



SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

AGENDA

BOARD OF RETIREMENT MEETING SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION BOARD MEETING FRIDAY, JUNE 12, 2026 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/83889562393> and following the prompts to enter your name and email, or (2) calling (669) 219-2599 or (669) 900-9128 and entering Meeting ID 83889562393#

Persons who require disability-related accommodation should contact SJCERA at (209) 468 -2166 or GregF@sjcera.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 May 8, 2026
- 3.2 Minutes of the Audit Committee Meeting of May 8, 2026
- 3.3 Minutes of the Special Board Meeting of May 8, 2026
- 3.4 Board to receive and take possible action

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. TRUSTEE APPRECIATION RESOLUTIONS

- 5.1 Resolution in appreciation of Trustee Raymond McCray
- 5.2 Resolution in appreciation of Trustee Emily Nicholas
- 5.3 Board to consider and take possible action on adoption of resolutions of appreciation

6. SJCERA's 80th ANNIVERSARY CELEBRATION

7. MANAGER PRESENTATION - HINES RIALTO

- 7.1 Presentation by Scott Gelley, Eric Green, Managing Directors of Rialto Capital and Gary Evans, Managing Director of Hines

8. CLOSED SESSION

- 8.1 Purchase or Sale of Pension Fund Investment
California Government Code Section 54956.81
- 8.2 Purchase or Sale of Pension Fund Investment
California Government Code Section 54956.81

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

- 1 Justin Claypool
Deputy Sheriff II
Sheriff - Special Services Division

9. CONSENT

9.1 Service Retirements

9.2 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

9.3 Legislative Summary Report/SACRS Legislative Update

9.4 Calendar

9.5 Financial Reports for Year Ended December 31, 2025

- 1 Report to the Board of Retirement and Audit Committee
- 2 Annual Financial Report with Independent Auditor's Report

9.6 Manager Performance Flash Report - April 2026

9.7 Board to consider and take possible action on consent items

10. INVESTMENT CONSULTANT REPORTS

10.1 Presentation by David Sancewich of Meketa Investment Group

- 1 Quarterly Reports from Investment Consultant for the period ended March 31, 2026
 - a Quarterly Investment Performance Analysis
 - b Manager Certification Report
 - c Manager Review Schedule
- 2 Monthly Economic and Markets Update - April 2026
- 3 Emerging Market Equity Review
- 4 Capital Markets - Portfolio Risk Review

5 Investment Roundtable Primer

10.2 Board to receive and file reports

11. STAFF REPORTS

11.1 CEO Report

1 Action Plan Mid-Year Update

11.2 Board to receive and file reports

12. REPORT OUT OF PREVIOUS CLOSED SESSION

12.1 On April 10, 2026, the Board voted 8-0 in regard to Resolution 2026-06-01 titled "I Squared Global Infrastructure Fund IV" and to authorize the CEO to sign the necessary documents to invest \$100 million in the fund.

12.2 On March 13, 2026, the Board voted 7-0 in regard to Resolution 2026-06-02 titled "Abacus Multi-Family Partners VII" and to authorize the CEO to sign the necessary documents to invest \$75 million in the fund.

13. COMMENTS

13.1 Comments from the Board of Retirement

14. SUMMARY OF BOARD DIRECTION

15. ADJOURNMENT



San Joaquin County Employees' Retirement Association

MINUTES

BOARD OF RETIREMENT MEETING SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION BOARD MEETING FRIDAY, MAY 8, 2026 AT 9:02 AM

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

1. ROLL CALL

MEMBERS PRESENT: Emily Nicholas, Phonxay Keokham, Sam Kaisch, Raymond McCray, Michael Duffy, JC Weydert, Steve Moore and Michael Restuccia presiding

MEMBERS ABSENT: Sonny Dhaliwal

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

OTHERS PRESENT: Member Chanda Bassett, Community Member David McCray, Community Member Steve Dougherty, David Sancewich, Kay Ceserani of Meketa Investment Group

2. PLEDGE OF ALLEGIANCE

Led by Chair Restuccia

3. MEETING MINUTES

3.1 Minutes of Board Meeting of April 10, 2026

3.2 The Board voted unanimously (7-0) to approve the Minutes of the Board meeting of April 10, 2026 (Motion: Duffy; Second: Weydert)

4. PUBLIC COMMENT

4.1 There was no public comment

5. CONSENT

5.1 Service Retirements

5.2 Trustee and Executive Staff Travel

1 Conference and Event Schedules

- a IFEBP Public Plan Trustees Level 1 Agenda
- b NAPPA Legal Education Conference Agenda
- c NCPERS Chief Officers Summit Agenda
- d ALTS 2026 Agenda
- 2 Summary of Pending Trustee and Executive Staff Travel
- 3 Summary of Completed Trustee and Executive Staff Travel
 - a Summary of ALTSLA Event Sam Kaisch
- 5.3 Legislative Summary Report/SACRS Legislative Update (item pulled for update by Legal Counsel Aaron Zaheen)
- 5.4 Calendar
- 5.5 SACRS Business Meeting - May 15, 2026
- 5.6 The Board unanimously approved (7-0) the Consent Calendar (Motion: Kaisch; Second: Duffy)

6. INVESTMENT CONSULTANT REPORTS

- 6.1 Presentation by David Sancewich of Meketa Investment Group
 - 1 Monthly Investment Performance Update
 - a Manager Performance Flash Report - March 2026
 - b Economic and Markets Update - March 2026
 - 2 Risk Survey Results
 - 3 Private Markets Benchmark Education (:20 minutes Ed)
- 6.2 The Board received and filed reports

7. STAFF REPORTS

- 7.1 CEO Report

In addition to the written report CEO Ostrander stated: 1) the election cycle is underway for those filling vacant Board seats, Trustee Nicholas will not run for her seat again; Trustee McCray will not submit for his seat again; Seat 7 (Safety Seat) is vacant, as is the Alternate Safety Seat. Voting will take place for those seats needing a vote June 1 – June 15; candidates for elected voted on seats have been contacted to set up Trustee education; 2) appointed trustee seat is pending Board of Supervisor’s meeting; 3) The

new SJCERA logo has been confirmed, and will have an extra overlay during 2026, our 80 year anniversary; 4) Facts at a Glance has been completed; 5) the RPESJC Retiree Picnic lunch is upcoming, please advise if you would like to attend; 6) The Board of Supervisors will be recognizing SJCERA's 80th Celebration at their June 2, 2026 meeting, please join us for the acknowledgement; 7) SJCERA's celebration of 80 years will be on June 12, 2026.

7.2 The Board received and filed report

8. COMMENTS

8.1 Trustee Weydert appreciated the thought-provoking Risk Survey, it was a very good survey.

Trustee Kaisch thanked David Sancewich of Meketa for such a great exercise with the Risk Survey.

9. SUMMARY OF BOARD DIRECTION

Legal Counsel Aaron Zaheen to provide SJCERA letter regarding SB1319.

10. ADJOURNMENT

10.1 There being no further business the meeting was adjourned at 10:55 a.m.

Respectfully Submitted:

Michael Restuccia, Chair

ATTEST:

Raymond McCray, Secretary



San Joaquin County Employees' Retirement Association

MINUTES
AUDIT COMMITTEE MEETING
SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
FRIDAY, MAY 8, 2026
AT 8:34 AM
SJCERA Board Room, 220 East Channel Street, Stockton, California

1. ROLL CALL

MEMBERS PRESENT: Phonxay Keokham, Raymond McCray, Michael Restuccia and Michael Duffy presiding

MEMBERS ABSENT: None

STAFF PRESENT: Chief Executive Officer Renee Ostrander, Assistant Chief Executive Officer Brian McKelvey, Chief Counsel Aaron Zaheen, Investment Officer Trent Kaeslin, Management Analyst III Greg Frank, Administrative Secretary Elaina Petersen, Financial Consultant Kristin Montgomery

OTHERS PRESENT: Community Members: David McCray, Steve Dougherty, Trustee Steve Moore, Ashley Green, CPA of Brown Armstrong Accountancy Corporation

2. PUBLIC COMMENT

2.1 There were no public comment

3. 2025 AUDIT EXIT CONFERENCE

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

3.2 Draft Conclusion of Audit and Internal Control Reports

3.3 Draft Annual Financial Report

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

4. COMMENTS

4.1 Trustee Restuccia: The results on this side of the audit depend greatly on the work staff put into doing their job. Thank you.

Trustee McCray: Inquired if there were any problems with getting information from Managers, as they have sometimes been slow in the past with concern over private information.

Auditor Green: SJCERA was involved, pushing managers to provide information so that the audit could be completed.

Trustee Duffy: There is no need for a Closed Session meeting with the Auditor, these results are getting much better. Thank you, Ashley, for the audit work and thank you, staff. Great Job.

5. ADJOURNMENT

5.1 There being no further business the meeting was adjourned at 8:51 a.m.

Respectfully Submitted:

Michael Duffy, Chair



San Joaquin County Employees' Retirement Association

MINUTES

**BOARD OF RETIREMENT MEETING
SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION SPECIAL MEETING
FRIDAY, MAY 8, 2026
AT 11:10 AM
SJCERA Board Room, 220 East Channel Street, Stockton, California**

1. ROLL CALL

MEMBERS PRESENT: Emily Nicholas, Phonxay Keokham, Sam Kaisch, Raymond McCray, Michael Duffy, JC Weydert, Steve Moore and Michael Restuccia presiding

MEMBERS ABSENT: Sonny Dhaliwal

STAFF PRESENT: Chief Executive Officer Renee Ostrander, Assistant Chief Executive Officer Brian McKelvey, Chief Counsel Aaron Zaheen, Investment Officer Trent Kaeslin, Management Analyst III Greg Frank, Communications Officer Yvonne Downs, Administrative Secretary Elaina Petersen

OTHERS PRESENT: Member Chanda Bassett, David Sancewich, Kay Ceserani of Meketa Investment Group

2. PUBLIC COMMENT

2.1 There was no public comment.

3. STRATEGIC PLANNING

3.1 Presentation by Renee Ostrander, CEO of SJCERA

4. COMMENTS

4.1 Comments from the Committee Members

Trustee Moore: This is a good Strategic Plan, clear goals, actionable, it looks good and is doable.

Trustee Ray McCray: a good strategic plan makes the organization prosper, this shows the leadership team members are doing work, not just taking up space; it is ok to use outside resources, we need to manage the plan well.

Trustee Duffy: great value in cross training staff; ensure we are not falling short, give measurable plan for group, individual measurement of the person, this works to give those responsible a "strategic intent".

Trustee Restuccia: Where does the Board fit in this plan? Staff advised the Board "owns" the plan.

Board members requested changes to the Vision and Mission statements; staff advised multiple alternative will be brought forward at a later date for Board to approve.

5. ADJOURNMENT

5.1 There being no further business the meeting was adjourned at 11:56 a.m.

Respectfully Submitted:

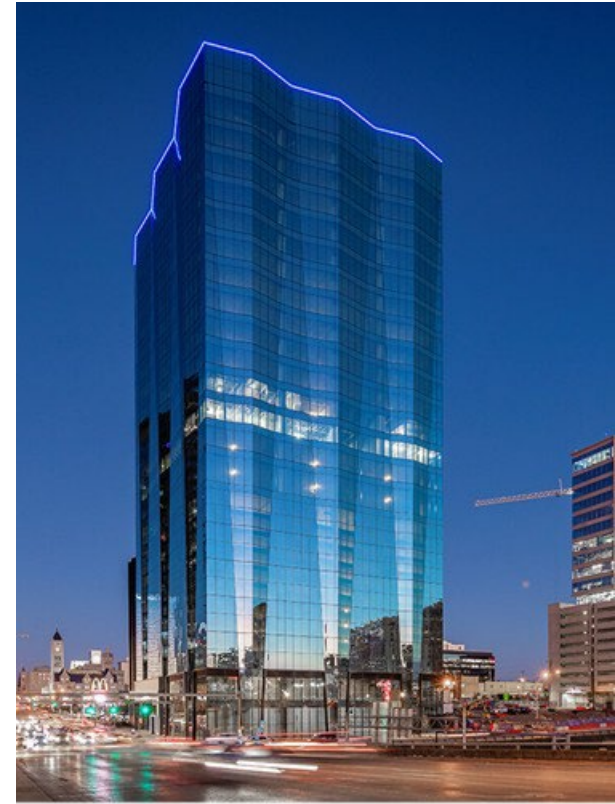
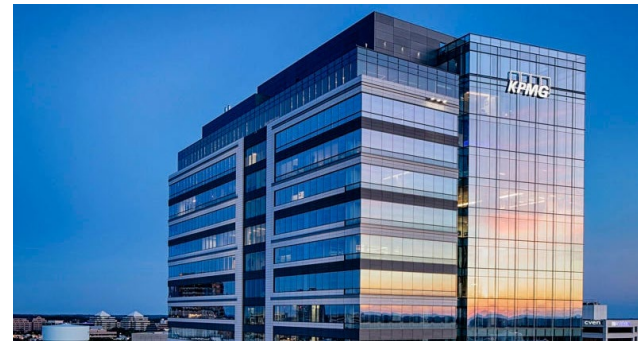
Michael Restuccia, Chair

ATTEST:

Raymond McCray, Secretary

Hines | Rialto Credit Partners

San Joaquin County Employees' Retirement
Association



Hines Rialto Credit Partners

Closed-end, Diversified Office Credit Fund with an Established Seed Portfolio

- Target 18 – 20% gross IRR^(B) and 14 – 16% net IRR^{(D)1} with quarterly distributions (annualized cash yield c. 11%^(F))
- 25 investments⁴, 58% seeded across 18 cities, primarily high quality, well occupied, Core+ office assets¹

Targeted Approach to Lending on High-Quality, Well-Located Office Properties

- Seek to provide senior debt capital secured by high-quality, well-located office properties in the top 35 MSAs positioned for long-term resilience and strong tenant demand²

A Differentiated Partnership Combining Commercial Real Estate Operational and Credit Expertise

- HRCP brings together Hines' deep real estate office operating expertise across the country with Rialto's commercial real estate credit investment and asset management capabilities

Realizations Have Outperformed Underwriting

- HRCP's two early realizations were both profitable, generating a combined gross return of 83% IRR^(Q) / 1.29x MOIC^(R)

CAPITAL RAISED

\$1.0B

Closed / Circled³

EQUITY COMMITMENTS

\$579

Closed or Under Application⁴

SEEDED FUND

58%

Closed or Under Application⁴

INVESTMENTS

25

Closed or Under Application⁴

As of May 12, 2026 unless otherwise noted. PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS. There is no guarantee that HRCP will have access to similar investments or experience similar returns in the future. Investments discussed above do not represent the portfolio as a whole and only represent only a portion of the portfolio. Additional information about investments within the portfolio is available upon request. **1.** Target returns are not intended to be viewed as indicators of likely performance but rather to provide general insight into objectives, risk profile and strategy. There can be no assurance that targets will be met with respect to any investment or client in general. Actual returns may differ materially from target returns. The use of leverage may magnify the opportunities for gain and the risk of loss. Please refer to the Endnotes section at the end of this presentation for additional details. **2.** There is no guarantee the strategy will prove successful and protect from any downside. Investors may lose some or all of their investment. **3.** As of May 2026. Includes \$830M closed and \$170M circled in IC stage. **4.** Includes investments that are Closed or Under Application as April 28, 2026. Investments that are "Under Application" are potential investment opportunities where the investment is not yet closed and HRCP is in later stages of investment diligence; specifically, HRCP is under application to complete the investment. The 25 investments include 18 unrealized investments, 5 investments that are "Under Application" and not yet closed, and 2 fully realized investments (one senior directly originated loan and one loan portfolio purchase). There can be no assurance that any of the "Under Application" investment will ultimately or ever be acquired by HRCP or any other account managed by Hines or Rialto. Actual investments may differ materially in terms and performance from the "Under Application" investments information shown here.

Partnership of commercial real estate credit expertise and nationwide operational footprint to underwrite, structure, and manage U.S. office credit investments

Hines: Office Expertise¹

- Through landmark projects spanning **six decades**, Hines has honed a **commitment to quality and enduring value** that remains paramount
- **~3,000 employees across 103 US cities** and more than **366 million square feet** of office experience globally provide an information advantage and deep market knowledge
- **Deep intelligence** on office occupier trends and preferences, supported by global occupier relationship management
- Continually evolving processes to set higher standards in architectural quality, technology, engineering, and functionality — driving tenant demand and performance
- **Vertically integrated operator** with full lifecycle execution capabilities — uniquely positioned to take ownership of defaulted assets and boost NOI through hands-on management and leasing

Rialto: CRE Debt Expertise

- Cycle-tested CRE credit platform since the early 1990s, ranked **#3 among the 50 largest U.S. Commercial Real Estate private credit firms** (PERE Credit, 2025)²
- Rialto's direct lending platform screened **\$76B across 890+ deals** in 2025, providing HRCP deep market visibility and access to a highly selective origination pipeline
- Acquired a portion of the **\$17B Signature Bank portfolio** on behalf of its funds (largest structured Commercial Real Estate deal in U.S. history⁵), demonstrating ability to execute complex, large-scale distressed transactions
- **#1 CMBS B-piece buyer post-GFC³**, providing proprietary loan-level data and early visibility into credit trends that directly informs HRCP underwriting
- Integrated asset management platform overseeing **\$106B⁴ of Commercial Real Estate loans** provides information and execution advantages across servicing, workouts, direct equity, and REO

Investment Governance & Decision-Making



Executive Oversight

Joint Senior Executive Committee (4 Hines + 4 Rialto), by “top of house” team members, review all investments and key decisions



Dedicated Resources

Two Co-PMs (one Hines, one Rialto) lead portfolio construction, investment execution, and performance monitoring with day-to-day support from dedicated VP and junior employees and the oversight of Senior Leadership from both firms



Full Platform Access

HRCP draws on the entire scope of both platforms — ~3,000 Hines and 300+ Rialto professionals across the U.S.⁶

1. As of December 31, 2025. 2. Determined based on amount of capital raised for pooled investment vehicles that invest in real estate debt from Jan 1, 2021 through Dec 31, 2024 managed by Rialto. Only general partners who submit this data to PEI are considered for this ranking. 3. Trepp as of 12/31/25. Not an award. Based on historical CMBS B-Piece purchased by vehicles managed/sub-advised by Rialto in the marketplace since 2010 as determined by Rialto based on information contained in Trepp. Rialto on behalf of the funds it manages and sub-advises has purchased the largest number by UPB of B-Pieces in the marketplace. 4. Composed of remaining CMBS loan balance where Rialto is special servicer, including third party servicing, as of 12/31/25 (\$86B), remaining loan balance of senior and mezzanine loans as of 12/31/25 (\$11B) and balance of CRE loan portfolios acquired from banks (\$9B). 5. Newmark, December 21, 2023. 6. Includes professionals employed by subsidiaries of Rialto outside of the investment advisor.

Opportunity Supported by Improving Fundamentals and Limited Competition



Leasing Activity is Surging Across the U.S., Signaling Renewed Demand For Office Space

Net absorption for Class A and Trophy assets turned positive nationally in 2025, with Class A absorption topping **+9.2M SF** for the full year, as a sustained flight-to-quality continues.⁴ The top ~35% of office stock is seeing positive net absorption in 6 of the last 8 quarters and national vacancy starting to decline.⁵



Limited New Supply, Coupled with Flight-to-Quality Demand, is Driving Vacancy Down

New supply is at historic lows, supporting long-term recovery dynamics. Prime office vacancy across the top 20 markets was **5.7%** below overall vacancy, with average asking rents rising **1.9% YoY** in Q4 2025.⁶



Increased Transaction Volume Signals Confidence Returning to the Sector

Office transaction volume increased **39%** from Q1 2025 to Q1 2026, signaling renewed investor conviction in the asset class.⁴



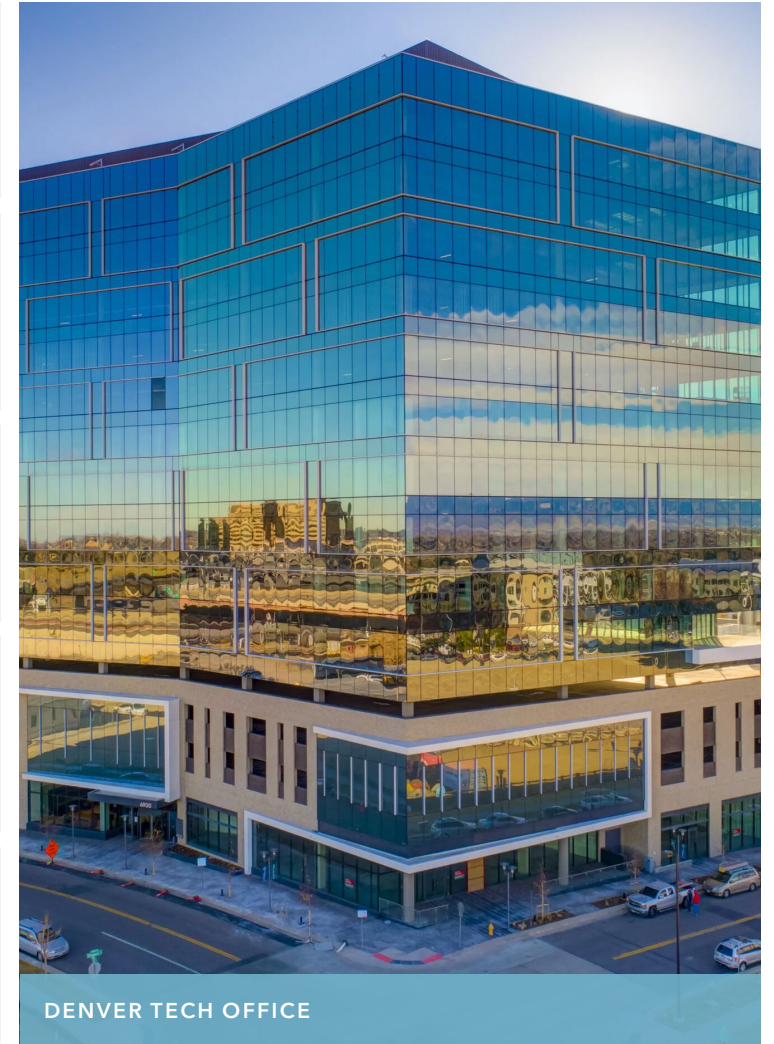
Values Have Bottomed, Creating an Attractive Entry Point for Lenders

Office valuations remain **~40%** of pre-pandemic levels with public REIT pricing suggesting stabilization.¹ The recovery remains largely K-shaped with fundamentals improving in the top ~35% of office properties.⁷



Limited Lending Competition Could Present Opportunity for Private Capital

\$400B+ of office loans are maturing between 2026 and 2030 into an environment with lower valuations and higher interest rates.² While banks are beginning to selectively return to office lending, activity remains concentrated in a geographically narrow segment of trophy assets, leaving a significant funding gap.³



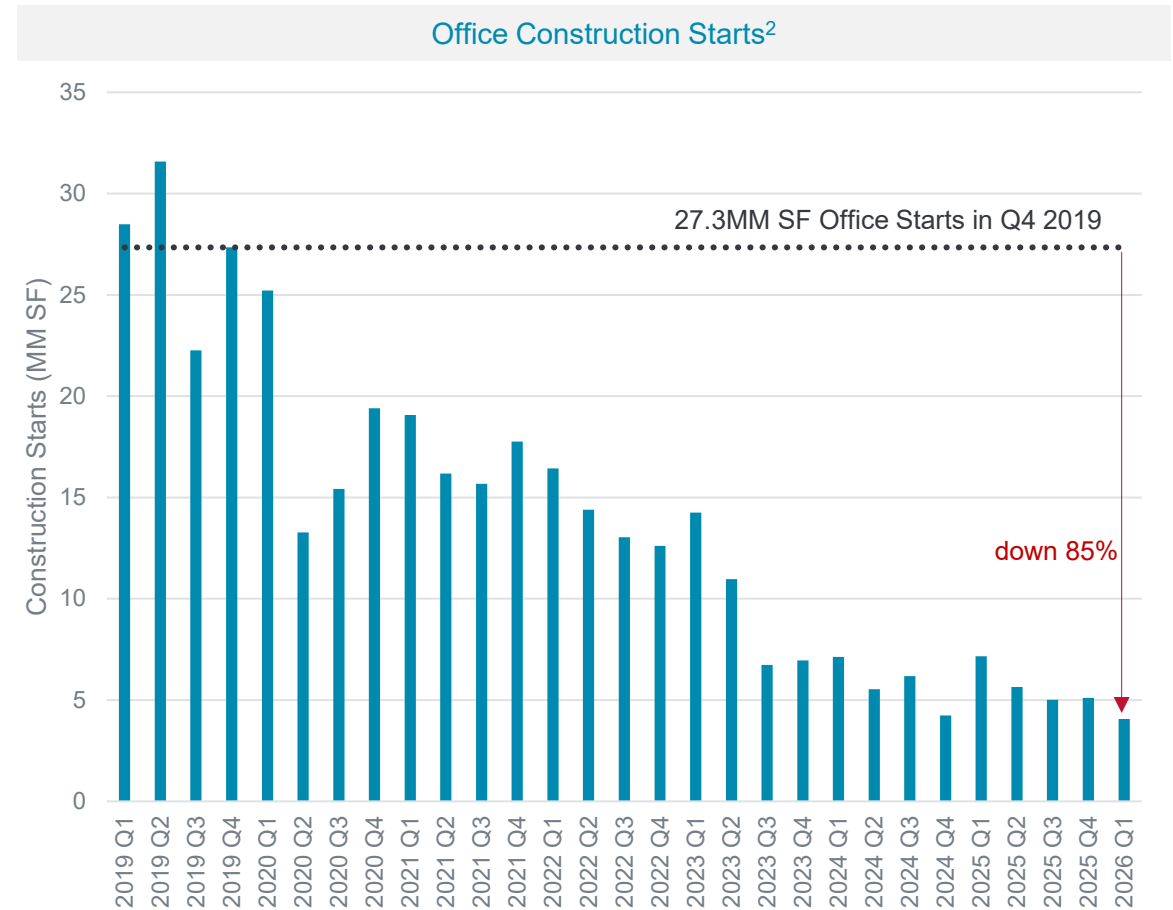
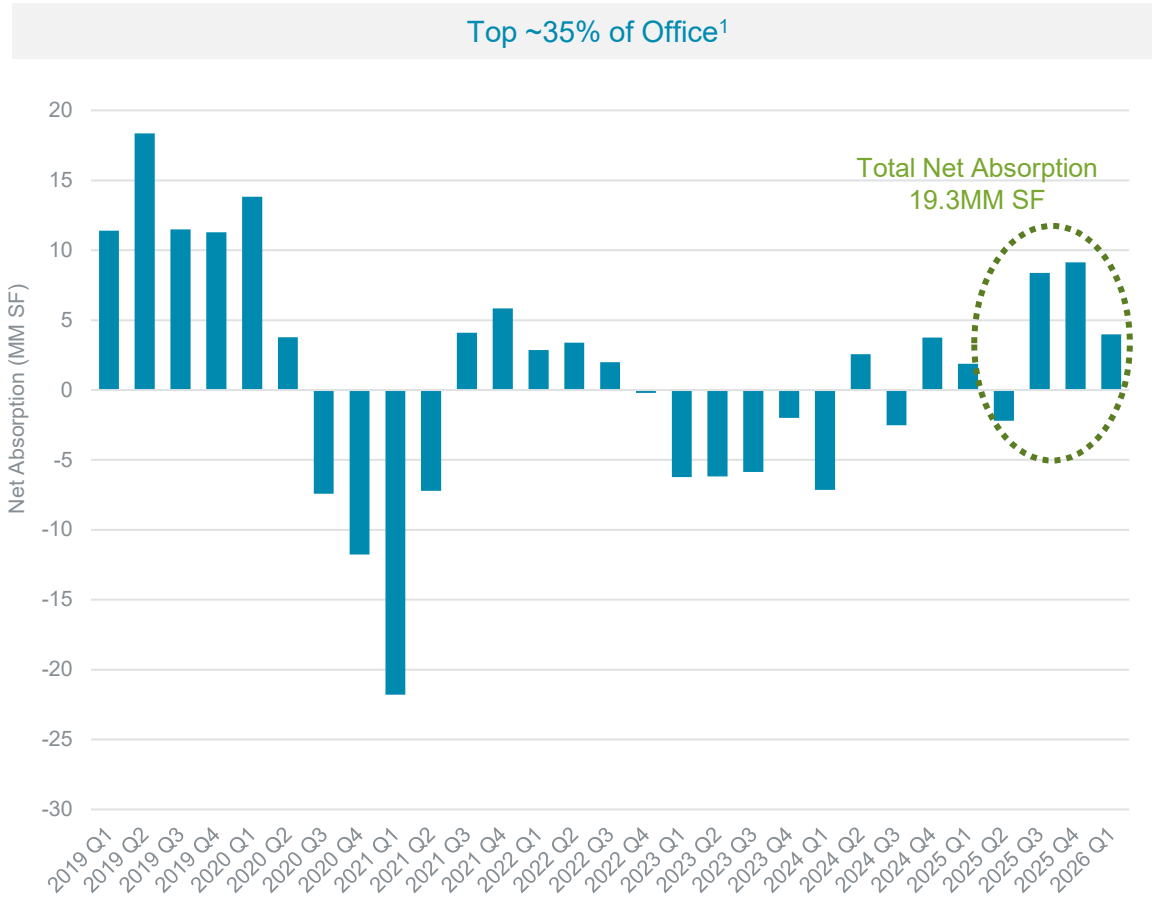
DENVER TECH OFFICE

Unless otherwise noted, the statements above reflect view and opinions of Hines and Rialto as of the date hereof and not as of any future date and may differ materially from the views of other market participants. All expressions of opinion are subject to change without notice and are not intended to be a forecast of future events or results. There is no assurance that the trends highlighted above will occur in the future or that the projections will be met. There can be no assurance that views and opinions expressed in this presentation will come to pass. 1. Sources: NCREIF, GreenStreet, as of May 2026. 2. Real Capital Analytics, MSCI, as of Q1 2026. 3. Sources: Banking Analytics: Modifications to Commercial Real Estate Loans Rise, St Louis Federal Reserve as of October 6, 2025. 4. Cushman & Wakefield Q4 2025. 5. The top 35% of office defined as Trophy and Class A. Source: CoStar; Hines Research; as of February 19, 2026. & Source: CoStar as of May 2026 for 4 and 5 star office and CBRE 2026 US Real Estate Market Outlook. 6. JLL Q4 2025 U.S. Office Market Dynamics 7. Sources: Real Capital Analytics, Q1 2026. 7. CoStar. May 6, 2026. Top 35% of office properties defined as 4 and 5 star CoStar rated properties.

MARKET OPPORTUNITY

Recovery of High-Quality Office Has Been Underway

- Target product has seen positive net absorption in **six** of the last **eight** quarters¹
- The national office development pipeline is down 70% from pre-COVID (Q4 2019) and construction starts are down 85%²

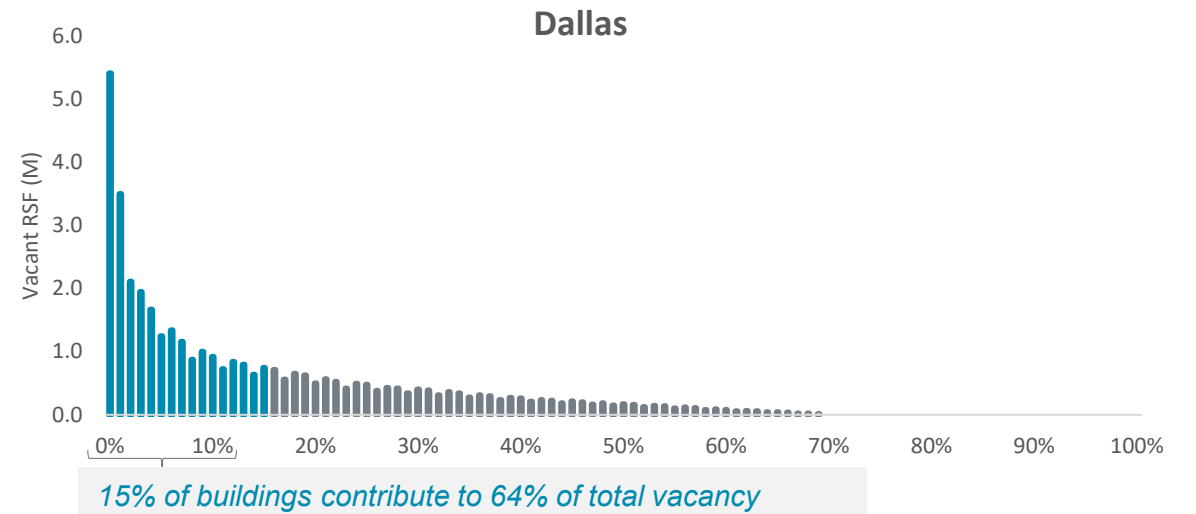
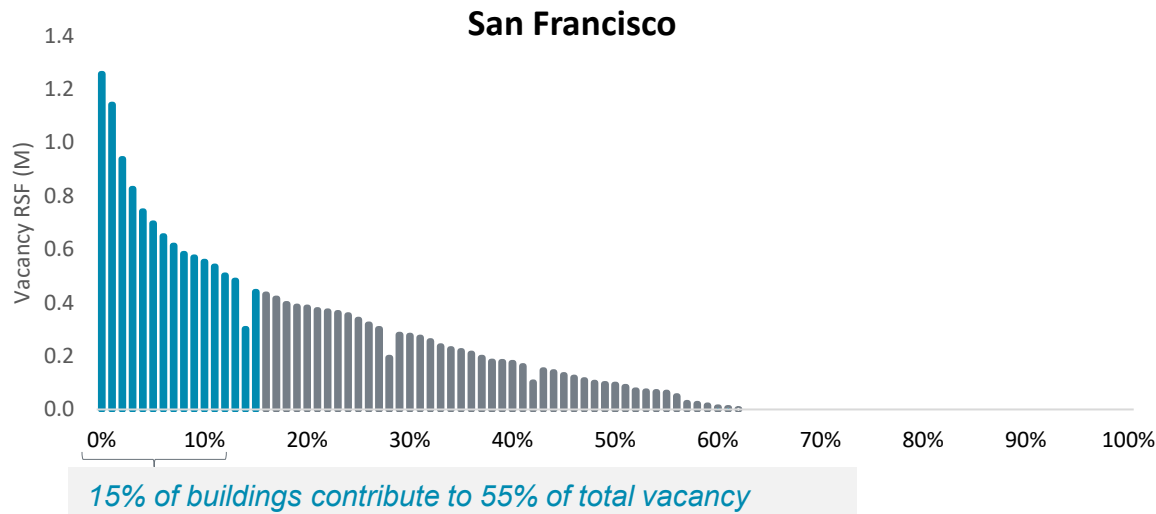
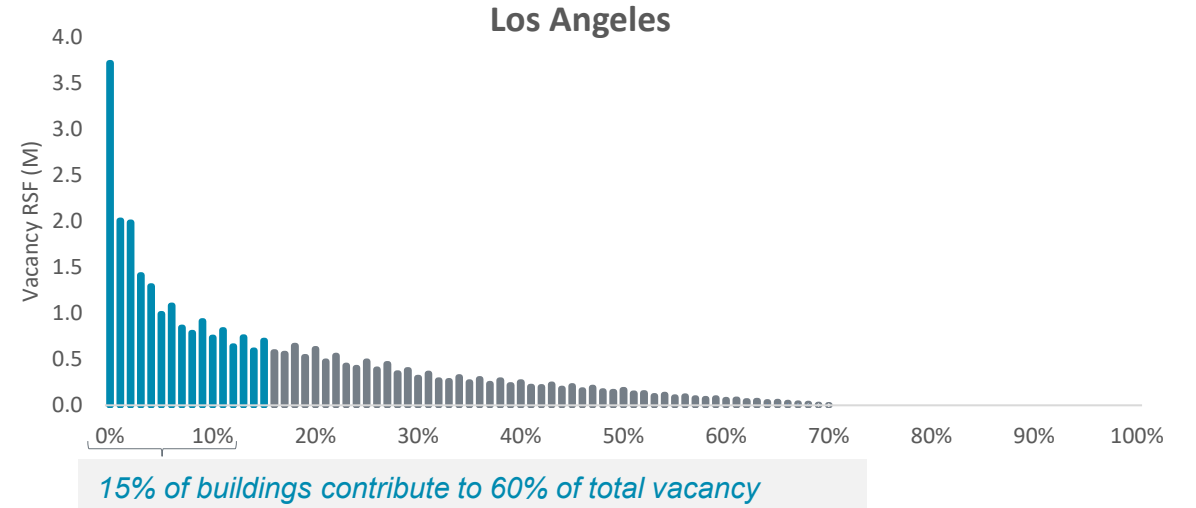
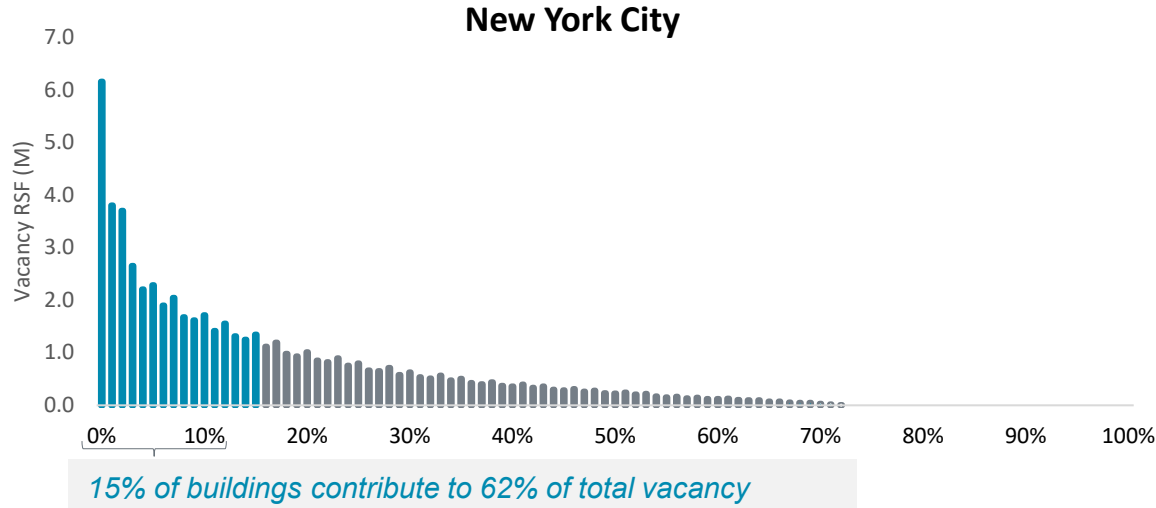


1. Source: CoStar; Hines Research; as of Q1 2026. Target product fit as defined by 4 and 5 star on CoStar. The top 35% of office defined as Trophy and Class A. Source: CoStar; Hines Research; as of February 19, 2026. & Source: CoStar as of May 2026 for 4 and 5 star office 2. Sources: Hines Research; Costar as of 2026Q1.

MARKET ENVIRONMENT

Vacancy Not Distributed Evenly¹

In major markets, majority of vacancy has been concentrated in a relatively small number of assets



1. Sources: Costar, Class A Existing Office >100K SF, as of March 5, 2026.

TARGET ASSETS

Focus on high-quality, well-located assets with proven demand in right submarkets



Location is Critical

- HRCP targets well-located office: ease of access and proximity to amenities.
- Buildings within a quarter-mile of major transit hubs show lower vacancy rates, stronger net absorption, and rising asking rents. High-quality office close to transit has outperformed by a greater margin.¹
- Office space usage has started to consolidate into high-quality, well-located space.²



Quality is Key

- HRCP targets high-quality office that serves current market demand.
- The top ~35% of office inventory has recorded positive net absorption in 6 of the last 8 quarters, while lower quality office saw negative net absorption over that time period.³
- High-quality assets continue to capture a disproportionate share of tenant demand: in Q1 2026, the top ~35% of inventory saw 6.6MM SF of net absorption vs. -2.2MM for lower quality product.³



Product Market Fit

- HRCP targets assets with attributes that are successful within their market.
- Utilize Hines boots-on-the-ground expertise in 103 cities⁴ to determine which product is highly sought after by tenants.

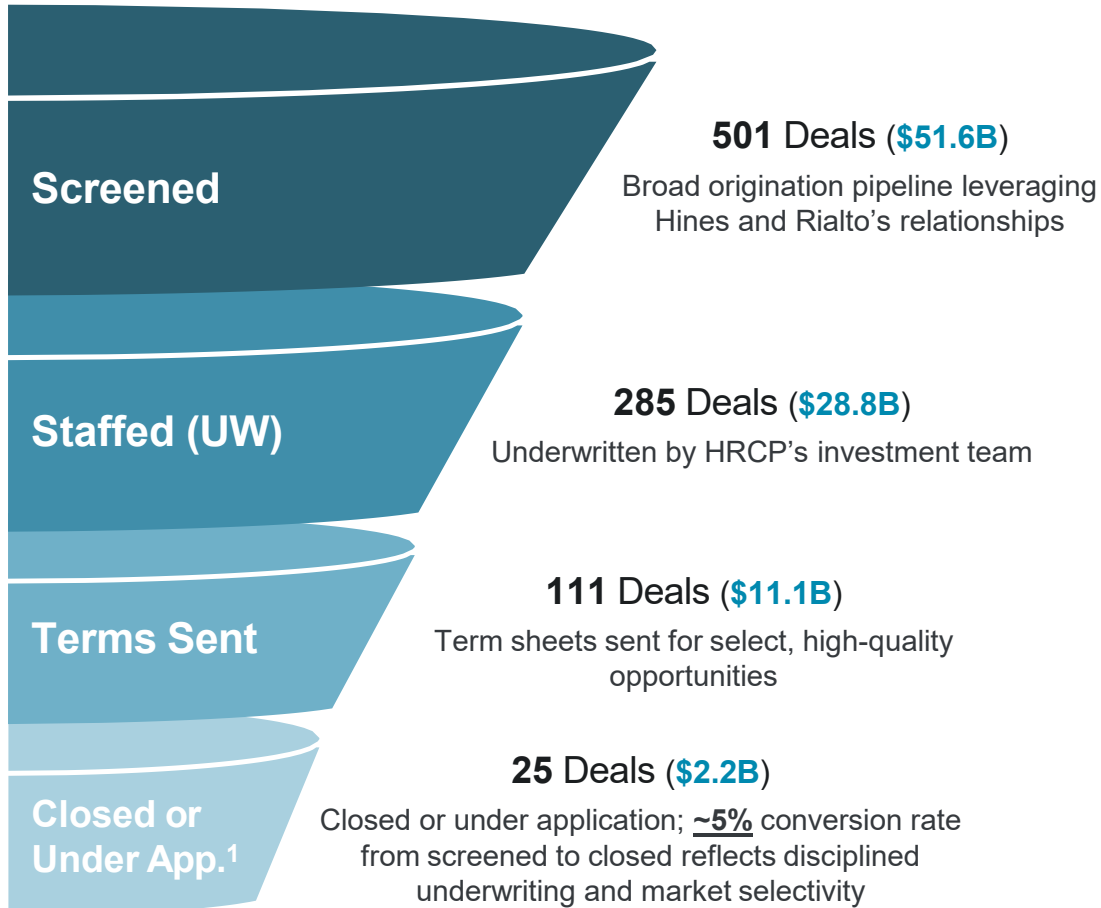
Example:

- West LA creative office remains in favor in contrast to downtown high-rise office.

Represents subjective opinions of Hines and Rialto. Other market participants may reasonably have differing opinions. There can be no assurance that any particular investment will reflect any or all of these characteristics. These proposed characteristics are non-binding and Hines and Rialto reserve the right to revisit, update or change these characteristics from time to time in response to market conditions and other relevant factors. 1. Source: Cushman and Wakefield, The Power of Proximity as of Q3 2025. 2. Source: Hines Research 1Q 2025, CoStar. 3. The top 35% of office defined as Trophy and Class A. Source: CoStar; Hines Research; as of May 15, 2026. 4. City count, as of December 31, 2025.

Hines's Market Presence + Rialto's Credit Discipline = Proprietary Access to Reset Office Credit

Hines's on-the-ground insights and Rialto's credit expertise drive proprietary sourcing and selective deal execution



HRCP Target Markets: Focus on Top 35 U.S. MSAs

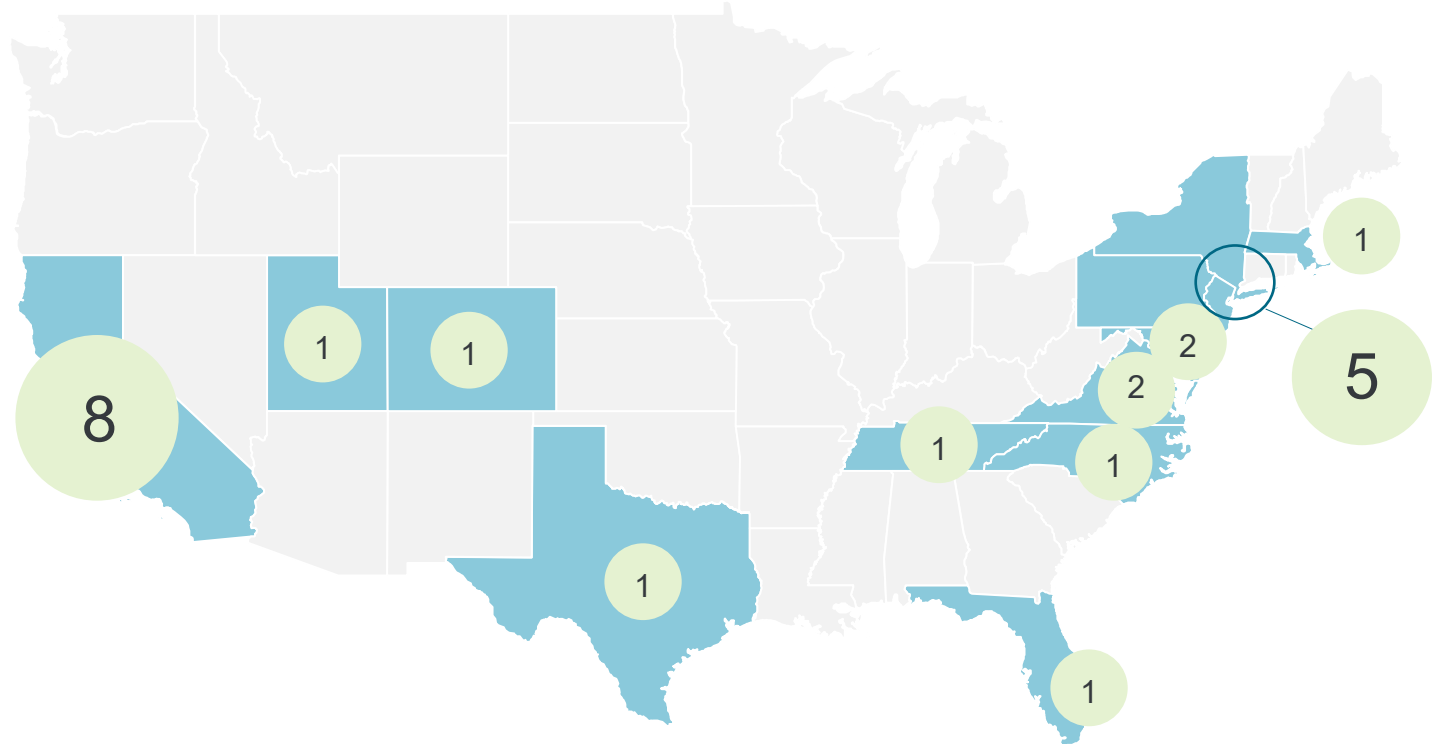
- **Concentrate on Top Performing U.S. Markets:** 95%+ of opportunities reviewed are in the top 35 MSAs across 45 cities²
- **Selective Product Focus:** Prioritize product fit and well-located office assets in resilient submarkets (e.g., creative office in West LA > Downtown LA office)
- **Valuation Reset Opportunities:** Office valuations remain ~40% of pre-pandemic levels with public REIT pricing suggesting stabilization.³
- **Strong Utilization in Select Markets:** Office attendance in NYC exceeds 2019 levels, and in Miami it is in line with 2019 levels.⁴
- **Submarket Selectivity:** Prioritize assets in locations with durable demand and demonstrated employer commitment, avoiding CBDs with structural oversupply (e.g., suburban affluent Philadelphia Main Line > CBD Philadelphia)

Transactions under consideration as of May 2026. The pipeline information presented relates to potential investment opportunities that may be available to HRCP that Hines and Rialto are currently considering. There can be no assurance that the investments presented will be made by a client or account managed by Rialto or Hines, occur at all or be made on the currently contemplated terms and conditions. Actual investments may differ materially in terms and performance from the potential investments shown here. 1. Represents the UPB of closed or under application loans as of April 28, 2026. The 25 investments include 18 unrealized investments, 5 investments that are "Under Application" and not yet closed, and 2 fully realized investments (one senior directly originated loan and one loan portfolio purchase). 2. Without Advisory Committee consent, HRCP will invest no more than 15% of the greater of aggregate capital commitment and the average costs of all investments owned by the Fund in investments for which the related real property is located outside of the metropolitan statistical areas listed. 3. Sources: NCREIF, GreenStreet, as of May 2026. 4. Source: New York Post "Manhattan office leasing volume is poised for its best year since 2019" article September 2025.

\$2.2B Diversified Seed Portfolio: Senior Loans on Institutional Quality Office Assets

Investment Portfolio

- **Large diversified seed portfolio:** 25 assets, 58% seeded
- **Senior secured loans:** 100% senior mortgages on real assets
- **Exposure to Premier Submarkets:** ~60% in New York, Bay Area, Washington D.C.
- **High Quality, modern product:** average age since construction / major renovation ~6 years
- **Institutional Sponsorship:** over 50% directly negotiated through existing relationships
- **Long dated in-place leases:** averaging 8 years
- **Low leverage:** 65% loan to today's value
- **High cash yield:** SOFR + ~10%



Transactions closed and under application as of April 28, 2026, unless otherwise noted. There is no guarantee the strategy will prove successful and protect from any downside. Investors may lose some or all of their investment. Includes investments that are Closed or Under Application as of April 28, 2026. Investments that are "Under Application" are potential investment opportunities where the investment is not yet closed and HRCP is in later stages of investment diligence; specifically, HRCP is under application to complete the investment. The 25 investments include 18 unrealized investments, 5 investments that are "Under Application" and not yet closed, and 2 fully realized investments (one senior directly originated loan and one loan portfolio purchase). There can be no assurance that any of the "Under Application" investments will ultimately or ever be acquired by HRCP or any other account managed by Hines or Rialto. Actual investments may differ materially in terms and performance from the "Under Application" investments information shown here.

HRCP Case Studies

Stabilized, Bridge-to-Sale



- **\$83.0M (\$594 PSF)** senior loan
- **Cash-in refinance** of a 140K SF recently repositioned, Class A mixed-use building
- At origination, asset was **100%** leased with **7 years** of average lease term remaining and a debt yield of **10%**
- Prior to origination, the Sponsor had invested **\$70M** to fully reposition the collateral, minimizing anticipated near-term capital needs
- HRCP’s loan provides a bridge-to-sale on a recently stabilized property

Value Add Financing at Reset Basis



- **\$61.4M (\$295 PSF)** senior loan, including **\$16M (\$78 PSF)** of future funding
- **Refinance** of a 208K SF, Class A office building located in San Francisco’s Financial District
- At origination, asset was **~60%** leased with **9 years** of average lease term remaining, a debt yield of **8%**, and **\$17M+** into a repositioning effort
- HRCP’s loan provides future funding to complete the Sponsor’s **~\$34M** capital and lease-up plan
- Within six months of loan origination, the property has surpassed **80%+** leased

Loan Purchases



- Portfolio of **three sub-performing office loans**
- HRCP acquired the portfolio of loans for **\$73M** (\$252 PSF / 78% of UPB), a material discount to the underwritten spot valuation of **\$318 PSF**
- **~95%** leased with **4 years** of average lease term remaining
- Portfolio was sold for **\$86M (\$300 PSF)¹**, generating **\$10M of net profit**
- The investment was monetized in **under 6 months**, which was **~2 years** ahead of the underwritten base case at materially the same resolution pricing

These assets are a part of the HRCP portfolio. The case studies presented herein are for illustrative purposes only. It should not be assumed that investments made in the future will be comparable in quality or performance to the investment described herein. Rationale for including these case studies in the presentation are that they are the most recently closed deals in each of their respective categories. Unless otherwise noted, the above represents subjective opinions of Hines and Rialto. Other market participants may reasonably have differing opinions. 1. Includes escrows and reserves held.

Disclaimers and risk factors

Not an offer

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Preliminary, Selective Information Only

This document summarizes certain characteristics of a proposed investment program. It is presented solely for purposes providing you with initial and general information at your own responsibility. This document is not suitable to inform you of the legal and factual circumstances necessary to make an informed judgment about any prospective investment. Prospective investors are requested to inform themselves comprehensively and, in particular, to verify the Definitive Documents which are expected to be provided in the future. Hines and Rialto reserve the right, in their sole and absolute discretion, without notice, to alter the terms or conditions of the Fund and/or to terminate the potential investment opportunity described herein. Unless otherwise noted, the information contained herein is unaudited and may be preliminary and speaks as of the date of this document or the specific date specified. The information, opinions and estimates provided in this document are provided to the recipient as of the dates indicated and Hines and Rialto disclaim any obligation to update this document in any manner, even in the event that the information becomes materially inaccurate

In no event should this document be viewed as legal, business, tax, accounting, investment or other advice. Any statements of federal tax consequences contained in this presentation were not intended to be used and cannot be used to avoid penalties under the Internal Revenue Code or to promote, market or recommend to another party any tax related matters addressed herein. This document does not constitute any regulated investment (MiFID) advice.

Real Estate Related Risks

Investments in real estate funds such as those described herein, are subject to numerous risks and uncertainties, including risks inherent in private, real estate funds, such as lack of liquidity, lack of diversification and dependence on key personnel of the fund sponsor, as well as risks inherent in the types of investments such funds make, competition for investment opportunities, changes in market conditions, regulatory and environmental risks, entitlement and development risks and risks of tenant, purchaser or seller defaults on contractual obligations. Investors in real estate funds must be able to evaluate and bear the potential consequences of these and other risks, including the potential loss of their entire investment. The characteristics of investments to be made by the Fund may vary from the characteristics of those shown herein and may not have comparable risks and returns. An investment in the Fund is speculative and involves significant risks, including loss of the entire investment and is suitable only for sophisticated investors who fully understand and are capable of bearing the risks of an investment in the Fund. The Fund should be considered illiquid, as there is limited to no secondary market for interests in the Fund and there are restrictions to redemptions and/or transfers of interests in the Fund. A recipient who has preliminary interest in the Fund should understand these risks and have the financial ability and willingness to accept such risks for an extended period of time before considering making an investment in the Fund. Please refer to the Definitive Documents for detailed information on the risks and rewards of the Fund.

Prior or Targeted Performance

An investment in the Fund is highly speculative, and there can be no assurance that the Fund’s investment objective will be achieved. Any investment entails a risk of loss, and investors must be prepared to bear the risk of loss including loss of the entire investment. An investment in the Fund is suitable only for certain financially sophisticated investors who meet applicable eligibility requirements, have no need for immediate liquidity in their investment and can bear the risk of an investment for an extended period of time. In considering any performance data contained herein, each recipient should bear in mind that past performance is not indicative of future results, and there can be no assurance that an investment program will achieve comparable results or will achieve any target or estimated results.

Disclaimers and risk factors

The Fund will make investments in different economic conditions than those prevailing in the past. Thus, no guarantee is made that the Fund will have the same types or diversity of investment opportunities as prior vehicles managed or advised by Hines or Rialto. While Hines and Rialto believe all performance targets and estimates to be reasonable and sound under the current circumstances, actual returns will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, legal and contractual restrictions on transfer that may limit liquidity, any related transaction costs and the timing and manner of sale, all of which may differ materially from the assumptions and circumstances on which the estimated future cash flows and exit values used in the performance estimates and targets contained herein are based. Accordingly, nothing herein should be deemed to be a prediction or projection of future performance of the Fund and actual realized returns on unrealized investments may be materially different from the returns indicated herein. In addition, returns of any individual investor may vary from the returns shown due to the timing of capital transactions and other items. Additional information on the performance and other numbers presented herein is available from Hines and/or Rialto upon request. Please refer to the Definitive Documents for detailed information on Fund performance.

Track Record

The Hines and Rialto property investments and investment programs referred to herein were made at different times, with materially different terms and in materially different market conditions than those contemplated for the Fund. The results of the investment programs presented illustrate results that could be achieved in certain conditions if the underlying assumptions prove to be correct. In considering all of the track record and performance information contained herein, prospective investors should bear in mind that past performance is not indicative of future results, and there can be no assurance that the Fund will achieve comparable results to historical transactions or that the Fund will be able to implement its investment strategy and investment approach or achieve its investment objective.

Third Party Information

This document contains information in the form of charts, graphs and/or statements that Hines and Rialto indicate were obtained by them from published sources or provided to them by independent third parties, some of whom Hines and/or Rialto pay fees for such information. Hines and Rialto consider such sources to be reliable. It is possible that data and assumptions underlying such third-party information may have changed materially since the date referenced. You should not rely on such third-party information as predictions of future results. None of Hines, Rialto, their affiliates or any third-party source undertakes to update any such information contained herein. Further, none of Hines, Rialto, their affiliates or any third-party source purports that such information is comprehensive, and, while it is believed to be accurate, it is not guaranteed to be free from error, omission or misstatement. Hines and Rialto have not undertaken any independent verification of such information. Finally, you should not construe such third-party information as investment, tax, accounting or legal advice, and neither Hines, Rialto, nor any of their affiliates nor any of their respective partners, officers, affiliates, employees, agents or advisors has verified or assumes any responsibility for the accuracy, reliability or completeness of such information.

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Currency and Taxation

Investments in the Fund will be denominated in US dollars and, therefore, will be subject to any fluctuation in the rate of exchange between the US Dollar and the currency of the investor's home jurisdiction, which may have an adverse effect on the value of, price of or income or gains from an investor's investment in the Fund. Future performance is subject to taxation which depends on the personal situation of the investor, and which may change in the future.

Forward Looking Statements

This document contains projected results, forecasts, estimates, targets and other "forward-looking statements" concerning proposed and existing investment funds and other vehicles. When used in this presentation, the words "anticipate," "assume," "become," "believe," "contemplate," "continue," "could," "designed," "estimate," "expect," "going forward," "future," "hopeful," "intend," "look forward," "may," "might," "opportunity," "pending," "plan," "potential," "project," "scheduled," "shall," "should," "target," "think," "to be," "upcoming," "well-positioned," "will," "wish," "would," other variations on such words and similar terminology, if and to the extent used, are intended to identify such forward-looking statements. All forward-looking statements are based on the current expectations and beliefs of Hines and Rialto concerning future events that are subject to substantial risks and uncertainties which may cause the actual results, performance or achievements of the Fund and/or its investments to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Due to the numerous risks and uncertainties inherent in real estate investments, actual events or results, or the actual performance of any of the funds or investment vehicles described, may differ materially from those reflected or contemplated in such forward-looking statements. Accordingly, forward-looking statements cannot be viewed as statements of fact. The projections presented are illustrations of the types of results that could be achieved in the given circumstances if the assumptions underlying them are met. Prospective investors should not rely on such forward-looking statements in deciding whether to make an investment.

Disclaimers and risk factors / Endnotes

Images and Logos

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Disclaimer

The statements in this document are based on information which we consider to be reliable. This document does not, however, purport to be comprehensive or free from error, omission or misstatement. We reserve the right to alter any opinion or evaluation expressed herein without notice. Statements presented concerning investment opportunities may not be applicable to particular investors. Certain information in this document might constitute material non-public information and therefore, potentially could impose certain trading restrictions on the recipient. Any opinion expressed herein may not be shared by all directors, officers, employees, or representatives of Rialto and may be subject to change without notice. Liability for all statements and information contained in this document is, to the extent permissible by law, excluded.

Endnotes

Additional information on the assumptions and risks of Target Returns

The Target Return stated herein is net of fees, expenses and taxes within the structure and carried interest, but gross of any tax payable by Investors in the Fund on receipt of, or withheld from, any distributions. There can be no assurance that the Target Return will be met with respect to any investment or the Fund in general. Actual returns may vary significantly from the Target Return. The use of leverage may magnify the opportunities for gain and the risk of loss. This information is provided for illustrative purposes only, and recipients of this information should be aware that use of this information to make a decision as to whether to invest in a fund sponsored by Hines and Rialto or to assist in making any other investment decision carries significant risk. In considering any performance data contained herein, each recipient should bear in mind that past performance is not indicative of future results, and there can be no assurance that an investment program will achieve comparable results. Any investment entails a risk of loss, including loss of the entire investment. The Fund's target returns are expected to be realized from the disposition of investments, mark-to-market valuations of the Fund's investments, operating cash flows and proceeds from borrowings, using leverage where the General Partner believes it is appropriate. The target returns stated herein are based on Hines' and Rialto's belief about what returns may be achievable on the types of investments that Hines and Rialto intend to pursue in light of Hines' and Rialto's experience with similar transactions. Further, the target returns stated herein are based on an assumption that economic, market and other conditions will not deteriorate and, in some cases, will improve. The target returns are also based on models, estimates and assumptions about performance believed to be reasonable under the circumstances, but actual realized returns on the Fund's investments will depend on, among other factors, the ability to consummate attractive investments, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the targeted returns are based.

Hines Office Track Record Disclaimer

DISCLAIMER FOR PROFESSIONAL/INSTITUTIONAL INVESTOR USE ONLY

The description of the Hines Office Track Record is presented to illustrate Hines' experience in acquiring, developing, redeveloping, managing and disposing of real estate investments. The Hines property investments referred to herein were made at different times, with materially different terms and in materially different market conditions than those contemplated for HRCP, including fees, expenses and incentive compensation payable to Hines and its affiliates. This information is provided for illustrative purposes only, and recipients should be aware that use of this information to make a decision as to whether to invest in a fund sponsored by Hines or to assist in making any other investment decision carries significant risk. In considering any performance data contained herein, each recipient should bear in mind that past performance is not indicative of future results, and there can be no assurance that an investment program will achieve comparable results.

There can be no assurance that Hines Rialto Credit Partners, LP (the "Partnership" and, collectively with certain other entities within the Hines Rialto Credit Partners, LP structure (including alternative investment vehicles, parallel vehicles, feeder funds and/or their respective subsidiaries), the "Fund," or "HRCP" will achieve comparable results to the Hines Office Track Record, be able to implement the Funds' investment strategy or be able to avoid losses. An investment in the Fund, and in real estate funds in general, is subject to numerous risks and uncertainties, including risks inherent in private, real estate funds, such as lack of liquidity, lack of diversification and dependence on key personnel of the fund sponsor, as well as risks inherent in the types of investments such funds make, competition for investment opportunities, changes in market conditions, regulatory and environmental risks, entitlement and development risks and risks of tenant, purchaser or seller defaults on contractual obligations. Investors in real estate funds must be able to evaluate and bear the potential consequences of these and other risks, including the potential loss of their entire investment. The characteristics of investments to be made by the Fund may vary from the characteristics of those shown herein and may not have comparable risks and returns. An investment in the Fund is speculative and involves significant risks, including loss of the entire investment and is suitable only for sophisticated investors who fully understand and are capable of bearing the risks of an investment in the Fund. The Fund will be illiquid, as there is limited to no secondary market for interests in the Fund and there are significant restrictions to transfers of interests in the Fund. A recipient who has preliminary interest in the Fund should understand these risks and have the financial ability and willingness to accept such risks for an extended period of time before considering making an investment in the Fund. Please refer to the Definitive Documents for detailed information on the risks and rewards of the Fund.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS. Projections and estimates are forward looking and based upon certain assumptions which are subject to change continually and without notice. There is no guarantee that the projections will be achieved. Additional information about the criteria and assumptions utilized to formulate the portfolio level returns is available upon request.

The table describes all office investments exclusive of projects that have not yet been approved to advance past the predevelopment stage or that were sold prior to undergoing construction. The table includes both realized and unrealized projects dating back to 1993.

The Hines Office Track Record represents the hypothetical returns of amalgamated portfolios of Hines' office projects since January 1, 1993, based on the categorizations listed below, and accordingly reflects cash flows and performance across multiple portfolios which does not reflect the experience of any particular investor or investment vehicle. In 1992/1993, Hines began its fund platform business, working with institutional capital sources to finance deals. As such, Hines regards 1993 as the beginning point for its investment management business and track record.

Core investments are separated into two categories: (1) Traditional Core; and (2) Core-Plus. Traditional Core are investments characterized by low risk/low return, are generally institutional quality operating properties with most of the return derived from income with little expected volatility of that income and are typically a long-term strategic investment. Core-Plus are investments characterized by lower risk/lower return (relative to value-add or opportunistic strategies), are generally institutional quality operating properties with most of the return derived from income with some expected volatility of that income and are typically long-term strategic investments. Core-Plus presents somewhat more risk than Traditional Core because of higher leverage, leasing risk, or moderate capital expenditures.

Value-add investments are separated into two categories: (1) Traditional Value-Add; and (2) Long-Term Hold Value-Add. Traditional Value-Add are investments characterized by moderate risk/higher return, are generally operating properties or properties in lease-up, may require some renovations, have a significant portion of return expected from appreciation of the property, and are a shorter-term tactical investment. Long-Term Hold Value-Add is the same as above but with the intention of holding for the long-term.

Opportunistic investments are characterized by high risk/high return, where most of the expected return is from value appreciation. They may have significant leasing risk or high leverage and may be a shorter-term, tactical investments. Opportunistic acquisition includes the redevelopment of existing real estate.

Inclusion of a project into one of the classifications above (or a determination that the project falls outside of these classifications and is therefore excluded) is based on the subjective judgment of Hines and is subject to change. These classifications are inherently subjective and there is no generally accepted definition for these terms. Other industry participants may define the terms differently, and the application of different definitions would have produced different results.

Returns

Returns herein are shown gross and net for both realized and unrealized projects. Performance figures have been prepared in good faith and are based on original sources and data, as applicable, that Hines believes to be reliable, but Hines makes no representations as to their accuracy, reliability or completeness. The performance figures have not been audited.

The returns presented for "unrealized" projects are based on assumptions that Hines believes are reasonable under the circumstances, including the "unrealized value" of a non-fully monetized project on the applicable determination date. "Unrealized value" of a project is the price Hines believes would be obtained upon the sale of such project in an orderly transaction between two independent parties at the measurement date under current market conditions, and such amount may differ significantly from what Hines believes would be obtained upon a sale at a future date. "Unrealized" developments currently in design or under construction are carried at cost, and current returns do not reflect the potential market-clearing price of the project but rather the sum total of all development costs to date. The actual returns on unrealized projects will depend on, among other factors, future results, the values of projects and market conditions at the time of disposition, any related transaction costs and the timing and manner of sales, all of which may differ from the assumptions on which the valuations used in the performance data are based.

Aggregate Returns

The aggregate returns shown do not reflect the returns of a single vehicle with coordinated objectives, guidelines, and restrictions. They were not managed as part of a single strategy for an investment with a contemplated end date. Accordingly, it should not be assumed that HRCP will experience similar results. Additional information on returns of the vehicles that made the investments described herein is available upon request.

Gross Returns

Gross metrics are gross of any fees to Hines and, if applicable, vehicle level expenses, which varied by project and reduced returns to investors. Where applicable, levered gross returns take into account vehicle level debt but exclude debt incurred by an investor to fund a subscription facility.

Hines Office Track Record Disclaimer and Footnotes

Current Gross Returns

Gross return information incorporates historical investments during various periods of economic performance, which may not necessarily align with the market conditions (both in general and with respect to real estate markets more specifically) during the contemplated life of the Fund.

The gross aggregate returns are calculated using the actual cash flows made or received by the applicable Hines investment vehicles on their historical dates as if they were all made within a single fund that commenced on date of the funding of the earliest investment in each category/subset. Due to the way IRRs are computed, when comparing two distributions of equal size that are made at different times, the earlier distribution will have a greater effect on the calculation of IRR than the later distribution, and thus the performance of early realized investments within the composite track record will have a significantly greater impact on the composite pro forma IRR than the performance of later realized investments.

Net Aggregate -- Model Fee

Fees charged to the various investment vehicles that acquired the projects included in the track record varied significantly, particularly in connection with single purpose investment structures, and such fee rates differ significantly, and in many cases have been higher or lower, from the contemplated fee rate for the Fund. As such, a model fee based on the HRCP fee, promote and expense terms, has been applied to the gross returns shown in the track record.

In order to calculate the net returns shown herein, Hines first calculates projected gross and net returns for HRCP using a confidential and proprietary model (as further described below) designed to reflect the highest management fee, promote and expense terms applicable to HRCP investors.

Net of fee performance for HRCP was calculated by applying a model fee for management fees (1.5%) and promote (20%) over a 9% net IRR hurdle, which represents the highest fee paid by a non-affiliated LP investor.

A "Model Net Ratio" for a particular metric (i.e., for IRR or Multiple) is then determined by comparing the applicable projected net metric for the Fund to the projected gross metric for the Fund, each as generated by the model. In the case of Multiple, the Model Net Ratio is calculated as one minus a fraction, the numerator of which is the projected net Multiple for the Fund and the denominator of which is the projected gross Multiple for the Fund. In the case of IRR, the Model Net Ratio is calculated as one minus a fraction, the numerator of which is the projected net IRR for the Fund, and the denominator of which is the projected gross IRR for the Fund.

The Model Net Ratio is expressed as percentage, to allow for proportional scalability and is applied as a deduction to the gross returns to arrive at the net number. The Model Net Ratio will adjust quarterly based on updates to the projected gross HRCP performance and updates to commensurate fees and expenses. As such net returns will vary from quarter to quarter.

The inputs utilized in generating the Model Net Ratio are estimates and assumptions that Hines believes are appropriate, but that are inherently subjective and simplified, involve significant judgment, risks and limitations and do not reflect the actual returns or experience of any fund or investor (past or prospective). A change of or to any of the inputs or assumptions could result in material and adverse differences in the output of the model. Actual gross returns will likely vary from the projected gross returns used for purposes of the model and shown herein, and any such change would likely have an impact on the resulting Model Net Ratio. Additional information related to the calculation of model net metrics, including additional detail on the criteria used and assumptions made when making any calculations, is available upon request. Actual performance for HRCP and any given historic fund will vary (potentially significantly and adversely) from the hypothetical fund model.

Model net metrics do not reflect actual returns to any fund or investor, nor do they reflect expected performance of HRCP. Investors should not rely on the model net metrics to assume what the returns, fees or expenses will be for HRCP. There is no single generally accepted method for calculating net returns for individual investments and subsets of investments, and alternative methods may have produced materially different results, which may have been lower. Application of actual fees that applied to the vehicles and mandates that made the investments in this track record would at times have produced lower returns. Hines' practices and policies relating to such calculations may change over time, and such changes may cause net returns shown to increase or decrease unrelated to any actual change in value of the relevant investment(s).

The statements in this document are based on information which Hines considers to be reliable. This document does not, however, purport to be comprehensive or free from error, omission or misstatement. We reserve the right to alter any opinion or evaluation expressed herein without notice. Statements presented concerning investment opportunities may not be applicable to particular investors. Liability for all statements and information contained in this document is, to the extent permissible by law, excluded.

None of the Funds, Hines, its affiliates or any of the respective directors, officers, employees, partners, shareholders, advisers and agents of any the foregoing makes any assurance, representation or warranty as to the accuracy of any of the results presented herein, including hypothetical results. Nothing contained in this presentation may be relied upon as a guarantee, promise or forecast or a representation as to the future.

Hines Office Track Record Footnotes

All returns in this presentation are denominated in USD.

1. As of December 31, 2025. Past or projected performance is not necessarily indicative of future results.
2. A Project is an investment governed by the same partnership agreement. This may reflect a single underlying property or in some cases multiple underlying properties.
3. Equity Committed is the portion of project level cash flow that is not funded by debt incurred at the project level or incurred at the vehicle level and allocated to the project.
4. Gross Levered IRR – current and projected – represents the compound annualized return rate (i.e., the implied discount rate) of a project or group of projects and is calculated using the actual cash flows made or received by the applicable Hines investment vehicles on their historical dates plus projected cash flows through the projected sale period, as applicable for unrealized projects, as if they were all made within a single fund that commenced on the effective date of the earliest applicable vehicle. Where applicable, levered gross returns take into account fund level debt but excludes debt incurred by an investor to fund a subscription facility.
5. Gross Levered Equity Multiple – current and projected – represents the aggregate gross cumulative levered project income to total invested equity for a given project or category of projects and takes into consideration leverage at acquisition or inception.
6. Model Fee Current Net Levered IRR is calculated by applying the HRCP Model Fee Ratio to the calculated current gross IRR for a given project or group of projects. See disclaimer on the previous tab for HRCP Model Fee Ratio calculation methodology.
7. Model Fee Current Net Levered Equity Multiple is calculated by applying the HRCP Model Fee Ratio to the current gross equity multiple for a given project or group of projects. See disclaimer on the previous tab for HRCP Model Fee Ratio calculation methodology.
8. Developments currently under construction are held at cost.

Rialto Track Record Disclaimers and Endnotes

Composite credit track record reflects all opportunistic credit investments made by Rialto funds from inception to date, as of December 31, 2025. Returns presented are hypothetical and reflect only the returns for credit investments based on actual and, where applicable, business planned projected cash flows for each investment. Despite investments being made at different times, for this analysis, all investments are assumed to start on the same date. The relative timing of cash flows occurring subsequent to the investment date is otherwise preserved for each investment. Because internal rate of return calculations are time-weighted, and given the relatively high Gross IRR performance of certain investments early in the track record, Gross IRR and Net IRR for the composite portfolio would be higher if actual investment dates were used. For net returns, investment cash flows are aggregated and allocated actual (and projected, as applicable) fund-level expenses (such as organizational costs, audit & tax, and other G&A) based on remaining equity in the relevant investment, and shown net of all fees allocable to the strategy, including Investment Management fee at the highest contractual rate (1.5% of invested capital) and promote charged at the highest contractual rate (20% over a 9% net IRR hurdle). Please note that the hypothetical performance set forth within this presentation is presented for illustrative purposes only to highlight Rialto's experience in managing credit investments, over time. The investments included in this hypothetical performance constitute only a subset of the investments made by the Rialto funds and combine investments across Rialto funds, and, therefore, are not representative of the portfolio of any actual Rialto fund. As such, the composite hypothetical performance information presented herein was not experienced by any one investor in a Rialto fund. The credit investments included in the composite were done in various portfolios, including some that invested in both credit and equity investments, whereas this track record reflects only credit investments; the actual results that were experienced by investors are and are expected to continue to be materially different than those portrayed in any extracted performance summary. Additionally, return information provided incorporates historical investments during various period of economic performance, which may not necessarily align with the market conditions during the contemplated life of the Fund. Note that any change to any of the criteria and assumptions used to calculate the hypothetical performance, will produce results materially different than those portrayed. Undue reliance should not be placed on this information, and it should only form part of, but not be the primary basis for, a decision to invest in the Fund. Additional Information regarding the risks and limitation of using this hypothetical performance in making an investment decision can be provided promptly upon request.

- A. Any targets, forecasts, and projections contained herein have been prepared and are set out for illustrative purposes only and are based on hypothetical assumptions and current intentions with respect to the intended operation of the portfolio. The assumptions, forecasts and estimates used to generate this illustrative data are not all described herein, but include assumptions, forecasts and estimates currently deemed reasonable by Rialto relating to existing leases and contracts in place, anticipated collection of rental payments, absorption pace, leasing costs and concessions, operating expenses, development and capital costs, potential capital structures, debt financing, capitalization rates, sales proceeds, timing of dispositions, transaction costs, hold periods, credit of sponsor and borrower recourse, loss and default assumptions with respect to CMBS, current income, and legal risks, costs and timing. No representation or warranty is made as to the reasonableness of such assumptions or that such illustrations are accurate or do not contain errors, or that alternative modeling techniques would not be more appropriate or would not produce significantly different results. None of the targets, assumptions, forecasts or estimates is meant to be a historical description or a prediction of future performance, and each has inherent limitations. Target returns are aspirational only. The forecasts are subject to uncertainties, changes (including changes in economic, operational, political, or other circumstances) and other risks, including broad trends in business and finance, legislation and regulation, interest rates, inflation, currency values, real estate market conditions, the availability and cost of short-term or long term funding and capital, all of which are beyond Rialto's control and any of which may cause the relevant actual, financial and other results to be materially different from the results expressed or implied by such forecasts or projections. Industry experts may disagree with the forecasts, the estimations and assumptions used in preparing the targets. Different assumptions may also be reasonable and would yield different returns. No assurance, representation or warranty is made by any person that any targets, forecasts and projections will be achieved, and no prospective investor should rely on such targets, forecasts or projections. Projections are based on (a) capital funded by (and reinvested proceeds) and distributed to investors (for portfolio level returns) or the portfolio (for asset level returns) through the stated as of date, (b) projected cash to be distributed to investors (for portfolio level returns) or the portfolio (for asset level returns) during the remaining term, and (c) estimated investment expenses, management and service costs (including for property services and due diligence and asset management services) and capital expenditures (collectively, "Component Cash Flows"). The assumptions and projected returns may have under- or over-compensated for the effect, if any, of certain market factors and other events, including but not limited to the availability of suitable investments. Projected returns may be based in whole or in part on unaudited data that is subject to adjustment.
- B. "Projected Gross IRR" is the projected compound internal rate of return (on a leveraged basis, if applicable) using a standard formula (Excel XIRR), based on Component Cash Flows from the portfolio, before taking into account portfolio level costs, investment management fees and incentive allocation, which would reduce returns if taken into account.
- C. "Projected Gross Equity Multiple" or "Gross MOIC" is (a) the sum of (i) actual distributions to investors, net of recalled capital, through the noted cutoff date, and (ii) projected cash to be distributed to investors during the remaining term, divided by (b) capital funded by investors through the noted cutoff date, all before taking into account portfolio level costs, investment management fees and incentive allocation, which would reduce returns if taken into account.
- D. "Projected Net IRR" is the projected compound internal rate of return (on a leveraged basis, if applicable) using a standard formula (Excel XIRR), based on Component Cash Flows from the portfolio, and after taking into account estimated portfolio level costs, investment management fees and incentive allocation, and adjustments for any portfolio level indebtedness.
- E. "Projected Net Equity Multiple" or "Net MOIC" is (a) the sum of (i) actual distributions to investors, net of recalled capital, through the noted cutoff date, and (ii) projected cash to be distributed to investors during the remaining term, divided by (b) capital funded by investors through the noted cutoff date, all after taking into account estimated portfolio level costs, investment management fees and incentive allocation.
- F. "Cash on Cash Yield", "Current Yield", or "Average Levered Yield" is calculated by dividing (a) the sum of the projected forward 12-month annualized distributions, by (b) capital funded by investors through the noted cutoff date, unless otherwise specified, before taking into account estimated portfolio level costs, investment management fees and incentive allocation through the noted cutoff date, which would reduce returns if taken into account.
- G. "Investment Level Net Projected IRR" or "Net IRR Projected" represents the Investment Level Projected IRR, as defined below, less the applicable fund's gross-to-net spread due to the impact of fund level expenses and fees, including investment management fee and, if applicable, incentive allocation.
- H. "Investment Level Net Projected MOIC" or "Net EM (Equity Multiple) Projected" represents the Investment Level Projected MOIC, as defined below, less a modeled gross-to-net spread due to the impact of fund level expenses and fees, including investment management fee and, if applicable, incentive allocation.
- I. "Asset or Investment Level Projected IRR" or "Gross IRR Projected" is the compound internal rate of return (on a leveraged basis, if applicable) using a standard formula (XIRR) based on Component Cash Flows from the asset(s) or investment(s), including (i) actual capital funded by the portfolio through the stated as of date, (ii) actual distributions to the portfolio through the stated as of date, (iii) projected capital to be funded by the portfolio, and (iv) projected distributions to be received by the portfolio. Projected Gross IRR is calculated after deductions for asset level costs such as estimated investment expenses, management and service costs (including for property services and due diligence and asset management services) and capital expenditures, but before portfolio level costs, investment management fees and incentive allocation, which would reduce returns if taken into account.

Rialto Track Record Disclaimers and Endnotes (continued)

- J. "Asset or Investment Level Projected Equity Multiple (MOIC)" or "Gross EM Projected" is calculated by dividing (a) the sum of the (i) actual distributions to the portfolio, net of recalled capital, through the stated as of date, and (ii) the projected cash to be distributed to the portfolio during the remaining term, by (b) capital funded by the portfolio through the stated as of date. Projected Gross MOIC is calculated after deductions for asset level costs such as estimated investment expenses, management and service costs (including for property services and due diligence and asset management services) and capital expenditures, but before portfolio level costs, investment management fees and incentive allocation, which would reduce returns if taken into account.
- K. "FMV Net IRR" represents the compound internal rate of return, on a leveraged basis, if applicable, based on (a) capital funded by (including any proceeds therefrom that are reinvested), and distributed to, investors through the stated as of date, and (b) remaining fair market value assuming a hypothetical sale as of through the stated as of date, net of estimated investment expenses, management and service costs (including for property services and due diligence and asset management services), capital expenditures, fund level costs, investment management fees and adjustments for fund level indebtedness, if applicable, and incentive allocation. In calculating FMV Net IRR, fund-level borrowings (made in-lieu of or in advance of calling capital contributions) are not taken into account.
- L. "Net TVPI" or "FMV Net MOIC" is calculated by dividing (a) the sum of the (i) actual distributions to investors, net of recalled capital, through the noted cutoff date, and (ii) remaining fair market value assuming a hypothetical sale as of the noted cutoff date, net of estimated investment expenses, management and service costs (including for property services and due diligence and asset management services), capital expenditures, fund level costs, investment management fees and adjustments for fund level indebtedness, if applicable, and incentive allocation by (b) capital funded by investors through the noted cutoff date.
- M. "FMV Gross IRR" or "Gross Levered IRR Current" or "Gross IRR Current" represents the compound internal rate of return, on a leveraged basis, if applicable, based on (a) capital funded by (including any proceeds therefrom that are reinvested), or distributed to, investors through the noted cutoff, and (b) remaining fair market value assuming a hypothetical sale as of the cutoff date, net of estimated investment expenses, management and service costs (including for property services and due diligence and asset management services), and capital expenditures, but before fund level costs, investment management fees and adjustments for fund level indebtedness, if applicable, and incentive allocation.
- N. "Gross TVM" or "Gross Levered EM Current" or "Gross EM Current" is calculated by dividing (a) the sum of the (i) actual distributions to investors, net of recalled capital, through the noted cutoff date, and (ii) remaining fair market value assuming a hypothetical sale as of the noted cutoff date, net of estimated investment expenses, management and service costs (including for property services and due diligence and asset management services), and capital expenditures, but before fund level costs, investment management fees and adjustments for fund level indebtedness, if applicable, and incentive allocation by (b) capital funded by investors through the noted cutoff date.
- O. "Investment Level FMV Net IRR" or "Net IRR Current" represents the FMV Gross IRR, as defined above, less a modeled gross-to-net spread due to the impact of fund level expenses and fees, including investment management fee and, if applicable, incentive allocation.
- P. "Investment Level FMV Net MOIC" or "Net EM Current" represents the Gross FMV MOIC, as defined above, less a modeled gross-to-net spread due to the impact of fund level expenses and fees, including investment management fee and, if applicable, incentive allocation.
- Q. "Realized Investment Level IRR" is the compound internal rate of return (on a leveraged basis, if applicable) for all investments resolved using a standard formula (XIRR) based on (a) capital funded (and reinvested proceeds) and distributed to the portfolio through March 31, 2026, and (b) asset level investment expenses, management service costs (including for property services and due diligence and asset management services) and capital expenditures, before taking into account portfolio level costs (e.g. custody/audit), investment management fees and incentive allocation through March 31, 2026, which would reduce returns if taken into account.
- R. "Realized Investment Level Equity Multiple (MOIC)" is calculated for all investments resolved by dividing (a) the sum of the (i) actual distributions to the Fund through March 31, 2026, by (b) capital funded by the Fund investors through March 31, 2026. Realized Investment Level Equity Multiple is calculated after deductions for asset-level costs such as asset management and due diligence fees, but before fund level costs, investment management fees and incentive allocation.



San Joaquin County Employees Retirement Association

June 2026

7.01 Service Retirement

Consent

- 01 NIKOLE S ARCEO-BELL** Probation Unit Supervisor
Probation - Adult

Member Type: Safety
Years of Service: 18y 01m 25d
Retirement Date: 3/28/2026

- 02 ANNETTE AVERY** Senior Office Assistant
Hospital Radiology

Member Type: General
Years of Service: 22y 06m 24d
Retirement Date: 3/31/2026

- 03 FRITZ BUCHMAN** Director of Public Works
Public Works - Administration

Member Type: General
Years of Service: 14y 05m 02d
Retirement Date: 3/31/2026

- 04 SCOTT D BYOUS** Battalion Chief
Waterloo - Morada Rural Fire

Member Type: Safety
Years of Service: 25y 02m 15d
Retirement Date: 3/31/2026

- 05 CHERYL R CARTER** Senior Office Assistant
Human Resources

Member Type: General
Years of Service: 28y 00m 29d
Retirement Date: 3/28/2026

- 06 PHILLIP J COOK** Medical Help Specialist
Emergency Medical Services

Member Type: General
Years of Service: 29y 09m 03d
Retirement Date: 3/28/2026

- 07 LINDA B COURTRIGHT** Chief Financial Officer
Fiscal Services

Member Type: General
Years of Service: 24y 00m 12d
Retirement Date: 4/1/2026



San Joaquin County Employees Retirement Association

June 2026

- 08 KIM DELUCCHI** Deferred Member
N/A

Member Type: General
Years of Service: 03y 11m 12d
Retirement Date: 3/31/2026

- 09 MELISSA D FARNSWORTH** Nursing Dept Manager
Hosp Med-Surg Intensive Care

Member Type: General
Years of Service: 30y 03m 20d
Retirement Date: 3/23/2026

- 10 TOBY C FARNSWORTH** Lieutenant
Sheriff-Stockton Unified Court

Member Type: Safety
Years of Service: 24y 04m 27d
Retirement Date: 3/27/2026

- 11 ELIZABETH J FERRARI** Social Worker IV
HSA - Services Staff

Member Type: General
Years of Service: 26y 01m 29d
Retirement Date: 3/30/2026

- 12 CHERYL A FIELD** Senior Office Assistant
Environmental Health

Member Type: General
Years of Service: 27y 09m 29d
Retirement Date: 4/1/2026

- 13 JUAN J FORTUNY** Engineer
Lathrop Manteca Fire District

Member Type: Safety
Years of Service: 21y 08m 14d
Retirement Date: 4/1/2026

- 14 JILL A FRITCHEN** Program Manager
HSA - Admin Support

Member Type: General
Years of Service: 36y 00m 13d
Retirement Date: 4/1/2026

- 15 MYRNA R GARCIA** Senior Office Assistant
Sheriff-Custody-Regular Staff

Member Type: General
Years of Service: 12y 00m 21d
Retirement Date: 4/1/2026



San Joaquin County Employees Retirement Association

June 2026

- 16 ALISA GOULART** Associate Planner
Community Development Services

Member Type: General
Years of Service: 09y 06m 00d
Retirement Date: 3/31/2026

- 17 JAMES E HART** Assistant County Surveyor
Surveyor

Member Type: General
Years of Service: 30y 00m 24d
Retirement Date: 3/23/2026

- 18 BONNIE E HUGHES** Information Systems Anlyst III
Information Systems Div - ISF

Member Type: General
Years of Service: 26y 03m 16d
Retirement Date: 3/28/2026

- 19 MARIA D HURTADO** Patient Registration Clerk
Hosp ER Registration

Member Type: General
Years of Service: 30y 00m 21d
Retirement Date: 4/1/2026

- 20 MICHAEL G MA** Deferred Member
N/A

Member Type: General
Years of Service: 16y 11m 04d
Retirement Date: 4/1/2026

- 21 LARRY R MADOSKI** Division Chief
Lathrop Manteca Fire District

Member Type: Safety
Years of Service: 28y 06m 05d
Retirement Date: 4/1/2026

- 22 ISABEL S ORDAZ** Social Worker IV
HSA - Services Staff

Member Type: General
Years of Service: 38y 07m 18d
Retirement Date: 4/1/2026

- 23 GINA M ORNELAS** Deferred Member
N/A

Member Type: General
Years of Service: 03y 10m 08d
Retirement Date: 3/27/2026



San Joaquin County Employees Retirement Association

June 2026

- 24 ESPERANZA P PANIAGUA** Accounting Technician I
HSA - Admin Support

Member Type: General
Years of Service: 27y 06m 29d
Retirement Date: 4/1/2026

- 25 MASSON PARISH** Information Systems Analyst IV
Information Systems Div - ISF

Member Type: General
Years of Service: 24y 03m 17d
Retirement Date: 3/22/2026

- 26 CHRISTINA L PATTERSON** Supv Med Examiner Investigator
Office of the Medical Examiner

Member Type: General
Years of Service: 05y 06m 16d
Retirement Date: 4/5/2026

- 27 JERRY O PICO** Delivery Driver
Hosp Distribution Services

Member Type: General
Years of Service: 19y 07m 05d
Retirement Date: 4/1/2026

- 28 BERNADETTE M REYNOSO** Senior Office Assistant
Public Health - TB CD

Member Type: General
Years of Service: 17y 06m 21d
Retirement Date: 3/23/2026

- 29 ESTEVAN SALAS** Deferred Member
N/A

Member Type: General
Years of Service: 07y 06m 13d
Retirement Date: 4/6/2026

- 30 BARRETT L SHIN** Public Health Nutritionist
Public Health - WIC

Member Type: General
Years of Service: 32y 08m 11d
Retirement Date: 3/23/2026

- 31 VIJAY K SINHA** Plan Check Engineer II
Community Development Services

Member Type: General
Years of Service: 06y 10m 22d
Retirement Date: 3/23/2026



San Joaquin County Employees Retirement Association

June 2026

- 32 LUCIA C SWOFFORD** Food Service Worker III
Hosp Cafeteria

Member Type: General
Years of Service: 34y 09m 04d
Retirement Date: 3/23/2026

- 33 EBBY THOMAS** Stock Clerk II
Hosp Distribution Services

Member Type: General
Years of Service: 19y 08m 21d
Retirement Date: 3/31/2026

- 34 LILLIAN TORRES** Eligibility Worker II
HSA - Eligibility Staff

Member Type: General
Years of Service: 37y 01m 23d
Retirement Date: 3/27/2026

- 35 SCOTT D VANARTSDALEN** Dept Info Systems Analyst IV
Hosp Data Processing

Member Type: General
Years of Service: 09y 08m 19d
Retirement Date: 3/27/2026

- 36 SARGON VARDA** Information Systems Analyst IV
Information Systems Div - ISF

Member Type: General
Years of Service: 24y 04m 18d
Retirement Date: 3/30/2026

- 37 LUWANNA L VERBER** Laboratory Assistant II
Hosp Laboratory Clinic

Member Type: General
Years of Service: 05y 01m 09d
Retirement Date: 3/27/2026

- 38 REBECCA M WHITMORE** Office Technician/Coordinator
Hosp Human Resources

Member Type: General
Years of Service: 18y 06m 09d
Retirement Date: 3/30/2026

- 39 MALY XIONG** Chief Mental Health Clinician
Mental Health-Adult Outpatient

Member Type: General
Years of Service: 18y 01m 25d
Retirement Date: 3/31/2026



San Joaquin County Employees Retirement Association

June 2026

40 AMANDA R YOCHAM

Chief Mental Health Clinician
Mental Health-Childrens Srvc

Member Type: General
Years of Service: 08y 07m 25d
Retirement Date: 3/28/2026

CONFERENCES AND EVENTS SCHEDULE

2026 EVENT DATES		EVENT TITLE	EVENT SPONSOR	LOCATION	REG. FEE	WEBLINK FOR MORE INFO	EST. BOARD EDUCATION HOURS
BEGIN	END						
Jun 15	Jun 16	Public Plan Trustee Institute - Level 1	IFEBP	San Diego, CA	\$2015	ncpers.org	12*
Jun 15	Jun 17	Chief Officers Summit	NCPERS	Newport Beach, CA	\$1030	ncpers.org	N/A
Jun 16	Jun 19	Legal Education Conference	NAPPA	Grand Rapids, MI	\$990	nappa.org	N/A
Jul 19	Jul 22	SACRS/UC Berkeley Program	SACRS	Berkeley, CA	\$3000	sacrs.org	24*
Aug 24	Aug 27	Principles of Pension Governance for Trustees	CALAPRS	Santa Barbara, CA	\$3000	calaprs.org	18*
Sep 9	Sep 10	ALTSSF 2026	Marketsgroup	San Francisco	\$2500	marketsgroup.com	5.33
Sep 15	Sep 17	Fiduciary Investors Symposium	top1000funds	Palo Alto	\$1900	top1000funds.com	12*
Sep 23	Sep 25	Administrator's Institute	CALAPRS	Carmel, CA	TBD	calaprs.org	N/A
Oct 2	Oct 2	Trustee Roundtable	CALAPRS	Virtual	\$50	calaprs.org	4
Oct 24	Oct 25	Accredited Fiduciary (NAF) Program	NCPERS	Nashville, TN	\$930	ncpers.org	12*
Oct 24	Oct 25	Program for Advanced Trustee Studies (PATS)	NCPERS	Nashville, TN	\$930	ncpers.org	9
Oct 25	Oct 28	Public Safety Conference	NCPERS	Nashville, TN	\$800	ncpers.org	14*
Nov 10	Nov 13	SACRS Fall Conference	SACRS	Rancho Mirage, CA	TBD	sacrs.org	11*
Nov 17	Nov 19	Global Client Conference	Invesco	San Diego, CA	TBD	invesco.com	15*

* Estimates based on prior agendas

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

2026					
Event Dates	Sponsor / Event Description	Location	Traveler(s)	Estimated Cost	BOR Approval Date
Jun 16-17, 2026	Chief Officers Summit	Newport Beach, CA	R. Ostrander	\$2,860	1/9/2026
Jun 16-19, 2026	Legal Education Conference - NAPPA	Grand Rapids, MI	A. Zaheen	\$3,100	5/8/2026
Jun 20-July 3, 2026	Heywood CLASS Conference and various due diligence investment manager meetings	London, UK	B. McKelvey, R. Ostrander	\$24,700	4/10/2026
Sept 9-10, 2026	ALTSLA - Markets Group	San Francisco, CA	JC Weydert, T. Kaeslin	\$7,060	5/8/2026
Nov 5, 2026	Grandview Partners/Annual Meeting	Virtual	T. Kaeslin	\$0	N/A

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

Event Dates 2026	Sponsor / Event Description	Location	Traveler(s)	Estimated Cost	Actual Cost	Event Report Filed
Jan 26-28, 2026	IREI VIP Americas	Carlsbad, CA	M. Restuccia, T. Kaeslin, JC Weydert	\$6,300	\$5,149	2/13/2026 2/13/2026 Pending
Feb 5, 2026	CALAPRS - Attorney's Roundtable	Virtual	A. Zaheen	\$50	\$50	N/A
Feb 6, 2026	CALAPRS - Administrators Roundtable	Virtual	R. Ostrander	\$50	\$50	N/A
Mar 2-4, 2026	Communication & Member Services Summit	San Diego, CA	B. McKelvey	\$2,140	\$2,079	4/10/2026
Mar 8-11, 2026	CALAPRS - General Assembly	Carlsbad, CA	R. Ostrander, T. Kaeslin, JC Weydert	\$6,000	\$4,801	N/A
Mar 9, 2026	CALAPRS - General Assembly - Investment Roundtable	Carlsbad, CA	T. Kaeslin	\$50	\$50	N/A
Mar 23-25, 2026	ALTSLA - Markets Group	Los Angeles, CA	S. Kaisch	\$4,400	\$2,246	5/8/2026
Apr 17, 2026	Ad Hoc Roundtable	Virtual	R. Ostrander	\$50	\$50	N/A
Apr 30, 2026	10th Annual Pacific Northwest Institutional Forum	Seattle, WA	R. Ostrander	\$2,600	TBD	Pending
May 12 - 15, 2026	Spring Conference - SACRS	Olympic Valley, CA	S. Moore, R. McCray, JC Weydert, R. Ostrander, A. Zaheen	\$11,600	TBD	N/A
May 12-14, 2026	AEW General Meeting - LPAC Seat	Boston, MA	B. McKelvey	\$500	TBD	N/A
May 15-17, 2026	NAF Program - NCPERS	Las Vegas, NV	R. Ostrander	\$2,490	TBD	Pending
May 21, 2026	CALAPRS Attorney RT	virtual	A. Zaheen	\$50	\$50	N/A
Jun 2-3, 2026	Blackrock Annual Meeting	New York, NY	T. Kaeslin	\$2,260	TBD	N/A
Jun 5, 2026	Administrators Roundtable - CALAPRS	Virtual	R. Ostrander	\$50	\$50	N/A

Board Member Travel (not including SACRS & CALAPRS)	Dates	Amount used of \$4500:	Balance of \$4500
RESTUCCIA	IREI	1/27-29	\$974.11
DHALIWAL			\$3,525.89
DUFFY			
KAISCH	ALTSLA	3/22-25	\$2,245.93
KEOKHAM			\$2,254.07
MCCRAY			
NICHOLAS			
WEYDERT	IREI	1/27-29	\$2,013.24
MOORE			\$2,486.76

*Pending Final Expense



TO: State Association of County Retirement Systems
FROM: Cara Martinson, Capitol Advocacy
Laurie Johnson, LJ Consulting & Advocacy
DATE: May 4, 2026
RE: Legislative Update – May

The Legislature is approaching the midpoint of the legislative session, having just passed key policy committee deadlines. As a result, bills are now advancing to the fiscal committees for consideration through the Appropriations process. Measures with a fiscal impact will face heightened scrutiny in both the Assembly and Senate, particularly as lawmakers weigh ongoing cost pressures alongside broader state budget considerations. Attention is increasingly shifting toward the state budget, with the Governor expected to release the May Revision of his January proposal in mid-May. This updated budget will reflect the latest revenue data, including April tax receipts, and will serve as the foundation for negotiations between the Administration and legislative leaders in the weeks ahead.

The Legislature is constitutionally required to pass a balanced budget by June 15, followed by the Governor’s signature by July 1. In the interim, budget subcommittees and leadership will work to reconcile differences and identify potential adjustments. According to the Department of Finance, April tax receipts are currently trending above projections, offering some near-term optimism. However, the Governor has already signaled that the May Revision will likely include additional cuts to address persistent structural deficits in the out-years. As a result, the budget process is expected to remain challenging, with ongoing discussions around program reductions, funding delays, and other cost containment strategies.

The following is an update on bills that SACRS is actively following:

II. Legislative Update:

- **AB 1054 (Gipson)** - This bill would establish the Deferred Retirement Option Program (DROP) as a voluntary program within PERS for employees of State Bargaining Units 5 (Highway Patrol) and 8 (Firefighters). The bill states that the DROP becomes effective and applicable only after: 1) the applicable Bargaining Unit has entered into a MOU with the employer to implement the program; 2) The program has been certified via an actuarial analysis that it is cost neutral by the



CalPERS Board of Administration; and 2) CalPERS has adopted regulations to implement and administer the program.

- Status: This bill passed out the Assembly and is awaiting action in the Senate.
- Position: No Position/Watch

- **AB 1383 (McKinnor)** – The bill was heard in the Assembly PERS Committee and advanced out of the Appropriations Committee in January after taking several amendments. The bill includes the following provisions:
 - Adjust, on and after January 1, 2027, the pensionable compensation limit to the Social Security compensation limit. The prior version of the bill would have increased the pensionable compensation limit to the higher IRC 415(b) threshold.
 - Lower the retirement age on a prospective basis from age 57 to 55 for three existing safety DB retirement formulas, and
 - Authorize a public employer to create a fourth PEPRA safety DB retirement formula of three percent (3%) at age 55, to be applied prospectively.
 - Amendments this year removed a provision that would have permitted collective bargaining over the 50-50 normal cost sharing requirement.
 - Status: This bill advanced out of the Assembly and is now awaiting action in the Senate
 - Position: Neutral

- **AB 1439 (Garcia)** - The bill would have required labor protection standards on pension system investments in development projections. The bill was amended coming out of the Assembly to now require CalPERS and CalSTRS to contract with the University of California Labor Centers to conduct an independent study to determine the impacts on public employee retirement funds of prohibiting the boards from investing in California development projects that do not provide labor standards protections for workers. The bill no longer applies to the CERL systems and removes SACRS' opposition.
 - Status: The bill passed out of the Assembly and is awaiting action in the Senate.
 - Position: No position/watch

- **AB 1601 (Rogers)** – This bill would permit the county Board of Supervisors for Sonoma County to authorize a cost-of-living adjustment to the retirement allowances, optional death allowances, or annual death allowances payable by the retirement system.



- Status: This bill passed out of the Assembly and is awaiting action in the Senate.
 - Position: Neutral
- **AB 1619 (Valencia)** – This bill allows county Boards of Supervisors to authorize an increase in the Board of Retirement trustee per diem from \$100 to \$320. The bill would then require action by the Board of Retirement to establish the increased compensation rate. This bill was amended to apply the same increase in compensation to CalPERS and CalSTRs Board Members.
 - Status: This bill passed out of the Assembly PERS Committee and is awaiting action in the Appropriations Committee.
 - Position: Neutral
- **AB 1660 (Schiavo)** – This bill was amended to now permit as opposed to require a court to award sanctions of no less than \$1,000 per violation if a financial institution, private agency, retirement fund administrator, insurance company, or other person fails to comply with existing requirements to provide information or surrender property of a decedent, minor, or conservatee to a public administrator or public guardian that is authorized to take possession and control of such property.
 - Status: This bill is awaiting action on the Assembly floor.
 - Position: No position/watch
- **AB 1762 (Gonzalez)** – This bill extends Public Employees’ Medical and Hospital Care Act (PEMHCA) authorization contract for health benefits to the City of Indio for employees hired from January 1, 2025, onward. It sets conditions such as collective bargaining agreements and requires at least five years of service for any benefit eligibility. The bill applies only to retirees after the approval of the memorandum of understanding and mandates that the City of Indio provide necessary notifications and information.
 - Status: This bill did not receive a policy committee hearing and is now dead.
 - Position: No position/watch
- **AB 1844 (Pacheco)** – This bill modifies the Judges’ Retirement System II, to give judges more flexibility in designating beneficiaries for their retirement benefits. This bill would authorize a judge who elects one of the optional retirement payment plans in lieu of receiving the maximum retirement allowance to designate a beneficiary other than their spouse to receive the payment or allowance after the judge’s death, subject to the community



- property rights of the judge's spouse. Additionally, the bill extends existing survivor benefits to non-spouse beneficiaries, removing the stipulation that the judge must have served a minimum of 20 years if they die in office.
- Status: This bill passed out the Assembly and is awaiting action in the Senate.
 - Position: No position/watch
- **AB 2336 (Macedo)** – This bill would, for taxable years beginning on or after January 1, 2026, and before January 1, 2031, exclude from gross income the first \$25,000 of overtime pay received by a taxpayer during the taxable year. The bill would also exclude from gross income the first \$25,000 received by a taxpayer as proceeds from a defined benefit plan.
 - Status: This bill was held the Assembly PERS Committee.
 - Position: No position/watch
 - **AB 2519 (McKinnor)** – The bill expands who must be included in the State Teachers' Retirement System (STRS) membership. Under current law STRS administers a defined-benefit retirement program funded by employer and employee contributions and applies to positions that generally require a valid credential or license; charter school positions were excluded. This bill adds permitholders and comparable positions at charter schools that receive state apportionment and perform specified directing, coordinating, supervising, or administrative functions to the definition of "position subject to membership." It also removes a board-triggered timing requirement and makes the new definition operative on July 1, 2027.
 - Status: This bill is awaiting action in the Assembly Appropriations Committee.
 - Position: No position/watch
 - **AB 2780 (Assembly Committee on Public Employment and Retirement) – Public Retirement Systems: Omnibus Bill** - This bill includes the SACRS-sponsored legislative package in the Legislature's annual omnibus bill for technical changes to laws affecting CalSTRS, CalPERS, and the CERL systems. The proposed changes in the CERL include the following:
 - Clarifying that deferred members cannot run for or vote in active member Miscellaneous and Safety trustee elections.
 - Establishing a 10-year statute of limitations for recovery of overpayments due to fraudulent reports of overpaid death benefits.
 - Formalizing the practice of the majority of CERL systems that only the last system pays a lump-sum burial allowance for reciprocal members.



- Defining “concurrent retirement” to allow reciprocal members to retire on different dates with 30 days of each retirement date, as long as there is not overlapping service.
 - Status: This bill is awaiting action in the Assembly Appropriations Committee.
 - Position: Support

- **SB 1187 (Durazo)** – This bill would define “majority” in the Brown Act to mean the number of members of the legislative body equaling more than half of the total number of seats on the legislative body. The bill would specify that if a seat on the legislative body is vacant, that seat is to still be counted as a seat on the legislative body.
 - Status: This bill is on the Senate Floor consent calendar.
 - No position/watch

- **SB 1207 (Laird)** – This bill authorizes CalPERS members to buy back not more than three years of service credit for their prior service in the California Conservation Corps (CCC). The bill also makes changes to CCC’s statutes to clarify the scope of authorized projects and to specifically permit CCC to contract with corps established by California Native American tribes
 - Status: This bill is awaiting action in the Senate Appropriations Committee.
 - No position/watch

- **SB 1319 (Durazo)** – This bill expands requirements for public disclosure of alternative investment information, including the name of each general partner or manager of each alternative investment vehicle and of each person with a direct or indirect interest in the general partner or manager. The bill also requires disclosure of the identity of the enterprise or activity in which the investment is made, the geographic locations where the enterprise or activity takes place, and the number and classifications of employees at each such location.
 - Status: This bill passed out of the Senate PERS Committee and is awaiting action in the Senate Appropriations Committee.
 - Position: Oppose

- **SB 1407 (Archuletta)** – Current law allows up to \$20,000 of federal military retirement pay and certain Survivor Benefit Plan annuity payments to be excluded from taxable income for qualifying taxpayers between 2025 and 2030. This bill would increase the income limits to 820,000 cap, extend the exclusion through 2037, and require reporting on the tax expenditure.
 - Status: This bill is awaiting action in the Senate Appropriations Committee.



- Position: No position/watch

Contact:

If you have any questions, contact Cara Martinson at cmartinson@capitoladvocacy.com, or Laurie Johnson at lauriejconsult@gmail.com.

2026 - SJCERA BOARD OF RETIREMENT MEETING CALENDAR

MONTH	DATE	Periodic Items / Other Events	MONTH	DATE	Periodic Items / Other Events
JAN	9	Board Meeting Earnings Code Ratification Fourth Quarter Operations Reports* Trustee Education Compliance Report Action Plan Results	JUL	10	Board Meeting Mid-Year Administrative Budget Report Second Quarter Operations Reports* Election of Board Officers Annual Policy Review
FEB	13	Board Meeting Notice of CPI/Set Retiree COLA Declining ER Payroll Report Assumptions & CMAs		13-16	SACRS UC Berkeley
	13	CEO Performance Review Committee	AUG	14	Board Meeting Annual Valuation Report & Adoption of Plan Contribution Rates Board Committee Assignments Investment Fee Transparency Report
MAR	13	Board Meeting Fourth Quarter Inv Reports			
	13	Audit Committee Meeting	SEP	11	Board Meeting Second Quarter Inv Reports Actuary audit
	8-11	CALAPRS General Assembly			
APR	10	Board Meeting First Quarter Operations Reports*	OCT	14	Board Meeting Adoption of Board Calendar for next year Third Quarter Operations Reports* 2027 Action Plan
MAY	8	Board Meeting following Audit Committee Meeting		15	Special Meeting - Investment Roundtable
	8	Audit Committee Meeting *8:30 a.m.	NOV	6	Board Meeting Investment Consultant and Actuary Consultant Evals
	8	Special Board Meeting		TBD	Administrative Committee Meeting
	12-15	SACRS Spring Conf		10-13	SACRS Fall Conference
JUN	12	Board Meeting First Quarter Inv Reports Auditor's Annual Report / ACFR Mid Year Action Plan Results Asset Class Review	DEC	11	Board Meeting Third Quarter Inv Reports Annual Administrative Budget RPESJC Holiday Lunch
	12	Administrative Committee Meeting		10	
	11	RPESJC Picnic			

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

* Disability App Status Report and Pending Retiree Accounts Receivable Report

4/27 Update Special Meeting

Notes: May meeting may move to the first Friday due to the SACRS Spring Conference.

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.

**SAN JOAQUIN COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

**REPORT TO THE BOARD OF RETIREMENT
AND AUDIT COMMITTEE**

**FOR THE YEAR ENDED
DECEMBER 31, 2025**

**SAN JOAQUIN COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION
FOR THE YEAR ENDED DECEMBER 31, 2025**

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**REQUIRED COMMUNICATION TO THE BOARD OF
RETIREMENT AND AUDIT COMMITTEE IN
ACCORDANCE WITH PROFESSIONAL STANDARDS**

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

We have audited the basic financial statements and other information (financial statements) of the San Joaquin County Employees' Retirement Association (SJCERA), a pension trust fund and component unit of the County of San Joaquin, as of and for the year ended December 31, 2025, and have issued our report thereon dated May 29, 2026. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated November 7, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by SJCERA are described in Note 3, Summary of Significant Accounting Policies – Pension Plan, to the financial statements. During the year ended December 31, 2025, SJCERA adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*. The application of existing policies was not otherwise changed during the year ended December 31, 2025. We noted no transactions entered into by SJCERA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

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

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

- The disclosures for cash and investments and derivative financial instruments in Notes 4 and 5 to the financial statements, respectively, were derived from SJCERA's investment policy. Management's estimate of the fair value of investments was derived by various methods as detailed in the notes.
- The disclosures related to the funding policies, funded status, funding progress, and actuarial methods and assumptions in Note 6 and Note 8 were derived from actuarial valuations, which involve estimates of the value of reported amounts and probabilities about the occurrence of the future events far into the future.

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

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such misstatements were identified during our audit of the financial statements for the year ended December 31, 2025.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 29, 2026.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

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

Restriction on Use

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive style and is positioned below the printed name of the company.

Stockton, California
May 29, 2026

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the San Joaquin County Employees' Retirement Association (SJCERA), as of and for the year ended December 31, 2025, and the related notes to the basic financial statements, which collectively comprise SJCERA's basic financial statements and other information (financial statements), and have issued our report thereon dated May 29, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Stockton, California
May 29, 2026

Schedule of Current Year Findings

None.

Status of Prior Year Findings

2024-001 – Reconciliation of Investment Managers

During our audit procedures over investments, we noted one investment was understated by \$21.1 million as an investment class unit was omitted from being recorded. During our audit procedures over securities sold receivables we noted a difference of \$30.9 million between the securities sold receivables reported by the Custodian, this error occurred due to an error in reporting by the Custodian and SJCERA not accurately accounting for the additional purchase of an investment during the year.

Recommendation

We recommend that management review cash, investment and pending trades balances by investment managers at the end of the year to ensure that investment manager accounts are reconciled and correctly classified.

Management's Response

Management agrees with the recommendation and has corrected the financial statements accordingly. Staff creates journal entries on a monthly basis updating cash, cost, investment income and expense. Procedures will be updated to include reconciliations of general ledger to the custodian for cash and cost on a monthly basis. At year end, staff create the market value adjustment based on custodian information and external manager statement. Procedures will be created to detail how to create journal entry along with the reconciliation of custodian and bank. Lastly, the custodian will close their book by end of February to allow time for staff to complete these procedures.

Current Year Status

On a monthly basis, staff post journal entries to update cash, cost, investment income, and investment expense, and reconcile investment cost, cash, and pending sales and purchases.

Procedures were developed to record the year-end market value adjustment, obtain estimates from investment managers at year-end, and track this information throughout the year. At year-end, all investment-related accounts are reconciled to Northern Trust (NT) and QuickBooks. The investment managers' PCAP statements and estimates are also reconciled to NT balances, and GASB 72 fair value information is reconciled to these same sources to ensure that market values are stated correctly.

In addition, staff maintain a log of investment managers from whom Q4 PCAP statements or estimates have not been received in order to evaluate the risk of missing material information.

Staff also implemented a change in procedure to accelerate the close of NT's books. For the year ended December 31, 2025, NT closed its books on February 27, 2026, which provided staff with sufficient time to post the required journal entries and reconcile the general ledger to NT balances.

**SAN JOAQUIN COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

**ANNUAL FINANCIAL REPORT
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2025**

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
FOR THE YEAR ENDED DECEMBER 31, 2025**

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INDEPENDENT AUDITOR'S REPORT

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

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

Opinions

We have audited the accompanying Statement of Fiduciary Net Position of the San Joaquin County Employees' Retirement Association (SJCERA), pension trust fund and component unit of the County of San Joaquin, as of December 31, 2025; the Statement of Changes in Fiduciary Net Position for the fiscal year then ended; and the related notes to the basic financial statements, which collectively comprise SJCERA's basic financial statements as listed in the table of contents. We have also audited the Schedule of Cost Sharing Employer Allocations and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan totals for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense (specified column totals) as of and for the fiscal year ended December 31, 2025, listed as other information in the table of contents.

In our opinion, the basic financial statements and other information referred to above present fairly, in all material respects, the fiduciary net position of SJCERA as of December 31, 2025; its changes in fiduciary net position for the fiscal year then ended; the Schedule of Cost Sharing Employer Allocations; and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan totals for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense (specified column totals) as of and for the fiscal year ended December 31, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Basic Financial Statements and Other Information

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

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements and other information, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements and other information in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements

and other information, and other knowledge we obtained during our audit of the basic financial statements and other information. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

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

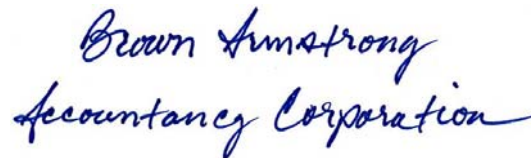
Report on Summarized Comparative Information

We have previously audited SJCERA's December 31, 2024, basic financial statements and other information, and our report dated May 30, 2025, expressed an unmodified opinion on those audited basic financial statements and other information. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended December 31, 2024, is consistent in all material respects, with the audited basic financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2026, on our consideration of SJCERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SJCERA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SJCERA's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive style and is positioned below the printed name of the firm.

Stockton, California
May 29, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025
(Amounts in Thousands)**

Introduction

Management's Discussion and Analysis (MD&A) presents an overview and analysis of the financial activities of the San Joaquin County Employees' Retirement Association (SJCERA or the Plan) for the year ended December 31, 2025. This MD&A is intended to assist readers in understanding SJCERA's financial position, results of operations, key factors affecting its financial condition and should be read in conjunction with SJCERA's basic financial statements and accompanying notes.

During 2025, SJCERA implemented Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*. The provisions of GASB Statement No. 103 that are applicable to SJCERA primarily affect the structure and content of this MD&A. Information presented in this MD&A is organized using the five topics required by GASB Statement No. 103: (a) an overview of the basic financial statements; (b) a financial summary; (c) detailed analyses of fiduciary net position and changes therein; (d) significant capital asset and long-term financing activity; and (e) currently known facts, decisions, or conditions.

(a) Overview of the Basic Financial Statements

SJCERA's basic financial statements consist of the Statement of Fiduciary Net Position, the Statement of Changes in Fiduciary Net Position, and the accompanying Notes to the Basic Financial Statements. These statements, together with the required supplementary information (RSI), other supplementary information, and other information, were prepared in accordance with the accounting principles and reporting standards prescribed by GASB.

The ***Statement of Fiduciary Net Position*** presents the major categories of SJCERA's assets and liabilities, and the resulting net position restricted for pension benefits. It represents the resources available for future benefit payments to retirees and beneficiaries as of December 31, 2025, with comparative totals as of December 31, 2024.

The ***Statement of Changes in Fiduciary Net Position*** presents the additions to and deductions from the Plan for the year ended December 31, 2025, with comparative totals for the year ended December 31, 2024. Additions consist of employer and member contributions and net investment income; deductions consist of benefit payments, refunds of contributions, and administrative expenses.

The ***Notes to the Basic Financial Statements*** provide additional information that is essential to a full understanding of the data presented in the basic financial statements, including a description of the Plan, significant accounting policies, investment risk disclosures, derivative instrument disclosures, the net pension liability of participating employers, and commitments and contingencies.

Required Supplementary Information follows the basic financial statements and includes the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Contributions from the Employers and Other Contributing Sources, the Schedule of Investment Returns, and the related Note to Required Supplementary Information.

Other Supplementary Information includes the Schedule of Administrative Expenses, the Schedule of Investment Expenses, and the Schedule of Payments to Consultants.

Other Information includes the Schedule of Cost Sharing Employer Allocations and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan, which are prepared pursuant to GASB Statement No. 68.

(b) Financial Summary

The following table presents condensed comparative information regarding SJCERA's fiduciary net position as of December 31, 2025 and 2024:

SJCERA Fiduciary Net Position				
(Amounts in Thousands)				
	2025	2024	Increase (Decrease) Amount	Percent Change
Cash and Receivables	\$ 296,988	\$ 292,153	\$ 4,835	1.65%
Investments	5,047,120	4,463,020	584,100	13.09%
Other Assets	2,460	5,115	(2,655)	-51.91%
Total Assets	5,346,568	4,760,288	586,280	12.32%
Total Liabilities	59,726	101,072	(41,346)	-40.91%
Fiduciary Net Position Restricted for Pension Benefits	\$ 5,286,842	\$ 4,659,216	\$ 627,626	13.47%

The following table presents condensed comparative information regarding changes in SJCERA's fiduciary net position for the years ended December 31, 2025 and 2024:

Changes in Fiduciary Net Position				
(Amounts in Thousands)				
	2025	2024	Increase (Decrease) Amount	Percent Change
Additions				
Employer Contributions	\$ 342,719	\$ 323,248	\$ 19,471	6.02%
Member Contributions	64,443	58,874	5,569	9.46%
Net Investment Income and Miscellaneous Income	553,435	375,662	177,773	47.32%
Transfer from Healthcare Custodial Fund	314	255	59	23.14%
Total Additions	960,911	758,039	202,872	26.76%
Deductions				
Retirement Benefit Payments	314,918	301,364	13,554	4.50%
Death Benefits	623	747	(124)	-16.60%
Refund of Contributions	6,029	5,139	890	17.32%
Administrative and Other Expenses	11,715	7,246	4,469	61.68%
Transfer to Healthcare Custodial Fund	-	25	(25)	-100.00%
Total Deductions	333,285	314,521	18,764	5.97%
Net Increase	627,626	443,518	184,108	41.51%
Fiduciary Net Position Restricted for Pension Benefits				
Beginning of Year	4,659,216	4,215,698	443,518	10.52%
End of Year	\$ 5,286,842	\$ 4,659,216	\$ 627,626	13.47%

(c) Detailed Analyses

Analysis of Fiduciary Net Position

Fiduciary net position represents the resources available to pay future benefits to members and beneficiaries. As of December 31, 2025, SJCERA's fiduciary net position was \$5.287 billion, compared with \$4.659 billion as of December 31, 2024, an increase of \$627.6 million, or 13.47 percent.

The increase in fiduciary net position was primarily attributable to favorable investment performance of \$553.4 million on 11.56% rate of return on investments during 2025. Employer and member contributions of \$407.2 million further supported the growth in net position, partially offset by \$333.3 million in benefit payments and administrative expenses. The increase in fiduciary net position was largely driven by investment performance, which exceeded long-term expectations and may not be indicative of future results.

Analysis of Additions

Additions to fiduciary net position totaled \$960.9 million for the year ended December 31, 2025, compared with \$758.0 million for the year ended December 31, 2024. The \$202.9 million increase is attributable to the following:

- *Net investment income and miscellaneous income* increased by \$177.8 million or 47.3 % over the prior year. The increase reflects a net money-weighted annual return of 11.56% on \$4.5 billion in beginning of the year investments compared to 8.50% on \$4.1 billion in 2024.

All asset classes had positive returns in 2025 ranging from Traditional Growth at 21.3% to Crisis Risk Offset at 2.0%. Traditional Growth had \$2.0 billion or 40% of total investment in a MSCI World Investable Market Index Fund that contributed approximately 70% of total investment income. The index fund invests in over 5000 large, mid, and small capitalization publicly traded stocks in 23 countries with 70% located in the US and is a proxy for global equity markets.

- *Employer contributions* increased by \$19.5 million, or 6.02 percent, over the prior year and member contributions increased by \$5.6 million, or 9.46 percent, over the prior year. The increases reflect an additional 302 active members (4.37%), 3% COLA adjustment and pay increases offset by lower than 2024 employer contribution rates while member contribution rates were mostly unchanged.

In 2025, the San Joaquin County (County), San Joaquin County (SJC) Mosquito and Vector Control District (MVCD), and SJC Superior Court made additional contributions to decrease their proportionate share of the unfunded actuarial liability similar to 2024. Because similar additional contributions were made in 2024, these contributions are considered part of an ongoing funding pattern and are not classified as unusual or infrequent.

Analysis of Deductions

Deductions from fiduciary net position totaled \$333.3 million for 2025, compared with \$314.5 million for 2024, an increase of \$18.8 million, or 5.97 percent. The increase was driven primarily by a \$13.5 million increase in pension benefit payments to retirees and beneficiaries, which reflects the annual cost-of-living adjustment of 3% granted to eligible retirees effective April 1, 2025 and the net growth in the number of retirees of 1.31%. This trend is expected to continue as the SJCERA's membership demographic shifts toward a higher proportion of retirees.

Administrative and other expenses also contributed to the increase, rising \$4.5 million, or 61.68 percent, from the prior year. This was primarily driven by elevated information technology costs and a one-time write-off of previously capitalized software costs, which represents an infrequent item and is not expected to recur.

SJCERA Membership				
As of December 31, 2025 and 2024				
(Amounts not in Thousands)				
Category	2025	2024	Increase (Decrease) Amount	Percent Change
Active Members	7,215	6,913	302	4.37%
Retired Members	7,022	6,931	91	1.31%
Deferred Members	3,396	3,131	265	8.46%
Total Membership	17,633	16,975	658	3.88%

Administrative expenses for 2025 totaled \$5.9 million, which remained well below the statutory limit imposed by CERL Section 31580.2 of twenty-one hundredths of one percent (0.21 percent) of the accrued actuarial liability, indicating continued cost efficiency relative to plan size and liabilities.

Compliance with Statutory Limitation Administrative Expenses		
As of December 31, 2025 and 2024		
(Amounts in Thousands)		
	2025	2024
Basis for Budget Calculation (Accrued Actuarial Liability):		
Actual Administrative Expenses	\$ 5,967	\$ 5,673
Accrued Actuarial Liability as Basis for Budget Calculation*	5,940,503	5,674,663
Administrative Expenses as a Percentage of:		
The Basis for Budget Calculation	0.10%	0.10%
Limit per CERL	0.21%	0.21%

* Based on valuations dated December 31, 2023 and December 31, 2022, respectively

Actuarial Valuations and Funded Status

SJCERA engages an independent actuarial firm, Cheiron, Inc., to perform an annual actuarial valuation to monitor its funding status and funding integrity. The valuation assesses the magnitude of SJCERA's benefit commitments in comparison with the assets expected to be available to support those commitments. The most recent annual actuarial valuation, as of December 31, 2024, includes a detailed discussion of funding requirements and is used to establish employer and member contribution rates. Contribution rates are structured to improve SJCERA's long-term funded status; however, they may place increasing financial pressure on participating employers.

As of December 31, 2024, the pension plan's net position, measured using the fair value of investments in accordance with GASB standards, was approximately \$4.7 billion. For actuarial funding purposes, the valuation reports a market value of assets (MVA) of \$4.7 billion. The MVA is based on the fair value of investments but includes certain contribution reserves (County, MVCD, and Superior Court) and excludes the contingency reserve (collectively, Special Reserves) and therefore differs from the fair value of assets reported in the financial statements. On this market value basis, the funded ratio (MVA divided by accrued actuarial liabilities of \$6.1 billion) was 76.5 percent, compared to 70.5 percent in the prior year, resulting in a UAL of \$1.3 billion.

The valuation also reports an actuarial value of assets (AVA) of \$4.75 billion, which reflects the smoothing of investment gains and losses over time. On this smoothed basis, the funded ratio increased to 77.9 percent from 74.0 percent in the prior year. The improvement in funded status reflects favorable investment performance in recent periods; however, the plan remains less than fully funded, and continued contributions and investment returns will be necessary to reduce the unfunded actuarial liability over time.

For the year ended December 31, 2025, a GASB Statement No. 67/68 report was prepared by Cheiron, Inc., to provide accounting and financial disclosure information. To accommodate the annual reporting requirements of our plan sponsors in a timely manner, the valuation was prepared using the December 31, 2024 valuation as the basis for calculating the total pension liability (TPL) and projected to December 31, 2025. Based on this actuarial valuation, the TPL was \$6.3 billion compared to a fiduciary net position of \$5.3 billion, resulting in the employers' net pension liability (NPL) of \$1.0 billion and a fiduciary net position as a percentage of TPL of 83.8 percent. The NPL as a percentage of covered payroll was 161.91 percent. Please see Note 8 for more details.

(d) Significant Capital Asset and Long-Term Financing Activity

Capital Assets. SJCERA's capital assets consist of leasehold improvements, furniture, and equipment used in plan administration. Depreciation and amortization expense for the year ended December 31, 2025 was \$844 thousand. During fiscal year 2025, SJCERA recognized a one-time write-off of approximately \$4.5 million related to 2025 and previously capitalized software development costs. This action followed management's recommendation and Board decision to discontinue the initiative. Accordingly, in accordance with applicable accounting standards, the remaining capitalized costs were expensed in the current period. This non-recurring charge does not impact SJCERA's core investment portfolio or benefit obligations. See Note 3(e) for additional information.

Long-Term Financing and Financial Activity. SJCERA had no material outstanding long-term debt, leases, public-private or public-public partnerships, or subscription-based information technology arrangements (SBITAs) during the year ended December 31, 2025. Accordingly, SJCERA's long-term financial activity is primarily driven by changes in pension liabilities and fiduciary net position rather than external financing arrangements. Long-term obligations and funding requirements are significantly influenced by actuarial assumptions (including investment return and discount rates), demographic experience (such as retirement patterns, mortality, and payroll growth), and benefit structure and policy decisions. Changes in these factors can have a material impact on SJCERA's long-term financial position, funding ratios, and contribution requirements.

(e) Currently Known Facts, Decisions, or Conditions

Management is not aware of any currently known facts, decisions, or conditions, as of the date the financial statements are available to be issued, that are expected to have a significant effect on SJCERA's fiduciary net position or results of operations in subsequent periods, other than the following:

- *2026 Contribution Rates.* The December 31, 2024 actuarial valuation is the basis for employer and member contribution rates applicable to the fiscal year beginning July 1, 2026 for the County and its related participating employers. The adopted rates decreased from the prior year rates, reflecting the positive impact of investment returns that exceeded our assumed rate of return in multiple consecutive years.
- *Actuarial Assumption Changes.* In 2025, the SJCERA Board of Retirement adopted assumed inflation rate changes, lowering the assumption from 2.75% to 2.5%. The Board also adopted COLA assumption change recommendations which included a decrease from 2.6% to 2.5% for active members, as well as an increase from 2.75% to 3.0% for retirees with COLA banks, to 2.5% when banks are depleted.
- *Investment Policy and Asset Allocation.* The Board approved a new strategic asset allocation effective October 15, 2025. The new asset allocation increased targets for Aggressive Growth, Traditional Growth, and Principal Protection while lowering targets for Credit and Crisis Risk Offset and eliminating investment in Risk Parity. Rebalancing the new strategic allocation will take place over time.
- *2026 Administrative Budget.* The Board adopted an administrative budget for 2026 of approximately \$7.4 million, which remains within the statutory limit established by CERL Section 31580.2 of 0.21%.

- *Legislative and Regulatory Developments.* Management is not aware of any currently known legislative or regulatory developments expected to have a significant effect on SJCERA's subsequent-period financial position or results of operations.

Conclusion

SJCERA experienced a favorable year in 2025, driven largely by strong investment performance and continued contributions. While these factors contributed to an improvement in fiduciary net position and funded status, SJCERA remains subject to long-term risks and uncertainties. Management will continue to monitor investment performance, funding progress, and emerging risks to ensure SJCERA remains positioned to meet its obligations to members and beneficiaries.

Reporting SJCERA's Fiduciary Responsibilities

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

Requests for Information

This financial report is designed to provide the Board of Retirement, the membership, taxpayers, and other interested parties with a general overview of SJCERA's finances and to demonstrate SJCERA's accountability for the resources entrusted to it. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to SJCERA at 220 E. Channel Street, Stockton, California 95202.

Respectfully submitted,



Brian P. McKelvey
Assistant Chief Executive Officer
May 29, 2026

BASIC FINANCIAL STATEMENTS

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2025 (WITH COMPARATIVE TOTALS)
(Amounts in Thousands)

	2025		2024	
	Defined Benefit Pension Plan	Post- Employment Healthcare Custodial Fund	Defined Benefit Pension Plan	Post- Employment Healthcare Custodial Fund
Assets				
Cash and Short-Term Investments				
Cash and Cash Equivalents	\$ 214,865	\$ 223	\$ 157,430	\$ 230
Cash Collateral - Futures Margin	-	-	16,000	-
Cash Collateral - Securities Lending	52,694	-	72,278	-
Total Cash and Short-Term Investments	267,559	223	245,708	230
Receivables				
Investment Income Receivables	8,744	-	7,700	-
Contributions Receivable	20,598	-	18,318	-
Securities Sold, Not Received	54	-	20,395	-
Miscellaneous Receivables	33	-	32	-
Total Receivables	29,429	-	46,445	-
Investments, at Fair Value				
Aggressive Growth	652,986	-	528,270	-
Traditional Growth	2,229,033	-	1,838,130	-
Credit	783,209	-	694,795	-
Core Real Assets	374,280	-	279,382	-
Risk Parity	-	-	225,359	-
Crisis Risk Offset (CRO)	506,069	-	472,277	-
Principal Protection	501,543	-	424,807	-
Total Investments, at Fair Value	5,047,120	-	4,463,020	-
Other Assets				
Prepaid Expenses	174	-	147	-
Capital Assets, Net	2,286	-	4,968	-
Total Other Assets	2,460	-	5,115	-
Total Assets	5,346,568	223	4,760,288	230
Liabilities				
Securities Lending - Cash Collateral	52,694	-	72,278	-
Securities Purchased, Not Paid	5,386	-	27,386	-
Accrued Expenses and Other Payables	1,450	-	1,100	-
Securities Lending Interest and Other Payables	196	-	308	-
Total Liabilities	59,726	-	101,072	-
Fiduciary Net Position				
Restricted for:				
Pension Benefits	5,286,842	-	4,659,216	-
Custodial Healthcare Benefits	\$ -	\$ 223	\$ -	\$ 230

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

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025 (WITH COMPARATIVE TOTALS)
(Amounts in Thousands)

	2025		2024	
	Defined Benefit Pension Plan	Post- Employment Healthcare Custodial Fund	Defined Benefit Pension Plan	Post- Employment Healthcare Custodial Fund
Additions				
Contributions				
Employer Contributions	\$ 342,719	\$ -	\$ 323,248	\$ -
Member Contributions	64,443	-	58,874	-
Amounts Collected for Related Governments (healthcare benefits)	-	3,088	-	3,178
Total Contributions	407,162	3,088	382,122	3,178
Net Investment Income				
Net Appreciation in				
Fair Value of Investments	496,936	-	332,091	-
Interest	43,795	-	34,538	-
Dividends	20,870	-	23,401	-
Real Estate Income	17,261	-	9,287	-
Investment Expenses	(25,843)	-	(26,029)	-
Net Investment Income, Before Securities Lending Income	553,019	-	373,288	-
Securities Lending Income				
Earnings	3,534	-	3,911	-
Rebates	(3,083)	-	(3,486)	-
Fees	(113)	-	(106)	-
Net Securities Lending Income	338	-	319	-
Total Net Investment Income	553,357	-	373,607	-
Miscellaneous Income	78	-	2,055	-
Transfers in from other funds	314	-	255	25
Total Additions	960,911	3,088	758,039	3,203
Deductions				
Benefit Payments	314,918	-	301,364	-
Death Benefits	623	-	747	-
Refunds of Member Contributions	6,029	-	5,139	-
Distributions to Participants (healthcare benefits)	-	2,781	-	2,951
Administrative Expenses				
General Administrative Expenses	5,967	-	5,673	-
Other Expenses				
Information Technology Expenses	5,380	-	1,196	-
Actuary Fees	201	-	151	-
Fund Legal Fees	167	-	226	-
Total Administrative and Other Expenses	11,715	-	7,246	-
Transfers out to other funds	-	314	25	255
Total Deductions	333,285	3,095	314,521	3,206
Changes in Fiduciary Net Position	627,626	(7)	443,518	(3)
Fiduciary Net Position				
Beginning of Year	4,659,216	230	4,215,698	233
End of Year	\$ 5,286,842	\$ 223	\$ 4,659,216	\$ 230

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

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025
(Amounts in Thousands)

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

NOTE 1 – DEFINED BENEFIT PENSION PLAN DESCRIPTION

a. General Description

SJCERA is a public retirement system established by the San Joaquin County Board of Supervisors effective June 28, 1946, under the provisions of the CERL and the Public Employees' Pension Reform Act of 2013 (PEPRA). SJCERA is administered by the Board. Pursuant to Government Code Sections 31520.1 and 31520.5, the Board consists of nine regular members, one alternate retired member, and under certain circumstances an alternate Safety member. Four members and the alternate member(s) are elected by SJCERA's members, four are appointed by the County Board of Supervisors, and the County Treasurer is an ex-officio member. Board members serve for a term of three years, except for the County Treasurer who is a permanent member. The Board members as of December 31, 2025, were as follows:

Michael Restuccia, Chair	Sonny Dhaliwal
Sam Kaisch, Vice Chair	Emily Nicholas
Raymond McCray, Secretary	Steve Moore, Alternate
Michael Duffy	J.C. Weydert
Phonxay Keokham	Jason Whelen

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

Due to the implementation of the Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, the County of San Joaquin (County) determined that SJCERA met the requirements of GASB Statement No. 84 and is a fiduciary component unit of the County. As such, it is included as a component unit in the County's financial statements as presented in its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025.

NOTE 1 – DEFINED BENEFIT PENSION PLAN DESCRIPTION (Continued)

a. General Description (Continued)

SJCERA has two benefit tiers:

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

There are two membership types:

- *Safety Member* – Permanent employees engaged in the performance of active law enforcement, including probation officers and fire suppression employees, are considered Safety Members and are not generally covered by Social Security.
- *General Member* – All other eligible employees not classified as Safety Members are considered General Members and are covered by Social Security.

Membership Summary

SJCERA's membership as of December 31, 2025, is presented below (amounts not in thousands).

	Retirees		Beneficiaries		Active		Deferred		Total	
	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2
General	4,810	183	772	5	1,585	4,743	1,106	2,046	8,273	6,977
Safety	1,004	17	231	0	331	556	134	110	1,700	683
Total	5,814	200	1,003	5	1,916	5,299	1,240	2,156	9,973	7,660

b. Plan Benefits

Eligibility for Retirement

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

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

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

Retirement Benefit

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

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

NOTE 1 – DEFINED BENEFIT PENSION PLAN DESCRIPTION (Continued)

b. Plan Benefits (Continued)

Retirement Benefit (Continued)

The benefit formula for General, Tier 1 members is 2.6 percent of final average compensation for each year of service credit at age 62. The formula for Safety, Tier 1 members is 3.0 percent of final average compensation for each year of service credit at age 50 effective January 1, 2001. Members who retired prior to April 1, 1982, with 15 years or more of County service, receive an additional \$50 (amount not in thousands) monthly supplement commencing at age 65. Members who retired on or after April 1, 1982, but before January 1, 2001, receive a supplemental monthly benefit of \$10 (amount not in thousands) per year of service up to 30 years. This “Post 1982” supplemental benefit is payable if sufficient funds exist.

Federal law limits the annual compensation that may be used to calculate retirement benefits (applicable to persons who became SJCERA members on or after January 1, 1996), and the maximum annual benefit payable by SJCERA to any retired member. For 2025, the annual compensation limit under Internal Revenue Code Section 401(a)(17) is \$350,000 and the annual benefit limit under Internal Revenue Code Section 415(b) is \$280,000 (amounts not in thousands). Retired members whose statutory benefits from SJCERA would exceed the annual benefit limitation are eligible for the County’s Replacement Benefit Plan.

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

The benefit formula for General, Tier 2 members is 2.5 percent of final compensation for each year of service credit at age 67. The formula for Safety, Tier 2 members is 2.7 percent of final compensation for each year of service credit at age 57. PEPRAs specifies the maximum annual compensation that may be used to calculate retirement benefits. The limits are adjusted annually based on changes in the Consumer Price Index (CPI). For 2025, the Tier 2 annual compensation limit is \$155,081 for those included in the Federal Social Security System and \$186,096 for those not included (amounts not in thousands).

Cost-of-Living Adjustment (COLA)

For both Tier 1 and Tier 2 members, monthly allowances are eligible for an annual COLA based on the change in the CPI for the San Francisco-Oakland-Hayward area for the previous calendar year, up to a maximum of 3.0 percent. The Bureau of Labor Statistics does not publish a CPI for San Joaquin County. When the CPI exceeds 3.0 percent in any year, the difference between the actual change in CPI (rounded to the nearest one-half percent) and the 3.0 percent ceiling is “accumulated” for future years when the change is less than 3.0 percent. Based on the accumulated carry-over balances as of April 1, 2024, members received a 3.0% increase on April 1, 2025. Their accumulated carry-over balances were increased by 0.0%.

Terminated Members’ Deferred Retirement Benefit and Withdrawal of Contributions

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

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

NOTE 1 – DEFINED BENEFIT PENSION PLAN DESCRIPTION (Continued)

b. Plan Benefits (Continued)

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

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

Death Benefits

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

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

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

Upon the death of a retiree, the beneficiary receives a retirement benefit as determined by the benefit option elected by the member at the time of retirement. In addition, the beneficiary also receives a \$5,000 death benefit (amount not in thousands), which is paid from retirement reserves.

NOTE 2 – POST-EMPLOYMENT HEALTHCARE CUSTODIAL FUND

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

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

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

NOTE 2 – POST-EMPLOYMENT HEALTHCARE CUSTODIAL FUND (Continued)

SJCERA allocates the investments held at December 31, 2025, between the Defined Benefit Pension Plan and the Post-Employment Healthcare Custodial Fund based on the internal records of the respective accounts at December 31, 2025.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – PENSION PLAN

a. Basis of Accounting

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

b. Reporting Entity

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

c. Cash Equivalents

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

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

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

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

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

d. Method Used to Value Investments

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

Investments	Source
Publicly traded stocks and bonds, and issues of the U.S. Government and its agencies	Most recent sales price as of the fiscal year-end. International securities reflect currency exchange rates in effect at December 31, 2025.
Mortgages	Equivalent pricing to comparable Government National Mortgage Association (GNMA).
Real estate equity funds	Fair value as provided by real estate fund manager.
Real estate title holding corporations and limited liability companies	Fair value of the investment as provided by fund managers unless an alternative value has been determined by the Board per SJCERA's Real Estate Investment Policy and reviewed by SJCERA's Investment Consultant.
Private equity	Fair value as provided by the investment manager and reviewed by SJCERA's Investment Consultant.
Private placement bonds	Face value of the security subject to designated conditions such as sales restrictions or limited marketability.

e. Capital Assets

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

The change in capital assets owned for the year ended December 31, 2025, is presented below (amounts in thousands):

	Balance December 31, 2024	Additions	Deletions/ Transfers	Balance December 31, 2025
Capital Assets in Service				
Furniture and equipment	\$ 1,363	\$ 25	\$ (19)	\$ 1,369
Software	3,125	-	-	3,125
Leasehold improvements	1,615	4	(348)	1,271
Total Capital Assets in Service (at cost)	<u>6,103</u>	<u>29</u>	<u>(367)</u>	<u>5,765</u>
Projects in Progress	<u>2,101</u>	<u>2,762</u>	<u>(4,610)</u>	<u>253</u>
Total Capital Assets (at Cost)	8,204	2,791	(4,977)	6,018
Accumulated Depreciation and Amortization	<u>(3,236)</u>	<u>(844)</u>	<u>348</u>	<u>(3,732)</u>
Total Net Capital Assets	<u>\$ 4,968</u>	<u>\$ 1,947</u>	<u>\$ (4,629)</u>	<u>\$ 2,286</u>

Depreciation and amortization expense for the year ended December 31, 2025, was \$844 thousand.

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

f. Receivables

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

g. Use of Estimates in the Preparation of Financial Statements

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

h. New Accounting Pronouncements Adopted During the Year

GASB Statement No. 103, Financial Reporting Model Improvements – Effective for the year ended December 31, 2025, SJCERA early-adopted the provisions of GASB Statement No. 103, *Financial Reporting Model Improvements*, issued by the Governmental Accounting Standards Board in April 2024. GASB Statement No. 103 is effective for fiscal years beginning after June 15, 2025, with earlier application encouraged. The adoption of this statement represents a change in accounting principle in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*. The provisions of GASB Statement No. 103 that apply to SJCERA principally relate to the presentation and content of Management's Discussion and Analysis (MD&A), which has been restructured to conform with the five required sections established by Statement No. 103: an overview of the basic financial statements, a financial summary, detailed analyses, significant capital asset and long-term financing activity, and currently known facts, decisions, or conditions. Other provisions of Statement No. 103, including those addressing unusual or infrequent items, the presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, information about major component units, and budgetary comparison information — do not apply to SJCERA. The adoption of GASB Statement No. 103 did not have a material effect on the amounts reported in SJCERA's basic financial statements. Accordingly, no restatement of beginning fiduciary net position was required.

NOTE 4 – CASH AND INVESTMENTS

a. Investment in Securities Lending Program

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

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

NOTE 4 – CASH AND INVESTMENTS (Continued)

a. Investment in Securities Lending Program (Continued)

As of December 31, 2025, SJCERA had the following securities out on loan (amounts in thousands).

	<u>Fair Value of Securities Lent</u>	<u>Cash Collateral Value</u>	<u>Non-Cash Collateral Value</u>
U.S. Equities	\$ 763	\$ 736	\$ 55
U.S. Debt Securities	<u>78,352</u>	<u>51,958</u>	<u>28,343</u>
Total U.S. Securities	<u>79,115</u>	<u>52,694</u>	<u>28,398</u>
Non-U.S. Equities	10	-	10
Non-U.S. Debt Securities	<u>110,936</u>	<u>-</u>	<u>118,797</u>
Total Non-U.S. Securities	<u>110,946</u>	<u>-</u>	<u>118,807</u>
Total	<u>\$ 190,061</u>	<u>\$ 52,694</u>	<u>\$ 147,205</u>

The cash collateral is reported on the financial statements as an asset and as a liability of SJCERA. Securities lending transactions collateralized by letters of credit or by securities that SJCERA does not have the ability to pledge or sell unless the borrower defaults are not reported as assets and liabilities in accordance with GASB Statement No. 28. The potential risks involved in the securities lending program include borrower bankruptcy, collateral deficiencies, settlement problems, corporate actions, dividends, and interest. SJCERA's pro-rata share of net income derived from NT's pooled securities lending transactions in 2025 was \$338. As of December 31, 2025, there was no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The securities on loan at year-end were \$190.1 million and the collateral received for those securities on loan was \$199.9 million.

b. Cash and Short-Term Investments

The carrying value of cash and short-term investments as of December 31, 2025, consists of the following (amounts in thousands):

	<u>Amount</u>
Cash and Cash Equivalents - Custodian	214,442
Cash and Cash Equivalents - County Treasury	423
Cash and Cash Equivalents - Post-Employment Healthcare Custodian Fund	<u>223</u>
Total Cash and Cash Equivalents	215,088
Cash Collateral - Securities Lending - Custodian	<u>52,694</u>
Total Cash and Short-Term Investments	<u>\$ 267,782</u>

NOTE 4 – CASH AND INVESTMENTS (Continued)

c. Long-Term Investments

SJCERA owned the following long-term investments as of December 31, 2025 (amounts in thousands):

	Fair Value
<u>Investments</u>	
Aggressive Growth	\$ 652,986
Traditional Growth	2,229,033
Credit	783,209
Core Real Assets	374,280
Crisis Risk Offset (CRO)	506,069
Principal Protection	501,543
	\$ 5,047,120
Total Investments	\$ 5,047,120

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

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

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. SJCERA's investment policy seeks to maintain a diversified portfolio of fixed income instruments in order to obtain the highest total return for the fund at an acceptable level of risk within the asset class. To control such risk, credit quality guidelines have been established for the separately managed accounts. The following table depicts the value of the investments exposed to those risks and the corresponding credit ratings from Standard & Poor's (S&P) as of December 31, 2025 (amounts in thousands).

Quality Ratings	Fair Value
<i>Fixed Income</i>	
AAA	\$ 3,941
AA	13,310
A	39,314
BBB	163,224
BB	30,495
B	9,804
CCC	5,243
Not Rated	383,083
U.S. Government and Agency Debt- Implied AAA	338,476
	\$ 986,890
<i>Total Fixed Income</i>	\$ 986,890
<i>Other Assets</i>	
US Government Short-Term Bills and Notes	96,175
Custodian Short-Term Investment Fund - Not Rated	195,085
Collateral from Securities Lending - Not Rated	52,694
	\$ 343,954
<i>Total Other Assets</i>	\$ 343,954

NOTE 4 – CASH AND INVESTMENTS (Continued)

c. Long-Term Investments (Continued)

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

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

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

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

Concentration of Credit Risk – This risk represents the potential loss attributable to the magnitude of SJCERA's investments in a single issuer. As of December 31, 2025, for separately managed investment accounts, SJCERA did not hold any investments within any one issuer that would represent five percent (5%) or more of plan fiduciary net position.

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

NOTE 4 – CASH AND INVESTMENTS (Continued)

c. Long-Term Investments (Continued)

As of December 31, 2025, SJCERA had the following interest rate sensitive investments (amounts in thousands):

Investments by Fair Value Level	Fair Value	Weighted Average Maturity-Years
Fixed Income		
Asset Backed Securities	\$ 49,999	16.85
Commercial Mortgage-Backed Securities	11,953	14.51
Corporate Bonds	212,416	10.36
Corporate Convertible Bonds	2,195	28.52
Funds - Corporate Bonds	124,979	6.46
Funds - Fixed Income ETF	8,769	4.81
Government Agencies	9,659	15.78
Government Bonds	238,662	18.70
Government Mortgage-Backed Securities	139,710	26.72
Index-Linked Government Bonds	2,112	28.08
Municipal/Provincial Bonds	4,130	10.31
Non-Government Backed CMOs	1,183	25.61
Other Fixed income	181,123	8.29
Total Fixed Income Securities	986,890	
Other Assets		
Short-Term Bills and Notes	96,175	0.09
Custodian Short-Term Investment Fund	195,085	0.11
Collateral from Securities Lending	52,694	0.06
Total Other Assets	\$ 343,954	

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates may adversely affect the fair value of an investment. SJCERA's investment managers can invest in international securities in accordance with their investment guidelines pertaining to these types of investments.

The investment managers can invest in international currencies and related derivatives. Derivative instruments may include currency spots, currency forward contracts, currency futures, options on currency forwards or futures, and currency swaps.

SJCERA's exposure to foreign currency risk in U.S. dollars as of December 31, 2025, follows (amounts in thousands).

Currency	Fair Value
Australian Dollar	\$ 3
British Pound Sterling	423
Canadian Dollar	342
Euro Currency	385
Japanese Yen	254
Total	\$ 1,407

NOTE 4 – CASH AND INVESTMENTS (Continued)

d. Fair Value Measurement

In accordance with GASB Statement No. 72, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The statement establishes a fair value hierarchy based on three types of input to develop the fair value measurements for investments. The level is determined based on the lowest level of input significant to the measurement in its entirety. Assets and liabilities measured at fair value are classified into one of the following categories:

Fair Value Hierarchy

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

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

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

NOTE 4 – CASH AND INVESTMENTS (Continued)

d. Fair Value Measurement (Continued)

The following table presents fair value measurements as December 31, 2025 (amounts in thousands).

Investments by Fair Value Level	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities				
Common Stocks	\$ 31	\$ -	\$ 31	\$ -
Preferred Stocks	767	767	-	-
Total Equities	798	767	31	-
Fixed Income				
Asset Backed Securities	49,999	-	49,999	-
Commercial Mortgage-Backed Securities	11,953	-	11,953	-
Corporate Bonds	212,416	-	212,416	-
Corporate Convertible Bonds	2,195	-	2,195	-
Funds - Corporate Bonds	124,979	-	124,979	-
Funds - Fixed Income ETF	8,769	8,769	-	-
Government Agencies	9,659	-	9,659	-
Government Bonds	238,662	-	238,662	-
Government Mortgage-Backed Securities	139,710	-	139,710	-
Index Linked Government Bonds	2,112	-	2,112	-
Municipal/Provincial Bonds	4,130	-	4,130	-
Non-Government Backed CMOs	1,183	-	1,183	-
Other Fixed income	181,123	-	181,123	-
Total Fixed Income	986,890	8,769	978,121	-
Other Assets				
Short-Term Bills and Notes	96,175	94,730	1,445	-
Option Contracts	200	200	-	-
Private Real Estate	176,891	-	-	176,891
Private Credit	48,882	-	-	48,882
Private Equity Funds	209,231	-	-	209,231
Swaps	219	-	219	-
Total Other Assets	531,598	94,930	1,664	435,004
Total Investments by Fair Value Level	1,519,286	104,466	979,816	435,004
Investments Measured at the Net Asset Value (NAV)				
Global Equities Funds	2,143,394			
Emerging Markets Global Equity	85,639			
Fixed Income Funds	112,043			
Private Credit	281,228			
Multi-Strategy Funds	256,786			
Hedge Funds - Fixed Income	2,879			
Private Equity Funds	342,883			
Private Real Estate Funds	302,982			
Total Investments Measured at NAV	3,527,834			
Total Investments	\$ 5,047,120			

NOTE 4 – CASH AND INVESTMENTS (Continued)d. Fair Value Measurement (Continued)*Investments Measured at the Net Asset Value (NAV)*

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

The following table presents the investments measured at NAV as December 31, 2025 (amounts in thousands):

Investments Measured at NAV	Fair Value	Unfunded Commitment	Redemption Frequency If Currently Eligible	Redemption Notice Period
Global Equities Funds	\$ 2,143,394	\$ -	Daily, Weekly, Semi-Monthly, Monthly	1-30 days
Emerging Markets Global Equity	85,639	-	Weekly	T-4 Days
Fixed Income Funds	112,043	22,451	Daily, Not Eligible	1 day
Private Credit	281,228	124,704	Not Applicable	Not Applicable
Multi-Strategy Hedge Funds	256,786	-	Daily, Weekly, Semi-Monthly, Monthly	0-15 days
Hedge Funds - Fixed Income	2,879	13,005	Daily, Quarterly, Not Eligible	0-60 days
Private Equity Funds	342,883	93,824	Not Eligible	Not Applicable
Private Real Estate Funds	<u>302,982</u>	<u>80,652</u>	Quarterly, Not Eligible	5-90 Days, Not Applicable
Total Investments Measured at NAV	<u>\$ 3,527,834</u>	<u>\$ 334,636</u>		

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

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

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

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

NOTE 4 – CASH AND INVESTMENTS (Continued)

d. Fair Value Measurement (Continued)

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

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

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

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

e. Summary of Investment Policy

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

- Solely in the interest of, and for the exclusive purpose of, providing economic benefits to participants and their beneficiaries.
- With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character with like objectives.
- Diversify the investments of the plans so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances, it is clearly prudent not to do so. Diversification is applicable to the deployment of the assets as a whole.

f. Target Asset Allocation

On December 12, 2025, the Board adopted a new strategic asset allocation policy for SJCERA's investments effective October 15, 2025. The new policy was the result of education, asset allocation review, and portfolio design options presented over 2025 by its investment consultant Meketa Investment Group.

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

NOTE 4 – CASH AND INVESTMENTS (Continued)f. Target Asset Allocation (Continued)

<u>Asset Class</u>	<u>Policy Allocation Percentage</u>		<u>Purpose</u>	<u>Main Risk Exposures</u>
	<u>Prior to 10/15/2025</u>	<u>Starting 10/15/2025</u>		
Aggressive Growth	16.00%	21.00%	Return	Growth
Traditional Growth	34.00%	38.00%	Return	Growth, Currency
Credit	15.00%	13.00%	Income, Growth	Growth
Core Real Assets	9.00%	9.00%	Income, Growth	Growth, Interest Rates
Risk Parity	6.00%	0.00%	Balanced Return	Growth, Interest Rates, Inflation
Principal Protection	7.00%	9.00%	Income, Stability	Interest Rates
Crisis Risk Offset (CRO)	13.00%	10.00%	Return and Liquidity during a Growth Crisis	Interest Rates, Variables based on Trends, Alternative Factor Risks
	<u>100.00%</u>	<u>100.00%</u>		

NOTE 5 – DERIVATIVE FINANCIAL INSTRUMENTS

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

Investment derivatives involve the following types of risks:

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

NOTE 5 – DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Credit Risk – Credit risk of cash securities containing derivative features is based upon the credit worthiness of the issuers of such securities. It includes the risk that counterparties to contracts will not perform and/or the public exchange will not meet its obligation to assume this counterparty risk. Exchange traded derivatives are generally considered to be of lower credit risk than over-the-counter derivatives due to the exchange’s margin requirements. The derivative investments are exchange traded, and credit risk is limited to the clearing corporation. As of December 31, 2025, collateral for derivatives was \$9.6 million. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted.

The following Credit Risk Analysis schedule discloses the counterparty credit ratings of SJCERA’s derivative investments as of December 31, 2025 (amounts in thousands):

Derivative Type	S&P Credit Rating	
	Not Rated	Total Fair Value
Option Contracts	\$ 200	\$ 200
Swap Agreements	219	219
Total	<u>\$ 419</u>	<u>\$ 419</u>

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

Interest Rate Risk
As of December 31, 2025
(Amounts in Thousands)

Global Bonds	Futures Contracts	Option Contracts
Canadian Government Bond	\$ (15,417)	\$ -
Australian Bond	2,557	-
Long Gilt	37,429	-
Japanese Government Bond	(28,727)	-
Euro Bond	(28,920)	-
U.S. Notes	60,361	-
Eurodollars	58,391	-
Corra Futures	72,378	-
Sonia Future	151,278	-
SOFR	90,471	44
Total	<u>\$ 399,801</u>	<u>\$ 44</u>

NOTE 5 – DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

SJCERA measures derivative interest rate risk using duration with varying maturities of less than three months to more than 10 years. At December 31, 2025, SJCERA had the following investment derivative interest rate risks:

Derivative Type	Notional Value	Fair Value	Interest Rate Risk Analysis As of December 31, 2025 (Amounts in Thousands)					
			< 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	5 to 10 Years	10+ Years
Futures Contracts	\$ 562,505	\$ -	\$ 209,755	\$ 76,353	\$ 109,143	\$ 167,254	\$ -	\$ -
Swap Agreements	-	219	-	-	-	219	-	-
Option Contracts	-	200	-	200	-	-	-	-
Total	\$ 562,505	\$ 419	\$ 209,755	\$ 76,553	\$ 109,143	\$ 167,473	\$ -	\$ -

Foreign Currency Risk – Foreign currency risk is the risk that changes in currency exchange rates will adversely affect the fair value of an investment. Currency forward contracts represent foreign exchange contracts that are used to control currency exposure and facilitate the settlement of international security purchase and sale transactions. As of December 31, 2025, SJCERA had the derivative foreign currency exposures listed in the table below.

Foreign Currency Risk
As of December 31, 2025
(Amounts in Thousands)

Currency	Futures Contracts
British Pound	\$ 19,009
Canadian Dollar	11,772
Australian Dollar	19,018
Swiss Franc	18,902
Japanese Yen	(18,533)
Euro Currency	18,848
Mexican Peso	1,020
Total	\$ 70,036

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

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

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

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

NOTE 5 – DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

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

All investment derivative positions are included as part of investments at fair value on the Statement of Fiduciary Net Position. All changes in fair value are reported as part of net appreciation/(depreciation) in fair value of investments in the Statement of Changes in Fiduciary Net Position. Investment information was provided either by SJCERA’s investment managers or SJCERA’s custodian bank. The Investment Derivatives schedule below is classified by type and reports the fair value balances and notional amounts of derivatives outstanding as of and for the year ended December 31, 2025.

Investment Derivatives As of December 31, 2025 (Amounts in Thousands)		
Derivative Type	Notional Amount	Fair Value
Futures Contracts	\$ 562,505	\$ -
Swap Agreements	-	219
Option Contracts	-	200
Total	\$ 562,505	\$ 419

NOTE 6 – CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

Defined Benefit Pension Plan

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

Employer Contributions

For 2025, the required employer contribution rates including normal cost and amortization of the unfunded actuarial liability (UAL) were determined by using the valuation report as of December 31, 2023.

In 2025, the County, Court, and MVCD made additional contributions of \$29.5 million, \$1.5 million, and \$100 thousand, respectively, to decrease their share of the UAL. These additional annual contributions decrease only that individual employer’s share of the UAL and not the liability for other entities participating in SJCERA.

The total fair value of the additional contributions, including prior year amounts and accumulated with interest at the plan’s actual rate of return, was \$354.9 million as of December 31, 2025. These assets are included in the calculation of the UAL and funded ratio. However, under the funding policy with respect to these reserves requested by the contributors and approved by the Board, these assets are not currently included in the calculation of the employer contribution rates.

NOTE 6 – CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE (Continued)

Employer Contributions (Continued)

EMPLOYER RETIREMENT CONTRIBUTION RATES <i>Expressed as a Percentage of Active Member Payroll</i>	For the Year Ended December 31, 2025 (Per December 31, 2023 Valuation)		
	Normal Cost	UAL Amortization	Total
TIER 1			
General Members:			
Paying Basic Rate Only (G.C. 31621.3)	18.98%	29.57%	48.55%
Paying Basic Rate with COLA Cost Share	16.14%	29.57%	45.71%
Paying 114% of Basic Rate with COLA Cost Share	15.57%	29.57%	45.14%
Safety Members:			
Paying Basic Rate Only (G.C. 31639.5)	33.33%	67.25%	100.58%
Paying Basic Rate with COLA Cost Share	28.05%	67.25%	95.30%
Paying 133% of Basic Rate with COLA Cost Share	26.36%	67.25%	93.61%
Composite Total for General and Safety Combined:			
Paying Basic Rate Only (G.C. 31621.3)	22.05%	37.60%	59.65%
Paying Basic Rate with COLA Cost Share	18.69%	37.60%	56.29%
Paying 114%/133% of Basic Rate with COLA Cost Share	17.88%	37.60%	55.48%
TIER 2			
General Members:	10.03%	29.57%	39.60%
Safety Members:	15.67%	67.25%	82.92%
Composite Total for General and Safety Combined:	10.72%	34.10%	44.82%

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

<u>Contribution Year</u>	<u>Tier 1</u>	<u>Tier 2</u>
2025	55.48% - 59.65%	44.82%
2024	56.13% - 60.33%	46.37%
2023	54.23% - 58.38%	44.54%
2022	55.24% - 59.33%	44.89%
2021	53.88% - 57.96%	43.69%
2020	50.86% - 54.72%	41.00%
2019	48.09% - 51.81%	38.60%

Member Contributions

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

Tier 1 member contribution rates are calculated by the actuary using the Entry Age Normal Funding Method (Cost Method). Most Tier 1 members pay one-half of the cost of pre-funding post-retirement COLAs, and some pay an additional percentage of the basic member contribution rate, which reduces the employers' normal cost. Tier 2 members pay a single contribution rate adjusted annually. The required contribution rates are expressed as a percentage of covered payroll. The 2025 contribution rates were determined using the actuarial valuation performed as of December 31, 2023.

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

NOTE 6 – CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE (Continued)

Member Contributions (Continued)

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

In 2025, member contributions totaled \$64.4 million and employer contributions totaled \$342.7 million. Member contributions increased by \$5.6 million, or 9.5 percent, over the prior year, and employer contributions increased by \$19.5 million, or 6.0 percent, over the prior year.

NOTE 7 – FIDUCIARY NET POSITION RESTRICTED FOR PENSION BENEFITS

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

a. Active and Deferred Members' Reserve

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

b. Employer Advance Reserve

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

c. Additional 5% Contributions Reserve

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

d. MVCD Additional Contributions Reserve

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

e. Court Additional Contribution Reserve

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

f. Retired Members' Reserve

This reserve accounts for the unpaid retirees' pension benefits. Upon a member's retirement, the member's accumulated contributions are transferred from the Active and Deferred Members' Reserve account to the Retired Members' Annuity Reserve account. In addition, the actuarially determined amount of the member's vested interest is transferred from the Employer Advance Reserve account to the Retired Members' Pension Reserve account. The Retired Members' Reserve account at December 31, 2025, includes the authorized "Purchasing Power" benefit reserve and additional pension benefits specified in the pre-April 1, 1982 class-action lawsuit settlement agreement. These benefits are explained in Note 1b. In accordance with the Statement of Reserve Policy, the post-April 1, 1982 Settlement Reserve is a Special Reserve, which is not included in valuation assets.

NOTE 7 – FIDUCIARY NET POSITION RESTRICTED FOR PENSION BENEFITS (Continued)

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

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

h. Contingency Reserve

Earnings of the retirement fund during any year in excess of the total interest credited to contributions and reserves during the year remain in the fund as a reserve against deficiencies in interest earnings in other years, losses on investments, and other contingencies. The CERL provides that when the contingency reserve exceeds one percent of total assets, the retirement board may transfer all or any part of the surplus as specified in Government Code Section 31592.2. In June 2017, the Board amended the Reserve Policy, lowering the Contingency Reserve target from three percent to one percent of total assets. The Contingency Reserve is 0.0 percent of the fair value of total assets at December 31, 2025.

i. Market Stabilization Designation Reserve

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

j. Unappropriated Earnings Reserve

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

k. Summary of Reserves

A summary of reserved and designated net position at December 31, 2025, is as follows (amounts in thousands).

Reserves	
Active and Deferred Members	\$ 659,160
Employer Advance	3,350,552
County Additional 5% Contributions	343,798
MVCD Additional Contributions	961
Court Additional Contributions	10,139
Retired Members	783,702
Class Action Settlement - Post-4/1/82	97
Contingency	-
Market Stabilization Designation	138,433
Unappropriated Earnings (Restricted)	-
	<hr/>
Total Reserves	<u><u>\$ 5,286,842</u></u>

NOTE 8 – NET PENSION LIABILITY AND SIGNIFICANT ASSUMPTIONS

a. Net Pension Liability of Employers

SJCERA is a cost sharing, multiple-employer pension plan with a reporting date of December 31, 2025. Measurements as of the reporting date are based on the fair value of assets as of December 31, 2025, and the total pension liability as of the valuation date, December 31, 2024, projected to December 31, 2025. There were no significant events between the valuation date and the measurement date, so the updated procedures consisted of updated actuarial assumptions, plus the addition of service cost and interest cost offset by benefit payments.

The net pension liability was measured as of December 31, 2025, and determined based upon rolling forward the total pension liability from the actuarial valuation as of December 31, 2024. The net pension liability (i.e., the pension plan's liability determined in accordance with GASB Statement No. 67 less the fiduciary net position) is shown below.

Employers' Net Pension Liability (GASB Statement No. 67) As of December 31, 2025 (Amounts in Thousands)	
Total Pension Liability	\$ 6,312,524
Plan Fiduciary Net Position	<u>5,286,842</u>
Employers' Net Pension Liability	<u>\$ 1,025,682</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.8%

b. Actuarial Methods and Significant Assumptions

SJCERA retains an independent actuarial firm to conduct actuarial valuations of the pension plan, monitor SJCERA's funding status, and establish the contribution rate requirements for the pension plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in accrued actuarial liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The total pension liability was determined by an actuarial valuation as of December 31, 2024, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 67.

In the December 31, 2024 actuarial valuation, the Entry Age Normal Funding Method (Cost Method) was used. The actuarial assumptions include a 6.75 percent investment rate of return, annual inflation rate of 2.50 percent per year, and projected salary increases at 3.00 percent per year, plus service-based rates, for the year ended 2025. The actuarial value of the plan's assets was based on a five-year smoothing of actual versus expected returns.

In 2015, the SJCERA Board changed the funding policy to amortize any unexpected changes in the UAL over a period of 15 years as a level percent of pay, with new amortization layers each year. The 2008 Extraordinary Actuarial Loss, which is amortized over a closed 30-year period, has 14 years remaining. The remaining UAL as of December 31, 2013, which is amortized over a closed 19-year period, has 8 years remaining. The new additions to the UAL on and after December 31, 2013, are amortized over 15 years. The single equivalent amortization period for the aggregate stream of UAL payments is 10 years for General and 11 years for Safety as of December 31, 2024. The amortization period for each UAL layer will decrease each year.

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

b. Actuarial Methods and Significant Assumptions (Continued)

The total pension liability for the pension plan was determined by an actuarial valuation as of December 31, 2024, and accepted actuarial procedures were applied to project the total pension liability to December 31, 2025. Key methods and assumptions used in the latest actuarial valuations as of December 31, 2024, follow.

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

<i>Valuation Date</i>	December 31, 2024
<i>Actuarial Cost Method</i>	Entry Age Normal
<i>Amortization Method</i>	Level Percentage of Payroll with Separate Amortization Periods for Extraordinary Actuarial Gains or Losses
<i>Remaining Amortization Period</i>	2008 Extraordinary Actuarial Loss - 14 years Remaining UAL as of January 1, 2014 - 8 years Subsequent Unexpected Changes in UAL after December 31, 2013 - 15 years
<i>Asset Valuation Method</i>	Smoothed Actuarial Value (5 years) 80% - 120% Asset Corridor

Actuarial Assumptions:

Discount Rate 6.75%, Net of Pension Plan Investment Expenses, Including Inflation

Projected Salary Increases 3.00%, Plus Service-Based Rates

General Inflation Rate 2.50%

Cost-of Living Adjustments 2.50% Per Year Assumed

Healthy Mortality Mortality rates for General active members are based on the sex distinct 2021 CalPERS Pre-Retirement Non-Industrial Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020.

Mortality rates for Safety active members are based on the sum of the rates from the 2021 CalPERS Industrial and Non-Industrial Mortality tables, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020. 10% of Safety member active deaths are assumed to occur in the line of duty.

Mortality rates for healthy General annuitants are based on the sex distinct 2021 CalPERS Healthy Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020, and a partial credibility adjustment of 1.05 for males and no adjustment for females.

Mortality rates for Safety annuitants are based on the sex distinct 2021 CalPERS Healthy Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020, and a partial credibility adjustment of 1.05 for males and no adjustment for females.

Disabled Mortality Mortality rates for General disabled annuitants are based on status. Rates for General disabled annuitants with a service-related disability are based on the sex distinct 2021 CalPERS Industrially Disabled Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020. Rates for General disabled annuitants with a non-service-related disability are based on the sex distinct 2021 CalPERS Non-Industrially Disabled Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020.

Mortality rates for Safety disabled annuitants are based on the sex distinct 2021 CalPERS Industrially Disabled Mortality Table, with generational mortality improvements projected from 2017 using Projection 80% of Scale MP-2020.

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

c. Funded Status and Funding Progress

The annual actuarial valuation determines the progress made in accumulating sufficient assets to pay benefits when due. As of December 31, 2024, the pension plan's accrued actuarial liabilities were \$6.1 billion and the market value of assets (MVA) used for actuarial funding purposes was \$4.7 billion, resulting in UAL of \$1.3 billion. The MVA is based on the fair value of investments but includes certain contribution reserves (County, MVCD, and Superior Court) and excludes the contingency reserve (collectively, Special Reserves) and therefore differs from the fair value of assets reported in the financial statements. On this basis, the funded ratio was 76.5 percent, compared to 70.5 percent in the prior year.

As of the December 31, 2024 actuarial valuation, the funded ratio on an actuarial value of assets (AVA) basis, which reflects the smoothing of investment gains and losses over time, increased to 77.9 percent from 74.0 percent. Assumption changes were adopted in connection with the triennial experience study and first reflected in the December 31, 2024 actuarial valuation. The net effect of these assumption changes decreased the Total Pension Liability (and therefore the Net Pension Liability) by approximately \$62.1 million as of the December 31, 2025 measurement date.

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

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

The allocation of investment assets within SJCERA's portfolio is approved by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit pension plan investment assets was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The following table displays the Board-approved asset allocation policy for 2025 and the long-term expected real rates of return.

Asset Class	Target Allocation as of December 31, 2025	Arithmetic Long-Term Expected Real Rate of Return
Aggressive Growth	21.00%	9.30%
Traditional Growth	38.00%	6.70%
Credit	13.00%	5.70%
Core Real Assets	9.00%	5.70%
Principal Protection	9.00%	2.50%
Crisis Risk Offset (CRO)	10.00%	0.60%
Total	100.00%	

NOTE 8 – NET PENSION LIABILITY AND SIGNIFICANT ASSUMPTIONS (Continued)e. Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent as of December 31, 2025. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2025.

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

The table below presents the net pension liability of SJCERA as of December 31, 2025, calculated using the discount rate of 6.75 percent, as well as what SJCERA's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate (amounts in thousands).

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Total Pension Liability	\$ 7,136,627	\$ 6,312,524	\$ 5,631,740
Pension Plan Fiduciary Net Position	<u>5,286,842</u>	<u>5,286,842</u>	<u>5,286,842</u>
Collective Net Pension Liability	<u>\$ 1,849,785</u>	<u>\$ 1,025,682</u>	<u>\$ 344,898</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	74.1%	83.8%	93.9%

g. Rate of Return

For the year ended December 31, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 11.56 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 9 – INVESTMENT EXPENSES

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

NOTE 10 – GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses, including the depreciation and amortization of capital assets, are funded by investment income earnings and are limited, pursuant to Government Code Section 31580.2, to twenty-one-hundredths of one percent (0.21 percent) of SJCERA's accrued actuarial liability. The actual administration expense for the year ended December 31, 2025, was 0.10 percent of the accrued actuarial liability. SJCERA was in compliance with this requirement during 2025.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

SJCERA participates in certain investments that require commitments of a specified amount of capital upfront that is then drawn down at a later time as the investment vehicle requires. The total unfunded capital commitment represents the amount of funds that SJCERA could potentially be required to contribute at a future date. SJCERA had unfunded capital commitments totaling \$334.6 million at December 31, 2025.

NOTE 12 – SUBSEQUENT EVENTS

SJCERA has evaluated subsequent events through May 29, 2026, the date on which the financial statements were available to be issued, noting no subsequent events.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2025	2024	2023	2022	2021
Total Pension Liability					
Service cost	\$ 134,940	\$ 136,489	\$ 124,642	\$ 118,695	\$ 116,889
Interest (includes interest on service cost)	405,754	391,656	366,900	356,416	360,521
Change of benefit terms	-	-	-	-	-
Differences between expected and	(9,569)	57,863	168,153	(37,864)	(17,018)
Changes of assumptions	(62,089)	-	-	(58,741)	-
Benefit payments, including refunds of	(321,569)	(307,250)	(290,538)	(279,364)	(265,966)
	<u>147,467</u>	<u>278,758</u>	<u>369,157</u>	<u>99,142</u>	<u>194,426</u>
Net Change in Total Pension Liability					
Total Pension Liability - Beginning	6,165,057	5,886,299	5,517,142	5,418,000	5,223,574
	<u>\$ 6,312,524</u>	<u>\$ 6,165,057</u>	<u>\$ 5,886,299</u>	<u>\$ 5,517,142</u>	<u>\$ 5,418,000</u>
Fiduciary Net Position					
Contributions - employer	\$ 342,719	\$ 323,248	\$ 292,752	\$ 269,080	\$ 306,663
Contributions - member	64,443	58,874	54,934	47,405	43,456
Transfer between plans	314	230	(220)	225	271
Net investment income (loss)	553,435	375,662	347,666	(412,760)	572,292
Benefit payments, including refunds of	(321,570)	(307,250)	(290,538)	(279,364)	(265,966)
Administrative expenses	(11,715)	(7,246)	(6,650)	(5,622)	(4,639)
	<u>627,626</u>	<u>443,518</u>	<u>397,944</u>	<u>(381,036)</u>	<u>652,077</u>
Net Change in Fiduciary Net Position					
Fiduciary Net Position - Beginning	4,659,216	4,215,698	3,817,753	4,198,788	3,546,712
	<u>\$ 5,286,842</u>	<u>\$ 4,659,216</u>	<u>\$ 4,215,697</u>	<u>\$ 3,817,752</u>	<u>\$ 4,198,789</u>
Net Pension Liability (a)-(b)	<u>\$ 1,025,682</u>	<u>\$ 1,505,841</u>	<u>\$ 1,670,602</u>	<u>\$ 1,699,390</u>	<u>\$ 1,219,211</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	83.75%	75.57%	71.62%	69.20%	77.50%
Covered Payroll *	\$ 633,475	\$ 581,811	\$ 535,510	\$ 484,056	\$ 470,179
Net Pension Liability as a Percentage of Covered Payroll	161.91%	258.82%	311.96%	351.07%	259.31%

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

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

	2020	2019	2018	2017	2016
Total Pension Liability					
Service cost	\$ 115,229	\$ 110,609	\$ 103,301	\$ 98,438	\$ 92,857
Interest (includes interest on service cost)	350,096	337,480	325,161	308,567	295,198
Change of benefit terms	-	-	-	-	-
Differences between expected and	(58,572)	4,950	(49,384)	37,220	(10,171)
Changes of assumptions	135,011	16,017	81,855	-	87,602
Benefit payments, including refunds of	(251,552)	(236,350)	(221,444)	(205,407)	(194,719)
Net Change in Total Pension Liability	290,212	232,706	239,489	238,818	270,767
Total Pension Liability - Beginning	4,933,361	4,700,655	4,461,166	4,222,349	3,951,582
Total Pension Liability - Ending (a)	<u>\$ 5,223,573</u>	<u>\$ 4,933,361</u>	<u>\$ 4,700,655</u>	<u>\$ 4,461,167</u>	<u>\$ 4,222,349</u>
Fiduciary Net Position					
Contributions - employer	\$ 240,701	\$ 225,529	\$ 208,758	\$ 200,052	\$ 159,123
Contributions - member	40,569	38,099	35,378	33,635	30,117
Transfer between plans	172	299	324	365	294
Net investment income (loss)	276,997	380,675	(56,398)	299,961	151,115
Benefit payments, including refunds of	(251,552)	(236,350)	(221,444)	(205,407)	(194,719)
Administrative expenses	(4,536)	(4,931)	(4,865)	(4,119)	(4,370)
Net Change in Fiduciary Net Position	302,351	403,321	(38,247)	324,487	141,560
Fiduciary Net Position - Beginning	3,244,362	2,841,042	2,879,289	2,554,802	2,413,243
Fiduciary Net Position - Ending (b)	<u>\$ 3,546,713</u>	<u>\$ 3,244,363</u>	<u>\$ 2,841,042</u>	<u>\$ 2,879,289</u>	<u>\$ 2,554,803</u>
Net Pension Liability (a)-(b)	<u>\$ 1,676,860</u>	<u>\$ 1,688,998</u>	<u>\$ 1,859,613</u>	<u>\$ 1,581,878</u>	<u>\$ 1,667,546</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	67.90%	65.76%	60.44%	64.54%	60.51%
Covered Payroll *	\$ 460,457	\$ 453,711	\$ 436,763	\$ 425,887	\$ 392,227
Net Pension Liability as a Percentage of Covered Payroll	364.17%	372.26%	425.77%	371.43%	425.15%

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

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially Determined Contributions	\$ 311,571	\$ 294,396	\$ 266,112	\$ 245,967	\$ 233,148
Contributions in Relation to the Actuarially Determined Contributions	<u>342,719</u>	<u>323,248</u>	<u>292,752</u>	<u>269,080</u>	<u>306,663</u>
Contribution Deficiency / (Excess)	<u>\$ (31,148)</u>	<u>\$ (28,852)</u>	<u>\$ (26,640)</u>	<u>\$ (23,113)</u>	<u>\$ (73,515)</u>
Covered Payroll	\$ 633,475	\$ 581,811	\$ 535,510	\$ 484,056	\$ 470,179
Contributions as a Percentage of Covered Payroll	54.10%	55.56%	54.67%	55.59%	65.22%

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Determined Contributions	\$ 218,612	\$ 203,059	\$ 188,323	\$ 179,825	\$ 159,123
Contributions in Relation to the Actuarially Determined Contributions	<u>240,701</u>	<u>225,529</u>	<u>208,758</u>	<u>200,052</u>	<u>159,123</u>
Contribution Deficiency / (Excess)	<u>\$ (22,089)</u>	<u>\$ (22,470)</u>	<u>\$ (20,435)</u>	<u>\$ (20,227)</u>	<u>\$ -</u>
Covered Payroll	\$ 460,457	\$ 453,711	\$ 436,763	\$ 425,887	\$ 392,227
Contributions as a Percentage of Covered Payroll	52.27%	49.71%	47.80%	46.97%	40.57%

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

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.56%	8.50%	9.12%	-7.24%	13.68%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	2.23%	13.77%	-2.11%	11.85%	6.20%

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

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

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025**

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

The following actuarial methods and assumptions were used to determine contribution rates for the year ended December 31, 2025, in the Schedule of Contributions from the Employers and Other Contributing Sources:

<i>Valuation Date</i>	December 31, 2023
<i>Actuarial Cost Method</i>	Entry Age Normal
<i>Amortization Method</i>	Level Percentage of Payroll with Separate Amortization Periods for Extraordinary Actuarial Gains or Losses
<i>Remaining Amortization Period</i>	2008 Extraordinary Actuarial Loss - 15 years Remaining UAL as of January 1, 2014 - 9 years Any future actuarial gains and losses - 15 years
<i>Asset Valuation Method</i>	Smoothed Actuarial Value (5 years) 80%-120% Asset Corridor
<i>Actuarial Assumptions:</i>	
<i>Discount Rate</i>	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
<i>Projected Salary Increases</i>	3.00%, Plus Service-Based Rates
<i>General Inflation Rate</i>	2.75%
<i>Cost-of-Living Adjustments (COLA)</i>	3.00% Per Year Assumed
<i>Healthy Mortality</i>	Mortality rates for General active members are based on the sex distinct 2021 CalPERS Pre-Retirement Non-Industrial Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020. Mortality rates for Safety active members are based on the sum of the rates from the 2021 CalPERS Industrial and Non-Industrial Mortality tables, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020. 10% of Safety member active deaths are assumed to occur in the line of duty. Mortality rates for healthy General annuitants are based on the sex distinct 2021 CalPERS Healthy Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020, and a partial credibility adjustment of 1.05 for males and no adjustment for females. Mortality rates for Safety annuitants are based on the sex distinct 2021 CalPERS Healthy Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020, and a partial credibility adjustment of 1.05 for males and no adjustment for females.

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

Disabled Mortality

Mortality rates for General disabled annuitants are based on status. Rates for General disabled annuitants with a service-related disability are based on the sex distinct 2021 CalPERS Industrially Disabled Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020. Rates for General disabled annuitants with a non-service-related disability are based on the sex distinct 2021 CalPERS Non-Industrially Disabled Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020.

Mortality rates for Safety disabled annuitants are based on the sex distinct 2021 CalPERS Industrially Disabled Mortality Table, with generational mortality improvements projected from 2017 using Projection 80% of Scale MP-2020.

A complete description of the methods and assumptions used to determine contribution rates for the year ending December 31, 2025, can be found in the December 31, 2023 actuarial valuation report.

NOTE 2 – CHANGES IN KEY METHODS AND ASSUMPTIONS

Changes of Assumptions

The Total Pension Liability as of December 31, 2025 was measured based on the actuarial valuation as of December 31, 2024, projected to the measurement date. The actuarial assumptions used in the December 31, 2024 valuation were updated to reflect the results of the most recent experience study (for the period from January 1, 2022 to December 31, 2024) adopted by the Board of Retirement. The change in actuarial assumptions decreased the Total Pension Liability by approximately \$62.1 million during the measurement year ending December 31, 2025.

The change in assumptions is recognized as a deferred inflow of resources and amortized over the average expected remaining service life of all active and inactive members of the Plan, which is four years (rounded from 4.48 years) as of the December 31, 2025 measurement date.

Changes of Benefit Terms

There were no changes in benefit terms reflected in the Total Pension Liability during the measurement year ending December 31, 2025.

Changes of Methods

There were no changes in actuarial methods used to measure the Total Pension Liability during the measurement year ending December 31, 2025. The Plan continues to use the Entry Age Normal actuarial cost method.

Discount Rate

The discount rate used to measure the Total Pension Liability remained 6.75%, unchanged from the prior measurement date.

OTHER SUPPLEMENTARY INFORMATION

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands)

General Administrative Expenses

(Expenses Subject to the Statutory Limit)

Personnel Services

Staff Salaries	\$	2,208
Cafeteria Benefits		73
Insurance		331
Social Security		152
Retirement		892
		892
Total Personnel Services		3,656

Professional Services

Professional and Specialized Services		1,256
Allocated Department Costs		67
		67
Total Professional Services		1,323

Communications

Postage		20
Telephone		28
Travel		103
		103
Total Communications		151

Rentals/Equipment

Office Space and Equipment		162
Depreciation & Amortization Expense		173
		173
Total Rentals/Equipment		335

Miscellaneous

Office Supplies/Expense		89
Subscriptions and Periodicals		15
Memberships		9
Maintenance		8
Insurance		161
Other Expenses		220
		220
Total Miscellaneous		502

Total General Administrative Expenses

5,967

Other Expenses

(Expenses Not Subject to the Statutory Limit)

Information Technology Expenses		5,380
Actuary Fees		201
Fund Legal Fees		167
		167

Total Other Expenses

5,748

Total General Administrative and Other Expenses

\$ 11,715

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF INVESTMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands)

Investment Management Fees	
Aggressive Growth	\$ 10,321
Traditional Growth	1,499
Credit	5,933
Core Real Assets	3,460
Crisis Risk Offset (CRO)	2,850
Principal Protection	<u>782</u>
Total Investment Management Fees	<u>24,845</u>
 Other Investment Fees and Expenses	
Custodian Fees	184
Investment Consultant Fees	354
Miscellaneous Fees	366
Notional Interest Expense	<u>94</u>
Total Other Investment Fees and Expenses	<u>998</u>
 Total Investment Expense	 <u>25,843</u>
 Securities Lending Fees	
Securities Lending Fees and Rebates	<u>3,196</u>
 Total Investment Fees and Expenses	 <u><u>\$ 29,039</u></u>

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
 SCHEDULE OF PAYMENTS TO CONSULTANTS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (Amounts in Thousands)**

Nature of Service	
Actuarial-Retainer and Valuation	\$ 201
Audit	65
Fund Legal Fees	167
Business Technology Services	<u>2,873</u>
Total Payments to Consultants	<u><u>\$ 3,306</u></u>

The amounts presented represent payments made during the fiscal year and may differ from expenses recognized on the accrual basis of accounting in the financial statements.

OTHER INFORMATION

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF COST SHARING EMPLOYER ALLOCATIONS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands)**

<u>Employer</u>	<u>Proportionate Share ⁽¹⁾</u>	<u>Net Pension Liability ⁽²⁾</u>
County of San Joaquin	92.2578%	\$ 946,272
SJC Superior Court	3.2370%	33,201
Lathrop-Manteca Rural Fire Protection District	2.1893%	22,455
Waterloo-Morada Rural Fire Protection District	0.7783%	7,983
Tracy Public Cemetery District	0.0843%	864
SJC Mosquito and Vector Control District	0.5058%	5,188
SJC Historical Society and Museum	0.0779%	799
City of Mountain House	0.8138%	8,347
Local Agency Formation Commission	0.0402%	413
San Joaquin County Law Library	0.0156%	160
Total	<u>100.0000%</u>	<u>\$ 1,025,682</u>

(1) As SJCERA is a cost sharing multiple-employer pension plan, each employer participating in SJCERA must reflect a portion of the collective net pension liability and pension expense in their financial statements. The calculation for the proportionate share for each employer allocates net pension liability and pension expense based on each employer's share of the unfunded liability amortization payment. The proportionate shares are then adjusted to account for the additional contributions made by the County of San Joaquin, the SJC Mosquito and Vector Control District, and SJC Superior Court for the year ended December 31, 2025.

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

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF EMPLOYER PENSION AMOUNTS
ALLOCATED BY COST SHARING PLAN
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands)**

Employer	Deferred Outflows of Resources					Deferred Inflows of Resources					Pension Expense		
	Net Pension Liability	Differences Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportion and Differences Between Contributions and Proportionate Share of Pension Expense	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Contributions and Proportionate Share of Pension Expense	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Proportionate Share of Pension Expense	Amortization of Deferred Amounts from Changes in Proportion and Proportionate Share of Pension Expense
County of San Joaquin	\$ 946,272	\$ 70,813	\$ -	\$ 5,545	\$ 76,358	\$ 13,608	\$ 127,641	\$ 53,800	\$ 6,015	\$ 201,064	\$ 162,487	\$ 338	\$ 162,825
SJC Superior Court	33,201	2,485	-	1,720	4,205	477	4,478	1,888	4,248	11,091	5,701	(1,104)	4,597
Lathrop-Manteca Rural Fire Protection District	22,455	1,680	-	6,121	7,801	323	3,029	1,277	3,574	8,203	3,856	385	4,241
Waterloo-Morada Rural Fire Protection District	7,983	597	-	1,108	1,705	115	1,077	454	1,452	3,098	1,371	(63)	1,308
Tracy Public Cemetery District	864	65	-	298	363	12	117	49	196	374	148	(23)	125
SJC Mosquito and Vector Control District	5,188	388	-	-	388	75	700	295	444	1,514	891	(209)	682
SJC Historical Society and Museum	799	60	-	242	302	11	108	45	121	285	137	43	180
City of Mountain House	8,347	625	-	1,999	2,624	120	1,126	475	1,065	2,786	1,433	536	1,969
Local Agency Formation Commission	413	31	-	166	197	6	56	23	59	144	71	117	188
San Joaquin County Law Library	160	12	-	9	21	2	22	9	34	67	27	(20)	7
Totals	\$ 1,025,682	\$ 76,756	\$ -	\$ 17,208	\$ 93,964	\$ 14,749	\$ 138,354	\$ 58,315	\$ 17,208	\$ 228,626	\$ 176,122	\$ -	\$ 176,122

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands)

NOTE 1 – BASIS OF PRESENTATION AND BASIS OF ACCOUNTING

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

SJCERA's actuary prepared the following documents, (1) the Schedule of Cost Sharing Employer Allocations and (2) the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan, in accordance with accounting principles generally accepted in the United States of America as applicable to governmental organizations based on information provided by SJCERA. These documents provide the required information for financial reporting related to SJCERA that employers may use in their financial statements. The measurement date for SJCERA is December 31, 2025. Measurements are based on the fair value of assets as of December 31, 2025, and the Total Pension Liability of \$6.3 billion as of December 31, 2025, was measured as of a valuation date of December 31, 2024, and projected to December 31, 2025.

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

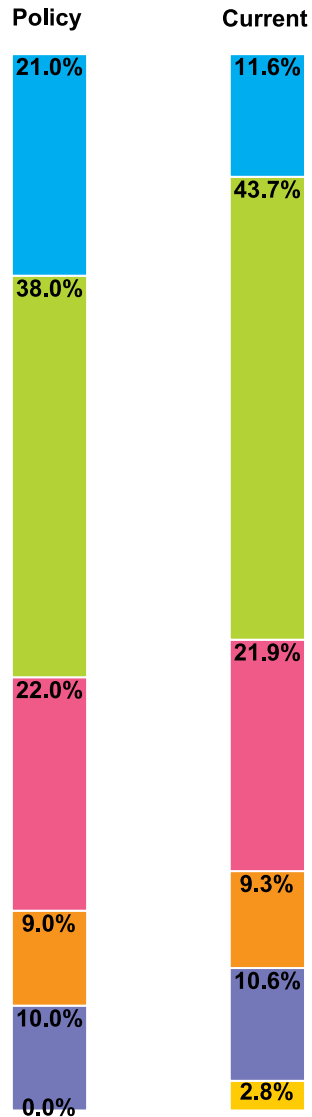
The difference between projected and actual investment earnings on pension plan investments is amortized over five years on a straight-line basis. One-fifth is recognized in Total Pension Expense for each of the five years. The changes in assumptions and differences between expected and actual experience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

San Joaquin County Employees' Retirement Association (SJCERA)

June 12, 2026

May Executive Summary

Total Fund | As of April 30, 2026



Allocation vs. Targets and Policy				
	Balance (\$)	Current (%)	Policy (%)	Difference (%)
Broad Growth	4,210,092,207	77.3	81.0	-3.7
Aggressive Growth	634,782,548	11.6	21.0	-9.4
Traditional Growth	2,383,806,710	43.7	38.0	5.7
Stabilized Growth	1,191,502,949	21.9	22.0	-0.1
Diversifying Strategies	1,084,138,593	19.9	19.0	0.9
Principal Protection	508,378,690	9.3	9.0	0.3
Crisis Risk Offset	575,759,904	10.6	10.0	0.6
Cash	154,699,723	2.8	0.0	2.8
Cash	154,699,723	2.8	0.0	2.8
Total	5,448,930,523	100.0	100.0	0.0

Summary of Cash Flows		
	Quarter	1 Year
SJCERA Total Plan		
Beginning Market Value	5,304,029,010	4,669,740,816
Net Cash Flow	12,324,396	33,571,621
Net Investment Change	132,577,118	745,618,086
Ending Market Value	5,448,930,523	5,448,930,523

Asset Class Performance Net-of-Fees | As of April 30, 2026

	Market Value (\$)	% of Portfolio	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
SJCERA Total Plan	5,448,930,523	100.0	4.1	15.8	9.7	6.6	7.7	Apr-90
<i>SJCERA Policy Benchmark</i>			4.4	16.9	11.9	7.5	7.8	
SJCERA Total Plan ex Legacy Managers	5,389,551,792	98.9	4.1	16.2	10.3	6.8	8.0	Jun-19
Broad Growth	4,210,092,207	77.3	4.1	18.4	11.5	7.8	8.5	Feb-95
Aggressive Growth Lag	634,782,548	11.6	-0.4	7.0	5.1	11.5	-1.0	Nov-05
<i>Aggressive Growth Blend</i>			4.2	13.9	8.8	9.3	9.3	
Traditional Growth	2,383,806,710	43.7	6.9	30.6	19.6	10.8	9.8	Jan-95
<i>MSCI ACWI IMI Net</i>			7.1	31.6	19.5	10.2	8.7	
Stabilized Growth	1,191,502,949	21.9	1.0	4.6	2.7	2.6	3.7	Mar-05
<i>SJCERA Stabilized Growth Benchmark</i>			1.5	5.7	6.3	5.6	6.2	
Diversifying Strategies	1,084,138,593	19.9	4.7	8.9	4.2	2.9	5.9	Nov-90
Principal Protection	508,378,690	9.3	0.2	5.0	4.5	1.5	5.7	Feb-87
<i>Blmbg. U.S. Aggregate Index</i>			0.1	4.1	3.5	0.2	5.2	
Crisis Risk Offset Asset Class	575,759,904	10.6	8.9	12.5	3.9	4.1	6.0	Feb-05
<i>CRO Benchmark</i>			3.5	7.6	3.3	2.5	4.7	
Cash and Misc Asset Class	122,833,380	2.3	1.3	3.5	3.2	2.4	2.4	Nov-94
<i>90 Day U.S. Treasury Bill</i>			1.1	3.9	4.7	3.4	2.5	

1 Market values may not add up due to rounding.

2 All market values and returns are preliminary.

3 Benchmark compositions listed in the Appendix.

4 Excludes current active legacy managers that are in the process of winding down fund assets.

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

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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

San Joaquin County Employees' Retirement Association (SJCERA)

Q1 2026

Quarterly Report

- 1. Introduction**
- 2. Q1 2026 Portfolio Review**
- 3. Real Estate Program**
- 4. Economic and Market Update as of March 31, 2026**
- 5. Disclaimer, Glossary, and Notes**

Introduction

Introduction

The SJCERA Total Portfolio had an aggregate value of \$5.2 billion as of March 31, 2026. During the latest quarter, the Total Portfolio decreased in value by \$11.4 million which was primarily driven by outflows. However, over the one-year period, the Total Portfolio increased by \$574.9 million. The global market narrative of Q1 2026 can be divided into two distinct periods: market activity prior to US Military action in Iran on February 28th, and market activity after that point in time. Prior to the end of February, the late-2025 rotation into non-US equities continued to gain momentum. However, the conflict in Iran, which has led to significantly higher energy prices, halted that momentum (though have markets recovered throughout April and May). While international equities outperformed domestic stocks during Q1, US equities – particularly large cap growth and small cap stocks – have rebounded strongly since Q1 volatility.

Recent Investment Performance

The Total Portfolio matched the benchmark return of 0.0%, net of fees, during Q1 2026. However, the portfolio has underperformed the policy benchmark for the trailing 1-, 3-, 5-, 10-, 15-, 20- and 25-year periods by (1.4%), (2.2%), (0.7%), (0.9%), (0.9%), (1.1%) and (0.5%), respectively. Net of fees, the Plan outperformed the Median Public Fund for the most recent quarter by 0.5% and performed in line with the median plan over the trailing 5-year period. However, over the trailing 1-, 3-, 10-, 15-, 20-, and 25-year periods by (0.9%), (1.0%), (1.0%), (1.2%), (1.6%) and (0.9%), respectively. That said, it's important to view these returns in the context of the risk the portfolio is taking relative to that of the median public plan. The annualized standard deviation of the Plan is 2.0% lower than the median public plan with \$1-\$5 billion in assets during the last five years, (6.7% for the plan vs. 8.7% for the median public plan). Further, the Sharpe ratio for the plan over the same period is 0.5 vs the median Sharpe ratio for public plans between \$1-5 billion of 0.4.

Introduction | As of March 31, 2026

Return Summary



Summary of Cash Flows

	Quarter (\$)	1 Year (\$)
SJCERA Total Plan		
Beginning Market Value	5,244,426,768	4,658,098,556
Net Cash Flow	-10,624,008	43,606,790
Net Investment Change	-754,669	531,342,746
Ending Market Value	5,233,048,092	5,233,048,092

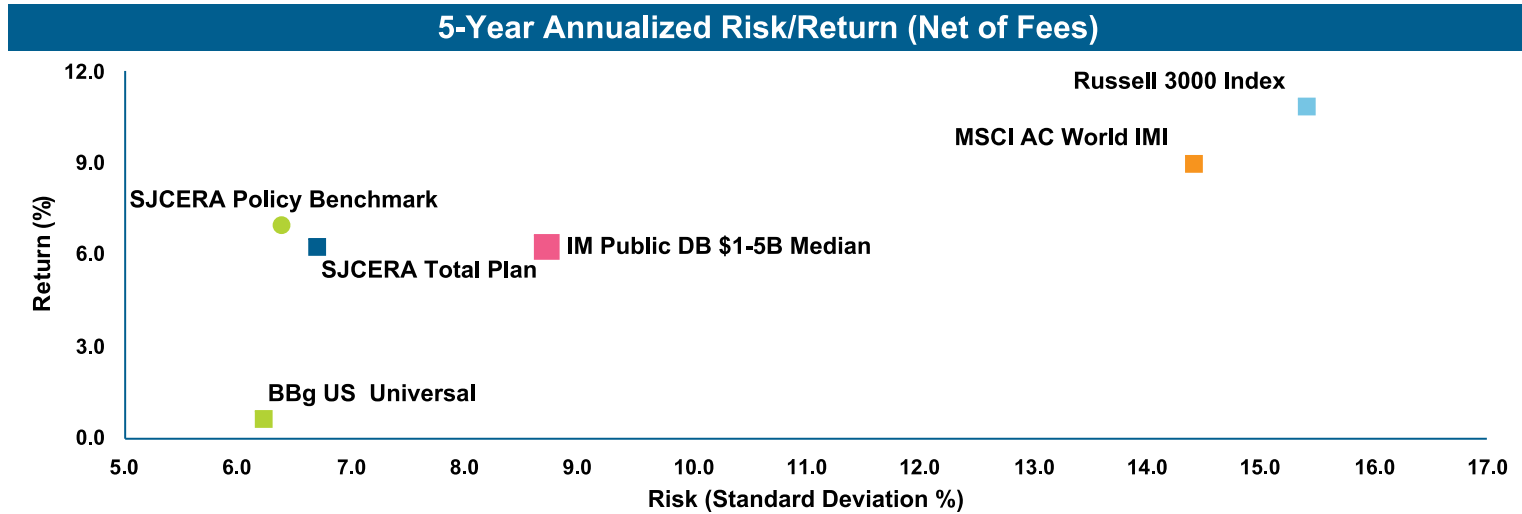
	Quarter	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	25 Years
SJCERA Total Plan - Gross	0.1	11.7	9.1	6.7	7.6	6.7	5.6	6.4
SJCERA Total Plan - Net	0.0	11.3	8.6	6.3	7.0	6.0	4.9	5.8
<i>SJCERA Policy Benchmark</i>	<u>0.0</u>	<u>12.7</u>	<u>10.8</u>	<u>7.0</u>	<u>7.9</u>	<u>6.9</u>	<u>6.0</u>	<u>6.3</u>
Excess Return (Net)	0.0	-1.4	-2.2	-0.7	-0.9	-0.9	-1.1	-0.5
<i>All Public Plans > \$1B-Total Fund Median</i>	-0.5	12.2	9.6	6.3	8.0	7.2	6.5	6.7

1 Investment Metrics Total Fund Public Universe >\$1 Billion, net of fees.

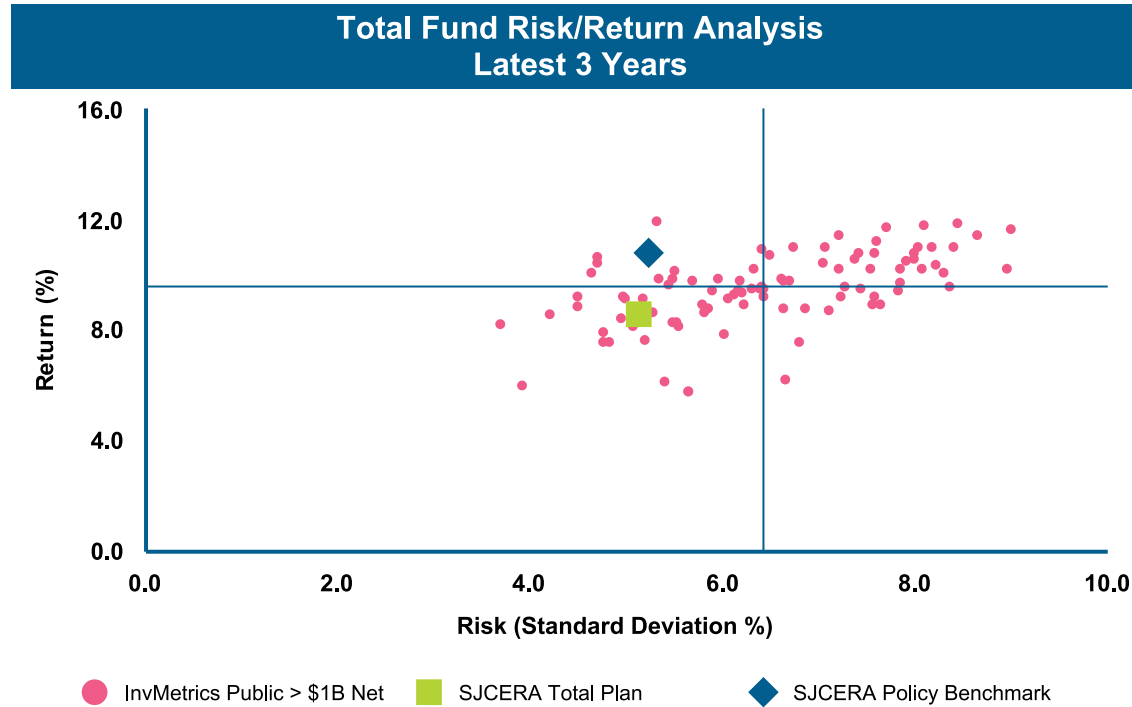
2 Policy Benchmark composition is listed in the Appendix.

	Risk Adjusted Return vs Peers			
	1 Yr	3 Yrs	5 Yrs	10 Yrs
SJCERA Total Plan - Net	11.26	8.63	6.27	7.01
Risk Adjusted Median	9.31	7.59	5.31	6.27
Excess Return	1.95	1.04	0.96	0.74

As of March 31, 2026



	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
SJCERA Total Plan	6.3	6.7	0.5
SJCERA Policy Benchmark	7.0	6.4	0.6
InvMetrics Public DB \$1B - \$5B Median	6.3	8.7	0.4
Blmbg. U.S. Universal Index	0.7	6.2	-0.4
Russell 3000 Index	10.9	15.4	0.5
MSCI AC World IMI	9.0	14.4	0.4

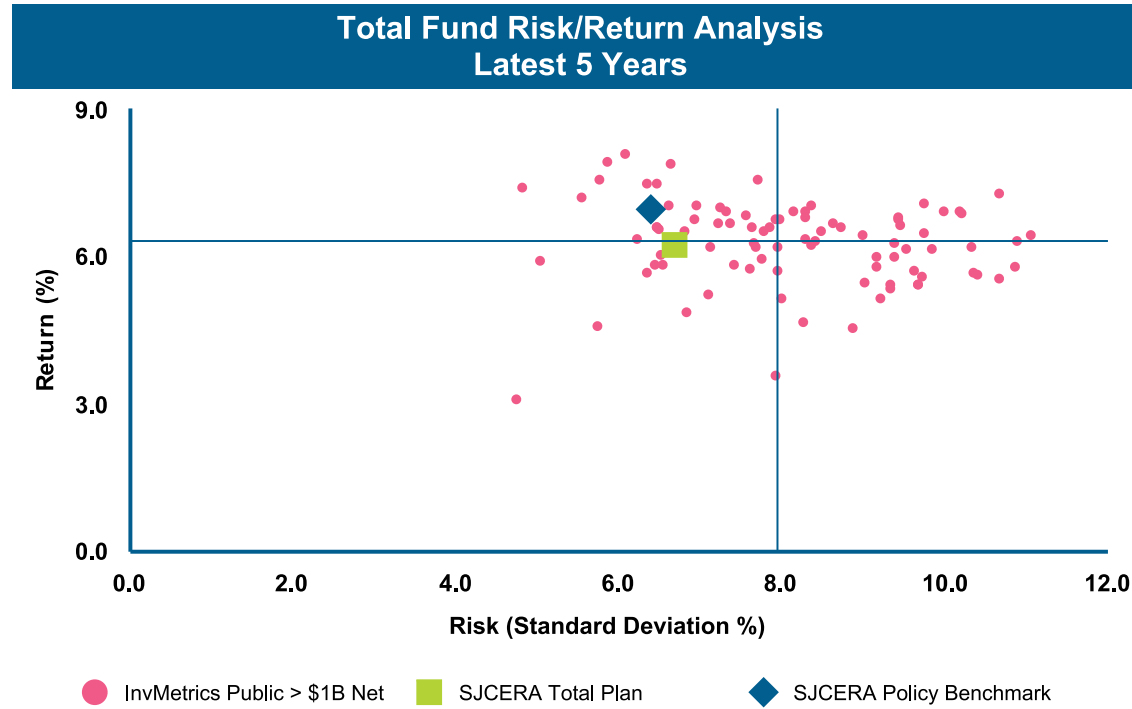


	Return	Standard Deviation	Sharpe Ratio
SJCERA Total Plan	8.6	5.1	0.7
SJCERA Policy Benchmark	10.8	5.2	1.1
All Public Plans > \$1B-Total Fund Median	9.6	6.4	0.7

1 Returns are net of fees.

2 Computed as annualized return less the risk free rate, divided by the annualized standard deviation.

3 Investment Metrics Total Fund Public Universe > \$1 Billion, net of fees.



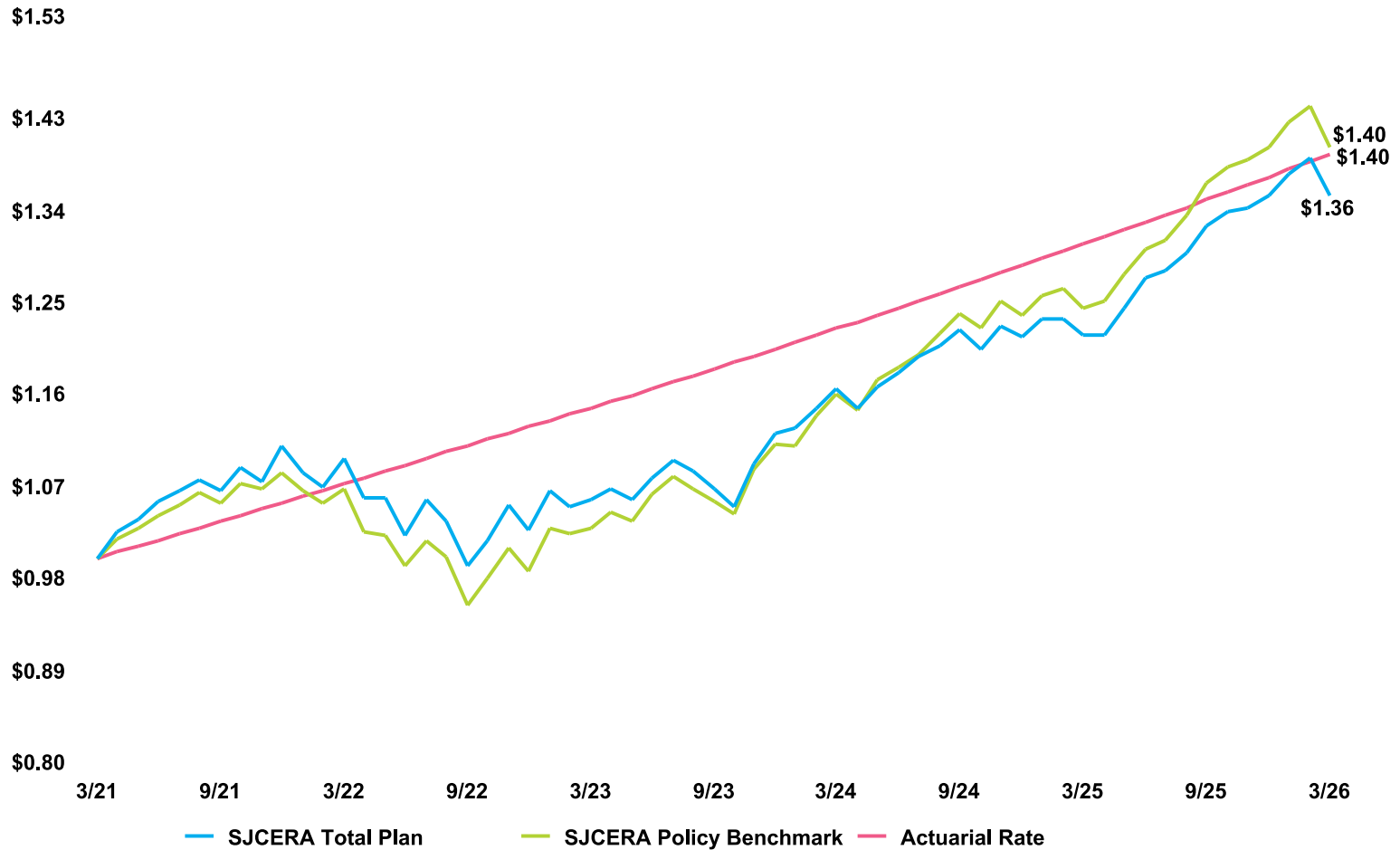
	Return	Standard Deviation	Sharpe Ratio
SJCERA Total Plan	6.3	6.7	0.5
SJCERA Policy Benchmark	7.0	6.4	0.6
All Public Plans > \$1B-Total Fund Median	6.3	7.9	0.4

1 Returns are net of fees.

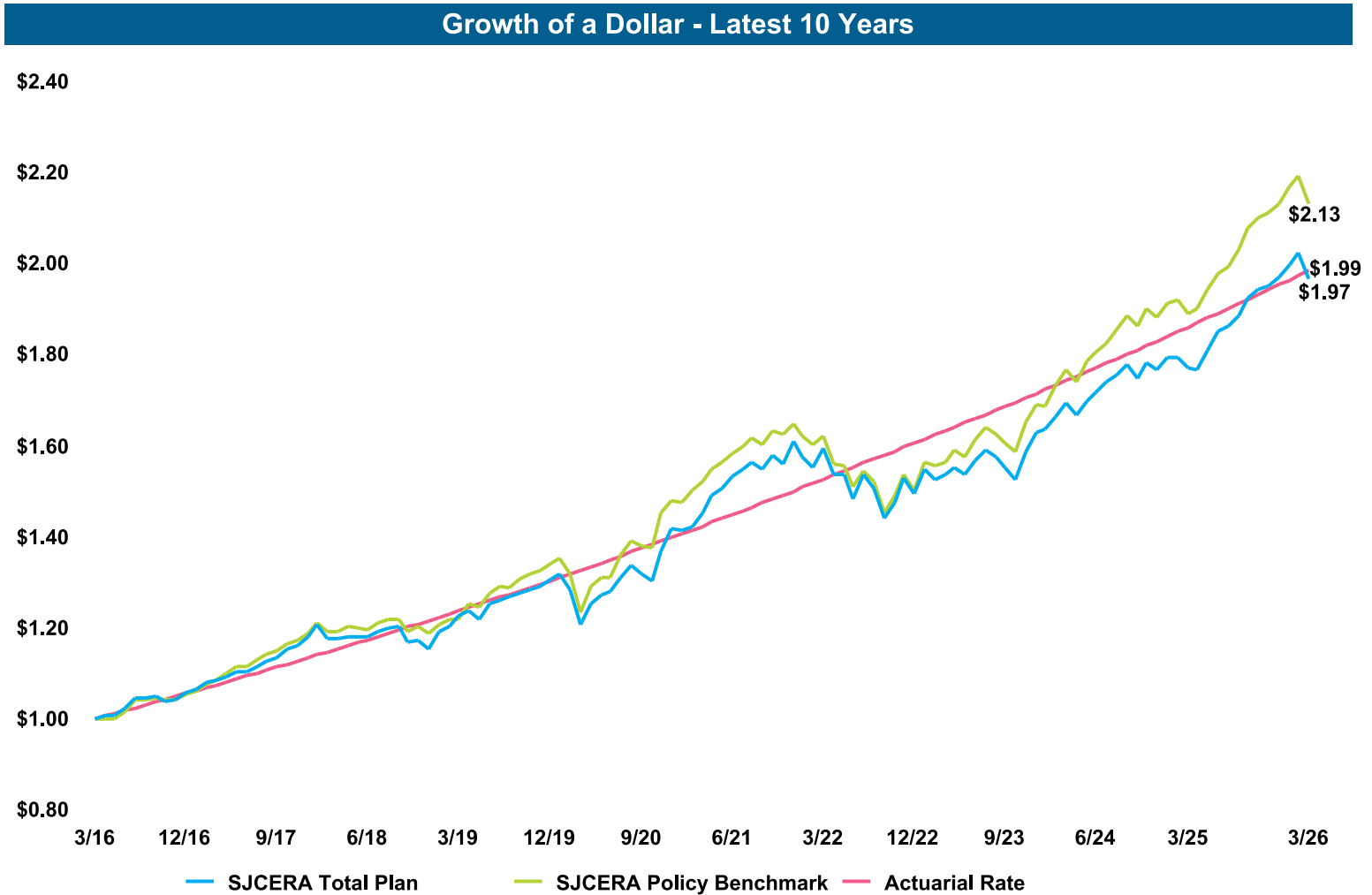
2 Computed as annualized return less the risk free rate, divided by the annualized standard deviation.

3 Investment Metrics Total Fund Public Universe > \$1 Billion, net of fees.

Growth of a Dollar - Latest 5 Years

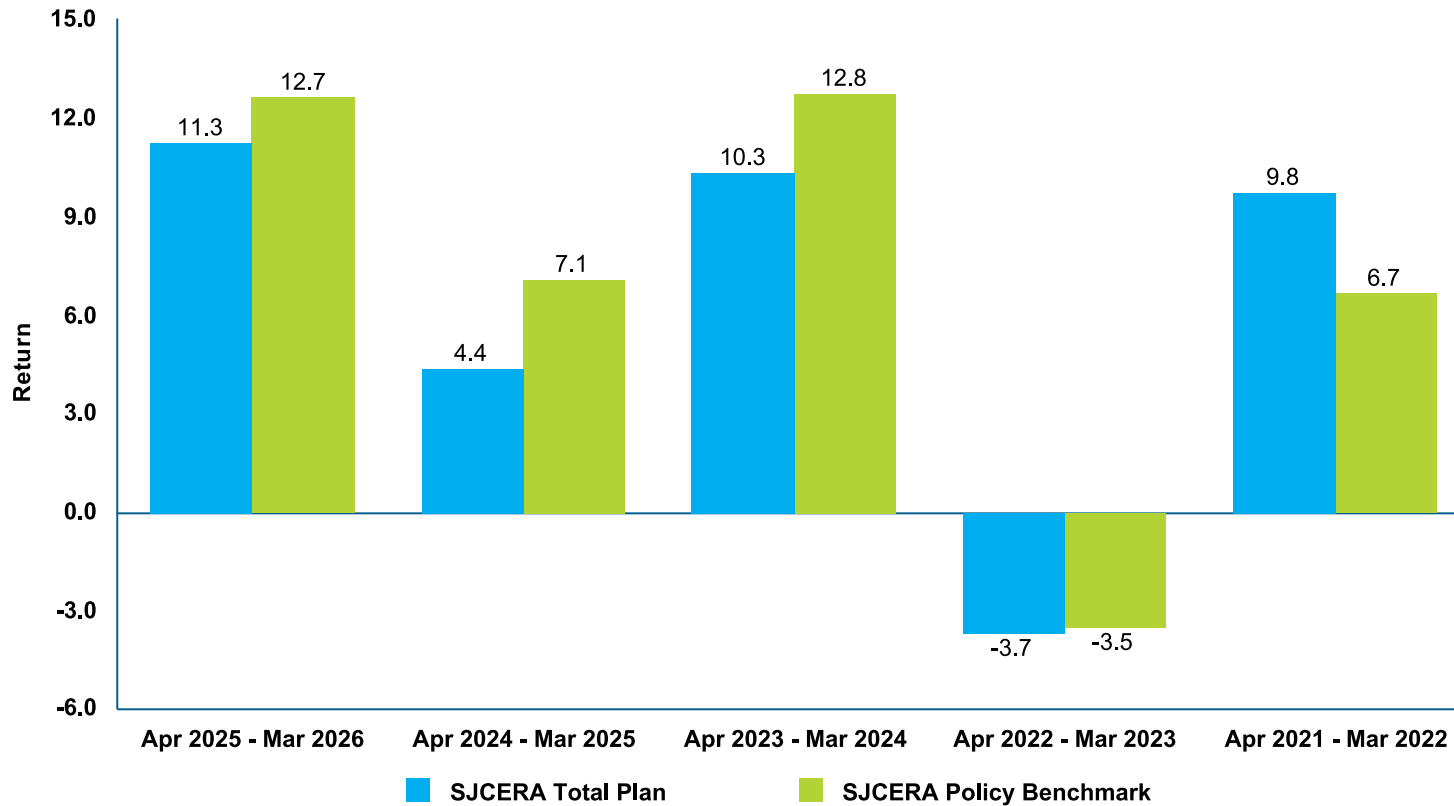


6.75% Actuarial Rate from 9/1/2022 to present. 7.0% Actuarial Rate from 1/1/2020 to 8/31/2022. 7.25% Actuarial Rate from 1/1/2018 to 12/31/2019. 7.4% Actuarial Rate from 8/1/2016 to 12/31/2017. 7.5% Actuarial Rate from 1/1/2012 to 7/31/2016. Previously 8.0%.



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

12-month Performance Overview



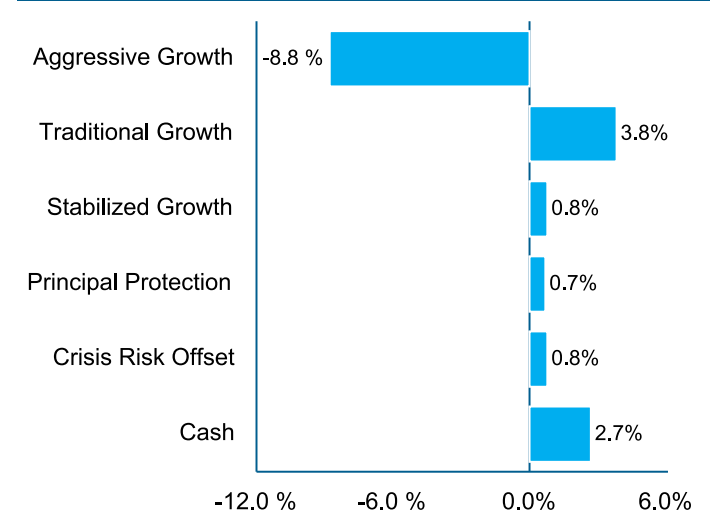
12-month absolute results have been positive four of the last five 12-month periods, net of fees. The SJCERA Total Portfolio outperformed the policy target benchmark once during these five periods, net of fees.

Q1 2026 Portfolio Review

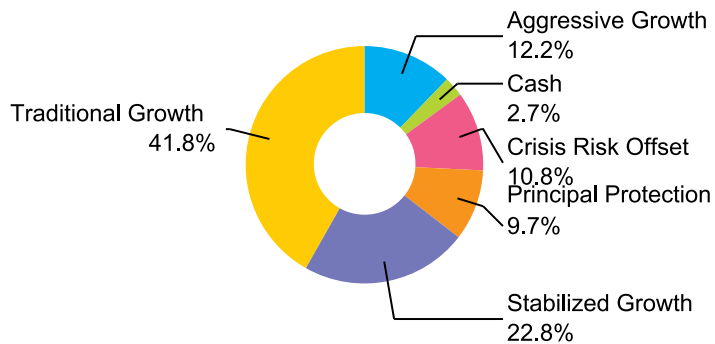
Asset Allocation | As of March 31, 2026

	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)
Broad Growth	4,017,073,903	76.8	81.0	-4.2
Aggressive Growth	639,084,259	12.2	21.0	-8.8
Traditional Growth	2,186,846,772	41.8	38.0	3.8
Stabilized Growth	1,191,142,872	22.8	22.0	0.8
Diversifying Strategies	1,073,571,489	20.5	19.0	1.5
Principal Protection	507,274,184	9.7	9.0	0.7
Crisis Risk Offset	566,297,305	10.8	10.0	0.8
Cash	142,402,699	2.7	0.0	2.7
Cash	142,402,699	2.7	0.0	2.7
Total	5,233,048,092	100.0	100.0	0.0

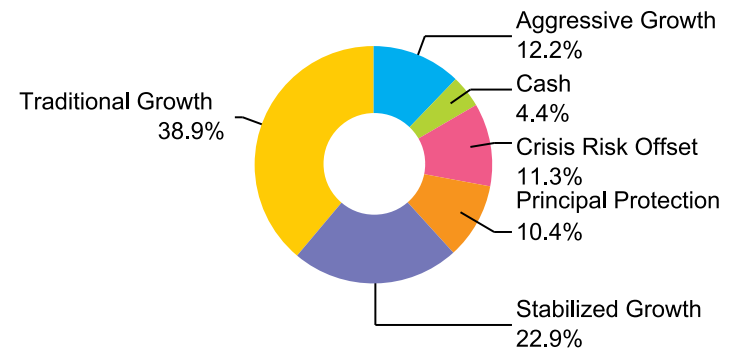
Variance vs Target Allocation (%)



As of March 31, 2026



As of March 31, 2025



Market values may not add up due to rounding.
Cash asset allocation includes Northern Trust Overlay.

Asset Class Performance Net-of-Fees | As of As of March 31, 2026

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
SJCERA Total Plan	5,233,048,092	100.0	0.0	11.3	8.6	6.3	7.0
<i>SJCERA Policy Benchmark</i>			<i>0.0</i>	<i>12.7</i>	<i>10.8</i>	<i>7.0</i>	<i>7.9</i>
Broad Growth	4,017,073,903	76.8	-1.0	13.1	10.0	7.4	8.5
Aggressive Growth Lag	639,084,259	12.2	-0.4	7.0	5.1	11.5	11.0
<i>Aggressive Growth Blend</i>			<i>2.5</i>	<i>14.1</i>	<i>9.6</i>	<i>8.9</i>	<i>9.5</i>
Traditional Growth	2,186,846,772	41.8	-1.9	20.8	16.8	9.9	10.9
<i>MSCI ACWI IMI Net</i>			<i>-2.7</i>	<i>20.6</i>	<i>16.2</i>	<i>9.0</i>	<i>11.6</i>
Stabilized Growth	1,191,142,872	22.8	0.5	4.0	2.6	2.8	4.8
<i>SJCERA Stabilized Growth Benchmark</i>			<i>0.7</i>	<i>5.5</i>	<i>6.3</i>	<i>5.5</i>	<i>5.9</i>
Diversifying Strategies	1,073,571,489	20.5	3.6	6.3	4.4	3.1	2.7
Principal Protection	507,274,184	9.7	0.0	5.0	4.6	1.6	2.6
<i>Blmbg. U.S. Aggregate Index</i>			<i>0.0</i>	<i>4.3</i>	<i>3.6</i>	<i>0.3</i>	<i>1.7</i>
Crisis Risk Offset Asset Class	566,297,305	10.8	7.1	7.5	4.0	4.2	2.7
<i>CRO Benchmark</i>			<i>2.9</i>	<i>5.5</i>	<i>3.4</i>	<i>2.7</i>	<i>2.9</i>
Cash and Misc Asset Class	110,178,311	2.1	1.0	3.2	3.2	2.4	1.7
<i>90 Day U.S. Treasury Bill</i>			<i>0.8</i>	<i>4.0</i>	<i>4.7</i>	<i>3.3</i>	<i>2.3</i>

1 Market values may not add up due to rounding.

2 Benchmark compositions listed in the Appendix.

Asset Class Performance Net-of-Fees | As of As of March 31, 2026

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Aggressive Growth Lag	639,084,259	100.0	-0.4	7.0	5.1	11.5	11.0
<i>Aggressive Growth Blend</i>			2.5	14.1	9.6	8.9	9.5
Private Equity Lag	435,983,179	68.2	1.5	9.8	6.5	--	--
<i>MSCI ACWI +2% Blend</i>			3.9	25.3	23.6	13.9	12.7
Bessemer Venture Partners Forge Fund	22,057,637	3.5	0.8	20.1	--	--	--
<i>MSCI ACWI +2% Blend</i>			3.9	25.3	--	--	--
Bessemer Venture Partners Fund XII, L.P.	16,256,694	2.5	18.4	26.3	--	--	--
<i>MSCI ACWI +2% Blend</i>			3.9	25.3	--	--	--
Capitol Meridian Fund I	16,840,846	2.6	1.7	14.3	--	--	--
<i>MSCI ACWI +2% Blend</i>			3.9	25.3	--	--	--
Lightspeed Venture Ptnrs Select V Lag	58,943,944	9.2	5.2	53.9	19.1	--	--
<i>MSCI ACWI +2% Blend</i>			3.9	25.3	23.6	--	--
Long Arc Capital Fund I	33,474,193	5.2	4.4	16.1	8.2	--	--
<i>MSCI ACWI +2% Blend</i>			3.9	25.3	23.6	--	--
Morgan Creek III Lag	6,108,085	1.0	0.0	7.8	13.4	-2.0	-0.7
<i>MSCI ACWI +2% Blend</i>			3.9	25.3	23.6	13.9	12.7
Morgan Creek V Lag	3,949,780	0.6	3.1	1.4	-9.1	-0.3	5.6
<i>MSCI ACWI +2% Blend</i>			3.9	25.3	23.6	13.9	12.7
Morgan Creek VI Lag	18,847,181	2.9	0.0	2.7	0.4	5.1	9.6
<i>MSCI ACWI +2% Blend</i>			3.9	25.3	23.6	13.9	12.7
Oaktree Special Situations Fund III, L.P.	17,948,012	2.8	0.2	16.4	--	--	--
<i>MSCI ACWI +2% Blend</i>			3.9	25.3	--	--	--

1 Market Values may not add up due to rounding.

2 Lagged 1 quarter.

3 Morgan Creek III and Morgan Creek VI market values are as of 12/31/25 lagged one quarter. Current statements were not available at the time of this report.

Asset Class Performance Net-of-Fees | As of As of March 31, 2026

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Ocean Avenue II Lag	14,990,759	2.3	-13.0	-18.5	-18.0	1.3	11.1
<i>MSCI ACWI +2% Blend</i>			3.9	25.3	23.6	13.9	12.7
Ocean Avenue III Lag	36,415,246	5.7	4.3	-11.2	-1.0	12.4	--
<i>MSCI ACWI +2% Blend</i>			3.9	25.3	23.6	13.9	--
Ocean Avenue IV Lag	52,056,412	8.1	-4.2	-5.3	2.2	15.9	--
<i>MSCI ACWI +2% Blend</i>			3.9	25.3	23.6	13.9	--
Ocean Avenue V Lag	23,238,263	3.6	3.0	20.5	--	--	--
<i>MSCI ACWI +2% Blend</i>			3.9	25.3	--	--	--
Ridgemont Equity Partners IV, L.P.	43,222,582	6.8	1.5	4.6	9.7	--	--
<i>MSCI ACWI +2% Blend</i>			3.9	25.3	23.6	--	--
Stellex Capital Partners II Lag	61,938,808	9.7	1.3	17.4	15.6	--	--
<i>MSCI ACWI +2% Blend</i>			3.9	25.3	23.6	--	--
Stellex Capital Partners III Lag	9,694,737	1.5	-1.2	-21.9	--	--	--
<i>MSCI ACWI +2% Blend</i>			3.9	25.3	--	--	--
Infrastructure	78,177,973	12.2	1.7	16.6	14.5	12.1	--
<i>CPI+3%</i>			2.1	6.3	6.1	7.6	--
Blackrock Global Energy and Power Lag	36,951,173	5.8	2.5	22.0	16.5	13.3	--
<i>CPI+3%</i>			2.1	6.3	6.1	7.6	--
BlackRock Global Infrastructure Fund IV, L.P.	41,226,800	6.5	1.1	10.8	10.0	--	--
<i>CPI+3%</i>			2.1	6.3	6.1	--	--
Non-Core Real Assets Lag	124,923,107	19.5	-7.4	-7.2	-4.0	1.9	3.1
<i>NCREIF ODCE +1% lag (blend)</i>			0.9	3.9	-3.3	3.5	4.9

1 Lagged 1 quarter.

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

Aggressive Growth

During the three-month period ending March 31, 2026, the Aggressive Growth sleeve of the plan returned -0.4%, trailing the 2.5% benchmark return during the quarter. Five of the eighteen strategies within the sleeve outperformed the benchmark during Q1. Please note that the return data for this asset class is lagged one quarter. More than half of these managers are in the funding stage and are experiencing what is known as the "J-Curve Effect" while they are in the downward sloping portion of the curve.

Bessemer Venture Partners Forge Fund returned 0.8% for the first quarter, underperforming the MSCI ACWI + 2% benchmark by (3.1%) for the period. The manager underperformed the benchmark over the trailing 1-year period by (5.2%).

Bessemer Venture Partners Fund XII is a new addition to the Aggressive Growth sleeve and is still in the downward sloping portion of the J-curve. The fund returned 18.4% during Q1, outperforming the benchmark return by 14.5%. The fund outperformed the benchmark by 1.0% over the trailing 1-year period.

Capitol Meridian Partners Fund I, a new addition to the Aggressive Growth sleeve, underperformed the benchmark by (2.2%) during the recent quarter. The strategy also trailed the benchmark over the past year by (11.0%); however, this fund is still in the downward sloping portion of the J-Curve.

Lightspeed Venture Partners Select V, a venture capital fund that was recently added and is experiencing the J-Curve effect, outperformed the benchmark during the first quarter by 1.3% and the trailing 1-year period by 28.6%. However, the fund underperformed the benchmark over the trailing 3-year period by (4.5%).

Long Arc Capital Fund I, a growth stage VC manager which is new to the Aggressive Growth sleeve, outperformed the benchmark during the most recent quarter by 0.5%; however, the manager underperformed the benchmark over the trailing 1- and 3-year periods by (9.2%) and (15.4%), respectively.

Aggressive Growth (continued)

Morgan Creek III underperformed the benchmark by (3.9%) during the most recent quarter. The manager has also trailed the benchmark during the 1-, 3-, 5- and 10-year periods by (17.5%), (10.2%), (16.0%), and (13.4%), respectively.

Morgan Creek V trailed the benchmark over the recent quarter, 1-, 3-, 5-, and 10-yr periods by (0.8%), (23.9%), (32.7%), (14.2%), and (7.1%), respectively.

Morgan Creek VI underperformed the benchmark during the trailing quarter, 1-, 3-, 5- and 10-year periods by (3.9%), (22.6%), (23.2%), (8.8%), and (3.0%), respectively.

Oaktree Special Situations Fund III, L.P., a new manager within the Aggressive Growth sleeve, underperformed the benchmark over the recent quarter by (3.7%). The fund also underperformed the benchmark over the trailing 1-year period by (8.9%).

Ocean Avenue II underperformed its benchmark over the trailing quarter, 1-, 3-, 5-, and 10-year periods by (16.9%), (43.8%), (41.6%), (12.6%), and (1.6%), respectively.

Ocean Avenue III outperformed its benchmark over the trailing quarter by 0.4%. However, the manager underperformed the benchmark over the trailing 1-, 3-, and 5-year periods (36.5%), (24.6%), and (1.5%), respectively.

Ocean Avenue IV outperformed its benchmark over the trailing 5-year period by 2.0%. However, the manager trailed the benchmark during the recent quarter and trailing 1- and 3-year periods by (8.1%), (30.6%), and (21.4%), respectively.

Ocean Avenue V, a newer Private Equity vintage of the veteran manager in this portfolio, trailed the benchmark over the recent quarter and trailing 1-year period by (0.8%) and (4.8%), respectively.

Aggressive Growth (continued)

Ridgemont Equity Partners a new Private Equity manager within the asset class that is still undergoing capital calls, underperformed the benchmark over the recent quarter and trailing 1- and 3-year periods by (2.4%), (20.7%), and (13.9%), respectively.

Stellex Capital Partners II a Private Equity manager within the asset class that is undergoing capital calls, trailed the benchmark over the quarter, 1- and 3-year periods by (2.6%), (7.9%), and (8.0%), respectively.

Stellex Capital Partners III is a new Private Equity manager within the asset class that is undergoing capital calls and underperformed the benchmark by (5.1%) during the recent quarter. The manager also trailed the benchmark over the trailing 1-year period by (47.1%).

Non-Core Real Assets underperformed its NCREIF ODCE +1% benchmark over the trailing quarter, 1-, 3-, 5- and 10-year periods by (8.3%), (11.1%), (0.7%), (1.7%), and (1.8%), respectively.

Infrastructure has outperformed its CPI+3% benchmark over the trailing 1-, 3-, and 5-year periods by 10.3%, 8.4%, and 4.5%, respectively. However, it trailed its benchmark over the recent quarter by (0.3%).

BlackRock Global Energy and Power outperformed the CPI+3% benchmark over the trailing quarter and 1-, 3-, and 5-year periods by 0.4%, 15.7%, 10.4%, and 5.7%, respectively.

BlackRock Global Infrastructure Fund IV, a newer addition to the Aggressive Growth sleeve, underperformed the benchmark during the most recent quarter by (1.0%), but outperformed the benchmark over the trailing 1- and 3-year periods by 4.4% and 3.9%, respectively.

Private Appreciation

Investment Activity Statement for Since Inception by Fund

Investment	Vintage Year	Original Inv. Commitment	Gross Contributions	Management Fees	Return of Capital	Distributions	Net Income	Unrealized Appreciation	Realized Gain	Ending Market Value
Bessemer Valley Forge	2022	20,000,000	18,042,645	1,401,099	-	-	(1,843,072)	5,839,327	18,738	22,057,637
Bessemer Venture Partners Fund XII	2024	30,000,000	13,490,037	1,207,212	-	-	(1,261,686)	3,966,891	61,452	16,256,694
Blackrock Global Energy & Power III	2019	50,000,000	53,766,483	5,012,920	1,425,739	40,441,906	5,514,109	6,588,922	12,949,303	36,951,173
Blackrock Global Infrastructure IV-D	2022	50,000,000	36,395,748	1,042,578	-	1,765,635	(2,001,870)	8,385,319	213,236	41,226,800
Capitol Meridian Fund I	2024	25,000,000	15,540,439	303,037	-	55,978	(1,148,688)	2,505,073	-	16,840,846
Lightspeed Venture Partners Select V	2021	40,000,000	37,600,000	3,020,000	-	-	(3,250,035)	24,541,084	52,896	58,943,944
Long Arc Capital I	2022	25,000,000	24,269,928	2,788,356	-	8,174	(908,175)	9,310,607	810,007	33,474,193
Morgan Creek III**	2015	10,000,000	9,900,000	846,762	2,325,492	717,761	(1,710,633)	611,896	350,073	6,108,085
Morgan Creek V	2013	12,000,000	11,520,000	873,703	5,102,450	11,231,741	(1,861,588)	1,179,314	9,446,245	3,949,780
Morgan Creek VI**	2015	20,000,000	18,200,000	6,028,814	6,864,868	10,168,335	(1,534,521)	12,912,640	7,902,264	20,447,181
Oaktree Special Situations III	2023	40,000,000	24,844,593	598,117	-	13,330,672	658,460	2,382,086	3,393,544	17,948,012
Ocean Avenue II*	2013	40,000,000	36,000,000	6,746,128	5,875,189	60,955,969	22,530,056	(8,550,879)	31,842,739	14,990,759
Ocean Avenue III	2016	50,000,000	46,500,000	8,027,517	25,500,000	44,019,139	10,789,870	8,039,741	40,604,774	36,415,246
Ocean Avenue IV	2019	50,000,000	49,000,000	6,153,656	3,250,000	34,145,927	(765,077)	16,857,988	24,359,428	52,056,412
Ocean Avenue V	2022	30,000,000	16,650,000	985,980	-	788,835	(1,773,886)	8,731,301	419,683	23,238,263
Ridgemont	2021	50,000,000	37,091,968	2,750,000	-	2,398	(2,611,263)	8,744,275	-	43,222,582
Stellex II	2020	50,000,000	50,276,543	4,169,546	-	10,825,617	(678,607)	18,579,442	4,587,047	61,938,808
Stellex III	2025	40,000,000	11,263,516	1,047,065	-	-	(1,611,341)	42,539	23	9,694,737
Total			467,555,702	49,347,113	50,343,738	228,458,086	21,248,153	120,818,809	136,931,239	467,752,084

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

**Morgan Creek Q425 data not available at time of reporting. Summaries reflect Q325 values adjusted for Q425 cash flows.

Asset Class Performance Net-of-Fees | As of As of March 31, 2026

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Traditional Growth	2,186,846,772	100.0	-1.9	20.8	16.8	9.9	10.9
<i>MSCI ACWI IMI Net</i>			-2.7	20.6	16.2	9.0	11.6
Northern Trust MSCI World	1,962,312,587	89.7	-2.7	20.4	16.9	10.2	--
<i>MSCI World IMI Index (Net)</i>			-3.1	19.7	16.4	9.7	--
PIMCO RAE Emerging Markets	137,541,412	6.3	8.1	32.8	20.2	11.2	11.4
<i>MSCI Emerging Markets (Net)</i>			-0.2	29.6	14.8	3.7	7.8
GQG Active Emerging Markets	86,992,774	4.0	1.6	12.1	14.6	4.1	--
<i>MSCI Emerging Markets (Net)</i>			-0.2	29.6	14.8	3.7	--

Market Values may not add up due to rounding.

Traditional Growth

During the latest three-month period ending March 31, 2026, the traditional growth asset class returned (1.9%) and outperformed its MSCI ACWI IMI benchmark return of (2.7%) by 0.8%. One manager underperformed the benchmark and two managers outperformed the benchmark during Q1 2026.

Northern Trust MSCI World, the Plan's Passive Global Equity manager, outperformed its MSCI World IMI benchmark over the past quarter by 0.4%, returning (2.7%) versus the benchmark return of (3.1%). The strategy gained 20.4% over the trailing 1-year period and an annualized 16.9% return over the trailing 3-year period.

PIMCO RAE Emerging Markets, one of SJCERA's Active Emerging Markets Equity managers, outperformed its MSCI Emerging Markets Index benchmark for the recent quarter by 8.3% and outperformed the benchmark over the trailing 1-year period by 3.2%. The manager has also outperformed the benchmark over the trailing 3-, 5- and 10-year periods by 5.4%, 7.5%, and 3.6%, respectively.

GQG Active Emerging Markets outperformed its MSCI Emerging Markets benchmark during Q1 2026 by 1.7%; however, the manager underperformed the benchmark over the trailing 1-year period by (17.5%). The manager slightly underperformed the benchmark over the trailing 3-year period by (0.3%) and outperformed over the trailing 5-year period by 0.4%.

Asset Class Performance Net-of-Fees | As of As of March 31, 2026

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Stabilized Growth	1,191,142,872	100.0	0.5	4.0	2.6	2.8	4.8
<i>SJCERA Stabilized Growth Benchmark</i>			0.7	5.5	6.3	5.5	5.9
Liquid Credit	404,293,425	33.9	-0.1	6.7	8.2	4.5	4.5
<i>50% BB US HY/50% S&P UBS Lev Loan</i>			-0.5	5.9	8.3	5.1	5.9
Neuberger	195,165,471	16.4	-0.5	7.1	8.3	3.6	--
<i>40% ICEBofAMLUSHY /40% MS LSTALevLoan/20%JPMEMBI Global</i>			-0.7	6.7	8.5	4.1	--
Stone Harbor Absolute Return (Newfleet)	209,127,953	17.6	0.3	6.2	8.0	5.1	4.7
<i>ICE BofA-ML LIBOR</i>			0.9	4.2	4.9	3.4	2.5
Private Credit Lag	414,574,626	34.8	0.2	2.5	1.0	2.7	2.8
<i>Credit Blend S&P/LSTA Lev Loan +2%</i>			1.7	8.0	12.3	11.3	9.7
Ares Pathfinder Fund II, L.P.	37,635,940	3.2	2.7	9.6	--	--	--
<i>Credit Blend S&P/LSTA Lev Loan +2%</i>			1.7	8.0	--	--	--
Blackrock Direct Lending Lag	81,149,351	6.8	-2.4	0.5	6.0	5.7	--
<i>Credit Blend S&P/LSTA Lev Loan +2%</i>			1.7	8.0	12.3	11.3	--
Crestline Opportunity II Lag	2,303,196	0.2	-20.0	-40.6	-23.6	-15.3	-7.0
<i>Credit Blend</i>			1.7	8.0	12.3	11.3	9.7
Davidson Kempner Long-Term Distressed Opportunities Fund V, L.P. Lag	54,281,820	4.6	5.2	4.1	8.7	8.9	--
<i>Credit Blend</i>			1.7	8.0	12.3	11.3	--
HPS European Asset Value II, LP Lag	14,294,220	1.2	-2.9	-7.5	4.7	6.1	--
<i>Credit Blend</i>			1.7	8.0	12.3	11.3	--
Medley Opportunity II Lag	179,867	0.0	0.0	0.0	-0.8	-1.8	-4.8
<i>Credit Blend</i>			1.7	8.0	12.3	11.3	9.7
Mesa West IV Lag	35,169,069	3.0	0.8	5.7	-9.7	-4.6	--
<i>Credit Blend</i>			1.7	8.0	12.3	11.3	--

1 Market Values may not add up due to rounding.

2 Benchmark composition listed in the Appendix.

Asset Class Performance Net-of-Fees | As of As of March 31, 2026

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Oaktree Middle-Market Direct Lending Lag	20,038,763	1.7	-5.8	-3.8	5.7	7.3	--
<i>Credit Blend S&P/LSTA Lev Loan +2%</i>			1.7	8.0	12.3	11.3	--
Raven Opportunity III Lag	15,115,431	1.3	2.9	-5.6	-35.7	-20.1	-9.1
<i>Credit Blend</i>			1.7	8.0	12.3	11.3	9.7
Silver Point Credit III Lag	29,508,093	2.5	3.2	14.3	--	--	--
<i>Credit Blend</i>			1.7	8.0	--	--	--
Silver Rock Tactical Allocation Fund 2022 Lag	54,159,987	4.5	1.6	11.2	--	--	--
<i>Credit Blend</i>			1.7	8.0	--	--	--
Silver Rock Tactical Allocation Fund 2025 Lag	10,325,093	0.9	0.0	--	--	--	--
<i>Credit Blend</i>			1.7	--	--	--	--
White Oak Summit Peer Lag	16,206,961	1.4	-5.9	-10.1	0.9	-1.5	--
<i>Credit Blend</i>			1.7	8.0	12.3	11.3	--
White Oak Yield Spectrum Master V Lag	44,206,835	3.7	0.6	0.6	1.5	1.0	--
<i>Credit Blend</i>			1.7	8.0	12.3	11.3	--
Private Core Real Assets Lag	372,274,821	31.3	1.4	2.8	-2.2	6.8	8.3
<i>NCREIF ODCE (blend)</i>			0.7	2.9	-1.0	4.2	5.6

1 Market Values may not add up due to rounding.

2 Benchmark composition listed in the Appendix.

Stabilized Growth

During the latest three-month period ending March 31, 2026, the Stabilized Growth sleeve of the Plan underperformed its Stabilized Growth benchmark by (0.3%). Several managers in this asset class are in the process of investing capital and may underperform as assets are invested (typically known as the J-curve effect). Included in this group are private core real assets, which outperformed their benchmark this quarter.

Neuberger Berman, one of the Plan's liquid credit managers, slightly outperformed the benchmark return by 0.2% for the recent quarter. The manager outperformed the benchmark over the trailing 1-year period by 0.4%; however, it slightly underperformed the benchmark over the trailing 3- and 5-year periods by (0.2%) and (0.5%), respectively.

Stone Harbor (Newfleet), the Plan's Absolute Return Fixed Income manager, underperformed the benchmark over the recent quarter by (0.6%). However, the manager outperformed the benchmark over the trailing 1-, 3-, 5- and 10-year periods by 2.0%, 3.1%, 1.7%, and 2.2%, respectively.

Ares Pathfinder Fund II, LP, a new private credit manager within the portfolio, outperformed its benchmark by 1.0% over the recent quarter and 1.6% over the trailing 1-year period.

BlackRock Direct Lending trailed the benchmark over the recent quarter, 1-, 3- and 5-year periods by (4.1%), (7.5%), (6.3%), and (5.6%), respectively.

Crestline Opportunity II, has underperformed the benchmark over the trailing quarter, 1-, 3-, 5- and 10-year periods by (21.7%), (48.6%), (35.9%), (26.6%), and (16.7%), respectively.

Davidson Kempner, a Distressed Private Credit manager, outperformed its benchmark over the quarter by 3.5%; however, the manager underperformed the benchmark over the trailing 1-, 3-, and 5-year periods by (4.0%), (3.6%), and (2.3%), respectively.

HPS EU Value II underperformed its benchmark during Q1 2026 by (4.6%) and underperformed the benchmark over the trailing 1-, 3- and 5-year periods by (15.5%), (7.5%), and (5.2%), respectively.

Stabilized Growth (continued)

Medley Opportunity II lagged its benchmark over the quarter, 1-, 3-, 5- and 10-year time periods by (1.7%), (8.0%), (13.1%), (13.0%), and (14.5%), respectively.

Mesa West RE Income IV, one of the Plan's Commercial Mortgage managers, underperformed the benchmark in Q1 2026 by (0.9%). The strategy also trailed the benchmark over the trailing 1-, 3-, and 5-year periods by (2.3%), (22.0%), and (15.9%), respectively.

Oaktree, a Middle-Market Direct Lending manager, underperformed the benchmark return over the recent quarter by (7.5%) and the trailing 1-, 3- and 5-year periods by (11.8%), (6.5%), and (4.0%), respectively.

Raven Opportunity III outperformed the benchmark for the quarter by 1.2%, but underperformed the benchmark over the 1-, 3-, 5- and 10-year periods by (13.6%), (48.0%), (31.4%), and (18.8%), respectively.

Silver Point Credit III is a newer addition to the private credit allocation which recently called capital and outperformed the benchmark by 1.5% over the most recent quarter and 6.3% over the trailing 1-year period.

Silver Rock Tactical Allocation Fund (2022 Vintage) underperformed the benchmark over the recent quarter by (0.1%), but outperformed the benchmark over the trailing 1-year period by 3.2%.

Silver Rock Tactical Allocation Fund (2025 Vintage) is a newer addition the portfolio and recently called capital. The fund trailed the benchmark by (1.7%) during the recent quarter.

White Oak Summit Peer, one of the Plan's Direct Lending managers, underperformed the benchmark over the recent quarter, 1-, 3- and 5-year periods by (7.6%), (18.2%), (11.4%), and (12.8%), respectively.

White Oak Yield Spectrum Master V trailed its benchmark over the recent quarter, 1-, 3- and 5-year periods by (1.1%), (7.4%), (10.8%), and (10.2%), respectively.

Private Core Real Assets outperformed its target over the recent quarter and trailing 5- and 10-yr periods by 0.7%, 2.6%, and 2.7%, respectively. However, the manager underperformed the benchmark over the trailing 1- and 3-year periods by (0.1%) and (1.1%), respectively.

Asset Class Performance Net-of-Fees | As of As of March 31, 2026

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Principal Protection	507,274,184	100.0	0.0	5.0	4.6	1.6	2.6
<i>Blmbg. U.S. Aggregate Index</i>			<i>0.0</i>	<i>4.3</i>	<i>3.6</i>	<i>0.3</i>	<i>1.7</i>
Dodge & Cox Fixed Income	325,943,738	64.3	0.0	5.4	5.1	1.7	3.3
<i>Blmbg. U.S. Aggregate Index</i>			<i>0.0</i>	<i>4.3</i>	<i>3.6</i>	<i>0.3</i>	<i>1.7</i>
Loomis Sayles	181,330,446	35.7	0.1	4.2	3.6	--	--
<i>Blmbg. U.S. Aggregate Index</i>			<i>0.0</i>	<i>4.3</i>	<i>3.6</i>	<i>--</i>	<i>--</i>

¹ Market Values may not add up due to rounding.

Principal Protection

During the latest three-month period ending March 31, 2026, both of SJCERA's Principal Protection managers matched or outperformed the benchmark. The asset class was in line with the benchmark return of 0.0% for Q1 of 2026 and outperformed the benchmark over the trailing 1-year period by 70 basis points.

Dodge & Cox, the Plan's Core Fixed Income manager, matched the US Agg return of 0.0% over the recent quarter. The strategy has outperformed its benchmark by 1.1%, 1.5%, 1.4%, and 1.6% for the trailing 1-, 3-, 5- and 10-year periods, respectively.

Loomis Sayles outperformed the benchmark by 0.1% in Q1 of 2026. The strategy slightly underperformed the benchmark return over the trailing 1-year period by (0.1%). The strategy has matched the return of the benchmark over the trailing 3-year period.

Asset Class Performance Net-of-Fees | As of As of March 31, 2026

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Crisis Risk Offset Asset Class	566,297,305	100.0	7.1	7.5	4.0	4.2	2.7
<i>CRO Benchmark</i>			2.9	5.5	3.4	2.7	2.9
Long Duration	156,450,613	27.6	-0.1	0.7	-1.2	-4.2	-0.7
<i>BImbg. U.S. Treasury: Long</i>			-0.4	0.5	-1.5	-4.6	-0.8
Dodge & Cox Long Duration	156,450,613	27.6	-0.1	0.7	-1.2	-4.2	-0.7
<i>BImbg. U.S. Treasury: Long</i>			-0.4	0.5	-1.5	-4.6	-0.8
Systematic Trend Following	254,565,127	45.0	10.6	14.3	3.6	6.9	2.6
<i>BTOP 50 (blend)</i>			7.7	11.1	6.0	7.3	3.7
Graham Tactical Trend	131,098,976	23.2	14.3	20.6	5.7	7.6	--
<i>SG Trend</i>			7.1	15.0	5.2	7.6	--
Mount Lucas	123,466,151	21.8	7.1	8.2	1.6	6.1	1.3
<i>BTOP 50 (blend)</i>			7.7	11.1	6.0	7.3	3.7
Alternative Risk Premium	155,281,565	27.4	9.3	4.4	10.1	8.5	4.1
<i>5% Annual (blend)</i>			1.2	5.0	5.0	5.0	5.0
AQR Style Premia	91,473,082	16.2	8.9	7.0	18.8	17.2	--
<i>5% Annual</i>			1.2	5.0	5.0	5.0	--
P/E Diversified Global Macro	63,808,483	11.3	10.0	0.8	1.1	5.6	--
<i>5% Annual</i>			1.2	5.0	5.0	5.0	--

1 Market Values may not add up due to rounding.

2 Benchmark composition listed in Appendix.

Crisis Risk Offset

During the latest three-month period ending March 31, 2026, the Crisis Risk Offset sleeve outperformed the benchmark return of 2.9% by 4.2% gaining 7.1% in Q1.

Dodge & Cox Long Duration returned (0.1%) during Q1 which outperformed the Bloomberg US Long Duration Treasuries benchmark return of (0.4%) by 0.3%. This is a passive strategy with minimal tracking error over all trailing periods.

Graham Tactical Trend, one of the Plan's Systematic Trend Following managers, outperformed the SG Trend benchmark over the recent quarter by 7.2% and the trailing 1-year period by 5.6%. The manager also outperformed the benchmark over the trailing 3-year period by 0.5% and matched the benchmark over the trailing 5-year period.

Mount Lucas, one of the Plan's Systematic Trend Following managers, underperformed the BTOP 50 benchmark during the trailing quarter by (0.6%) and the 1-, 3-, and 5-year periods by (2.9%), (4.4%), and (1.2%), respectively. The manager also underperformed the benchmark over the trailing 10-year period by (2.5%).

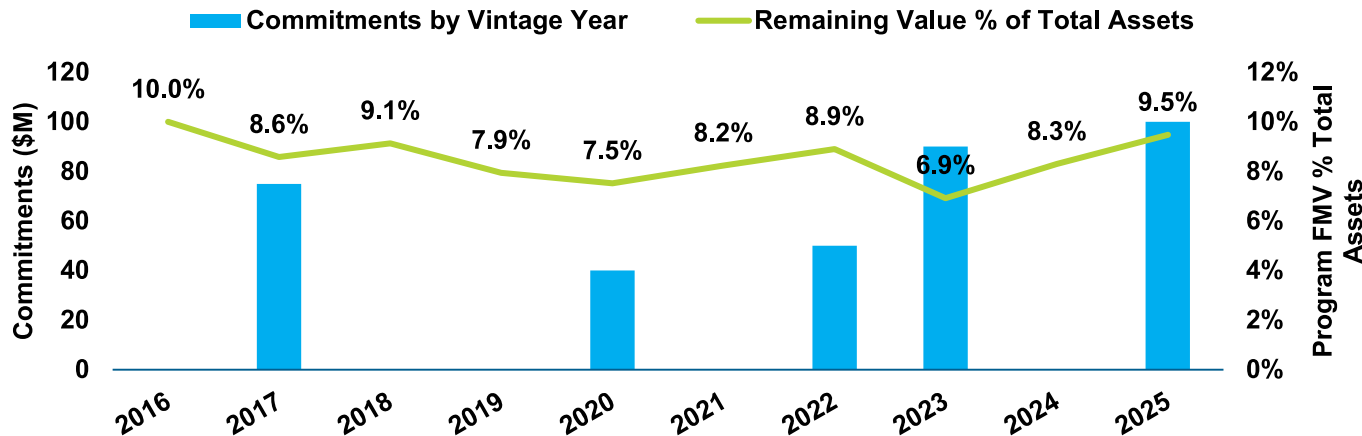
AQR, one of the Plan's Alternative Risk Premium managers, outperformed its 5% Annual target during Q1 by 7.6%. The strategy also outperformed the benchmark over the trailing 1-, 3-, and 5-year periods by 2.0%, 13.8%, and 12.2%, respectively.

P/E Diversified, one of the Plan's Alternative Risk Premium managers, outperformed its 5% Annual target for the recent quarter by 8.7%. The strategy outperformed the benchmark over the trailing 5-year period by 0.6%; however, it underperformed the benchmark over the trailing 1- and 3-year periods by (4.2%) and (3.9%), respectively.

Real Estate Program
September 30, 2025

Introduction

The Retirement Association's target allocation towards real estate assets is 17%. As of December 31, 2025, the Retirement Association had invested with twenty four real estate managers (seven private open-end and seventeen private closed-end). The aggregate reported value of the Retirement Association's real estate investments was \$497.2 million at quarter-end.



Program Status

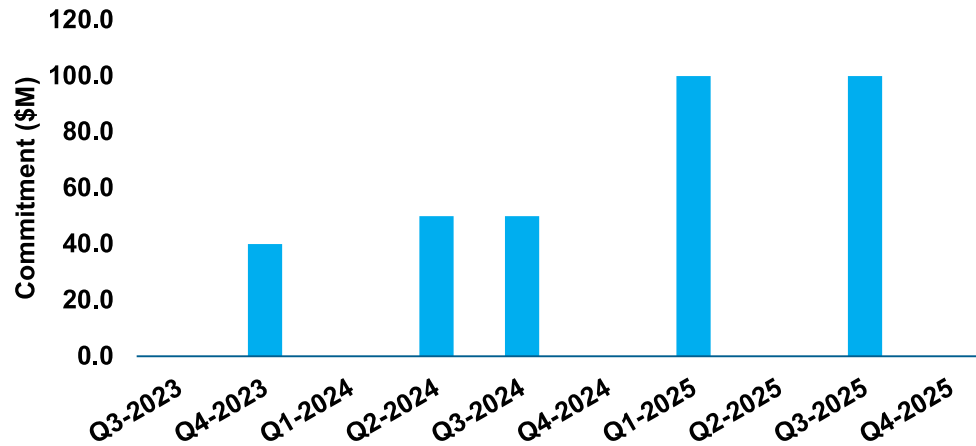
No. of Investments	24
Committed (\$M)	891.6
Contributed (\$M)	704.6
Distributed (\$M)	457.2
Remaining Value (\$M)	497.2

Performance Since Inception

	Program
DPI	0.65x
TVPI	1.35x
IRR	6.2%

Commitments

Recent Quarterly Commitments



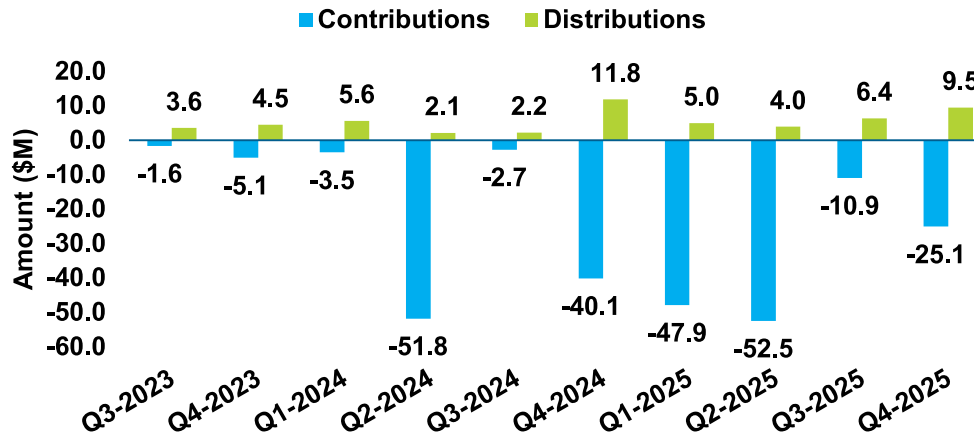
Commitments This Quarter

Fund	Strategy	Region	Amount (\$M)
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None to report.

Cash Flows

Recent Quarterly Cash Flows



Largest Contributions This Quarter

Fund	Vintage	Strategy	Region	Amount (\$M)
Blue Owl Digital III	2022	Value-Added	Global: All	11.91
SROA IX	2023	Value-Added	North America	6.15
Berkeley VI	2023	Value-Added	North America	5.44

Largest Distributions This Quarter

Fund	Vintage	Strategy	Region	Amount (\$M)
Walton Street VI	2007	Opportunistic	North America	4.06
Greenfield VIII	2017	Opportunistic	North America	1.84
Berkeley VI	2023	Value-Added	North America	1.18

Significant Events

- In the fourth quarter, Blue Owl Digital Infrastructure Fund III called \$11.91 million for partnership expenses, management fees, and investments such as STACK North America. STACK is a digital infrastructure-based data center company.
- In the fourth quarter, Berkeley Partners Value Industrial Fund VI called \$5.44 million for property investments such as Hoosier Infill Industrial in Indianapolis, Indiana and 100 Hampshire Street in Mansfield, Massachusetts.
- In the fourth quarter, Walton Street Real Estate Fund VI distributed \$4.06 million related to sale proceeds and operating cash flow from Rivers Casino, which is based in Schenectady, New York.

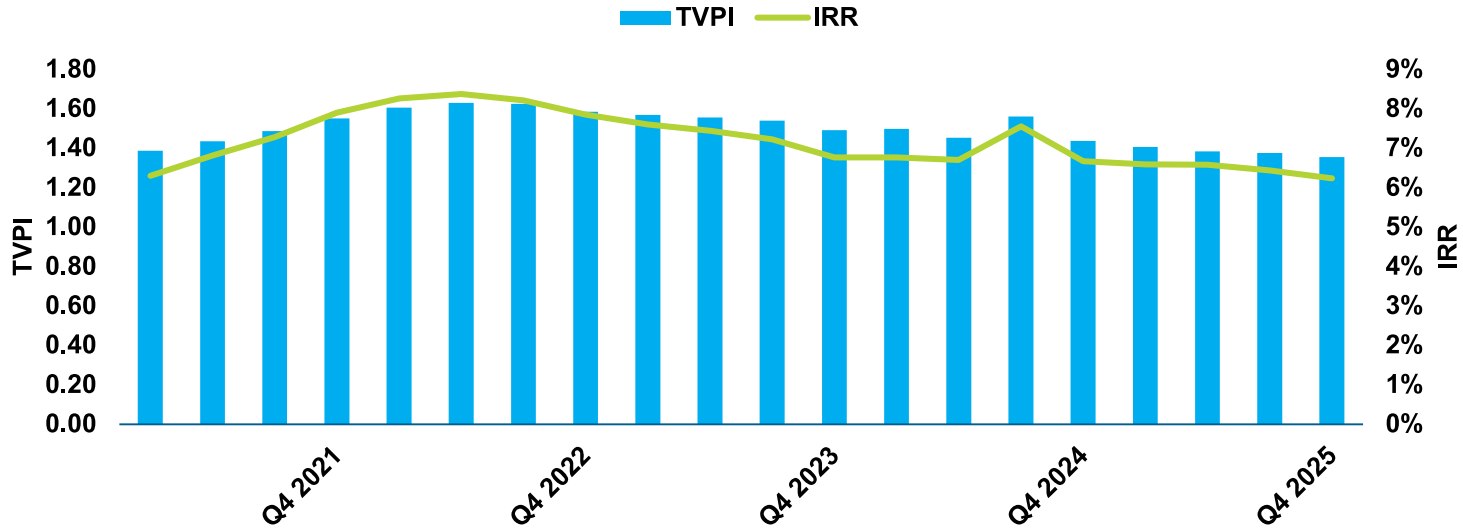
By Strategy

Group	Number	Committed (\$M)	Contributed (\$M)	Unfunded (\$M)	Distributed (\$M)	Remaining Value (\$M)	Exposure (\$M)	DPI (X)	TVPI (X)	IRR (%)
Core	4	170.5	183.8	0.0	45.3	269.5	269.5	0.25	1.71	6.4
Core-Plus	2	200.0	100.9	100.0	0.9	102.7	202.7	0.01	1.03	3.1
Opportunistic	9	204.1	184.4	21.1	241.2	10.9	32.1	1.31	1.37	5.8
Value-Added	9	317.0	235.4	86.7	169.8	114.0	200.7	0.72	1.21	7.0
Total	24	891.6	704.6	207.8	457.2	497.2	705.0	0.65	1.35	6.2

By Vintage

Group	Number	Committed (\$M)	Contributed (\$M)	Unfunded (\$M)	Distributed (\$M)	Remaining Value (\$M)	Exposure (\$M)	DPI (X)	TVPI (X)	IRR (%)
Open-end Fund	6	300.5	314.7	0.0	67.1	372.6	372.6	0.21	1.40	4.9
2005	1	15.0	14.0	1.0	17.6	0.0	1.0	1.25	1.25	4.1
2007	4	96.0	84.0	12.0	121.7	0.9	12.9	1.45	1.46	7.3
2011	2	50.0	38.3	11.7	47.4	2.4	14.1	1.24	1.30	8.6
2012	2	36.0	33.9	2.9	49.0	0.0	2.9	1.45	1.45	12.5
2013	1	19.1	18.3	0.8	32.4	0.5	1.4	1.77	1.80	13.7
2014	1	20.0	19.0	1.8	15.9	4.8	6.5	0.83	1.09	1.8
2017	2	75.0	68.2	8.2	88.9	11.2	19.4	1.30	1.47	13.6
2020	1	40.0	34.5	9.2	14.3	30.8	40.0	0.41	1.31	9.0
2022	1	50.0	15.5	33.8	0.2	34.5	68.3	0.01	2.25	235.4
2023	2	90.0	64.3	26.5	2.9	39.4	65.9	0.05	0.66	-39.7
2025	1	100.0	0.0	100.0	0.0	0.0	100.0	0.00	NM	NM
Total	24	891.6	704.6	207.8	457.2	497.2	705.0	0.65	1.35	6.2

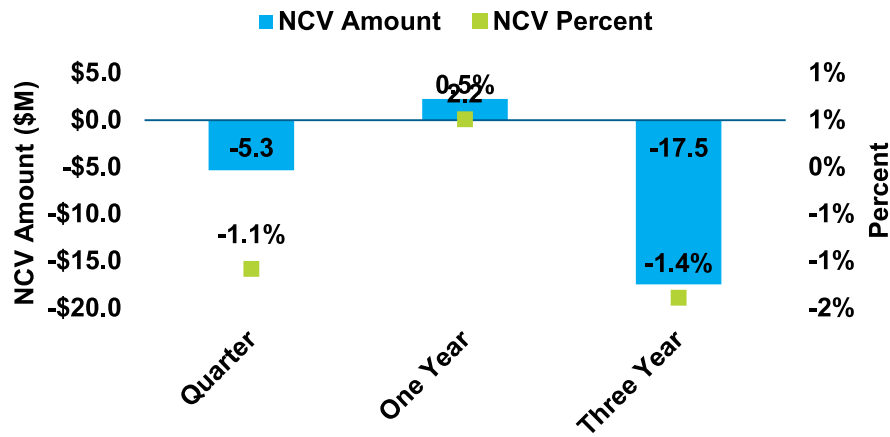
Since Inception Performance Over Time



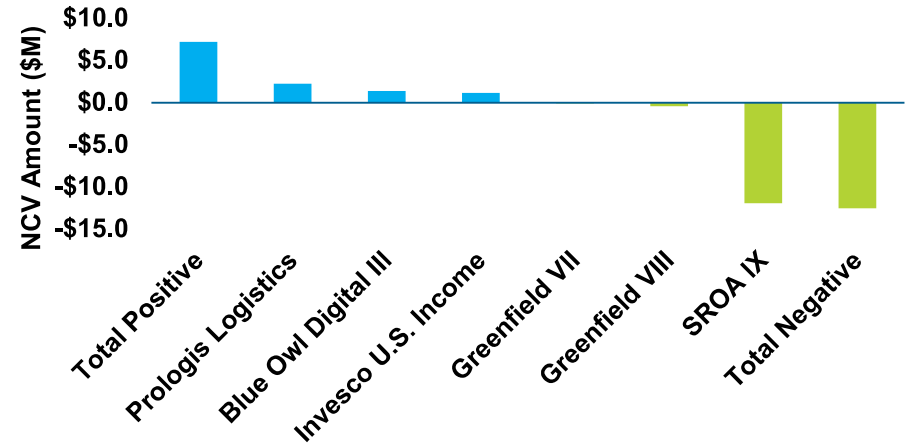
Horizon IRRs

	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Aggregate Portfolio	0.5	-1.5	6.6	7.0	6.2
Public Market Equivalent	4.1	8.2	6.9	5.3	7.4

Periodic NCV



1 Quarter Drivers Of NCV



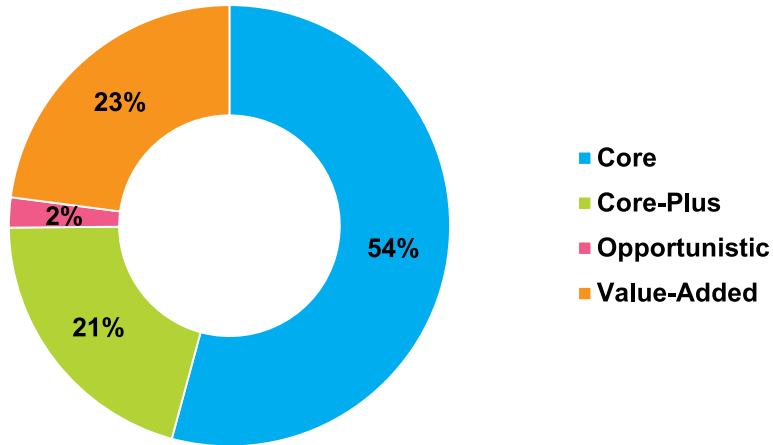
Fund Performance: Sorted By Vintage And Strategy

By Investment	Vintage	Strategy	Committed (\$M)	Contributed (\$M)	Unfunded (\$M)	Distributed (\$M)	Remaining Value (\$M)	TVPI (X)	IRR (%)
AEW EHF	Open-End	Core	50.0	54.1	0.0	4.1	53.8	1.07	4.3
Principal US	Open-End	Core	25.0	25.0	0.0	0.0	39.8	1.59	4.7
Prologis Logistics	Open-End	Core	50.5	59.7	0.0	25.7	126.1	2.54	7.4
RREEF America II	Open-End	Core	45.0	45.0	0.0	15.6	49.8	1.45	4.6
Invesco U.S. Income	Open-End	Core-Plus	100.0	100.9	0.0	0.9	102.7	1.03	3.1
Walton Street V	Open-End	Opportunistic	30.0	30.0	0.0	20.8	0.4	0.71	-3.8
Miller GLobal Fund V	2005	Opportunistic	15.0	14.0	1.0	17.6	0.0	1.25	4.1
Greenfield V	2007	Opportunistic	30.0	29.6	0.4	40.7	0.0	1.38	8.3
Miller Global VI	2007	Opportunistic	30.0	21.1	8.9	33.4	0.0	1.58	7.7
Walton Street VI	2007	Opportunistic	15.0	13.3	1.7	20.7	0.9	1.62	7.7
Colony Realty III	2007	Value-Added	21.0	20.0	1.0	26.9	0.0	1.35	5.3
Greenfield VI	2011	Opportunistic	20.0	19.2	0.8	26.2	0.0	1.37	9.6
Almanac Realty VI	2011	Value-Added	30.0	19.1	10.9	21.2	2.4	1.23	7.1
Miller Global VII	2012	Opportunistic	15.0	12.1	2.9	16.1	0.0	1.33	14.4
Colony Realty IV	2012	Value-Added	21.0	21.7	0.0	32.9	0.0	1.51	11.9
Greenfield VII	2013	Opportunistic	19.1	18.3	0.8	32.4	0.5	1.80	13.7
AG Core Plus IV	2014	Value-Added	20.0	19.0	1.8	15.9	4.8	1.09	1.8
Greenfield VIII	2017	Opportunistic	30.0	26.8	4.6	33.4	9.2	1.58	17.2
Stockbridge RE III	2017	Value-Added	45.0	41.4	3.6	55.5	2.0	1.39	11.4
Berkeley V	2020	Value-Added	40.0	34.5	9.2	14.3	30.8	1.31	9.0
Blue Owl Digital III	2022	Value-Added	50.0	15.5	33.8	0.2	34.5	2.25	235.4

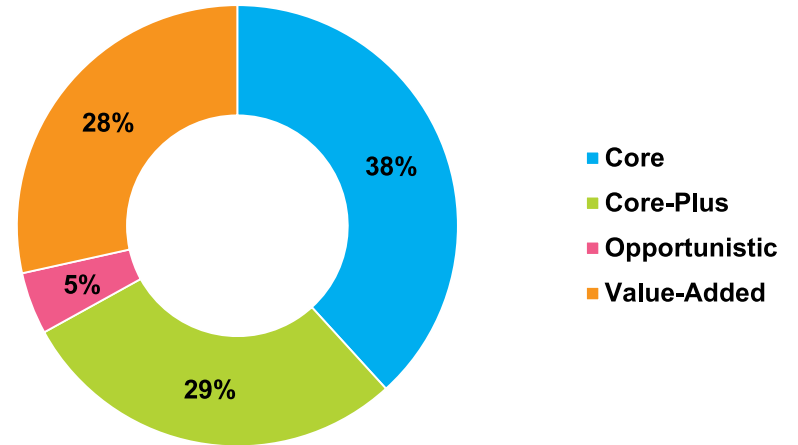
By Investment	Vintage	Strategy	Committed (\$M)	Contributed (\$M)	Unfunded (\$M)	Distributed (\$M)	Remaining Value (\$M)	TVPI (X)	IRR (%)
Berkeley VI	2023	Value-Added	40.0	23.6	16.5	1.3	19.9	0.89	-14.9
SROA IX	2023	Value-Added	50.0	40.6	9.9	1.6	19.6	0.52	-50.5
Clarion Alternative	2025	Core-Plus	100.0	0.0	100.0	0.0	0.0	NM	NM
Total			891.6	704.6	207.8	457.2	497.2	1.35	6.2

By Strategy

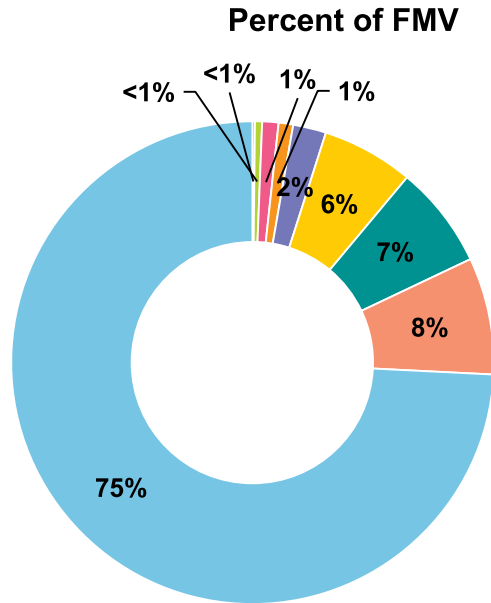
Percent of FMV



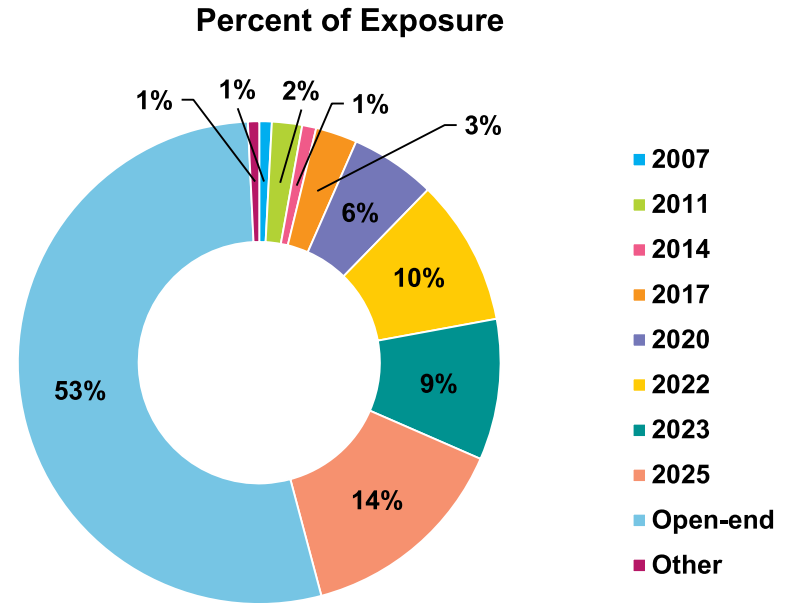
Percent of Exposure



By Vintage



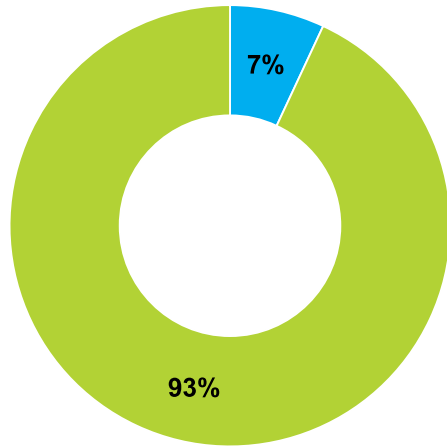
- 2007
- 2011
- 2013
- 2014
- 2017
- 2020
- 2022
- 2023
- Open-end



- 2007
- 2011
- 2014
- 2017
- 2020
- 2022
- 2023
- 2025
- Open-end
- Other

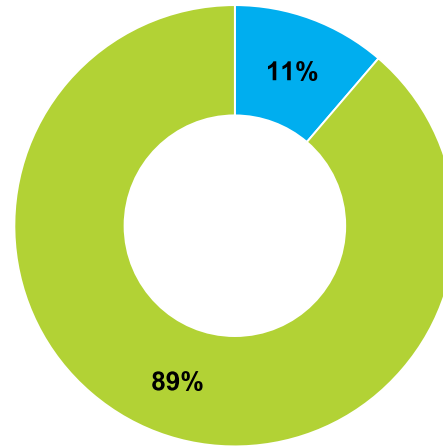
By Geographic Focus

Percent of FMV



- Global: All
- North America

Percent of Exposure



- Global: All
- North America

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

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

<p>Public Market Equivalent (“PME”)</p>	<p>A calculation methodology that seeks to compare the performance of a portfolio of private market investments with public market indices. The figures presented in this report are based on the PME+ framework, which represents a net IRR value based on the actual timing and size of the private market program’s daily cash flows and the daily appreciation or depreciation of an equivalent public market index. Meketa utilizes the following indices for private market program PME+ calculations:</p> <ul style="list-style-type: none"> Infrastructure: Dow Jones Brookfield Global Infrastructure Index Natural Resources: S&P Global Natural Resources Index Private Debt: Merrill Lynch High Yield Master II Bond Index Private Equity: MSCI ACWI Investable Market Index Real Assets (excluding Real Estate): Equal blend of Dow Jones Brookfield Global Infrastructure Index and S&P Global Natural Resources Index Real Assets (including Real Estate): Equal blend of Dow Jones Brookfield Global Infrastructure Index, S&P Global Natural Resources Index, and Dow Jones U.S. Select Real Estate Securities Index Real Estate: Dow Jones U.S. Select Real Estate Securities Index
<p>Remaining Value</p>	<p>The investor’s value as reported by a fund manager on the investor’s capital account statement. All investor values in this report are as of the date of this report, unless otherwise noted. Some funds may be denominated in non-USD currencies, and such remaining values represent the fund’s local currency value translated to USD at the rate as of the date of this report.</p>
<p>TVPI</p>	<p>Acronym for “Total Value-to-Paid-In”, which is a performance measurement for Private Market investments. The performance calculations represents Distributed plus Remaining Value, then divided by Contributed. TVPIs for funds and groupings of funds are net of all fund fees and expenses as reported to by fund managers to Meketa.</p>
<p>Unfunded</p>	<p>The remaining balance of capital that a fund manager has yet to call against a commitment amount. Meketa updates unfunded balances for funds to reflect all information provided by fund managers provided in their cash flow notices. Some funds may be denominated in non-USD currencies, and such unfunded balances represent the fund’s local currency unfunded balance translated to USD at the rate as of the date of this report.</p>

Economic and Market Update

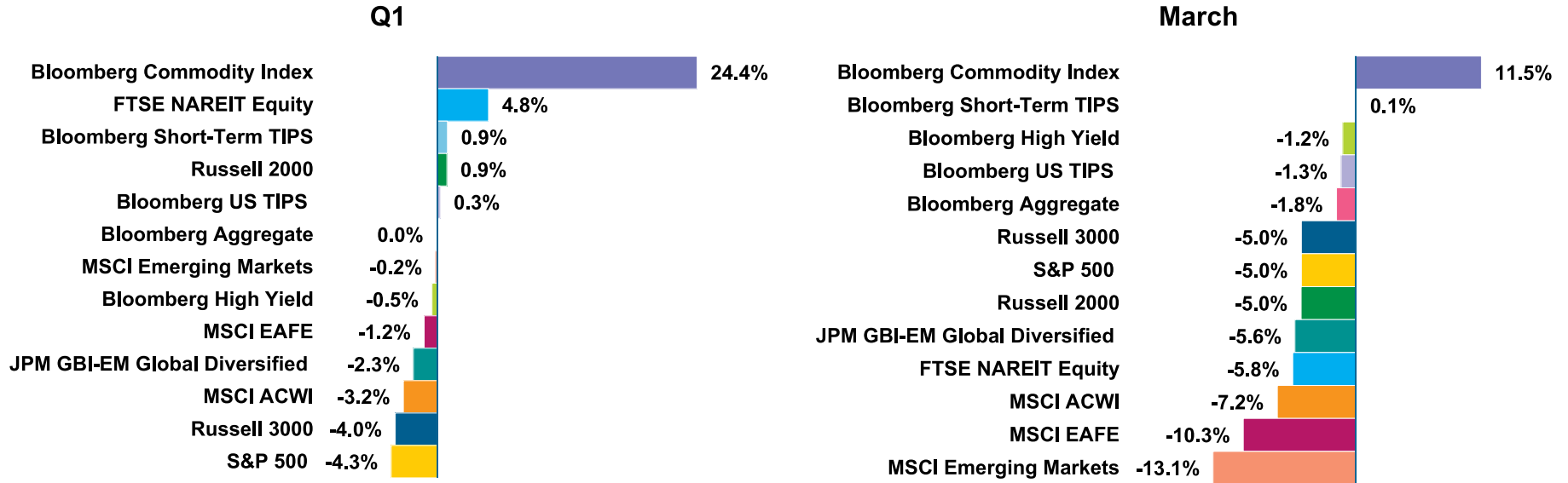
Data as of March 31, 2026

Commentary

Despite a solid start in January, equities globally declined in the first quarter amid tensions in the Middle East and US technology weakness, while higher energy prices fueled inflation concerns in the bond markets.

- US equities (Russell 3000) declined 4.0% in the first quarter. Small-cap and value stocks outperformed large-cap and growth, as skepticism around AI-driven valuations and shifting rate expectations supported a rotation toward more cyclical and defensive areas of the market.
- Non-US equities declined less than US stocks in the first quarter, supported by more attractive relative valuations and a rotation away from US technology leadership. Performance was also aided by strength in parts of Asia tied to AI-related hardware demand. Later in the quarter, the Middle East conflict particularly weighed on countries dependent on oil from the region, especially oil that typically passes through the Strait of Hormuz.
 - Non-US developed stocks (MSCI EAFE) fell 1.2% in the first quarter.
 - Emerging markets (MSCI Emerging Markets) slightly declined (0.2%) in the first quarter. South Korea and Taiwan were among the top performing countries, while China fell on weakness in internet and software stocks.
- Major bond markets were broadly flat for the first quarter of 2026. The US bond market (Bloomberg Aggregate) finished the quarter largely unchanged. TIPS (Bloomberg US TIPS) were up slightly driven by increased inflation concerns, while longer-duration Treasuries posted modestly negative returns amid upward pressure on yields.
- Looking ahead, markets will be focused on how geopolitical risks, elevated energy prices, and trade uncertainty feed into inflation expectations and influence the path of monetary policy, growth, and earnings outlooks.

Index Returns¹



- In the first quarter of 2026, commodities led performance, significantly outperforming as geopolitical tensions drove oil prices higher. US REITs also had a strong quarter as investors rotated out of large-cap tech into defensive, income-generating assets, with data centers and healthcare properties driving results.
- In contrast, risk assets broadly lagged, with US equities declining, led by large-cap stocks, while international equities also posted negative returns amid continued concerns around technology valuations and energy related worries from the conflict in the Middle East.

¹ Source: Bloomberg. Data is as of March 31, 2026.

Domestic Equity Returns¹

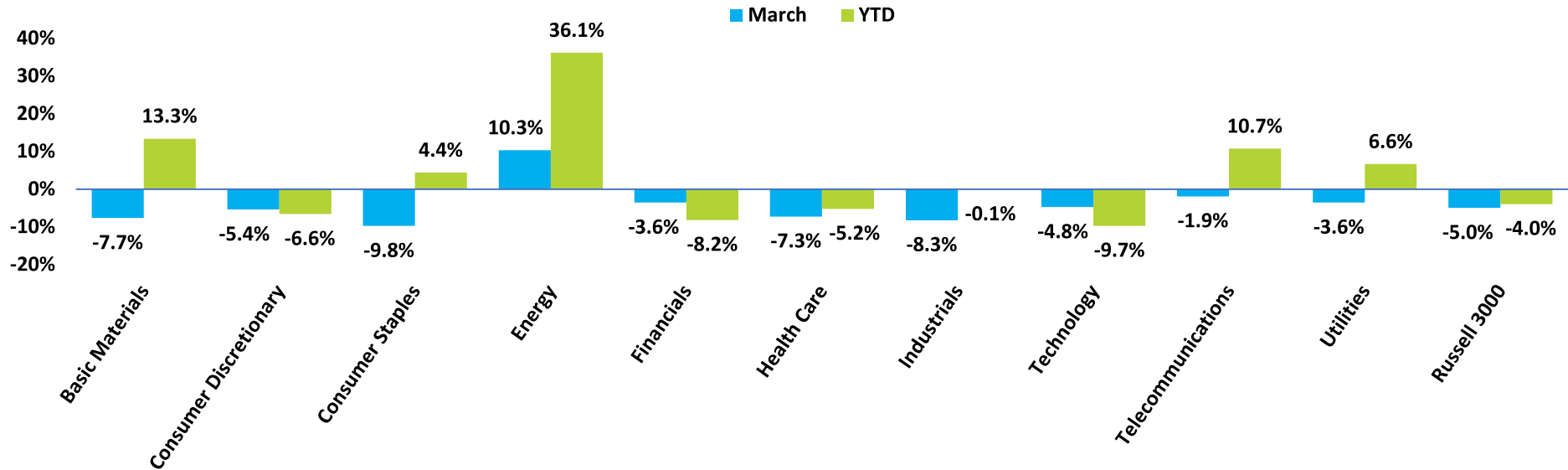
Domestic Equity	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-5.0	-4.3	17.8	18.3	12.1	14.2
Russell 3000	-5.0	-4.0	18.1	17.8	10.9	13.7
Russell 1000	-5.0	-4.2	17.7	18.1	11.3	14.0
Russell 1000 Growth	-5.2	-9.8	18.8	21.2	12.8	16.8
Russell 1000 Value	-4.8	2.1	15.9	14.3	9.4	10.6
Russell MidCap	-5.3	1.3	16.0	13.3	7.3	10.9
Russell MidCap Growth	-6.3	-6.3	9.6	12.7	5.4	11.7
Russell MidCap Value	-5.1	3.7	17.6	13.1	7.9	9.7
Russell 2000	-5.0	0.9	25.7	13.0	3.8	9.9
Russell 2000 Growth	-6.3	-2.8	23.6	12.3	1.6	9.8
Russell 2000 Value	-3.6	5.0	28.1	13.8	5.8	9.6

US Equities: The Russell 3000 index fell 4.0% in the first quarter of 2026.

- The rotation from growth to value that began late last year remained firmly in place throughout the first quarter of 2026, despite broad declines in US equities. The style divergence was evident across market capitalizations, with the Russell 1000 Value Index gaining 2.1% versus a 9.8% decline for the Russell 1000 Growth Index. In small caps, the Russell 2000 Value Index rose 5.0% compared to a 2.8% decline for the Russell 2000 Growth Index, reflecting continued investor preference for lower-valuation, more cyclically exposed segments of the market.
- All the “Magnificent Seven” constituents posted negative returns in the first quarter: Microsoft (-23.5%), Meta (-13.0%), Amazon (-9.4%), Alphabet (-8.1%), Apple (-7.3%), Tesla (-6.7%), and Nvidia (-6.5%). This acted as a meaningful headwind to broad market performance given their significant weight in the index.

¹ Source: Bloomberg. Data is as of March 31, 2026.

Russell 3000 Sector Returns¹



Sector performance was mixed in the first quarter, with leadership concentrated in energy and other inflation-sensitive areas alongside defensive sectors.

- Energy was the clear standout, gaining 36.1% during the quarter, driven by elevated geopolitical risk and rising energy prices. Basic materials (+13.3%) benefited from higher commodity prices and telecommunications (+10.7%) was helped by wireless carriers posting strong earnings.
- Technology was the weakest-performing sector, declining 9.7% for the quarter, as continued concerns around AI-related valuations and the sustainability of elevated capital spending weighed on returns. Financials (-8.2%) and consumer discretionary (-6.6%) also lagged.

¹ Source: Bloomberg. Data is as of March 31, 2026.

Foreign Equity Returns¹

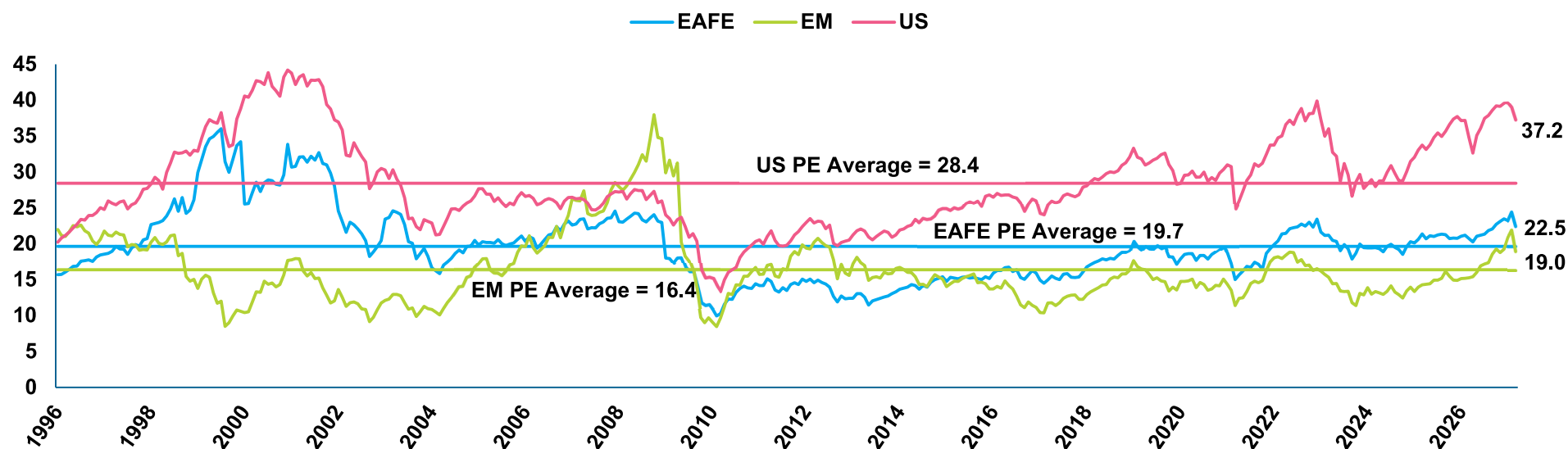
Foreign Equity	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	-10.8	-0.7	24.9	14.5	7.0	8.4
MSCI EAFE	-10.3	-1.2	21.3	13.6	7.9	8.4
MSCI EAFE (Local Currency)	-8.0	0.1	17.4	13.2	9.9	9.3
MSCI EAFE Small Cap	-10.9	-1.3	25.6	12.6	4.4	7.4
MSCI Emerging Markets	-13.1	-0.2	29.6	14.8	3.7	7.8
MSCI Emerging Markets (Local Currency)	-10.5	2.1	30.6	17.1	6.2	9.5
MSCI EM ex China	-14.8	3.2	41.3	18.5	8.1	9.2
MSCI China	-7.7	-8.9	3.8	6.5	-4.9	5.1

Foreign equities declined in the first quarter of 2026, but by less than US equities. Developed markets (MSCI EAFE: -1.2%) modestly underperformed emerging markets (MSCI Emerging Markets: -0.2%), with performance dispersion across regions remaining elevated.

- Within developed markets, results were mixed. European and UK equities benefited at times from relative value appeal and exposure to energy and defensive sectors. Japan was supported by expectations of political stability after the February national elections and continued AI-related hardware demand, though broader risk-off sentiment and concerns related to energy prices weighed on returns by quarter-end.
- Emerging markets modestly outperformed developed peers during the quarter, driven by strength in select Asian markets tied to continued semiconductor and hardware demand. China was a notable laggard (-8.9%), as broad-based weakness in tech and consumer stocks and ongoing uncertainty around growth and policy support pressured returns in the first quarter.

¹ Source: Bloomberg. Data is as of March 31, 2026.

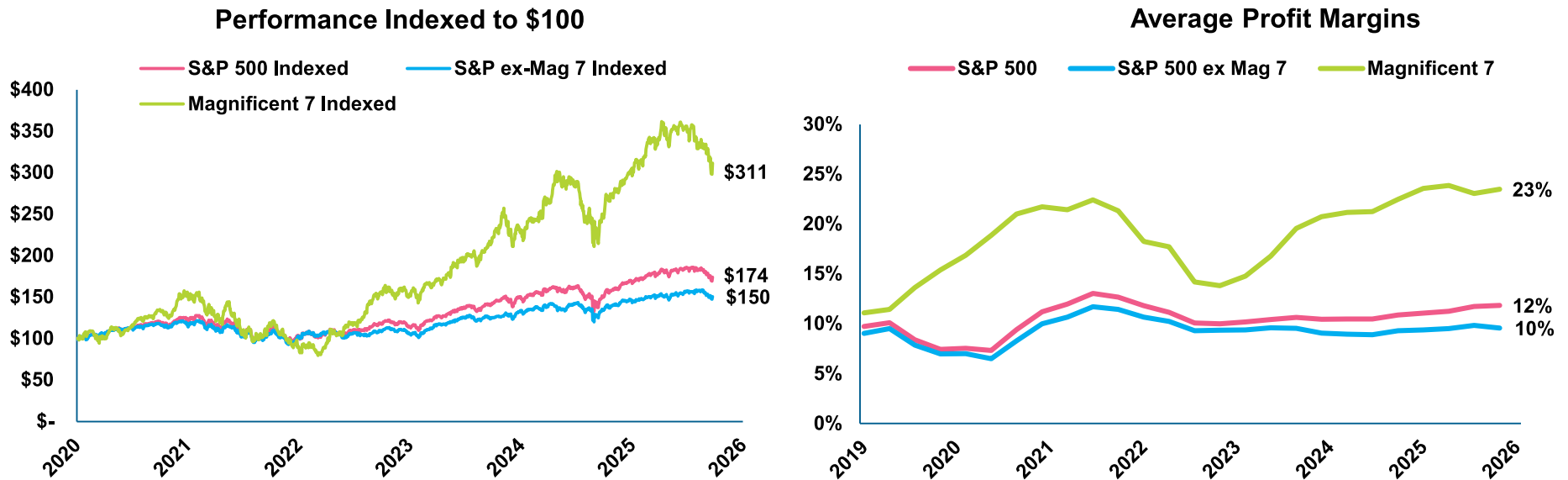
Equity Cyclically Adjusted P/E Ratios¹



- Cyclically adjusted US equity valuations pulled back from their recent peak driven by weakness in AI-related growth stocks and the conflict in the Middle East. Valuations nevertheless remain well above long-run averages.
- Non-US developed markets (EAFE) pulled back modestly in the first quarter, but valuations remain above their long-run average (22.5 versus 19.7).
- Emerging market valuations also declined slightly in the first quarter but remain above the long-run average (19.0 versus 16.4) though.

¹ US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E Source: Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of March 2026. 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.

Performance and Profit Margins: S&P 500 and “Magnificent 7”¹



- AI-oriented mega-cap stocks continued to play an outsized role in US equity performance during the first quarter of 2026, this time depressing overall results given their declines and weight in the index.
- Leadership broadened meaningfully over the quarter as investor concerns around valuations, capital intensity, and disruption risks weighed on high-multiple AI leaders. This contributed to the relative underperformance of the “Magnificent 7” versus the broader market.
- Despite the recent stock price weakness, the average profit margins (23%) for the “Magnificent 7” are more than double those of the S&P 500 ex Mag 7 (10%).

¹ Source: Bloomberg. Data is as of March 31, 2026, for index prices and profit margins.

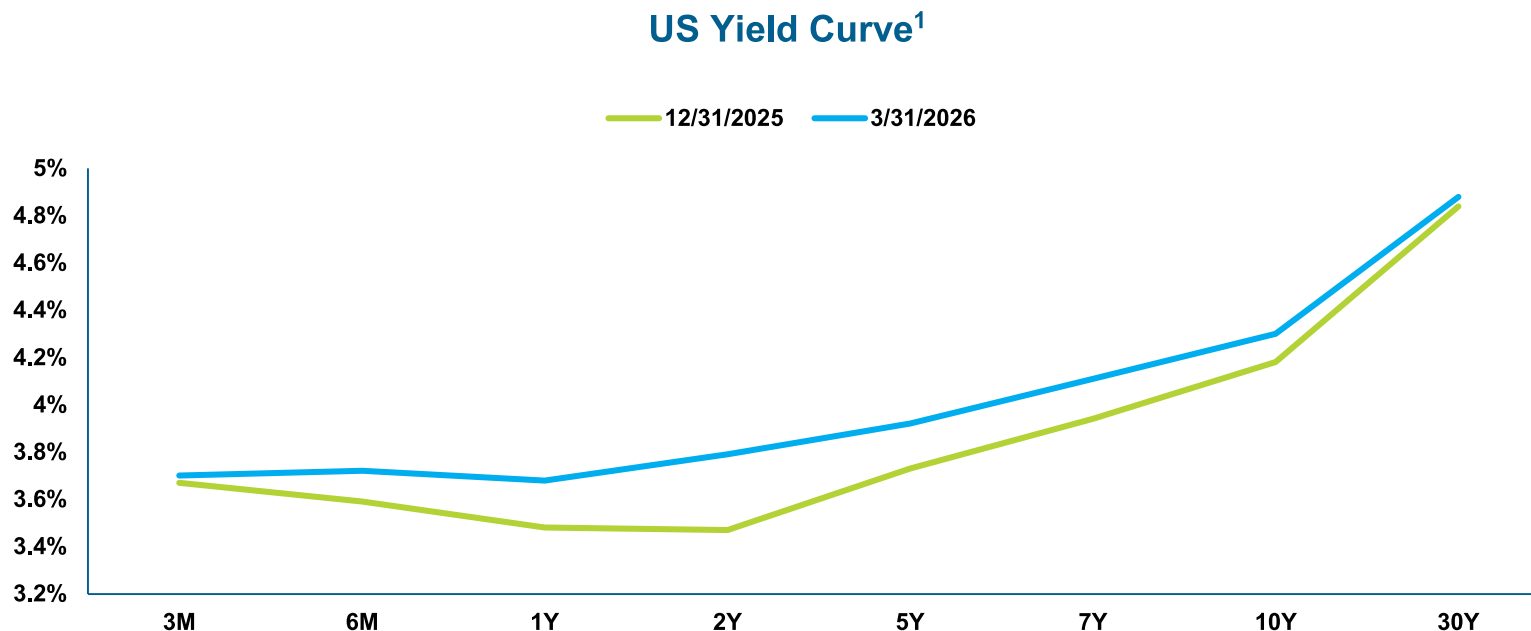
Fixed Income Returns¹

Fixed Income	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-1.8	-0.1	4.6	4.2	0.7	2.1	4.8	5.8
Bloomberg Aggregate	-1.8	0.0	4.3	3.6	0.3	1.7	4.6	6.0
Bloomberg US TIPS	-1.3	0.3	3.0	3.2	1.5	2.7	4.3	6.6
Bloomberg Short-term TIPS	0.1	0.9	3.9	4.7	3.5	3.1	3.8	2.4
Bloomberg US Long Treasury	-4.0	-0.4	0.5	-1.5	-4.6	-0.8	4.9	14.4
Bloomberg High Yield	-1.2	-0.5	7.0	8.6	4.2	6.1	7.4	3.4
JPM GBI-EM Global Diversified (USD)	-5.6	-2.3	11.8	6.9	2.1	2.6	--	--

Fixed Income: The Bloomberg Universal index fell 0.1% in the first quarter of 2026.

- Fixed income returns were mixed during the first quarter of 2026. The Mideast conflict reignited inflation fears, and fixed income markets repriced future rate cut expectations for the year. The broad US bond market (Bloomberg Aggregate) finished the quarter flat, while longer-duration assets and riskier credit segments lagged.
- Long-term Treasuries were pressured late in the quarter as yields moved higher, resulting in modest losses for the Bloomberg US Long Treasury Index (-0.4%). Inflation-protected securities delivered positive results, with short-term TIPS returning +0.9% while the broader TIPS index rose 0.3%.
- During the quarter credit-oriented sectors lagged as weaker risk sentiment and rate volatility weighed on returns. High yield bonds declined modestly (-0.5%), while emerging market debt underperformed more meaningfully (-2.3%), reflecting sensitivity to global risk conditions.

¹ Source: Bloomberg. Data is as of March 31, 2026. 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.

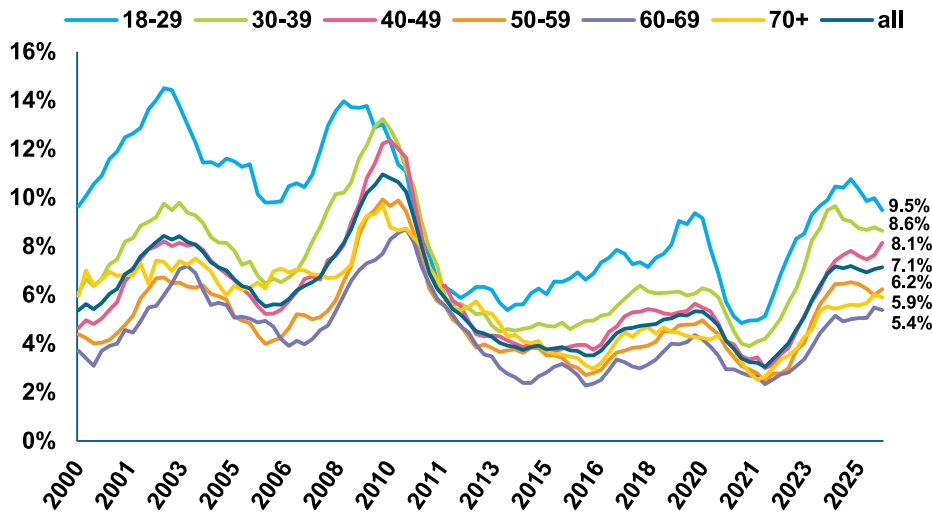


- Treasury yields moved higher across the entire curve during the first quarter of 2026 as the war in the Middle East increased inflation concerns and lowered the number of expected interest rate cuts from the Federal Reserve.
- The policy-sensitive 2-year nominal Treasury yield increased from 3.47% to 3.79%. The 10-year nominal Treasury yield rose from 4.18% to 4.30%, while the 30-year nominal Treasury yield increased from 4.84% to 4.91%.
- As the front end of the yield curve rose more sharply than longer-dated yields, the spread between the two-year and ten-year Treasury declined from 70 basis points to 53 basis points.

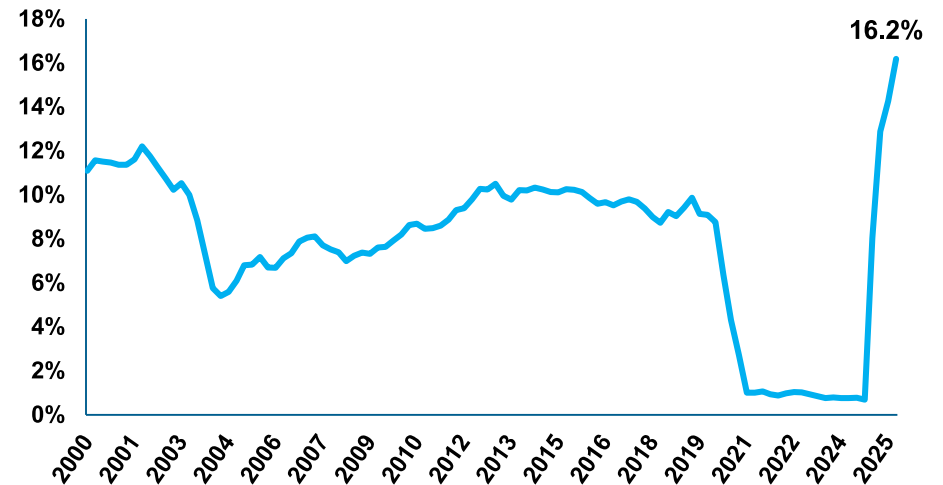
¹ Source: Bloomberg. Data is as of March 31, 2026.

Stress is Building Among Some US Consumers¹

Transition into Serious Delinquency for Credit Cards by Age



Transition Into Serious Delinquency (90+ Days) for Student Loans²

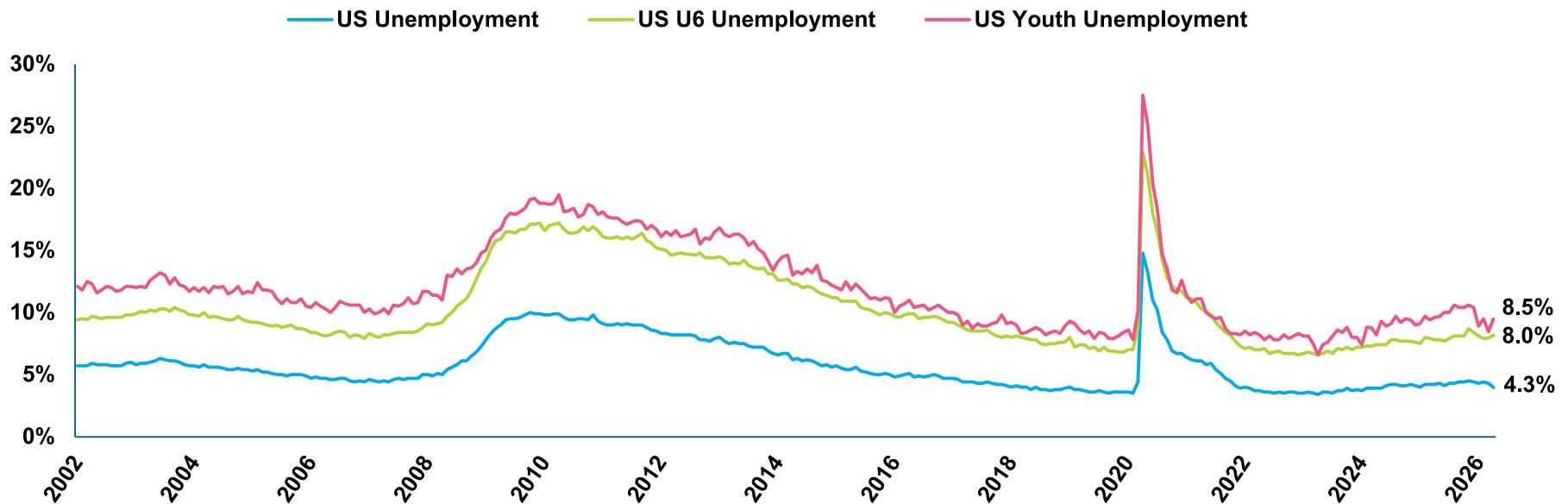


- US consumer conditions are increasingly K-shaped, with higher-income households remaining resilient while younger and more rate-sensitive borrowers show rising stress amid persistently high prices and interest rates.
- Delinquencies have risen from pandemic lows, driven by this more financially stretched group; while overall levels are close to pre-pandemic numbers, dispersion across households is widening.
- Student loan repayments have re-emerged as a key pressure point, with millions of borrowers missing payments and over 16% of balances now seriously delinquent, weighing on consumption for younger cohorts.

¹ Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. See also FRED. Data is as of December 31, 2025.

² Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. Percent of student loan holders transitioning in serious default (90-days or more) based on four quarter moving average. Delays in reporting may cause fluctuations. Data is as of December 31, 2025.

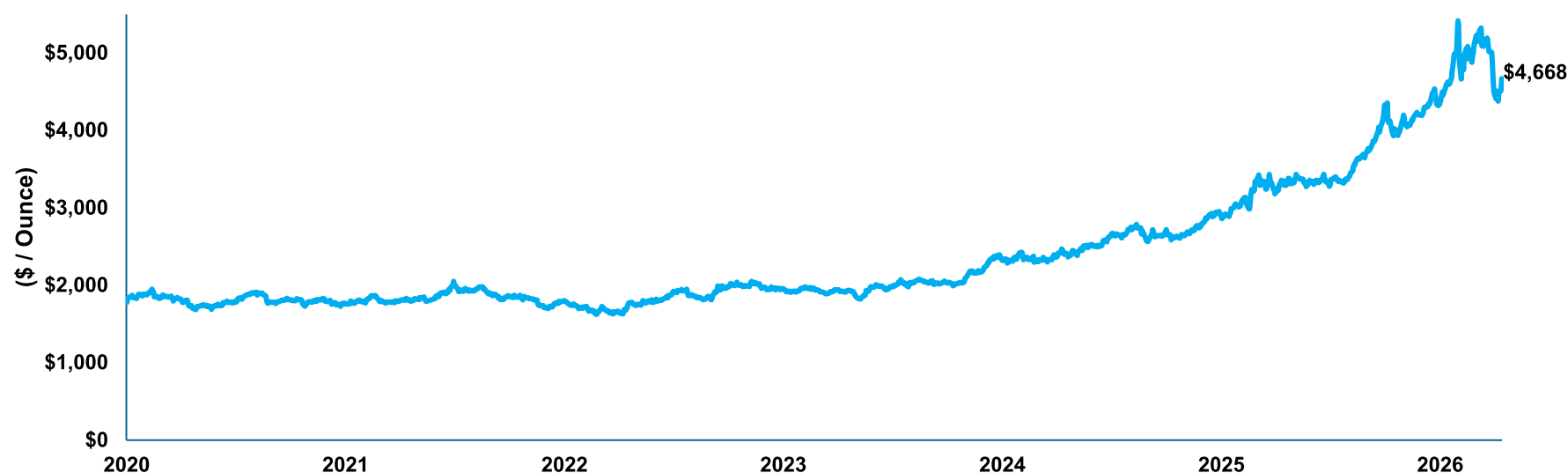
US Unemployment¹



- The unemployment rate finished the quarter slightly lower than where it started (4.3% versus 4.4%). More than 200,000 jobs were added during the quarter with gains in January (160k) and March (178k) and losses in February (-133k). The gains were largely driven by the health care sector.
- Broader measures of labor markets (U6) have improved somewhat since late last year but remain above pre-pandemic levels. Youth unemployment improved somewhat in the first quarter to 8.5%.
- Despite some recent signs of weakness, the labor market remains broadly stable, with low initial unemployment claims, the number of job openings stabilizing, the rate of people quitting jobs slowing, and although hiring has slowed, layoffs remain low.

¹ Source: FRED and BLS. Data is as of March 31, 2026. Original February job loss was -92,000 but subsequently revised lower.

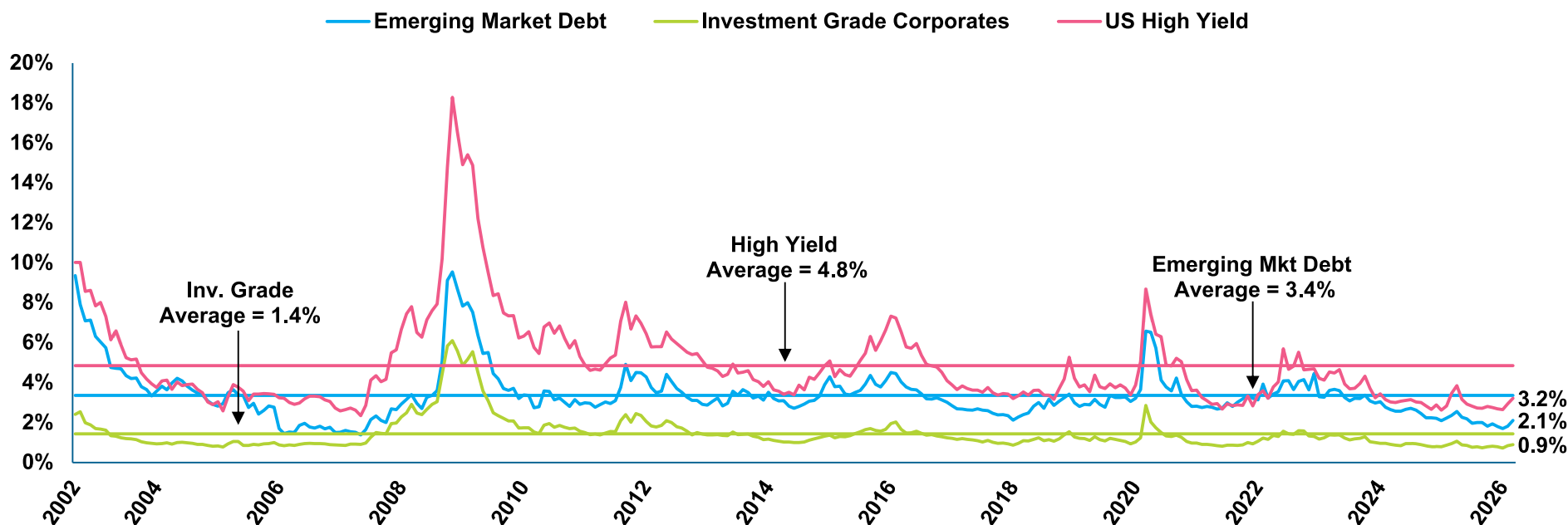
Gold¹



- Gold gained over the first quarter of 2026. The rally reached an all-time high in January of over \$5,300 an ounce before falling to \$4,668 at quarter end. US dollar strength, the conflict in the Middle East, and some central bank liquidations contributed to the price decline.
- At the start of the Middle East conflict the price of gold rose. However, as the energy shock roiled non-US markets many central banks sold or stepped back purchases of gold bullion to raise US dollars and stabilize their currencies. The global energy shock rekindled inflation fears and raised market expectations for central bank rate hikes in the coming months.
- Longer-term support remains anchored by persistent inflation concerns, deteriorating fiscal trajectories in major economies, and despite recent dynamics, central bank de-dollarization.

¹ Source: Bloomberg. Data is as of March 31, 2026. Gold Spot Price is quoted as US Dollars per Troy Ounce.

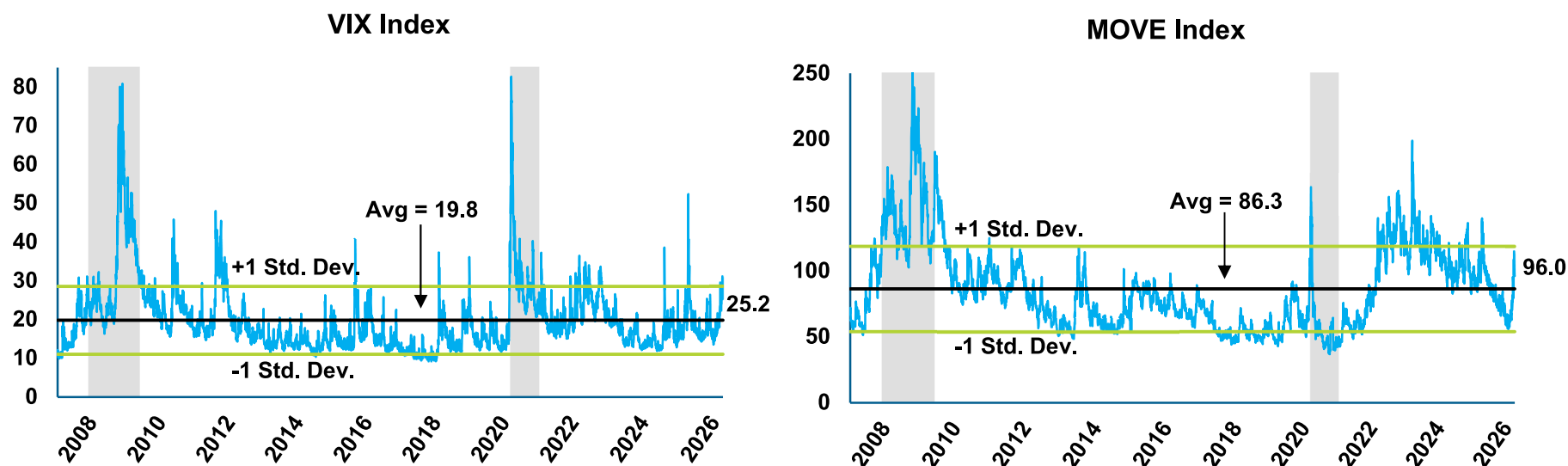
Credit Spreads vs. US Treasury Bonds¹



- Credit spreads (the difference in yield from a comparable-maturity Treasury) rose during the first quarter as the Middle East conflict and the resulting energy shock drove a risk-off rotation.
- Investment grade spreads moved slightly higher for the quarter (0.8% to 0.9%).
- High yield spreads rose the most in the first quarter (2.7% to 3.2%), while emerging market spreads ticked up more modestly (1.8% to 2.1%).
- All yield spreads remain well below their respective long-run averages, particularly high yield (3.2% vs. 4.8%).

¹ Source: Bloomberg. Data is as of March 31, 2026. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

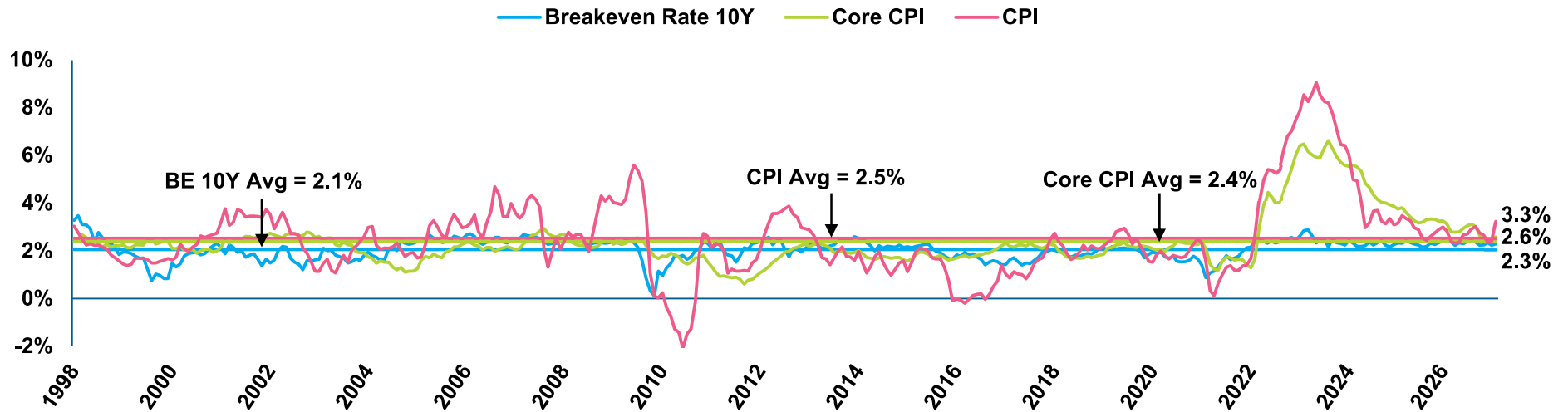
Equity and Fixed Income Volatility¹



- Volatility rose significantly across both equity and fixed income markets in the first quarter, largely due to uncertainty related to the conflict in the Middle East.
- Equity market volatility (VIX) rose in the first quarter (15.0 to 25.2), peaking at over 30 during March. Despite the rise this quarter, the volatility levels were lower than the VIX readings after the US tariff announcements last year.
- Bond market volatility (MOVE) also spiked in the first quarter (64.0 to 96.0) reaching levels around 115 before declining at quarter-end. Heightened uncertainty around geopolitical risks on inflation and the related Federal Reserve policy path drove fixed income volatility levels higher.

¹ Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of March 31, 2026. The average line indicated is the average of the VIX and MOVE values between January 2007 and March 2026.

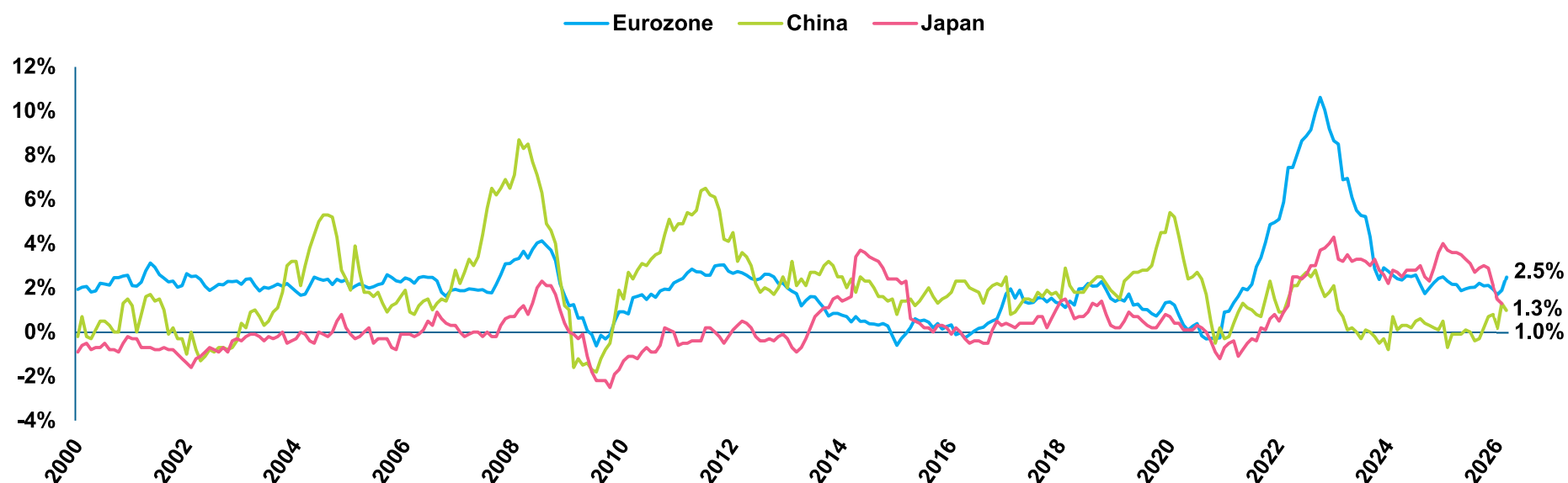
US Inflation¹



- In the first quarter of 2026, year-on-year headline inflation rose from the end of 2025 level of 2.4% in January to 3.3% in March. This was largely driven by an increase in the energy index (+10.9%) with gasoline prices up 21.2%, the largest monthly gain since 1967. The month-on-month rate jumped from +0.2% to +0.9%.
- Year-on-year core inflation remained unchanged in the first quarter at 2.6% with the monthly pace falling slightly (0.3% to 0.2%). Shelter remained the largest contributor, though notably rent posted the smallest monthly increase since 2021.
- Despite a rise in March, long-term inflation expectations (breakevens) rose only modestly over the quarter (2.2% to 2.3%).

¹ Source: FRED. Data is as of March 31, 2026.

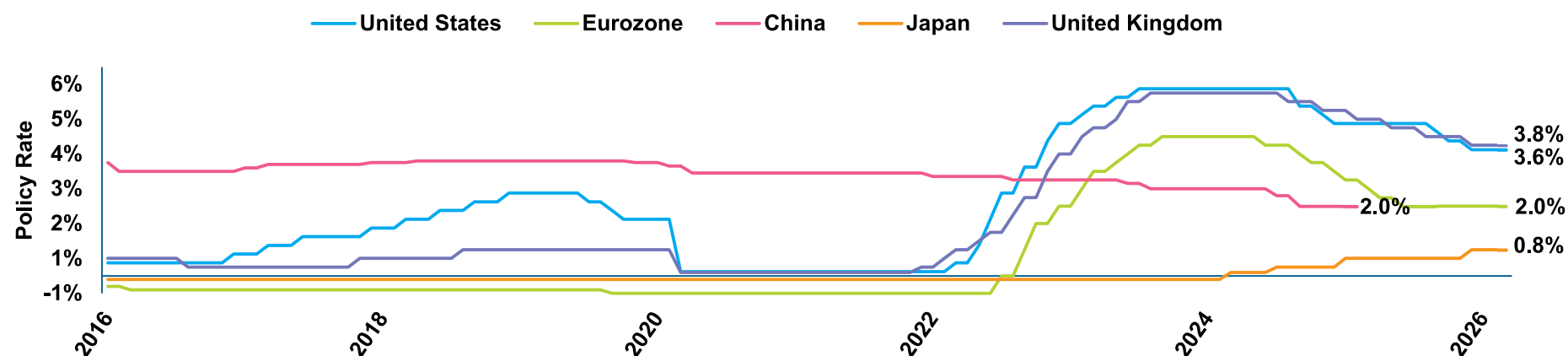
Global Inflation (CPI Trailing Twelve Months)¹



- Eurozone inflation rose during the first quarter of 2026, largely driven by a spike in energy costs. It ended the period at 2.5% year-on-year (above the ECB's 2% target), up from 2.0% at the end of 2025. While inflation pressures remain uneven across components, the elevated headline level continues to complicate the policy outlook.
- Japan's inflation declined over the quarter from 2.1% at the end of 2025 to 1.3% (a four-year low). Government energy subsidies kept electricity and gas prices contained, alongside a deceleration in food price inflation as rice price gains slowed markedly.
- China's inflation rose modestly during the first quarter of 2026, increasing from 0.8% at year-end to 1.0%, though overall price pressures remain subdued and well below levels seen in developed markets.

¹ Source: Bloomberg. Data is as of March 2026 except Japan which is as of February.

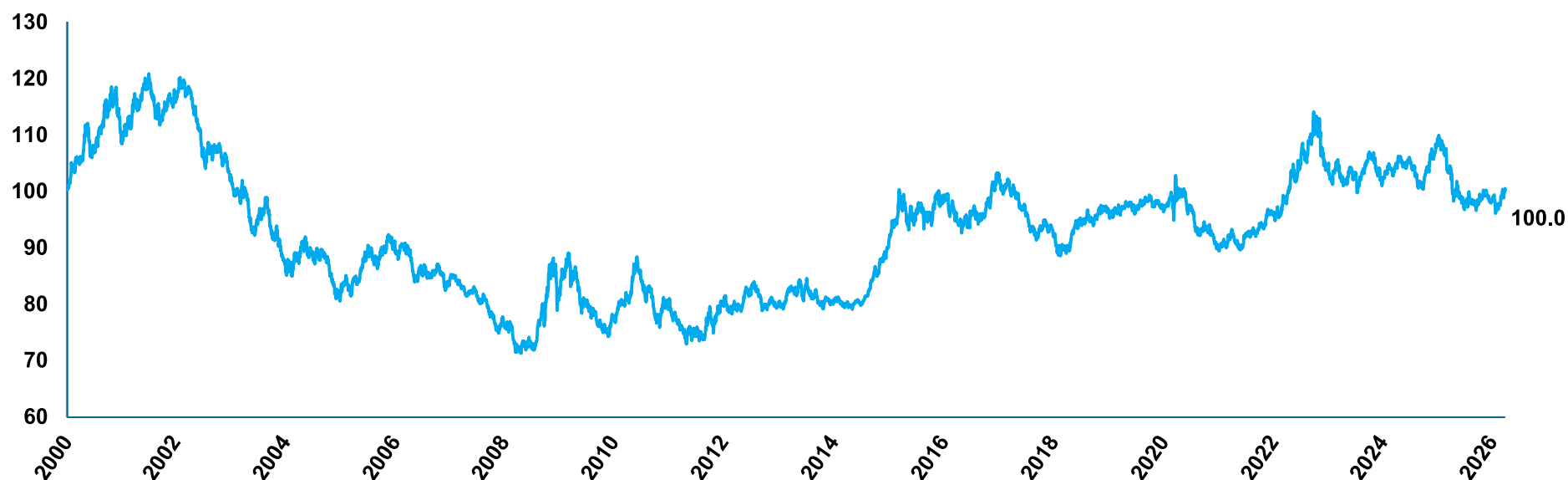
Global Policy Rates¹



- Global monetary policy was increasingly divergent during the first quarter of 2026, as tensions in the Middle East created inflation fears, driving expectations for some central banks to start increasing policy rates.
- The Federal Reserve held policy rates steady throughout the first quarter as inflation remained above target and labor market conditions cooled gradually. In Q1, markets materially reduced expectations for rate cuts in 2026 given the Iran conflict, with a slight chance of a rate increase priced in late in the quarter.
- The European Central Bank and Bank of England are expected to increase policy rates 1-2 times this year given the impact of higher oil prices on inflation and both areas being net importers of oil.
- China's central bank is expected to keep supporting economic growth with accommodative monetary policy and other easing measures.
- The Bank of Japan continued its gradual normalization away from ultra-easy monetary policy. While rates remain low by global standards, markets continue to anticipate additional incremental rate increases later in 2026.

¹ Source: Bloomberg. Data is as of March 31, 2026, 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.

US Dollar vs. Broad Currencies¹

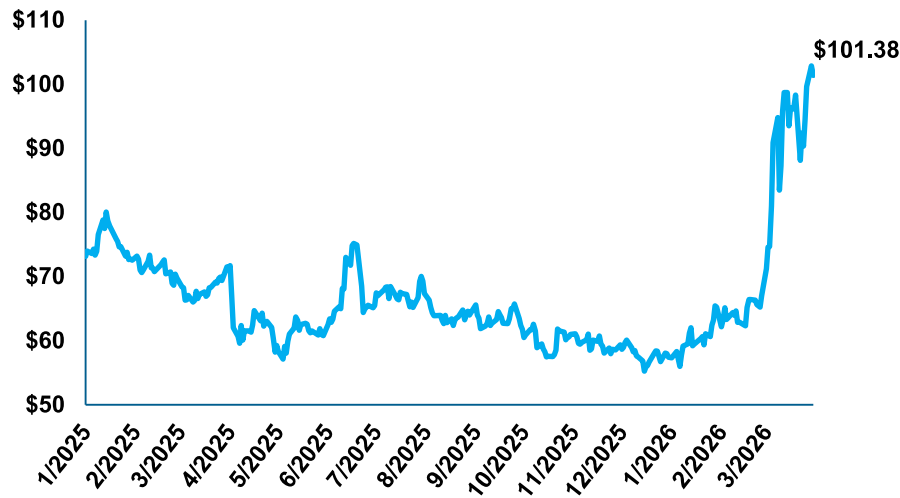


- The US dollar was volatile over the quarter but rose modestly with the DXY rising from 98.3 at the end of 2025 to 100.0 by quarter-end.
- The dollar weakened early in Q1 given softer US inflation data and related expectations for aggressive Fed rate cuts, then strengthened sharply as the Middle East conflict drove safe-haven demand and the energy-shock inflation threat pushed the Fed back to a holding pattern on potential interest rate cuts.
- Overall, the dollar remains sensitive to changes in interest rate expectations and geopolitical developments, with policy divergence across regions continuing to play a central role in currency markets.

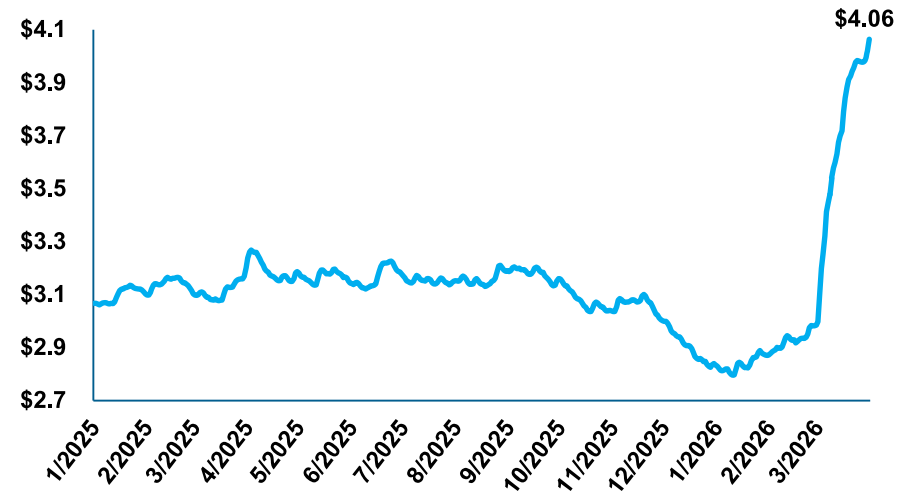
¹ Source: Bloomberg. Data is as of March 31, 2026.

Gas and Oil¹

WTI Crude



Avg. Retail Gas Price

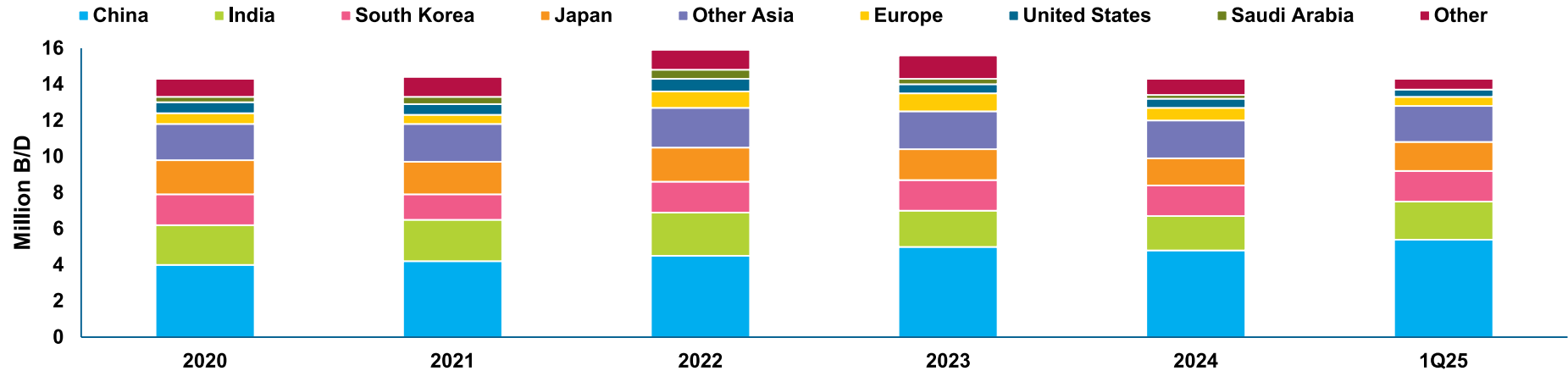


- Energy prices rose sharply during the first quarter of 2026 following a significant escalation in the Middle East conflict, marking one of the largest geopolitical shocks to global energy markets in history. Concerns around supply disruption risk pushed WTI crude oil from approximately \$58 at year-end to \$101.38 by quarter-end.
- The surge in crude prices translated quickly to consumers, with average US retail gasoline prices rising from \$2.81 at the end of 2025 to \$4.06 by the end of the first quarter, increasing inflation pressures and weighing on household purchasing power.

¹ Source: Bloomberg. Data is as of March 31, 2026.

Volume of Crude Oil¹

Volume of Crude Oil Transported Through The Strait of Hormuz, By Destination



- Major economies are impacted differently from the conflict depending on their reliance on regional oil and whether they are net importers or exporters. The Strait of Hormuz is the critical chokepoint with Saudi Arabia, Iraq, and the UAE depending on it to export their oil, meaning a closure disrupts supply on both sides of the equation.
- China purchases around 90% of Iran's oil, while Japan, South Korea, and India are heavily dependent on broader Gulf supply.
- US crude production near record highs provides a meaningful buffer against Middle Eastern disruption, though global prices will ultimately reflect the scale and duration of any supply shortfall.
- As we move forward, the length of the conflict and the path of energy prices will be the defining variables for both inflation and growth globally with central banks caught in the difficult position of responding to a shock they cannot control.

¹ Source: Apollo Academy. Data is as of March 31, 2025.

Key Trends

- Global growth expectations entering 2026 remained relatively resilient, with the IMF projecting global GDP growth of 3.3% for the year, masking growing divergence across regions. The US outlook remains comparatively stronger, while growth in the euro area and China is expected to moderate amid structural and policy headwinds.
- As the first quarter progressed, the global macro backdrop became more fragile, with geopolitical escalation in the Middle East introducing a significant energy price shock that threatens to weigh on growth while simultaneously re-accelerating inflation pressures. This dynamic has complicated the outlook for monetary policy globally.
- US consumer conditions showed early signs of strain entering 2026. Despite a strong January jobs report, hiring was narrowly concentrated, prior gains were revised lower, and confidence weakened — particularly among lower-income households facing persistent pressure from elevated prices and borrowing costs. February's unexpected loss of 133,000 payroll jobs confirmed that the labor market's apparent resilience might have been more fragile than the headline numbers suggested. However, the economy added 178,000 jobs in March, offsetting the previous month's job losses.
- US equity market leadership continued to broaden during Q1. Elevated valuations and increased dispersion shifted investor focus toward earnings durability, cash generation, and return on capital rather than momentum-driven growth. The underperformance of AI-linked mega-caps reinforced this trend.
- Global trade tensions remained outwardly contained during the quarter following the late-2025 tariff suspension, but underlying frictions persisted. Strategic competition in semiconductors and rare-earths, China's slowing growth and low inflation, and heightened geopolitical risk continue to pose downside risks to the global outlook.
- The late-February US-Israel strikes on Iran represent the most significant new risk to the global macro-outlook. Oil's sharp move higher, despite recent declines, is tightening financial conditions, threatening to reignite inflation just as some central banks were preparing to ease. This puts the Fed in an increasingly difficult position between a softening labor market and resurging energy prices.

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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security).

Duration: Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Jensen's Alpha: A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. Portfolio Return- [Risk Free Rate+Beta*(market return-Risk Free Rate)].

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MEMORANDUM

TO: SJCERA Board of Retirement (“SJCERA”)
FROM: Meketa Investment Group (“Meketa”)
DATE: June 12, 2026
RE: SJCERA Manager Certification Update: Q1 2026 Overview and Responses

Summary of Responses

Meketa reviewed the SJCERA Quarterly Manager Certification Updates for the quarter ending March 31, 2026, from all funded managers. *In Meketa’s opinion, of the responses we have received, the managers’ information reported for the quarter presents no significant concerns to the SJCERA portfolio.* Meketa’s opinion is based on the written responses and on Meketa’s conversations with managers that reported senior investment personnel or management departures.

The managers’ responses indicate that¹:

- All funded managers reported:
 - Registered Investment Advisor in Good Standing, or are exempt,
 - Compliance with Plan Investment Policy,
 - Compliance with SJCERA’s Manager Guidelines, or N/A,
 - Reconciliation against the custodian, or N/A,
 - Compliance with own internal risk management policies and procedures, and
 - Delivered current ADV, SSAE-16 or equivalent Annual Financial Audits, as available.
- One manager reported they were out of compliance with Internal Guidelines:
 - Raven
- Five managers reported litigation or regulatory investigation
 - Almanac, Ares, Crestline, Loomis Sayles and Mount Lucas
- Five managers reported investment team changes:
 - BlackRock, Grandview, Oaktree, Prologis, and Graham
- Eight managers reported material management changes:
 - BlackRock, Northern Trust, AQR, Graham, Dodge & Cox, Prologis, Oaktree, and White Oak
- Four managers reported material business changes.
 - Oaktree, BlackRock, Ares, and Grandview
- Eight managers did not complete the survey in time for the publishing of this
 - Lightspeed, Ridgemont, Bessemer, GQG, PIMCO, Silver Rock, Berkeley, and Invesco

¹ Managers’ responses to footnoted (“**”) questions begin on page 6.

SJCERA Overview of Investment Manager Compliance Report

Manager	Sub-Segment	Q1 RIA in Good Standing; RIA	Q2 Complied with Plan Investment Policy	Q3 Complied w/ Mgr. Guidelines	Q4 Reconciled With Custodian	Q5 Litigation	Q6 Investment Personnel Changes	Q7 Mgmt. Changes	Q8 Material Business Changes	Q9 Complied Internal Risk Mgmt.	Q10 Sent Fnc'l Stmnts
Aggressive Growth											
BlackRock	Global Infrastructure	Yes	Yes	Yes	Yes	No	Yes*	Yes*	Yes*	Yes	Yes
BlackRock	Global Energy and Power	Yes	Yes	Yes	Yes	No	Yes*	Yes*	Yes*	Yes	Yes
Ocean Avenue	PE Buyout FOF	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Lightspeed Venture Partners**	Growth Stage VC										
Morgan Creek	Multi-Strat FOF	Yes	Yes	Yes	N/A	No	No	No	No	Yes	Yes
Stellax Capital Partners	PE Special Situations	Yes	Yes	Yes	N/A	No	No	No	No	Yes	No
AG Core Plus (TPG)	Pvt. Non-core RE	Yes	Yes	Yes	N/A	No	No	No	No	Yes	Yes
Almanac Realty	Pvt. Non-core RE	Yes	Yes	Yes	Yes	Yes*	No	No	No	Yes	Yes
Greenfield/Grandview	Pvt. Non-core RE	Yes	Yes	Yes	Yes	No	Yes*	No	Yes*	Yes	No
Stockbridge	Pvt. Non-core RE	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Walton Street	Pvt. Non-core RE	Yes	Yes	Yes	Yes	No*	No	No	No*	Yes	Yes
Ridgmont Equity Partners**	PE Buyout										
Long Arc Capital	Growth Stage VC	Yes	Yes	Yes	Yes	No	No	No	No*	Yes	Yes
Bessemer**	Venture Capital										
Traditional Growth											
Northern Trust	All Cap Global	Yes	Yes	Yes	Yes	No*	No	Yes*	No	Yes	Yes
GQG**	Emerging Mkts.										
PIMCO**	Emerging Mkts.										
Stabilized Growth											
Ares Pathfinder II	Private Credit	Yes	Yes	Yes	N/A	Yes*	No	No	Yes*	Yes	Yes
Neuberger Berman	Opp. Credit	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Stone Harbor (Newfleet)	Bank Loans/Abs Return	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes
BlackRock	Direct Lending	Yes	Yes	Yes	Yes	No	Yes*	Yes*	Yes*	Yes	Yes
Crestline	Opportunistic	Yes	Yes	Yes	Yes	Yes*	No	No	No	Yes	Yes
Davidson Kempner	Opportunistic	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Mesa West	Comm. Mortgage	Yes	Yes	Yes	Yes	No	No	No*	No	Yes	Yes

Manager	Sub-Segment	Q1 RIA in Good Standing; RIA	Q2 Complied with Plan Investment Policy	Q3 Complied w/ Mgr. Guidelines	Q4 Reconciled With Custodian	Q5 Litigation	Q6 Investment Personnel Changes	Q7 Mgmt. Changes	Q8 Material Business Changes	Q9 Complied Internal Risk Mgmt.	Q10 Sent Fnc'l Stmnts
Oaktree	Leveraged Direct	Yes	Yes	Yes	Yes	No*	Yes*	Yes*	Yes*	Yes	Yes
HPS	Direct Lending	Yes	Yes	Yes	No*	Yes*	No	No	No	Yes	Yes
Raven Capital	Direct Lending	Yes	Yes	No*	Yes	No	No	No	No	Yes	Yes
Silverpoint	Private Credit	Yes	Yes	Yes	Yes	No	No	No	No	Yes	No
Silver Rock**	Private Credit										
White Oak	Direct Lending	Yes	Yes	Yes	Yes	No*	No	Yes*	No	Yes	Yes
AEW Essential Housing	Pvt. Core RE	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Berkeley Partners**	Value Add RE								No		
Principal	Pvt. Core RE	Yes	Yes*	Yes	N/A*	No*	No	No	No	Yes	Yes
Prologis Targeted US	Pvt. Core RE	N/A*	Yes	Yes	N/A	No*	Yes*	Yes*	No	Yes	No
Invesco**	Pvt. Core-Plus RE										
DWS / RREEF**	Pvt. Core RE	Yes	Yes	Yes	Yes	No*	No	No	No	Yes	Yes
Principal Protection											
Dodge & Cox	Core Fixed Income	Yes	Yes	Yes	Yes	No*	No	Yes*	No	Yes	Yes
Loomis Sayles**	Core Fixed Income	Yes	Yes	Yes	Yes	Yes*	No	No	No	Yes	Yes
Crisis Risk OffsetSM											
Dodge & Cox	Long Duration	Yes	Yes	Yes	Yes	No*	No	Yes*	No	Yes	Yes
Mount Lucas	Syst. Trend Following	Yes	Yes	Yes	Yes	Yes*	No	No	No	Yes	Yes
Graham	Syst. Trend Following	Yes	Yes	Yes	Yes	No	Yes*	Yes*	No	Yes	Yes
AQR	Alt. Risk Premia	Yes	Yes	Yes	Yes	No	No	Yes*	No	Yes	No
PE Investments	Alt. Risk Premia	Yes	Yes	Yes	Yes	No	No	No	No	Yes	No
Overlay											
Northern Trust	PIOS Overlay Prgm	Yes	Yes	Yes	Yes	No*	No	Yes*	No	Yes	Yes
Consultant											
Meketa	Consultant	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes

Performance Information through December 31, 2025									
Manager	Sub-Segment	Inception Date	Status	Benchmark	Ann. Excess (bps)		Peer Ranking		
					3 Yrs	5 Yrs	3 Yrs	5 Yrs	
Aggressive Growth									
BlackRock	Global Infrastructure	6/2023	Good Standing	MSCI ACWI +2%	390	n/a	n/a	n/a	
BlackRock	Global Energy	7/2019	Good Standing	MSCI ACWI +2%	1,040	570	n/a	n/a	
Bessemer Forge Fund	PE Buyout	9/2023	Good Standing	MSCI ACWI +2%	n/a	n/a	n/a	n/a	
Bessemer Venture II	Venture	3/2025	Good Standing	MSCI ACWI +2%	n/a	n/a	n/a	n/a	
Capitol Meridian	PE Buyout	3/2025	Good Standing	MSCI ACWI +2%	n/a	n/a	n/a	n/a	
Lightspeed	Growth Stage VC	12/2023	Good Standing	MSCI ACWI +2%	-450	n/a	n/a	n/a	
Long Arc	Growth Stage VC	6/2023	Good Standing	MSCI ACWI +2%	-1,540	n/a	n/a	n/a	
Ocean Avenue II ¹	PE Buyout FOF	5/2013	Good Standing	MSCI ACWI +2%	-4,160	-1,260	n/a	n/a	
Ocean Avenue III ¹	PE Buyout FOF	4/2016	Good Standing	MSCI ACWI +2%	-2,460	-150	n/a	n/a	
Ocean Avenue IV	PE Buyout	12/2019	Good Standing	MSCI ACWI +2%	-2,140	200	n/a	n/a	
Ocean Avenue V	PE Buyout	6/2023	Good Standing	MSCI ACWI +2%	n/a	n/a	n/a	n/a	
Morgan Creek III ¹	Multi-Strat FOF	2/2015	Under Review	MSCI ACWI +2%	-1,020	-1,590	n/a	n/a	
Morgan Creek V ¹	Multi-Strat FOF	6/2013	Under Review	MSCI ACWI +2%	-3,270	-1,420	n/a	n/a	
Ridgemont Equity	Special Situation PE	6/2023	Good Standing	MSCI ACWI +2%	n/a	n/a	n/a	n/a	
Morgan Creek VI ¹	Multi-Strat FOF	2/2015	Under Review	MSCI ACWI +2%	-2,320	-880	n/a	n/a	
Stellex Capital II	PE – Special Situations	7/2021	Good Standing	MSCI ACWI +2%	-790	n/a	n/a	n/a	
Stellex Capital III	PE – Special Situations	3/2025	Good Standing	MSCI ACWI +2%	n/a	n/a	n/a	n/a	
AG Core Plus IV ²	Pvt. Non-core RE	2014	Good Standing	Private RE Benchmark	-1,310	-1,300	n/a	n/a	
Almanac Realty VI ²	Pvt. Non-core RE	2011	Good Standing	Private RE Benchmark	-240	-740	n/a	n/a	
Berkeley Partners V ²	Pvt. Non-core RE	2020	Good Standing	Private RE Benchmark	870	880	n/a	n/a	
Greenfield VII ²	Pvt. Non-core RE	2013	Good Standing	Private RE Benchmark	-290	10	n/a	n/a	
Grandview ²	Pvt. Non-core RE	2018	Good Standing	Private RE Benchmark	440	1,120	n/a	n/a	
Stockbridge III ²	Pvt. Non-core RE	2017	Good Standing	Private RE Benchmark	-510	70	n/a	n/a	
Walton Street VI²	Pvt. Non-core RE	2007	Good Standing	Private RE Benchmark	620	270	n/a	n/a	
Traditional Growth									
Northern Trust	All Cap Global	10/2020	Good Standing	MSCI ACWI IMI	n/a	n/a	n/a	n/a	
GQG	Emerging Mkts.	8/2020	Good Standing	MSCI Emerging Markets	-20	40	n/a	n/a	
PIMCO	Emerging Mkts.	4/2007	Good Standing	MSCI Emerging Markets	540	750	n/a	n/a	

¹ Data is lagged one quarter.

² Annual Excess returns for Private Non-Core Real Estate are as of 3/31/2026, lagged one quarter.

Performance Information through December 31, 2025									
Manager	Sub-Segment	Inception Date	Status	Benchmark	Ann. Excess (bps)		Peer Ranking		
					3 Yrs	5 Yrs	3 Yrs	5 Yrs	
Stabilized Growth									
Neuberger ¹	Opp. Credit	2/2019	Good Standing	33% HY Const./33% S&P LSTA LL/ 33% JPMEMBI GIBI Div.	-20	-50	n/a	n/a	
Stone Harbor ¹	Abs. Return	4/2008	Good Standing	3-Month Libor	310	170	n/a	n/a	
BlackRock	Direct Lending	05/2020	Good Standing	Custom Credit Benchmark	-630	-560	n/a	n/a	
Silver Rock	Direct Lending	06/2023	Good Standing	Custom Credit Benchmark	n/a	n/a	n/a	n/a	
Crestline ¹	Opportunistic	11/2013	Under Review	CPI +6%	-3,590	-2,660	n/a	n/a	
Davidson Kempner ¹	Opportunistic	10/2020	Good Standing	CPI +6%	-360	-240	n/a	n/a	
Mesa West IV ¹	Comm. Mortgage	3/2017	Good Standing	CPI +6%	-2,200	-1,590	n/a	n/a	
Oaktree ¹	Leveraged Direct	3/2018	Good Standing	MSCI ACWI +2%	-660	-400	n/a	n/a	
HPS	Direct Lending	8/2020	Good Standing	CPI +6%	-760	-520	n/a	n/a	
Stabilized Growth (cont)									
Raven Capital III ¹	Direct Lending	8/2015	Under Review	CPI +6%	-4,800	-3,140	n/a	n/a	
White Oak Summit ¹	Direct Lending	3/2016	Under Review	CPI +6%	-1,140	-1,280	n/a	n/a	
White Oak Yield Spectrum ¹	Direct Lending	3/2020	Under Review	CPI +6%	-1,180	-1,030	n/a	n/a	
Principal ³	Pvt. Core RE	10/2015	Good Standing	Private RE Benchmark	-350	-140	n/a	n/a	
Prologis Targeted US ³	Pvt. Core RE	9/2007	Good Standing	Private RE Benchmark	-60	690	n/a	n/a	
DWS / RREEF ³	Pvt. Core RE	4/2016	Good Standing	Private RE Benchmark	-420	-170	n/a	n/a	
Principal Protection									
Dodge & Cox	Core Fixed Income	10/1990	Good Standing	BB Aggregate Bond	150	140	n/a	n/a	
Loomis Sayles	Core Fixed Income	4/2022	Good Standing	BB Aggregate Bond	-10	n/a	n/a	n/a	
Crisis Risk Offset¹									
Dodge & Cox	Long Duration	2/2016	Good Standing	BB US Long Duration Treasury	30	40	n/a	n/a	
Mount Lucas	Sys. Trend Following	1/2005	Good Standing	BTOP50 Index	-440	-120	n/a	n/a	
Graham	Sys. Trend Following	4/2016	Good Standing	SG Trend	50	0	n/a	n/a	
AQR	Alt. Risk Premia	5/2016	Good Standing	5% Annual	1,380	1,220	n/a	n/a	
P/E Investments	Alt. Risk Premia	7/2016	Good Standing	5% Annual	-390	60	n/a	n/a	
Other									
Northern Trust	Govt. Short Term	1/1995	Good Standing	US T-Bills	n/a	n/a	n/a	n/a	

¹ Data is lagged one quarter.

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

Almanac (Neuberger Berman) Litigation

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

With regard to current litigation related specifically to Almanac Realty Investors, Almanac Realty Investors, LLC (the predecessor-in-interest to NB Alternatives Advisers, LLC ("NBAA," the current manager) on September 14, 2020, and other Almanac-related entities (including Almanac Realty Securities V, L.P. ("ARS V")) and individuals (together, "Almanac"), were named as defendants in a complaint filed in Wisconsin State Court (the "Wisconsin Litigation") by VAT Master Corp. and VAT Master Limited Partnership (together "VAT"), entities that had an ownership stake in Vanta Commercial Properties LLC (f/k/a T. Wall Commercial Properties LLC) ("Vanta"), a former portfolio investment of ARS V exited in November 2017. The original complaint asserted claims for breaches of contract, breaches of fiduciary duties, fraud, civil conspiracy, and unjust enrichment in connection with the management and liquidation of Vanta from 2007 until 2017. On October 30, 2020, Almanac filed an anti-suit injunction in the Delaware Court of Chancery, seeking to permanently enjoin VAT from pursuing the claims in the original complaint. The Court of Chancery issued an order permanently enjoining VAT from pursuing eight of the nine counts of the original complaint on May 26, 2021, and that order was affirmed by the Delaware Supreme Court on December 15, 2021. VAT thereafter filed a First Amended Complaint on February 11, 2022, and a Second Amended Complaint on November 13, 2023. The Second Amended Complaint asserted claims for breach of contract, tortious interference with contract, and malicious injury to business against Almanac. On December 18, 2023, Almanac moved to dismiss all claims against Almanac in the Second Amended Complaint. On May 8, 2024, the Wisconsin State Court granted Almanac's motion to dismiss all remaining claims in the Wisconsin Litigation (the "Order"). On June 3, 2024, VAT filed a notice of appeal from the Order to the Wisconsin Court of Appeals. On February 17, 2025, the parties entered into a settlement agreement providing for the dismissal of VAT's appeal with prejudice, without payment of any kind or in any amount from Almanac. On February 19, 2025, the Wisconsin Court of Appeals dismissed VAT's appeal, leaving in place the Order dismissing the Second Amended Complaint in its entirety, with prejudice.

Certain funds managed by the Neuberger Specialty Finance team have filed a lawsuit to enforce their rights against a counterparty to a forward flow agreement. The suit alleges breach of contract, specifically violations of representations and warranties made by the counterparty regarding the loans it sold to certain funds managed by the Neuberger Specialty Finance team. After unsuccessful attempts to resolve the matter amicably, Neuberger was compelled to pursue litigation.

AQR Management Team Changes

Chris Doheny (Research and Portfolio Management) and Arthur Fischer-Zernin (Research and Portfolio Management) joined the AQR partnership in January 2026. Additionally, Laura Serban and John Huss were named Co-heads of Global Stock Selection (GSS). Both Laura and John are long-tenured Principals of the firm. Andrea Frazzini, a Principal who previously led GSS, left the firm in January 2026.

Ares Litigation

Litigation

Ares Management Corporation, an alternative investment management firm and sponsor of various investment funds (the “Ares Funds”), and certain of its affiliated entities, including Ares Management LLC and its direct and indirect subsidiaries (“Ares”), as well as certain employees of Ares, have been included in certain proceedings in the normal course of business.

Other than as disclosed in public filings, there are no actions pending or threatened at the current time that are material to Ares Management Corporation, the Ares Funds or Ares. Publicly filed reports are available at the following address: <https://ir.aresmgmt.com/sec-filings/>

Regulatory Examinations

As a registered investment adviser with the US Securities and Exchange Commission (“SEC”), Ares Management LLC and its affiliates and personnel (collectively, “Ares”) are subject to examinations by regulators in the ordinary course of business. While there were no new regulatory proceedings initiated in the quarter ending December 31, 2025, please refer to the following summary of recently closed and ongoing examinations.

On April 23, 2026, CION Ares Management, LLC and CION Diversified Credit Fund received a notification of an examination from the Division of Examinations of the SEC, which Ares believes was initiated in the ordinary course of business.

In addition, in the ordinary course of business Ares Management and/or its affiliated entities or personnel receive inquiries, subpoenas or other requests for information from regulatory bodies including, but not limited to, the SEC and FINRA in connection with inquiries and/or investigations conducted by such regulatory bodies. Ares and its personnel have responded to such inquiries, including producing requested documents.

Ares Material Business Changes

In February 2026, a subsidiary of Ares completed its acquisition of BlueCove Limited (“BlueCove”), a London-based systematic fixed-income manager. The integrated BlueCove business will operate as Ares Systematic Credit, the latest strategy within the Ares Credit Group.

BlackRock Litigation

BlackRock France SAS – No

From time to time, BlackRock, Inc. and its various subsidiaries (“BlackRock”) are subject to certain business litigation arising in the normal course of its business. None of BlackRock's prior litigation has been, and none of its pending litigation currently is expected to be, material to BlackRock's business.

BlackRock Alternative Management, LLC – Yes

As a global investment manager, BlackRock Inc., and its various subsidiaries including BlackRock Alternative Management, LLC is subject to regulatory oversight in numerous jurisdictions including examinations and various requests for information. BlackRock Alternative Management, LLC regulators routinely provide it with comment letters at the conclusion of these examinations in which they request that BlackRock Alternative Management, LLC correct or modify certain of its practices. In all such instances, BlackRock Alternative Management, LLC has addressed, or is working to address, these requests to ensure that it continues to operate in compliance with applicable laws, statutes and regulations.

BlackRock entities also receive subpoenas or requests for information in connection with regulatory inquiries and/or investigations by its various regulators. None of these matters have had or are expected to have any adverse impact on BlackRock Alternative Management, LLC 's ability to manage its clients' assets. Please refer to BlackRock's Form ADV and SEC disclosures for additional information on regulatory matters concerning BlackRock Alternative Management, LLC or BlackRock as a whole.

BlackRock, Inc. and its various subsidiaries, including BlackRock Alternative Management, LLC, (also) have been subject to certain business litigation that has arisen in the normal course of their business. Our litigation has included a variety of claims, some of which are investment-related. None of BlackRock's prior litigation has had, and none of its pending litigation currently is expected to have an adverse impact on BlackRock's ability to manage client accounts.

BlackRock Investment Team Changes

During the last quarter, Christian Donohue shared his intention to depart the firm and will no longer serve as a member of the Investment Committee. His responsibilities have been transitioned to other senior leaders within the platform. The remaining Investment Committee members and structure are unchanged, and BlackRock remains comfortable with the depth, continuity, and experience of the team. This update is not expected to impact the governance, investment process, or day-to-day management of the strategy.

BlackRock Management Team Changes

Q1 2026 Response

In 2010, BlackRock created the Global Executive Committee (“GEC”) to provide oversight of operations and business performance, strategy and planning, talent development and retention, risk management, and external affairs.

- As announced in September 2025, in the first quarter of 2026 the following changes took effect:
- Pierre Sarrau became Chief Risk Officer and Head of Risk & Quantitative Analysis
 - Ryan Marshall became Global Head of Multi-Asset Strategies & Solutions
 - Ed Fishwick is no longer a member of the GEC. He continues as Head of Research for RQA.

- Mark McCombe, Vice Chairman, retired from the firm.

Please refer to the link below for the firm's current GEC members.

<http://www.blackrock.com/corporate/en-us/about-us/leadership>

BlackRock Material Business Changes

BlackRock regularly reviews and evolves its organizational structure to serve clients better, operate more efficiently, and position the firm for long-term growth. Below is a summary of key structural changes over the last quarter ending as of 31st March 2026.

- In the first quarter of 2026, these changes that were announced in September 2025 took effect:
- Pierre Sarrau became Chief Risk Officer and Head of Risk & Quantitative Analysis
 - Ryan Marshall became Global Head of Multi-Asset Strategies & Solutions
 - Ed Fishwick is no longer a member of the GEC. He continues as Head of Research for RQA.
 - Mark McCombe, Vice Chairman, retired from the firm.

BlackRock Compliance with Internal Risk Policies

Generally, the risk assessment process involves the review of compliance topics and key controls, and the identification of risks created by business activities in each area. Designated groups within Legal & Compliance use the risk assessment to drive testing and validation programs, including the selection of topics and controls to be tested in the annual reviews of compliance under various regulatory regimes, including particularly for the Investment Company Act Rule 38a-1 and Investment Advisers Act Rule 206(4)-7. Reviews include consideration of the appropriateness of policies and procedures and the adequacy of controls, as well as substantive testing, either by BlackRock or by third parties through the compliance program effectiveness review. In addition to informing testing protocols, the risk assessment is used to inform prioritization for future control enhancements.

Crestline Litigation

A former accounting employee alleged maternity leave discrimination against Crestline and certain employees after being terminated for cause in April of 2025, including without limitation in relation to intentional violations of her restrictive covenants. Crestline is deeply disappointed with the actions of the former employee both before and after her termination, which Crestline asserts are in bad faith and at the expense of Crestline and the other defendants. Crestline and the other defendants strongly deny the allegations and intend to vigorously defend against the claims. The matter is in the process of being heard in an arbitration action with future updates to follow as necessary.

Dodge & Cox Litigation

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

Dodge & Cox Management Personnel Changes

Gradual and thoughtful transition of leadership is a hallmark of our firm. We evolve the composition of our firm and Committee leadership gradually over time to provide continuity of our investment philosophy, research process, and culture and to align with our goal of delivering excellent long-term performance to our clients.

Each January, we provide an update on leadership changes at Dodge & Cox. This year, we are providing an update on the firm leadership succession we shared with you last year and announcing one planned departure that impacts two of our Fixed Income Investment Committees.

Firm Leadership

On January 1, 2026, David Hoeft succeeded Dana Emery as Chair and continues to serve as Chief Investment Officer. Roger Kuo became Chief Executive Officer of the firm and Chair of the Dodge & Cox Funds, while retaining his role of President.

Investment Committee Updates

After more than 27 years with Dodge & Cox, Jim Dignan will be leaving the firm on June 30, 2026.

US Fixed Income Investment Committee (USFIIC)

Jim Dignan is leaving the Committee on June 30, 2026, upon his resignation from Dodge & Cox. After June 30, 2026, Tony Brekke, Lucy Johns, Mike Kiedel, Nils Reuter, Adam Rubinson, and Jose Ursua will continue to serve on the USFIIC. The remaining Committee members' average tenure at Dodge & Cox is 20 years. As a reminder, Dana Emery stepped off the USFIIC when she retired on December 31, 2025.

For additional information, please see the attached Firm Announcement.

DWS/RREEF Litigation

DWS Group GmbH & Co. KGaA and its various subsidiaries (collectively "DWS"), which includes RREEF America L.L.C. (RREEF), are global financial institutions with numerous domestic and foreign affiliates. In the course of its businesses, these affiliates are or may be subject to litigation and arbitration and to regulatory examinations, investigations, and inquiries. To the best of our knowledge, none is currently expected to have a material adverse effect on the ability of DWS to execute its investment duties and responsibilities to your accounts. DWS reports these matters as required by law or regulation and discloses any significant legal proceedings, including litigation and regulatory matters in its annual reports. DWS Group's filings are available on its website at <https://group.dws.com/ir/reports-and-events/>. For RREEF, please refer to the Form ADV Part 1 for disclosures for these entities with respect to criminal, regulatory and civil actions, if applicable, against RREEF, its officers, directors and employees, and entities controlling, controlled by or under common control with either of those entities. Please note, we may be subject to confidentiality restrictions and prohibited from disclosing information concerning certain inquiries or investigations.

Graham Capital Litigation

To the best of Graham's knowledge, Graham, either directly or through its funds, has not been the subject of a legal proceeding or investigation by a government agency or other regulatory body, other than with

respect to inquiries of a routine or general nature, sweep examination, or audit, the effect of which was in each case immaterial to the financial condition or operations of Graham and its funds.

To the best of Graham's knowledge, neither Graham nor any of its personnel associated with this product has been a party to litigation, regulatory investigation, or disciplinary action arising from Graham's role as an investment manager, other than with respect to employment-related matters, the effect of which was in each case immaterial to the financial condition or operations of Graham and its funds.

Graham Capital Management & Investment Team Changes

Effective February 7, 2025, Jens Foehrenbach was hired as Graham's President and Co-CIO. He also joined the Firm's Executive, Investment, and Risk Committees. Pablo Calderini was promoted to Vice Chairman and served as Co-CIO with Jens throughout 2025 and into 2026. In January 2026, Jens assumed the role of sole CIO as Pablo transitioned away from his role as Co-CIO to focus his full efforts on launching and managing a new discretionary strategy for Graham. Pablo was also removed from Graham's Executive, Investment, Risk, and Compliance Committees.

Grandview Investment Team Changes

Mike Paloian (Managing Director) and Trevor Oliff (Managing Director) were on the investments team and left the firm. Grandview is managed in a collegial team approach by its Principals. The four-member executive team oversees firm and fund operations. The team approach reduces reliance on any one individual and provides redundancy in every function. The Principals and seven other investment professionals continue to cover the SJCERA account.

Grandview Material Business Changes

Grandview Property Partners, LLC was acquired by Artisan Partners Holding LP in Q1 2026.

HPS Litigation

To our knowledge, there is no litigation involving the Firm that HPS believes will have a material adverse effect upon the Firm. The Firm is not currently undergoing a regulatory examination.

Loomis Sayles Litigation

The disclosures we provide to an investor in the NHIT Core Disciplined Alpha are governed by the terms we provide to all investors in the Fund in the Fund's offering documents. At this time, no litigation or regulatory event that would trigger the required notice has occurred. If an event occurs that would trigger the requirements of the Fund's notice provisions, we are poised to promptly notify all investors in the Fund concurrently, as has been our practice. Nonetheless, we do wish to inform you of the below litigation. Please note that all impacted investors have already been notified of this matter.

In August 2022, Loomis Sayles Trust Company, LLC ("LSTC") filed a class action complaint against Citigroup in the United States District Court for the Southern District of New York alleging Citigroup's failure to properly execute trades as LSTC's broker. On March 18, 2022, Loomis Sayles engaged Citigroup to execute certain transactions on behalf of the Loomis Sayles Growth Equity Strategies (GES) portfolios. The complaint alleges that Citigroup failed to achieve best execution in connection with two large orders among the transactions resulting in harm to certain of LSTC's funds and to certain clients of Loomis, Sayles & Company, L.P. (collectively with LSTC, "Loomis Sayles").

Loomis Sayles believes Citigroup failed to meet its legal obligations to take diligent and reasonable efforts to maximize the economic benefit to LSTC's affected funds and the clients of Loomis Sayles. The complaint further alleges that Citigroup's conduct resulted in significantly dislocated prices on the executed trades.

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

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

On November 1, 2023, Citigroup filed a motion for summary judgment arguing that it complied with the trading instructions and any duty it owed. On November 30, 2023, LSTC filed its opposition to Citigroup's motion for summary judgment arguing that the case must go to the jury for resolution, and Citigroup filed a reply brief on December 21, 2023. On September 26, 2024, the Court denied Citigroup's motion for summary judgment on the principal contract claim and set a trial date for 10 February 2025. Subsequently, the parties requested that the Court set out a schedule to consider LSTC's anticipated motion for class certification. The Court agreed, instructing LSTC to file its brief in support of class certification by October 21, 2024, Citigroup to file its opposition to class certification by November 20, 2024, and LSTC to file its reply by 10 January 2025. As a result, the Court said it would reschedule the trial for an unspecified future date after its class certification decision. Each party made filings in accordance with above timeline. On September 2, 2025, the Court issued an opinion denying LSTC's motion for class certification. On September 16, 2025, LSTC filed a petition for permission to appeal the Court's order with the United States Court of Appeals for the Second Circuit, which the Court denied on January 6, 2026. Additionally, on October 7, 2025, LSTC filed a letter request with the Court seeking leave to add a limited number of parties as co-plaintiffs, however the Court denied that request on November 19, 2025. Meanwhile, the trial Court set a date for trial of April 27, 2026.

Mesa West Management Team Changes

As of April 1, 2026, Lauren Hochfelder, Head of Morgan Stanley Global Real Assets, is a voting member of the Investment Committee*. Please refer to the below updated Investment Committee member list.

- Raphael Fishbach, Principal & Co-Chief Executive Officer
- Ronnie Gul, Principal & Co-Chief Executive Officer
- Lynn Carr, Principal & Head of Asset Management
- Matthew Cohen, Principal & Head of Capital Markets
- Steve Fried, Principal & Head of Originations
- John Klopp, Chairman of Morgan Stanley Global Real Assets
- Lauren Hochfelder, Head of Morgan Stanley Global Real Assets

*The composition of the Investment Committee is subject to change, at any time, at the discretion of Mesa West and/or MSIM Real Assets. In addition, Mesa West and/or MSIM Real Assets may change the scope of the Investment Committee's responsibilities from time to time.

Mount Lucas Management Litigation

Mount Lucas has been selected by the SEC for an exam. This exam is ongoing.

Northern Trust Litigation

As one of the world's largest asset managers, Northern Trust Investments, Inc. ("NTI") is occasionally subject to litigation. During the first quarter of 2026, NTI has not been subject to any litigation that has had a material impact on its ability to provide services to its clients.

Northern Trust Management Team Changes

Senior Management Changes

As a result of the constantly changing landscape of asset management, we believe the occasional organizational changes are a natural progression and necessary in order to adapt to new market and regulatory environments. The most recent changes to senior personnel are the following:

May 2026

- David Rudd assumed the role of Chief Financial Officer for NTAM. David joined the NTAM Executive Team and reports to Mark Eichelberger, Head of Enterprise Financial Planning & Analysis.

March 2026

- Kelly Finegan, Head of Multi-Manager Solutions, left NTAM. Michael De Juan, Head of Strategic Asset Allocation, has been appointed interim head of the Multi-Manager business.
- Antulio Bomfim, Head of Global Macro, left the firm. His responsibilities have been transitioned to existing investment leadership and senior members of the fixed income and liquidity teams.

February 2026

- Mark Sodergren, Global Head of Quantitative Strategies retired. Guido Baltussen, International Head of Quantitative Strategies assumed Mark's role.
- Gijsbert de Lange took on the new role of Chief Innovation Strategist reporting to Global CIOs Anwiti and Chris. Gijsbert is responsible for innovation across NTAMs investment capabilities with particular focus on AI and other transformative technologies.
- Ben Gord, was appointed Head of Fundamental Strategies overseeing multi-sector and broader taxable fixed income capabilities, including high yield, ultra-short and core/core-plus strategies.

Oaktree Litigation

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

A summary of active regulatory inquiries is below. On April 24, 2026, we received a request for information from the SEC's Division of Enforcement concerning a specific Oaktree investment. Although Oaktree is not the focus of this investigation, we are cooperating with the SEC's inquiry and

providing the requested information. On March 11, 2026, we received a request for information from the SEC’s Division of Enforcement relating to certain Oaktree investments. We are cooperating with the SEC’s inquiry and providing the requested information.

On November 11, 2025, the China Securities Regulatory Commission (CSRC) initiated a regulatory enquiry into Oaktree’s QDLP-REIF activities. The enquiry arose from a 2022 QDLP-REIF subscription by a Chinese intermediary. We worked with local counsel and submitted a response to the CSRC by the mandated deadline of November 21, 2025. On January 6, 2026, CSRC issued a follow-up request in connection with same ongoing enquiry. We submitted the required information on January 12, 2026 as mandated by the CSRC.

On December 31, 2025, the Beijing Foreign Exchange Authority (SAFE) issued an urgent directive requiring QDLP pilot fund managers, including Oaktree (Beijing) Investment Management Co., Ltd., to conduct a comprehensive self-examination of their QDLP business activities since 2024. Despite the compressed timeline, we submitted the full self-examination report on January 5, 2026.

Oaktree Investment Team Update

Below, please find investment professionals (vice president and above) who joined the Special Situations Group during the quarter ending March 31, 2026.

Join Date	Name	Current Title / Role	Location
01/2026	Ana Gonzalez Escudero	Vice President, Investment Team	Los Angeles

Oaktree Management Team Update

Below, please find the key business management and investment professionals (managing director and above) who joined Oaktree during the quarter ending March 31, 2026.

Join Date	Name	Title ¹ / Role	Group ¹
03/2026	John Font	Managing Director	Technology
03/2026	Ankur Kohli	Managing Director	Investment Operations
03/2026	Kacie Overlander	Managing Director	Sourcing & Origination
01/2026	Karly Lancaric	Managing Director and Chief Financial Officer	Corporate
01/2026	James Lindsay	Managing Director	Business Development
01/2026	Hiroshi Suwabe	Managing Director	Business Development

Oaktree Material Business Changes

On October 13, 2025, Brookfield and Oaktree announced that we had agreed on a proposed transaction whereby Brookfield will acquire the approximately 25.8% interest in our business that it does not already own. We expect the transaction to close in first half of 2026, subject to regulatory

¹ Current title and team.

approvals and customary closing conditions. Upon the completion of the proposed transaction, Brookfield will own 100% of our business.

Principal Compliance with SJCERA IPS

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

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

Principal Litigation

Given the size and scope of our operations, Principal Real Estate Investors, LLC and the member companies of Principal Financial Group are occasionally involved in litigation, either as a defendant and/or as a plaintiff. However, management does not believe that any pending litigation will have a material adverse effect on our business, financial position or net income. Please see our public filings for additional information.

Regulatory bodies such as state insurance departments, the Securities and Exchange Commission, the Financial Industry Regulatory Authority, the Department of Labor and other regulatory agencies regularly make inquiries and conduct examinations or investigations concerning our compliance with, among other things, insurance laws, securities laws, ERISA, and laws governing the activities of registered investment advisers. We receive requests from regulators and other governmental authorities relating to industry issues and may receive additional requests, including subpoenas and interrogatories, in the future.

For information about any completed regulatory matters please reference <https://adviserinfo.sec.gov/> and type in the name of the referenced legal entity.

We are not aware of any criminal proceedings against Principal Real Estate Investors, LLC, that requires disclosure under Form ADV Part 1, Item 11. Please refer to our Form ADV Part 1 which contains important Disclosure Information. <https://adviserinfo.sec.gov/firm/summary/109008>

Prologis Standing as an RIA

Investment advisors are required to register with the SEC as a Registered Investment Advisor (RIA) if they are in the business of advising or issuing reports or analyses regarding securities. The SEC has stated that direct interests in real estate are not securities. For example, USLF does not invest in the stock of other real estate companies or in other public or private funds that own real estate—USLF invests in real estate directly. Because USLF invests in real estate directly and because the SEC has

stated that direct real estate investments are not securities, we have, with the advice of external legal counsel, determined that Prologis is not required to register as an RIA.

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

Prologis Litigation

Prologis, Inc. is a publicly traded company with global operations. In the normal course of business, from time to time, Prologis may be involved in legal actions and environmental matters relating to the ownership and operations of its properties. Management does not expect that the liabilities, if any, that may ultimately result from such legal actions would have a material adverse effect on the financial position, results of operations or cash flows of Prologis. Except as has been previously disclosed in public filings as of March 31, 2026, there were no material pending legal proceedings or environmental matters to which Prologis is a party or of which any of its properties is the subject, the determination of which Prologis anticipates would have a material adverse effect upon its or the Fund's financial condition and results of operations.

Additionally, during the past one year, to its knowledge, Prologis has not been the subject of any investigation for violation or potential violation of applicable law by the SEC or other regulatory organization which could result in a material adverse effect on the company or its investors.

Item 401(f) of the SEC's Regulation S-K requires Prologis to report certain legal proceedings that are material to an evaluation of the ability or integrity of any director or persons nominated to become directors. None of the events described in Item 401(f) of Regulation S-K have occurred with respect to any director or executive officer of Prologis (including Former Prologis or Former AMB) during the past ten years.

Prologis Investment Team Changes

Jake Thibeault, vice president, portfolio management, has transitioned from the USLF team to serve as fund manager for Prologis' US Agility Fund I.

As part of the Fund's long-term succession planning, Kosta Karmaniolas, vice president, fund management, USLF, is expected to assume the USLF fund manager role at the end of 2026. At that time, Bobby Bransfield will continue in his role as global head of fund management, retaining oversight of all private Prologis ventures, including USLF. The broader USLF team will remain unchanged and fully focused on delivering consistent performance and disciplined execution.

Prologis Management Changes

In 2025, Prologis announced that Damon Austin will become chief development officer in January 2026 and will join the Executive Committee. In June 2025, Prologis announced that Joseph Ghazal, chief investment officer, has decided to step down from his role at Prologis for personal reasons later in 2026. Mr. Ghazal will continue to play a senior leadership role during the transition while his responsibilities are gradually being absorbed by a deep bench of global talent.

In February 2025, Prologis announced the retirement of its co-founder, Hamid Moghadam, from his CEO role, effective January 1, 2026. Mr. Moghadam will continue as executive chairman, providing strategic guidance consistent with the company's mission of "enduring excellence." As part of the company's succession plan, Dan Letter, formerly president, will succeed Mr. Moghadam as CEO. Mr. Letter has joined the company's Board of Directors.

Raven Management Team Changes

SJCERA's account is not currently in compliance with Section 11.1 of the LPA, which requires LP Advisory Committee consent in connection with certain transfers involving ownership interests in the General Partner and/or Investment Manager. LPAC consent has not yet been obtained in connection with the ownership transaction involving Josh Green and Gary Summers.

Pending resolution of this matter, the Firm has continued to administer the Fund in the ordinary course, including by providing quarterly reporting, maintaining existing operational processes, and seeking to preserve continuity for investors. The Firm is actively engaged with the Fund's LPAC to address the matter and remains committed to acting in accordance with its fiduciary obligations.

Walton Street Litigation

No. Walton Street is not currently involved in any litigation that would reasonably be expected to have a material adverse effect on Walton Street or its Funds and has never been involved in any such material litigation arising from its role as investment manager.

Walton Street has been a registered investment adviser with the SEC since 2008. All registered investment advisers are required to annually file Form ADV Part IA, which has a disciplinary disclosure section in Item 11. Item 11 requires advisers to provide disclosures about certain criminal actions, regulatory actions and civil judicial actions. Walton Street has never had to make any Item 11 disciplinary disclosures.

White Oak Litigation

Other than as noted below, there is no present or pending regulatory action or litigation brought by or against the firm or any of its principals or investment professionals, other than routine regulatory examinations and legal proceedings in connection with the normal course of originating and managing a portfolio of direct loans.

In late January 2026, White Oak Global Advisors initiated formal legal proceedings against one law firm for violating their fiduciary duty by representing conflicting interests against WOGA and one of its Financing Affiliates.

DISCLOSURES

This document is provided for informational purposes only. It does not constitute an offer of securities of any of the issuers that may be described herein. Information contained herein may have been provided by third parties, including investment firms providing information on returns and assets under management, and may not have been independently verified. The past performance information contained in this report is not necessarily indicative of future results and there is no assurance that the investment in question will achieve comparable results or that the Firm will be able to implement its investment strategy or achieve its investment objectives. The actual realized value of currently unrealized investments (if any) will depend on a variety of factors, including future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which any current unrealized valuations are based.

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The information contained in this report may include forward-looking statements. Forward-looking statements include a number of risks, uncertainties and other factors beyond the control of the Firm, which may result in material differences in actual results, performance or other expectations. The opinions, estimates and analyses reflect MEKETA's current judgment, which may change in the future.

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SJCERA Quarterly Manager Review Schedule

Manager	Strategic Class	Sub-Segment	Under Review	Last Rvw	Next Rvw	Most Recent Visit to Meketa/SJCERA	Mgr. Meeting with SJCERA	Mgr. Location
AEW	Stabilized Growth	Core Real Estate				12/16/2025	4/28/2026	Boston, MA
Angelo Gordon	Aggressive Growth	Value Added Real Estate		May-23		10/16/2022	7/29/2025	New York, NY
Almanac Realty VI	Aggressive Growth	Value Added Real Estate		May-25	Apr-26		5/9/2025	New York, NY
AQR	Diversifying Strategies	Alternative Risk Premia		Jul-19	May-26	10/12/2023	7/24/2025	Stamford, CT
Ares	Stabilized Growth	Asset Backed		Jul-24			9/5/2025	Los Angeles, CA
BlackRock	Stabilized Growth, PC	Direct Lending		Feb-26		3/30/2023	6/2/2026	San Francisco, CA
BlackRock	Aggressive Growth	Infrastructure					6/2/2026	New York, NY
BlackRock	Aggressive Growth	Infrastructure				10/16/2025	6/2/2026	New York, NY
Blue Owl	Aggressive Growth	Value Added Real Estate					11/4/2025	Chicago, IL
Berkeley Partners	Aggressive Growth	Private Real Estate		Jun-23		10/16/2025	5/14/2026	San Francisco, CA
Berkeley Partners	Aggressive Growth	Value Added Real Estate					5/14/2026	New York, NY
Bessemer - Partners Fund	Aggressive Growth	Buyout		Sep-23			3/31/2025	New York, NY
Bessemer - XII	Aggressive Growth	Early Stage VC					3/31/2025	New York, NY
Capital Meridian Fund	Aggressive Growth	Special Situations				10/16/2025		Washington, DC
Crestline	Stabilized Growth, PC	Opportunistic		Mar-25	Jan-26	7/22/2020	3/5/2026	Fort Worth, TX
Davidson Kempner	Stabilized Growth, PC	Opportunistic		Aug-23		8/29/2023	5/6/2025	New York, NY
Dodge & Cox	Diversifying Strategies, PP	Core Fixed Income		Oct-21	Feb-26	10/6/2022	8/21/2025	San Francisco, CA
Dodge & Cox	Diversifying Strategies, CRO	Long Duration				6/3/2020	8/21/2025	San Francisco, CA
GQG	Traditional Growth	Emerging Markets		Jun-24		10/12/2023	4/22/2026	San Francisco, CA
Graham	Diversifying Strategies, CRO	Systematic Trend Following		Aug-23	May-26	10/6/2022	12/4/2025	Rowayton, CT
Greenfield/Grandview V, VI, VII	Aggressive Growth	Opportunistic Real Estate		May-23		12/2/2025	11/25/2025	Greenwich, CT
HPS EU	Stabilized Growth, PC	Direct Lending		Jan-26		10/16/2025	7/29/2025	New York, NY
Invesco	Stabilized Growth, RE	Core Real Estate		Feb-25		10/16/2025	9/3/2024	New York, NY
LongArc Capital	Aggressive Growth	Private Equity		Nov-22	Mar-26	10/16/2025	3/12/2026	New York, NY
Loomis Sayles	Principal Protection	Core Fixed Income		Oct-23	Feb-25	10/16/2025		Kansas City, MO
Lightspeed	Aggressive Growth	Private Equity			Apr-25	10/6/2022	5/28/2026	Menlo Park, CA
Mesa West III & IV	Stabilized Growth, PC	Comm. Mortgage		Feb-26		11/24/2025	3/11/2025	Los Angeles, CA
Morgan Creek III, V, & VI	Aggressive Growth	Multi-Strat FOF				8/22/2019	8/8/2025	Chapel Hill, NC
Mount Lucas	Diversifying Strategies, CRO	Systematic Trend Following		Mar-23		10/16/2025	10/27/2025	Newton, PA
Northern Trust	Traditional Growth	MSCI World IMI			Jul-25	10/16/2025	4/22/2026	Chicago, IL
Northern Trust	Cash	Collective Govt. Short Term				10/6/2022	4/22/2026	Chicago, IL
Neuberger	Stabilized Growth, LC	Global Credit			Jul-25	10/16/2025	4/23/2025	Chicago, IL
Oaktree	Aggressive Growth	Special Situations		Sep-23		10/16/2025	4/16/2026	Los Angeles, CA
Oaktree	Stabilized Growth, PC	Leveraged Direct Lending				10/10/2024	4/16/2026	New York, NY
Ocean Avenue II, III, IV, V	Aggressive Growth	PE Buyout FOF			Jun-26	10/16/2025	5/19/2026	Santa Monica, CA
P/E Diversified	Diversifying Strategy	Alternative Risk Premia		Mar-26	Jan-26	10/10/2024	7/30/2025	Boston, MA
PIMCO (RAE)	Traditional Growth	Emerging Markets				10/16/2025	5/6/2025	Newport Beach, CA
Principal US	Stabilized Growth, RE	Core Real Estate				10/16/2025	8/6/2025	Des Moines, IA
Prologis	Stabilized Growth, RE	Core Real Estate				10/16/2025	9/19/2025	San Francisco, CA
Raven III	Stabilized Growth, PC	Direct Lending		Mar-25		11/24/2025	3/14/2025	New York, NY
Ridgemont	Aggressive Growth	Private Equity			Feb-26	10/12/2023		Charlotte, NC
RREEF America II	Stabilized Growth, RE	Core Real Estate		Sep-24		10/12/2023	4/3/2025	Kansas City, MO
SilverRock	Stabilized Growth, PC	Private Credit		Dec-24		10/10/2024	12/1/2022	New York, NY
SilverPoint	Stabilized Growth, PC	Private Credit		Dec-24		10/12/2023	3/11/2026	Greenwich, CT
Stellax Capital	Aggressive Growth	Private Equity		Apr-24		10/10/2024	5/8/2020	New York, NY
Stockbridge RE III	Aggressive Growth	Value Added Real Estate		Jul-22	Jul-26		4/29/2025	San Francisco, CA
Stone Harbor	Stabilized Growth, LC	Absolute Return		Apr-23	Mar-26	10/10/2024	2/3/2021	New York, NY
Walton Street	Aggressive Growth	Opportunistic Real Estate		Apr-25			4/11/2025	Chicago, IL
White Oak Summit Peer	Stabilized Growth, PC	Direct Lending		Jan-24	Feb-26	8/21/2025	8/21/2025	San Francisco, CA
White Oak Yield Spectrum	Stabilized Growth, PC	Direct Lending		Jan-24	Feb-26	8/21/2025	8/21/2025	San Francisco, CA

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

Liquidated Managers

			Date Terminated	
Bridgewater	Risk Parity	Risk Parity	2025	Westport, CT
Invesco	Traditional Growth	REITs	2024	New York, NY
Panagora	Risk Parity	Risk Parity	2024	Boston, MA

Economic and Market Update

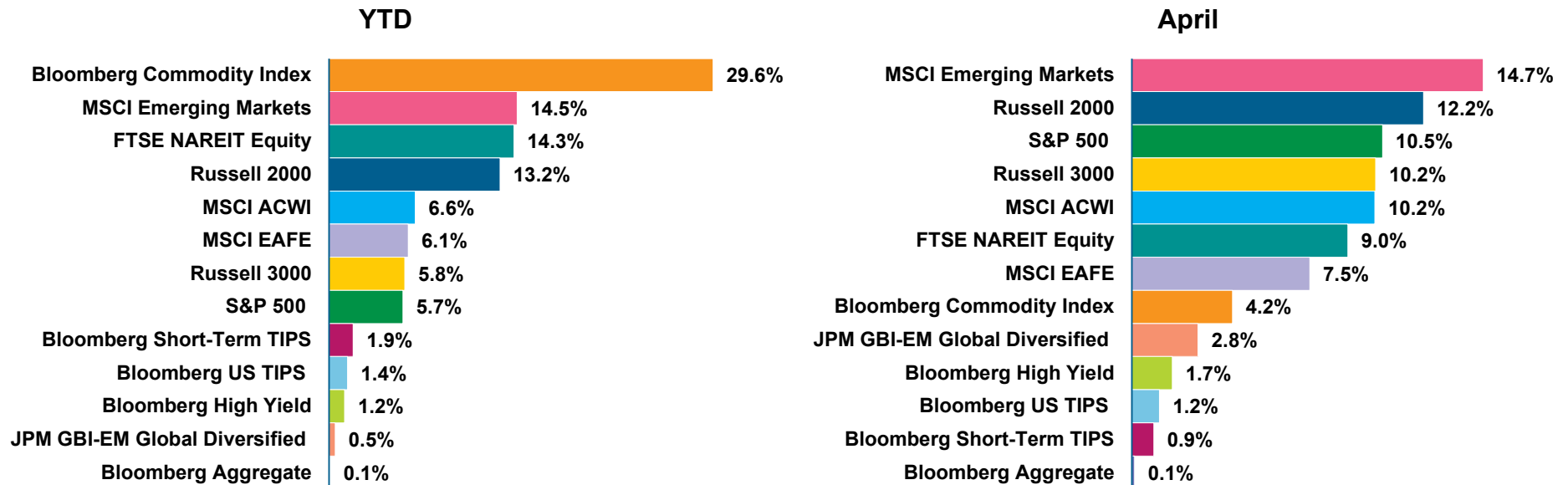
April 2026 Report

Commentary

Strong first-quarter earnings from technology companies reignited enthusiasm for AI-linked growth stocks in April, driving a sharp global equity rebound, even as inflation accelerated to its highest level since May 2023 and the Federal Reserve signaled rates would remain on hold.

- US equities (Russell 3000) surged 10.2% in April, recovering all the first-quarter decline and posting the broad market's strongest monthly gain in several years. Growth stocks reasserted leadership as Q1 earnings from some mega-cap technology companies demonstrated that AI investment is increasingly flowing through to revenue though surging capex guidance tempered enthusiasm around return timelines.
- Emerging markets lead the global rally in April. A weaker US dollar, continued semiconductor and hardware demand across parts of Asia, and a broad improvement in risk appetite drove gains across regions, even as elevated energy prices continued to weigh on net oil importers.
 - Non-US developed stocks (MSCI EAFE) rose 7.5% in April.
 - Emerging markets (MSCI Emerging Markets) gained 14.7% in April. South Korea and Taiwan were among the strongest performers, while China lagged the broader rebound.
- Fixed income returns were mixed in April as yields edged higher and inflation surprised to the upside. Inflation-protected securities and higher-yielding credit outperformed, while long-duration Treasuries declined modestly. The persistent energy price shock kept upward pressure on nominal yields and eliminated any remaining market expectations for Federal Reserve rate cuts in 2026.
- Looking ahead, markets will be focused on how the trajectory of energy prices and the duration of the Middle East conflict feed into the inflation outlook, whether the Federal Reserve's increasingly divided committee signals any shift from its extended hold, and whether corporate earnings growth can sustain the equity rally amid rising input costs and softening consumer purchasing power.

Index Returns¹



- In April, equities led performance across all asset classes globally, with emerging markets and US small cap (Russell 2000) stocks posting the strongest results. The return of risk appetite following strong first-quarter corporate earnings, a fragile ceasefire in the Middle East, and a weaker US dollar, were the primary catalysts for the broad rebound.
- Bonds lagged in April as high energy prices and above expectation inflation caused yields to rise across the curve and erased expectations for the Fed to lower rates.

¹ Source: Bloomberg. Data is as of April 30, 2026.

Domestic Equity Returns¹

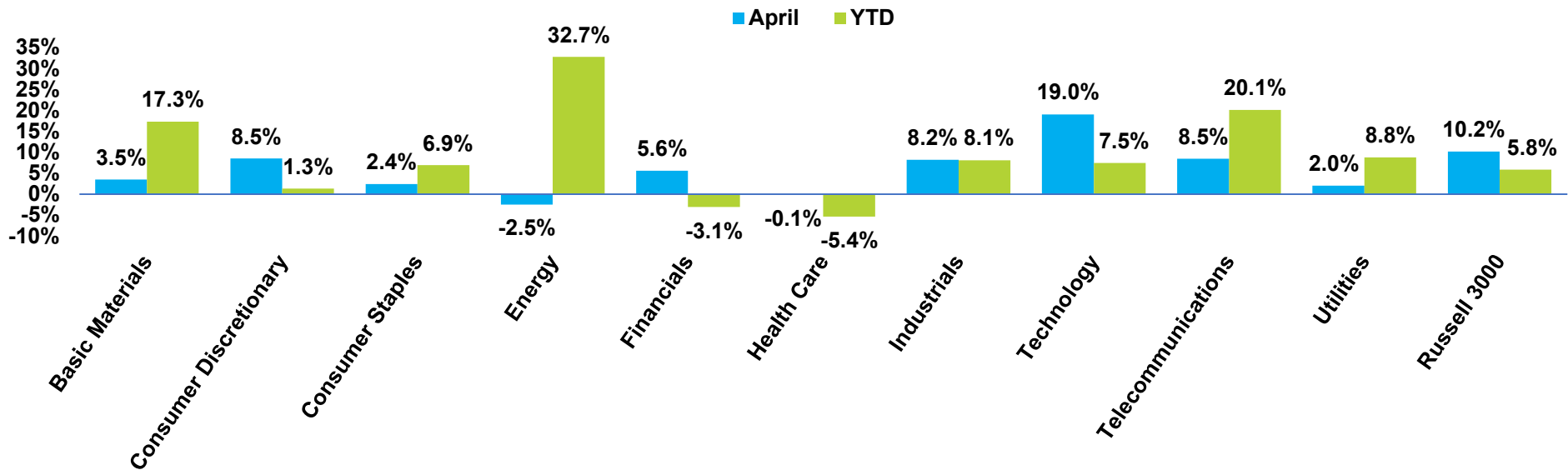
Domestic Equity	April (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	10.5	5.7	31.1	21.6	13.1	15.2
Russell 3000	10.2	5.8	31.0	21.2	11.9	14.7
Russell 1000	10.1	5.5	30.4	21.4	12.3	15.0
Russell 1000 Growth	11.9	1.0	30.6	25.3	13.8	18.2
Russell 1000 Value	8.2	10.4	29.3	16.7	10.3	11.2
Russell MidCap	7.3	8.7	25.8	16.2	7.7	11.6
Russell MidCap Growth	6.5	-0.3	12.9	15.6	5.5	12.4
Russell MidCap Value	7.6	11.5	29.8	15.9	8.5	10.3
Russell 2000	12.2	13.2	44.4	18.1	5.7	11.0
Russell 2000 Growth	14.7	11.5	42.6	17.9	4.0	11.2
Russell 2000 Value	9.7	15.1	46.3	18.3	7.3	10.4

US Equities: The Russell 3000 index rose 10.2% in April, bringing the year-to-date return to 5.8%.

- Growth stocks resumed leadership in April for the first time in several months in large and small cap. The Russell 1000 Growth Index gained 11.9% versus an 8.2% advance for the Russell 1000 Value Index, as strong AI-related earnings from mega-cap technology companies revived enthusiasm for these companies after a prolonged period of underperformance. Small caps had the strongest results, with the Russell 2000 rising 12.2%, as the ceasefire-driven pullback in oil prices disproportionately relieved cost pressures on domestically focused firms.
- Several members of the “Magnificent Seven” posted sharp rebounds (Google +33.2%, Amazon +27.3%, NVIDIA +14.4%) in April, contributing positively to index performance given their significant weight. First-quarter earnings from Microsoft, Alphabet, and Amazon broadly exceeded expectations, helping to reassure investors about the return on AI infrastructure investment.

¹ Source: Bloomberg. Data is as of April 30, 2026.

Russell 3000 Sector Returns¹



Sector results were broadly positive in April with technology significantly leading gains. Strong first-quarter earnings and renewed AI optimism drove a sharp reversal of the first quarter’s rotation into defensive and energy-sensitive names.

- Technology’s strong rebound in April from first-quarter weakness was driven by large cloud and AI earnings exceeding expectations, reinforcing confidence in the AI capex cycle. Telecommunications and consumer discretionary also advanced, signaling improved risk appetite and renewed momentum in growth segments.
- Energy retraced part of its first-quarter surge as oil prices stabilized and price gains slowed, while healthcare showed continued weakness on drug pricing policy uncertainty, research cuts, and the ACA subsidy expiration. Utilities and consumer staples lagged as the earlier defensive rotation unwound and investors moved back into cyclical and growth names.

¹ Source: Bloomberg. Data is as of April 30, 2026.

Foreign Equity Returns¹

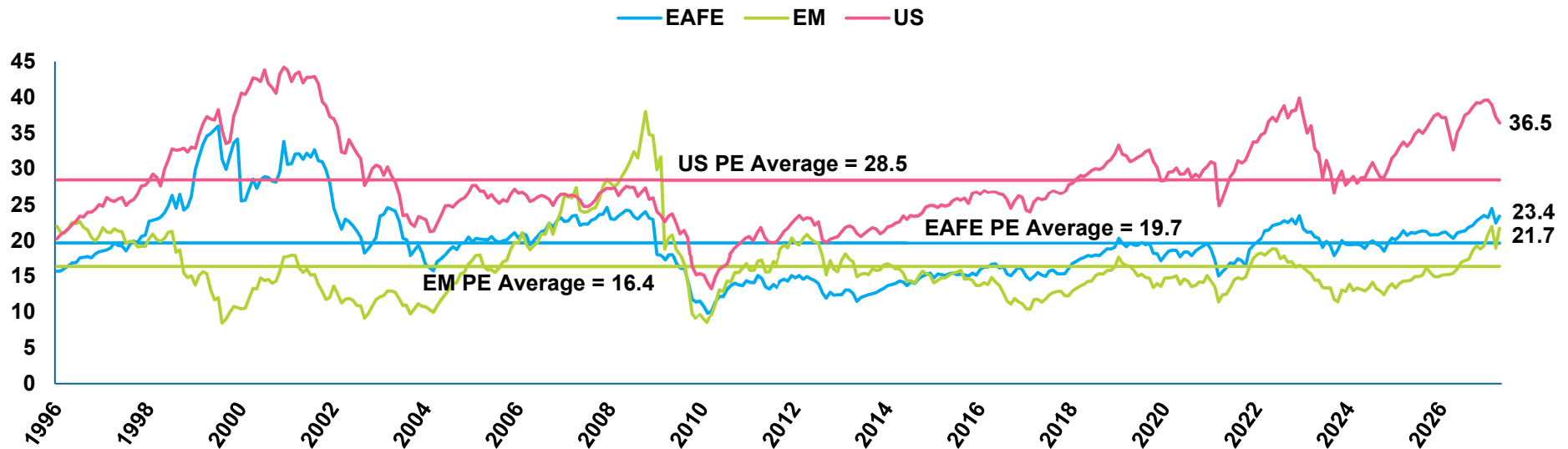
Foreign Equity	April (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	9.7	8.9	32.2	17.3	8.4	9.1
MSCI EAFE	7.5	6.1	24.6	15.3	8.8	8.8
MSCI EAFE (Local Currency)	5.1	5.2	23.4	14.2	10.7	9.7
MSCI EAFE Small Cap	8.9	7.6	29.3	15.1	5.4	8.1
MSCI Emerging Markets	14.7	14.5	46.7	20.6	6.0	9.2
MSCI Emerging Markets (Local Currency)	13.3	15.7	48.2	22.3	8.5	10.9
MSCI EM ex China	18.5	22.2	61.2	25.0	11.1	11.0
MSCI China	3.6	-5.6	12.4	9.7	-4.5	5.5

Developed international equities (MSCI EAFE) returned 7.5% in April and emerging markets equities (MSCI Emerging Markets) rose 14.7%.

- Developed market equities rose in April, supported by improved risk sentiment and a weaker US dollar, which boosted returns by 2.4% for the month for dollar-based investors. Europe benefited from the US/Iran ceasefire as did Japan. Resilient earnings and AI-driven semiconductor demand also drove Japan’s strong results as well as firmer interest rate expectations.
- Emerging markets outperformed their developed market peers, led by South Korea and Taiwan on strong tech demand. China lagged, with the 3.6% April return for the MSCI China Index not enough to offset year to date declines. Entrenched deflation, a still-deteriorating property sector, US tariffs, and growing energy supply risk from the Iran conflict have all weighed on China equities this year.

¹ Source: Bloomberg. Data is as of April 30, 2026.

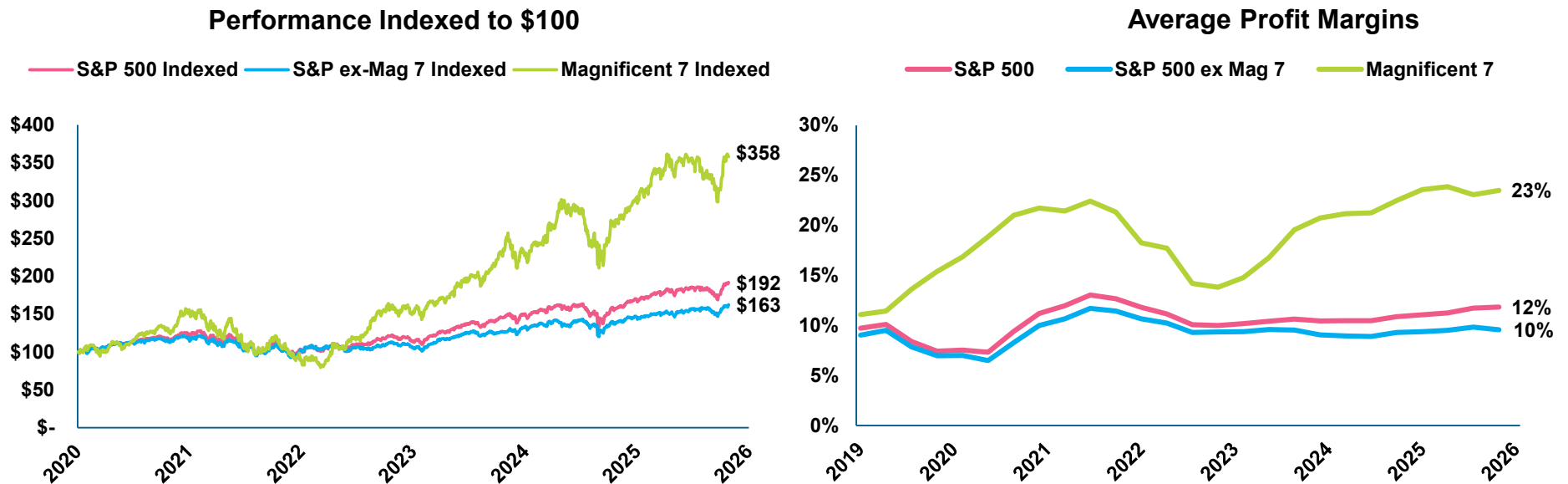
Equity Cyclically Adjusted P/E Ratios¹



- Cyclically adjusted US equity valuations fell marginally in April despite strong returns as trailing earnings grew at a faster pace than prices and weaker previous earnings dropped out of the calculation. The US valuation level of 36.5 remains well above its long-run average of 28.5.
- Non-US developed market valuations (EAFE) rose modestly during April’s strong performance, reaching 23.4 versus a long-run average of 19.7. Despite continuing to trade above historical norms valuations remain considerably cheaper relative to the US.
- Emerging market valuations increased the most in April (19.0 to 21.7), with the EM CAPE moving further above its long-run average of 16.4. The multiple expansion reflects elevated investor confidence in AI-related hardware and semiconductor demand across developing markets.

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 April 2026. 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.

Performance and Profit Margins: S&P 500 and “Magnificent 7”¹



- After dragging on US equity returns through Q1 2026 the "Magnificent Seven" reversed sharply in April gaining a combined \$4.8 trillion in market value as strong earnings helped to validate significant capex spending.
- Earnings growth and profit margins roughly double the remaining 493 companies continue to underpin, and entrench, their dominant index weight.

¹ Source: Bloomberg. Data is as of April 30, 2026, for index prices and March 31, 2026, for profit margins.

Fixed Income Returns¹

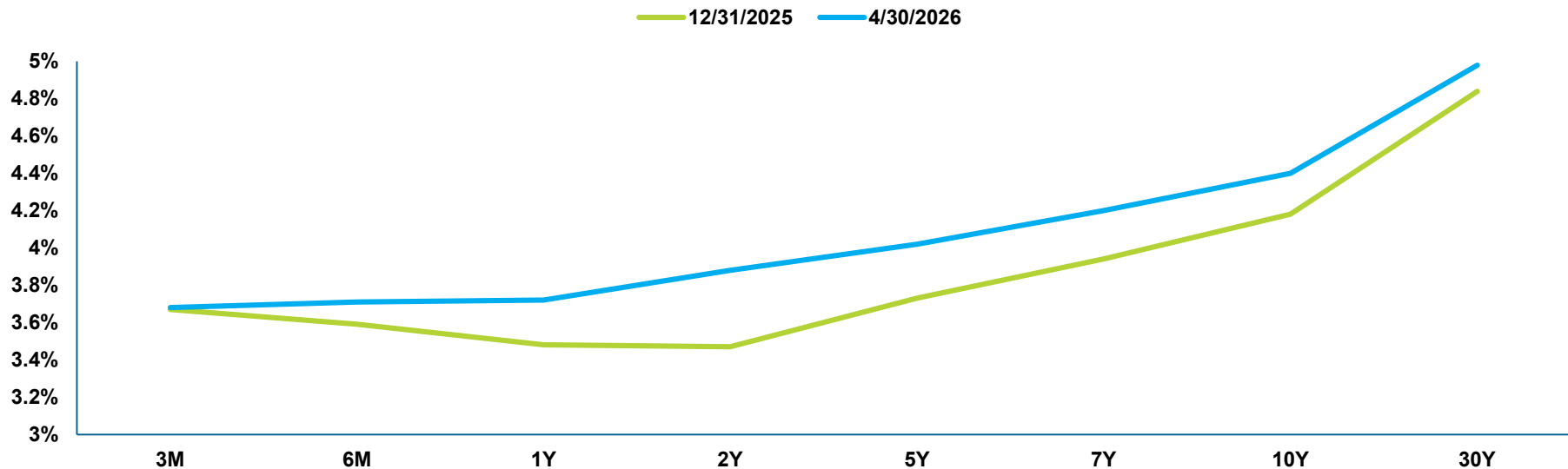
Fixed Income	April (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	0.3	0.2	4.6	4.1	0.5	2.1	4.8	5.7
Bloomberg Aggregate	0.1	0.1	4.1	3.5	0.2	1.7	4.6	5.9
Bloomberg US TIPS	1.2	1.4	4.1	3.5	1.4	2.7	4.3	6.6
Bloomberg Short-term TIPS	0.9	1.9	4.0	4.9	3.5	3.2	3.8	2.5
Bloomberg US Long Treasury	-0.7	-1.1	0.9	-1.9	-5.1	-0.8	5.0	14.2
Bloomberg High Yield	1.7	1.2	8.8	8.8	4.3	5.9	7.0	3.2
JPM GBI-EM Global Diversified (USD)	2.8	0.5	11.3	7.5	2.2	2.6	--	--

Fixed Income: The Bloomberg Universal index rose 0.3% in April.

- Fixed income faced headwinds in April as energy prices remained elevated, inflation surprised higher, and the Fed held rates steady for a third straight meeting (April 29), with a notably split committee. Given the renewed inflation pressures and the relatively stable labor market, investors are largely pricing out interest rate cuts this year.
- Rising yields pressured longer dated bonds, while improved risk sentiment supported riskier bonds like high yield (+1.7%) and EM debt (+2.8%).
- Long Treasuries fell modestly (-0.7%) as yields rose on stronger inflation. TIPS outperformed (Bloomberg US TIPS +1.2%; Bloomberg Short-term TIPS +0.9%) other high-quality bonds, reflecting renewed concern over persistent, energy-driven inflation.

¹ Source: Bloomberg. Data is as of April 30, 2026. 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.

US Yield Curve¹

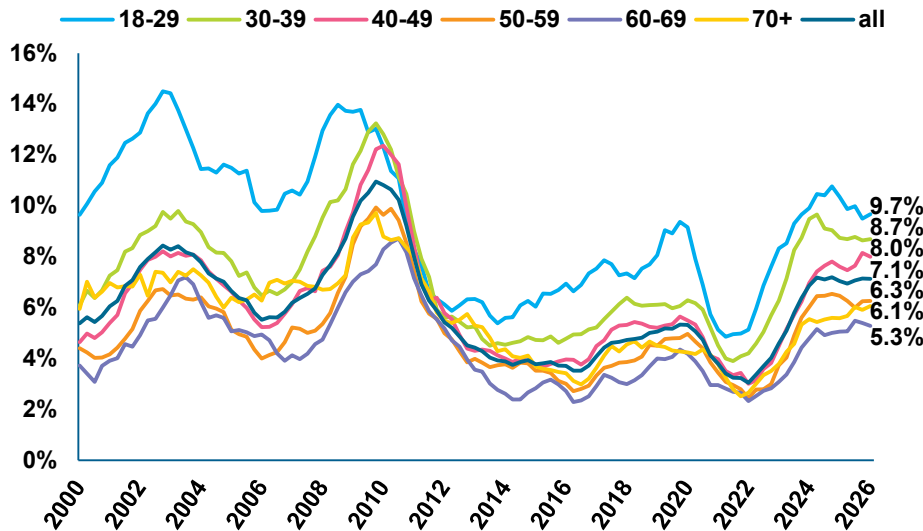


- Treasury yields continued to rise in April across most of the yield curve, driven by inflation concerns related to the energy price shock from the Middle East conflict and corresponding expectations for the Fed to hold interest rates steady for the rest of the year.
- The policy-sensitive 2-year nominal Treasury yield increased from 3.80% to 3.87%. The 10-year nominal Treasury yield rose from 4.32% to 4.37%, while the 30-year nominal Treasury yield increased from 4.91% to 4.97%.
- As the front end of the yield curve has increased this year more than longer-dated yields, the spread between the two-year and ten-year Treasury has declined from 69.8 basis points to 50.4 basis points.

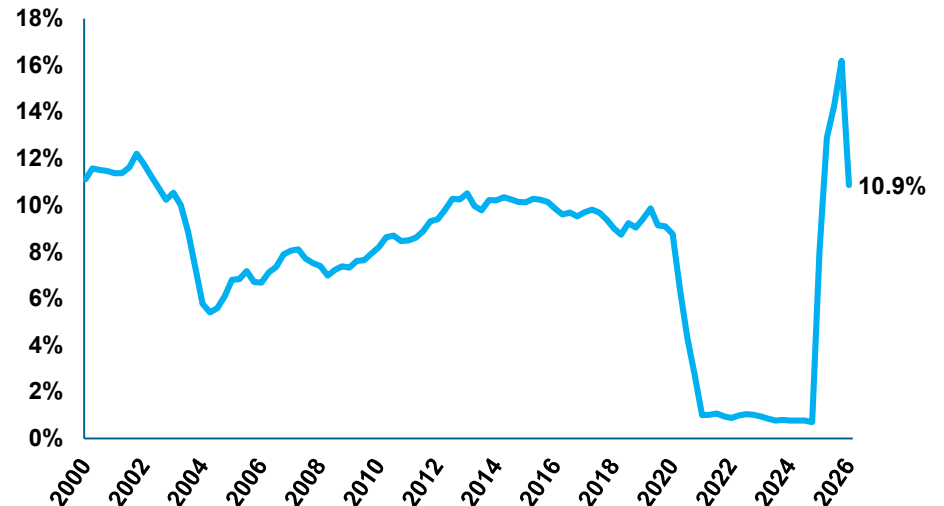
¹ Source: Bloomberg. Data is as of April 30, 2026.

Stress is Building Among Some US Consumers¹

Transition into Serious Delinquency for Credit Cards by Age



Transition Into Serious Delinquency (90+ Days) for Student Loans²

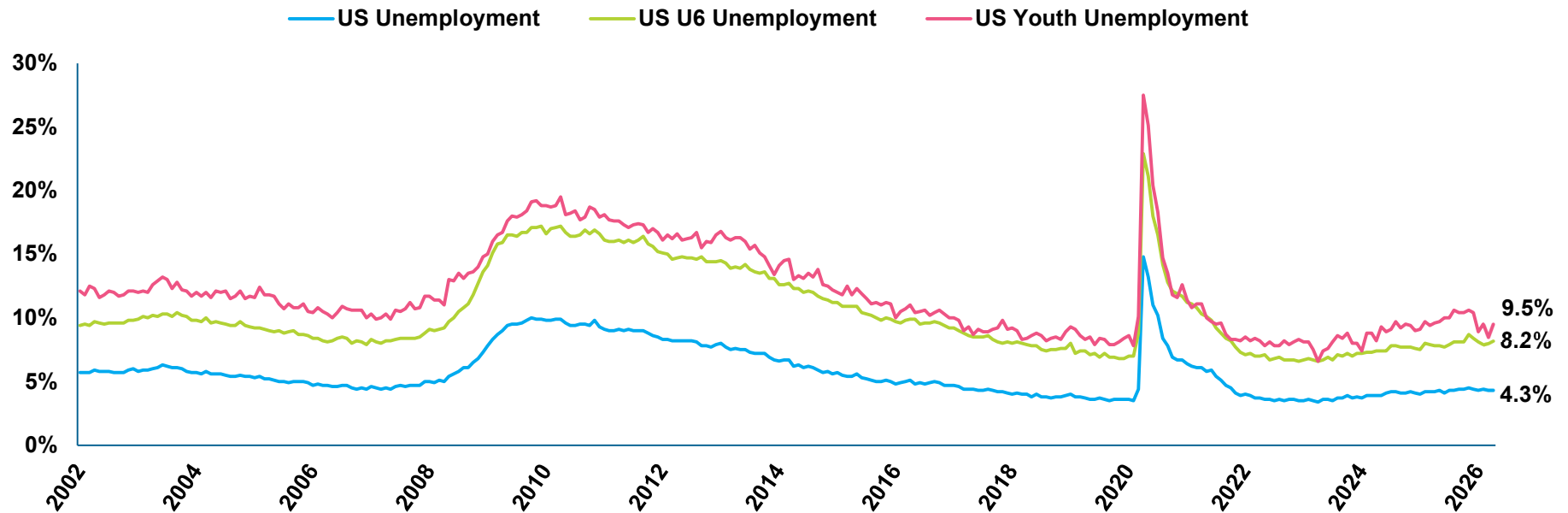


- US consumer trends remain increasingly K-shaped: higher-income households show resilience, while younger, rate-sensitive borrowers face mounting pressure from elevated rates, persistent inflation, and rising energy costs.
- Delinquencies remain high relative to pandemic lows, driven by lower-income and younger cohorts. While aggregate levels are near pre-pandemic norms, dispersion in household financial health is widening materially.
- Student loan repayments have re-emerged as a key pressure point, with millions of borrowers missing payments and close to 11% of balances now seriously delinquent, weighing on consumption for younger cohorts.

¹ Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. See also FRED. Data is as of March 31, 2026.

² Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. Percent of student loan holders transitioning in serious default (90-days or more) based on four quarter moving average. Delays in reporting may cause fluctuations. Data is as of March 31, 2026.

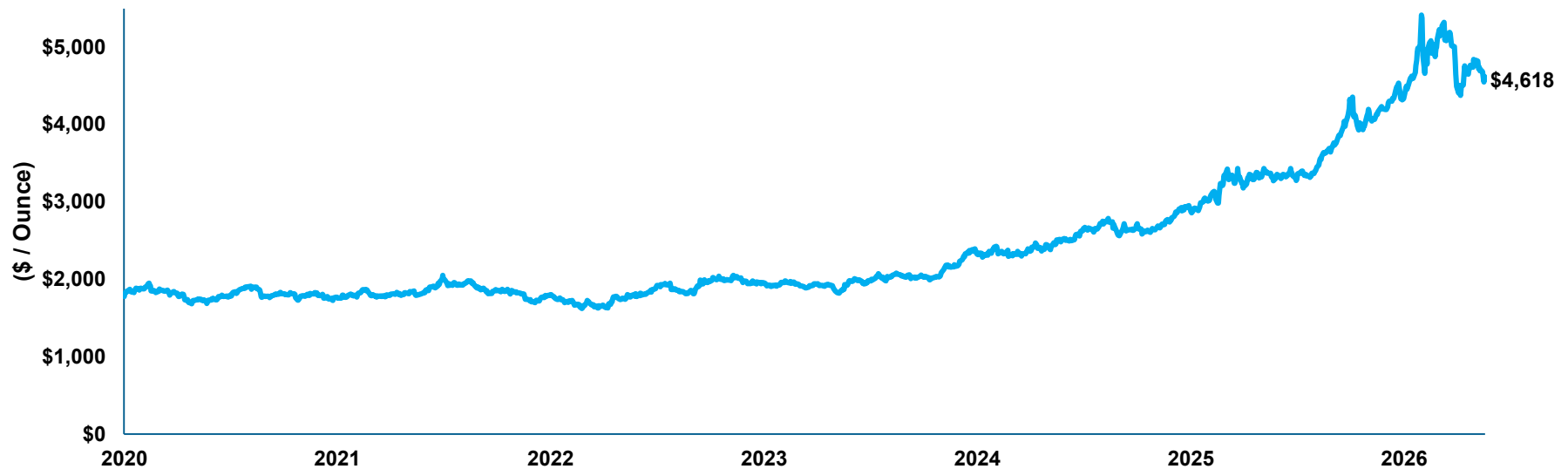
US Unemployment¹



- The US added 115,000 jobs in April, exceeding expectations (65,000) and marking a second straight month of jobs being added to the economy. The unemployment rate held steady at 4.3%, consistent with a labor market that is cooling but not weakening materially.
- Job gains were led by health care (+37,000), transportation/warehousing (+30,000), and retail (+22,000). Federal (-9,000) and information (-13,000) continued to contract.
- Some broader indicators softened: participation fell slightly from 61.9% to 61.8% (lowest level since Oct 2021), and involuntary part-time workers rose (+445,000 to 4.9M), signaling underlying slack.

¹ Source: FRED and BLS. Data is as of April 30, 2026. U-3: Total unemployed, as a percent of the civilian labor force (official unemployment rate), U-6: Total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.

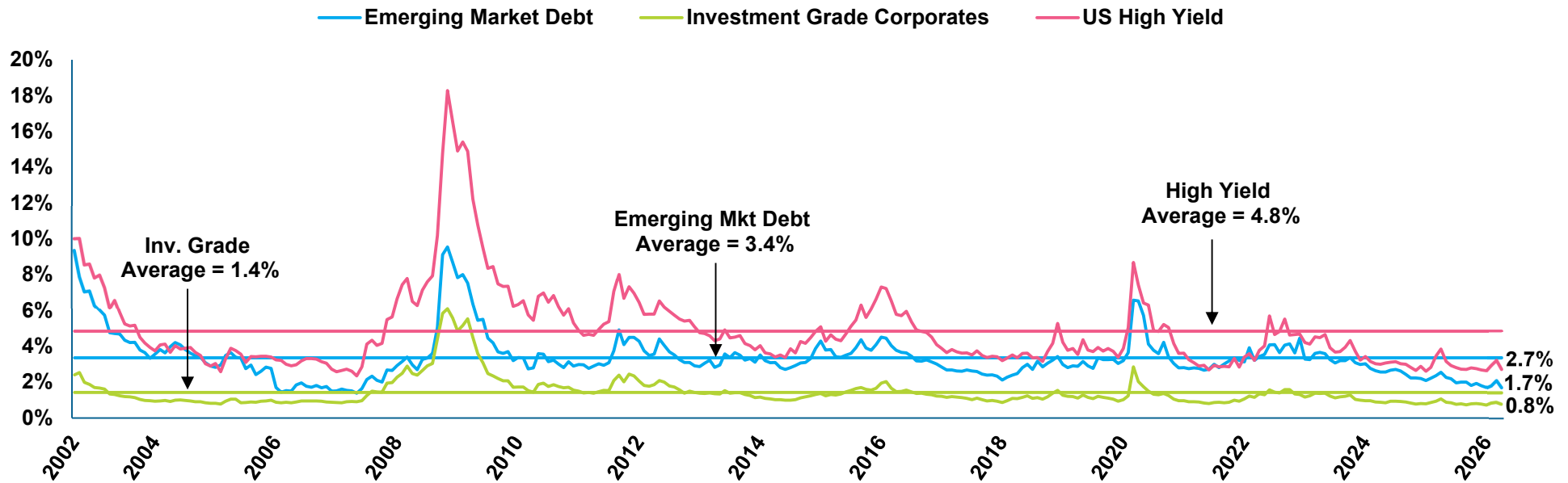
Gold¹



- Gold declined in April from \$4,668/oz to \$4,618/oz as expectations for interest rates to remain higher for longer made holding the non-yielding gold less appealing.
- Structural support remains intact, driven by persistent inflation risks, large fiscal deficits, and ongoing reserve diversification. Upside catalysts include renewed geopolitical risk (e.g., a more persistent Middle East conflict) or a return of rate-cut expectations, either of which could quickly lift prices.

¹ Source: Bloomberg. Data is as of April 30, 2026. Gold Spot Price is quoted as US Dollars per Troy Ounce.

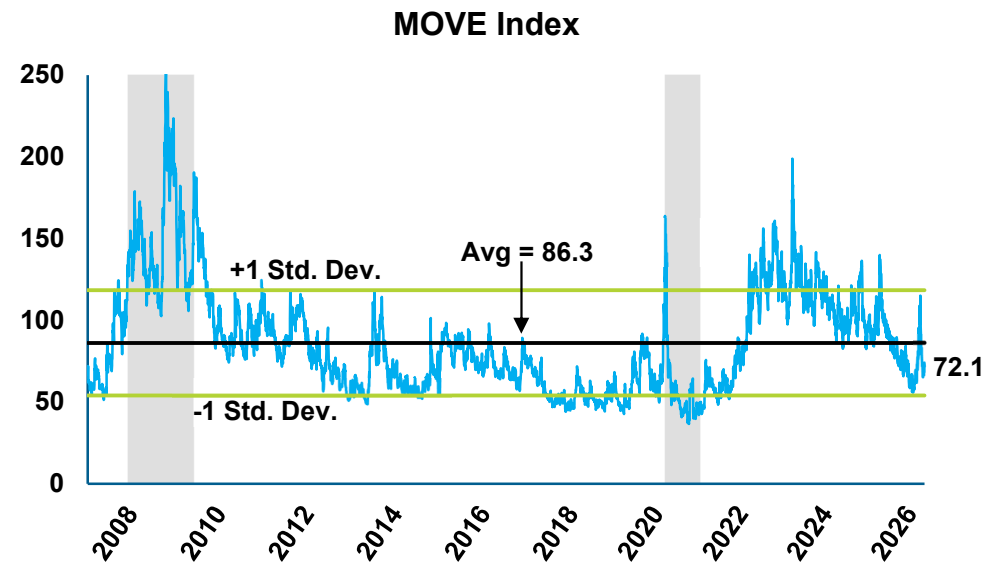
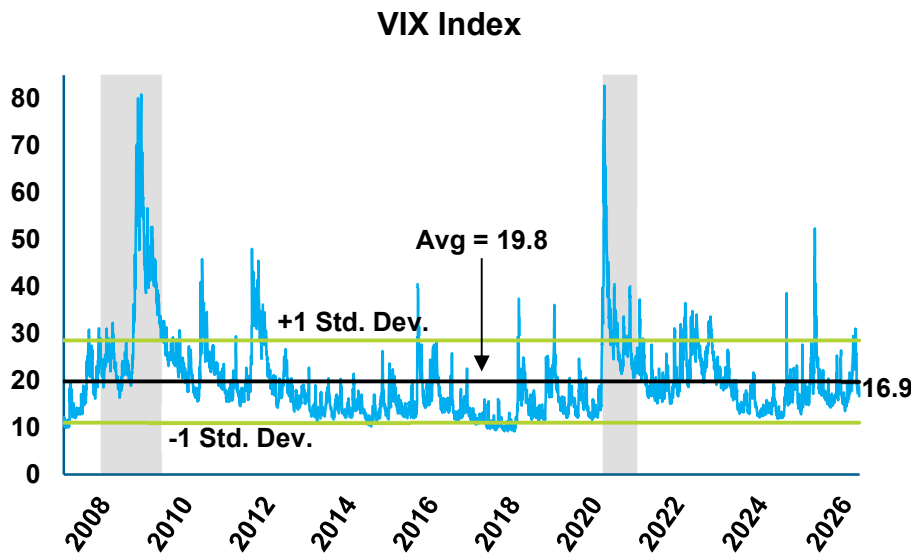
Credit Spreads vs. US Treasury Bonds¹



- Credit spreads tightened broadly in April, driven by robust risk appetite, and cautious optimism around a potential Middle East resolution, despite elevated oil prices and rate uncertainty.
- Investment grade spreads tightened slightly to 0.8% (from 0.9% at end of March), well inside the 1.4% long-run average, supported by persistent demand for high-quality credit.
- High yield spreads tightened meaningfully from 3.2% to 2.7% (versus a 4.8% long-run average), while EM debt spreads tightened from 2.1% to 1.7% (versus a 3.4% long-run average).

¹ Source: Bloomberg. Data is as of April 30, 2026. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

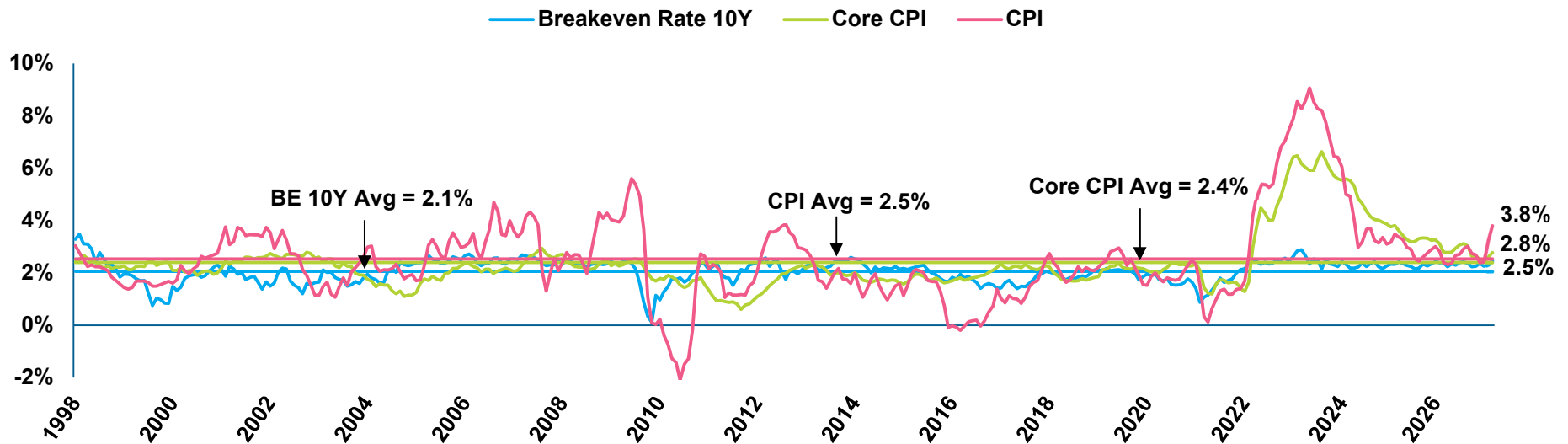
Equity and Fixed Income Volatility¹



- Volatility declined sharply across equities and fixed income in April, reversing much of Q1’s spike as strong earnings and a ceasefire in the Middle East improved sentiment and reduced uncertainty.
- Equity volatility (VIX) fell to 16.9, below its long-run average (19.8) and well off the Q1 highs above 30, driven by strong earnings particularly in the technology sector.
- Bond volatility (MOVE) compressed sharply in April finishing the month at 72.1 (compared to an 86.3 average) as the ceasefire announcement reduced near-term rate uncertainty and markets consolidated around a Fed-on-hold base case.

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 April 30, 2026. The average line indicated is the average of the VIX and MOVE values between January 2007 and April 2026.

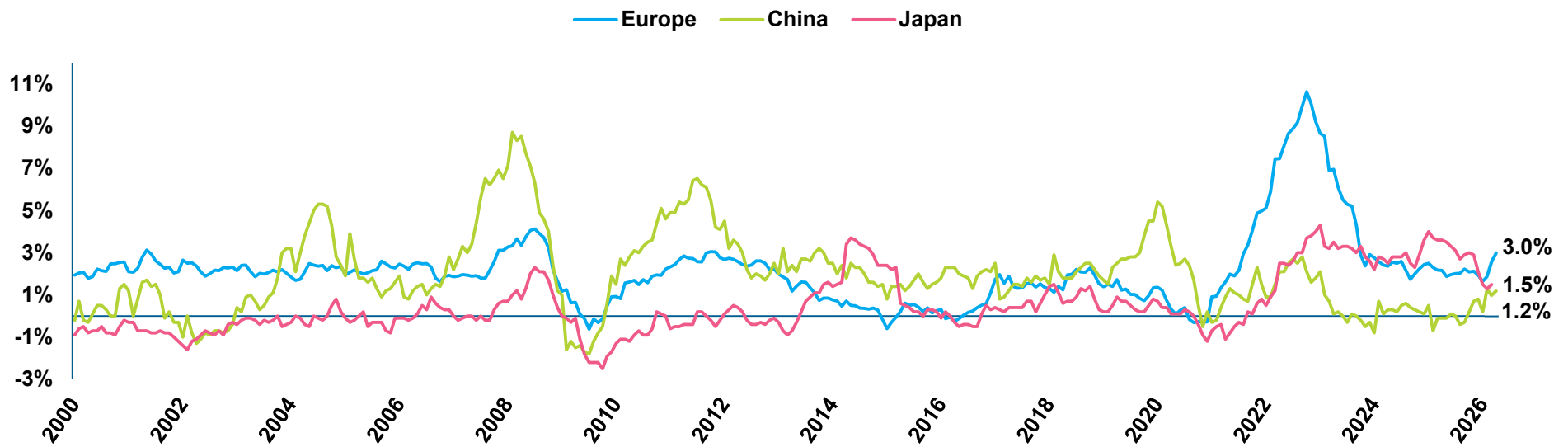
US Inflation¹



- Headline inflation rose to 3.8% YoY in April (versus 3.3% in March), above expectations, with a 0.6% monthly gain. Energy was the primary driver, increasing 17.9% YoY and 3.8% for the month, with food prices increasing for the same periods, 3.2% and 0.5%, respectively.
- Core inflation rose from 2.6% to 2.8% (above expectations) YoY, with monthly gains accelerating from 0.2% to 0.4%. Shelter prices remained the main contributor, with the monthly rate of growth rising from 0.3% in March to 0.6% in April with the YoY increase rate at 3.3%.
- Long-term inflation expectations increased, with 10-year breakevens rising from 2.3% to 2.5%, reflecting concerns that energy-driven pressures may persist.

¹ Source: FRED. Data is as of April 30, 2026.

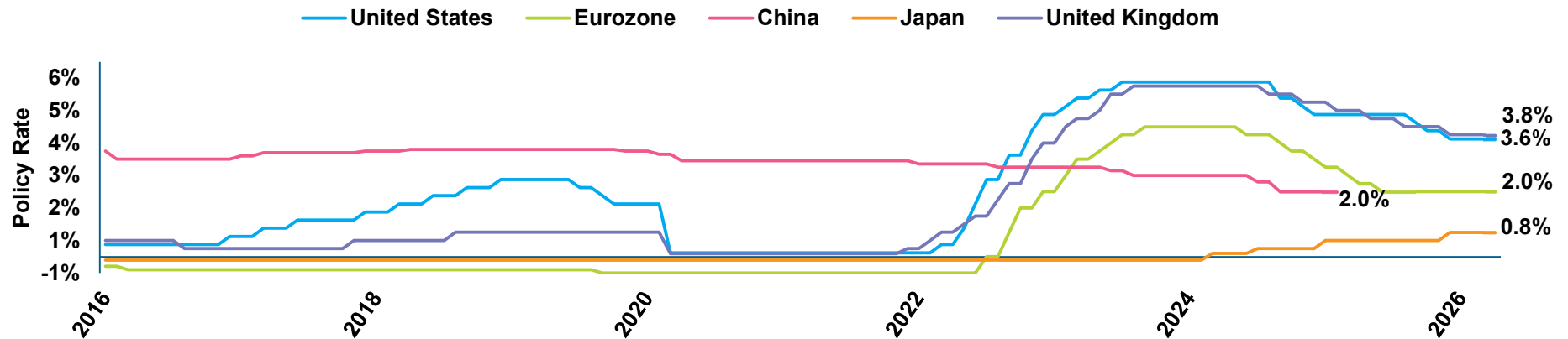
Global Inflation (CPI Trailing Twelve Months)¹



- Eurozone inflation rose to 3.0% YoY in April, remaining above the ECB's 2% target, driven by soaring energy prices.
- Japan's inflation rose from 1.3% to 1.5% but remains below the BOJ's 2.0% target. The increase was driven by the transport and communication sector.
- China's inflation edged up to 1.2% as the US/Iran conflict caused transport costs to experience a significant annual increase from 0.9% to 4.6%.

¹ Source: Bloomberg. Data is as of April 2026 except Japan which is as of March.

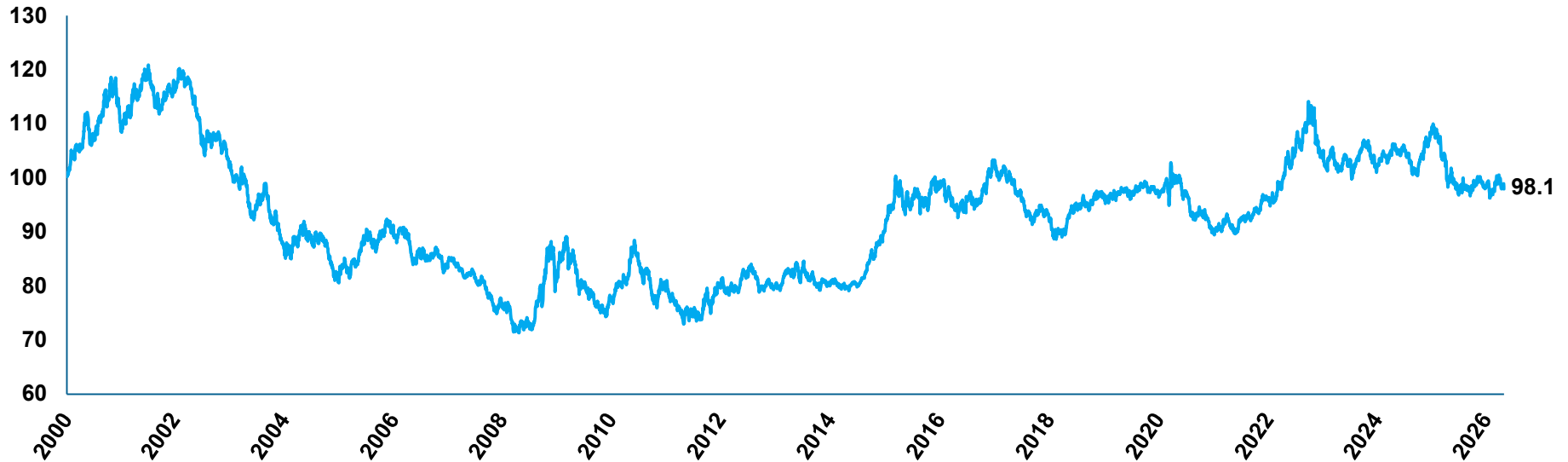
Global Policy Rates¹



- Global monetary policy diverged further in April as the European Central Bank (ECB) and Bank of England (BOE) signaled a tightening bias in response to energy-driven inflation, while the Fed held rates steady amid record internal dissent and a looming leadership change.
- The Fed held rates at 3.5%–3.75% for a third meeting (April 29), amid the highest dissent since 1992. Instead of cuts, markets are now expecting a rate hike by the end of 2026 into early 2027.
- The ECB and BOE are expected to raise policy rates 2-3 times this year, given the impact of higher oil prices on inflation in their regions. Both economies are net importers of oil, making them particularly exposed to the ongoing supply disruption through the Strait of Hormuz.
- The Bank of Japan is also expected to increase rates further this year though the Iran-conflict and yen weakness have introduced meaningful uncertainty around both timing and magnitude.
- China is expected to remain accommodative, with subdued inflation and weak domestic momentum warranting policy support.

¹ Source: Bloomberg. Data is as of April 30, 2026, 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.

US Dollar vs. Broad Currencies¹

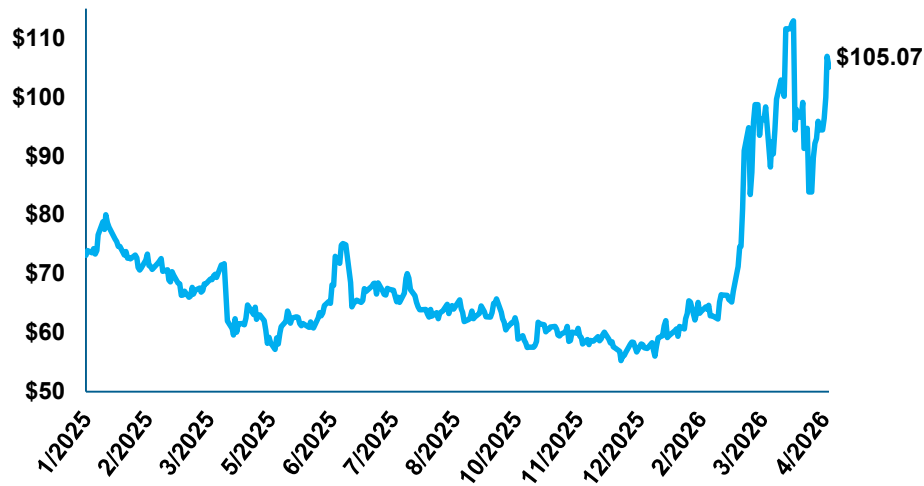


- Despite higher interest rates the US dollar weakened in April, with the DXY falling from 100.0 to 98.1.
- The decline reflected improved sentiment, easing geopolitical risk premiums, concerns over the dissent within the Fed, and ongoing worries around the US fiscal outlook. A softer dollar provided a tailwind for US investments abroad.
- The outlook remains sensitive to geopolitical developments and Fed policy expectations, with the upcoming leadership transition adding near-term uncertainty for currency markets.

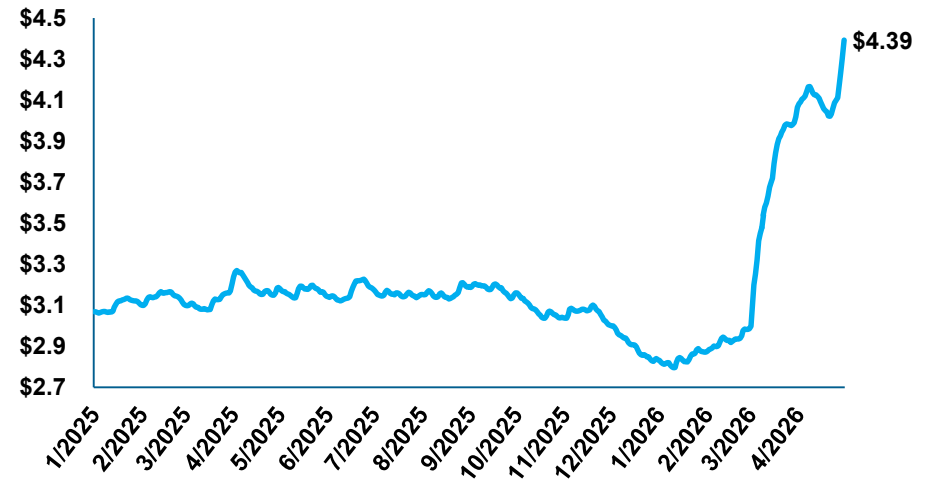
¹ Source: Bloomberg. Data is as of April 30, 2026.

Gas and Oil¹

WTI Crude



Avg. Retail Gas Price

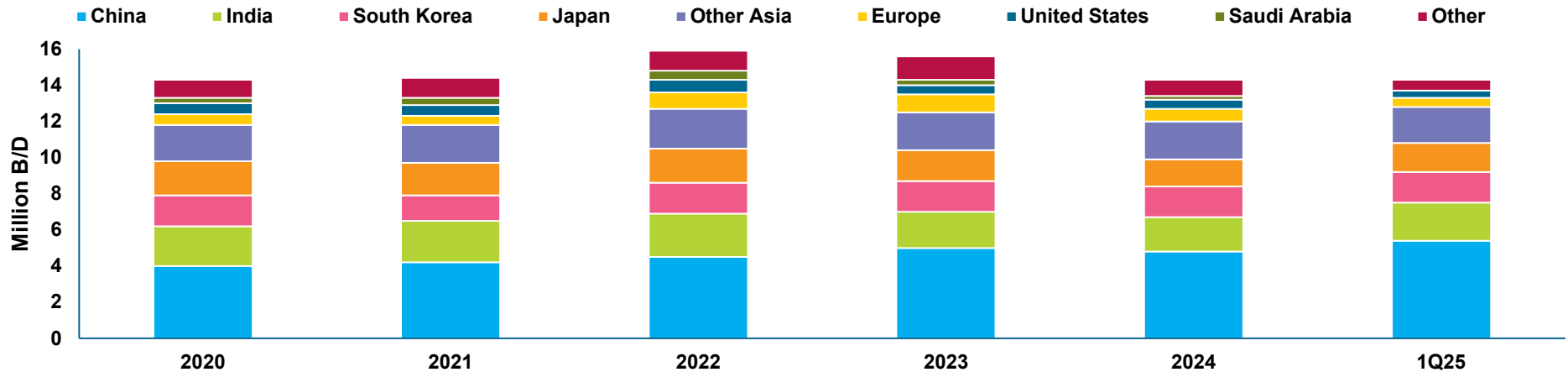


- Oil prices rose 15% in April as Strait of Hormuz disruptions persisted, with WTI finishing the month at \$105/barrel. Saudi Arabian production fell to its lowest level since 1990, and if demand holds and non-OPEC supply does not offset the decline, global inventories could reach critical levels by late summer.
- US gasoline prices increased to \$4.39/gallon in April, materially contributing to higher CPI. The impact is most acute for lower-income households, where energy comprises a larger spending share; gasoline prices have risen nearly 50% since late February, creating a sustained strain on consumer finances.

¹ Source: Bloomberg. Data is as of April 30, 2026.

Volume of Crude Oil¹

Volume of Crude Oil Transported Through The Strait of Hormuz, By Destination



- The impact of the conflict remains uneven, driven by oil dependence and trade flows. The Strait of Hormuz is a critical chokepoint; disruptions constrain supply from key exporters (Saudi Arabia, Iraq, UAE) and limit global distribution.
- China remains heavily reliant on Iranian oil (~90% of exports), while Japan, South Korea, and India depend on broader Gulf supply, amplifying vulnerability to disruptions.
- Strong US production provides a partial buffer, limiting WTI upside relative to global benchmarks. However, the IEA warns markets may remain undersupplied into at least October, with volatility elevated through peak summer demand.
- The duration of the conflict remains the key macro variable, shaping inflation and growth. Sustained de-escalation could ease price pressures and reopen the path for policy reassessment.

¹ Source: Apollo Academy. Data is as of March 31, 2025.

Key Trends

- Global growth expectations have been downgraded given the conflict in the Middle East. Even assuming a contained conflict, the IMF's April 2026 WEO cut projected global growth to 3.1% (from 3.3%). Downside risks dominate, with an extended escalation potentially pushing growth toward 2.0%, consistent with recessionary conditions.
- The key macro risk is an energy-driven inflation shock from Middle East conflict, where tight inventories and constrained supply could entrench price pressures, complicating the Fed's already uncertain policy path and challenging both growth and risk assets. The Fed's recent most divided meeting since 1992 underscores uncertainty around the policy path, compounded by leadership transition risk.
- US consumers show increasing strain at the lower end compounded by recent increases in energy prices with gasoline prices over \$4/gallon. Spending has outpaced wage growth, highlighting increased use of credit with delinquencies remaining elevated. Job growth (115k) exceeded fears, but rising involuntary part-time work, slow hiring, and falling participation signal underlying weakness.
- US equity performance has been strong given above-expectation earnings. Performance has broadened on a YTD basis, despite April's AI-led rebound. Energy, consumer staples, and industrials remain strongly performing sectors reflecting the Iran conflict's commodity impulse. Small cap stocks continue to lead the way in 2026 given earlier expectations of rate cuts and recently their domestic revenue orientation has insulated them from Iran conflict supply chain disruptions that have weighed on globally exposed large caps.

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San Joaquin County Employees' Retirement Association

June 12, 2026

Emerging Markets Equity

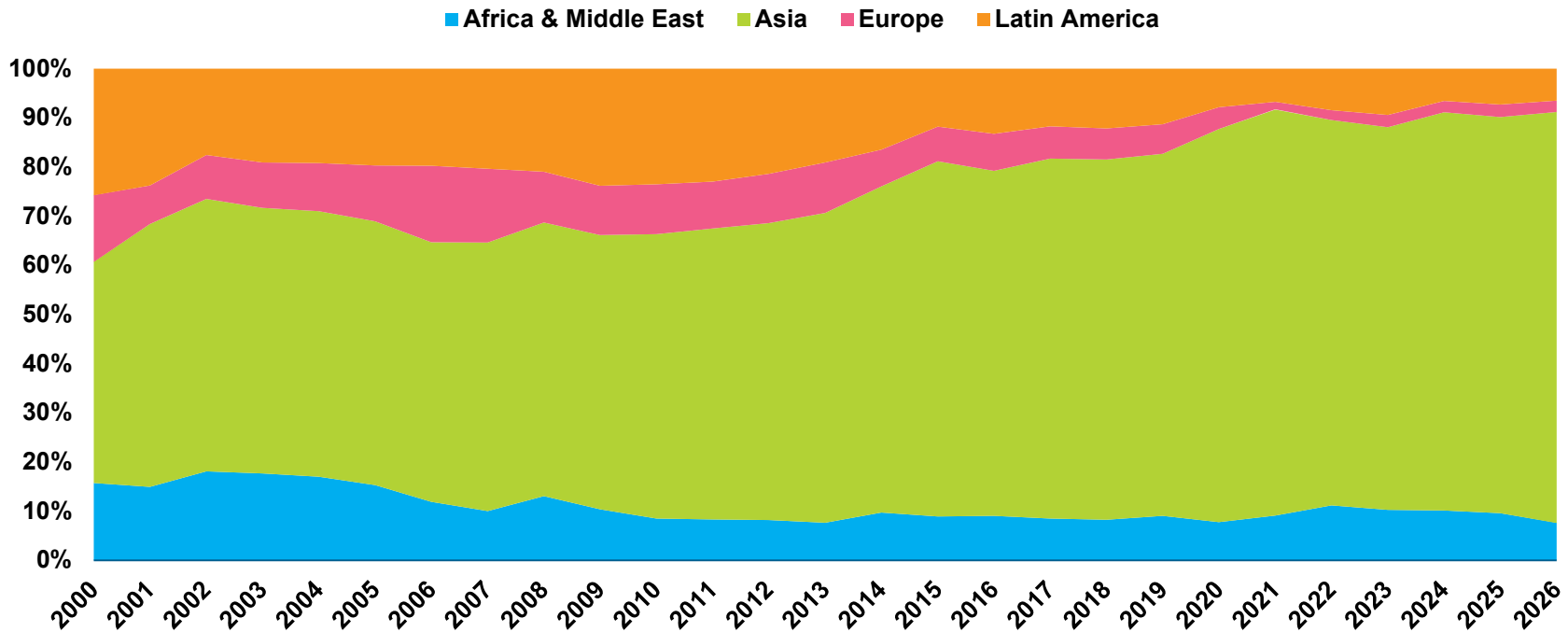
What are Emerging Markets?

- No single definition of an emerging market exists.
- Measures of national income or GDP per capita are often used among economists to distinguish countries' relative stages of development.
- The most used benchmark for measuring the performance of emerging market equities is the MSCI Emerging Markets (EM) Index.
 - MSCI developed its initial EM index in 1988 with stocks from 10 countries that together accounted for less than 1% of global market capitalization.
 - Today, the EM index includes stocks from 26 countries that comprise more than 10% of global market cap.

The Changing Nature of Emerging Markets

- The emerging market opportunity set has changed meaningfully over the last twenty years.
- At the turn of the century, Brazil, South Africa, and Mexico were three of the index's four largest countries, and Asian countries comprised ~40% of the index.
 - Asia now accounts for 84% of the index.¹

MSCI Emerging Markets Index Region Weights²



¹ Source: Bloomberg and MSCI as of April 2026.

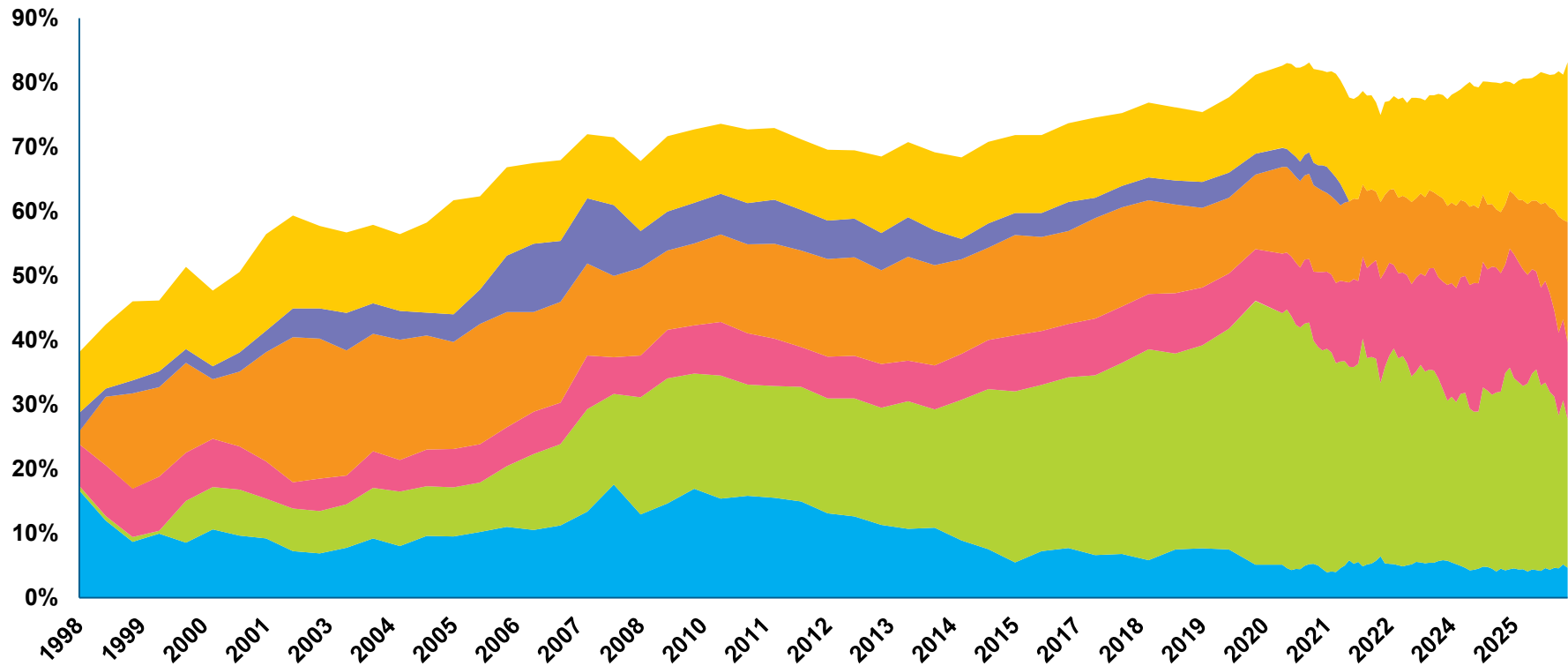
² Source: MSCI annual regional allocation by benchmark weight for the period from December 2000 through April 2026.

Changes in Geographic Allocations

→ The increased allocation to Asia is mostly driven by China and Taiwan, whose combined weight has grown from less than 11% in 1999, to around 48% in 2026.

MSCI Emerging Markets Index Country Weights¹

■ Brazil ■ China ■ India ■ Korea ■ Russia ■ Taiwan



¹ Source: Bloomberg. Data is for December 1999 through June 2021. China joined the WTO in 2000.

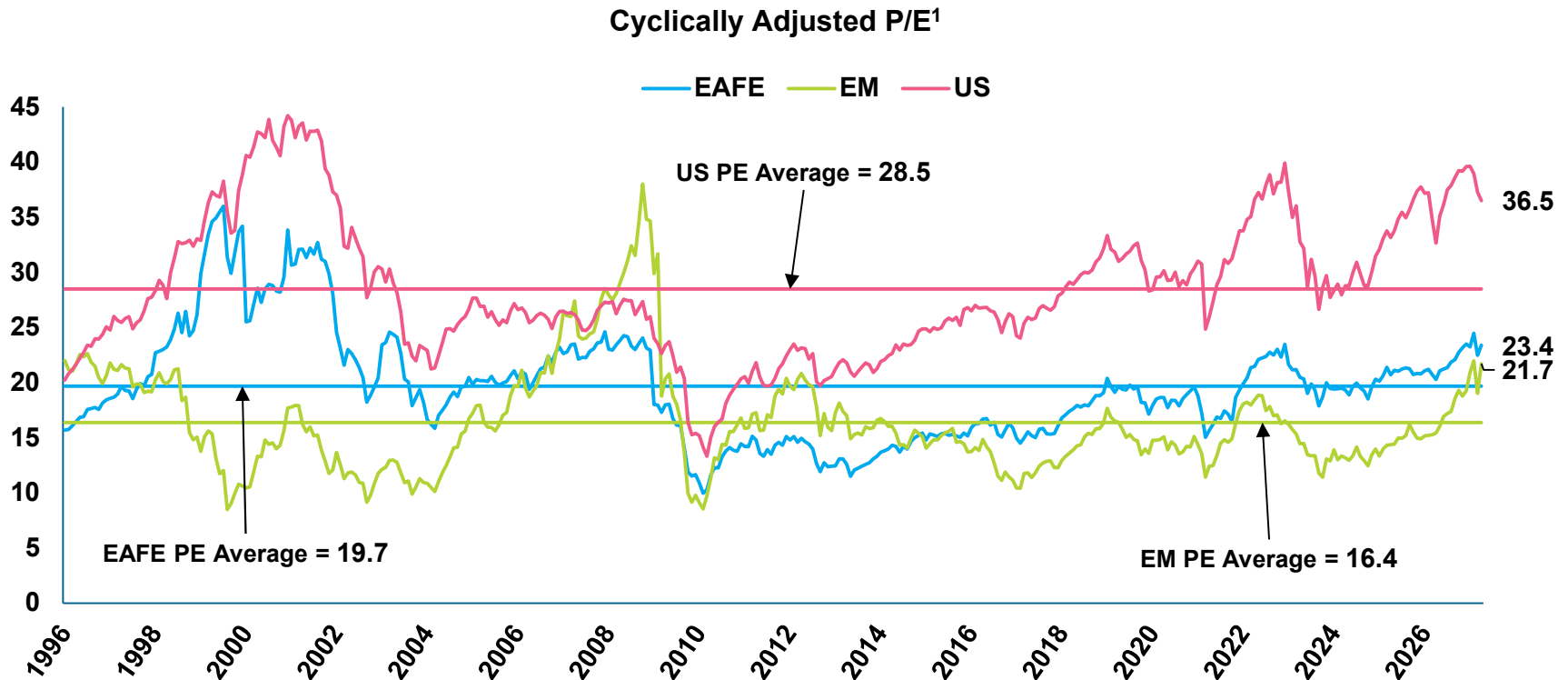
Long-Term Case for Emerging Markets

- The case for emerging market equities is typically based on three views: growth, weighting, and valuations.
- First, emerging market countries are expected to grow faster than their developed markets counterparts.
 - In theory, companies can grow more quickly when operating in high-growth economies, thus translating into higher returns for shareholders.
- Second, emerging markets remain underrepresented from a market capitalization and GDP-weighted standpoint in many institutional portfolios.
 - Emerging markets comprise approximately 37% of global economic output.¹
- Third, most emerging market equities trade at discounts relative to US equities, based on most valuation metrics.
 - Paying lower prices for faster expected growth is usually an attractive proposition.

¹ Source: Oxford Economics for economic output data (as defined by real GDO in US Dollars).

EM Equity Valuations

- The price paid for any asset affects the long-term return an investor earns.
- Domestic, Developed ex-US, and Emerging Market equities are all relatively expensive compared to their long-term averages. A rotation from US stocks to Emerging and Developed ex-US Stocks has increased the valuations of foreign equities in the past six months.



¹ Source: MSCI and Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is from January 1990 through April 2026.

Has Higher Growth Led to Higher Returns?

→ Since the inception of the MSCI EM index, emerging market equities have generated solid results.

- Emerging market equities have lagged US public equities but outperformed the equities of non-US developed economies.
- The underperformance relative to US equities is driven by more recent periods.
- Despite higher economic growth in emerging markets, the EM index has lagged US markets since the GFC.

Historical Returns¹

Index	Since EM Inception (1998) (%)	Since 2000 (%)	Since 2010 (%)
Emerging Market Equities	7.2	6.9	5.0
Developed Market Equities	6.2	4.9	7.0
US Equities	8.9	7.8	13.6

¹ Total annualized returns through April 2026 for MSCI Emerging Market Equity Index, MSCI EAFE Index and the S&P 500 Index.

What May Hinder Higher Returns?

- Several factors may prevent economic growth from translating to higher profitability.
 - Growth in earnings, but not EPS, due to net share issuance/dilution.
 - State-owned and state-controlled enterprises focusing on stakeholders other than shareholders.
 - Foreign/global companies benefiting from EM economic growth at the expense of local companies.
- What could cause this to change?
 - Greater openness to returning capital to shareholders and broader financial engineering.
 - Shift away from old, state-owned enterprises dominating the indices.
 - Continued emergence of local champions that can compete with current industry leaders.

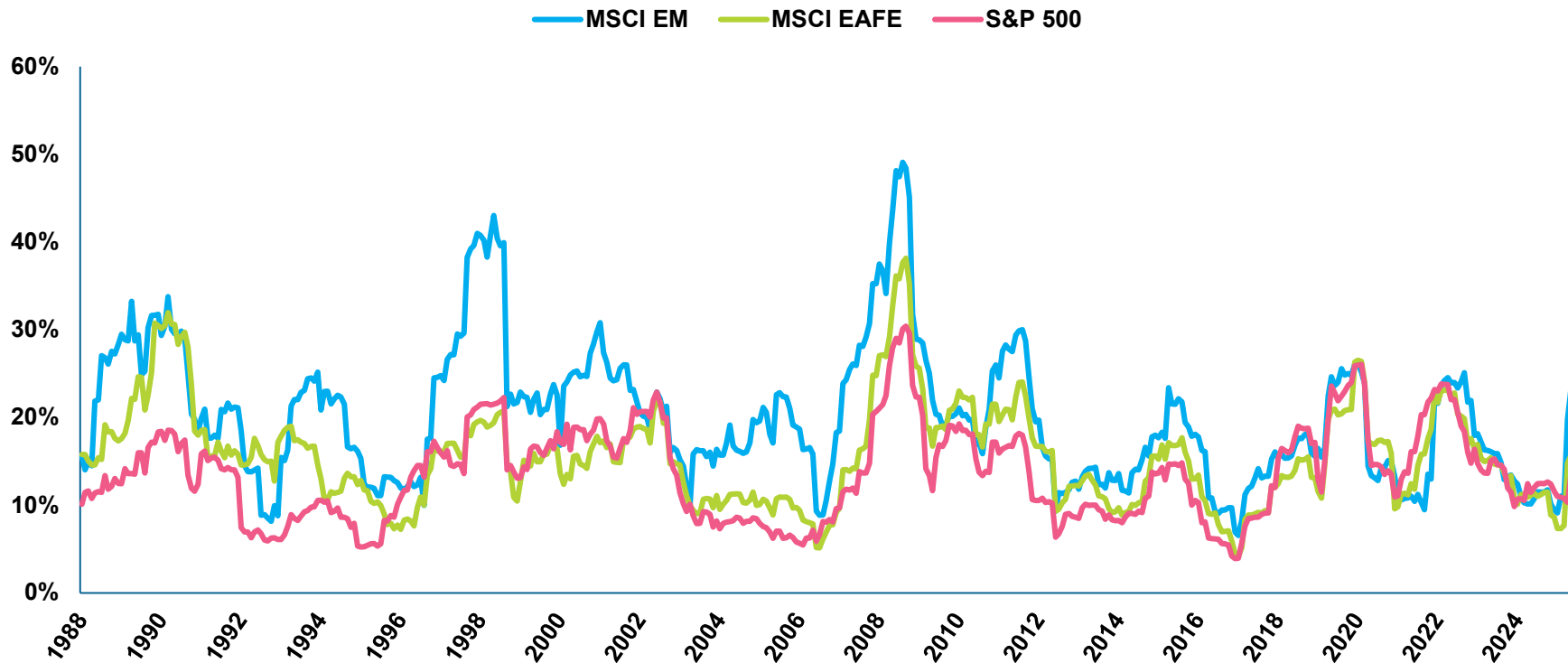
Event and Political Risks and Concerns

- Within emerging markets, there are unique political risks that can lead to higher volatility and potentially lower returns.
- Political risks are present whenever investing outside the US.
 - Civil insurrection and wars (cold or hot) can flare up and affect non-US investments.
 - In the extreme, different political system can result in events such as state seizure of assets.
 - Different business practices may lead to higher levels of corruption, graft, and theft/fraud.
- A current consideration is the ongoing disputes between the US and China.
 - This tension can lead to greater volatility in the short term and potentially harm long-term returns.
 - On the other hand, this may already be priced into the markets.
- Like most capital markets, emerging markets tend to exhibit cyclical behavior.
 - These cycles can be amplified due to alternating periods of risk-on and risk-off investor behavior.
 - In periods of economic or political stress, investor outflows can exit all emerging markets indiscriminately.

Volatility

→ Emerging market equities have historically been more volatile than US and non-US developed markets.

Market Volatility¹



¹ Source: Bloomberg. Data for January 1988 – April 2026.

Emerging Markets in a Strategic Asset Allocation

- Due to higher growth expectations and lower valuations, emerging market equities tend to exhibit the highest expected returns among the public asset classes in Meketa's capital market expectations.
 - However, Meketa also projects that emerging market equities will have the highest volatility of public market securities.
- We believe EM equities are one of few public market asset classes that can help an investor achieve a return over 6% or 7%.
 - Hence, any investor building a diversified portfolio and hoping for a higher rate of return should consider a dedicated allocation to emerging market equities.
- We recommend that investors with well-diversified portfolios consider targeting an allocation to emerging market equities that is at least in-line with their broader global market capitalization.
 - Investors may also want to consider an overweight to EM, especially relative to non-US developed markets.
 - This better reflects the level of importance emerging markets have in the global economy and their potential as a driver of long-term performance.
 - EM has more attractive growth prospects, and at potentially lower prices, than most non-US developed markets.

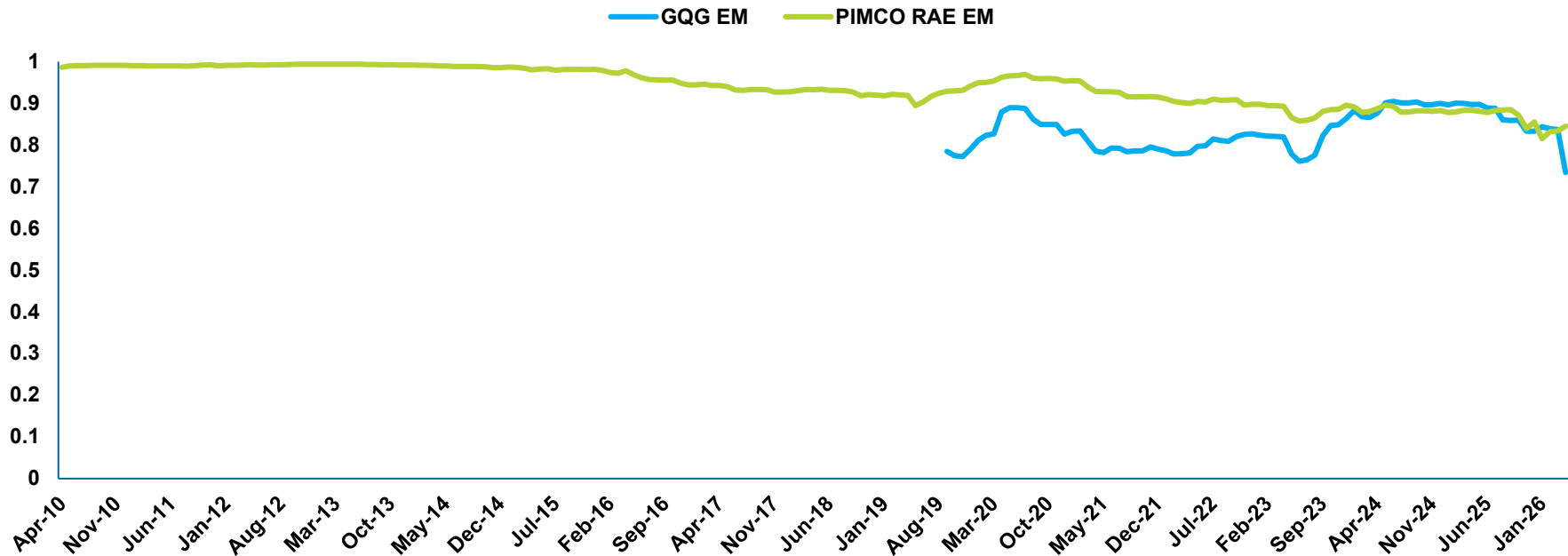
Current Emerging Market Equity Exposure

- SJCERA currently gains exposure to Emerging Markets equity through two active managers: PIMCO RAE Emerging Markets and GQG Active Emerging Markets.
 - PIMCO RAE is a more systematic strategy with a large number of holdings and a value tilt.
 - GQG EM is a concentrated portfolio that uses a fundamental approach and aims to invest in high quality growth companies.
- We believe that each strategy complements the other and provides the SJCERA portfolio with diversified exposure to the asset class while still providing opportunities to outperform the MSCI Emerging Markets index over a full business cycle.
- In the past year, GQG has developed an underweight exposure to AI-linked companies which is underpinned by the firm's contrarian belief that AI-driven equities are overvalued and the current market enthusiasm surrounding the AI narrative is unsustainable.
- While this defensive position has driven relative underperformance over the past year as AI-related stocks have rallied, this thesis falls within GQG's quality-oriented approach, and the strategy has still outperformed the MSCI EM index since its inception in the SJCERA portfolio.
- Meketa Manager Research maintains their conviction in both PIMCO RAE Emerging Markets and the GQG Emerging Markets strategy.

Performance & Correlation

	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs
PIMCO RAE Emerging Markets	8.1	32.8	20.2	11.2	11.4
GQG Active Emerging Markets	1.6	12.1	14.6	4.1	-
MSCI Emerging Markets Index	-0.2	29.6	14.8	3.7	7.8

Rolling 36 Month Correlation with MSCI EM Index



Summary

- The emerging markets hypothesis, while still focused on growth, has evolved over the past two decades.
 - EM economies are continuing to grow as a percentage of the world's population and economic output.
- The EM opportunity set now represents exposure to a growth story that is primarily focused on Asia.
 - The EM index has evolved not just in regional terms, but also industry and company-specific terms.
 - The composition of EM equity indices reflects the rise of information technology, communication services, and financial services.
 - Not coincidentally, EM indices have also become increasingly concentrated and dominated by a few mega-cap companies in these sectors.
- Our primary long-term concern is whether strong economic growth will translate into equally strong investment returns for public equity shareholders.
- We believe that, as a group, emerging markets present the potential for higher equity returns than from developed markets.
- Meketa Manager Research believes that PIMCO RAE Emerging Markets and GQG Active Emerging Markets are high conviction complementary strategies that provide SJCERA with diversified exposure to emerging market equities and we do not recommend any changes at this time.

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San Joaquin County Employees' Retirement Association (SJCERA)

June 2026

2026 Portfolio Analysis

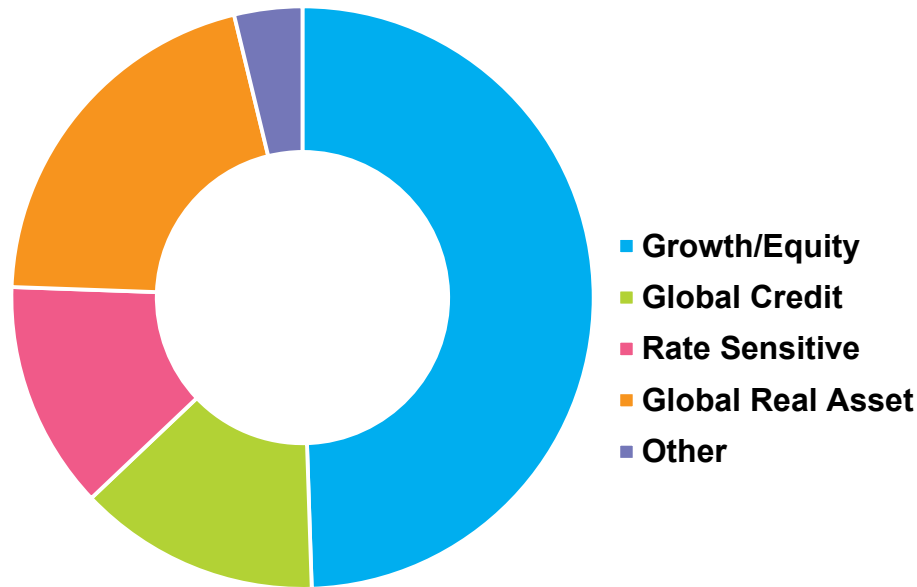
Background

- This document presents the current asset allocation policy using 2026 capital market assumptions for the SJCERA portfolio.
 - The long-term targets were approved in 4Q 2025.
- We focused on reviewing the SJCERA portfolio relative to the peer universe of public DB plans.
- There are no recommended changes to the portfolio.

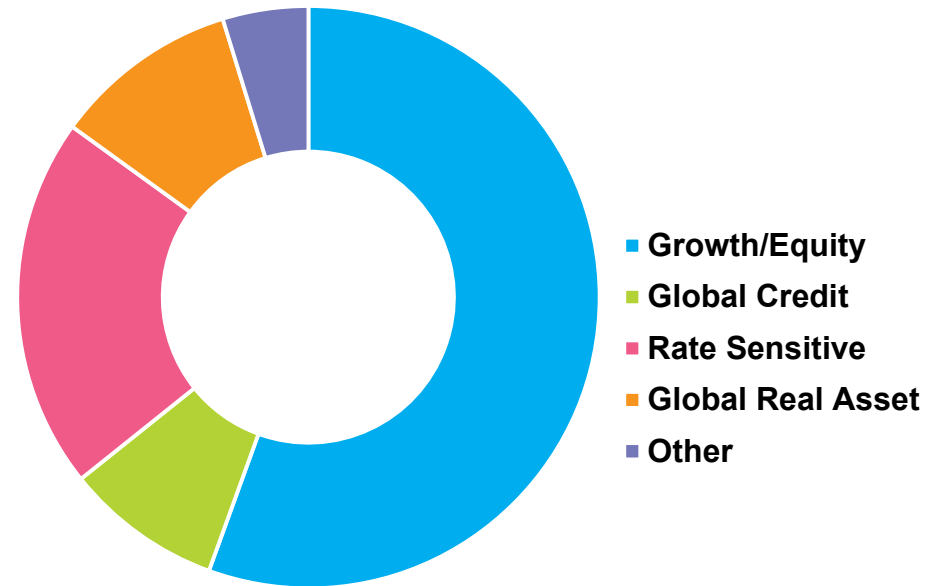
Long-Term Policy Targets (2026)

Strategic Classes	Current	All Public DB >\$1 Bil
Broad Growth	81	---
Aggressive Growth	21	---
Private Equity	10	---
Infrastructure	5	---
Value/Opp RE	6	---
Traditional Growth	38	---
Stabilized Growth	22	---
<i>Credit</i>	13	---
<i>Core Real Assets</i>	9	---
Diversifying Strategies	19	---
Principal Protection	9	---
CRO	10	---
20 Year Stats		
Median Compound Rtn	8.2	7.9
Standard Deviation	12.4	12.5
Sharpe Ratio	0.41	0.38

SJCERA Current Target Portfolio



All Public DB >\$1Bil



→ SJCERA is underweight Equities relative to the DB Universe.

* Policy benchmark Only. Does not include active management and assumes rebalancing to target.

Current Portfolio – Negative Scenario Analysis

Negative Scenario*	L-T Policy	All Public DB >\$1 Bil
Post-COVID Rate Hikes (Jan 2022 - Oct 2023)	-6.68	-9.56
COVID-19 Market Shock (Feb 2020 - Mar 2020)	-15.63	-17.72
Taper Tantrum (May - Aug 2013)	0.56	0.01
Global Financial Crisis (Oct 2007 - Mar 2009)	-26.59	-27.55
Popping of the TMT Bubble (Apr 2000 - Sep 2002)	-14.19	-16.85
LTCM (Jul - Aug 1998)	-5.93	-7.99
Asian Financial Crisis (Aug 97 - Jan 98)	3.24	2.80
Rate spike (1994 Calendar Year)	4.71	2.69
Early 1990s Recession (Jun - Oct 1990)	-3.63	-5.63
Crash of 1987 (Sep - Nov 1987)	-7.85	-10.96
Strong dollar (Jan 1981 - Sep 1982)	6.77	5.31
Volcker Recession (Jan - Mar 1980)	-2.01	-4.95
Stagflation (Jan 1973 - Sep 1974)	-15.81	-18.66

* Policy benchmark Only. Does not include active management and assumes rebalancing to target.

Current Portfolio – Positive Scenario Analysis

Positive Scenario*	L-T Policy	All Public DB >\$1 Bil
COVID Recovery (Apr 2020 - Dec 2021)	50.49	54.97
Global Financial Crisis Recovery (Mar 2009 - Nov 2009)	27.99	33.61
Real Estate and Buyout Boom (Oct 2004 - Sept 2007)	63.31	59.48
Best of Great Moderation (Apr 2003 - Feb 2004)	26.76	29.70
Peak of the TMT Bubble (Oct 1998 - Mar 2000)	44.34	52.61
Plummeting Dollar (Jan 1986 - Aug 1987)	50.82	50.45
Volcker Recovery (Aug 1982 - Apr 1983)	25.06	32.12
Bretton Wood Recovery (Oct 1974 - Jun 1975)	23.02	28.20

* Policy benchmark Only. Does not include active management and assumes rebalancing to target.

Current Portfolio – Negative Stress Test

Negative Stress	L-T Policy	All Public DB >\$1 Bil
10-year Treasury Bond rates rise 100 bps	3.56	3.74
10-year Treasury Bond rates rise 200 bps	-1.12	-2.11
10-year Treasury Bond rates rise 300 bps	-1.99	-3.48
Baa Spreads widen by 50 bps, High Yield by 200 bps	0.79	0.70
Baa Spreads widen by 300 bps, High Yield by 1,000 bps	-18.62	-20.82
Trade Weighted Dollar gains 10%	-3.34	-3.70
Trade Weighted Dollar gains 20%	-0.21	-1.26
US Equities decline 10%	-4.71	-5.49
US Equities decline 25%	-14.95	-16.05
US Equities decline 40%	-22.60	-25.15

* Policy benchmark Only. Does not include active management and assumes rebalancing to target.

Current Portfolio – Positive Stress Test

Positive Stress	L-T Policy	All Public DB >\$1 Bil
10-year Treasury Bond rates drop 100 bps	1.75	2.23
10-year Treasury Bond rates drop 200 bps	8.94	10.57
10-year Treasury Bond rates drop 300 bps	11.43	13.51
Baa Spreads narrow by 30 bps, High Yield by 100 bps	6.38	6.94
Baa Spreads narrow by 100 bps, High Yield by 300 bps	10.63	12.61
Trade Weighted Dollar drops 10%	6.79	7.43
Trade Weighted Dollar drops 20%	20.34	21.66
US Equities rise 10%	5.91	6.44
US Equities rise 30%	13.22	15.47

* Policy benchmark Only. Does not include active management and assumes rebalancing to target.

Summary

1. Stay the Course

Based on the recent Risk Survey the portfolio reflects the Return/Risk assumptions of the Board and Staff.

2. All Weather Focus

The portfolio is structured to weather up and down markets..

3. Review Liquidity at an upcoming meeting

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MEMORANDUM

TO: SJCERA Board of Retirement (SJCERA)
FROM: Meketa Investment Group (Meketa)
DATE: June 12, 2026
RE: Preliminary 2026 Roundtable Overview

Discussion and Overview:

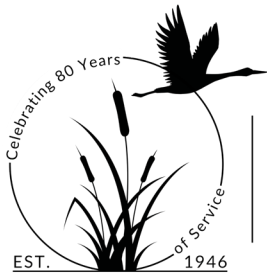
In preparation for the upcoming SJCERA 2026 Roundtable on October 15th, Meketa and SJCERA staff have identified several topics for your consideration in these discussions.

- **International Investing (Equities and Bonds)** – Where does the world stand with all of the global conflicts? What are the key benefits of allocating to international markets. The US equity markets have dominated investment returns since the GFC – will that continue or is uncertainty ahead? Do international markets present a more compelling opportunity over the next decade? And how should Chinese markets be considered within this structure?
- **Inflation and/or Stagflation** – When will inflation moderate and what are the implications? The global economy has been faced with historically high inflation alongside slowing economic growth. What is the risk of Stagflation? What does a more normalized economic market look like from here? What investment trends make sense over the next three to five years given this backdrop?
- **Equities and Bonds** – Higher interest rates have led to higher bond yields. How much farther can the equities market increase given current valuations? How should investors, such as SJCERA, think about the public markets relative to economic conditions?
- **Real Estate, Private Equity and Private Credit** – What is next for Private markets? Will distributions increase? Are managers pursuing the same investments? Can Real Estate continue to bounce back? And what sectors are best positioned going forward?

Format:

Similar to prior Roundtable events, Meketa and SJCERA staff propose to include a keynote speaker, educational panels and a Q&A discussion session with Board trustees, managers, and advisors.

In developing this year's agenda, our goal is to ensure the content is practical and useful for the SJCERA Board. Meketa and SJCERA staff welcome your input on the proposed topics. Meketa will collaborate with staff to refine the program and make this a productive event for everyone involved.



SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

June 5, 2026

TO: Board of Retirement

FROM: Renee Ostrander 
Chief Executive Officer

SUBJECT: Chief Executive Officer Report

STRENGTHEN THE LONG-TERM FINANCIAL HEALTH OF THE RETIREMENT PLAN

Evaluate the Appropriateness of Actuarial Assumptions

Conduct Actuarial Audit.

The actuarial audit remains on target. Cheiron's staff continue to upload actuarial data files into Segal's portal, and the audit presentation remains on track for Board's September meeting.

Asset Allocation

Implement 2025 Board-approved Asset Allocation.

Meketa is conducting an evaluation of the portfolio's emerging markets exposure and current manager lineup as part of the implementation of the Board-approved 2025 Asset Allocation. At the same time, the investment team continues to review both new and existing emerging markets managers for portfolio fit, performance, and alignment with long-term investment objectives.

Optimize the Investment Manager Lineup

Analyze and develop strategy to reduce investment fees.

SJCERA entered into an agreement with XTP Implementation Services to independently review and validate investment-related fees and expenses for a selection of investment funds within the portfolio. XTP will help confirm that fees are accurate and identify opportunities to reduce costs and improve overall investment efficiency.

Search for new Private asset class managers.

The team reviewed 17 prospective private market funds to evaluate overall portfolio fit, including investment strategy, return potential, diversification benefits, and alignment with SJCERA's long-term investment objectives. The review process also considered manager experience, market opportunities, and key risk factors before advancing funds to Meketa for additional due diligence.

Evaluate investment managers, including legacy managers, to optimize performance; initiate changes as needed.

Five existing private market managers were reviewed based on returns relative to benchmarks, performance consistency, portfolio positioning, and adherence to investment objectives. Reviews included an assessment of manager execution, market conditions, organizational stability, and the continued role of each investment within the broader portfolio strategy.

Risk Assessment

Perform risk survey and evaluate any necessary changes.

The recent Risk Survey confirmed broad alignment between the Board and Staff on the portfolio's return and risk objectives, supporting a stay-the-course approach. Results also reinforced confidence in the portfolio's all-weather design. As we evaluate the portfolio from different perspectives, we will continue to assess liquidity, including exposure to private markets, and conduct stress testing later this year to ensure the portfolio remains positioned to meet ongoing and future benefit payment obligations.

MODERNIZE THE OPERATIONS INFRASTRUCTURE

New Pension Administration System (PAS)

Achieve defined milestones in new Pension Administration System.

On May 20, Heywood provided SJCERA staff with a demonstration of the functionality scheduled for delivery in the June 17 software release. The session provided valuable hands-on training and practical experience with the new system capabilities and included instruction on configuring and modifying the software's built-in workflow management tools. In preparation for the upcoming Version 0.5 release, SJCERA and MBS provided updated scrambled data to Heywood on May 26. Enhanced data scrambling routines were utilized to more closely align the anonymized data with production-level data characteristics, while continuing to maintain data privacy and security requirements. Additionally, SJCERA and Linea Secure have continued evaluating Heywood's technical environments, cybersecurity protocols, tools, and operational procedures to ensure alignment with SJCERA's cybersecurity standards. Final environment configurations and required system patches are expected to be completed prior to the June 17 release. Looking ahead, the SJCERA CEO and Assistant CEO are scheduled to attend Heywood's annual CLASS Conference in Manchester, United Kingdom, on July 1-2 to engage with industry peers and review ongoing product and implementation developments.

Member Experience

Implement process for Alive and Well project.

Last month, SJCERA staff sent off over 300 notice letters to another segment of retirees. So far, we have received verifications from over half the identified group. The next letter will be going out sometime in May for those that haven't responded.

Improve Business Operations

Develop workflows for tracking and improving current workload.

SJCERA is actively advancing the automation of Retiree Health Care administration processes to improve operational efficiency, reduce manual staff workload, and enhance the accuracy of enrollment, change, and disenrollment transactions with health, dental, and vision vendors.

Implement in house development of ACFR and PAFR.

SJCERA has completed the draft 2025 Annual Comprehensive Financial Report (ACFR) and is finalizing the Popular Annual Financial Report (PAFR) in preparation for submission to the Government Finance Officers Association (GFOA) by the June 30 deadline. Notably, both the ACFR and PAFR were completed entirely by in-house staff this year rather than through outsourced support, reflecting the continued development of internal expertise and operational capacity within the organization. In addition, the Finance team is actively working to complete and submit the State Controller's Office Public Retirement System Annual Report prior to the June 30 statutory filing deadline. These efforts demonstrate SJCERA's ongoing commitment to timely, accurate, and transparent financial reporting.

Employer Experience

Develop Employer Ambassador program for Payroll Users Group.

SJCERA has decided to pilot the new program on July 30, 2026, from 1pm-4pm. This initiative is part of our efforts to enhance employer experience and to align our employers on certain onboarding procedures. Currently we are in the final stages of developing the materials. We are eager to have all our SJCERA payroll groups and human resources representatives join us for a day of education.

ALIGN RESOURCES AND ORGANIZATIONAL CAPABILITIES

Board of Retirement Practices

Define board educational needs and implement corresponding educational opportunities and materials.

With four new trustees joining the SJCERA Board of Retirement this July, the administrative team is identifying a compilation of supplemental education targeting several areas of critical importance, including investments, security and benefits operations. The first orientation for the new trustees is scheduled to happen in late June, so they are adequately prepared for their first meeting in July.

MANAGING EMERGING NEEDS

Develop 2027-2031 Strategic Plan.

After receiving feedback from the Board at the last special board meeting, we are coordinating and drafting objectives to the tentative approved goals, alternatives and options to consider for a new mission and vision. adjusting as necessary based on that feedback. We plan to have a draft ready to share with staff by July.

Complete RFP for Investment Consulting Services.

The Investment Consulting Services RFP has been drafted. The plan is to finalize and then release the RFP in July and have a contract in place by October with a contract effective date of January 1, 2027. A reminder that once the RFP has been sent, trustees and staff will enter a "quiet period" until the contract is signed.

2026 Investment Roundtable

Presented to the Board this month will be the Primer for the 2026 Investment Roundtable. The Primer will include general topics and questions that the sessions will be intended, at a high level, to answer. We are also in the final stages of securing a keynote speaker.

MAINTAIN BUSINESS OPERATIONS

Annual Comprehensive Financial Report

On April 1, SJCERA received notification from the GFOA that both its 2024 Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR) were awarded the Certificate of Achievement for Excellence in Financial Reporting. This recognition represents the highest form of acknowledgment in governmental accounting and financial reporting and reflects SJCERA's continued commitment to transparency, accountability, and high standards in financial reporting practices.

Provide Excellent Customer Service

A few quotes from our members:

"I had the pleasure to speak with Vickie (Monegas) concerning a Death Benefit distribution. She was very kind and helpful and was able to answer my questions easily. She knew exactly what my concern was and offered to e-mail me the necessary document I needed. This was done right away, which I greatly appreciated. Overall, my interaction with Vickie was outstanding. 10/10."

“She (Andrea Bonilla) was knowledgeable, personable, thoughtful, helpful and timely with follow up and responses.”

Employee of the Month

SJCERA’s Employee of the Month in May was Investment Accountant Frank Oppong Kyekyeku. A well-deserved “Thank You” to Frank for leading the effort with dedication to ensure a timeline completion of the ACFR. This year’s timeline is our best year yet. Frank was the driving force behind coordinating the different inputs from staff, consultants, and auditors, while ensuring we remained on schedule. When difficulties arose, Frank handled with professionalism. And, for sustainability, he worked with consultants to help build procedures for future years. SJCERA is on point to send out the ACFR report at our earliest date yet. Well done, Frank! Keep up the great work!

Conclusion

This month marks the 80th anniversary for when SJCERA was first established. In celebration of this milestone, we had the honor of being recognized by the San Joaquin County Board of Supervisors on June 2. We were thrilled to have all trustees and even former trustees attend this celebration. We have also put together a timeline of SJCERA through the decades, a time capsule, and hung the original Ordinance No. 485 in our Board room to keep reminding us of our true purpose and humble beginnings.



In the Board materials, you’ll also see that the new 80th anniversary logo has been applied. The new logo will display the 80 years highlight throughout 2026. In 2027, the highlight will be removed, and the new logo will remain.

This month we will be saying goodbye to Raymond McCray, our longest tenured board member. Trustee McCray joined our board for 36 years ago, seeing the organization through many changes. He started long before SJCERA had reached its first billion AUM. SJCERA has benefited from his incredible knowledge and expertise over the decades and know he will be sorely missed. We wish to honor his impact with a resolution and wish him luck in his future endeavors.

In addition, we will be saying goodbye to Board member, Emily Nicholas who holds the active general member seat. Emily has been on the board of retirement for six years (two three-year terms). We have appreciated her unique look at the plan and our employer engagement with an employer outside of our majority employer, San Joaquin County. As we wish her well in her next chapter, we would like to welcome her successor, Jessie Escotto from the San Joaquin County General Hospital. Jessie is the Facilities Manager at the hospital and is excited to be joining the SJCERA board as the active general member representative. We look forward to his unique perspective on the diversity of employment that the hospital contains, i.e. non-traditional communication with active employees, desired education, etc.



2026 Action Plan

Mid-Year Update

1. STRENGTHEN THE LONG-TERM HEALTH OF RETIREMENT PLAN

	ACTION ITEM	BENEFIT
1a. Evaluate the Appropriateness of Actuarial Assumptions		
1.a.i.	Conduct Actuarial Audit.	Evaluating current actuarial auditing practices.
1b. Asset Allocation		
1.b.i.	Implement 2025 Board-approved Asset Allocation.	Confirming the Board's direction and risk tolerances for building an aligned asset portfolio.
1.b.ii.	Review Investment Policy Statement/Strategic Asset Allocation Policy.	Aligning with ALS and targeting achievement of annual performance objective.
1.b.iii.	Review policy/asset class benchmarks and make changes as necessary.	Provided the Board with relevant targets, created a relevant means to evaluate manager performance.
1.b.iv.	Review Real Estate class and evaluate current managers and weightings.	Evaluating classes to determine best path for maximized returns within the capital market assumptions.
1.b.v.	Review and evaluate Crisis Risk Offset allocation.	Evaluating classes to determine best path for maximized returns within the capital market assumptions.
1c. Operating Model 2026		
1.c.i.	Assess and modify SJCERA Statement of Funding Policy as needed.	Ensuring the Board's policy on funding continually evaluates the current environment and demographics and potential opportunities and outcomes of changes considered.
1d. Optimize Investment Manager Lineup		
1.d.i.	Analyze and develop strategy to reduce investment fees.	Decreasing overall fees of the system, resulting in a higher net of fees return.
1.d.ii.	Search for new Private asset class managers.	Maximizing investment returns by continually considering opportunities available in the marketplace.
1.d.iii.	Evaluate investment managers, including legacy managers, to optimize performance; initiate changes as needed.	Improving investment performance by seeking to reduce drag on returns from ineffective partners.
1.d.iv.	Conduct 2026 Pacing Study for various asset classes.	Managing cash flows to maximize returns.
1e. Risk Assessment		
1.e.i.	Perform risk survey and evaluate for any necessary changes.	Affirmed alignment of Board's risk tolerance to portfolio management.

	ACTION ITEM	BENEFIT
1.e.ii.	Review and present 2026 Capital Market Assumptions.	Providing the Board with relevant market assumptions, creating a means to evaluate target assumptions.
1f. Define Emerging Governance Issues		
1.f.i	Identify and implement fund governance changes on an as needed basis.	Minimizing risk and ensuring a solid foundation for system to operate.
1.f.ii.	Maintain a strong baseline of legal compliance with documents, guides, training, and continuance of the established review process.	Reducing Board and system liability.
1.f.iii.	Conduct and present ongoing manager due diligence reviews via status reports, Board presentations, and on-site visits.	Ensuring managers are aligned with Board Asset Allocation Policy, and creating a relevant means to evaluate manager performance.

2. MODERNIZE THE OPERATIONS INFRASTRUCTURE

	ACTION ITEM	BENEFIT
2a. New Pension Administration System		
2.a.i.	Achieve defined milestones in new Pension Administration System.	Assessed current timeline and implementation schedule. Determined it to be in the best interest of the pension system to search for new vendor.
2.a.ii.	Assess current member expectations.	Creating awareness for increased adoption by stakeholders.
2.a.iii.	Develop communication strategy for new Pension Administration System readiness.	Creating awareness for increased adoption by stakeholders.
2.a.iv.	Define metrics for new Pension Administration System.	Improving operational efficiency for new pension system.
2b. Member Experience		
2.b.i.	Develop education and training for active, retired, and deferred members regarding new Pension Administration System.	Increasing employee knowledge for more effective/efficient use of the system and minimizing unintentional user error.
2.b.ii.	Implement process for Alive and Well project.	Improved retiree status verification efficiency and accuracy.
2c. Improve Business Operations		
2.c.i.	Develop workflows for tracking and improving current workload.	Creating efficiencies to increase capacity.
2.c.ii.	Implement in house development of ACFR and PAFR.	Increased report accuracy, streamlined processes, and reduced costs.
2d. Employer Experience		
2.d.i.	Develop education and training for employers regarding new Pension Administration System.	Creating a more educated employer population, increasing employer understanding of new PAS.
2.d.ii.	Develop Employer Ambassador program for Payroll Users Group.	Creating a more educated employer population, increasing employer understanding of SJCERA processes.

3. ALIGN RESOURCES AND ORGANIZATIONAL CAPABILITIES

	ACTION ITEM	BENEFIT
3a. Workforce Planning		
3.a.i.	Develop a preliminary post-system implementation workforce allocation.	Aligning resources and capacity to workload needs; creating a sustainable environment.
3.a.ii.	Create succession plan onboarding for all positions.	Improving team transitions and reducing potential risks caused from turnover.
3b. Staff Education		
3.b.i.	Define staff educational needs and develop corresponding training opportunities.	Incorporating staff development to improve engagement with employees.
3c. Board of Retirement Practices		
3.c.i.	Define board educational needs and implement corresponding educational opportunities and materials.	Minimizing risk and ensuring a solid educational foundation for trustees to utilize for decision making.
3d. Organization Metrics		
3.d.i.	Implement new data analytics tools and methodologies.	Improving internal processes and efficiency.

MANAGING EMERGING NEEDS

	ACTION ITEM	BENEFIT
	Develop 2027-2031 Strategic Plan.	Aligning organizational goals, strengthen long-term planning, and support future growth.
	Complete RFP for investment consulting services.	Ensuring best practices are upheld with regular evaluation of costs and services provided in the investment consulting space.

	On Track
	Completed
	Identified Potential Risks
	Known Delays