Smith – Accountant II.

Consulting Services

Investment Consultant

Meketa Investment Group, Inc.

Cliffwater, LLC

Actuary

Cheiron, Inc.

Segal Consulting

Auditor

UHY LLP

Master Custodian

Northern Trust Corporation

Electronic Systems Services

Merced County Information Systems

Legal Counsel

Hanson Bridgett LLP

Merced County Counsel

Nossaman LLP

Ted Cabral

Medical Advisor

National Disability Evaluations, Inc.

Commission Recapture Brokers

ConvergEx Group

Capital Institutional Services, Inc.

Please refer to the Investment Section of this report for a List of Investment Services Providers located on pages 80 and 81 and the Schedules of Investment Fees located on page 79.

Additionally, please refer to Other Supplementary Information in this report for a Schedule of Payments to Consultants on page 58.

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INDEPENDENT AUDITOR'S REPORT

Board of Retirement
Merced County Employees' Retirement Association
Merced, California

Opinion

We have audited the accompanying financial statements of the Merced County Employees' Retirement Association (MercedCERA), a component unit of the County of Merced, which comprise the statements of fiduciary net position and statements of changes in fiduciary net position, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise MercedCERA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of MercedCERA, as of June 30, 2024 and 2023, and the respective changes in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We have also audited the Schedule of Cost Sharing Employer Allocations and the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions (specified column totals) included in the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan, as of and for the fiscal year ended June 30, 2024, and the related notes. These schedules are listed as other information in the table of contents.

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and the totals for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions as of and for fiscal year ended June 30, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and the Schedules section of our report. We are required to be independent of MercedCERA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit | Tax | Advisory | Consulting

An independent member of UHY International

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements and the schedules in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements and the schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the schedules, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MercedCERA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements and the Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, the Schedule of Cost Sharing Employer Allocations and the specified column totals in the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MercedCERA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MercedCERA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of changes in net pension liability and related ratios, employer contributions and investment returns and related notes, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of administrative expenses, investment expenses and payments to consultants are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory, investment, actuarial and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2025, on our consideration of MercedCERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of MercedCERA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MercedCERA's internal control over financial reporting and compliance.

WHY LLP

Columbia, Maryland
January 17, 2025

We are pleased to provide this overview and analysis of the financial activities of the Merced County Employees' Retirement Association (MercedCERA or the Association) for fiscal years ended June 30, 2024 and 2023. We encourage readers to consider the information presented here in conjunction with the additional information furnished in the Letter of Transmittal and the financial statements following this section.

Financial Highlights

- At the close of the fiscal year June 30, 2024, MercedCERA's fiduciary net position restricted for pensions totaled \$1.254 billion. All of the fiduciary net position is available to meet MercedCERA's ongoing obligations to plan participants and their beneficiaries.
- During fiscal year 2024, MercedCERA's fiduciary net position restricted for pensions increased by \$118.7 million. This change mostly reflects an increase in the fair value of investments.
- MercedCERA's funding objective is to meet long-term benefit obligations through contributions and investment income. As of June 30, 2023, the date of MercedCERA's last actuarial funding valuation, MercedCERA's funded ratio was 72.1%. In general, this indicates that for every one dollar of benefits due, MercedCERA has approximately \$0.721 of assets available for payment.
- Additions, as reflected in the Statements of Changes in Fiduciary Net Position, were \$217.3 million in the fiscal year ended June 30, 2024. These additions include employer and employee contributions of \$83.0 million, investment income of \$16.2 million, and net appreciation in the fair value of investments of \$120.4 million, less investment expenses of \$2.4 million.
- Deductions, as reflected in the Statements of Changes in Fiduciary Net Position, increased from \$94.9 million to \$98.6 million in the current fiscal year (an increase of approximately 3.9%). This increase was primarily due to benefits paid.

Overview of the Financial Statements

The following discussion and analysis are intended to help the reader understand the purpose and meaning of the key components within the financial section. The financial statements are comprised of the **Statements of Fiduciary Net Position** and the **Statements of Changes in Fiduciary Net Position**.

The **Statements of Fiduciary Net Position** are a snapshot of account balances as of the fiscal year ends. They indicate the assets available for future payment to retirees and any current liabilities. The difference between assets and liabilities represents the fiduciary net position restricted for pensions. The statements also present prior year-end balances for comparative purposes.

The **Statements of Changes in Fiduciary Net Position** provide a view of the current year additions to and deductions from the Association that caused the change in the net position during the fiscal years.

MercedCERA's financial statements are in compliance with the generally accepted accounting principles in the United States of America (GAAP) and reporting guidelines set forth in Governmental Accounting Standards Board (GASB) Statement Nos. 28, 34, 40, 44, 51, 53, 63, 67, 72, 82, 84, and 98. These pronouncements require certain disclosures, and also require that defined benefit pension plans of state and local governments report use the full accrual method of accounting. MercedCERA complies with all material requirements of these pronouncements.

These financial statements report information about MercedCERA's financial activities. As previously noted, the statements include all assets and liabilities using the full accrual basis of accounting. The current year's additions are recognized when earned and deductions are recognized when incurred regardless of when cash is received

or paid. Investment gains or losses are shown at the trade date, not the settlement date. In addition, both realized and unrealized gains and losses are reported. All capital assets are depreciated over their useful lives.

The information reported regarding MercedCERA's fiduciary net position restricted for pensions is generally considered to be a good measure of MercedCERA's financial position. Over time, increases or decreases in the Association's net position is one indicator of whether the Association's financial health is improving or deteriorating. Other factors, however, such as investment market conditions and the employers' net pension liability, should also be considered in measuring the Association's overall health.

The **Notes to Basic Financial Statements** are an integral part of the financial report and provide additional information that is essential to a full understanding of the data provided in the financial statements.

In addition to the financial statements and accompanying notes, this report presents certain required supplementary information. The **Required Supplementary Information** includes the Schedules of Changes in Net Pension Liability and Related Ratios, Schedules of Employer Contributions, and the Schedules of Investment Returns. The Schedules of Changes in Net Pension Liability and Related Ratios present the changes in the employers' net pension liability. The Schedules of Employer Contributions provide historical information about actuarial determined contributions of the employer and the actual contributions made. The Schedules of Investment Returns represent the investment returns weighted by the cash inflows and outflows from the investment funds. Together, these schedules and the supporting **Notes to Required Supplementary Information** provide information to help promote understanding of the Association's fiduciary net position in relation to the total pension liability, employers' actual contributions and investment returns over time. **Other Supplemental Schedules** represent information concerning MercedCERA's operations on a multi-year basis. Finally, **Other Information** consists of two schedules pertaining to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27*. The two schedules include the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan and the Schedule of Cost Sharing Employer Allocations. Under GASB Statement No. 68, plan sponsors are required to report the Net Pension Liability and the related deferred outflows of resources and deferred inflows of resources related to pensions on their balance sheets and changes in Net Pension Liability on their operating statements as pension expenses.

Financial Analysis

As previously noted, the Net Position may serve over time as a useful indication of MercedCERA's financial position. At the close of the fiscal year June 30, 2024, MercedCERA's assets exceeded its liabilities by \$1.254 billion. All of the Net Position is available to meet MercedCERA's ongoing obligations to plan participants and their beneficiaries. As of June 30, 2024, the Net Position totaled \$1.254 billion, which is \$118.7 million more than the prior year. This result essentially reflects the increase in the fair value of investments.

MercedCERA's Management believes that the Association remains in a financial position that will enable MercedCERA to meet its future obligations to participants and beneficiaries. MercedCERA remains focused on the long-term performance of the fund, dependent on a strong and successful investment program, risk management, and strategic planning.

Merced County Employees' Retirement Association Management's Discussion and Analysis (continued)

MercedCERA's Fiduciary Net Position

For Fiscal Years Ended June 30, 2024 and 2023:

	2024	2023	Increase/ (Decrease) Amount	% Change
Current and Other Assets	\$22,042,738	\$11,144,819	\$10,897,919	97.8%
Investments at Fair Value	1,225,032,771	1,123,545,198	101,487,573	9.0%
Capital Assets/Prepaid Expenses	8,613,370	1,150,192	7,463,178	648.9%
Total Assets	1,255,688,879	1,135,840,209	119,848,670	10.6%
Total Liabilities	1,936,207	758,824	1,177,383	155.2%
Fiduciary Net Position Restricted for Pensions	\$1,253,752,672	\$1,135,081,385	118,671,287	10.5%

For Fiscal Years Ended June 30, 2023 and 2022:

	2023	2022	Increase/ (Decrease) Amount	% Change
Current and Other Assets	\$11,144,819	\$11,400,528	(\$255,709)	-2.2%
Investments at Fair Value	1,123,545,198	1,052,415,019	\$71,130,179	6.8%
Capital Assets/Prepaid Expenses	1,150,192	1,401,286	(\$251,094)	-17.9%
Total Assets	1,135,840,209	1,065,216,833	\$70,623,376	6.6%
Total Liabilities	758,824	776,088	(\$17,264)	-2.2%
Fiduciary Net Position Restricted for Pensions	\$1,135,081,385	\$1,064,440,745	\$70,640,640	6.6%

The increase in current and other assets during the 2023-2024 fiscal year is mostly attributable to an increase in cash invested with Northern Trust. The increase in total assets during the 2023-2024 fiscal year was due primarily to the increase in the fair value of investments. The increase in total liabilities during the June 30, 2024 fiscal year is mostly due to an increase in payables for capital assets related to the construction of the new MCERA office building. The decrease in current and other assets during the 2022-2023 fiscal year is mostly attributable to a modest decrease in cash year-over-year. The increase in total assets during the 2022-2023 fiscal year was due primarily to the increase in the fair value of investments. The modest decrease in total liabilities during the June 30, 2023 fiscal year is mostly due to having a smaller amount of accounts payable at year-end.

Reserves

Reserves are not required, nor recognized, under GAAP. These are not shown separately on the Statements of Fiduciary Net Position, but they equate to, and are accounts within, the Fiduciary Net Position Restricted for Pensions and are vital to MercedCERA's operations. MercedCERA's reserves are established from contributions and accumulation of investment income after satisfying investment and administrative expenses. Under GAAP, including Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*, investments are stated at fair value rather than at cost, and fair value includes the recognition of unrealized gains and losses in the current period. These unrealized gains and losses are tracked in a reserve account called the Fair Value Fluctuation Reserve. The Fair Value Fluctuation Reserve increased by \$94.0 million in the current fiscal year mostly as a result of an increase in the fair value of investments.

MercedCERA's Reserves

For Fiscal Years Ended June 30, 2024, 2023, and 2022:

	2024	2023	2022
Active Members' Reserve	\$132,722,654	\$122,623,667	\$117,153,891
Employer Advance Reserve	460,551,169	395,462,355	336,057,437
Retired Members' Reserve	194,377,277	230,542,149	259,831,255
Interest Fluctuation Reserve	126,669,325	141,012,587	133,988,380
Fair Value Fluctuation Reserve	339,432,247	245,440,627	217,409,782
Total Reserves at Fair Value	\$1,253,752,672	\$1,135,081,385	\$1,064,440,745

MercedCERA's Activities

Financial markets performed better compared to the prior fiscal year, which resulted in the June 30, 2024 fiscal year increase of \$118.7 million in MercedCERA's Net Position (an increase of 10.5% from the previous year). The key element of this increase was an increase in the fair value of investments.

Additions to Fiduciary Net Position

The reserves needed to finance retirement benefits are normally accumulated through the collection of employer and employee contributions and through earnings on investment income (net of investment expenses). Additions to the fiduciary net position for the fiscal year ended June 30, 2024 totaled \$217.3 million. Overall, additions for the fiscal year increased \$51.8 million from the fiscal year ended June 30, 2023 primarily due to appreciation in the fair value of investments year-over-year. In fiscal year 2022-2023, additions totaled \$165.1 million, which was an increase of \$174.9 million from fiscal year 2021-2022 primarily due to appreciation in the fair value of investments year-over-year. Increases in employer and member contributions year-over-year nominally contributed to the total additions. The Investment Section of this report provides a more detailed review of the investment markets and investment performance for the current fiscal year.

For Fiscal Years Ended June 30, 2024 and 2023:

	2024	2023	Increase/ (Decrease) Amount	% Change
Member Contributions	\$13,403,198	\$13,445,557	\$(42,359)	-0.3%
Employer Contributions	69,632,270	68,648,166	984,104	1.4%
Net Investment Income	134,248,001	83,417,442	50,830,559	60.9%
Total Additions	\$217,283,469	\$165,511,165	\$51,772,304	31.3%

Merced County Employees' Retirement Association Management's Discussion and Analysis (continued)

For Fiscal Years Ended June 30, 2023 and 2022:

	2023	2022	Increase/ (Decrease) Amount	% Change
Member Contributions	\$13,445,557	\$12,124,583	\$1,320,974	10.9%
Employer Contributions	68,648,116	65,629,994	3,018,122	4.6%
Net Investment Income / (Loss)	83,417,442	(87,115,891)	170,533,333	195.8%
Total Additions	\$165,511,115	\$(9,361,314)	\$174,872,429	1,868.0%

Deductions from Fiduciary Net Position

MercedCERA was created to provide lifetime retirement annuities, survivor benefits, and permanent disability benefits to qualified members and their beneficiaries. The cost of such programs includes recurring benefit payments, as designated by the plan; refunds of contributions to terminated employees; and the cost of administering the Association. Effective for the 2011 fiscal year, the County Employees Retirement Law of 1937 (1937 Act) limits administration costs to the greater of 21/100ths of 1 percent of the Association's accrued actuarial liability or \$2 million, as adjusted annually by the amount of an annual cost of living adjustment (COLA). The 1937 Act also allows for some expenses to be excluded from the calculation. These exclusions are for investment, actuarial, custodial banking, legal, and technology expenses. Deductions for the current fiscal year totaled \$98.6 million while in fiscal year 2022-2023 deductions totaled \$94.9 million, an increase of 3.9% from the previous year. The increase in deductions can be primarily attributed to the retiree payroll increase of 3.9%.

For Fiscal Years Ended June 30, 2024 and 2023:

	2024	2023	Increase/ (Decrease) Amount	% Change
Benefits Paid	\$94,081,287	\$90,585,672	\$ 3,495,615	3.9%
Refunds of Contributions	1,692,862	1,262,876	429,986	34.0%
Administrative Expense	2,753,296	2,789,967	(36,671)	-1.3%
Actuarial Expense	84,737	232,010	(147,273)	-63.5%
Total Deductions	\$98,612,182	\$94,870,525	\$3,741,657	3.9%

For Fiscal Years Ended June 30, 2023 and 2022:

	2023	2022	Increase/ (Decrease) Amount	% Change
Benefits Paid	\$90,585,672	\$85,912,580	\$ 4,673,092	5.4%
Refunds of Contributions	1,262,876	896,116	366,760	40.9%
Administrative Expense	2,789,967	2,522,797	267,170	10.6%
Actuarial Expense	232,010	120,292	111,718	92.9%
Total Deductions	\$94,870,525	\$89,451,785	\$ 5,418,740	6.1%

Change in Fiduciary Net Position

As of June 30, 2024, Fiduciary Net Position increased \$118.7 million, resulting in a 10.5% increase in Fiduciary Net Position over the previous fiscal year. This increase was due primarily to the increase in the fair value of investments. As of June 30, 2023, Fiduciary Net Position increased \$70.6 million, resulting in a 6.6% increase in Fiduciary Net Position over the previous fiscal year. This increase was due primarily to the increase in the fair value of investments.

MercedCERA's Fiduciary Responsibilities

MercedCERA's Board of Retirement and management are fiduciaries of the pension trust fund. Under the California Constitution, the Association's assets must be used exclusively for the benefit of the plan participants and their beneficiaries.

Requests for Information

This financial report is designed to provide MercedCERA's Board of Retirement, its membership, taxpayers, investment managers, creditors, and others with a general overview of MercedCERA's financial condition and to demonstrate accountability for the funds MercedCERA receives and manages. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to:

Merced County Employees' Retirement Association

Attn: Fiscal Operations

3199 M Street

Merced, CA 95348

T: 209.726.2724

F: 209.726.3637

Respectfully Submitted,



Pete Madrid
Assistant Plan Administrator – Investments
January 17, 2025



Alex Lovato
Fiscal Manager
January 17, 2025

Merced County Employees' Retirement Association
 Statements of Fiduciary Net Position
 As of June 30, 2024 and 2023

	2024	2023
Assets		
Cash and short-term investments		
Cash invested with Merced County Treasurer	\$1,726,641	\$542,775
Cash invested with Northern Trust	16,252,482	6,734,512
Other cash and cash equivalents with Northern Trust	359,521	358,464
Total cash and short-term investments	18,338,644	7,635,751
Receivables		
Bond interest	310,411	275,529
Contributions	3,332,616	3,148,475
Distributions	61,067	78,443
Other	-	6,621
Total receivables	3,704,094	3,509,068
Investments		
U.S. government and agency obligations	2,008	2,507
Domestic fixed income	155,393,437	152,015,158
Common stock (domestic)	29,765,848	28,608,415
Common stock (index funds)	256,695,891	237,131,866
Common stock (international)	228,678,529	210,796,922
Real estate	92,333,506	83,852,232
Alternative investments	462,163,552	411,138,098
Total investments	1,225,032,771	1,123,545,198
Prepaid expenses	96,790	111,612
Capital assets: Net of accumulated depreciation of \$2,684,403 and \$2,413,926	8,516,580	1,038,580
Total Assets	1,255,688,879	1,135,840,209
Liabilities		
Accounts payable	1,828,085	655,575
Securities purchased	22,719	17,846
Unclaimed contributions	85,403	85,403
Total Liabilities	1,936,207	758,824
Fiduciary Net Position Restricted for Pensions	\$1,253,752,672	\$1,135,081,385

The accompanying notes are an integral part of these basic financial statements.

Merced County Employees' Retirement Association
 Statements of Changes in Fiduciary Net Position
 For the fiscal years ended June 30, 2024 and 2023

	2024	2023
Additions		
Contributions		
Plan members	\$13,403,198	\$13,445,557
Employer	69,632,270	68,648,166
Total contributions	83,035,468	82,093,723
Investment income from investment activities		
Net appreciation in fair value of investments	120,407,326	73,272,953
Investment income	16,238,236	13,243,231
Other income	502	503
Less investment expenses	(2,398,063)	(3,099,245)
Total net investment income	134,248,001	83,417,442
Total Additions	217,283,469	165,511,165
Deductions		
Benefits paid	94,081,287	90,585,672
Refunds of contributions	1,692,862	1,262,876
Administrative expenses	2,753,296	2,789,967
Actuarial expenses	84,737	232,010
Total Deductions	98,612,182	94,870,525
Net Increase	118,671,287	70,640,640
Fiduciary Net Position Restricted for Pensions		
Beginning of year	1,135,081,385	1,064,440,745
End of year	\$1,253,752,672	\$1,135,081,385

The accompanying notes are an integral part of these basic financial statements.

Note 1 - PLAN DESCRIPTION

A. General Information

The Merced County Employees' Retirement Association (MercedCERA or the Association) was established July 1, 1950, under and subject to the legislative authority of the State of California as enacted and amended in the County Employees Retirement Act of 1937 (the "1937 Act"). The Association was voter approved by a greater than 2/3 majority of the electorate of Merced County (the County). The Association was integrated with Social Security on January 1, 1956. Members of the Association at that time had a one-time option to convert to the new Association or remain in the previous system. MercedCERA administers a cost sharing, multiple-employer defined benefit pension plan (the Plan). MercedCERA's active employers are the County, the Merced Superior Courts, Merced Cemetery District, and the Merced County Law Library. MercedCERA's annual financial statements are included in the County's financial reports as a pension trust fund.

The management of the Association is vested in a Board of Retirement (Board) that consists of nine members and two alternates:

1. County Treasurer
2. Two elected general members
3. Four members appointed by the County Board of Supervisors
4. One elected retired member and one alternate
5. One elected safety member and one alternate

Day-to-day management of MercedCERA is vested in a Plan Administrator who is appointed by, and serves at the direction, of the Board.

MercedCERA, with its own governing board, is an independent governmental entity separate and distinct from the County and derives its authority from California Government Code Section 31450 et seq., and the California Constitution.

B. Membership

Plan members are classified as either General or Safety members. Membership becomes effective on the first day of service. Members include all permanent employees appointed to permanent positions or permanent part-time positions within Merced County, Merced Superior Courts, Merced Cemetery District, and Merced County Law Library. Newly hired persons age 60 and over and elected officials may waive membership in the Association.

All employees hired prior to June 13, 1994 are members of Tier I. Executive "A" Level management appointed prior to December 31, 2012 per Amendment to County Board of Supervisors Resolution 94-89, effective July 1, 2000 are Tier I. The Tier I retirement benefit is based on the highest one year compensation. The minimum age to retire is 50 or any age with 30 years of service credit (20 years for Safety). General and Safety Tier I members are eligible for post-retirement cost-of-living adjustments (COLA).

The County Board of Supervisors adopted a new retirement tier (Tier II) for both General and Probation Safety members hired after June 13, 1994 and all other Safety members hired after July 1, 1998. Benefits for members under Tier II are based on 3 years final average salary and are not eligible for post-retirement COLAs. The minimum age to retire is 55 for General members or any age with 30 years of service credit and 50 for Safety members or any age with 20 years of service credit.

The County Board of Supervisors adopted two more tiers in 2012 for both General and Safety members.

Merced County Employees' Retirement Association
Notes to Basic Financial Statements (continued)
June 30, 2024 and 2023

Members hired between October 1, 2012 and December 31, 2012 are Tier III. Tier IV was adopted after the State of California approved Assembly Bill (AB) 340, the Public Employee Pension Reform Act of 2013 (PEPRA). New members defined by the new legislation and hired after January 1, 2013 are Tier IV. Both Tier III and Tier IV benefits are based on 3 years final average salary and are not eligible for post-retirement COLAs. For Tier III, the minimum age to retire is 55 for General members or any age with 30 years of service credit and 50 for Safety members or any age with 20 years of service credit. For Tier IV, the minimum age to retire is 52 for General members with 5 years of service credit and 50 for Safety members with 5 years of service credit.

Membership Structure on June 30, 2024 was as follows:

Active Members	General Tiers				Safety Tiers				Total
	I	II	III	IV	I	II	III	IV	
Vested	20	489	45	526	4	109	7	78	1,278
Non-vested	-	2	1	873	-	-	-	147	1,023
Inactive Members									
Deferred vested	21	232	41	124	-	39	2	9	468
Deferred non-vested	3	62	9	601	-	7	1	76	759
Reciprocity	7	121	4	46	2	31	-	9	220
Unclaimed members	2	11	-	-	-	-	-	-	13
Total active and inactive members	53	917	100	2,170	6	186	10	319	3,761
Retired Members									
Service retirements	1,164	631	9	22	187	62	-	2	2,077
Beneficiaries	194	32	-	-	53	3	-	-	282
Service connected disability	27	19	-	-	53	32	-	-	131
Non-service connected disability	24	14	1	1	1	1	-	-	42
Survivors	11	7	1	3	4	2	-	-	28
Total retired members	1,420	703	11	26	298	100	-	2	2,560

Membership Structure on June 30, 2023 was as follows:

Active Members	General Tiers				Safety Tiers				Total
	I	II	III	IV	I	II	III	IV	
Vested	28	543	49	443	5	120	5	72	1,265
Non-vested	-	1	1	745	-	-	-	96	843
Inactive Members									
Deferred vested	30	246	40	92	2	45	3	7	465
Deferred non-vested	3	61	9	548	-	7	1	64	693
Reciprocity	3	72	1	18	2	18	-	3	117
Unclaimed members	2	11	-	-	-	-	-	-	13
Total active and inactive members	66	934	100	1,846	9	190	9	242	3,396
Retired Members									
Service retirements	1,169	599	7	17	186	49	-	2	2,029
Beneficiaries	194	31	-	-	52	1	-	-	278
Service connected disability	30	22	-	-	56	32	-	-	140
Non-service connected disability	25	13	1	1	1	1	-	-	42
Survivors	11	6	-	-	4	2	-	-	23
Total Retired Members	1,429	671	8	18	299	85	-	2	2,512

C. Benefit Provisions

- Safety members and General Tier I members with 10 years of service and who have attained the minimum age of 50 are eligible to receive a lifetime monthly retirement benefit.
- General members with 10 years of service who have attained the minimum age of 55 in Tiers II and III are eligible to receive a lifetime benefit.
- Safety members with 20 years of service, regardless of age, are eligible for lifetime monthly retirement benefits for Tiers I, II, and III.
- General members with 30 years of service, regardless of age, are eligible for lifetime monthly retirement benefits for Tiers I, II, and III.
- Members who are at least 70 years of age are eligible to retire, regardless of years of service, for all Tiers.
- Tier IV Safety members are eligible for retirement with 5 years of service and a minimum age of 50.
- Tier IV General members are eligible for retirement with 5 years of service and a minimum age of 52.
- The service retirement benefit is a percentage of monthly final average salary per year of service, depending on age at retirement and Tier.
- For members integrated with Social Security, the benefit is reduced by 1/3 of the percentage multiplied by the first \$350 of the monthly final average salary, per year of service credited after January 1, 1956 (not applicable to Tier 4 Members).
- The actual benefit paid will also be affected by the benefit payment option selected by the member.

The County Board of Supervisors adopted Government Code Section 31676.17 of the 1937 Act for all County General members, Tier I and Tier II, except Merced Cemetery District members and any member who was deferred or in inactive reciprocity status prior to the dates of adoption, on March 15, 2005; Government Code Section 31664.1 for all Safety members, Tier I and Tier II, on July 1, 2005; Government Code Section 31676.17 for Superior Court of California and County members on November 4, 2005; Government Code Section 31676.1 for General members, Tier III, on October 1, 2012; and Government Code Section 31664 for all Safety members, Tier III, on October 1, 2012. The County adopted PEPRA Tier IV for all General and Safety members on January 1, 2013.

The following chart demonstrates the percentage of Final Average Salary a member of each tier would receive per year of service at different ages.

Percentage of Final Average Salary for Each Year of Service (Rounded) Current Employees				
Tier I			Tier II	
Retirement Age	General	Safety	General	Safety
50	2.00%	3.00%	-	3.00%
55	2.50%	3.00%	2.50%	3.00%
60+	3.00%	3.00%	3.00%	3.00%
Tier III			Tier IV	
Retirement Age	General	Safety	General	Safety
50	-	2.00%	-	2.00%
55	1.49%	2.62%	1.30%	2.50%
57	1.64%	2.62%	1.50%	2.70%
65	2.43%	2.62%	2.30%	2.70%
67+	2.43%	2.62%	2.50%	2.70%

Percentage of Final Average Salary for Each Year of Service (Rounded) for Merced Cemetery District, Deferred, and Inactive Reciprocal Members Prior to Enhanced Benefit Adoption Dates				
Tier I			Tier II	
Retirement Age	General	Safety	General	Safety
50	1.24%	2.00%	-	2.00%
55	1.67%	2.62%	1.49%	2.62%
60	2.18%	2.62%	1.92%	2.62%
65+	2.61%	2.62%	2.43%	2.62%

(1) Retirement Options

Under the current "Fixed Formula" retirement, a member may elect the "Unmodified" allowance, which provides the maximum allowance to the member for life, with a continuance of 60% of the allowance to the spouse or registered domestic partner if the spouse or registered domestic partner is designated as beneficiary. No allowance, however, shall be paid to a surviving spouse or domestic partner unless he or she is married to the member or has been registered as a domestic partner at least one year prior to the date of retirement. In the event of the death of the retiree, spouse or domestic partner, any balance of the retiree's contributions, less retirement allowances received, is payable to an alternate beneficiary.

Option 1 - The member may elect to receive a slightly reduced monthly retirement allowance, payable throughout their life, with the provision that upon death, their accumulated contributions less the actual annuity payments received by the retiree will be paid to a designated beneficiary. Under this option, beneficiaries may be changed after retirement.

Option 2 - The member receives a considerably reduced monthly retirement allowance, with the provision that 100% of the retiree's benefit will continue to be paid after the member's death to a beneficiary named at the time of retirement. All payments stop at the death of both annuitants.

Option 3 - The member receives a reduced monthly retirement allowance, with the provision that 50% of the retiree's benefit will continue to be paid after the member's death to a beneficiary named at the time of retirement. As in Option 2, all payments stop at the death of both annuitants.

Option 4 - The member receives a reduced monthly retirement allowance for life. The reduction depends on the member's age and the age of the member's beneficiary(ies). This is the only option that allows for

multiple beneficiaries. A beneficiary does not have to be a spouse or domestic partner but must have an insurable interest in the member's life. This option also allows the member to assign the percent of continuance to each beneficiary. This option and any estimates for this option are calculated by MercedCERA's actuary and the cost is paid by the member.

(2) Cost-of-Living Adjustment

Annual COLAs to retirement allowances may be granted by the Retirement Board in accordance with governing law. The current maximum increase in retirement allowance is 3% per year. Any increase is based on the change in the Bureau of Labor Statistics' Consumer Price Index (CPI) for All Urban Consumers for the calendar year prior to the April 1 effective date of the COLA. The amount of any actual CPI above the 3% maximum is accumulated. Accumulated COLAs may be used in future years, at the Board's discretion, when the cost-of-living change is less than the maximum 3%. Tiers II, III, and IV members are not eligible for any cost-of-living increases in their monthly retirement allowances.

(3) Disability Benefits

Members with five years of service, regardless of age, are eligible for non-service connected disability benefits. Member benefits are 1.5% (1.8% for Safety members) of final average salary for each year of service. If this benefit does not equal 1/3 of final average salary, the benefit is increased by the above percentage of final average salary for the years that would have been credited had the member worked to age 65 (age 55 for Safety members). The total benefit cannot exceed 1/3 of the final average salary.

If the disability is service connected, the member may retire regardless of length of service, and the benefit is 50% of final average salary, unless the member is also eligible for a service retirement, in which case the member receives the greater of the two amounts.

(4) Death Benefit Before Retirement

In addition to the return of the member's contributions plus interest, MercedCERA provides a basic death benefit payable to the member's beneficiary or estate equal to one month's salary for each completed year of service under the Association, based on the final year's average salary, but not to exceed six months' salary. Depending on length of service, a monthly allowance could be selected by the surviving spouse to be paid for the rest of his or her life as an alternate benefit.

If a member dies while eligible for service retirement or non-service connected disability, the spouse may receive 60% of the allowance that the member would have received for retirement on the day of his or her death in lieu of the basic death benefit. If the member was below the qualifying retirement age at the time of death, the surviving spouse may elect to leave the member's accumulated contributions on deposit until such time as the member would have attained the qualifying age had he or she lived, at which time the spouse may exercise the option above. Unmarried minor children of the deceased member may continue to receive this allowance until marriage or attaining age 18 (21 if full-time student in an accredited school), upon the death of the surviving spouse or in place of the spouse if he or she does not survive the death of the member.

If a member dies as a result of service-connected injury or disease arising out of the course of his or her employment, his or her surviving spouse may elect, in lieu of the basic death benefit, to receive a monthly allowance of 1/2 of the member's final compensation.

Unmarried minor children of the member may receive the same monthly allowance prior to their marriage or attaining age 18 (21 if a full-time student in an accredited school) if there is no surviving spouse or upon the death of the spouse.

(5) Death Benefit After Retirement

Once a member dies after retirement, a lump sum amount of \$3,000 (Government Code Section 31789.3 adopted May 2, 2006) is paid to the beneficiary or estate. However, if the member is a reciprocal system member, this benefit is payable only to active members of the County at the time of retirement.

If the retirement was for service-connected disability, 100% of the amount the member was receiving at the time of death is continued to the surviving spouse for life. If the retirement was for other than a service-connected disability, there are several options available to the member.

(6) Terminated Members

A member leaving covered employment after completing five years of credited service becomes eligible for a deferred retirement allowance, provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions. A member must elect deferred status within 180 days after termination. Members leaving employment with less than five years of service are not eligible to receive a retirement benefit. Non-vested members (less than five years of service credit) may leave their contributions on deposit and continue to be credited interest or they can choose to withdraw their contributions at any time. A non-vested member that enters a reciprocal retirement system after terminating employment with a MercedCERA agency may wish to arrange for reciprocal benefits. Under a reciprocal arrangement, the member funds are kept on deposit with MercedCERA.

(7) Vesting

Active members of the Association receive a 100% vested interest in the Plan after five years of service but cannot receive a service retirement benefit until they have been a member of the Association for ten years and obtained age fifty for Tier I General members; Tier I, Tier II, and Tier III Safety members; and age fifty-five for Tier II and Tier III General members. Members may receive a service retirement benefit after being a member of the Association for 30 years for General members and 20 years for Safety members regardless of age. Tier IV members can receive a service retirement benefit with five years of service credit and attaining age fifty-two for General members and age fifty for Safety members.

(8) Contribution Rates

The 1937 Act establishes the basic obligations for employer and member contributions to the Association. The actual employer and member contribution rates in effect each year are based on recommendations made by an independent actuary and adopted by the Board.

Benefits payable by the Association are financed through member contributions; employer contributions from Merced County, Merced Cemetery District, Merced Superior Courts; and earnings from investments.

a. Member

MercedCERA members are required to contribute a percentage of their annual covered salary. The rates are set to provide a retirement amount that is equal to a fractional part of the highest one year's or three years' salary, based on membership and tier. Government Code Section 31621.8 sets forth the basis for the determination of the normal rates of contribution for General Tier I and Tier II members. Government Code Section 31639.5 sets forth the basis for the normal rates of contribution for Safety Tier I and Tier II

members. The law further provides that the contribution rates of members will be based on the age nearest birthday at the time of entrance into the Association. Section 31453 states that no adjustment will be included in the rates of contribution for time prior to the effective date of any revisions. Member basic contribution rates are based on entry age into the Association, except for Tier IV, which are 50% of the normal cost, and range between 3.86% and 18.79% for the fiscal year ended June 30, 2024, and 3.87% and 19.46% for the fiscal year ended June 30, 2023. For members integrated with Social Security, the contributions are reduced by 1/3 of such contribution payable with respect to the first \$350 of monthly salary.

b. Plan Sponsors

The County of Merced, Merced Superior Court, and the Merced Cemetery District are required by statute to contribute the amounts necessary to finance the estimated benefits accruing to MercedCERA members not otherwise funded by employee contributions or investment earnings. Pursuant to provisions of the 1937 Act, the Board recommends annual contribution rates for adoption by the County Board of Supervisors each year based upon the rates recommended by the Association's actuary.

The employers' actuarially determined contribution (ADC) is an actuarially determined amount that is required on a sustained, ongoing basis to systematically fund the normal cost and to amortize the unfunded actuarial accrued liability (UAAL) attributed to past service cost over a period not to exceed thirty years. MercedCERA's actuarially determined contribution rates for the fiscal years ended June 30, 2024 and 2023 were 45.66% and 45.93%, respectively, of annual payroll.

In order to determine the ADC, the actuary must first adopt assumptions with respect to certain factors such as the following:

Non-economic assumptions

- The probabilities of members separating from active service on account of:
 1. Non-vested and vested withdrawal
 2. Retirement for service
 3. Mortality
 4. Service and non-service connected disability
- The mortality rates to be experienced among retired persons

Economic assumptions

- Rate of future investment earnings
 1. Inflation rate
 2. Real rate of return
- The relative increases in a member's salary from the date of the valuation to the date of separation from active service
 1. Merit increases
 2. Longevity increases
 3. COLA

Employer contribution rates vary from year to year and depend on the level of benefits established, the rate of return on investments, and the cost of administering benefits. MercedCERA's Schedules of Employer Contributions for the pension benefit plan are presented on page 54 in the Required Supplementary Information following the notes to the basic financial statements.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

While the Association is governed by the Board and is considered an independent entity, it is a fiduciary component unit of the County in accordance with Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an Amendment of GASB Statement No. 14* and GASB Statement No. 84, *Fiduciary Activities*.

B. Basis of Accounting

MercedCERA's financial statements are prepared on the accrual basis of accounting, which recognizes income when earned and expenses when the obligation is incurred, regardless of the timing of cashflows. Employer and plan member contributions are recognized when due, pursuant to statutory or legal requirements per GASB Statement 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*. Investment income is recognized as revenue when earned. Retirement benefits and refunds are recognized when currently due and payable in accordance with the benefit terms. The net appreciation (depreciation) in fair value of investments consists of realized and unrealized gains and losses on those investments.

C. Investment Expenses

Investment expenses include fees paid for investment consulting services, fund due diligence services, securities custodian services, and rebate and bank fees incurred during the reporting period. Fees paid are charged against the Association's investment earnings pursuant to Section 31596.1 of the 1937 Act.

D. General Administrative Expense

MercedCERA's administrative costs for the fiscal years ended June 30, 2024 and 2023 are calculated pursuant to Government Code Section 31580.2 (a) which provides that the administrative expenses incurred in any year may not exceed the greater of either (1) twenty-one hundredths of 1 percent (.21%) of the actuarial accrued liability of the Association or (2) two million dollars (\$2,000,000), as adjusted annually by the amount of the annual COLA computed in accordance with Article 16.5. Government Code Section 31580.2 (b) provides that expenditures for computer software, hardware, and computer technology consulting services in support of the computer products shall not be considered a cost of administration of the Association. The administrative limit per this Government Code Section allowed MercedCERA \$3.212 million (\$1,529.33 million x .21%) of administrative costs for the fiscal year ended June 30, 2024. For the fiscal years ended June 30, 2024 and 2023, total administrative costs were \$2,753,296 and \$2,789,967, respectively. Included in these figures are computer technology related activities, inclusive of associated depreciation expense, of \$733,740 and \$725,699, respectively. The costs of administering the Plan are financed by the earnings of the retirement fund.

E. Required Supplementary Information

The Schedules of the Changes in Net Pension Liability and Related Ratios and Schedules of Employer Contributions that provide information about the employer's annual contribution to the Plan as well as the annual investment returns are presented on pages 52 through 54.

F. Administrative Budget and Non-Administrative Projection

MercedCERA prepares an administrative budget, governed by Government Code Section 31580.2, which is subjected by the same section to a budgetary cap. Additionally, MercedCERA provides a non-administrative

Merced County Employees' Retirement Association
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June 30, 2024 and 2023

projection, which expenses are governed by Government Code Sections 31580.2(b), 31596.1, and 31529.9. MercedCERA's budgets and projections are on a fiscal year basis starting July 1 and ending June 30. Non-administrative expenditures are not subject to the budgetary cap in Government Code Section 31580.2. Projections are subject to change periodically. All expenditures are reported at MercedCERA's Administrative Board Meetings on a monthly and quarterly basis.

G. Capital Assets

Capital assets are carried at cost, net of accumulated depreciation. Capital assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year are depreciated. Depreciation is calculated using the straight-line method over the estimated useful lives of the depreciable assets. Partial year depreciation is recognized based upon placed-in-service date of the asset. Equipment and furniture are depreciated over eight years. MercedCERA's pension administration system (an intangible asset) is amortized over ten years. Long-lived building improvements are depreciated over twenty years. Buildings are depreciated over thirty years.

MercedCERA reported \$8,516,580 and \$1,038,580 in capital assets as of June 30, 2024 and 2023, which includes accumulated depreciation of \$2,684,403 and \$2,413,926, respectively. Of these amounts, \$499,098 is for land held by the Association as of June 30, 2024 and 2023, and \$7,748,477 is for construction in progress as of June 30, 2024, which is not subject to depreciation.

Schedule of Capital Assets For the fiscal year ended June 30, 2024							
	Historical Cost	Net Balance at June 30, 2023	Reclassifications & Additions	Reclassifications & Deletions	Less Depreciation	Net Balance at June 30, 2024	
Capital Assets, non-depreciable							
Land	\$499,098	\$499,098	\$ -	\$ -	\$ -	\$499,098	
Construction in Progress	7,748,477	-	7,748,477	-	-	7,748,477	
Capital Assets, depreciable							
CPAS Software	2,408,181	341,159	-	-	240,818	100,341	
Building	313,159	78,287	-	-	10,439	67,848	
Office Furniture and Technology	134,696	45,346	-	-	9,914	35,432	
Building Improvements	97,372	74,690	-	-	9,306	65,384	
Totals	\$11,200,983	\$1,038,580	\$7,748,477	\$ -	\$270,477	\$8,516,580	

**Schedule of Capital Assets
For the fiscal year ended June 30, 2023**

	Historical Cost	Net Balance at June 30, 2022	Reclassifications & Additions	Reclassifications & Deletions	Less Depreciation	Net Balance at June 30, 2023
Capital Assets, non-depreciable						
Land	\$499,098	\$499,098	\$ -	\$ -	\$ -	\$499,098
Capital Assets, depreciable						
CPAS Software	2,408,181	581,977	-	-	240,818	341,159
Building	313,159	88,726	-	-	10,439	78,287
Office Furniture and Technology	134,696	27,956	27,304	-	9,914	45,346
Building Improvements	97,372	83,996	-	-	9,306	74,690
Totals	\$3,452,506	\$1,281,753	\$27,304	\$ -	\$270,477	\$1,038,580

H. Methods Used to Value Investments

Investments are reported at fair value in the accompanying Statements of Fiduciary Net Position. Cash deposited in the Merced County Treasurer's pool is stated at fair value. The value of the Association's pool shares is determined on an amortized cost basis, which is not materially different from fair value.

The fair value of fixed income and equity investments is based upon the closing sale prices reported on recognized securities exchanges on the last business day of the period. For listed securities having no reported sales and for unlisted securities, fair value is based upon the last reported sales price.

GASB Statement No. 72, *Fair Value Measurements*, became effective for financial statements for fiscal years beginning after June 15, 2015. This statement enhances comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This statement also enhances fair value application guidance and related disclosures to provide information to financial statement users about the impact of fair value measurements on a government's financial position.

The fair value of real estate investment holdings is determined by the fund managers using industry standard appraisal techniques and assumptions, which are updated annually. The appraisals incorporate subjective judgments and consider assumptions including capitalization rates, discount rates, cash flows, and other factors that are not observable in the market.

The fair value of alternative investments (private equity, hedge funds, infrastructure, and natural resources) is based on the fund managers' most recent financial statements for the quarter ended June 30. The majority of MercedCERA's alternative investments are determined by the partnerships using unobservable inputs, which reflect the partnerships' own estimates about the assumptions that market participants would use in pricing the investments. The assumptions are based on the best information available in the circumstances, which might include the partnership's own data. The remainder of MercedCERA's alternative investments are determined by the partnerships based on quoted market prices in active markets.

Management, in consultation with the investment advisor, has determined the reasonableness of the procedures used to calculate fair value for real estate and alternative investments.

I. Securities Transactions and Related Investment Income

Securities transactions are accounted for on a trade date basis. Interest income is recognized when earned and dividend income is recognized on the ex-dividend date. Stock dividends or stock splits are recorded as memo items and do not affect the total value of the securities. The Association presents, in the Statements of Changes in Fiduciary Net Position, either the net appreciation or depreciation in fair value of investments, which consists of realized and unrealized gains and losses on those investments.

J. Management's Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. Reclassifications

We have made reclassifications to certain numbers reported in the prior year to conform to the presentation of the current year.

Note 3 – CASH AND INVESTMENTS

A. Investment Stewardship

The Board has exclusive control over all investments of the Association and is responsible for establishing investment objectives, strategies and policies. Pursuant to the California Constitution and California Government Code Sections 31594 and 31595, the Board is authorized to invest in any investment the Board deems prudent.

(1) Investment Policy

The Board has adopted an Investment Policy, which provides the framework for the management of MercedCERA's investments. The Investment Policy establishes MercedCERA's investment objectives and defines the principal duties of the Board, the custodian bank, and the investment managers. The asset allocation plan is an integral part of the Investment Policy and is designed to provide an optimum and diversified mix of asset classes with return expectations to satisfy expected liabilities, while minimizing risk exposure. MercedCERA currently employs external investment managers to manage its assets subject to the provisions of the Investment Policy. To the right is MercedCERA's adopted asset allocation policy as of June 30, 2024 and 2023.

Target Allocation		
Asset Class	June 30, 2024	June 30, 2023
Domestic Equity	22%	22%
Developed Markets Equity	12%	11%
Emerging Markets Equity	6%	8%
Private Equity	15%	15%
Direct Lending	5%	5%
Real Estate	6%	8%
Domestic Fixed Income	18%	11%
Opportunistic Credit	4%	5%
Hedge Funds	5%	10%
Real Assets	5%	5%
Cash	2%	0%
	100%	100%

(2) Rate of Return

For the fiscal years ended June 30, 2024 and 2023, the annual money-weighted rate of return on MercedCERA's investments was 12.1% and 7.8%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

B. Cash and Short-Term Investments

Cash and cash equivalents consist of cash and short-term investments held by the Merced County Treasurer and MercedCERA's custodian bank, Northern Trust. Cash and cash equivalents are highly liquid investments with an original maturity of three months or less. Cash and cash equivalents are recorded at cost, which approximates fair value.

(1) Merced County Treasury

Cash from deposits and the cash needed for daily operational purposes is held in a pooled account with other County funds. The Merced County Treasury Oversight Committee is responsible for regulatory oversight of the pool.

Interest on funds in the Merced County investment pool is computed quarterly based on the average daily balance. A deposit in the pooled account is reported at cost which approximates fair value. The Association's cash invested with the Merced County Treasurer totaled \$1,726,641 and \$542,775 at June 30, 2024 and 2023, respectively. Cash and investments included within the County Treasurer's pool are described in Merced County's Annual Comprehensive Financial Report.

(2) Short-Term Investment Funds and Funds Pooled with Northern Trust

The short-term investment funds that are in the custody of Northern Trust are liquidity funds. The cash is invested in short-term obligations and deposits, including U.S. treasury and agency obligations, corporate bonds, commercial paper, repurchase agreements, certificates of deposit, bankers acceptances, time deposits, and floating rate notes.

All participants in the Northern Trust pool proportionately share earnings and losses. Balances in the pooled accounts are reported at amortized costs which approximate fair value. At June 30, 2024 and 2023, short-term investments totaled \$16,612,003 and \$7,092,976, respectively, which is the total of cash invested with Northern Trust and other cash and cash equivalents with Northern Trust.

MercedCERA's cash and short-term investments as of June 30, 2024 and 2023 are as follows:

Cash and Short-term Investments	Fair Value	
	2024	2023
Cash invested with Merced County Treasury	\$1,726,641	\$542,775
Cash invested with Northern Trust	16,252,482	6,734,512
Other cash and cash equivalents with Northern Trust	359,521	358,464
Total cash and short-term investments	\$18,338,644	\$7,635,751

C. Fair Value Measurements

Fair Value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. MercedCERA holds significant amounts of investments that are measured at fair value on a recurring basis. Because investing is a key part of MercedCERA's activities, GASB Statement No. 72 establishes a hierarchy of inputs to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted process (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable inputs.

Inputs used to measure fair value might fall in different levels of the fair value hierarchy. Categorization within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

Equity securities are generally valued based on quoted prices from an active market and are therefore categorized in Level 1. In the absence of quoted market prices, such as equity securities that trade infrequently or not at all, valuations are based on the last traded price or a price provided by the investment managers and generally categorized in Level 3.

Fixed income securities classified in Level 2 are valued using the latest bid prices or evaluated quotes from independent pricing vendors. The third-party vendors use a variety of methods when pricing these securities that incorporate relevant observable market data to arrive at an estimate of what a buyer in the marketplace would pay for a security under current market conditions. Fixed income securities held in mutual funds are based on quoted prices in an active market and are therefore categorized as Level 1. When independent price sources are not available, debt securities are priced based on the last traded price or a valuation provided by the investment manager and are categorized in Level 3. In addition, debt securities held in commingled funds, limited partnerships, and similar vehicles are categorized in Level 3.

Funds priced using a net asset value (NAV) that is published daily and validated with a sufficient level of observable activity are categorized in Level 1. If observable activity is limited yet supports that the NAV represents an exit value of the security at the measurement date, the securities are categorized in Level 2. Investments in nongovernmental entities that are measured at NAV as a practical expedient, such as alternative investments and real estate investments, are excluded from the fair value hierarchy if the NAV per share (or its equivalent) was calculated in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies. Funds not meeting these criteria are categorized in Level 3.

Investments in real estate, other than in mutual funds (real estate investment trusts, or REITs) that are publicly traded and categorized in Level 1, have been valued based on the NAV per share (or its equivalent), as provided by the general partner. This type includes one mutual fund, one commingled fund, and thirteen funds structured as private limited partnerships. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 10 to 15 years.

MercedCERA has contracted with Cliffwater, LLC to assist with the Association's hedge fund portfolio that has the appropriate risk and return characteristics. Specifically, MercedCERA has ten hedge funds with low market risk (low beta), equity market downside protection and diversification with unique investment strategies such as shorting, arbitrage, currencies and commodities. Return characteristics include reasonable expected returns that outperform bonds, reasonable expected returns that will be less than the expected

returns on stocks and generate alpha of 4% net of fees. MercedCERA is dedicated to building a diversified portfolio of the following strategies: market neutral, credit event, equity long short, global macro, and multi-strategy. The fair values of the investments in these types has been determined using the NAV per share (or its equivalent) of the investments, as provided by the general partner. Funds may be subject to redemption restrictions, including lock-up periods and/or gate provisions, which prohibit redemptions for a specific time after capital is initially invested, or subject to limitations on the amount that can be withdrawn on any single redemption date.

Direct Lending includes eight funds structured as limited partnerships that provide credit primarily to middle market companies. The fair values of the investments in these types have been determined using the NAV per share (or its equivalents) of the investment as provided by the general partner.

Infrastructure includes nine funds structured as limited partnerships that invest primarily in global infrastructure investments. The fair values of the investments in these types have been determined using the NAV per share (or its equivalents) of the investment as provided by the general partner.

Natural resources includes 11 funds structured as limited partnerships that invest primarily in debt, equity, partnership interests, direct asset investments, working interests, and royalty interests of public and private mining and metals companies and companies within the energy markets including but limited to, companies engaged in the exploration and production of oil and natural gas, coal, midstream, energy services, refining and marketing, power generation, renewable energy, and other commodity driven sectors. The fair values of the investments in these types have been determined using the NAV per share (or its equivalents) of the investment as provided by the general partner.

The private equity portfolio includes 47 funds structured as limited partnerships participating in diverse strategies including buyouts, venture capital/growth equity, and opportunistic funds which includes such categories as distressed debt (debt instruments of companies which may be publicly traded or privately held that are financially distressed and are either in bankruptcy or likely candidates for bankruptcy), mezzanine, secondary, royalties, etc. The fair values of the investments in these types has been determined using the NAV per share (or its equivalent) of the investment as provided by the general partner. These funds have a finite term. Distributions will be received as the underlying investments are sold, which is expected to occur over a rolling 15-year period.

Merced County Employees' Retirement Association
Notes to Basic Financial Statements (continued)
June 30, 2024 and 2023

The Plan has the following recurring fair value measurements as of June 30, 2024:

Investments by Fair Value Level	June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Domestic Fixed Income				
Asset Backed Securities	\$116,833	\$ -	\$116,833	\$ -
Collateralized Mortgage Obligations	113,595	-	113,595	-
US Government and Agency Obligations	2,008	-	2,008	-
Mutual Funds	36,225,716	36,225,716	-	-
Real Estate	17,293,855	17,293,855	-	-
Total Investments by Fair Value Level	\$53,752,007	\$53,519,571	\$232,436	\$ -

Investments Measured at the Net Asset Value (NAV)

Common Stock	
Domestic Stock Funds	\$29,765,848
Index Funds	256,695,891
International Stock Funds	228,678,529
Domestic Fixed Income	
Commingled Funds	91,709,504
Limited Partnerships	27,227,789
Real Estate	75,039,651
Alternative Investments	
Direct Lending	65,674,354
Hedge Funds	144,336,792
Infrastructure	34,706,578
Natural Resources	32,227,016
Private Equity	180,731,713
Proxy Fund	4,487,099
Total Alternative Investments	\$462,163,552
Total Investments Measured at NAV	\$1,171,280,764
Total Investments Measured at Fair Value and NAV	\$1,225,032,771

Investments Measured at the NAV	June 30, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common Stock				
Domestic Stock Funds	\$29,765,848	\$ -	Daily	1 Day
Index Funds	256,695,891	-	Daily	1 Day
International Stock Funds	228,678,529	-	Daily	1 Day
Domestic Fixed Income				
Commingled Funds ***	91,709,504	-	Daily	Varies
Limited Partnerships	27,227,789	-	Quarterly	90 Days
Real Estate*	75,039,651	23,656,938	See footnote	See footnote
Alternative Investments				
Direct Lending	65,674,354	82,001,600	N/A	N/A
Hedge Funds**	144,336,792	-	Varies	Varies
Infrastructure	34,706,578	22,848,385	N/A	N/A
Natural Resources	32,227,016	26,001,775	N/A	N/A
Private Equity	180,731,713	81,505,980	N/A	N/A
Proxy Fund	4,487,099	-	Daily	T-2
Total Investments Measured at the NAV	\$1,171,280,764	\$236,014,678		

*UBS Trumbull Fund redemption is given by a pro rata share of funds available for disbursement, with a 60-day notice period. Vanguard REIT, which is a Level 1 asset, has daily liquidity with notice due before 1PM Eastern Time on Date of trade (T) with a settlement date of T+1. The remaining real estate funds are closed-ended private LP funds.

**The 10 hedge funds that were funded as of June 30, 2024, have varying lockup periods and redemption notice requirements.

***The three commingled funds have redemption notice periods from 1 day to 15 days.

Merced County Employees' Retirement Association
Notes to Basic Financial Statements (continued)
June 30, 2024 and 2023

The Plan has the following recurring fair value measurements as of June 30, 2023:

Investments by Fair Value Level	June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Domestic Fixed Income				
Asset Backed Securities	\$134,380	\$ -	\$134,380	\$ -
Collateralized Mortgage Obligations	126,874	-	126,874	-
US Government and Agency Obligations	2,507	-	2,507	-
Mutual Funds	36,010,239	36,010,239	-	-
Real Estate	16,502,635	16,502,635	-	-
Total Investments by Fair Value Level	\$52,776,635	\$52,512,874	\$263,761	\$ -

Investments Measured at the Net Asset Value (NAV)

Common Stock	
Domestic Stock Funds	\$28,608,415
Index Funds	237,131,866
International Stock Funds	210,796,922
Domestic Fixed Income	
Commingled Funds	91,685,391
Limited Partnerships	24,058,274
Real Estate	67,349,597
Alternative Investments	
Direct Lending	45,967,393
Hedge Funds	145,206,337
Infrastructure	29,595,676
Natural Resources	22,013,442
Private Equity	155,163,700
Proxy Fund	13,191,550
Total Alternative Investments	\$411,135,098
Total Investments Measured at NAV	\$1,070,768,563
Total Investments Measured at Fair Value and NAV	\$1,123,545,198

Investments Measured at the NAV	June 30, 2023	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common Stock				
Domestic Stock Funds	\$28,608,415	\$ -	Daily	1 Day
Index Funds	237,131,866	-	Daily	1 Day
International Stock Funds	210,796,922	-	Daily	1 Day
Domestic Fixed Income				
Commingled Funds***	91,685,391	-	Daily	Varies
Limited Partnerships	24,058,274	-	Quarterly	90 Days
Real Estate*	67,349,597	39,456,620	See footnote	See footnote
Alternative Investments				
Direct Lending	45,967,393	55,655,636	N/A	N/A
Hedge Funds**	145,206,337	-	Varies	Varies
Infrastructure	29,595,676	8,378,594	N/A	N/A
Natural Resources	22,013,442	24,825,266	N/A	N/A
Private Equity	155,163,700	106,055,864	N/A	N/A
Proxy Fund	13,191,550	-	Daily	T-2
Total Investments Measured at the NAV	\$1,070,768,563	\$234,371,980		

*UBS Trumbull Fund redemption is given by a pro rata share of funds available for disbursement, with a 60-day notice period. Vanguard REIT, which is a Level 1 asset, has daily liquidity with notice due before 1PM Eastern Time on Date of trade (T) with a settlement date of T+1. The remaining real estate funds are closed-ended private LP funds.

**The 11 hedge funds that were funded as of June 30, 2023, have varying lockup periods and redemption notice requirements.

***The three commingled funds have redemption notice periods from 1 day to 15 days.

D. Commission Recapture Policy

In order to minimize the net cost of trading, MercedCERA encourages its investment managers, on a "best efforts" basis, to execute 25% to 35% of total trades annually through brokers who have a commission recapture program. MercedCERA's policies require investment managers to seek the best price and execution on all trades. This means that commission recapture trades should only be executed when such trades meet this standard. If an investment manager can execute the trade through MercedCERA's commission recapture brokerage firms, while not incurring any incremental commission or market impact costs, then MercedCERA would like the manager to do so. This program should not interfere with or reduce an investment manager's incentive to reduce trading costs.

E. Real Estate and Alternative Investments

The balance of the unfunded capital commitments to MercedCERA's real estate and alternative investments as of June 30, 2024 was \$236,014,678 and as of June 30, 2023 was \$234,371,980. Capital invested in private equity partnerships is subject to a relatively high degree of risk as compared to other potential investments, with the assumption that the investor will be rewarded with higher returns for that assumption of risk (i.e., the "risk/return trade-off"). Controlling risk in the private equity portfolio is equally as important as seeking higher returns. MercedCERA controls risk by diversifying the portfolio based on geographic and economic region, liquidity, vintage year, firm, and time.

Geographic and economic region, referring to the selection of private equity investments, the portfolio does not favor particular economic or geographic regions. Most likely, the focus is globally oriented.

Liquidity risk is managed by minimizing the possibility of forced sales that may arise from exceeding the maximum exposure limits or lowering asset allocation exposure limits. Exposure through a fund of funds minimizes this risk.

Vintage year risk refers to the variability of private equity commitments over time. A secondary investment that is a vehicle in the special situation subclass allows the portfolio to gain prior year vintage exposure, further minimizing vintage risk.

Firm risk is the amount of exposure to a private equity general partner. The maximum commitment to private equity is 5% to 20% of the total fund. There are no limits on commitments to individual partners or funds.

Time risk refers to the long duration of the investment, which makes it difficult to predict business, economic and managerial developments that may have a significant impact on the value of the investments.

F. Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. MercedCERA does not have a formal policy for custodial credit risk. At June 30, 2024 and 2023, MercedCERA had no investments that were exposed to custodial credit risk.

G. Credit Risk Concentration

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of June 30, 2024 and 2023, the Association had no single issuer that exceeded 5% of total investments or fiduciary net position. Investments issued or explicitly guaranteed by the U.S government and investments in mutual funds, external investment pools, and other pooled investments are excluded. MercedCERA's investment policy does not allow for an investment in any one issuer that is in excess of 5% of the value of a portfolio, and no single industry (based on North American Industry Classification System (NAICS) codes) can represent more than 15% of the fair value of the investment portfolio. These single security and single industry restrictions do not apply to U.S. government issued or guaranteed investments, investments in mutual funds, external investment pools, and other pooled investments.

H. Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligation as described by nationally recognized statistical rating organizations, rating agencies, as of the date of the financial statements. An investment grade security is defined as a security which has been rated investment grade (BBB or higher) by at least one (but preferably two) of the three nationally recognized rating agencies: Fitch Ratings, Moody's, and S&P Global Ratings. MercedCERA's core fixed income portfolio requires that no more than 5% of an investment manager's fixed income portfolio be invested in below investment grade rated securities (BB or B rated bonds). No security rated below single B may be purchased at any time. Securities that have at least a single B, but subsequently fall below single B ratings, shall be sold in an orderly manner. The majority of investments that made up this portfolio, which was managed by Barrow Hanley, were liquidated in November of 2022 and subsequently invested in fixed income funds managed by Wellington, Brandywine, and Payden & Rygel. The remaining balance of the portfolio is illiquid, and these investments are being held to maturity by MercedCERA at its custodial bank, Northern Trust. As a result, no workout portfolio existed at June 30, 2023 and 2024.

The table below presents the Moody's credit quality ratings of fixed income securities at June 30, 2024 and 2023:

Quality	Aaa	Aa	A	Baa	Ba	B	Caa	Ca	NR*
Percent of Fixed Income as of June 30, 2024	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.07%	0.13%	99.79%
Percent of Fixed Income as of June 30, 2023	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.08%	99.87%

*NR represents those securities that are not rated and includes (1) FNMA and FHLMC mortgage-backed securities that are not rated by credit rating agencies but are perceived to have an implicit guarantee by the U.S. Government and (2) commingled funds, mutual funds, and limited partnerships.

I. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. MercedCERA's Investment Policy Statement does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, MercedCERA's bond portfolios are managed duration neutral to their benchmarks, the Barclays U.S. Aggregate Bond Index and the Barclays US Government 1-3 and 1-5 year Indices.

Merced County Employees' Retirement Association
Notes to Basic Financial Statements (continued)
June 30, 2024 and 2023

As of June 30, 2024 and 2023, the Merced County's pool has a fair value of \$2,160,157,150 and \$2,032,365,704, respectively, and a weighted average maturity of 612 and 552 days, respectively. MercedCERA's cash balance at the county is part of this pool and is invested by the Merced County Treasurer in fixed income assets.

As of June 30, 2024 and 2023, the weighted average maturity of the short-term investment pooled funds with Northern Trust was 30 days and 22 days, respectively.

The following table presents the fair value, weighted percentage of each sector, and the effective duration of MercedCERA's fixed income investments as of June 30, 2024:

Investment Type	Fair Value 2024	Weight of Fixed Income 2024	Modified Duration (years) 2024
U.S. Government agency obligations	\$2,008	0.00%	1.67
Commercial mortgage-backed securities	113,595	0.07%	1.15
Asset backed securities	116,833	0.08%	0.05
Commingled Funds	91,709,504	59.02%	7.65
Mutual funds	36,225,716	23.31%	4.34
Limited partnerships	27,227,789	17.52%	1.90
Total Fair Value	\$155,395,445	100.00%	
Portfolio Effective Duration			5.86

The following table presents the fair value, weighted percentage of each sector, and the effective duration of MercedCERA's fixed income investments as of June 30, 2023:

Investment Type	Fair Value 2023	Weight of Fixed Income 2023	Modified Duration (years) 2023
U.S. Government agency obligations	\$2,507	0.00%	0.02
Commercial mortgage-backed securities	126,874	0.08%	1.27
Asset backed securities	134,380	0.09%	0.05
Commingled Funds	91,685,391	60.31%	6.36
Mutual funds	36,010,239	23.69%	4.25
Limited partnerships	24,058,274	15.83%	4.31
Total Fair Value	\$152,017,665	100.00%	
Portfolio Effective Duration			5.53

J. Foreign Currency

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Assets in international equity portfolios will be primarily composed of foreign ordinary shares and American Depositary Receipts (ADR) (including ADR's that are 144A securities). Short-term, high-grade fixed income securities may be purchased as previously stated, similar types of securities denominated in foreign currencies may be purchased, or the fund's custodial sweep account may be employed. International equity portfolios will invest in stocks with market capitalizations consistent with their underlying benchmarks. Emerging market equity portfolios can invest in stock with large, mid, and small market capitalizations. Firms will continually monitor the country, currency, sector, and security selection risks associated with their international and emerging market portfolios. All the risks will be included in the manager's quarterly reports and performance attribution based on these factors. Currency hedging, consistent with the stated derivative policy, is an acceptable investment activity. However, prior to initiating such hedging activities, the firms must adequately demonstrate their capability and expertise in this area to the Board.

The following table represents securities and dividends receivable held in a foreign currency as of June 30, 2024 and 2023:

Currency	Fair Value (U.S. Dollars)	
	2024	2023
Euro	\$18,517,152	\$18,302,498

K. Derivatives

MercedCERA's investment policy permits the use of derivative instruments to minimize the exposure of certain investments to adverse fluctuations in financial and currency markets and enhance yields. The Association does not use derivatives for speculative use or to create leverage. Exposure to risk by use of derivative instruments must be consistent with MercedCERA's overall investment policy as well as an individual manager's specific investment guidelines. Any other derivative investment purpose may be allowed by the explicit authorization of the Board. MercedCERA does not have any derivative instruments as defined by GASB Statement No. 53 as of June 30, 2024 and 2023.

Note 4 – RESERVES

As required by the 1937 Act and the Board's policy, the following reserves for Net Position Restricted for Pensions have been established to account for the members', employers', and retirees' contributions. MercedCERA maintains the following reserves at June 30, 2024 and 2023.

A. Active Members' Reserves

These reserves represent the cumulative contributions made by active employees. Additions include member contributions and related earnings. Deductions include refunds of member contributions and, upon retirement, the member contributions plus interest credited to their account are transferred from this reserve to the Retired Members' Reserves.

B. Employer Advance Reserves

These reserves represent the cumulative contributions made by the employers for future retirement payments to current active members. Additions include contributions from the employer and related earnings.

Deductions include transfers to the Retired Members' Reserve and lump sum death benefits.

C. Retired Members' Reserves

These reserves are established upon the retirement of an employee. Employee contributions plus interest earnings credited to the employee account are transferred from the Active Members' Reserves to the Retired Members' Reserves. In addition, the present value of the actuarially determined pension benefits is also transferred from the Employer Advance Reserves to the Retired Members' Reserves. From these reserves, the Association pays the retiree pension benefits in an amount computed in accordance with the 1937 Act.

D. Interest Fluctuation Reserve

This reserve is used for interest crediting purposes and for holding any funds allocated by the Retirement Board as a reserve for future interest earnings deficiencies. To the extent that net earnings are available, interest is credited to specified reserves. Interest is credited semi-annually according to MercedCERA's interest crediting policy.

E. Fair Value Fluctuation Reserve

The Board established this designation account on June 30, 1997 to track the increase (or decrease) in the fair value of the MercedCERA assets.

F. Contingency Reserve

This reserve is comprised of surplus/excess earnings, up to 1% of the fair value of assets, that are held as a reserve against deficiencies in investment earnings in other years, losses on investments, and other contingencies. As of June 30, 2012, the Contingency Reserve was not funded and all balances were transferred to the Interest Fluctuation Reserve. The Contingency Reserve will be funded and excluded from the fair value of assets only in years when the fair market value of assets exceeds the actuarial accrued liability.

A summary of the various reserve accounts, which comprise fiduciary net position restricted for pensions at June 30, 2024 and 2023, is as follows:

Reserve	2024	2023
Active Members'	\$132,722,654	\$122,623,667
Employer Advance	460,551,169	395,462,355
Retired Members'	194,377,277	230,542,149
Interest Fluctuation	126,669,325	141,012,587
Fair Value Fluctuation	339,432,247	245,440,627
Total Reserves	<u>\$1,253,752,672</u>	<u>\$1,135,081,385</u>

Note 5 – NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS

MercedCERA engages on an annual basis, an independent actuarial consulting firm, Cheiron, Inc., to conduct its annual actuarial valuation.

A. Actuarial Assumptions

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2019 through June 30, 2022. Measurements as of the reporting date are based on the fair value of assets as of June 30, 2024 and the Total Pension Liability as of the valuation date June 30, 2023, using update procedures to roll forward to MercedCERA's fiscal year end of June 30, 2024. There were no significant events between the valuation date and the measurement date, so the roll forward procedures only included the addition of service cost and interest cost offset by actual benefit payments.

The components of the employers' Net Pension Liability were as follows:

	FYE June 30, 2024	FYE June 30, 2023
Total Pension Liability	\$1,610,209,714	\$1,565,692,094
Less: Plan Fiduciary Net Position	1,253,752,672	1,135,081,385
Net Pension Liability	356,457,042	430,610,709
Fiduciary Net Position as a Percentage of the Total Pension Liability	77.86%	72.50%

The Total Pension Liabilities as of June 30, 2024 and June 30, 2023 were determined based on the June 30, 2023 and June 30, 2022 actuarial valuations, rolled forward to June 30, 2024 and June 30, 2023, respectively, using the following actuarial assumptions applied to all periods included in the measurement:

ACTUARIAL VALUATION ASSUMPTIONS		
Valuation Date	June 30, 2023	June 30, 2022
Investment Rate of Return	6.75%	6.75%
Projected Salary Increases	2.75%, plus service-based rates	2.75%, plus service-based rates
Attributed to Inflation	2.75%	2.75%
Cost-of-Living Adjustments	For Tier I, 100% of CPI up to 2.5% annually with banking, assumed to be 2.40% annually	For Tier I, 100% of CPI up to 2.5% annually with banking, assumed to be 2.40% annually

Post-retirement mortality rates for the June 30, 2023 and 2022 valuation date for Healthy General Annuitants was based on the 1.05 times the CalPERS 2021 Healthy Annuitant Mortality Table and, for Healthy Safety Annuitants, 1.05 times the 2010 Public Safety Below Median Mortality Table for Healthy Retirees, both projected on a generational basis for mortality improvements from a base year of 2017 using the Society of Actuaries MP-2020 projection scale.

B. Long-Term Expected Rate of Return

Long-term capital market expectations are derived through a process that relies on both quantitative and qualitative methodologies. The first step in the process is to build out ten-year forecasts for each asset class identified using proprietary, valuation-based fundamental models that consider those critical factors driving asset class returns. The ten-year expectations serve as the primary foundation for longer-term, twenty-year expectations. Twenty-year return expectations are formed by combining our ten-year expectations for each asset class with the observed historical returns for each asset class to then infer a forecast of the following ten-year returns (i.e., years 11-20). The final step is a review by the Investment Committee to determine if any qualitative adjustments are necessary. Return assumption at the total Plan level is derived according to the underlying asset class weightings, using nominal rates of return.

Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2024 and June 30, 2023 are summarized in the table below.

Long-Term Expected Real Rate of Return		
	FYE June 30, 2024	FYE June 30, 2023
US Equity	5.7%	6.1%
International Equity	6.1%	7.2%
Emerging Markets Equity	6.1%	7.4%
Private Equity	8.1%	8.1%
Real Estate	5.2%	5.2%
Domestic Fixed Income	2.0%	2.1%
Opportunistic Credit	4.0%	4.6%
Direct Lending	5.6%	5.7%
Hedge Funds	3.0%	3.5%
Infrastructure	5.2%	5.2%
Natural Resources	6.5%	7.2%
Cash	-0.3%	0.3%

C. Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75% for June 30, 2024 and June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current contribution rate and that contributions from the employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

D. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the net pension liability of MercedCERA calculated using the discount rate of 6.75% for 2024 and 2023, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower and higher.

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
2024 Net Pension Liability	\$551,267,916	\$356,457,042	\$194,094,461
	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
2023 Net Pension Liability	\$621,519,643	\$430,610,709	\$271,587,674

Note 6 – LITIGATION

MercedCERA has no existing litigation through the fiscal year ended June 30, 2024.

Note 7 – SUBSEQUENT EVENTS

MercedCERA has evaluated subsequent events through January 17, 2025, the date on which the financial statements were available to be issued. There were no subsequent events identified by management which would require disclosure in the financial statements.

Merced County Employees' Retirement Association
Required Supplementary Information

**Schedules of Changes in Net Pension Liability and Related Ratios
For the Years Ended June 30 (continued on next page)**

Total Pension Liability	2024	2023	2022	2021	2020
Service cost (MOY)	\$27,359,583	\$27,810,741	\$26,986,609	\$25,786,520	\$26,267,588
Interest (includes interest on service cost)	103,412,927	101,154,576	98,777,169	96,764,536	93,583,425
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	9,519,259	(13,472,111)	(1,660,800)	10,336,744	7,534,677
Changes of assumptions	-	11,965,038	-	32,840,818	20,714,915
Benefit payments, including refunds of member contributions	(95,774,149)	(91,848,548)	(86,808,696)	(83,814,080)	(79,665,662)
Net changes in total pension liability	\$44,517,620	\$35,609,696	\$37,294,282	\$81,914,538	\$68,434,943
Total pension liability—beginning	1,565,692,094	1,530,082,398	1,492,788,116	1,410,873,578	1,342,438,635
Total pension liability—ending	\$1,610,209,714	\$1,565,692,094	\$1,530,082,398	\$1,492,788,116	\$1,410,873,578
Fiduciary net position					
Contributions—members	\$13,403,198	\$13,445,557	\$12,124,583	\$11,895,243	\$10,796,855
Contributions—employers	69,632,270	68,648,166	65,629,994	64,512,161	67,413,475
Net investment income (loss)	134,248,001	83,417,442	(87,115,891)	253,466,527	57,232,016
Benefit payments, including refunds of member contributions	(95,774,149)	(91,848,548)	(86,808,696)	(83,814,080)	(79,665,662)
Administrative expense	(2,838,033)	(3,021,977)	(2,643,089)	(2,621,079)	(2,464,896)
Net change in fiduciary net position	\$118,671,287	\$70,640,640	\$(98,813,099)	\$243,438,772	\$53,311,788
Fiduciary net position—beginning	1,135,081,385	1,064,440,745	1,163,253,844	919,815,072	866,503,284
Fiduciary net position—ending	\$1,253,752,672	\$1,135,081,385	\$1,064,440,745	\$1,163,253,844	\$919,815,072
Net pension liability—ending	\$356,457,042	\$430,610,709	\$465,641,653	\$329,534,272	\$491,058,506
Fiduciary net position as a percentage of the total pension liability	77.86%	72.50%	69.57%	77.92%	65.19%
Covered payroll	\$153,177,954	\$150,390,441	\$142,704,679	\$137,234,030	\$135,618,404
Net pension liability as a percentage of covered payroll	232.71%	286.33%	326.30%	240.13%	362.09%

Information for this table was provided by Cheiron, Inc.

Merced County Employees' Retirement Association
Required Supplementary Information

**Schedules of Changes in Net Pension Liability and Related Ratios
For the Years Ended June 30 (continued)**

Total Pension Liability	2019	2018	2017	2016	2015
Service cost (MOY)	\$22,794,246	\$22,172,594	\$19,512,609	\$19,384,855	\$19,672,490
Interest (includes interest on service cost)	92,452,056	89,402,353	88,982,290	86,323,551	84,203,356
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	1,249,075	2,914,187	(8,886,191)	(5,488,413)	(12,380,077)
Changes of assumptions	-	15,960,129	36,908,183	-	-
Benefit payments, including refunds of member contributions	(74,810,675)	(70,720,210)	(66,904,315)	(65,082,403)	(62,951,924)
Net changes in total pension liability	\$41,684,702	\$59,729,053	\$69,612,576	\$35,137,590	\$28,543,845
Total pension liability—beginning	1,300,753,933	1,241,024,880	1,171,412,304	1,136,274,714	1,107,730,869
Total pension liability—ending	\$1,342,438,635	\$1,300,753,933	\$1,241,024,880	\$1,171,412,304	\$1,136,274,714
Fiduciary net position					
Contributions—members	\$10,695,680	\$10,441,876	\$9,384,621	\$9,042,663	\$8,945,316
Contributions—employers	66,586,464	64,757,288	60,349,189	56,617,088	52,005,656
Net investment income (loss)	39,728,950	70,689,084	83,097,416	(388,209)	19,318,849
Benefit payments, including refunds of member contributions	(74,810,675)	(70,720,210)	(66,904,315)	(65,082,403)	(62,951,924)
Administrative expense	(2,351,105)	(2,283,396)	(2,173,407)	(2,492,684)	(2,323,446)
Net change in fiduciary net position	\$39,849,314	\$72,884,642	\$83,753,504	\$(2,303,545)	\$14,994,451
Fiduciary net position—beginning	826,653,970	753,769,328	670,015,824	672,319,369	657,324,918
Fiduciary net position—ending	\$866,503,284	\$826,653,970	\$753,769,328	\$670,015,824	\$672,319,369
Net pension liability—ending	\$475,935,351	\$474,099,963	\$487,255,552	\$501,396,480	\$463,955,345
Fiduciary net position as a percentage of the total pension liability	64.55%	63.55%	60.74%	57.19%	59.17%
Covered payroll	\$131,365,778	\$126,705,902	\$119,621,964	\$114,397,644	\$110,111,994
Net pension liability as a percentage of covered payroll	362.30%	374.17%	407.33%	438.29%	421.35%

Information for this table was provided by Cheiron, Inc.

Merced County Employees' Retirement Association
 Required Supplementary Information

Schedules of Employer Contributions

The schedules of employer contributions show whether the employer has made contributions that are consistent with an actuarial method of funding the benefits to be provided consistent with the parameters established by GASB Statement No. 67.

Schedules of Employer Contributions Last 10 Fiscal Years Ended June 30 Dollar Amounts in Thousands					
	2024	2023	2022	2021	2020
Actuarially Determined Contribution	\$69,632	\$68,648	\$65,630	\$64,512	\$67,413
Contributions in Relation to the Actuarially Determined Contribution	69,632	68,648	65,630	64,512	\$67,413
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$153,178	\$150,390	\$142,705	137,234	\$135,618
Contributions as a Percentage of Covered Payroll	45.46%	45.65%	45.99%	47.01%	49.71%
	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$66,586	\$64,757	\$60,349	\$56,617	\$52,006
Contributions in Relation to the Actuarially Determined Contribution	66,586	64,757	60,349	56,617	52,006
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$131,366	\$126,706	\$119,622	\$114,398	\$110,112
Contributions as a Percentage of Covered Payroll	50.69%	51.11%	50.45%	49.49%	47.23%

Schedules of Investment Returns

The money-weighted rate of return is equivalent to the internal rate of return (IRR). Money-weighted rate of return incorporates the size and timing of cash flows.

Schedules of Investment Returns Fiscal Years ended June 30										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	12.1%	7.8%	-6.9%	26.9%	6.6%	5.5%	10.1%	9.5%	-0.3%	1.1%

Note 1 – CHANGES OF BENEFIT TERMS

There were no changes in benefit terms for the fiscal year ended June 30, 2024 and 2023.

Note 2 – CHANGES OF ASSUMPTIONS AND METHODS

Changes to assumptions were adopted by the Board at their September 23, 2021 meeting. The actuarial assumed rate of return was updated to 6.75%.

Note 3 – METHODS AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

Actuarial Valuation Methods and Assumptions

	2024	2023	2022	2021	2020
Valuation Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Effective Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Amortization Years Remaining*	24	24	24	24	24
Discount Rate	6.75%	6.75%	7.00%	7.00%	7.25%
Price Inflation	2.50%	2.50%	2.50%	2.50%	2.50%
Salary Increases**	2.75%	2.75%	2.75%	2.75%	2.75%
Cost-of-Living Adjustments	2.50%	2.50%	2.50%	2.50%	2.50%
Mortality***	See Notes	See Notes	See Notes	See Notes	See Notes
	2019	2018	2017	2016	2015
Valuation Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Effective Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Amortization Years Remaining*	24	24	24	24	16
Discount Rate	7.25%	7.25%	7.75%	7.75%	7.75%
Price Inflation	2.50%	2.50%	3.00%	3.00%	3.75%
Salary Increases**	2.75%	2.75%	3.00%	3.00%	3.75%
Cost-of-Living Adjustments	2.50%	2.50%	2.60%	2.60%	2.70%
Mortality***	See Notes	See Notes	See Notes	See Notes	See Notes
* Closed Period as a level percentage of payroll method used for all years shown.					
** Includes merit component based on years of service.					
*** As of 2022 valuation, CalPERS 2017 with future improvements applying SOA MP-2020 projection from base year of 2010. CalPERS 2009 with future improvements applying SOA MP-2019 projections from base year of 2010 for 2016 to 2021. Basis Gender distinct RP-2000 Combined Mortality used for all valuation years shown prior to 2016.					

Schedules of Administrative Expenses For the Fiscal Years Ended June 30, 2024 and 2023		
	2024	2023
Personnel Services:		
Salaries, wages and benefits	\$1,284,225	\$1,453,083
Office Expenses:		
Communications	9,066	7,004
Requested maintenance / utilities / cost allocation	87,360	85,967
Office supplies	19,042	16,440
Postage	25,561	18,902
Total Office Expenses	141,029	128,313
Professional Services:		
Audit fees	49,000	47,108
Attorney fees	353,028	248,816
Publications / legal notices / other	5,206	4,089
Software, technology, and information services	490,107	482,065
Total Professional Services	897,341	782,078
Miscellaneous Expenses:		
Memberships	6,415	6,210
Board election expenses	5,541	8,512
Fiduciary meeting	5,130	8,000
Fiduciary and staff travel / training	41,143	34,117
Insurance	101,995	99,177
Depreciation expense	270,477	270,477
Total Miscellaneous Expenses	430,701	426,493
Total Administrative Expenses	\$2,753,296	\$2,789,967

Merced County Employees' Retirement Association
Other Supplemental Schedules (continued)

**Schedules of Investment Expenses
For the Fiscal Years Ended June 30, 2024 and 2023**

Investment managers' fees	2024	2023
Domestic equities		
Mellon Capital Management	\$175,329	\$220,104
International equities		
Acadian Asset Management	60,033	112,741
Driehaus Asset Management	56,785	105,639
Total international equities	116,818	218,380
Alternative investments		
GSO	89,762	321,140
KKR	133,172	181,723
SSgA	10,024	40,179
Taconic Capital	43,163	77,486
Total alternative investments	276,121	620,528
Real estate		
UBS Global –Trumbull Property Management	103,565	241,530
Taconic Capital	50,411	169,406
Total Real Estate	153,976	410,936
Fixed income		
Barrow Hanley	-	65,260
Brandywine	22,870	57,603
Wellington	44,667	31,422
Total Fixed Income	67,537	154,285
Total investment managers' fees	789,781	1,624,233
Other investment expenses		
Custodian	77,116	139,512
Investment counsel	72,780	420,528
Investment consultant	495,350	623,344
Miscellaneous investment expense	963,036	291,628
Total other investment expenses	1,608,282	1,475,012
Total fees and other investment expenses	\$2,398,063	\$3,099,245

Schedules of Payments to Consultants For the Fiscal Years Ended June 30, 2024 and 2023

	2024	2023
Investment professional service fees		
Custodial services - Northern Trust, BNY Mellon*	\$77,116	\$139,512
Investment counsel - Nossaman, LLP	72,780	420,528
Actuarial services - Cheiron, Inc. and Segal Consulting	84,737	232,010
Total investment professional service fees	\$234,633	\$792,050
Administrative professional service fees		
Audit services – UHY LLP	\$49,000	\$47,108
Legal services	353,028	248,816
Other specialized services	5,206	4,089
Software and information systems	490,107	482,065
Total administrative professional service fees	\$897,341	\$782,078

*MercedCERA continues to receive investment class action services from BNY Mellon.

**Schedule of Cost Sharing Employer Allocations
For the Fiscal Year Ended June 30, 2024**

Employer	2023-2024 Amortization Share of Pensionable Payroll	Employer Proportionate Share Percentage
County of Merced	\$51,246,085	94.4280%
Merced Superior Court	2,989,054	5.5077%
Merced Cemetery District	20,073	0.0370%
Merced County Law Library	14,797	0.0273%
Total	\$54,270,009	100.0000%

The accompanying notes are an integral part of this schedule.

Note: Information compiled from GASB 67/68 Report prepared by Cheiron, Inc. dated June 30, 2024

**Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan
As of and for the Fiscal Year Ended June 30, 2024 (continued on next page)**

Deferred Outflows of Resources

Employer	Net Pension Liability	Differences Between Expected and Actual Experience	Net Differences Between Projected and Actual Investment Earnings	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources
County of Merced	\$ 336,595,261	\$ 5,992,564	\$ -	\$ 5,649,172	\$ 4,226	\$ 11,645,962
Merced Superior Court	19,632,747	349,531	-	329,502	710,028	1,389,061
Merced Cemetery District	131,844	2,347	-	2,213	1,706	6,266
Merced County Law Library	97,190	1,730	-	1,631	71,578	74,939
Total	\$ 356,457,042	\$ 6,346,172	\$ -	\$ 5,982,518	\$ 787,538	\$ 13,116,228

Note: Information compiled from GASB 67/68 Report prepared by Cheiron, Inc. dated June 30, 2024 The accompanying notes are an integral part of this schedule.
The accompanying notes are an integral part of this schedule.

**Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan
As of and for the Fiscal Year Ended June 30, 2024**

Employer	Deferred Inflows of Resources			Pension Expense Excluding that Attributable to Employer-Paid Member Contributions					
	Differences Between Expected and Actual Experience	Net Differences Between Projected and Actual Investment Earnings	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Allocable Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Pension Expense Excluding That Attributable to Employer -Paid Member Contributions	
County of Merced	\$ 6,752,787	\$ 24,078,060	\$ -	\$ 756,110	\$ 31,586,957	\$ 36,899,055	\$ (305,735)	\$ 36,593,320	
Merced Superior Court	393,873	1,404,412	-	3,883	1,802,168	2,152,228	274,130	2,426,358	
Merced Cemetery District	2,645	9,431	-	10,400	22,476	14,453	4,389	18,842	
Merced County Law Library	1,950	6,952	-	17,145	26,047	10,655	27,216	37,871	
Total	\$ 7,151,255	\$ 25,498,855	\$ -	\$ 787,538	\$ 33,437,648	\$ 39,076,391	\$ -	\$ 39,076,391	

Note: Information compiled from GASB 67/68 Report prepared by Cheiron, Inc. dated June 30, 2024. The accompanying notes are an integral part of this schedule.

A. Basis of Presentation and Basis of Accounting

Employers participating in MercedCERA are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27*.

MercedCERA's actuary prepares the GASB Statement No. 67 and No. 68 Actuarial Valuation based on the June 30, 2024 measurement date for Employer Reporting as of June 30, 2025, in accordance with accounting principles generally accepted in the United States of America as applicable to governmental organizations based on information provided by MercedCERA. This document provides the required information for financial reporting related to MercedCERA that employers may use in their financial statements.

B. Use of Estimates in the Preparation of These Schedules

The preparation of these schedules in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. However, actual results could differ from those estimates.

C. Amortization of Deferred Outflows and Deferred Inflows of Resources

The net difference between projected and actual investment earnings on pension plan investments is amortized over 5 years on a straight-line basis. One-fifth was recognized in pension expense/(credit) during the measurement period and the remaining net difference between projected and actual investment earnings on pension plan investments at June 30, 2024 is to be amortized over the remaining amortization periods.

The difference between expected and actual experience, changes in proportion, and the difference between employer contributions and proportionate share of contributions are amortized over the average of the expected remaining service lives of all employees that are provided with pensions through the plan determined as of the beginning of the related measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period. The average expected remaining service lives determined as of the beginning of each measurement period are described below:

Average Expected Remaining Service Lives, Year Ended June 30 (In years)									
2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
3	4	4	4	4	4	4	4	4	4

The Schedule of Cost Sharing Employer Allocations and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan do not include contributions to the plan subsequent to the measurement date as defined in GASB Statement No. 68 Paragraphs 54, 55, and 57. Appropriate treatment of such amounts is the responsibility of the employers.

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MEMORANDUM

TO: MercedCERA Board and Staff
FROM: Paola Nealon, Mika Malone, David Sancewich, Inwoo Hwang (Meketa Investment Group)
DATE: November 20, 2024
RE: Letter from Investment Consultant

This letter reviews the investment performance of the Merced County Employees' Retirement Association (MercedCERA) for the fiscal year ending June 30, 2024.

MercedCERA's stated mission is to provide benefits to its members, to manage assets prudently in accordance with plan provisions and to provide competent and efficient services to our members. Meketa Investment Group, MercedCERA's general consultant, works in concert with Cliffwater, MercedCERA's alternative investments consultant, to provide guidance to the Board (the Association's fiduciary), and assist the Board with performance evaluation, asset allocation, manager selection, and other industry best practices.

Rates of return are represented using a time-weighted rate of return methodology based upon market values.

Fiscal 2024 Year in Review

As it turned out, fiscal year 2024 began right around the same time as the Fed last increased interest rates in the battle against the pandemic-induced inflation. Where we stand today, following the end of fiscal year 2024, we could be close to the first interest rate cut in this cycle. It has been a year that, despite numerous predictions to the contrary, economic growth remained positive, inflation has leveled out or declined, depending on the measure, and the labor market has remained relatively strong despite some recent softening.

The last increase in the Federal Funds rate was in July of 2023, to a range of 5.25% - 5.5%. At the time, given the Fed's hawkish comments and above expectations economic data, investors started to recognize that rates could stay higher for longer, with no forthcoming interest rate cut. Combined with a downgrade in US debt and weakening economic data out of Europe and China, equity markets began to decline. Of the major asset classes, the US equity market (Russell 3000) fell by 3.3% in the first quarter of fiscal 2024. Outside the US, developed markets (MSCI EAFE) lost 4.1% and emerging market equities (MSCI Emerging Markets) were down 2.9%. Within emerging markets, Chinese equities (MSCI China) were down 1.9% in the first quarter of fiscal 2024.

Treasury rates continued to drift upward in the first quarter of fiscal 2024 with rates on longer-dated maturities increasing the most, driving a flattening of the yield curve. The two-year Treasury rose slightly from 4.9% to 5.1% while the ten-year Treasury increased from 3.8% to 4.6%. Higher rates resulted in negative returns for investment grade bonds. The broad US investment grade bond market (Bloomberg US Aggregate) fell 3.2%. Returns for High Yield bonds (Bloomberg High Yield) remained robust on few signs of distress and increased by 0.5% over the period.

As the second quarter of fiscal 2024 began, futures markets were still pricing in a small chance of an additional rate hike in the cycle, with two to three potential rate decreases in 2024. Markets continued searching for overall

BOSTON CHICAGO LONDON MIAMI NEW YORK PORTLAND SAN DIEGO



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direction though, on the path of inflation, growth, and interest rates both in the US and abroad. As the quarter progressed, economic data started to come in below expectations and optimism built that major central banks could start cutting rates in 2024. This shift in sentiment rekindled the broad risk-on environment experienced earlier in calendar year 2023.

Among equity asset classes, the US equity market (Russell 3000) returned an impressive 12.1% in the second quarter of fiscal 2024. Outside the US, developed markets (MSCI EAFE) increased by 10.4% in the second quarter of fiscal 2024 with more than half the gains coming from a depreciating US dollar. Emerging market equities (MSCI Emerging Markets) were up 7.9% over the same period. Within emerging markets, Chinese equities (MSCI China) were down 4.2%, despite the enthusiasm around the globe.

Following a softening in inflation and expectations of lower policy rates, interest rates fell significantly in the second quarter of fiscal 2024, resulting in positive returns for investment grade asset classes. The two-year Treasury fell from 5.1% to 4.3%¹ while the ten-year Treasury declined from 4.6% to 3.9%.¹ The broad US investment grade bond market (Bloomberg US Aggregate) was up 6.8%, the strongest quarterly performance on record for that benchmark. Returns for high yield bonds (Bloomberg High Yield) continued the positive trend and increased by 7.2% over the second quarter of fiscal 2024.

The third quarter of fiscal 2024 began with the same optimism from the end of the previous quarter that inflation was in decline and that interest rate cuts would be forthcoming. However, as we moved forward it was likely that the resilient economic data that was driving global equities higher was also pushing out the timing of the expected first Fed rate cut, weighing on bonds. At that time major central banks had largely paused interest rate hikes with expectations that many would eventually cut rates. The uneven pace of falling inflation and economic growth across countries led to speculation that the pace of rate cuts could vary between central banks.

Inflation pressures had significantly eased in most countries from their pandemic peaks, but levels were still above most central bank targets with questions about how inflation would track going forward. Headline inflation in the US rose in March 2024 (3.2% to 3.5%) by more than expected, while core inflation was unchanged (3.8%) when it was predicted to decline to 3.7%.

Among equity asset classes, US markets (Russell 3000 Index) rose 10.0% in the third quarter of fiscal 2024. The technology sector continued to perform well, with energy likely gaining on geopolitical tensions. Non-US developed equity markets (MSCI EAFE) increased 5.8% in the quarter, helped by Japanese equities which hit multi-decade highs. A strengthening US dollar drove the weaker relative results for US investors with returns in local currency terms (MSCI EAFE Local) 4.2% higher (10.0% versus 5.8%) over the third quarter of fiscal 2024.

During the third quarter of fiscal 2024, emerging market equities (MSCI Emerging Markets) had the weakest equity returns (+2.4%), depressed by China (MSCI China) at -2.2%. Slowing economic growth, lingering issues in the property sector, and efforts by the US to discourage investments in China all weighed on results. The stronger dollar also hurt performance in emerging markets for US investors with returns in local currency terms (MSCI Emerging Markets Local) 2.1% higher (4.5%) during the same quarter.

Higher inflation and rising interest rates weighed on bonds with the broad US bond market (Bloomberg Aggregate) returning -0.8% for the third quarter of fiscal 2024. High Yield Bonds (Barclays High Yield) remained positive, up 1.5% for the same quarter, as risk appetite remained strong and all-in yields attractive.



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The final quarter of fiscal 2024 began with investors recognizing that interest rates may have to stay higher for longer given resilient economic data. Stronger than expected inflation and employment data in the US weighed on both stocks and bonds in April. However, by May and June, sentiment changed as the Fed confirmed it was unlikely they would increase interest rates and economic data started largely coming in below expectations. Headline year-over-year inflation in the US fell 0.5% over the quarter to 3.0% with several readings coming in below expectations. Core CPI also fell 0.5% in the quarter, finishing at 3.3%. Outside the US, inflation readings continued to decline in many developed markets, enough so that central banks in Canada, Sweden, Switzerland, and the EU all cut interest rates in the final quarter of fiscal 2024.

Among equity asset classes, US markets (Russell 3000 Index) rose 3.2% in the fourth quarter of fiscal 2024. Large capitalization technology companies again performed well driven by continued excitement over artificial intelligence. Enthusiasm surrounding artificial intelligence also benefited utilities, although to a lesser extent, with the market recognizing the massive computing power and energy needed to incorporate these technologies into many facets of everyday life. Non-US developed equity markets (MSCI EAFE) decreased 0.4% in the final quarter of fiscal 2024. A strengthening US dollar drove the weaker relative results for US investors with returns in local currency terms (MSCI EAFE Local) 1.4% higher (+1.0% versus -0.4%). Emerging market equities had the best returns in the final quarter of fiscal 2024, with the MSCI Emerging Markets Index returning +5.0%, partially attributed to China (MSCI China) at +7.1%.

Rising interest rates weighed on bonds with income balancing capital losses. The broad US bond market (Bloomberg Aggregate) returned 0.1% for the final quarter of fiscal 2024. High Yield Bonds (Barclays High Yield) remained positive, up 1.1% for the quarter.

Somewhat surprisingly for many, the 2024 fiscal year saw continued high policy rates with many economies avoiding recessions. In the US the Fed kept policy rates steady at 5.25%-5.50%, a level not seen in decades, for almost the entire fiscal year. Despite that, GDP growth in the US remained robust, with growth rates at 4.9%,² 3.4%,² 1.4%,² and 2.8%² for the first, second, third, and fourth quarters of fiscal year 2024, respectively. Unemployment increased 0.5% over the fiscal year, starting at 3.6% and ending at 4.1%,³ but remained low relative to history. All of this occurred while the headline year-over-year inflation number ended where it began, at 3.0%,³ while the core CPI number declined from 4.8% to 3.3%.³

Outside the US, unemployment and inflation painted a stable picture. The Eurozone ended fiscal year 2024 with unemployment numbers at 6.5%,¹ the same level as the beginning of the fiscal year. Japan ended with an unemployment figure of 2.5%,¹ slightly down from where it started for the year. Inflation in the Eurozone ended the fiscal year at 2.5%,¹ down from 5.5%¹ a year earlier. Inflation in Japan ended fiscal year 2024 at 2.8%¹ versus 2.6%¹ at the beginning of the fiscal year. China notably had inflation levels at the end of the fiscal year at 0.2%,¹ up slightly from 0.0% at the beginning of the fiscal year, given a disappointing reopening after Covid, issues in the property sector, geopolitical tensions, and increasingly protectionist trade measures around the globe.

Fiscal Year 2025 Outlook

In fiscal year 2024, the US economy defied most expectations, with inflation moderating without significant damage to the economy, despite historically high interest rates. The Federal Funds rate ended the year above 5%, where it started, while economic growth remained far from recessionary territory. This, combined with excitement over AI, led to strong results in many equity markets, while fixed income markets were positive on softening inflation expectations. As we look toward fiscal 2025, there are several areas that could guide markets, both positively and negatively. These include:



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→ The path of inflation and monetary policy.

- In fiscal 2025 we will be watching as the Fed continues their attempt to manage a “soft landing” of the US economy.⁴ A soft landing is when the Fed is able to sufficiently reduce inflation without increasing unemployment and turning growth negative.⁵ Economic growth has continued to remain positive in the US, and while the US unemployment rate has increased to 4.1%,³ it is still near historic lows.
- The current Federal Funds rate stood at 5.25% - 5.5% for most of fiscal 2024. At time of this publication, futures markets were pricing in an almost 100%⁶ chance of a rate cut in September of 2024, followed by one or two more by the end of the calendar year. Should this play out as the futures markets expect, the next question might be how many more, if any, rate cuts could be expected in the second half of fiscal 2025. From there we will be watching how lower interest rates impact the economy.
- Inflation, after surging during and after the global pandemic, has significantly declined from its peak in the US and other advanced economies. However, inflation remains above the Fed's average 2% target, largely driven by the “stickier”⁷ services sectors. In June 2024, the Consumer Price Index (“CPI”) was at 3.0%, well below its peak of 9.1% in June of 2022.⁸ Core CPI, which strips out the volatile food and fuel components, finished the fiscal year at 3.3%¹, down from a 6.6% peak.³ Core inflation is higher than headline inflation, as price increases for parts of the services sector, particularly shelter, medical care, and auto insurance, remain elevated. How inflation tracks on this final leg toward the Fed's average 2.0% target will be key in the upcoming fiscal year and will heavily influence the path of interest rates and the overall economy.
- The US labor market remains relatively healthy, despite some recent softening. Jobs continue to be added to the economy and wage growth remains strong. The unemployment rate has ticked up though, largely from people re-entering the work force. Initial claims for unemployment have also recently started to increase and the ratio of the number of jobs to unemployed has returned to pre-pandemic levels. Labor markets can deteriorate relatively quickly so we expect the Federal Reserve to be more focused on labor markets as they consider lowering interest rates.

→ Will gains in the US equity market broaden out or remain focused in the technology sector?

- The US equity market had impressive gains over the fiscal year, but results were largely driven by several large technology companies that benefited from optimism over artificial intelligence.
- Signs of a healthy stock market advance usually include broader participation from companies across many sectors and capitalization sizes.
- We have recently seen some rotation into smaller company stocks given the prospect of lower interest rates and the economy potentially avoiding a recession. These companies are typically more interest rate sensitive and domestic focused, so recent developments have particularly benefited them.
- As we move ahead, we will be watching how the large cap technology companies perform and if this recent rotation into other areas of the equity market persists.

→ Will China, the world's second largest economy, be able to manage economic pressures while also deleveraging the economy and addressing the faltering property sector?



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- The MSCI China Index returned 1.6% for fiscal year 2024. However, the same index returned +7.1% in the fourth quarter of fiscal 2024. Government purchases of shares, improving economic data, and returning foreign investors have all been supportive.
- Despite the recent gains, concerns remain about China's property sector, as well as tensions with the US and growing protectionist policies globally.
- Other shadow debt should continue to keep a ceiling on economic growth. While hard to measure, it is estimated that local government debt, which is not typically included in official government figures, totals between \$7 and \$11 trillion,¹⁰ roughly two times the amount of China's office central government debt. The central government could help to bailout local provinces, which may encourage more borrowing, or tolerate the default of the local funding vehicles, which could risk contagion to other areas of China's financial system.
- Market-friendly policies and openness are waning, while Chinese Communist Party ideology and nationalism are growing. The traditional playbook of building things to continue growth in China is not favored by current leadership, making a resolution of these deleveraging issues paramount in order transition China's economy to a more sustainable path.

→ Geopolitical risks.

- Ongoing and latent regional conflicts have the potential to destabilize markets at any time. The war in Ukraine continues to demand more military and financial support.¹¹ Hamas' attack on Israel and the response of the Israeli Defense Force in Gaza has placed Israel's allies in a difficult position.
- China, with its own troubled domestic economy and real estate crisis, could continue to favor protectionist policies over economic growth. Politically, China might try to thwart US multilateral efforts to restore peace in the Middle East and contain President Putin. Despite Chinese policy makers scrambling to restore investor confidence and battle deflation, public markets in China declined in fiscal 2024.
- Fiscal year 2024 has also been a busy year in elections, with votes happening in India, Mexico, Iran, the European Union, and Britain, among others. Of course, in addition to the November presidential election in the US, other possibly consequential elections are set to occur in Moldova and Romania, which could have some impact on the path of the war in Ukraine.
- Given these geopolitical risks, it seems incongruous that the index of volatility in the stock market, the VIX, has been trading around one standard deviation below its long-term average at the end of the fiscal year, as continued strength in technology stocks and weakening economic data has moderated fear in the markets.
- We will continue to evaluate these geopolitical concerns, with an eye toward their impact on inflation and growth. Increases in geopolitical conflicts could hamper supply chains and once again might drive-up inflation. As the world's second largest economy, the health of the Chinese economy is important to many corporations and investors.

Return and treasury rate data from Bloomberg unless otherwise indicated.

¹ Source: Bloomberg.

² Source: Bureau of Economic Analysis.

³ Source: Bureau of Labor Statistics.

⁴ Source: Federal Reserve of St. Louis, "K. Engermann, "A Soft Landing for the Economy: What it Means and What Data to Look at," October 11, 2023. The Fed was not able to tame inflation in the late 1970s and early 1980s without triggering economic recessions and raising unemployment.

⁵ Source: Federal Reserve of St. Louis, "K. Engermann, "A Soft Landing for the Economy: What it Means and What Data to Look at," October 11, 2023.

⁶ Source: CME Group.



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⁷ Source: Federal Reserve Bank of Cleveland, M. Bryan, "Are Some Prices More Forward Looking than Others? We Think So", May 19, 2010. Sticky prices are the prices for goods and services that do not respond quickly to aggregate demand. Medical care, personal services, insurance, and education are some examples of sticky-price services and goods. About 70% of headline CPI includes goods and services with another 30% of the index reflecting goods and services that change prices more quickly in response to consumer demand.

⁸ Source: Bureau of Labor Statistics as of February 13, 2024.

⁹ Source: Bureau of Labor Statistics as of February 13, 2024. In January 2024, shelter costs accounted for two-thirds of inflation.

¹⁰ Source: Wall Street Journal "Trillions in Hidden Debt Drove China's Growth. Now It Threatens Its Future" July 14, 2024.

¹¹ Source: Financial Times, C. Miller, "Active Defense [sic]: How Ukraine Plans to Survive in 2024," January 18, 2024.



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MercedCERA Fiscal Year 2024 Performance

The MCERA portfolio posted a 11.9% return on a net of fees basis for the fiscal year ended June 30, 2024, which trailed the policy index by 50 basis points. US equity was the strongest performers on absolute basis (21.5%), while Developed International Equity was the strongest performer relative to benchmark (5.8%) basis. The Private Equity segment of the portfolio was a key detractor from performance due to the poor relative performance over the period (-19.6%).

US Equities returned 21.5%, trailing its benchmark by 160 bps. The US Fixed Income sleeve posted a 3.0% return in the trailing year, outpacing its benchmark by 20 bps. Opportunistic credit returned 10.3% outperforming its benchmark return by 3.6%. The Real Estate sleeve returned -0.6%, compared to its benchmark return of -11.3%. Private Equity returned 8.4%, compared to its benchmark return of 28.0%. Direct Lending returned 11.8%, compared to the benchmark return of 13.3%. Hedge funds returned 8.1%, trailing the benchmark by 60 bps. Real Assets returned 11.7% compared to the benchmark return of 7.6%.

From a longer-term perspective, the fund returned 3.8% for the trailing three years and 8.5% over the trailing five years. The portfolio trailed the benchmarks by 1.0% over the three-year period and matched the benchmark over the five-year period.



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Investment Results

Periods Ended June 30, 2024	Annualized Returns (%)		
	One Year	Three Years	Five Years
US Equity (net)	21.5	7.3	13.2
Russell 3000	23.1	8.1	14.1
International Equity (net)	16.9	-1.5	9.1
International Equity Custom	12.6	-0.1	5.6
US Fixed Income (net)	3.0	-3.4	-0.5
US Fixed Income Custom Benchmark	2.8	-2.7	-0.2
Opportunistic Credit (net)	10.3	4.0	5.2
50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Leveraged Loans	6.7	0.4	2.3
Real Estate (net & Private Real Estate 1-quarter lagged)	-0.6	2.2	2.3
Custom Blended Real Estate Benchmark	-11.3	1.0	2.4
Private Equity (net & 1-quarter lagged)	8.4	13.1	16.7
Custom Blended Private Equity Benchmark	28.0	12.1	17.9
Direct Lending (net & 1-quarter lagged)	11.8	6.7	N/A
S&P LTSA Leverage Loan Index + 2%	13.3	8.3	N/A
Hedge Funds (net)	8.1	3.7	5.2
Custom Blended Hedge Fund Benchmark	8.7	2.1	4.8
Real Assets (net & certain managers 1-quarter lagged)	11.7	12.9	11.5
Custom Blended Real Assets Benchmark	7.6	6.6	5.3
Total Fund (net)	11.9	3.8	8.5
Policy Index	13.2	4.8	8.6
Rank	10	28	9

MM/PN/DS/IH/mn

Total Fund Returns (Gross of Fees) vs. Universe Period Ended June 30, 2024								
	3 mo	Fiscal YTD	3 yrs	5 yrs	7 yrs	10 yrs	Inception Return	Since
Total Fund	2.2%	12.4%	4.2%	8.9%	8.5%	7.6%	8.2%	12/31/1994
Fund Benchmark	2.5%	13.2%	4.8%	8.5%	8.1%	7.4%	6.4%	12/31/1994
IF Public Defined Benefit Gross Rank	79	66	33	10	20	21	48	12/31/1994
IF Public Defined Benefit Gross Median	3.2%	8.9%	7.8%	6.6%	7.8%	7.5%	8.0%	12/31/1994

Outline of Investment Policies

The Board of Retirement (Board) has exclusive control of all investments of the Merced County Employees' Retirement Association (MercedCERA or the Association) and is responsible for establishing investment objectives, strategies, and policies.

Pursuant to the California Constitution and the County Employees' Retirement Law of 1937 (the 1937 Act), the Board is authorized to invest in any form or type of investment deemed prudent in the informed judgment of the Board. In making decisions regarding the MercedCERA investment portfolio, the Board acts in a fiduciary capacity and must discharge its duties in accordance with fiduciary principles. In this regard, investment decisions are to be made in the sole interest and for the exclusive purpose of providing benefits, minimizing employer contributions, and defraying the reasonable expenses of the Association.

The Board adopted an Investment Policy Statement (IPS) on February 23, 2017 and most recently amended June 27, 2024, which provides the framework for the management of MercedCERA's investments. The IPS establishes the investment program goals, asset allocation policies, performance objectives, investment management policies and risk controls. The IPS defines the principal duties of the Board, MercedCERA's custodian bank, consultant, and MercedCERA's investment managers. The Board makes revisions to the Investment Policy as necessary.

Pursuant to the IPS, the basic goal of MercedCERA's investment program is to obtain a fully funded plan status, while assuming a risk posture consistent with the Board's risk tolerance. In pursuing this goal, the Board has adopted a long-term investment horizon in which the chances and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets. The primary investment objective is to exceed the actuarial assumption for return on assets. The risk assumed in the pursuit of this investment objective must be appropriate for the return anticipated and consistent with the total diversification of the fund. The asset allocation plan, adopted by the Board, is an integral part of MercedCERA's investment program. It is designed to provide an optimum, diversified mix of asset classes with return expectations to satisfy expected liabilities, while minimizing risk exposure.

Summary of Proxy Voting Guidelines and Procedures

Voting of MercedCERA's proxy voting ballots shall be in accordance with MercedCERA's proxy voting guidelines as set forth in the Investment Policy. The basic directive of the proxy voting guidelines is that, when voting proxy ballots on behalf of MercedCERA, investment managers shall vote according to the best interests of the MercedCERA membership. On a quarterly basis, the investment managers are required to provide a report to MercedCERA detailing their proxy votes.

Asset Allocation Information For the Fiscal Year Ended June 30, 2024				
Investment Class	Allocation June 30, 2024	Target	Allocation Minimum	Allocation Maximum
Domestic Equity	23.1%	22.0%	16.0%	27.0%
Developed Markets Equity	11.9%	12.0%	7.0%	17.0%
Emerging Markets Equity	6.5%	6.0%	3.0%	9.0%
Private Equity	19.9%	15.0%	5.0%	20.0%
Direct Lending	5.3%	5.0%	0.0%	10.0%
Real Estate	7.4%	6.0%	4.0%	8.0%
Domestic Fixed Income	9.4%	18.0%	13.0%	23.0%
Opportunistic Credit	3.1%	4.0%	2.0%	6.0%
Hedge Fund	11.6%	5.0%	2.5%	7.5%
Real Assets	0.4%	5.0%	3.0%	7.0%
Cash	1.3%	2.0%	0.0%	4.0%
	100.0%	100.0%		

Asset Allocation Information For the Fiscal Year Ended June 30, 2023				
Investment Class	Allocation June 30, 2023	Target	Allocation Minimum	Allocation Maximum
Domestic Equity	24.1%	22.0%	16.0%	27.0%
Developed Markets Equity	11.6%	11.0%	6.0%	16.0%
Emerging Markets Equity	7.5%	8.0%	4.0%	12.0%
Private Equity	13.6%	15.0%	5.0%	20.0%
Direct Lending	4.0%	5.0%	0.0%	10.0%
Real Estate	7.7%	8.0%	6.0%	10.0%
Domestic Fixed Income	10.5%	11.0%	6.0%	16.0%
Opportunistic Credit	3.3%	5.0%	3.0%	7.0%
Hedge Fund	11.3%	10.0%	5.0%	15.0%
Real Assets	5.8%	5.0%	3.0%	7.0%
Cash	0.6%	0.0%	0.0%	5.0%
	100.0%	100.0%		

Investment Summary For the Fiscal Year Ended June 30, 2024		
	Value	Percent of Total
Domestic Equity		
Large Cap	\$189,143,845	15.2%
Large Cap Active	67,552,046	5.4%
Small Cap	29,765,848	2.4%
Total	286,461,739	23.1%
International Equity		
Large Cap	111,835,582	9.0%
Small Cap	36,835,301	3.0%
Emerging Market	80,457,646	6.5%
Total	228,678,529	18.4%
Fixed Income		
Domestic Core	91,941,941	7.4%
Mutual Fund	24,379,093	2.0%
Opportunistic Credit	39,074,412	3.1%
Total	155,395,445	12.5%
Alternative Investments		
Private Equity	247,665,307	19.9%
Direct Lending	65,674,354	5.3%
Hedge Funds	144,336,792	11.6%
Real Asset Proxy	4,487,099	0.4%
Total	462,163,552	37.2%
Real Estate		
Domestic Property Fund	38,238,038	3.1%
Domestic Private Real Estate	49,199,760	4.0%
International Private Real Estate	4,895,708	0.4%
Total	92,333,506	7.4%
Cash and Short-Term Investments		
	16,612,003	1.3%
Total Investments, Cash, and Short-Term Investments	\$1,241,644,774	100.0%

Merced County Employees' Retirement Association
Schedule of Investment Results (Gross of Fees)
For the Fiscal Year Ended June 30, 2024

Domestic Equity	Current Year	Annualized				
		3Yrs	5Yrs	7Yrs	10Yrs	Inception
Large Cap:						
BNY Mellon Newton Dynamic	23.6	8.3	14.7	14.8	14.1	16.3
Mellon Large Cap Index	23.9	8.7	14.6	14.0	--	14.3
Small Cap:						
Champlain Small Cap*	5.1	-1.2	--	--	--	7.9
Total Domestic Equity	21.7	7.5	13.5	13.2	12.4	10.7
Index: Russell 3000	23.1	8.1	14.1	13.2	11.9	10.6
International Equity						
Developed Markets:						
Acadian ACWI ex U.S. Small Cap Equity	17.9	2.6	11.4	--	--	11.0
Driehaus International Small Cap Growth	13.8	-2.4	9.0	--	--	9.2
GQG International Equity	29.8	8.8	--	--	--	11.8
First Eagle International Value Fund	7.9	2.6	--	--	--	4.8
Emerging Markets:						
Artisan Developing World Trust	22.6	-8.1	--	--	--	9.7
RWC Global Emerging Equity Fund	7.0	-8.8	--	--	--	2.2
Total International Equity	17.9	-0.7	10.0	8.4	6.2	6.3
Index: International Equity Custom	12.6	-0.1	5.6	5.3	4.2	4.6
US Fixed Income						
Vanguard Short-Term Treasury Index Fund	4.5	0.3	1.0	--	--	1.5
Vanguard Total Bond Market Index Fund	2.8	-3.0	-0.2	--	--	0.4
Payden & Rygel Low Duration Fund	6.3	--	--	--	--	6.4
Brandywine US Fixed Income	0.7	--	--	--	--	0.5
Wellington Core Bond	4.3	--	--	--	--	4.5
Total Fixed Income	3.2	-3.3	-0.4	0.7	1.4	4.5
Index: US Fixed Income Custom Benchmark	2.8	-2.7	-0.2	0.9	1.4	4.5
Opportunistic Credit						
PIMCO Income Fund	7.8	1.3	2.8	--	--	3.0
GoldenTree Multi-Sector Credit	14.0	5.4	6.3	--	--	6.4
Sculptor Credit Opportunities Domestic Partners, LP	--	--	--	--	--	7.4
Total Opportunistic Credit	10.8	4.6	5.7	--	--	5.9
Index: 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Leveraged Loans	6.7	0.4	2.3	--	--	2.5

Merced County Employees' Retirement Association
Schedule of Investment Results (Gross of Fees) (Continued)
For the Fiscal Year Ended June 30, 2024

Real Estate	Current Year	Annualized				
		3Yrs	5Yrs	7Yrs	10Yrs	Inception
Vanguard REIT Index	4.9	-2.5	--	--	--	4.8
UBS Trumbull	-10.4	0.8	-0.9	0.7	3.3	6.5
Greenfield GAP VII	-3.0	14.7	15.1	14.5	--	14.5
Patron V	-12.5	-12.6	-9.1	-0.6	--	-0.4
Carlyle Realty VIII	-0.9	36.2	27.7	--	--	8.9
Taconic CRE Dislocation Fund II	0.7	8.3	9.4	--	--	8.2
Carmel Partners Investment Fund VII	8.5	5.1	-13.4	--	--	-16.5
AG Realty Value Fund X, L.P.	-6.5	8.3	3.9	--	--	3.8
Rockpoint Real Estate Fund VI, L.P.	-4.5	9.4	--	--	--	9.0
Cerberus Real Estate Debt Fund, L.P.	10.5	5.8	--	--	--	10.3
Taconic CRE Dislocation Onshore Fund III*	10.8	8.4	--	--	--	8.1
Starwood Distressed Opportunity Fund XII Global*	6.8	54.0	--	--	--	82.5
Carlyle Realty Partners IX*	-2.4	--	--	--	--	-160.0
Carmel Partners Investment Fund VIII*	16.6	--	--	--	--	-0.7
Rockpoint Real Estate Fund VII L.P.	2.1	--	--	--	--	8.1
Total Real Estate**	-1.7	4.5	2.8	4.1	5.4	7.4
Index: Custom Blended Real Estate Benchmark	-11.3	3.4	3.5	4.3	6.1	6.6
Real Assets						
SSgA (Proxy Fund)	5.4	4.4	6.3	6.0	--	5.8
Private Infrastructure:						
KKR Global Infrastructure Investors II	15.4	14.1	23.7	19.8	--	17.3
North Haven Infrastructure II	-5.8	7.8	6.1	9.7	--	6.8
ISQ Global Infrastructure Fund II	9.6	11.4	12.2	--	--	5.0
KKR Global Infrastructure Investors III	22.0	7.9	5.7	--	--	2.1
Ardian Infrastructure Fund V	9.6	11.6	--	--	--	-5.4
ISQ Global Infrastructure Fund III	13.0	-435.6	--	--	--	-424.8
KKR Global Infrastructure Investors IV*	13.8	--	--	--	--	-218.9
BlackRock Global Infrastructure Fund IV	3.2	--	--	--	--	-6.1
Ardian Infrastructure Fund VI	--	--	--	--	--	-1.6
Private Natural Resources:						
GSO Energy Opportunities	56.4	48.5	27.7	22.6	--	23.1
Taurus Mining	6.9	59.0	28.7	23.4	--	24.0
Taurus Mining Annex	-4.5	19.2	17.2	18.6	--	21.1
EnCap XI	27.9	36.8	10.5	--	--	-3.2
EnCap IV	4.7	48.9	29.0	--	--	21.4
BlackRock GEPIF III	6.1	8.5	--	--	--	12.7
Tailwater Energy Fund IV	10.3	26.0	--	--	--	7.6
Carnelian Energy Capital IV	17.9	--	--	--	--	3.8
EnCap Flatrock Midstream Fund V	-6.5	--	--	--	--	-5.6
EnCap Energy Capital Fund XII	--	--	--	--	--	34.0
Carnelian Energy Capital V, LP	--	--	--	--	--	--
Total Real Assets	11.7	13.0	11.6	10.8	10.0	10.4
Index: Custom Blended Real Assets Benchmark	7.6	6.6	5.0	6.9	6.6	--

Merced County Employees' Retirement Association
Schedule of Investment Results (Gross of Fees) (Continued)
For the Fiscal Year Ended June 30, 2024

Private Equity	Current Year	Annualized				
		3Yrs	5Yrs	7Yrs	10Yrs	Inception
Adams St	-4.3	-2.5	8.3	10.3	10.4	10.2
Invesco VI	-30.6	-13.1	9.8	11.3	15.3	10.9
Ocean Ave II	-16.4	9.9	23.5	24.9	17.8	17.8
Pantheon I	-8.2	-15.85	-15.3	-9.4	-5.8	-1.1
Pantheon II	0.9	0.3	10.9	12.4	11.5	11.8
Pantheon Secondary	-2.3	-8.8	-8.0	-3.0	-2.3	1.2
Davidson Kempner Long-Term Distressed Opportunities Fund IV	11.5	28.3	19.0	--	--	17.9
GTCR Fund XII	8.5	15.6	25.8	--	--	14.4
Carrick Capital Partners III	8.5	12.7	16.5	--	--	10.8
Cressey & Company Fund VI	-5.7	11.2	17.6	--	--	12.4
TCV X	21.4	9.8	19.3	--	--	18.3
Accel-KKR Growth Capital Partners III	-7.1	11.1	6.7	--	--	6.7
Genstar Capital Partners IX	12.2	25.1	--	--	--	24.1
Cortec Group Fund VII	8.0	21.3	--	--	--	23.2
Spark Capital Growth Fund III	-3.8	13.2	--	--	--	12.1
Spark Capital VI	43.5	15.6	--	--	--	6.4
Summit Partners Growth Equity Fund X-A	8.3	12.7	--	--	--	11.6
Taconic Market Dislocation Fund III L.P.	19.2	12.6	--	--	--	15.4
Marlin Heritage Europe II, L.P.	2.7	1.4	--	--	--	0.6
Khosla Ventures VII	26.9	15.2	--	--	--	11.3
Accel-KKR Capital Partners VI	--	14.0	--	--	--	-4.0
Khosla Ventures Seed E	9.7	119.2	--	--	--	92.6
TCV XI	12.6	1.6	--	--	--	-0.2
Thoma Bravo Discover Fund III	14.9	7.8	--	--	--	9.1
Summit Partners Venture Capital Fund V-A	18.0	1.5	--	--	--	0.8
GTCR Fund XIII/A & B	15.1	37.6	--	--	--	69.6
Genstar Capital Partners X	0.1	--	--	--	--	4.3
Nautic Partners X	22.3	--	--	--	--	8.8
Spark Capital Growth Fund IV	-2.9	--	--	--	--	10.3
Spark Capital VII	-4.1	--	--	--	--	-6.2
TCV Velocity Fund I	96.9	--	--	--	--	8.8
Accel-KKR Growth Capital Partners IV	1.2	--	--	--	--	-12.3
Summit Partners Growth Equity Fund XI-A*	10.5	--	--	--	--	-31.4
GTCR Strategic Growth Fund I/A&B LP*	7.0	--	--	--	--	-27.1
Threshold Ventures IV LP*	-8.9	--	--	--	--	-17.6
Thoma Bravo Discover Fund IV*	14.3	--	--	--	--	15.7
Marlin Heritage III*	2.1	--	--	--	--	-69.2
Cortec Group Fund VIII, L.P.*	-23.8	--	--	--	--	-20.3

Merced County Employees' Retirement Association
Schedule of Investment Results (Gross of Fees) (Continued)
For the Fiscal Year Ended June 30, 2024

Private Equity (Continued)	Current Year	Annualized				
		3Yrs	5Yrs	7Yrs	10Yrs	Inception
Khosla Ventures VIII*	--	--	--	--	--	-2.2
Genstar Capital Partners XI*	--	--	--	--	--	35.5
Summit Partners Europe Growth Equity Fund IV*	--	--	--	--	--	--
Spark Capital VIII*	--	--	--	--	--	--
Wynnchurch Capital Partners VI, LP*	--	--	--	--	--	--
Accel-KKR Capital Partners VII LP*	--	--	--	--	--	--
Total Private Equity**	8.4	13.1	16.7	16.2	13.2	10.4
Index: Custom Blended Private Equity Benchmark	28.0	12.1	17.9	17.0	15.7	--

Direct Lending

Silver Point Specialty Credit Fund II, L.P.	11.4	6.9	--	--	--	10.5
Ares Senior Direct Lending Fund II	17.4	--	--	--	--	12.1
Varagon Capital Direct Lending Fund	8.3	--	--	--	--	3.2
AG Direct Lending Fund IV Annex	11.7	--	--	--	--	9.8
AG Direct Lending Fund V*	6.4	--	--	--	--	7.3
Accel-KKR Credit Partners II LP*	11.6	--	--	--	--	32.4
Silver Point Specialty Credit Fund III*	12.8	--	--	--	--	8.0
Ares Capital Europe VI (D) Levered, LP	--	--	--	--	--	9.6
Ares Senior Direct Lending Fund III	--	--	--	--	--	--
Total Direct Lending**	11.8	6.7	--	--	--	10.3
Index: S&P LSTA Leverage Loan Index + 2%	13.3	8.3	7.6	7.2	6.7	9.6

Hedge Funds

Graham Absolute Return	13.9	10.5	7.6	--	--	6.7
Wellington-Archipelago	16.5	9.4	8.8	--	--	7.8
Marshall Wace Eureka	12.5	7.6	9.2	--	--	8.2
Silver Point Capital	10.3	7.3	10.6	--	--	8.6
Laurion Capital	1.0	-4.0	8.6	--	--	8.8
Taconic Opportunity Fund	6.2	1.7	3.1	--	--	3.5
Marshall Wace Global Opportunities	11.7	7.3	--	--	--	6.9
Caxton Global Investments	10.3	7.1	--	--	--	5.6
Hudson Bay Fund*	7.1	--	--	--	--	6.8
Total Hedge Funds	9.6	4.8	6.2	6.0	5.2	5.2
Index: Hedge Fund Custom	8.7	2.1	4.8	4.3	3.8	3.8
Total Fund***	12.4	4.2	8.9	8.5	7.6	8.2
Total Fund Custom Index***	13.2	4.8	8.5	8.1	7.4	6.4

*There is no fiscal year data available; MercedCERA has been in the fund for less than a year.

**Performance results lag by a up to a quarter due to financial reporting constraints.

***Using time-weighted rate of return based on market rate return and are presented gross of fees.

Top 10 Largest Holdings by Fair Value June 30, 2024				
PAR	Bonds			Fair Value
61,295	GSAMP 2006-HE6 CL A-3	DI 09/14/2006	DD 08-25-2036	\$47,948
38,603	CARRINGTON MTG LN	DI 08/10/2006	DD 08-25-2036	36,762
73,950	OWNIT MTG LN	DI 09/28/2006	DD 09-25-2037	32,123
57,781	CMO BEAR STEARNS	DI 06/01/2006	DD 07-25-2036	24,558
31,994	CMO MERRILL LYNCH	DI 03/01/2006	DD 03-25-2036	18,850
18,404	CMO NOMURA AST ACCEP CORP	DI 06/29/2007	DD 06-25-2037	14,518
15,011	PVTPL CMO GS MTG SECS CORP	DI 10/25/2004	DD 06-25-2034	13,178
10,324	PVTPL CMO INDYMAC ABS INC	DI 06/14/2005	DD 06-25-2038	8,667
7,616	CMO WAMU MTG	DI 08/01/2006	DD 09-25-2036	6,208
6,763	CMO CITIGROUP MTG	DI 02/01/2006	DD 03-25-2036	6,046
				\$208,858

A complete list of portfolio holdings is available upon request.

Schedules of Investment Management Fees For the Fiscal Years Ended June 30, 2024 and 2023				
Investment Managers' Fees	2024 Assets Managed	2024 Fees	2023 Assets Managed	2023 Fees
Equity Managers				
Domestic	\$256,695,885	\$175,329	\$237,131,866	\$220,104
International	36,835,301	116,818	28,405,536	218,380
Fixed Income Managers	83,532,365	67,537	83,907,002	154,285
Alternative Investment Managers	24,911,463	276,121	35,712,890	620,528
Real Estate Managers	32,185,863	153,976	32,997,738	410,936
Total Investment Manager Fees and Assets Managed	\$434,160,877	\$789,781	\$418,155,032	\$1,624,233

Merced County Employees' Retirement Association
 List of Investment Service Providers
 As of June 30, 2024

Investment Service Providers	
Fixed Income	Private Equity
Brandywine	Accel-KKR
GoldenTree Asset Management LP	Adams Street Partners, LLC
Payden & Rygel	Carrick Capital Management Company
PIMCO Investment Management	Cortec Group
Vanguard	Cressey & Company LP
Wellington	Davidson Kempner Capital Management LP
	EnCap Investments LP
Domestic Equity	Genstar Capital
Champlain Investment Partners	GTCR LLC
Mellon Capital Management	Invesco Private Capital
	Khosla Ventures
International Equity	Marlin Equity Partners
Acadian Asset Management	Nautic Partners
Artisan	Ocean Avenue Capital Partners
Driehaus Capital Management	Pantheon Ventures, Inc.
First Eagle	Spark Capital
GQG	Summit Partners
RWC	Taconic Capital Advisors LP
	Technology Crossover Ventures (TCV)
Real Estate	Thoma Bravo, LP
Angelo Gordon	Threshold Ventures
The Carlyle Group	
Carmel Partners, Inc	Hedge Fund
Cerberus Capital Management	Caxton Associates LP
Greenfield Partners	Graham Capital Management
Patron Capital	Hudson Bay
Rockpoint Group	Laurion Capital Management, LLP
Starwood Capital Group	Marshall Wace, LLP
Taconic Capital Advisors LP	One William Street
UBS Global Asset Management	Silver Point Capital, L.P.
Vanguard	Taconic Capital Advisors LP
	Wellington Alternative Investments
	<i>Continued on next page.</i>

Investment Service Providers (Continued)

Natural Resources	Infrastructure
BlackRock, Inc	Ardian
Carnelian Energy Capital	BlackRock, Inc
EnCap Investments L.P.	I Squared Capital
GSO Energy Select Opportunities Associates, LLC	KKR & Co. L.P.
Tailwater	North Haven
Taurus Funds Management	
	Proxy Fund
	SSgA
Direct Lending	
Accel KKR	
Angelo Gordon	Commission Recapture Brokers
Ares	ConvergEx Group
Silver Point Capital	Capital Institutional Services, Inc.
Varagon Capital	

Actuarial Section

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Via Electronic Mail

December 3, 2024

Actuarial Certification

This is the Actuary's Certification Letter for the Actuarial Section of the Annual Comprehensive Financial Report (ACFR) for the Merced County Employees' Retirement Association (the Plan) as of June 30, 2024. This letter includes references to two documents produced by Cheiron for the Plan: the Actuarial Valuation Report as of June 30, 2023 (transmitted January 19, 2024) and the GASB 67/68 Report as of June 30, 2024 (transmitted November 26, 2024).

Actuarial Valuation Report as of June 30, 2023

The purpose of the annual Actuarial Valuation Report as of June 30, 2023 is to determine the actuarial funding status of the Plan on that date and to calculate recommended contribution rates for the participating employers and Plan members for the Fiscal Year 2024-2025. The prior review of Plan member and employer rates was conducted as of June 30, 2022 and included recommended contribution rates for the Fiscal Year 2023-2024.

The funding objective of the Plan is to accumulate sufficient assets over each Member's working life to provide for Plan benefits after termination of employment or retirement. The Board of Retirement is responsible for establishing and maintaining the funding policy of the Plan.

Actuarial funding is based on the Entry Age Normal Cost Method. Under this method, the employer contribution rate provides for current cost (normal cost and expected administrative expenses) plus a level percentage of payroll to amortize the Unfunded Actuarial Liability (UAL). Based on an action taken by the Board at their September 10, 2020 meeting, effective with the June 30, 2019 valuation, 15% of the outstanding balance as of June 30, 2019 of the June 30, 2013 UAL amortization base is carved out as a separate base and amortized over a closed 14-year period as a level percentage of payroll. The remaining 85% is amortized over a closed 14-year period, with 10 years of level payments as a percentage of payroll, and a four-year ramp down at the end of the period.

For the June 30, 2014 valuation, the Board of Retirement adopted a new funding policy for any subsequent unexpected change in the UAL after June 30, 2013. Any new sources of UAL due to actuarial gains and losses or method changes are amortized over a closed 24-year period, with a five-year ramp up period at the beginning of the period, a four-year ramp down at the end of the period, and 15 years of level payments as a percentage of payroll between the ramping periods. Assumption changes will be amortized over a closed 22-year period, with a three-year ramp up period, two-year ramp down period, and 17 years of level payments as a percentage of payroll.

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December 3, 2024
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The Board also adopted a policy to replace the smoothed Actuarial Value of Assets with the Market Value of Assets for valuation purposes. These amortization and funding policies in conjunction are a type of policy known as direct rate smoothing.

We prepared the following schedules, which we understand will be included in the Actuarial Section of the ACFR, based on the June 30, 2023 actuarial valuation. All historical information prior to the June 30, 2013 actuarial valuation shown in these schedules is based on information reported by EFI Actuaries, which was acquired by Cheiron in January 2013.

- Statement of Current Actuarial Assumptions and Methods
- Schedule of Active Member Valuation Data
- Schedule of Retirees and Beneficiaries Added to and Removed from Rolls
- Development of 2023 Experience Gain/(Loss) (Analysis of Financial Experience)
- Schedule of Funded Liabilities by Type
- Summary of Plan Provisions

The assumptions and methods used in this report reflect the results of an experience study performed by Cheiron covering the period from July 1, 2019 through June 30, 2022 and adopted by the Board at their December 8, 2022 meeting. The assumptions used in the most recent valuation are intended to produce results that, in the aggregate, reasonably approximate the anticipated future experience of the Plan. The next experience analysis will cover the years through 2025.

We certify that the valuation was performed in accordance with generally accepted actuarial principles and practices. In particular, the assumptions and methods used for funding purposes meet the requirements of the Actuarial Standards of Practice, in particular Standards No. 4, 27, 35, and 44.

GASB 67/68 Report as of June 30, 2024

The purpose of the GASB 67/68 Report as of June 30, 2024 is to provide accounting and financial reporting information under GASB 67 for the Plan and under GASB 68 for the County of Merced and the other participating employers. This report is not appropriate for other purposes, including the measurement of funding requirements for the Plan.

For financial reporting purposes, the Total Pension Liability is based on the June 30, 2023 actuarial valuation updated to the measurement date of June 30, 2024. The beginning of year Total Pension Liability was based on the actuarial valuation as of June 30, 2022, updated to June 30, 2023. The Total Pension Liability measurements as of June 30, 2024 and June 30, 2023 presented in the GASB 67/68 Report were based upon the same data, plan provisions, actuarial methods, and assumptions as were used in the actuarial valuation reports as of June 30, 2023 and June 30, 2022, respectively.

Please refer to our GASB 67 report as of June 30, 2024 for additional information related to the financial reporting of the System.



Merced 2024 ACFR Certification Letter
December 3, 2024
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We prepared the following schedules for inclusion in the Financial Section of the ACFR based on the June 30, 2024 GASB 67/68 report:

- Change in Net Pension Liability
- Sensitivity of Net Pension Liability to Changes in Discount Rate
- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Employer Contributions
- Notes to the Schedule of Employer Contributions

We certify that the report was performed in accordance with generally accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. In particular, the assumptions and methods used for disclosure purposes have been prepared in accordance with our understanding of generally accepted accounting principles as promulgated by the GASB.

Disclaimers

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

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and, changes in plan provisions or applicable law.

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

These reports are for the use of the Plan and their auditor in preparing financial reports in accordance with applicable law and accounting requirements. Any other user of these reports is not an intended user and is considered a third party.

Cheiron's reports were prepared solely for the Plan for the purposes described herein, except that the Plan auditor may rely on these reports solely for the purpose of completing an audit related to the matters herein. They are not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.


We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.




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December 3, 2024
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These reports do not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

Respectfully Submitted,
Cheiron


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Merced County Employees' Retirement Association

Statement of Current Actuarial Assumptions and Methods

A. Economic Assumptions

The following economic assumptions and non-economic assumptions were recommended by the actuary and adopted by the Board of Retirement as of the most recent actuarial valuation (dated June 30, 2023):

Investment Rate of Return	6.75%, net investment and administrative expenses
Inflation	2.75% per annum
Cost-of-Living Adjustments	For Tier 1, 100% of Consumer Price Index (CPI) up to 3% annually with banking, assumed to be 2.40% annually
Asset Valuation Method	Market Value of Assets
Interest Credited to Active Members' Reserves	Pursuant to MercedCERA Interest Crediting Policy, adopted September 14, 2017, interest will fall within a range from 0% to the actuarial interest rate
Projected Annual Salary Increases	2.75%, plus service-based rates

B. Non-Economic Assumptions

The date of the last study of the Plan's actual experience was June 30, 2022. The actuary compared the expected number of terminations from active service to the number actually experienced during a 3-year period and based on this comparison and the trends observed; the probabilities of separation were adjusted.

Mortality Tables Used:

1. Active Members

General Members	CalPERS 2021 Non-Industrial Employees Mortality Table; projected generationally using SOA MP-2020 mortality improvement scale.
Safety Members	2010 Public Safety Below Median Employee Mortality Table; projected generationally using SOA MP-2020 mortality improvement scale.
Safety Members (Line of Duty)	CalPERS 2021 Industrial Employees Mortality Table; projected generationally using SOA MP-2020 mortality improvement scale.

2. Service Retirements

General Members	1.05 times the CalPERS 2021 Healthy Annuitant Mortality Table; projected generationally using MP-2020 mortality improvement scale.
Safety Members	1.05% times the 2010 Public Safety Below Median Healthy Retiree Mortality Table; projected generationally using MP-2020 mortality improvement scale.

3. Disability

Service Connected	CalPERS 2021 Industrial Disability Mortality Table; projected generationally using MP-2020 mortality improvement scale.
Non-Service Connected	CalPERS 2021 Non-Industrial Disability Mortality Table; projected generationally using MP-2020 mortality improvement scale.

4. For employee contribution rate purposes

Same as for active members, except projected using Scale MP-2020 to 2043.

Merced County Employees' Retirement Association
Statement of Current Actuarial Assumptions and Methods (Continued)

Withdrawal Rates	Based upon the Experience Analysis as of 6/30/2022 (See Appendix B of 6/30/2022 Actuarial Valuation Report — Statement of Current Actuarial Assumptions.)
Disability Rates	Based upon the Experience Analysis as of 6/30/2022 (See Appendix B of 6/30/2022 Actuarial Valuation Report — Statement of Current Actuarial Assumptions.)
Service Retirement Rates	Based upon the Experience Analysis as of 6/30/2022 (See Appendix B of 6/30/2022 Actuarial Valuation Report — Statement of Current Actuarial Assumptions.)
Vested Termination	<p>Rates of vested termination apply to active members who terminate their employment after five years of service and leave their contribution with the plan. Vested terminated General Members are assumed to begin receiving benefits at 60; terminated Safety Members are assumed to begin receiving benefits at age 50. Future reciprocal transfer General members are assumed to begin receiving benefits at age 61; future reciprocal transfer Safety members are assumed to begin receiving benefits at age 55. Current reciprocal transfer members are assumed to begin receiving benefits based on the probabilities of retirement applied to the active members.</p> <p>Future reciprocal transfers' pay growth is assumed to be 3.75% for General Member and 4.00% for Safety Members while employed by a reciprocal employer. Current reciprocal transfers' pay growth is assumed to increase according to the assumptions applied to the active members until the assumed retirement age.</p>
Family Composition	55% of female General members, 75% of male General members and 80% of Safety members are assumed to be married at retirement. Male members are assumed to be three years older than their spouses and female members are assumed to be two years younger than their spouses.

C. Funding Method

The Entry Age Normal actuarial funding method was used for active employees, whereby the normal cost is computed as the level annual percentage of pay required to fund the retirement benefits between each Member's date of hire and assumed retirement. The Actuarial Liability is the difference between the Present Value of Future Benefits and the Present Value of Future Normal Cost. The Unfunded Actuarial Liability (UAL) is the difference between the Actuarial Liability and the Actuarial Value of Assets.

The UAL (or Surplus Funding) is amortized as a percentage of the projected salaries of present and future members of MCERA.

- Effective with the June 30, 2013 valuation, the UAL as of June 30, 2013 is amortized over a closed 16-year period. Effective with the June 30, 2019 valuation, 15% of the outstanding balance as of June 30, 2019 of the June 30, 2013 UAL amortization base is carved out as a separate base and amortized over a closed 14-year period as a level percentage of payroll. The remaining 85% is amortized over a closed 14-year period, with 10 years of level payments as a percentage of payroll, and a four-year ramp down at the end of the period.
- Effective with the June 30, 2014 valuation, any new sources of UAL due to actuarial gains and losses or method changes is amortized over a closed 24-year period, with five-year ramp up period at the beginning of the period, a four-year ramp down at the end of the period, and 15 years of level payments as a percentage of payroll.
- Assumption changes will be amortized over a closed 22-year period, with a three-year ramp up period, two-year ramp down period, and 17 years of level payments as a percentage of payroll. This method is a type of direct rate smoothing method.

D. Plan Description

A summary of plan provisions is located in Note 1 of the **NOTES TO BASIC FINANCIAL STATEMENTS**.

Merced County Employees' Retirement Association Probabilities of Separation from Active Service

GENERAL MEMBERS

Age	Service-Connected Disability	Non-Service-Connected Disability
20	0.0135%	0.0135%
25	0.0136%	0.0136%
30	0.0182%	0.0182%
35	0.0331%	0.0331%
40	0.0678%	0.0678%
45	0.1325%	0.1325%
50	0.1822%	0.1822%
55	0.1380%	0.1380%
60	0.1134%	0.1134%
65	0.1390%	0.1390%

Service (Yrs)	Withdrawals	Transfers	Vested Terminations
0-4	92.50%	7.50%	0.00%
5-9	30.00%	35.00%	35.00%
10-14	20.00%	40.00%	40.00%
15+	5.00%	47.50%	47.50%

Service Retirement (by Service)					
Non-PEPRA			PEPRA		
Age	<20 Yrs	20-29 Yrs	30+ Yrs	5-19 Yrs	20+ Yrs
50	10.00%	12.50%	15.00%	0.00%	0.00%
55	10.00%	12.50%	30.00%	10.00%	10.00%
60	20.00%	25.00%	30.00%	10.00%	15.00%
65	35.00%	35.00%	35.00%	10.00%	15.00%

SAFETY MEMBERS

Age	Service-Connected Disability	Non-Service-Connected Disability
20	0.0420%	0.0090%
25	0.1310%	0.0090%
30	0.2490%	0.0110%
35	0.3700%	0.0340%
40	0.5130%	0.0590%
45	0.6720%	0.1120%
50	0.9190%	0.1600%
55	1.5050%	0.0850%
60	1.7400%	0.0510%
65	2.0930%	0.0510%

Service (Yrs)	Withdrawals	Transfers	Vested Terminations
0-4	95.00%	5.00%	0.0%
5-9	30.00%	52.50%	17.50%
10+	15.00%	63.75%	21.25%

Active Member Mortality		
Age	Female	Male
20	0.0213%	0.0513%
30	0.0505%	0.0790%
40	0.0812%	0.1614%
50	0.1246%	0.1614%
60	0.2538%	0.3859%

Service Retirement (by Service)		
Age	<20 Yrs	20+ Yrs
40	0.00%	1.50%
45	0.00%	1.50%
50	15.00%	25.00%
55	25.00%	25.00%
60	25.00%	25.00%

RATES OF TERMINATION

Years of Service	General	Safety	Years of Service	General	Safety
0	22.50%	21.00%	20	4.00%	0.00%
5	9.00%	6.50%	25	4.00%	0.00%
10	5.50%	4.75%	30	0.00%	0.00%
15	4.00%	3.50%			

Note: Information compiled from Actuarial Report Prepared by Cheiron, Inc. dated June 30, 2023

Merced County Employees' Retirement Association Schedule of Active Member Valuation Data

Valuation Date	Plan Type	Number	Annual Salary	Average Annual Salary	% Increase in Average Annual Salary
6/30/2014	General	1,624	\$91,704,083	\$56,468	-1.27%
	Safety	300	\$18,620,870	\$62,070	-2.08%
	Total	1,924	\$110,324,953	\$57,341	-1.40%
6/30/2015	General	1,664	\$93,938,857	\$56,454	-0.03%
	Safety	298	\$18,397,233	\$61,736	-0.54%
	Total	1,962	\$112,336,090	\$57,256	-0.15%
6/30/2016	General	1,729	\$97,337,917	\$56,297	-0.28%
	Safety	311	\$19,394,922	\$62,363	1.02%
	Total	2,040	\$116,732,839	\$57,222	-0.06%
6/30/2017	General	1,783	\$102,498,328	\$57,486	2.11%
	Safety	313	\$20,136,323	\$64,333	3.16%
	Total	2,096	\$122,634,651	\$58,509	2.25%
6/30/2018	General	1,827	\$108,067,248	\$59,150	2.89%
	Safety	322	\$22,018,174	\$68,379	6.29%
	Total	2,149	\$130,085,422	\$60,533	3.46%
6/30/2019	General	1,861	\$111,267,187	\$59,789	1.08%
	Safety	316	\$22,498,224	\$71,197	4.12%
	Total	2,177	\$133,765,411	\$61,445	1.51%
6/30/2020	General	1,828	\$112,315,867	\$61,442	2.76%
	Safety	321	\$22,982,055	\$71,595	0.56%
	Total	2,149	\$135,297,922	\$62,959	2.46%
6/30/2021	General	1,799	\$116,284,193	\$64,638	5.20%
	Safety	319	\$23,871,550	\$74,832	4.52%
	Total	2,118	\$140,155,743	\$66,174	5.11%
6/30/2022	General	1,842	\$120,774,476	\$65,567	1.44%
	Safety	325	\$25,176,047	\$77,465	3.52%
	Total	2,167	\$145,950,523	\$67,351	1.78%
6/30/2023	General	1,857	\$126,256,107	\$67,989	3.69%
	Safety	308	\$24,891,179	\$80,816	4.33%
	Total	2,165	\$151,147,286	\$69,814	3.66%

Note: Information compiled from Actuarial Report prepared by Cheiron, Inc. dated June 30, 2023. The data differs from the membership data in the notes to the financial statements due to timing differences and actuary changes in rounding of data.

**Schedule of Retirements and Beneficiaries Added to and Removed from Retiree Payroll
For Fiscal Years Ended June 30**

Year	Beginning of Year	Added During Year	Allowances Added (\$000)	Removed During Year	Allowances Removed (\$000)	End of Year	Retiree Payroll (\$000)	% Increase in Retiree Payroll	Average Annual Allowances
2014	2,050	116	\$3,950	31	\$591	2,135	\$60,297	7.58%	\$28,242
2015	2,135	100	\$2,509	35	\$720	2,200	\$63,254	4.90%	\$28,752
2016	2,200	68	\$1,716	34	\$946	2,234	\$65,506	3.56%	\$29,322
2017	2,234	85	\$2,283	56	\$1,023	2,263	\$68,476	4.53%	\$30,259
2018	2,263	120	\$3,617	73	\$1,672	2,310	\$72,003	5.15%	\$31,170
2019	2,310	141	\$4,908	78	\$1,805	2,373	\$76,949	6.87%	\$32,427
2020	2,373	126	\$4,590	66	\$1,555	2,433	\$81,827	6.34%	\$33,632
2021	2,433	117	\$3,954	84	\$2,671	2,466	\$84,975	3.85%	\$34,459
2022	2,466	144	\$4,842	87	\$2,714	2,523	\$88,407	4.04%	\$35,040
2023	2,523	135	\$4,160	74	\$1,794	2,584	\$92,661	4.81%	\$35,859

Note: The data differs from the membership data in the notes to the basic financial statements due to timing differences and rounding of data.

**Schedule of Funded Liabilities by Type
For Fiscal Years Ended June 30
(Dollar Amounts in Thousands)**

Actuarial Accrued Liabilities (AAL) For						Portion of Accrued Liabilities Covered by Reported Assets		
1	2	3						
Valuation Date	Active Member Contributions	Retirees and Beneficiaries	Active Members Employer Portion	Total Actuarial Accrued Liabilities	Valuation Assets	1	2	3
2014	\$75,582	\$739,428	\$281,231	\$1,096,241	\$657,325	100%	79%	0%
2015	\$78,078	\$765,738	\$287,365	\$1,131,181	\$672,319	100%	78%	0%
2016	\$81,880	\$804,658	\$314,657	\$1,201,195	\$670,016	100%	73%	0%
2017	\$85,150	\$834,643	\$339,909	\$1,259,702	\$753,769	100%	80%	0%
2018	\$86,585	\$871,095	\$344,239	\$1,301,919	\$826,654	100%	85%	0%
2019	\$86,356	\$932,909	\$350,930	\$1,370,195	\$866,503	100%	84%	0%
2020	\$84,767	\$986,071	\$342,043	\$1,412,881	\$919,815	100%	85%	0%
2021	\$88,147	\$1,038,307	\$364,778	\$1,491,232	\$1,163,254	100%	100%	10%
2022	\$89,217	\$1,071,129	\$368,988	\$1,529,334	\$1,064,441	100%	91%	0%
2023	\$91,021	\$1,102,303	\$381,285	\$1,574,609	\$1,135,081	100%	95%	0%

Note: Information compiled from Actuarial Report prepared by Cheiron, Inc. dated June 30, 2023.

Actuarial Analysis of Financial Experience For Fiscal Years Ended June 30 (Dollar Amounts in Thousands)						
Plan Year Ended	Actuarial (Gains)/Losses			Changes in Plan Provisions	Changes in Assumptions/Methods	Total (Gains)/Loss
	Asset Sources	Liability Sources	Total			
2014	\$(22,058)	\$(12,533)	\$(34,591)	N/A	\$(36,803)	\$(71,394)
2015	\$31,459	\$(5,096)	\$26,363	N/A	\$7,636	\$33,999
2016	\$52,420	\$(8,327)	\$44,093	N/A	\$41,488	\$85,581
2017	\$(34,498)	\$2,720	\$(31,778)	N/A	\$18,639	\$(13,139)
2018	\$(15,963)	\$1,158	\$(14,805)	N/A	\$576	\$(14,229)
2019	\$20,208	\$7,038	\$27,246	N/A	\$22,230	\$49,476
2020	\$3,288	\$9,654	\$12,942	N/A	\$(8,408)	\$4,534
2021	\$189,425	\$999	\$190,424	N/A	\$(43,792)	\$146,632
2022	\$(165,247)	\$12,615	\$(152,632)	N/A	\$(14,169)	\$(166,801)
2023	\$11,992	\$(8,913)	\$3,079	N/A	\$(819)	\$2,260

Schedule of Funding Progress For Fiscal Years Ended June 30 (Dollar Amounts in Thousands)						
Actuarial Valuation Date	Valuation Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Active Member Projected Payroll	Unfunded AAL as a % of Covered Payroll
2014	\$657,325*	\$1,096,241	\$438,916	60.0%	\$115,939	378.6%
2015	\$672,319*	\$1,131,181	\$458,862	59.4%	\$117,822	389.5%
2016	\$670,016*	\$1,201,195	\$531,179	55.8%	\$123,018	431.8%
2017	\$753,769*	\$1,259,702	\$505,933	59.8%	\$129,624	390.3%
2018	\$826,654*	\$1,301,919	\$475,265	63.5%	\$137,668	345.2%
2019	\$866,503*	\$1,370,195	\$503,692	63.2%	\$142,328	353.9%
2020	\$919,815*	\$1,412,881	\$493,066	65.1%	\$143,992	342.4%
2021	\$1,163,254*	\$1,491,232	\$327,978	78.0%	\$145,531	225.4%
2022	\$1,064,441*	\$1,529,334	\$464,893	69.6%	\$151,900	306.1%
2023	\$1,135,081*	\$1,574,609	\$439,528	72.1%	\$157,252	279.5%

*Reflects change in asset valuation methodology from valuation value of assets to market value of assets effective for the 2014 actuarial valuation.

Note: Information compiled from Actuarial Report prepared by Cheiron, Inc. dated June 30, 2023.

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Summary of Statistical Data

The Statistical Section presents information pertaining to MercedCERA's operations on a multi-year basis. The financial and operating information provides contextual data for MercedCERA's fiduciary net position, benefits, refunds, and different types of retirement benefits. The data presented in this section was produced and compiled by the Association.

Additions by Source					
Fiscal Year Ended	Plan Member Contributions	Employer Contributions	Employer % of Covered Payroll	Net Investment Income and Other Income (Loss)	Total
6/30/2015	\$ 8,945,316	\$52,005,656	47.22%	\$ 19,318,849	\$ 80,269,821
6/30/2016	\$ 9,042,663	\$56,617,088	49.50%	\$ (388,209)	\$ 65,271,542
6/30/2017	\$ 9,384,621	\$60,349,189	50.45%	\$ 83,097,416	\$152,831,226
6/30/2018	\$10,441,876	\$64,757,288	51.11%	\$ 70,689,084	\$145,888,248
6/30/2019	\$10,695,680	\$66,586,464	50.69%	\$ 39,728,950	\$117,011,094
6/30/2020	\$10,796,855	\$67,413,475	49.71%	\$ 57,232,017	\$135,442,347
6/30/2021	\$11,895,243	\$64,512,161	46.90%	\$253,466,527	\$329,873,931
6/30/2022	\$12,124,583	\$65,629,994	46.37%	\$(87,115,891)	\$(9,361,314)
6/30/2023	\$13,445,557	\$68,648,166	45.77%	\$ 83,417,442	\$165,511,165
6/30/2024	\$13,403,198	\$69,632,270	45.59%	\$134,248,001	\$217,283,469

Deductions by Type					
Fiscal Year Ended	Benefits Paid	Administrative Expenses	Actuarial Expense	Refunds of Contributions	Total
6/30/2015	\$61,780,089	\$2,197,281	\$ 126,165	\$ 1,171,835	\$65,275,370
6/30/2016	\$63,928,672	\$2,416,563	\$ 76,121	\$ 1,153,731	\$67,575,087
6/30/2017	\$66,116,108	\$1,966,898	\$ 206,509	\$ 788,207	\$69,077,722
6/30/2018	\$69,836,223	\$2,177,186	\$ 106,210	\$ 883,987	\$73,003,606
6/30/2019	\$74,238,692	\$2,271,779	\$ 79,326	\$ 571,983	\$77,161,780
6/30/2020	\$78,755,515	\$2,253,113	\$ 211,784	\$ 910,147	\$82,130,559
6/30/2021	\$82,836,595	\$2,494,246	\$ 126,833	\$ 977,485	\$86,435,159
6/30/2022	\$85,912,580	\$2,522,797	\$ 120,292	\$ 896,116	\$89,451,785
6/30/2023	\$90,585,672	\$2,789,967	\$ 232,010	\$ 1,262,876	\$94,870,525
6/30/2024	\$94,081,287	\$2,753,296	\$ 84,737	\$ 1,692,862	\$98,612,182

Merced County Employees' Retirement Association
Schedules of Changes in Fiduciary Net Position
(Dollars in Thousands)

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Additions					
Plan members contributions	\$13,403	\$13,446	\$12,124	\$11,895	\$10,797
Employer contributions	69,632	68,648	65,630	64,512	67,413
Net investment income/(loss)	134,248	83,417	(87,115)	253,467	57,232
Total additions	217,283	165,511	(9,361)	329,874	135,442
Deductions					
Benefits paid	94,081	90,586	85,913	82,837	78,755
Administrative expenses	2,753	2,790	2,523	2,494	2,253
Actuarial expenses	85	232	120	127	212
Refunds	1,693	1,263	896	977	910
Total deductions	98,612	94,871	89,452	86,435	82,130
Change in fiduciary net position	118,671	70,640	(98,813)	243,439	53,312
Net position restricted for pensions at beginning of the year	1,135,081	1,064,441	1,163,254	919,815	866,503
Net position restricted for pensions at end of the year	\$1,253,752	\$1,135,081	\$1,064,441	\$1,163,254	\$919,815

	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Additions					
Plan members contributions	\$10,696	\$10,442	\$9,385	\$9,043	\$8,945
Employer contributions	66,586	64,757	60,349	56,617	52,005
Net investment income/(loss)	39,729	70,689	83,097	(388)	19,319
Total additions	117,011	145,888	152,831	65,272	80,269
Deductions					
Benefits paid	74,239	69,836	66,116	63,929	61,780
Administrative expenses	2,272	2,177	1,966	2,417	2,197
Actuarial expenses	79	106	207	76	126
Refunds	572	884	788	1,154	1,172
Total deductions	77,162	73,003	69,077	67,576	65,275
Change in fiduciary net position	39,849	72,885	83,754	(2,304)	14,994
Net position restricted for pensions at beginning of the year	826,654	753,769	670,015	672,319	657,325
Net position restricted for pensions at end of the year	\$866,503	\$826,654	\$753,769	\$670,015	\$672,319

Merced County Employees' Retirement Association
Schedules of Benefit Expenses by Type
(Amount in Thousands of Dollars)

	2024*	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*
Service Retirement										
General	\$68,982	\$65,945	\$62,724	\$60,682	\$57,652	\$54,136	\$50,551	\$47,522	\$46,126	\$44,722
Safety	13,108	12,880	11,837	10,993	10,006	9,336	8,652	8,059	7,761	7,854
Total	\$82,090	\$78,825	\$74,561	\$71,675	\$67,658	\$63,472	\$59,203	\$55,581	\$53,887	\$52,576
Disability Retirement										
General	\$2,105	\$2,136	\$2,234	\$2,071	\$2,141	\$2,139	\$2,032	\$2,117	\$1,953	\$1,842
Safety	3,147	3,148	3,133	3,210	3,182	3,100	2,976	2,759	2,604	2,623
Total	\$5,252	\$5,284	\$5,367	\$5,281	\$5,323	\$5,239	\$5,008	\$4,876	\$4,557	\$4,465
Beneficiary/Survivor										
General	\$4,872	\$4,645	\$4,577	\$4,210	\$3,915	\$3,786	\$3,808	\$3,767	\$3,667	\$3,327
Safety	1,406	1,271	1,147	1,506	1,575	1,608	1,627	1,729	1,650	1,258
Total	\$6,278	\$5,916	\$5,724	\$5,716	\$5,490	\$5,394	\$5,435	\$5,496	\$5,317	\$4,585
Total Payroll Expense										
General	\$75,959	\$72,726	\$69,535	\$66,963	\$63,708	\$60,061	\$56,391	\$53,406	\$51,746	\$49,891
Safety	17,661	17,299	16,117	15,709	14,763	14,044	13,255	12,547	12,015	11,735
Total	\$93,620	\$90,025	\$85,652	\$82,672	\$78,471	\$74,105	\$69,646	\$65,953	\$63,761	\$61,626
Death Benefits										
General	\$182	\$257	\$213	\$149	\$128	\$99	\$102	\$111	\$129	\$84
Safety	105	9	15	15	3	24	18	12	15	18
Total	\$287	\$266	\$228	\$164	\$131	\$123	\$120	\$123	\$144	\$102
Separation Refund Expense										
General	\$1,249	\$921	\$689	\$868	\$680	\$446	\$643	\$674	\$978	\$1,033
Safety	444	342	207	109	230	126	241	114	176	139
Total	\$1,693	\$1,263	\$896	\$977	\$910	\$572	\$884	\$788	\$1,154	\$1,172
Active Death Expense										
General	\$174	\$234	\$ 32	\$ -	\$154	\$11	\$70	\$40	\$24	\$51
Safety	0	60	-	-	-	-	-	-	-	-
Total	\$174	\$294	\$ 32	\$ -	\$154	\$11	\$70	\$40	\$24	\$51

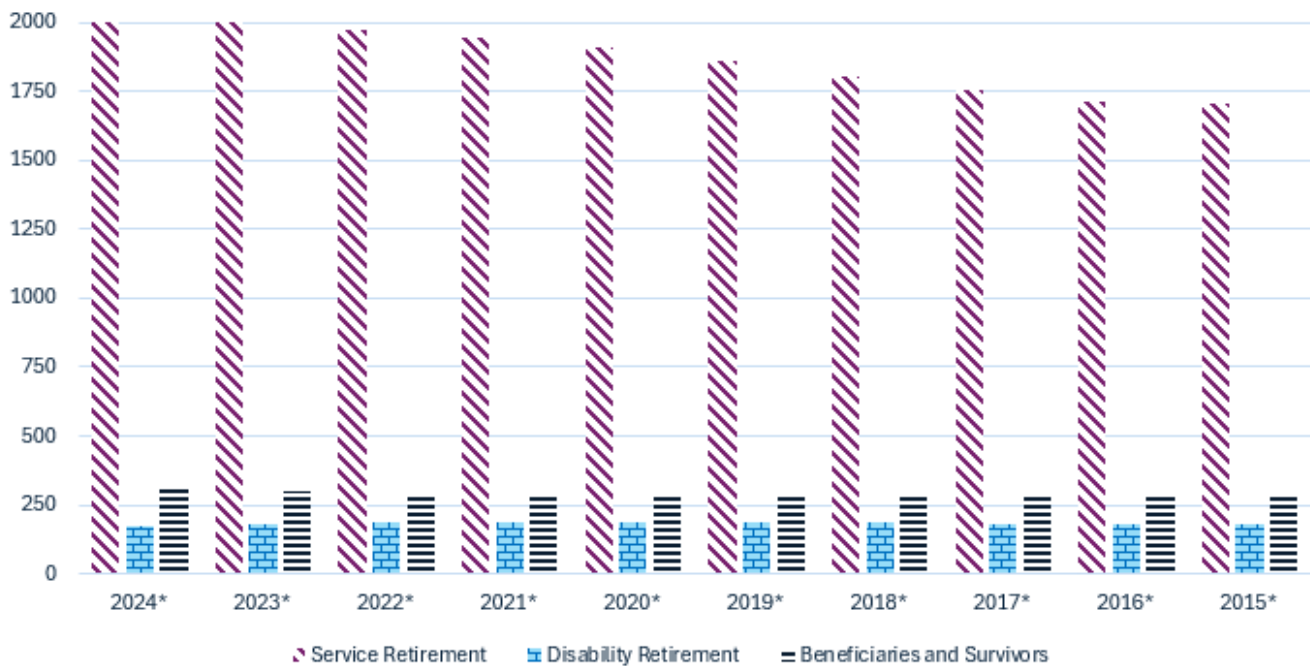
*During the 2015 fiscal year, MercedCERA converted to the CPAS System. Because of differences in handling data, beneficiaries of disability retiree decedents are now grouped with Beneficiary/Survivors.

Merced County Employees' Retirement Association
 Schedule of Retired Members by Type of Benefit
 (Summary of Monthly Allowances Being Paid - As of June 30, 2024)

Type of Benefit	General Members		Safety Members		Total	
	Number	Average Monthly Allowance	Number	Average Monthly Allowance	Number	Average Monthly Allowance
Service Retirement	1,826	\$3,455	251	\$6,073	2,077	\$3,772
Disability	86	\$2,155	87	\$3,840	173	\$3,002
Beneficiary/Survivor	248	\$2,007	62	\$3,633	310	\$2,332
Total Retired Members	2,160	\$3,237	400	\$5,209	2,560	\$3,546

This schedule excludes separation refunds and death refunds.

Ten Year Structure of Retiree Membership History



	2024*	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*
Service Retirements	2,077	2,029	1,975	1,943	1,911	1,859	1,806	1,757	1,713	1,706
Disability Retirements	173	182	186	186	191	188	185	183	184	180
Beneficiaries and Survivors	310	301	286	286	281	284	283	285	286	276
Total	2,560	2,512	2,447	2,415	2,383	2,331	2,274	2,225	2,183	2,162

*During the 2014-2015 fiscal year, MercedCERA migrated to a new pension administration system. Beneficiaries of disability retirees are no longer classified as disability retirements for statistical purposes. This has resulted in a re-proportioning of these numbers.

Merced County Employees' Retirement Association
 Summary of Retired Membership
 For Fiscal Years Ended June 30 (Basic Annual and Total Annual Allowance Dollars in Thousands)

	2024*	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*
General										
Number	2,160	2,126	2,087	2,045	2,029	1,987	1,937	1,895	1,860	1,848
Basic annual allowance	\$57,297	\$55,158	\$53,103	\$51,416	\$49,178	\$46,562	\$43,874	\$41,930	\$41,265	\$40,316
Average basic monthly allowance	\$2,185	\$2,162	\$2,120	\$2,095	\$2,020	\$1,953	\$1,888	\$1,844	\$1,849	\$1,818
Total annual allowance**	\$76,077	\$72,726	\$69,535	\$66,963	\$63,708	\$60,061	\$56,391	\$53,406	\$51,746	\$49,891
Average total monthly allowance	\$2,902	\$2,851	\$2,777	\$2,729	\$2,617	\$2,519	\$2,426	\$2,349	\$2,318	\$2,250
Safety										
Number	400	386	378	370	354	344	337	330	323	314
Basic annual allowance	\$12,390	\$12,215	\$11,496	\$11,313	\$10,724	\$10,302	\$9,783	\$9,347	\$9,086	\$8,996
Average basic monthly allowance	\$2,604	\$2,637	\$2,534	\$2,548	\$2,524	\$2,496	\$2,419	\$2,360	\$2,344	\$2,387
Total annual allowance**	\$17,663	\$17,299	\$16,117	\$15,709	\$14,763	\$14,044	\$13,255	\$12,547	\$12,015	\$11,735
Average total monthly allowance	\$3,712	\$3,735	\$3,553	\$3,538	\$3,475	\$3,402	\$3,278	\$3,168	\$3,100	\$3,114
Total										
Number	2,560	2,512	2,467	2,415	2,383	2,331	2,274	2,225	2,183	2,162
Basic annual allowance	\$69,687	\$67,373	\$64,599	\$62,728	\$59,902	\$56,864	\$53,657	\$51,277	\$50,351	\$49,312
Average basic monthly allowance	\$2,250	\$2,235	\$2,184	\$2,165	\$2,095	\$2,033	\$1,966	\$1,920	\$1,922	\$1,901
Total annual allowance**	\$93,740	\$90,025	\$85,652	\$82,672	\$78,471	\$74,105	\$69,646	\$65,953	\$63,761	\$61,626
Average total monthly allowance	\$3,026	\$2,987	\$2,896	\$2,853	\$2,744	\$2,649	\$2,552	\$2,470	\$2,434	\$2,375

*As of 2015, divorcees will be excluded from Membership data as they are technically not members and only represent a party to a single split benefit.

**Total Annual Allowance includes COLA, and partial monthly payment/one-time catch up payment. This excludes death refunds, lump sum death benefits and separation refunds.

Merced County Employees' Retirement Association
 Schedule of Retired Members by Type of Retirement
 As of June 30, 2024

Amount of Monthly Benefit	Number of Members	Type of Retirement*							Option Selected**					
		1	2	3	4	5	6	7	U	1	2	3	4	SD
General Members														
\$1 - \$999	497	169	219	77	12	1	5	14	359	24	83	17	-	14
\$1,000 - \$1,999	538	179	249	56	7	11	29	7	437	12	69	12	1	7
\$2,000 - \$2,999	349	152	131	28	2	24	6	6	295	8	33	10	1	2
\$3,000 - \$3,999	218	97	102	13	1	4	-	1	187	5	18	6	1	1
\$4,000 - \$4,999	146	73	59	5	-	7	-	2	131	3	10	2	-	-
\$5,000 - \$5,999	125	58	61	4	-	1	-	1	100	7	12	5	1	-
\$6,000 - \$6,999	73	26	46	1	-	-	-	-	66	2	4	1	-	-
\$7,000 - \$7,999	57	24	28	5	-	-	-	-	49	3	4	1	-	-
\$8,000 - \$8,999	39	15	22	2	-	-	-	-	31	2	4	1	1	-
\$9,000 - \$9,999	21	9	12	-	-	-	-	-	15	1	3	1	1	-
\$10,000 & over	97	40	52	5	-	-	-	-	80	4	13	-	-	-
Totals	2,160	842	981	196	22	48	40	31	1,750	71	253	56	6	24
Safety Members														
\$1 - \$999	38	21	1	2	2	11	-	1	22	4	9	1	-	2
\$1,000 - \$1,999	50	26	3	11	1	9	-	-	38	1	9	1	-	1
\$2,000 - \$2,999	72	35	6	5	1	20	1	4	60	-	11	-	-	1
\$3,000 - \$3,999	81	30	4	9	2	29	1	6	71	1	6	-	-	3
\$4,000 - \$4,999	41	26	2	6	-	6	-	1	33	-	5	-	3	-
\$5,000 - \$5,999	28	14	6	2	-	5	-	1	23	1	4	-	-	-
\$6,000 - \$6,999	25	16	4	1	-	2	-	2	18	1	4	1	1	-
\$7,000 - \$7,999	12	10	-	1	-	-	-	1	10	-	2	-	-	-
\$8,000 - \$8,999	11	10	1	-	-	-	-	-	9	-	1	1	-	-
\$9,000 - \$9,999	8	5	-	1	-	2	-	-	7	-	-	1	-	-
\$10,000 & over	34	23	3	-	-	5	-	3	29	-	2	3	-	-
Totals	400	216	30	38	6	89	2	19	320	8	53	8	4	7
Grand Totals	2,560	1,058	1,011	234	28	137	42	50	2,070	79	306	64	10	31

*Type of Retirement:

- 1-Normal retirement for age and service
- 2-Early retirement
- 3-Beneficiary payment, normal or early retirement
- 4-Beneficiary payment, death in service
- 5-Service-connected disability retirement
- 6-Non-service-connected disability retirement
- 7-Beneficiary payment, disability retirement

**Option Selected:

Unmodified Plan-Beneficiary receives 60% continuance

- The following options reduce the retired member's monthly Benefit:
- Option 1- Beneficiary receives lump sum or member's reduced allowance
 - Option 2 - Beneficiary receives 100% of member's reduced allowance
 - Option 3 - Beneficiary receives 50% of member's reduced allowance
 - Option 4 - Multiple beneficiaries receive a designated percentage of a reduced allowance

The monthly benefit for the following option varies dependent upon multiple factors:

Option SD-Pre-retirement death in service

Merced County Employees' Retirement Association
 Retired Members Average Benefit Payments
 Last Ten Fiscal Years

Retirement Effective Dates	Years of Credited Service						
	0-4	5-9	10-14	15-19	20-24	25-29	30+
Period 7/1/2023 to 6/30/2024							
Average monthly benefit	\$383	\$984	\$2,176	\$2,909	\$4,013	\$4,544	\$6,000
Average final average salary	\$557	\$5,776	\$6,324	\$6,172	\$6,274	\$6,459	\$6,877
Number of retired members	2	15	11	20	22	10	5
Period 7/1/2022 to 6/30/2023							
Average monthly benefit	\$474	\$922	\$2,066	\$2,996	\$3,735	\$5,636	\$4,858
Average final average salary	\$9,495	\$6,863	\$5,983	\$6,364	\$5,885	\$7,229	\$5,200
Number of retired members	9	9	17	22	20	13	5
Period 7/1/2021 to 6/30/2022							
Average monthly benefit	\$479	\$1,304	\$2,080	\$2,598	\$3,428	\$4,496	\$9,137
Average final average salary	\$9,304	\$7,231	\$6,755	\$5,850	\$5,760	\$5,778	\$10,067
Number of retired members	9	12	16	12	24	14	8
Period 7/1/2020 to 6/30/2021							
Average monthly benefit	\$911	\$1,036	\$2,001	\$2,717	\$3,855	\$4,922	\$6,069
Average final average salary	\$12,131	\$6,480	\$5,879	\$5,617	\$6,175	\$6,552	\$6,934
Number of retired members	8	15	13	17	20	6	10
Period 7/1/2019 to 6/30/2020							
Average monthly benefit	\$440	\$1,195	\$1,844	\$3,575	\$4,400	\$5,481	\$5,373
Average final average salary	\$9,061	\$6,086	\$5,193	\$7,592	\$7,376	\$7,319	\$6,166
Number of retired members	6	7	24	15	25	13	9
Period 7/1/2018 to 6/30/2019							
Average monthly benefit	\$473	\$1,026	\$1,930	\$3,352	\$4,144	\$6,511	\$6,540
Average final average salary	\$7,581	\$6,545	\$5,392	\$6,982	\$6,792	\$8,710	\$7,142
Number of retired members	12	9	18	22	14	12	12
Period 7/1/2017 to 6/30/2018							
Average monthly benefit	\$309	\$1,421	\$1,432	\$2,240	\$4,202	\$4,691	\$4,969
Average final average salary	\$6,936	\$5,742	\$4,324	\$4,786	\$6,713	\$5,943	\$5,639
Number of retired members	6	19	16	21	17	11	11
Period 7/1/2016 to 6/30/2017							
Average monthly benefit	\$574	\$1,044	\$1,852	\$1,657	\$3,490	\$4,866	\$7,294
Average final average salary	\$9,068	\$6,544	\$5,327	\$4,073	\$5,618	\$6,112	\$8,780
Number of retired members	11	15	19	18	13	6	3
Period 7/1/2015 to 6/30/2016							
Average monthly benefit	\$212	\$1,273	\$2,067	\$3,227	\$2,997	\$3,724	\$4,669
Average final average salary	\$7,449	\$5,585	\$6,322	\$6,299	\$4,703	\$4,750	\$4,875
Number of retired members	8	15	19	11	4	4	2
Period 7/1/2014 to 6/30/2015							
Average monthly benefit	\$448	\$1,083	\$1,650	\$2,434	\$2,981	\$3,438	\$8,150
Average final average salary	\$7,700	\$5,994	\$5,007	\$5,401	\$5,303	\$4,903	\$8,849
Number of retired members	10	11	28	17	14	5	3

Merced County Employees' Retirement Association
 Participating Employers and Active Members
 Last Ten Fiscal Years Ended June 30

Participating employers	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
County of Merced										
General members	1,817	1,672	1,690	1,703	1,683	1,736	1,690	1,665	1,596	1,542
Safety members	345	298	326	318	321	318	320	320	311	300
Total County of Merced	2,162	1,970	2,016	2,021	2,004	2,054	2,010	1,985	1,907	1,842
Percentage of membership	93.96%	93.45%	93.55%	94.00%	93.47%	93.96%	93.88%	93.68%	93.39%	93.65%
Merced Cemetery District										
	1	1	1	1	1	-	1	1	1	1
Percentage of membership	0.04%	0.05%	0.05%	0.05%	0.05%	-	0.05%	0.05%	0.05%	0.05%
Merced County Law Library										
	1	-	1	-	-	-	-	-	-	-
Percentage of membership	0.04%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Merced Superior Court										
	137	137	137	128	139	132	130	133	129	118
Percentage of membership	5.96%	6.50%	6.35%	5.95%	6.48%	6.04%	6.07%	6.28%	6.32%	6.00%
Regional Waste Management Authority										
	-	-	-	-	-	-	-	-	5	6
Percentage of membership	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%	0.31%
Total Active Membership										
General	1,956	1,810	1,829	1,832	1,823	1,868	1,821	1,799	1,731	1,667
Safety	345	298	326	318	321	318	320	320	311	300
Total	2,301	2,108	2,155	2,150	2,144	2,186	2,141	2,119	2,042	1,967

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Merced County Employees' Retirement Association

3199 M Street
Merced, California 95326
209.726.2724
www.mercedcera.com



Merced County Employees' Retirement Association

DATE: February 27, 2025
TO: MercedCERA Board of Retirement
FROM: Kristie Santos, (Interim) Chief Investment Officer
SUBJECT: Approval to correct administrative error in Martha Sanchez Barboa's employment contract as Plan Administrator
ITEM NUMBER: **Open Session Item b**
ITEM TYPE: **Action**

STAFF RECOMMENDATION:

1. Approve the correction of an administrative error for sick leave accrual in Martha Sanchez Barboa's Plan Administrator employment contract with the Merced County Employees' Retirement Association Board.

DISCUSSION:

On January 23, 2025, the MercedCERA Board approved the employment contract of Martha Sanchez Barboa as MercedCERA's new Plan Administrator. After the contract was forwarded to the Merced County Auditor Controllers office, an administrative error was discovered in the contract. The original contract stated Martha Sanchez Barboa is "eligible for sick leave accrued at 5.0 per month for a total of 136.00 per year (26 pay periods)." The contract should have stated 5 hours "per pay period", as this is the accrual rate for all other Merced County management employees.

This administrative error is corrected in the red lined version of the contract attached to this agenda item; page 3 of the contract, # 5i. Additional language was also added, stating Sanchez Barboa should be accruing the same sick hours as all county management employees. This would circumvent a future need to modify the contract if Merced County changed the sick hour accrual rate for management level employees.

Staff Recommendation:

Staff is recommending the Board approve the correction of an administrative error for sick leave accrual in Martha Sanchez Barboa's Plan Administrator employment contract with the Merced County Employees' Retirement Association Board.

**AGREEMENT
MERCED COUNTY EMPLOYEES' RETIREMENT
ASSOCIATION BOARD OF RETIREMENT
AND MARTHA SANCHEZ BARBOA
FOR EMPLOYMENT AS PLAN ADMINISTRATOR**

This Agreement is entered into as of January 23, 2025, by and between the Merced County Employee's Retirement Association Board of Retirement ("Board of Retirement") and Martha Sanchez Barboa, an individual ("Martha Sanchez Barboa" or "Plan Administrator"). The Board of Retirement and Martha Sanchez Barboa are sometimes individually referred to as a "Party" and collectively as "Parties" in this Agreement.

RECITALS

WHEREAS, the Merced County Employees' Retirement Association ("MercedCERA" or "Association") is a public employee retirement association established in 1950 by the County of Merced pursuant and subject to the County Employee's Retirement Law of 1937, California State Government Code, Section 31450 et seq. ("the 1937 Act"); and

WHEREAS, the MercedCERA Bylaws and Regulations govern the operation of MercedCERA and the procedures in matters brought before the Board of Retirement under the provisions of the 1937 Act; and

WHEREAS, California Government Code Section 31522.2 allows the Board of Retirement to appoint an Plan Administrator who shall serve at the pleasure of the Board of Retirement and who shall not be subject to county civil service or merit system rules; and

WHEREAS, the Board of Retirement desires to employ Martha Sanchez Barboa to serve as the Plan Administrator of the Association; and

WHEREAS, in consideration of these Recitals and the performance by the Parties of the promises, covenants, and conditions contained in this Agreement, the Parties agree as follows:

AGREEMENT

1. Employment of the Plan Administrator. The Board of Retirement, consistent with the 1937 Act, the MercedCERA Bylaws and Regulations, appoints and employs, effective pay period 4 begins on January 27, 2025 ("Appointment Date"), Martha Sanchez Barboa as its Plan Administrator, and Martha Sanchez Barboa hereby accepts such employment. Martha Sanchez Barboa shall not be subject to the County of Merced civil service or merit system rules. The position of Plan Administrator shall be included in the salary ordinance or resolution adopted by the Merced County Board of Supervisors.

2. Term. The term of this Agreement shall commence as of the Appointment Date and shall continue until it is terminated by either party as provided herein.

3. Duties.

The Plan Administrator shall manage the day to day operations of Association in accordance with the provisions of the 1937 Act, the Association's Bylaws, policies and resolutions, and all other applicable law and shall represent the standards by which the Retirement Plan Administrator shall exercise the delegation of authority. (Gov. Code Secs. 31520, 31525).

- a. The Plan Administrator acknowledges and agrees that she is a fiduciary to MercedCERA under California law and shall timely file all of the required conflict of interest disclosures and forms.
- b. The specific duties of the Plan Administrator are enumerated in the MercedCERA Bylaws, resolutions, rules, job description for the position, and as otherwise directed by the Board of Retirement.
- c. The Plan Administrator may work remotely provided a minimum of 8 workdays per month are worked in person at the MercedCERA worksite. Workdays are defined as Monday through Friday. Work-related travel for conferences, due diligence visits, etc. shall be considered work performed at the MercedCERA worksite for the purpose of calculating the number of workdays worked in person. Unless the Board of Retirement allows otherwise, the Plan Administrator shall be required to attend the Board of Retirement's board meetings in person.

4. Salary and Compensation. MercedCERA shall pay Martha Sanchez Barboa according to the salary range \$225,000 - \$275,000, starting annual salary of \$225,000, serve as the Plan Administrator. Said salary shall be paid in the same manner and same time that other Association employees receive their regular paychecks. The Plan Administrator is an exempt employee and thus is not entitled to receive overtime. One year after the Appointment Date, the Board Chair as delegated by the Board of Retirement shall conduct a performance evaluation and may award a merit raise at that time, at the Chair's discretion with approval from the Board. Plan Administrator, Martha Sanchez Barboa shall also receive all salary and benefit increases provided to County employees classified as A level Unrepresented Management, Bargaining Unit 20. All other salary adjustments or bonuses, if any, will be determined by the Board of Retirement, in its sole and exclusive discretion.

5. Benefits. In addition to base salary, the Plan Administrator shall be provided the same benefits and allowances afforded County of Merced Unrepresented Management- A level employees. Presently, benefits include as follows:

- a. Car Allowance. Car allowance of \$700 per month.
- b. Expense Allowance. Expense allowance in the amount of \$300 per month.
- c. Communications Allowance. Communications allowance of \$150 per month.
- d. Management Leave. Credited in accordance with the County's rules.

- e. Annual Vacation Sell Back. Annually eligible to sell back a portion of accumulated vacation leave hours (maximum - 100 hours).
- f. Annual Sick Leave Sell Back. Annually eligible to sell back a portion of accumulated sick leave hours (maximum – 50 hours).
- g. Disability Insurance. Eligible to participate in the Management Disability Plan, a comprehensive Short/Long Term Disability plan.
- h. Vacation. Notwithstanding the accrual rate that Unrepresented Management- A level employees receive, Martha Sanchez Barboa shall receive vacation leave of 8.615 hours per pay period for a total of 28 days per year (26 pay periods).
- i. Sick Leave. Eligible for sick leave accrued at 5.0 hours per pay period-month for a total of 136.00 per year (26 pay periods) and shall be the same accrual as all county management employees.
- j. Personal Holiday. Eligible for two (2) personal holiday per fiscal year.
- k. Holidays- Eligible for 12 pre-determined holidays per calendar year.
- l. Health Insurance. Eligible to participate in the County of Merced’s health, dental and vision plans.
- m. Retirement. Eligible to participate in the County of Merced’s defined benefit plan, MercedCERA, pursuant to County Employees Retirement Law of 1937.
- n. Life Insurance. Eligible for \$80,000.00 County-paid Management Life Insurance plus \$5,000 County-paid Life Insurance coverage. Voluntary Term Life and Universal Life Insurance are also available - premium paid by employee.
- o. Bereavement Leave. Eligible for five (5) regularly scheduled workdays.
- p. Retirement Deferred Compensation. Eligible to voluntarily participate in the County of Merced’s 457 Deferred Compensation Plan. Employees choose their investment funds and can make pretax contributions to the plan up to the maximum allowable.
- q. Employee Assistance Program. MHN EAP services provides up to five face-to-face counseling sessions per incident and provides a toll free “800” hotline available 24/7 for emergencies and crisis intervention. EAP services include counseling services, legal services, financial services and Work-Life Resources services.

6 Performance Evaluation(s). The Board Chair delegated by the Board of Retirement anticipates conducting an evaluation of the Plan Administrator’s performance at least once each year. The Board Chair and the Plan Administrator agree that performance evaluations, for the purpose of mid-course corrections, may occur quarterly or several times during each calendar year. The Plan Administrator’s contract will be

reviewed at the same time the performance evaluation is given to insure benefits and salary are appropriate to position. At this time, terms may be renegotiated.

7. Separation.

At-will employment. Martha Sanchez Barboa is an at-will employee, pursuant to Government Code Section 31522.2, serving at the pleasure of the Board of Retirement. The Board of Retirement may terminate the Plan Administrator for any reason, at any time, with or without cause. Cause is defined herein as commission of a felony, whether related or unrelated to her employment with the County of Merced, acts of fraud, dishonesty, or other acts of willful misconduct, or a failure to uphold her duties under this Agreement. Martha Sanchez Barboa may resign at any time and agrees to give the Board of Retirement at least 60 days advance written notice of the effective date of her resignation, unless the Parties mutually agree to other notice, but during this time, Martha Sanchez Barboa shall continue to perform the duties of the faithfully and competently as set forth in this Agreement. Martha Sanchez Barboa agrees and acknowledges that no other document, handbook, policy or representation other than those contained in this Agreement shall be construed to grant Martha Sanchez Barboa any right to, or expectation of, continued employment as Plan Administrator.

If Martha Sanchez Barboa is terminated by the Board of Retirement without cause, she shall receive six (6) months' salary as severance.

8. General Provisions.

- a. Amendments. The Agreement may be amended at any time by mutual written agreement of the Board of Retirement and Martha Sanchez Barboa.
- b. Conflict of Interest. Martha Sanchez Barboa shall not engage in any business or transaction or shall have a financial or other personal interest or association, direct or indirect, which conflicts with the proper discharge of official duties or would tend to impair independence of judgment or action in the performance of official duties. Personal as distinguished from financial interest includes an interest arising from blood or marriage relationships or close business, personal, or political associations. This section shall not serve to prohibit independent acts or other forms of enterprise during those hours not covered by active MercedCERA employment, providing such acts do not constitute a conflict of interest as defined herein. Martha Sanchez Barboa shall also be subject to the conflict of interest provisions of the California Government Code, regulations of the Fair Political Practices Commission, and any conflict of interest code applicable to the Plan Administrator employment with MercedCERA.
- c. Indemnification. Except as otherwise permitted, limited, or required by law, including without limitation California Government Code sections 825 et seq. and Government Code sections 995-996.8, MercedCERA will defend and pay any costs and judgments assessed against Martha Sanchez Barboa arising out of an act or omission of Martha Sanchez Barboa occurring in the course and scope of Martha Sanchez Barboa performance of her duties under this Agreement. MercedCERA may compromise and

settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon. MercedCERA's obligation to pay the judgment, compromise, or settlement shall not arise until it is established that the injury arose out of an act or omission occurring within the scope of Martha Sanchez Barboa's employment as an employee of MercedCERA.

- d. Severability. If any clause, sentence, part, section, or portion of this Agreement is found by a court of competent jurisdiction to be illegal or unenforceable, such clause, sentence, part, section, or portion so found shall be regarded as though it were not part of this Agreement and the remaining parts of this Agreement shall be fully binding and enforceable by the Parties hereto.
- e. Jurisdiction and Venue. This Agreement shall be construed in accordance with the laws of the State of California, and the Parties agree that venue for legal action concerning any aspect of the Agreement in State Court shall be maintained in Merced County Superior Court and for an action in Federal Court shall be in the United States District Court for the Eastern District of California.
- f. Entire Agreement. This Agreement represents the entire agreement of the Parties, which has been jointly drafted by the Parties, and no representations have been made or relied upon except as set forth in this Agreement which may be amended or modified only by a written, fully executed agreement of the Parties.
- g. Notice. Any notice, amendments, or additions to this Agreement, including change of address of either party during the term of this Agreement, which the Plan Administrator and the Association shall be required, or may desire, to make shall be in writing and shall be sent by prepaid first-class mail or hand-delivered to the respective Parties as follows:

If to MercedCERA:

Chair, Board of Retirement
Merced County Employees' Retirement Association
690 W 19th Street
Merced, CA 95340

If to Plan Administrator:

Martha Sanchez Barboa
(address redacted)

* * *

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT in duplicate at Merced, California, as of the date set forth above.

Merced County Employees' Retirement
Association

Plan Administrator

By:

Ryan Paskin, Chair or Designee
MercedCERA Board of Retirement

Martha Sanchez Barboa

**AGREEMENT
MERCED COUNTY EMPLOYEES' RETIREMENT
ASSOCIATION BOARD OF RETIREMENT
AND MARTHA SANCHEZ BARBOA
FOR EMPLOYMENT AS PLAN ADMINISTRATOR**

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WHEREAS, the MercedCERA Bylaws and Regulations govern the operation of MercedCERA and the procedures in matters brought before the Board of Retirement under the provisions of the 1937 Act; and

WHEREAS, California Government Code Section 31522.2 allows the Board of Retirement to appoint an Plan Administrator who shall serve at the pleasure of the Board of Retirement and who shall not be subject to county civil service or merit system rules; and

WHEREAS, the Board of Retirement desires to employ Martha Sanchez Barboa to serve as the Plan Administrator of the Association; and

WHEREAS, in consideration of these Recitals and the performance by the Parties of the promises, covenants, and conditions contained in this Agreement, the Parties agree as follows:

AGREEMENT

1. Employment of the Plan Administrator. The Board of Retirement, consistent with the 1937 Act, the MercedCERA Bylaws and Regulations, appoints and employs, effective pay period 4 begins on January 27, 2025 ("Appointment Date"), Martha Sanchez Barboa as its Plan Administrator, and Martha Sanchez Barboa hereby accepts such employment. Martha Sanchez Barboa shall not be subject to the County of Merced civil service or merit system rules. The position of Plan Administrator shall be included in the salary ordinance or resolution adopted by the Merced County Board of Supervisors.

2. Term. The term of this Agreement shall commence as of the Appointment Date and shall continue until it is terminated by either party as provided herein.

3. Duties.

The Plan Administrator shall manage the day to day operations of Association in accordance with the provisions of the 1937 Act, the Association's Bylaws, policies and resolutions, and all other applicable law and shall represent the standards by which the Retirement Plan Administrator shall exercise the delegation of authority. (Gov. Code Secs. 31520, 31525).

- a. The Plan Administrator acknowledges and agrees that she is a fiduciary to MercedCERA under California law and shall timely file all of the required conflict of interest disclosures and forms.
- b. The specific duties of the Plan Administrator are enumerated in the MercedCERA Bylaws, resolutions, rules, job description for the position, and as otherwise directed by the Board of Retirement.
- c. The Plan Administrator may work remotely provided a minimum of 8 workdays per month are worked in person at the MercedCERA worksite. Workdays are defined as Monday through Friday. Work-related travel for conferences, due diligence visits, etc. shall be considered work performed at the MercedCERA worksite for the purpose of calculating the number of workdays worked in person. Unless the Board of Retirement allows otherwise, the Plan Administrator shall be required to attend the Board of Retirement's board meetings in person.

4. Salary and Compensation. MercedCERA shall pay Martha Sanchez Barboa according to the salary range \$225,000 - \$275,000, starting annual salary of \$225,000, serve as the Plan Administrator. Said salary shall be paid in the same manner and same time that other Association employees receive their regular paychecks. The Plan Administrator is an exempt employee and thus is not entitled to receive overtime. One year after the Appointment Date, the Board Chair as delegated by the Board of Retirement shall conduct a performance evaluation and may award a merit raise at that time, at the Chair's discretion with approval from the Board. Plan Administrator, Martha Sanchez Barboa shall also receive all salary and benefit increases provided to County employees classified as A level Unrepresented Management, Bargaining Unit 20. All other salary adjustments or bonuses, if any, will be determined by the Board of Retirement, in its sole and exclusive discretion.

5. Benefits. In addition to base salary, the Plan Administrator shall be provided the same benefits and allowances afforded County of Merced Unrepresented Management- A level employees. Presently, benefits include as follows:

- a. Car Allowance. Car allowance of \$700 per month.
- b. Expense Allowance. Expense allowance in the amount of \$300 per month.
- c. Communications Allowance. Communications allowance of \$150 per month.
- d. Management Leave. Credited in accordance with the County's rules.

- e. Annual Vacation Sell Back. Annually eligible to sell back a portion of accumulated vacation leave hours (maximum - 100 hours).
- f. Annual Sick Leave Sell Back. Annually eligible to sell back a portion of accumulated sick leave hours (maximum – 50 hours).
- g. Disability Insurance. Eligible to participate in the Management Disability Plan, a comprehensive Short/Long Term Disability plan.
- h. Vacation. Notwithstanding the accrual rate that Unrepresented Management- A level employees receive, Martha Sanchez Barboa shall receive vacation leave of 8.615 hours per pay period for a total of 28 days per year (26 pay periods).
- i. Sick Leave. Eligible for sick leave accrued at 5.0 hours per pay period and shall be the same accrual as all county management employees.
- j. Personal Holiday. Eligible for two (2) personal holiday per fiscal year.
- k. Holidays- Eligible for 12 pre-determined holidays per calendar year.
- l. Health Insurance. Eligible to participate in the County of Merced’s health, dental and vision plans.
- m. Retirement. Eligible to participate in the County of Merced’s defined benefit plan, MercedCERA, pursuant to County Employees Retirement Law of 1937.
- n. Life Insurance. Eligible for \$80,000.00 County-paid Management Life Insurance plus \$5,000 County-paid Life Insurance coverage. Voluntary Term Life and Universal Life Insurance are also available - premium paid by employee.
- o. Bereavement Leave. Eligible for five (5) regularly scheduled workdays.
- p. Retirement Deferred Compensation. Eligible to voluntarily participate in the County of Merced’s 457 Deferred Compensation Plan. Employees choose their investment funds and can make pretax contributions to the plan up to the maximum allowable.
- q. Employee Assistance Program. MHN EAP services provides up to five face-to-face counseling sessions per incident and provides a toll free “800” hotline available 24/7 for emergencies and crisis intervention. EAP services include counseling services, legal services, financial services and Work-Life Resources services.

6 Performance Evaluation(s). The Board Chair delegated by the Board of Retirement anticipates conducting an evaluation of the Plan Administrator’s performance at least once each year. The Board Chair and the Plan Administrator agree that performance evaluations, for the purpose of mid-course corrections, may occur quarterly or several times during each calendar year. The Plan Administrator’s contract will be reviewed at the same time the performance evaluation is given to insure benefits and

salary are appropriate to position. At this time, terms may be renegotiated.

7. Separation.

At-will employment. Martha Sanchez Barboa is an at-will employee, pursuant to Government Code Section 31522.2, serving at the pleasure of the Board of Retirement. The Board of Retirement may terminate the Plan Administrator for any reason, at any time, with or without cause. Cause is defined herein as commission of a felony, whether related or unrelated to her employment with the County of Merced, acts of fraud, dishonesty, or other acts of willful misconduct, or a failure to uphold her duties under this Agreement. Martha Sanchez Barboa may resign at any time and agrees to give the Board of Retirement at least 60 days advance written notice of the effective date of her resignation, unless the Parties mutually agree to other notice, but during this time, Martha Sanchez Barboa shall continue to perform the duties of the faithfully and competently as set forth in this Agreement. Martha Sanchez Barboa agrees and acknowledges that no other document, handbook, policy or representation other than those contained in this Agreement shall be construed to grant Martha Sanchez Barboa any right to, or expectation of, continued employment as Plan Administrator.

If Martha Sanchez Barboa is terminated by the Board of Retirement without cause, she shall receive six (6) months' salary as severance.

8. General Provisions.

- a. Amendments. The Agreement may be amended at any time by mutual written agreement of the Board of Retirement and Martha Sanchez Barboa.
- b. Conflict of Interest. Martha Sanchez Barboa shall not engage in any business or transaction or shall have a financial or other personal interest or association, direct or indirect, which conflicts with the proper discharge of official duties or would tend to impair independence of judgment or action in the performance of official duties. Personal as distinguished from financial interest includes an interest arising from blood or marriage relationships or close business, personal, or political associations. This section shall not serve to prohibit independent acts or other forms of enterprise during those hours not covered by active MercedCERA employment, providing such acts do not constitute a conflict of interest as defined herein. Martha Sanchez Barboa shall also be subject to the conflict of interest provisions of the California Government Code, regulations of the Fair Political Practices Commission, and any conflict of interest code applicable to the Plan Administrator employment with MercedCERA.
- c. Indemnification. Except as otherwise permitted, limited, or required by law, including without limitation California Government Code sections 825 et seq. and Government Code sections 995-996.8, MercedCERA will defend and pay any costs and judgments assessed against Martha Sanchez Barboa arising out of an act or omission of Martha Sanchez Barboa occurring in the course and scope of Martha Sanchez Barboa performance of her duties under this Agreement. MercedCERA may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered

thereon. MercedCERA's obligation to pay the judgment, compromise, or settlement shall not arise until it is established that the injury arose out of an act or omission occurring within the scope of Martha Sanchez Barboa's employment as an employee of MercedCERA.

- d. Severability. If any clause, sentence, part, section, or portion of this Agreement is found by a court of competent jurisdiction to be illegal or unenforceable, such clause, sentence, part, section, or portion so found shall be regarded as though it were not part of this Agreement and the remaining parts of this Agreement shall be fully binding and enforceable by the Parties hereto.
- e. Jurisdiction and Venue. This Agreement shall be construed in accordance with the laws of the State of California, and the Parties agree that venue for legal action concerning any aspect of the Agreement in State Court shall be maintained in Merced County Superior Court and for an action in Federal Court shall be in the United States District Court for the Eastern District of California.
- f. Entire Agreement. This Agreement represents the entire agreement of the Parties, which has been jointly drafted by the Parties, and no representations have been made or relied upon except as set forth in this Agreement which may be amended or modified only by a written, fully executed agreement of the Parties.
- g. Notice. Any notice, amendments, or additions to this Agreement, including change of address of either party during the term of this Agreement, which the Plan Administrator and the Association shall be required, or may desire, to make shall be in writing and shall be sent by prepaid first-class mail or hand-delivered to the respective Parties as follows:

If to MercedCERA:

Chair, Board of Retirement
Merced County Employees' Retirement Association
690 W 19th Street
Merced, CA 95340

If to Plan Administrator:
Martha Sanchez Barboa
(address redacted)

* * *

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT in duplicate at Merced, California, as of the date set forth above.

Merced County Employees' Retirement
Association

Plan Administrator

By:

Ryan Paskin, Chair or Designee
MercedCERA Board of Retirement

Martha Sanchez Barboa



Merced County Employees' Retirement Association

DATE: February 27, 2025

TO: MercedCERA Board of Retirement

FROM: Pete Madrid, Assistant Plan Administrator - Investments

SUBJECT: Discussion and possible action or direction on timeline and investment education

ITEM NUMBER: **Open Session Item d**

ITEM TYPE: **Action**

STAFF RECOMMENDATION:

1. Approve the recommended schedule for 2025 investment topics.
2. Approve staff coordination of onsite Board educational sessions at the MercedCERA office in one- or two-day period.

DISCUSSION:

Timeline of 2025 Investment Topics

In coordination with Meketa, the accompanying schedule of 2025 investment topics is being proposed for Board discussion. The review calendar includes several areas of review that we believe the Board should revisit as part of its fiduciary oversight.

Trustee Education Retreat

Members of the Board of Retirement are required per the County Employees Retirement Law to complete 24 hours of education for every two-year period serving on the Board. While Trustees receive credit for the various education that happens during regular Board meetings, MercedCERA encourages additional education on important investment related topics that will inevitably drive decision making around the portfolio.

Staff is proposing a standalone educational retreat, outside of monthly Board meetings. The purpose of the educational retreat would be to provide in-depth study of topics important to the management and fiduciary oversight of the Plan and its investments.

Staff is recommending the education sessions take place in person at the MercedCERA office over one or two days. Educational sessions would be led by staff, MercedCERA's



Merced County Employees' Retirement Association

consultants, and potentially investment managers. Topics we believe would be beneficial for the Board include:

- History of the portfolio and decisions made
- Benchmarking investment performance and risks
- Development and application of capital market estimations
- Private investment structure and risks
- Evolving private credit landscape

Staff will coordinate the educational retreat to be conducted at a date and time that accommodates all parties involved.

Forward-Looking Calendar

Status	Meeting	Performance: Topic 1	Investment Content: Topic 2 ¹	Flash Reports (Public Markets only, consent agenda)
Current	January	November Performance Report (consent agenda)	December Flash Report (Public Markets only; consent agenda)	
Future	February	Q4 2024 Final	Meketa 2025 Capital Market Expectations Review	January Flash Report
	March	January Performance Report (consent agenda)	Global Equity Review	February Flash Report
	April	February Performance Report (consent agenda)		March Flash Report
	May	Q1 2025 Final	US Equity Review	April Flash Report
	June	April Performance Report (consent agenda)		May Flash Report
	July	May Performance Report (consent agenda)		June Flash Report
	August	Q2 2025 Final	Fixed Income Review	July Flash Report
	September	July Performance Report (consent agenda)		August Flash Report
	October	August Performance Report (consent agenda)		September Flash Report
	November	Q3 2025 Final	Liquidity Review	October Flash Report
	December	October Performance Report (consent agenda)		November Flash Report

¹ Detailed further in the Sub-Committee Agenda table on following page

Subcommittee Agenda		
	Topic	Deliverable to Full Board
Q1	Global Equity Review: Developed International & Emerging Markets	Review of Risk Exposures relative to ACWI Index, Correlations vs. US Portfolio, Passive/Active Reassessment, Holdings Based Analysis
Q2	US Equity Review: Mellon Dynamic Large Cap and Champlain Small Cap	Re-Assessment of US Equity Portfolio Construction and Conviction
Q3	Fixed Income Review: Deep Dive	Review of both US Fixed Income (Core) and Opportunistic Credit
Q4	Liquidity Review	
Summer	Educational Session TBD	



Merced County Employees' Retirement Association

DATE: February 27, 2025
TO: MercedCERA Board of Retirement
FROM: Pete Madrid, Assistant Plan Administrator - Investments
SUBJECT: Capital Markets and Investment Performance Summary
ITEM NUMBER: Open Session Item e
ITEM TYPE: Information Only

DISCUSSION:

Capital Markets & Economic Summary

January inflation rose slightly to a 3.0% annualized rate from 2.9% in December, higher than the expected 2.8%. January marks the fourth straight month in which inflation has ticked higher. Cost of housing was a major contributor to the increase with an annualized increase of 4.4%, accounting for approximately 30% of the overall inflation in January. Food and gasoline also contributed to the rise in prices. Core inflation, which removes the more volatile food and energy costs, increased by an annualized 3.3%, the largest increase in six months.

US employers added 143,000 jobs in January versus the 175,000 predicted. Despite the weaker than expected jobs numbers in January, the prior two months' job gains were revised upwards by a combined 100,000. The unemployment rate fell in January from 4.1% to 4.0%. Healthcare and government sectors made the largest contribution to the report at a combined 93,000 jobs added. Construction and manufacturing jobs remained low, adding just 7,000 jobs in January and only 73,000 in total over the prior year.

The Federal Reserve left its target rates unchanged following its meeting on January 28-29. In its news release, the Fed reiterated its stance that inflation "remains somewhat elevated." The central bank removed language from earlier statements that inflation was making progress toward the 2.0% goal and many economists have reduced their expectations for near-term rate cuts. Concerns over lingering inflation have been further exacerbated by uncertainty around tariff, immigration, and regulatory policy. However, a relatively strong labor market has allowed the Fed to take a wait-and-see approach.

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2025 Risk Outlook

As US equity markets continue to rise, several growing economic and geopolitical risks require monitoring.

President Trump initiated a sweeping 25% tariff on all goods from Canada and Mexico scheduled to go into effect on February 4th before pausing them until March. The tariffs are in part a negotiating tactic aimed at cooperation on immigration and fentanyl trafficking. The administration has also levied a 10% tariff on imports from China, which responded with threats of tariffs on US exports to the country. The administration is also considering tariffs on BRIC nations (Brazil, Russia, India, and China, along with six other countries) in response to their discussions on possibly utilizing a non-US dollar currency for trade. Specific products have also been targeted for tariffs including steel and aluminum, semiconductors, pharmaceuticals, and automobiles. While the 25% tariff on Canada and Mexico are on hold, the threat of these tariffs taking effect is creating challenges for companies in the US that rely on materials or input parts from our largest trading partners.

In addition to trade tensions, global conflicts continue in Ukraine and the middle east. The administration's commitment to quickly ending the war in Ukraine would likely require steep concessions on the part of Ukraine, concessions they are unlikely to accept. North Korea recently sent soldiers to fight along the Russian military creating a new dynamic to the years-long war. The Trump administration is currently in talks with Russia with the objective of ending the war.

Despite the ceasefire between Israel and Hamas announced in January, the situation in the middle east remains volatile. While the negotiations led by the US, Qatar, and Egypt resulted in a temporary stop to the fighting and exchange of hostages, questions remain about the future of Gaza and displaced Palestinians. The situation was further complicated by comments from President Trump suggesting the US takeover the Gaza Strip and possibly redevelop it. The comments brought strong reactions from the international community and were quickly condemned by the Saudi Foreign Ministry. The uncertain future of Palestinians and reconstruction of Gaza risks creating a wider conflict in the region.

Additionally, China has increased its military exercises in the area around Taiwan, asserting its dominion over the territory it claims is part of China. While the US continues



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to take a diplomatic approach to its relationship with Taiwan, the US is still the largest international backer of the small island, selling it military equipment for defense. As the world's two largest economies, the relationship between the US and China has an outsized impact on global stability.

January Performance Summary

Despite uncertainty in trade policy and international relations, US and international equity markets rose in January. The S&P 500 Index returned 2.8% in January despite a modest pullback from technology stocks. The Russell 2000 Index, reflecting small cap companies, returned 2.6% during the month, following a -8.1% return the prior month. Concentration in the large cap index has somewhat eased but continues to be a major driver of index performance. Broad international equity, represented by the MSCI All Country World ex US Index, rose 4.0% in January. Developed international equity, measured by the MSCI EAFE Index, returned 5.3% for the month.

The yield on the 10-year Treasury fell slightly in January from 4.57% to 4.54% as the yield curve remained flat. US core fixed income, represented by the Bloomberg US Aggregate Bond Index, returned 0.5% in January. The index has returned 2.5% since the start of the fiscal year. 30-year mortgage rates climbed in the fourth quarter of 2024 and remained high in January at nearly 7.0%.

The Total Fund excluding alternatives returned 2.5% for the month of January, in line with the Policy Index. The Total Fund ex Alts has returned 7.3% so far in fiscal year 2025 compared with 6.6% for the benchmark. January outperformance by the international equity and opportunistic credit asset classes was offset by underperformance in US equity. US core fixed income tracked its custom benchmark for the month.

Within the US equity composite, Mellon Newton Dynamic US performed in line with its benchmark while Champlain outperformed the Russell 2000 Index by 0.4%. Despite performance challenges in 2024, Champlain is now outperforming its benchmark over the 1-year trailing period and fiscal year to date by 1.1% and 4.6%, respectively.

Broad international equity manager, GQG outperformed its MSCI ACWI benchmark 4.6% versus 4.0%. First Eagle returned 4.3% in January compared with 5.3% for the MSCI EAFE Index. Of the portfolio's international small cap managers, Acadian beat its small

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cap benchmark by 0.2% while Driehaus performed in line with its small cap growth index. Red Wheel Capital (RWC) outperformed in January, posting a 2.4% return versus 1.8% for the MSCI Emerging Markets Index. Artisan Developing World continues to post strong relative performance, beating the benchmark by 2.7% in January.

US core fixed income managers generally tracked their respective indices as the composite performed in line with its custom benchmark with a 0.5% return during the month. Fiscal year to date the composite has outperformed with all three active managers beating their respective benchmarks. The opportunistic credit portfolio continues to provide positive relative performance versus its benchmark. The composite outperformed its custom benchmark 1.0% to 0.8% in January and has outperformed by 1.5% since the start of the fiscal year.

Meketa Investment Group

2025 Capital Markets Expectations

Table of Contents

1. Executive Summary
2. MercedCERA Plan Asset Allocation
3. 2025 Capital Markets Expectations

Executive Summary

- We update our capital markets expectations (“CMEs”) each year in January.
 - Capital markets are dynamic, and regular updates ensure that assumptions accurately reflect the current market environment.
- Changes in our CMEs are driven by shifts in the capital markets, including factors such as interest rates, credit spreads, cap rates, and equity prices.
 - Yields increased for much of the investment grade bond market, while credit spreads tightened, especially for lower quality credit such as high yield.
 - Stock market valuations continued to rise, especially in the US, where equity markets rallied at a faster pace than the gain in earnings.
 - Cap rates for real estate moved higher, while the rebound in buyout multiples lagged the valuation gains for public markets.
 - Not only did current Treasury yields increase, but projections for future Treasury yields also increased.
- Our 10-year CMEs continue to be lower than our 20-year CMEs for every asset class, largely due to a higher assumed “risk-free” rate in the future.
- The return assumption decreased for two-thirds of the asset classes over the 10-year horizon, while it increased for half the asset classes over the 20-year horizon.
- Our lower return assumptions over the 10-year horizon implies that investors might be well served by moderating their return expectations for the next ten years.

Year over Year Expected Risk/Return Profile Changes

Merced CERA Plan Asset Allocation¹

	Current Policy Targets 2025 CMEs (%)	Current Policy Targets 2024 CMEs (%)
Public Equity	40	40
US Equity	22	22
Developed Market Equity (non-US)	12	12
Emerging Market Equity	6	6
Private Equity	15	15
Public Fixed Income	22	22
US Fixed Income	18	18
Opportunistic Credit	4	4
Direct Lending	5	5
Core Private Real Estate	6	6
Natural Resources (Private)	2.5	2.5
Infrastructure (Core Private)	2.5	2.5
Hedge Funds	5	5
Cash Equivalents	2	2
Expected Return (10 Years)²	7.1	7.2
Expected Return (20 years)	8.4	8.4
Standard Deviation	12.5	12.5
Probability of Achieving 6.75% over 10 Years ³	52.5	65.6
Probability of Achieving 6.75% over 20 Years	72.6	71.5

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

² Expected 10 Year Returns are based upon Meketa Investment Group's 10 Year Capital Markets Expectations

³ Probability of Achieving 6.75% are based on Meketa Investment Group's 10 Year Capital Markets Expectations

Return and Risk Data

Asset Class	10-year Expected Return (%)	20-year Expected Return (%)	Standard Deviation (%)
Cash Equivalents	2.8	3.1	1.0
Investment Grade Bonds	4.9	5.3	4.0
Long-term Government Bonds	5.0	5.7	12.0
TIPS	4.3	5.0	7.0
High Yield Bonds	6.3	7.1	11.0
Bank Loans	6.3	6.8	10.0
Emerging Market Debt	6.3	6.8	11.0
Private Debt	8.7	9.1	15.0
US Equity	6.4	8.4	17.0
Developed Non-US Equity	7.2	8.7	18.0
Emerging Non-US Equity	7.1	8.7	22.0
Global Equity	6.7	8.5	17.0
Private Equity	9.8	11.2	25.0
Real Estate	6.9	8.5	15.0
Infrastructure	7.2	9.2	18.0
Commodities	5.5	5.9	17.0
Hedge Funds	4.2	6.0	7.0
Inflation	2.3	2.7	NA

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

Correlation Data

	Inv. Grade Bonds	Long-term Gov't Bonds	TIPS	High Yield Bonds	US Equity	Dev. Non-US Equity	Em. Market Equity	Private Equity	Real Estate	Commod.	Infra.	Hedge Funds
Investment Grade Bonds	1.00											
Long-term Government Bonds	0.86	1.00										
TIPS	0.77	0.61	1.00									
High Yield Bonds	0.35	-0.03	0.47	1.00								
US Equity	0.18	-0.13	0.25	0.74	1.00							
Developed Non-US Equity	0.28	-0.07	0.34	0.77	0.87	1.00						
Emerging Market Equity	0.26	-0.06	0.35	0.72	0.71	0.85	1.00					
Private Equity	0.00	-0.10	0.03	0.66	0.90	0.83	0.79	1.00				
Real Estate	0.26	0.07	0.16	0.56	0.53	0.49	0.42	0.48	1.00			
Commodities	-0.01	-0.24	0.27	0.48	0.48	0.55	0.59	0.23	0.15	1.00		
Infrastructure	0.31	0.14	0.32	0.65	0.64	0.68	0.59	0.51	0.61	0.41	1.00	
Hedge Funds	0.15	-0.17	0.30	0.78	0.79	0.83	0.80	0.53	0.47	0.64	0.61	1.00

Setting Capital Market Expectations

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

Expected Return and Changes for Major Asset Classes

Asset Class	10-year Expected Return (%)	Δ From 2024 (%)	20-year Expected Return (%)	Δ From 2024 (%)
Cash Equivalents	2.8	+0.4	3.1	+0.6
Investment Grade Bonds	4.9	+0.3	5.3	+0.5
Long-term Government Bonds	5.0	+0.7	5.7	+0.7
TIPS	4.3	0.0	5.0	+0.3
High Yield Bonds	6.3	-0.2	7.1	+0.3
Bank Loans	6.3	-0.2	6.8	+0.2
Emerging Market Debt	6.3	NA	6.8	NA
Private Debt	8.7	-0.5	9.1	-0.1
US Equity	6.4	-0.5	8.4	-0.1
Developed Non-US Equity	7.2	-0.5	8.7	-0.2
Emerging Non-US Equity	7.1	-0.5	8.7	-0.2
Global Equity	6.7	-0.5	8.5	-0.2
Private Equity	9.8	-0.1	11.2	0.0
Real Estate	6.9	+0.6	8.5	+0.5
Infrastructure	7.2	-0.2	9.2	+0.2
Commodities	5.5	+0.6	5.9	+0.6
Hedge Funds	4.2	-0.3	6.0	+0.2
Inflation	2.3	-0.1	2.7	-0.1

Building 10-Year Forecasts

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

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

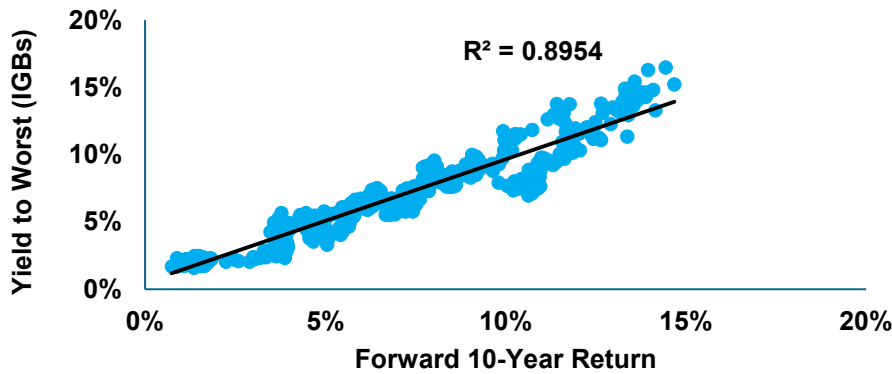
Asset Class Category	Major Factors
Equities	Dividend Yield, GDP Growth, Valuation
Bonds	Yield to Worst, Default Rate, Recovery Rate
Commodities	Collateral Yield, Roll Yield, Inflation
Infrastructure	Public IS Valuation, Income, Growth, Leverage
Natural Resources	Price per Acre, Income, Public Market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

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

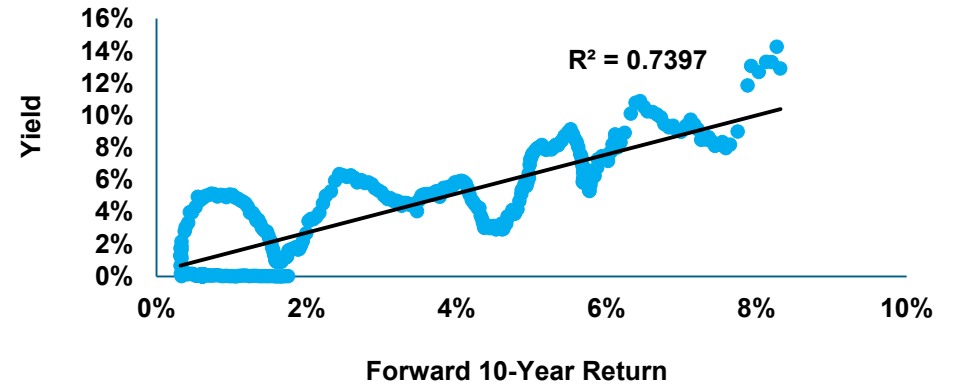
- Leverage and currency impact are also key factors for many strategies.

Some Factors are Naturally More Predictive Than Others

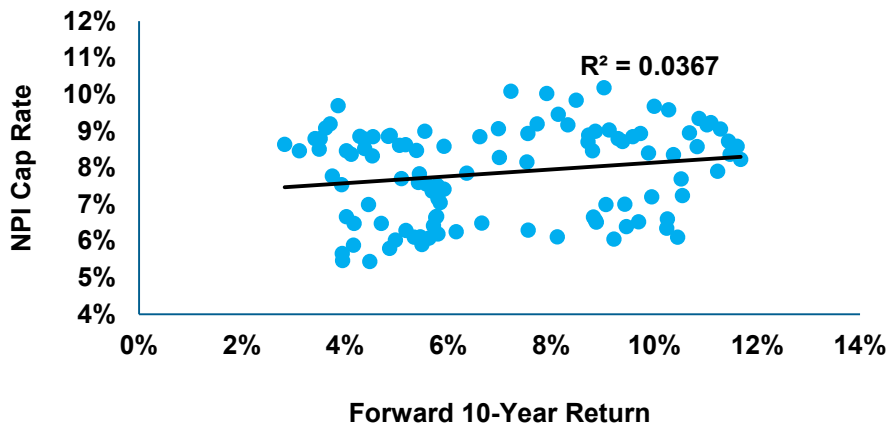
Investment Grade Bonds
Yield to Worst vs. Forward 10-Year Returns



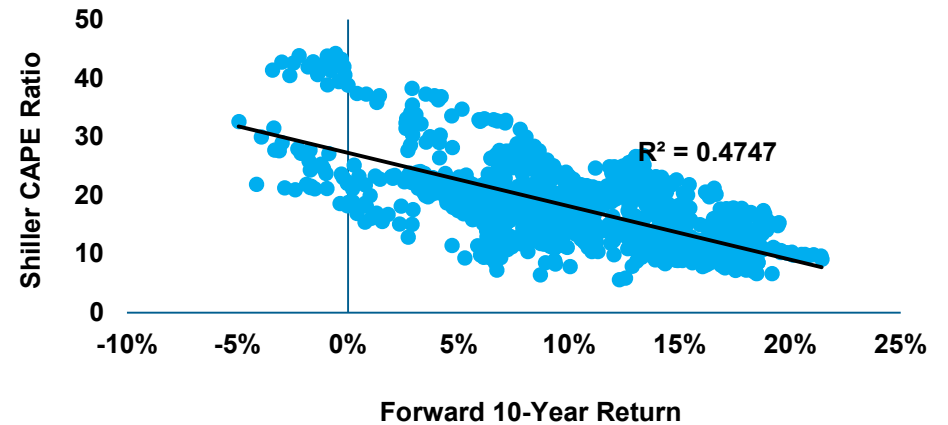
Cash (90-Day T-Bill)
Yield vs. Forward 10-Year Returns



Core Real Estate
Cap Rates vs. Forward 10-Year Returns



US Equities
Shiller CAPE vs. Forward 10-Year Returns



Sources: Bloomberg, FRED, NCREIF, S&P, Robert Shiller (Yale University), and Meketa Investment Group. As of December 31, 2024.

10-Year Model Example: Bonds

→ The short version for investment grade bond models is:

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

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

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

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

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

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

10-Year Model Example: Equities

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

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

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

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

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

Moving from 10-Year to 20-Year Forecasts

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

The Other Inputs: Standard Deviation and Correlation

→ Standard deviation:

- We review the trailing twenty-year standard deviation, as well as skewness.
- Historical standard deviation serves as the base for our assumptions.
- If there is a negative skew, we increased the volatility assumption based on the size of the historical skewness.

Asset Class	Historical Standard Deviation (%)	Skewness	Assumption ¹ (%)
Bank Loans	6.5	-2.9	10.0
FI / L-S Credit	5.8	-2.7	9.0

- We also adjust for private market asset classes with “smoothed” return streams.

→ Correlation:

- We use trailing twenty-year correlations as our guide.
- Again, we make adjustments for “smoothed” return streams.

→ Most of our adjustments are conservative in nature (i.e., they increase the standard deviation and correlation).

¹ Note that we round our standard deviation assumptions to whole numbers.

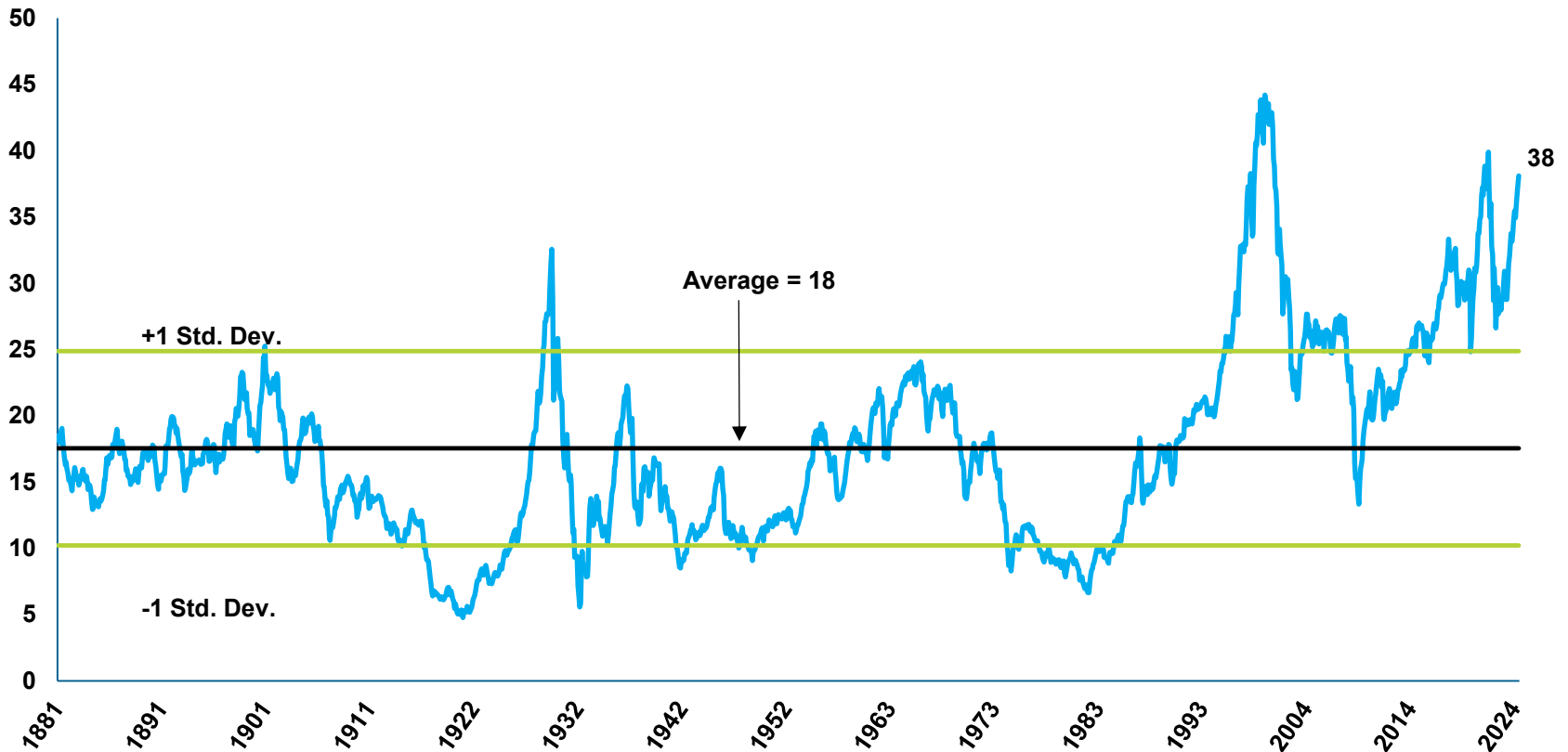
What is Driving the Changes From Last Year?

- US equity markets rallied, pushing them to higher valuations, thus reducing their forward-looking returns.
- Interest rates moved up, increasing yields and hence expected returns for higher quality bonds.
- Credit spreads tightened, leading to lower yields for riskier fixed income assets.
- Higher anticipated cash yields helped expected returns for hedge funds and related asset classes.
- Cap rates for real estate moved up, pushing up the expected returns.
- Higher anticipated long-term interest rates also provide a tailwind in our 20-year projections, as the bridge from 10 to 20 years is made via a risk premium being added to a (higher) future risk-free rate.
 - The market projection for the 10-year risk-free rate jumped from 4.57% to 5.42%.

Higher Prices for US Equities

- US stocks had another good year, with the S&P 500 index gaining 25%.
- Valuations increased and remain elevated relative to their long-term history.

US Equity Cyclically Adjusted Price/Earnings



Source: Robert Shiller, Yale University, and Meketa Investment Group. Data is as of December 31, 2024 for the S&P 500 Index.

Similar or Higher Yields

- Short-term interest rates declined as the Fed cut its target rate, yet the yield on the 10-year Treasury increased.
- Despite tighter credit spreads, yields increased for all but the lower quality bond markets.

Index	Yield to Worst 12/31/23 (%)	Yield to Worst 12/31/24 (%)
Fed Funds Rate	5.25-5.50	4.25-4.50
10-year Treasury	3.88	4.58
Bloomberg Aggregate	4.53	4.91
Bloomberg Corporate	5.06	5.33
Bloomberg Securitized	4.72	5.25
Bloomberg Global Aggregate	3.51	3.68
Bloomberg US Corporate High Yield	7.59	7.49

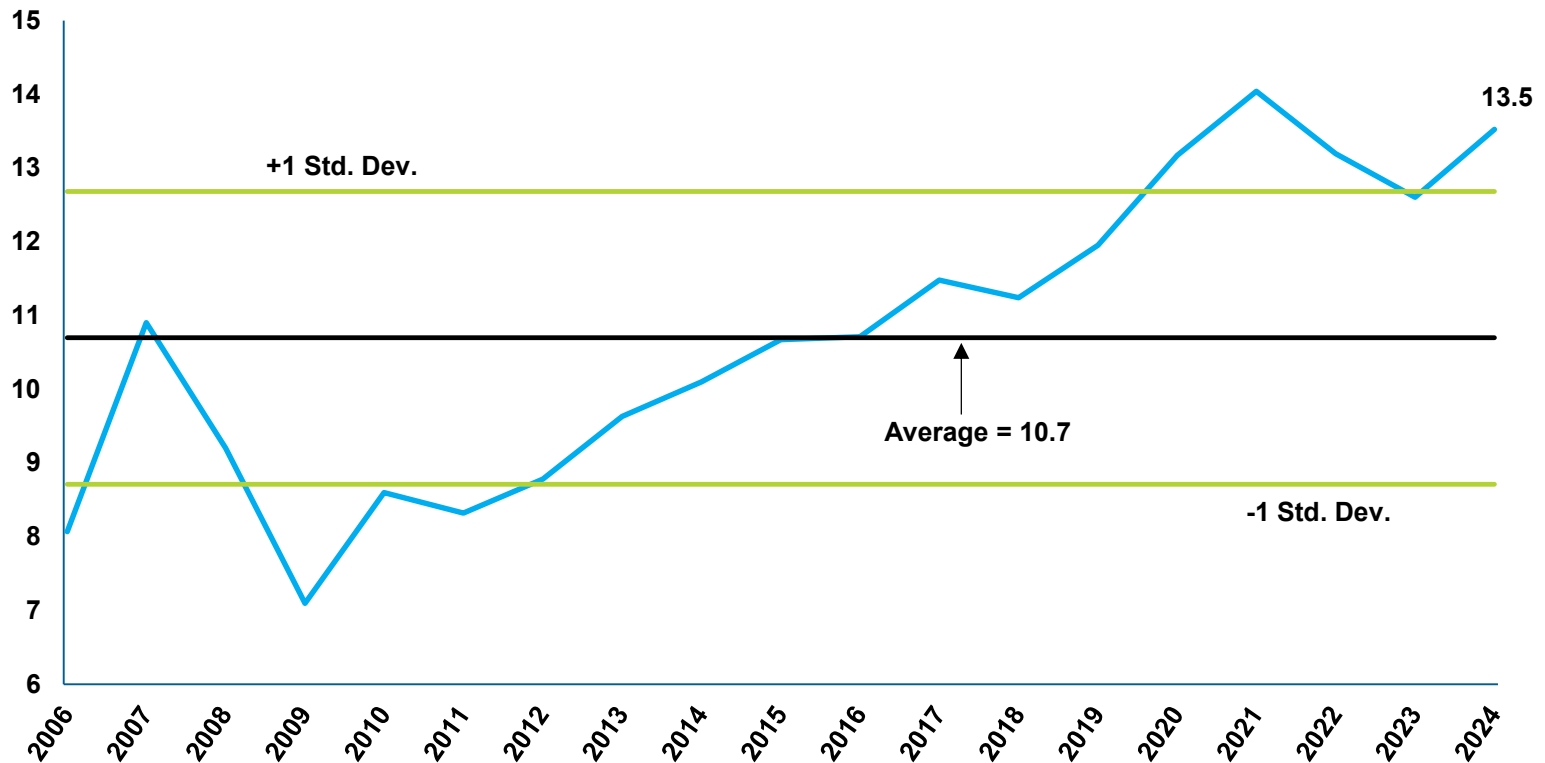
Source: Bloomberg. Data is as of December 31, 2023 and December 31, 2024.

Private Equity Prices Rebounding

→ EBITDA multiples rose from year end (note that the endpoint is as of September 30).

- Like public equities, valuations have been trending up since the GFC, though they did not rise as quickly as those for US equities over the past year.

EBITDA Multiples

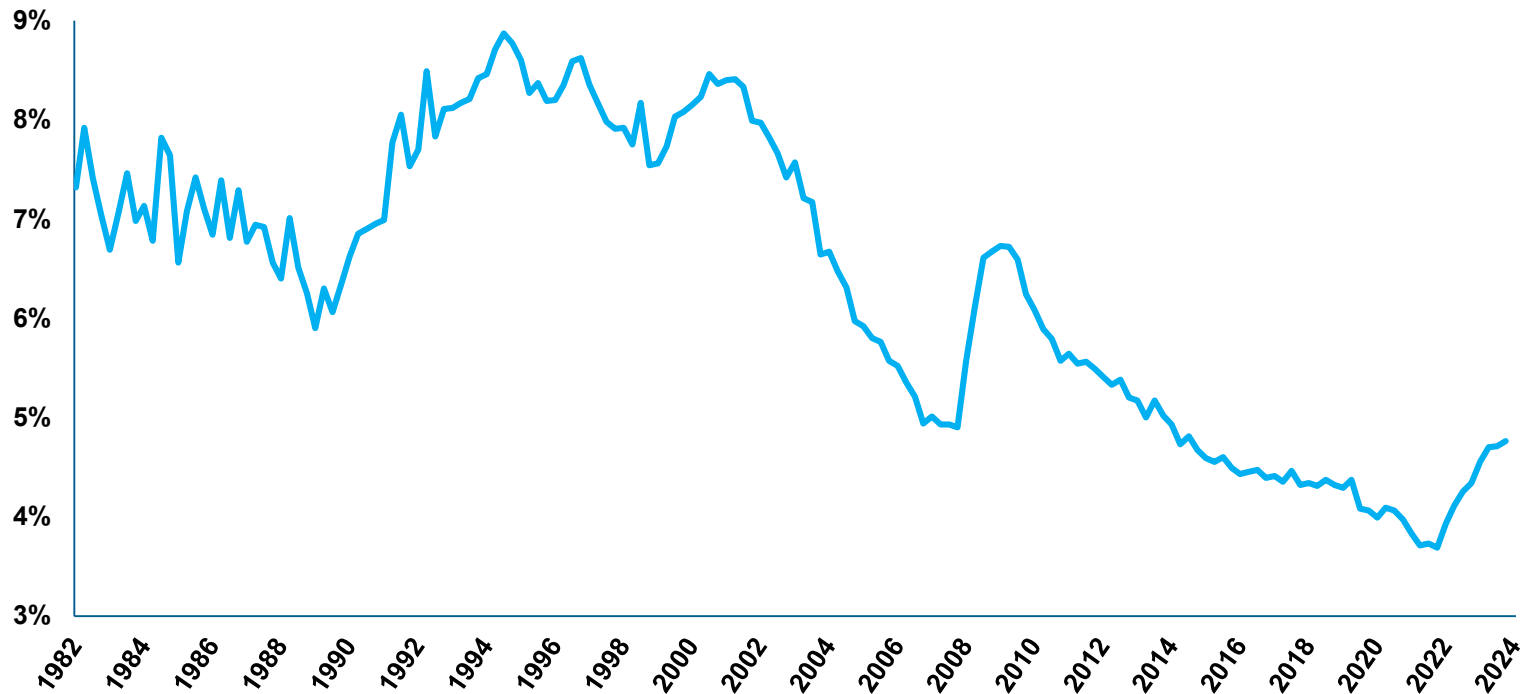


Source: Preqin Median EBITDA Multiples Paid in All LBOs, as of September 30, 2024.

Real Estate Valuations Improving

- Cap rates for core real estate continued to improve in 2024.
 - This is despite a challenging year for many real estate segments.
- Higher cap rates may be indicative of better returns going forward.

Core Real Estate Cap Rates

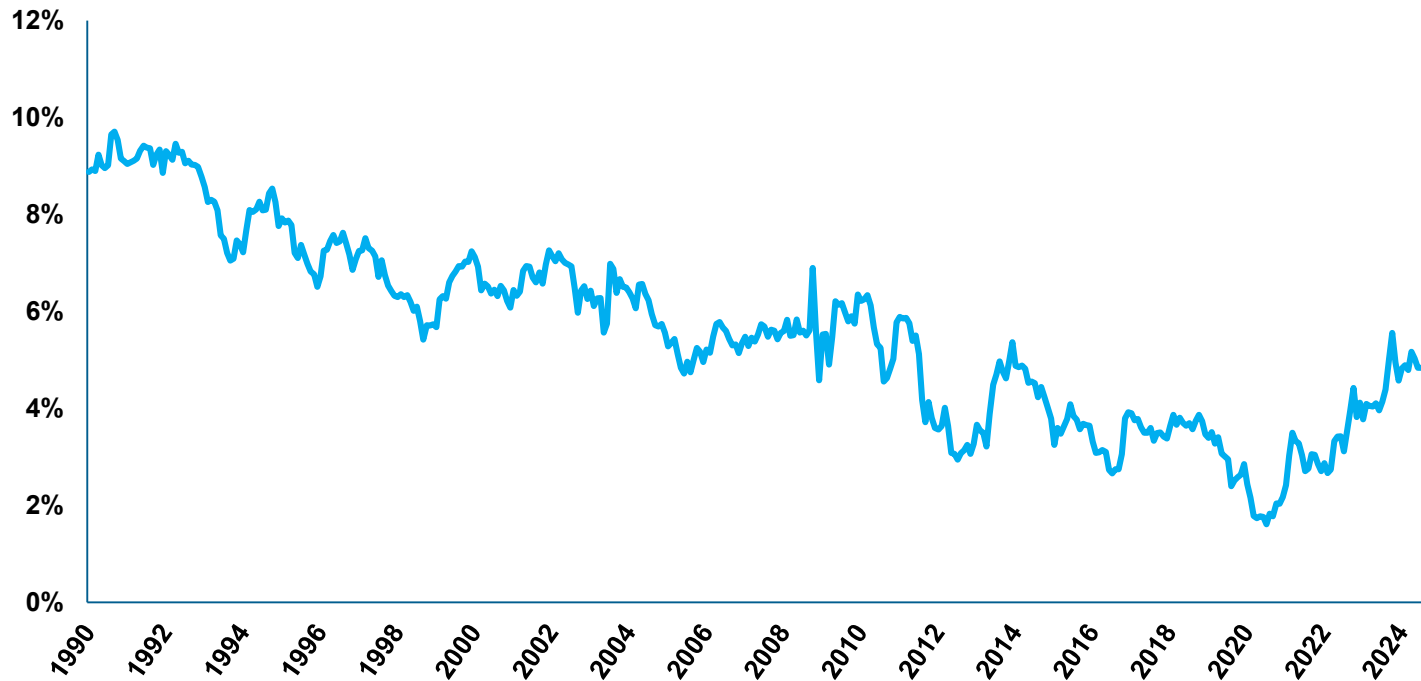


Source: NCREIF NPI value-weighted cap rates. As of September 30, 2024.

Higher Projected Rates in the Future

- As interest rates have risen, so have the market's predictions for future interest rates.
 - The market is forecasting that the 10-year Treasury yield in ten years will be 5.42%, versus a prediction of 4.57% twelve months ago.
- Higher future interest rates implies higher expected returns for any forecasting model that includes a risk premium approach.

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



Source: FRED. Represents the Fitted Instantaneous Forward Rate 10 Years Hence, as of December 31, 2024.

FAQs for 2025

How do these CMEs compare to prior years' assumptions?

- To help evaluate this, we created a weighted average of expected returns for the asset classes that comprise a typical institutional portfolio.¹
- The value of the expected return for the portfolio is not a precise expected return (i.e., it has not been run via MPT), but the magnitude of the change is what is relevant.
- In short, the average of 20-year expected returns is 10 basis points higher than last January.

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

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

FAQs for 2025 (continued)

How do Meketa's CMEs compare to peers?

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

2024 Peer Survey

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

Asset Class	Horizon 10-Year Average (%)	Meketa 10-Year (%)	Horizon 20-Year Average (%)	Meketa 20-Year (%)
Cash Equivalents	3.7	2.4	3.4	2.5
TIPS	4.4	4.3	4.3	4.7
US Core Bonds	4.9	4.6	4.9	4.8
US High Yield Bonds	6.1	6.5	6.4	6.8
Emerging Market Debt	6.2	6.3	6.3	6.2
Private Debt	8.3	9.2	8.4	9.2
US Equity (large cap)	6.5	6.9	7.0	8.5
Developed Non-US Equity	7.1	7.7	7.5	8.9
Emerging Non-US Equity	7.7	7.6	8.2	8.9
Private Equity	9.1	9.9	9.7	11.2
Real Estate	6.1	6.3	6.2	8.0
Infrastructure	7.3	7.4	7.4	9.0
Commodities	4.9	4.9	5.0	5.3
Hedge Funds	5.9	4.5	6.2	5.8
Inflation	2.4	2.4	2.4	2.8

¹ The 10-year horizon included all 41 respondents to the survey, and the 20-year horizon included 26 respondents. Figures are based on Meketa’s 2024 CMEs. The survey is typically published in August.

FAQs for 2025

What model changes were made?

- We reduced the equity risk premium we assume for years 11-20 by 50 basis points.
 - The 5.5% historical average risk premium for US equities is based on a history that includes significant multiple expansion (e.g., increase in P-E ratio).
 - Using this same level of risk premium implies that we would assume multiple expansion in the future.
 - Therefore, we decided to use a lower risk premium.
 - We are making this change not just for US equities, but for every equity/growth-oriented asset class.
 - We have observed valuation multiples expand over time for most of these asset classes where we have available metrics (e.g., EBITDA multiples, cap rates).
- We changed to using two distinct currency models, one for developing markets that emphasizes interest rate parity and one for emerging markets that emphasizes purchasing power parity.
 - This was partly driven by the observation that central banks have intervened in their foreign exchange markets.
 - Currency movements are the portion of our CMEs that we probably have the least confidence in (hence why we have capped them historically).
 - For 2025, developed markets switches from a 50 basis point tailwind to a 20 basis point headwind, while there is no impact on emerging markets.
 - There are a few asset classes (e.g., foreign bonds, foreign equities) that feel the full impact and others (e.g., global equities, buyouts, natural resources) that will experience a more modest impact.

FAQs for 2025

What model changes were made?

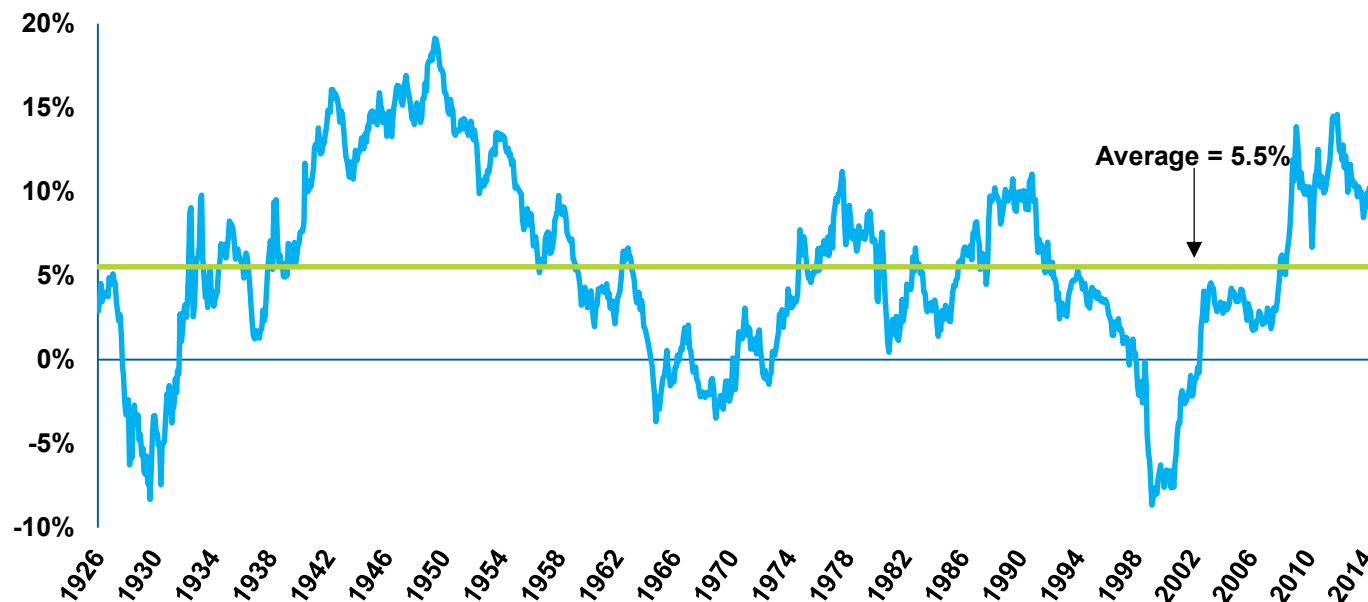
- We switched from using historical *real* income to nominal income to predict near-term income for timberland and farmland.
 - The inflation of recent years dispelled the notion of a direct link between income and inflation in the short term for these asset classes.
- We started incorporating data from third parties for two private market asset classes where such data has traditionally been hard to come by:
 - In private credit, we are including yield and spread data from Lincoln Senior Debt Index.
 - In private infrastructure, we are including valuation metrics from Macquarie.
- For various private markets where we use a public market proxy to estimate valuations, we modified the composites to reflect the changing natures of those industries:
 - We added an AI index to our VC model.
 - We added an Energy Efficiency index to our Energy model.
 - We added a Clean Energy index to our Sustainability model.
- We assume lower leverage for buyouts (range dropped from 1.4x – 1.6x to 1.3x - 1.5x) as leverage has declined over the past 5-10 years.

FAQs for 2025

What is the equity risk premium implied by the CMEs?

- We assume a long-term risk premium of 5.0% for US equities over 10-year Treasuries in our model.
 - However, our 10-year assumptions imply an equity risk premium of ~1.5%.
 - This averages out to a 20-year implied equity risk premium of ~3.0%.
- Historically, the risk premium for the S&P 500 over the yield for the 10-year Treasury has averaged 5.5%, though the range has varied considerably.

US Equity Risk Premium over 10-year Treasury¹



¹ Represents the ten-year risk premium for the S&P 500 index over the 10-year Treasury yield at the start of the period. Data is through December 31, 2024.

20-Year Geometric Expected Returns Rate Sensitive

	2024 E(R) (%)	2025 E(R) (%)	Δ From 2024 (%)	Notes
Cash Equivalents	2.5	3.1	0.6	Higher yields
Short-term Investment Grade Bonds	3.7	4.3	0.6	Higher yields
Investment Grade (Core) Bonds	4.8	5.3	0.5	Higher yields
Intermediate Government Bonds	4.1	4.6	0.5	Higher yields
Long-term Government Bonds	5.0	5.7	0.7	Higher yields
Mortgage-Backed Securities	4.9	5.5	0.6	Higher yields
Investment Grade Corporate Bonds	5.4	5.9	0.5	Higher yields
Long-term Corporate Bonds	6.0	6.7	0.7	Higher yields
Short-term TIPS	3.7	4.1	0.4	Higher real yields
TIPS	4.7	5.0	0.3	Higher real yields
Long-term TIPS	5.2	5.7	0.5	Higher real yields
Global ILBs	4.7	5.0	0.3	Higher yields
Foreign Bonds	3.9	3.9	0.0	Higher yields offset by currency headwind
<i>US Inflation</i>	2.8	2.7	-0.1	<i>Slightly lower near-term economist and market projections</i>

20-Year Geometric Expected Returns Credit

	2024 E(R) (%)	2025 E(R) (%)	Δ From 2024 (%)	Notes
High Yield Bonds	6.8	7.1	0.3	Higher yields offset by tighter spreads
Bank Loans	6.6	6.8	0.2	Higher yields offset by tighter spreads
Multi-Sector Credit	NA	7.0	NA	
Collateralized Loan Obligations (CLOs)	7.2	7.0	-0.2	Higher yields offset by tighter spreads
Emerging Market Bonds (major)	6.8	7.1	0.3	Higher yields
Emerging Market Bonds (local)	6.2	6.7	0.5	Higher yields with addition of India
Emerging Market Corporate Bonds	NA	6.5	NA	
Private Debt	9.2	9.1	-0.1	Higher yields offset by tighter spreads
Direct Lending	8.4	8.2	-0.2	Higher yields offset by tighter spreads
Asset Based Lending	9.4	9.3	-0.1	Higher yields offset by tighter spreads
Special Situations Lending	9.9	9.9	0.0	Higher yields offset by tighter spreads

20-Year Geometric Expected Returns Equities

	2024 E(R) (%)	2025 E(R) (%)	Δ From 2024 (%)	Notes
US Equity	8.5	8.4	-0.1	Higher valuations, partly offset by higher projected earnings growth
Developed Non-US (EAFE) Equity	8.9	8.7	-0.2	Switched to currency headwind
Emerging Market Equity	8.9	8.7	-0.2	Higher valuations and lower projected earnings growth
Emerging Market ex-China	9.0	9.0	0.0	
China Equity	8.6	8.1	-0.5	Higher valuations and lower projected earnings growth
Frontier Market Equity	10.0	9.8	-0.2	Lower projected earnings growth
Global Equity	8.7	8.5	-0.2	Higher valuations and some currency headwind
Low Volatility Equity	7.8	7.7	-0.1	Higher valuations
Private Equity	11.2	11.2	0.0	
Buyouts	10.8	10.9	0.1	Lower valuations relative to public markets offset by lower amount of leverage
Growth Equity	11.5	11.4	-0.1	Higher valuations
Venture Capital	12.0	11.9	-0.1	Higher valuations

20-Year Geometric Expected Returns
Real Estate and Infrastructure

	2024 E(R) (%)	2025 E(R) (%)	Δ From 2024 (%)	Notes
Real Estate	8.0	8.5	0.5	Higher cap rates
US REITs	7.8	7.8	0.0	
Core Private Real Estate	6.9	7.4	0.5	Higher cap rates
Value-Added Real Estate	9.0	9.6	0.6	Higher cap rates
Opportunistic Real Estate	10.3	10.9	0.6	Higher cap rates
Infrastructure	9.0	9.2	0.2	Higher income growth
Infrastructure (Public)	9.1	9.0	-0.1	Higher valuations
Infrastructure (Core Private)	8.0	8.0	0.0	
Infrastructure (Non-Core Private)	10.0	10.3	0.3	Higher income growth partly offset by higher borrowing costs

**20-Year Geometric Expected Returns
Natural Resources and Commodities**

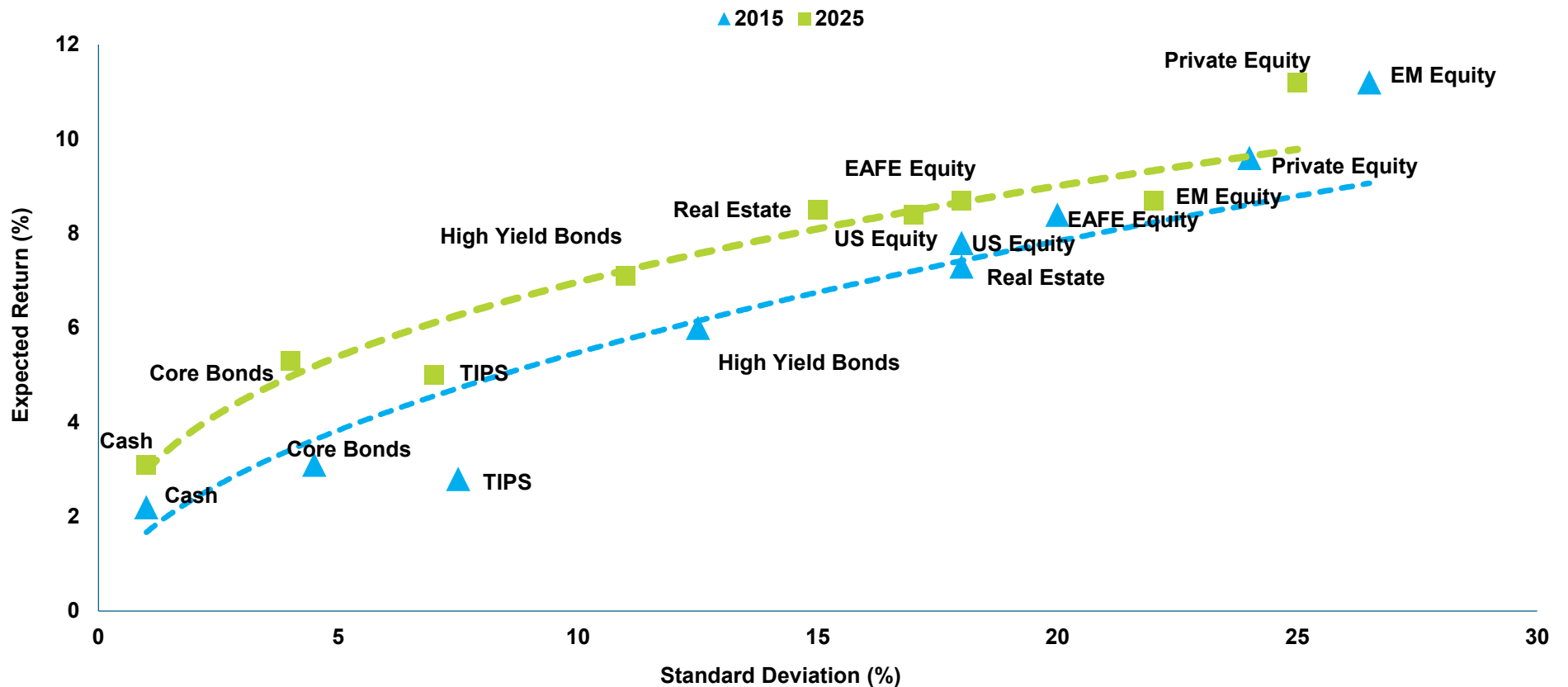
	2024 E(R) (%)	2025 E(R) (%)	Δ From 2024 (%)	Notes
Natural Resources	9.3	9.2	-0.1	Higher valuations
Natural Resources (Public)	9.2	9.1	-0.1	Slightly higher valuations
Natural Resources (Private)	9.3	9.2	-0.1	Slightly higher valuations
Energy	10.4	10.3	-0.1	Slightly higher valuations
Mining	9.9	9.8	-0.1	Slightly higher valuations
Timberland	7.3	7.3	0.0	
Farmland	7.0	6.5	-0.5	Higher valuations
Sustainability	10.0	10.2	0.2	Lower relative valuations
MLPs	8.4	8.0	-0.4	Higher valuations
Gold Mining	9.5	9.5	0.0	
Gold (Metal)	3.5	3.6	0.1	
Commodities	5.3	5.9	0.6	Higher cash yield

20-Year Geometric Expected Returns Hedge Funds and Miscellaneous

	2024 E(R) (%)	2025 E(R) (%)	Δ From 2024 (%)	Notes
Hedge Funds	5.8	6.0	0.2	Higher valuations offset by higher cash yields
Long-Short	5.3	5.5	0.2	Higher valuations offset by higher cash yields
Event Driven	7.6	6.7	-0.9	Higher equity valuations, tighter spreads
Global Macro	5.4	5.9	0.5	Higher yields
CTA – Trend Following	4.7	4.9	0.2	
Fixed Income/L-S Credit	6.1	6.4	0.3	Higher yields
Relative Value/Arbitrage	6.5	6.5	0.0	
RMS Aggregate	4.4	4.8	0.4	Higher cash yields
Long Vol	1.2	1.5	0.3	
Insurance Linked Strategies	6.2	6.3	0.1	
Alternative Risk Premia	5.2	5.8	0.6	Higher cash yields
Risk Parity (10% vol)	7.2	7.4	0.2	
Digital Currencies	3.5	4.1	0.6	Growing institutionalization

The Big Picture: Higher Return for Similar Risk¹

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



¹ Expected return and standard deviation are based upon Meketa Investment Group's 2015 and 2025 20-year capital market expectations.

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Merced County Employees' Retirement Association

DATE: February 27, 2025

TO: MercedCERA Board of Retirement

FROM: Martha Sanchez Barboa, Plan Administrator

SUBJECT: Discussion and possible action on a date, budget and activities for MercedCERA's 75th Anniversary event.

ITEM NUMBER: Open Session Item g

ITEM TYPE: Action

STAFF RECOMMENDATION:

1. Approve the expenditure of up to \$6,000 for staff to plan and coordinate MercedCERA's 75th Anniversary celebration event in the Fall of 2025.

DISCUSSION:

The Merced County Employees' Retirement Association was established on July 1, 1950, and this year commemorates our 75th anniversary. During the January 23, 2025, board meeting, trustees requested we celebrate MercedCERA's funded sovereignty. Staff would also like to acknowledge this milestone by coordinating a celebratory event. All active employees and retirees from our participating employers of Merced County, Merced Superior Court, Merced Law Library, and the Merced Cemetery District, would be welcome to join in the event. Several other community and partner agencies would also be invited to participate in the event (i.e., Retired Employees of Merced County (REMCO)).

Staff would like to recommend the Board approve up to \$6,000 be allocated to celebrate the event. Expenditures may consist of the following:

- Commemorative coins
- Light food and refreshments
- MercedCERA items provided to members (i.e., pens, note pads)
- Professional video
- Dedication Plaque

To allow sufficient time to organize and coordinate the event, staff recommends it take place later this year in the Fall (September/October), outside of hot summer months and after year-end and budget activities are complete.



Merced County Employees' Retirement Association

Staff Recommendation:

Staff is recommending the Board of Retirement approve the expenditure of up to \$6,000 for staff to plan and coordinate MercedCERA's 75th Anniversary celebration event in the Fall of 2025.