

San Joaquin County Employees' Retirement Association

AGENDA

BOARD OF RETIREMENT MEETING SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION BOARD MEETING FRIDAY, AUGUST 8, 2025 AT 9:00 AM

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/84955804915 and following the prompts to enter your name and email, or (2) calling (669) 219-2599 or (669) 900-9128 and entering Meeting ID 84955804915#

Persons who require disability-related accommodation should contact SJCERA at (209) 468 - 9950 or ToniC@sicera.org at least forty-eight (48) hours prior to the scheduled meeting time.

- 1. ROLL CALL
- 2. PLEDGE OF ALLEGIANCE
- 3. MEETING MINUTES
 - **3.1** Minutes of Board Meeting of July 11, 2025

4. PUBLIC COMMENT

4.1 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. MANAGER PRESENTATION - BLACKROCK

Presentation by Mark Florian, Partner and Head of GIP's Mid-Market Funds; Nic DiLoretta, Managing Director and member of GIP's Capital Formation Team; and Tim Murray, Lead BlackRock RM for SJCERA

6. CLOSED SESSION

- 6.1 Purchase or Sale of Pension Fund Investment California Government Code Section 54956.81
- Purchase or Sale of Pension Fund Investment California Government Code Section 54956.81
- 6.3 Purchase or Sale of Pension Fund Investment California Government Code Section 54956.81
- Purchase or Sale of Pension Fund Investment California Government Code Section 54956.81
- 6.5 Employee Disability Retirement Application (1) California Government Code Section 54957(b)
 - 1 Joanne P. Ripp
 Departmental Personnel Analyst
 Health Care Services Admin

7. CONSENT

- **7.1** Services Retirements (13)
- 7.2 Trustee and Executive Staff Travel
 - 1 Conference and Event Schedules

- **2** Summary of Pending Trustee and Executive Staff Travel
- 3 Summary of Completed Trustee and Executive Staff Travel
 - **a** Summary of NAPPA Legal Education Conference Aaron Zaheen
- 7.3 Legislative Summary Report/SACRS Legislative Update
- **7.4** Calendar
 - 1 Board Calendar
- **7.5** Service Credit Purchase Contract Cancellation
- **7.6** Board of Retirement Committee Assignments
- 7.7 Board to consider and take possible action on consent items

8. ACTUARIAL EXPERIENCE STUDY RESULTS AND PRELIMINARY ACTUARIAL VALUATION

Presentation by Graham Schmidt of Cheiron

- **8.1** Actuarial Experience Study Results presented by Graham Schmidt of Cheiron
- **8.2** Preliminary Actuarial Valuation Presented by Graham Schmidt of Cheiron
- **8.3** Board to receive, file reports and take possible action

9. ACTUARIAL RFP RECOMMENDATION

9.1 Board to consider and take possible action

10. ASSET ALLOCATION AND INFRASTRUCTURE EDUCATION

Presentation by David Sancewich of Meketa

10.1 Presentation by David Sancewich of Meketa

11. INVESTMENT CONSULTANT REPORTS

- **11.1** Presented by David Sancewich of Meketa Investment Group
 - 1 Monthly Investment Performance Updates
 - **a** Manager Performance Flash Report June 2025
 - **b** Economic and Market Update
 - 2 Investment Fee Transparency Report

11.2 Board to receive and file reports

12. 2025 ANNUAL INVESTMENT ROUNDTABLE

12.1 Board to review and discuss proposed topics and give direction to staff and consultant as necessary

13. SOCIAL SECURITY ELECTION EDUCATION

13.1 Presentation by CEO Renee Ostrander

14. STAFF REPORTS

- **14.1** CEO Report
- **14.2** Board to receive and file report

15. REPORT OUT OF PREVIOUS SESSION

15.1 On June 6, 2025, the Board voted 8-0 to approve Resolution 2025-08-01 titled "Berkeley Partners Value Fund VI" and to authorize the CEO to sign the necessary documents to invest an additional \$10 million in the fund.

16. COMMENTS

- **16.1** Comments from the Board of Retirement
- 17. SUMMARY OF BOARD DIRECTION
- 18. ADJOURNMENT



San Joaquin County Employees Retirement Association

MINUTES

BOARD MEETING SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION BOARD OF RETIREMENT FRIDAY, JULY 11, 2025 AT 9:00 AM

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

1.0 ROLL CALL

1.01 MEMBERS PRESENT: Michael Duffy, Jason Whelen, Emily Nicholas, JC Weydert, Raymond McCray (in at 9:02 a.m.), and Michael Restuccia, presiding MEMBERS ABSENT: Sonny Dhaliwal, Steve Moore, Phonxay Keokham, Sam Kaisch

STAFF PRESENT: Chief Executive Officer Renee Ostrander, Assistant Chief Executive Officer Brian McKelvey, Chief Counsel Aaron Zaheen, Retirement Financial Officer Trent Kaeslin, Management Analyst III Greg Frank, Information Systems Specialist Jordan Regevig, Executive Secretary Toni Christian and Administrative Secretary Elaina Petersen

OTHERS PRESENT: David Sancewich of Meketa Investment Group, David McCray, Community Member, Kimberly Adams and Reza Basharzad of Clairon

2.0 PLEDGE OF ALLEGIANCE

2.01 Led by Jason Whelen

3.0 MEETING MINUTES

- **3.01** Minutes for the Board meeting of June 6, 2025
- **3.02** Minutes for Administrative Committee meeting of June 6, 2025
- **3.03** The Board voted unanimously (6-0) to approve the minutes of the Board meeting of June 6, 2025 and the minutes of the Administrative Committee meeting of June 6, 2025 (Motion: Nicholas; Second: Weydert).

4.0 PUBLIC COMMENT

4.01 Public Comment from David McCray, community member regarding Social Security election for San Joaquin County Superior Court.

5.0 MANAGER PRESENTATION

5.01 Presentation by Kimberly Adams, Managing Director and Reza Basharzad, Managing Director of Clarion

6.0 CLOSED SESSION

The Chair convened Closed Session at 10:08 a.m. and reconvened Open Session at 11:11 a.m.

- **6.01** Purchase or Sale of Pension Fund Investment California Government Code Section 54956.81
- **6.02** Purchase or Sale of Pension Fund Investment California Government Code Section 54956.81
- **6.03** Purchase or Sale of Pension Fund Investment California Government Code Section 54956.81
- 6.04 Conference with Legal Counsel Anticipated Litigation Significant Exposure to Litigation (Government Code Section 54956.9(d)(2)) Number of Potential Cases: 1

There was no report out of closed session

7.0 CONSENT

- **7.01** Service Retirements (11)
- **7.02** Trustee and Executive Staff Travel
 - 01 Conference and Event Schedules
 - 02 Summary of Pending Trustee and Executive Staff Travel
 - a Requested Travel (2)
 - 03 Summary of Completed Trustee and Executive Staff Travel
 - a Summary of Wharton Investment Strategies & Portfolio Management Phonxay Keokham
 - b Summary IREI VIP JC Weydert
 - c Summary of Pension Bridge Annual Conference JC Weydert
 - d Summary of AEW LPAC Meeting Trent Kaeslin
- 7.03 Legislative Summary Report/SACRS Legislative Update
- 7.04 Calendar
 - 01 Board Calendar
- **7.05** Mid-Year Administrative Budget Update and Proposed Adjustments
- **7.06** Board Policies and Charters Requiring Amendments
 - 01 Age Verification Policy
 - a Age Verification Policy Markup
 - b Age Verification Policy Clean
 - 02 Annual Benefit Limit IRC 415(b) Policy
 - a Annual Benefit Limit IRC 415(b) Policy Markup
 - b Annual Benefit Limit IRC 415(b) Policy Clean
 - 03 CEO Performance Review Policy
 - a CEO Performance Review Policy Markup
 - b CEO Performance Review Policy Clean

- 04 Communication Policy
 - a Communication Policy Markup
 - b Communication Policy Clean
- 05 Computer Equipment Policy
 - a Computer Equipment Policy Markup
 - b Computer Equipment Policy Clean
- 06 Corrections of Errors and Omissions Policy
 - a Corrections of Errors and Omissions Policy Markup
 - b Corrections of Errors and Omissions Policy Clean
- 07 Electronic Signature Policy
 - a Electronic Signature Policy Markup
 - b Electronic Signature Policy Clean
- 08 Employer Termination Policy
 - a Employer Termination Policy Markup
 - b Employer Termination Policy Clean
- 09 Member Contributions and Interest Posting Policy
 - a Member Contributions and Interest Posting Policy Markup
 - b Member Contributions and Interest Posting Policy Clean
- 10 Required Minimum Distribution Policy
 - a Required Minimum Distribution Policy Markup
 - b Required Minimum Distribution Policy Clean
- 11 Retirement-Eligible Compensation Policy
 - a Retirement-Eligible Compensation Policy Markup
 - b Retirement-Eligible Compensation Policy Clean
- 12 Rollovers IRC 401(a)(31) & 402(c)
 - a Rollovers IRC 401(a)(31) & 402(c) Markup
 - b Rollovers IRC 401(a)(31) & 402(c) Clean
- **7.07** Consent items were approved unanimously (6-0), with the addition of JC Weydert to IREI in January 2026 (Motion: Duffy; Second: Whelen)

8.0 INVESTMENT CONSULTANT REPORTS

- 8.01 Presented by David Sancewich of Meketa Investment Group
 - 01 Monthly Investment Performance Updates
 - a Manager Performance Flash Report May 2025
 - b Economic and Market Update May 2025
- **8.02** The Board received and filed reports

9.0 POSITION ALLOCATION

- 9.01 Investment Accountant position
- **9.02** The Board voted unanimously (6-0) to approve the additional Investment Accountant position (Motion: Duffy: Second: Whelen)

10.0 STAFF REPORTS

- **10.01** Quarterly Operations Reports
 - 01 Account Received Second Quarter 2025
 - 02 Disability Quarterly Report
 - 03 Quarterly Operations Metrics
 - 04 Pension Administration Update

10.02 CEO Report

In addition to her written report CEO Ostrander advised: the RFP for the Actuary is completed, should be able to bring final recommendation to the Board in August; she also advised that the first round of PAS evaluations are complete and phase two and three should be completed by August. There has been great collaboration on finding the best vendor that will suit our needs.

10.03 The Board received and filed reports

11.0 COMMENTS

11.01 Trustee Duffy advised he would not be able to remain in the position of Vice Chairperson

12.0 ELECTION OF OFFICERS

12.01 The Board voted unanimously (6-0) to re-elect Michael Restuccia as Chairperson, Raymond McCray as Secretary and to elect Sam Kaisch as Vice Chairperson (Motion: Duffy; Second: Weydert)

13.0 SUMMARY OF BOARD DIRECTION

13.01 The Board requested more information on Social Security election

14.0 ADJOURNMENT

14.01	There being no further business the meeting was adjourned at 11:51 a.m.
	Respectfully Submitted:
	Michael Restuccia, Chair
	Attest:
	Raymond McCray, Secretary







Mark Florian
Partner, Head of GIP Mid-Market Funds

WITH YOU TODAY...



Nic DiLoretta

Managing Director,
GIP Capital Formation



Timothy Murray, CFADirector, BlackRock Americas
Institutional Business

GIP MID-MARKET FUNDS ("GMF")

Global, mid-market infrastructure strategy, offering differentiated investments for our clients

WHO WE ARE

Experienced, stable team with long track record

70+ / 13+ years

70+ dedicated infra professionals working together for 13+ years¹

Fifth vintage

Proven investment strategy creating proprietary investments

WHAT WE DO

Differentiated investment strategy investing in mid-market opportunities

Mid-market

Strong deal flow, favorable entry & exit, and unique investments & portfolios

Global diversified

Investing across energy, digital, transportation, waste & water sectors globally

HOW WE INVEST

Funds' returns built on risk mitigation and value creation focus

Stable Cash Flows

Long term average contract length with high-quality counterparties

Control-style

Active management through control-style ownership



The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy. Source: BlackRock, 1 July 2025. The investment activity and track record for funds I and II are attributable to members of the Team while at First Reserve, a firm acquired by BlackRock in 2017. Fund IV continues deployment with 12 investments to date. Funds I-IV (the "Prior Funds") are closed for new investors. Fund V will be managed by the same team as the Prior Funds (the GIP Mid-Market Team, previously known as BGIF, or the Team), and deploy the same strategy. 1) 13+ years refers to the time that most of the Partners & Managing Directors have been working together on behalf of the Prior Funds.

GLOBAL INFRASTRUCTURE PARTNERS, TOGETHER WITH GMF V, STRENGTHENS OUR VALUE-ADD FOR INVESTORS



OVERALL SCALE AND MARKET PRESENCE

US\$183bn

Asset under management¹

19 Year

Track record

500+

Active investments²

100+

Countries with asset operations²

GMF V SYNERGIES

1. UNIQUE INVESTMENT SOURCING

- **70%+** Proprietary³
- ~75 JVs and Take Privates as a partner of choice⁴

2. LEADING BUSINESS IMPROVEMENT CAPABILITIES

- 40+ professionals / 20+ years of experience⁵
- Proven value creation model

3. DEEP SECTOR EXPERTISE Comprehensive sector teams

- Energy, Digital, Transport, Waste & Water
- Differentiated insights from global presence

Source: BlackRock, 1 July 2025. Unless otherwise indicated, the data herein reflects the newly combined platform of GIP, a part of BlackRock ("GIP"), as of 31 March 2025, unless noted otherwise, including the legacy GIP business together with the legacy BlackRock Diversified Infrastructure, Climate Infrastructure, Infrastructure Debt, Decarbonization Partners and Infrastructure Solutions businesses. 1) "Assets under management" is calculated as unfunded commitments of investment vehicles and separate accounts, plus the asset value of existing investments and co-investments. 2) Data as of 31 December 2024. 3) Data across all GIP and GMF funds, including GIP I-V, GIPA I & II, GIP EM, GIP Core, and SMAs / Continuation Funds. GEPIF I-III, Infra IV, and BMIF. Breakdown by equity invested and committed as of 31 March 2025, including co-investment and post-pending syndications, finalization of syndication in process but not yet completed. Includes Allete which has been announced but not yet closed. Also includes Solvang Gas Carriers which closed in Q2 2025. 4) JVs and Take privates completed by GIP funds (of the combined platform). 5) As of June 2025. Subject to change. Average years of experience.

EXPERIENCED TEAM OF GMF SENIOR INVESTORS

GMF team includes 70+ professionals with 20+ years of average industry experience¹

GIP LEADERSHIP



Bayo **O**gunlesi Chairman & CEO



Michael McGhee Deputy Chairman



Rao President & COO



Mark **Florian** Partner & GMF Head



James Berner Partner



Adi Blum Partner



SENIOR INVESTMENT TEAM

Kim Managing Director



Mehta Managing Director



Tomas Peshkatari Managing Director



Doug Vaccari Managing Director

SENIOR INVESTMENT TEAM



Adam Waltz Managing Director



Edward Winter Managing Director



Adam Baer Principal



Bradley Holenstein Principal



Robert Kindman Principal



Patrick Luo Principal



Thomas Luypaert Principal

CAPITAL MARKETS



Jin Hui Poh Principal



Johann Rayappu Principal



Gianmario Spissu Principal

ESG



Christian **Synetos** Principal

LEGAL



Julie **Ashworth** Partner

Sugam

Mehta



Matt Raben Managing Director



Scott Telesz Partner



Marcel **Brinkman** Managing Director



BUSINESS IMPROVEMENT

Robert Hanna Managing Director



Nick Waugh Managing Director



Tom Teich Principal



Chadwick Partner

FINANCIAL OPERATIONS



Katherine Sherwin Managing Director

RISK

CAPITAL FORMATION GROUP



Eric Varvel Partner



Freek Spoorenberg Managing Director



Lauren Gallagher Managing Director



Andrew Paulson Partner



Matthew Prescottano Managing Director



Gregg Myers Partner



Steve Yost Principal



Source: BlackRock, July 2025. For illustrative purposes only. Subject to change. 1) Average years of experience includes GMF senior investment professionals only.

MEGA FORCES SHAPING THE INFRASTRUCTURE OPPORTUNITY

1. ENERGY TRANSITION With a US\$18tn¹ investment gap to 2030, increasing investment is required for the low carbon transition² ■ Low-carbon supply ■ Low-carbon demand ■ High-carbon supply

KEY SECTORS: ENERGY

- Low-Carbon Power
- Wind Solar
- LNG & Renewable Natural Gas
- Battery Storage, Energy Efficiency
- Carbon Capture



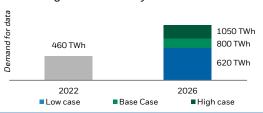






2. GROWTH IN AI & DIGITAL

Rapid technological progress & Al are expected to raise the global electricity demand for data³



KEY SECTOR: DIGITAL

- Data Centers
- Wireless Infrastructure
- Fiber Networks

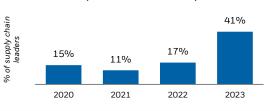






3. RE-WIRING SUPPLY CHAINS

Geopolitical tensions have led more supply chain leaders to have plans to nearshore production⁴



KEY SECTORS: TRANSPORT & LOGISTICS, WASTE & WATER

- Logistics Hubs
- Transport & Industrial Infrastructure
- Waste Management
- Water & Energy Services
- Circular Economy





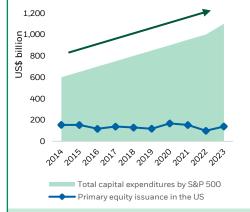




4. DEMAND FOR PRIVATE CAPITAL

Helping to close the ~\$15T funding gap of infrastructure investment needed by 2040⁵

S&P500 total expenditure versus primary equity issuance in the US over the last decade6



OPPORTUNITIES ACROSS SECTORS

High-quality public companies seek private capital across our target sectors









Source: BlackRock, 1 July 2025. 1) Bridging the Vast Gap in Net Zero Capital, BCG, 2023. 2) BlackRock Investment Institute, Aladdin Sustainability Analytics and IEA, July 2023. 3) IEA, Electricity 2024, Analytics and forecast to 2026. 4) McKinsey & Axios, 31 December 2023, Visuals, annual surveys between 60 and 113 supply chain leaders; 2020 to 2023. For illustrative purposes only, 5) Global Infrastructure Outlook, 2024. 6) CSIMarket, FRED Economic Data Series, SIFMA and Federal Reserve Board as of December 2024. There is no guarantee that forecasts made will come to pass.

GIP MID-MARKET FUND V STRATEGY

GIP Mid-Market Fund V will seek to build a strong portfolio of proprietarily sourced, diversified, and contracted infrastructure businesses

Potential for Attractive Capital Growth

US Dollar Denominated 12 years Fund Term Recurring Cash Yield Article 8
Intended SFDR

INVESTMENT STRATEGY



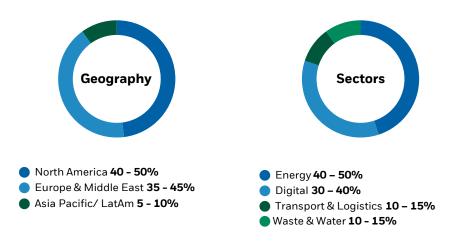






TARGETED FUND DIVERSIFICATION

Consistent with prior funds



GIP PLATFORM ENHANCES POTENTIAL FOR NEW OPPORTUNITIES

ACROSS SECTORS

Source: BlackRock, 1 July 2025.. Fund IV portfolio allocation for illustrative purposes. The Team will target investments with the same global OECD focus and underwriting philosophy as the Prior Funds. The sectors targeted by the Fund are defined as Energy, Digital, Transport & Logistics, and Waste & Water, in line with the infrastructure industry. This is for illustrative purposes only.

WHY MID-MARKET?

Our mid-market strategy allows investors to benefit from strong deal flow with favorable opportunities for entry and exit

STRONG DEAL FLOW

- Unique abundance of investment flow
- Proprietary deal sourcing
- Few funds competing in the upper mid-market¹

VALUE CREATION OPPORTUNITIES

- Active ownership growing profitability and improving operations
- Multiple growth levers

DIVERSIFIED EXIT

- Broad range of financial and strategic buyers
- Competition at exit enables value maximization

CAPITALIZE ON MEGA THEMES

- Execute in sub-sectors not available to large cap investors
- Strategic leader in new sectors and geographies

90%+

of infrastructure transactions have a total value below \$2.5 billion²

11X

more transactions completed in the mid-market³

<10%

of recent mid-market funds in the upper mid-market segment¹

Source: BlackRock, 1 July 2025. 1) Campbell Lutyens Infrastructure Market Report Q4 2024, using data from Preqin, vintage funds years 2020-2024. 2) Campbell Lutyens Infrastructure Market Report H2 2023, September 2023. 3) CBRE Global Infrastructure Fund Q2 2023. EDHECInfra as of Q2 2023. Past performance is not indicative of future results.



A DIFFERENTIATED INVESTMENT APPROACH

Consistent underwriting in a fast-changing world

PROPRIETARY SOURCING



750+

Our coverage list of corporates1

~70%

Proprietarily sourced investments1

DISCIPLINED RISK **MANAGEMENT**



15 years

Average contract length with high-quality counterparties²

50%

Debt-to-capitalization weighted average³; 90%+ fixed rate

VALUE CREATION ACROSS ENTIRE INVESTMENT LIFECYCLE



80%

Control or co-control investments1

50+

Network of experienced industry executives as senior partners in our network

Source: BlackRock, 1 July 2025. Funds I-IV are closed for new investors, 1) Statistics across funds II-IV as of 1 July 2025. 2) Reflects current average contract length of funds III & IV across the portfolio at full deployment (fund III) or current (fund IV), we have excluded funds I and II as these are in full realization phase, at the end of their fund life. 3) Debt to capitalization is calculated as the debt-to-cap weighted average of funds II-IV over total value as of 4Q 2024.

OUR VALUE ADD STRATEGY IN ACTION: CASE STUDIES

RECENT EXITS

VALUE CREATION IN PROGRESS

NEW INVESTMENTS



GASLOG LTD.

Owner and operator of contracted liquified natural gas ("LNG") vessels



E360S

Waste and circular economy utility serving >47,000 customers and >700,000 households



GIGAPOWER

Joint venture partnership with AT&T to establish the largest open access fiber network in the United States



CALISEN

Leading owner and installer of smart meters in the UK



JUPITER POWER

Leading integrated owner, operator, and developer of US utility-scale battery storage projects



STRATOS

Unique opportunity to partner with a global energy firm to invest in long-term contracted carbon capture, with guarantees to de-risk the investment

The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

Source: BlackRock, 1 July 2025. The Prior Funds are closed for new investors. These investments were selected to illustrate the most recent investments or realizations in Prior Funds for each of the four sectors that the Fund is targeting. They are not representative of all underlying fund investments made by the Team on behalf of the Prior Funds and it should not be assumed that the Fund will invest in these investments or in comparable investments, or that any future investments made by the Fund will be successful. To the extent that these investments prove to be profitable, it should not be assumed that the Fund's investments will be profitable or will be as profitable. There can be no assurance that similar investment opportunities will be available in the future or that the Fund will be able to exploit similar opportunities should they arise. Additional information regarding the Prior Funds' underlying investments can be provided upon request.

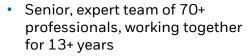
KEY TAKEAWAYS

Global, mid-market strategy with consistent underwriting principles, offering differentiated investment exposure to our clients



WHO WE ARE

- Experienced, stable team
- Long performance track record



 Global leader in infrastructure through the combined GIP platform



- Differentiated strategy
- Unique investments
- Mid-market

- 5th vintage offering differentiated investment exposure
- Investing globally, across sectors, in the mega forces
- Mid-market focus: Strong deal flow, with favorable entry and exit



- Consistent risk profile
- Corporate partnerships
- Value creation

- Deliberately infra, keeping true to our core underwriting principles
- Extensive access to corporates with whom we partner, co-create and structure deals
- Strong value creation framework embedded in everything we do

The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy. Source: BlackRock, 1 June 2025. The Prior Funds are closed for new investors.

Q&A

RISKS, DEFINITIONS & IMPORTANT INFORMATION

RISKS

Capital at Risk

The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested.

Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy. Changes in the rates of exchange between currencies may cause the value of investments to diminish or increase. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Levels and basis of taxation may change from time to time.

Infrastructure Securities

Investment in securities and instruments of infrastructure companies can be affected by the general performance of the stock market and the infrastructure sector. In particular, adverse economic or regulatory occurrences including high interest costs in connection with capital construction programs, high leverage, changes in and/or costs associated with environmental and other regulations, the effects of economic slowdown, surplus capacity, increased competition from other providers of services, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors can affect the value of infrastructure securities. Investing in infrastructure securities is not equivalent to investing directly in infrastructure and the performance of these securities may be more heavily dependent on the general performance of stock markets

Liquidity Risk

The Fund's investments may have low liquidity which often causes the value of these investments to be less predictable. In extreme cases, the Fund may not be able to realise the investment at the latest market price or at a price considered fair.

Valuation Risk

The Fund may be exposed to securities and other assets that will not have readily assessable market values. The valuation of such securities and other assets is inherently subjective and subject to increased risk that the information utilised to value such assets or to create the price models may be inaccurate or subject to other error. Due to a wide variety of market factors and the nature of the securities and assets to which the Fund may be exposed, there is no guarantee that any value determined will represent the value that will be realised on the eventual disposition of the Fund's investments or that would, in fact, be realised upon an immediate disposition of such investment.

Lack of Available Investments

The Fund may be competing for exposure to investments in a highly competitive market, against other funds, as well as individuals, financial institutions, strategic players and other investors, some of which may have greater resources than the Investment Manager. There can be no assurance that the Fund will be able to locate, attain and exit investments that satisfy its investment objectives, or that the Fund will be able to fully invest its committed capital.

Foreign/International Market's Risk

Investing involves risks, including risks related to foreign currency, limited liquidity, less government regulation, and the possibility of substantial volatility due to adverse political, economic or other developments.

RISKS

Portfolio Companies

Investments in portfolio companies that are newly formed, less mature than their competition, or that are engaged in business in a rapidly evolving industry involve a particularly high degree of business and financial risk, are considered highly speculative and may result in the loss of the Fund's entire investment. Early-stage investments may require substantial additional capital to support growth or to maintain their competitive position. Such capital may not be available on attractive terms from private sources. The Fund's capital is limited and may not be adequate to protect the Fund from dilution in multiple rounds of funding. The public market for early stage companies is highly volatile. Such volatility may adversely affect the ability of portfolio companies to raise capital when needed, the ability of the Fund to dispose of investments and the value of the Fund's investment securities on the date of sale or distribution.

ESG Risk

The environmental, social and governance ("ESG") considerations discussed herein may affect an investment team's decision to invest in certain companies or industries from time to time. Results may differ from portfolios that do not apply similar ESG considerations to their investment process.

Restriction on Withdrawal

The Fund is not intended to be a short-term investment and has no certainty of returns. Commitments to the Fund are generally not transferable or redeemable and Investors will be committed to the Fund for its duration and may not be able to withdraw from their participation prior to the expiry of the Fund.

IMPORTANT INFORMATION

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San Joaquin County Employees Retirement Association

August 2025

7.01 Service Retirement

1 JEANELL O BROWN

Eligibility Worker III HSA - Eligibility Staff

Consent

Member Type: General

Years of Service: 27y 05m 06d Retirement Date: 5/31/2025

02 EDWIN B DEL ROSARIO

Deferred Member

N/A

Member Type: General

Years of Service: 15y 02m 01d Retirement Date: 6/1/2025

03 DIANA L EDWARDS

Accounting Technician | HSA - Admin Support

Member Type: General Years of Service: 18y 04m 12d Retirement Date: 6/14/2025

04 VENUS S ESPARZA-WHITTED

Deferred Member

N/A

Member Type: General

Years of Service: 09y 01m 09d Retirement Date: 6/1/2025

05 ROVERTO C HERNANDEZ

Deferred Member

N/A

Member Type: Safety

Years of Service: 19y 05m 25d Retirement Date: 6/10/2025

06 TRACEY M JAO CHICO

Deferred Member

N/A

Member Type: General

Years of Service: 00y 10m 29d Retirement Date: 6/1/2025

07 MARIA G MONTALVO

Administrative Assistant II Public Works - Personnel-Trng

Member Type: General

Years of Service: 35y 07m 02d Retirement Date: 6/14/2025



San Joaquin County Employees Retirement Association

August 2025

08 AARON J MORENO

HSA Staff Analyst II HSA - Admin Support

Member Type: General

Years of Service: 35y 11m 16d Retirement Date: 6/15/2025

09 ERNESTO S NOCOS

Food Service Worker III

Hosp Dietary

Member Type: General

Years of Service: 12y 06m 26d Retirement Date: 6/15/2025

10 GRISELDA D OLIVAS

Deferred Member

N/A

Member Type: General

Years of Service: 05y 06m 22d Retirement Date: 6/2/2025

11 JERRY SILVA

Deferred Member

N/A

Member Type: General

Years of Service: 10y 08m 27d Retirement Date: 5/30/2025

12 KHAMPHANG F VANG

Senior Psychiatric Technician

Correctional Health Services

Member Type: General

Years of Service: 29y 07m 14d Retirement Date: 6/6/2025

13 RICHARD A YARRINGTON

Deferred Member

N/A

Member Type: General

Years of Service: 10y 00m 18d Retirement Date: 6/2/2025

2025 CONFERENCES AND EVENTS SCHEDULE

2025 EVEN	T DATES	EVENT TITLE	EVENT SPONSOR	LOCATION	REG.	WEBLINK FOR	EST. BOARD
Sep 9	Sep 11	2025 Fall Editorial Advisory Board Meeting; Institutional Real Estate Americas	IREI	San Diego, CA	FEE \$0	MORE INFO irei.com	*16
Sep 12	Sep 12	Attorneys Roundtable	CALAPRS	virtual	\$50	calaprs.org	4
Sep 15	Sep 17	Stockbridge Annual Meeting	Stockbridge	Denver, CO	\$0	Stockbridge.com	N/A
Sep 16	Sep 18	Fiduciary Investors Symposium	top1000funds	Stanford, CA	\$1900	top1000funds.com	*24
Sep 24	Sep 26	Administrators' Institute	CALAPRS	Carmel, CA	\$3000	calaprs.org	N/A
Oct 3	Oct 3	Trustee Roundtable	CALAPRS	virtual	\$50	calaprs.org	*4
Oct 16	Oct 16	SJCERA Investment Roundtable	SJCERA	Lodi, CA	\$0	SJCERA	*7
Oct 21	Oct 21	Investments Roundtable	CALAPRS	virtual	\$50	calaprs.org	N/A
Oct 25	Oct 26	Accredited Fiduciary (NAF) Program	NCPERS	Ft Lauderdale, FL	TBD	ncpers.org	N/A
Oct 26	Oct 27	Advanced Trustee Studies (PATS)	NCPERS	Ft Lauderdale, FL	TBD	ncpers.org	N/A
Oct 25	Oct 26	Financial, Actuarial, Legislative & Legal issues	NCPERS	Ft Lauderdale, FL	\$850	ncpers.org	TBD
Oct 26	Oct 29	Pension Bridge Alternatives 2025	withintelligence	New York, NY	\$0	withintelligence.com	N/A
Nov 11	Nov 14	SACRS Fall Conference	SACRS	Huntington Beach, CA	\$290	sacrs.org	*11.5
2026		EVENT TITLE	EVENT SPONSOR	LOCATION	REG.	WEBLINK FOR	EST. BOARD
EVEN'	T DATES	EVENT TILE	EVENT SPONSOR	LOCATION	FEE	MORE INFO	EDUCATION
Jan 26	Jan 28	IREI, VIP Americas	IREI	Carlsbad, CA	\$0	irei.com	TBD
Jan 26	Jan 28	Legislative Conference	NCPERS	Washington, DC	TBD	NCPERS	TBD
Mar 8	Mar 11	General Assembly 2026	CALAPRS	Carlsbad, CA	TBD	calaprs.com	N/A

^{*} Estimates based on prior agendas

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION SUMMARY OF PENDING TRUSTEE AND EXECUTIVE STAFF TRAVEL

2025 Event Dates	Sponsor / Event Description	Location	Traveler(s)	Estimated Cost	BOR Approval Date
Sep 15-16, 2025	Stockbridge 2025 Annual Meeting	Denver, CO	R. Ostrander	\$0	6/6/2025
Sep 16-18, 2025	Fiduciary Investors Symposium	Palo Alto, CA	T. Kaeslin	\$3,100	6/6/2025
2026		·		Estimated	BOR Approval
Event Dates	Sponsor / Event Description	Location	Traveler(s)	Cost	Date
	•		M. Restuccia,		
Jan 26-28, 2026	IREI VIP Americas	Carlsbad, CA	T. Kaeslin,	\$6,300	7/11/2025
			JC Wevdert		

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION SUMMARY OF COMPLETED TRUSTEE AND EXECUTIVE STAFF TRAVEL

Event Dates 2025	Sponsor / Event Description	Location	Traveler(s)	Estimated Cost	Actual Cost	Event Report Filed
Jan 26-27, 2025	Communications Summit	Washington, DC	R. Ostrander	\$1,823	\$1,766.42	3/14/2025
Jan 27-29, 2025	Legislative Conference	Washington, DC	R. Ostrander	\$2,467	\$1,765.23	3/14/2025
			M. Restuccia, JC		Restuccia: \$1869.00	Restuccia: 2/14/2025
Jan 27-29, 2025	IREI - VIP Americas	Dana Point, CA	Weydert	\$3,600	Weydert: \$2011.00	Weydert: 7/11/2025
Feb 7, 2025	Virtual Attorney's Roundtable	Virtual	A. Zaheen	\$50	\$50	N/A
Feb 21, 2025	CALAPRS Disability Roundtable	San Diego, CA	A. Zaheen	\$680	\$775	N/A
Mar 3-5, 2025	General Assembly 2025	Napa, CA	T. Kaeslin	\$1,100	\$1,120.16	N/A
Mar 24-26, 2025	Pension Bridge 2025	Half Moon Bay, CA	R. McCray, JC Weydert	\$2,200	McCray: \$1057.77 Weydert: \$192.70	McCray: 6/6/2025 Weydert: 7/11/2025
May 7, 2025	The San Francisco Institutional Exchange/Global Business Connections	San Francisco, CA	T. Kaeslin	\$180	\$121.61	6/6/2025
May 13-16, 2025	SACRS Spring Confernce	Rancho Mirage, CA	JC Weydert, S. Moore, R. Ostrander, A. Zaheen T. Kaeslin	\$6,500	\$7,797.02	N/A
May 19 - 23, 2025	Investment Strategies & Portfolio Management	Philadelphia, PA	P. Keokham	\$16,650	\$14,924.80	7/11/2025
May 26-29, 2025	AEW Client Conference & Annual Fund Meeting	Boston, MA	T. Kaeslin	\$0	\$249.48	7/11/2025
May 30, 2025	CALAPRS Trustee Roundtable	Virtual	S. Kaisch, S. Moore	\$100	\$100.00	N/A
Jun 24-27, 2025	NAPPA Conference	Denver, CO	A. Zaheen	\$2,790	\$1,941.58	8/8/2025
Jul 13-16, 2025	SACRS UC Berkeley	Berkeley, CA	R. Ostrander, T. Kaeslin, JC Weydert	\$13,777	\$14,089.92	N/A

Board Member Travel (not including SACRS & CALAPRS		Dates	Amount used of \$4500:	Balance of \$4500	
RESTUCCIA	IREI - VIP Americas	1/27-29	\$1,869.00	\$2,631.00	
WHELEN					
GARDEA					
DUFFY		·	·		
KAISCH		<u> </u>			
KEOKHAM	Investment Strategies & Portfolio Management	5/19 - 23/25	\$14,924.80	\$0	Approved on 1/17/25 to exceed \$4,500.00 yearly amou
MCCRAY	Pension Bridge	3/24-26/25	\$1,057.77	\$3,442.23	
NICHOLAS					
WEYDERT	IREI - VIP Americas; Pension Bridge	1/27-29, 3/24-26	\$3,103.70	\$1,396.30	
MOORE		·	·	·	

^{*}Pending Final Expense



San Joaquin County Employees' Retirement Association

August 8th, 2025

TO: Board of Retirement

FROM: //Aaron Zaheen

General Counsel

SUBJECT: Conference Recap: NAPPA Legal Education Conference

I attended the 2025 National Association of Public Pension Attorneys (NAPPA)

Legal Education Conference in Denver this June. The event brought together pension attorneys from across the country to share updates, legal insights, and a few laughs.

Brief Overview of Some of the Sessions:

SECURE 2.0 & Compliance:

There were plenty of updates on new IRS guidance, or the lack thereof, around Roth catch-ups and other SECURE 2.0 changes. Audits and compliance concerns were also front and center.

Privacy & Cybersecurity:

As data privacy laws evolve, pension plans are facing increased risks. A standout session focused on how systems can prepare for and respond to data breaches, including vendor risk and new state-level requirements.

Investments & Tax:

A deep dive into the tax and legal complexities of private fund investments (Cayman blockers, tax treaties, and side letters) gave helpful guidance on what to watch for in new deals.

Litigation Watch:

Public pension plans continue to face litigation on several fronts. Some sessions explored free speech, fiduciary duty, and most notably LACERA vs. the County of Los Angeles.

And Then There Was... Ethics Karaoke?

The ethics sessions were unexpected. The Denver Law Club took to the stage with parody songs rewritten lyrics and all to bring legal ethics scenarios to life. It was both hilarious and oddly effective at making the rules stick.

Final Thoughts:

Overall, the conference was a great mix of learning and networking. It was a chance to connect with peers from other systems, stay up to date on the legal landscape, and bring back insights that will help me continue supporting SJCERA's mission.



TO: State Association of County Retirement Systems

FROM: Cara Martinson, Public House Consulting

Laurie Johnson, LJ Consulting & Advocacy

DATE: July 3, 2025

Legislative Update - July 2025 RE:

Governor Gavin Newsom signed California's 2025/26 budget into law last Friday, just ahead of the start of the new fiscal year. Alongside the budget, he also signed SB 131 a significant overhaul of the California Environmental Quality Act (CEQA) for infill housing — a policy he had made a key condition for his approval of the budget.

While the Legislature passed an initial budget bill on June 15 to meet its constitutional deadline, negotiations continued throughout the remainder of the month. The final Budget Act of 2025 authorizes \$321.1 billion in total spending, including \$228.4 billion from the General Fund. The budget is balanced and includes \$15.7 billion in total reserves, with \$11.2 billion in the Rainy-Day Fund and \$4.5 billion in other reserves.

Governor Newsom had emphasized that CEQA reform was a prerequisite for his support of the budget – pointing to the proposal as a key tool California needs to address its affordability and homelessness crisis. SB 131 delivers on that priority, introducing major changes aimed at streamlining environmental review for infill housing projects, as well as certain other developments such as broadband infrastructure, healthcare facilities, and wildfire mitigation projects. Despite significant opposition from environmental groups, the bill passed with strong bipartisan support in the Legislature.

With the budget now enacted, lawmakers are shifting focus to the policy committee deadline of July 18, by which time all bills must pass through their respective policy committees. The Legislature will then recess for their summer break, reconvening on August 18. Upon their return, bills will advance to the Appropriations Committees and then to floor votes. The Legislature is scheduled to adjourn for the year on September 12.

SACRS is tracking the following bills:

ACA 2 (Jackson) - seeks to reinstate retirement for State Legislators. ACA 2 would establish a retirement system specifically for legislators elected or serving from November 1, 2010 onward. To qualify, legislators would be required to serve at least 10 years. If their service is less than 10 years,



legislators could transfer their accumulated service credits to another public pension or retirement system they are a part of. Status: This bill did not receive a hearing and is now a 2-year bill.

- AB 259 (Rubio) was amended to extend the 2026 sunset on existing laws governing teleconferencing procedures for public meetings to 2030. This bill is sponsored the CA Special District's Association (CSDA). Status: This bill will be heard in the Senate Judiciary Committee on 7/15.
- AB 288 (McKinnor) expands the jurisdiction of the Public Employment Relations Board (PERB) by authorizing certain workers to petition the PERB to protect and enforce their rights. Status: This bill passed out of the Senate Committee on Labor and Public Employment and Retirement and will be heard in the Senate Judiciary Committee on 7/8.
- AB 339 (Ortega) would require the governing body of a public agency to give a recognized employee organization no less than 120 days' written notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization. Status: This bill will be heard in the Senate Committee on Labor and Public Employment and Retirement on 7/9.
- AB 340 (Ahrens) would prohibit a public agency employer from questioning any employee or employee representative regarding communications made in confidence between an employee and an employee representative in connection with representation relating to any matter within the scope of the recognized employee organization's representation. Status: This bill passed out of the Senate PERS Committee and is awaiting review in the Senate Judiciary Committee.
- o AB 409 (Arambula) would extend the 2026 sunset on existing laws governing teleconferencing procedures for California Community College student body associations and student-run community college organizations to 2030. Status: This bill passed out of the Assembly and has been referred to the Senate Local Government and Education Committee.
- AB 467 (Fong) would extend the sunset date from 2026 to 2030 (as opposed to 2031) for teleconferencing procedures for neighborhood councils, defined as an advisory body with the purpose to promote more citizen



participation in government and make government more responsive to local needs that is established pursuant to the charter of a city with a population of more than 3,000,000 people that is subject to the Brown Act. Status: This bill will be heard in the Senate Judiciary on 7/15.

- AB 569 (Stefani) was amended to maintain the proposed authorization to negotiate contributions to supplemental Defined Benefit plans but also maintain consistency with the existing PEPRA prohibitions and limitations. Status: This bill was held on the Appropriations Suspense File and is now a 2year bill.
- o AB 814 (Schiavo) This bill excludes from gross income, under the Personal Income Tax (PIT) Law, peace officer retirement pay and amounts received by the beneficiary of an annuity plan set up for the surviving spouse or dependent of a person that lost their life in services as a peace officer. Status: This bill was held on the Assembly Appropriations Suspense File.
- AB 1054 (Gipson) This bill would establish the Deferred Retirement Option Program as a voluntary program within PERS for employees of State Bargaining Units 5 (Highway Patrol) and 8 (Firefighters). The bill would require these state bargaining units to bargain with the Department of Human Resources to implement the program. The bill would also require the program to result in a cost savings or be cost neutral. The bill would further require the department to work with the board of PERS to develop the program. Status: This bill was not taken up in the Assembly PERS Committee and is a 2-year bill.
- o AB 1323 (Chen) would increase the compensation rate for certain members of the Orange County Board of Retirement to not more than \$320 per meeting. Status: This bill did not receive a policy committee hearing and is now a 2-year bill.
- AB 1383 (McKinnor) This bill would establish new retirement formulas, for employees first hired on or after January 1, 2026, as 2.5% at age 55, 2.7% at age 55, or 3% at age 55. For new members hired on or after January 1, 2013, who are safety members, the bill would require employers to adjust the formulas for service performed on or after January 1, 2026, to offer one of the 3 formulas for safety members that is closest to the formula the employer provided pursuant to existing law. The bill would authorize a public employer



and a recognized employee organization to negotiate a prospective increase to the retirement benefit formulas for members and new members, consistent with the formulas permitted under the act. This bill would authorize an employer and its employees to agree in a memorandum of understanding to be subject to a higher safety plan or a lower safety plan, subject to certain requirements, including that the memorandum of understanding is collectively bargained in accordance with applicable laws. Status: This bill was held on the Assembly Suspense File and is now a 2-year bill.

- AB 1439 (Garcia) would prohibit the board of a public pension or retirement system from making any additional or new investments of public employee pension or retirement funds in development projects in California or providing financing for those projects with public employee pension or retirement funds unless those projects include labor standards protections. Status: This bill did not receive a policy committee hearing and is now a 2-year bill.
- SB 239 (Arreguín) allows flexibility for remote meetings of local advisory bodies ("subsidiary bodies" in the language of the bill). Specifically, this bill would allow the subsidiary body of a local agency to teleconference their meetings without having to make all locations publicly available and would require the subsidiary body to post the agenda at each physical meeting location. The bill also sunsets these provisions in 2030. Status: The bill was moved in the inactive file. The sponsors of this bill are now working with Senator Durazo on SB 707 as the consensus measure.
- SB 301 (Grayson) would beginning on or after January 1, 2026, prohibit a city or district that contracts with a retirement system under the CERL from amending their contract with the system in a manner that provides for the exclusion of some, but not all, employees. This bill passed out of the Assembly PERS committee and has been referred to the Assembly floor.
- SB 443 (Rubio) This bill authorizes, on or after January 1, 2026, the Pajaro Regional Flood Management Agency (PRFMA) to offer an employee the pre-Public Employee Pension Reform Act of 2013 (PEPRA) defined benefit (DB) retirement plan or formula if the employee was already subject to that retirement plan or formula as an employee of the member agency (a "pre-PEPRA" employee). Similarly, the bill authorizes a non-founding member agency of a JPA formed on or after January 1, 2013, to offer a pre-PEPRA DB retirement plan or formula to an employee within 180 days of the agency becoming a member of the JPA.



Status: This bill passed out of the Assembly Appropriations Committee and is awaiting action on the Assembly Floor.

- SB 470 (Laird) would delete the 2026 sunset on existing laws governing teleconferencing procedures for state agencies relative to the Bagley-Keene Open Meeting Act and extend the sunset provision to 2030. Status: This bill will be heard in the Assembly Governmental Organization Committee on 7/9.
- SB 707 (Durazo) would add additional teleconferencing meeting requirements for certain local governments until 2030 to allow members of the public to attend a public meeting via a two-way teleconferencing option. The bill would also require additional alternative language noticing requirements, among other requirements. The sponsors of SB 239 (Arreguin) are now working with Senator Durazo and have amended the bill to narrow the public participation requirements to cities, counties and special districts with certain population thresholds. The bill's two-way conferencing and translation requirements appear to no longer apply to the County Boards of Retirement. Additional amendments are expected in the Assembly related to remote comments. Status: The bill will be heard in the Assembly Local Government Committee on 7/16.
- SB 853 (Committee Omnibus Bill) includes clarifying changes to the CERL:
 - Clarifies that for members subject to PEPRA, the retirement association shall compute absences using the member's pensionable compensation at the beginning of the member's absence.
 - Clarifies that where a member's service through reclassification, has been converted from general to safety member service, service converted after PEPRA's effective date is subject to PEPRA's prohibition of retroactive benefits. Thus, clarifies that conversion shall apply only to service after the operative date of the reclassification and not to all prior service.
 - Clarifies how CERL employers should report retired annuitants to their retirement association.
 - STATUS: This bill passed out of the Assembly PERS Committee and will be heard in the Assembly Appropriations Committee on 7/2.

Contact:

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

2025 - SJCERA BOARD OF RETIREMENT MEETING CALENDAR

монтн	DATE	Periodic Items / Other Events	монтн	DATE	Periodic Items / Other Events
JAN	17	Board Meeting Earnings Code Ratification	JUL	11	Board Meeting Mid-Year Administrative Budget Report
		Fourth Quarter Operations Reports*			Second Quarter Operations Reports*
		Trustee Education Compliance Report			Election of Board Officers
		Action Plan Results			Annual Policy Review
				13-16	SACRS UC Berkeley
FEB	14	Board Meeting			
		Notice of CPI/Set Retiree COLA	AUG	8	Board Meeting
		Declining ER Payroll Report			Actuarial Experience Study Results &
	14	Assumptions & CMAs CEO Performance Review Committee			Preliminary Plan Contribution Rates
	14	CEO Performance Review Committee			Investment Fee Transparency Report Asset-Liability Education
MAR	14	Board Meeting			Committee Assignments
PIAIX	4-7	Fourth Quarter Inv Reports			Committee Assignments
	14	Audit Committee Meeting	SEP	12	Board Meeting
	20	CEO Performance Review Committee	J SEF	12	Second Quarter Inv Reports
	2-5	CALAPRS General Assembly			Asset-Liability Portfolio Selection
		,			Adoption of Plan Contribution Rates
APR	11	Board Meeting	ост	15	Board Meeting
		First Quarter Operations Reports*			Pension Funding Education
					Adoption of Board Calendar for next year
					Third Quarter Operations Reports*
MAY	9	Board Meeting			2026 Action Plan
	9 13-16	Audit Committee Meeting SACRS Spring Conf		16	Special Meeting - Investment Roundtable
	15-10	SACKS Spring Com	NOV	7	Board Meeting
			1101	-	Investment Consultant and Actuary Consultant Evals
JUN	6	Board Meeting			Disability Process Education
		First Quarter Inv Reports		TBD	Administrative Committee Meeting
		Auditor's Annual Report / CAFR		11-14	SACRS Fall Conference
		Mid Year Action Plan Results			
	_	Asset Class Review	DEC	12	Board Meeting
	6 12	Administrative Committee Meeting			Third Quarter Inv Reports
	12	RPESJC Picnic			Annual Administrative Budget Fiduciary Duty Education
				11	RPESJC Holiday Lunch

Unless otherwise noted on the agenda, Board Meetings convene at 9:00 a.m.

Notes: May meeting may move to 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 Wednesday prior to the Investment Roundtable.

November meeting may move to the first Friday due to the SACRS Fall Conference.

One meeting per month on all subjects; special Manager Due Diligence Meetings as needed.

^{*} Disability App Status Report and Pending Retiree Accounts Receivable Report



Board of Retirement Meeting

San Joaquin County Employees' Retirement Association

Agenda Item 7.05

August 8, 2025

SUBJECT: Request for Termination of Post-Tax Installment Service Purchase

SUBMITTED FOR: _X_ CONSENT ____ ACTION ____ INFORMATION

RECOMMENDATION

Staff recommends that the Board of Retirement grant the request of to stop the post-tax bi-weekly payroll deduction for the purchase of service credit due to a financial hardship.

DISCUSSION

On April 3, 2025, authorized and signed a binding agreement to have \$387.78 deducted for 130 biweekly pay periods as his method of payment to purchase prior county service for the period September 17, 2018 - January 12, 2025, for a total service purchase period of 6 years 3 months and 29 days. A total of 6 payments have been made, with the first payroll deduction being taken on May 4, 2025.

On July 15, 2025, the member submitted a request to stop that deduction for financial hardship due to unforeseen events.

ATTACHMENTS

Letter from dated July 15, 2025.

Brian P. McKelvey

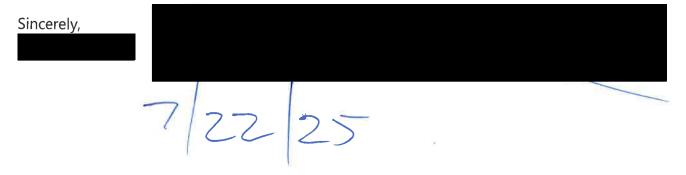
Assistant Chief Executive Officer

Dear SJCERA

I am writing to respectfully request relief from my contractual commitment to buy back my years of employment due to unforeseen financial hardships. The current cost of living and other unexpected expenses have made it challenging for me to fulfill this obligation.

Given my current financial situation, I kindly request to be released from my contract for the buyback. I would greatly appreciate any consideration you can give to this matter.

Thank you for your understanding and assistance.



SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION BOARD OF RETIREMENT

STANDING COMMITTEES

ADMINISTRATIVE COMMITTEE

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Michael Duffy – Chair Phonxay Keokham Raymond McCray Michael Restuccia

CEO PERFORMANCE REVIEW COMMITTEE

Phonxay Keokham – Chair JC Weydert Jason Whelen Sam Kaisch San Joaquin County Employees'
Retirement Association (SJCERA)

Actuarial Experience Study for January 1, 2022 through December 31, 2024









Inflation Rate Current: 2.75%

Price inflation; building block for other assumptions



Return on Assets
Current: 6.75%

Assumed annual return on investments; net of investment expenses



Wage Growth Current: 3.00%

Price inflation plus real wage growth



COLA Rates Current: 2.60% (actives); 2.75% (retirees)

Increases in post-retirement COLAs; affected by caps and banking provisions



Alternative 2 (Lower inflation / Alt COLA)

2.50%

6.75%

We start with a summary of the analysis to provide context for our discussion.

Assumption

Price Inflation

Discount Rate or Nominal Return (net of investment expenses)

Summary

Alternative 1 (Lower inflation / COLA)

2.50%

6.75%

Current Baseline (Banking change only)

2.75%

6.75%

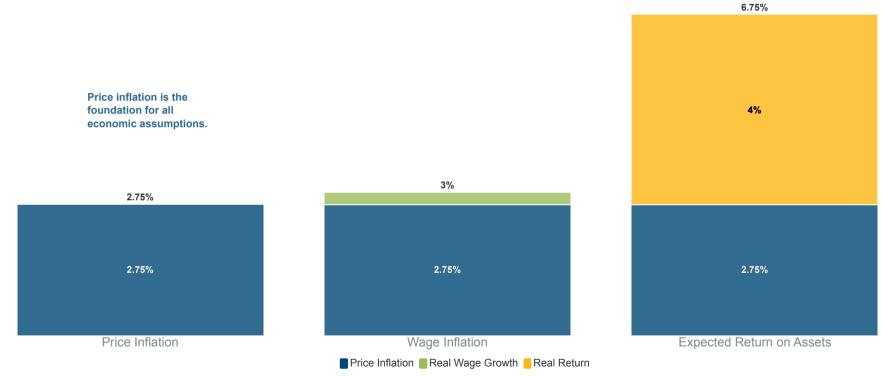
2.75%

6.75%

Real Return	4.00%	4.00%	4.25%	4.25%
Wage / Payroll Growth	3.00%	3.00%	3.00%	3.00%
COLA Growth (No COLA Bank)	2.60%	2.60%	2.40%	2.50%
COLA Growth (Existing COLA Bank)	2.75%	3.00% until bank depleted, 2.60% thereafter	3.00% until bank depleted, 2.40% thereafter	3.00% until bank depleted, 2.50% thereafter

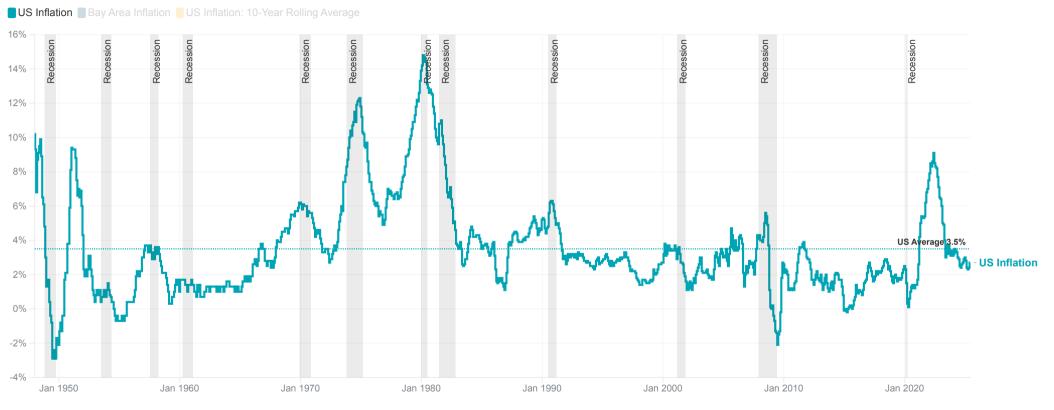








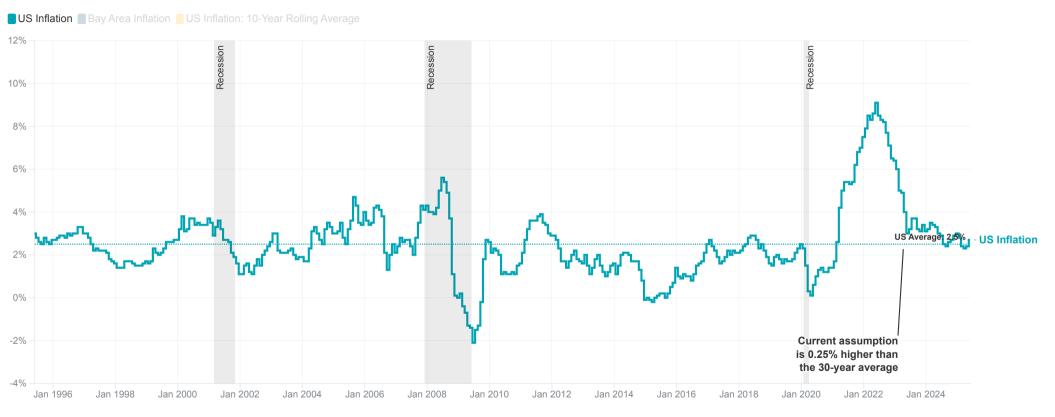
We start by reviewing historical inflation, as measured by CPI-U. The long-term history provides perspective on recent inflation.



Source: <u>US Inflation - U.S. Bureau of Labor Statistics</u>, <u>Bay Area Inflation - U.S. Bureau of Labor Statistics</u> Inflation measured by CPI-U, All Items, not seasonally adjusted, percent change from year ago



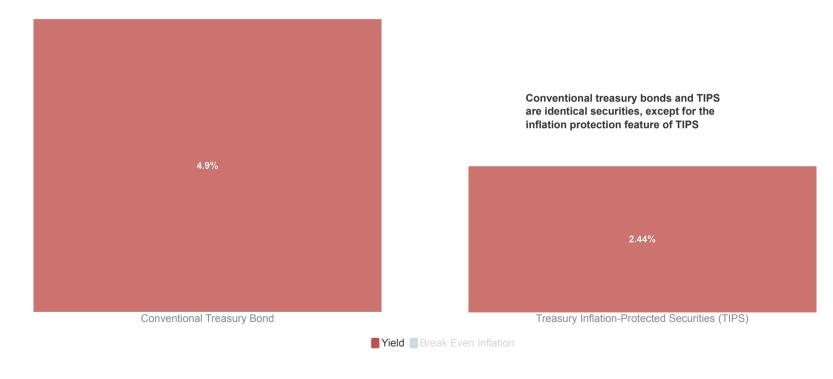
However, we focus more on recent history when evaluating the current assumption.



Source: <u>US Inflation - U.S. Bureau of Labor Statistics</u>, <u>Bay Area Inflation - U.S. Bureau of Labor Statistics</u> Inflation measured by CPI-U, All Items, not seasonally adjusted, percent change from year ago

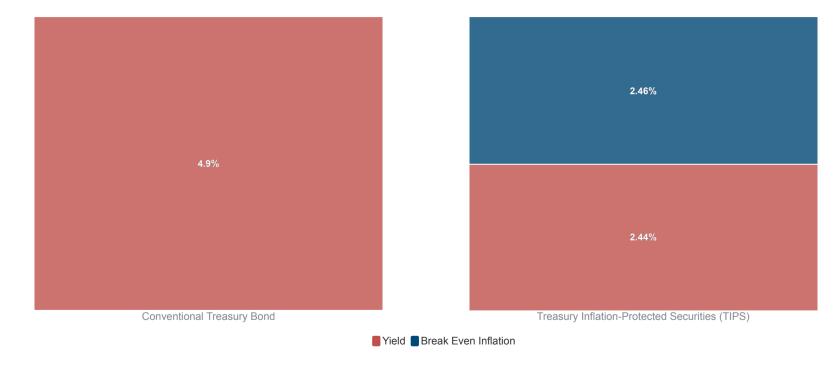


Yields as of July 2025 20 Years to Maturity



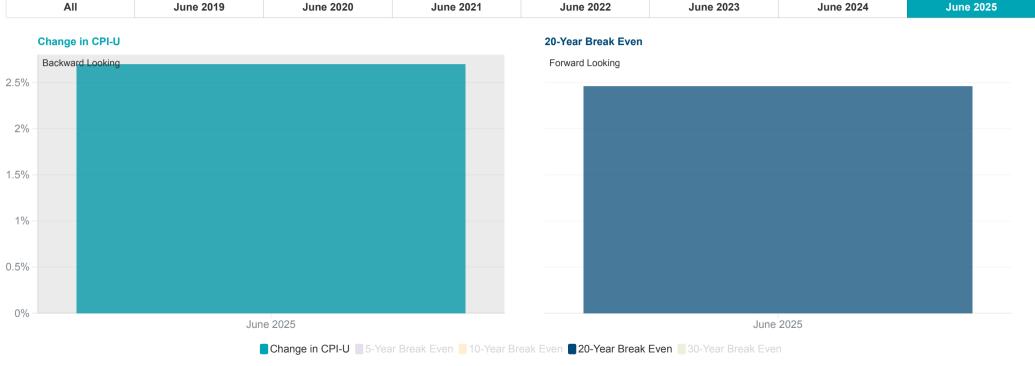


Yields as of July 2025 20 Years to Maturity





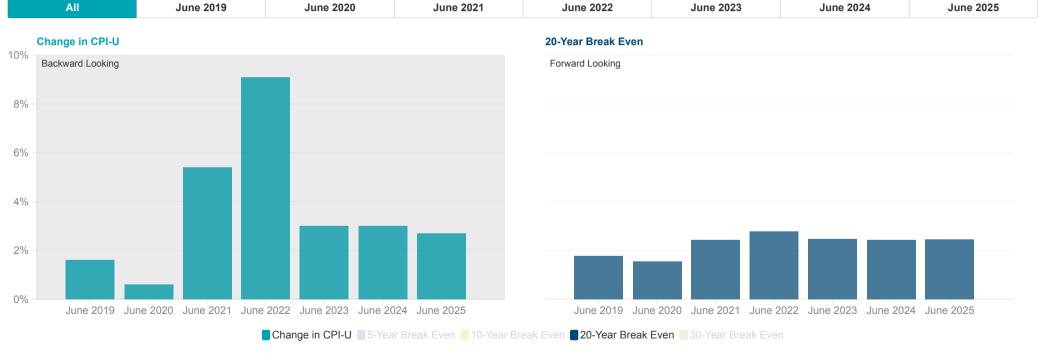
Inflation Metrics





And to understand the changes in those metrics over time. Inflation has fluctuated significantly over the last five years but inflation expectations have remained steadier.

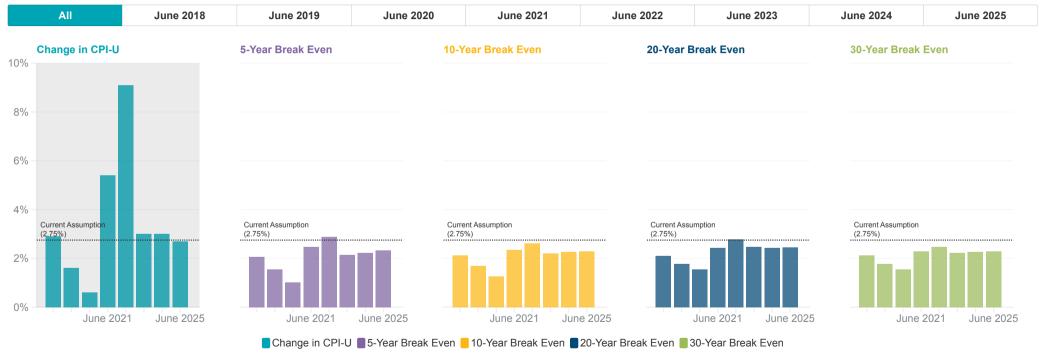
Inflation Metrics





That remains true across different time horizons. Notably, the expectations have generally remained modestly below the current assumption.

Inflation Metrics





Another important consideration is the trend among peer retirement systems.

California Public Retirement Systems - Distribution of Price Inflation Assumptions



Distribution of Price Inflation Forecasts and Assumptions

market assumptions.



The current price inflation assumption of 2.75% is slightly higher than the Federal Reserve's inflation target of 2.40%.

The Fed's interprets its statutory mandate of stable prices as "inflation at the rate of 2 percent, as measured by the annual change in the price index for personal consumption expenditures (PCE)".

Since 2000, the annual change in CPI-U has been higher than the annual change in PCE by about 40 bps, on average.

So, over this period, the goal would have been achieved with average annual inflation of about 2.40%, based on CPI-U.



Recommendation: Consider a reduction in the price inflation assumption from 2.75% to 2.50%

- Reasonable from a historical perspective
- In line with financial market expectations
- Similar to professional forecasts
- Trend for public plans toward lower assumptions
- Consistent with the Fed's inflation target
- Current assumption is also **still reasonable**, but higher slightly higher than market expectations and median of professional forecasters

National average of 2.50% annually over last 30 years



Real Return & Discount Rate

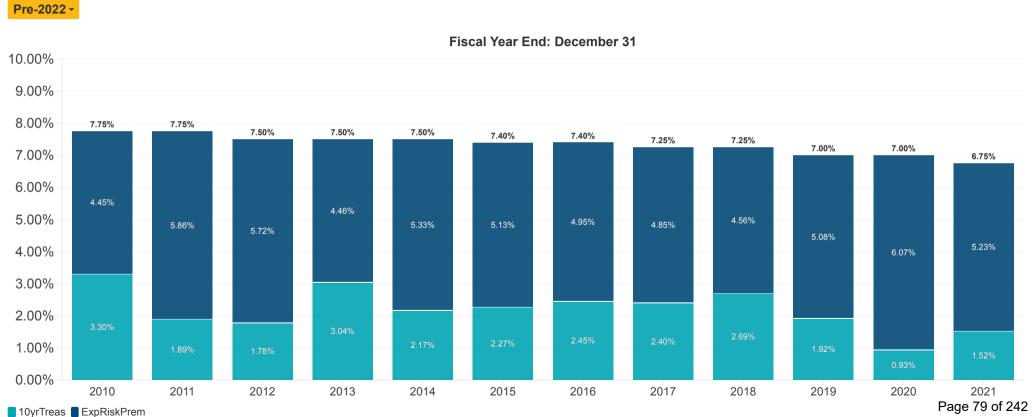
Expected Risk Premium

Capital Market Expectations

Trends among California Public Plans

From 2010 to 2021 the discount rate was lowered to maintain a relatively steady expected risk premium.

Expected Risk Premium = Discount Rate - 10-Year Treasury Yield



In recent years, the risk-free rate has increased and the expected risk premium is relatively low.

Expected Risk Premium = Discount Rate - 10-Year Treasury Yield

■ 10yrTreas ■ ExpRiskPrem



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Capital Market Expectations

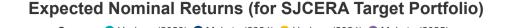
- Collect assumptions of returns, risks, and correlations from investment consultants
- Adjust for investment expenses of consultant, custodian and fees for passively-managed assets
- Model SJCERA's target portfolio using these assumptions

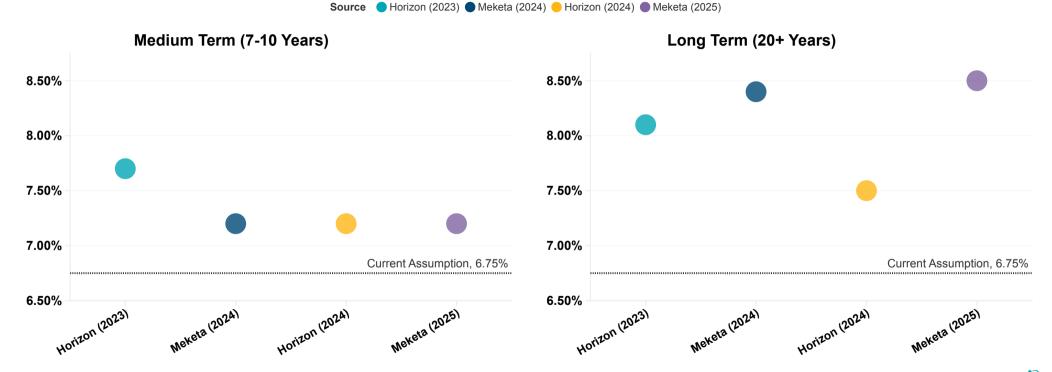
Meketa (10- and 20-year assumptions from February 2024 and 2025)

Horizon Actuarial Services Survey of Capital Market Assumptions (10- and 20year assumptions based on 2023 and 2024 data from about 40 firms)

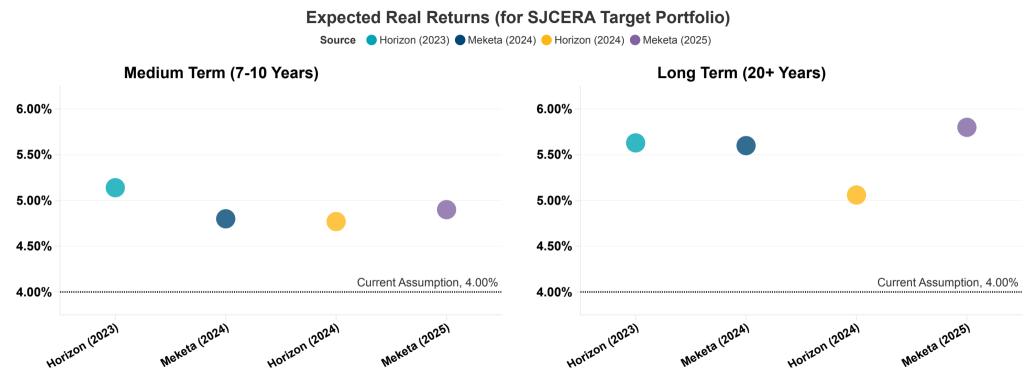


We modeled the expected nominal returns for all eight sets of capital market assumptions. The current assumption of 6.75% is still reasonable, with a modest (<0.5%) margin for conservatism for the 10-year outlook.





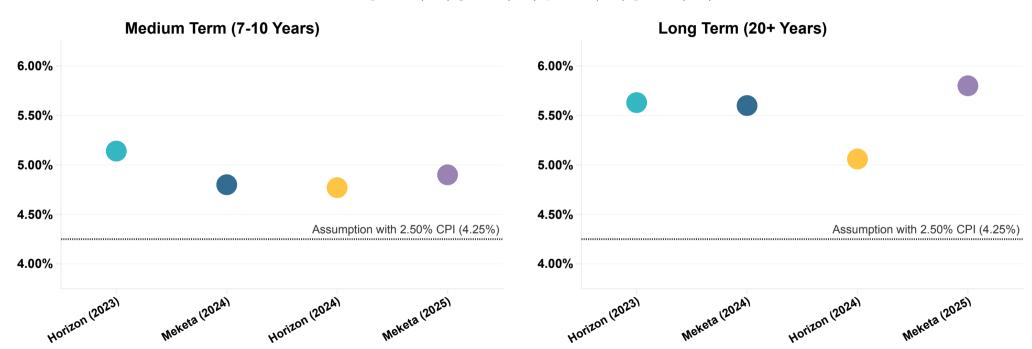
If we look at the real returns (the return above the inflation assumption underlying each set of CMAs), the margins for conservatism are greater: at least 0.75% above the Plan's current assumption of 4.00% (using a 6.75% expected nominal return and a 2.75% inflation assumption).





However, if the inflation for the Plan is reduced to 2.50%, and the nominal return stays the same at 4.75%, the resulting new real return assumption of 4.50% is now closer to the consultant expectations (within 0.5% for the 10-year period).





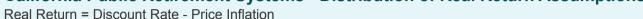


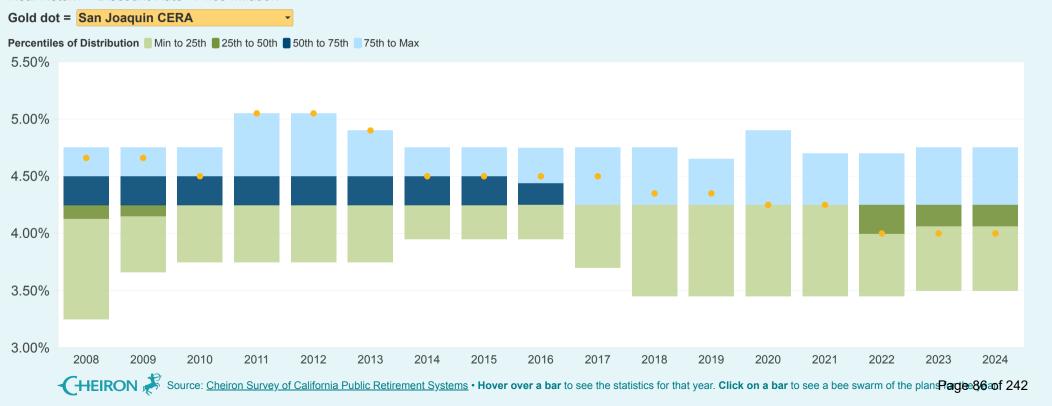
California Public Retirement Systems - Distribution of Discount Rates



The real return is in the lower quartile, but would equal the median (4.25%), if the inflation assumption is reduced and the nominal return remains at 6.75%.

California Public Retirement Systems - Distribution of Real Return Assumptions





Recommendation: Leave the nominal return assumption at 6.75%, which results in an increase in the real return assumption from 4.00% to 4.25% if the inflation assumption is reduced

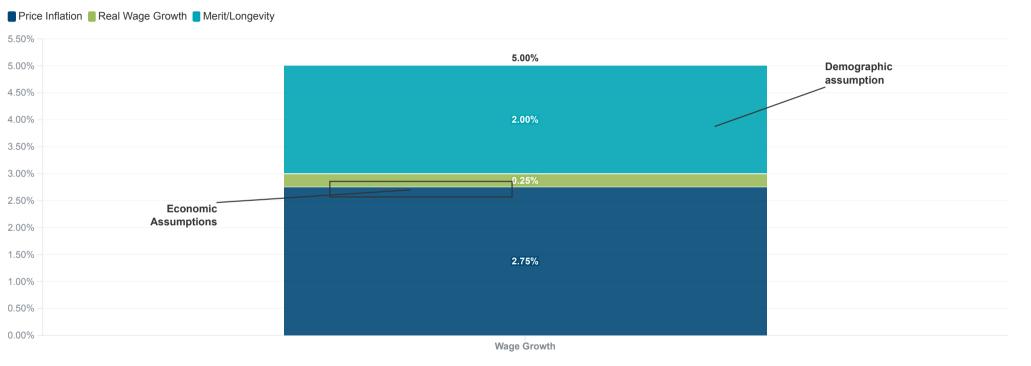
- Current expected risk premium is relatively low, but this measure can be very volatile
- Current discount rate is less than Meketa's short- and long-term expectations
- Current discount rate at the median for California public plans.
- Current real return rate under the median for California public plans.

Also reasonable to leave both assumptions as-is (6.75% nominal, 4.00% real) if inflation remains at 2.75%



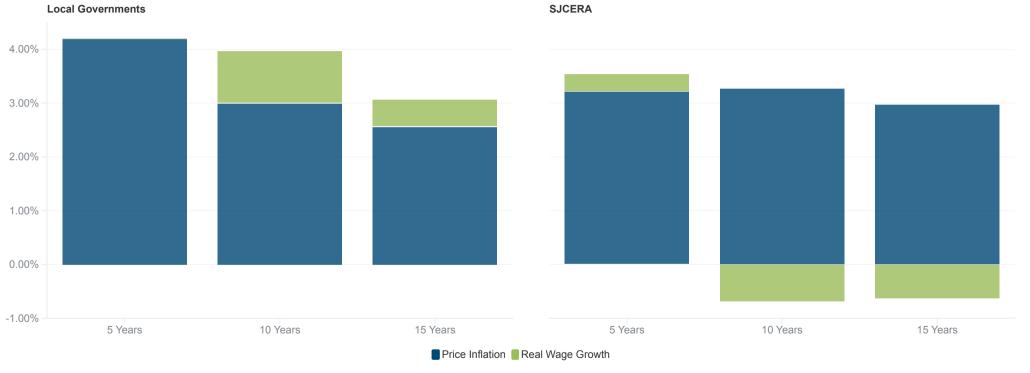
Salary increases are made of three components: base price inflation, plus "real" wage growth (for productivity or other reasons), plus increases in individual pay due to merit, promotion, and longevity.

Total Assumed Pay Increase Rate (General Member, 5 Years of Service)











We calculate historical real wage growth by subtracting inflation from total wage growth. SJCERA members have lagged local inflation over 10 and 15 year periods, but recent wage growth has exceeded inflation.





California Public Retirement Systems - Distribution of Wage Inflation Assumptions



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Recommendation: If inflation reduced to 2.50%, increase real wage growth assumption from 0.25% to 0.50%

3.00% wage inflation assumption if price inflation of 2.50%

- Reasonable from a historical perspective but near the lower end of the range
- Current assumption slightly lower than many other California pension systems
- Lower than some expert forecasts
- Use the same assumption for growth in overall payroll.



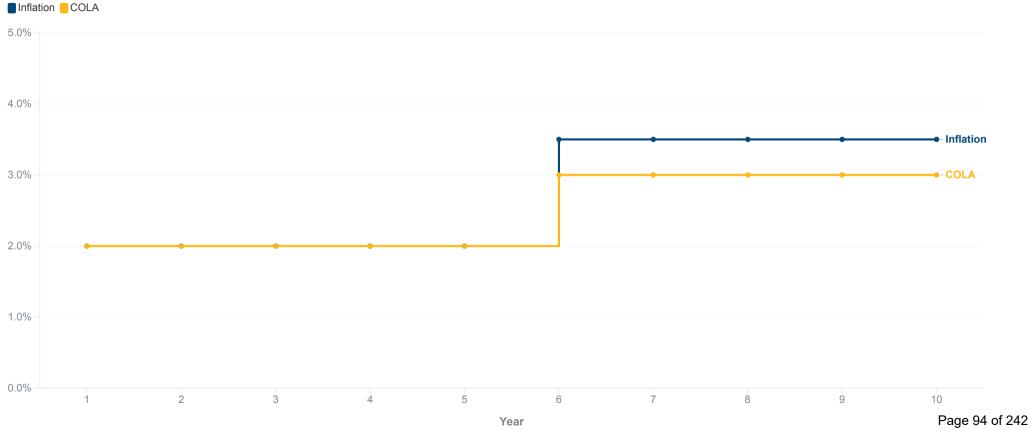
Cost of Living Adjustments (COLAs)

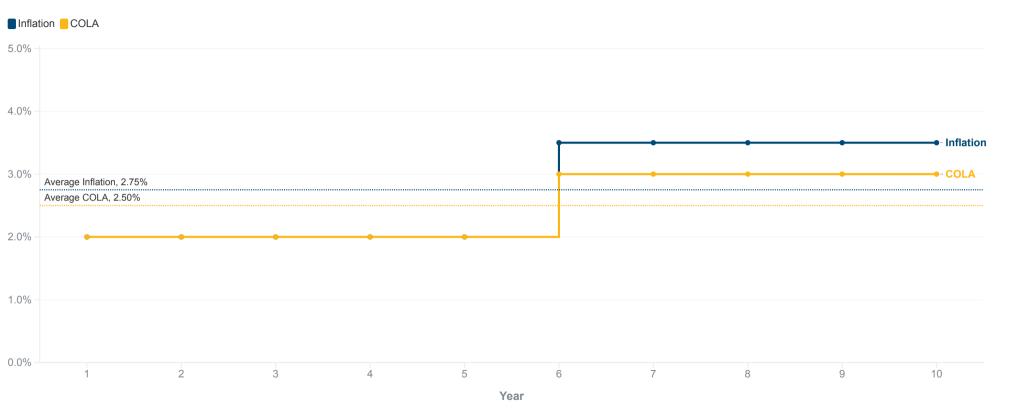
- Members are eligible for COLAs, based on increase in the Bay Area Consumer Price Index (CPI-U)
- 3% cap on the annual COLA increase
- Increases in the CPI above the maximum can be banked for future years in which the change in the CPI is below the cap





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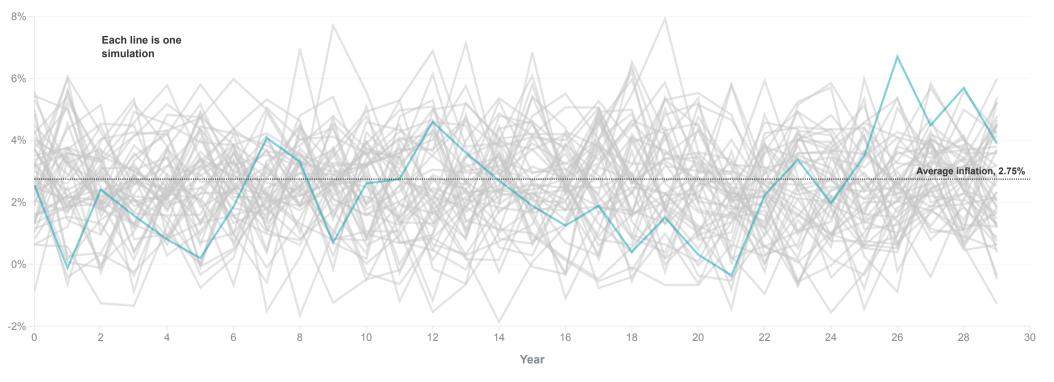






To better analyze the relationship between inflation and COLAs, we produced stochastic simulations of inflation.

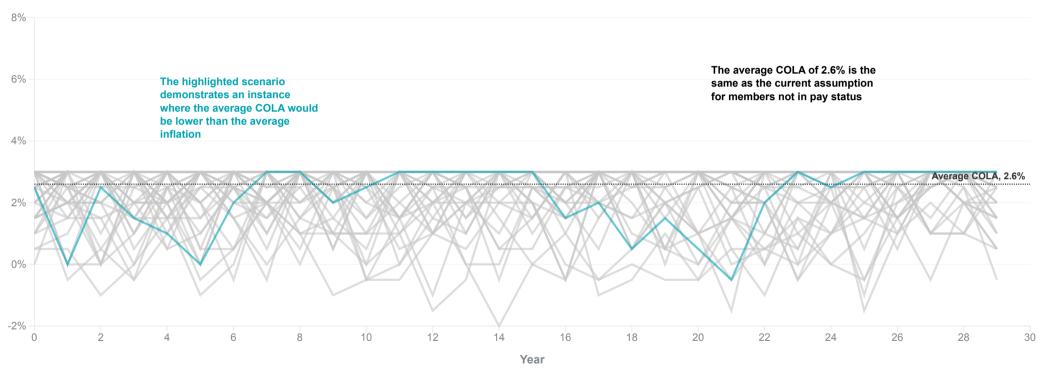
Inflation Simulations





And modeled how the COLA maximum and the banking process interacts with the changes in CPI.

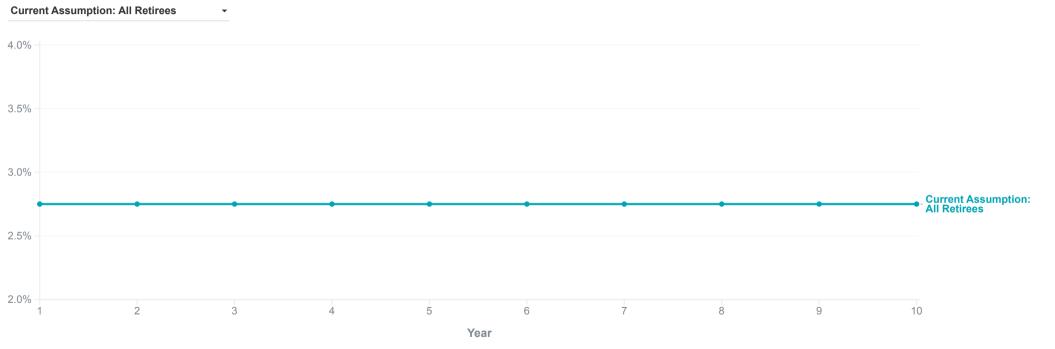
Modeled COLAs





The current assumption for members in pay status is 2.75% COLA per year, not above the inflation assumption but greater than the active member assumption of 2.60% to consider the varying COLA banks for current retirees.

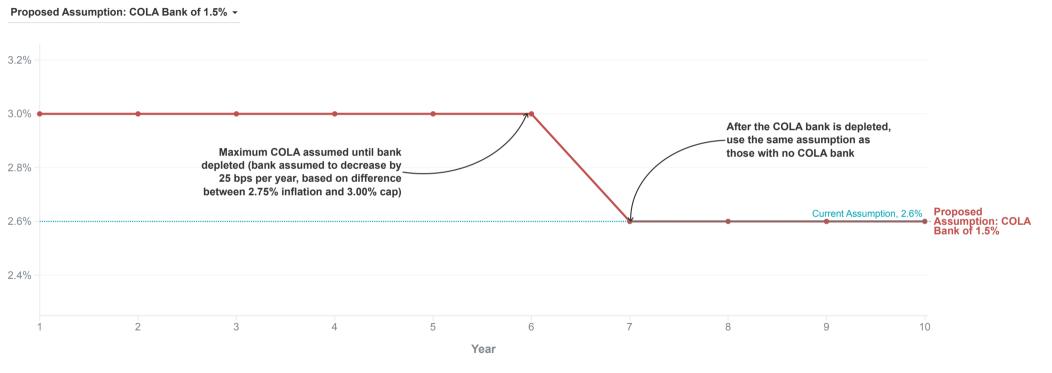
COLA Assumptions for Members In Pay Status





We propose a new structure so that the assumption varies based on the member's COLA bank as of the valuation date.

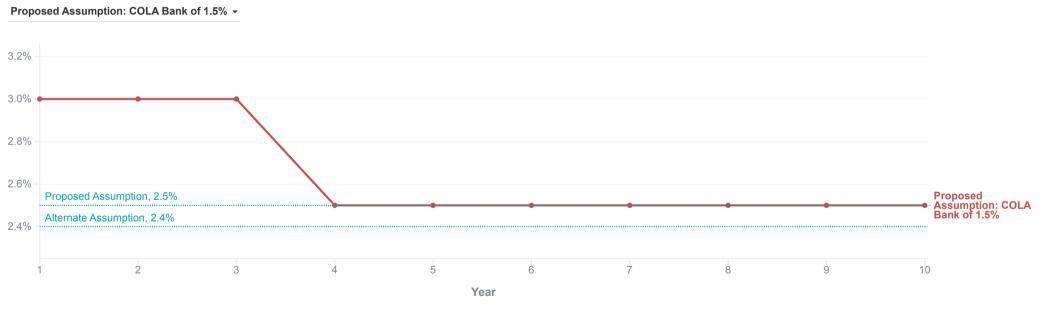
COLA Assumptions for Members In Pay Status (2.75% Inflation)





If the inflation assumption is reduced from 2.75% to 2.50%, several things change. First, for someone in pay status, the COLA bank is assumed to be drawn down quicker. The long-term assumption without a bank also drops. Typically, we would propose a rate of 2.4% (slightly less than the inflation assumption). We believe a 2.5% assumption is also reasonable (and provides a small margin for conservatism).

COLA Assumptions for Members In Pay Status (2.50% Inflation)





Recommendation: If inflation assumption reduced from 2.75% to 2.50%, reduce the COLA assumption for members with no COLA bank to 2.40% or 2.50%.

For members with an existing bank, set COLA assumption equal to the 3.0% max COLA until the bank is depleted then use the long term assumption. The bank is assumed to decrease annually by the difference between the inflation assumption and the 3.0% cap.

- The interaction of inflation with the COLA cap and the banking mechanism ustifies a COLA assumption lower than inflation when no bank exists.
- The recommended assumption captures the impact of existing COLA banks more precisely.
- The recommended assumption is dynamic, incorporating future inflation experience without any additional analysis.

Simulation shows long-term average of COLA with no bank, 3% cap, and 2.50% inflation is expected to be 2.40%. So 2.50% assumption would provide small margin of conservatism.



Assumption	Group	Recommendation
Merit/Longevity Pay	General	No changes proposed
Merit/Longevity Pay	Safety	No changes proposed
Retirement	General Non-PEPRA	Females decrease for 10-29 years of service (YOS), increase for 30+ YOS, males decrease for 10+ YOS
Retirement	General PEPRA	Females decrease for 5-29 YOS, males increase from 5-9 YOS; use non-PEPRA rates at all other service levels
Retirement	Safety Non-PEPRA	Increase rates
Retirement	Safety PEPRA	No changes proposed
Termination	General	Increase rates
Termination	Safety	Increase rates
Disability	General	Use adjusted CalPERS State Non-Industrial rates (reduction in rates). Increase % assumed to be duty-related for females.
Disability	Safety	Use unadjusted CalPERS State Safety rates (reduction in rates).
Mortality	Healthy Retirees & Beneficiaries	Continue to use same CalPERS base and mortality improvement tables. Increase adjustment to base tables for females from 100% to 105% (maintain 105% adjustment for males)
Mortality	Disabled Retirees	No changes proposed
Mortality	Active Employees	No changes proposed

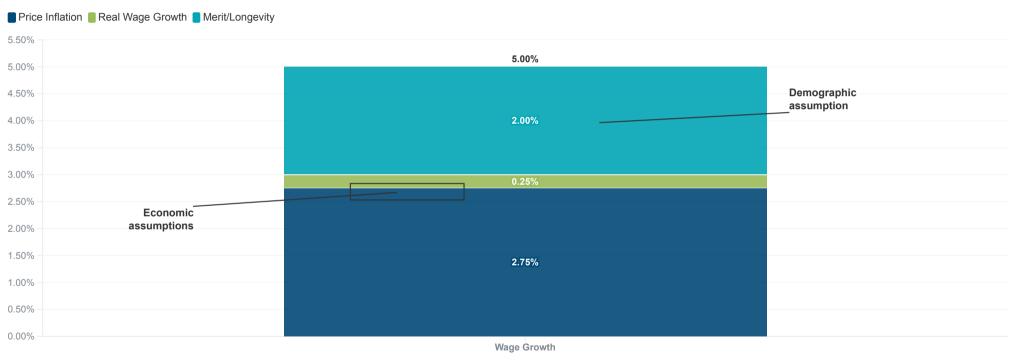
Demographic Assumption Recommendations

Assumption	Group	Recommendation
Family Composition & Form of Benefit	All	No changes proposed
Final Pay Adjustments	All	No changes proposed (continue to not make any adjustments)
Withdrawal of Employee Contribution Account	General	Reduce rates at most service levels
Withdrawal of Employee Contribution Account	Safety	Reduce rates at most service levels
Reciprocity	General	No changes proposed
Reciprocity	Safety	No changes proposed
Deferral Age	General	No changes proposed
Deferral Age	Safety	No changes proposed
Plan Administrative Expenses	All	Increase



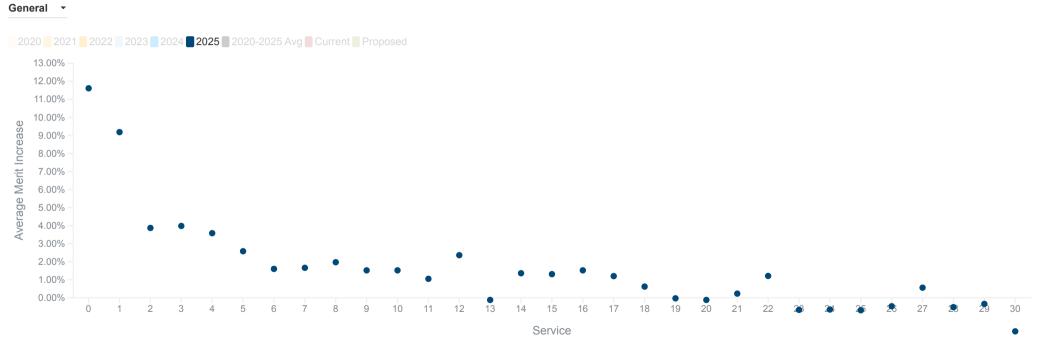
As discussed earlier, salary increases are made of three components: base price inflation, plus "real" wage growth (for productivity or other reasons), plus increases in individual pay due to merit, promotion, and longevity.

Total Assumed Pay Increase Rate (General Member, 5 Years of Service)



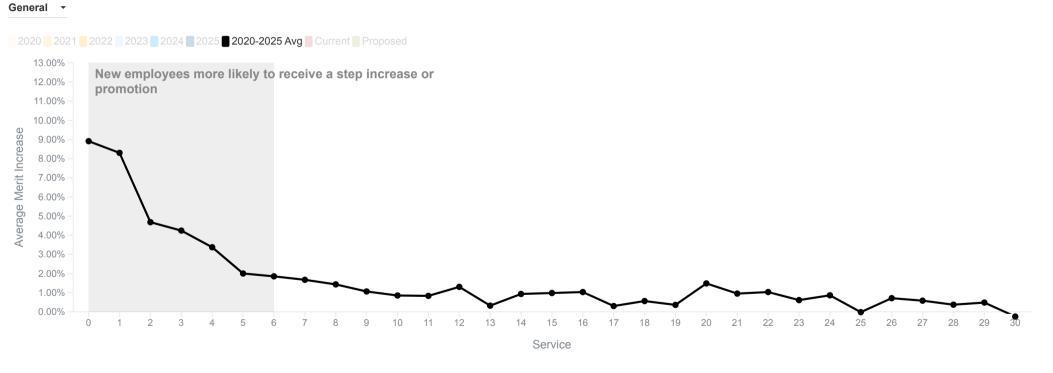


To analyze the merit salary increase assumption, we calculate the average year-over-year rate of salary growth at each service level, and then back out the base wage growth to get the average merit increase. We do this for each of the last six years.



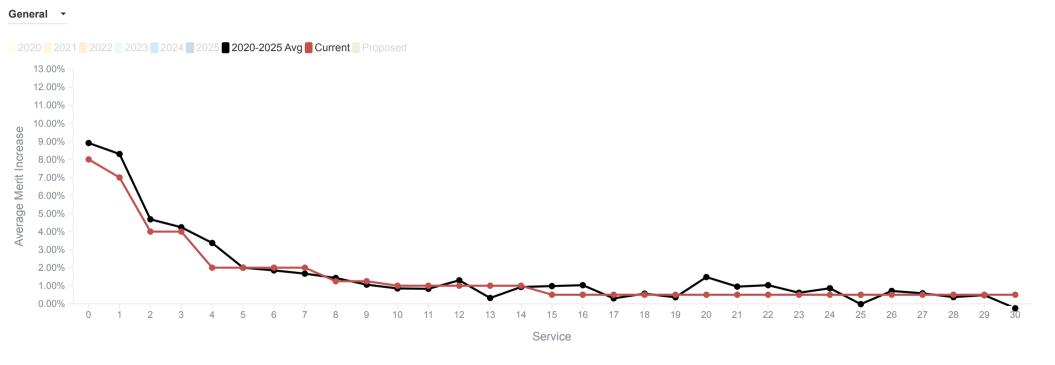






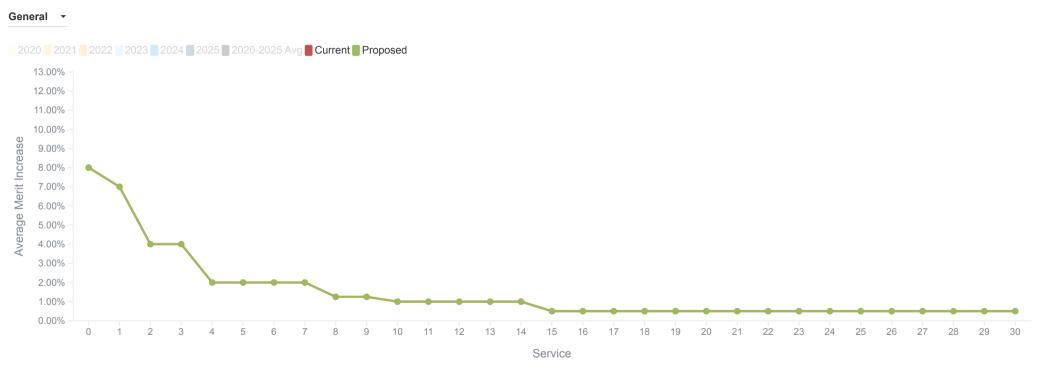


We compare the actual data to our current assumption. For the General members, the current assumption fits the overall pattern relatively closely.

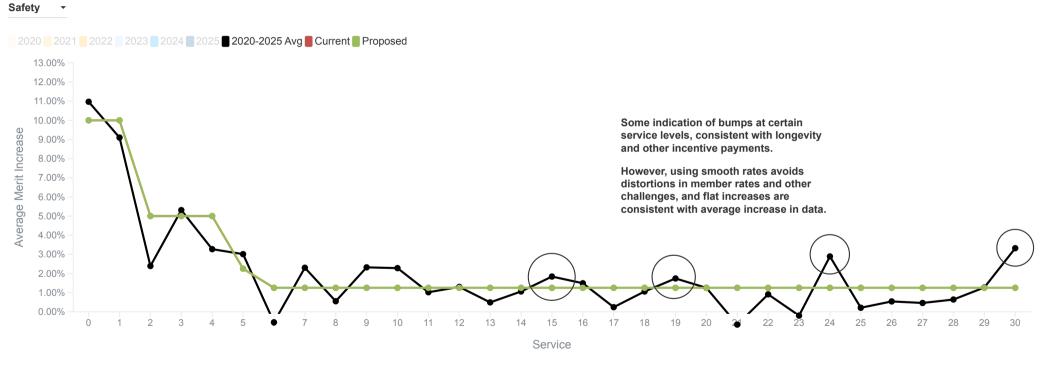




Thus no changes are recommended.









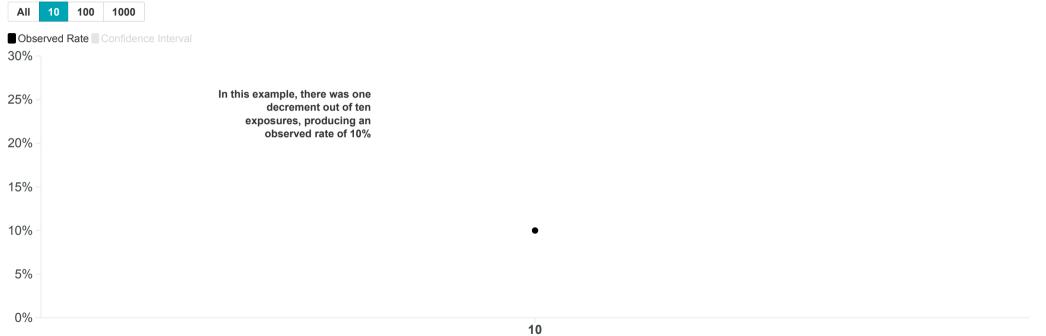
Our analyses for retirement, termination, disability, and mortality experience includes data from calendar years 2016 through 2024. We also reviewed the assumptions looking just at the most recent period (2022-2024), as well as other periods, as indicated in the slides that follow. Using longer periods allows us to mitigate impact of COVID-relate experience on assumptions.

Retirement / Termination / Disability / Mortality Rates



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Confidence Interval Illustration



Exposures



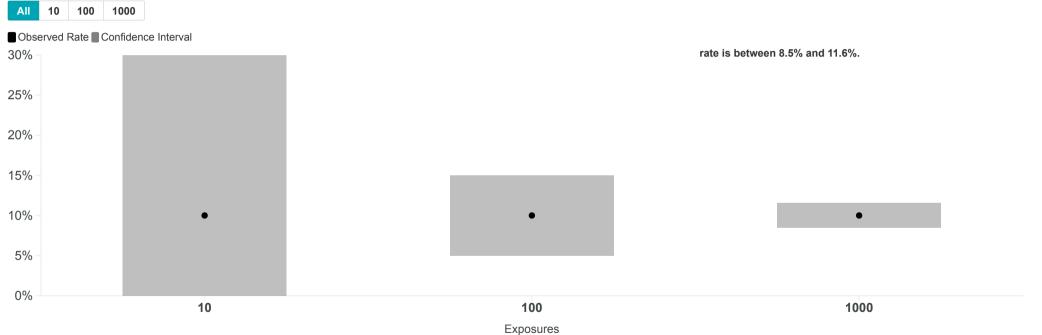
Confidence Interval Illustration





With more exposures, the confidence interval narrows. We generally propose assumption changes if the current assumption is outside the confidence interval. However, we also adjust for observations that appear to be anomalous or for future expectations that may differ from historical experience.

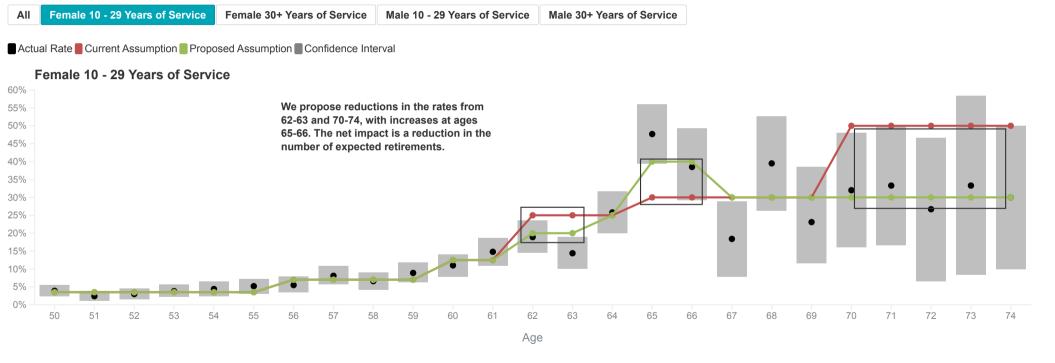
Confidence Interval Illustration





As an example, we are recommending changes to the assumptions for General females members with 10-29 years of service, where the experience of the last six years lies outside (or on the edge of) the 90% confidence intervals.

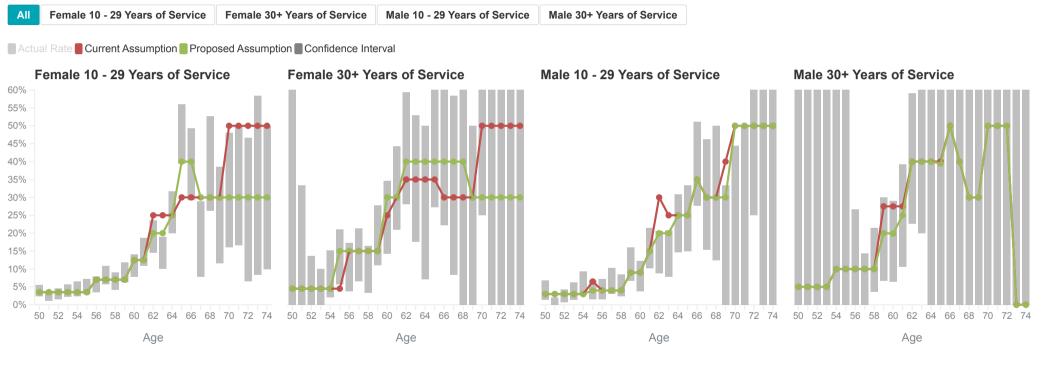
General Non-PEPRA Retirement Rates (2019-2024)





We are recommending other modest changes for the different gender and service levels. Overall, the recommendations are reducing the total expected number of retirements.

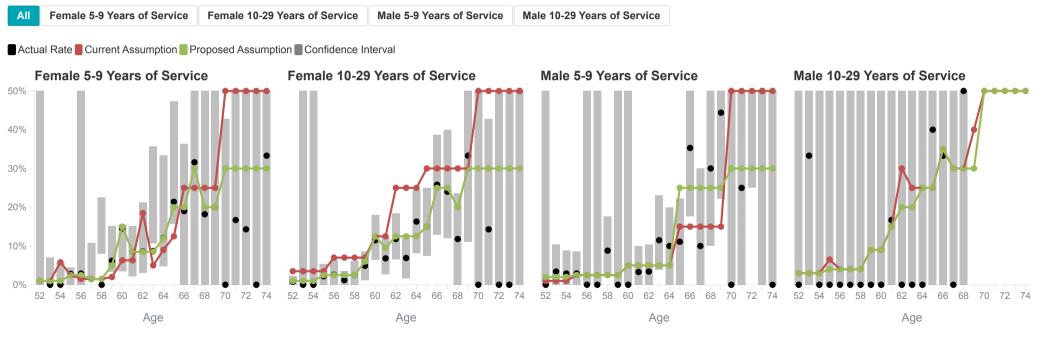
General Non-PEPRA Retirement Rates (2019-2024)





PEPRA retirement experience is beginning to emerge, with over 140 retirements over the past six years. We have recommended new rates for females with 5-9 years of service and 10-29 years of service, and for males with less than 10 years of service. The recommended rates at higher service levels are the same as the rates we have proposed for Tier 1 members.

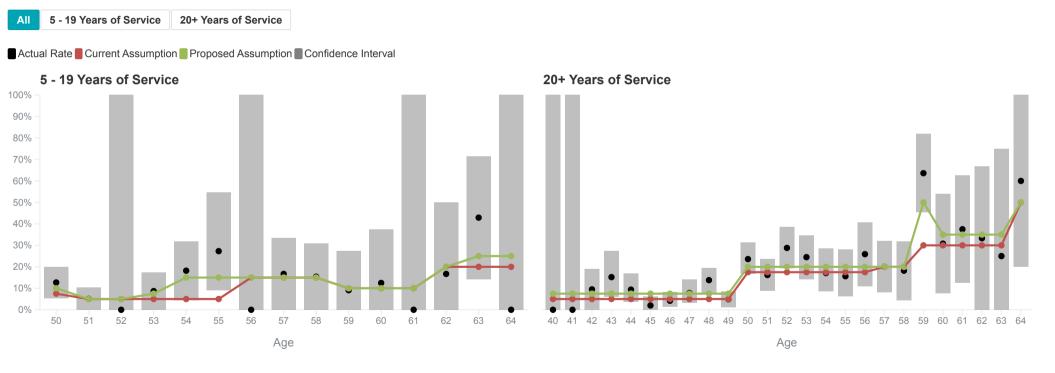
General PEPRA Retirement Rates (2019-2024)





For the Safety Non-PEPRA members, we are recommending increases in the retirement rates to bring the assumptions closer in line with experience.

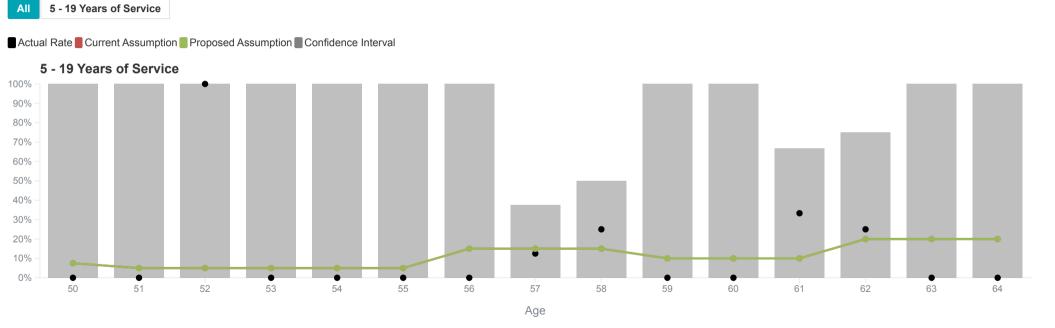
Safety Non-PEPRA Retirement Rates (2019-2024)





For the PEPRA members, the experience is limited (only eight retirements during the six-year period). However, given the overall number of retirements for the PEPRA members was close to the number expected, we recommend maintaining the current rates, and not increasing them up to the level of the new Legacy rates.

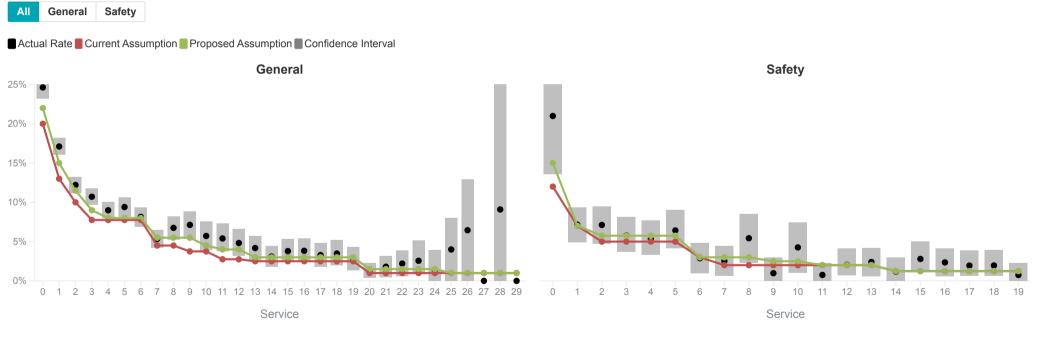
Safety PEPRA Retirement Rates (2019-2024)





Below we show the termination rates for the past six years. We have proposed increases to the rates for General and Safety at various service levels. The new assumptions bring the expected number of terminations closer to the data, but not all the way, in part because of the likelihood that some of the excess terminations the last few years were due to COVID-related issues.

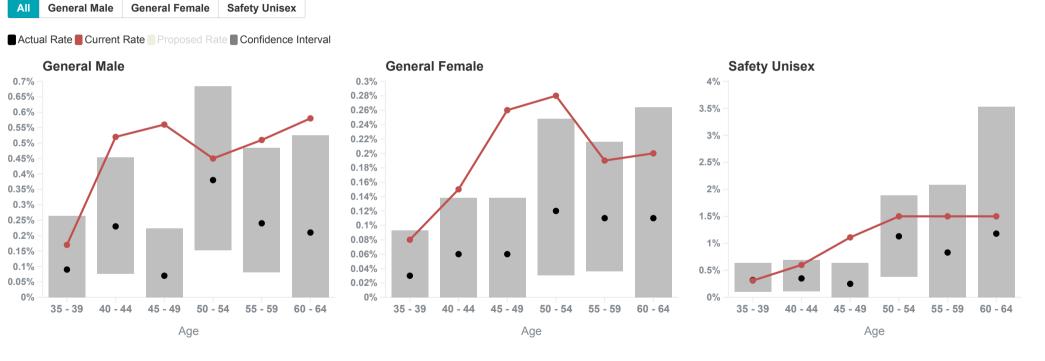
Termination Rates





There is little disability experience, with fewer than 60 total disabilities over the last 6 years. The SJCERA membership has experienced declining levels of disabilities across all groups, which is consistent with what we have seen with other SACRS clients.

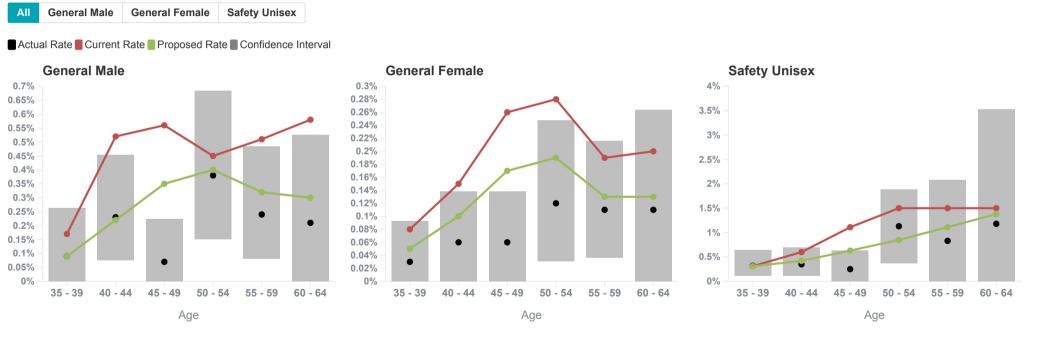
Total Disability Rates (2019 - 2024, Service and Non-Service Connected)





We recommend adopting the CalPERS State Miscellaneous and Safety disability tables, with a 150% adjustment for General males, 50% for General females, and no adjustment for Safety. We also recommend increasing the rate of General females receiving a service-connected disability from 35% to 50%, but leaving General male and Safety member rates at 80% / 95%, respectively.

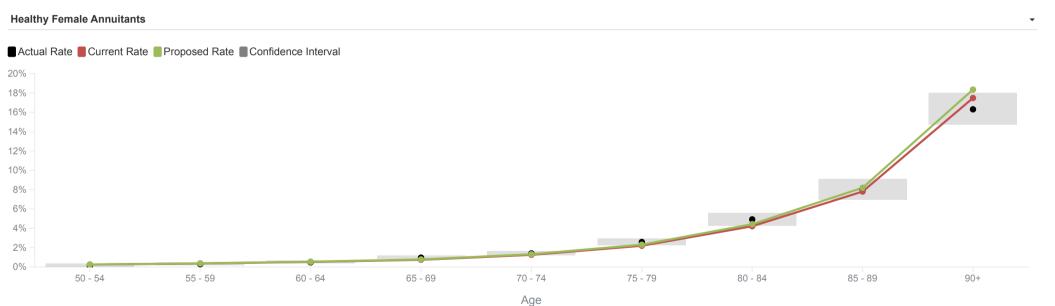
Total Disability Rates (2019 - 2024, Service and Non-Service Connected)





For mortality, we review the experience based on benefit amount, not headcount, since members with higher incomes are expected to live longer. We continue to recommend mortality rates based on the CalPERS tables, with adjustments where necessary to reflect differences in SJCERA's population. The only change we are recommending is an increase in the adjustment from 1.00 to 1.05 for female retirees and beneficiaries (matching the adjustment for male retirees).

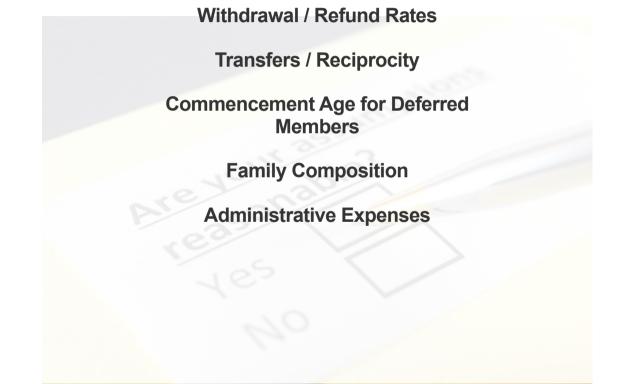
Mortality Rates (2016 - 2024)



Mortality rates are generationally projected from the base year using generational mortality from 2017 using 80% of Scale MP-2020.

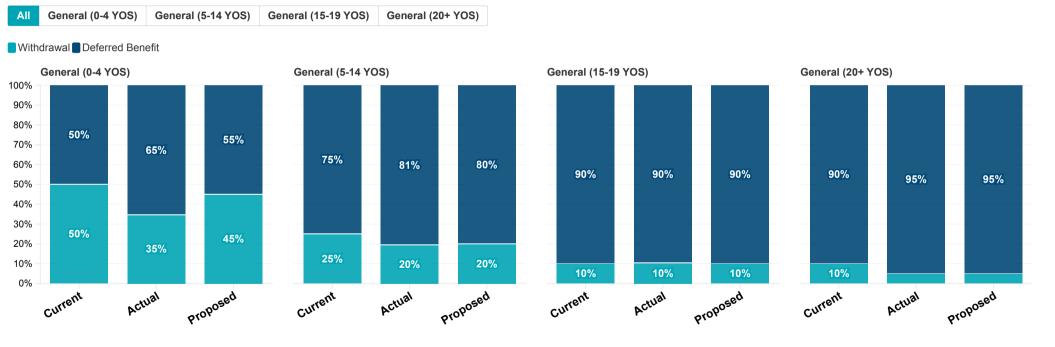
To perform these comparisons, the CaIPERS base rates (without projection) were projected from their base year (2017) to the midpoint of the combined 9 year study period (2020).





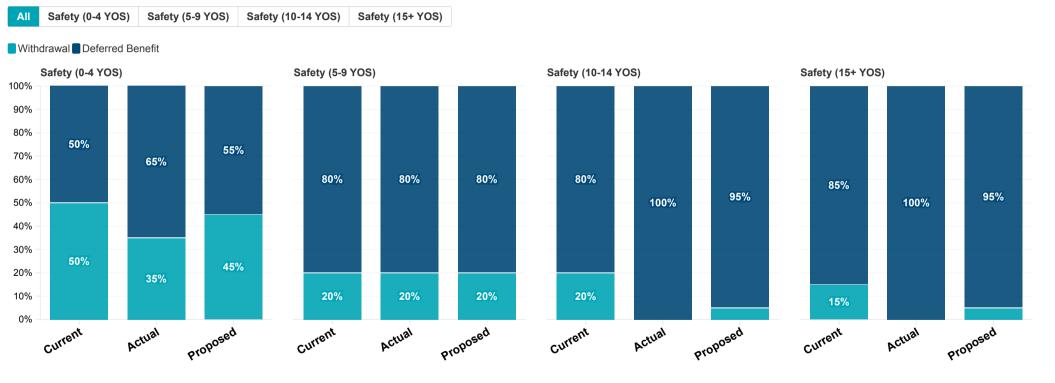
For the members who terminate prior to retirement, we studied the percentage of those who withdraw their contributions, versus those who leave them on deposit and receive a deferred benefit. Members with less service at termination are more likely to take a refund. We are recommending small reductions in the refund rates for those with less than 15 years or more than 20 years of service.

Refunds as a % of General Terminations (2019 - 2024)





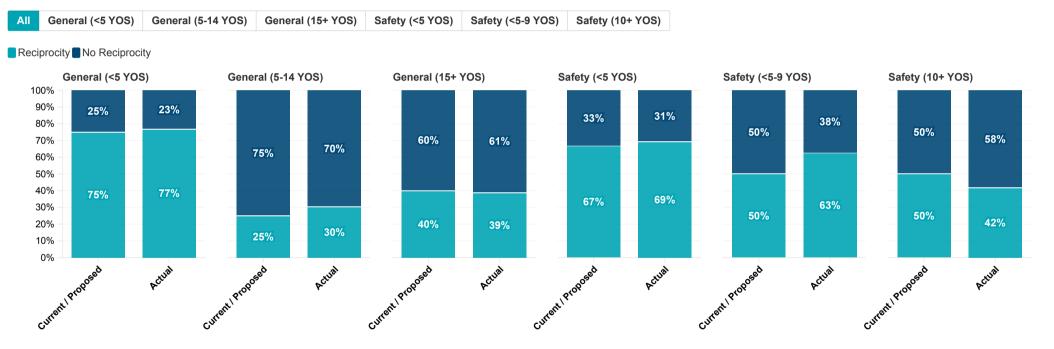
Refunds as a % of Safety Terminations (2019 - 2024)





Similarly, we reviewed the likelihood that members who terminate and leave their contributions on deposit will establish reciprocity with another system. This generally results in higher liabilities, because we assume that the pay for members with reciprocity will continue to grow until their final expected retirement date. We are not proposing any changes to these assumptions.

Reciprocity as a % of Deferred Retirements (2019 - 2024)

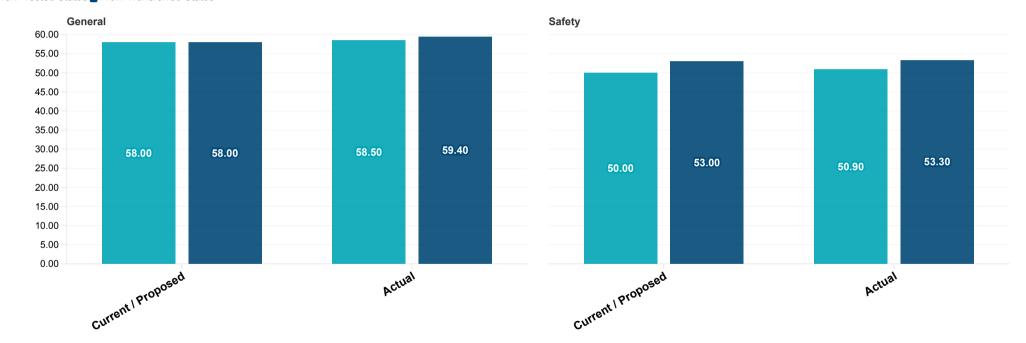




We reviewed the commencement ages for those who retired from a deferred status, analyzing the data separately those who had established reciprocity with another employer. No changes to the assumptions are recommended.

Age at Commencement from Deferred Status (2019-2024)



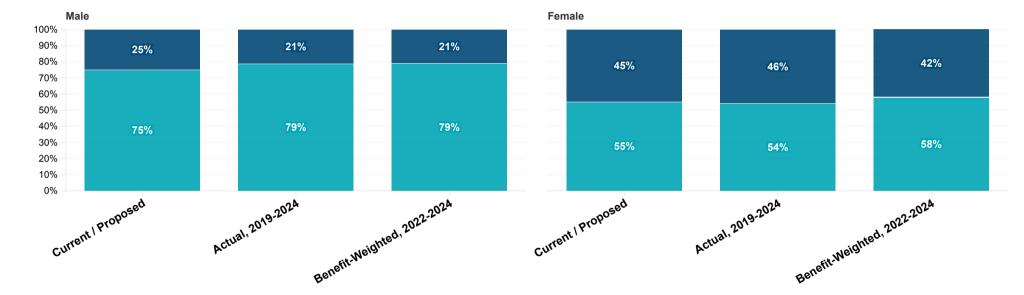




We reviewed the data over the past six years on the number of new retirees reporting a spouse beneficiary, and performed a similar analysis for the prior six years weighted by the benefit amounts for those with and without spouses. We are not recommending any changes to the percentage of those assumed to be married (and thus eligible for a spousal death benefit or subsidized optional benefit form).

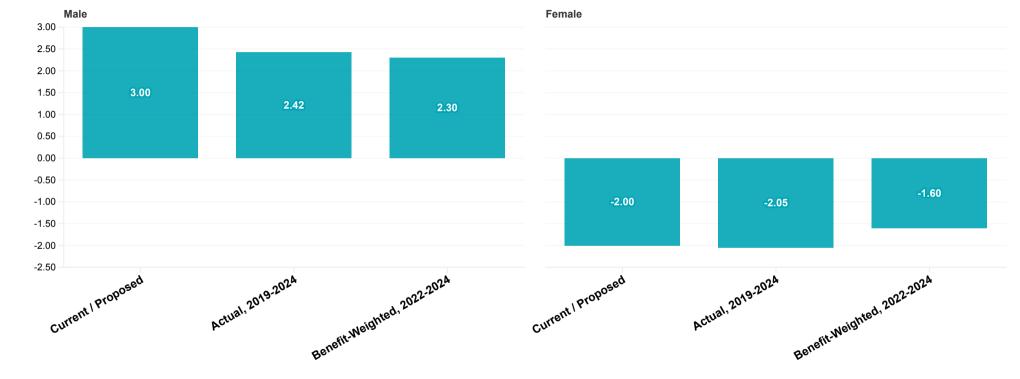
Family Composition (% Married)

■ % With Spouse
■ % Without Spouse





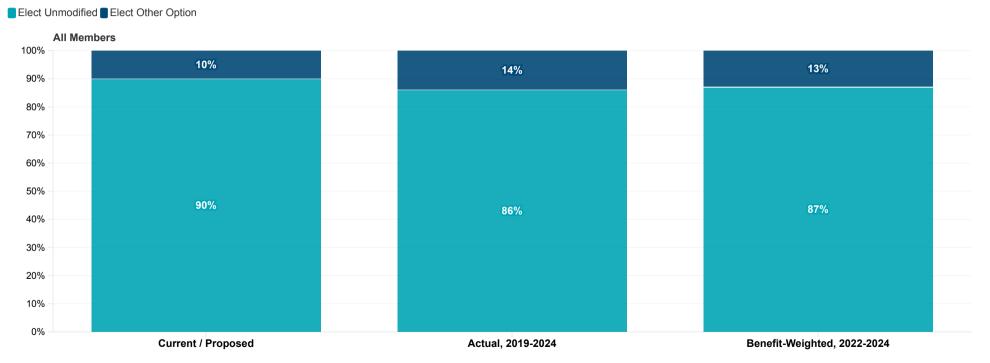
Family Composition (Spouse Age Difference)





Nor are we recommending any changes to the percentage of married members who are assumed to elect the unmodified (i.e., subsidized) benefit option at retirement.

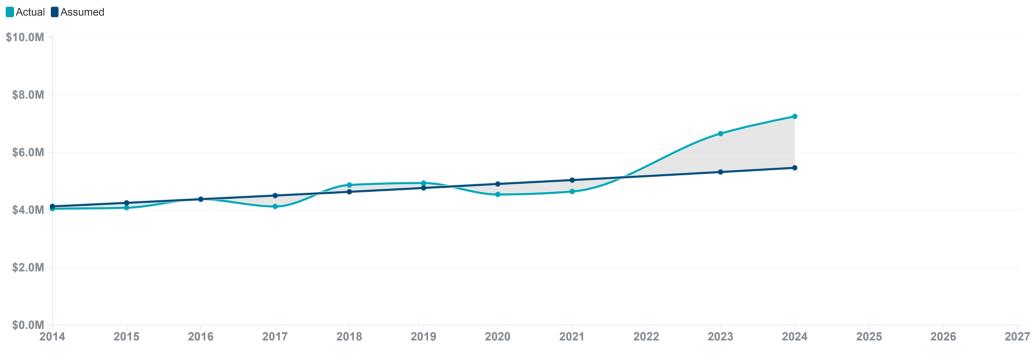
Family Composition (% of Married Electing Unmodified)





Finally, we review the administrative expenses. The employer contribution rate includes an allowance for these expenses. In the last two years, actual administrative expenses have significantly exceed the assumed expenses, which are expected to grow with inflation.

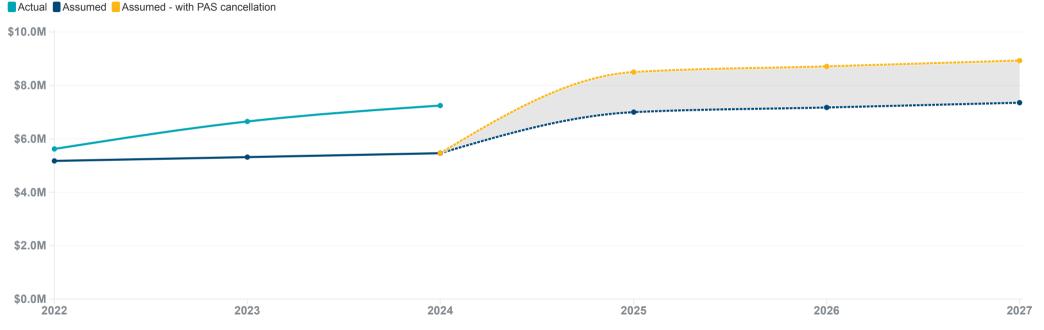
Administrative Expenses





After discussion with Staff, we are recommending an increase to the administrative expense assumption. The recommended assumption reflects a baseline level of expenses starting at \$7 million for 2025, plus an additional expense amount of \$1.5 million for each of the next three years, to cover the \$4.5 million payment required in 2025 to cover the additional Pension Administration System expenses.

Administrative Expenses (Recommendation)





The total impact is made up of the impact on the overall **Normal Cost** plus the changes in the **Unfunded Actuarial Liability** (UAL) payments and the **Administrative Expenses**.

The employer is responsible for any changes in the UAL payment, but any changes in the Normal Cost and Expense will affect both employer and member contributions.

The Actuarial Valuation Report will show the overall impact on member and employer rates.

The recommended changes in the demographic assumptions all have a relatively minor impact on the total plan cost, with the largest changes from the 5% mortality rate load for females (-0.6%/0.7% of pay) and the changes in the retirement and disability rates for Safety members (which were offsetting). The net impact on the total contribution is a reduction of 0.8% for General and 0.1% for Safety.

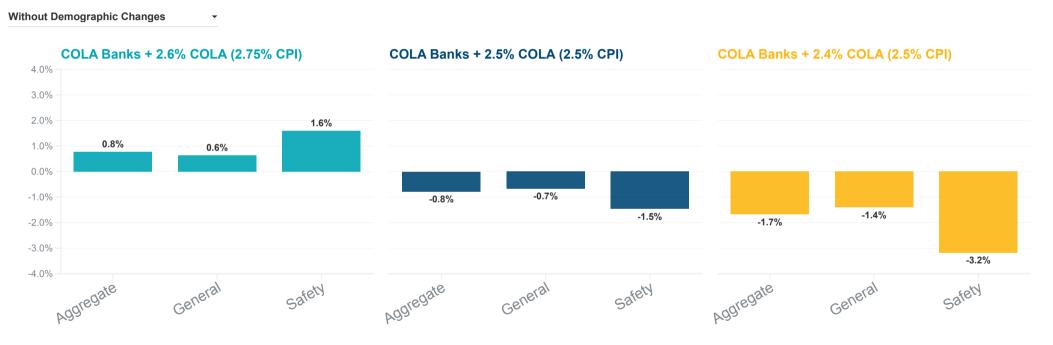
Contribution Rate Change by Source (Demographics)





The impact from the three different scenarios discussed for inflation and long-term COLA growth are shown below. If the current COLA banks are valued explicitly and inflation remains at 2.75%, the total cost will increase. If inflation is reduced to 2.5%, there will be a net reduction in the cost.

Contribution Rate Change by Source (Economics)



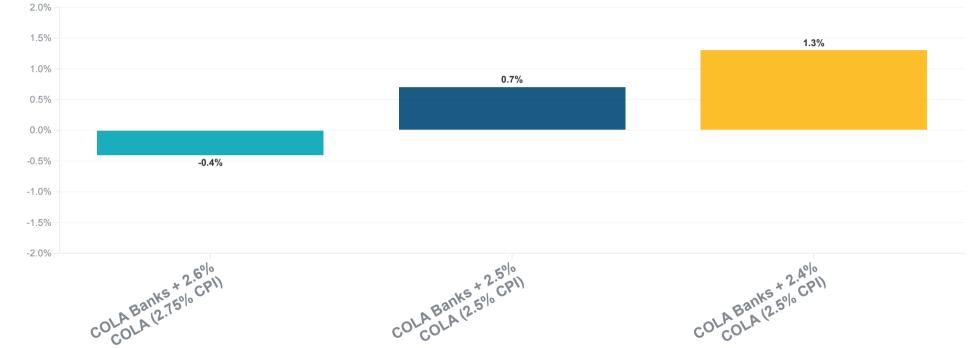


Contribution Rate Change by Source (Economics)





Funded Ratio Change (Demo + Econ)





SJCERA Consulting Team

Click card for bio or to contact



Graham SchmidtPrincipal Consulting Actuary

Lafayette, CA



Anne HarperPrincipal Consulting Actuary

San Diego, CA



Timothy DoyleConsulting Actuary

Portland, OR



Certification

The purpose of this presentation is to present documentation related to the review of the demographic and economic assumptions for the San Joaquin County Employees' Retirement Association (StanCERA) as part of the triennial experience study. This presentation is for the use of SJCERA in selecting assumptions to be used in actuarial valuations beginning December 31, 2024. Any other user of this report is not an intended user and is considered a third party.

In preparing our presentation, we relied on information (some oral and some written) supplied by SJCERA. This information includes, but is not limited to, the Plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23, Data Quality. The actuarial assumptions, data, and methods are those that will be used in the preparation of the actuarial valuation report as of December 31, 2024.

Future results may differ significantly from the projections presented in this report due to such factors as the following: plan experience different from that anticipated by the assumptions; changes in assumptions; and changes in plan provisions or applicable law.

This presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

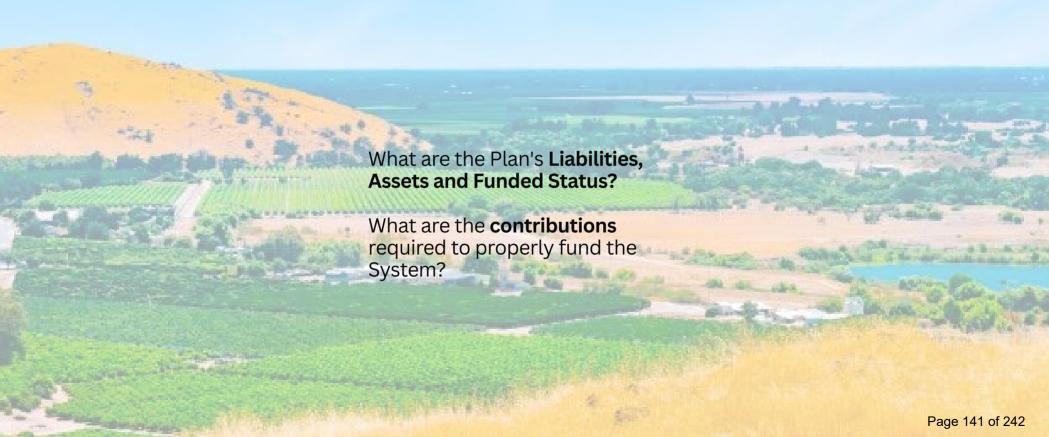
This presentation was prepared for the SJCERA Retirement Board for the purposes described herein. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.



San Joaquin County Employees' Retirement Association (SJCERA)

Summary of the Preliminary Actuarial Valuation as of December 31, 2024

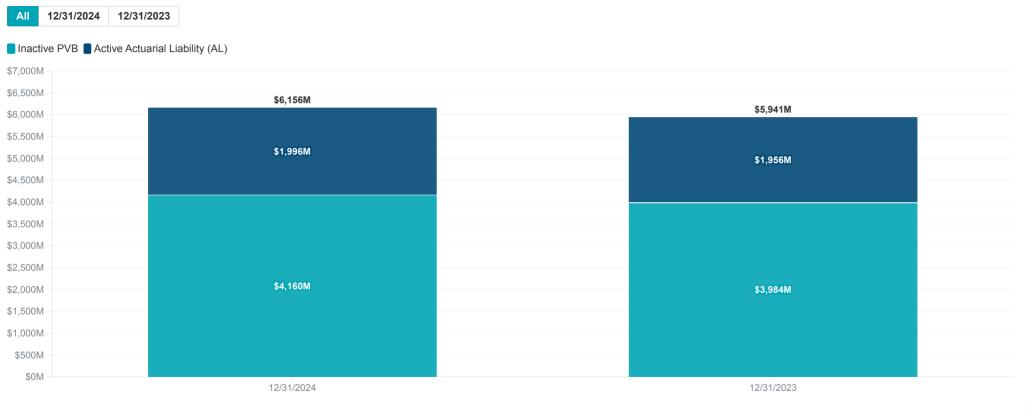
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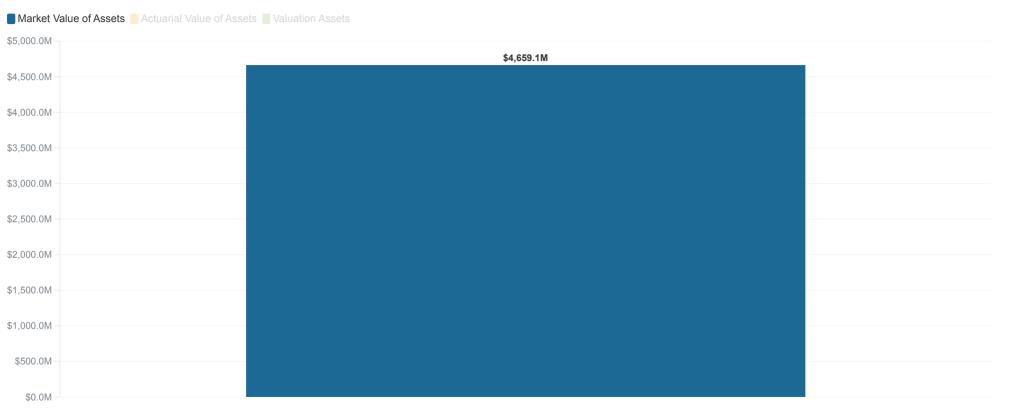
We first review the value of the benefits already earned, known as the **Actuarial Liability**, or the current funding target for the assets. The Actuarial Liability is shown divided between the Active Liability (for members still working) and the Inactive Liability (for members in pay status or eligible for a deferred benefit).





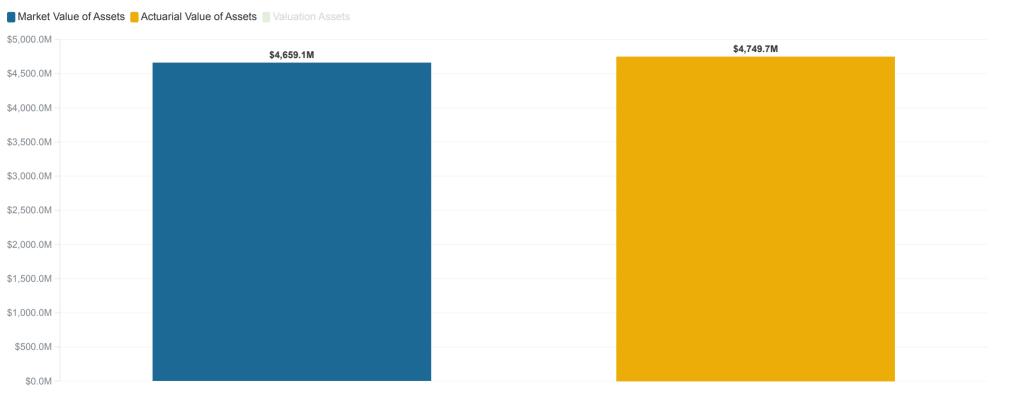






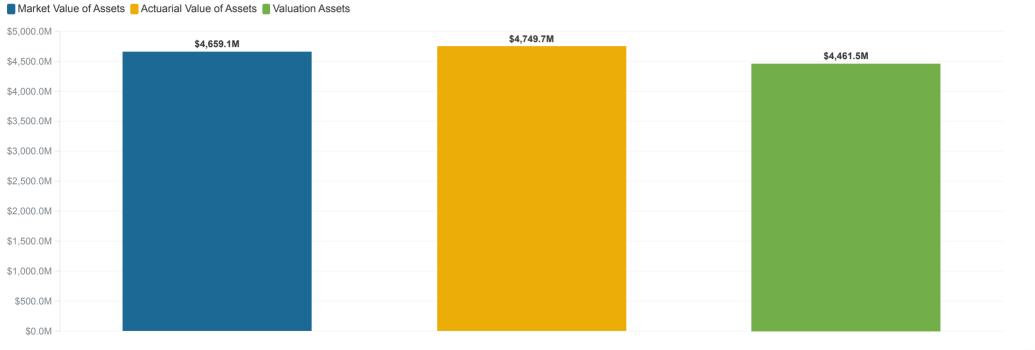


The Market Value can fluctuate significantly from year to year because of rapid changes in the investment markets. We also calculate a smoothed value, the **Actuarial Value of Assets**, to reduce volatility in the contributions and better understand trends in funded status.



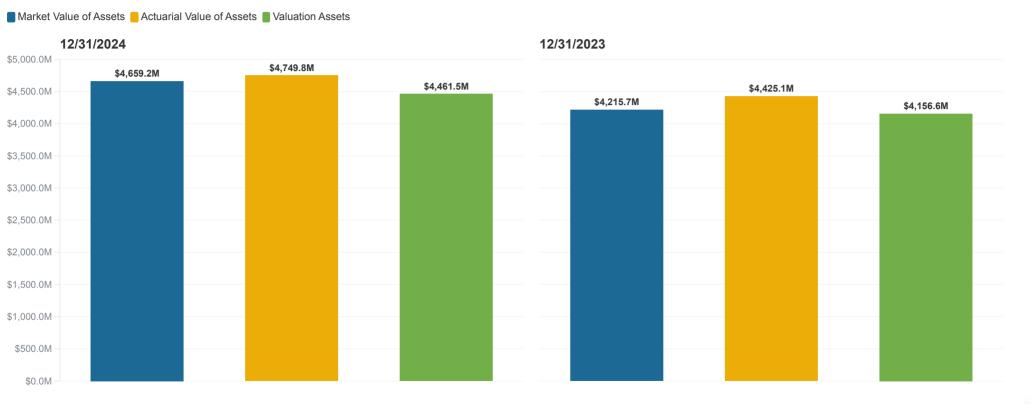


Finally we calculate the **Valuation Assets**, based on the Actuarial Value, but **excluding the amount in the Special or Non-Valuation Reserves**. For SJCERA, the main non-valuation reserves are the **Contingency Reserve** (which has been drawn close to \$0) and the **Additional Employer Contribution Reserves** (\$288M, on behalf of the County, Courts and Mosquito District). The Valuation Assets are used to calculate the employer contribution.



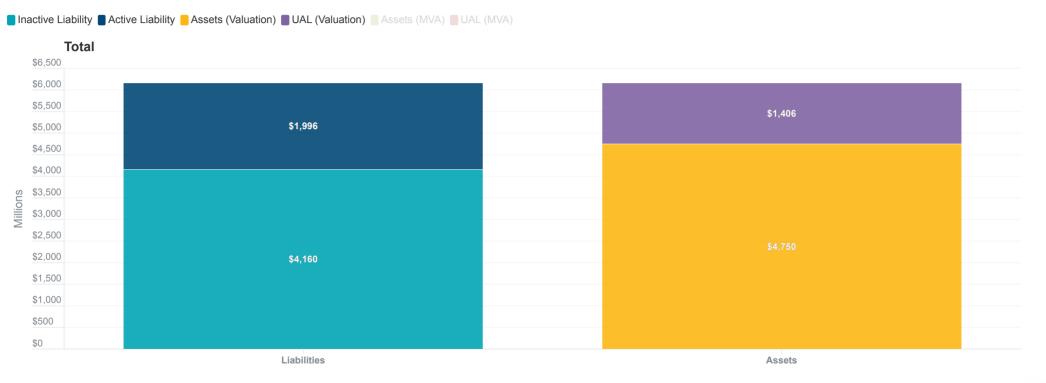


The asset values have all increased significantly since the prior year, with the market value increasing by 10.5%, and the AVA (smoothed) asset value and the valuation assets (net of additional employer contributions) both increasing by 7.3%.



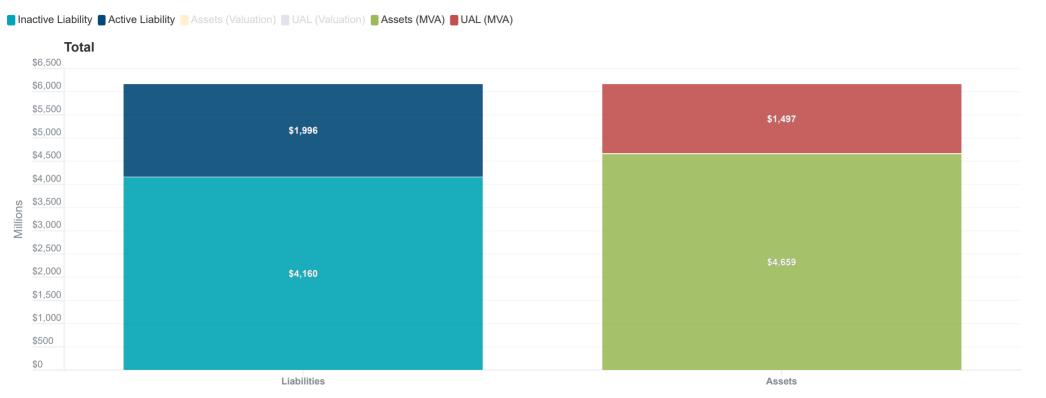


Next, we review the **Funded Status** of the Plan. The **Unfunded Actuarial Liability (UAL)** is calculated by subtracting the **Valuation Assets** (which includes the supplemental employer reserves) from the **Actuarial Liability**. The **Funded Ratio** is calculated by dividing the assets by the liabilities: **77.2% as of December 31, 2024**, up from 74.0% the prior year.

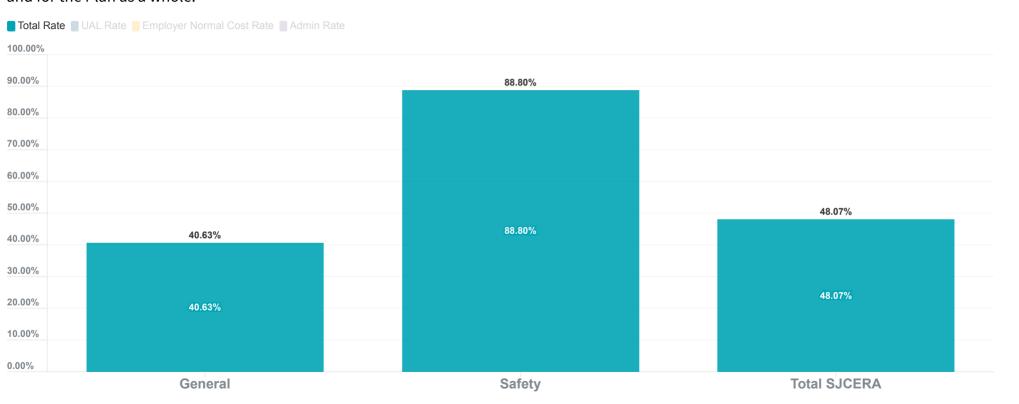




We also show these results on a **Market Value** basis, which is used in the Plan's financial reporting (GASB). The funded ratio was **75.7%** as of December 31, 2024 on this basis (up from 70.5% the prior year).

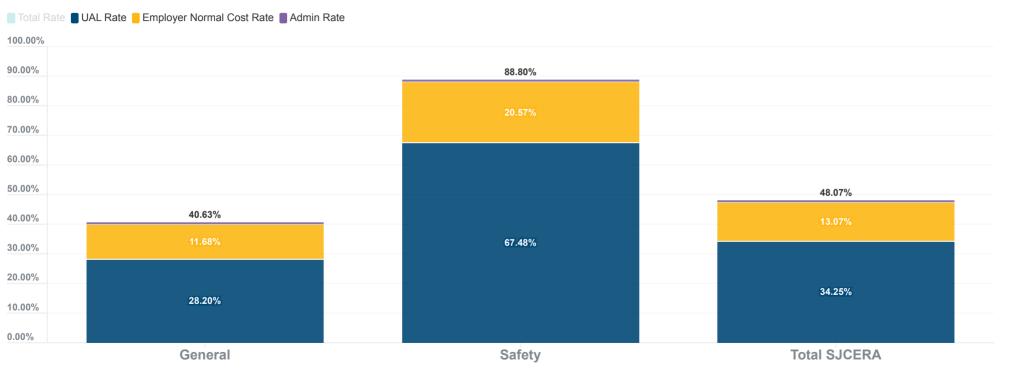






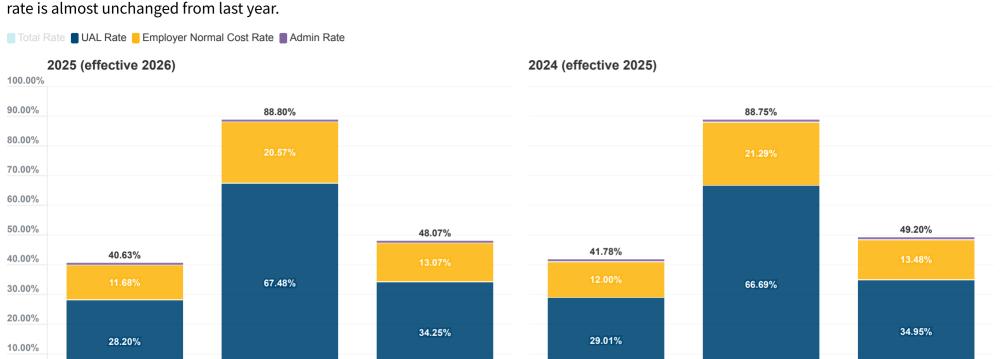


The contributions are made up of the **Unfunded Actuarial Liability Amortization** payment, or the amount needed to pay off the unfunded liability over the period of time designated in the Plan's funding policy, plus the **Normal Cost**, or the cost assigned to this year's benefits net of member contributions, plus a small payment to cover the employers' share of the **Administrative Expenses**.





Safety



General

Total SJCERA

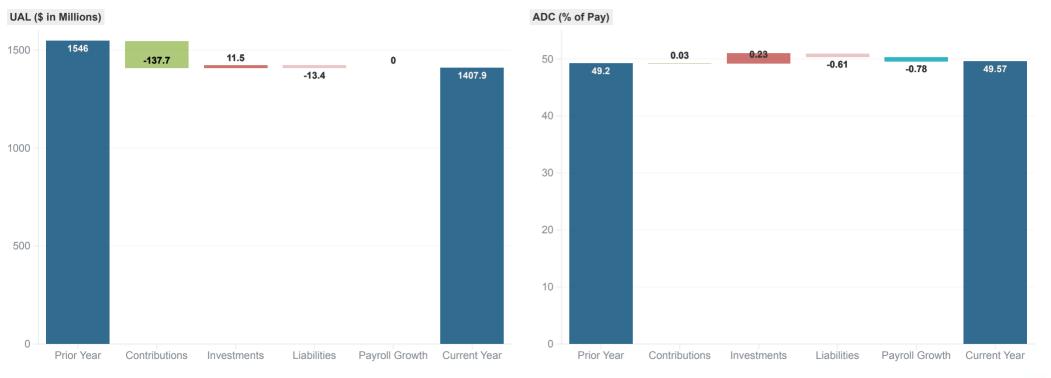
0.00%

General

Safety

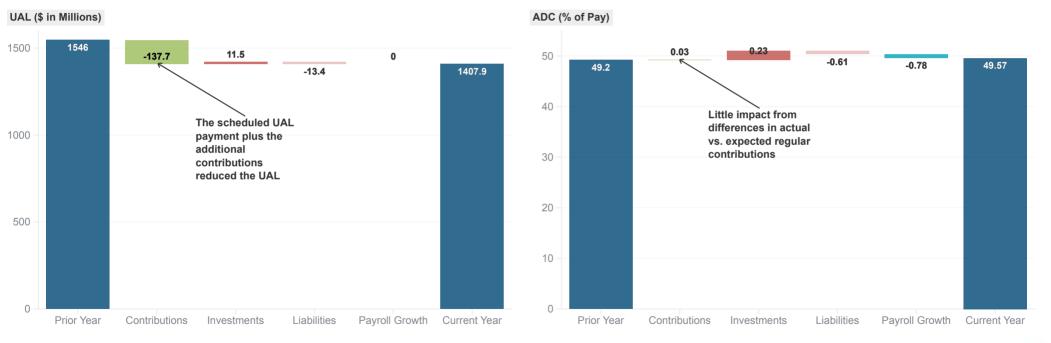


Total SJCERA



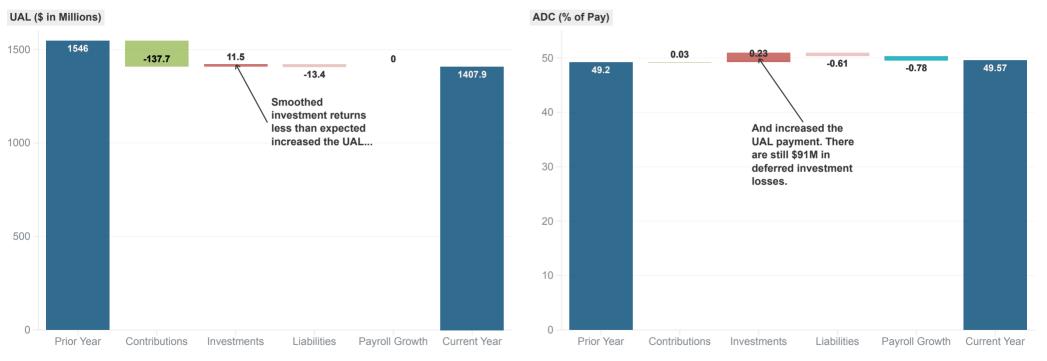


Contributions (including the additional contributions made by the County, Courts, and Mosquito District) exceeded the Normal Cost plus interest on the UAL, reducing the UAL. However, the regular contributions were very close to the level expected, resulting in almost no change to the ADC from contributions.



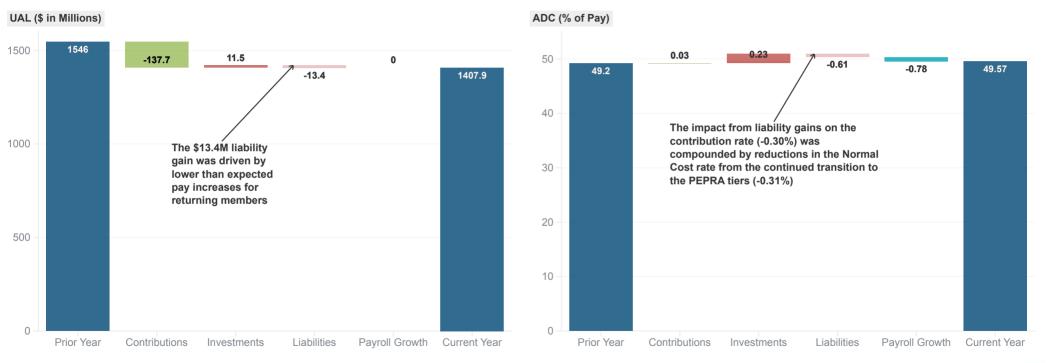


Investments earned more than the 6.75% expected return on a market basis (an 8.84% return) but less than expected on a smoothed basis (a 6.37% return) - slightly increasing the UAL and ADC.



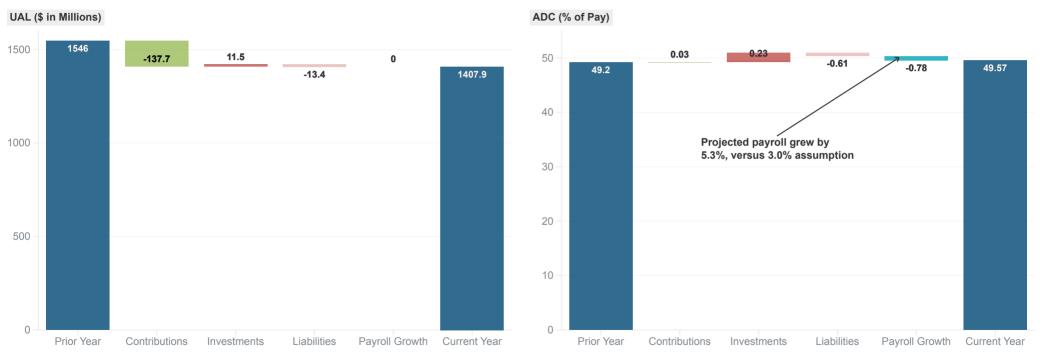


Liabilities were less than expected, reducing the UAL and the amortization payment. The ADC was also reduced as a result of the continued decline in the Normal Cost caused by the transition to PEPRA members.





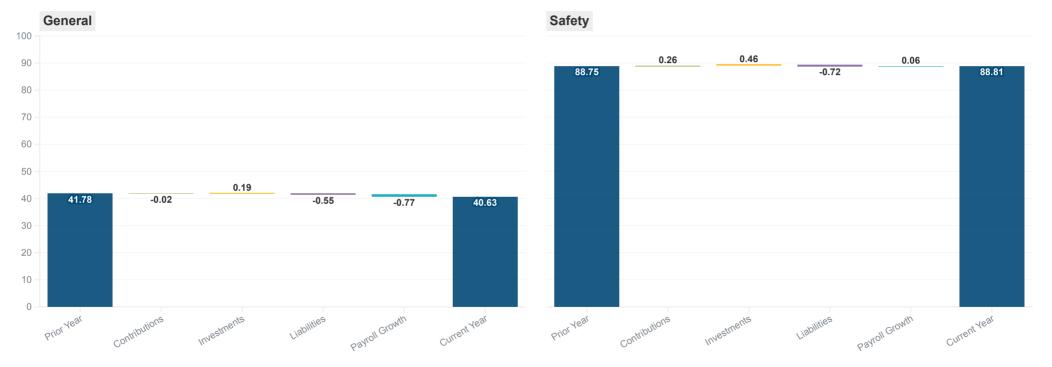
The payroll grew faster than expected and this reduced the ADC since the UAL payment is spread over a smaller base. Payroll growth does not impact the UAL.





Each of these factors affected the General and Safety ADC rates differently, in particular, with the asset changes having a bigger impact on the Safety group, because of their higher ratio of assets and liabilities to payroll, and because General payroll grew faster than Safety.

ADC % of Pay Change by Source





This concludes the summary presentation. The results presented herein are preliminary, and are subject to peer review. The full valuation report will include additional information, including additional historical information, projections of funded status and cost, and a detailed discussion of the risks facing the Plan.



SJCERA Consulting Team

Click card for bio or to contact



Graham SchmidtPrincipal Consulting Actuary
Lafayette, CA



Anne HarperPrincipal Consulting Actuary
San Diego, CA



Timothy DoyleAssociate Actuary
Portland, OR



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Text

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assumes no duty or liability to any other user.

Projections in this presentation were developed using R-scan, a proprietary tool used to illustrate the impact of changes in assumptions, methods, plan provisions, or actual experience (particularly investment experience) on the future financial status of the Plan. We relied on Cheiron colleagues for the development of the model. R-scan uses standard roll-forward techniques that implicitly assume a stable active population. Because R-scan does not automatically capture how changes in one variable affect all other variables, some scenarios may not be consistent. To the best of our knowledge, this presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice. This presentation was prepared for the SJCERA Retirement Board for the purposes described herein. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron

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

Future projections may differ significantly from the projections presented in this presentation due to such factors as the following: plan experience different from that anticipated by the assumptions; changes in assumptions; and changes in plan provisions or applicable law.

We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

In preparing our presentation, we relied on information (some oral and some written) supplied by StanCERA. This information includes, but is not limited to, the Plan provisions, employee data, and financial information.

SJCERA and its auditors in preparing financial reports in accordance with applicable law and accounting requirements. Any other user of this report is not an intended user and is considered a third party.

The purpose of this report is to present the preliminary results of the SJCERA actuarial valuation as of December 31, 2024, based on the assumptions used in the December 31, 2023 valuation. This report is for the use of



Board of Retirement Meeting

San Joaquin County Employees' Retirement Association

Agenda Item 8.0

August 8, 2025

SUBJECT: Actuary Consulting Services Request for Proposal (RFP) 2025-01

SUBMITTED FOR: __ CONSENT _X ACTION ___ INFORMATION

RECOMMENDATION

The Evaluation Team recommends that the Board of Retirement select Cheiron to provide actuary consulting services for the five years ending December 31, 2030.

SUMMARY OF PROPOSAL EVALUATION PROCESS

SJCERA issued a Request for Proposal (RFP) on May 12, 2025, for actuarial consulting services. SJCERA received five Letters of Intent by the May 30, 2025, deadline.

Submission of Proposals

Proposals from the following three firms, listed in alphabetical order, were submitted by the filing deadline on June 27, 2025:

Cheiron
Foster & Foster
Gallagher Benefit Services

The Evaluation Team consisting of Chief Executive Officer Renee Ostrander, Asst. Chief Executive Officer Brian McKelvey, and Management Analyst III Greg Frank, reviewed the proposals. The Team determined that all proposals received were complete, in compliance with the RFP filing requirements and met the minimum qualifications specified in the RFP.

Written Proposal Evaluations

The Team rated the written proposals using the following evaluation criteria:

<u>Organization and Presentation of Proposal</u> – Bidder provided a professional, well-organized, readable presentation.

<u>Scope of Work</u> – Bidder's understanding of scope of work including consulting, preparing actuarial reports, GASB reports, ACFR schedules, factor tables and funding policy.

<u>Staffing</u> – Bidder's professional experience and qualifications of the lead support, relevant experience and client ratio.

<u>Organization</u> - Bidder's years in business, public sector actuarial services, licensed to practice in CA, sufficient insurance coverage, information on any pending litigation and any conflicts of interest.

<u>Actuarial Consulting Experience</u> – Bidder's breadth and depth of experienced providing similar services for public sector and/or '37 Act clients and relevant client references.

August 8, 2025 Page 2 of 2

<u>Sample Reports</u> – Bidder's sample actuarial valuation, experience study and GASB 67/68 reports.

Fees.

All firms were deemed highly capable of providing actuary consulting services for SJCERA; however, all three members of the Evaluation Team scored Cheiron the highest. The evaluation team elected not to conduct interviews. Cheiron's Staffing and Actuarial Consulting Experience were the two leading factors.

Steps Following Board Approval

The Chief Executive Officer will negotiate and execute the contract with Cheiron in consultation with SJCERA's Counsel.

RENEE OSTRANDER Chief Executive Officer

GREG FRANK

Management Analyst III



August 8, 2025

Asset Allocation and Infrastructure



Agenda

- 1. Asset Allocation Overview
- 2. SJCERA Portfolio Allocation
- 3. Introduction to Infrastructure
- 4. Summary

MEKETA.COM Page 2 of 29

Asset Allocation Overview



Asset Allocation and Infrastructure

What is Asset Allocation?

Asset allocation is the process of accepting and managing both risk and opportunity

- → Explicitly, it is the decision of how much to invest in distinct asset classes
- → Implicitly, it is also the determination of how much and what types of risks you are willing to accept



Asset Allocation and Infrastructure

How does Asset Allocation Affect Performance?

Each asset class exhibits unique risk and return behavior.

Each asset class interacts differently with other asset classes.

Combining asset classes allows investors to control more fully the aggregate risk and return of their portfolio.

→ Allows investors to create a multi-asset portfolio tailored to a unique set of objectives



Asset Allocation and Infrastructure

The Importance of Asset Allocation

Likely to have the largest impact of any decision you make.

The amount you invest in stocks, bonds, real estate, etc., will be a key driver of long-term returns.

- → Asset allocation explains more than 90% of the variability of a fund's return over time¹
- → Further, asset allocation explains 100% of the level of returns at the policy level²

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¹ Source: Determinants of Portfolio Performance, Brinson, Hood, and Beebower, 1986 "investment policy dominates investment strategy (market timing and security selection), explaining on average 93.6 percent of the variation in total plan returns." 2 Source: Does Asset Allocation Policy Explain 40, 90, or 100 Percent of Performance?, Ibbotson and Kaplan, 2000. "We found that about 90 percent of the variability in returns of a typical fund across time is explained by policy...and on average about 100 percent of the return level is explained by the policy return level."



Asset Allocation and Infrastructure

Understanding Asset Allocation

Asset allocation is like cooking.

Putting together a great dish first involves selecting the proper ingredients.

- → We must understand the characteristics of each individual ingredient, and
- → We must understand how those ingredients interact with each other

Then we need to figure out the right amount of each ingredient to include.

→ The proper combination should yield an optimal result.



Asset Allocation and Infrastructure

Determining the Right Combination of Assets

In cooking, we learn from history and from trial and error

→ However, learning from history is less straight forward for investors

In investing, it is arguably best to leave the trial and error up to peer investors

→ This is probably why most investors of a similar type (e.g., pension plans) tend to resemble each other

Asset Allocation and Infrastructure

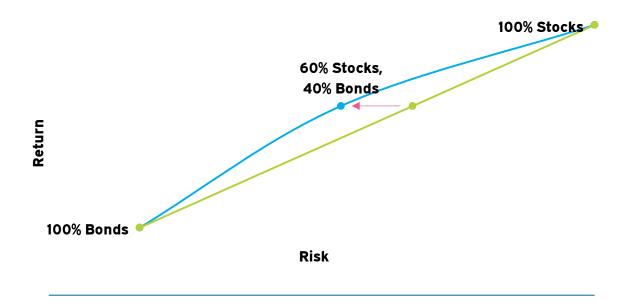
The Efficient Frontier

Combining uncorrelated assets produces an "efficient frontier"

→ Different combinations of "optimal" portfolios will lie along this frontier

Allows investors to create a portfolio that typically:

- → Provides a higher return for a given level of risk
- → Experiences less risk for a given level of return





Asset Allocation and Infrastructure

Diversification

- → Primary motive for diversification is to reduce risk.
- → Represents the only way to reduce risk without reducing expected returns.
- → Investments should be allocated across multiple classes of assets that enhance diversification.



Asset Allocation and Infrastructure

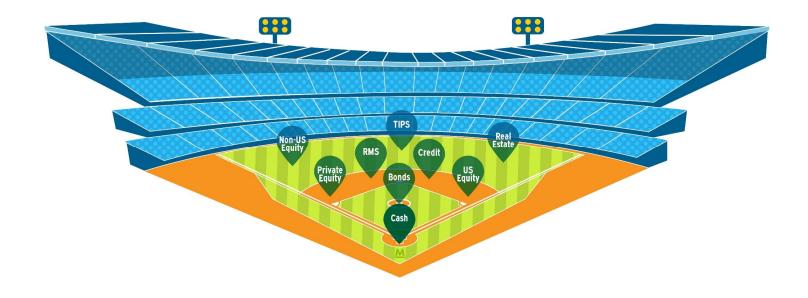
Each Asset Class Should Play a Specific Role

To be a successful team, each position plays a different and important role.

The same concept applies to portfolios: different asset classes should operate together like a well-rounded team.

Like players on a team, some assets may have "slumps" or "hot streaks".

A diversified team protects the portfolio from the volatile swings of individual assets.



SJCERA Portfolio Allocation

Asset Allocation and Infrastructure

Approved Allocation Framework

New High-Level Class	New Mid-Level Component	Strategy
	Aggressive Growth	Private Equity / Non-Core Real Assets
		US Equity
Broad Growth	Traditional Growth	Non-US Equity
	Stabilized Growth	Liquid Credit Private Credit
		Private Core Real Assets
	Principal Protection	Core Fixed Income
Diversifying Strategies		Long Duration
	Crisis Risk Offset	Systematic Trend Following
		Alternative Risk Premia



Asset Allocation and Infrastructure

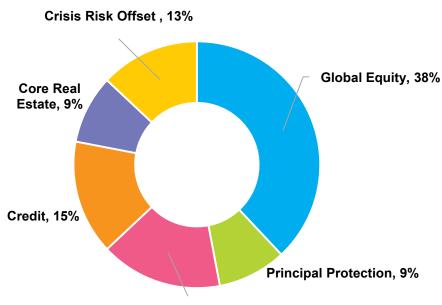
Approved long-term policy mix:

\rightarrow	Traditional Growth	38%
\rightarrow	Principal Protection	9%
\rightarrow	Aggressive Growth	16%
\rightarrow	Credit	15%
\rightarrow	Core Real Estate	9%
\rightarrow	Crisis Risk Offset	13%

Changes made in 2022:

- → Conducted Pacing studies for the Private Market classes
- → Reduced Risk Parity
- → Increased Global Equity and Aggressive Growth

Current Target Allocation





Asset Allocation and Infrastructure

SJCERA 20-Year Return Expectations (2025)

Strategic Classes	Current
Broad Growth	78.0
Aggressive Growth	16.0
Traditional Growth	38.0
Stabilized Growth	24.0
Credit	15.0
Core Real Assets	9.0
Diversifying Strategies	22.0
Principal Protection	9.0
CRO	13.0
20 Year Stats	New
Median Compound Rtn	8.5
Average SD	11.9
Sharpe Ratio	0.46

Asset Allocation and Infrastructure

20-Year Return Expectations (2025)

	2025	
Composite/Asset Class /Strategy	Expected Return: <u>20-Year</u> Geometric (%)	Std. Dev (%)
Traditional Growth		
Global Equity	8.5	17.0
Stabilized Growth		
Core Real Estate	7.4	12.0
Liquid Credit (High Yield)	7.1	11.0
Private Credit	9.1	15.0
Non-Traditional Growth		
Private Equity	11.2	25.0
Value Add Real Estate	9.6	20.0
Opportunistic Real Estate	10.9	26.0
Principal Protection		
Investment Grade Bonds	5.3	4.0
Crisis Risk Offset		
Long US Treasuries	5.7	12.0
Systematic Trend Following	4.9	15.0
Alternative Risk Premia	5.8	7.0
Total Portfolio	8.5	11.9

Introduction to Infrastructure



Asset Allocation and Infrastructure

Definition

- → Physical structures, facilities and networks which provide essential services within a community
- → Services provided are crucial to the economic productivity of a community
- → Assets are either privately owned or owned/operated by government entities

Major Categories

- → Brownfield projects that are already operational and/or have a predecessor of some description at the same location
- → Greenfield assets that are in the planning, development, financing or construction stage

How to Invest

- → Private/Unlisted Infrastructure (Debt/Equity)
- → Listed Infrastructure
- → Public Private Partnerships (PPPs/PFIs)
- → Municipal Bonds



Asset Allocation and Infrastructure

Infrastructure assets are tangible assets that derive their value from intrinsic physical qualities, substance, properties – many are the foundations for the production and delivery of goods and services critical to the global economy.

Infrastructure												
Transportation	Energy/Utilities	Social	Communications									
Toll Roads Bridges Tunnels Airports	Midstream Transmission & Distribution Systems Storage Facilities	Hospitals & Medical Facilities Education Facilities Police & Military Facilities	Cable Networks Macro Cell Towers Small Cells Data Centers									
Seaports Rail & Mass Transit Parking Facilities	Power Generation Renewables Water Transportation Water Treatment & Distribution Wastewater Treatment and Reuse Waste Treatment	Civic Buildings	Fiber Satellite Systems Spectrum									

MEKETA.COM Page 19 of 29



Asset Allocation and Infrastructure

Benefits of Infrastructure Investments to Pension Plans

Attractive risk adjusted returns **High Stable Yields** Low beta relative to traditional asset classes **Low Correlation** portfolio diversification Long lived assets to match liability duration **Duration Hedging** 15- to 99-year cash flows **Inflation Protection** Regulation or concession within pricing Inelastic demand and monopolistic position **Low Cyclicality** support stable cash flows Risks transferred to subcontractors or back to **Risk Transfer** public entity via partnership arrangements **Low Volatility** Limited exposure to economic downturns Job creation **Greenfield Projects**



Asset Allocation and Infrastructure

Infrastructure Concerns to Pension Plans

Leverage

Deals are typically leveraged between 50% and 90%

Market Inefficiency

Competitive auctions – overpaying

Current pricing – deal outliers or trend setters

Management teams with a proven track record are crucial

Limited history and track record in infrastructure space

Political & Headline Risk

Potential lack of public acceptance of privatization

Different political landscape in every state and municipality

Regulatory Risk

Regulated assets subject to changes

Government influence on pricing

Construction & Development

Potential negative impact on bottom line

Project overruns and delays transfer to construction partners

Volume/demand risk for new developments; availability payments

Worker Impact

Greenfield projects should generate new jobs

Concession agreements must address jobs and involve union/worker participation

Asset Control

 Stipulations via concession agreements limit some management control (pricing, growth, decision approvals, etc.)

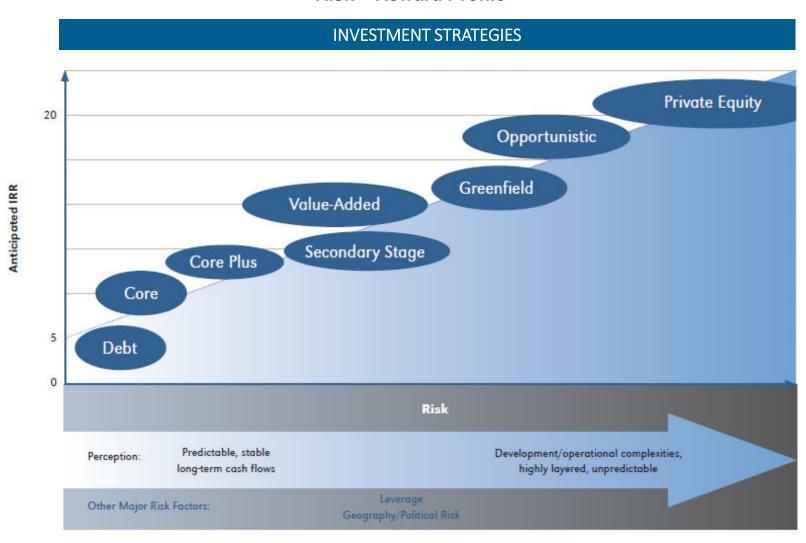
Benchmarking

There is no standard benchmark for the asset class



Asset Allocation and Infrastructure

Risk - Reward Profile



Source: Probitas Partners.



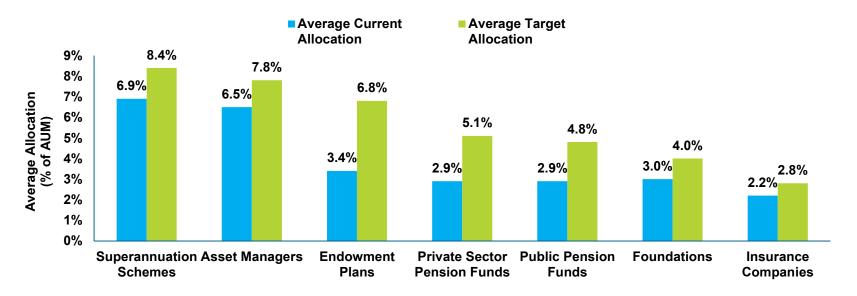
Asset Allocation and Infrastructure

Potential Ways to Access Infrastructure Assets: Investment Vehicle Options

Туре	Pros	Cons				
Commingled Funds	Specialized management teams, access to non-public opportunities, value-added opportunities, diversified portfolio	Blind pool risk, j-curve effect, possible strategy drift				
Separately Managed Accounts	Customizable strategies, lower fees, greater governance, consortium opportunities via Club approaches	Generally, requires higher minimum commitment, additional staff participation, and monitoring				
Co-Investments	Selective exposure to compelling opportunities alongside strategic managers, typically lower fees than commingled funds, or no fee at all	Requires resources and specialization to transact, quick turnaround and approval process needed, increased exposure to a single asset, opportunities are sporadic				
Directs	Origination, diligence, ownership, management, exits investor-driven, maximizes governance and lowers fees	Requires considerable in-house staff resources and expertise, market compensation, outside advisors, and management partners				
Secondaries	Mitigate blind pool risk, mitigate j-curve effect, favorable pricing	Inefficient marketplace, expensive to transact, opportunities are sporadic				

Asset Allocation and Infrastructure

Average Current and Target Allocations to Infrastructure by Investor Type¹



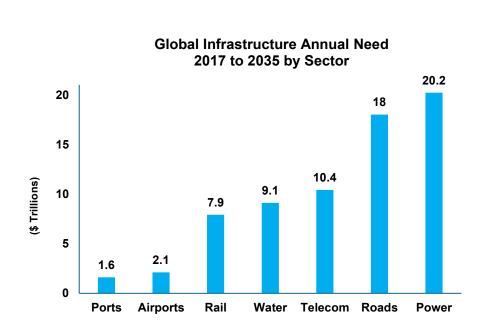
Jurisdiction	Typical Pension Fund Allocation to Infrastructure (%)
Western Europe	3 - 5
Australia	5 -10
Canada	5 -10
US	0 - 5

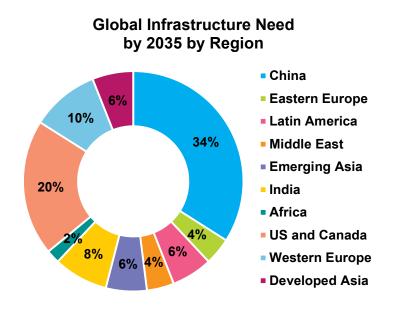
¹ Investor universe includes investors in 80 countries worldwide. Source: Pregin, Stonepeak Infrastructure Partners.



Asset Allocation and Infrastructure

- → Global infrastructure investment need is massive.
- → Developed economies face challenges posed by neglected and deteriorating infrastructure.
- → Many developing countries aspire to meet basic human development needs, including providing sanitation, wide access to power and safe drinking water.
- → According to McKinsey estimates, \$69.4 trillion in infrastructure investments will be required to support projected global GDP growth through 2035.
- → The world needs to invest an average of \$3.7 trillion annually to support expected rates of growth.





Summary and Conclusions



Asset Allocation and Infrastructure

20-Year Return Expectations (2025)

	2025		
Composite/Asset Class /Strategy	Expected Return: 20-Year Geometric (%)	Std. Dev (%)	
Traditional Growth			
Global Equity	8.5	17.0	
Stabilized Growth			Introduction of Global
Core Real Estate	7.4	12.0	Infrastructure
Liquid Credit (High Yield)	7.1	11.0	
Private Credit	9.1	15.0	
Non-Traditional Growth			
Private Equity	11.2	25.0	
Global Infrastructure	8.0	14.0	
Value Add Real Estate	9.6	20.0	
Opportunistic Real Estate	10.9	26.0	
Principal Protection			
Investment Grade Bonds	5.3	4.0	
Crisis Risk Offset			
Long US Treasuries	5.7	12.0	
Systematic Trend Following	4.9	15.0	
Alternative Risk Premia	5.8	7.0	
Total Portfolio (current)	8.5	11.9	
Total Portfolio w/ Infra	8.5	11.7	
· · · · · · · · · · · · · · · · · · ·			

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Asset Allocation and Infrastructure

Summary

- → Asset allocation will have the greatest impact on long-term performance
- → Consider assets based on how they fit within a portfolio
- → Take a "mosaic" approach to understanding the risks
- → Construct a portfolio that is designed to weather all possible environments
- → Consider adding Infrastructure as a new sub-class within Aggressive Growth

Disclaimer



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											Preliminary Flash Report (Net-of-F			es) June 2025
	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			\$	4,877,747,064	100.0%	100.0%	2.0	4.3	4.4	7.6	7.5	7.6	7.6	Apr-90
Policy Benchmark ⁴							1.9	4.7	5.2	9.7	9.5	8.6	7.6	
Difference:							0.1	-0.4	-0.7	-2.1	-2.0	-1.1	0.0	
75/25 Portfolio ⁵							3.9	9.9	9.6	14.8	14.0	10.3	7.2	
Difference:							-1.8	-5.6	-5.2	-7.2	-6.5	-2.7	0.4	
Broad Growth			\$	3,769,591,546	77.3%	78.0%	2.5	6.1	5.5	9.8	9.5	9.6	8.3	Jan-95
Aggressive Growth Lag ²			\$	571,341,340	11.7%	16.0%	1.6	1.6	1.6	7.8	5.1	12.9	-1.4	Feb-05
Aggressive Growth Blend ⁶				, ,			0.4	0.4	0.4	9.2	3.3	8.5	9.0	
Difference:							1.1	1.1	1.1	-1.3	1.8	4.4	-10.4	
BlackRock Global Energy&Power Lag ³	\$50,000	Global Infrastructure	\$	37.341.431	0.8%		3.4	3.4	3.4	16.9	11.7	9.6	11.1	Jul-19
MSCI ACWI +2% Lag	\$55,555	Ciobai illiada adiaid	1	07,011,101	0.070		-0.4	-0.4	-0.4	20.3	8.1	12.8	13.3	ou. 10
Difference:							3.8	3.8	3.8	-3.5	3.6		-2.2	
BlackRock Infrastructure ³	\$50.000	Global Infrastructure	\$	33.274.911	0.7%		1.1	1.1	1.1	13.1			9.6	Mar-23
MSCI ACWI +2% Lag	\$55,555	Ciobai illiada adiaid	1	00,211,011	0 /0		-0.4	-0.4	-0.4	20.3			22.8	a. 20
Difference:							1.5	1.5	1.5	-7.2			-13.1	
Bessemer Venture Partners Forge Fund ³	\$20.000	Middle Market VC	\$	11,595,255	0.2%		3.0	3.0	3.0	30.3			15.1	Sep-23
MSCI ACWI +2% Laq	+ ==,===		1	,,			-0.4	-0.4	-0.4	20.3			22.8	
Difference:							3.4	3.4	3.4	9.9			-7.8	
Bessemer Venture Partners Fund XII, LP ³	\$30,000	Early-Stage VC	\$	5,086,803	0.1%		-0.4	-0.4	-0.4	_			-13.7	Jun-24
MSCI ACWI +2% Lag	\$55,555	Early stage 10	1	0,000,000	0.170		-0.4	-0.4	-0.4				14.3	5u., 2 .
Difference:							0.0	0.0	0.0				-27.9	
Capitol Meridian Fund I Lag ³	\$25.000	Special Situations PE	\$	9.670.000	0.2%		3.5	3.5	3.5					Jul-24
MSCI ACWI +2% Laq	+ ==,===		1	2,0.0,000			-0.4	-0.4	-0.4					****
Difference:							3.9	3.9	3.9					
Lightspeed Venture Ptr Select V Lag ³	\$40.000	Growth-Stage VC	\$	37.247.647	0.8%		5.0	5.0	5.0	13.2			-1.8	Jun-22
MSCI ACWI +2% Lag	4 10,000	21211111 2111132 1 2	1	,,			-0.4	-0.4	-0.4	20.3			10.8	*
Difference:							5.4	5.4	5.4	-7.2			-12.6	
Long Arc Capital Fund Lag ³	\$25.000	Growth-Stage VC	\$	28.837.102	0.6%		3.1	3.1	3.1	7.7			4.4	Apr-23
MSCI ACWI +2% Laq	\$25,555	C.C.V Clago VC	1	20,001,102	0.070		-0.4	-0.4	-0.4	20.3			22.8	749. 20
Difference:							3.5	3.5	3.5	-12.6			-18.3	
Oaktree Special Situations Lag ³	\$40.000	PE Buyout	\$	16.793.656	0.3%		15.4	15.4	15.4	33.5			30.5	Mar-24
MSCI ACWI +2% Lag	, .,	,	1	.,,			-0.4	-0.4	-0.4	20.3			24.1	
Difference:							15.8	15.8	15.8	13.1			6.4	
Ocean Avenue II Lag ³	\$40,000	PE Buyout FOF	\$	18,401,596	0.4%		3.1	3.1	3.1	-26.3	-8.9	12.8	11.2	May-13
MSCI ACWI +2% Lag		,		. ,			-0.4	-0.4	-0.4	20.3	8.1	12.8	10.8	,
Difference:							3.5	3.5	3.5	-46.6	-16.9	0.0	0.3	
Ocean Avenue III Lag ³	\$50,000	PE Buyout FOF	\$	51,675,142	1.1%		-0.8	-0.8	-0.8	6.5	8.4	17.1	20.4	Apr-16
MSCI ACWI +2% Lag							-0.4	-0.4	-0.4	20.3	8.1	12.8	11.4	
Difference:							-0.4	-0.4	-0.4	-13.8	0.4	4.3	8.9	
Ocean Avenue IV Lag ³	\$50,000	PE Buyout	\$	54,956,059	1.1%		1.1	1.1	1.1	7.4	17.0	22.9	25.8	Dec-19
MSCI ACWI +2% Lag							-0.4	-0.4	-0.4	20.3	8.1	12.8	14.4	
Difference:							1.5	1.5	1.5	-12.9	9.0		11.5	
Ocean Avenue V Lag ³	\$30,000	PE Buyout	\$	17,367,998	0.4%		20.1	20.1	20.1	25.9			19.3	Jun-23
MSCI ACWI +2% Lag							-0.4	-0.4	-0.4	20.3			21.0	
Difference:							20.5	20.5	20.5	5.6			-1.7	

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.

²Total class returns are as of 3/31/25, and lagged 1 quarter.

Manager returns are as of 3/31/25, and lagged 1 quarter. Since Inception date reflects one quarter lag.

42/1/25 to present benchmark is 38% MSCI ACWI IMI, 9% BB Aggregate Bond Index, 7% 50% BB High Yield/50% S&P Leveraged Loans, 9% NCREIF ODCE, 8% S&P/LSTA Leveraged Loan +2%, 16% Aggressive Growth Benchmark, 13% CRO Custom Benchmark. Prior to 2/1/25 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%

			_								Premimi	iry riasii ke	ort (Net-or-rees) June 2025
	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)	(++++)					g /-				_				
Morgan Creek III Lag ^{3,5}	\$10.000	Multi-Strat FOF	\$	5.759.607	0.1%		0.0	0.0	0.0	2.5	2.9	-2.6	-2.6	Feb-15
MSCI ACWI +2% Lag	, .,		1	.,,			-0.4	-0.4	-0.4	20.3	8.1	12.8	11.2	
Difference:							0.4	0.4	0.4	-17.8	-5.2	-15.4	-13.8	
Morgan Creek V Lag ^{3,5}	\$12,000	Multi-Strat FOF	\$	4,741,178	0.1%		0.0	0.0	0.0	-3.6	-3.2	4.5	10.2	Jun-13
MSCI ACWI +2% Lag							-0.4	-0.4	-0.4	20.3	8.1	12.8	10.8	
Difference:							0.4	0.4	0.4	-24.0	-11.3	-8.3	-0.7	
Morgan Creek VI Lag ^{3,5}	\$20,000	Multi-Strat FOF	\$	19,917,005	0.4%		0.0	0.0	0.0	1.6	-5.4	9.0	7.3	Feb-15
MSCI ACWI +2% Lag							-0.4	-0.4	-0.4	20.3	8.1	12.8	11.2	
Difference:							0.4	0.4	0.4	-18.7	-13.5	-3.8	-3.8	
Ridgemont Equity Partners Lag ³	\$50,000	Special Situations PE	\$	36,946,559	0.8%		4.6	4.6	4.6	14.4			12.4	Apr-23
MSCI ACWI +2% Lag							-0.4	-0.4	-0.4	20.3			22.8	
Difference:							5.0	5.0	5.0	-5.9			-10.4	
Stellex Capital Partners II Lag ³	\$50.000	Special Situations PE	\$	54.859.192	1.1%		3.3	3.3	3.3	20.0	16.9		7.9	Jul-21
MSCI ACWI +2% Lag	, ,	•	1	. ,,			-0.4	-0.4	-0.4	20.3	8.1		9.4	
Difference:							3.7	3.7	3.7	-0.3	8.8		-1.6	
Stellex Capital Partners III Lag ³	\$40,000	Special Situations PE	\$	6,536,890	0.1%						-		0.0	Mar-25
MSCI ACWI +2% Lag													-2.2	
Difference:													2.2	
Opportunistic Private Real Estate ⁴			\$	19,169,895	0.4%									
Greenfield VII ³	\$19,100	Opportunistic Pvt. RE	\$	1,110,119	0.0%		3.9	3.9	3.9	1.4	-1.3	5.6	9.6	Oct-14
NCREIF ODCE + 1% Lag Blend		•					1.2	1.2	1.2	-1.3	-2.2	3.0	6.3	
Difference:							2.7	2.7	2.7	2.7	0.8	2.6	3.2	
Grandview ³	\$30.000	Opportunistic Pvt. RE	\$	12.311.026	0.3%		0.0	0.0	0.0	8.5	2.2	14.2	16.0	Apr-18
NCREIF ODCE + 1% Lag Blend	****		1				1.2	1.2	1.2	-1.3	-2.2	3.0	4.1	
Difference:							-1.2	-1.2	-1.2	9.8	4.4	11.2	11.9	
Walton Street VI ³	\$15,000	Opportunistic Pvt. RE	\$	5,204,230	0.1%		-1.1	-1.1	-1.1	-3.0	4.0	3.6	6.9	Jul-09
NCREIF ODCE + 1% Lag Blend		••					1.2	1.2	1.2	-1.3	-2.2	3.0	7.1	
-							-2.3	-2.3	-2.3	-1.7	6.2	0.6	-0.2	
Difference: Value-Added Private Real Estate			\$	101,163,415	0.9%		-2.5	-2.5	-2.3	-1.7	0.2	0.0	-0.2	
AG Core Plus IV ³	\$20.000	Value-Added Pvt. RE	\$	5.937.839	0.1%		-1.7	-1.7	-1.7	-13.6	-19.4	-8.6	-2.6	Sep-15
NCREIF ODCE + 1% Lag Blend	Ψ20,000	Value-Added I V. IV.	Ψ	5,557,055	0.170		1.2	1.2	1.2	-1.3	-2.2	3.0	5.6	ОСР-13
Difference:							-2.9	-2.9	-2.9	-12.3	-17.2	-11.6	-8.2	
Almanac Realty VI ³	\$30.000	Value-Added Pvt. RE	\$	2.822.269	0.1%		-4.2	-4.2	-4.2	-11.9	-10.9	-11.3	0.7	Feb-13
NCREIF ODCE + 1% Lag Blend	ψου,ουυ	Value / ladea VI. ILE	Ψ	2,022,200	0.170		1.2	1.2	1.2	-1.3	-2.2	3.0	7.2	1 05 10
Difference:							-5.5	-5.5	-5.5	-10.6	-8.8	-14.3	-6.5	
Berkeley Partners Fund V, LP ³	\$40.000	Value-Added Pvt. RE	\$	30.621.052	0.6%		0.4	0.4	0.4	6.6	5.2		13.6	Aug-20
NCREIF ODCE + 1% Lag Blend	, .,		1	, ,			1.2	1.2	1.2	-1.3	-2.2		3.5	
Difference:							-0.9	-0.9	-0.9	7.9	7.4		10.1	
Berkeley Partners Value Industrial Fund VI, L.P. ³	\$40.000	Value-Added Pvt. RE	\$	8,080,808	0.2%		1.2	1.2	1.2	5.7			3.0	Feb-24
NCREIF ODCE + 1% Lag Blend	ψ 10,000	Talad / ladda / Tal Tiz	1	0,000,000	0.270		1.2	1.2	1.2	-1.3			-5.2	. 00 2 .
Difference:							0.0	0.0	0.0	7.0		-	8.3	
Blue Owl Digital Infrastructure Fund III ³	\$50,000	Value-Added Pvt. RE	\$	20,212,680	0.4%		-12.9	-12.9	-12.9	7.0			12.1	Jul-24
NCREIF ODCE + 1% Lag Blend	ψ30,000	Value-Added 1 Vt. INL	Ψ	20,212,000	0.470		1.2	1.2	1.2				1.1	Jui-24
Difference:							-14.1	-14.1	-14.1				11.0	
SROA Capital Fund IX ³	\$50,000	Value-Added Pvt. RE	\$	26,669,186	0.5%		-8.1	-8.1	-8.1				-8.1	Jan-25
NCREIF ODCE + 1% Lag Blend	+ 50,000	. Elab / labour 1 to INE	"	25,555,100	0.070		1.2	1.2	1.2			_	1.2	Ju., 23
Difference:							-9.3	-9.3	-9.3				-9.3	
Stockbridge RE III ³	\$45,000	Value-Added Pvt. RE	\$	6,819,581	0.1%		5.0	5.0	5.0	-8.0	-3.1	8.5	6.2	Jul-18
NCREIF ODCE + 1% Lag Blend				.,,			1.2	1.2	1.2	-1.3	-2.2	3.0	3.9	
Difference:							3.8	3.8	3.8	-6.7	-1.0	5.5	2.2	

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.

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

³ Manager returns are as of 3/31/25, and lagged 1 quarter. Since Inception date reflects one quarter lag.

⁴ Market value includes Walton V \$544,520. ⁵ Manager returns are as of 12/31/25 and lagged 1 quarter.

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Commitmer (\$000)	st 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		\$ 2,014,351,158	41.3%	38.0%	4.4	11.2	9.6	15.4	17.3	13.6	9.5	Jan-95
MSCI ACWI IMI Net ²					4.5	11.6	9.8	15.9	16.8	13.4	8.3	
Difference:					-0.2	-0.4	-0.2	-0.5	0.5	0.2	1.2	
Global Equity		\$ 2,014,351,158	41.3%									
Northern Trust MSCI World IMI	All Cap Global	\$ 1,818,263,740	37.3%		4.4	11.6	9.5	16.5	18.1		12.6	Sep-20
MSCI World IMI Net					4.4	11.5	9.3	16.1	17.6		12.1	
Difference:					0.0	0.1	0.3	0.4	0.4		0.5	
Emerging Markets		\$ 196,084,031										
GQG Active Emerging Markets	Emerging Markets	\$ 81,789,570	1.7%		2.9	5.4	5.3	-2.8	12.1		6.3	Aug-20
MSCI Emerging Markets Index Net					6.0	12.0	15.3	15.3	9.7		5.1	
Difference:					-3.1	-6.6	-10.0	-18.1	2.4		1.2	
PIMCO RAE Fundamental Emerging Markets	Emerging Markets	\$ 114,294,461	2.3%		5.4	10.3	13.7	10.9	17.4	15.4	6.1	Apr-07
MSCI Emerging Markets Index Net					6.0	12.0	15.3	15.3	9.7	6.8	4.0	
Difference:					-0.7	-1.7	-1.6	-4.4	7.7	8.6	2.1	
Stabilized Growth		\$ 1,183,899,048	24.3%	24.0%	0.4	0.9	0.9	2.9	1.9	3.6	3.6	Jan-05
Liquid Credit		\$ 388,148,257	8.0%		1.3	2.7	3.6	8.3	9.1	5.4	2.7	
50% BB High Yield, 50% S&P/LSTA Leveraged Loans					1.3	2.9	3.7	8.8	9.8	6.7	5.8	
Difference:					-0.1	-0.2	-0.1	-0.4	-0.8	-1.3	-3.1	
Neuberger Berman	Global Credit	\$ 187,148,587	3.8%		1.6	3.0	4.1	8.6	8.7	4.7	4.2	Feb-19
40% ICE BofA HY Constrained, 40% S&P/LSTA LL, 20% JPM EMB	I Glbl Div.				1.5	3.0	4.3	9.1	9.5	5.1	4.6	
Difference:					0.0	0.0	-0.2	-0.5	-0.8	-0.5	-0.4	
Stone Harbor Absolute Return	Absolute Return	\$ 200,999,670	4.1%		1.0	2.4	3.0	7.9	9.2	5.9	3.4	Oct-06
3-Month Libor Total Return					0.4	1.1	2.2	4.9	4.7	2.8	1.9	
Difference:					0.6	1.3	0.8	3.0	4.5	3.1	1.6	

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 SJCERA Transition \$3,376.

⁴ As of 5/1/25, Neuberger Berman's benchmark consists of 40% ICE BofA HY Constrained, 40% S&P/LSTA LL, 20% JPM EMBI GlbI Div.

			_								Prelimina	ary Flash Rep	ort (Net-of-Fees	s) June 2025
	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			\$	432,071,507	8.9%		-1.9	-1.9	-1.9	-0.8	0.4	2.7	3.2	
S&P/LSTA Leveraged Loans +2% Blend							3.0	3.0	3.0	12.2	11.6	11.1	9.4	
Difference:							-4.9	-4.9	-4.9	-13.0	-11.3	-11.3	-6.3	
Ares Pathfinder Fund II Lag ³	\$62,500	Asset Backed	\$	21,339,632	0.4%		3.2	3.2						Feb-24
S&P/LSTA Leveraged Loans +2% Blend ⁴							3.0	3.0						
Difference:							0.2	0.2						
BlackRock Direct Lending Lag ³	\$100,000	Direct Lending	\$	81,464,618	1.7%		0.3	0.3	0.3	2.6	6.7		7.7	May-20
S&P/LSTA Leveraged Loans +2% Blend⁴							3.0	3.0	3.0	12.2	11.6		11.1	
Difference:							-2.7	-2.7	-2.7	-9.6	-4.9		-3.4	
Mesa West RE Income IV Lag ³	\$75,000	Comm. Mortgage	\$	33,269,336	0.7%		-0.7	-0.7	-0.7	-8.2	-11.9	-4.4	0.1	Mar-17
S&P/LSTA Leveraged Loans +2% Blend⁴							3.0	3.0	3.0	12.2	11.6	11.1	10.1	
Difference:							-3.8	-3.8	-3.8	-20.4	-23.6	-15.6	-10.0	
Crestline Opportunity II Lag ³	\$45,000	Opportunistic	\$	8,940,788	0.2%		-4.8	-4.8	-4.8	-12.2	-14.3	-6.9	-0.3	Nov-13
S&P/LSTA Leveraged Loans +2% Blend⁴							3.0	3.0	3.0	12.2	11.6	11.1	9.7	
Difference:							-7.8	-7.8	-7.8	-24.4	-25.9	-18.0	-10.1	
Davidson Kempner Distr Opp V Lag ³	\$48,275	Opportunistic	\$	54,508,204	0.0%		2.7	2.7	2.7	19.3	7.0		16.1	Oct-20
S&P/LSTA Leveraged Loans +2% Blend⁴							3.0	3.0	3.0	12.2	11.6		11.6	
Difference:							-0.3	-0.3	-0.3	7.1	-4.6		4.4	
Oaktree Middle Market Lag ³	\$50,000	Leveraged Direct	\$	29,921,089	0.6%		0.9	0.9	0.9	7.6	7.7	11.3	10.4	Mar-18
S&P/LSTA Leveraged Loans +2% Blend ⁴							3.0	3.0	3.0	12.2	11.6	11.1	10.2	
Difference:							-2.1	-2.1	-2.1	-4.6	-3.9	0.2	0.2	
HPS EU Asset Value II Lag ³	\$50,000	Direct Lending	\$	33,315,807	0.7%		1.9	1.9	1.9	10.5	10.9		7.3	Aug-20
S&P/LSTA Leveraged Loans +2% Blend ⁴							3.0	3.0	3.0	12.2	11.6		11.6	
Difference:							-1.1	-1.1	-1.1	-1.7	-0.8	-	-4.2	
Raven Opportunity III Lag ³	\$50,000	Direct Lending	\$	16,005,022	0.3%		-46.0	-46.0	-46.0	-65.0	-33.0	-19.0	-9.7	Nov-15
S&P/LSTA Leveraged Loans +2% Blend ⁴							3.0	3.0	3.0	12.2	11.6	11.1	9.9	
Difference:							-49.0	-49.0	-49.0	-77.2	-44.7	-30.2	-19.5	
Medley Opportunity II Lag ²	\$50,000	Direct Lending	s	179,867	0.0%		0.0	0.0	0.0	-1.2	-0.8	-4.7	-2.0	Jul-12
S&P/LSTA Leveraged Loans +2% Blend ⁴	ψου,σου	2 ii oot 2 on amg	1	110,001	0.070		3.0	3.0	3.0	12.2	11.6	11.1	9.7	0d. 12
Difference:							-3.0	-3.0	-3.0	-13.4	-12.4	-15.9	-11.7	
Silver Point Credit III Lag ²	\$62,000	Sub-Sector	\$	24,590,182	0.5%		1.5	1.5	1.5	11.8				Nov-23
S&P/LSTA Leveraged Loans +2% Blend ⁴	, , , , , , , , , , , , , , , , , , , ,			,,			3.0	3.0	3.0	12.2				
Difference:							-1.5	-1.5	-1.5	-0.4				
SilverRock Tactical Allocation Lag ²	\$62,500	Opportunistic	\$	60,510,940	1.2%		2.4	2.4	2.4	11.1			11.0	Jul-23
S&P/LSTA Leveraged Loans +2% Blend ⁴							3.0	3.0	3.0	12.2			10.2	
Difference:							-0.6	-0.6	-0.6	-1.1	_		0.7	
White Oak Summit Peer Fund Lag ²	\$50,000	Direct Lending	\$	23,029,581	0.5%		4.8	4.8	4.8	7.6	0.9	1.4	4.1	Mar-16
S&P/LSTA Leveraged Loans +2% Blend⁴							3.0	3.0	3.0	12.2	11.6	11.1	9.9	
Difference:							1.8	1.8	1.8	-4.6	-10.7	-9.7	-5.8	
White Oak Yield Spectrum Master V Lag ²	\$50,000	Direct Lending	\$	44,996,440	0.9%		0.2	0.2	0.2	3.6	0.7	2.1	2.1	Mar-20
S&P/LSTA Leveraged Loans +2% Blend ⁴							3.0	3.0	3.0	12.2	11.6	11.1	11.1	
Difference:							-2.8	-2.8	-2.8	-8.6	-10.9		-9.0	
Core Private Real Estate Lag			\$	363,679,284	7.5%									
AEW Essential Housing ²	\$50,000	Core Pvt. RE	\$	52,002,305	1.1%		1.9	1.9	1.9	-			1.4	Jan-24
NCREIF ODCE lag (blend)							1.2	1.2	1.2				-4.8	
Difference:	****	0 0 0		400 000 000	0.40/		0.7	0.7	0.7	-			6.2	
Invesco US Income Fund ²	\$100,000	Core Pvt. RE	\$	100,000,000	2.1%				-	-	-	-	-	Apr-25
NCREIF ODCE lag (blend) Difference:													-	
Principal US ²	\$25,000	Core Pvt. RE	\$	38,232,224	0.8%		1.1	1.1	1.1	-2.1	-3.1	2.3	5.2	Jan-16
NCREIF ODCE lag (blend)	Ψ20,000	OOICT VI. IXL	Ψ	30,232,224	0.070		1.1	1.2	1.2	-1.3	-2.2	3.0	5.3	Jan-10
Difference:							-0.1	-0.1	-0.1	-0.8	-1.0	-0.7	-0.1	
Prologis Logistics ²	\$50,500	Core Pvt. RE	\$	124,521,609	2.6%		1.6	1.6	1.6	8.4	3.1	12.3	13.4	Dec-07
NCREIF ODCE lag (blend)	,			,,500			1.2	1.2	1.2	-1.3	-2.2	3.0	5.8	
Difference:							0.3	0.3	0.3	9.7	5.2	9.3	7.6	
RREEF America II ²	\$45,000	Core Pvt. RE	\$	48,923,146	1.0%		0.3	0.3	0.3	-0.5	-3.7	2.3	2.1	Jul-16
NCREIF ODCE lag (blend)							1.2	1.2	1.2	-1.3	-2.2	3.0	4.9	
Difference:							-0.9	-0.9	-0.9	0.8	-1.6	-0.7	-2.8	

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 3/31/25, and lagged 1 quarter.

³ Manager returns are as of 3/31/25, and lagged 1 quarter. Since Inception date reflects one quarter lag.

^{49%} Annual until 6/30/2018; CPI +6% Annual 7/1/2018 - 3/31/2022; S&P/LSTA Leveraged Loans +3% 4/1/2022 - 1/31/2025; S&P/LSTA Leveraged Loans +2% thereafter.

Preliminary Flash Report (Net-of-Fees) | June 2025

	Commitment Sub-Segment		Physical % Policy						4.1/2		illilliary Flash Report (Net-of-Fees		
	(\$000) Sub-Segment		Market Value	of Total	Target %	1-Mo	3-Mos	YTD	1-Yr	3-Yrs	5-Yrs	SI Return	SI Date
Diversifying Strategies		\$	994,920,494	20.4%	22.0%	0.7	-1.4	0.8	0.4	0.7	1.3	5.8	Oct-90
Principal Protection		\$	488,941,433	10.0%	9.0%	1.7	1.3	4.1	6.4	3.9	1.3	5.8	Oct-90
BB Aggregate Bond Index						1.5	1.2	4.0	6.1	2.5	-0.7	5.3	
Difference:						0.2	0.1	0.1	0.4	1.3	2.0	0.5	
Dodge & Cox	Core Fixed Income	\$	313.324.241	6.4%		1.8	1.4	4.2	6.6	4.5	1.2	6.5	Oct-90
BB Aggregate Bond Index			,. ,			1.5	1.2	4.0	6.1	2.5	-0.7	5.3	
Difference:						0.3	0.2	0.2	0.5	1.9	1.9	1.2	
Loomis Sayles	Core Fixed Income	\$	175,617,192	3.6%		1.6	1.2	3.9	6.0	2.6		1.0	Mar-22
BB Aggregate Bond Index						1.5	1.2	4.0	6.1	2.5		0.8	
Difference:						0.0	0.0	-0.1	-0.1			0.1	
Crisis Risk Offset		\$	505,979,061	10.4%	13.0%	-0.2	-3.9	-2.3	-4.9	-1.8	1.1	5.5	Jan-05
CRO Custom Benchmark ²						1.5	-1.2	0.8	0.8	0.6	1.2	4.5	
Difference:						-1.7	-2.8	-3.1	-5.6	-2.4	-0.1	1.1	
Long Duration		\$	153.141.496	3.1%		2.4	-1.4	3.0	1.7	-3.1	-7.6	-1.0	
BB US Long Duration Treasuries		7	,,	2		2.5	-1.5	3.1	1.6	-3.7	-8.2	-1.1	
Difference:						-0.1	0.2	-0.1	0.1	0.6	0.6	0.1	
Dodge & Cox Long Duration	Long Duration	\$	153,141,496	3.1%		2.4	-1.4	3.0	1.6	-3.1	-7.6	-1.0	Feb-16
BB US Long Duration Treasuries	==	7	,,	2		2.5	-1.5	3.1	1.6	-3.7	-8.2	-1.1	
Difference:						-0.1	0.2	-0.1	0.1	0.6	0.6	0.1	
Systematic Trend Following		\$	214,349,430	4.4%		0.8	-3.7	-5.9	-10.2	-4.9	7.1	7.4	
BTOP50 Index		Ť	, ,			1.5	-3.3	-3.2	-4.6	-0.5	6.6	4.5	
Difference:						-0.7	-0.4	-2.7	-5.5	-4.4	0.5	2.9	
Mt. Lucas Managed Futures - Cash	Systematic Trend Following	\$	111.413.270	2.3%		0.4	-2.3	-4.0	-4.4	-4.3	8.3	7.0	Jan-05
BTOP50 Index	, ,		, ., .			1.5	-3.3	-3.2	-4.6	-0.5	6.6	4.5	
Difference:						-1.1	1.0	-0.8	0.2	-3.8	1.7	2.5	
Graham Tactical Trend	Systematic Trend Following	\$	102,936,160	2.1%		1.2	-5.2	-7.9	-15.7	-5.6	5.9	2.0	Apr-16
SG Trend Index	,					1.3	-5.8	-10.2	-15.3	-4.5	5.6	2.7	
Difference:						-0.1	0.6	2.3	-0.4	-1.1	0.2	-0.7	
Alternative Risk Premia		\$	138,488,136	2.8%		-4.4	-6.9	-1.1	-1.5	4.3	2.5	7.2	
5% Annual						0.4	1.2	2.5	5.0	5.0	5.0	6.1	
Difference:						-4.9	-8.2	-3.6	-6.5	-0.7	-2.5	1.2	
AQR Style Premia	Alternative Risk Premia	\$	81,879,963	1.7%		-0.4	-4.3	8.1	5.7	15.7	18.1	4.9	May-16
5% Annual						0.4	1.2	2.5	5.0	5.0	5.0	5.0	
Difference:						-0.8	-5.5	5.6	0.7	10.7	13.1	-0.1	
PE Diversified Global Macro	Alternative Risk Premia	\$	56,608,173	1.2%		-9.7	-10.5	-12.0	-10.4	-5.4	-3.9	0.4	Jun-16
5% Annual						0.4	1.2	2.5	5.0	5.0	5.0	5.0	
Difference:						-10.1	-11.8	-14.5	-15.4	-10.4	-8.9	-4.6	
Cash ³		\$	80,213,412	1.6%	0.0%	0.2	0.5	1.3	2.3	3.0	1.9	2.4	Sep-94
US T-Bills						0.3	1.0	2.1	4.7	4.6	2.8	2.5	
Difference:						-0.1	-0.5	-0.8	-2.4	-1.5	-0.9	-0.1	
Northern Trust STIF	Collective Govt. Short Term	\$	87,057,773	1.8%		0.3	0.8	1.9	3.6	3.8	2.3	2.7	Jan-95
US T-Bills						0.3	1.0	2.1	4.7	4.6	2.8	2.5	
Difference:						0.0	-0.2	-0.2	-1.1	-0.7	-0.4	0.2	
Parametric Overlay ⁴	Cash Overlay	\$	33,021,612	0.7%		0.0	0.0	0.0	0.0	0.0		0.0	Jan-20

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.

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.



Economic and Market Update

June 2025 Report



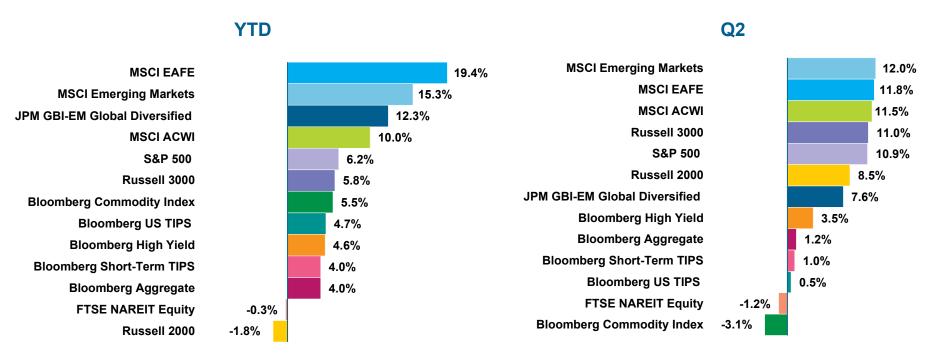
Commentary

During the quarter, US trade policy drove market dynamics. Significant volatility in early April after the initial tariff announcement was followed by a recovery in risk assets on their later temporary suspension. In fixed income markets, fiscal policy uncertainty and growing debt levels shaped market sentiment.

- → Domestic equities rose during the quarter (Russell 3000: +11.0%) and growth stocks, particularly technology, led the way.
- → Non-US developed-market stocks (MSCI EAFE: +11.8%) beat US markets, extending their outperformance over most asset classes year-to-date by returning +19.4%.
- → Emerging market equities were the best performers, returning +12.0% for the quarter, despite a modest +2.0% return in China.
- → In mid-June, the Federal Reserve held rates steady (but messaging was perceived as more accommodative by market participants compared to earlier in the year), with inflation, while improving, remaining above target and the unemployment rate still low.
- → Outside of longer dated government bonds, most fixed income markets rose for the quarter as yields generally remained stable or declined. The broad Bloomberg Aggregate Index returned +1.2%, while long-term Treasuries fell -1.5%. Riskier bonds did better as risk sentiment improved with emerging market debt increasing +7.6% and high yield bonds gaining +3.5%.
- → Looking ahead, continued uncertainty related to the US administration's tariff policies and their impact on the economy, inflation, and Fed policy will be key. The track of the US deficit, China's economy and relations with the US, as well as concerns over elevated valuations and weakening earnings in the US equity market, will also be important focuses for the rest of this year.







- → After tariff-related market volatility in April, global equity markets rallied in May and June on the general pausing of tariffs. Bond markets performed well with short-term yields declining in the US and intermediate-term yields remaining stable. Growing debt levels remained a key concern for major global economies.
- → US equity markets continued to provide strong gains year-to-date, returning to record levels after a weak start to 2025. International equities still lead the way in 2025, particularly developed markets, supported by a weakening US dollar.

¹ Source: Bloomberg. Data is as of June 30, 2025.



Domestic Equity Returns¹

Domestic Equity	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	5.1	10.9	6.2	15.2	19.7	16.6	13.6
Russell 3000	5.1	11.0	5.8	15.3	19.1	15.9	12.9
Russell 1000	5.1	11.1	6.1	15.7	19.6	16.3	13.3
Russell 1000 Growth	6.4	17.8	6.1	17.2	25.7	18.1	17.0
Russell 1000 Value	3.4	3.8	6.0	13.7	12.8	13.9	9.2
Russell MidCap	3.7	8.5	4.8	15.2	14.3	13.1	9.9
Russell MidCap Growth	4.4	18.2	9.8	26.5	21.4	12.6	12.1
Russell MidCap Value	3.5	5.3	3.1	11.5	11.3	13.7	8.4
Russell 2000	5.4	8.5	-1.8	7.7	10.0	10.0	7.1
Russell 2000 Growth	5.9	12.0	-0.5	9.7	12.4	7.4	7.1
Russell 2000 Value	4.9	5.0	-3.2	5.5	7.4	12.5	6.7

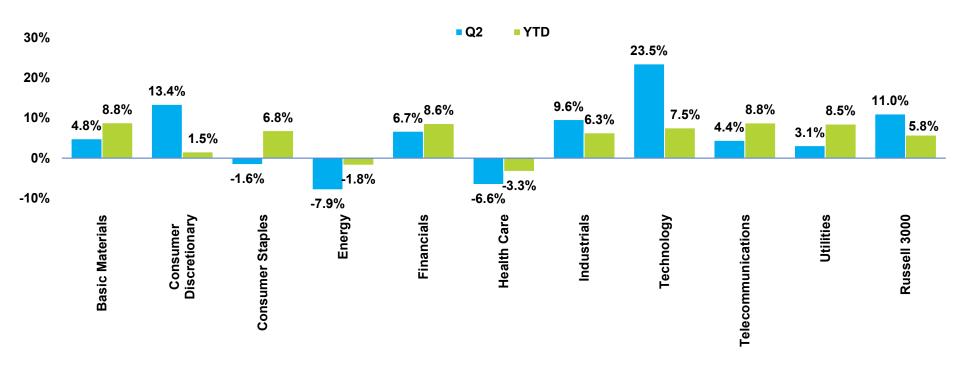
US Equities: The Russell 3000 index returned +5.1% in June and +11.0% in the second quarter.

- → US stocks rose during the second quarter as tariff concerns stabilized after the early April volatility. Strong corporate earnings, particularly in the technology sector, and a relatively resilient US economy also drove results.
- → Growth stocks outpaced value stocks across the market cap spectrum during the quarter, particularly in large cap (+17.8% versus +3.8%) due to strong gains in the large-cap companies focused on AI.
- → Small cap stocks (Russell 2000) had strong results (+8.5%) in Q2 but trailed large cap stocks (Russell 1000), which gained +11.1%. Gains in the large cap technology sector, elevated interest rates, and overall uncertainty related to the path of the US economy drove the underperformance.

¹ Source: Bloomberg. Data is as of June 30, 2025.







- → Technology stocks led the way in the second quarter. This sector contributed more than half of the quarter's gains in the Russell 3000 index. Al favorites, including NVIDIA and Broadcom, rebounded amid strong earnings reports.
- → Consumer discretionary stocks performed well for the quarter (+13.4%) given the slight easing of tariff concerns.
- → Energy (-7.9%) and Health Care (-6.6%) were the largest detractors among sectors for the second quarter. Increased supply and weakening demand and plans by the new administration to lower drug prices, respectively, weighed on the two sectors.

¹ Source: Bloomberg. Data is as of June 30, 2025.



Foreign Equity Returns¹

Foreign Equity	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	3.4	12.0	17.9	17.7	14.0	10.1	6.1
MSCI EAFE	2.2	11.8	19.4	17.7	16.0	11.1	6.5
MSCI EAFE (Local Currency)	0.2	4.8	7.8	8.0	13.5	11.6	7.0
MSCI EAFE Small Cap	4.3	16.6	20.9	22.5	13.3	9.3	6.5
MSCI Emerging Markets	6.0	12.0	15.3	15.3	9.7	6.8	4.8
MSCI Emerging Markets (Local Currency)	4.9	7.9	10.8	12.9	10.4	7.9	6.5
MSCI EM ex China	7.0	16.5	14.5	9.4	13.2	11.3	6.2
MSCI China	3.7	2.0	17.3	33.8	3.1	-1.0	2.1

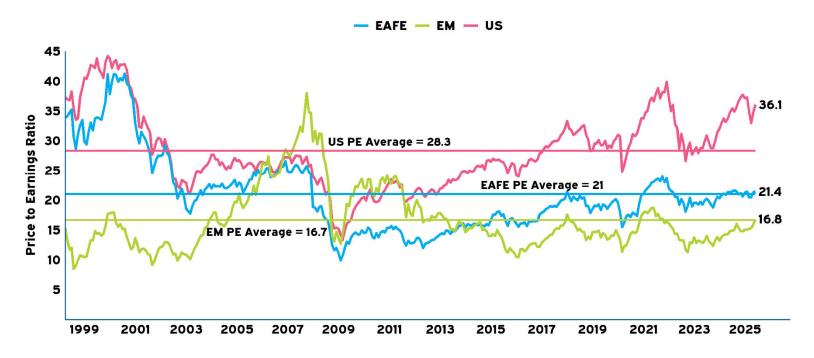
Foreign Equity: Developed international equities (MSCI EAFE) returned +2.2% in June and +11.8% in the second quarter and emerging market equities (MSCI Emerging Markets) rose +6.0% in June and +12.0% in the second quarter.

- → Developed markets outpaced US peers as continued weakness in the US dollar (USD) acted as a significant tailwind adding +7.0% to local returns. Eurozone equities had strong results, led by real estate and industrials (particularly defense) and benefiting from two rate cuts over the quarter as inflation fell below the ECB target of 2%. Japan also saw strong returns led by growth stocks after initial tariff-related declines.
- → Emerging markets ended the quarter slightly ahead of developed peers, also benefiting from the weakening USD. After the pronounced "Liberation Day" selloff, the 90-day tariff pause, and US-China dialogue eased many fears. Korea and Taiwan tech stocks benefited from continued AI optimism. China posted a small gain for the quarter as domestic consumption data continued to weigh on sentiment, and trade uncertainty lingered. India underperformed, as growth expectations were tempered, and valuations remained high.

¹ Source: Bloomberg. Data is as of June 30, 2025.



Equity Cyclically Adjusted P/E Ratios¹



- → After a considerable pullback in April, US stock valuations rallied and finished the quarter above where they started. They continue to trade well above their long-run cyclically adjusted P/E average of 28.3.
- → While non-US developed stocks have performed very well this year, at the end of June their valuations remain close to their long-run P/E ratio of 21.
- → Emerging market stocks continued to rally this year and are now trading at valuations near their long-run average.

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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 June 2025. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end, respectively.



Fixed Income Returns¹

Fixed Income	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	1.6	1.4	4.1	6.5	3.3	-0.1	2.1	4.7	5.9
Bloomberg Aggregate	1.5	1.2	4.0	6.1	2.5	-0.7	1.8	4.5	6.1
Bloomberg US TIPS	1.0	0.5	4.7	5.8	2.3	1.6	2.7	4.1	6.5
Bloomberg Short-term TIPS	0.5	1.0	4.0	6.5	3.9	3.8	2.9	3.9	2.4
Bloomberg US Long Treasury	2.5	-1.5	3.1	1.6	-3.7	-8.2	0.1	4.8	14.7
Bloomberg High Yield	1.8	3.5	4.6	10.3	9.9	6.0	5.4	7.1	3.2
JPM GBI-EM Global Diversified (USD)	2.8	7.6	12.3	13.8	8.5	1.9	2.1		

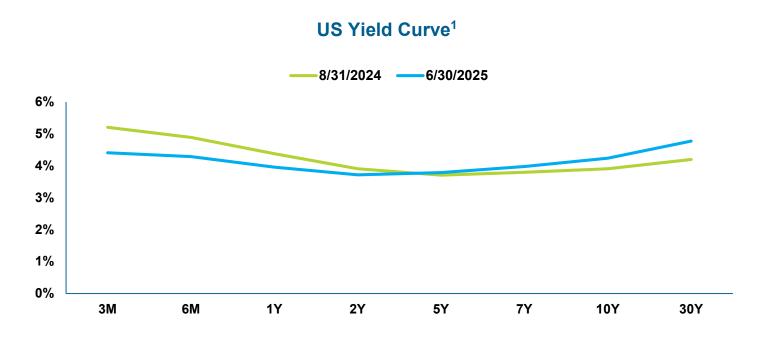
Fixed Income: The Bloomberg Universal index rose +1.6% in June and +1.4% in the second quarter.

- → In the bond market, easing of trade tensions post early-April and rising concerns over expansionary US fiscal policies drove results.
- → Outside the long-end of the yield curve, declining or stable Treasury yields supported the broad US bond market, with the Bloomberg Aggregate rising +1.2% for the quarter. Long-term Treasuries (-1.5%) underperformed as fiscal concerns in the US drove rates higher, particularly for 30-year Treasuries (+20 basis points).
- → Short (+1.0%) and longer dated (+0.5%) Treasury Inflation-Protected Securities ("TIPS") also provided positive performance as inflation risks remained.
- → Given the improving risk sentiment, emerging market debt (+7.6%) and high yield (+3.5%) led the way for the quarter.

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¹ Source: Bloomberg. Data is as of June 30, 2025. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available





- → Fiscal concerns related to a growing US government debt load and interest expense dominated headlines and market participant concerns, as did ongoing inflation-related uncertainty.
- → The policy sensitive 2-year nominal Treasury yield was volatile but ultimately declined by 16 basis points to close near 3.7% as market participants factored in a greater likelihood of lower policy rates going forward.
- → The 10-year nominal Treasury was also volatile but ended the period largely unchanged (4.2%), while the 30-year nominal Treasury increased by 0.2% over the quarter to 4.8% on growing debt concerns.
- → These dynamics led to a continued steepening of the yield curve over the quarter.

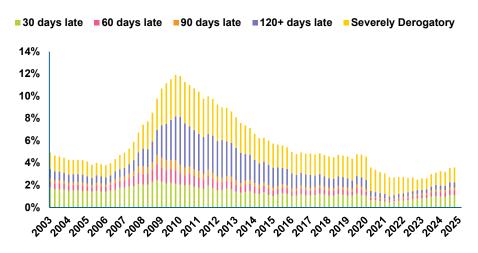
¹ Source: Bloomberg. Data is as of June 30, 2025. The August 2024 Treasury yields are shown as a reference before the first interest rate cut.

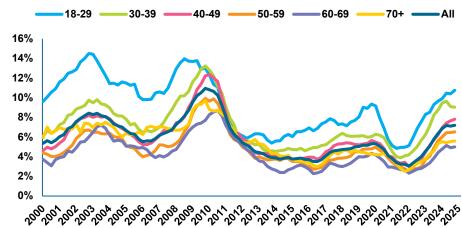


Stress is Building on US Consumers

Total Balance by Delinquency Status¹

Transition into Serious Delinquency for Credit Cards by Age²





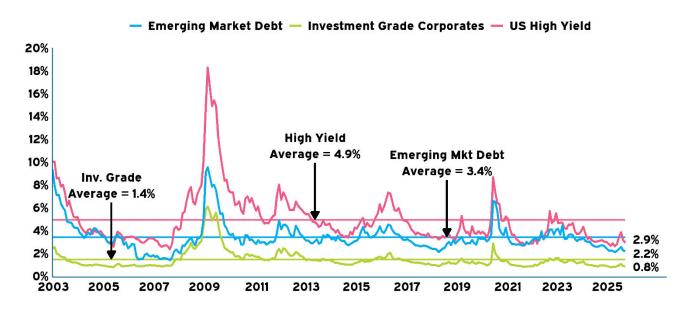
- → Signs of stress on the US consumer have started to emerge given persistently higher prices and interest rates.
- → After falling to historic lows during the pandemic, loan delinquencies recently started to increase.
- → Parts of the credit card market, particularly for younger cohorts, have begun to show stress as borrowers are subject to variable and higher borrowing costs. Total delinquencies are well below pre-pandemic levels though.
- → The restarting of student loan payments and reporting for those in default could add pressures to consumers going forward.

¹ Source: New York Federal Reserve, Quarterly Household Debt and Credit Report, February 2025. See also FRED. Data is as of April 30, 2025.

² Source: FRED. Data is as of April 30, 2025.



Credit Spreads vs. US Treasury Bonds¹

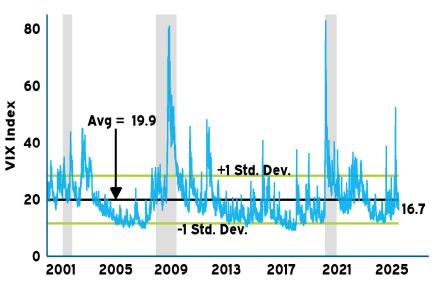


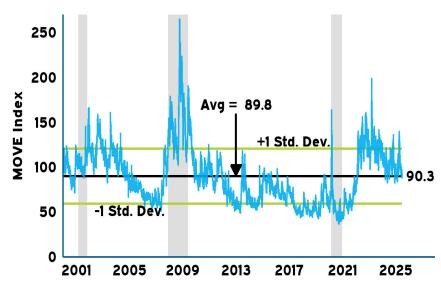
- → Despite considerable uncertainty about the looming impact of tariffs and fiscal policy, credit spreads tightened in the second quarter.
- → Investment grade spreads (the difference in yield from a comparable Treasury) spiked in the risk-off environment in April but have since declined to levels below the start of the quarter.
- → High yield spreads moved the most (3.5% to 2.9%) over the quarter. At the peak of uncertainty in April, they crossed above 4.5%. Emerging market spreads held steady (2.2%).
- → All yield spreads remained below their respective long-run averages, especially high yield (2.9% versus 4.9%).

¹ Source: Bloomberg. Data is as of June 30, 2025. 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.









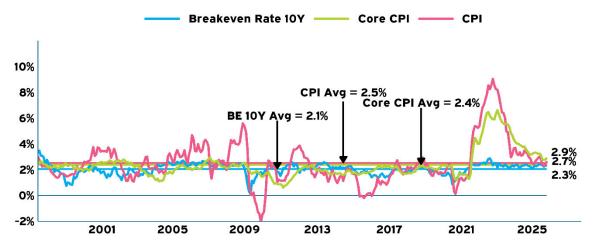
- → Bond and equity volatility spiked in April after the "Liberation Day" tariff announcement. Volatility levels finished the quarter well off highs, though, and below starting levels, as the tariff uncertainty seemed to ease.
- → Volatility levels (VIX) in the US stock market finished the quarter below its long-run average while bond market (MOVE) volatility ended the quarter slightly above its long-run average.

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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 June 30, 2025. The average line indicated is the average of the VIX and MOVE values between January 2000 and June 2025.



US Ten-Year Breakeven Inflation and CPI¹

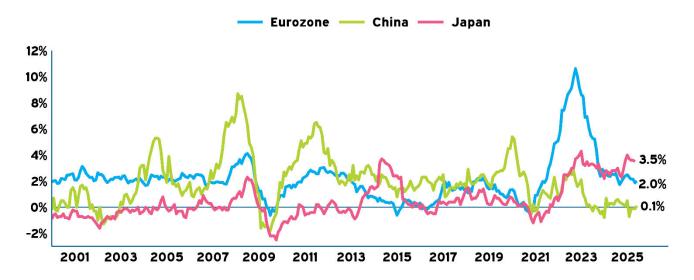


- → Inflation has been slow to return to the Fed's 2% average target, with headline twelve-month inflation rising from 2.4% to 2.7% over the quarter. In the June report, goods facing tariffs saw increases in prices, while a measurable decline in auto inflation, easing of cyclical services prices, and continued housing sector disinflation served as counters.
- → Core inflation year-over-year also rose over the quarter, reaching 2.9%. For the month it increased 0.2%, and most core sectors outside of new and used cars saw prices increase.
- → Market participants continued to highlight the dynamic of what appears to be disinflationary pressures in non-tariff exposed prices driven by weakening growth expectations, versus prices rising for those assets and sectors likely to see tariff polices solidified in the coming weeks.
- → Longer-dated inflation expectations (breakevens) declined slightly over the quarter (2.4% to 2.3%) amidst on-going tariff and fiscal policy uncertainty. However, shorter-dated inflation swap pricing and survey-based measures suggest continued upside risk to prices.

Source: FRED. Data is as of June 2025. 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

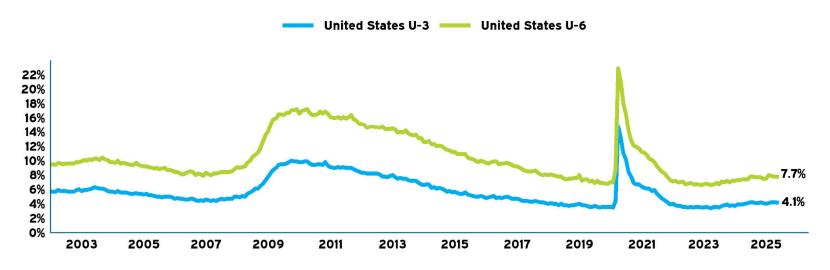


- → After its recent decline, inflation in the eurozone rose to 2% in June. Still, given reduced inflation pressures, many expect the ECB to cut interest rates once more by early next year.
- → The potential impact of future tariffs has complicated the inflation outlook for the Bank of Japan. Inflation rose 3.5% in May driven by food prices with the cost of rice up over 100% year-over-year given weak harvests.
- → In China, and amidst record policy stimulus, consumer prices rose for the first time since January. Still, some sectors are continuing to see deflationary pressures given the widespread weakness of the economy and ongoing trade uncertainty related to the US.

¹ Source: Bloomberg. Data is as of June 2025, except Japan which is as of May 2025.





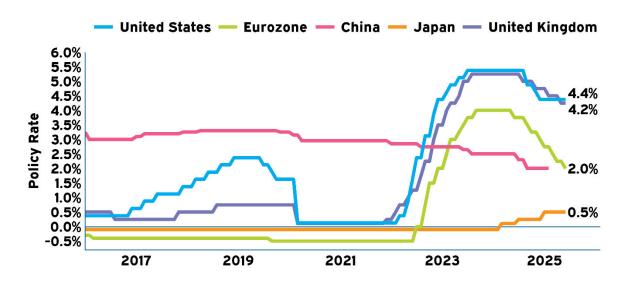


- → In June, the US added 147,000 jobs in line with the average monthly gain of 146,000 a month over the past year. The unemployment rate of 4.1% remained in the tight range of 4.0% to 4.2% since May 2024.
- → Government employment saw the largest job gains (+73,000 jobs) largely driven by education jobs in state government. The federal government lost 7,000 jobs in June bringing the total decline to 69,000 jobs this year.
- → Hires (5.6M) outnumbered separations (5.2M) with quits (3.3M) exceeding layoffs (1.6M).
- → Initial claims for unemployment remain relatively low and annual wage growth, although trending down, came in at 3.7% year-over-year for June.

¹ Source: FRED and BLS. Data is as of June 30, 2025.



Global Policy Rates¹

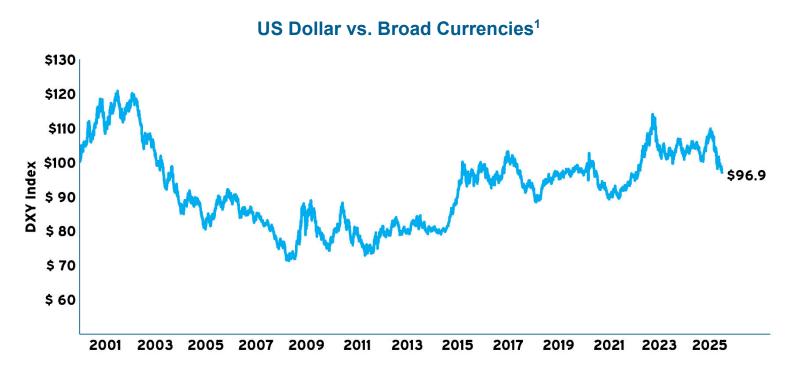


- → While the Fed remains on hold, other central banks have continued to ease policy rates. Expectations are now for the Fed to cut rates slightly less than two times (1.9 cuts based on futures prices), down from four expected cuts during the heart of growth concerns.
- → The ECB cut its policy rate for the 8th time in June, with inflation matching the 2% target supported by a stronger euro. The Bank of England held rates steady in June at +4.25% as inflation reaccelerated to 3.4% in May as regulated energy prices rose. After cutting rates in May, China's PBOC held most rates steady in June although disinflationary pressures continue to be a concern.
- → Japan kept rates at current levels in the face of an uncertain inflationary and trade pressures but voted to slow its purchase of JGBs in a continuing retreat from quantitative easing.

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¹ Source: Bloomberg. Data is as of June 30, 2025, except China which is as of February 28, 2025. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.





- → Over the quarter, the US dollar declined an additional -7% bringing its year-to-date drop to close to -11%.
- → Typically, higher interest rates support the US dollar but recent concerns over changing US administration policies, potentially slower growth, non-US investor currency hedging, and fiscal concerns, all led to investors shedding US assets.

¹ Source: Bloomberg. Data as of June 30, 2025.



Summary

Key Trends:

- → According to the International Monetary Fund's (IMF) April annual report, global growth in 2025 was downgraded from +3.3% to +2.8%, 0.5% lower than 2024. Concerns related to tariffs and their impact on growth drove the reduction. The US growth forecast saw one of the larger declines for 2025 (+2.7% to +1.8%). China's growth forecast was also substantially lowered for this year (+4.6% to +4.0%), while growth in the EU is projected to be slightly higher (+1.3%) in 2025.
- → Despite the recent pause and negotiations related to tariffs, many questions remain. Overall, higher tariff levels and continued uncertainty could weigh on growth while increasing prices. Inflation levels and recent developments with tariffs will likely lead to a slower pace of interest rate cuts by the Fed. Uncertainty in the US and the potential for slower growth could continue the rotation out of US assets and put continued downward pressure on the dollar.
- → Some signs of stress have started to emerge on the US consumer with sentiment weakening since the start of the year. Consumers are particularly concerned about losing their jobs and the potential for higher prices. Overall, risk to economic growth and to inflation from tariffs, as well as elevated borrowing costs, could put further pressure on consumers and lead to a weaker job market. The recent resumption of collecting and reporting delinquent student loans could be a further headwind to consumption.
- → US equities recovered from losses experienced during the first week of April and ended the quarter at all-time highs. A focus 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 continue to be important.
- → Trade tensions between the US and China will remain a key focus. Recently, the two countries agreed on a 90-day truce with the US lowering its maximum tariff rate on Chinese goods from 145% to 30%, with a 10% baseline level. China agreed to lower its 125% tariff on American goods to 10%. Questions remain about what will happen after the 90-day period. Notably, tariff levels on China remain higher than where they previously were.



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August 8, 2025

California Code 7514.7

Disclosure – Calendar Year 2024



California Code 7514.7 Disclosure – Calendar Year 2024

Introduction

- → California Assembly Bill 2833 was introduced in 2016 and became effective January 1, 2017 as California Government Code 7514.7 (the "Code").
- → The Code is intended to require California public pension plans ("California Plans") to obtain and publicly disclose annually certain additional fee and expense data and information.
- → The law applies to any private fund that is an alternative investment vehicle whose contract with a California Plan was entered into on or after January 1, 2017, or for any existing contract as of December 31, 2016 for which an additional capital commitment is made on or after January 1, 2017.
- → For all other existing contracts, California Plans are required to use reasonable efforts to acquire the information necessary to make the required annual disclosures.

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California Code 7514.7 Disclosure – Calendar Year 2024

Code Disclosure Requirements

- 1. The fees and expenses that the California Plan pays directly to the alternative investment vehicle, the fund manager, or related parties.
- 2. The California Plan's pro rata share of fees and expenses not included in paragraph (1) that are paid from the alternative investment vehicle to the fund manager or related parties. The California Plan may independently calculate this information based on information contractually required to be provided by the alternative investment vehicle to the public investment fund. If the California Plan independently calculates this information, then the alternative investment vehicle shall not be required to provide the information identified in this paragraph.
- 3. The California Plan's pro rata share of carried interest distributed to the fund manager or related parties.
- 4. The California Plan's pro rata share of aggregate fees and expenses paid by all of the portfolio companies held within the alternative investment vehicle to the fund manager or related parties.
- 5. Any additional information described in subdivision (b) of Section 6254.26 of the Code.
 - (b) Every California Plan shall disclose the information provided pursuant to subdivision (a) at least once annually in a report presented at a meeting open to the public. The California Plan's report required pursuant to this subdivision shall also include the gross and net rate of return of each alternative investment vehicle, since inception, in which the California Plan participates.

The California Plan may report the gross and net rate of return and information required by subdivision (a) based on its own calculations or based on calculations provided by the alternative investment vehicle.

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California Code 7514.7 Disclosure – Calendar Year 2024

Code Section 6254.26 Requirements:

- 1. The name, address, and vintage year of each alternative investment vehicle.
- 2. The dollar amount of the commitment made to each alternative investment vehicle by the California Plan since inception.
- 3. The dollar amount of cash contributions made by the California Plan to each alternative investment vehicle since inception.
- 4. The dollar amount, on a fiscal year-end basis, of cash distributions received by the California Plan from each alternative investment vehicle.
- 5. The dollar amount, on a fiscal year-end basis, of cash distributions received by the California Plan plus remaining value of partnership assets attributable to the California Plan's investment in each alternative investment vehicle.
- 6. The net internal rate of return of each alternative investment vehicle since inception.
- 7. The investment multiple of each alternative investment vehicle since inception.
- 8. The dollar amount of the total management fees and costs paid on an annual fiscal year-end basis, by the California Plan to each alternative investment vehicle.
- 9. The dollar amount of cash profit received by California Plans from each alternative investment vehicle on a fiscal year-end basis.

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California Code 7514.7 Disclosure - Calendar Year 2024

Alternative Investments - Private Equity, Private Credit and Private Real Estate

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California Code 7514.7 Disclosure - Calendar Year 2024

Partnerships -	Commitment	Ending Market Value, Net	Mgmt. Fee	Partnership Expenses	Offsets Paid (Received)	Other Fees & Exp.s paid to the GP	Carried Interest Paid (Rec.d)	Fees & Exp.s Paid to Affiliates	Fees Paid to Underlying Funds Co.s	Total Fees Paid or (Capital Returned)
Firm Name	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
AEW	50,000,000	52,002,305	85,876	43,092	-	559,410	-	-	-	688,378
Almanac VI	30,000,000	2,822,269	43,602	11,730	-	(154)	-	-	-	51,555
AG Core Plus IV	20,000,000	5,937,839	141,981	22,927	-	-	-	-	-	164,908
Ares Pathfinder	62,500,000	13,901,320	164,152	37,059	-	-	-	-	-	201,211
Berkeley Partners V	40,000,000	33,341,052	442,138	-	-	-	-	-	-	442,138
Berkeley Partners VI	40,000,000	8,080,808	600,000	(17,059)	(35,580)	20,565	-	-	-	567,926
Bessemer Forge	20,000,000	11,595,255	400,000	43,793	-	54,574	-	-	-	498,367
Bessemer Fund XII	30,000,000	5,086,803	532,212	35,977	-	-	-	-	-	568,189
Blackrock – Direct Lending	100,000,000	84,454,618	960,447	742,006	-	392,789	-	-	-	2,095,242
BlackRock – Power and Energy	50,000,000	44,231,474	691,684	57,872	(93)	-	-	-	-	749,463
BlackRock - Infrastructure	50,000,000	29,586,008	323,236	213,573	-	-	-	-	-	536,809
Blue Owl Digital Infrastructure	50,000,000	16,900,763	1,737,997	307,513	-	-	-	-	-	2,045,510
Capitol Meridian Partners	25,000,000	9,670,000	1,271,918	531,480	(417,245)	-	-	-	-	1,386,153
Crestline Fund II	45,000,000	8,940,788	25,334	50,824	-	-	-	-	-	76,158
Davidson Kemp. V***	50,000,000	-	-	-	-	-	-			-
Greenfield VII	19,122,340	1,110,119	17,507	25,744	-	-	(64,000)	-	436	(20,313)
Grandview I	30,000,000	12,311,026	352,743	104,526	-	-	-	-	35,896	493,165
HPS EU Value II	50,000,000	36,016,748	598,460	113,840	-	-	-	-	-	712,300
Lightspeed Ventures Select V***	40,000,000	19,314,955	-	-	-	-	-	-	-	-

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^{***}Managers declined to respond to this request for information.



California Code 7514.7 Disclosure - Calendar Year 2024

	Со	de 7514.7 D	isclosure F	Requirement	:: 2024 Cale	endar Year	Data			
Partnerships -	Commitment	Ending Market Value, Net	Mgmt. Fee	Partnership Expenses	Offsets Paid (Received)	Other Fees & Exp.s paid to the GP	Carried Interest Paid (Rec.d)	Fees & Exp.s Paid to Affiliates	Fees Paid to Underlying Funds Co.s	Total Fees Paid or (Capital Returned)
Firm Name	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Long Arc	25,000,000	28,223,824	500,000	117,146	(29,604)	-	-	-	-	587,542
Mesa West IV	75,000,000	33,339,653	572,141	111,945		-	-	-	-	684,086
Morgan Creek III	10,000,000	5,668,485	58,168	78,560	-	-	-	-	-	136,728
Morgan Creek V	12,000,000	5,240,500	5,256	6,916	-	-	-	-	-	12,172
Morgan Creek VI	20,000,000	23,175,102	38,842	107,767	-	-	(101,787)	-	-	44,822
Oaktree Middle Market Direct Lending	50,000,000	31,641,089	590,502	428,005	(500)	-	-	-	500	1,018,507
Oaktree Special Situations	40,000,000	17,801,772	271,479	144,613	-	-	-	-	-	416,092
Ocean Avenue II	40,000,000	18,401,596	155,847	59,471	-	-	(2,386,781)	249,693	369,554	(1,552,216)
Ocean Avenue III	50,000,000	51,675,142	316,660	71,042	-	-	(1,866,734)	824,800	316,313	(337,919)
Ocean Avenue IV	50,000,000	54,956,059	625,000	58,231	-	-	(99,996)	-	-	583,235
Ocean Avenue V	30,000,000	14,367,998	375,000	103,308	-	-	-	-	-	478,308
Principal	25,000,000	38,232,224	364,210	20,150	-	-	-	-	-	384,360
Raven III	50,000,000	16,005,002	167,202	463,599	-	-	-	-	-	630,801
Ridgemont Equity Partners	50,000,000	29,875,409	1,000,000	dnr	(198,950)	-	-	-	-	801,050
Silver Point	62,000,000	21,688,841	89,990	(3,913)	-	-	-	-	-	86,077
Silver Rock	62,500,000	53,651,174	668,866	22,897	-	-	(44,239)	-	-	647,524
Stellex II	50,000,000	53,920,215	795,442	225,555	(27,416)	318	-	-	-	993,899
Stockbridge III	45,000,000	7,180,188	137,263	90,195	-	-	-		-	227,458
White Oak – Summit Peer	50,000,000	23,146,540	219,703	128,138	-	-	-	-	-	347,841
White Oak - Yield	50,000,000	45,345,532	397,281	217,997	108,069	-	-	-	-	723,347

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California Code 7514.7 Disclosure - Calendar Year 2024

	Code Section 6	6254.26 Dis	closure Requi	rement: Since	Inception Da	te		
Partnerships -	Address		Commitment	Contributions	Distributions	Ending Market Value		
Firm Name	(City, State)	Vintage	(\$)	(\$)	(\$)	(\$)	Since Inception IRR (%) *	Net Equity Multiple - TVPI *
AEW	Boston, MA	2023	50,000,000	50,525,913	1,881,032	52,002,305	-	1.0
Almanac VI	New York, NY	2011	30,000,000	18,570,682	20,621,471	2,822,269	7.8	1.3
AG Core Plus IV	New York, NY	2014	20,000,000	18,995,510	14,950,000	5,937,839	2.2	1.1
Ares Pathfinder II	Los Angeles, CA	2024	62,500,000	11,550,362	212,687	13,388,591	-	1.2
Berkeley Partners V	San Francisco, CA	2020	40,000,000	34,277,216	9,551,947	33,341,052	10.2	1.3
Berkeley Partners VI	San Francisco, CA	2023	40,000,000	8,276,343	194,180	8,080,808	-	1.0
Bessemer Forge	San Francisco, CA	2023	20,000,000	10,177,569	-	11,595,255	-	1.1
Bessemer Fund XII	San Francisco, CA	2024	30,000,000	5,492,399	-	5,086,803	-	1.1
Blackrock – Direct Lending	New York, NY	2020	100,000,000	96,100,324	32,795,715	84,454,618	9.3	1.2
BlackRock – Power and Energy	New York, NY	2019	50,000,000	52,926,400	19,548,016	50,051,921	10.39	1.3
BlackRock Infrastructure	New York, NY	2023	50,000,000	27,228,603	438,836	29,586,008	-	1.1
Blue Owl Digital Infrastructure	New York, NY	2024	50,000,000	13,659,894	0	16,900,763	-	1.2
Capitol Meridian Partners	Washington, D.C.	2024	25,000,000	9,965,800	42,360	9,670,000	-	1.0
Crestline Fund II	Dallas, TX	2013	45,000,000	32,440,403	28,682,803	8,940,788	3.2	1.2
Davidson Kemp. V***	New York, NY	2017	50,000,000	44,090,400	53,331,452	49,974,044	8.1	1.2
Greenfield VII	Westport, CT	2013	19,122,340	18,275,000	30,636,201	1,209,793	13.3	1.7
Grandview I	Westport, CT	2017	30,000,000	27,197,010	28,589,221	12,914,068	20.3	1.5
HPS EU Value II	New York, NY	2020	50,000,000	47,935,949	25,478,497	33,315,807	9.6	1.2
Lightspeed Ventures Select V***	San Francisco, CA	2022	40,000,000	20,800,000	-	19,314,955	-	-

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^{*} Data provided by MIG's Real Estate group or from MIG's internal reporting service.

^{***} Managers declined to respond to this request for information.



California Code 7514.7 Disclosure - Calendar Year 2024

	Code Section 6	Code Section 6254.26 Disclosure Requirement: Since Inception Date										
Partnerships -	Address		Commitment	Contributions	Distributions	Ending Market Value						
Firm Name	(City, State)	Vintage	(\$)	(\$)	(\$)	(\$)	Since Inception IRR (%) *	Net Equity Multiple - TVPI *				
Long Arc	New York, NY	2023	25,000,000	23,638,476	-	28,223,824	-	-				
Mesa West IV	Los Angeles, CA	2016	75,000,000	70,000,000	35,237,797	33,339,653	4.4	1.0				
Morgan Creek III	Raleigh, NC	2015	10,000,000	9,900,000	3,000,000	5,668,485	-4.9	0.9				
Morgan Creek V	Raleigh, NC	2013	12,000,000	11,520,000	16,080,000	5,240,500	12.3	1.9				
Morgan Creek VI	Raleigh, NC	2015	20,000,000	18,200,000	23,775,102	23,175,102	9	2.6				
Oaktree Middle Market Direct lending	New York, NY	2018	50,000,000	42,625,000	28,107,518	31,641,089	12.8	1.4				
Oaktree Special Situations	New York, NY	2023	40,000,000	19,244,593	6,483,403	17,801,772	-	1.3				
Ocean Avenue II	Los Angeles, CA	2013	40,000,000	36,000,000	66,830,084	18,401,596	17	2.4				
Ocean Avenue III	Los Angeles, CA	2016	50,000,000	46,500,000	59,500,000	51,675,142	23.5	2.4				
Ocean Avenue IV	Los Angeles, CA	2019	50,000,000	49,000,000	37,395,927	55,413,425	31.3	1.9				
Ocean Avenue V	Los Angeles, CA	2022	30,000,000	10,650,000	-	14,367,998	-	1.1				
Principal	Des Moines, IA	2015	25,000,000	25,000,000	0	38,232,224	4.8	1.5				
Raven III	Los Angeles, CA	2015	50,000,000	50,000,000	17880917*	16,005,002	-	-				
Ridgemont Equity Partners	Charlotte, NC	2023	50,000,000	25,609,482	-	29,875,409	-	1.1				
Silver Point	Greenwich, CT	2023	62,000,000	20,820,191	1,626,063	21,688,841	-	1.1				
Silver Rock	New York, NY	2023	62,500,000	46,646,367	-	53,488,057	12.3	-				
Stellex II	New York, NY	2021	50,000,000	47,272,871	6,491,009	53,920,215	1.9	1.3				
Stockbridge III	San Francisco, CA	2017	45,000,000	41,393,662	51,304,639	7,180,188	9.2	1.4				
White Oak – Summit	San Francisco, CA	2016	50,000,000	67,589,518	56,757,815	23,146,540	3.4	1.2				
White Oak - Yield	San Francisco, CA	2019	50,000,000	62,808,772	22,412,809	45,345,532	3.2	1.1				

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^{*} Data provided by MIG's Real Estate group or from MIG's internal reporting service.



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2025 Annual SJCERA Investment Roundtable October 16, 2025

7:15 a.m. - 4:00 p.m.

Wine & Roses 2505 Turner Road Lodi, CA 95242 (209)334-6988

AGENDA - DRAFT

Thurs	sday, Octobe	er 16, 2025	Duration (Minutes)
I.	7:15 a.m.	Roundtable Registration & Continental Breakfast	:45
II.	8:00 a.m.	Roll Call	:15
		Pledge of Allegiance	
		Welcome and Introduction of Participants	
III.	8:15 a.m.	Overview of SJCERA – Asset Allocation, return/risk, goals, and objectives.	:30
		(David Sancewich - Meketa)	
IV.	8:45 a.m.	Keynote Speaker – The state of the world in 2025 and beyond. (Allison Boxer – PIMCO, Managing Director)	1h:00
V.	9:45 a.m.	Break	:30
VI.	10:15 a.m.	Private Markets Investing (Private Equity, Private Credit, Infrastructure) – What's next and where are the markets today? Will Private market increase distributions and M&A activity? (TBD)	1h:00



2025 Annual SJCERA Investment Roundtable Agenda October 16, 2025 Page 2 of 2

VII.	11:15 a.m.	Real Estate -What lies ahead in Real Estate and where are the opportunities? What is the future for vacant office buildings? What are some emerging market constraints in Real Estate? (TBD)	:45
VIII.	12:00 p.m.	Lunch	1h:15
IX.	1:15 p.m.	Manager Debate: In a classic debate format; watch teams of managers debate various topics. (TBD)	:45
X.	2:00 p.m.	Deglobalization and Tariffs – When will it stop and what does it mean? The tide has turned and international markets are now outperforming the US Will this continue?. What investment trends make sense given the current state of the markets? (TBD)	1h:00
XI.	3:00 p.m.	Break	:15
XII.	3:15 p.m.	Open Discussion and Re-Cap (David Sancewich - Meketa) Comments from the Board Comments from the Public	:45
XIII.	4:00 p.m.	Adjournment	



August 1, 2025

TO: Board of Retirement

Ele a

FROM: Renee Ostrander

Chief Executive Officer

SUBJECT: Chief Executive Officer Report

Strengthen the long-term financial health of the Retirement Plan

Evaluate the Appropriateness of Actuarial Assumptions

Conduct Actuarial Experience Study to assess any relevant changes to demographics. At the August Board meeting, Graham Schmidt of Cheiron will present SJCERA's Actuarial Experience Study for January 1, 2021, through December 31, 2024, and the 2024 Preliminary Actuarial Valuation Report, including the economic and demographic assumptions and total cost impact of the Plan. It is anticipated that Cheiron will present the final 2024 Valuation Report and 2026 contribution rates at the September Board meeting, based on the Board's feedback this month.

Amend the Strategic Asset Allocation policy based on the result of the Asset-Liability Study. At the August Board meeting, David Sancewich will present an education piece on Asset Allocation and introduction of a separate allocation of Infrastructure to the allocation mix coming forward in the next couple months.

Operating Model 2025

Evaluate potential of utilizing our investment consultant for aggregate investment opportunities. SJCERA staff has prepared a white paper considering whether to utilize Meketa's ability to aggregate our investments with other clients. The paper evaluated the advantages discounts and fee reductions of aggregate purchases by Meketa, while balancing the responsibilities of fiduciary responsibilities. Staff is recommending we retain our current process and do not utilize this option at this time.

Initiate the evaluation of best practices on in-house vs. outsourced investment functions. SJCERA has adopted a hybrid investment model that balances internal oversight with targeted outsourcing. Our inhouse team is responsible for strategic asset allocation, manager oversight, and public market investments. For more complex or resource-intensive strategies—such as private equity, real estate, and private credit—we rely on external managers and consultants, including Meketa, to provide specialized expertise, access, and implementation support. This approach allows us to maintain control where appropriate while leveraging outside resources to enhance portfolio execution. Staff is recommending we maintain our current allocated balance.

Optimize the Investment Manager Lineup

Evaluate the portfolio/investment managers for optimum performance and initiate changes as needed. At the August Board meeting, staff and Meketa are bringing forward BlackRock infrastructure fund proposal for the Board to consider. This presentation is part of a first close for the new fund.

Risk Assessment

Evaluate risk tolerance during Asset-Liability and Actuarial Experience Study. In the August Board meeting, Graham Schmidt of Cheiron will be presenting the tri-annual experience study. Included within the experience study is the current assumption, along with recent experience and market expert feedback. The Board will have the opportunity to evaluate the Plan and the assumptions presented and define direction based on appropriate risk tolerance.

Modernize the Operations Infrastructure

New Pension Administration System (PAS)

Re-evaluate PAS implementation schedule; determine feasibility of accelerated timeline. SJCERA staff have completed Phase 2 of the Request for Proposal process. Phase 3 is underway with three finalists. We are currently anticipating 78 hours of vendor meetings during this phase. We anticipate Phase 3 will be completed near the end of August. At that time, Phase 4 will commence, with proposal submissions scheduled to be due in mid-September.

Member Experience

Develop member engagement strategy, including new website design and annual member open house. In July we hosted our first Annual Member Open House. This Open House focused on the "Path to Retirement" and had an educational aspect to it. We provided educational handouts and a chance to meet staff and discuss any questions they had regarding SJCERA benefits. We were expecting a small number of members to attend, but we unexpectedly had **122 members** arrive during the 11-2 session! As a team, SJCERA staff pulled together to help make this event a success. Each member walked away thanking us and finding the information extremely helpful. While we may have had a few surprises, we'll be well prepared for next year's event.

Develop content (podcast, video, social media and educational materials) based on member feedback. We are almost finished with our "I've Decided to Retire...Now What?" series, season 1. In Ep. 3 we discussed the retirement packet itself. While it was a longer video, this episode is our most popular at a 12.55% engagement rate. With great success for this series, we are very excited to get started on the next season later this year.

Improve Business Operations

Evaluate and replace board meeting agenda software. SJCERA Administration staff met mid-July to run through a full implementation of the July 2025 Board of Retirement Meeting agenda and packet creation with CivicPlus as a parallel test to ensure our ability to use CivicPlus in creating the August 8, 2025 Board of Retirement agenda and packet creation. The new agenda management solution includes approval workflows and has proven to be a user-friendly tool and implemented with only minor changes in formatting. SJCERA would like to thank our CivicPlus implementation consultant Eden Snyder and Account Manager Gabby Bond for an outstanding, on-time implementation. The last phase of this project is for SJCERA to prepare and upload our historical Board materials to the CivicPlus site and then final integration of the CivicPlus agenda portal solution to our website.

Employer Experience

Conduct an employer survey to determine education and engagement needs. As part of our continued efforts to listen to our employer feedback and improve our employer's experience, we launched an annual employer newsletter in July. This newsletter, appropriately titled "The Collab", will serve as a touch point between semiannual employer meetings and includes information on what we have accomplished so far. This inaugural edition includes a "save the date" for the 2026 Employer Symposium, as well as what is on the agenda for the second half of the year.

Align Resources and Organizational Capabilities

Organization Metrics

Develop measurements to help track non-financial performance. Retirement Services Officer, Ron Banez and Information Systems Specialist Jordan Regevig worked with our ACEO to implement a simple and easy solution to track incoming calls and member visits allowing us to begin reporting metrics and collecting information about our member interactions. This will allow us to identify trends and then proactively find ways to address the most common member questions and improve the information we provide to members via the website, social media, and in-person. These metrics will be included in the Quarterly Operations Reports beginning October 2025.

Managing emerging needs

Complete RFP for actuarial and investment consulting services. The RFP evaluation team reviewed the proposals, and the Board will consider the review team's recommendation to continue retaining Cheiron as SJCERA's actuary at the August Board meeting.

Maintain Business Operations

Employee of the Month

This month, we are recognizing Melinda DeOliveira for her extraordinary efforts supporting the Benefits Department. One of the benefits team was on leave and since we didn't have a backup fully trained, Melinda stepped up and took ownership, all while making sure her work did not suffer in the least. She didn't just perform the basic transactions required but dug into the process and identified several opportunities for efficiencies and process improvements.

Provide Excellent Customer Service

A few quotes from our members:

"Thank you, Ron! I requested documents and thanks to Ron, I received them as he promised."

"Andrea clarified some things I was very confused about. She made the prospect of retiring not so scary."

"Margarita was very kind and patient with me. I was explaining what I was inquiring about but wasn't sure of the process to get info. She made it happen in like 2 mins. I think I took longer explaining myself. She's a good staff member."

Conclusion

This month's message is about our continued focus on engagement with all areas of our business. We are purposefully engaging with our members to enhance their education and understanding of the benefit they are building with us. We launched our Annual Open House providing education and 1:1 time with our team so they could ask questions and enhance their knowledge. We also launched another educational video to assist in the process of retirement. And finally, we opened enrollment for our newest webinar, Reciprocity.

Within our vendor community, we have launched into Phase 3 of our Pension Administration System Request for Proposal. This portion of the Request encourages engagement with our potential vendors to understand SJCERA's approach to finding a new, efficient solution for our future, providing us with an automated solution that performs the processes that we currently perform manually, providing us the ability to utilize that capacity in the future to perform work that provides value to our entire community.

And engagement with our employer partners boasts some new accomplishments as well. As mentioned earlier, we have released our new employer newsletter, offering us another means to stay connected to our employers. We have also finalized the development of our retirement education class retooled to be fully delivered in Spanish. We are currently collaborating with a few of our employers that have a larger, native Spanish-speaking population to deliver this piloted course. We are hopeful that in meeting the needs that our employers identify, we can remain connected and responsive to our community as a whole.