

Notice of Public Meeting

The Board of Retirement

of the San Mateo County Employees' Retirement Association will meet on

Tuesday, July 23, 2024, at 10:00 A.M.

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

 Call to Order. Roll Call and Miscellaneout 	us Business
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- Administration of the Oath of Office 1.1
- 1.2 **Election of Board Officers**
- Announcement of Appointment of Board Committees 1.3

2. Oral Communications

- 2.1 Oral Communications from the Board
- 2.2 Oral Communications from the Public

3. Approval of the Minutes

Approval of Board Meeting Minutes from June 4, 2024

4. Approval of the Consent Agenda*

1. 1.			
4.1	Disability Retirements (5)	4.8	Member Account Redeposits
	 Chao, Kathryn 	4.9	Acceptance of Trustees' Reports of Educational Activities
	 El Haddad, Michael 	4.10	Reaffirmation of Records Retention Policy
	 Hernandez, Maria 	4.11	Reaffirmation of Code of Conduct
	 Lee, Susan 	4.12	Approval of Amendment to Conflict of Interest Code
	Ochoa, Ashley	4.13	Approval of Resolutions that Define Compensation
4.2	Survivor Death Benefits		Earnable and Pensionable Compensation
4.3	Service Retirements	4.14	Report on California Government Code Section 7514.7
4.4	Continuances		Annual Disclosure For 2023
4.5	Deferred Retirements	4.15	Acceptance of Semi-Annual Compliance Certification
4.6	Member Account Refunds		Statements for Period Ended June 30, 2024

5. Benefit & Actuarial Services

5.1 Consideration of Agenda Items, if any, Removed from the Consent Agenda

6. Investment Services

4.7

- Report on Preliminary Monthly Portfolio Performance for the Period Ended June 30, 2024 6.1
- 6.2 Presentation of Private Asset Semi-Annual Performance Reports as of December 31, 2023
- 6.3 Report on Core Equity and Low Volatility Equity Manager Annual Reviews
- 6.4 Report on International Equity Manager Annual Reviews
- 6.5 Report on Real Estate Manager Annual Reviews
- 6.6 Report on SamCERA's Liquidity Profile

Member Account Rollovers

6.7 Approval of Proposed Alternative Investments (Confidential Under Gov. Codes §54956.81 and §7928.710, to be heard in Closed Session, C2 & C3)

7. Board & Management Support

7.1 Amendment to Agreement with Managed Medical Review Organization for Medical Review Services

8. Management Reports

- Chief Executive Officer's Report 8.1
- 8.2 Assistant Executive Officer's Reports

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- 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
- C2 Approval of Proposed Sale of Alternative Investment (*Confidential Under Gov. Codes §54956.81 and §7928.710*)
- C3 Approval of Proposed Purchase of Alternative Investment (*Confidential Under Gov. Codes §54956.81 and §7928.710*)
- 9. Report on Actions Taken in Closed Session
- 10. Adjournment in Memory of the Following Deceased Members:

Cid, Luis	May 3, 2024	Aging and Adult Services
Lucia, Paul	May 26, 2024	Sheriff's Office
Oda, Robert	May 23, 2024	Probation
Jones, Noletta	May 21, 2024	Probation
Toniatti, Joanne	May 29, 2024	Mental Health
Turner, Barbara	May 30, 2024	Courts
Mendelson, Diane	June 5, 2024	Children's Services
Grant, Vernon	June 8, 2024	Public Works
Pugliese, Linda	June 9, 2024	Public Safety Communications
Lim, Paquito	June 16, 2024	Engineering
Beaumont, Graham	June 18, 2024	Mental Health
Idehara, Masuye	June 20, 2024	Hospital
Bowyer, Karen	June 21, 2024	Library
Burke, Elizabeth	June 23, 2024	Social Services
Smiley, Allison	June 24, 2024	County Attorney's Office
Okada, Jerry	June 25, 2024	Public Works
San Miguel, Felicitas	June 28, 2024	Crystal Springs Rehab
Murphy, Deanna	June 29, 2024	Human Services

Scott Hood, Chief Executive Officer

(* 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 REGULAR AGENDA MAY BE TRANSFERRED TO THE CONSENT 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 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. 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.

Posted: July 17, 2024

July 23, 2024 Agenda Item 1.1

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer

SUBJECT: Administration of the Oath of Office to Reelected and Reappointed

Trustees

In this agenda item, the Oath of Office will be given to Trustees **Katherine O'Malley**, **Robert Raw**, and **April DeCarsky**, who were reelected to the Board, and to **Elaine Orr**, who was reappointed by the Board of Supervisors.

Agenda Item 1.2 July 23, 2024

TO: **Board of Retirement**

FROM: Ad Hoc Nominating Committee – Kurt Hoefer (Chair), Kimathi Marangu

and Alma Salas

SUBJECT: Election of 2024-2025 Board Officers

Recommendation

Accept report of the Ad Hoc Nominating Committee and hold election for Board Officers.

Background

Pursuant to the Board's Regulations, an election of Board officers is to be held at the first regular meeting in July.

At the Board's June 2024 meeting, the Board Chair, Mark Battey, appointed an Ad Hoc Nominating Committee to recommend a nomination slate for the Board of Retirement officer positions for the 2024-2025 term.

Discussion

The Ad Hoc Nominating Committee met and now recommends that the Board:

- Ask for a motion and a second to place the Committee's following slate of candidates in nomination:
 - o Alma Salas, Chair
 - Kimathi Marangu, Vice Chair
 - Sandie Arnott, Secretary
- · Open the floor to additional nominations, and
- Conduct a vote for the officer positions

Lt He f Knutti Mang Alma R. Salas

July 23, 2024 Agenda Item 1.3

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer

SUBJECT: Announcement of Appointment of Board Committees for FY 2024-25

Recommendation

The Chair may announce appointments to the Investment Committee and the Audit Committee as the Chair deems appropriate.

Background

The Board Chair, or the Vice-Chair in the Chair's absence, is authorized by the Regulations of the Board of Retirement to appoint all committees.

- **2.1 Election of Chair:** At the first regular meeting in July, the Board of Retirement shall elect one of its members chair for a term of one year or until his or her successor is duly elected and qualified. The Chair shall preside at all meetings of the Board, **shall appoint all committees** (*emphasis added*) and shall perform all duties incidental to that office.
- **2.2 Election of Vice Chair:** At the regular meeting in July or August, the Board of Retirement shall elect one of its members vice chair for a term of one year or until his or her successor is duly elected and qualified. In the Chair's absence or inability to act, the Vice Chair shall take the place and perform the duties of that office.

Committee assignments for FY 2023-24 were as follows:

Standing Committees:

- Audit Committee: Al David, Vice Chair, Alma Salas, Kimathi Marangu, and Elaine Orr, Chair*
- Investment Committee: Mark Battey, Kurt Hoefer, and Robert Raw, Chair

Ad Hoc Committee:

• CEO Evaluation Committee: Alma Salas, Nicole McKay and Elaine Orr, Chair

^{*}Due to Sandie Arnott not being able to attend the first Audit Committee meeting, the Board chair replaced Sandie Arnott with Alma Salas and made Elaine Orr the Committee Chair and Al David the Committee Vice Chair. These changes were reflected in the Audit Committee's October 2023 minutes.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION JUNE 4, 2024 – REGULAR BOARD MEETING MINUTES

2406.1 Call to Order, Roll Call and Miscellaneous Business

Call to Order: Mr. Battey, Chair, called the Regular Meeting of the Board of Retirement to order at 9:59 a.m.

Roll Call:

Present: Sandie Arnott, Mark Battey, Al David, Kurt Hoefer, Kimathi Marangu, Katherine O'Malley, Elaine Orr, Robert Raw, and Alma Salas.

Absent: None.

Alternates: April DeCarsky and Nicole McKay.

Staff: Michael Coultrip, Lili Dames, Scott Hood, Jenny Lukan, Elizabeth LeNguyen, Doris Ng, Paul Okada,

and Gladys Smith.

Consultants and speakers: Joe Abdou and John Nicolini (Verus); and Craig Glyde (Milliman).

- 2406.1.1 Appointment by Chair of Ad Hoc Nominating Committee for Board Officers: Mr. Hood announced that Alma Salas, Kimathi Marangu, and Kurt Hoefer have been appointed to the Ad Hoc Nominating Committee.
- 2406.2.1 Oral Communications from the Board: Ms. O'Malley reported that on the November ballot, there will be an initiative called the "Taxpayer Protection and Government Accountability Act", that would amend the California Constitution to change the rules for how the state and local governments can impose taxes, fees, and other charges. Ms. O'Malley read statements made at the March 20th CalPERS Board meeting which opposed the initiative. Ms. Arnott reported that she attended the SACRS Spring Conference.
- 2406.2.2 **Oral Communications from the Public:** None.
- 2406.3.1 Approval of Board Meeting Minutes from April 23, 2024: Mr. Battey asked if there were any changes or corrections, or objections, to the minutes from the regular meeting held on April 23, 2024. There were no changes, corrections, or objections presented.

Action: Mr. David moved to approve the minutes from the April 23, 2024 regular Board meeting. The motion was seconded by Mr. Hoefer and carried with a vote of 7-0-2, with trustees Battey, David, Hoefer, Marangu, O'Malley, Raw, and Salas all in favor; none opposed; Arnott and Orr abstained.

2406.4.0 Approval of the Consent Agenda: Mr. Battey asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed.

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

2404.4.1 **Disability Retirements:**

a) The Board (1) accepted the proposed findings and decision of the Hearing Officer, Barbara Kong-Brown, (2) found that Janine Brewer is permanently incapacitated for the performance of her usual and customary duties as a Workers' Compensation Coordinator/ADA Manager, (3) found that her disability was not a result of an injury arising out of and in the course of her employment, and (4) denied her application for a service-connected disability.

2406.4.2 **Survivor Death Benefits:** None

2406.4.3 **Service Retirements:**

Name	Effective Retirement Rete	Dawanturant
Name	Effective Retirement Date	Department
Aguilar, Joehl	March 30, 2024	Human Services Agency
Albertson, Ron	March 29, 2024	Sheriff's Office
Arcamo, Adelfa	March 30, 2024	Assessor's Office
Archibald, Geri	April 1, 2024	San Mateo County Health
Astudillo, Jose	March 30, 2024	Health Information Services
Avila, Abel	March 29, 2024	Sheriff's Office
Baluom, Jumana	March 12, 2024	Def'd - San Mateo County Health
Barrera, Carmen	March 30, 2024	San Mateo County Health
Bell, Tina	March 16, 2024	Sheriff's Office
Bonzani, Ellen	March 30, 2024	San Mateo County Health
Booker, Yolanda	March 29, 2024	Behavioral Health
Boyd, Carol	March 29, 2024	San Mateo County Health
Boyle, Matthew	March 2, 2024	Behavioral Health
Broad, Matthew	March 29, 2024	District Attorney's Office
Caballero, Anthony	March 29, 2024	Aging & Adult Services
Carrasco, Melissa	March 7, 2024	Deferred - Sheriff's Office
Chin, Cyndy	March 30, 2024	Health Information Services
Clark, Lillian	March 30, 2024	Sustainability Department
Crossan, Gary	March 30, 2024	Controller's Office
Cullen, Darrell	March 28, 2024	Environmental Health
Cullen, Deborah	March 28, 2024	Child Support Services
DeMartini, John	March 30, 2024	Sheriff's Office
Donovan, Joel	March 27, 2024	Sheriff's Office
Downard, Elizabeth	April 26, 2024	Behavioral Health
Ellis, Brendan	March 30, 2024	Probation
Fahey, Mary Anne	March 31, 2024	Correctional Health
Fastovskaya, Marina	April 1, 2024	San Mateo County Health
Floresca-Arsalane,	March 23, 2024	Family Health
Maricar	,	,
Foiles, Robert	March 6, 2024	Def'd - District Attorney's Office
Garrett, Samuel	March 28, 2024	QDRO of Debra Vely
Gomez, Janet	March 30, 2024	Superior Court
Gomez, Jorge	March 30, 2024	Human Services Agency
Gonzales, Maria Charito	March 30, 2024	San Mateo County Health
Grasty, Robert	March 30, 2024	Sheriff's Office
Guisasola, Annelys	March 30, 2024	Behavioral Health
Harrington, Margarita	March 30, 2024	San Mateo County Health
Hoss, Daniel	March 29, 2024	Sheriff's Office
Huntington, Gregory	March 30, 2024	Probation
Kimmel, Elizabeth	March 30, 2024	Planning & Building
Krahn, Karen	March 30, 2024	Behavioral Health
Lara, Geraldine	March 2, 2024	San Mateo County Health
Lemke, Leslie	March 30, 2024	Information Services Department
Leon, Michael	March 18, 2024	Probation
Lipat, Myrlene	March 30, 2024	Controller's Office
Lockett, Cassius	March 31, 2024	Deferred - Public Health
Loo, Dominic	March 30, 2024	Human Services Agency
Lopez, Lisandro	March 31, 2024	Sheriff's Office
Louie, Happy	March 30, 2024	Health Information Services
Loum, Tracy	March 30, 2024 March 30, 2024	Behavioral Health
Louin, macy	Widi Cii 30, 2027	Demavioral ricuiti

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Mancini, Elisabeth	March 30, 2024	Aging & Adult Services
McCarthy, Nancy	March 30, 2024	Health Information Services
McCourtie, Jeffrey	March 31, 2024	Sheriff's Office
Mellin, Randall	March 30, 2024	Assessor's Office
Mih, Sabrina	March 21, 2024	Environmental Health
Mihos, Elizabeth	April 27, 2024	Deferred - Probation
Montenegro, Isela	March 30, 2024	San Mateo County Health
Morineau, Michelle	March 30, 2024	Deferred - Human Services
		Agency
Munemitsu, Amanda	March 30, 2024	Sheriff's Office
Myers, Meyilo	April 1, 2024	Sheriff's Office
Nolte, Deborah	March 23, 2024	Deferred - Aging & Adult Services
O'Dell, Stephen	March 30, 2024	Sheriff's Office
Ovalle, Anthony	March 29, 2024	Sheriff's Office
Page-Broughton, Mignon	March 16, 2024	Probation
Parker, Shawn	March 30, 2024	Sheriff's Office
Pobre, Perla	March 30, 2024	Controller's Office
Postigo, Maria	March 30, 2024	Superior Court
Preston, Rena	March 30, 2024	District Attorney's Office (re-
reston, nena	111011011 30, 202 1	retire)
Quezada, Raul	March 27, 2024	Probation
Rabe-Culas, Theresa	March 30, 2024	Human Resources
Radetic, Fred	March 29, 2024	Sheriff's Office
Ramirez, Ed	March 29, 2024	Information Services Department
		Controller's Office
Rivera, Ma Grace	March 30, 2024	
Rozzi, Christine	March 29, 2024	San Mateo County Health
Runneals, Robine	March 30, 2024	San Mateo County Health
Sainez-Becerra, Estela	March 30, 2024	Human Services Agency
Sakayama, Donna	March 29, 2024	Human Resources
San Miguel, Raquel	March 30, 2024	Family Health
Santana-Mora, Sandra	March 30, 2024	San Mateo County Health
Santos, Carlito	March 30, 2024	Human Services Agency
Shu, Diana	March 30, 2024	Public Works
St Claire, Agatha	March 30, 2024	Probation
Stockstill, Stefani	March 30, 2024	San Mateo County Health
Storm, Pamela	March 30, 2024	Information Services Department
Supanich, Michael	March 29, 2024	Sheriff's Office
Sylten, Yvonne	March 16, 2024	San Mateo County Health
Tello, Martina	March 30, 2024	Library
Torres, Maria D	March 30, 2024	Probation
Triplitt, Aileen	March 29, 2024	Child Support Services
Valencia, Kevin	March 31, 2024	Sheriff's Office
Vega, Rosa	March 30, 2024	Superior Court
Vigil, Jenifer	March 30, 2024	San Mateo County Health
Volotikin, Alexander	March 31, 2024	Probation
Wood, Tracy	March 30, 2024	Deferred – Superior Court
Yue, Yim Mei	March 30, 2024	Assessor's office
Zometa, Patricia	March 30, 2024	Human Services Agency (re-
		retire)
Zuker, Albert	March 21, 2024	Parks Department
Continuancos	•	•

2406.4.4 Continuances:

Survivor's Name

Beneficiary of:

Alzugaray, Javier Beukers, Robert Britzman, Thomas Caton-Darby, Celine Farrell, Tracilyn Hood, Joanne King, Anne Krenzer, Charlotte Lumm, Ha Kim

Nicewonger, Bettie

Taylor, Maureen

Alzugaray, Pilar
Beukers, Margaret
Britzman, Jean
Darby, John
Farrell, James
Hood, William
Rogers, Ralph
Krenzer, Thomas
Lumm, George
Nicewonger, Richard
Taylor, George

2406.4.5 **Deferred Retirements:**

Name

Bussey, Christopher George, Jacob Gurley, Kristin Kiapi, Sandra

McAlpin Patino, Colin Tsachres, Elizabeth

Tubig, Ezra

Retirement Plan Type

G4/P4, Vested Auto Defer – Code 31700

G7, Vested - Reciprocity

G7, Vested

G7, Vested Auto Defer – Code 31700

G4, Vested - Reciprocity S5, Vested - Reciprocity G7, Non-Vested - Reciprocity

G7, Vested

2406.4.6 Member Account Refunds:

Name

Allen, Anre'a Bakovic, Dragan Barker, Preston

Bautista, Alberto Gonzalo

Breeden, Darian

Chin-Agustin, Cassandra

Dingler, Serena Duba, Ronald Garcia, Elizabeth M

Hill, Diana

Jackson, Brittany Miller, Michael G

Navarro, Maria del Carmen

Nguyen, An T Ottinger, Caroline

Phy, Heng (FBO:Lawyer, Casey)

Rabago, Veronica Stone, Gary Valadez, Adriana Vaughn, Dominic Velazquez, Ruben Wadleigh, James-Ernest Watson, Andria

2406.4.7 Member Account Rollovers:

Retirement Plan Type

G7, Non-vested G5, Vested G7, Non-vested G7, Non-vested G7, Vested G7, Vested G4, Non-vested G4, Non-vested G4, Vested G4, Vested G7, Non-vested

G7, Non-vested G7, Non-vested G7, Vested G7, Non-vested G7, Non-vested G7, Non-vested G4, Non-vested G7, Non-vested S7, Non-vested

G7, Non-vested G4, Vested G7, Non-vested NameRetirement Plan TypeGonzalez-Lombera, EsveideG7, Non-vestedHo, HelenG4, Non-vestedJohn, RennyG4, Non-vestedLadcani, RosarioG2, Non-vestedPena, JoeG7, Non-vestedYi, PaulG7, Non-vested

- 2406.4.8 Member Account Redeposits: None.
- 2406.4.9 Acceptance of Trustees' Reports of Educational Activities: The Board accepted the submitted report for educational activities attended by Ms. Arnott, Mr. Battey, Mr. David, Ms. DeCarsky, Mr. Marangu, Ms. O'Malley, Ms. Orr, Mr. Raw, and Ms. Salas.
- 2406.4.1 **Approval to Renew Fiduciary Liability Insurance Policy:** The Board authorized the County's Risk Manager to renew fiduciary liability insurance coverage with RLI/Chubb Insurance Corporations through May 27, 2025.
- 2406.5.1 Consideration of Agenda Items, if any, Removed from the Consent Agenda: None.
- 2406.5.2 **Review of Funding Dashboard:** Mr. Hood reported on the Quarterly Funding Progress Dashboard for the Period Ended March 31, 2024, which showed projected funded status and employer contribution rate. This item was informational and for discussion only, no action was taken.
- 2406.5.3 **Approval of Economic Assumptions to be used in the June 30, 2024 Actuarial Valuation:** Mr. Glyde from Milliman Inc. presented Milliman's May 2024 Presentation on Economic Assumptions for the 2024 Valuation to the Board. The Board discussed the recommendation.

Action: Mr. Hoefer moved to approve the Milliman recommendation that no changes be made to the assumptions used for last year's valuation. The motion was seconded by Mr. David and carried with a vote of 8-0-0, with trustees Arnott, Battey, David, Hoefer, Marangu, Orr, Raw, and Salas all in favor; none opposed; none abstained. Ms. O'Malley stepped out of the boardroom at 10:29 a.m. until 10:31 a.m. and was not present for the vote.

2406.6.1 Report on Preliminary Monthly Portfolio Performance for the Period Ended April 30, 2024: Mr. Coultrip reported that SamCERA's preliminary return for April was -1.6%, bringing the preliminary trailing twelve-month net return ending April to 7.6%, which is below our benchmark return of 8.8% but above our assumed earnings rate of 6.25%. SamCERA's estimated market value as of April was \$6.31 billion, while the actuarial funded ratio as of June 30, 2023 was 88.3%.

Ms. Arnott stepped out of the boardroom at 10:33 a.m. until 10:36 a.m. Mr. Raw stepped out of the board room at 10:34 a.m. until 10:36 a.m.

- 2406.6.2 **Report on Quarterly Investment Performance for the Period Ended March 31, 2024:** Mr. Coultrip reported that the 1st quarter net total return for the SamCERA portfolio was 3.3%, which was lower than the 4.7% policy benchmark return. Joe Abdou and John Nicolini from Verus presented the Verus Quarterly Performance Report Ending 03/31/24 to the Board. This item was informational and for discussion only, no action was taken.
- 2406.6.3 **Report on Real Estate Manager Annual Reviews:** Ms. Ng reported that SamCERA staff and consultant held annual review meetings with real estate managers, PGIM and Harrison Street on April 4th and April 11th, respectively. There were no major concerns identified during the review.

- 2406.6.4 **Report on Core Equity Manager Annual Reviews:** Ms. Ng reported that staff and consultant held annual review meetings with core equity index manager, Blackrock, and small-cap core equity manager, PGIM Quantitative Solutions LLC on April 29th. Ms. Ng reviewed the meetings, stated there were no significant concerns and answered questions from the Board. This item was informational and for discussion only, no action was taken.
- 2406.6.5 Approval of Proposed Alternative Investments (to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §7928.710, see item C2): This item was heard in Closed Session at 11:39 a.m. and Open Session was reconvened at 12:38 p.m. See Closed Session report under C2.
- 2406.8.1 **Chief Executive Officer's Report:** Mr. Hood reported to the Board that for 21st straight year in a row, SamCERA has been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting (for the fiscal year ended June 30, 2023. Mr. Hood thanked Ms. Chow, Ms. Milan, Ms. Jeong, Ms. Smith, and Mr. Okada for their work on the Annual Comprehensive Financial Report. Mr. Hood reported to the Board that Brown-Armstrong has already begun work on the audit for the fiscal year ending June 30, 2024. Mr. Hood informed the Board that the next board meeting will be held in the new fiscal year on July 23rd and on the agenda is the election of Board Officers and committee selections. Mr. Hood mentioned to the Board that SACRS publishes a monthly legislative report that he will begin sending out to the Board. Lastly, Mr. Hood reported that Roederfinancial.com published their annual rankings of California retirement systems, ranked from most optimistic to most conservative assumptions, are out and SamCERA was ranked as the second most conservative system. SamCERA is the only system in the state with a 6.25% assumed rate of return.
- Assistant Executive Officer's Report: Ms. Smith reported to the Board that the election is currently taking place. For the safety seat, the candidates are Ms. DeCarksy and Mr. Raw. There are two candidates running for the "Second Member" Board seat (elected by general members). The election concludes on Monday, June 10th and results will be provided on June 14th. Ms. Smith also reported to the Board that she attended a SCORPA meeting a couple months ago and a few members requested assistance in using the Member Self-Service Portal in the mobile app; as a result, the Benefits team is hosting an open house on June 5th from 2-5 p.m. for retirees to drop in and learn how to use the mobile app and/or the member self-service portal. Lastly, Ms. Smith reported to the Board that Ms. Orr will be reappointed by the County Board of Supervisors as her term is expiring on June 30, 2024. Mr. Battey's term is also expiring, however there have been no applications yet that have investment qualifications, thus the application process for the "Sixth Member" Board Seat held by Mr. Battey is still ongoing. Ms. Lukan reported to the Board on upcoming education opportunities including IFEBP Annual Conference and SACRS, both around the same time in November, as well as SACRS UC Berkeley in July, and NCPERS in October, she and will send an email with the information.
- 2406.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported to the Board that staff and Verus will be bringing an liquidity analysis to the Board in July. Mr. Coultrip also informed the Board of upcoming Manager Reviews on June 6, 2024, with International Equity Mangers Baillie Gifford and Mondrian; and June 18, 2024, with Core Bonds & Long Treasury Managers DoubleLine, NISA Investment Advisors, and Fidelity.
- 2406.8.4 **Chief Legal Counsel's Report:** Mr. Okada thanked all the trustees for submitting their responses to the Portable Electronics Survey. Mr. Okada reported to the Board that SamCERA will be doing the survey for staff as well and then will bring the Portable Electronics Policy to the Board in July or August.
 - C1 Consideration of Disability Items, if any, removed from the Consent Agenda: None.
 - C2 Approval of Proposed Alternative Investment (Confidential Under Gov. Code §54956.81 and §7928.710 see also item 6.5):

The Board entered Closed Session at 11:39 a.m.

The Board met in Closed Session for the approval of proposed alternative investments:

Regarding a \$35MM commitment to Beach Point Capital Real Estate Debt Fund, L.P., as part of SamCERA's Debt portfolio within Real Estate under the Inflation Hedge category, there was a motion and a second to approve such commitment.

Ayes: Arnott, Battey (Chair), David, Hoefer, Marangu, O'Malley, Orr

(Secretary), Raw, and Salas (Vice Chair)

Nos: None Abstain: None Absent: None Motion carried 9-0-0

Regarding a commitment of \$25 million to Quantum Energy Partners VIII, L.P. as part of SamCERA's Natural Resources portfolio within Private Real Assets under the Inflation Hedge category, there was a motion and second to approve such commitment.

Ayes: Arnott, Battey (Chair), David, Hoefer, Marangu, O'Malley, Orr

(Secretary), Raw, and Salas (Vice Chair)

Nos: None Abstain: None Absent: None Motion carried 9-0-0

No other matters were heard in Closed Session and the Board exited Closed Session at 12:28 p.m.

- 2406.9.0 **Reports on Actions Taken in Closed Session:** Mr. Okada reported on Items C1 and C2 above. There were no additional closed session items.
- 2406.10 **Adjournment:** Mr. Hoefer presented to Mr. Battey a commemorative Resolution passed by the Board honoring Mr. Battey and his service to SamCERA for the last nine years. Mr. Battey adjourned the meeting at 12:41 p.m. in memory of the deceased members listed below.

March 31, 2024	Employee & Public Service
April 5, 2024	Human Services
April 7, 2024	Health Services
April 17, 2024	Probation
April 22, 2024	Human Services
April 23, 2024	Library
May 3, 2024	Public Works
May 6, 2024	Family Health
May 18, 2024	Chope Hospital
	April 5, 2024 April 7, 2024 April 17, 2024 April 22, 2024 April 23, 2024 May 3, 2024 May 6, 2024

Mark Battey		
Chair		

July 23, 2024 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

a) The Board finds that **Kathryn Chao** (1) is able to substantially perform her usual and customary duties as a Probation Services Manager I and (2) denies her application for a service-connected disability retirement.

- b) The Board finds that **Michael El Haddad** (1) is permanently incapacitated from the performance of his usual and customary duties as a Deputy Sheriff, (2) finds that his disability was the result of an injury arising out of and in the course of his employment and (3) grants his application for a service-connected disability retirement.
- c) The Board finds that **Maria Isabel Hernandez** (1) is able to substantially perform her usual and customary duties as a Marriage and Family Therapist II and (2) denies her application for a service-connected disability retirement.
- d) The Board refers **Susan Lee's** application for service-connected disability retirement to a hearing officer for proposed findings and recommendations.
- e) The Board finds that **Ashley Ochoa** (1) is permanently incapacitated from the performance of her usual and customary duties as a Sheriff's Correctional Officer, (2) finds that her disability was the result of an injury arising out of and in the course of her employment and (3) grants her application for a service-connected disability retirement.

4.2 Survivor Death Benefits

None.

4.3 Service Retirements

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

Name	Effective Retirement Date	Department
Boesch, Maureen	May 31, 2024	Superior Court
Calderbank, Mark	May 30, 2024	San Mateo County Health
Colin, Edmond	June 1, 2024	Probation
Danly, Annette	June 1, 2024	Human Services Agency
Dass, Arun	May 29, 2024	Superior Court

DeJesus, Alysa	May 18, 2024	Deferred - Probation
Dragunas, Neringa	June 1, 2024	San Mateo County Health
Fung, William	March 30, 2024	Deferred - Environmental Health
Gervais, Jonathan	May 15, 2024	Deferred – Parks Department
Gomez, Elvira	May 29, 2024	Mental Health
Halpern, Kent	May 31, 2024	Mental Health
Khoury, George	June 1, 2024	Probation
Love, Nadyne	June 1, 2024	Deferred - Mental Health
McAllan, Karen	May 16, 2024	Deferred - Probation
Needels, Steven	June 1, 2024	San Mateo County Health
Pino, Linda	May 4, 2024	Family Health

4.4 Continuances

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

Survivor's Name	Beneficiary of:
Lucia, Sally	Lucia, Paul
Moore, Lynda	Cid, Luis
Rodriguez, Pedro	Rodriguez, Beatriz

4.5 Deferred Retirements

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

Name	Retirement Plan Type
Akiyama, Melissa	G7, Vested Auto Defer – Code 31700
Albini, Bryan	G4, Vested Auto Defer – Code 31700
Alota, Jeffrey	G4, Vested Auto Defer – Code 31700
Antezana, Cindy	G4, Vested Auto Defer – Code 31700
Berrada, Zenda	G5, Vested Auto Defer – Code 31700
Blake, Sarah	G4, Vested Auto Defer – Code 31700
Campos, Angelica	G5, Vested Auto Defer – Code 31700
Chow, Richard	G4, Vested Auto Defer – Code 31700
Cloney, Christopher	S4, Vested Auto Defer – Code 31700
Domingo, Jenifer	G7, Vested Auto Defer – Code 31700
Espano, Gladys	G7, Vested Auto Defer – Code 31700

Figard, Kayla	G5, Vested Auto Defer – Code 31700
Gomez, Emeralda	G7, Non-Vested - Reciprocity
Estrada, Natalia	G7, Vested Auto Defer – Code 31700
Garcia, Gloria	G7, Vested Auto Defer – Code 31700
Geipe, Amanda	G5, Vested Auto Defer – Code 31700
Gilman, Scott	G7, Non-Vested – Reciprocity
Green Young, Anthony	S4, Vested
Gutierrez, Alexandra	G7, Vested Auto Defer – Code 31700
Herborn, Patricia	G2/G3, Vested Auto Defer – Code 31700
Hernandez, Ednalina	G4, Vested Auto Defer – Code 31700
Holomuzki, Carole	G7, Vested Auto Defer – Code 31700
Holt, Vanessa	G7, Vested Auto Defer – Code 31700
Jakubowski, Susan	G4, Vested Auto Defer – Code 31700
Kalra, Sumita	G4, Vested Auto Defer – Code 31700
Lee, Ruby	G7, Vested Auto Defer – Code 31700
MacDonald, Warren	G7, Vested Auto Defer – Code 31700
Martinez, Julia	G4, Vested Auto Defer – Code 31700
McCarthy, Thomas	G5, Vested Auto Defer – Code 31700
Molina, Daniela	G5, Vested Auto Defer – Code 31700
Newell, Jordan	G7, Vested Auto Defer – Code 31700
Obedoza, Elvie	G7, Vested Auto Defer – Code 31700
Ou, Sara	G7, Vested
Paredes-Colonia, Michelle	G7, Vested Auto Defer – Code 31700
Parsons-Barillas, Iliana	G7, Vested - Reciprocity
Pien-Wong, Jennifer	G4, Vested Auto Defer – Code 31700
Povah, Tricia	G4, Vested Auto Defer – Code 31700
Ramirez, Silvia	G4, Vested Auto Defer – Code 31700
Reynicke, Nicky	G7, Vested - Reciprocity
Rienhardt, Scott	G4, Vested Auto Defer – Code 31700
Riley, Kelly	G4, Vested Auto Defer – Code 31700
Rousseau, Kyle	G7, Vested Auto Defer – Code 31700

Santiago, Mary	G4, Vested Auto Defer – Code 31700
Selig, Megan	P4, Vested Auto Defer – Code 31700
Solorzano Flores, Esperanza	G7, Vested Auto Defer – Code 31700
Tharayil, Mithu	G7, Vested Auto Defer – Code 31700
Urquidez, Neil	G4, Vested Auto Defer – Code 31700
Venning, Kristen	G7, Vested Auto Defer – Code 31700
Wertz, Diana	G7, Vested Auto Defer – Code 31700
Wixon, Rebecca	G4, Vested Auto Defer – Code 31700

4.6 Member Account Refunds

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

Name	Retirement Plan Type
Britt, Kevin	G7, Non-vested
Bruno, Antoinette	G7, Non-vested
De Guzman, Leonard Vincent	G7, Non-vested
De Zoysa, Shailen Ujesha	G7, Non-vested
Garcia, Briana Tillie	G7, Vested
Lloyd, Barbara	G7, Non-vested
MacDonell, Jennifer	G7, Non-vested
Sevilla, Stephen	G7, Non-vested
Vargas, Brandy	G7, Non-vested
Vujicevich, Michael	G4, Vested

4.7 Member Account Rollovers

None.

4.8 Member Account Redeposits

Name	Retirement Plan Type
Ladcani, Ivan	G2

4.9 Acceptance of Trustees' Reports of Educational Activities

See attached.

July 23, 2024 Agenda Item 4.9

TO: Board of Retirement

FROM: Jenny Lukan, Retirement Executive Secretary

SUBJECT: Trustees' Reports of Educational Activities

Recommendation

Accept the following report from Board of Retirement trustees who have recently attended educational events.

Background

SamCERA's Education Policy Section 1D states "Prior to the next regularly scheduled meeting of the Board following the Board member's participation in an educational activity, the Board member shall submit for inclusion on the Consent Agenda, a summary written report on the content of educational activities. The report shall substantially reflect the information contained in the attached sample report."

Discussion

Kurt Hoefer attended the following educational event and his report is attached:

IFEBP Advanced Trustees & Administrators Institute, June 24-26, 2024

Attachments

Trustees' Education Proof of Participation Certificate and Summary

SamCERA Board of Retirement Trustee Education Proof of Participation Certificate and Summary



Trustee Name		Date(s) of Event
Kurt Hoefer		6/24 - 6/26/24
Education Event Name		
IFEBP Advanced Tru	ntees à Administra	ators Institute
Event Provider	•	
IFEBP		
Type of Participation:	Eligible Credit:	1/ 2
Attended Event ☑	Total hours for sessions you	participated in: 19.3
Listened to Audio/Watched Video □	(Staff may adjust hours if the	e provider issues an education
	certificate that reflects differ	rent hours.)
This event satisfies the following requirer Government Code section 31522.8:	nents of the Board of Retirem	ent's Education Policy and
Topic: (Check all that apply)		
	☐ Disability evalua	ation
☐ Ethics	☐ Fair hearings	
☐ Benefits administration	Pension fund go	overnance
「Actuarial matters	□ New board mer	mber orientation
☐ Pension funding	☐ Other:	
☐ Pension fund investments and invest	ment	
program management		
Summary Report		
What concepts or information did you learn about? Learned about changing legislative and regulatory environment vist management for maturing plans cybertecomity and strategies for dealing with cross around systems that are hacked,		
Would you recommend this event to other		
□ Yes □ No	Maybe on health	I benefits a topic that up other plans, but not a
You may provide additional comments to	SamCERA'S CEO. CONCERN 6	toms.
By signing below, I certify that I participated amount of education		above and am entitled to
Trustee Signature (print this form and si	gn) Date	6/27/24
		, ,

NOTE: Please return this completed form to SamCERA's Executive Secretary prior to the mailing of the Board packet, so it can be included in that month's Consent Agenda.

July 23, 2024 Agenda Item 4.10

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer

SUBJECT: Records Retention Policy

Recommendation

Reaffirm the Board of Retirement's Records Retention Policy.

Background

The Board has 24 policies which it has adopted at various times to govern its activities and guide staff's administration of the system. Staff brings these polices to the Board for periodic review and the Board thereafter amends or reaffirms such policies as appropriate. The policy currently before the Board is its Records Retention Policy which was last reviewed and amended in 2021. Staff has reviewed the current policy and is recommending that the Board reaffirm it.

Discussion

The '37 Act provides that: "The board may establish efficient records management procedures, which may include, but need not be limited to, maintenance and, when determined by the board to be necessary, disposal of records in its jurisdiction." (Government Code § 31537.)

SamCERA is not required to maintain unofficial records which, as described in the proposed policy, generally consist of drafts and other preliminary documents or recordings. The amendments to the policy approved by the Board in 2021: (1) clarified the definitions of "official" and "unofficial" records; (2) clarified that "litigation holds" supersede the policy's provisions allowing the disposal of records; (3) set forth the process for the disposal of records; and (4) identified discrete categories of physical records that may now be destroyed in accordance with applicable law and best practices.

No revisions or changes to the policy are recommended by staff at this time.

Attachments

Board of Retirement Records Retention Policy

San Mateo County Employees' Retirement Association

BOARD OF RETIREMENT RECORDS RETENTION POLICY

I. Purpose.

Information recorded in any form, whether paper or electronic, can be considered a record. SamCERA maintains official records that document SamCERA's business matters and this policy concerns the maintenance of such records with the exception of e-mails that are sent or received through the County of San Mateo's e-mail system. Such e-mail records are subject to the County's e-mail retention policy and not this policy. The purposes of this policy are to: (1) ensure that SamCERA maintains official records that are essential to its operations; (2) reduce recordkeeping costs; (3) improve the efficiency of recordkeeping; (4) ensure legal compliance with state, federal, and other regulatory recordkeeping requirements; and (5) set forth the general procedures concerning the maintenance and disposal of SamCERA's records, pursuant to Government Code § 31537.

The retention rules set forth in Section IV below apply to "official records" created or received by the SamCERA Board and/or staff. Whether or not a document constitutes an "official record" is set forth in Section II below.

If a document is an "unofficial record" as defined in Section III below, the Board and/or staff may retain or dispose of such documents at their discretion in accordance with the document's relevance and usefulness to business needs.

On occasion, the Chief Executive Officer or Chief Legal Counsel may issue a "Litigation Hold Notice." A Litigation Hold Notice requests that the Board and/or staff identify and preserve certain documents (both electronic and physical) for litigation purposes. Such a Litigation Hold Notice supersedes any retention requirements and/or schedules set out in this policy.

II. Definition of Official Records.

"Official records" are records that reflect the final and official position or activities of SamCERA-related to the specific content of the record. SamCERA will create and maintain trustworthy official records in order to preserve the rights of members and beneficiaries, and to promote quality decision-making and efficient business practices. A record is trustworthy when it has:

- Reliability a full and accurate representation of the activities or facts to which it attests and can be depended upon in the course of other transactions or activities.
- Integrity protected against unauthorized addition, deletion, and alteration.
- Usability able to be located, retrieved, presented, and read.

III. Definition of Unofficial Records.

"Unofficial records" include, but are not limited to, works-in-progress, drafts, and copies of documents or other media that have either not been finalized or approved. SamCERA is not required to maintain unofficial records.

Once the minutes of meetings of the Board of Retirement or any Standing Committee of the Board have been approved, recordings of such meetings, if any, are deemed to be unofficial records, and if at least 30 days have elapsed from the meeting date, such recordings may be deleted or otherwise destroyed. If staff determines that portions of the recording need to be retained beyond such 30-day period as the result of an administrative procedure or other legal process, such portion of the recording may be retained, but thereafter should be deleted or otherwise destroyed upon the conclusion of such administrative procedure or legal process. Documents that do not yet reflect the official position of SamCERA and/or which remain subject to change before completion are also considered "unofficial records." Publications and materials not produced by SamCERA, not produced at SamCERA's request, or not required to be received by SamCERA are also "unofficial records." However, such materials may be deemed "official records" if they are necessary for a complete understanding of SamCERA's actions, operations, and responsibilities.

IV. Process for the Maintenance of Official Records.

- A. <u>Conversion of Existing Physical Records</u>. All official records that are in paper or other physical format and which are currently stored at the SamCERA office or at a secure offsite location by SamCERA shall be converted into an electronic format. Conversion of records into an electronic format shall be undertaken in such a manner that the records cannot be added to, deleted, or otherwise changed, and that the chain of custody of such records may be established if necessary. Following conversion, the physical records will be destroyed unless there are specific circumstances requiring that such physical records be maintained. To the extent the CEO determines that it is not feasible or cost-effective to convert existing physical records into an electronic format, then such records may continue to be stored in physical form.
- B. <u>Conversion of Physical Records on an On-Going Basis</u>. All official records that are hereafter created or received in a paper or other physical format should be converted into an electronic format in such a manner that allows for the record to be trustworthy, efficiently stored, and retrievable. Conversion of records into an electronic format shall be undertaken in such manner that the chain of custody of such records may be established if necessary, and the records cannot be added to, deleted, or otherwise changed. Following conversion, the physical records will be destroyed unless there are specific circumstances requiring that such physical records be maintained.
- C. <u>Electronic Records</u>. All official records that are created or received electronically shall be maintained and stored electronically in such a manner that allows for the record to be trustworthy, efficiently stored, and retrievable.

V. Disposal of Official Records.

- A. Electronic Records With respect to official records in an electronic format, staff will monitor SamCERA's electronic storage capacity on an ongoing basis. If the CEO determines that it is not feasible or cost-effective to continue to maintain such electronic records, and if SamCERA is not legally required to maintain such records, then staff will present a disposal schedule for the Board's approval.
- B. Physical Records With respect to official records that are in a physical format, those physical records set forth on <u>Attachment A</u> may be destroyed following retention for the period required thereon or conversion into electronic format, whichever is earlier. All other official records, whether in physical or electronic form, that are not specified in the attached schedule shall be stored indefinitely until such time as the Board authorizes their disposal.
- C. Process for Disposal of Official Records In accordance with Sections IV.A. and IV.B., records in paper form that have been converted into an electronic format shall be destroyed as soon as practicable after they have been converted into electronic format. Additionally, all physical records described in **Attachment A** shall be destroyed following the required retention period at the beginning of each fiscal year or as soon as practicable thereafter. All records which have been designated for disposal, whether in physical or electronic format, shall be destroyed in manner that will prevent their future recovery.

Last Reviewed: July 23, 2024

Last amended: September 28, 2021

ATTACHMENT A

RECORDS RETENTION SCHEDULE

Finance Division Records

Records Category	Minimum Retention Period	Notes & Citation (if any)
Retirement Payroll Records	Current FY + 15 years	29 U.S.C. § 1027 26 U.S.C. § 6502(a) (IRS Levy limitation period)
Audit Work Papers & Records [does <u>not</u> include financial statements, audit reports, ACFRs]* (e.g., correspondence with auditor; information exchanged with auditor; other support documentation)	7 years after audit	*Financial statements, audit reports, and ACFRs are to be maintained permanently. PCAOB – Auditing Standard No. 3. Securities and Exchange Commission, RIN 3235-AI74, Retention of Records Relevant to Audits and Reviews.
Actuary Work Papers & Records [does not include actuarial reports]* (e.g., correspondence with actuary; information exchanged with actuary)	7 years	*Actuarial reports are to be maintained permanently
Tax Records (e.g., 1099 files; annual/quarterly payroll tax returns filed with federal and state agencies; IRS Form 1042)	10 years	
Contract-Related Records (e.g., agreements, invoices; payment support documents; contract deliverable reports or other reports demonstrating performance; procurement documents)	Active + 4 years after contract expiration	Code of Civil Procedure § 337
Journal Entries (e.g., journal entries created through accounting systems such as OFAS and Great Plains)	Current FY + 5 years	Code of Civil Procedure §§ 337, 338, 343 General accounting principles
Accounts Payable, Accounts Receivable, Cash Receipt, and Non-Payroll Payment Records* (e.g., invoices, deposit permits; wire transfers, accounts receivable/payable ledgers and schedules)	Current FY + 5 years	*All contract-related documents must be maintained per the category "Contract-Related Records" above. Code of Civil Procedure §§ 337, 338, 343; 29 U.S.C. § 1027 General accounting principles

ATTACHMENT A

RECORDS RETENTION SCHEDULE

Benefits Division Records

Records Category	Minimum Retention Period	Notes & Citation (if any)
Disability File – Medical Records*	Active + 7 years*	Govt Code §§ 911.2, 911.4, 31532; Code of Civil Procedure §§ 338, 1094.6;
		*Cases are considered "active" until all administrative proceedings have concluded, the Board has made a final decision, and the period for appeal has expired.
		*This schedule only authorizes the destruction of medical records. Other portions of member disability files should be maintained pending further revisions to the records retention policy.

Last Reviewed: July 23, 2024

July 23, 2024 Agenda Item 4.11

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer

SUBJECT: Code of Conduct

Recommendation

Reaffirm the Board of Retirement's Code of Conduct.

Background

The Board has 24 policies which it has adopted at various times to govern the Board in its activities and to guide staff's administration of the system. Staff brings these polices to the Board for periodic reaffirmation or amendment on an as needed basis. The policy before the Board today is its Code of Conduct which is in the same form as the policy approved in 2021. The policy approved in 2021 was substantially the same as the policy previously approved in 2018 with minor revisions for readability and clarity.

Discussion

The Board has a fiduciary obligation to the retirement fund to conserve assets and protect the integrity of the fund for the benefit of the members and beneficiaries of SamCERA. Additionally, Board members must comply with several areas of the Government Code including the Brown Act, the Public Records Act, the Political Reform Act, the regulations of the California Fair Political Practices Commission (FPPC), and SamCERA's "Conflict of Interest Code." The values behind these laws can be summarized as: trustworthiness, responsibility, and loyalty. The Board's current Code of Conduct identifies and proscribes behavior that promotes these ethical principles. Staff recommends that it be reaffirmed by the Board.

Attachment

Code of Conduct

San Mateo County Employees Retirement Association

BOARD OF RETIREMENT CODE OF CONDUCT

The Board of Retirement is the governing body of SamCERA and has exclusive control and fiduciary responsibility for management of the benefits and investments of the retirement fund for the members and beneficiaries of SamCERA. As public officials and as fiduciaries, Board members are expected to be careful stewards of taxpayer and member resources.

The Board is governed by the California Constitution, the County Employees Retirement Law of 1937, the California Public Employees' Pension Reform Act of 2013, and the regulations, procedures, and policies adopted by the Board. In addition, Board members must comply with all applicable federal, state, and local law, including all laws and regulations applicable to public agencies (such as the Brown Act pertaining to open meetings and the Public Records Act), and laws and regulations applicable to public officials (such as disclosure of economic interests and avoidance of conflict of interests) as set forth in the Government Code and the regulations of the California Fair Political Practices Commission (FPPC).

Board members are also subject to SamCERA's "Conflict of Interest Code" and must sign an "Acknowledgment of Financial Conflict of Interest Laws" and an "Acknowledgment of Confidential Records and Information."

The general rationale behind these laws and policies reflects the ethical principles of public service which can be summarized as: Trustworthiness, Responsibility, and Loyalty.

In furtherance of these obligations and beliefs, the Board hereby adopts the following Code of Conduct for its members:

As a member of the Board, you must:

- 1. Discharge your duties solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries.
- 2. Act in good faith and in the best interest of members, beneficiaries, and the fund as a whole.
- 3. Act with skill, care, and diligence.
- 4. Carry out your duties in a manner consistent with your fiduciary duties.
- 5. Carry out your duties consistent with applicable federal, state, and local law, including all laws and regulations regarding conflicts of interest, gifts, financial disclosures, ethics, and prohibited practices, and avoid appearances of impropriety.
- 6. Refrain from using your position and avoid the appearance that you are using your position, on the Board for private gain or the advantage of another.
- 7. Understand what information is to be kept confidential and maintain that confidentiality.
- 8. Refrain from using confidential information acquired by virtue of SamCERA activities for private gain or advantage of another, including but not limited to, insider trading.

- 9. Seek or gather specialized advice or knowledge through education and training to assist you in making prudent decisions.
- 10. Become familiar with Board regulations, policies, and procedures and consistently follow them to carry out the Board's responsibilities.
- 11. Communicate in a respectful, straightforward, honest, and constructive manner during all meetings of the Board and its committees.
- 12. Make a good faith effort to prepare for, attend, and participate in all meetings of the Board and of committees on which you serve.
- 13. Treat all participants and beneficiaries fairly, objectively, and impartially.
- 14. Strive to carry out the business of the Board and committee meetings in the most efficient and effective manner possible.
- 15. Refrain from having any *ex parte* communication with any SamCERA member regarding the determination of a member's benefit until the Board's decision has become final and the time to file a Court challenge has run.
- 16. Refrain from communicating with any investment management firm, or other vendor, regarding any product or search during the period beginning when the selection process is commenced (request for services is released or search process commenced) and ending when the selection process is deemed completed by the Board.

July 23, 2024 Agenda Item 4.12

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer

SUBJECT: Conflict of Interest Code

Recommendation

Approve amendments to SamCERA's Conflict of Interest Code.

Background

The Political Reform Act prohibits public officials from using their official position to influence a governmental decision in which they have a financial interest. Every public agency must adopt a Conflict of Interest (COI) code that identifies all officials and employees within the agency who make governmental decisions based on the positions they hold. The individuals in the designed positions must disclose specified financial interests on a Statement of Economic Interests (Form 700).

Discussion

SamCERA is required to review its COI code at least every other year to determine whether, since the last code was approved, there have been any:

- Substantial changes to the SamCERA's organizational structure;
- Positions that were eliminated or re-named;
- Positions that added; or
- Substantial changes in duties or responsibilities for any positions.

Since the Board's last approval of the COI code in July 2022, there has been one organizational change in SamCERA staffing: the position of "Chief Technology Officer," which previously reported directly to the Chief Executive Officer has been retitled "Retirement Technology Officer" and will report to the Assistant Executive Officer. The re-naming of this position is reflected in the proposed amended COI.

Following the Board's approval of amendments to the COI code, staff will take appropriate action to inform the County Clerk-Recorder's Office, which is the office that administers the biennial review of conflict of interest codes within the county.

Attachments

Amended Conflict of Interest Code (Clean)
Amended Conflict of Interest Code (Redline)

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION CONFLICT OF INTEREST CODE

The Fair Political Practices Commission (FPPC) has adopted a regulation (2 Cal. Code of Regs. 18730), which contains the terms of a standard conflict of interest code, which may be amended from time to time. The terms of 2 Cal. Code of Regs. 18730, and any amendments to it duly adopted by the FPPC, are hereby incorporated into this Conflict of Interest Code.

Each person holding any position listed below must file FPPC Form 700--Statement of Economic Interests disclosing the kinds of financial interest shown for the designated employee's position. Statements must be filed at the times and on the forms prescribed by law. Failure to file statements on time may result in penalties including but not limited to late fines. Each person holding a position who must file a Statements of Economic Interests in accordance with Government Code section 87200 *et seq.* and California Code of Regulations shall file in accordance with those statutes, with the proviso that the original statements will be filed with *SamCERA* and with a copy to County Clerk. The County Clerk does not need to forward the Statement of Economic Interests to the Fair Political Practices Commission.

LIST OF DESIGNATED POSITIONS AND APPLICABLE DISCLOSURE CATEGORIES

Government Code section 87200 filers: the following positions which manage public investments for purposes Government Code section 87200, shall, *in addition* to the disclosures required by Government Code section 87200 *et seq.* and California Code of Regulations, disclose:

Disc	osure	Category
DISC.	losuic	Category

Trustees and Alternate Trustees	1, 2, 3
Chief Executive Officer	1, 2, 3
Chief Investment Officer	1, 2, 3

Government Code section 87100 filers: Designated SamCERA employee positions and employees of consultants, who shall file in accordance with Government Code section 87100:

Disclosure Category

Assistant Executive Officer	1, 2, 3
Chief Legal Counsel	1, 2, 3
Retirement Benefits Manager	2
Retirement Finance Officer	2
Retirement Technology Officer	2
Investment Consultants	4
Other Consultants	*

^{*&}quot;Investment Consultants" are those investment managers and consultants who have been determined by the Chief Executive Officer to perform the same or substantially the same functions as SamCERA's Chief Investment Officer, which includes, but is not limited to directing or approving investment transactions, formulating or approving investment policies, and establishing guidelines for asset allocation. "Other Consultants" are those contractors who have been determined by the Chief Executive Officer to perform the functions of a SamCERA employee who pursuant to California Code of regulations section 18700(a)(2) are required to file statements of economic interests. The Chief Executive Officer shall further determine the applicable disclosure categories.

DESCRIPTION OF FINANCIAL DISCLOSURE CATEGORIES

Category 1: Persons in this category shall disclose all interest in real property within the boundaries of the County of San Mateo or within two miles outside the boundaries of the County of San Mateo and property located within two miles of any land owned or used by *SamCERA*. Persons are not required to disclose property, such as a home or vacation cabin, used exclusively as a personal residence.

Category 2: Persons in this category shall disclose all business positions, investments in, or income (including gifts and loans) received from business entities that manufacture, provide or sell service and/or supplies of a type utilized by *SamCERA*.

Category 3: Persons in this category shall disclose all business positions and investments in business entities that are the type in which *SamCERA*'s trust funds may be invested (include securities, real estate and business entities), all income (including gifts and loans) from such business entities, and all interests in real estate co-owned with or purchased from such *SamCERA* business entities.

Category 4: Those investment consultant firms ("consultant") under contract with SamCERA that have been determined by the Chief Executive Officer to have a requirement to file. Such consultant shall designate those employees who have influence over the investment decisions pertaining to SamCERA's portfolio. Employees designated by the consultant will disclose all investments in business entities that are the type in which SamCERA's portfolio may be invested by that consultant (including securities, real estate and business entities) which may foreseeably be materially affected by their decision making on behalf of SamCERA, all income (including gifts and loans) from such business entities, and all interests in real estate co-owned with or purchased from such SamCERA business entities.

ADOPTED by unanimous vote, February 23, 1999

AMENDED by unanimous vote, February 22, 2000

AMENDED by unanimous vote, February 27, 2001

AMENDED by unanimous vote, February 26, 2002 AMENDED by unanimous vote, March 25, 2003

AMENDED by unanimous vote, February 22, 2005

AMENDED by unanimous vote, January 24, 2006

AMENDED by unanimous vote, February 26, 2008

AMENDED by unanimous vote, July 28, 2009

AMENDED by unanimous vote, March, 2010

AMENDED by unanimous vote, September 2011

AMENDED BY unanimous vote, March 2012

ATT: GOVERNMENT CODE SECTION 87314 APPENDIX

Government Code Section 87314 Appendix

Agency Positions that Manage Public Investments For purposes of Section 87200 of the Government Code

The following positions manage Public Investments for purposes of Section 87200 of the Government Code:

Trustees and Alternate Trustees Chief Executive Officer Chief Investment Officer

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION CONFLICT OF INTEREST CODE

The Fair Political Practices Commission (FPPC) has adopted a regulation (2 Cal. Code of Regs. 18730), which contains the terms of a standard conflict of interest code, which may be amended from time to time. The terms of 2 Cal. Code of Regs. 18730, and any amendments to it duly adopted by the FPPC, are hereby incorporated into this Conflict of Interest Code.

Each person holding any position listed below must file FPPC Form 700--Statement of Economic Interests disclosing the kinds of financial interest shown for the designated employee's position. Statements must be filed at the times and on the forms prescribed by law. Failure to file statements on time may result in penalties including but not limited to late fines. Each person holding a position who must file a Statements of Economic Interests in accordance with Government Code section 87200 *et seq.* and California Code of Regulations shall file in accordance with those statutes, with the proviso that the original statements will be filed with *SamCERA* and with a copy to County Clerk. The County Clerk does not need to forward the Statement of Economic Interests to the Fair Political Practices Commission.

LIST OF DESIGNATED POSITIONS AND APPLICABLE DISCLOSURE CATEGORIES

Government Code section 87200 filers: the following positions which manage public investments for purposes Government Code section 87200, shall, *in addition* to the disclosures required by Government Code section 87200 *et seq.* and California Code of Regulations, disclose:

	Disclosure Category
Trustees and Alternate Trustees Chief Executive Officer Chief Investment Officer	1, 2, 3 1, 2, 3 1, 2, 3

Government Code section 87100 filers: Designated SamCERA employee positions and employees of consultants, who shall file in accordance with Government Code section 87100:

	Disclosure Category
Assistant Executive Officer	1, 2, 3
Chief Legal Counsel	1, 2, 3
Chief Technology Officer	2
Retirement Benefits Manager	2
Retirement Finance Officer	2
Retirement Technology Officer	2
Investment Consultants	4
Other Consultants	*

^{*&}quot;Investment Consultants" are those investment managers and investment consultants who have been determined by the Chief Executive Officer to perform the same or substantially the same functions as SamCERA's Chief Investment Officer, which includes, but is not limited to directing or approving investment transactions, formulating or approving investment policies, and establishing guidelines for asset allocation. "Other Consultants" are those contractors who have been determined by the Chief Executive Officer to perform the functions of a SamCERA employee who pursuant to California Code of regulations section 18700(a)(2) are required to file statements of economic interests. The Chief Executive Officer shall further determine the applicable disclosure categories.

DESCRIPTION OF FINANCIAL DISCLOSURE CATEGORIES

Category 1: Persons in this category shall disclose all interest in real property within the boundaries of the County of San Mateo or within two miles outside the boundaries of the County of San Mateo and property located within two miles of any land owned or used by SamCERA. Persons are not required to disclose property, such as a home or vacation cabin, used exclusively as a personal residence.

Category 2: Persons in this category shall disclose all business positions, investments in, or income (including gifts and loans) received from business entities that manufacture, provide or sell service and/or supplies of a type utilized by SamCERA.

Category 3: Persons in this category shall disclose all business positions and investments in business entities that are the type in which SamCERA's trust funds may be invested (include securities, real estate and business entities), all income (including gifts and loans) from such business entities, and all interests in real estate co-owned with or purchased from such SamCERA business entities.

Category 4: Those investment consultant firms ("consultant") under contract with SamCERA that have been determined by the Chief Executive Officer to have a requirement to file. Such consultant shall designate those employees who have influence over the investment decisions pertaining to SamCERA's portfolio. Employees designated by the consultant will disclose all investments in business entities that are the type in which SamCERA's portfolio may be invested by that consultant (including securities, real estate and business entities) which may foreseeably be materially affected by their decision making on behalf of SamCERA, all income (including gifts and loans) from such business entities, and all interests in real estate co-owned with or purchased from such SamCERA business entities.

AMENDED by unanimous vote, February 22, 2000 AMENDED by unanimous vote, February 27, 2001 AMENDED by unanimous vote, February 26, 2002 AMENDED by unanimous vote, March 25, 2003 AMENDED by unanimous vote, February 22, 2005 AMENDED by unanimous vote, January 24, 2006 AMENDED by unanimous vote, February 26, 2008 AMENDED by unanimous vote, July 28, 2009

ADOPTED by unanimous vote, February 23, 1999

AMENDED by unanimous vote, March, 2010

AMENDED by unanimous vote, September 2011

AMENDED BY unanimous vote, March 2012

ATT: GOVERNMENT CODE SECTION 87314 APPENDIX

Government Code Section 87314 Appendix

Agency Positions that Manage Public Investments For purposes of Section 87200 of the Government Code

The following positions manage Public Investments for purposes of Section 87200 of the Government Code:

Trustees and Alternate Trustees Chief Executive Officer Chief Investment Officer

July 23, 2024 Agenda Item 4.13

TO: Board of Retirement

FROM: Gladys Smith, Assistant Executive Officer Many

SUBJECT: Amending Resolutions Defining Compensation Earnable and Pensionable Compensation

Recommendation

Approve amendments to (1) the Resolution defining Compensation Earnable, pursuant to Government Code §31461 for members who are not subject to Government Code §7522.34 and (2) the Resolution defining Pensionable Compensation for members who are subject to Government Code §7522.34 to include the following pensionable earnings codes:

ATKS & WD Code	New Earnings Code Description
435	84/12 Sick (435)
437	84/12 Reserve Sick (437)
441	84/12 Vacation (441)
448	84/12 Holiday (448)
452	84/12 Com (452)

Background

Depending upon a member's date of hire and other factors, a member is either subject to Government Code §31461 in the County Employees Retirement Law ("CERL") or §7522.34 of the Public Employees' Pension Reform Act (PEPRA). Under CERL, Compensation Earnable is used: (1) to calculate final compensation in order to determine a member's pension benefit and (2) to calculate the ongoing contributions to be paid by the member and the employer. For the PEPRA members, "Pensionable Compensation" is used for the same purposes. The Board determines which elements of compensation are to be included in both of these categories of pensionable earnings.

Discussion

A recent arbitration ruling between a member of the Deputy Sherriff's Association (DSA) and the County of San Mateo necessitated the creation of new earnings codes for compensation now deemed to be covered. The new codes are retroactive to March 1, 2024 and are pensionable.

Staff will address any specific questions that the Board may have. The attached resolutions each rescind the current resolutions and restate the resolutions in their entirety with the new earnings codes.

Attachments

Resolution Defining Compensation Earnable pursuant to Government Code §31461 Resolution Defining Pensionable Compensation pursuant to Government Code §7522.34

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION RESOLUTION 2024-

RESOLUTION DEFINING COMPENSATION EARNABLE PURSUANT TO GOVERNMENT CODE §31461 FOR MEMBERS WHO ARE NOT SUBJECT TO GOVERNMENT CODE §7522.34

- Whereas, for those current members who became active members prior to January 1, 2013, and those members who became active members on or after January 1, 2013, but who are not subject to Government Code §7522.34 of the California Public Employees' Pension Reform Act, the determination of compensation earnable for remuneration earned by those members is governed by Government Code §31461; and
- WHEREAS, Government Code §31461 provides that compensation earnable by a member means the average compensation as determined by the Board, for the period under consideration upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay; and
- **WHEREAS**, Government Code §31461 provides that this Board determine which items of remuneration earned by members shall constitute "Compensation Earnable"; and
- **WHEREAS**, the Board has reviewed the current pay items and has determined which of those items are to be included in "Compensation Earnable" and which items are not to be included; and
- WHEREAS, it is necessary for this Board from time to time to amend its determinations of compensation earnable due to changes made by SamCERA employers in their compensation schedules as well as changes in the law, and the creation of new earning codes resulting from labor negotiations, the Board finds that new pay codes designations should be added; Therefore, be it;
- **RESOLVED**, that Resolution number 2024-01 is rescinded, and pursuant to Government Code §31461 as interpreted by the courts, the Board hereby makes the following determinations to be effective March 1, 2024, as to what is included in "Compensation Earnable" and items of remuneration that are not included:

1. Compensation earnable shall include:

Pay Code	Description
001	Regular hours worked
001-G	Regular hours worked (grace paid)
001-M	Regular hours worked (mandatory meeting)
001-T	Regular hours worked (training)
001-TW	Regular hours worked (telecom)
006	Sheriff's 84/12 Plan
00680	84/12 Plan (Sheriff)
010	Release time with pay
011	Training/Officer of the Day/Courtroom Clerk Electronic Recording
	Pay
013	Night shift differential
014	Special night shift differential

Pay Code	Description
015	Special duty hours
016	Inspection/Testing/Repair with a Certification
019	Charge pay differential
020	Split shift
021-L1	Bilingual pay
021-L2	Bilingual pay
022	Staffing differential
023	Weekend pay
027	Required and Regular On-call hours
035	Sick leave with pay
035B	Sick Leave Supplemental Pay
035-R	Reserve Sick Hours
036	Sick leave with pay (work-related injury)
036-R	Reserve Sick – work related injury
041	Vacation hours with pay
041-A	X-Vacation hours with pay
041B	Vacation Supplemental pay
041H	Vacation hours with pay on holiday
043	Holiday hours regular pay
043CNA	Holiday premium for PT CNA
044	Holiday worked at 1.5
045	Holiday hours worked at straight time
045-P	Holiday hours worked at straight time
045O	Holiday hours worked at straight time-overflow
048	Accumulated holiday hours taken
048-A	X-Accumulated holiday hours taken
048B	Accumulated Holiday Supplemental pay
048H	Holiday hours taken on holiday
052	Comp time hours used
052-A	X-Comp/Admin Leave Hours Used
052B	Comp Time Supplemental pay
052H	Comp time hours used on holiday
054	Administrative leave
055	Jury duty with pay
056	Military-leave with pay
057	Education leave with pay
058	Other leave with pay
059	Disability leave with pay
064	Management overtime used
080	Uniform/tool allowance
080A	Uniform/tool allowance annual
081	Transportation allowance
087	Bi-weekly special pay
088	Miscellaneous special pay
090	Voluntary time off used

Pay Code	Description
093	Furlough w/o pay used with payment of contributions
1TW	Regular hours teleworked
102	Admin leave cash out
104	LTC shift differential
104B	LTC shift differential adjustment
110	Compulsory time off
112	Bereavement leave
113	Special Circumstances (BOS Policies) Leave
114	Psychiatry Residency Program
130	Lactation Pay
131	Winter Recess HRs Regular Pay
133	Accum Winter Recess Hrs Taken
313	LC4850 night shift differential
315	LC4850 special duty
359	LC4850 disability with pay
435	84/12 Sick (435)
437	84/12 Reserve Sick (437)
441	84/12 Vacation (441)
448	84/12 Holiday (448)
452	84/12 Comp (452)
502	Admin leave cash out w/1-time deferred comp
557	Educational ly with pay
635	Emergency Sick Leave
636	Emergency FMLA Paid
638	Supplemental COVID-19 Emergency Sick Leave
641	Essential Worker COVD19 Leave
306	LC4850WC 84/12 plan shf
30680	LC4850WC 84/12 plan shf

2. Compensation Earnable, at a minimum, shall <u>not</u> include, in any case, the following pay items.

A. The following pay codes are <u>not</u> included:

Pay Code	Description
007	EH relief nurse pm shift differential
009	EH relief nurse night shift differential
024	Voluntary or Ad Hoc On-Call hours
025	Call back pay
025-P	Call back pay (premium)
025S	Call back pay SART nurses
025-S	Call back pay SART nurses
026	Part-time double shift differential
028	On call EH. relief nurse
029	Part-time double shift differential
037	Layoff sick leave
040	Terminal vacation
042	Mandatory Time Off Unpaid

Pay Code Description 046 Holiday hours accrued 046CNA Holiday premium hours accrued for PT CNA 046-P Holiday hours accumulated at straight time	
046CNA Holiday premium hours accrued for PT CNA 046-P Holiday hours accumulated at straight time	
046-P Holiday hours accumulated at straight time	
Holiday hours accrued at 1.5	
049 Terminal holiday pay	
050 Terminal compensatory pay	
O51 Comp Time Earned at 1.5	
051-P Premium portion for call back	
053 Comp time earned at straight time	
060 Absent without leave	
061 Leave without pay	
061-A X-Leave without pay	
062 Disability leave without pay	
063 Terminal MOT Pay	
065 Overtime training hours	
066 Overtime at time and one-half	
069 Overtime special duty desk officer	
069-P Overtime special duty desk officer	
070 Overtime special duty	
073 Overtime special duty night shift	
075 Overtime special daty hight shift 075 Overtime night shift premium hours	
076 Rest period/Court CART differential	
079 Overtime special shift differential	
083 Worker's compensation payment	
084 Employee incentives	
085 Disability payment	
086 Taxable benefits-DP	
089 Relocation Allowance	
091 Terminal VTO pay	
096 County Deferred Comp Contribution	
097 Miscellaneous terminal pay	
LTD payments	
103 FMLA earnings	
105 Miscellaneous subsidies	
FSLA adjustments	
106 80 FSLA adjustment for 84/12	
106 980-P1 FSLA adjustment 9/80 period 1	
106 980-P2 FSLA adjustment 9/80 period 2	
107 Overtime at straight time	
Comp hours earned at straight time (OT)	
Terminal compulsory time off	
115 Missed Work Meal or Break Pay	
Call back pay st.	
132 Winter Recess Hours Accrued	
134 Terminal Winter Recess Pay	

Pay Code	Description
203	Wellness Dividend
225	Call back pay flat rate
251	Comp Time Earned at 2x
266	Overtime Worked at 2x
270	Overtime Special Duty at 2x
273	OT Spec Duty Night Shift at 2x
275	OT Night Shift at 2x
383	LC4850 workers compensation payment
637	Emergency FMLA Unpaid
640	Terminal EW COVID19 Leave
642	Essential Worker Onsite
803	SART nurses meeting/service-flat rate
804	SART nurses training and education-flat rate
P25	Call in phone

- B. Payments associated with the provision of insurance benefits, or other third-party payments such as professional membership dues that are not received in cash by a member.
- C. Payments by a SamCERA employer of member-required contributions to the retirement system under Government Code sections 31581.1, 31630, 31639.85 or under a memorandum of understanding (MOU) between members (or their representatives) and the SamCERA employer.
- 3. Pursuant to Government Code §31461(b) compensation earnable, shall not include in any case the following:
 - A. Any compensation determined by the Board to have been paid to enhance a member's retirement benefit under that system. That compensation may include:
 - (1) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member, and which was converted to and received by the member in the form of a cash payment in the final average salary period.
 - (2) Any one-time or ad hoc payment made to a member, but not to all similarly situated members in the member's grade or class.
 - (3) Any payment that is made solely due to the termination of the member's employment, but is received by the member while employed, except those payments that do not exceed what is earned and payable in each 12-month period during the final average salary period regardless of when reported or paid.
 - B. Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, in an amount that exceeds that which may be earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid.
 - C. Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.

- D. Payments made at the termination of employment, except those payments that do not exceed what is earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid.
- 4. To be included as pay code 027, the time for on-call hours which compensation is received must be within the working hours set forth in the applicable employment agreement, resolution, and/or departmental policies which should reflect that on-call is ordinarily worked by others in the same grade or classification or organizational unit at the same rate of pay; is a part of the regular work assignment (as distinguished from ad hoc or voluntarily worked) for all members in the organizational unit; reflect the amount of assigned and scheduled on-call hours (or method of regular rotation of assignment of scheduled on-call among all members of the organizational unit); and reflect that the method of filling vacancies or absences in such a schedule is accomplished through a rotational basis as distinguished from ad hoc or volunteering.
- 5. Pursuant to Government Code §31641(c), the terms listed above in paragraph 3 and 4 are intended to be consistent with and not in conflict with the holdings in *Salus v. San Diego County Employees Retirement Association* (2004) 117 Cal.App.4th 734 and *In re Retirement Cases* (2003)110 Cal.App.4th 426 and *Alameda County Deputy Sheriffs' Assoc. v. Alameda County Employees' Retirement Association* (2020) 9 Cal.5th 1032.

BE IT FURTHER RESOLVED, that the above-listed determinations by the Board of what is included or not included in compensation earnable, shall be in effect until such time as action taken by the Board or action by the Legislature or the Courts as a matter of law requires a different determination, and it is hereby clarified that, to the extent pay codes were inadvertently omitted or included from the pay code charts in prior resolutions, but such omissions or inclusions were contrary to the narrative of such resolutions or prior resolutions, the narrative language of such resolutions shall control.

* * * * *

Regularly passed and adopted, by	the San Mateo County Employees	i' Retirement Association, Board of
Retirement, on July 23, 2024.		
•		
Ayes, Trustees:		

Noes, Trustees:

Absent, Trustees:

Abstain, Trustees:

Board Secretary, SamCERA

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

RESOLUTION 2024-

RESOLUTION DEFINING PENSIONABLE COMPENSATION PURSUANT TO GOVERNMENT CODE §7522.34 FOR MEMBERS WHO ARE NOT SUBJECT TO GOVERNMENT CODE §31461

- WHEREAS, for those members who became active members on or after January 1, 2013, and who are subject to the California Public Employees' Pension Reform Act contained in Government Code §7522 et seq., the determination of their pensionable compensation is governed by Government Code §7522.34; and
- WHEREAS, the pensionable compensation for those employee members who are subject to Government Code §7522.34 shall be the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules; and
- WHEREAS, the Board has reviewed the current pay items and has determined which of those items are to be included in "Pensionable Compensation" and which items are not to be included; and
- Whereas, it is necessary for this Board, from time to time, to amend its determinations of pensionable compensation due to changes made by SamCERA employers in their compensation schedules as well as changes in the law, and the creation of new earning codes resulting from labor negotiations, the Board finds that new pay codes designations should be added; Therefore, be it;
- **RESOLVED**, Resolution number 2024-02 is rescinded, and pursuant to Government Code §7522.34 as interpreted by the courts, the Board hereby makes the following determinations to be effective March 1, 2024, as to what is included in "Pensionable Compensation" and items of remuneration that are not included:
- 1. Pensionable compensation shall include:

Pay Code	Description
001	Regular hours worked
001-G	Regular hours worked (grace paid)
001-M	Regular hours work (mandatory meeting)
001-T	Regular hours worked (training)
001-TW	Regular hours worked (telecom)
006	Sheriff's 84/12 Plan
00680	84/12 Plan (Sheriff)
010	Release time with pay
011	Training/Officer of the Day/Courtroom Clerk Electronic Recording
	Pay
013	Night shift differential
014	Special night shift differential
015	Special duty hours

Pay Code	Description
016	Inspection/Testing/Repair with a Certification
019	Charge pay differential
020	Split shift
021-L1	Bilingual pay
021-L2	Bilingual pay
022	Staffing differential
023	Weekend pay
035	Sick leave with pay
035B	Sick Leave Supplemental Pay
035-R	Reserve Sick Hours
036	Sick leave with pay (work-related injury)
036-R	Reserve Sick – work related injury
041	Vacation hours with pay
041-A	X-Vacation hours with pay
041-A 041B	• •
	Vacation Supplemental pay
041H	Vacation hours with pay on holiday
043	Holiday hours regular pay
043CNA	Holiday premium for PT CNA
044	Holiday worked at 1.5
045	Holiday hours worked at straight time
045-P	Holiday hours worked at straight time
048	Accumulated holiday hours taken
048-A	X-Accumulated holiday hours taken
048B	Accumulated Holiday Supplemental pay
048H	Holiday hours taken on holiday
052	Comp time hours used
052-A	X-Comp/Admin leave hours used
052B	Comp Time Supplemental pay
052H	Comp time hours used on holiday
054	Administrative leave
055	Jury duty with pay
056	Military leave with pay
057	Educational leave with pay
058	Other leave with pay
059	Disability leave with pay
064	Management overtime used
087	Bi-weekly special pay
090	Voluntary time off used
093	Furlough w/o pay used with payment of contributions
1TW	Regular Hours Teleworked
104	LTC shift differential
104B	LTC shift differential adjustment
110	Compulsory time off
112	Bereavement leave
113	Special Circumstances (BOS Policies) Leave
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Pay Code	Description
114	Psychiatry Residency Program
130	Lactation Pay
131	Winter Recess HRs Regular Pay
133	Accum Winter Recess Hrs Taken
313	LC4850 night shift differential
315	LC4850 special duty
359	LC4850 disability with pay
435	84/12 Sick (435)
437	84/12 Reserve Sick (437)
441	84/12 Vacation (441)
448	84/12 Holiday (448)
452	84/12 Comp (452)
557	Educational lv with pay
635	Emergency Sick Leave
636	Emergency FMLA Paid
638	Supplemental COVID-19 Emergency Sick Leave
641	Essential Worker COVD19 Leave
30680	LC4850WC 84/12 plan shf

2. Pensionable compensation, at a minimum, shall <u>not</u> include, in any case, the following pay items.

A. The following pay codes are <u>not</u> included:

Pay Code	Description
007	EH relief nurse pm shift differential
009	EH relief nurse night shift differential
025	Call back pay
025-P	Call back pay (premium)
025S	Call back pay SART nurses
025-S	Call back pay SART nurses
026	Part-time double shift differential
027	On-call hours
028	On call E.H. relief nurse
029	Part-time double shift differential
037	Layoff sick leave
040	Terminal vacation
042	Mandatory Time Off Unpaid
0450	Holiday hours worked at straight time-overflow
046	Holiday hours accrued
046CNA	Holiday premium hours accrued for PT CNA
046-P	Holiday hours accumulated at straight time
047	Holiday hours accrued at 1.5
049	Terminal holiday pay
050	Terminal compensatory pay
051	Comp Time Earned at 1.5
051-P	Premium portion for call back

Pay Code	Description
053	Comp time earned at straight time
060	Absent without leave
061	Leave without pay
061-A	X-Leave without pay
062	Disability leave without pay
063	Terminal MOT Pay
065	Overtime training hours
066	Overtime at time and one-half
069	Overtime at time and one han Overtime special duty desk officer
069-P	Overtime special duty desk officer Overtime for mandatory meeting
070	Overtime for mandatory meeting Overtime special duty
073	Overtime special duty Overtime special duty night shift
075	Overtime special duty flight shift Overtime night shift premium hours
076	Rest period/Court CART differential
079	· · · ·
	Overtime special shift differential
080	Uniform/tool allowance
080A	Uniform/tool allowance annual
081	Transportation allowance
083	Worker's compensation payment
084	Employee incentives
085	Disability payment
086	Taxable benefits-DP
088	Miscellaneous special pay
089	Relocation Allowance
091	Terminal VTO pay
096	County Deferred Comp Contribution
097	Miscellaneous terminal pay
101	LTD payments
102	Admin leave cash out
103	FMLA earnings
105	Miscellaneous subsidies
106	FSLA adjustments
106 80	FSLA adjustment for 84/12
106 980-P1	FSLA adjustment 9/80 period 1
106 980-P2	FSLA adjustment 9/80 period 2
107	Overtime at straight time
108	Comp hours earned at straight time (OT)
111	Terminal compulsory time off
115	Missed Work Meal or Break Pay
125	Call back pay st.
127	On-call days/hours – Post 2012
132	Winter Recess Hours Accrued
134	Terminal Winter Recess Pay
203	Wellness Dividend
225	Call back pay flat rate
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Pay Code	Description
251	Comp Time Earned at 2x
266	Overtime Worked at 2x
270	Overtime Special Duty at 2x
273	OT Spec Duty Night Shift at 2x
275	OT Night Shift at 2x
383	LC4850 worker's compensation payment
502	Admin leave cash out w/1-time deferred comp
637	Emergency FMLA Unpaid
640	Terminal EW COVID19 Leave
642	Essential Worker Onsite
803	SART nurses meeting/service flat rate
804	SART nurses training and education flat rate
P25	Call in phone

- B. Pursuant to Government Code §7522.34, pensionable compensation does not include the following:
 - 1) Any compensation determined by the Board to have been paid to increase a member's retirement benefit.
 - 2) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member and which was converted to and received by the member in the form of a cash payment. Any one-time or ad hoc payments made to a member.
 - Severance or any other payment that is granted or awarded to a member in connection with or in anticipation of a separation from employment but is received by the member while employed.
 - 4) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.
 - 5) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.
 - 6) Any employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniforms.
 - 7) Compensation for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code.
 - 8) Employer contributions to deferred compensation or defined contribution plans.
 - 9) Any bonus paid in addition to the compensation described in subdivision (a) of Government Code §7522.34.
 - 10) Any other form of compensation the Board determines is inconsistent with the requirements of subdivision §7522.34 (a).

- 11) Any other form of compensation that this Board determines should not be pensionable compensation.
- 3. Pursuant to Government Code §7522.10, whenever pensionable compensation, as defined in §7522.34, is used in the calculation of a benefit, the pensionable compensation shall be subject to the monetary limitations set forth in subdivision §7522.10.

BE IT FURTHER RESOLVED, that the above listed determinations by the Board of what is included or not included in pensionable compensation, shall be in effect until such time as this Board, the Legislature, or the Courts take action that as a matter of law requires a different determination, and it is hereby clarified that, to the extent pay codes were inadvertently omitted or included from the pay code charts in prior resolutions, but such omissions or inclusions were contrary to the narrative of such resolutions or prior resolutions, the narrative language of such resolutions shall control.

* * * * *

Regularly passed and adopted, by the San Mateo County Employees' Retirement Association, Board of Retirement, on July 23, 2024.

7.700, 1. 000000.	
Noes, Trustees:	
Absent, Trustees:	
Abstain, Trustees:	
Board Secretary, SamCERA	

Aves. Trustees:

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION Board of Retirement

July 23, 2024 Agenda Item 4.14

TO: Board of Retirement

FROM: Lilibeth Dames, Investment Analyst Lilibeth Dames

SUBJECT: California Government Code Section 7514.7 Annual Disclosure For 2023

Recommendation

Accept the Report on California Government Code Section 7514.7 Annual Disclosure for 2023.

Background

California Government Code Section 7514.7 requires public pension funds in California to annually disclose certain information regarding their alternative investments. Staff has prepared SamCERA's required disclosure report which covers calendar year 2023.

Discussion

Since 2007, SamCERA has been required, if requested under the Public Records Act, to provide the following information regarding its alternative investments:

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

Under section 7514.7, effective January 1, 2018, SamCERA is required to disclose the above information annually to the Board at a public meeting. The attached report reflects this data for all of our alternative investments.

In addition, SamCERA is required to disclose the information that is listed below, if applicable, for the alternative investment contracts entered into between January 1, 2017 and December 31, 2023. We are also required to make disclosures for alternative investment contracts entered into before 2017 if an additional capital commitment was made to that investment after 2017.

The report will also reflect the following data for the applicable alternative investments:

- 1. The fees and expenses that the public investment fund pays directly to the alternative investment vehicle, the fund manager, or related parties.
- 2. The public investment fund's pro rata share of fees and expenses not included in paragraph 1 that are paid from the alternative investment vehicle to the fund manager or related parties. The public investment fund may independently calculate this information based on information contractually required to be provided by the alternative investment vehicle to the public investment fund. If the public investment fund independently calculates this information, then the alternative investment vehicle shall not be required to provide the information identified in this paragraph.
- 3. The public investment fund's pro rata share of carried interest distributed to the fund manager or related parties.
- 4. The public investment fund's pro rata share of aggregate fees and expenses paid by all of the portfolio companies held within the alternative investment vehicle to the fund manager or related parties.
- 5. The gross and net rate of return of each alternative investment vehicle, since inception, in which the public investment fund participates.

Similar to prior years, not all of our funds had data to report for each of the listed categories due to the maturity of the specific fund. For example, our new funds did not have any carried interest or meaningful internal rates of return to report at this early stage. We anticipate that future annual reports for these funds will contain more information as the funds mature.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION Board of Retirement

July 23, 2024 Agenda Item 4.15

TO: Board of Retirement

FROM: Doris Ng, Investment Analyst

SUBJECT: Semi-Annual Compliance Certification Statements for Period Ended

June 30, 2024

Recommendation

Accept the semi-annual Compliance Certification Statements for SamCERA's non-alternative investment managers, as of June 30, 2024.

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 §7928.710, the Compliance Certification Statements are not provided in the public board packet and will be sent separately to the Board.

Discussion

The Compliance Certification Statements report that SamCERA's investment managers and investment consultant are in compliance with SamCERA's Investment Policy as of June 30, 2024. 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 BlackRock, PIMCO, and State Street Global Advisors were not received in time to be included in the mailing but will be included in the August board packet.

Attachments

Compliance Certification Statement Matrix 06-2024

Compliance Certification Statements (15)

- A. <u>Domestic Equity</u>: BlackRock, PanAgora, PGIM Quantitative Solutions
- B. <u>International Equity</u>: Baillie Gifford, Mondrian
- C. <u>Fixed Income</u>: DoubleLine, FIAM LLC, NISA Investment Advisors (2)
- D. Real Estate: Harrison Street, INVESCO
- E. <u>Liquidity</u>: Insight Investment
- F. Overlay: Parametric Portfolio Associates, Record Currency Management Limited
- G. Investment Consultant: Verus Advisory

Investment Manager	Mandate	General Compliance Issues	Derivative Instruments	Investment Manager Guidelines	Mandate Specific
Domestic Equity					
BlackRock Russell 1000		No Concerns	No Concerns	No Concerns	 Largest single security Microsoft 6.7% Largest single industry Info Technology 31%
DE Shaw		Confidential	under California Gov. Se	ction Code §7928.710	
PanAgora (Low Volatility strategy)		May 2023 Great-West Lifeco announced Franklin Templeton's acquisition of Putnam Investments (a Power Corporation of Canada subsidiary/ PanAgora affiliate). PanAgora's ownership structure is not impacted by acquisition.	Not Applicable	No Concerns	 Largest single security by risk weight is 2.3% Largest sector risk weight is Information Technology 10.3%

Investment Manager	Mandate	General Compliance Issues	Derivative Instruments	Investment Manager Guidelines	Mandate Specific
PGIM Quantitative Solutions LLC (f.k.a. QMA)		No Concerns	Not Applicable	No Concerns	 Largest holding: 1.19% Largest industry: Bank 7.73% (-0.76% underweight vs. Russell 2000)
International Equity					
Baillie Gifford		 Mar 2024 – Added Alex Summers as EM PM to the Portfolio Construction Group (PCG) Established Central Research Desk for strategy, led by Ian Campbell and Joe Faraday In process to open additional office in Singapore 	Not Applicable	No Concerns	 7.9% ADR 20% Emerging Market
Blackrock MSCI ACWI ex US IMI	Pending				
Mondrian		No Concerns	Not Applicable	No Concerns	 29.29% Emerging Markets Equity Fund LP

Investment Manager	Mandate	General Compliance Issues	Derivative Instruments	Investment Manager Guidelines	Mandate Specific
Fixed Income					
Angelo Gordon (Credit Solutions Fund)		Confidential	under California Gov. Se	ction Code §7928.710	
Angelo Gordon (Credit Solutions Fund II)		Confidential	under California Gov. Se	ction Code §7928.710	
Angelo Gordon (CS2A Dislocation Fund)		Confidential	under California Gov. Se	ction Code §7928.710	
Beach Point		Confidential	under California Gov. Se	ction Code §7928.710	
Blackrock/TCP (Direct Lending Fund VIII)		Confidential	under California Gov. Se	ction Code §7928.710	
Blackrock (Direct Lending Fund IX)		Confidential (under California Gov. Se	ction Code §7928.710	
Brigade		Confidential	under California Gov. Se	ction Code §7928.710	
DoubleLine		No Concerns	No Concerns	No Concerns	• 23.73% in Rule 144A securities

Investment Manager	Mandate	General Compliance Issues	Derivative Instruments	Investment Manager Guidelines	Mandate Specific
Fidelity Institutional Asset Management (FIAM) BMD Bond		No Concerns	No Concerns	No Concerns	 0.43% below inv grade (inv grade at purchase) 13.67% in Rule 144A securities
NISA Core Bond		 April 2024 – One departure at director level from Investment Strategies-Client Solutions, responsibilities assumed by other mbrs of NISA Senior Team 	No Concerns	No Concerns	8.49% Rule 144A securities
NISA Long Treasury		 See above under NISA Core Bond 	Not Applicable	No Concerns	No Concerns
One William Street	Confidential under California Gov. Section Code §7928.710				
PIMCO (Diversified Income Fund)	Pending	Cantidantin	under California Con S	action Code 57020 740	
PIMCO (Private Income Fund)		Confidential	under California Gov. S	ection Code 97928.710	
White Oak Yield Spectrum Fund (Fund IV)		Confidential	under California Gov. S	ection Code §7928.710	
White Oak Yield Spectrum Fund V		Confidential	under California Gov. S	ection Code §7928.710	

Investment Manager	Mandate	General Compliance Issues	Derivative Instruments	Investment Manager Guidelines	Mandate Specific		
Real Estate							
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)		Confidential under California Gov. Section Code §7928.710					
Invesco (U.S. Value-Add Fund V)		Confidential under California Gov. Section Code §7928.710					
Invesco (U.S. Value-Add Fund VI)		Confidential under California Gov. Section Code §7928.710					
PGIM (US Real Estate Debt)		Confidential	under California Gov. S	ection Code §7928.710			
Stockbridge (Value IV Fund)		Confidential	under California Gov. S	ection Code §7928.710			
Stockbridge (Value V Fund)		Confidential	under California Gov. S	ection Code §7928.710			
Real Assets							

Investment Manager	Mandate	General Compliance Issues	Derivative Instruments	Investment Manager Guidelines	Mandate Specific
State Street Global Advisors (Custom Real Asset Account)	Pending				
Liquidity					
Insight Investment (Cash-flow driven investing)		No Concerns	Not Applicable	No Concerns	• 10.79% Rule 144a
Overlay					
Parametric Portfolio Associates		No Concerns	No Concerns	No Concerns	No Concerns
Record Currency Management Limited (RCML)		 Mar 2024 - Leslie Hill retired as CEO of Record plc, succeeded by Dr. Jan Witte (current CEO of RCML) Tom Arnold, Hd of Client Team and Shaesta Wahedally, Head of Client Onboarding joined RCML board. Steven Cullen, CFO of Grp, retired July, succeeded by Richard Heading 	No Concerns	No Concerns	No Concerns

Investment Manager	Mandate	General Compliance Issues	Derivative Instruments	Investment Manager Guidelines	Mandate Specific
Investment Consultant					
Verus Advisory		No Concerns	Not Applicable	Not Applicable	Not Applicable
	36 Total	15 Completed	3 Pending Information	18 Confidential	

BlackRock Russell 1000 Index – June 30, 2024

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 (<u>Investments@samcera.org</u>) by **Tuesday, July 9, 2024**.

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? \square Yes: Please explain. / \boxtimes No
4.	Has the firm's insurance coverage been sustained? Yes / No: Please explain.
5.	Have there been any investment guideline breaches with respect to the Fund's guidelines in the offering documents during the prior 6 months? ☐ Yes: Please explain. / ☐ No
6.	Have proxy ballots been voted in accordance with the best economic interest of SamCERA? Yes / No: Please explain.
Inv	vestment Management Fees
1.	Is <i>SamCERA</i> '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.
	We typically use exchange traded equity index futures in our strategies for the purposes of efficient portfolio management. Futures are not used for speculative or leveraged positions in the portfolio and we keep cash to fully cover all outstanding futures positions.
	Exchange traded futures are employed to equitize dividend accruals as well as to manage day-to-day cash flows generated from clients trades, dividends, interest received and other activity associated with securities in the portfolio. Specifically, futures contracts are purchased to provide immediate market exposure proportionate to cash accruals and investable cash within the portfolio. While we seek to remain fully invested, a small amount of spendable cash is retained to minimize trading and transactions costs. Skillful cash management and cash equitization are critical to minimizing the potential impact of cash drag and ensure tight tracking to the benchmark.
2. Na	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.
	For non-exchange traded derivative transactions, were the counter-parties broker/dealers? \square Yes / \square No
N	
Νź	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.
	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	
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 derivative positions.

NA

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.

Please refer to our response in question 1.

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

Domestic Equity Portfolios (Large, Mid & Small)

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

Common Stock	99%
Preferred Stock	%
Convertible Securities	%
Cash & Equivalents	1%

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

Large-Cap	92%
Mid-Cap	8%
Small-Cap	%

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.

NA

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 5% at the time of purchase, please list and explain why.

Microsoft 6.7%

Apple 6.1%

NVIDA 5.9%

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%.

Information Technology 31%

Signed by: Grant Dechert

Dated: 7/9/2024

Name of Firm: BlackRock

PanAgora Asset Management Defensive Equity U.S. Low Volatility – June 30, 2024

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) by Tuesday, July 9, 2024.

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
	As noted in the 12/31/23 compliance worksheet:

In May 2023 Great-West Lifeco announced that it entered into an agreement with Franklin Templeton, whereby Franklin Templeton would acquire Putnam Investments (a Power Corporation of Canada subsidiary / PanAgora affiliate) from Great-West Lifeco. The transaction officially closed on January 2, 2024. Upon the close of the transaction, the structure referenced above remains in place such that PanAgora continues to be owned indirectly by Power Corporation.

As a reminder, PanAgora's ownership interests are held by Power Corporation, indirectly through its subsidiaries, and by PanAgora employees. Specifically, Power Corporation, indirectly through its subsidiaries, Power Financial Corporation/Great-West Lifeco/Empower Annuity Insurance Company of America, holds all of the voting interests of PanAgora. Additionally, PanAgora employees may, in the aggregate, own up to 20% of PanAgora's economic interests through restricted stock and options under the provisions of the PanAgora Management Equity Plan. Power Corporation holds, indirectly through the subsidiaries noted above, the residual economic interests of PanAgora.

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? \square Yes: Please explain. / \boxtimes No
6.	Have proxy ballots been voted in accordance with the best economic interest of <i>SamCERA</i> 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? No: Please explain.
In	vestment 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.
De	rivative 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 <i>SamCERA's</i> 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.	Yes / No
	If Yes: a) Do the counter-parties have investment grade debt? Yes/ No 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? \square Yes / \square No: Please explain.
	a) Has the firm developed any new purposes for derivative investments? \square Yes: Please explain. $/ \square$ 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 <i>SamCERA's</i> portfolios. 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 \underline{six} months. \square Yes: Please explain. $/\square$ No	
Inv	vestment 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? \square Yes: Please explain. $/ \boxtimes No$	
Ca	sh & 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.	
Do	mestic Equity Portfolio (Large, Mid & Small)	
1.	Specify the percentage of the portfolio held in each of the following types of securities:	
	Common Stock 99.91%	
	Preferred Stock 93.91%	
	Convertible Securities 0.00%	
	ADRs 0.00%	
	Cash & Equivalents 0.09%	

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

Large-Cap	73.48%
Mid-Cap	24.01%
Small-Cap	2.50%

- 1. 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.
- 2. 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 Microsoft Corp (MSFT US) 2.31161%.
- 3. 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 Information Technology, 10.25734%. The benchmark's risk weight percentage for Information Technology is 10.00005%
- 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? PanAgora's Defensive U.S. Low Volatility products make up 0.75195% of the total AUM of the firm. SamCERA's account comprises 99.1826% of the total product assets.

Signed by: Joe Cherepowich – Senior Manager, Investment Compliance

Dated: July 9th, 2024

Name of Firm PanAgora Asset Management, Inc.

PGIM Quantitative Solutions U.S. Small Cap Core – June 30, 2024

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 (<u>Investments@samcera.org</u>) by **Tuesday, July 9, 2024**.

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? \square Yes: Please explain. / \boxtimes 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?

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
De	rivative 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? \square Yes $/ \square$ No: Please explain.
	a) Has the firm developed any new purposes for derivative investments? \square Yes: Please explain. $/$ \square 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 <i>SamCERA's</i> portfolios.
	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? 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 \underline{six} months. \square Yes: Please explain. $/\square$ No
Ca	sh & Equivalents
1.	Does the firm directly invest in short term fixed income investments? \boxtimes Yes / \square No
	a) If Yes, do the investments comply with the policies? \boxtimes Yes / \square 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

Common Stock	99.58%
Preferred Stock	0%
Convertible Securities	0%
Cash & Equivalents	0.34%

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

Large-Cap	4.90%
Mid-Cap	61.69%
Small-Cap	33.41%

Note: the Large-Cap exposure as of 6/30 appears higher than normal as it includes a handful of Russell 2000 constituents that grew substantially in 2024. However, the names are migrating to the Russell 1000 as a result of the index's annual reconstitution. We expect the exposure to decrease over subsequent rebalances."

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.

0%

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.

Super Micro Computer, Inc. (SMCI), 1.19%

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%.

Banks: portfolio weight = 7.73%, benchmark weight = $8.48\% \rightarrow$ active bet = -0.76%

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 3/31/2024 US Small Cap Core Equity: 1.24% SamCERA: 0.14%

Signed by: Patrick McMenamin

Dated: 7/9/2024

Name of Firm PGIM Quantitative Solutions

Baillie Gifford Overseas International Growth – June 30, 2024

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 (<u>Investments@samcera.org</u>) by **Tuesday, July 9, 2024**.

General Compliance Issues

1.	Has the firm acted as a fiduciary and invested its assets for the sole benefit of <i>SamCERA</i> ? 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

We are pleased to let you know that Stephen Paice (an Investment Manager on your International All Cap strategy), Ashley Chalmers (IT), Neil Riddell (Group Risk) and Fraser Thomson (Client Service) joined the Baillie Gifford partnership on April 1st, 2024. Three partners retired on March 31st, 2024, after several decades with the firm - Larysa Bemko, Scott Nisbet and Anthony Tait. Each have supported our clients and consultants over many years, and we thank them for their significant contribution. As a result of these new appointments and retirements, the number of partners rose to 58 from April 2024.

Reflecting growth in the firm in recent years, we also appointed Amy Atack as managing partner of the firm alongside Andrew Telfer and Malcolm MacColl effective April 2024. Amy has been at Baillie Gifford for twenty years and has been a Partner for six. The managing partners have responsibility for policy, people, and partnership.

The International All Cap strategy strengthened the portfolio construction group (PCG) with the addition of Alex Summers, an experienced portfolio manager, joining with effect March 1st, 2024. Alex joined Baillie Gifford two years ago with a decade of experience and has impressed us greatly with the quality of his research. Additionally, we are establishing a central research desk for the strategy which will be led by its two longest standing members, Iain Campbell, Chair of the PCG, and Joe Faraday. With Stephen Paice's promotion to the

partnership, half of the six member PCG will now be partners of Baillie Gifford. These changes have been in effect from March 1st, 2024.

Lastly, we are pleased to notify you of our intention to open an office in Singapore, which will operate under the name of Baillie Gifford Asia (Singapore) Private Limited (BGAS), to support the expansion of our business in Asia. We believe having an office in Singapore will enable us to provide a better level of service to our growing Asian client base, but also more broadly for all our global clients, by using the different time zones to our advantage. We also wish to get a better understanding of evolving regulatory developments in Asia and deepen our engagement with investee companies.

BGAS should receive its capital markets services license to operate as an Accredited/Institutional Fund Management Company from the MAS in early Q4. The investment manager with which you contract will remain unchanged and will be responsible for all the investment services carried out by BGAS. Should you have any queries or require any further information, please do not hesitate to get in touch.

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? \square Yes: Please explain. / \boxtimes No
7.	Have proxy ballots been voted in accordance with the best economic interest of <i>SamCERA</i> 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.
Inv	vestment 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)? \square Yes / \square 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 <i>SamCERA's</i> policies?
	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 <i>SamCERA's</i> portfolios.
	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 \underline{six} months. \square Yes: Please explain. $/ \square$ No
Inv	vestment 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? \square Yes: Please explain. $/ \boxtimes No$
Ca	sh & Equivalents
1.	Does the firm directly invest in short term fixed income investments? \square Yes / \boxtimes No
	a) If Yes, do the investments comply with the policies?

International Equity Portfolios - Developed

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

Foreign Ordinary Shares	90.9%
ADR's	7.9%
Cash & Equivalents (Foreign)	0.0%
Cash & Equivalents (Domestic)	1.2%

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

Large-Cap	79.2%
Mid-Cap	20.0%
Small-Cap	0.8%

Is the firm monitoring the country, cu		and security	selection ris	ks associated
with its portfolio? \boxtimes Yes / \square No: Ple	ease explain			

- 4. Does the portfolio invest in emerging and/or frontier markets? Xes / No
 - a) If **Yes**, please specify the percentage(s) of the portfolio invested in emerging and/or frontier markets.

20.0% of the portfolio is invested in Emerging Markets as at June 30, 2024.

- 5. Does the portfolio currently employ a currency hedging strategy? \square Yes / \boxtimes 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?

Based on end-June 2024 AUM data, the ACWI ex US All Cap Strategy comprised 2.9% of the firm's total AUM. Within the strategy, San Mateo County Employees Retirement Association held \$288m representing 3.6% of the total strategy.

Signed by: Eoin Induson

Eoin Anderson, Client Relationship Director

Dated: 07/09/2024

Name of Firm Baillie Gifford Overseas Limited

Mondrian Investment Partners International Value – June 30, 2024

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 (<u>Investments@samcera.org</u>) by <u>Tuesday</u>, <u>July 9, 2024</u>.

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? \square Yes: Please explain. / \bowtie No
5.	Have proxy ballots been voted in accordance with the best economic interest of <i>SamCERA</i> 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
3.	Has the firm's insurance coverage been sustained? 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		
De	rivative 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 <i>SamCERA's</i> 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? \square Yes / \square No		
	If Yes: a) Do the counter-parties have investment grade debt? Yes/ No No 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?		
	a) Has the firm developed any new purposes for derivative investments? \square Yes: Please explain. $/$ \square 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 <i>SamCERA's</i> portfolios. 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 \underline{six} months. \square Yes: Please explain. $/\square$ No
Inv	vestment 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? \square Yes: Please explain. $/ \boxtimes No$
Ca	sh & Equivalents
1.	Does the firm directly invest in short term fixed income investments? Yes / No

International Equity Portfolios - Developed

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

Foreign Ordinary Shares	70.43%
ADR's	NIL
MIP Limited Partnership	28.29%
Cash & Equivalents (Foreign)	0.97%
Cash & Equivalents	0.31%
(Domestic)	

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

Large-Cap	83.43%
Mid-Cap	13.64%
Small-Cap	1.09%

- 3. Is the firm monitoring the country, currency, sector and security selection risks associated with its portfolio? X Yes / No: Please explain
- 4. Does the portfolio invest in emerging and/or frontier markets? Xes / 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 30 June 2024, the portfolio held 28.29%.

- 5. Does the portfolio currently employ a currency hedging strategy? \square Yes / \boxtimes No
- 6. What proportion of total AUM do the assets in this product make-up of the firm? 9%

What size does SamCERA's account comprise of total product assets? 6%

Signed by: Pritesh Chouhan, Compliance & Risk

Dated: 9 July 2024

Name of Firm: **Mondrian Investment Partners**

DoubleLine Securitized Income – June 30, 2024

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 (<u>Investments@samcera.org</u>) by <u>Tuesday</u>, <u>July 9, 2024</u>.

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? \square Yes: Please explain. / \boxtimes 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
	SamCERA's investment management fee schedule does not result 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 and is the same size or smaller, and therefore, is in compliance with the "most favored nations" clause (Section 2.2) of SamCERA's investment manager agreement.
De	rivative 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.
Inv	vestment 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? \square Yes: Please explain. $/ \boxtimes N_0$
Ca	sh & Equivalents
1.	Does the firm directly invest in short term fixed income investments? \boxtimes Yes / \square No
	a) If Yes, do the investments comply with the policies? \boxtimes Yes / \square No: Please explain.
Da	mostic Fixed Income Doutfolies

Domestic Fixed Income Portfolios

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

Certific	ates of I	0%		
Comme	rcial Pa	0%		
Other	High	Grade	Short-term	0%
securiti	es			

U.S. Government & Agency securities	64.81%
Corporate Bonds	0%
Mortgage- and asset-backed	63.72%
securities	
Yankee bond securities	0%
Others (CLO)	6.70%

2.	Is the firm monitoring the country, currency, sector and security selection risks associated with its portfolio? Xes / No: Please explain
3.	Does the firm conduct horizon analysis testing? Xes / No: Please explain.
4.	Are any holdings below investment grade? Xes / No
	a) If Yes , does the percentage of investments held below investment grade represent more than 10% of the portfolio? \square Yes / \boxtimes No
	Excluding U. S. Government and Agency bond holdings, did any individual bond issue present more than 5% of the market value of the portfolio? \square Yes / \boxtimes No
	a) If Yes, please specify the bond issue and percentage amount.
6.	What percentage of the portfolio is held in Rule 144A securities? 23.73%
7.	At the time of purchase, was there any single industry which represented more than 15% of the market value of the account. \square Yes / \boxtimes 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?
	DoubleLine finalizes AUM figures on the 14 th calendar day following the end of the quarter.
Sig Sig	gnature:

Dated: 7/8/2024
DoubleLine Capital

FIAM Important Information

Please read this information carefully.

All information & data is as of the date of this Proposal unless otherwise indicated.

Information provided in, and presentation of, this document is for informational and educational purposes only and are not a recommendation to take any particular action, or any action at all, nor an offer or solicitation to buy or sell any securities or services presented. It is not investment advice. Fidelity does not provide legal or tax advice.

Before making any investment decisions, you should consult with your own professional advisers and take into account all of the particular facts and circumstances of your individual situation. 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.

Performance

Gross composite returns do not reflect the deduction of investment advisory ("IA"), performance, administrative or custodial fees, but do include trading expenses. Net composite returns are calculated by deducting the highest advisory fee applicable to any account employing this strategy during the time period shown and applicable performance fee (if any), exclusive of minimum fee arrangements. Other fees and expenses may reduce returns. See the GIPS Composite Report for performance figures that are net of the highest advisory fee (including performance fee, if any) applicable to any account in the Composite, which includes accounts managed by FIAM LLC and its affiliated advisory entities, as permitted, including Fidelity Diversifying Solutions LLC (FDS). Historical performance shown may have been achieved by a different investment adviser in the GIPS Firm definition than the investment adviser presenting the performance, and the investment team responsible for the performance shown may have changed over the course of the composite's performance time period shown. See FIAM LLC's Form ADV for more information about advisory fees if FIAM LLC is the investment manager for the account. See FDS' Form ADV for more information about advisory fees if FDS is the investment manager for the account. For additional information about advisory fees related to other affiliated advisory entities of FIAM LLC, speak with your relationship manager. All results reflect realized and unrealized appreciation and the reinvestment of dividends and investment income, if applicable. Taxes have not been deducted. FIAM LLC and its affiliated advisory entities claims compliance with the Global Investment Performance Standards (GIPS) as part of the Fidelity Investments firm.

Target/Expected Return and Excess Return (Target Alpha)

Target Return is aspirational and is not determined using any calculation methodology. Net Target Return is presented net the highest fee applicable to any FIAM client employing this strategy. FIAM determines the strategy's Target Return taking into consideration the strategy's target tracking error and applying an assumed information ratio. Target Return is determined when a product is launched and is not revised over time. Target Return is speculative and of extremely limited use to any investor and should not be relied upon in any way.

Although FIAM believes it has a reasonable basis for any target or expected returns, there is no assurance that actual results will be comparable. Actual results will depend on prevailing systemic conditions impacting capital markets as well as idiosyncratic factors affecting individual portfolio securities.

Risks

Past performance is no guarantee of future results. Investors should be aware that an investment's value may be volatile and involves the risk that you may lose money. Performance for individual accounts will differ from performance for composites and representative accounts due to factors, including but not limited to, portfolio size, trading restrictions, account objectives and restrictions, fees and expenses, and factors specific to a particular investment structure. Representative account information is based on an account in that strategy's composite that generally reflects that strategy's management and is not based on performance of that account.

The value of a strategy's investments will vary in response to many factors, including adverse issuer, political, regulatory, market or economic developments. The value of an individual security or a particular type of security can be more volatile than and perform differently from the market as a whole. Nearly all accounts are subject to volatility in non-U.S. markets, either through direct exposure or indirect effects on U.S. markets from events abroad, including fluctuations in foreign currency exchanges rates and, in the case of less developed markets, currency illiquidity. Developments that disrupt global economies and financial markets, such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions or other events may magnify factors that affect performance.

In addition, some countries experience low or negative interest rates, from time to time, which may magnify interest rate risk for the markets as a whole and for the funds or accounts. The discontinuation and replacement of LIBOR (an indicative measure of the average interest rate at which major global banks could borrow from one another) and other benchmark rates may have a significant impact on the financial markets and may adversely impact fund or account performance. Additionally, funds or accounts that pursue debt investments are subject to risks of prepayment or default, as well as changes to bankruptcy or debtor relief laws, which may impede collection efforts or alter timing and amount of collections.

Diversification does not ensure a profit nor protect against loss in a declining market.

Risk Metrics

This document may include risk metrics such as Standard Deviation, Sharpe Ratio, Beta, Up/Downside Market Capture, Information Ratio, Tracking Error, Active Risk. Risk metrics shown are provided for illustrative purposes and are not intended to represent performance of the strategy. They are presented gross of any fees and expenses that would apply to an investment in the strategy. Historical risk metrics do not necessarily guarantee future risk profile of the strategy.

ESG

While environmental. social, and corporate governance (ESG) factors are made available to all investment teams, ESG assessments represent one of many pieces of research available to the portfolio management and the degree to which it impacts the strategy's holdings may vary strategy by strategy based on the portfolio manager's discretion.

The performance of fixed income strategies will change daily based on changes in interest rates and market conditions and in response to other economic, political, or financial developments. Debt securities are sensitive to changes in interest rates depending on their maturity and may involve the risk that their prices may decline if interest rates rise or, conversely, if interest rates decline, their prices may increase. Debt securities carry the risk of default, prepayment risk, and inflation risk. Changes specific to an issuer, such as its financial condition or its economic environment, can affect the credit quality or value of an issuer's securities. Lower-quality debt securities (those rated or considered below investment-grade quality, also referred to as high-yield debt securities) and certain types of other securities are more volatile, speculative and involve greater risk due to increased sensitivity to adverse issuer, political, regulatory, and market developments, especially in periods of general economic difficulty. The value of mortgage securities may change due to shifts in the market's perception of issuers and changes in interest rates, regulatory, or tax changes.

Derivatives may be volatile and involve significant risk, <u>including but not limited to</u> credit risk, currency risk, leverage risk, counterparty risk, valuation risk, and liquidity risk. Using derivatives can disproportionately increase losses and reduce opportunities for gains in certain circumstances.

Derivatives involve leverage because they can provide investment exposure in an amount exceeding the initial investment. Leverage can magnify investment risks and cause losses to be realized more quickly. A small change in the underlying asset, instrument, or index can lead to a significant loss. Assets segregated to cover these transactions may decline in value and are not available to meet redemptions. Government legislation or regulation could affect the use of these transactions and could limit the ability to pursue such investment strategies.

General

These materials contain statements that are "forward-looking statements," which are based on certain assumptions of future events. FIAM and its affiliated advisory entities do not assume any duty to update any forward-looking statement. Actual events may differ from those assumed. There can be no assurance that forward-looking statements, including any projected returns, will materialize or that actual market conditions and/or performance results will not be materially different or worse than those presented.

Certain data and other information in this RFP have been supplied by outside sources and are believed to be reliable and current. Data and information from third-party databases, such as eVestment Alliance, Callan, and Morningstar are self-reported by firms that generally pay a subscription fee to use such databases, and the database sponsors do not guarantee or audit the accuracy, timeliness, or completeness of the data and information provided, including any rankings. Rankings or similar data reflect information at the time rankings were retrieved from a third-party database, and such rankings may vary significantly as additional data from managers is reported. Rankings may include a variety of product structures, including some in which certain clients may not be eligible to invest. FIAM cannot verify the accuracy of information from outside sources, and potential investors should be aware that such information is subject to change without notice.

Miscellaneous

The Chartered Financial Analyst (CFA) designation is offered by the CFA Institute. To obtain the CFA charter, candidates must pass three exams demonstrating their competence, integrity, and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management, and security analysis, and must also have at least four years of qualifying work experience, among other requirements. CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute.

Chartered Alternative Investment Analyst (CAIA) is offered by the Association of Chartered Alternative Analysts. Candidates are expected to understand the basic concepts of finance and quantitative analysis and need to pass two exams. One year of professional experience with a bachelor's degree or four of professional experience without a bachelor's degree is required. Professional experience is defined as full-time employment in a professional capacity within the regulatory, banking, financial, or related fields.

Financial Risk Manager (FRM) is offered by the Global Association of Risk Professionals. Candidates must pass two exams demonstrating their competence in risk management and must also have at least two years of professional full-time financial risk management work experience, among other requirements.

Entities

Fidelity Asset Management Solutions (FAMS) provides a broad array of investment solutions and services with its Global Institutional Solutions (GIS), Global Asset Allocation (GAA), and institutional equity, fixed income, high income, and alternative asset management teams through Fidelity Diversifying Solutions LLC (FDS) and FIAM LLC, each a U.S. registered investment adviser; and Fidelity Institutional Asset Management Trust Company (FIAMTC), a New Hampshire trust company.

The following are commingled pools of the FIAM Group Trust for Employee Benefit Plans, and are managed by FIAMTC: Freedom Target Date pools, the FIAM 30/70 pool, and the FIAM Pension Journey pools. Commingled pools are not mutual funds.

"Fidelity Investments" and/or "Fidelity" refers collectively to FMR LLC, a U.S. company, and its subsidiaries, including but not limited to Fidelity Management & Research Company LLC (FMR), FDS, FIAM LLC and FIAMTC.

Third-party trademarks and service marks are the property of their respective owners. All other trademarks and service marks are the property of FMR LLC or its affiliated companies.

Disclaimers

The information contained herein is confidential. By accepting this information, the recipient agrees that it will use, and it will cause its directors, partners, officers, employees, and representatives to use, the information only to evaluate its potential interest in the securities described herein and for no other purpose and will not divulge any such information to any other party. Any reproduction of this information, in whole or in part, is prohibited.

The information contained herein has been prepared solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any trading strategy. If any offer of securities is made, it will be made pursuant to a Private Placement Memorandum, Limited Partnership Agreement, Subscription Agreement, and other documents (collectively, the "Offering Documents") prepared by or on behalf of the Fund that contain material information not contained herein and that shall, to the extent applicable, supersede, amend, and supplement the information contained herein in its entirety. Any decision to invest in the securities described herein should be made after reviewing the Offering Documents, conducting such investigations as the investor deems necessary or appropriate and consulting the investor's own legal, accounting, tax, and other advisors in order to make an independent determination of the suitability and consequences of an investment in the securities.

The securities described herein will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), and the Fund will not be registered under the Investment Company Act of 1940, as amended. The securities described herein will not be approved or disapproved by any federal, state, or foreign securities commission or any other regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the information contained herein. Any representation to the contrary is a criminal offense.

Fidelity makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, and nothing contained herein shall be relied upon as a promise or representation whether as to the past or future performance. Fidelity disclaims any and all liability relating to this information, including, without limitation any express or implied representation or warranty for statements contained in and omissions from this information. The information contained herein may include estimates and projections and involves significant elements of subjective judgment and analysis. No representations are made as to the accuracy of such estimates or projections or that all assumptions relating to such estimates or projections have been considered or stated or that such projections will be realized. Fidelity shall have no duty to update the information contained herein.

Risk Factors

The risk factors will vary depending on the private fund. Investors should review the offering documents, including the description of risk factors contained in the Fund's Confidential Private Placement Memorandum (the "Memorandum"), prior to making a decision to invest in the securities described herein. An investment in the Fund involves a high degree of risk and is suitable only for those investors willing to risk losing some or all of their principal investment and who have the experience and ability to evaluate the risks and merits of an investment in the Fund. The Memorandum will include more complete descriptions of the risks described below as well as additional risks relating to, among other things, foreign exposure, conflicts of interest and regulatory and tax matters. Any decision to invest in the securities described herein should be made after reviewing such Memorandum, conducting such investigations as the investor deems necessary and consulting the investor's own legal, accounting and tax advisors in order to make an independent determination of the suitability and consequences of an investment in the Fund.

Fidelity Institutional Asset Management U.S. Core Bonds – June 30, 2024

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 (<u>Investments@samcera.org</u>) by <u>Tuesday</u>, <u>July 9, 2024</u>.

Ge	neral Compliance Issues
1.	Has the firm acted as a fiduciary and invested its assets for the sole benefit of $SamCERA$? \square Yes / \square 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? \square Yes: Please explain. / \square No
FIA	M LLC:
sub reg ma	om time to time, in the regular course of its business, FIAM LLC may receive inquiries (including oppoenas and voluntary requests for information) from regulatory authorities or law enforcement. A ulator may conduct an on-site examination or may commence an investigation. The Firm does not ke public comment about such inquiries, examinations, or investigations unless and until enforcement ceedings are initiated.
Sec oth	the extent that FIAM LLC or its securities affiliates have been sanctioned, fined, or cited by the curities and Exchange Commission (SEC), Financial Industry Regulatory Authority (FINRA), or any er regulatory body, any such sanction, fine, or citation has been disclosed in its or its affiliates' Forms 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.

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
De	rivative 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? $\boxtimes Yes / \square No: Please explain.$
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.
No	t applicable.
4.	For non-exchange traded derivative transactions, were the counter-parties broker/dealers? No
	If Yes: a) Do the counter-parties have investment grade debt? Yes/ No No 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.
No	t applicable.
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 ne capital to protect against potential adverse market circumstances? ☑ Yes/ ☐ No: Please explain.
No	t applicable.
6.	Is individual counter-party exposure well diversified? Xes/ 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?

NIA	on	nlina	hla
INOL	aμ	plica	wie.

7.	Are the investment purposes for a derivative investment consistent with the four purposes stated in SamCERA's policies? Xes / No: Please explain.
	a) Has the firm developed any new purposes for derivative investments? \square Yes: Please explain. $/ \boxtimes No$
8.	List all limited allocation derivative investments individually and the percentage of the portfolio's assets represented by each investment.
A	s of June 30, 2024, 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: Please explain.
No	t 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	t applicable.
9.	State if any restricted derivative investments are held in <i>SamCERA's</i> 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 June 30, 2024, 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? \boxtimes Yes / \square 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 is third-party pricing vendors, including Markit, Pricing Direct, Refinitiv, and Bloomberg (Refinitiv is our primary source on futures).

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 June 30, 2024, the portfolio held no derivative securities.

									investments	have
chang	ged ov	er the	past	six months] Yes: Pleas	se exp	olain. / 🔀] No		

Investment Manager Guidelines

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

2.	Has the firm	engaged in	short se	elling, use	of	leverage	or	margin	and/or	investments	ir
	commodities?	Yes: Ple	ase expl	ain. / 🔀 N	lo	_					

Domestic Fixed Income Portfolios

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

Certificates of Deposit	-%
Commercial Paper	-%
Other High Grade Short-term	0.1%
securities	
U.S. Government & Agency securities	41.1%
Corporate Bonds	24.3%
Mortgage- and asset-backed	33.5%
securities	
Yankee bond securities	1.0%

2. Does the firm conduct horizon analysis	is testing? 🔀 Yes / No: Please explai	in.
---	---	-----

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? X ves / \(\) No
	a) If Yes , why are they held in the portfolio?
inv fur	of June 30, 2024, 0.43% of holdings in the portfolio were below investment grade. Purchased as vestment grade, these holdings have been downgraded due to increased leverage or other adamental credit criteria. We still feel they hold relative value, although we are monitoring these curities closely.
	Excluding U. S. Government and Agency bond holdings, did any individual bond issue represent ore 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	.67%
6.	At the time of purchase, was there any single industry which represented more than 15% of the market value of the account. \square Yes / \boxtimes 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?
	of June 30, 2024, the SamCERA Broad Market Duration account represents <1% of the assets in the oad Market Duration strategy and less than 1% of total FIAM assets.
Da	gned by: Mark Botelho ated: 7/8/2024 11:19:58 AM EDT

NISA Investment Advisors, LLC – June 30, 2024 Core Bond Account

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 (<u>Investments@samcera.org</u>) by <u>Tuesday</u>, <u>July 9, 2024</u>.

General Compliance Issues

1.	Has the firm acted as a fiduciary and invested its assets for the sole benefit of $SamCERA$? \boxtimes Yes / \square 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 Q2 2024, there were no material changes to NISA's ownership structure.
	Tony Gould, CFA, CAIA, Director, Investment Strategies – Client Solutions, departed in April of 2024. Tony's responsibilities were assumed by other members of NISA's Senior Team.
3.	Have there been any changes in the firm's investment approach? Yes: Please explain. / No
1.	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? \square Yes: Please explain. / \boxtimes No
5.	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
De	rivative 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? 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 No 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?
	The NISA-managed SamCERA Aggregate Bond Portfolio holds exchange traded, U.S. Treasury futures contracts with JP Morgan as the FCM. As of 06/30/2024, the gross

	b)	Please specify the name of the counter-party and the amount of exposure.
		The NISA-managed SamCERA Aggregate Bond Portfolio holds exchange traded, U.S. Treasury futures contracts with JP Morgan as the FCM. As of 06/30/2024, the gross notional futures exposure with JP Morgan was \$60,588,797.
	c)	Have there been any changes to the investment manager's list of approved counter-parties over the past \underline{six} months?
		The following broker was added to the Approved Brokers List in the last six months: TD Securities Automated Trading LLC.
7.		te the investment purposes for a derivative investment consistent with the four purposes ted SamCERA's policies? Xes / No: Please explain.
		Has the firm developed any new purposes for derivative investments? \square Yes: Please plain. $/ \square No$
8.		at all limited allocation derivative investments individually and the percentage of the tfolio's assets represented by each investment.
		A. The NISA-managed SamCERA Aggregate Bond Portfolio only holds exchange traded ures contracts, which falls under the 'Allowable Derivative Instruments' in the SamCERA S.
	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 Aggregate Bond 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 Aggregate Bond Portfolio only holds exchange traded futures contracts, which falls under the 'Allowable Derivative Instruments' in the SamCERA IPS.
9.	Sta	te if any restricted derivative investments are held in <i>SamCERA's</i> portfolios. Yes / No

notional futures exposure with JP Morgan was \$60,588,797.

	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? \boxtimes Yes / \square No: Please explain.
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 an 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 \underline{six} months. \square Yes: Please explain. $/ \boxtimes N_0$
Inv	vestment 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? \square Yes: Please explain. $/ \boxtimes No$

Ca	Cash & Equivalents				
1.	Does the firm directly invest in short term fixed income investigation.	tments? Xes / No			
	a) If Yes , do the investments comply with the policies?	Yes / No: Please explain			
Do	Domestic Fixed Income Portfolios				

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

Certificates of Deposit	0.00%
Commercial Paper	0.00%
Other High Grade Short-term	0.80%
securities	
U.S. Government & Agency securities	39.84%
Corporate Bonds	26.07%
Mortgage- and asset-backed	31.92%
securities	
Yankee bond securities	1.37%

^{*}Corporate Bonds include 1.27% in Taxable Municipal Bonds

2.	Is the firm monitoring the country, currency, sector and security selection risks associated with its portfolio? Xes / No: Please explain
3.	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?
	Excluding U. S. Government and Agency bond holdings, did any individual bond issue present more than 5% of the market value of the portfolio? \square Yes / \boxtimes 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 06/30/2024, 8.49% of the Aggregate Bond Portfolio's market value was held in 144A

securities.

At the time of purchase, was th			which rep	presented mor	e 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 06/30/2024, NISA's Short/Core Duration Product (\$38.0bn) makes up approximately 13.9% of NISA's total, physical AUM (\$273.1bn).

As of 06/30/2024, the NISA-managed SamCERA Aggregate Bond Portfolio (\$281.3mm) makes up approximately 0.74% of NISA's Short/Core Duration Product (\$38.0bn).

Signed by:

Dated: 7/9/2024

Micha M. Dbr

Name of Firm: NISA Investment Advisors, LLC

NISA Investment Advisors, LLC – June 30, 2024 Long Treasury Account

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 (<u>Investments@samcera.org</u>) by <u>Tuesday</u>, <u>July 9</u>, 2024.

General Compliance Issues

1.	Has the firm acted as a fiduciary and invested its assets for the sole benefit of $SamCERA$? \square 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 Q2 2024, there were no material changes to NISA's ownership structure.
	Tony Gould, CFA, CAIA, Director, Investment Strategies – Client Solutions, departed in April of 2024. Tony's responsibilities were assumed by other members of NISA's Senior Team.
3.	Have there been any changes in the firm's investment approach? Yes: Please explain. / No
1.	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? \square Yes: Please explain. / \bowtie No
5.	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
De	rivative 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? \square Yes: Please explain. $/$ \square 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 <i>SamCERA's</i> portfolios.
	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 \underline{six} months. \square Yes: Please explain. $/ \square$ 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? Xes / No	
	a) If Yes, do the investments comply with the policies? Xes / No: Please explain.	

Domestic Fixed Income Portfolios

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

U.S. Government & Agency securities	99.96%
Other	0.04%

2. 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 06/30/2024, NISA's Liability Driven Investing (LDI) Product (\$c) makes up approximately 79.4% of NISA's total, physical AUM (\$273.1bn).

As of 06/30/2024, NISA's Governments Only LDI Engagements (\$25.5bn) makes up approximately 11.8% of NISA's total, LDI Product (\$216.8bn).

As of 06/30/2024, the NISA-managed SamCERA Long Treasury Portfolio (\$144.8mm) makes up approximately 0.57% of NISA's Governments Only LDI Engagements (\$25.5bn).

Signed by:

Dated: 7/9/2024

Micha M. Dobr

Name of Firm: NISA Investment Advisors, LLC

Harrison Street Core Property Fund, LP – June 30, 2024

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 (<u>Investments@samcera.org</u>) by <u>Tuesday</u>, **July 9, 2024**.

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 with respect to the Fund's guidelines in the offering documents during the prior 6 months? Yes: Please explain. / No
In	vestment 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	vestment Manager Guidelines
1.	Are portfolio holdings well-diversified? Xes / No: Please explain.

2.	Has the firm used leverage? Xes / No
	 a) If yes, is the portfolio leverage within the 40% of overall loan to value guideline? ☑ Yes / ☐ No: Please explain.
Ca	sh & Equivalents
1.	Does the firm directly invest in short term fixed income investments? \square Yes / \boxtimes No
	a) If Yes, do the investments comply with the policies? \[\subseteq Yes / \[\subseteq No: Please explain.
Re	al Estate Portfolios
1.	Is the portfolio diversified as to region, property type, industry, and economic base? $\boxtimes Yes / \square No$
	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? Xes / No: Please explain.
	Harrison Street Core Property Fund, L.P. ("Core Fund" or the "Fund") uses NPI-ODCE as a supplemental comparison given its dominance as the index for traditional core real estate openend funds; however, given the Fund's differentiated sector focus, it does not have a proper benchmark.
	Further, due to the stark differences in sector exposures between our Fund and ODCE, we've performed a comparison of the Core Fund's historical returns as a supplemental analysis that we featured in our recent webinar, which shows the Fund's distribution of returns and standard deviation relative to ODCE (see attached). We believe that this demonstrates the strong risk-adjusted performance as well as the low correlation (beta) to the index since inception, which is driven by the underlying sectors that have defensive, demographic demand drivers. Given the Fund's differentiated target sectors, the Fund's performance is not expected to track the performance of ODCE in every measuring period. However, as mentioned above, we use ODCE as a supplemental comparison given its dominance as the index for traditional core real estate open-end funds. From an attribution perspective, we would expect the Core Fund to have larger swings in allocation scores, but we would say that this is intentional as the Fund is designed to deliver lower volatility and lower correlation to ODCE.
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 Harrison Street Real Estate Capital, LLC ("HS" or the "Firm") and Fund level AUM figures and ownership percentages as of June 30, 2024, will not be published until after the due date of this request. As of March 31, 2024, Core Fund assets comprised 33.7% of total Firm AUM, and SamCERA's ownership percentage of the Core Fund was 0.92%. The Firm is happy to subsequently provide figures as of June 30, 2024, if required.

Signed by: Joey Lansing Dated: 6/28/2024

Name of Firm: Harrison Street Real Estate Capital, LLC

INVESCO Core Real Estate – June 30, 2024

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) by **Tuesday**, **July 9**, **2024**.

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.
6.	Have there been any investment guideline breaches with respect to the Fund's guidelines in the offering documents during the prior 6 months? Yes: Please explain. / No
In	vestment 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	vestment Manager Guidelines
1.	Are portfolio holdings well-diversified? X 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? \[\subseteq Yes / \[\subseteq No: Please explain.		
Re	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 March 31, 2024, the Fund's since inception net return of 6.87% exceeds the net NFI ODCE index - CW of 6.80%.		
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? Xes / 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 March 31, 2024, the Fund's leverage was 30.0%.		
	What proportion of total AUM do the assets in this product make-up of the firm? 17.0% (based on IRE GAV as of December 31, 2023) What size does SamCERA's account comprise of total product assets? 2.26% (as of March 31, 2024)		
	General Partner:		
	IRI Core I, L.P.		
	By: IRI Core-GP, LLC, its general partner		
	By: Invesco Realty, Inc., its sole member		
	Beth Tazek		

Name: Beth Zayicek
Title: Vice President

Insight Investment Cash Flow Driven Investment – June 30, 2024

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 (<u>Investments@samcera.org</u>) by <u>Tuesday</u>, **July 9, 2024**.

<u>Ju</u>	ly 9, 2024.
	neral Compliance Issues 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.
Inv	vestment 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? \square Yes / \square No: Please explain.
3.	If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counterparty fully evaluated? Yes / No: Please explain.
4.	For non-exchange traded derivative transactions, were the counterparties broker/dealers? \square Yes / \square No
	If Yes: a) Do the counterparties have investment grade debt? Yes/ No No Are the counterparties 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 counterparties financial institutions (banks)? Yes / No
	 If Yes: a) Do the counterparties have investment grade debt? ☐ Yes/☐ No b) Do the counterparties 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 counterparty within the portfolio? b) Please specify the name of the counterparty and the amount of exposure. c) Have there been any changes to the investment manager's list of approved counterparties over the past six months?
7.	Are the investment purposes for a derivative investment consistent with the four purposes stated in $SamCERA$'s policies? \square Yes / \square 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. \[\subseteq \text{Yes} / \subseteq \text{No: Please explain.} \] b) State if the results in the exposure to instant a second and the exposure of the 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? \square Yes / \square No: Please explain.
12.	. Specify the security pricing sources used when developing portfolio market value exposures for non-exchanged traded derivative positions.
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 \underline{six} months. \square Yes: Please explain. $/\square$ No
Inv	vestment 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? \square Yes: Please explain. / \boxtimes No

Domestic Fixed Income Portfolios

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

Certificates of Deposit	0.00%
Commercial Paper	0.00%
Other High Grade Short-term	0.00%
securities	
U.S. Government & Agency securities	31.23%
Corporate Bonds	51.69%
Mortgage- and asset-backed	8.51%
securities	
Yankee bond securities	7.72%
Other	0.85%

2.	Does the firm	conduct horizon	analysis testing?	\boxtimes	Yes / \square	No: Please explai	n.
----	---------------	-----------------	-------------------	-------------	-----------------	-------------------	----

We use annualized ex-ante TEV as one of our primary risk monitoring measures. Besides that, we run various historical and bespoke stress tests as required.

- 3. Are any holdings below investment grade? \square Yes $\backslash \boxtimes$ No
 - a) If **Yes**, why are they held in the portfolio?

In full disclosure, we hold 1 bond in the portfolio that is considered BBB- using the middle rating, but Moody's does have a Ba1 rating.

Currency	⊕ Moody's Rtg	- S&P Rtg	⊅ Fitch Rtg	→ Cusip	→ Description	∆+	Total Value (Portfolio) +□	Nominal ⊅	% 中
US Dollar	Ba1	BBB-	BBB-	161175AY0	Charter Comm Opt Llc/cap 4.9	908% 23jul2025 (callable 23apr25)	296,465.27	293,000.00	0.12%

- 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? \square Yes / \boxtimes No
 - a) If **Yes**, please specify the bond issue and percentage amount.
- 5. What percentage of the portfolio is held in Rule 144A securities? 10.79%
- 6. At the time of purchase, was there any single industry which represented more than 25% of the market value of the account. \square Yes / \boxtimes 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 03/31/24, this product makes up 15.9% of the firm's AUM. SamCera's account comprise of 0.2% of the total product assets.

Signed by: Bertha Lui-McKee
Dated: July 9, 2024

Dated: July 9, 2024
Name of Firm Insight North America

The Parametric Portfolio Associates LLC Cash Overlay - June 30, 2024

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 (<u>Investments@samcera.org</u>) by <u>Tuesday</u>, <u>July 9</u>, 2024.

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? \square Yes: Please explain. $/$ \boxtimes 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
In	vestment 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? \square Yes: Please explain. / \boxtimes No
De	erivative 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 <i>SamCERA's</i> 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? $\hfill \square$ Yes / $\hfill \square$ 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)?				
	 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 counterparties over the past six months? 				
7.	Are the investment purposes for a derivative investment consistent with the four purposes stated in $SamCERA$'s policies? \boxtimes Yes / \square No: Please explain.				
	a) Has the firm developed any new purposes for derivative investments? \Box Yes: Please explain. / \boxtimes 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 – Exchange traded derivatives only used in this account.				
9.	State if any restricted derivative investments are held in <i>SamCERA's</i> 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? \square Yes / \square No: Please explain.				
	Not applicable – Exchange traded derivatives only 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? \boxtimes Yes / \square No: Please explain.				
12.	Specify the security pricing sources used when developing portfolio market value exposures for limited allocation derivatives.				
	Not applicable – Exchange traded derivatives only 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.				
	Please see Attachment A.				
14.	State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past \underline{six} months. \square Yes: Please explain. $/ \boxtimes$ No				

Signed by: Dated: Shawn Huerta, Director, Investment Proposals

7/8/2024

Name of Firm: Parametric Portfolio Associates, LLC

Record Currency Management Limited – June 30, 2024

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 (<u>Investments@samcera.org</u>) by <u>Tuesday</u>, <u>July 9</u>, 2024.

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 were no such significant portfolio developments and changes in firm ownership impacting Record Currency Management Limited (RCML), the entity contracting with SamCERA.

Personnel developments, all of which have been previously announced, are summarized below.

- RCML is wholly owned by Record plc. Leslie Hill, CEO of Record plc, retired at the end
 of March 2024 and transitioned her responsibilities to Jan Witte in line with Record's longterm succession planning. Jan, previously CEO of Record Currency Management, will
 continue in both roles.
- Related to Jan's promotion, Tom Arnold has been promoted to Head of Client Team and has joined the RCML Board. Tom joined Record in 2015 and has 10 years' industry experience. Shaesta Wahedally, Head of Client Onboarding, has been promoted and has also joined the RCML Board. Shaesta joined Record in 1996 and has 27 years' industry experience. Rebecca Venis, Chief Technology Officer, has stepped down from the Board and left RCML.
- Steve Cullen, CFO of the Group, retired effective July 1 after a 35-year career in finance and has been succeeded by Richard Heading, formerly Group Finance Director for IG Group PLC, the FTSE 250 listed online trading provider. Richard will join the RCML Board subject to regulatory approval.

From an organizational perspective, during Q2 2024 the Investment Committee, responsible for approving, reviewing and overseeing investment services – including the Dynamic Hedging strategy – ceased being responsible for the Emerging Markets Sustainable Finance (EMSF) strategy. EMSF now has its own committee oversight structure, and this is reflective of the differentiated nature of the product.

Both the Investment Committee and Emerging Market & Frontier Committee have terms of reference substantially similar just accounting for different members and strategies each committee is responsible for. 2. Have there been any changes in Record's dynamic currency hedging 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 within SamCERA's account 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. 4. For non-exchange traded derivative transactions, were the counter-parties broker/dealers? ☐ Yes / No

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? \(\begin{aligned} \text{Yes} \end{aligned} \) No: Please explain.

If Yes:

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? Xes/ No: Please explain.

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

The SamCERA mandate trades under ISDA agreements. As such we believe that the most relevant measure of counterparty exposure risk is the mark-to-market value. In this context, as at June 28, 2024, the largest exposure is to Toronto Dominion where the exposure was US\$ 3.3m at the end for the reporting period.

There are other measures of counterparty exposure, such as the net outstanding notional exposure. By this measure, the largest net exposure was US\$ 202m to HSBC Bank, or 24.2% of Mandate Size. The basis of this calculation aggregates by counterparty, maturity date and currency pair. Therefore, if a position is opened and closed with different counterparties, the net exposure is calculated for all counterparties (i.e. there is a degree of double counting). As such, the aggregate net counterparty exposure could be greater than the mandate size.

The table below shows the net outstanding notional and mark-to-market exposure to all counterparties as at June 28, 2024.

Counterparty	Net Exposure (US\$)	Net as % of Mandate Size*	Mark-to-market exposure (US\$)	Mark-to-market as % of Mandate Size*
ANZ - MELBOURNE	19,445,519	2.3%	(251,834)	(0.0%)
B.N.P. Paribas - Paris	162,527,701	19.5%	636,113	0.1%
Bank of Montreal - Toronto	4,639,400	0.6%	(61,731)	(0.0%)
Bank of New York Mellon-London	70,325,135	8.4%	(908,904)	(0.1%)
CitiBank - London	69,037,539	8.3%	(852,895)	(0.1%)
Goldman Sachs - London	6,057,898	0.7%	(126,155)	(0.0%)
HSBC Bank - London	202,360,819	24.2%	1,098,519	0.1%
Royal Bank of Canada - London	149,832,133	17.9%	1,944,410	0.2%
State Street - London	120,994,692	14.5%	(1,833,032)	(0.2%)
Toronto Dominion - Toronto	119,763,986	14.3%	3,283,525	0.4%
UBS AG - London	75,168,543	9.0%	2,289,650	0.3%
Westpac - Sydney	123,007,968	14.7%	2,240,190	0.3%
Totals	1,123,161,332	n/a	7,457,855	n/a

*Based upon a mandate size of USD 835,578,399.00 as at June 28, 2024

	*Basea upon a manadie size of USD 655,576,599.00 as at June 26, 2024
	b) Please specify the name of the counter-party and the amount of exposure.
	Please refer to the answer above.
	c) Have there been any changes to the investment manager's list of approved counter-parties over the past <u>six</u> months?
	Yes. Credit Agricole was onboarded in May, bringing the total number of banks available to trade to 14. Two additional banks, SEB and Wells Fargo, are in the process of onboarding to further improve diversification of the panel.
7.	Are the investment purposes for a derivative investment consistent with the four purposes stated in $SamCERA$'s policies? \boxtimes Yes / \square No: Please explain.
	a) Has the firm developed any new purposes for derivative investments? \square Yes: Please explain. $/ \boxtimes N_0$
8.	List all limited allocation derivative investments individually and the percentage of the portfolio's assets represented by each investment.
	None.
	 a) State if the firm has evaluated the exposure to market value losses that can occur from each of these derivatives. 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.
9.	State if any restricted derivative investments are held in <i>SamCERA's</i> 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? \square Yes / \boxtimes No: Please explain.
	No such derivative instruments are used within the program.
11.	Have all derivative investments been made in a manner consistent with the derivative investment process specified in the policy statement? \boxtimes Yes / \square No: Please explain.

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

Not applicable. No such derivative instruments are used within the program.

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.

Liquidity

The depth of the foreign exchange market, which is the most liquid financial market in the world with approximately \$7.5 trillion traded per day^[1], means that liquidity can be less of a binding factor in FX than for other asset classes. The mandate with SamCERA is focused on managing currency risk across some of the most liquid currency pairs and in relatively limited volumes. As a result, liquidity risk is less of a consideration than it is for our clients who are exposed to less liquid DM and EM/Frontier currency pairs. That said, we do look at structuring our execution in the context of all mandates in the same strategy / crosses to ensure our overall trading volumes are managed in line with market conditions and best execution principles.

For the SamCERA program we aim to execute throughout the day for better price and position diversification and to access liquidity across different time zones and counterparties. More specifically, trading signals for EUR, CHF, JPY and AUD are analyzed in the the morning and GBP, SEK and CAD in the afternoon (UK hours). These are subject to periodic review and ongoing feedback from the Trading team.

Record has experience of trading FX derivatives through periods of market stress, for example during the coronavirus pandemic. Leaning on our strong relationships with counterparty banks, we have developed methods to sufficiently mitigate liquidity risk, even when automated streams may not be visible on electronic platforms, and at much tighter spreads. During such events, the Trading team has necessary flexibility to determine the best execution approach and if necessary will advise the Investment Management Group^[2] on the costs and feasibility of execution. This may lead to specific discretionary interventions on certain days.

Legal and Regulatory Risk

Following the financial crisis, new regimes such as Dodd Frank and EMIR were introduced across the globe to regulate the OTC derivatives markets, such regimes impose clearing, reporting, credit risk mitigation, and other requirements to improve transparency, regulatory oversight, and resilience of the global OTC derivatives market.

^[1] According to the BIS 2022 triennial survey

^[2] The IMG is tasked with managing the implementation costs and value at risk of the SamCERA mandate. In addition, the IMG monitors global macroeconomic developments and risk factors that may affect the performance of our return-generating and risk management strategies, monitoring the development of new investment strategies, and providing timely and reliable advice to the Investment Committee.

More recently, the final phase of un-cleared margin rules (UMR) were implemented (September 2022), where firms who have an average aggregate notional amount (AANA) of derivatives transactions in excess of USD 8billion are required to post initial margin for inscope derivatives. Whilst Record does not trade any in-scope derivatives under UMR for SamCERA, the instruments utilized in the currency hedging program do contribute to the AANA calculation and thus Record provides the annual calculation of the AANA, as it may impact other derivatives in SamCERA's portfolio.

The limited risks associated with trading deliverable FX forward contracts are mitigated by Record only transacting on the basis of market standard agreements, such as the ISDA Master Agreement. Record has established procedures to ensure adequate legal review of all documentation.

Similarly, to mitigate the legal risk of transacting with various counterparty banks, Record only transacts with banks from its approved counterparty list which are selected in accordance with its Credit Risk Policy.

									investments	have
chang	ged ov	er the j	past	<u>six</u> month <u>s</u>	Yes: Pleas	se exp	plain. / 🔀] No		

Signed by: <u>Grady Laurie, Director, Head of Compliance</u>

Dated: July 8, 2024

Name of Firm Record Currency Management Limited

Verus Advisory, Inc. – June 30, 2024

Compliance Certification Statement San Mateo County Employees' Retirement Association

Please complete the following compliance certification statement and e-mail to SamCERA (Investments@samcera.org) by Tuesday, July 9, 2024.

Ge	neral 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? \square Yes: Please explain. / \boxtimes 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.
Fe	es
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
Sig	gned by: Warren Spencer, Chief Compliance Officer
	ted: 7/9/2024
Ve	rus Advisory, Inc.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION Board of Retirement

July 23, 2024 Agenda Item 6.1

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer Michael R. Coultrip

SUBJECT: Preliminary Monthly Portfolio Performance Report for the Period Ended

June 30, 2024

Recommendation

Accept the preliminary performance report dated June 30, 2024.

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 fund's preliminary return for June was 0.7%, bringing the preliminary trailing twelve-month net return ending June to 9.0%, which is below our benchmark return of 11.8% but above our assumed earnings rate of 6.25%.

SamCERA's estimated market value as of June was \$6.46 billion, while the actuarial funded ratio as of June 30, 2023 was 88.3%.

Discussion

Asset performance was mixed in June. Cooling inflation and softer economic reports increased confidence in a soft-landing narrative.

The U.S. equity market (as measured by the S&P 500 Index) was up 3.6% (the equal-weight index was down -0.5%), while small-capitalization stocks were down 0.9%. Developed international equity (as measured by MSCI EAFE) was down 1.6%, while emerging markets were up 3.9%.

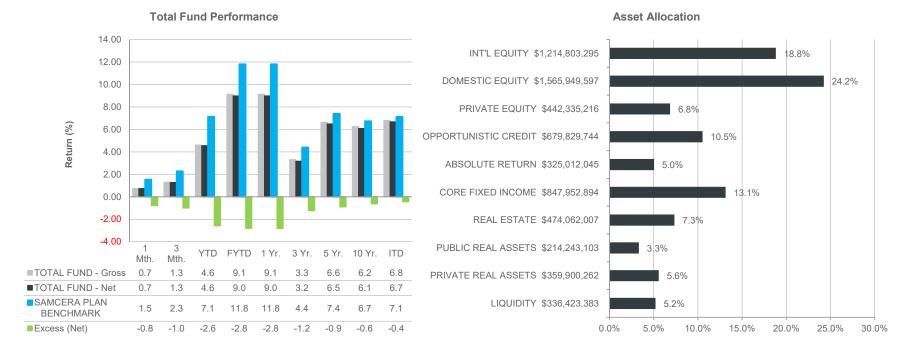
U.S. economic activity continued to soften in June. Both manufacturing and services PMI weakened, and both are in contraction territory. The labor market added 206,000 jobs in June, and the headline unemployment rate inched up to 4.1% from 4.0%. Inflation (as measured by the Consumer Price Index - All Urban Consumers) increased 3.0% for the 12-months ending June, which was below both expectations and May levels.

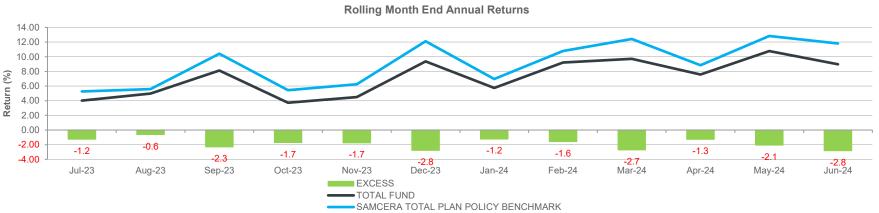
The general U.S. fixed income market was up 0.9% in June as interest rates fell across the yield curve. The 10-year U.S. Treasury yield was lower by 15 basis points during the month and ended at 4.36% by month-end. Commodities were down 1.5% in June.

Attachments

Northern Trust Monthly Preliminary Performance Report Verus Market Update





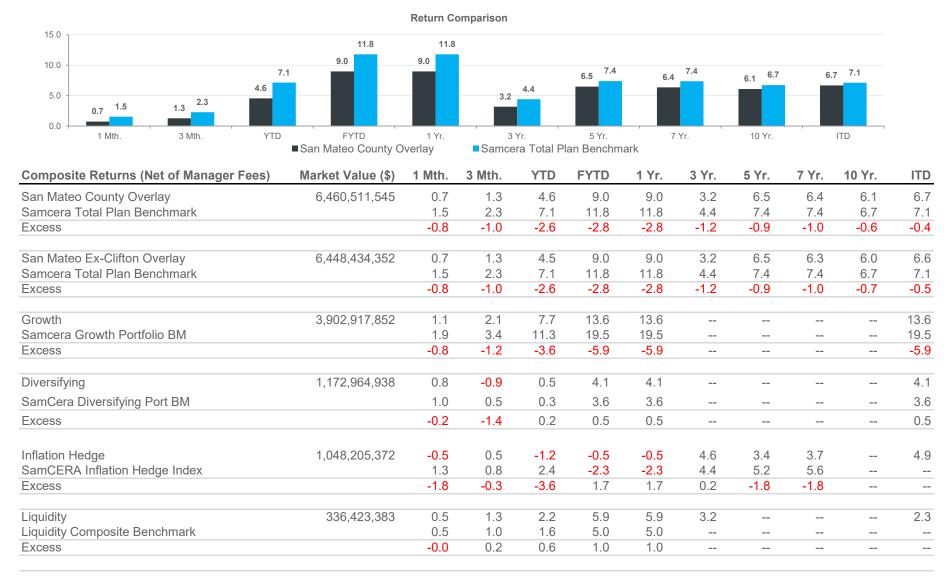




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June 30,2024





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Composite Return Summary June 30,2024

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Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Public Equity	2,780,752,892	1.3	2.1	9.3	15.8	15.8	4.6	9.8	9.3	8.4	8.1
Samcera Total Equity BM		1.8	2.6	11.2	19.3	19.3	6.0	11.2	10.3	9.6	8.8
Excess		-0.5	-0.6	-1.9	-3.5	-3.5	-1.4	-1.4	-1.1	-1.3	-0.7
Domestic Equity	1,565,949,597	2.6	2.7	12.3	20.7	20.7	8.3	12.7	12.3	11.3	9.4
Samcera Dom. Equity Benchmark		3.1	3.2	13.6	23.1	23.1	8.1	14.1	13.5	12.1	9.9
Excess		-0.5	-0.5	-1.2	-2.4	-2.4	0.3	-1.4	-1.2	-0.8	-0.5
Large Cap Equity	1,420,842,945	2.8	3.2	13.3	21.5	21.5	8.6	12.9	12.7	11.9	10.1
Russell 1000		3.3	3.6	14.2	23.9	23.9	8.7	14.6	13.9	12.5	10.6
Excess		-0.5	-0.3	-0.9	-2.4	-2.4	-0.1	-1.7	-1.2	-0.6	-0.5
Blackrock Russell 1000	932,835,400	3.3	3.6	14.2	23.9	23.9	8.8	14.7	14.0		14.3
Russell 1000		3.3	3.6	14.2	23.9	23.9	8.7	14.6	13.9		14.2
Excess		0.0	0.0	-0.0	-0.0	-0.0	0.0	0.1	0.1		0.1
DE Shaw Commingled Fund	237,584,304	4.8	5.1	18.1	27.2	27.2	9.3	14.0	13.4		12.6
Russell 1000	, ,	3.3	3.6	14.2	23.9	23.9	8.7	14.6	13.9		12.6
Excess		1.5	1.5	3.9	3.3	3.3	0.6	-0.6	-0.6		0.0
Panagora Defuseq -SL	250,423,241	-0.6	0.2	6.1	8.5	8.5	5.3	7.8			11.2
Russell 1000		3.3	3.6	14.2	23.9	23.9	8.7	14.6			16.9
Excess		-4.0	-3.3	-8.1	-15.3	-15.3	-3.4	-6.8			-5.7
Small Cap Equity	131,410,602	-0.4	-2.2	2.2	12.8	12.8	4.1	8.8	7.1	6.1	6.6
Russell 2000		-0.9	-3.3	1.7	10.1	10.1	-2.6	6.9	6.8	7.0	7.6
Excess		0.5	1.1	0.5	2.7	2.7	6.7	1.8	0.3	-0.9	-1.0
QMA US Small Cap	131,410,602	-0.4	-2.2	2.2	12.8	12.8	4.1	8.8	7.1		8.5
Russell 2000		-0.9	-3.3	1.7	10.1	10.1	-2.6	6.9	6.8		8.1
Excess		0.5	1.1	0.5	2.7	2.7	6.7	1.8	0.3		0.4
Domestic Equity Overlay	13,696,050	3.0	3.3	12.1	12.0	12.0	58.1				82.8
ICE BofAML US 3-Month Treasury Bill		0.4	1.3	2.6	5.4	5.4	3.0				2.2
Excess		2.6	2.0	9.5	6.6	6.6	55.1				80.6
Indomedia a I Farith	4.044.000.005	0.0	4.0	F 0	0.0	0.0	0.0	0.4	F 7	4.5	F 0
International Equity SamCERA Custom Hedge Intl	1,214,803,295	-0.3 0.2	1.2	5.6 8.2	9.9 14.5	9.9 14.5	0.3	6.4 7.5	5.7 6.5	4.5 4.9	5.6 5.4
Northern Trust		0.2	1.0	0.2	14.0	14.5	3.3	0.1	0.5	4.9	5.4

San Mateo County Composite Return Summary June 30,2024

Sam	CERA

Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Excess		-0.5	-0.6	-2.6	-4.5	-4.5	-3.0	-1.1	-0.8	-0.3	0.2
Developed Markets Equity	1,207,816,987	-0.3	1.2	5.6	10.0	10.0	-1.5	6.1	5.5	4.5	4.7
Dev Mrkts Equity Curr Hedge	7,509,070										
Dev Mrkts Equity Ex Curr Hedge	1,200,307,917	-0.6	0.7	4.4	9.2	9.2	-2.0	5.7	5.2	4.3	4.6
MS AC WIdxUS IMI Nt		-0.2	0.9	5.3	11.6	11.6	0.2	5.6	5.1	3.9	4.9
Excess		-0.4	-0.2	-0.9	-2.4	-2.4	-2.2	0.1	0.1	0.4	-0.3
Baillie Gifford	289,666,489	-0.8	-0.7	3.1	3.2	3.2	-8.8	3.9	4.2	4.2	6.1
MSCI ACWI ex USA Growth		1.0	0.9	6.9	10.2	10.2	-2.3	5.8	6.0	5.1	
Excess		-1.7	-1.5	-3.8	-7.0	-7.0	-6.5	-1.9	-1.9	-0.9	
Blackrock MSCI ACWI ex US IMI	622,408,216	-0.3	1.1	5.5	11.6	11.6	0.4				7.5
MS AC WIdxUS IMI Nt		-0.2	0.9	5.3	11.6	11.6	0.2				7.4
Excess		-0.0	0.2	0.2	0.0	0.0	0.2				0.1
Mondrian Investment Partners	288,233,212	-1.1	1.3	3.5	10.1	10.1	1.2	4.4	4.0	2.8	5.0
MSCI ACWI xUSA Value		-1.1	1.6	5.2	14.2	14.2	4.3	6.0	5.1	3.4	5.3
Excess		-0.0	-0.3	-1.7	-4.1	-4.1	-3.1	-1.6	-1.1	-0.6	-0.3
Int'l Equity Overlay	6,986,308	-1.3	2.6	5.0							
ICE BofAML US 3-Month Treasury Bill		0.4	1.3	2.6							4.0
Excess		-1.7	1.3	2.3							
Private Equity	442,335,216	-0.0	3.4	4.9	7.6	7.6	3.0	19.5	17.3	16.9	-4.7
Samcera PE Benchmark		3.4	10.6	24.8	32.4	32.4	12.8	17.4	16.0	14.9	16.5
Excess		-3.4	-7.3	-19.9	-24.8	-24.8	-9.9	2.0	1.3	2.0	-21.1
Opportunistic Credit	679,829,744	0.8	1.5	3.2	8.6	8.6	2.4	4.0	4.5	4.8	7.3
Samcera Opp Credit Bench		0.9	1.5	3.4	11.0	11.0	2.1	4.1	4.3	4.5	6.2
Excess		-0.1	-0.0	-0.2	-2.4	-2.4	0.3	-0.1	0.1	0.3	1.1
Public Credit	481,688,553	0.9	1.0	2.7	8.9	8.9					8.9
BBG US Corp High Yield		0.9	1.1	2.6	10.4	10.4					10.4
Excess		-0.1	-0.1	0.1	-1.5	-1.5					-1.5
Beach Point Select Fund	113,636,124	0.3	0.8	3.0	10.3	10.3	4.6	7.7	7.3		7.9
Northern Trust	113,636,124	0.3	0.8	3.0	10.3	10.3	4.6	7.7	7.3		

San Mateo County Composite Return Summary June 30,2024



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
BBG US Corp High Yield		0.9	1.1	2.6	10.4	10.4	1.6	3.9	4.2		4.8
Excess		-0.6	-0.2	0.4	-0.1	-0.1	3.0	3.8	3.0		3.1
Brigade Cap Mngmt	109,096,527	1.4	0.3	2.7	7.9	7.9	1.7	4.4	4.1	4.0	5.7
BBG US Corp High Yield		0.9	1.1	2.6	10.4	10.4	1.6	3.9	4.2	4.3	5.9
Excess		0.4	-0.8	0.1	-2.6	-2.6	0.0	0.5	-0.1	-0.3	-0.3
Eaton Vance EM	61,683,419	1.8	2.8								2.8
BBG US Corp High Yield		0.9	1.1								2.6
Excess		0.8	1.7								0.2
One William Street	66,509,382	0.4	1.9	5.6	10.8	10.8					
BBG US Corp High Yield		0.9	1.1	2.6	10.4	10.4					9.6
Excess		-0.5	0.8	3.1	0.4	0.4					
PIMCO Div. Income Fund	130,763,100	0.7	0.6	1.9	8.6	8.6	-1.0	1.3			2.4
BBG US Corp High Yield		0.9	1.1	2.6	10.4	10.4	1.6	3.9			4.1
Excess		-0.2	-0.5	-0.7	-1.8	-1.8	-2.6	-2.7			-1.8
Private Credit	198,141,191	0.6	2.5	4.4	7.4	7.4					7.4
Credit Suisse Lev Loan 1 QTR L		8.0	2.5	5.4	12.4	12.4					12.4
Excess		-0.3	-0.1	-1.0	-5.0	-5.0					-5.0
AG CREDIT SOL FU LP	6,496,379	0.0	2.4	7.6	14.4	14.4	5.4				14.2
Credit Suisse Lev Loan 1 QTR L		0.8	2.5	5.4	12.4	12.4					
Excess		-0.8	-0.1	2.2	2.0	2.0					
AG CSF ADF II	4,454,731	0.1	3.4	10.5	19.3	19.3					
Credit Suisse Lev Loan 1 QTR L		0.8	2.5	5.4	12.4	12.4					
Excess		-0.8	0.9	5.1	6.9	6.9					
AG CSF II	22,545,342	0.0	3.1	8.2	20.9	20.9					6.5
Credit Suisse Lev Loan 1 QTR L		0.8	2.5	5.4	12.4	12.4					
Excess		-0.8	0.6	2.7	8.5	8.5					
Blackrock Direct Lending Feede	41,307,693	0.0	0.9	3.7	6.2	6.2	6.3	4.5			4.5
Credit Suisse Lev Loan 1 QTR L		0.8	2.5	5.4	12.4	12.4					
Northern Trust		-0.8	-1.6	-1.7	-6.2	-6.2					

San Mateo County Con June

emposite Return Summary	SamCERA
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Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Comvest Credit Partners VII	2,250,000	0.0									0.0
Credit Suisse Lev Loan 1 QTR L		0.8									
Excess		-0.8									
Pimco Private Income	50,044,786	0.0	2.8	3.9	7.7	7.7	5.6	7.4			7.0
Credit Suisse Lev Loan 1 QTR L		0.8	2.5	5.4	12.4	12.4					
Excess		-0.8	0.3	-1.6	-4.7	-4.7					
TCP Direct Lending VIII	9,798,824	1.3	3.2	4.5	9.3	9.3	5.7	6.0	6.1		
Credit Suisse Lev Loan 1 QTR L		0.8	2.5	5.4	12.4	12.4					
Excess		0.5	0.7	-0.9	-3.1	-3.1					
White Oak Yield Spec	29,743,963	-0.0	2.5	3.3	5.6	5.6	4.7	5.3	5.3		
Credit Suisse Lev Loan 1 QTR L	, ,	0.8	2.5	5.4	12.4	12.4					
Excess		-0.8	-0.0	-2.1	-6.8	-6.8					
White Oak YSF V	31,499,473	3.1	3.1	1.8	3.7	3.7	1.5				1.4
Credit Suisse Lev Loan 1 QTR L	, ,	0.8	2.5	5.4	12.4	12.4					
Excess		2.3	0.6	-3.6	-8.7	-8.7					
Absolute Return	325,012,045	-0.1	-2.4	4.5	6.7	6.7	4.2	1.0	-0.7	1.6	1.9
Samcera SOFR + 4%		0.8	2.3	4.7	9.5	9.5	7.2	6.3	6.2	5.6	5.3
Excess		-0.9	-4.7	-0.2	-2.8	-2.8	-3.0	-5.3	-6.9	-4.1	-3.4
Acadian MAAR Fund LLC	0	0.0	-3.3	-1.9	-5.2	-5.2	-2.3				-1.1
Samcera SOFR +4%		0.8	2.3	4.7	9.7	9.7	7.3				6.7
Excess		-0.8	-5.6	-6.6	-14.9	-14.9	-9.6				-7.7
CFM SYS Global Macro Fund	108,454,262	-0.0	-0.7	-0.9	6.5	6.5	3.8				7.2
Samcera SOFR +4%		0.8	2.3	4.7	9.7	9.7	7.3				6.7
Excess		-0.8	-3.1	-5.6	-3.2	-3.2	-3.5				0.5
Graham Global Investment	107,245,545	-0.2	-3.9	13.0	12.0	12.0	8.2				7.0
Samcera SOFR +4%		0.7	2.1	4.4	9.0	9.0	7.0				6.1
Excess		-0.9	-6.1	8.6	3.0	3.0	1.2				0.9
PIMCO MAARS Fund L.P.	109,312,238	-0.2	-1.2	8.2	13.6	13.6	12.8				9.6
Samcera SOFR +4%		0.8	2.3	4.7	9.7	9.7	7.3				6.4
Northern Trust		-1.0	-3.5	3.5	3.9	3.9	5.5				3.3

Composite Return Summary June 30,2024

Sam	CERA

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	847,952,894	1.1	-0.3	-1.3	2.7	2.7	-3.2	-0.1	0.9	1.6	4.2
BBG US Aggregate		0.9	0.1	-0.7	2.6	2.6	-3.0	-0.2	0.9	1.3	3.9
Excess		0.2	-0.4	-0.6	0.0	0.0	-0.2	0.1	0.0	0.3	0.3
Core Fixed Income ex Overlay	836,443,612	1.2	-0.3	-1.3	2.7	2.7	-3.1	-0.1	0.9	1.7	4.2
BBG US Aggregate		0.9	0.1	-0.7	2.6	2.6	-3.0	-0.2	0.9	1.3	3.9
Excess		0.2	-0.4	-0.6	0.1	0.1	-0.1	0.2	0.1	0.3	0.3
DoubleLine	260,342,409	1.2	0.3	0.5	3.7	3.7	-3.0				-0.9
BBG US Aggregate		0.9	0.1	-0.7	2.6	2.6	-3.0				-1.7
Excess		0.2	0.2	1.2	1.1	1.1	0.0				0.8
FIAM B Core Bond	150,022,582	1.0	0.3	-0.3	3.3	3.3	-2.7	0.6	1.6		2.0
BBG US Aggregate		0.9	0.1	-0.7	2.6	2.6	-3.0	-0.2	0.9		1.1
Excess		0.1	0.2	0.4	0.6	0.6	0.3	0.9	0.7		0.9
NISA Core Bond	281,289,033	0.9	0.0	-0.6	2.9	2.9	-2.7				-1.6
BBG US Aggregate		0.9	0.1	-0.7	2.6	2.6	-3.0				-2.0
Excess		-0.0	-0.0	0.2	0.2	0.2	0.3				0.4
NISA Long Treasury	144,789,588	1.7	-1.8	-5.1	-5.5	-5.5					-5.4
Bloomberg US Long Tsy		1.7	-1.8	-5.0	-5.6	-5.6					-5.5
Excess		0.0	-0.0	-0.1	0.1	0.1					0.1
Core Fixed Income Overlay	11,509,281	0.9	-3.1	-5.9	-7.8	-7.8					
ICE BofAML US 3-Month Treasury Bill		0.4	1.3	2.6	5.4	5.4	3.0				2.2
Excess		0.5	-4.5	-8.5	-13.2	-13.2					
Real Estate	474,062,007	0.1	-2.0	-6.9	-8.2	-8.2	2.0	3.0	4.2		5.1
Samcera NCREIF ODCE (gross)		0.0	0.0	-2.4	-8.8	-8.8	2.0	3.3	4.4		5.0
Excess		0.1	-2.0	-4.5	0.6	0.6	-0.0	-0.2	-0.2		0.2
Harrison Street Core Property	89,299,768	0.0	-2.6	-6.0	-7.4	-7.4	1.8				2.9
Samcera NCREIF ODCE (gross)	, ,	0.0	0.0	-2.4	-8.8	-8.8	2.0				3.0
Excess		0.0	-2.6	-3.6	1.5	1.5	-0.2				-0.1
Invesco Core Real Estate	229,776,669	0.0	-3.5	-8.2	-9.7	-9.7	1.2	2.2	3.7	6.0	6.4
Samcera NCREIF ODCE (gross)		0.0	0.0	-2.4	-8.8	-8.8	2.0	3.3	4.4	6.5	6.7
Excess		0.0	-3.5	-5.8	-0.9	-0.9	-0.8	-1.0	-0.8	-0.4	-0.3
Invesco US Val IV	106,566	0.0	-9.0	-26.8	-48.0	-48.0	-38.2	-23.1	-14.3		-9.9



Composite Return Summary June 30,2024

SamCE	RA

Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Samcera NCREIF ODCE (gross)		0.0	0.0	-2.4	-8.8	-8.8	2.0	3.3	4.4		5.4
Excess		0.0	-9.0	-24.4	-39.2	-39.2	-40.2	-26.3	-18.7		-15.4
Invesco US VAL V	23,475,055	0.0	-1.0	-24.6	-27.9	-27.9	-5.3	1.0			0.1
Samcera NCREIF ODCE (gross)		0.0	0.0	-2.4	-8.8	-8.8	2.0	3.3			
Excess		0.0	-1.0	-22.2	-19.0	-19.0	-7.3	-2.3			
Invesco Value-Add Fund	23,668,591	0.0	2.4	-9.9	-13.0	-13.0					-8.1
Samcera NCREIF ODCE (gross)		0.0	0.0	-2.4	-8.8	-8.8					-10.2
Excess		0.0	2.4	-7.6	-4.2	-4.2					2.1
PGIM Real Estate US Debt Fund	73,250,166	0.6	1.4	2.7	6.0	6.0	5.9	5.7	5.4		5.4
Samcera NCREIF ODCE (gross)		0.0	0.0	-2.4	-8.8	-8.8	2.0	3.3	4.4		4.4
Excess		0.6	1.4	5.1	14.9	14.9	3.9	2.4	1.0		1.0
Stockbridge VAL FD V	7,222,849	-0.0									
Samcera NCREIF ODCE (gross)	, ,	0.0	0.0	-2.4	-8.8	-8.8	2.0	3.3	4.4		4.4
Excess		-0.0									
Stockbridge Value IV	27,262,343	0.0	0.0	0.2	-5.2	-5.2	9.1				5.3
Samcera NCREIF ODCE (gross)		0.0	0.0	-2.4	-8.8	-8.8	2.0				3.2
Excess		0.0	0.0	2.5	3.7	3.7	7.1				2.1
Public Real Assets	214,243,103	-1.9	1.6	2.9	5.0	5.0	4.3	1.5	2.4		
SamCera Liquid Real Asset Inde		-1.9	1.7	2.8	5.1	5.1	4.3	4.4	4.7		5.8
Excess		-0.0	-0.1	0.1	-0.2	-0.2	0.1	-2.9	-2.3		
SSGA CST REAL ASSET NL	214,243,103	-1.9	1.6	2.9	5.0	5.0	4.3	4.4	4.7		
SamCera Liquid Real Asset Inde		-1.9	1.7	2.8	5.1	5.1	4.3	4.4	4.7		5.0
Excess		-0.0	-0.1	0.1	-0.2	-0.2	0.1	-0.1	0.0		
Private Real Assets	359,900,262	-0.3	3.3	4.7	8.1	8.1	10.6	9.8	5.2		9.7
SamCERA Private Real Asset Idx		5.6	1.6	10.4	4.7	4.7	7.8	7.2	7.8		10.1
Excess		-5.9	1.7	-5.8	3.4	3.4	2.8	2.6	-2.6		-0.4
Liquidity	336,423,383	0.5	1.3	2.2	5.9	5.9	3.2				2.3
Liquidity Composite Benchmark		0.5	1.0	1.6	5.0	5.0					
Excess		-0.0	0.2	0.6	1.0	1.0					



Composite Return Summary June 30,2024

Sam	CERA

Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Cash Flow - Match Liquidity	256,375,144	0.5	1.1	1.9	5.5	5.5					3.9
BBG US Agg Govt Credit 1-3	, ,	0.6	1.0	1.4	4.9	4.9					2.7
Excess		-0.1	0.2	0.6	0.7	0.7					1.2
County Treasury Pool	12,947,210	0.0	1.4	1.7	3.2	3.2	2.5	2.1	2.0	1.6	2.6
91 Day T-Bill		0.4	1.3	2.6	5.4	5.4	3.0	2.2	2.1		
Excess		-0.4	0.1	-0.9	-2.2	-2.2	-0.5	-0.0	-0.1		
Insight Investment	243,427,934	0.5	1.1	2.0	5.7	5.7					3.6
BBG US Credit 1-3 Yrs		0.5	1.0	1.8	5.6	5.6					3.5
Excess		0.0	0.1	0.2	0.1	0.1					0.1
Cash & Cash Overlay	112,239,878	0.5	1.4	2.8	5.7	5.7					
91 Day T-Bill		0.4	1.3	2.6	5.4	5.4	3.0	2.2	2.1		
Excess		0.1	0.1	0.1	0.3	0.3					
Cash Overlay	12,077,193	0.4	1.4	2.7	5.5	5.5	2.6				2.0
ICE BofAML US 3-Month Treasury Bill		0.4	1.3	2.6	5.4	5.4	3.0				2.2
Excess		0.0	0.0	0.1	0.1	0.1	-0.4				-0.2
General Account	100,162,685	0.5	1.4	2.8	5.7	5.7	3.2	2.3	2.2	1.7	2.0
Transition Account	0										
Futures Offsets	32,191,639	-0.0	0.0	-0.0	-0.1	-0.1	-0.1				-0.0
ICE BofAML US 3-Month Treasury Bill		0.4	1.3	2.6	5.4	5.4	3.0				2.2
Excess		-0.4	-1.3	-2.6	-5.5	-5.5	-3.1				-2.2

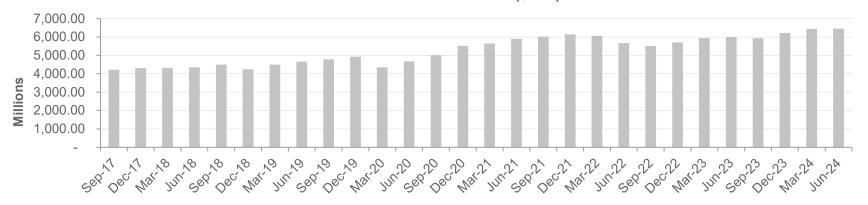




Record of Asset Growth

	Three Months	One Year
TOTAL FUND		
Beginning Market Value	6,441,463,034	5,995,500,234
Contributions	15,783,852	244,074,142
Withdrawals	-79,959,832	-323,747,105
Income Received	34,143,714	121,521,387
Gain/Loss	49,159,748	423,581,134
Ending Market Value	6,460,511,545	6,460,511,545

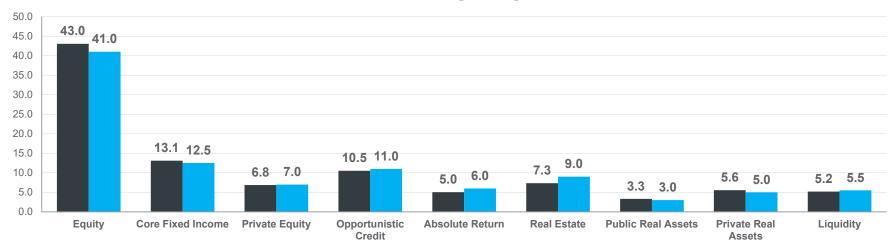
Net Asset Values Over Time (\$000)



NTAC:3NS-20 10 of 13



Actual vs Target Weights



Actual	Target

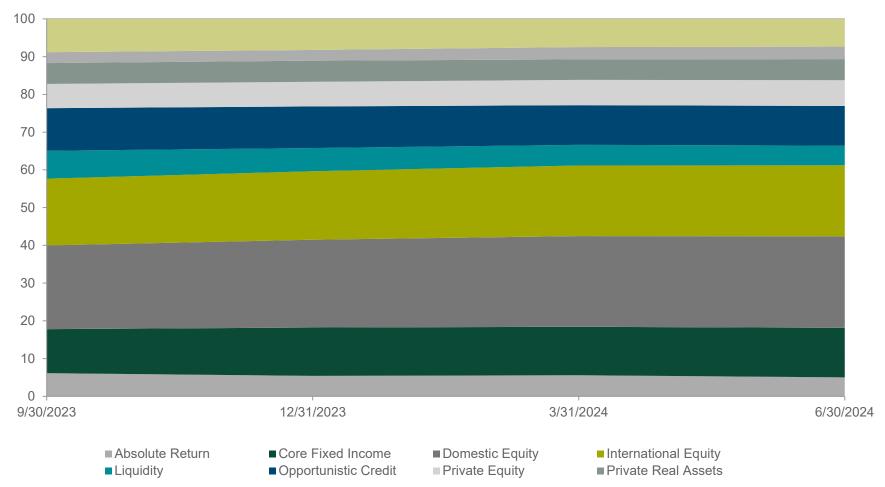
	Min	Actual	Target	Deviation	Max
Equity	38.0	43.0	41.0	2.0	44.0
Core Fixed Income	10.5	13.1	12.5	0.6	14.5
Private Equity	5.0	6.8	7.0	-0.2	9.0
Opportunistic Credit	9.0	10.5	11.0	-0.5	13.0
Absolute Return	4.0	5.0	6.0	-1.0	8.0
Real Estate	7.0	7.3	9.0	-1.7	11.0
Public Real Assets	1.0	3.3	3.0	0.3	5.0
Private Real Assets	3.0	5.6	5.0	0.6	7.0
Liquidity		5.2	5.5	-0.3	



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Asset Allocation over Time





NTAC:3NS-20 12 of 13

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Market commentary

U.S. ECONOMICS

- June nonfarm payrolls rose in line with expectations of 206,000 but April and May figures were revised lower by a total of 111,000. Job adds were primarily led by healthcare and government sectors, which accounted for nearly 75% of the increase. Unemployment rose to 4.1%, in line with expectations after several weeks of greater continuing claims.
- The ISM Manufacturing and Services Indexes fell to 48.5 and 48.8, respectively, suggesting that activity is set for contraction.
 Respondents in both surveys noted softening demand, lingering inflation concerns, and hesitancy in business investment, especially given the higher rate environment.
- Consumer sentiment fell slightly to 68.2. Americans expressed concern over higher prices of everyday goods and weakening personal finances.
 However, the longer-term outlook has improved with year ahead inflation expectations dropping from 3.3% to 3.0% in June.

U.S. EQUITIES

- U.S. equities continued the May rally to finish June +3.6%. After some volatility around the FOMC meeting on June 12th, U.S. equities steadily gained, reaching new all-time highs on renewed hopes for at least one, but potentially two, rate cuts by year end.
- The influence and impact of the Magnificent Seven on the broader index remains largely unchanged from the pattern of the past year.
 The Magnificent Seven accounted for 79% of the S&P 500 index return for June which means that the S&P 500 ex-Magnificent Seven would have returned just +0.8%. NVIDIA led the charge, finishing the month +12.7% after having declined -16% over a three day span mid month.

U.S. FIXED INCOME

- The June FOMC meeting ended on June 12th with the federal funds rate unchanged at a range of 5.25% 5.50%. Domestic and global investors have focused much attention on Chairman Powell's commentary for any sign indicative of rate cuts. Markets rallied ahead of Powell's commentary with the expectation that he would hint at two rate cuts before year end, but that excitement quickly dampened after he reiterated that a single rate cut was most likely, and that data still needs to show inflation moving sustainably towards 2%.
- Investor expectations for rate cuts fluctuated but at the end of June settled on a 70% probability of a September rate cut. This followed economic data releases that suggested continued cooling in the economy and a more balanced labor market.
- Increased confidence around a 0.25% September rate cut brought yields lower across the curve with the 2-year falling -18 bps and the 10year falling -15 bps. Fixed income markets were broadly positive across major asset classes and the Bloomberg U.S. Aggregate rose +0.9%.

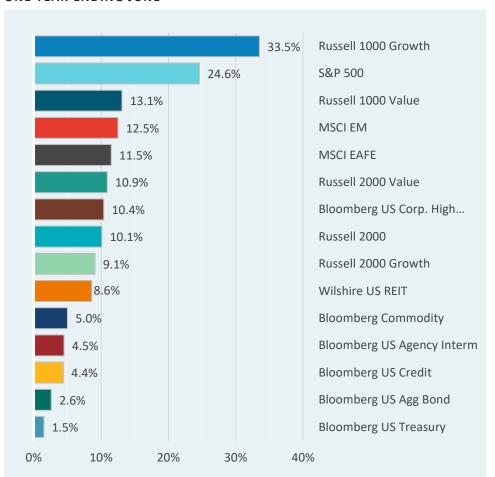
INTERNATIONAL MARKETS

- European markets rallied early in the month after the European Central Bank followed through on their pledge to cut rates, bringing the deposit rate -0.25% lower to 3.75%. The rally quickly lost momentum though as French President Emmanuel Macron called a snap election which created uncertainty for markets. The decision weighed on French equities as well as the broader Eurozone which fell -3.3%.
- Japanese equites continue to face headwinds, including a severe weakening of the yen against the dollar. Still, Japanese equities were among the better international developed performers.

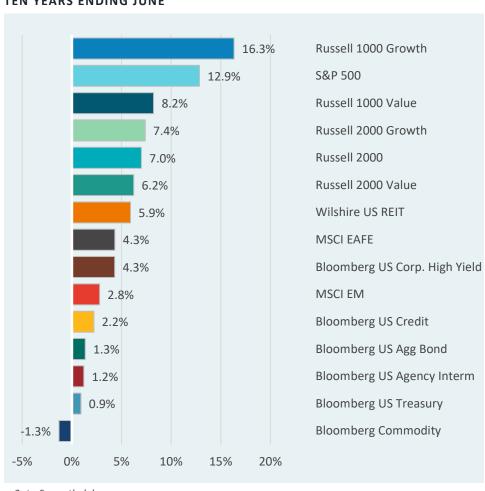


Major asset class returns

ONE YEAR ENDING JUNE



TEN YEARS ENDING JUNE



*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 6/30/24

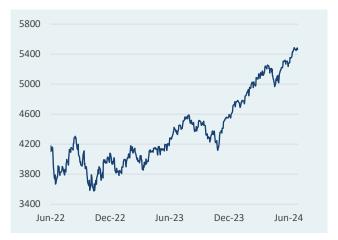
Source: Morningstar, as of 6/30/24



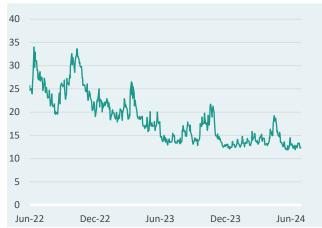
U.S. large cap equities

- The S&P 500 Index was up 3.6% in June, bringing second quarter returns to 4.3% and year-to-date returns to 15.3%. A strong economy, coupled with cooling inflation and moderating labor data, added to investor confidence for a 2024 rate cut and reinforced the soft-landing narrative.
- 5 out of 11 S&P 500 sectors advanced in June, with Information Technology (+9.3%), Consumer
 Discretionary (+4.8%), and Communication Services (+4.7%) performing best. Strong earnings from NVIDIA contributed to tech outperformance.
- The Magnificent Seven led large cap equities in June, accounting for 79% of the total S&P 500 return and 32.3% percent by weight. NVIDIA, up 12.7% in June and 36.7% for the quarter, made up 6.6% of the total S&P 500 market cap at the end of the quarter.
- Apple (+9.6%) continued to recoup losses sustained earlier in the year, performing the second best in the Dow over the course of the month. Apple finished the second quarter up 22.8% which brought year-to-date performance to 9.4%.

S&P 500 PRICE INDEX



IMPLIED VOLATILITY (VIX INDEX)



Source: Choe, as of 6/30/24

S&P 500 VALUATION SNAPSHOT



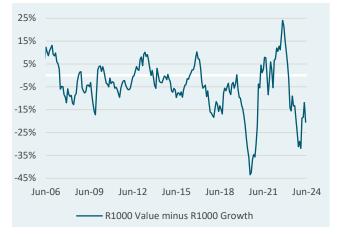
Source: Bloomberg, as of 6/30/24

Source: Bloomberg, as of 6/30/24

Domestic equity size and style

- In June, large-cap indexes (Russell 1000 +3.3%) outperformed their small-cap counterparts (Russell 2000 -0.9%). Performance was also split between styles as investors pursued risk in a strong, but cooling economy. In June, large-cap value (Russell 1000 Value -0.9%) lost ground while large-cap growth (Russell 1000 Growth 6.7%) continued to gain. Small-cap indexes exhibited the same trend; growth (Russell 2000 Growth -0.2%) outperformed value (Russell 2000 Value -1.7%).
- Relative valuations continued to expand for large-cap growth. The forward PE for the Russell 1000 Growth Index now trades at a 28.4x forward PE, a 26.2% premium to the 10-year average. Large-cap value trades at a 1.3% premium compared to a 10-year average of 16.4%. Small-caps are trading at 21.7x compared to the 10-year average of 23.7x, representing a discount of -8.4%.
- Year-to-date, small-caps were the only size in the red (S&P 600 -1.6%) compared to their large- and mid-cap counterparts (S&P 500 +15.3%, S&P 400 +5.3%).

VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE, Bloomberg, as of 6/30/24

SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE, Bloomberg, as of 6/30/24

1-YEAR SIZE & STYLE PERFORMANCE

Large Cap 1	13.1%	23.9%	33.5%
Mid Cap 1	12.0%	12.9%	15.1%
Small Cap 1	10.9%	10.1%	9.1%

Source: FTSE, Bloomberg, as of 6/30/24



Fixed income

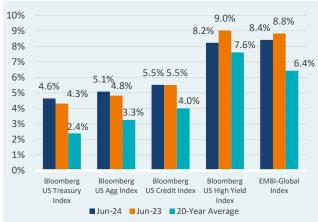
- U.S. bonds continued their recovery in June (Bloomberg U.S. Aggregate Index +0.9%), bringing quarterly returns into positive territory (+0.1%). Year-to-date returns (-0.7%) were slightly negative in comparison. Both short- and long-dated treasury yields declined as employment and inflation showed signs of waning, strengthening investor hopes for a 2024 rate cut.
- Volatility declined in the second quarter as investors continued to refine their rate expectations. The MOVE Index averaged 106.5 in the first quarter and 98.7 in the second; above the 10-year average of 76.6.
- Yields moved lower across the curve, with 2- and 10-year yields falling -18 bps and -15 bps, respectively. As a result, long treasuries were the top performers across all major U.S. fixed income indexes for the second month in a row (Bloomberg US Treasury Long + 1.7%). Yield curve inversion did not budge much, decreasing slightly from -38 bps in May to -35 bps in June.
- High-yield and bank loans both saw slight spread widening over the month. High-yield spreads moved up +1 bps to 3.21% as 12-month defaults fell to 1.17%.
 Bank loan spreads increased +9 bps, while 12-month defaults fell to 0.92%.

U.S. TREASURY YIELD CURVE



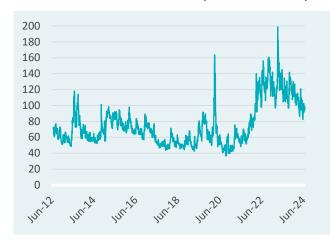
Source: Bloomberg, as of 6/3/24

NOMINAL YIELDS



Source: Morningstar, as of 6/30/24

U.S. TREASURY IMPLIED VOL ("MOVE" INDEX)

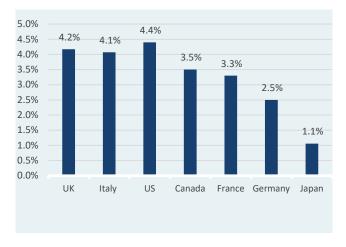


Source: Bloomberg, as of 6/30/24

Global markets

- International equities underperformed U.S. equities for the second straight month (MSCI ACWI ex US -0.1%).
 The largest ACWI ex U.S. constituents all posted negative returns on the month as Japan fell -0.7%, and the UK and China both posted -1.8% declines.
- Chinese equities reversed course and finished the month -1.8% lower. Optimism has deteriorated after a mix of economic data suggests that government intervention is not stimulating the property sector as intended. June data also showed economic activity fell again in both manufacturing and services, suggesting that the Chinese economy may be struggling.
- Emerging market equities were among the top performers with the MSCI EM Index gaining +3.9%.
 Although China (-1.8%) lagged, a broad-based rally in technology helped boost returns for the next three largest constituents—Taiwan (+12.0%), India (+7.0%) and South Korea (+8.9%).
- The strength of the U.S dollar remains a significant headwind for emerging and developed economies.
 Japan has struggled to keep the yen afloat, even after government intervention, and China has raised concerns of intervention after the yuan fell to a seven-month low against the dollar.

GLOBAL SOVEREIGN 10-YEAR YIELDS

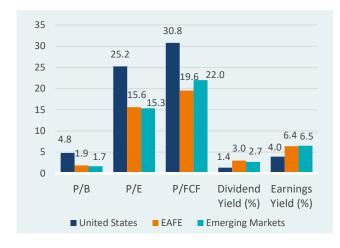


U.S. DOLLAR MAJOR CURRENCY INDEX



Source: Federal Reserve, as of 6/30/24

MSCI VALUATION METRICS (3-MONTH AVG)



Source: Bloomberg, as of 6/30/24



Source: Bloomberg, as of 6/30/24

Commodities

- Commodity performance was mixed, though energy and petroleum gains helped steady the Bloomberg Commodity Index at just a -1.5% loss. The OPEC+ meeting was held on June 1st, where OPEC opened the door for potential production increases later this year. Petroleum initially fell on the news but recovered by month end to gain +5.9%.
- The Bloomberg Industrial Metals Index posted a -5.3% decline on the month. Copper (-4.6%), aluminum (-5.0%), zinc (-1.3%) and nickel (-12.5%) all posted declines. Industrial metals were widely affected by traditional supply and demand dynamics as Chinese demand for industrial metals remained depressed.

INDEX AND SECTOR PERFORMANCE

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg Commodity	(1.5)	2.9	5.1	5.0	5.7	7.2	(1.3)
Bloomberg Agriculture	(5.9)	(3.4)	(6.3)	(9.6)	2.9	8.9	(8.0)
Bloomberg Energy	4.1	3.0	8.0	5.7	6.6	0.3	(9.4)
Bloomberg Grains	(10.9)	(5.7)	(13.2)	(19.7)	(3.7)	4.5	(3.1)
Bloomberg Industrial Metals	(5.3)	9.8	9.0	13.0	2.3	8.4	2.6
Bloomberg Livestock	0.9	(1.2)	9.6	2.4	4.8	(0.6)	(3.9)
Bloomberg Petroleum	5.9	0.0	16.8	28.0	23.1	12.1	(3.0)
Bloomberg Precious Metals	(0.8)	7.9	15.0	22.5	7.9	10.2	4.3
Bloomberg Softs	4.0	1.4	11.1	17.7	16.1	14.4	0.5

Source: Morningstar, as of 6/30/24

- Grain commodities were broadly negative across the segment as a slump in corn (-8.7%) and soy (-5.9%) prices have pushed farmers to stock up inventories, waiting for prices to come back up before selling. The increased inventories have in turn added more downward price pressures pushing corn and soybean prices lower.
- The Bloomberg Precious Metals sub-index (-0.8%) fell on dampened expectations for a Federal Reserve rate cut.
 Gold and silver rallied on increased demand in anticipation of a rate cut earlier in 2024. With rate expectations moderating and inflation coming back to 2%, demand for precious metals has also eased.

COMMODITY PERFORMANCE



Source: Bloomberg, as of 6/30/24



Appendix



Periodic table of returns

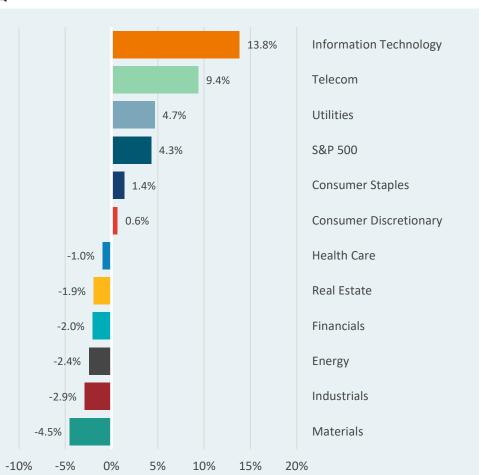
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD	5-Year	10-Yea
Large Cap Growth	26.0	34.5	32.6	39.8	5.2	79.0	29.1	14.3	18.6	43.3	13.5	13.3	31.7	37.3	6.7	36.4	38.5	28.3	16.1	42.7	20.7	19.3	16.3
Large Cap Equity	22.2	21.4	26.9	16.2	1.4	37.2	26.9	7.8	18.1	38.8	13.2	5.7	21.3	30.2	1.9	31.4	34.6	27.6	9.4	26.5	14.2	14.6	12.5
Emerging Markets Equity	20.7	20.1	23.5	15.8	-6.5	34.5	24.5	2.6	17.9	34.5	13.0	0.9	17.3	25.0	0.0	28.5	21.0	27.1	1.5	18.7	7.5	9.0	8.2
Large Cap Value	18.3	14.0	22.2	11.8	-21.4	32.5	19.2	1.5	17.5	33.5	11.8	0.6	12.1	22.2	-1.5	26.5	20.0	26.5	-4.7	18.2	6.6	7.2	7.4
International Equity	16.5	7.5	18.4	11.6	-25.9	28.4	16.8	0.4	16.4	33.1	6.0	0.0	11.8	21.7	-3.5	25.5	18.3	25.2	-7.5	16.9	5.3	7.1	7.0
60/40 Global Portfolio	14.5	7.1	16.6	10.9	-28.9	27.2	16.7	0.1	16.3	32.5	5.6	-0.4	11.3	17.1	-4.8	22.4	14.0	17.7	-13.0	15.4	5.3	6.9	6.4
Commodities	14.3	6.3	15.5	10.3	-33.8	23.3	16.1	-2.1	15.3	23.3	4.9	-0.8	11.2	14.6	-6.0	22.0	10.3	14.8	-14.5	14.6	5.1	6.5	6.2
Hedge Funds of Funds	12.9	5.3	15.1	7.0	-35.6	20.6	15.5	-2.9	14.6	12.1	4.2	-1.4	8.0	13.7	-8.3	18.6	7.8	11.3	-14.5	11.5	4.6	6.2	5.0
Small Cap Growth	11.4	4.7	13.3	7.0	-36.8	19.7	13.1	-4.2	11.5	11.0	3.4	-2.5	7.1	7.8	-9.3	18.4	7.5	8.9	-17.3	9.8	4.4	5.7	4.3
Cash	9.1	4.6	10.4	5.8	-37.6	18.9	10.2	-5.5	10.5	9.0	2.8	-3.8	5.7	7.7	-11.0	8.7	4.6	6.5	-19.1	6.3	2.6	4.8	3.5
Small Cap Equity	6.9	4.6	9.1	4.4	-38.4	11.5	8.2	-5.7	4.8	0.1	0.0	-4.4	2.6	7.0	-11.2	7.8	2.8	2.8	-20.1	5.5	1.7	3.8	2.8
US Bonds	6.3	4.2	4.8	-0.2	-38.5	5.9	6.5	-11.7	4.2	-2.0	-1.8	-7.5	1.0	3.5	-12.9	7.7	0.5	0.0	-20.4	5.0	-0.7	3.1	1.5
Small Cap Value	4.3	3.2	4.3	-1.6	-43.1	0.2	5.7	-13.3	0.1	-2.3	-4.5	-14.9	0.5	1.7	-13.8	6.4	0.5	-1.5	-26.4	-7.9	-0.8	2.1	1.3
Real Estate	1.4	2.4	2.1	-9.8	-53.2	-16.9	0.1	-18.2	-1.1	-9.5	-17.0	-24.7	0.3	0.9	-14.6	2.1	-3.1	-2.5	-29.1	-7.9	-1.0	-0.2	-1.3
	L	arge C	ap Equ	iity			ì	Sm	nall Ca	p Grov	vth				Cor	nmodi	ties						
	La	arge C	ap Val	ue				International Equity				Rea	l Estat	e									
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	Si	mall C	ap Equ	iity				US	US Bonds 60% MSCI ACWI/40% Bloomberg Global Bond				d										
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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 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 3/31/24.

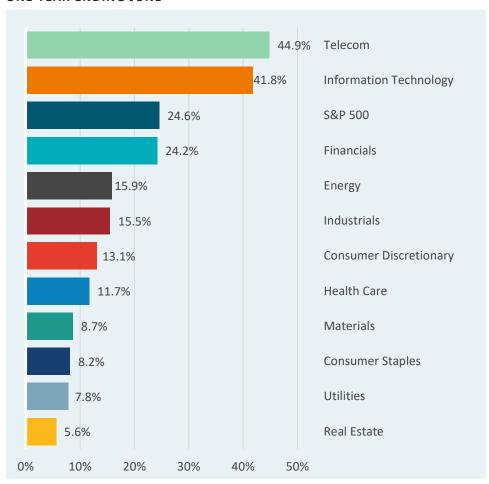


S&P 500 sector returns

QTD



ONE YEAR ENDING JUNE



Source: Morningstar, as of 6/30/24

Source: Morningstar, as of 6/30/24



Detailed index returns

DOMESTIC EQUITY								FIXED INCOME							
	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year		Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Core Index								Broad Index							
S&P 500	3.6	4.3	15.3	24.6	10.0	15.0	12.9	Bloomberg US TIPS	0.8	0.8	0.7	2.7	(1.3)	2.1	1.9
S&P 500 Equal Weighted	(0.5)	(2.6)	5.1	11.8	4.8	10.9	10.0	Bloomberg US Treasury Bills	0.4	1.3	2.6	5.5	3.0	2.2	1.5
DJ Industrial Average	1.2	(1.3)	4.8	16.0	6.4	10.3	11.3	Bloomberg US Agg Bond	0.9	0.1	(0.7)	2.6	(3.0)	(0.2)	1.3
Russell Top 200	4.5	5.7	17.2	27.4	10.9	16.4	13.8	Bloomberg US Universal	0.9	0.2	(0.3)	3.5	(2.7)	0.1	1.6
Russell 1000	3.3	3.6	14.2	23.9	8.7	14.6	12.5	Duration							
Russell 2000	(0.9)	(3.3)	1.7	10.1	(2.6)	6.9	7.0	Bloomberg US Treasury 1-3 Yr	0.6	0.9	1.2	4.5	0.3	1.0	1.1
Russell 3000	3.1	3.2	13.6	23.1	8.1	14.1	12.1	Bloomberg US Treasury Long	1.7	(1.8)	(5.0)	(5.6)	(10.5)	(4.3)	0.6
Russell Mid Cap	(0.7)	(3.3)	5.0	12.9	2.4	9.5	9.0	Bloomberg US Treasury	1.0	0.1	(0.9)	1.5	(3.3)	(0.7)	0.9
Style Index								Issuer							
Russell 1000 Growth	6.7	8.3	20.7	33.5	11.3	19.3	16.3	Bloomberg US MBS	1.2	0.1	(1.0)	2.1	(2.9)	(0.8)	0.9
Russell 1000 Value	(0.9)	(2.2)	6.6	13.1	5.5	9.0	8.2	Bloomberg US Corp. High Yield	0.9	1.1	2.6	10.4	1.6	3.9	4.3
Russell 2000 Growth	(0.2)	(2.9)	4.4	9.1	(4.9)	6.2	7.4	Bloomberg US Agency Interm	0.7	0.8	1.0	4.5	(0.5)	0.6	1.2
Russell 2000 Value	(1.7)	(3.6)	(3.6)	10.9	(0.5)	7.1	6.2	Bloomberg US Credit	0.7	(0.0)	(0.5)	4.4	(2.9)	0.5	2.2
INTERNATIONAL EQUITY								OTHER							
Broad Index								Index							
MSCI ACWI	2.2	2.9	11.3	19.4	5.4	10.8	8.4	Bloomberg Commodity	(1.5)	2.9	5.1	5.0	5.7	7.2	(1.3)
MSCI ACWI ex US	(0.1)	1.0	5.7	11.6	0.5	5.5	3.8	Wilshire US REIT	3.0	(0.2)	(0.3)	8.6	0.3	4.0	5.9
MSCI EAFE	(1.6)	(0.4)	5.3	11.5	2.9	6.5	4.3	CS Leveraged Loans	0.3	1.9	4.4	11.0	6.0	5.4	4.6
MSCI EM	3.9	5.0	7.5	12.5	(5.1)	3.1	2.8	S&P Global Infrastructure	(2.9)	2.7	4.0	7.0	5.6	4.3	4.6
MSCI EAFE Small Cap	(3.0)	(1.8)	0.5	7.8	(3.4)	4.2	4.3	Alerian MLP	4.7	3.8	19.2	34.2	22.3	11.1	1.9
Style Index								Regional Index							
MSCI EAFE Growth	(0.4)	(0.8)	6.2	9.4	0.1	6.5	5.4	JPM EMBI Global Div	0.6	0.3	2.3	9.2	(3.5)	0.6	3.2
MSCI EAFE Value	(2.8)	0.0	4.5	13.7	5.5	6.1	3.0	JPM GBI-EM Global Div	(1.1)	(1.6)	0.7	0.7	(3.3)	(1.3)	(0.9)
Regional Index								Hedge Funds							
MSCI UK	(1.8)	3.7	6.9	12.5	6.9	5.7	2.7	HFRI Composite	(0.2)	0.4	4.8	9.6	2.8	6.6	4.8
MSCI Japan	(0.7)	(4.3)	6.3	13.1	2.3	6.6	5.5	HFRI FOF Composite	0.1	0.4	4.6	8.4	2.0	4.8	3.5
MSCI Euro	(3.3)	(2.8)	5.4	10.1	3.6	7.2	4.1	Currency (Spot)							
MSCI EM Asia	5.0	7.4	11.0	15.1	(5.5)	4.6	4.5	Euro	(1.3)	(1.8)	(3.0)	(1.8)	(3.3)	(1.2)	(2.4)
MSCI EM Latin American	(6.1)	(12.2)	(15.7)	(5.6)	0.9	0.1	(0.3)	Pound Sterling	(0.7)	0.3	(8.0)	(0.6)	(2.9)	(0.1)	(3.0)
								Yen	(2.3)	(10.1)	(12.4)	(10.2)	(11.6)	(7.7)	(4.5)

Source: Morningstar, HFRI, as of 6/30/24



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	2.6	10.8	15.2	12.6
MSCI World Index (PME)	23.8	7.6	13.2	8.4
Global Private Equity Direct Funds ¹	5.7	10.2	16.2	14.3
MSCI World Index (PME)	23.7	7.6	12.7	8.7
U.S. Private Equity Direct Funds ¹	6.1	12.2	18.0	15.5
Russell 3000 Index (PME)	25.9	8.9	15.1	11.5
Europe Private Equity Direct Funds ¹	8.2	9.8	15.5	12.9
MSCI Europe Index (PME)	19.8	6.3	9.1	4.3
Asia Private Equity Direct Funds ^{1,4}	1.4	2.9	9.5	11.6
MSCI AC Asia Pacific Index (PME)	11.4	(2.9)	5.0	4.2

Private Credit Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Debt ^{2,4}	7.7	14.2	12.6	11.0
Moringstar LSTA U.S. Leveraged Loan 100 Index (PME)	13.2	5.5	6.0	4.6
Private Real Estate Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Real Estate	(4.8)	9.6	7.9	10.5
FTSE NAREIT Equity REIT Index (PME)	14.2	8.4	8.3	9.1
Private Real Assets Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Nature Resources ^{3,4}	3.0	20.3	6.1	3.4
S&P Global Natural Resources Index (PME)	3.0	13.1	10.8	5.6
Global Infrastructure ⁴	8.5	10.3	10.3	10.2
S&P Global Infrastructure Index (PME)	6.0	5.1	6.2	4.9

Source: Pooled IRRs and Public Market Equivalents (PMEs) are both from Refinitiv C/A, as of December 31st, 2023. All returns in U.S. dollars.

- 1. Includes Buyout, Growth Equity and Venture Capital.
- 2. Includes Control-Oriented Distressed, Credit Opportunities, Senior Debt and Subordinated Capital.
- 3. Includes Private Equity Energy, Timber and Upstream Energy & Royalties.
- 4. Due to limited history of the PMEs, only the funds with the same vintage years as PMEs are included.



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SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION Board of Retirement

July 23, 2024 Agenda Item 6.2

TO: Board of Retirement

FROM: Lilibeth Dames, Investment Analyst Lilibeth Dames

SUBJECT: Presentation of Private Asset Semi-Annual Performance Reports as of December 31,

2023

Recommendation

Accept and review Verus' semi-annual private equity and private real assets performance reports as of December 31, 2023.

Background

Verus provides a semi-annual private equity and private real asset performance report as of June 30th and December 31st each year.

Discussion

As of December 31, 2023, SamCERA's private equity portfolio had a total market value of \$419 million (6.7% of SamCERA's total fund). SamCERA's long-term target allocation to private equity is 8.0%.

The private equity portfolio's net IRR since inception is 18.99%, 580 bps above the same cash flow invested in the Russell 3000 Total Return Index + 300 bps return of 13.19%. For the six-month period from July 1, 2023 through December 31, 2023, SamCERA's board approved three additional commitments in private equity, totaling \$55 million. As of December 31st, SamCERA had a total of forty-four funds with \$817.6 million in committed capital across twenty-eight private equity managers.

As of December 31, 2023, SamCERA's private real assets portfolio had a total market value of \$352 million (5.7% of SamCERA's total fund). SamCERA's long-term target allocation to private real assets is 5.0%.

The private real assets portfolio's net IRR is 6.72%. For the six-month period from July 1, 2023 through December 31, 2023, SamCERA's board approved one additional commitment in private real assets, totaling \$30 million. As of December 31st, there were twenty private asset funds in the portfolio with \$469.8 million in committed capital across fifteen private real asset managers.

Faraz Shooshani and John Nicolini will review the performance reports with the Board and be available for questions.

Attachments

Verus Semi-Annual Private Equity Performance Report for Period Ending 12/31/2023 Verus Semi-Annual Private Real Assets Performance Report for Period Ending 12/31/2023







Period Ending: December 31, 2023

Investment Performance Review

Private Markets

San Mateo County Employees' Retirement Association

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Market Commentary

DEBT RELATED

- HY issuance was up, but Leveraged Loan issuance was down. In 2023, US High Yield issuance at \$152.9 billion was up 58.4% compared to 2022¹. US Leverage Loan issuance volume was \$876.9 billion in 2023, down 17.3% / \$183.3 million from the \$1,060.2 billion in 2022¹. In Europe, 2023 new issue LBO Loan volume at \$28.6 billion was down 21.0% from 2022 and down 79.2% from \$137.7 billion peak in 2007⁴.
- Spreads tightened across the board. US HY Credit Index decreased by 128bps or down by 26.1%² versus last year. BB and B index tightened by 48 bps and 195 bps, decreasing by 13.2%² and 28.2%² versus 2022. In the meantime, CCC index spread decreased by 14.1%² in 2023 from 2022.
- Decline in both interest coverage and large LBO leverage in both US and Europe. In the US, interest coverage averaged 2.4x (EBITDA / cash interest), down 22.1% from 2022³. Large Corp total leverage averaged 4.9x (debt / EBITDA) in 2023 for US new issue loans, down 17.8% from 2022³. In Europe, leverage multiples decreased 6.3% to 5.3x in 2023⁴, down from 13.1% from peak in 2007⁴.

GLOBAL

Private Markets dry powder increased slightly globally. In 2023, global total dry powder was at \$3.1 trillion, up by 0.9% from 2022⁵. Global total PE ex Venture Capital dry powder was up by 0.1% to \$1.6 trillion⁵. Global Venture Capital dry powder was down by 0.1% to \$657.3 billion⁵. Global Private Debt dry powder was up by 4.1% to \$506.2 billion⁵.

US PRIVATE EQUITY (BUYOUT & GROWTH)

- Buyout fundraising activity increased while Growth strategy decreased. In 2023, US Buyout firms raised \$301.7 billion, up by 4.3% from 2022⁵. Average fund size was up 111.3%, from \$449.0 million in 2022 to \$948.7 million in 2023⁵. US Growth strategy raised \$72.6 billion, down by 18.8% from \$89.4 billion in 2022.
- Investment activity was down. In 2023, US buyout firms invested in \$563.6 billion⁵ (-31.6% from 2022) into 5,207 deals⁵ (-27.1%)⁵. Energy and IT sectors declined the most, down from 2022 by 55.9% and 50%, respectively. Materials & resources sector invested the most capital (\$22.3 billion⁵, +28.9% from 2022. B2B completed the most number of deals (2,631 deals⁵, -20.8% from 2022). US Growth strategy deployed \$81.7 billion⁵, down by 9.8% from \$90.6 billion⁵ of 2022.
- Dry powder increased. In 2023, US private equity dry powder was \$1.3 trillion⁵, up by 1.9% from 2022.



Market Commentary

- LBO price multiples down. As of December 31, 2023, US LBO purchase price multiple (Enterprise Value / EBITDA) was at 10.8x⁶, an 8.6% decrease from December 31, 2022⁶.
- Exit activity decreased. During 2023, US private equity firms exited 1,121 companies⁵, representing \$282.1 billion⁵ in total transaction value. This represented a 17.4% decrease in the number of exits and a 7.8% decrease in total transaction value compared to 2022⁵.

US VENTURE CAPITAL

- Fundraising activity dropped significantly with increased fund size. US VC firms raised \$66.9 billion in 2023, a 61.3% decrease from 2022⁵. 474 funds closed in 2023, a 64.6% decrease from 2022⁵. The average US VC fund size increased to \$141.1 million by 9.4% versus 2022⁵.
- Investment activity decreased. US VC firms deployed \$170.6 billion⁵ in capital in 2023, a 29.6% decrease from last year. The number of deals closed at 15,766⁵, a 10.4% decrease from 2022. Average deal size decreased 21.4% from 2022.
- Dry powder increased. In 2023, US VC dry powder was at \$311.6 billion⁵, up 3.9% from a year ago.
- Entry valuations and deal sizes mixed by stage:
 - Entry valuations. Compared to December 31, 2022, the average pre-money valuations for all stages in 2023 are: down 5.0% at \$5.7 million⁵ for Pre-seed stage, up 9.1% at \$12.0 million⁵ for Seed stage, down 17.0% at \$38.3 million⁵ for early-stage VC, and down 17.7% at \$50.0 million⁵ for late-stage VC.
 - **Deal sizes.** Average deal size increased for Pre-seed stage by 0.8% to \$1.0 million⁵. In the meantime, average deal size decreased for Seed stage, Early stage and Late stage by 11.4% to \$3.8 million⁵, 42.5% to \$7.3 million⁵ and 6.8% at \$18.7 million⁵, respectively. Across all stages, the average investment per deal decreased to \$7.7 million, a 19.0% decrease from prior year⁵. Compared to 2020, the average deal size of Pre-seed-, Seed-, Early- and Late-stage investments were +83.7%, +45.3%, -32.2%, and -5.0%, respectively⁵.
- Exit activity decreased significantly with smaller transactions. US VC firms exited 1,129 companies in 2023, down by 19.4% from the same time last year, and down by 11.0% from three years ago⁵. This represented \$61.5 billion in transaction value, down by 21.8% from 2022, and down by 78.9% from 2020⁵. Largest sectors exited were Software and Commercial Products & Services.

EX US

Ex-US fundraising activity was down. In 2023, ex-US fundraising decreased 11.9% from the same time in 2022 to \$571.1 billion⁵. Fundraising in Asia decreased by 38.0% to \$107.8 billion⁵, while Europe was up by 27.2% to \$149.3 billion⁵.



Market Commentary

- Capital deployment decreased by VCs and Buyout managers in Europe and Asia.
 - In both Europe and Asia, investment activity declined in Venture. In 2023, number of deals closed decreased by 30.5% in Europe with 45.6% less in capital deployed at \$63.2 billion. Similar to Europe, VCs invested \$13.3 billion (66.2% decline) into 60.4% fewer deals than 2022.
 - Buyout deal activity increased in Europe but dropped in Asia; capital deployment dropped in Europe and in Asia. In Europe, Buyout firms transacted on \$464.9 billion in aggregate value (-26.5% from 2022)⁵. Asia Buyout firms invested \$11.0 billion in aggregate value (-67.0% from 2022)⁵.
- Dry powder decreased ex-US. PE dry powder outside the US decreased 2.2% to \$1.0 trillion⁵ as of December 31, 2023. Dry powder outside the US was 19.8% less than dry powder in the US (\$1.3 trillion)⁵.
 - Europe VC and Buyout dry powder both down. VC at \$75.8 billion and Buyout at \$346.0 billion were down 3.6% and 1.2% from 2022, respectively⁵.
 - In Asia, VC and Buyout dry powder decreased. VC at \$282.9 billion and Buyout at \$186.6 billion were down 3.1% and 7.9% from 2022, respectively⁵.
- Purchase price multiples increased both in Europe and Asia. As of December 31, 2023, European Buyout median purchase price multiples increased 2.4% to 7.6x EBITDA from the same time last year⁵. Asia Buyout median purchase price multiples increased 27.4% to 5.6x from 4.4x EBITDA from 2022⁵.
- Exit activity decreased both in Europe and Asia. Europe PE aggregate exit value amounted to \$304.4 billion in 2023, a 7.5%% decrease from last year, and Asia PE exit value dropped by 14.1% to \$149.6 billion⁵.

Notes

- 1. White & Case Debt Explorer (February 29, 2024)
- 2. Guggenheim High-Yield Bank Loan Outlook (Q1 2024)
- 3. Pitchbook | LCD US Leveraged Loan Quarterly Trend Lines (April 1, 2024)
- 4. Pitchbook | LCD European LBO Debt Quarterly Trend Lines (Q1 2024)
- 5. Pitchbook (December 31, 2023)
- 6. Pitchbook | LCD Q1_2024_(US LBO Debt Quarterly Trend Lines (Q1 2024)
- * Include Buyout, Venture Capital, Private Debt, Fund of Funds and Secondaries.
- ** Dry Power numbers are 3-month lag.



Investment Type	Policy Target	Policy Range	Market Value %	Market Value \$(000)	Unfunded Commitment \$(000)	Market Value + Unfunded \$(000)
SamCERA - Total Plan			100.0%	6,191,331		
Buyout (60% +/- 20%)	4.2%	2.4%-4.8%	4.1%	254,238	165,686	419,924
Venture Capital (20%, 0%-30%)	1.4%	1.0%-1.8%	1.4%	88,268	47,614	135,882
Debt-Related/Special Situations (20% +/- 10%)	1.4%	0.6%-1.8%	1.2%	76,563	93,758	170,321
Total Private Equity*	7.0%	5%-9%	6.7%	419,070	307,058	726,128

Portfolio Summary

- As of December 31, 2023, the portfolio's exposure to Private Equity was \$419,069,865 with \$254,238,191 in Buyout \$88,268,452 in Venture Capital, and \$76,563,221 in Debt-Related/Special Situations. Total market value is the current reported value of investments, excluding the remaining unfunded commitments.
- Since initial allocation to Private Equity, SamCERA has contributed \$557,935,473 towards its Private Equity commitments, with \$342,500,277 to Buyouts, \$82,552,750 to Venture Capital, and \$132,882,446 to Debt Related. Unfunded commitments total \$307,057,814.
- The total portfolio exposure at 6.7% of plan is below the 7.0% target, effective July 1st 2022. Compared to December 31, 2022, portfolio exposure is up 0.1%. Buyout, Venture Capital, and Debt Related / Special Situations exposures remain within policy range.

Portfolio Activity

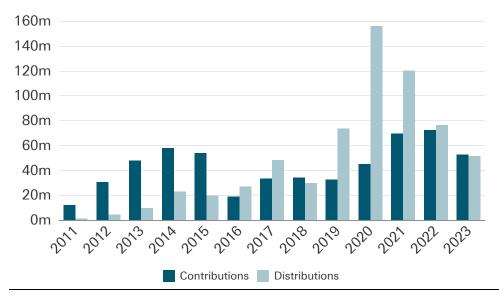
In 2023, SamCERA committed \$30,000,000 to CD&R XII, \$20,000,000 to Charlesbank Technology Opportunities fund II, \$10,000,000 to Eclipse V,
 \$20,000,000 to Genstar Capital Partners XI, \$25,000,000 to Gridiron fund V, \$10,000,000 to DCVC Bio III and \$20,000,000 to MGG Structured
 Solutions Fund II.



Performance

- The Total Private Equity portfolio's performance, as measured by net IRR, is 18.99%, 580 bps above the same cash flow invested in Russell 3000 Total Return Index + 300 bps of 13.19%. Capital weighted average investment age of the portfolio is 5.61 years.
- The portfolio is currently valued at \$419,069,865. Together with \$637,957,296 in realized distributions, the Total Value at \$1,057,027,161 is \$479,815,355 above \$557,935,473 in total capital contributions, resulting in a total value multiple of 1.89x and a distribution multiple of 1.14x.
- Thus far in 2023, contributions marginally outpaced distributions at a ratio of 1.0:1.

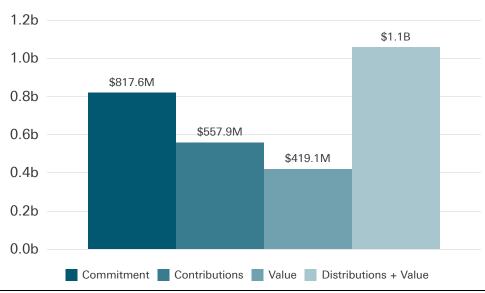
Cash Flows on Annual Basis as of 12/31/2023



Attribution of returns:

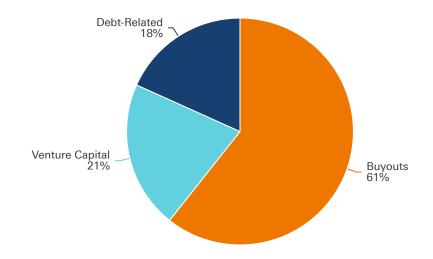
- Buyouts up \$230,822,430 / 1.67x (Great Hill V and VI, and Sycamore leading), with 0.93x of called capital realized and distributed:
- Venture Capital is up \$239,503,336 / 3.90x cost (Emergence III, Third Rock III, and General Catalyst VI leading), with 2.83x of called capital realized and distributed.
- Debt-related, up \$28,765,922 / 1.22x cost (Abry Senior Equity V, Abry Adv Sec II, and OHA Strategic Credit Fund II leading), with 0.64x of called capital realized and distributed.
- Within Private Equity, the current allocation of market value exposure is 60.7% to Buyout, 18.3% to Venture Capital, and 21.0% to Debt-Related/Special Situations.

Cumulative Cash Flow and Valuation as of 12/31/2023



Investment Type	Commitment	Reported Value
Buyouts	\$472,592,999	\$254,238,191
Debt-Related	\$214,500,000	\$76,563,221
Venture Capital	\$130,500,000	\$88,268,452
Total	\$817,592,999	\$419,069,865

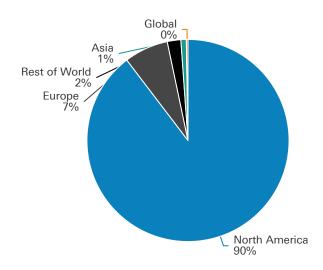
Current Exposure by Fund Type



Portfolio Diversification by Geography

Geography	Reported Value
Global	\$1,095,322
North America	\$369,117,671
Europe	\$29,062,945
Asia	\$3,555,439
Rest of World	\$8,927,286
Unknown	\$7,311,202
Total	\$419,069,865

Reported Value by Geography



Based on the value of portfolio companies and fund reported exposures as of December 31, 2023. Differences between reported value and the total portfolio valuation is due to temporary cash funds, fees, other expenses, and holdings with undisclosed geography breakdown.

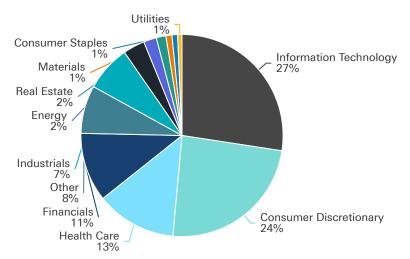
^{*} Total Reported Value is not inclusive of Sixth Street TAO



Portfolio Diversification by GICS

Global Industry Classification Standard	Reported Value
Communication Services	\$14,289,107
Consumer Discretionary	\$98,934,980
Consumer Staples	\$3,723,851
Energy	\$8,479,332
Financials	\$45,447,454
Health Care	\$52,943,251
Industrials	\$30,210,267
Information Technology	\$112,908,516
Materials	\$3,937,324
Real Estate	\$6,376,768
Utilities	\$2,851,490
Other	\$38,967,526
Total	\$419,069,865

Reported Value by Industry



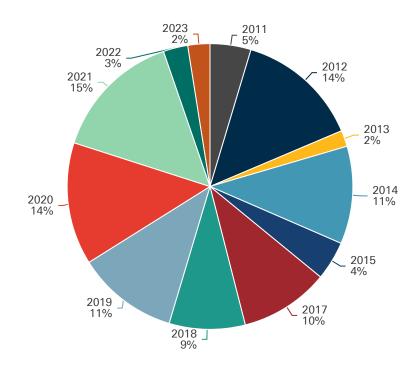
Based on the value of portfolio companies and fund reported exposures as of December 31, 2023. Differences between reported value and the total portfolio valuation is due to temporary cash funds, fees, other expenses, and holdings with undisclosed GICS breakdown.

^{*} Total Reported Value is not inclusive of Sixth Street TAO



Vintage Year	Commitments	Reported Value
2011	\$66,000,000	\$19,409,958
2012	\$68,000,000	\$58,638,418
2013	\$35,000,000	\$7,655,913
2014	\$72,500,000	\$46,352,269
2015	\$53,000,000	\$18,478,172
2016	\$10,000,000	\$0
2017	\$37,000,000	\$42,326,656
2018	\$35,000,000	\$36,047,581
2019	\$50,000,000	\$48,060,982
2020	\$67,092,999	\$58,087,950
2021	\$114,000,000	\$61,904,379
2022	\$75,000,000	\$11,641,173
2023	\$135,000,000	\$10,466,413
Total	\$817,592,999	\$419,069,865

Current Exposure by Vintage Year



No Material exceptions to Policy









Period Ending: December 31, 2023

Investment Performance Review

Private Markets

San Mateo County Employees' Retirement Association

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VERUSINVESTMENTS.COM

SEATTLE 206.622.3700

CHICAGO 312.815.5228

PITTSBURGH 412.784.6678

LOS ANGELES 310.297.1777

SAN FRANCISCO 415.362.3484

Real Assets Review Portfolio Diversification 4

8

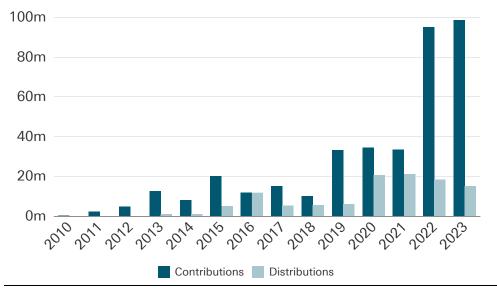
Real Assets Program Update

Past performance is no guarantee of future results. This document is provided for informational purposes only and is directed to institutional clients and eligible institutional counterparties only and is not intended for retail investors. Nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security or pursue a particular investment vehicle or any trading strategy. This document may include or imply estimates, outlooks, projections and other "forward-looking statements." No assurance can be given that future results described or implied by any forward looking information will be achieved. Investing entails risks, including possible loss of principal. Verus Advisory Inc. and Verus Investors, LLC ("Verus") file a single form ADV under the United States Investment Advisors Act of 1940, as amended.

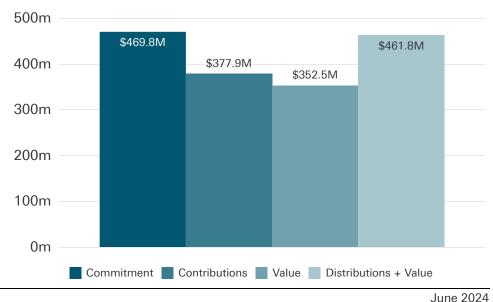
Performance

- The portfolio is currently valued at \$352,467,242. Together with \$109,323,306 in realized distributions, the Total Value at \$461,790,548 is \$83,871,609 above \$377,918,939 in total capital contributions, resulting in a total value multiple of 1.22x and a net IRR of 6.72%. If we exclude the investment in Sheridan, the portfolio IRR would be 9.94%
- In 2023, contributions have outpaced distributions at a ratio of 6.6:1.

Cash Flows on Annual Basis as of 12/31/2023



Cumulative Cash Flow and Valuation as of 12/31/2023



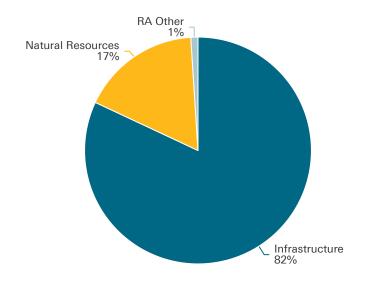
Investment Type	Commitment	Reported Value
Infrastructure	\$300,000,000	\$288,915,028
Natural Resources	\$119,800,000	\$59,989,481
RA Other	\$50,000,000	\$3,562,734
Total	\$469,800,000	\$352,467,242

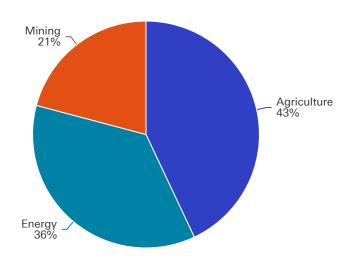
Investment Type Within

Total	\$119,800,000	\$59,989,481
Mining	\$55,000,000	\$12,522,588
Energy	\$49,800,000	\$21,675,294
Agriculture	\$15,000,000	\$25,791,599
Natural Resources	Commitment	Reported Value

Current Exposure by Sub-Asset Class

Current Exposure by Sub-Asset Class





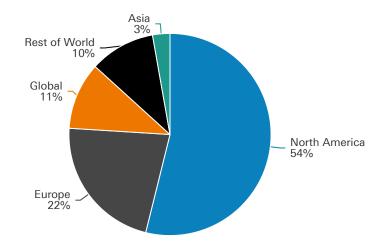
RA Other consists of Cerberus CIREP Fund VI, L.P., and KSL Capital Partners VI, L.P.

Portfolio Diversification by Geography

Geography	Reported Value
Global	\$37,871,960
North America	\$189,879,425
Europe	\$77,956,908
Asia	\$9,791,569
Rest of World	\$36,967,382
Total	\$352,467,243

^{*} North America includes 100% market value from Sheridan II-B

Reported Value by Geography



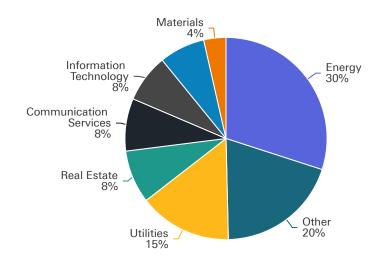
Based on the value of portfolio companies and fund reported exposures as of December 31, 2023. Differences between reported value and the total portfolio valuation is due to temporary cash funds, fees, other expenses, and holdings with undisclosed geography breakdown.

^{**} Rest of World includes: Australia, Chile, Senegal, DRC, and Burkina Faso.

Portfolio Diversification by Sector

GICS	Reported Value
Communication Services	\$29,652,476
Consumer Staples	\$25,791,599
Energy	\$105,666,196
Information Technology	\$27,188,784
Materials	\$12,522,588
Real Estate	\$29,955,073
Utilities	\$52,434,651
Other	\$69,255,876
Total	\$352,467,243

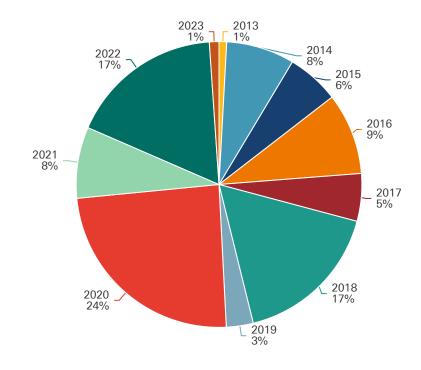
Reported Value by Industry



Based on the value of portfolio companies and fund reported exposures as of December 31, 2023. Differences between reported value and the total portfolio valuation is due to temporary cash funds, fees, other expenses, and holdings with undisclosed GICS breakdown.

Vintage Year	Commitments	Reported Value
2010	\$20,000,000	\$0
2013	\$10,000,000	\$3,054,151
2014	\$35,000,000	\$27,223,466
2015	\$10,000,000	\$20,931,222
2016	\$25,000,000	\$32,546,777
2017	\$29,800,000	\$18,993,014
2018	\$50,000,000	\$59,892,098
2019	\$25,000,000	\$10,718,850
2020	\$85,000,000	\$85,543,602
2021	\$45,000,000	\$28,413,975
2022	\$60,000,000	\$61,331,540
2023	\$75,000,000	\$3,818,548
Total	\$469,800,000	\$352,467,242

Current Exposure by Vintage Year



Deal flow for SamCERA has been robust as a result of re-up opportunities. In 2023, SamCERA has made commitments of \$25M to LS Power Fund V, \$30M to Cerberus CIREP Fund VI, and \$20M to KSL Capital Partners Fund VI. We expect deal flow for SamCERA to remain plentiful as more re-up opportunities come to market in the next six months.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION Board of Retirement

July 23, 2024 Agenda Item 6.3

TO: Board of Retirement

FROM: Doris Ng, Investment Analyst

SUBJECT: Report on Core Equity and Low Volatility Equity Manager Annual Reviews

Recommendation

Accept and review the report on the annual reviews of SamCERA's Core equity and Low Volatility equity strategies.

Background

On May 23rd, SamCERA staff and consultant held annual review meetings with our core equity manager, D.E. Shaw, and our low volatility equity manager, PanAgora. Each meeting lasted approximately 1.5 hours, and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook.

Discussion

The D.E. Shaw U.S. Broad Market Core Alpha Extension Fund, which is a 130/30 large-cap core strategy that seeks to identify market inefficiencies through quantitative analysis, was reviewed first.

Next, PanAgora's Defensive U.S. Equity Low Volatility strategy, which is a risk-based approach that seeks exposure to the low volatility factor by investing in low risk and diversifying stocks, was reviewed.

There were no significant concerns identified during the portfolio reviews. Attached you will find meeting notes from Verus summarizing the findings from these annual reviews.

Attachments

D.E. Shaw Annual Review Meeting Notes (confidential)
PanAgora Annual Review Meeting Notes

Date of meeting: 5/23/24

Location: SamCERA

Manager Representative(s)

Nicholas Alonso, CFA (Director, Portfolio Manager)

Allison Kiely (Director Client Relations)

Account Assets \$250 million (as of 3/31/24) <u>Verus Representative(s)</u> Joseph Abdou (Consultant)

<u>Client Representative(s)</u>
Michael Coultrip (CIO)
Doris Ng (Analyst)

Product Description

PanAgora's Defensive Equity strategy seeks to harness the 'low-volatility premium' through a systematic, factor-based investment approach focused on achieving market-like returns with less risk. This is accomplished by leveraging PanAgora's proprietary Risk Parity portfolio construction methodology, which seeks to efficiently capture the equity premium associated with low volatility, while taking minimal unintended risks. Since the firm's inception, PanAgora has been using sophisticated quantitative techniques to integrate fundamental insights with vast amounts of dynamic market data. This blended insight is used to both score individual securities on a factor basis and also on a diversification basis, in the context of a broadly diversified portfolio. The result for the US Defensive Equity strategy is a portfolio expected to have lower volatility (beta around 0.65-0.75), and similar returns relative to the capitalization-weighted benchmark over a full market cycle. PanAgora expects the strategy to participate in approximately 75% of up markets and 55% in down markets.

Organization

PanAgora has been providing investment management services since it began operations as the Structured Investment Products Group of The Boston Company in July 1985. PanAgora Asset Management, Inc. subsequently registered as an independent investment adviser with the SEC in November 1989. At that time, the company was owned by The Boston Company and Nippon Life Insurance Company (NLI) each owning 50% of the company. In September 1992, The Boston Company was sold, and its 50% ownership interest reverted to its parent organization, Lehman Brothers. Putnam Investments acquired Lehman Brothers' 50% position in February 1998 and subsequently purchased an additional 30% interest from NLI in 2004, before being acquired itself by Power Financial Corporation in 2007. In March 2008 PanAgora implemented a Management Equity Plan that offers employees up to 20% ownership in the firm through restricted stock and options. This left the remaining 80% with Power Financial Corporation (through its affiliates Great-West Life and Putman Investments). Franklin Templeton recently acquired Putnam and subsequently Putnam's share of PanAgora. PanAgora did not note any major changes except minor administrative functions.

Today PanAgora is a provider of systematic investment solutions spanning a broad array of asset classes, including Alternatives, Risk Premia, and Traditional Long-Only Equity. The firm has approximately \$33.5 billion in assets under management as of 3/31/2024. Multi Asset and Risk Parity assets comprise 29% of firm assets which is where low volatility mandates are managed. SamCERA comprises the majority of assets in the strategy but only 15% of assets in the broader Defensive Equity/Risk Parity equity sleeve.

Verus Page 1

Investment Team

PanAgora employs a team-based approach across all its strategies, where research and portfolio management are implemented on a collaborative basis. The head of the Multi Asset team is CIO Edward Qian, Ph.D., CFA. Dr. Qian is directly supported by Bryan Belton, CFA (Director, Multi Asset), Nick Alonso, CFA (Director, Multi Asset), and David Liddell, (Director, Multi Asset) in addition to other portfolio managers, analysts and traders who support Multi Asset portfolio construction, research, and implementation. As of 3/31/24, the team was comprised of an 12-member investment team. Nick Alonso is the lead portfolio manager for Defensive Equity.

Investment Strategy

PanAgora articulates the investment process in 3 distinct parts: opportunity set, asset selection, and portfolio construction. The opportunity set is simply the exercise of defining the mandate parameters by orienting the firm's models around the target factor premia mix within the appropriate universe. In this case the low volatility factor is the only target factor. Then in the asset selection, PanAgora will calculate stock specific factor scores and rank the investible universe. Simultaneously and independently, PanAgora will also rank the universe on each stock's diversification score, in the context of the broad portfolio. The portfolio construction process optimizes the portfolio around the intended factor exposure while maintaining equal risk contribution across sectors (ex., overweight utilities and consumer staples, underweight financials and technology). Shorter term volatility and longer term correlation analysis is combined in the approach.

Performance & Positioning

SamCERA funded the Defensive US Low Volatility strategy in late December 2018 and since inception as of 3/31/24, PanAgora underperformed the broad Russell 1000 Index, returning 11.6% (gross of fees) relative to the benchmark return of 17.1%. Over the 1-year ending March 31, 2024, the strategy trailed the Russell 1000 (9.9% vs 29.9%). Due to the defensive nature of the product and lower beta, in strong equity markets the strategy will lag but provide downside protection when there is excess market volatility. Continuing the trend from the last review, non-defensive stocks within the Russell 1000 (Nvidia, Microsoft, Meta and Amazon) combined for almost 689 bps of the underperformance, with the rest coming from lower market beta.

Conclusion

Verus believes that PanAgora is a skilled manager that offers a differentiated systematic approach to low volatility investing through its risk-balanced approach to portfolio construction. The strategy has struggled in this market environment where diversification and low beta stocks failed to keep up with large tech names.

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SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION Board of Retirement

July 23, 2024 Agenda Item 6.4

TO: Board of Retirement

FROM: Doris Ng, Investment Analyst

SUBJECT: Report on International Equity Manager Annual Reviews

Recommendation

Review the report on the annual reviews of SamCERA's international equity managers.

Background

SamCERA staff and consultant held annual review meetings with Baillie Gifford and Mondrian on June 6th.

Each meeting lasted approximately 1.5 hours, and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook.

Discussion

Baillie Gifford's ACWI ex-US All Cap portfolio, which is a fundamental growth strategy organized by regional teams, was reviewed first.

Next, Mondrian's All Countries World ex-US strategy, which is a value-oriented international equity approach, was reviewed.

There were no significant concerns identified during the portfolio reviews. Attached you will find meeting notes from Verus summarizing the findings from these annual reviews.

Attachments

Baillie Gifford Annual Review Meeting Notes Mondrian Annual Review Meeting Notes Baillie Gifford Overseas Ltd ACWI ex US All Cap

Date of meeting: 6/6/2024

Location: SamCERA

Manager Representative(s)

Joe Faraday (Portfolio Manager) Eoin Anderson – Client Service

Account Assets \$291 mm (3/31/2024) Verus Representative(s)

Marianne Feeley

Client Representative(s)

Doris Ng (Analyst)

ACWI ex US All Cap is a fundamental growth strategy. Research is organized by regional teams, and the strategy's Portfolio Construction Group (PCG) includes members from different regional teams. Four global sector groups also contribute to research. Baillie Gifford conducts approximately 2000 company meetings annually both in Edinburgh and onsite. Companies are evaluated on their growth opportunity relative to the average company, their ability to execute on that opportunity, and the degree to which the probability of future success is already valued by the market. Baillie Gifford's basic philosophy is that share prices ultimately follow earnings. They believe that the stock market has a recurring tendency to under-appreciate the value of long-term compounded growth. The process seeks to add value through use of proprietary fundamental research to identify companies exhibiting some combination of sustained above average growth, and attractive financial characteristics. The portfolio generally holds 60-90 stocks, with country weights +/- 10% relative to the index, sector weights +/-15% relative to the index and stock weights +/- 5% relative to the index.

At the beginning of 2014, SamCERA converted from the EAFE Plus to the ACWI ex US strategy. This change allowed for additional emerging markets exposure. The portfolio has no direct exposure to stocks within frontier markets; however, they do hold some stocks with revenues derived from frontier markets.

Meeting Notes

Organization

Baillie Gifford remains an independent partnership with no external owners. The firm continues to experience low professional turnover with a small number of planned retirements each year. Historically, all operations were based in Edinburgh, Scotland with small marketing offices in New York and London. More recently however, Baillie Gifford is altering its viewpoint that (almost) all professionals should be based in Edinburgh. The client servicing/marketing team in New York has grown, and the firm is staffing some operations professionals there. Baillie Gifford continues to expand partnership increasing the total partners of the firm to 58 through April 2024.

At 3/31/24, firm assets under management were stable at \$290 billion over the past year.

Investment Team

Verus Investments Page 1

Baillie Gifford Overseas Ltd ACWI ex US All Cap

The International Focus Portfolio Construction Group (PCG) contains a mix of portfolio managers from different regional investment backgrounds and with varying levels of experience by design. Diversity of opinions and debate are integral to the decision-making process. The PCG is comprised of Baillie Gifford professionals Milena Mileva, Joe Faraday, Iain Campbell, Stephen Paice, Alex Summers and Sophie Earnshaw. The members of the PCG serve as both portfolio managers and research analysts. The PCG makes all decisions for the portfolio after debate and discussion as a team. Given Baillie Gifford is a very long term investor, they put particular emphasis on governance and manager trust. Ian Campbell chairs the PCG.

Investment Strategy

The investment philosophy and process remains unchanged. Baillie Gifford seeks to identify companies with strong long-term growth prospects and take substantial positions in them. The investment horizon is typically 5 years.

Baillie Gifford summarizes their investment criteria with the following four questions: Will this company be significantly larger in five years?

Are management sensible guardians of our clients' capital?

Why is this growth not reflected in the current share price?

What would make us sell?

Baillie Gifford's bottom up stock selection process looks for durable franchises, well managed companies, aligned management and good valuation. There is no minimum growth hurdle for purchase, and a portfolio typically holds stocks with a variety of growth ranges. Future growth/pre-profitability companies can be bought if they meet the buy criteria.

As a firm, Baillie Gifford will not own more than 15% of a company's outstanding stock. An assessment of management is part of the team's investment strategy, and holding big positions gives them good access to management. An additional liquidity requirement is that a maximum of 15% of the portfolio can be invested in stocks that take more than 10 days to trade in and out of.

Baillie Gifford will let its winners run as opposed to adding and trimming on valuation. The ACWI ex US All Cap portfolio tends to have a lower weighted average market cap than that of the index. Currency hedging is available to portfolio managers but is not typically employed. Instead currency discussions are incorporated in macro-economic analysis prior to investing.

The portfolio invests in the long term with about half of the names held for longer than 5 years. This results to an average turnover of 10-20%. Portfolio managers also look for good management and strong earnings growth potential over 5 years. They increased their sector positioning bands from +/- 10% to +/- 15% as they saw themselves coming close to 10%, and they don't want to be forced to hold names they don't want to if they have better ideas in other sectors.

Joe Faraday reviewed actions taken by the All Cap team to ensure they are taking a more diversified approach to growth than they have in recent years (which led to significant underperformance.) They still describe themselves as focused on growth first, with an emphasis on companies with potential for growth over the next 5-10 years. However, there have been several changes to ensure they are considering both growth and quality. These changes include: 1) a central desk, with Faraday and Iain Campbell focused exclusively on the All Cap portfolios; addition of Alex Summers, an EM specialist from Stuart Investors, a firm noted for it's quality emphasis; 3) closer ties to the risk team with attention to too much thematic exposure rather than stock selection.

Verus Investments Page 2

Baillie Gifford Overseas Ltd ACWI ex US All Cap

Performance & Positioning

On a net of fee basis as of 4/30/24, the Baillie Gifford SamCERA portfolio had underperformed the MSCI ACWI ex-US Index over the 3- year periods by -9.8%. Since inception (4/2012), Baillie Gifford has detracted 50 bps of return from the benchmark (SamCERA 5.7% vs. SamCERA blend MSCI EAFE/MSCI ACWI ex-US benchmark of 6.2%). The benchmark changed to ACWI-ex US in January 2014 when SamCERA changed its mandate from EAFE Plus to Focus.

Conclusion

Verus maintains conviction in Baillie Gifford for the international growth mandate. They have underperformed their primary benchmark over all time periods for SamCERA, but the strategy has faced a significant long term growth headwind in the past two year.

Verus Investments Page 3

Date of meeting: 6/6/2024

Location: SamCERA

Manager Representative(s)

Todd Rittenhouse (Client Service),
Zsolt Mester, CFA (Sr. Portfolio Manager)
Kawal Chawla (Portfolio Manager)

Account Assets Client Representative(s)

\$284 mm (3/31/2024) Doris Ng (Investment Analyst)

Product Description

Mondrian is a value-oriented, defensive manager whose investment philosophy is based on the principle that investments must be evaluated for their fundamental long-term value. The firm's philosophy involves three stated investment objectives: 1) provide a rate of return meaningfully greater than the client's domestic rate of inflation, 2) structure client portfolios that preserve capital during protracted international market declines, and 3) provide portfolio performance that is less volatile than benchmark indices and other international managers. Mondrian applies typical value screening criteria to a universe of 1,500 stocks, from which 500 are selected for more detailed work. Through fundamental research, and the deliberations of the Investment Committee, the universe is further reduced to a list of 150 stocks. The investment team conducts detailed fundamental analysis on the remaining stocks, a process which includes applying the firm's dividend discount model consistently across all markets and industries. Mondrian also uses a purchasing power parity model to give a currency comparison of the value of the stocks under consideration. The firm will only consider buying stocks in countries with good investor protection practices and relatively simple repatriation procedures. A computer based optimization program is employed in the portfolio construction process. Mondrian's portfolio holds 80-125 issues.

Verus Representative(s)

Colleen Flannery

Meeting Notes

Organization

Mondrian was founded in 1990 as a boutique international manager. In July 2011, Mondrian's employee partnership purchased the 27.5% minority interest of the company held by private equity firm Hellman and Friedman to become 100% employee owned. As of the end of the first quarter of 2023, the firm was managing \$50 billion in AUM, approximately 57% of which was in developed and ACWI equity mandates. The firm has lost about \$2B in AUM from client redemptions. They have lost 15 clients and gained 18 clients for the year ending March 31, 2024.

Investment Team

There are approximately 58 investment professionals at Mondrian, all located in the London headquarters. The Global Equity Research Forum is overseen by Group CIO Clive Gillmore and Deputy CIO and CIO of International Equity Elizabeth (Liz) Desmond. The team of 25 includes four International Equity Senior Portfolio Managers, four International Equity Portfolio Managers, and two Assistant Portfolio Manager. International team head Liz Desmond has committed to remaining with the organization for the foreseeable future and has no near-term retirement plans. There have been no significant departures to the team over the past year.

Investment Strategy

Mondrian employs a long-term dividend discount model for all of the firm's equity strategies. The approach focuses on long term dividend growth after inflation. For each company, they conduct scenario analysis, looking at expected, best and worst case outcomes. These scenarios are modeled based on fundamental research and yield and future real growth inputs derived from company meetings. Currency views based on PPP analysis are incorporated into the forecasts. The emphasis is on downside risk and they prefer a narrow, rather than a broad, range of outcomes. They are looking for at least a 5% real return from owning a stock for the long term and use a 5% discount rate across all markets. They will hedge currencies defensively when the PPP analysis identifies extreme over-valuation. The approach yields a portfolio that will generally preserve value on the downside relative to the market and strives to keeps up in rising markets. The risk, as measured by standard deviation, is lower than peers and the benchmark.

Performance & Positioning

For the year ended 4/30/24, Mondrian outperformed the MSCI ACWI ex US Index (9.6% gross of fees vs. 9.3% for the benchmark). Mondrian has underperformed over the 5 and 10-year time period, but outperformed during the 3-year trailing periods with relative returns of 1.8%, -0.8%, and -0.4% respectively. For the year, an overweight to Japan and Italy contributed to returns, as did an overweight to the British Pound.

Conclusion

Mondrian has outperformed recently versus their value benchmark. As of March 31, 2024, the strategy is outperforming the MSCI ACWI ex US Value benchmark over 1 and 3-year time periods. Verus believes the strategy remains a suitable investment for SamCERA's international value mandate.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION Board of Retirement

July 23, 2024 Agenda Item 6.5

TO: Board of Retirement

FROM: Doris Ng, Investment Analyst

SUBJECT: Report on Real Estate Annual Manager Reviews

Recommendation

Accept and review the report on the annual reviews of SamCERA's real estate managers, INVESCO and Stockbridge.

Background

SamCERA staff and consultant held annual review meetings with our real estate managers, INVESCO and Stockbridge on April 25th.

Each meeting lasted approximately 1.5 - 2 hours, and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook.

Discussion

We first reviewed INVESCO's Core Real Estate fund, which is an open-ended commingled fund that invests primarily in institutional quality office, retail, industrial, multi-family residential and specialty sector real estate assets. Next, we reviewed INVESCO's U.S. Value-Add Fund IV, V and VI, which are closed-end funds that acquire and reposition fundamentally sound, but "broken" core real estate into institutional-quality assets across similar sectors as the Core fund.

Lastly, we reviewed Stockbridge's Value Fund IV and V, which are closed-end commingled funds that acquire real estate assets primarily in the retail, industrial and multi-family residential sectors. The value-add strategy invests in real estate assets that are undervalued, under-utilized and/or not operating to their full potential, and provides value-add through capital investment, leasing, recapitalization, renovation and/or repositioning.

There were no major concerns identified during the reviews. Meeting notes summarizing the findings from the annual reviews are attached to this memo.

Attachments

INVESCO Core Real Estate Annual Review Meeting Notes INVESCO Value-Add Real Estate Annual Review Meeting Notes (confidential) Stockbridge Value Fund IV and V Real Estate Annual Review Meeting Notes (confidential)



Research Meeting Notes

Investment Organization	Invesco
Business Type	Publicly Traded
Firm Inception Date	1935
Firm \$AUM	\$1.6 trillion
Investment Org Attendees	Jay Hurley, Max Swango, Michelle Foss
Verus Attendees	John Nicolini
SamCERA Attendees	Scott Hood, Michael Coultrip, Lili Dames, Doris Ng
Interview Date(s)	4/25/24
Meeting Type	In office
Meeting Purpose	Update
Strategy Name	Invesco Core Real Estate
Strategy Inception Date	2004
Asset Class (Style)	Real Estate
If other, please name	
Sub-Style	Equity
Strategy \$AUM	\$15.6 billion (Core)
AIC Approved (Yes or No)	Yes

Notes and Analysis

Firm:

Invesco is a large investment management firm with assets under management of \$1.6 trillion and more than 8,400 employees worldwide. The product mix within Invesco is broad with both public and private market strategies and a mix of retail and institutional clients. Growth within the platform has come from acquisitions in the ETF market and from a growing alternatives asset class platform.

As of December 30, 2023, the real estate platform had assets of \$87.3 billion. It has also become increasingly global both in terms of offices and product offerings. Invesco manages core open-end funds in all three developed market regions, North America, Europe and Asia. In addition to direct real estate Investments, Invesco also offers U.S. and Global real estate securities (REIT) offerings and has approximately \$14.1 billion in these vehicles. Assets in the Core Fund declined materially from 2022 to 2023, from \$17.3 billion to \$15.6 billion. The Core Fund had \$2.5 billion in redemption requests or, approximately 22% of Fund NAV.



Team/People:

The structure of Invesco's real estate team emphasizes specialization and a focus on accountability. The Invesco Core Real Estate fund is overseen by three committees composed of senior professionals. The Investment Committee is responsible for approving acquisitions and sales. The Steering Committee governs the Fund's investment and governance policy. The Chief Investment Council replaced the Investment Strategy Group as of July 1, 2023. The CIO Council will be responsible for setting top-down views for sector and market selection. In addition to the Portfolio Management Team, INVESCO employs professionals dedicated to a range of real estate specializations including research, acquisitions, financing, underwriting, closing and due diligence, asset management, and accounting and reporting.

Michelle Foss is lead portfolio manager on the Core Fund alongside co-portfolio manager, Chad Provost. Michelle joined Invesco in 2014 and was most recently with Bailard where she was a core, open-end real estate fund manager. Bill Grubbs, the long-time lead portfolio manager for the Core Fund retired in October 2023. Michelle had worked with Bill previously at Prudential 24 years ago. The broader North American real estate team consists of 268 employees located in five regional offices. Michelle Foss is based in San Francisco, Chad Provost in based in New York, with Dallas being the real estate team's headquarters.

Process/Philosophy

SamCERA is one of the founding investors in the Invesco Core Real Estate fund in 2004. As a founding investor, SamCERA has benefited from lower fees than those paid by more recent investors. This fund is Invesco's largest and flagship real estate fund and has assets of \$15.6 billion. Invesco's Core Fund invests in high quality office, apartment, industrial, specialty and retail properties in major markets while utilizing a conservative balance sheet. The Fund's performance target is to outperform the NCREIF ODCE Index over longer time periods.

Four broad principles underlie Invesco's approach to core real estate investing. They seek to manage a diversified portfolio, both geographically and by property type. The portfolio holds office, industrial, retail, specialty and apartment properties. The portfolio maintains an income-oriented investment approach. Attractive markets and properties must offer investments that are "durable" with barriers to entry, in growing areas and liquid, meaning that it's possible to redeem if desired. They strive to have a conservative risk profile, with strong balance sheets, limited leverage and selective exposure to value-add type investments. Invesco also strives to be transparent and efficient in client communication and reporting.

The investment process has both top down and bottom-up elements. Invesco has long term strategic ranges for each property type with an overweight to apartments. They develop a view about different regions and cities and focus on specific target markets. Invesco is looking primarily at gateway cities and up-and-coming markets. They are most selective in office and industrial properties, where they believe a market needs to have high value jobs and high barriers to entry to be attractive. Invesco also seeks to generate returns on a bottom-up basis with property specific selection within their target property type ranges and preferred regions.



The Core Fund will selectively make value add investments (up to 15% allowed). But they do so only in cases where replacement cost is lower than purchasing an existing property. Value add investments are not made with the expectation of a quick sale, but of holding the property in the portfolio for purposes of generating income. While there are some value-add investments in the Core Fund, there isn't overlap in exposure with the Value-Add Fund. The Value-Add Fund has higher return/risk expectations of 12-15%, so most transactions that fit that mandate would fall outside the risk parameters of the Core Fund.

Performance

Michelle Foss discussed Invesco's outlook and positioning within the Core Fund. The most notable sector over/underweight within the Core Fund is the overweight to retail and specialty sectors (single family rentals), and underweight to industrial and apartments, relative to the ODCE Index. Invesco has been overweight to retail for many years and had been working to move that allocation to an underweight but now seek to maintain the slight overweight. Though the team has been growing their exposure to industrial assets, they have been relatively late to the sector which has been a performance headwind given the strength in the sector. Invesco has utilized their build-to-core portfolio to grow exposure in the industrial sector as they look to add modern buildings near key submarkets. The apartment allocation has moved to an underweight, relative to the ODCE universe with Invesco planning to maintain that position. The allocation to office had been overweight relative to the ODCE benchmark but has been reduced drastically over the past 3 years and now sits in line with the universe.

The manage to core portfolio (i.e. value-add) will be providing material appreciation and growth in the Fund's income as projects in the industrial and apartment portfolio generate rental income. The manage to core portfolio is comprised of industrial projects at 56%, office 10%, self-storage 2%, life sciences 23% and residential 7%.

The Core Fund had mixed performance over trailing time periods, as of December 30,2023. The Fund underperformed over all trailing time periods except since inception, net of fees.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION Board of Retirement

July 23, 2024 Agenda Item 6.6

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer Michael R. Coultrip

SUBJECT: Report on SamCERA's Plan Liquidity

Recommendation

Review the report on SamCERA's plan liquidity and provide direction to staff as needed.

Background

Maintaining adequate liquidity is important for a pension plan, with the primary focus on being able to meet benefit payment obligations. In addition, having adequate liquidity helps the plan avoid forced selling at discounts (which the cash-flow match portfolio helps mitigate), take advantage of market dislocations, and maintain the strategic allocation via rebalancing.

SamCERA has taken recent steps to prepare for the plan's ongoing maturation, which is a result of the plan having more inactive/retired members than active members. This is a common phenomenon across the public plan peer group and can result in negative cash flows in which cash outflows (benefit payments) are greater than expected inflows (contributions).

For example, SamCERA has increased its focus on income producing assets to better insulate the portfolio against cash flow requirements. In addition, SamCERA funded a liquidity cash-flow matched portfolio that initially had three years' worth of net benefit payments (last year, opportunistically increased to four years' worth) set aside. This helps ensure SamCERA has adequate liquidity to pay benefit payments without needing to sell risky assets in a down market.

Our liquidity risk was last assessed in 2019, and it was determined that SamCERA was expected to have more than enough liquidity, although the fund was in a positive cash flow situation for part of the five-year timeframe. Since then, the plan has experienced the contribution 'cliff', and now expects cash outflows (benefit payments) to exceed cash inflows (contributions). In addition, SamCERA has implemented the cash-flow match program.

Discussion

The table below shows staff's assessment of SamCERA's liquidity profile as of 12/31/23. The last two columns show the illiquid percentages (1+years), while the two columns on the left show the liquid percentages (0-31 days).

Liquidity Profile By Composite								
<10 days 10 - 31 days 31 days - 1 yr 1-5 yrs >5 yrs								
Growth	34%	9%	6%	2%	9%			
Diversifying	10%	3%	5%	0%	0%			
Inflation Hedge	3%	0%	0%	6%	8%			
Liquidity	6%	0%	0%	0%	0%			
	53%	12%	11%	7%	17%			

It is estimated that SamCERA has 76% of its portfolio in 'liquid' assets (with varying degrees of liquidity), and 24% of the portfolio in 'illiquid' assets.

Verus analyzed SamCERA's current liquidity profile using several metrics. First is the Liquidity Coverage Ratio (LCR). This is adopted from the Basel III framework for bank liquidity and extended to a longer horizon (in this case 10 years). It estimates whether the plan will have enough 'liquid' assets on hand, after accounting for all the inflows and outflows for the plan, so that selling 'illiquid' assets will not be needed over the time horizon analyzed.

The second metric, and probably the more important of the two, is the Modified LCR. Instead of incorporating all 'liquid' assets, the modified version only includes defensive fixed income, cash-flow matched assets, and cash. This measure analyzes whether low-risk liquid assets will need to be sold over the time horizon analyzed.

Both metrics are estimated to have more than enough liquidity to meet fund obligations. In fact, there is enough liquidity available for a higher allocation to illiquid assets, if the Board so chooses. Going forward, as SamCERA further matures and becomes moderately more cash flow negative, additional tools, like line of credit facilities, wider allocation bands, and total fund leverage could provide additional flexibility to take advantage of market dislocations and better ability to rebalance the portfolio during market dislocations.

Going forward we will analyze liquidity as part of SamCERA's asset liability study process.

Joe Abdou from Verus will present the Verus Liquidity Risk Assessment and will answer any questions that the Board may have.

Attachment

Verus Liquidity Risk Assessment







JULY 2024

Liquidity Risk Assessment

San Mateo County Employees' Retirement Association

Executive summary

SamCERA is expected to have sufficient liquidity to meet cash requirements over the next ten years, including in extreme market scenarios.

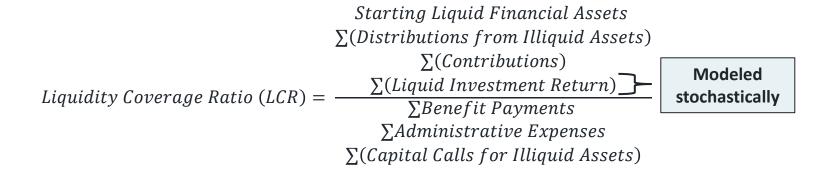
A variety of methods were used to analyze SamCERA's liquidity risk:

- Stochastic liquidity coverage ratio (LCR) analysis: Distribution of LCR metric across 1,000 simulations of portfolio returns
 - Standard LCR: Measures the ability of the <u>total liquid portfolio</u> to meet cash requirements
 - Modified LCR: Measures the ability of the <u>defensive fixed income, cash-flow matched</u> <u>liquidity, and cash</u> allocations to meet cash requirements
- Deterministic scenario analysis: For each LCR measure, we have provided the projection details for the 1-in-100 worst case result
- Additional stress testing
 - Private markets cashflows: to analyze the impact of adverse private market cashflow experience, scenarios are included where distributions are less than expected
 - Contributions: to analyze the impact of reduced contributions, a scenario is included where the prior funding policy is reflected



Liquidity coverage ratio (LCR)

Will a plan need to sell illiquid assets to cover cash outflows?



LCR Value	Implication
<1	Yes
>1	No



SamCERA's liquidity assumptions

By asset class

Liquidity Grouping	Asset Class	Allocation
	Defensive Fixed Income	12.5%
Defensive Liquidity	Cash Flow-Match Liquidity	4.5%
Deletisive Liquidity	Cash & Cash Overlay	<u>1%</u>
	Total Defensive Liquidity	18%
	Public Equity	41%
	Opportunistic Credit	8%
	Absolute Return	6%
Growth Liquidity	Public Real Assets	<u>3%</u>
	Total Growth Liquidity	<u>58%</u>
	Total Liquid	76%
	Private Equity	7%
	Private Credit	3%
Illiquid Assets	Core Real Estate	9%
	Private Real Assets	<u>5%</u>
	Total Illiquid	24%

The "modified LCR" reflects only the defensive liquidity asset classes



SamCERA's baseline cash flow projection

					Cash Flow rivate Markets)				sh Flow e Markets)
Calendar Year	Market Value		Benefit Payments	Net Cash	Net Cash Flow	Illiquid	Illiquid Capital	Net Cash Flow	Net Cash Flow
Beginning	of Assets (BOY)	Contributions	& Admin Expenses	Flow %	(\$)	Distributions	Calls	%	(\$)
2024	6,191,000,000	268,000,000	343,000,000	-1.2%	(75,000,000)	91,000,000	77,000,000	-1.0%	(62,000,000)
2025	6,509,000,000	292,000,000	365,000,000	-1.1%	(73,000,000)	160,000,000	111,000,000	-0.4%	(24,000,000)
2026	6,849,000,000	301,000,000	384,000,000	-1.2%	(83,000,000)	174,000,000	121,000,000	-0.4%	(30,000,000)
2027	7,199,000,000	310,000,000	402,000,000	-1.3%	(93,000,000)	172,000,000	137,000,000	-0.8%	(57,000,000)
2028	7,562,000,000	319,000,000	421,000,000	-1.4%	(102,000,000)	181,000,000	140,000,000	-0.8%	(61,000,000)
2029	7,938,000,000	328,000,000	440,000,000	-1.4%	(112,000,000)	200,000,000	155,000,000	-0.9%	(68,000,000)
2030	8,328,000,000	337,000,000	459,000,000	-1.5%	(122,000,000)	219,000,000	177,000,000	-1.0%	(79,000,000)
2031	8,733,000,000	347,000,000	478,000,000	-1.5%	(131,000,000)	429,000,000	333,000,000	-0.4%	(34,000,000)
2032	9,153,000,000	357,000,000	498,000,000	-1.5%	(140,000,000)	223,000,000	182,000,000	-1.1%	(99,000,000)
2033	9,590,000,000	368,000,000	517,000,000	-1.6%	(149,000,000)	390,000,000	286,000,000	-0.5%	(45,000,000)

Under the baseline actuarial investment return assumption of 6.25%, SamCERA has a relative steady annual net cash flow position between (2%) - (1%) when excluding capital calls and distributions from private investments.

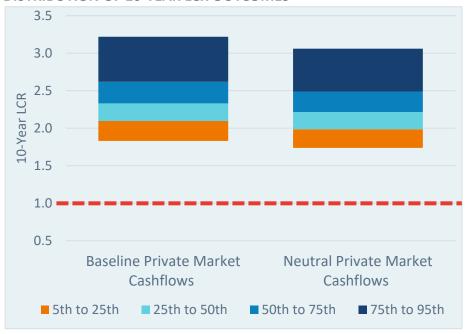
The plan's cashflow position is expected to improve when including private investments, but remains slightly negative.

See appendix for additional details.



Liquidity coverage ratio analysis

DISTRIBUTION OF 10-YEAR LCR OUTCOMES



10-Year LCR	Baseline	Neutral Illiquid Cashflow
Percentile		
95% Percentile	3.22	3.06
75% Percentile	2.62	2.49
50% Percentile	2.33	2.22
25% Percentile	2.10	1.99
5% Percentile	1.83	1.74
Probability of Liquidity Event	<0.1%	<0.1%

The "baseline private market cashflow" scenario assumes the illiquid net cashflows are as expected. The "neutral private market cashflow" scenario assumes the illiquid distributions are equal to the capital calls (i.e., are less than expected).

The fund is expected to have sufficient liquidity to meet cashflow needs over the next 10 years, even in adverse return and private markets cashflow scenarios.

Based on 1,000 simulations of liquidity coverage ratio. See appendix for additional details.



Scenario analysis

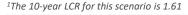
1st Percentile LCR (Neutral Private Market Cashflows)

Reconciliation of Liquid Assets (\$M)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning of Year	4,705	5,115	5,106	4,403	3,905	3,717	3,484	3,558	3,849	3,828
Net Cashflow	(75)	(73)	(83)	(93)	(102)	(112)	(122)	(131)	(140)	(149)
<u>Return</u>	<u>485</u>	<u>64</u>	(620)	<u>(405)</u>	<u>(86)</u>	(121)	<u>196</u>	<u>422</u>	<u>119</u>	<u>17</u>
End of Year	5,115	5,106	4,403	3,905	3,717	3,484	3,558	3,849	3,828	3,696
Liquid Portfolio Return										
Annual	10.5%	1.3%	-12.3%	-9.4%	-2.3%	-3.3%	5.8%	12.3%	3.2%	0.5%
Annualized	10.5%	5.8%	-0.6%	-2.9%	-2.8%	-2.9%	-1.7%	0.0%	0.3%	0.3%

Table shows the projection of the liquid portfolio that corresponds to the 1st percentile LCR (1-in-100 worst case).¹

The portfolio has ~\$3.7B of liquid assets remaining at the end of the ten-year projection.

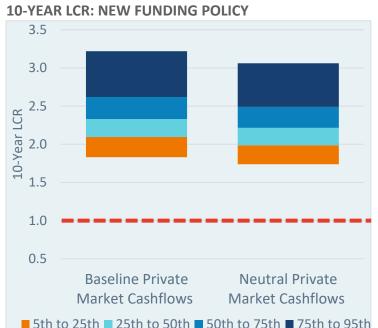
This scenario assumes private market cashflows are worse than expected (i.e., illiquid distributions are equal to the capital calls)



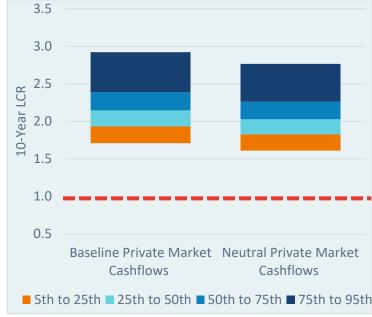


Liquidity coverage ratio analysis

Funding policy sensitivity



	I CD.		FUNDING	
ILLVEVE	I (K.	())		



The new lunding
policy increased
expected
contributions over
the next decade by
~\$750M.

The new funding

When reflecting the reduced contributions under the old funding policy, SamCERA is still expected to have sufficient liquidity.

10-Year LCR: New Funding Policy	Baseline	Neutral Illiquid Cashflow
Percentile		
95% Percentile	3.22	3.06
75% Percentile	2.62	2.49
50% Percentile	2.33	2.22
25% Percentile	2.10	1.99
5% Percentile	1.83	1.74
Probability of Liquidity Event	<0.1%	<0.1%

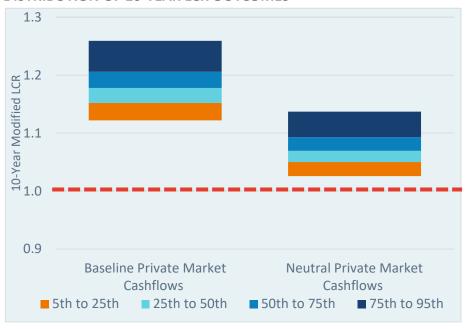
10-Year LCR: Old Funding Policy	Baseline	Neutral Illiquid Cashflow
Percentile		
95% Percentile	2.92	2.77
75% Percentile	2.39	2.26
50% Percentile	2.15	2.03
25% Percentile	1.93	1.83
5% Percentile	1.71	1.61
Probability of Liquidity Event	<0.1%	<0.1%

Based on 1,000 simulations of liquidity coverage ratio. See appendix for additional details.



Modified liquidity coverage ratio analysis

DISTRIBUTION OF 10-YEAR LCR OUTCOMES



10-Year LCR	Baseline	Neutral Illiquid Cashflow		
Percentile				
95% Percentile	1.26	1.14		
75% Percentile	1.21	1.09		
50% Percentile	1.18	1.07		
25% Percentile	1.15	1.05		
5% Percentile	1.12	1.03		
Probability of Liquidity Event	<0.1%	<0.1%		

The modified liquidity coverage ratio measures the ability of the defensive liquidity allocations to meet cashflow needs.

The defensive liquidity allocations are expected to provide sufficient liquidity over the next ten years.

Based on 1,000 simulations of liquidity coverage ratio. See appendix for additional details.



Modified Liquidity coverage ratio analysis

1st Percentile Modified LCR (Neutral Private Market Cashflows)

Reconciliation of Defensive Liquidity (\$M)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning of Year										
Cashflow Match	301	237	172	93	0	0	0	0	0	0
<u>Other</u>	<u>813</u>	<u>793</u>	<u>746</u>	<u>725</u>	<u>777</u>	<u>717</u>	<u>602</u>	<u>491</u>	<u>361</u>	<u>217</u>
Total	1,114	1,030	918	818	777	717	602	491	361	217
Net Cashflow	(75)	(73)	(83)	(93)	(102)	(112)	(122)	(131)	(140)	(149)
<u>Return</u>	<u>(9)</u>	<u>(39)</u>	<u>(17)</u>	<u>52</u>	<u>42</u>	<u>(3)</u>	<u>11</u>	<u>1</u>	<u>(4)</u>	<u>(5)</u>
End of Year	1,030	918	818	777	717	602	491	361	217	63
Defensive Liquidity Return										
Annual	-0.9%	-4.1%	-2.0%	7.2%	6.2%	-0.5%	2.3%	0.3%	-1.8%	-7.4%
Annualized	-0.9%	-2.5%	-2.3%	0.0%	1.2%	0.9%	1.1%	1.0%	0.7%	-0.2%

Table shows the projection of the defensive liquidity allocations, that corresponds to the 1st percentile modified LCR (1- in-100 worst case).¹

The portfolio has \$63M of liquid assets remaining at the end of the ten-year projection.

This scenario assumes private market cashflows are worse than expected (i.e., illiquid distributions are equal to the capital calls)

¹The 10-year LCR for this scenario is 1.01



Appendix

Liquidity needed to meet cash flow needs

% OF PORTFOLIO LIQUIDATED FOR ANNUAL CF NEEDS (INCLUDING PRIVATE INVESTMENTS)



SamCERA is expected to have an annual cashflow position between (0%) and (2%) of total assets over the next 10 years.

This reflects baseline capital calls and distributions from private investments.

% of Portfolio Liquidated (Annual)	% of Total MVA	% of Liquid MVA
Percentile		
95% Percentile	-0.3%	-0.4%
75% Percentile	-0.4%	-0.6%
50% Percentile	-0.7%	-1.0%
25% Percentile	-1.0%	-1.3%
5% Percentile	-1.2%	-1.5%

Based on 1,000 simulations of liquidity coverage ratio. See appendix for additional details.



Liquidity assessment documentation

GENERAL INPUTS, ASSUMPTIONS, AND METHODS

Starting Asset Value	\$6,191,331,114 as of 12/31/2023
Capital market assumptions	Verus' 2024 CMAs (details in Appendix). SamCERA's custom low volatility equity asset class is reflected.
Rebalancing methodology	The cashflow match allocations is rebalanced after every projection year so that there is sufficient cash to meet 4 years of net outflows (benefit payments plus admin expenses less contributions).
	The rest of the liquid portfolio is rebalanced after every projection year so that each liquid asset class makes up its target weight of the total liquid portfolio.

CASHFLOW ASSUMPTIONS¹

	Contributions –	Contributions -	Benefit		Illiquid	Illiquid Capital
	New Policy	Old Policy	Payments	Admin Expenses	Distributions	Calls
2024	267,943,839	213,617,871	335,575,000	7,835,470	77,379,051	77,379,051
2025	292,330,734	207,621,540	357,150,000	8,031,357	110,918,296	110,918,296
2026	300,822,840	238,826,505	375,700,000	8,232,141	120,910,028	120,910,028
2027	309,564,407	245,300,176	393,950,000	8,437,944	136,761,792	136,761,792
2028	318,562,845	241,876,240	412,250,000	8,648,893	139,638,671	139,638,671
2029	327,825,785	253,919,326	431,050,000	8,865,115	155,397,956	155,397,956
2030	337,361,089	270,815,587	449,900,000	9,086,743	176,990,646	176,990,646
2031	347,176,855	272,332,255	468,900,000	9,313,912	332,803,933	332,803,933
2032	357,281,422	267,039,492	488,150,000	9,546,759	181,516,962	181,516,962
2033	367,683,383	270,411,581	506,750,000	9,785,428	286,153,615	286,153,615

Cashflow assumptions are static in each of the simulations. Contributions and benefit payments were estimated by Milliman. Private markets cashflows were estimated by Verus.



Methodology

CORE INPUTS

- We use a fundamental building block approach based on several inputs, including historical data and academic research to create asset class return forecasts.
- For most asset classes, we use the long-term historical volatility after adjusting for autocorrelation.
- Correlations between asset classes are calculated based on the last 10 years. For illiquid assets, such as private equity and private real estate, we use BarraOne correlation estimates

Asset	Return Methodology	Volatility Methodology*
Inflation	25% weight to the University of Michigan Survey 5-10 year ahead inflation expectation and the Survey of Professional Forecasters (Fed Survey), and the remaining 50% to the market's expectation for inflation as observed through the 10-year TIPS breakeven rate	-
Cash	1/3 * current federal funds rate + 1/3 * U.S. 10-year Treasury yield + 1/3 * Federal Reserve long-term interest rate target	Long-term volatility
Bonds	Nominal bonds: current yield; Real bonds: real yield + inflation forecast	Long-term volatility
International Bonds	Current yield	Long-term volatility
Credit	Current option-adjusted spread + U.S. 10-year Treasury – effective default rate	Long-term volatility
International Credit	Current option-adjusted spread + foreign 10-year Treasury – effective default rate	Long-term volatility
Private Credit	Levered gross return (SOFR + spread + original issuance discounts) – management fees – carried interest	Estimated volatility
Equity	Current yield + real earnings growth (historical average) + inflation on earnings (inflation forecast) + expected P/E change	Long-term volatility
Intl Developed Equity	Current yield + real earnings growth (historical average) + inflation on earnings (intl. inflation forecast) + expected P/E change	Long-term volatility
Private Equity**	US large cap domestic equity forecast * 1.85 beta adjustment	1.2 * Long-term volatility of U.S. small cap
Commodities	Collateral return (cash) + spot return (inflation forecast) + roll return (assumed to be zero)	Long-term volatility
Hedge Funds	Return coming from traditional betas + 15-year historical idiosyncratic return	Long-term volatility
Core Real Estate	Cap rate + real income growth – capex + inflation forecast	65% of REIT volatility
REITs	Core real estate	Long-term volatility
Value-Add Real Estate	Core real estate + 2%	Volatility to produce Sharpe Ratio (g) equal to core real estate
Opportunistic Real Estate	Core real estate + 3%	Volatility to produce Sharpe Ratio (g) equal to core real estate
Infrastructure	Current yield + real income growth + inflation on earnings (inflation forecast)	Long-term volatility
Risk Parity	Modeled as the 10-year return expectations of a representative selection of Risk Parity strategies	Target volatility
*1 1 1 - 1 - 1 - 1 - 1	lite, details adjusted for subsequenting (see Association)	

^{*}Long-term historical volatility data is adjusted for autocorrelation (see Appendix)

^{**}Private Equity is modeled assuming an 8.0% floor for expected return, and a 3% return premium ceiling over U.S. Large Cap Equity. These adjustments are in place to recognize that higher interest rates (cost of leverage) act as a drag on expected Private Equity returns but that this drag has had limits historically, and to recognize that future Private Equity total universe performance is likely to be more anchored to public equity performance than in past times, given a more competitive market environment



10-year return & risk assumptions

Asset Class	Index Proxy	Ten Year Re	turn Forecast S	tandard Deviation	Sharpe Ratio	Sharpe Ratio	10-Year Historical	10-Year Historical
		Geometric	Arithmetic	Forecast	Forecast (g)	Forecast (a)	Sharpe Ratio (g)	Sharpe Ratio (a)
Equities								
U.S. Large	S&P 500	5.9%	7.0%	15.5%	0.12	0.19	0.72	0.75
U.S. Small	Russell 2000	6.2%	8.2%	21.4%	0.10	0.19	0.28	0.37
International Developed	MSCI EAFE	8.1%	9.5%	17.6%	0.23	0.31	0.18	0.25
International Small	MSCI EAFE Small Cap	8.8%	10.9%	21.7%	0.22	0.31	0.20	0.27
Emerging Markets	MSCI EM	8.8%	11.4%	24.6%	0.19	0.30	0.06	0.14
Global Equity	MSCI ACWI	6.9%	8.2%	16.7%	0.17	0.25	0.44	0.50
Global Equity ex USA	MSCI ACWI ex USA	8.5%	10.2%	19.5%	0.23	0.31	0.15	0.22
Private Equity	CA Private Equity	8.0%	10.9%	25.6%	0.15	0.27	-	-
Private Equity Direct	CA Private Equity	9.0%	11.8%	25.6%	0.19	0.30	-	-
Private Equity (FoF)	CA Private Equity	7.0%	9.9%	25.6%	0.11	0.23	-	-
Fixed Income								
Cash	30 Day T-Bills	4.1%	4.1%	1.1%	-	-	-	-
U.S. TIPS	Bloomberg U.S. TIPS 5-10	4.7%	4.8%	5.5%	0.11	0.13	0.13	0.15
Non-U.S. Inflation Linked Bonds	Bbg World Govt. Inflation Linked Bond ex U.S.	3.9%	4.2%	7.4%	(0.03)	0.01	(0.15)	(0.11)
U.S. Treasury	Bloomberg Treasury 7-10 Year	4.6%	4.8%	7.1%	0.07	0.10	(0.05)	(0.02)
Long U.S. Treasury	Bloomberg Treasury 20+ Year	4.7%	5.5%	13.2%	0.05	0.11	0.00	0.25
Global Sovereign ex U.S.	Bloomberg Global Treasury ex U.S.	2.7%	3.2%	9.9%	(0.14)	(0.09)	(0.40)	(0.36)
Global Aggregate	Bloomberg Global Aggregate	4.1%	4.3%	6.6%	0.00	0.03	(0.27)	(0.24)
Core Fixed Income	Bloomberg U.S. Aggregate Bond	4.9%	5.0%	4.8%	0.17	0.19	0.00	0.02
Core Plus Fixed Income	Bloomberg U.S. Universal	5.2%	5.3%	4.5%	0.24	0.27	0.07	0.09
Investment Grade Corp. Credit	Bloomberg U.S. Corporate Investment Grade	5.7%	6.0%	8.4%	0.19	0.23	0.17	0.20
Short-Term Gov't/Credit	Bloomberg U.S. Gov't/Credit 1-3 Year	4.7%	4.8%	3.6%	0.17	0.19	(0.07)	(0.07)
Short-Term Credit	Bloomberg Credit 1-3 Year	5.1%	5.2%	3.6%	0.28	0.31	0.23	0.24
Long-Term Credit	Bloomberg Long U.S. Credit	5.7%	6.3%	10.9%	0.15	0.20	0.15	0.20
High Yield Corp. Credit	Bloomberg U.S. Corporate High Yield	6.6%	7.2%	11.0%	0.23	0.28	0.42	0.44
Bank Loans	Morningstar LSTA Leveraged Loan	8.0%	8.4%	9.0%	0.43	0.48	0.58	0.59
Global Credit	Bloomberg Global Credit	5.1%	5.4%	7.7%	0.13	0.17	0.01	0.04
Emerging Markets Debt (Hard)	JPM EMBI Global Diversified	8.7%	9.2%	10.6%	0.43	0.48	0.15	0.20
Emerging Markets Debt (Local)	JPM GBI-EM Global Diversified	6.5%	7.2%	12.2%	0.20	0.25	(0.17)	(0.12)
Private Credit	Morningstar LSTA Leveraged Loan	9.2%	9.8%	11.9%	0.43	0.48	-	-
Private Credit (Direct Lending - Unlevered)	Morningstar LSTA Leveraged Loan	8.0%	8.4%	9.0%	0.43	0.48	-	-
Private Credit (Direct Lending - Levered)	Morningstar LSTA Leveraged Loan	9.5%	10.2%	12.6%	0.43	0.48	-	-
Private Credit (Credit Opportunities)	Morningstar LSTA Leveraged Loan	9.6%	10.3%	12.8%	0.43	0.48	-	-
Private Credit (Junior Capital / Mezzanine)	Morningstar LSTA Leveraged Loan	9.0%	9.6%	11.4%	0.43	0.48	-	-
Private Credit (Distressed)	Morningstar LSTA Leveraged Loan	9.1%	12.7%	29.1%	0.17	0.30	-	-

Investors wishing to produce expected geometric return forecasts for their portfolios should use the arithmetic return forecasts provided here as inputs into that calculation, rather than the single-asset-class geometric return forecasts. This is the industry standard approach, but requires a complex explanation only a heavy quant could love, so we have chosen not to provide further details in this document – we will happily provide those details to any readers of this who are interested.



10-year return & risk assumptions

Asset Class	Index Proxy	Ten Year Ret	urn Forecast	Standard Deviation	Sharpe Ratio	Sharpe Ratio	10-Year Historical	10-Year Historical
Asset Class	index Proxy	Geometric	Arithmetic	Forecast	Forecast (g)	Forecast (a)	Sharpe Ratio (g)	Sharpe Ratio (a)
Other								
Commodities	Bloomberg Commodity	6.6%	7.8%	16.1%	0.16	0.23	(0.13)	(0.06)
Hedge Funds	HFRI Fund Weighted Composite	4.3%	4.6%	7.5%	0.03	0.07	0.48	0.49
Hedge Fund of Funds	HFRI Fund of Funds Composite	3.3%	3.6%	7.5%	(0.11)	(0.07)	-	-
Hedge Funds (Equity Style)	Custom HFRI Benchmark Mix*	7.2%	8.1%	14.1%	0.22	0.28	-	-
Hedge Funds (Credit Style)	Custom HFRI Benchmark Mix*	7.3%	7.7%	9.4%	0.34	0.38	-	-
Hedge Funds (Asymmetric Style)	Custom HFRI Benchmark Mix*	5.4%	5.6%	6.4%	0.20	0.23	-	-
Real Estate Debt	Bloomberg CMBS IG	7.4%	7.7%	7.5%	0.44	0.48	0.14	0.15
Core Real Estate	NCREIF Property	6.8%	7.5%	12.5%	0.22	0.27	-	-
Value-Add Real Estate	NCREIF Property + 200bps	8.8%	9.9%	15.4%	0.31	0.38	-	-
Opportunistic Real Estate	NCREIF Property + 300bps	9.8%	11.7%	21.1%	0.27	0.36	-	-
REITs	Wilshire REIT	6.8%	8.5%	19.2%	0.14	0.23	0.35	0.42
Global Infrastructure	S&P Global Infrastructure	8.4%	9.7%	16.9%	0.25	0.33	0.20	0.28
Risk Parity**	S&P Risk Parity 10% Vol Index	7.2%	7.8%	10.0%	0.31	0.37	-	-
Currency Beta	MSCI Currency Factor Index	2.3%	2.4%	3.4%	(0.52)	(0.49)	(0.06)	0.21
Inflation		2.5%	-	-	-	-	-	-

Investors wishing to produce expected geometric return forecasts for their portfolios should use the arithmetic return forecasts provided here as inputs into that calculation, rather than the single-asset-class geometric return forecasts. This is the industry standard approach, but requires a complex explanation only a heavy quant could love, so we have chosen not to provide further details in this document – we will happily provide those details to any readers of this who are interested.

^{**}The Risk Parity forecast shown here assumes a 10% target volatility strategy. We recommend customizing this forecast to the target volatility specifications of the risk parity strategy that an investor wishes to model. Please speak with your Verus consultant for customization needs.



^{*}To represent hedge fund styles, we use a combination of HFRI benchmarks: Equity Style = 33% HFRI Fundamental Growth, 33% HFRI Fundamental Value, 33% HFRI Activist. Credit Style = 20% HFRI Distressed/Restructuring, 20% HFRI Credit Arbitrage, 20% HFRI Fixed Income-Convertible Arbitrage, 20% HFRI Fixed Income-Asset Backed. Asymmetric Style = 50% HFRI Relative Value, 50% HFRI Macro

Correlation assumptions

	Cash	US Large	US Small	Intl Large	Intl Small	EM	Global Equity	PE	US TIPS	US Treasury	Global Sovereign ex-US	US Core		Short-Term Gov't/Credit	Short- Term Credit	Long- Term Credit	US HY	Bank Loans	Global Credit	EMD USD	EMD Local	Commod	Hedge Funds	Real Estate	REITs	Infrastru Cu cture	irrency Beta	Risk Parity
Cash	1.0																											
US Large	-0.1	1.0																										
US Small	-0.2	0.9	1.0																									
Intl Large	-0.1	0.9	0.8	1.0																								
Intl Small	-0.1	0.9	0.8	1.0	1.0																							
EM	-0.1	0.7	0.6	0.8	0.8	1.0																						
Global Equity	-0.1	1.0	0.9	0.9	0.9	0.8	1.0																					
PE	-0.2	0.7	0.7	0.6	0.6	0.6	0.7	1.0																				
US TIPS	-0.1	0.4	0.3	0.4	0.4	0.4	0.5	0.2	1.0																			
US Treasury	0.0	0.1	-0.1	0.0	0.0	0.1	0.1	-0.1	0.7	1.0																		
Global Sovereign ex-US	0.1	0.3	0.2	0.4	0.4	0.5	0.4	0.1	0.7	0.6	1.0																	
US Core	0.0	0.3	0.2	0.3	0.3	0.4	0.3	0.0	0.8	0.9	0.7	1.0																
Core Plus	0.0	0.4	0.3	0.4	0.4	0.5	0.4	0.1	0.8	0.8	0.8	1.0	1.0															
Short-Term Gov't/Credit	0.2	0.2	0.0	0.2	0.2	0.3	0.2	0.0	0.7	0.8	0.6	0.8	0.8	1.0														
Short-Term Credit	0.2	0.4	0.3	0.4	0.4	0.4	0.4	0.2	0.6	0.5	0.7	0.7	0.8	0.7	1.0													
Long-Term Credit	0.0	0.5	0.4	0.5	0.5	0.5	0.6	0.2	0.8	0.7	0.7	0.9	0.9	0.6	0.8	1.0												
US HY	-0.1	0.8	0.8	0.8	0.8	0.7	0.8	0.5	0.6	0.1	0.5	0.4	0.6	0.3	0.6	0.7	1.0											
Bank Loans	-0.1	0.6	0.6	0.6	0.7	0.6	0.6	0.5	0.3	-0.2	0.2	0.1	0.3	0.0	0.5	0.4	0.8	1.0										
Global Credit	0.0	0.7	0.5	0.7	0.7	0.7	0.7	0.3	0.7	0.5	0.8	0.8	0.9	0.6	0.8	0.9	0.8	0.6	1.0									
EMD USD	-0.1	0.7	0.6	0.7	0.7	0.7	0.7	0.4	0.6	0.3	0.6	0.6	0.7	0.4	0.6	0.8	0.8	0.7	0.9	1.0								
EMD Local	0.0	0.5	0.4	0.7	0.6	0.8	0.7	0.4	0.4	0.2	0.6	0.4	0.5	0.4	0.5	0.6	0.7	0.5	0.8	0.8	1.0							
Commodities	-0.1	0.4	0.4	0.5	0.5	0.5	0.5	0.3	0.2	-0.2	0.2	0.0	0.1	0.0	0.2	0.1	0.5	0.5	0.3	0.4	0.4	1.0						
Hedge Funds	-0.1	0.8	0.9	0.8	0.9	0.8	0.9	0.6	0.3	-0.2	0.3	0.2	0.3	0.0	0.4	0.5	0.8	0.8	0.6	0.7	0.6	0.6	1.0					
Real Estate	-0.3	0.6	0.6	0.5	0.5	0.5	0.6	0.4	0.2	0.0	-0.1	0.1	0.2	0.0	-0.2	0.2	0.4	0.4	0.3	0.4	0.4	0.2	0.5	1.0				
REITs	-0.2	0.7	0.7	0.6	0.6	0.5	0.7	0.5	0.6	0.3	0.3	0.5	0.5	0.2	0.3	0.6	0.7	0.5	0.6	0.6	0.5	0.3	0.6	0.7	1.0			
Infrastructure	-0.2	0.8	0.7	0.8	0.8	0.7	0.8	0.6	0.5	0.1	0.5	0.4	0.5	0.2	0.5	0.6	0.8	0.7	0.7	0.8	0.7	0.6	0.8	0.6	0.7	1.0		
Currency Beta	-0.1	0.0	0.0	-0.2	-0.2	-0.2	-0.1	0.1	-0.2	-0.1	-0.3	-0.2	-0.2	-0.1	-0.3	-0.2	-0.1	-0.1	-0.3	-0.2	-0.2	-0.2	-0.1	0.1	0.0	-0.1	1.0	
Risk Parity	0.0	0.7	0.6	0.7	0.7	0.6	0.7	0.7	0.4	0.4	0.0	0.5	0.5	0.7	0.3	0.7	0.7	0.7	0.5	0.7	0.6	0.5	0.5	0.4	0.0	0.7	-0.2	1.0

Note: as of 9/30/23 - Correlation assumptions are based on the last ten years. Private Equity and Real Estate correlations are especially difficult to model – we have therefore used BarraOne correlation data to strengthen these correlation estimates.



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July 2024

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SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION Board of Retirement

July 23, 2024 Agenda Item 7.1

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer

SUBJECT: Amendment to the Agreement with Managed Medical Review Organization for

Medical Review Services

Recommendation

Approve a Resolution Authorizing the Chief Executive Officer to Execute an Amendment to the Agreement with Managed Medical Review Organization (MMRO) for medical review and independent medical examination services, increasing the not to exceed amount by \$420,000 to \$820,000 and extending the term through December 31, 2027.

Background

On March 23, 2022, SamCERA entered into an agreement with MMRO for the provision of medical review and independent medical examination services for a term through December 31, 2024, in an amount not to exceed \$200,000. Because of MMRO's network of specialists conducting medical record reviews, staff was able to work with MMRO to process a great deal of its then existing disability backlog. Given the aforementioned backlog and increased volume of work, the cost of MMRO's services exceeded original expectations and, in August 2023, the Board authorized an amendment to the MMRO agreement, increasing the not-to-exceed amount to \$400,000, while keeping the original term of March 23, 2022, through December 31, 2024. Since retaining MMRO, staff has been able to virtually eliminate the disability retirement application backlog that existed in 2022.

Discussion

In the original agreement, it was anticipated that MMRO would conduct an initial records review and that an Independent Medical Examination (IME) would be requested only if additional medical information was needed in order to assess the applicant's condition, or if the initial records review resulted in a recommendation to deny the application.

Based on staff's review of MMRO's services to date, staff has found that most of applicants ultimately require an IME. As a result, staff has worked with MMRO to alter its standard procedures to eliminate the initial medical review and refer matters directly to IMEs for evaluation reports. This change is in line with other CERL systems, will ensure a thorough assessment of all applicants, and will also reduce some of MMRO's processing time due to the elimination of MMRO's initial records review process.

Due to these changes, as well as the fact that the term of MMRO's current agreement will be expiring at the end of this year, staff is asking the Board to authorize SamCERA's CEO to amend the MMRO agreement to extend the term by three years to December 31, 2027, and to increase the not-to-exceed amount by \$420,000 to a total of \$820,000. Going forward, the anticipated yearly cost of MMRO's services is expected to be approximately \$120,000 per year (for 3.5 years) which is less than the previous run rate of \$160,000 per year (for 2.5 years).

Attachment

Resolution Authorizing Chief Executive Officer to Execute an Amendment to the Agreement with Managed Medical Review Organization for Medical Review Services

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION Board of Retirement

RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE AN AMENDMENT TO THE AGREEMENT WITH MANAGED MEDICAL REVIEW ORGANIZATION (MMRO) FOR PROVISION OF MEDICAL REVIEW SERVICES

RESOLUTION	2024-
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WHEREAS, pursuant to Government Code Section 31530 and other applicable provisions, the Board has a duty to engage the services of a medical advisor; and

WHEREAS, the Board had given the CEO authority to enter into an agreement for services up to \$200,000 and below in accordance with the Board's Policy for Procurement and Contracting for Certain Goods and Services; and

WHEREAS, on March 23, 2022, on behalf of SamCERA, the CEO entered into an initial agreement with Managed Medical Review Organization for the provision of medical review services for the term of March 23, 2022 through December 31, 2024 for the not-to-exceed amount of \$200,000; and

WHEREAS, on August 22, 2023, the Board approved increasing the agreement's not-to-exceed amount from \$200,000 to \$400,000 as a result of greater than anticipated costs in processing the backlog of disability retirement applications; and

WHEREAS, based on staff's review of MMRO's services to date, staff has found that most of applicants ultimately require an IME and, as a result, staff has worked with MMRO to alter its standard procedures to eliminate its initial medical records review and refer matters directly to IMEs for evaluation reports and such change is in line with other CERL systems, will ensure a thorough assessment of all applicants, and will also reduce some of MMRO's processing time due to the elimination of MMRO's initial records review process; and

WHEREAS, due to these changes, as well as the fact that the term of MMRO's current agreement will be expiring at the end of this year, the Board desires to authorize SamCERA's Chief Executive Officer to amend the MMRO agreement to extend the term by three years to December 31, 2027, and to increase the not-to-exceed amount by \$420,000 to a total of \$820,000; and

WHEREAS, going forward, the anticipated yearly cost of MMRO's services is expected to be approximately \$120,000 per year (for 3.5 years) which is less than the previous run rate of \$160,000 per year (for 2.5 years); now therefore, be it

RESOLVED, the Chief Executive Officer is hereby authorized and directed to execute an amendment to the agreement with Managed Medical Review Organization the provision of medical review services to increase the not to exceed amount by \$420,000, for a total not-to-exceed amount of \$820,000; therefore, be it

FURTHER RESOLVED, the Chief Executive Officer is hereby authorized to execute subsequent amendments and minor modifications in an amount not to exceed \$10,000 in the aggregate throughout the term of the agreement.

* * * * * *

Regularly passed and adopted, by the San Mateo County Employees' Retirement Association, Board of Retirement, on July 23, 2024.

Ayes, Trustees:	
Noes, Trustees:	
Absent, Trustees:	
Abstain, Trustees:	
SamCERA Board Secretary	