



# Notice of Public Meeting

## The Board of Retirement of the San Mateo County Employees' Retirement Association will meet on **Tuesday, January 25, 2022 at 10:00 A.M.**

In accordance with Government Code § 54953 and § 54954, the Members of the Board will be participating via Zoom video conference and teleconference. Pursuant to Government Code § 54953 and § 54954.3, members of the public, to the extent required by law, will have the opportunity to directly address the Board concerning matters within the jurisdiction of the Board. The public can participate and provide comment using the instructions below:

### To Join the Meeting

- To join the meeting via video conference, click here: <https://us06web.zoom.us/j/9406512500>
- To join the meeting via telephone, dial: (669) 900-9128, and enter Meeting ID: 940 651 2500

### Public Comment During the Meeting

Persons wishing to address the Board should follow the steps below:

- If joining via video conference, please use the “raise your hand” feature in Zoom during the Oral Communications from the Public period.
- If joining via teleconference dial in, please dial \*9 to “raise your hand” during the Oral Communications from the Public period.

You will be called on at the appropriate time. At the beginning of your comment, please state your name.

### Public Comment Prior to the Meeting

Persons who wish to address the Board may submit written comments via email to [samcera@samcera.org](mailto:samcera@samcera.org) at least 30 minutes before the start of the Board meeting. Please include your name, agenda item, and your comment. The Board will have the email read into the record and attached to the minutes.

For help joining a Zoom meeting, see: <https://support.zoom.us/hc/enus/articles/201362193>

**PUBLIC SESSION** – The Board will meet in Public Session at 10:00 a.m.

- 1. Call to Order, Roll Call and Miscellaneous Business**
- 2. Oral Communications**
  - 2.1 Oral Communications from the Board
  - 2.2 Oral Communications from the Public
- 3. Approval of the Minutes**
  - 3.1 Approval of Special Board Meeting Minutes from December 7, 2021
  - 3.2 Approval of Board Meeting Minutes from December 7, 2021

# Notice of Public Meeting

## Page 2 of 3

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#### **4. Approval of the Consent Agenda\***

- 4.1 Disability Retirements (none)
- 4.2 Survivor Death Benefits
- 4.3 Service Retirements
- 4.4 Continuances
- 4.5 Deferred Retirements
- 4.6 Member Account Refunds
- 4.7 Member Account Rollovers
- 4.8 Member Account Redeposits
- 4.9 Acceptance of Trustees' Reports of Educational Activities
- 4.10 Acceptance of Semi-Annual Compliance Certification Statements for the Period Ended December 31, 2021
- 4.11 Approval of Revisions to the Policy for Reimbursement of Travel and Other Official Expenses for Trustees and Staff

#### **5. Benefit & Actuarial Services**

- 5.1 Consideration of Agenda Items, if any, Removed from the Consent Agenda
- 5.2 Approval of Cost of Living Allowance (COLA)

#### **6. Investment Services**

- 6.1 Report on Preliminary Monthly Portfolio Performance Report for the Period Ended December 31, 2021

#### **7. Board & Management Support**

- 7.1 Discussion of Board-Staff Retreat Topics

#### **8. Management Reports**

- 8.1 Chief Executive Officer's Report
- 8.2 Assistant Executive Officer's Report
- 8.3 Chief Investment Officer's Report
- 8.4 Chief Legal Counsel's Report

**CLOSED SESSION** – The Board may meet in closed session prior to adjournment

- C1 Consideration of Disability Items, if any, removed from the Consent Agenda

#### **9. Report on Actions Taken in Closed Session**

# Notice of Public Meeting

## Page 3 of 3

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### 10. Adjournment in Memory of the Following Deceased Members:

Page, Janice	November 13, 2021	Sheriff's
McLaughlin, Rebecca	November 15, 2021	Human Services
Wilmes, Mary	November 30, 2021	Library
Falls, Patricia	November 18, 2021	Recorder's Office
Knapp, James	November 18, 2021	Public Health
Morel, Centra	November 29, 2021	Hospital
Mattila, Vicki	November 13, 2021	Social Services
Hairston, Alla	December 2, 2021	Controller's
Lee, Paul	December 2, 2021	Health Services
Green, Joann	December 11, 2021	County Clerk
Crain, Selena	December 13, 2021	Crystal Springs Rehab Center
Cassidy, Walter	December 14, 2021	Hospital
Fulwider, Lorelie	December 16, 2021	Social Services
Chamberlin, Grace	December 17, 2021	Probation
Preece, Isabelle	December 19, 2021	Public Health
Etherton, John	December 28, 2021	Communications
Mackey, Terrance	December 20, 2021	Sheriff's
Gonzalez, Carlos	December 24, 2021	Mental Health
Dennis Woollum	January 1, 2022	Sheriff's
Sellers, Geraldine	January 2, 2022	Probation
Garrison, Gloria	January 2, 2022	Sheriff's
Gershan, David	January 3, 2022	Public Health
Hirose, Ernest	January 6, 2022	Social Services
Giguere, Lois	January 8, 2022	Library
Port, Lillian	January 10, 2022	County Counsel



Scott Hood, Chief Executive Officer

Posted: January 19, 2022

(\* ALL ITEMS ON THE CONSENT AGENDA ARE APPROVED BY ONE ROLL CALL MOTION UNLESS A REQUEST IS MADE BY A BOARD MEMBER THAT AN ITEM BE WITHDRAWN OR TRANSFERRED TO THE REGULAR AGENDA. ANY ITEM ON THE CONSENT AGENDA MAY BE TRANSFERRED TO THE REGULAR AGENDA. ANY 4.1 ITEMS REMOVED FROM THE CONSENT AGENDA WILL BE TAKEN UP UNDER CLOSED SESSION; ALL OTHER ITEMS REMOVED FROM THE CONSENT AGENDA WILL BE TAKEN UP UNDER ITEM 5.1.)

THE BOARD NORMALLY MEETS AT **100 MARINE PARKWAY, SUITE 160**, WHICH IS LOCATED ON THE SE CORNER OF TWIN DOLPHIN & MARINE PARKWAY IN REDWOOD CITY. Detailed directions are available on the "Contact Us" page of the website [www.samcera.org](http://www.samcera.org). Free Parking is available in all lots in the vicinity of the building. A copy of the Board of Retirement's open session agenda packet is available for review at the SamCERA offices and on our website unless the writings are privileged or otherwise exempt from disclosure under the provisions of the California Public Records Act. Office hours are Monday through Thursday 7 a.m. – 6 p.m.

IN COMPLIANCE WITH THE CALIFORNIA GOVERNMENT CODE AND THE AMERICANS WITH DISABILITIES ACT: SamCERA's facilities and board and committee meetings are accessible to individuals with disabilities. Contact SamCERA at (650) 599-1234 at least three business days prior to the meeting if (1) you need special assistance or a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in this meeting; or (2) you have a disability and wish to receive the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting in an alternative format. Notification in advance of the meeting will enable SamCERA to make reasonable arrangements to ensure full accessibility to this meeting and the materials related to it.

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
DECEMBER 7, 2021 – SPECIAL BOARD MEETING MINUTES**

**2112SP.1 Call to Order, Roll Call and Miscellaneous Business**

**Call to Order:** Mr. Raw, Chair, called the Special Meeting of the Board of Retirement to order at 9:55 a.m. via Zoom.

**Roll Call:**

Present: Sandie Arnott, Mark Battey, Ben Bowler, Al David, Paul Hackleman, Kurt Hoefer, Katherine O'Malley, Elaine Orr, and Robert Raw.

Absent: Susan Lee.

Alternates: Alma Salas.

Staff: Lili Dames, Scott Hood, Elizabeth LeNguyen, Doris Ng, Paul Okada, Gladys Smith, and Anne Trujillo.

Consultants and speakers: Joe Abdou (Verus).

**2112SP.2 Oral Communications from the Public:** Mr. Raw asked if there was any public comment from those individuals participating on the telephone or via Zoom. There were no public comments. Ms. Trujillo reported there were no written comments received ahead of the meeting.

**2112SP.3 Approval of Resolution Authorizing the Use of Teleconferencing for the Board and Committee Meetings Pursuant to Government Code Section 54953(e):** Mr. Hood reported that on November 16, 2021, the Board of Supervisors re-approved its findings that holding in-person meetings would present an imminent risk to the health and safety of its attendees. Mr. Hood added that based on the County's findings along with state and federal health information, staff recommends that the Board of Retirement authorize the continued use of teleconferenced meetings pursuant to AB 361.

**Action:** Mr. Hoefer moved to approve the resolution authorizing the use of teleconferencing for Board and Committee meetings pursuant to Government Code Section 54953(e). The motion was seconded by Mr. Hackleman and carried with a vote of 9-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefer, O'Malley, Orr, and Raw all in favor; none opposed.

**2110SP.4 Adjournment:** Mr. Raw adjourned the Special Meeting at 9:59 a.m.

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Robert Raw  
Board Chair

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
DECEMBER 7, 2021 – REGULAR BOARD MEETING MINUTES**

**2112.1 Call to Order, Roll Call and Miscellaneous Business**

**Call to Order:** Mr. Raw, Chair, called the Regular Meeting of the Board of Retirement to order at 10:00 a.m. via Zoom.

**Roll Call:**

Present: Sandie Arnott, Mark Battey, Ben Bowler, Al David, Paul Hackleman, Kurt Hoefer, Katherine O'Malley, Elaine Orr, and Robert Raw.

Absent: Susan Lee.

Alternates: Alma Salas.

Staff: Michael Coultrip, Lili Dames, Scott Hood, Elizabeth LeNguyen, Doris Ng, Paul Okada, Gladys Smith, and Anne Trujillo.

Consultants and speakers: Ashley Green (Brown Armstrong); and Joe Abdou, Margaret Jadallah, and John Nicolini (Verus).

**2112.2.1 Oral Communications from the Board:** None.

**2112.2.2 Oral Communications from the Public:** Mr. Raw asked if there was any public comment from those individuals participating on the telephone or via Zoom. There were no public comments. Ms. Trujillo reported there were no written comments received ahead of the meeting.

**2112.3.1 Approval of Special Board Meeting Minutes from October 26, 2021:** Mr. Raw asked if there were any changes or corrections, or objections, to the minutes from the special meeting held on October 26, 2021. There were no changes, corrections, or objections presented.

**Action:** Mr. Hackleman moved to approve the minutes from the special meeting on October 26, 2021. The motion was seconded by Ms. Arnott and carried with a vote of 7-0, with trustees Arnott, Battey, David, Hackleman, O'Malley, Orr, and Raw, all in favor; Bowler and Hoefer abstained; none opposed.

**2112.3.2 Approval of Audit Committee Minutes from October 26, 2021:** Mr. Raw asked if there were any changes or corrections, or objections, to the minutes from the Audit Committee meeting held on October 26, 2021. There were no changes, corrections, or objections presented.

**Action:** Mr. Hackleman moved to approve the minutes from the Audit Committee meeting on October 26, 2021. The motion was seconded by Mr. David and carried with a vote of 7-0, with trustees Arnott, Battey, David, Hackleman, O'Malley, Orr, and Raw, all in favor; Bowler and Hoefer abstained; none opposed.

**2112.3.3 Approval of Regular Board Meeting Minutes from October 26, 2021:** Mr. Raw asked if there were any changes or corrections, or objections, to the meeting minutes from the regular Board meeting held on October 26, 2021. There were no changes, corrections, or objections presented.

**Action:** Mr. Hackleman moved to approve the minutes from the regular Board meeting on October 26, 2021. The motion was seconded by Ms. Arnott and carried with a vote of 8-0, with trustees Arnott, Battey, David, Hackleman, Hoefer, O'Malley, Orr, and Raw, all in favor; Bowler abstained; none opposed.

2112.4.0 **Approval of the Consent Agenda:** Mr. Raw asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed.

**Action:** Mr. Hoefler moved to approve the items on the Consent Agenda. The motion was seconded by Mr. Battey and carried with a vote of 9-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefler, O'Malley, Orr, and Raw, all in favor; none opposed.

2112.4.1 **Disability Retirements:** None.

2112.4.2 **Survivor Death Benefits:** None.

2112.4.3 **Service Retirements:**

<b>Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Alvarez, Frank	October 1, 2021	Deferred - Public Health
Bolster, David	September 19, 2021	Sheriff's Office
Bravo, Carlos	September 2, 2021	Human Services Agency
Cuyjet, Scott	September 24, 2021	San Mateo County Health
Daniels, Rhonda	September 10, 2021	Probation
Ernst, Heidimarie	July 31, 2021	Deferred - Behavioral Health
Ilustrisimo, Cynthia	September 30, 2021	San Mateo County Health
Kapadia, Mita	September 18, 2021	Deferred - Sheriff's Office
Kelly, Ann	October 1, 2021	San Mateo County Health
Kuykendall, Mark	September 5, 2021	Sheriff's Office
Langit, Renee	September 11, 2021	San Mateo County Health
Liberona, Patricia	September 11, 2021	Family Health Services
Madayag-Santos, Mariejane	September 25, 2021	San Mateo County Health
Manilla, Edgar	September 18, 2021	Sheriff's Office
McDuffie, LaShonda	October 1, 2021	Probation
Moher, James	October 1, 2021	Sheriff's Office
Osor, Michael	October 1, 2021	Deferred - San Mateo Co Health
Sanders, Michael	September 30, 2021	Sheriff's Office
Sayos Teruel, Maria	September 18, 2021	San Mateo County Health
Vaillancourt, Val	September 25, 2021	Public Works
Williams, Laura	September 18, 2021	County Manager

2112.4.4 **Continuances:** The Board ratified the granting of continuance to the following individuals:

<b>Survivor's Name</b>	<b>Beneficiary of</b>
Fernandez, Celia	Fernandez, Federico
Fontenn'a, Juanita	Fontenn'a, Regino
Mabardy, Maria	Mabardy, Bruce
Mafi, Toatele	Mafi, Wanda
Michel, Donaciano	Michel, Rosa
Moerman, Millie	Moerman, Matthew
Molinari, Andrew	Molinari, Shirley
Nakamura, Maxine	Nakamura, George

#### 2112.4.5 **Deferred Retirements:**

The Board ratified the actions as listed below for the following members regarding deferred retirements:

<b>Name</b>	<b>Retirement Plan Type</b>
Alvarado, Gonzalo	G4, Vested
Barrett, Matthew	G7, Non-vested - Reciprocity
Bautista, John-Charles	S7, Vested - Auto Defer - Code 31700
Cardoza, Lydia	G4/S4, Vested
Chang, Karen	G5, Vested - Reciprocity
Charpentier, Sean	G5, Vested - Reciprocity
Deburr, Brian	G5, Vested - Reciprocity
Feyling-Soriano, Andrea	G4/S4/P4, Vested - Auto Defer - Code 31700
Gomez, Jonathan	G4, Vested
Hang, Johnson	G7, Non-vested - Reciprocity
Katz, Rosa	G4, Vested - Reciprocity
Kim, Su Yeon	G7, Non-vested - Reciprocity
Lui, Michael	G7, Vested
Maravilla, Claudia	G4, Vested - Auto Defer - Code 31700
McMillian, Diamond	G4, Vested
Michael, Janu	G7, Vested
Miramontes, Xelina	G7, Non-vested - Reciprocity
Murphy, Kelly	S4, Non-vested - Reciprocity
Myers, Nicole	G5, Vested - Auto Defer - Code 31700
Nimau, Kristin	G5, Vested - Auto Defer - Code 31700
Richstone, Laura	G7, Non-vested - Reciprocity
Toensing, Anne-Marie	G4, Vested - Reciprocity
Williams, Audyama	S7, Vested - Reciprocity

#### 2112.4.6 **Member Account Refunds:**

The Board ratified the actions as listed below for the following members regarding refunds:

<b>Name</b>	<b>Retirement Plan Type</b>
Bonilha, Christina	G7, Non-vested
De La Herran, Esmeralda	G7, Non-vested
Fernandez, Karla J	G4, Vested
Grimes, Gladys	G7, Non-vested
Harty, Zachary	S7, Non-vested
Lee, Michael	G7, Non-vested
Newman, Derek	G7, Non-vested
Newton, James (FBO: Newton, Jaymes)	G2, Vested
Omolafe, Abby	G7, Non-vested
Recio, Justa (FBO: Canas, Anna)	G4, Vested
Recio, Justa (FBO: Lazo, Adalberto)	G4, Vested
Recio, Justa (FBO: Lazo, Ricardo)	G4, Vested
Recio, Justa (FBO: Quintos, Adabelle)	G4, Vested
Reynoso, Wade	G7, Non-vested
Ruiz, Rachael	G7, Non-vested

Scott, Charles	G7, Non-vested
Singh, Ashley	G7, Non-vested
Zuniga, Maria	G7, Non-vested

2112.4.7 **Member Account Rollovers:**

The Board ratified the actions as listed below for the following members regarding rollovers:

<b>Name</b>	<b>Retirement Plan Type</b>
Aran, Laura	G7, Non-vested
Brune, Dorreen	G7, Non-vested
Chagonjian, Beth	G7, Non-vested
Hernandez, Denahi	G4, Vested
Hogan, Matthew	G7, Non-vested
Maher, Miriam	G7, Non-vested
Maier, Nicholas	S7, Vested
McPherson, Amanda	G4, Non-vested
Molina, Bryan	S7, Non-vested
Munnich, Megan	G7, Non-vested
Singh, Jasbir	G7, Non-vested
Straten, Lammy	G7, Non-vested
Tucker, Franklin	G7, Non-vested
Zermeno, Elias	S4, Non-vested

2112.4.8 **Member Account Redeposits:** None.

2112.4.9 **Acceptance of Trustees' Reports of Educational Activities:** The Board accepted the submitted reports for educational activities attended by trustees Arnott and David.

2112.4.10 **Reaffirm Education Policy:** The Board reaffirmed the Board of Retirement's "Education Policy" in substantially the same form as the policy reaffirmed in December 2020 with minor modifications for readability.

2112.4.11 **Reaffirm Travel Reimbursement Policy:** The Board reaffirmed the Board of Retirement's "Policy for Reimbursement of Travel and Other Official Expenses for Trustees and Staff" in substantially the same form as the policy approved in December 2018 with minor modifications for clarity and readability.

2112.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2112.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended October 31, 2021:** Mr. Coultrip informed the Board that the preliminary report for October was not available in time for the Board mailing and was added on Dropbox yesterday. He reported that SamCERA's net preliminary return for October was 2.0% bringing the preliminary trailing twelve month return ending October 2021 to 20.1% net, which is below SamCERA's Plan Benchmark return of 21.6% but above SamCERA's Actuarial Assumed Earnings Rate of 6.25%. This item was informational and for discussion only, no action was taken.

2112.6.2 **Report on Quarterly Investment Performance Report for the Period Ended September 30, 2021:** Mr. Coultrip reported that the 3<sup>rd</sup> quarter net total return for the SamCERA portfolio was +1.1%. Alternatives (private equity) and private real assets were the main contributors of performance, while public equity (both U.S. equity and international equity) was the main detractor. Ms. Jadallah and Mr.

Abdou presented the report and answered questions from the Board. This item was informational and for discussion only, no action was taken.

- 2112.6.3 **Report on Absolute Return Manager Annual Reviews:** Ms. Ng reviewed the meeting notes of the annual reviews of SamCERA's absolute return managers, CFM, PIMCO and Acadian Asset Management, that took place on October 7<sup>th</sup>. This item was informational and for discussion only, no action was taken.
- 2112.6.4 **Presentation of Private Asset Semi-Annual Performance Report as of June 30, 2021:** Ms. Dames reported that as of June 30, 2021, SamCERA's private equity portfolio had a total market value of \$461 million (7.8% of SamCERA's total fund). She also reported that as of fiscal year end, SamCERA's private real assets portfolio had a total market value of \$128 million (2.2% of SamCERA's total fund). Mr. Nicolini reviewed the performance reports with the Board. This item was informational and for discussion only, no action was taken.
- 2112.6.5 **Report on Investment Consultant Review:** Ms. Ng went over the results of Verus' annual performance evaluation. Both Board and staff generally marked the components of the evaluation as above average/high. Ms. Ng also shared a few educational topics suggested by the Board. This item was informational and for discussion only, no action was taken.
- 2112.6.6 **Approval of Proposed Alternative Investments (to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §6254.26, see item C2):** The Board met in Closed Session at 11:09 a.m. and reconvened in Open Session at 11:52 a.m. See Closed Session report under C2.

The Board adjourned for break at 11:53 a.m. Mr. Battey and Ms. Arnott left the meeting at this time. The Board reconvened at 12:01 p.m.

- 2112.7.1 **Annual Review of Brown Armstrong:** This item was taken out of order and heard after the Consent Agenda. Ms. Smith presented the results of Brown Armstrong's annual review. She reported that Brown Armstrong received high ratings overall from both Board and staff. Ms. Smith and Mr. Hood thanked Ms. Green, Mr. Lo and the Brown Armstrong team, for always providing SamCERA with great service throughout these years.
- 2112.7.2 **Discussion of Board-Staff Retreat Topics:** Mr. Hood presented the suggested topics for the 2022 Board-Staff Retreat. He gave the Board an opportunity to provide feedback and will present a draft agenda at the next meeting. This item was informational only, no action was taken.
- 2112.8.1 **Chief Executive Officer's Report:** Mr. Hood informed the Board that he has joined the CALAPRS General Assembly Planning Committee and shared that the event will be held in San Diego, CA from March 5<sup>th</sup> – 8<sup>th</sup>. He mentioned a few documents available in Dropbox. Mr. Hood also informed the Board that a special meeting will be scheduled prior to the January regular meeting for the purposes of determining whether the January regular meeting should occur via teleconference pursuant to AB 361. He previewed items on the January agenda including the COLA and continued discussion of topics for the Board-Staff Retreat.
- 2112.8.2 **Assistant Executive Officer's Report:** Ms. Smith provided the Board with an update on the recruitment status for the Senior Retirement Accountant position. She also reported recruitment for a Retirement Analyst will begin soon. Ms. Trujillo shared upcoming educational opportunities with the Board.
- 2112.8.3 **Chief Investment Officer's Report:** Mr. Coultrip informed the Board that staff recently sent out nine questionnaires for the cash flow matching portfolio and requested responses by December 20<sup>th</sup>.
- 2112.8.4 **Chief Legal Counsel's Report:** None.

C1 **Consideration of Disability Items, if any, removed from the Consent Agenda:** None.

C2 **Approval of Proposed Alternative Investment (to be heard in Closed Session, Confidential Under Gov. Code § 54956.81 and 6254.26, see item 6.6):** Mr. Okada reported that the Board met in Closed Session regarding the approval of proposed alternative investments:

Regarding the “re-up” commitment to Great Hill Equity Partners VIII, LP, in the amount of \$25 million as part of SamCERA’s Buyout/Venture Capital portfolio within Private Equity, a motion was made by David, and seconded by Hoefer, and approved by a vote of 9-0-0.

Ayes: Arnott, Battey, Bowler, David, Hackleman, Hoefer, O’Malley, Orr, and Raw.  
Nos: None  
Abstain: None

Regarding the commitment to Tiger Infrastructure Partners Fund III, LP in the amount of \$25 million as part of SamCERA’s infrastructure portfolio within Private Real Assets, a motion was made by Battey, and seconded by Hackleman, and approved by a vote of 6-2-1.

Ayes: Battey, Bowler, Hackleman, Hoefer, O’Malley, and Raw.  
Nos: Arnott, David  
Abstain: Orr

No other reportable action was taken.

C3 **Public Employee Performance Evaluation, in accordance with Gov. Code § 54957, Title: Chief Executive Officer (to be heard in Closed Session Confidential Under Gov. Code §54957):** The Board met in Closed Session at 12:27 p.m. and reconvened in Open Session at 12:39 p.m.

Mr. David reported that there was no reportable action taken.

2112.10 **Adjournment:** Mr. Raw adjourned the meeting at 12:40 p.m. in memory of the deceased members listed below.

Jeong, Grace	October 1, 2021	Mental Health
Rapley, Jack	October 1, 2021	Fire Warden
Hammarstrom, John	October 3, 2021	Sheriff's
Miramontes, Annette	October 10, 2021	Fiscal Services
Foster, Ellis	October 19, 2021	Public Works
Chaves, Lawrence	October 20, 2021	Sheriff's
Gill, Harrison	October 21, 2021	Hospital
Cheyrias, MaryJo	October 25, 2021	Human Services
Chackel, Betty	October 27, 2021	Courts
Frakes, Janet	November 1, 2021	EPS
Melghem, Marta	November 2, 2021	Hospital
Wetteland, Donald	November 16, 2021	Public Works

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Robert Raw  
Board Chair

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
**Board of Retirement**

January 25, 2022

Agenda Items 4.1- 4.9

**TO:** Board of Retirement

**FROM:** Elizabeth LeNguyen, Retirement Benefits Manager



**SUBJECT:** Approval of Consent Agenda Items 4.1 – 4.9

**4.1 Disability Retirements**

None.

**4.2 Survivor Death Benefits**

None.

**4.3 Service Retirements**

The Board ratifies the service retirement for the individuals listed below as follows:

<b>Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Allen, Frank	October 2, 2021	Revenue Services
Bessette, Michael	October 7, 2021	Deferred - Public Works
Bull, Ingall	October 30, 2021	Behavioral Health
Cain, Angelina	November 30, 2021	District Attorney's Office
Carrillo-Diaz, Ignacio	October 30, 2021	Public Works
Cervania, Chita	October 9, 2021	San Mateo County Health
Darko, Emelia	December 1, 2021	Human Services Agency
Daughenbaugh, Jennifer	October 2, 2021	Deferred - Probation
Day, Michelle	September 18, 2021	Deferred - Sheriff's
De Leon, Sandra	November 2, 2021	Human Services Agency
Echarte, Catherine	November 6, 2021	Deferred - Human Resources
Lemmon, Carol	November 27, 2021	San Mateo County Health
McCaleb, Janis	December 1, 2021	Probation
Morales, Stephanie	October 28, 2021	Behavioral Health
Osborne, Robin	October 2, 2021	Human Services Agency
Pause, Holly	October 30, 2021	Assessor's

Reardon, Timothy	November 6, 2021	San Mateo County Health
Reyes, Ma Cherie	October 29, 2021	Controller's
Shade, Gary	October 9, 2021	San Mateo County Health
Sharma, Maria	October 30, 2021	San Mateo County Health
Singh, Ranjeet	October 30, 2021	Behavioral Health
Smith, Helen T	October 13, 2021	Public Health
Sparks, Bwana	October 15, 2021	Sheriff's

#### 4.4 Continuances

The Board ratifies the granting of a continuance to the following individuals:

Survivor's Name	Beneficiary of:
Barnett, Michelle	Seaton, Carolyn
Carter Chaves, Nellie	Chaves, Lawrence
Lisper, Kristina	Foster, Ellis
Miramontes, Jose	Miramontes, Annette
Seaton, Jason	Seaton, Carolyn
Wilmes, John	Wilmes, Mary

#### 4.5 Deferred Retirements

The Board ratifies the deferred retirements as listed below for the following individuals:

Name	Retirement Plan Type
Baker, Lee	G4, Vested - Reciprocity
Cardona, Sara	P4, Vested - Reciprocity
Culcasi, Cameo	G7, Vested - Reciprocity
Garcia, Giselle	G4, Vested
Garcia, Peter	G4, Vested - Auto Defer - Code 31700
Lockett, Cassius	G7, Vested - Auto Defer - Code 31700
Martinez-Aboyte, Ana Rosa	G7, Vested
Pisano, Kathryn	G7, Vested - Reciprocity
Pruitt, James	G4, Vested
Raphael, Tina	G4, Vested
Sample, Elizabeth	G4, Vested - Auto Defer - Code 31700

Savadkohi, Shawn	G7, Vested
Yuen, Nga Wing	G7, Non-vested - Reciprocity

**4.6 Member Account Refunds**

The Board ratifies the refunds as listed below for the following individuals:

Name	Retirement Plan Type
Rudoni, Angela	G7, Non-vested

**4.7 Member Account Rollovers**

Name	Retirement Plan Type
Arqueza, Andreiam (FBO: Arqueza, Terry)	S7, Non-vested
Bruce, Michelle (FBO: Bruce, Kathy)	G4, Non-vested
Giovannoni, Ashleigh	G7, Non-vested

**4.8 Member Account Redeposits**

Name	Retirement Plan Type
Romero, Rolly	Probation 4

**4.9 Acceptance of Trustees' Reports of Educational Activities**

None.

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**Board of Retirement**

January 25, 2022

Agenda Item 4.10

**TO:** Board of Retirement

**FROM:** Doris Ng, Investment Analyst 

**SUBJECT:** Semi-Annual Compliance Certification Statements for Period Ended December 31, 2021

**Recommendation**

Accept the semi-annual Compliance Certification Statements for SamCERA's non-alternative investment managers and investment consultant, as of December 31, 2021.

**Background**

As part of SamCERA's ongoing due diligence process, the Compliance Certification Statement is completed by each of the association's public equity, fixed income, real estate, real asset and cash overlay investment managers and investment consultant on a semi-annual basis.

These statements are used to update SamCERA on any firm-wide compliance issues and to provide strategic-level information regarding such things as derivatives and portfolio positioning. For investment managers whose investments are considered "alternative investment vehicles" per the California Government Section Code §6254.26, the Compliance Certification Statements are not provided in the public board packet and will be sent separately to the Board.

**Discussion**

The attached Compliance Certification Statements report that SamCERA's investment managers and investment consultant are in compliance with SamCERA's Investment Policy as of December 31, 2021. There were no reported significant developments in portfolio construction, investment approach, firm ownership or organizational structure of concern relating to the association's public investments. There were no notable issues regarding industry or regulatory actions that impact SamCERA. The managers were also requested to provide data regarding the characteristics and composition of their portfolios. No prominent issues were identified during the review. Any items that raise concern will be brought to the manager's or investment consultant's attention and will be thoroughly vetted by staff.

Please note the fully completed Compliance Certification Statements for PIMCO and State Street Global Advisors were not received in time to be included in the mailing but will be included in the February board packet.

**Attachments**

Compliance Certification Statement Matrix 12-2021

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**Board of Retirement**

Compliance Certification Statements (16)

- A. Domestic Equity: Acadian, Blackrock, PanAgora, PGIM Quantitative Solutions
- B. International Equity: Baillie Gifford, Blackrock, Mondrian
- C. Fixed Income: DoubleLine, FIAM LLC, Franklin Templeton, NISA Investment Advisors,  
Western Asset Management
- D. Real Estate: Harrison Street, INVESCO
- E. Overlay: Parametric Portfolio Associates
- F. Investment Consultant: Verus Advisory

## Compliance Certification Statement Matrix – December 31, 2021

Investment Manager	Mandate	General Compliance Issues	Derivative Instruments	Investment Manager Guidelines	Mandate Specific
<b>Domestic Equity</b>					
<b>Acadian</b>		<ul style="list-style-type: none"> <li>Nov 2021- Departures of two portfolio managers in Research</li> </ul>	Not Applicable	No Concerns	<ul style="list-style-type: none"> <li>Largest single security Microsoft 5.31%</li> <li>Largest single industry Software &amp; Services 12.56% vs bmk 15.23%</li> <li>1.21% Small Cap</li> </ul>
<b>BlackRock Russell 1000</b>		<ul style="list-style-type: none"> <li>2021-Two mbrs of GEC (Global Executive Committee) role changed to Sr. Advisor pending retirement. Added one new mbr to GEC.</li> </ul>	No Concern	No Concern	<ul style="list-style-type: none"> <li>Largest single security Apple 6.16%</li> <li>Largest single industry Info Technology 28.91%</li> </ul>
<b>DE Shaw</b>	<i>Confidential under California Gov. Section Code §6254.26</i>				
<b>PanAgora (Low Volatility strategy)</b>		No Concerns	Not Applicable	No Concerns	<ul style="list-style-type: none"> <li>Largest single security by risk weight is Service Corp International 2.03%</li> <li>Largest sector risk weight is Materials 11.03% v. R1000 bmk 10.78%</li> <li>2.05% Small Cap</li> </ul>

## Compliance Certification Statement Matrix – December 31, 2021

Investment Manager	Mandate	General Compliance Issues	Derivative Instruments	Investment Manager Guidelines	Mandate Specific
<b>PGIM Quantitative Solutions LLC (f.k.a. QMA)</b>		<ul style="list-style-type: none"> <li>Oct 2021-Linda Gibson appointed CEO, replacing Andrew Dyson (remain as FT special advisor until Mar 2022)</li> </ul>	Not Applicable	No Concerns	<ul style="list-style-type: none"> <li>Largest holding, EMCOR Group 0.94%</li> <li>Largest industry: Biotechnology 8% vs. Russell 2000 bmk 8.6%</li> </ul>
<b>International Equity</b>					
<b>Baillie Gifford</b>		No Concerns	Not Applicable	No Concerns	<ul style="list-style-type: none"> <li>6.89% ADR</li> <li>24.2% Emerging Market</li> </ul>
<b>Blackrock MSCI ACWI ex US IMI</b>		<ul style="list-style-type: none"> <li>2021-Two mbrs of GEC (Global Executive Committee) role changed to Sr. Advisor pending retirement. Added one new mbr to GEC.</li> </ul>	No Concerns	No Concerns	<ul style="list-style-type: none"> <li>1.9% ADR</li> <li>28.18% Emerging Market</li> </ul>
<b>Mondrian</b>		No Concerns	Not Applicable	No Concerns	<ul style="list-style-type: none"> <li>28.14% Emerging Market MIP LP</li> </ul>

### Fixed Income

## Compliance Certification Statement Matrix – December 31, 2021

Investment Manager	Mandate	General Compliance Issues	Derivative Instruments	Investment Manager Guidelines	Mandate Specific
Angelo Gordon (Credit Solutions Fund)		<i>Confidential under California Gov. Section Code §6254.26</i>			
Angelo Gordon (Credit Solutions Annex Dislocation Fund)		<i>Confidential under California Gov. Section Code §6254.26</i>			
Beach Point		<i>Confidential under California Gov. Section Code §6254.26</i>			
Blackrock (Direct Lending Fund VIII)		<i>Confidential under California Gov. Section Code §6254.26</i>			
Blackrock (Direct Lending Fund IX)		<i>Confidential under California Gov. Section Code §6254.26</i>			
Brigade		<i>Confidential under California Gov. Section Code §6254.26</i>			
DoubleLine		No Concerns	No Concerns	No Concerns	<ul style="list-style-type: none"> <li>35.43% in Rule 144A securities</li> </ul>
Fidelity Institutional Asset Management (FIAM) BMD Bond		<ul style="list-style-type: none"> <li>Sept 2021-Rina Kupferschmid-Rojas appointed Fidelity's enterprise Chief Sustainability Officer</li> </ul>	No Concerns	No Concerns	<ul style="list-style-type: none"> <li>0.17% below inv grade (inv grade at purchase)</li> <li>13.54% in Rule 144A securities</li> </ul>

## Compliance Certification Statement Matrix – December 31, 2021

Investment Manager	Mandate	General Compliance Issues	Derivative Instruments	Investment Manager Guidelines	Mandate Specific
<b>Franklin Templeton</b>		<ul style="list-style-type: none"> <li>• <u>Templeton Global Macro Team</u> Aug &amp; Oct 2021-Hired Sr. Research Analyst and Junior Trader - Dec 2021-One trader departed</li> <li>• July 2021-Hired Dr. Yu (Ben) Meng as Exec VP and Chairman of Asia Pacific</li> <li>• Sept 2021-acquired Aviva Investors' U.S. Based Investment Grade Credit Team to join Franklin Templeton Fixed Income</li> <li>• Jan 2022- Completed acquisition of O'Shaughnessy Asset Mgmt (quant asset mgmt firm)</li> </ul>	No Concerns	No Concerns	<ul style="list-style-type: none"> <li>• 18.29% Cash &amp; Equiv.</li> <li>• 3.2% Rule 144A</li> <li>• 20.55% non-rated or below IG</li> <li>• 6.59% Indonesia Treasury Bond, 5.50%, 4/15/26</li> </ul>
<b>NISA</b>		<ul style="list-style-type: none"> <li>• Dec 2021-Jess Yawitz retire as NISA chairman. Stephen Douglass, Sr. Economic</li> </ul>	Not Applicable	No Concerns	<ul style="list-style-type: none"> <li>• 7.48% Rule 144A securities</li> </ul>

## Compliance Certification Statement Matrix – December 31, 2021

Investment Manager	Mandate	General Compliance Issues	Derivative Instruments	Investment Manager Guidelines	Mandate Specific
		Strategist replaced Jess on Investment Committee.			
<b>PIMCO (Diversified Income Fund)</b>	Pending				
<b>PIMCO (Private Income Fund)</b>		<i>Confidential under California Gov. Section Code §6254.26</i>			
<b>Western</b>		<ul style="list-style-type: none"> <li>Aug 2021-New COO hired to replace current COO who will leave firm in Dec 2021</li> <li>June 2022- Current General counsel to retire, search for replacement underway</li> </ul>	<ul style="list-style-type: none"> <li>Largest cntrprty exposure to BNP Paribas 0.02%</li> </ul>	No Concerns	<ul style="list-style-type: none"> <li>21.9% Rule 144A securities</li> </ul>
<b>White Oak Yield Spectrum Fund (Fund IV)</b>		<i>Confidential under California Gov. Section Code §6254.26</i>			
<b>White Oak Yield Spectrum Fund V</b>		<i>Confidential under California Gov. Section Code §6254.26</i>			

### Real Estate

## Compliance Certification Statement Matrix – December 31, 2021

Investment Manager	Mandate	General Compliance Issues	Derivative Instruments	Investment Manager Guidelines	Mandate Specific
Harrison Street (Core Property Fund)		No Concerns	Not Applicable	No Concerns	No Concerns
Invesco (U.S. Core Real Estate Fund)		No Concerns	Not Applicable	No Concerns	No Concerns
Invesco (U.S. Value-Add Fund IV)	<i>Confidential under California Gov. Section Code §6254.26</i>				
Invesco (U.S. Value-Add Fund V)	<i>Confidential under California Gov. Section Code §6254.26</i>				
Invesco (U.S. Value-Add Fund VI)	<i>Confidential under California Gov. Section Code §6254.26</i>				
PGIM (US Real Estate Debt)	<i>Confidential under California Gov. Section Code §6254.26</i>				
<b>Real Assets</b>					
State Street Global Advisors (Custom Real Asset Account)	Pending				
<b>Overlay</b>					
Parametric Portfolio Associates		No Concerns	No Concerns	No Concerns	No Concerns

## Compliance Certification Statement Matrix – December 31, 2021

Investment Manager	Mandate	General Compliance Issues	Derivative Instruments	Investment Manager Guidelines	Mandate Specific
<b>Investment Consultant</b>					
<b>Verus Advisory</b>		No Concerns	Not Applicable	Not Applicable	Not Applicable

**32 Total** | **16 Completed** | **2 Pending Information** | **14 Confidential**

*Acadian Asset Management U.S. Managed Volatility – December 31, 2021*

*Compliance Certification Statement*

*San Mateo County*

*Employees' Retirement Association*

In accordance with SamCERA's Investment Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office ([Investments@samcera.org](mailto:Investments@samcera.org)) by **Monday, January 10, 2022.**

**General Compliance Issues**

1. Has the firm acted as a fiduciary and invested its assets for the sole benefit of *SamCERA*?  
 **Yes** /  **No: Please explain.**
2. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel?  
 **Yes: Please explain.** /  **No**

Departures:

Caroline Shi, SVP, Portfolio Manager, Research, departed from Acadian on November 1, 2021 to pursue new opportunities.

James Li, SVP, Portfolio Manager, Research, departed from Acadian on November 12, 2021 to pursue new opportunities

3. Have there been any changes in the firm's investment approach?  
 **Yes: Please explain.** /  **No**
4. Do *SamCERA's* guidelines require your firm to manage the portfolio significantly different from other similar portfolios?  
 **Yes: Please explain.** /  **No**
5. Have there been any industry or regulatory disciplinary actions taken against the firm?   
**Yes: Please explain.** /  **No**
6. Have proxy ballots been voted in accordance with the best economic interest of *SamCERA* and in a manner consistent with the Board's proxy policies?  
 **Yes** /  **No: Please explain.**
7. Have there been any investment guideline breaches during the prior 6 months?  
 **Yes: Please explain.** /  **No**

8. Has the firm's insurance coverage been sustained?  
 **Yes** /  **No: Please explain.**

### **Investment Management Fees**

1. Is *SamCERA's* investment management fee schedule higher than those charged other institutional clients who hold an account investment substantially similar to ours?  
 **Yes: Please explain.** /  **No**

### **Derivative Investments**

1. Are derivatives used in the management of the investment strategy?  
 **Yes: Please ANSWER the remaining questions in this section.**  
 **No: Please SKIP the remaining questions in this section.**
2. Are derivative investments in compliance with *SamCERA's* investment policies?  
 **Yes** /  **No: Please explain.**
3. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated?  
 **Yes** /  **No: Please explain.**
4. For non-exchange traded derivative transactions, were the counter-parties broker/dealers?  
 **Yes** /  **No**

**If Yes:**

- a) Do the counter-parties have investment grade debt?  **Yes**/  **No**  
b) Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances?  **Yes**/  **No: Please explain.**
5. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)?  
 **Yes** /  **No**

**If Yes:**

- a) Do the counter-parties have investment grade debt?  **Yes**/  **No**  
b) Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances?  
 **Yes**/  **No: Please explain.**
6. Is individual counter-party exposure well diversified?  **Yes**/  **No: Please explain.**  
a) What is the largest exposure to a single counter-party within the portfolio?

- b) Please specify the name of the counter-party and the amount of exposure.
- c) Have there been any changes to the investment manager's list of approved counter-parties over the past six months?
7. Are the investment purposes for a derivative investment consistent with the four purposes stated in *SamCERA's* policies?  **Yes** /  **No: Please explain.**
- a) Has the firm developed any new purposes for derivative investments?  **Yes: Please explain.** /  **No**
8. List all limited allocation derivative investments individually and the percentage of the portfolio's assets represented by each investment.
- a) State if the firm has evaluated the exposure to market value losses that can occur from each of these derivatives.  **Yes** /  **No: Please explain.**
- b) State if these derivative investments in total represent more than 5% of the portfolio's market value. If more than 5%, please explain.
9. State if any restricted derivative investments are held in *SamCERA's* portfolios.  
 **Yes** /  **No**
- a) If any are held, state the percentage of the portfolio's assets held in such derivatives and why the firm is not in compliance with the investment policies.
10. For derivative investments with allocation limits, has the firm tested and measured these investments' sensitivities to changes in key risk factors?  **Yes** /  **No: Please explain.**
11. Have all derivative investments been made in a manner consistent with the derivative investment process specified in the policy statement?  **Yes** /  **No: Please explain.**
12. Specify the security pricing sources used when developing portfolio market value exposures for limited allocation derivatives.
13. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.
14. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months.  **Yes: Please explain.** /  **No**

### **Investment Manager Guidelines**

1. Are portfolio holdings well-diversified, and made in liquid securities?

**Yes** /  **No: Please explain.**

2. Has the firm engaged in short selling, use of leverage or margin and/or investments in commodities?  **Yes: Please explain.** /  **No**

### Cash & Equivalents

1. Does the firm directly invest in short term fixed income investments?  **Yes** /  **No**
- a) If **Yes**, do the investments comply with the policies?  **Yes** /  **No: Please explain.**

### Domestic Equity Portfolio (Large, Mid & Small)

1. Specify the percentage of the portfolio held in each of the following types of securities:

<i>Common Stock</i>	<i>99.64%</i>
<i>Preferred Stock</i>	<i>0%</i>
<i>Convertible Securities</i>	<i>0%</i>
<i>ADRs</i>	<i>0%</i>
<i>Cash &amp; Equivalents</i>	<i>0.36%</i>

2. Specify the large, mid and small capitalization exposure of the portfolios.

<i>Large-Cap</i>	<i>53.73%</i>
<i>Mid-Cap</i>	<i>44.71%</i>
<i>Small-Cap</i>	<i>1.21%</i>

3. Specify the percentage of the portfolio that is invested in American Depository Receipts (ADR's). Also, specify the percentage of the portfolio invested in ADR securities that are 144A securities. If greater than 10%, explain why.

<i>ADRs</i>	<i>0%</i>
-------------	-----------

4. What is the largest percentage of the portfolio represented by a single security? Please specify the security and percentage amount. If any securities were above benchmark weight at the time of purchase, please list and explain why.

<i>Security</i>	<i>Cusip</i>	<i>Portfolio Weight</i>
MICROSOFT CORP COM	59491810	5.31%

5. What is the largest percentage of the portfolio represented by a single industry? Specify the name of the industry, percentage amount and size relative to benchmark. Please specify all industries above 15%.

<b><i>Industry</i></b>	<b><i>Portfolio Weight</i></b>	<b><i>Benchmark Weight</i></b>
Software & Services	12.56%	15.23%

6. What proportion of total AUM do the assets in this product make-up of the firm? What size does SamCERA's account comprise of total product assets?

*\*Data not available until 1/12/2022*

Signed by:



Alison Peabody

Dated: January 10, 2022

Acadian Asset Management LLC

## ***BlackRock Russell 1000 Index – December 31, 2021***

### ***Compliance Certification Statement***

***San Mateo County***

***Employees' Retirement Association***

In accordance with SamCERA's Investment Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office ([Investments@samcera.org](mailto:Investments@samcera.org)) by **Monday, January 10, 2022**.

### **General Compliance Issues**

**1. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel?**

Yes: Please explain. /  No

#### **Ownership**

BlackRock, Inc. (together, with its subsidiaries, unless the context otherwise indicates, "BlackRock" or the "Company") is a publicly traded investment management firm, with common stock listed on the New York Stock Exchange, providing a broad range of investment management and technology services to institutional and retail clients worldwide. As at 30 September 2021, there was no person known by BlackRock to own beneficially 10% or more of any class of outstanding voting securities of BlackRock.

Ownership data for 4Q 2021 is not made publicly available yet.

#### **Organizational structure**

BlackRock constantly looks for ways to better serve clients, increase efficiency in our organization and develop talent. Periodically we take a fresh look at the firm to determine how we should evolve our organization in anticipation of changing market dynamics and client needs and to position the firm so that we can maximize our fullest potential for BlackRock and our clients. Below details internal organizational changes the firm has implemented over the past quarter.

There have been no material changes to the organizational structure over the past six months ending as of 30 September 2021.

#### **Changes in GEC Membership**

In 2010, BlackRock created the Global Executive Committee ("GEC") to provide oversight of operations and business performance, strategy and planning, talent development and retention, risk management, and external affairs. The following chart shows turnover within the GEC:

<b>Year</b>	<b>Previous GEC Member</b>	<b>Previous Role</b>	<b>Reason for Change</b>	<b>Replacement</b>
<b>2021</b>	Barbara Novick	Vice Chairman	Role changed to Senior Advisor	Responsibilities assumed by existing

Year	Previous Member	GEC	Previous Role	Reason for Change	Replacement
				pending retirement	BLK personnel
	Geraldine Buckingham		Head of Asia Pacific	Role changed to Senior Advisor pending retirement	Responsibilities assumed by existing GEC members

Consistent with the goals of fully leveraging the firm’s talent and expanding our senior leadership team to ensure a broader, more diverse representation of views, we added the following members to the GEC:

In the second half of 2021 Dalla Boss was appointed to the GEC as the Global Head of External Affairs

Biographies for members of the GEC are available at <http://www.blackrock.com/corporate/en-us/about-us/leadership>

**2. Have there been any changes in the firm’s investment approach?**

Yes: Please explain. /  No

**BlackRock is a purpose-driven, global investment manager with diverse clients and strategies. The constant in our philosophy is that it always starts with client needs.**

Today, with our scale and global reach, our responsibilities have become even greater. We are more than a trusted advisor; we are an advocate for creating a better landscape for all investors. This includes sounder markets, better retirement systems, helping more people to save more and invest better, and encouraging company behaviors that support long-term value creation.

As a firm, our motivation is simple: **To help more and more people experience financial well-being.**

The breadth of our investment strategies enables us to take a product-agnostic approach to portfolio construction to meet client needs. In addition, our technology platform, Aladdin, is the most comprehensive end-to-end integrated investment operating system in the world, connecting the information, people and technology needed to manage money in real time.

The combination of our capabilities, expertise and a One BlackRock approach gives us a distinct global perspective and voice with clients around the world.

**Firm Capabilities**

BlackRock provides diversified investment management to institutional clients, intermediary and individual investors through various investment vehicles. Investment management services primarily consist of the management of equity, fixed income, multi-asset class, alternative investment and cash management products. BlackRock offers its investment products in a variety of vehicles, including open-end and closed-end mutual funds, iShares® exchange traded funds (“ETFs”), collective investment trusts and separate accounts. Additionally, we provide Financial Markets Advisory services for governments, central banks, and financial institutions, as well as whole portfolio solutions through our OCIO platform.

The breadth and depth of investment solutions is designed to deliver better outcomes, returns, convenience, value, and transparency for our clients, and our distinct platform allows us to offer unbiased, holistic offerings. Please refer to the following chart for an overview of BlackRock's products and services.



Source: BlackRock. Assets under management as of 30 September 2021. All figures are represented in USD.  
<sup>1</sup> Alternatives AUM may include committed capital, in addition to invested capital, which remains subject to drawdown.

**3. Have there have been any industry or regulatory disciplinary actions taken against the firm?**  Yes: Please explain. /  No

As a global investment manager, BlackRock, Inc., and its various subsidiaries including BlackRock Institutional Trust Company, N.A (“BTC”) may be subject to regulatory oversight in numerous jurisdictions including examinations and various requests for information. BTC’s regulators routinely provide it with comment letters at the conclusion of these examinations in which they request that BTC correct or modify certain of its practices. In all such instances, BTC has addressed, or is working to address, these requests to ensure that it continues to operate in compliance with applicable laws, statutes and regulations.

BTC also receives subpoenas or requests for information in connection with regulatory inquiries and/or investigations by its various regulators, some of which are ongoing. None of these matters has had or is expected to have any adverse impact on BTC’s ability to manage its clients' assets. Please refer to BlackRock’s Form ADV and SEC disclosures for additional information on regulatory matters concerning BTC or BlackRock as a whole.

**4. Has the firm’s insurance coverage been sustained?**  Yes /  No: Please explain.

BlackRock maintains the following types of global insurance coverage:

Type
<b>Investment Advisers Professional Liability</b> (aka Errors & Omissions)

Liability)

**Fidelity Bond** (aka Crime or Financial Institution Bond)

Although we do not disclose the insurer information and level of coverage, BlackRock only places insurance with insurers rated "Excellent" by AM Best and maintains coverage at levels that are commercially reasonable and consistent with industry peers.

### Investment Management Fees

1. Is *SamCERA*'s investment management fee schedule less favorable than those charged other institutional clients who hold an account investment substantially similar to ours?  
 **Yes: Please explain.** /  **No**

### Derivative Investments

1. Are derivatives used in the management of the investment strategy?  
 **Yes: Please ANSWER the remaining questions in this section.**  
 **No: Please SKIP the remaining questions in this section.**
2. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated?  
 **Yes** /  **No: Please explain.**

N/A

3. For non-exchange traded derivative transactions, were the counter-parties broker/dealers?  
 **Yes** /  **No**

If Yes:

- a) Do the counter-parties have investment grade debt?  **Yes**/  **No**
- b) Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances?  **Yes**/  **No: Please explain.**

N/A

4. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)?  
 **Yes** /  **No**

If Yes:

- a) Do the counter-parties have investment grade debt?  **Yes**/  **No**
- b) Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances?  
 **Yes**/  **No: Please explain.**

N/A

5. Is individual counter-party exposure well diversified?  Yes/  No: **Please explain.**
- What is the largest exposure to a single counter-party within the portfolio?
  - Please specify the name of the counter-party and the amount of exposure.
  - Have there been any changes to the investment manager's list of approved counter-parties over the past six months?

N/A

6. Specify the security pricing sources used when developing portfolio market value exposures for non-exchange traded derivative positions.

N/A

7. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.

Not applicable for non-exchange traded derivatives.

8. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months.  Yes: **Please explain.** /  No

### **Domestic Equity Portfolios (Large, Mid & Small)**

1. Please state the percentage of the portfolio held in each of the following types of securities

<i>Common Stock</i>	<i>99.3%</i>
<i>Preferred Stock</i>	<i>%</i>
<i>Convertible Securities</i>	<i>%</i>
<i>Cash &amp; Equivalents</i>	<i>0.7%</i>

2. Specify the large, mid and small capitalization exposure of the portfolios? Please specify percentages.

$\geq 50,000,000,000$	72.85%
15,000,000,000 - 50,000,000,000	18.59%
7,500,000,000 - 15,000,000,000	5.49%
1,500,000,000 - 7,500,000,000	2.29%
750,000,000 - 1,500,000,000	0.01%
< 750,000,000	0.08%

- Specify the percentage of the portfolio that is invested in American Depositary Receipts (ADR's). Also, specify the percentage of the portfolio invested in ADR securities that are 144A securities. If greater than 10%, explain why.

N/A as this is a US index strategy.

- What is the largest percentage of the portfolio represented by a single security? Please specify the security and percentage amount. If any securities were above 5% at the time of purchase, please list and explain why.

Security Description	Portfolio	Market Value	
		Portfolio	Benchmark
Apple Inc	6.16%	6.16%	6.16%
Microsoft Corp.	5.51%	5.51%	5.51%

- What is the largest percentage of the portfolio represented by a single industry? Specify the name of the industry, percentage amount and size relative to benchmark. Please specify all industries above 15%.

Security Description	Portfolio	Market Value	
		Portfolio	Benchmark
Information Technology	28.91%	28.91%	28.91%

Signed by: Rajeev Ghia

Dated: 1/10/2022

Name of Firm: BlackRock



***PanAgora Asset Management Defensive Equity U.S. Low Volatility –***

***December 31, 2021***

*Compliance Certification Statement*

*San Mateo County*

*Employees' Retirement Association*

In accordance with SamCERA's Investment Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office ([Investments@samcera.org](mailto:Investments@samcera.org)) by **Monday, January 10, 2022.**

**General Compliance Issues**

1. Has the firm acted as a fiduciary and invested its assets for the sole benefit of *SamCERA*?  
 **Yes** /  **No: Please explain.**
2. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel?  
 **Yes: Please explain.** /  **No**
3. Have there been any changes in the firm's investment approach?  
 **Yes: Please explain.** /  **No**
4. Do *SamCERA's* guidelines require your firm to manage the portfolio significantly different from other similar portfolios?  
 **Yes: Please explain.** /  **No**
5. Have there have been any industry or regulatory disciplinary actions taken against the firm?  
 **Yes: Please explain.** /  **No**
6. Have proxy ballots been voted in accordance with the best economic interest of *SamCERA* and in a manner consistent with the Board's proxy policies?  
 **Yes** /  **No: Please explain.**
7. Have there been any investment guideline breaches during the prior 6 months?  
 **Yes: Please explain.** /  **No**
8. Has the firm's insurance coverage been sustained?  
 **Yes** /  **No: Please explain.**

**Investment Management Fees**

1. Is *SamCERA's* investment management fee schedule higher than those charged other institutional clients who hold an account investment substantially similar to ours?  
 **Yes: Please explain.** /  **No: The investment management fee schedule applicable to SamCERA's investment in Defensive U.S. Large Cap Low Volatility represents the most beneficial (lowest) fee schedule offered to other institutional clients who hold a substantially similar account investment in such investment strategy.**

### Derivative Investments

1. Are derivatives used in the management of the investment strategy?  
 **Yes: Please ANSWER the remaining questions in this section.**  
 **No: Please SKIP the remaining questions in this section.**
2. Are derivative investments in compliance with *SamCERA's* investment policies?  
 **Yes** /  **No: Please explain.**
3. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated?  
 **Yes** /  **No: Please explain.**
4. For non-exchange traded derivative transactions, were the counter-parties broker/dealers?  
 **Yes** /  **No**

#### If Yes:

- a) Do the counter-parties have investment grade debt?  **Yes**/  **No**  
b) Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances?  **Yes**/  **No: Please explain.**
5. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)?  
 **Yes** /  **No**

#### If Yes:

- a) Do the counter-parties have investment grade debt?  **Yes**/  **No**  
b) Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances?  
 **Yes**/  **No: Please explain.**
6. Is individual counter-party exposure well diversified?  **Yes**/  **No: Please explain.**  
a) What is the largest exposure to a single counter-party within the portfolio?  
b) Please specify the name of the counter-party and the amount of exposure.  
c) Have there been any changes to the investment manager's list of approved counter-parties over the past six months?

7. Are the investment purposes for a derivative investment consistent with the four purposes stated in *SamCERA's* policies?  **Yes** /  **No: Please explain.**
- a) Has the firm developed any new purposes for derivative investments?  **Yes: Please explain.** /  **No**
8. List all limited allocation derivative investments individually and the percentage of the portfolio's assets represented by each investment.
- a) State if the firm has evaluated the exposure to market value losses that can occur from each of these derivatives.  **Yes** /  **No: Please explain.**
- b) State if these derivative investments in total represent more than 5% of the portfolio's market value. If more than 5%, please explain.
9. State if any restricted derivative investments are held in *SamCERA's* portfolios.  
 **Yes** /  **No**
- a) If any are held, state the percentage of the portfolio's assets held in such derivatives and why the firm is not in compliance with the investment policies.
10. For derivative investments with allocation limits, has the firm tested and measured these investments' sensitivities to changes in key risk factors?  **Yes** /  **No: Please explain.**
11. Have all derivative investments been made in a manner consistent with the derivative investment process specified in the policy statement?  **Yes** /  **No: Please explain.**
12. Specify the security pricing sources used when developing portfolio market value exposures for limited allocation derivatives.
13. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.
14. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months.  **Yes: Please explain.** /  **No**

### **Investment Manager Guidelines**

1. Are portfolio holdings well-diversified, and made in liquid securities?  
 **Yes** /  **No: Please explain.**
2. Has the firm engaged in short selling, use of leverage or margin and/or investments in commodities?  **Yes: Please explain.** /  **No**

### Cash & Equivalents

1. Does the firm directly invest in short term fixed income investments?  Yes /  No

a) If Yes, do the investments comply with the policies?  Yes /  No: Please explain.

### Domestic Equity Portfolio (Large, Mid & Small)

1. Specify the percentage of the portfolio held in each of the following types of securities:

<i>Common Stock</i>	<i>99.54%</i>
<i>Preferred Stock</i>	<i>0%</i>
<i>Convertible Securities</i>	<i>0%</i>
<i>ADRs</i>	<i>0%</i>
<i>Cash &amp; Equivalents</i>	<i>0.46%</i>

2. Specify the large, mid and small capitalization exposure of the portfolios.

<i>Large-Cap</i>	<i>84.77%</i>
<i>Mid-Cap</i>	<i>13.18%</i>
<i>Small-Cap</i>	<i>2.05%</i>

3. Specify the percentage of the portfolio that is invested in American Depository Receipts (ADR's). Also, specify the percentage of the portfolio invested in ADR securities that are 144A securities. If greater than 10%, explain why. **The account holds 0% in ADR's and ADR securities that are 144A's.**

4. What is the largest percentage of the portfolio represented by a single security? Please specify the security and percentage amount. If any securities were above 4% at the time of purchase, please list and explain why. **The largest security risk weight percentage held in the account is Service Corp International (SCI US) 2.03%.**

5. What is the largest percentage of the portfolio represented by a single industry? Specify the name of the industry, percentage amount and size relative to benchmark. Please specify all industries above 15%. **The largest sector risk weight percentage held in the account is Materials 11.03%. The benchmark's risk weight percentage for Materials is 10.78%.**

6. What proportion of total AUM do the assets in this product make-up of the firm? What size does SamCERA's account comprise of total product assets? **PanAgora's Defensive U.S. Low Volatility products make up 0.90% of the total AUM of the firm. SamCERA's account comprises 99.10% of the total product assets.**

Signed by: Chris Tsapatsaris, Sr. Investment Compliance Analyst

Dated: January 5<sup>th</sup>, 2022

Name of Firm: PanAgora Asset Management, Inc.

***Quantitative Management Associates U.S. Small Cap Core – December 31, 2021***

***Compliance Certification Statement***

***San Mateo County***

***Employees' Retirement Association***

In accordance with SamCERA's Investment Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office ([Investments@samcera.org](mailto:Investments@samcera.org)) by **Monday, January 10, 2022.**

**General Compliance Issues**

1. Has the firm acted as a fiduciary and invested its assets for the sole benefit of *SamCERA*?  
 **Yes** /  **No: Please explain.**
2. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel?  
 **Yes: Please explain.** /  **No**

**Linda Gibson was appointed Chief Executive Officer, effective October 15, 2021. In conjunction, Andrew Dyson stepped down as Chief Executive Officer. Andrew will remain as a full-time Special Advisor until the end of March 2022.**

3. Have there been any changes in the firm's investment approach?  
 **Yes: Please explain.** /  **No**
4. Do *SamCERA's* guidelines require your firm to manage the portfolio significantly different from other similar portfolios?  
 **Yes: Please explain.** /  **No**
5. Have there been any industry or regulatory disciplinary actions taken against the firm?   
**Yes: Please explain.** /  **No**
6. Have proxy ballots been voted in accordance with the best economic interest of *SamCERA* and in a manner consistent with the Board's proxy policies?  
 **Yes** /  **No: Please explain.**
7. Have there been any investment guideline breaches during the prior 6 months?  
 **Yes: Please explain.** /  **No**
8. Has the firm's insurance coverage been sustained?  
 **Yes** /  **No: Please explain.**

## Investment Management Fees

1. Is *SamCERA's* investment management fee schedule higher than those charged other institutional clients who hold an account investment substantially similar to ours?  
 **Yes: Please explain.** /  **No**

## Derivative Investments

1. Are derivatives used in the management of the investment strategy?  
 **Yes: Please ANSWER the remaining questions in this section.**  
 **No: Please SKIP the remaining questions in this section.**
2. Are derivative investments in compliance with *SamCERA's* investment policies?  
 **Yes** /  **No: Please explain.**
3. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated?  
 **Yes** /  **No: Please explain.**
4. For non-exchange traded derivative transactions, were the counter-parties broker/dealers?  
 **Yes** /  **No**

If **Yes**:

- a) Do the counter-parties have investment grade debt?  **Yes**/  **No**
  - b) Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances?  **Yes**/  **No: Please explain.**
5. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)?  
 **Yes** /  **No**

If **Yes**:

- a) Do the counter-parties have investment grade debt?  **Yes**/  **No**
  - b) Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances?  
 **Yes**/  **No: Please explain.**
6. Is individual counter-party exposure well diversified?  **Yes**/  **No: Please explain.**
    - a) What is the largest exposure to a single counter-party within the portfolio?
    - b) Please specify the name of the counter-party and the amount of exposure.
    - c) Have there been any changes to the investment manager's list of approved counter-parties over the past six months?

7. Specify the security pricing sources used when developing portfolio market value exposures for non-exchange traded derivative positions.
8. Are the investment purposes for a derivative investment consistent with the four purposes stated in *SamCERA's* policies?  **Yes** /  **No: Please explain.**
- a) Has the firm developed any new purposes for derivative investments?  **Yes: Please explain.** /  **No**
9. List all limited allocation derivative investments individually and the percentage of the portfolio's assets represented by each investment.
- a) State if the firm has evaluated the exposure to market value losses that can occur from each of these derivatives.  **Yes** /  **No: Please explain.**
- b) State if these derivative investments in total represent more than 5% of the portfolio's market value. If more than 5%, please explain.
10. State if any restricted derivative investments are held in *SamCERA's* portfolios.  
 **Yes** /  **No**
- a) If any are held, state the percentage of the portfolio's assets held in such derivatives and why the firm is not in compliance with the investment policies.
11. For derivative investments with allocation limits, has the firm tested and measured these investments' sensitivities to changes in key risk factors?  **Yes** /  **No: Please explain.**
12. Have all derivative investments been made in a manner consistent with the derivative investment process specified in the policy statement?  **Yes** /  **No: Please explain.**
13. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.
14. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months.  **Yes: Please explain.** /  **No**

### **Cash & Equivalents**

1. Does the firm directly invest in short term fixed income investments?  **Yes** /  **No**
- a) If **Yes**, do the investments comply with the policies?  **Yes** /  **No: Please explain.**

## Domestic Equity Portfolios (Large, Mid & Small)

1. Please state the percentage of the portfolio held in each of the following types of securities

<i>Common Stock</i>	<i>99.7%</i>
<i>Preferred Stock</i>	<i>0%</i>
<i>Convertible Securities</i>	<i>0%</i>
<i>Cash &amp; Equivalents</i>	<i>0.3%</i>

2. Specify the large, mid and small capitalization exposure of the portfolios? Please specify percentages.

<i>Large-Cap (&gt;\$10B)</i>	<i>0.3%</i>
<i>Mid-Cap (\$2B&lt;&gt;\$10B)</i>	<i>68.8%</i>
<i>Small-Cap (&lt;\$2BN)</i>	<i>30.9%</i>

3. Specify the percentage of the portfolio that is invested in American Depository Receipts (ADR's). Also, specify the percentage of the portfolio invested in ADR securities that are 144A securities. If greater than 10%, explain why.

### **No ADR Holdings**

4. What is the largest percentage of the portfolio represented by a single security? Specify the name of the security and percentage amount. If any securities were above 5% at the time of purchase, please list and explain why.

**The largest percentage of portfolio represented by a single security amounts to 0.94% for EMCOR Group Inc.**

5. What is the largest percentage of the portfolio represented by a single industry? Specify the industry, percentage amount and size relative to benchmark. Please specify all industries above 15%.

**Biotechnology 8.0% and the benchmark is 8.6%. No industry above 15% in the portfolio.**

6. What proportion of total AUM do the assets in this product make-up of the firm? What size does SamCERA's account comprise of total product assets?

Account	As of 9/30/2021 (\$MM)	% of Firm AUM
US Small Cap Core	\$1,704.1	1.50%
SamCERA	\$114.2	0.10%

Firm	\$113,707.4	100%
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Signed by: Patrick McMenamin

Dated: 1/10/2022

Name of Firm: PGIM Quantitative Solutions

***Baillie Gifford Overseas International Growth – December 31, 2021***

***Compliance Certification Statement***

***San Mateo County***

***Employees' Retirement Association***

In accordance with SamCERA's Investment Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office ([Investments@samcera.org](mailto:Investments@samcera.org)) by **Monday, January 10, 2022.**

**General Compliance Issues**

1. Has the firm acted as a fiduciary and invested its assets for the sole benefit of *SamCERA*?  
 **Yes** /  **No: Please explain.**
2. Are *SamCERA's* market benchmarks in the respective asset class areas acceptable to the firm?  
 **Yes** /  **No: Please explain.**
3. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel?  
 **Yes: Please explain.** /  **No**
4. Have there been any changes in the firm's investment approach?  
 **Yes: Please explain.** /  **No**
5. Do *SamCERA's* guidelines require your firm to manage the portfolio significantly different from other similar portfolios?  
 **Yes: Please explain.** /  **No**
6. Have there have been any industry or regulatory disciplinary actions taken against the firm?  
 **Yes: Please explain.** /  **No**
7. Have proxy ballots been voted in accordance with the best economic interest of *SamCERA* and in a manner consistent with the Board's proxy policies?  
 **Yes** /  **No: Please explain.**
8. Have there been any investment guideline breaches during the prior 6 months?  
 **Yes: Please explain.** /  **No**
9. Has the firm's insurance coverage been sustained?  
 **Yes** /  **No: Please explain.**

## Investment Management Fees

1. Is *SamCERA's* investment management fee schedule higher than those charged other institutional clients who hold an account investment substantially similar to ours?  
 **Yes: Please explain.** /  **No**

## Derivative Investments

1. Are derivatives used in the management of the investment strategy?  
 **Yes: Please ANSWER the remaining questions in this section.**  
 **No: Please SKIP the remaining questions in this section.**
2. Are derivative investments in compliance with *SamCERA's* investment policies?  
 **Yes** /  **No: Please explain.**
3. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated?  
 **Yes** /  **No: Please explain.**
4. For non-exchange traded derivative transactions, were the counter-parties broker/dealers?  
 **Yes** /  **No**

### If Yes:

- a) Do the counter-parties have investment grade debt?  **Yes**/  **No**
  - b) Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances?  **Yes**/  **No: Please explain.**
5. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)?  
 **Yes** /  **No**

### If Yes:

- a) Do the counter-parties have investment grade debt?  **Yes**/  **No**
  - b) Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances?  
 **Yes**/  **No: Please explain.**
6. Is individual counter-party exposure well diversified?  **Yes**/  **No: Please explain.**
    - a) What is the largest exposure to a single counter-party within the portfolio?
    - b) Please specify the name of the counter-party and the amount of exposure.
    - c) Have there been any changes to the investment manager's list of approved counter-parties over the past six months?

7. Are the investment purposes for a derivative investment consistent with the four purposes stated *SamCERA's* policies?  **Yes** /  **No: Please explain.**
- a) Has the firm developed any new purposes for derivative investments?  **Yes: Please explain.** /  **No**
8. List all limited allocation derivative investments individually and the percentage of the portfolio's assets represented by each investment.
- a) State if the firm has evaluated the exposure to market value losses that can occur from each of these derivatives.  **Yes** /  **No: Please explain.**
- b) State if these derivative investments in total represent more than 5% of the portfolio's market value. If more than 5%, please explain.
9. State if any restricted derivative investments are held in *SamCERA's* portfolios.  
 **Yes** /  **No**
- a) If any are held, state the percentage of the portfolio's assets held in such derivatives and why the firm is not in compliance with the investment policies.
10. For derivative investments with allocation limits, has the firm tested and measured these investments' sensitivities to changes in key risk factors?  **Yes** /  **No: Please explain.**
11. Have all derivative investments been made in a manner consistent with the derivative investment process specified in the policy statement?  **Yes** /  **No: Please explain.**
12. Specify the security pricing sources used when developing portfolio market value exposures for limited allocation derivatives.
13. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.
14. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months.  **Yes: Please explain.** /  **No**

### **Investment Manager Guidelines**

1. Are portfolio holdings well-diversified, and made in liquid securities?  
 **Yes** /  **No: Please explain.**
2. Has the firm engaged in short selling, use of leverage or margin and/or investments in commodities?  **Yes: Please explain.** /  **No**

## Cash & Equivalents

1. Does the firm directly invest in short term fixed income investments?  Yes /  No
- a) If Yes, do the investments comply with the policies?  Yes /  No: Please explain.

## International Equity Portfolios - Developed

1. Specify the percentage of the portfolio held in each of the following types of securities:

<i>Foreign Ordinary Shares</i>	<i>92.14%</i>
<i>ADR's</i>	<i>6.89%</i>
<i>Cash &amp; Equivalents (Foreign)</i>	<i>%</i>
<i>Cash &amp; Equivalents (Domestic)</i>	<i>0.97%</i>

2. Specify the large, mid and small capitalization exposure of the portfolios.

<i>Large-Cap</i>	<i>84.17%</i>
<i>Mid-Cap</i>	<i>14.62%</i>
<i>Small-Cap</i>	<i>1.2%</i>

3. Is the firm monitoring the country, currency, sector and security selection risks associated with its portfolio?  Yes /  No: Please explain
4. Does the portfolio invest in emerging and/or frontier markets?  Yes /  No
- a) If Yes, please specify the percentage(s) of the portfolio invested in emerging and/or frontier markets.

*24.2% of the portfolio is invested in Emerging Markets*

5. Does the portfolio currently employ a currency hedging strategy?  Yes /  No
6. What proportion of total AUM do the assets in this product make-up of the firm? What size does SamCERA's account comprise of total product assets?

*Baillie Gifford AUM as at end-December 2021 is not yet available. We will provide a revised certification once it is. In the meantime, please find end-September 2021 figures below.*

*As at 30 September 2021, the ACWI ex US All Cap Strategy comprised 3.3% of the firm's total AUM. Within the strategy, San Mateo County Employees Retirement Association held \$368m representing 2.4% of the total strategy.*

Signed by: Eoin Anderson

Dated: January 10, 2022

Name of Firm: Baillie Gifford Overseas Limited

## ***BlackRock MSCI ACWI ex US IMI Index – December 31, 2021***

### ***Compliance Certification Statement***

***San Mateo County***

***Employees' Retirement Association***

In accordance with SamCERA's Investment Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office ([Investments@samcera.org](mailto:Investments@samcera.org)) by **Monday, January 10, 2022.**

### **General Compliance Issues**

**1. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel?**

**Yes: Please explain.** /  **No**

#### **Ownership**

BlackRock, Inc. (together, with its subsidiaries, unless the context otherwise indicates, "BlackRock" or the "Company") is a publicly traded investment management firm, with common stock listed on the New York Stock Exchange, providing a broad range of investment management and technology services to institutional and retail clients worldwide. As at 30 September 2021, there was no person known by BlackRock to own beneficially 10% or more of any class of outstanding voting securities of BlackRock.

Ownership data for 4Q 2021 is not made publicly available yet.

#### **Organizational structure**

BlackRock constantly looks for ways to better serve clients, increase efficiency in our organization and develop talent. Periodically we take a fresh look at the firm to determine how we should evolve our organization in anticipation of changing market dynamics and client needs and to position the firm so that we can maximize our fullest potential for BlackRock and our clients. Below details internal organizational changes the firm has implemented over the past quarter.

There have been no material changes to the organizational structure over the past six months ending as of 30 September 2021.

#### **Changes in GEC Membership**

In 2010, BlackRock created the Global Executive Committee ("GEC") to provide oversight of operations and business performance, strategy and planning, talent development and retention, risk management, and external affairs. The following chart shows turnover within the GEC:

Year	Previous Member	GEC	Previous Role	Reason for Change	Replacement
2021	Barbara Novick		Vice Chairman	Role changed to Senior Advisor pending retirement	Responsibilities assumed by existing BLK personnel
	Geraldine Buckingham		Head of Asia Pacific	Role changed to Senior Advisor pending retirement	Responsibilities assumed by existing GEC members

Consistent with the goals of fully leveraging the firm’s talent and expanding our senior leadership team to ensure a broader, more diverse representation of views, we added the following members to the GEC:

In the second half of 2021 Dalla Boss was appointed to the GEC as the Global Head of External Affairs

Biographies for members of the GEC are available at <http://www.blackrock.com/corporate/en-us/about-us/leadership>

**2. Have there been any changes in the firm’s investment approach?**

Yes: Please explain. /  No

**BlackRock is a purpose-driven, global investment manager with diverse clients and strategies. The constant in our philosophy is that it always starts with client needs.**

Today, with our scale and global reach, our responsibilities have become even greater. We are more than a trusted advisor; we are an advocate for creating a better landscape for all investors. This includes sounder markets, better retirement systems, helping more people to save more and invest better, and encouraging company behaviors that support long-term value creation.

As a firm, our motivation is simple: **To help more and more people experience financial well-being.**

The breadth of our investment strategies enables us to take a product-agnostic approach to portfolio construction to meet client needs. In addition, our technology platform, Aladdin, is the most comprehensive end-to-end integrated investment operating system in the world, connecting the information, people and technology needed to manage money in real time.

The combination of our capabilities, expertise and a One BlackRock approach gives us a distinct global perspective and voice with clients around the world.

**Firm Capabilities**

BlackRock provides diversified investment management products and services as well as technology and investment insights to institutional clients, intermediary and individual investors. Investment management services primarily consist of the management of equity, fixed income, multi-asset class, alternative investment and cash management products. BlackRock offers its investment products in a variety of vehicles, including open-end and closed-end mutual funds, iShares® exchange traded funds (“ETFs”), collective investment trusts and separate accounts. Through Aladdin®, we provide industry-leading risk and portfolio construction technology. In addition, we provide Financial Markets Advisory services for governments, central banks, and financial institutions, as well as whole portfolio solutions through our OCIO platform.

The breadth and depth of investment solutions is designed to deliver better outcomes, returns, convenience, value, and transparency for our clients, and our distinct platform allows us to offer unbiased, holistic offerings. Please refer to the following chart for an overview of BlackRock's products and services.



Source: BlackRock. Assets under management as of 30 September 2021. All figures are represented in USD.  
<sup>1</sup> Alternatives AUM may include committed capital, in addition to invested capital, which remains subject to drawdown.

**3. Have there have been any industry or regulatory disciplinary actions taken against the firm?**  Yes: Please explain. /  No

As a global investment manager, BlackRock, Inc., and its various subsidiaries including BlackRock Institutional Trust Company, N.A (“BTC”) may be subject to regulatory oversight in numerous jurisdictions including examinations and various requests for information. BTC’s regulators routinely provide it with comment letters at the conclusion of these examinations in which they request that BTC correct or modify certain of its practices. In all such instances, BTC has addressed, or is working to address, these requests to ensure that it continues to operate in compliance with applicable laws, statutes and regulations.

BTC also receives subpoenas or requests for information in connection with regulatory inquiries and/or investigations by its various regulators, some of which are ongoing. None of these matters has had or is expected to have any adverse impact on BTC’s ability to manage its clients’ assets. Please refer to BlackRock’s Form ADV and SEC disclosures for additional information on regulatory matters concerning BTC or BlackRock as a whole.

**4. Has the firm’s insurance coverage been sustained?**  Yes /  No: Please explain.

BlackRock maintains the following types of global insurance coverage:

**Type**

**Investment Advisers Professional Liability** (aka Errors & Omissions Liability)

**Fidelity Bond** (aka Crime or Financial Institution Bond)

Although we do not disclose the insurer information and level of coverage, BlackRock only places insurance with insurers rated “Excellent” by AM Best and maintains coverage at levels that are commercially reasonable and consistent with industry peers.

### Investment Management Fees

1. Is *SamCERA*'s investment management fee schedule less favorable than those charged other institutional clients who hold an account investment substantially similar to ours?

**Yes: Please explain.** /  **No**

### Derivative Investments

1. Are derivatives used in the management of the investment strategy?

**Yes: Please ANSWER the remaining questions in this section.**

**No: Please SKIP the remaining questions in this section.**

2. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated?

**Yes** /  **No: Please explain.**

Not applicable as we do not use non-exchange traded derivatives for this fund.

3. For non-exchange traded derivative transactions, were the counter-parties broker/dealers?

**Yes** /  **No**

If **Yes**:

a) Do the counter-parties have investment grade debt?  **Yes**/  **No**

b) Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances?  **Yes**/  **No: Please explain.**

N/A

4. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)?

**Yes** /  **No**

If **Yes**:

a) Do the counter-parties have investment grade debt?  **Yes**/  **No**

b) Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances?

Yes/  No: Please explain.

N/A

5. Is individual counter-party exposure well diversified?  Yes/  No: Please explain.
- What is the largest exposure to a single counter-party within the portfolio?
  - Please specify the name of the counter-party and the amount of exposure.
  - Have there been any changes to the investment manager's list of approved counter-parties over the past six months?

N/A

6. Specify the security pricing sources used when developing portfolio market value exposures for non-exchange traded derivative positions.

N/A

7. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.
8. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months.  Yes: Please explain. /  No

### International Equity Portfolios

1. Specify the percentage of the portfolio held in each of the following types of securities:

<i>Foreign Ordinary Shares</i>	<i>97.0%</i>
<i>ADR's</i>	<i>1.9%</i>
<i>Cash &amp; Equivalent (Foreign)</i>	<i>1.0%</i>
<i>Cash &amp; Equivalent (Domestic)</i>	<i>0.1%</i>

2. Specify the large, mid and small capitalization exposure of the portfolios.

<i>Large-Cap</i>	<i>68.82%</i>
<i>Mid-Cap</i>	<i>16.65%</i>
<i>Small-Cap</i>	<i>14.53%</i>

3. What percentage of the portfolio is invested in emerging and/or frontier markets?

The fund comprised of 28.18% of emerging markets and 0% of frontier markets as it is not in this fund's benchmark.

Signed by: Rajeev Ghia

Dated: 1/10/22

Name of Firm: BlackRock

A handwritten signature in dark ink, appearing to read 'Rajeev Ghia', is written over a horizontal dashed line. The signature is somewhat stylized and slightly slanted to the right.

***Mondrian Investment Partners International Value – December 31, 2021***

***Compliance Certification Statement***

***San Mateo County***

***Employees' Retirement Association***

In accordance with SamCERA's Investment Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office ([Investments@samcera.org](mailto:Investments@samcera.org)) by **Monday, January 10, 2022.**

**General Compliance Issues**

1. Has the firm acted as a fiduciary and invested its assets for the sole benefit of *SamCERA*?  
 **Yes** /  **No: Please explain.**
2. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel?  
 **Yes: Please explain.** /  **No**
3. Have there been any changes in the firm's investment approach?  
 **Yes: Please explain.** /  **No**
4. Do *SamCERA's* guidelines require your firm to manage the portfolio significantly different from other similar portfolios?  
 **Yes: Please explain.** /  **No**
5. Have there have been any industry or regulatory disciplinary actions taken against the firm?  
 **Yes: Please explain.** /  **No**
6. Have proxy ballots been voted in accordance with the best economic interest of *SamCERA* and in a manner consistent with the Board's proxy policies?  
 **Yes** /  **No: Please explain.**
7. Have there been any investment guideline breaches during the prior 6 months?  
 **Yes: Please explain.** /  **No**
8. Has the firm's insurance coverage been sustained?  
 **Yes** /  **No: Please explain.**

**Investment Management Fees**

1. Is *SamCERA's* investment management fee schedule higher than those charged other institutional clients who hold an account investment substantially similar to ours?  
 **Yes: Please explain.** /  **No**

**In accordance with the terms of Clause 2.2 of the investment management agreement, during the term of the agreement, Mondrian has not agreed to charge any other institutional client an effective fee lower than the fees charged to SamCERA for an account substantially similar to the SamCERA assets in terms of size, investment objectives and guidelines and degree of services provided.**

### **Derivative Investments**

1. Are derivatives used in the management of the investment strategy?  
 **Yes: Please ANSWER the remaining questions in this section.**  
 **No: Please SKIP the remaining questions in this section.**
2. Are derivative investments in compliance with *SamCERA's* investment policies?  
 **Yes** /  **No: Please explain.**
3. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated?  
 **Yes** /  **No: Please explain.**
4. For non-exchange traded derivative transactions, were the counter-parties broker/dealers?  
 **Yes** /  **No**

**If Yes:**

- a) Do the counter-parties have investment grade debt?  **Yes**/  **No**  
b) Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances?  **Yes**/  **No: Please explain.**
5. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)?  
 **Yes** /  **No**

**If Yes:**

- a) Do the counter-parties have investment grade debt?  **Yes**/  **No**  
b) Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances?  
 **Yes**/  **No: Please explain.**
6. Is individual counter-party exposure well diversified?  **Yes**/  **No: Please explain.**  
a) What is the largest exposure to a single counter-party within the portfolio?

- b) Please specify the name of the counter-party and the amount of exposure.
- c) Have there been any changes to the investment manager's list of approved counter-parties over the past six months?
7. Are the investment purposes for a derivative investment consistent with the four purposes stated *SamCERA's* policies?  **Yes** /  **No: Please explain.**
- a) Has the firm developed any new purposes for derivative investments?  **Yes: Please explain.** /  **No**
8. List all limited allocation derivative investments individually and the percentage of the portfolio's assets represented by each investment.
- a) State if the firm has evaluated the exposure to market value losses that can occur from each of these derivatives.  **Yes** /  **No: Please explain.**
- b) State if these derivative investments in total represent more than 5% of the portfolio's market value. If more than 5%, please explain.
9. State if any restricted derivative investments are held in *SamCERA's* portfolios.  
 **Yes** /  **No**
- a) If any are held, state the percentage of the portfolio's assets held in such derivatives and why the firm is not in compliance with the investment policies.
10. For derivative investments with allocation limits, has the firm tested and measured these investments' sensitivities to changes in key risk factors?  **Yes** /  **No: Please explain.**
11. Have all derivative investments been made in a manner consistent with the derivative investment process specified in the policy statement?  **Yes** /  **No: Please explain.**
12. Specify the security pricing sources used when developing portfolio market value exposures for limited allocation derivatives.
13. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.
14. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months.  **Yes: Please explain.** /  **No**

### **Investment Manager Guidelines**

1. Are portfolio holdings well-diversified, and made in liquid securities?  
 **Yes** /  **No: Please explain.**

2. Has the firm engaged in short selling, use of leverage or margin and/or investments in commodities?  **Yes: Please explain.** /  **No**

### Cash & Equivalents

1. Does the firm directly invest in short term fixed income investments?  **Yes** /  **No**
- a) If **Yes**, do the investments comply with the policies?  **Yes** /  **No: Please explain.**

### International Equity Portfolios

1. Specify the percentage of the portfolio held in each of the following types of securities.

<i>Foreign Ordinary Shares</i>	<i>71.01%</i>
<i>ADR's</i>	<i>NIL</i>
<i>MIP Limited Partnership</i>	<i>28.14%</i>
<i>Cash &amp; Equivalents (Foreign)</i>	<i>0.51%</i>
<i>Cash &amp; Equivalents (Domestic)</i>	<i>0.34%</i>

2. Specify the large, mid and small capitalization exposure of the portfolios.

Large-Cap >11bn	88.06%
Mid-Cap 3.5bn-11bn	8.66%
Small-Cap <3.5bn	2.08%

3. Is the firm monitoring the country, currency, sector and security selection risks associated with its portfolio?  **Yes** /  **No: Please explain**
4. Does the portfolio invest in emerging and/or frontier markets?  **Yes** /  **No**
- a) If **Yes**, please specify the percentage(s) of the portfolio invested in emerging and/or frontier markets  
*The portfolio gains exposure to emerging markets through the Mondrian Emerging Markets Equity Fund L.P. As at 31<sup>st</sup> December the portfolio held 28.14% in this fund.*
5. Does the portfolio currently employ a currency hedging strategy?  **Yes** /  **No**
6. What proportion of total AUM do the assets in this product make-up of the firm? 8.7%
- What size does SamCERA's account comprise of total product assets? 5.9%

A handwritten signature in black ink, appearing to read 'Ed Lambert', written in a cursive style.

Signed by: **Ed Lambert**  
Dated: **10 January 2022**  
Name of Firm **Mondrian Investment Partners Limited**

***DoubleLine Securitized Income – December 31, 2021***

***Compliance Certification Statement***

***San Mateo County***

***Employees' Retirement Association***

In accordance with SamCERA's Investment Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office ([Investments@samcera.org](mailto:Investments@samcera.org)) by **Monday, January 10, 2022.**

**General Compliance Issues**

1. Has the firm acted as a fiduciary and invested its assets for the sole benefit of *SamCERA*?  
 **Yes** /  **No: Please explain.**
2. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel?  
 **Yes: Please explain.** /  **No**
3. Have there been any changes in the firm's investment approach?  
 **Yes: Please explain.** /  **No**
4. Do *SamCERA's* guidelines require your firm to manage the portfolio significantly different from other similar portfolios?  
 **Yes: Please explain.** /  **No**
5. Have there been any industry or regulatory disciplinary actions taken against the firm?   
**Yes: Please explain.** /  **No**
6. Have there been any investment guideline breaches during the prior 6 months?  
 **Yes: Please explain.** /  **No**
7. Has the firm's insurance coverage been sustained?  
 **Yes** /  **No: Please explain.**

### Investment Management Fees

1. Is *SamCERA's* investment management fee schedule higher than those charged other institutional clients who hold an account investment substantially similar to ours?

**Yes: Please explain.** /  **No**

Where SamCERA's investment management fee schedule results in a higher fee charged than the fee charged to another institutional client who holds an account that is substantially similar to SamCERA's in terms of investment objectives and guidelines, that other client commenced its account with DoubleLine prior to the effective date of SamCERA's investment manager agreement with DoubleLine, and therefore, such fee arrangement is in compliance with the "most favored nations" clause (Section 2.2) of SamCERA's investment manager agreement.

### Derivative Investments

1. Are derivatives used in the management of the investment strategy?

**Yes: Please ANSWER the remaining questions in this section.**

**No: Please SKIP the remaining questions in this section.**

2. Are derivative investments in compliance with *SamCERA's* investment policies?

**Yes** /  **No: Please explain.**

### Investment Manager Guidelines

1. Are portfolio holdings well-diversified, and made in liquid securities?

**Yes** /  **No: Please explain.**

2. Has the firm engaged in short selling, use of leverage or margin and/or investments in commodities?  **Yes: Please explain.** /  **No**

### Cash & Equivalents

1. Does the firm directly invest in short term fixed income investments?  **Yes** /  **No**

a) If **Yes**, do the investments comply with the policies?  **Yes** /  **No: Please explain.**

### Domestic Fixed Income Portfolios

1. State the percentage of the portfolio held in each of the following types of securities:

<i>Certificates of Deposit</i>	<i>0%</i>
<i>Commercial Paper</i>	<i>0%</i>

<i>Other High Grade Short-term securities</i>	<i>0%</i>
<i>U.S. Government &amp; Agency securities</i>	<i>51.13%</i>
<i>Corporate Bonds</i>	<i>0%</i>
<i>Mortgage- and asset-backed securities</i>	<i>45.84%</i>
<i>Yankee bond securities</i>	<i>0%</i>
<i>Others (Cash)</i>	<i>3.03%</i>

2. Is the firm monitoring the country, currency, sector and security selection risks associated with its portfolio?  **Yes** /  **No: Please explain**
  
3. Does the firm conduct horizon analysis testing?  **Yes** /  **No: Please explain.**
  
4. Are any holdings below investment grade?  **Yes** /  **No**
  - a) If **Yes**, does the percentage of investments held below investment grade represent more than 10% of the portfolio?  **Yes** /  **No**
  
5. Excluding U. S. Government and Agency bond holdings, did any individual bond issue represent more than 5% of the market value of the portfolio?  **Yes** /  **No**
  - a) If **Yes**, please specify the bond issue and percentage amount.
  
6. What percentage of the portfolio is held in Rule 144A securities? 35.43%
  
7. At the time of purchase, was there any single industry which represented more than 15% of the market value of the account.  **Yes** /  **No**
  - a) If **Yes**, please specify the name of the industry, percentage amount and size relative to the benchmark.
  
8. What proportion of total AUM do the assets in this product make-up of the firm? What size does SamCERA's account comprise of total product assets?

12/31/2021 AUM will be available on the 10<sup>th</sup> business day following month end.

Signature:   
Signed by: Yousef Guia  
Dated: 1/7/2022  
DoubleLine Capital

## San Mateo County Employees' Retirement Association I Due Diligence Questionnaire

**Compliance Certification Statement**

January 2022

**FIAM Broad Market Duration**

<b>Firm Name</b>	FIAM LLC
<b>Product Name</b>	FIAM Broad Market Duration
<b>Asset Class</b>	Investment Grade Fixed Income
<b>Respondent/Contact</b>	Art Greenwood, Senior Vice President, Relationship Manager
<b>Address</b>	900 Salem Street, Smithfield, RI 02917
<b>Telephone</b>	401-292-4729
<b>Email Address</b>	<a href="mailto:Art.Greenwood@fmr.com">Art.Greenwood@fmr.com</a>

*Information provided in this document is for informational and educational purposes only. To the extent any investment information in this material is deemed to be a recommendation, it is not meant to be impartial investment advice or advice in a fiduciary capacity and is not intended to be used as a primary basis for you or your client's investment decisions. Fidelity and its representatives may have a conflict of interest in the products or services mentioned in this material because they have a financial interest in them, and receive compensation, directly or indirectly, in connection with the management, distribution, and/or servicing of these products or services, including Fidelity funds, certain third-party funds and products, and certain investment services.*

**General Compliance Issues****1. Has the firm acted as a fiduciary and invested its assets for the sole benefit of SamCERA?** **Yes** /  **No: Please explain.****2. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel?** **Yes: Please explain.** /  **No**

Since the last Compliance Certification statement, the following material senior leadership changes have taken place:

- Effective September 29, 2021 Rina Kupferschmid-Rojas was appointed to the role of Fidelity's enterprise Chief Sustainability Officer. In this role, her focus is on enterprise sustainability work around addressing our own corporate footprint as well as helping customers invest successfully with sustainable objectives in mind.

**3. Have there been any changes in the firm's investment approach?** **Yes: Please explain.** /  **No**

**San Mateo County Employees' Retirement Association I** Due Diligence Questionnaire

**4. Do SamCERA's guidelines require your firm to manage the portfolio significantly different from other similar portfolios?**

Yes: Please explain. /  No

**5. Have there have been any industry or regulatory disciplinary actions taken against the firm?**

Yes: Please explain. /  No

**FIAM LLC:**

From time to time, in the regular course of its business, FIAM LLC may receive inquiries (including subpoenas and voluntary requests for information) from regulatory authorities or law enforcement. A regulator may conduct an on-site examination or may commence an investigation. The Firm does not make public comment about such inquiries, examinations, or investigations unless and until enforcement proceedings are initiated.

To the extent that FIAM LLC or its securities affiliates have been sanctioned, fined, or cited by the Securities and Exchange Commission (SEC), Financial Industry Regulatory Authority (FINRA), or any other regulatory body, any such sanction, fine, or citation has been disclosed in its or its affiliates' Forms BD and/or Forms ADV in accordance with the requirements of such forms.

**Fidelity Institutional Asset Management Trust Company:**

From time to time, in the normal course of its business, the Firm may receive inquiries (including subpoenas and voluntary requests for information) from regulatory authorities or law enforcement. A regulator may conduct an onsite examination or may commence an investigation. The Firm generally does not make public comment about such inquiries, examinations or investigations unless and until enforcement proceedings are initiated. Moreover, certain regulators prohibit disclosure of any examination results.

To the extent the Firm's securities affiliates have been sanctioned, fined, or cited by the Securities and Exchange Commission (SEC), Financial Industry Regulatory Authority (FINRA), or any other regulatory body, any such sanction, fine or citation has been disclosed in its affiliates' Forms BD and/or Forms ADV in accordance with the requirements of such forms.

**6. Have there been any investment guideline breaches during the prior 6 months?**

Yes: Please explain. /  No

**7. Has the firm's insurance coverage been sustained?**

Yes /  No: Please explain.

**San Mateo County Employees' Retirement Association I** Due Diligence Questionnaire

Investment Management Fees

1. Is SamCERA's investment management fee schedule higher than those charged other institutional clients who hold an account investment substantially similar to ours?

Yes: Please explain. /  No

Derivative Investments

1. Are derivatives used in the management of the investment strategy?

Yes: Please ANSWER the remaining questions in this section.

No: Please SKIP the remaining questions in this section.

2. Are derivative investments in compliance with SamCERA's investment policies?

Yes /  No: Please explain.

3. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated?

Yes /  No: Please explain.

4. For non-exchange traded derivative transactions, were the counter-parties broker/dealers?

Yes /  No

If Yes:

a) Do the counter-parties have investment grade debt?  Yes /  No

b) Are the counter-parties registered with the SEC and do they have net capital to protect against the potential adverse market circumstances?  Yes/  No: Please explain.

5. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)?

Yes /  No

If Yes:

a) Do the counter-parties have investment grade debt?  Yes /  No

b) Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances?  Yes/  No: Please explain.

6. Is individual counter-party exposure well diversified?  Yes/  No: Please explain.

a) What is the largest exposure to a single counter-party within the portfolio?

**San Mateo County Employees' Retirement Association I** Due Diligence Questionnaire

- b) Please specify the name of the counter-party and the amount of exposure.
- c) Have there been any changes to the investment manager's list of approved counter-parties over the past six months?

We consider this information to be proprietary and are therefore unable to disclose.

- 7. Are the investment purposes for a derivative investment consistent with the four purposes stated in SamCERA's policies?  Yes /  No: Please explain.

- a) Has the firm developed any new purposes for derivative investments?  Yes: Please explain. /  No

- 8. List all limited allocation derivative investments individually and the percentage of the portfolio's assets represented by each investment.

As of December 31, 2021, the portfolio held no derivative securities.

- a) State if the firm has evaluated the exposure to market value losses that can occur from each of these derivatives.  Yes /  No:

Not applicable.

- b) State if these derivative investments in total represent more than 5% of the portfolio's market value. If more than 5%, please explain.

Not applicable.

- 9. State if any restricted derivative investments are held in SamCERA's portfolios.

Yes /  No

- a) If any are held, state the percentage of the portfolio's assets held in such derivatives and why the firm is not in compliance with the investment policies.

- 10. For derivative investments with allocation limits, has the firm tested and measured these investments' sensitivities to changes in key risk factors?  Yes /  No: Please explain.

As of December 31, 2021, the portfolio held no derivative securities.

- 11. Have all derivative investments been made in a manner consistent with the derivative investment process specified in the policy statement?  Yes /  No: Please explain.

- 12. Specify the security pricing sources used when developing portfolio market value exposures for non-exchanged traded derivative positions.

Fidelity Fund and Investment Operations (FFIO) utilizes a combination of sources for derivatives pricing. Primary source for most derivative instruments are third-party pricing vendors, including Markit, Pricing Direct, Refinitiv, and Bloomberg (Refinitiv is our primary source on futures).

**San Mateo County Employees' Retirement Association I Due Diligence Questionnaire****13. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.**

All derivative instruments used in the portfolio are liquid. Given the minimum role they play in the portfolio and the extensive research conducted by the Counterparty Risk Team and the large team of in-house and external lawyers that support these efforts, we feel the legal and regulatory risks are minimal.

As of December 31, 2021 no derivatives were held in the portfolio.

**14. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months.  Yes: Please explain. /  No****Investment Manager Guidelines****1. Are portfolio holdings well-diversified, and made in liquid securities?**

Yes/  No: Please explain.

**2. Has the firm engaged in short selling, use of leverage or margin and/or investments in commodities?**

Yes: Please explain. /  No

**Domestic Fixed Income Portfolios****1. State the percentage of the portfolio held in each of the following types of securities:**

<i>Certificates of Deposit</i>	%
<i>Commercial Paper</i>	%
<i>Other High Grade Short-term securities</i>	3.23%
<i>U.S. Government &amp; Agency securities</i>	37.85%
<i>Corporate Bonds</i>	32.08%
<i>Mortgage- and asset-backed securities</i>	24.88%
<i>Yankee bond securities</i>	1.97%

**2. Does the firm conduct horizon analysis testing?  Yes/  No: Please explain.**

Scenario Analysis is performed at both the security and portfolio level. We perform scenario analysis on a daily basis for most fixed-income securities in our universe. There are 13 interest-rate scenarios consisting of unchanged, shift, and twist yield curve movements. We also allow for interactive analysis, incorporating spread changes into the estimated scenarios.

**3. Are any holdings below investment grade?  Yes /  No**

a) If Yes, why are they held in the portfolio?

**San Mateo County Employees' Retirement Association I** Due Diligence Questionnaire

As of December 31, 2021, 0.17% of holdings in the portfolio were below investment grade. Purchased as investment grade, these holdings have been downgraded due to increased leverage or other fundamental credit criteria. We still feel they hold relative value, although we are monitoring these securities closely.

**4. Excluding U. S. Government and Agency bond holdings, did any individual bond issue represent more than 5% of the market value of the portfolio?**  Yes /  No

a) If Yes, please specify the bond issue and percentage amount.

**5. What percentage of the portfolio is held in Rule 144A securities?**

13.54%

**6. At the time of purchase, was there any single industry which represented more than 15% of the market value of the account.**  Yes /  No

a) If Yes, please specify the name of the industry, percentage amount and size relative to benchmark.

**7. What proportion of total AUM do the assets in this product make-up of the firm? What size does SamCERA's account comprise of total product assets?**

As of December 31, 2021, the SamCERA Broad Market Duration account represents <1% of the assets in the Broad Market Duration strategy and less than 1% of total FIAM assets.

**Signed by:** Mark Botelho

DocuSigned by:  
  
3B8B588B3CA94ED...  
**Dated: 1/06/2022**

**Name of Firm:** FIAM LLC

**RESPONSE TO DUE DILIGENCE REQUEST FROM**  
**San Mateo County Employees Retirement Association**

Franklin Templeton Global Multisector Plus (Master) Fund, Ltd.  
*Review Period: July 1, 2021 – December 31, 2021*

**Bill Deakyne, CFA**

Senior Vice President

Head of US Institutional Relationship Management

Franklin Templeton Institutional, LLC

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**Marnie Maciariello**

Vice President

Institutional Relationship Manager

Franklin Templeton Institutional, LLC

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**TABLE OF CONTENTS**

GENERAL COMPLIANCE ISSUES ..... 3  
INVESTMENT MANAGEMENT FEES ..... 5  
DERIVATIVE INVESTMENTS ..... 6  
INVESTMENT MANAGER GUIDELINES ..... 9  
GLOBAL FIXED INCOME PORTFOLIOS ..... 10  
IMPORTANT NOTES ..... 14

**APPENDIX 1**

FRANKLIN ADVISERS INC. REGULATORY HISTORY

## GENERAL COMPLIANCE ISSUES

### 1. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel?

Yes: Please explain.       No

#### Personnel

The investment team responsible for the management of the Franklin Templeton Global Multisector Plus (Master) Fund, Ltd. is Templeton Global Macro. The following tables show the additions and departures during the past six months ended December 31, 2021, for portfolio managers, research analysts and traders dedicated to Templeton Global Macro strategies.

#### Additions

Date joined the team	Name	Investment Function
August 2021	Vivian Guo*	Senior Research Analyst
October 2021	Irene Yi	Junior Trader

\* Rejoined Templeton Global Macro after a leave of absence to complete MBA.

#### Departures

Date joined the team	Name	Investment Function
December 2021	Andrew Mesic	Trader

#### Organizational Structure

- Effective July 15, 2021, Franklin Templeton appointed Dr. Yu (Ben) Meng as Executive Vice President and Chairman of Asia Pacific. In this newly created role, Dr. Meng will help drive Franklin Templeton's Asia Pacific and global growth strategy in partnership with the firm's existing leadership. Dr. Meng reports directly to President and CEO Jenny Johnson and serves on the firm's Executive Committee.
- On September 27, 2021, Franklin Templeton announced the talent acquisition of Aviva Investors' U.S.-based Investment Grade Credit Team, which includes senior portfolio managers Josh Lohmeier, CFA, and Michael Cho, CFA, who will join Franklin Templeton Fixed Income (FTFI). In addition, Tom Meyers, CFA, previously Aviva's Head of Americas Client Solutions, will join FTFI in a newly created role as SVP, Senior Director of Investments and Strategy Development, Fixed Income. Mr. Meyers, Mr. Lohmeier, and the full investment team are expected to join the firm by the end of 2021. Mr. Lohmeier and Mr. Meyers will report directly to Dr. Sonal Desai, Chief Investment Officer at FTFI, who reports directly to Jenny Johnson, President and CEO of Franklin Templeton.
- On September 30, 2021, Franklin Templeton announced that it will acquire O'Shaughnessy Asset Management, LLC (OSAM), a leading quantitative asset management firm. Through this acquisition, Franklin Templeton adds to its offerings in the high growth separately managed account (SMA) industry, where it is already one of the largest providers. OSAM's capabilities, both as a factor-based investment manager and as a Custom Indexing solution via OSAM's flagship Canvas® platform, will serve as an important expansion and enhancement of Franklin Templeton's existing strengths in SMA and custom solutions capabilities. On January 4, 2022, Franklin Templeton announced it had completed its acquisition of O'Shaughnessy Asset Management, LLC.

**2. Have there been any changes in the firm's investment approach?**

Yes: Please explain.       No

**3. Have there have been any industry or regulatory disciplinary actions taken against the firm?**

Yes: Please explain.       No

No. During the six months ended December 31, 2021, Franklin Advisers Inc. (FAV) was not the subject of any *investment-related proceedings, findings or orders* brought or issued by any U.S. federal or state regulatory agency, *foreign financial regulatory authority, or self-regulatory organization*.

For a summary of *investment-related proceedings, findings or orders* brought or issued by any such regulatory entity against FAV and/or certain of its *advisory affiliates* in the past 10 years ended September 30, 2021, as well as certain other regulatory matters, please see Appendix 1: Franklin Advisers, Inc. Regulatory History. In addition, from time to time, FAV and its *advisory affiliates* receive subpoenas and inquiries including requests for documents or information, from governmental authorities or regulatory bodies and also are the subject of governmental or regulatory examinations or investigations. *Investment-related proceedings, findings or orders* resulting from such subpoenas, inquiries, examinations, or investigations if any, will be reported, to the extent required and permitted by law, on FAVs Form ADV filed with the U.S. Securities and Exchange Commission. (Italicized terms are as defined on Form ADV.)

**4. Has the firm's insurance coverage been sustained?**

Yes       No: Please explain

**INVESTMENT MANAGEMENT FEES**

1. Is *SamCERA's* investment management fee schedule higher than those charged other institutional clients who hold an account investment substantially similar to ours?

Yes: Please explain.       No

## DERIVATIVE INVESTMENTS

1. Are derivatives used in the management of the investment strategy?

Yes: Please ANSWER the remaining questions in this section.

No: Please SKIP the remaining questions in this section.

2. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated?

Yes  No: Please explain.

3. For non-exchange traded derivative transactions, were the counter-parties broker/dealers?

Yes  No

If Yes:

a) Do the counter-parties have investment grade debt?

Yes  No

b) Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances?

Yes  No: Please explain.

4. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)?

Yes  No

If Yes:

a) Do the counter-parties have investment grade debt?

Yes  No

b) Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances?

Yes  No: Please explain.

**5. Is individual counter-party exposure well diversified?**

Yes  No: Please explain.

- a) What is the largest exposure to a single counter-party within the portfolio?
- b) Please specify the name of the counter-party and the amount of exposure.
- c) Have there been any changes to the investment manager's list of approved counter-parties over the past six months?

**6. Specify the security pricing sources used when developing portfolio market value exposures for non-exchange traded derivatives.**

Typically, there are readily available market quotations for certain kinds of derivative instruments, like those traded on recognized exchanges, and those instruments are valued accordingly. Over-the-counter (OTC) derivatives are valued using quotations from independent third-party vendors and sources that may apply fair value techniques. OTC derivatives contracts may not trade frequently. Our vendors may use valuation techniques including fair value pricing models to determine Net Present Value (NPV). The vendors' evaluated prices (NPV) are derived using the attributes described in the instrument terms and conditions, relevant credit or interest rate curves derived from contributed data from a network of market participants and current broker-dealer quotations. If a current market quotation cannot be established or a market event occurs that calls into question the reliability of current market quotations, the pricing department will initiate fair value procedures. Fair valuation might include an internal fair valuation by management appraisal. All fair value management appraisals are documented and the Valuation Committee reviews and approves them.

**7. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.**

The Franklin Templeton Global Multisector Plus (Master) Fund, Ltd. is predominantly made up of cash bonds and cash. Derivatives are used to manage interest rate, credit, and currency risk exposures as needed. In particular:

- Interest rate futures and swaps may be used to implement positive and negative views on interest rates, quickly adjust portfolio duration, or efficiently handle cash flows.
- The strategy uses currency forward contracts and/or currency options to express positive and negative currency views.
- Credit default swaps may be used to hedge sovereign credit risk. They are not currently used in Templeton Global Macro strategies.

Derivatives may be exchange traded or traded over-the-counter. Compared with cash bonds, the types of derivatives used are typically more flexible, more liquid, and often have lower transaction costs.

All portfolio risk exposures, including those associated with derivatives, are monitored by Templeton Global Macro as well as by the Investment Risk Management Group.

8. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months.

Yes: Please explain.       No

## INVESTMENT MANAGER GUIDELINES

1. Are portfolio holdings well-diversified, and made in liquid securities?

Yes  No: Please explain.

2. Has the firm engaged in short selling, use of leverage or margin and/or investments in commodities?

Yes: Please explain.  No

## GLOBAL FIXED INCOME PORTFOLIOS

1. State the percentage of the portfolio held in each of the following types of securities (please sub-total each by region):

<b>Certificates of Deposit (by region)</b>	<b>%</b>
<b>Commercial Paper (by region)</b>	<b>%</b>
<b>Other high grade short-term securities (by region)</b>	<b>%</b>
<b>Government &amp; Agency securities (by region)</b>	<b>%</b>
<b>Investment Grade Corporate Bonds (by region)</b>	<b>%</b>
<b>High Yield Corporate Bonds (by region)</b>	<b>%</b>
<b>Mortgage and asset-backed securities (by region)</b>	<b>%</b>

The following table details the sectoral along with regional breakdown for the Franklin Templeton Global Multisector Plus (Master) Fund, Ltd. (3c7) as of December 31, 2021.

<b>Sector</b>	<b>MV %</b>
Africa Sub-IG Govt Bond	4.55%
Americas ex-US IG Govt Bond	6.28%
Americas ex-US Sub-IG Govt Bond	7.19%
Americas ex-US Sub-IG Govt Inflation-linked	2.19%
Asia ex-Japan IG Govt Bond	18.75%
Asia ex-Japan IG T-Bill	5.96%
Cash Equivalent	18.29%
Cash Un-invested	20.19%
FX Forwards	0.58%
Japan T-Bill	5.01%
Mid-East Sub-IG T-Bill	2.04%
Non-EMU Europe IG Govt Bond	3.31%
Non-EMU Europe Sub-IG Govt Bond	1.04%
Other CCY Derivatives	0.07%
Other IG Agency Debentures	0.47%
Supranational	0.14%
USD Sub-IG Sovereign	3.94%
<b>Grand Total</b>	<b>100.00%</b>

**2. Please list any holdings that are below investment grade or not-rated.**

The following table details the quality allocation breakdown for the Franklin Templeton Global Multisector Plus (Master) Fund, Ltd. (3c7) as of December 31, 2021. In total, 20.55% of the portfolio consisted of holdings that were below investment grade or not rated.

Range	IG/Non-IG	Percentage
AAA	IG	6.87%
AA	IG	10.98%
A+	IG	5.01%
BBB+	IG	5.94%
BBB	IG	8.24%
BBB-	IG	2.89%
BB-	Non-IG	7.73%
B	Non-IG	5.56%
B-	Non-IG	4.40%
CCC	Non-IG	3.25%
Cash & Cash Equivalents	-	38.48%
N/A	-	0.65%
<b>Grand Total</b>		<b>100.00%</b>

**3. Excluding U. S. Government and Agency bond holdings, did any individual bond issue represent more than 5% of the market value of the portfolio?**

**Yes**                       **No**

**a) If Yes, please specify the bond issue and percentage amount.**

The following table lists the bond issues which represent more than 5% of the market value of the portfolio along with their percentage amount during the six-month period ended December 31, 2021:

Date	Bond	MV%
7/31/2021	Korea Monetary Stabilization Bond, SR UNSECURED, Sr Unsecured, 2304, .905%, 4/02/23	5.86%
8/31/2021	Korea Monetary Stabilization Bond, SR UNSECURED, Sr Unsecured, 2304, .905%, 4/02/23	6.67%
	Indonesia Treasury Bond, 5.50%, 4/15/26	5.08%
9/30/2021	Korea Monetary Stabilization Bond, SR UNSECURED, Sr Unsecured, 2304, .905%, 4/02/23	6.66%
	Indonesia Treasury Bond, 5.50%, 4/15/26	5.16%
10/31/2021	Korea Monetary Stabilization Bond, SR UNSECURED, Sr Unsecured, 2304, .905%, 4/02/23	7.75%
	Indonesia Treasury Bond, 5.50%, 4/15/26	5.95%
	Korea Treasury Bond, senior note, .875%, 12/10/23	5.41%
11/30/2021	Indonesia Treasury Bond, 5.50%, 4/15/26	6.43%
	Korea Monetary Stabilization Bond, SR UNSECURED, Sr Unsecured, 2304, .905%, 4/02/23	5.95%
12/31/2021	Korea Treasury Bond, senior note, .875%, 12/10/23	5.86%
	Indonesia Treasury Bond, 5.50%, 4/15/26	6.59%

**4. What percentage of the portfolio is held in Rule 144A securities?**

The following table lists the percentage of the portfolio that was held in Rule 144A securities during the six-month period ended December 31, 2021:

Date	144A (Total %)
7/31/2021	6.98%
8/31/2021	8.08%
9/30/2021	6.58%
10/31/2021	6.64%
11/30/2021	5.57%
12/31/2021	3.20%

**5. At the time of purchase, was there any single industry which represented more than 15% of the market value of the account.**

Yes  No

a) **If Yes, please specify the name of the industry, percentage amount and size relative to benchmark.**

Not Applicable.

**6. What proportion of total AUM do the assets in this product make-up of the firm? What size does SamCERA's account comprise of total product assets?**

The total AUM of the Franklin Templeton Global Multisector Plus (Master) Fund Ltd. as of November 30, 2021, was US \$572.16 million, which makes up 0.04% of total Franklin Resources, Inc. (Franklin Templeton) AUM.

SamCERA's account assets make up 13.13% of Franklin Templeton Global Multisector Plus (Master) Fund Ltd.'s total assets as of November 30, 2021.

**Signed By:** 

**Name:** Breda Beckerle

**Title:** Chief Compliance Officer

**Dated:** January 10, 2021

**Name of Firm:** Franklin Advisers, Inc. (FAV)

### IMPORTANT NOTES

This response (the Response) is based on the information provided in the Due Diligence Questionnaire (the Questionnaire). To the extent any such information in the Questionnaire is incomplete or inaccurate, Franklin Templeton reserves the right to alter, amend or delete any information it has provided in the Response. Franklin Templeton has prepared the Response in good faith and, to the best of its knowledge, all information provided in the Response is accurate as of the date submitted. Information, including all data, provided in the Response is unaudited, unless otherwise indicated. Additionally, any information relating to assets under management (AUM) is being provided in response to the particular request contained in the Questionnaire and the figures provided may, therefore, be categorized differently than those reported for regulatory or other disclosure purposes. AUM includes assets for which the firm provides various investment management services as described in Franklin Resources, Inc.'s current Form 10K (See Item I, "Business". A copy of the current Form 10K as well as the most recent Annual Report can be located at [www.franklintempleton.com](http://www.franklintempleton.com)). The way we calculate our AUM may change from time to time based on such factors as changes in industry standards, regulatory requirements or specific requests. Any information from third-party sources is believed to be reliable, but Franklin Templeton cannot guarantee its accuracy or completeness. Information set forth in the Response is subject to change and Franklin Templeton does not undertake any duty to update the Response after its issuance nor does it accept responsibility for any modifications made to the Response after its date of issue. Responses may include a general description of the types of services Franklin Templeton may provide to its clients and may not be applicable or tailored to the Questionnaire. Data shown for currency exposure, country exposure, maturity, duration, coupon allocation, sector allocation and asset allocation may reflect certain derivatives held in the portfolio (or their underlying reference assets). Breakdowns may not total 100% or may be negative due to rounding, use of derivatives, unsettled trades or other factors. When performance for either the portfolio or its benchmark has been converted into another currency, different foreign exchange (FX) closing rates may be used for the conversion of the portfolio and benchmark performance.

The information contained in the Response is solely for the purpose of responding to the Questionnaire, shall be treated as confidential, and shall be distributed internally on an as-needed basis only. Subject to applicable regulatory requirements, it shall not be distributed or otherwise communicated to third parties (other than any consultant engaged by the issuer of the Questionnaire to assist in connection therewith) without the prior written consent of Franklin Templeton. Any such consultant shall likewise be obligated to treat the Response as confidential.

Investing may involve a high degree of risk. The issuer of the Questionnaire is deemed to be an experienced institutional investor or consultant and is expected to make its own independent assessment of the appropriateness and the associated risks of investing. Franklin Templeton shall not be held liable for any losses or damages arising out of any person's reliance upon the information contained in the Response. Except as expressly provided in the Response, no person, firm, or corporation has been authorized to give any information or to make any representation other than those contained in the Response.

All investors should inform themselves as to the legal and other requirements applicable to them with respect to any investments, holdings, and/or disposition of any investments. Franklin Templeton takes no responsibility for informing or advising investors of any applicable laws or regulations.

Views or opinions expressed in the Response do not constitute investment, legal, tax, financial or other advice. The Response is neither an offer for a particular security nor a recommendation to purchase any investments. The way Franklin Templeton implements its investment strategies and the resulting portfolio holdings may change depending on a variety of factors such as market and economic conditions, as well as client account guidelines and restrictions, if applicable. The information provided in the Response is not a complete analysis of every aspect of any market, country, industry, security, strategy or portfolio. Past performance does not guarantee future results and results may differ over future time periods.

By accepting these materials, you confirm your acceptance of the above terms.

*NISA Investment Advisors, LLC – December 31, 2021*

*Compliance Certification Statement*

*San Mateo County*

*Employees' Retirement Association*

In accordance with SamCERA's Investment Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office ([Investments@samcera.org](mailto:Investments@samcera.org)) by **Monday, January 10, 2022.**

**General Compliance Issues**

1. Has the firm acted as a fiduciary and invested its assets for the sole benefit of *SamCERA*?  
 **Yes** /  **No: Please explain.**
2. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel?  
 **Yes: Please explain.** /  **No**

NISA Investment Advisors, LLC is a wholly owned subsidiary of NISA, LLC. NISA, LLC is 100 percent employee-owned through membership interests in NISA, LLC. During Q4 2021, there were no material changes to NISA's ownership structure.

NISA was engaged in a multi-year planned succession and the last transition became effective 1/1/2021 with Jess Yawitz stepping down as NISA's CEO and David Eichhorn becoming NISA's CEO. In anticipation of this transition, effective 6/1/2020, David became the Chair of NISA's Investment Committee. Anthony Pope and Ken Lester assumed the role of Vice Chairs of the Investment Committee. In conjunction with Jess retiring and stepping down as NISA's Chairman, Stephen Douglass, Senior Economic Strategist, replaced Jess Yawitz on the Investment Committee effective at the close of business on December 31, 2021.

3. Have there been any changes in the firm's investment approach?  
 **Yes: Please explain.** /  **No**
4. Do *SamCERA's* guidelines require your firm to manage the portfolio significantly different from other similar portfolios?  
 **Yes: Please explain.** /  **No**
5. Have there have been any industry or regulatory disciplinary actions taken against the firm?  
 **Yes: Please explain.** /  **No**
6. Have there been any investment guideline breaches during the prior 6 months?

**Yes: Please explain.** /  **No**

7. Has the firm's insurance coverage been sustained?

**Yes** /  **No: Please explain.**

### **Investment Management Fees**

1. Is *SamCERA's* investment management fee schedule higher than those charged other institutional clients who hold an account investment substantially similar to ours?

**Yes: Please explain.** /  **No**

### **Derivative Investments**

1. Are derivatives used in the management of the investment strategy?

**Yes: Please ANSWER the remaining questions in this section.**

**No: Please SKIP the remaining questions in this section.**

2. Are derivative investments in compliance with *SamCERA's* investment policies?

**Yes** /  **No: Please explain.**

3. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated?

**Yes** /  **No: Please explain.**

N/A

4. For non-exchange traded derivative transactions, were the counter-parties broker/dealers?

**Yes** /  **No**

N/A

If **Yes**:

a) Do the counter-parties have investment grade debt?  **Yes**/  **No**

b) Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances?  **Yes**/  **No: Please explain.**

5. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)?

**Yes** /  **No**

N/A

If **Yes**:

- a) Do the counter-parties have investment grade debt?  Yes/  No  
b) Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances?  
 Yes/  No: **Please explain.**

6. Is individual counter-party exposure well diversified?  Yes/  No: **Please explain.**

a) What is the largest exposure to a single counter-party within the portfolio?

The NISA-managed SamCera Portfolio holds exchange traded, U.S. Treasury futures contracts with JP Morgan as the FCM. As of 12/31/2021, the gross notional futures exposure with JP Morgan was \$1,971,250. This is the only futures position in the Portfolio.

b) Please specify the name of the counter-party and the amount of exposure.

The NISA-managed SamCera Portfolio holds exchange traded, U.S. Treasury futures contracts with JP Morgan as the FCM. As of 12/31/2021, the gross notional futures exposure with JP Morgan was \$1,971,250. This is the only futures position in the Portfolio.

c) Have there been any changes to the investment manager's list of approved counter-parties over the past six months?

There were no counter-party changes over the six-month period ending 12/31/2021.

7. Are the investment purposes for a derivative investment consistent with the four purposes stated *SamCERA's* policies?  Yes /  No: **Please explain.**

a) Has the firm developed any new purposes for derivative investments?  Yes: **Please explain.** /  No

8. List all limited allocation derivative investments individually and the percentage of the portfolio's assets represented by each investment.

N/A. The NISA-managed SamCera Portfolio only holds exchange traded futures contracts, which falls under the 'Allowable Derivative Instruments' in the SamCera IPS.

a) State if the firm has evaluated the exposure to market value losses that can occur from each of these derivatives.  Yes /  No: **Please explain.**

N/A. The NISA-managed SamCera Portfolio only holds exchange traded futures contracts, which falls under the 'Allowable Derivative Instruments' in the SamCera IPS.

- b) State if these derivative investments in total represent more than 5% of the portfolio's market value. If more than 5%, please explain.

N/A. The NISA-managed SamCera Portfolio only holds exchange traded futures contracts, which falls under the 'Allowable Derivative Instruments' in the SamCera IPS.

9. State if any restricted derivative investments are held in *SamCERA's* portfolios.

Yes /  No

- a) If any are held, state the percentage of the portfolio's assets held in such derivatives and why the firm is not in compliance with the investment policies.

N/A.

10. For derivative investments with allocation limits, has the firm tested and measured these investments' sensitivities to changes in key risk factors?  Yes /  No: **Please explain.**

N/A.

11. Have all derivative investments been made in a manner consistent with the derivative investment process specified in the policy statement?  Yes /  No: **Please explain.**

N/A.

12. Specify the security pricing sources used when developing portfolio market value exposures for limited allocation derivatives.

N/A.

13. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.

The Treasury futures held in the NISA-managed SamCERA portfolio are highly liquid instruments. For these exchange traded instruments, initial margin is posted to an FCM and variation margin is exchanged daily. For risk management purposes, NISA generally seeks to limit the amount of excess cash and securities on deposit with a FCM by transferring funds to or from the account daily, if needed. In addition, NISA negotiated provisions with FCMs that include limits on margin requirements (i.e., clearing member excess margin requirements), notice (e.g., position limits, termination, fee changes), acceptance of offsetting trades, and default (e.g., limit what constitutes default, opportunity to cure).

14. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months.  Yes: **Please explain.** /  No

## Investment Manager Guidelines

- Are portfolio holdings well-diversified, and made in liquid securities?  
 **Yes** /  **No: Please explain.**
- Has the firm engaged in short selling, use of leverage or margin and/or investments in commodities?  **Yes: Please explain.** /  **No**

### Cash & Equivalents

- Does the firm directly invest in short term fixed income investments?  **Yes** /  **No**
  - If **Yes**, do the investments comply with the policies?  **Yes** /  **No: Please explain.**

### Domestic Fixed Income Portfolios

- State the percentage of the portfolio held in each of the following types of securities:

<i>Certificates of Deposit</i>	<i>0.00%</i>
<i>Commercial Paper</i>	<i>0.00%</i>
<i>Other High Grade Short-term securities</i>	<i>1.37%</i>
<i>U.S. Government &amp; Agency securities</i>	<i>37.33%</i>
<i>Corporate Bonds</i>	<i>33.07%</i>
<i>Mortgage- and asset-backed securities</i>	<i>27.58%</i>
<i>Yankee bond securities</i>	<i>0.65%</i>

\*Corporate Bonds include 1.18% in Taxable Municipals

- Is the firm monitoring the country, currency, sector and security selection risks associated with its portfolio?  **Yes** /  **No: Please explain**
- Does the firm conduct horizon analysis testing?  **Yes** /  **No: Please explain.**

While not part of any formal process or “test”, when making investment decisions NISA does consider factors such as ex ante tracking error associated with current and potential positions as well as the impact that various market events (e.g. Treasury Curve changes, Economic shocks) could have on the portfolios return.

4. Are any holdings below investment grade?  Yes /  No

a) If **Yes**, why are they held in the portfolio?

5. Excluding U. S. Government and Agency bond holdings, did any individual bond issue represent more than 5% of the market value of the portfolio?  Yes /  No

a) If **Yes**, please specify the bond issue and percentage amount.

6. What percentage of the portfolio is held in Rule 144A securities?

As of 12/31/2021, 7.48% of the portfolio's market value was held in 144A securities.

7. At the time of purchase, was there any single industry which represented more than 15% of the market value of the account.  Yes //  No

a) If **Yes**, please specify the name of the industry, percentage amount and size relative to benchmark.

8. What proportion of total AUM do the assets in this product make-up of the firm? What size does SamCERA's account comprise of total product assets?

As of 12/31/2021, NISA's Short/Core Duration Product (\$33.6bn) makes up approximately 10.1% of NISA's total, physical AUM (\$333.6bn).

As of 12/31/2021, the NISA-managed SamCera Portfolio (\$238.2mm) makes up approximately 0.71% of NISA's Short/Core Duration Product (\$33.6bn).

Signed by: 

Richard M. Dolson  
Chief Compliance Officer

Dated: 01/10/2022

Name of Firm: NISA Investment Advisors, LLC

## ***Western Asset Management Total Return Unconstrained – December 31, 2021***

### ***Compliance Certification Statement***

***San Mateo County***

***Employees' Retirement Association***

In accordance with SamCERA's Investment Policy Statement, the following compliance worksheet will be completed by each of SamCERA's investment managers on a semi-annual basis. These statements must be e-mailed to SamCERA's office ([Investments@samcera.org](mailto:Investments@samcera.org)) by **Monday, January 10, 2022**.

#### **General Compliance Issues**

- 1. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel?**

**Yes: Please explain.** /  **No**

There have been no significant changes to portfolio developments, firm ownership, and organizational structure during the semi-annual period ending December 31, 2021.

As previously disclosed, Western Asset informed SamCERA of two future leadership team changes. Ms. Jennifer Murphy, former Chief Operating Officer (COO), left the Firm in December 2021 to start a new venture with a supporting investment from the Firm's parent company, Franklin Templeton. Mr. Drew Bowden joined the Firm in August 2021 as CCO and has assumed all of Ms. Murphy's previous responsibilities, including her role on the Executive Committee. Mr. Bowden previously served as Deputy General Counsel at Legg Mason, Inc. In 2011, he was recruited by the US Securities and Exchange Commission (SEC) to lead the investment adviser examination program. Mr. Bowden was quickly promoted to Deputy Director, and then Director, of the SEC's Division of Examinations. He spent three years at the SEC before joining Jackson Financial, where he served as an EVP, General Counsel, Secretary and member of their executive committee.

Looking ahead, Mr. Charles A. Ruys de Perez, the Firm's General Counsel and Head of the Legal and Compliance Department, is planning to retire effective June 2022. The Firm expects to plan for its needs in light of this change as the year progresses.

- 2. Have there been any changes in the firm's investment approach?**

**Yes: Please explain.** /  **No**

- 3. Have there have been any industry or regulatory disciplinary actions taken against the firm?**

**Yes: Please explain.** /  **No**

- 4. Has the firm's insurance coverage been sustained?**

**Yes** /  **No: Please explain.**

#### **Investment Management Fees**

- 1. Is SamCERA's investment management fee schedule higher than those charged other institutional clients who hold an account investment substantially similar to ours?**

**Yes: Please explain.** /  **No**

## Derivative Investments

1. Are derivatives used in the management of the investment strategy?

Yes: Please ANSWER the remaining questions in this section.

No: Please SKIP the remaining questions in this section.

2. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated?

Yes /  No: Please explain.

3. For non-exchange traded derivative transactions, were the counter-parties broker/dealers?

Yes /  No

If Yes:

- a) Do the counter-parties have investment grade debt?

Yes/  No

- b) Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances?

Yes/  No: Please explain.

4. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)?

Yes /  No

If Yes:

- a) Do the counter-parties have investment grade debt?

Yes/  No

- b) Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances?

Yes/  No: Please explain.

5. Is individual counter-party exposure well diversified?

Yes/  No: Please explain.

- a) What is the largest exposure to a single counter-party within the portfolio?

0.02% of the Fund is exposed to BNP Paribas.

- b) Please specify the name of the counter-party and the amount of exposure.

Name of the counter-party is BNP Paribas, 0.02%.

- c) Have there been any changes to the investment manager's list of approved counter-parties over the past six months?

No material changes within derivative counterparties.

6. Specify the security pricing sources used when developing portfolio market value exposures for limited allocation derivatives.

Western Asset's Pricing Group, an independent entity within the Risk Management & Quantitative Solutions Department, is responsible for obtaining prices from independent pricing vendors and brokers and assigning values to securities in accordance with the approved pricing hierarchies. Western Asset's primary pricing vendor is ICE Data Services for fixed-income cash bonds, and Markit for derivatives.

If prices for a particular security are not readily available from an independent pricing vendor, Western Asset's Pricing Group will obtain and use as market values from at least one independent bid from broker dealers if dual broker dealer bids are not available. The Pricing Group will attempt to obtain such bids from the trading broker. Western Asset's price will be the average of two broker bids if made available, or otherwise will be reflective of a single broker dealer bid.

If at any time it is determined by Western Asset's Pricing Group or a sector specialist that reliable market quotations from a pricing vendor, dealer or general market data is not readily available for a particular security, the Pricing Committee will determine the fair valuation for that particular investment. Western Asset's Pricing Policies and Valuation Process provides further details on fair valuation determination.

Western Asset's Pricing Committee is responsible for approving the Firm's pricing policies, sources used, and any exceptions to them. It consists of senior members from the Investment Management unit and the Client Service, Legal & Compliance, Risk Management and Investment Operation teams. The Committee meets at least twice each month and on an ad-hoc basis as needed to review monthly reports compiled by the Pricing Group and to consider any changes to the pricing policies as the need arises.

Western Asset's Pricing Policies and Valuation Process is provided in Appendix A.

**7. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.**

Western Asset's management style focuses on adding incremental value without taking on excessive risk. To ensure that the Firm's use of derivative instruments is consistent with this investment philosophy, the Firm developed the following guidelines—listed below along with a brief description of their rationale—which form the basis of every decision to employ derivatives in the Firm's investment portfolios:

- The duration contribution of derivatives will not bring the portfolio's duration outside the portfolio's specific duration band.
- Where a portfolio enters into forward foreign exchange contracts the aggregate underlying exposure of the portfolio attained through such contracts shall not exceed 100% of the portfolio's market value.
- A portfolio's gross exposure to forward foreign exchange contracts shall not exceed 50% with any single counterparty and net exposure shall not exceed 25% with any single counterparty. Net exposure is defined as the value (in account base currency terms) of open forward foreign exchange purchase contracts less forward foreign exchange sale contracts. Gross exposure is defined as the value (in account base currency terms) of open forward foreign exchange purchase contracts plus forward foreign exchange sale contracts.
- The net notional exposure to index and credit default swaps will count at their full notional value as exposure to the underlying asset. Concentration limits for a particular name or asset class will apply based on the net sum of its cash and derivative security holdings.
- Short (written) options positions will always be covered, either with current security holdings, other options or futures positions. Mortgage derivatives with significant short option characteristics will not exceed 5% of the portfolio, and will generally be a) offset by positions in other mortgage derivatives (e.g., floaters and inverse floaters), or b) offset by other portfolio positions (e.g., IOs and long duration bonds).
- Futures and options contracts will be limited to liquid instruments actively traded on major exchanges or, if over-the-counter, executed with major dealers.

- Swap contracts are considered over-the-counter contracts between two parties and have counterparty credit risk different from exchange traded derivatives. Western Asset tries to limit its counterparty risk by executing swaps with the strongest financial counterparties. The vast majority of these counterparties are rated is A- or better. In addition, collateral agreements will be in place to trigger margin movement whenever the current mark-to-market amount to be paid or received by either counterparty exceeds a threshold amount.
- Finally, under no circumstances will the derivative positions change the characteristics of the portfolio so that it violates any guideline set forth in the Investment Management Agreement.

8. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months.

Yes: Please explain. /  No

#### Investment Manager Guidelines

1. Are portfolio holdings well-diversified, and made in liquid securities?

Yes /  No: Please explain.

2. Has the firm engaged in short selling, use of leverage or margin and/or investments in commodities?

Yes: Please explain. /  No

#### Fixed Income Portfolios

1. State the percentage of the portfolio held in each of the following types of securities

<i>Treasury</i>	<i>16.17%</i>
<i>Agency</i>	<i>0.62%</i>
<i>Inflation-Linked</i>	<i>0.08%</i>
<i>Mortgage-Backed</i>	<i>11.24%</i>
<i>Asset-Backed</i>	<i>1.63%</i>
<i>Investment-Grade Credit</i>	<i>10.80%</i>
<i>High-Yield Credit</i>	<i>8.61%</i>
<i>Bank Loan</i>	<i>9.96%</i>
<i>CLO</i>	<i>3.78%</i>
<i>Non-US</i>	<i>0.57%</i>
<i>EM Government</i>	<i>1.03%</i>
<i>EM Local Currency</i>	<i>21.97%</i>
<i>EM Corporate</i>	<i>3.08%</i>
<i>Cash &amp; Equivalents</i>	<i>10.45%</i>
<i>Other</i>	<i>0.01%</i>
<i>Total</i>	<i>100%</i>

2. Does the firm conduct horizon analysis testing?

Yes /  No: Please explain.

Western Asset's investment management team estimates horizon excess returns under various market scenarios, including best, worst and likely cases. Particular attention is paid to diversifying strategies under each scenario. The horizon for risk management is the same as that for investment management,

as the risk effort is closely integrated into the investment process. The firm's tracking error model calculates predicted tracking errors based on 18 months of historical data. Western Asset also generates scenario analysis results daily for representative accounts. These results estimate horizon durations given various interest rate shocks. The horizon is generally instantaneous as Western Asset evaluates one day extreme movements in rates for duration hedging purposes. The Firm's systems allow for any time horizon and can output a wide array of horizon performance or analytics related statistics.

**3. Excluding U. S. Government and Agency bond holdings, did any individual bond issue represent more than 5% of the market value of the portfolio?**

Yes /  No

**a) If Yes, please specify the bond issue and percentage amount.**

Not Applicable.

**4. What percentage of the portfolio is held in Rule 144A securities?**

21.9%

**5. At the time of purchase, was there any single industry which represented more than 15% of the market value of the account.**

Yes /  No

**a) If Yes, please specify the name of the industry, percentage amount and size relative to benchmark.**

Not Applicable.

**6. What proportion of total AUM do the assets in this product make-up of the firm? What size does SamCERA's account comprise of total product assets?**

As of November 30, 2021, Western Asset's Total Return Unconstrained (TRU) Bond product makes up 1.1% of Firmwide AUM, and SamCERA's account comprises 4.2% of total TRU Bond product assets.



Signed by: Blessilda Mediana, Compliance Officer

Dated: 1/10/2022

Name of Firm: Western Asset Management Company, LLC

***Harrison Street Core Property Fund, LP – December 31, 2021***

***Compliance Certification Statement***

***San Mateo County***

***Employees' Retirement Association***

In accordance with SamCERA's Investment Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office ([Investments@samcera.org](mailto:Investments@samcera.org)) by **Monday, January 10, 2022**.

**General Compliance Issues**

1. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel?  
 **Yes: Please explain.** /  **No**
2. Have there been any changes in the firm's investment approach?  
 **Yes: Please explain.** /  **No**
3. Have there have been any industry or regulatory disciplinary actions taken against the firm?  
 **Yes: Please explain.** /  **No**
4. Has the firm's insurance coverage been sustained?  
 **Yes** /  **No: Please explain.**

**Investment Management Fees**

1. Is *SamCERA's* investment management fee schedule higher than those charged other institutional clients who hold an account investment substantially similar to ours?  
 **Yes: Please explain.** /  **No**

**Investment Manager Guidelines**

1. Are portfolio holdings well-diversified?  **Yes** /  **No: Please explain.**
2. Has the firm used leverage?  **Yes** /  **No**
  - a) If yes, is the portfolio leverage within the 40% of overall loan to value guideline?  
 **Yes** /  **No: Please explain.**

## Cash & Equivalents

1. Does the firm directly invest in short term fixed income investments?  Yes /  No
  - a) If Yes, do the investments comply with the policies?  Yes /  No: Please explain.

## Real Estate Portfolios

1. Is the portfolio diversified as to region, property type, industry, and economic base?  
 Yes /  No
  - a) If No, do the investments comply with the policies?
2. Is the portfolio achieving a total time-weighted rate of return, net of fees, which equals or exceeds, the NFI ODCE index?  Yes /  No: Please explain.
3. Does the core fund concentration exceed 40% (by value) in any single property type, 15% (by value) in any single investment, or 30% in any single metropolitan statistical area, determined as of the date of the acquisition of the property?  
 Yes: Please explain. /  No
4. What proportion of total AUM do the assets in this product make-up of the firm? What size does SamCERA's account comprise of total product assets?

Please note Firm and Fund level AUM figures and ownership percentages as of December 31, 2021 will not be published until after the due date of this request. As of September 30, 2021, Core Fund assets comprised 39.5% of total Firm AUM, and SamCERA's ownership percentage of the Core Fund was 0.67%. The Firm is happy to subsequently provide figures as of December 31, 2021 if required.



Signed by: Joseph G. Lansing, as Authorized Signatory

Dated: 1/05/2022

Name of Firm: Harrison Street Real Estate Capital, LLC

## ***INVESCO Core Real Estate – December 31, 2021***

### ***Compliance Certification Statement***

#### ***San Mateo County***

#### ***Employees' Retirement Association***

In accordance with SamCERA's Investment Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office ([Investments@samcera.org](mailto:Investments@samcera.org)) by **Monday, January 10, 2022**.

### **General Compliance Issues**

1. Are *SamCERA's* market benchmarks in the respective asset class areas acceptable to the firm?  
 **Yes** /  **No: Please explain.**
2. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel?  
 **Yes: Please explain.** /  **No**
3. Have there been any changes in the firm's investment approach?  
 **Yes: Please explain.** /  **No**
4. Have there have been any industry or regulatory disciplinary actions taken against the firm?  
 **Yes: Please explain.** /  **No - We note that this response solely pertains to Invesco Core Real Estate – U.S.A., L.P. and those managing such entity.**
5. Has the firm's insurance coverage been sustained?  
 **Yes** /  **No: Please explain.**

### **Investment Management Fees**

1. Is *SamCERA's* investment management fee schedule higher than those charged other institutional clients who hold an account investment substantially similar to ours?  
 **Yes: Please explain.** /  **No**

### **Investment Manager Guidelines**

1. Are portfolio holdings well-diversified?  **Yes** /  **No: Please explain.**

## Cash & Equivalents

1. Does the firm directly invest in short term fixed income investments?  Yes /  No
  - a) If Yes, do the investments comply with the policies?  Yes /  No: Please explain.

## Real Estate Portfolios

1. Is the portfolio diversified as to region, property type, industry, and economic base?  
 Yes /  No
  - a) If No, do the investments comply with the policies?
2. Is the portfolio achieving a total time-weighted rate of return, net of fees, which equals or exceeds, the NFI ODCE index?  Yes /  No: Please explain. - **As of September 30, 2021, the Fund's since inception net return of 7.32% exceeds the net NFI ODCE index of 6.88%**
3. Does the core fund concentration exceed 40% (by value) in any single property type or 35% in any single metropolitan statistical area, determined as of the date of the acquisition of the property?  Yes: Please explain. /  No
4. Has the firm used leverage?  Yes /  No
  - a) Is the portfolio leverage within the 35% of overall loan to value guideline?  
 Yes /  No: Please explain. - **The maximum leverage for the Fund is 35%. As of September 30, 2021, the Fund's leverage was 24.3%.**
5. What proportion of total AUM do the assets in this product make-up of the firm? – **18.7% (based on NAV as of September 30, 2021)** What size does SamCERA's account comprise of total product assets? - **2.42% (as of September 30, 2021)**

### General Partner:

IRI Core I, L.P.

By: IRI Core-GP, LLC, its general partner

By: Invesco Realty, Inc., its sole member



Name: William C Grubbs Jr  
Title: Vice President

***The Parametric Portfolio Associates LLC Cash & Currency Hedge Overlay –  
December 31, 2021***

***Compliance Certification Statement  
San Mateo County  
Employees' Retirement Association***

In accordance with SamCERA's Investment Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office ([Investments@samcera.org](mailto:Investments@samcera.org)) by **Monday, January 10, 2022.**

**General Compliance Issues**

1. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel?  
 **Yes: Please explain.** /  **No**
2. Have there been any changes in the firm's investment approach?  
 **Yes: Please explain.** /  **No**
3. Have there have been any industry or regulatory disciplinary actions taken against the firm?  
 **Yes: Please explain.** /  **No**
4. Has the firm's insurance coverage been sustained?  
 **Yes** /  **No: Please explain.**
5. Have there been any investment guideline breaches during the past 6 months?  
 **Yes: Please explain.** /  **No**

**Investment Management Fees**

1. Is *SamCERA's* investment management fee schedule less favorable than those charged other institutional clients who hold an account investment substantially similar to ours?  
 **Yes: Please explain.** /  **No**

**Derivative Investments**

1. Are derivatives used in the management of the investment strategy?  
 **Yes: Please ANSWER the remaining questions in this section.**  
 **No: Please SKIP the remaining questions in this section.**

2. Are derivative investments in compliance with *SamCERA's* investment policies?  
 **Yes** /  **No: Please explain.**
3. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated?  
 **Yes** /  **No: Please explain.**

**Not applicable- Exchange traded derivatives only used in this account.**

4. For non-exchange traded derivative transactions, were the counter-parties broker/dealers?  
 **Yes** /  **No**  
If **Yes**:
- a) Do the counter-parties have investment grade debt?  **Yes**/  **No**  
b) Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances?  **Yes**/  **No: Please explain.**

**Not applicable- Exchange traded derivatives only used in this account.**

5. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)?  
 **Yes** /  **No**  
If **Yes**:
- a) Do the counter-parties have investment grade debt?  **Yes**/  **No**  
b) Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances?  
 **Yes**/  **No: Please explain.**

**Not applicable- Exchange traded derivatives only used in this account.**

6. Is individual counter-party exposure well diversified?  **Yes**/  **No: Please explain.**
- a) What is the largest exposure to a single counter-party within the portfolio?  
b) Please specify the name of the counter-party and the amount of exposure.  
c) Have there been any changes to the investment manager's list of approved counter-parties over the past six months?
7. Are the investment purposes for a derivative investment consistent with the four purposes stated in *SamCERA's* policies?  **Yes** /  **No: Please explain.**
- a) Has the firm developed any new purposes for derivative investments?  **Yes: Please explain.** /  **No**

8. List all limited allocation derivative investments individually and the percentage of the portfolio's assets represented by each investment.
- a) State if the firm has evaluated the exposure to market value losses that can occur from each of these derivatives.  Yes /  No: **Please explain.**
- b) State if these derivative investments in total represent more than 5% of the portfolio's market value. If more than 5%, please explain.

**Not applicable-No limited allocation derivatives used in this account.**

9. State if any restricted derivative investments are held in *SamCERA's* portfolios.  
 Yes /  No
- a) If any are held, state the percentage of the portfolio's assets held in such derivatives and why the firm is not in compliance with the investment policies.
10. For derivative investments with allocation limits, has the firm tested and measured these investments' sensitivities to changes in key risk factors?  Yes /  No: **Please explain.**

**Not applicable-No limited allocation derivatives used in this account.**

11. Have all derivative investments been made in a manner consistent with the derivative investment process specified in the policy statement?  Yes /  No: **Please explain.**
12. Specify the security pricing sources used when developing portfolio market value exposures for limited allocation derivatives.

**Not applicable-No limited allocation derivatives used in this account.**

13. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.

**See Attachment A for response.**

14. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months.  Yes: **Please explain.** /  No

Signed by:   
Name/Title: Benjamin Hammes, Chief Compliance Officer, Derivatives  
Dated: January 7, 2022  
Name of Firm: Parametric Portfolio Associates, LLC

ATTACHMENT A  
RESPONSE TO QUESTION NO. 13

Parametric seeks to only hold investment instruments that would be deemed liquid. Futures provide a transparent and relatively low risk investment exposure management vehicle to use in managing overlay strategies. There are currently numerous liquid global equity, fixed income, commodity, and currency exchange-traded index futures available for use in an overlay program. Before specific futures contracts to be included in a client's overlay portfolio are approved, the instrument is evaluated and screened to ensure adequate liquidity, focusing on open interest, average daily trading volume, bid/ask spread, and liquidity of the underlying index. As Parametric manages approximately over 180 overlay programs and has relationships with numerous counterparties trading in global markets, we have developed deep knowledge of liquidity levels of markets throughout the world. The primary gauges of liquidity are the average daily volume (ADV) and open interest metrics. Parametric carefully monitors liquidity and estimated costs internally and through external (i.e. broker) sources. As a general rule, the greater the amount ADV and open interest, the greater the liquidity and lower the transaction costs.

Parametric continuously monitors these metrics and will only use contracts which have sufficient liquidity to support the required positions. Parametric will also tailor the instruments employed in the overlay program based upon each client's unique needs and objectives.

Parametric's compliance program is designed to reasonably address all known conflicts of interests and other additional specific risks that have been identified through an annual risk assessment or a change in business or regulatory matters. These include legal and regulatory risks. Adherence to all legal and regulatory matters is considered to be an integral part of each employee's primary job functions. Every employee is required to share in maintaining and enforcing compliance with all applicable internal and external rules.

*Verus Advisory, Inc. – December 31, 2021*

*Compliance Certification Statement  
San Mateo County  
Employees' Retirement Association*

Please complete the following compliance certification statement and e-mail to *SamCERA* ([Investments@samcera.org](mailto:Investments@samcera.org)) by **Monday, January 10, 2022**.

**General Compliance Issues**

1. Have there been any significant changes in firm ownership, organizational structure and firm leadership team personnel?  
 **Yes: Please explain.** /  **No**
2. Have there been any changes to the general consulting, private markets consulting & research, public markets research, or risk advisory personnel?  
 **Yes: Please explain.** /  **No**
3. Have there have been any industry or regulatory non-routine investigations, examinations, complaints, disciplinary actions or other proceeding against the firm or any investment professionals employed by the firm?  **Yes: Please explain.** /  **No**
4. Has the firm maintained its status as a Registered Investment Advisory under the Investment Advisors Act of 1940?  
 **Yes** /  **No: Please explain.**
5. Has the firm's insurance coverage been sustained?  
 **Yes** /  **No: Please explain.**

**Fees**

1. Is *SamCERA*'s fee structure less favorable than other clients with the same level of service and access to investment opportunities?  
 **Yes: Please explain.** /  **No**

Signed by:  (Warren Spencer, CCO, CLO)  
Dated: 28 December 2021  
Name of Firm Verus Advisory Inc.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

**Board of Retirement**

January 25, 2022

Agenda Item 4.11

**TO:** Board of Retirement

**FROM:** Scott Hood, Chief Executive Officer 

**SUBJECT:** Policy for Reimbursement of Travel and Other Official Expenses for Trustees and Staff

**Recommendation**

Approve further revisions to the Board's "Policy for Reimbursement of Travel and Other Official Expenses for Trustees and Staff."

**Background**

The Board's "Policy for Reimbursement of Travel and Other Official Expenses for Trustees and Staff" (the "Travel Expense Policy") was revised and brought to the Board at its December 7, 2021, meeting for approval. Following the Board's approval of the revised policy, two ministerial corrections have been brought to staff's attention which warrant further revision.

**Discussion**

Section 1(a) of the policy referred to "coach" and "air coach" fares and service. The revised policy reflects the fact that most airlines no longer use the term "coach" to describe their fares for seats in the main airplane cabin, but instead use the term "economy." Additionally, Section 1(b) of the policy incorrectly omitted the word "not," stating instead that reimbursement for meals would be limited to those meals which were "included in the set conference or tuition fee." The revised policy corrects this error. A redlined copy and a clean copy of the revised policy showing the proposed revisions are attached.

**Attachments**

Policy for Reimbursement of Travel and Other Official Expenses for Trustees and Staff (redline)  
Policy for Reimbursement of Travel and Other Official Expenses for Trustees and Staff (clean)

# San Mateo County Employees' Retirement Association

## BOARD OF RETIREMENT

### POLICY FOR REIMBURSEMENT OF TRAVEL AND OTHER OFFICIAL EXPENSES FOR TRUSTEES AND STAFF

#### **SECTION 1. TRAVEL RELATED EXPENSES.**

Whenever any Trustee of the Board of Retirement ("Trustee") or any SamCERA employee in the service of SamCERA is required to travel, such person shall be allowed, in addition to any salary or compensation, certain actual and necessary travel expenses, as set forth below. Occurrences that would require a Trustee or a SamCERA employee to travel include, but are not limited to, official business of the retirement association at conferences, education, due diligence, appearances before local, state, and federal administrative agencies, legislative bodies, and judicial proceedings, or when otherwise serving in their official capacity or representing SamCERA. Claims for reimbursement shall be made in accordance with Section 4 - "Claims for Expenses."

**(a) Transportation.** Actual cost incurred for transportation by any carrier services shall be reimbursed. Reimbursement for travel by any privately owned automobile shall be in accordance with the provisions of Section 1(c) below except that it shall not be more than the cost of common carrier services where the one-way distance required to be traveled is 200 miles or more, and in such event the reimbursement for such travel shall not exceed the cost of air travel regardless of the mode of transportation used. The cost of air travel shall be based on ~~each~~ economy fares, unless ~~air-coach~~ economy service is not available, or unless otherwise authorized by the Chief Executive Officer. Government and group rates offered by a provider of transportation services shall be used when available.

**(b) Meals, Lodging, and Incidentals.** For official business travel with an overnight stay, there shall be direct payment by SamCERA or reimbursement for the actual costs that are incurred only outside the local commuting area for meals, lodging, and incidentals, including baggage transfer, tips, and other actual and necessary incidental expenses. Direct payment or reimbursement for meals, either without an overnight stay and/or within the local commuting area, and lodging within the local commuting area, shall be made only if such costs are not included in the set conference or tuition fee. Exceptions based upon unique circumstances can be made for reimbursement for meals (either without an overnight stay and/or within the local commuting area), lodging, and incidentals incurred within the local commuting area, if authorized by (i) the Board Chair for Trustees and the Chief Executive Officer; (ii) the Board Vice Chair for the Board Chair; and (iii) the Chief Executive Officer for employees. The local commuting area is defined as within the five counties of Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara. The maximum reimbursement for the actual cost of meals will be limited to the applicable Continental United States (CONUS) or Outside the Continental United States (OCONUS) current

rate, as set forth in the Code of Federal Regulations, except that for those areas which have a separate CONUS or OCONUS rate, the maximum reimbursement rate shall be limited to double the amount of the CONUS or OCONUS current rate for those areas. Government and group rates offered by a provider of lodging services shall be used when available. If such rate is not available, the maximum reimbursement rate shall be limited to double the amount of the CONUS or OCONUS current rate for that location. If the lodging is in connection with a conference or organized educational activity, lodging reimbursement for lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available at the time of booking. If such rate is not available, the maximum reimbursement rate shall be limited to double the amount of the applicable CONUS or OCONUS rate or the group rate, whichever is higher. If it is necessary to secure lodging in excess of double the CONUS or OCONUS rates, that expenditure must be approved in advance by (i) the Board Chair for Trustees and the Chief Executive Officer; (ii) the Board Vice Chair for the Board Chair; and (iii) the Chief Executive Officer for employees.

**(c) Privately Owned Automobile.** The costs of parking actually incurred and mileage actually traveled shall be reimbursed. Mileage shall be reimbursed at the rate determined by the County Manager for San Mateo County, provided that such amount is at least that amount established by the Internal Revenue Service as the allowable business deduction rate for such travel. Trustees or alternates who are using vehicles belonging to their SamCERA employer shall not receive mileage reimbursement under this section. Trustees or alternates who are receiving a travel allowance from their SamCERA employer shall not receive mileage reimbursement under this section for travel that is within the geographic area covered by the travel allowance.

**(d) Other Transportation.** Travel expenses may be paid directly by SamCERA to the supplier of the transportation where the mode of transportation is other than by a privately owned motor vehicle. In other instances, travel shall be claimed by the individual employee.

**(e) Automobile Insurance.** No Trustee or employee shall engage in any travel in connection with the performance of official business of SamCERA in a privately owned conveyance, either their own, or that belonging to another, unless the same is insured in such manner as to comply with any applicable County of San Mateo Administrative Memoranda and the County's Driving Policy and Safe Driving Program.

**(f) Course or Meeting Registration Fees.** Required registration fees for educational courses, conferences, or other meetings may be paid by SamCERA directly to the organization or association conducting such course, conference, or other meeting and the officer or employee shall not be required to advance the funds therefore.

**(g) Non-Reimbursable Travel Expenses.** Not all travel expenses incurred are reimbursable. Examples of such non-reimbursable expenses include, but are not limited to: Trustee educational or conference expenses which were not approved by the Board in accordance with the Education Policy, non SamCERA related expenses, transportation, lodging, and meal expenses which exceed or are outside of the limits set forth in this policy, alcoholic beverages, personal entertainment,

additional costs for additional person(s) who are not either SamCERA Trustees or employees, extra baggage charges for personal items, traffic citations, and parking tickets.

**SECTION 2. MEETINGS OF THE BOARD AND BOARD COMMITTEES.**

**(a) Stipend for Meetings.** Pursuant to the resolution adopted by the Board of Supervisors and in accordance with Government Code section 31521, Trustees in the fourth, fifth, sixth, eighth (and alternate), and ninth seats shall receive compensation for attendance at a rate of \$100 a meeting of the Board or for a meeting of a committee authorized by the Board, up to 3 meetings a month.

**(b) Mileage Reimbursement.** All members of the Board shall receive mileage reimbursement for personal attendance at any meeting of the Board or for a meeting of a committee authorized by the Board for up to three meetings a month. Mileage for Trustees in the fourth, fifth, sixth, eighth (and eighth alternate), and ninth seats shall be calculated to and from the Trustee's place of residence. For the Trustees in the first, second, third, and seventh (and seventh alternate) seats, the mileage shall be calculated to and from the Trustee's SamCERA employer worksite. Trustees or alternates who are using vehicles belonging to, or are receiving a travel allowance from, their SamCERA employer shall not receive mileage reimbursement under this section.

**SECTION 3. OTHER OFFICIAL DUTY RELATED EXPENSES.**

**(a) Expenses Incurred by Trustees:** Trustees are entitled to reimbursement of the actual cost of expenses, including meals, that are necessary, appropriate, and reasonably incurred in the performance of official duties within or outside of the local commuting area, unless otherwise specified by this policy.

**(b) Expenses Incurred by Staff:** All staff expenditures must be pre-approved by the supervising manager or the Chief Executive Officer. The supervising manager will ensure that the proper procedures are being followed, funds are available, expenses are reasonable and appropriate, and the cost is not excessive. Employees are encouraged to use the corporate credit card for necessary online purchases. Employees must submit original detailed receipts and should note the purpose or recipient of the expense items on the Claim Form as applicable.

**(c) Staff Expenses under \$50.** Employees may request immediate reimbursement of approved expenditures under \$50 from the Petty Cash Fund upon submission of a completed and approved Petty Cash Voucher accompanied by the original itemized invoice. Reimbursement of petty cash expenditures would include, but is not limited to: refreshments for meetings, kitchen supplies, postage stamps, and certified mailings. The Petty Cash Custodian will obtain approval from the Chief Executive Officer prior to reimbursing the employee.

**(d) Tuition Reimbursement for Continuing Education:** Permanent SamCERA employees are eligible to participate in the County's Tuition Reimbursement Program to enhance work performance and career mobility. College level courses may be taken at accredited educational institutions. Requests must be submitted and approved by the supervising manager at least two weeks before the beginning date of the course. The County Human Resources Department will

have the final approval for this program.

#### **SECTION 4. CLAIMS FOR EXPENSES.**

**(a) Claim Form.** A claim for expenses shall be submitted within sixty (60) days after incurring the expense. Before any expenses are allowed or paid, the claimant shall file a claim in the manner provided by law for reimbursement claims to be filed with SamCERA, duly certified as correct by the claimant and approved by SamCERA's Chief Executive Officer. The Board Chair is authorized to approve the Chief Executive Officer's claims. When submitting a joint receipt for multiple Trustees and employees, the names of the other participants must be listed on the claim and receipt.

**(b) Itemized receipts:** The claimant shall attach to the claim all itemized receipts showing the moneys expended by the claimant. If a receipt includes non-SamCERA expenses such as personal expenses, the claim shall reflect only the portion of the expense that pertains to SamCERA. Receipts are required for all expenditures in excess of \$25. If a receipt is lost, the claimant must detail the expenditure to the best of their ability and attest to its accuracy by affixing their signature to the reimbursement expense.

**(c) Expenses Must Be Actually Incurred.** SamCERA Trustees or employees shall not submit a claim to SamCERA except for those expenses actually incurred in connection with the performance of official business of the retirement association.

**(d) Approval by the Board.** All reimbursable expenses for Trustees that do not fall within the above provisions may be approved by the Board of Retirement at a public meeting before the expense is incurred.

#### **SECTION 5. ADVANCE PAYMENTS FOR EXPENSES.**

Whenever it appears to be in the best interests of SamCERA that any Trustee or employee of SamCERA travel outside of the County of San Mateo on official business, and where prior authorization for such travel has been given by the Board of Retirement, and it appears that it is necessary that such Trustee or employee be allowed a sum of money not in excess of two thousand five hundred dollars (\$2,500) for such travel expenses in advance, a claim for such advance showing the emergency requiring such advance shall be made out in the regular form and approved by the Chief Executive Officer and thereafter SamCERA shall draw their warrant in favor of such Trustee or employee. The Trustee or employee receiving such advance shall file with SamCERA after their return from such trip an itemized account, together with proper vouchers of their expenses and shall pay to SamCERA any balance remaining unexpended for SamCERA business purposes. SamCERA shall attach such statement to the original claim for such advance and shall immediately make the proper adjustment of the account from which the advance was drawn.

#### **SECTION 6. REPORTING BY TRUSTEES OF THE BOARD OF RETIREMENT**

Trustees shall provide a brief report, either orally or in writing, on meetings attended at the expense of SamCERA at the next attended regular meeting of the Board.

**San Mateo County Employees' Retirement Association**

**BOARD OF RETIREMENT**

**POLICY FOR REIMBURSEMENT OF TRAVEL AND OTHER  
OFFICIAL EXPENSES FOR TRUSTEES AND STAFF**

**SECTION 1. TRAVEL RELATED EXPENSES.**

Whenever any Trustee of the Board of Retirement ("Trustee") or any SamCERA employee in the service of SamCERA is required to travel, such person shall be allowed, in addition to any salary or compensation, certain actual and necessary travel expenses, as set forth below. Occurrences that would require a Trustee or a SamCERA employee to travel include, but are not limited to, official business of the retirement association at conferences, education, due diligence, appearances before local, state, and federal administrative agencies, legislative bodies, and judicial proceedings, or when otherwise serving in their official capacity or representing SamCERA. Claims for reimbursement shall be made in accordance with Section 4 - "Claims for Expenses."

**(a) Transportation.** Actual cost incurred for transportation by any carrier services shall be reimbursed. Reimbursement for travel by any privately owned automobile shall be in accordance with the provisions of Section 1(c) below except that it shall not be more than the cost of common carrier services where the one-way distance required to be traveled is 200 miles or more, and in such event the reimbursement for such travel shall not exceed the cost of air travel regardless of the mode of transportation used. The cost of air travel shall be based on economy fares, unless economy service is not available, or unless otherwise authorized by the Chief Executive Officer. Government and group rates offered by a provider of transportation services shall be used when available.

**(b) Meals, Lodging, and Incidentals.** For official business travel with an overnight stay, there shall be direct payment by SamCERA or reimbursement for the actual costs that are incurred only outside the local commuting area for meals, lodging, and incidentals, including baggage transfer, tips, and other actual and necessary incidental expenses. Direct payment or reimbursement for meals, either without an overnight stay and/or within the local commuting area, and lodging within the local commuting area, shall be made only if such costs are not included in the set conference or tuition fee. Exceptions based upon unique circumstances can be made for reimbursement for meals (either without an overnight stay and/or within the local commuting area), lodging, and incidentals incurred within the local commuting area, if authorized by (i) the Board Chair for Trustees and the Chief Executive Officer; (ii) the Board Vice Chair for the Board Chair; and (iii) the Chief Executive Officer for employees. The local commuting area is defined as within the five counties of Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara. The maximum reimbursement for the actual cost of meals will be limited to the applicable Continental United States (CONUS) or Outside the Continental United States (OCONUS) current

rate, as set forth in the Code of Federal Regulations, except that for those areas which have a separate CONUS or OCONUS rate, the maximum reimbursement rate shall be limited to double the amount of the CONUS or OCONUS current rate for those areas. Government and group rates offered by a provider of lodging services shall be used when available. If such rate is not available, the maximum reimbursement rate shall be limited to double the amount of the CONUS or OCONUS current rate for that location. If the lodging is in connection with a conference or organized educational activity, lodging reimbursement for lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available at the time of booking. If such rate is not available, the maximum reimbursement rate shall be limited to double the amount of the applicable CONUS or OCONUS rate or the group rate, whichever is higher. If it is necessary to secure lodging in excess of double the CONUS or OCONUS rates, that expenditure must be approved in advance by (i) the Board Chair for Trustees and the Chief Executive Officer; (ii) the Board Vice Chair for the Board Chair; and (iii) the Chief Executive Officer for employees.

**(c) Privately Owned Automobile.** The costs of parking actually incurred and mileage actually traveled shall be reimbursed. Mileage shall be reimbursed at the rate determined by the County Manager for San Mateo County, provided that such amount is at least that amount established by the Internal Revenue Service as the allowable business deduction rate for such travel. Trustees or alternates who are using vehicles belonging to their SamCERA employer shall not receive mileage reimbursement under this section. Trustees or alternates who are receiving a travel allowance from their SamCERA employer shall not receive mileage reimbursement under this section for travel that is within the geographic area covered by the travel allowance.

**(d) Other Transportation.** Travel expenses may be paid directly by SamCERA to the supplier of the transportation where the mode of transportation is other than by a privately owned motor vehicle. In other instances, travel shall be claimed by the individual employee.

**(e) Automobile Insurance.** No Trustee or employee shall engage in any travel in connection with the performance of official business of SamCERA in a privately owned conveyance, either their own, or that belonging to another, unless the same is insured in such manner as to comply with any applicable County of San Mateo Administrative Memoranda and the County's Driving Policy and Safe Driving Program.

**(f) Course or Meeting Registration Fees.** Required registration fees for educational courses, conferences, or other meetings may be paid by SamCERA directly to the organization or association conducting such course, conference, or other meeting and the officer or employee shall not be required to advance the funds therefore.

**(g) Non-Reimbursable Travel Expenses.** Not all travel expenses incurred are reimbursable. Examples of such non-reimbursable expenses include, but are not limited to: Trustee educational or conference expenses which were not approved by the Board in accordance with the Education Policy, non SamCERA related expenses, transportation, lodging, and meal expenses which exceed or are outside of the limits set forth in this policy, alcoholic beverages, personal entertainment,

additional costs for additional person(s) who are not either SamCERA Trustees or employees, extra baggage charges for personal items, traffic citations, and parking tickets.

**SECTION 2. MEETINGS OF THE BOARD AND BOARD COMMITTEES.**

**(a) Stipend for Meetings.** Pursuant to the resolution adopted by the Board of Supervisors and in accordance with Government Code section 31521, Trustees in the fourth, fifth, sixth, eighth (and alternate), and ninth seats shall receive compensation for attendance at a rate of \$100 a meeting of the Board or for a meeting of a committee authorized by the Board, up to 3 meetings a month.

**(b) Mileage Reimbursement.** All members of the Board shall receive mileage reimbursement for personal attendance at any meeting of the Board or for a meeting of a committee authorized by the Board for up to three meetings a month. Mileage for Trustees in the fourth, fifth, sixth, eighth (and eighth alternate), and ninth seats shall be calculated to and from the Trustee's place of residence. For the Trustees in the first, second, third, and seventh (and seventh alternate) seats, the mileage shall be calculated to and from the Trustee's SamCERA employer worksite. Trustees or alternates who are using vehicles belonging to, or are receiving a travel allowance from, their SamCERA employer shall not receive mileage reimbursement under this section.

**SECTION 3. OTHER OFFICIAL DUTY RELATED EXPENSES.**

**(a) Expenses Incurred by Trustees:** Trustees are entitled to reimbursement of the actual cost of expenses, including meals, that are necessary, appropriate, and reasonably incurred in the performance of official duties within or outside of the local commuting area, unless otherwise specified by this policy.

**(b) Expenses Incurred by Staff:** All staff expenditures must be pre-approved by the supervising manager or the Chief Executive Officer. The supervising manager will ensure that the proper procedures are being followed, funds are available, expenses are reasonable and appropriate, and the cost is not excessive. Employees are encouraged to use the corporate credit card for necessary online purchases. Employees must submit original detailed receipts and should note the purpose or recipient of the expense items on the Claim Form as applicable.

**(c) Staff Expenses under \$50.** Employees may request immediate reimbursement of approved expenditures under \$50 from the Petty Cash Fund upon submission of a completed and approved Petty Cash Voucher accompanied by the original itemized invoice. Reimbursement of petty cash expenditures would include, but is not limited to: refreshments for meetings, kitchen supplies, postage stamps, and certified mailings. The Petty Cash Custodian will obtain approval from the Chief Executive Officer prior to reimbursing the employee.

**(d) Tuition Reimbursement for Continuing Education:** Permanent SamCERA employees are eligible to participate in the County's Tuition Reimbursement Program to enhance work performance and career mobility. College level courses may be taken at accredited educational institutions. Requests must be submitted and approved by the supervising manager at least two weeks before the beginning date of the course. The County Human Resources Department will

have the final approval for this program.

#### **SECTION 4. CLAIMS FOR EXPENSES.**

**(a) Claim Form.** A claim for expenses shall be submitted within sixty (60) days after incurring the expense. Before any expenses are allowed or paid, the claimant shall file a claim in the manner provided by law for reimbursement claims to be filed with SamCERA, duly certified as correct by the claimant and approved by SamCERA's Chief Executive Officer. The Board Chair is authorized to approve the Chief Executive Officer's claims. When submitting a joint receipt for multiple Trustees and employees, the names of the other participants must be listed on the claim and receipt.

**(b) Itemized receipts:** The claimant shall attach to the claim all itemized receipts showing the moneys expended by the claimant. If a receipt includes non-SamCERA expenses such as personal expenses, the claim shall reflect only the portion of the expense that pertains to SamCERA. Receipts are required for all expenditures in excess of \$25. If a receipt is lost, the claimant must detail the expenditure to the best of their ability and attest to its accuracy by affixing their signature to the reimbursement expense.

**(c) Expenses Must Be Actually Incurred.** SamCERA Trustees or employees shall not submit a claim to SamCERA except for those expenses actually incurred in connection with the performance of official business of the retirement association.

**(d) Approval by the Board.** All reimbursable expenses for Trustees that do not fall within the above provisions may be approved by the Board of Retirement at a public meeting before the expense is incurred.

#### **SECTION 5. ADVANCE PAYMENTS FOR EXPENSES.**

Whenever it appears to be in the best interests of SamCERA that any Trustee or employee of SamCERA travel outside of the County of San Mateo on official business, and where prior authorization for such travel has been given by the Board of Retirement, and it appears that it is necessary that such Trustee or employee be allowed a sum of money not in excess of two thousand five hundred dollars (\$2,500) for such travel expenses in advance, a claim for such advance showing the emergency requiring such advance shall be made out in the regular form and approved by the Chief Executive Officer and thereafter SamCERA shall draw their warrant in favor of such Trustee or employee. The Trustee or employee receiving such advance shall file with SamCERA after their return from such trip an itemized account, together with proper vouchers of their expenses and shall pay to SamCERA any balance remaining unexpended for SamCERA business purposes. SamCERA shall attach such statement to the original claim for such advance and shall immediately make the proper adjustment of the account from which the advance was drawn.

#### **SECTION 6. REPORTING BY TRUSTEES OF THE BOARD OF RETIREMENT**

Trustees shall provide a brief report, either orally or in writing, on meetings attended at the expense of SamCERA at the next attended regular meeting of the Board.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
**Board of Retirement**

January 25, 2022

Agenda Item 5.2

**TO:** Board of Retirement  
**FROM:** Scott Hood, Chief Executive Officer   
**SUBJECT:** Adoption of Cost of Living Adjustments (COLAs) for 2022

**Recommendation**

Approve a resolution adopting the Cost of Living Adjustments as recommended by Milliman, Inc.

**Discussion**

Annual COLAs to SamCERA benefits are calculated pursuant to the County Employees Retirement Law (CERL) which requires that COLAs be based on the change in the Consumer Price Index for the Bay Area provided by the U.S. Bureau of Labor Statistics and rounded to the nearest one half of one percent.

Milliman, Inc. has calculated the annual COLAs for each retirement tier and plan for approval by the Board. As reflected in the attached letter, Milliman reports that the CPI increased 3.21% during 2021. Rounded to the nearest one half of one percent, this yields a COLA of 3.0% for all Plan 1 and 2 members and a COLA of 2.0% for all Plan 4, 5, 6 and 7 members if they retire before April 2, 2022. Plan 3 does not receive a COLA.

All COLAs will be paid beginning with the April 2022 benefit payments.

**Attachments**

January 18, 2022 Letter from Milliman, Inc.  
Resolution Adopting Cost of Living Adjustments Effective April 1, 2022 as Recommended by Milliman, Inc.



1301 Fifth Avenue  
Suite 3800  
Seattle, WA 98101-2605  
USA

Tel +1 206 624 7940

milliman.com

January 18, 2022

Scott Hood  
Chief Executive Officer  
San Mateo County Employees' Retirement Association  
100 Marine Parkway, Suite 125  
Redwood Shores, CA 94065-5208

Re: Annual COLA Payable in 2022

Dear Scott:

The San Mateo County Employees' Retirement Association (SamCERA) provides a Cost-of-Living Adjustment (COLA) to retirees and beneficiaries who retired on or before April 1 of each year in accordance with Article 16.5 of the County Employees' Retirement Law of 1937 (CERL). This letter outlines the COLA percentage and changes to the COLA Bank to be adopted by the Board and effective in April of 2022.

### **Inflation Index**

The first step in the calculation process is the measurement of inflation. The calculation of the annual COLA is specified in the CERL. For Plan 1 General and Safety members, the COLA is governed by Section 31870.2. For Plan 1 Probation and all Plan 2 members, the details of the COLA are provided under Section 31870.1. For Plan 4-7 members, the COLA is governed by Section 31870. Plan 3 members do not receive any COLA under Article 16.5 of the CERL.

Section 31870.2 says that the COLA should be calculated using...

...the cost of living as of January 1<sup>st</sup> of each year as shown by the then current Bureau of Labor Statistics Consumer Price Index for All Urban Consumers for the area in which the county seat is situated...

Identical language appears in Sections 31870 and 31870.1 of the CERL. The Retirement Board has adopted the Annual Average Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco-Oakland-Hayward area (Base Period: 1982-84=100) as the basis for making the annual adjustments. This index increased by 3.21% during the 2021 calendar year, from an index value of 300.084 in 2020 to an index value of 309.721 in 2021.

## **COLA and COLA Bank**

The annual COLA that SamCERA retirees and beneficiaries are eligible to receive is based on the change in the consumer price index rounded to the nearest one-half of one percent (subject to the maximum COLAs specified in relevant sections of the CERL). We recommend that the SamCERA Board adopt the following items to take effect in April 2022:

- COLA percentage
  - Plan 1. Each retiree and beneficiary who retired on or before April 1, 2022 will receive a Cost-of-Living Adjustment of 3.0%.
  - Plan 2. Each retiree and beneficiary who retired on or before April 1, 2022 will receive a Cost-of-Living Adjustment of 3.0%
  - Plan 3. No Cost-of-Living Adjustment is provided to Plan 3 retirees and beneficiaries.
  - All Other Plans. Each retiree and beneficiary who retired on or before April 1, 2022 will receive a Cost-of-Living Adjustment of 2.0%, the maximum increase under CERL 31870.
  
- COLA Bank
  - Plan 1. COLA Banks are unchanged for all retirees and beneficiaries. After the payment of the April 2022 COLA, all retirees and beneficiaries will have COLA Bank balances of 0.0%. (Note that under no circumstances may the COLA Bank be reduced below 0.0%.)
  - All Other Plans. In accordance with Section 31874.4 of the CERL, retirees and beneficiaries of plans 2 through 7 do not accumulate COLA Banks.

## **Certification**

Milliman's work product was prepared exclusively for the use or benefit of SamCERA for a specific and limited purpose. It is a complex, technical analysis that assumes a high level of knowledge concerning SamCERA's operations. It is not for the use or benefit of any third party for any purpose. Any third party recipient of Milliman's work product who desires professional guidance should not rely upon Milliman's work product, but should engage qualified professionals for advice appropriate to its own specific needs.

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal, investment, or accounting counsel.

The signing actuaries are independent of the plan sponsors. We are not aware of any relationship that would impair the objectivity of our work.

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

Please let us know if you have any questions or need any additional information.

Sincerely,

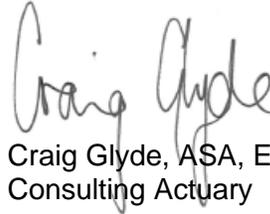
A handwritten signature in black ink that reads "Nick Collier".

Nick Collier, ASA, EA, MAAA  
Consulting Actuary

NC/CG/nlo

Attachments

cc: Gladys Smith

A handwritten signature in black ink that reads "Craig Glyde".

Craig Glyde, ASA, EA, MAAA  
Consulting Actuary

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

**Board of Retirement**

**RESOLUTION ADOPTING COST OF LIVING ADJUSTMENTS EFFECTIVE APRIL 1, 2022  
AS RECOMMENDED BY MILLIMAN, INC.**

RESOLUTION 2021-\_\_

**WHEREAS**, Government Code Sections 31870, 31870.1, 31870.2 and 31874.4 authorize the Board to grant cost of living adjustments on an annual basis to recipients of SamCERA benefits; and

**WHEREAS**, the Board has retained Milliman, Inc. to provide actuarial services to the Board; and

**WHEREAS**, Milliman, Inc., by its letter dated January 18, 2022, has provided the appropriate annual cost of living adjustments for benefits based on the member's retirement tier, date of retirement; and applicable County Employees Retirement Law (CERL) statute, therefore, be it

**RESOLVED**, that the Board adopts the schedules of cost of living adjustments set forth in the attached January 18, 2022, letter from Nick Collier and Craig Glyde, Consulting Actuaries, Milliman, Inc., to Chief Executive Officer Scott Hood, therefore, be it

**FURTHER RESOLVED**, that the Board hereby adopts said cost of living adjustments effective April 1, 2022, therefore be it

**FURTHER RESOLVED**, that the Chief Executive Officer is hereby authorized and directed to take all actions necessary to provide for the payment of cost of living adjustments in accordance with the adopted schedules.

\* \* \* \* \*

Regularly passed and adopted, by the San Mateo County Employees' Retirement Association, Board of Retirement, on January 25, 2022.

Ayes, Trustees:

Noes, Trustees:

Absent, Trustees:

Abstain, Trustees:

---

Mark Battey  
Board Secretary

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**Board of Retirement**

January 25, 2022

Agenda Item 6.1

**TO:** Board of Retirement

**FROM:** Michael Coultrip, Chief Investment Officer



**SUBJECT:** Preliminary Monthly Portfolio Performance Report for the Period Ended  
December 31, 2021

**Recommendation**

Accept the preliminary performance report dated December 31, 2021.

**Background**

This preliminary report is intended to provide a high-level view of the portfolio and its trends. It is not intended to provide short-term performance upon which the Board would act. The quarterly performance metrics are not yet available for our private equity, private credit, private real asset, and real estate portfolios. The performance for these portfolios will be reflected in the quarterly performance report generated by Verus.

The attached performance report shows both net and gross of fee returns for the total plan on page one, with net composite returns on page two and net manager returns (pages 3-9) also shown.

**Discussion**

The fund's net preliminary return for December was 2.2%, bringing the preliminary trailing twelve-month net return ending December 2021 to 11.9%. The preliminary twelve-month net return is below SamCERA's Plan Benchmark return of 13.1% but above SamCERA's Actuarial Assumed Earnings Rate of 6.25%.

Global equities (and risk assets in general) had a strong month in December. The U.S. equity market (measured by the S&P 500 Index) was up 4.5%, while small-capitalization stocks were up 2.2%. Developed international equity (as measured by MSCI EAFE) was up 5.1% while emerging markets were up 1.9% in December.

Economic data was generally strong in December. Manufacturing grew but at a slower rate due to labor and supply chain challenges. The labor market continued its recovery with the headline unemployment rate falling to 3.9% in December. Even consumer confidence, which has been weakening over prior months, showed strength in December according to the Conference Board. Inflation (as measured by the Consumer Price Index - All Urban Consumers) increased by 0.5% in December, bringing the yearly increase to 7.0%, which was the highest calendar year rate in nearly 40 years.

The general U.S. fixed income market was down in December as interest rates increased. The Fed pivoted to more of a hawkish stance in December, announcing a doubling of their monthly taper and signaling a willingness to reduce their bond holdings by letting maturities roll off the books. The yield curve flattened as shorter-term interest rates rose more than longer-term interest rates. The 10-year U.S. Treasury yield was higher by 7 basis points during the month and ended at 1.51% by month-end. High Yield returns were up 1.9% and the Bloomberg Commodity Index was up 3.5%.

**Attachments**

Verus Capital Market Update

Northern Trust Monthly Preliminary Performance Report



**PERSPECTIVES  
THAT DRIVE  
ENTERPRISE  
SUCCESS**

DECEMBER 2021  
Capital Markets Update

# Market commentary

## U.S. ECONOMICS

- U.S. non-farm payrolls increased by 199,000 in December, significantly short of economist expectations for 450,000 new jobs. Payrolls grew by 6.4 million in 2021, the most added in a single year, though payrolls remain 3.6 million beneath pre-pandemic levels.
- The headline unemployment rate fell to 3.9% from 4.2% in November. Wages climbed 4.7% from a year prior and continued to substantiate views of a tight US labor market.
- The ISM Services PMI fell to 62.0, marking the 19<sup>th</sup> consecutive month of expansion, though the pace of expansion moderated from the record level set in November. Decreased supplier delivery times, which fell 11.8 points to 63.9, indicated that some supply chain disruptions may have eased.

## U.S. EQUITIES

- The S&P 500 posted four record closes in the final month of 2021 and produced a 4.5% gain to close at 4766 points. The S&P 500 recorded 70 record closes during the year, the most since 1995.
- Whether companies can continue to preserve profit margins in Q4 remains in question. Producer prices rose in the most recent month by the largest annual amount since 2010. Producer prices are a leading indicator to what consumers might pay if companies preserve margins by passing on increasing costs to consumers.
- The \$1.75 trillion Build Back Better Act stalled in the Senate as it was unable to gain the support of Senator Manchin, a key swing vote. The bill – which would extend child tax credits and incentivize investment in clean energy among other spending measures – will be a priority as the 2022 mid-term elections approach.

## U.S. FIXED INCOME

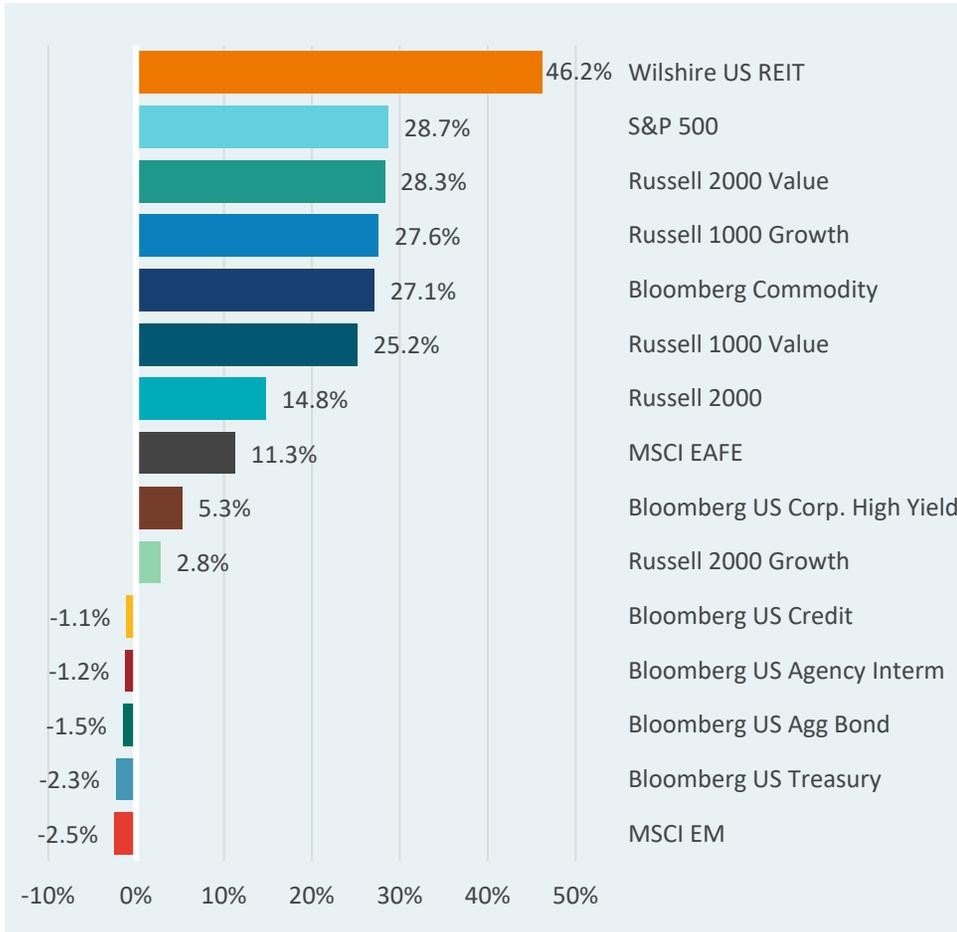
- The Federal Reserve persisted in its commitment to a hawkish stance to further combat surging prices. The Fed increased the pace of its taper to \$30 billion, a doubling from the month before. Looking ahead, the Fed will be considering how soon after the conclusion of the taper process they will be able to start decreasing the size of their balance sheet.
- The range for federal funds was left unchanged at near-zero levels, but the Fed is expected to begin hiking interest rates in March. Most Fed officials expect three quarter-percentage-point interest-rate increases in 2022, a change from September when half of officials thought there would be no hikes in 2022.
- Shorter-dated US Treasury yields rose by more than longer-dated Treasuries as the yield curve flattened. U.S. Treasury yields rose across maturities (2yr +21bps, 30yr +12bps), resulting in negative performance for fixed income investors.

## INTERNATIONAL MARKETS

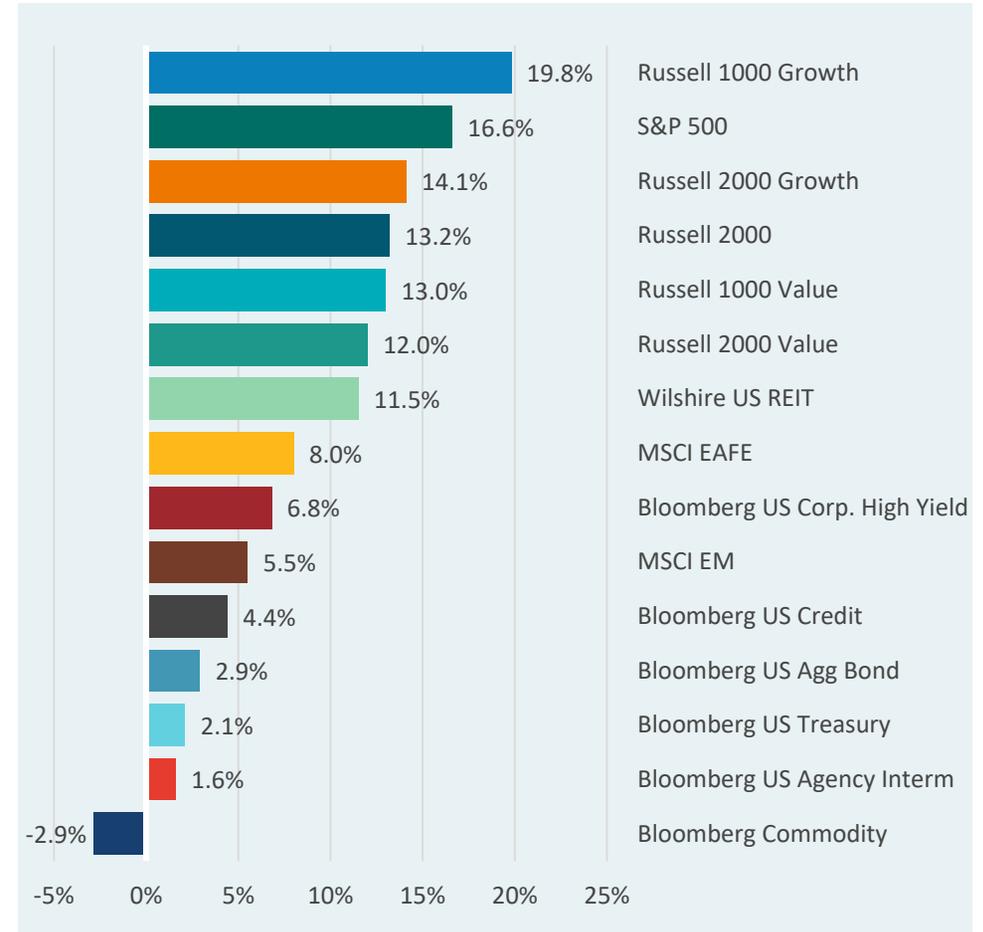
- The Japanese Yen depreciated -1.4% against the U.S. Dollar in December. The currency is down -10.3% in 2021 as the currency remains near a 5-year low.
- Monetary policy in China remains supportive: the one-year loan prime rate was cut for the first time since April 2020, which came alongside a cut in the reserve requirement ratio. Chinese growth is expected to cool in 2022.
- The Turkish Lira (+1.3%) stabilized against the U.S. Dollar following President Erdogan's announcement that the government would protect Lira holders from exchange rate fluctuations.

# Major asset class returns

ONE YEAR ENDING DECEMBER



TEN YEARS ENDING DECEMBER



\*Only publicly traded asset performance is shown here. Performance of private assets is typically released with a 3- to 6-month delay.

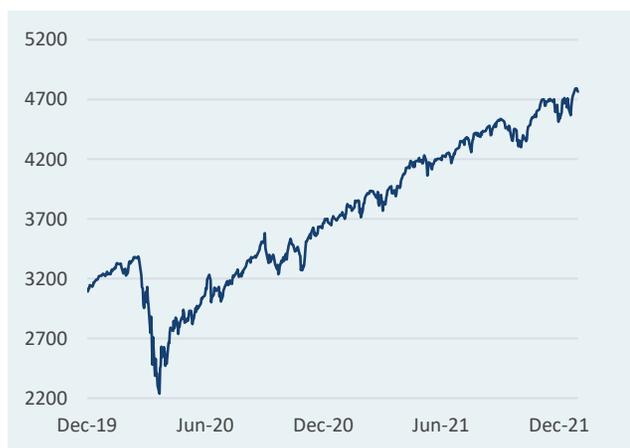
Source: Morningstar, as of 12/31/21

Source: Morningstar, as of 12/31/21

# U.S. large cap equities

- The S&P 500 Index closed the month 4.5% higher despite concern from investors surrounding the increasing case count of the new Omicron variant of Covid-19. The S&P 500 rose 28.7% in 2021, marking the third year of consecutive positive returns.
- Of the 11 S&P 500 GICS sectors 10 posted positive returns and the Consumer Discretionary sector was the only sector to post a negative return (-0.3%). The Consumer Staples (+10.3%), Real Estate (+10.2%) and Utilities (+9.6%) sectors were the top performing sectors in the index.
- The Cboe VIX Index of implied volatility fell from 31.1 to 17.2 in December. Concerns surrounding the Omicron variant seemed to have little impact on the index and trading volumes slowed as the year approached its end.
- With 66 initial public offerings in December, full year IPOs totaled 1,058 in 2021 – the most recorded in a single year. Low rates and high levels of fiscal stimulus over the year helped make going public attractive. The wave of IPOs has been a benefit to revenues for the firms that underwrite and finance the offerings. The Financials sector climbed 35.0% in 2021.

**S&P 500 PRICE INDEX**



Source: Bloomberg, as of 12/31/21

**IMPLIED VOLATILITY (VIX INDEX)**



Source: Cboe, as of 12/31/21

**S&P 500 VALUATION SNAPSHOT**

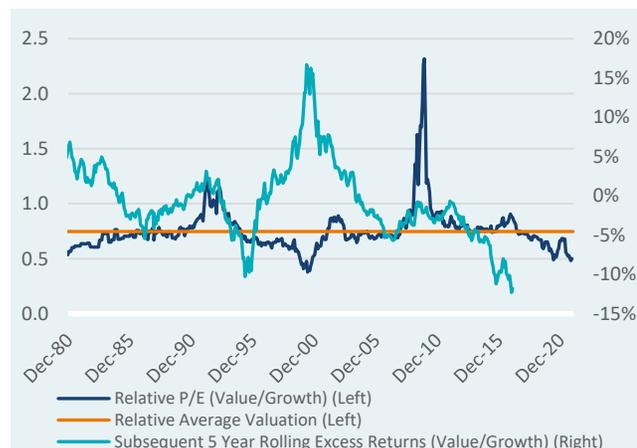


Source: Bloomberg, as of 12/31/21

# Domestic equity size and style

- Value factor stocks (Russell 3000 Value +6.2%) strongly outperformed growth factor stocks (Russell 3000 Growth +2.0%) and brought the spread between the two styles to within roughly 50 basis points over the year ended 2021. Companies in the Telecommunication Services and Utilities sectors helped the value factor outperform over the month.
- Defensive stocks outpaced cyclical stocks by 5.1% in December. More defensive sectors such as Health Care and Utilities led gains in equity markets. Stocks within sectors that are more cyclical lagged, such as the Financials, Information Technology, and Energy sectors.
- Large-cap equities (Russell 1000 +4.1%) outpaced small cap-equities (Russell 2000 +2.2%) for the 3<sup>rd</sup> consecutive month. Small-cap equities are generally more sensitive to economic conditions and have been restrained in part by the Omicron variant’s potential to lead to new social restrictions that can hamper growth.
- Positive returns within the S&P 500 Index had a high degree of breadth over the month. Of the index’s constituents, 76% advanced and the equal-weighted index outperformed the market-cap weighted index (S&P 500 Equal Weighted +6.2% vs. S&P 500 +4.5%).

**VALUE VS. GROWTH RELATIVE VALUATIONS**



Source: FTSE, Bloomberg, as of 12/31/21

**VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE**



Source: FTSE, Bloomberg, as of 12/31/21

**SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE**



Source: FTSE, Bloomberg, as of 12/31/21

# Fixed income

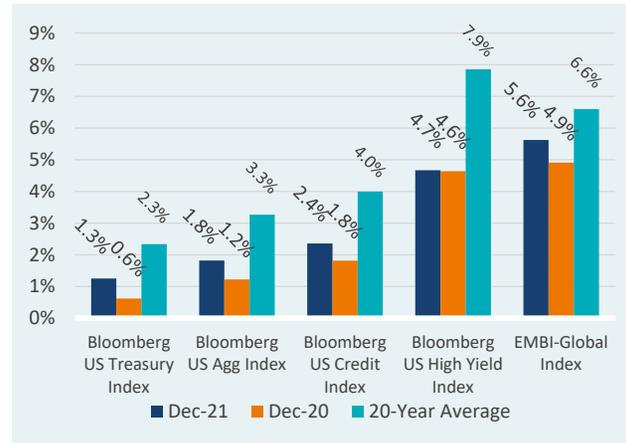
- Increases in breakeven inflation rates can show that markets believe that prices may increase at a faster rate over the intermediate term. The five-year breakeven inflation rate rose by 10 basis points over the month but ended the year 30 basis points below its peak of 3.2% in November as the market priced in earlier rate action by the Fed.
- Corporate high-yield bonds (Bloomberg US Corp. HY +1.9%) provided insulation to fixed income investors amid a month of rate rises (Bloomberg US Agg -0.3%). High yield bonds tend to have lower interest-rate sensitivity relative to investment-grade bonds.
- In what has been a benign credit environment spreads have compressed to near decade lows. The spread of high-yield bonds (-57 basis points), emerging market debt (-42 basis points) and investment grade debt (-5 basis points) all compressed further over the month.
- The Bank of England approved a 15-basis point increase in its key policy rate, becoming the first G7 country to lift rates since the onset of Covid. Gilt yields surged across maturities following the surprise announcement. The Omicron variant may hinder economic growth in line with the reimplementations of lockdowns and prolonged supply chain disruptions.

**U.S. TREASURY YIELD CURVE**



Source: Bloomberg, as of 12/31/21

**NOMINAL YIELDS**



Source: Morningstar, as of 12/31/21

**BREAKEVEN INFLATION RATES**

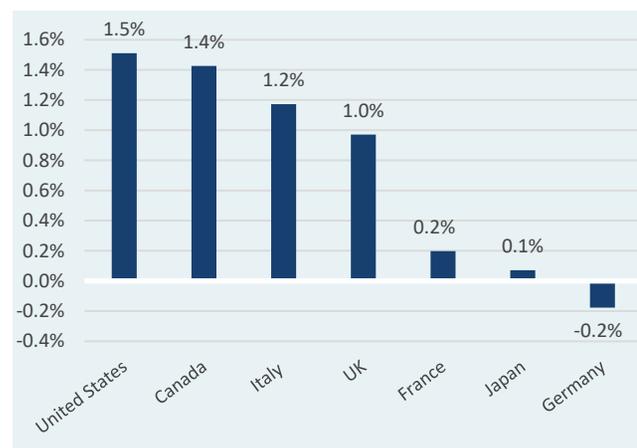


Source: Bloomberg, as of 12/31/21

# Global markets

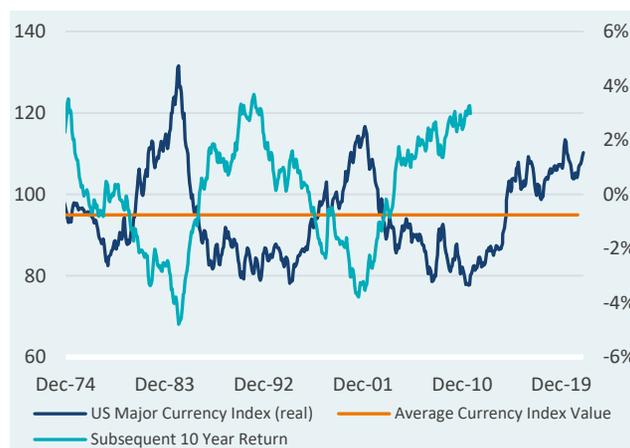
- Global equities (MSCI ACWI +4.0%) were led by both developed market equities (MSCI EAFE +5.1%) and U.S. equities (S&P 500 +4.5%). Emerging market equities (MSCI EM +1.9%) underperformed other world indices but still posted modest returns.
- Developed markets (MSCI EAFE +5.1%) were led higher by strong returns in the United Kingdom (MSCI UK +7.3%) and Europe (MSCI Euro +6.3%). Investors that held local currencies in both the United Kingdom and Europe benefited from a weakening dollar. The Pound and the Euro appreciated 2.4% and 1.0%, respectively, against the U.S. Dollar.
- Emerging market equities (MSCI EM +1.9%) faced headwinds in Asia (MSCI EM Asia +1.5%) as decreased growth prospects in China weighed on the region. Latin American markets (MSCI EM Latin America +5.9%) contributed positively to the emerging market basket.
- The new Omicron variant of Covid-19 has been spreading quickly across the globe. The variant has caused countries to limit travel and sparked new social distancing measures. Beijing banned travel from the U.S. and Europe and is implementing strict policies to fight Omicron. Port quarantine policies and other measures may pose new issues for supply chains.

**GLOBAL SOVEREIGN 10-YEAR YIELDS**



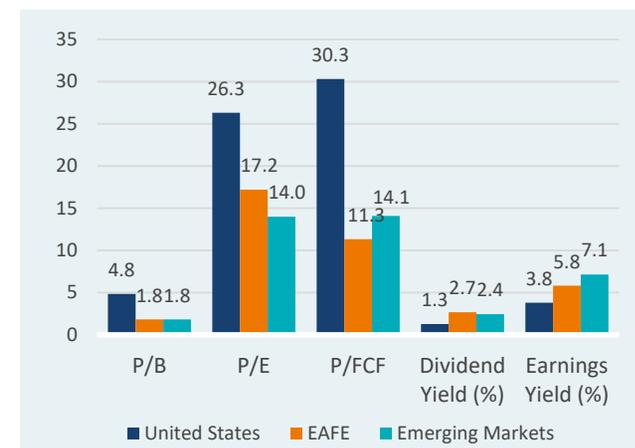
Source: Bloomberg, as of 12/31/21

**U.S. DOLLAR MAJOR CURRENCY INDEX**



Source: Federal Reserve, as of 12/31/21

**MSCI VALUATION METRICS (3-MONTH AVG)**



Source: Bloomberg, as of 12/31/21

# Commodities

- The Bloomberg Commodity Index rose +3.5% in the last month of the year, led higher by the Petroleum (+13.4%), and Industrial Metals (+6.4%) Sub-Indexes. Overall performance was dragged down by lackluster returns in the Livestock (+1.5%) and Softs (+0.3%) Sub-Indexes.
- The Bloomberg Petroleum Sub-Index (+13.4%) rebounded in December, bringing its year-to-date return to +62.9%, as WTI crude oil futures contracts rallied +13.9%. Ecuador, Libya and Nigeria – which accounted for 3.6% of global petroleum production in the first nine months of 2021 – faced major production issues that decreased supply over the month.
- The Bloomberg Energy Sub-Index (+2.8%) was weighed down by natural gas which accounts for as much of a weight in the index as WTI Crude Oil (~27% target weight). Prices for natural gas fell following government weather forecasts that were projected warmer-than-expected and provided relief to heating prices.
- The Bloomberg Industrial Metals Sub-Index climbed +6.4% and posted the highest calendar year return since 2009 (+30.3%). All the industrial metals saw gains over the month, notably aluminum (+6.5%) led gains for the year and was up +42.5%. High energy costs pressured aluminum smelters to limit operations.

## INDEX AND SECTOR PERFORMANCE

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg Commodity	3.5	(1.6)	27.1	27.1	9.9	3.7	(2.9)
Bloomberg Agriculture	3.6	6.3	26.7	26.7	14.5	3.6	(1.8)
Bloomberg Energy	2.8	(13.0)	52.1	52.1	(0.9)	(4.0)	(10.4)
Bloomberg Grains	3.8	6.8	21.0	21.0	12.6	3.6	(2.1)
Bloomberg Industrial Metals	6.4	8.6	30.3	30.3	17.5	11.1	1.8
Bloomberg Livestock	1.5	1.9	8.6	8.6	(7.9)	(3.9)	(4.2)
Bloomberg Petroleum	13.4	2.3	62.9	62.9	9.2	2.9	(6.9)
Bloomberg Precious Metals	2.8	4.3	(6.1)	(6.1)	11.3	7.9	(0.3)
Bloomberg Softs	0.3	5.7	44.0	44.0	15.6	0.5	(4.9)

Source: Morningstar, as of 12/31/21

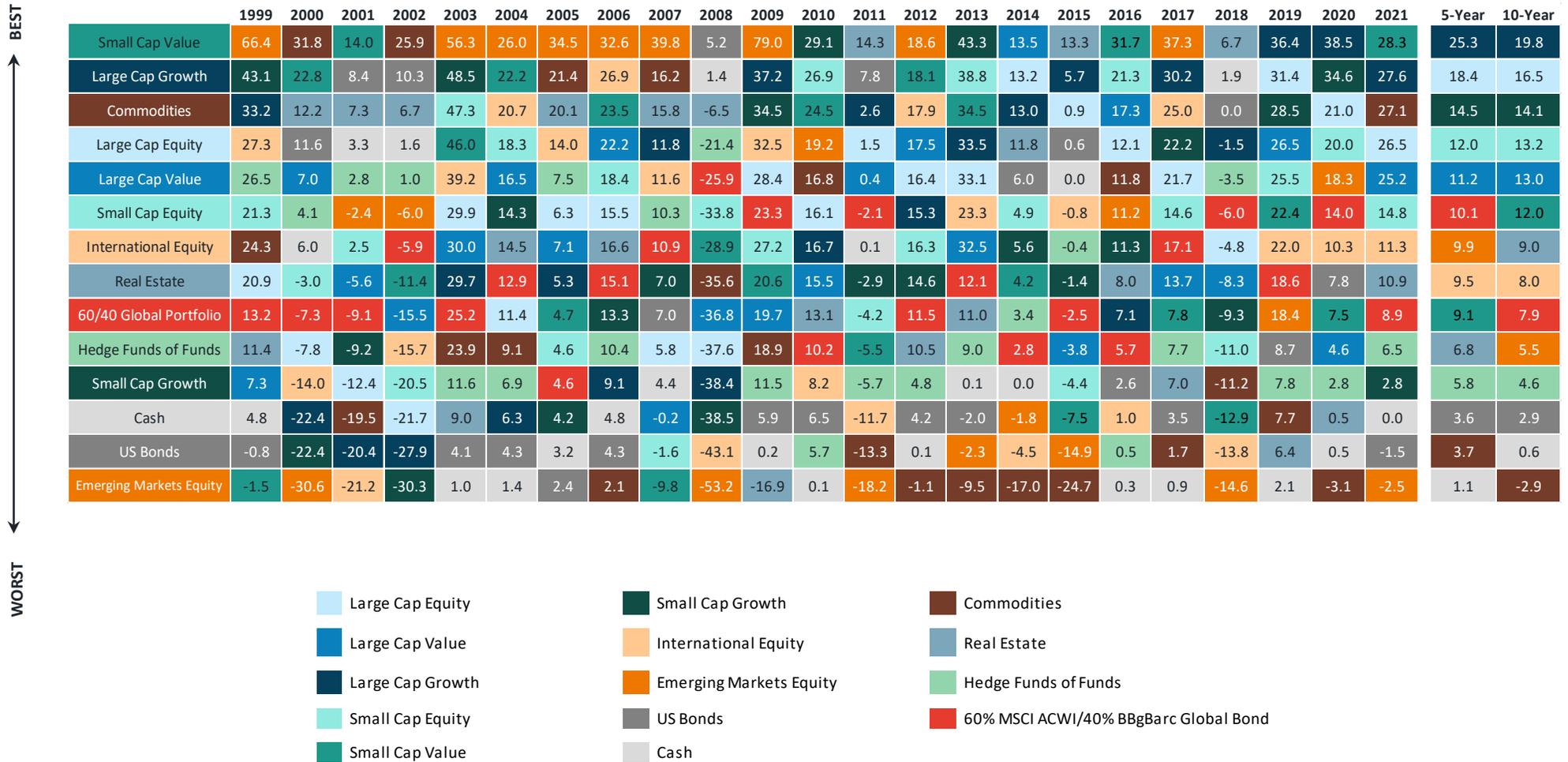
## COMMODITY PERFORMANCE



Source: Bloomberg, as of 12/31/21

# Appendix

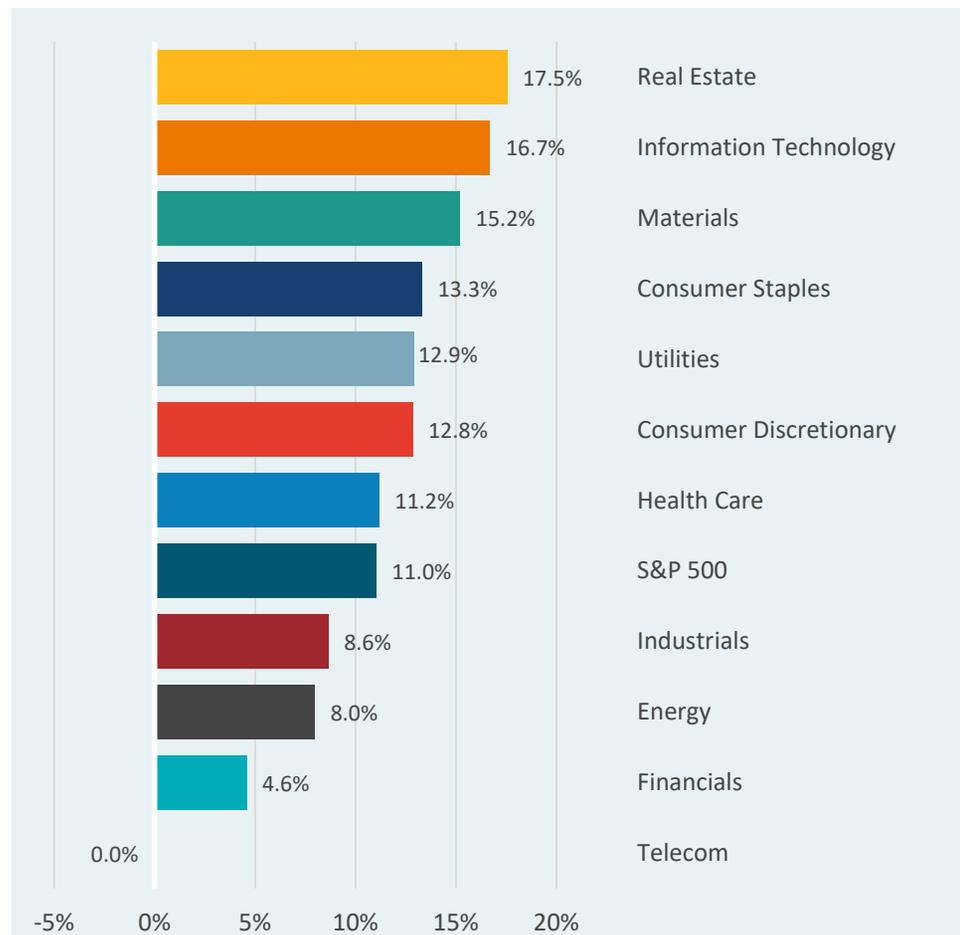
# Periodic table of returns



Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 9/30/21.

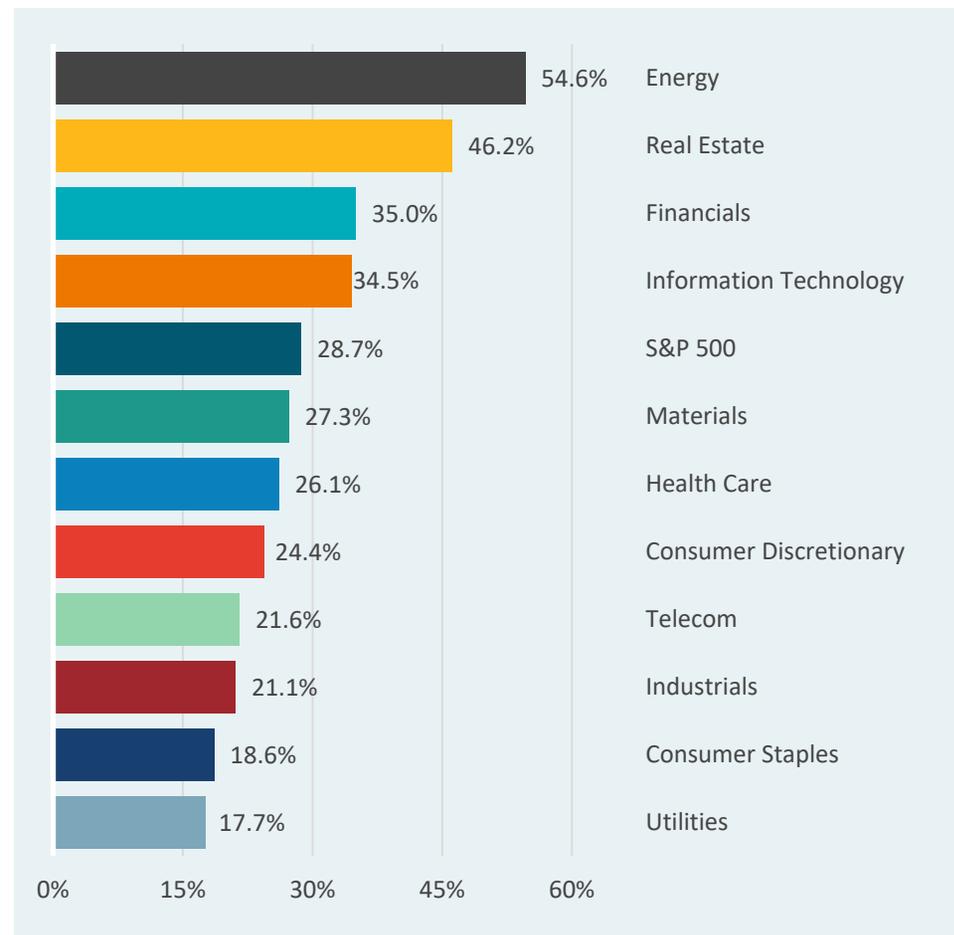
# S&P 500 sector returns

Q4 2021



Source: Morningstar, as of 12/31/21

ONE YEAR ENDING DECEMBER



Source: Morningstar, as of 12/31/21

# Detailed index returns

## DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Core Index</b>							
S&P 500	4.5	11.0	28.7	28.7	26.1	18.5	16.6
S&P 500 Equal Weighted	6.2	9.0	29.6	29.6	23.6	15.7	15.6
DJ Industrial Average	5.5	7.9	20.9	20.9	18.5	15.5	14.2
Russell Top 200	4.0	11.0	27.9	27.9	27.3	19.7	17.2
Russell 1000	4.1	9.8	26.5	26.5	26.2	18.4	16.5
Russell 2000	2.2	2.1	14.8	14.8	20.0	12.0	13.2
Russell 3000	3.9	9.3	25.7	25.7	25.8	18.0	16.3
Russell Mid Cap	4.1	6.4	22.6	22.6	23.3	15.1	14.9
<b>Style Index</b>							
Russell 1000 Growth	2.1	11.6	27.6	27.6	34.1	25.3	19.8
Russell 1000 Value	6.3	7.8	25.2	25.2	17.6	11.2	13.0
Russell 2000 Growth	0.4	0.0	2.8	2.8	21.2	14.5	14.1
Russell 2000 Value	4.1	4.4	28.3	28.3	18.0	9.1	12.0

## INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Index</b>							
MSCI ACWI	4.0	6.7	18.5	18.5	20.4	14.4	11.9
MSCI ACWI ex US	4.1	1.8	7.8	7.8	13.2	9.6	7.3
MSCI EAFE	5.1	2.7	11.3	11.3	13.5	9.5	8.0
MSCI EM	1.9	(1.3)	(2.5)	(2.5)	10.9	9.9	5.5
MSCI EAFE Small Cap	4.4	0.1	10.1	10.1	15.6	11.0	10.8
<b>Style Index</b>							
MSCI EAFE Growth	4.3	4.1	11.3	11.3	19.0	13.6	10.1
MSCI EAFE Value	6.0	1.2	10.9	10.9	7.8	5.3	5.8
<b>Regional Index</b>							
MSCI UK	7.3	5.6	18.5	18.5	8.7	6.2	5.1
MSCI Japan	1.9	(4.0)	1.7	1.7	11.7	8.5	8.3
MSCI Euro	6.3	3.9	14.9	14.9	14.6	9.7	8.4
MSCI EM Asia	1.5	(1.0)	(5.1)	(5.1)	13.3	11.9	8.1
MSCI EM Latin American	5.9	(2.7)	(8.1)	(8.1)	(2.4)	1.5	(2.2)

## FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Index</b>							
Bloomberg US TIPS	0.3	2.4	6.0	6.0	8.4	5.3	3.1
Bloomberg US Treasury Bills	0.0	0.0	0.0	0.0	1.0	1.2	0.7
Bloomberg US Agg Bond	(0.3)	0.0	(1.5)	(1.5)	4.8	3.6	2.9
Bloomberg US Universal	(0.1)	(0.0)	(1.1)	(1.1)	5.2	3.8	3.3
<b>Duration</b>							
Bloomberg US Treasury 1-3 Yr	(0.2)	(0.6)	(0.6)	(0.6)	2.0	1.6	1.1
Bloomberg US Treasury Long	(1.4)	3.1	(4.6)	(4.6)	8.8	6.5	4.5
Bloomberg US Treasury	(0.5)	0.2	(2.3)	(2.3)	4.1	3.1	2.1
<b>Issuer</b>							
Bloomberg US MBS	(0.1)	(0.4)	(1.0)	(1.0)	3.0	2.5	2.3
Bloomberg US Corp. High Yield	1.9	0.7	5.3	5.3	8.8	6.3	6.8
Bloomberg US Agency Interm	(0.2)	(0.7)	(1.2)	(1.2)	2.4	2.0	1.6
Bloomberg US Credit	(0.1)	0.2	(1.1)	(1.1)	7.2	5.1	4.4

## OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Index</b>							
Bloomberg Commodity	3.5	(1.6)	27.1	27.1	9.9	3.7	(2.9)
Wilshire US REIT	8.8	17.1	46.2	46.2	19.2	10.9	11.5
CS Leveraged Loans	0.6	0.7	5.4	5.4	5.4	4.3	4.8
S&P Global Infrastructure	6.6	4.6	11.9	11.9	10.2	7.8	7.7
Alerian MLP	3.7	0.9	40.9	40.9	1.0	(3.7)	(0.3)
<b>Regional Index</b>							
JPM EMBI Global Div	1.4	(0.4)	(1.8)	(1.8)	5.9	4.7	5.3
JPM GBI-EM Global Div	1.6	(2.5)	(8.7)	(8.7)	2.1	2.8	0.7
<b>Hedge Funds</b>							
HFRI Composite	1.3	0.6	10.3	10.3	10.9	7.1	5.8
HFRI FOF Composite	0.8	0.7	6.5	6.5	8.6	5.8	4.6
<b>Currency (Spot)</b>							
Euro	1.0	(1.9)	(7.1)	(7.1)	(0.2)	1.5	(1.3)
Pound Sterling	2.4	0.5	(0.9)	(0.9)	2.1	1.9	(1.4)
Yen	(1.4)	(3.1)	(10.3)	(10.3)	(1.6)	0.3	(4.0)

Source: Morningstar, HFRI, as of 12/31/21

# Detailed private market returns

## Comparison to public market index returns

Private Equity Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Private Equity FoFs & Secondary Funds	61.1	22.6	18.7	13.1
Global Private Equity Direct Funds *	61.3	25.9	22.3	15.6
U.S. Private Equity Direct Funds *	66.0	28.0	23.3	17.2
Europe Private Equity Direct Funds *	61.5	24.9	23.3	12.9
Asia Private Equity Direct Funds *	45.4	20.8	19.0	14.9

Public Index Time-weighted Returns	1 Year	3 Year	5 Year	10 Year
MSCI World	39.0	15.0	14.8	10.7
S&P 500	40.8	18.7	17.6	14.8
MSCI Europe	35.1	8.7	10.3	5.6
MSCI AC Asia Pacific	34.3	10.3	12.6	7.0

Private Real Estate Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Real Estate	19.5	8.4	9.4	11.9

Public Index Time-weighted Returns	1 Year	3 Year	5 Year	10 Year
FTSE NAREIT Equity REIT	38.0	10.1	6.3	9.4

Private Credit Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Debt **	34.1	12.1	12.6	11.1

Public Index Time-weighted Returns	1 Year	3 Year	5 Year	10 Year
S&P / LSTA U.S. Leveraged Loan 100 Index	9.4	4.3	4.7	4.1

Private Real Assets Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Nature Resources ***	26.6	(3.0)	2.5	1.4
Global Infrastructure	16.8	10.3	11.2	9.8

Public Index Time-weighted Returns	1 Year	3 Year	5 Year	10 Year
S&P Global Natural Resources	49.3	6.1	11.4	2.3
S&P Global Infrastructure	23.2	5.6	6.2	6.2

Source: Pooled IRRs are from Thompson Reuters C/A and Time-weighted Returns are from Investment Metrics, as of June 30<sup>th</sup>, 2021. All returns in U.S. dollars.

\* Includes Buyout, Growth Equity and Venture Capital.

\*\* Includes Control-Oriented Distressed, Credit Opportunities, Senior Debt and Subordinated Capital.

\*\*\* Includes Private Equity Energy, Timber and Upstream Energy & Royalties.

# Notices & disclosures

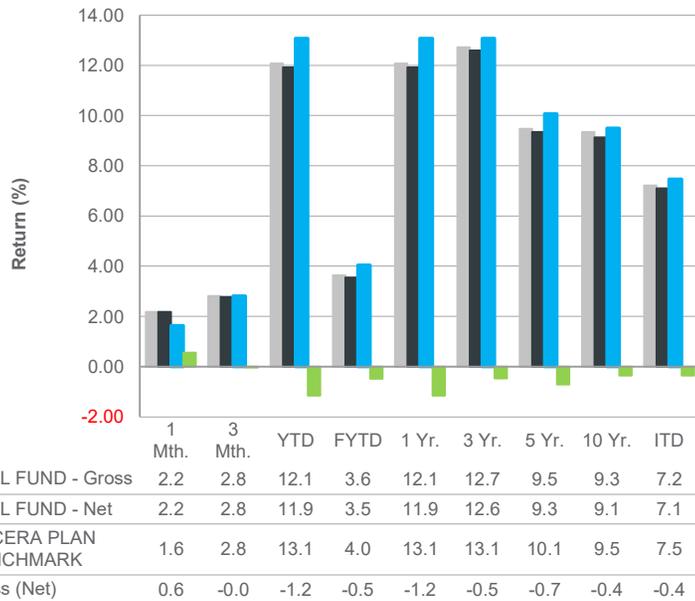
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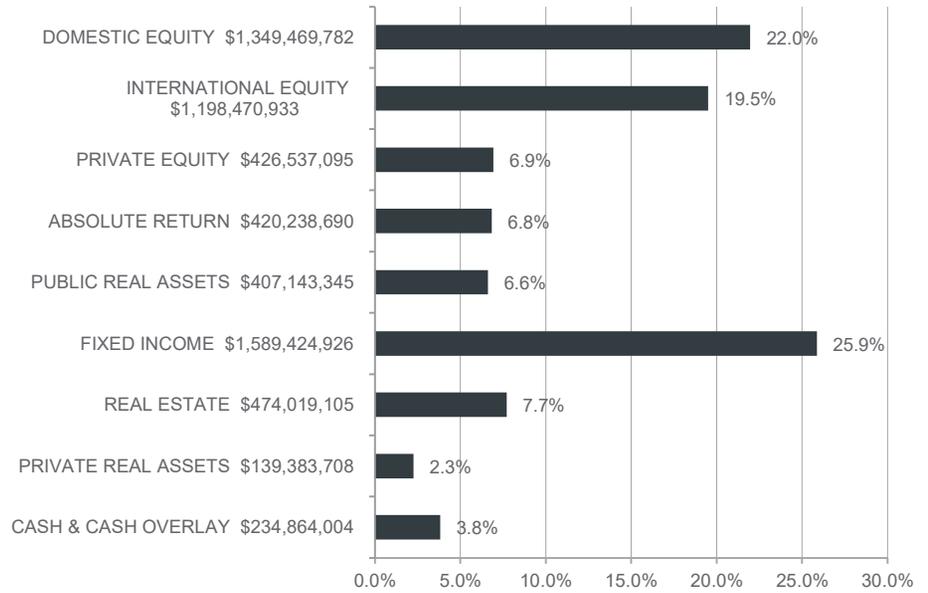
# San Mateo County Composite Return Summary December 31, 2021



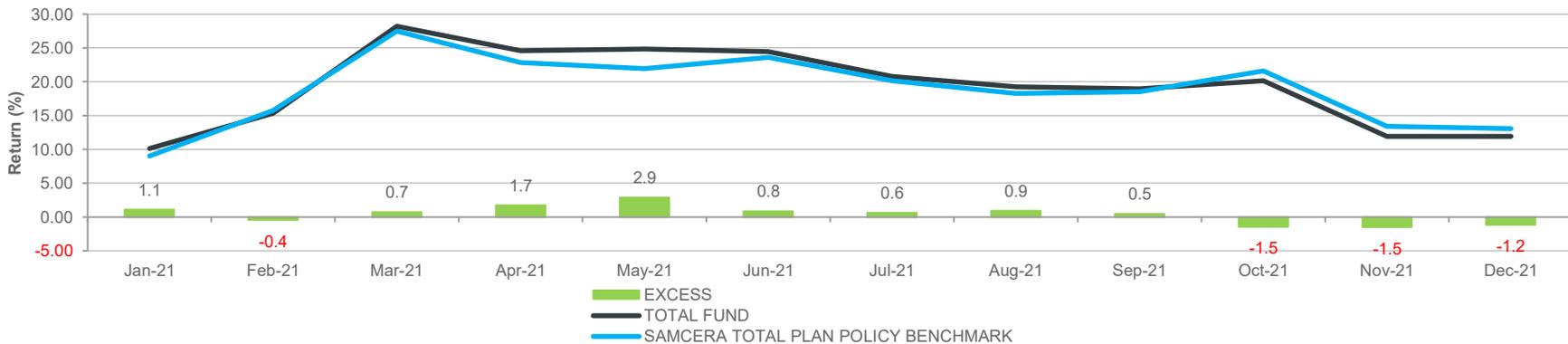
**Total Fund Performance**



**Asset Allocation**

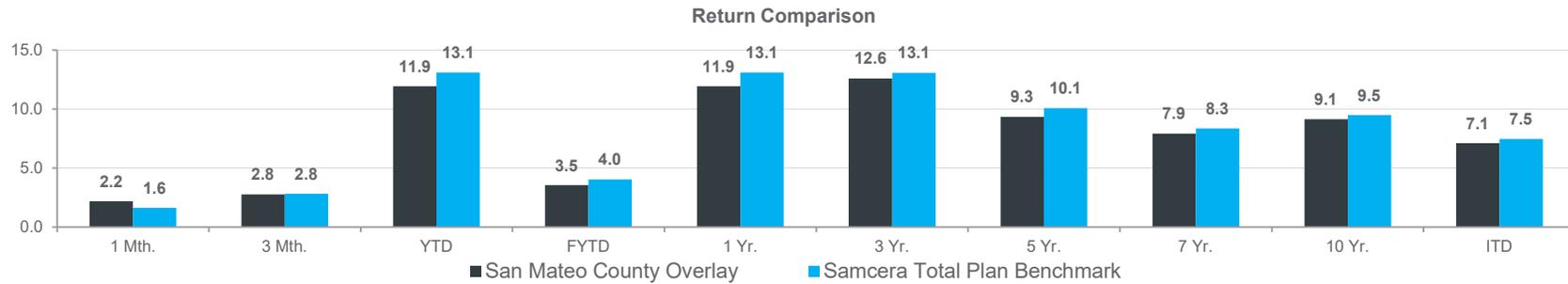


**Rolling Month End Annual Returns**



# San Mateo County Composite Return Summary

December 31, 2021



Composite Returns (Net of Manager Fees)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
San Mateo County Overlay	6,143,713,008	2.2	2.8	11.9	3.5	11.9	12.6	9.3	7.9	9.1	7.1
Samcera Total Plan Benchmark		1.6	2.8	13.1	4.0	13.1	13.1	10.1	8.3	9.5	7.5
Excess		0.6	-0.0	-1.2	-0.5	-1.2	-0.5	-0.7	-0.4	-0.4	-0.4
San Mateo Ex-Clifton Overlay	6,130,939,090	2.2	2.7	11.9	3.6	11.9	12.5	9.3	7.8	9.0	7.0
Samcera Total Plan Benchmark		1.6	2.8	13.1	4.0	13.1	13.1	10.1	8.3	9.5	7.5
Excess		0.5	-0.1	-1.1	-0.5	-1.1	-0.6	-0.8	-0.5	-0.4	-0.4
Total Equity	2,547,940,715	4.2	5.8	16.8	4.2	16.8	19.0	13.8	10.8	12.3	8.5
Samcera Total Equity Benchmark		3.9	5.9	18.8	5.1	18.8	20.3	14.4	11.7	13.4	9.2
Excess		0.3	-0.2	-2.0	-0.8	-2.0	-1.3	-0.6	-0.9	-1.1	-0.7
Fixed Income	1,589,424,926	0.0	0.3	2.0	0.5	2.0	5.6	4.7	4.3	4.7	5.4
Samcera Fixed Income Benchmark		0.5	0.2	0.4	0.6	0.4	6.0	4.4	3.8	3.4	5.0
Excess		-0.4	0.0	1.5	-0.1	1.5	-0.4	0.3	0.5	1.3	0.5
Alternatives	846,775,785	1.3	-1.8	15.0	4.9	15.0	18.0	12.7	10.5	9.2	1.0
Samcera Alternatives Benchmark		-1.8	0.8	17.5	5.4	17.5	11.9	12.1	9.9	10.4	8.6
Excess		3.0	-2.5	-2.5	-0.5	-2.5	6.1	0.6	0.6	-1.3	-7.6
Inflation Hedge	1,020,546,158	1.6	3.6	16.4	6.3	16.4	5.3	4.3	--	--	5.7
SamCERA Inflation Hedge Index		0.8	1.1	18.3	6.0	18.3	8.5	7.0	--	--	--
Excess		0.8	2.5	-1.9	0.2	-1.9	-3.2	-2.7	--	--	--
Cash	234,864,004	0.0	0.0	0.3	0.1	0.3	0.7	0.7	0.7	0.7	1.8
Samcera Cash Benchmark		0.0	0.0	0.0	0.0	0.0	1.0	1.1	0.9	0.6	1.7
Excess		0.0	0.0	0.3	0.1	0.3	-0.3	-0.4	-0.2	0.0	0.0



# San Mateo County Composite Return Summary

December 31, 2021



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Total Equity	2,547,940,715	4.2	5.8	16.8	4.2	16.8	19.0	13.8	10.8	12.3	8.5
Samcera Total Equity Benchmark		3.9	5.9	18.8	5.1	18.8	20.3	14.4	11.7	13.4	9.2
Excess		0.3	-0.2	-2.0	-0.8	-2.0	-1.3	-0.6	-0.9	-1.1	-0.7
Domestic Equity	1,349,469,782	5.1	9.7	24.1	9.3	24.1	22.6	16.4	13.3	15.0	9.7
Samcera Dom. Equity Benchmark		3.9	9.3	25.7	9.2	25.7	25.8	18.0	14.5	16.2	10.3
Excess		1.2	0.4	-1.6	0.1	-1.6	-3.2	-1.6	-1.2	-1.2	-0.6
Large Cap Equity	1,230,532,570	5.2	10.2	23.9	9.8	23.9	23.0	17.1	14.0	15.7	10.4
Russell 1000		4.1	9.8	26.5	10.0	26.5	26.2	18.4	14.8	16.5	11.0
Excess		1.1	0.4	-2.6	-0.2	-2.6	-3.2	-1.3	-0.9	-0.9	-0.6
Blackrock Russell 1000	554,394,846	4.1	9.8	26.4	10.0	26.4	26.4	--	--	--	18.4
Russell 1000		4.1	9.8	26.5	10.0	26.5	26.2	--	--	--	18.3
Excess		0.0	0.0	-0.0	-0.0	-0.0	0.2	--	--	--	0.2
DE Shaw Commingled Fund	196,086,555	3.8	10.5	21.2	9.4	21.2	23.0	17.2	14.5	--	14.5
Russell 1000		4.1	9.8	26.5	10.0	26.5	26.2	18.4	14.8	--	14.8
Excess		-0.3	0.7	-5.3	-0.6	-5.3	-3.2	-1.2	-0.3	--	-0.3
Acadian US MGD V-SL	237,882,827	7.1	11.8	23.2	10.9	23.2	16.8	--	--	--	17.3
Russell 1000		4.1	9.8	26.5	10.0	26.5	26.2	--	--	--	26.4
Excess		3.0	2.0	-3.2	0.9	-3.2	-9.5	--	--	--	-9.1
Panagora Defuseq -SL	242,168,342	7.2	9.2	20.7	8.7	20.7	18.0	--	--	--	18.6
Russell 1000		4.1	9.8	26.5	10.0	26.5	26.2	--	--	--	26.4
Excess		3.2	-0.5	-5.7	-1.3	-5.7	-8.2	--	--	--	-7.9
Domestic Equity Overlay	951,700	6.6	9.8	110.9	5.7	110.9	--	--	--	--	104.9
ICE BofAML US 3-Month Treasury Bill		0.0	0.0	0.0	0.0	0.0	--	--	--	--	0.1
Excess		6.6	9.8	110.8	5.7	110.8	--	--	--	--	104.8
Small Cap Equity	119,888,912	4.8	4.9	26.7	4.3	26.7	16.6	9.3	7.6	10.7	7.0
Russell 2000		2.2	2.1	14.8	-2.3	14.8	20.0	12.0	10.8	13.2	8.8
Excess		2.6	2.7	11.9	6.6	11.9	-3.4	-2.8	-3.1	-2.6	-1.7



# San Mateo County Composite Return Summary

December 31, 2021



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
QMA US Small Cap	119,888,912	4.8	4.9	26.7	4.3	26.7	16.6	9.3	--	--	11.1
Russell 2000		2.2	2.1	14.8	-2.3	14.8	20.0	12.0	--	--	13.2
Excess		2.6	2.7	11.9	6.6	11.9	-3.4	-2.8	--	--	-2.1
International Equity	1,198,470,933	3.2	1.5	9.0	-1.2	9.0	15.1	10.8	7.7	8.0	6.1
SamCERA Custom Hedge Intl		3.8	2.1	11.2	0.4	11.2	14.0	10.1	7.1	7.7	5.6
Excess		-0.6	-0.6	-2.2	-1.6	-2.2	1.1	0.7	0.6	0.3	0.5
Baillie Gifford	373,402,990	1.3	1.1	3.8	-2.9	3.8	22.9	15.3	11.0	--	10.5
MSCI ACWI ex USA Growth		3.0	2.4	5.4	-1.3	5.4	18.2	13.4	9.4	--	--
Excess		-1.7	-1.3	-1.6	-1.7	-1.6	4.8	1.9	1.7	--	--
Blackrock MSCI ACWI ex US IMI	388,661,060	4.2	1.7	8.7	-0.9	8.7	--	--	--	--	19.2
MS AC WIdxUS IMI Nt		4.1	1.6	8.5	-1.0	8.5	--	--	--	--	19.3
Excess		0.0	0.0	0.1	0.0	0.1	--	--	--	--	-0.1
Mondrian Investment Partners	354,804,838	4.5	0.1	6.9	-3.6	6.9	8.4	6.6	4.5	5.6	5.3
MSCI ACWI xUSA Value		5.4	1.3	11.1	-0.8	11.1	8.9	6.6	4.6	5.9	5.3
Excess		-0.9	-1.2	-4.2	-2.8	-4.2	-0.5	-0.0	-0.0	-0.3	0.0
Currency Hedge Futures	432,215,970	0.4	-1.2	-6.1	-3.0	-6.1	--	--	--	--	1.3
ICE BofAML US 3-Month Treasury Bill		0.0	0.0	0.0	0.0	0.0	--	--	--	--	0.1
Excess		0.4	-1.2	-6.1	-3.1	-6.1	--	--	--	--	1.3
Currency Hedge Futures Offsets	432,215,970	0.0	0.0	0.0	0.0	0.0	--	--	--	--	0.0
ICE BofAML US 3-Month Treasury Bill		0.0	0.0	0.0	0.0	0.0	--	--	--	--	0.1
Excess		-0.0	-0.0	-0.0	-0.0	-0.0	--	--	--	--	-0.1
International Equity Overlay	81,602,045	3.3	2.0	2.8	-0.1	2.8	--	--	--	--	24.4
ICE BofAML US 3-Month Treasury Bill		0.0	0.0	0.0	0.0	0.0	--	--	--	--	0.1
Excess		3.3	2.0	2.7	-0.1	2.7	--	--	--	--	24.3
Fixed Income	1,589,424,926	0.0	0.3	2.0	0.5	2.0	5.6	4.7	4.3	4.7	5.4
Samcera Fixed Income Benchmark		0.5	0.2	0.4	0.6	0.4	6.0	4.4	3.8	3.4	5.0
Excess		-0.4	0.0	1.5	-0.1	1.5	-0.4	0.3	0.5	1.3	0.5



# San Mateo County Composite Return Summary

December 31, 2021



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Core Fixed Income	1,015,342,354	-0.2	-0.3	-1.0	-0.3	-1.0	4.8	3.8	3.4	3.7	5.1
BBG US Aggregate		-0.3	0.0	-1.5	0.1	-1.5	4.8	3.6	3.0	2.9	4.7
Excess		0.0	-0.3	0.5	-0.4	0.5	-0.0	0.2	0.4	0.8	0.3
FIAM B Core Bond	270,231,373	-0.1	0.2	-0.7	0.4	-0.7	6.2	4.5	--	--	4.4
BBG US Aggregate		-0.3	0.0	-1.5	0.1	-1.5	4.8	3.6	--	--	3.2
Excess		0.1	0.2	0.9	0.3	0.9	1.4	0.9	--	--	1.2
Western Total Return	232,405,356	0.2	-1.1	-1.3	-1.2	-1.3	4.9	4.2	--	--	4.1
BBG US Aggregate		-0.3	0.0	-1.5	0.1	-1.5	4.8	3.6	--	--	3.2
Excess		0.5	-1.1	0.3	-1.2	0.3	0.1	0.7	--	--	0.9
DoubleLine	259,476,255	-0.7	-0.3	-0.9	-0.7	-0.9	--	--	--	--	2.5
BBG US Aggregate		-0.3	0.0	-1.5	0.1	-1.5	--	--	--	--	1.1
Excess		-0.5	-0.3	0.6	-0.8	0.6	--	--	--	--	1.4
NISA Core Bond	238,041,137	-0.3	0.0	-1.4	0.1	-1.4	--	--	--	--	0.9
BBG US Aggregate		-0.3	0.0	-1.5	0.1	-1.5	--	--	--	--	0.5
Excess		-0.0	0.0	0.1	0.0	0.1	--	--	--	--	0.4
Core Fixed Income Overlay	15,188,234	0.3	1.4	-0.2	3.1	-0.2	--	--	--	--	-0.3
ICE BofAML US 3-Month Treasury Bill		0.0	0.0	0.0	0.0	0.0	--	--	--	--	0.1
Excess		0.3	1.4	-0.3	3.1	-0.3	--	--	--	--	-0.4
Opportunistic Credit	574,082,571	0.5	1.3	7.6	2.0	7.6	7.1	6.7	6.4	8.3	8.4
BBG BA Intermediate HY Ind		1.7	0.6	4.1	1.5	4.1	8.7	6.0	5.8	6.4	7.1
Excess		-1.2	0.6	3.5	0.4	3.5	-1.6	0.7	0.6	1.9	1.3
Pimco Private Income	54,491,668	0.0	2.2	15.6	5.8	15.6	--	--	--	--	9.6
BBG BA Intermediate HY Ind		1.7	0.6	4.1	1.5	4.1	--	--	--	--	6.9
Excess		-1.7	1.6	11.5	4.2	11.5	--	--	--	--	2.6
AG CREDIT SOL FU LP	14,133,647	0.0	2.6	30.7	2.6	30.7	--	--	--	--	26.0
BBG BA Intermediate HY Ind		1.7	0.6	4.1	1.5	4.1	--	--	--	--	5.9
Excess		-1.7	1.9	26.6	1.0	26.6	--	--	--	--	20.2



# San Mateo County Composite Return Summary

December 31, 2021



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
AG CSF ANX DISLOC FD	33,346	0.0	5.8	29.0	5.8	29.0	--	--	--	--	22.7
BBG BA Intermediate HY Ind		1.7	0.6	4.1	1.5	4.1	--	--	--	--	13.4
Excess		-1.7	5.2	25.0	4.3	25.0	--	--	--	--	9.3
AG Opportunistic Whole Loan	869,291	0.0	3.6	37.8	10.0	37.8	11.9	17.3	13.3	--	11.8
BBG BA Intermediate HY Ind		1.7	0.6	4.1	1.5	4.1	8.7	6.0	5.8	--	5.4
Excess		-1.7	2.9	33.7	8.4	33.7	3.1	11.2	7.5	--	6.3
Angelo Gordon	1	0.0	0.0	-12.8	0.0	-12.8	16.8	20.4	16.2	--	15.1
BBG BA Intermediate HY Ind		1.7	0.6	4.1	1.5	4.1	8.7	6.0	5.8	--	5.7
Excess		-1.7	-0.6	-16.9	-1.5	-16.9	8.1	14.3	10.3	--	9.4
Blackrock Direct Lending Feede	24,690,286	-0.0	2.2	5.4	3.4	5.4	--	--	--	--	2.9
BBG BA Intermediate HY Ind		1.7	0.6	4.1	1.5	4.1	--	--	--	--	7.2
Excess		-1.7	1.5	1.3	1.9	1.3	--	--	--	--	-4.4
Beach Point Select Fund	97,761,931	0.3	4.3	15.9	5.5	15.9	12.0	9.9	--	--	9.6
BBG BA Intermediate HY Ind		1.7	0.6	4.1	1.5	4.1	8.7	6.0	--	--	5.7
Excess		-1.4	3.7	11.8	4.0	11.8	3.2	3.9	--	--	3.9
Brigade Cap Mngmt	90,158,324	1.4	1.6	14.3	3.3	14.3	9.0	7.1	6.3	6.7	6.8
BBG BA Intermediate HY Ind		1.7	0.6	4.1	1.5	4.1	8.7	6.0	5.8	6.4	6.6
Excess		-0.3	0.9	10.2	1.8	10.2	0.2	1.1	0.5	0.3	0.2
White Oak YSF V	29,610,216	0.0	0.4	0.5	-0.1	0.5	--	--	--	--	0.5
BBG BA Intermediate HY Ind		1.7	0.6	4.1	1.5	4.1	--	--	--	--	5.0
Excess		-1.7	-0.2	-3.5	-1.6	-3.5	--	--	--	--	-4.5
White Oak Yield Spec	32,032,776	-0.0	0.7	5.6	2.3	5.6	5.6	--	--	--	--
BBG BA Intermediate HY Ind		1.7	0.6	4.1	1.5	4.1	8.7	--	--	--	6.0
Excess		-1.7	0.0	1.5	0.8	1.5	-3.1	--	--	--	--
PIMCO Div. Income Fund	134,303,359	0.7	-0.3	0.3	-0.2	0.3	6.3	--	--	--	4.4
BBG BA Intermediate HY Ind		1.7	0.6	4.1	1.5	4.1	8.7	--	--	--	5.6
Excess		-1.0	-1.0	-3.8	-1.7	-3.8	-2.5	--	--	--	-1.2



# San Mateo County Composite Return Summary

December 31, 2021



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
TCP Direct Lending VIII	20,506,771	1.1	2.6	7.9	3.0	7.9	6.9	6.8	--	--	--
BBG BA Intermediate HY Ind		1.7	0.6	4.1	1.5	4.1	8.7	6.0	--	--	6.4
Excess		-0.7	2.0	3.8	1.5	3.8	-1.8	0.7	--	--	--
Franklin Templeton	75,490,955	0.5	-1.1	-4.5	-2.8	-4.5	-3.7	-1.4	-0.6	2.0	1.7
Bloomberg Multiverse Index		-0.0	-0.7	-4.5	-1.6	-4.5	3.7	3.4	2.4	2.0	2.3
Excess		0.5	-0.4	0.0	-1.2	0.0	-7.4	-4.9	-2.9	0.0	-0.6
Alternatives	846,775,785	1.3	-1.8	15.0	4.9	15.0	18.0	12.7	10.5	9.2	1.0
Samcera Alternatives Benchmark		-1.8	0.8	17.5	5.4	17.5	11.9	12.1	9.9	10.4	8.6
Excess		3.0	-2.5	-2.5	-0.5	-2.5	6.1	0.6	0.6	-1.3	-7.6
Private Equity	426,537,095	0.0	-3.0	28.9	10.0	28.9	37.9	27.8	23.4	20.3	-5.6
Samcera PE Benchmark		-4.2	0.5	34.9	9.3	34.9	19.0	18.9	16.1	18.4	17.6
Excess		4.2	-3.4	-6.0	0.8	-6.0	18.9	8.9	7.3	1.9	-23.2
Absolute Return	420,238,690	2.6	-0.5	2.1	-0.3	2.1	-3.1	-3.3	-0.9	1.5	1.1
Samcera SOFR + 4%		0.3	1.0	4.0	2.0	4.0	5.0	5.2	5.0	4.7	4.7
Excess		2.2	-1.5	-2.0	-2.3	-2.0	-8.1	-8.5	-5.8	-3.3	-3.6
Aberdeen Std GARS	79,185,614	2.1	1.6	-2.6	-0.9	-2.6	4.7	2.4	--	--	1.5
Samcera SOFR + 4%		0.3	1.0	4.0	2.0	4.0	5.0	5.2	--	--	5.1
Excess		1.7	0.6	-6.7	-2.9	-6.7	-0.3	-2.8	--	--	-3.5
Graham Global Investment	85,490,622	0.6	-2.3	-2.4	-5.1	-2.4	--	--	--	--	0.6
Samcera SOFR +4%		0.3	1.0	4.0	2.0	4.0	--	--	--	--	4.3
Excess		0.3	-3.3	-6.5	-7.1	-6.5	--	--	--	--	-3.7
PIMCO MAARS Fund L.P.	89,175,240	7.0	5.5	11.4	10.5	11.4	--	--	--	--	7.8
Samcera SOFR +4%		0.3	1.0	4.0	2.0	4.0	--	--	--	--	4.2
Excess		6.7	4.5	7.4	8.5	7.4	--	--	--	--	3.6
Acadian MAAR Fund LLC	82,219,197	2.5	-1.1	1.6	0.5	1.6	--	--	--	--	2.8
Samcera SOFR +4%		0.3	1.0	4.0	2.0	4.0	--	--	--	--	4.1
Excess		2.2	-2.1	-2.4	-1.5	-2.4	--	--	--	--	-1.3



# San Mateo County Composite Return Summary

December 31, 2021



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
CFM SYS Global Macro Fund	84,168,016	0.6	-5.7	5.1	-4.7	5.1	--	--	--	--	8.3
Samcera SOFR +4%		0.3	1.0	4.0	2.0	4.0	--	--	--	--	4.1
Excess		0.3	-6.7	1.0	-6.7	1.0	--	--	--	--	4.3
Inflation Hedge	1,020,546,158	1.6	3.6	16.4	6.3	16.4	5.3	4.3	--	--	5.7
SamCERA Inflation Hedge Index		0.8	1.1	18.3	6.0	18.3	8.5	7.0	--	--	--
Excess		0.8	2.5	-1.9	0.2	-1.9	-3.2	-2.7	--	--	--
Real Estate	474,019,105	0.1	5.7	13.5	6.6	13.5	6.8	6.9	--	--	7.5
Samcera NCREIF ODCE (gross)		0.0	0.0	13.2	6.6	13.2	6.4	7.1	--	--	7.3
Excess		0.1	5.7	0.4	0.0	0.4	0.3	-0.1	--	--	0.3
Invesco Core Real Estate	293,416,266	0.0	7.5	15.9	8.2	15.9	6.7	7.0	8.8	9.3	7.6
Samcera NCREIF ODCE (gross)		0.0	0.0	13.2	6.6	13.2	6.4	7.1	8.4	9.6	7.7
Excess		0.0	7.5	2.8	1.6	2.8	0.2	-0.1	0.4	-0.3	-0.1
Invesco US Val IV	4,434,296	0.0	3.1	14.2	8.0	14.2	10.2	9.9	--	--	10.8
Samcera NCREIF ODCE (gross)		0.0	0.0	13.2	6.6	13.2	6.4	7.1	--	--	7.8
Excess		0.0	3.1	1.1	1.3	1.1	3.7	2.9	--	--	2.9
PGIM Real Estate US Debt Fund	85,345,829	0.4	1.4	6.4	2.2	6.4	5.8	--	--	--	5.0
Samcera NCREIF ODCE (gross)		0.0	0.0	13.2	6.6	13.2	6.4	--	--	--	7.0
Excess		0.4	1.4	-6.8	-4.4	-6.8	-0.6	--	--	--	-2.1
Invesco US VAL V	26,994,475	0.0	8.8	31.5	14.0	31.5	--	--	--	--	10.9
Samcera NCREIF ODCE (gross)		0.0	0.0	13.2	6.6	13.2	--	--	--	--	--
Excess		0.0	8.8	18.4	7.4	18.4	--	--	--	--	--
Harrison Street Core Property	55,182,182	0.0	2.8	8.3	2.5	8.3	--	--	--	--	5.1
Samcera NCREIF ODCE (gross)		0.0	0.0	13.2	6.6	13.2	--	--	--	--	7.0
Excess		0.0	2.8	-4.8	-4.1	-4.8	--	--	--	--	-1.9
Stockbridge Value IV	8,646,057	-0.0	1.7	--	0.0	--	--	--	--	--	-9.4
Samcera NCREIF ODCE (gross)		0.0	0.0	--	6.6	--	--	--	--	--	10.8
Excess		-0.0	1.7	--	-6.6	--	--	--	--	--	-20.2



# San Mateo County Composite Return Summary

December 31, 2021



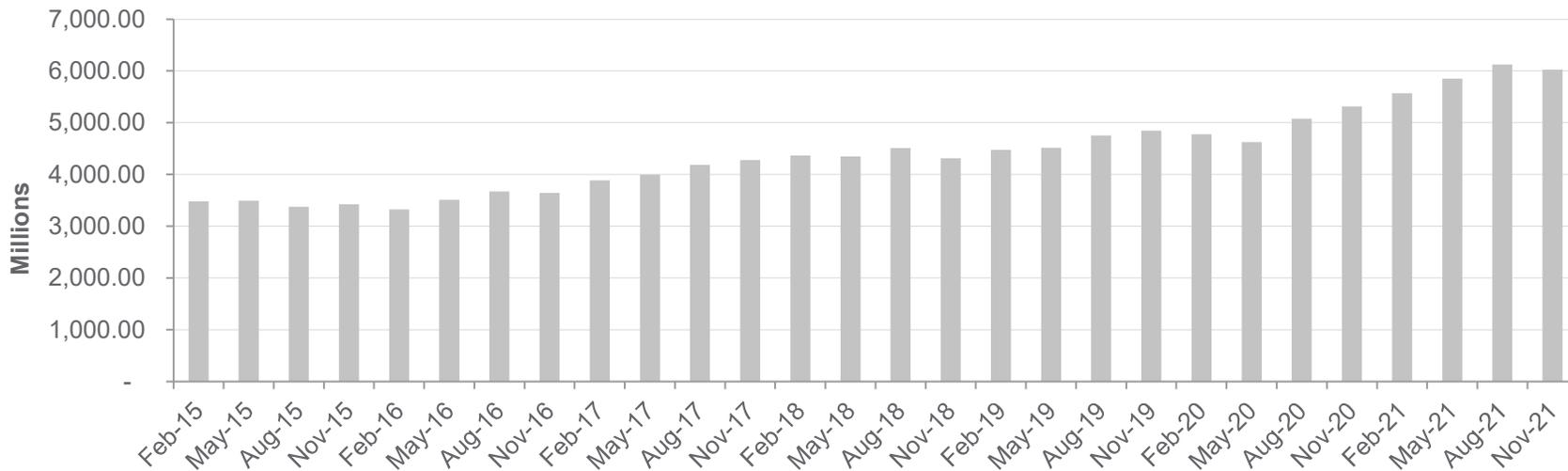
Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Public Real Assets	407,143,345	4.1	3.3	17.6	5.5	17.6	4.4	2.4	--	--	--
SamCera Liquid Real Asset Inde		4.1	3.5	17.8	5.7	17.8	9.2	5.8	--	--	7.0
Excess		-0.0	-0.2	-0.2	-0.2	-0.2	-4.8	-3.4	--	--	--
SSGA CST REAL ASSET NL	407,143,345	4.1	3.3	17.6	5.5	17.6	9.0	5.6	--	--	--
SamCera Liquid Real Asset Inde		4.1	3.5	17.8	5.7	17.8	9.2	5.8	--	--	6.1
Excess		-0.0	-0.2	-0.2	-0.2	-0.2	-0.2	-0.1	--	--	--
Private Real Assets	139,383,708	-0.3	-2.4	28.7	7.5	28.7	4.3	3.3	--	--	9.8
SamCERA Private Real Asset Idx		-0.6	1.1	29.0	4.5	29.0	7.0	8.5	--	--	11.2
Excess		0.3	-3.6	-0.3	3.0	-0.3	-2.6	-5.1	--	--	-1.4
Cash Overlay	12,773,918	0.1	-0.2	-0.3	-0.4	-0.3	--	--	--	--	-0.1
ICE BofAML US 3-Month Treasury Bill		0.0	0.0	0.0	0.0	0.0	--	--	--	--	0.1
Excess		0.1	-0.2	-0.4	-0.4	-0.4	--	--	--	--	-0.1
General Account	148,793,402	0.0	0.0	0.1	0.0	0.1	1.0	1.2	1.0	0.7	1.8
County Treasury Pool	18,883,491	0.0	0.4	1.2	0.6	1.2	1.6	1.5	1.3	1.1	2.6
Currency Hedge Cash Overlay	54,412,944	0.0	-0.1	-0.1	-0.1	-0.1	--	--	--	--	0.0
San Mateo County Overlay	6,143,713,008	2.2	2.8	11.9	3.5	11.9	12.6	9.3	7.9	9.1	7.1
Samcera Total Plan Benchmark		1.6	2.8	13.1	4.0	13.1	13.1	10.1	8.3	9.5	7.5
Excess		0.6	-0.0	-1.2	-0.5	-1.2	-0.5	-0.7	-0.4	-0.4	-0.4



**Record of Asset Growth**

	Three Months	One Year
<b>TOTAL FUND</b>		
Beginning Market Value	6,019,155,128	5,517,674,730
Contributions	23,285,345	251,837,649
Withdrawals	-67,516,561	-289,683,826
Income Received	18,918,732	88,514,430
Gain/Loss	149,979,989	576,505,584
Ending Market Value	6,143,713,008	6,143,713,008

**Net Asset Values Over Time (\$'000)**

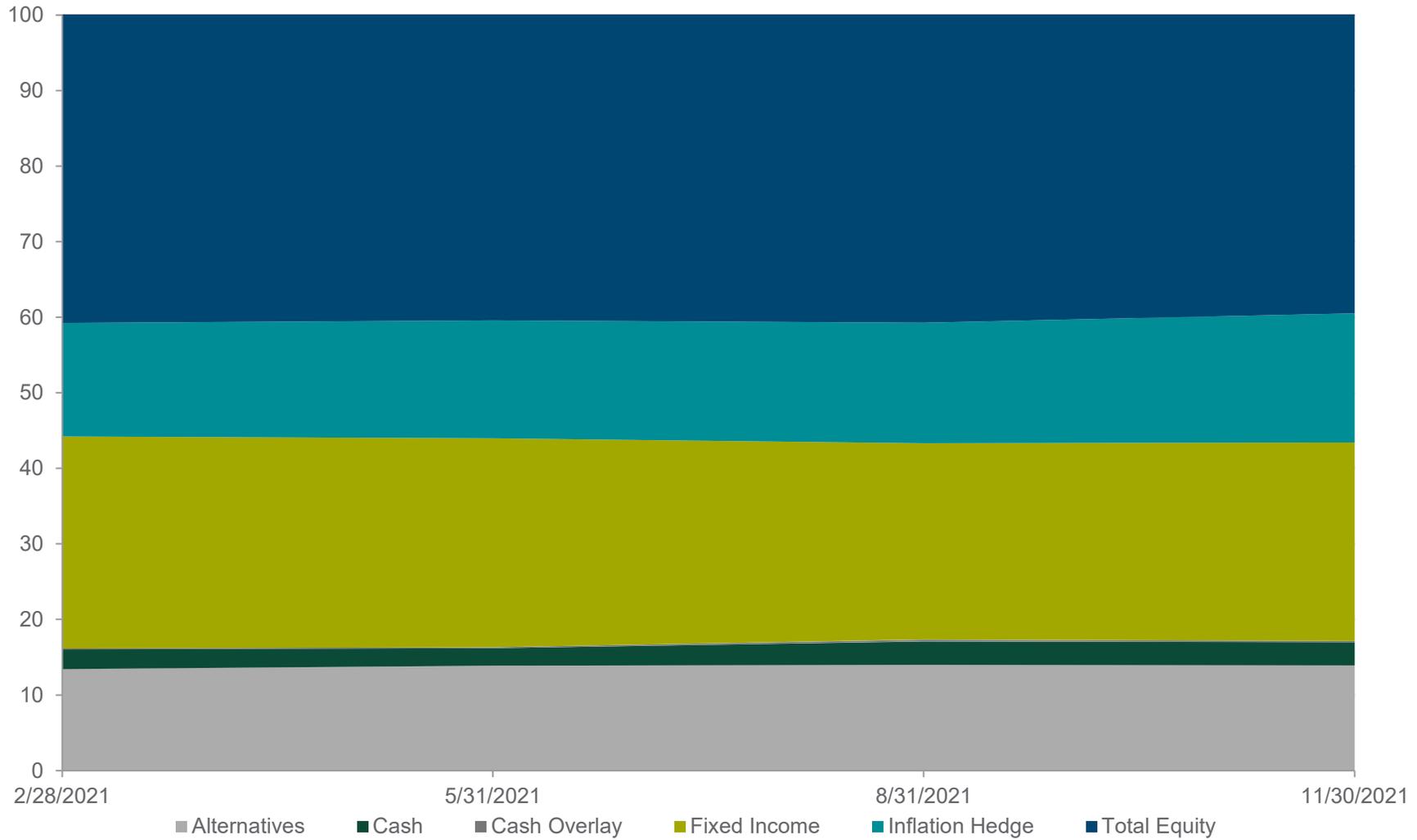


**Actual vs Target Weights**

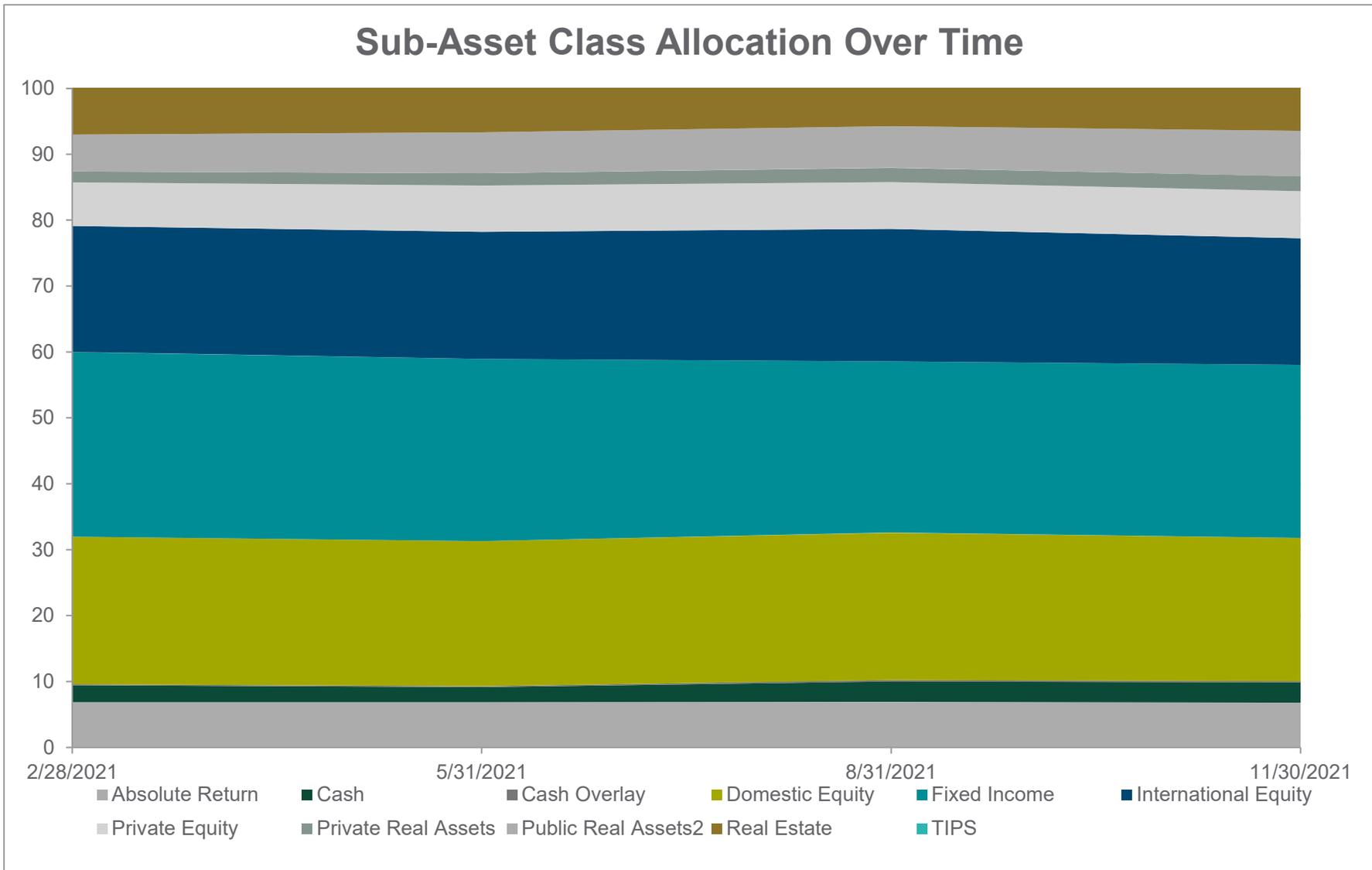


	Min	Actual	Target	Deviation	Max
<b>Domestic Equity</b>	20.0	22.0	22.0	0.0	24.0
<b>International Equity</b>	17.0	19.5	19.0	0.5	21.0
<b>Fixed Income</b>	26.0	25.9	28.0	-2.1	30.0
<b>Private Equity</b>	4.0	6.9	6.0	0.9	8.0
<b>Absolute Return</b>	5.0	6.8	7.0	-0.2	9.0
<b>Liquidity</b>	0.0	3.8	1.0	2.8	2.0
<b>Public Real Assets</b>	2.0	6.6	4.0	2.6	6.0
<b>Real Estate</b>	7.0	7.7	9.0	-1.3	11.0
<b>Private Real Assets</b>	2.0	2.3	4.0	-1.7	6.0

Asset Allocation over Time



### Sub-Asset Class Allocation Over Time



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SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
Board of Retirement

January 25, 2022

Agenda Item 7.1

**TO:** Board of Retirement  
**FROM:** Scott Hood, Chief Executive Officer  
**SUBJECT:** 2022 Board-Staff Retreat Topics



**Recommendation**

Provide direction for staff regarding the topics and schedule for the March 22, 2022, Board-Staff Retreat.

**Background**

This item is to give trustees another opportunity to discuss the upcoming retreat on March 22, 2022. The Board assists on setting the topics to be addressed at the retreat and provides input regarding the proposed presenters. This agenda item gives trustees another opportunity to discuss retreat topics. We will bring this back to Board again in February prior to finalizing the agenda.

**Discussion**

Last year's retreat was held over Zoom and was a one-day event due to the Covid-19 Pandemic. We are anticipating that this year's retreat will also be held remotely. The Board already approved a start time of 8:30 a.m. for March 22<sup>nd</sup> and we are proposing this one-day retreat to occur in addition to the regular Board meeting. The retreat portion would have 4 to 5 major topics and time for discussion between topics.

Some suggested topics are included in the following list:

- High level-look at the economy- Ian Toner
- Managing a Maturing Plan with a Focus on Liabilities- Jeff MacLean
- Portfolio Review & Plan Metrics or Funding Policy Considerations- TBD
- Current State of Environmental, Social and Governance Considerations- Verus

# BOARD/STAFF RETREAT

March 22, 2022

OUTLOOK



PORTFOLIO

# BOARD/STAFF RETREAT AGENDA

8:30 a.m. Beginning of Regular Board Meeting Agenda

8:45 a.m. Economic Outlook  
Ian Toner, Chief Investment Officer, Verus

9:45 a.m. Break

10:00 a.m. Discussion on Plan Maturity, Part IV  
Jeff MacLean, Chief Executive Officer, Verus

11:30 a.m. Lunch

12:00 p.m. Portfolio Review & Plan Metrics or Funding  
Policy Considerations  
TBD

12:45 p.m. Update on Current State of Environmental,  
Social and Governance Issues  
Margaret Jadallah and Joe Abdou, Verus

2:00 p.m. End of Retreat