

AGENDA

BOARD OF RETIREMENT

Stanislaus County Chambers - Basement Level

1010 10th Street Modesto, CA 95354

July 30, 2020

1:30 p.m.

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.

Pursuant to California Governor Gavin Newsom's Executive Order N-29-20, The Board of Retirement ("StanCERA") is authorized to hold public meetings 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.

We are unable to safely distance ourselves due to the COVID-19 Pandemic guidelines in our own boardroom. StanCERA's offices are currently closed to public access. The location of the meeting will be moved to Stanislaus County Chambers - Basement Level 1010 10th Street Modesto, CA 95354. This site is being utilized for some or all Trustees and Staff who will be attending in person. The public will not be granted access to Board of Supervisors Chambers to attend StanCERA's meeting. If you wish to join the meeting by teleconference as a member of the public and listen to the meeting, then please dial in using your phone and call 209-689-0007 Access Code: 414752. 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

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. Pledge of Allegiance
3. Roll Call
4. Announcements
5. Public Comment
6. Consent Items
 - a. Approval of the June 23, 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. Boggs, Keith – CEO – Effective 07-01-20
 2. Bughi, Melody – Auditor Controller – Effective 07-18-20
 3. Calderon, Diana – HSA – Effective 07-15-20
 4. Coley, Jason – City of Ceres – Effective 07-11-20
 5. Fenton, Mary – City of Ceres – Effective 07-08-20
 6. Fischer, William – Public Works – Effective 07-10-20
 7. Goralka, Jean – BHRS – Effective 07-02-20
 8. Hernandez, Maria – HSA – Effective 06-19-20
 9. Johnson III, Louie – Sheriff – Effective 07-01-20
 10. Lee, Alden – CSA – Effective 07-08-20
 11. Mayreis, Michael – Library – Effective 07-19-20
 12. McManis, Joann – HSA – Effective 06-27-20
 13. Ownbey, Monty – Sheriff – Effective 07-01-20
 14. Rangel, Maria – CSA – Effective 06-27-20
 15. Rodriguez, Kristi – CSA – Effective 07-02-20
 16. Scott, Phillip – Public Works – Effective 07-01-20
 17. Waitiki, Lincoln – BHRS – Effective 07-03-20
 - d. Approval of Deferred Retirement(s) – Government Code Section 31700
 1. Ely, Joshua – City of Ceres – Effective 06-01-20
 2. Engert, Crystal – GSA – Effective 06-25-20
 3. Slentz, Matthew – Public Defender – Effective 04-24-20
 4. Wells, Toby – City of Ceres – Effective 04-06-20
 - e. Application of Death Benefit – Government Code Section 31781, 31781.1, 31781.3
 1. Lazarra, Jane – HSA – Non-Service Connected – Effective 06.26.20 – Active Member
 - f. Investment Matrix
Agenda Item [View](#)

- g. Auxiliary Investment Report as of March 31, 2020
 - 1. AB2833 Auxiliary Report
Agenda Item [View](#) Attachment 1 [View](#)
 - 2. Investment Fee Summary, Value Added and Cash Flow Reports
Agenda Item [View](#) Attachment 1 [View](#)
- h. 2020 Executive Director Goals Update - Quarter 2
Agenda Item [View](#) Attachment 1 [View](#)
- 7. NEPC – Investment Consultant
 - a. Initial Workplan [View](#)
 - b. June Flash Report [View](#)
- 8. Investment

None
- 9. Administrative
 - a. Quarterly Staff Update
- 10. Committee Reports and Recommendations for Action
 - a. Due Diligence Committee Report [View](#)
- 11. 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)
- 12. Members’ Forum (Information and Future Agenda Requests Only)
- 13. Adjournment

BOARD OF RETIREMENT MINUTES
June 23, 20201. Call Meeting to Order

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

2. Pledge of Allegiance3. Roll Call**Trustees Present:**

Darin Gharat, Mike Lynch, Donna Riley, Jeff Grover, Jeff Mangar, Michael O'Neal, Jim DeMartini, Mandip Dhillon and Rhonda Biesemeier, Alternate Retiree Representative

Trustees Absent: None

Staff Present:

Rick Santos, Executive Director
Stan Conwell, Retirement Investment Officer
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
Eileen Neil, Verus Investment Consultant

4. Announcements

Trustee O'Neal had the following announcements:

Due to the COVID-19 Pandemic, StanCERA's offices are currently closed to public access. We are meeting today at County Center III to accommodate 6ft spacing for this meeting. 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.

5. Public Comment

None

6. Consent Items

- a. Approval of the May 26, 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. 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

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

Motion carried unanimously

7. Verus – Investment Consultant

- a. May Flash Report

8. Investment

- a. None

9. Administrative

- a. Update on StanCERA Business Operations

Rick Santos, Director gave a favorable update on business operations and response to the COVID pandemic.

10. Committee Reports and Recommendations for Action

AD HOC COMMITTEES

- a. Investment Consultant RFP Committee

Motion was made by Trustee Gharat and seconded by Trustee Riley to accept the RFP Committee's recommendation to select NEPC as StanCERA's general investment consultant pending successful contract negotiations.

11. 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:
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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)

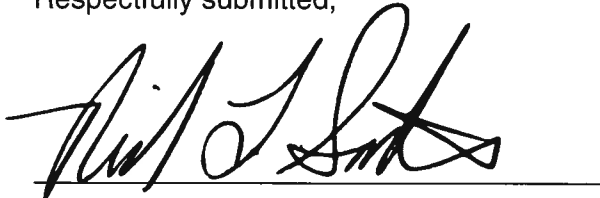
12. Members' Forum (Information and Future Agenda Requests Only)

No future Items requested.

13. Adjournment

Meeting adjourned at 2:15 p.m.

Respectfully submitted,



Rick Santos, Executive

APPROVED AS TO FORM
Fred Silva, GENERAL LEGAL COUNSEL

By: 

Fred Silva, General Legal Counsel

July 30, 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: 6.b

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: None

V. ANALYSIS: The Pension Administration System (PAS) Project continues to move forward. The testing and sign-off has been completed on the Release 20 migration. We are currently working on the testing of the Release 21 migration.

Staff is currently reviewing two (2) Business and Systems Requirement Documents (BSRD's) for Disability Application Workflow and Member Portal – Personal Contact.

The last virtual training session was held with Keyes Community District. During the training sessions the Plan Sponsors were provided education on the Batch Upload Process for payroll.

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

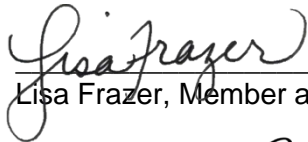
VI. RISK: None

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

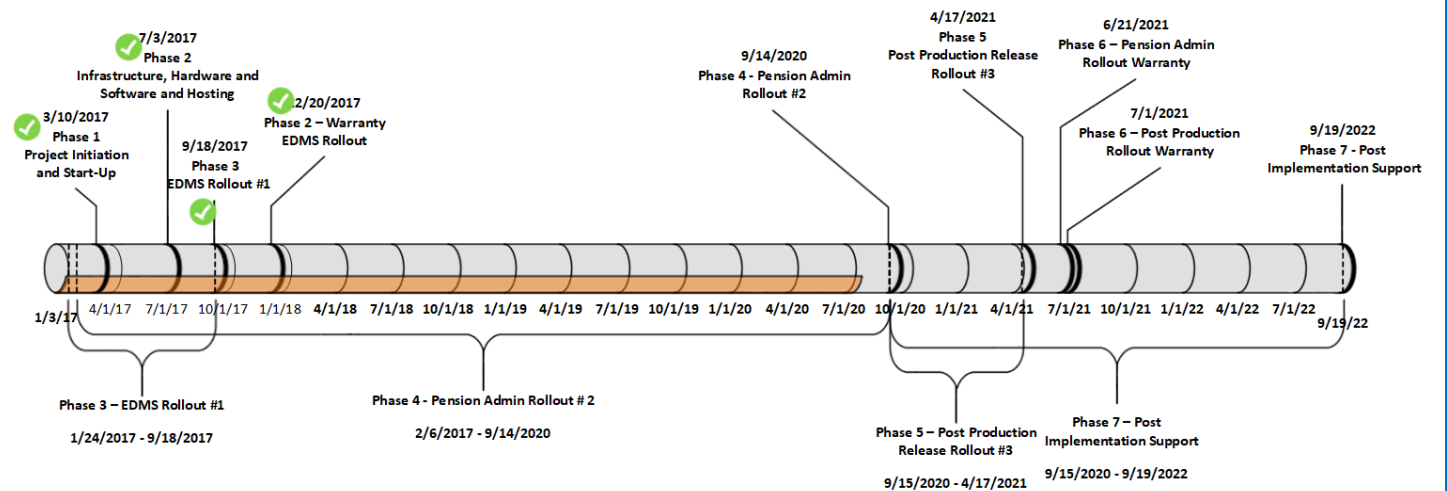


Rick Santos, Executive Director

PAS IMPLEMENTATION LINEA BI-WEEKLY STATUS UPDATE



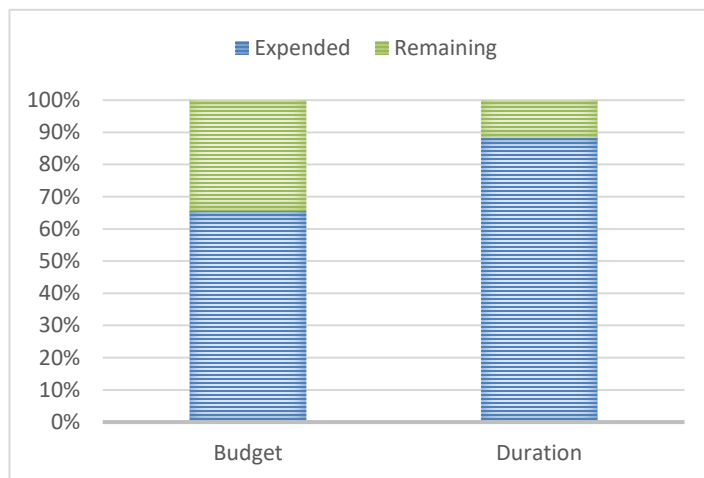
SPONSOR: Rick Santos **REPORT DATE:** 07-10-2020



Baseline 12/01/2016

STATUS

Risks & Issues:



Linea Budget as of 05/31/2020

StanCERA, Linea Solutions, and Tegrit continue to work remotely due to the pandemic and have successfully adapted their work methods. The project team has selected a new go-live date of September 14, 2020 and go-live will be conducted remotely. Project status remains green during go-live preparations and development of new functionality.

Risks to project communication and coordination are low as teams have adapted to remote work. Other known project risks continue to be evaluated by the project team, including:

- Staff Training / Operational Readiness
- Employer Reporting Transmittal Files
- Logistics of Remote Go-Live

Accomplishments:

Upcoming:

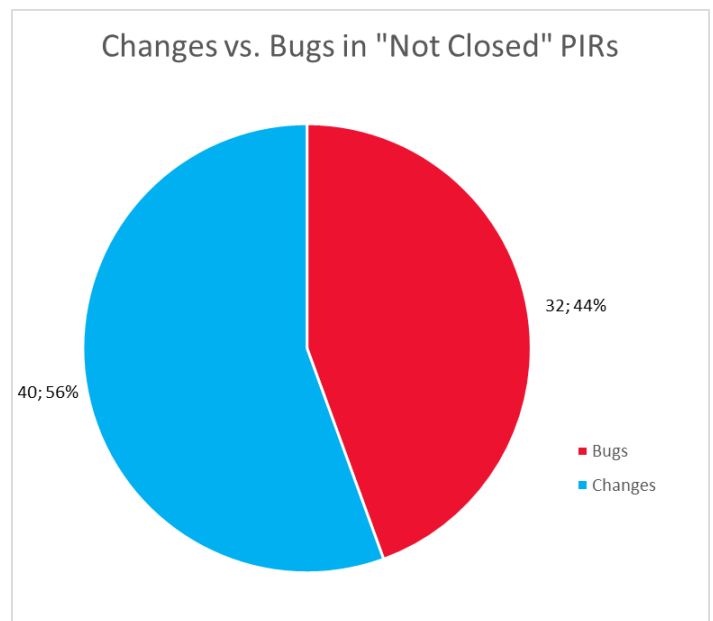
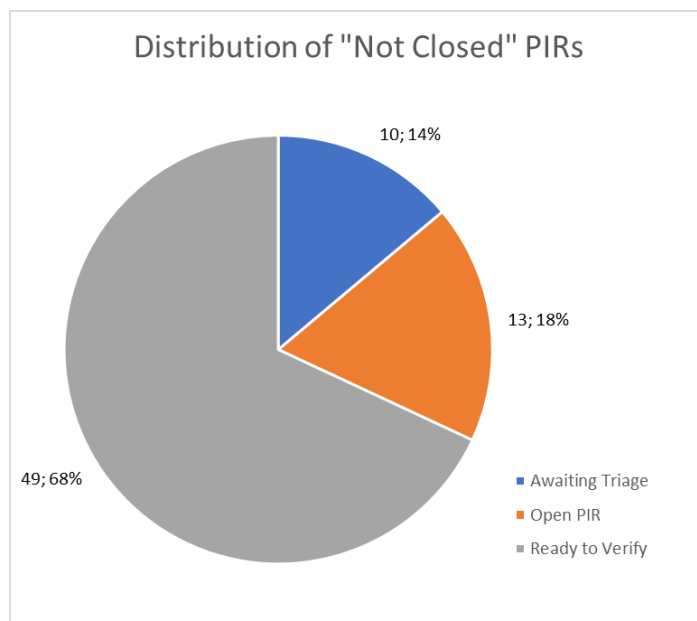
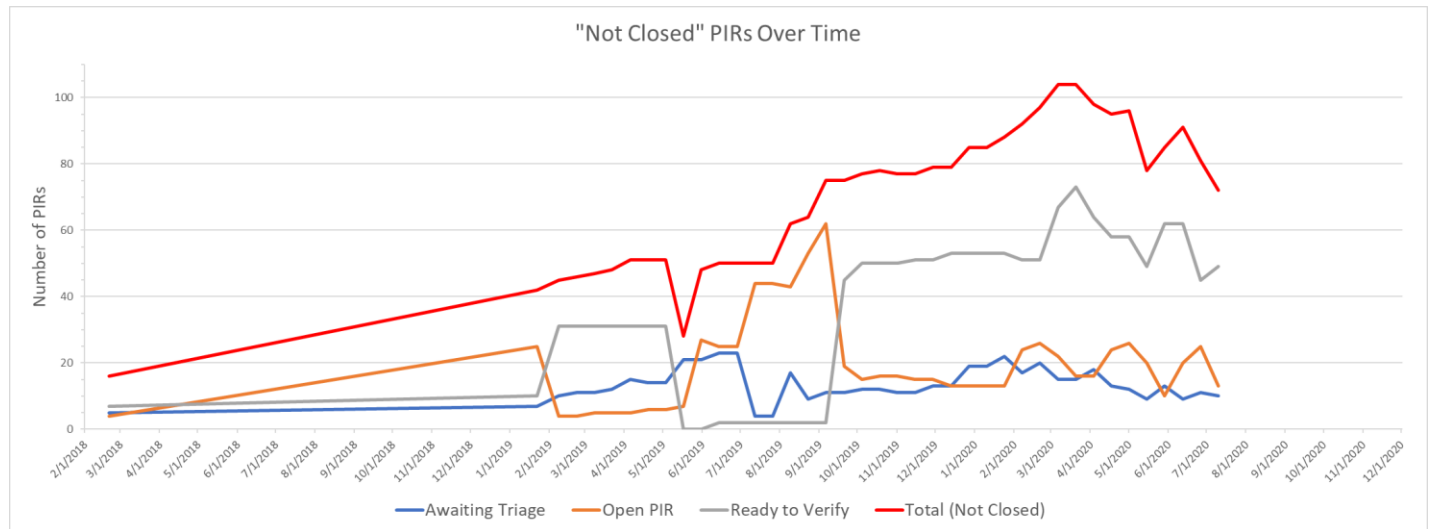
- StanCERA staff continued work on scenario training activities, completing additional enrollment and reciprocity workflows.
- StanCERA conducted successful Arrivos Employer Reporting training for Keyes Community Services District, thus completing employer reporting training.
- Tegrit made UAT release R21 and significant progress was made by StanCERA and Linea in testing included functionality

- StanCERA to complete testing of R21 functionality, continue retesting resolved PIRs, and resolve remaining project action items.
- Ongoing staff training activities to progress from active member scenarios to retiree scenarios.
- Project team to begin final evaluation of go-live functionality and processes to assess preparedness.
- StanCERA to plan and hold "Arrivos dress rehearsal" for staff to assess and improve preparedness.

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 (BSR076, BSR080).
- 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



July 30, 2020

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

- I. SUBJECT: Investment Matrix
- II. ITEM NUMBER: 6.f
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: N/A
- V. ANALYSIS:

a) *Investment Program Activities & Governance:*

With the investment consultant RFP now complete, StanCERA staff are now focusing on transitioning between consultants. Some of the first steps include transferring historical performance data, authorizing access for NEPC with all our managers and setting up a datalink with StanCERA's custodial bank for future performance data. The process also involves establishing communication channels and clear delineation of reporting responsibilities between NEPC, our general investment consultant and Verus who will continue on as our specialty private markets consultant. Other recent activities include the annual due diligence meetings, finishing the yearly liquidity sub-portfolio update and various investment manager webinars and update meetings.

b) *Money Transfer Report:*

No transfers to report for the month of June.

c) *Manager Meeting Notes:*

Dodge & Cox

Staff set up a meeting with Dodge & Cox in June for a discussion with a couple portfolio managers and other associates for an account update and review of the portfolio. Dodge & Cox runs a large cap public equity account with a value style for StanCERA. StanCERA's relationship with Dodge & Cox dates back to the 1960s and is one of the longest lasting client relationships at Dodge & Cox. Due to COVID-19, Dodge & Cox is operating through a work-from-home model and has experienced no material impact to their investment processes or ability to provide services. StanCERA's current investment policy was reviewed during the call and potential minor changes to the portfolio guidelines that are more reflective of the current investment policy were also discussed. The remainder of the meeting was spent discussing the current market backdrop, the underperformance of value stocks relative to growth stocks, recent portfolio changes, and market outlooks by sector.

Blackrock

The meeting with Blackrock was set up as an introductory call with the new relationship associates on StanCERA's account. The prior lead relationship manager will be retiring soon. BlackRock is one of the big three index managers in the market and manages two passive index strategies in StanCERA's portfolio. The Russell 3000 index fund and a public REIT index fund. As a large global firm, BlackRock is active in many different markets including alternative investments. Staff will be working with Blackrock on accessing the research and resources available to clients to provide some insight and perspective on the private markets asset class.

d) *Trainings/Conferences:*

None

- VI. RISK: None
- VII. STRATEGIC PLAN: N/A
- VIII. ADMINISTRATIVE BUDGET IMPACT: NONE



Stan Conwell, Retirement Investment Officer

July 30, 2020

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

- I. SUBJECT: AB2833 Auxiliary Report
- II. ITEM NUMBER: 6.g.1
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: N/A
- V. ANALYSIS:

Attachment 1 contains information regarding StanCERA's alternative type investments. In StanCERA's context, "alternative" type investments are defined as the private credit, infrastructure and private real estate asset classes. This information is required to be published at least annually and is a result of Assembly Bill 2833 that went into effect January 1, 2017. The bill requires various information mostly related to performance, cash flows and their classification. Internal staff has been producing most of this information since October of 2014 and enhance and update the report periodically to respond to changing investment program and reporting requirements.

The report presents information about individual funds including general fund information, performance measures, fund balance reconciliation, performance decomposition, and fund expense information. A visual exhibit is also provided for each fund that describes the changes in the investment's fund value over the past 8 periods. With this information, one can quickly see recent trends in the general partner's performance and its attribution.

In addition, the report presents performance and expense information for funds grouped by asset class. Provided in this report are the real estate, private credit and alternative type program grouping. The alternative type program includes the private credit, infrastructure, and private real estate asset classes.

This report is as of March 31, 2020, which is the most recent quarter with complete data on the alternative type managers. While valuations in private markets generally lag those in public markets, there was some impacts from the COVID-19 disruption recorded at the end of the first quarter with a number of managers. White Oak reported an increase in unrealized losses largely driven by COVID-19 impacts. The fund has an overweight to the energy sector which contributed to the volatility in portfolio valuations.

Below are the metrics and their definitions used in the report:

- Performance measures
 - **Net internal rate of return (IRR)** – The return on the investment since inception after fees. This measure includes all cash flows into and out of the investment, their timing and the ending fund value as of the measurement

- date. This measure is generally the most accurate, however, is highly dependent on the ending fund value as approximated by the general partner.
- **Realization multiple or distributions to paid-in-capital (DPI)** – This is a measure of the cash received by StanCERA relative to cash contributed. For instance, if this measure is \$0.75, then for every dollar StanCERA has contributed, it has received back 75 cents.
 - **Residual value to paid-in-capital multiple (RVPI)** – This is a measure of the current fund value relative to cash contributed. For instance, if this measure is \$0.50, then for every dollar StanCERA has contributed, it holds an investment dollar valued at 50 cents. Like IRR, this measure is highly dependent on the ending fund value approximated by the general partner.
 - **Investment multiple or total value to paid-in-capital (TVPI)** – This measure is simply the sum of the DPI and RVPI and is a widely quoted number in the investment world in a general sense.
- Return decomposition – The return decomposition allows the investor to see the decomposition of the net internal rate of return from the following sources:
 - **Return from income and cash flow** – Generally, this is the return from interest, principal maturation and the timing of the cash flows from the investment. If this number is relatively high, then it can be said that the general partner is generating a good portion of its returns from income and the timely return of contributions to the investor
 - **Return from expenses** – This is the drag on return from expenses incurred by the fund. If this number is relatively high, then the return on investment is lower because of the high expense ratio
 - **Return from gain/loss** – This is the return due to gains and losses on the actual investments since purchase. This number is the sum of both realized and unrealized gains and losses. If this number is relatively high, then it can be considered that the general partner has made good investment choices
 - **Interaction effect** – This is the return due to the interaction between all of the sources mentioned above. In other words, the return from the other sources are not completely independent of one another
 - Expense matrix – This is simply all the expenses/fees broken out by all sources reported to StanCERA by the general partner

- VI. RISK: None
- VII. STRATEGIC PLAN: N/A
- VIII. ADMINISTRATIVE BUDGET IMPACT: NONE



Stan Conwell, Retirement Investment Officer

Fund Information

Manager Name:	North Haven Infrastructure II GP LP
Analysis Date:	3/31/2020
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2020
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:	\$26,085,377
Total Commitment Unfunded:	\$23,914,623
Fund Balance:	\$37,952,980

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	11.08%
Investment Multiple (TVPI):	\$1.20
Realization Multiple (DPI):	\$0.57
Residual Value to Paid in Multiple (RVPI):	\$0.63
Paid in Capital Multiple (PIC):	52.2%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$59,802,318
Distributions	-\$34,007,937
Expenses	-\$4,659,341
Income	\$3,000,646
Gain/(Loss)	<u>\$14,512,980</u>
Ending Fund Balance	\$38,648,666

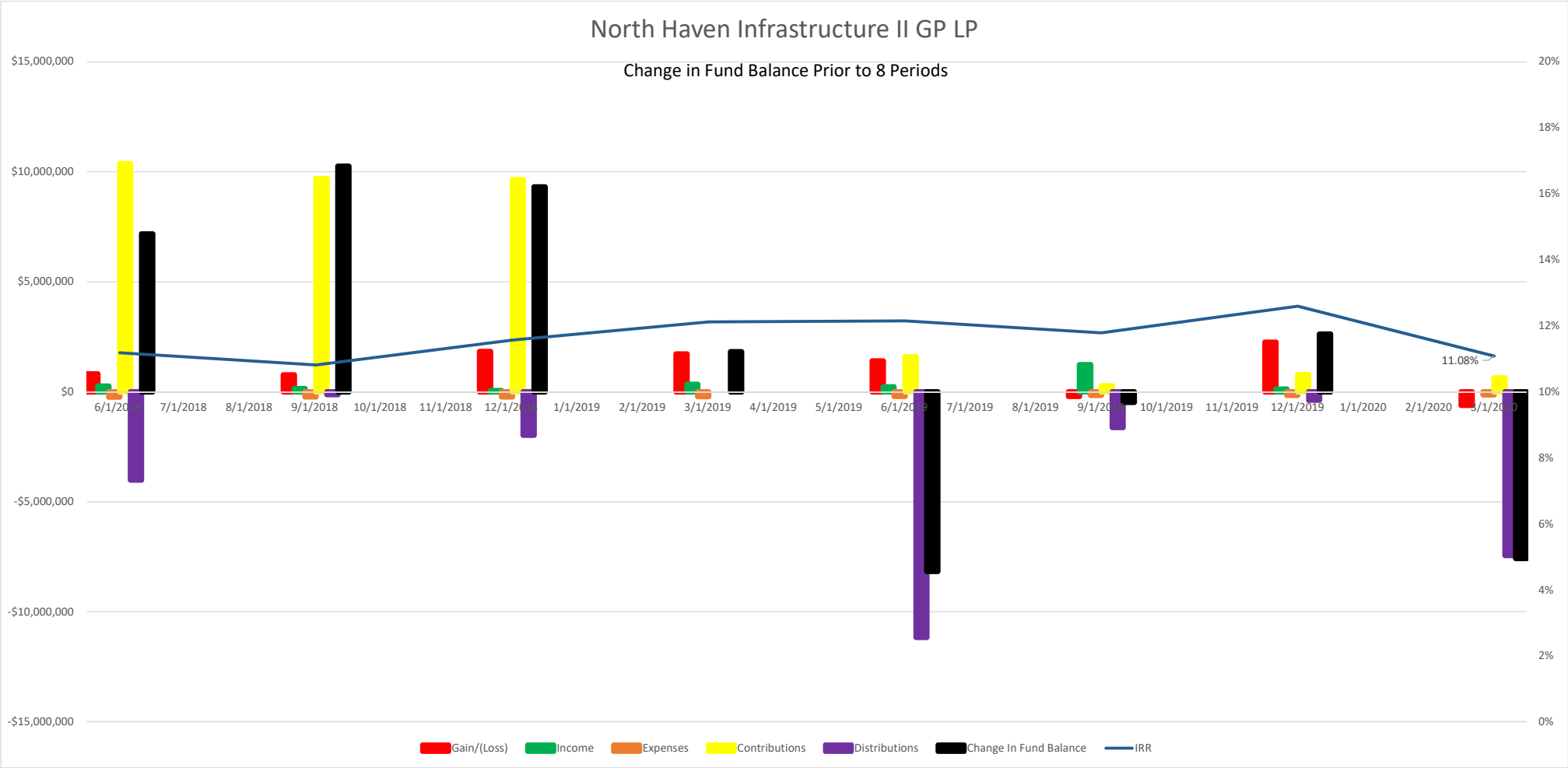
Internal Rate of Return Decomposition

Return from Income and Cash Flow	2.87%
Return from Expenses	-3.37%
Return from Gain/Loss	12.78%
Interaction/Timing Effect:	<u>-1.19%</u>
Net IRR Since Inception:	11.08%

Expense Matrix

Management Fee	\$3,672,852
Organizational Expense	\$52,991
Syndication Costs	\$65,354
Professional Fee	\$84,162
General/Administrative Expense	\$317,844
Broken Deal Expense	\$267,706
Interest Expense	<u>\$198,432</u>
Total	\$4,659,341

* Performance and return measures have not been reviewed, calculated or verified by the general partner or any of its affiliates



Fund Information

Manager Name:	American Realty Advisors Fund
Analysis Date:	3/31/2020
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2020
Manager Investment Style:	Value Added Real Estate
Fund Vintage Year:	2009
StanCERA Investment Start Date:	12/15/2014
Initial Commitment:	\$30,000,000
Additional Commitments:	\$28,000,000
Total Commitment Funded:	\$58,000,000
Total Commitment Unfunded:	\$0
Fund Balance:	\$68,466,731

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	9.62%
Investment Multiple (TVPI):	\$1.22
Realization Multiple (DPI):	\$0.04
Residual Value to Paid in Multiple (RVPI):	\$1.18
Paid in Capital Multiple (PIC):	100.0%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$58,000,000
Distributions	-\$2,031,680
Expenses	-\$2,007,421
Income	\$6,484,336
Gain/(Loss)	<u>\$8,021,496</u>
Ending Fund Balance	\$68,466,731

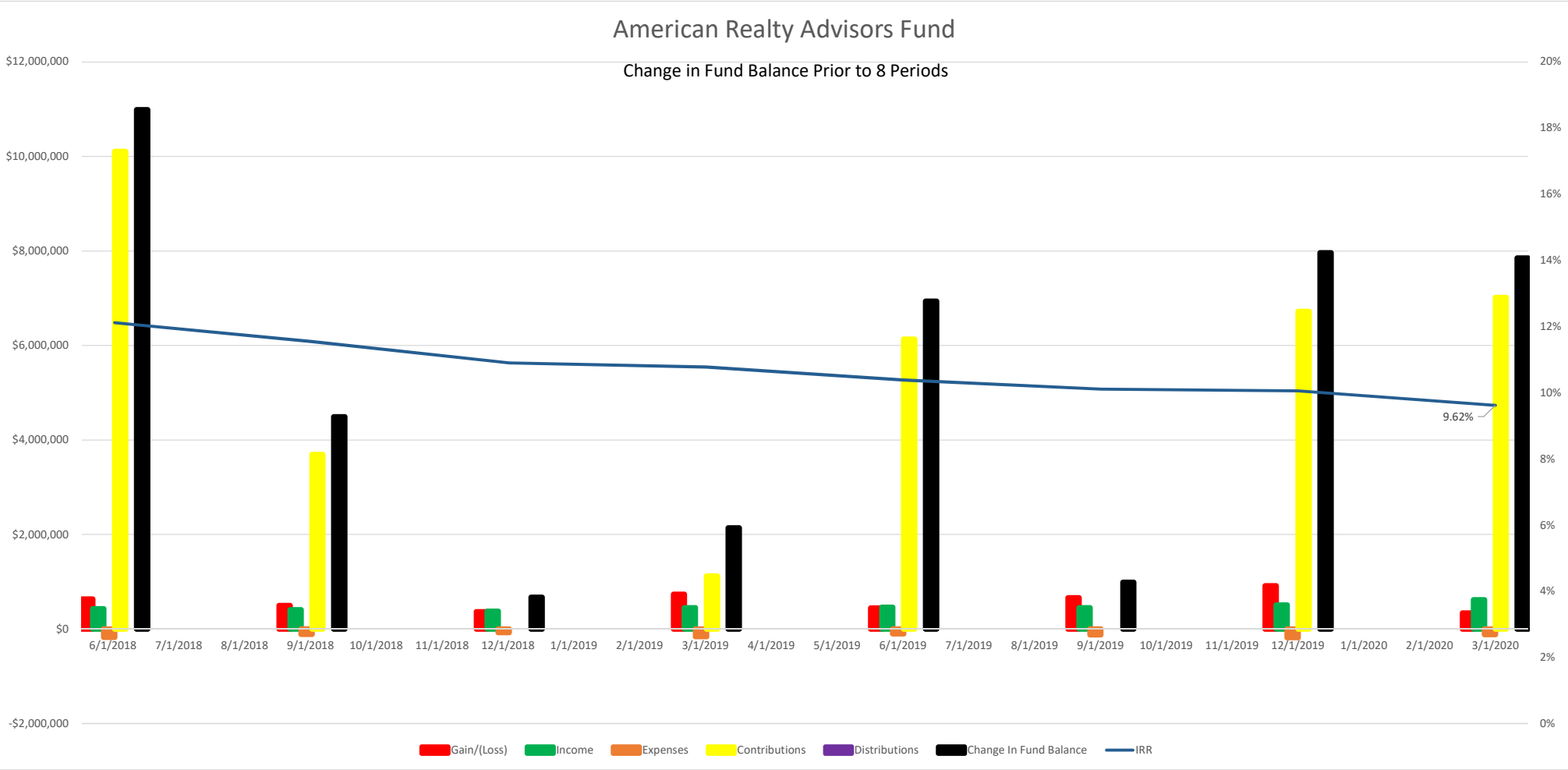
Internal Rate of Return Decomposition

Return from Income and Cash Flow	5.27%
Return from Expenses	-1.36%
Return from Gain/Loss	5.91%
Interaction/Timing Effect:	<u>-0.20%</u>
Net IRR Since Inception:	9.62%

Expense Matrix

Management Fee	\$1,721,161
Incentive Allocation	\$286,205
Offering Costs	<u>\$54</u>
Total	\$2,007,421

* Performance and return measures have not been reviewed, calculated or verified by the general partner or any of its affiliates



Fund Information

Manager Name:	Morgan Stanley Prime Property Fund, L.L.C
Analysis Date:	3/31/2020
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2020
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:	\$59,298,963

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	7.14%
Investment Multiple (TVPI):	\$1.19
Realization Multiple (DPI):	\$0.00
Residual Value to Paid in Multiple (RVPI):	\$1.19
Paid in Capital Multiple (PIC):	100.0%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$50,000,000
Distributions	\$0
Expenses	-\$1,531,249
Income	\$5,286,780
Gain/(Loss)	<u>\$5,543,433</u>
Ending Fund Balance	\$59,298,964

Internal Rate of Return Decomposition

Return from Income and Cash Flow	4.19%
Return from Expenses	-1.08%
Return from Gain/Loss	4.12%
Interaction/Timing Effect:	<u>-0.10%</u>
Net IRR Since Inception:	7.14%

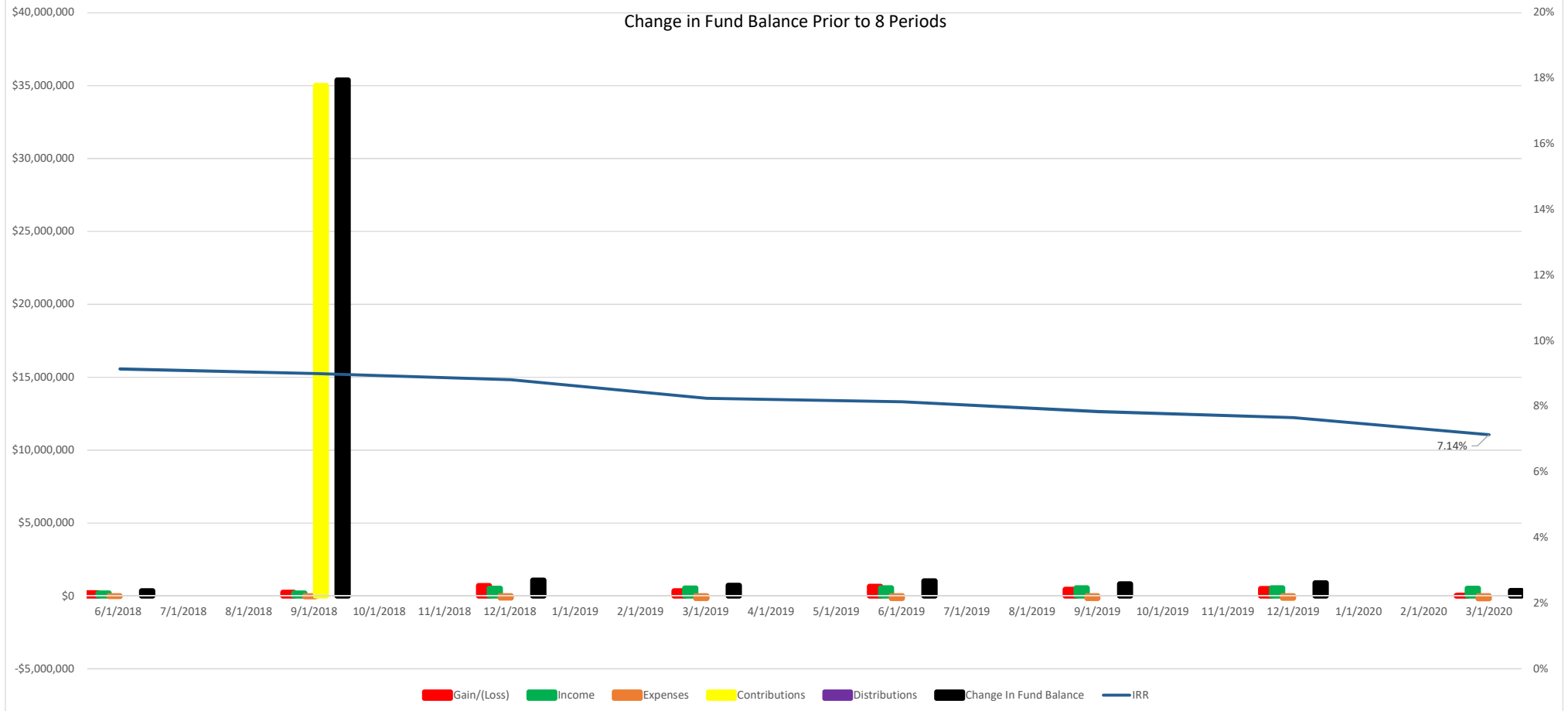
Expense Matrix

Management Fee	\$1,144,826
Incentive Allocation	<u>\$386,423</u>
Total	\$1,531,249

* Performance and return measures have not been reviewed, calculated or verified by the general partner or any of its affiliates

Morgan Stanley Prime Property Fund, L.L.C

Change in Fund Balance Prior to 8 Periods



Fund Information

Manager Name:	Greenfield GAP VII Management Fund, L.L.C
Analysis Date:	3/31/2020
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2020
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:	\$9,194,476
Total Commitment Unfunded:	\$5,805,524
Fund Balance:	\$10,206,286

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	12.59%
Investment Multiple (TVPI):	\$1.43
Realization Multiple (DPI):	\$0.86
Residual Value to Paid in Multiple (RVPI):	\$0.57
Paid in Capital Multiple (PIC):	61.3%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$18,013,692
Distributions	-\$15,491,481
Expenses	-\$2,417,421
Income	\$2,514,709
Gain/(Loss)	<u>\$7,586,787</u>
Ending Fund Balance	\$10,206,286

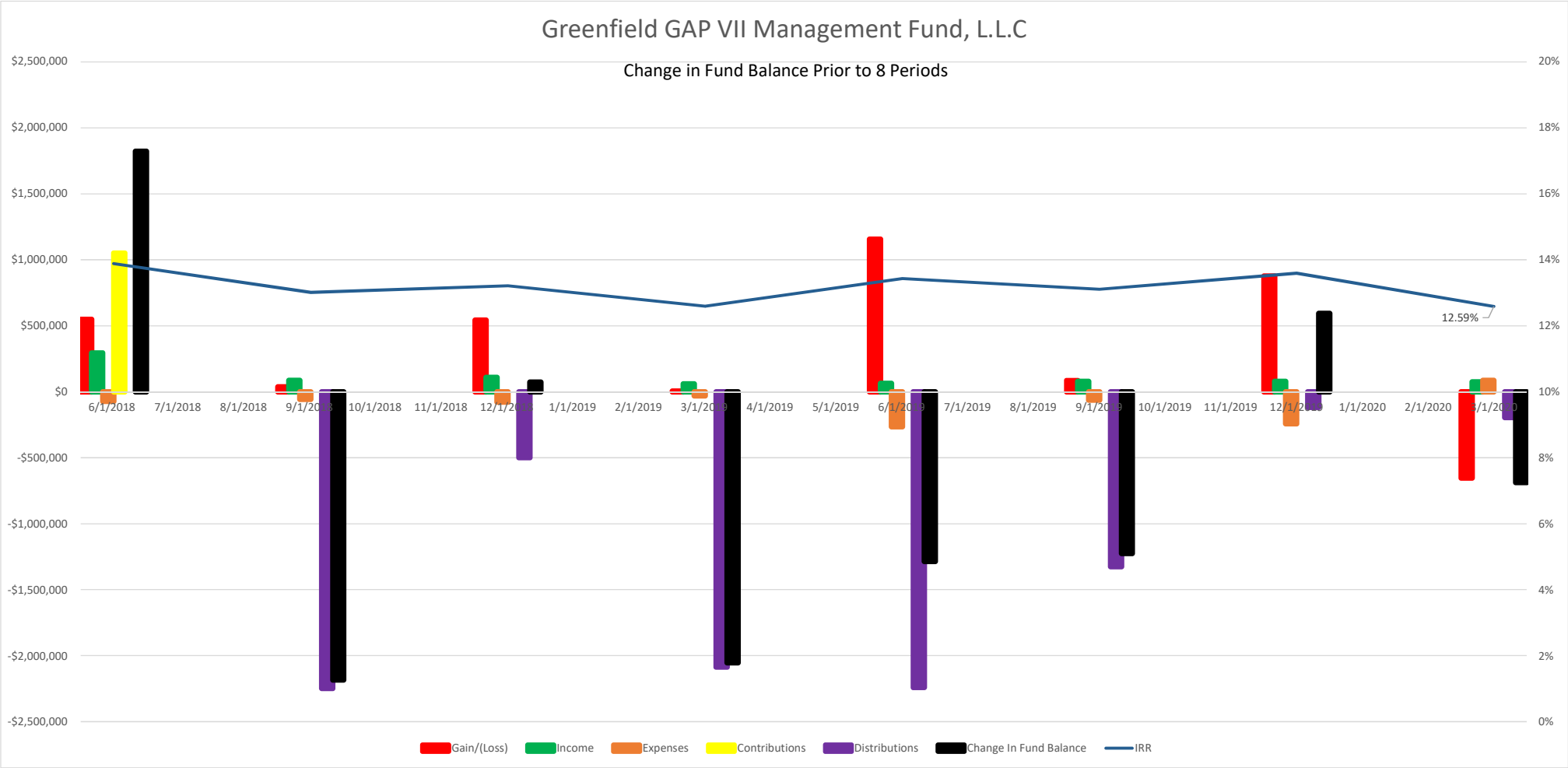
Internal Rate of Return Decomposition

Return from Income and Cash Flow	5.16%
Return from Expenses	-2.79%
Return from Gain/Loss	12.04%
Interaction/Timing Effect:	<u>-1.82%</u>
Net IRR Since Inception:	12.59%

Expense Matrix

Management Fee	\$1,396,735
Partnership Operations	\$95,217
Incentive Allocation	\$922,600
Interest Expense	<u>\$2,869</u>
Total	\$2,417,421

* Performance and return measures have not been reviewed, calculated or verified by the general partner or any of its affiliates



Fund Information

Manager Name	Grandview Partners I-A, L.P.
Former Manager Name:	Greenfield Acquisition Partners VIII, L.P.
Analysis Date:	3/31/2020
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2020
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:	\$18,366,208
Total Commitment Unfunded:	\$21,633,792
Fund Balance:	\$23,013,901

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	22.05%
Investment Multiple (TVPI):	\$1.30
Realization Multiple (DPI):	\$0.10
Residual Value to Paid in Multiple (RVPI):	\$1.20
Paid in Capital Multiple (PIC):	45.9%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$19,130,897
Distributions	-\$1,939,034
Expenses	-\$3,106,266
Income	\$665,546
Gain/(Loss)	<u>\$8,262,758</u>
Ending Fund Balance	\$23,013,901

Internal Rate of Return Decomposition

Return from Income and Cash Flow	2.39%
Return from Expenses	-11.07%
Return from Gain/Loss	32.47%
Interaction/Timing Effect:	<u>-1.73%</u>
Net IRR Since Inception:	22.05%

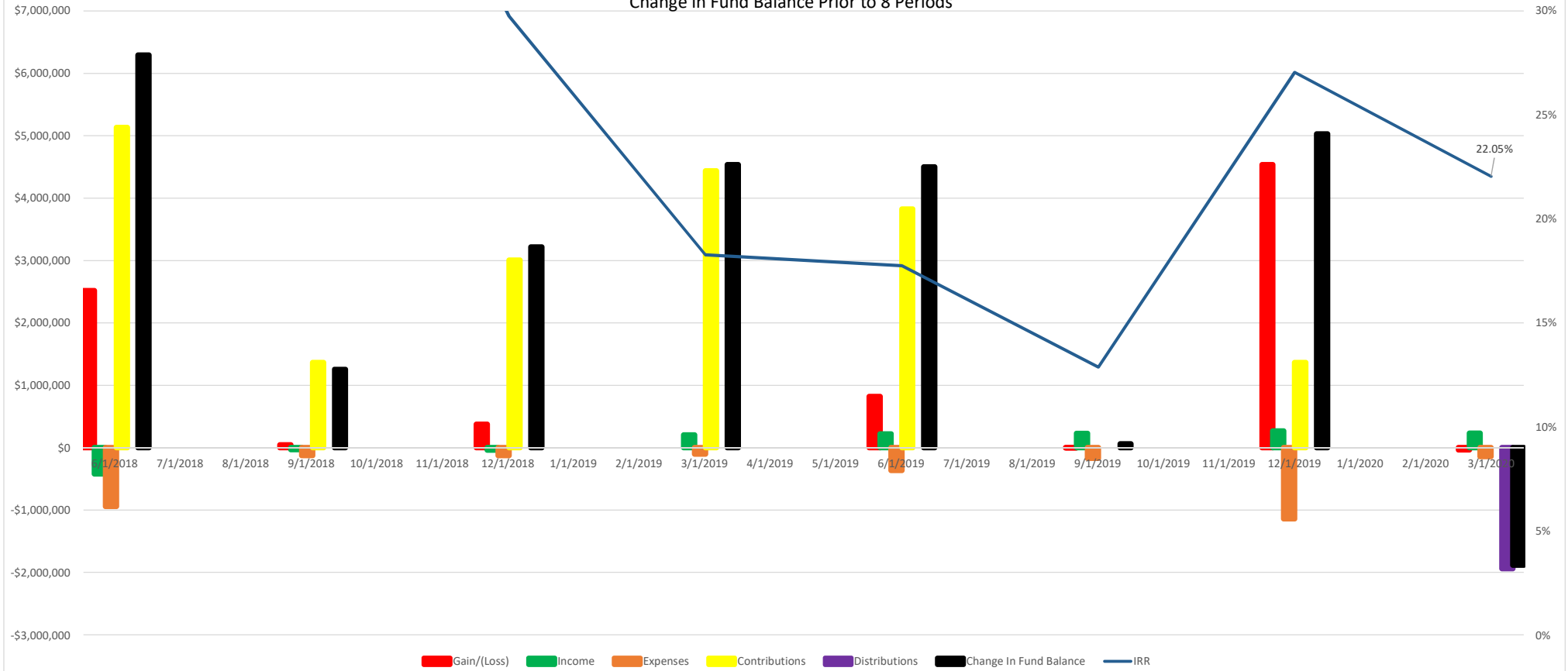
Expense Matrix

Management Fee	\$1,816,434
Partnership Operations	\$126,499
Incentive Allocation	\$823,206
Professional Fee	\$20,386
Interest Expense	<u>\$319,741</u>
Total	\$3,106,266

* Performance and return measures have not been reviewed, calculated or verified

Grandview Partners I-A Formerly Greenfield Acquisition Partners VIII

Change in Fund Balance Prior to 8 Periods



Fund Information

Manager Name:	Raven Asset-Based Opportunity Fund I L.P.
Analysis Date:	3/31/2020
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2020
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:	\$7,805,701

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	-3.56%
Investment Multiple (TVPI):	\$0.91
Realization Multiple (DPI):	\$0.68
Residual Value to Paid in Multiple (RVPI):	\$0.23
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	-\$5,365,230
Income	\$13,046,984
Gain/(Loss)	<u>-\$10,798,826</u>
Ending Fund Balance	\$7,805,700

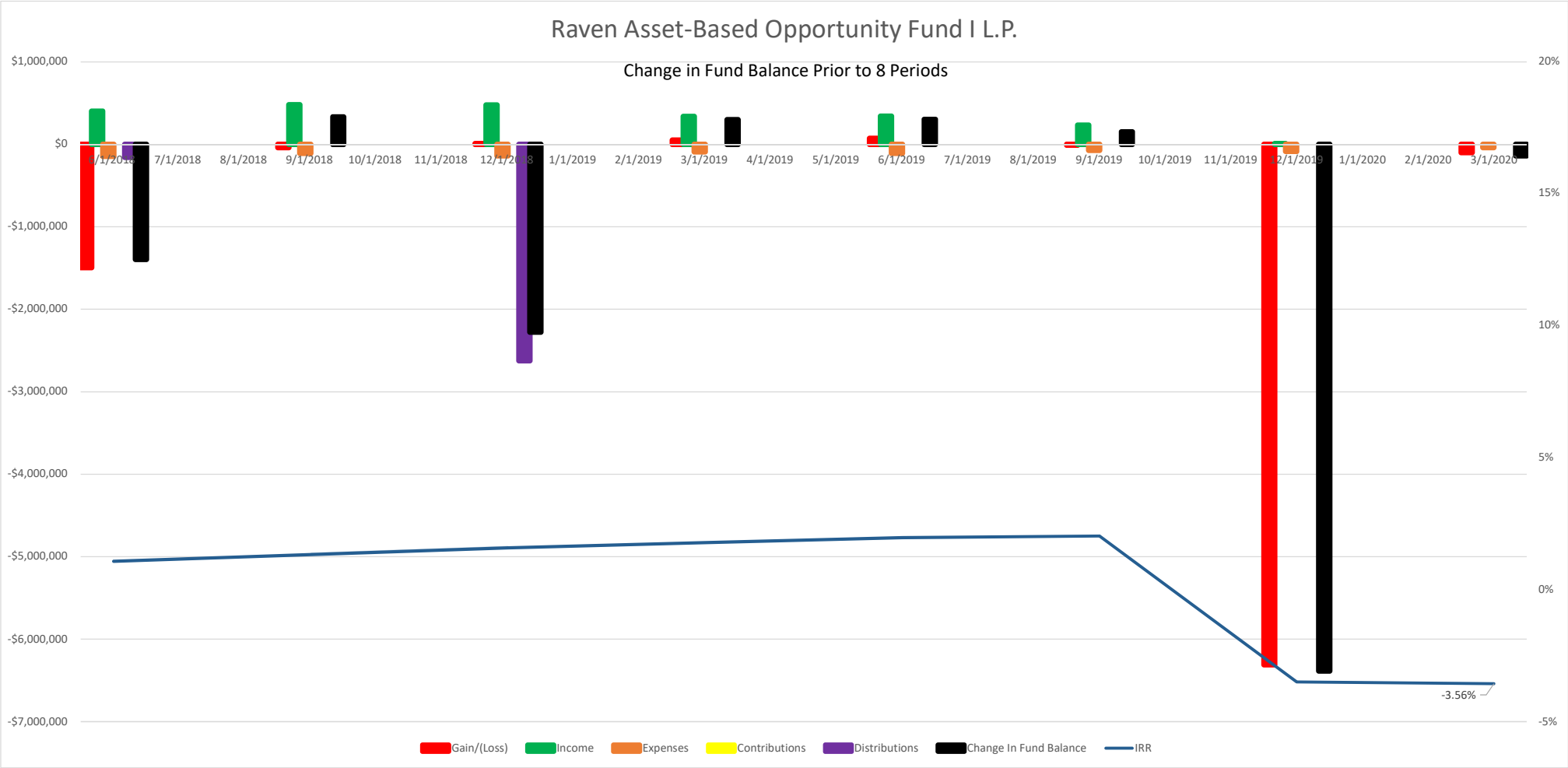
Internal Rate of Return Decomposition

Return from Income and Cash Flow	7.59%
Return from Expenses	-4.65%
Return from Gain/Loss	-8.25%
Interaction/Timing Effect:	<u>1.75%</u>
Net IRR Since Inception:	-3.56%

Expense Matrix

Management Fee	\$3,376,509
Organizational Expense	\$92,275
Service Fee	\$339,601
Professional Fee	<u>\$1,556,845</u>
Total	\$5,365,230

* Performance and return measures have not been reviewed, calculated or verified by the general partner or any of its affiliates



Fund Information

Manager Name:	Raven Asset-Based Opportunity Fund III L.P.
Analysis Date:	3/31/2020
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2020
Manager Investment Style:	Private Credit
Fund Vintage Year:	2015
StanCERA Investment Start Date:	7/6/2015
Initial Commitment:	\$15,000,000
Additional Commitments:	\$49,231,798
Total Commitment Funded:	\$45,833,264
Total Commitment Unfunded:	\$18,398,533
Fund Balance:	\$45,093,444

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	6.52%
Investment Multiple (TVPI):	\$1.14
Realization Multiple (DPI):	\$0.28
Residual Value to Paid in Multiple (RVPI):	\$0.86
Paid in Capital Multiple (PIC):	71.4%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$52,729,892
Distributions	-\$14,926,304
Expenses	-\$5,415,873
Income	\$9,086,945
Gain/(Loss)	<u>\$3,618,782</u>
Ending Fund Balance	\$45,093,443

Internal Rate of Return Decomposition

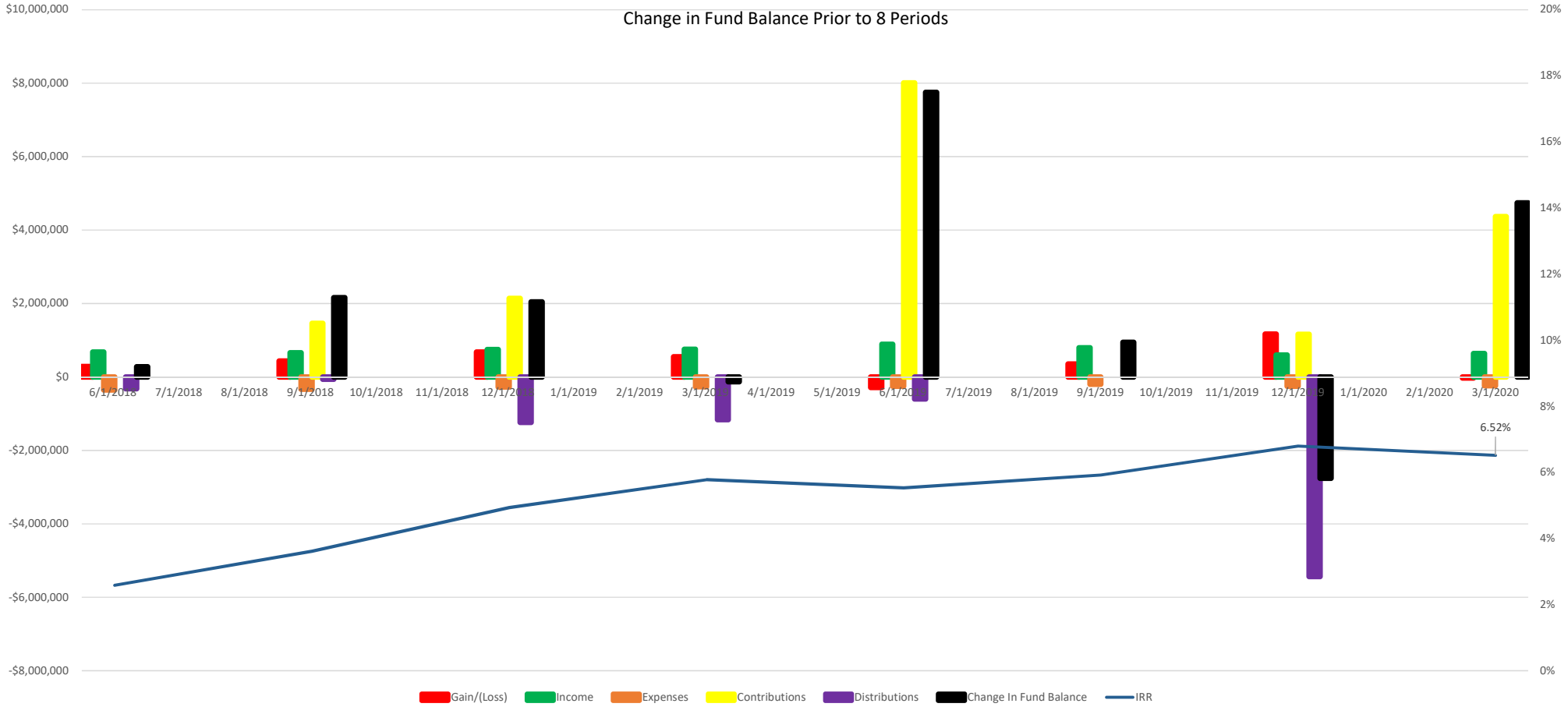
Return from Income and Cash Flow	7.99%
Return from Expenses	-4.30%
Return from Gain/Loss	3.12%
Interaction/Timing Effect:	<u>-0.29%</u>
Net IRR Since Inception:	6.52%

Expense Matrix

Management Fee	\$3,810,596
Partnership Operations	\$102,856
Organizational Expense	\$81,755
Professional Fee	<u>\$1,420,666</u>
Total	\$5,415,873

* Performance and return measures have not been reviewed, calculated or verified by the general partner or any of its affiliates

Raven Asset-Based Opportunity Fund III L.P.



Fund Information

Manager Name:	White Oak Pinnacle Fund L.P.
Analysis Date:	3/31/2020
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2020
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:	\$22,892,476

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	5.47%
Investment Multiple (TVPI):	\$1.21
Realization Multiple (DPI):	\$0.79
Residual Value to Paid in Multiple (RVPI):	\$0.42
Paid in Capital Multiple (PIC):	81.9%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$55,047,161
Distributions	-\$43,683,941
Expenses	-\$3,215,641
Income	\$21,770,739
Gain/(Loss)	<u>-\$7,025,842</u>
Ending Fund Balance	\$22,892,476

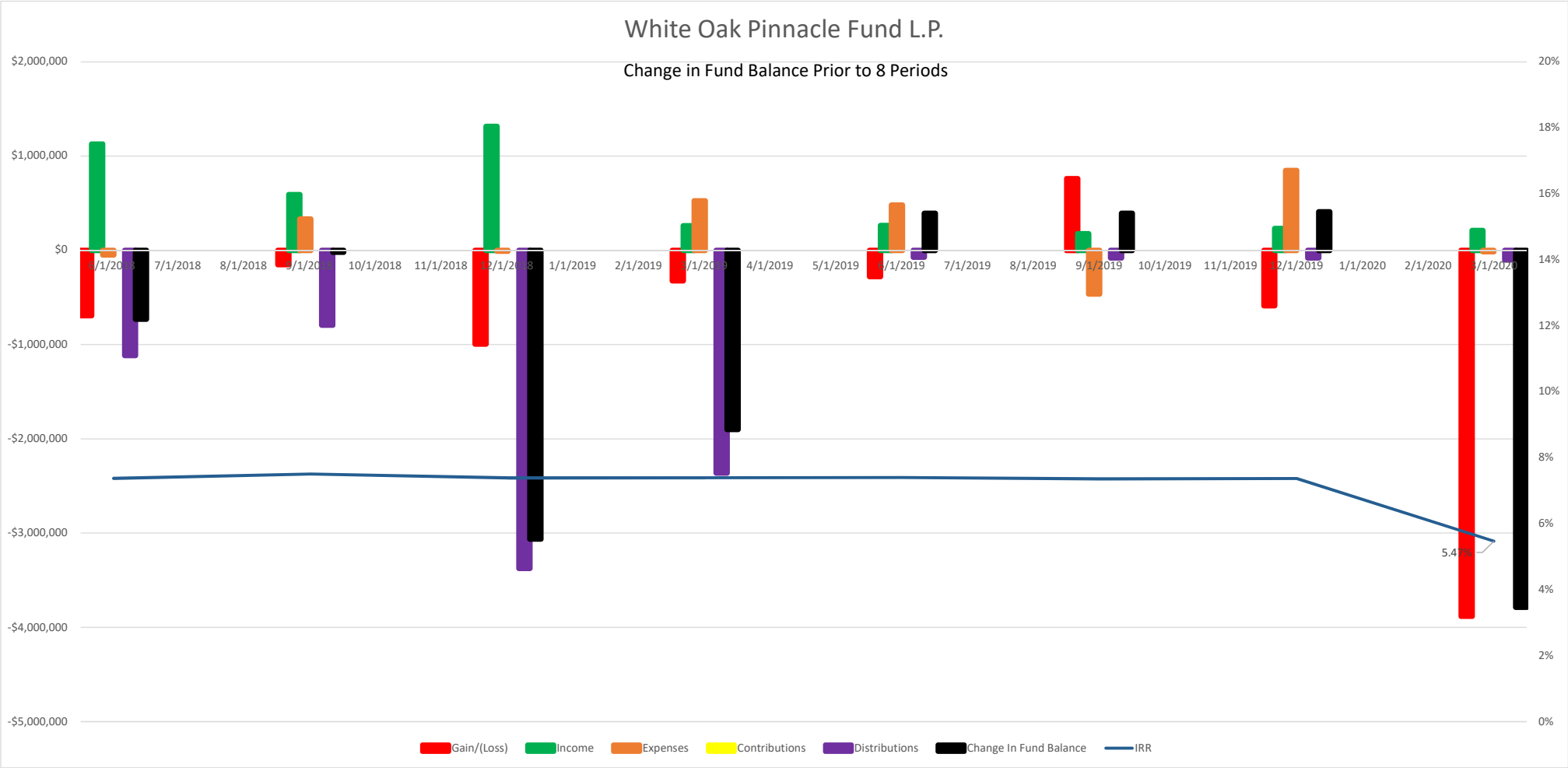
Internal Rate of Return Decomposition

Return from Income and Cash Flow	9.83%
Return from Expenses	-1.48%
Return from Gain/Loss	-3.10%
Interaction/Timing Effect:	<u>0.22%</u>
Net IRR Since Inception:	5.47%

Expense Matrix

Management Fee	\$4,238,580
Incentive Allocation	\$0
Other Expense	\$92,437
Management Fee Reimbursement	-\$1,611,862
General/Administrative Expense	<u>\$496,487</u>
Total	\$3,215,641

* Performance and return measures have not been reviewed, calculated or verified by the general partner or any of its affiliates



Fund Information

Manager Name:	Medley Opportunity Fund II L.P.
Analysis Date:	3/31/2020
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2020
Manager Investment Style:	Private Credit
Fund Vintage Year:	2011
StanCERA Investment Start Date:	5/16/2013
Initial Commitment:	\$30,000,000
Additional Commitments:	\$2,998,641
Total Commitment Funded:	\$26,584,661
Total Commitment Unfunded:	\$6,413,980
Fund Balance:	\$9,571,704

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	-1.12%
Investment Multiple (TVPI):	\$1.10
Realization Multiple (DPI):	\$0.79
Residual Value to Paid in Multiple (RVPI):	\$0.31
Paid in Capital Multiple (PIC):	80.6%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$31,086,716
Distributions	-\$24,492,888
Expenses	-\$3,637,197
Income	\$17,471,793
Gain/(Loss)	<u>-\$10,856,721</u>
Ending Fund Balance	\$9,571,703

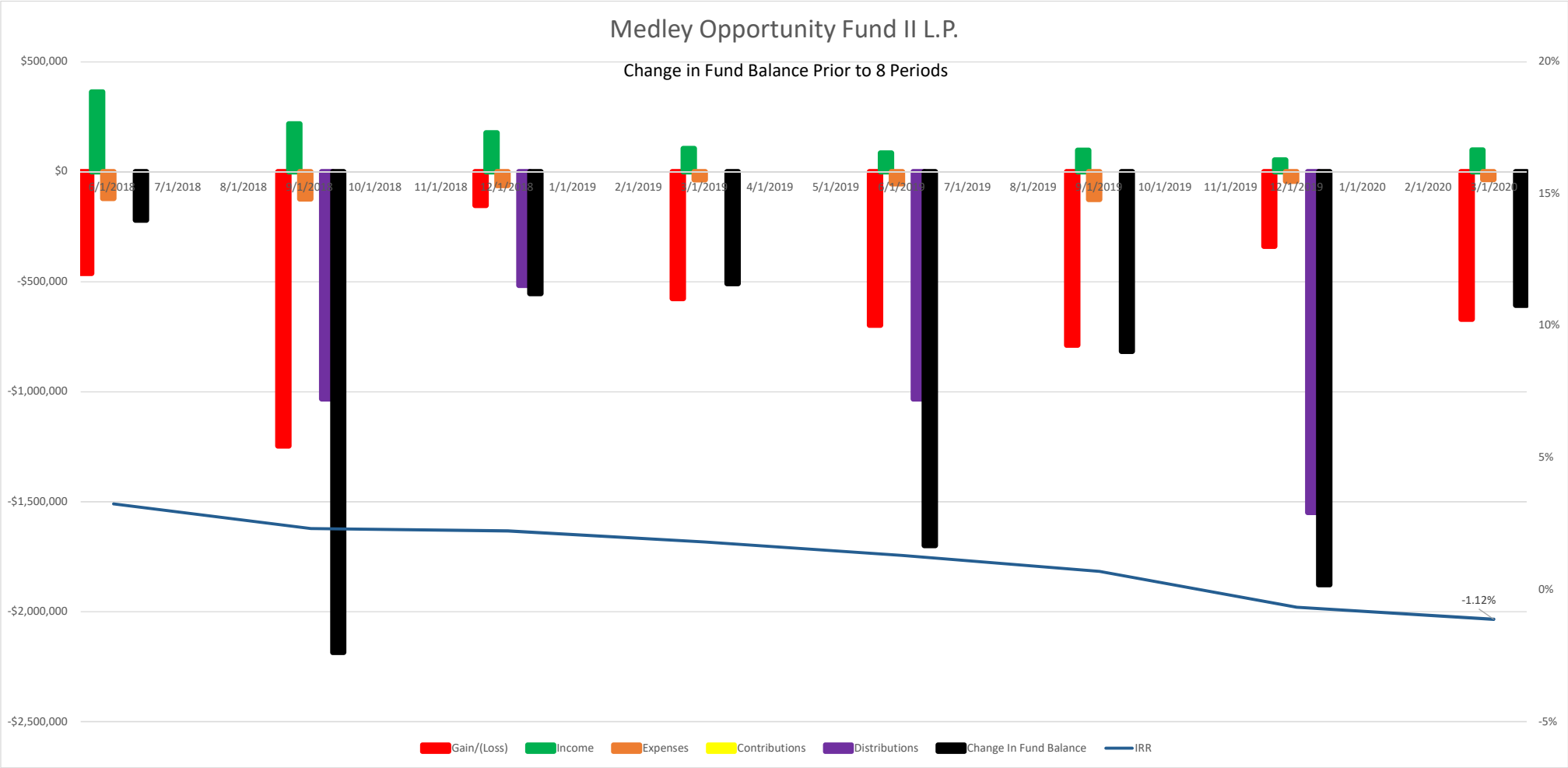
Internal Rate of Return Decomposition

Return from Income and Cash Flow	7.31%
Return from Expenses	-2.60%
Return from Gain/Loss	-6.71%
Interaction/Timing Effect:	<u>0.87%</u>
Net IRR Since Inception:	-1.12%

Expense Matrix

Management Fee	\$2,498,572
Partnership Operations	\$1,138,626
Incentive Allocation	<u>-\$1</u>
Total	\$3,637,197

* Performance and return measures have not been reviewed, calculated or verified by the general partner or any of its affiliates



Alternative Type Program Performance

Analysis Date:	3/31/2020	Expense Matrix Since Inception		
Program Name:	Alternative Type	Expense Type	Expense	% of Total
Program Inception Date:	5/16/2013	Management Fee	\$24,447,947	69.9%
Total Commitment:	\$454,230,438	Partnership Operations	\$1,531,146	4.7%
Unfunded Commitment as of Analysis Date:	\$81,331,526	Organizational Expense	\$227,021	0.7%
% Funded as of Analysis Date:	82.09%	Incentive Allocation	\$2,418,433	7.4%
Program Fund Balance:	\$347,155,606	Offering Costs	\$54	0.0%
		Service Fee	\$339,601	1.0%
		Syndication Costs	\$65,354	0.2%
		Professional Fee	\$3,082,059	9.4%
		Other Expense	\$92,437	0.3%
		Management Fee Reimbursement	-\$1,611,862	-
		General/Administrative Expense	\$814,331	2.5%
		Broken Deal Expense	\$267,706	0.8%
		Interest Expense	\$880,814	2.7%
		Custody Fee	\$107,402	0.3%
		Dividend Expense	\$0	0.0%
		Performance Fee	\$0	0.0%
		Total	\$32,662,443	100.0%
Performance Measures				
Net IRR Since Inception:	5.65%			
Realization Multiple (DPI):	\$0.34			
Residual Value to Paid in Multiple (RVPI):	\$0.74			
Investment Multiple (TVPI):	\$1.08			
Net IRR Decomposition				
Return from Income & Cash Flow:	6.81%			
Return from Expenses:	-2.61%			
Return from Gain/Loss:	1.32%			
Interaction Effect:	0.14%			
Net IRR Since Inception:	5.65%			

Real Estate Program Performance

Analysis Date:	3/31/2020	Expense Matrix Since Inception		
Program Name:	Real Estate	<u>Expense Type</u>	<u>Expense</u>	<u>% of Total</u>
Program Inception Date:	7/8/2014	Management Fee	\$10,361,822	72.0%
Total Commitment:	\$267,000,000	Partnership Operations	\$221,716	1.5%
Unfunded Commitment as of Analysis Date:	\$51,353,939	Organizational Expense	\$52,991	0.4%
% Funded as of Analysis Date:	80.77%	Incentive Allocation	\$2,418,434	16.8%
Program Fund Balance:	\$257,283,481	Offering Costs	\$54	0.0%
		Service Fee	\$0	0.0%
		Syndication Costs	\$65,354	0.5%
		Professional Fee	\$104,548	0.7%
		Other Expense	\$0	0.0%
		Management Fee Reimbursement	\$0	-
		General/Administrative Expense	\$317,844	2.2%
		Broken Deal Expense	\$267,706	1.9%
		Interest Expense	\$521,042	3.6%
		Custody Fee	\$53,542	0.4%
		Dividend Expense	\$0	0.0%
		Performance Fee	\$0	0.0%
		Total	\$14,385,054	100.0%
Performance Measures				
Net IRR Since Inception:	9.78%			
Realization Multiple (DPI):	\$0.20			
Residual Value to Paid in Multiple (RVPI):	\$0.94			
Investment Multiple (TVPI):	\$1.14			
Net IRR Decomposition				
Return from Income & Cash Flow:	4.63%			
Return from Expenses:	-2.77%			
Return from Gain/Loss:	7.48%			
Interaction Effect:	0.44%			
Net IRR Since Inception:	9.78%			

Private Credit Program Performance

Analysis Date:	3/31/2020	Expense Matrix Since Inception		
Program Name:	Private Credit	<u>Expense Type</u>	<u>Expense</u>	<u>% of Total</u>
Program Inception Date:	5/16/2013	Management Fee	\$14,086,125	68.2%
Total Commitment:	\$187,230,438	Partnership Operations	\$1,309,430	7.2%
Unfunded Commitment as of Analysis Date:	\$29,977,586	Organizational Expense	\$174,030	1.0%
% Funded as of Analysis Date:	83.99%	Incentive Allocation	-\$1	0.0%
Program Fund Balance:	\$89,872,125	Offering Costs	\$0	0.0%
		Service Fee	\$339,601	1.9%
		Syndication Costs	\$0	0.0%
		Professional Fee	\$2,977,511	16.3%
		Other Expense	\$92,437	0.5%
		Management Fee Reimbursement	-\$1,611,862	-
		General/Administrative Expense	\$496,487	2.7%
		Broken Deal Expense	\$0	0.0%
		Interest Expense	\$359,772	2.0%
		Custody Fee	\$53,860	0.3%
		Dividend Expense	\$0	0.0%
		Performance Fee	\$0	0.0%
		Total	\$18,277,389	100.0%
Performance Measures				
Net IRR Since Inception:	1.99%			
Realization Multiple (DPI):	\$0.54			
Residual Value to Paid in Multiple (RVPI):	\$0.46			
Investment Multiple (TVPI):	\$1.00			
Net IRR Decomposition				
Return from Income & Cash Flow:	8.32%			
Return from Expenses:	-2.37%			
Return from Gain/Loss:	-3.44%			
Interaction Effect:	-0.52%			
Net IRR Since Inception:	1.99%			

July 30, 2020

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

- I. SUBJECT: Investment Fee Summary, Value Added, and Cash Flow Reports – March 31, 2020
- II. ITEM NUMBER: 6.g.2
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: N/A
- V. ANALYSIS:

Attachment 1 contains the investment fee summary, value added and cash flow reports.

Investment Fee Summary – This report details StanCERA's investment management fees by asset class, manager discretion, investment style and individual manager. Fee data for this report began in July 2014 and is updated on at least a quarterly basis. For the period, 7/01/2014 to 3/31/2020, total investment fees were approximately \$55.0 Million or roughly 47 bps (0.47%) when annualized. Some new managers were added to the report this quarter including Insight Partners XI. This fund shows a negative AUM balance because of the timing of their first capital call.

Value Added Report – On the whole, the managers tracked in this report lagged their comparable passive investment funds for the quarter ending March 31, 2020. The valued added totaled a negative \$7.5 million driven primarily by relative quarterly under performance by LSV International which employs a value and small cap bias which were both out of favor during the first quarter and is currently being benchmarked against a core index. Staff will be reporting LSV's performance relative to a value biased index.

Cash Flow Report – This report details StanCERA's year-to-date cash activities.

- VI. RISK: None
- VII. STRATEGIC PLAN: N/A
- VIII. ADMINISTRATIVE BUDGET IMPACT: NONE



Stan Conwell, Retirement Investment Officer



StanCERA Investment Fee Summary - By Asset Class

Fiscal Year to Date

7/1/2014

thru

3/31/2020

	Fees In Dollars						Annualized Fees in Basis Points				
	Average AUM	Managerial	Performance*	Other	Custodial	Total	Managerial	Performance	Other	Custodial	Total
Total StanCERA Portfolio	\$1,894,395,198	\$43,465,746	\$3,528,037	\$5,911,071	\$2,037,173	\$54,942,027	37.3	3.0	5.1	1.8	47.4

Fees By Asset Class

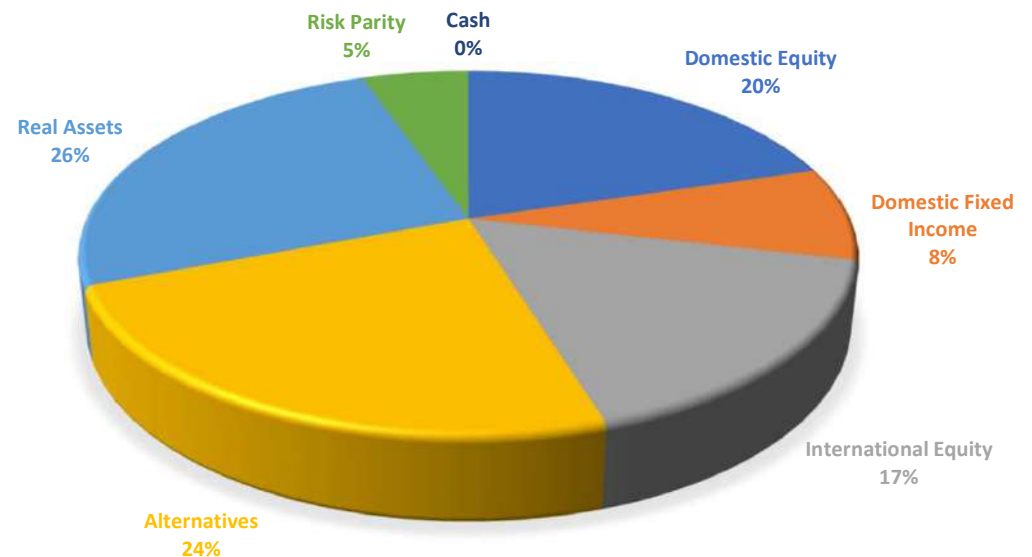
	Average AUM	Managerial	Performance	Other	Custodial	Total	Managerial	Performance	Other	Custodial	Total
Domestic Equity	\$669,054,213	\$10,531,189	\$0	\$0	\$646,401	\$11,177,589	9.1	0.0	0.0	0.6	9.6
Domestic Fixed Income	\$460,074,210	\$4,372,116	\$0	\$0	\$184,157	\$4,556,273	3.8	0.0	0.0	0.2	3.9
International Equity	\$415,458,508	\$6,117,818	\$1,915,198	\$0	\$1,077,703	\$9,110,719	5.3	1.7	0.0	0.9	7.9
Alternatives	\$94,528,054	\$10,198,701	-\$805,595	\$3,714,690	\$51,435	\$13,159,231	8.6	-0.7	3.2	0.0	11.4
Real Assets	\$132,359,387	\$9,977,085	\$2,418,434	\$1,551,255	\$64,314	\$14,011,089	8.6	2.1	1.3	0.1	12.1
Risk Parity	\$113,176,413	\$2,268,839	\$0	\$645,125	\$12,412	\$2,926,376	2.0	0.0	0.6	0.0	2.5
Cash	\$9,744,413	\$0	\$0	\$0	\$750	\$750	0.0	0.0	0.0	0.0	0.0

* Performance fees can be negative due to the clawback of incentive fees

Asset Class	Fees
Domestic Equity	\$11,177,589
Domestic Fixed Income	\$4,556,273
International Equity	\$9,110,719
Alternatives	\$13,159,231
Real Assets	\$14,011,089
Risk Parity	\$2,926,376
Cash	\$750

Total \$54,942,027

Fees By Asset Class





StanCERA Investment Fee Summary - By Investment Discretion

Fiscal Year to Date

7/1/2014

thru

3/31/2020

	Fees In Dollars						Annualized Fees in Basis Points				
	<u>Average AUM</u>	<u>Managerial</u>	<u>Performance*</u>	<u>Other</u>	<u>Custodial</u>	<u>Total</u>	<u>Managerial</u>	<u>Performance</u>	<u>Other</u>	<u>Custodial</u>	<u>Total</u>
Total StanCERA Portfolio	\$1,894,395,198	\$43,465,746	\$3,528,037	\$5,911,071	\$2,037,173	\$54,942,027	37.3	3.0	5.1	1.8	47.4

Fees By Investment Discretion

	<u>Average AUM</u>	<u>Managerial</u>	<u>Performance</u>	<u>Other</u>	<u>Custodial</u>	<u>Total</u>	<u>Managerial</u>	<u>Performance</u>	<u>Other</u>	<u>Custodial</u>	<u>Total</u>
Active	\$1,503,173,580	\$42,770,813	\$3,528,037	\$5,911,071	\$1,980,538	\$54,190,459	36.7	3.0	5.1	1.7	46.8
Passive	\$391,221,618	\$694,933	\$0	\$0	\$56,635	\$751,568	0.6	0.0	0.0	0.0	0.6

* Performance fees can be negative due to the clawback of incentive fees

Fees By Investment Discretion

Investment Discretion	<u>Fees</u>
Active	\$54,190,459
Passive	\$751,568
Total	\$54,942,027





StanCERA Investment Fee Summary - By Investment Style

Fiscal Year to Date

7/1/2014

thru

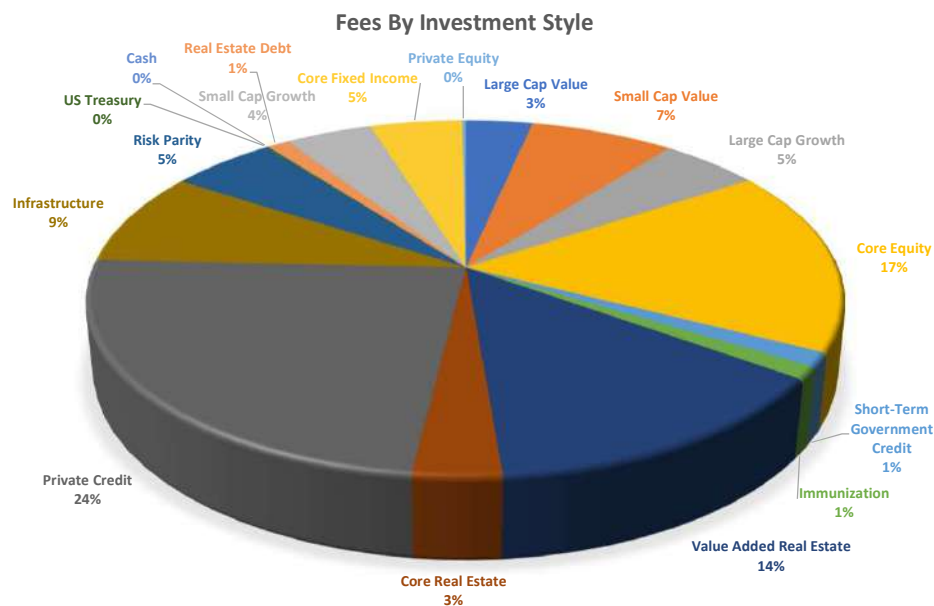
3/31/2020

	Fees In Dollars						Annualized Fees in Basis Points				
	Average AUM	Managerial	Performance*	Other	Custodial	Total	Managerial	Performance	Other	Custodial	Total
Total StanCERA Portfolio	\$1,894,395,198	\$43,465,746	\$3,528,037	\$5,911,071	\$2,037,173	\$54,942,027	37.3	3.0	5.1	1.8	47.4

	Fees By Investment Style										
	Average AUM	Managerial	Performance	Other	Custodial	Total	Managerial	Performance	Other	Custodial	Total
Large Cap Value	\$238,923,024	\$1,756,185	\$0	\$0	\$90,515	\$1,846,699	1.5	0.0	0.0	0.1	1.6
Small Cap Value	\$91,162,797	\$3,742,640	\$0	\$0	\$250,782	\$3,993,422	3.2	0.0	0.0	0.2	3.4
Large Cap Growth	\$190,816,493	\$2,687,777	\$0	\$0	\$72,690	\$2,760,467	2.3	0.0	0.0	0.1	2.4
Core Equity	\$523,862,602	\$6,275,613	\$1,915,198	\$0	\$1,087,570	\$9,278,381	5.4	1.7	0.0	0.9	8.0
Short-Term Government Credit	\$103,679,238	\$673,695	\$0	\$0	\$29,852	\$703,547	0.6	0.0	0.0	0.0	0.6
Immunization	\$82,357,686	\$584,034	\$0	\$0	\$25,706	\$609,740	0.5	0.0	0.0	0.0	0.5
Value Added Real Estate	\$42,325,366	\$4,934,330	\$2,032,011	\$564,766	\$28,363	\$7,559,471	4.3	1.8	0.5	0.0	6.5
Core Real Estate	\$68,943,054	\$1,369,902	\$386,423	\$0	\$24,940	\$1,781,265	1.2	0.3	0.0	0.0	1.5
Private Credit	\$94,524,095	\$10,113,388	-\$805,595	\$3,702,412	\$51,435	\$13,061,641	8.6	-0.7	3.2	0.0	11.3
Infrastructure	\$21,090,967	\$3,672,852	\$0	\$986,489	\$11,012	\$4,670,353	3.2	0.0	0.9	0.0	4.0
Risk Parity	\$113,176,413	\$2,268,839	\$0	\$645,125	\$12,412	\$2,926,376	2.0	0.0	0.6	0.0	2.5
US Treasury	\$28,911,839	\$71,803	\$0	\$0	\$0	\$71,803	0.1	0.0	0.0	0.0	0.1
Cash	\$9,744,413	\$0	\$0	\$0	\$750	\$750	0.0	0.0	0.0	0.0	0.0
Real Estate Debt	\$14,410,196	\$609,813	\$0	\$0	\$4,138	\$613,951	0.5	0.0	0.0	0.0	0.5
Small Cap Growth	\$39,747,804	\$2,186,791	\$0	\$0	\$222,547	\$2,409,338	1.9	0.0	0.0	0.2	2.1
Core Fixed Income	\$230,715,252	\$2,432,770	\$0	\$0	\$124,461	\$2,557,231	2.1	0.0	0.0	0.1	2.2
Private Equity	\$3,959	\$85,313	\$0	\$12,278	\$0	\$97,591	0.0	0.0	0.0	0.0	0.1

* Performance fees can be negative due to the clawback of incentive fees

By Investment Style	Fees
Large Cap Value	\$1,846,699
Small Cap Value	\$3,993,422
Large Cap Growth	\$2,760,467
Core Equity	\$9,278,381
Short-Term Government Credit	\$703,547
Immunization	\$609,740
Value Added Real Estate	\$7,559,471
Core Real Estate	\$1,781,265
Private Credit	\$13,061,641
Infrastructure	\$4,670,353
Risk Parity	\$2,926,376
US Treasury	\$71,803
Cash	\$750
Real Estate Debt	\$613,951
Small Cap Growth	\$2,409,338
Core Fixed Income	\$2,557,231
Private Equity	\$97,591
Total	\$54,942,027





Stanislaus County Employees' Retirement Association - Investment Fee Summary

7/1/2014

thru

3/31/2020

Fees in Dollars

Fees in Annualized Basis Points

Manager Name	Average AUM	Management	Performance	Other	Custodial	Total	Management	Performance	Other	Custodial	Total
Dodge Cox Equity	\$144,528,576	\$1,648,231	\$0	\$0	\$74,464	\$1,722,695	19.8	0.0	0.0	0.9	20.7
PIMCO	\$97,042,656	\$1,155,601	\$0	\$0	\$46,241	\$1,201,841	37.6	0.0	0.0	1.5	39.1
Bernzott	\$12,514,851	\$499,820	\$0	\$0	\$32,811	\$532,631	69.5	0.0	0.0	4.6	74.0
Eudaimonia	\$9,386,528	\$207,171	\$0	\$0	\$56,109	\$263,280	105.9	0.0	0.0	28.7	134.6
Jackson Square	\$118,621,045	\$2,555,472	\$0	\$0	\$56,883	\$2,612,354	58.8	0.0	0.0	1.3	60.1
LSV	\$207,653,051	\$2,958,843	\$1,125,002	\$0	\$649,753	\$4,733,598	24.8	9.4	0.0	5.4	39.6
Dodge Cox Fixed Income	\$321,714,499	\$1,277,170	\$0	\$0	\$78,220	\$1,355,390	12.5	0.0	0.0	0.8	13.3
Fidelity	\$207,805,456	\$3,158,975	\$790,196	\$0	\$427,950	\$4,377,120	26.4	6.6	0.0	3.6	36.6
Blackrock Value	\$94,394,447	\$107,953	\$0	\$0	\$16,050	\$124,004	2.0	0.0	0.0	0.3	2.3
Blackrock Growth	\$115,237,941	\$132,305	\$0	\$0	\$15,807	\$148,113	2.0	0.0	0.0	0.2	2.2
Raven Asset-Based Opportunity Fund I L.P.	\$19,057,071	\$1,846,783	\$0	\$1,309,228	\$13,652	\$3,169,663	168.6	0.0	119.5	1.2	289.3
BNYM S&P	\$85,219,782	\$94,682	\$0	\$0	\$9,867	\$104,549	3.5	0.0	0.0	0.4	3.9
White Oak Pinnacle Fund L.P.	\$32,381,039	\$2,868,914	\$0	-\$545,706	\$13,549	\$2,336,758	154.1	0.0	-29.3	0.7	125.5
Medley Opportunity Fund II L.P.	\$22,781,970	\$1,259,516	-\$805,595	\$833,026	\$13,166	\$1,300,113	96.2	-61.5	63.6	1.0	99.3
Blackrock US Real Estate	\$44,273,297	\$225,076	\$0	\$0	\$14,910	\$239,986	8.8	0.0	0.0	0.6	9.4
Greenfield GAP VII Management Fund, L.L.C	\$11,683,465	\$1,396,735	\$922,600	\$98,086	\$12,256	\$2,429,677	214.3	141.5	15.0	1.9	372.7
AMI	\$18,361,932	\$488,104	\$0	\$0	\$19,097	\$507,201	91.2	0.0	0.0	3.6	94.7
CastleArk	\$12,772,750	\$337,737	\$0	\$0	\$58,705	\$396,443	99.3	0.0	0.0	17.3	116.5
Lee Munder	\$14,535,949	\$385,832	\$0	\$0	\$49,140	\$434,972	99.6	0.0	0.0	12.7	112.3
Rice Hall	\$21,637,341	\$567,780	\$0	\$0	\$21,359	\$589,139	90.0	0.0	0.0	3.4	93.4
Riverbridge	\$9,352,194	\$7	\$0	\$0	\$5,937	\$5,945	0.0	0.0	0.0	25.5	25.5
Stephens	\$9,768,049	\$3	\$0	\$0	\$8,259	\$8,262	0.0	0.0	0.0	33.9	33.9
Channing	\$19,721,509	\$789,736	\$0	\$0	\$54,953	\$844,689	69.6	0.0	0.0	4.8	74.5
Inview	\$19,701,259	\$777,191	\$0	\$0	\$33,396	\$810,587	68.6	0.0	0.0	2.9	71.6
Keeley	\$11,474,554	\$458,475	\$0	\$0	\$33,757	\$492,233	69.5	0.0	0.0	5.1	74.6
Pacific Ridge	\$15,625,992	\$733,418	\$0	\$0	\$49,737	\$783,155	81.6	0.0	0.0	5.5	87.2
Walhausen	\$12,124,633	\$483,999	\$0	\$0	\$46,128	\$530,128	69.4	0.0	0.0	6.6	76.0
Morgan Stanley Prime Property Fund, L.L.C	\$32,747,466	\$1,144,826	\$386,423	\$0	\$10,030	\$1,541,279	80.7	27.2	0.0	0.7	108.7
American Realty Advisors Fund	\$27,537,590	\$1,721,161	\$286,205	\$54	\$11,893	\$2,019,314	117.3	19.5	0.0	0.8	137.6
North Haven Infrastructure II GP LP	\$25,094,068	\$3,672,852	\$0	\$986,489	\$11,012	\$4,670,353	302.9	0.0	81.4	0.9	385.1
Raven Asset-Based Opportunity Fund III L.P.	\$25,175,522	\$3,976,307	\$0	\$1,678,144	\$10,138	\$5,664,589	344.8	0.0	145.5	0.9	491.2
Insight Investment	\$172,262,091	\$584,034	\$0	\$0	\$25,706	\$609,740	12.3	0.0	0.0	0.5	12.9
Dimensional Fund Advisors	\$223,768,140	\$673,695	\$0	\$0	\$29,852	\$703,547	11.3	0.0	0.0	0.5	11.8
Essex	\$13,775,561	\$77,144	\$0	\$0	\$519	\$77,664	111.8	0.0	0.0	0.8	112.5
Redwood	\$15,823,940	\$123,012	\$0	\$0	\$3,420	\$126,432	155.2	0.0	0.0	4.3	159.5
Northern Trust Cash Account	\$21,031,108	\$0	\$0	\$0	\$750	\$750	0.0	0.0	0.0	0.1	0.1
Northern Trust Long Term Bond Fund	\$15,771,814	\$18,565	\$0	\$0	\$0	\$18,565	4.3	0.0	0.0	0.0	4.3
Northern Trust Intermediate Term Bond Fund	\$44,701,155	\$53,238	\$0	\$0	\$0	\$53,238	4.3	0.0	0.0	0.0	4.3
Northern Trust Russell 1000 Fund	\$138,105,067	\$30,438	\$0	\$0	\$0	\$30,438	1.7	0.0	0.0	0.0	1.7
PanAgora Diversified Risk Multi-Asset Fund, Ltd.	\$145,685,851	\$1,190,100	\$0	\$261,293	\$6,706	\$1,458,099	35.1	0.0	7.7	0.2	43.0
Prudential	\$52,446,120	\$609,813	\$0	\$0	\$4,138	\$613,951	73.6	0.0	0.0	0.5	74.1
AQR Capital Management	\$149,397,909	\$1,078,739	\$0	\$383,832	\$5,707	\$1,468,278	34.7	0.0	12.3	0.2	47.2
Greenfield Acquisition Partners VIII, L.P.	\$15,694,083	\$1,816,434	\$823,206	\$466,626	\$4,213	\$3,110,479	579.1	262.4	148.8	1.3	991.7
Northern Trust Russell 3000 Fund	\$127,428,495	\$32,675	\$0	\$0	\$0	\$32,675	1.9	0.0	0.0	0.0	1.9
Owl Rock First Lien Fund	\$4,295,719	\$161,868	\$0	\$427,720	\$929	\$590,517	N/A	N/A	N/A	N/A	N/A
Insight Partners XI	-\$134,102	\$85,313	\$0	\$12,278	\$0	\$97,591	N/A	N/A	N/A	N/A	N/A



StanCERA Value Added Report

1/1/2020 through 3/31/2020

<u>Manager</u>	<u>Average AUM</u>	<u>Average Cash Balance</u>	<u>Manager \$ Return</u>	<u>Manager Fees</u>	<u>Custodial Fees</u>	<u>Benchmark \$ Returns</u>	<u>Benchmark Fees*</u>	<u>Value Added</u>
Dodge Cox Equity	\$ 77,865,335	\$ 2,977,770	\$ (20,941,432)	-\$35,993	-\$2,294	-\$20,813,374	-\$4,797	\$ (161,548)
Bernzott	\$ 10,714,620	\$ 478,461	\$ (3,347,705)	-\$18,539	-\$1,307	-\$3,820,884	-\$6,336	\$ 459,669
Dimensional Fund Advisors	\$ 183,843,334	\$ 60,847,204	\$ (548,420)	-\$51,911	-\$2,483	-\$1,280,486	-\$22,650	\$ 700,322
LSV	\$ 244,101,851	\$ 4,294,483	\$ (65,952,466)	-\$144,759	-\$36,353	-\$56,787,973	-\$186,460	\$ (9,159,145)
Fidelity	\$ 245,982,806	\$ 2,447,386	\$ (55,702,281)	-\$169,078	-\$16,988	-\$57,225,559	-\$187,897	\$ 1,525,110
Channing	\$ 14,275,746	\$ 320,515	\$ (4,693,943)	-\$24,492	-\$3,900	-\$5,090,799	-\$8,442	\$ 376,906
Inview	\$ 14,118,538	\$ 784,198	\$ (5,671,792)	-\$23,978	-\$1,382	-\$5,034,738	-\$8,349	\$ (654,066)
Keeley	\$ 9,384,944	\$ 315,475	\$ (3,681,534)	-\$15,947	-\$1,285	-\$3,346,716	-\$5,550	\$ (346,501)
Pacific Ridge	\$ 13,736,367	\$ 196,304	\$ (5,546,859)	-\$27,940	-\$2,058	-\$4,958,002	-\$8,123	\$ (610,731)
Walhausen	\$ 9,546,865	\$ 453,429	\$ (3,063,944)	-\$16,370	-\$1,973	-\$3,404,457	-\$5,646	\$ 327,816
Totals	\$ 823,570,406	\$ 73,115,225	\$ (169,150,377)	\$ (529,007)	\$ (70,023)	\$ (161,762,989)	\$ (444,250)	\$ (7,542,168)

* Benchmark fees are approximated based on a hypothetical investment in a passive fund/ETF



Cash Flow Report

July 2019 through March 2020

Beginning Cash Balance*	\$13,742,724
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Cash Flow In

Cash Draw From Managers	\$24,698,596
Employer Contributions	\$71,146,709
Employee Contributions	\$22,304,476
Employee Redeposits	\$280,269
Money Market Income	\$890
Rental Income	\$77,193
Commission Recapture	\$4,502
Litigation Recovery	\$982
W/O Cancelled checks	<u>\$27,925</u>

Total Cash Flow In	\$118,541,542
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Cash Flow Out

Retiree Payroll	\$101,190,625
StanCERA Payroll	\$1,315,893
StanCERA Operations Expense	\$549,524
Tyler Maintenance	\$68,881
Fixed Asset Purchases	\$816,678
Refunds	\$1,317,459
Death Benefits - Salary Based	\$110,874
Burial Allowance	\$180,000
Investment Consulting Fees	\$384,136
Actuarial Fees	\$108,259
Custodial Fees	\$493,916
Audit Fees	\$44,310
Legal Fees	\$450,541

Total Cash Flow Out	\$107,031,096
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Ending Cash Balance	\$25,253,170
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Change in Cash Balance	\$11,510,446
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Stanislaus County Employees' Retirement Association

832 12th Street, Ste. 600, Modesto, CA 95354 • PO Box 3150, Modesto, CA 95353 • www.stancera.org • 209-525-6393 • 209-558-4976 Fax

July 30, 2020

Retirement Board Agenda Item

TO: Retirement Board

FROM: Rick Santos, Executive Director

- I. SUBJECT: 2020 Executive Director Goals Update - Quarter 2
- II. ITEM NUMBER: 6.h
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: None
- V. ANALYSIS: This is the Quarter 2 Executive Director goals update for 2020 (attachment 1). Staff is well on their way to completion of all assigned deliverables for this year and at this point, does not anticipate any impediments. The following highlights major themes for this quarter:
 - Work has begun on the delivery of member information through StanCERA's website and member web portal (to be completed end of year 2020/2021). StanCERA's IT support is currently exploring ways to deliver retirement information (i.e. webinars, remote seminars, etc.) using new technological tools that will be (are) available to the Organization through the creation of our new Pension Administration System.
 - Staff has/is making tremendous progress on our data clean-up project. In fact, it is estimated that there are less than 750 audits remaining. This is a major accomplishment for the Organization and will lead to more streamlined work processes and deliver tremendous efficiencies, since staff will no longer have to spend unnecessary time making sure data is correct before processing work. Additionally, clean data will allow StanCERA to deliver on its vision of empowering members to take more accountability of their retirement benefits. With clean data, members will be able to accomplish more through self-service when the web portal goes live. This will also eliminate the need for staff intervention on tasks that normally require considerable work.
- VI. RISK: NONE
- VII. STRATEGIC PLAN: N/A
- VIII. ADMINISTRATIVE BUDGET IMPACT: NONE

Rick Santos, Executive Director



Executive Director Goals Q2 2020 Update

(Attachment 1)

General and/or Ongoing Items

1. Continued communication, outreach and transparency with major stakeholders such as County, County BOS, Local Governments, Special Districts and Employee Groups
 - Meetings with all plan sponsors on a regular basis regarding ITS Project
 - Regular communication with County staff on current COVID issues
2. Maintenance of StanCERA's asset allocation targets
 - Targets being monitored on a regular basis and allocations being maintained within targets
3. Continued progress on the System data clean-up project
 - Data clean up continuing using part-time staff; Note that staff is within roughly 750 audits from completion
4. Director Professional Development
5. Facilitate RFP for General Investment Consultant
 - RFP Complete
6. Oversee Information Technology Solutions Project
 - Project "go-live" date set at September 14th
 - Employer data transmittal functionality nearly complete
7. Oversee and completion of day to day administrative functions
 - All normal administrative functions completed on time; Outstanding disability cases at 19
8. Biennial By-Law Review – All Policies Below Reviewed and Updated
 - Education
 - Accounting
 - Compensation Assessment
 - Dissolution of Marriage/Domestic Partner
 - Electronic Data Security
9. Completion of asset liability review
 - Board education on asset classes complete
 - Investment consultant presentation in July on expected transition plan
 - Note: It is expected the asset allocation process to be completed by mid-fall 2020



Items Tied to the Strategic Plan

Strategic Objective #1

Develop an Organizational Structure reflective of our operational capabilities and succession planning needs

Strategic Plan Objective #1, Deliverables

1. Present the new Organizational Structure to StanCERA staff
 - Complete (Q1)
2. Evaluate job descriptions of StanCERA positions to ensure they are still relevant and upholding the Mission, Vision and business practices and processes of the Organization by Fiscal Services and Member and Employer Services Manager
 - Complete (Q1)
3. Develop the Job Description for the Organizational Support Manager position by StanCERA leadership
4. Evaluate StanCERA's internal operational needs as it supports the new Organizational Structure by StanCERA leadership
 - ✓ Define workflow processes in the new Pension Administration System that promote teamworking styles and mentorship
 - In progress; staff has been developing work-flow processes (Q1, Q2)
5. Phased implementation of the new Organizational Structure by StanCERA leadership
 - ✓ Soft implementation by summer 2020
 - Team concept initiated and working in limited circumstances, however, due to current issues, the implementation phase is being delayed (Q1)
 - StanCERA staff currently working within their new Org Structure roles (Q2)
 - ✓ Complete implementation by end of 2020
 - Note that for all intents and purposes, StanCERA's new Org structure is currently in use and this objective met. However, with the development of our new work flow processes, the flow of work throughout the Organization could change and necessitate some anticipated changes to the basics of the Org structure (Q2).

Strategic Objective # 2

Successful implementation/completion of the Pension Administration System (PAS)

Strategic Plan Objective #2, Deliverables

1. Integrate staff into all aspects of the PAS. Create an atmosphere of "ownership" of the project by employees



Executive Director Goals | 2020

- ✓ Maintain an internal PAS project manager position with at least 75% of the position's time spent on the project
 - StanCERA staff member dedicated 100% to project. Anticipate that this assignment will last through 2020 (Q1)
- ✓ Create and implement a process whereby all line employees participate (within their relevant program area) in documenting current processes, assist in the creation of new processes, test system functionality and ultimately be required to sign off on releases of the new system functionality
 - Processes implemented as designed (Q1)
- ✓ Require at least one StanCERA manager participate in all process workflow development meetings
 - Currently, StanCERA has at least one program area specialist participate in workflow development sessions (Q1)
 - At least one management staff participating in sessions (Q1)
- ✓ Require staff redundancy (more than 1) in all phases of the documentation and development of system functionality
 - Currently at least one StanCERA staff participating in system development (Q1)
 - Currently at least one StanCERA manager participating in system development (Q1)
 - Project also employing at least one external consultant participating in system development (Q1)
- 2. Develop and instill trust in the PAS so that Organizational "buyoff" of the system is achieved, thereby maximizing the potential efficiencies the System can offer
 - ✓ Maximize the number of test cases that are performed and analyzed regarding benefit estimation and calculation
 - ✓ Parallel test the Arrivos System (PAS) with the Tyler System (StanCERA's current system) for at least 2 weeks after "go live"
 - ✓ Staff training with live demos, data and actual cases/scenarios prior to "go live"
 - Two staff training sessions completed using actual data and work flow cases (Q1)
 - Project management currently developing "webinars" dedicated to staff training offsite (Q1)
 - ✓ Management to maintain a high degree of transparency amongst staff regarding all aspects of the project
 - All staff are updated regularly on project issues and deadlines (Q1)
 - ✓ Maintain communication and encourage involvement by the Steering Committee and the Board regarding new functionality and business process changes inherent in the PAS
 - Monthly Steering Committee meetings (Q1)
 - Steering Committee kept informed on all ITS issues (Q1)
 - ✓ Create and maintain a Committee of no less than 2 trustees to oversee the electronic integration of customer service opportunities into the PAS



- Committee created; 2 meetings held (Q1)
- 3. Strive to unlock the full value inherent in the PAS for both internal and external constituents
 - ✓ 65-70% of all data audits complete by “go live”
 - 75% complete as of April 6, 2020. Item complete (Q2)
 - ✓ 85% of all data audits complete by end of 2020
 - ✓ Creation of short online webinars members can use to understand their retirement benefits
 - Currently being worked on
 - ✓ Revamp/revise the way information is dispensed to members at the Pre-Retirement Seminars. Consider more personalized (and less general) information and integrate the capabilities of the PAS at seminars
 - Currently being worked on
 - ✓ Consider mid-career retirement seminars

Strategic Objective # 3

Development and implementation of a formalized succession plan for StanCERA

Strategic Plan Objective #3 Deliverables

1. Documentation of all StanCERA business processes and policies
 - ✓ Build training guidelines for each role that supports the Organizational Structure’s natural progression
 - ✓ Research and source an appropriate knowledge management system meant to house the documentation of StanCERA’s business processes and policies (this task is assigned within Strategic Objective #5)
 - Currently in progress

Strategic Objective #4

Development of a formalized Operational Risk Management Plan

Strategic Plan Objective #4 Deliverables

1. Reach out to other pension systems to gain further understanding of the requirements of an Operational Risk Management Plan
 - Complete (Q1)
2. Define StanCERA’s operational objectives and objectives for each of the strategies within the strategic plan
 - Complete (Q2)
3. Identify the risks within the Organization and determine the type of risk, the level of risk, cause of risk effect of the risk and the controls in place regarding the risk



Strategic Objective # 5

Process documentation and standardization of the Investment Governance Process

Strategic Plan Objective #5 Deliverables

1. Develop and maintain a comprehensive list of critical investment governance processes
 - ✓ Identify and categorize tasks that require documentation
 - Complete (Q1)
 - ✓ Create a master calendar for investment governance
 - Complete (Q2)
2. Research and source an appropriate knowledge management system
 - ✓ Determine the design and scope of the desired system
 - Currently in progress
 - ✓ Identify and select a system that provides the required functionality while also remaining compatible with the Organization's existing systems and resource constraints
 - Currently in progress
3. Standardize the documentation process
 - ✓ Research methods to capture implicit knowledge in the documentation process
 - Currently in progress
 - ✓ Create a procedure template appropriate for investment governance tasks

NEPC MEETING MATERIALS

Item 7.a

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

July 28, 2020

Daniel Hennessy, CFA, CAIA, Senior Consultant

Sam Austin, Partner

Kiley Fischer, Consulting Analyst



BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | PORTLAND | SAN FRANCISCO

YOUR NEPC TEAM



**DAN HENNESSY,
CFA, CAIA**

SENIOR CONSULTANT
Redwood City, CA

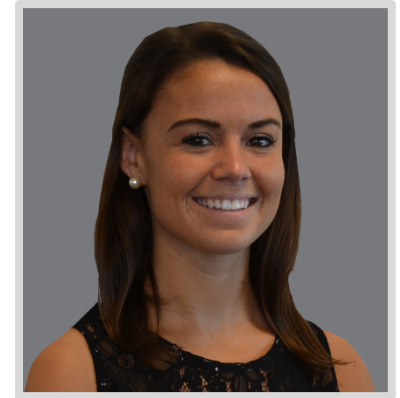
Lead Consultant for
StanCERA, 19 years of
investment experience



**SAMUEL M.
AUSTIN, III**

PARTNER
Redwood City, CA

Backup Consultant for
StanCERA, West Coast
Team Leader, 29 years
of investment
experience



KILEY FISCHER

CONSULTING ANALYST
Boston, MA

Dedicated Consulting
Analyst for StanCERA



INITIAL WORKPLAN FOR STANCERA

QUARTERLY AND MONTHLY PERFORMANCE REPORTS

- NEPC's performance reporting team is coordinating with plan staff, Northern Trust, your managers and your former consultant to collect the plan's historical performance data
- We are seeking to complete the June performance report in time for your September board meeting
- Until that time we will be relying on monthly reporting from the plan's custodian bank, Northern Trust



STEPS TOWARD UNDERSTANDING YOUR PLAN

- Investment Philosophy Survey – we will email a short anonymous survey to trustees and plan staff, and then report back the results for trustee review and discussion
- Asset-Liability Study – working with the plan actuary we will show how a range of possible investment scenarios would impact the pension plan's funding status
- Asset Allocation Review – we will offer alternative allocations and describe the pros and cons compared to the plan's current allocation









CURRENT NEPC WORKPLAN

- August – Present results of the investment philosophy survey
- September – Review June performance and NEPC's long-term asset class expectations
- October – Initial review of asset allocation options
- November - Asset-Liability study and asset allocation discussion



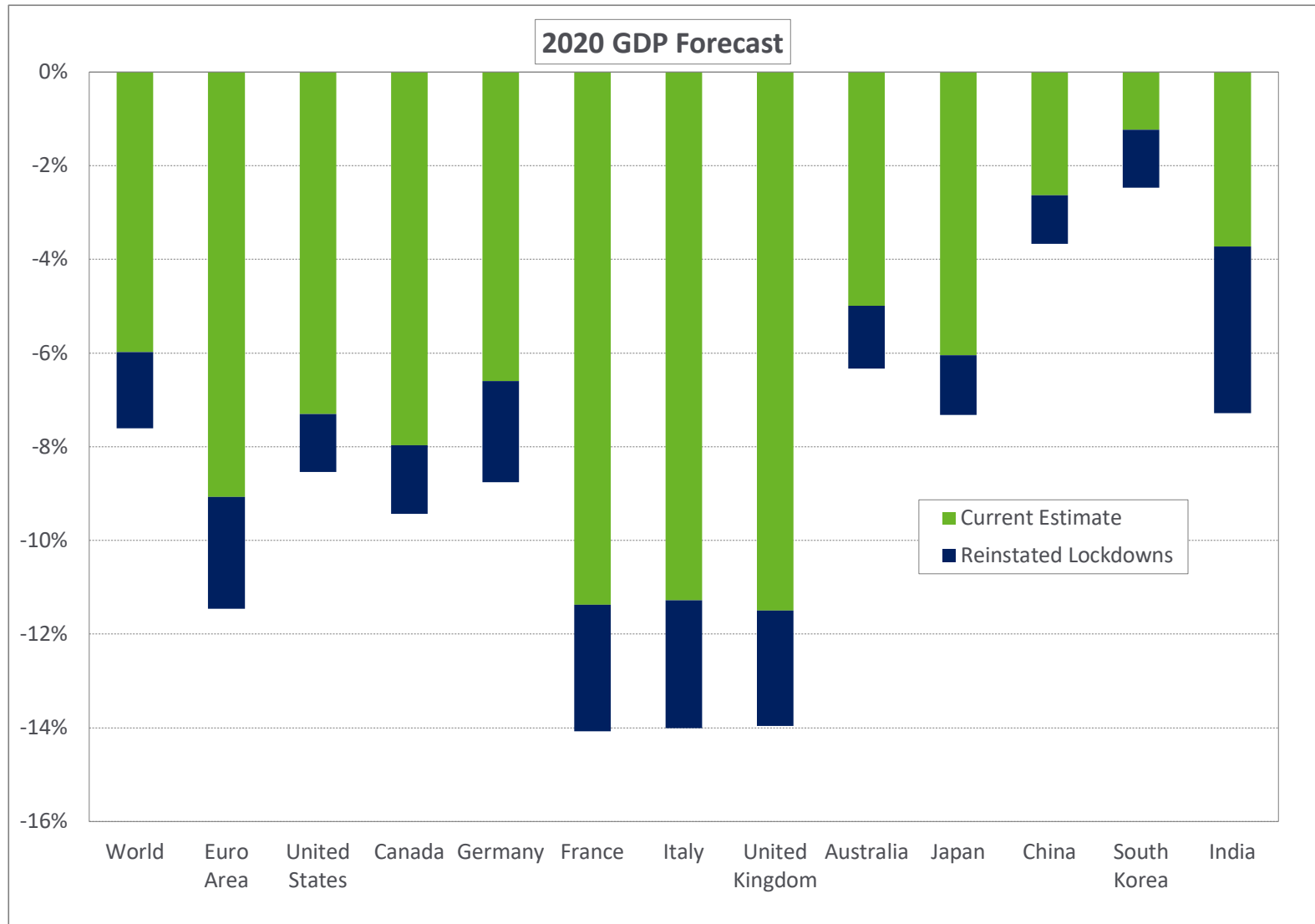
JUNE FINANCIAL MARKET UPDATE

THE ECONOMIC BACKDROP IS CHALLENGED

Metric	12/31/19	03/31/20	06/30/20	Trend
S&P 500 CY 2020 Earnings Estimate	\$177.81	\$160.40	\$126.89	
US Real GDP (QoQ%)	2.1%	-5.0%	-33.4%*	
US CY 2020 Real GDP Growth Consensus	1.8%	-0.7%	-5.2%	
US Unemployment Rate	3.5%	4.4%	11.1%	
Continued Claims for Unemployment	1.7M	3.5M	19.1M	
Federal Reserve Balance Sheet as % of Nominal GDP	19.2%	24.4%	32.9%	

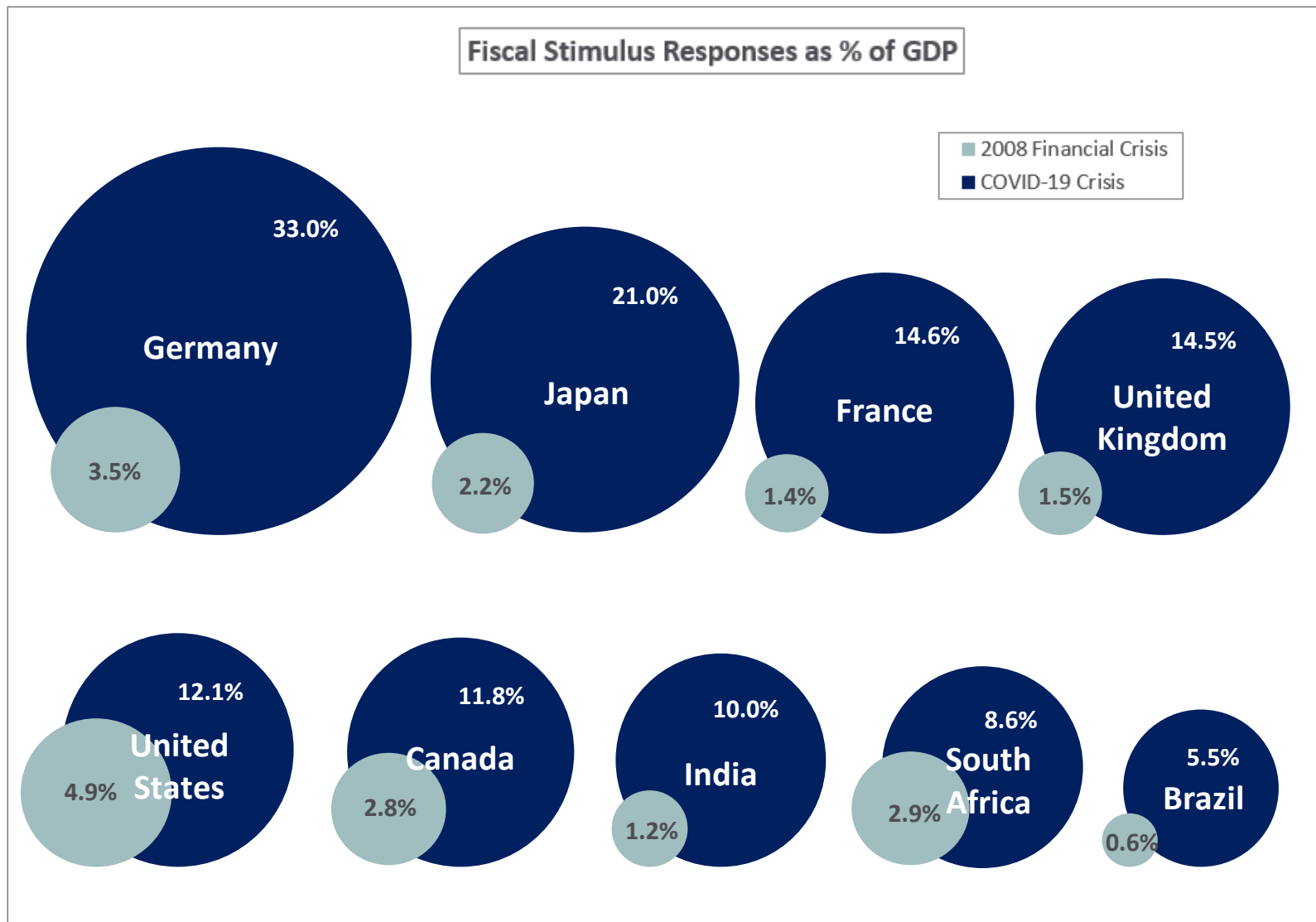
Source: US Bureau of Labor Statistics, Federal Reserve, FactSet, NEPC
 *The 06/30/20 real GDP figure represents the consensus estimate from FactSet

COVID SPREAD WEIGHS ON GROWTH FORECASTS



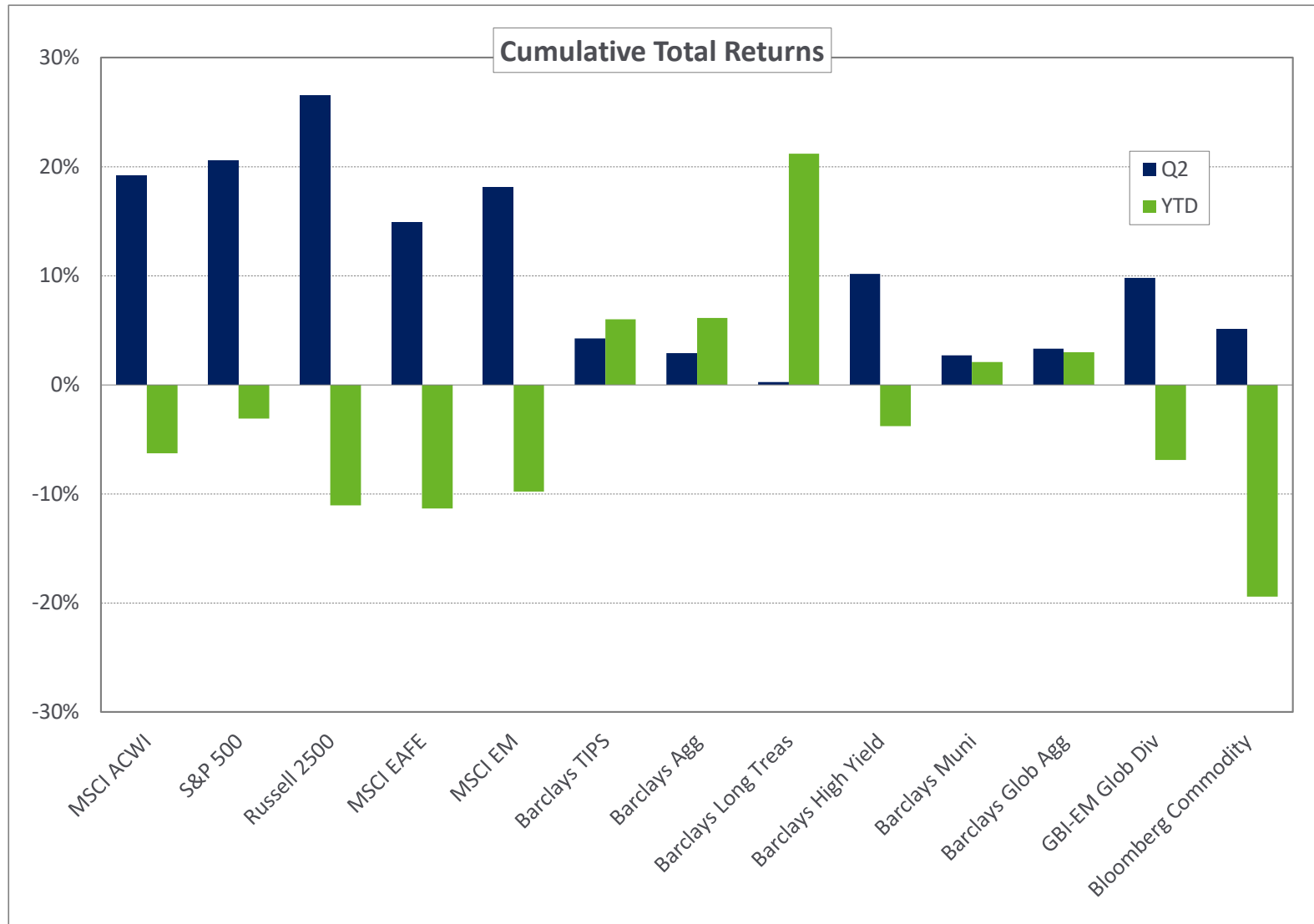
Source: OECD
The additional decline in economic growth from reinstated lockdowns represents a renewed outbreak of infections that forces economies to re-implement restrictions.

THE GLOBAL FISCAL STIMULUS PICTURE



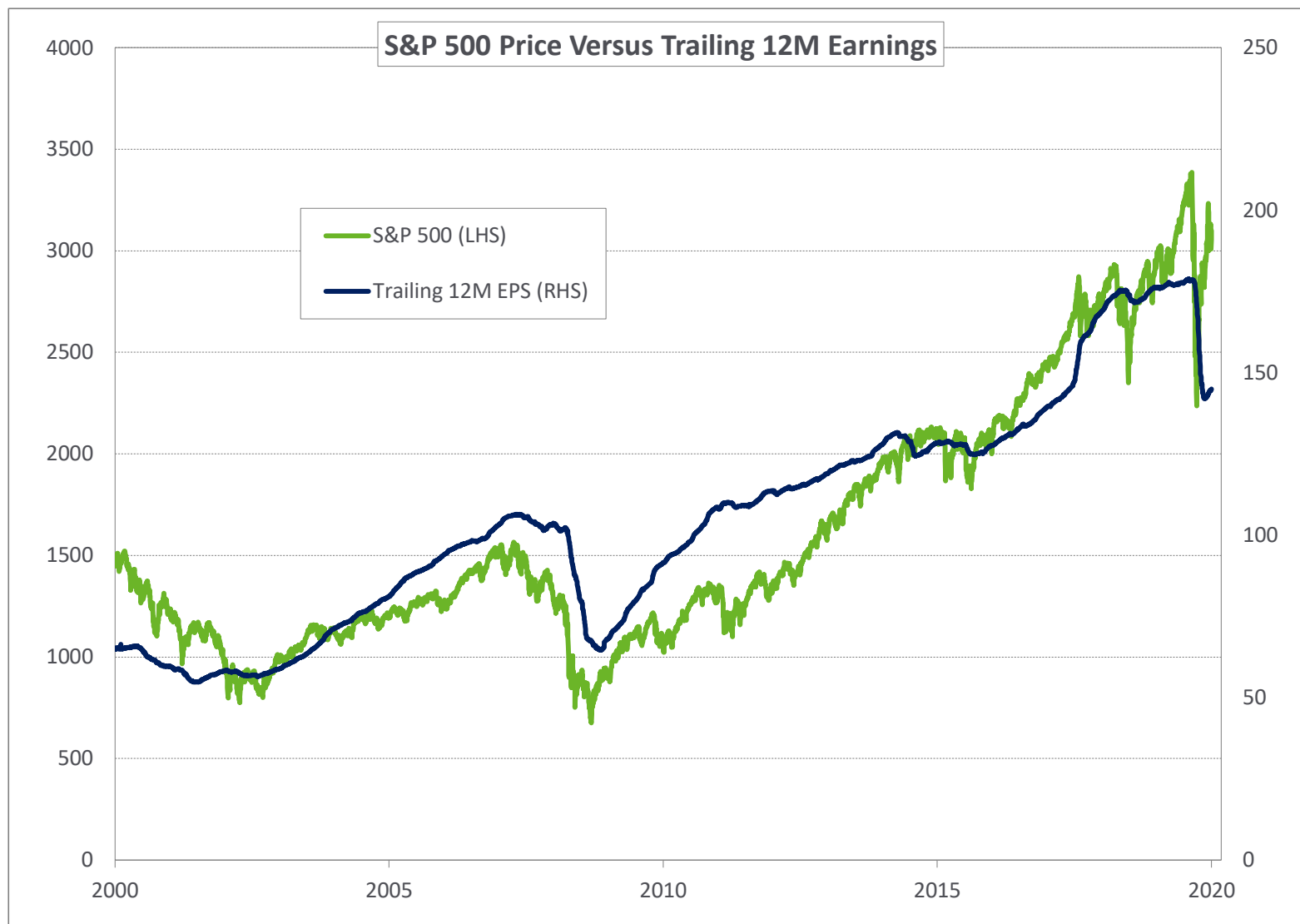
Source: IMF, McKinsey – [The 10 Trillion Dollar Rescue: How Governments Can Deliver Impact](#)
COVID-19 Crisis includes 2019 GDP for calculations; 2008 Financial Crisis incorporates data published by the IMF in March 2009 and includes discretionary measures announced for 2008-2010

RISK ASSETS RALLIED SIGNIFICANTLY IN Q2



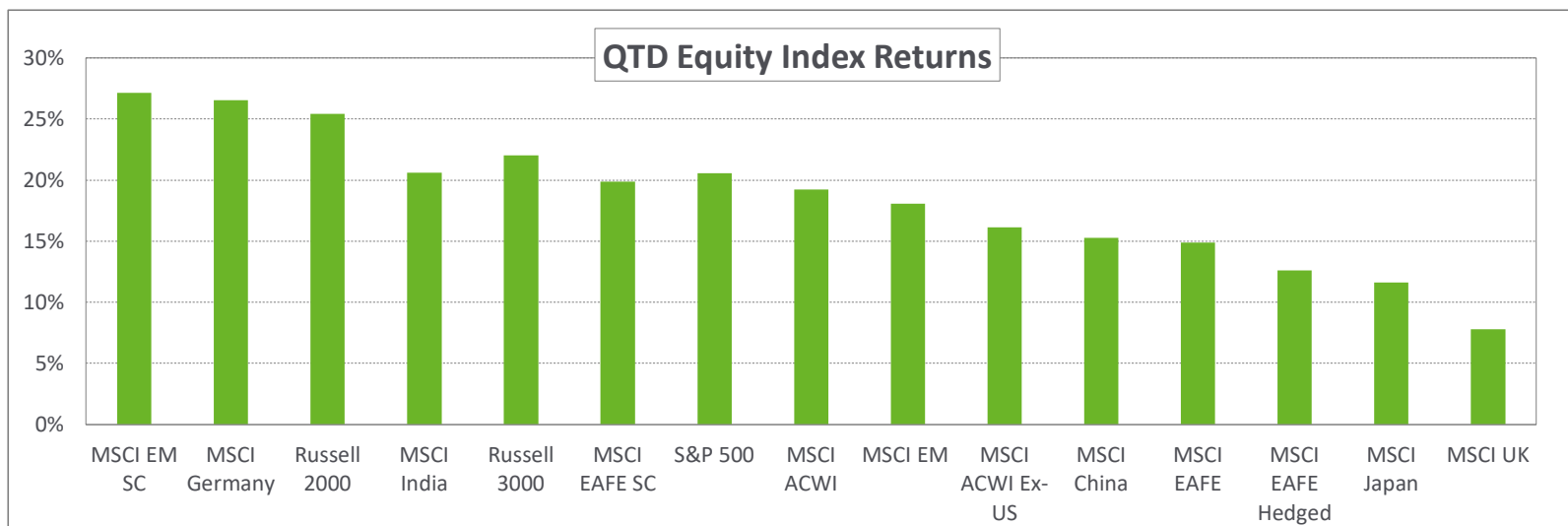
Source: S&P, Russell, MSCI, JPM, Bloomberg, FactSet

EQUITY PRICES DETACHED FROM FUNDAMENTALS



Source: S&P, FactSet

EQUITY OVERVIEW

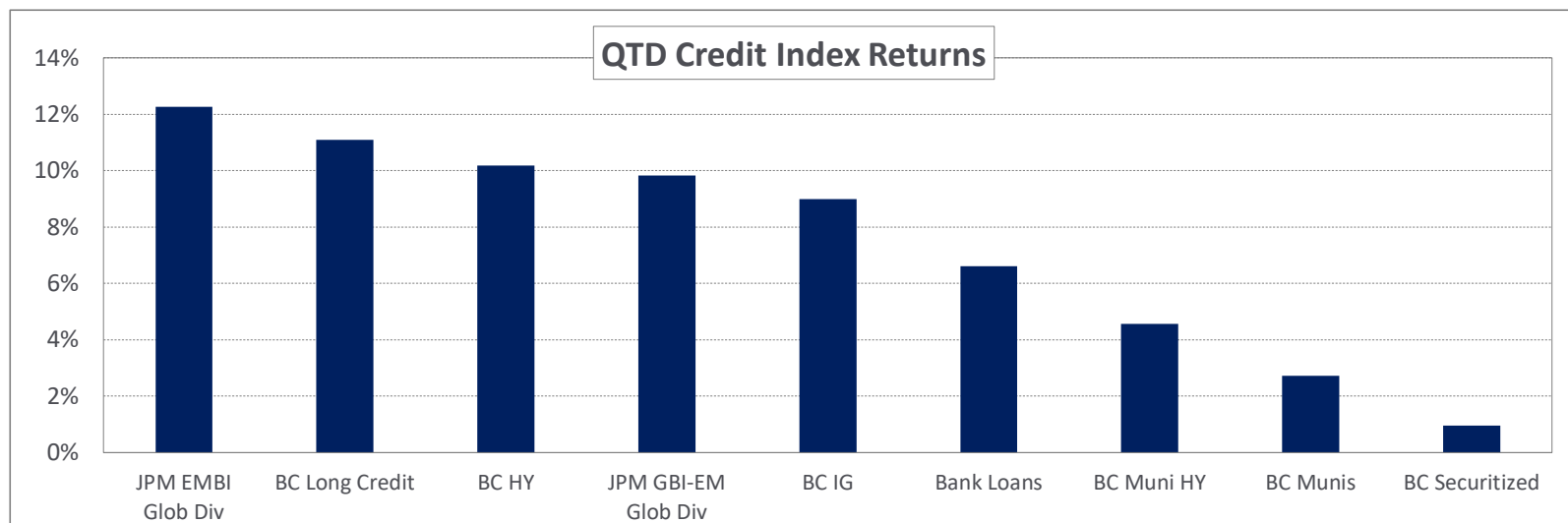


Source: S&P, MSCI, Russell, FactSet

Russell 3000 QTD Sector Returns	QTD	YTD
Technology	31.2%	15.7%
Health Care	16.9%	2.1%
Consumer Discretionary	30.9%	4.2%
Consumer Staples	9.3%	-6.9%
Energy	33.2%	-35.1%
Materials & Processing	27.0%	-8.4%
Producer Durables	18.3%	-14.5%
Financial Services	16.1%	-16.8%
Utilities	3.8%	-11.5%

Source: FactSet

CREDIT OVERVIEW

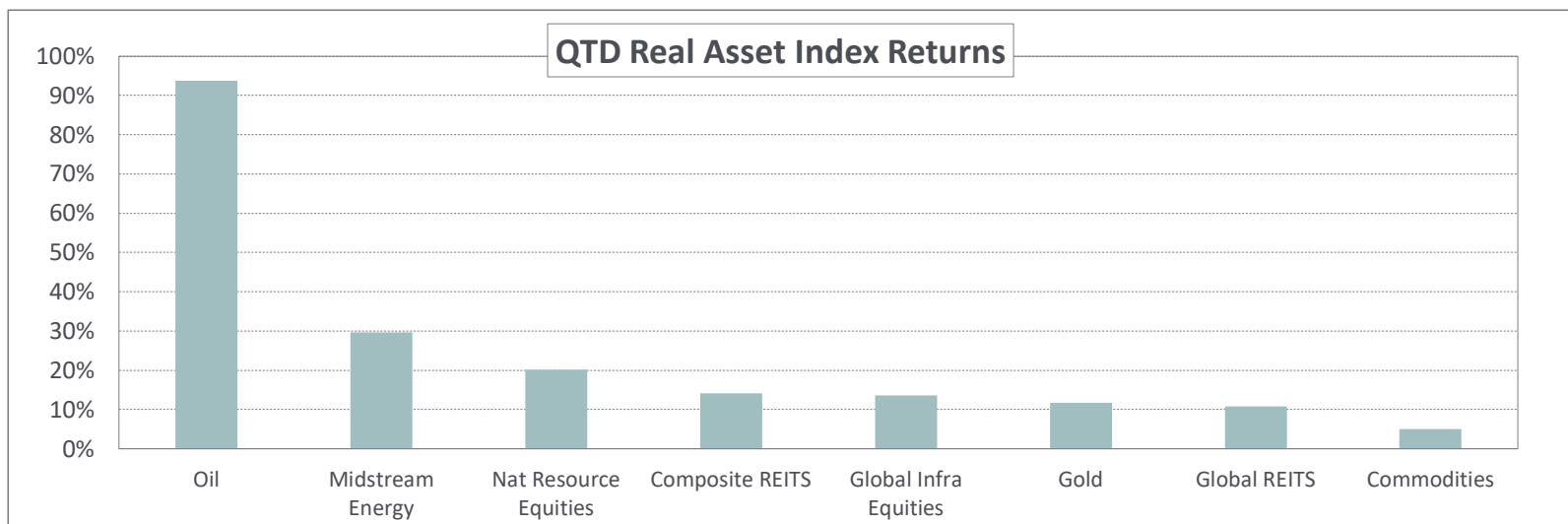


Source: S&P, MSCI, Russell, JPM, FactSet

	Previous Quarter Spread (bps)	Current Quarter Spread (bps)	Δ	Median
BC IG Credit	272	150	-122	138
BC Long Credit	279	202	-77	176
BC Securitized	72	75	3	49
BC High Yield	880	626	-254	479
Muni HY	476	449	-27	639
JPM EMBI Glob Div	626	474	-152	341
Bank Loans - Libor	736	582	-154	437

Source: Barclays, JPM, FactSet;
Medians calculated since 11/30/2000

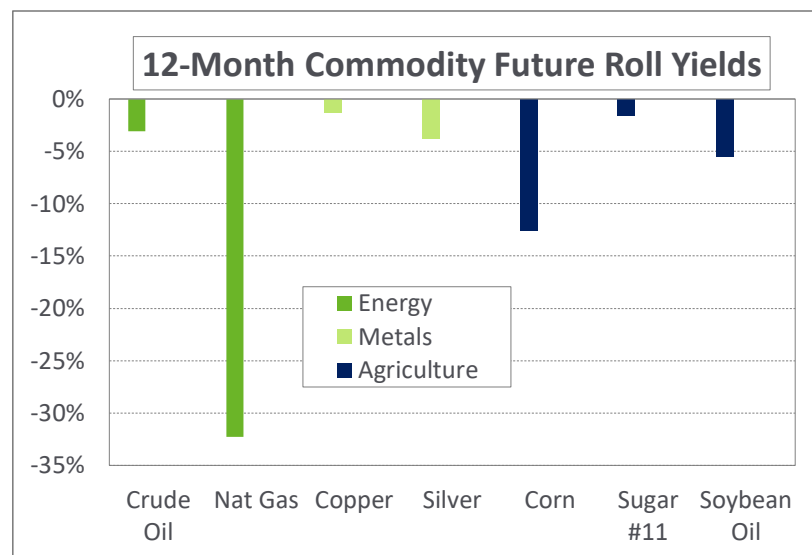
REAL ASSETS OVERVIEW



Source: S&P, MSCI, Russell, FactSet

Real Asset Yields	Previous Quarter	Current Quarter
Midstream Energy	11.3%	8.6%
Core Real Estate*	4.5%	4.5%
Composite REITs	5.8%	4.3%
Global REITs	6.1%	5.0%
Global Infrastructure Equities	4.3%	4.7%
Natural Resource Equities	4.8%	4.7%
Commodity Index Roll Yield	-14.3%	-6.8%

Sources: Alerian, NAREIT, Barclays, NEPC, FactSet
Core Real Estate* yields are subject to a one quarter lag



Source: FactSet

DISCLOSURES

NEPC, LLC

Information Disclaimer

- **Past Performance is no guarantee of future results.**
- **The goal of this report is to provide a basis for monitoring financial markets. The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.**
- **Information on market indices was provided by sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.**
- **All investments carry some level of risk. Diversification and other asset allocation techniques do not ensure profit or protect against losses.**



StanCERA

Investment Risk & Analytical Services

June 30, 2020

Market Value Summary - One Month

Account/Group	05/31/2020 Market Value	Net Contribution*	Income	Fees	Appreciation	06/30/2020 Market Value
StanCERA	2,142,076,200	-3,035,412	2,949,099	1,330	42,932,939	2,184,922,826
Total Equity	851,859,224	-1,330	1,419,070	1,330	30,230,463	883,507,427
Total US Equity Composite	397,790,802	0	291,968	0	10,293,378	408,376,149
Total Large Cap	335,706,842	0	148,992	0	8,458,806	344,314,640
Large Growth	180,315,683	0	2	0	7,848,052	188,163,738
Blackrock R1K Growth Fd	180,315,683	0	2	0	7,848,052	188,163,738
Large Value	155,391,159	0	148,989	0	610,754	156,150,902
Blackrock R1K Value Fd	77,437,743	0	0	0	-506,369	76,931,374
Dodge & Cox	77,953,416	0	148,989	0	1,117,123	79,219,529
Total Small Cap	62,083,960	0	142,977	0	1,834,571	64,061,509
Small Value	62,083,960	0	142,977	0	1,834,571	64,061,509
Capital Prospects	62,083,960	0	142,977	0	1,834,571	64,061,509
Capital Prospects Cash	58	0	0	0	0	58
CP - Bernzott - GOF	9,961,258	0	13,435	0	280,545	10,255,239
CP - Channing - GOF	13,317,768	0	30,480	0	326,023	13,674,272
CP - Inview - GOF	11,385,394	0	50,116	0	306,743	11,742,252
CP - Keeley - GOF	7,804,588	0	16,523	0	312,127	8,133,238
CP - Pacific Ridge - GOF	11,226,172	0	18,441	0	321,545	11,566,158
CP - Walhausen - GOF	8,388,721	0	13,983	0	287,588	8,690,292
Total International Equity	454,068,421	-1,330	1,127,102	1,330	19,937,085	475,131,278
LSV	219,270,138	-87	926,018	87	7,518,500	227,714,569
Pyramis Gbl	234,798,283	-1,242	201,083	1,242	12,418,585	247,416,709
Total US Fixed Income	465,664,851	-2,835,392	902,373	0	3,461,633	467,193,464
DFA	186,488,626	0	334,414	0	733,065	187,556,105
Insight Investment Management	209,468,510	-2,835,393	567,954	0	2,637,114	209,838,184
NT Intermed Govt. Bond	49,101,785	0	-0	0	47,786	49,149,570
NT Long Term Govt./Credit Bond	20,605,936	0	-0	0	43,669	20,649,605
PIMCO	-7	0	7	0	0	0
Real Estate	236,921,844	0	584,495	0	-261,359	237,244,980
American SVRF	68,462,964	0	0	0	0	68,462,964
Blackrock US Real Estate	17,595,109	0	0	0	323,136	17,918,244
Greenfield GAP	10,206,286	0	0	0	0	10,206,286
PGIM RE US DEBT FD	58,344,621	0	0	0	0	58,344,621
Prime Property Fd	59,298,963	0	584,495	0	-584,495	59,298,963
STANCERA - GREENFIELD ACQUISTN	23,013,901	0	0	0	0	23,013,901

Market Value Summary - One Month

Account/Group	05/31/2020 Market Value	Net Contribution*	Income	Fees	Appreciation	06/30/2020 Market Value
Infrastructure	36,772,708	0	0	0	0	36,772,708
MS Infrastructure	36,772,708	0	0	0	0	36,772,708
Direct Lending	89,161,493	-29	33	0	-9	89,161,488
Medley Opp II	8,745,603	-29	9	0	-9	8,745,574
Owl Rock First Lien	4,624,275	0	24	0	0	4,624,299
Raven Opp Fd	7,805,701	0	0	0	0	7,805,701
Raven Opp Fd III	45,093,443	0	0	0	0	45,093,443
White Oak Pinnacle Fund	22,892,471	0	0	0	0	22,892,471
Cash	17,250,082	-198,662	43,128	0	-1,401	17,093,147
Cash Account	17,250,082	-198,662	43,128	0	-1,401	17,093,147
Risk Parity Strategy	307,023,617	0	0	0	6,431,869	313,455,486
STANCERA - AQR CAPITAL MGMT	152,692,521	0	0	0	2,811,301	155,503,822
STANCERA - PANAGORA ASSET	154,331,096	0	0	0	3,620,568	157,951,664
Private Equity	137,422,382	1	-1	0	3,071,745	140,494,127
Insight Partners XI	2,260,370	0	0	0	0	2,260,370
NT Russell 3000	135,162,012	1	-1	0	3,071,745	138,233,757

*Net Contributions include Cash Contributions/Distributions, Security Deliveries/Receipts, Fees/Fee Rebates, Inter Account transfers for Consolidations & Benefits Payments.
Copied History or Backloaded Data may not display the correct Contributions/Withdrawals creating misrepresentation.

Investment Hierarchy(2)

Account/Group	Ending Market Value USD	Ending Weight	Policy Weight	% Rate of Return							Inception to Date	Inception Date
				One Month	Three Months	One Year	Three Years	Five Years	Ten Years			
StanCERA	2,184,922,826	100.00		2.14	10.25	1.39	4.59	5.19	8.29	8.63	12/31/1994	
StanCERA Policy Index				-	-	-	-	-	-	-	12/31/1994	
Excess Return				-	-	-	-	-	-	-	12/31/1994	
Total Equity	883,507,427	40.44	35.00	3.72	19.54	-2.19	3.27	4.94	-	5.51	04/30/2014	
MSCI ACWI ND				3.20	19.22	2.11	6.14	6.46	-	6.00	04/30/2014	
Excess Return				0.52	0.32	-4.30	-2.87	-1.51	-	-0.50	04/30/2014	
Total US Equity Composite	408,376,149	18.69	17.00	2.66	22.70	2.49	7.19	7.75	12.84	6.89	06/30/2001	
Total US Equity Index				2.48	22.54	4.61	8.93	9.28	13.44	7.32	06/30/2001	
Excess Return				0.18	0.16	-2.12	-1.74	-1.53	-0.59	-0.43	06/30/2001	
Total Large Cap	344,314,640	15.76	14.00	2.56	22.58	7.72	10.23	9.84	-	10.10	04/30/2014	
S&P 500				1.99	20.54	7.51	10.73	10.73	-	10.66	04/30/2014	
Excess Return				0.58	2.04	0.22	-0.50	-0.89	-	-0.56	04/30/2014	
Large Growth	188,163,738	8.61	7.00	4.35	27.82	23.30	19.11	14.44	17.06	10.86	06/30/2006	
Russell 1000 Growth				4.35	27.84	23.28	18.99	15.89	17.23	11.70	06/30/2006	
Excess Return				-0.00	-0.02	0.01	0.12	-1.45	-0.18	-0.85	06/30/2006	
Blackrock R1K Growth Fd	188,163,738	8.61	7.00	4.35	27.82	23.30	18.97	15.90	17.27	17.27	06/30/2010	
Russell 1000 Growth				4.35	27.84	23.28	18.99	15.89	17.23	17.23	06/30/2010	
Excess Return				-0.00	-0.02	0.01	-0.03	0.01	0.04	0.04	06/30/2010	
Large Value	156,150,902	7.15	7.00	0.49	16.80	-6.82	2.08	5.24	-	5.78	04/30/2014	
Russell 1000 Value				-0.66	14.29	-8.84	1.82	4.64	-	5.11	04/30/2014	
Excess Return				1.15	2.51	2.02	0.26	0.60	-	0.67	04/30/2014	
Blackrock R1K Value Fd	76,931,374	3.52	3.50	-0.65	14.65	-8.34	2.02	4.78	10.52	10.41	07/31/2009	
Russell 1000 Value				-0.66	14.29	-8.84	1.82	4.64	10.41	10.28	07/31/2009	
Excess Return				0.01	0.36	0.49	0.19	0.14	0.11	0.14	07/31/2009	
Dodge & Cox	79,219,529	3.63	3.50	1.62	18.94	-5.77	2.81	5.88	11.70	11.08	12/31/1994	
Russell 1000 Value				-0.66	14.29	-8.84	1.82	4.64	10.41	9.10	12/31/1994	
Excess Return				2.29	4.65	3.07	0.98	1.24	1.29	1.98	12/31/1994	
Total Small Cap	64,061,509	2.93	3.00	3.19	23.30	-18.08	-4.86	-0.70	-	1.50	04/30/2014	
Russell 2000				3.53	25.42	-6.63	2.01	4.29	-	5.54	04/30/2014	
Excess Return				-0.35	-2.11	-11.45	-6.86	-4.99	-	-4.04	04/30/2014	
Small Value	64,061,509	2.93	3.00	3.19	23.30	-18.08	-3.95	1.08	8.83	10.00	12/31/2008	
Russell 2000 Value				2.90	18.91	-17.48	-4.35	1.26	7.82	8.36	12/31/2008	
Excess Return				0.29	4.40	-0.60	0.39	-0.17	1.01	1.63	12/31/2008	

Account/Group	Ending Market Value USD	Ending Weight	Policy Weight	% Rate of Return							
				One Month	Three Months	One Year	Three Years	Five Years	Ten Years	Inception to Date	Inception Date
Capital Prospects	64,061,509	2.93	3.00	3.19	23.30	-18.08	-3.95	1.08	8.83	10.00	12/31/2008
Russell 2000 Value				2.90	18.91	-17.48	-4.35	1.26	7.82	8.36	12/31/2008
Excess Return				0.29	4.40	-0.60	0.39	-0.17	1.01	1.63	12/31/2008
Capital Prospects Cash	58	0.00		-	-	-	-	-	-	-	05/01/2017
CP - Bernzott - GOF	10,255,239	0.47		2.95	26.77	-6.05	6.41	6.68	12.40	13.95	12/31/2008
Russell 2000 Value				2.90	18.91	-17.48	-4.35	1.26	7.82	8.36	12/31/2008
Excess Return				0.06	7.86	11.43	10.76	5.43	4.58	5.58	12/31/2008
CP - Channing - GOF	13,674,272	0.63		2.68	25.90	-11.46	-1.76	2.13	9.82	10.45	12/31/2008
Russell 2000 Value				2.90	18.91	-17.48	-4.35	1.26	7.82	8.36	12/31/2008
Excess Return				-0.22	7.00	6.02	2.59	0.87	2.00	2.09	12/31/2008
CP - Inview - GOF	11,742,252	0.54		3.13	23.20	-25.83	-7.02	-1.12	6.01	7.98	12/31/2008
Russell 2000 Value				2.90	18.91	-17.48	-4.35	1.26	7.82	8.36	12/31/2008
Excess Return				0.24	4.30	-8.35	-2.67	-2.38	-1.81	-0.38	12/31/2008
CP - Keeley - GOF	8,133,238	0.37		4.21	24.40	-22.20	-5.98	-1.82	6.81	6.71	12/31/2008
Russell 2000 Value				2.90	18.91	-17.48	-4.35	1.26	7.82	8.36	12/31/2008
Excess Return				1.32	5.50	-4.72	-1.63	-3.08	-1.01	-1.66	12/31/2008
CP - Pacific Ridge - GOF	11,566,158	0.53		3.03	20.92	-21.35	-5.25	4.42	-	6.26	10/31/2013
Russell Micro Cap Value				5.69	22.93	-14.93	-2.93	2.19	-	3.59	10/31/2013
Excess Return				-2.67	-2.02	-6.42	-2.32	2.23	-	2.67	10/31/2013
CP - Walhausen - GOF	8,690,292	0.40		3.59	19.66	-15.08	-3.79	1.69	9.81	12.24	12/31/2008
Russell 2000 Value				2.90	18.91	-17.48	-4.35	1.26	7.82	8.36	12/31/2008
Excess Return				0.70	0.75	2.39	0.56	0.43	1.99	3.88	12/31/2008
Total International Equity	475,131,278	21.75	23.00	4.64	16.97	-5.65	-0.35	1.78	5.24	4.66	06/30/2001
Total Int'l Equity Index				4.56	16.30	-4.39	1.61	2.74	5.45	5.34	06/30/2001
Excess Return				0.08	0.67	-1.26	-1.96	-0.96	-0.21	-0.68	06/30/2001
LSV	227,714,569	10.42	11.50	3.85	14.62	-9.35	-2.73	0.58	4.55	4.98	08/31/2004
MSCI ACWI ex USA GD				4.56	16.30	-4.39	1.61	2.74	5.45	5.83	08/31/2004
Excess Return				-0.71	-1.68	-4.96	-4.34	-2.16	-0.91	-0.85	08/31/2004
Pyramis Gbl	247,416,709	11.32	11.50	5.37	19.21	-2.00	2.01	2.94	5.94	3.27	04/30/2006
MSCI ACWI ex USA GD				4.56	16.30	-4.39	1.61	2.74	5.45	3.02	04/30/2006
Excess Return				0.81	2.92	2.39	0.40	0.19	0.49	0.25	04/30/2006
Total US Fixed Income	467,193,464	21.38	22.00	0.94	4.53	6.66	4.17	4.04	4.26	5.47	06/30/2001
BBG Barclays US Aggregate				0.63	2.90	8.74	5.32	4.30	3.82	4.83	06/30/2001
Excess Return				0.31	1.63	-2.08	-1.15	-0.26	0.44	0.64	06/30/2001

Account/Group	Ending Market Value USD	Ending Weight	Policy Weight	% Rate of Return							Inception to Date	Inception Date
				One Month	Three Months	One Year	Three Years	Five Years	Ten Years			
DFA	187,556,105	8.58	8.00	0.57	2.70	3.84	-	-	-	2.85	07/20/2017	
BB Barclays US Credit 1-3 Yrs				0.56	3.28	4.32	-	-	-	3.19	07/20/2017	
Excess Return				0.01	-0.58	-0.49	-	-	-	-0.34	07/20/2017	
Insight Investment Management	209,838,184	9.60	11.00	1.53	7.71	7.63	4.74	-	-	4.71	06/29/2017	
US Govt. Credit Blend				0.50	2.37	6.41	4.04	-	-	-	06/29/2017	
Excess Return				1.03	5.34	1.22	0.70	-	-	-	06/29/2017	
NT Intermed Govt. Bond	49,149,570	2.25		0.10	0.43	6.99	-	-	-	4.01	07/18/2017	
BB Barc US Ag Gvt/Cr Intrmd				0.62	2.81	7.12	-	-	-	4.36	07/18/2017	
Excess Return				-0.52	-2.38	-0.13	-	-	-	-0.35	07/18/2017	
NT Long Term Govt./Credit Bond	20,649,605	0.95		0.21	-0.56	24.97	-	-	-	12.06	07/18/2017	
BBG Barc US Long Govt/Credit				1.55	6.23	18.91	-	-	-	10.29	07/18/2017	
Excess Return				-1.34	-6.79	6.06	-	-	-	1.77	07/18/2017	
PIMCO	0	0.00	6.00	-	-	-	-	-	-	-	04/30/2010	
BBG Barclays US Aggregate				-	-	-	-	-	-	-	04/30/2010	
Excess Return				-	-	-	-	-	-	-	04/30/2010	
Real Estate	237,244,980	10.86	10.00	0.14	1.21	3.73	5.15	6.91	7.55	3.45	02/29/2008	
Total Real Estate Index				1.84	9.11	-17.71	-1.99	2.45	7.62	3.53	02/29/2008	
Excess Return				-1.70	-7.90	21.43	7.14	4.46	-0.07	-0.08	02/29/2008	
American SVRF	68,462,964	3.13	2.50	0.00	1.23	7.00	8.23	10.10	-	9.84	12/16/2014	
NCREIF Property (Real Time)				-	-	-	-	-	-	-	12/16/2014	
Excess Return				-	-	-	-	-	-	-	12/16/2014	
Blackrock US Real Estate	17,918,244	0.82	0.00	1.84	9.11	-17.80	-2.30	1.86	-	4.56	09/30/2012	
Dow Jones US Select REIT				1.84	9.11	-17.71	-1.99	2.45	-	-	09/30/2012	
Excess Return				0.00	-0.00	-0.10	-0.31	-0.59	-	-	09/30/2012	
Greenfield GAP	10,206,286	0.47	0.80	0.00	-4.60	13.87	13.15	13.12	-	11.14	06/30/2014	
NCREIF ODCE + 100 BPS				-	-	-	-	-	-	-	06/30/2014	
Excess Return				-	-	-	-	-	-	-	06/30/2014	
PGIM RE US DEBT FD	58,344,621	2.67	2.50	0.00	1.06	5.47	-	-	-	4.31	08/31/2018	
NCREIF ODCE + 100 BPS				-	-	-	-	-	-	-	08/31/2018	
Excess Return				-	-	-	-	-	-	-	08/31/2018	
Prime Property Fd	59,298,963	2.71	2.50	0.00	0.61	3.58	6.71	-	-	7.25	09/30/2015	
NCREIF Op-End Div Core GR NonL				-	-	-	-	-	-	-	09/30/2015	
Excess Return				-	-	-	-	-	-	-	09/30/2015	
STANCERA - GREENFIELD ACQUISTN	23,013,901	1.05	1.80	0.00	0.25	23.89	-	-	-	20.97	03/31/2018	

Account/Group	Ending Market Value USD	Ending Weight	Policy Weight	% Rate of Return								Inception to Date	Inception Date
				One Month	Three Months	One Year	Three Years	Five Years	Ten Years				
Infrastructure	36,772,708	1.68	2.00	0.00	-1.65	10.48	16.20	10.07	-	7.07	04/30/2015		
CPI + 5%				0.95	1.10	5.68	6.80	6.63	-	-	04/30/2015		
Excess Return				-0.95	-2.75	4.80	9.40	3.45	-	-	04/30/2015		
MS Infrastructure	36,772,708	1.68	2.00	0.00	-1.65	10.48	16.20	10.07	-	7.14	05/19/2015		
CPI + 5%				0.95	1.10	5.68	6.80	-	-	-	05/19/2015		
Excess Return				-0.95	-2.75	4.80	9.40	-	-	-	05/19/2015		
Direct Lending	89,161,488	4.08	6.00	0.00	-9.85	-8.22	-0.24	0.90	-	3.02	05/31/2013		
9% Per Year				0.72	2.18	9.00	9.00	9.00	-	9.00	05/31/2013		
Excess Return				-0.72	-12.03	-17.22	-9.24	-8.10	-	-5.98	05/31/2013		
Medley Opp II	8,745,574	0.40		0.00	-8.97	-18.93	-12.04	-5.36	-	-0.93	05/31/2013		
9% Per Year				0.72	2.18	9.00	9.00	9.00	-	9.00	05/31/2013		
Excess Return				-0.72	-11.15	-27.93	-21.04	-14.36	-	-9.93	05/31/2013		
Owl Rock First Lien	4,624,299	0.21		0.00	-10.05	-	-	-	-	-10.05	09/30/2019		
9% Per Year				0.72	2.18	-	-	-	-	6.68	09/30/2019		
Excess Return				-0.72	-12.23	-	-	-	-	-16.73	09/30/2019		
Raven Opp Fd	7,805,701	0.36		0.00	-45.53	-43.74	-14.56	-10.70	-	-7.99	05/31/2013		
9% Per Year				0.72	2.18	9.00	9.00	9.00	-	9.00	05/31/2013		
Excess Return				-0.72	-47.71	-52.74	-23.56	-19.70	-	-16.98	05/31/2013		
Raven Opp Fd III	45,093,443	2.06		0.00	4.24	7.81	8.58	-3.11	-	-3.11	06/30/2015		
9% Per Year				0.72	2.18	9.00	9.00	9.00	-	9.00	06/30/2015		
Excess Return				-0.72	2.06	-1.19	-0.42	-12.11	-	-12.11	06/30/2015		
White Oak Pinnacle Fund	22,892,471	1.05		0.00	-13.87	-9.00	0.51	3.18	-	8.01	08/31/2013		
9% Per Year				0.72	2.18	9.00	9.00	9.00	-	9.00	08/31/2013		
Excess Return				-0.72	-16.05	-18.00	-8.49	-5.82	-	-0.99	08/31/2013		
Cash	17,093,147	0.78	1.00	0.02	0.09	1.44	1.63	1.10	-	-	04/30/2014		
Cash Account	17,093,147	0.78		0.02	0.09	1.44	1.63	1.10	-	-	04/30/2014		
FTSE 3 Month US T Bill				0.01	0.14	1.56	1.72	1.15	-	0.94	04/30/2014		
Excess Return				0.01	-0.04	-0.12	-0.09	-0.05	-	-	04/30/2014		
Risk Parity Strategy	313,455,486	14.35	13.00	2.09	7.25	1.24	-	-	-	4.02	10/31/2017		
Risk Parity Blend				2.27	12.70	3.42	-	-	-	4.30	10/31/2017		
Excess Return				-0.18	-5.46	-2.18	-	-	-	-0.27	10/31/2017		
STANCERA - AQR CAPITAL MGMT	155,503,822	7.12	6.50	1.84	5.14	-0.22	-	-	-	4.60	02/28/2018		
Risk Parity Blend				2.27	12.70	3.42	-	-	-	3.34	02/28/2018		
Excess Return				-0.43	-7.56	-3.64	-	-	-	1.27	02/28/2018		

Account/Group	Ending Market Value USD	Ending Weight	Policy Weight	% Rate of Return							Inception to Date	Inception Date
				One Month	Three Months	One Year	Three Years	Five Years	Ten Years			
STANCERA - PANAGORA ASSET	157,951,664	7.23	6.50	2.35	9.41	2.71	-	-	-	4.63	10/31/2017	
60% MSCI ACWI / 40% BC Glb Agg				2.27	12.70	3.42	-	-	-	4.30	10/31/2017	
Excess Return				0.07	-3.30	-0.71	-	-	-	0.33	10/31/2017	
Private Equity	140,494,127	6.43	6.00	2.24	21.85	6.46	-	-	-	12.28	11/30/2018	
Russell 3000				2.29	22.03	6.53	-	-	-	9.05	11/30/2018	
Excess Return				-0.05	-0.18	-0.07	-	-	-	3.23	11/30/2018	
Insight Partners XI	2,260,370	0.10		0.00	-	-	-	-	-	0.00	04/30/2020	
Russell 3000 + 3bp				2.29	-	-	-	-	-	7.76	04/30/2020	
Excess Return				-2.29	-	-	-	-	-	-7.76	04/30/2020	
NT Russell 3000	138,233,757	6.33	6.00	2.27	22.00	6.59	-	-	-	12.67	12/13/2018	

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July 30, 2020

Retirement Board Agenda Item

TO: Retirement Board

FROM: Due Diligence Committee

- I. SUBJECT: Due Diligence Committee Report
- II. ITEM NUMBER: 10.a
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: N/A
- V. ANALYSIS:

The due diligence committee (Trustee Grover, Trustee, O'Neal, Rick Santos, Stan Conwell, and Kellie Gomes) conducted this year's due diligence meetings via video conference due to COVID-19. A total of four managers were up for review by the committee and the meetings occurred on June 29 and 30. The committee met with Capital Prospects/Attucks Asset Management, Grandview Partners/Greenfield Partners, LSV Asset Management, and Northern Trust Asset Management.

The main purpose of the due diligence committee is to periodically review each investment manager for organizational changes and to provide assurance that StanCERA would rehire them again today. A due diligence questionnaire was sent to each manager to be completed prior to the meetings. This year, questions specific to COVID-19 were added to ascertain any material impact on the firm. Overall, the responses indicated little or no material impact on operations and each firm has adapted their processes to operate much as they would in a normal work environment. A brief summary of the meetings is provided below:

Capital Prospects/Attucks Asset Management

The first meeting was with Capital Prospects/Attucks Asset Management. Capital Prospects merged with Attucks at the beginning of the year. Prior to the merger, each firm was roughly the same size, operating in the same fund of fund investment management business and serving a very similar client base. Early indications point to a smooth integration and is likely a result of a well vetted merger process conducted by both firms. The committee spent some time questioning Les Bond, the CEO of Attucks, to discuss his management style, his approach to the fund of fund business, and the synergies of the merger. The committee also spoke to Patrick Silvestri who introduced the committee to Attuck's investment process which was very similar to Capital Prospects approach. There was additional discussion around growth of the firm, sharing of best practices, details on the merger transaction, and the current underperformance of the value equity style. The committee noted the retirement of Elizabeth Knope from the firm and staff will continue to hold meetings with Attucks to get to know them better and monitor the ongoing merger.

Grandview Partners/Greenfield Partners

The next meeting was with Grandview Partners/Greenfield Partners. The committee met with Dean Sotter for an overview of the recent changes in the firm, the impact COVID-19 has had on the real estate market, and the current positioning of the funds. The firm recently completed its spin off from Greenfield with 100% approval by the LPs and the Greenfield VIII fund is now rebranded as Grandview I-A. The team and strategy are unchanged. The Grandview I-A fund is seeking to fundraise additional capital in 2020, but COVID-19 may slow this process. The Grandview I-A portfolio is positioned with an overweight to the industrial sector and an underweight to the retail sector. Greenfield VII is similarly positioned. In the near term, the underweight to retail should help performance vs peers and the benchmark because Grandview has less exposure to sectors, like retail, that are harder hit by COVID-19. Discussion also included business continuity, firm organizational structure, and portfolio risk management.

LSV Asset Management

The committee met with the LSV team on June 30. LSV utilizes a systematic value approach to investing that is reliant on computer models. Given that, the committee spent some time on the security and stability of the IT Infrastructure currently in use at LSV. The committee also discussed succession management and noted some concerns. The founder of LSV is past retirement age and there is no formal succession plan in place. While the Committee recognizes LSV's historical team stability, a succession plan that can be openly communicated to employees and investors would go a long way in strengthening their reputation as a stable and reliable investment manager. Fund and firm level flows were also discussed as well as potential ways the value factor could recover vs growth going forward. Staff will continue to meet regularly with LSV for updates including matters related to the succession management concerns raised by the committee.

Northern Trust Asset Management

The last meeting was with Northern Trust Asset Management (NTAM). NTAM manages three passive strategies for StanCERA. On the equity side, they manage the Russell 3000 index mandate and on the fixed income side they manage an intermediate term government bond index fund and a long-term government bond index fund. Northern Trust is the fourth largest index manager and the second largest manager of Commingled Investment Trusts (CITs). CITs are the investment vehicle StanCERA utilizes with Northern Trust. The committee met with over 15 members of the NTAM team including the heads of the equity index and fixed income practices as well as representatives from compliance, IT and trade operations. An in-depth review of the processes, including an overview of their team approach and measures in place to support a stable and efficient portfolio implementation were covered.

- VI. RISK: None
- VII. STRATEGIC PLAN: N/A
- VIII. ADMINISTRATIVE BUDGET IMPACT: NONE



Stan Conwell, Retirement Investment Officer