

AGENDA

BOARD OF RETIREMENT

Boardroom

832 12th Street Suite 600 Modesto, CA 95353

July 27, 2021
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 StanCERA Boardroom is being utilized for some Trustees and Staff who will be attending in person. All other Trustees, Staff and Consultants unable to attend in person will be attending remotely via teleconference.

If you wish to make either a general public comment or to comment on a specific agenda item in writing, please submit your comment (if your comment pertains to a specific agenda item, please include the agenda item number in the subject line) 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 (400 words or less).

The public will not be granted access to Board of Retirement Boardroom 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**. When directed to do so please press 5* on your phone to alert the Chair you wish to a public comment. Pursuant to Government Code section 54954.3(a), Public Comment or public comment on an Agenda Item are limited to three (3) minutes StanCERA will provide its best effort to fulfill the request.

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.

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 May 25, 2021 Meeting Minutes [View](#)
 - b. Applications for Service Retirement(s) – **Government Code Sections 31499.14, 31670, 31662.2, 31810 31700** See attachment for details. [View](#)
 - c. Legislation Update [View](#)
 - d. Information Technology Solutions (ITS) Project [View](#)
 - e. Investment Matrix [View](#)
 - f. Auxiliary Investment Report as of March 31, 2021
 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](#)
 - g. 2021 Executive Director Goals Update - Quarter 2
Agenda Item [View](#) Attachment 1 [View](#)
7. NEPC – Investment Consultant
 - a. Liquid Absolute Return Manager Search [View](#)
 1. Graham Proprietary Matrix
 2. Invesco Global Targeted Returns
 - b. May Flash Report [View](#)
 - c. June Flash Report [View](#)
8. Investment

Portfolio Rebalance Update [View](#)
9. Administrative
 - a. Quarterly Staff Update

10. Closed Session

- a. Conference with Legal Counsel – Pending Litigation – One (1) 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 (1) 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. Conference to consider the purchase of an alternative pension fund.
Government Code Section 54956.81

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

12. Adjournment

BOARD OF RETIREMENT MINUTES May 25, 2021

1. Call Meeting to Order

Meeting called to order 1:30 pm by Trustee Grover, Chair

2. Pledge of Allegiance

3. Roll Call

Trustees Present by Conference Call

Jeff Grover-Chair
Donna Riley-Vice Chair
Michael O'Neal
Darin Gharat
Mike Lynch
Joshua Clayton,
Sam Sharpe
Mandip Dhillon
Rhonda Biesemeier

Trustees Absent: Terry Withrow,

Others Present by Conference Call:

Rick Santos, Executive Director
Stan Conwell, Retirement Investment Officer
Kellie Gomes, Executive Board Assistant
Natalie Davis, Part time, Fiscal Services Manager
Brittany Atkins-Smith, Fiscal Services Manager
Lisa Fraser, Benefits Manager
Fred Silva, General Legal Counsel
Daniel Hennessy, NEPC Investment Consultant

4. Announcements

Chairman Trustee Grover had the following announcement:

Due to the COVID-19 Pandemic, StanCERA's offices are currently closed to public access. We are meeting today virtually to accommodate COVID 19 distancing guidelines for this meeting. If you are joining the meeting today by teleconference as a member of the public your phone will be muted. When directed to do so please press 5* on your phone to alert the Chair you wish to a public comment.

Fred Silva reported that the United States Court of Appeals for the Ninth Circuit ruled in favor of StanCERA's position in its Amicus Curiae brief filed in SJCERA v. Travelers Casualty and Surety Company of America.

5. Public Comment

None

6. Consent Items

- a. Approval of the April 27, 2021 Meeting Minutes
- b. Applications for Service Retirement(s) – **Government Code Sections 31499.14, 31670, 31662.2, 31810 31700** See attachment for details.
- c. Application for Service-Connected Disability Retirement – **Government Code Section 31724**
 - 1. Papadopoulos, George – Stanislaus County – Effective 2/8/2020
 - 2. Santoyo, Maria – Stanislaus County – Effective 7/19/2019
- d. Information Technology Solutions (ITS) Project
- e. Investment Matrix

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

Roll Call Vote was as follows:

Trustee Grover,	YES
Trustee Riley,	YES
Trustee O'Neal,	YES
Trustee Sharpe	YES
Trustee Gharat	YES
Trustee Lynch	YES
Trustee Clayton	YES
Trustee Dhillon	YES

Motion carried unanimously

7. NEPC – Investment Consultant

- a. Liquid Absolute Return Education
- b. April Flash Report
- c. Investment Performance 2021 Quarter 1 Review

All Items Presented by Dan Hennessy, NEPC Investment Consultant

8. Investment

- a. none

9. Administrative

- a. Fiscal Year 2021-2022 Proposed Administrative Budget
Agenda Item Attachment 1

Motion was made by Trustee O'Neal and seconded by Trustee Dhillon to accept the Fiscal Year 2021-2022 Proposed Administrative Budget as presented today.

Roll Call Vote was as follows:

Trustee Grover,	YES
Trustee Riley,	YES
Trustee O'Neal,	YES
Trustee Sharpe	YES
Trustee Gharat	YES
Trustee Lynch	YES
Trustee Clayton	YES
Trustee Dhillon	YES

Motion carried unanimously

- b. Verbal All Staff Update

10. Closed Session

- a. Conference with Legal Counsel – Pending Litigation – One (1) 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)
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LLC, Mediation Pursuant to Evidence Code Sections 1115, 1119, 1152
Government Code Section 54956.9d)(4)

No closed session Items were heard at this meeting

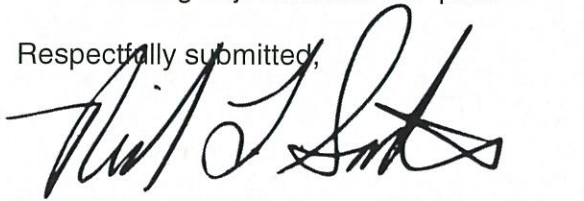
11. Members' Forum (Information and Future Agenda Requests Only)

None

12. Adjournment

Meeting adjourned at 4:37 p.m.

Respectfully submitted,



Rick Santos, Executive

APPROVED AS TO FORM

By 
Fred A. Silva, GENERAL LEGAL COUNSEL

**StanCERA Applications for Service Retirement(s)
Government Code Sections 31499.14, 31670, 31662.2,
31810 & 31700**

1. Armendariz, David - Stanislaus County - Effective 06/03/2021
2. Bartlett, Diane - Stanislaus County - Effective 07/01/2021
3. Boltzen, Lisa - Stanislaus County - Effective 06/01/2021
4. Daniali, Shemiran - Stanislaus County - Effective 06/11/2021
5. De Mass, Michelle - Stanislaus County - Effective 06/19/2021
6. Diaz, Olga - Stanislaus County - Effective 07/01/2021
7. Greco, Casey - Stanislaus County - Effective 07/02/2021
8. HOLT Jr., TROY - Stanislaus County - Effective 07/03/2021
9. Lejeck, Robert - Stanislaus County - Effective 06/01/2021
10. Linta, Alma - Stanislaus County - Effective 07/17/2021
11. Logan, Steven - Stanislaus County - Effective 07/03/2021
12. Mc Nally, Cris - Stanislaus County - Effective 07/17/2021
13. Miller, Mary - Stanislaus County - Effective 06/05/2021
14. Molina, Luis - Stanislaus County - Effective 06/26/2021
15. Moniz, Charmaine - Stanislaus County - Effective 06/18/2021
16. Nieves, Ruben - Stanislaus County - Effective 07/10/2021
17. Olaguez-Romero, Angelica - Stanislaus County - Effective 07/17/2021
18. PELLEGRINI, TODD - City of Ceres - Effective 06/04/2021
19. Penosa, Becky - Stanislaus County - Effective 07/03/2021
20. Platt, Dean - Stanislaus County - Effective 07/03/2021
21. Quadra, Merle - Stanislaus County - Effective 06/05/2021
22. Radach, Roy - Stanislaus County - Effective 07/31/2021
23. Reed, Colleen - Stanislaus County - Effective 07/12/2021
24. Ryan, William - Stanislaus County - Effective 07/11/2021
25. Sandoval, David - Stanislaus County - Effective 07/03/2021
26. Silvey, Joe - Stanislaus County - Effective 07/03/2021
27. Sizemore, Carolyn - Stanislaus County - Effective 07/06/2021
28. TOBIN, MICHAEL - Oakdale Rural Fire District - Effective 07/19/2021
29. Trepel, William - Stanislaus County - Effective 06/05/2021
30. VILLALOBOS, MIGUEL - City of Ceres - Effective 07/14/2021
31. Wendt, Nina - Stanislaus Superior Court - Effective 06/11/2021
32. Westbrook, Cheryl - Stanislaus County - Effective 07/12/2021

July 27, 2021
Retirement Board Agenda Item

TO: Retirement Board
FROM: Lisa Frazer, Member and Employer Services Manager

- I. SUBJECT: Legislation Update
- II. ITEM: 6.c
- III. ITEM TYPE: Consent
- IV. RECOMMENDATION: None
- V. ANALYSIS:

Listed below are proposed CERL corrections for the 2022 legislative process. This is information only at this time as the Board representative(s) will have an opportunity to vote on the final items at the November 2021 SACRS meeting based on the full Board's recommendations.

31452.7 – Beneficiaries – Designating Estate – This idea would allow a member to designate a corporation, trust, or estate to receive his or her last check upon death. Section 31452.7 currently provides that upon the death of a member or survivor, the last benefit check is paid to a designated beneficiary. Members who choose Option 1 can designate an estate to receive the balance of contributions.

31525 – Board of Supervisor approval of Board of Retirement Regulations – This proposal would delete second sentence: "The board may make regulations not inconsistent with this chapter. *The regulations become effective when approved by the board of supervisors.*" The second sentence is a holdover from when CERL systems were managed by a county department and was adopted prior to the passage on Prop. 162.

31552.X or 31840.X PEPRA new member – This idea would clarify that "subject to reciprocity" in order for a member not to be deemed a PEPRA member means that an individual need not have made an affirmative election to invoke reciprocity rights. Add to CERL instead of amending PEPRA statutes 7522.02(c) or 7522.04(e). Would confirm CalPERS CCR 579.3.

31641.4 – Prior Service – Military Reserve Service – Current statute establishes that prior service purchases from another public agency must not yield a pension from that agency. However, 10 U.S.C §12736 provides that a period of military service may not be excluded from credit toward a civilian employment pension just because that period also counts towards reservist retirement. Thus, the question arises which statute prevails in a conflict between 10 U.S.C. §12736 and Section 31641.4. The Ninth Circuit Court of Appeal considered that question and determined that federal law overrides Section 31641.4.

31646.XX or 31648.XX – Furloughs – Provide clear direction that furloughs have no impact on pension compensation or service credit; members are kept whole for retirement purposes. Conforms to CalPERS statutes (see GC 20968, 20969, 20969.1, 20969.2) and appears to be consistent with past practice of most systems.

31730 – Disability – Reinstatement – Current law states that a disability benefit can only be canceled if he or she is found to no longer be incapacitated and his or her employer offers to reinstate them. *§31730: If the board determines that the beneficiary is not incapacitated, and his or her employer offers to reinstate that beneficiary, his or her retirement allowance shall be canceled forthwith, and he or she shall be reinstated in the county service pursuant to the regulations of the county or district for reemployment of personnel.*

The proposed legislation would address the scenario in which the employer does not offer to take the employee back. Proposed amendment: If employer will not reinstate, convert disability retirement to service retirement without adjusting benefit (i.e. an actuarial reduction). This conforms to existing practice of several systems.

31670.XX – Optional Retirement Allowance – Two separate amendments:

- Propose allowing retirement system to choose unmodified allowance as default option if certain conditions (i.e. notification) are met to expedite retirement processing.
- Allow member to change option within 30 days after receiving first payment. Should not be universal; some systems do not have technology to auto calculate option changes. Notes: 31760 locks in option election “until the first payment”; 31760.7 was added in 2005 to allow option change for domestic partner status; CalPERS provides 30-day window for option change after first payment for PERS and JRS members and CalSTRS.

31725.7, 31760 – Disability Optional Retirement Allowances – Propose allowing members to change optional allowance if subsequently granted disability retirement, regardless of when the member filed a disability retirement application. Section 31725.7 only allows a benefit option change for members who retired for service after filing a disability retirement application but does not provide the same ability for those who retired for service before filing an application, even though members may subsequently be granted a disability retirement. In order for members and survivors to change their service retirement benefit option upon the granting of a disability retirement, Section 31725.7 must be amended to provide for that ability. Section 31760 must also be amended to account for this exception to the general rule of allowing benefit option changes until the first payment of a retirement allowance.

31781 – Lump Sum Death Benefit – The death benefit for active members is currently accumulated contributions and up to 50% of compensation in prior 12 months preceding death. A proposed amendment would clarify how the 12 months immediately preceding death is calculated when there is an absence.

31838.5 – Concurrent Retirement: Disability – Provide clarity about pro-rata disability reductions when one entity does not reduce their disability payment. Section 31838.5 provides in part: *“No provision of this chapter shall be construed to authorize any member, credited with service in more than one entity and who is eligible for a disability allowance, whether service connected or non-service connected to receive an amount from one county that, when combined with any amount from other counties or the Public*

Employees' Retirement System, results in a disability allowance greater than the amount that the member would have received had all the member's service been with only one entity. ...Each entity shall calculate its respective obligations based upon the member's service with that entity and each shall adjust its payment on a pro rata basis."

CalPERS does not have an equivalent statute in the PERL and therefore does not reduce the benefit it pays. The question is whether a CERL system should reduce the benefit "pro rata" or whether it should further reduce the allowance so the member does not receive a combined allowance that is "greater than the amount the member would have received had all the member's service been with only one entity." These are different amounts in a case where CalPERS does not reduce the allowance it pays.

31646.XX – Service Purchase for Public Health Emergencies – Propose allowing members to purchase unpaid FMLA Public Health Emergency Leave. Current statute does not permit purchases for unpaid absences other than for illness; AB2101 provided an option for unpaid parental leave. This amendment would require the member to pay all contributions (employee and employer). This provision also requires Board of Supervisor approval and would establish that this provision is notwithstanding (exempt from) PEPPRA's ban on retroactive benefit increases. Only applies to FMLA on or after March 2020 and for public health emergencies in the future.

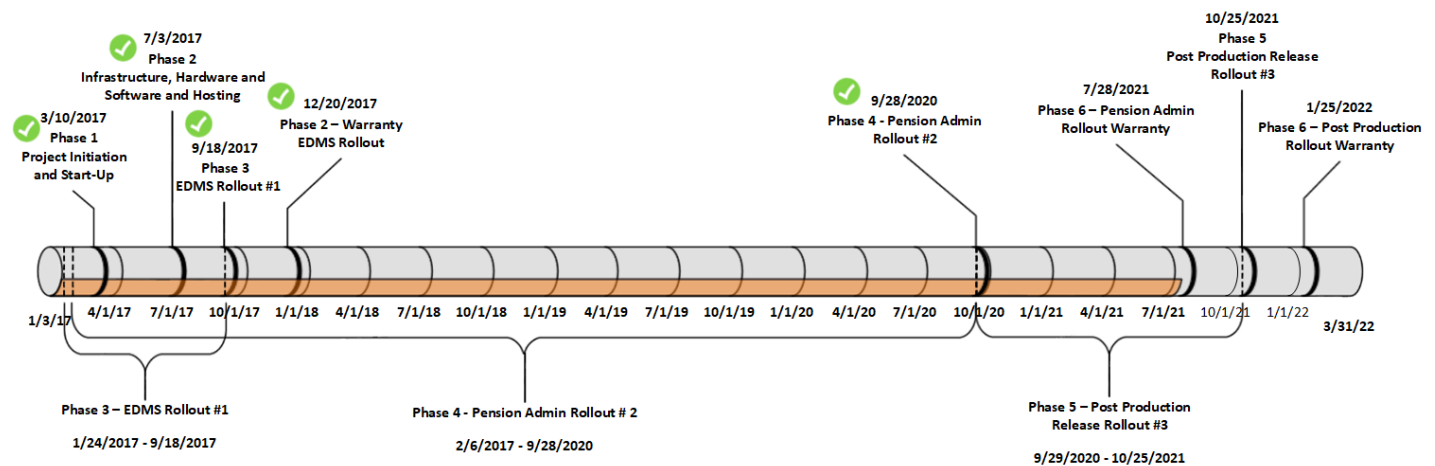
31680.15 (or new section) – Post-Retirement Employment – Add clarifying language that non-salaried positions and per diems do not count as double dipping for members appointed to boards and commissions under purview of a participating employer of a county system; similar to language of 7522.57 for state boards and commissions.

- VI. RISK: None
- VII. STRATEGIC PLAN: None
- VIII. BUDGET IMPACT: None

PAS IMPLEMENTATION LINEA BI-WEEKLY STATUS UPDATE



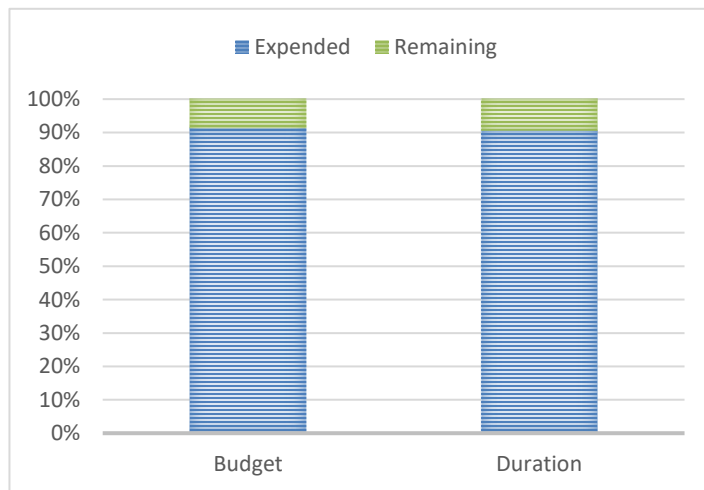
SPONSOR: Rick Santos **REPORT DATE:** 07-09-2021



Baseline 12/01/2016

STATUS

Risks & Issues:



Linea Budget as of 06/30/2021

The project team is monitoring the following schedule risks.

- City of Ceres payroll system implementation
- Cleanup of remaining backlogs

Accomplishments:

Upcoming:

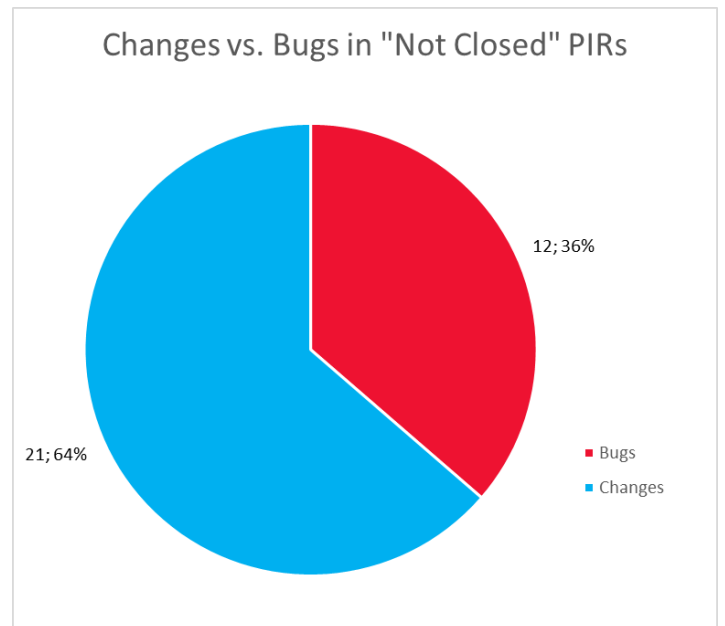
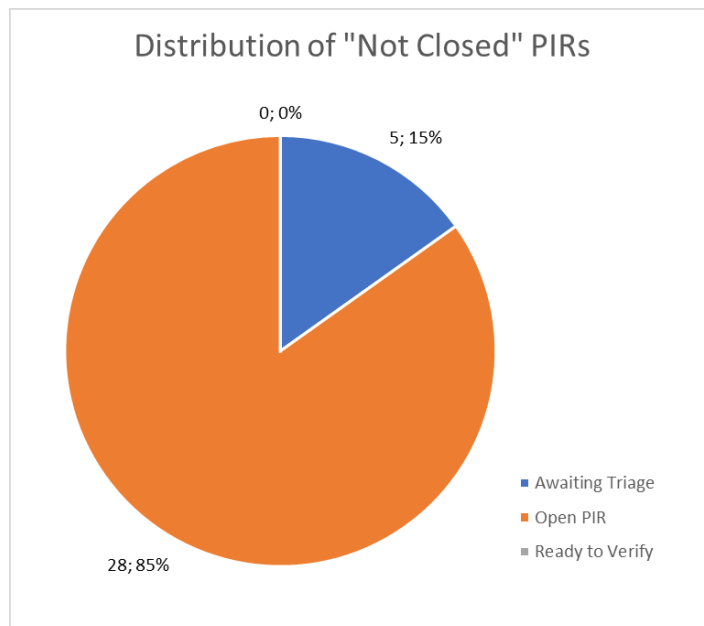
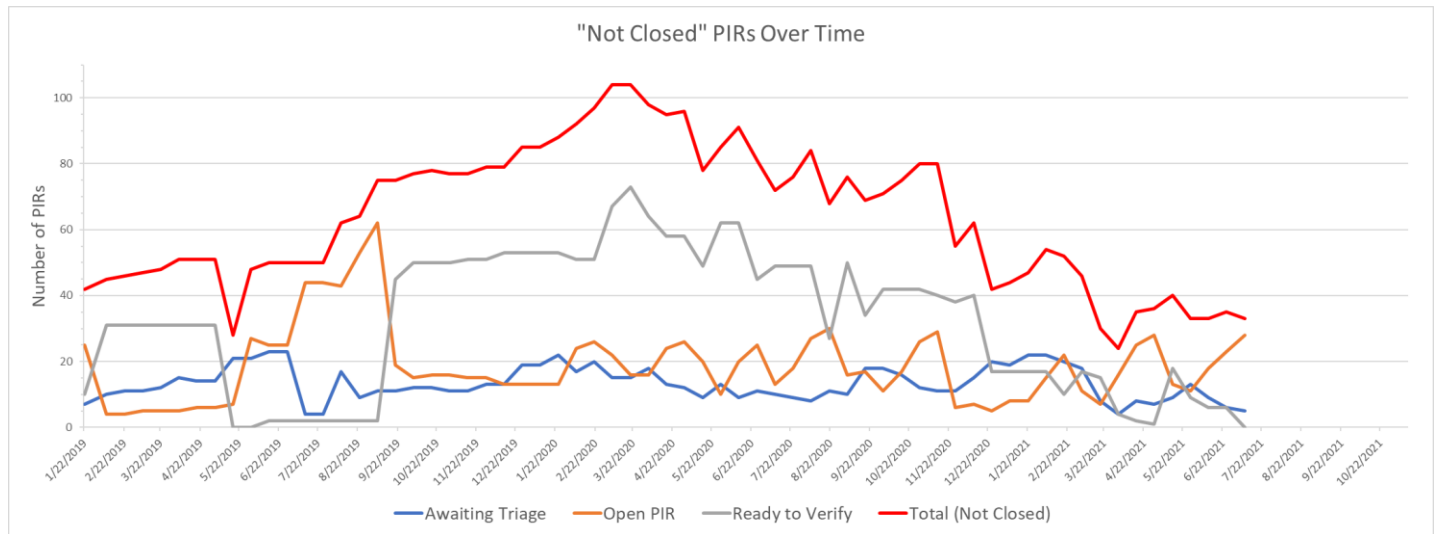
- The Project Planning Working Group has cleaned up the project backlogs but continues to meet periodically to discuss action items, maintain the RTM, and track important work items.
- Testing of various updates to Actuarial Extract performed in preparation for first production run.
- Continued development of functionality planned for R26 and R27 releases.

- Release R26 to UAT planned for 07/16/2021, followed by testing of new functionality and resolved PIRs.
- Initial UAT releases of Member Web Portal functionality and testing by StanCERA.
- First production run of Reserve Transfer Process and Actuarial Extract.

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 (BSR099).
- 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 27, 2021

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

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

a) *Investment Program Activities & Governance:*

In June, StanCERA staff finished negotiating the BlackRock agreement for the High Yield Bond fund paving the way to move forward with phase 2 of the rebalancing plan. The BlackRock High Yield fund will act as a proxy for private credit in the portfolio. The Northern Trust Infrastructure proxy fund agreement was completed in May. Phase 2 of the rebalance went very smoothly and was completed as of June 30. Legal due diligence of other private market funds including the open-ended infrastructure funds continues. Staff also finished the cash shortfalls projection review and updated the shortfalls for Insight to manage the cashflow match bond portfolio. Medley Opportunities II Fund was also extended by vote of 100% of LPs. Staff worked extensively with Verus and other LPs of the fund to position the remaining assets of the fund for the benefit of the LPs.

b) *Money Transfer Report:*

May & June

From			To		
Manager	Asset Class	Amount	Manager	Asset Class	Amount
StanCERA Cash	Cash	\$-500,000.00	Strategic Value Partners Fund V	Private Credit	\$500,000.00
StanCERA Cash	Cash	\$-388,534.00	Owl Rock First Lien Fund	Private Credit	\$388,534.00

Northern Trust Russell 3000 Fund	Public Equity	\$-2,021,7274.71	Gryphon Partners VI	Private Equity	\$2,021,7274.71
StanCERA Cash	Cash	\$-819,310.00	Grandview I-A	Private Real Estate	\$819,310.00

c) *Manager Meeting Notes:*

Dodge & Cox Stock Fund

In June StanCERA and NEPC staff participated in a update call with Dodge & Cox. The portfolio manager assigned to StanCERA's account retired in 2020 and another portfolio manager with good knowledge of StanCERA's account and the Stock fund took over in his place. The investment decisions for the stock fund are driven by the U.S. equity investment committee, which was reduced in size with the recent retirement of one portfolio manager but remains stable overall. Fund performance was covered given the recent gains in US equities and the beginnings of a recovery in the value style the Dodge & Cox stock fund follows. Performance was very strong through March 31, 2021 and from an historical standpoint are likely to moderate going forward. The current US equity market backdrop was reviewed and the continued impacts of COVID on the market was discussed. Varied outlooks and potential future scenarios were also reviewed and scrutinized.

d) *Trainings/Conferences:*
None

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

July 27, 2021

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

- I. SUBJECT: AB2833 Auxiliary Report
- II. ITEM NUMBER: f.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 response 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, 2021, which is the most recent quarter with complete data on the alternative type managers. The aggregate performance since inception of the private market alternative manager's for March 31, 2021 was 5.48%. The private credit group returned 2.17% and the real estate group returned 8.52% as of March 31, 2021. The performance of the alternative type managers continued to increase modestly versus the prior quarter. The private credit group performance increased from 1.88% last quarter to 2.17% this quarter while the real estate group performance decreased slightly from 8.63% to 8.52%.

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

Alternative Type Program Performance

Analysis Date:	3/31/2021	Expense Matrix Since Inception		
Program Name:	Alternative Type	Expense Type	Expense	% of Total
Program Inception Date:	5/16/2013	Management Fee	\$28,581,633	68.3%
Total Commitment:	\$436,999,999	Partnership Operations	\$1,912,492	4.8%
Unfunded Commitment as of Analysis Date:	\$50,878,502	Organizational Expense	\$227,021	0.6%
% Funded as of Analysis Date:	88.36%	Incentive Allocation	\$3,865,746	9.8%
Program Fund Balance:	\$355,935,532	Offering Costs	\$54	0.0%
		Service Fee	\$339,601	0.9%
		Syndication Costs	\$65,354	0.2%
		Professional Fee	\$3,508,140	8.9%
		Other Expense	\$200,443	0.5%
		Management Fee Reimbursement	-\$1,611,862	-
		General/Administrative Expense	\$695,142	1.8%
		Broken Deal Expense	\$267,706	0.7%
		Interest Expense	\$1,307,829	3.3%
		Custody Fee	\$130,871	0.3%
		Dividend Expense	\$0	0.0%
		Performance Fee	\$0	0.0%
		Total	\$39,490,170	100.0%
Performance Measures				
Net IRR Since Inception:	5.48%			
Realization Multiple (DPI):	\$0.36			
Residual Value to Paid in Multiple (RVPI):	\$0.74			
Investment Multiple (TVPI):	\$1.09			
Net IRR Decomposition				
Return from Income & Cash Flow:	6.19%			
Return from Expenses:	-2.43%			
Return from Gain/Loss:	1.55%			
Interaction Effect:	0.18%			
Net IRR Since Inception:	5.48%			

Real Estate Program Performance

Analysis Date:	3/31/2021	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	\$13,237,677	69.7%
Total Commitment:	\$267,000,000	Partnership Operations	\$484,136	2.5%
Unfunded Commitment as of Analysis Date:	\$34,392,843	Organizational Expense	\$52,991	0.3%
% Funded as of Analysis Date:	87.12%	Incentive Allocation	\$3,865,747	20.3%
Program Fund Balance:	\$263,128,269	Offering Costs	\$54	0.0%
		Service Fee	\$0	0.0%
		Syndication Costs	\$65,354	0.3%
		Professional Fee	\$121,361	0.6%
		Other Expense	\$0	0.0%
		Management Fee Reimbursement	\$0	-
		General/Administrative Expense	\$198,655	1.0%
		Broken Deal Expense	\$267,706	1.4%
		Interest Expense	\$640,068	3.4%
		Custody Fee	\$66,326	0.3%
		Dividend Expense	\$0	0.0%
		Performance Fee	\$0	0.0%
		Total	\$19,000,075	100.0%
Performance Measures				
Net IRR Since Inception:	8.52%			
Realization Multiple (DPI):	\$0.22			
Residual Value to Paid in Multiple (RVPI):	\$0.94			
Investment Multiple (TVPI):	\$1.17			
Net IRR Decomposition				
Return from Income & Cash Flow:	4.62%			
Return from Expenses:	-2.51%			
Return from Gain/Loss:	5.99%			
Interaction Effect:	0.42%			
Net IRR Since Inception:	8.52%			

Private Credit Program Performance

Analysis Date:	3/31/2021	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	\$15,343,956	67.0%
Total Commitment:	\$169,999,999	Partnership Operations	\$1,428,356	7.0%
Unfunded Commitment as of Analysis Date:	\$16,485,659	Organizational Expense	\$174,030	0.8%
% Funded as of Analysis Date:	90.30%	Incentive Allocation	-\$1	0.0%
Program Fund Balance:	\$92,807,263	Offering Costs	\$0	0.0%
		Service Fee	\$339,601	1.7%
		Syndication Costs	\$0	0.0%
		Professional Fee	\$3,386,779	16.5%
		Other Expense	\$200,443	1.0%
		Management Fee Reimbursement	-\$1,611,862	-
		General/Administrative Expense	\$496,487	2.4%
		Broken Deal Expense	\$0	0.0%
		Interest Expense	\$667,761	3.3%
		Custody Fee	\$64,544	0.3%
		Dividend Expense	\$0	0.0%
		Performance Fee	\$0	0.0%
		Total	\$20,490,095	100.0%
Performance Measures				
Net IRR Since Inception:	2.17%			
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:	7.54%			
Return from Expenses:	-2.26%			
Return from Gain/Loss:	-2.66%			
Interaction Effect:	-0.45%			
Net IRR Since Inception:	2.17%			

Fund Information

Manager Name:	Morgan Stanley Prime Property Fund, L.L.C
Analysis Date:	3/31/2021
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2021
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:	\$60,823,122

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	5.82%
Investment Multiple (TVPI):	1.22
Realization Multiple (DPI):	0.00
Residual Value to Paid in Multiple (RVPI):	1.22
Paid in Capital Multiple (PIC):	100.0%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$50,000,000
Distributions	\$0
Expenses	-\$2,013,999
Income	\$7,337,438
Gain/(Loss)	<u>\$5,499,684</u>
Ending Fund Balance	\$60,823,122

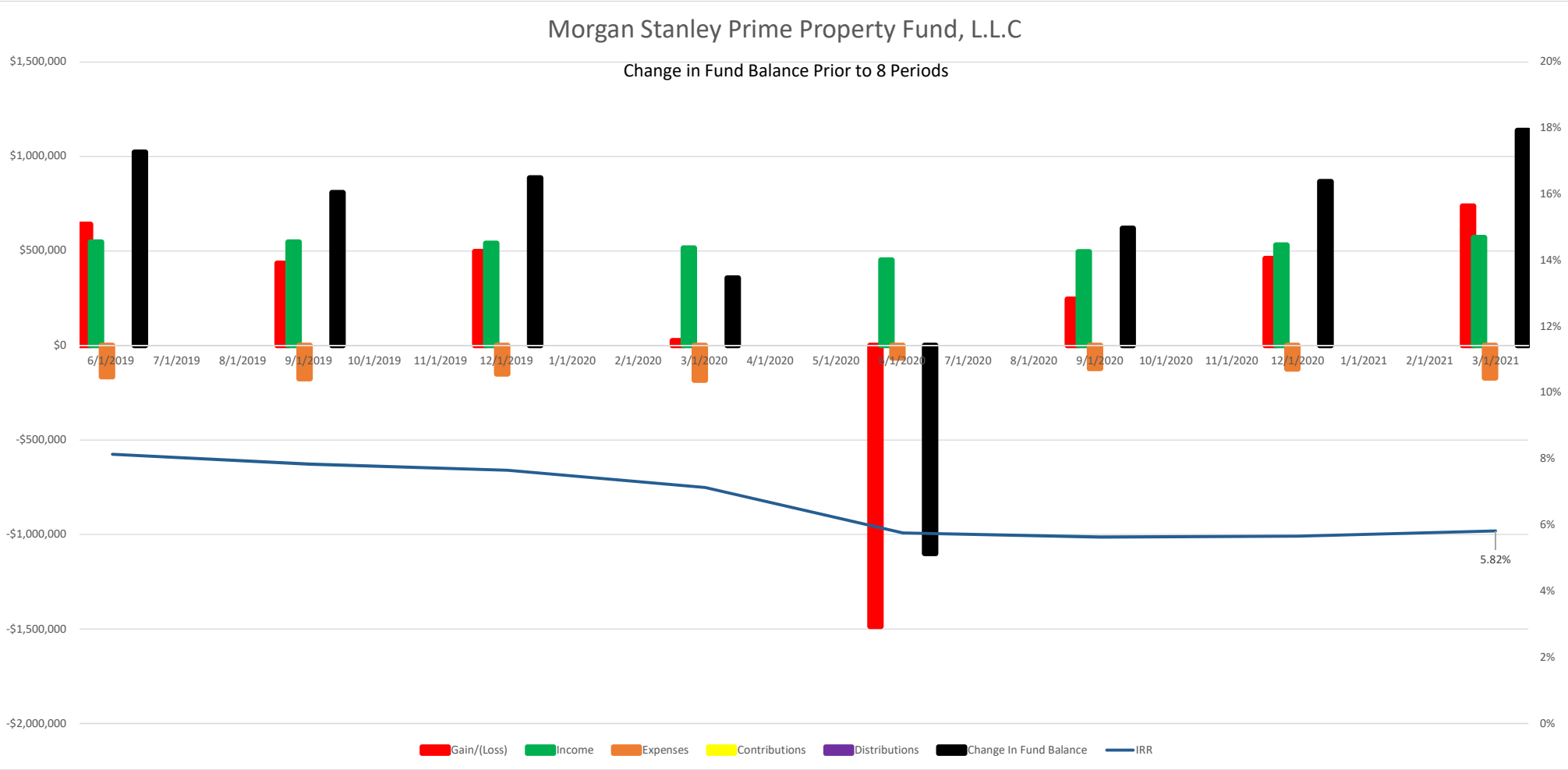
Internal Rate of Return Decomposition

Return from Income and Cash Flow	4.05%
Return from Expenses	-0.98%
Return from Gain/Loss	2.83%
Interaction/Timing Effect:	<u>-0.08%</u>
Net IRR Since Inception:	5.82%

Expense Matrix

Management Fee	\$1,640,429
Incentive Allocation	<u>\$373,571</u>
Total	\$2,013,999

* 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:	3/31/2021
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2021
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:	\$70,977,108

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	7.78%
Investment Multiple (TVPI):	\$1.26
Realization Multiple (DPI):	\$0.04
Residual Value to Paid in Multiple (RVPI):	\$1.22
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	-\$2,616,244
Income	\$9,250,824
Gain/(Loss)	<u>\$8,374,208</u>
Ending Fund Balance	\$70,977,108

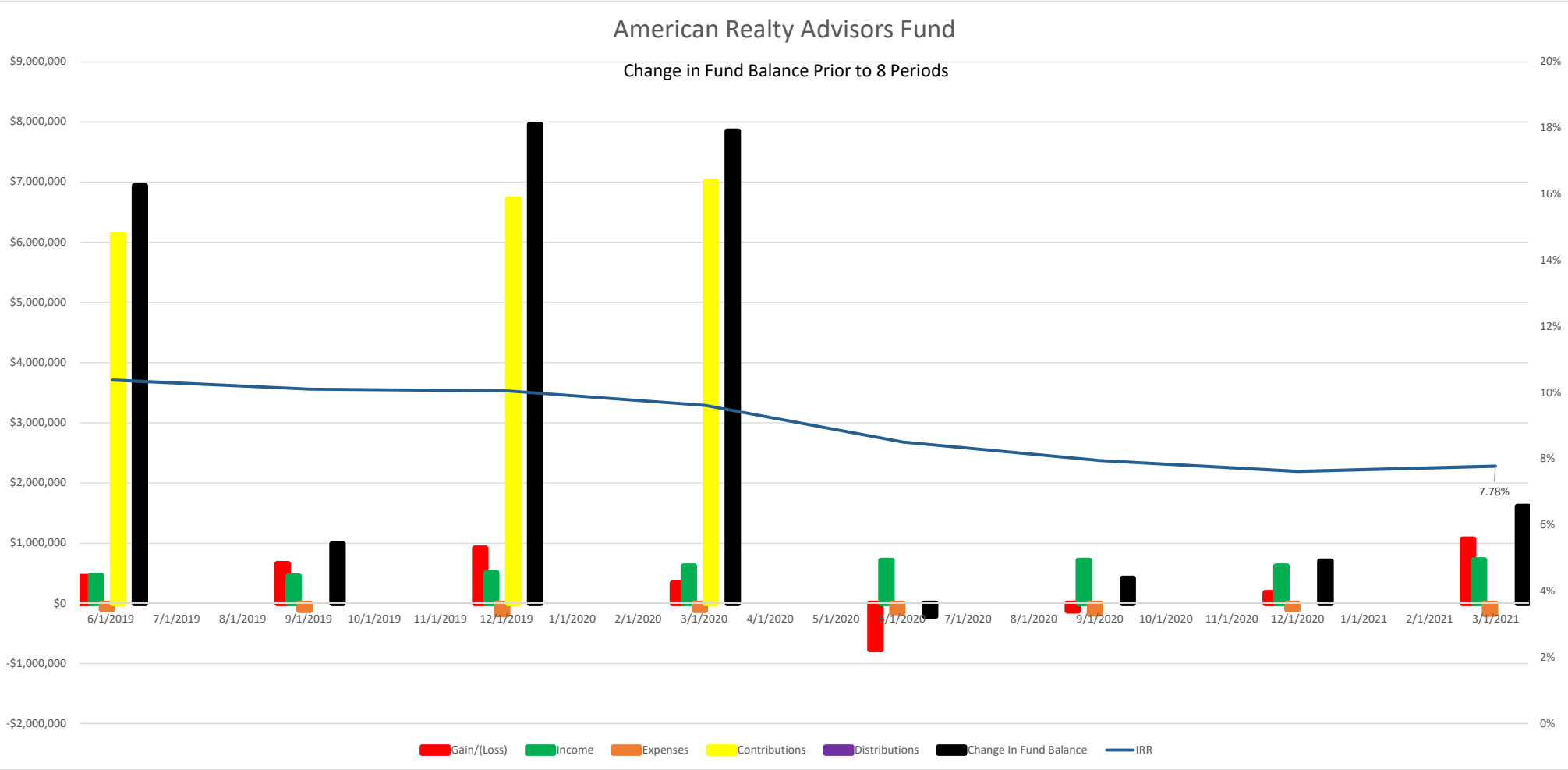
Internal Rate of Return Decomposition

Return from Income and Cash Flow	5.00%
Return from Expenses	-1.19%
Return from Gain/Loss	4.12%
Interaction/Timing Effect:	<u>-0.15%</u>
Net IRR Since Inception:	7.78%

Expense Matrix

Management Fee	\$2,500,145
Incentive Allocation	\$249,122
Offering Costs	\$54
General/Administrative Expense	<u>-\$133,077</u>
Total	\$2,616,244

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



Fund Information

Manager Name:	PGIM Real Estate U.S. Debt Fund, L.P.
Analysis Date:	3/31/2021
Reporting Frequency:	Monthly
Latest Data Date:	5/31/2021
Manager Investment Style:	Real Estate Debt
Fund Vintage Year:	0
StanCERA Investment Start Date:	9/28/2018
Initial Commitment:	\$54,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$54,000,000
Total Commitment Unfunded:	\$0
Fund Balance:	\$61,159,428

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	5.36%
Investment Multiple (TVPI):	\$1.13
Realization Multiple (DPI):	\$0.00
Residual Value to Paid in Multiple (RVPI):	\$1.13
Paid in Capital Multiple (PIC):	100.0%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$54,000,000
Distributions	\$0
Expenses	-\$1,075,811
Income	\$8,755,430
Gain/(Loss)	<u>-\$520,192</u>
Ending Fund Balance	\$61,159,428

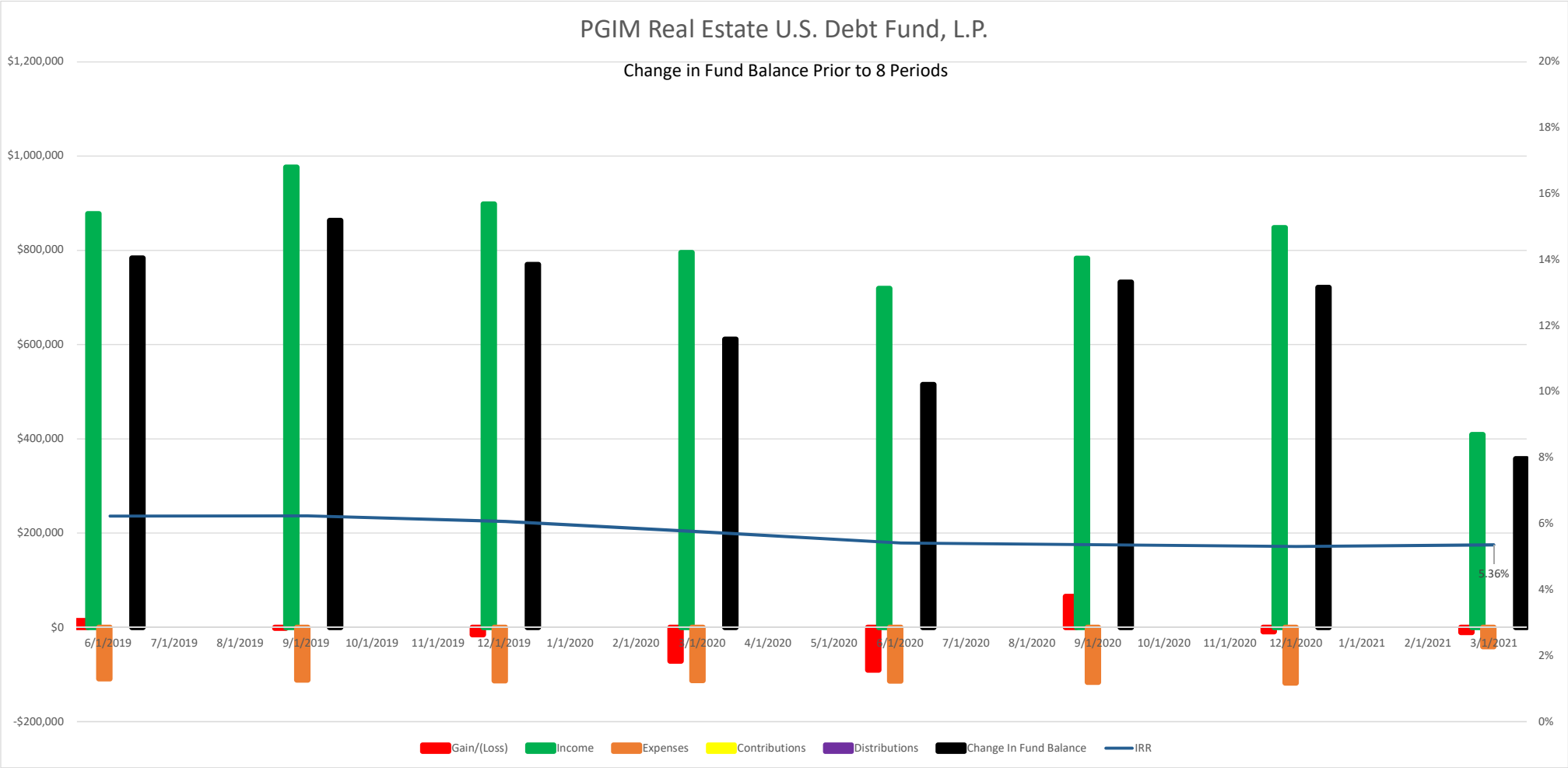
Internal Rate of Return Decomposition

Return from Income and Cash Flow	6.50%
Return from Expenses	-0.77%
Return from Gain/Loss	-0.37%
Interaction/Timing Effect:	<u>0.00%</u>
Net IRR Since Inception:	5.36%

Expense Matrix

Management Fee	\$1,075,811
Incentive Allocation	<u>\$0</u>
Total	\$1,075,811

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



Fund Information

Manager Name:	Greenfield GAP VII Management Fund, L.L.C
Analysis Date:	3/31/2021
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2021
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:	\$7,296,245

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	12.64%
Investment Multiple (TVPI):	\$1.49
Realization Multiple (DPI):	\$1.09
Residual Value to Paid in Multiple (RVPI):	\$0.41
Paid in Capital Multiple (PIC):	61.3%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$18,013,692
Distributions	-\$19,603,818
Expenses	-\$2,896,111
Income	\$2,846,563
Gain/(Loss)	<u>\$8,935,921</u>
Ending Fund Balance	\$7,296,247

Internal Rate of Return Decomposition

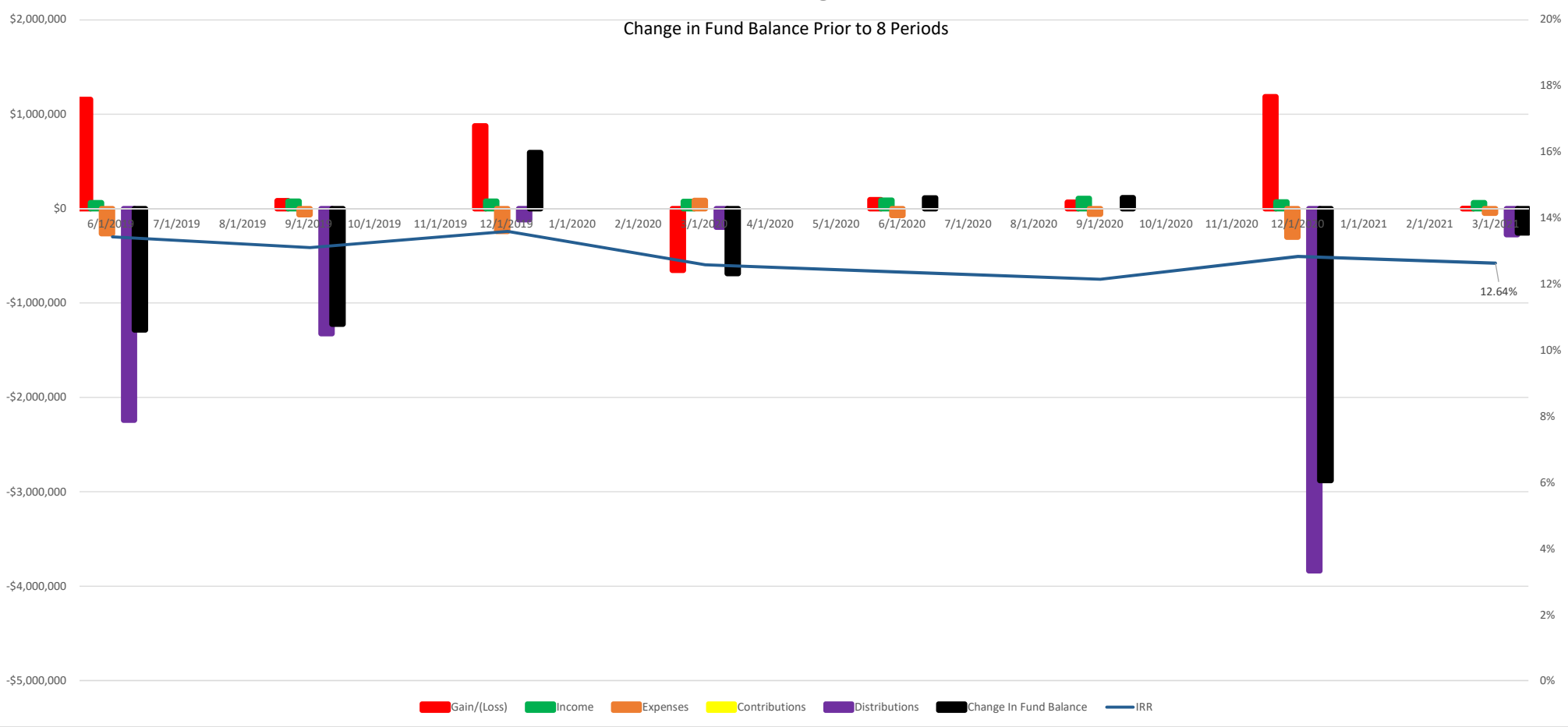
Return from Income and Cash Flow	5.35%
Return from Expenses	-2.66%
Return from Gain/Loss	12.41%
Interaction/Timing Effect:	<u>-2.47%</u>
Net IRR Since Inception:	12.64%

Expense Matrix

Management Fee	\$1,600,306
Partnership Operations	\$138,346
Incentive Allocation	\$1,154,590
Interest Expense	<u>\$2,869</u>
Total	\$2,896,111

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

Greenfield GAP VII Management Fund, L.L.C



Fund Information

Manager Name:	Grandview Partners I, L.P.
Analysis Date:	3/31/2021
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2021
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:	\$18,079,449
Total Commitment Unfunded:	\$21,920,551
Fund Balance:	\$27,089,306

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	24.31%
Investment Multiple (TVPI):	\$1.63
Realization Multiple (DPI):	\$0.21
Residual Value to Paid in Multiple (RVPI):	\$1.42
Paid in Capital Multiple (PIC):	45.2%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$19,130,897
Distributions	-\$4,000,965
Expenses	-\$5,155,857
Income	\$1,091,014
Gain/(Loss)	<u>\$16,024,217</u>
Ending Fund Balance	\$27,089,306

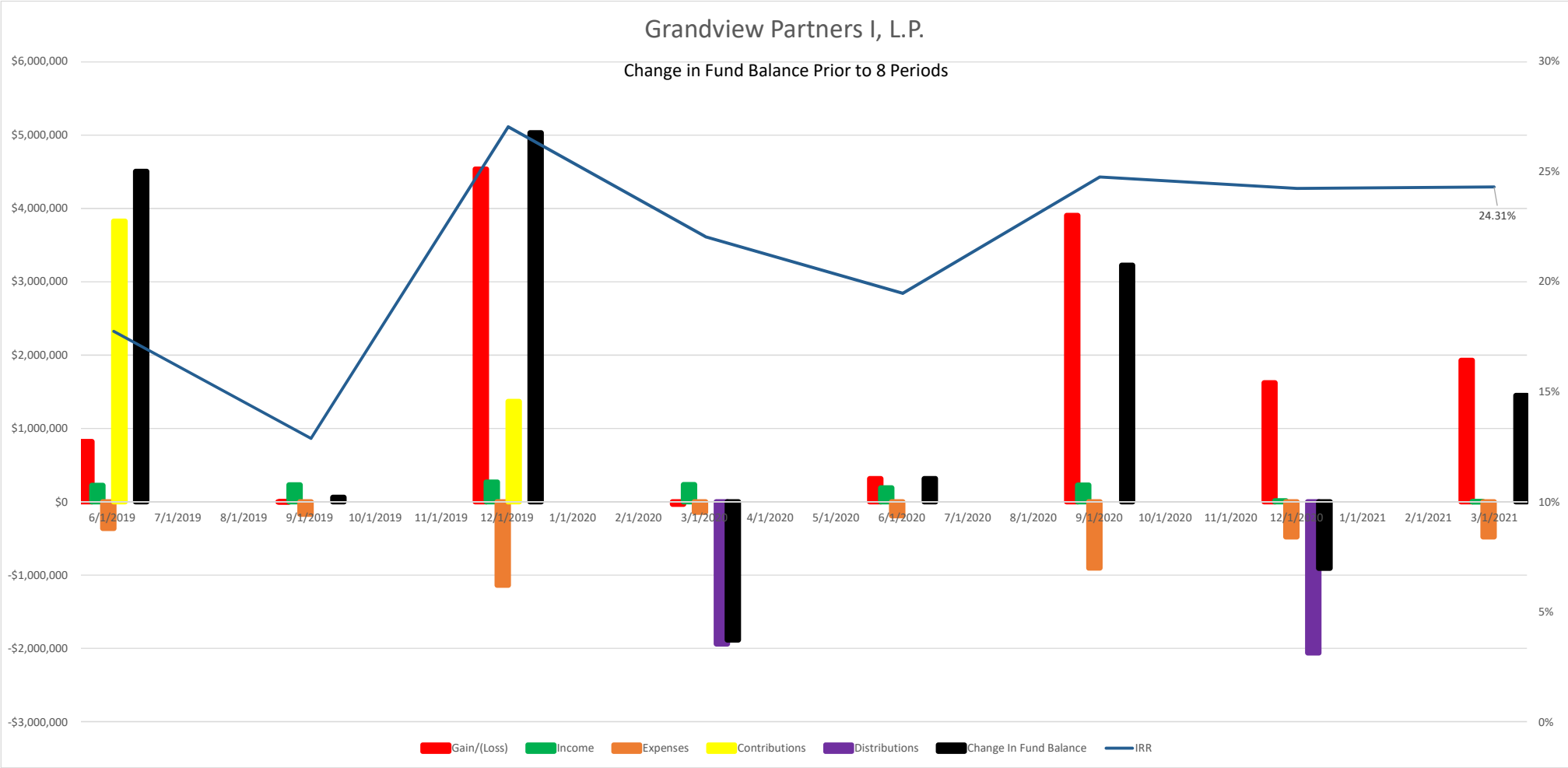
Internal Rate of Return Decomposition

Return from Income and Cash Flow	2.44%
Return from Expenses	-8.57%
Return from Gain/Loss	35.29%
Interaction/Timing Effect:	<u>-4.86%</u>
Net IRR Since Inception:	24.31%

Expense Matrix

Management Fee	\$2,316,431
Partnership Operations	\$308,153
Incentive Allocation	\$2,088,464
Professional Fee	\$20,386
Interest Expense	<u>\$422,423</u>
Total	\$5,155,857

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



Fund Information

Manager Name:	North Haven Infrastructure II GP LP
Analysis Date:	3/31/2021
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2021
Manager Investment Style:	Infrastructure
Fund Vintage Year:	2015
StanCERA Investment Start Date:	5/19/2015
Initial Commitment:	\$50,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$43,333,232
Total Commitment Unfunded:	\$6,666,768
Fund Balance:	\$35,783,061

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	8.43%
Investment Multiple (TVPI):	\$1.19
Realization Multiple (DPI):	\$0.60
Residual Value to Paid in Multiple (RVPI):	\$0.59
Paid in Capital Multiple (PIC):	86.7%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$60,550,306
Distributions	-\$36,313,738
Expenses	-\$5,175,727
Income	\$4,419,852
Gain/(Loss)	<u>\$12,999,071</u>
Ending Fund Balance	\$36,479,764

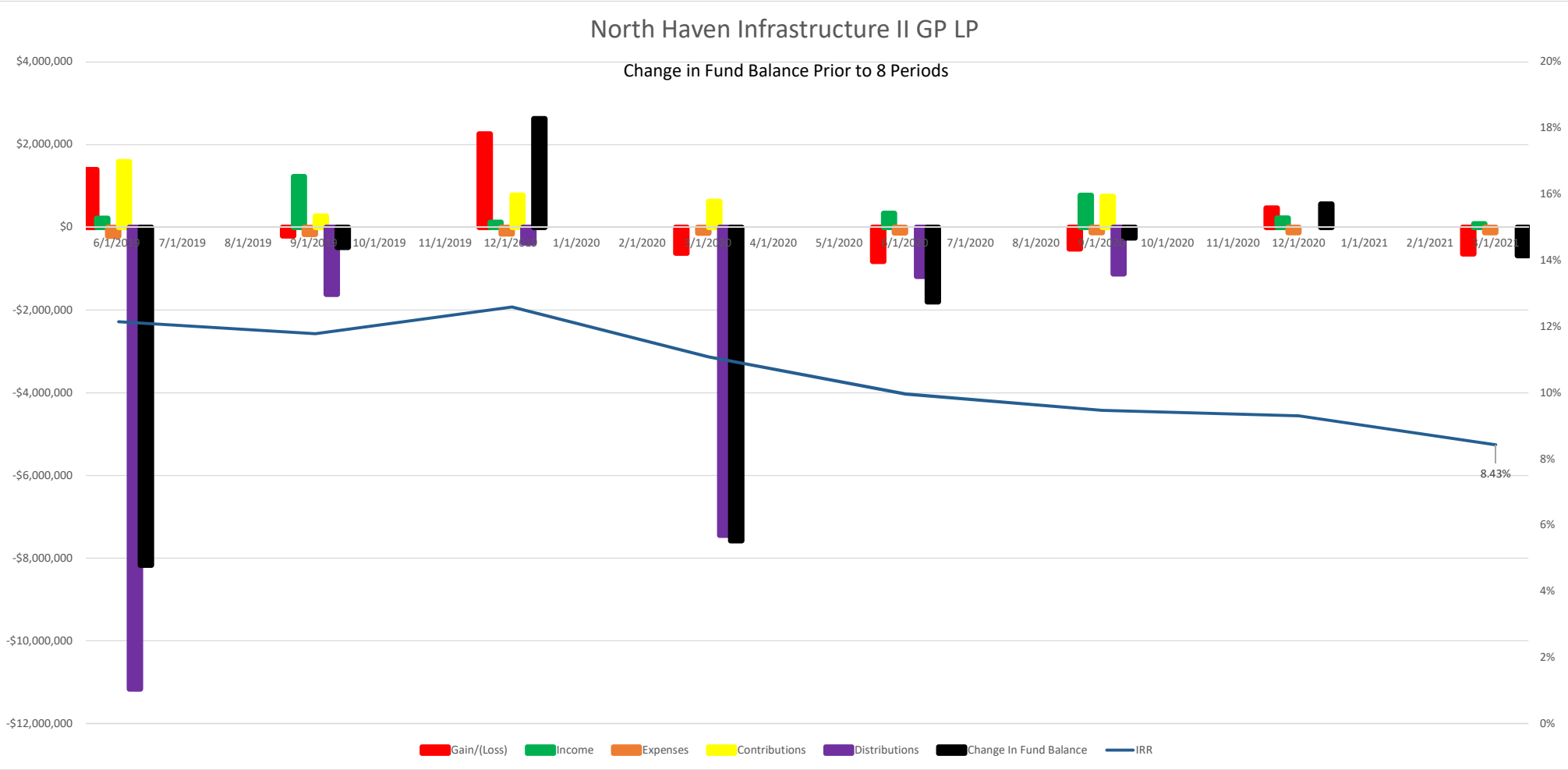
Internal Rate of Return Decomposition

Return from Income and Cash Flow	3.34%
Return from Expenses	-2.93%
Return from Gain/Loss	9.05%
Interaction/Timing Effect:	<u>-1.03%</u>
Net IRR Since Inception:	8.43%

Expense Matrix

Management Fee	\$4,104,556
Partnership Operations	\$37,637
Organizational Expense	\$52,991
Syndication Costs	\$65,354
Professional Fee	\$100,975
General/Administrative Expense	\$331,732
Broken Deal Expense	\$267,706
Interest Expense	\$214,776

* 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:	3/31/2021
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2021
Manager Investment Style:	Private Credit
Fund Vintage Year:	2011
StanCERA Investment Start Date:	5/16/2013
Initial Commitment:	\$30,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$29,000,453
Total Commitment Unfunded:	\$999,547
Fund Balance:	\$6,129,802

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	-0.27%
Investment Multiple (TVPI):	\$1.08
Realization Multiple (DPI):	\$0.89
Residual Value to Paid in Multiple (RVPI):	\$0.20
Paid in Capital Multiple (PIC):	96.7%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$31,086,716
Distributions	-\$27,539,240
Expenses	-\$3,759,252
Income	\$18,006,893
Gain/(Loss)	<u>-\$11,665,315</u>
Ending Fund Balance	\$6,129,802

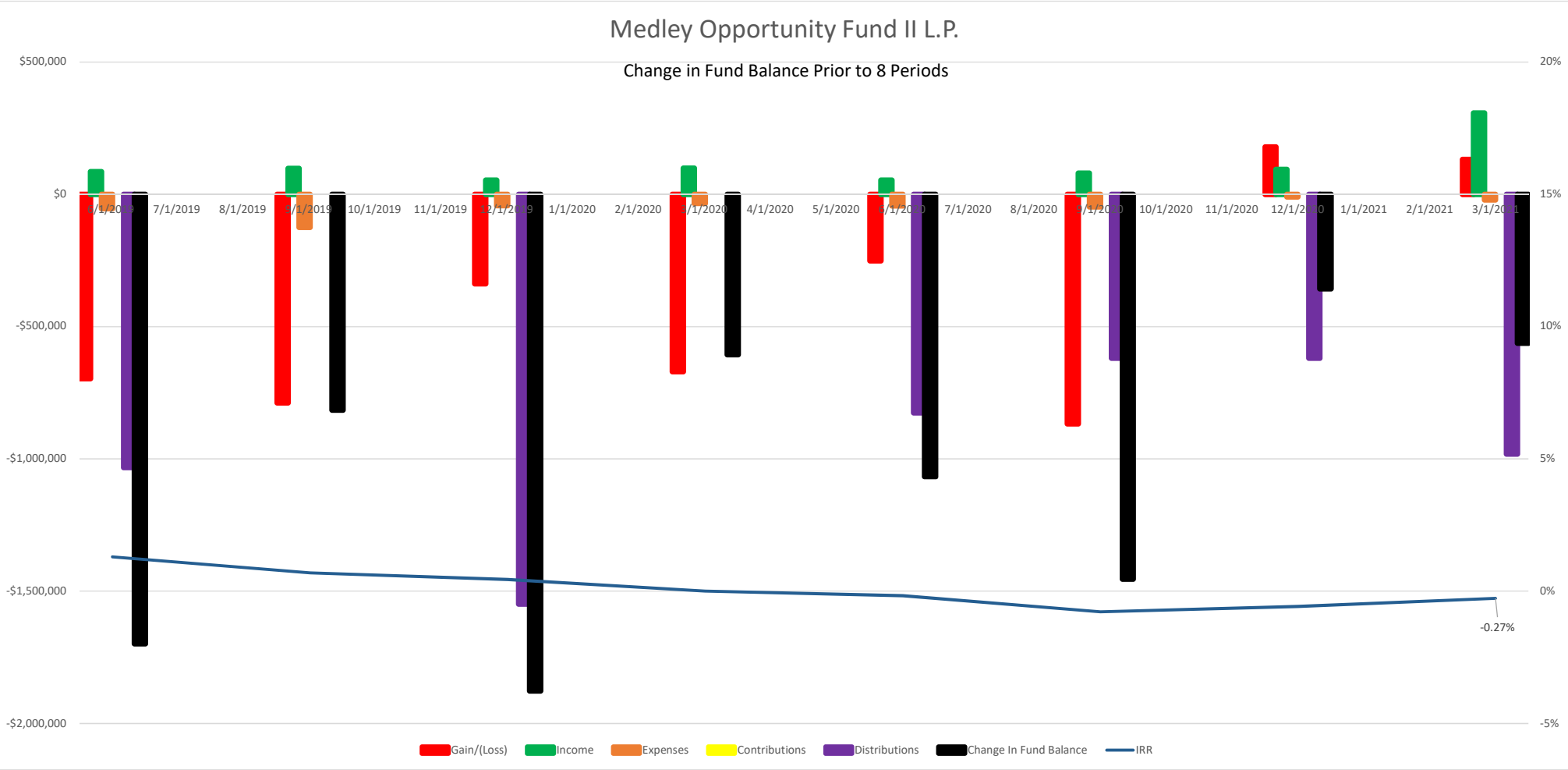
Internal Rate of Return Decomposition

Return from Income and Cash Flow	7.50%
Return from Expenses	-2.38%
Return from Gain/Loss	-6.27%
Interaction/Timing Effect:	<u>0.87%</u>
Net IRR Since Inception:	-0.27%

Expense Matrix

Management Fee	\$2,546,235
Partnership Operations	\$1,213,018
Incentive Allocation	<u>-\$1</u>
Total	\$3,759,252

* 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 I L.P.
Analysis Date:	3/31/2021
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2021
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:	\$4,645,399

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	-6.80%
Investment Multiple (TVPI):	\$0.82
Realization Multiple (DPI):	\$0.68
Residual Value to Paid in Multiple (RVPI):	\$0.13
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	-\$5,495,604
Income	\$11,999,640
Gain/(Loss)	<u>-\$12,781,410</u>
Ending Fund Balance	\$4,645,398

Internal Rate of Return Decomposition

Return from Income and Cash Flow	6.35%
Return from Expenses	-5.56%
Return from Gain/Loss	-10.40%
Interaction/Timing Effect:	<u>2.81%</u>
Net IRR Since Inception:	-6.80%

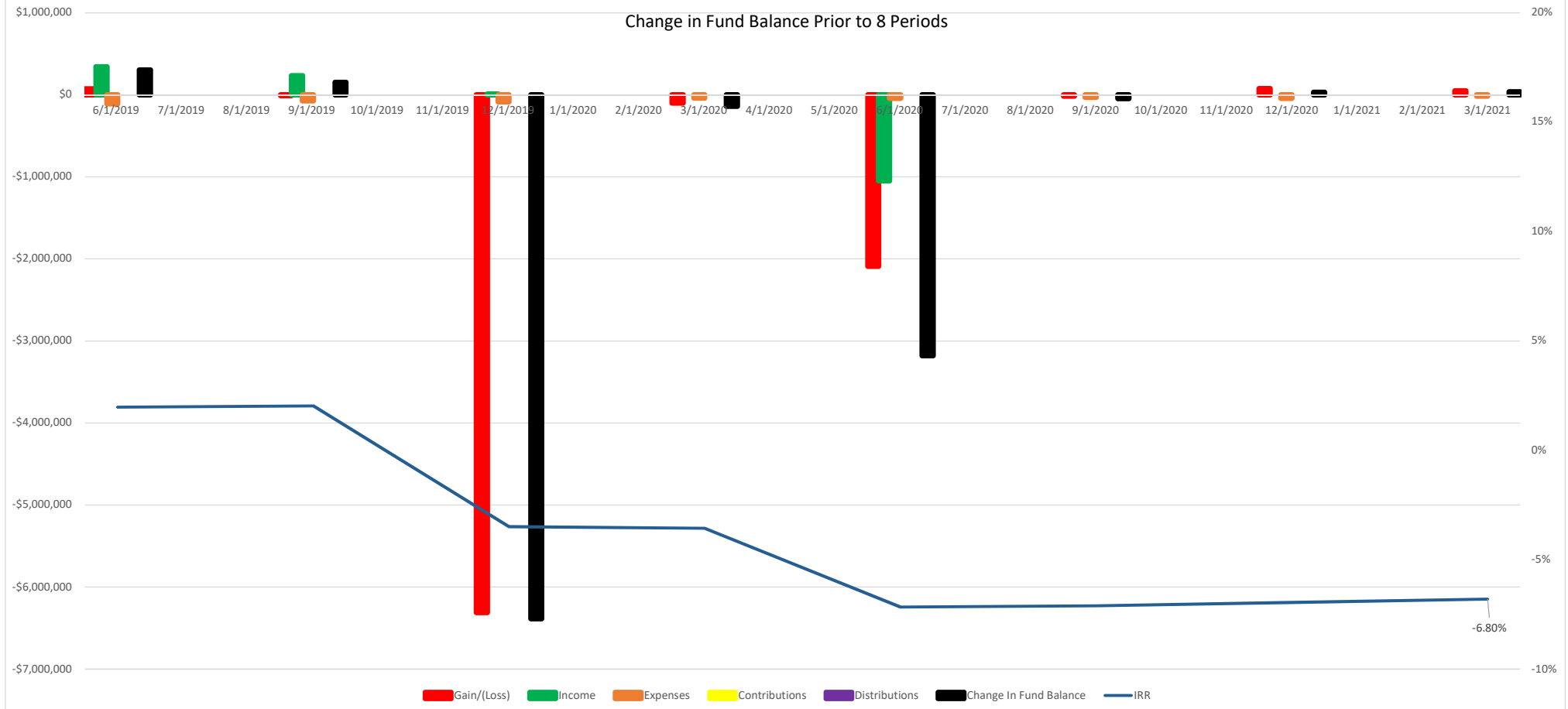
Expense Matrix

Management Fee	\$3,381,252
Organizational Expense	\$92,275
Service Fee	\$339,601
Professional Fee	<u>\$1,682,476</u>
Total	\$5,495,604

* 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 I L.P.

Change in Fund Balance Prior to 8 Periods



Fund Information

Manager Name:	Raven Asset-Based Opportunity Fund III L.P.
Analysis Date:	3/31/2021
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2021
Manager Investment Style:	Private Credit
Fund Vintage Year:	2015
StanCERA Investment Start Date:	7/6/2015
Initial Commitment:	\$15,000,000
Additional Commitments:	\$34,999,999
Total Commitment Funded:	\$49,999,999
Total Commitment Unfunded:	\$0
Fund Balance:	\$48,837,038

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	5.34%
Investment Multiple (TVPI):	\$1.15
Realization Multiple (DPI):	\$0.27
Residual Value to Paid in Multiple (RVPI):	\$0.88
Paid in Capital Multiple (PIC):	100.0%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$55,477,654
Distributions	-\$14,926,304
Expenses	-\$6,408,641
Income	\$9,753,465
Gain/(Loss)	<u>\$4,940,862</u>
Ending Fund Balance	\$48,837,037

Internal Rate of Return Decomposition

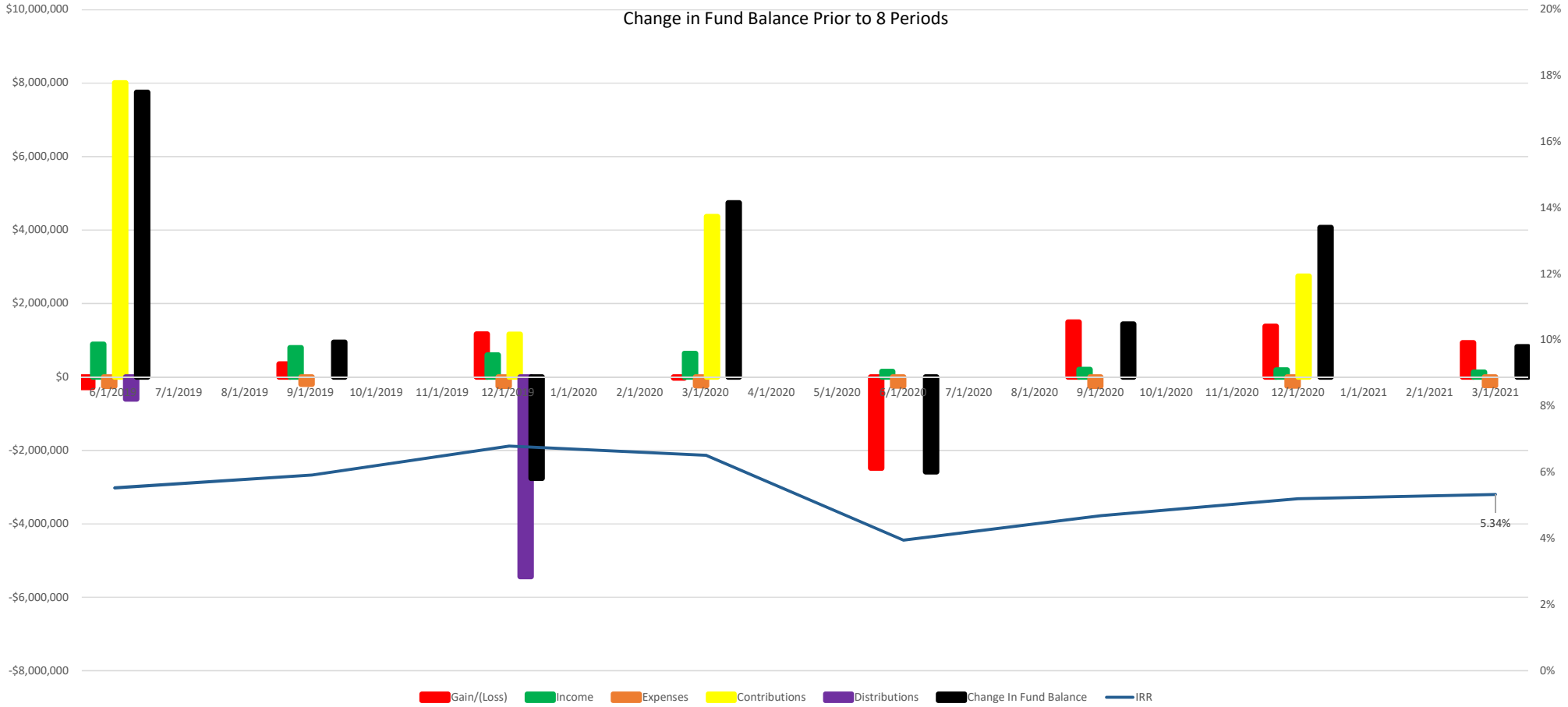
Return from Income and Cash Flow	6.20%
Return from Expenses	-3.61%
Return from Gain/Loss	3.08%
Interaction/Timing Effect:	<u>-0.33%</u>
Net IRR Since Inception:	5.34%

Expense Matrix

Management Fee	\$4,519,727
Partnership Operations	\$102,856
Organizational Expense	\$81,755
Professional Fee	<u>\$1,704,303</u>
Total	\$6,408,641

* 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:	3/31/2021
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2021
Manager Investment Style:	Private Credit
Fund Vintage Year:	2012
StanCERA Investment Start Date:	8/2/2013
Initial Commitment:	\$40,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$32,758,125
Total Commitment Unfunded:	\$7,241,875
Fund Balance:	\$25,680,027

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	6.09%
Investment Multiple (TVPI):	\$1.26
Realization Multiple (DPI):	\$0.79
Residual Value to Paid in Multiple (RVPI):	\$0.47
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	-\$3,638,117
Income	\$22,246,548
Gain/(Loss)	<u>-\$4,291,624</u>
Ending Fund Balance	\$25,680,027

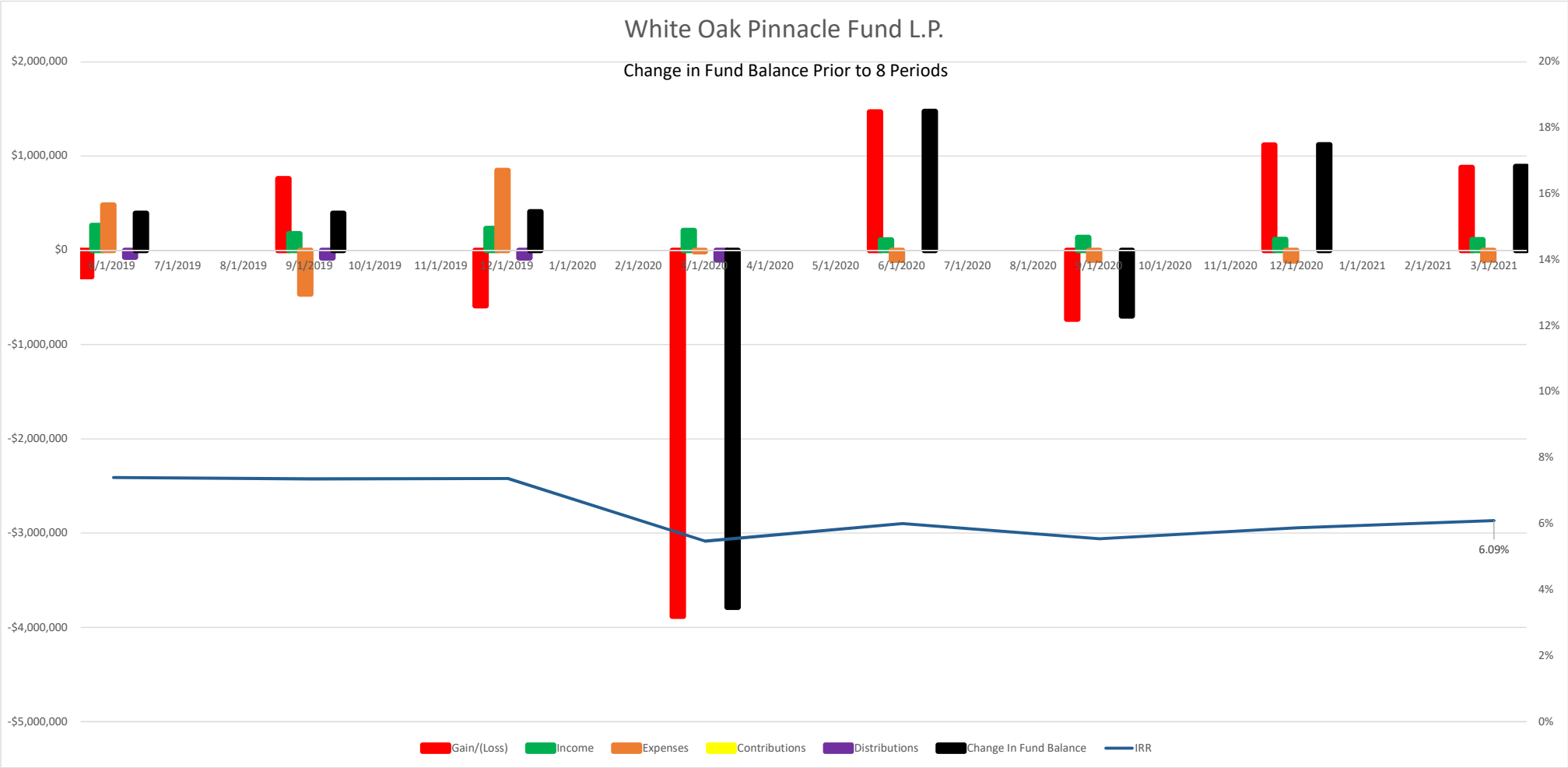
Internal Rate of Return Decomposition

Return from Income and Cash Flow	8.94%
Return from Expenses	-1.38%
Return from Gain/Loss	-1.61%
Interaction/Timing Effect:	<u>0.13%</u>
Net IRR Since Inception:	6.09%

Expense Matrix

Management Fee	\$4,599,968
Incentive Allocation	\$0
Other Expense	\$153,524
Management Fee Reimbursement	-\$1,611,862
General/Administrative Expense	<u>\$496,487</u>
Total	\$3,638,117

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



July 27, 2021

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, 2021
- II. ITEM NUMBER: 6.f.2
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: None
- 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 begins in July 2015 and is updated on at least a quarterly basis. For the period, 7/01/2015 to 12/31/2020, total investment fees were approximately \$60.33 Million or roughly 50 bps (0.50%) when annualized. This report gives a good indication of the overall long-term fees of the investment program.

Value Added Report –For the quarter ending 03/31/2021, the managers in aggregate finished ahead of their primary and secondary benchmarks. Dodge and Cox was a particularly large positive contributor this quarter and Channing a sub-manager of Attucks was the largest detractor. Seizert Capital partners was added as a sub-manager of Attucks during the quarter and performance is provided for the first full month data was available. LSV is currently the only manager on this report with a secondary benchmark. The primary benchmark for LSV is the ACWI ex-US value index and the secondary benchmark is the ACWI ex-US Core 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



StanCERA Investment Fee Summary - By Asset Class

Fiscal Year to Date

7/1/2015

thru

3/31/2021

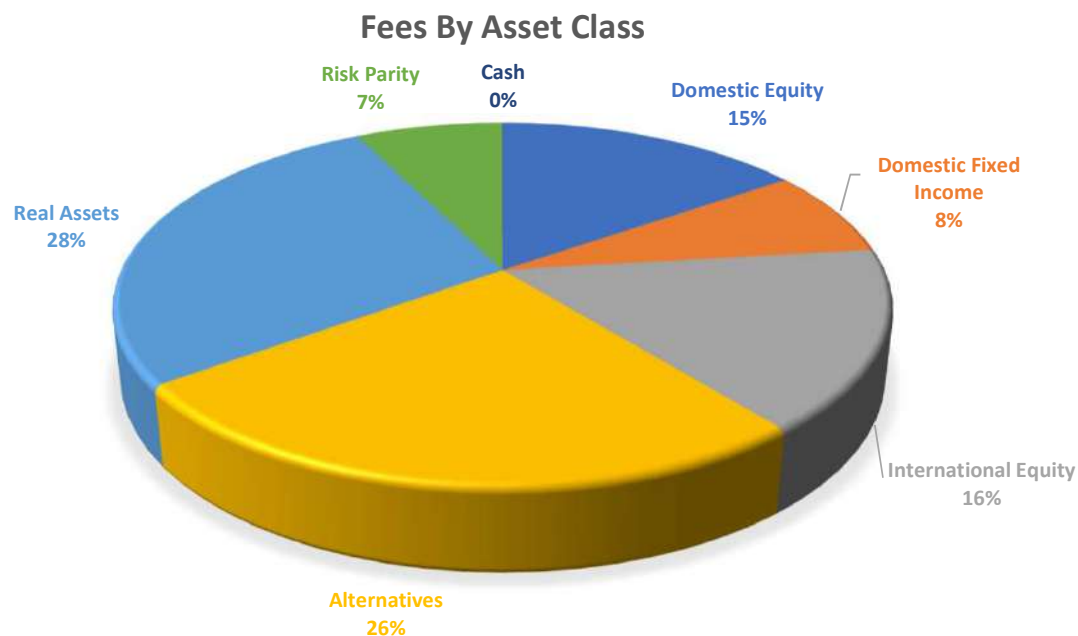
	Fees In Dollars						Annualized Fees in Basis Points				
	Average AUM	Managerial	Performance*	Other	Custodial	Total	Managerial	Performance	Other	Custodial	Total
Total StanCERA Portfolio	\$1,992,507,389	\$45,374,787	\$5,468,290	\$7,591,918	\$1,894,278	\$60,329,273	36.6	4.5	6.3	1.6	50.1

Fees By Asset Class

	Average AUM	Managerial	Performance	Other	Custodial	Total	Managerial	Performance	Other	Custodial	Total
Domestic Equity	\$629,953,851	\$8,708,690	\$0	\$0	\$541,035	\$9,249,725	7.2	0.0	0.0	0.4	7.7
Domestic Fixed Income	\$466,815,457	\$4,520,602	\$0	\$0	\$160,286	\$4,680,888	3.8	0.0	0.0	0.1	3.9
International Equity	\$451,743,722	\$6,477,546	\$2,184,064	\$0	\$1,045,786	\$9,707,396	5.4	1.8	0.0	0.9	8.1
Alternatives	\$93,493,332	\$10,908,834	-\$510,784	\$5,110,275	\$58,115	\$15,566,440	8.0	-0.4	4.2	0.0	12.9
Real Assets	\$166,863,414	\$11,289,049	\$3,795,010	\$1,535,775	\$71,645	\$16,691,479	9.4	3.2	1.3	0.1	13.9
Risk Parity	\$170,832,460	\$3,470,065	\$0	\$945,868	\$16,662	\$4,432,595	2.9	0.0	0.8	0.0	3.7
Cash	\$12,805,153	\$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	\$9,249,725
Domestic Fixed Income	\$4,680,888
International Equity	\$9,707,396
Alternatives	\$15,566,440
Real Assets	\$16,691,479
Risk Parity	\$4,432,595
Cash	\$750
Total	\$60,329,273





StanCERA Investment Fee Summary - By Investment Discretion

Fiscal Year to Date

7/1/2015

thru

3/31/2021

	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	\$1,992,507,389	\$45,374,787	\$5,468,290	\$7,591,918	\$1,894,278	\$60,329,273	36.6	4.5	6.3	1.6	50.1

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	\$1,565,648,322	\$44,652,830	\$5,468,290	\$7,591,918	\$1,842,426	\$59,555,463	36.0	4.5	6.3	1.5	49.4
Passive	\$426,859,067	\$721,957	\$0	\$0	\$51,853	\$773,810	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	\$59,555,463
Passive	<u>\$773,810</u>
Total	\$60,329,273





StanCERA Investment Fee Summary - By Investment Style

Fiscal Year to Date

7/1/2015

thru

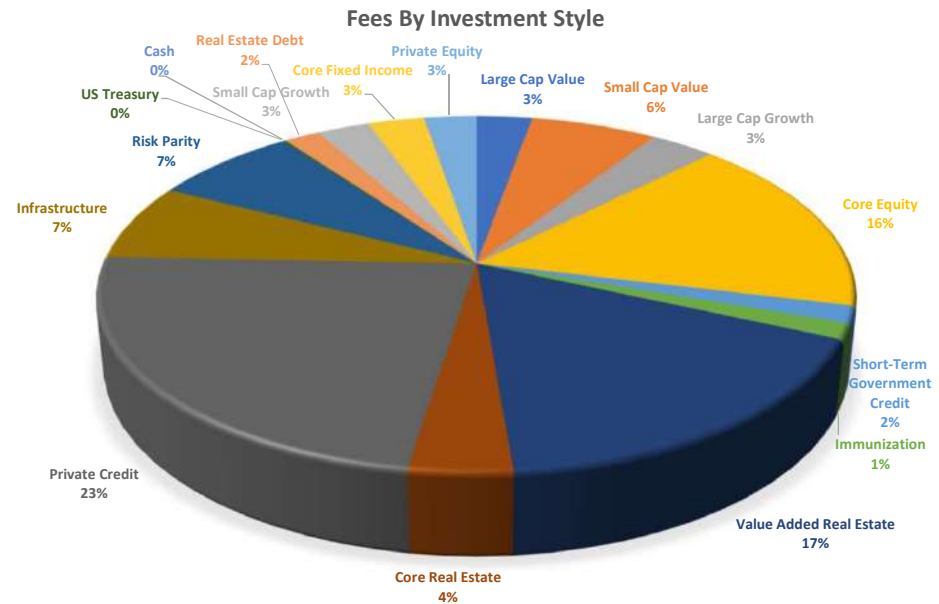
3/31/2021

	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	\$1,992,507,389	\$45,374,787	\$5,468,290	\$7,591,918	\$1,894,278	\$60,329,273	36.6	4.5	6.3	1.6	50.1

	Fees By Investment Style						<u>Managerial</u>	<u>Performance</u>	<u>Other</u>	<u>Custodial</u>	<u>Total</u>
	<u>Average AUM</u>	<u>Managerial</u>	<u>Performance</u>	<u>Other</u>	<u>Custodial</u>	<u>Total</u>					
Large Cap Value	\$215,986,919	\$1,602,375	\$0	\$0	\$83,187	\$1,685,562	1.3	0.0	0.0	0.1	1.4
Small Cap Value	\$87,299,973	\$3,591,526	\$0	\$0	\$252,794	\$3,844,320	3.0	0.0	0.0	0.2	3.2
Large Cap Growth	\$182,907,514	\$1,923,578	\$0	\$0	\$52,131	\$1,975,710	1.6	0.0	0.0	0.0	1.6
Core Equity	\$569,648,470	\$6,621,622	\$2,184,064	\$0	\$1,052,455	\$9,858,141	5.5	1.8	0.0	0.9	8.2
Short-Term Government Credit	\$136,530,628	\$886,241	\$0	\$0	\$40,336	\$926,577	0.7	0.0	0.0	0.0	0.8
Immunization	\$116,276,304	\$818,802	\$0	\$0	\$36,361	\$855,163	0.7	0.0	0.0	0.0	0.7
Value Added Real Estate	\$59,427,277	\$6,017,397	\$3,421,439	\$759,100	\$31,764	\$10,229,700	5.0	2.8	0.6	0.0	8.5
Core Real Estate	\$79,744,345	\$1,869,836	\$373,571	\$0	\$26,710	\$2,270,117	1.6	0.3	0.0	0.0	1.9
Private Credit	\$92,510,259	\$9,938,528	-\$826,564	\$4,802,901	\$54,611	\$13,969,475	8.0	-0.7	4.0	0.0	11.6
Infrastructure	\$27,691,792	\$3,401,816	\$0	\$776,675	\$13,171	\$4,191,662	2.8	0.0	0.6	0.0	3.5
Risk Parity	\$170,832,460	\$3,470,065	\$0	\$945,868	\$16,662	\$4,432,595	2.9	0.0	0.8	0.0	3.7
US Treasury	\$42,325,681	\$94,547	\$0	\$0	\$0	\$94,547	0.1	0.0	0.0	0.0	0.1
Cash	\$12,805,153	\$0	\$0	\$0	\$750	\$750	0.0	0.0	0.0	0.0	0.0
Real Estate Debt	\$25,133,505	\$1,075,811	\$0	\$0	\$6,263	\$1,082,074	0.9	0.0	0.0	0.0	0.9
Small Cap Growth	\$25,854,698	\$1,447,135	\$0	\$0	\$146,254	\$1,593,388	1.2	0.0	0.0	0.1	1.3
Core Fixed Income	\$146,549,340	\$1,645,201	\$0	\$0	\$77,327	\$1,722,527	1.4	0.0	0.0	0.1	1.4
Private Equity	\$983,073	\$970,306	\$315,780	\$307,374	\$3,504	\$1,596,965	0.0	0.3	0.3	0.0	1.3

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

<u>By Investment Style</u>	<u>Fees</u>
Large Cap Value	\$1,685,562
Small Cap Value	\$3,844,320
Large Cap Growth	\$1,975,710
Core Equity	\$9,858,141
Short-Term Government Credit	\$926,577
Immunization	\$855,163
Value Added Real Estate	\$10,229,700
Core Real Estate	\$2,270,117
Private Credit	\$13,969,475
Infrastructure	\$4,191,662
Risk Parity	\$4,432,595
US Treasury	\$94,547
Cash	\$750
Real Estate Debt	\$1,082,074
Small Cap Growth	\$1,593,388
Core Fixed Income	\$1,722,527
Private Equity	\$1,596,965
Total	\$60,329,273





Stanislaus County Employees' Retirement Association - Investment Fee Summary

7/1/2015

thru

3/31/2021

Count	Manager Name	Fees in Dollars						Fees in Annualized Basis Points					
		Average AUM	Management	Performance	Other	Custodial	Total	Management	Performance	Other	Custodial	Total	
1	Dodge Cox Equity	\$127,817,552	\$1,501,581	\$0	\$0	\$67,782	\$1,569,362	20.4	0.0	0.0	0.9	21.4	
2	PIMCO	\$91,701,084	\$786,156	\$0	\$0	\$29,688	\$815,843	39.5	0.0	0.0	1.5	41.0	
3	Bernzott	\$11,909,242	\$475,062	\$0	\$0	\$32,585	\$507,648	70.4	0.0	0.0	4.8	75.3	
4	Eudaimonia	\$7,168,065	\$96,579	\$0	\$0	\$35,607	\$132,186	124.3	0.0	0.0	45.8	170.1	
5	Jackson Square	\$106,491,951	\$1,770,447	\$0	\$0	\$36,909	\$1,807,355	62.4	0.0	0.0	1.3	63.7	
6	LSV	\$223,442,143	\$3,189,078	\$971,617	\$0	\$668,244	\$4,828,939	24.8	7.6	0.0	5.2	37.6	
7	Dodge Cox Fixed Income	\$296,876,711	\$859,045	\$0	\$0	\$47,639	\$906,684	13.3	0.0	0.0	0.7	14.1	
8	Fidelity	\$228,301,579	\$3,288,468	\$1,212,447	\$0	\$377,542	\$4,878,457	25.1	9.2	0.0	2.9	37.2	
9	Blackrock Value	\$88,169,367	\$100,795	\$0	\$0	\$15,405	\$116,200	2.0	0.0	0.0	0.3	2.3	
10	Blackrock Growth	\$133,566,243	\$153,132	\$0	\$0	\$15,223	\$168,355	2.0	0.0	0.0	0.2	2.2	
11	Raven Asset-Based Opportunity Fund I L.P.	\$14,952,636	\$1,389,816	\$0	\$1,247,145	\$13,298	\$2,650,259	161.7	0.0	145.1	1.5	308.3	
12	BNYM S&P	\$79,581,396	\$59,846	\$0	\$0	\$6,669	\$66,515	3.5	0.0	0.0	0.4	3.9	
13	White Oak Pinnacle Fund L.P.	\$30,946,897	\$2,630,303	\$0	\$79,162	\$13,137	\$2,722,602	147.8	0.0	4.4	0.7	153.0	
14	Medley Opportunity Fund II L.P.	\$18,204,859	\$1,101,908	-\$826,564	\$760,517	\$12,798	\$1,048,659	105.3	-79.0	72.7	1.2	100.2	
15	Blackrock US Real Estate	\$44,893,029	\$229,408	\$0	\$0	\$14,555	\$243,963	8.9	0.0	0.0	0.6	9.5	
16	Greenfield GAP VII Management Fund, L.L.C	\$11,893,821	\$1,244,742	\$1,154,590	\$141,215	\$12,581	\$2,553,128	182.0	168.8	20.7	1.8	373.4	
17	AMI	\$17,891,910	\$325,296	\$0	\$0	\$14,822	\$340,118	83.8	0.0	0.0	3.8	87.7	
18	CastleArk	\$11,481,333	\$206,257	\$0	\$0	\$39,245	\$245,502	107.9	0.0	0.0	20.5	128.5	
19	Lee Munder	\$12,290,267	\$220,762	\$0	\$0	\$35,945	\$256,707	107.9	0.0	0.0	17.6	125.5	
20	Rice Hall	\$21,989,996	\$398,084	\$0	\$0	\$16,696	\$414,780	83.5	0.0	0.0	3.5	87.0	
21	Channing	\$18,755,312	\$745,919	\$0	\$0	\$61,279	\$807,198	69.2	0.0	0.0	5.7	74.9	
22	Inview	\$18,340,976	\$723,363	\$0	\$0	\$31,888	\$755,251	68.6	0.0	0.0	3.0	71.6	
23	Keeley	\$10,665,221	\$425,661	\$0	\$0	\$32,887	\$458,548	70.5	0.0	0.0	5.4	75.9	
24	Pacific Ridge	\$15,540,262	\$737,049	\$0	\$0	\$49,130	\$786,179	82.5	0.0	0.0	5.5	88.0	
25	Walhausen	\$11,874,514	\$472,267	\$0	\$0	\$45,023	\$517,290	69.2	0.0	0.0	6.6	75.8	
26	Morgan Stanley Prime Property Fund, L.L.C	\$37,590,018	\$1,640,429	\$373,571	\$0	\$12,155	\$2,026,154	81.9	18.6	0.0	0.6	101.1	
27	American Realty Advisors Fund	\$37,534,868	\$2,456,224	\$178,385	-\$133,077	\$12,844	\$2,514,377	113.8	8.3	-6.2	0.6	116.5	
28	North Haven Infrastructure II GP LP	\$27,691,792	\$3,401,816	\$0	\$776,675	\$13,171	\$4,191,662	213.7	0.0	48.8	0.8	263.3	
29	Raven Asset-Based Opportunity Fund III L.P.	\$27,901,200	\$4,519,727	\$0	\$1,888,914	\$12,297	\$6,420,938	290.3	0.0	121.3	0.8	412.4	
30	Insight Investment	\$178,363,943	\$818,802	\$0	\$0	\$36,361	\$855,163	12.2	0.0	0.0	0.5	12.8	
31	Dimensional Fund Advisors	\$214,285,739	\$886,241	\$0	\$0	\$40,336	\$926,577	11.3	0.0	0.0	0.5	11.8	
32	Essex	\$13,775,561	\$77,144	\$0	\$0	\$519	\$77,664	111.8	0.0	0.0	0.8	112.5	
33	Redwood	\$15,823,940	\$123,012	\$0	\$0	\$3,420	\$126,432	155.2	0.0	0.0	4.3	159.5	
34	Northern Trust Cash Account	\$20,097,774	\$0	\$0	\$0	\$750	\$750	0.0	0.0	0.0	0.1	0.1	
35	Northern Trust Long Term Bond Fund	\$17,677,553	\$25,264	\$0	\$0	\$0	\$25,264	3.8	0.0	0.0	0.0	3.8	
36	Northern Trust Intermediate Term Bond Fund	\$47,248,619	\$69,283	\$0	\$0	\$0	\$69,283	3.9	0.0	0.0	0.0	3.9	
37	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	
38	PanAgora Diversified Risk Multi-Asset Fund, Ltd.	\$152,396,626	\$1,778,457	\$0	\$408,566	\$8,831	\$2,195,854	35.1	0.0	8.1	0.2	43.3	
39	PGIM Real Estate U.S. Debt Fund, L.P.	\$56,030,107	\$1,075,811	\$0	\$0	\$6,263	\$1,082,074	74.4	0.0	0.0	0.4	74.9	
40	AQR Capital Management	\$154,026,526	\$1,691,608	\$0	\$537,302	\$7,832	\$2,236,742	35.6	0.0	11.3	0.2	47.1	
41	Grandview Partners I, L.P.	\$19,175,372	\$2,316,431	\$2,088,464	\$750,962	\$6,338	\$5,162,195	403.0	363.3	130.6	1.1	898.0	
42	Northern Trust Russell 3000 Fund	\$138,016,971	\$53,791	\$0	\$0	\$0	\$53,791	1.7	0.0	0.0	0.0	1.7	
43	Owl Rock First Lien Fund	\$5,740,071	\$296,774	\$0	\$827,162	\$3,080	\$1,127,016	388.6	0.0	1083.0	4.0	1475.6	
44	Insight Partners XI	\$6,115,712	\$347,811	\$315,780	\$94,538	\$2,014	\$760,143	N/A	N/A	N/A	N/A	N/A	
45	Vista Foundation Fund IV	\$301,029	\$443,956	\$0	\$31,448	\$1,490	\$476,894	N/A	N/A	N/A	N/A	N/A	
46	Clayton, Dubilier, Rice Fund XI (CD&R XI)	\$52,301	\$120,044	\$0	\$58,930	\$0	\$178,974	N/A	N/A	N/A	N/A	N/A	
47	Seizert Capital Partners	\$19,830,117	\$12,205	\$0	\$0	\$0	\$12,205	N/A	N/A	N/A	N/A	N/A	



StanCERA Value Added Report

1/1/2021

through

3/31/2021

Manager	Average AUM	Manager Returns	Manager Fees	Custodial Fees	Primary Benchmark Returns	Secondary Benchmark Returns	Benchmark Fees*	Value Added Primary Benchmark	Value Added Secondary Benchmark
Dodge Cox Equity	\$ 105,408,070	\$ 16,107,746	\$ (60,556)	\$ (3,094)	\$ 11,863,680	None	\$ (6,421)	\$ 4,186,836	\$ 4,186,836
Bernzott	\$ 6,948,113	\$ 584,518	\$ (12,041)	\$ (1,533)	\$ 1,470,768	None	\$ (4,063)	\$ (895,761)	\$ (895,761)
Dimensional Fund Advisors	\$ 189,142,346	\$ (269,227)	\$ (52,814)	\$ (2,642)	\$ (45,838)	None	\$ (23,044)	\$ (255,802)	\$ (255,802)
LSV	\$ 285,960,817	\$ 25,208,717	\$ (177,179)	\$ (35,688)	\$ 24,320,364	\$ 10,291,169	\$ (216,007)	\$ 891,492	\$ 14,920,687
Fidelity	\$ 321,862,193	\$ 13,260,024	\$ (359,469)	\$ (20,094)	\$ 11,583,190	None	\$ (243,126)	\$ 1,540,397	\$ 1,540,397
Channing	\$ 20,408,557	\$ 3,025,922	\$ (38,968)	\$ (3,372)	\$ 4,320,060	None	\$ (11,935)	\$ (1,324,541)	\$ (1,324,541)
Inview	\$ 17,742,475	\$ 2,793,021	\$ (33,936)	\$ (1,325)	\$ 3,755,707	None	\$ (10,376)	\$ (987,571)	\$ (987,571)
Keeley	\$ 5,648,915	\$ 466,622	\$ (9,875)	\$ (1,460)	\$ 1,195,756	None	\$ (3,304)	\$ (737,165)	\$ (737,165)
Pacific Ridge	\$ 17,277,247	\$ 4,423,503	\$ (40,297)	\$ (2,358)	\$ 5,084,757	None	\$ (10,104)	\$ (693,805)	\$ (693,805)
Walhausen	\$ 16,763,410	\$ 4,387,913	\$ (34,965)	\$ (1,983)	\$ 3,548,459	None	\$ (9,803)	\$ 812,308	\$ 812,308
Seizert Capital Partners**	\$ 19,830,117	\$ 1,058,614	\$ (12,205)	\$ -	\$ 1,037,115	None	\$ (11,597)	\$ 20,891	\$ 20,891
Totals	\$ 1,006,992,260	\$ 71,047,373	\$ (832,305)	\$ (73,549)	\$ 68,134,018	\$ 10,291,169	\$ (549,780)	\$ 2,557,281	\$ 16,586,476

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

** Seizert was added to Attucks in Q1 2021 and performance is for 1 month ending 3/31/21.



Cash Flow Report

July 2020 through March 2021

Beginning Cash Balance*	\$24,374,444
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Cash Flow In

Cash Draw From Managers	\$20,824,887
Employer Contributions	\$70,794,973
Employee Contributions	\$22,089,676
Employee Redeposits	\$137,964
Rental Income	\$61,754
Commission Recapture	\$4,234
Litigation Recovery	\$1,484
W/O Cancelled checks	\$20,061

Total Cash Flow In	\$113,935,033
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Cash Flow Out

Retiree Payroll	\$109,486,374
StanCERA Payroll	\$1,495,391
StanCERA Operations Expense	\$496,196
Fixed Asset Purchases	\$1,102,349
Refunds	\$1,134,227
Death Benefits - Salary Based	\$219,386
Burial Allowance	\$342,500
Death Benefits - Lump Sum	\$134,622
Investment Consulting Fees	\$314,232
Actuarial Fees	\$91,383
Custodial Fees	\$406,292
Investment Management Fees	\$17,167
Audit Fees	\$45,500
Legal Fees	\$420,062

Total Cash Flow Out	\$115,705,682
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Ending Cash Balance	\$22,603,795
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Change in Cash Balance	-\$1,770,649
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July 27, 2021

Retirement Board Agenda Item

TO: Retirement Board

FROM: Rick Santos, Executive Director

I. SUBJECT: Executive Director Goals Quarter 2 2021

II. ITEM NUMBER: 6.g.

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: None

V. ANALYSIS: This is the Quarter 2 Executive Director Goals update for 2021. Staff has made good progress towards the completion of its goals for 2021. Essentially, tasks yet to be completed for 2021 include filling the Organizational Communication, Operations and Staff Support position, Org structure discussion and strategy with the SPOT Committee, Completion of the Operational Risk Management Plan and the documentation and standardization of the Investment Governance Process. At this time, staff does not anticipate any roadblocks to the completion of these tasks by year end.

This quarter's work focused mainly on the completion of the new Pension Administration System, transition of the portfolio to the new allocation targets, manager due diligence review, staff/consultant review of potential alternative investments, completion of the office revamp and work with the SPOT Committee on Human Resource issues.

VI. RISK: NONE

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT: NONE

StanCERA Strategic Goals Quarter 2 2021**(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
 - Presentation of the actuarial valuation to Board of Supervisors
 - Various meetings/onboarding with new StanCERA employer
 - Several meetings with City of Ceres on Fire Dept. exit from Ceres/StanCERA
 - Note that the StanCERA newsletter has resumed production and was sent out in May. It is staff's intention to make this a semi-annual communication.
2. Maintenance of StanCERA's asset allocation targets
 - StanCERA's asset allocation targets up to date; Phase 1 of the transition is currently taking place
3. Continued progress on the System data clean-up project
 - Approximately 80-85% complete
4. Director Professional Development
 - None
5. Oversee Information Technology Solutions Project
6. Oversee and completion of day to day administrative functions
 - All administrative functions are current. Outstanding disabilities stand at 13 as of June 24th
7. Oversee and monitor the transition of the StanCERA portfolio to the new targets
 - Transition currently on schedule as planned
8. Complete implementation of the Alameda Decision
 - All affected retiree benefits have been adjusted
 - Staff expects to refund active and deferred member contributions by the end of the 4th quarter. Note that the automated process to accomplish this mass refund process is currently being built into our new system

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. Develop the Job Description for the Organizational Support/Communications Manager position by StanCERA leadership

- Job Description complete. Note that staff intends to bring this to the SPOT Committee in August or September for final approval before taking to the full Board
- 2. Hiring and onboarding of Organizational Support/Communications Manager (Late 2021-Early 2022)

Strategic Objective # 2

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

Strategic Plan Objective #2, Deliverables

1. Strive to unlock the full value inherent in the PAS for both internal and external constituents
 - ✓ Consider mid-career retirement seminars
 - StanCERA to conduct its first mid-career retirement seminar in early 2022
2. Rebrand and market StanCERA
 - ✓ Revamp all forms, documents and templates using StanCERA's new logo
 - Complete
 - ✓ Replace all items/documents using StanCERA's old mission and vision statements with new statements
 - Complete
 - ✓ Resume all quarterly newsletter publication
 - Spring newsletter published and mailed in May
 - ✓ Consider modern, aesthetic changes to StanCERA's office
 - Architectural design currently underway; staff to review as soon as complete

Strategic Objective # 3

Development and implementation of a formalized succession plan for StanCERA

Strategic Plan Objective #3 Deliverables

1. Foster and promote a professional organization and strong leadership team. Create a Committee comprised of at least 2 trustees, the Fiscal and Member & Employer Services Managers and the Executive Director. This committee will:
 - ✓ research and recommend strategies on the type of Organization StanCERA wishes to become as it grows over the next several years
 - ✓ be tasked with building a leadership program that will foster StanCERA's leadership qualities in staff who may choose to become future leaders
 - SPOT Committee formed (Strategic Planning and Organizational Transition). Next step will be for staff to meet to decide what the specific goals are for this Committee and then meet with the Committee members

*Strategic Objective #4***Development of a formalized Operational Risk Management Plan**

Strategic Plan Objective #4 Deliverables

1. Identify the risks within the organization and determine the type of risk, the level of the risk, cause of the risk, effect of the risk and the controls in place regarding the risk
 - StanCERA has completed a high-level assessment identifying operational areas which are exposed to varying levels of risk, including external risk. Information technology is a focus as the new pension administration system went live in September 2020. As work has begun on the member web portal, StanCERA quickly identified that there will be an increase in external users to view selected pension information. With this expanded audience, StanCERA has engaged information technology consultants to perform a cyber-assessment of its current IT structure with the future in mind. This assessment is underway. Once completed, StanCERA will review the report and provide recommendations based on the findings. In the coming months, the additional areas will begin assessment with staff interviews to establish a baseline of processes; the goal is to complete this process by September 30, 2021
2. Communicate and inform StanCERA staff of their risk responsibilities and any controls that are associated with their activities

*Strategic Objective # 5***Process documentation and standardization of the Investment Governance Process**

Strategic Plan Objective #5 Deliverables

1. Create an investment governance process manual. Tasks with high operational importance and greater frequency will take priority and will be completed during 2021 with the remainder being completed in 2022
 - ✓ Processes to be documented in 2021
 - Capital calls – Complete
 - Trade order and web cash approvals - Complete
 - Trade order and web cash initiations - Complete
 - Portfolio target monitoring – In process
 - Alternative manager database upload
 - Alternative manager reporting process
 - Fund performance, ending balance, and benchmark returns database upload – Complete
 - Fund cash balance database upload – Complete
 - Manager fee database entry – In process
 - Custody fee database upload

- Liquidity sub-portfolio: cash shortfall forecasting
- Liquidity sub-portfolio: reconciliation and reporting

July 27, 2021

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

- I. SUBJECT: Liquid Absolute Return Manager Selection
- II. ITEM NUMBER: 7.a.1
- III. ITEM TYPE: Discussion and Action
- IV. STAFF RECOMMENDATION:

Allocate \$75 Million (approximately 3.0% of the fund) between the Graham Proprietary Matrix Fund and the Invesco Global Targeted Returns Fund at a percentage rate determined by the Board. Authorize staff to negotiate and execute the final contract with selected firms.

- V. ANALYSIS:

The asset allocation adopted by the Board in November 2020 included a new allocation to a liquid absolute return mandate to augment the risk-diversifying sub portfolio. Liquid absolute return is expected to provide additional diversification to the portfolio during market corrections while also acting as a source of liquidity to allocate to other parts of the portfolio. Liquid absolute return has a 3.0% portfolio target and NEPC selected two finalists for the Board to evaluate. Brief summaries of the two finalists are provided below:

Graham Proprietary Matrix

The Graham Proprietary Matrix fund was formed in 1999 and is part of Graham Capital Management. Graham Capital is an employee-owned firm with the founder owning the majority of the firm. The fund provides broad exposure to both the systematic and discretionary global macro strategies offered by the firm. The fund invests across all asset classes include equities, fixed income, credit, currencies and commodities. The broad diversification of the fund is designed to provide consistent performance in different market environments. The Graham Proprietary Matrix fund charges a 2% management fee with a 20% incentive fee and offers monthly liquidity. Graham Capital employs a team of 170 and has approximately \$16 Billion in AUM.

Invesco Global Targeted Returns

The Invesco Global Targeted Returns fund was established in 2013 and maintains a defensive profile with an intent to provide good downside protection and low correlation to traditional asset classes. The fund invests in a wide array of asset classes across geographies and follows a thematic investment idea approach. The fund is risk aware and is managed with a high degree of diversification and liquidity. Management fees for the Invesco fund are 0.85% with no incentive fees. The Global Targeted Returns fund is managed by a team of 16 investment professionals and is supported by Invesco which

employs thousands of employees globally. The team is based in Henley, United Kingdom and the fund is approximately \$16 Billion in size.

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



NEPC, LLC

To: Stanislaus County Employees' Retirement Association
From: Daniel Hennessy, CFA, CAIA
Date: July 27, 2021
Subject: Liquid Absolute Return Search Memo

Summary Recommendation

We recommend that the StanCERA board commit 3% of its portfolio (approximately \$75 million) to liquid absolute return strategies, split between Graham Proprietary Matrix and Invesco Global Targeted Returns.

These broadly-diversified strategies are typically uncorrelated to major asset classes like equities and fixed income, and are intended to complement the investment grade fixed income and risk parity strategies that are already part of StanCERA's risk-diversifying sub-portfolio. They both invest across a wide range of liquid asset classes including stocks, bonds, and commodity futures. We have invited representatives from Graham and Invesco to this month's board meeting to describe their respective funds and answer any trustee questions

Liquid Absolute Return Search Overview

StanCERA's risk-diversifying sub-portfolio is intended to offset some of the investment risks embedded in the growth sub-portfolio, especially equity risk. Treasury bonds are very useful for this purpose, but they have not always provided positive returns during equity downturns. And there are certainly potential scenarios for the future that could result in negative returns for both stocks and U.S. Treasury bonds. Unexpectedly high inflation, for example, could cause both asset classes to suffer. That is why StanCERA's risk-diversifying sub-portfolio also includes risk parity strategies that have exposure to inflation-sensitive commodities, and it is also why the asset allocation approved late last year includes a new allocation to liquid absolute return strategies.

At the May board meeting we reviewed three different types of liquid absolute return strategies: global macro, absolute return global asset allocation, and trend following/managed futures. We also listed seven such strategies that offered daily or monthly liquidity and were rated highly by NEPC research. Those strategies plus a few others not yet rated by NEPC were evaluated carefully for StanCERA. In particular we were looking for the following characteristics:

- An experienced and stable investment team
- A thoughtful investment approach likely to perform well in the future
- A history of avoiding steep or prolonged drawdowns
- Lack of correlation with equities, especially during equity drawdowns
- Reasonable fees
- Daily or monthly liquidity

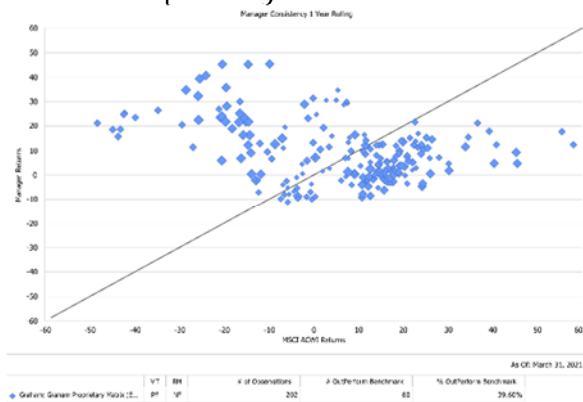


After careful consideration we decided to recommend two complementary strategies: Graham Proprietary Matrix and Invesco Global Targeted Returns. Graham has a slightly longer track record, and has earned higher returns than Invesco with greater volatility:

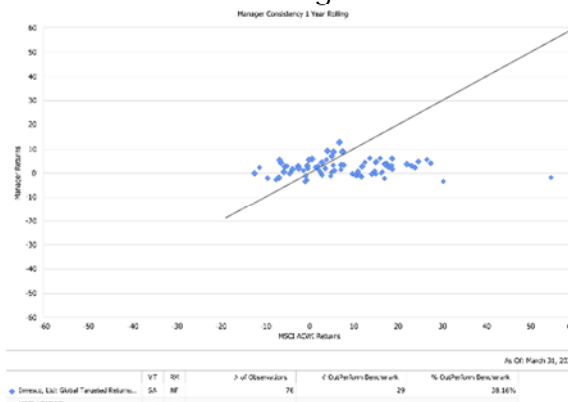
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Graham – Proprietary Matrix	5.9%	15.6%	-7.9%	-4.7%	6.5%	0.3%	15.9%	13.7%	-0.1%	-9.8%
Invesco - Global Targeted Returns	0.0%	5.6%	-2.1%	2.0%	3.2%	1.9%	9.1%	NA	NA	NA

But both strategies have earned returns that are uncorrelated to equities:

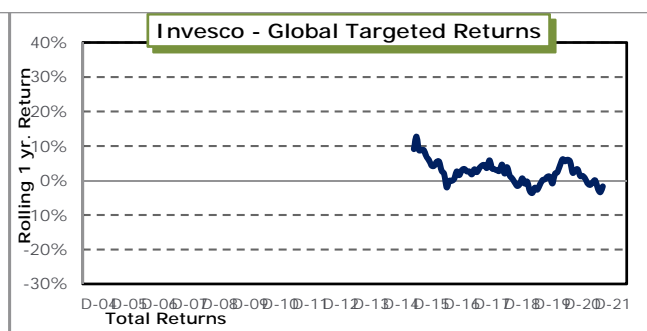
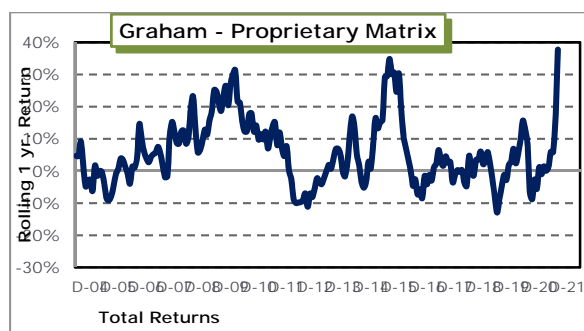
Graham Proprietary Matrix



Invesco Global Targeted Returns



And negative investment drawdowns have been limited:



The other strategies under consideration were rejected for several reasons. Some were much more volatile, or had a history of much deeper negative drawdowns. Some had extremely short track records that made it more difficult to judge their future potential, or limited assets under management that could cause problems if other investors chose to exit the strategy.



We believe that Graham and Invesco are high quality complementary strategies that can improve StanCERA's risk-diversifying sub-portfolio. Graham has produced higher investment returns over time than Invesco, but Invesco is less volatile and offers a much cheaper fee structure (0.85% or less per year versus 2% with a 20% performance fee for Graham). Either strategy could be an appropriate choice for StanCERA's 3% allocation to liquid absolute return strategies, but we recommend splitting the allocation between Graham and Invesco because of the different benefits that they offer.

GRAHAM PROPRIETARY MATRIX

General Fund Information			
Product Name	Graham Proprietary Matrix		
Firm Name	Graham Capital Management ("GCM" or the "Fund")		
Location	Rowayton, Connecticut, United States		
Firm AUM	\$12 billion	Strategy	Global Macro
Strategy AUM	\$430 million	Sub-Strategy	Discretionary/ Systematic
Portfolio Manager(s)	Multiple	Direct or FOF	Direct

Terms	
Share Class	Series C
Minimum Investment	\$3 million (negotiable)
Management Fee	2.0%
Performance Fee	20.0%
Hurdle Rate	No
High Water Mark	Yes
Subscription	Monthly
Redemption	Monthly, 4 calendar days' notice
Lock-Up	No
Gate	No

Investment Strategy
Graham Proprietary Matrix ("PMX" or the "Fund") is a global macro strategy that provides clients with equal exposure to Graham's Systematic K4D and Discretionary portfolios. PMX is designed to provide exposure to each of the different global macro sub-strategies, across style, time frame, market and geography. K4D employs primarily trend-following strategies with smaller allocations to non-trend models. It utilizes a proprietary overlay that groups correlated markets in order to optimize its trading allocations. The discretionary product is a multi-portfolio manager model with 15-30 teams trading various global macro strategies from fixed income relative value to commodities. As with most of the firm's products, PMX is offered in two different volatility targets, 10V and 20V.

NEPC Opinion
Positives
<ul style="list-style-type: none"> • Diversification Benefit: The Fund provides exposure to the various underlying components of the global macro space: systematic and discretionary, long term and short term, technical and fundamental, etc. • Robust infrastructure: GCM has state-of-the-art investment research and technology capabilities. Risk management is also an important pillar within the Firm's infrastructure. • Transparency: Access to senior Executive Committee's members has been excellent. Daily returns and exposures can be found on GCM's password-protected website.
Negatives
<ul style="list-style-type: none"> • No traders in management: While NEPC does not see this as a major negative attribute, it is important to point out that GCM operates differently than most of its peers. Usually one founding PM trades a significant part of a portfolio, and can trade the best ideas of his/her underlying PMs or hedge out their exposures. Chairman/Investment Committee member Ken Tropin on the other hand, acts more as a CEO than a market participant. He does not trade, and neither does Pablo Calderini (Chief Investment Officer) nor members of the Executive Committee. • Difficult to vet all strategies: Investors in GCM's discretionary product are investing because they believe that GCM has attracted and will continue to retain high quality PMs, and has built and will be able to maintain excellent systems. Senior-level professionals are made readily accessible to investors if requested. That said, evaluating every underlying teams/PMs is challenging. Nonetheless, we are comfortable with the Firm's process.

Client Suitability
An allocation to Graham Proprietary Matrix can serve as a core exposure within a client's global macro allocation, as it is diversified by discretionary traders and different types of systematic models. It is however worth noting that the Fund does not currently have much exposure to emerging markets.



Graham Proprietary Matrix Portfolio
Graham Capital Management L.P.

Benchmarks: HFRI Macro (Total) Index
As of: March 2021



Past Performance is not indicative of future results. Risk-free rate is Citigroup 3-month T-Bill. Statistics are calculated since inception of the fund unless specified



INVESCO GLOBAL TARGETED RETURNS

General Fund Information			
Product Name	Invesco Global Targeted Returns ("GTR" or the "Fund")		
Firm Name	Invesco, Ltd.		
Location	Henley, United Kingdom		
Firm AUM	\$1 trillion	Strategy	GAA
Strategy AUM	\$13 billion	Sub-Strategy	Absolute Return
Portfolio Manager(s)	Multiple	Direct or FOF	Direct
Terms			
Share Class	Collective Trust Fund		
Minimum Investment	N/A		
Management Fee	0.85% on first \$50 million, 0.80% on next \$50 million, 0.75% on next \$50 million, and 0.70% thereafter (+10bps operating expenses)		
Performance Fee	N/A		
Hurdle Rate	N/A		
High Water Mark	N/A		
Subscription	Daily		
Redemption	Daily		
Lock-Up	No		
Gate	No		
Investment Strategy			
Invesco Global Targeted Returns Strategy ("GTR" or the "Fund") is an absolute return-focused Global Asset Allocation ("GAA") strategy that aims to have a defensive profile with a low correlation to traditional asset classes. Over the long-term, the strategy looks to exploit the diversification properties of the underlying investment ideas to generate a smoother return profile relative to more traditional investment approaches. GTR is an unconstrained investment approach that incorporates all liquid global assets and financial instruments. This wide range of discretion allows the investment team unconstrained access to both liquid physical securities and derivative based strategies. While the portfolio follows an unconstrained approach, it is managed with a robust risk management discipline to ensure a high degree of diversification and liquidity across multiple market environments.			

NEPC Opinion	
Positives	
<ul style="list-style-type: none">• Diversification Benefit: Unlike many of its GAA peers, the strategy has exhibited low correlation to a global 60%/40% stock/bond mix (~.11 historically).• Downside Protection: The Fund aims to have a defensive profile and has had a since inception's standard deviation of 3.3%, which is nearly one-fifth of the standard deviation of global equities (as proxied by the MSCI ACWI Index).• Stable Team: The investment team has solid experience and has had little to no turnover.	
Negatives	
<ul style="list-style-type: none">• Performance: GTR targets a return of 3-month T-bill + 5% over a 3-year rolling period, but performance has underperformed this bogey over all standard annualized trailing time periods going back to inception. This underwhelming performance is however partially mitigated by the strong downside protection that has been delivered by the Fund.• GAA Headwinds: Global Asset Allocation strategies have been challenged by a strong equity environment and permanent interventions by the Fed, and have generally lagged broader markets in recovery during the past year.	
Client Suitability	
An allocation to GTR can serve as a liquid way to first and foremost add diversification within a client's total portfolio's context, as it offers a low correlation to a global 60/40 proxy and/or global equities.	



Global Targeted Returns Invesco, Ltd

Benchmarks: 60% MSCI ACWI / 40% BB Global Agg, US CPI +5% (Non Seasonally-Adjusted), MSCI ACWI-ND
As of: March 2021



Monthly Performance														Performance Analysis			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year		Global Targeted Returns	60% MSCI ACWI / 40% BB Global Agg	US CPI +5% (No Seasonally-Adjust)
2021	-1.1	-1.2	0.0	---	---	---	---	---	---	---	---	---	-2.4	Since Inception Return	2.4	6.7	6.8
2020	1.1	0.0	-1.7	0.7	0.6	-1.6	-0.8	0.8	-1.1	-0.7	1.9	0.8	0.0	1 Yr Return	-1.8	35.4	76
2019	0.7	0.5	1.4	0.2	0.3	0.2	-0.7	1.5	0.3	-0.3	1.1	0.3	5.6	3 Yr Return	0.2	9.0	70
2018	1.3	-0.9	0.1	-0.2	-0.4	0.3	1.1	-1.2	-0.2	-2.2	-0.6	0.9	-2.1	5 Yr Return	1.1	9.4	72
2017	-0.5	1.4	1.0	1.0	0.6	-0.3	-0.5	0.3	-0.7	0.5	0.0	-0.7	2.2	7 Yr Return	2.0	6.7	6.6
2016	0.3	0.2	0.2	0.8	1.4	-2.3	1.7	0.6	-0.4	0.6	-1.7	1.8	3.3	10 Yr Return	---	6.5	6.7
2015	4.2	-1.6	0.2	0.2	-0.7	-1.3	0.3	0.2	0.3	0.6	-0.9	0.4	1.9	Best Month	4.2	8.7	1.1
2014	0.9	1.9	0.3	0.3	1.0	-0.4	1.7	0.3	-0.8	0.6	1.6	1.3	9.1	Worst Month	-2.3	-9.5	-0.2
														Percent Profitable Periods	64.4	64.4	95.4
														Product Inception Date	09/09/2013	---	---

Outperform BM in Up Markets		Outperform BM in Down Markets		Distribution of Returns	

Risk/Return Profile		Underwater Drawdown		Risk Analysis																																		
				<table><tr><td>Since Inception Standard Deviation</td><td>3.6</td><td>9.5</td></tr><tr><td>3 Yr Standard Deviation</td><td>3.4</td><td>12.2</td></tr><tr><td>5 Yr Standard Deviation</td><td>3.5</td><td>10.0</td></tr><tr><td>7 Yr Standard Deviation</td><td>3.6</td><td>9.6</td></tr><tr><td>10 Yr Standard Deviation</td><td>---</td><td>9.3</td></tr><tr><td>Sharpe Ratio</td><td>0.4</td><td>0.6</td></tr><tr><td>Sortino Ratio</td><td>0.7</td><td>1.0</td></tr><tr><td>Loss Deviation</td><td>2.3</td><td>6.1</td></tr><tr><td>Max Drawdown</td><td>4.2</td><td>14.4</td></tr><tr><td>Max Drawdown Length</td><td>18</td><td>3</td></tr><tr><td>Max Drawdown Recovery Length</td><td>9</td><td>4</td></tr></table>		Since Inception Standard Deviation	3.6	9.5	3 Yr Standard Deviation	3.4	12.2	5 Yr Standard Deviation	3.5	10.0	7 Yr Standard Deviation	3.6	9.6	10 Yr Standard Deviation	---	9.3	Sharpe Ratio	0.4	0.6	Sortino Ratio	0.7	1.0	Loss Deviation	2.3	6.1	Max Drawdown	4.2	14.4	Max Drawdown Length	18	3	Max Drawdown Recovery Length	9	4
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MONTHLY PERFORMANCE REPORT

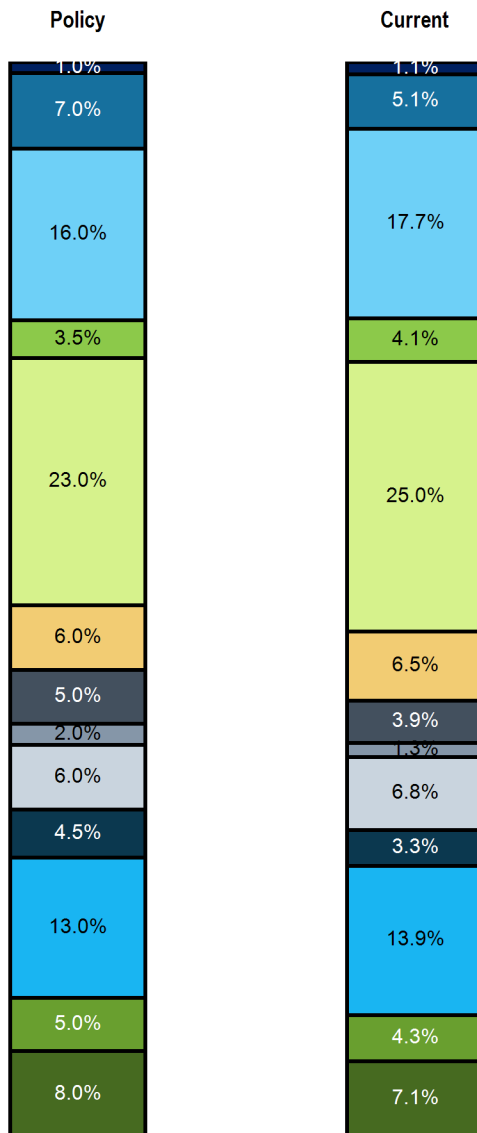
STANISLAUS COUNTY ERA

MAY 31, 2021



STANISLAUS COUNTY ERA

TOTAL FUND ASSET ALLOCATION VS. POLICY



Asset Allocation vs. Target						
	Current	Policy	Current	Policy Range	Within Range	
Cash	\$28,903,215	1.0%	1.1%	0.0% - 4.0%	Yes	
Cashflow-Matched Bonds	\$135,689,886	7.0%	5.1%	3.0% - 9.0%	Yes	
US Large Equity	\$473,179,212	16.0%	17.7%	12.0% - 20.0%	Yes	
US Small Equity	\$109,106,948	3.5%	4.1%	0.0% - 7.0%	Yes	
International Equity	\$670,996,012	23.0%	25.0%	14.0% - 32.0%	Yes	
Core Real Estate	\$172,862,232	6.0%	6.5%	0.0% - 11.0%	Yes	
Value-Add Real Estate	\$104,903,690	5.0%	3.9%	0.0% - 10.0%	Yes	
Infrastructure	\$35,783,078	2.0%	1.3%	0.0% - 5.0%	Yes	
Private Equity	\$182,026,008	6.0%	6.8%	0.0% - 11.0%	Yes	
Private Credit	\$89,281,759	4.5%	3.3%	0.0% - 10.0%	Yes	
Risk Parity	\$371,661,037	13.0%	13.9%	8.0% - 18.0%	Yes	
US Treasury Bonds	\$115,490,752	5.0%	4.3%	2.0% - 8.0%	Yes	
Short-Term Bonds	\$189,696,689	8.0%	7.1%	0.0% - 9.0%	Yes	
Total	\$2,679,580,517	100.0%	100.0%			

- The Private Equity allocation includes the Private Equity Proxy account value.

STANISLAUS COUNTY ERA

TOTAL FUND NET PERFORMANCE DETAIL

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	2,679,580,517	100.0	1.6	8.2	24.0	26.6	9.6	10.2	8.3	9.2	Jan-95
Policy Index			1.2	6.5	22.2	24.5	10.0	10.0	8.3	8.4	Jan-95
Liquidity Sub-Portfolio	164,593,101	6.1	0.2	0.0	1.8	3.2	5.1	3.2	--	--	Apr-11
StanCERA Liquidity Blended BM			0.5	-0.8	1.8	3.1	5.0	3.2	2.0	2.1	Apr-11
Cash	28,903,215	1.1	0.2	0.8	1.3	1.4	1.6	1.5	--	--	Apr-11
FTSE T-Bill 1 Month TR			0.0	0.0	0.1	0.1	1.3	1.1	0.6	0.6	Apr-11
Cashflow-Matched Bonds	135,689,886	5.1	0.2	-0.1	1.8	3.3	5.5	--	--	4.2	Jun-17
BBgBarc US Govt/Credit Int TR			0.4	-1.0	0.1	0.7	4.6	2.9	2.7	3.4	Jun-17
Insight	135,689,886	5.1	0.2	-0.1	1.8	3.3	5.5	--	--	4.2	Jun-17
BBgBarc US Govt/Credit Int TR			0.4	-1.0	0.1	0.7	4.6	2.9	2.7	3.4	Jun-17
Growth Sub-Portfolio	1,838,138,938	68.6	1.8	11.6	32.2	35.4	11.3	12.4	10.0	8.8	Dec-03
StanCERA Growth Blended BM			1.3	8.3	28.0	31.0	11.3	11.9	--	--	Dec-03
US Equities	582,286,160	21.7	1.1	15.6	46.7	50.6	16.6	16.6	13.6	10.6	Dec-03
Russell 3000			0.5	12.3	40.7	43.9	18.0	17.4	14.2	10.4	Dec-03
US Large Equity	473,179,212	17.7	0.7	13.6	42.2	45.9	18.8	17.9	14.6	13.2	Dec-94
Russell 1000			0.5	12.1	39.6	42.7	18.4	17.5	14.4	11.0	Dec-94
BlackRock Russell 1000 Growth	235,981,268	8.8	-1.4	6.3	34.1	39.9	23.0	22.1	17.0	18.3	Jul-10
Russell 1000 Growth			-1.4	6.3	34.1	39.9	23.0	22.1	17.0	18.2	Jul-10
BlackRock Russell 1000 Value	111,848,159	4.2	2.3	18.4	45.4	44.4	13.1	12.4	11.6	13.1	Jul-09
Russell 1000 Value			2.3	18.4	45.3	44.4	12.9	12.3	11.5	13.0	Jul-09
Dodge & Cox-Equity	125,349,785	4.7	3.4	26.0	57.9	60.5	15.7	16.1	13.4	12.5	Dec-94
Russell 1000 Value			2.3	18.4	45.3	44.4	12.9	12.3	11.5	10.3	Dec-94
US Small Equity	109,106,948	4.1	2.7	25.4	70.7	76.0	9.8	12.6	10.3	13.6	Dec-08
Russell 2000			0.2	15.3	58.9	64.6	13.1	16.0	11.9	14.5	Dec-08
Attucks Small Cap	109,106,948	4.1	2.7	25.4	70.7	76.0	9.8	13.5	11.0	13.8	Dec-08
Russell 2000 Value			3.1	27.5	74.3	79.4	10.7	13.8	10.6	12.7	Dec-08
International Equity	670,996,012	25.0	3.8	12.9	41.1	47.6	8.7	11.0	6.0	7.3	Sep-04
MSCI ACWI ex USA			3.1	9.9	36.6	42.8	8.9	10.9	5.4	6.9	Sep-04
LSV Int'l Large Cap Value	319,615,404	11.9	3.6	15.4	40.0	45.4	5.9	9.8	5.2	6.8	Sep-04
MSCI ACWI ex USA			3.1	9.9	36.6	42.8	8.9	10.9	5.4	6.9	Sep-04
Fidelity Int'l Growth	351,380,608	13.1	3.9	10.7	42.0	49.6	11.4	11.9	6.6	5.5	Apr-06
MSCI ACWI ex USA			3.1	9.9	36.6	42.8	8.9	10.9	5.4	4.5	Apr-06



STANISLAUS COUNTY ERA

TOTAL FUND NET PERFORMANCE DETAIL

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Core Real Estate	172,862,232	6.5	0.3	5.9	10.2	10.0	6.1	5.1	3.6	2.6	Mar-08
NCREIF Property Index			0.0	1.7	3.7	2.6	4.9	5.8	8.8	5.7	Mar-08
Prime Property Fund	60,823,122	2.3	0.0	1.9	4.5	2.6	5.1	6.6	--	6.8	Sep-15
NCREIF ODCE			0.0	2.1	3.9	2.3	4.9	6.2	9.7	6.5	Sep-15
BlackRock Real Estate Securities	50,879,683	1.9	0.9	20.1	36.6	39.1	8.7	5.9	--	8.2	Sep-12
DJ US Select RESI TR USD			0.9	20.2	36.8	39.3	8.8	6.0	8.0	8.3	Sep-12
PGIM Real Estate US Debt Fund	61,159,428	2.3	0.0	1.4	4.0	4.9	--	--	--	4.9	Sep-18
BBgBarc US CMBS Investment Grade			0.7	-0.4	2.7	4.5	5.8	3.8	4.0	6.0	Sep-18
Value-Add Real Estate	104,903,690	3.9	0.0	3.0	10.2	10.0	10.6	11.0	--	10.5	Jul-14
NCREIF Property Index +2%			0.2	2.6	5.5	4.7	7.0	7.9	11.0	9.5	Jul-14
American Strategic Value Realty	70,977,109	2.6	0.0	2.3	4.0	3.7	6.7	8.2	--	9.7	Dec-14
NCREIF Property Index			0.0	1.7	3.7	2.6	4.9	5.8	8.8	6.9	Dec-14
Greenfield Acquisition Partners VII	6,747,151	0.3	0.0	0.3	13.4	13.4	12.0	12.7	--	11.6	Jul-14
NCREIF-ODCE +1%			0.1	2.5	4.9	3.3	5.9	7.3	10.8	9.1	Jul-14
Greenfield Acquisition Partners VIII	27,179,430	1.0	0.0	5.6	27.6	27.6	24.2	--	--	22.8	Apr-18
NCREIF-ODCE +1%			0.1	2.5	4.9	3.3	5.9	7.3	10.8	5.7	Apr-18
Infrastructure	35,783,078	1.3	0.0	-1.9	-1.7	-1.7	6.3	8.4	--	5.9	May-15
CPI + 5% (Unadjusted)			1.2	5.5	9.2	10.2	7.4	7.4	6.8	7.2	May-15
MS Infrastructure Partners II	35,783,078	1.3	0.0	-1.9	-1.7	-1.7	6.3	8.4	--	5.9	May-15
CPI + 5% (Unadjusted)			1.2	5.5	9.2	10.2	7.4	7.4	6.8	7.2	May-15
Private Equity	182,026,008	6.8	0.4	12.7	40.7	43.9	--	--	--	23.4	Dec-18
Russell 3000 + 3%			0.7	13.7	44.4	48.1	21.5	20.8	17.6	24.7	Dec-18
Private Equity	24,519,141	0.9	0.0	18.4	33.5	33.5	--	--	--	28.1	Apr-20
Russell 3000 + 3%			0.7	13.7	44.4	48.1	21.5	20.8	17.6	63.5	Apr-20
Private Equity Proxy	157,506,867	5.9	0.5	12.4	40.7	43.9	20.2	18.4	14.9	10.8	Nov-03
Russell 3000			0.5	12.3	40.7	43.9	18.0	17.4	14.2	10.6	Nov-03
Private Credit	89,281,759	3.3	0.0	3.3	-1.2	-1.2	-2.1	-0.2	--	2.0	May-13
S&P/LSTA Leveraged Loan Index +2%			0.7	3.7	13.3	14.7	6.4	7.0	6.4	6.1	May-13



STANISLAUS COUNTY ERA

TOTAL FUND NET PERFORMANCE DETAIL

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Risk-Diversifying Sub-Portfolio	676,848,478	25.3	1.4	1.7	2.2	2.6	4.6	3.7	3.8	4.8	Nov-03
StanCERA Risk-Diversifying Blended BM			0.3	-1.0	-1.0	-0.8	3.7	2.2	2.1	--	Nov-03
Risk Parity	371,661,037	13.9	2.4	4.5	18.3	20.7	9.0	--	--	8.1	Nov-17
60% MSCI ACWI (Net)/ 40% BBgBarc Global Agg			1.2	5.3	22.9	25.7	10.3	9.9	6.8	9.0	Nov-17
AQR Global Risk Premium - EL	183,168,632	6.8	2.2	5.4	17.6	19.7	8.0	--	--	8.6	Apr-18
60% MSCI ACWI (Net)/ 40% BBgBarc Global Agg			1.2	5.3	22.9	25.7	10.3	9.9	6.8	9.6	Apr-18
PanAgora Risk Parity Multi Asset	188,492,405	7.0	2.6	3.6	19.0	21.7	10.0	--	--	8.8	Nov-17
60% MSCI ACWI (Net)/ 40% BBgBarc Global Agg			1.2	5.3	22.9	25.7	10.3	9.9	6.8	9.0	Nov-17
US Treasury Bonds	115,490,752	4.3	0.1	-4.4	-5.3	-5.2	4.5	3.7	3.8	4.8	Nov-03
BBgBarc US Treasury 7-10 Yr TR			0.6	-4.2	-5.2	-5.1	5.6	2.7	3.7	--	Nov-03
Northern Trust Intermediate Gov't Bond	80,149,336	3.0	0.2	-1.2	-1.2	-1.1	3.9	--	--	2.8	Jul-17
BBgBarc US Govt Int TR			0.3	-1.0	-1.1	-1.0	4.0	2.2	2.1	2.8	Jul-17
Northern Trust Long Term Gov't Bond	35,341,416	1.3	0.0	-11.4	-14.0	-13.8	6.5	--	--	5.2	Jul-17
BBgBarc US Govt Long TR			0.5	-11.0	-13.5	-13.4	6.8	3.7	6.0	5.3	Jul-17
Short-Term Bonds	189,696,689	7.1	0.2	0.2	1.1	1.6	3.4	--	--	2.5	Jul-17
BBgBarc US Govt/Credit 1-3 Yr. TR			0.1	0.2	0.6	0.8	3.0	2.0	1.5	2.3	Jul-17
DFA	189,696,689	7.1	0.2	0.2	1.1	1.6	3.4	--	--	2.5	Jul-17
BBgBarc US Govt/Credit 1-3 Yr. TR			0.1	0.2	0.6	0.8	3.0	2.0	1.5	2.3	Jul-17

- PanAgora Risk Parity Multi Asset and DFA are preliminary as of 05/31/2021, and are subject to change once finalized.



STANISLAUS COUNTY ERA NOTES

- All performance is shown net of investment management fees.

- Performance history is provided by Verus through June 2020. As of July 1, 2020 performance is calculated and reported by NEPC. Policy Index History:

- **Policy Index makeup history:**

- **Inception - 6/30/2017:** 14.4% Russell 1000 Value, 11.3% Russell 1000 Growth, 4.8% S&P 500, 4% Russell 2000 Value, 3.7% Russell 2000 Growth, 18% MSCI ACWI ex USA Gross, 29.8% BBgBarc US Aggregate TR, 3.5% DJ US Select RESI TR USD, 7.5% 9% Annual, 3% CPI + 4%
- **7/1/2017 - 8/31/2018:** 18.5% Russell 1000, 5.5% Russell 2000, 24% MSCI ACWI ex USA Gross, 19% BBgBarc US Govt/Credit 1-3 Yr. TR, 1% FTSE T-Bill 1 Month TR, 3%BBgBarc US Treasury 7-10 Yr TR, 7.7% NCREIF Property Index, 1.7% NCREIF Property Index +2%, 0.6% CPI + 5%, 5% BBgBarc US High Yield + 2%, 14% 60% MSCI ACWI Net/40% BBgBarc Global Aggregate
- **9/1/2018 - 5/30/2019:** 10% Russell 1000, 3% Russell 2000, 6% Russell 3000 +3%, 27% MSCI ACWI ex USA Gross, 20% BBgBarc US Govt/Credit 1-3 Yr. TR, 1% FTSE T-Bill 1 Month TR, 3% BBgBarc US Treasury 7-10 Yr TR, 5% NCREIF Property Index, 5% NCREIF Property Index +2%, 1% CPI + 5%, 6% S&P/LSTA Leveraged Loan Index+2%, 13% 60% MSCI ACWI Net/40% BBgBarc Global Aggregate
- **6/1/2019 - 6/30/2020:** 14% Russell 1000, 3% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 19% BBgBarc US Gov't/Credit 1-3 Yr, 1% Citi 1 Month T-Bills, 3% BBgBarc US Treasury 7-10 Yr, 5% NCREIF Property, 5% NCREIF Property +2%, 2% CPI +5%, 6% S&P/LSTA Leveraged Loan Index + 2%, 13% 60% MSCI ACWI / 40%BBgBarc Global Aggregate
- **7/1/2020 - 12/31/2020:** 14% Russell 1000, 3% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 8% BBgBarc US Gov't/Credit 1-3 Yr, 1% Citi 1 Month T-Bills, 3% BBgBarc US Treasury 7-10 Yr, 5% NCREIF Property, 5% NCREIF Property +2%, 2% CPI +5%, 6% S&P/LSTA Leveraged Loan Index + 2%, 13% 60% MSCI ACWI / 40%BBgBarc Global Aggregate, 11% BBgBarc US Intermediate.
- **1/1/2021 - Present:** 16% Russell 1000, 3.5% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 8% BBgBarc US Gov't/Credit 1-3 Yr, 1% Citi 1 Month T-Bills, 5% BBgBarc US Treasury 7-10 Yr, 6% NCREIF Property, 5% NCREIF Property +2%, 2% CPI +5%, 4.5% S&P/LSTA Leveraged Loan Index + 2%, 13% 60% MSCI ACWI / 40%BBgBarc Global Aggregate, 7% BBgBarc US Intermediate.

- Starting July 1, 2020, the small Capital Prospects transition cash balance is moved from the Cash composite to the Capital Prospects account. Historical performance for Capital Prospects, US Small, US Equities, Growth Sub-Portfolio, Cash, and Liquidity Sub-Portfolio prior to July 1, 2020 reflects performance of these composites before this change.

- Private Equity investments are valued one quarter lagged and adjusted for capital calls and distributions between quarter-end months.

- Value-Add Real Estate managers are valued quarterly adjusted for current cashflows.



STANISLAUS COUNTY ERA

FUND ASSET GROWTH SUMMARY BY MANAGER

	Beginning Market Value	Contributions	Month Ending May 31, 2021			Ending Market Value
			Withdrawals	Net Cash Flow	Net Investment Change	
American Strategic Value Realty	\$70,977,109	\$0	\$0	\$0	\$0	\$70,977,109
AQR Global Risk Premium - EL	\$179,206,720	\$0	\$0	\$0	\$3,961,912	\$183,168,632
BlackRock Real Estate Securities	\$50,424,492	\$0	\$0	\$0	\$455,190	\$50,879,683
BlackRock Russell 1000 Growth	\$239,279,981	\$0	\$0	\$0	-\$3,298,713	\$235,981,268
BlackRock Russell 1000 Value	\$109,301,679	\$0	\$0	\$0	\$2,546,480	\$111,848,159
Capital Prospects Transition	\$0	\$182,286	-\$182,286	\$0	\$0	\$0
Cash Account	\$26,872,017	\$2,872,802	-\$888,534	\$1,984,268	\$46,929	\$28,903,215
Channing	\$22,866,392	\$0	-\$41,062	-\$41,062	\$337,827	\$23,163,157
DFA	\$189,329,101	\$0	\$0	\$0	\$367,588	\$189,696,689
Dodge & Cox-Equity	\$121,178,777	\$0	\$0	\$0	\$4,171,007	\$125,349,785
Fidelity Int'l Growth	\$338,181,761	\$0	\$0	\$0	\$13,198,847	\$351,380,608
Greenfield Acquisition Partners VII	\$7,296,247	\$549,096	\$0	\$549,096	-\$1,098,192	\$6,747,151
Greenfield Acquisition Partners VIII	\$27,179,430	\$0	\$0	\$0	\$0	\$27,179,430
Gryphon Partners VI LP	\$5,139,129	\$0	\$0	\$0	\$0	\$5,139,129
Insight	\$138,681,015	\$0	-\$3,300,976	-\$3,300,976	\$309,847	\$135,689,886
Insight Partners XI	\$13,957,121	\$0	\$0	\$0	\$0	\$13,957,121
InView	\$19,749,510	\$0	-\$37,701	-\$37,701	\$527,140	\$20,238,950
LSV Int'l Large Cap Value	\$308,447,618	\$0	\$0	\$0	\$11,167,786	\$319,615,404
Medley Capital	\$5,711,704	\$0	\$0	\$0	\$0	\$5,711,704
MS Infrastructure Partners II	\$35,783,078	\$0	\$0	\$0	\$0	\$35,783,078
Northern Trust Intermediate Gov't Bond	\$79,977,913	\$0	\$0	\$0	\$171,423	\$80,149,336
Northern Trust Long Term Gov't Bond	\$35,343,021	\$0	\$0	\$0	-\$1,606	\$35,341,416
Northern Trust Russell 3000	\$156,790,458	\$0	\$0	\$0	\$716,409	\$157,506,867
Owl Rock First Lien Fund	\$7,591,161	\$388,534	\$0	\$388,534	\$0	\$7,979,695
Pacific Ridge	\$19,411,556	\$0	-\$41,950	-\$41,950	\$610,323	\$19,979,929

- Capital Prospects Transition liquidated as of 04/30/2021.



STANISLAUS COUNTY ERA

FUND ASSET GROWTH SUMMARY BY MANAGER

	Beginning Market Value	Contributions	Month Ending May 31, 2021		Net Investment Change	Ending Market Value
			Withdrawals	Net Cash Flow		
PanAgora Risk Parity Multi Asset	\$183,600,425	\$0	\$0	\$0	\$4,891,979	\$188,492,405
PGIM Real Estate US Debt Fund	\$61,159,428	\$0	\$0	\$0	\$0	\$61,159,428
Prime Property Fund	\$60,823,122	\$0	\$0	\$0	\$0	\$60,823,122
Raven Opportunity I	\$4,609,846	\$0	\$0	\$0	\$0	\$4,609,846
Raven Opportunity III	\$48,014,572	\$0	-\$1,554,862	-\$1,554,862	\$0	\$46,459,710
Seizert	\$20,972,819	\$0	-\$23,185	-\$23,185	\$958,497	\$21,908,131
Strategic Values Special Situations Fund V, L.P.	\$0	\$500,000	\$0	\$500,000	\$0	\$500,000
Vista Foundation Fund IV	\$5,422,891	\$0	\$0	\$0	\$0	\$5,422,891
Walthausen	\$23,406,092	\$0	-\$38,389	-\$38,389	\$449,078	\$23,816,782
White Oak Pinnacle	\$24,789,648	\$0	-\$768,844	-\$768,844	\$0	\$24,020,804
Total	\$2,641,475,835	\$3,394,526	-\$6,877,788	-\$3,483,262	\$41,587,944	\$2,679,580,517

- Strategic Values Special Situations Fund V, L.P. funded as of 05/01/2021.



DISCLAIMERS & DISCLOSURES

Past performance is no guarantee of future results.

Returns for pooled funds, e.g. mutual funds and collective investment trusts, are collected from third parties; they are not generally calculated by NEPC. Returns for separate accounts, with some exceptions, are calculated by NEPC. Returns are reported net of manager fees unless otherwise noted.

A “since inception” return, if reported, begins with the first full month after funding, although actual inception dates (e.g. the middle of a month) and the timing of cash flows are taken into account in Composite return calculations.

NEPC’s preferred data source is the plan’s custodian bank or record-keeper. If data cannot be obtained from one of the preferred data sources, data provided by investment managers may be used. Information on market indices and security characteristics is received from additional providers. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within. In addition, some index returns displayed in this report or used in calculation of a policy index, allocation index or other custom benchmark may be preliminary and subject to change.

All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.

The opinions presented herein represent the good faith views of NEPC as of the date of this presentation and are subject to change at any time. Neither fund performance nor universe rankings contained in this report should be considered a recommendation by NEPC.

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Source of private fund performance benchmark data: Cambridge Associates, via Refinitiv





PROPRIETARY & CONFIDENTIAL



MONTHLY PERFORMANCE REPORT

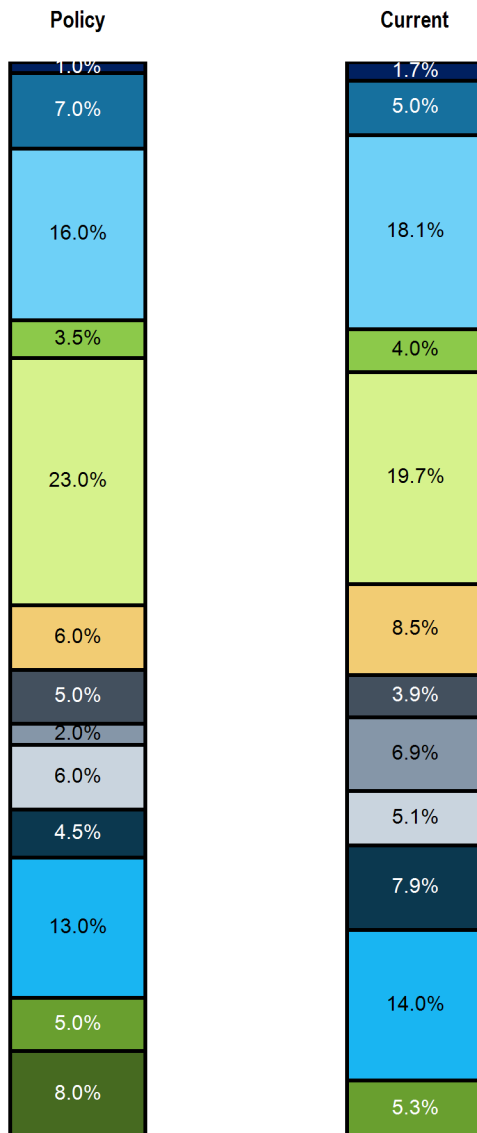
STANISLAUS COUNTY ERA

JUNE 30, 2021



STANISLAUS COUNTY ERA

TOTAL FUND ASSET ALLOCATION VS. POLICY



Asset Allocation vs. Target					
	Current	Policy	Current	Policy Range	Within Range
Cash	\$45,738,680	1.0%	1.7%	0.0% - 4.0%	Yes
Cashflow-Matched Bonds	\$135,552,052	7.0%	5.0%	3.0% - 9.0%	Yes
US Large Equity	\$486,439,772	16.0%	18.1%	12.0% - 20.0%	Yes
US Small Equity	\$107,788,572	3.5%	4.0%	0.0% - 7.0%	Yes
International Equity	\$530,852,547	23.0%	19.7%	14.0% - 32.0%	Yes
Core Real Estate	\$228,160,819	6.0%	8.5%	0.0% - 11.0%	Yes
Value-Add Real Estate	\$106,193,054	5.0%	3.9%	0.0% - 10.0%	Yes
Infrastructure	\$184,652,600	2.0%	6.9%	0.0% - 5.0%	No
Private Equity	\$137,046,977	6.0%	5.1%	0.0% - 11.0%	Yes
Private Credit	\$212,042,491	4.5%	7.9%	0.0% - 10.0%	Yes
Risk Parity	\$376,887,454	13.0%	14.0%	8.0% - 18.0%	Yes
US Treasury Bonds	\$142,015,074	5.0%	5.3%	2.0% - 8.0%	Yes
Short-Term Bonds	--	8.0%	--	0.0% - 9.0%	Yes
Total	\$2,693,370,093	100.0%	100.0%		

- The Private Equity allocation includes the Private Equity Proxy account value.

STANISLAUS COUNTY ERA

TOTAL FUND NET PERFORMANCE DETAIL

	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	2,693,370,093	100.0	0.5	4.9	8.7	24.6	9.9	10.4	8.5	9.2	Jan-95
Policy Index			0.7	4.4	7.3	23.1	10.3	10.0	8.5	8.4	Jan-95
Liquidity Sub-Portfolio	181,290,733	6.7	0.0	0.5	-0.1	1.7	5.1	3.2	--	--	Apr-11
StanCERA Liquidity Blended BM			0.3	1.4	-0.5	2.1	5.1	3.1	2.1	2.1	Apr-11
Cash	45,738,680	1.7	0.1	0.5	0.9	1.5	1.6	1.4	--	--	Apr-11
FTSE T-Bill 1 Month TR			0.0	0.0	0.0	0.1	1.2	1.1	0.6	0.5	Apr-11
Cashflow-Matched Bonds	135,552,052	5.0	-0.1	0.5	-0.2	1.7	5.5	--	--	4.0	Jun-17
BBgBarc US Govt/Credit Int TR			0.1	1.0	-0.9	0.2	4.7	2.6	2.8	3.4	Jun-17
Insight	135,552,052	5.0	-0.1	0.5	-0.2	1.7	5.5	--	--	4.0	Jun-17
BBgBarc US Govt/Credit Int TR			0.1	1.0	-0.9	0.2	4.7	2.6	2.8	3.4	Jun-17
Growth Sub-Portfolio	1,993,176,832	74.0	0.4	5.4	12.0	32.7	11.5	12.8	10.3	8.7	Dec-03
StanCERA Growth Blended BM			0.6	4.9	9.0	28.8	11.7	12.1	--	--	Dec-03
US Equities	594,228,344	22.1	2.0	8.5	17.9	49.7	17.0	17.4	14.0	10.7	Dec-03
Russell 3000			2.5	8.2	15.1	44.2	18.7	17.9	14.7	10.5	Dec-03
US Large Equity	486,439,772	18.1	2.8	9.5	16.8	46.2	19.5	18.9	15.1	13.3	Dec-94
Russell 1000			2.5	8.5	15.0	43.1	19.2	18.0	14.9	11.1	Dec-94
BlackRock Russell 1000 Growth	250,764,713	9.3	6.3	11.9	13.0	42.5	25.1	23.7	17.9	18.8	Jul-10
Russell 1000 Growth			6.3	11.9	13.0	42.5	25.1	23.7	17.9	18.7	Jul-10
BlackRock Russell 1000 Value	110,567,826	4.1	-1.1	5.2	17.1	43.7	12.5	12.0	11.7	12.9	Jul-09
Russell 1000 Value			-1.1	5.2	17.0	43.7	12.4	11.9	11.6	12.8	Jul-09
Dodge & Cox-Equity	125,107,233	4.6	-0.2	8.9	25.7	57.6	15.0	16.7	13.6	12.5	Dec-94
Russell 1000 Value			-1.1	5.2	17.0	43.7	12.4	11.9	11.6	10.2	Dec-94
US Small Equity	107,788,572	4.0	-1.2	3.8	23.8	68.6	9.2	12.5	10.4	13.4	Dec-08
Russell 2000			1.9	4.3	17.5	62.0	13.5	16.5	12.3	14.6	Dec-08
Attucks Small Cap	107,788,572	4.0	-1.2	3.8	23.8	68.6	9.2	13.5	11.1	13.6	Dec-08
Russell 2000 Value			-0.6	4.6	26.7	73.3	10.3	13.6	10.8	12.5	Dec-08

- Cash Composite includes the Transaction Account Value.



STANISLAUS COUNTY ERA

TOTAL FUND NET PERFORMANCE DETAIL

	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
International Equity	530,852,547	19.7	-1.7	4.4	11.0	38.7	9.1	11.2	6.0	7.2	Sep-04
MSCI ACWI ex USA			-0.6	5.5	9.2	35.7	9.4	11.1	5.4	6.8	Sep-04
LSV Int'l Large Cap Value	264,829,092	9.8	-2.1	3.8	12.9	37.1	6.6	10.2	5.1	6.6	Sep-04
MSCI ACWI ex USA			-0.6	5.5	9.2	35.7	9.4	11.1	5.4	6.8	Sep-04
Fidelity Int'l Growth	266,023,455	9.9	-1.3	5.0	9.3	40.1	11.5	12.1	6.6	5.3	Apr-06
MSCI ACWI ex USA			-0.6	5.5	9.2	35.7	9.4	11.1	5.4	4.5	Apr-06
Core Real Estate	228,160,819	8.5	1.7	4.3	7.7	12.0	5.3	4.5	4.0	2.7	Mar-08
NCREIF Property Index			0.0	0.0	1.7	3.7	4.3	5.4	8.4	5.7	Mar-08
Prime Property Fund	62,515,507	2.3	2.8	2.8	4.7	7.4	5.4	6.7	--	7.2	Sep-15
NCREIF ODCE			3.9	3.9	6.1	8.0	5.5	6.6	9.6	7.1	Sep-15
BlackRock Real Estate Securities	104,485,885	3.9	2.3	11.7	22.9	39.8	8.0	5.1	--	8.4	Sep-12
DJ US Select RESI TR USD			2.3	11.8	22.9	40.0	8.1	5.2	8.6	8.5	Sep-12
PGIM Real Estate US Debt Fund	61,159,428	2.3	0.0	0.0	1.4	4.0	--	--	--	4.8	Sep-18
BBgBarc US CMBS Investment Grade			0.2	1.9	-0.2	2.9	5.9	3.5	4.1	5.9	Sep-18
Value-Add Real Estate	106,193,054	3.9	0.0	0.0	3.0	10.2	10.0	10.2	--	10.3	Jul-14
NCREIF Property Index +2%			0.2	0.5	2.7	5.7	6.3	7.5	10.6	9.4	Jul-14
American Strategic Value Realty	70,977,109	2.6	0.0	0.0	2.3	4.0	5.7	7.6	--	9.6	Dec-14
NCREIF Property Index			0.0	0.0	1.7	3.7	4.3	5.4	8.4	6.8	Dec-14
Greenfield Acquisition Partners VII	7,845,343	0.3	0.0	0.0	0.3	13.4	12.0	11.7	--	11.5	Jul-14
NCREIF-ODCE +1%			4.0	4.2	6.6	9.1	6.6	7.6	10.7	9.6	Jul-14
Greenfield Acquisition Partners VIII	27,370,602	1.0	0.0	0.0	5.6	27.6	24.2	--	--	22.1	Apr-18
NCREIF-ODCE +1%			4.0	4.2	6.6	9.1	6.6	7.6	10.7	6.8	Apr-18
Infrastructure	184,652,600	6.9	0.0	0.0	-1.9	-1.7	6.3	8.4	--	5.9	May-15
CPI + 5% (Unadjusted)			1.3	3.8	6.9	10.6	7.7	7.5	7.0	7.3	May-15
MS Infrastructure Partners II	35,783,078	1.3	0.0	0.0	-1.9	-1.7	6.3	8.4	--	5.8	May-15
CPI + 5% (Unadjusted)			1.3	3.8	6.9	10.6	7.7	7.5	7.0	7.3	May-15
Northern Trust Infrastructure Fund	148,869,522	5.5	--	--	--	--	--	--	--	--	Jul-21
CPI + 5% (Unadjusted)			1.3	3.8	6.9	10.6	7.7	7.5	7.0	--	Jul-21

- Northern Trust Infrastructure Fund funded as of 06/30/2021.



STANISLAUS COUNTY ERA

TOTAL FUND NET PERFORMANCE DETAIL

	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Equity	137,046,977	5.1	2.1	7.2	15.0	43.7	--	--	--	23.5	Dec-18
Russell 3000 + 3%			2.7	9.0	16.8	48.4	22.2	21.4	18.1	25.1	Dec-18
Private Equity	24,519,141	0.9	0.0	0.0	18.4	33.5	--	--	--	26.0	Apr-20
Russell 3000 + 3%			2.7	9.0	16.8	48.4	22.2	21.4	18.1	61.7	Apr-20
Private Equity Proxy	112,527,836	4.2	2.4	8.2	15.2	44.2	20.9	18.9	15.4	10.8	Nov-03
Russell 3000			2.5	8.2	15.1	44.2	18.7	17.9	14.7	10.7	Nov-03
Private Credit	212,042,491	7.9	0.2	0.2	3.6	-1.0	-2.1	-0.2	--	2.0	May-13
S&P/LSTA Leveraged Loan Index +2%			0.5	2.0	4.3	13.9	6.5	7.1	6.5	6.1	May-13
Private Credit	89,281,759	3.3	0.0	0.0	3.3	-1.2	--	--	--	--	May-13
S&P/LSTA Leveraged Loan Index +2%			0.5	2.0	4.3	13.9	6.5	7.1	6.5	6.1	May-13
Private Credit Proxy	122,760,732	4.6	--	--	--	--	--	--	--	--	Jul-21
S&P/LSTA Leveraged Loan Index +2%			0.5	2.0	4.3	13.9	6.5	7.1	6.5	--	Jul-21
Risk-Diversifying Sub-Portfolio	518,902,528	19.3	1.0	4.7	2.8	3.2	5.0	3.6	4.0	4.9	Nov-03
StanCERA Risk-Diversifying Blended BM			0.1	0.7	-0.9	-0.9	3.8	2.0	2.2	--	Nov-03
Risk Parity	376,887,454	14.0	1.4	7.7	6.0	19.9	9.9	--	--	8.3	Nov-17
60% MSCI ACWI (Net)/ 40% BBgBarc Global Agg			0.4	4.9	5.9	23.6	10.7	9.8	6.9	9.0	Nov-17
AQR Global Risk Premium - EL	185,409,446	6.9	1.2	7.7	6.7	19.0	8.8	--	--	8.8	Apr-18
60% MSCI ACWI (Net)/ 40% BBgBarc Global Agg			0.4	4.9	5.9	23.6	10.7	9.8	6.9	9.6	Apr-18
PanAgora Risk Parity Multi Asset	191,478,008	7.1	1.6	7.7	5.3	20.8	11.0	--	--	9.0	Nov-17
60% MSCI ACWI (Net)/ 40% BBgBarc Global Agg			0.4	4.9	5.9	23.6	10.7	9.8	6.9	9.0	Nov-17
US Treasury Bonds	142,015,074	5.3	1.3	2.5	-3.2	-4.1	4.9	3.7	4.0	4.9	Nov-03
BBgBarc US Treasury 7-10 Yr TR			0.9	2.5	-3.4	-4.4	5.9	2.3	3.8	--	Nov-03
Northern Trust Intermediate Gov't Bond	97,880,248	3.6	0.0	0.6	-1.1	-1.2	3.9	--	--	2.7	Jul-17
BBgBarc US Govt Int TR			-0.1	0.6	-1.1	-1.1	3.9	1.9	2.1	2.7	Jul-17
Northern Trust Long Term Gov't Bond	44,134,826	1.6	4.1	6.8	-7.8	-10.5	7.9	--	--	6.1	Jul-17
BBgBarc US Govt Long TR			3.6	6.4	-7.8	-10.4	8.0	3.2	6.6	6.2	Jul-17

- Private Credit Proxy funded as of 06/23/2021.



STANISLAUS COUNTY ERA NOTES

- All performance is shown net of investment management fees.

- Performance history is provided by Verus through June 2020. As of July 1, 2020 performance is calculated and reported by NEPC. Policy Index History:

- **Policy Index makeup history:**

- **Inception - 6/30/2017:** 14.4% Russell 1000 Value, 11.3% Russell 1000 Growth, 4.8% S&P 500, 4% Russell 2000 Value, 3.7% Russell 2000 Growth, 18% MSCI ACWI ex USA Gross, 29.8% BBgBarc US Aggregate TR, 3.5% DJ US Select RESI TR USD, 7.5% 9% Annual, 3% CPI + 4%
- **7/1/2017 - 8/31/2018:** 18.5% Russell 1000, 5.5% Russell 2000, 24% MSCI ACWI ex USA Gross, 19% BBgBarc US Govt/Credit 1-3 Yr. TR, 1% FTSE T-Bill 1 Month TR, 3%BBgBarc US Treasury 7-10 Yr TR, 7.7% NCREIF Property Index, 1.7% NCREIF Property Index +2%, 0.6% CPI + 5%, 5% BBgBarc US High Yield + 2%, 14% 60% MSCI ACWI Net/40% BBgBarc Global Aggregate
- **9/1/2018 - 5/30/2019:** 10% Russell 1000, 3% Russell 2000, 6% Russell 3000 +3%, 27% MSCI ACWI ex USA Gross, 20% BBgBarc US Govt/Credit 1-3 Yr. TR, 1% FTSE T-Bill 1 Month TR, 3% BBgBarc US Treasury 7-10 Yr TR, 5% NCREIF Property Index, 5% NCREIF Property Index +2%, 1% CPI + 5%, 6% S&P/LSTA Leveraged Loan Index+2%, 13% 60% MSCI ACWI Net/40% BBgBarc Global Aggregate
- **6/1/2019 - 6/30/2020:** 14% Russell 1000, 3% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 19% BBgBarc US Gov't/Credit 1-3 Yr, 1% Citi 1 Month T-Bills, 3% BBgBarc US Treasury 7-10 Yr, 5% NCREIF Property, 5% NCREIF Property +2%, 2% CPI +5%, 6% S&P/LSTA Leveraged Loan Index + 2%, 13% 60% MSCI ACWI / 40%BBgBarc Global Aggregate
- **7/1/2020 - 12/31/2020:** 14% Russell 1000, 3% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 8% BBgBarc US Gov't/Credit 1-3 Yr, 1% Citi 1 Month T-Bills, 3% BBgBarc US Treasury 7-10 Yr, 5% NCREIF Property, 5% NCREIF Property +2%, 2% CPI +5%, 6% S&P/LSTA Leveraged Loan Index + 2%, 13% 60% MSCI ACWI / 40%BBgBarc Global Aggregate, 11% BBgBarc US Intermediate.
- **1/1/2021 - Present:** 16% Russell 1000, 3.5% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 8% BBgBarc US Gov't/Credit 1-3 Yr, 1% Citi 1 Month T-Bills, 5% BBgBarc US Treasury 7-10 Yr, 6% NCREIF Property, 5% NCREIF Property +2%, 2% CPI +5%, 4.5% S&P/LSTA Leveraged Loan Index + 2%, 13% 60% MSCI ACWI / 40%BBgBarc Global Aggregate, 7% BBgBarc US Intermediate.

- Starting July 1, 2020, the small Capital Prospects transition cash balance is moved from the Cash composite to the Capital Prospects account. Historical performance for Capital Prospects, US Small, US Equities, Growth Sub-Portfolio, Cash, and Liquidity Sub-Portfolio prior to July 1, 2020 reflects performance of these composites before this change.

- Private Equity investments are valued one quarter lagged and adjusted for capital calls and distributions between quarter-end months.

- Value-Add Real Estate managers are valued quarterly adjusted for current cashflows.



DISCLAIMERS & DISCLOSURES

Past performance is no guarantee of future results.

Returns for pooled funds, e.g. mutual funds and collective investment trusts, are collected from third parties; they are not generally calculated by NEPC. Returns for separate accounts, with some exceptions, are calculated by NEPC. Returns are reported net of manager fees unless otherwise noted.

A “since inception” return, if reported, begins with the first full month after funding, although actual inception dates (e.g. the middle of a month) and the timing of cash flows are taken into account in Composite return calculations.

NEPC’s preferred data source is the plan’s custodian bank or record-keeper. If data cannot be obtained from one of the preferred data sources, data provided by investment managers may be used. Information on market indices and security characteristics is received from additional providers. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within. In addition, some index returns displayed in this report or used in calculation of a policy index, allocation index or other custom benchmark may be preliminary and subject to change.

All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.

The opinions presented herein represent the good faith views of NEPC as of the date of this presentation and are subject to change at any time. Neither fund performance nor universe rankings contained in this report should be considered a recommendation by NEPC.

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Source of private fund performance benchmark data: Cambridge Associates, via Refinitiv



July 27, 2021

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

- I. SUBJECT: Portfolio Rebalance Update
- II. ITEM NUMBER: 8.a
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: None
- V. ANALYSIS:

At the end of June staff worked with the Northern Trust transition management and custody teams to complete Phase 2 of the rebalance plan to align the portfolio with the strategic allocation targets adopted by the Board last year. Phase 2 of the rebalance was the largest phase and included 9 managers and \$413 Million in assets. The two new public market proxy funds, NTAM Infrastructure fund and the BlackRock High Yield fund are now funded and part of the portfolio. DFA fixed income fund was eliminated and exposure to international equity was pared back to align with the new target allocations.

Trading performance was better than expected with the total actual trading cost coming in at \$763,949 versus the \$965,880 estimate. The actual costs differed from what was estimated primarily due to lower than expected transaction costs from the BlackRock High Yield fund. The cost was further reduced when factoring in opportunity cost which added value due to favorable market movements during the trading period. Below is the summary table outlining the total costs:

June Transition Costs Summary Table \$413 Million Market Value		
	Estimated	Actual
Northern Trust Transition Account Costs	\$387,718	\$439,949
BlackRock High Yield Fund Costs	\$578,162	\$324,000
Trading Cost Total	\$965,880	\$763,949
Basis Points	23.4	18.5
Opportunity Cost	-	\$-235,624
Total Cost	\$965,880	\$528,025
Basis Points	23.4	12.8

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