AGENDA

BOARD OF RETIREMENT
County Center III, Learning Institute
917 Oakdale Rd, Modesto, CA 95355

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.

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.

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.

The location of the meeting will be at County Center III, Learning Institute 917 Oakdale Rd,, Modesto, CA 95355. This site is being utilized for some or all Trustees who will be attending in person and as many members of the public who can safely distance themselves due to the COVID-19 Pandemic. StanCERA’s offices are currently closed to public access. If you are turned away due to lack of safe distancing space a phone number will be provided for you to listen to the meeting.

StanCERA offers several ways for the public to participate in its meetings without attending a meeting in person. If you wish to make either a general public comment or to comment on a specific agenda item, please submit your comment (if your comment pertains to a specific agenda item, please include the agenda item number in the subject line) and submit your comment via email or fax prior to the meeting. Written comments regarding StanCERA’s agenda items can be submitted by 4:30 p.m. on the day before the board meetings via email to Gomesk@Stancera.org or via fax to 209-558-4976. Public comments of approximately 400 words or less submitted by email or fax by 4:30 p.m. the day before the meeting will be read during the StanCERA Board meeting in the public comment section of the agenda.

Pursuant to Government Code section 54954.3(a), Public Comment or public comment on an Agenda Item are limited to three (3) minutes (400 words or less). In compliance with the Americans with Disabilities Act, a person requiring an accommodation, auxiliary aid, or service to participate in this meeting should contact StanCERA at (209) 525-6393, as far in advance as possible but no later than 48 hours before the scheduled event. StanCERA will provide its best effort to fulfill the request. Agendas and Minutes are on our website at www.stancera.org.

1. Call Meeting to Order
2. Roll Call
3. Announcements
4. Public Comment
5. **Consent Items**
   
a. Approval of the May 26, 2020 Meeting Minutes  
   [View](#)
   
b. Information Technology Solutions (ITS) Project Update  
   [View](#)
   
c. Approval of Service Retirement(s) – Government Code Sections 31499.14, 31670, 31662.2 & 31810  
   1. Barajas, Veronica – DCSS – Effective 06-12-20  
   2. Gomes, John – COC Fire – Effective 06-14-20  
   3. Hicks, Donal – Public Works – Effective 06-22-20  
   4. Kimes, Lynelle – Probation – Effective 06-06-20  
   5. Kittel, Gail – Probation – Effective 06-13-20  
   6. Sevilla, Socorro – HSA – Effective 05-30-20  
   7. Sisco, Marnie – Superior Court – Effective 05-19-20
   
d. Approval of Deferred Retirement(s) – Government Code Section 31700  
   1. Campanur- Hall, Laura – CSA – Effective 03-09-20  
   2. Hayes, Karen – CSA – Effective 01-17-20  
   3. Plascencia, Everardo – ITC – Effective 02-14-20
   
e. Application for Service Connected Disability Benefit – Government Code Section 31724  
   1. Woodward, George – Police, Service-Connected, Effective 08-10-19 Corrected Date
   
f. Application of Death Benefit – Government Code Section 31781, 31781.1, 31781.3  
   1. Mitchell, Bruce – Sheriff – Non-Service Connected – Effective 05.19.20 – Active Member
   
g. Investment Matrix  
   Agenda Item  
   [View](#)
   
6. **Verus – Investment Consultant**
   
a. May Flash Report  
   [View](#)
7. Investment

None

8. Administrative

a. Update on StanCERA Business Operations

9. Committee Reports and Recommendations for Action

AD HOC COMMITTEES

a. Investment Consultant RFP Committee View

10. Closed Session

a. 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)

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)

c. Executive Director’s Annual Review Public Employment Government Code Section 54957(b)(1)(2)

d. Interview Investment Consultant for General Investment Consulting Services
   Government Code Section 54957(b)(4)

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

12. Adjournment
1. **Call Meeting to Order**

   Meeting called to order 1:33 p.m. by Trustee O’Neal, Chair

2. **Pledge of Allegiance**

   We will not be having the Pledge of Allegiance today due to the limitations of the conference call.

2. **Roll Call**

   **Trustees Present by Conference Call:**
   Darin Gharat, Mike Lynch, Donna Riley, Jeff Grover, Jeff Mangar, Mandip Dhillon and Rhonda Biesemeier, Alternate Retiree Representative

   **Trustees Present**
   Michael O’Neal and Jim DeMartini

   **Trustees Absent:** None

   **Staff Present:**
   Rick Santos, Executive Director
   Kellie Gomes, Executive Board Assistant
   Fred Silva, General Legal Counsel

   **Others Present by Conference Call:**
   Natalie Davis, Fiscal Services Manager
   Lisa Fraser, Benefits Manager
   Jamie Borba, Retirement Specialist
   Stan Conwell, Retirement Investment Officer
   Eileen Neil, Verus Investment Consultant

3. **Announcements**

   Trustee O’Neal had the following announcements:
   Pursuant to California Governor Gavin Newsom’s Executive Order M-29-20 The Board of Retirement (StanCERA) is authorized to hold public meeting via teleconference and to make public meetings accessible telephonically or otherwise electronically to all members of the public who wish to participate and to provide public comment to the local legislative body during the current health emergency.

   Due to the COVID-19 Pandemic, StanCERA’s offices are currently closed to public access. If you are joining the meeting today by teleconference as a member of the public your phone will be muted. If you would like to comment on an item today please email your comments to gomesk@stancera.org or fax them to 209 558-4976. Today’s agenda was posted with the same information and allowed for public comments to be sent ahead of today’s meeting as well. We will make every effort to read all comments received during our meeting today.

   Trustees Please Mute your Phones at this time. UnMute your phone when called upon you and re-mute when your done talking. If you would like to speak after roll-call please press 5* to alert the
moderator and unmute yourself after the Chairman calls on you. Due to the teleconference style of the meeting today we will take a roll call vote for all motion.

Kellie Gomes had the following announcement:
Due to StanCERA’s 2020 Chairman Trustee Sharpe transferring from his Safety position with the County he is no longer able to serve on our Board as a Trustee in the Safety seat. This has caused a change in our Chair and Vice Chair for the remainder of the year Pursuant to our Bylaws section 1.5 our new Chair is Trustee Michael O’Neal and our Vice Chair is Trustee Jeff Grover.

Stan Conwell announced the following:
On 3/20/20 StanCERA committed 15 Million to Insight Partners for Private Market allocation. The documents are available for review by request should any trustee want to review them.

Rick Santos announced the following:
Given the current situation with Covid 19 and the challenges that presents regarding education presentations we are going to postpone our purposed schedule of the asset allocation until after July. This will also allow us to finish our RFP for the Investment Consultant and have time to transition to a new consultant if the results of the RFP warrant.

Trustee Mangar provided an update on his status of the election for Judge for Stanislaus County Superior Court. Due to the Covid 19 the earliest he will be appointed is October 2020 and the latest will be January 2021.

4. Public Comment
None

5. Consent Items
   a. Approval of the April 23, 2020 Meeting Minutes
   b. Information Technology Solutions (ITS) Project Update
   c. Approval of Service Retirement(s) – Government Code Sections 31499.14, 31670, 31662.2 & 31810
      1. Brown, David – Sheriff – Effective 05-01-20 *
      2. Kimes, Lynelle – Probation – Effective 05-30-20 *
      3. Malone, Nathan – Sheriff – Effective 10-21-19 *
      4. Schiller, Christopher – Stan Regional 911 – Effective 05-30-20
      5. Tijerino, Maria – CSA – Effective 05-09-20
      7. Wells, Harry – Library – Effective 05-16-20
   d. Approval of Deferred Retirement(s) – Government Code Section 31700
      1. Hopkins, Brandi – Stan Regional 911 – Effective 01-17-20
      2. Lent, Aaron – DA – Effective 06-28-19
      3. Lopez, Miguel – CSA – Effective 05-16-20
      5. Rocha, Rocio – CSA – Effective 01-17-20
      7. Yamzon, Marlon – ER – Effective 01-17-20
      8. Yang, Nang – Workforce Development – Effective 03-06-20
e. Application for Service Connected Disability Benefit – Government Code Section 31724
   1. Woodward, George – Police, Service-Connected, Effective 09.04.19 *

f. Application of Death Benefit – Government Code Section 31781, 31781.1, 31781.3
   1. Beasley, Amaeo – BHRS – Non-Service Connected – Effective 04.25.20 – Active Member

g. Investment Matrix

h. Insight Liquidity Portfolio Benchmark Recommendation
   Motion was made by Trustee Donna Riley and seconded by Trustee Lynch to accept the consent items as presented.
   Roll call vote is as follows:
   Michael O'Neal Yes
   Darin Gharat Yes
   Donna Riley Yes
   Mandip Dhillon Yes
   Jeff Grover Yes
   Mike Lynch Yes
   Jim DeMartini Yes
   Jeff Mangar Yes
   Motion carried unanimously

6. Verus – Investment Consultant
   a. April Flash Report
   b. Risk Diversifying Sub-Portfolio Review

7. Investment
   a. Strategic Asset Allocation

8. Administrative
   a. Fiscal Year 2020-2021 Proposed Administrative Budget
   Motion was made by Trustee Dhillon and seconded by Trustee Lynch to accept the consent items as presented.
   Roll call vote is as follows:
   Michael O'Neal Yes
   Darin Gharat Yes
   Donna Riley Yes
   Mandip Dhillon Yes
   Jeff Grover Yes
   Mike Lynch Yes
   Jim DeMartini Yes
   Jeff Mangar Yes
   Motion carried unanimously

11. Members' Forum (Information and Future Agenda Requests Only) Heard Out of Order
   No future Items requested.
   Motion was made by Trustee Riley and seconded by Trustee Lynch to go into closed session at 2:42pm
Roll call vote is as follows:
Michael O'Neal    Yes
Darin Gharat     Yes
Donna Riley      Yes
Mandip Dhillon   Yes
Jeff Grover      Yes
Mike Lynch       Yes
Jim DeMartini   Yes
Jeff Mangar      Yes
Motion carried unanimously

10. Closed Session

a. 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)

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 54956.9(d)(4)

c. Executive Director's Annual Review Public Employment Government Code Section 54957(b)(1)(2)

Motion was made by Trustee Gharat and seconded by Trustee Mangar to go into open session at 2:47pm
Roll call vote is as follows:
Michael O'Neal    Yes
Darin Gharat     Yes
Donna Riley      Yes
Mandip Dhillon   Yes
Jeff Grover      Yes
Mike Lynch       Yes
Jim DeMartini   Yes
Jeff Mangar      Yes
Motion carried unanimously

Nothing to report from Closed session

12. Adjournment

Meeting adjourned at 2:49 p.m.

Respectfully submitted,

Rick Santos, Executive Director

APPROVED AS TO FORM

Fred Silva, GENERAL LEGAL COUNSEL
June 23, 2020
Retirement Board Agenda Item

TO: Retirement Board

FROM: Jamie Borba, Member and Employer Services Specialist

I. SUBJECT: Information Technology Solutions (ITS) Project

II. ITEM NUMBER: 5.b

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: None

V. ANALYSIS: Due to the timing of the COVID-19 pandemic, ensuring Tegrit has the time needed to convert data into Arrivos from Tyler and that StanCERA staff has the time to ensure the data is as clean as possible, the scheduled go-live date has been revised. The amended date will be September 14, 2020 and has been agreed to by both Tegrit and StanCERA. From StanCERA’s perspective, we believe this is a reasonable date to achieve. The Project Managers Team continues to meet twice a week to track the progress of incomplete items that are crucial for a seamless switch from Tyler to Arrivos.

Virtual training sessions were held with Superior Courts, Salida Sanitary District, and East Side Mosquito Abatement. During the training sessions the Plan Sponsors were provided education on the File Upload and Batch Upload Process for payroll. We are in the process of scheduling virtual training with Keyes Community Services.

Staff training continues to progress, working through real-life scenarios in the test environment.

VI. RISK: None

VII. STRATEGIC PLAN: Strategic Objective II: Successful implementation/completion of the Pension Administration System (PAS).

VIII. ADMINISTRATIVE BUDGET IMPACT: None

Jamie Borba, Member and Employer Services Specialist

Lisa Frazer, Member and Employer Services Manager

Rick Santos, Executive Director
**Baseline 12/01/2016**

**STATUS**

StanCERA, Linea Solutions, and Tegrit continue to work remotely due to the pandemic. Associated risks to project communication, coordination, and training are being continuously evaluated. The project team is making final considerations of a new go-live date. Project status remains green because project work continues, albeit with different arrangements.

Risk levels (low/medium/high) of known project risks continue to be evaluated by the project team, particularly resource availability and employee training.

Additional risks currently of concern for go-live:
- StanCERA Resource Allocation/Availability
- Employer Reporting Transmittal Files
- Resources for Testing
- Sufficient Staff Training

**Accomplishments:**

- StanCERA continued parallel periodic and lump sum payroll testing.
- StanCERA staff continued work on scenario training activities, completing enrollment and reciprocity workflows.
- Meetings held with County personnel to refine employee status calculations and reporting.
- StanCERA conducted successful Arrivos Employer Reporting training for Salida Sanitary District.

**Upcoming:**

- Continued retesting of resolved PIRs and resolution of project action items.
- StanCERA to provide Arrivos Employer Reporting training to two remaining batch-copy employers.
- Ongoing staff training activities to progress from active member scenarios to retiree scenarios.
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.
- 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

![PIR Summary Charts]

- Distribution of "Not Closed" PIRs
  - Awaiting Triage: 62 (68%)
  - Open PIR: 20 (22%)
  - Ready to Verify: 9 (10%)

- Changes vs. Bugs in "Not Closed" PIRs
  - Changes: 40 (44%)
  - Bugs: 51 (56%)
June 23, 2020

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

I. SUBJECT: Investment Matrix

II. ITEM NUMBER: 5.g

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: N/A

V. ANALYSIS:

a) Investment Program Activities & Governance:

In June, investment staff transitioned back to a more normal investment governance framework given continued improvement in market volatility and liquidity. However, staff will continue to monitor market developments closely and return to enhanced oversight if needed. Staff also, began the annual update and review of liquidity sub-portfolio managed by Insight. Each year StanCERA’s projected cash shortfalls are updated using data from the most recent fiscal year and are provided to Insight to incorporate into their portfolio. Staff also continues to work on additional private market commitments.

The General Investment Consultant RFP is nearly complete. The selection committee met with finalists on June 1 and will be making a recommendation to the Board at the June, 23rd meeting. The RFP process, which began at the beginning of this year, involved a significant time commitment from the committee and staff would like to thank the Trustees on the committee for their hard work and dedication to the process.

b) Money Transfer Report:

No transfers to report for the month of May.

c) Manager Meeting Notes:

Morgan Stanley North Haven Infrastructure Partners II

Over the preceding months staff has been in contact with North Haven representatives and attended the virtual annual investor meeting. The Morgan Stanley North Haven Infrastructure Partners II fund (NHIP II) is a closed-ended private infrastructure fund with a global portfolio of assets. COVID-19 impacts were a point of focus in communications with NHIP II personnel and during the virtual annual meeting. At the meeting, the majority of the time was spent detailing each asset and the plans in place to manage the portfolio through the downturn. Generally speaking, Infrastructure as an asset class is relatively resilient during recessionary periods given their mission critical nature and high cash yields. However, some portfolio assets are in market sectors, like energy, with greater sensitivity to the disruptions caused by COVID-19. Staff will continue to monitor the fund as valuations from Q2 and Q3 begin to roll in.
d) **Trainings/Conferences:**
Staff attended the virtual Institutional Limited Partner’s Association member’s conference in early June. The conference was conducted virtually for the first time given the travel restrictions in place due to COVID-19 and was provided to all member’s free of charge. A lot of material was covered, but the workshop regarding portfolio construction during a time of crisis provided some interesting takeaways. Looking at data from the last crisis in 2008/2009 indicates the best vintage years over the last 15 – 20 year period for private equity were 2009 and 2010. This suggests that capital allocated during a recession are more likely to outperform the pre-crisis vintage years.

VI. **RISK:** None

VII. **STRATEGIC PLAN:** N/A

VIII. **ADMINISTRATIVE BUDGET IMPACT:** NONE

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Stan Conwell, Retirement Investment Officer
## Total Fund
### Flash Report (Net of Fees) - Preliminary

**Period Ending: May 31, 2020**

<table>
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<tr>
<th>Market Value</th>
<th>% of Portfolio</th>
<th>1 Mo</th>
<th>YTD</th>
<th>Fiscal YTD</th>
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<td>StanCERA Liquidity Blended BM</td>
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<td><strong>Cash</strong></td>
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<td>FTSE T-Bill 1 Month TR</td>
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<td>Russell 2000 Value</td>
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<td>Russell 3000</td>
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### Policy Index (5/31/2019):
- 14% Russell 1000
- 3% Russell 2000
- 6% Russell 3000 + 3%
- 23% MSCI ACWI ex-USA
- 19% BBgBarc US Gov’t/Credit 1-3 Yr
- 3% BBgBarc US Treasury 7-10 Yr
- 5% NCREIF Property
- 5% NCREIF Property +2%
- 2% CPI +5%
- 6% S&P/LSTA Leveraged Loan Index + 2%
- 13% 60% MSCI ACWI / 40% BBgBarc Global Aggregate
- 1% Citibank 1 Month T-Bills

All data is preliminary.

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Policy Index (5/31/2019): 14% Russell 1000, 3% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 19% BBgBarc US Gov’t/Credit 1-3 Yr, 3% BBgBarc US Treasury 7-10 Yr, 5% NCREIF Property, 5% NCREIF Property +2%, 2% CPI +5%, 6% S&P/LSTA Leveraged Loan Index + 2%, 13% 60% MSCI ACWI / 40% BBgBarc Global Aggregate, 1% Citibank 1 Month T-Bills. All data is preliminary.
### Total Fund Flash Report (Net of Fees) - Preliminary

**Period Ending: May 31, 2020**

**Liquidity Sub-Portfolio**

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<th>1 Mo</th>
<th>YTD</th>
<th>Fiscal YTD</th>
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**Growth Sub-Portfolio**

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<th>Market Value</th>
<th>1 Mo</th>
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</tr>
<tr>
<td>Int'l Developed</td>
<td>454,068,421</td>
<td>21.2</td>
<td>-1.0</td>
</tr>
<tr>
<td>Core Real Estate</td>
<td>135,238,693</td>
<td>6.3</td>
<td>-0.1</td>
</tr>
<tr>
<td>NCREIF Property Index</td>
<td>59,298,963</td>
<td>2.8</td>
<td>N/A</td>
</tr>
<tr>
<td>Prime Property Fund</td>
<td>17,595,109</td>
<td>0.8</td>
<td>-0.6</td>
</tr>
<tr>
<td>BlackRock US Real Estate</td>
<td>58,344,620</td>
<td>2.7</td>
<td>N/A</td>
</tr>
<tr>
<td>PGIM Real Estate US Debt Fund</td>
<td>10,186,918</td>
<td>4.7</td>
<td>N/A</td>
</tr>
<tr>
<td>BBgBarc CMBS IG TR USD</td>
<td>307,023,617</td>
<td>14.3</td>
<td>2.1</td>
</tr>
</tbody>
</table>

**Risk Parity**

<table>
<thead>
<tr>
<th>Market Value</th>
<th>1 Mo</th>
<th>YTD</th>
<th>Fiscal YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Treasury</td>
<td>69,707,721</td>
<td>3.3</td>
<td>-23.4</td>
</tr>
<tr>
<td>Short Term Gov't/Credit</td>
<td>186,488,626</td>
<td>8.7</td>
<td>-23.4</td>
</tr>
</tbody>
</table>

**Total**

<table>
<thead>
<tr>
<th>Market Value</th>
<th>1 Mo</th>
<th>YTD</th>
<th>Fiscal YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,141,874,142</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
## Total Fund
### Flash Report (Net of Fees) - Preliminary

**Period Ending: May 31, 2020**

<table>
<thead>
<tr>
<th>Sub-Portfolio</th>
<th>Current</th>
<th>Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liquidity Sub-Portfolio</strong></td>
<td>$226,718,661</td>
<td>10.6%</td>
</tr>
<tr>
<td>Cash</td>
<td>$17,250,151</td>
<td>0.8%</td>
</tr>
<tr>
<td>Short-Term Gov't/Credit</td>
<td>$209,468,510</td>
<td>9.8%</td>
</tr>
<tr>
<td><strong>Growth Sub-Portfolio</strong></td>
<td>$1,658,959,134</td>
<td>77.5%</td>
</tr>
<tr>
<td>US Large</td>
<td>$335,699,720</td>
<td>15.7%</td>
</tr>
<tr>
<td>US Small</td>
<td>$62,083,902</td>
<td>2.9%</td>
</tr>
<tr>
<td>Private Equity Proxy</td>
<td>$135,162,012</td>
<td>6.3%</td>
</tr>
<tr>
<td>Intl Developed</td>
<td>$454,086,421</td>
<td>21.2%</td>
</tr>
<tr>
<td>Core Real Estate</td>
<td>$135,238,693</td>
<td>6.3%</td>
</tr>
<tr>
<td>Value Add Real Estate</td>
<td>$101,666,918</td>
<td>4.7%</td>
</tr>
<tr>
<td>Risk Parity</td>
<td>$307,023,617</td>
<td>14.3%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$36,772,708</td>
<td>1.7%</td>
</tr>
<tr>
<td>Private Credit</td>
<td>$91,223,142</td>
<td>4.3%</td>
</tr>
<tr>
<td><strong>Risk-Diversifying Sub-Portfolio</strong></td>
<td>$256,196,347</td>
<td>12.0%</td>
</tr>
<tr>
<td>US Treasury</td>
<td>$69,707,721</td>
<td>3.3%</td>
</tr>
<tr>
<td>Short Term Gov't/Credit</td>
<td>$186,488,626</td>
<td>8.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,141,874,142</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

![Policy Index](image)

**Policy Index (5/31/2019):** 14% Russell 1000, 3% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 19% BBgBarc US Gov't/Credit 1-3 Yr, 3% BBgBarc US Treasury 7-10 Yr, 5% NCREIF Property, 5% NCREIF Property +2%, 2% CPI +5%, 6% S&P/LSTA Leveraged Loan Index +2%, 13% 60% MSCI ACWI / 40% BBgBarc Global Aggregate, 1% Citibank 1 Month T-Bills. All data is preliminary.
Blended Benchmark Compositions

- StanCERA Liquidity Blended BM (4/30/2020): 92% BBgBarc US Credit Int TR and 8% FTSE T-Bill 1 Month TR.

- StanCERA Growth Blended BM (8/31/2019): 18% Russell 1000, 4% Russell 2000, 8% Russell 3000 + 3%, 30% MSCI ACWI ex-US Gross, 6% NCREIF Property, 6% actual private Value Add Real Estate returns, 17% 60% MSCI ACWI/40% BBgBarc Global Aggregate, 3% actual Infrastructure returns, and 8% actual Private Credit returns.

- StanCERA Risk-Diversifying Blended BM (8/31/2019): 27% BBgBarc US Treasury 7-10 Yr. TR and 73% BBgBarc US Govt/Credit 1-3 Yr. TR.
June 23, 2020

Retirement Board Agenda Item

TO: Retirement Board

FROM: Trustee Jeff Grover, RFP Committee Chair for General Investment Services Consultant

I. SUBJECT: General Investment Consultant RFP Committee Recommendation

II. ITEM NUMBER: 9.a.

III. ITEM TYPE: Discussion and Action

IV. COMMITTEE RECOMMENDATION: Accept Committee’s recommendation to select NEPC as StanCERA’s general investment consultant pending successful contract negotiations.

V. ANALYSIS: The selection committee has been hard at work over the last several weeks evaluating RFP responses and conducting meetings with finalists to select a new investment consultant for StanCERA. On June 1, the committee interviewed three finalists. The interviews allowed the committee to assess each finalist’s presentation skills and to ask questions. The committee met again the following week to compare notes, review input from reference calls and to evaluate each finalist against the selection criteria. After thorough discussion, the committee selected NEPC and is recommending they serve as StanCERA’s general investment consultant.

The committee was impressed by NEPC’s stability as a firm as well as their experience working with public pension plans and other large institutional investors. NEPC is also a relatively well-staffed organization with deep research and manager selection capabilities. The committee resonated with NEPC’s proposed lead consultant’s communication skills and presentation style. The committee is satisfied with the outcome of the RFP process and is pleased to recommend a highly qualified candidate like NEPC for full Board approval. Annual fees incurred for this engagement shall be $295,000 with an annual escalator of 2%.

VI. RISK: None

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT: NEPC’s proposed fees are slightly lower than StanCERA’s current General Investment Consultant

Trustee Jeff Grover, RFP Committee Chair for General Investment Services Consultant