The Board of Retirement welcomes you to its meetings, which are regularly held on the fourth Tuesday of each month. Your interest is encouraged and appreciated.

**CONSENT/ACTION ITEMS**: Consent matters include routine administrative actions and are identified under the Consent Items heading. All other items are considered to be action items “Action” means that the Board may dispose of any item by any action, including but not limited to the following acts: approve, disapprove, authorize, modify, defer, table, take no action, or receive and file.

**PUBLIC COMMENT**: Matters under jurisdiction of the Board, may be addressed by the general public before or during the regular agenda. However, California law prohibits the Board from taking action on any matter which is not on the posted agenda unless it is determined an emergency by the Board of Retirement. Any member of the public wishing to address the Board during the “Public Comment,” period shall be permitted to be heard once up to three minutes. Please complete a Public Comment Form and give it to the Chair of the Board. Any person wishing to make a presentation to the Board must submit the presentation in written form, with copies furnished to all Board members. Presentations are limited to three minutes.

**BOARD AGENDAS & MINUTES**: Board agendas, minutes and copies of items to be considered by the Board of Retirement are customarily posted on the Internet by Friday afternoon preceding a meeting at the following website: www.stancera.org.

Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection at StanCERA, 832 12th Street, Suite 600, Modesto, CA 95354, during normal business hours.

**AUDIO/VIDEO**: All Board of Retirement regular meetings are audio and visually recorded. Audio/Video recordings of the meetings are available after the meetings at http://www.stancera.org/agenda.

**NOTICE REGARDING NON-ENGLISH SPEAKERS**: Board of Retirement meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

**REASONABLE ACCOMMODATIONS**: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary at (209) 525-6393. Notification 72 hours prior to the meeting will enable StanCERA to make reasonable arrangements to ensure accessibility to this meeting.

## AGENDA

June 25, 2019  
1:30 p.m.

<table>
<thead>
<tr>
<th>BOARD OF RETIREMENT</th>
<th>832 12th Street Ste. 600, Wesley W. Hall Board Room</th>
<th>Modesto, CA 95354</th>
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## 1. Call Meeting to Order

## 2. Pledge of Allegiance

## 3. Roll Call

## 4. Announcements

## 5. Public Comment

## 6. Consent Items

a. Approval of the May 28, 2019 Meeting Minutes  [View](#)

b. Monthly Staff Report  [View](#)

c. Applications for Service Retirement(s) – **Government Code Sections 31499.14, 31670, 31662.2 & 31810**

1. Blosser, Rhonda – Superior Court – Effective 06-08-19
2. Bolden, Janice – CSA – Effective 06-12-19
4. Ethier, Ramona – CSA – Effective 03-16-19
5. Lopez, Mary – CSA – Effective 06-22-19
6. Macklin, Annette – BHRS – Effective 06-08-19
7. McKinney, Carla – CSA – Effective 06-08-19
c. Applications for Service Retirement(s) (Cont.) – **Government Code Sections 31499.14, 31670, 31662.2 & 31810**

10. Sabala, Maria – CSA – Effective 03-28-19
12. Schoonover, Terri – HSA – Effective 06-14-18
14. Thatcher, Kevin – Public Works – Effective 06-21-19

* Indicates Safety Personnel

d. Applications for Deferred Retirement(s) – **Government Code Section 31700**

2. Colacito, Anthony – DA – Effective 05-06-19
3. Cuellar, Marissa – Probation – Effective 03-01-19 *
4. Darnell, Jeffrey – DA – Effective 05-10-19
5. Douglass, Scotty – Stan Reg 911 – Effective 01-04-19
7. Miles, Marquita – Treasurer/Tax Coll – Effective 06-21-18
8. Roland, Tracy – DA – Effective 05-03-19
10. Wells, Kyle – Probation – Effective 05-10-19 *

* Indicates Safety Personnel

e. Application for Death Benefit – **Government Code Section 31781, 31781.1, 31781.3**

1. Strickland, Shirley – Community Services Agency – Non-Service Connected – Effective 06-05-19 – Active Member

f. Conference Summaries  View

g. Legislative/Legal  View

7. **Verus – Investment Consultant**

a. May Flash Report  View

8. **Investment**

a. Value Added, Investment Fee Summary and Cash Flow Reports

   Agenda Item  View  Attachment 1  View

b. Auxiliary AB 2833 investment Report March 31, 2019

   Agenda Item  View  Attachment 1  View

c. 2019 Due Diligence Report

   Agenda Item  View
9. Administrative
   a. Information Technology Solutions (ITS) Project Update  View
   b. Ad Hoc Committee for StanCERA Logo  View

10. Closed Session
   a. Conference with Legal Counsel to consider purchase or sale of a specific pension fund investment: Government Code Section 54956.81
   b. Conference with Legal Counsel – Pending Litigation – One Case: O’Neal et al v. Stanislaus County Employees’ Retirement Association Stanislaus County Superior Court Case No. 648469 Government Code Section 54956.9(d)(1)

11. Members’ Forum (Information and Future Agenda Requests Only)

12. Adjournment
BOARD OF RETIREMENT MINUTES  
May 28, 2019

1. **Call Meeting to Order**
   
   Meeting called to order 1:30 p.m. by Trustee DeMartini, Chair

2. **Roll Call**
   
   **Trustees Present:** Jim DeMartini, Sam Sharpe, Darin Gharat Donna Riley, Mike Lynch, Mandip Dhillon and Jeff Mangar
   
   **Trustees Absent:** Jeff Grover and Michael O’Neal
   
   **Alternate Trustee:** Rhonda Biesemeier, Alternate Retiree Representative
   
   **Staff Present:** Rick Santos, Executive Director  
   Natalie Elliott, Fiscal Services Manager  
   Lisa Frazer, Member and Employer Services Manager  
   Stan Conwell, Retirement Investment Officer  
   Kellie Gomes, Executive Board Assistant
   
   **Others Present:** Fred Silva, General Legal Counsel  
   Ed Hoffman, VERUS-Investment Consultant

3. **Announcements**
   
   Rick Santos Introduced Lisa Frazer our new Member and Employer Services Manager who comes to StanCERA with 17 years of experience with SR911.

4. **Public Comment**
   
   None

5. **Consent Items**
   
   a. Approval of the April 23, 2019 Meeting Minutes
   
   b. Monthly Staff Report
   
   c. Conference Report

   d. Approval of Service Retirement(s) – **Government Code Sections 31499.14, 31670, 31662.2 & 31810**

   1. Allahwerdi, Leada – CSA – Effective 01-29-19
   2. Coggins, Keith – Public Works – Effective 05-31-19
   6. Keating, Thomas – City of Ceres – Effective 05-01-19*
   7. Myers, David – Public Works – Effective 05-20-19
   8. Nevins, Diane – HSA – Effective 05-25-19

   *
5. Consent Items (Cont.)

10. Ormonde, Janice – Sheriff – Effective 05-25-19
12. Sasges, Judy – Library – 05-01-19

* Indicates Safety Personnel

e. Approval of Deferred Retirement(s) – Government Code Section 31700

1. Ambita, Obed – BHRS – Effective 01-12-19
2. Burell, Danielle – CSA – Effective 04-12-19
3. Jackson, Steve – Probation – Effective 01-02-19 *
5. Nava, Guadalupe – DCSS – Effective 02-07-19
7. Queirolo, Erika – Stan Reg 911 – Effective 01-29-19
10. Schroeder, Kelle – Ag Comm – Effective 12-28-18
13. Williams, Sandra – CSA – Effective 01-18-19

* Indicates Safety Personnel

f. Approval of Death Benefit – Government Code Section 31781, 31781.1, 31781.3


Motion was made by Trustee Gharat seconded by Trustee Dhillon to accept the consent items as presented.

Motion carried unanimously

6. Verus – Investment Consultant

a. April Flash Report
b. Quarterly Workplan
c. Investment Performance 2019 Quarter 1
d. Annual Asset Allocation Analysis

Motion was made by Trustee Gharat seconded by Trustee Lynch to accept Mix B as presented by Verus.

Roll call vote was as follows:

Jim DeMartini  Yes  Jeff Mangar  Yes
Sam Sharpe  Yes  Rhonda Biesemeier  Yes
Darin Gharat  Yes
Donna Riley  No
Mike Lynch  Yes

Motion Passed 6/1
7. **Investment**
   a. Private Markets Approval Process Review

8. **Administrative**
   a. Information Technology Solutions (ITS) Project Update
   b. Board Room Update
   c. Fiscal Year 2019-2020 Proposed Administrative Budget
      Motion was made by Trustee Gharat and seconded by Trustee Riley to accept the budget as presented.
      Motion carried unanimously
   d. StanCERA Quarterly Newsletter
   e. Proposed Actuarial Audit Schedule
      Motion was made by Trustee Gharat and seconded by Trustee Dhillon to accept staff recommendation as presented.
      Motion carried unanimously

9. **Closed Session**
   a. Conference with Legal Counsel – Pending Litigation – One Case:
      O'Neill et al v. Stanislaus County Employees' Retirement Association
      Stanislaus County Superior Court Case No. 648469
      Government Code Section 54956.9(d)(1)
   b. Conference with Legal Counsel – Pending Litigation – One Case:
      Stanislaus County Employees' Retirement Association v. Buck Consultants,
      LLC, Mediation Pursuant to Evidence Code Sections 1115, 1119, 1152
      Government Code Section 54956.9d)(4)

      No closed session items

10. **Members’ Forum (Information and Future Agenda Requests Only)**

11. **Adjournment**
    Meeting adjourned at 3:07 p.m.

Respectfully submitted,

[Signature]
Rick Santos, Executive Director

APPROVED AS TO FORM:
Fred Silva, GENERAL LEGAL COUNSEL

By: [Signature]
Fred Silva, General Legal Counsel
June 25, 2019  
Retirement Board Agenda Item  

TO: Retirement Board  
FROM: Rick Santos, Executive Director  

I. SUBJECT: Monthly Staff Report  

II. ITEM NUMBER: 6.b  

III. ITEM TYPE: Information Only  

IV. STAFF RECOMMENDATION: None  

V. ANALYSIS:  

a) Member & Employer Services: In the month of May, Member and Employer Services staff processed 48 new hires (39 General and 9 Safety), and 10 terminations. 35 estimate requests were prepared (generating 91 estimate calculations) and 23 buy back requests were processed, resulting in 50 buy back contracts. There were 23 individual counseling sessions held over the course of the month. Member and employer services staff is preparing for the Pre-Retirement Seminar which is scheduled for August 2, 2019.  

b) Investment Governance and Compliance: During the month of May, staff began work on the annual FFP process with the development of the shortfall matrix. Cross training and additional documentation of the process were of particular focus. Staff also received several potential private market investment recommendations from the investment consultant. These funds are currently under review in accordance with the private markets investment policy. In addition, preparations for the onsite due diligence meetings began and additional performance reporting training was completed with Northern Trust.  

Below is the monthly money transfer report:  

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<th>From</th>
<th>To</th>
<th>Manager</th>
<th>Class</th>
<th>Manager</th>
<th>Class</th>
<th>Amount</th>
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</table>

For the month of May there were no transfers to report.
c) **Fiscal Services**: Employer and employee contributions totaling $9,174,188 were received through 18 different payroll batches and 11 service purchases in May. 17 contribution refunds and death benefit payouts totaling $769,712 were processed. The retiree payroll for May totaled $11,229,055 and was processed as scheduled.

Staff continues to partner with Member Services in defining the business rules for the new pension software. Tegrit has completed their testing of the import files and has handed the parallel testing over to staff. GL integration is being worked on for uploading financial information to StanCERA’s financial software. We will be starting on retiree payroll next.

Staff is working on getting quotes for the upgrade to the StanCERA logo and upgrade to StanCERA’s website. A committee of four Trustees has been created to decide on the new logo for StanCERA.

VI. **RISK**: None

VII. **STRATEGIC PLAN**: Strategic Objective IV: Refine StanCERA’s business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently*

VIII. **ADMINISTRATIVE BUDGET IMPACT**: NONE

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Lisa Frazer, Member and Employer Services Manager

Natalie Davis, Fiscal Services Manager

Stan Conwell, Retirement Investment Officer

Rick Santos, Executive Director
Conference Summary

1. **Attendee Name:** Rhonda Biesemeier

2. **Event Name:** SACRS 2019 Spring Conference

3. **Event Date:** May 7-10, 2019

4. **Event Location:** Squaw Valley, CA

5. **Describe what was good about the event:**
   a) General Session – Retirement Readiness for Life After Full-Time Work – I liked the concept that those retiring in the next few years need to be aware of not only the costs associated with retirement, but obstacles they may face such as losing their work identity, having less interaction with people, how they want to spend their free time, etc.
   b) General Session – China – the Great Disruptor – good information about China as a growing economy and world power – and the possible pitfalls associated with that. The differences in our cultures is profound as well.
   c) Trustee Breakout – an interesting point was made by an appointed Trustee in that they were questioning the fairness of someone serving on the Board who has a full-time job, or is perhaps self-employed, and the low amount of compensation received from the Retirement Association as compared to the loss of wages they incur. I hadn’t thought about that before.
   d) General Session – Five Challenges and a Cry for Help – General Wesley Clark gave an overview of hotspots in the world, but I especially liked what he said about the idea of requiring 1 year of service (either in a community or the military, by choice) for each citizen of the US in their lifetime. I learned later that this idea had been suggested several years ago, but didn’t go anywhere.
   e) General Session – Robert Smith, Vista Equity Partners – nice to hear from a billionaire who is giving back with free tuition for many university students.
   f) General Session – Gloria Borger, CNN Political Analyst – interesting viewpoint of political climate in DC.

6. **Would you recommend this event to other trustees/staff:** Yes

7. **Number of Education Credits:** 9 Units
Conference Summary

1. Attendee Name: Samuel Sharpe

2. Event Name: SACRS Spring Conference

3. Event Date: May 07-10, 2019

4. Event Location: Resort at Squaw Creek

5. Describe what was good about the event: The conference was well organized and time wise, generally followed the schedule. Several sessions did exceed the allocated time and as part of the course evaluation, I suggested more time be given to the subject. The session, “China-The Great Disruptor” generated many audience questions, however, was ended to accommodate the scheduled lunch.

6. Would you recommend this event to other trustees/staff: Yes. As a whole, the conference provided relevant information on institutional investing.

7. Number of Education Credits: 12
1. **Attendee Name:** Donna Riley

2. **Event Name:** SACRS 2019 Spring Conference

3. **Event Date:** May 7-10, 2019

4. **Event Location:** Squaw Valley, CA

6. **Describe what was good about the event:**
   
   I thought the speakers this year were, overall, better than at prior conferences. In particular, I enjoyed Risks and Opportunities in the Current Macro Environment by Kristina Hooper and The Enterprise Risks Facing California’s Pension Systems by Ed Hoffman.

7. **Would you recommend this event to other trustees/staff:**
   
   Based on the quality of speakers this time, I would.

8. **Number of Education Credits:** I don’t know, that was still being reviewed by Kellie
Conference Summary

1. **Attendee Name:** Mike Lynch
2. **Event Name:** 2019 Spring conference
3. **Event Date:** May 7-10
4. **Event Location:** Lake Tahoe
5. **Describe what was good about the event:** Great speakers. Robert Smith, General Clark and the panel on trade with China were interesting and informative. Ed comparative presentation on risk was also informative.
6. **Would you recommend this event to other trustees/staff:** Yes...absolutely
7. **Number of Education Credits:** 10.00 continuing education credits
June 26, 2018
Retirement Board Agenda Item

TO: Retirement Board

FROM: Lisa Frazer, Member and Employer Services Manager

I. SUBJECT: Legislation Update

II. ITEM NUMBER: 6.g.

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: None

V. ANALYSIS:

Assembly Bill 672, Cervantes. Adds Section 21233 to Government Code
Status: June 12, 2019 – Referred to Senate Appropriations Committee

This bill, as written, applies to Public Employees’ Retirement Law (PERL), would prohibit a person who has retired for disability, from being re-employed by any employer without reinstatement from retirement if the position includes the same duties the person was prohibited from performing at the time of retirement.

VI. RISK: None

VII. STRATEGIC PLAN: Strategic Objective IV: Refine StanCERA’s business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently.

VIII. ADMINISTRATIVE BUDGET IMPACT: None

Lisa Frazer, Member and Employer Services Manager

Rick Santos, Executive Director
### Market Value

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### Flash Report (Net of Fees) - Preliminary

**Period Ending: May 31, 2019**

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<tr>
<td>Real Estate</td>
<td>$224,787,615</td>
<td>10.6%</td>
<td>$211,089,653</td>
<td>10.0%</td>
</tr>
<tr>
<td>Alternatives</td>
<td>$431,101,048</td>
<td>20.4%</td>
<td>$422,179,305</td>
<td>20.0%</td>
</tr>
<tr>
<td>Cash and Equivalents</td>
<td>$30,391,064</td>
<td>1.4%</td>
<td>$21,108,965</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

**Total** $2,110,896,527  100.0% $2,110,896,527  100.0%

---

Policy Index (9/1/2018): 10% Russell 1000, 3% Russell 2000, 6% Russell 3000 + 3%, 27% MSCI ACWI ex-USA, 20% BBgBarc US Govt/Credit 1-3 Yr, 3% BBgBarc US Treasury 7-10 Yr, 5% NCREIF Property, 5% NCREIF Property +2%, 1% CPI +5%, 6% S&P/LSTA Leveraged Loan Index + 2%, 12% 60% MSCI ACWI / 40% BBgBarc Global Aggregate, 1% Citi 1 Month T-Bills. All data is preliminary.
### Total Fund
#### Flash Report (Net of Fees) - Preliminary

**Period Ending: May 31, 2019**

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Market Value</th>
<th>% of Portfolio</th>
<th>1 Mo</th>
<th>YTD</th>
<th>Fiscal YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Real Estate</strong></td>
<td>224,787,615</td>
<td>10.6</td>
<td>-0.1</td>
<td>3.9</td>
<td>5.1</td>
</tr>
<tr>
<td>DJ US Select RESI</td>
<td>56,223,742</td>
<td>2.7</td>
<td>0.0</td>
<td>1.3</td>
<td>5.3</td>
</tr>
<tr>
<td>Prime Property Fund</td>
<td>46,969,221</td>
<td>2.2</td>
<td>0.0</td>
<td>2.3</td>
<td>6.0</td>
</tr>
<tr>
<td>American Strategic Value Realty</td>
<td>36,597,891</td>
<td>1.7</td>
<td>-0.3</td>
<td>15.1</td>
<td>8.2</td>
</tr>
<tr>
<td>BlackRock US Real Estate</td>
<td>12,190,171</td>
<td>0.6</td>
<td>-0.3</td>
<td>15.1</td>
<td>8.3</td>
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<tr>
<td>DJ US Select RESI TR USD</td>
<td>17,489,623</td>
<td>0.8</td>
<td>0.0</td>
<td>1.3</td>
<td>5.3</td>
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<tr>
<td>PGIM Real Estate US Debt Fund</td>
<td>55,316,967</td>
<td>2.6</td>
<td>0.0</td>
<td>2.3</td>
<td>6.0</td>
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<tr>
<td><strong>Private Credit</strong></td>
<td>93,067,395</td>
<td>4.4</td>
<td>-0.6</td>
<td>10.8</td>
<td>3.9</td>
</tr>
<tr>
<td>Medley Capital</td>
<td>13,536,138</td>
<td>0.6</td>
<td>0.0</td>
<td>1.3</td>
<td>5.3</td>
</tr>
<tr>
<td>Raven Capital</td>
<td>13,875,008</td>
<td>0.7</td>
<td>0.0</td>
<td>1.3</td>
<td>5.3</td>
</tr>
<tr>
<td>Raven Opportunity III</td>
<td>40,245,660</td>
<td>1.9</td>
<td>0.0</td>
<td>1.3</td>
<td>5.3</td>
</tr>
<tr>
<td>White Oak Pinnacle</td>
<td>25,410,389</td>
<td>1.2</td>
<td>0.0</td>
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<td>5.3</td>
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<tr>
<td><strong>Risk Parity</strong></td>
<td>294,312,671</td>
<td>13.9</td>
<td>-3.0</td>
<td>6.9</td>
<td>1.3</td>
</tr>
<tr>
<td>60% MSCI ACWI Net/40% BBgBarc Global Aggregate</td>
<td>147,886,409</td>
<td>7.0</td>
<td>-3.0</td>
<td>6.9</td>
<td>1.3</td>
</tr>
<tr>
<td>AQR Global Risk Premium - EL</td>
<td>146,426,262</td>
<td>6.9</td>
<td>0.3</td>
<td>11.9</td>
<td>5.0</td>
</tr>
<tr>
<td>PanAgora Risk Parity Multi Asset</td>
<td>146,426,262</td>
<td>6.9</td>
<td>0.3</td>
<td>11.9</td>
<td>5.0</td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td>43,720,982</td>
<td>2.1</td>
<td>0.0</td>
<td>0.3</td>
<td>1.3</td>
</tr>
<tr>
<td>MS Infrastructure Partners II</td>
<td>43,720,982</td>
<td>2.1</td>
<td>0.0</td>
<td>0.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Cash Account</td>
<td>30,391,064</td>
<td>1.4</td>
<td>0.0</td>
<td>0.3</td>
<td>1.3</td>
</tr>
</tbody>
</table>

**Current**
- Domestic Equity: $408,499,372 (19.4%)
- International Equity: $531,505,396 (25.2%)
- Domestic Fixed Income: $484,612,033 (23.0%)
- Real Estate: $224,787,615 (10.6%)
- Alternatives: $431,101,048 (20.4%)
- Cash and Equivalents: $30,391,064 (1.4%)
- Total: $2,110,896,527 (100.0%)

**Policy**
- Domestic Equity: $401,070,340 (19.0%)
- International Equity: $569,942,062 (27.0%)
- Domestic Fixed Income: $485,506,201 (23.0%)
- Real Estate: $211,089,653 (10.0%)
- Alternatives: $422,179,305 (20.0%)
- Cash and Equivalents: $21,108,965 (1.0%)
- Total: $2,110,896,527 (100.0%)

---

Policy Index (9/1/2018): 10% Russell 1000, 3% Russell 2000, 6% Russell 3000 + 3%, 27% MSCI ACWI ex-USA, 20% BBgBarc US Gov't/Credit 1-3 Yr, 3% BBgBarc US Treasury 7-10 Yr, 5% NCREIF Property, 5% NCREIF Property +2%, 1% CPI +5%, 6% S&P/LSTA Leveraged Loan Index +2%, 12% 60% MSCI ACWI / 40% BBgBarc Global Aggregate, 1% Citi 1 Month T-Bills. All data is preliminary.
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June 25, 2019
Retirement Board Agenda Item

TO: Retirement Board
FROM: Rick Santos, Executive Director

I. SUBJECT: Value Added, Investment Fee Summary and Cash Flow Reports

II. ITEM NUMBER: 8.a.

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: None

V. ANALYSIS: Due to timing issues with the receipt of custodial invoices, the Value Added and Investment Fee Summary reports cover the time period from October 1, 2017 to September 30, 2018.

Value Added – Page 1

This analysis measures the value added after all fees relative to an investable benchmark. The analysis includes not only those managers seeking to earn an excess return (“alpha”) above a benchmark, but for our passive funds as well. In general, passive funds should produce a value added that’s slightly negative to account for the fees paid, but there are times when our passive funds actually provide positive value added after fees paid.

For the 1-year period analyzed, StanCERA’s active portfolio lost approximately $9.5 million to the passive investment. Relative to the amount of assets the Organization directed to the managers under review, every dollar produced -$.007 in value added (VA per $ invested). This result can be interpreted as being equivalent to a passive return after fees.

Dodge & Cox Equity and Bernzott (Capital Prospects) added the most value at around $1.6 million each and LSV was the greatest detractor losing approximately $5 million relative to the passive investment.

Investment Fee Summary – Pages 2, 3

In total over the period analyzed, StanCERA paid approximately $11.5 million in total fees to manage its portfolio. This equates to about 54 basis points annually. These amounts include all fees (manager, custodial, performance and other) StanCERA pays. The private credit, real estate and infrastructure spaces are the biggest consumer of fees, coming in at about $7 million annually (page 3). Active investing which accounts for roughly 75% of total assets, consumes 98% of all investment fees.

Cash Flow Report – Page 4 (Quarter 1, 2019)

This report is self-explanatory
VI. RISK: None

VII. STRATEGIC PLAN: Strategic Objective IV: Refine StanCERA's business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently

VIII. ADMINISTRATIVE BUDGET IMPACT: NONE

Rick Santos, Executive Director

Stan Conwell, Retirement Investment Officer
### Value Added Analysis

#### 10/1/2017 thru 9/30/2018

#### Active Domestic Equity

<table>
<thead>
<tr>
<th>Mngr ID</th>
<th>Manager</th>
<th>Benchmark Index</th>
<th>Average AUM</th>
<th>Manager</th>
<th>Benchmark</th>
<th>Excess Return</th>
<th>Fees</th>
<th>Value Added (VA)</th>
<th>VA Per $ Invested</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dodge Cox Equity</td>
<td>Russell 1000 Value</td>
<td>$119,735,831</td>
<td>$14,158,343</td>
<td>$12,417,112</td>
<td>$1,741,222</td>
<td>$263,162</td>
<td>$1,606,549</td>
<td>$0.01</td>
</tr>
<tr>
<td>4</td>
<td>Bernzott</td>
<td>Russell 2000 Value</td>
<td>$18,158,310</td>
<td>$3,143,342</td>
<td>$1,530,057</td>
<td>$1,613,285</td>
<td>$90,765</td>
<td>$1,654,874</td>
<td>$0.11</td>
</tr>
<tr>
<td>25</td>
<td>Channing</td>
<td>Russell 2000 Value</td>
<td>$22,992,298</td>
<td>$2,004,072</td>
<td>$2,357,145</td>
<td>$353,074</td>
<td>$139,222</td>
<td>$353,074</td>
<td>$-0.02</td>
</tr>
<tr>
<td>26</td>
<td>Inview</td>
<td>Russell 2000 Value</td>
<td>$23,222,115</td>
<td>$2,155,570</td>
<td>$2,282,013</td>
<td>$126,443</td>
<td>$363,030</td>
<td>$285,587</td>
<td>$-0.01</td>
</tr>
<tr>
<td>27</td>
<td>Keeley</td>
<td>Russell 2000 Value</td>
<td>$13,018,709</td>
<td>$928,486</td>
<td>$1,277,031</td>
<td>$348,545</td>
<td>$78,732</td>
<td>$464,420</td>
<td>$-0.04</td>
</tr>
<tr>
<td>28</td>
<td>Pacific Ridge</td>
<td>Russell Micro Cap Value</td>
<td>$20,508,757</td>
<td>$2,199,234</td>
<td>$2,606,634</td>
<td>$407,400</td>
<td>$145,292</td>
<td>$601,824</td>
<td>$-0.03</td>
</tr>
<tr>
<td>29</td>
<td>Walthausen</td>
<td>Russell 2000 Value</td>
<td>$14,522,371</td>
<td>$824,102</td>
<td>$1,462,027</td>
<td>$637,925</td>
<td>$88,760</td>
<td>$789,857</td>
<td>$-0.05</td>
</tr>
</tbody>
</table>

**Total Active Domestic Equity**

$229,158,392  $25,413,139  $23,932,019  $1,481,120  $943,235  $584,643  $0.00

#### Passive Domestic Equity

<table>
<thead>
<tr>
<th>Mngr ID</th>
<th>Manager</th>
<th>Benchmark Index</th>
<th>Average AUM</th>
<th>Manager</th>
<th>Benchmark</th>
<th>Excess Return</th>
<th>Fees</th>
<th>Value Added (VA)</th>
<th>VA Per $ Invested</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Blackrock Value</td>
<td>Russell 1000 Value</td>
<td>$88,345,052</td>
<td>$7,594,403</td>
<td>$8,559,873</td>
<td>$965,471</td>
<td>$19,286</td>
<td>$1,070,362</td>
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<tr>
<td>12</td>
<td>Blackrock Growth</td>
<td>Russell 1000 Growth</td>
<td>$120,541,810</td>
<td>$27,825,275</td>
<td>$28,504,574</td>
<td>$679,300</td>
<td>$27,068</td>
<td>$767,770</td>
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</tr>
</tbody>
</table>

**Total Passive Domestic Equity**

$208,886,861  $35,419,677  $37,064,448  $1,644,770  $46,351  $1,838,132  $-0.01

#### Active International Equity

<table>
<thead>
<tr>
<th>Mngr ID</th>
<th>Manager</th>
<th>Benchmark Index</th>
<th>Average AUM</th>
<th>Manager</th>
<th>Benchmark</th>
<th>Excess Return</th>
<th>Fees</th>
<th>Value Added (VA)</th>
<th>VA Per $ Invested</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>LSV</td>
<td>MSCI ACWI ex USA GD</td>
<td>$240,212,944</td>
<td>$1,746,889</td>
<td>$5,213,994</td>
<td>$3,467,104</td>
<td>$1,099,488</td>
<td>$4,963,569</td>
<td>$-0.02</td>
</tr>
<tr>
<td>10</td>
<td>Fidelity</td>
<td>MSCI ACWI ex USA GD</td>
<td>$234,549,855</td>
<td>$4,754,636</td>
<td>$5,360,831</td>
<td>$606,195</td>
<td>$693,402</td>
<td>$1,412,572</td>
<td>$-0.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$474,762,799</td>
<td>$6,501,525</td>
<td>$10,574,825</td>
<td>$4,073,300</td>
<td>$1,792,890</td>
<td>$6,376,141</td>
<td>$-0.01</td>
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</tbody>
</table>

**Total Active International Equity**

$774,772,699  $8,306,114  $8,574,745  $3,650,970  $1,515,953  $13,840,000  $-0.01

#### Active Domestic Fixed Income

<table>
<thead>
<tr>
<th>Mngr ID</th>
<th>Manager</th>
<th>Benchmark Index</th>
<th>Average AUM</th>
<th>Manager</th>
<th>Benchmark</th>
<th>Excess Return</th>
<th>Fees</th>
<th>Value Added (VA)</th>
<th>VA Per $ Invested</th>
</tr>
</thead>
<tbody>
<tr>
<td>34</td>
<td>Insight Investment</td>
<td>US Govt. Credit Blend</td>
<td>$127,201,749</td>
<td>$637,469</td>
<td>$366,514</td>
<td>$1,003,983</td>
<td>$170,889</td>
<td>$905,515</td>
<td>$0.01</td>
</tr>
<tr>
<td>35</td>
<td>Dimensional Fund Advisors</td>
<td>BB Barclays US Credit 1-3 Years</td>
<td>$254,686,239</td>
<td>$755,157</td>
<td>$1,380,514</td>
<td>$2,135,671</td>
<td>$294,753</td>
<td>$2,641,702</td>
<td>$-0.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$381,887,988</td>
<td>$1,014,000</td>
<td>$1,131,688</td>
<td>$465,643</td>
<td>$1,756,187</td>
<td>$0.00</td>
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</table>

**Total Active Domestic Fixed Income**

$763,775,966  $2,077,036  $2,574,705  $3,539,808  $4,945,421  $5,439,000  $0.00

#### Passive Domestic Fixed Income

<table>
<thead>
<tr>
<th>Mngr ID</th>
<th>Manager</th>
<th>Benchmark Index</th>
<th>Average AUM</th>
<th>Manager</th>
<th>Benchmark</th>
<th>Excess Return</th>
<th>Fees</th>
<th>Value Added (VA)</th>
<th>VA Per $ Invested</th>
</tr>
</thead>
<tbody>
<tr>
<td>39</td>
<td>Northern Trust Long Term Bond Fund</td>
<td>BB Barc US Ag Govt/Cred Long</td>
<td>$14,669,890</td>
<td>$514,771</td>
<td>$465,743</td>
<td>$49,028</td>
<td>$6,576</td>
<td>$60,438</td>
<td>$0.00</td>
</tr>
<tr>
<td>40</td>
<td>Northern Trust Intermediate Term Bond Fund</td>
<td>BB Barc US Ag Gvt/Cr Intrmd</td>
<td>$34,325,422</td>
<td>$325,478</td>
<td>$420,322</td>
<td>$105,166</td>
<td>$19,257</td>
<td>$135,239</td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$38,032,313</td>
<td>$1,040,249</td>
<td>$886,055</td>
<td>$154,194</td>
<td>$25,833</td>
<td>$155,777</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

**Total Passive Fixed Income**

$1,352,728,354  $66,176,404  $71,699,237  $5,522,833  $3,273,952  $9,561,493  $-0.007

---

**Analysis Date:** 6/25/19

**Value Added Future Value Accumulation Rate:** 7.00%
# StanCERA Investment Fee Summary - Total Portfolio Level

**Fiscal Year to Date**

<table>
<thead>
<tr>
<th>Fees In Dollars</th>
<th>10/1/2017</th>
<th>thru</th>
<th>9/30/2018</th>
<th>Annualized Fees in Basis Points</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total StanCERA Portfolio</strong></td>
<td>$2,129,615,828</td>
<td>$7,635,379</td>
<td>$2,067,445</td>
<td>$1,496,725</td>
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</table>

### Fees By Asset Class

<table>
<thead>
<tr>
<th>Class</th>
<th>Average AUM</th>
<th>Managerial</th>
<th>Performance</th>
<th>Other</th>
<th>Custodial</th>
<th>Total</th>
<th>10/1/2017</th>
<th>thru</th>
<th>9/30/2018</th>
<th>Annualized Fees in Basis Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Equity</td>
<td>$598,603,869</td>
<td>$952,359</td>
<td>$0</td>
<td>$0</td>
<td>$61,750</td>
<td>$1,014,109</td>
<td>16.0</td>
<td>0.0</td>
<td>0.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Domestic Fixed Income</td>
<td>$439,920,301</td>
<td>$471,692</td>
<td>$0</td>
<td>$0</td>
<td>$19,783</td>
<td>$491,475</td>
<td>10.8</td>
<td>0.0</td>
<td>0.0</td>
<td>0.5</td>
</tr>
<tr>
<td>International Equity</td>
<td>$474,762,799</td>
<td>$1,194,291</td>
<td>$399,897</td>
<td>$0</td>
<td>$198,702</td>
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<td>$0</td>
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### Fees By Investment Discretion

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<th>Discretion</th>
<th>Average AUM</th>
<th>Managerial</th>
<th>Performance</th>
<th>Other</th>
<th>Custodial</th>
<th>Total</th>
<th>10/1/2017</th>
<th>thru</th>
<th>9/30/2018</th>
<th>Annualized Fees in Basis Points</th>
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<tr>
<td>Active</td>
<td>$1,587,597,327</td>
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<td>$1,496,725</td>
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### Fees By Investment Style

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<th>Average AUM</th>
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<th>Custodial</th>
<th>Total</th>
<th>10/1/2017</th>
<th>thru</th>
<th>9/30/2018</th>
<th>Annualized Fees in Basis Points</th>
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<td>$680,073</td>
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<td>0.0</td>
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<td>Large Cap Growth</td>
<td>$120,541,810</td>
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<td>$0</td>
<td>$0</td>
<td>$2,978</td>
<td>$27,066</td>
<td>2.0</td>
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<td>$198,702</td>
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<td>$7,786</td>
<td>$170,889</td>
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<td>Value Added Real Estate</td>
<td>$52,006,303</td>
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<td>$831,716</td>
<td>$20,364</td>
<td>$6,152</td>
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<td>$3,607,233</td>
<td>188.6</td>
<td>85.1</td>
<td>106.1</td>
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<tr>
<td>Infrastructure</td>
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<td>242.5</td>
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<tr>
<td>Risk Parity</td>
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<td>$0</td>
<td>$243,740</td>
<td>$5,541</td>
<td>$887,333</td>
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<tr>
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<td>$18,443,707</td>
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<td>$0</td>
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<td>$0</td>
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<td>0.0</td>
<td>0.0</td>
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</table>

* Performance fees can be negative due to the clawback of incentive fees
### Investment Fees By Type

**By Asset Class**
- Domestic Equity: $1,014,109
- Domestic Fixed Income: $491,475
- International Equity: $1,792,890
- Alternatives: $3,607,233
- Real Assets: $3,715,203
- Risk Parity: $887,333
- Cash: $0
- **Total**: $11,508,243

**By Investment Discretion**
- Active: $11,307,931
- Passive: $200,312
- **Total**: $11,508,243

**By Investment Style**
- Large Cap Value: $282,447
- Small Cap Value: $680,073
- Large Cap Growth: $27,066
- Core Equity: $1,817,412
- Short-Term Government Credit: $294,753
- Immunization: $170,889
- Value Added Real Estate: $2,519,509
- Core Real Estate: $290,953
- Private Credit: $3,607,233
- Infrastructure: $904,740
- Risk Parity: $887,333
- US Treasury: $25,833
- Cash: $0
- **Total**: $11,508,243
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<thead>
<tr>
<th>Mgr ID</th>
<th>Manager Name</th>
<th>Average AUM</th>
<th>Management</th>
<th>Performance</th>
<th>Other</th>
<th>Custodial</th>
<th>Total</th>
<th>Fees in Dollars</th>
<th>Fees in Annualized Basis Points</th>
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<td>1</td>
<td>Dodge Cof Equity</td>
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<td>$0</td>
<td>$2,978</td>
<td>$27,066</td>
<td>2.0</td>
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<td>Raven Asset-Based Opportunity Fund I L.P.</td>
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<td>American Realty Advisors Fund</td>
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<td>$0</td>
<td>$227,389</td>
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<td>33</td>
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<td>$294,753</td>
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<td>PanAgora Diversified Risk Multi-Asset Fund, Ltd.</td>
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<td>$1,076,309</td>
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Total: $2,129,615,828 $7,635,379 $2,067,445 $1,496,725 $308,694 $11,508,243 36.0 9.7 7.1 1.5 54.2
Cash Flow Report  
Jan 2019 through March 2019

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Beginning Cash Balance*</td>
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**Cash Flow In**

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<th>Description</th>
<th>Amount</th>
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<tbody>
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<td>Cash Draw From Managers</td>
<td>$2,471,664</td>
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<tr>
<td>Employer Contributions</td>
<td>$23,637,729</td>
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<tr>
<td>Employee Contributions</td>
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<td>Employee Redeposits</td>
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<td>Rental Income</td>
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<tr>
<td>Commission Recapture</td>
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</tbody>
</table>

**Total Cash Flow In**  
$33,472,064

**Cash Flow Out**

<table>
<thead>
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<th>Amount</th>
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<tr>
<td>StanCERA Payroll</td>
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</tr>
<tr>
<td>StanCERA Operations Expense</td>
<td>$143,329</td>
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<td>Tyler Maintenance</td>
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<tr>
<td>Fixed Asset Purchases</td>
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<tr>
<td>Refunds</td>
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</tr>
<tr>
<td>Death Benefits - Salary Based</td>
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<tr>
<td>Burial Allowance</td>
<td>$120,000</td>
</tr>
<tr>
<td>Investment Consulting Fees</td>
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</tr>
<tr>
<td>Audit Fees</td>
<td>$15,000</td>
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<tr>
<td>Legal Fees</td>
<td>$49,787</td>
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</table>

**Total Cash Flow Out**  
$33,767,268

**Ending Cash Balance**  
$8,579,613

**Change in Cash Balance**  
-$295,204
June 25, 2019
Retirement Board Agenda Item

TO: Retirement Board
FROM: Rick Santos, Executive Director

I. SUBJECT: Auxiliary AB 2833 Investment Report March 31, 2019

II. ITEM NUMBER: 8.b

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: None

V. ANALYSIS: This report (attachment 1) contains information on StanCERA’s “alternative” type investments required by California AB 2833 implemented in 2016. This information has been discussed and explained in Board meetings in the past.

Of interest this quarter, staff has added an additional exhibit (pages 25 – 29) which rolls up the information at the program type level. For instance, there are now exhibits which portray the information rolled up for the direct lending, real asset and risk parity asset classes. While staff does not necessarily consider risk parity as an alternative type investment, it is being included here since it has some accounting characteristics that are similar to those found in our other alternative type investments. Staff intends to go over these new exhibits at today’s meeting.

VI. RISK: None

VII. STRATEGIC PLAN: Strategic Objective IV: Refine StanCERA’s business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently

VIII. ADMINISTRATIVE BUDGET IMPACT: NONE

Rick Santos, Executive Director

Stan Conwell, Retirement Investment Officer
Fund Information

Manager Name:  
Analysis Date:  
Reporting Frequency:  
Latest Data Date:  
Manager Investment Style:  
Fund Vintage Year:  
StanCERA Investment Start Date:  
Initial Commitment:  
Additional Commitments:  
Total Commitment Funded:  
Total Commitment Unfunded:  
Fund Balance:  

American Realty Advisors Fund  
3/31/2019  
Quarterly  
3/31/2019  
Value Added Real Estate  
2009  
12/15/2014  
$30,000,000  
$28,000,000  
$38,134,000  
$19,866,000  
$44,729,221

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):  
Investment Multiple (TVPI):  
Realization Multiple (DPI):  
Residual Value to Paid in Multiple (RVPI):  
Paid in Capital Multiple (PIC):  

10.78%  
$1.23  
$0.05  
$1.17  
65.7%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance  
Capital Contributions  
Distributions  
Expenses  
Income  
Gain/(Loss)  
Ending Fund Balance  

$0  
$38,134,000  
-$2,031,680  
-$1,488,543  
$4,444,822  
$5,670,623  
$44,729,221

Internal Rate of Return Decomposition

Return from Income and Cash Flow  
Return from Expenses  
Return from Gain/Loss  
Interaction/Timing Effect:  
Net IRR Since Inception:  

5.82%  
-1.66%  
6.84%  
-0.22%  
10.78%

Expense Matrix

Management Fee  
Incentive Allocation  
Offering Costs  
Total  

$1,079,398  
$409,092  
$54  
$1,488,543
Fund Information

Manager Name: 
Analysis Date: 3/31/2019
Reporting Frequency: Monthly
Latest Data Date: 3/31/2019
Manager Investment Style: Risk Parity
Fund Vintage Year: 2018
StanCERA Investment Start Date: 3/5/2018
Initial Commitment: $140,000,000
Additional Commitments: $0
Total Commitment Funded: $140,000,000
Total Commitment Unfunded: $0
Fund Balance: $148,348,500

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR): 5.56%
Investment Multiple (TVPI): $1.06
Realization Multiple (DPI): $0.00
Residual Value to Paid in Multiple (RVPI): $1.06
Paid in Capital Multiple (PIC): 100.0%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance $0
Capital Contributions $140,000,000
Distributions $0
Expenses -$718,975
Income $461,921
Gain/(Loss) $8,605,554
Ending Fund Balance $148,348,500

Internal Rate of Return Decomposition

Return from Income and Cash Flow 0.31%
Return from Expenses -0.48%
Return from Gain/Loss 5.73%
Interaction/Timing Effect: 0.00%
Net IRR Since Inception: 5.56%

Expense Matrix

Management Fee $574,458
Professional Fee $8,079
General/Administrative Expense $107,151
Interest Expense $16,669
Custody Fee $11,962
Dividend Expense $656
Total $718,975
Manager Name: Greenfield Acquisition Partners VIII, L.P.  
Analysis Date: 3/31/2019  
Reporting Frequency: Quarterly  
Latest Data Date: 3/31/2019  
Manager Investment Style: Value Added Real Estate  
Fund Vintage Year: 2017  
StanCERA Investment Start Date: 4/27/2018  
Initial Commitment: $40,000,000  
Additional Commitments: $0  
Total Commitment Funded: $13,941,932  
Total Commitment Unfunded: $26,058,068  
Fund Balance: $15,304,796

**Fund Performance Measures Since Inception**

Net Internal Rate of Return (IRR): 18.27%  
Investment Multiple (TVPI): $1.10  
Realization Multiple (DPI): $0.00  
Residual Value to Paid in Multiple (RVPI): $1.10  
Paid in Capital Multiple (PIC): 34.9%

**Fund Balance Reconciliation Since Inception**

Beginning Fund Balance: $0  
Capital Contributions: $13,941,932  
Distributions: $0  
Expenses: -$1,294,556  
Income: -$283,459  
Gain/(Loss): $2,940,879  
Ending Fund Balance: $15,304,796

**Internal Rate of Return Decomposition**

Return from Income and Cash Flow: -4.86%  
Return from Expenses: -19.04%  
Return from Gain/Loss: 40.35%  
Interaction/Timing Effect: 1.83%  
Net IRR Since Inception: 18.27%

**Expense Matrix**

Management Fee: $1,315,065  
Incentive Allocation: -$20,509  
Total: $1,294,556
Fund Information

Greenfield GAP VII Management Fund, L.L.C
3/31/2019
Quarterly
Value Added Real Estate
2011

Manager Name:
Analysis Date: 3/31/2019
Reporting Frequency: Quarterly
Latest Data Date: 7/8/2014
Manager Investment Style: Value Added Real Estate
Fund Vintage Year: 2011
StanCERA Investment Start Date: 7/8/2014
Initial Commitment: $15,000,000
Additional Commitments: $0
Total Commitment Funded: $10,443,061
Total Commitment Unfunded: $4,556,939
Fund Balance: $12,811,238

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR): 12.59%
Investment Multiple (TVPI): $1.36
Realization Multiple (DPI): $0.64
Residual Value to Paid in Multiple (RVPI): $0.71
Paid in Capital Multiple (PIC): 69.6%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance $0
Capital Contributions $18,013,692
Distributions -$11,611,255
Expenses -$1,934,240
Income $2,220,065
Gain/(Loss) $6,122,976
Ending Fund Balance $12,811,238

Internal Rate of Return Decomposition

Return from Income and Cash Flow 5.18%
Return from Expenses -2.92%
Return from Gain/Loss 11.56%
Interaction/Timing Effect: -1.23%
Net IRR Since Inception: 12.59%

Expense Matrix

Management Fee $1,182,259
Partnership Operations $46,937
Incentive Allocation $702,175
Interest Expense $2,869
Total $1,934,240
Net Cash Position

Change in Fund Balance Prior 8 Periods

Cumulative % Capital Drawn

As of: 3/31/2019
Fund Information

Manager Name:  
Analysis Date:  
Reporting Frequency:  
Latest Data Date:  
Manager Investment Style:  
Fund Vintage Year:  
StanCERA Investment Start Date:  
Initial Commitment:  
Additional Commitments:  
Total Commitment Funded:  
Total Commitment Unfunded:  
Fund Balance:  

Medley Opportunity Fund II L.P.  
3/31/2019  
Quarterly  
3/31/2019  
Private Credit  
2011  
5/16/2013  
$30,000,000  
$0  
$29,000,453  
$999,547  
$14,568,801  

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR): 1.81%  
Investment Multiple (TVPI): $1.17  
Realization Multiple (DPI): $0.70  
Residual Value to Paid in Multiple (RVPI): $0.47  
Paid in Capital Multiple (PIC): 96.7%  

Fund Balance Reconciliation Since Inception

Beginning Fund Balance $0  
Capital Contributions $31,086,716  
Distributions -$21,911,233  
Expenses -$3,379,823  
Income $17,136,774  
Gain/(Loss) -$8,363,634  
Ending Fund Balance $14,568,800  

Internal Rate of Return Decomposition

Return from Income and Cash Flow 8.76%  
Return from Expenses -2.27%  
Return from Gain/Loss -5.19%  
Interaction/Timing Effect: 0.50%  
Net IRR Since Inception: 1.81%  

Expense Matrix

Management Fee $2,386,673  
Partnership Operations $993,151  
Incentive Allocation -$1  
Total $3,379,823  

Net Cash Position

Change in Fund Balance Prior 8 Periods

Cumulative % Capital Drawn
Fund Information

Manager Name: Morgan Stanley Prime Property Fund, L.L.C
Analysis Date: 3/31/2019
Reporting Frequency: Quarterly
Latest Data Date: 3/31/2019
Manager Investment Style: Core Real Estate
Fund Vintage Year: 1973
StanCERA Investment Start Date: 10/1/2015
Initial Commitment: $15,000,000
Additional Commitments: $35,000,000
Total Commitment Funded: $50,000,000
Total Commitment Unfunded: $0
Fund Balance: $56,223,742

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR): 8.24%
Investment Multiple (TVPI): $1.12
Realization Multiple (DPI): $0.00
Residual Value to Paid in Multiple (RVPI): $1.12
Paid in Capital Multiple (PIC): 100.0%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance $0
Capital Contributions $50,000,000
Distributions $0
Expenses -$857,479
Income $3,136,797
Gain/(Loss) $3,944,424
Ending Fund Balance $56,223,742

Internal Rate of Return Decomposition

Return from Income and Cash Flow 4.30%
Return from Expenses -1.05%
Return from Gain/Loss 5.09%
Interaction/Timing Effect: -0.10%
Net IRR Since Inception: 8.24%

Expense Matrix

Management Fee $660,844
Incentive Allocation $196,636
Total $857,479
Net Cash Position

Change in Fund Balance Prior 8 Periods

Cumulative % Capital Drawn
Fund Information

Manager Name: 
Analysis Date: 3/31/2019
Reporting Frequency: Quarterly
Latest Data Date: 3/31/2019
Manager Investment Style: Infrastructure
Fund Vintage Year: 2015
StanCERA Investment Start Date: 5/19/2015
Initial Commitment: $50,000,000
Additional Commitments: $0
Total Commitment Funded: $43,414,665
Total Commitment Unfunded: $6,585,335
Fund Balance: $51,557,999

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR): 15.22%
Investment Multiple (TVPI): $1.15
Realization Multiple (DPI): $0.24
Residual Value to Paid in Multiple (RVPI): $0.91
Paid in Capital Multiple (PIC): 86.8%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance $0
Capital Contributions $56,526,359
Distributions -$13,402,690
Expenses -$3,989,661
Income $1,433,815
Gain/(Loss) $11,685,862
Ending Fund Balance $52,253,685

Internal Rate of Return Decomposition

Return from Income and Cash Flow 5.22%
Return from Expenses -4.57%
Return from Gain/Loss 15.97%
Interaction/Timing Effect: -1.40%
Net IRR Since Inception: 15.22%

Expense Matrix

Management Fee $3,163,096
Organizational Expense $52,991
Syndication Costs $65,354
General/Administrative Expense $249,014
Broken Deal Expense $267,706
Interest Expense $191,500
Total Expense $3,989,661
Fund Information

Manager Name: PanAgora Diversified Risk Multi-Asset Fund, Ltd.
Analysis Date: 3/31/2019
Reporting Frequency: Monthly
Latest Data Date: 3/31/2019
Manager Investment Style: Risk Parity
Fund Vintage Year: 2012
StanCERA Investment Start Date: 12/1/2017
Initial Commitment: $140,000,000
Additional Commitments: $0
Total Commitment Funded: $140,000,000
Total Commitment Unfunded: $0
Fund Balance: $145,843,504

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR): 3.13%
Investment Multiple (TVPI): $1.04
Realization Multiple (DPI): $0.00
Residual Value to Paid in Multiple (RVPI): $1.04
Paid in Capital Multiple (PIC): 100.0%

Fund Balance Reconciliation Since Inception

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Fund Balance</td>
<td>$0</td>
</tr>
<tr>
<td>Capital Contributions</td>
<td>$140,000,000</td>
</tr>
<tr>
<td>Distributions</td>
<td>$0</td>
</tr>
<tr>
<td>Expenses</td>
<td>-$781,789</td>
</tr>
<tr>
<td>Income</td>
<td>$2,875,768</td>
</tr>
<tr>
<td>Gain/(Loss)</td>
<td>$3,749,525</td>
</tr>
<tr>
<td>Ending Fund Balance</td>
<td>$145,843,504</td>
</tr>
</tbody>
</table>

Internal Rate of Return Decomposition

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return from Income and Cash Flow</td>
<td>1.54%</td>
</tr>
<tr>
<td>Return from Expenses</td>
<td>-0.42%</td>
</tr>
<tr>
<td>Return from Gain/Loss</td>
<td>2.00%</td>
</tr>
<tr>
<td>Interaction/Timing Effect:</td>
<td>0.00%</td>
</tr>
<tr>
<td>Net IRR Since Inception:</td>
<td>3.13%</td>
</tr>
</tbody>
</table>

Expense Matrix

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Fee</td>
<td>$645,502</td>
</tr>
<tr>
<td>Professional Fee</td>
<td>$136,287</td>
</tr>
<tr>
<td>Total</td>
<td>$781,789</td>
</tr>
</tbody>
</table>
**Fund Information**

Manager Name: Prudential
Analysis Date: 3/31/2019
Reporting Frequency: Quarterly
Latest Data Date: 3/31/2019
Manager Investment Style: Real Estate Debt
Fund Vintage Year: 0
StanCERA Investment Start Date: 9/28/2018
Initial Commitment: $54,000,000
Additional Commitments: $0
Total Commitment Funded: $54,000,000
Total Commitment Unfunded: $0
Fund Balance: $55,316,966

**Fund Performance Measures Since Inception**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Internal Rate of Return (IRR)</td>
<td>6.52%</td>
</tr>
<tr>
<td>Investment Multiple (TVPI)</td>
<td>$1.02</td>
</tr>
<tr>
<td>Realization Multiple (DPI)</td>
<td>$0.00</td>
</tr>
<tr>
<td>Residual Value to Paid in Multiple (RVPI)</td>
<td>$1.02</td>
</tr>
<tr>
<td>Paid in Capital Multiple (PIC)</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

**Fund Balance Reconciliation Since Inception**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Fund Balance</td>
<td>$0</td>
</tr>
<tr>
<td>Capital Contributions</td>
<td>$54,000,000</td>
</tr>
<tr>
<td>Distributions</td>
<td>$0</td>
</tr>
<tr>
<td>Expenses</td>
<td>-$163,201</td>
</tr>
<tr>
<td>Income</td>
<td>$1,882,845</td>
</tr>
<tr>
<td>Gain/(Loss)</td>
<td>-$402,677</td>
</tr>
<tr>
<td>Ending Fund Balance</td>
<td>$55,316,967</td>
</tr>
</tbody>
</table>

**Internal Rate of Return Decomposition**

<table>
<thead>
<tr>
<th>Component</th>
<th>IRR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return from Income and Cash Flow</td>
<td>9.39%</td>
</tr>
<tr>
<td>Return from Expenses</td>
<td>-0.82%</td>
</tr>
<tr>
<td>Return from Gain/Loss</td>
<td>-2.04%</td>
</tr>
<tr>
<td>Interaction/Timing Effect</td>
<td>-0.01%</td>
</tr>
<tr>
<td>Net IRR Since Inception</td>
<td>6.52%</td>
</tr>
</tbody>
</table>

**Expense Matrix**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Fee</td>
<td>$163,201</td>
</tr>
<tr>
<td>Total</td>
<td>$163,201</td>
</tr>
</tbody>
</table>
Fund Information

Manager Name: 
Analysis Date: 3/31/2019
Reporting Frequency: Quarterly
Latest Data Date: 3/31/2019
Manager Investment Style: Private Credit
Fund Vintage Year: 2012
StanCERA Investment Start Date: 5/22/2013
Initial Commitment: $40,000,000
Additional Commitments: $0
Total Commitment Funded: $34,505,763
Total Commitment Unfunded: $5,494,237
Fund Balance: $13,875,008

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR): 1.78%
Investment Multiple (TVPI): $1.09
Realization Multiple (DPI): $0.68
Residual Value to Paid in Multiple (RVPI): $0.40
Paid in Capital Multiple (PIC): 86.3%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance $0
Capital Contributions $34,505,763
Distributions -$23,582,991
Expenses -$5,059,443
Income $12,463,411
Gain/(Loss) -$4,451,733
Ending Fund Balance $13,875,007

Internal Rate of Return Decomposition

Return from Income and Cash Flow 8.25%
Return from Expenses -3.69%
Return from Gain/Loss -3.29%
Interaction/Timing Effect: 0.52%
Net IRR Since Inception: 1.78%

Expense Matrix

Management Fee $3,271,809
Organizational Expense $92,275
Service Fee $339,601
Professional Fee $1,355,758
Total $5,059,443

19
Fund Information

Manager Name: 
Analysis Date: 3/31/2019
Reporting Frequency: Quarterly
Latest Data Date: 3/31/2019
Manager Investment Style: Private Credit
Fund Vintage Year: 2015
StanCERA Investment Start Date: 7/6/2015
Initial Commitment: $15,000,000
Additional Commitments: $35,000,000
Total Commitment Funded: $33,711,014
Total Commitment Unfunded: $16,288,986
Fund Balance: $34,421,679

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR): 5.78%
Investment Multiple (TVPI): $1.11
Realization Multiple (DPI): $0.23
Residual Value to Paid in Multiple (RVPI): $0.88
Paid in Capital Multiple (PIC): 67.4%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance $0
Capital Contributions $39,188,668
Distributions -$8,887,711
Expenses -$4,469,980
Income $6,168,102
Gain/(Loss) $2,422,598
Ending Fund Balance $34,421,679

Internal Rate of Return Decomposition

Return from Income and Cash Flow 8.49%
Return from Expenses -5.79%
Return from Gain/Loss 3.35%
Interaction/Timing Effect: -0.28%
Net IRR Since Inception: 5.78%

Expense Matrix

Management Fee $3,163,251
Organizational Expense $78,622
Professional Fee $1,228,107
Total $4,469,980
Fund Information

Manager Name: White Oak Pinnacle Fund L.P.
Analysis Date: 3/31/2019
Reporting Frequency: Quarterly
Latest Data Date: 3/31/2019
Manager Investment Style: Private Credit
Fund Vintage Year: 2012
StanCERA Investment Start Date: 8/2/2013
Initial Commitment: $40,000,000
Additional Commitments: $0
Total Commitment Funded: $32,758,125
Total Commitment Unfunded: $7,241,875
Fund Balance: $25,483,053

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR): 7.39%
Investment Multiple (TVPI): $1.25
Realization Multiple (DPI): $0.79
Residual Value to Paid in Multiple (RVPI): $0.46
Paid in Capital Multiple (PIC): 81.9%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance $0
Capital Contributions $55,047,161
Distributions -$43,348,194
Expenses -$4,066,421
Income $20,889,948
Gain/(Loss) -$3,039,442
Ending Fund Balance $25,483,053

Internal Rate of Return Decomposition

Return from Income and Cash Flow 10.85%
Return from Expenses -2.03%
Return from Gain/Loss -1.54%
Interaction/Timing Effect: 0.12%
Net IRR Since Inception: 7.39%

Expense Matrix

Management Fee $3,875,700
Incentive Allocation $1,275,375
Other Expense $30,743
Management Fee Reimbursement -$1,611,884
General/Administrative Expense $496,487
Total $4,066,421
# Real Assets Program Performance

**Analysis Date:** 3/31/2019  
**Program Name:** Real Assets  
**Program Inception Date:** 7/8/2014  
**Total Commitment:** $267,000,000  
**Unfunded Commitment as of Analysis Date:** $57,066,342  
**% Funded as of Analysis Date:** 78.63%  
**Program Fund Balance:** $235,943,962

## Expense Matrix Since Inception

<table>
<thead>
<tr>
<th>Expense Type</th>
<th>Expense</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Fee</td>
<td>$7,563,863</td>
<td>77.5%</td>
</tr>
<tr>
<td>Partnership Operations</td>
<td>$46,937</td>
<td>0.5%</td>
</tr>
<tr>
<td>Organizational Expense</td>
<td>$52,991</td>
<td>0.5%</td>
</tr>
<tr>
<td>Incentive Allocation</td>
<td>$1,287,393</td>
<td>13.2%</td>
</tr>
<tr>
<td>Offering Costs</td>
<td>$54</td>
<td>0.0%</td>
</tr>
<tr>
<td>Service Fee</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Syndication Costs</td>
<td>$65,354</td>
<td>0.7%</td>
</tr>
<tr>
<td>Professional Fee</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other Expense</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Management Fee Reimbursement</td>
<td>$0</td>
<td>-</td>
</tr>
<tr>
<td>General/Administrative Expense</td>
<td>$249,014</td>
<td>2.5%</td>
</tr>
<tr>
<td>Broken Deal Expense</td>
<td>$267,706</td>
<td>2.7%</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$194,369</td>
<td>2.0%</td>
</tr>
<tr>
<td>Custody Fee</td>
<td>$37,579</td>
<td>0.4%</td>
</tr>
<tr>
<td>Dividend Expense</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Performance Fee</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$9,765,260</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

## Performance Measures

- **Net IRR Since Inception:** 11.45%
- **Realization Multiple (DPI):** $0.11
- **Residual Value to Paid in Multiple (RVPI):** $0.98
- **Investment Multiple (TVPI):** $1.09

## Net IRR Decomposition

- **Return from Income & Cash Flow:** 5.17%
- **Return from Expenses:** -3.30%
- **Return from Gain/Loss:** 9.06%
- **Interaction Effect:** 0.52%
- **Net IRR Since Inception:** 11.45%
Direct Lending Program Performance

Analysis Date: 3/31/2019
Program Name: Direct Lending
Program Inception Date: 5/16/2013
Total Commitment: $160,000,000
Unfunded Commitment as of Analysis Date: $30,024,646
% Funded as of Analysis Date: 81.23%
Program Fund Balance: $88,348,540

Expense Matrix Since Inception

<table>
<thead>
<tr>
<th>Expense Type</th>
<th>Expense</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Fee</td>
<td>$12,697,433</td>
<td>65.1%</td>
</tr>
<tr>
<td>Partnership Operations</td>
<td>$993,151</td>
<td>5.8%</td>
</tr>
<tr>
<td>Organizational Expense</td>
<td>$170,897</td>
<td>1.0%</td>
</tr>
<tr>
<td>Incentive Allocation</td>
<td>$1,275,374</td>
<td>7.5%</td>
</tr>
<tr>
<td>Offering Costs</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Service Fee</td>
<td>$339,601</td>
<td>2.0%</td>
</tr>
<tr>
<td>Syndication Costs</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Professional Fee</td>
<td>$2,583,865</td>
<td>15.2%</td>
</tr>
<tr>
<td>Other Expense</td>
<td>$30,743</td>
<td>0.2%</td>
</tr>
<tr>
<td>Management Fee Reimbursement</td>
<td>-$1,611,884</td>
<td>-</td>
</tr>
<tr>
<td>General/Administrative Expense</td>
<td>$496,487</td>
<td>2.9%</td>
</tr>
<tr>
<td>Broken Deal Expense</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Custody Fee</td>
<td>$42,272</td>
<td>0.2%</td>
</tr>
<tr>
<td>Dividend Expense</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Performance Fee</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total</td>
<td>$17,017,938</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Performance Measures

Net IRR Since Inception: 4.22%
Realization Multiple (DPI): $0.50
Residual Value to Paid in Multiple (RVPI): $0.50
Investment Multiple (TVPI): $1.05

Net IRR Decomposition

Return from Income & Cash Flow: 9.26%
Return from Expenses: -2.68%
Return from Gain/Loss: -2.09%
Interaction Effect: -0.27%
Net IRR Since Inception: 4.22%
### Risk Parity Program Performance

<table>
<thead>
<tr>
<th>Analysis Date:</th>
<th>3/31/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Name:</td>
<td>Risk Parity</td>
</tr>
<tr>
<td>Program Inception Date:</td>
<td>12/1/2017</td>
</tr>
<tr>
<td>Total Commitment:</td>
<td>$280,000,000</td>
</tr>
<tr>
<td>Unfunded Commitment as of Analysis Date:</td>
<td>$0</td>
</tr>
<tr>
<td>% Funded as of Analysis Date:</td>
<td>100.00%</td>
</tr>
<tr>
<td>Program Fund Balance:</td>
<td>$294,192,004</td>
</tr>
</tbody>
</table>

#### Expense Matrix Since Inception

<table>
<thead>
<tr>
<th>Expense Type</th>
<th>Expense</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Fee</td>
<td>$1,219,960</td>
<td>81.6%</td>
</tr>
<tr>
<td>Partnership Operations</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Organizational Expense</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Incentive Allocation</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Offering Costs</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Service Fee</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Syndication Costs</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Professional Fee</td>
<td>$144,366</td>
<td>9.7%</td>
</tr>
<tr>
<td>Other Expense</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Management Fee Reimbursement</td>
<td>$0</td>
<td>-</td>
</tr>
<tr>
<td>General/Administrative Expense</td>
<td>$107,151</td>
<td>7.2%</td>
</tr>
<tr>
<td>Broken Deal Expense</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$16,669</td>
<td>1.1%</td>
</tr>
<tr>
<td>Custody Fee</td>
<td>$7,100</td>
<td>0.5%</td>
</tr>
<tr>
<td>Dividend Expense</td>
<td>$656</td>
<td>0.0%</td>
</tr>
<tr>
<td>Performance Fee</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total</td>
<td>$1,495,902</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

#### Performance Measures

<table>
<thead>
<tr>
<th>Net IRR Since Inception:</th>
<th>4.21%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realization Multiple (DPI):</td>
<td>$0.00</td>
</tr>
<tr>
<td>Residual Value to Paid in Multiple (RVPI):</td>
<td>$1.05</td>
</tr>
<tr>
<td>Investment Multiple (TVPI):</td>
<td>$1.05</td>
</tr>
</tbody>
</table>

#### Net IRR Decomposition

| Return from Income & Cash Flow: | 0.99% |
| Return from Expenses: | -0.45% |
| Return from Gain/Loss: | 3.66% |
| Interaction Effect: | 0.00% |
| Net IRR Since Inception: | 4.21% |
Alternatives Program Performance

Analysis Date: 3/31/2019
Program Name: Alternatives
Program Inception Date: 5/16/2013
Total Commitment: $707,000,000
Unfunded Commitment as of Analysis Date: $87,090,987
% Funded as of Analysis Date: 87.68%
Program Fund Balance: $618,484,506

Expense Matrix Since Inception

<table>
<thead>
<tr>
<th>Expense Type</th>
<th>Expense</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Fee</td>
<td>$21,481,255</td>
<td>70.3%</td>
</tr>
<tr>
<td>Partnership Operations</td>
<td>$1,040,088</td>
<td>3.7%</td>
</tr>
<tr>
<td>Organizational Expense</td>
<td>$223,888</td>
<td>0.8%</td>
</tr>
<tr>
<td>Incentive Allocation</td>
<td>$2,562,768</td>
<td>9.1%</td>
</tr>
<tr>
<td>Offering Costs</td>
<td>$54</td>
<td>0.0%</td>
</tr>
<tr>
<td>Service Fee</td>
<td>$339,601</td>
<td>1.2%</td>
</tr>
<tr>
<td>Syndication Costs</td>
<td>$65,354</td>
<td>0.2%</td>
</tr>
<tr>
<td>Professional Fee</td>
<td>$2,728,231</td>
<td>9.6%</td>
</tr>
<tr>
<td>Other Expense</td>
<td>$30,743</td>
<td>0.1%</td>
</tr>
<tr>
<td>Management Fee Reimbursement</td>
<td>-$1,611,884</td>
<td>-</td>
</tr>
<tr>
<td>General/Administrative Expense</td>
<td>$852,652</td>
<td>3.0%</td>
</tr>
<tr>
<td>Broken Deal Expense</td>
<td>$267,706</td>
<td>0.9%</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$211,038</td>
<td>0.7%</td>
</tr>
<tr>
<td>Custody Fee</td>
<td>$86,950</td>
<td>0.3%</td>
</tr>
<tr>
<td>Dividend Expense</td>
<td>$656</td>
<td>0.0%</td>
</tr>
<tr>
<td>Performance Fee</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total</td>
<td>$28,279,100</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Performance Measures

Net IRR Since Inception: 6.13%
Realization Multiple (DPI): $0.18
Residual Value to Paid in Multiple (RVPI): $0.89
Investment Multiple (TVPI): $1.06

Net IRR Decomposition

Return from Income & Cash Flow: 6.08%
Return from Expenses: -2.35%
Return from Gain/Loss: 2.27%
Interaction Effect: 0.14%
Net IRR Since Inception: 6.13%
Alternatives Ex Risk Parity Program Performance

Analysis Date: 3/31/2019
Program Name: Alternatives Ex Risk Parity
Program Inception Date: 5/16/2013
Total Commitment: $427,000,000
Unfunded Commitment as of Analysis Date: $87,090,987
% Funded as of Analysis Date: 79.60%
Program Fund Balance: $324,292,502

Performance Measures
Net IRR Since Inception: 6.85%
Realization Multiple (DPI): $0.30
Residual Value to Paid in Multiple (RVPI): $0.78
Investment Multiple (TVPI): $1.08

Net IRR Decomposition
Return from Income & Cash Flow: 7.94%
Return from Expenses: -2.95%
Return from Gain/Loss: 1.68%
Interaction Effect: 0.17%
Net IRR Since Inception: 6.85%

Expense Matrix Since Inception

<table>
<thead>
<tr>
<th>Expense Type</th>
<th>Expense</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Fee</td>
<td>$20,261,295</td>
<td>69.6%</td>
</tr>
<tr>
<td>Partnership Operations</td>
<td>$1,040,088</td>
<td>3.9%</td>
</tr>
<tr>
<td>Organizational Expense</td>
<td>$223,888</td>
<td>0.8%</td>
</tr>
<tr>
<td>Incentive Allocation</td>
<td>$2,562,768</td>
<td>9.6%</td>
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<tr>
<td>Offering Costs</td>
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<td>0.0%</td>
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<tr>
<td>General/Administrative Expense</td>
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</tr>
<tr>
<td>Broken Deal Expense</td>
<td>$267,706</td>
<td>1.0%</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$194,369</td>
<td>0.7%</td>
</tr>
<tr>
<td>Custody Fee</td>
<td>$79,851</td>
<td>0.3%</td>
</tr>
<tr>
<td>Dividend Expense</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Performance Fee</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total</td>
<td>$26,783,199</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
June 25, 2019
Retirement Board Agenda Item

TO: Retirement Board
FROM: Due Diligence Committee

I. SUBJECT: Due Diligence Trip

II. ITEM NUMBER: 8.c

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: None

V. ANALYSIS: The week of June 17, 2019, the Due Diligence Committee (Trustee Grover, Trustee Gharat, Stan Conwell, Rick Santos, Kellie Gomes) traveled to Boston, Rhode Island and Connecticut to meet with 3 of StanCERA's Investment Managers. The trip took place over 2 days and the team visited Fidelity, PanAgora and Capital Prospects. This trip was done in similar style as previous year's focusing on operations, risk and compliance. Each firm completed a questionnaire and provided any additional information requested prior to our visit. Due to proprietary and confidentiality of the firms a brief summary of the trip is provided below:

**Fidelity Investments – Investment Manager**

The committee began the onsite due diligence trip at Fidelity Institutional Asset Management’s (FIAM) headquarters in Smithfield, RI. The meeting, facilitated by StanCERA’s relationship manager Kristin Shofner, began with a discussion with Jeff Mitchel FIAM's Equity CIO and Co-portfolio manager's Matthew Torrey and Camille Carlstrom. The conversation covered a wide range of topics including corporate culture, risk management, portfolio team changes, and organizational updates.

Given the recent changes in the portfolio management team, a thorough discussion focusing on the investment process of the strategy and any changes to the roles and responsibilities of key personnel followed. The meeting continued with a review of the compliance, operations and global equity trading processes provided by representatives from each functional area.

The meeting ended with an overview of FIAM's assessment, monitoring and reporting of risk in the portfolio. A demo of some of the risk control tools FIAM utilizes to monitor portfolio risk was provided.

**PanAgora – Investment Manager**

The next meeting took place in Boston at PanAgora's headquarters with StanCERA's relationship manager Allison Kiely coordinating our onsite visit. The committee met with Bryan Belton, Brian Henze, and Jon Beaulieu to discuss the risk parity multi asset strategy and PanAgora's business in general.

The meeting commenced with an in-depth discussion of the risk parity strategy, their investment process, and an overview of how the portfolio is maintained. Of note, was a conversation about the type of leverage utilized in the portfolio and the various methods employed to mitigate the embedded leverage risk. Benchmarking a Risk Parity strategy is difficult and numerous methods including some new investable indeces were evaluated. In addition, Risk Parity's expected returns, particularly during large drawdowns in equity markets was also discussed.
Next the meeting turned to organizational matters including the details on the operations committee and their role in succession management. PanAgora utilizes complex models and systems as a key part of their investment process, so questions on model overrides, IT infrastructure, and cyber security were discussed to finish out the meeting.

**Capital Prospects - Investment Manager**

The following day the committee met with Marilyn Freeman, Elizabeth Knope and Karen Mair from Capital Prospects in Stamford, Ct. Discussion began with an overview of the organization, investment strategy and objectives which also highlighted the investment process and internal audit procedures.

When asked to describe the firm’s management succession plan, it became clear that Capital Prospects is evaluating opportunities that will bring changes to its firm. While it was clear that they could not discuss the potential changes with us directly they assured us that we will be notified as soon as possible if something is finalized. They assured our team that these changes would only enhance the services they are currently providing StanCERA. As to the future, we see no cause for concern and look forward to what the future may hold.

**Conclusion**

The Committee feels that there are no reasons to question whether StanCERA should continue investing with these firms as they stand today.

**VI. RISK:** None

**VII. STRATEGIC PLAN:** Strategic Objective I: Invest StanCERA assets in such a way that efficiently maximizes the ability to meet current and future benefit obligations while balancing the need for contribution stability and sustainability

**VIII. BUDGET IMPACT:** None
Baseline 12/01/2016

STATUS

Expended  Remaining

Budget  Duration

100%  90%  80%  70%  60%  50%  40%  30%  20%  10%  0%

Risks & Issues:

No new high-level risks have been identified at this time.

Accomplishments:

➢ Tegrit made release R14 to UAT and Linea and StanCERA began testing.

➢ A meeting was held with stakeholders in the City of Ceres transmittal file development process to discuss and resolve questions related to employee status.

➢ Deliverable acceptance was achieved for UAT R13, BSR046, and BSR050.

➢ Consecutive Arrivos test files were requested of the file upload employers to support parallel testing.

Upcoming:

➢ Additional workflow functionality to be released to UAT as part of R14 due to last minute design changes.

➢ Continued analysis and evaluation of upload employer test files being received for consecutive pay periods.

➢ Continued testing of R14 functionality by Linea and StanCERA and reporting of PIRs to Tegrit.
Ongoing Project Contributions

- Facilitate weekly Project Manager’s meetings and create meeting minutes.
- Facilitate monthly Steering Committee Meetings and create meeting minutes.
- Participate in Tegrit work sessions, review meeting minutes, and compile resulting decision logs and action items.
- Regularly review action items for follow up and completion.
- Review and hold group review sessions for BSRD deliverables made by Tegrit (BSR044, BSR047).
- Track requirements, as discussed in work sessions and BSRDs, using the RTM and meet with StanCERA PM to update requirements confirmation.
- Manage and participate in system testing efforts, including review of test scripts, compiling of results, input of PIRs, and tracking of issue resolution.

Current PIR Summary

"Not Closed" PIRs Over Time

Distribution of "Not Closed" PIRs

Changes vs. Bugs in "Not Closed" PIRs
June 25, 2019
Retirement Board Agenda Item

TO: Retirement Board

FROM: Kellie Gomes, Executive Board Assistant

I. SUBJECT: Logo Ad Hoc Committee

II. ITEM NUMBER: 9.b

III. ITEM TYPE: Discussion and Action

IV. STAFF RECOMMENDATION: Form an Ad Hoc StanCERA Logo Committee to be comprised of staff and no less than two (2) trustees. The following trustees have volunteered to sit for this committee for 2019:

Mandip Dhillon
Michael O’Neal
Rhonda Biesemeier
Jeff Mangar

V. EXECUTIVE SUMMARY:

As part of the recent creation of StanCERA’s boardroom as well as design and implementation strategy for our new pension system which will include a new website design, it was decided that it is time to update StanCERA’s logo.

This committee will be responsible for selecting a vendor to update StanCERA’s logo as well as select the logo to replace the current logo being utilized in many areas of correspondence such as our letter head, brochures, website as well as displayed in our new boardroom.

The expectation is that the Committee will meet 3-4 times this year

VI. RISK: None

VII. STRATEGIC PLAN: Strategic Objective IV: Refine StanCERA’s business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently.

VIII. ADMINISTRATIVE BUDGET IMPACT: None

____________________
Kellie Gomes, Executive Board Assistant

____________________
Natalie Davis, Fiscal Services Manager

____________________
Rick Santos, Executive Director