San Joaquin County Employees
Retirement Association

AGENDA

REGULAR MEETING
SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
FRIDAY, JUNE 7, 2024
AT 9:00 AM
Location: SJCERA Board Room, 220 East Channel Street, Stockton, California

The public may also attend the Board meeting live via Zoom by (1) clicking here https://us02web.zoom.us/j/86574212960 and following the prompts to enter your name and email, or (2) calling (669) 219-2599 or (669) 900-9128 and entering Meeting ID **86574212960#.**

Persons who require disability or language interpretation related accommodations should contract SJCERA at (209) 468-9950 or elainap@sjcera.org at least forty-eight (48) hours prior to the scheduled meeting time. Documents related to the items on this Agenda submitted after distribution of the Agenda packet are available for public inspection at SJCERA, 220 E. Channel St. Stockton, CA during normal business hours.

1.0 ROLL CALL

2.0 PLEDGE OF ALLEGIANCE

3.0 MEETING MINUTES

3.01 Minutes for the Board Meeting of May 3, 2024 04

3.02 Minutes for the Audit Committee Meeting of May 17, 2024 08

3.03 Board to consider and take possible action on minutes

4.0 PUBLIC COMMENT

4.01 The public is welcome to address the Board during this time on matters within the Board's jurisdiction, following the steps listed below. Speakers are limited to three minutes, and are expected to be civil and courteous. Public comment on items listed on the agenda may be heard at this time, or when the item is called, at the discretion of the Chair.

If joining via Zoom, Public Comment can be made in the following ways:

PC or Mac: select "Participants" in the toolbar at the bottom of your screen, then select the option to raise or lower your hand.

Mobile Device: select the "More" option in the toolbar at the bottom of your screen, then select the option to raise or lower your hand.

Tablet: select the icon labeled “Participants,” typically located at the top right of your screen, then select the hand icon next to your device in the Participants column.

If dialing in from a phone for audio only, dial *9 to “raise your hand.”

If attending in person, members of the public are encouraged to complete a Public Comment form, which can be found near the entry to the Board Room.

Except as otherwise permitted by the Ralph M. Brown Act (California Government Code Sections 54950 et seq.), no deliberation, discussion or action may be taken by the Board on items not listed on the agenda. Members of the Board may, but are not required to: (1) briefly respond to statements made or questions posed by persons addressing the Board; (2) ask a brief question for clarification; or (3) refer the matter to staff for further information.

5.0 CONSENT ITEMS

5.01 Service Retirements (37) — 10

5.02 Financial Reports for Year Ended December 31, 2023

- 01 Report to the Board of Retirement and Audit Committee — 15
- 02 Annual Financial Report with Independent Auditor Report — 24

5.03 Board to consider and take possible action on consent items

6.0 REAL ESTATE MANAGER

6.01 Presentation by Benjamin Macfarland CEO and founder and Owen Holm, Managing Director of SROA Capital Fund IX — 78

7.0 CLOSED SESSION

7.01 Purchase or Sale of Pension Fund Investment
California Government Code Section 54956.81

7.02 Purchase or Sale of Pension Fund Investment
California Government Code Section 54956.81
In Re: RREEF AMERICA II L.P.

7.03 Purchase or Sale of Pension Fund Investment
California Government Code Section 54956.81

7.04 Employee Disability Retirement Application(s) (1)
California Government Code Section 54957(b)

- 01 Leslie A. Donath
  Quality Improvement Coordinator
  Hospital Standards - Compliance

8.0 INVESTMENT CONSULTANT REPORTS BY DAVID SANCEWICH OF MEKETA INVESTMENT GROUP

8.01 Quarterly Reports from Investment Consultant for Period Ended March 31, 2024

- 01 Quarterly Investment Performance Analysis — 102
- 02 Manager Certification Report — 173
- 03 Manager Review Schedule — 190

M I N U T E S

BOARD MEETING
SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
FRIDAY, MAY 3, 2024
AT 9:00 AM

Location: SJCERA Board Room, 220 East Channel Street, Stockton, California

1.0 ROLL CALL

1.01 **MEMBERS PRESENT:** Phonxay Keokham, Emily Nicholas, Jennifer Goodman, JC Weydert, Raymond McCray, Michael Duffy and Michael Restuccia, presiding
MEMBERS ABSENT: Chanda Bassett, Steve Ding, Steve Moore
STAFF PRESENT: Chief Executive Officer Renee Ostrander, Assistant Chief Executive Officer Brian McKelvey, Chief Counsel Aaron Zaheen, Retirement Investment Officer Paris Ba, Management Analyst III Greg Frank, Information Systems Analyst Lolo Garza, Administrative Secretary Elaina Petersen, Retirement Services Associate Andrea Bonilla
OTHERS PRESENT: Paola Nealon and Ryan Farrell of Meketa, SJCERA Member Jaime Contreras

2.0 PLEDGE OF ALLEGIANCE

2.01 Led by Jennifer Goodman

3.0 MEETING MINUTES

3.01 Minutes for the Board Meeting of April 12, 2024

3.02 The Board voted unanimously (7-0) to approve the Minutes of the Board meeting of April 12, 2024 (Motion: Duffy; Second: Keokham)

4.0 PUBLIC COMMENT

4.01 Public Comment from Jaime Contreras, SJCERA member regarding his pending request for disability and that request being dismissed; item is appearing before the Board on May 3, 2024.

5.0 CONSENT ITEMS

5.01 Service Retirements (57)

5.02 The Board voted unanimously (7-0) to approve the consent items (Motion Duffy; Second: Goodman)

6.0 APPROVAL OF MANAGEMENT ANALYST II RECRUITMENT

6.01 The Board approved (7-0) hiring the Communications Officer at (previously approved) Management Analyst II level (Motion: Keokham; Second: Goodman).

7.0 RESOLUTION ACCEPTING THE CITY OF MOUNTAIN HOUSE AS AN APPROVED EMPLOYER WITH SJCERA

7.01 The Board voted unanimously (7-0) to approve Resolution 2024-05-01 titled "Resolution Consenting to Inclusion of the City of Mountain House as a District in San Joaquin County Employees' Retirement Association on Conditions Set Forth Herein" (Motion: McCray; Second: Duffy)

8.0 INVESTMENT CONSULTANT REPORTS

8.01 Presentation by Meketa Investment Group

- 01 Manager Performance Flash Report
- 02 Economic and Market Update

8.02 The Board received and filed reports

9.0 ACTIVE VS PASSIVE EDUCATION

9.01 Presentation by Paola Nealon of Meketa Investment Group

10.0 SACRS BUSINESS MEETING

10.01 SACRS Business Meeting Materials - May 10, 2024

10.02 The Board voted unanimously (7-0) to direct the voting delegates to approve the action items on SACRS' Business Meeting Agenda for May 10, 2024. (Motion: Duffy; Second: McCray)

11.0 STAFF REPORTS

11.01 Trustee and Executive Staff Travel

- 01 Conference and Event Schedule 2024
- 02 Summary of Pending Trustee and Executive Staff Travel
  - a Travel Requiring Approval (1)
- 03 Summary of Completed Trusted and Executive Staff Travel
  - a PIMCO Institute Educational Seminar - Paris Ba
  - b IREI Americas - JC Weydert

11.02 The Board voted unanimously (7-0) to approve RIO Paris Ba to attend, at no cost to SJCERA, the AEW LPAC meeting in Boston, MA (Motion: Duffy; Second: Goodman)

11.03 Legislative Summary Report

11.04 CEO Report

In addition to her written report, CEO Ostrander reported: 1) while we are happy to be in our new Board Room, there are still a few kinks to work out; 2) the Registrar of Voters Office is currently accepting nomination forms to be on the ballot for election for the Retirement Board, forms are due Friday, May 10, 2024; 3) in her 60 day update she advises that everyone is back in the building, while we still have staff maintaining the "580" location; today SJCERA staff join the County and Supervisor Darth Rickman in celebrating May the 4th; she is continuing to collaborate with staff and solve issues that have come up, some from employers; 4) she attended and proved to be a great resource at the SACRS Legislative Committee, having just dealt with similar issues in her prior position; 5) the next update will provide long range planning and will see her plan for quarterly CEO reports to the Board vs biannual reports, for the time being which will help to allow quicker touch points the Board wants addressed.

11.05 The Board received and filed reports

12.0 COMMENTS

12.01 Trustee Weydert commented that the whole move from 6 S. El Dorado Street to the new office at 220 E. Channel Street was impressive. Kudos to those who made it happen.

13.0 CLOSED SESSION

13.01 Employee Disability Retirement Application(s) (1)
California Government Code Section 54957(b)

01 Jamie L Contreras
Park Worker
Parks - Recreation

Report out of Closed Session Counsel states the Board dismissed (6-1) without prejudice the work related disability claim from Jamie L. Contreras (Motion: Duffy; Second: Goodman), roll call vote follows:

Ayes: Keokham, McCray, Goodman, Restuccia, Duffy, and Nicholas
Noes: Weydert
Absent: Bassett, Ding

14.0 CALENDAR

14.01 Upcoming meetings

15.0 ADJOURNMENT

15.01 There being no further business the meeting was adjourned at 10:56 a.m.

Respectfully Submitted:

____

Michael Restuccia, Chair

Attest:

____

Raymond McCray, Secretary

M I N U T E S

AUDIT COMMITTEE MEETING
SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
FRIDAY, MAY 17, 2024
AT 12:30 PM

Location: SJCERA Board Room, 220 East Channel Street, Stockton, CA 95202

1.0 ROLL CALL

1.01 **MEMBERS PRESENT**: Phonxay Keokham, Raymond McCray, Michael Restuccia, and Michael Duffy presiding
MEMBERS ABSENT: None
STAFF PRESENT: Chief Executive Officer Renee Ostrander, Assistant Chief Executive Officer Brian McKelvey, Chief Counsel Aaron Zaheen, Management Analyst III Greg Frank, and Administrative Secretary Elaina Petersen
OTHERS PRESENT: Ashley Green of Brown Armstrong Accountancy Corporation

1.02 Pledge of Allegiance led by Michael Restuccia

2.0 PUBLIC COMMENT

2.01 There was no public comment

3.0 2023 AUDIT EXIT CONFERENCE

3.01 Presentation of Audit Results by Ashley Green, CPA of Brown Armstrong Accountancy Corporation

3.02 Draft Conclusion of Audit and Internal Control Reports

3.03 Draft Annual Financial Report

3.04 The Audit Committee voted unanimously (4-0) to accept the findings of the audit and forward the final audit report to the Board of Retirement for final approval (Motion: Restuccia; Second: Keokham)

4.0 COMMENT

4.01 Trustee Keokham thanked the auditor for doing a good job on the audit.

Chair Duffy thanked staff and appreciated the work done on this audit. Trustee Duffy looks forward to the updates on procedures that come from this audit; he stated that an audit makes good work even better.

5.0 ADJOURNMENT

5.01 There being no further business, the meeting was adjourned at 1:07 p.m.

Respectfully Submitted:

____

Michael Duffy, Audit Committee Chair

5.01 Service Retirement Consent

01 JOSHUA P AUGUSTO Deferred Member
N/A

Member Type: General
Years of Service: 09y 06m 28d
Retirement Date: 4/10/2024
Comments: Deferred from SJCERA since September 2008.

02 GEORGE A BAKER Deputy Sheriff II
Sheriff-Custody-Regular Staff

Member Type: Safety
Years of Service: 27y 07m 15d
Retirement Date: 3/29/2024
Comments: Incoming reciprocity and concurrent retirement with CalPERS.

03 JULIA R BASHAW Deferred Member
N/A

Member Type: General
Years of Service: 07y 10m 09d
Retirement Date: 4/1/2024
Comments: Deferred from SJCERA since April 1998.

04 DONNA D BELLAMY Ultrasound Specialist IV
Hosp Ultrasonography

Member Type: General
Years of Service: 18y 11m 22d
Retirement Date: 4/1/2024

05 RISHEL BELLAMY-BURTRAM Deferred Member
N/A

Member Type: General
Years of Service: 09y 00m 02d
Retirement Date: 4/1/2024
Comments: Deferred from SJCERA since October 2021.

06 TAMARA M BUCKLEY Social Worker Supervisor I
HSA - Services Staff

Member Type: General
Years of Service: 34y 03m 04d
Retirement Date: 3/29/2024

07 IONA M CHARLES Family Services Worker
HSA - Admin Support

Member Type: General
Years of Service: 23y 00m 18d
Retirement Date: 3/29/2024

08	**CARLA J COLEMAN**	ResidencyTrng Program Tech II Hosp Residents - Surgery

Member Type: General
Years of Service: 15y 11m 06d
Retirement Date: 4/1/2024

09	**ROBERT K CURRIER**	Information Systems Analyst II Information Systems Div - ISF

Member Type: General
Years of Service: 25y 09m 11d
Retirement Date: 3/30/2024

10	**ROBERT W DAY**	Deferred Member N/A

Member Type: General
Years of Service: 17y 11m 28d
Retirement Date: 4/1/2024
Comments: Deferred from SJCERA since June 2021.

11	**DARIN J DEOLIVEIRA**	Info Systems Specialist III Central Telephone

Member Type: General
Years of Service: 26y 05m 09d
Retirement Date: 3/30/2024

12	**SUSAN L FACAROS**	Substance Abuse Counselor II Substance Abuse Services

Member Type: General
Years of Service: 10y 00m 04d
Retirement Date: 3/31/2024

13	**DENA B GALINDO**	Administrative Assistant II San Joaquin Health Centers

Member Type: General
Years of Service: 25y 04m 01d
Retirement Date: 3/31/2024

14	**SUSAN C GOODEN**	Probation Officer II Prob-Pretrial Svs-Monitoring

Member Type: Safety
Years of Service: 30y 03m 18d
Retirement Date: 4/1/2024

15	**RUBEN A GUSMAN**	Senior Park Worker Parks - Recreation

Member Type: General
Years of Service: 25y 11m 05d
Retirement Date: 3/30/2024

16 **NONNA L KAY** — Senior Office Assistant, California Childrens Services

Member Type: General
Years of Service: 21y 10m 20d
Retirement Date: 3/30/2024

17 **LARRY A LANE** — Deferred Member, N/A

Member Type: Safety
Years of Service: 06y 02m 02d
Retirement Date: 4/1/2024
Comments: Deferred member since February 2004.

18 **MATTHEW A LINDEMANN** — Lieutenant, Sheriff - Patrol

Member Type: General
Years of Service: 04y 04m 17d
Retirement Date: 4/1/2024

19 **MATTHEW A LINDEMANN** — Lieutenant, Sheriff - Patrol

Member Type: Safety
Years of Service: 21y 10m 06d
Retirement Date: 4/1/2024

20 **XIA Y LO** — CommunityHealthOutreachWorker, Public Health - CHDP

Member Type: General
Years of Service: 30y 09m 02d
Retirement Date: 3/25/2024

21 **MIRIAM LYELL** — Public Defender, Public Defender

Member Type: General
Years of Service: 33y 05m 27d
Retirement Date: 3/30/2024

22 **PATRICIA A MANUSE** — Mental Health Clinician II, Mental Health-Adult Outpatient

Member Type: General
Years of Service: 10y 01m 16d
Retirement Date: 3/31/2024

23 **MATTHEW M MCCAULEY** — Deputy Sheriff II, Sheriff-Custody-Regular Staff

Member Type: Safety
Years of Service: 24y 00m 02d
Retirement Date: 3/24/2024

24 YVETTE R MONJE Senior Office Assistant
HSA - Clerical Support

Member Type: General
Years of Service: 06y 11m 08d
Retirement Date: 3/30/2024

25 GUADALUPE NAVA Legal Technician II
Public Defender

Member Type: General
Years of Service: 40y 06m 23d
Retirement Date: 3/30/2024

26 KEITH A NIENHUIS Special District Class Code
SJ Co Mosquito Abatement

Member Type: General
Years of Service: 36y 00m 09d
Retirement Date: 3/30/2024

27 PATRICIA J PARKER Deferred Member
N/A

Member Type: General
Years of Service: 06y 11m 24d
Retirement Date: 4/1/2024
Comments: General retirement after DRO split account.

28 CARLOS J PRIETO Deputy Sheriff II
Sheriff-Custody-Regular Staff

Member Type: Safety
Years of Service: 33y 06m 25d
Retirement Date: 3/29/2024

29 LORI PURSEY Office Assistant Specialist
Behavioral Health Admin

Member Type: General
Years of Service: 18y 03m 28d
Retirement Date: 3/29/2024

30 HECTOR A QUINTERO Employment Training Spec II
Employment - Economic Developm

Member Type: General
Years of Service: 22y 00m 15d
Retirement Date: 3/23/2024

31 MARY J SALAZAR Correctional Officer
Sheriff-AB109-Jail Beds

Member Type: General
Years of Service: 00y 04m 17d
Retirement Date: 3/30/2024

32 **MARY J SALAZAR** Correctional Officer
Sheriff-AB109-Jail Beds

Member Type: Safety
Years of Service: 21y 02m 23d
Retirement Date: 3/30/2024

33 **RODNEY R SEBA** Senior Office Assistant
HSA - Clerical Support

Member Type: General
Years of Service: 12y 00m 29d
Retirement Date: 3/25/2024

34 **DONNA J THOMAS** Deferred Member
N/A

Member Type: General
Years of Service: 10y 06m 02d
Retirement Date: 3/29/2024
Comments: Deferred member since May 2006.

35 **LOHIT V TUTUPALLI** Pharmacy Manager
Mental Health Pharmacy

Member Type: General
Years of Service: 14y 07m 04d
Retirement Date: 4/1/2024

36 **CHARLENE VALDIVIA** Senior Office Assistant
HSA - Clerical Support

Member Type: General
Years of Service: 29y 00m 08d
Retirement Date: 4/1/2024

37 **CYNTHIA M WANT** Staff Nurse IV - Inpatient
Hosp Med-Surg 2D

Member Type: General
Years of Service: 26y 03m 10d
Retirement Date: 4/1/2024

38 **PATRICIA M WISNIEWSKI** Administrative Secretary
Public Health-Admin Support

Member Type: General
Years of Service: 08y 02m 01d
Retirement Date: 1/10/2024

39 **DOLLYMAR B ZARZUELA** Deputy Auditor-Controller III
Auditor - Controller

Member Type: General
Years of Service: 40y 09m 28d
Retirement Date: 3/30/2024

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

REPORT TO THE BOARD OF RETIREMENT AND AUDIT COMMITTEE

FOR THE YEAR ENDED DECEMBER 31, 2023

SAN JOAQUIN COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION
FOR THE YEAR ENDED DECEMBER 31, 2023

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Brown Armstrong
Certified Public Accountants

www.ba.cpa
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REQUIRED COMMUNICATION AT THE CONCLUSION OF AN AUDIT TO THE BOARD OF RETIREMENT AND AUDIT COMMITTEE IN ACCORDANCE WITH PROFESSIONAL STANDARDS (SAS 114)

To the Members of the Board of Retirement and Audit Committee of
San Joaquin County Employees' Retirement Association
Stockton, California

We have audited the basic financial statements and other information (financial statements) of the San Joaquin County Employees' Retirement Association (SJCERA), a pension trust fund of the County of San Joaquin, as of and for the year ended December 31, 2023, and have issued our report thereon dated May 29, 2024. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated December 18, 2023. Professional standards also require that we communicate to you the following information related to our audit.

<u>Significant Audit Matters</u>

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by SJCERA are described in Note 3, Summary of Significant Accounting Policies – Pension Plan, to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2023. We noted no transactions entered into by SJCERA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimates of the fair value of investments and the money-weighted rate of return are derived by various methods as described in Note 3, Summary of Significant Accounting Policies – Pension Plan; Note 4, Cash and Investments; and Note 5, Derivative Financial Instruments, to the financial statements. We evaluated the key factors and assumptions used to develop the estimates of the fair value of investments and the money-weighted rate of return in determining that they are reasonable in relation to the financial statements taken as a whole.

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REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

- Management's estimates of the contribution amounts and net pension liability are based on an actuarially-presumed interest rate and assumptions recommended by an independent actuary and adopted by the Board of Retirement and involve estimates of the values of reported amounts and probabilities about the occurrence of future events, as detailed in Note 6, Contributions Required and Contributions Made, and Note 8, Net Pension Liability and Significant Assumptions. We evaluated the key factors and assumptions used to develop the estimates of the contribution amounts and net pension liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosures for cash and investments and derivative financial instruments in Notes 4 and 5 to the financial statements, respectively, were derived from SJCERA's investment policy. Management's estimate of the fair value of investments was derived by various methods as detailed in the notes.

- The disclosures related to the funding policies, funded status, funding progress, and actuarial methods and assumptions in Note 6 and Note 8 were derived from actuarial valuations, which involve estimates of the value of reported amounts and probabilities about the occurrence of the future events far into the future.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following accumulated misstatements detected as a result of audit procedures were corrected by management:

Dr. Investments, at fair value	$16,259,389	
Cr. Unrealized gain on investments		$16,259,389

Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the purpose financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated May 29, 2024.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to SJCERA's financial statements, or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as SJCERA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters
We applied certain limited procedures to the Management's Discussion and Analysis, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contributions from the Employers and Other Contributing Sources – Defined Benefit Pension Plan, and Schedule of Investment Returns, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Administrative Expenses, Schedule of Investment Expenses, and Schedule of Payments to Consultants, which accompany the financial statements but are not RSI. With respect to this other supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the other supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introduction, investment, actuarial, and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Board of Retirement, Audit Committee, and management of SJCERA and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Stockton, California
May 29, 2024

INDEPENDENT AUDITOR'S 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*

To the Members of the Board of Retirement and Audit Committee of
San Joaquin County Employees' Retirement Association
Stockton, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the San Joaquin County Employees' Retirement Association (SJCERA), as of and for the year ended December 31, 2023, and the related notes to the basic financial statements, which collectively comprise SJCERA's basic financial statements and other information (financial statements), and have issued our report thereon dated May 29, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered SJCERA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SJCERA's internal control. Accordingly, we do not express an opinion on the effectiveness of SJCERA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of SJCERA's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified two deficiencies in internal control, described in the accompanying schedule of findings as items 2023-001 and 2023-002, both of which we consider to be significant deficiencies. We have also provided the current status of prior year finding.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SJCERA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

SJCERA's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on SJCERA's response to the findings identified in our audit and described in the accompanying schedule of findings. SJCERA's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SJCERA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SJCERA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Stockton, California
May 29, 2024

Schedule of Findings

2023-001 – Terminated Investment Accounts

During our audit procedures over investments, we determined that the net appreciation and fair value of three terminated investment accounts were understated by $16.3 million. This occurred as a result of lack of management reconciliation and oversight. The market value adjustment accounts were not properly adjusted to close out the remaining balance once the investment in the fund was terminated and closed.

Recommendation

We recommend that management review all terminated investment accounts at the end of the year to ensure that there are no market value adjustments remaining on the books, under- or overstating the investment market value.

Management's Response

Management agrees with the recommendation. Management will review and update procedures as necessary to ensure proper documentation is in place, including a final Management review step to ensure adherence to the procedures for terminated investments. Management will ensure the review of terminated investments will occur on at least a yearly basis.

2023-002 – Custodial Fund Reconciliation

During our review of the Post-Employment Healthcare Custodial Fund, we noted there was no process in place for reviewing and reconciling the custodial fund accounts at year-end to ensure information was properly reported. We performed a reconciliation of the related accounts and noted a couple errors with entries that should have been posted to the custodial fund accounts, as well as a couple entries omitted, which in the aggregate had a direct effect on the financial reporting of the Custodial Fund. Upon further inquiry, we also noted there was no internal process for identifying unposted journal entries at year-end.

Recommendation

We recommend that management implement a process to review and reconcile the Custodial Fund account balances periodically to ensure that the passthrough amounts are properly reported. We also suggest that management create a process for periodically reviewing the journal entry log to ensure all entries created are reviewed and posted in a timely manner to ensure that account balances are correctly reported.

Management's Response

Management agrees with the recommendation. Management will create procedures to review and reconcile the Custodial Fund on a quarterly basis, including management oversight review. A procedure will be created for the periodic review of the journal entry log to ensure all entries are created, reviewed, and posted timely.

Status of Prior Year Findings

2022-001 – Investment Adjustment

During our audit procedures over investments, we determined that the net appreciation and fair value of one investment account was overstated by $29.4 million. This occurred as a result of the custodian failing to reconcile the investment balance to the investment manager's year end statement and lack of management reconciliation and oversight.

Recommendation

We recommend that management uphold the controls in place for investment reconciliations for all investments such that every investment's fair value is properly recorded, and each investment is properly reconciled to the custodian and investment manager's statements. We also suggest that each investment reconciliation be performed by one individual and reviewed by another manager.

Management's Response

Management agrees with the recommendation. Management met with both the investment manager and custodian and noted there was a disconnect with the investment manager reporting to the custodian resulting in the reporting issue on the custodian's side. Management has worked out a plan to ensure proper reporting and reconciliations of the reports are done on a monthly basis going forward.

Current Year Status

Staff forwarded the monthly reports to the custodian bank to ensure reports were received timely before the monthly closing by the custodian bank, thus eliminating the disconnect between the two reports. Quarterly investment manager reconciliations were completed as soon as reports were available from the investment manager.

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

ANNUAL FINANCIAL REPORT WITH INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Retirement and Audit Committee of
San Joaquin County Employees' Retirement Association
Stockton, California

Report on the Audit of the Basic Financial Statements and Other Information

Opinions

We have audited the accompanying Statement of Fiduciary Net Position of the San Joaquin County Employees' Retirement Association (SJCERA), a pension trust fund of the County of San Joaquin, as of December 31, 2023; the Statement of Changes in Fiduciary Net Position for the fiscal year then ended; and the related notes to the basic financial statements, which collectively comprise SJCERA's basic financial statements as listed in the table of contents. We have also audited the Schedule of Cost Sharing Employer Allocations and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan 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 (specified column totals) as of and for the fiscal year ended December 31, 2023, listed as other information in the table of contents.

In our opinion, the basic financial statements and other information referred to above present fairly, in all material respects, the fiduciary net position of SJCERA as of December 31, 2023; its changes in fiduciary net position for the fiscal year then ended; the Schedule of Cost Sharing Employer Allocations; and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan 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 (specified column totals) as of and for the fiscal year ended December 31, 2023, 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 Basic Financial Statements and Other Information section of our report. We are required to be independent of SJCERA 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 opinions.

Responsibilities of Management for the Basic Financial Statements and Other Information

Management is responsible for the preparation and fair presentation of the basic financial statements and other information 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 basic financial statements and other information that are free from material misstatement, whether due to fraud or error.

REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

In preparing the basic financial statements and other information, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SJCERA'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.

Management is also responsible for maintaining a current plan instrument, including all SJCERA plan amendments; administering SJCERA; and determining that SJCERA's transactions that are presented and disclosed in the basic financial statements and other information are in conformity with SJCERA's plan provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Basic Financial Statements and Other Information

Our objectives are to obtain reasonable assurance about whether the basic financial statements and other information as a whole 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 basic financial statements and other information.

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 basic financial statements and other information, 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 basic financial statements and other information.
- 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 SJCERA'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 basic financial statements and other information.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SJCERA'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 required supplementary information, 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 and other information, 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 and other information in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and required supplementary information in accordance with GAAS, 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 information, and other knowledge we obtained during our audit of the basic financial statements and other information. 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements and other information that collectively comprise SJCERA's basic financial statements and other information. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements and other information. 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 basic financial statements and other information. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and other information and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements and other information or to the basic financial statements and other information themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements and other information as a whole.

Report on Summarized Comparative Information

We have previously audited SJCERA's December 31, 2022, basic financial statements and other information, and our report dated May 25, 2023, expressed an unmodified opinion on those audited basic financial statements and other information. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended December 31, 2022, is consistent in all material respects, with the audited basic financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2024, on our consideration of SJCERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 results of that testing, and not to provide an opinion on the effectiveness of SJCERA'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 SJCERA's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Stockton, California
May 29, 2024

MANAGEMENT’S DISCUSSION AND ANALYSIS

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

Introduction

Management's Discussion and Analysis (MD&A) presents the overview and analysis of the financial activities of the San Joaquin County Employees' Retirement Association (SJCERA or the Plan) for the year ended December 31, 2023. This MD&A presents SJCERA's overall financial position and the results of its operations, in conjunction with SJCERA's basic financial statements and notes.

Financial Highlights

- SJCERA's fiduciary net position increased by $397.9 million, or 10.4 percent, to $4.2 billion as of December 31, 2023.

- SJCERA's funding objective is to meet long-term benefit obligations through contributions and investment income. As of January 1, 2023, the date of the last actuarial valuation, the funded ratio for the actuarial liability was approximately 72.0 percent. In general, this indicates that for every dollar of benefits liability, SJCERA has about 72 cents. The portion of the pension liability attributable to inactive members (retired or deferred) is fully funded by plan assets. (Note 8c provides a more detailed explanation of recent changes in the funded ratio.)

- Revenues for the year were $695.4 million, an increase of $791.4 million from the prior year. The increase was mainly caused by the increase in net investment gains/(losses) compared to the prior year.

- Expenses for the year were $297.4 million, an increase of $12.4 million, or 4.4 percent, from the prior year's $285.0 million. This increase was primarily due to the $13.2 million increase in pension benefit payments to retirees.

Overview of the Basic Financial Statements

The SJCERA 2023 basic financial statements, notes to the basic financial statements, required supplementary information, other supplementary information, and other information were prepared in accordance with the accounting principles and reporting standards prescribed by the Governmental Accounting Standards Board (GASB). The following discussion and analysis are intended to serve as an introduction and overview of SJCERA's financial reporting components.

The **Statement of Fiduciary Net Position** is the financial statement that presents the major categories of assets and liabilities and their related values. It represents the resources available for future benefit payments to retirees and beneficiaries and the current liabilities owed as of December 31, 2023, with comparative totals as of December 31, 2022.

The **Statement of Changes in Fiduciary Net Position** is the financial statement that provides an income statement presentation of annual additions to and deductions from the Plan for the year ended December 31, 2023, with comparative totals as of December 31, 2022.

The **Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the audited financial statements.

The **Required Supplementary Information** provides the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contributions from the Employers and Other Contributing Sources, Schedule of Investment Returns, and Note to Required Supplementary Information.

The **Other Supplementary Information** includes a Schedule of Administrative Expenses, Schedule of Investment Expenses, and Schedule of Payments to Consultants.

The **Other Information** includes two schedules pertaining to GASB Statement No. 68: the Schedule of Cost Sharing Employer Allocations and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan.

Defined Benefit Pension Plan Financial Analysis

As of December 31, 2023, SJCERA's Fiduciary Net Position was $4.2 billion, an increase of $397.9 million. Employer and member contributions of $347.7 million and net investment income and miscellaneous income of $347.7 million were offset by benefits payments and administrative expenses of $297.4 million. Over time, increases and decreases in fiduciary net position are one of the indicators of whether SJCERA's financial situation is improving or deteriorating. Additional factors, such as market conditions, also need to be considered in assessing SJCERA's overall financial situation.

The table below compares SJCERA's fiduciary net position as of December 31, 2023 and 2022.

SJCERA Fiduciary Net Position

	2023	2022	Increase (Decrease) Amount	Percent Change
Cash and Receivables	$ 223,216,592	$ 285,084,691	$ (61,868,099)	-21.70%
Investments	4,064,748,850	3,660,701,904	404,046,946	11.04%
Other Assets	4,660,336	3,256,125	1,404,211	43.13%
Total Assets	4,292,625,778	3,949,042,720	343,583,058	8.70%
Total Liabilities	76,927,614	131,289,958	(54,362,344)	-41.41%
Total Fiduciary Net Position Restricted for Pension Benefits	$ 4,215,698,164	$ 3,817,752,762	$ 397,945,402	10.42%

Revenues – Additions to Fiduciary Net Position

The reserves needed to finance the retiree benefits are accumulated through the collection of employer and member contributions, and earnings on investments. The additions for the year ended December 31, 2023, totaled $695.4 million. Net investment gains and miscellaneous income totaled $347.7 million. The overall year 2023 revenues increases by $791.4 million from that of the prior year, primarily due to appreciation of investments.

In 2023, the San Joaquin County (County), San Joaquin County (SJC) Mosquito and Vector Control District (MCVD), and SJC Superior Court paid additional contributions to decrease their proportionate share of the unfunded actuarial liability (UAL). Employer contributions increased by $23.7 million, or 8.8 percent, over the prior year, and member contributions increased by $7.5 million, or 15.9 percent, over the prior year. The County and the majority of its members equally share the normal cost of pre-funding post-retirement cost-of-living adjustments. Some members also pay 114% or 133% of the basic member contribution rate, which reduces the employers' Normal Cost portion of the required contribution. Employers pay all of the required UAL amortization payment.

Expenses – Deductions from Fiduciary Net Position

SJCERA's primary expenses are the payment of benefits to retirees and beneficiaries, the refund of contributions to former members, and the administrative costs. Expenses for the year 2023 totaled $297.4 million, an increase of 4.4 percent over 2022. The increase is primarily attributed to the annual cost-of-living adjustment to retirees' benefit payments and the growth in the number and average amount of benefits paid to retirees.

The table below compares SJCERA's Changes in Fiduciary Net Position.

Changes in Fiduciary Net Position				
	2023	2022	Increase (Decrease) Amount	Percent Change
Additions				
Employer Contributions	$ 292,752,311	$ 269,080,047	$ 23,672,264	8.80%
Member Contributions	54,934,141	47,405,308	7,528,833	15.88%
Net Investment Income (Loss) and Miscellaneous Income	347,665,956	(412,759,726)	760,425,682	184.23%
Transfer from Healthcare Custodial Fund	-	224,628	(224,628)	-100.00%
Total Additions	695,352,408	(96,049,743)	791,402,151	823.95%
Deductions				
Retirement Benefit Payments	285,617,687	272,424,374	13,193,313	4.84%
Death Benefits	653,960	760,072	(106,112)	-13.96%
Refund of Contributions	4,266,024	6,179,349	(1,913,325)	-30.96%
Administrative and Other Expenses	6,649,659	5,621,704	1,027,955	18.29%
Transfer from Healthcare Custodial Fund	219,676	-	219,676	100.00%
Total Deductions	297,407,006	284,985,499	12,421,507	4.36%
Net Increase (Decrease)	397,945,402	(381,035,242)	778,980,644	-204.44%
Fiduciary Net Position Restricted for Pension Benefits				
Beginning of Year	3,817,752,762	4,198,788,004	(381,035,242)	-9.07%
End of Year	$ 4,215,698,164	$ 3,817,752,762	$ 397,945,402	10.42%

Plan Administration
SJCERA membership

The table below provides comparative SJCERA membership data for the last two years. Total membership as of December 31, 2023, was 16,397, an increase of 670 members, or 4.3 percent, compared to December 31, 2022.

SJCERA Membership As of December 31, 2023 and 2022				
Category	2023	2022	Increase (Decrease) Amount	Percent Change
Active Members	6,663	6,381	282	4.42%
Retired Members	6,799	6,685	114	1.71%
Deferred Members	2,935	2,661	274	10.30%
Total Membership	16,397	15,727	670	4.26%

Administrative Expenses

The County Employees Retirement Law of 1937 (CERL) Section 31580.2 limits the Administrative Expense to twenty-one hundredths of one percent (0.21 percent) of the accrued actuarial liability (AAL) of the system.

The table below provides comparison of the actual administrative expenses for the calendar years ended 2023 and 2022. The AAL was used to calculate the statutory budget amount. SJCERA's administrative expenses were well below the limit imposed by CERL for both years.

Compliance with Statutory Limitation Administrative Expenses As of December 31, 2023 and 2022 (Dollars in Thousands)		
	2023	**2022**
Basis for Budget Calculation (Accrued Actuarial Liability):		
Actual Administrative Expenses	$ 5,291	$ 4,627
Accrued Actuarial Liability as Basis for Budget Calculation*	5,323,789	5,207,669
Administrative Expenses as a Percentage of:		
The Basis for Budget Calculation	0.10%	0.09%
Limit per CERL	0.21%	0.21%

* Based on valuations dated January 1, 2023 and January 1, 2022, respectively.

Actuarial Valuations

SJCERA engages an independent actuarial firm, Cheiron, Inc., to perform an annual actuarial valuation to monitor its funding and funding integrity. The valuation assesses the magnitude of SJCERA's benefit commitments, in comparison with the assets expected to be available to support those commitments. The most recent annual actuarial valuation as of January 1, 2023, contains a detailed discussion of the funding requirements. This valuation is used for funding purposes and establishing employer and member contributions rates. As of January 1, 2023, the pension plan's accrued actuarial liabilities were $5.7 billion and the market value of assets net of Special Reserves (market value of assets basis) was $3.8 billion, resulting in UAL of $1.9 billion. The funded status (ratio) of market value of assets basis over accrued actuarial liabilities was 66.6 percent which decreased from 78.0 percent. It also decreased to 72.0 percent from 72.4 percent on an actuarial value of assets.

For the year ended December 31, 2023, a GASB Statement No. 67/68 report was prepared by Cheiron, Inc., to provide accounting and financial disclosure information. In order to accommodate the annual reporting requirements of our plan sponsors in a timely manner, the valuation was prepared using the January 1, 2023 valuation as the basis for calculating the total pension liability (TPL) and projected to December 31, 2023. Based on this actuarial valuation, the TPL was $5.9 billion compared to a fiduciary net position of $4.2 billion, resulting in the employers' net pension liability (NPL) of $1.7 billion and a fiduciary net position as a percentage of TPL of 71.6 percent. The NPL as a percentage of covered payroll was 311.96 percent. Please see the Note 8 for more details.

Reporting SJCERA's Fiduciary Responsibilities

SJCERA's Board of Retirement and staff are fiduciaries for the pension plan. Accordingly, SJCERA is responsible for ensuring that the assets reported in the statements are used for the intended purpose of paying retirement benefits to the eligible members and beneficiaries.

Contacting SJCERA's Management

This financial report is designed to provide the Board of Retirement, the membership, taxpayers, and investment managers with a general overview of SJCERA's finances and to show SJCERA's accountability for the money it receives. Any questions about this report, or need for additional financial information, can be addressed to SJCERA, 220 E. Channel Street, Stockton, California 95202.

Respectfully Submitted,

Carmen Murillo
Financial Officer
May 29, 2024

BASIC FINANCIAL STATEMENTS

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2023 (WITH COMPARATIVE TOTALS)

	2023		2022	
	Defined Benefit Pension Plan	Post-Employment Healthcare Custodial Fund	Defined Benefit Pension Plan	Post-Employment Healthcare Custodial Fund
Assets				
Cash and Short-Term Investments				
Cash and Cash Equivalents	$ 129,780,743	$ 232,688	$ 141,351,530	$ 52,449
Cash Collateral - Securities Lending	65,283,825	-	125,564,604	-
Total Cash and Short-Term Investments	195,064,568	232,688	266,916,134	52,449
Receivables				
Investment Income Receivables	9,183,732	-	4,856,348	-
Contributions Receivable	15,315,128	-	12,924,613	-
Securities Sold, Not Received	3,587,306	-	308,690	-
Miscellaneous Receivables	65,858	-	78,906	-
Total Receivables	28,152,024	-	18,168,557	-
Investments, at Fair Value				
Aggressive Growth	422,255,956	-	358,058,142	-
Traditional Growth	1,620,830,779	-	1,316,293,371	-
Risk Parity	381,698,273	-	358,053,342	-
Credit	676,177,727	-	579,784,841	-
Crisis Risk Offset (CRO)	455,595,676	-	531,550,354	-
Principal Protection	300,556,811	-	278,165,455	-
Core Real Assets	207,633,628	-	238,796,399	-
Total Investments, at Fair Value	4,064,748,850	-	3,660,701,904	-
Other Assets				
Prepaid Expenses	126,739	-	112,740	-
Equipment and Fixtures, Net	4,533,597	-	3,143,385	-
Total Other Assets	4,660,336	-	3,256,125	-
Total Assets	4,292,625,778	232,688	3,949,042,720	52,449
Liabilities				
Securities Lending - Cash Collateral	9,035,345	-	2,354,013	-
Securities Purchased, Not Paid	65,283,825	-	125,564,604	-
Accrued Expenses and Other Payables	2,237,795	-	2,910,428	-
Securities Lending Interest and Other Payables	370,649	-	460,913	-
Total Liabilities	76,927,614	-	131,289,958	-
Fiduciary Net Position Restricted for Pension and Post-Employment Healthcare Benefits	$4,215,698,164	$ 232,688	$3,817,752,762	$ 52,449

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

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023 (WITH COMPARATIVE TOTALS)

	2023		2022	
	Defined Benefit Pension Plan	Post-Employment Healthcare Custodial Fund	Defined Benefit Pension Plan	Post-Employment Healthcare Custodial Fund
Additions				
Contributions				
Employer Contributions	$ 292,752,311	$ -	$ 269,080,047	$ -
Member Contributions	54,934,141	-	47,405,308	-
Employer Contributions to Healthcare Benefits	-	3,085,425	-	3,798,073
Total Contributions	347,686,452	3,085,425	316,485,355	3,798,073
Net Investment Income (Loss)				
Net Appreciation (Depreciation) in Fair Value of Investments	308,982,238	-	(430,790,861)	-
Interest	31,072,262	-	22,172,800	-
Dividends	21,015,892	-	13,078,024	-
Real Estate Income, Net	7,479,828	-	9,918,342	-
Investment Expenses	(21,312,493)	-	(27,241,048)	-
Miscellaneous Investment Income	-	-	359	-
Net Investment Income (Loss), Before Securities Lending Income	347,237,727	-	(412,862,384)	-
Securities Lending Income				
Earnings	4,812,034	-	2,405,593	-
Rebates	(4,351,491)	-	(2,258,901)	-
Fees	(115,074)	-	(125,574)	-
Net Securities Lending Income	345,469	-	21,118	-
Total Net Investment Income (Loss)	347,583,196	-	(412,841,266)	-
Miscellaneous Income	82,760	-	81,540	-
Transfer Between Plans	-	219,676	224,628	-
Total Additions	695,352,408	3,305,101	(96,049,743)	3,798,073
Deductions				
Benefit Payments	285,617,687	3,124,862	272,424,374	3,593,533
Death Benefits	653,960	-	760,072	-
Refunds of Member Contributions	4,266,024	-	6,179,349	-
Administrative Expenses				
General Administrative Expenses	5,290,801	-	4,627,135	-
Other Expenses				
Information Technology Expenses	732,915	-	335,386	-
Actuary Fees	188,416	-	167,671	-
Fund Legal Fees	437,527	-	491,512	-
Total Administrative and Other Expenses	6,649,659	-	5,621,704	-
Transfer Between Plans	219,676	-	-	224,628
Total Deductions	297,407,006	3,124,862	284,985,499	3,818,161
Changes in Fiduciary Net Position	397,945,402	180,239	(381,035,242)	(20,088)
Fiduciary Net Position Restricted for Pension and Post-Employment Healthcare Benefits				
Beginning of Year	3,817,752,762	52,449	4,198,788,004	72,537
End of Year	$ 4,215,698,164	$ 232,688	$ 3,817,752,762	$ 52,449

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

The San Joaquin County Employees' Retirement Association (SJCERA) is the public employee retirement system established by the County of San Joaquin (County) to operate as a pension trust fund of the County. SJCERA is administered by the Board of Retirement of SJCERA (Board) to provide retirement, disability, and survivor benefits under the County Employees Retirement Law of 1937 (CERL) for the employees of the County and nine other participating employers within the County. SJCERA also administers the Post-Employment Healthcare Custodial Fund. Although the assets of the plans (defined benefit pension and post-employment healthcare) are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to eligible members and beneficiaries of that plan, in accordance with the terms of the plan. A description of the Post-Employment Healthcare Custodial Fund is located in Note 2. All notes to the basic financial statements apply to both plans unless indicated otherwise.

NOTE 1 – DEFINED BENEFIT PENSION PLAN DESCRIPTION

a. General Description

SJCERA is a public retirement system established by the San Joaquin County Board of Supervisors effective June 28, 1946, under the provisions of the CERL and the Public Employees' Pension Reform Act of 2013 (PEPRA). SJCERA is administered by the Board. Pursuant to Government Code Sections 31520.1 and 31520.5, the Board consists of nine regular members, one alternate retired member, and under certain circumstances an alternate Safety member. Four members and the alternate member(s) are elected by SJCERA's members, four are appointed by the County Board of Supervisors, and the County Treasurer is an ex-officio member. Board members serve for a term of three years, except for the County Treasurer who is a permanent member. The Board members as of December 31, 2023, were as follows:

Michael Restuccia, Chair	Jennifer Goodman
Michael Duffy, Vice Chair	Phonxay Keokham
Raymond McCray, Secretary	Steve Moore, Alternate
Chanda Bassett	Emily Nicholas
Steven Ding	J.C. Weydert

SJCERA is a multiple-employer retirement system covering the County and the San Joaquin County (SJC) Historical Society and Museum, Local Agency Formation Commission (LAFCO), Lathrop-Manteca Rural Fire Protection District, San Joaquin County Law Library, SJC Mosquito and Vector Control District (MVCD), Mountain House Community Services District, SJC Superior Court, Tracy Public Cemetery District, and the Waterloo-Morada Rural Fire Protection District. All employees appointed to full-time, permanent positions with an SJCERA participating employer become SJCERA members. Persons who commence covered employment at age 60 or older may irrevocably elect to waive membership in SJCERA. Public Health, a division of the County's Healthcare Services Department, became a participant of SJCERA effective June 27, 1993. Prior to that date, they were members of the California Public Employees' Retirement System (CalPERS). The elected officials of the County may request to become members of SJCERA. All benefits vest after attaining five years of service credit.

SJCERA has two benefit tiers:

- Tier 1 - Hired into public service before January 1, 2013
- Tier 2 - Hired into public service for the first time on or after January 1, 2013

NOTE 1 – DEFINED BENEFIT PENSION PLAN DESCRIPTION (Continued)

a. General Description (Continued)

There are two membership types:

1. **Safety Member** – Permanent employees engaged in the performance of active law enforcement, including probation officers and fire suppression employees, are considered Safety Members and are not generally covered by Social Security.

2. **General Member** – All other eligible employees not classified as Safety Members are considered General Members and are covered by Social Security.

Membership Summary

SJCERA's membership as of December 31, 2023, is presented below.

Year 2023	Retirees		Beneficiaries		Active		Deferred		Total	
	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2
General	4,767	104	734	3	1,862	3,967	1,174	1,519	8,537	5,593
Safety	956	9	226	-	397	437	157	85	1,736	531
Total	5,723	113	960	3	2,259	4,404	1,331	1,604	10,273	6,124

b. Plan Benefits

Eligibility for Retirement

Tier 1:

A Tier 1 member may retire for service at age 50 or older with five years of service credit, and at least ten years of membership. A General, Tier 1 member may retire at any age with 30 or more years of service credit. A Safety, Tier 1 member may retire at any age with 20 or more years of service credit.

Tier 2:

A Tier 2 member may retire for service with five or more years of service credit upon attaining the minimum retirement age: Age 52 for General, Tier 2 members, and Age 50 for Safety, Tier 2 members.

Any member of SJCERA, regardless of benefit tier, may retire at age 70 with no minimum service credit requirement.

Retirement Benefit

The monthly benefit amount at retirement depends upon the type of membership, years of retirement service credit, final average compensation, age at retirement, and the benefit option elected by the member.

Tier 1:

For Tier 1 members, final average compensation for purposes of computing a retirement allowance is the average monthly salary for the highest twelve consecutive months of employment. In addition to base salary, final average compensation may include other items defined as compensation earnable for retirement purposes.

NOTE 1 – DEFINED BENEFIT PENSION PLAN DESCRIPTION (Continued)

b. Plan Benefits (Continued)

Retirement Benefit (Continued)

The benefit formula for General, Tier 1 members is 2.6 percent of final average compensation for each year of service credit at age 62. The formula for Safety, Tier 1 members is 3.0 percent of final average compensation for each year of service credit at age 50 effective January 1, 2001. Members who retired prior to April 1, 1982, with 15 years or more of County service, receive an additional $50 monthly supplement commencing at age 65. Members who retired on or after April 1, 1982, but before January 1, 2001, receive a supplemental monthly benefit of $10 per year of service up to 30 years. This “Post 1982” supplemental benefit is payable if sufficient funds exist.

Federal law limits the annual compensation that may be used to calculate retirement benefits (applicable to persons who became SJCERA members on or after January 1, 1996), and the maximum annual benefit payable by SJCERA to any retired member. For 2023, the annual compensation limit under Internal Revenue Code Section 401(a)(17) is $330,000 and the annual benefit limit under Internal Revenue Code Section 415(b) is $265,000. Retired members whose statutory benefits from SJCERA would exceed the annual benefit limitation are eligible for the County’s Replacement Benefit Plan.

Tier 2:

For Tier 2 members, final average compensation for purposes of computing a retirement allowance is the average monthly salary for the highest 36 consecutive months of employment. In addition to base salary, final average compensation may include other items defined as pensionable compensation.

The benefit formula for General, Tier 2 members is 2.5 percent of final compensation for each year of service credit at age 67. The formula for Safety, Tier 2 members is 2.7 percent of final compensation for each year of service credit at age 57. PEPRA specifies the maximum annual compensation that may be used to calculate retirement benefits. The limits are adjusted annually based on changes in the Consumer Price Index (CPI). For 2023, the Tier 2 annual compensation limit is $146,042 for those included in the Federal Social Security System and $175,250 for those not included.

Cost-of-Living Adjustment (COLA)

For both Tier 1 and Tier 2 members, monthly allowances are eligible for an annual COLA based on the change in the CPI for the San Francisco-Oakland-Hayward area for the previous calendar year, up to a maximum of 3.0 percent. The Bureau of Labor Statistics does not publish a CPI for San Joaquin County. When the CPI exceeds 3.0 percent in any year, the difference between the actual change in CPI (rounded to the nearest one-half percent) and the 3.0 percent ceiling is “accumulated” for future years when the change is less than 3.0 percent. Based on the accumulated carry-over balances as of April 1, 2022, members received a 3.0% increase on April 1, 2023. Their accumulated carry-over balances were increased by 2.5%.

Terminated Members’ Deferred Retirement Benefit and Withdrawal of Contributions

A member leaving employment with at least five years of service credit becomes eligible for a retirement benefit once they meet the minimum service retirement age and have not withdrawn their accumulated member contributions.

Members who terminate employment with fewer than five years of service credit may leave their accumulated contributions on deposit until they become eligible for a retirement benefit at age 70. Contributions left on deposit with SJCERA continue to accrue interest.

NOTE 1 – DEFINED BENEFIT PENSION PLAN DESCRIPTION (Continued)

b. Plan Benefits (Continued)

Terminated Members' Deferred Retirement Benefit and Withdrawal of Contributions (Continued)

Upon termination of employment, members may withdraw their member contributions plus interest. Employer-paid contributions are not refundable. Members who take a refund of contributions become ineligible for future SJCERA retirement benefits.

Death Benefits

The beneficiary of an actively employed member who dies prior to attaining five years of credited service is refunded the member's accumulated contributions, with interest, and receives one month's salary for each full year of service, up to a maximum of six months' salary.

If the death occurs after five years of credited service and is not the result of a service-related injury or disease, the surviving spouse or minor children may elect to receive a lump sum benefit of the retirement contributions including interest and one month's salary for each full year of service up to six months' salary; 60 percent of the retirement allowance the deceased member would have received if they had retired with a nonservice-connected disability retirement benefit on the date of death; or a lump sum payment of six months' salary and a reduced monthly retirement benefit. The monthly allowance to minor children is discontinued once they marry or reach age 18 (age 22 if a full-time student).

The beneficiary of a deferred member receives the member's contributions plus accumulated interest.

Upon the death of a retiree, the beneficiary receives a retirement benefit as determined by the benefit option elected by the member at the time of retirement. In addition, the beneficiary also receives a $5,000 death benefit, which is paid from retirement reserves.

NOTE 2 – POST-EMPLOYMENT HEALTHCARE CUSTODIAL FUND

The Post-Employment Healthcare Custodial Fund accounts for assets held as an agent on behalf of others. The funds held within the Post-Employment Healthcare Custodial Fund do not meet the definition of a qualifying Other Post-Employment Benefits (OPEB) Trust under Governmental Accounting Standards Board (GASB) Statement No. 74. This fund is custodial in nature and is accounted for on the flow of economic resources measurement focus and accrual basis of accounting. GASB Statement No. 84, *Fiduciary Activities*, was implemented in 2019. The Post-Employment Healthcare Fund is classified as a Custodial Fund.

The Post-Employment Healthcare Custodial Fund is used as a clearing account for cash flows from employers to fund Sick Leave Bank Benefits for their eligible retired members on a pay-as-you-go basis, and for cash flows out for payment of Sick Leave Bank Benefits. The Sick Leave Bank Benefit allows accumulated unused and un-cashed sick leave to be converted to a Sick Leave Bank upon retirement at a rate of $27.65 per hour. Retired or deferred members who were employed prior to August 27, 2001, are eligible for Sick Leave Bank Benefits. In 2007, the San Joaquin County Superior Court (Court) extended eligibility for Sick Leave Bank Benefits to Court employees hired on or after August 27, 2001. Employers fund the Sick Leave Bank Benefits and employees are not required to contribute to the plan.

Sick Leave Bank Benefits may be used to pay for employer-sponsored group health, dental, and vision care insurance premiums and/or reimbursement of Medicare Part B premiums for the eligible members, their spouses, and dependents. When a retiree's Sick Leave Bank is depleted, the retiree assumes responsibility for payment of health, dental, and vision care insurance premiums.

SJCERA allocates the investments held at December 31, 2023, between the Defined Benefit Pension Plan and the Post-Employment Healthcare Custodial Fund based on the internal records of the respective accounts at December 31, 2023.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – PENSION PLAN

a. Basis of Accounting

SJCERA's financial statements are presented on the accrual basis of accounting. Employer and member contributions that should have been made in the calendar year based on the actuarially determined contribution rates or amounts are recognized as revenues of that calendar year. Contributions receivable pursuant to an installment contract are also recognized in full in the year in which the contract is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

b. Reporting Entity

SJCERA, governed by the Board, is an independent government entity. SJCERA's annual financial statements are included in the County's financial reports as a pension trust fund.

c. Cash Equivalents

SJCERA's cash and short-term investments are managed by Northern Trust (NT) and the County Treasurer.

Northern Trust (NT)

Cash not required for daily operations is deposited with NT, SJCERA's master custodian for investment securities. NT pools cash from its clients pending permanent investment in its Short-Term Investment Fund (STIF). The cash in the STIF account is invested in high-grade money market instruments with very short maturities, such as bonds, notes, and other evidence of indebtedness, in accordance with SJCERA's investment policy.

The cash collateral received under the securities lending program is invested by NT through its securities lending collateral fund, which is created solely for the investment of cash collateral.

County Treasurer

Cash necessary for SJCERA's daily operations is pooled with other County funds for short-term investment by the County Treasurer. The County is responsible for the control and safekeeping of all instruments of title and for all investment of the pooled funds.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – PENSION PLAN (Continued)

d. Method Used to Value Investments

Investments are carried at fair value. Fair values for investments are derived by various methods as indicated in the following table.

Investments	Source
Publicly traded stocks and bonds, and issues of the U.S. Government and its agencies	Most recent sales price as of the fiscal year-end. International securities reflect currency exchange rates in effect at December 31, 2023.
Mortgages	Equivalent pricing to comparable Government National Mortgage Association (GNMA).
Real estate equity funds	Fair value as provided by real estate fund manager.
Real estate title holding corporations and limited liability companies	Fair value of the investment as provided by fund managers unless an alternative value has been determined by the Board per SJCERA's Real Estate Investment Policy and reviewed by SJCERA's Investment Consultant.
Private equity	Fair value as provided by the investment manager and reviewed by SJCERA's Investment Consultant.
Private placement bonds	Face value of the security subject to designated conditions such as sales restrictions or limited marketability.

e. Capital Assets

Capital assets, mainly leasehold improvements, furniture, and equipment, acquired by SJCERA are capitalized at cost. Depreciable capital assets are depreciated using the straight-line method over estimated useful lives of three to seven years for computer equipment, furniture, and other equipment. Leasehold improvements are amortized over the life of the lease. Depreciation expenses of the capital assets are included in general administrative expenses.

The change in capital assets owned for the year ended December 31, 2023, is presented below:

	Balance December 31, 2022	Additions	Deletions/ Adjustments	Balance December 31, 2023
Original Cost	$ 4,608,937	$ 2,075,232	$ -	$ 6,684,169
Accumulated Depreciation and Amortization	(1,465,552)	(685,020)	-	(2,150,572)
Net Book Value	$ 3,143,385	$ 1,390,212	$ -	$ 4,533,597

Depreciation and amortization expense for the year ended December 31, 2023, was $685,020.

f. Receivables

Receivables consist primarily of interest, dividends, investments in transition (traded but not yet settled), and contributions owed by participating employers. Contributions receivable pursuant to an installment contract between the member and SJCERA for purchase of service credit are recognized in full in the year in which the contract is made.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – PENSION PLAN (Continued)

g. Use of Estimates in the Preparation of Financial Statements

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

NOTE 4 – CASH AND INVESTMENTS

a. Investment in Securities Lending Program

SJCERA participates in NT's pooled securities lending program. Under the agreement, NT is authorized to lend the SJCERA securities it holds to certain SJCERA-approved borrowers. NT does not have the ability to pledge or sell collateral securities unless a borrower default occurs.

All loans are fully collateralized with either cash, securities issued or fully guaranteed by the U.S. government, or irrevocable bank letters of credit. All collateral is held or invested by NT. The term or maturity of the securities loaned is generally matched with the term or maturity of the investment of the cash collateral. U.S. securities are loaned with collateral valued at 102 percent of the fair value of the securities plus any accrued interest. Non-U.S. securities are loaned with collateral valued at 105 percent of the fair value of the securities plus any accrued interest.

As of December 31, 2023, SJCERA had the following securities out on loan.

	Fair Value of Securities Lent	Cash Collateral Value	Non-Cash Collateral Value
U.S. Equities	$ 10,803,329	$ 637,130	$ 10,445,958
U.S. Debt Securities	106,064,360	64,646,695	44,233,106
Total U.S. Securities	116,867,689	65,283,825	54,679,064
Non-U.S. Equities	5,037,897	-	5,371,289
Non-U.S. Debt Securities	70,789,903	-	75,745,021
Total Non-U.S. Securities	75,827,800	-	81,116,310
Total	$ 192,695,489	$ 65,283,825	$ 135,795,374

The cash collateral is reported on the financial statements as an asset and as a liability of SJCERA. Securities lending transactions collateralized by letters of credit or by securities that SJCERA does not have the ability to pledge or sell unless the borrower defaults are not reported as assets and liabilities in accordance with GASB Statement No. 28. The potential risks involved in the securities lending program include borrower bankruptcy, collateral deficiencies, settlement problems, corporate actions, dividends, and interest. SJCERA's pro-rata share of net income derived from NT's pooled securities lending transactions in 2023 was $345,469. As of December 31, 2023, there was no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The securities on loan at year-end were $192.7 million and the collateral received for those securities on loan was $201.1 million.

NOTE 4 – CASH AND INVESTMENTS (Continued)

b. Cash and Short-Term Investments

The carrying value of cash and short-term investments as of December 31, 2023, consists of the following.

	Amount
Cash and Cash Equivalents - Custodian	$ 129,564,996
Cash and Cash Equivalents - County Treasury	215,747
Cash and Cash Equivalents - Post Employment Healthcare Custodian Fund	232,688
Total Cash and Cash Equivalents	130,013,431
Cash Collateral - Securities Lending - Custodian	65,283,825
Total Cash and Short-Term Investments	$ 195,297,256

c. Long-Term Investments

SJCERA owned the following long-term investments as of December 31, 2023.

	Fair Value
Investments-Categorized	
Aggressive Growth	$ 422,255,956
Traditional Growth	1,620,830,779
Risk Parity	381,698,273
Credit	676,177,727
Crisis Risk Offset (CRO)	455,595,676
Principal Protection	300,556,811
Core Real Assets	207,633,628
Total Investments-Categorized	4,064,748,850
Investments-Not Categorized	
Investments Held by Broker-Dealers Under Securities Loans	
U.S. Equities	637,130
U.S. Debt Securities	64,646,695
Non-U.S. Debt Securities	-
Total Investments Held by Broker-Dealers Under Securities Loans	65,283,825
Total Investments	$ 4,130,032,675

GASB Statement No. 40, *Deposits and Investments Risk Disclosures,* established and modified disclosure requirements related to the following:

- Credit risk
- Custodial credit risk
- Concentration of credit risk
- Interest rate risk
- Foreign currency risk

NOTE 4 – CASH AND INVESTMENTS (Continued)

c. Long-Term Investments (Continued)

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. SJCERA's investment policy seeks to maintain a diversified portfolio of fixed income instruments in order to obtain the highest total return for the fund at an acceptable level of risk within the asset class. To control such risk, credit quality guidelines have been established for the separately managed accounts. The following table depicts the value of the investments exposed to those risks and the corresponding credit ratings from Standard & Poor's (S&P) as of December 31, 2023.

Quality Ratings	Fair Value
AAA	$ 145,569,955
AA	4,967,829
A	37,210,102
BAA	85,982,802
BA	24,462,793
B	18,049,354
CAA	4,696,724
CA	678,895
C	168,042
Not Rated	453,869,694
Subtotal	775,656,190
U.S. Government Agencies - Implied AAA (FNMA, FHLB, FHLMC, FFCB, SLMA, Other)	201,078,348
Total Investments in Fixed Income Securities	$ 976,734,538

Custodial Credit Risk – The custodial credit risk represents the risk that, in the event of the failure of the counterparty of a transaction, SJCERA will not be able to recover the value of deposits and investments or collateral securities that are in the possession of an outside party.

Deposits

The deposits with the County Treasurer are uninsured but secured by public funds of the pledging banks. The pool's investments, all held in the County's name, are short-term and include U.S. Treasury Bills, certain Federal agencies' instruments, bankers' acceptances, "prime" commercial paper, certificates of deposit, repurchase agreements, and the State Treasurer's Local Agency Investment Fund.

The cash deposits with NT are uninsured and uncollateralized. All underlying investments in the commingled STIF account are not registered in SJCERA's name.

Investment

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in SJCERA's name, and held by the counterparty. SJCERA's investment securities are not exposed to custodial credit risk because all securities are held by SJCERA's custodial bank in SJCERA's name, or by other qualified third party administrator trust accounts.

NOTE 4 – CASH AND INVESTMENTS (Continued)

c. Long-Term Investments (Continued)

Concentration of Credit Risk – This risk represents the potential loss attributable to the magnitude of SJCERA's investments in a single issuer. As of December 31, 2023, for separately managed investment accounts, SJCERA did not hold any investments within any one issuer that would represent five percent (5%) or more of plan fiduciary net position.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of the price sensitivity of a fixed income portfolio to changes in interest rates. It is calculated as the weighted average time to receive a bond's coupon and principal payments. The longer the duration of a portfolio, the greater its price sensitivity to changes in interest rates.

As of December 31, 2023, SJCERA had the following interest rate sensitive investments.

Investment Type	Fair Value	Weighted Average Maturity-Years
U.S. Government and Agency Instruments:		
U.S. Government Mortgages	$ 87,638,871	27.71
U.S. Government Bonds	153,677,980	19.00
Index-Linked Government Bonds	1,184,890	29.15
Municipal/Revenue Bonds	2,652,333	14.76
Government Agencies	6,998,028	15.61
Short-Term Bills and Notes	96,734,435	0.06
Total U.S. Government and Agency Instruments	348,886,537	
Corporate Securities:		
Asset Backed Securities	23,537,108	16.61
Commercial Mortgage-Backed Securities	15,675,182	12.80
Corporate Bonds	154,314,796	10.50
Corporate Convertible Bonds	1,425,161	31.57
Non-Government Backed CMOs	1,064,654	29.07
Total Corporate Securities	196,016,901	
Real Estate Financing	431,831,100	
Total Fixed Income Securities	$ 976,734,538	

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates may adversely affect the fair value of an investment. SJCERA's external non-U.S. equity and fixed income investment managers may invest in international securities in accordance with their investment guidelines pertaining to these types of investments.

Currency hedging on an unleveraged basis is permitted by non-U.S. equity managers as a strategy to protect against losses due to currency translations (defensive hedging). However, it is expected that the primary sources of added value for non-U.S. equity investment managers will be stock and country selection, with currency management focused on limiting losses due to fluctuations in currency values. Managers may purchase or sell currency on a spot basis to accommodate securities settlements.

Managers may invest in developed market currencies and emerging market currencies in accordance with their investment guidelines. Permitted derivative instruments are currency spots, currency forward contracts (deliverable or non-deliverable), currency futures, options on currency forwards or futures, and currency swaps. Other investments, contracts, or positions that, in the managers' judgment, are of similar purpose and character and equal credit quality and marketability to any of the investments above, are also permissible.

NOTE 4 – CASH AND INVESTMENTS (Continued)

c. Long-Term Investments (Continued)

SJCERA's exposure to foreign currency risk in U.S. dollars as of December 31, 2023, follows.

Currency	Fair Value
Australian Dollar	$ 4
British Pound Sterling	3
Euro Currency	97,562
Total	$ 97,569

d. Fair Value Measurement

In accordance with GASB Statement No. 72, fair value is 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. The statement establishes a fair value hierarchy based on three types of input to develop the fair value measurements for investments. The level is determined based on the lowest level of input significant to the measurement in its entirety. Assets and liabilities measured at fair value are classified into one of the following categories:

Fair Value Hierarchy

Level 1 – reflects unadjusted quoted prices in active markets for identical assets or liabilities accessible on the measurement date. Observable markets include exchange markets, dealer markets, and brokered markets.

Level 2 – reflects similar observable inputs other than quoted market prices. It includes quoted prices for similar assets in active markets or quoted prices for identical or similar assets in inactive markets.

Level 3 – reflects prices based on unobservable sources. They should be used only when relevant Level 1 and Level 2 inputs are unavailable.

NOTE 4 – <u>CASH AND INVESTMENTS</u> (Continued)

d. Fair Value Measurement (Continued)

The following table presents fair value measurements as December 31, 2023.

Investments by Fair Value Level	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities				
Common Stocks	$ 45,548,149	$ 45,542,305	$ 5,844	$ -
Preferred Stocks	722,062	722,062	-	-
Total Equities	**46,270,211**	**46,264,367**	**5,844**	**-**
Fixed Income				
Asset Backed Securities	23,537,108	-	23,537,108	-
Commercial Mortgage-Backed Securities	15,675,182	-	15,675,182	-
Corporate Bonds	156,345,205	-	156,345,205	-
Corporate Convertible Bonds	1,425,161	-	1,425,161	-
Funds - Corporate Bonds	52,874,787	52,874,787	-	-
Funds - Fixed Income ETF	11,931,032	11,931,032	-	-
Government Agencies	6,998,028	-	6,998,028	-
Government Bonds	154,536,176	-	154,536,176	-
Government Mortgage-Backed Securities	87,638,871	-	87,638,871	-
Index Linked Government Bonds	1,184,890	-	1,184,890	-
Municipal/Provincial Bonds	2,652,333	-	2,652,333	-
Non-Government Backed CMOs	1,064,654	-	1,064,654	-
Other Fixed income	95,610,195	-	-	95,610,195
Total Fixed Income	**611,473,622**	**64,805,819**	**451,057,608**	**95,610,195**
Other Assets				
Short-Term Bills and Notes	96,734,435	-	96,734,435	-
Private Real Estate	1,533,486		944,088	589,398
Private Credit	29,529,332	-	-	29,529,332
Private Equity Funds	118,346,428	-	-	118,346,428
Swaps	975,083	-	975,083	-
Total Other Assets	**247,118,764**	**-**	**98,653,606**	**148,465,158**
Collateral from Securities Lending	**65,283,825**	**-**	**65,283,825**	**-**
Total Investments by Fair Value Level	**970,146,422**	**$ 111,070,186**	**$ 615,000,883**	**$ 244,075,353**
Investments Measured at the Net Asset Value (NAV)				
Global Equities Funds	1,502,404,375			
Emerging Markets Global Equity	72,674,462			
Fixed Income Funds	154,496,761			
Private Credit	253,834,059			
Risk Parity Funds	381,698,272			
Multi-Strategy Funds	243,187,066			
Hedge Funds - Fixed Income	10,609,060			
Private Equity Funds	273,400,124			
Private Real Estate Funds	267,582,074			
Total Investments Measured at NAV	**3,159,886,253**			
Total Investments	**$ 4,130,032,675**			

Investments Measured at the Net Asset Value (NAV)

SJCERA measures certain investments that do not have a readily determinable fair value, such as hedge funds, commingled funds, and private equity funds, using NAV as a practical expedient. The SJCERA investments valued at NAV are the majority holdings for the SJCERA portfolio. The following table presents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for SJCERA investments measured at NAV.

NOTE 4 – CASH AND INVESTMENTS (Continued)

d. Fair Value Measurement (Continued)

The following table presents the investments measured at NAV as December 31, 2023:

Investments Measured at NAV	Fair Value	Unfunded Commitment	Redemption Frequency If Currently Eligible	Redemption Notice Period
Global Equities Funds	$ 1,502,404,375	$ -	Daily, Weekly, Semi-Monthly, Monthly	1-30 days
Emerging Markets Global Equity	72,674,462	-	Weekly	T-4 Days
Fixed Income Funds	154,496,761	5,973,239	Daily, Not Eligible	1 day
Private Credit	253,834,059	115,413,683	Not Applicable	Not Applicable
Risk Parity Funds	381,698,272	-	Monthly	5-15 days
Multi-Strategy Funds	243,187,066	-	Daily, Weekly, Semi-Monthly, Monthly	0-15 days
Hedge Funds - Fixed Income	10,609,060	12,717,985	Daily, Quarterly, Not Eligible	0-60 days
Private Equity Funds	273,400,124	57,904,714	Not Eligible	Not Applicable
Private Real Estate Funds	267,582,074	100,580,590	Quarterly, Not Eligible	5-90 Days, Not Applicable
Total Investments Measured at NAV	$ 3,159,886,253	$ 292,590,211		

Global Equities Funds - Assets within these funds represent shares of ownership in U.S. and international corporations, including publicly traded common stocks, American and Global Depository Receipts, as well as Real Estate Investment Trusts (REITS).

Emerging Markets Global Equity - Assets within this segment represent a diversified portfolio seeking to identify growing countries and the companies that complement our core Equity holdings.

Fixed Income Funds - Funds within this segment represent debt instruments of corporations, government or agencies characterized by a fixed or variable interest rate and stated maturity date, including marketable bonds.

Private Credit - Assets within this segment are defined by non-bank lending where the debt is not issued or traded on the public markets.

Risk Parity Funds - Funds within this segment represent portfolios that seek to balance the risk characteristics of assets across multiple segments. These portfolios generally invest in equities, bonds, and commodities among other assets.

Multi-Strategy Hedge Funds - Funds within this segment can involve holding both long and short positions in securities instead of traditional long-only investments in publicly traded investments. Portfolios also may utilize derivatives or hedging strategies as well. Multi-Strategy managers utilized various investment segments to invest, including but not limited to, equities, bonds, currency, and commodities.

Fixed Income Hedge Funds - Funds within this segment can involve holding both long and short positions in securities instead of traditional long-only investments in publicly traded investments. Portfolios also may utilize derivatives or hedging strategies as well. These investment funds generally focus on opportunities within fixed income markets.

Private Equity Funds - These funds are illiquid allocations that invest primarily in buyout funds, venture capital, and debt/special situations. These funds are not eligible for redemption and investment periods are generally between five and 15 years.

NOTE 4 – CASH AND INVESTMENTS (Continued)

d. Fair Value Measurement (Continued)

Private Real Estate Funds - These funds are defined as those investments that are unleveraged or leveraged positions in real property. The portfolio may pursue direct privately held partnership interests, fund-of-funds interests, and direct holdings for its real estate allocation.

e. Summary of Investment Policy

The CERL vests the Board with exclusive control over SJCERA's investment portfolio. The Board established investment policies in accordance with applicable local, State, and Federal laws. The Board members exercise authority and control over the management of SJCERA's assets by setting policy, which the staff executes either internally or through the use of external prudent experts. The Board provides oversight and guidance subject to the following basic fiduciary responsibilities:

- Solely in the interest of, and for the exclusive purpose of, providing economic benefits to participants and their beneficiaries.

- With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character with like objectives.

- Diversify the investments of the plans so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances, it is clearly prudent not to do so. Diversification is applicable to the deployment of the assets as a whole.

f. Target Asset Allocation

The Board completed an asset-liability study during 2022, facilitated by its investment consultant, Meketa Investment Group, and its consulting actuary, Cheiron, Inc. A key aspect of the study was the Board's consensus on how it defines risk and determining its tolerance for risk, which plays a significant role in the selection of the policy mix of assets that comprise the strategic asset allocation for the investment program.

On June 3, 2022, the Board adopted a revised strategic asset allocation policy for SJCERA's investments. On July 8, 2022, the Board adopted an Implementation Plan which describes how the new strategic allocation is to be implemented. The Implementation Plan uses an "evolving policy" framework which allows the portfolio to be adjusted over time, with a target completion deadline of June 30, 2024. The plan also notes that SJCERA will move faster, depending on market conditions.

The strategic asset allocation is expected to improve the likelihood of the plan accomplishing its primary financial objective: to earn a long-term return that, coupled with projected contributions, is projected to be sufficient to attain full funding in the long-term while avoiding substantial deterioration in funded status along the way.

NOTE 4 – CASH AND INVESTMENTS (Continued)

f. Target Asset Allocation (Continued)

Asset Class	Policy Allocation Percentage	Purpose	Main Risk Exposures
Aggressive Growth	16.00%	Return	Growth
Traditional Growth	34.00%	Return	Growth, Currency
Risk Parity	6.00%	Balanced Return	Growth, Interest Rates, Inflation
Credit	15.00%	Income, Growth	Growth
Core Real Assets	9.00%	Income, Growth	Growth, Interest Rates
Principal Protection	7.00%	Income, Stability	Interest Rates
Crisis Risk Offset (CRO)	13.00%	Return and Liquidity during a Growth Crisis	Interest Rates, Variables based on Trends, Alternative Factor Risks
	100.00%		

NOTE 5 – DERIVATIVE FINANCIAL INSTRUMENTS

The Board has authorized certain investment managers to invest in, or otherwise enter into, transactions involving derivative financial instruments when such transactions are consistent with the investment objectives established for a specific investment manager's assignment. A professional investment consultant is employed to monitor and review each investment manager's securities and derivative position as well as the manager's performance relative to established benchmark rates of return and risk measures. Derivative activities must be evaluated within the context of the overall portfolio performance and cannot be evaluated in isolation.

Investment derivatives involve the following types of risks.

Market Risk: Market risk is the risk of change in value of an instrument in response to changes in a market price or index. While all investments are subject to market risk, derivatives often have a higher degree of market risk than other types of investment instruments. Values of cash securities containing derivative features are often more susceptible to market risk than other types of fixed income securities because the amounts and/or timing of their scheduled cash flows may fluctuate under changing market conditions, according to their contractual terms. For other types of derivatives, amounts of contractual cash flows may be either positive or negative depending upon prevailing market conditions relative to the reference prices or rates, and thus the values of such instruments may be positive or negative, despite the fact that little or no cash is initially exchanged to enter into such contacts.

NOTE 5 – DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Credit Risk: Credit risk of cash securities containing derivative features is based upon the credit worthiness of the issuers of such securities. It includes the risk that counterparties to contracts will not perform and/or the public exchange will not meet its obligation to assume this counterparty risk. Exchange traded derivatives are generally considered to be of lower credit risk than over-the-counter derivatives due to the exchange's margin requirements. The derivative investments are exchange traded, and credit risk is limited to the clearing corporation. As of December 31, 2023, collateral for derivatives was $8.4 million. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted.

The following Credit Risk Analysis schedule discloses the counterparty credit ratings of SJCERA's derivative investments as of December 31, 2023:

	S&P Credit Rating	
Derivative Type	**A**	**Total Fair Value**
Swap Contracts	$ 37,181	$ 37,181
Total	$ 37,181	$ 37,181

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate swaps are an example of an investment that has a fair value that is highly sensitive to interest rate changes. SJCERA is exposed to interest rate risk in the form of futures contracts and option contracts in the following global government bond markets.

Interest Rate Risk
As of December 31, 2023

Global Bonds	**Futures Contracts**	**Option Contracts**
Canadian Government Bond	$ 13,660,469	$ -
Long Gilt	7,971,707	-
Japanese Government Bond	33,285,565	-
Euro Bond	26,659,980	-
U.S. Notes	45,680,398	(48,633)
Eurodollars	99,771,779	-
SOFR	58,083,000	-
Sonia Future	100,390,778	-
Canadian Bills	79,007,227	-
Total	$ 464,510,903	$ (48,633)

NOTE 5 – DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

SJCERA measures derivative interest rate risk using duration with varying maturities of less than three months to more than 10 years. At December 31, 2023, SJCERA had the following investment derivative interest rate risks.

Interest Rate Risk Analysis
As of December 31, 2023
(Dollars in Thousands)

Derivative Type	Notional Value	Fair Value	< 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	5 to 10 Years	10+ Years
Futures Contracts	$ 807	$ -	$ 807	$ -	$ -	$ -	$ -	$ -
Swap Agreements	-	37	37	-	-	-	-	-
Credit Contracts	-	678	-	-	-	678	-	-
Total	$ 807	$ 715	$ 844	$ -	$ -	$ 678	$ -	$ -

Foreign Currency Risk: Foreign currency risk is the risk that changes in currency exchange rates will adversely affect the fair value of an investment. Currency forward contracts represent foreign exchange contracts that are used to control currency exposure and facilitate the settlement of international security purchase and sale transactions. As of December 31, 2023, SJCERA had the derivative foreign currency exposures listed in the table below.

Foreign Currency Risk
As of December 31, 2023

Currency	Futures Contracts	Options Contracts
Australian Dollar	$ (956,270)	$ -
British Pound Sterling	20,242,213	-
Canadian Dollar	(983,125)	-
Euro Currency	(969,063)	-
Japanese Yen	(20,900,100)	143,450
Swiss Franc	20,815,250	-
Total	$ 17,248,905	$ 143,450

Derivatives are carried as assets when the fair value is positive, and as liabilities when the fair value is negative. Gains and losses from derivatives are included in net investment income (loss). For financial reporting purposes, all SJCERA derivatives are classified as investment derivatives.

Derivative financial instruments held by SJCERA from time to time consist of the following.

Futures Contracts

A futures contract represents an agreement to buy (long position) or sell (short position) an underlying asset at a specified future date for a specified price. Payment for the transaction is delayed until a future date, which is referred to as the settlement or expiration date. Futures contracts are standardized contracts traded on organized exchanges.

Option Contracts

An option contract is a type of derivative security in which a buyer (purchaser) has the right, but not the obligation, to buy or sell a specified amount of an underlying security at a fixed price by exercising the option before its expiration date. The seller (writer) has an obligation to buy or sell the underlying security if the buyer decides to exercise the option.

NOTE 5 – DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Swap Agreements

A swap is an agreement between two or more parties to exchange a sequence of cash flows over a period of time in the future. No principal is exchanged at the beginning of the swap. The cash flows the counterparties exchange are tied to a "notional" amount. A swap agreement specifies the time period over which the periodic payments will be exchanged. The fair value represents the gains or losses as of the prior marking-to-market.

All investment derivative positions are included as part of investments at fair value on the Statement of Fiduciary Net Position. All changes in fair value are reported as part of net appreciation/(depreciation) in fair value of investments in the Statement of Changes in Fiduciary Net Position. Investment information was provided either by SJCERA's investment managers or SJCERA's custodian bank. The Investment Derivatives schedule below is classified by type and reports the fair value balances and notional amounts of derivatives outstanding as of and for the year ended December 31, 2023.

Investment Derivatives
As of December 31, 2023

Derivative Type	Notional Amount	Fair Value
Futures Contracts	$ 445,514,088	$ 3,380,708
Option Contracts	363,117	209,687
Swap Agreements	-	715,083
Total	$ 445,877,205	$ 4,305,478

NOTE 6 – CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

Defined Benefit Pension Plan

The funding objective of the plan is to establish contribution rates that, together with investment earnings, will provide sufficient assets to pay all benefits under the plan. The County and participating employers are required to contribute a percentage of their annual covered payroll at actuarially determined rates. Actuarial valuations involve estimates and make assumptions about the probability of events far into the future; therefore, actuarially determined rates are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

Employer Contributions

For 2023, the required employer contribution rates including normal cost and amortization of the unfunded actuarial liability (UAL) were determined by using the valuation report as of January 1, 2022.

In 2023, the County made additional $25,042,734 contributions. The Court made additional $1,500,000 contributions to decrease its share of the UAL. MVCD made additional $100,000 contributions to decrease its share of the UAL. These additional annual contributions decrease only that individual employer's share of the UAL and not the liability for other entities participating in SJCERA.

The total market value of the additional contributions, including prior year amounts and accumulated with interest at the plan's actual rate of return, was $193,406,243 as of December 31, 2023. These assets are included in the calculation of the UAL and funded ratio. However, under the funding policy with respect to these reserves requested by the contributors and approved by the Board, these assets are not currently included in the calculation of the employer contribution rates.

Employer Contributions (Continued)

EMPLOYER RETIREMENT CONTRIBUTION RATES	**2023** (Per 1/1/2023 Valuation)		
Expressed as a Percentage of Active Member Payroll	Normal Cost	UAL Amortization	Total
TIER 1			
General Members:			
Paying Basic Rate Only *(G.C. 31621.3)*	19.18%	29.35%	48.53%
Paying Basic Rate with COLA Cost Share	16.32%	29.35%	45.67%
Paying 114% of Basic Rate with COLA Cost Share	15.74%	29.35%	45.09%
Safety Members:			
Paying Basic Rate Only *(G.C. 31639.5)*	33.13%	65.14%	98.27%
Paying Basic Rate with COLA Cost Share	27.84%	65.14%	92.98%
Paying 133% of Basic Rate with COLA Cost Share	26.14%	65.14%	91.28%
Composite Total for General and Safety Combined:			
Paying Basic Rate Only *(G.C. 31621.3)*	21.96%	36.42%	58.38%
Paying Basic Rate with COLA Cost Share	18.62%	36.42%	55.04%
Paying 114%/133% of Basic Rate with COLA Cost Share	17.81%	36.42%	54.23%
TIER 2			
General Members:	10.35%	29.35%	39.70%
Safety Members:	15.84%	65.14%	80.98%
Composite Total for General and Safety Combined:	11.02%	33.52%	44.54%

The composite employer contribution rates (for General and Safety Members combined) expressed as a percentage, or range of percentages, of covered payroll for the past seven years are as follows:

Contribution Year	**Tier 1**	**Tier 2**
2023	54.23% - 58.38%	44.54%
2022	55.24% - 59.33%	44.89%
2021	53.88% - 57.96%	43.69%
2020	50.86% - 54.72%	41.00%
2019	48.09% - 51.81%	38.60%
2018	45.18% - 48.75%	35.80%
2017	44.31% - 47.91%	34.48%

Member Contributions

Member contributions are deducted from the member's salary on a biweekly basis.

Tier 1 member contribution rates are calculated by the actuary using the Entry Age Normal Funding Method (Cost Method). Most Tier 1 members pay one-half of the cost of pre-funding post-retirement COLAs, and some pay an additional percentage of the basic member contribution rate, which reduces the employers' normal cost. Tier 2 members pay a single contribution rate adjusted annually. The required contribution rates are expressed as a percentage of covered payroll. The 2023 contribution rates were determined using the actuarial valuation performed as of January 1, 2022.

Tier 1 members pay contributions based upon their membership category, General or Safety, and age at entry into membership. General, Tier 1 members employed before March 7, 1973, and all Safety, Tier 1 members stop paying member contributions when they have 30 years of service but continue to accrue retirement service credit for subsequent active employment subject to membership.

NOTE 6 – CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE (Continued)

Member Contributions (Continued)

Tier 2 members pay contributions, based upon their membership category, equal to one-half of the normal cost of the applicable benefits.

In 2023, member contributions totaled $54,934,141 and employer contributions totaled $292,752,311 Member contributions increased by $7.5 million, or 15.9 percent, over the prior year, and employer contributions increased by $23.7 million, or 8.8 percent, over the prior year.

NOTE 7 – FIDUCIARY NET POSITION RESTRICTED FOR PENSION BENEFITS

As required by the CERL and the Board's policy, the following reserves from Fiduciary Net Position Restricted for Pension Benefits must be established and used to account for the members', employers', and retirees' contributions. The Unappropriated Earnings Reserve was insufficient to fully credit all reserves interest earnings at the 6.75 percent assumption rate. The Contingency Reserve was used to fund the $12,982,492 to satisfy the obligation.

a. Active and Deferred Members' Reserve

   This reserve represents the cumulative contributions made by active members, net of refunds to the members, plus the investment earnings credited to the reserve at assumption rates determined by the actuary.

b. Employer Advance Reserve

   This reserve represents the cumulative contributions made by the County and participating employers. Interest earnings are credited semi-annually to the reserve at the assumption rate determined by the actuary, if sufficient unappropriated earnings reserve funds exist.

c. County Additional 5% Contributions Reserve

   This reserve represents the additional contributions in excess of actuarially determined contributions paid by the County in order to decrease its share of the UAL.

d. MVCD Additional Contributions Reserve

   This reserve represents the additional contributions in excess of actuarially determined contributions paid by the MVCD in order to decrease its share of the UAL.

e. Court Additional Contribution Reserve

   This reserve represents the additional contributions in excess of actuarially determined contributions paid by the Court in order to decrease its share of the UAL.

f. Retired Members' Reserve

   This reserve accounts for the unpaid retirees' pension benefits. Upon a member's retirement, the member's accumulated contributions are transferred from the Active and Deferred Members' Reserve account to the Retired Members' Annuity Reserve account. In addition, the actuarially determined amount of the member's vested interest is transferred from the Employer Advance Reserve account to the Retired Members' Pension Reserve account. The Retired Members' Reserve account at December 31, 2023, includes the authorized "Purchasing Power" benefit reserve and additional pension benefits specified in the pre-April 1, 1982 class-action lawsuit settlement agreement. These benefits are explained in Note 1b. In accordance with the Statement of Reserve Policy, the post-April 1, 1982 Settlement Reserve is a Special Reserve, which is not included in valuation assets.

g. Class Action Settlement – Post 4/1/82 Reserve

The Class Action Settlement – Post 4/1/82 Reserve designates the reserve that pays the Post-82 Class Action Settlement allowances for the lifetime of the members and beneficiaries, who retired between April 1, 1982, and December 31, 2000, to the extent sufficient funds are available.

h. Contingency Reserve

Earnings of the retirement fund during any year in excess of the total interest credited to contributions and reserves during the year remain in the fund as a reserve against deficiencies in interest earnings in other years, losses on investments, and other contingencies. The CERL provides that when the contingency reserve exceeds one percent of total assets, the retirement board may transfer all or any part of the surplus as specified in Government Code Section 31592.2. In June 2017, the Board amended the Reserve Policy, lowering the Contingency Reserve target from three percent to one percent of total assets. The Contingency Reserve is 0.7 percent of the fair value of total assets at December 31, 2023.

i. Market Stabilization Designation Reserve

This “designation” reserve is used to further minimize the impact of the fluctuations in the fair value of the investments owned by SJCERA. It represents the difference between the actuarial value of assets and the fair value of assets at year-end. It is the balance of deferred earnings and losses created by a five-year smoothing of actual gains and losses compared to the assumed investment rate of return.

j. Unappropriated Earnings Reserve

The Unappropriated Earnings Reserve (UER) is used to accumulate investment income earned by SJCERA, net of the investment expenses and SJCERA’s administration cost. From this unappropriated earnings reserve, interest is credited to various other reserves. In addition, at the Board’s discretion and subject to the settlement agreement in 2001, this reserve may also be used, from time to time, to stabilize the County’s and other employers’ actuarially determined contributions, and to fund the market stabilization and contingency reserves.

k. Summary of Reserves

A summary of reserved and designated net position at December 31, 2023, is as follows.

Reserves:	
Active and Deferred Members	$ 543,807,946
Employer Advance	2,587,719,919
County Additional 5% Contributions	231,715,930
MVCD Additional Contributions	612,453
Court Additional Contributions	5,512,049
Retired Members	1,025,094,308
Class Action Settlement - Post-4/1/82	85,792
Contingency	30,538,776
Market Stabilization Designation	(209,389,009)
Unappropriated Earnings (Restricted)	-
Total Reserves	$ 4,215,698,164

NOTE 8 – NET PENSION LIABILITY AND SIGNIFICANT ASSUMPTIONS

a. Net Pension Liability of Employers

SJCERA is a cost sharing, multiple-employer pension plan with a reporting date of December 31, 2023. Measurements as of the reporting date are based on the fair value of assets as of December 31, 2023, and the total pension liability as of the valuation date, January 1, 2023, projected to December 31, 2023. There were no significant events between the valuation date and the measurement date, so the updated procedures consisted of updated actuarial assumptions, plus the addition of service cost and interest cost offset by benefit payments.

The net pension liability was measured as of December 31, 2023, and determined based upon rolling forward the total pension liability from the actuarial valuation as of January 1, 2023. The net pension liability (i.e., the pension plan's liability determined in accordance with GASB Statement No. 67 less the fiduciary net position) is shown below.

Employers' Net Pension Liability (GASB Statement No. 67)

As of December 31, 2023
(Dollars in Millions)

Total Pension Liability	$	5,886
Plan Fiduciary Net Position		4,215
Employers' Net Pension Liability	$	1,671
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		71.6%

b. Actuarial Methods and Significant Assumptions

SJCERA retains an independent actuarial firm to conduct actuarial valuations of the pension plan, monitor SJCERA's funding status, and establish the contribution rate requirements for the pension plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in accrued actuarial liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The total pension liability was determined by an actuarial valuation as of January 1, 2023, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 67.

In the January 1, 2023 actuarial valuation, the Entry Age Normal Funding Method (Cost Method) was used. The actuarial assumptions include a 6.75 percent investment rate of return, annual inflation rate of 2.75 percent per year, and projected salary increases at 3.00 percent per year for the year ended 2023. The actuarial value of the plan's assets was based on a five-year smoothing of actual versus expected returns.

In 2015, the SJCERA Board changed the funding policy to amortize any unexpected changes in the UAL over a period of 15 years as a level percent of pay, with new amortization layers each year. The 2008 Extraordinary Actuarial Loss, which is amortized over a closed 30-year period, has 16 years remaining. The remaining UAL as of December 31, 2013, which is amortized over a closed 19-year period, has 10 years remaining. The new additions to the UAL on and after January 1, 2014, are amortized over 15 years. The single equivalent amortization period for the aggregate stream of UAL payments is 11 years for General and 12 years for Safety as of January 1, 2023. The amortization period for each UAL layer will decrease each year.

b. Actuarial Methods and Significant Assumptions (Continued)

The total pension liability for the pension plan was determined by an actuarial valuation as of January 1, 2023, and accepted actuarial procedures were applied to project the total pension liability to December 31, 2023. Key methods and assumptions used in the latest actuarial valuations as of January 1, 2023, follow.

Key methods and assumptions used in the latest actuarial valuations are presented below:

Valuation Date	January 1, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll with Separate Amortization Periods for Extraordinary Actuarial Gains or Losses
Remaining Amortization Period	2008 Extraordinary Actuarial Loss - 16 years Remaining UAL as of January 1, 2014 - 10 years Subsequent Unexpected Changes in UAL after January 1, 2014 - 15 years Single Equivalent Period as of January 1, 2023 - 11 years for General and 12 years for Safety
Asset Valuation Method	Smoothed Actuarial Value (5 years) 80% - 120% Asset Corridor
Actuarial Assumptions:	
Discount Rate	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Projected Salary Increases	3.00%, Plus Service-Based Rates
General Inflation Rate	2.75%
Cost-of Living Adjustments	2.60% Per Year Assumed
Healthy Mortality	Mortality rates for General active members are based on the sex distinct 2021 CalPERS Pre-Retirement Non-Industrial Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020. Mortality rates for Safety active members are based on the sum of the rates from the 2021 CalPERS Industrial and Non-Industrial Mortality tables, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020. 10% of Safety member active deaths are assumed to occur in the line of duty. Mortality rates for healthy General annuitants are based on the sex distinct 2021 CalPERS Healthy Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020, and a partial credibility adjustment of 1.05 for males and no adjustment for females. Mortality rates for Safety annuitants are based on the sex distinct 2021 CalPERS Healthy Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020, and a partial credibility adjustment of 1.05 for males and no adjustment for females.
Disabled Mortality	Mortality rates for General disabled annuitants are based on status. Rates for General disabled annuitants with a service-related disability are based on the sex distinct 2021 CalPERS Industrially Disabled Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020. Rates for General disabled annuitants with a non-service-related disability are based on the sex distinct 2021 CalPERS Non-Industrially Disabled Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020. Mortality rates for Safety disabled annuitants are based on the sex distinct 2021 CalPERS Industrially Disabled Mortality Table, with generational mortality improvements projected from 2017 using Projection 80% of Scale MP-2020.

NOTE 8 – NET PENSION LIABILITY AND SIGNIFICANT ASSUMPTIONS (Continued)

c. Funded Status and Funding Progress

The annual actuarial valuation determines the progress made in accumulating sufficient assets to pay benefits when due. As of January 1, 2023, the pension plan's accrued actuarial liabilities were $5.7 billion and the market value of assets net of Special Reserves (market value of assets basis) was $3.8 billion, resulting in UAL of $1.9 billion. The funded status (ratio) of market value of assets basis over accrued actuarial liabilities was 66.6 percent.

As of the January 1, 2023 actuarial valuation, the funded status decreased to 66.6 percent from 78.0 percent on a market value of assets basis. It decreased to 72.0 percent from 72.4 percent on an actuarial value of assets. There were no assumption changes made as of January 1, 2023.

SJCERA's Funding Policy provides for regular employer and member contributions at actuarially determined rates, expressed as percentages of annual covered payroll. Contributions required and contributions made are explained in Note 6.

d. Asset Allocation Policy and Expected Long-Term Rate of Return by Asset Class

The allocation of investment assets within SJCERA's portfolio is approved by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit pension plan investment assets was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The following table displays the Board-approved asset allocation policy for 2023 and the long-term expected real rates of return.

Asset Class	Target Allocation	Arithmetic Long-Term Expected Real Rate of Return
Aggressive Growth	16.00%	9.80%
Traditional Growth	34.00%	7.85%
Stabilized Growth	30.00%	4.99%
Principal Protection	7.00%	2.05%
Crisis Risk Offset (CRO)	13.00%	1.95%
Cash	0.00%	0.15%
Total	100.00%	

e. Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent as of December 31, 2023. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments for 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 as of December 31, 2023.

NOTE 8 – NET PENSION LIABILITY AND SIGNIFICANT ASSUMPTIONS (Continued)

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

The table below presents the net pension liability of SJCERA as of December 31, 2023, calculated using the discount rate of 6.75 percent, as well as what SJCERA's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Total Pension Liability	$ 6,669,021,356	$ 5,886,299,407	$ 5,241,120,089
Pension Plan Fiduciary Net Position	4,215,698,164	4,215,698,164	4,215,698,164
Collective Net Pension Liability	$ 2,453,323,192	$ 1,670,601,243	$ 1,025,421,925
Fiduciary Net Position as a Percentage of the Total Pension Liability	63.2%	71.6%	80.4%

g. Rate of Return

For the year ended December 31, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 9.12 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 9 – INVESTMENT EXPENSES

Investment expenses include fees paid for investment management services, investment consulting services, fund evaluation services, securities custodian services, and interest expense and other fees incurred in security lending transactions.

NOTE 10 – GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses, including the depreciation and amortization of capital assets, are funded by investment income earnings and are limited, pursuant to Government Code Section 31580.2, to twenty-one-hundredths of one percent (0.21 percent) of SJCERA's accrued actuarial liability. The actual administration expense for the year ended December 31, 2023, was 0.10 percent of the accrued actuarial liability. SJCERA was in compliance with this requirement during 2023.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

SJCERA participates in certain investments that require commitments of a specified amount of capital upfront that is then drawn down at a later time as the investment vehicle requires. The total unfunded capital commitment represents the amount of funds that SJCERA could potentially be required to contribute at a future date. SJCERA had unfunded capital commitments totaling $292.6 million at December 31, 2023.

NOTE 12 – SUBSEQUENT EVENTS

SJCERA has evaluated subsequent events through May 29, 2024, the date on which the financial statements were available to be issued, noting no subsequent events.

REQUIRED SUPPLEMENTARY INFORMATION

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31

	2023	2022	2021	2020	2019
Total Pension Liability					
Service cost	$ 124,642,194	$ 118,695,366	$ 116,888,677	$ 115,229,486	$ 110,608,926
Interest (includes interest on service cost)	366,899,543	356,415,938	360,520,733	350,095,503	337,480,353
Change of benefit terms	-	-	-	-	-
Differences between expected and actual experience	168,153,229	(37,863,999)	(17,017,994)	(58,571,957)	4,950,114
Changes of assumptions	-	(58,741,183)	-	135,011,307	16,016,526
Benefit payments, including refunds of member contributions	(290,537,671)	(279,363,795)	(265,965,599)	(251,551,677)	(236,350,072)
Net Change in Total Pension Liability	369,157,295	99,142,327	194,425,817	290,212,662	232,705,847
Total Pension Liability - Beginning	5,517,142,112	5,417,999,785	5,223,573,968	4,933,361,306	4,700,655,459
Total Pension Liability - Ending (a)	$ 5,886,299,407	$ 5,517,142,112	$ 5,417,999,785	$ 5,223,573,968	$ 4,933,361,306
Fiduciary Net Position					
Contributions - employer	$ 292,752,311	$ 269,080,047	$ 306,662,635	$ 240,700,988	$ 225,528,756
Contributions - member	54,934,141	47,405,308	43,455,640	40,568,995	38,098,688
Transfer between plans	(219,676)	224,628	270,570	172,041	299,014
Net investment income (loss)	347,666,062	(412,759,726)	572,291,948	276,996,530	380,674,528
Benefit payments, including refunds of member contributions	(290,537,671)	(279,363,795)	(265,965,599)	(251,551,677)	(236,350,072)
Administrative expenses	(6,649,765)	(5,621,704)	(4,639,439)	(4,536,455)	(4,931,163)
Net Change in Fiduciary Net Position	397,945,402	(381,035,242)	652,075,755	302,350,422	403,319,751
Fiduciary Net Position - Beginning	3,817,752,762	4,198,788,004	3,546,712,249	3,244,361,827	2,841,042,076
Fiduciary Net Position - Ending (b)	$ 4,215,698,164	$ 3,817,752,762	$ 4,198,788,004	$ 3,546,712,249	$ 3,244,361,827
Net Pension Liability (a)-(b)	$ 1,670,601,243	$ 1,699,389,350	$ 1,219,211,781	$ 1,676,861,719	$ 1,688,999,479
Fiduciary Net Position as a Percentage of the Total Pension Liability	71.62%	69.20%	77.50%	67.90%	65.76%
Covered Payroll *	$ 535,509,779	$ 484,055,752	$ 470,179,036	$ 460,456,931	$ 453,710,584
Net Pension Liability as a Percentage of Covered Payroll	311.96%	351.07%	259.31%	364.17%	372.26%

* Covered Payroll reported by plan sponsors is the payroll on which contributions are based in accordance with GASB Statement No. 82.

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (Continued)
FOR THE YEARS ENDED DECEMBER 31

	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	$ 103,300,553	$ 98,438,144	$ 92,857,369	$ 94,377,630	$ 90,429,416
Interest (includes interest on service cost)	325,161,265	308,566,601	295,197,992	280,581,484	266,668,435
Change of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(49,383,683)	37,219,673	(10,171,368)	(25,752,670)	-
Changes of assumptions	81,854,664	-	87,601,669	-	-
Benefit payments, including refunds of member contributions	(221,443,668)	(205,406,970)	(194,719,177)	(181,468,913)	(165,870,971)
Net Change in Total Pension Liability	239,489,131	238,817,448	270,766,485	167,737,531	191,226,880
Total Pension Liability - Beginning	4,461,166,328	4,222,348,880	3,951,582,395	3,783,844,864	3,592,617,984
Total Pension Liability - Ending (a)	$ 4,700,655,459	$ 4,461,166,328	$ 4,222,348,880	$ 3,951,582,395	$ 3,783,844,864
Fiduciary Net Position					
Contributions - employer	$ 208,757,572	$ 200,051,742	$ 159,122,523	$ 150,371,556	$ 136,686,133
Contributions - member	35,377,951	33,634,906	30,117,408	29,026,901	27,367,908
Transfer between plans	324,269	364,714	293,779	378,969	19,968,779
Net investment income (loss)	(56,397,598)	299,960,693	151,114,788	(47,339,750)	110,728,303
Benefit payments, including refunds of member contributions	(221,443,668)	(205,406,970)	(194,719,177)	(181,468,913)	(165,870,971)
Administrative expenses	(4,865,081)	(4,118,578)	(4,369,744)	(4,075,745)	(4,042,986)
Net Change in Fiduciary Net Position	(38,246,555)	324,486,507	141,559,577	(53,106,982)	124,837,166
Fiduciary Net Position - Beginning	2,879,288,631	2,554,802,124	2,413,242,547	2,466,349,529	2,341,512,363
Fiduciary Net Position - Ending (b)	$ 2,841,042,076	$ 2,879,288,631	$ 2,554,802,124	$ 2,413,242,547	$ 2,466,349,529
Net Pension Liability (a)-(b)	$ 1,859,613,383	$ 1,581,877,697	$ 1,667,546,756	$ 1,538,339,848	$ 1,317,495,335
Fiduciary Net Position as a Percentage of the Total Pension Liability	60.44%	64.54%	60.51%	61.07%	65.18%
Covered Payroll *	$ 436,763,447	$ 425,886,951	$ 392,227,314	$ 396,136,470	$ 376,030,944
Net Pension Liability as a Percentage of Covered Payroll	425.77%	371.43%	425.15%	388.34%	350.37%

* Covered Payroll reported by plan sponsors is the payroll on which contributions are based in accordance with GASB Statement No. 82.

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYERS
AND OTHER CONTRIBUTING SOURCES
DEFINED BENEFIT PENSION PLAN
FOR THE TEN YEARS ENDED DECEMBER 31

	2023	2022	2021	2020	2019
Actuarially Determined Contributions	$ 266,112,389	$ 245,967,122	$ 233,148,239	$ 218,611,737	$ 203,058,574
Contributions in Relation to the Actuarially Determined Contributions	292,752,311	269,080,047	306,662,635	240,700,988	225,528,756
Contribution Deficiency / (Excess)	$ (26,639,922)	$ (23,112,925)	$ (73,514,396)	$ (22,089,251)	$ (22,470,182)
Covered Payroll	$ 535,509,779	$ 484,055,752	$ 470,179,036	$ 460,456,931	$ 453,710,584
Contributions as a Percentage of Covered Payroll	54.67%	55.59%	65.22%	52.27%	49.71%

	2018	2017	2016	2015	2014
Actuarially Determined Contributions	$ 188,322,653	$ 179,824,882	$ 159,122,523	$ 150,371,556	$ 136,686,133
Contributions in Relation to the Actuarially Determined Contributions	208,757,572	200,051,742	159,122,523	150,371,556	136,686,133
Contribution Deficiency / (Excess)	$ (20,434,919)	$ (20,226,860)	$ -	$ -	$ -
Covered Payroll	$ 436,763,447	$ 425,886,951	$ 392,227,914	$ 396,136,470	$ 376,030,944
Contributions as a Percentage of Covered Payroll	47.80%	46.97%	40.57%	37.96%	36.35%

The contributions in excess of Actuarially Determined Contributions are due to the County's, MVCD's, and the Court's additional contributions.

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF INVESTMENT RETURNS
FOR THE YEARS ENDED DECEMBER 31

	2023	2022	2021	2020	2019
Annual Money-Weighted Rate of Return, Net of Investment Expense	9.12%	-7.24%	13.68%	2.23%	13.77%

	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	-2.11%	11.85%	6.20%	-2.06%	4.29%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. It is calculated by finding the rate of return that will set the present values of all cash flows and terminal values equal to the value of the initial investment. The money-weighted rate of return is equivalent to the internal rate of return (IRR).

Time-weighted rate of return assumes that all cash distributions are reinvested in the portfolio and the exact same periods are used for comparisons. When calculating the time-weighted rate of return, the effect of varying cash inflows is eliminated by assuming a single investment at the beginning of a period and measuring the growth or loss of fair value to the end of that period.

NOTE 1 – KEY METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

The following actuarial methods and assumptions were used to determine contribution rates for the year ended December 31, 2023, in the Schedule of Contributions from the Employers and Other Contributing Sources:

Valuation Date	January 1, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll with Separate Amortization Periods for Extraordinary Actuarial Gains or Losses
Remaining Amortization Period	2008 Extraordinary Actuarial Loss - 17 years Remaining UAL as of January 1, 2014 - 11 years Subsequent Unexpected Changes in UAL after January 1, 2014 - 15 years Single Equivalent Period as of January 1, 2022 - 12 year
Asset Valuation Method	Smoothed Actuarial Value (5 years) 80%-120% Asset Corridor
Actuarial Assumptions:	
Discount Rate	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Projected Salary Increases	3.00%, Plus Service-Based Rates
General Inflation Rate	2.75%
Cost-of-Living Adjustments (COLA)	2.60% Per Year Assumed
Healthy Mortality	Mortality rates for General active members are based on the sex distinct Public General 2010 Above-Median Income Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2018, and a partial credibility adjustment of 1.05 for females and no adjustment for males. Mortality rates for Safety active members are based on the sex distinct Public Safety 2010 Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2018, and a partial credibility adjustment of 0.98 for males and 1.06 for females. 10% of Safety member active deaths are assumed to occur in the line of duty. Mortality rates for healthy General annuitants and General beneficiaries are based on the sex distinct Public General 2010 Above-Median Income Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2018, and a partial credibility adjustment of 1.04 for females and no adjustment for males. Mortality rates for Safety annuitants and Safety beneficiaries are based on the sex distinct Public Safety 2010 Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2018, and a partial credibility adjustment of 1.02 for males and 1.05 for females.

NOTE 1 – KEY METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES (Continued)

Disabled Mortality	Mortality rates for General disabled annuitants are based on the sex distinct Public General Disabled Annuitant 2010 Mortality Table, with a generational mortality improvements projected from 2010 using Projection Scale MP-2018, with a partial credibility adjustment of 1.04 for males and 1.07 for females.
	Mortality rates for Safety disabled annuitants are based on the sex distinct Public Safety Disabled Annuitant 2010 Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2018, with a partial credibility adjustment of 1.04 for males and 0.98 for females.

A complete description of the methods and assumptions used to determine contribution rates for the year ending December 31, 2023, can be found in the January 1, 2022 actuarial valuation report.

OTHER SUPPLEMENTARY INFORMATION

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31

	2023
General Administrative Expenses	
(Expenses Subject to the Statutory Limit)	
Personnel Services	
Staff Salaries	$ 1,930,740
Cafeteria Benefits	77,227
Insurance	339,013
Social Security	134,373
Retirement	837,427
Total Personnel Services	3,318,780
Professional Services	
Professional and Specialized Services	1,385,452
Allocated Department Costs	(40,949)
Total Professional Services	1,344,503
Communications	
Postage	29,157
Telephone	17,720
Travel	74,327
Total Communications	121,204
Rentals/Equipment	
Office Space and Equipment	224,294
Total Rentals/Equipment	224,294
Miscellaneous	
Office Supplies/Expense	41,031
Subscriptions and Periodicals	10,935
Memberships	8,772
Maintenance	6,354
Insurance	214,928
Total Miscellaneous	282,020
Total General Administrative Expenses	5,290,801
Other Expenses	
(Expenses Not Subject to the Statutory Limit)	
Information Technology Expenses	732,915
Actuary Fees	188,416
Fund Legal Fees	437,527
Total Other Expenses	1,358,858
Total General Administrative and Other Expenses	$ 6,649,659

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF INVESTMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023
Investment Management Fees	
Aggressive Growth	$ 7,811,954
Traditional Growth	1,242,228
Risk Parity	1,440,499
Credit	5,373,447
Crisis Risk Offset (CRO)	2,833,122
Principal Protection	419,056
Core Real Assets	(426,479)
Total Investment Management Fees	18,693,827
Other Investment Fees and Expenses	
Custodian Fees	66,659
Investment Consultant Fees	380,949
Investment Legal Fees	-
Miscellaneous Fees	1,982,882
Notional Interest Expense	188,176
Total Other Investment Fees and Expenses	2,618,666
Total Investment Expense	21,312,493
Securities Lending Fees	
Securities Lending Fees and Rebates	4,466,565
Total Investment Fees and Expenses	$ 25,779,058

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF PAYMENTS TO CONSULTANTS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023
Nature of Service	
Actuarial-Retainer and Valuation	$ 188,416
Audit	60,670
Fund Legal Fees	437,527
Business Technology Services	732,915
Total Payments to Consultants	$ 1,419,528

OTHER INFORMATION

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF COST SHARING EMPLOYER ALLOCATIONS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023 *

Employer	Proportionate Share (1)		Net Pension Liability (2)
County of San Joaquin	92.8660%	$	1,551,421,281
SJC Superior Court	3.6015%		60,166,972
Lathrop-Manteca Rural Fire Protection District	1.5486%		25,870,835
Waterloo-Morada Rural Fire Protection District	0.6754%		11,282,707
Tracy Public Cemetery District	0.0509%		851,165
SJC Mosquito and Vector Control District	0.5180%		8,653,032
SJC Historical Society and Museum	0.0540%		902,693
Mountain House Community Services District	0.6353%		10,612,844
San Joaquin County Law Library	0.0355%		593,525
Local Agency Formation Commission	0.0147%		246,189
Total	100.0000%	$	1,670,601,243

*Numbers may not sum to total due to rounding.

(1) As SJCERA is a cost sharing multiple-employer pension plan, each employer participating in SJCERA must reflect a portion of the collective net pension liability and pension expense in their financial statements. The calculation for the proportionate share for each employer allocates net pension liability and pension expense based on each employer's share of the unfunded liability amortization payment. The proportionate shares are then adjusted to account for the additional contributions made by the County of San Joaquin, the SJC Mosquito and Vector Control District, and SJC Superior Court for the year ended December 31, 2023.

(2) Proportionate share of net pension liability is based on the actuarial valuation.

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF EMPLOYER PENSION AMOUNTS
ALLOCATED BY COST SHARING PLAN
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

		Deferred Outflows of Resources					Deferred Inflows of Resources				Pension Expense		
Employer	Net Pension Liability	Differences Between Expected and Actual Experience	Differences Between Projected and Actual Investment Earnings	Changes of Assumptions	Changes in Proportion and Differences Between Contributions and Proportionate Share of Pension Expense	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportion and Differences Between Contributions and Proportionate Share of Pension Expense	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Proportionate Share of Pension Expense	Total Pension Expense
County of San Joaquin	$ 1,551,421,281	$ 117,117,939	$ 194,442,281	$ 25,075,933	$ 6,606,344	$ 343,242,497	$ 38,297,946	$ 32,730,367	$ 3,206,870	$ 74,235,183	$ 219,033,192	$ 395,396	$ 219,428,588
SJC Superior Court	60,166,972	4,542,049	7,540,829	972,491	2,140,426	15,195,795	1,485,265	1,269,344	4,918,155	7,672,764	8,494,510	(919,921)	7,574,589
Manteca-Lathrop Rural Fire Protection District	25,870,835	1,953,008	3,242,436	418,156	1,087,263	6,700,863	638,640	545,798	2,462,711	3,647,149	3,652,503	(368,102)	3,284,401
Waterloo-Morada Rural Fire Protection District	11,282,707	851,740	1,414,081	182,365	1,336,619	3,784,805	278,522	238,032	1,193,786	1,710,340	1,592,918	316,964	1,909,882
Tracy Public Cemetery District	851,165	64,255	106,678	13,758	66,099	250,790	21,012	17,957	309,557	348,526	120,169	(52,338)	67,831
SJC Mosquito and Vector Control District	8,653,032	653,224	1,084,499	139,861	267,882	2,145,466	213,606	182,553	595,919	992,078	1,221,655	(9,573)	1,212,082
SJC Historical Society and Museum	902,693	68,145	113,136	14,590	120,254	316,125	22,284	19,044	103,161	144,489	127,444	71,739	199,183
Mountain House Community Services District	10,612,844	801,171	1,330,126	171,538	1,575,363	3,878,198	261,986	223,899	717,239	1,203,124	1,498,346	445,483	1,943,829
San Joaquin County Law Library	593,525	44,806	74,388	9,593	377,234	506,021	14,652	12,522	18,567	45,741	83,795	120,560	204,355
Local Agency Formation Commission	246,189	18,585	30,855	3,979	9,512	62,931	6,077	5,194	61,030	72,301	34,758	(208)	34,550
Totals	$ 1,670,601,243	$ 126,114,922	$ 209,379,309	$ 27,002,264	$ 13,586,996	$ 376,083,491	$ 41,239,990	$ 35,244,710	$ 13,586,995	$ 90,071,695	$ 235,859,290	$ -	$ 235,859,290

NOTE 1 – BASIS OF PRESENTATION AND BASIS OF ACCOUNTING

Because San Joaquin County Employees' Retirement Association (SJCERA) is a cost sharing multiple-employer pension plan, employers participating in SJCERA are required to report a portion of the collective Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27.* GASB Statement No. 68 requires that the proportionate share for each employer be determined based on the employer's projected long-term contribution effort to the pension.

SJCERA's actuary prepared the following documents, (1) the Schedule of Cost Sharing Employer Allocations and (2) the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan, in accordance with accounting principles generally accepted in the United States of America as applicable to governmental organizations based on information provided by SJCERA. These documents provide the required information for financial reporting related to SJCERA that employers may use in their financial statements. The measurement date for SJCERA is December 31, 2023. Measurements are based on the fair value of assets as of December 31, 2023, and the Total Pension Liability of $5,886,299,407 as of December 31, 2023, was measured as of a valuation date of January 1, 2023, and projected to December 31, 2023.

NOTE 2 – AMORTIZATION OF DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

The difference between projected and actual investment earnings on pension plan investments is amortized over five years on a straight-line basis. One-fifth is recognized in Total Pension Expense for each of the five years. The changes in assumptions and differences between expected and actual experience are recognized over the average of the expected remaining service lives of all active and inactive members of SJCERA, which is also five years. The net effect of the change in the employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources is recognized over the average expected remaining service lives of all active and inactive members of SJCERA.

SROA Capital, LLC

June 2024

SROA | CAPITAL

San Joaquin County
Employees' Retirement Association

This document was prepared for review exclusively by San Joaquin County Employees' Retirement Association.

SROA | CAPITAL

Institutional access to private investment in self storage

INTRODUCTION

SROA Capital is a vertically integrated real estate firm focused exclusively on private self storage investments

- Top 10 private owner and manager of self storage properties in the US
- Fully integrated investment management and operations platform, with heavy investment in proprietary data analytics and marketing technology
- ~28% gross IRR (23.2% net IRR) and ~2.3x gross MOIC (2.0x net MOIC) since inception (2013)[1]
- 50-70% of underwritten returns derived from cash flow from operations
- ~50% Loan To Value at the property level

SROA Capital Fund IX offers institutional investors access to a unique asset class

- Seeks $750 million capital to invest in a portfolio of select undermanaged and undercapitalized self storage properties
- Proven value optimization and asset management playbook to consistently grow net operating income
- Prudent use of leverage to achieve attractive returns with less volatility than public investments
- Execute roll-up strategy for a premium at exit
- Target mid-teen net IRR with an 8% average cash yield, distributed quarterly

1. The figures provided are as of December 31, 2023, and reflect SROA Capital Funds that have been fully realized.

INTRODUCTION
FIRM SNAPSHOT

SROA | CAPITAL

Gradual and intentional growth

Founded in 2013 by Benjamin S. Macfarland, III who has managed and developed self storage facilities since 2006

~$4 billion
Property Portfolio Value

~650
Properties Owned & Managed

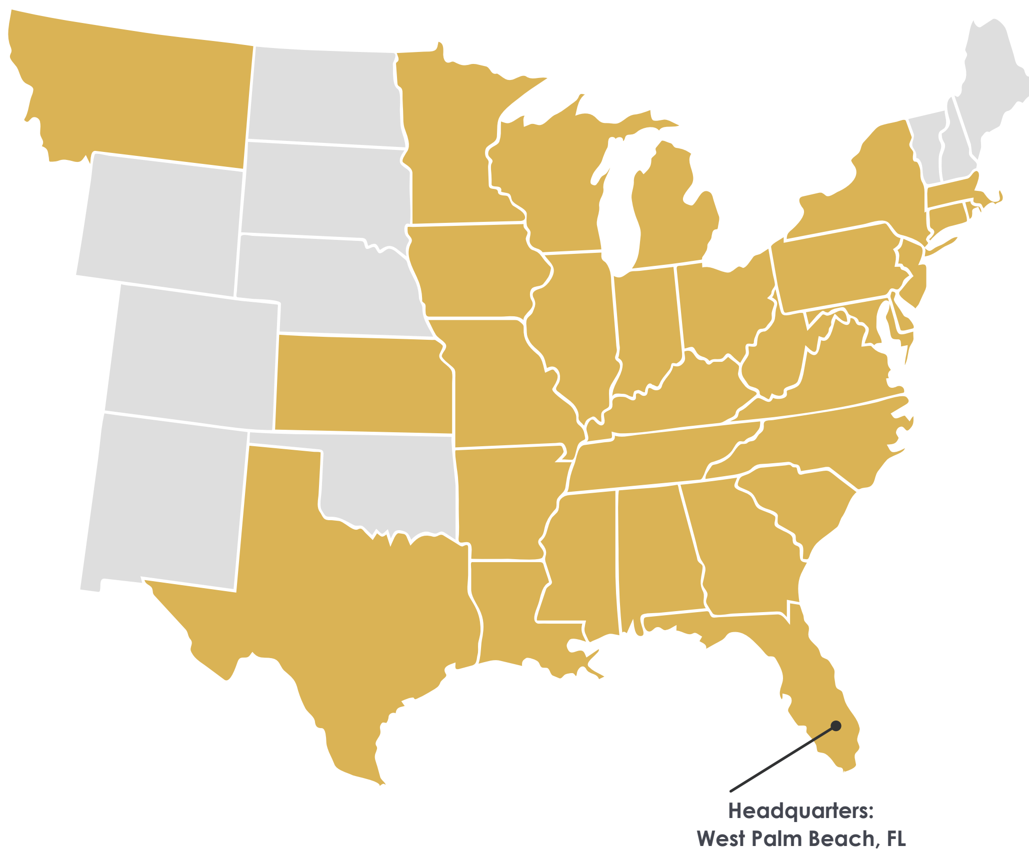
~225,000
Units Owned & Managed

~30 million
Total RSF Under Management

31
Number of States Currently Invested in

~700
Full-Time Employees

SROA PORTFOLIO ASSETS



Source: SROA Capital. As of May 2024. Figures include the acquisition of the Red Dot portfolio, which is expected to close May 29, 2024.

WHY SROA?

Outsized expertise and infrastructure

SPECIALIZED SELF-STORAGE INVESTMENT EXPERTISE

- Extensive relationships for off-market deal sourcing
- Patience and endurance to pursue and aggregate many time-intensive, smaller, off-market deals
- Top Finance and Accounting talent from global PE institutions

ROBUST CUSTOMER-FACING BUSINESS CAPABILITIES

- Roll-up and ownership of 45 brands, including Storage Rentals of America
- Proprietary, integrated marketing technology
- Centralized data analytics and rate revenue management
- Customer Sales Center
- In-house development and construction management

~700 person aligned team

BENJAMIN MACFARLAND
Founder & Chief Executive Officer

ROBERT BUFFETT, CPA
President

SIDNEY KOHL
JAMES JENKINS, CPA
Advisors

ACQUISITIONS & DEVELOPMENT

MD of Investments
Colt Jenkins, CPA

MD of Acquisitions
Wallace Cascio

VP of Development
Beau Raich

VP of Capital Markets
Alex Yablonovich

- 7 Acquisition Specialist
- 10 Investment Specialist
- 10 Development & Construction

FINANCE, ACCOUNTING & INVESTOR RELATIONS

Chief Financial Officer
Alfred Sinkonde, CPA

General Counsel
Alina Pesenson

Director of Accounting & Finance
Lauren Weiss

MD of Investor Relations
Owen Holm

Chief of Staff
Jackie Penny

- 56 Accounting
- 4 Controllers & Treasury
- 3 Investor Relations
- 2 Legal

OPERATIONS & PROPERTY MANAGEMENT

Chief Operating Officer
Kenneth Speegle

VP of Operations
Jonathan Moughan

Sr. Director of Operations Support
Patrick Kennedy-Whann

- 7 Operations Specialist
- 5 Regional Managers
- 40 District Managers
- 363 Property Managers
- 34 Facilities Maintenance
- 13 Human Resources

MARKETING & TECHNOLOGY

Chief Marketing & Technology Officer
Miriam Martinez-Sorto

Rate Revenue Management
Erik Peterson

- 9 Digital Marketing & Revenue Management
- 38 IT & Web Development
- 81 Customer Call Center

✓ Dedicated Team of Investment Professionals: **100%** of time is spent on the Firm's self-storage fund series (only line of business)
✓ Complete Alignment of Interest: **30%** of carried interest allocated to the Firm's personnel & **>75%** of senior staff are Fund investors

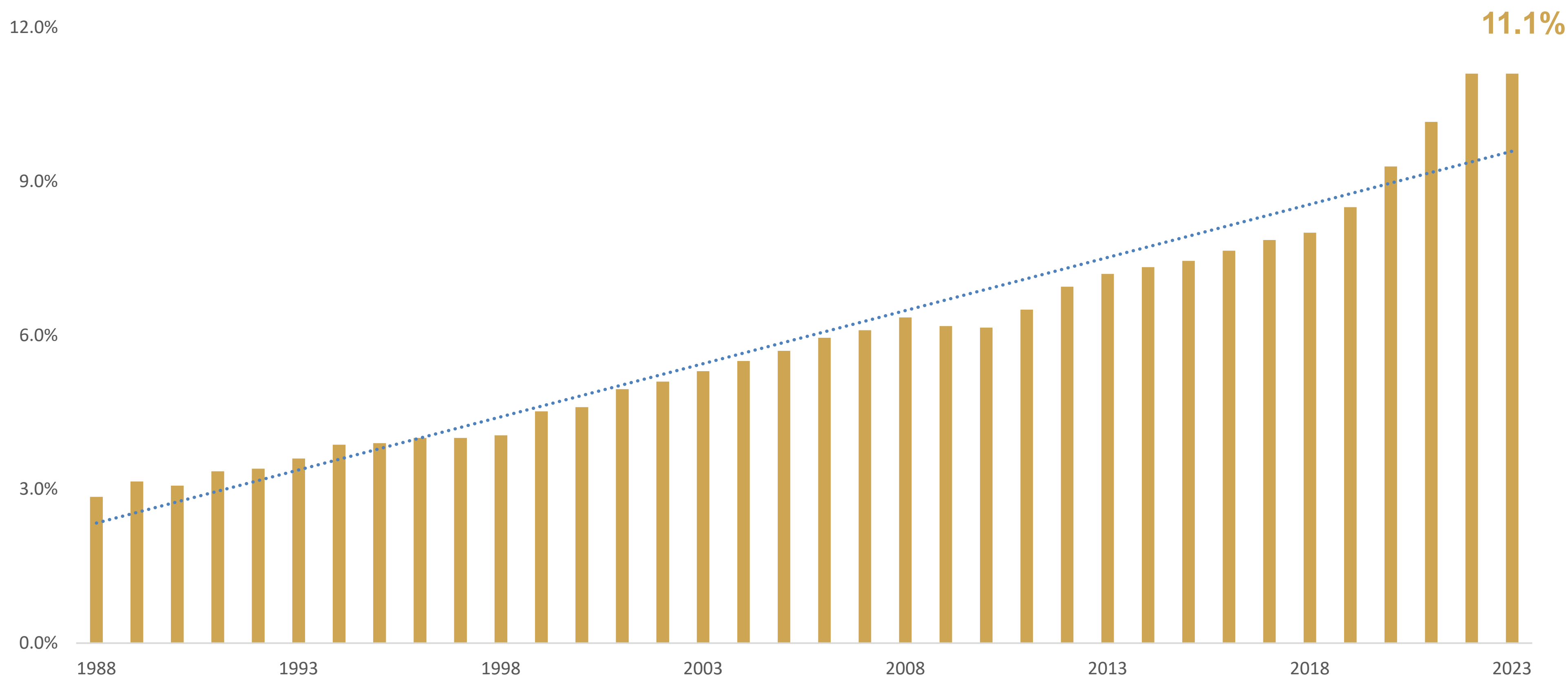
Source: SROA Capital as of May 2024. Figures include the acquisition of Red Dot, which is expected to close May 29, 2024.

SELF STORAGE: A GROWING INDUSTRY

Over 1 in 10 U.S. households currently rent a self-storage unit[1]

Number of households using self storage and their length of stay are growing every year

PERCENTAGE OF U.S. HOUSEHOLDS USING SELF-STORAGE



1. SpareFoot – U.S. Self Self-Storage Industry Snapshot April 2024

FRAGMENTED & INEFFICIENT MARKETPLACE

Large, but difficult to access and aggregate

Decentralized Market[3]

Top 100 Operators own ~29% of properties

–

6 Public Operators own ~17% of properties

Undercapitalized sellers with no legacy plan[3]

~71% of assets owned by "mom-and-pop" operators who are unable to invest in large capital improvements, technology or marketing

–

Primarily Baby Boomers or older who liquidate post-retirement

Difficult for larger institutions to participate

$5-10mm typical acquisition size

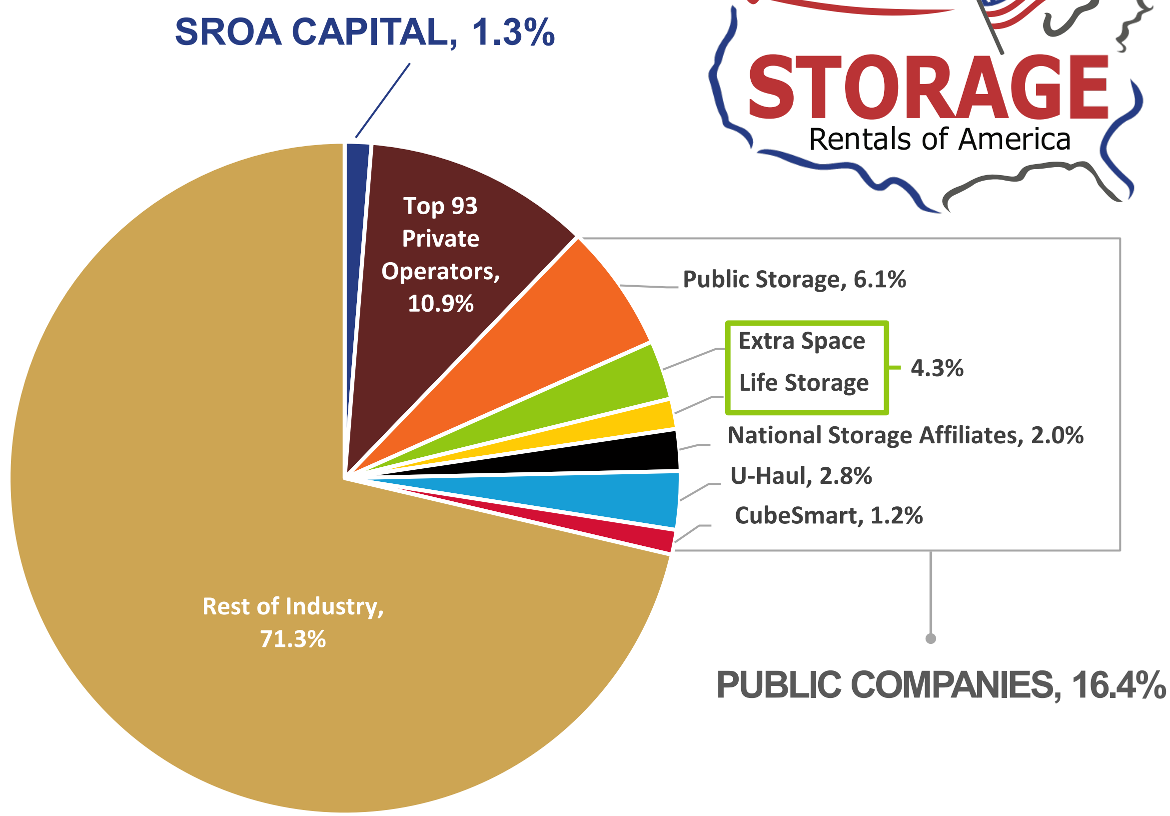
–

Time intensive investment process

–

Portfolio exit to Institutional buyers offers premium due to scale

OWNERSHIP BY NUMBER OF PROPERTIES[1,2]



Source: Self-Storage Almanac 2023.

1. Extra Space and Life Storage completed their $12.7bn merger but continue to operate the properties under the Extra Space and Life Storage Brands
2. SROA percentage includes portfolio acquired from National Storage Affiliates in 2023 and Red Dot Storage LLC, which is expected to close on May 29, 2024.
3. Based on number of facilities owned.

COMPELLING STRUCTURAL CHARACTERISTICS

Self-storage is a resilient, defensive and cash-flowing asset

LOW CAPEX

...

Lowest of any multi-tenant property type (5% v. 10% for apartments)

HIGH PROFIT MARGINS

...

55-65%, due to low staffing needs, utility usage and repairs/maintenance

INFLATION PROTECTION

...

Month-to-month leases create flexibility and protection from changing interest rate environments and inflation

DIVERSIFIED RENT ROLL

...

~500 tenants per property, on average, providing credit and turnover diversification

LOW DELINQUENCY RATES

...

One of the lowest of any commercial property type since 2000 and the lowest since 2008

LANDLORD FRIENDLY LEGAL FRAMEWORK

...

Ability to swiftly lien defaulted tenants and auction off goods

TENANT DEMOGRAPHICS

Diverse tenant mix[1]

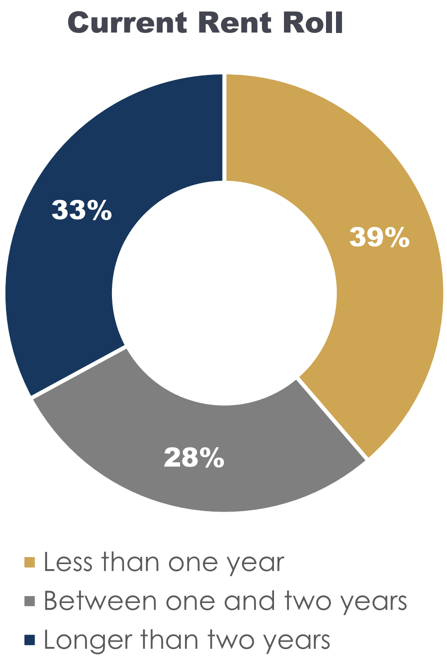
Idiosyncratic demand drivers

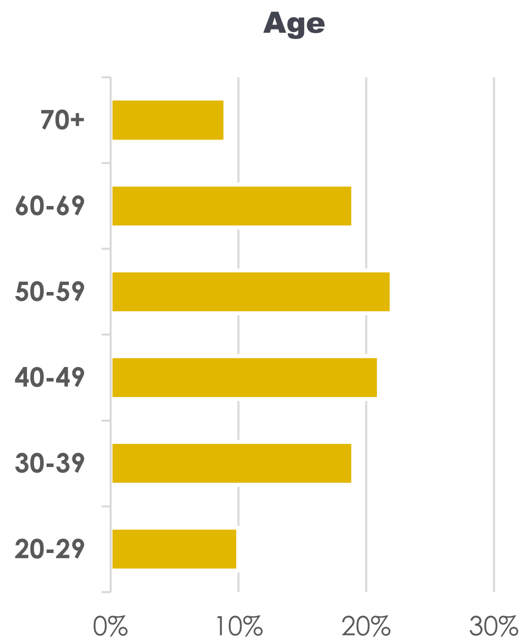
Life events, including a death or change of marital status

Relocation/ retirement/ downsizing

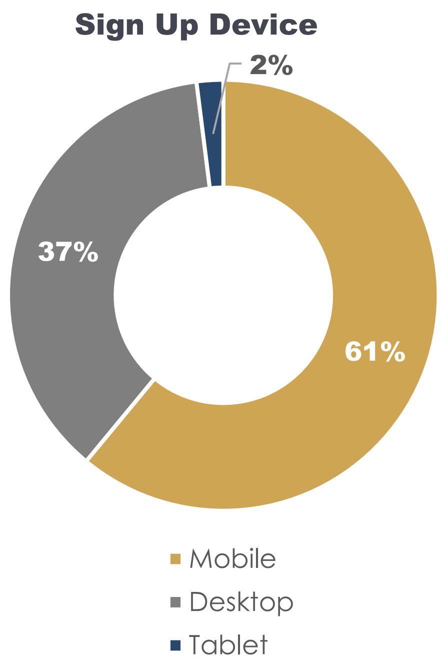
Business expansion or contraction

Last mile distribution





Average customer age = 51.5



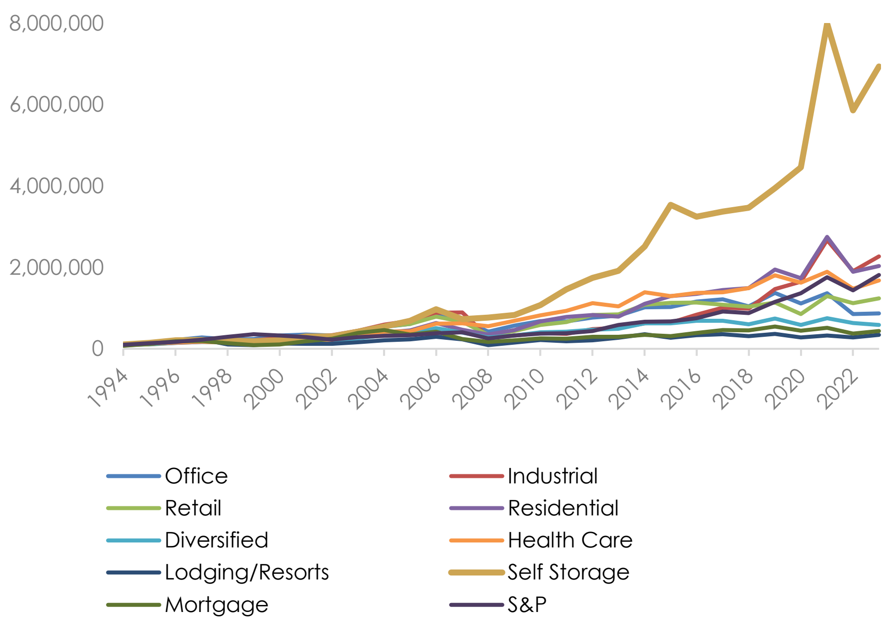
1. The data provided were derived from actual tenants at SROA Capital facilities and is as of March 31, 2024.

STRONG ASSET CLASS PERFORMANCE

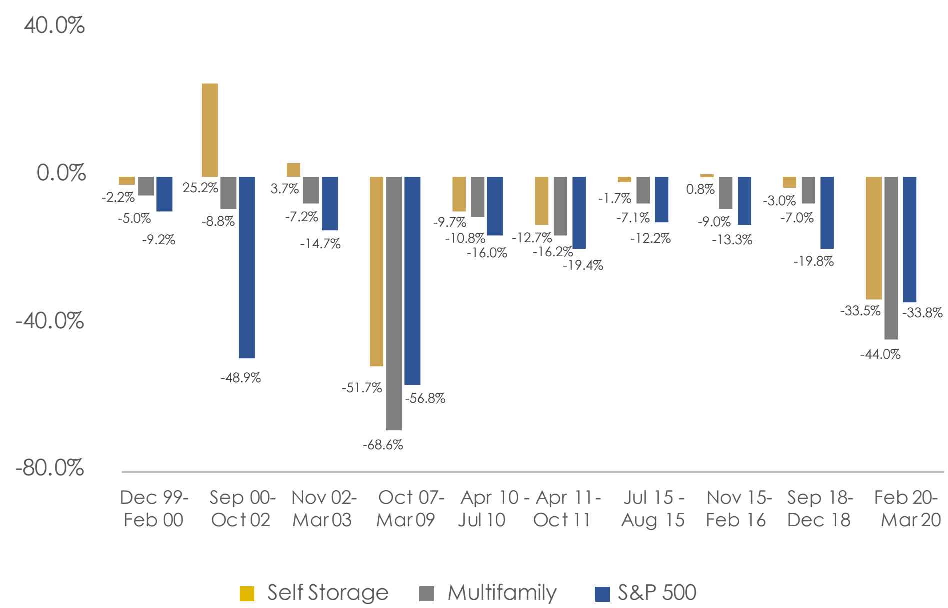
Historical outperformance

Self storage REITs have consistently outperformed most multi-family residential and the S&P 500 over the past 30 years

SELF-STORAGE REIT: 205% OUTPERFORMANCE OVER THE CLOSEST REIT[1]



SELF-STORAGE REIT OUTPERFORMANCE IN HISTORICAL DRAWDOWNS



1. NAREIT – Annual Returns by Property Sector and Sub-Sector (1994- 2023)

SROA VALUE CREATION

Fully integrated asset management teams and systems drive value[1,2]

1. SOURCING, DUE DILIGENCE & UNDERWRITING

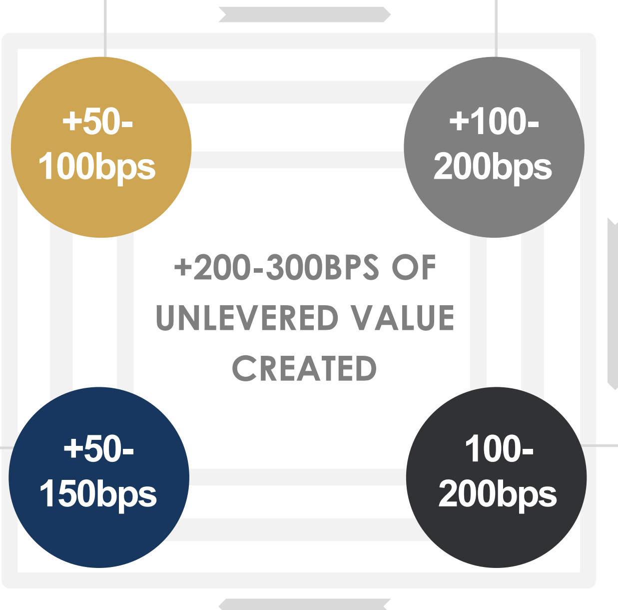
Leverage extensive localized relationships

- Broad investment universe, with gradual, opportunistic expansion into new states
- 81% of deals closed to date have been off-market
- Preferred buyer given intention to retain existing workforce
- Proprietary property level data to model valuations
- Creative underwriting solutions to attract and win the most compelling deals

2. MARKETING & RATE REVENUE MANAGEMENTS

Increase rent rates by 10-20%

- Proprietary dashboard for rent rate optimization, Smart Tracking and analytics
- Centralized customer call center
- Aggressive digital marketing campaigns (organic and pay-per-click)
- Robust ecommerce infrastructure



3. DEVELOPMENT, CONSTRUCTION & FOLLOW ON ACQUISITIONS

10-20% yield on cost expansions

- In-house development and construction management
- Value-add expansion opportunities
- Unit remix
- Accretive follow-on acquisitions
- Smaller portfolio acquisitions
- Vacant land

4. PORTFOLIO CONSTRUCTION & ASSET DISPOSITION

Maximize portfolio returns

- Lower volatility as compared to liquid REITS
- Optimize return potential though use of leverage
- Realize portfolio aggregation premium on portfolios >$100mm upon sale to institutional buyers
  - ~100bps premium on portfolios >$700mm

1. The figures provided are reflective of SROA Capital's targeted value creation and are as of December 31, 2023.

2. The projected value creation is based on SROA Capital Fund IX's cashflow model which assumes a going in dividend yield of 5.0% growing to a double-digit dividend yield by year five through implementing at least one of the four value creation pillars (above) and exiting at an accretive multiple by year 10.

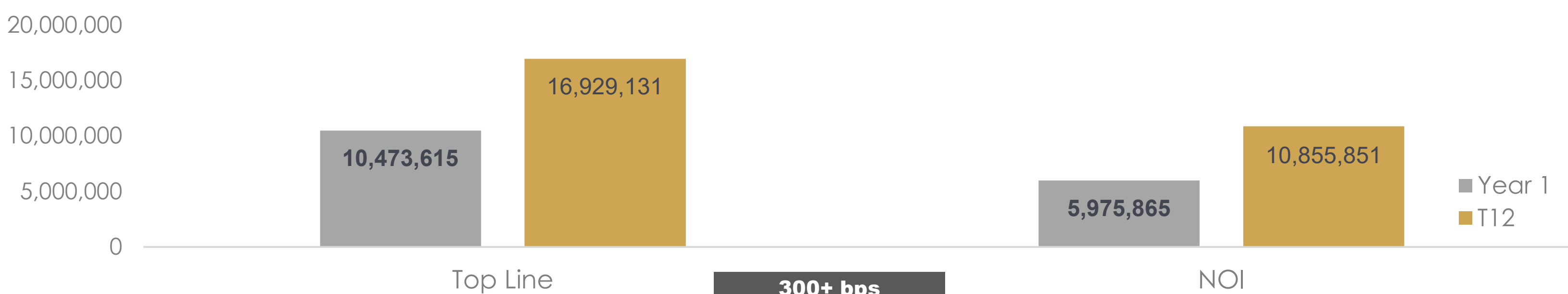
PROPERTY LEVEL NOI GROWTH

Illustrative example: operating platform expansion/ unit re-mix drive top-line growth

	Pre-Acquisition % of Total Revenue[1]	Stabilized % of Total Revenue[1]	Comments
Revenue			
Rent	~99%	90%	▪ SROA drives rental income through occupancy and rent growth (10-20% rent increase) ▪ SROA meaningfully increases operating revenue beyond storage rent through ancillary fees and services, which are typically not components of 'mom and pop' type operations
Rental Services (locks, boxes, etc.)	0%	1%	
Late Fees	~1%	1.5%	
Administrative Fees	0%	1.5%	
Tenant Insurance	0%	5%	
Truck Rentals	0%	0.5%	
Cell Towers/Billboards	0%	0.5%	

Single Asset Case Study[2]

Top Line and NOI at Acquisition vs. Current



Asset acquired at a ~5.3% yield on cost[3]

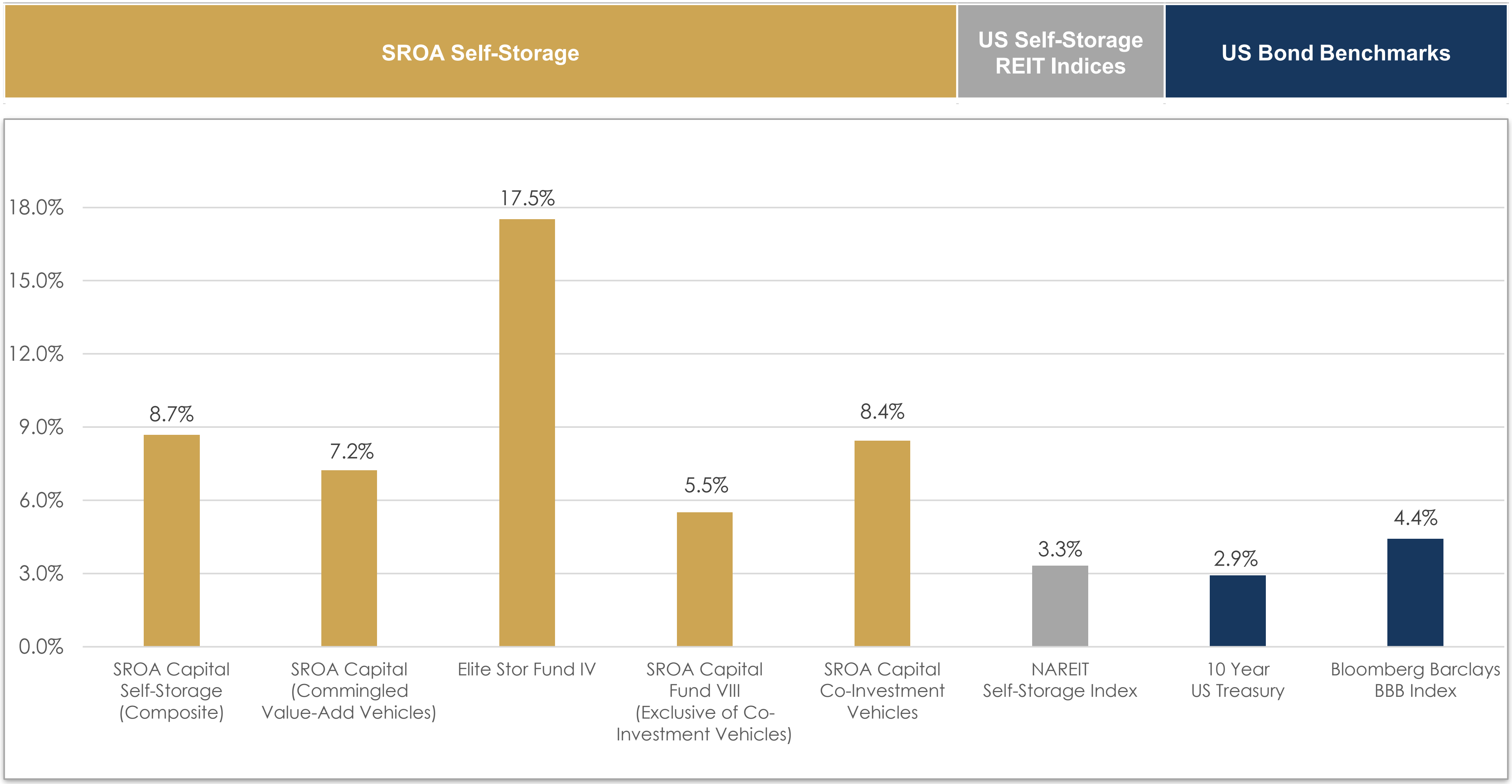
300+ bps increase in NOI

SROA grew NOI to ~8.3% yield on cost

1. Typical proportion of total revenue is an approximation based on SROA's experience, not any actual property. Past performance is not necessarily indicative of future results.
2. Data is as of December 31, 2023 & is inclusive of all SROA assets owned/operated longer than five years and acquired as individual acquisitions (i.e., not acquired through a Portfolio acquisition).
3. Yield on cost percentage at acquisition is reflective of Year 1 NOI divided by total cost at acquisition.

SROA DISTRIBUTION YIELD

Strategy offers a meaningful premium to other asset classes



The provided data is inclusive of refinance proceeds and represents the average annualized gross distribution yield for all SROA Capital active funds for the trailing 12 quarters through December 31, 2023.

SROA Capital Self-Storage (Composite) excludes Elite Stor Fund V (different strategy than SROA Capital Fund VIII, LP.).

SROA Capital (Commingled Value-Add Vehicles) excludes Elite Stor Fund V (different strategy than SROA Capital Fund VIII, L.P.), Elite Stor Fund VI (Fund of One for a Public Pension Plan, mandate with lower leverage and reduced fees).

Sources: NAREIT, Bloomberg, and U.S. Department of Treasury.

TRACK RECORD
MARK-TO-MARKET

SROA CAPITAL

Fund	Assets	Commitment	% Called	Cum. Cap. Invested	Realized Proceeds[a]	Remaining Value	Total Value	IRR Gross	IRR Net[b]	ROI Gross	ROI Net[b]
Realized Investments											
Elite Stor Fund I (2014)	2	$4.0	100.0%	$3.9	$5.8	-	$5.8	12.7%	11.5%	1.5x	1.4x
Elite Stor Fund II (2014)	3	$4.0	100.0%	$4.1	$10.5	-	$10.5	32.9%	22.9%	2.6x	2.0x
Elite Stor Fund III (2015)	24	$11.0	100.0%	$11.0	$21.3	-	$21.3	22.2%	19.3%	1.9x	1.7x
SROA SP Fund I (2018)[c]	47	$90.6	100.0%	$92.8	$250.5	-	$250.5	28.6%	23.7%	2.7x	2.3x
RREF Storage III (2021)	64	$88.3	100.0%	$88.3	$121.4	-	$121.4	38.3%	31.8%	1.4x	1.3x
Total Realized / Weighted Average[d]	**140**	**$197.9**	**100.0%**	**$ 200.1**	**$ 409.5**	**-**	**$409.5**	**27.9%**	**23.2%**	**2.3x**	**2.0x**
Unrealized Investments											
Elite Stor Fund IV (2015)	15	$20.6	100.0%	$23.2	$27.5	$58.5	$86.0	28.4%	23.0%	3.7x	3.2x
Elite Stor Fund V (2016)	2	$14.9	100.0%	$16.3	$23.3	$13.7	S37.0	15.5%	12.9%	2.3x	2.1x
Elite Stor Fund VI (2016)[e]	24	$152.0	98.2%	$155.5	$63.8	$211.5	$275.3	14.2%	13.1%	1.8x	1.7x
SROA Capital Fund VII (2019)	51	$145.0	100.0%	$150.4	$45.0	$270.1	$315.1	20.6%	17.8%	2.1x	1.9x
SROA Capital Fund VIII Main Fund (2020)[f]	172	$650.3	89.8%	$551.6	$56.8	$575.5	$632.3	8.9%	5.4%	1.1x	1.1x
SROA Capital Fund VIII Co-Investment (2020)[g]	n/a	$77.1	123.4%	$91.5	$19.4	$129.1	$148.5	25.7%	22.4%	1.6x	1.5x
SROA CMA Fund I, LLC (2022)	50	$163.8	89.4%	$141.6	$4.3	$138.1	$142.4	n/a[h]	n/a[h]	1.0x	1.0x
SROA Capital Fund IX, LP (2023)	41	$307.9	3.3%	$7.6	-	$4.6	$4.6	n/a[h]	n/a[h]	0.6x	0.2x
Total Unrealized / Weighted Average[d]	**355**	**$1,531.5**	**76.1%**	**$1,137.7**	**$ 240.1**	**$1,401.1**	**$1,641.2**	**15.9%**	**12.9%**	**1.4x**	**1.4x**
Total / Weighted Average[d]	**495**	**$1,729.4**	**78.8%**	**$1,337.8**	**$ 649.6**	**$1,401.1**	**$2,050.7**	**18.2%**	**14.8%**	**1.6x**	**1.5x**

Track record as of December 31, 2023. Dollar amounts in millions.
(a) Distributions from realized investments include proceeds from recapitalizations.
(b) Net of carried interest.
(c) SROA SP Fund I is the recapitalization of Elite Stor Fund I - III.
(d) Totals may not add due to rounding.
(e) 50% of assets are un-levered, resulting in a lower risk-adjusted return.
(f) Consists of Funds which have an ownership in 100% of Fund VIII assets.
(g) Consists of Funds which do not participate in 100% of Fund VIII assets.
(h) SROA SMA Fund I and SROA Capital Fund IX are less than two years old, as such, IRR is not yet meaningful.

Target Fund Size	$750 million[1]
General Partner Commitment	$12-15 million
Minimum Investment	▪ $10 million for an institutional investor, subject to GP's ability to accept lesser amounts ▪ $5 million for a high net worth investor, subject to GP's ability to accept lesser amounts
Target Returns	▪ 14-16% Leveraged Gross IRR / 11-13% Leveraged Net IRR ▪ 2.0x+ Leveraged Gross MOI / 1.8x+ Leveraged Net MOI ▪ 8% Average Annual Cash-on-Cash Yield (*distributed quarterly*)
Investment Period	3 years from Initial Closing, two six-month extensions
Fund Term	10 years from the Initial Closing, two one-year extensions

1. The Fund reached its hard cap of $900 million, exclusive co-investment commitments, subject to change.

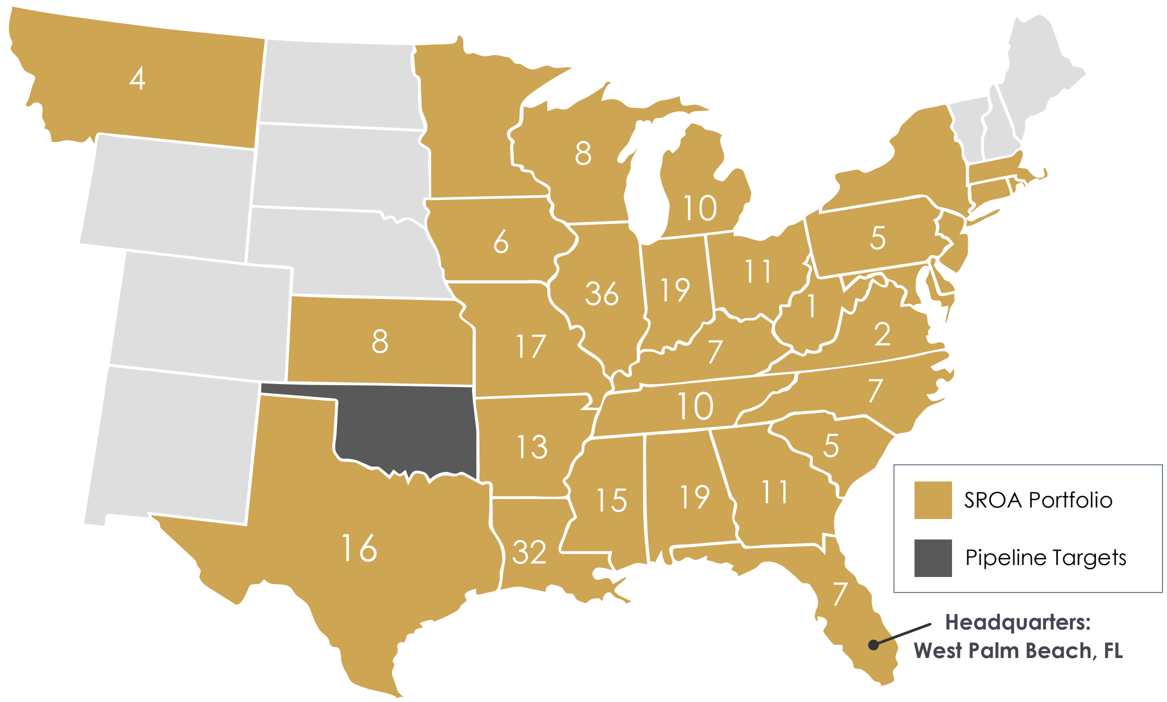
SROA CAPITAL FUND IX OVERVIEW

PORTFOLIO SNAPSHOT

SROA | CAPITAL

Committed Capital	$515MM
Capital Called To Date	96%
Credit Facility	$150MM subscription-secured facility with JP Morgan
Portfolio Characteristics	Closed • ~$1.3B total cost • 12 Transactions • 23 States • 268 Properties & 1 Greenfield Site • ~12.6MM RSF ($95 PP/RSF)
Sourcing Results	• ~100% of executed deals have been sourced via off-market channels

Active pipeline of ~3 million square feet(1)



SROA Activity Update:

(Expected) Q2Y24: SROA closed 1 transaction for $663.7MM total cost:
32 properties in IL, 26 properties in LA, 17 properties in IN, 15 properties in AL, 13 properties in AR, 11 properties in MS, 10 properties in MO, 9 properties in MI, 9 properties in OH, 8 properties in WI, 8 properties in TN, 7 properties in KY, 6 properties in IA, 6 properties in KS, 5 properties in PA, 2 properties in FL, 2 properties in TX, 1 property in GA, 1 property in WV.

Q1Y24: SROA closed 2 transactions for $307.1MM total cost:
4 properties in IL, 2 properties in IN, 2 properties in KS, 6 properties in LA, 7 properties in MO, 3 properties in MS, 1 property in SC, 14 properties in TX, 1 property in VA

Q4Y23: SROA closed 2 transactions for $300.1MM total cost:
4 properties in AL, 4 properties in FL, 10 properties in GA, 1 property in MS, 7 properties in NC, 4 properties in SC, 1 property in TN, 2 properties in VA

Source: SROA Capital. As of May 2024. Includes the Red Dot acquisition, which is expected to close on May 29, 2024.
1. Map shows states for the entire SROA platform. Figures on states represent total number of properties held in SROA Capital Fund IX within each state.

SROA CAPITAL FUND IX OVERVIEW
RED DOT PORTFOLIO ACQUISITION

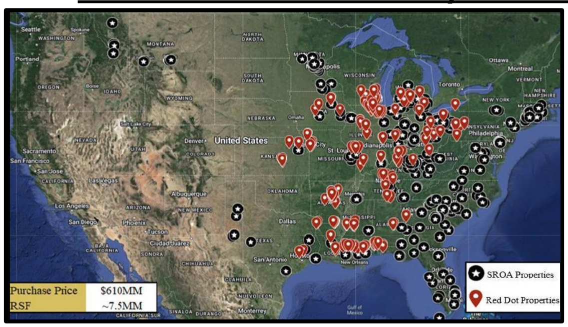
SROA | CAPITAL

Transaction Overview

SROA Capital Fund IX is expected to close on the acquisition of Red Dot Storage LLC, a top 20-25 owner and operator of self storage in the US on May 29, 2024. SROA is under contract to acquire a portfolio of **188 properties** across **19 states**, of which 18 states overlap with SROA's existing footprint. The portfolio will add **7.4MM RSF** to the Fund IX portfolio. SROA is acquiring the portfolio through a **Membership Interest Purchase Agreement**, which it believes will reduce transfer and property tax reassessments. SROA's business plan is to re-brand the facilities in phases over the initial 24 months of ownership and transition to a hub-and-spoke model to improve the customer experience.

Deal Name	Red Dot Portfolio Acquisition
Location & Sourcing	19 States | Off-Market
Deal Characteristics	188 Properties | ~7.4mm RSF | ~54.6k Units
Purchase Price	$610,000,000 | $82 PRSF | 6.48% cap rate

Red Dot Portfolio Overlayed with Existing SROA Portfolio



PORTFOLIO OVERVIEW

Description	Occ Units	Total Units	RSF Occ	Total RSF	RSF Occ %	In-Place Rate ($)	Actual Occupied ($)
NCC	35,689	44,969	5,097,337	6,274,415	81.2%	0.82	4,170,568
CC	7,414	9,647	912,351	1,178,489	77.4%	1.24	1,133,550
Office	6	22	-	-	-	-	4,257
Apartment	-	16	-	-	-	-	-
House	-	2	-	-	-	-	-
Warehouse	2	2	-	-	-	-	2,850
Billboard	8	20	-	-	-	-	1,756
Cell Tower	4	4	-	-	-	-	2,813
Covered Pkg	309	408	-	-	-	-	41,610
Pkg	1,789	2,323	-	-	-	-	89,961
SS Total	**43,103**	**54,616**	**6,009,688**	**7,452,904**	**80.6%**	**0.88**	**5,304,118**
Total	**45,221**	**57,413**	**6,009,688**	**7,452,904**	**80.6%**	**0.91**	**5,447,365**

Deal Overview – Investment Highlights	
Scale & Operational Efficiencies	The 19-state portfolio overlaps with SROA's existing portfolio in 18 states, which will increase its brand presence in the existing states, improve overall marketing and personnel efficiencies.
Operational Upside	The portfolio is currently operated without onsite personnel and the only human interaction available is with a call center in Jamaica. SROA plans to operate manned offices at ~1/3 of the portfolio's sites with at least one office in each market. This will allow SROA to better resolve issues in a timely manner and facilitate leases with customers who prefer in-person interaction (10% of the current SROA customer base). Additionally, SROA identified neglected properties where it can add value through capital expenditures, which SROA plans to implement over the initial 24 months of ownership.
Attractive Basis	SROA's purchase price of $82 PSF equates to a ~32% discount to replacement cost, excluding land, at the time of acquisition, which offers an attractive entry basis for a deal of this scale.
Unsophisticated Competition & Strong Demographics	Only ~1/3 of competitors within a 3-mile radius of the Red Dot Portfolio are REITs or institutionally managed. With a robust marketing and technology stack, SROA is confident in its ability to outperform the competition.

SROA CAPITAL FUND IX OVERVIEW

B&R PORTFOLIO ACQUISITION

SROA | CAPITAL

Transaction Overview

SROA Capital Fund IX acquired the B&R Portfolio from a Top 10 owner of self-storage on an off-market basis. The B&R Portfolio is comprised of **71 self-storage properties** across **14 states** spanning **4.6MM RSF**. The previous owner operated the portfolio under three different brands and inefficiencies have arisen because of this unique structure, such as lack of brand loyalty and inefficient marketing spend across various platforms. The business plan is to utilize SROA's operational capabilities as well as its proprietary marketing and rate revenue management technologies to optimize operations and cash flow.

Deal Name	B&R Portfolio Acquisition
Location & Sourcing	14 States | Off-Market
Deal Characteristics	71 Properties | ~4.6mm RSF | ~34.9k Units
Purchase Price	$530,000,000 | $116 PRSF | 6.3% cap rate

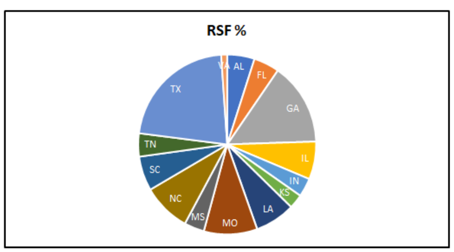
B&R Portfolio Overlayed with Existing SROA Portfolio

Deal Overview – Investment Highlights	
In-Place Cash Flow	The Portfolio generated ~$33.3MM of NOI[(3)] for the twelve-month period ended September 2023 which reflects a 6.3% cap rate on the $530.0MM purchase price.
Operational Upside & Critical Mass	This acquisition will not only strengthen operational efficiencies amongst various expense line items, but it will also allow SROA to enter seven new states. The Portfolio is comprised of all institutional quality assets with an overall average facility size of 64k RSF, likely increasing the Fund exit portfolio premium as a result.
Revenue Upside	Based on SROA's market research, weighted average in-place rental rates are ~5.5% below market.
Strong Demographics	On average within a 5-mile radius, median household income is $65k and population is 94k.
Expansion Opportunity	SROA has identified 150k RSF of expansion opportunity across the Portfolio and has conservatively underwritten 109k RSF of CC expansions, increasing unlevered returns by ~10 bps.
Capital Expenditure	SROA received a $10MM capital expenditure credit from the seller for capex deficiencies.

B&R PORTFOLIO OVERVIEW

State	# of Properties	RSF	RSF %	T12 NOI	NOI %
TX	18	999,985	21.9%	799,433	2.4%
GA	10	677,549	14.9%	2,927,904	8.8%
MO	7	443,226	9.7%	1,509,685	4.5%
NC	8	398,301	8.7%	1,354,406	4.1%
LA	7	331,912	7.3%	2,044,598	6.1%
IL	5	309,971	6.8%	3,419,748	10.3%
SC	5	282,870	6.2%	1,006,791	3.0%
AL	5	226,635	5.0%	6,419,567	19.3%
FL	3	213,090	4.7%	5,332,170	16.0%
TN	2	190,187	4.2%	1,046,125	3.1%
MS	6	166,261	3.6%	2,294,258	6.9%
IN	2	153,807	3.4%	2,535,253	7.6%
KS	2	118,664	2.6%	2,068,644	6.2%
VA	1	49,636	1.1%	554,303	1.7%
Total	**81**	**4,562,094**	**100.0%**	**33,312,883**	**100.0%**

Inclusive of 71 offices & 10 annexes



SROA Capital Fund IX includes a 15% allocation to our bridge lending program which provides senior, mezzanine and preferred equity to self-storage owners and developers. This program seeks to leverage our investment expertise and experience as a Top 10 owner of self-storage to take advantage of the current state of the capital markets brought on by the current interest rate environment and turmoil in the regional banking sector.

Summary of Approximate Terms	
Target Leverage:	Up to 80% loan to value ("LTV")
Minimum Loan Size:	$2,000,000
Pricing:	Target pricing of 12-16% with a blend of current and soft pay
Rate Type:	Fixed or floating
Amortization:	Interest only
Term:	2 – 3 year initial term with extension options as needed
Prepayment:	Flexible prepayment subject to Minimum Return to SROA
Recourse:	Non-recourse with standard carveouts for "bad boy" acts
Management:	No requirement for property to be managed by SROA

Benjamin ("Ben") Macfarland

Chief Executive Officer & Co-Founder

Benjamin Macfarland has spent the last 18 years focused on the acquisition, development, financing, repositioning and management of owner operated real estate assets including self-storage (since 2006), parking, student housing, senior living, and single-family home portfolios. Mr. Macfarland's track record has identified market dynamics, implemented his investment strategy, built out a team and executed on his vision.

To date Mr. Macfarland has invested in ~$3bn of real estate investments as Principal. Storage Rentals of America is his third platform created around an investment strategy in a specific industry (in addition to parking & student housing).

Mr. Macfarland holds a Bachelors of Science in Real Estate from Florida State University and a Masters of Business Administration in Finance from American University. Mr. Macfarland is a member of the Real Estate Roundtable in Washington, DC. Mr. Macfarland and his wife Christina have five children, live in West Palm Beach, Florida, and are actively involved with the Community Foundation of Palm Beach and Martin Counties and the Flagler Museum.

Robert ("Bob") Buffett, CPA

President

Bob Buffett serves as President of SROA. With over 30 years of experience, he is responsible for providing strategic leadership, driving operations excellence, and ensuring the overall success and growth of the organization. Mr. Buffett's insights help the firm reach its strategic objectives to maximize profitability and maintain its competitive edge. He oversees all aspects of the company's operations, including sales, marketing, finance, acquisitions, investor relations, human resources, and customer service.

Prior to joining SROA, Mr. Buffett served as the Chief Financial Officer for Stor-All Storage for 11 years, where he was responsible for the financial reporting for its 45 self-storage facility portfolio, prior to being sold to one of the publicly traded REITs.

Mr. Buffett has been a licensed CPA in the state of Florida for over 25 years and started his career at Arthur Anderson in West Palm Beach, Florida, specializing in real estate and construction accounting.

Mr. Buffett obtained his Bachelors of Science and Masters Degree in Accounting from the University of Florida.

Kenneth ("Kenny") Speegle

Chief Operating Officer

Kenneth Speegle oversees SROA's daily business operations, focusing on enhancing the integration of the Firm's technology platform and implementing operational improvements with a goal of increasing NOI.

Prior to joining SROA, Mr. Speegle spent 18 years at Extra Space Storage in various roles, most recently as Senior Vice President of Operations, managing five divisions and over 825 property locations across the Southeast U.S. and Texas. Prior to his time at Extra Space Storage, Mr. Speegle served as the Senior District Manager of Storage USA, managing over 25 properties across the Ohio Valley including Cleveland, Columbus, Pittsburgh, Indianapolis and Grand Rapids.

Mr. Speegle holds a Bachelor of Science in Criminal Justice and Corrections from Kent State University.

Miriam Martinez-Sorto

Chief Marketing & Technology Officer

Miriam Martinez-Sorto is responsible for overseeing SROA's digital marketing, web development, and e-commerce strategy. She heads digital strategy and transformation initiatives, designs New Customer Acquisition strategy for improved revenue growth, and oversees customized software strategy and implementation to streamline operations across SROA.

Prior to joining SROA, Miriam was the VP of Global Ecommerce & Marketing for VMR, a global technology venture, where she was responsible for producing 60% of the company's revenue. Miriam has also worked at Unilever and Wells Fargo in the Americas, Caribbean, and Europe.

Miriam holds a BBA in International Business from the University of North Carolina and an MBA from University of Miami – UOP. She holds Google certificates in Data Analytics and Ecommerce Marketing. Miriam is a founding member of CHIEF - a nationwide private network designed for senior executive women in leadership roles. Miriam is also a member of Refresh Miami —Florida's largest tech and entrepreneurial community.

Miriam was born and raised in El Salvador and is fluent in Spanish, English, and French.

Alfred Sinkonde

Chief Financial Officer

Alfred Sinkonde serves as the Chief Financial Officer of SROA and is responsible for directing the fiscal functions of the corporation in accordance with generally accepted principles issued by the Financial Accounting Standards Board, the Securities and Exchange Commission, and other regulatory and advisory organizations in accordance with financial management techniques and practices appropriate within the industry.

Prior to rejoining SROA in 2024, Mr. Sinkonde was Chief Financial Officer at Beacon Ridge Capital Management, a real estate investment manager focused on single family rental properties. Prior to originally joining SROA in 2019, Mr. Sinkonde served as the Assistant Controller at HIG Capital within its credit platform, where he was responsible for quarterly and annual financial and investor reporting for 6 funds with an AUM of ~$5bn. Mr. Sinkonde managed and coordinated annual audits for the entire HIG credit platform (17 funds), managed liquidity for investments and funds (including subscription line lenders) to maximize gross and net returns, in addition to completing SEC regulatory filings. Prior to HIG, Mr. Sinkonde served as a Senior Fund Accountant at Cerberus Capital Management for its institutional real estate funds. Mr. Sinkonde started his career at PricewaterhouseCoopers specializing in real estate investment clients in Hartford, CT.

Mr. Sinkonde holds a BS in Accounting from the University of Connecticut, an MBA from the Kellogg School of Management at Northwestern University, and is a licensed CPA in the state of Florida.

Owen Holm

Managing Director of Investor Relations

Owen Holm serves as the Managing Director of Investor Relations at SROA. Owen leads the investor relations and capital raising initiatives and has 10 years of investment management experience across both private and public markets.

Prior to joining SROA Capital, Mr. Holm was Director of Marketing & Investor Relations at Crescendo Real Estate Advisors LLP (“CREAL”), a diversified real estate private equity firm. At CREAL he was responsible for overseeing global investor relations and capital raising initiatives including the launch of two closed-end funds and several direct private equity transactions. Prior to CREAL, he spent five years at Kildonan Castle Asset Management, a long-short credit fund, where he focused on investor relations and marketing, launching a series of credit funds. Mr. Holm began his investment career as a Research Associate at Coleman Research Group.

Mr. Holm holds a Bachelor of Arts in Political Science from Williams College received in 2010.

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The properties appearing in this presentation are representative transactions owned by prior SROA investments vehicles. There can be no assurance that the Fund will invest in similar transactions.

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MEKETA

San Joaquin County Employees' Retirement Association (SJCERA)

Q1 2024

Quarterly Report

Table of Contents

Introduction

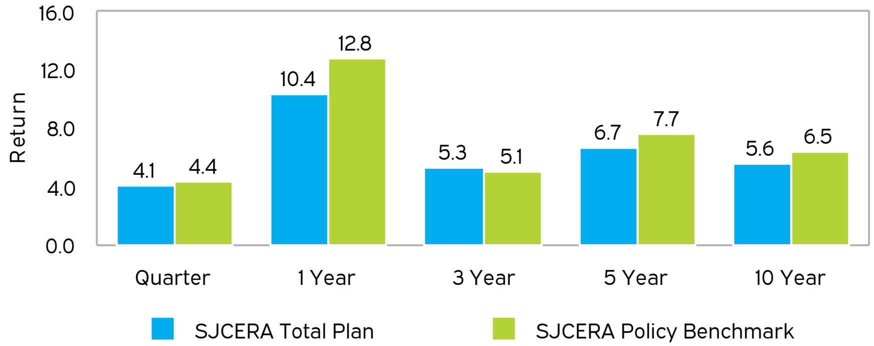
Introduction

The SJCERA Total Portfolio had an aggregate value of $4.4 billion as of March 31, 2024. During the latest quarter, the Total Portfolio increased in value by $218.2 million, and over the one-year period, the Total Portfolio increased by $470.7 million. The movements over the quarter and one-year periods were primarily driven by investment returns. Momentum within equity markets from the fourth quarter of 2023 largely carried over into the first quarter of 2024. However, persistent inflation combined with strong economic data points served as a headwind to fixed income returns as interest rates rose during Q1. At the outset of the quarter, market participants expected somewhere between 5-7 rate cuts from the Federal Reserve during the year; however, as the quarter progressed, expectations for rate cuts became tempered. As of the end of Q1, futures markets indicated market expectations of 1-2 rate cuts during the year.

Recent Investment Performance

The Total Portfolio outperformed the benchmark over the trailing 3-year period by 0.2% and is in line with the policy benchmark over the trailing 25-year period. However, it has underperformed the policy benchmark for the quarter, 1-, 5-, 10-, 15-, and 20-year periods by (0.3%), (2.4%), (1.0%), (0.9%), (0.6%), and (0.8 %), respectively. Net of fees, the Plan has outperformed the Median Public Fund for the most recent quarter and trailing 3-year period by 0.4% and 0.3%, respectively; however, it has underperformed the median public fund over the trailing 1-, 5-, 10-, 15-, 20-, and 25-year periods by (1.1%), (1.0%), (1.1%), (1.8%), (1.5%), and (0.7%), respectively. That said, it's important to view these returns in the context of the risk the portfolio is taking relative to that of the median public plan. The annualized standard deviation of the Plan is 3.5% lower than the median public plan with over $1 billion in assets, (7.7% for the plan vs. 11.2% for the median public plan), and the Sharpe ratio of the Plan is 0.6 whereas the Sharpe ratio of the median public plan in the same category is 0.5.

Return Summary



Summary of Cash Flows

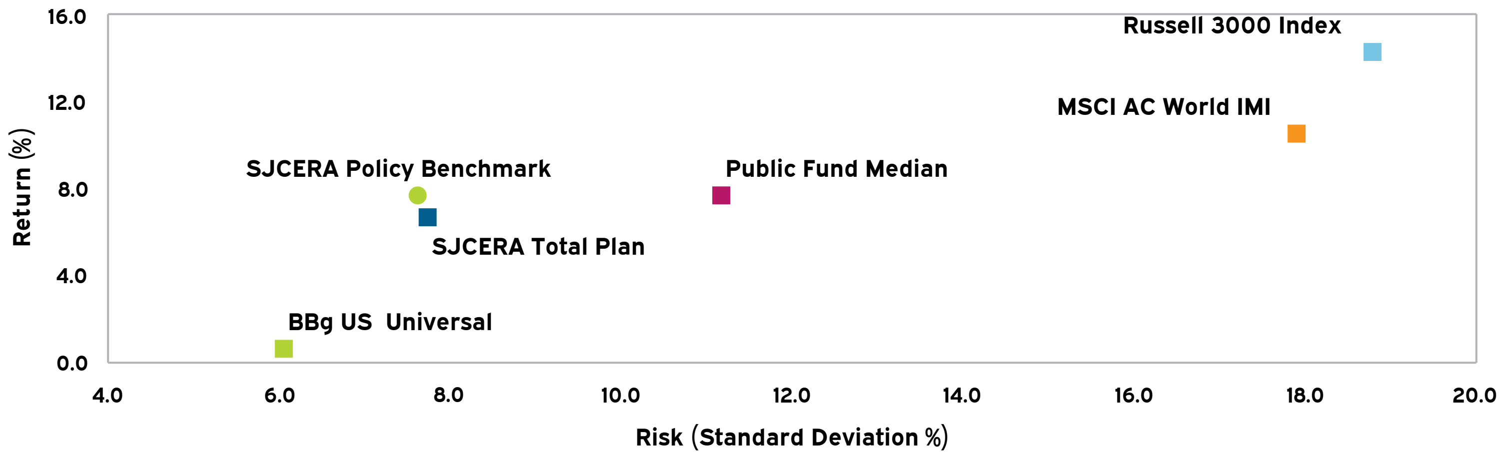
	Quarter	1 Year
SJCERA Total Plan		
Beginning Market Value	4,189,063,956	3,936,565,827
Net Cash Flow	46,354,963	55,879,032
Net Investment Change	171,823,607	414,797,666
Ending Market Value	4,407,242,525	4,407,242,525

	Quarter	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	25 Years
SJCERA Total Plan - Gross	**4.2**	**10.8**	**5.8**	**7.2**	**6.3**	**8.2**	**5.8**	**6.2**
SJCERA Total Plan - Net	**4.1**	**10.4**	**5.3**	**6.7**	**5.6**	**7.5**	**5.2**	**5.7**
SJCERA Policy Benchmark	*4.4*	*12.8*	*5.1*	*7.7*	*6.5*	*8.1*	*6.0*	*5.7*
Excess Return (Net)	-0.3	-2.4	0.2	-1.0	-0.9	-0.6	-0.8	0.0
All Public Plans > $1B-Total Fund Median	*3.7*	*11.5*	*4.5*	*7.7*	*6.7*	*9.3*	*6.7*	*6.4*

1 Investment Metrics Total Fund Public Universe >$1 Billion, net of fees.
2 Policy Benchmark composition is listed int he Appendix.

Risk Adjusted Return vs Peers				
	1 Yr	3 Yrs	5 Yrs	10 Yrs
SJCERA Total Plan - Net	10.39	5.29	6.70	5.55
Risk Adjusted Median	8.15	3.52	5.37	6.41
Excess Return	2.25	1.77	1.33	-0.85

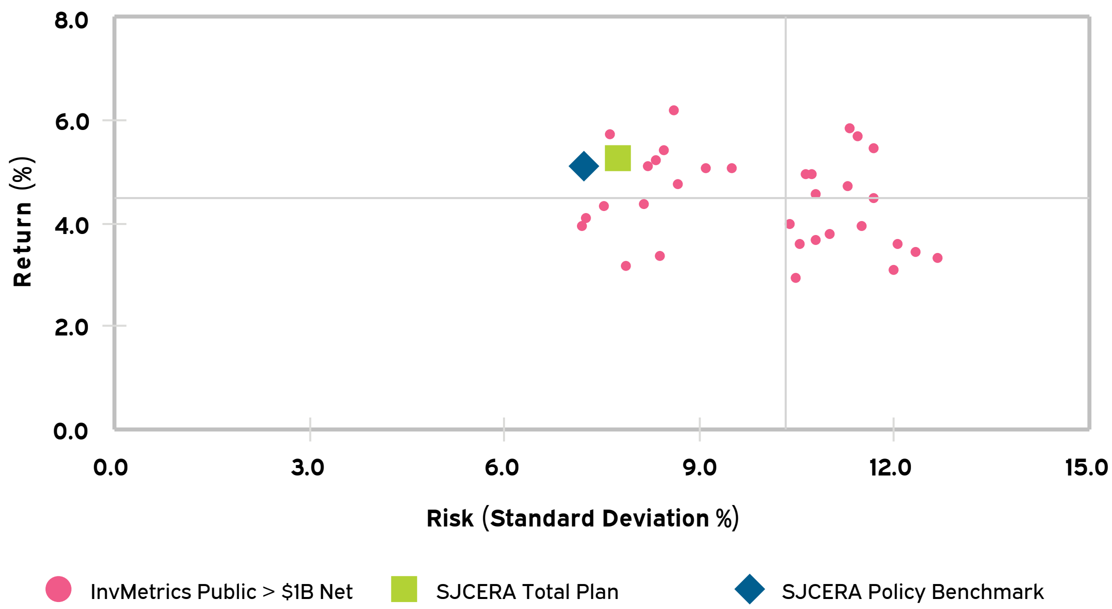
5-Year Annualized Risk/Return (Net of Fees)



	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
SJCERA Total Plan	6.7	7.7	0.6
SJCERA Policy Benchmark	7.7	7.6	0.7
Median Public Fund Median	7.7	11.2	0.5
Blmbg. U.S. Universal Index	0.7	6.1	-0.2
Russell 3000 Index	14.3	18.8	0.7
MSCI AC World IMI	10.6	17.9	0.5

InvMetrics Public > $1B Net

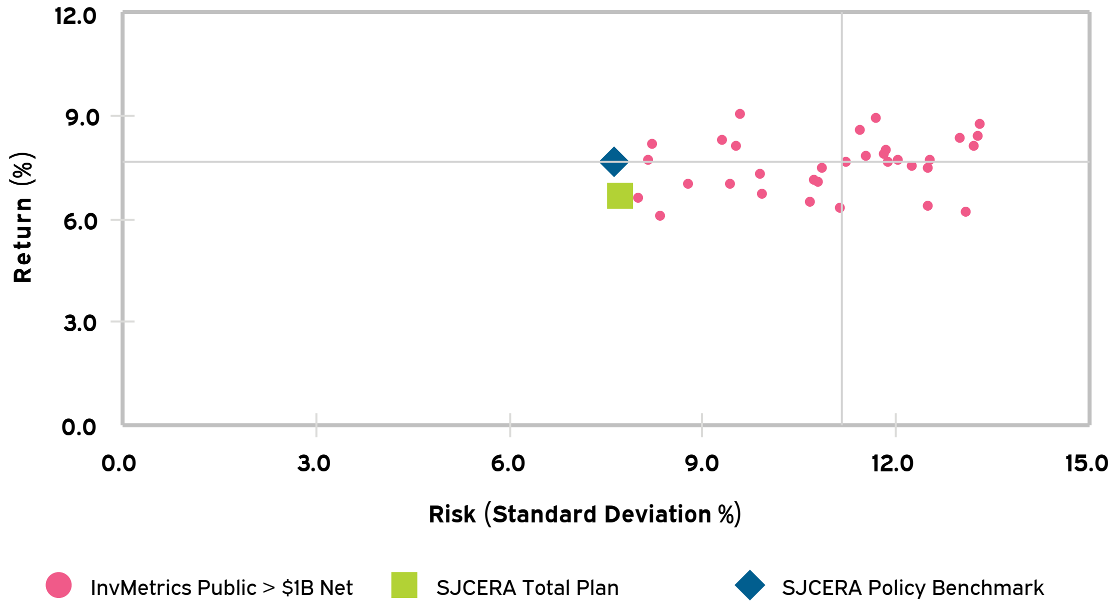
Total Fund Risk/Return Analysis
Latest 3 Years



	Return	Standard Deviation	Sharpe Ratio
SJCERA Total Plan	5.3	7.7	0.4
SJCERA Policy Benchmark	5.1	7.2	0.4
All Public Plans > $1B-Total Fund Median	4.5	10.3	0.2

1 Returns are net of fees.
2 Computed as annualized return less the risk free rate, divided by the annualized standard deviation.
3 Investment Metrics Total Fund Public Universe > $1 Billion, net of fees.

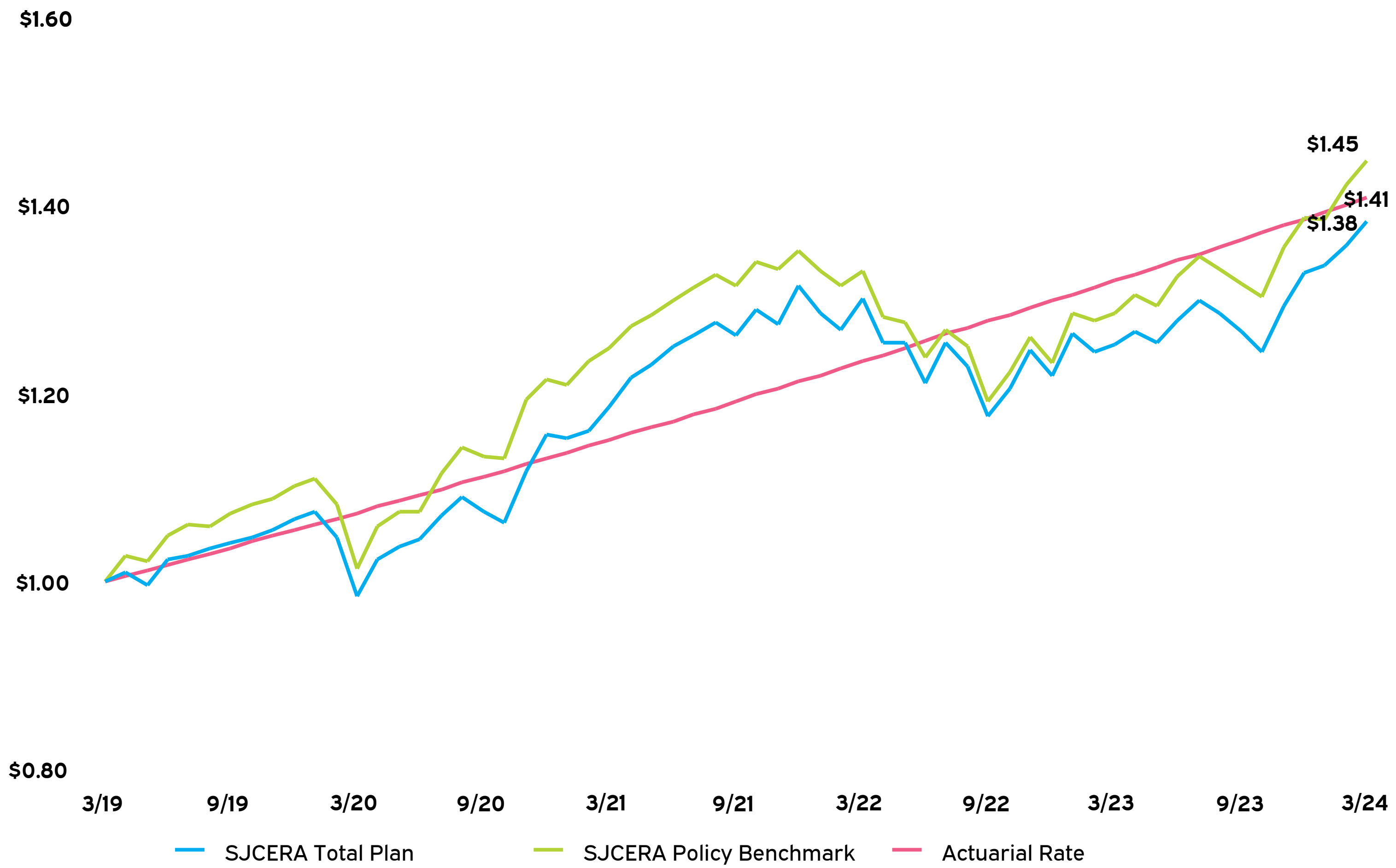
Total Fund Risk/Return Analysis
Latest 5 Years



	Return	Standard Deviation	Sharpe Ratio
SJCERA Total Plan	6.7	7.7	0.6
SJCERA Policy Benchmark	7.7	7.6	0.7
All Public Plans > $1B-Total Fund Median	7.7	11.2	0.5

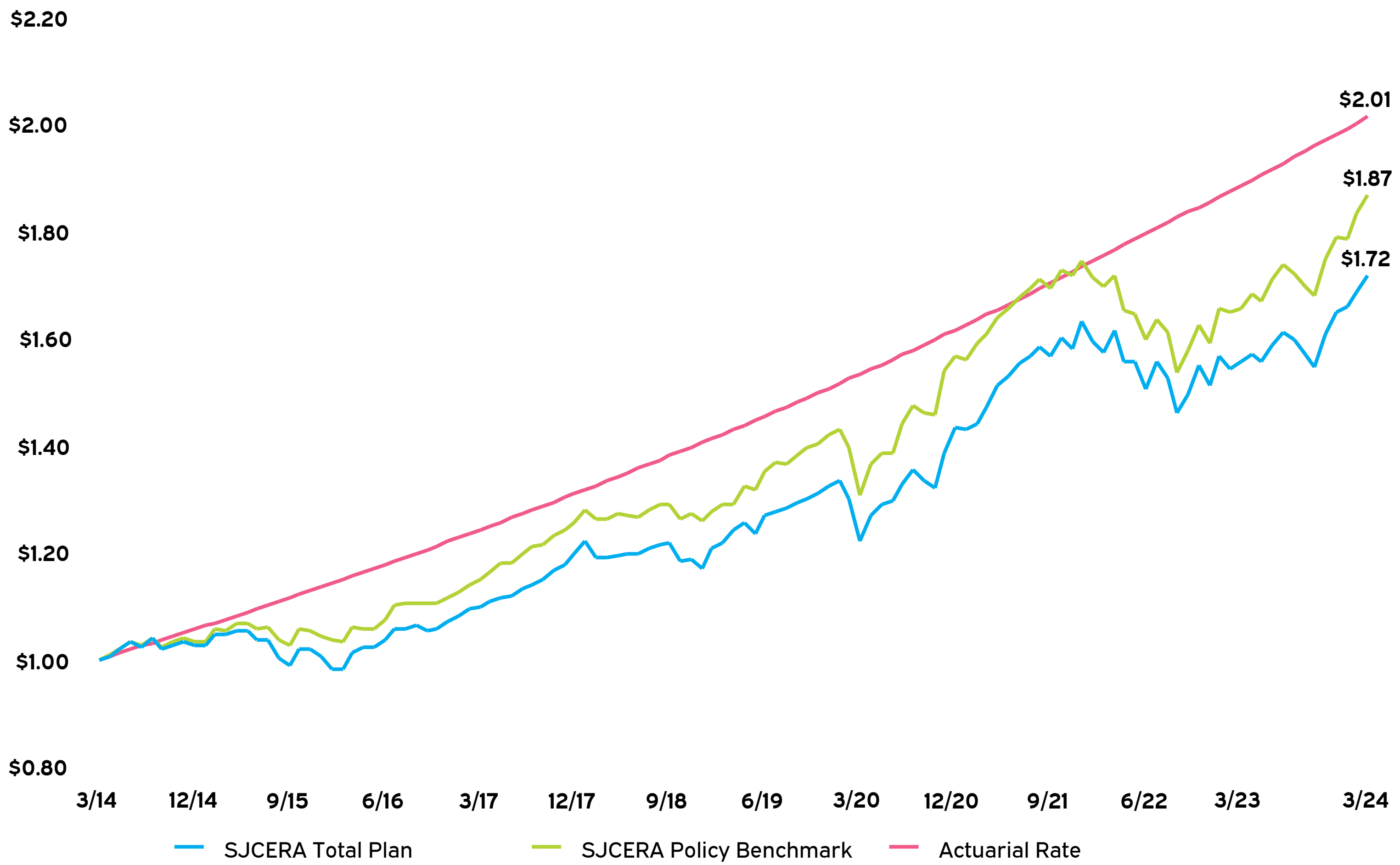
1 Returns are net of fees.
2 Computed as annualized return less the risk free rate, divided by the annualized standard deviation.
3 Investment Metrics Total Fund Public Universe > $1 Billion, net of fees.

Growth of a Dollar - Latest 5 Years



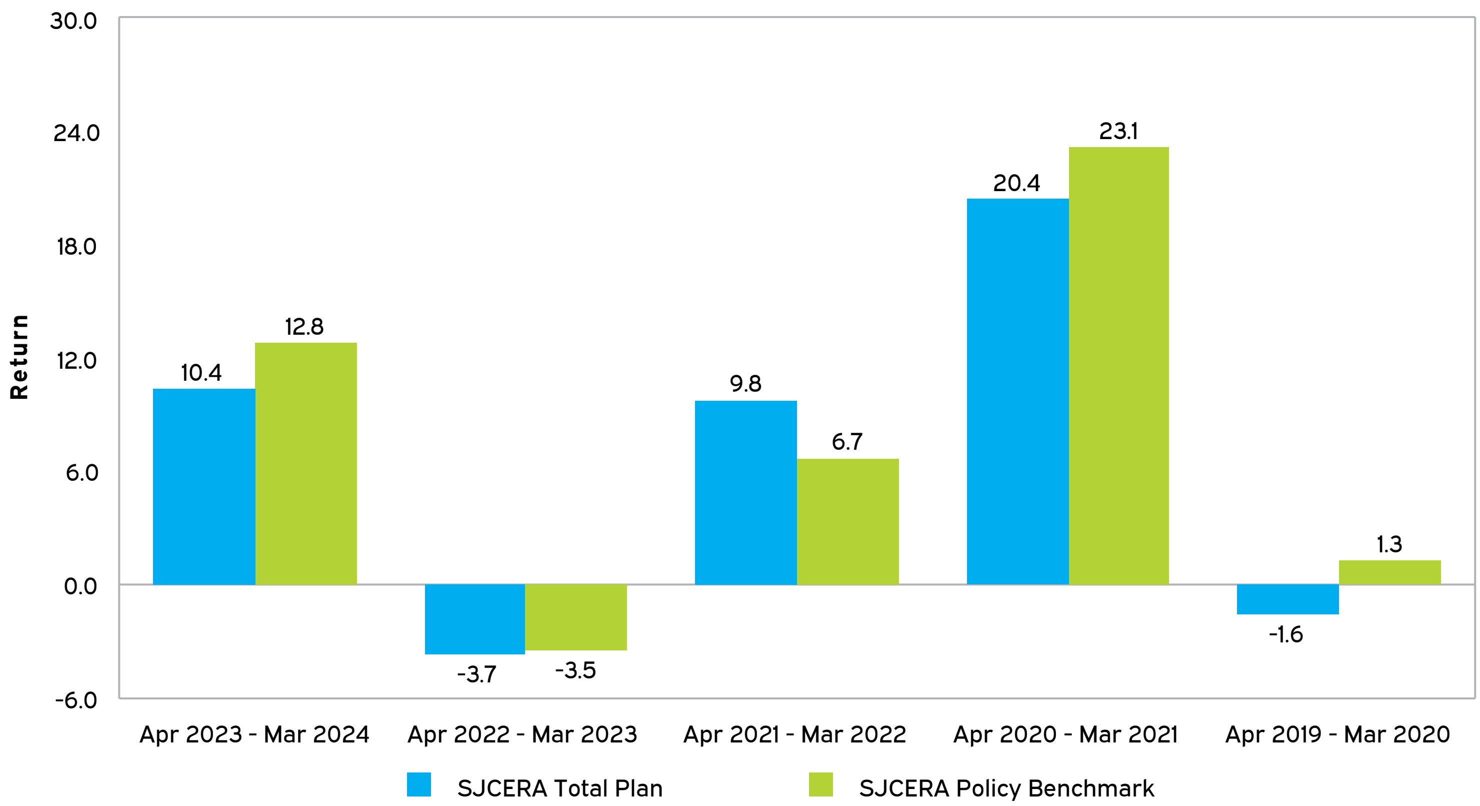
6.75% Actuarial Rate from 9/1/2022 to present. 7.0% Actuarial Rate from 1/1/2020 to 8/31/2022. 7.25% Actuarial Rate from 1/1/2018 to 12/31/2019. 7.4% Actuarial Rate from 8/1/2016 to 12/31/2017. 7.5% Actuarial Rate from 1/1/2012 to 7/31/2016. Previously 8.0%.

Growth of a Dollar - Latest 10 Years



6.75% Actuarial Rate from 9/1/2022 to present. 7.0% Actuarial Rate from 1/1/2020 to 8/31/2022. 7.25% Actuarial Rate from 1/1/2018 to 12/31/2019. 7.4% Actuarial Rate from 8/1/2016 to 12/31/2017. 7.5% Actuarial Rate from 1/1/2012 to 7/31/2016. Previously 8.0%.

12-month Performance Overview

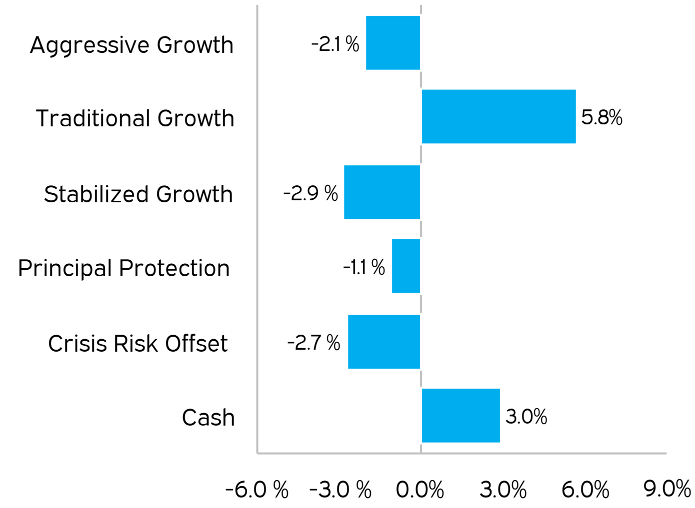


12-month absolute results have been positive three of the last five 12-month periods, net of fees. The SJCERA Total Portfolio matched or outperformed the policy target benchmark during one of these five periods, net of fees.

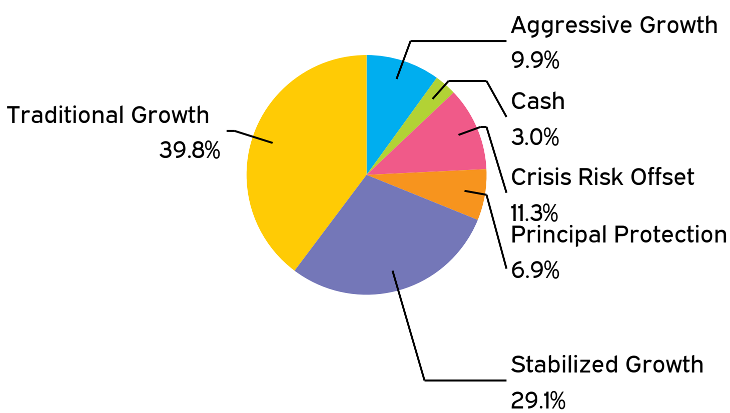
Portfolio Review

	Current Balance ($)	Current Allocation (%)	Policy (%)	Difference (%)
Broad Growth	**$3,473,788,657**	**78.8**	**78.0**	**0.8**
Aggressive Growth	$438,208,120	9.9	12.0	-2.1
Traditional Growth	$1,752,222,489	39.8	34.0	5.8
Stabilized Growth	$1,283,358,048	29.1	32.0	-2.9
Diversified Growth	**$802,464,028**	**18.2**	**22.0**	**-3.8**
Principal Protection	$304,056,777	6.9	8.0	-1.1
Crisis Risk Offset	$498,407,250	11.3	14.0	-2.7
Cash	**$130,989,841**	**3.0**	**0.0**	**3.0**
Cash	$130,989,841	3.0	0.0	3.0
Total	**$4,407,242,525**	**100.0**	**100.0**	**0.0**

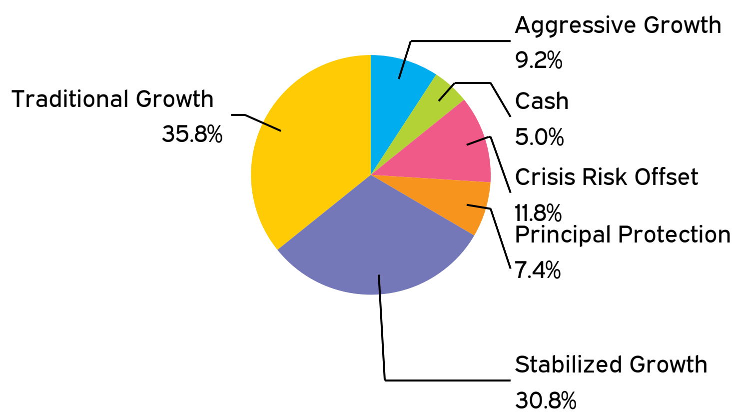
Variance vs Target Allocation (%)



As of March 31, 2024



As of March 31, 2023



Market values may not add up due to rounding
Cash asset allocation includes Parametric Overlay

Asset Class Performance Net-of-Fees | As of As of March 31, 2024

	Market Value $	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
SJCERA Total Plan	**4,407,242,525**	**100.0**	**4.1**	**10.4**	**5.3**	**6.7**	**5.6**
SJCERA Policy Benchmark			*4.4*	*12.8*	*5.1*	*7.7*	*6.5*
Broad Growth	**3,473,788,657**	**78.8**	**4.1**	**11.8**	**6.2**	**7.9**	**6.6**
Aggressive Growth Lag	438,208,120	9.9	0.5	1.0	14.5	12.5	11.3
Aggressive Growth Blend			*3.4*	*5.6*	*7.2*	*7.6*	*8.3*
Traditional Growth	1,752,222,489	39.8	8.1	24.2	7.7	9.8	7.8
MSCI ACWI IMI Net			*7.7*	*22.5*	*6.3*	*11.1*	*9.0*
Stabilized Growth	1,283,358,048	29.1	0.3	1.2	2.5	4.5	4.1
SJCERA Stabilized Growth Benchmark			*0.8*	*6.5*	*5.2*	*5.3*	*5.4*
Diversifying Strategies	**802,464,028**	**18.2**	**4.4**	**5.9**	**2.7**	**2.7**	**3.2**
Principal Protection	304,056,777	6.9	-0.5	3.6	-0.7	0.9	2.4
Blmbg. U.S. Aggregate Index			*-0.8*	*1.7*	*-2.5*	*0.4*	*1.5*
Crisis Risk Offset Asset Class	498,407,250	11.3	7.6	7.4	5.5	4.1	5.1
CRO Benchmark			*2.1*	*3.3*	*2.3*	*3.7*	*3.7*
Cash and Misc Asset Class	**102,007,003**	**2.3**	**1.3**	**3.9**	**2.1**	**1.6**	**1.1**
90 Day U.S. Treasury Bill			*1.3*	*5.2*	*2.6*	*2.0*	*1.4*

1 Market values may not add up due to rounding.
2 Policy Benchmark composition is listed in the Appendix.
3 30% ICE BofAML US T-Bill + 4%; 52% 50% Bloomberg High Yield/50% S&P Leverage Loans; 18% NCREIF ODCE +1% Lag.
4 (1/3) Bloomberg Long Duration Treasuries; (1/3) BTOP50 Index; (1/3) 5% Annual.

Asset Class Performance Net-of-Fees | As of As of March 31, 2024

	Market Value $	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Aggressive Growth Lag	**438,208,120**	**100.0**	**0.5**	**1.0**	**14.5**	**12.5**	**11.3**
Aggressive Growth Blend			*3.4*	*5.6*	*7.2*	*7.6*	*8.3*
Bessemer Venture Partners Forge Fund	6,267,606	1.4	-1.6	--	--	--	--
MSCI ACWI +2% Blend			*11.7*	--	--	--	--
Blackrock Global Energy and Power Lag	44,231,474	10.1	0.3	11.0	9.4	--	--
MSCI ACWI +2% Blend			*11.7*	*25.2*	*8.4*	--	--
BlackRock Global Infrastructure Fund IV, L.P.	14,816,255	3.4	6.1	-3.4	--	--	--
MSCI ACWI +2% Lag			*11.7*	*25.2*	--	--	--
Lightspeed Venture Ptnrs Select V Lag	19,314,955	4.4	1.6	-3.0	--	--	--
MSCI ACWI +2% Blend			*11.7*	*25.2*	--	--	--
Long Arc Capital Fund I	23,245,089	5.3	4.4	1.2	--	--	--
MSCI ACWI +2% Blend			*11.7*	*25.2*	--	--	--
Morgan Creek III Lag	4,848,671	1.1	0.0	15.7	-10.5	-10.6	--
MSCI ACWI +2% Blend			*11.7*	*25.2*	*8.4*	*14.5*	--
Morgan Creek V Lag	5,557,161	1.3	0.0	-14.3	4.1	7.1	9.4
MSCI ACWI +2% Blend			*11.7*	*25.2*	*8.4*	*14.5*	*10.0*
Morgan Creek VI Lag	22,031,859	5.0	0.0	0.0	8.2	11.4	--
MSCI ACWI +2% Blend			*11.7*	*25.2*	*8.4*	*14.5*	--

1 Market Values may not add up due to rounding.
2 Lagged 1 quarter.
3 Q423 data not available at the time of this report. Values reported reflect Q323 market value adjusted by Q423 cash flows.

Asset Class Performance Net-of-Fees | As of As of March 31, 2024

	Market Value $	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Ocean Avenue II Lag	33,142,089	7.6	2.7	-8.3	21.1	20.8	17.3
MSCI ACWI +2% Blend			*11.7*	*25.2*	*8.4*	*14.5*	*10.0*
Ocean Avenue III Lag	50,182,111	11.5	-6.5	2.4	23.7	18.7	--
MSCI ACWI +2% Blend			*11.7*	*25.2*	*8.4*	*14.5*	--
Ocean Avenue IV Lag	55,989,686	12.8	5.4	5.0	27.2	--	--
MSCI ACWI +2% Blend			*11.7*	*25.2*	*8.4*	--	--
Ocean Avenue V Lag	6,846,164	1.6	5.4	--	--	--	--
MSCI ACWI +2% Blend			*11.7*	--	--	--	--
Non-Core Real Assets Lag	84,103,013	19.2	-2.9	-6.4	5.0	4.7	5.6
NCREIF ODCE +1% lag (blend)			*-4.8*	*-11.9*	*5.1*	*4.4*	*7.4*
Ridgemont Equity Partners IV, L.P.	20,910,646	4.8	4.0	10.4	--	--	--
MSCI ACWI +2% Blend			*11.7*	*25.2*	--	--	--
Stellex Capital Partners II Lag	36,721,341	8.4	3.7	9.8	--	--	--
MSCI ACWI +2% Blend			*11.7*	*25.2*	--	--	--

1 Lagged 1 quarter.
2 Trailing Non-Core real estate performance includes returns provided by prior real estate consultant from inception through Q419.

Aggressive Growth

During the latest three-month period ending March 31, 2024, twelve of SJCERA's fifteen aggressive growth managers trailed their respective benchmarks while the remaining three funds, (Morgan Creek III, V, VI), did not have quarterly reports available. Collectively, the Aggressive Growth sleeve underperformed the Aggressive Growth Blended benchmark by (2.9%). Please note that return data for this asset class is lagged one quarter. Several of these managers are newer and are experiencing what is known as the "J-Curve Effect" while they are in the downward sloping portion of the curve.

Bessemer Venture Partners Forge Fund is a new addition to the Aggressive Growth sleeve and returned (1.6%) for the first quarter, underperforming the MSCI ACWI + 2% benchmark of 11.7% for the period.

BlackRock Global Energy and Power, trailed the MSCI ACWI +2% benchmark over the quarter and trailing 1-year periods by (11.4%), and (14.2%), respectively; however, it outperformed the benchmark over the 3-year period by 1.0%.

BlackRock Global Infrastructure Fund IV, a new addition to the Aggressive Growth sleeve which recently called capital, trailed the benchmark during the most recent quarter and trailing 1-yr period by (5.6%) and (28.6%).

Lightspeed Venture Partners Select V, a venture capital fund that was recently added and is experiencing the J-Curve effect, trailed the benchmark during the most recent quarter and trailing 1-yr period by (10.1%) and (28.2%).

Long Arc Capital Fund I, a growth-oriented private equity manager which is new to the Aggressive Growth sleeve, recently called capital and trailed the benchmark during the most recent quarter and trailing 1-yr period by (7.3%) and (24.0%).

Morgan Creek III did not have first quarter 2024 statements prepared at the time of this report.

Morgan Creek V did not have first quarter 2024 statements prepared at the time of this report.

Morgan Creek VI did not have first quarter 2024 statements prepared at the time of this report.

Aggressive Growth (continued)

Ocean Avenue II, trailed its benchmark over the quarter and 1-year periods by (9.0%) and (33.5%), respectively; however, it outperformed the benchmark over the 3-, 5- and 10-year periods by 12.7%, 6.3%, and 7.3%, respectively.

Ocean Avenue III, trailed its benchmark over the quarter and 1-year periods by (18.2%) and (22.8%), respectively; however, it outperformed the benchmark over the 3- and 5-year periods by 15.3% and 4.2%, respectively.

Ocean Avenue IV, underperformed its benchmark over the quarter and trailing 1-year periods by (6.3%) and (20.2%), respectively; however, it outperformed the benchmark over the 3-year period by 18.8%.

Ocean Avenue V, a new Private Equity vintage of the veteran manager in this portfolio, recently called capital and outperformed the benchmark over the most recent quarter by (6.3%).

Non-Core Real Assets outperformed its NCREIF ODCE +1% benchmark over the quarter, 1-, and 5-year periods by 1.9%, 5.5%, and 0.3%, respectively. That said, the manager underperformed the benchmark over the trailing 3- and 10-year periods by (0.1%) and (1.8%), respectively.

Ridgemont Equity Partners, a new Private Equity manager within the asset class that is undergoing capital calls, underperformed the benchmark over the quarter and trailing 1-year periods by (7.7%) and (14.8%), respectively.

Stellex Capital Partners II, a new Private Equity manager within the asset class that is undergoing capital calls, underperformed the benchmark over the quarter and trailing 1-year periods by (8.0%) and (15.4%), respectively.

Private Appreciation

Investment Activity Statement for Since Inception by Fund

Investment	Vintage Year	Original Inv. Commitment	Gross Contributions	Management Fees	Return of Capital	Distributions	Net Income	Unrealized Appreciation	Realized Gain	Ending Market Value
Bessemer Valley Forge	2022	50,000,000	7,051,627	601,099	-	-	(783,231)	(790)	-	6,267,606
Blackrock Global Energy & Power III	2019	50,000,000	47,330,881	3,700,574	1,425,739	11,644,626	3,207,222	4,503,044	2,260,692	44,231,474
Blackrock Global Infrastructure IV-D	2022	50,000,000	14,602,683	344,515	-	-	(1,177,854)	1,393,500	(2,074)	14,816,255
Lightspeed Venture Partners Select V	2021	40,000,000	20,800,000	1,420,000	-	-	(1,643,360)	58,315	-	19,314,955
Long Arc Capital I	2022	25,000,000	20,699,057	1,788,356	-	-	(408,468)	2,943,342	11,158	23,245,089
Morgan Creek III**	2015	10,000,000	9,900,000	732,233	2,325,492	717,761	(1,435,614)	(922,536)	350,074	4,848,671
Morgan Creek V**	2013	12,000,000	11,520,000	780,443	5,102,450	9,671,741	(1,752,099)	1,588,508	9,574,943	6,157,161
Morgan Creek VI**	2015	20,000,000	18,200,000	3,812,099	6,864,868	7,768,335	(1,350,583)	13,912,217	6,233,428	22,361,859
Ocean Avenue II*	2013	40,000,000	36,000,000	6,213,952	5,875,189	53,185,969	22,815,855	9,900,564	23,486,827	33,142,089
Ocean Avenue III	2016	50,000,000	46,500,000	7,588,242	25,500,000	32,250,000	11,552,094	21,481,438	28,398,580	50,182,111
Ocean Avenue IV	2019	50,000,000	47,500,000	4,850,333	3,250,000	27,495,923	797,984	16,500,701	21,936,923	55,989,686
Ocean Avenue V	2022	30,000,000	6,000,000	282,534	-	-	(460,687)	1,306,852	-	6,846,164
Ridgemont	2021	50,000,000	20,091,080	1,000,000	-	-	(648,723)	1,468,289	-	20,910,646
Stellex II	2020	50,000,000	34,256,739	2,741,743	-	2,498,826	(1,289,985)	4,688,479	1,564,934	36,721,341
Total			333,400,440	35,255,025	50,343,738	145,233,181	28,205,782	78,922,713	93,815,485	338,767,501

* Ocean II commitment started at $30 Mil in Q213 and increased to $40 Mil in Q114.

**Morgan Creek Q423 data not available at time of reporting. Summaries reflect Q323 values adjusted for Q423 cash flows.

Asset Class Performance Net-of-Fees | As of As of March 31, 2024

	Market Value $	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Traditional Growth	**1,752,222,489**	**100.0**	**8.1**	**24.2**	**7.7**	**9.8**	**7.8**
MSCI ACWI IMI Net			*7.7*	*22.5*	*6.3*	*11.1*	*9.0*
Northern Trust MSCI World	1,528,193,951	87.2	8.5	24.5	8.2	--	--
MSCI World IMI Index (Net)			*8.4*	*24.1*	*7.7*	--	--
PIMCO RAE Emerging Markets	97,678,138	5.6	4.5	23.3	6.5	8.0	6.0
MSCI Emerging Markets (Net)			*2.4*	*8.2*	*-5.1*	*2.2*	*2.9*
GQG Active Emerging Markets	80,672,712	4.6	11.0	39.4	4.3	--	--
MSCI Emerging Markets (Net)			*2.4*	*8.2*	*-5.1*	--	--
Invesco REIT	45,674,544	2.6	-1.7	5.2	2.1	2.6	6.0
FTSE NAREIT Equity REIT Index			*-0.2*	*10.5*	*4.1*	*4.1*	*6.6*

Market Values may not add up due to rounding.

Traditional Growth

During the latest three-month period ending March 31, 2024, the traditional growth asset class outperformed its MSCI ACWI IMI benchmark by 0.4% with three of the four managers outperforming their benchmarks.

Northern Trust MSCI World, the Plan's Passive Global Equity manager, slightly outperformed its benchmark over the past quarter by 0.1% and outperformed over the 1-year period by 0.5%. The fund has also outperformed over the trailing 3-year period by 0.5%.

PIMCO RAE Emerging Markets, one of SJCERA's Active Emerging Markets Equity managers, outperformed its MSCI Emerging Markets Index benchmark for the quarter, 1-, 3-, 5- and 10-year trailing time periods by 2.1%, 15.1%, 11.6%, 5.8% and 3.1%, respectively.

GQG Active Emerging Markets, outperformed its MSCI Emerging Markets benchmark over the quarter, 1-, and 3-year periods by 8.6%, 31.2%, and 9.4%, respectively.

Invesco REIT, the Plan's Core US REIT manager, underperformed the FTSE NAREIT Equity REIT Index for the quarter and trailing 1-, 3-, 5- and 10-year periods by (1.5%), (5.3%), (2.0%), (1.5%) and (0.6%), respectively.

Asset Class Performance Net-of-Fees | As of As of March 31, 2024

	Market Value $	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Stabilized Growth	**1,283,358,048**	**100.0**	**0.3**	**1.2**	**2.5**	**4.5**	**4.1**
SJCERA Stabilized Growth Benchmark			*0.8*	*6.5*	*5.2*	*5.3*	*5.4*
Risk Parity Asset Class	**390,638,480**	**30.4**	**2.3**	**3.0**	**-2.3**	**2.0**	**2.3**
ICE BofAML 3mo US TBill+4%			*2.3*	*9.4*	*6.7*	*6.1*	*5.4*
Bridgewater All Weather	206,001,285	16.1	2.2	5.7	0.5	3.1	3.6
Bridgewater All Weather (blend)			*2.3*	*9.4*	*6.7*	*6.1*	*5.4*
PanAgora Diversified Risk Multi Asset	184,637,195	14.4	2.5	0.2	-5.0	0.8	--
ICE BofAML 3mo US TBill+4%			*2.3*	*9.4*	*6.7*	*6.1*	--
Liquid Credit	**255,358,723**	**19.9**	**3.8**	**11.1**	**3.0**	**3.7**	**3.2**
50% BB US HY/50% S&P LSTA Lev Loan			*2.0*	*11.8*	*4.1*	*4.9*	*4.5*
Neuberger Berman	109,162,117	8.5	5.3	11.0	1.4	3.1	--
33% ICEBofAMLUSHY /33%JPMEMBI Global Div /33% S&P LSTALevLoan			*2.0*	*11.5*	*2.3*	*3.4*	--
Stone Harbor Absolute Return	146,196,606	11.4	2.7	11.1	4.2	4.1	3.3
ICE BofA-ML LIBOR			*1.3*	*5.4*	*2.6*	*2.2*	*1.6*
Private Credit Lag	**428,036,552**	**33.4**	**-0.2**	**1.5**	**4.1**	**3.2**	**3.1**
Credit Blend S&P/LSTA Lev Loan +3%			*3.6*	*16.7*	*12.1*	*10.4*	*9.5*
Ares Pathfinder Fund II, L.P.	4,788,956	0.4	--	--	--	--	--
Credit Blend S&P/LSTA Lev Loan +3%			--	--	--	--	--
Blackrock Direct Lending Lag	87,944,029	6.9	3.2	15.4	8.5	--	--
Credit Blend S&P/LSTA Lev Loan +3%			*3.6*	*16.7*	*12.1*	--	--
Crestline Opportunity II Lag	11,159,060	0.9	0.0	-6.5	-3.0	-3.4	2.1
Credit Blend S&P/LSTA Lev Loan +3%			*3.6*	*16.7*	*12.1*	*10.4*	*9.5*
Davidson Kempner Long-Term Distressed Opportunities Fund V, L.P. Lag	51,002,059	4.0	2.0	3.4	7.3	--	--
Credit Blend S&P/LSTA Lev Loan +3%			*3.6*	*16.7*	*12.1*	--	--

1 Market Values may not add up due to rounding.
2 30% ICE BofAML 3 month US T-Bill + 4%, 52% 50% BB High Yield/50% S&P Leverage Loans, 18% NCREIF ODCE +1% Lag.
3 Q423 data not available at the time of this report. Values reported reflect Q323 market value adjusted by Q423 cash flows.

Asset Class Performance Net-of-Fees | As of As of March 31, 2024

	Market Value $	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
HPS European Asset Value II, LP Lag	38,235,270	3.0	2.7	12.4	9.5	--	--
Credit Blend S&P/LSTA Lev Loan +3%			*3.6*	*16.7*	*12.1*	--	--
Medley Opportunity II Lag	606,826	0.0	0.0	0.5	-2.0	-7.5	-3.2
Credit Blend S&P/LSTA Lev Loan +3%			*3.6*	*16.7*	*12.1*	*10.4*	*9.5*
Mesa West IV Lag	28,617,926	2.2	-7.2	-24.1	-6.6	-1.2	--
Credit Blend S&P/LSTA Lev Loan +3%			*3.6*	*16.7*	*12.1*	*10.4*	--
Oaktree Middle-Market Direct Lending Lag	35,919,981	2.8	3.4	14.2	11.1	13.4	--
Credit Blend S&P/LSTA Lev Loan +3%			*3.6*	*16.7*	*12.1*	*10.4*	--
Silver Point Credit III Lag	19,327,349	1.5	5.4	--	--	--	--
Credit Blend S&P/LSTA Lev Loan +3%			*3.6*	--	--	--	--
Silver Rock Tactical Allocation Fund Lag	38,109,251	3.0	2.1	--	--	--	--
Credit Blend S&P/LSTA Lev Loan +3%			*3.6*	--	--	--	--
Raven Opportunity III Lag	45,746,425	3.6	-11.4	-19.7	-0.5	1.9	--
Credit Blend S&P/LSTA Lev Loan +3%			*3.6*	*16.7*	*12.1*	*10.4*	--
White Oak Summit Peer Lag	25,460,253	2.0	0.9	6.2	-1.4	1.3	--
Credit Blend S&P/LSTA Lev Loan +3%			*3.6*	*16.7*	*12.1*	*10.4*	--
White Oak Yield Spectrum Master V Lag	41,119,167	3.2	-1.3	0.2	0.3	--	--
Credit Blend S&P/LSTA Lev Loan +3%			*3.6*	*16.7*	*12.1*	--	--
Private Core Real Assets Lag	209,324,293	16.3	-5.9	-11.7	9.4	8.9	10.9
NCREIF ODCE +1% lag (blend)			*-4.8*	*-11.9*	*5.1*	*4.4*	*7.4*

Stabilized Growth

During the latest three-month period ending March 31, 2024, the Stabilized Growth sleeve of the Plan trailed its Stabilized Growth benchmark by 0.5%. That said, four of SJCERA's eighteen Stabilized Growth managers outperformed their benchmarks. Several managers in this asset class are in the process of investing capital and may underperform as assets are invested (typically known as the J-curve effect). Included in this group is private core real assets, which trailed its benchmark this quarter.

Bridgewater All Weather, one of the Plan's Risk Parity managers, underperformed the benchmark over the quarter, and trailing 1-, 3- , 5- and 10-year periods by (0.1%), (3.7%), (6.2%), (3.0%), and (1.8%), respectively.

PanAgora DRMA, one of the Plan's Risk Parity managers, outperformed its benchmark by 0.2% over the recent quarter. However, it trailed its benchmark over the 1-, 3-, and 5-year time periods by (9.2%), (11.7%), and (5.3%), respectively.

Neuberger Berman, one of the Plan's Liquid Credit managers, outperformed its benchmark for the quarter by 3.3%. However, the manager trailed the benchmark over the 1-, 3-, and 5-year time periods by (0.5%), (0.9%), and (0.3%), respectively.

Stone Harbor, the Plan's Absolute Return Fixed Income manager, outperformed the benchmark over the quarter, 1-, 3-, 5- and 10-year periods by 1.4%, 5.7%, 1.6%, 1.9%, and 1.7%, respectively.

BlackRock Direct Lending, one of the Plan's newer Private Credit managers, it trailed the benchmark over the quarter, 1-, and 3-year periods by (0.4%), (1.3%) and (3.6%), respectively.

Crestline Opportunity II, did not have the first quarter statement prepared at the time of this report.

Davidson Kempner, a Distressed Private Credit manager, trailed its benchmark over the quarter, 1- and 3-year periods by (1.6%), (13.3%) and (4.8%), respectively.

Stabilized Growth (continued)

HPS EU Value II, one of the Plan's newer Direct Lending managers, trailed its benchmark over the quarter, 1- and 3-year periods by (0.9%), (4.3%) and (2.6%), respectively.

Medley Opportunity II, lagged its benchmark over the quarter, 1-, 3-, 5- and 10-year time periods by (3.6%), (16.2%), (14.1%), (17.9%), and (12.5%) respectively.

Mesa West RE Income IV, one of the Plan's Commercial Mortgage managers, trailed the benchmark by (10.8%), (40.8%), (18.7%) and (11.6%) over the quarter, 1-, 3- and 5-year periods, respectively.

Oaktree, a Middle-Market Direct Lending manager, trailed its benchmark over the quarter by (0.2%) and outperformed over the 5-year period by 3.0%. However, it trailed the benchmark over the 1- and 3-year periods by (2.5%) and (1.0%), respectively.

Silver Point Credit III is a new addition to the private credit allocation which recently called capital and outperformed the benchmark by 1.8% over the most recent quarter.

Silver Rock Tactical Allocation Fund is a new addition to the private credit allocation which recently called capital and trailed the benchmark by (1.5%) over the most recent quarter.

Raven Opportunity III underperformed its target for the quarter, 1-, 3-, and 5-year periods by (15.0%), (36.4%), (12.6%), and (4.7%), respectively.

White Oak Summit Peer, one of the Plan's Direct Lending managers, underperformed its index over the trailing quarter, 1-, 3- and 5-year time periods by (2.7%), (10.5%), (13.5%) and (8.5%), respectively.

White Oak Yield Spectrum Master V underperformed its benchmark over the quarter, 1- and 3-year periods by (4.9%), (16.5%), and (11.8%).

Private Core Real Assets, trailed its target over the most recent quarter by (1.1%); however, it exceeded the benchmark over the 1-, 3-, 5- and 10-year time periods by 0.2%, 4.3%, 4.5%, and 3.5%, respectively.

	Market Value $	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Principal Protection	**304,056,777**	**100.0**	**-0.5**	**3.6**	**-0.7**	**0.9**	**2.4**
Blmbg. U.S. Aggregate Index			*-0.8*	*1.7*	*-2.5*	*0.4*	*1.5*
Dodge & Cox Fixed Income	209,010,790	68.7	-0.4	4.4	-0.7	2.0	2.8
Blmbg. U.S. Aggregate Index			*-0.8*	*1.7*	*-2.5*	*0.4*	*1.5*
Loomis Sayles	95,045,986	31.3	-0.6	1.8	--	--	--
Blmbg. U.S. Aggregate Index			*-0.8*	*1.7*	--	--	--

1 Market Values may not add up due to rounding.

Principal Protection

During the latest three-month period ending March 31, 2024, both of SJCERA's Principal Protection managers outperformed the Bloomberg US Aggregate Index benchmark. The asset class, as a whole, outperformed the benchmark by 30 basis points for the quarter and 1.9% over the trailing 1-year period.

Dodge & Cox, the Plan's Core Fixed Income manager, outperformed the US Agg by 0.4% over the final quarter of the year. It also led its benchmark by 2.7%, 1.8%, 1.6% and 1.3% for the trailing 1-, 3-, 5- and 10-year periods, respectively.

Loomis Sayles, the Plan's newest Principal Protection manager, was funded in Q1 2022 and returned -0.6% in Q1 of 2024, outperforming the US Agg over the quarter by 0.2%. The Manager has outperformed the benchmark over the trailing 1-year period by 0.1%.

	Market Value $	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Crisis Risk Offset Asset Class	**498,407,250**	**100.0**	**7.6**	**7.4**	**5.5**	**4.1**	**5.1**
CRO Benchmark			*2.1*	*3.3*	*2.3*	*3.7*	*3.7*
Long Duration	**112,931,484**	**22.7**	**-2.7**	**-5.5**	**-7.5**	**-2.6**	**--**
Blmbg. U.S. Treasury: Long			*-3.3*	*-6.1*	*-8.0*	*-2.8*	*--*
Dodge & Cox Long Duration	112,931,484	22.7	-2.7	-5.5	-7.5	-2.6	--
Blmbg. U.S. Treasury: Long			*-3.3*	*-6.1*	*-8.0*	*-2.8*	*--*
Systematic Trend Following	**244,349,717**	**49.0**	**8.8**	**6.9**	**10.2**	**9.3**	**10.3**
BTOP 50 (blend)			*8.7*	*10.4*	*9.4*	*8.1*	*4.2*
Graham Tactical Trend	123,363,313	24.8	17.1	11.1	10.8	10.4	--
SG Trend			*12.3*	*16.1*	*12.9*	*11.0*	*--*
Mount Lucas	120,986,404	24.3	1.5	2.9	9.6	8.2	9.0
BTOP 50 (blend)			*8.7*	*10.4*	*9.4*	*8.1*	*4.2*
Alternative Risk Premium	**141,126,049**	**28.3**	**15.2**	**21.4**	**11.0**	**2.8**	**3.3**
5% Annual (blend)			*1.2*	*5.0*	*5.0*	*5.0*	*6.2*
AQR Style Premia	75,962,515	15.2	21.5	39.3	22.4	8.4	--
5% Annual			*1.2*	*5.0*	*5.0*	*5.0*	*--*
P/E Diversified Global Macro	65,163,534	13.1	8.7	5.7	10.3	0.5	--
5% Annual			*1.2*	*5.0*	*5.0*	*5.0*	*--*

1 Market Values may not add up due to rounding.
2 (1/3) BB Long Duration Treasuries, (1/3) BTOP50 Index, (1/3) 5% Annual.

Crisis Risk Offset

During the latest three-month period ending March 31, 2024, the Crisis Risk Offset sleeve outperformed the benchmark by 5.5%.

Dodge & Cox Long Duration outperformed the Bloomberg US Long Duration Treasuries benchmark by 0.6% over the most recent quarter. The manager also outperformed the benchmark over the 1-, 3- and 5-year periods by 0.6%, 0.5%, and 0.2% respectively.

Graham Tactical Trend, one of the Plan's Systematic Trend Following managers, outperformed the SG Trend Index for the quarter by 4.8%; however, it trailed the benchmark over the 1-, 3-, and 5-year periods by (5.0%), (2.1%), and (0.6%), respectively.

Mount Lucas, one of the Plan's Systematic Trend Following managers, underperformed the Barclays BTOP 50 Index over the quarter and 1-year periods by (7.2%) and (7.5%), respectively. That said, it outperformed the benchmark over the 3-, 5- and 10-year periods by 0.2%, 0.1%, and 4.8%, respectively.

AQR, one of the Plan's Alternative Risk Premium managers, outperformed its 5% Annual target for the quarter, trailing 1-,3- and 5-year periods by 20.3%, 34.3, 17.4, and 3.4%, respectively.

P/E Diversified, one of the Plan's Alternative Risk Premium managers, outperformed its 5% Annual target for the quarter, 1-, and 3-year periods by 7.5%, 0.7%, and 5.3%, respectively. However, the manager underperformed the benchmark over the 5-year period by (4.5%).

Benchmark History

From Date	To Date	Benchmark
SJCERA Total Plan		
09/01/2023	Present	8.0% Blmbg. U.S. Aggregate Index, 34.0% MSCI AC World IMI Index (Net), 16.0% 50% BB US HY/50% S&P LSTA Lev Loan, 12.0% MSCI ACWI +2% Lag, 7.0% NCREIF ODCE +1% lag (blend), 9.0% ICE BofAML 3mo US TBill+4%, 14.0% CRO Benchmark
04/01/2023	09/01/2023	9.0% Blmbg. U.S. Aggregate Index, 33.0% MSCI AC World IMI Index (Net), 16.0% 50% BB US HY/50% S&P LSTA Lev Loan, 10.0% MSCI ACWI +2% Lag, 7.0% NCREIF ODCE +1% lag (blend), 10.0% ICE BofAML 3mo US TBill+4%, 15.0% CRO Benchmark
08/01/2022	04/01/2023	9.0% Blmbg. U.S. Aggregate Index, 33.0% MSCI AC World IMI Index (Net), 16.0% 50% BB US HY/50% S&P LSTA Lev Loan, 10.0% MSCI ACWI +2% Lag, 7.0% NCREIF ODCE +1% lag (blend), 10.0% ICE BofAML 3mo US TBill+4%, 15.0% CRO Benchmark
04/01/2020	08/01/2022	10.0% Blmbg. U.S. Aggregate Index, 32.0% MSCI AC World IMI Index (Net), 17.0% 50% BB US HY/50% S&P LSTA Lev Loan, 10.0% MSCI ACWI +2% Lag, 6.0% NCREIF ODCE +1% lag (blend), 10.0% ICE BofAML 3mo US TBill+4%, 15.0% CRO Benchmark
01/01/2016	04/01/2020	16.0% Blmbg. U.S. Aggregate Index, 37.0% MSCI AC World Index, 2.0% ICE BofA 3 Month U.S. T-Bill, 15.0% 50% BB US HY/50% S&P LSTA Lev Loan, 10.0% MSCI ACWI +2% Lag, 14.0% ICE BofAML 3mo US TBill+4%, 6.0% CRO Benchmark
01/01/1988	01/01/2016	100.0% SJCERA Policy Benchmark
Aggressive Growth Lag		
01/01/2021	Present	50.0% MSCI ACWI +2% Lag, 50.0% NCREIF ODCE +1% lag (blend)
01/01/1990	01/01/2021	100.0% MSCI ACWI +2% Blend
Stabilized Growth		
01/01/2010	Present	52.0% 50% BB US HY/50% S&P LSTA Lev Loan, 18.0% NCREIF ODCE +1% lag (blend), 30.0% ICE BofAML 3mo US TBill+4%
Crisis Risk Offset Asset Class		
01/01/1987	Present	33.3% Barclay BTOP 50, 33.3% Blmbg. U.S. Treasury: Long, 33.4% 5% Annual

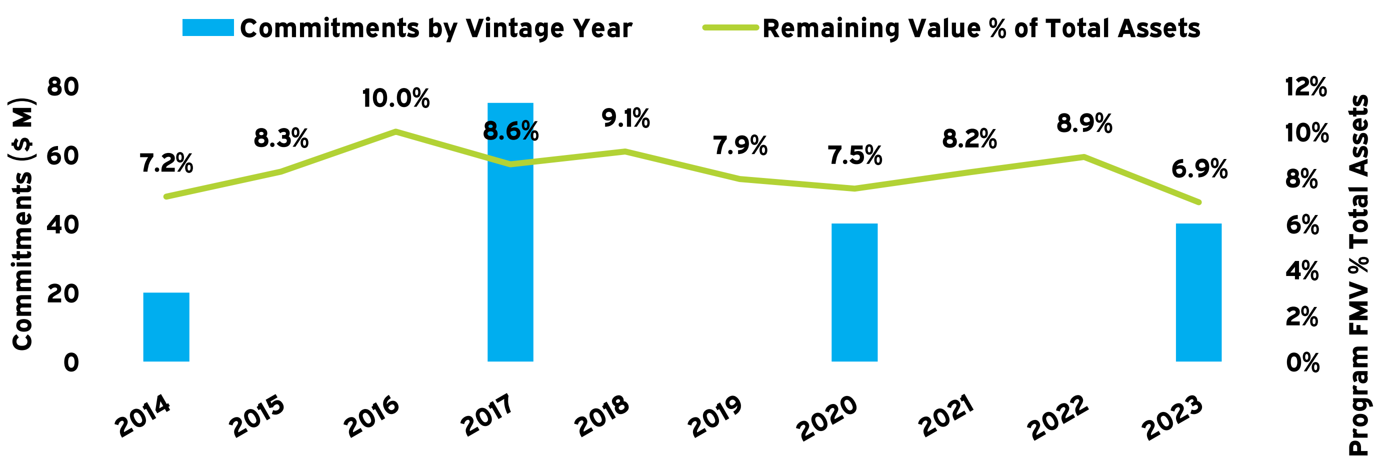
Real Estate Program

December 31, 2023

Table of Contents | As of December 31, 2023

Introduction

The Retirement Association's target allocation towards real estate assets is 17%. As of December 31, 2023, the Retirement Association had invested with 20 real estate managers (four private open-end and sixteen private closed-end). The aggregate reported value of the Retirement Association's real estate investments was $290.3 million at quarter-end.



Program Status

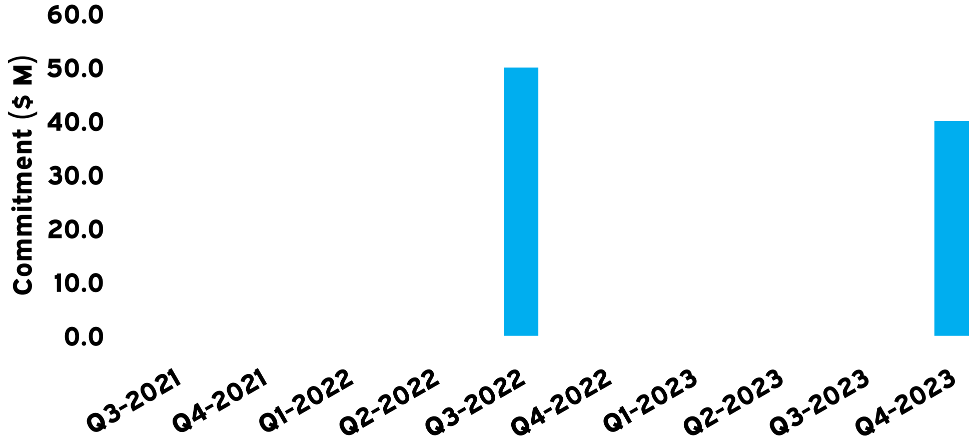
No. of Investments	20
Committed ($ M)	591.6
Contributed ($ M)	469.3
Distributed ($ M)	410.6
Remaining Value ($ M)	290.3

Performance Since Inception

	Program
DPI	0.87x
TVPI	1.49x
IRR	6.8%

Commitments

Recent Quarterly Commitments

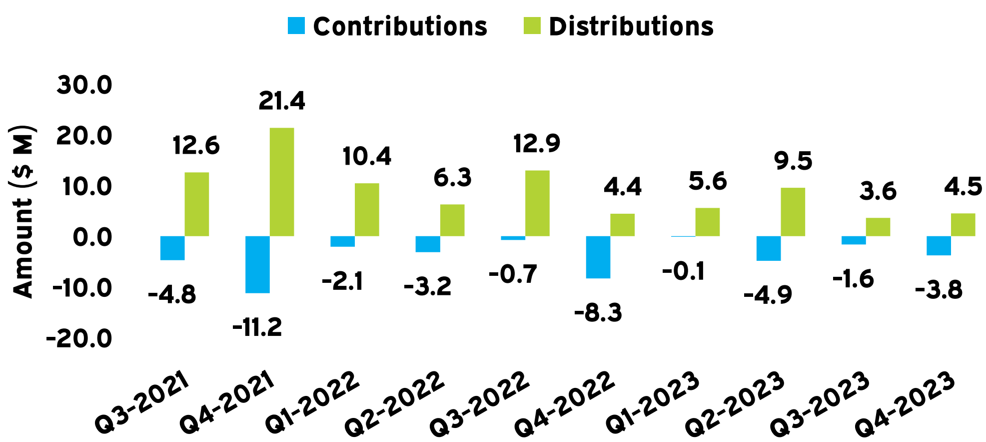


Commitments This Quarter

Fund	Strategy	Region	Amount (MM)
Berkeley VI	Value-Added	North America	40.00

Cash Flows

Recent Quarterly Cash Flows



Largest Contributions This Quarter

Fund	Vintage	Strategy	Region	Amount ($MM)
Berkeley V	2020	Value-Added	North America	3.08
AEW EHF	2023	Core	North America	0.60
Prologis Logistics	2004	Core	North America	0.14

Largest Distributions This Quarter

Fund	Vintage	Strategy	Region	Amount ($MM)
Greenfield VIII	2017	Opportunistic	North America	3.07
Berkeley V	2020	Value-Added	North America	0.46
RREEF America II	2002	Core	North America	0.43

Significant Events

→ During the second quarter, DWS RREEF II acquired a 67,000 square foot, 514-unit self-storage asset located in Charlotte, NC, for a price of approximately $15 million. Additionally, during the quarter the fund sold a 435-unit residential asset located near Minneapolis, MN for a price of $89 million.

→ During the fourth quarter, Prologis USLF acquired three assets for a combined total of $224.6 million.

→ During the quarter Berkley Fund V sold two investments. Two assets located in Denver, CO were sold for $17.5 million. The sale produced a 20.9% IRR and a 1.58x equity multiple, gross at the property level. The fund also sold a parcel of undeveloped land in Fife, WA, for $1.275 million. The investment produced a -6.7% IRR and a 0.95x equity multiple, gross at the property level.

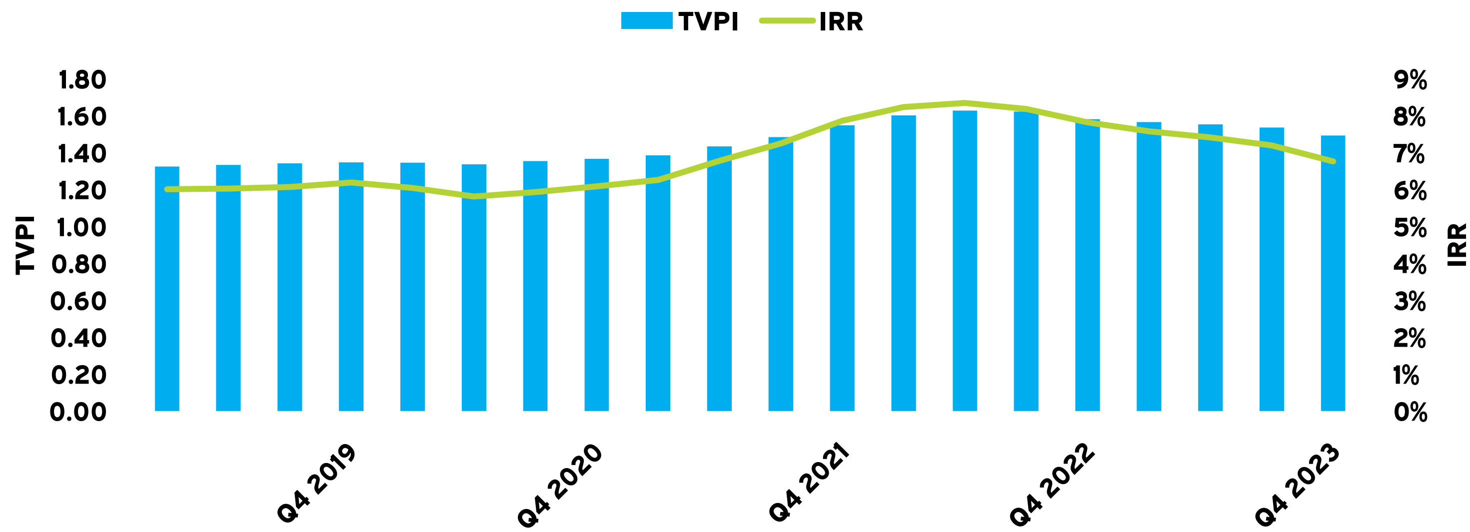
By Strategy

Group	Number	Committed ($ MM)	Contributed ($ MM)	Unfunded ($ MM)	Distributed ($ MM)	Remaining Value ($ MM)	Exposure ($ MM)	DPI (X)	TVPI (X)	IRR (%)
Core	4	170.5	130.3	49.4	37.4	206.2	255.6	0.29	1.87	7.0
Opportunistic	9	204.1	183.7	21.8	229.4	20.9	42.7	1.25	1.36	5.8
Value-Added	7	217.0	155.2	66.9	143.8	63.2	130.1	0.93	1.33	8.6
Total	**20**	**591.6**	**469.3**	**138.1**	**410.6**	**290.3**	**428.4**	**0.87**	**1.49**	**6.8**

By Vintage

Group	Number	Committed ($ MM)	Contributed ($ MM)	Unfunded ($ MM)	Distributed ($ MM)	Remaining Value ($ MM)	Exposure ($ MM)	DPI (X)	TVPI (X)	IRR (%)
Open-end Fund	4	170.5	130.3	49.4	37.4	206.2	255.6	0.29	1.87	7.0
2005	1	15.0	14.5	0.5	17.6	0.0	0.5	1.21	1.21	3.4
2006	1	30.0	30.0	0.0	20.8	0.6	0.6	0.69	0.71	-3.6
2007	4	96.0	84.0	12.0	116.5	6.2	18.2	1.39	1.46	7.4
2011	2	50.0	38.3	11.7	47.4	3.2	14.9	1.24	1.32	9.0
2012	2	36.0	33.9	2.9	49.0	0.0	2.9	1.45	1.45	12.5
2013	1	19.1	18.3	0.8	30.6	1.2	2.0	1.68	1.74	13.3
2014	1	20.0	19.0	1.8	15.0	6.9	8.6	0.79	1.15	3.2
2017	2	75.0	67.1	9.3	69.5	31.7	41.0	1.04	1.51	16.1
2020	1	40.0	34.0	9.7	6.9	33.4	43.1	0.20	1.19	10.8
2023	1	40.0	0.0	40.0	0.0	0.9	40.9	0.00	NM	NM
Total	**20**	**591.6**	**469.3**	**138.1**	**410.6**	**290.3**	**428.4**	**0.87**	**1.49**	**6.8**

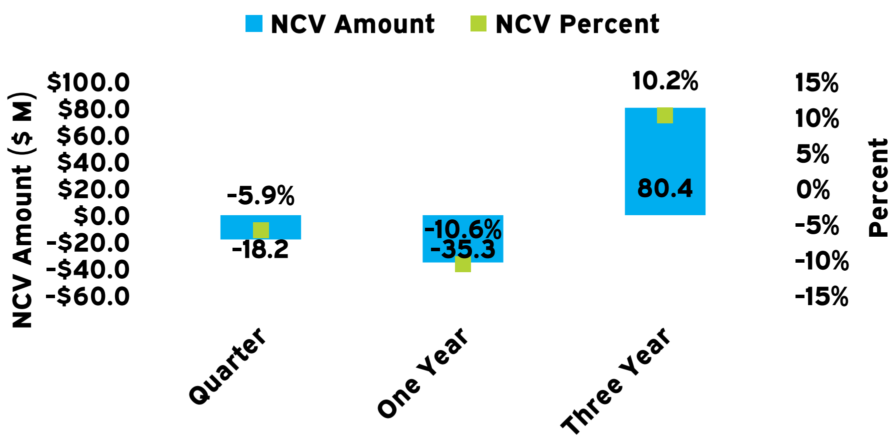
Since Inception Performance Over Time



Horizon IRRs

	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Aggregate Portfolio	-10.7	10.3	8.5	9.3	6.8
Public Market Equivalent	8.5	2.7	1.9	2.4	2.6

Periodic NCV



1 Quarter Drivers Of NCV

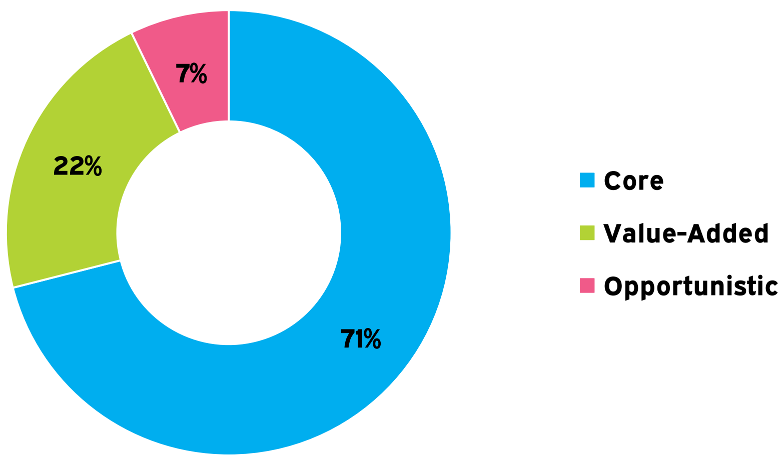
Fund Performance: Sorted By Vintage And Strategy

By Investment	Vintage	Strategy	Committed ($ M)	Contributed ($ M)	Unfunded ($ M)	Distributed ($ M)	Remaining Value ($ M)	TVPI (X)	Peer TVPI (X)	IRR (%)	Peer IRR (%)
AEW EHF		Core	50.0	0.6	49.4	0.0	0.6	0.98	NM	NM	NM
Principal US		Core	25.0	25.0	0.0	0.0	39.0	1.56	NM	5.7	NM
Prologis Logistics		Core	50.5	59.7	0.0	25.7	114.9	2.35	NM	7.7	NM
RREEF America II		Core	45.0	45.0	0.0	11.7	51.7	1.41	NM	5.2	NM
Miller GLobal Fund V	2005	Opportunistic	15.0	14.5	0.5	17.6	0.0	1.21	NM	3.4	NM
Walton Street V	2006	Opportunistic	30.0	30.0	0.0	20.8	0.6	0.71	NM	-3.6	NM
Greenfield V	2007	Opportunistic	30.0	29.6	0.4	40.7	0.0	1.38	NM	8.3	NM
Miller Global VI	2007	Opportunistic	30.0	21.1	8.9	33.4	0.0	1.58	NM	7.7	NM
Walton Street VI	2007	Opportunistic	15.0	13.3	1.7	15.5	6.2	1.63	NM	8.1	NM
Colony Realty III	2007	Value-Added	21.0	20.0	1.0	26.9	0.0	1.35	NM	5.3	NM
Greenfield VI	2011	Opportunistic	20.0	19.2	0.8	26.2	0.0	1.37	NM	9.6	NM
Almanac Realty VI	2011	Value-Added	30.0	19.1	10.9	21.2	3.2	1.28	NM	8.2	NM
Miller Global VII	2012	Opportunistic	15.0	12.1	2.9	16.1	0.0	1.33	NM	14.4	NM
Colony Realty IV	2012	Value-Added	21.0	21.7	0.0	32.9	0.0	1.51	NM	11.9	NM
Greenfield VII	2013	Opportunistic	19.1	18.3	0.8	30.6	1.2	1.74	NM	13.3	NM
AG Core Plus IV	2014	Value-Added	20.0	19.0	1.8	15.0	6.9	1.15	NM	3.2	NM
Greenfield VIII	2017	Opportunistic	30.0	25.7	5.7	28.6	12.9	1.61	NM	20.3	NM

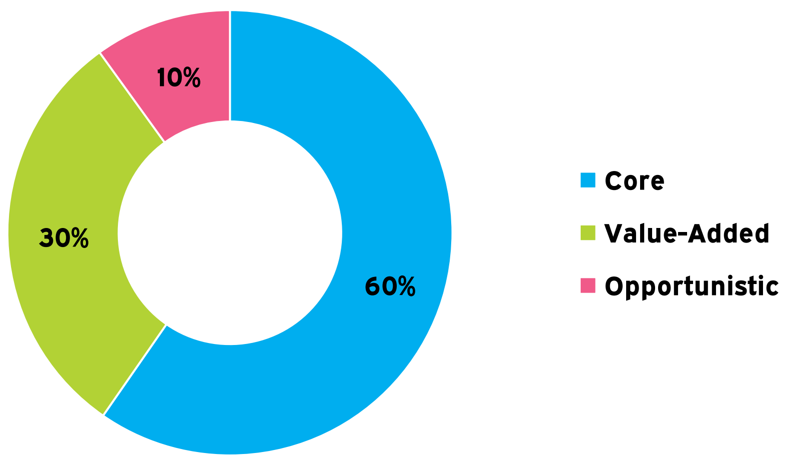
By Investment	Vintage	Strategy	Committed ($ M)	Contributed ($ M)	Unfunded ($ M)	Distributed ($ M)	Remaining Value ($ M)	TVPI (X)	Peer TVPI (X)	IRR (%)	Peer IRR (%)
Stockbridge RE III	2017	Value-Added	45.0	41.4	3.6	40.9	18.7	1.44	NM	13.6	NM
Berkeley V	2020	Value-Added	40.0	34.0	9.7	6.9	33.4	1.19	NM	10.8	NM
Berkeley VI	2023	Value-Added	40.0	0.0	40.0	0.0	0.9	NM	NM	NM	NM
Total			**591.6**	**469.3**	**138.1**	**410.6**	**290.3**	**1.49**	**NM**	**6.8**	**NM**

By Strategy

Percent of FMV

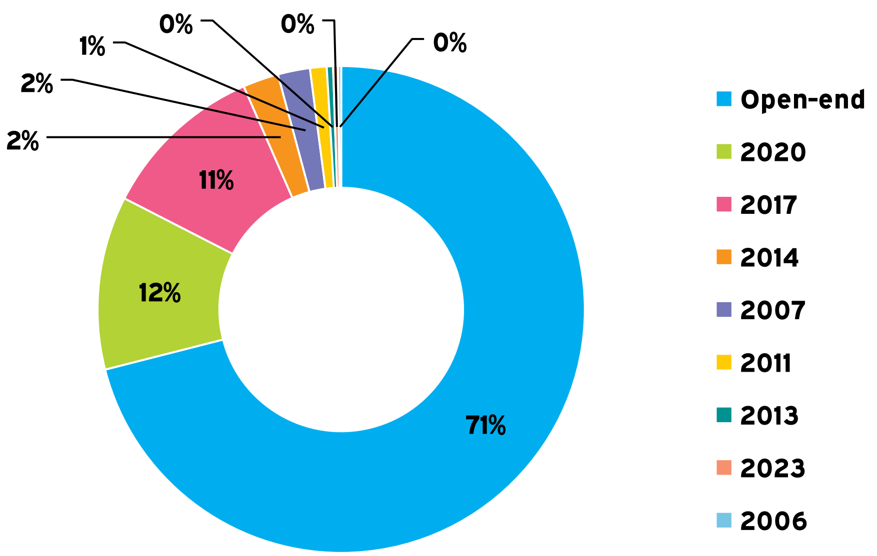


Percent of Exposure

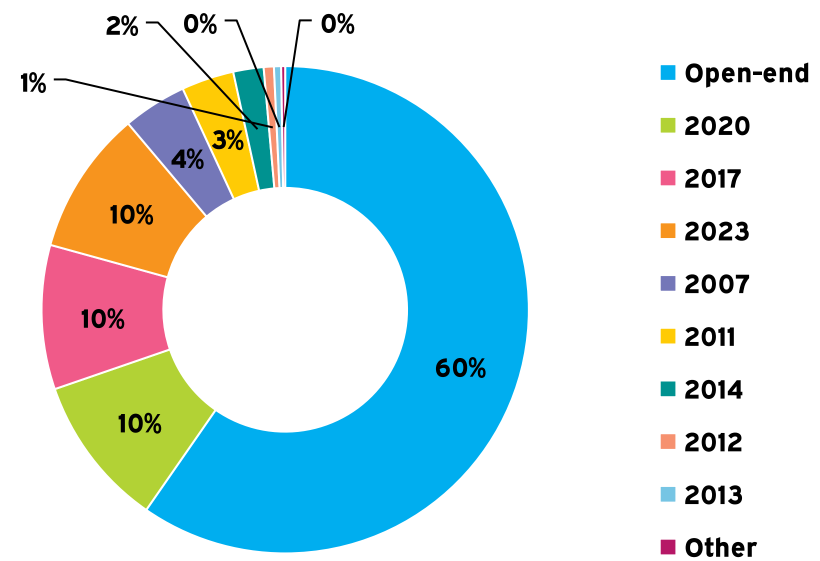


By Vintage

Percent of FMV

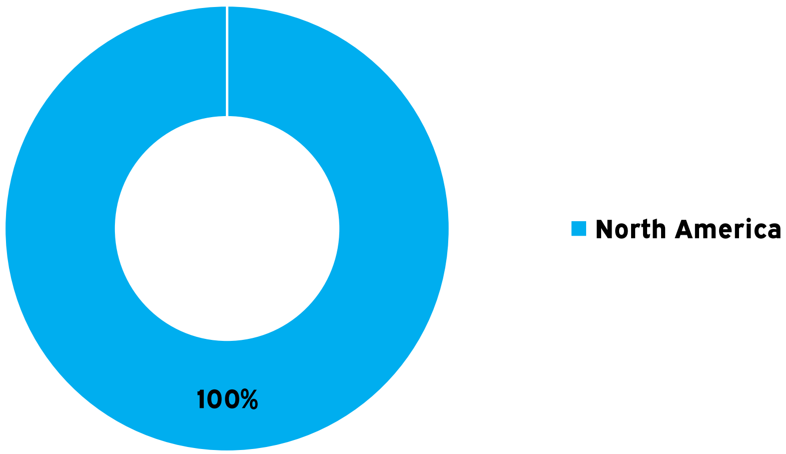


Percent of Exposure

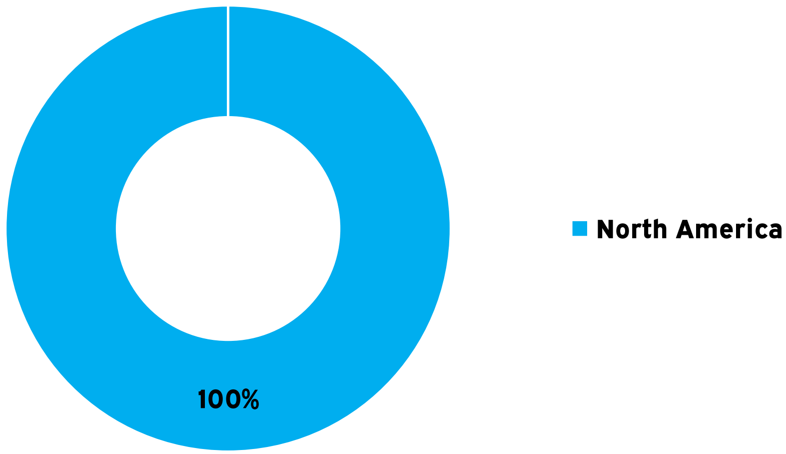


By Geographic Focus

Percent of FMV



Percent of Exposure



Below are details on specific terminology and calculation methodologies used throughout this report:

Committed	The original commitment amount made to a given fund. Some funds may be denominated in non-USD currencies, and such commitment amounts represent the sum of fund contributions translated to USD at their daily conversion rates plus the unfunded balance translated at the rate as of the date of this report.
Contributed	The amount of capital called by a fund manager against the commitment amount. Contributions may be used for new or follow-on investments, fees, and expenses, as outlined in each fund's limited partnership agreement. Some capital distributions from funds may reduce contributed capital balances. Some funds may be denominated in non-USD currencies, and such aggregate contributions represent the sum of each fund contribution translated to USD at its daily conversion rate.
Distributed	The amount of capital returned from a fund manager for returns of invested capital, profits, interest, and other investment related income. Some distributions may be subject to re-investment, as outlined in each fund's limited partnership agreement. Some funds may be denominated in non-USD currencies, and such aggregate distributions represent the sum of each fund distribution translated to USD at its daily conversion rate.
DPI	Acronym for "Distributed-to-Paid-In", which is a performance measurement for Private Market investments. The performance calculation equals Distributed divided by Contributed. DPIs for funds and groupings of funds are net of all fund fees and expenses as reported to by fund managers to Meketa.
Exposure	Represents the sum of the investor's Unfunded and Remaining Value.
IRR	Acronym for "Internal Rate of Return", which is a performance measurement for Private Market investments. IRRs are calculated by Meketa based on daily cash flows and Remaining Values as of the date of this report. IRRs for funds and groupings of funds are net of all fund fees and expenses as reported by fund managers to Meketa.
NCV	Acronym for "Net Change in Value", which is a performance measurement for Private Market investments. The performance calculation equals the appreciation or depreciation over a time period neutralized for the impact of cash flows that occurred during the time period.
NM	Acronym for "Not Meaningful", which indicates that a performance calculation is based on data over too short a timeframe to yet be meaningful or not yet possible due to inadequate data. Meketa begins reporting IRR calculations for investments once they have reached more than two years since first capital call. NM is also used within this report in uncommon cases where the manager has reported a negative Remaining Value for an investment.

Peer Universe	The performance for a set of comparable private market funds. The peer returns used in this report are provided by Thomson ONE, based on data from Cambridge Associates as of the date of this report. Program-level peer universe performance represents the pooled return for a set of funds of corresponding vintages and strategies across all regions globally. Fund-level peer performance represents the median return for a set of funds of the same vintage and the program's set of corresponding strategies across all regions globally. Data sets that include less than five funds display performance as "NM". Meketa utilizes the following Thomson ONE strategies for peer universes: Infrastructure: Infrastructure Natural Resources: Private Equity Energy, Upstream Energy & Royalties, and Timber Private Debt: Subordinated Capital, Credit Opportunities, Senior Debt, and Control-Oriented Distressed Private Equity (including Private Debt): Venture Capital, Growth Equity, Buyout, Subordinated Capital, Credit Opportunities, Senior Debt, and Control-Oriented Distressed Private Equity (excluding Private Debt): Venture Capital, Growth Equity, and Buyout Real Assets (excluding Real Estate): Infrastructure, Private Equity Energy, Upstream Energy & Royalties, and Timber Real Assets (including Real Estate): Infrastructure, Private Equity Energy, Upstream Energy & Royalties, Timber, and Real Estate Real Estate: Real Estate
Public Market Equivalent ("PME")	A calculation methodology that seeks to compare the performance of a portfolio of private market investments with public market indices. The figures presented in this report are based on the PME+ framework, which represents a net IRR value based on the actual timing and size of the private market program's daily cash flows and the daily appreciation or depreciation of an equivalent public market index. Meketa utilizes the following indices for private market program PME+ calculations: Infrastructure: Dow Jones Brookfield Global Infrastructure Index Natural Resources: S&P Global Natural Resources Index Private Debt: Meryl Lynch High Yield Master II Bond Index Private Equity: MSCI ACWI Investable Market Index Real Assets (excluding Real Estate): Equal blend of Dow Jones Brookfield Global Infrastructure Index and S&P Global Natural Resources Index

	Real Assets (including Real Estate): Equal blend of Dow Jones Brookfield Global Infrastructure Index, S&P Global Natural Resources Index, and Dow Jones U.S. Select Real Estate Securities Index Real Estate: Dow Jones U.S. Select Real Estate Securities Index
Remaining Value	The investor's value as reported by a fund manager on the investor's capital account statement. All investor values in this report are as of the date of this report, unless otherwise noted. Some funds may be denominated in non-USD currencies, and such remaining values represent the fund's local currency value translated to USD at the rate as of the date of this report.
TVPI	Acronym for "Total Value-to-Paid-In", which is a performance measurement for Private Market investments. The performance calculations represents Distributed plus Remaining Value, then divided by Contributed. TVPIs for funds and groupings of funds are net of all fund fees and expenses as reported to by fund managers to Meketa.
Unfunded	The remaining balance of capital that a fund manager has yet to call against a commitment amount. Meketa updates unfunded balances for funds to reflect all information provided by fund managers provided in their cash flow notices. Some funds may be denominated in non-USD currencies, and such unfunded balances represent the fund's local currency unfunded balance translated to USD at the rate as of the date of this report.

Economic and Market Update

Data as of March 31, 2024

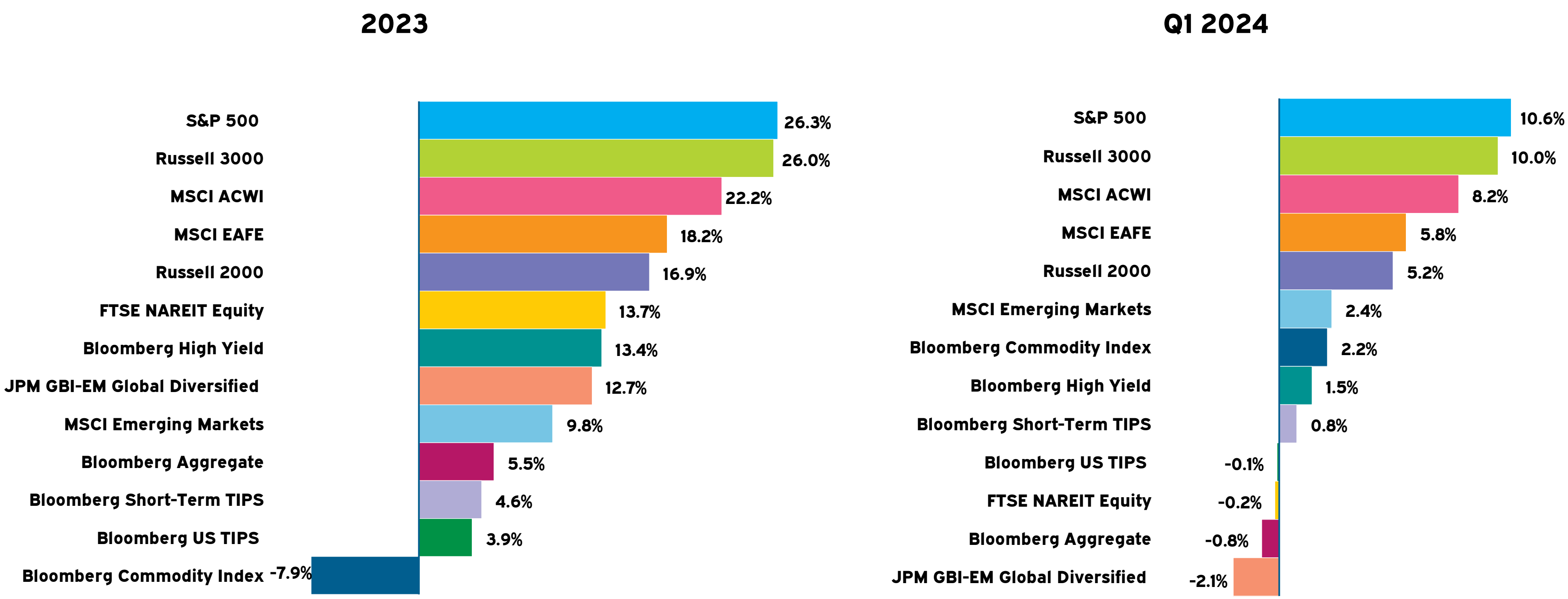
Commentary

→ Resilient economic data drove global equities higher and pushed out the timing of the expected first Fed rate cut, weighing on bonds.

- Major central banks have largely paused interest rate hikes with expectations that many will still cut rates, but the uneven pace of falling inflation and economic growth could desynchronize the pace of rate cuts.
- In general, inflation pressures have eased in most countries from their pandemic peaks, but some uncertainty remains and levels are still above most central bank targets. Headline inflation in the US rose in March (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%. Notably, prices in China were up only slightly in March, as the impacts of the recent holiday faded.
- US equity markets (Russell 3000 index) rose 10.0% in the first quarter after a very strong 2023 (+26.0%). The technology sector continued to perform well, with energy gaining on geopolitical tensions.
- Non-US developed equity markets 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 4.2% higher (10.0% versus 5.8%).
- Emerging market equities (+2.4%) had the weakest equity returns, depressed by China (-2.2%). While policy efforts to support mainland stock prices helped to stabilize Chinese equities, recent efforts by the US to discourage investments in China weighed on results. The stronger dollar also hurt performance in emerging markets for US investors with returns in local currency terms 2.1% higher.
- Rising interest rates weighed on bonds with the broad US bond market declining 0.8% for the quarter.

→ Looking to the rest of this year, the paths of inflation and monetary policy, China's economic disorder and slowing economic growth, the many looming elections, and the wars in Ukraine and Israel will be key.

Index Returns[1]



→ In the first quarter, global equity markets continued their strong performance from 2023 with the US leading the way.

→ Resilient economic data weighed on bond markets domestically and dashed hopes of a near-term cut in interest rates.

[1] Source: Bloomberg. Data is as of March 31, 2024.

Domestic Equity Returns[1]

Domestic Equity	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	3.2	10.6	29.9	11.5	15.1	13.0
Russell 3000	3.2	10.0	29.3	9.8	14.3	12.3
Russell 1000	3.2	10.3	29.9	10.5	14.8	12.7
Russell 1000 Growth	1.8	11.4	39.0	12.5	18.5	16.0
Russell 1000 Value	5.0	9.0	20.3	8.1	10.3	9.0
Russell MidCap	4.3	8.6	22.3	6.1	11.1	9.9
Russell MidCap Growth	2.4	9.5	26.3	4.6	11.8	11.4
Russell MidCap Value	5.2	8.2	20.4	6.8	9.9	8.6
Russell 2000	3.6	5.2	19.7	-0.1	8.1	7.6
Russell 2000 Growth	2.8	7.6	20.3	-2.7	7.4	7.9
Russell 2000 Value	4.4	2.9	18.8	2.2	8.2	6.9

US Equities: The Russell 3000 increased an impressive 10.0% in the first quarter of the year.

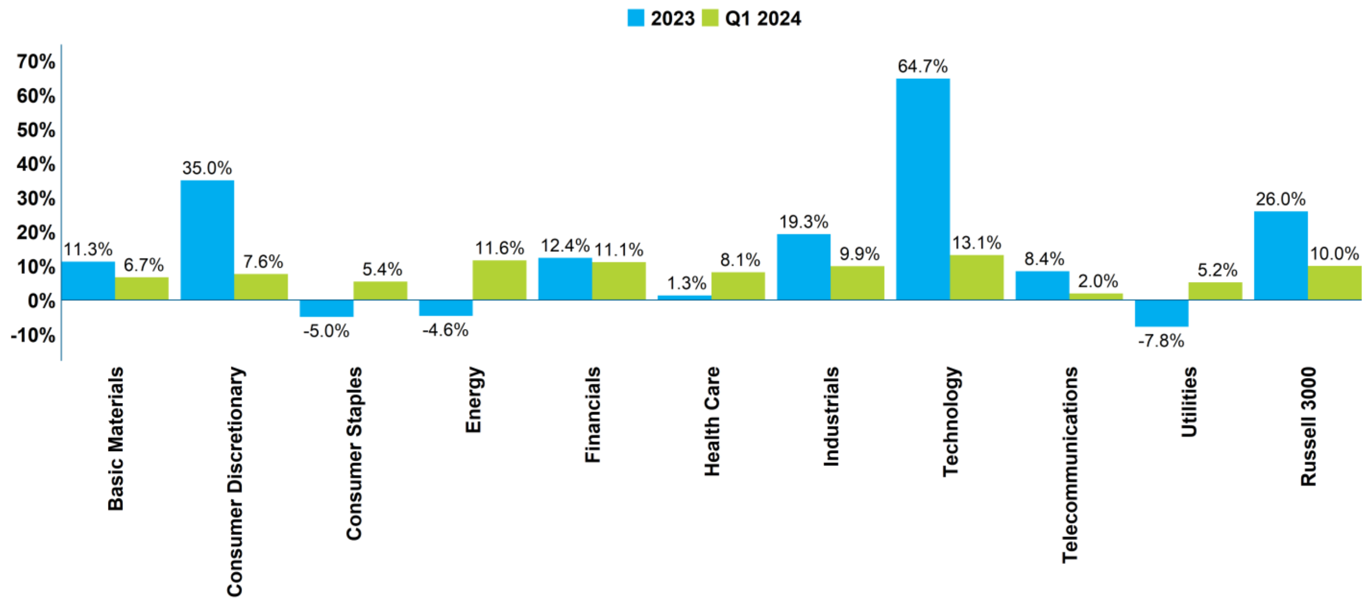
→ US equities continued their ascent after a strong finish to 2023. The gains were driven by strong economic data and corporate earnings, despite signs of interest rates remaining higher for longer.

→ Growth stocks outperformed value stocks across the market cap spectrum. Technology stocks continued to be a key driver of results, with NVIDIA and Microsoft alone contributing nearly 30% of the quarter's gains.

→ Large cap stocks produced almost double the return of their small cap peers during the first quarter. The underperformance of small cap financials contributed to this dynamic as fear of further turmoil for regional banks resurfaced.

[1] Source: Bloomberg. Data is as of March 31, 2024.

Russell 3000 Sector Returns[1]



→ All sectors posted positive returns in the first quarter. The technology sector (13.1%) continued to lead the way due to the influence of the so-called "Magnificent Seven".

→ Technology was followed by energy (11.6%) and financials (11.1%), driven respectively by increased geopolitical tensions and the strong economic environment. Traditionally defensive sectors like consumer staples (5.4%) and utilities (5.2%) joined the rally but trailed other sectors.

[1] Source: Bloomberg. Data is as of March 31, 2024.

Foreign Equity Returns[1]

Foreign Equity	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	3.1	4.7	13.3	1.9	6.0	4.3
MSCI EAFE	3.3	5.8	15.3	4.8	7.3	4.8
MSCI EAFE (Local Currency)	4.0	10.0	18.8	9.4	9.4	7.7
MSCI EAFE Small Cap	3.7	2.4	10.4	-1.4	4.9	4.7
MSCI Emerging Markets	2.5	2.4	8.2	-5.1	2.2	2.9
MSCI Emerging Markets (Local Currency)	3.0	4.5	10.6	-2.4	4.4	5.7
MSCI EM ex. China	3.0	4.0	20.5	2.2	6.4	4.2
MSCI China	0.9	-2.2	-17.1	-18.9	-6.3	1.2

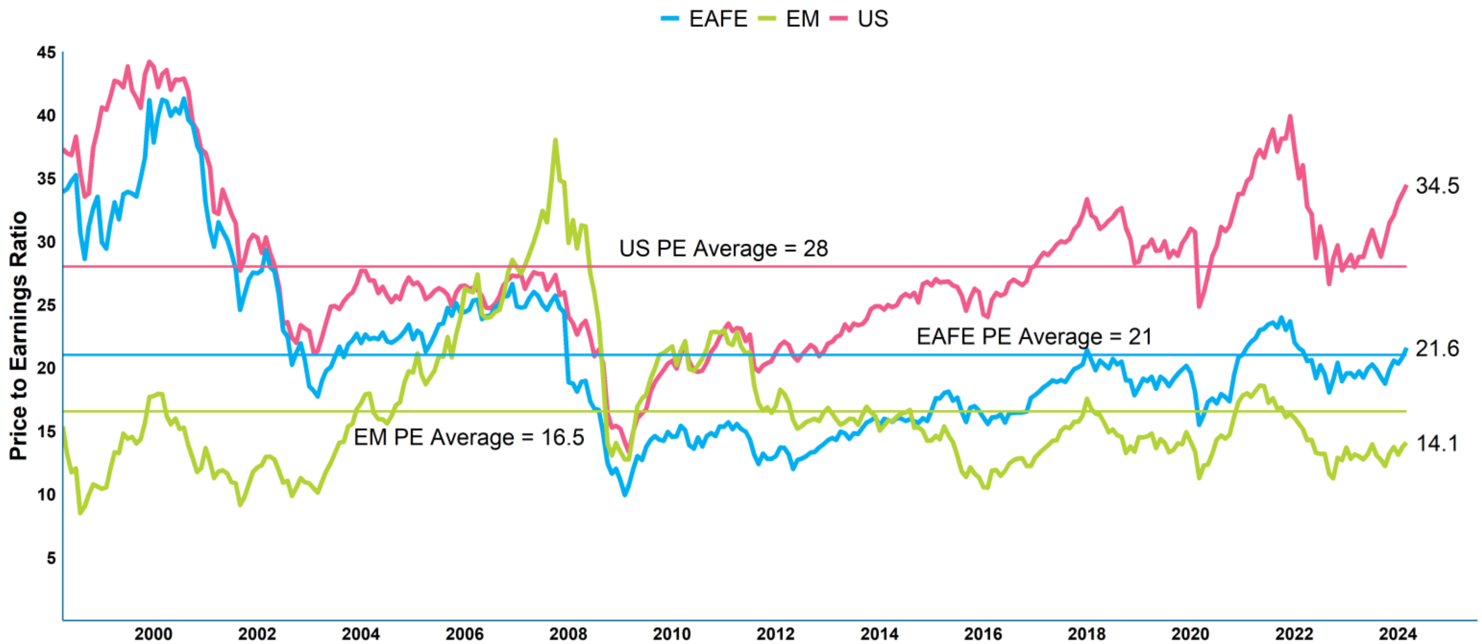
Foreign Equity: Developed international equities (MSCI EAFE) gained 5.8% during the quarter and emerging market equities (MSCI EM) rose 2.4%.

→ Developed international equity markets matched the US for the quarter in local terms but the appreciation of the dollar decreased returns for US investors by over 4.0% (5.8% versus 10.0%). Eurozone and UK equities had gains for the quarter, but Japan was the real standout performer, with the TOPIX returning 18.1% in local terms and the Nikkei breaking the 40,000 level for the first time.

→ Emerging market equities again trailed developed markets largely due to China falling 2.2%. Slowing growth, issues in the property sector, and recent efforts by the US to discourage investments into China all weighed on results. Outside of China, interest rate sensitive markets like Brazil were particularly impacted by expectations of delayed interest rate cuts by the Fed. Stripping out China, emerging markets returned 4.0% in the quarter.

[1] Source: Bloomberg. Data is as of March 31, 2024.

Equity Cyclically Adjusted P/E Ratios[1]



→ At the end of the first quarter, the US equity price-to-earnings ratio increased further above its 21st century average, as price appreciation exceeded earnings growth.

→ International market valuations also rose in the quarter and remain well below the US. In the case of developed markets, valuations are now slightly above the long-term average, while emerging market valuations remain well below its 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 March 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 Returns[1]

Fixed Income	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	1.0	-0.5	2.7	-2.1	0.7	1.8	5.1	6.0
Bloomberg Aggregate	0.9	-0.8	1.7	-2.5	0.4	1.5	4.8	6.2
Bloomberg US TIPS	0.8	-0.1	0.5	-0.5	2.5	2.2	4.6	6.8
Bloomberg Short-term TIPS	0.6	0.8	3.2	2.3	3.2	2.1	4.8	2.4
Bloomberg High Yield	1.2	1.5	11.2	2.2	4.2	4.4	7.7	3.7
JPM GBI-EM Global Diversified (USD)	0.0	-2.1	4.9	-1.6	0.1	-0.3	6.4	5.0

Fixed Income: The Bloomberg Universal index fell 0.5% in the first quarter.

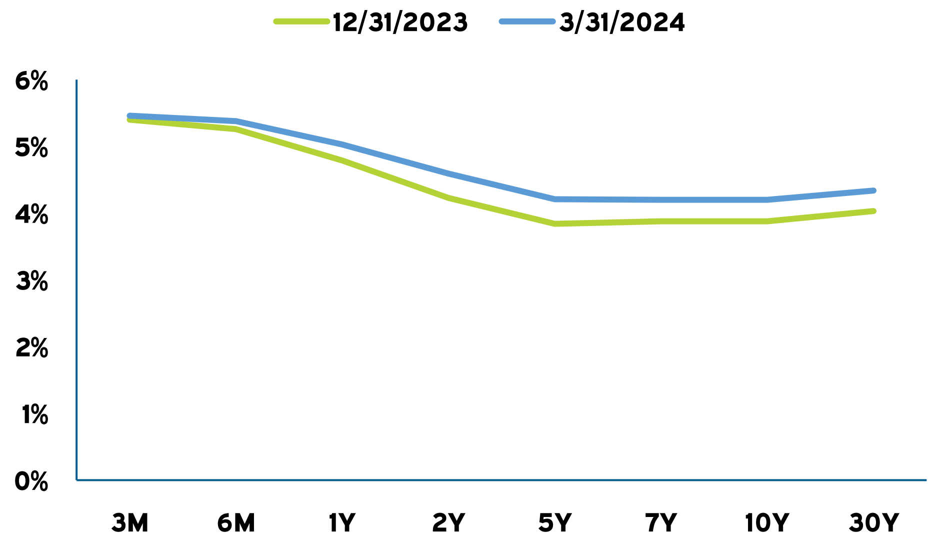
→ Strong economic growth and inflation readings above forecasts shifted interest rate expectations pushing back the anticipated start date of rate cuts as well as the number of cuts for 2024.

→ In this environment the broad US bond market (Bloomberg Aggregate) fell 0.8% with TIPS declining only slightly (0.1%).

→ High yield bonds (1.5%) led the way for the quarter as risk appetite continues to be robust and overall yields remain attractive despite the recent tightening of spreads to Treasury equivalents.

[1] Source: Bloomberg. JPM GBI-EM data is from InvestorForce. Data is as of March 31, 2024. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration respectively.

US Yield Curve[1]



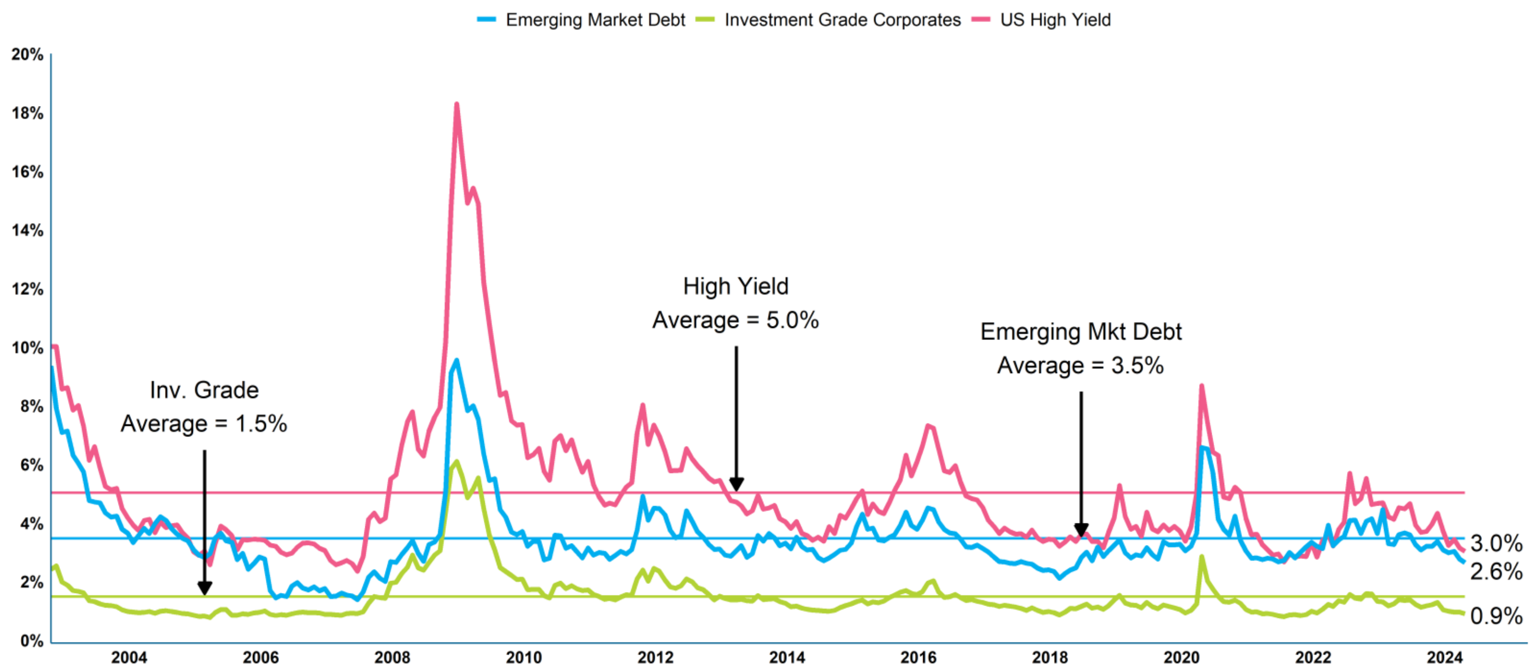
→ Overall interest rates moved higher over the quarter due to the strong economic data and the related shifts in monetary policy expectations.

→ The more policy sensitive two-year Treasury yield rose from 4.3% to 4.6% in the first quarter while the ten-year Treasury yield increased from 3.9% to 4.2%.

→ The yield curve remained inverted at quarter-end despite a recent flattening trend. The yield spread between the two-year and ten-year Treasury was -0.4% at the end of the quarter.

[1] Source: Bloomberg. Data is as of March 31, 2024.

Credit Spreads vs. US Treasury Bonds[1]



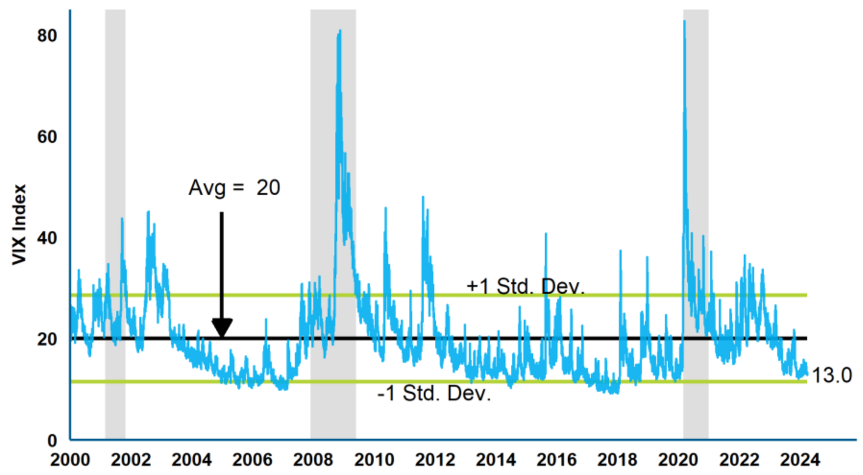
→ A positive economic outlook along with expectations of lower interest rates has led to an increased risk appetite. This has benefited credit, with spreads (the added yield above a comparable maturity Treasury) narrowing.

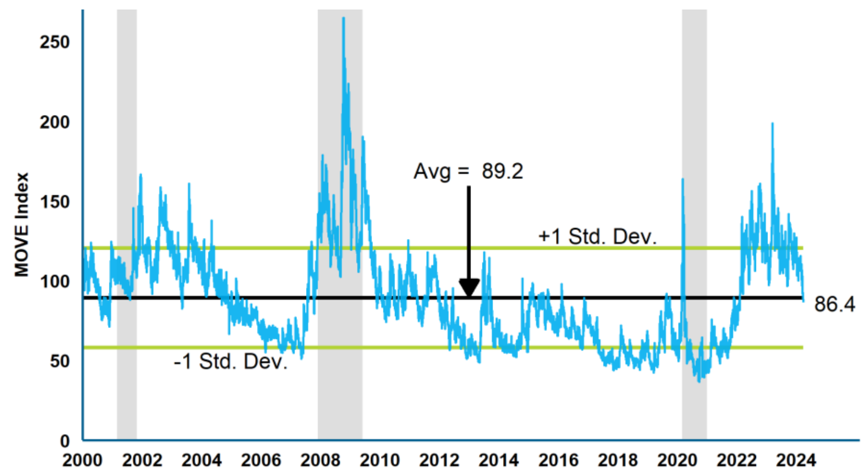
→ This trend continued in the first quarter particularly for riskier bonds. High yield spreads fell from 3.2% to 3.0% and emerging market spreads dropped from 3.0% to 2.6%. Spreads for investment grade corporate bonds fell only slightly over the quarter (1.0% to 0.9%).

→ All spreads remain below their respective long-run averages, particularly within high yield.

[1] Source: Bloomberg. Data is as of March 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 Volatility[1]

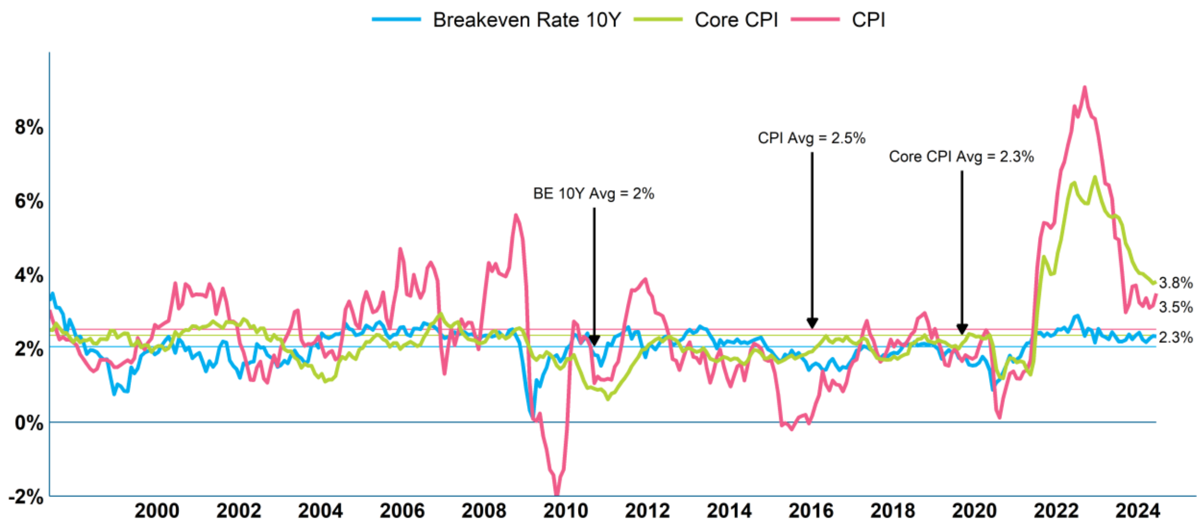




- → Volatility in equities (VIX) finished the quarter close to one standard deviation below the long-term average as the focus shifted late last year to peaking policy rates and the potential for a soft landing.
- → Volatility in the bond market (MOVE) fell significantly over the quarter to a level below the long run average (86.4 versus 89.2). Declining volatility surrounding policy expectations and the more positive growth outlook both contributed to lower volatility in the bond market.

[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 March 2024. The average line indicated is the average of the VIX and MOVE values between January 2000 and March 2024.

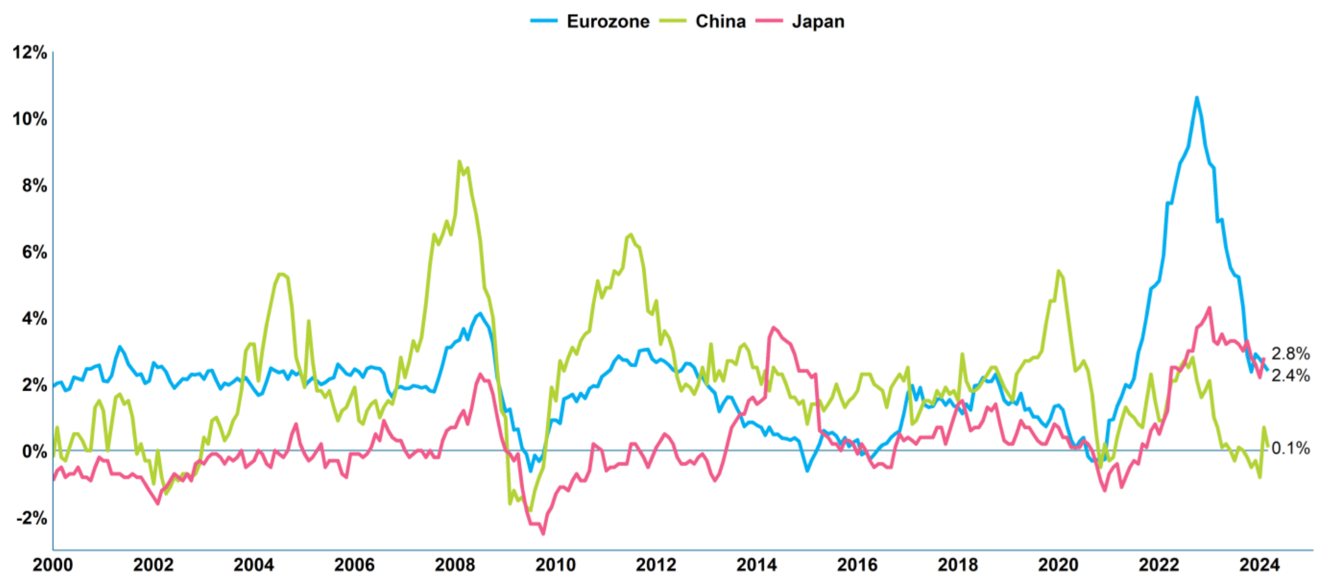
US Ten-Year Breakeven Inflation and CPI[1]



- → Year-over-year headline inflation rose in March (3.2% to 3.5%) and came in slightly above expectations. Prices in service sectors, particularly shelter, remain a key driver of inflation staying above the Fed's 2% average target, with a recent rise in energy prices contributing too.
- → Month-over-month inflation rose 0.4% which was the same as February, but above expectations of a 0.3% reading.
- → Core inflation (excluding food and energy) remained at 3.8% but also came in above expectations. Core goods prices dropped, while core services including shelter and transportation prices continued to show persistence.
- → Inflation expectations (breakevens) have remained relatively stable despite the significant volatility in inflation.

[1] Source: FRED. Data is as March 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]



→ Outside the US, inflation is also easing across major economies from the recent peaks.

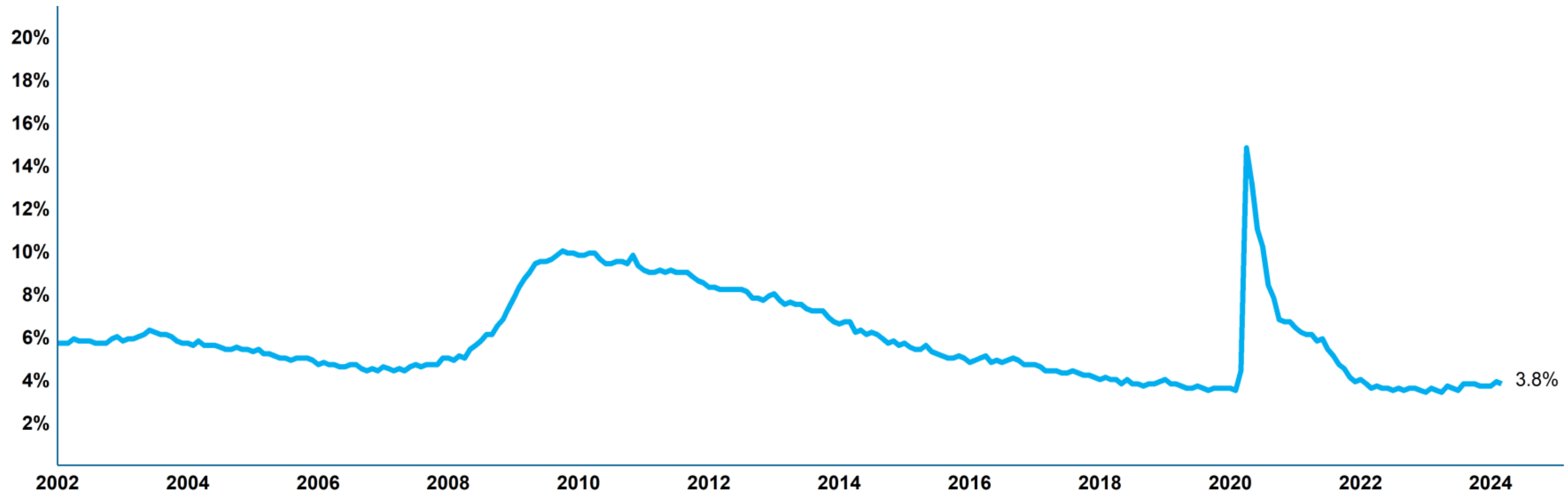
→ In the eurozone, prices experienced a dramatic decline last year but remain above the central bank's 2% target. In March, inflation fell further (2.6% to 2.4%), a level below the 3.5% year-over-year reading in the US.

→ Inflation in Japan has slowly declined from the early 2023 peak of 4.3%, but it remains near levels not seen in a decade. In the most recent reading, inflation rose from 2.4% to 2.8% largely due to the falling impact of government energy subsidies introduced at the same time last year.

→ The impacts from spending during the Lunar New Year holiday in China waned in March with inflation falling to just about 0%.

[1] Source: Bloomberg. Data is March 31, 2024, except Japan which is as of February 28, 2024.

US Unemployment[1]

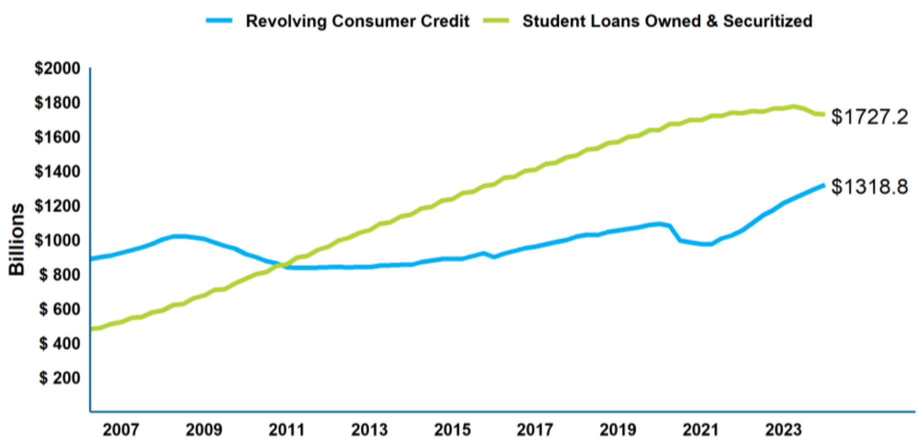


- → Overall, the US labor market remains healthy, with the unemployment rate low, wage growth now positive in real terms, and initial claims for unemployment staying subdued.
- → Each of the payroll readings over the quarter exceeded expectations. In March, the number of jobs added in the US was 303,000 compared to a 214,000 forecast. The healthcare (72,000), government (71,000), and construction (39,000) sectors added the most jobs.
- → The unemployment rate fell from 3.9% to 3.8%, while wage growth dropped slightly from 4.3% to 4.1% compared to a year prior, a level well off the 6.0% peak but above inflation levels.
- → Quit rates have declined, and layoffs are stable, with 1.4 job openings per unemployed worker.

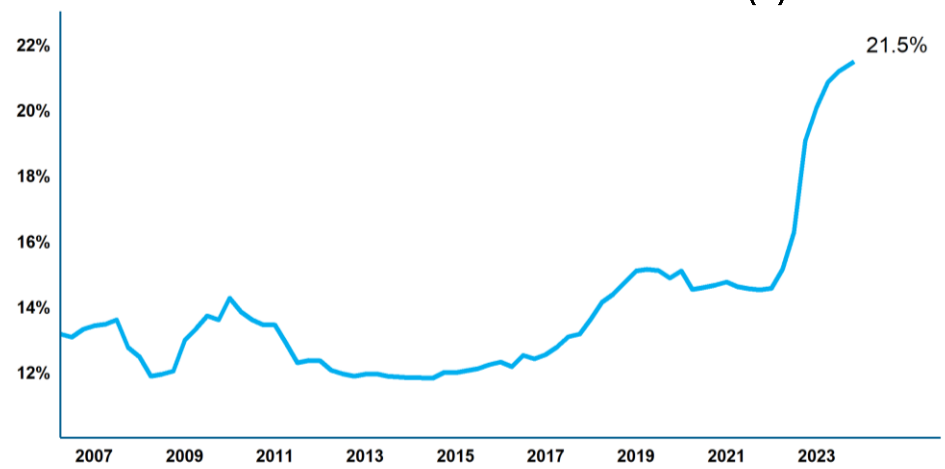
[1] Source: FRED. Data is as March 31, 2024.

US Consumer Under Stress?[1]

Revolving Consumer Credit & Student Loans ($B)



Consumer Credit Card Interest Rates (%)



→ Despite the strong labor market and higher wages, pressures have started to build on the US consumer. This is an important consideration as consumer spending has been a key driver of economic growth.

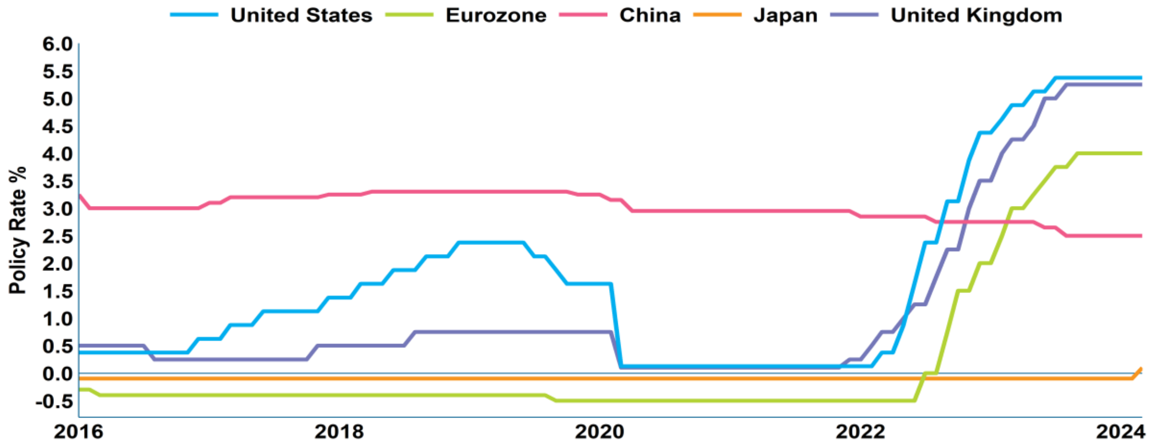
→ Revolving consumer credit surged to new highs in 2023 even as credit card interest rates hit levels not seen before (the prior peak was around 19% in the 1980s). Recently, we have also seen payment delinquencies on credit cards and auto loans start to increase, particularly for younger people.

→ The return of student loan repayments after a three-year pandemic-related reprieve could add to pressures on consumers' budgets. This might be partially mitigated by recently initiated repayment and forgiveness programs.

→ As we look ahead, the strength of the US consumer will remain key as this sector makes up most of the domestic economy (GDP).

[1] Source: FRED. Data is as of December 31, 2023. Revolving Consumer Credit data is seasonally adjusted to remove distortions during the holiday season.

Policy Rates[1]



→ The Fed has been on hold since July 2023 when it raised rates to a range of 5.25%-5.50%. Markets are now pricing in fewer than two rate cuts this year down from close to seven late last year, as economic data has come in better than expectations and inflation persists. Market pricing for the first rate cut has also dramatically changed from an original expectation of a March cut to the probability priced below 50% for a rate cut at all remaining Fed meetings in 2024.

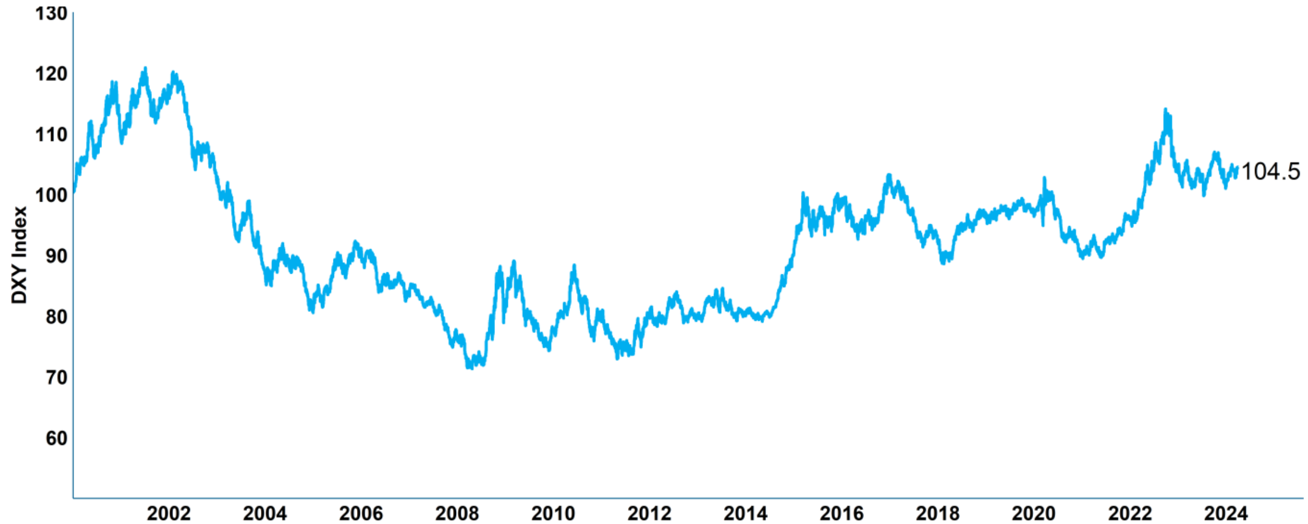
→ The European and UK central banks also recently paused their rate increases on slowing inflation. It appears that the ECB could be one of the first central banks to cut rates with expectations close to 90% for a June cut.

→ Given the return of inflation driven by wage growth the Bank of Japan (BOJ) recently ended the final negative interest rate policy, stopped purchasing ETFs, and moved away from its yield curve control.

→ The central bank in China has maintained interest rates at record low levels and continues to inject liquidity into the banking system, as weaker-than-expected economic data appears to indicate a widespread slowdown.

[1] Source: Bloomberg. Data is as of March 31, 2024.

US Dollar vs. Broad Currencies[1]



→ The dollar increased by close to 3% over the quarter versus a basket of major trading partners.

→ Strong economic data in the US may delay policy rate cuts this year, which could contribute to continued upward pressure on the dollar as other countries pivot to rate cuts.

[1] Source: Bloomberg. Data as of March 31, 2024.

Summary

Key Trends:

→ According to the IMF, global growth this year is expected to match the 2023 estimate at around 3.1% with most major economies predicted to avoid a recession. Continued strong economic growth does run the risk of inflation and interest rates staying higher for longer.

→ Key economic data in the US is still coming in above forecasts with expectations dramatically evolving for the timing and pace of interest rate cuts. If data remains strong the Federal Reserve may keep rates elevated increasing the risk of an economic slowdown.

→ Outside the US we could see other central banks start cutting rates ahead of the Fed, with the ECB particularly in focus. The risk of policy errors remains elevated as central banks try to further reduce inflation toward targets while not tipping their economies into recession.

→ US consumers could feel pressure as certain components of inflation (e.g., shelter) remain high, borrowing costs are elevated, and the job market may weaken.

→ A focus for US equities going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will be important.

→ Equity valuations remain lower in emerging and developed markets, but risks remain, including China's economic uncertainty and on-going weakness in the real estate sector which could spill over into key trading partners' economies. Japan's recent tightening of monetary policy along with changes in corporate governance in the country could influence relative results.

Disclaimer, Glossary, and Notes

WE HAVE PREPARED THIS REPORT (THIS "REPORT") FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE "RECIPIENT").

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

INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE "FORWARD - LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "AIM", "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION.

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 is 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%.

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

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.

MEKETA

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MEMORANDUM

TO: SJCERA Board of Retirement
FROM: Meketa Investment Group
DATE: June 7, 2024
RE: SJCERA Manager Certification Update: 1Q 2024 Overview and Responses

Summary of Responses

Meketa reviewed the SJCERA Quarterly Manager Certification Updates for the quarter ending March 31, 2024, from all funded managers. ***In Meketa's opinion, of the responses we have received, the manager information reported for the quarter presents no significant concerns to the SJCERA portfolio***. Meketa's opinion is based on the written responses and on Meketa's conversations with managers that reported senior investment personnel or management departures.

The managers' responses indicate that[1]:

→ All funded managers reported:

- Registered Investment Advisor in Good Standing, or are exempt,
- Compliance with Plan Investment Policy,
- Compliance with SJCERA's Manager Guidelines, or N/A,
- Reconciliation against the custodian, or N/A,
- Compliance with own internal risk management policies and procedures, and
- Delivered current ADV, SSAE-16 or equivalent Annual Financial Audits, as available.

→ Five Managers reported litigation or regulatory investigation information:
Angelo Gordon, Almanac, Crestline, Prologis, Loomis Sayles

→ Five managers reported investment team changes:
Angelo Gordon, Stone Harbor, Stone Harbor, Prologis, Parametric

→ Six managers reported material management changes:
Stellex, Raven, Berkeley Partners, Prologis, Loomis Sayles, AQR

→ Two managers reported material business changes: GQG & Raven

→ Eight Managers did not respond to the survey at the time of this report: BlackRock, Northern Trust, Ocean Avenue, Bessemer, PIMCO, Bridgewater, Davidson Kempener, White Oak. However, Meketa continues to review these managers and continues to have confidence in their organizations.

[1] Managers' responses to footnoted ("*") questions begin on page 6.

SJCERA Overview of Investment Mgr. Compliance Report

Manager	Sub-Segment	Q1 RIA in Good Standing; RIA	Q2 Complied with Plan Investment Policy	Q3 Complied w/ Mgr. Guidelines	Q4 Reconciled With Custodian	Q5 Litigation	Q6 Investment Personnel Changes	Q7 Mgmt. Changes	Q8 Material Business Changes	Q9 Complied Internal Risk Mgmt.	Q10 Sent Fncl Stmnts
Aggressive Growth											
BlackRock***	Global Infrastructure	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BlackRock***	Global Energy and Power	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ocean Avenue**	PE Buyout FOF	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lightspeed Venture Partners**	Growth Stage VC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Morgan Creek	Multi-Strat FOF	Yes	Yes	Yes	N/A	No	No	No	No	Yes	N/A
Stellex Capital Partners	PE Special Situations	Yes	Yes	Yes	N/A	No*	No	Yes*	No	Yes	No
AG Core Plus	Pvt. Non-core RE	Yes	Yes	Yes	N/A	Yes*	Yes*	No	No	Yes	Yes
Almanac Realty	Pvt. Non-core RE	Yes	Yes	Yes	No*	Yes*	No	No	No	Yes	No
Greenfield/Grandview	Pvt. Non-core RE	Yes	N/A	Yes	N/A	No	No	No	No	Yes	Yes
Stockbridge	Pvt. Non-core RE	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Walton Street	Pvt. Non-core RE	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Ridgemont Equity Partners	PE Buyout	Yes	Yes	Yes	Yes	No*	No	No	No	Yes	Yes
Long Arc Capital	Growth Stage VC	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Bessemer**	Venture Capital	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Traditional Growth											
Northern Trust***	All Cap Global	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
GQG	Emerging Mkts.	Yes	Yes	Yes	Yes	No*	No	No	Yes*	Yes	Yes
PIMCO**	Emerging Mkts.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Invesco	REITS	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Stabilized Growth											
Bridgewater**	Risk Parity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PanAgora	Risk Parity	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Neuberger Berman	Opp. Credit	Yes	Yes	Yes	Yes	No	No	No	No	Yes	No
Stone Harbor	Abs. Return	Yes	Yes	Yes	Yes	No	Yes*	No	No	Yes	Yes
Stone Harbor	Bank Loans	Yes	Yes	Yes	Yes	No	Yes*	No	No	Yes	Yes
BlackRock***	Direct Lending	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Manager	Sub-Segment	Q1 RIA in Good Standing; RIA	Q2 Complied with Plan Investment Policy	Q3 Complied w/ Mgr. Guidelines	Q4 Reconciled With Custodian	Q5 Litigation	Q6 Investment Personnel Changes	Q7 Mgmt. Changes	Q8 Material Business Changes	Q9 Complied Internal Risk Mgmt.	Q10 Sent Fncl Stmnts
Crestline	Opportunistic	Yes	Yes	Yes	N/A*	Yes*	Yes*	No	No	Yes	Yes
Davidson Kempner***	Opportunistic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mesa West	Comm. Mortgage	Yes	Yes	Yes	Yes	No	No*	No	No	Yes	No
Oaktree	Leveraged Direct	Yes	Yes	Yes	Yes	No*	No	No	No	Yes	Yes
HPS	Direct Lending	Yes	Yes	Yes	No*	No*	No	No	No	Yes	Yes
Raven Capital	Direct Lending	Yes	Yes	Yes	Yes	No	No	Yes*	Yes*	Yes	Yes
White Oak***	Direct Lending	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Berkeley Partners	Value Add RE	Yes	Yes	Yes	N/A	No	No	Yes*	No	Yes	Yes
Principal	Pvt. Core RE	Yes	Yes*	Yes	N/A*	No*	No	No	No	Yes	Yes
Prologis Targeted US	Pvt. Core RE	N/A*	Yes	Yes	N/A*	Yes*	Yes*	Yes*	No	Yes	No
DWS / RREEF	Pvt. Core RE	Yes	N/A	Yes	N/A	No*	No	No	No	Yes	No
Principal Protection											
Dodge & Cox	Core Fixed Income	Yes	Yes	Yes	Yes	No*	No*	No*	No	Yes	Yes
Loomis Sayles	Core Fixed Income	Yes	Yes	Yes	N/A	Yes*	No	Yes*	No	Yes	Yes
Crisis Risk Offset℠											
Dodge & Cox	Long Duration	Yes	Yes	Yes	Yes	No*	No*	No*	No	Yes	Yes
Mount Lucas	Syst. Trend Following	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Graham	Syst. Trend Following	Yes	Yes	Yes	Yes	No*	No	No	No	Yes	Yes
AQR	Alt. Risk Premia	Yes	Yes	Yes	N/A	No*	No*	Yes*	No*	Yes	No
PE Investments	Alt. Risk Premia	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Overlay											
Parametric	PIOS Overlay Prgm	Yes	Yes	Yes	Yes	No	Yes*	No	No	Yes	Yes
Consultant											
Meketa	Consultant	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes

* Detailed written response provided below

** Manager declined to provide written responses.

***Manager did not respond in time

Performance Information through March 31, 2024								
		Inception			Ann. Excess (bps)		Peer Ranking	
Manager	Sub-Segment	Date	Status	Benchmark	3 Yrs	5 Yrs	3 Yrs	5 Yrs
Aggressive Growth								
BlackRock	Global Infrastructure	06/2023	Good Standing	MSCI ACWI +2%	n/a	n/a	n/a	n/a
BlackRock	Global Energy	7/2019	Good Standing	MSCI ACWI +2%	-10	n/a	n/a	n/a
Bessemer Forge Fund	PE Buyout	09/2023	Good Standing	MSCI ACWI +2%	n/a	n/a	n/a	n/a
Lightspeed	Growth Stage VC	12/2023	Good Standing	MSCI ACWI +2%	n/a	n/a	n/a	n/a
Long Arc	Growth Stage VC	06/2023	Good Standing	MSCI ACWI +2%	n/a	n/a	n/a	n/a
Ocean Avenue II[1]	PE Buyout FOF	5/2013	Good Standing	MSCI ACWI +2%	1,150	1,170	n/a	n/a
Ocean Avenue III[1]	PE Buyout FOF	4/2016	Good Standing	MSCI ACWI +2%	1,420	960	n/a	n/a
Ocean Avenue IV	PE Buyout	12/2019	Good Standing	MSCI ACWI +2%	1,890	n/a	n/a	n/a
Ocean Avenue V	PE Buyout	06/2023	Good Standing	MSCI ACWI +2%	n/a	n/a	n/a	n/a
Morgan Creek III[4]	Multi-Strat FOF	2/2015	Good Standing	MSCI ACWI +2%	-1,760[4]	-1,940[4]	n/a	n/a
Morgan Creek V[1]	Multi-Strat FOF	6/2013	Good Standing	MSCI ACWI +2%	-110	-20	n/a	n/a
Ridgemont Equity	Special Situation PE	6/2023	Good Standing	MSCI ACWI +2%	n/a	n/a	n/a	n/a
Morgan Creek VI[1]	Multi-Strat FOF	2/2015	Good Standing	MSCI ACWI +2%	470	510	n/a	n/a
Stellex Capital II	PE – Special Situations	7/2021	Good Standing	MSCI ACWI +2%	n/a	n/a	n/a	n/a
AG Core Plus IV[3]	Pvt. Non-core RE	2014	Good Standing	Private RE Benchmark	-1,870	-1,020	n/a	n/a
Almanac Realty VI[3]	Pvt. Non-core RE	2011	Good Standing	Private RE Benchmark	-970	-1,540	n/a	n/a
Berkeley Partners V[3]	Pvt. Non-core RE	2020	Good Standing	Private RE Benchmark	750	n/a	n/a	n/a
Greenfield VII[3]	Pvt. Non-core RE	2013	Good Standing	Private RE Benchmark	-130	290	n/a	n/a
Grandview[3]	Pvt. Non-core RE	2018	Good Standing	Private RE Benchmark	1,140	n/a	n/a	n/a
Stockbridge III[3]	Pvt. Non-core RE	2017	Good Standing	Private RE Benchmark	610	n/a	n/a	n/a
Walton Street VI[3]	Pvt. Non-core RE	2007	Good Standing	Private RE Benchmark	410	-140	n/a	n/a
Traditional Growth								
Northern Trust	All Cap Global	10/2020	Good Standing	MSCI ACWI IMI	50	n/a	n/a	n/a
GQG	Emerging Mkts.	8/2020	Good Standing	MSCI Emerging Markets	-80	n/a	n/a	n/a
PIMCO	Emerging Mkts.	4/2007	Good Standing	MSCI Emerging Markets	1,150	580	n/a	n/a
Invesco	REITS	8/2004	Good Standing	FTSE EPRA/NAREIT ex-US Equity	-200	-150	n/a	n/a
Stabilized Growth								
Bridgewater[2]	Risk Parity	3/2012	Good Standing	Bridgewater All Weather Blend	-620	-300	n/a	n/a
PanAgora	Risk Parity	4/2016	Good Standing	T-Bill +4%	-1,170	-520	n/a	n/a
Neuberger Berman[1]	Opp. Credit	2/2019	Good Standing	33% HY Const./33% S&P LSTA LL/ 33% JPMEMBI Glbl Div.	-90	n/a	n/a	n/a
Stabilized Growth (cont.)								

[1] Data is lagged 1 quarter.
[3] Annual Excess returns for Private Non-Core Real Estate are as of 3/31/2024, lagged 1 quarter.

Performance Information through March 31, 2024								
		Inception			Ann. Excess (bps)		Peer Ranking	
Manager	Sub-Segment	Date	Status	Benchmark	3 Yrs	5 Yrs	3 Yrs	5 Yrs
Stone Harbor[1]	Abs. Return	4/2008	Good Standing	3-Month Libor	160	200	n/a	n/a
BlackRock	Direct Lending	05/2020	Good Standing	Custom Credit Benchmark	-350	n/a	n/a	n/a
Silver Rock	Direct Lending	06/2023	Good Standing	Custom Credit Benchmark	n/a	n/a	n/a	n/a
Crestline[1]	Opportunistic	11/2013	Good Standing	CPI +6%	-1,500	-1,370	n/a	n/a
Davidson Kempner[1]	Opportunistic	10/2020	Good Standing	CPI +6%	-480	n/a	n/a	n/a
Medley[1]	Direct Lending	7/2012	Good Standing	CPI +6%	-1,400	-1,790	n/a	n/a
Mesa West IV[1]	Comm. Mortgage	3/2017	Good Standing	CPI +6%	-1,860	-1,160	n/a	n/a
Oaktree[1]	Leveraged Direct	3/2018	Good Standing	MSCI ACWI +2%	-90	310	n/a	n/a
HPS	Direct Lending	8/2020	Good Standing	CPI +6%	-250	n/a	n/a	n/a
Raven Capital II[1]	Direct Lending	8/2014	Good Standing	CPI +6%	n/a	n/a	n/a	n/a
Raven Capital III[1]	Direct Lending	8/2015	Good Standing	CPI +6%	-1,260	-850	n/a	n/a
White Oak Summit[1]	Direct Lending	3/2016	Good Standing	CPI +6%	-1,340	-900	n/a	n/a
White Oak Yield Spectrum[1]	Direct Lending	3/2020	Good Standing	CPI +6%	-1,170	n/a	n/a	n/a
Principal[3]	Pvt. Core RE	10/2015	Good Standing	Private RE Benchmark	-150	-110	n/a	n/a
Prologis Targeted US[3]	Pvt. Core RE	9/2007	Good Standing	Private RE Benchmark	1,250	1,080	n/a	n/a
DWS / RREEF[3]	Pvt. Core RE	4/2016	Good Standing	Private RE Benchmark	-130	-60	n/a	n/a
Principal Protection								
Dodge & Cox	Core Fixed Income	10/1990	Good Standing	BB Aggregate Bond	180	170	n/a	n/a
Loomis Sayles	Core Fixed Income	4/2022	Good Standing	BB Aggregate Bond	n/a	n/a	n/a	n/a
Crisis Risk Offset[1]								
Dodge & Cox	Long Duration	2/2016	Good Standing	BB US Long Duration Treasury	50	10	n/a	n/a
Mount Lucas	Sys. Trend Following	1/2005	Good Standing	BTOP50 Index	30	0	n/a	n/a
Graham	Sys. Trend Following	4/2016	Good Standing	SG Trend	-210	-60	n/a	n/a
AQR	Alt. Risk Premia	5/2016	Good Standing	5% Annual	1,740	-340	n/a	n/a
P/E Investments	Alt. Risk Premia	7/2016	Good Standing	5% Annual	530	-450	n/a	n/a
Other								
Northern Trust	Govt. Short Term	1/1995	Good Standing	US T-Bills	-30	-30	n/a	n/a
Parametric	Long Duration	1/2020	Good Standing	n/a	n/a	n/a	n/a	n/a

[1] Data is lagged 1 quarter.

Manager Responses

This section includes the verbatim text of the manager's response to any highlighted questions to provide more detail to the table above.

Angelo Gordon Litigation

From time to time, David Bonderman, James Coulter and Jon Winkelried (together, the "Control Group"), other TPG personnel and TPG-sponsored investment funds and their affiliated entities (including the general partner and management company of such funds) are involved in litigation and claims incidental to the conduct of our business. We do not believe any of this litigation presents material liability to any of our funds or accounts. Please refer to the attached Standard Litigation Disclosure for additional information.

Angelo Gordon Investment Team Changes

Louis Friedel, a Managing Director on the US real estate team departed in March 2024.

Almanac Realty Reconciled with Custodian

The Fund relies on the audit exception to the Custody Rule by providing audited financials within 120 days. JP Morgan Chase is the custodian.

Almanac Realty Litigation

From time to time, Neuberger Berman and its employees are the subject of, or parties to examinations, inquiries and investigations conducted by US federal and state regulatory and other law enforcement authorities, non-US regulatory and other law enforcement authorities and self-regulatory organizations, including, but not limited to, the Securities and Exchange Commission ("SEC"), Financial Industry Regulatory Authority ("FINRA"), the National Futures Association ("NFA"), and the Municipal Securities Rulemaking Board (the "MSRB"). Neuberger Berman routinely cooperates freely with such examinations, inquiries and investigations. Neuberger Berman is also involved, from time to time, in actual or threatened civil legal proceedings and arbitration proceedings concerning matters arising in connection with the conduct of its business. Neuberger Berman believes that none of these matters either individually or taken together, will have a material adverse impact on the firm's business. All material proceedings in which there has been a final determination against any of Neuberger Berman's US registered investment advisers or its broker-dealer are disclosed in such affiliate's Form ADV Part 1 (if a registered investment adviser), Form BD (if a registered broker-dealer) or NFA Basic (if a CFTC registrant), each of which is publicly available through the SEC at http://www.adviserinfo.sec.gov, FINRA at http://www.finra.org, or the NFA at www.nfa.futures.org, respectively.

In December 2020, the Neuberger Berman Group 401(k) Plan Investment Committee (the "Plan IC") settled a class-action litigation related to a now-closed fund that had been previously offered in the Firm's 401(k) Plan. The settlement amount was $17 million dollars, and as part of the settlement all claims relating to the litigation against the Plan IC and Firm were released. The Plan IC denied, and continues to deny, all allegations of wrongdoing and all liability for the allegations and claims made in the litigation. The Firm remains proud of its 401(k) Plan, which offers participants a broad range of investment options, including leading third-party managers and a brokerage window. NBAA was not a party to the litigation.

With regard to current litigation related specifically to Almanac Realty Investors, On September 14, 2020, Almanac Realty Investors, LLC, (the predecessor-in-interest to NB Alternatives Advisers, LLC, the current manager) and other Almanac-related entities (including Almanac Realty Securities V, L.P. ("ARS V")) and individuals (including Justin Hakimian) (together, "Almanac"), were named as defendants in a complaint filed in Wisconsin State Court (the "Wisconsin Litigation") by VAT Master Corp. and VAT Master Limited Partnership (together "VAT"), entities that had an ownership stake in Vanta Commercial Properties LLC (f/k/a T. Wall Commercial Properties LLC) ("Vanta"), a former portfolio investment of ARS V exited in November 2017. The original compliant asserted claims for breaches of contract, breaches of fiduciary duties, fraud, civil conspiracy, and unjust enrichment in connection with the management and liquidation of Vanta from 2007 until 2017. On October 30, 2020 Almanac filed an anti-suit injunction in the Delaware Court of Chancery, seeking to permanently enjoin VAT from pursuing the claims in the original complaint. The Court of Chancery issued an order permanently enjoining VAT from pursuing eight of the nine counts of the original complaint on May 26, 2021, and that order was affirmed by the Delaware Supreme Court on December 15, 2021. VAT thereafter filed a First Amended Complaint on February 11, 2022, and a Second Amended Complaint on November 13, 2023. The Second Amended Complaint asserted claims for breach of contract, tortious interference with contract, and malicious injury to business against Almanac. On December 18, 2023, Almanac moved to dismiss all claims against Almanac in the Second Amended Complaint. On May 8, 2024, the Wisconsin State Court granted Almanac's motion to dismiss all remaining claims in the Wisconsin Litigation.

AQR Litigation

To the best of our knowledge, neither AQR nor any of AQR's Principals or employees is or has been the subject of a legal proceeding, a government inquiry, or any regulatory actions during the past quarter ending March 31, 2024, that would materially impact AQR's financial condition, its management of client assets or its provision of investment advisory services. AQR routinely engages in correspondence with, and from time to time receives document requests and inquiries from, the US Securities and Exchange Commission, The US Commodities Futures Trading Commission, the US Department of Labor and other regulatory and law enforcement agencies from various US and non-US jurisdictions. At this time, we are not aware of any inquiries or investigations that would have a material adverse effect on AQR's ability to conduct its business. Please note the historical matters set forth in item 11 of AQR's part 1 of Form ADV.

AQR Personnel Changes

Within our Macro Strategies Group investment team, which supports the strategy, there have been no senior-level (Managing Director and above) investment professional additions or departures over the past quarter ending March 31, 2024.

AQR Management Changes

Bryan Kelly (Principal, Research and Portfolio Management) joined the AQR partnership in January 2024.

AQR Material Business Changes

Please refer to our response directly above.

Berkeley Partners Management Team Changes

Leo Smith Was hired as Principal to the Firm on January 2, 2024.

Crestline Litigation

Crestline's long/short equity hedge fund Crestline Summit was named in a shareholder derivative action in April of 2024. The claim is in the process of being addressed and we believe it is immaterial to Crestline Summit and to Firm operations.

From time-to-time fund products are engaged in investment related litigation attributable to their investment activities (generally in a plaintiff capacity, bankruptcy process or defending against claims). To date such litigation is immaterial and has no impact on the Firm.

Crestline Investment Personnel Changes

Collin Bottoms joined in March 2024 as a Senior Analyst responsible for valuations and asset management.

Crestline Management Personnel Changes

Promotions effective 1/1/2024

- → Michael Bullard, Director was promoted to Managing Director on the Opportunistic and Direct Lending investment team in January 2024.
- → Bryan Fischer, Director was promoted to Managing Director on the Fund Liquidity Solutions investment team in January 2024.
- → Jace Jackson, Director, was promoted to Managing Director, Crestline Summit Strategies in January 2024.
- → Aaron Mack, Director was promoted to Managing Director on the Opportunistic and Direct Lending investment team in January 2024.
- → Josh Tyson, Director was promoted to Managing Director, Crestline Summit Strategies in January 2024.

Dodge & Cox Litigation

Dodge & Cox, by the nature of its business, may receive third-party subpoenas in the normal course of doing business and may also become involved in civil litigation. Nevertheless, as of quarter end, Dodge & Cox and its officers/employees have not been involved in any material litigation during the relevant time period. Dodge & Cox has not been investigated by any regulator or involved in any regulatory enforcement action during the relevant time period.

Dodge & Cox Investment Personnel Changes

Dodge & Cox has experienced an extremely low level of personnel turnover throughout our history. There were no departures in the past quarter. In turn, Pat Goel, Global Industry Analyst, joined during the first quarter 2024. On January 1, 2024, Lucy Johns, Senior Vice President and Associate Director of Fixed Income, succeeded Tom Dugan as Director of Fixed Income. As announced last year, Tom Dugan, Senior Vice President and Director of Fixed Income retired on December 31, 2023 after 29 years of distinguished service at Dodge & Cox. Tom also served on the Dodge & Cox Board of Directors and USFIIC.

Dodge & Cox Management Personnel Changes

Dodge & Cox has experienced an extremely low level of personnel turnover throughout our history. There were no departures in the past quarter. In turn, Pat Goel, Global Industry Analyst, joined during the first quarter 2024. On January 1, 2024, Lucy Johns, Senior Vice President and Associate Director of Fixed Income, succeeded Tom Dugan as Director of Fixed Income. As announced last year, Tom Dugan, Senior Vice President and Director of Fixed Income retired on December 31, 2023 after 29 years of distinguished service at Dodge & Cox. Tom also served on the Dodge & Cox Board of Directors and USFIIC.

GQG Litigation

In 1Q2023, GQG Partners LLC (GQG) received a non-routine request letter from the staff of the US Securities and Exchange Commission (SEC) and provided all information requested. GQG has received additional follow-up requests from the SEC staff since the initial letter and is responding fully.

GQG Material Business Changes

On March 8, 2024, GQG's newest operating subsidiary, GQG Partners Ltd, received final authorization from the Abu Dhabi Global Market (ADGM) Financial Services Regulatory Authority (FSRA). Within ADGM, GQG Partners Ltd is authorized to conduct certain regulated activities.

On March 15, 2024, GQG announced the launch of its GQG Private Capital Solutions (PCS) business, marking its first foray into private markets. PCS will operate independently from GQG's traditional global equities business yet in synergy with GQG's global distribution network.

Graham Litigation

To the best of the firm's knowledge, Graham, either directly or through its funds, has not been the subject of a legal proceeding or investigation by a government agency or other regulatory body, other than with respect to inquiries of a routine or general nature, sweep examination, or audit, the effect of which was in each case immaterial to the financial condition or operations of Graham and its funds.

HPS Custodian Reconciliation

We expect SJCERA's account to be reconciled with the Fund's Administrator for the first quarter of 2024 by June 2024.

HPS Litigation

To our knowledge, there are no litigations involving the Firm that HPS believes will have a material adverse effect upon the Firm.

Loomis Sayles Litigation

Loomis Sayles is a defendant in a civil complaint initially filed in April 2014. The complaint alleges that Loomis Sayles misclassified a software engineer as an independent contractor, when he should have been an employee of Loomis Sayles under applicable Massachusetts statute. The complaint purports to represent a class of unnamed technology contractors the plaintiff claims were misclassified as contractors. In its answer, Loomis Sayles denied all the allegations. Loomis Sayles believes the plaintiff's case has no merit, and intends to vigorously defend its position in this matter. The plaintiff represented and certified that he was an employee in fact of a sub vendor, and his employer represented and certified to Loomis Sayles that it complied with all state and federal tax and employment laws applicable to the employment of this individual. Depositions began in January 2015. Discovery ended in late May 2015 and dispositive motions, including a motion for class certification by the plaintiff and a motion for summary judgment by Loomis Sayles, were filed at the end of June 2015. A hearing on various motions was held in September 2016. The judge denied plaintiff's motion for class certification and Loomis Sayles' motion for summary judgment. In April 2018, the trial judge issued a directed verdict in Loomis Sayles' favor, and the plaintiff appealed the verdict in May 2018. The Massachusetts Court of Appeals heard oral arguments in the case in September 2019 and in January 2020 reversed the directed verdict, remanding the case for retrial. In February 2020, Loomis Sayles appealed this decision to the Massachusetts Supreme Judicial Court. The appeal was denied. The retrial began on September 27, 2022 and concluded on October 4, 2022. A jury verdict in favor of Loomis Sayles on the dispositive first question (Standing) was rendered on October 5, 2022 and the judgment entered on October 19, 2022. The plaintiff appealed on November 16, 2022, and oral arguments were made before the Appellate Court on December 1, 2023. On March 28, 2024, the Appellate Court issued an opinion affirming the jury verdict and the trial court's judgment in full, in favor of Loomis Sayles. The plaintiff has 21 days from that date to appeal to the Massachusetts Supreme Judicial Court.

In August 2022, Loomis Sayles Trust Company, LLC ("LSTC") filed a class action complaint against Citigroup in the United States District Court for the Southern District of New York ("Court") alleging Citigroup's failure to properly execute trades as LSTC's broker. On March 18, 2022, Loomis Sayles engaged Citigroup to execute certain transactions on behalf of the Loomis Sayles Growth Equity Strategies portfolios. The complaint alleges that Citigroup failed to achieve best execution in connection with two large orders among the transactions resulting in harm to certain of LSTC's funds and to certain clients of Loomis Sayles (collectively with LSTC, "Loomis Sayles"). Loomis Sayles believes Citigroup failed to meet its legal obligations to take diligent and reasonable efforts to maximize the economic benefit to LSTC's affected funds and the clients of Loomis Sayles. In the complaint, LSTC alleges that Citigroup failed to discharge its fiduciary duty, including its duty of care, by failing to achieve best execution on these orders. The complaint further alleges that Citigroup's conduct resulted in significantly dislocated prices on the executed trades. It is important to note that this complaint is specific to the failed execution of two trades and does not extend to other aspects of Loomis Sayles' work with Citigroup. Loomis Sayles intends to continue to engage constructively with Citigroup on other client matters, but determined that litigation in this instance is necessary to protect clients that were impacted by these transactions.

All fact discovery for the case, including depositions of each party, document production and expert depositions, has been completed. In November 2022, Citigroup filed a motion to dismiss the complaint. In February 2023, the Court converted the motion to dismiss to a motion for summary judgment. On July 28, 2023, the Court denied Citigroup's converted motion for summary judgment (without prejudice to renew upon the submission of additional evidence). The Court also ordered the parties to engage in private mediation which took place on September 21, 2023. The confidential mediation was unsuccessful. As with most large litigations, the parties are free to pursue mediation again as the litigation progresses.

In October 2023, the Court set the schedule for the next phase of the litigation and established a briefing schedule for Citigroup's anticipated summary judgment motion, while deferring LSTC's class certification motion and the setting of a trial date.

On November 1, 2023, Citigroup filed its motion for summary judgment arguing that it complied with the trading instructions and any duty it owed. On November 30, 2023, LSTC filed its opposition to Citigroup's motion for summary judgment arguing that the case must go to the jury for resolution, and Citigroup filed a reply brief on December 21, 2023. Citigroup's motion for summary judgment is now fully briefed and is with the Court for resolution. Both Citigroup and LSTC requested that the Court hear oral argument on Citigroup's motion for summary judgment. While the Court considers Citigroup's motion for summary judgement, which could take months, the case will be relatively inactive.

Loomis Sayles Management Personnel Changes

Elaine Stokes, co-head of the full discretion team and member of the Loomis Sayles Board of Directors, retired in February. Matt Eagan will continue as the sole head of the full discretion team. No involvement with the portfolio.

Pramila Agrawal, portfolio manager and head of the custom income strategies team, was appointed to the Loomis Sayles Board of Directors in March. No involvement with the portfolio.

Mesa West Investment Personnel Changes

Turnover in the ordinary course of business has occurred among junior to mid-level employees.

Oaktree Litigation

Oaktree is subject to the authority of a number of US. and non-US regulators, including the US Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA"), and those authorities regularly conduct examinations of Oaktree and make other inquiries. No regulatory action to date has had a material adverse financial impact upon Oaktree or any of the funds it manages and Oaktree is not aware of any pending regulatory enforcement action that might reasonably be expected to have such an effect.

On April 6, 2023, FINRA commenced a routine examination of OCM Investments, LLC ("OCM Investments"), a wholly-owned subsidiary of Oaktree and a SEC-registered broker-dealer and member of FINRA. The examination concluded on August 25, 2023 with no findings.

Panagora Investment Personnel Changes

In the first quarter, Jason Morall, Portfolio Manager, joined the firm.

Principal Compliance with SJCERA IPS

Yes, we verify that the portfolio is currently, and has been during the past quarter, in compliance with the investment policy guidelines/offering document governing the management of the investment.

Principal Real Estate (the "Manager") is responsible for the day-to-day investment management of the Principal US Property Separate Account (the " Account"). The Manager acknowledges and accepts that it is a fiduciary under ERISA for those assets under its management for the Account, including certain assets of San Joaquin County Employees Retirement Association ("SJCERA"). The Trustees have decided to utilize the Account as the investment instrument for certain assets of SJCERA. The Trustees acknowledge that the Investment Policy Statement of SJCERA differ from the exact investment objectives, policies and restrictions of the Account. No material changes have been made to the investment policy guidelines governing the management of the Account, though the guidelines are reviewed and potentially revised on at least an annual basis.

Principal Litigation

Given the size and scope of our operations we are occasionally involved in litigation, both as a defendant and as a plaintiff. However, management does not believe that any pending litigation will have a material adverse effect on our business, financial position or net income. Please see our public filings for details. Also, regulatory bodies, such as the SEC, the Financial Industry Regulatory Authority, the Department of Labor and other regulatory bodies regularly make routine inquiries and conduct examinations or investigations concerning our compliance with, among other things, securities laws, ERISA and laws governing the activities of investment advisors. While the outcome of any regulatory matter cannot be predicted, management does not believe that any regulatory matter will have a material adverse effect on our business, financial position or our ability to fully perform our duties to clients.

Prologis Registered Investment Advisor Status

Investment advisors are required to register with the SEC as a Registered Investment Advisor (RIA) if they are in the business of providing advice or issuing reports or analyses regarding securities. The SEC has stated that direct interests in real estate are not securities. Prologis' vehicles invest in real estate directly. For example, USLF does not invest in the stock of other real estate companies or in other public or private funds that own real estate – USLF invests in real estate directly. Because USLF invests in real estate directly and because the SEC has stated that direct real estate investments are not securities, we have with the advice of external legal counsel determined that Prologis is not required to register as an RIA.

The ultimate parent company of Prologis is Prologis, Inc. which is a publicly traded company on the NYSE. As a publicly traded company, Prologis is subject to SEC reporting and the corporate governance and legal requirements applicable to other US public companies. In addition, the general partner of USLF is Prologis, L.P., which is the operating subsidiary through which Prologis Inc. carries out the vast majority of its operations. Prologis, L.P. is large and well-capitalized

Prologis Litigation

Yes – Prologis, Inc. is a publicly traded company with global operations. In the normal course of business, from time to time, Prologis may be involved in legal actions and environmental matters relating to the ownership and operations of its properties. Management does not expect that the liabilities, if any, that may ultimately result from such legal actions would have a material adverse effect on the financial position, results of operations or cash flows of Prologis. Except as has been previously disclosed in public filings and one Complaint arising out of the operations of one our Customers, as of March 31, 2024, there were no material pending legal proceedings or environmental matters to which Prologis is a party or of which any of its properties is the subject, the determination of which Prologis anticipates would have a material adverse effect upon its or the Fund's financial condition and results of operations. Additionally, during the past one year, to its knowledge, Prologis has not been the subject of any investigation for violation or potential violation of applicable law by the SEC or other regulatory organisation which could result in a material adverse effect on the company or its investors. Item 401(f) of the SEC's Regulation S-K requires Prologis to report certain legal proceedings that are material to an evaluation of the ability or integrity of any director or persons nominated to become directors. None of the events described in Item 401(f) of Regulation S-K have occurred with respect to any director or executive officer of Prologis (including Former Prologis or Former AMB) during the past ten years.

Prologis Investment Personnel Changes

George Dise, fund associate and Michael Corrigan, fund analyst, recently joined the Fund team. Prior to joining the USLF team in 2024, Mr. Dise was an analyst on the Prologis Investment Services team, working on US real estate transactions, and prior to that, worked as an accounts receivable specialist. Before joining Prologis in 2020, Mr. Dise worked as an intern at California Landmark Group, a Los Angeles based multifamily commercial real estate developer, and as a debt fund analyst at Lasalle Investment Management. Mr. Dise holds a bachelor of business administration in finance and organizational sciences from The George Washington University. Prior to joining Prologis in 2023, Mr. Corrigan worked in commercial real estate mergers and acquisitions as a transaction specialist at Evans Senior Investments. Mr. Corrigan holds a bachelor of business administration degree in finance and information management from the University of Colorado - Boulder.

Prologis Investment Personnel Changes

In November 2023, as part of the company's long-term and ongoing succession planning, Prologis announced Gary Anderson, chief operating officer, will move to a new role as senior advisor effective January 1, 2024, and will retire in June 2024. Carter Andrus will become the company's new chief operating officer and will join the Executive Committee. Mr. Andrus joined Prologis in 2008 and has held a number of leadership roles at the market, regional and global level. Most recently, he served as global head of operations. Prior to joining Prologis, Mr. Andrus was a senior vice president at Colliers. In addition, Joseph Ghazal will take on the role of chief investment officer and will join the Executive Committee, leading the company's global capital deployment strategy and execution as well as the Investment Committee. Mr. Ghazal joined Prologis in 2003 and has held a number of positions within the firm. Previously, he was the global head of capital deployment and prior to that he was the chief investment officer of Europe. Additionally, Susan Uthayakumar will continue in her role as chief energy and sustainability officer and will join the Executive Committee. Ms. Uthayakumar joined Prologis in January 2022. Prior to Prologis, Ms. Uthayakumar was president of Schneider Electric's sustainability business division. In December 2023, Prologis announced Gene Reilly, vice chairman, will move to a new role as senior advisor effective January 1, 2024, and will retire in April 2024.

Raven Capital Custodian Reconciliation

SS&C Technologies, Inc. reconciles all cash to the balances maintained with the fund's bank, JP Morgan, formerly First Republic Bank. Additionally, Raven's operations team will track daily cash movements for the fund and will reconcile them to SS&C's books and records as well. SJCERA's investment in the Raven Asset-Based Opportunity Fund III has historically been audited annually by RSM US LLP. Due to the MetLife acquisition on March 1, 2023, an independence conflict with RSM US LLP was triggered. As a result, Raven has switched auditors to Deloitte & Touche LLP, which is MetLife Inc.'s primary auditor. Deloitte & Touche LLP will be auditing Raven's investment vehicles on an annual basis moving forward.

Raven Capital Management Changes

In conjunction with the repurchase agreement, Raven hired a new Chief Compliance Officer, Daniel Whitcomb, who is part of ACA Compliance, Raven's outsourced compliance consultant.

Raven Capital Material Business Changes

As of April 2, 2024, Raven's leadership team completed the repurchase of the Raven business from MetLife Investment Management Holdings, LLC. After careful consideration, the Raven management team mutually determined with MetLife Investment Management that each of the businesses will be best served by pursuing opportunities separately.

Ridgemont Equity Partners Litigation

As disclosed previously, Omni Logistics, a controlled portfolio company of REP III, settled its merger litigation with Forward Air Corporation in January 2024.

Stellex Litigation

Stellex was named in a litigation matter related to a portfolio company former employee dispute. Stellex was purely a named party and there were no claims against Stellex. The case was settled confidentially between the portfolio company and former employee and dismissed in February 2024.

Stellex Management Personnel Changes

Mark Alter (Managing Director) departed the Firm on February 1, 2024.

Stone Harbor Investment Personnel Changes

Effective January 31, 2024, the Emerging Markets Debt team at Newfleet Asset Management – comprised of Peter Lannigan, CFA, Daniel Senecal, CFA, Cecelia Gerber and Charles Anthony – joined the Stone Harbor emerging markets debt team, under Jim Craige, Chief Investment Officer and Head of Emerging Markets for Stone Harbor. Stone Harbor, like Newfleet, is a division of Virtus Fixed Income Advisers, LLC. All emerging markets debt portfolio assets, strategy and resources previously managed at Newfleet have been fully integrated into the Stone Harbor platform. As part of an 18 investment professional emerging markets debt team, Peter, Daniel, Cecelia, and Charles will continue to work on the emerging markets debt allocation for the Newfleet portfolios with the additional 14 investment professionals supporting the research capabilities. They will continue to take part in the Newfleet strategy meetings as they were before becoming part of the Stone Harbor team. Peter and Daniel will continue to be Emerging Markets Debt Sector Managers for Newfleet. Jim Craige was added as an additional EM Debt Sector Manager. The benefits of the expanded team for Virtus Fixed Income Advisors are increased resources, including but not limited to risk management, portfolio reporting, and a larger combined research team focused on emerging markets debt.

DISCLOSURES:

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SJCERA Quarterly Manager Review Schedule

Manager	Strategic Class	Sub-Segment	Under Review	Last Rvw	Next Rvw	Most Recent Visit to Meketa/SJCERA	Mgr. Meeting with SJCERA	Mgr. Location
AEW	Stablized Growth	Core Real Estate			Jun-24	10/6/2022		Boston, MA
Angelo Gordon	Aggressive Growth	Value Added Real Estate		May-23		10/6/2022		New York, NY
Almanac Reality VI	Aggressive Growth	Value Added Real Estate		May-21	Jul-24			New York, NY
AQR	Diversifying Strategies	Alternative Risk Premia		Jul-19	Oct-24	10/12/2023		Stamford, CT
BlackRock	Stabilized Growth, PC	Direct Lending		Mar-23		3/30/2023		San Francisco, CA
BlackRock	Aggressive Growth	Infrastructure/Global Power			Jul-24	10/6/2022	8/22/2019	New York, NY
Berkeley Partners	Aggressive Growth	Private Real Estate		Jun-23		6/1/2023	6/1/2023	San Francisco, CA
Bessemer	Aggressive Growth	Private Equity Buyout		Sep-23				New York, NY
Bridgewater (AW)	Stabilized Growth, RP	Risk Parity			Sep-24	7/29/2020	10/6/2017	Westport, CT
Crestline	Stabilized Growth, PC	Opportunistic		May-24		7/22/2020	6/7/2019	Fort Worth, TX
Davidson Kempner	Stabilized Growth, PC	Opportunistic		Aug-23		8/29/2023		New York, NY
Dodge & Cox	Diversifying Strategies, PP	Core Fixed Income		Oct-21	Jul-24	10/6/2022		San Francisco, CA
Dodge & Cox	Diversifying Strategies, CRO	Long Duration			Jul-24	6/3/2020		San Francisco, CA
GQG	Traditional Growth	Emerging Markets		Jan-23		10/12/2023		San Francisco, CA
Graham	Diversifying Strategies, CRO	Systematic Trend Following		Aug-23		10/6/2022		Rowayton, CT
Greenfield/Grandview V, VI, VII	Aggressive Growth	Opportunistic Real Estate		May-23		10/6/2022		Greenwich, CT
HPS EU	Stabilized Growth, PC	Direct Lending		Jun-23		10/12/2023		New York, NY
Invesco	Traditional Growth	REITs, Core US		Feb-24		10/12/2023		Atlanta, GA
LongArc Capital	Aggressive Growth	Private Equity		Nov-22		10/12/2023		New York, NY
Loomis Sayles	Principal Protection	Core Fixed Income		Oct-23		10/6/2022		Kansas City, MO
Lightspeed	Aggressive Growth	Private Equity			Oct-24	10/6/2022		Menlo Park, CA
Medley	Stabilized Growth, PC	Direct Lending		May-24		12/1/2022		San Francisco/New York
Mesa West III & IV	Stabilized Growth, PC	Comm. Mortgage		Oct-21	Aug-24	10/12/2023	8/22/2019	Los Angeles, CA
Miller Global VI, VII	Aggressive Growth	Opportunistic Real Estate		Mar-20	Jul-24			Denver, CO
Morgan Creek III, V, & VI	Aggressive Growth	Multi-Strat FOF			Jul-24	8/22/2019	8/22/2019	Chapel Hill, NC
Mount Lucas	Diversifying Strategies, CRO	Systematic Trend Following		Mar-23		10/12/2023	2/12/2021	Newton, PA
Northern Trust	Traditional Growth	MSCI World IMI				10/6/2022		Chicago, IL
Northern Trust	Cash	Collective Govt. Short Term				10/6/2022		Chicago, IL
Neuberger Berman	Stabilized Growth, LC	Global Credit		Oct-21	Jun-24	10/12/2023		Chicago, IL
Oaktree	Stabilized Growth, PC	Leveraged Direct Lending			Sep-24	10/12/2023		New York, NY
Oaktree	Aggressive Growth	Special Situations		Sep-23				Los Angeles, CA
Ocean Avenue	Aggressive Growth	PE Buyout/FOF		Oct-21	May-24	10/12/2023		Santa Monica, CA
P/E Diversified	Diversifying Strategies	Alternative Risk Premia		Sep-23		10/6/2022		Boston, MA
PanAgora	Stabilized Growth, RP	Risk Parity		Apr-24		10/6/2022		Boston, MA
Parametric	Cash	Cash Overlay		Apr-23		4/4/2023		Minneapolis, MN
PIMCO (RAE)	Traditional Growth	Emerging Markets				10/6/2022	8/1/2023	Newport Beach, CA
Principal US	Stabilized Growth, RE	Core Real Estate			Aug-24	10/6/2022		Des Moines, IA
Prologis	Stabilized Growth, RE	Core Real Estate		Oct-22	Jul-24	10/12/2023		San Francisco, CA
Raven III	Stabilized Growth, PC	Direct Lending		Feb-23	May-24		2/23/2018	New York, NY
Ridgemont	Aggressive Growth	Private Equity			Jun-24	10/12/2023		Charlotte, NC
RREEF America II	Stabilized Growth, RE	Core Real Estate		Dec-23		10/12/2023		Kansas City, MO
SilverRock	Stablized Growth, PC	Private Credit					12/1/2022	New York, NY
SilverPoint	Stablized Growth, PC	Private Credit				10/12/2023		Greenwich, CT
Stellex Capital	Aggressive Growth	Private Equity		Apr-24		10/12/2023	5/8/2020	New York, NY
Stockbridge RE III	Aggressive Growth	Value Added Real Estate		Jul-22	Sep-24			San Francisco, CA
Stone Harbor	Stabilized Growth, LC	Absolute Return		Apr-23		10/12/2023	2/3/2021	New York, NY
Walton Street	Aggressive Growth	Opportunistic Real Estate		Mar-24				Chicago, IL
White Oak Summit Peer	Stabilized Growth, PC	Direct Lending		Jan-24	Jun-24			San Francisco, CA
White Oak Yield Spectrum	Stabilized Growth, PC	Direct Lending		Jan-24		7/24/2020	6/7/2019	San Francisco, CA

**General Meketa Review* LC = Liquid Credit; PC = Private Credit; PP = Principal Protection; CRO = Crisis Risk Offset; RP = Risk Parity;

Managers Approved - Waiting to be funded

Liquidated Managers			Date Terminated	
KBI	Global Equity	Global Equity -Terminated	2016	Dublin, Ireland
Bridgewater	Risk Parity	Real Assets - Terminated	2016	Westport, CT
Parametric	Risk Parity	Risk Parity - Terminated	2016	Minneapolis, MN
Legato	Global Equity	Small Cap Growth -Terminated	2017	San Francisco, CA
Marinus	Credit	Credit HF - Terminated	2018	Westport, CT
Bridgewater	Crisis Risk Offset	Pure Alpha - Terminated	2019	Westport, CT
Stone Harbor	Credit	Bank Loans - Temrinated	2019	New York, NY
Prima	Principal Protection	Commercial MBS - Terminated	2020	Scarsdale, NY
BlackRock x4	Global Equity	US Equity x2; Non-US Developed; Non-US REIT -Terminated	2020	San Francisco, CA
Capital Prospects	Global Equity	Global Equity -Terminated	2020	Stamford, CT
PIMCO (RAFI)	Global Equity	Global Equity -Terminated	2019	Newport Beach, CA
DoubleLine	Principal Protection	Principal Protection -Terminated	2022	Los Angeles, CA
Raven	Opportunity Fund II	Stablized Growth - Fund Liquidated	2022	New York, NY
Lombard	Diversifying Strategies	Alternative Risk Premia	2023	New York, NY

San Joaquin County Employees' Retirement Association (SJCERA)

Preliminary Monthly Flash Report (Net)[1] — April 2024

	Commitment ($000)	Sub-Segment	Market Value	Physical % of Total	Policy Target %	1-Mo	3-Mos	YTD	1-Yr	3-Yrs	5-Yrs	SI Return	SI Date
TOTAL PLAN[1]			$ 4,333,708,418	100.0%	100.0%	-1.7	1.8	2.3	7.4	3.8	6.1	7.6	Apr-90
Policy Benchmark [4]						-1.4	3.2	3.0	9.5	4.0	6.8	7.4	
Difference:						-0.4	-1.4	-0.7	-2.1	-0.2	-0.7	0.1	
75/25 Portfolio [5]						-3.1	2.3	2.4	12.6	2.1	7.8	6.9	
Difference:			.			1.3	-0.5	-0.1	-5.2	1.7	-1.7	0.7	
Broad Growth			$ 3,397,465,748	78.4%	78.0%	-2.0	1.8	2.1	8.6	4.5	7.2	8.2	Jan-95
Aggressive Growth Lag[2]			$ 452,545,898	10.4%	12.0%	0.5	0.5	1.0	1.0	14.5	12.5	-1.9	Feb-05
Aggressive Growth Blend [6]						0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Difference:						0.7	0.2	-6.3	-3.7	4.5	5.8	-1.9	
BlackRock Global Energy&Power Lag[3]	*$50,000*	*Global Infrastructure*	$ 44,539,101	1.0%		0.3	0.3	11.0	11.0	9.4	--	9.9	Jul-19
MSCI ACWI +2% Lag						-2.8	-2.8	23.8	23.8	9.5	--	11.0	
Difference:						3.1	3.1	-12.8	-12.8	-0.1	--	-1.1	
BlackRock Infrastructure[3]	*$50,000*	*Global Infrastructure*	$ 20,246,403	0.5%		6.1	6.1	-3.4	-3.4	--	--	-3.4	Mar-23
MSCI ACWI +2% Lag						11.7	11.7	25.2	25.2	--	--	25.2	
Difference:						-5.5	-5.5	--	--	--	--	-28.6	
Bessemer Venture Partners Forge Fund[3]	*$50,000*	*PE Buyout*	$ 6,267,606	0.1%		-1.6	-1.6	--	--	--	--	--	Sep-23
MSCI ACWI +2% Lag						11.7	11.7	--	--	--	--	--	
Difference:						-13.3	-13.3	--	--	--	--	--	
Lightspeed Venture Ptr Select V Lag[3]	*$40,000*	*Growth-Stage VC*	$ 19,314,955	0.4%		1.6	1.6	-3.0	-3.0	--	--	-9.5	Jun-22
MSCI ACWI +2% Lag						-2.8	-2.8	23.8	23.8	--	--	-3.6	
Difference:						4.4	4.4	-26.8	-26.8	--	--	-5.9	
Long Arc Capital Fund Lag[3]	*$25,000*	*Growth-Stage VC*	$ 24,298,777	0.6%		4.4	4.4	1.2	1.2	--	--	1.2	Apr-23
MSCI ACWI +2% Lag						-2.8	-2.8	23.8	23.8	--	--	23.8	
Difference:						7.2	7.2	---	---	---	--	-22.6	
Oaktree Special Situations Lag[3]	*$40,000*	*PE Buyout*	$ 16,000,000	0.4%		---	---	---	---	---	---	---	Mar-24
MSCI ACWI +2% Lag						---	---	---	---	---	---	---	
Difference:						---	---	---	---	---	---	---	
Ocean Avenue II Lag[3]	*$40,000*	*PE Buyout FOF*	$ 33,142,089	0.8%		2.7	2.7	-8.3	-8.3	21.1	20.8	15.6	May-13
MSCI ACWI +2% Lag						-2.8	-2.8	23.8	23.8	9.5	9.1	9.0	
Difference:						5.5	5.5	-32.1	-32.1	11.5	--	6.5	
Ocean Avenue III Lag[3]	*$50,000*	*PE Buyout FOF*	$ 50,182,111	1.2%		-6.5	-6.5	2.4	2.4	23.7	18.7	22.3	Apr-16
MSCI ACWI +2% Lag						-2.8	-2.8	23.8	23.8	9.5	9.1	9.1	
Difference:						-3.7	-3.7	-21.4	-21.4	14.2	--	13.3	
Ocean Avenue IV Lag[3]	*$50,000*	*PE Buyout*	$ 55,989,686	1.3%		5.4	5.4	5.0	5.0	27.2	--	30.5	Dec-19
MSCI ACWI +2% Lag						11.7	11.7	25.2	25.2	8.4	--	13.0	
Difference:						-6.3	-6.3	-20.3	-20.3	18.9	--	17.5	
Ocean Avenue V Lag[3]	*$30,000*	*PE Buyout*	$ 6,846,164	0.2%		5.4	5.4	--	--	--	--	8.4	Jun-23
MSCI ACWI +2% Lag						-2.8	-2.8	--	--	--	--	11.8	
Difference:						8.2	8.2	--	--	--	--	-3.5	
Morgan Creek III Lag[7]	*$10,000*	*Multi-Strat FOF*	$ 4,848,671	0.1%		0.0	0.0	15.7	15.7	-10.5	-10.6	-4.8	Feb-15
MSCI ACWI +2% Lag						-2.8	-2.8	23.8	23.8	9.5	9.1	9.1	
Difference:						2.8	2.8	-8.1	-8.1	-20.1	-19.7	-13.8	
Morgan Creek V Lag[7]	*$12,000*	*Multi-Strat FOF*	$ 5,557,161	0.1%		0.0	0.0	-14.3	-14.3	4.1	7.1	11.6	Jun-13
MSCI ACWI +2% Lag						-2.8	-2.8	23.8	23.8	9.5	9.1	9.0	
Difference:						2.8	2.8	-38.1	-38.1	-5.5	-2.0	2.6	
Morgan Creek VI Lag[7]	*$20,000*	*Multi-Strat FOF*	$ 22,031,859	0.5%		0.0	0.0	0.0	0.0	8.2	11.4	8.7	Feb-15
MSCI ACWI +2% Lag						-2.8	-2.8	23.8	23.8	9.5	9.1	9.1	
Difference:						2.8	2.8	-23.9	-23.9	-1.3	2.3	-0.4	

[1] Returns are preliminary and are finalized during each quarterly reporting cycle. Monthly returns since previous quarter are provided by the managers. Market values are provided by Northern Trust.

[2] Total class returns are as of 3/31/24, and lagged 1 quarter.

[3] Manager returns are as of 3/31/24, and lagged 1 quarter. Since Inception date reflects one quarter lag.

[4] 9/1/23 to present benchmark is 34% MSCI ACWI IMI, **8%** BB Aggregate Bond Index, **16%** *50%* BB High Yield/*50%* S&P Leveraged Loans, 7% NCREIF ODCE +1% lag; **9%** T-Bill +4%, **12%** MSCI ACWI +2% Lag, **14%** CRO Custom Benchmark. Prior to 9/1/23 benchmark is legacy policy benchmark.

[5] 4/1/20 to present **75%** MSCI ACWI, **25%** BB Global Aggregate. Prior to 4/1/20 60% MSCI ACWI, 40% BB Global Aggregate.

[6] 1/1/2021 to present **50%** MSCI ACWI +2%,**50%** NCREIF ODCE +1%

[6] Manager returns are as of 12/31/23, and lagged 1 quarter.

San Joaquin County Employees' Retirement Association (SJCERA)

Preliminary Monthly Flash Report (Net)[1] — April 2024

	Commitment ($000)	Sub-Segment	Market Value	Physical % of Total	Policy Target %	1-Mo	3-Mos	YTD	1-Yr	3-Yrs	5-Yrs	SI Return	SI Date
Aggressive Growth Lag (continued)													
Ridgemont Equity Partners Lag[3]	*$50,000*	*Special Situations PE*	$ 20,910,646	0.5%		4.0	4.0	10.4	10.4	--	--	10.4	Apr-23
MSCI ACWI +2% Lag						*-2.8*	*-2.8*	*23.8*	*23.8*	--	--	*23.8*	
Difference:						6.8	6.8	--	--	--	--	-13.4	
Stellex Capital Partners II Lag[3]	*$50,000*	*Special Situations PE*	$ 37,840,631	0.9%		3.7	3.7	9.8	9.8	--	--	3.6	Jul-21
MSCI ACWI +2% Lag						*11.7*	*11.7*	*25.2*	*25.2*	--	--	*5.6*	
Difference:						-8.0	-8.0	-15.5	-15.5	--	--	-2.0	
Opportunistic Private Real Estate[4]			$ 20,900,538	0.5%									
Greenfield VII[3]	*$19,100*	*Opportunistic Pvt. RE*	$ 1,209,793	0.0%		-9.9	-9.9	-5.4	-3.3	6.0	8.7	10.5	Oct-14
NCREIF ODCE + 1% Lag Blend						*-1.9*	*-1.9*	*-12.0*	*-12.0*	*7.3*	*5.8*	*11.3*	
Difference:						-8.0	-8.0	6.6	8.7	-1.3	2.9	-0.8	
Grandview[3]	*$30,000*	*Opportunistic Pvt. RE*	$ 12,914,068	0.3%		11.6	11.6	-1.8	-2.3	13.5	--	17.8	Apr-18
NCREIF ODCE + 1% Lag Blend						*-1.9*	*-1.9*	*-12.0*	*-12.0*	*7.3*	*5.8*	*7.3*	
Difference:						13.5	13.5	10.2	9.7	6.2	--	10.5	
Walton Street VI[3]	*$15,000*	*Opportunistic Pvt. RE*	$ 6,177,846	0.1%		-3.2	-3.2	-0.7	1.4	11.4	4.4	7.7	Jul-09
NCREIF ODCE + 1% Lag Blend						*-1.9*	*-1.9*	*-12.0*	*-12.0*	*7.3*	*5.8*	*10.5*	
Difference:						-1.3	-1.3	11.3	13.4	4.1	-1.4	-2.8	
Value-Added Private Real Estate			$ 63,202,475	1.4%									
AG Core Plus IV[3]	*$20,000*	*Value-Added Pvt. RE*	$ 6,872,711	0.2%		-6.4	-6.4	-18.0	-27.9	-11.4	-4.4	-1.2	Sep-15
NCREIF ODCE + 1% Lag Blend						*-1.9*	*-1.9*	*-12.0*	*-12.0*	*7.3*	*5.8*	*9.8*	
Difference:						-4.5	-4.5	-6.0	-15.9	-18.7	-10.2	-11.0	
Almanac Realty VI[3]	*$30,000*	*Value-Added Pvt. RE*	$ 3,202,874	0.1%		-6.8	-6.8	-21.0	-18.8	-2.4	-9.6	15.6	Feb-13
NCREIF ODCE + 1% Lag Blend						*-1.9*	*-1.9*	*-12.0*	*-12.0*	*7.3*	*5.8*	*11.4*	
Difference:						-4.9	-4.9	-9.0	-6.8	-9.7	-15.4	4.2	
Berkeley Partners Fund V, LP[3]	*$40,000*	*Value-Added Pvt. RE*	$ 33,438,513	0.8%		-2.1	-2.1	7.3	4.3	14.8	--	15.8	Aug-20
NCREIF ODCE + 1% Lag Blend						*-1.9*	*-1.9*	*-12.0*	*-12.0*	*7.3*	*5.8*	*8.1*	
Difference:						-0.2	-0.2	19.3	16.3	7.5	--	7.7	
Berkeley Partners Value Industrial Fund VI, L.P.[3]		*Value-Added Pvt. RE*	$ 944,088	0.0%		--	--	--	--	--	--	--	Feb-24
NCREIF ODCE + 1% Lag Blend						--	--	--	--	--	--	--	
Difference:						--	--	--	--	--	--	--	
Stockbridge RE III[3]	*$45,000*	*Value-Added Pvt. RE*	$ 18,744,289	0.4%		-3.4	0.7	1.8	20.2	13.4	--	11.2	Jul-18
NCREIF ODCE + 1% Lag Blend						*-1.9*	*-1.9*	*-12.0*	*-12.0*	*7.3*	*5.8*	*9.2*	
Difference:						-1.5	2.6	13.8	32.2	--	--	2.0	

[1] Returns are preliminary and are finalized during each quarterly reporting cycle. Monthly returns since previous quarter are provided by the managers. Market values are provided by Northern Trust.

[2] MSCI ACWI IMI Net as of 4/1/2020, MSCI ACWI Gross prior.

[3] Manager returns are as of 12/31/23, and lagged 1 quarter. Since Inception date reflects one quarter lag.

[4] Market value includes Walton V $598,831

San Joaquin County Employees' Retirement Association (SJCERA)

Preliminary Monthly Flash Report (Net)[1] — April 2024

	Commitment ($000)	Sub-Segment	Market Value	Physical % of Total	Policy Target %	1-Mo	3-Mos	YTD	1-Yr	3-Yrs	5-Yrs	SI Return	SI Date
Traditional Growth[3]			$ 1,671,803,778	38.6%	34.0%	-3.4	3.7	4.3	18.1	4.8	8.5	9.1	Jan-95
MSCI ACWI IMI Net[2]						-3.4	3.8	4.1	16.8	3.6	9.6	7.9	
Difference:						-0.1	-0.1	0.3	1.3	1.2	-1.1	1.2	
Global Equity			$ 1,629,648,242	37.6%									
Northern Trust MSCI World IMI		*All Cap Global*	$ 1,449,772,416	33.5%		-3.8	3.5	4.3	17.8	5.2	--	10.3	Sep-20
MSCI World IMI Net						-3.9	3.4	4.2	17.5	4.7	--	9.8	
Difference:						0.0	0.1	0.1	0.4	--	--	0.4	
Emerging Markets			$ 179,872,661										
GQG Active Emerging Markets		*Emerging Markets*	$ 80,459,153	1.9%		-0.3	7.8	10.7	33.6	3.7	--	7.8	Aug-20
MSCI Emerging Markets Index Net						0.4	7.8	2.8	9.9	-5.7	--	1.5	
Difference:						-0.7	0.0	7.9	23.7	--	--	6.3	
PIMCO RAE Fundamental Emerging Markets		*Emerging Markets*	$ 99,413,508	2.3%		1.8	6.2	6.3	21.9	5.4	8.0	5.7	Apr-07
MSCI Emerging Markets Index Net						0.4	7.8	2.8	9.9	-5.7	1.9	3.1	
Difference:						1.3	-1.6	3.5	12.1	11.1	6.2	2.6	
REITS			$ 42,155,535	1.0%									
Invesco All Equity REIT		*Core US REIT*	$ 42,155,535	1.0%		-7.7	-4.1	-9.3	-3.6	-3.1	1.0	7.1	Aug-04
FTSE NAREIT Equity Index						-7.0	-3.2	-7.2	1.9	-0.9	2.7	7.0	
Difference:						-0.7	-0.9	-2.1	-5.6	-2.1	-1.7	0.0	
Stabilized Growth			$ 1,273,116,072	29.4%	32.0%	-0.7	-0.3	-0.4	0.3	1.7	4.3	3.6	Jan-05
Risk Parity			$ 381,839,358	8.8%		-2.3	1.5	0.0	0.5	-4.2	1.5	3.1	
T-Bill +4%						0.8	2.3	3.1	9.6	6.8	6.1	5.0	
Difference:						-3.0	-0.8	-3.0	-9.1	-11.1	-4.7	-1.9	
Bridgewater All Weather		*Risk Parity*	$ 202,078,943	4.7%		-1.9	1.6	0.2	3.5	-1.6	2.6	3.6	Mar-12
T-Bill +4%						0.8	2.3	3.1	9.6	6.8	6.1	5.2	
Difference:						-2.7	-0.7	-2.8	-6.1	-8.4	-3.6	-1.6	
PanAgora Diversified Risk Multi-Asset		*Risk Parity*	$ 179,760,415	4.1%		-2.6	1.3	-0.2	-2.7	-6.9	0.3	2.7	Apr-16
T-Bill +4%						0.8	2.3	3.1	9.6	6.8	6.1	5.8	
Difference:						-3.4	-1.0	-3.2	-12.2	-13.7	-5.9	-3.1	
Liquid Credit			$ 255,280,008	5.9%		0.0	1.9	3.7	10.3	2.7	3.5	2.4	
50% BB High Yield, 50% S&P/LSTA Leveraged Loans						-0.1	1.5	1.8	10.5	3.8	4.5	5.6	
Difference:						0.1	0.4	1.9	-0.2	-1.1	-1.1	-3.2	
Neuberger Berman		*Global Credit*	$ 108,595,448	2.5%		-0.5	1.4	4.8	9.5	0.9	2.8	3.1	Feb-19
33% ICE BofA HY Constrained, 33% S&P/LSTA LL, 33% JPM EMBI Glbl Div.						-0.8	1.3	1.2	9.7	1.6	3.0	3.5	
Difference:						0.3	0.1	3.6	-0.2	-0.7	--	-0.4	
Stone Harbor Absolute Return		*Absolute Return*	$ 146,684,560	3.4%		0.3	2.3	3.0	10.9	4.1	4.0	3.2	Oct-06
3-Month Libor Total Return						0.4	1.3	1.8	5.4	2.7	2.2	1.7	
Difference:						-0.1	0.9	1.2	5.5	1.4	1.8	1.5	

[1] Returns are preliminary and are finalized during each quarterly reporting cycle. Monthly returns since previous quarter are provided by the managers. Market values are provided by Northern Trust.

[2] MSCI ACW IMI Net as of 4/1/2020, MSCI ACWI Gross prior.

[3] Total Market Value includes DoubleLine $58 and SJCERA Transition $3,107.

San Joaquin County Employees' Retirement Association (SJCERA)

Preliminary Monthly Flash Report (Net)[1] — April 2024

	Commitment ($000)	Sub-Segment	Market Value	Physical % of Total	Policy Target %	1-Mo	3-Mos	YTD	1-Yr	3-Yrs	5-Yrs	SI Return	SI Date
Private Credit Lag[2]			$ 427,124,474	9.9%		-0.2	-0.2	1.5	1.5	4.1	3.2	3.4	
S&P/LSTA Leveraged Loans +3% Blend						3.6	3.6	16.7	16.7	12.1	10.4	9.3	
Difference:						-3.8	-3.8	-15.2	-15.2	-8.0	-8.0	-5.9	
Ares Pathfinder Fund II Lag[3]	$62,500	Asset Backed	$ 4,788,956	0.1%		---	---	---	---	---	---	---	Feb-24
S&P/LSTA Leveraged Loans +3% Blend[4]						---	---	---	---	---	---	---	
Difference:						---	---	---	---	---	---	---	
BlackRock Direct Lending Lag[3]	$100,000	Direct Lending	$ 87,944,029	2.0%		3.2	3.2	15.4	15.4	8.5	--	9.1	May-20
S&P/LSTA Leveraged Loans +3% Blend[4]						3.6	3.6	16.7	16.7	12.1	--	10.9	
Difference:						-0.4	-0.4	-1.3	-1.3	-3.5	--	-1.8	
Mesa West RE Income IV Lag[3]	$75,000	Comm. Mortgage	$ 28,617,926	0.7%		-7.2	-7.2	-24.1	-24.1	-6.6	-1.2	1.4	Mar-17
S&P/LSTA Leveraged Loans +3% Blend[4]						3.6	3.6	16.7	16.7	12.1	10.4	9.7	
Difference:						-10.8	-10.8	-40.8	-40.8	-18.6	-11.6	-8.4	
Crestline Opportunity II Lag[5]	$45,000	Opportunistic	$ 11,159,060	0.3%		0.0	0.0	-6.5	-6.5	-3.0	-3.4	1.8	Nov-13
S&P/LSTA Leveraged Loans +3% Blend[4]						3.6	3.6	16.7	16.7	12.1	10.4	9.5	
Difference:						-3.6	-3.6	-23.2	-23.2	-15.0	-13.7	-7.7	
Davidson Kempner Distr Opp V Lag[3]	$50,000	Opportunistic	$ 51,002,059	0.0%		2.0	2.0	3.4	3.4	7.3	--	15.1	Oct-20
S&P/LSTA Leveraged Loans +3% Blend[4]						3.6	3.6	16.7	16.7	12.1	--	11.5	
Difference:						-1.6	-1.6	-13.3	-13.3	-4.8	--	3.7	
Oaktree Middle Market Lag[3]	$50,000	Leveraged Direct	$ 35,919,981	0.8%		3.4	3.4	14.2	14.2	11.1	13.4	10.9	Mar-18
S&P/LSTA Leveraged Loans +3% Blend[4]						3.6	3.6	16.7	16.7	12.1	10.4	9.9	
Difference:						-0.2	-0.2	-2.5	-2.5	-0.9	3.1	1.0	
HPS EU Asset Value II Lag[3]	$50,000	Direct Lending	$ 38,054,186	0.9%		2.7	2.7	12.4	12.4	9.5	--	6.5	Aug-20
S&P/LSTA Leveraged Loans +3% Blend[4]						3.6	3.6	16.7	16.7	12.1	--	11.4	
Difference:						-0.9	-0.9	-4.3	-4.3	-2.5	--	-4.9	
Raven Opportunity III Lag[3]	$50,000	Direct Lending	$ 45,746,425	1.1%		-11.4	-11.4	-19.7	-19.7	-0.5	1.9	1.2	Nov-15
S&P/LSTA Leveraged Loans +3% Blend[4]						3.6	3.6	16.7	16.7	12.1	10.4	9.6	
Difference:						-15.1	-15.1	-36.4	-36.4	-12.6	-8.5	-8.4	
Medley Opportunity II Lag[2]	$50,000	Direct Lending	$ 606,826	0.0%		0.0	0.0	0.5	0.5	-2.0	-7.5	-1.9	Jul-12
S&P/LSTA Leveraged Loans +3% Blend[3]						3.6	3.6	16.7	16.7	12.1	10.4	9.4	
Difference:						-3.6	-3.6	-16.2	-16.2	-14.0	-17.9	-11.4	
Silver Point Credit III Lag[2]	$62,000	Sub-Sector	$ 19,327,349	0.4%		--	--	--	--	--	--	--	Nov-23
S&P/LSTA Leveraged Loans +3% Blend[4]						--	--	--	--	--	--	--	
Difference:						--	--	--	--	--	--	--	
SilverRock Tactical Allocation Lag[2]	$50,000	Direct Lending	$ 38,109,251	0.9%		2.1	2.1	--	--	--	--	8.0	Jul-23
S&P/LSTA Leveraged Loans +3% Blend[4]						3.6	3.6	--	--	--	--	9.9	
Difference:						-1.5	-1.5	--	--	--	--	-1.8	
White Oak Summit Peer Fund Lag[2]	$50,000	Direct Lending	$ 24,729,259	0.6%		0.9	0.9	6.2	6.2	-1.4	1.3	3.7	Mar-16
S&P/LSTA Leveraged Loans +3% Blend[3]						3.6	3.6	16.7	16.7	12.1	10.4	9.7	
Difference:						-2.8	-2.8	-10.5	-10.5	-13.4	-9.0	-6.0	
White Oak Yield Spectrum Master V Lag[2]	$50,000	Direct Lending	$ 41,119,167	0.9%		-1.3	-1.3	0.2	0.2	0.3	--	1.7	Mar-20
S&P/LSTA Leveraged Loans +3% Blend[3]						3.6	3.6	16.7	16.7	12.1	--	10.9	
Difference:						-4.9	-4.9	-16.5	-16.5	-11.7	--	-9.1	
Core Private Real Estate Lag			$ 208,872,232	4.8%									
AEW Essential Housing[2]		Core Pvt. RE	$ 590,548	0.0%		--	--	--	--	--	--	--	Jan-24
NCREIF ODCE + 1% Lag Blend						--	--	--	--	--	--	--	
Difference:						--	--	--	--	--	--	--	
Principal US[2]	$25,000	Core Pvt. RE	$ 39,037,004	0.9%		-3.9	-3.9	-8.8	-14.4	5.8	4.7	6.6	Jan-16
NCREIF ODCE + 1% Lag Blend						-1.9	-1.9	-12.0	-12.0	7.3	5.8	10.1	
Difference:						-2.0	-2.0	3.2	-2.4	-1.5	-1.1	-3.5	
Prologis Logistics[2]	$50,500	Core Pvt. RE	$ 118,029,600	2.7%		-2.3	-2.3	-3.0	-8.0	19.8	16.6	12.2	Dec-07
NCREIF ODCE + 1% Lag Blend						-1.9	-1.9	-12.0	-12.0	7.3	5.8	8.9	
Difference:						-0.4	-0.4	9.0	4.0	12.5	10.8	3.3	
RREEF America II[2]	$45,000	Core Pvt. RE	$ 51,667,140	1.2%		-2.4	-2.4	-11.2	-14.5	6.0	5.2	6.4	Jul-16
NCREIF ODCE + 1% Lag Blend						-1.9	-1.9	-12.0	-12.0	7.3	5.8	9.8	
Difference:						-0.5	-0.5	0.8	-2.5	-1.3	-0.6	-3.4	

[1] Returns are preliminary and are finalized during each quarterly reporting cycle. Monthly returns since previous quarter are provided by the managers. Market values are provided by Northern Trust.

[2] Total class returns are as of 3/31/24, and lagged 1 quarter.

[3] Manager returns are as of 3/31/24, and lagged 1 quarter. Since Inception date reflects one quarter lag.

[4] 9% Annual until 6/30/2018; CPI +6% Annual 7/1/2018 - 3/31/2022; S&P/LSTA Leveraged Loans +3% thereafter.

[5] Manager returns are as of 12/31/23 and lagged 1 quarter.

San Joaquin County Employees' Retirement Association (SJCERA)

Preliminary Monthly Flash Report (Net)[1] — April 2024

	Commitment ($000)	Sub-Segment	Market Value	Physical % of Total	Policy Target %	1-Mo	3-Mos	YTD	1-Yr	3-Yrs	5-Yrs	SI Return	SI Date
Diversifying Strategies			**$ 795,252,654**	**18.4%**	**22.0%**	**-0.9**	**1.9**	**3.5**	**3.6**	**1.9**	**2.6**	**6.0**	**Oct-90**
Principal Protection			**$ 296,657,350**	**6.8%**	**8.0%**	**-2.4**	**-2.7**	**-2.9**	**0.5**	**-1.8**	**0.4**	**5.7**	Oct-90
BB Aggregate Bond Index						*-2.5*	*-3.0*	*-3.3*	*-1.5*	*-3.5*	*-0.2*	*5.2*	
Difference:						0.1	0.3	0.4	1.9	1.7	0.5	0.5	
Dodge & Cox		*Core Fixed Income*	$ 203,989,342	4.7%		-2.4	-2.6	-2.8	1.3	-1.8	1.4	6.4	Oct-90
BB Aggregate Bond Index						*-2.5*	*-3.0*	*-3.3*	*-1.5*	*-3.5*	*-0.2*	*5.2*	
Difference:						0.1	0.4	0.5	2.8	1.7	1.6	1.2	
Loomis Sayles		*Core Fixed Income*	$ 92,668,008	2.1%		-2.5	-3.0	-3.1	-1.3	--	--	-2.5	Mar-22
BB Aggregate Bond Index						*-2.5*	*-3.0*	*-3.3*	*-1.5*	*--*	*--*	*-2.7*	
Difference:						0.0	0.0	0.2	0.2	--	--	0.3	
Crisis Risk Offset			**$ 498,595,304**	**11.5%**	**14.0%**	**0.0**	**4.9**	**7.7**	**5.5**	**4.7**	**4.2**	**6.3**	**Jan-05**
CRO Custom Benchmark [2]						*-1.1*	*1.2*	*1.0*	*1.4*	*1.3*	*3.4*	*4.7*	
Difference:						1.1	3.7	6.6	4.2	3.3	0.8	1.6	
Long Duration			$ 106,498,201	2.5%		-5.7	-6.9	-8.2	-11.5	-10.0	-3.4	-1.9	
BB US Long Duration Treasuries						*-6.1*	*-7.1*	*-9.2*	*-12.3*	*-10.6*	*-3.6*	*-1.9*	
Difference:						0.4	0.2	0.9	0.8	0.6	0.2	0.1	
Dodge & Cox Long Duration		*Long Duration*	$ 106,498,201	2.5%		-5.7	-6.9	-8.2	-11.5	-10.0	-3.4	-1.9	Feb-16
BB US Long Duration Treasuries						*-6.1*	*-7.1*	*-9.2*	*-12.3*	*-10.6*	*-3.6*	*-1.9*	
Difference:						0.4	0.2	0.9	0.8	0.6	0.2	0.1	
Systematic Trend Following			$ 246,124,863	5.7%		0.7	8.0	9.6	4.9	8.5	9.1	8.6	
BTOP50 Index						*2.4*	*9.9*	*11.2*	*11.4*	*9.4*	*8.0*	*5.2*	
Difference:						-1.6	-1.9	-1.6	-6.6	-0.8	1.1	3.4	
Mt. Lucas Managed Futures - Cash		*Systematic Trend Following*	$ 122,761,550	2.8%		1.5	3.9	3.0	0.8	7.5	8.6	8.0	Jan-05
BTOP50 Index						*2.4*	*9.9*	*11.2*	*11.4*	*9.4*	*8.0*	*5.2*	
Difference:						-0.9	-6.0	-8.3	-10.6	-1.9	0.6	2.8	
Graham Tactical Trend		*Systematic Trend Following*	$ 123,363,313	2.8%		0.0	12.5	17.1	9.2	9.7	9.5	4.6	Apr-16
SG Trend Index						*1.9*	*13.1*	*14.4*	*15.0*	*12.5*	*10.5*	*5.9*	
Difference:						-1.9	-0.6	2.7	-5.8	-2.9	-1.0	-1.3	
Alternative Risk Premia			$ 145,972,239	3.4%		3.4	9.6	19.2	24.3	13.1	3.7	8.0	
5% Annual						*0.4*	*1.2*	*1.6*	*5.0*	*5.0*	*5.0*	*6.1*	
Difference:						3.0	8.4	17.6	19.3	8.1	-1.3	1.9	
AQR Style Premia		*Alternative Risk Premia*	$ 76,565,701	1.8%		0.8	11.0	22.5	36.9	23.4	8.6	4.8	May-16
5% Annual						*0.4*	*1.2*	*1.6*	*5.0*	*5.0*	*5.0*	*5.0*	
Difference:						0.4	9.8	20.8	31.9	18.4	3.6	-0.2	
PE Diversified Global Macro		*Alternative Risk Premia*	$ 69,406,538	1.6%		6.5	8.2	15.8	12.9	15.7	2.5	3.1	Jun-16
5% Annual						*0.4*	*1.2*	*1.6*	*5.0*	*5.0*	*5.0*	*5.0*	
Difference:						6.1	6.9	14.2	7.9	10.7	-2.5	-1.9	
Cash[3]			**$ 112,606,698**	**2.6%**	**0.0%**	**0.1**	**1.0**	**1.4**	**3.7**	**2.1**	**1.6**	**2.4**	**Sep-94**
US T-Bills						*0.4*	*1.3*	*1.7*	*5.4*	*2.7*	*2.1*	*2.4*	
Difference:						-0.3	-0.3	-0.3	-1.6	-0.6	-0.5	0.0	
Northern Trust STIF		*Collective Govt. Short Term*	$ 58,102,514	1.3%		0.3	1.2	1.6	4.7	2.4	1.8	2.6	Jan-95
US T-Bills						0.4	1.3	1.7	5.4	2.7	2.1	*2.4*	
Difference:						-0.2	-0.1	-0.1	-0.7	-0.3	-0.3	0.2	
Parametric Overlay[4]		*Cash Overlay*	**$ 28,383,319**	**0.7%**		**0.0**	**0.0**	**0.0**	**0.0**	**--**	**--**	**0.0**	**Jan-20**

[1] Returns are preliminary and are finalized during each quarterly reporting cycle. Monthly returns since previous quarter are provided by the managers. Market values are provided by Northern Trust.

[2] Benchmark is (1/3) BB Long Duration Treasuries, (1/3) BTOP50 Index, (1/3) 5% Annual.

[3] Includes lagged cash.

[4] Given daily cash movement returns may vary from those shown above.

Capital Markets Outlook & Risk Metrics

As of April 30, 2024

Capital Markets Outlook

→ In April, US economic indicators showed that the domestic economy continued to grow and unemployment remained low, providing justification for the Fed to maintain higher policy rates for most of 2023.

→ Central bank commentary reinforced previous guidance that inflation is still too high for interest rate cuts in the US. Repricing the path of rate cuts pushed equity markets into retreat, giving up some of their gains from earlier this year.

→ While US and non-US developed markets sold-off, Chinese stocks were a notable exception. China's national team continued to use ETFs and strategic share purchases to lift Chinese markets to positive returns both in Hong Kong and on the mainland.

→ In the US, large cap growth stocks underperformed the broader market on a relative basis.

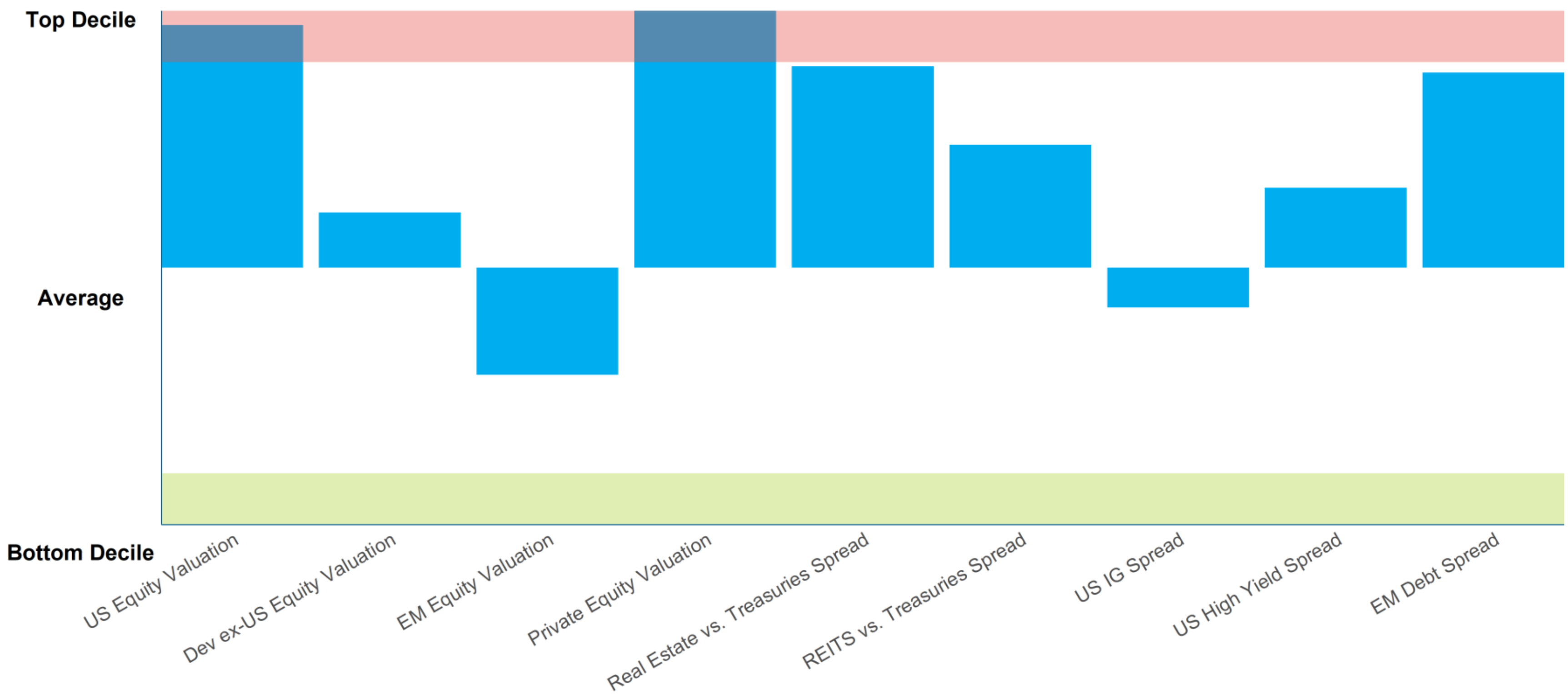
→ Outside the US, emerging markets posted positive returns due to the performance of China and India. EM outperformed in spite of a strong-dollar headwind.

→ Higher than expected inflation hurt bond markets which produced negative returns in major markets, although TIPS outperformed on a relative basis.

→ REITs and infrastructure stocks also sold-off in April on policy rate concerns.

→ Geopolitical tensions in Ukraine and the Middle East stoked energy prices higher, leading to positive returns for commodities and mixed returns for natural resource stocks.

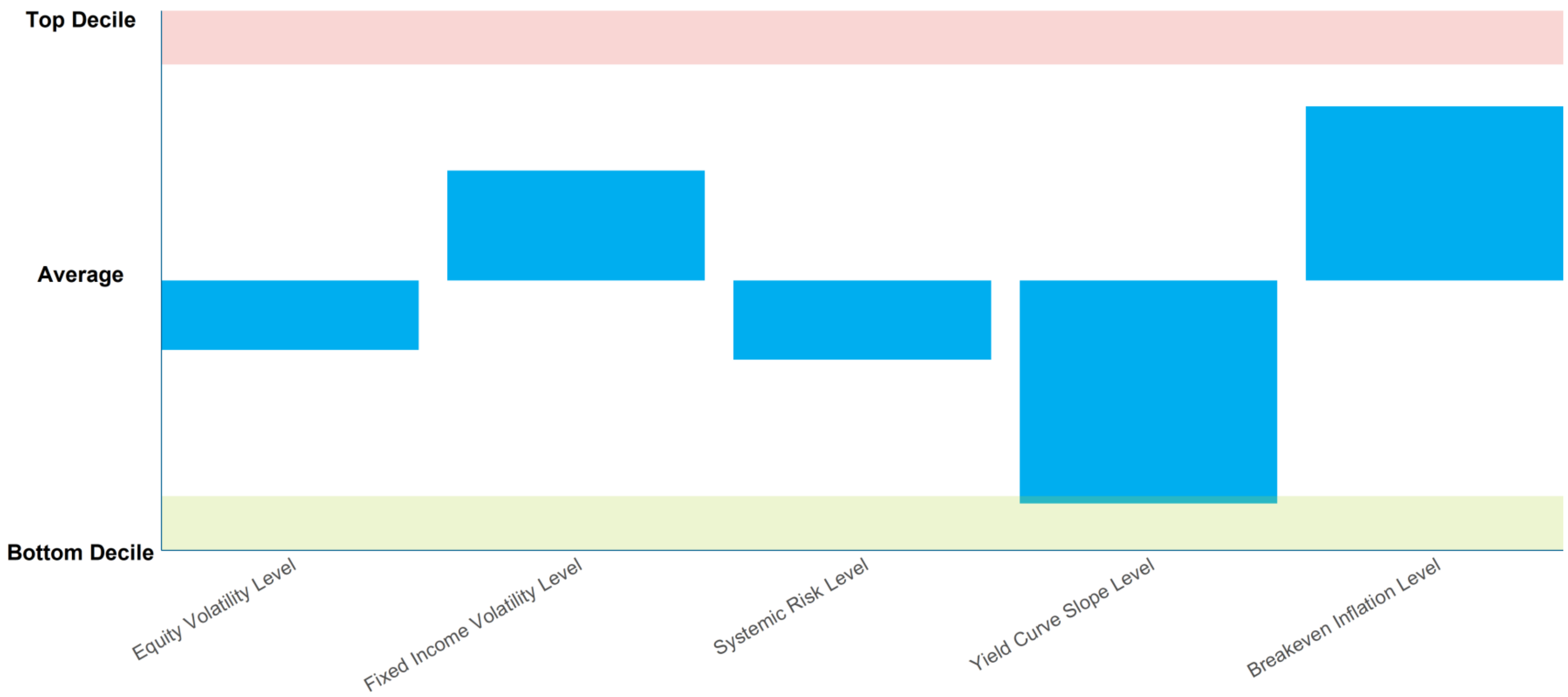
Risk Overview/Dashboard (1)
(As of April 30, 2024)[1]



→ Dashboard (1) summarizes the current state of the different valuation metrics per asset class relative to their own history.

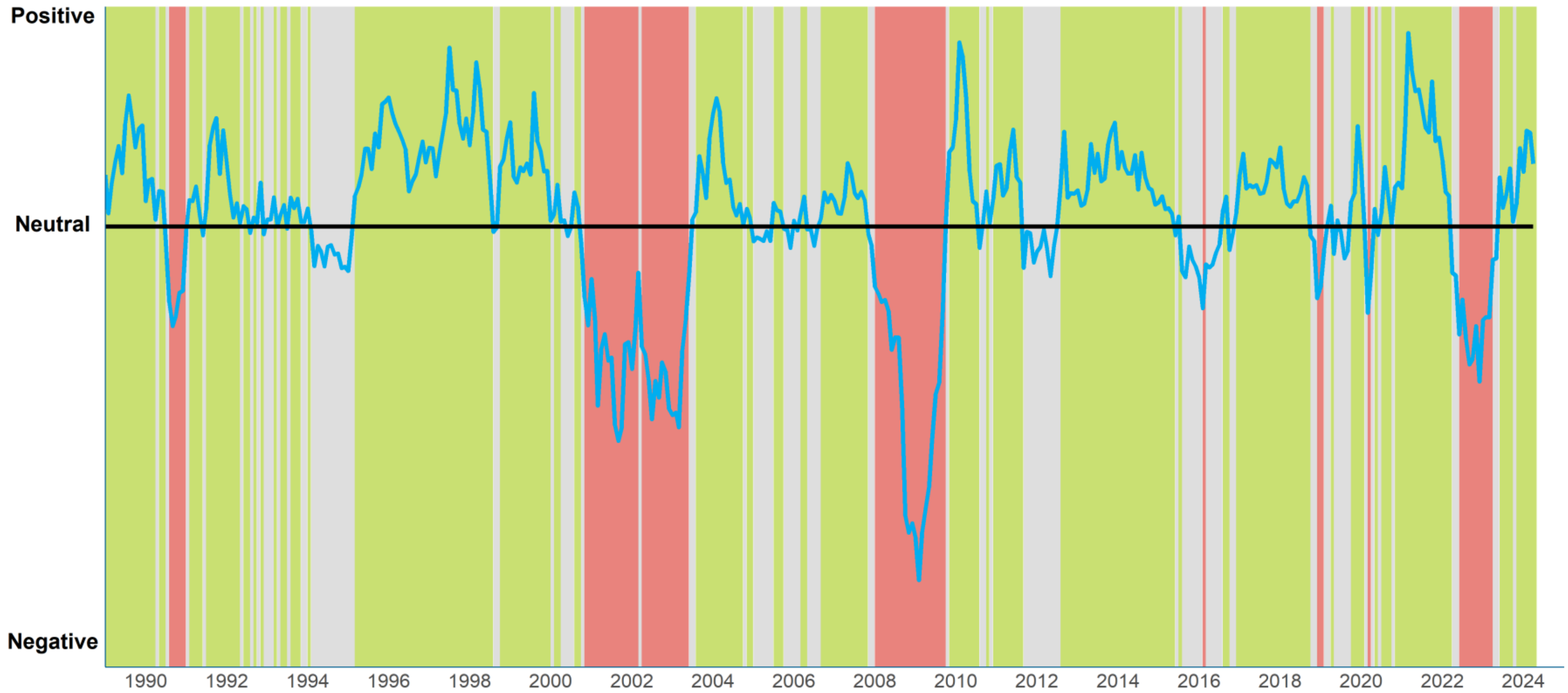
[1] With the exception of Private Equity Valuation, that is YTD as of December 30, 2023.

Risk Overview/Dashboard (2)
(As of April 30, 2024)

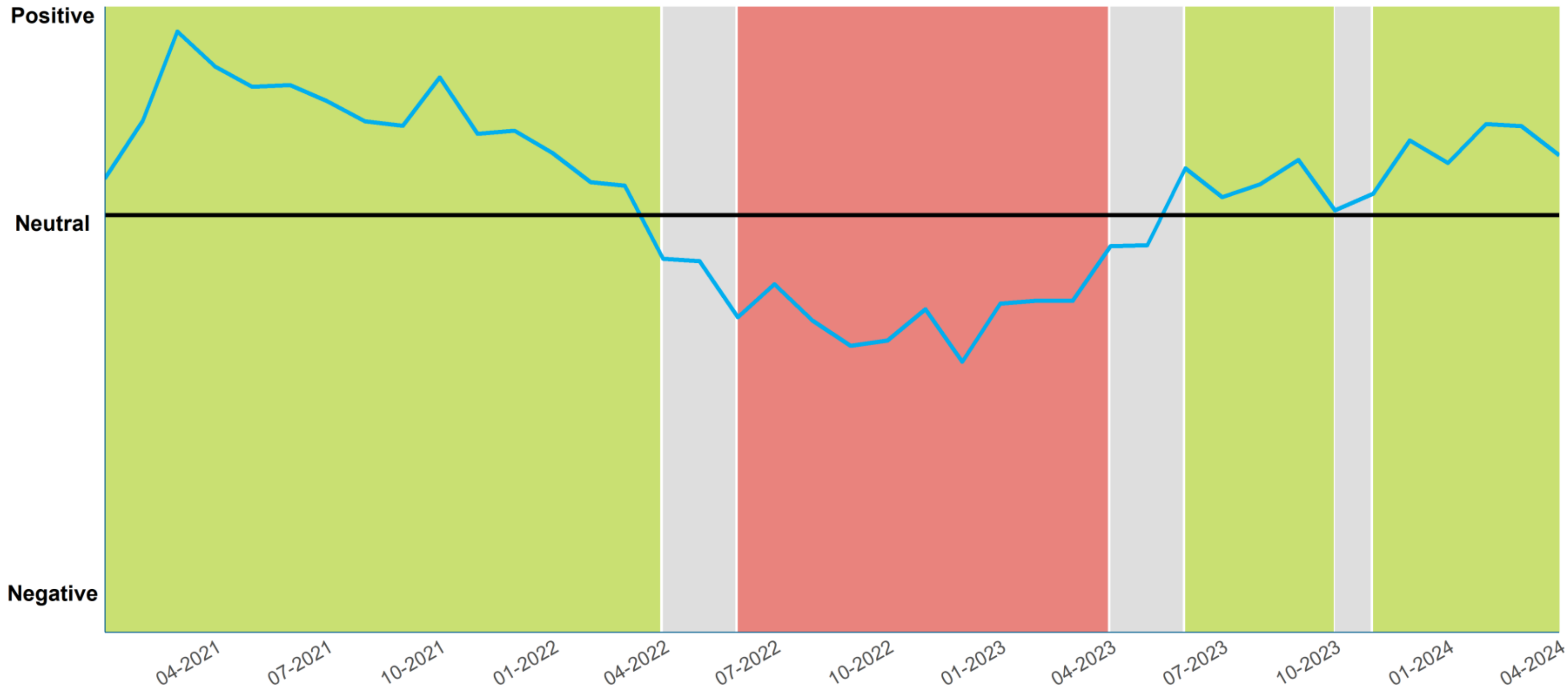


→ Dashboard (2) shows how the current level of each indicator compares to its respective history.

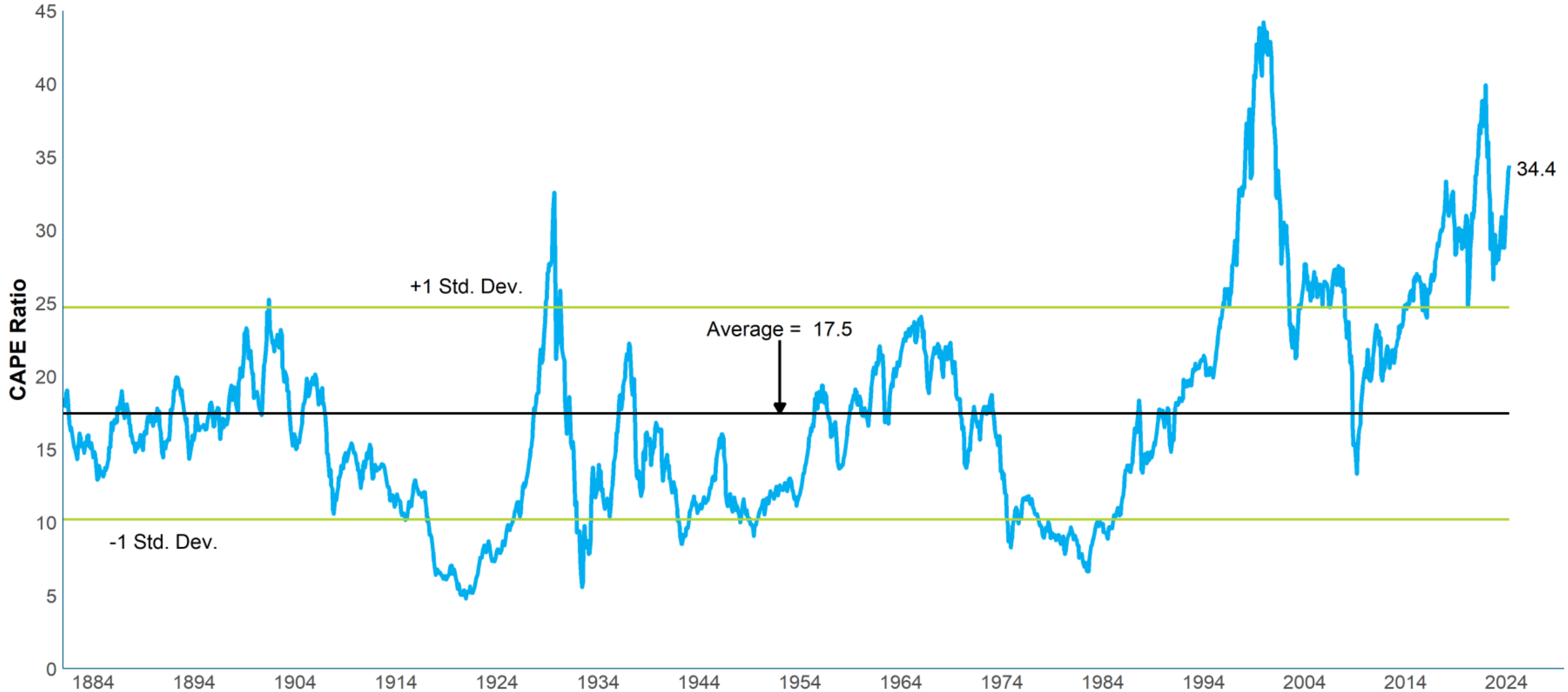
Market Sentiment Indicator (All History)
(As of April 30, 2024)



Market Sentiment Indicator (Last Three Years)
(As of April 30, 2024)



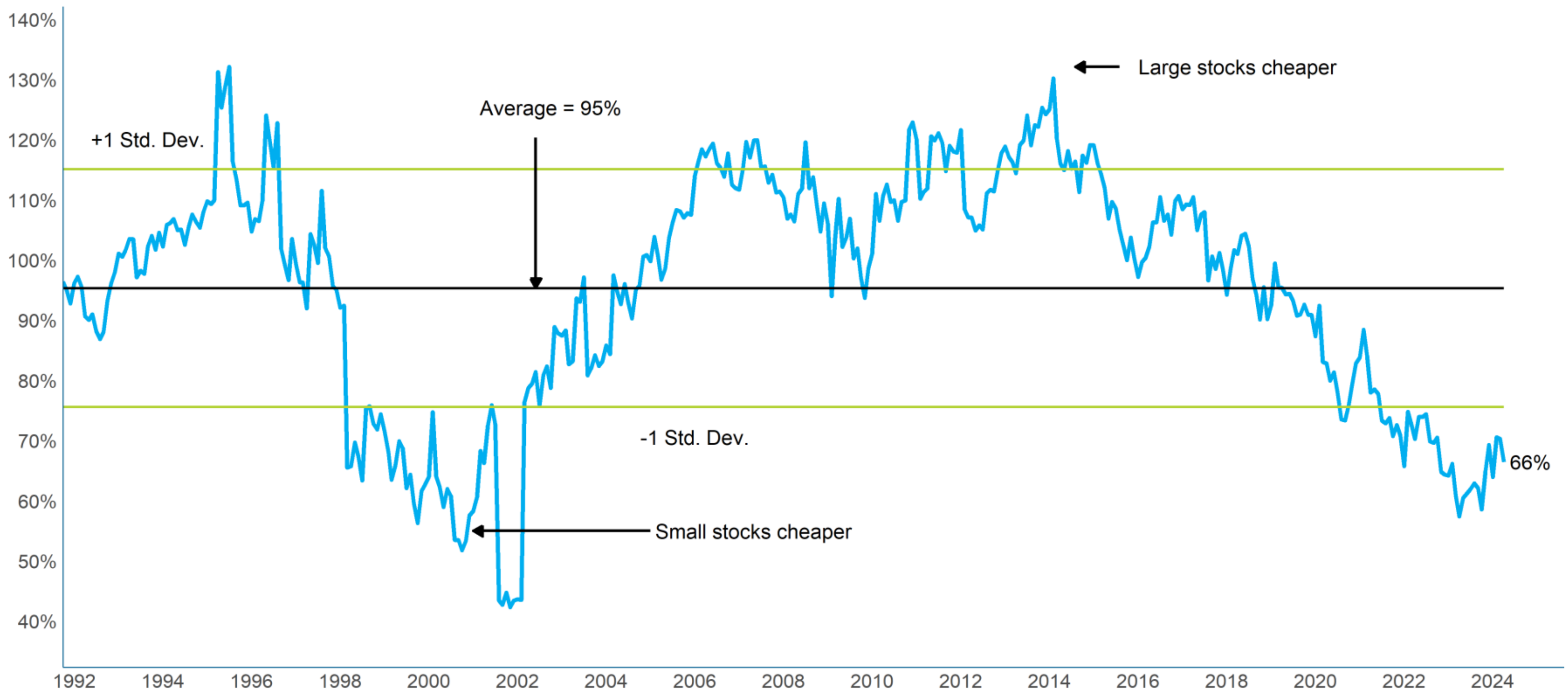
US Equity Cyclically Adjusted P/E[1]
(As of April 30, 2024)



→ This chart details one valuation metric for US equities. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

[1] US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group.

Small Cap P/E vs. Large Cap P/E[1]
(As of April 30, 2024)



→ This chart compares the relative attractiveness of small cap US equities vs. large cap US equities on a valuation basis. A higher (lower) figure indicates that large cap (small cap) is more attractive.

[1] Small Cap P/E (Russell 2000 Index) vs. Large Cap P/E (Russell 1000 Index) - Source: Russell Investments and Bloomberg. Prior months unavailable on Bloomberg are backfilled with last reported earnings. Earnings figures represent 12-month "as reported" earnings.

Growth P/E vs. Value P/E[1]
(As of April 30, 2024)

→ This chart compares the relative attractiveness of US growth equities vs. US value equities on a valuation basis. A higher (lower) figure indicates that value (growth) is more attractive.

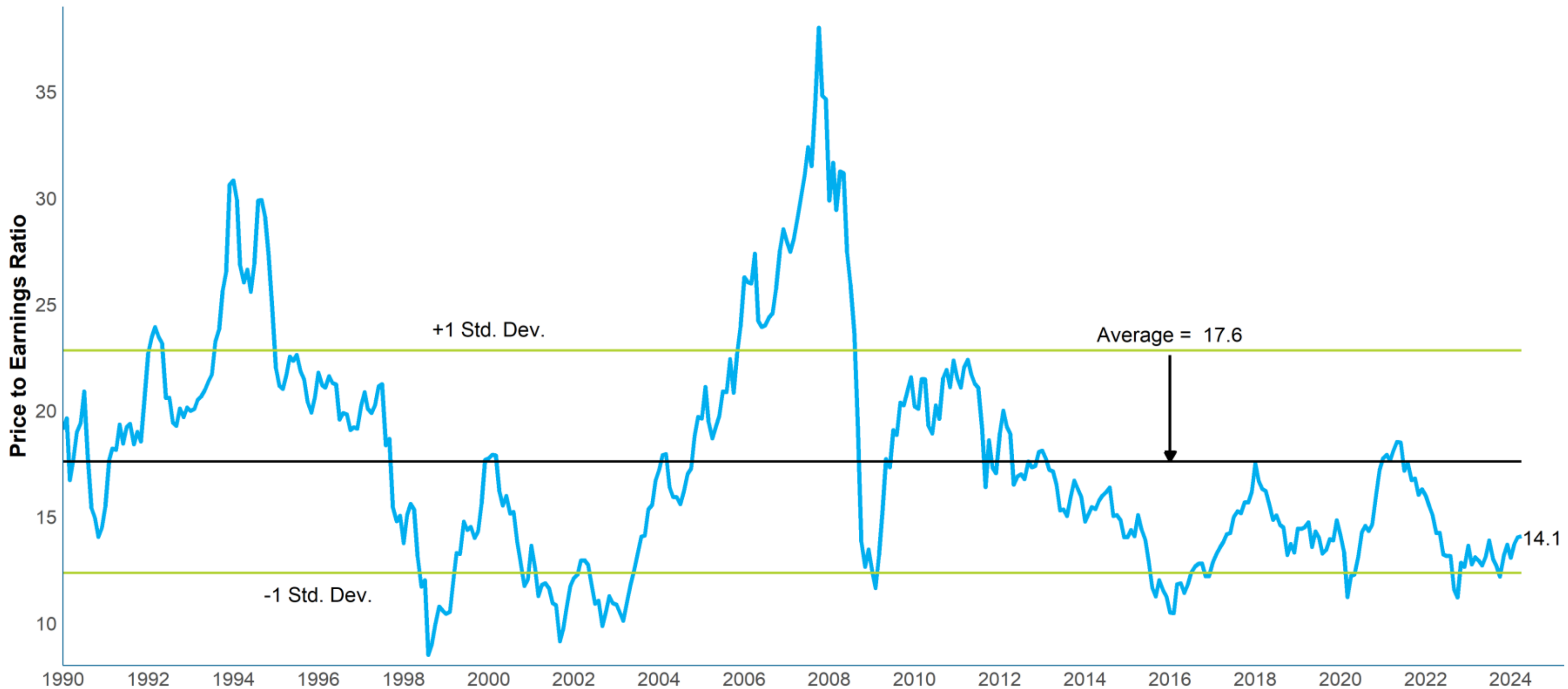
[1] Growth P/E (Russell 3000 Growth Index) vs. Value (Russell 3000 Value Index) P/E - Source: Bloomberg, MSCI, and Meketa Investment Group. Earnings figures represent 12-month "as reported" earnings.

Developed International Equity Cyclically Adjusted P/E[1]
(As of April 30, 2024)

→ This chart details one valuation metric for developed international equities. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

[1] Developed International Equity (MSCI EAFE Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years.

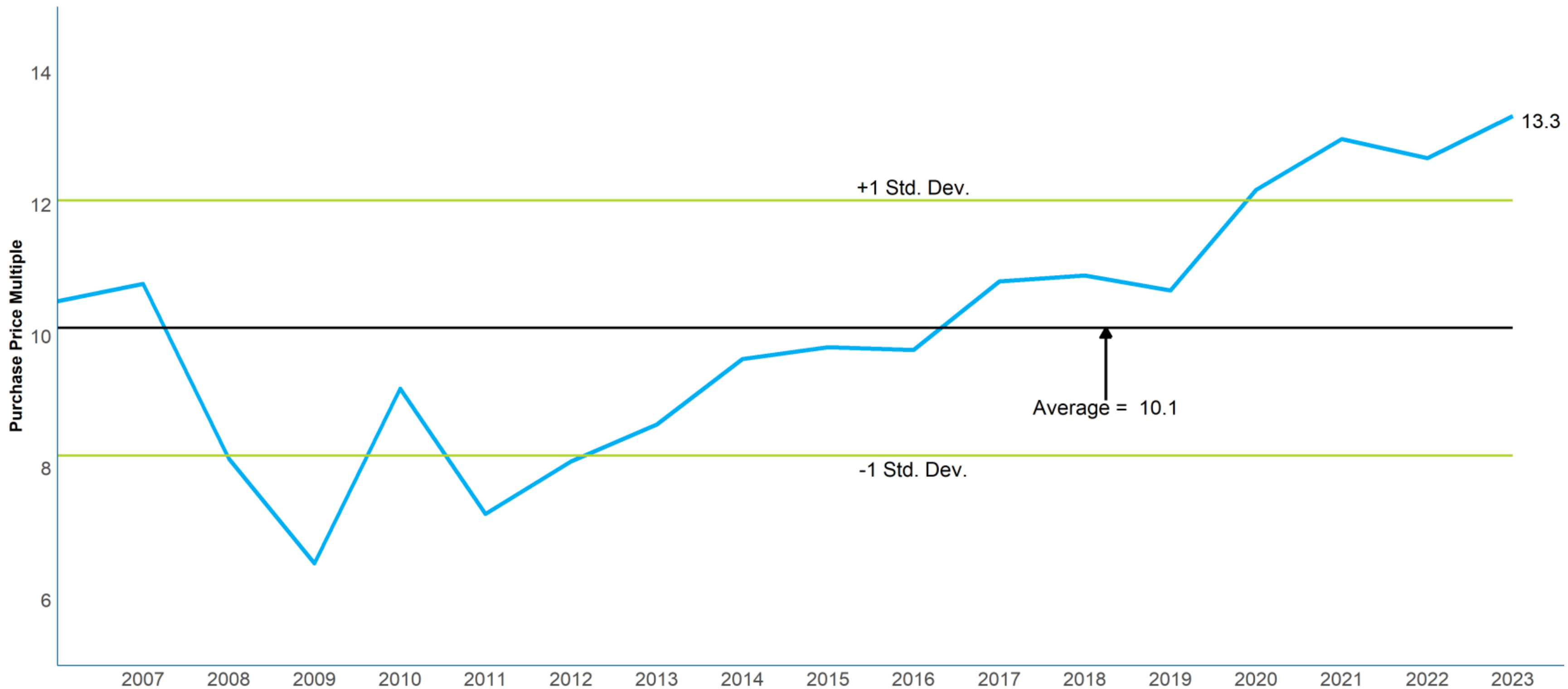
Emerging Market Equity Cyclically Adjusted P/E[1]
(As of April 30, 2024)



→ This chart details one valuation metric for emerging markets equities. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

[1] Emerging Market Equity (MSCI Emerging Markets Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years.

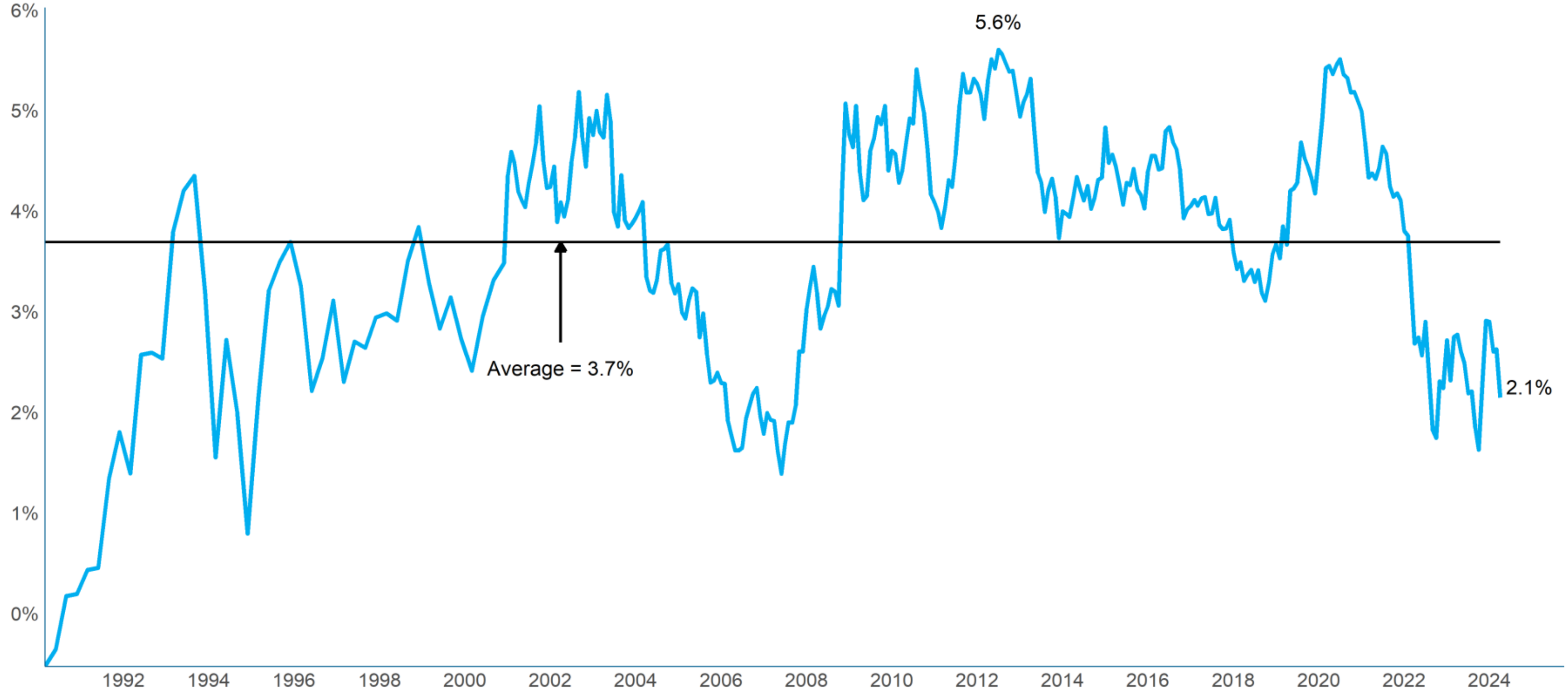
Private Equity Multiples[1]
(As of December 31, 2023)



→ This chart details one valuation metric for the private equity market. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

[1] Private Equity Multiples – Source: Preqin Median EBITDA Multiples Paid in All LBOs. Accessed April 1, 2023.

Core Real Estate Spread vs. Ten-Year Treasury[1]
(As of April 30, 2024)

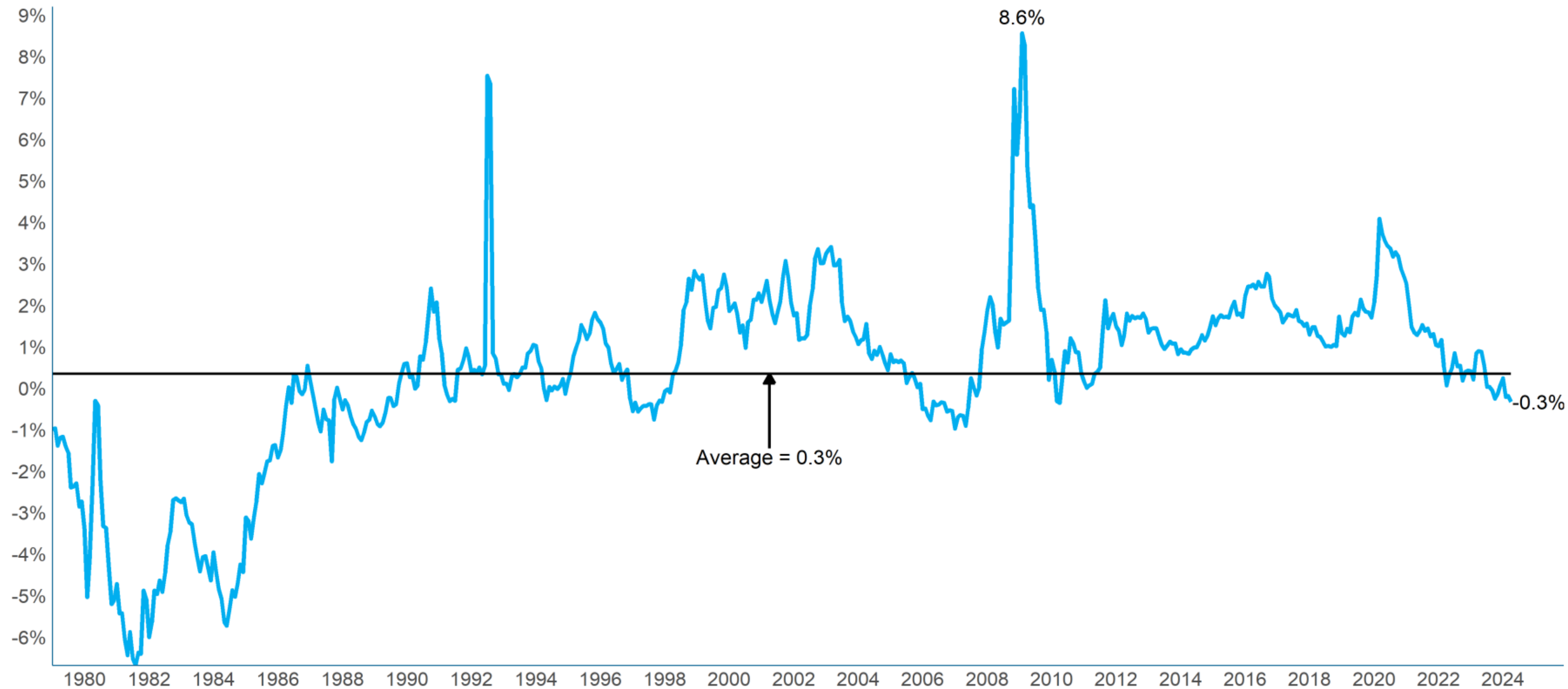


→ This chart details one valuation metric for the private core real estate market. A higher (lower) figure indicates cheaper (more expensive) valuation.

[1] Core Real Estate Spread vs. Ten-Year Treasury – Source: Real Capital Analytics, FRED, Bloomberg, and Meketa Investment Group. Core Real Estate is proxied by weighted sector transaction-based indices from Real Capital Analytics and Meketa Investment Group.

REITs Dividend Yield Spread vs. Ten-Year Treasury[1]

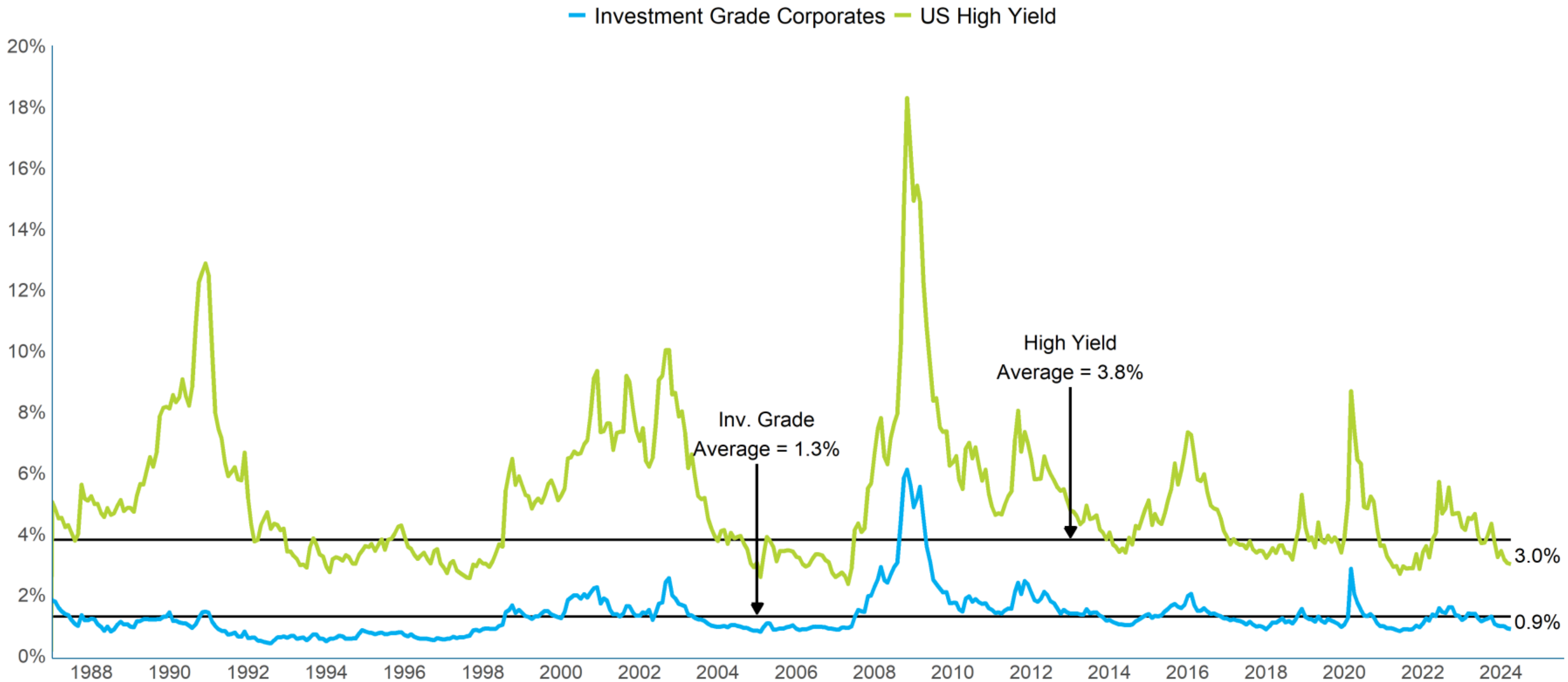
(As of April 30, 2024)



→ This chart details one valuation metric for the public REITs market. A higher (lower) figure indicates cheaper (more expensive) valuation.

[1] REITs Dividend Yield Spread vs. Ten-Year Treasury – Source: NAREIT, Bloomberg, US Treasury. REITs are proxied by the yield for the NAREIT Equity Index.

Credit Spreads[1]
(As of April 30, 2024)



→ This chart details one valuation metric for the US credit markets. A higher (lower) figure indicates cheaper (more expensive) valuation relative to history.

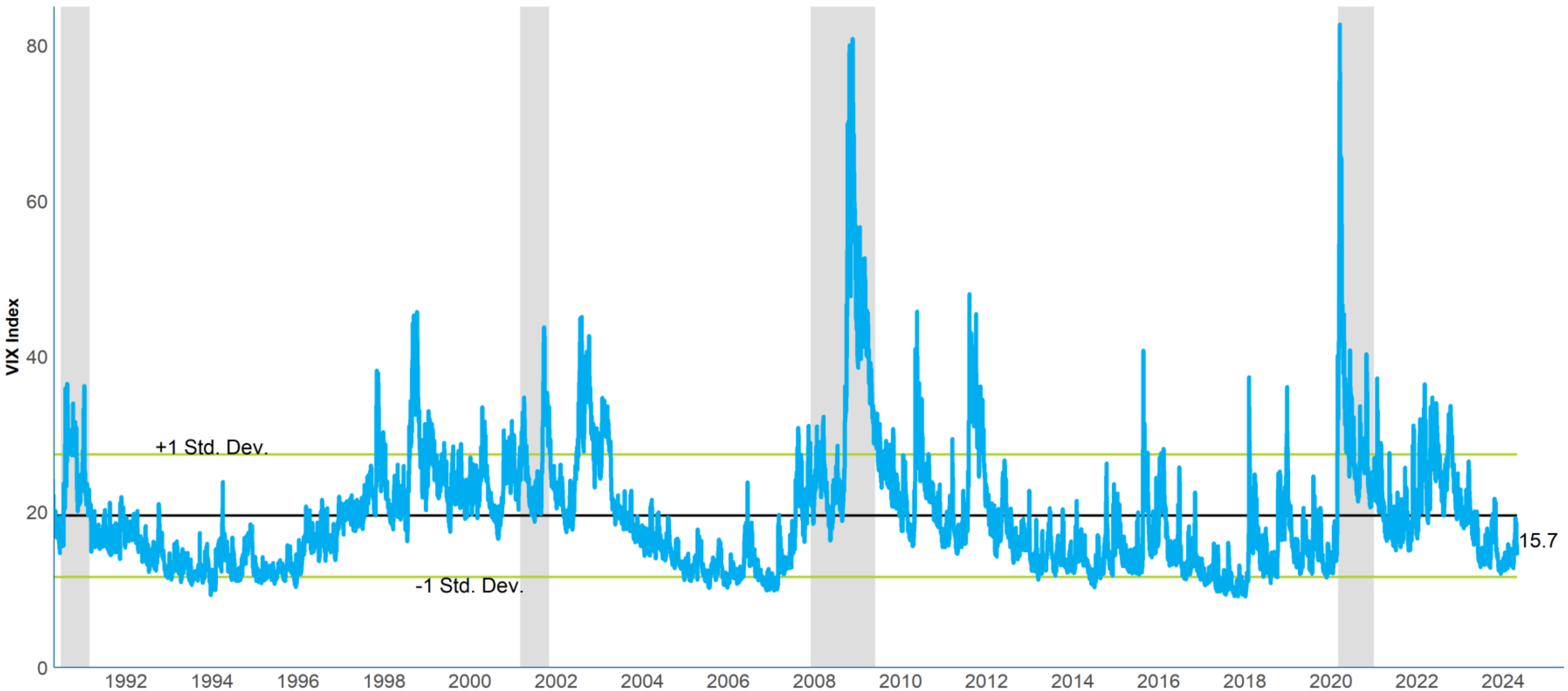
[1] Credit Spreads – Source: Bloomberg. High Yield is proxied by the Bloomberg High Yield Index and Investment Grade Corporates are proxied by the Bloomberg US Corporate Investment Grade Index. Spread is calculated as the difference between the Yield to Worst of the respective index and the 10-Year US Treasury yield.

Emerging Market Debt Spreads[1]
(As of April 30, 2024)

→ This chart details one valuation metric for the EM debt markets. A higher (lower) figure indicates cheaper (more expensive) valuation relative to history.

[1] EM Spreads – Source: Bloomberg. Option Adjusted Spread (OAS) for the Bloomberg EM USD Aggregate Index.

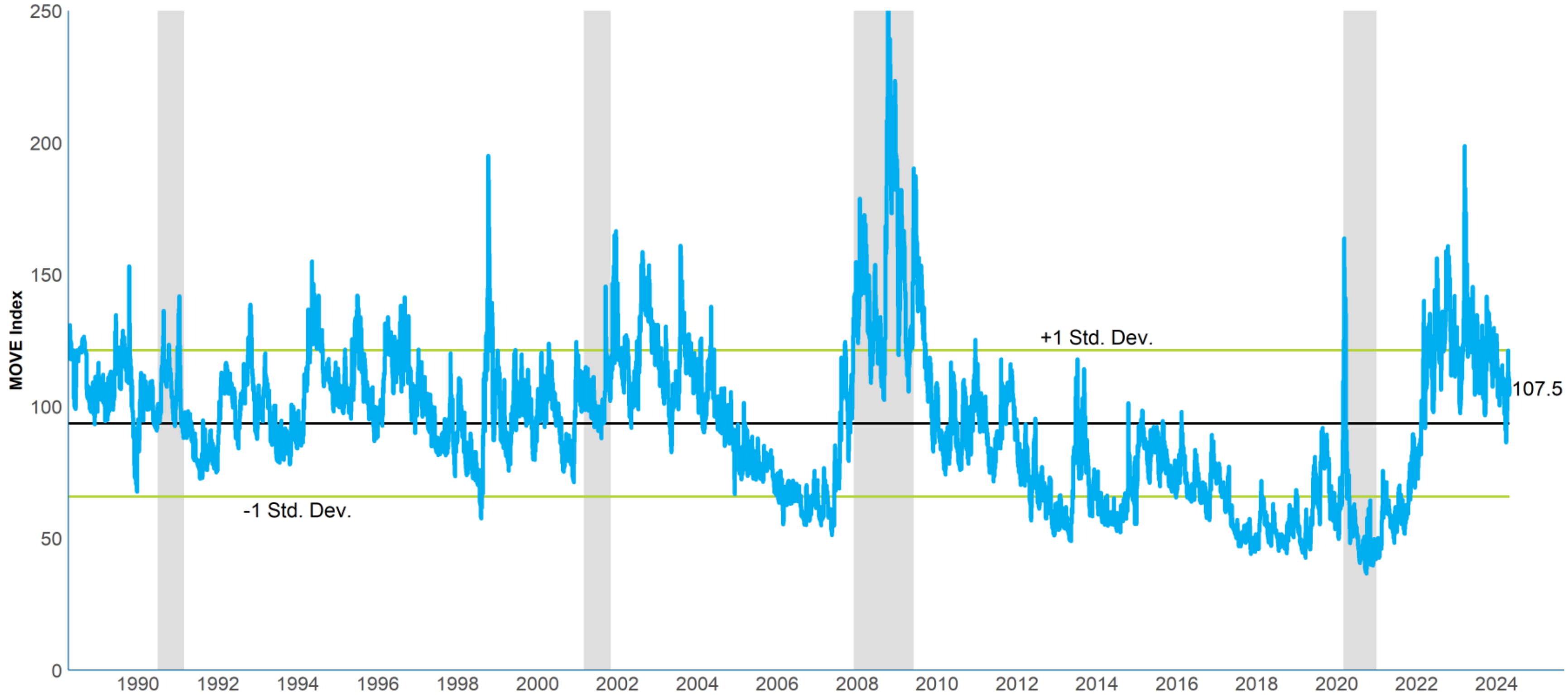
Equity Volatility[1]
(As of April 30, 2024)



→ This chart details historical implied equity market volatility. This metric tends to increase during times of stress/fear and while declining during more benign periods.

[1] Equity Volatility – Source: FRED, and Meketa Investment Group. Equity Volatility proxied by VIX Index, a Measure of implied option volatility for US equity markets.
[2] Fixed Income Volatility – Source: Bloomberg, and Meketa Investment Group. Fixed Income Volatility proxied by MOVE Index, a Measure of implied option volatility for US Treasury markets.

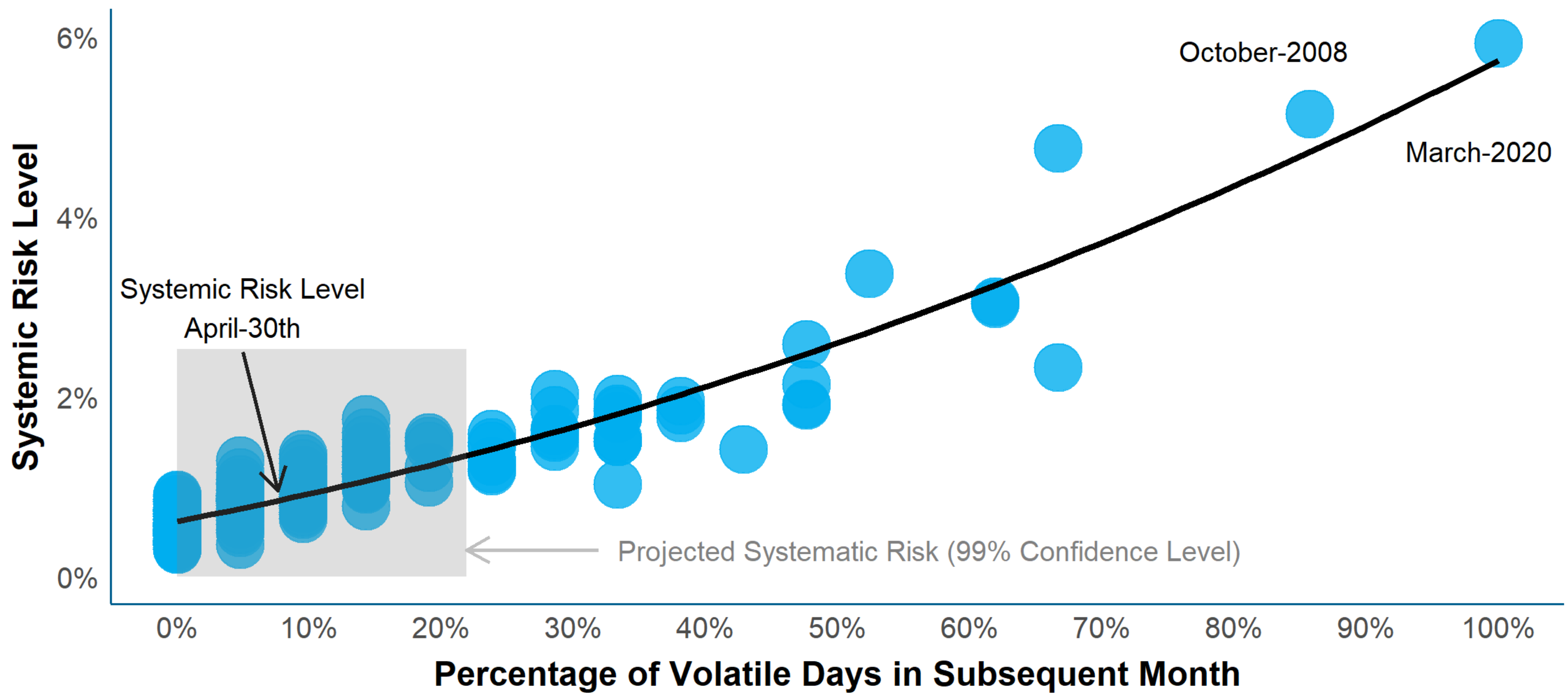
Fixed Income Volatility[1]
(As of April 30, 2024)



→ This chart details historical implied fixed income market volatility. This metric tends to increase during times of stress/fear and while declining during more benign periods.

[1] Fixed Income Volatility – Source: Bloomberg, and Meketa Investment Group. Fixed Income Volatility proxied by MOVE Index, a Measure of implied option volatility for US Treasury markets.

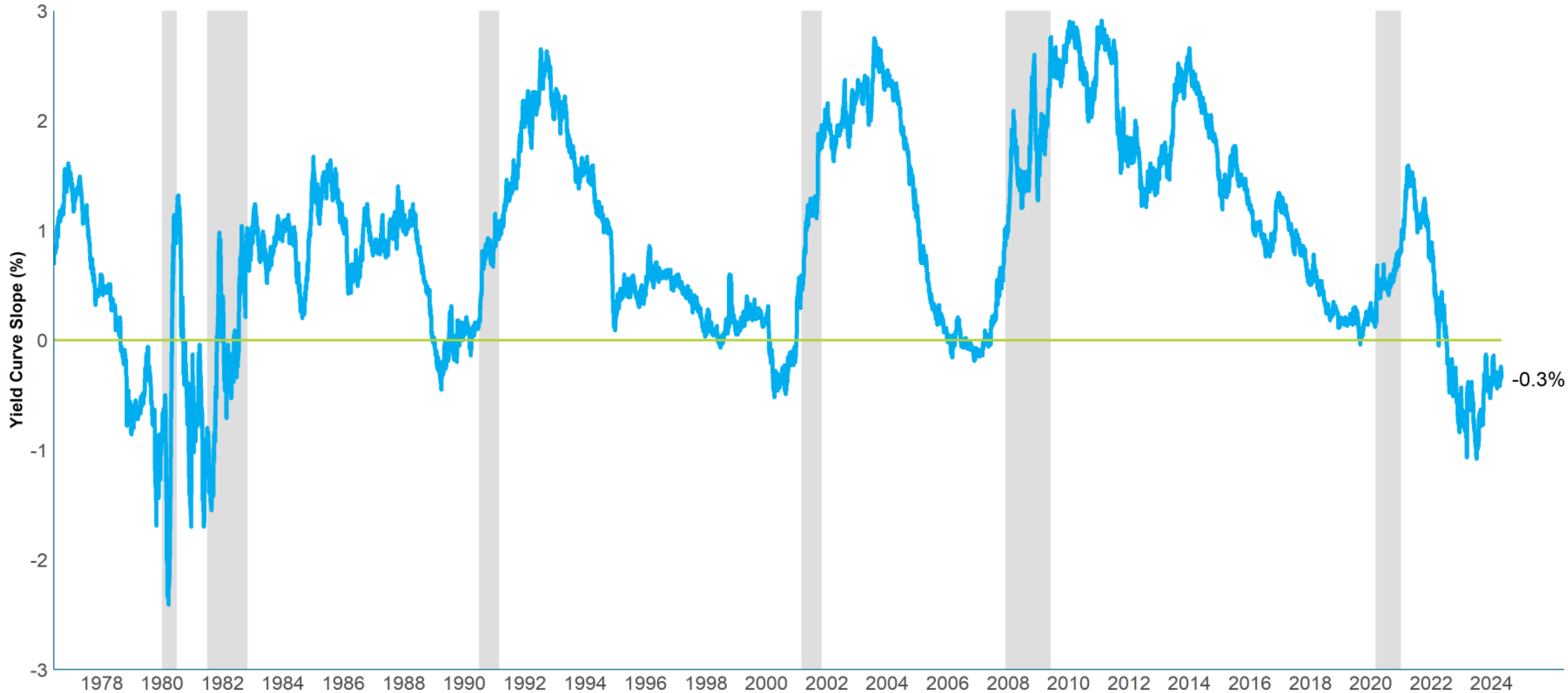
Systemic Risk and Volatile Market Days[1]
(As of April 30, 2024)



→ Systemic Risk is a measure of 'System-wide' risk, which indicates herding type behavior.

[1] Source: Meketa Investment Group. Volatile days are defined as the top 10 percent of realized turbulence, which is a multivariate distance between asset returns.

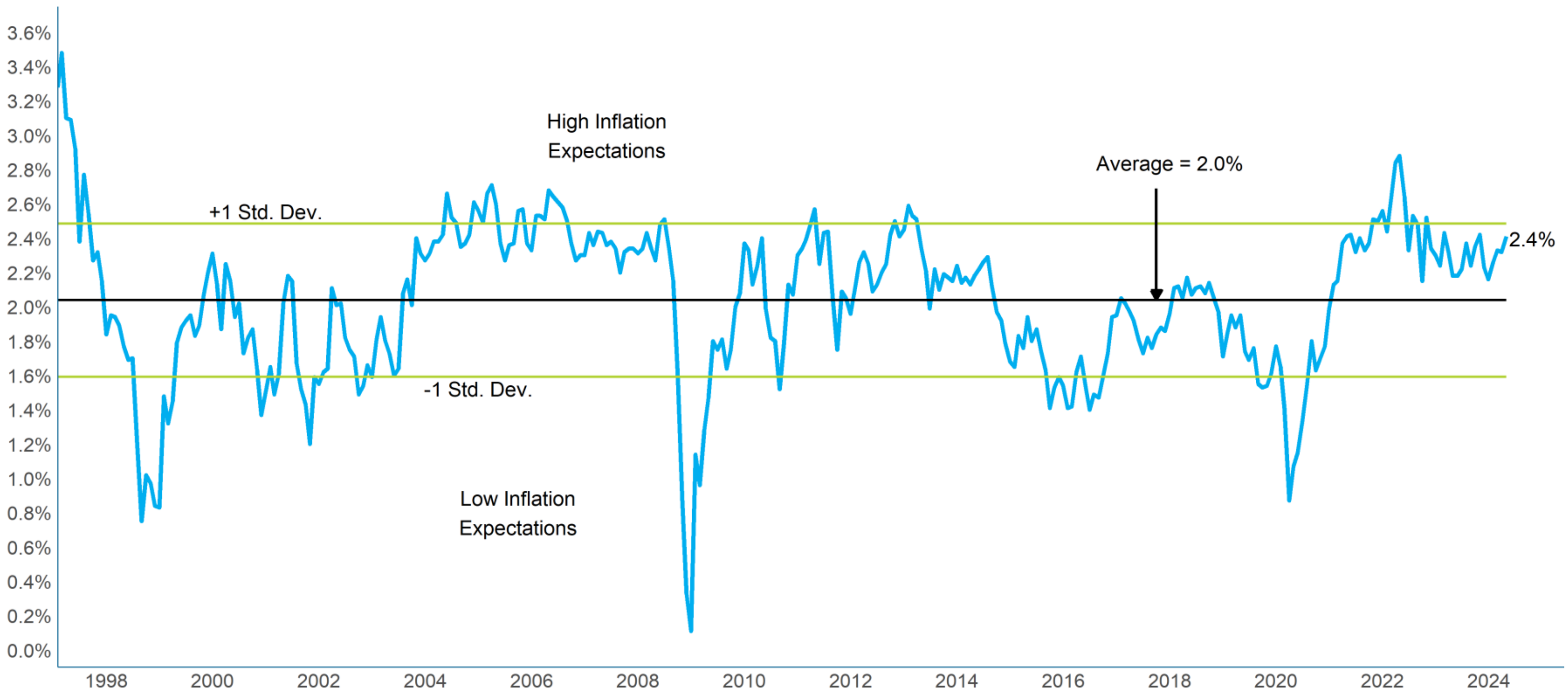
Yield Curve Slope (Ten Minus Two)[1]
(As of April 30, 2024)



→ This chart details the historical difference in yields between ten-year and two-year US Treasury bonds/notes. A higher (lower) figure indicates a steeper (flatter) yield curve slope.

[1] Yield Curve Slope (Ten Minus Two) – Source: FRED. Yield curve slope is calculated as the difference between the 10-Year US Treasury Yield and 2-Year US Treasury Yield.

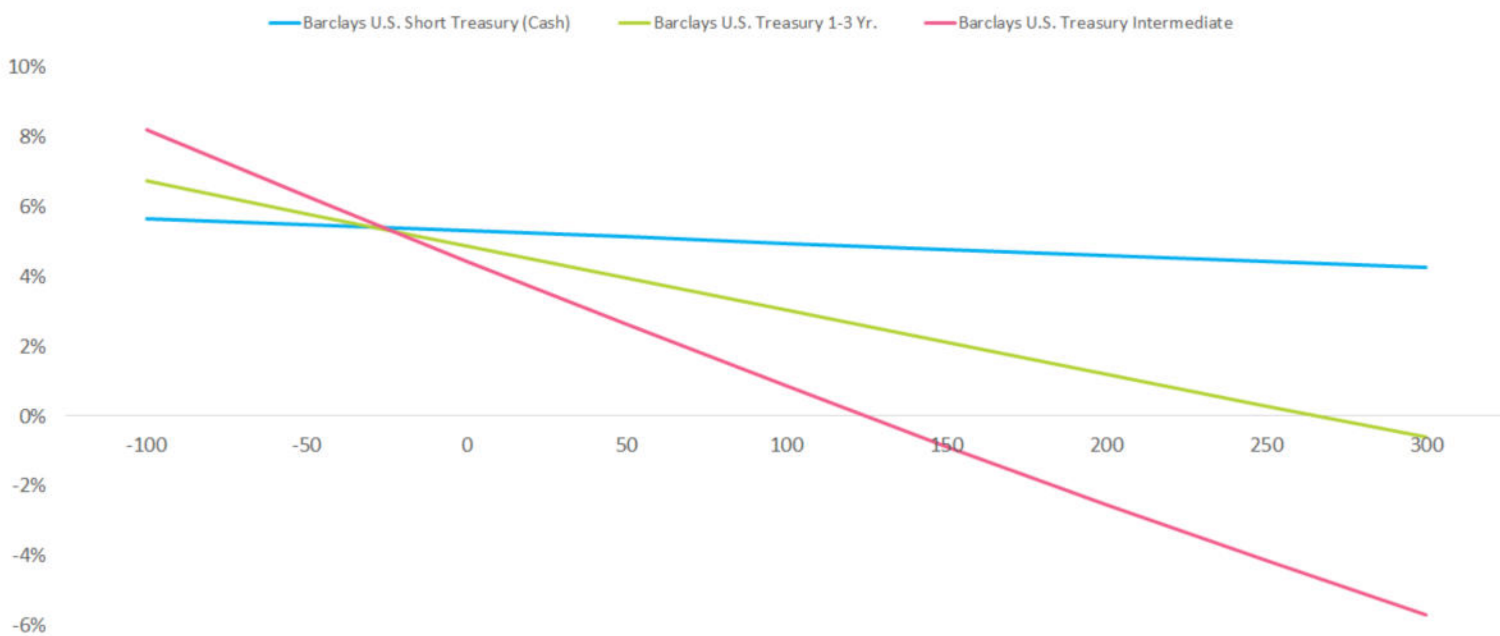
Ten-Year Breakeven Inflation[1]
(As of April 30, 2024)



→ This chart details the difference between nominal and inflation-adjusted US Treasury bonds. A higher (lower) figure indicates higher (lower) inflation expectations.

[1] Ten-Year Breakeven Inflation – Source: US Treasury and Federal Reserve. Inflation is measured by the Consumer Price Index (CPI-U NSA).

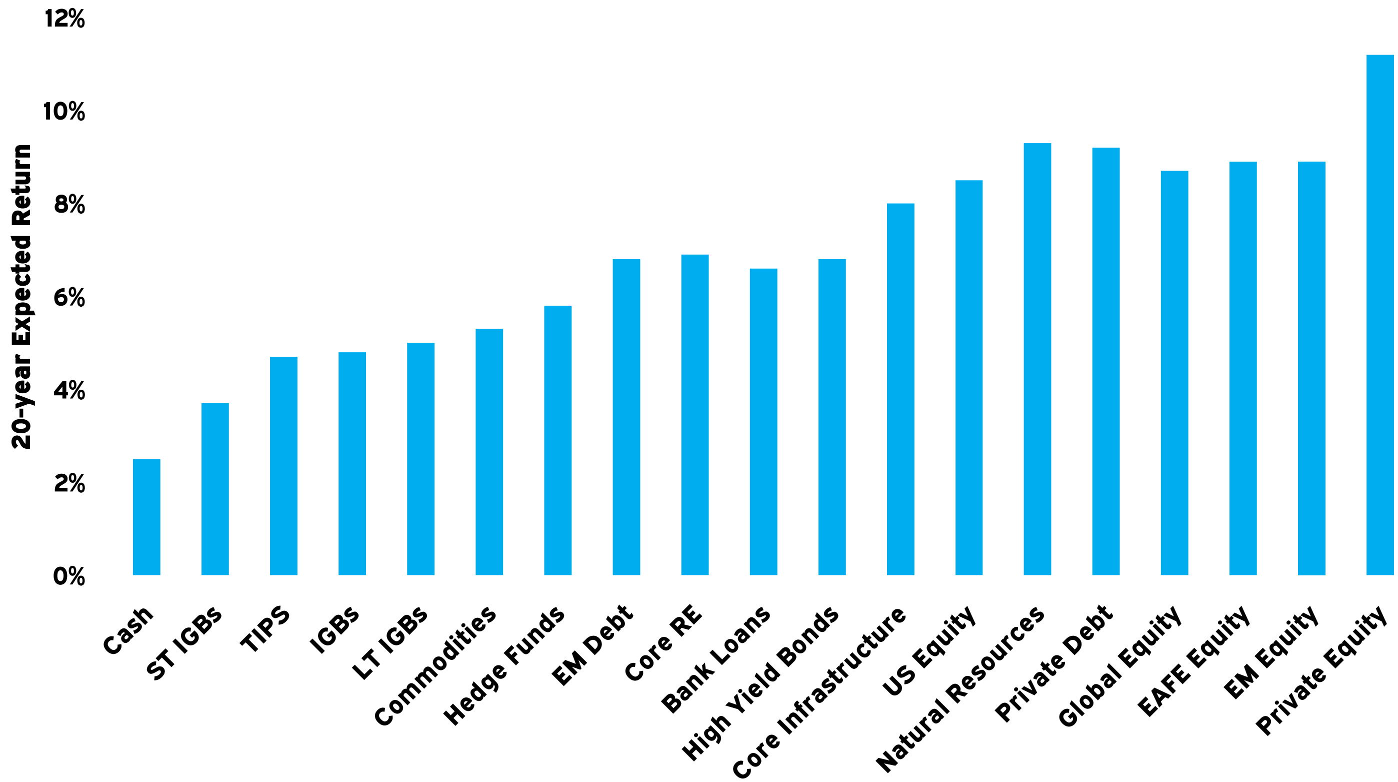
Total Return Given Changes in Interest Rates (bps)[1]
(As April 30, 2024)



	Total Return for Given Changes in Interest Rates (bps)									Statistics	
	-100	-50	0	50	100	150	200	250	300	Duration	YTW
Barclays US Short Treasury (Cash)	5.7%	5.6%	5.4%	5.2%	5.0%	4.8%	4.7%	4.5%	4.3%	0.36	5.38%
Barclays US Treasury 1-3 Yr.	7.1%	6.2%	5.3%	4.3%	3.4%	2.5%	1.6%	0.7%	-0.1%	1.85	5.25%
Barclays US Treasury Intermediate	8.6%	6.7%	4.9%	3.1%	1.3%	-0.4%	-2.0%	-3.6%	-5.2%	3.64	4.88%
Barclays US Treasury Long	21.2%	12.7%	4.9%	-2.2%	-8.5%	-14.1%	-18.9%	-23.0%	-26.4%	14.88	4.86%

[1] Data represents the expected total return from a given change in interest rates (shown in basis points) over a 12-month period assuming a parallel shift in rates. Source: Bloomberg, and Meketa Investment Group.

Long-Term Outlook – 20-Year Annualized Expected Returns[1]



→ This chart details Meketa's long-term forward-looking expectations for total returns across asset classes.

[1] Source: Meketa Investment Group's 2024 Asset Study.

Appendix

Data Sources and Explanations[1]

→ US Equity Cyclically Adjusted P/E on S&P 500 Index – Source: Robert Shiller and Yale University.

→ Small Cap P/E (Russell 2000 Index) vs. Large Cap P/E (Russell 1000 Index) - Source: Russell Investments. Earnings figures represent 12-month "as reported" earnings.

→ Growth P/E (Russell 3000 Growth Index) vs. Value (Russell 3000 Value Index) P/E - Source: Bloomberg, MSCI, and Meketa Investment Group. Earnings figures represent 12-month "as reported" earnings.

→ Developed International Equity (MSCI EAFE) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years.

→ Emerging Market Equity (MSCI Emerging Markets Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years.

→ Private Equity Multiples – Source: S&P LCD Average EBITDA Multiples Paid in All LBOs.

→ Core Real Estate Spread vs. Ten-Year Treasury – Source: Real Capital Analytics, US Treasury, Bloomberg, and Meketa Investment Group. Core Real Estate is proxied by weighted sector transaction-based indices from Real Capital Analytics and Meketa Investment Group.

[1] All Data as of April 30, 2024, unless otherwise noted.

Appendix

Data Sources and Explanations[1]

→ REITs Dividend Yield Spread vs. Ten-Year Treasury – Source: NAREIT, US Treasury. REITs are proxied by the yield for the NAREIT Equity Index.

→ Credit Spreads – Source: Bloomberg High Yield is proxied by the Bloomberg High Yield Index and Investment Grade Corporates are proxied by the Bloomberg US Corporate Investment Grade Index.

- Spread is calculated as the difference between the Yield to Worst of the respective index and the 10-Year Treasury Yield.

→ EM Debt Spreads – Source: Bloomberg, and Meketa Investment Group. Option Adjusted Spread (OAS) for the Bloomberg EM USD Aggregate Index.

→ Equity Volatility – Source: Bloomberg, and Meketa Investment Group. Equity Volatility proxied by VIX Index, a Measure of implied option volatility for US equity markets.

→ Fixed Income Volatility – Source: Bloomberg, and Meketa Investment Group. Equity Volatility proxied by MOVE Index, a Measure of implied option volatility for US Treasury markets.

→ Systemic Risk and Volatile Market Days – Source: Meketa Investment Group. Volatile days are defined as the top 10 percent of realized turbulence, which is a multivariate distance between asset returns.

→ Systemic Risk, which measures risk across markets, is important because the more contagion of risk that exists between assets, the more likely it is that markets will experience volatile periods.

[1] All Data as of April 30, 2024, unless otherwise noted.

Appendix

Data Sources and Explanations[1]

→ Yield Curve Slope (Ten Minus Two) – Source: Bloomberg, and Meketa Investment Group. Yield curve slope is calculated as the difference between the 10-Year US Treasury Yield and 2-Year US Treasury Yield.

→ Ten-Year Breakeven Inflation – Source: US Treasury and Federal Reserve. Inflation is measured by the Consumer Price Index (CPI-U NSA).

[1] All Data as of April 30, 2024, unless otherwise noted.

Meketa Market Sentiment Indicator

Explanation, Construction and Q&A

Meketa has created the MIG Market Sentiment Indicator (MIG-MSI) to complement our valuation-focused Risk Metrics. This measure of sentiment is meant to capture significant and persistent shifts in long-lived market trends of economic growth risk, either towards a risk-seeking trend or a risk-aversion trend.

This appendix explores:

→ What is the Meketa Market Sentiment Indicator?

→ How do I read the indicator graph?

→ How is the Meketa Market Sentiment Indicator constructed?

→ What do changes in the indicator mean?

Meketa has created a market sentiment indicator for monthly publication (the MIG-MSI – see below) to complement Meketa's Risk Metrics.

→ Meketa's Risk Metrics, which rely significantly on standard market measures of relative valuation, often provide valid early signals of increasing long-term risk levels in the global investment markets. However, as is the case with numerous valuation measures, the Risk Metrics may convey such risk concerns long before a market correction take place. The MIG-MSI helps to address this early-warning bias by measuring whether the markets are beginning to acknowledge key Risk Metrics trends, and / or indicating non-valuation-based concerns. Once the MIG-MSI indicates that the market sentiment has shifted, it is our belief that investors should consider significant action, particularly if confirmed by the Risk Metrics. Importantly, Meketa believes the Risk Metrics and MIG-MSI should always be used in conjunction with one another and never in isolation. The questions and answers below highlight and discuss the basic underpinnings of the Meketa MIG-MSI:

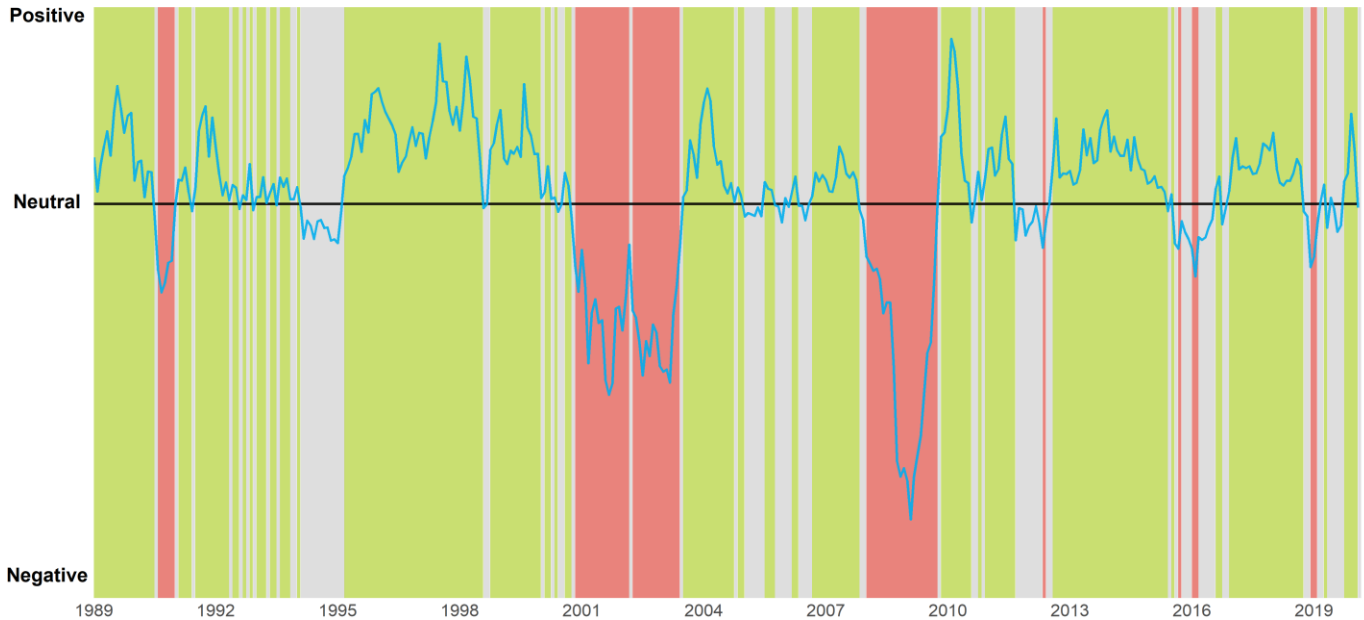
What is the Meketa Market Sentiment Indicator (MIG-MSI)?

→ The MIG-MSI is a measure meant to gauge the market's sentiment regarding economic growth risk. Growth risk cuts across most financial assets and is the largest risk exposure that most portfolios bear. The MIG-MSI takes into account the momentum (trend over time, positive or negative) of the economic growth risk exposure of publicly traded stocks and bonds, as a signal of the future direction of growth risk returns; either positive (risk seeking market sentiment), or negative (risk averse market sentiment).

How do I read the Meketa Market Sentiment Indicator graph?

→ Simply put, the MIG-MSI is a color-coded indicator that signals the market's sentiment regarding economic growth risk. It is read left to right chronologically. A green indicator on the MIG-MSI indicates that the market's sentiment towards growth risk is positive. A gray indicator indicates that the market's sentiment towards growth risk is neutral or inconclusive. A red indicator indicates that the market's sentiment towards growth risk is negative. The black line on the graph is the level of the MIG-MSI. The degree of the signal above or below the neutral reading is an indication of the signal's current strength.

→ Momentum as we are defining it is the use of the past behavior of a series as a predictor of its future behavior.



How is the Meketa Market Sentiment Indicator (MIG-MSI) Constructed?

→ The MIG-MSI is constructed from two sub-elements representing investor sentiment in stocks and bonds:

- Stock return momentum: Return momentum for the S&P 500 Equity Index (trailing 12-months).
- Bond yield spread momentum: Momentum of bond yield spreads (excess of the measured bond yield over the identical duration US Treasury bond yield) for corporate bonds (trailing 12-months) for both investment grade bonds (75% weight) and high yield bonds (25% weight).
- Both measures are converted to Z-scores and then combined to get an "apples to apples" comparison without the need of re-scaling.

→ The black line reading on the graph is calculated as the average of the stock return momentum measure and the bonds spread momentum measure[1]. The color reading on the graph is determined as follows:

- If both stock return momentum and bond spread momentum are positive = GREEN (positive).
- If one of the momentum indicators is positive, and the other negative = GRAY (inconclusive).
- If both stock return momentum and bond spread momentum are negative = RED (negative).

[1] Momentum as we are defining it is the use of the past behavior of a series as a predictor of its future behavior.
"Time Series Momentum" Moskowitz, Ooi, Pedersen, August 2010. *http://pages.stern.nyu.edu/~lpederse/papers/TimeSeriesMomentum.pdf*

What does the Meketa Market Sentiment Indicator (MIG-MSI) mean? Why might it be useful?

→ There is strong evidence that time series momentum is significant and persistent. Across an extensive array of asset classes, the sign of the trailing 12-month return (positive or negative) is indicative of future returns (positive or negative) over the next 12-month period. The MIG-MSI is constructed to measure this momentum in stocks and corporate bond spreads. A reading of green or red is agreement of both the equity and bond measures, indicating that it is likely that this trend (positive or negative) will continue over the next 12 months. When the measures disagree, the indicator turns gray. A gray reading does not necessarily mean a new trend is occurring, as the indicator may move back to green, or into the red from there. The level of the reading (black line) and the number of months at the red or green reading, gives the user additional information on which to form an opinion, and potentially take action.

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2024 - 2025 CONFERENCES AND EVENTS SCHEDULE

2024 EVENT DATES		EVENT TITLE	EVENT SPONSOR	LOCATION	REG. FEE	WEBLINK FOR MORE INFO	EST. BOARD EDUCATION HOURS
Jun 17	Jun 19	Chief Officers Summit	NCPERS	Nashville, TN	$1000	ncpers.com	N/A
Jun 21	Jun 21	Administrators Roundtable	CALAPRS	San Jose, CA	$300	calaprs.org	6
Jul 14	Jul 17	SACRS/UC Berkeley Program	SACRS	Berkeley, CA	$3000	sacrs.org	24*
Jul 22	Jul 24	Advanced Investment Management	Wharton	San Francisco	$6150	www.ifebp.org	24
Aug 18	Aug 20	2024 Public Pension Funding Forum	NCPERS	Boston, MA	$745	ncpers.com	10
Aug 26	Aug 29	Principles of Pension Governance for Trustees	CALAPRS	Tiburon,CA	TBD	calaprs.org	18
Sep 13	Sep 13	Attorneys Roundtable	CALAPRS	San Jose, CA	$300	calaprs.org	*6
Sep 17	Sep 19	Fiduciary Investors Symposium	top1000funds	Stanford	TBD	top1000funds.com	TBD
Sep 25	Sep 27	Administrators Institute	CALAPRS	Carmel	TBD	calaprs.org	N/A
Oct 10	Oct 10	SJCERA Investment Roundtable	SJCERA	Lodi, CA	$0	SJCERA	7
Oct 11	Oct 11	Trustee Roundtable	CALAPRS	San Jose, CA	$300	calaprs.org	6
Oct 14	Oct 18	Investment Strategies and Portfolio Mgmt.	Wharton	Philadelphia, PA	$13250	executiveeducation.wharton.upenn.edu	40
Oct 15	Oct 16	7th Annual Private Equity San Francisco Forum	Markets Group	San Francisco	$0	marketsgroup.com	TBD
Oct 17	Oct 18	2024 Pensions, Benefits & Investments Fiduciaries' Forum	NOSSAMAN	Berkeley, CA	$750	lclumpus@nossaman.cor	TBD
Nov 12	Nov 15	SACRS Fall Conference	SACRS	Monterey, CA	TBD	sacrs.org	TBD
2025 EVENT DATES		**EVENT TITLE**	**EVENT SPONSOR**	**LOCATION**	**REG. FEE**	**WEBLINK FOR MORE INFO**	**EST. BOARD EDUCATION HOURS**
Jan 27	Jan 29	IREI, VIP Americas	IREI	Dana Point, CA	$0	irei.com	TBD

** Estimates based on prior agendas*

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SUMMARY OF PENDING TRUSTEE AND EXECUTIVE STAFF TRAVEL

2024-2025 Event Dates	Sponsor / Event Description	Location	Traveler(s)	Estimated Cost	BOR Approval Date
Jun 17-19	NCPERS CEO Summit	Nashville, TN	R. Ostrander	$1,800	4/12/2024
Jul 14-17	SACRS/UC Berkeley Program	Berkeley	R. Ostrander S. Moore	$6,400	N/A
Jul 22-24	Wharton Advanced Investment Mgmt.	San Francisco	B. McKelvey	$7,553	3/8/2024
Jan 27-29, 2025	IREI - VIP Americas	Dana Point, CA	M. Restuccia	$2,500	Pending

INSTITUTIONAL REAL ESTATE, INC.

MENU

EVENTS

2025 Visions, Insights & Perspectives (VIP) Americas

JANUARY 27 - 29, 2025 | MONARCH BEACH RESORT & CLUB | DANA POINT, CA

EVENT

VIP Americas is our flagship event that is anticipated by the industry's top investment managers, investo

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been designed to ensure we can create the kind of unique, special experience for all attendees we've always been known for.

IREI strives for a ratio of three (3) managers to every one (1) investor to create a balanced environment. This ensures that attendees are able to really engage and get to know one another. Our audience is also capped so that the event is kept at a size that fosters relationship building. During the event there are several opportunities to socialize with attendees. Whether you are discussing critical industry issues as a part of a roundtable breakout session or at an off-site recreational activity, VIP gives you an excellent networking platform to establish new relationships and strengthen existing.

Registration is open to qualified investors and subscribers to our Institutional Real Estate Americas publication. To find out more details about registration and our publication, please contact our Events Department at events@irei.com or +1 925-244-0500.

Registration Cost:

Qualified Institutional Investors and Consultants Fee: Complimentary
Investment Managers and Others Fee: $4995

The Qualified Institutional Investor registration category is reserved for individuals employed by a public, corporate or union pension fund organization, a foundation or endowment, or an insurance company with responsibility for real estate investment strategy or decision-making. A government official is defined as a federal, state, local or city-level government employee focused on the policy making, planning, and/or funding/financing of real estate projects, as well as legislators and their staff. This definition does not include pension/benefit plan administrators

3:1 Ratio Policy
IREI strives for a ratio of three (3) managers to every one (1) investor to create a balanced environment.
Fund of Funds who send their portfolio managers are counted as investors; Fund of Funds who send their marketing people are counted as investment managers. For convenience, the attendee directory will reflect each attendee's demographic breakdown with investor, investment manager or other (consultants, service providers, etc.).

Cancellation Policy
All refund requests must be made in writing to Institutional Real Estate, Inc. (IREI), directed via e-mail to IREI at events@irei.com Cancellations received on/before December 1, 2024 are eligible for a full refund, less a $350 processing fee. Cancellations received between December 2, 2024 and December 31, 2023 are eligible for a 50% refund. Cancellations received after December 31, 2024 are not eligible for a refund. IREI does not offer credit to future events for the unrefunded portion of the registration fee unless you are a current sponsor of an IREI publication. If IREI decides to cancel this conference, IREI does not accept responsibility for airfare, hotel or other costs incurred by registrants. If you selected an activity, the cost is included in your registration fee. Therefore, no additional cancellation fees are incurred for the activity when canceling registration.

AGENDA

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SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

SUMMARY OF COMPLETED TRUSTEE AND EXECUTIVE STAFF TRAVEL

Event Dates 2024	Sponsor / Event Description	Location	Traveler(s)	Estimated Cost	Actual Cost	Event Report Filed
Jan 22-24	IREI '2024 Visions, Insights & Perspectives - Americas	Carlsbad, CA	M. Restuccia, JC Weydert	$1,500	$1134	MR: 02-09-2024 JC: 05-03-2024
Mar 2-5	General Assembly 2024	Rancho Mirage	B. McKelvey	$1,100	$1002	N/A
Apr 15-18	PIMCO Institute Educational Seminar	Newport Beach, CA	P. Ba	$2,200	$1,516	5/3/2024
Apr 15-18	Pension Bridge	Half Moon Bay, CA	M. Duffy, JC Weydert	$1,540	Pending	MD: Pending JC: Pending
May 6	SACRS CEO & Administrators Forum (Pre Spring Conf)	Santa Barbara, CA	R. Ostrander	$700	$606	N/A
May 7-10	SACRS Spring Conference	Santa Barbara, CA	R. McCray, P. Ba, R. Ostrander, JC Weydert, A. Zaheen	$7,800	$7228	N/A
May 6-9	Wharton Portfolio Concepts and Mgmt.	Wharton, PA	B. McKelvey	$9,501	$8494	6/7/2024
May 15-16	2024 AEW Client Conference & Annual Fund Meeting	Boston, MA	P. Ba	$0	$52	6/7/2024
May 30	Lightspeed Annual Meeting	Napa, CA	P. Ba	$96	Pending	Pending

Board Member	Travel (not including SACRS & CALAPRS)	Dates	Amount used of $4500:	Balance of $4500
RESTUCCIA	IREI	1/22-24/24	$531.27	$3,968.73
BASSETT				
DING				
DUFFY	Pension Bridge	4/15/-17/24		
GOODMAN				
KEOKHAM				
MCCRAY				
NICHOLAS				
WEYDERT	IREI; Pension Bridge	1/22-24/24; 4/15-17/24	$602.87	$3,897.13
MOORE				

San Joaquin County Employees'
Retirement Association

June 7, 2024

TO: Board of Retirement

FROM: Brian P. McKelvey
Assistant Chief Executive Officer

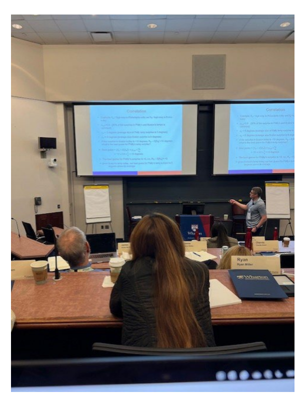
SUBJECT: **Wharton & IFEBP Portfolio Concepts and Management**

Summary

This course focuses on portfolio concepts by presenting the core principles of modern portfolio theory and investment performance measurement, offering practical tools and experiences to help trustees and staff understand the complexity and challenges in creating reliable investment management decisions. Topics included deep dives into various asset classes, fundamentals of Markowitz' Modern Portfolio Theory, understanding portfolio performance, global-macroeconomic factors that impact pension and portfolio performance, volatility, time value of money, and asset allocation strategies. There were twenty-two attendees, mostly trustees, from public pension and Taft-Hartly systems across the United States and Canada.

Sessions

Day 1: Introduction and Overview of Financial Assets - Itamar Drechsler, Ph.D.



The opening session covered the investment basics needed to make informed choices for your fund. Various asset classes were discussed, and we learned the differences between a bond and a stock, how bonds and stocks are evaluated and correlated (or not), what happens to bonds when interest rates change, different types of indexes, different definitions of earnings, and more. Asset diversification was covered in depth and the mathematical relationship between risk and return was discussed.

Day 1: Fundamentals of Portfolio Theory - A. Craig MacKinlay, Ph.D.

This session covered time-weighted and value-weighted rates of return, the concept of efficiency, how to build portfolios for a targeted risk level, the principles of diversification, and the challenges of constructing a well-diversified portfolio and the value of including benchmarks. Introduction to concepts such as beta, alpha, were presented on the asset and portfolio levels.

Day 2: Performance Evaluation - A. Craig MacKinlay, Ph.D.

We learned about the elements of manager monitoring, risk-adjusted measures, the role of different investment styles and trends, while understanding the numbers in a performance-evaluation report, using your performance-measurement tools in a practical framework, and the impact of investment policy. Concepts of active vs. passive investing decisions were discussed in terms of appropriateness and value.

Day 2: Managing Pensions in a Risky Global Environment - Olivia Mitchell, Ph.D.

This session covered recent market trends, historical risk-and-return patterns, the capital-asset pricing model, price distortions, and how to determine the discount rate.

Day 3: Fundamentals of Valuation - Stephan Dieckmann, Ph.D.

This session was incredible as Dr. Dieckman discussed the core principles of time value of money, bond valuation, and stock valuation. He was able to tie many concepts learned over the previous two days together. He applied these concepts to real-life examples, such as government and corporate bonds, as well as growth and value stocks. This was the most valuable and entertaining session of the entire course.

Day 3: Macroeconomic Issues and Financial Markets - Gordon Bodnar, Ph.D.

Dr. Bodnar, an outstanding presenter, led his economic discussions in a logical manner starting at the individual household and corporate microeconomics, then pivoting to macroeconomics theories and trends in the global economic system. Understanding macroeconomics is extremely challenging given the quantity of variables used to assess financial impact. In this session, we discussed the basics of price and return, monetary and fiscal policy structures and current stances, and the exchange rates and international factors.

Day 4: Asset Allocation and Impacts of Risk on Return - Geoffrey Gerber, Ph.D.

In this last section, Dr. Gerber discussed the trends of pension management, typical investment policies, overall asset allocation and allocation within asset class, and rebalancing vs. reinforcing asset allocation. Significance was placed on risk tolerance, asset/liability studies, and having a strong principled investment policy statement (IPS) that guides trustees in their decision making about which investments are included in the portfolio. One very interesting point made by Dr. Gerber was that in every economic or market downturn since the Great Depression, markets rebounded higher very quickly after the decrease and in all cases rebounded higher than the drop, thus emphasizing the importance of holding during down trends and continue to focus on the long-term results.

Event Recommendation

This was an outstanding educational experience that I would recommend to upper management and Trustees without significant investments management understanding or experience. The portfolio concepts, theories, and the micro and macroeconomic topics covered directly relate to our fiduciary responsibilities. This education, along with others such as the SACRS Berkeley program supports better investment decision making and provides a deeper understanding of how and why our portfolio is organized and how it should evolve.

San Joaquin County Employees' Retirement Association

June 7th, 2024

TO: Board of Retirement

FROM: Paris Ba
Retirement Investment Officer

SUBJECT: AEW Annual and Advisory Board Meeting

Thank you for the opportunity for me to attend the AEW Annual and Limited Partner Advisory Board Meeting on May 15-16, 2024. The event was very well organized and well attended by Limited Partners across the globe, providing me with the opportunity to receive an update on SJCERA's investment with AEW, as well as meeting the other Limited Partners. Additionally, I had the privilege of representing SJCERA at the Limited Partner Advisory Committee (LPAC) on behalf of the organization.

SJCERA made a $50 million commitment to the AEW Essential Housing funds in 2022, and they have called our entire commitment. AEW Essential Housing Fund is a recession-resilient current income and long-term appreciation by investing in affordable rental housing with a persistent supply/demand imbalance at its rent level.

- AEW Essential Housing Fund is an open-ended real estate fund that has raised $485 million so far. The Fund has invested $294 million since inception;
- As of 1Q 2024, the portfolio had a relatively conservative leverage of 43% LTV and a very manageable debt maturity profile with the first loan not maturing until the year 2029;
- Property fundamentals are moderating;
- Existing portfolio is outperforming high-rent properties but is not immune from market conditions;
- Actual occupancy is ~92% vs. 95% at underwriting;
- Actual monthly rents/unit is $1,731, ahead of the underwiritng assumption of $1,702;
- Valuations are fair and there is continued risk of cap rate expansion during this period of protracted price discovery;
- Market dislocation creates opportunities to acquire high-quality properties;
- Since Inception property-level unleveraged return is 12.73%.

Real Estate Market Overview

Overall, AEW remains quite sanguine on the real estate market and thinks that we are pretty close to the bottom. Property values have been adjusting to the ~500bps hike in interest rate, but eventually interest rates will adjust back to normal – a typical cyclical trend. They made a great point about long term investors don't need to call the bottom. Long term investors can get in at "bottom-adjacent" instead of trying to time the absolute bottom, as the returns within a couple of quarters to the trough have actually been comparable to the actual bottom (as evidenced by the chart below):

Early 1990s		5 YEAR RETURN
	1995 Q2	11.92%
	1995 Q3	12.30%
Trough	**1995 Q4**	**12.99%**
	1996 Q1	12.97%
	1996 Q2	12.69%

Tech Crash		5 YEAR RETURN
	2002 Q1	12.68%
	2002 Q2	13.51%
Trough	**2002 Q3**	**14.01%**
	2002 Q4	14.04%
	2003 Q1	12.50%

Financial Crisis		5 YEAR RETURN
	2009 Q3	11.34%
	2009 Q4	12.85%
Trough	**2010 Q1**	**13.44%**
	2010 Q2	13.33%
	2010 Q3	12.94%

<u>Demographics</u>

Demographics is an often talked about topic, and it does deserve special attention. US total births reached an all-time high of 4.3 million in 1957 ("baby boomers"), and in 2023, lowest since early 1980s AND heading lower. Baby boomers move fully into retirement over the next ten years, and they are the largest wealth holders in the US.

US birth rates have plummeted over the last twenty years, and there will be no growth in working age population without more immigration. In general, productivity growth and immigration will dictate economic growth.

Since Covid, there has been a lot of migrations across states as well. Orlando/Dallas/Houston/Charlotte have seen the largest population growth, whereas Los Angeles/San Francisco Bay Area/New York city/Chicago saw the largest population decline. People move towards what they like and move away from what they don't - simple as that.

<u>Senior Housing</u>

Demand for senior housing is accelerating, while supply is disappearing. The front wave of baby boomers turns 78 in 2024. Seniors (age 80+) will account for half of US population increase over the next 10 years. Capital markets distress is to limit new construction financing over foreseeable future.

There are currently twice as many Americans in their 70s as there are over age 80. And 70s is the age that people start looking for senior housing property and/or long term care.

<u>US Federal debt</u>

US debt to GDP ratio is at all time high around 120%. Currently the federal debt next interest expense is as high as the total non-defense discretionary spending around $800 billion per year. To quote the Federal Reserve Chair Jay Powell "In the long run… the US federal government is on an unsustainable fiscal path" during a February 2024 speech.

<u>Commercial Real Estate (CRE) Debt</u>

Total outstanding CRE debt at the end of 2023 was $5.9 trillion. By 2034, this will total more than $10 trillion. Smaller banks account for roughly 1/3 of all CRE debt. Smaller banks have been under pressure to shrink their CRE exposure for years.

The data AEW provided shows that large banks on average have ~4.5% exposure to CRE, whereas small and community banks have between 20-25% exposure to CRE, and they could be facing some level of stress/distress going forward.

2024 LEGISLATION

Last Updated: 5/20/2024

BILL NO.	AUTHOR	DESCRIPTION	LAST ACTION DATE	LOC	SPONSOR
Legislation Impacting SJCERA:					
AB 739	Lackey	This bill would increase the PEPRA condition for suspending contributions to a defined benefit plan from 120% funded to 130% funded.	02/01/24	Assembly Filed with Chief Clerk pursuant to Joint Rule 56	
AB 817	Pacheco, Wilson	This bill, until January 1, 2026, would authorize a subsidiary body that serves exclusively in an advisory capacity, to use similar alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation.	05/01/24	Senate L. Gov & Jud Comm.	
AB 2183	Jones-Sawyer	This bill would make nonsubstantive changes to PEPRA provisions.	02/08/24	Assembly From Printer. May be heard in committee by March 9	
AB 2284	Grayson	This bill would allow a system who has not defined "grade" to mean a number of employees considered together because they share similarities in job duties, schedules, unit recruitment requirements, work location, collective bargaining unit, or other logical work-related groups.	04/22/24	Assembly Third Reading	
AB 2404	Lee	This bill would provide that it is not unlawful or a cause for discipline against an employee to refuse to enter property that is site of a primary strike, perform work for employer involved in the strike, or work behind strike line.	05/16/24	Assembly Held under submission	
AB 2474	Lackey	This bill would authorize **LACERA** to permit monthly benefits to be delivered to a prepaid account. This bill would also define the "account of the retired member or survivor of a deceased retired member" to include an account held in a living trust or an income-only trust, and other considerations. This bill would also consider a retiree's retirement allowance an overpayment subject to collection if the retiree works beyond the 960 hour limit and continues to receive their monthly benefit payment. The bill would not preclude the retirement system from taking additional action to reinstate the person as a member of the system or terminate or suspend their retirement allowance.	05/08/24	Senate RLS Comm.	
AB 2715	Boerner	This bill would authorize a closed session to consider/evaluate matters related to cybersecurity, provided that any action taken on those matters is done in open session.	05/16/24	Senate RLS Comm.	

BILL NO.	AUTHOR	DESCRIPTION	LAST ACTION DATE	LOC	SPONSOR
AB 2770	Committee on Public Employment and Retirement	This bill would extend the PTSD presumption repeal from January 1, 2025 to January 1, 2029.	05/08/24	Senate L, P.E. & R. Comm.	
AB 3025	Valencia	This bill would require a retirement system, upon determining that compensation reported is disallowed, to require the employer to discontinue reporting the disallowed compensation.	5/6/224	Assembly Third Reading	
SB 1189	Limon	This bill would modify CERL to authorize the Board of Retirement to appoint a chief technology officer.	05/06/24	Assembly P.E. & R. Comm.	
Other Bills of Interest:					
SB 300	Seyarto	This bill would require the Legislative Analyst to prepare a pension fiscal impact on any PERS bill introduced on or after January 1, 2024.	02/01/24	Senate Returned to Secretary of Senate pursuant to Joint Rule 56	
Federal Legislation:					
None to report.					

	2024 TENTATIVE State Legislative Calendar
Feb 16	Last day for new bills to be introduced
Mar 21 - Apr 1	Spring Recess begins upon adjournment
May 24	Last day for bills to be passed out of the house of origin
Jun 15	Budget Bill must be passed by midnight
Jul 3 - Aug 5	Summer Recess upon adjournment provided budget bill passed
Aug 23	Last day to amend bills on the floor
Aug 31	Last day for each house to pass bills; Final Recess begins upon adjournment
Sept 30	**Last day for Governor to sign or veto bills.**

San Joaquin County Employees' Retirement Association

May 31, 2024

TO: Board of Retirement

FROM: Renee Ostrander
Chief Executive Officer

SUBJECT: Chief Executive Officer Report

Strengthen the long-term financial health of the Retirement Plan

Review and confirm or refresh asset allocation

Consider Prospective Real Estate Manager. In accordance with SJCERA's pacing plan for the Real Estate asset class, SROA, a Real Estate manager that focuses on self-storage, will present at the June Board meeting for the Board's consideration.

Optimize the investment manager lineup

Conduct Risk Parity asset class review, assessing alignment of managers and mandates with our Strategic Asset Allocation policy and goals. An update on the Risk Parity asset class will be provided by Paris Ba in closed session at the June Board meeting.

Evaluate the portfolio for investment efficiency (e.g., fees, risk, return, consolidation). We are actively monitoring interest rate activity but believe the Feds will continue to take a patient and thoughtful approach, with an eye toward cutting rates before year end. The highly erratic repricing of hikes to cuts to possible hikes again we believe is too aggressive to attempt to predict.

Modernize the operations infrastructure

Implement Pension Administration System (PAS)
Complete data mapping of 2024 planned processes. Data Cycle 5 was delivered to Tegrit the second week of May and included critical updates that improve active member data for usability in the new system, PRIME. As of May 23, we have mapped and converted all but four CORE-37 member tables (229 of 233 tables) and have completed three critical data fixes.

Deliver project milestones as scheduled on PAS project plan. Release 3 was delivered to SJCERA on Monday, April 29 and completed User Acceptance Testing on Friday, May 24. The following functionality was tested and approved:

- 100% - Admin > Provisions > Age Rate Factors
- 100% - Admin > Provisions > Normal Retirement Factors
- 100% - Admin > Provisions > Option Factors
- 100% - Admin > Provisions > Single Life Annuity Factors
- 100% - Admin > Provisions > Temporary SS Supplement Factors
- 100% - Admin > Contribution Rate Maintenance
- 100% - Member Portal > Demographic Display

Improve technology for business operations
Adopt industry standard business processes wherever possible. Master service level agreement has been signed with Assured Data Protection, awaiting server infrastructure move from ISD datacenter to 220 E. Channel Street. Setup, implementation, and synchronization is tentatively planned for the second half of July.

Improve employer experience
Initiate planning and preparation for Employer Portal implementation. Planning is underway with the SJCERA team for employer engagement and participation in the implementation of the new system; milestones, technical responsibilities, and ways to increase adoption have been discussed. SJCERA and Tegrit have a planned meeting to finalize the scope of activities and responsibilities for the remainder of the year. Employers were already made aware of the new system during the CEO transition meetings that occurred in the spring.

Align resources and organizational capabilities

Enhance education and development across all levels of the organization
Regularly inform staff of available training opportunities. The SJCEngage June Trainings notice was sent out to employees. In addition, Elaina Petersen attended the Webinar "Difficult Conversations," part of the HR series through San Joaquin Valley Employment Relations Consortium.

For in-person education opportunities, Renee Ostrander attended the Administrators Forum in Santa Barbara immediately proceeding the SACRS Conference were she was joined by Paris Ba and Aaron Zaheen. Brian McKelvey attended the Wharton School in conjunction with International Foundation of Employee Benefit Plans training on Portfolio Concepts and Management.

Implement practices to support Board continuity and evolution
Develop training plan for incoming trustees. The training plan has been drafted and is in the final stages of review. It includes a suggested progression for the first few years as a trustee, taking into account the content in classes and the required education every board member must meet biannually.

Develop exit interviews with outgoing trustees. The exit interview questions have been drafted and are ready to be reviewed for finalization. We are hopeful the review will be complete by the end of June.

Seamlessly manage move to new location

Move in time to avoid diminishment of County payment and within budget. We are at the very final stage of the process to obtain occupancy. All of the requirements have been met; we are just waiting on the release from the City of Stockton Fire Department so we may open our doors to our members.

Maintain business operations without interruption. Since we closed our original location on S. El Dorado, we have continued to serve our members from the admin building, room 580. Once we receive the formal certificate of occupancy from the city, we will be closing our temporary location and begin seeing members at our new permanent site. We have been open every day to serve our members since the move began.

Effectively communicate move to members, employers, and stakeholders. Once the certificate is received, we will update the website to ensure that our members know the correct location to receive in-person services.

Hold open house to familiarize members, employers, and stakeholders to the new location. Open house is scheduled for June 7th. We have invited all of our employers, retirees, and the retiree association. We are planning to kick off the open house with a ribbon cutting ceremony; we are looking forward to the opportunity to interact with our attendees and will be providing a small tour of our new facilities and light refreshments.

Business Operations Update

Employee of the Month

Congratulations to Margarita Arce for being named Employee of the Month in May. Margarita is well versed in calmly handling customer inquiries and helping them with their needs. Her calming ways help when someone is having a rough time and needs extra support. Her work ethic always aims at learning new skills and taking on more responsibilities and is greatly appreciated. Margarita is always asking how she can help and takes on more work when needed with no complaint, she looks forward to learning something new. You hear the kindness in her voice when she is helping someone on the phone, even when you don't listen to the words. Well done Margarita, keep up the great work!

Board of Retirement Elections/Appointments

Our current election process is underway for the following seats:

1. Third seat on the Board of Retirement, elected by Active, General Members
2. Eighth and Alternate retired seats, elected by the Retired Members

Both candidates for our Eighth (J.C. Weydert) and Alternate retired (Steve Moore) seats were unopposed, so no election is necessary. Congratulations to Trustees Weydert and Moore; we are pleased to continue to work with them. Two general members (Samuel Kaisch and Adam Brucker) declared candidacy for the Third seat. The election is set for June 18th, with the new term of office beginning July 1st.

The Fourth seat, currently filled by Michael Duffy, is appointed by the Board of Supervisors. The current term ends June 30th. We anticipate an update from the board during this month.

Provide Excellent Customer Service

A few quotes from our members:

"Bethany (Vavzincak) was extremely patient with me and Margarita (Arce) assisted me also, it was almost time for closing and these ladies were exceptional."

"Andrea (Bonilla) has been very helpful with all my questions of retirement amounts and buying time back."

"Leonor (Sonley) is always so patient and helpful. Always responds quickly."

Conclusion

In May, I attended my first SACRS conference as a county member. While I anticipated the opportunity to build on relationships already in place, spend time with new partners, and begin networking with new acquaintances (both of which occurred in abundance), I returned to SJCERA with new ideas, new resources, and increased knowledge. This conference also afforded me the opportunity to interact with two of our trustees and continue to learn about their background and the experience they bring to the table.

During May I was able to connect in person with the final employer I hadn't yet had the opportunity to meet. I am happy to report that SJCERA has a productive, collaborative relationship with each of its employers as evidenced by the meetings that have occurred over the last few months. One takeaway that I am intending to address a couple of common themes amongst our non-county employers: members aren't receiving an adequate education of their benefit and employers are unaware of their responsibilities. I will be working to address both of these issues in the coming months especially with our new Communications Officer. That position has been released and is currently open for application submission.

As mentioned earlier in this report, we are at the final stages of receiving full clearance from the City of Stockton for our facilities at E Channel Street. We are pleased to finally move our team back under one roof and begin the process of post-move clean up. And this comes just in time for the open house, scheduled for the afternoon of June 7th.

As I near the close of my first 90 days and I reflect on my experience, I am truly grateful for the opportunity you have provided me in this role. The commitment and collaboration I have experienced has been inspiring for me. As we bring the first half of the calendar year to a close, I'm looking forward to taking that inspiration and using it to move the needle over the next six months.

2024 Action Plan Mid-Year Update

San Joaquin County Employees' Retirement Association

1. Strengthen the long-term financial health of the Retirement Plan

a. Implement Low-Default-Risk Obligation Measure (LDROM) disclosure

i. Board to approve disclosure report at valuation Board meeting — 85 percent complete

The Board's actuarial consultant, Cheiron, presented education in February related to the revised Actuarial Standards of Practice No. 4 (ASOP 4), which requires disclosing a "Low-Default-Risk Obligation Measure" in our upcoming annual actuarial valuation report. Cheiron is currently drafting our annual valuation that will be presented to the Board in July with the required information included.

b. Review and confirm or refresh asset allocation

i. Complete implementation of 2023 asset allocation policy — 50 percent complete.

Staff and Meketa continue to implement the 2023 asset allocation policy. The Board has approved Capitol Meridian Fund I (a new Private Equity manager) and Stellex Capital Partners Fund III (a re-up with one of SJCERA's existing managers) year to date. Staff and Meketa also provided the Board with an update on portfolio rebalancing during the June Board meeting.

ii. Conduct benchmark review and implement new benchmarks as appropriate

100 percent complete.

Investment consultant Meketa presented their benchmark review at the February 9 meeting and recommended the board continue on their current path. The review focused on the continued suitability of our benchmarks in light of changing investment markets, a more hawkish Federal Reserve due to sustained inflation, and a "higher for longer" interest rate regime.

c. Determine the future vision for the investment program operating model

i. Initiate the evaluation of best practices on in-house vs. outsourced investment functions

0 percent complete.

Work on this goal is scheduled for the second half of the year.

ii. Evaluate Passive vs. Active Management within public markets — 100 percent complete.

Investment consultant Meketa presented their analysis at the May 3 meeting and recommended continue the current balance between passive vs. active managers. Research shows active managers consistently outperform in certain segments, such as Non-US Equity and Core Fixed Income, where SJCERA already utilizes active managers.

d. Optimize the investment manager lineup

i. Conduct Risk Parity asset class review, assessing alignment of managers and mandates with our Strategic Asset Allocation (SSA) policy and goals

50 percent complete.

Risk Parity asset class update was conducted in closed session during the June Board meeting. Completion of activities are anticipated by year's end.

ii. Evaluate the portfolio for investment efficiency (e.g. fees, risk, return, consolidation)

50 percent complete.

Staff and Meketa continue to have and review calls and zoom meetings with existing managers. In the January Board meeting, SJCERA invited Oaktree to provide an update on the Oaktree Middle-Market Direct Lending Fund, where SJCERA made a $50mm commitment. In the April Board meeting, Davidson Kempner provided the Board with an update on Davidson Kempner Long-Term Distressed Opportunities Fund V, as well as their view on the distressed market in general.

iii. Prudently manage portfolio costs

1. Develop a tool to assess and report on the cost-effectiveness of private investments

0 percent complete.

Work on this goal is scheduled for the second half of the year.

iv. Review Diversifiers within the Crisis Risk Offset asset class with potential consideration of new manager 100 percent complete.

Request For Proposal (RFP) for a Crisis Risk Offset (CRO) manager was completed and two finalists were chosen in 2023. However, the Board elected to leave the money in the Cash Overlay program to take advantage of the higher yielding environment for the time being. Staff and Meketa will revisit the CRO allocation in next year's asset allocation study.

v. Evaluate secondary market opportunities for legacy managers 50 percent complete.

Staff and Meketa continue to evaluate secondary market opportunities for legacy managers. They have reviewed four legacy managers so far this year and are planning to review two to four more managers throughout the remainder of the year.

2. Modernize the operations infrastructure

a. Implement Pension Administration System (PAS)

i. Continue monitoring risk management plan 50 percent complete.

Monitoring the risk management plan is accomplished by three separate project meetings at various intervals. Weekly data conversion project risks are reviewed with MBS during our status meetings. Attendees include MBS project team, Linea Solutions, and SJCERA staff. Bi-weekly status meetings with Tegrit include risk discussions and mitigation strategies and are attended by the Tegrit project team, Linea Solutions and SJCERA Staff. Finally, all project risks are monitored and discussed as part of the Monthly Steering Committee meeting with SJCERA's CEO, Tegrit project team and Linea Solution's team. Risks are at the forefront of all project meetings and become project priorities as risks become realized. Continued meetings and constant review of the risks across the two projects will continue weekly, bi-weekly and monthly throughout the project.

ii. Complete refinement of business requirements on planned processes 0 percent complete.

All RFP business requirements were reviewed by the SJCERA and Linea Solutions teams last year for completeness and continued inclusion. This year, refinement of business requirements is scheduled to include a review and revision of all member, correspondence that is currently generated from the PAS system or that we want to be added to the new PAS. The kickoff for this meeting will be in June with a review of all letters, packets and forms with the goal of determining a complete and comprehensive list. Work between Linea Solutions, SJCERA and Tegrit will continue through the year until all correspondence has been edited, reviewed by legal counsel, and provided to Tegrit for integration into workflow processes implemented next year.

iii. Program and test 2024 planned processes 50 percent complete.

Release 2 was delivered and tested in March, which included functionality related to Employers, Reciprocal Agencies, Employment History, Service Purchase Time, Pay period and Bargaining Unit Maintenance. Release 3 was delivered and tested in May and included functionality for updating the system calculation factors, contribution rates, and our first view into the Member Portal with demographic information displays. Two more system releases from Tegrit are planned for the remainder of 2024.

iv. Complete data mapping of 2024 planned process 96 percent complete.

Data Cycle 5 was delivered to Tegrit the second week of May and included critical updates that improve active member data for usability in the new system, PRIME. As of May 23, we have mapped and converted all but four CORE-37 member tables (229 of 233 tables) and have completed three critical data fixes.

Data Cycle 6, planned for late July/early August will include all tables and data planned for conversion. Remaining data cycles will be used to update the PRIME database with the most current and corrected data. As of May 2024, there are 97 open data cleanup tickets.

All current system (CORE-37) data will be mapped and migrated as part of Data Conversion Cycle 6. Cycle 6 is scheduled to be delivered to Tegrit at the end of August. Having all the member data cleansed allows two concurrent activities to take place: Tegrit can build all functionality with SJCERA-specific data and SJCERA can focus on data cleanup for the remaining data cycles.

v. <u>Deliver project milestones as scheduled on PAS project plan</u> 50 percent complete.
Release 2 was delivered to SJCERA on Monday, February 19 and UAT completed Friday, March 15. Functionality delivered, tested and approved included: Participant Related Records, Employment history, Wages, Non-Participatory Employment, Lost Time, Employers, Bargaining Units, Reciprocal Agencies and tools to manage Employer Pay Periods. Release 3 was delivered to SJCERA on Monday, April 29 and completed UAT on Friday, May 24. Functionality tested and approved included the administration tools to manage and maintain Age Rate Factors, Normal Retirement Factors, Option Factors, Single Life Annuity Factors, Temporary SS Supplement Factors and Contribution Rate Maintenance. The first Member Portal screens for Member Demographic information were also provided and tested. Two more PAS releases are scheduled for 2024 to include functionality for various workflow processes, additional administrative settings, and additional Member Portal screens. We will also begin testing benefit and service purchase calculators at the end of the year.

vi. <u>Train staff on programmed processes in preparation for testing and use</u> 0 percent complete.
Staff training not required at this point. Will continue to assess if staff training on delivered functionality will be needed this year.

vii. <u>Update/revise system-generated letters for 2024 planned processes</u> 0 percent complete.
System generated correspondence that is currently will be reviewed by Linea Solutions and the SJCERA Project team during the second half of 2024. The kickoff for this meeting will be in June with a review of all letters, packets, and forms with the goal of determining a complete and comprehensive list. Work between Linea Solutions, SJCERA and Tegrit will continue through the year until all correspondence has been edited, reviewed by legal counsel, and provided to Tegrit for integration into workflow processes implemented next year

viii. <u>Maintain functionality of legacy PAS until new PAS is implemented and stabilized</u>
50 percent complete.
CORE-37 has been fully migrated to Windows. Ongoing maintenance this year has included updating tax, contribution, and COLA rates for 2024, identifying and correcting a federal tax withholding calculation issue within a batch update process, and in July, we will update the system with correct rates to calculate interest on existing member contributions. We are only completing required maintenance of the CORE-37 system to ensure we are following legal requirements and are able to continue to administer member pension calculations and payments correctly until we migrate to the new PAS.

b. Enhance the member experience

i. <u>Identify and implement effective marketing strategy for online resources</u> 0 percent complete.
Work on this goal will commence after the Communications Officer position is filled.

ii. Assess effectiveness of online videos and expand video library if appropriate

0 percent complete.

Work on this goal will commence after the Communications Officer position is filled.

c. Improve technology for business operations

i. Adopt industry standard business processes wherever possible

1. Document adoption of standard industry practices in PAS requirements for 2024 planned processes — 50 percent complete.

   In all functionality delivered to date, the project teams discussed and documented the standard industry practices that are applicable to the functional area. In each design session, project teams consistently discussed “What other systems do?”. Documentation of standard industry practices have been incorporated during the design sessions and maintained on the PRIME project portal for reference.

2. Report on adoption of standard industry practices in CEO report and/or quarterly PAS status report — 50 percent complete.

   The Board has received two quarterly PAS status reports this year. The reports include completed activities for the previous quarter and a list of planned activities for the current quarter. Industry standard practices are embedded in these activities.

3. Implement standard industry practices now (before PAS implementation) wherever possible — 50 percent complete.

   The team has utilized peer contact, research, conferences and other educational opportunities to evaluate SJCERA to standard industry practices. We are in the process of considering materials and feedback received on accounting systems, processes for investment reconciliation, reciprocity process improvements, and trustee education.

4. Explore transitioning the administration of retiree Health and Life Insurance back to the employer that sponsors those benefits — 5 percent complete.

   Initial discussions with the county’s HR Director have taken place. Should the transition occur, it would require training, job shadowing, and some minor IT changes. We are anticipating further discussions during the summer months.

5. Implement cloud presence recommendations — 25 percent complete.

   Master service level agreement has been signed with Assured Data Protection, awaiting the server infrastructure move from ISD datacenter to 220 E. Channel Street. Setup, implementation, and synchronization is tentatively planned for the second half in July.

6. Complete Mac to Windows transition — 100 percent complete.

   In 2023, SJCERA contracted with MainSpring to update CORE-37 to work properly in both Mac and Windows environments. Work included updating screens, member correspondence, integration with Optix, and back-end automations. By updating CORE-37 before we moved in February, it eliminated the need to move the Mac infrastructure to our new location. The last laptop was deployed on February 23. In addition to the new laptops, a new VPN was installed and configured to facilitate better management and improved security.

ii. Adopt contemporary risk management, disaster recovery and business continuity practices

1. Implement Phase 2 of Enterprise-Wide Risk Management plan — 75 percent complete.

   Nossaman prepared an evaluation of our insurance coverages and looked for any potential gaps. Based upon their and staffs’ evaluations, the following two actions have taken place: assessing Director & Officers insurance and confirming with County HR that our employees are covered under their employment practices liability insurance. This project is expected to be completed this Summer.

2. Implement recommendations from Third-Party Risk Assessment 100 percent complete.
Linea completed their Third-Party Risk Assessment in December 2023. The methodology, vendor assessments, and recommendations were presented to the Board during the February Closed Session meeting. As of May 31, all SJCERA third party data vendors have completed the risk assessment questionnaire.

3. Engage an information security consultant to provide cybersecurity and remediation services, and ongoing cybersecurity maintenance 100 percent complete.
In January, Linea Secure began providing their cybersecurity and remediation services. Linea Secure was chosen given their previous work with SJCERA IT and their team of cybersecurity experts. Ongoing services include regular cybersecurity training, ongoing monitoring of our environment, patch management, incident management, and ongoing third-party reviews and recommendations.

d. Improve employer experience

i. Initiate planning and preparation for Employer Portal implementation 5 percent complete.
Planning is underway with the SJCERA team for employer engagement and participation in the implementation of the new system; milestones, technical responsibilities, and ways to increase adoption have been discussed. SJCERA and Tegrit have a planned meeting to finalize the scope of activities and responsibilities for the remainder of the year. Employers were already made aware of the new system during the CEO transition meetings that occurred in the spring.

ii. Expand Employer information resources and tools 100 percent complete.
Former CEO, Johanna Shick completed and published the SJCERA Employer Handbook to the SJCERA website in January 2024. Topics include:

- Membership eligibility and exclusions (and cautions about “independent contractors”)
- Employers’ SJCERA-related responsibilities when hiring employees eligible for SJCERA membership (what forms and documents must be provided to the newly eligible member, and what must be submitted to SJCERA)
- What to do if you need to provide a new type of earnings (for example, maybe a hiring incentive was approved, or a new longevity pay was negotiated).
- What to do if you’re establishing a new position type
- Benefit and compensation limit administration
- Sick leave bank administration
- Requirements when you want to modify retirement benefits or compensation offered to employees

3. Align resources and organizational capabilities

a. Develop and implement a workforce planning process

i. Address project staffing and training needs 50 percent complete.
Annually, SJCERA and Linea Solutions review the PAS project staffing plan and evaluate if any changes are necessary. No additional staffing is needed on the SJCERA side this year. Staffing needs of the PAS and data conversion projects are also reviewed during bi-weekly and weekly meetings with the teams, respectively. MBS temporarily increased their team staffing in March and April to ensure timely delivery of Data Cycle 5, and to ensure the complete data set in Data Cycle 6.

ii. Implement CEO succession plan 100 percent complete.
This goal was completed with the recruitment, interviewing and hiring of the CEO in March.

b. Enhance education and development across all levels of the organization

i. Regularly inform staff of available training opportunities 50 percent complete.
County HR provides a monthly email outlining staff training that is available. This email notice is sent to staff to see if there is any training they would like to take. Our office regularly receives training notices from outside agencies and that information, when appropriate, is sent to those who may benefit from specific training.

ii. Embed education mindset in organizational culture 50 percent complete.
Activities to embed education mindset include: annual evaluations, legal trainings, and monthly safety updates.

c. Implement practices to support Board continuity and evolution

i. Develop training plan for incoming trustees 85 percent complete.
The training plan has been drafted and is in the final stages of review. It includes a suggested progression for the first few years as a trustee, taking into account the content in classes and the required education every board member must meet biannually.

ii. Develop exit interviews with outgoing trustees 85 percent complete.
The exit interview questions have been drafted and are ready to be reviewed for finalization. We are hopeful the review will be complete by the end of June.

d. Create a foundation of performance metrics and measurements

i. Include performance metric requirements in PAS business requirements 50 percent complete.
Operational metrics have been created and provided to the Board in the January and April Board of Retirement Meetings. Continued accumulation and reporting will occur with an eye on adding and improving the performance metrics across all three operational departments as part of the next two quarterly reports.

ii. Implement reporting on existing performance measures 50 percent complete.
Quarterly reporting of existing performance measures began in January 2024 and was again reported in April 2024. Continued reporting of existing performance measures will happen again in July and October 2024.

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e. Develop and implement a workforce planning process

i. Move in time to avoid diminishment of County payment and within budget 100 percent complete.
The move was fully completed by February 27, two days ahead of the deadline to receive the full County payment. The County handled the sale/disposal of the surplus property left behind. On March 14, staff received and deposited the full payment ($2 million check) from the County.

ii. Maintain business operations without interruption 100 percent complete.
On Saturday, February 9, IT staff successfully moved our production servers to the County Administration Data Center. This move gave us the flexibility to have staff work from multiple locations. We then closed our original location on N. El Dorado and few weeks later but continued to serve our members from the admin building, room 580. Once we receive the formal certificate of occupancy from the city, we will be closing our temporary location and begin seeing members at our new permanent site. We have been open every day to serve our members since the move began.

iii. Effectively communicate move to members, employers, and stakeholders
95 percent complete.
The following action items were taken to effectively communicate our move to members, employers, and stakeholders: posted signs at both the old and new locations, ongoing updates to the website's What's New page, sent notice to active members via a payroll insert, notification

in the annual Retiree newsletter payroll insert, notification in RPESJC's newsletter, and posted message in retirees' earnings statements.

iv. Hold open house to familiarize members, employers, and stakeholders with the new location
100 percent complete.
Staff, Board Trustees, Retirees, Department Heads, Employers and the Board of Supervisors were invited to celebrate the Office Warming of SCJERA on Friday, June 7, 2024 between 1:00 and 3:00 at the new 220 East Channel Street location. Visitors will be treated to a ribbon cutting at the new front door; tours of the SJCERA office are scheduled, giving visitors a view of work areas for staff, including the conference room, Café and the brand new Board Room. Light refreshments will be served.

2024 - SJCERA BOARD OF RETIREMENT MEETING CALENDAR

MONTH	DATE	Periodic Items / Other Events
JAN	**12**	**Board Meeting**
		Earnings Code Ratification
		Fourth Quarter Operations Reports*
		Trustee Education Compliance Report
		Action Plan Results
FEB	**9**	**Board Meeting**
		Notice of CPI/Set Retiree COLA
		Declining ER Payroll Report
		Assumptions & CMAs
	8	**CEO Performance Review Committee**
MAR	**8**	**Board Meeting**
		Fourth Quarter Inv Reports
		Asset-Liability Education
	8	**Audit Committee Meeting**
	2-5	CALAPRS General Assembly
	27-29	CALAPRS Advanced Principles of Pension Governance for Trustees, UCLA
APR	**12**	**Board Meeting**
		First Quarter Operations Reports*
		Asset-Liability Education
	N/A	**CEO Performance Review Committee**
MAY	**3**	**Board Meeting**
		Asset-Liability Education
	17	**Audit Committee Meeting**
	7-10	SACRS Spring Conf
JUN	**7**	**Board Meeting**
		First Quarter Inv Reports
		Auditor's Annual Report / CAFR
		Mid Year Action Plan Results
		CEO Performance - Mid Year
		Asset-Liability Study Draft
	7	**Administrative Committee Meeting**
	13	RPESJC Picnic
JUL	**12**	**Board Meeting**
		Mid-Year Administrative Budget Report
		Second Quarter Operations Reports*
		Election of Board Officers
		Investment Fee Transparency Report
		Annual Policy Review
		Asset-Liability Study Final
	14-17	SACRS UC Berkeley
AUG	**9**	**Board Meeting**
		Adoption of Plan Contribution Rates & Actuarial Experience Study
		Board Committee Assignments
	26-29	CALAPRS Principles of Pension Governance for Trustees, Pepperdine
SEP	**13**	**Board Meeting**
		Second Quarter Inv Reports
OCT	**9**	**Board Meeting**
		Adoption of Board Calendar for next year
		Third Quarter Operations Reports*
		2025 Action Plan
	9	**Investment Roundtable Dinner**
	10	**Special Meeting - Investment Roundtable**
NOV	**1**	**Board Meeting**
		Consultants and Actuaries Evaluations
	TBD	**Administrative Committee Meeting**
	12-15	SACRS Fall Conference
DEC	**13**	**Board Meeting**
		Third Quarter Inv Reports
		Annual Administrative Budget
	TBD	RPESJC Holiday Lunch

Unless otherwise noted on the agenda, Board Meetings convene at 9:00 a.m.

* Disability App Status Report and Pending Retiree Accounts Receivable Report

Notes: May meeting is on the first Friday due to the SACRS Spring Conference.
June meeting is on the first Friday due to BOS meeting schedule.
October meeting is on the second Wednesday due to the Investment Roundtable.
November meeting is on the first Friday due to the SACRS Fall Conference.