# SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## AGENDA

**ADMINISTRATIVE COMMITTEE MEETING**
**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**
**BOARD OF RETIREMENT**
**MONDAY, NOVEMBER 16, 2026**
**AT 9:00 AM**
SJCERA Board Room, 220 East Channel Street, Stockton, California

Persons who require disability-related accommodations should contact SJCERA at (209) 468 - 2163 or gregf@sjcera.org at least forty-eight (48) hours prior to the scheduled meeting time.

**1. ROLL CALL**

**2. PUBLIC COMMENT**

**2.1** The public is welcome to address the Committee during this time on matters within the Committee's jurisdiction. Members of the public are encouraged to complete a Public Comment form, which can be found near the entry to the Conference Room. 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.

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 Committee on items not listed on the agenda. Members of the Committee may, but are not required to: (1) briefly respond to statements made or questions posed by persons addressing the Committee; (2) ask a brief question for clarification; or (3) refer the matter to staff for further information.

**3. BOARD POLICIES REQUIRING AMENDMENTS**

**3.1** Investment Manager Monitoring and Communications Policy - Markup

**3.2** Investment Manager Monitoring and Communications Policy - Clean

**3.3** Investment Roles and Responsibilities Policy - Markup

**3.4** Investment Roles and Responsibilities Policy - Clean

**3.5** Normal Retirement Age IRC 401(a) Policy - Markup

**3.6** Normal Retirement Age IRC 401(a) Policy - Clean

**3.7** Placement Agent Information Disclosure Policy - Markup

**3.8** Placement Agent Information Disclosure Policy - Clean

**3.9** Proxy Voting Policy - Markup

**3.10** Proxy Voting Policy - Clean

**3.11** Strategic Asset Allocation Policy - Markup

**3.12** Stragetic Assest Allocation Policy - Clean

**3.13** Committee to review and formulate a recommendation to the full Board

## 4. PROPOSED NEW BOARD POLICIES

**4.1** Alternative Asset Investment Standard of Care

**4.2** Board and Staff Personal Information Policy

**4.3** Committee to review and formulate a recommendation to the full Board

## 5. 2027 ADMINISTRATIVE BUDGET

**5.1** 2027 Proposed Budget Book

**5.2** Committee to review and formulate a recommendation to the full Board

## 6. COMMENTS

**6.1** Comments from the Committee Members

## 7. ADJOURNMENT

# Investment Manager Monitoring and Communications Policy

## I. Purpose

A. To establish general guidelines for monitoring Investment Manager effectiveness and identifying issues of concern.

~~B. To provide a process for the Investment Officer and Investment Consultant(s), with oversight by the Chief Executive Officer, to employ when making decisions and recommendations to the Board concerning Investment Manager retention and evaluation.~~

## II. Objective

A. To provide a process for the Investment Officer and investment consultant(s), with oversight by the Chief Executive Officer, to employ when making decisions and recommendations to the Board of Retirement (Board) concerning Investment Manager retention and evaluation.

## ~~II.~~III. Definition of Status

A. The i~~I~~nvestment c~~C~~onsultant(s) will classify the fund's Investment Managers into two status categories: **Good Standing** or **Under Review.** The i~~I~~nvestment c~~C~~onsultant(s) will make this determination in accordance with this Policy, and their professional and fiduciary judgment, taking into account specific circumstances affecting the Investment Manager and/or SJCERA's relationship.

1. **Good Standing:** Investment Managers that have met the performance objectives and other criteria established by the Board's Policies will be considered to be in Good Standing on the Quarterly Performance Report.
2. **Under Review:** Investment Managers that fail to meet expectations in any of the ~~six~~ five general areas specified below under monitoring procedures will be Under Review.

## III. Monitoring Procedures

A. Investment Managers will be monitored in the following areas:

1. Investment performance (relative to a specific benchmark, objectives of the Investment Manager's fund and peer group as appropriate);
2. Adherence to the firm's philosophy, process, and stated style;
3. Organizational and personnel continuity;
4. Guideline compliance, and

~~5. Proxy voting compliance; and~~

~~6.~~5. Other appropriate considerations.

B. Investment Managers will be monitored on a continuous basis by the Investment Officer and the i~~I~~nvestment c~~C~~onsultant(s) based on the custodian's holdings

reports, monthly and quarterly performance, manager announcements, the custodian's reporting, consultant(s) evaluations, and other inputs, such as conference calls, in-person meetings, email exchanges and qualitative factors.

C. SJCERA's investment consultant(s) will prepare a quarterly report for the Board summarizing these reviews and stating whether SJCERA's expectations have been met. Those Investment Managers meeting the expectations of the above criteria will be categorized as in Good Standing.

## IV. Review Criteria

A. Investment Managers may be placed **Under Review** if one or more of the criteria listed below are met:

1. **Under-performance:** An Investment Manager may be placed under review when the Investment Manager's net-of-fee performance falls below the agreed upon benchmark and/or when the Investment Manager does not perform as expected according to the mandate and investment style of the portfolio. An Investment Manager's expected tracking error will be used as a reference point in the evaluation. An Investment Manager's performance will be compared over a short, medium and long-term period and may be compared to a comparable peer universe as an additional point of evaluation.

2. **Adherence to Stated Philosophy, Process, and Style:** An Investment Manager may be placed under review if the investment consultant(s) believes there has been a substantive change in the manager's stated philosophy, process, or style.

3. **Organizational Change:** An Investment Manager may be placed under review when there has been a material change in the Investment Manager's organizational structure, ownership or personnel, which the investment consultant(s) determines requires more in-depth due diligence. This category shall also include instances where a firm may be under investigation by regulatory agencies.

4. **Violation of Guidelines:** An Investment Manager may be placed under review when the Investment Manager is materially out of compliance with any of the criteria established in the Investment Manager's Investment Guidelines. Subject to review and discussion with the Investment Manager, the Investment Manager will be expected to bring the portfolio into compliance. The Investment Manager shall provide recommended revisions to the guidelines in writing to the investment consultant(s); however, SJCERA shall be under no obligation to accept such recommendations. The Board may grant exceptions on a case-by-case basis.

5. **Other:** The Board may place an Investment Manager Under Review for other reasons deemed appropriate, including insufficient responsiveness to requests for information, non-attendance at meetings, or any other reason deemed appropriate by SJCERA.

B. Investment Managers who are placed "Under Review" may not be eligible for additional funding and may also be subject to asset reductions as determined by the

Board.

C. If the il~~I~~nvestment cC~~c~~onsultant(s) determines that any review criteria will adversely impact the Investment Manager's ability to provide contracted investment services, the Investment Manager may be recommended for immediate termination.

## V. Manager Notification

A. Copies of this Policy shall be made available to all SJCERA Investment Managers.

B. The il~~I~~nvestment cC~~c~~onsultant(s) shall notify Investment Managers in writing i~~o~~f their status ~~should it fall~~changes to Under Review.

## VI. Reassessing Under Review Status

A. The Investment Officer and il~~I~~nvestment cC~~c~~onsultant(s) will continue to monitor the Investment Manager on at least a quarterly basis, or more often if appropriate. The length of the review period may vary based on analysis and strategy.

B. The il~~I~~nvestment cC~~c~~onsultant(s) will determine the appropriate course of action up to and including recommendation for termination to the Board.

C. In no event will an Investment Manager be returned to Good Standing until the Investment Manager meets the criteria for Good Standing.

## VII. Termination

A. A recommendation to the Board for termination of the management contract will occur if there is a failure to correct or show improvement in the deficiencies that placed them in Under Review Status.

1. If the il~~I~~nvestment cC~~c~~onsultant(s) ~~believe(s)~~determines that immediate action is necessary due to evidence of an Investment Manager engaging in illegal or unethical practices, or for other extraordinary reasons that cause the il~~I~~nvestment cC~~c~~onsultant(s) to believe that continued management is contrary to fiduciary standards of prudence, the il~~I~~nvestment cC~~c~~onsultant(s) is authorized by the Board to notify the Investment Manager in writing that trading on the account must cease immediately. Notice of such action and the termination recommendation will be presented to the Board for ratification at its next monthly meeting.

B. Nothing in this Policy shall be construed to conflict with SJCERA's right to terminate an Investment Manager pursuant to the terms of their applicable investment management agreement.

## VIII. General Investment Guidelines / Restrictions

A. Each Investment Manager is expected to perform its fiduciary duties as 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 and with like aims and to conform with all State and Federal statutes governing the investment of retirement funds. The following restrictions apply to each separate account manager:

1. Purchases of securities issued by San Joaquin County without written consent from the Board.

2. The Investment Manager shall promptly notify the Investment Officer and the Chief Executive Officer of any violation of the guidelines and provide an explanation of the limit that was exceeded, an evaluation of the situation, the recommended course of action and the status of the corrective action proposed.

3. ~~3.~~ Whenever SJCERA invests in a commingled fund, rather than a separate account, the stated rules and regulations of the Investment Manager's commingled fund will take precedence over the SJCERA Investment Policy Guidelines.

## IX. Communications

A. Related to the monitoring and retention process, Investment Managers are expected to communicate with the i~~I~~nvestment c~~C~~onsultant(s), Chief Executive Officer and Investment Officer as follows:

1. Immediately

   a. Violation of Investment Manager guidelines
   b. Any organizational or personnel changes impacting SJCERA's account
   c. Any purchases or sales that result in unusual gains or losses are to be reported in writing after each transaction
   ~~c.~~d. Material litigation, regulatory investigations, enforcement actions or SEC/FINRA findings.

2. Monthly

   a. Monthly Performance and attribution
   b. Positive certification of compliance with guidelines

3. Quarterly

   a. Current Strategy
   b. Recent Investment Performance and attribution
   c. Summary of Key Personnel Changes
   d. New/Lost Accounts within the same mandate
   ~~d.~~e. Manager Certification Update requests

4. Annually

   a. Presentation to the Board/staff/i~~I~~nvestment c~~C~~onsultant(s) (as requested).

B. Additional information and reports may be required on a regular or ad hoc basis as requested by staff or i~~I~~nvestment c~~C~~onsultant(s).

## X. Reporting

A. The i~~I~~nvestment c~~C~~onsultant(s) report allocations and performance to the Board at least quarterly.

B. The iInvestment cConsultant(s) present the Manager Monitoring Report to the Board at least quarterly.
C. The iInvestment cConsultant(s)/Staff report to the Board on changes related to the Investment Managers and significant deviations in the performance as warranted.
D. The iInvestment cConsultant(s) shall provide a quarterly summary report of the Investment Managers responses certifying their compliance with investment guidelines and other reporting requirements.
~~D.~~E. Alternative Investment Managers are expected to follow California and local laws pertaining to required reporting of fees on an annual basis.

## XI. Law Prevails

A. In the event a conflict between this Policy and any applicable law, including but not limited to the California Government Code; the Internal Revenue Code; or other local, state, or federal statutes, the law shall prevail. If any provision of this Policy shall be held or made invalid by a court decision, statute, or rule, or shall be otherwise rendered invalid, the remainder of this Policy shall survive.

## ~~XI.~~XII. Policy Review

A. Staff shall review this Policy at least once every three (3) years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this Policy must be approved by the Board in accordance with the bylaws.

## ~~XII.~~XIII. History

| | |
|---|---|
| 05/30/2008 | Policy adopted by the Board |
| 10/06/2017 | Revised |
| 07/05/2018 | Reviewed, no changes required; Staff updated format |
| 10/12/2018 | Added General Investment Guidelines/Restrictions language and Manager Strategy Summaries from other investment policies. |
| 04/12/2019 | Policy Review section amended to at least once every three years |
| 07/10/2020 | Revised to clarify iInvestment cConsultant(s) and Investment Officer Roles, update procedures used to monitor Investment Managers, and remove Manager Strategy Summaries |
| 07/14/2023 | Expanded mandatory notifications to include Investment Officer, made other non-substantive changes |
| 09/01/2023 | Added proxy voting compliance to the monitoring areas list |
| 12/12/2025 | Added additional language regarding required fee disclosures of alternative Investment Managers. In addition to language regarding peer universe comparisons in manager performance evaluations. |
| 12/11/2026 | Added Objective and Law Prevails sections and other non-substantive formatting changes |

**Certification of Board Adoption**



12/11/2026

Clerk of the Board | Date

# Investment Roles and Responsibilities

## I. Purpose

A. To outline the legal authority and fiduciary responsibilities of the Board of Retirement (Board) in administering San Joaquin County Employees' Retirement Association (SJCERA).

## II. Objective

A. To assign specific roles to Staff and the Investment Consultant(s), thereby explicitly stating which responsibilities the Board has delegated.

## III. Legal Authority and Fiduciary Responsibilities

A. Introduction

1. Board has plenary authority and the fiduciary responsibility for investment of moneys and administration of SJCERA. The assets of a public pension or retirement system are held in trust, and the Board has exclusive control of the investment of SJCERA's Fund (Fund) assets. (California Constitution Article XVI, Section 17.)

B. Legal Authority

1. Under the California State Constitution and the County Employees Retirement Law of 1937 (CERL), the Board is authorized to invest in any form or type of investment deemed prudent by the Board pursuant to the requirements of CERL Section 31595, which provides in part:

   a. Except as otherwise expressly restricted by the California Constitution and by law, the Board may, in its discretion, invest, or delegate the authority to invest, the assets of the Fund through the purchase, holding, or sale of any form or type of investment, financial instrument, or financial transaction when prudent in the informed opinion of the Board.

C. Fiduciary Responsibility

1. The Board and its officers and employees shall delegate their duties:

   a. Solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system;

   b. 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 and with like aims;

c. By diversifying the investments of the system 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; and

d. Recognizing that its duty to its participants and their beneficiaries takes precedence over any other duty.

2. In delegating its fiduciary duties, the Board will exercise prudent judgment and seek expert advice and guidance from the internal staff and external investment consultants. The Board's judgment will reflect the prevailing facts and circumstances. The Board recognizes the importance of maintaining a long-term perspective when setting policy and asset allocation.

3. SJCERA's investment policies collectively will serve as SJCERA's Investment Policy Statement (IPS) and govern all asset classes and establish the guidelines, policies and procedures for the management of SJCERA's diversified investment portfolio. The IPS is subject to applicable provisions of law and the applicable limitations and requirements of SJCERA's governance policies. The Board may amend, supplement or rescind its policies at any time at its discretion.

D. Investment Cost Governance Principles

1. Net-of-fee outcomes: Investment decisions should consider expected returns and risks after fees, expenses, and other material costs.

2. Cost relative to value: Costs should be evaluated in relation to the expected value and benefits of the investment strategy or service.

3. Total cost of ownership: Cost analysis should extend beyond headline management fees and consider other material direct and indirect costs when reasonably available.

4. Consistency and comparability: Cost comparisons should account for differences in asset class, strategy, vehicle, mandate size, complexity, liquidity, services, and performance objectives.

5. Transparency and accountability: Managers and service providers should provide information sufficient for SJCERA to understand and oversee material costs.

6. Alignment of interests: Economic arrangements should, where practical, promote appropriate alignment between SJCERA and its managers and service providers.

7. Continuous improvement: SJCERA should periodically assess whether improved terms, structures, reporting, or implementation approaches may enhance net value.

8. Proportionality: The level of review and verification should be proportionate to the materiality, complexity, and risk of the arrangement.

9. Cost should be one factor in the investment selection process and should not be considered independently of expected value, risk, liquidity, diversification, and investment objectives.

## IV. Governance: Roles and Responsibilities

A. The Board is responsible for formulating, adopting, and supervising the investment policies of SJCERA's investment program, including, but not limited to, the following decisions.

1. Board Investment-Related Responsibilities

a. The Board is responsible for setting SJCERA's investment philosophy, objectives, and risk tolerances, and for adopting the Fund's asset allocation that forms the basis of the implementation of the investment program. This includes:

i. Decisions on which asset classes and benchmarks will be used in the investment programs;

ii. The allocation to each asset class;

iii. Risk tolerances for the total Fund and individual asset classes;

iv. The operational policies that will implement the asset allocation; and

v. The monitoring and reporting of the risk management and performance measurement of the investment program.

2. The Board is responsible for approving the specific policies required to implement the investment program.

3. The Board is responsible for the approval of the general and any specialty investment consultants to the investment program.

4. The Custodian maintains custody of SJCERA's assets and reports on all of SJCERA's assets. Given the importance of this role, the Board is responsible for the selection of the Custodian. SJCERA's finance staff will provide supporting analysis and input to the Board in making this decision.

5. SJCERA's external investment counsel reviews, edits and negotiates the legal documents and agreements related to investment contracts. SJCERA's Chief Executive Officer, Investment Officer (IO) and General Counsel, if any, screen and approve external investment counsel, in consultation with the Board as appropriate.

B. Investment Program Duties Delegated to Staff

1. Under the legal authority granted, the Board establishes the core operating principles of responsibility, accountability and transparency. Actions related to delegated authority should not result in any substantive change in the terms applicable to SJCERA's investments and agreements.

2. The Board grants to SJCERA's IO and staff as assisted by the appropriate advisors (e.g., investment and specialty consultants, actuary, legal counsel) the following authority and responsibilities:

   a. Recommend a plan to implement the Board-approved asset allocation and related investment policies.

   b. Review assets to maintain the Board-approved asset allocation and risk limits, rebalancing if necessary, on at least an annual basis.

   c. Seek appropriate fee schedules, breakpoints, offsets, rebates, most-favored-nation rights, reporting rights, and expense limitations when reasonably available in conjunction with the investment consultant(s).

   d. Develop and manage requests for proposal (RFPs) for and recommend firms to serve as the general and specialty investment consultants, investment counsel and other advisors to assist in the implementation of the investment program.

   e. Oversee and monitor the investment consultants' and other advisors' compliance with their contract, management of their workload and quality of Board requested activities.

   f. Recommend firms to serve as the Custodian and, if appropriate, the securities lending agent;

   g. Provide input to the Board on the finalist firms to serve as investment managers;

   h. Evaluate, analyze, and provide input on various investment topics and/or the investment program generally.

   i. Manage day-to-day investment operations;

      i. Take action on time-sensitive, routine requests or administrative items related to SJCERA's investment program;

      ii. Manage liquidity needs and rebalance the Fund;

      iii. Implement manager transitions;

      iv. Manage major changes in asset allocation;

      v. Address and resolve violations of investment manager guidelines;

      vi. Work with investment counsel to include enhanced language in side letters related to Limited Partnership Agreements (LPA);

      vii. Monitor and evaluate the work of the General Investment Consultant and other advisors to the investment program;

viii. Vote Fund/Manager level (not security level) proxies; and

ix. Amend LPAs or related documents for minor adjustments (e.g., closing dates or investment periods).

j. Report on the use of delegated authority monthly or at a frequency to be determined by the Board.

C. The Role of Investment Consultants

1. SJCERA will employ a General Consultant and specialty consultants, as needed, who serve as fiduciaries for the Fund and work for the Board in a direct role as the independent experts. The consultants will also work for SJCERA's staff to provide Board requested reports e.g., risk-return analysis, investment manager performance and monitoring analysis and overall support.

2. The General Consultant and as appropriate, the Specialty Consultant(s) will:

a. Provide an Asset/Liability Study in conjunction with SJCERA's actuary;

b. Provide governance and policy development;

c. Provide global resources and deep research capabilities to perform due diligence on existing and potential investment managers, conduct manager searches, investigate investment strategies, research asset classes and examine additional topics related to SJCERA's investment program;

d. Monitor and report investment returns, benchmark returns, manager peer group rankings, portfolio risk(s), and active management risk;

e. Provide the Board and Staff with reports and analysis of material events affecting the portfolio asset allocation, risk profile, and external managers;

f. Analyze and advise on the annual and tri-annual asset allocation updates;

g. Monitor portfolio performance attribution for the total Fund and asset classes;

h. Perform external manager tracking, manager peer group ranking and benchmark comparisons, performance reporting, and evaluation;

i. Advise the Board with respect to the investment program in general;

j. Negotiate, and monitor, manager fees and other outside vendor fees;

k. Assess fees relative to expected net-of-fee performance, risk, liquidity, complexity, diversification, and access;

l. Coordinate the collection and aggregation of ILPA Reporting Templates and other private market fee disclosures and provide periodic analysis of management fees, carried interest, fund expenses, fee offsets and cost trends;

m. Assist staff as requested.

## V. Law Prevails

A. In the event a conflict between this Policy and any applicable law, including the California Government Code; the Internal Revenue Code; or other local, state, or federal statutes, the law shall prevail. If any provision of this Policy shall be held or made invalid by a court decision, statue, or rule, or shall be otherwise rendered invalid, the remainder of this Policy shall survive.

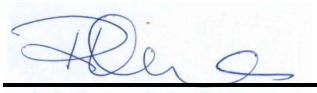
## VI. Policy Review

A. Staff shall review this Policy at least once every three (3) years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board in accordance with the bylaws.

## VII. History

| | |
|---|---|
| 08/03/2017 | Adopted |
| 07/05/2018 | Reviewed, no changes required; Staff updated format |
| 04/12/2019 | Policy Review section amended to at least once every three years |
| 07/10/2020 | Added Purpose section, removed outdated policy numbers, and clarified roles |
| 07/14/2023 | Aligned investment officer's delegated authority with existing practice to include RFPs and evaluating and providing input on investment topics, clarified staff and general counsel reference, made other non-substantive changes. |
| 12/11/2026 | Added Objective, Law Prevails, and Cost Governance sections, and other non-substantive changes |

**Certification of Board Adoption**



12/11/2026

Clerk of the Board — Date

# Investment Roles and Responsibilities

## I. Purpose

A. To outline the legal authority and fiduciary responsibilities of the Board of Retirement (Board) in administering San Joaquin County Employees' Retirement Association (SJCERA).

~~B. To assign specific roles to Staff and the Investment Consultant(s), thereby explicitly stating which responsibilities the Board has delegated.~~

## II. Objective

A. To assign specific roles to Staff and the Investment Consultant(s), thereby explicitly stating which responsibilities the Board has delegated.

## ~~II.~~III. Legal Authority and Fiduciary Responsibilities

A. Introduction

1. ~~The Board of Retirement (~~Board~~) of the San Joaquin County Employees' Retirement Association (SJCERA)~~ has plenary authority and the fiduciary responsibility for investment of moneys and administration of SJCERA. The assets of a public pension or retirement system are held in trust, and the Board has exclusive control of the investment of SJCERA's ~~Trust~~ Fund (Fund) assets. (California Constitution Article XVI, Section 17.)

B. Legal Authority

1. Under the California State Constitution and the County Employees Retirement Law of 1937 (CERL), the Board is authorized to invest in any form or type of investment deemed prudent by the Board pursuant to the requirements of CERL Section 31595, which provides in part:

   a. Except as otherwise expressly restricted by the California Constitution and by law, the Board may, in its discretion, invest, or delegate the authority to invest, the assets of the Fund through the purchase, holding, or sale of any form or type of investment, financial instrument, or financial transaction when prudent in the informed opinion of the Board.

C. Fiduciary Responsibility

1. The Board and its officers and employees shall delegate their duties:

   a. Solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer

contributions thereto, and defraying reasonable expenses of administering the system;

b. 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 and with like aims;

c. By diversifying the investments of the system 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; and

d. Recognizing that its duty to its participants and their beneficiaries takes precedence over any other duty.

2. In delegating its fiduciary duties, the Board will exercise prudent judgment and seek expert advice and guidance from the internal staff and external investment consultants. The Board's judgment will reflect the prevailing facts and circumstances. The Board recognizes the importance of maintaining a long-term perspective when setting policy and asset allocation.

3. SJCERA's investment policies collectively will serve as SJCERA's Investment Policy Statement (IPS) and govern all asset classes and establish the guidelines, policies and procedures for the management of SJCERA's diversified investment portfolio. The IPS is subject to applicable provisions of law and the applicable limitations and requirements of SJCERA's governance policies. The Board may amend, supplement or rescind its policies at any time at its discretion.

## ~~III.~~IV. Governance: Roles and Responsibilities

A. The Board is responsible for formulating, adopting, and supervising the investment policies of SJCERA's investment program, including, but not limited to, the following decisions.

1. Board Investment-Related Responsibilities

a. The Board is responsible for setting SJCERA's investment philosophy, objectives, and risk tolerances, and for adopting the ~~Trust~~ Fund's asset allocation that forms the basis of the implementation of the investment program. This includes:

i. Decisions on which asset classes and benchmarks will be used in the investment programs;

ii. The allocation to each asset class;

iii. Risk tolerances for the total ~~Trust~~ Fund and individual asset classes;

iv. The operational policies that will implement the asset allocation; and

v. The monitoring and reporting of the risk management and performance measurement of the investment program.

2. The Board is responsible for approving the specific policies required to implement the investment program.

3. The Board is responsible for the approval of the general and any specialty investment consultants to the investment program.

4. The Custodian maintains custody of SJCERA's assets and reports on all of SJCERA's assets. Given the importance of this role, the Board is responsible for the selection of the Custodian. SJCERA's finance staff will provide supporting analysis and input to the Board in making this decision.

5. SJCERA's external investment counsel reviews, edits and negotiates the legal documents and agreements related to investment contracts. SJCERA's Chief Executive Officer, Investment Officer (IO) and General Counsel, if any, screen and approve external investment counsel, in consultation with the Board as appropriate.

B. Investment Program Duties Delegated to Staff

1. Under the legal authority granted, the Board establishes the core operating principleals of responsibility, accountability and transparency. Actions related to delegated authority should not result in any substantive change in the terms applicable to SJCERA's investments and agreements.

2. The Board grants to SJCERA's IO and staff as assisted by the appropriate advisors (e.g., investment and specialty consultants, actuary, legal counsel) the following authority and responsibilities:

a. Recommend a plan to implement the Board-approved asset allocation and related investment policies.

b. ~~Rebalance~~ Review assets to maintain the Board-approved asset allocation and risk limits, rebalancing if necessary, on at least an annual basis ~~pursuant to the rebalancing policy~~.

c. Develop and manage requests for proposal (RFPs) for and recommend firms to serve as the general and specialty investment consultants, investment counsel and other advisors to assist in the implementation of the investment program.

d. Oversee and monitor the investment consultants' and other advisors' compliance with their contract, management of their workload and quality of Board requested activities.

e. Recommend firms to serve as the Custodian and, if appropriate, the securities lending agent;

f. Provide input to the Board on the finalist firms to serve as i~~I~~nvestment

mManagers;

g. Evaluate, analyze, and provide input on various investment topics and/or the investment program generally.

h. Manage day-to-day investment operations;

i. Take action on time-sensitive, routine requests or administrative items related to SJCERA's investment program;

ii. Manage liquidity needs and rebalance the ~~Trust~~ Fund;

iii. Implement manager transitions;

iv. Manage major changes in ~~A~~asset a~~A~~llocation;

v. Address and resolve violations of investment manager guidelines;

vi. Work with investment counsel to include enhanced language in side letters related to Limited Partnership Agreements (LPA);

vii. Monitor and evaluate the work of the General Investment Consultant and other advisors to the investment program;

viii. Vote Fund/Manager level (not security level) proxies; and

ix. Amend LPAs or related documents for minor adjustments (e.g., closing dates or investment periods).

i. Report on the use of delegated authority monthly or at a frequency to be determined by the Board.

C. The Role of Investment Consultants

1. SJCERA will employ a General Consultant and specialty consultants, as needed, who serve as fiduciaries for the ~~Trust~~ Fund and work for the Board in a direct role as the independent experts. The consultants will also work for SJCERA's staff to provide Board requested reports e.g., risk-return analysis, investment manager performance and monitoring analysis and overall support.

2. The General Consultant and as appropriate, the Specialty Consultant(s) will:

a. Provide an Asset/Liability Study in conjunction with SJCERA's actuary;

b. Provide governance and policy development;

c. Provide global resources and deep research capabilities to perform due diligence on existing and potential investment managers, conduct manager searches, investigate investment strategies, research asset classes and examine additional topics related to SJCERA's investment program;

d. Monitor and report investment returns, benchmark returns, manager peer group rankings, portfolio risk(s), and active management risk;

e. Provide the Board and Staff with reports and analysis of material events

affecting the portfolio asset allocation, risk profile, and external managers;

f. Analyze and advise on the annual and tri-annual aAsset aAllocation updates;

g. Monitor portfolio performance attribution for the total ~~Trust~~ Fund and asset classes;

h. Perform external manager tracking, manager peer group ranking and benchmark comparisons, performance reporting, and evaluation;

i. Advise the Board with respect to the investment program in general;

j. Negotiate, and monitor, manager fees and other outside vendor fees;

k. Assist staff as requested.

## V. Law Prevails

A. In the event a conflict between this Policy and any applicable law, including the California Government Code; the Internal Revenue Code; or other local, state, or federal statutes, the law shall prevail. If any provision of this Policy shall be held or made invalid by a court decision, statue, or rule, or shall be otherwise rendered invalid, the remainder of this Policy shall survive.

## ~~IV.~~VI. Policy Review

A. Staff shall review this Policy at least once every three (3) years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board ~~of Retirement~~ in accordance with the bylaws.

## ~~V.~~VII. History

| | |
|---|---|
| 08/03/2017 | Adopted |
| 07/05/2018 | Reviewed, no changes required; Staff updated format |
| 04/12/2019 | Policy Review section amended to at least once every three years |
| 07/10/2020 | Added Purpose section, removed outdated policy numbers, and clarified roles |
| 07/14/2023 | Aligned investment officer's delegated authority with existing practice to include RFPs and evaluating and providing input on investment topics, clarified staff and general counsel reference, made other non-substantive changes. |
| 12/11/2026 | Added Objective and Law Prevails sections, and other non-substantive changes |

**Certification of Board Adoption**



12/11/2026

Clerk of the Board — Date

# Investment Roles and Responsibilities

## I. Purpose

A. To outline the legal authority and fiduciary responsibilities of the Board of Retirement (Board) in administering San Joaquin County Employees' Retirement Association (SJCERA).

## II. Objective

A. To assign specific roles to Staff and the Investment Consultant(s), thereby explicitly stating which responsibilities the Board has delegated.

## III. Legal Authority and Fiduciary Responsibilities

A. Introduction

1. Board has plenary authority and the fiduciary responsibility for investment of moneys and administration of SJCERA. The assets of a public pension or retirement system are held in trust, and the Board has exclusive control of the investment of SJCERA's Fund (Fund) assets. (California Constitution Article XVI, Section 17.)

B. Legal Authority

1. Under the California State Constitution and the County Employees Retirement Law of 1937 (CERL), the Board is authorized to invest in any form or type of investment deemed prudent by the Board pursuant to the requirements of CERL Section 31595, which provides in part:

   a. Except as otherwise expressly restricted by the California Constitution and by law, the Board may, in its discretion, invest, or delegate the authority to invest, the assets of the Fund through the purchase, holding, or sale of any form or type of investment, financial instrument, or financial transaction when prudent in the informed opinion of the Board.

C. Fiduciary Responsibility

1. The Board and its officers and employees shall delegate their duties:

   a. Solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system;

   b. 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 and with like aims;

c. By diversifying the investments of the system 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; and

d. Recognizing that its duty to its participants and their beneficiaries takes precedence over any other duty.

2. In delegating its fiduciary duties, the Board will exercise prudent judgment and seek expert advice and guidance from the internal staff and external investment consultants. The Board's judgment will reflect the prevailing facts and circumstances. The Board recognizes the importance of maintaining a long-term perspective when setting policy and asset allocation.

3. SJCERA's investment policies collectively will serve as SJCERA's Investment Policy Statement (IPS) and govern all asset classes and establish the guidelines, policies and procedures for the management of SJCERA's diversified investment portfolio. The IPS is subject to applicable provisions of law and the applicable limitations and requirements of SJCERA's governance policies. The Board may amend, supplement or rescind its policies at any time at its discretion.

D. Investment Cost Governance Principles

1. Net-of-fee outcomes: Investment decisions should consider expected returns and risks after fees, expenses, and other material costs.

2. Cost relative to value: Costs should be evaluated in relation to the expected value and benefits of the investment strategy or service.

3. Total cost of ownership: Cost analysis should extend beyond headline management fees and consider other material direct and indirect costs when reasonably available.

4. Consistency and comparability: Cost comparisons should account for differences in asset class, strategy, vehicle, mandate size, complexity, liquidity, services, and performance objectives.

5. Transparency and accountability: Managers and service providers should provide information sufficient for SJCERA to understand and oversee material costs.

6. Alignment of interests: Economic arrangements should, where practical, promote appropriate alignment between SJCERA and its managers and service providers.

7. Continuous improvement: SJCERA should periodically assess whether improved terms, structures, reporting, or implementation approaches may enhance net value.

8. Proportionality: The level of review and verification should be proportionate to the materiality, complexity, and risk of the arrangement.

9. Cost should be one factor in the investment selection process and should not be considered independently of expected value, risk, liquidity, diversification, and investment objectives.

## IV. Governance: Roles and Responsibilities

A. The Board is responsible for formulating, adopting, and supervising the investment policies of SJCERA's investment program, including, but not limited to, the following decisions.

1. Board Investment-Related Responsibilities

a. The Board is responsible for setting SJCERA's investment philosophy, objectives, and risk tolerances, and for adopting the Fund's asset allocation that forms the basis of the implementation of the investment program. This includes:

i. Decisions on which asset classes and benchmarks will be used in the investment programs;

ii. The allocation to each asset class;

iii. Risk tolerances for the total Fund and individual asset classes;

iv. The operational policies that will implement the asset allocation; and

v. The monitoring and reporting of the risk management and performance measurement of the investment program.

2. The Board is responsible for approving the specific policies required to implement the investment program.

3. The Board is responsible for the approval of the general and any specialty investment consultants to the investment program.

4. The Custodian maintains custody of SJCERA's assets and reports on all of SJCERA's assets. Given the importance of this role, the Board is responsible for the selection of the Custodian. SJCERA's finance staff will provide supporting analysis and input to the Board in making this decision.

5. SJCERA's external investment counsel reviews, edits and negotiates the legal documents and agreements related to investment contracts. SJCERA's Chief Executive Officer, Investment Officer (IO) and General Counsel, if any, screen and approve external investment counsel, in consultation with the Board as appropriate.

B. Investment Program Duties Delegated to Staff

1. Under the legal authority granted, the Board establishes the core operating principles of responsibility, accountability and transparency. Actions related to delegated authority should not result in any substantive change in the terms applicable to SJCERA's investments and agreements.

2. The Board grants to SJCERA's IO and staff as assisted by the appropriate advisors (e.g., investment and specialty consultants, actuary, legal counsel) the following authority and responsibilities:

   a. Recommend a plan to implement the Board-approved asset allocation and related investment policies.

   b. Review assets to maintain the Board-approved asset allocation and risk limits, rebalancing if necessary, on at least an annual basis.

   c. Seek appropriate fee schedules, breakpoints, offsets, rebates, most-favored-nation rights, reporting rights, and expense limitations when reasonably available in conjunction with the investment consultant(s).

   d. Develop and manage requests for proposal (RFPs) for and recommend firms to serve as the general and specialty investment consultants, investment counsel and other advisors to assist in the implementation of the investment program.

   e. Oversee and monitor the investment consultants' and other advisors' compliance with their contract, management of their workload and quality of Board requested activities.

   f. Recommend firms to serve as the Custodian and, if appropriate, the securities lending agent;

   g. Provide input to the Board on the finalist firms to serve as investment managers;

   h. Evaluate, analyze, and provide input on various investment topics and/or the investment program generally.

   i. Manage day-to-day investment operations;

      i. Take action on time-sensitive, routine requests or administrative items related to SJCERA's investment program;

      ii. Manage liquidity needs and rebalance the Fund;

      iii. Implement manager transitions;

      iv. Manage major changes in asset allocation;

      v. Address and resolve violations of investment manager guidelines;

      vi. Work with investment counsel to include enhanced language in side letters related to Limited Partnership Agreements (LPA);

      vii. Monitor and evaluate the work of the General Investment Consultant and other advisors to the investment program;

viii. Vote Fund/Manager level (not security level) proxies; and

ix. Amend LPAs or related documents for minor adjustments (e.g., closing dates or investment periods).

j. Report on the use of delegated authority monthly or at a frequency to be determined by the Board.

C. The Role of Investment Consultants

1. SJCERA will employ a General Consultant and specialty consultants, as needed, who serve as fiduciaries for the Fund and work for the Board in a direct role as the independent experts. The consultants will also work for SJCERA's staff to provide Board requested reports e.g., risk-return analysis, investment manager performance and monitoring analysis and overall support.

2. The General Consultant and as appropriate, the Specialty Consultant(s) will:

a. Provide an Asset/Liability Study in conjunction with SJCERA's actuary;

b. Provide governance and policy development;

c. Provide global resources and deep research capabilities to perform due diligence on existing and potential investment managers, conduct manager searches, investigate investment strategies, research asset classes and examine additional topics related to SJCERA's investment program;

d. Monitor and report investment returns, benchmark returns, manager peer group rankings, portfolio risk(s), and active management risk;

e. Provide the Board and Staff with reports and analysis of material events affecting the portfolio asset allocation, risk profile, and external managers;

f. Analyze and advise on the annual and tri-annual asset allocation updates;

g. Monitor portfolio performance attribution for the total Fund and asset classes;

h. Perform external manager tracking, manager peer group ranking and benchmark comparisons, performance reporting, and evaluation;

i. Advise the Board with respect to the investment program in general;

j. Negotiate, and monitor, manager fees and other outside vendor fees;

k. Assess fees relative to expected net-of-fee performance, risk, liquidity, complexity, diversification, and access;

l. Coordinate the collection and aggregation of ILPA Reporting Templates and other private market fee disclosures and provide periodic analysis of management fees, carried interest, fund expenses, fee offsets and cost trends;

m. Assist staff as requested.

## V. Law Prevails

A. In the event a conflict between this Policy and any applicable law, including the California Government Code; the Internal Revenue Code; or other local, state, or federal statutes, the law shall prevail. If any provision of this Policy shall be held or made invalid by a court decision, statue, or rule, or shall be otherwise rendered invalid, the remainder of this Policy shall survive.

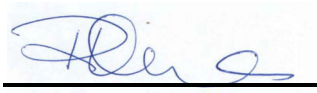
## VI. Policy Review

A. Staff shall review this Policy at least once every three (3) years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board in accordance with the bylaws.

## VII. History

| | |
|---|---|
| 08/03/2017 | Adopted |
| 07/05/2018 | Reviewed, no changes required; Staff updated format |
| 04/12/2019 | Policy Review section amended to at least once every three years |
| 07/10/2020 | Added Purpose section, removed outdated policy numbers, and clarified roles |
| 07/14/2023 | Aligned investment officer's delegated authority with existing practice to include RFPs and evaluating and providing input on investment topics, clarified staff and general counsel reference, made other non-substantive changes. |
| 12/11/2026 | Added Objective, Law Prevails, and Cost Governance sections, and other non-substantive changes |

**Certification of Board Adoption**



12/11/2026

Clerk of the Board — Date

## ~~I.~~ I. Purpose

~~A. This policy reaffirms and clarifies the existing practices of the Association with respect to the normal retirement age applicable for the Association in accordance with Internal Revenue Code section 401(a) and Treasury regulations issued thereunder.~~

A. This policy establishes normal retirement age for the San Joaquin County Employees' Retirement Association (SJCERA) for federal tax qualification under Internal Revenue Code section 401(a). It does not change statutory service-retirement eligibility, benefit formulas, or retirement allowances.

## ~~II.~~ II. Normal Retirement Age

### ~~A.~~ A. General Members

~~1. Normal Retirement Age for general members is age 59 years, or if later, the date at which a Member vests in his or her right to receive a monthly retirement allowance from the Association. In accordance with the CERL, normal retirement age is not later than 72 years of age.~~

1. Normal retirement age for General Members is the age specified in the then-applicable Internal Revenue Service (IRS) guidance for the general age-based normal retirement age safe harbor applicable to governmental pension plans, or, if later, the date the member vests in a monthly retirement allowance from SJCERA.
2. This reference incorporates Treasury Regulation section 1.401(a)-1(b)(2)(ii), applicable IRS guidance for governmental plans, and any amendments or successor provisions establishing that safe harbor. It is a continuing reference, not a fixed age or a reference limited to guidance in effect when this policy is adopted. Changes to the referenced age apply according to their effective dates and transition rules, without a further policy amendment. Staff shall document the controlling guidance and notify the Board of changes.
3. This provision refers to the general age-based normal retirement age safe harbor, not alternative age-and-service safe harbors, Social Security retirement ages, early-distribution tax exceptions, or required minimum distribution ages.

~~B.~~ **B. Safety Members**

1. Normal retirement age for Safety Members is 50, or, if later, the date the member vests in a monthly retirement allowance from SJCERA. This age shall be administered consistently with applicable federal requirements for qualified public safety employees. A state-law Safety classification alone does not determine qualification under federal law; questions concerning qualification shall be referred to Chief Counsel.

~~1. Normal Retirement Age for safety members is 54 years of age, or if later, the date at which a Member vests in his or her right to receive a monthly retirement allowance from the Association. In accordance with the CERL, normal retirement age is not later than 72 years of age.~~

~~2. For purposes of this policy, "Safety member" shall mean a member who immediately prior to retirement was employed in a job classification in the Safety retirement category as designated by the CERL, or as determined by the Board, and who was eligible for a safety retirement allowance from SJCERA. "General member" shall mean all other SJCERA members.~~

2. A Safety Member is a member whose employment immediately before retirement was in a Safety classification under the County Employees Retirement Law of 1937 (CERL) or a Board determination, and who qualified for a SJCERA safety retirement allowance. Other members are General Members.

~~C.~~ **C. Basis** ~~for Determining~~**and Application**

~~1. These normal retirement ages are based on data provided by the Association's actuary finding that the most typical retirement age for general members of the Association is 59 years of age and the most typical retirement age for safety members of the Association is 54 years of age.~~

1. The General Member age follows the federal safe harbor incorporated above. The Safety Member age is a Board-selected age consistent with the federal public safety normal retirement age framework. These standards replace the prior actuarially determined ages.

2. This policy does not independently authorize in-service distributions or post-retirement employment. Applicable vesting, retirement eligibility, separation-from-service, and return-to-work requirements remain in effect. Required minimum distributions are governed separately.

~~D.~~ **D. Adjustment**

~~1. The Board of Retirement for the Association may change the normal retirement age determined herein to the extent required to comply with Code section 401(a) or for any other reasons determined by the Board. The normal retirement age determined herein does not create any "vested rights" under California or federal law including but not limited to the contracts clause of the California Constitution.~~

1. The Board may amend this policy to maintain tax qualification or for other lawful purposes. The continuing IRS reference in Section II.A operates without a further Board amendment; discretionary changes require Board approval. This policy creates no independent vested right to a particular normal retirement age and does not impair rights protected by law.

## III. Law Prevails

A. This policy shall be interpreted and administered consistently with the Internal Revenue Code, applicable Treasury regulations and IRS guidance, CERL, and other controlling law. If a provision conflicts with controlling law, the law prevails. Guidance shall be applied subject to its scope, effective date, transition provisions, and any conditions permitting reliance. Staff shall refer conflicts to Chief Counsel and bring necessary policy revisions to the Board.

~~**III. Code and Regulations Prevail**~~

~~A. This policy is intended to be in accordance with the Internal Revenue Code (Code) and the applicable Treasury regulations. To the extent there is a conflict between this policy and the Code and Treasury regulations, the applicable law will govern.~~

## ~~IV.~~ IV. Policy Review

A. Staff shall review this ~~Policy~~policy at least ~~once~~ every three (3) years ~~to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board of Retirement in accordance with the Bylaws.~~and when relevant federal guidance changes. Amendments require Board approval under the Bylaws, except that changes incorporated through Section II.A apply as provided there.

## ~~V.~~ V. History

| | |
|---|---|
| 01/01/2015 | ~~Effective Date of~~ Bylaw Section 23 became effective |
| 12/08/2017 | ~~Extracted~~Converted from Bylaws ~~into~~to policy |
| 06/29/2018 | Staff ~~reviewed, no content changes; updated~~review and format update |
| 04/12/2019 | ~~Policy~~ Review ~~section amended~~interval changed to at least ~~once~~ every three years |
| 07/09/2021 | Staff ~~reviewed,~~review; no content changes |
| 07/16/2024 | ~~Updated normal~~Normal retirement age update and ~~other~~ non-substantive changes |
| Pending | Revised General Member age to track IRS guidance; Safety Member age set at 50; clarified law-prevails provision |

**Certification of Board Adoption~~:~~**

~~_____~~ - ~~07/16/2024~~

Clerk of the Board Date

*[Different odd and even pages setting changed from on in original to off in modified.].*

*[Different odd and even pages setting changed from on in original to off in modified.].*

*[Different odd and even pages setting changed from on in original to off in modified.].*

| Summary report:<br>Litera Compare for Word 11.13.0.54 Document comparison done on 11/5/2026 5:15:10 PM | |
|---|---|
| **Style name:** Default Style | |
| **Intelligent Table Comparison:** Active | |
| **Original filename:** 2024.07.16 Normal Retirement Age Policy - Clean.docx | |
| **Modified filename:** SJCERA_Normal_Retirement_Age_Policy_Draft.docx | |
| **Changes:** | |
| Add | 37 |
| ~~Delete~~ | 47 |
| ~~Move From~~ | 0 |
| Move To | 0 |
| Table Insert | 0 |
| ~~Table Delete~~ | 0 |
| Table moves to | 0 |
| ~~Table moves from~~ | 0 |
| Embedded Graphics (Visio, ChemDraw, Images etc.) | 1 |
| Embedded Excel | 0 |
| Format changes | 0 |
| **Total Changes:** | 85 |

## I. Purpose

A. This policy establishes normal retirement age for the San Joaquin County Employees' Retirement Association (SJCERA) for federal tax qualification under Internal Revenue Code section 401(a). It does not change statutory service-retirement eligibility, benefit formulas, or retirement allowances.

## II. Normal Retirement Age

A. General Members

1. Normal retirement age for General Members is the age specified in the then-applicable Internal Revenue Service (IRS) guidance for the general age-based normal retirement age safe harbor applicable to governmental pension plans, or, if later, the date the member vests in a monthly retirement allowance from SJCERA.
2. This reference incorporates Treasury Regulation section 1.401(a)-1(b)(2)(ii), applicable IRS guidance for governmental plans, and any amendments or successor provisions establishing that safe harbor. It is a continuing reference, not a fixed age or a reference limited to guidance in effect when this policy is adopted. Changes to the referenced age apply according to their effective dates and transition rules, without a further policy amendment. Staff shall document the controlling guidance and notify the Board of changes.
3. This provision refers to the general age-based normal retirement age safe harbor, not alternative age-and-service safe harbors, Social Security retirement ages, early-distribution tax exceptions, or required minimum distribution ages.

B. Safety Members

1. Normal retirement age for Safety Members is 50, or, if later, the date the member vests in a monthly retirement allowance from SJCERA. This age shall be administered consistently with applicable federal requirements for qualified public safety employees. A state-law Safety classification alone does not determine qualification under federal law; questions concerning qualification shall be referred to Chief Counsel.
2. A Safety Member is a member whose employment immediately before retirement was in a Safety classification under the County Employees Retirement Law of 1937 (CERL) or a Board determination, and who qualified for a SJCERA safety retirement allowance. Other members are General Members.

C. Basis and Application

1. The General Member age follows the federal safe harbor incorporated above. The Safety Member age is a Board-selected age consistent with the

federal public safety normal retirement age framework. These standards replace the prior actuarially determined ages.

2. This policy does not independently authorize in-service distributions or post-retirement employment. Applicable vesting, retirement eligibility, separation-from-service, and return-to-work requirements remain in effect. Required minimum distributions are governed separately.

D. Adjustment

1. The Board may amend this policy to maintain tax qualification or for other lawful purposes. The continuing IRS reference in Section II.A operates without a further Board amendment; discretionary changes require Board approval. This policy creates no independent vested right to a particular normal retirement age and does not impair rights protected by law.

## III. Law Prevails

A. This policy shall be interpreted and administered consistently with the Internal Revenue Code, applicable Treasury regulations and IRS guidance, CERL, and other controlling law. If a provision conflicts with controlling law, the law prevails. Guidance shall be applied subject to its scope, effective date, transition provisions, and any conditions permitting reliance. Staff shall refer conflicts to Chief Counsel and bring necessary policy revisions to the Board.

## IV. Policy Review

A. Staff shall review this policy at least every three (3) years and when relevant federal guidance changes. Amendments require Board approval under the Bylaws, except that changes incorporated through Section II.A apply as provided there.

## V. History

| | |
|---|---|
| 01/01/2015 | Bylaw Section 23 became effective |
| 12/08/2017 | Converted from Bylaws to policy |
| 06/29/2018 | Staff review and format update |
| 04/12/2019 | Review interval changed to at least every three years |
| 07/09/2021 | Staff review; no content changes |
| 07/16/2024 | Normal retirement age update and non-substantive changes |
| 12/11/2026 | Revised General Member age to track IRS guidance; Safety Member age set at 50; clarified law-prevails provision |

## Certification of Board Adoption

12/11/2026

Clerk of the Board — Date

# Placement Agent Information Disclosure

## I. Purpose

A. To describe the circumstances under which the San Joaquin County Employees' Retirement Association (SJCERA) shall require the disclosure of payments to Placement Agents in connection with SJCERA investments in or through External Managers.

~~B. To help ensure that SJCERA's investment decisions are made solely on the merits of the investment opportunity, are reasonable and prudent from a fiduciary perspective, and are consistent with SJCERA's investment policy objectives.~~

## II. Objective

A. To help ensure that SJCERA's investment decisions are made solely on the merits of the investment opportunity, are reasonable and prudent from a fiduciary perspective, and are consistent with SJCERA's investment policy objectives.

## ~~II.~~III. Definitions

A. The terms "External Manager," "Gifts" and "Placement Agent" shall have the meanings given in Government Code sections 7513.8 and 82028. Unless otherwise defined within this policy, all other defined terms in this policy shall have the meanings given in Government Code sections 7513.8 and 82028.

B. "Consultant" means a person or firm, including key personnel of such firm(s), who are contractually retained by SJCERA to provide advice to SJCERA on investments, External Manager selection and monitoring, and other services.

## ~~III.~~IV. Application

A. This Policy shall apply to all types of investment partners with whom SJCERA conducts business including, but not limited to, current investment managers and all investment managers being considered by SJCERA for an investment management engagement.

## ~~IV.~~V. Responsibilities

A. Each External Manager is responsible for:

1. Providing the following information (collectively, the "Placement Agent Disclosure Form") to Staff promptly upon request.

a. A statement whether the External Manager, or any of its principals, employees, agents or affiliates has compensated or agreed to compensate, directly or indirectly, any person (whether or not employed by the External Manager) or entity to act as a Placement Agent in connection with any investment by SJCERA.

b. A resume for each officer, partner or principal of the Placement Agent (and any employee providing similar services) detailing the person's education, professional designations, regulatory licenses, and investment and work experience. If any such person is a current or former SJCERA Board member, employee or Consultant, or a member of the immediate family of any such person, this fact shall be specifically noted.

c. A description of any and all compensation of any kind provided or agreed to be provided to a Placement Agent, including the general structure and timing of such compensation.

d. A description of the services to be performed by the Placement Agent.

e. A copy of any and all agreements between the External Manager and any third-party (non-employee) Placement Agent(s).

f. A statement as to whether the Placement Agent is utilized by the External Manager with all clients or prospective clients or with only a subset of clients or prospective clients.

g. Whether any current or former SJCERA Board Member, employee or Consultant suggested retention of the Placement Agent.

h. A statement whether the Placement Agent or any of its affiliates are registered as a lobbyist with any state or national government, or with the Securities and Exchange Commission or the Financial Industry Regulatory Association or any similar regulatory agent in a country other than the United States and the details of such registration or explanation of why no registration is required.

i. Representing to SJCERA that the External Manager is solely responsible for any fees, compensation or expenses for any Placement Agent and that SJCERA will not pay any such items.

j. A statement that the External Manager agrees and understands that, for two years after leaving their position, former board members or administrators shall not receive compensation for appearing before or communicating with a SJCERA Board member or staff for the purpose of influencing the Board to take certain actions regarding investments.

k. Representing to SJCERA that the External Manager understands and agrees that all of the information provided to SJCERA pursuant to this Policy is public information and subject to disclosure under the Public Records Act.

2. Providing an update of any changes to any of the information included in the Placement Agent Disclosure Form within 30 days of the occurrence of the change in information.

3. Causing its engaged Placement Agent, prior to acting as a Placement Agent with regard to SJCERA, to disclose to Staff any campaign contribution, gift or other item of value made or given to any member of the SJCERA Board or Staff or Consultant during the prior 24-month period.

4. Causing its engaged Placement Agent, during the time it is receiving compensation in connection with a SJCERA investment, to disclose to Staff any campaign contribution, gift or other item of value made or given to any member of the SJCERA Board or Staff or Consultant, during such period.

B. Staff is responsible for all of the following:

1. Assure that an agreement to comply with this Policy is incorporated in all current and future investment manager agreements.

2. Assure that all existing External Managers complete and submit the Placement Agent Information Disclosure to SJCERA in a timely manner.

3. Assure that an External Manager candidate completes and submits the disclosure information to SJCERA before consideration by the Board for an investment management engagement.

4. Provide the Board with the disclosure information before any investment decision by the SJCERA Board with respect to that manager.

5. Promptly advise the Board of any material violation of this Policy.

C. Sanctions in the event of a material omission or inaccuracy in the Disclosure can include, but are not limited to:

1. A penalty, for failure to disclose a third-party Placement Agent relationship, equal to the amount paid or promised to be paid to that Placement Agent in connection with any investment committed by SJCERA.

2. Immediate termination of the investment management engagement without penalty, or withdrawal without penalty from the limited partnership, limited liability company, or other investment vehicle, or suspension of any further capital contributions (and any fees on these re-called commitments) to limited partnership, limited liability company, or other investment vehicle.

3. A prohibition on the External Manager or Placement Agent from soliciting new investment from SJCERA for five (5) years. This prohibition may be reduced by a majority vote of the Board upon a showing of good cause.

4. The SJCERA Board shall determine which, if any, sanctions will apply in a given case based on the nature of the violation and any other relevant legal parameters.

D. All parties responsible for implementing, monitoring, and complying with this Policy should consider the spirit as well as the literal expression of the Policy. In cases where there is uncertainty whether a disclosure should be made, the Policy should be interpreted to require such disclosure.

## VI. Law Prevails

A. In the event a conflict between this Policy and the County Employees Retirement Law, the Public Employees' Pension Reform Act, or other applicable statute arises, the law shall prevail.

## ~~V.~~VII. Policy Review

A. Staff shall review this Policy at least once every three (3) years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board ~~of Retirement~~ in accordance with the bylaws.

## ~~VI.~~VIII. History

| | |
|---|---|
| 05/21/2010 | Adopted |
| 01/28/2011 | Revised |
| 01/27/2012 | Revised |
| 07/05/2018 | Staff reviewed, no changes required; updated format |
| 04/12/2019 | Policy Review section amended to at least once every three years |
| 07/10/2020 | Rewritten |
| 07/14/2023 | Clarified Placement Agency violation sanctions and other non-substantive changes. |
| 12/11/2026 | Added Objective and Law Prevail sections and other non-substantive changes |

**Certification of Board Adoption**



12/11/2026

Clerk of the Board — Date

# Placement Agent Information Disclosure

## I. Purpose

A. To describe the circumstances under which the San Joaquin County Employees' Retirement Association (SJCERA) shall require the disclosure of payments to Placement Agents in connection with SJCERA investments in or through External Managers.

## II. Objective

A. To help ensure that SJCERA's investment decisions are made solely on the merits of the investment opportunity, are reasonable and prudent from a fiduciary perspective, and are consistent with SJCERA's investment policy objectives.

## III. Definitions

A. The terms "External Manager," "Gifts" and "Placement Agent" shall have the meanings given in Government Code sections 7513.8 and 82028. Unless otherwise defined within this policy, all other defined terms in this policy shall have the meanings given in Government Code sections 7513.8 and 82028.

B. "Consultant" means a person or firm, including key personnel of such firm(s), who are contractually retained by SJCERA to provide advice to SJCERA on investments, External Manager selection and monitoring, and other services.

## IV. Application

A. This Policy shall apply to all types of investment partners with whom SJCERA conducts business including, but not limited to, current investment managers and all investment managers being considered by SJCERA for an investment management engagement.

## V. Responsibilities

A. Each External Manager is responsible for:

1. Providing the following information (collectively, the "Placement Agent Disclosure Form") to Staff promptly upon request.

a. A statement whether the External Manager, or any of its principals, employees, agents or affiliates has compensated or agreed to compensate, directly or indirectly, any person (whether or not employed by the External Manager) or entity to act as a Placement Agent in connection with any investment by SJCERA.

b. A resume for each officer, partner or principal of the Placement Agent (and any employee providing similar services) detailing the person's education, professional designations, regulatory licenses, and investment and work experience. If any such person is a current or former SJCERA Board member, employee or Consultant, or a member of the immediate family of any such person, this fact shall be specifically noted.

c. A description of any and all compensation of any kind provided or agreed to be provided to a Placement Agent, including the general structure and timing of such compensation.

d. A description of the services to be performed by the Placement Agent.

e. A copy of any and all agreements between the External Manager and any third-party (non-employee) Placement Agent(s).

f. A statement as to whether the Placement Agent is utilized by the External Manager with all clients or prospective clients or with only a subset of clients or prospective clients.

g. Whether any current or former SJCERA Board Member, employee or Consultant suggested retention of the Placement Agent.

h. A statement whether the Placement Agent or any of its affiliates are registered as a lobbyist with any state or national government, or with the Securities and Exchange Commission or the Financial Industry Regulatory Association or any similar regulatory agent in a country other than the United States and the details of such registration or explanation of why no registration is required.

i. Representing to SJCERA that the External Manager is solely responsible for any fees, compensation or expenses for any Placement Agent and that SJCERA will not pay any such items.

j. A statement that the External Manager agrees and understands that, for two years after leaving their position, former board members or administrators shall not receive compensation for appearing before or communicating with a SJCERA Board member or staff for the purpose of influencing the Board to take certain actions regarding investments.

k. Representing to SJCERA that the External Manager understands and agrees that all of the information provided to SJCERA pursuant to this Policy is public information and subject to disclosure under the Public Records Act.

2. Providing an update of any changes to any of the information included in the Placement Agent Disclosure Form within 30 days of the occurrence of the change in information.

3. Causing its engaged Placement Agent, prior to acting as a Placement Agent with regard to SJCERA, to disclose to Staff any campaign contribution, gift or other item of value made or given to any member of the SJCERA Board or Staff or Consultant during the prior 24-month period.

4. Causing its engaged Placement Agent, during the time it is receiving compensation in connection with a SJCERA investment, to disclose to Staff any campaign contribution, gift or other item of value made or given to any member of the SJCERA Board or Staff or Consultant, during such period.

B. Staff is responsible for all of the following:

1. Assure that an agreement to comply with this Policy is incorporated in all current and future investment manager agreements.

2. Assure that all existing External Managers complete and submit the Placement Agent Information Disclosure to SJCERA in a timely manner.

3. Assure that an External Manager candidate completes and submits the disclosure information to SJCERA before consideration by the Board for an investment management engagement.

4. Provide the Board with the disclosure information before any investment decision by the SJCERA Board with respect to that manager.

5. Promptly advise the Board of any material violation of this Policy.

C. Sanctions in the event of a material omission or inaccuracy in the Disclosure can include, but are not limited to:

1. A penalty, for failure to disclose a third-party Placement Agent relationship, equal to the amount paid or promised to be paid to that Placement Agent in connection with any investment committed by SJCERA.

2. Immediate termination of the investment management engagement without penalty, or withdrawal without penalty from the limited partnership, limited liability company, or other investment vehicle, or suspension of any further capital contributions (and any fees on these re-called commitments) to limited partnership, limited liability company, or other investment vehicle.

3. A prohibition on the External Manager or Placement Agent from soliciting new investment from SJCERA for five (5) years. This prohibition may be reduced by a majority vote of the Board upon a showing of good cause.

4. The SJCERA Board shall determine which, if any, sanctions will apply in a given case based on the nature of the violation and any other relevant legal parameters.

D. All parties responsible for implementing, monitoring, and complying with this Policy should consider the spirit as well as the literal expression of the Policy. In cases

where there is uncertainty whether a disclosure should be made, the Policy should be interpreted to require such disclosure.

## VI. Law Prevails

A. In the event a conflict between this Policy and the County Employees Retirement Law, the Public Employees' Pension Reform Act, or other applicable statute arises, the law shall prevail.

## VII. Policy Review

A. Staff shall review this Policy at least once every three (3) years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board in accordance with the bylaws.

## VIII. History

| | |
|---|---|
| 05/21/2010 | Adopted |
| 01/28/2011 | Revised |
| 01/27/2012 | Revised |
| 07/05/2018 | Staff reviewed, no changes required; updated format |
| 04/12/2019 | Policy Review section amended to at least once every three years |
| 07/10/2020 | Rewritten |
| 07/14/2023 | Clarified Placement Agency violation sanctions and other non-substantive changes. |
| 12/11/2026 | Added Objective and Law Prevail sections and other non-substantive changes |

**Certification of Board Adoption**



12/11/2026

Clerk of the Board — Date

# Proxy Voting Policy

## I. Purpose

A. ~~The Board of Retirement of the San Joaquin County Employees' Retirement Association has a~~ the significant fiduciary responsibility ~~in participating in~~regarding all equity fund proxy voting. ~~Careful review and research is necessary.~~ To make voting decisions in the best interest of the Fund and timely filing of proxy votes. ~~is essential~~ the Board of Retirement (Board) acknowledges the significant fiduciary responsibility regarding equity fund proxy voting.

~~B. The Board of Retirement delegates the filing of all proxy votes to the Fund's Investment Managers and Custodian Bank, with the following requirements:~~

~~1. Investment Managers and Custodian Bank will review and timely cast all proxy votes on behalf of the Retirement Board;~~

~~2. Investment Managers and Custodian Bank will be responsible to ensure that their reasons for voting on behalf of the Fund will primarily result in supporting or improving the shareholder's interest.~~

~~3. When significant or unusual issues arise on proxy voting matters that would directly impact the shareholder's interest, the Investment Managers and Custodian Bank will timely contact the Chief Executive Officer (CEO) or Investment Officer (IO) regarding the issue and make a recommendation on the proxy vote.~~

~~4. Should the CEO or IO disagree with the recommendation, the Chair of the Retirement Board will be contacted and his or her decision shall be final and reported at the next regularly scheduled Board meeting.~~

## II. Objectives

A. The Board delegates the filing of all proxy votes to the Fund's Investment Managers and Custodian Bank for securities held in the Fund consistent with their fiduciary obligations and~~,~~ with the following requirements:

1. Investment Managers and Custodian Bank will review and timely cast all proxy votes on behalf of the Board;
2. Investment Managers and Custodian Bank will be responsible to ensure that their reasons for voting on behalf of the Fund will primarily result in supporting or improving the shareholder's interest.
3. When significant or unusual issues arise on proxy voting matters that would directly impact the shareholder's interest, the Investment Managers and Custodian Bank will timely contact the Chief Executive Officer (CEO) or Investment Officer (IO) regarding the issue and make a recommendation on the proxy vote.

4. Should the CEO or IO disagree with the recommendation, the Board Chair will be contacted and ~~his or her~~their decision ~~shall~~will be final and reported at the next regularly scheduled Board meeting.

## III. Law Prevails

A. In the event of a conflict between this Policy and any applicable law, including but not limited to the California Government Code; the Internal Revenue Code; or other local, state, or federal statutes, the law shall prevail. If any provision of this Policy shall be held or made invalid by a court decision, statute, or rule, or shall be otherwise rendered invalid, the remainder of this Policy shall survive.

~~In the event of a conflict between this policy and the County Employees Retirement Law, the Public Employees' Pension Reform Act, or other applicable statute arises, the law shall prevail.~~

## ~~II.~~IV. Policy Review

A. Staff shall review this Policy at least once every three (3) years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this P~~p~~olicy must be approved by the Board ~~of Retirement~~ in accordance with its bylaws.

## ~~III.~~V. History

| | |
|---|---|
| 11/01/1991 | Board adopted policy |
| 09/24/2010 | Updated format and title changes |
| 07/05/2018 | Reviewed, no changes required; Staff updated format |
| 04/12/2019 | Policy Review section amended to at least once every three years |
| 07/10/2020 | Revised to update IO job title and other non-substantive changes. |
| 07/14/2023 | Revised to include Custodian Bank in the Proxy Voting process. |
| 09/01/2023 | Added requirement to inform the full Board when Chair makes Proxy Voting decision and fixed typo~~.~~ |
| 12/11/2026 | Added Objective section and other non-substantive formatting changes |

**Certification of Board Adoption**



12/11/2026

Clerk of the Board — Date

# Proxy Voting Policy

## I. Purpose

A. To make voting decisions in the best interest of the Fund and timely filing of proxy votes. the Board of Retirement (Board) acknowledges the significant fiduciary responsibility regarding equity fund proxy voting.

## II. Objectives

A. The Board delegates the filing of all proxy votes to the Fund's Investment Managers and Custodian Bank for securities held in the Fund consistent with their fiduciary obligations and with the following requirements:

1. Investment Managers and Custodian Bank will review and timely cast all proxy votes on behalf of the Board;
2. Investment Managers and Custodian Bank will be responsible to ensure that their reasons for voting on behalf of the Fund will primarily result in supporting or improving the shareholder's interest.
3. When significant or unusual issues arise on proxy voting matters that would directly impact the shareholder's interest, the Investment Managers and Custodian Bank will timely contact the Chief Executive Officer (CEO) or Investment Officer (IO) regarding the issue and make a recommendation on the proxy vote.
4. Should the CEO or IO disagree with the recommendation, the Board Chair will be contacted and their decision will be final and reported at the next regularly scheduled Board meeting.

## III. Law Prevails

A. In the event of a conflict between this Policy and any applicable law, including but not limited to the California Government Code; the Internal Revenue Code; or other local, state, or federal statutes, the law shall prevail. If any provision of this Policy shall be held or made invalid by a court decision, statute, or rule, or shall be otherwise rendered invalid, the remainder of this Policy shall survive.

## IV. Policy Review

A. Staff shall review this Policy at least once every three (3) years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this Policy must be approved by the Board in accordance with its bylaws.

## V. History

| | |
|---|---|
| 11/01/1991 | Board adopted policy |
| 09/24/2010 | Updated format and title changes |
| 07/05/2018 | Reviewed, no changes required; Staff updated format |
| 04/12/2019 | Policy Review section amended to at least once every three years |
| 07/10/2020 | Revised to update IO job title and other non-substantive changes. |

| | |
|---|---|
| 07/14/2023 | Revised to include Custodian Bank in the Proxy Voting process. |
| 09/01/2023 | Added requirement to inform the full Board when Chair makes Proxy Voting decision and fixed typo |
| 12/11/2026 | Added Objective section and other non-substantive formatting changes |

**Certification of Board Adoption**



12/11/2026

Clerk of the Board | Date

## I. PURPOSE

A. To outline SJCERA's goals, objectives, and guidelines for managing SJCERA's investment program.

B. To define provisions governing how the goals and objectives are to be achieved.

## II. INVESTMENT BELIEFS

A. General

1. Risk is the inability to meet benefit obligations when due.
2. Prudently managing the assets of the Plan is the Board's paramount duty.
3. SJCERA should monitor current and future benefit obligations to ensure long-term solvency of the Plan.
4. SJCERA recognizes that environmental, social, and governance factors (ESG) may present financial risks and opportunities for the Plan.

B. Investment Strategy

1. SJCERA should invest its assets and manage its liabilities so as to increase the likelihood of paying all benefit obligations over time.
2. SJCERA should seek a long-term rate of return net-of-fees that exceeds inflation, while recognizing and managing the need to maintain adequate liquidity to pay benefits.
3. SJCERA should invest globally, seeking investment opportunities in a variety of asset classes and management styles, in order to improve the likelihood of being able to meet benefit obligations over time.
4. SJCERA should make meaningful commitments that will improve performance and where possible, take advantage of lower fee schedules, while providing adequate diversification.
5. SJCERA believes financially relevant ESG factors may be considered as part of a broader investment risk and opportunity assessment process~~should identify, evaluate, and manage financially relevant ESG factors in its investment process to safeguard and enhance the investment performance of the Plan~~.
6. ~~5.~~ SJCERA recognizes that the appropriate balance between return-seeking assets and risk-mitigating assets may evolve as the Plan's funded status improves. As the Plan approaches full funding, staff and the investment consultant will periodically assess whether adjustments to the strategic asset allocation should be considered to better preserve funded status, reduce downside risk, and improve benefit security while maintaining sufficient return potential.

C. Pattern of Investment Returns

1. The volatility of investment returns is as important as the level of returns in determining SJCERA's ability to meet future benefit obligations.
2. SJCERA should be able to reduce the volatility of the portfolio returns and the risk of large portfolio drawdowns through diversification, opportunistic allocations, and passive investing where appropriate.
3. Actions to manage volatility should be appropriately integrated into the investment decision-making process.

## III. INVESTMENT OBJECTIVE

A. The funding obligations of SJCERA are long-term in nature; consequently, the investment of portfolio assets should have a long-term focus. The assets shall be invested in accordance with sound investment practices that emphasize long-term investment fundamentals. The investment objective for SJCERA assets is to achieve long-term investment returns net-of-fees that allow the plan to meet all earned benefit payments to plan participants. It is expected that this objective can be obtained through a well-diversified portfolio structure in a manner consistent with this Policy. Accordingly, the investment of these assets shall be guided by the following underlying principles:

1. To achieve a positive rate of return over the long-term that significantly contributes to meeting SJCERA's objectives, including achieving the actuarial assumption for rate of return and satisfying expected benefit payment obligations;
2. To provide for asset growth at a rate in excess of the rate of inflation and of the liability growth rate of SJCERA;
3. To earn a sufficient rate of return while minimizing exposure to losses or wide swings in market value.

## IV. STRATEGIC ASSET ALLOCATION POLICY

A. Strategic Asset Allocation Development

1. The Board regularly adopts and implements an asset allocation policy that is predicated on a number of factors, including:
    a. A projection of actuarial assets, liabilities, benefit payments and required contributions;
    b. Historical and expected long-term capital market risk and return behavior;
    c. An assessment of future economic conditions, including inflation and interest rate levels; and
    d. The current and projected funding status of the Plan.
2. The asset allocation will be determined through appropriate studies undertaken by the consultant(s) retained by the Board. The allocation study will include all asset classes deemed prudent and appropriate by the Board. The Board, with

the aid of the investment consultant, will determine the assumptions and criteria to be used in the asset allocation study. The following assumptions and criteria will be so determined:

a. The expected return from each asset category.

b. The expected standard deviation of each asset category.

c. The minimum acceptable return over a given time period.

d. The net contribution as a percent of payroll.

e. The expected payroll growth rate.

3. The resulting asset allocation will be approved by the Board with input from SJCERA staff and the investment consultant. The asset allocation study will generally be performed ~~on cycle~~in conjunction with ~~the~~ each actuarial experience study. Appropriate adjustments to the existing portfolio will then be made in the most expeditious and appropriate manner.

4. On a more frequent, periodic basis, SJCERA staff and the investment consultant, will analyze the portfolio structure of each strategic class. Analysis shall include:

a. Appropriateness of strategic class and manager benchmarks,

b. Alignment structure of individual portfolios with strategic class benchmarks based on manager holdings and mandate,

c. Evaluation of whether the strategic class is structured in a manner that is consistent with the Board's objectives,

d. Analysis of underperforming managers, and

e. Overall risk profile of the strategic class.

B. Funded Status Review Triggers

1. In addition to periodic asset-liability studies, ~~the~~ SJCERA staff and the investment consultant shall review the appropriateness of the strategic asset allocation when the Plan's funded status exceeds 90%, 95%, and 100%, based on the most recent actuarial valuation.

1) Upon 90% funding status and beyond, strategic asset allocation reviews shall be annual.

2. Such reviews shall evaluate the Plan's risk profile, liquidity needs, funded status, volatility, contribution requirements, and long-term return objectives. Any recommended changes to the strategic asset allocation shall be presented to the Board for consideration and approval.

## ~~B.~~C. Approved Strategic Asset Allocation

1. Pursuant to Investment Belief II.C.2, SJCERA shall diversify the investment of assets according to the specified long-term target percentages.

| Strategic Asset Allocation<br>Approved October ~~June~~ 2025~~2~~ | | | |
|---|---|---|---|
| **Strategic Classes** | **Target** | **Min.** | **Max** |
| **Broad Growth** | **8~~1~~0** | **7~~3~~0** | **~~89~~90** |
| Aggressive Growth | 2~~1~~16 | 17~~1~~3 | 25~~1~~9 |
| Traditional Growth | 38~~3~~4 | 31~~2~~8 | 4~~5~~0 |
| Stabilized Growth | 22~~3~~0 | 18~~2~~4 | 26~~3~~6 |
| ~~Risk Parity~~ | ~~6~~ | ~~4~~ | ~~8~~ |
| Credit | 13~~5~~ | 10~~3~~ | 16~~7~~ |
| Core Real Assets | 9 | 7 | 11 |
| **Diversifying Strategies** | **19~~2~~0** | **14~~5~~** | **24~~5~~** |
| Principal Protection | 9~~7~~ | 7~~5~~ | 11~~9~~ |
| CRO | 10~~3~~ | 10 | 16 |

2. The allocation goal recognizes that at any time equity and fixed income Investment Managers may have transactional cash on hand.
3. Financial derivatives may be used within prudent limits to manage risk, lower transaction costs, or augment returns.

## D. Prohibition of Digital or Crypto Assets

1. In general, the use of **digital or crypto assets** in the Plan is prohibited, whether they are classified as securities, commodities or derivatives (futures etc.), including but not limited to:
   i. cryptocurrencies, including stablecoins,
   ii. non-fungible tokens (NFTs),
   iii. coin or token offerings such as Initial Coin Offering (ICO), Initial Exchange Offering (IEO), Security Token Offering (STO) or
   iv. Derivatives and futures contracts.
2. The Plan's managers shall not hold any digital or crypto assets directly or through investment products (including publicly traded mutual funds and ETFs) holding them.
3. Indirect (non-holding) exposure to digital or crypto assets from the Plan's non-separate account managers (e.g., commingled funds) via derivative instruments is ~~–~~not permitted.

## V. ALLOCATIONS AND PORTFOLIO REBALANCING GUIDELINES

A. The Board strives to make meaningful commitments to investment strategies ~~in which~~where it has a high level of conviction and confidence in long-term outcomes. In general, the minimum commitment will be two percent of the overall portfolio or $~~50~~ 75 million, whichever is greater.

B. Rebalancing Guidelines

1. The Board delegates the authority to rebalance the asset allocation to the Investment Officer and/or the Chief Executive Officer.
2. Staff and investment consultant will develop a plan and outline the timeframe for accomplishing the proposed rebalancing.
3. Staff and investment consultant will coordinate with the appropriate internal and external parties to implement the rebalancing.
4. Staff will report the rebalancing activity to the Board.

C. Rebalancing/Transitioning to New Asset Allocation Targets

1. The target allocation to each strategic class and to sub-classes within strategic classes is expected to remain stable over most market cycles. When new asset allocation targets are adopted, the Board's goal is to transition the physical assets efficiently and prudently toward the approved~~and to reach the~~ target ~~optimal~~ portfolio in a timely manner.
2. With respect to the target strategic allocations to each strategic class, to the sub-classes and to investment managers, the Board, in consultation with its investment consultant, will establish rebalancing range limitations. The ranges for each class/sub-class are established as generally~~as~~ twenty percent (20%) of the target.
3. Due to the illiquid and time-lagging nature of private investments, and the research required to select high-quality managers; it will take time to achieve the target(s) for the Private Equity, Private Real Estate, and Private Credit segments of the portfolio. If the Private Equity, Private Real Estate, and/or Private Credit classes are below their targets, the differences will be temporarily invested in public market equivalents until such opportunities in the private markets are available. Under these circumstances public market equivalents may exceed the stated bands by up to the underweight of private markets targets.

   In addition, SJCERA staff and investment c~~C~~onsultant~~s~~ will provide a report at the next regularly scheduled board meeting.

D. Ongoing Monitoring and Rebalancing the Asset Allocation Targets

1. The actual asset mix of the total portfolio may diverge from the target allocations requiring rebalancing to meet the investment objectives set by the Board. Conversely, continually rebalancing to the asset allocation targets may result in significant transaction costs.
   a. SJCERA staff and the investment consultant will monitor the portfolio's asset allocation relative to the strategic target allocations. If actual allocations to a strategic class, ~~or to a~~ sub-class or investment manager, fall

outside the predetermined range, SJCERA staff and the investment consultant will review, discuss and develop a plan for rebalancing ~~back to~~toward the mid-point between the ~~end of the range~~breached limit ~~that was exceeded~~ and the strategic target allocation.

b. In determining the rebalancing plan, the investment consultant and staff should prioritize implementation procedures as follows:

i. Investing net contributions into classes that are below their range limitations;

ii. Drawing cash out of the portfolio (for benefit payments and expenses) from classes that are above their range limitations (using interest payments, rental revenues and dividends); and

iii. Selling assets from classes/portfolios that exceed the target range(s), and buying assets in classes/portfolios that are below the target range(s).

c. Within the total SJCERA portfolio, the Cash Overlay Program may be implemented consisting of four potential elements: 1) invest unallocated cash, 2) invest managers' cash, 3) manage transitions and 4) maintain the target allocation. The Cash Overlay Manager is primarily expected to securitize unallocated cash. If the Board approves the use of elements 1, 2, or 4 of the C~~c~~ash O~~o~~verlay P~~p~~rogram, staff may deploy element 3 as needed to assist with transitions.

## VI. TOTAL FUND PERFORMANCE OBJECTIVE AND MEASUREMENT PERIOD

A. The total fund performance objective is to achieve a total return net ~~-~~of ~~-~~fees and expenses that equals or exceeds the actuarial assumed rate of return and the policy benchmark over a full market cycle as defined by the Board. The return of a hypothetical portfolio is represented by a policy benchmark consisting of ~~public market~~ indices weighted according to asset allocation targets.

**SJCERA's long-term strategic policy benchmark consists of the following ~~passive public market~~ indices and weightings as listed below.**

| PORTFOLIO POLICY BENCHMARK | | |
|---|---|---|
| **Strategic Classes** | **Target** | **Benchmark** |
| **Broad Growth** | **8~~10~~** | **---** |
| Aggressive Growth | 21~~16~~ | 45~~50~~% MSCI ACWI ND + 2%/ 35~~50~~% NCREIF ODCE + 1%/ 20% CPI + 3% |
| Traditional Growth | ~~–~~38~~4~~ | MSCI ACWI IMI (ND) |
| Stabilized Growth | 22~~30~~ | --- |
| ~~Risk Parity~~ | ~~6~~ | ~~90-day Tbills + 4%~~ |
| Credit | 13~~5~~ | 40~~50~~% BB High Yield, 60~~50~~% Morningstar~~S&P~~/LTSA Lev. Loans |
| Core Real Assets | 9 | NCREIF ODCE |

| | | |
|---|---|---|
| **Diversifying Strategies** | 1920 | --- |
| Principal Protection | 97 | BB U.S. Aggregate Index |
| Crisis Risk Offset (CRO) | 103 | 3 Part Custom (33% BTOP 50, 33% BC long Duration Treasuries, 33% at 5% annual) |

1. The Policy Benchmark measures the performance results of the Ttotal Pportfolio. Each investment manager within a strategic class will be measured against an appropriate benchmark for that strategy.

2. Performance results for SJCERA investments and for each Investment Manager shall be calculated and evaluated quarterly and presented to the Board for review. This Total Portfolio Benchmark will be included in evaluation reports presented to the Board for review.

## VII. CLASS-SPECIFIC GUIDELINES

### A. Cash and Overlay

1. Cash Iinvestments (STIF[1]) Manager
   a. The Cash Manager will invest the cash balances of all accounts with a cash component held at the custody bank selected by SJCERA.
   b. Cash (STIF) - The performance of cash assets is expected to outperform a 91-day U.S. Treasury Bill Index
2. Cash Overlay Manager
   a. SJCERA staff and investment consultant may direct the Ccash Ooverlay Pprogram manager to:
      i. Overlay Unallocated Cash: Monitor SJCERA's overall positions daily and synthetically invest unallocated cash using financial futures contracts.
      ii. Overlay Manager Cash: Monitor SJCERA's managers' cash positions daily and synthetically invest un-invested portions using financial futures contracts.
      iii. Assist with Manager Transitions: As transition events arise, staff and investment consultant will review each transition issue with the objectives of maintaining target market exposure and minimizing transition costs.
      ~~iv. Maintain Target Allocation: Calculate SJCERA's actual allocation and compare to target allocations. If actual allocations differ from targets by more than SJCERA's predetermined tolerance level, the SJCERA fund is synthetically rebalanced to target on an overlay basis using financial futures contracts.~~

### B. Broad Growth Class and Its Underlying Components

[1] STIF = Short Term Invesetment Fund

1. Role: The Broad Growth Class is expected to generate relatively high levels of absolute and real (i.e., inflation-adjusted) returns, net of all costs. The Broad Growth Class is considered the main return driver of the overall/aggregate total SJCERA investment portfolio. While volatility is expected over time, the Broad Growth class must achieve its relatively high returns on a sustainable basis in order for the overall SJCERA pension plan to achieve its long-term objectives. In addition, each of the three Broad Growth components (described below) are expected to produce relatively high returns when compared to other SJCERA class portfolios.
2. Investment Structure: The Broad Growth class consists of three components: Aggressive Growth, Traditional Growth, and Stabilized Growth. The structures and roles of these three components are described in detail below.

    *a. Aggressive Growth Component and Its Underlying Components*

        i. Role: The Aggressive Growth Component is expected to earn risk-adjusted returns in excess of the Traditional Growth Component, primarily due to the liquidity premium demanded by investors across various types of private markets.

        ii. Investment Structure: The Aggressive Growth component consists of two sub-components: Private Equity and Non-Core Real Estate. The structures of these two sub-components are described below.

            A. Private Equity Structure

                1. Role: The Private Equity portfolio is expected to earn risk-adjusted returns in excess of the public equity markets, primarily due to the liquidity premium demanded by investors. The Private Equity portfolio is also expected to decrease the volatility of the total pPortfolio, through the diversification benefits of having lower correlations with other classes.

                2. Investment Structure: The Private Equity allocation generally consists of investments into private companies, either directly or through buyouts of public companies that result in a delisting of public equity. The Private Equity portfolio is composed of three major subcomponents.

                    - Venture Capital/Growth
                        - Venture capital partnerships primarily invest in businesses still in the conceptual stage (start-up or seed) or where products may not be fully developed, and where revenues and/or profits may be several years away.
                        - Growth/later-stage venture capital partnerships typically invest in more mature companies in need of growth or expansion capital.
                    - Buyout

- These partnerships provide the equity capital for acquisition transactions either from a private seller or the public, which may represent the purchase of an entire company, or a refinancing or recapitalization transaction where equity is purchased.

- Other
  - Mezzanine/subordinated debt partnerships provide the intermediate capital between equity and senior debt in a buyout or refinancing transaction.
  - Restructuring/distressed debt partnerships typically make new investments in financially or operationally troubled companies, often for a control position, with a view to improving the balance sheet and operations for a subsequent sale.
  - Special situations partnerships include organizations with a specific industry focus or transaction type not covered by the other subclasses mentioned above, or unique opportunities that fall outside such subclasses.

3. Allocation: The Private Equity portfolio shall be diversified by time, subclass, and geography. Such diversification is expected to enhance returns, control risk, and reduce volatility.

B. Non-Core Real Estate Structure

1. Role: The Non-Core Real Estate portfolio is expected to earn rRisk-aAdjusted rReturns in excess of the public equity markets, primarily due to re-positioning and development of real asset projects, the use of leverage, and to a liquidity premium demanded by investors. At the margin, the Non-Core Real Estate portfolio is also expected to diversify the broader Aggressive Growth Portfolio, which also includes Private Equity (see above).

2. Investment Structure: Non-Core Real Estate investments provide access to opportunities for higher returns by investing (typically with the use of leverage) in assets in need of re-tenanting, development, re-development, operational improvements, or renovation, or are otherwise in some form of distress, exhibit sub-optimal capital structures, or experiencing market dislocation(s). They may also be located in emerging/non-institutional market segments and/or product/asset types. Such investment may utilize more aggressive financial structures in order to raise the return/risk profile, emphasize capital appreciation, and exhibit relatively high return objectives.

The Non-Core Real Estate portfolio may consist of equity or debt investments in real estate, infrastructure, agriculture, energy-related investments, or timberland.

3. Allocation: The Non-Core Real Estate portfolio shall be diversified by time, subclass, and geography. Such diversification is expected to enhance returns, control risk, and reduce volatility.

C. Infrastructure

1. Role: The Infrastructure portfolio is expected to earn risk-adjusted returns in excess of the public equity markets, primarily due to investments in physical structures, facilities and networks which provide essential services. At the margin, the Infrastructure portfolio is also expected to diversify the broader Aggressive Growth Portfolio, which also includes Private Equity and Non-Core Real Estate (see above).

2. Investment Structure: Infrastructure investments provide access to opportunities for higher returns by investing (typically with the use of leverage) in assets in Transportation, Energy/Utilities, Social and Communications.

The Infrastructure portfolio may consist of equity or debt investments .

3. Allocation: The Infrastructure portfolio shall be diversified by time, subclass, and geography. Such diversification is expected to enhance returns, control risk, and reduce volatility.

b. *Traditional Growth Component Structure*

i. Role: The Traditional Growth portfolio is expected to generate attractive absolute returns in a relatively low-cost manner. The Traditional Growth portfolio also typically invests in securities that exhibit reasonable levels of liquidity.

ii. Investment Structure: The Traditional Growth allocation consists of a highly diversified mix of publicly traded global equities. Common stocks, preferred stocks, or other equity securities are typically utilized.

A. The public equity portfolio is composed of U.S., non-U.S. and global equity segments.

1. U.S. Equities: Managers invest primarily in publicly traded equity securities of U.S. companies.

2. Non-U.S. Equities: Managers invest primarily in publicly traded equity securities of non-U.S. companies, in both developed and emerging markets.

3. Global Equities: Managers make the allocation decisions between U.S. and non-U.S. markets, in both developed and

emerging markets and invest in publicly-traded securities of U.S. and nNon-U.S. companies, in both developed and emerging markets.

c. *Stabilized Growth Component and Its Underlying Sub-Components*

i. Role: The Stabilized Growth Component is expected to earn rRisk-aAdjusted returns in excess of the Traditional Growth Component, primarily as a result of (A) achieving absolute return levels that are near-or-equivalent to those achieved by the Traditional Growth component while also (B) achieving lower volatility (risk) over a full investment cycle, particularly during Traditional Growth bear markets.

ii. Investment Structure: The Stabilized Growth component consists of three sub-components: Risk Parity, Credit, and Core Real Estate. The structures of these three sub-components are described below.

A. Risk Parity Structure

1. Role: The Risk Parity portfolio is expected to generate attractive rRisk-aAdjusted rReturns through allocations to multiple investments, including equities, bonds, commodities, and currency, while providing diversification to the overall Portfolio.

2. Investment Structure: SJCERA has an allocation to Risk Parity through two investment styles,

- A Beta portfolio in which risk is balanced across asset classes that respond in dissimilar manners to different economic environments, such that the underperformance in one asset class may be offset by the outperformance of another asset class with an opposite bias to that environment.

- An actively managed portfolio in which risk is balanced across asset classes, but the investment manager has discretion to actively tilt the portfolio to factors or asset classes that may provide additional return or manage the overall volatility of the portfolio.

B. Credit Structure

1. Role: The credit portfolio, public and private is expected to provide income, yield and diversification to the total pPortfolio due to a moderate correlation with other classes. In addition, the Credit portfolio is expected to provide return, a source of liquidity, and positive returns relative to an appropriate performance bBenchmark.

2. Investment Structure: SJCERA has an allocation to Credit through two investment styles: 1) a liquid portfolio in which investments are made in bank loans, investment grade, high yield and emerging market debt, 2) a privately managed

portfolio in which investments are made into illiquid debt across middle market direct lending, distressed, and specialty finance.

C. Core Real Estate Structure

1. Role: The Core Real Estate portfolio is expected to generate attractive rRisk-aAdjusted rReturns through stable income and the opportunity for capital appreciation, while providing diversification to the overall Portfolio.

2. Investment Structure: Core Real Estate Managers typically invest in properties that are well located and well leased with strong quality tenants. Core investments provide stable income with lower volatility.

D. **Diversifying Strategies Class and Its Underlying Components**

1. *Principal Protection Class Structure*

a. Role: The Principal Protection portfolio is expected to provide a modest absolute return, be a stabilizer to the overall portfolio and provide significant diversification to the total pPortfolio due to low correlation with other classes. In addition, the principal protection portfolio is expected to provide capital preservation, a source of liquidity, lower volatility and competitive returns relative to an appropriate performance benchmark.

b. Investment Structure: The Principal Protection allocation consists of a diversified mix of publicly traded fixed income securities, invested across multiple asset types. The principal protection portfolio is composed largely of Treasuries, Agency Backed Mortgage Securities, and other agency backed bonds.

i. Mortgage Backed Securities - Agency

A. Managers invest primarily in Mortgage Backed Securities (MBS) issued by the U.S. government agencies (Fannie Mae, Freddie Mac, or Ginnie Mae).

ii. Treasuries

A. Managers invest in Treasury securities of the U.S. government.

iii. Other

A. Managers may invest in other high-quality segments; however these must be investment grade credit that is rated “BBB” or higher by two or more of the credit rating agencies.

2. *Crisis Risk Offset Class Structure*

a. Role: The Crisis Risk Offset (CRO) portfolio is expected to produce significant positive returns during an extended recessionary-type equity market crisis, while maintaining purchasing power during more normal market environments. In this respect, the CRO portfolio is expected to enhance the long-term risk-adjusted performance of the total pPortfolio, by substantially mitigating significant drawdowns.

b. Investment Structure: The CRO allocation generally consists of investments in highly-liquid portfolios that are meant to capture key risk premia that should prove largely beneficial during an equity-related market crisis. Along these lines, the underlying investments and strategies may utilize both long positions and short-selling positions to capture the desired return patterns/behavior. The CRO portfolio is composed of three major subcomponents.

i. First Responders

A. U.S. Treasuries represent the leading "flight-to-quality" investment since they are backed by the U.S. Government. The U.S. Dollar (the base denomination of U.S. Treasuries) is also considered the world's highest-quality reserve currency.

B. Exposure to U.S. Treasury Duration can take place via cash markets (i.e., actual bonds) or the futures markets (virtual bond proxies).

ii. Second Responders

A. Long-short portfolios utilizing derivatives-based instruments to capture both periodic appreciation and periodic depreciation trends that evolve and dissipate across a very wide array of liquid global markets. Risk/volatility is calibrated to a pre-determined level derivatives-based leverage.

B. Assets will be invested in highly liquid underlying securities (cash, futures, forwards, etc.), allowing for relatively rapid access for ~~rebalancing and liquidity purposes.~~f

C. In order to appropriately calibrate the expected volatility of this component and the overall CRO class, significant levels of derivatives-based leverage may be applied. Effects of leverage are adjusted daily through market-based exchanges/facilities, ensuring appropriate and timely mark-to-market valuations.

iii. Diversifiers

A. Long-short portfolios utilizing both cash and derivatives-based instruments to capture well-researched/documented non-market risk premiums (e.g., momentum, carry, value, low-volatility, etc.) on a continuous basis, utilizing an array of liquid global markets. Risk/volatility is calibrated to a pre-determined level utilizing cash and derivatives-based leverage.

B. Assets will be invested in highly liquid underlying securities (cash, stocks, futures, forwards, etc.), allowing for relatively rapid access for rebalancing and liquidity purposes.

## VIII. LAW PREVAILS

A. In the event a conflict between this Policy and any applicable law, including but not limited to the California Government Code; the Internal Revenue Code; or other local, state, or federal statutes, the law shall prevail. If any provision of this

Policy shall be held or made invalid by a court decision, statute, or rule, or shall be otherwise rendered invalid, the remainder of this Policy shall survive.

## ~~VIII~~IX. POLICY REVIEW

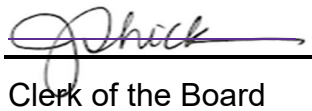
A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board of Retirement in accordance with the bylaws.

## ~~I~~X. HISTORY

| | |
|---|---|
| 10/12/2007 | Adopted by Board of Retirement |
| 09/26/2008 | Revised by Board of Retirement modifying asset allocation targets |
| 05/05/2009 | Revised by Board of Retirement modifying asset allocation targets |
| 02/26/2010 | Revised by Board of Retirement modifying asset allocation target ranges |
| 07/27/2012 | Revised by Board of Retirement modifying ranges for sub-asset classes and adding cash overlay program |
| 12/14/2012 | Revised by Board of Retirement regarding changes to long-term benchmarks |
| 04/26/2013 | Revised by Board of Retirement adding the Real Asset class |
| 05/09/2014 | Revised by Board of Retirement modifying asset allocation targets |
| 11/13/2015 | Revised by Board of Retirement moving public real estate to the Global Public Equity class |
| 06/10/2016 | Revised by Board of Retirement moving public real estate to the Global Public Equity class |
| 08/16/2017 | Revised by Board of Retirement modifying asset allocation targets |
| 11/03/2017 | Revised by Board of Retirement establishing minimum threshold commitments |
| 07/05/2018 | Reviewed, no changes required; Staff updated format |
| 10/12/2018 | Deleted redundant language that already exists in the Investment Manager and Communications Policy |
| 04/12/2019 | Policy Review section amended to at least once every three years |
| 12/11/2020 | Revised asset allocation targets and incorporated asset class-specific policies' guidelines and performance measurement standards |
| 02/12/2021 | Revised b~~B~~enchmark for the Aggressive Growth asset class |
| 04/09/2021 | Revised Section V.C to specify rebalancing triggers and reporting requirement when public markets are used as proxies for private markets |

| | |
|---|---|
| 01/20/2023 | Revised to reflect the asset allocation targets adopted June 3, 2022 as part of the Asset-Liability study. |
| 03/10/2023 | Revised to reflect the re-labeling within the Crisis Risk Offset bucket. |
| 09/01/2023 | Added ESG statements to Investment Beliefs. |
| 10/14/2026 | Updated policy targets and ranges, Added language regarding Infrastructure investments. Updated asset class benchmarks |

**Certification of Board Adoption**



~~09/01/2023~~

Clerk of the Board Date

## I. PURPOSE

A. To outline SJCERA's goals, objectives, and guidelines for managing SJCERA's investment program.

B. To define provisions governing how the goals and objectives are to be achieved.

## II. INVESTMENT BELIEFS

A. General

1. Risk is the inability to meet benefit obligations when due.
2. Prudently managing the assets of the Plan is the Board's paramount duty.
3. SJCERA should monitor current and future benefit obligations to ensure long-term solvency of the Plan.
4. SJCERA recognizes that environmental, social, and governance factors (ESG) may present financial risks and opportunities for the Plan.

B. Investment Strategy

1. SJCERA should invest its assets and manage its liabilities so as to increase the likelihood of paying all benefit obligations over time.
2. SJCERA should seek a long-term rate of return net-of-fees that exceeds inflation, while recognizing and managing the need to maintain adequate liquidity to pay benefits.
3. SJCERA should invest globally, seeking investment opportunities in a variety of asset classes and management styles, in order to improve the likelihood of being able to meet benefit obligations over time.
4. SJCERA should make meaningful commitments that will improve performance and where possible, take advantage of lower fee schedules, while providing adequate diversification.
5. SJCERA believes financially relevant ESG factors may be considered as part of a broader investment risk and opportunity assessment process.
6. SJCERA recognizes that the appropriate balance between return-seeking assets and risk-mitigating assets may evolve as the Plan's funded status improves. As the Plan approaches full funding, staff and the investment consultant will periodically assess whether adjustments to the strategic asset allocation should be considered to better preserve funded status, reduce downside risk, and improve benefit security while maintaining sufficient return potential.

C. Pattern of Investment Returns

1. The volatility of investment returns is as important as the level of returns in determining SJCERA's ability to meet future benefit obligations.
2. SJCERA should be able to reduce the volatility of the portfolio returns and the risk of large portfolio drawdowns through diversification, opportunistic allocations, and passive investing where appropriate.
3. Actions to manage volatility should be appropriately integrated into the investment decision-making process.

## III. INVESTMENT OBJECTIVE

A. The funding obligations of SJCERA are long-term in nature; consequently, the investment of portfolio assets should have a long-term focus. The assets shall be invested in accordance with sound investment practices that emphasize long-term investment fundamentals. The investment objective for SJCERA assets is to achieve long-term investment returns net-of-fees that allow the plan to meet all earned benefit payments to plan participants. It is expected that this objective can be obtained through a well-diversified portfolio structure in a manner consistent with this Policy. Accordingly, the investment of these assets shall be guided by the following underlying principles:

1. To achieve a positive rate of return over the long-term that significantly contributes to meeting SJCERA's objectives, including achieving the actuarial assumption for rate of return and satisfying expected benefit payment obligations;
2. To provide for asset growth at a rate in excess of the rate of inflation and of the liability growth rate of SJCERA;
3. To earn a sufficient rate of return while minimizing exposure to losses or wide swings in market value.

## IV. STRATEGIC ASSET ALLOCATION POLICY

A. Strategic Asset Allocation Development

1. The Board regularly adopts and implements an asset allocation policy that is predicated on a number of factors, including:
    a. A projection of actuarial assets, liabilities, benefit payments and required contributions;
    b. Historical and expected long-term capital market risk and return behavior;
    c. An assessment of future economic conditions, including inflation and interest rate levels; and
    d. The current and projected funding status of the Plan.
2. The asset allocation will be determined through appropriate studies undertaken by the consultant(s) retained by the Board. The allocation study will include all asset classes deemed prudent and appropriate by the Board. The Board, with the aid of the investment consultant, will determine the assumptions and criteria

to be used in the asset allocation study. The following assumptions and criteria will be so determined:

a. The expected return from each asset category.

b. The expected standard deviation of each asset category.

c. The minimum acceptable return over a given time period.

d. The net contribution as a percent of payroll.

e. The expected payroll growth rate.

3. The resulting asset allocation will be approved by the Board with input from SJCERA staff and the investment consultant. The asset allocation study will generally be performed in conjunction with each actuarial experience study. Appropriate adjustments to the existing portfolio will then be made in the most expeditious and appropriate manner.

4. On a more frequent, periodic basis, SJCERA staff and the investment consultant, will analyze the portfolio structure of each strategic class. Analysis shall include:

a. Appropriateness of strategic class and manager benchmarks,

b. Alignment structure of individual portfolios with strategic class benchmarks based on manager holdings and mandate,

c. Evaluation of whether the strategic class is structured in a manner that is consistent with the Board's objectives,

d. Analysis of underperforming managers, and

e. Overall risk profile of the strategic class.

B. Funded Status Review Triggers

1. In addition to periodic asset-liability studies, SJCERA staff and the investment consultant shall review the appropriateness of the strategic asset allocation when the Plan's funded status exceeds 90%, 95%, and 100%, based on the most recent actuarial valuation.

1) Upon 90% funding status and beyond, strategic asset allocation reviews shall be annual.

2. Such reviews shall evaluate the Plan's risk profile, liquidity needs, funded status, volatility, contribution requirements, and long-term return objectives. Any recommended changes to the strategic asset allocation shall be presented to the Board for consideration and approval.

C. Approved Strategic Asset Allocation

1. Pursuant to Investment Belief II.C.2, SJCERA shall diversify the investment of assets according to the specified long-term target percentages.

| **Strategic Asset Allocation** Approved October 2025 | | | |
|---|---|---|---|
| **Strategic Classes** | **Target** | **Min.** | **Max** |
| **Broad Growth** | **81** | **73** | **89** |
| Aggressive Growth | 21 | 17 | 25 |
| Traditional Growth | 38 | 31 | 45 |
| Stabilized Growth | 22 | 18 | 26 |
| Credit | 13 | 10 | 16 |
| Core Real Assets | 9 | 7 | 11 |
| **Diversifying Strategies** | **19** | **14** | **24** |
| Principal Protection | 9 | 7 | 11 |
| CRO | 10 | 10 | 16 |

2. The allocation goal recognizes that at any time equity and fixed income Investment Managers may have transactional cash on hand.
3. Financial derivatives may be used within prudent limits to manage risk, lower transaction costs, or augment returns.

D. Prohibition of Digital or Crypto Assets

1. In general, the use of **digital or crypto assets** in the Plan is prohibited, whether they are classified as securities, commodities or derivatives (futures etc.), including but not limited to:
   i. cryptocurrencies, including stablecoins,
   ii. non-fungible tokens (NFTs),
   iii. coin or token offerings such as Initial Coin Offering (ICO), Initial Exchange Offering (IEO), Security Token Offering (STO) or
   iv. Derivatives and futures contracts.
2. The Plan's managers shall not hold any digital or crypto assets directly or through investment products (including publicly traded mutual funds and ETFs) holding them.
3. Indirect (non-holding) exposure to digital or crypto assets from the Plan's non-separate account managers (e.g., commingled funds) via derivative instruments is not permitted.

## V. ALLOCATIONS AND PORTFOLIO REBALANCING GUIDELINES

A. The Board strives to make meaningful commitments to investment strategies where it has a high level of conviction and confidence in long-term outcomes. In general, the minimum commitment will be two percent of the overall portfolio or $75 million, whichever is greater.

B. Rebalancing Guidelines

1. The Board delegates the authority to rebalance the asset allocation to the Investment Officer and/or the Chief Executive Officer.
2. Staff and investment consultant will develop a plan and outline the timeframe for accomplishing the proposed rebalancing.
3. Staff and investment consultant will coordinate with the appropriate internal and external parties to implement the rebalancing.
4. Staff will report the rebalancing activity to the Board.

C. Rebalancing/Transitioning to New Asset Allocation Targets

1. The target allocation to each strategic class and to sub-classes within strategic classes is expected to remain stable over most market cycles. When new asset allocation targets are adopted, the Board's goal is to transition the physical assets efficiently and prudently toward the approved target portfolio in a timely manner.
2. With respect to the target strategic allocations to each strategic class, to the sub-classes and to investment managers, the Board, in consultation with its investment consultant, will establish rebalancing range limitations. The ranges for each class/sub-class are established as generally twenty percent (20%) of the target.
3. Due to the illiquid and time-lagging nature of private investments, and the research required to select high-quality managers; it will take time to achieve the target(s) for the Private Equity, Private Real Estate, and Private Credit segments of the portfolio. If the Private Equity, Private Real Estate, and/or Private Credit classes are below their targets, the differences will be temporarily invested in public market equivalents until such opportunities in the private markets are available. Under these circumstances public market equivalents may exceed the stated bands by up to the underweight of private markets targets.

   In addition, SJCERA staff and investment consultant will provide a report at the next regularly scheduled board meeting.

D. Ongoing Monitoring and Rebalancing the Asset Allocation Targets

1. The actual asset mix of the total portfolio may diverge from the target allocations requiring rebalancing to meet the investment objectives set by the Board. Conversely, continually rebalancing to the asset allocation targets may result in significant transaction costs.
   a. SJCERA staff and the investment consultant will monitor the portfolio's asset allocation relative to the strategic target allocations. If actual allocations to a strategic class, sub-class or investment manager, fall

outside the predetermined range, SJCERA staff and the investment consultant will review, discuss and develop a plan for rebalancing toward the mid-point between the breached limit and the strategic target allocation.

b. In determining the rebalancing plan, the investment consultant and staff should prioritize implementation procedures as follows:

   i. Investing net contributions into classes that are below their range limitations;

   ii. Drawing cash out of the portfolio (for benefit payments and expenses) from classes that are above their range limitations (using interest payments, rental revenues and dividends); and

   iii. Selling assets from classes/portfolios that exceed the target range(s), and buying assets in classes/portfolios that are below the target range(s).

c. Within the total SJCERA portfolio, the Cash Overlay Program may be implemented consisting of four potential elements: 1) invest unallocated cash, 2) invest managers' cash, 3) manage transitions and 4) maintain the target allocation. The Cash Overlay Manager is primarily expected to securitize unallocated cash. If the Board approves the use of elements 1, 2, or 4 of the Cash Overlay Program, staff may deploy element 3 as needed to assist with transitions.

## VI. TOTAL FUND PERFORMANCE OBJECTIVE AND MEASUREMENT PERIOD

A. The total fund performance objective is to achieve a total return net-of-fees and expenses that equals or exceeds the actuarial assumed rate of return and the policy benchmark over a full market cycle as defined by the Board. The return of a hypothetical portfolio is represented by a policy benchmark consisting of indices weighted according to asset allocation targets.

**SJCERA's long-term strategic policy benchmark consists of the following indices and weightings as listed below.**

| PORTFOLIO POLICY BENCHMARK | | |
|---|---|---|
| **Strategic Classes** | **Target** | **Benchmark** |
| **Broad Growth** | **81** | **---** |
| Aggressive Growth | 21 | 45% MSCI ACWI ND + 2%/ 35% NCREIF ODCE + 1%/ 20% CPI + 3% |
| Traditional Growth | 38 | MSCI ACWI IMI (ND) |
| Stabilized Growth | 22 | --- |
| | | |
| Credit | 13 | 40% BB High Yield, 60% Morningstar/LTSA Lev. Loans |
| Core Real Assets | 9 | NCREIF ODCE |
| **Diversifying Strategies** | **19** | **---** |

| | | |
|---|---|---|
| Principal Protection | 9 | BB U.S. Aggregate Index |
| Crisis Risk Offset (CRO) | 10 | 3 Part Custom (33% BTOP 50, 33% BC long Duration Treasuries, 33% at 5% annual) |

1. The Policy Benchmark measures the performance results of the Total Portfolio. Each investment manager within a strategic class will be measured against an appropriate benchmark for that strategy.

2. Performance results for SJCERA investments and for each Investment Manager shall be calculated and evaluated quarterly and presented to the Board for review. This Total Portfolio Benchmark will be included in evaluation reports presented to the Board for review.

## VII. CLASS-SPECIFIC GUIDELINES

### A. Cash and Overlay

1. Cash Investments (STIF[1]) Manager
   a. The Cash Manager will invest the cash balances of all accounts with a cash component held at the custody bank selected by SJCERA.
   b. Cash (STIF) - The performance of cash assets is expected to outperform a 91-day U.S. Treasury Bill Index
2. Cash Overlay Manager
   a. SJCERA staff and investment consultant may direct the Cash Overlay Program manager to:
      i. Overlay Unallocated Cash: Monitor SJCERA's overall positions daily and synthetically invest unallocated cash using financial futures contracts.
      ii. Overlay Manager Cash: Monitor SJCERA's managers' cash positions daily and synthetically invest un-invested portions using financial futures contracts.
      iii. Assist with Manager Transitions: As transition events arise, staff and investment consultant will review each transition issue with the objectives of maintaining target market exposure and minimizing transition costs.

### B. Broad Growth Class and Its Underlying Components

1. Role: The Broad Growth Class is expected to generate relatively high levels of absolute and real (i.e., inflation-adjusted) returns, net of all costs. The Broad Growth Class is considered the main return driver of the overall/aggregate total SJCERA investment portfolio. While volatility is expected over time, the Broad Growth class must achieve its relatively high returns on a sustainable basis in order for the overall SJCERA pension plan to achieve its long-term objectives. In addition, each of the three Broad Growth components (described below) are

[1] STIF = Short Term Investment Fund

expected to produce relatively high returns when compared to other SJCERA class portfolios.

2. Investment Structure: The Broad Growth class consists of three components: Aggressive Growth, Traditional Growth, and Stabilized Growth. The structures and roles of these three components are described in detail below.

   *a. Aggressive Growth Component and Its Underlying Components*

      i. Role: The Aggressive Growth Component is expected to earn risk-adjusted returns in excess of the Traditional Growth Component, primarily due to the liquidity premium demanded by investors across various types of private markets.

      ii. Investment Structure: The Aggressive Growth component consists of two sub-components: Private Equity and Non-Core Real Estate. The structures of these two sub-components are described below.

         A. Private Equity Structure

            1. Role: The Private Equity portfolio is expected to earn risk-adjusted returns in excess of the public equity markets, primarily due to the liquidity premium demanded by investors. The Private Equity portfolio is also expected to decrease the volatility of the total portfolio, through the diversification benefits of having lower correlations with other classes.

            2. Investment Structure: The Private Equity allocation generally consists of investments into private companies, either directly or through buyouts of public companies that result in a delisting of public equity. The Private Equity portfolio is composed of three major subcomponents.

               - Venture Capital/Growth
                  - Venture capital partnerships primarily invest in businesses still in the conceptual stage (start-up or seed) or where products may not be fully developed, and where revenues and/or profits may be several years away.
                  - Growth/later-stage venture capital partnerships typically invest in more mature companies in need of growth or expansion capital.
               - Buyout
                  - These partnerships provide the equity capital for acquisition transactions either from a private seller or the public, which may represent the purchase of an entire company, or a refinancing or recapitalization transaction where equity is purchased.
               - Other

- Mezzanine/subordinated debt partnerships provide the intermediate capital between equity and senior debt in a buyout or refinancing transaction.
- Restructuring/distressed debt partnerships typically make new investments in financially or operationally troubled companies, often for a control position, with a view to improving the balance sheet and operations for a subsequent sale.
- Special situations partnerships include organizations with a specific industry focus or transaction type not covered by the other subclasses mentioned above, or unique opportunities that fall outside such subclasses.

3. Allocation: The Private Equity portfolio shall be diversified by time, subclass, and geography. Such diversification is expected to enhance returns, control risk, and reduce volatility.

B. Non-Core Real Estate Structure

1. Role: The Non-Core Real Estate portfolio is expected to earn risk-adjusted returns in excess of the public equity markets, primarily due to re-positioning and development of real asset projects, the use of leverage, and to a liquidity premium demanded by investors. At the margin, the Non-Core Real Estate portfolio is also expected to diversify the broader Aggressive Growth Portfolio, which also includes Private Equity (see above).
2. Investment Structure: Non-Core Real Estate investments provide access to opportunities for higher returns by investing (typically with the use of leverage) in assets in need of re-tenanting, development, re-development, operational improvements, or renovation, or are otherwise in some form of distress, exhibit sub-optimal capital structures, or experiencing market dislocation(s). They may also be located in emerging/non-institutional market segments and/or product/asset types. Such investment may utilize more aggressive financial structures in order to raise the return/risk profile, emphasize capital appreciation, and exhibit relatively high return objectives.

   The Non-Core Real Estate portfolio may consist of equity or debt investments in real estate, infrastructure, agriculture, energy-related investments, or timberland.
3. Allocation: The Non-Core Real Estate portfolio shall be diversified by time, subclass, and geography. Such

diversification is expected to enhance returns, control risk, and reduce volatility.

C. Infrastructure

1. Role: The Infrastructure portfolio is expected to earn risk-adjusted returns in excess of the public equity markets, primarily due to investments in physical structures, facilities and networks which provide essential services. At the margin, the Infrastructure portfolio is also expected to diversify the broader Aggressive Growth Portfolio, which also includes Private Equity and Non-Core Real Estate (see above).

2. Investment Structure: Infrastructure investments provide access to opportunities for higher returns by investing (typically with the use of leverage) in assets in Transportation, Energy/Utilities, Social and Communications.

   The Infrastructure portfolio may consist of equity or debt investments .

3. Allocation: The Infrastructure portfolio shall be diversified by time, subclass, and geography. Such diversification is expected to enhance returns, control risk, and reduce volatility.

b. *Traditional Growth Component Structure*

i. Role: The Traditional Growth portfolio is expected to generate attractive absolute returns in a relatively low-cost manner. The Traditional Growth portfolio also typically invests in securities that exhibit reasonable levels of liquidity.

ii. Investment Structure: The Traditional Growth allocation consists of a highly diversified mix of publicly traded global equities. Common stocks, preferred stocks, or other equity securities are typically utilized.

A. The public equity portfolio is composed of U.S., non-U.S. and global equity segments.

1. U.S. Equities: Managers invest primarily in publicly traded equity securities of U.S. companies.

2. Non-U.S. Equities: Managers invest primarily in publicly traded equity securities of non-U.S. companies, in both developed and emerging markets.

3. Global Equities: Managers make the allocation decisions between U.S. and non-U.S. markets, in both developed and emerging markets and invest in publicly-traded securities of U.S. and non-U.S. companies, in both developed and emerging markets.

*c. Stabilized Growth Component and Its Underlying Sub-Components*

i. Role: The Stabilized Growth Component is expected to earn risk-adjusted returns in excess of the Traditional Growth Component, primarily as a result of (A) achieving absolute return levels that are near-or-equivalent to those achieved by the Traditional Growth component while also (B) achieving lower volatility (risk) over a full investment cycle, particularly during Traditional Growth bear markets.

ii. Investment Structure: The Stabilized Growth component consists of three sub-components: Risk Parity, Credit, and Core Real Estate. The structures of these three sub-components are described below.

A. Risk Parity Structure

1. Role: The Risk Parity portfolio is expected to generate attractive risk-adjusted returns through allocations to multiple investments, including equities, bonds, commodities, and currency, while providing diversification to the overall Portfolio.
2. Investment Structure: SJCERA has an allocation to Risk Parity through two investment styles,
   - A Beta portfolio in which risk is balanced across asset classes that respond in dissimilar manners to different economic environments, such that the underperformance in one asset class may be offset by the outperformance of another asset class with an opposite bias to that environment.
   - An actively managed portfolio in which risk is balanced across asset classes, but the investment manager has discretion to actively tilt the portfolio to factors or asset classes that may provide additional return or manage the overall volatility of the portfolio.

B. Credit Structure

1. Role: The credit portfolio, public and private is expected to provide income, yield and diversification to the total portfolio due to a moderate correlation with other classes. In addition, the Credit portfolio is expected to provide return, a source of liquidity, and positive returns relative to an appropriate performance benchmark.
2. Investment Structure: SJCERA has an allocation to Credit through two investment styles: 1) a liquid portfolio in which investments are made in bank loans, investment grade, high yield and emerging market debt, 2) a privately managed portfolio in which investments are made into illiquid debt across middle market direct lending, distressed, and specialty finance.

C. Core Real Estate Structure

1. Role: The Core Real Estate portfolio is expected to generate attractive risk-adjusted returns through stable income and the opportunity for capital appreciation, while providing diversification to the overall Portfolio.

2. Investment Structure: Core Real Estate Managers typically invest in properties that are well located and well leased with strong quality tenants. Core investments provide stable income with lower volatility.

D. **Diversifying Strategies Class and Its Underlying Components**

1. *Principal Protection Class Structure*

a. Role: The Principal Protection portfolio is expected to provide a modest absolute return, be a stabilizer to the overall portfolio and provide significant diversification to the total portfolio due to low correlation with other classes. In addition, the principal protection portfolio is expected to provide capital preservation, a source of liquidity, lower volatility and competitive returns relative to an appropriate performance benchmark.

b. Investment Structure: The Principal Protection allocation consists of a diversified mix of publicly traded fixed income securities, invested across multiple asset types. The principal protection portfolio is composed largely of Treasuries, Agency Backed Mortgage Securities, and other agency backed bonds.

i. Mortgage Backed Securities - Agency

A. Managers invest primarily in Mortgage Backed Securities (MBS) issued by the U.S. government agencies (Fannie Mae, Freddie Mac, or Ginnie Mae).

ii. Treasuries

A. Managers invest in Treasury securities of the U.S. government.

iii. Other

A. Managers may invest in other high-quality segments; however these must be investment grade credit that is rated “BBB” or higher by two or more of the credit rating agencies.

2. *Crisis Risk Offset Class Structure*

a. Role: The Crisis Risk Offset (CRO) portfolio is expected to produce significant positive returns during an extended recessionary-type equity market crisis, while maintaining purchasing power during more normal market environments. In this respect, the CRO portfolio is expected to enhance the long-term risk-adjusted performance of the total portfolio, by substantially mitigating significant drawdowns.

b. Investment Structure: The CRO allocation generally consists of investments in highly-liquid portfolios that are meant to capture key risk premia that should prove largely beneficial during an equity-related market crisis. Along these lines, the underlying investments and strategies may utilize both long positions and short-selling positions to capture the desired return

patterns/behavior. The CRO portfolio is composed of three major subcomponents.

i. First Responders
   A. U.S. Treasuries represent the leading “flight-to-quality” investment since they are backed by the U.S. Government. The U.S. Dollar (the base denomination of U.S. Treasuries) is also considered the world’s highest-quality reserve currency.
   B. Exposure to U.S. Treasury Duration can take place via cash markets (i.e., actual bonds) or the futures markets (virtual bond proxies).

ii. Second Responders
   A. Long-short portfolios utilizing derivatives-based instruments to capture both periodic appreciation and periodic depreciation trends that evolve and dissipate across a very wide array of liquid global markets. Risk/volatility is calibrated to a pre-determined level derivatives-based leverage.
   B. Assets will be invested in highly liquid underlying securities (cash, futures, forwards, etc.), allowing for relatively rapid access for f
   C. In order to appropriately calibrate the expected volatility of this component and the overall CRO class, significant levels of derivatives-based leverage may be applied. Effects of leverage are adjusted daily through market-based exchanges/facilities, ensuring appropriate and timely mark-to-market valuations.

iii. Diversifiers
   A. Long-short portfolios utilizing both cash and derivatives-based instruments to capture well-researched/documented non-market risk premiums (e.g., momentum, carry, value, low-volatility, etc.) on a continuous basis, utilizing an array of liquid global markets. Risk/volatility is calibrated to a pre-determined level utilizing cash and derivatives-based leverage.
   B. Assets will be invested in highly liquid underlying securities (cash, stocks, futures, forwards, etc.), allowing for relatively rapid access for rebalancing and liquidity purposes.

## VIII. LAW PREVAILS

A. In the event a conflict between this Policy and any applicable law, including but not limited to the California Government Code; the Internal Revenue Code; or other local, state, or federal statutes, the law shall prevail. If any provision of this Policy shall be held or made invalid by a court decision, statute, or rule, or shall be otherwise rendered invalid, the remainder of this Policy shall survive.

## IX. POLICY REVIEW

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board of Retirement in accordance with the bylaws.

## X. HISTORY

| | |
|---|---|
| 10/12/2007 | Adopted by Board of Retirement |
| 09/26/2008 | Revised by Board of Retirement modifying asset allocation targets |
| 05/05/2009 | Revised by Board of Retirement modifying asset allocation targets |
| 02/26/2010 | Revised by Board of Retirement modifying asset allocation target ranges |
| 07/27/2012 | Revised by Board of Retirement modifying ranges for sub-asset classes and adding cash overlay program |
| 12/14/2012 | Revised by Board of Retirement regarding changes to long-term benchmarks |
| 04/26/2013 | Revised by Board of Retirement adding the Real Asset class |
| 05/09/2014 | Revised by Board of Retirement modifying asset allocation targets |
| 11/13/2015 | Revised by Board of Retirement moving public real estate to the Global Public Equity class |
| 06/10/2016 | Revised by Board of Retirement moving public real estate to the Global Public Equity class |
| 08/16/2017 | Revised by Board of Retirement modifying asset allocation targets |
| 11/03/2017 | Revised by Board of Retirement establishing minimum threshold commitments |
| 07/05/2018 | Reviewed, no changes required; Staff updated format |
| 10/12/2018 | Deleted redundant language that already exists in the Investment Manager and Communications Policy |
| 04/12/2019 | Policy Review section amended to at least once every three years |
| 12/11/2020 | Revised asset allocation targets and incorporated asset class-specific policies' guidelines and performance measurement standards |
| 02/12/2021 | Revised benchmark for the Aggressive Growth asset class |
| 04/09/2021 | Revised Section V.C to specify rebalancing triggers and reporting requirement when public markets are used as proxies for private markets |
| 01/20/2023 | Revised to reflect the asset allocation targets adopted June 3, 2022 as part of the Asset-Liability study |
| 03/10/2023 | Revised to reflect the re-labeling within the Crisis Risk Offset bucket. |
| 09/01/2023 | Added ESG statements to Investment Beliefs |
| 12/11/2026 | Updated policy targets and ranges, added language regarding Infrastructure investments, and updated asset class benchmarks |

**Certification of Board Adoption**

12/11/2026

Clerk of the Board — Date

## I. Purpose

A. To establish SJCERA's requirements for enforceable standards of care in alternative investment contracts and the process for considering exceptions. Acceptance of different contractual terms does not reduce the duties imposed by law on the Board, officers, or employees.

## II. Objective

A. This policy applies to new commitments, successor funds, and material amendments involving private equity, venture capital, private credit, private real estate, infrastructure, other private real assets, hedge funds, and comparable alternative strategies, regardless of their classification within SJCERA's Strategic Asset Allocation Policy. It covers partnership agreements, subscription agreements, investment management agreements, side letters, and other documents governing the investment.

B. Existing contractual obligations remain in effect. Staff shall seek improved protections when a new commitment or negotiated amendment creates a reasonable opportunity. This policy supplements the Investment Roles and Responsibilities Policy and does not independently authorize an investment, commitment, or material amendment.

## III. Required Contractual Protections

A. Standard of care. SJCERA shall require the manager and general partner, as applicable, to undertake an express contractual duty to exercise the care, skill, prudence, and diligence of a prudent investment professional familiar with comparable investments. The duty shall run to SJCERA with respect to its investment and be directly enforceable by SJCERA. Contracts shall also require good faith, loyalty to the fund and its investors, and fair treatment in allocating investment opportunities and resolving conflicts of interest.

B. Enforceability. Chief Counsel and external investment counsel shall evaluate the documents as a whole, including exculpation, indemnification, fiduciary-duty waivers, remedies, standing, limitation periods, and dispute provisions. An acknowledgment of fiduciary status is insufficient if other provisions materially defeat SJCERA's ability to enforce the promised duty. Mere adviser registration or an undertaking to comply with applicable law does not satisfy this policy's contractual requirement.

C. Forum. SJCERA shall require consent to personal jurisdiction and venue in the California Superior Court in San Joaquin County or, if federal subject-matter jurisdiction exists, the United States District Court for the Eastern District of California for disputes concerning these duties. Counsel shall assess whether governing-law or arbitration provisions impair those protections.

## IV. Negotiating Language

A. Investment counsel shall tailor the following starting language to the investment structure and ensure that the responsible entities are bound. Material departures require review under Section V.

B. The Manager and General Partner each undertake directly to SJCERA, with respect to SJCERA's investment in the Fund, to perform their investment management and related responsibilities in good faith and with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in an enterprise of like character and aims. Each shall act loyally toward the Fund and its investors, shall not subordinate their interests to its own, and shall allocate investment opportunities fairly and equitably. SJCERA may enforce these obligations directly for injury to its investment. Notwithstanding any contrary provision in the Fund documents, no exculpation, indemnification, waiver, or limitation of remedies shall excuse liability to SJCERA for breach of these obligations. For disputes concerning these obligations, the parties consent to personal jurisdiction and venue in the California Superior Court in San Joaquin County or, if federal subject-matter jurisdiction exists, the United States District Court for the Eastern District of California.

## V. Exceptions and Required Findings

A. Exceptional treatment. A liability threshold that excuses ordinary negligence, a duty enforceable only by the fund or collectively by investors, reliance solely on regulatory obligations, material restrictions on remedies, or a different dispute forum is an exception. Exceptions are disfavored and must be justified individually before SJCERA becomes bound. Market practice alone does not establish prudence.

B. Strategic need. Staff, with a written opinion from the investment consultant, shall identify the investment's role under SJCERA's Strategic Asset Allocation Policy, explain its importance to the relevant strategy and objectives, and assess reasonably available substitutes with better protections.

C. Legal assessment. External investment counsel shall provide a written assessment of the actual duty, enforceable remedies, governing law, forum, and material limitations. Counsel shall explain the negotiation efforts made, why further negotiations are unlikely to improve the terms, and whether comparable funds serving the same investment purpose are unlikely to offer better protections. Counsel may rely on relevant market experience but shall identify material uncertainty.

D. Compensating considerations. The investment consultant shall assess the manager's performance relative to objectives and peers, key-person experience, treatment of investors during adverse conditions, conflict-management practices, and other relevant governance factors. Staff shall explain why those findings support accepting the identified legal risk. Expected returns cannot excuse an unlawful arrangement or substitute for adequate diligence.

E. Transparency. Investment counsel shall confirm in writing that binding documents require appropriate disclosure and notice of material conflicts and conduct inconsistent with the agreed duties. The assessment shall address the timing and content of notice, investor consent or advisory committee processes,

and available remedies. If adequate contractual transparency cannot be obtained, staff shall not proceed under this exception process and shall seek a specific Board policy amendment or direction consistent with law.

F. Approval. Staff shall assemble the findings and obtain Chief Counsel's written confirmation that the review is complete and the proposed transaction is legally permissible. An earlier approval of the manager or investment does not itself approve an undisclosed exception. Approval may occur with the investment decision if the material departures and supporting analysis are presented at that time.

G. Record and disclosure. Staff shall preserve the approved terms, supporting findings, and Board action in the investment file. Counsel shall distinguish privileged legal advice and legally protected investment information from material appropriate for a public agenda report. This policy neither creates a public-records exemption nor independently authorizes a closed session.

## VI. Oversight and Responsibilities

A. Chief Counsel is the policy owner and coordinates legal review with external investment counsel. The CEO oversees implementation. The Investment Officer or staff assigned investment responsibilities maintains the exception record and coordinates consultant analysis and monitoring. Investment consultants provide independent investment and governance assessments; external investment counsel negotiates documents and evaluates legal protections.

B. At least annually, staff shall obtain investment counsel's portfolio-level review of negotiated standards, material changes in market practice, and the concentration of investments with weaker protections. Staff and the consultant shall recommend corrective action where warranted and report material findings and exceptions to the Board, with legally protected advice handled separately. Monitoring shall be coordinated with the Investment Manager Monitoring and Communications Policy.

## VII. Law Prevails

A. In the event of a conflict between this Policy and any applicable law, including but not limited to the California Government Code; the Internal Revenue Code; or other local, state, or federal statutes, the law shall prevail. If any provision of this Policy shall be held or made invalid by a court decision, statute, or rule, or shall be otherwise rendered invalid, the remainder of this Policy shall survive.

## VIII. Policy Review

A. Staff shall review this policy at least once every three (3) years and sooner when material legal or market changes warrant. Amendments require Board approval.

## IX. History

12/11/2026 Board adoption

## Certification of Board Adoption

12/11/2026

Clerk of the Board Date

# Board And Staff Personal Information Policy

## I. Purpose

A. To protect the personal information of San Joaquin County Employees' Retirement Association ("SJCERA") trustees and staff when investment counterparties request identity verification or other due-diligence materials. It applies to public- and private-market investment contracts, subscription documents, side letters, account-opening forms, and subsequent requests from managers, general partners, custodians, administrators, and their agents.

## II. Objective

A. This policy governs SJCERA's contractual commitments and voluntary disclosures in investment relationships. It does not determine public access to records, govern routine employment administration, or override a binding legal obligation. SJCERA's Chief Legal Counsel shall separately evaluate any asserted legal requirement.

## III. Information SJCERA Will Not Agree to Provide

A. Except as expressly permitted in Section V, SJCERA shall not undertake to obtain or disclose a trustee's or staff member's sensitive personal information or identification documents. This restriction includes birthdates, residential addresses, personal telephone numbers and email addresses, Social Security numbers or cards, passport information or copies, driver's licenses, state identification cards, biometric identifiers, and personal financial-account information.

B. The restriction applies to current and future requests, including broadly worded promises to provide any information requested for anti-money-laundering, know-your-customer, sanctions, beneficial-ownership, or similar reviews. A counterparty's internal compliance practice does not by itself establish a legal obligation for SJCERA or an individual to provide the information.

## IV. Permitted Institutional and Business Information

A. SJCERA may provide accurate information establishing its governmental status and authority, including enabling law, public organizational materials, an institutional tax form or identifier where appropriate, authorizing resolutions, and certifications of authorized signatories. Staff shall use institutional verification alternatives whenever reasonably available.

B. SJCERA may provide names, official titles, business contact information, and specimen signatures of the CEO and staff authorized to conduct the investment transaction. Signature samples shall be shared only with verified recipients for a stated business purpose through an approved secure method. This permission

does not authorize disclosure of sensitive personal information about trustees or staff.

C. SJCERA's Chief Legal Counsel, in consultation with external investment counsel as appropriate, shall approve contract language implementing these restrictions. Staff shall refer inconsistent forms or requests to counsel before signing or transmitting information. SJCERA shall not make representations on an individual's behalf without a verified basis and authority to do so.

## V. Narrow Exception for the CEO Identification Card

A. Only in exceptional circumstances, and at the CEO's sole discretion, may SJCERA agree to provide a copy of the CEO's State government issued identification card, including a driver's license, to satisfy a specific and final demand from a regulator. This exception does not extend to a passport, Social Security information, any other personal identification document, or any other staff member or trustee. The CEO may decline to use the exception.

B. Before any commitment or disclosure, Chief Legal Counsel, consulting external investment counsel as appropriate, shall verify and document the regulator, the demand, the applicable legal basis, the recipient, and why institutional certification, redaction, or other less intrusive alternatives will not suffice. A manager's or administrator's unsupported assertion that its procedures require identification is insufficient.

C. Counsel shall approve enforceable protections limiting use to the verified regulatory purpose, access to necessary personnel and authorized recipients, and retention to the period legally required. The protections shall address secure transmission and storage, restrictions on further disclosure, prompt notice of unauthorized access, and secure destruction when retention is no longer required by law. The parties shall identify any unavoidable limits on those protections before disclosure.

D. Counsel shall also address what happens if the demand cannot be satisfied consistently with this policy, including whether an agreed transfer, withdrawal, or other lawful alternative is available and its financial consequences. Staff shall not assume that an illiquid investment can be exited on demand. The CEO's election and counsel's review shall be recorded before the document is released.

## VI. Law Prevails

A. In the event of a conflict between this Policy and any applicable law, including but not limited to the California Government Code; the Internal Revenue Code; or other local, state, or federal statutes, the law shall prevail. If any provision of this Policy shall be held or made invalid by a court decision, statute, or rule, or shall be otherwise rendered invalid, the remainder of this Policy shall survive.

## VII. Policy Review

A. Staff shall review this Policy at least once every three (3) years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this Policy must be approved by the Board in accordance with its bylaws.

## VIII. History

12/11/2026 Board adopted policy

**Certification of Board Adoption**



12/11/2026

Clerk of the Board | Date



SAN JOAQUIN COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION

EST. 1946

# BUDGET BOOK

DRAFT

## Administration Budget Book for Fiscal Year 2027

Providing a clear overview of SJCERA's financial plan, priorities, and allocation of resources for the fiscal year.

209.468.2163
www.SJCERA.org
220 E. Channel St,
Stockton, CA 95202




EST. 1946
SAN JOAQUIN COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION

220 E. Channel St,
Stockton, CA 95355

www.SJCERA.org
209.468.2163

Presented by:
Renee Ostrander, Chief Executive Officer
Brian McKelvey, Assistant Chief Executive Officer

# TABLE OF CONTENTS


3 Letter from CEO

4 Goals

5 Staff Position Overview

6 Budget Overview

8 Trend Analysis

9 Statutory Limit

10 Industry Analysis


DRAFT



# LETTER FROM CEO



November 20, 2026

Dear Esteemed Trustees of the Board of Retirement,

I am pleased to present SJCERA's Proposed Budget for the Fiscal Year 2027. This budget reflects our ongoing commitment to managing the retirement system responsibly, efficiently, and with long-term security of our members at the forefront of everything we do.

This year's budget was built on the founding bricks of our mission. The following $6.49M budget highlights the progressive investment in the people, systems, and services that keep SJCERA running smoothly while staying focused on keeping costs reasonable.

This year, the 2027 budget is a 3.92% increase from the 2026 budget, with our biggest investment being in our team and their salaries. Even with this increase, our focus is to ensure we can meet growing service demands and maintain strong internal operations while we focus on building our new pension system.

While the overall budget has increased, at SJCERA, we're proud to maintain a cost-effective operation. Our services and supplies cost, which includes professional services, and office expenses, has decreased from last year's budget. In addition, this budget keeps total administrative costs below California industry norms. As a CA county pension system, we are required by law to keep the administration budget within 21 basis points. Even with the increase, our budget is 8.7 basis points.

Overall, the Fiscal Year 2027 budget positions us to meet the challenges ahead. Thank you for your continued trust and partnership as we work together to protect the future of the retirement system.

Sincerely,

Renee Ostrander,
Chief Executive Officer

DRAFT

# GOALS

As SJCERA looks ahead to 2027, our budget reflects a commitment to three guiding priorities: Standardization, Modernization, and Collaboration. We are focused on standardizing processes, policies, and practices to promote consistency, improve efficiency, and strengthen operational excellence across the organization. Through modernization, we will leverage technology, streamline workflows, and enhance service delivery to better meet the evolving needs of our members and stakeholders. We also recognize that meaningful progress depends on collaboration. By fostering strong partnerships and working closely with our members, employers, stakeholders, and the broader community, we will encourage shared solutions, strengthen organizational effectiveness, and support informed decision-making.

Together, these goals shape a budget that not only meets current needs but also strengthens SJCERA's ability to deliver secure, reliable retirement benefits for generations to come.










DRAFT

# STAFF POSITION OVERVIEW

The total requested 2027 FTE budget for SJCERA is 21 positions; however, the requested FTEs related the pension administration is 20.25 FTEs. The 0.75 FTE supports and is reimbursed through the Retiree Health Administration.

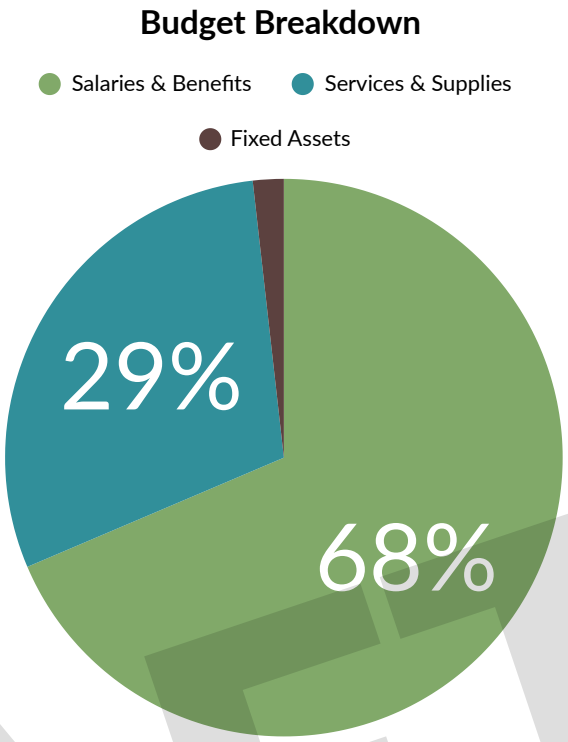
| 2026 ACTUALS AND BUDGET COMPARED TO 2027 PROPOSED BUDGET | | | | |
|---|---|---|---|---|
| **Positions** | **2026 Budget** | **2026 Actual** | **2027 Budget *** | **2027 Allocated** |
| Chief Executive Officer | 1 | 1 | 1 | 1 |
| Asst. Chief Executive Officer | 1 | 1 | 1 | 1 |
| Chief Counsel | 1 | 1 | 1 | 1 |
| Retirement Investment Officer | 1 | 1 | 1 | 1 |
| Departmental Info System Manager | 1 | 1 | 1 | 1 |
| Retirement Financial Officer | 1 | 1 | 1 | 1 |
| Management Analyst III | 1 | 1 | 1 | 1 |
| Retirement Benefits Manager | 1 | 1 | 1 | 1 |
| Retirement Benefits Supervisor | 0 | 0 | 0 | 0 |
| Investment Accountant | 2 | 2 | 2 | 2 |
| Retirement Services Officer | 1 | 1 | 1 | 2 |
| Retirement Services Associate | 1 | 1 | 1 | 2 |
| Retirement Services/Technician | 4 | 4 | 4 | 5 |
| Information Systems Analyst II | 1 | 1 | 1 | 1 |
| Information Systems Specialist II | 1 | 1 | 1 | 1 |
| Accounting Technician I/II | 1 | 1 | 1 | 1 |
| Administrative Secretary | 0 | 0 | 0 | 0 |
| Communications Officer | 1 | 1 | 1 | 1 |
| Jr. Admin Asst. | 0 | 0 | 0 | 1 |
| Executive Secretary | 1 | 1 | 1 | 1 |
| Senior/Office Assistant | 0 | 0 | 0 | 1 |
| **TOTAL POSITIONS** | **21** | **21** | **21** | **26** |

DRAFT

# BUDGET OVERVIEW

Aligned with our strategic priorities, this budget is designed to ensure the long-term financial health of the retirement system while enhancing operational efficiency and member service. Key budget allocations support initiatives in technology modernization, staff development, and risk mitigation, all of which contribute to a more resilient and responsive organization.

SJCERA remains committed to delivering secure retirement benefits while upholding the principles of sound governance and stakeholder engagement. This budget supports our mission and positions the organization to meet the evolving needs of our members, employers, and the broader retirement community.




DRAFT

## Key Highlights

**Total Proposed Budget:**

$6.49 M

**2026 Budget to 2027 Budget:**

3.92%

**Annual Amount Spent per Member:**

$368 per Member



## 2026 ACTUALS & BUDGET COMPARED TO 2027 PROPOSED BUDGET

| DESCRIPTION | 2026 APPROVED BUDGET | 2026 PROJECTED ACTUALS | 2027 PROPOSED BUDGET | 2027 EXCLUSION | 2027 (LESS EXCLUSIONS) |
|---|---|---|---|---|---|
| **Salaries & Benefits:** | | | | | |
| Salaries & Wages - Regular | $ 2,577,089 | $2,459,591 | $2,763,019 | $(89,532) | $2,673,487 |
| Salaries & Wages - OT | 1,500 | 1,907 | 1,500 | | 1,500 |
| Salaries - Deferred Comp/Cafeteria | 31,200 | 28,263 | 33,810 | | 33,810 |
| Salaries - Car Allowance | 7,020 | 7,020 | 7,020 | | 7,020 |
| Admin Benefits (Vacation Sell Back) | 10,000 | 3,140 | 10,000 | | 10,000 |
| Unemployment Comp Insurance | 3,860 | 3,485 | 4,139 | | 4,139 |
| Health Insurance for Retirees - SLB | 20,000 | 0 | 10,000 | | 10,000 |
| Life Insurance | 1,575 | 1,259 | 1,575 | | 1,575 |
| Health Insurance | 346,500 | 347,427 | 357,000 | | 357,000 |
| Dental Insurance | 7,350 | 8,055 | 8,400 | | 8,400 |
| Vision Care | 1,155 | 1,103 | 1,365 | | 1,365 |
| Social Security - OASDI | 143,497 | 138,325 | 152,350 | | 152,350 |
| Social Security - Medicare | 37,412 | 33,812 | 40,108 | | 40,108 |
| Retirement - Employer Share | 1,021,150 | 950,588 | 1,087,811 | | 1,087,811 |
| **Subtotal:** | **$ 4,209,307** | **$3,983,976** | **$4,478,096** | **$(89,532)** | **$4,388,564** |
| **Services & Supplies** | | | | | |
| Professional Services | $1,072,093 | $973,506 | $934,150 | $(571,000) | $363,150 |
| Professional Services - Disability | 100,000 | 84,974 | 100,000 | | 100,000 |
| County Wide - Indirect Cost Chrgs | 15,000 | 33,235 | 40,000 | | 40,000 |
| SJC Mail Serv & Postage | 20,000 | 17,223 | 20,000 | | 20,000 |
| Telephone | 18,500 | 6,351 | 12,500 | | 12,500 |
| Travel/Training | 95,000 | 132,714 | 115,000 | | 115,000 |
| Office Rent & Parking | 161,381 | 155,029 | 164,372 | | 164,372 |
| Office Expenses & Janitorial | 65,000 | 61,900 | 65,000 | | 65,000 |
| Software & Related Licenses | 143,600 | 42,313 | 207,000 | (207,000) | 0 |
| Msc. Board Meeting Expenses | 6,700 | 12,418 | 15,000 | | 15,000 |
| Information Syst Div - Indirect Chrgs | 3,000 | 340 | 3,000 | | 3,000 |
| Subscriptions & Periodicals | 3,000 | 5,437 | 6,000 | | 6,000 |
| Membership Dues | 8,000 | 13,780 | 14,250 | | 14,250 |
| Maintenance - Equipment | 22,650 | 15,418 | 21,000 | | 21,000 |
| Insurance - Workers Compensation | 11,000 | 10,884 | 12,000 | | 12,000 |
| Insurance - Liability & Fiduciary | 159,500 | 156,002 | 165,000 | | 165,000 |
| **Subtotal:** | **$1,904,424** | **$1,721,525** | **$1,894,272** | **$(778,000)** | **$1,116,272** |
| **Fixed Assets:** | | | | | |
| P.C. Equipment & Upgrades | $125,000 | $27,903 | $111,000 | $(111,000) | $0 |
| Equipment & Furniture | 5,000 | 4,250 | 5,000 | | 5,000 |
| **Subtotal:** | **$130,000** | **$32,153** | **$116,000** | **$(111,000)** | **$5,000** |
| **Total Administration Budget:** | **$6,243,731** | **$5,737,654** | **$6,488,368** | **$(978,532)** | **$5,509,837** |

DRAFT

# TREND ANALYSIS

Over the past several years, SJCERA's financial and operational trends have shown consistent progress toward long-term sustainability and efficiency. Administrative costs have remained stable relative to plan assets, reflecting strong fiscal discipline even as member needs and regulatory demands have grown. Strategic staffing adjustments and technology investments have enhanced service delivery and modernized operations.

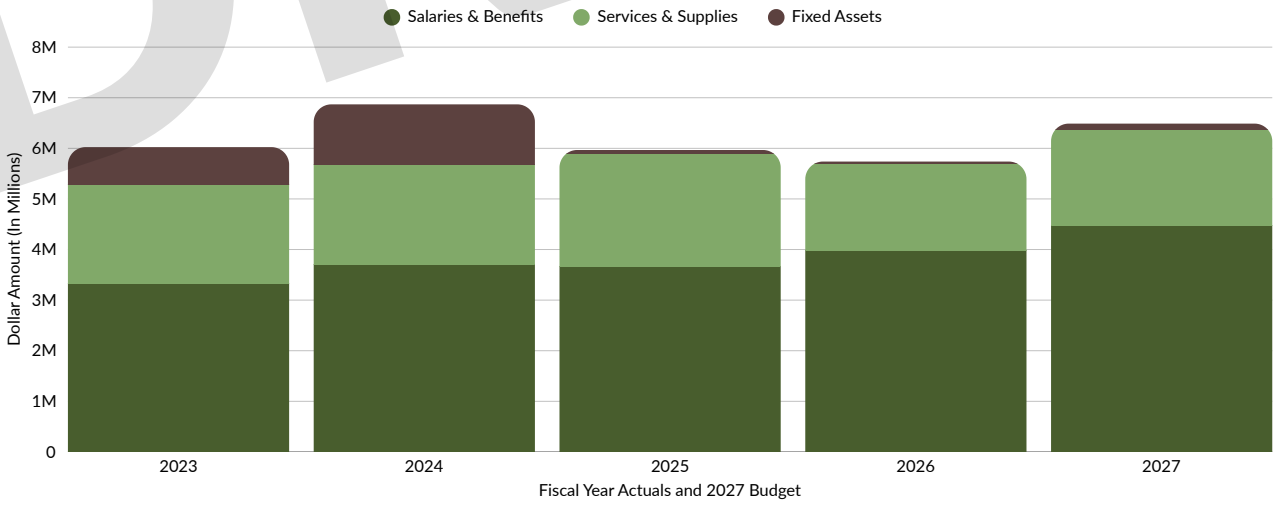
Overall, these trends demonstrate SJCERA's commitment to responsible budgeting, operational excellence, and the continued stability of the retirement system.



**ACTUALS AND BUDGET TREND ANALYSIS**

| DESCRIPTION | 2023 ACTUALS | % | 2024 ACTUALS | % | 2025 ACTUALS | % | 2026 ACTUALS | % | 2027 Budget | % | 2023 - 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Salaries & Benefits | 3,318,779 | 7.7% | 3,700,080 | 11.5% | 3,656,000 | -1.2% | 3,983,976 | 9.0% | 4,478,096 | 12.4% | 34.9% |
| Services & Supplies | 1,972,021 | 27.7% | 1,972,981 | 0.0% | 2,233,995 | 13.2% | 1,721,525 | -22.9% | 1,894,272 | 10.0% | -3.9% |
| Fixed Assets | 732,915 | 118.5% | 1,195,928 | 63.2% | 77,005 | -93.6% | 32,153 | -58.2% | 116,000 | 260.8% | -84.2% |
| Totals | 6,023,715 | 21.4% | 6,868,989 | 14.0% | 5,967,000 | -13.1% | 5,737,654 | -3.8% | 6,488,368 | 13.1% | 7.7% |

**ACTUAL EXPENDITURES AND BUDGET TREND ANALYSIS**

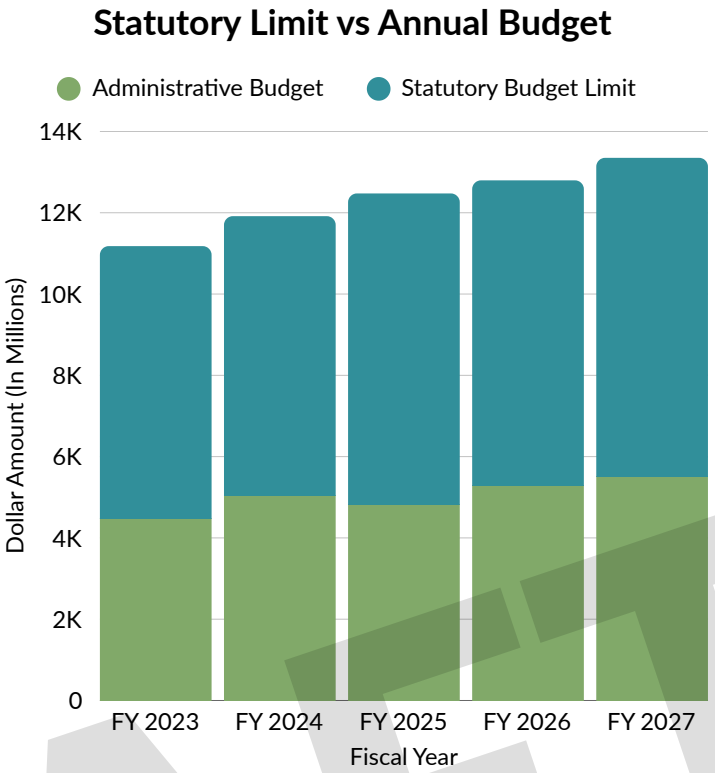



DRAFT

# STATUTORY LIMIT

State law (Government Code Section 31580.2) limits the amount SJCERA can spend on administrative costs to 21 basis points of the Association's total actuarial accrued liability (AAL). Based on the most recent valuation as of December 31, 2025.

SJCERA's AAL is approximately $6.4 billion, which sets the statutory limit for administrative expenses at about $13.4 million. The proposed 2027 administrative budget of $5.5 million is well below this limit, demonstrating SJCERA's commitment to managing operations efficiently and responsibly.




| STATUTORY LIMIT ANALYSIS | | | | | |
|---|---|---|---|---|---|
| **DESCRIPTION** | **FY 2023** | **FY 2024** | **FY 2025** | **FY 2026** | **FY 2027** |
| AAL * | 5,323,788,814 | 5,674,662,702 | 5,940,503,229 | 6,094,004,166 | 6,357,757,776 |
| Statutory Cap % (GC Section 31850.2) | 0.21% | 0.21% | 0.21% | 0.21% | 0.21% |
| Statutory Budget Limit | 11,179,957 | 11,916,792 | 12,475,057 | 12,797,409 | 13,351,291 |
| Administrative Budget (less exclusions) | 4,476,852 | 5,046,552 | 4,823,039 | 5,295,055 | 5,509,837 |
| **Admin Budget % of AAL** | **0.084%** | **0.089%** | **0.081%** | **0.087%** | **0.087%** |
| Actual Expenses (less exclusions) | 4,134,498 | 4,112,289 | 4,152,958 | 4,759,542 | Not Available |
| **Admin Budget % of AAL** | **0.078%** | **0.072%** | **0.070%** | **0.078%** | Not Available |

*AAL based on the most current valuation for that year

DRAFT

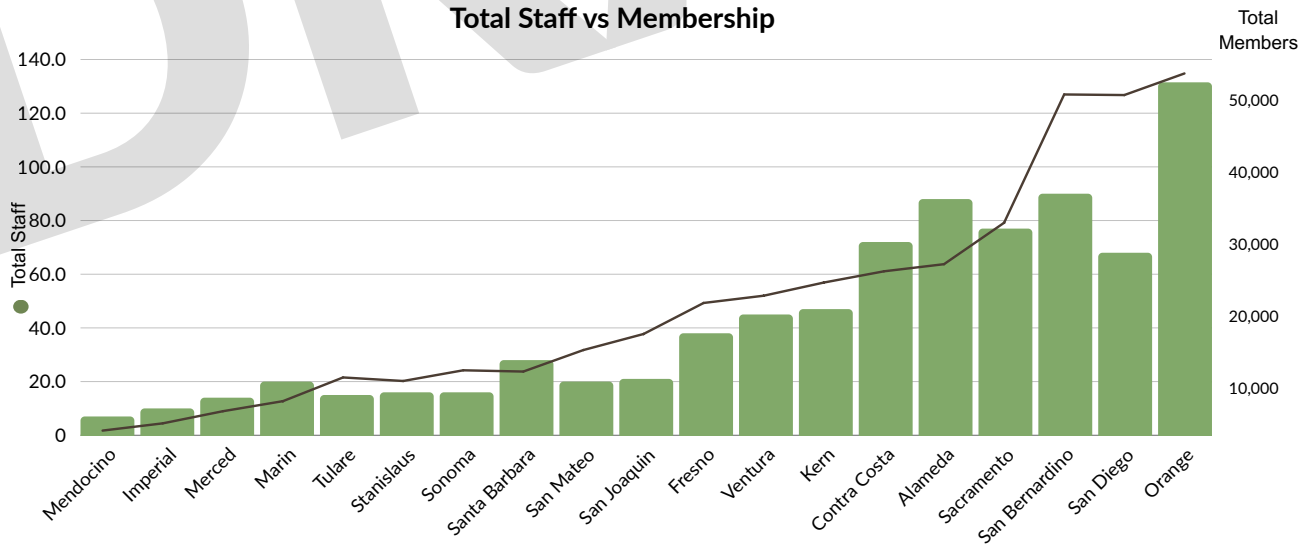
# INDUSTRY COMPARISON ANALYSIS

As part of our commitment to transparency and continuous improvement, SJCERA conducts comparisons with peer retirement systems to evaluate performance, cost-effectiveness, and operational best practices.

By benchmarking against other CERL public pension systems, we are able to identify opportunities for increased efficiency, assess the competitiveness of our practices, and ensure prudent stewardship of public resources. This comparative approach supports data-driven decision-making and reinforces our focus on long-term sustainability, accountability, and member-focused service.

**CA Pension Systems: Staff vs Membership**

| County | Members/ Staff | Members | Budgeted Staff | Members/ Benefit Staff | Benefit Specialists |
|---|---|---|---|---|---|
| **San Joaquin** | **840** | **17,633** | **21** | **3,527** | **5** |
| Sonoma | 775 | 12,403 | 16 | 4,134 | 3 |
| San Diego | 766 | 52,065 | 68 | 1,680 | 31 |
| San Mateo | 766 | 15,323 | 20 | 2,554 | 6 |
| Tulare | 758 | 11,372 | 15 | 2,274 | 5 |
| Stanislaus | 639 | 10,862 | 17 | 2,716 | 4 |
| Fresno | 582 | 22,105 | 38 | 1,300 | 17 |
| San Bernardino | 579 | 52,150 | 90 | 2,745 | 19 |
| Kern | 533 | 25,047 | 47 | 2,505 | 10 |
| Mendocino | 531 | 3,717 | 7 | 1,239 | 3 |
| Ventura | 514 | 23,151 | 45 | 1,362 | 17 |
| Imperial | 476 | 4,758 | 10 | 1,190 | 4 |
| Merced | 465 | 6,505 | 14 | 1,084 | 6 |
| Sacramento | 437 | 33,660 | 77 | 1,122 | 30 |
| Santa Barbara | 437 | 12,222 | 28 | 1,358 | 9 |
| Orange | 420 | 55,173 | 131.5 | 2,043 | 27 |
| Marin | 398 | 7,957 | 20 | 1,137 | 7 |
| Los Angeles | 390 | 198,437 | 509 | 1,378 | 144 |
| Contra | 370 | 26,666 | 72 | 1,481 | 18 |
| Alameda | 315 | 27,694 | 88 | 1,108 | 25 |




DRAFT


DRAFT
EST. 1946
SAN JOAQUIN COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION