AGENDA

BOARD OF RETIREMENT
Boardroom
832 12th Street Suite 600 Modesto, CA 95353

September 28, 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 August 24, 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. Application of Death Benefit – Government Code Section 31781, 31781.1, 31781.3
   1. Costa, Christy – Stanislaus County – Non-Service Connected – Effective 9-14-21 – Active Member

   d. Information Technology Solutions (ITS) Project View

   e. Investment Matrix View

   f. Legislation Update: AB 826
   Agenda Item View Attachment 1 View

7. NEPC – Investment Consultant

   a. August Flash Report View

8. Investment

   a. VERUS Private Equity QTR 2 - Period Ending June 30, 2021 View

   b. Grandview Partners Presentation
   Agenda Item View Attachment 1 View

   c. Private Markets Investment Policy Review
   Agenda Item View Attachment 1 View

9. Administrative

   a. Annual Due Diligence Trips
   Agenda Item View Attachment 1 View

   b. Northern Trust Treasury Management Services

   Agenda Item View

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)

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

12. Adjournment

BOARD OF RETIREMENT MINUTES
August 24, 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
   Jeff Grover-Chair
   Donna Riley-Vice Chair
   Terry Withrow
   Darin Gharat
   Mike Lynch
   Sam Sharpe
   Present by Conference Call:
   Michael O'Neal
   Rhonda Biesemeier
   Joshua Clayton

   Trustees Absent: Mandip Dhillon

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

4. Announcements

   Chairman Trustee Grover had the following announcement:
   Due to the COVID-19 Pandemic, we are meeting today virtually and in person to accommodate COVID 19 pandemic 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.

   Stan Conwell announced On August 11, 2021 StanCERA committed $15 million to the ABRY Senior Equity VI fund. ABRY will be allocated to the special situations sub-asset class in the private credit program

5. Public Comment

   None

6. Consent Items

a. Approval of the July 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. Information Technology Solutions (ITS) Project

d. Investment Matrix

e. Private Markets Commitment Notice – ABRY Senior Equity VI fund. (ASE VI) Agenda Item

f. Committee Reports

a. Internal Governance Committee – Annual Audit Interim Report
b. Due Diligence Committee Report for 2021

Motion was made by Trustee Lynch and seconded by Trustee Gharat 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

Motion carried unanimously

7. NEPC – Investment Consultant

1:39pm Terry Withrow arrived

a. Quarter 2 Investment Report as of June 30, 2021

b. July Flash Report
Presented by Dan Hennessy, NEPC Investment Consultant

8. Investment None

9. Administrative

a. AB 826

Motion was made by Trustee Lynch and seconded by Trustee Gharat to accept the request of staff to oppose the legislation and have StanCERA draft a letter to the Senate.

Roll Call Vote was as follows:

Trustee Grover	YES
Trustee Riley	YES
Trustee Withrow	YES
Trustee O'Neal	YES
Trustee Sharpe	YES
Trustee Gharat	YES
Trustee Lynch	YES

Motion carried unanimously

b. Cost of Living Increase and COVID Pay for the Director of StanCERA

Motion was made by Trustee Gharat and seconded by Trustee Lynch to accept staff's recommendation as follows

1. Approve a three percent (3%) increase in base salary and corresponding amendment to the Salary and Position Allocation Resolution that was previously approved by the Stanislaus County Board of Supervisors on July 13, 2021 for the all other unrepresented confidential, management employees, management attorneys, department heads, and elected officials effective the first full pay period following July 1, 2021, July 1, 2022, and July 1, 2023.

2. Approve a COVID Recovery one-time payment for the Director of StanCERA that was previously approved by the Stanislaus County Board of Supervisors on July 13, 2021 for all full-time unrepresented confidential, management employees, management attorneys, department heads, and elected officials to be issued the first full pay period in September 2021

Roll Call Vote was as follows:

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

Motion carried unanimously

10. Committee Reports and Recommendations for Action

a. AD HOC SPOT Committee - Organizational Position and Transition Changes

Motion was made by Trustee Gharat and seconded by Trustee Lynch to accept the Committees recommendation as follows and to work with the County to administer:

➢ Reclassify the currently unfilled Manager II position to a block-budgeted Manager III/IV. Rename the position working title to Retirement Communications and Office Manager. Direct staff to recruit for the vacant Manager III/IV ($66,851 - $128,170)

➢ Reclassify the StanCERA Member & Employer Services Manager (Manager III) and the Fiscal Services Manager (Manager III) to a Manager IV. Rename the position working titles to Retirement Services Manager and Retirement Fiscal Services Manager ($85,446 - $128,170)

Roll Call Vote was as follows:

Trustee Grover	YES
Trustee Riley	NO
Trustee Withrow	YES
Trustee O'Neal	YES

Trustee Sharpe	YES
Trustee Gharat	YES
Trustee Lynch	YES
Trustee Clayton	YES

Motion passed 7/1

11. 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)

No closed session Items were heard at this meeting

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

None

13. Adjournment

Meeting adjourned at 2:54 p.m.

Respectfully submitted,

Rick Santos, Executive

APPROVED AS TO FORM

By

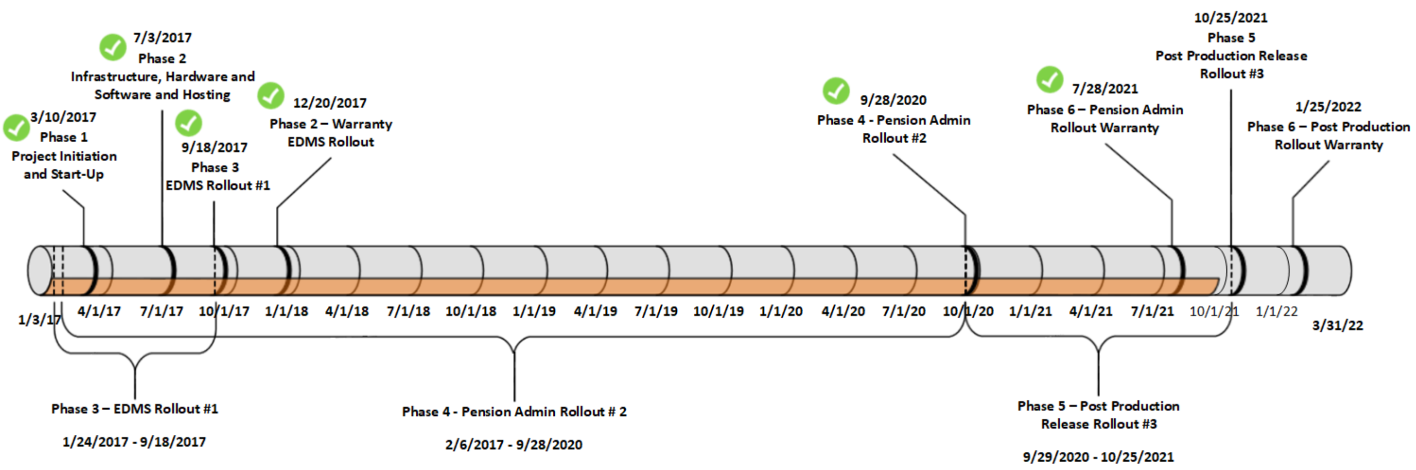
Fred Silva, GENERAL LEGAL COUNSEL

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

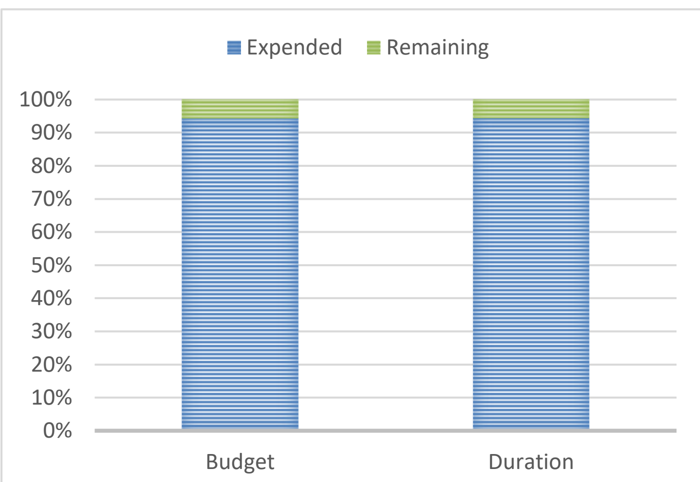
1. Bravo, Norma - Stanislaus County - Effective 09/02/2021
2. Carver, Thelma - Stanislaus County - Effective 09/18/2021
3. Crook, Randahl - Stanislaus County - Effective 09/25/2021
4. Hubbard, Candace - Stanislaus County - Effective 09/08/2021
5. Perez, Martha - Stanislaus County - Effective 09/11/2021
6. Phillips, John - Stanislaus County - Effective 09/30/2021
7. Sellers, Gary - Stanislaus County - Effective 08/28/2021
8. Shaw, Darlene - Stanislaus County - Effective 09/25/2021

PAS Implementation
Linea Bi-weekly Status Update

Sponsor:	Rick Santos	**Report Date:**	09-17-2021



Baseline 12/01/2016 STATUS



Linea Budget as of 08/31/2021

Risks & Issues:

The project team now anticipates an additional release in early 2022, due largely to the implementation of multiple changes and enhancements to annual reports and other functionality during the R26-R27 release cycles.

The project team is monitoring the following schedule risks.

- City of Ceres payroll system implementation
- Potential W4-P change implementation

Accomplishments:

- Changes and enhancements to StanCERA's first Annual Financial Reports completed and implemented.
- StanCERA successfully produced annual financial report data from Arrivos.
- Continued progress toward development of functionality for R27 release, including Death workflows.

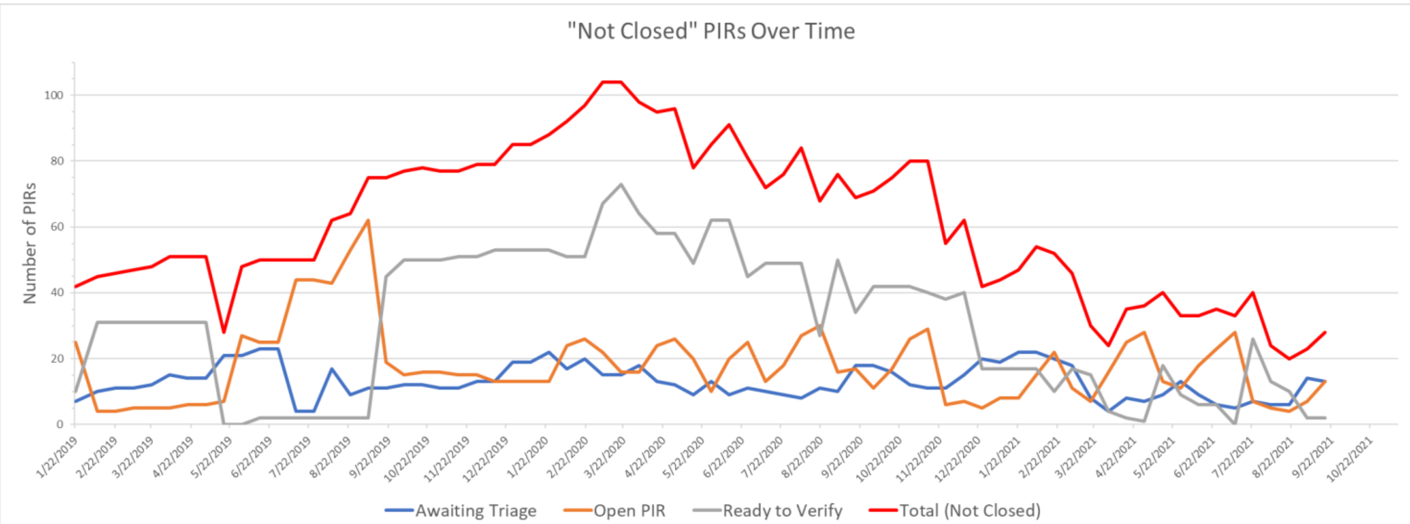
Upcoming:

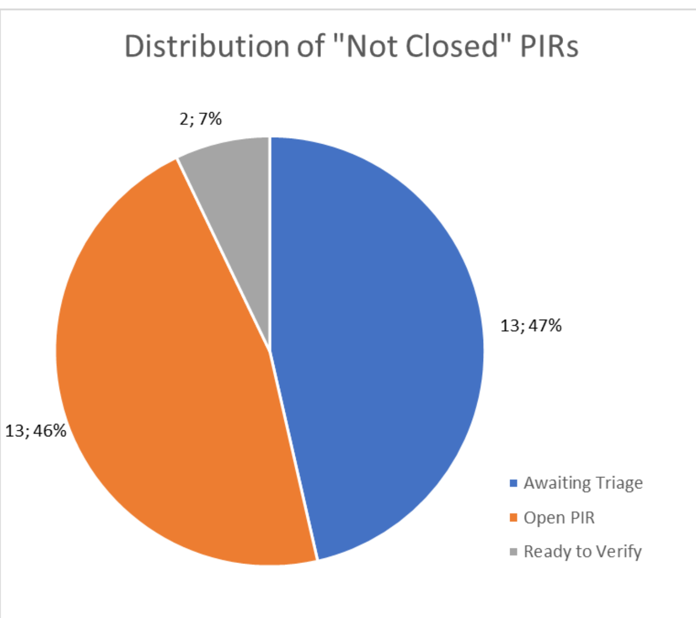
- Initial UAT releases of Member Web Portal functionality and testing by StanCERA.
- Initial planning for Member Web Portal rollout process and user registrations.
- Determination of revised R27 and proposed R28 release dates and content.

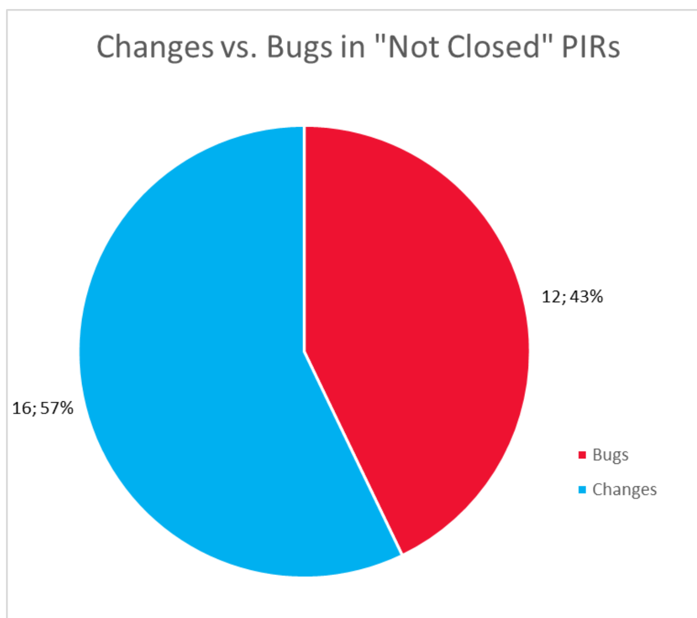
Ongoing Project Contributions

- 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 (BSR098, BSR103).
- 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







September 28, 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:*

During the last month a greater than average number of investment manager legal agreements were actively under review by staff. The infrastructure manager IFM agreement was completed and will be funded as the manager deploys capital. The negotiations with the liquid absolute return managers are ongoing and a couple private markets funds including the preliminary review of Grandview Partners II agreements took place as well. The Grandview II fund review was relatively quick and efficient given the existing relationship StanCERA has with the firm. Staff also completed fiscal year-end reviews and reconciliations of investment activities and facilitated general investment fund administrative and operational tasks. Finally, Staff attended legal document training with ILPA which should prove useful right away given the recent increase in fund commitments and the ensuing legal due diligence.

b) *Money Transfer Report:*

August

From			To		
Manager	Asset Class	Amount	Manager	Asset Class	Amount
NT Russell 3000	Equity	$-1,200,000.00	Insight Partners XI	Private Equity	$1,200,000.00
NT Russell 3000	Equity	$-1,986,999.00	Vista Foundation Fund IV	Private Equity	$1,986,999.00
StanCERA Cash	Cash	$ -500,000.00	Strategic Value Partners Fund V	Private Credit	$ 500,000.00

c) *Trainings/Conferences:*

Institutional Limited Partner Association (ILPA) Virtual Institute
Legal Documents August 23-24, 2021

Staff attended a two-day training course focused on private markets legal documents. Learning objectives included understanding the typical legal structures and documents, identifying issues in agreements, addressing common issues with negotiation techniques and/or mitigating language. Day one focused on the legal foundations and understanding the terms affecting fund economics. Day two focused on non-economic items and the interdependent nature of legal terms within agreements. Overall, the training was excellent, and the course provided a great library of resources that will enhance StanCERA’s legal due diligence process.

VI. RISK: None

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT: NONE

September 28, 2021
Retirement Board Agenda Item

TO: Retirement Board

FROM: Lisa Frazer, Member and Employer Services Manager

I. SUBJECT: Legislation Update: AB 826

II. ITEM: 6.f.

III. ITEM TYPE: Consent

IV. RECOMMENDATION: None

V. ANALYSIS:

AB 826 failed the deadline and is currently inactive. AB 826 may be acted upon in January 2022. As of the last reading, modifications were made to the bill as follows:

This bill, which would only apply in Ventura County, would provide that compensation and compensation earnable include flexible benefits plan allowances paid by a county or district on behalf of its employees as part of a cafeteria plan, as specified, if certain conditions are met. Among these conditions, the bill would require that the retirement system include the flexible benefit plan allowance as part of compensation earnable as of July 30, 2020, that the employer and employee paid contributions to the retirement system based on the flexible benefit plan allowance, and that the employer and an employee continues to pay those contributions as employee earns this allowance. This bill would apply these provisions to eligible members who have retired prior to the effective date of the measure and would state that these provisions are declarative of existing law.

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Ventura.

VI. RISK: None

VII. STRATEGIC PLAN: None

VIII. BUDGET IMPACT: None

AMENDED IN SENATE AUGUST 31, 2021

AMENDED IN SENATE JULY 14, 2021

AMENDED IN SENATE JUNE 22, 2021

AMENDED IN SENATE JUNE 21, 2021

AMENDED IN ASSEMBLY APRIL 19, 2021

california legislature—2021–22 regular session

ASSEMBLY BILL No. 826

Introduced by Assembly Member Irwin

February 16, 2021

An act to ~~amend~~ *add* Section ~~31461~~ *31461.7* of the Government Code, relating to ~~public~~ *county* employees' retirement.

legislative counsel's digest

AB 826, as amended, Irwin. County Employees Retirement Law of 1937: *compensation and* compensation earnable.

The County Employees Retirement Law of 1937 (CERL) authorizes counties to establish retirement systems pursuant to its provisions for the purpose of providing pension, disability, and other benefits to county and district employees. CERL defines compensation earnable for purposes of its provisions, with particular application to the calculation of final compensation and the determination of pension amounts and other benefits. Existing law, the Public Employees' Pension Reform Act of 2013, prescribes various limitations on public employees, employers, and retirement systems concerning, among other things, the types of remuneration that may be included in compensation that is applied to pensions.

This ~~bill would prescribe, for CERL, a definition of compensation earnable that would include any form of remuneration, whether paid in cash or as in-kind benefits, if specified requirements are met.~~ *bill, which would apply only in Ventura County, would provide that compensation and compensation earnable include flexible benefits plan allowances paid by a county or a district on behalf of its employees as part of a cafeteria plan, as specified, if certain requirements are met. Among these conditions, the bill would require that the retirement system included the flexible benefit plan allowance as part of compensation earnable as of July 30, 2020, that the employer and employee paid contributions to the retirement system based on the flexible benefit plan allowance, and that an employer and an employee continues to pay those contributions as employee earns this allowance.* The bill would *apply these provisions to eligible members who have retired prior to the effective date of the measure and would* state that these provisions are declarative of existing law.

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Ventura.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 31461.7 is added to the Government Code, to read:

31461.7. (a) This section applies only to a county of the thirteenth class, as defined by Section 28020, as amended by Chapter 1204 of the Statutes of 1971, and Section 28034, as amended by Chapter 1204 of the Statutes of 1971.

(b) (1) Compensation, as defined in Section 31460, and compensation earnable, as defined in Section 31461, include flexible benefits plan allowances paid by a county or a district on behalf of its employees as part of a cafeteria plan offered pursuant to Section 125 of the Internal Revenue Code if all of the following requirements are met:

(A) The flexible benefit plan allowance is made available to any person in the same grade or class of positions. For purposes of this subdivision, "grade or class of positions" means a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other

logical, work-related grouping. A single employee shall not be considered a grade or class of positions.

(B) The flexible benefit plan allowance is not expressly excluded from "compensation earnable" pursuant to paragraphs (2) to (4), inclusive, of subdivision (b) of Section 31461.

(C) The retirement system included the flexible benefit plan allowance as part of compensation earnable as of July 30, 2020, and the employer and employee paid contributions to the retirement system based on the flexible benefit plan allowance as of that date.

(D) The employer and employee pay the required contributions to the retirement system as the employee continues to earn the flexible benefit plan allowance.

(2) For employee groups in which the monetary amount of the flexible benefits plan allowance is the same for all employees, regardless of the number of dependents, the entire amount shall be included in compensation earnable. For employee groups in which the monetary amount of the flexible benefits plan allowance varies among employees depending on the number of dependents, the amount included in compensation earnable shall be the amount provided to an employee with no dependents.

(c) This section shall only apply to employees who are not new members, as defined in Section 7522.04.

(d) Paragraphs (1) and (2) of subdivision (b) shall apply to any eligible member who has retired prior to the effective date of this section, as permitted by subdivision (a) of Section 31481.

(e) This section is declarative of existing law.

SEC. 2. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances confronting county employees who are members of the retirement system in the County of Ventura.

~~SECTION 1. Section 31461 of the Government Code is amended to read:~~

~~31461. (a) "Compensation earnable" by a member means the average compensation, as determined by the board, for the period under consideration upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay. The computation for any absence shall be based on the compensation of the position~~

~~held by the member at the beginning of the absence. Compensation, as defined in Section 31460, that has been deferred shall be deemed "compensation earnable" when earned, rather than when paid.~~

~~(b) Except as provided in subdivision (c), "compensation earnable" does not include, in any case, the following:~~

~~(1) Any compensation determined by the board to have been paid to enhance a member's retirement benefit under that system. That compensation may include:~~

~~(A) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member, and which was converted to and received by the member in the form of a cash payment in the final average salary period.~~

~~(B) Any one-time or ad hoc payment made to a member, but not to all similarly situated members in the member's grade or class.~~

~~(C) Any payment that is made solely due to the termination of the member's employment, but is received by the member while employed, except those payments that do not exceed what is earned and payable in each 12-month period during the final average salary period regardless of when reported or paid.~~

~~(2) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, in an amount that exceeds that which may be earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid.~~

~~(3) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.~~

~~(4) Payments made at the termination of employment, except those payments that do not exceed what is earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid.~~

~~(c) (1) Notwithstanding subdivision (b) and Section 31460, "compensation earnable" means any form of remuneration, whether paid in cash or as in-kind benefits, if all of the following requirements are met:~~

~~(A) The remuneration is made available to any person in the same grade or class of positions. For purposes of this subdivision,~~

~~“grade or class of positions” means a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical, work-related grouping. A single employee shall not be considered a grade or class of positions.~~

~~(B) The remuneration is not expressly excluded from “compensation earnable” pursuant to paragraphs (2) to (4), inclusive, of subdivision (b).~~

~~(C) The remuneration is paid on or after January 1, 2013, the remuneration is included in compensation earnable, and the employer and employee paid contributions to the retirement system based on the remuneration.~~

~~(D) On the date that the act adding this subdivision becomes operative, the board of retirement has not completed a formal action to reverse a prior determination that a form of remuneration, to which this subdivision would otherwise apply, is compensation earnable.~~

~~(2) This subdivision is declarative of existing law.~~

~~(d) The terms of subdivision (b) are intended to be consistent with and not in conflict with the holdings in Salus v. San Diego County Employees Retirement Association (2004) 117 Cal.App.4th 734 and In re Retirement Cases (2003) 110 Cal.App.4th 426.~~

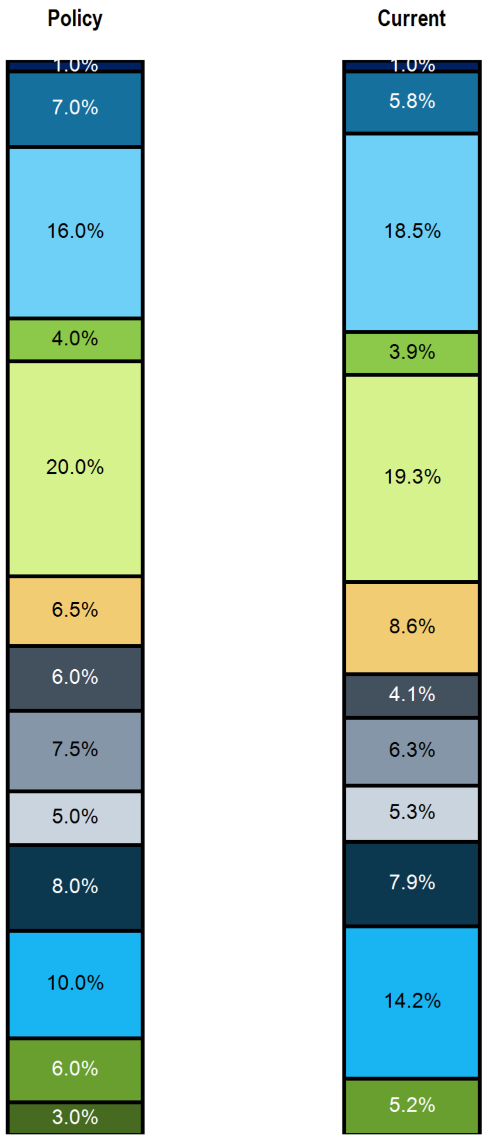
O

MONTHLY PERFORMANCE REPORT

STANISLAUS COUNTY ERA

AUGUST 31, 2021

TOTAL FUND ASSET ALLOCATION VS. POLICY



Asset Allocation vs. Target					
	Current	Policy	Current	Policy Range	Within Range
Cash	$27,369,859	1.0%	1.0%	0.0% - 4.0%	Yes
Cashflow-Matched Bonds	$158,590,807	7.0%	5.8%	4.0% - 10.0%	Yes
US Large Equity	$510,508,353	16.0%	18.5%	12.0% - 20.0%	Yes
US Small Equity	$108,620,917	4.0%	3.9%	0.0% - 7.0%	Yes
International Equity	$532,550,233	20.0%	19.3%	14.0% - 26.0%	Yes
Core Real Estate	$236,469,313	6.5%	8.6%	0.0% - 10.0%	Yes
Value-Add Real Estate	$112,261,914	6.0%	4.1%	0.0% - 10.0%	Yes
Infrastructure	$173,840,569	7.5%	6.3%	0.0% - 12.0%	Yes
Private Equity	$144,940,876	5.0%	5.3%	0.0% - 8.0%	Yes
Private Credit	$216,982,454	8.0%	7.9%	0.0% - 10.0%	Yes
Risk Parity	$391,211,226	10.0%	14.2%	6.0% - 14.0%	No
US Treasury Bonds	$144,076,381	6.0%	5.2%	4.0% - 8.0%	Yes
Liquid Absolute Return	--	3.0%	--	0.0% - 5.0%	Yes
Total	**$2,757,422,902**	**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 (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	**2,757,422,902**	**100.0**	**1.2**	**2.2**	**11.7**	**20.5**	**10.2**	**10.2**	**9.4**	**9.3**	**Jan-95**
Policy Index			*1.3*	*1.6*	*9.4*	*17.9*	*10.2*	*9.7*	*9.2*	*8.4*	*Jan-95*
Liquidity Sub-Portfolio	**185,960,666**	**6.7**	**0.0**	**1.3**	**1.2**	**1.6**	**5.3**	**3.4**	**--**	**--**	**Apr-11**
StanCERA Liquidity Blended BM			*-0.1*	*0.5*	*0.0*	*1.3*	*5.1*	*3.3*	*2.1*	*2.1*	*Apr-11*
Cash	**27,369,859**	**1.0**	**0.1**	**6.9**	**7.9**	**8.4**	**3.8**	**2.8**	**--**	**--**	**Apr-11**
FTSE T-Bill 1 Month TR			*0.0*	*0.0*	*0.0*	*0.1*	*1.1*	*1.1*	*0.6*	*0.5*	*Apr-11*
Cashflow-Matched Bonds	**158,590,807**	**5.8**	**-0.1**	**0.3**	**0.1**	**0.5**	**5.3**	**--**	**--**	**3.9**	**Jun-17**
Bloomberg US Govt/Credit Int TR			*-0.2*	*0.6*	*-0.3*	*0.2*	*4.7*	*2.7*	*2.6*	*3.4*	*Jun-17*
Insight	158,590,807	5.8	-0.1	0.3	0.1	0.5	5.3	--	--	3.9	Jun-17
Bloomberg US Govt/Credit Int TR			*-0.2*	*0.6*	*-0.3*	*0.2*	*4.7*	*2.7*	*2.6*	*3.4*	*Jun-17*
Growth Sub-Portfolio	**2,036,174,629**	**73.8**	**1.6**	**2.1**	**15.1**	**26.5**	**11.7**	**12.3**	**11.6**	**8.8**	**Dec-03**
StanCERA Growth Blended BM			*1.7*	*1.8*	*11.9*	*22.4*	*11.6*	*11.9*	*--*	*--*	*Dec-03*
US Equities	**619,129,269**	**22.5**	**2.9**	**4.2**	**22.9**	**38.1**	**16.1**	**17.0**	**15.5**	**10.8**	**Dec-03**
Russell 3000			*2.9*	*4.6*	*20.4*	*33.0*	*17.9*	*18.0*	*16.2*	*10.6*	*Dec-03*
US Large Equity	**510,508,353**	**18.5**	**3.2**	**4.9**	**22.6**	**34.7**	**18.6**	**18.8**	**16.6**	**13.4**	**Dec-94**
Russell 1000			*2.9*	*5.0*	*20.7*	*32.3*	*18.4*	*18.2*	*16.4*	*11.2*	*Dec-94*
BlackRock Russell 1000 Growth	268,705,955	9.7	3.7	7.2	21.0	28.5	24.6	24.3	19.6	19.2	Jul-10
Russell 1000 Growth			*3.7*	*7.2*	*21.1*	*28.5*	*24.6*	*24.4*	*19.4*	*19.2*	*Jul-10*
BlackRock Russell 1000 Value	113,663,077	4.1	2.0	2.8	20.3	36.4	11.6	11.8	13.1	12.9	Jul-09
Russell 1000 Value			*2.0*	*2.8*	*20.3*	*36.4*	*11.5*	*11.7*	*13.0*	*12.8*	*Jul-09*
Dodge & Cox-Equity	128,139,321	4.6	3.0	2.4	28.7	49.8	13.6	15.6	15.2	12.5	Dec-94
Russell 1000 Value			*2.0*	*2.8*	*20.3*	*36.4*	*11.5*	*11.7*	*13.0*	*10.3*	*Dec-94*
US Small Equity	**108,620,917**	**3.9**	**1.6**	**0.7**	**24.7**	**57.5**	**7.8**	**11.2**	**11.9**	**13.3**	**Dec-08**
Russell 2000			*2.2*	*-1.5*	*15.8*	*47.1*	*10.7*	*14.4*	*13.6*	*14.2*	*Dec-08*
Attucks Small Cap	108,620,917	3.9	1.6	0.7	24.7	57.5	7.8	12.0	12.5	13.5	Dec-08
Russell 2000 Value			*2.7*	*-1.0*	*25.4*	*59.5*	*8.4*	*11.7*	*12.1*	*12.2*	*Dec-08*

- Cash Composite includes the Transaction Account Value.

Stanislaus County ERA

TOTAL FUND NET PERFORMANCE DETAIL

	Market Value ($)	% of Portfolio	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
International Equity	**532,550,233**	**19.3**	**1.8**	**0.3**	**11.3**	**28.0**	**9.2**	**10.0**	**7.1**	**7.1**	**Sep-04**
MSCI ACWI ex USA			*1.9*	*0.2*	*9.4*	*24.9*	*9.4*	*9.9*	*6.6*	*6.7*	*Sep-04*
LSV Int'l Large Cap Value	265,494,925	9.6	1.1	0.2	13.2	28.7	6.7	8.6	6.4	6.5	Sep-04
MSCI ACWI ex USA Value			*1.5*	*-0.3*	*11.4*	*28.6*	*5.1*	*7.1*	*4.6*	*5.4*	*Sep-04*
Fidelity Int'l Growth	267,055,308	9.7	2.4	0.4	9.7	27.5	11.6	11.2	7.7	5.3	Apr-06
MSCI ACWI ex USA Growth			*2.3*	*0.7*	*7.3*	*21.1*	*13.3*	*12.5*	*8.3*	*5.8*	*Apr-06*
Core Real Estate	**236,469,313**	**8.6**	**0.8**	**3.3**	**11.7**	**15.6**	**5.6**	**5.2**	**5.6**	**2.9**	**Mar-08**
NCREIF Property Index			*0.0*	*0.0*	*5.4*	*7.4*	*5.5*	*6.1*	*8.8*	*5.9*	*Mar-08*
Prime Property Fund	62,515,507	2.3	0.0	0.0	4.7	7.4	5.4	6.7	--	7.0	Sep-15
NCREIF ODCE			*0.0*	*0.0*	*6.1*	*8.0*	*5.5*	*6.6*	*9.6*	*6.9*	*Sep-15*
BlackRock Real Estate Securities	111,972,543	4.1	1.7	7.1	31.6	44.0	9.3	6.4	--	9.1	Sep-12
DJ US Select RESI TR USD			*1.8*	*7.2*	*31.8*	*44.2*	*9.4*	*6.4*	*9.8*	*9.1*	*Sep-12*
PGIM Real Estate US Debt Fund	61,981,263	2.2	0.0	0.0	2.8	5.4	5.0	--	--	5.0	Sep-18
Bloomberg US CMBS Investment Grade			*-0.2*	*0.7*	*0.5*	*2.2*	*5.8*	*3.5*	*4.2*	*5.8*	*Sep-18*
Value-Add Real Estate	**112,261,914**	**4.1**	**0.0**	**0.0**	**9.3**	**16.4**	**11.0**	**11.4**	**--**	**11.0**	**Jul-14**
NCREIF Property Index +2%			*0.2*	*0.3*	*6.8*	*9.5*	*7.6*	*8.2*	*10.9*	*9.8*	*Jul-14*
American Strategic Value Realty	74,082,262	2.7	0.0	0.0	6.8	8.5	7.2	8.3	--	10.0	Dec-14
NCREIF Property Index			*0.0*	*0.0*	*5.4*	*7.4*	*5.5*	*6.1*	*8.8*	*7.2*	*Dec-14*
Greenfield Acquisition Partners VII	7,213,595	0.3	0.0	0.0	-2.8	8.7	9.1	11.0	--	10.7	Jul-14
NCREIF-ODCE +1%			*0.1*	*0.2*	*6.8*	*9.1*	*6.6*	*7.6*	*10.7*	*9.4*	*Jul-14*
Greenfield Acquisition Partners VIII	30,966,057	1.1	0.0	0.0	19.6	42.6	21.5	--	--	25.4	Apr-18
NCREIF-ODCE +1%			*0.1*	*0.2*	*6.8*	*9.1*	*6.6*	*7.6*	*10.7*	*6.5*	*Apr-18*
Infrastructure	**173,840,569**	**6.3**	**0.0**	**1.1**	**-0.8**	**-4.1**	**5.7**	**8.6**	**--**	**5.9**	**May-15**
CPI + 5% (Unadjusted)			*0.6*	*1.5*	*8.5*	*10.5*	*7.9*	*7.7*	*7.0*	*7.4*	*May-15*
MS Infrastructure Partners II	26,509,788	1.0	0.0	0.0	-1.9	-5.2	5.3	8.4	--	5.7	May-15
CPI + 5% (Unadjusted)			*0.6*	*1.5*	*8.5*	*10.5*	*7.9*	*7.7*	*7.0*	*7.4*	*May-15*
Northern Trust Infrastructure Fund	147,330,781	5.3	0.0	1.3	--	--	--	--	--	1.3	Jul-21
CPI + 5% (Unadjusted)			*0.6*	*1.5*	*8.5*	*10.5*	*7.9*	*7.7*	*7.0*	*1.5*	*Jul-21*

Stanislaus County ERA

TOTAL FUND NET PERFORMANCE DETAIL

	Market Value ($)	% of Portfolio	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Equity	**144,940,876**	**5.3**	**2.3**	**3.6**	**20.3**	**33.0**	**--**	**--**	**--**	**23.9**	**Dec-18**
Russell 3000 + 3%			*3.1*	*5.1*	*22.7*	*36.9*	*21.3*	*21.5*	*19.6*	*25.6*	*Dec-18*
Private Equity	**30,496,480**	**1.1**	**0.0**	**0.0**	**26.0**	**42.1**	**--**	**--**	**--**	**28.1**	**Apr-20**
Russell 3000 + 3%			*3.1*	*5.1*	*22.7*	*36.9*	*21.3*	*21.5*	*19.6*	*58.2*	*Apr-20*
Private Equity Proxy	**114,444,396**	**4.2**	**2.8**	**4.6**	**20.4**	**33.1**	**20.0**	**19.1**	**16.8**	**11.0**	**Nov-03**
Russell 3000			*2.9*	*4.6*	*20.4*	*33.0*	*17.9*	*18.0*	*16.2*	*10.9*	*Nov-03*
Private Credit	**216,982,454**	**7.9**	**0.3**	**0.5**	**7.0**	**2.3**	**-0.8**	**0.4**	**--**	**2.3**	**May-13**
S&P/LSTA Leveraged Loan Index +2%			*0.6*	*0.8*	*5.1*	*10.5*	*6.2*	*6.7*	*7.0*	*6.1*	*May-13*
Private Credit	**93,076,153**	**3.4**	**0.0**	**0.0**	**7.0**	**2.3**	**-0.8**	**0.4**	**--**	**2.4**	**May-13**
S&P/LSTA Leveraged Loan Index +2%			*0.6*	*0.8*	*5.1*	*10.5*	*6.2*	*6.7*	*7.0*	*6.1*	*May-13*
Private Credit Proxy	**123,906,301**	**4.5**	**0.6**	**0.9**	**--**	**--**	**--**	**--**	**--**	**0.9**	**Jul-21**
ICE BofA US HY Master II Constnd TR			*0.6*	*0.9*	*4.6*	*10.3*	*6.8*	*6.5*	*6.9*	*0.9*	*Jul-21*
Risk-Diversifying Sub-Portfolio	**535,287,607**	**19.4**	**0.2**	**3.1**	**6.0**	**6.1**	**5.9**	**4.0**	**4.2**	**5.0**	**Nov-03**
StanCERA Risk-Diversifying Blended BM			*-0.1*	*0.6*	*-0.4*	*-0.5*	*3.8*	*2.2*	*2.0*	*--*	*Nov-03*
Risk Parity	**391,211,226**	**14.2**	**0.4**	**3.8**	**10.0**	**18.0**	**11.3**	**--**	**--**	**9.0**	**Nov-17**
60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg			*1.3*	*2.3*	*8.3*	*16.8*	*10.7*	*9.7*	*7.6*	*9.2*	*Nov-17*
AQR Global Risk Premium - EL	192,401,901	7.0	0.0	3.8	10.7	17.7	9.9	--	--	9.5	Apr-18
60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg			*1.3*	*2.3*	*8.3*	*16.8*	*10.7*	*9.7*	*7.6*	*9.8*	*Apr-18*
PanAgora Risk Parity Multi Asset	198,809,325	7.2	0.8	3.8	9.2	18.3	12.6	--	--	9.7	Nov-17
60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg			*1.3*	*2.3*	*8.3*	*16.8*	*10.7*	*9.7*	*7.6*	*9.2*	*Nov-17*
US Treasury Bonds	**144,076,381**	**5.2**	**-0.2**	**1.4**	**-1.8**	**-2.7**	**5.3**	**3.7**	**4.0**	**4.9**	**Nov-03**
Bloomberg US Treasury 7-10 Yr TR			*-0.4*	*1.6*	*-1.8*	*-2.9*	*6.2*	*2.7*	*3.2*	*--*	*Nov-03*
Northern Trust Intermediate Gov't Bond	98,469,463	3.6	-0.2	0.6	-0.6	-0.7	4.0	--	--	2.7	Jul-17
Bloomberg US Govt Int TR			*-0.2*	*0.6*	*-0.5*	*-0.7*	*4.0*	*2.2*	*1.9*	*2.8*	*Jul-17*
Northern Trust Long Term Gov't Bond	45,606,918	1.7	-0.2	3.3	-4.7	-7.2	9.1	--	--	6.7	Jul-17
Bloomberg US Govt Long TR			*-0.2*	*3.4*	*-4.7*	*-7.1*	*9.1*	*3.6*	*5.7*	*6.8*	*Jul-17*
Liquid Absolute Return											

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% Bloomberg 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% Bloomberg US Govt/Credit 1-3 Yr. TR, 1% FTSE T-Bill 1 Month TR, 3% Bloomberg US Treasury 7-10 Yr TR, 7.7% NCREIF Property Index, 1.7% NCREIF Property Index +2%, 0.6% CPI + 5%, 5% Bloomberg US High Yield + 2%, 14% 60% MSCI ACWI Net/40% Bloomberg 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% Bloomberg US Govt/Credit 1-3 Yr. TR, 1% FTSE T-Bill 1 Month TR, 3% Bloomberg 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% Bloomberg Global Aggregate

  - **6/1/2019 - 6/30/2020**: 14% Russell 1000, 3% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 19% Bloomberg US Gov't/Credit 1-3 Yr, 1% Citi 1 Month T-Bills, 3% Bloomberg 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% Bloomberg Global Aggregate

  - **7/1/2020 - 12/31/2020**: 14% Russell 1000, 3% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 8% Bloomberg US Gov't/Credit 1-3 Yr, 1% Citi 1 Month T-Bills, 3% Bloomberg 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% Bloomberg Global Aggregate, 11%Bloomberg US Intermediate.

  - **1/1/2021 - 06/30/2021**: 16% Russell 1000, 3.5% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 8% Bloomberg US Gov't/Credit 1-3 Yr, 1% Citi 1 Month T-Bills, 5% Bloomberg 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% Bloomberg Global Aggregate, 7% Bloomberg US Intermediate.

  - **07/01/2021 - Present:** 16% Russell 1000, 4% Russell 2000, 5% Russell 3000 + 3%, 20% MSCI ACWI ex USA Gross, 6.5% NCREIF Property Index, 6% NCREIF Property Index + 2%, 7.5% CPI + 5% (Unadjusted), 8% S&P/LSTA Leveraged Loan Index +2%, 6% Bloomberg US Treasury 7-10 Yr TR, 10% 60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg, 3% 30 Day T-Bill + 4%, 1% FTSE T-Bill 1 Month TR, 7% Bloomberg US Govt/Credit Int TR.

- 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, USSmall, 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 cash flows.

Stanislaus County ERA

FUND ASSET GROWTH SUMMARY BY MANAGER

	Month Ending August 31, 2021					
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	Ending Market Value
American Strategic Value Realty	$74,082,262	$0	$0	$0	$0	$74,082,262
AQR Global Risk Premium - EL	$192,406,653	$0	$0	$0	-$4,752	$192,401,901
Blackrock High Yield Fund	$123,217,928	$0	$0	$0	$688,373	$123,906,301
BlackRock Real Estate Securities	$110,041,127	$0	$0	$0	$1,931,416	$111,972,543
BlackRock Russell 1000 Growth	$259,021,241	$0	$0	$0	$9,684,715	$268,705,955
BlackRock Russell 1000 Value	$111,452,220	$0	$0	$0	$2,210,857	$113,663,077
Capital Prospects Transition	$0	$0	$0	$0	$0	$0
Cash Account	$25,864,113	$1,805,899	-$500,000	$1,305,899	$33,157	$27,203,169
Channing	$22,321,614	$0	$0	$0	$253,536	$22,575,150
Dodge & Cox-Equity	$124,391,080	$0	$0	$0	$3,748,241	$128,139,321
Fidelity Int'l Growth	$260,760,566	$0	$0	$0	$6,294,742	$267,055,308
Greenfield Acquisition Partners VII	$7,605,806	$0	-$392,211	-$392,211	$0	$7,213,595
Greenfield Acquisition Partners VIII	$30,966,057	$0	$0	$0	$0	$30,966,057
Gryphon Partners VI LP	$5,139,129	$0	$0	$0	$0	$5,139,129
Insight	$161,390,566	$0	-$2,690,073	-$2,690,073	-$109,686	$158,590,807
Insight Partners XI	$16,767,167	$1,200,000	$0	$1,200,000	$0	$17,967,167
InView	$19,845,442	$0	$0	$0	-$22,918	$19,822,524
LSV Int'l Large Cap Value	$262,569,507	$0	$0	$0	$2,925,418	$265,494,925
Medley Capital	$6,129,803	$0	$0	$0	$0	$6,129,803
MS Infrastructure Partners II	$27,923,476	$0	-$1,413,688	-$1,413,688	$0	$26,509,788
Northern Trust Infrastructure Fund	$147,330,781	$0	$0	$0	$0	$147,330,781
Northern Trust Intermediate Gov't Bond	$98,621,141	$0	$0	$0	-$151,678	$98,469,463
Northern Trust Long Term Gov't Bond	$45,713,158	$0	$0	$0	-$106,240	$45,606,918

Stanislaus County ERA

FUND ASSET GROWTH SUMMARY BY MANAGER

	Month Ending August 31, 2021					
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	Ending Market Value
Northern Trust Russell 3000	$114,431,419	$0	-$3,186,999	-$3,186,999	$3,199,976	$114,444,396
Owl Rock First Lien Fund	$8,088,755	$0	$0	$0	$0	$8,088,755
Pacific Ridge	$20,040,498	$0	-$775,394	-$775,394	$503,129	$19,768,233
PanAgora Risk Parity Multi Asset	$197,260,017	$0	$0	$0	$1,549,309	$198,809,325
PGIM Real Estate US Debt Fund	$61,981,263	$0	$0	$0	$0	$61,981,263
Prime Property Fund	$62,515,507	$0	$0	$0	$0	$62,515,507
Raven Opportunity I	$4,645,399	$0	$0	$0	$0	$4,645,399
Raven Opportunity III	$47,282,175	$0	$0	$0	$0	$47,282,175
Seizert	$21,484,690	$775,394	$0	$775,394	$255,628	$22,515,713
Strategic Values Special Situations Fund V, L.P.	$750,000	$500,000	$0	$500,000	$0	$1,250,000
Transition Account	$166,731	$0	$0	$0	-$41	$166,690
Vista Foundation Fund IV	$5,403,185	$1,986,999	$0	$1,986,999	$0	$7,390,184
Walthausen	$23,181,745	$0	$0	$0	$757,552	$23,939,297
White Oak Pinnacle	$25,680,021	$0	$0	$0	$0	$25,680,021
Total	**$2,726,472,242**	**$6,268,292**	**-$8,958,365**	**-$2,690,073**	**$33,640,734**	**$2,757,422,902**

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.

This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

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

Verus

PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS

PERIOD ENDING JUNE 30, 2021 9/28/21 Item # 8.a.

Private Equity Review

Stanislaus County Employees' Retirement Association

Total Fund

Private Markets – Investment Summary

Period Ending: June 30, 2021

Vintage Year	Manager Name/Fund Name	Market Value as of 6/30/2021	Total Commitment	Capital Called	% Called	Remaining Commitment	Total Distributions	6/30/2021 IRR	3/31/2021 IRR	9/30/2021 Valuation (Adjusted)[1]	9/30/2021 IRR (Adjusted)[1]
		Verus Internal Analysis									
Private Credit											
Direct Lending – Legacy Investments											
2013	Medley Capital	$6,137,958	$30,000,000	$34,730,130	116%	$999,547	$28,208,498	-0.3%	-0.3%	$6,137,958	-0.3%
2013	Raven Opportunity I	$4,157,658	$40,000,000	$34,505,763	86%	$5,494,237	$23,560,780	-6.8%	-6.2%	$4,157,658	-6.7%
2013	White Oak Pinnacle	$26,008,549	$40,000,000	$56,714,361	142%	$4,530,589	$44,452,802	6.5%	6.2%	$26,008,549	6.3%
2015	Raven Opportunity III	$48,132,680	$50,000,000	$50,000,000	100%	0	$11,003,508	5.5%	5.4%	$48,132,680	5.1%
Direct Lending – New Investments											
2018	Owl Rock First Lien Fund	$8,654,930	$10,000,000	$8,391,193	84%	$1,750,000	$596,052	8.8%	7.9%	$8,654,930	7.3%
	Total Private Credit	**$93,091,775**	$170,000,000	$184,341,446	108%	$12,774,374	$107,821,641	2.5%	2.3%	$93,091,775	2.4%
	% of Portfolio (Market Value)	3.4%									
Private Equity											
Venture Capital / Growth Equity											
2020	Insight Fund XI	$18,829,654	$15,000,000	$11,935,369	80%	$3,075,000	$0	105.5%	132.9%	$18,829,654	68.7%
Buyout											
2020	Vista Foundation Fund IV	$5,211,191	$20,000,000	$5,794,955	29%	$14,205,045	$0	-30.7%	-70.2%	$5,078,487	-23.8%
2020	CD&R Fund XI	$0	$20,000,000	$0	0%	$20,000,000	$0	0%	0%	$0	0%
2021	Gryphon Partners VI, L.P.	$6,723,346	$20,000,000	$7,160,857	35%	$12,920,410	$27,846	-26.5%	-97.8%	$6,723,346	-12.4%
	Total Private Equity	**$30,764,190**	$75,000,000	$24,891,181	33%	$50,200,455	$27,846	63.5%	99.95%	$30,631,487	35.7%
	% of Portfolio (Market Value)	1.1%									
	Total Private Markets	**$123,855,965**									
	% of Portfolio (Market Value)	4.6%									

[1]Based on most recent reported valuation, adjusted for Q3 21 cash flows.

Total Fund

Private Markets – Investment Summary

Period Ending: June 30, 2021

Vintage Year	Manager Name/Fund Name	Market Value as of 6/30/2021	Total Commitment	Capital Called	% Called	Remaining Commitment	Total Distributions	Distrib./ Paid-In (DPI)[1]	Tot. Value/ Paid-In (TVPI)[2]	IRR Since Inception[3]	Latest Valuation
		Verus Internal Analysis									
Private Credit											
Direct Lending – Legacy Investments											
2013	Medley Capital	$6,137,958	$30,000,000	$34,730,130	116%	$999,547	$28,208,498	0.81x	*0.99x*	*-0.3%*	6/30/2021
	S&P/LSTA Leveraged Loan Index PME									*3.6%*	
2013	Raven Opportunity I	$4,157,658	$40,000,000	$34,505,763	86%	$5,494,237	$23,560,780	*0.68x*	*0.80x*	*-6.8%*	6/30/2021
	S&P/LSTA Leveraged Loan Index PME									*3.9%*	
2013	White Oak Pinnacle	$26,008,549	$40,000,000	$56,714,361	142%	$4,530,589	$44,452,802	*0.78x*	*1.24x*	*6.5%*	6/30/2021
	S&P/LSTA Leveraged Loan Index PME									*4.0%*	
2015	Raven Opportunity III	$48,132,680	$50,000,000	$50,000,000	100%	0	$11,003,508	*0.22x*	*1.18x*	*5.5%*	6/30/2021
	S&P/LSTA Leveraged Loan Index PME									*4.8%*	
Direct Lending – Recent Investments											
2018	Owl Rock First Lien Fund	$8,654,930	$10,000,000	$8,391,193	84%	$1,750,000	$596,052	*0.07x*	*1.10x*	*8.8%*	6/30/2021
	S&P/LSTA Leveraged Loan Index PME									*7.6%*	
	Total Private Credit	**$93,091,775**	$170,000,000	$184,341,446	108%	$12,774,374	$107,821,641	*0.58x*	*1.09x*	*2.5%*	
	% of Portfolio (Market Value)	***3.4%***									
Private Equity											
Venture Capital / Growth Equity											
2020	Insight Fund XI	$18,829,654	$15,000,000	$11,935,369	80%	$3,075,000	$0	*0.0x*	*1.58x*	*105.5%*	6/30/2021
	Russell 2000 Total Return Index PME									*52.6%*	
Buyout											
2020	Vista Foundation Fund IV	$5,211,191	$20,000,000	$5,794,955	29%	$14,205,045	$0	*0.0x*	*0.90x*	*-30.7%*	6/30/2021
	Russell 2000 Total Return Index PME									*18.3%*	
2020	CD&R Fund XI	$0	$20,000,000	$0	0%	$20,000,000	$0	*0.0x*	*0.00x*	*0%*	
2021	Gryphon Partners VI, L.P.	$6,723,346	$20,000,000	$7,160,857	35%	$12,920,410	$27,846	*0.0x*	*0.95x*	*-26.5%*	6/30/2021
	Russell 2000 Total Return Index PME									*15.3%*	
	Total Private Equity	**$30,764,190**	$75,000,000	$24,891,181	33%	$50,200,455	$27,846	*0.0x*	*1.24x*	*63.5%*	
	% of Portfolio (Market Value)	***1.1%***									
	Total Private Markets	**$123,855,965**									
	% of Portfolio (Market Value)	***4.6%***									

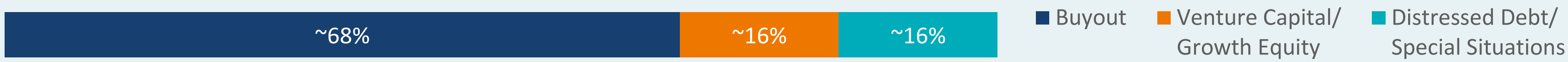
[1](DPI) is equal to (capital returned / capital called).

[2](TVPI) is equal to (market value + capital returned) / capital called.

[3]Net IRR is calculated on the cash flows of all the limited partners of the fund and is net of all fees. Each funds' IRR figure is provided by its respective manager. Benchmark IRRs are calculated using Long-Nickels ICM Methodology.

Private Equity: neutral allocations / tactical views

UNIVERSE BREAKDOWN BY MARKET CAPITALIZATION[1]



2022 PRIVATES MACRO THEMES AND OUTLOOK

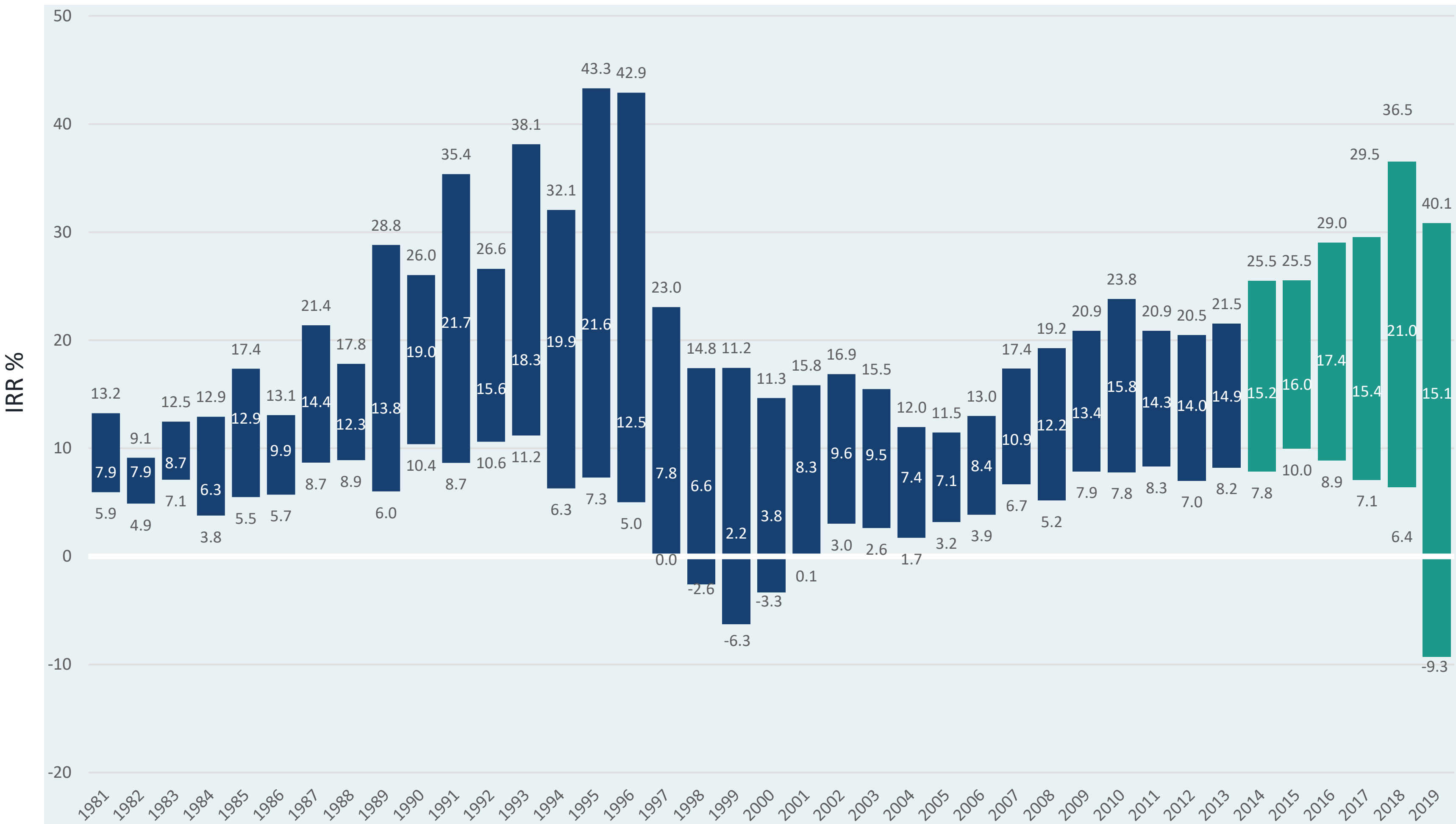
Unattractive	Neutral	Attractive
○	◐	●

Strategy	Sub-Market			Forward Themes / Outlook
Buyout	*U.S.*	*Small/ Mid Mkt*	●	Key contributing factors to drive investment activity: focus on revisiting value creation strategies; renewed focus on core competencies and non-strategic assets; increased emphasis on strategic capabilities and gaps at portfolio companies; and a shifting landscape with companies emerging as either differentiated and well-positioned or challenged and struggling to meet the needs of tomorrow's consumer.
		Large	◐	Consolidation within private equity has led to large asset managers with multiple platforms that can capitalize on a range of opportunities in a variety of economic environments. However, for $500 million+ assets, PE firms are competing with both highly acquisitive strategics and hundreds of uncommitted SPACs.
	Europe	*Small/ Mid Mkt*	◐	Managers will be focused on increasing platform resilience, agility, and stability, while playing offense through add- on acquisitions to heighten geographic, product, customer, and supplier diversification.
		Large	◐	Take-private activity is likely to increase as GP are sitting on large amounts of dry powder looking to high-quality assets. Contributing factors include fundamentally strong but undervalued European public equities and European entities struggling under heavy debt burdens
Venture Capital	*Venture Capital*		◐	Valuations and pricing may see downward pressure as investors re-focus on stronger fundamentals following a frothy environment; companies may turn to debt financing as an alternative to traditional equity rounds, as they attempt to avoid down rounds, dilution, and unfavorable terms
Private Credit	*Direct Lending Special Situations*		◐	The direct lending market faced its first major macro-economic test during 2020. While stress is still lurking beneath the surface and track records are beginning to diverge, on the whole, the asset class has performed well and proven to be resilient. Now is a time to stick with best-in-class managers without stretching for yield or low-quality credits. Within other credit opportunities pricing and target returns have remained attractive relative to the broader market, especially within market niches that exhibit less correlated return drivers.

Source: Thomson Reuters C|A Private Equity universe since 2000, as of 3/31/2021

Manager selection is critical to results

IRR DISPERSION BETWEEN TOP AND BOTTOM QUARTILE FUND RETURNS



Mature funds avg. dispersion: 15.47%

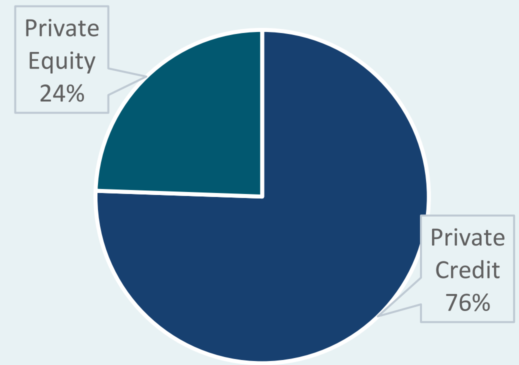
Active funds avg. dispersion: 21.19%

Source: Thomson Reuters C|A U.S. All Private Equity net IRRs, as of 12/31/20

For illustrative purposes only as dispersion of returns varies by sub-asset class. Mature funds defined as those whose 80% or more of total value has been distributed.

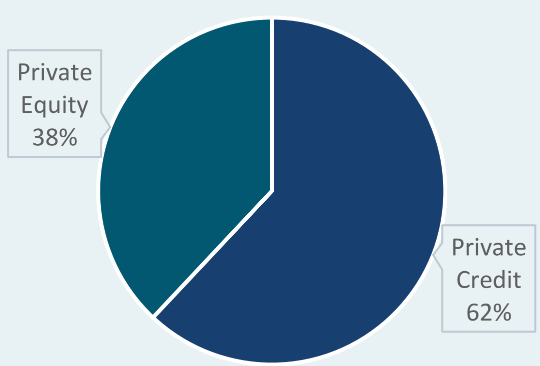
StanCERA private markets portfolio

CURRENT EXPOSURE BREAKDOWN[1]



Current privates allocations = 4.5%

TARGET ALLOCATION BREAKDOWN



Target privates allocations = 13.0%

RECENT PRIVATE EQUITY FUND COMMITMENTS

BUYOUT	COMMITTED $
Vista Foundation (2020)	$20.0M
CD&R XI (2020)	$20.0M
Gryphon VI (2021)	$20.0M
Genstar X (2021)	$15.0M
Total buyouts	**$75.0M**
Dry powder for next 5 years	**$100-115M**

VENTURE CAPITAL	COMMITTED $
Insight Partners XI (2020)	$15.0M
Total VC last 5 years	**$15.0M**
Dry powder for next 5 years	**$55-60M**

RECENT PRIVATE CREDIT FUND COMMITMENTS

DIRECT LENDING	COMMITTED $
Owl Rock First Lien (2019)	$10.0M
Total direct lending	**$10.0M**
Dry powder for next 5 years	**$140-155M**

SPECIAL SITUATIONS	COMMITTED $
Strategic Value Partners, V (2021)	$10.0M
ABRy Senior Equity VI (2021)	$10.0M
Total Special Situations	**$20.0M**
Dry powder for next 5 years	**$125-140M**

1.Source: NAV as 6/30/2021.

September 28, 2021
Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

I. SUBJECT: Grandview Partners II Commitment

II. ITEM NUMBER: 8.c

III. ITEM TYPE: Discussion and Action

IV. STAFF RECOMMENDATION:

Allocate $20 Million to Grandview Partners II and authorize staff to negotiate and execute the final contract.

V. ANALYSIS:

Attachment 1: Grandview Partners II presentation

Grandview Partners II is a real estate fund and is the second fund raised by Grandview Partners. As you may recall, StanCERA is an investor in Grandview I which changed its name from Greenfield VIII in 2020. StanCERA also invests in Greenfield VII which is further along in its fund life cycle and is a smaller portion of the total portfolio. The performance of both prior funds has been good and Grandview II will follow the same strategy with the same investment team. Grandview II will seek value add real estate assets primarily located in the southern and rocky mountain region of the United States. The fund will favor opportunities in the industrial and residential property types. NEPC noted these two property types are attractive in the current market environment. The fund will charge a 1.5% management fee with a 20% carried interest above a 9% preferred rate of return. Staff did work with Grandview to secure a first close discount that will modestly reduce fees in the first year. Given StanCERA's familiarity with Grandview's process, positive track record and experienced team, Staff and NEPC recommend a $20 Million commitment to Grandview Partners II. A $20 Million commitment is in line with the 2021 real assets pacing plan.

VI. RISK: None

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT: None

GRANDVIEW PARTNERS

Table of Contents

GRANDVIEW

GRANDVIEW PARTNERS

THE INFORMATION CONTAINED IN THIS SUMMARY AND THE RELATED PRESENTATION BY GRANDVIEW PROPERTY PARTNERS, LLC (THE "ADVISER") IS PROPRIETARY AND CONFIDENTIAL. TO PREVENT THE ADVISER AND AFFILIATED ENTITIES FROM SUSTAINING SUBSTANTIAL COMPETITIVE HARM AND TO PROTECT THE INTERESTS OF THE ADVISER AND ITS PARTNERS, THE RECIPIENT OF THIS DOCUMENT AGREES TO HOLD SUCH INFORMATION IN STRICT CONFIDENCE.

THIS SUMMARY AND THE RELATED PRESENTATION BY THE ADVISER IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT INTENDED AS AN OFFER OR SOLICITATION OF AN OFFER TO PURCHASE ANY INTEREST IN ANY JURISDICTION. ANY OFFERING OF INTERESTS IS MADE ONLY BY MEANS OF A PRIVATE PLACEMENT MEMORANDUM OR OTHER APPROPRIATE MATERIALS. THIS PRESENTATION DOES NOT PURPORT TO BE ALL INCLUSIVE OR TO CONTAIN ALL THE INFORMATION THAT INVESTORS MAY DESIRE IN INVESTIGATING THIS INVESTMENT OPPORTUNITY. THIS SUMMARY SHOULD NOT BE CONSIDERED LEGAL, TAX OR INVESTMENT ADVICE. EACH INVESTOR SHOULD CONSULT WITH ITS OWN COUNSEL, ACCOUNTANT, TAX ADVISOR OR OTHER INVESTMENT ADVISOR WITH RESPECT TO ITS POTENTIAL INVESTMENT.

"ESTIMATED PERFORMANCE" (INCLUDING ESTIMATED RETURNS, OPINIONS OR EXPECTATIONS ABOUT ANY FUTURE EVENT) CONTAINED IN THIS PRESENTATION ARE BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS BY THE ADVISER, INCLUDING, AMONG OTHERS, ESTIMATES OF FUTURE OPERATING RESULTS, THE VALUE OF ASSETS AND MARKET CONDITIONS AT THE TIME OF DISPOSITION, AND THE TIMING AND MANNER OF DISPOSITION OR OTHER REALIZATION EVENTS. THESE ESTIMATES AND ASSUMPTIONS ARE INHERENTLY UNCERTAIN AND ARE SUBJECT TO NUMEROUS BUSINESS, INDUSTRY, MARKET, REGULATORY, GEO-POLITICAL, COMPETITIVE AND FINANCIAL RISKS THAT ARE OUTSIDE OF THE ADVISER'S CONTROL. THERE CAN BE NO ASSURANCE THAT THE ASSUMPTIONS MADE IN CONNECTION WITH THE ESTIMATED PERFORMANCE WILL PROVE ACCURATE, AND ACTUAL RESULTS MAY DIFFER MATERIALLY, INCLUDING THE POSSIBILITY THAT AN INVESTOR MAY LOSE SOME OR ALL OF ANY INVESTED CAPITAL. THE INCLUSION OF THE ESTIMATED PERFORMANCE HEREIN SHOULD NOT BE REGARDED AS AN INDICATION THAT THE ADVISER CONSIDERS THE ESTIMATED PERFORMANCE TO BE A RELIABLE PREDICTION OF FUTURE EVENTS AND THE ESTIMATED PERFORMANCE SHOULD NOT BE RELIED UPON AS SUCH. NEITHER THE ADVISER NOR ANY OF ITS REPRESENTATIVES HAS MADE OR MAKES ANY REPRESENTATION TO ANY PERSON REGARDING THE ESTIMATED PERFORMANCE AND NONE OF THEM INTENDS TO UPDATE OR OTHERWISE REVISE THE ESTIMATED PERFORMANCE TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE WHEN MADE OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING THE ESTIMATED PERFORMANCE ARE LATER SHOWN TO BE IN ERROR.

THIS SUMMARY AND THE PRESENTATION BY THE ADVISER MAY CONTAIN CERTAIN FORWARD-LOOKING STATEMENTS OR STATEMENTS THAT MAY BE DEEMED OR CONSTRUED TO BE FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. THE WORDS "MAY," "WILL," "SHOULD," "COULD," "ANTICIPATE," "PREDICT," "POTENTIAL," "ESTIMATE," "PLAN," "INTEND," "BELIEVE," "EXPECT," "PROPOSED," AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS INVOLVE AND ARE SUBJECT TO KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT COULD CAUSE ACTUAL RESULTS, PERFORMANCE (FINANCIAL OR OPERATING) OR ACHIEVEMENTS TO DIFFER FROM ANTICIPATED FUTURE RESULTS. INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF. FORWARD-LOOKING STATEMENTS ARE BASED ON A NUMBER OF ASSUMPTIONS AS TO FUTURE EVENTS THAT ARE INHERENTLY UNCERTAIN AND SUBJECTIVE. NO REPRESENTATION OR WARRANTY IS MADE AS TO WHETHER SUCH ASSUMPTIONS WILL BE PROVED TO BE CORRECT OR WHETHER FUTURE RESULTS WILL OCCUR AS PROJECTED. THE FORWARD-LOOKING STATEMENTS HAVE BEEN PREPARED SOLELY BY THE ADVISER AND DO NOT COMPLY WITH ANY GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OR ANY OTHER SIMILAR AUTHORITY. THERE CAN BE NO ASSURANCES THAT ANY OF THE EXPECTED RESULTS WILL BE ATTAINED. ACTUAL RESULTS COULD DIFFER SIGNIFICANTLY FROM THOSE CURRENTLY ANTICIPATED DUE TO A NUMBER OF FACTORS.

THE INVESTMENT OPPORTUNITY INVOLVES SIGNIFICANT RISKS AND INVOLVES A SUBSTANTIAL RISK OF LOSS, INCLUDING THE POSSIBILITY OF THE TOTAL LOSS OF AN INVESTMENT THEREIN. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE OPPORTUNITY AND THE TERMS OF THE INVESTMENT, INCLUDING THE MERITS AND RISKS INVOLVED. THESE MATERIALS DO NOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ISSUES RELATED TO AN INVESTMENT.

Grandview Property Partners, LLC ("Grandview") was founded on the premise that preservation of capital is paramount, clarity of purpose guides strategy and consistency of returns matter

GRANDVIEW PARTNERS

Grandview was formed in January 2019 as a spinout of 21 professionals from Greenfield Partners, LLC ("Greenfield") and continues to act as sub-advisor to Greenfield managing approximately $917 MM in gross AUM as of 12/31/20. In April 2020, Grandview became the sole advisor on Greenfield Acquisition Partners VIII, L.P. and rebranded the Fund as Grandview Partners I

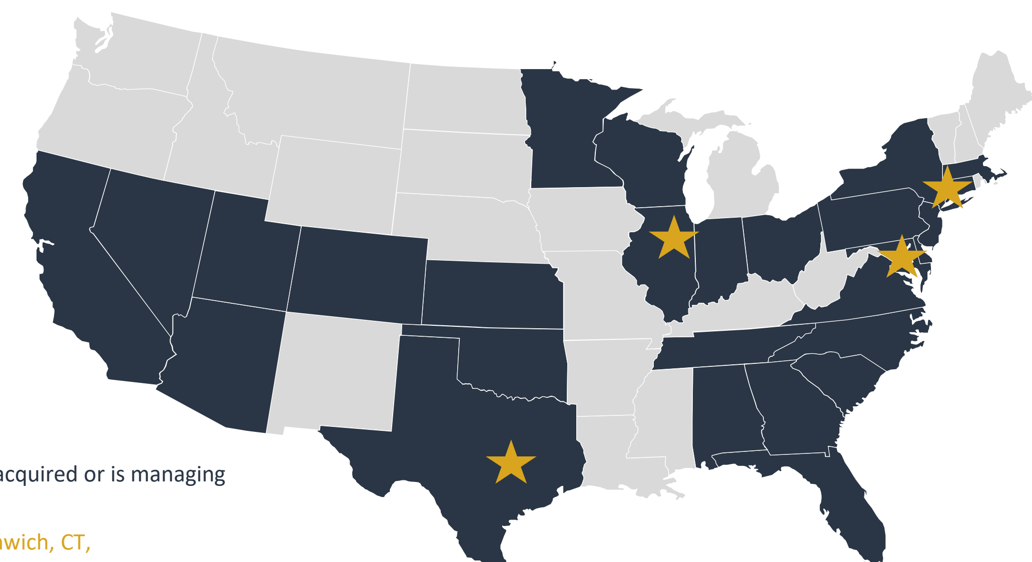
Grandview is a Minority Owned, SEC Registered Investment Advisor managed by a team of Principals who have worked together an average of 18 years and are cycle tested

Experienced Fiduciaries since 2002, directly acquired, originated, managed, developed 31.3 MM SF of industrial, 7.2 MM SF of office, 183 hotel keys, 8,781 lots, 349 manufactured housing units, 576 residential build-for-rent units, 538 acres of land, $128.1 MM in debt, 107K SF of retail and 1,312 multi-family units on behalf of Institutional Investors

Team has acquired assets in 67 separate markets focusing on middle market transactions at an average acquisition price and peak equity of $41 MM and $17 MM respectively

Direct investments 38% of the peak equity that has been deployed by the Grandview team going back 19 years was acquired and managed on a direct basis, no local operating partner

Four offices across the country, Grandview has developed deep direct relationships, sourcing a significant number of opportunities on a non-marketed basis



The Grandview team has acquired or is managing assets in these states

Grandview Offices: Greenwich, CT, Chicago, IL, Austin, TX and Arlington, VA

What Have We Done:

GRANDVIEW PARTNERS

- Have kept 96% of the professional staff together since spinout on January 1, 2019
- Since spinout have sold off $1.2 B in Gross AUM across all asset types and various markets
- Achieved virtually 100% rent collection across the portfolio with minimal negative valuation impact as a result of COVID crisis
- After recapitalizing legacy Greenfield Fund in April 2020, raised an additional $150 MM between April and Dec 2020 achieving GVP I hard cap of ~$300 MM
- GVP I has successfully acquired/developed or developing $719.2 MM of Industrial and Residential assets across the country - all directly sourced without intermediaries
- GVP I final fund composition at commitment period end based on capacity is expected to be 65% Industrial, 14% Residential/Housing and 20% Office
- GVP I has achieved realized returns of 34.4% gross IRR and 2.3x gross multiple across 6 assets

Assets Currently Under Management

Office	Industrial	Residential Lots
8 Assets	9 Assets	6 Assets
$354.8 MM Gross	$239.0 MM Gross	$203.5 MM Gross
2.0 MM SF/8 Markets	5.4 MM SF/8 Markets	4,718 Lots/6 Markets

Manufactured Housing	Hotels	Land
1 Asset	2 Assets	4 Assets
$8.3 MM Gross	$41.2 MM Gross	$51.3 MM Gross
349 Units/1 Market	246 Keys/2 Markets	8,037 Acres/4 Markets

Notes:
(1) Gross AUM of $1.7 B as of 12/31/2018
Gross AUM of $1.3 B as of 12/31/2019
Gross AUM of $865 MM as of 12/31/2020

Performance – Q2 2021

GRANDVIEW PARTNERS

StanCERA	GAP VII	GVP-I-A	TOTAL
Commitment	**15,000,000**	**40,000,000**	**55,000,000**
Paid-In Capital	14,335,328	27,870,207	42,205,535
Distributions	16,474,550	12,458,979	28,933,529
NAV	7,605,806	30,966,057	38,571,863
Distribution to Paid-In Capital	115%	45%	69%
Total Value to Paid-In Capital	168%	156%	160%
% of Commitment Called	95.6%	69.7%	76.7%
Projected Gross IRR	**17.6%**	**23.7%**	
Projected Net IRR	**13.5%**	**23.1%**	
Commitment	15,000,000	40,000,000	
Paid-In Capital	14,335,328	27,870,207	
Uncalled Capital (No expiry)	664,672	12,129,793	
Recallable Capital*	-	4,000,000	
Callable	664,672	16,129,793	
*Comments		Unlikely to call Recallable Expires 4/27/2024	

1) Commitments: Represents total capital committed to the Fund by the Limited Partners and General Partner.
2) Net Projected IRRs are calculated based on the actual timing of all fund level cash flows to and from the fund Limited Partners using the total realized and unrealized proceeds since inception to fund close after asset management fees, fund expenses and incentive compensation. These flows reflect different timing than investment level cash flows utilized in the gross return calculation due to the use of a fund level subscription line and therefore may have a further positive or negative impact on the IRR results in different market environments. The projected returns are not guaranteed and the actual realized returns on unrealized investments may differ materially from the returns indicated herein.
3) Gross Projected IRRs are calculated based on the actual timing of all investment level cash flows (without regard to the actual timing of contributions from fund Limited Partners) using the total realized and unrealized proceeds since inception to fund close and does not reflect fees at fund level; including asset management fees, fund expenses, fund carried interest or fund level subscription line. The projected returns are not guaranteed and the actual realized returns on unrealized investments may differ materially from the returns indicated herein.
4) Grandview-I may have future investments identified during the commitment period; however, no additional acquisitions are assumed in the return figures shown above.

II MARKET OVERVIEW/OPPORTUNITIES

GRANDVIEW PARTNERS

Where Are We Focused

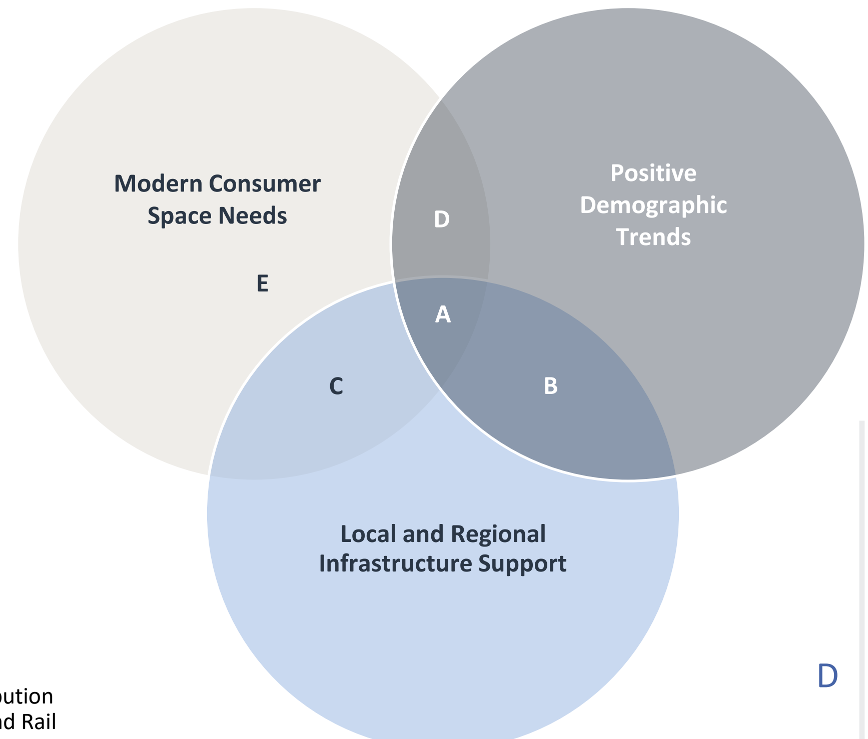
- **<u>INDUSTRIAL:</u>** Obsolescence of existing inventory, exceptional space demand fundamentals, increased focus on margins for both businesses and consumers given shifting cost structure and flow of goods continue to give us deep conviction in this asset class focusing on three main factors
  - Demographics:
    - <u>Supply of labor</u> as important as demand of consumer with distribution chains changing in real time to adjust; therefore focus on future trends not historical density
    - Focus on markets where distribution to largest base is available at <u>a cost-efficient margin</u> not just the fastest
  - Transportation and Infrastructure:
    - Understand <u>transportation infrastructure</u> and commitment at the State and Local level in order to service an ever-expanding supply chain
    - Look for <u>multi-modal distribution</u> locations considering shifting trade flows, flexibility for inventory management and transportation optionality
  - Asset Focus:
    - Look to modern <u>tenant needs</u> matching product throughput with physical space requirements

- **<u>HOUSING:</u>** Deep affordability issues, regulatory restrictions, long-term shifting demographic trends along with population and housing inventory "mis-matches" create opportunities in all the conventional housing groups (Multifamily, Single Family Housing, Manufactured Housing)
  - Asset Dislocation:
    - Housing requirements given longer lifespan and workforce participation of "Boomers" and entry of a highly connected "Gen Z" results in <u>four very different age cohorts</u> with different needs and purchasing power
    - Develop or acquire based on the thesis the consumer only wants to pay for what they use and can afford, whether it be smaller starter homes or <u>new "amenitized" rental product</u>
  - Affordability Dislocation:
    - <u>Demographic shifts</u>, as a result of affordability issues, creating sustainable new institutional markets/submarkets especially for first time owners and younger consumers
    - Markets where wage and population growth are strong and less cyclical, <u>sustainable demand drivers</u> and costs for land and construction are reasonable
  - Capital Market Dislocation:
    - Strong <u>Single Family Housing</u> opportunities where lack of supply is not a function of lack of demand but capital
    - Ability to generate equity-like returns from a debt position by structuring <u>participating debt with strong sponsors and contractual takeout from national homebuilders</u>

GRANDVIEW PARTNERS

How Are We Executing

- Leveraging our successful experience of approximately 30 MM SF* in Industrial and approx. 8,000 residential units* in identifying & analyzing opportunities with cornerstone attributes of Demographic Growth, Modern Space Needs and Regional and Local Infrastructure:
- Utilizing our collective 20 years of National relationships in sourcing opportunities on a nonmarketed basis. 92% of all expected final GVP I assets (measured by Gross Investment) are non-marketed opportunities



A

CenterState East - Large Format Distribution with Deep Labor Base and long reach

The Cottages at Riley Place - SFR in growing node north of Atlanta

Plano Commerce Center - Flex Product adjacent to existing dense residential node

Cottage Grove - Rental MHC community in extremely affordability constrained Miami market

Hillsborough - AMZN last mile sort facility in Tampa

Austin Flex – functional, small bay product suitable for numerous small businesses

Windler Ranch - 850 Acre Modern Residential and Industrial Development in high growth Denver submarket

B

Roanoke Logistics Center-Distribution adjacent to Alliance Air Cargo and Rail multi modal facility

Linebaugh & 6101 Johns Rd*-Last mile distribution within extremely tight Tampa Airport Market

C

Elk Grove Technology Park – Developed for strong Technology and Data Center demand proximate to O'Hare airport

7600 Assateague - Repositioned large format distribution in dense BWI corridor

D

I-75 Logistics Center - Land for large format distribution BTS in land constrained location

MC Estates Mezzanine - Financing of starter home project in greater Miami

First Central Tower - Small Format Office in growing St. Pete Office Market

Brushy Fork Senior Loan - Financing of entry level housing in fast growing node of Atlanta

Sanctuary at Indian Creek* - SFR in growing and transitioning Huntsville AL market

Forney - Large format distribution in exponentially growing Dallas submarket with limited inventory

E

139 East Houston - State of the Art post-COVID small format NYC Office Development

* **Blue text indicates the asset is in the pipeline**

*Assets are part of the Grandview Subset. The Grandview Subset relates to only those individuals in Grandview Partners and those individuals were primarily responsible for investments shown in this subset as agreed to by Greenfield Partners.

GRANDVIEW PARTNERS

Where Are We Concerned

- Supply of Capital and Space for Industrial:
    - While there is a structural shift in the asset class, demand for Industrial has never been greater with supply of capital requiring increased vigilance market by market and mile by mile, need to differentiate structural demand needs from cyclical demand flows

- Housing Exuberance:
    - Need to differentiate signal from the noise related to recent residential demand spike from COVID versus long term trends due to sustainable demographic shifts
    - Recognize forced savings and low financing costs particularly for those least impacted by COVID leads to skewed, short-term behavior/needs versus long term viability, household formation and space needs

- Inflation & Cost:
    - Given unprecedented QE, layered in with recent supply chain disruptions, hard to say whether short term push inflation seen in commodity and construction pricing may evolve to longer term pull inflation with dovish and increasingly scrutinized Fed
    - Expectation to push all these costs onto final consumer need to tempered, particularly in some of the strongest industrial and housing markets where recent rent and purchase levels have already well exceeded normal inflation

What Are We Watching For The Next Cycle

- Adaptive Reuse - Accelerated obsolescence of certain asset types within evolving markets will present repositioning opportunities particularly as they will see less interest than cash flowing assets

- CBD Office - While dramatic increase in work from home and urban exodus will abate, meaningful reset in rental rates will occur as tenants re-evaluate space needs. While many of these owners will be deep-pocketed sponsors, length of recovery and length of lease terms may lead to re-evaluating absolute return

- Flex/Shallow Bay Industrial - Generally older product, while perhaps well located, will experience higher level of tenant credit issues with need for capital to reposition for more cost conscience tenant needs

Every organization must have a clear understanding of its place in the larger global ecosystem, social responsibility on how it conducts business and the role it plays in creating an environment for personal and professional growth

- Environment is global Real Estate where we are all tenants in common
  - Real Estate is large consumer of raw material with significant impact not only within the local market where it sits but the global market it draws from
  - On existing assets, we look to establish clear protocols and milestones related to energy consumption and on new developments evaluate issues such as physical layout, construction typology and material sourcing, balancing returns alongside being proper citizens of a global community
- Strength of our Organization comes not from any of us as individuals but all of us collectively
  - Diversity of background provides a broader prospective as Investors in an asset class that is driven by people with different need from different places at different points in time.
  - The collective 18-year track record has shown what Principals from different backgrounds, but a common purpose can accomplish
- Governance is not just about setting rules, it’s about having a mandate to govern by creating a place where people want to be
  - Respecting the individual and creating an environment where they can be successful results in better employees and thereby a better organization
  - This belief has allowed us to retain nearly all of the employees who chose to join us when we spun out in 2019 and stay with us as we built a business through the turbulent events over the last two years

Summary of Terms:

GRANDVIEW PARTNERS

Fees

- Initial Closing Participants
    - 1.0% on Commitment for first year
    - 1.5% on Commitment for balance of Commitment Period
    - 1.5% on Invested Capital after the Commitment Period
- Large LPs – Defined as those with at least $75M in Commitment
    - 1.0% on Commitment for first year
    - 1.0% on Commitment for balance of Commitment Period
    - 1.0% on Invested Capital after the Commitment Period

Waterfall

- 9.0% Preferred return to Capital
- Return of Capital
- 50%/50% catch-up Capital/GP Carried Interest until 80/20 split between Capital & Carried Interest
- 80%/20% thereafter
- Waterfall is fund-wide, not deal-by-deal
- Claw-back, if needed

Fund Size

- Hard Cap of $500 million – 1% of total to be committed by the General Partner

Key Dates

- Initial Closing July 2021 - Final Closing within 12 months of Initial Closing
- Commitment Period ends 3 years from Final Closing
- Fund Expiration 8 years from Final Closing

IV APPENDIX

Performance – Q2 2021

GRANDVIEW PARTNERS

Projected Greenfield Fund Returns		**GAP II**	**GAP III**	**GAP IV**	**GAP V**	**GAP VI**	**GAP VII**	**GVP I[10]**
Year Formed		2000	2002	2005	2007	2011	2013	2016
Commitments (millions)	(1)	$291.2	$500.0	$675.0	$1,000.0	$369.6	$382.4	$146.5
Number of Investments		22	48	37	48	31	46	17
Number of Investments Realized		22	47	37	47	30	31	6
Projected Fund Net Returns								
IRR	(2)	10.8%	5.3%	-10.6%	8.5%	10.3%	13.5%	23.1%
Profits (millions)	(3)	$118.5	$132.4	$(398.7)	$367.6	$128.6	$273.8	$97.8
Multiple		1.4X	1.3X	0.4X	1.4X	1.4X	2.0X	2.4X
Projected Fund Gross Returns								
Gross IRR	(4)	17.4%	8.1%	-8.7%	10.6%	14.5%	17.6%	23.7%
Gross Profit (millions)	(3)	$203.3	$209.1	$(290.8)	$566.4	$187.4	$383.6	$143.1
Peak Equity (millions)	(5)	$204.6	$360.5	$576.5	$722.7	$296.6	$280.4	$89.2
Gross Multiple on Peak Equity		2.0X	1.6X	0.5X	1.8X	1.6X	2.4X	2.6X
Projected Gross Returns – Grandview Subset	(6)							
Number of Investments								
# with Positive Returns		1	1	3	8	15	21	15
# with Negative Returns		0	0	0	0	1	4	0
TOTAL # of Investments		1	1	3	8	16	25	15
Number of Investments Realized		1	1	3	8	16	14	4
Gross Projected IRR	(4)	13.8%	64.8%	3.6%	23.9%	20.3%	22.0%	22.9%
Gross Projected Profit (millions)	(3)	$2.8	$35.9	$30.7	$116.5	$120.9	$278.8	$120.0
Peak Equity (millions)	(5)	$11.9	$30.9	$93.8	$95.9	$132.3	$137.3	$83.8
Gross Multiple on Peak Equity		1.2X	2.2X	1.3X	2.2X	1.9X	3.0X	2.4X
Grandview Profits as a % of Fund Total	(7)	1.4%	17.2%	(9)	20.6%	64.5%	72.7%	83.9%
Grandview Peak Equity as a % of Fund Total	(8)	5.8%	8.6%	16.3%	13.3%	44.6%	49.0%	93.9%

(1) Commitments: Represents total capital committed to the Fund by the Limited Partners and General Partner.
(2) Net Projected IRRs are calculated based on the actual timing of all fund level cash flows to and from the fund Limited Partners using the total realized and unrealized proceeds since inception to fund close after asset management fees, fund expenses and incentive compensation. These flows reflect different timing than investment level cash flows utilized in the gross return calculation due to the use of a fund level subscription line and therefore may have a further positive or negative impact on the IRR results in different market environments. The projected returns are not guaranteed and the actual realized returns on unrealized investments may differ materially from the returns indicated herein.
(3) Profits: Capital produced by investment or fund above the capital contributed to the investment or fund. Negative figures represent the expected loss to capital contributed to investment or fund.
(4) Gross Projected IRRs are calculated based on the actual timing of all investment level cash flows (without regard to the actual timing of contributions from fund Limited Partners) using the total realized and unrealized proceeds since inception to fund close and does not reflect fees at fund level; including asset management fees, fund expenses, fund carried interest or fund level subscription line. The projected returns are not guaranteed and the actual realized returns on unrealized investments may differ materially from the returns indicated herein.
(5) Peak Equity ("PE"): Highest amount of cumulative net capital contributed to the investment or fund or Grandview subset of a fund, calculated on a quarterly basis.
(6) Grandview Subset: Relates to only those individuals in Grandview Partners and those individuals were primarily responsible for investments shown in this subset as agreed to by Greenfield Partners.
(7) Grandview Subset of Profits: as a percentage of the Gross projected Profit of the Overall Fund.
(8) Grandview Subset of Peak Equity: as a percentage of the Peak Equity of the Overall Fund.
(9) GAP IV has an overall negative gross return. The 3 investments made by Grandview personnel all had positive returns.
(10) Grandview-I may have future investments identified during the commitment period; however, no additional acquisitions are assumed in the return figures shown above.

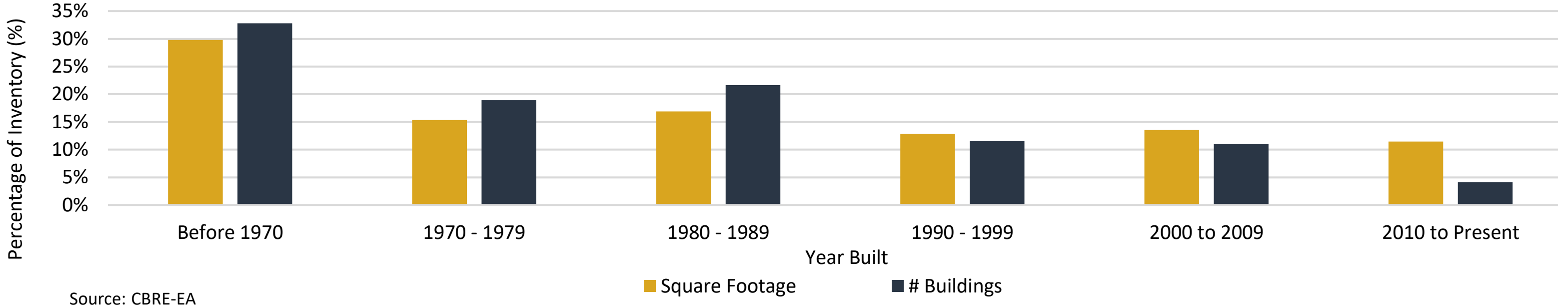
Market Opportunity: Industrial

GRANDVIEW PARTNERS

Grandview Perspective:

- While significant supply increase over the last decade and almost 200 MM SF under construction currently (~45% of which is pre-leased) a structural shift in the asset type has it coming into the crisis at near record low vacancy rate of 4.6% versus long run average of 7.5% and peak vacancy during the GFC of 9.8%
- Average age of warehouse in US about 35 years with increased obsolescence given changes in the logistics industry (Exhibit 6)

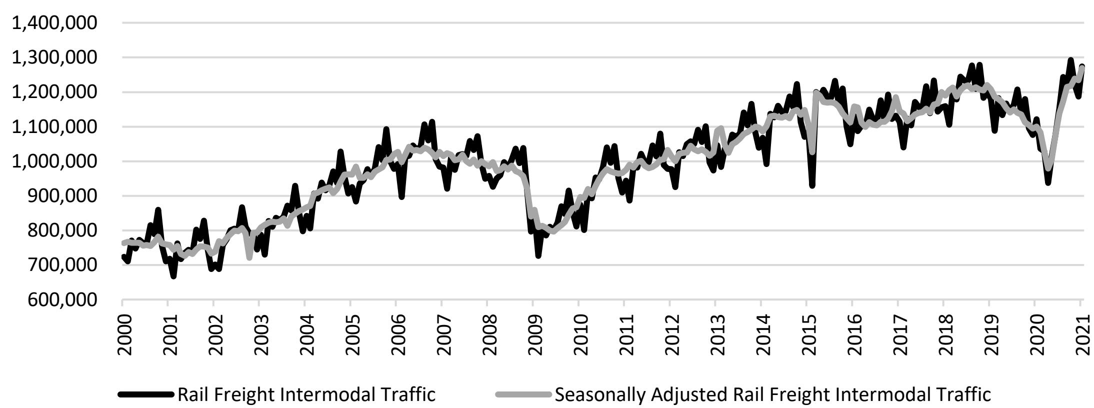
Share of U.S. Warehouse Inventory by Building Age (as of Q4 2020) – Exhibit 6



Source: CBRE-EA

- While modern product and location are important labor availability is equally important and can be overlooked
- Average haul lengths in truckloads have been falling for ~20 years, digital tracking and lifestyle has materially reduced number of long-haul drivers over the last few years and while recent spike in spot rate prices are receding, contractual rates expected to have double digit increase which will result in shippers continuing to develop regional distribution networks with Inland Ports being developed for shorter drays increasing rail traffic (Exhibit 7)

Rail Freight Intermodal Traffic – Exhibit 7



Source: Bureau of Transportation Statistics

- Continuing consumer demand for short delivery windows will need to be balanced with increased focus on traffic and environmental impact
- Largest Industrial REITS and Funds strongly desire finished core product, but land held for development continues to be small percentage of NAV leaving development opportunities fragmented

Market Opportunity: Industrial

Grandview Perspective:

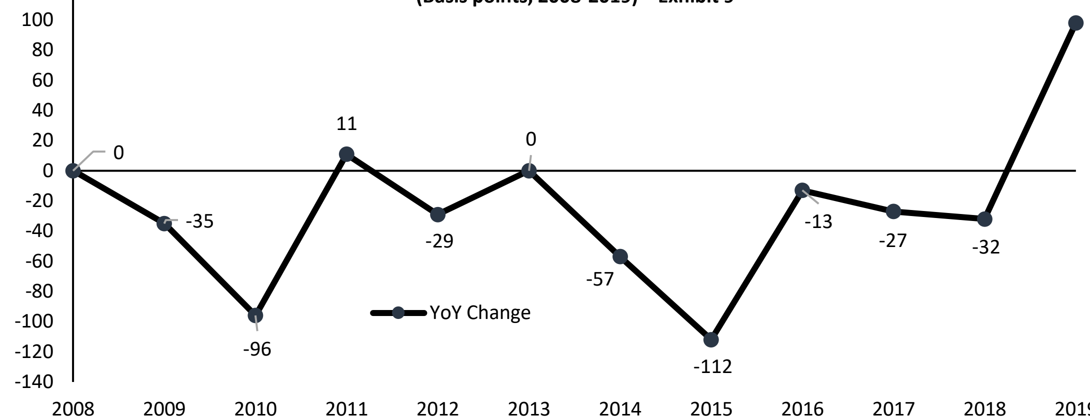
- While Real Estate costs reflect 3%-6% of logistical spend, Labor at 15%-25% is far more impactful to a distributors margin
- Inventory-to-sales ratio are tighter in the aggregate than pre-COVID, but high variability based on industry sector needs to be monitored in evaluating actual space needs by market –Apparel and Electronics have very different space needs than Lumber and Automotive (Exhibit 8)
- Term "Reshoring" prevalent pre-COVID but was a trend that has been happening for last few years and moved materially in 2019 and one that can be expected to continue given global volatility as well as perhaps increased corporate tax parity (Exhibit 9)

Inventory-to-Sales Ratio - Exhibit 8

IS RATIO			
	Jan-21	**Jan-20**	**YoY Change**
Petroleum	0.55	0.53	5.10%
Chemicals	1.35	1.3	3.80%
Drugs	1.13	1.11	1.60%
Food & Beverage	0.96	0.97	-0.60%
Electronic Products	1.31	1.34	-2.30%
Paper	1.03	1.06	-2.80%
Metals	1.73	1.79	-3.50%
Hardware	2.02	2.1	-4.00%
Furniture	1.3	1.38	-5.40%
Equipment	1.47	1.59	-8.10%
Machinery	2.32	2.53	-8.50%
Apparel	1.93	2.17	-11.10%
Lumber	1.25	1.43	-12.90%
Miscellaneous	1.33	1.53	-12.90%
Automotive	1.44	1.73	-16.50%
Diversified Retail	1.19	1.43	-16.80%
Total Business	**1.26**	**1.38**	**-8.7%**

Source: U.S. Census Bureau

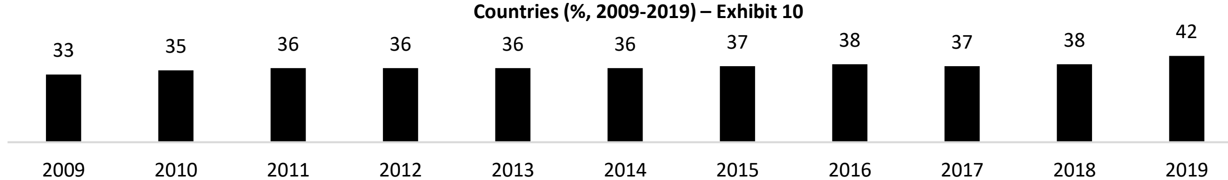
Year-Over-Year Change in the US Manufacturing Import Ratio (MIR) (Basis points, 2008-2019) – Exhibit 9



Source: U.S. Census Bureau

- Given global labor base, Reshoring will be measured but shortening the supply chain can reduce volatility while taking advantage of cheaper labor as seen in pre-COVID trend with Mexico (Exhibit 10)

NTFR=Total Manufactured Goods Imports from Mexico as % of Total Manufactured Goods Imports From Asian LCC Countries (%, 2009-2019) – Exhibit 10



Note: NTFR is near-to-far trade ratio, LCC is low-cost country.
Sources: United States International Trade Commission, United States Department of Commerce Bureau of Economic Analysis, Kearny Analysis

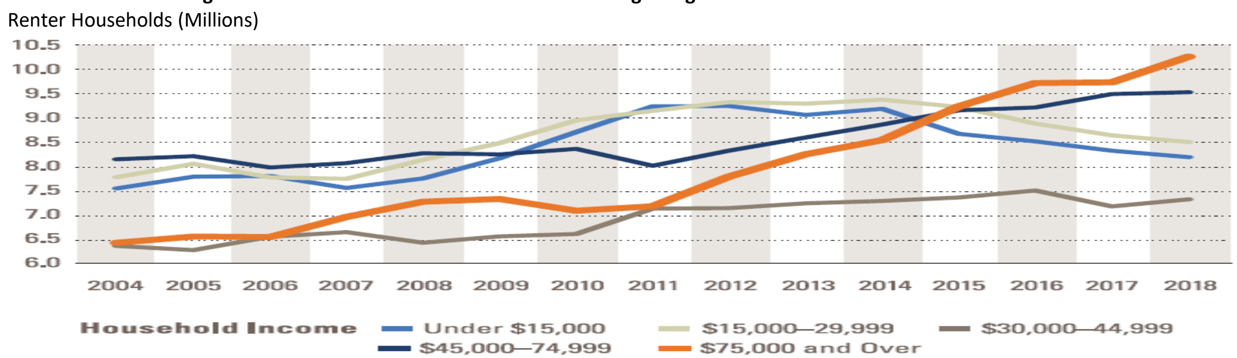
- The "Last Mile" is an important mile but not the only mile in an ever-expanding supply chain, box trucks and drones are great, but goods still need to be broken down particularly in light of increased bulk shipments of basic commodities which had the highest demand in the current crisis
- For an asset type with strong secular tail wind, tremendous Investor appetite but short development pipeline opportunities need to be evaluated bottom-up market-by-market mile-by-mile

Market Opportunity: Residential

GRANDVIEW PARTNERS

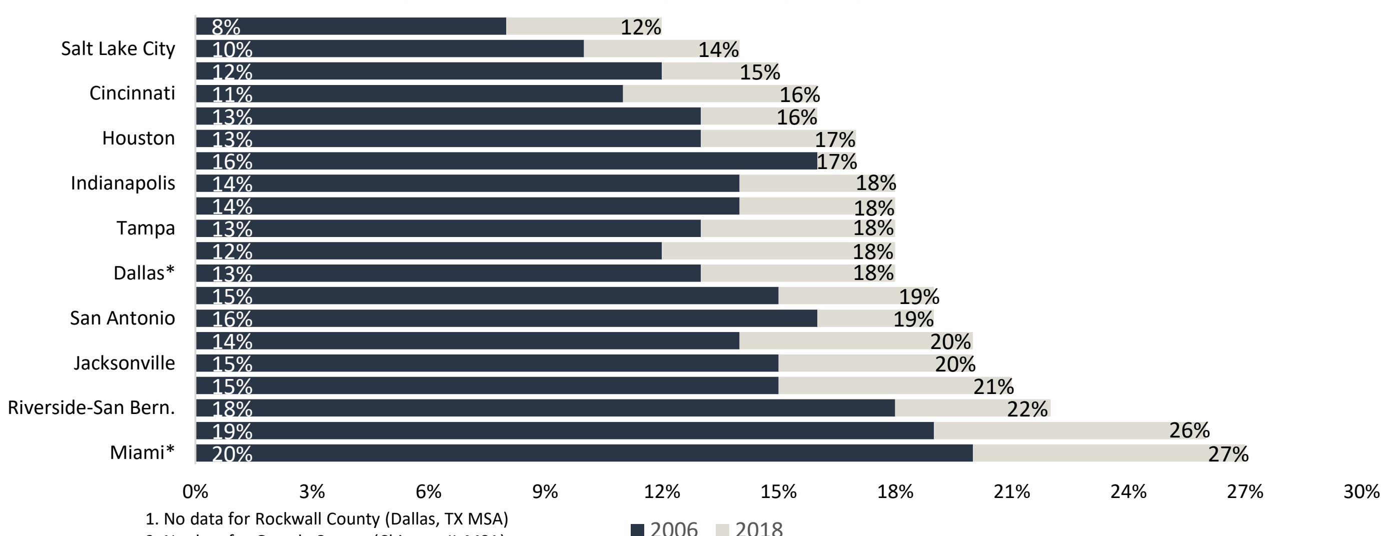
- Housing needs and mentality have changed significantly since the GFC
  - Psychological - Scars of previous downturn and desire for greater flexibility have maintained level of uncertainty for many middle-income households in re-entering the ownership market making them a larger component of the rental market (Exhibit 11)
  - Physical-Increased acceptance of Single Family as rental product – currently ~12% of housing stock nationally with material pickup over the last decade in some the fastest but growing markets (Exhibit 12)

High-Income Households Have Become a Much Larger Segment of the Rental Market – Exhibit 11



Note: Household incomes are adjusted for inflation using the CPI-U for all items.
Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates, John Burns Real Estate Consulting, LLC smoothing of Moody's Analytics data.

Single-Family Rental Homes as a Percentage of All Occupied Single-Family Homes - Exhibit 12



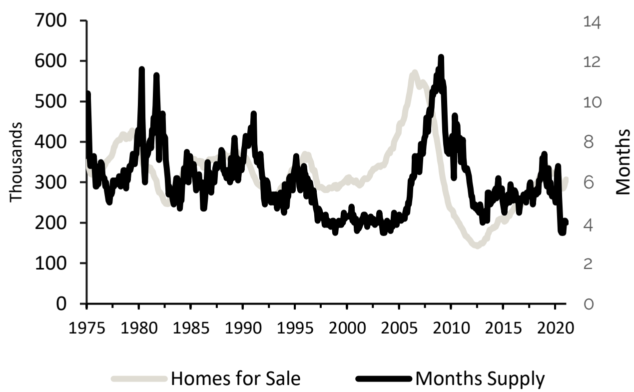
1. No data for Rockwall County (Dallas, TX MSA)
2. No data for Grundy County (Chicago, IL MSA)
Includes attached and detached homes
*Metropolitan division, **Combination of metropolitan divisions. Source: U.S. Census Bureau, John Burns Real Estate Consulting, LLC.

Market Opportunity: Residential

GRANDVIEW PARTNERS

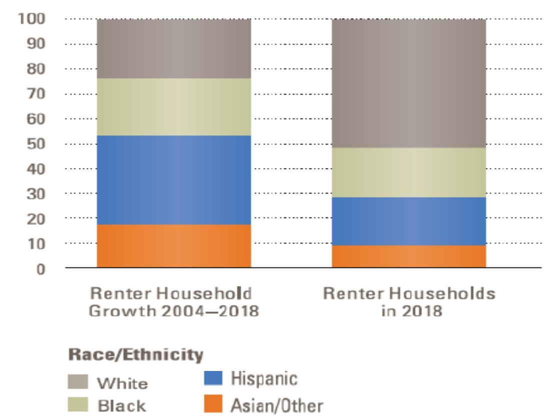
- Cultural - Recent norms resulted in later and smaller households' newest entrants with many older households aging in place in more dated stock, squeezing inventory post GFC and dramatically pre-COVID (Exhibit 13)
- Demographics-International Immigrants have higher rentership rates in their respective markets than domestic transplants (Exhibit 14)
- Fiscal –Transitory labor, low saving environment (putting aside recent forced savings), and increasing student debt will continue to make financial viability more challenging for new homeowners accelerating pre-exiting geographic relocation
- Regulatory-Increased scrutiny at the state and local level looking to decrease stigma and amenities offered between historic affordable dense vertical living and higher end horizontal living
- While some of the recent COVID spike is abating ownership, it had been trending upward across all age cohorts (Exhibit 15)

New Homes Inventory Exhibit - 13

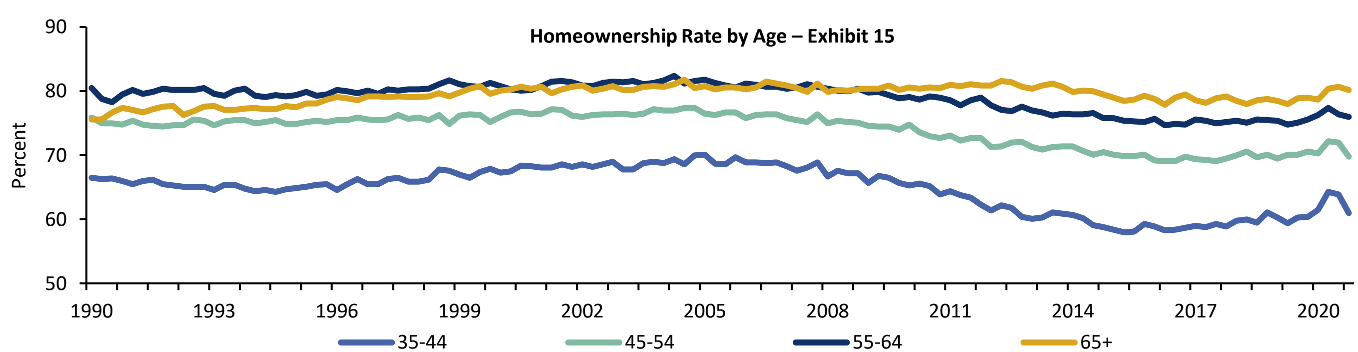


Source: The Linneman Letter

Renters Are Increasingly Likely to Be Minority Households – Exhibit 14



Source: JCHS tabulations of U.S. Census Bureau, American Community Survey 1-Year Estimates.

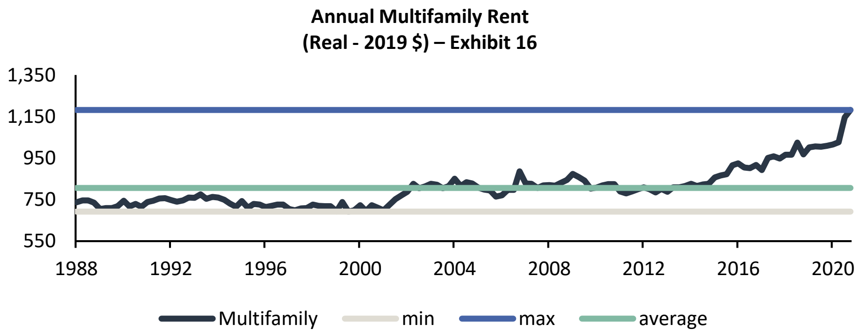


Source: The Linneman Letter

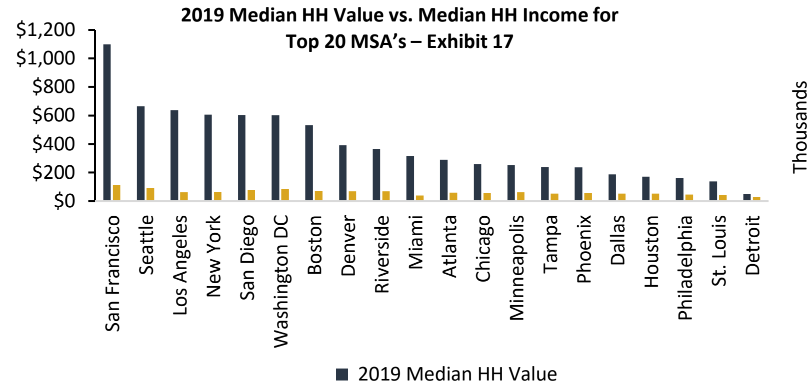
Market Opportunity: Residential

GRANDVIEW PARTNERS

- Even post-COVID fourth quarter 2020 rents stood at $1,182 which is 47% above the mean and a record high (Exhibit 16)
- Affordability issues pre-COVID were driving increased rent regulation and scrutiny at both the state and local level in markets across the country, particularly in Gateway markets driving up land value and development costs in those markets
- Affordability issues as relevant in "for sale" market as they are in the rental market with home prices far outstripping income in top 20 MSA's (Exhibit 17)

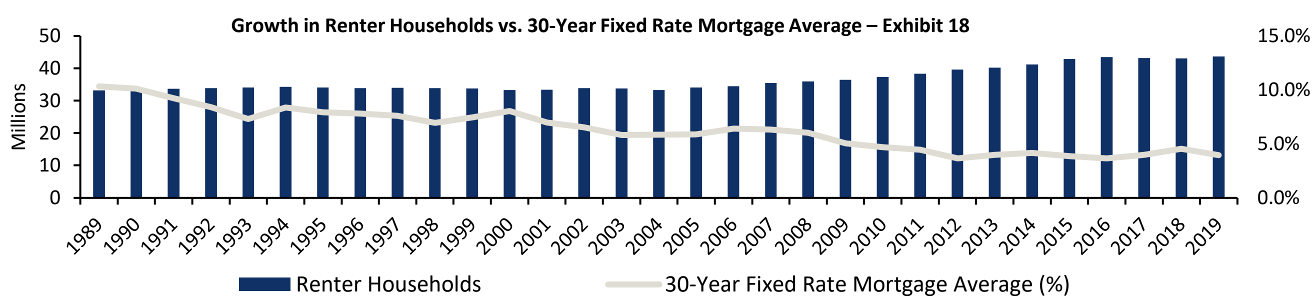


Source: US Census



Source: US Census

- Despite strong fundamentals, Banks and National Builders are unable and unwilling to fund horizontal infrastructure for lot development, restricting supply
- The focus of increasing Millennial demand post-COVID is relevant, but predecessor and successor cohort have different perspective and purchasing power
- Technological and medical innovation will result in more aging at home limiting turnover of inventory while also requiring more practical space needs for older consumers
- In-spite of lower trending mortgage rates, renter occupancy has either held steady or increased (Exhibit 18)
- SFR is growing physically as an asset class but only 2% institutionally-owned and the vast majority of that fragmented physically



Sources: JCHS Tabulations of U.S. Census Bureau, Housing Vacancy Surveys, St. Louis Fed.

- International and domestic migration trends in markets may require similar physical housing needs but different ownership perspective
- Need to differentiate "signal" of long-term demographic shifts given cost of living versus "noise" of forced savings and temporary relocation. Approach with top-down market selection and bottom-up product selection

Industrial: Market-by-Market, Mile-by-Mile

GRANDVIEW PARTNERS

Lakeland-Large Format Distribution-Longest Reach with Labor to Service it

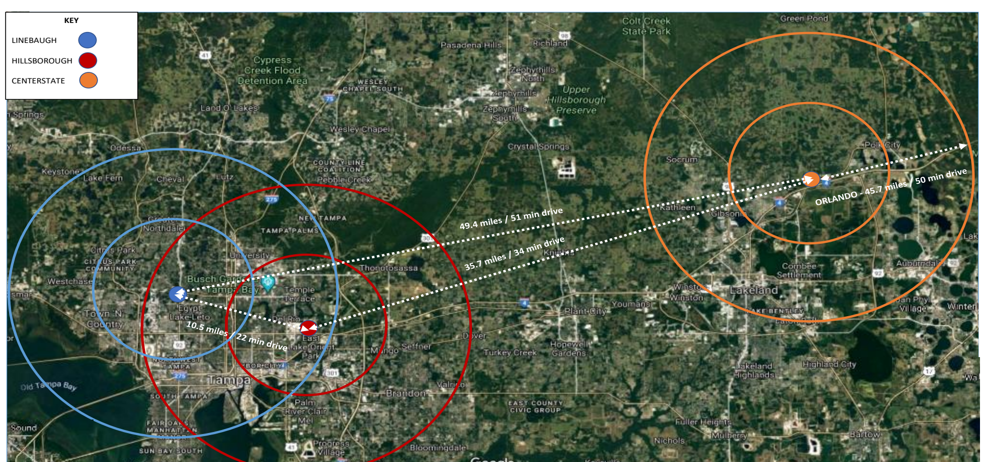
- LOCATION – Midpoint of 84 mile I-4 corridor, equidistant between Tampa and Orlando, two of the fastest growing US markets and geographically as large as the Atlanta MSA
- DEMOGRAPHICS/HOME VALUE - 5-mile Radius has $186,000 Median Home value, 16% cheaper than Tampa MSA
- DEMOGRAPHICS/POPULATION GROWTH - 2.3% per annum population growth over the next five years is the highest of the three submarkets
- BUSINESS CLIMATE - 75 businesses in Trade and Transport Services with an average of 16 employees per business, the highest average across the three submarkets
- AFFORDABLE LABOR - Central Florida hourly warehouse wage 6.3% lower than U.S. average and lowest in the nation
- CONCLUSION - Lakeland has seen 7.7 MM SF of net absorption over the last 3 years vs. 6.4 MM SF of new supply, including over a 1 MM SF delivered by GVP team

Hillsborough-Mid Size Regional Distribution-Fastest Distribution to deepest consumer pool

- LOCATION - Within a 10 Mile radius:
- DEMOGRAPHICS/LARGE POPULATION - Nearly 800,000 people and largest population base of the three submarkets
- DEMOGRAPHICS/INCOME - $75,000 average household Income put it squarely in the middle of the 3 submarkets
- DEMOGRAPHICS/AGE - Youngest median age of three submarkets and thereby most focused on modern delivery channels
- LABOR DEPTH - 475,000 daytime employees providing adequate labor base
- DEMAND DEPTH - $6.7B in total consumer spending
- CONCLUSION - after acquiring and anticipating building 300,000 SF distribution facility, executed a lease with Amazon for a 141,360 SF Last-Mile Distribution Facility with 700 electric charging stations. Higher PSF basis and required exit were an initial concern, but research indicates that buyers do not balk given attractive term and credit

Linebaugh-Small Format Flex/Distribution-Service the demographic that can pay for it

- LOCATION - Extremely constrained airport submarket that has not seen new development since 2007. Within a 10 Mile Radius:
- DEMOGRAPHICS - Highest Home value and Household Income of three submarkets and above overall Tampa MSA
- LABOR MATCHING DEMAND - Smaller daytime employment base versus Hillsborough ~10 employees per business which is equivalent to Hillsborough indicating strong business activity
- DEMAND DEPTH - $7B in consumer spending the highest of the three submarkets equivalent to Hillsborough but 7% higher on a per capita basis indicating higher purchasing power which comes with higher service expectations
- CONCLUSION - developing last mile flex/service distribution while having discussions with potential cold storage operators to service more affluent demographic



Industrial: Market-by-Market, Mile-by-Mile

GRANDVIEW PARTNERS

Forney- Large box to service a new node by leveraging both labor for service and rooftops for consumption

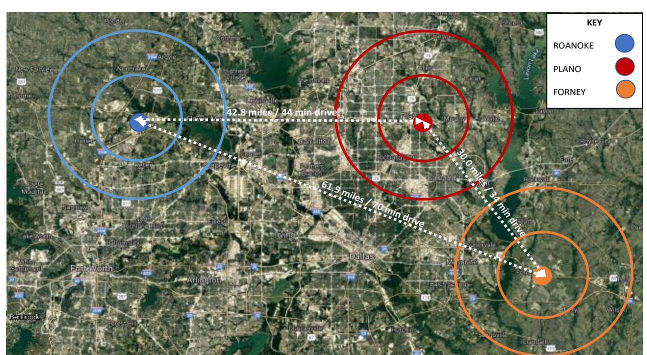
- LOCATION - Within a 10 Mile Radius:
- DEMOGRAPHICS/POPULATION GROWTH - 4% population per annum growth rate over the last decade and 2.7% per annum projected over the next 5 years
- DEMOGRAPHICS/HOME OWNERSHIP - 81% of the housing is owner-occupied indicating residency permanent in nature versus transitory
- DEMOGRAPHICS/AFFORDABILITY - Average Household Income of $96,000 in line with MSA but average home value of approx. $200,000. Less than other 2 submarkets and greater MSA
- LABOR - Aggregate population and daytime employee count is smaller than other two submarkets but employee count per business particularly in trade and transport in line with other submarkets indicating elastic labor availability
- CONCLUSION - As a result developing a 900,000 SF large format distribution facility that can source adequate labor while also service exponentially expanding population base

Roanoke – Mid size box to maximize optionality and leverage regional Infrastructure commitment

- LOCATION - Site is located 4 miles from Alliance Global Logistics hub which includes one of the first all air cargo airports with trans-oceanic capability that handles over 325M pounds of cargo with multiple sorting facilities
- INFRASTRUCTURE - Multi-modal hub with BNSF and Union Pacific rail facility which handles about 1 MM lifts per year and access to 32,000 miles of rail
- ACCESS - Site is located less than 1.5 miles from 35W with direct access into Mexico and positioned for increased Reshoring activity
- LOCATION - Within a 10-mile radius:
- DEMOGRAPHICS/INCOME - $151,000 average household income and $351,000 home value highest of the three submarkets and materially higher than overall MSA
- DEMOGRAPHICS/DEMAND - Per capita consumer spending almost 15% higher than the next closest submarket
- CONCLUSION - developing a 568,000 SF distribution building positioned to service well established regional distribution and Reshoring market or affluent local consumer market

Plano- Smaller format flex to service an established market with product that meets current businesses and labor force

- LOCATION - Plano was an early northern bedroom community of Dallas that has continued to become denser and more affluent as growth has pushed further north given limited land supply. Within a 10-mile radius:
- DEMOGRAPHICS/AFFORDABILITY - Average Household Income of $108,000 and Home value of $311,000 put it slightly above overall MSA in the middle of the other three submarkets
- DEMOGRAPHICS/LABOR - 400,000 daytime employees, ~44,000 businesses, a vibrant and dynamic market with significantly higher manufacturing component than other submarkets
- DEMOGRAPHICS/SKILLED LABOR - Changing demographic has resulted in a more skilled labor force relative to the larger MSA
- DEMOGRAPHICS/DEMAND - Population base of over 1 MM people leads to aggregate consumer spending of $15B close to 3X next submarket
- CONCLUSION - Developing 7 buildings averaging 100,000 SF that can act as flex/distribution or light manufacturing to service either dense upper blue collar consumer base or skilled manufacturing base



Residential: Follow the Consumer and Match them with the Product

GRANDVIEW PARTNERS

- **Cottages at Riley**: Class A Rental For those who want and can pay for it
  - 51 miles northeast of Atlanta and adjacent to one of the fastest growing and most affluent submarkets within the Atlanta MSA
  - Within a 5-mile radius of the project
    - 3% per annum population growth over the last decade and projected to continue over the next five years
    - Median Household Income and Home Value is 5% higher than MSA indicating affordability issues related to for sale product and more favorable for rental demand
    - Median Age of 40 indicating more established consumer
  - 81% owner-occupied market where annual rent growth has averaged 3% per annum but accelerated to 7% year-over-year
  - As a result- developing 144 Unit Class A amenitized Townhouse rental for more affluent renter base

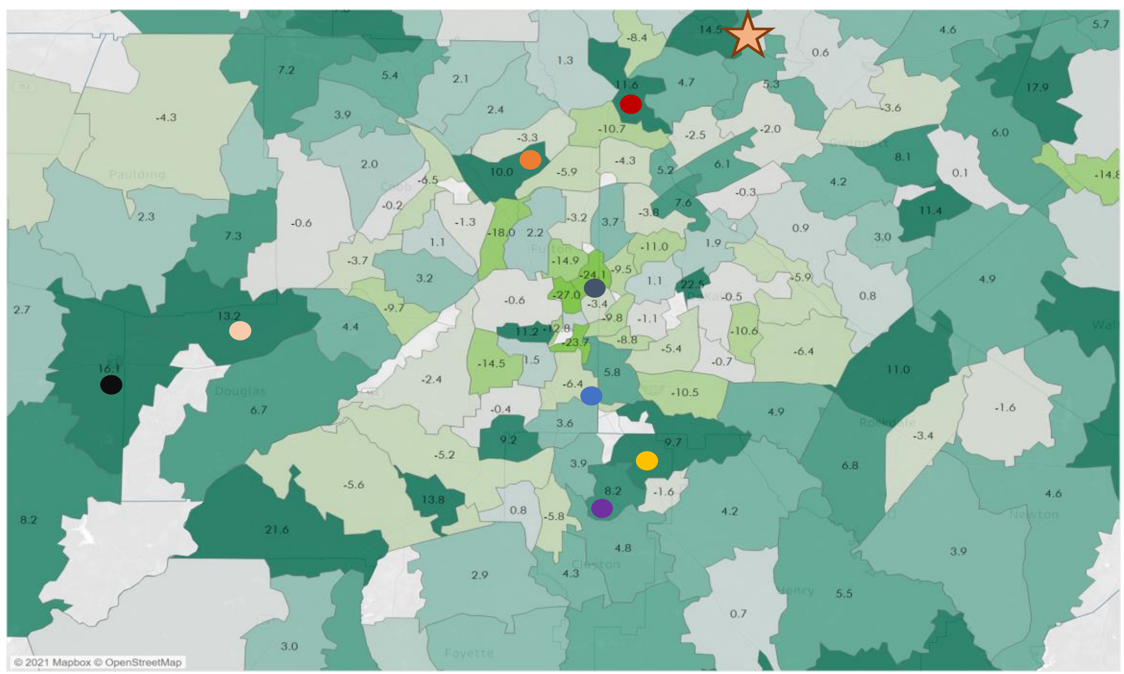
Net Move Outs (-) ⟷ Net Move Ins (+)
Impact per 1000
Index = 2020 Net Move Ins (-) 2019 Net Move Ins

USPS postal zip code address changes that allow better understanding of migration patterns. The darker the green, the more move ins in 2020 relative to 2019.

ATLANTA

KEY

- RILEY PLACE
- ATLANTA AIRPORT
- ALPHARETTA
- BUCKHEAD
- MIDTOWN
- WOODCREST
- MORROW
- LITHIA SPRINGS
- DOUGLASVILLE



Source: USPS Zip Code Data, CBRE

Residential: Follow the Consumer and Match them with the Product

GRANDVIEW PARTNERS

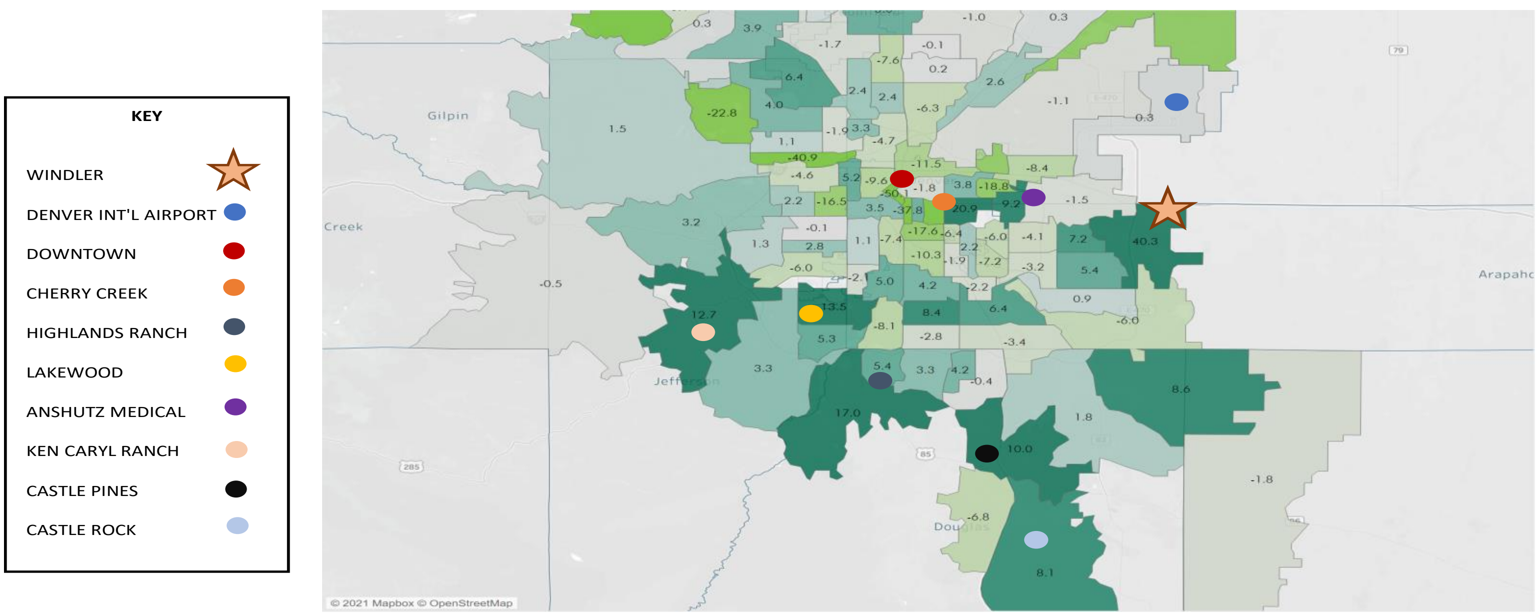
- **Windler Homestead:** 850-Acre Master Plan providing Optionality for large consumer base
  - Located in submarket of Denver showing highest net move-in rate
  - Within a 5-mile radius of the project
    - 4% per annum population growth over the last decade
    - Median Household Income and Home Value of 88% and 74% of greater Denver MSA indicating better affordability
    - 80% ownership market versus 64% for greater MSA
    - Median age of 32 reflecting entry and move up households

- 4 miles from Denver International Airport and 10 miles from Anschutz Medical Center which are the largest employers in the submarket and provide deep middle and upper-middle income consumer base
- As a result- developing modern master plan delivering 4,700 lots ranging from Single Family For Sale, Single Family For Rent and Multi Family with up to 3 MM SF of Industrial to service an exponentially growing market

Net Move Outs (-) ⟵⟶ Net Move Ins (+)
Impact per 1000
Index = 2020 Net Move Ins (-) 2019 Net Move Ins

USPS postal zip code address changes that allow better understanding of migration patterns. The darker the green, the more move ins in 2020 relative to 2019.

DENVER



Source: USPS Zip Code Data, CBRE

Organization and Firm Ownership

GRANDVIEW PARTNERS


Eric Freeman
Managing Partner
(17)


Raj Menon
CEO
(18)


Jeff Usas
Managing Partner
(14)


Dean Sotter
President
(21)

Investments Team


Trevor Oliff
Director
(7)


Brandon Bass
Director
(14)


Michael Paloian
Director
(9)

Dan Sandbrink
Senior Associate
(5)


Alex Sykes
Senior Associate
(3)

Luke Lagor
Analyst
(0)


Alicia Pacheco
Associate
(6)


Suzanna Bailen
Associate
(4)


Chris Foley
Associate
(3)

Investor Relations


Bridget Bartmann
Vice President
(6)

Rosie Vitalo
Assistant
(20)

Elizabeth Lee
Assistant
(5)

Financial Reporting


Brian Orr
CFO
(5)


Carmela Morse
Firm Controller
(12)


Georgina Bodick
Cash Manager/AP Supervisor (10)


Diana Bannon
Fund Controller
(7)


Ashley Strain
Accounting Assistant
(5)

Legal & Compliance


Frank Cartolano
Managing Director
CCO Legal
(14)


Nicole Lamoreaux
Legal Assistant
(4)

Suzanne McCabe*
Human Resources
(12)

(1) (x) Reflects the number of years at Greenfield and Grandview combined
(2) Suzanne McCabe (Human Resources) is now an outsourced service provider with years of service to Grandview
(3) 12 employees in Greenwich, CT, 7 in Chicago, IL , 3 in Arlington, VA and 2 in Austin, TX

GP Equity Partner
Investment Committee

Bios

GRANDVIEW PARTNERS

Raj Menon
Chief Executive Officer
Founding Partner

Rajesh ("Raj") Menon is the CEO and a Founding Partner of Grandview and is responsible for overall investment strategy and asset management. Prior to Grandview and through Dec 2018, Raj was Chief Investment Officer at Greenfield Partners where he joined in August 2002 as a Senior Vice President. His responsibilities included management of the acquisition group's activities, identification and analysis of potential real estate investments, mezzanine finance activities, and coordinating all financing activity related to Greenfield's portfolio. Raj was a member of Greenfield's investment committee. Prior to joining Greenfield, Raj was Vice President at Greenwich Capital Markets in the Commercial Real Estate Group. His responsibilities included originating, structuring, underwriting and securitizing nearly $2 billion in bridge, fixed and mezzanine financing. Before joining Greenwich Capital, Raj was as an Analyst at CIBC in the Real Estate Finance Group. Raj began his career at Arthur Andersen's Real Estate Consulting Group.

Raj earned a BS from Binghamton University. He is a Certified Public Accountant.

Dean Sotter
President
Founding Partner

Dean is the President and a Founding Partner of Grandview and has responsibility for all accounting and reporting, as well as overseeing investor relations. Prior to Grandview and through Dec 2018, Dean was Chief Financial Officer and a principal at Greenfield where he joined in 1999. Dean was a member of Greenfield's investment and compliance committees. Prior to joining Greenfield, Dean was President and Chief Operating Officer of Heitman/PRA Securities Advisors LLC. During his six years at Heitman/PRA his responsibilities included portfolio management, investment research, client relations and compliance. Before joining Heitman/PRA, Dean was a Managing Director of JMB Institutional Realty Corporation from 1985-1992, where his duties included investor relations. Prior to joining JMB Realty, he was a Senior Tax Consultant in the Chicago office of Price Waterhouse.

Dean earned a BS from Indiana University and an MBA from the University of Chicago. He is a Certified Public Accountant

Eric Freeman
Managing Partner
Founding Partner

Eric is a Managing/Founding Partner of Grandview. Prior to Grandview and through Dec 2018, Eric served as a Managing Director in the Acquisitions Group at Greenfield which he joined in 2004. Eric's responsibilities included underwriting and analysis of potential real estate investments as well as management of new and existing operating partner relationships. Eric was a member of Greenfield's investment committee. Prior to joining Greenfield, Eric was an Investment Banking Analyst at Citigroup, Inc. in both the Mergers and Acquisitions and Real Estate and Lodging groups. At Citigroup, Eric's responsibilities included providing financial advisory and merger analysis for office, industrial, lodging, and multi-family real estate investment trusts (REITs).

Eric earned a B.S. from the Wharton School of the University of Pennsylvania.

Jeff Usas
Managing Partner
Founding Partner

Jeff is a Managing/Founding Partner of Grandview. Prior to Grandview and through Dec 2018, Jeff served as Chief Operating Officer at Greenfield where he joined in August of 2006. His primary responsibilities included identification and evaluation of new investment opportunities, asset management of Greenfield's existing investment portfolio and management of its operating partner relationships. Jeff was a member of Greenfield's investment committee. Prior to joining Greenfield, Jeff was an Associate with Landmark Atlantic Capital, a private real estate development company located in Washington, D.C. His responsibilities included asset management of the company's multifamily, office and industrial portfolio. He was also responsible for the execution of both debt and equity placement in the acquisition of new real estate investments.

Jeff earned a BBA in Finance from James Madison University.

Definitions

GRANDVIEW PARTNERS

Gross Assets Under Management includes the gross market value at the partnership level, including the partnership share of property level debt, of all real estate investments active in all funds.

Net Equity represents the aggregate of the marked equity value of real estate investments in all funds.

Portfolio wide LTV is calculated using the gross market value and debt at the partnership level of all real estate investments active in all funds.

Gross Projected IRRs are calculated based on the actual timing of all investment level cash flows (without regard to the actual timing of contributions from fund Limited Partners) using the total realized and unrealized proceeds since inception to fund close and does not reflect fees at fund level; including asset management fees, fund expenses, fund carried interest or fund level subscription line. **The projected returns are not guaranteed and the actual realized returns on unrealized investments may differ materially from the returns indicated herein.**

Net Projected IRRs are calculated based on the actual timing of all fund level cash flows to and from the fund Limited Partners using the total realized and unrealized proceeds since inception to fund close after asset management fees, fund expenses and incentive compensation. These flows reflect different timing than investment level cash flows utilized in the gross return calculation due to the use of a fund level subscription line and therefore may have a further positive or negative impact on the IRR results in different market environments. **The projected returns are not guaranteed and the actual realized returns on unrealized investments may differ materially from the returns indicated herein.**

Realized Returns include all sold investments gross cash flows.

Marked Discount Rate is the IRR of the real estate market value of the investment or fund as the initial investment outflow and the equity cash flows for future cash flows applied to investment or fund's future equity cash flows.

Catch-up: Mechanism within the distribution structure allowing the GP to receive its agreed upon split of proceeds after the Preferred Return and Return of Capital. See the Private Placement Memo for details regarding the Fund offering.

Commitments: Represents total capital committed to the Fund by the Limited Partners and General Partner.

Commitment Period: Period commencing with the Initial Closing and ending third anniversary of the Final Closing.

IRR: Calculated using the fund's share of the quarterly cash flows. Gross IRR measures the fund's ownership share of all investments quarterly cash flows before fees, fund expenses, line of credit, etc. Net IRR measures such quarterly cash flows after fees, fund expenses, line of credit, etc.

Loan to Value ("LTV"): Loan to Value calculation uses the gross market value, including all partners share of equity and debt, of all real estate investments active in all funds.

Multiple: The multiple calculations presented are based on the capital contributions, profits above those contributions and peak equity of an investment or fund. (i.e. (capital contributions + profits)/peak equity).

Peak Equity ("PE"): Highest amount of cumulative net capital contributed to the investment or fund, calculated on a quarterly basis.

Projected Returns: Projected returns are a measure of inception to liquidation returns. Gross returns measure the fund's ownership share of all investments quarterly cash flows before fees, fund expenses, line of credit, etc. Net returns measure such quarterly cash flows after fees, fund expenses, line of credit, etc. The metrics included in Projected Returns include IRR, Multiple and Profits. Negative figures represent the expected loss to capital contributed to investment or fund. See provided definitions for each.

Profits: Capital produced by investment or fund above the capital contributed to the investment or fund. Negative figures represent the expected loss to capital contributed to investment or fund.

September 28, 2021
Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

I. SUBJECT: Private Markets Investment Policy Review

II. ITEM NUMBER: 8.c.

III. ITEM TYPE: Discussion and Action

IV. STAFF RECOMMENDATION:

Expand the scope of the Private Markets Investment Policy to include private Real Assets and adopt the changes to the Private Markets Investment Policy document as presented in Attachment 1.

V. ANALYSIS:

Introduction

The private markets investment policy was originally adopted by the Board in 2018 and is up for review in 2021 as the policy requires review at least once every three years. The PM policy, while a relatively recent addition to StanCERA, is a great policy overall and has worked as intended allowing StanCERA the nimbleness to commit to a greater opportunity set of private equity and private credit managers that should increase the probability of meeting the investment goals of the program and the overall portfolio. Given that, staff set out to only consider those changes that would contribute meaningfully to the overall enhancement of the policy.

Filling the gap

Right now, StanCERA has a long-term target allocation of 33% to private markets. However, the PM policy only applies to private equity and private credit or 13% of the portfolio leaving some 20% of private market assets floating in the gap between the general investment policy and the PM Policy. The asset classes in the gap are the private real asset classes including real estate and infrastructure. The main goal of this policy update is to fill the gap.

Closed End vs Open End

Private markets are more complex to implement and some of that complexity is a consequence of how the funds are structured. StanCERA invests in closed end funds to access the private equity and private credit asset classes. These funds have a set number of years to make, grow, and harvest investments before the fund ends. They also have rigid rules around fund liquidity and commitment periods. StanCERA also invests in some closed end real asset funds. Like private equity and private credit, closed end real asset funds, require a pacing plan to implement and closer oversight is needed to ensure proper portfolio construction techniques are being followed. Closed end funds are time sensitive, meaning it may not be possible to bring a closed end fund to a Board meeting for formal approval because they have hard close dates. Because the additional implementation complexity is driven by the investment vehicle structure, it's logical to treat all private market closed end funds the same and include them under the PM policy.

StanCERA, also utilizes open end funds to access private real assets. Open end funds don't have a set end date and aren't as time sensitive as a result. Since these types of funds invest in private markets they should also be included under the PM policy. However, a distinction can be made between open end and closed end funds regarding delegated authority to the Executive Director to make commitments. Because open end funds are not as time sensitive, it is possible to bring them to the Board for formal approval before making a commitment. This distinction is reflected in the proposed PM policy changes and Executive Director authority is limited to closed end funds given their time sensitive nature.

Enhanced governance

The proposed updates to the policy, as seen in the redline version in attachment 1, were made to enhance the investment governance of StanCERA. If the changes are adopted all real asset funds will be subject to additional oversight and diligence and the percent of the total portfolio subject to the PM policy will increase to 33% from 13% filling the gap. The universe of funds StanCERA could potentially commit to will increase because it adds flexibly to the commitment process and StanCERA will retain the ability to access those managers with strict time deadlines. This is achieved by delegating authority to the Executive Director with a maximum approval level remaining at $25 Million, which the Board approved as part of the policy review in September 2018.

The update also modifies the approval process by stipulating that the Executive Director and Investment Staff must be in agreement before approval. This change adds additional controls and avoids delegating too much power to a single individual and reduces any potential conflict of interest. While the total percent of the portfolio subject to the PM policy will increase to 33%, the authority delegated to the Executive Director with agreement of investment staff to make commitments is limited to closed end funds or approximately 19% of the total fund. The changes should enhance risk management and expand the opportunity set of managers to choose from that together will improve the probability of meeting the investment goals of the program and the fund.

Attachment 1: Redline version of proposed PM Policy Changes.

VI. RISK: None

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT: None

Stanislaus County Employees' Retirement Association

Private Markets Investment Policy Statement

Adopted: September ~~25~~28, ~~2018~~2021

Table of Contents

1. Scope

This Private Markets Investment Policy ("PM Policy") governs all investments in the private equity, ~~-~~private real assets, and private credit ~~-~~asset classes~~-~~made by StanCERA. The PM Policy is subject to all provisions of applicable law and the applicable limitations and requirements of StanCERA's Investment Policy Statement ("IPS") and related directives and procedures. If there is any conflict between this PM Policy and StanCERA's IPS pertaining to investments in the Private Markets asset class, the PM Policy prevails.

The StanCERA Board ("Board") reserves the right to amend, supplement, or rescind this PM Policy at any time. This PM Policy is a living document and changes will be made from time–to-time to reflect experience, evolving investment products, and opportunities and changes in the economic and capital market environment.

2. Purpose

The purpose of this Policy is to 1) set forth the private markets policies and guidelines which are deemed to be appropriate and prudent; 2) establish criteria against which private markets opportunities are to be measured; and 3) serve as a review document to guide the ongoing oversight of StanCERA's Private Markets Portfolio ("PM Portfolio") on a consistent basis. The Policy also defines roles and responsibilities of the Board, the StanCERA Investment Staff ("Investment Staff"), the StanCERA ~~PM~~ general and/or specialty PM Consultant ("Consultant"), and the Investment Managers ("Investment Managers") hired by StanCERA to manage its assets. For purposes of this policy, "Investment Staff" shall be defined as the Executive Director and anyone in the Retirement Investment Officer classification.

3. Governance

The delineation of roles and responsibilities is important for effective administration of StanCERA's PM Portfolio. The duties and responsibilities of the Board, Investment Staff, Consultant, and Investment Managers are as follows:

A. Board

The Board retains responsibility for approving this PM Policy and approving the annual investment plan of StanCERA's PM Portfolio. The Board, with input from Investment Staff and Consultant, shall review this PM Policy to determine whether amendments are necessary. The Board also retains responsibility for reviewing and approving all Private Markets investments with individual commitments exceeding Investment Staff's delegated authority as described in paragraph B.

B. Investment Staff

The Executive Director shall be responsible for oversight of StanCERA's PM Portfolio. Investment Staff's responsibilities shall include:

1. Developing and recommending all necessary changes to this PM Policy with input from Consultant;
2. Developing and maintaining specific procedures, if necessary, to comply with the approved PM Policy;

3. The Executive Director with agreement of Investment Staff shall be permitted to approve Consultant's Private Markets investment proposals (both new proposals and "re-ups" with existing managers) with each individual commitment up to 5~~10~~% of the target allocation of the total PM Portfolio or $25 million (whichever is lesser) to closed end managers upon completion of a thorough and satisfactory due diligence process ~~in good standing upon completion of a thorough review and due diligence process with satisfactory results~~. Investment Staff and Consultant shall provide the Board with reports as described in Appendix I and Appendix II.
4. Monitoring the PM Portfolio for performance and compliance with this PM Policy;
5. Monitoring the performance of the underlying Investment Managers and their compliance with a) the investment guidelines as set forth in their respective contracts; b) this Policy; and c) applicable requirements of StanCERA's IPS, Directives, and Procedures;
6. Conducting annual reviews of StanCERA's PM Portfolio;
7. Reporting to the Board any violations of the PM Policy with appropriate recommendations;
8. Assisting StanCERA's counsel in contract negotiations with the selected Investment Managers;
9. Evaluating Private Market investment opportunities with Consultant's input on an on-going basis; and
10. Evaluating and making recommendations for retention and termination of Investment Managers.

C. **Consultant**

The Consultant is hired by the Board as a fiduciary to StanCERA. Consultant shall independently and continuously monitor and analyze the performance of StanCERA's PM Portfolio and make related recommendations to serve the best interests of the Plan. Consultant shall assist Investment Staff in developing this PM Policy and recommending all necessary changes to it. Consultant shall also be responsible for the following:

1. Analyzing the asset allocation of the PM Portfolio by type, implementation vehicle, geography, industry, and vintage year, and making recommendations for reallocation of assets, as appropriate;
2. Developing an investment plan for StanCERA's PM Portfolio every 1 to 3 years;
3. Developing a search strategy for highly qualified Private Markets investments and maintaining a robust database containing information on Investment Managers;
4. Recommending highly qualified Private Markets fund investments to Investment Staff and/or the Board upon completion of a thorough due diligence process and providing the required reports listed in the Appendix I of this PM Policy to Investment Staff;
5. Ongoing monitoring of the investment performance of StanCERA's PM Portfolio and individual investments in the Portfolio;
6. Conducting ongoing due diligence of Investment Managers, notifying StanCERA of any significant developments and adverse events and providing analysis and advice on such issues;

7. Ongoing monitoring of Investment Managers' compliance with a) their respective investment guidelines as set forth in their contract; b) this PM Policy; and c) applicable requirements of StanCERA's IPS, Directives, and Procedures;
8. Assisting Investment Staff in contract negotiations with the selected Investment Managers;
9. Making recommendations for retention or termination of Investment Managers;
10. Attending meetings as needed; and
11. Performing other duties in accordance with the terms of its contract and applicable State and Federal law.

D. Investment Managers

Investment Managers are fiduciaries and shall prudently manage StanCERA's assets in the best interest of StanCERA and its members. Investment Managers shall abide by all applicable policies and procedures established by StanCERA, and fully comply with applicable law. Investment Managers shall be responsible for compliance with a) the specific investment guidelines as set forth in their respective contracts; b) this PM Policy; and c) applicable requirements of StanCERA's IPS, Directives, and Procedures. Investment Managers shall be responsible for all aspects of portfolio management as set forth in their respective contracts with StanCERA. They shall also:

1. Communicate with Investment Staff and/or Consultant promptly regarding investment strategy, investment results, and any non-conforming issues that may have significant and/or negative impact on the portfolio;
2. Cooperate fully with Investment Staff, Consultant, StanCERA's custodian, and other StanCERA vendors concerning requests for information;
3. Submit reports to Investment Staff and Consultant in accordance with their contract terms; and
4. Attend meetings as needed, either in-person or ~~via conference call.~~electronically.

4. Objectives of investing in Private Markets

The Board believes the Fund's overall returns can be enhanced, on a risk-adjusted basis, by investing a portion of its assets in private equity, ~~and~~ private credit and real assets. The strategic objective of such investments is to generate returns superior to those available in the public equity and credit markets to compensate for the long-term and illiquidity associated with private investing.

The Board recognizes that performance of investments in private equity, ~~and~~ private credit, and real assets may be difficult to measure during the first several years and possibly longer. However, this PM Policy establishes ongoing monitoring and reporting duties for each investment and for the PM Portfolio as a whole. These duties are designed to address these challenges and are described in detail later in this PM Policy.

Portfolio construction will be designed to produce a diversified mix of returns, subject to the guidelines and constraints outlined under each sub-category. Diversifiable risks associated with this Portfolio include position in the capital structure, the timing and amounts of cash flows, the size of the individual investments, and their sensitivities to business cycles. The risks associated with Private Markets will be viewed within the context of the entire Fund.

5. Strategic Allocation to Private Markets

The long-term target allocation to~~ the~~ Private Equity,~~ and~~ Private Credit, Real Estate, and Infrastructure asset classes are~~is~~ measured by market value of the investments (not by dollars committed to the investment strategies). As portfolio construction shall be driven by careful manager selection, and due to the illiquid nature of investments, the allocation to Private Markets can range from 0% to ~~18%~~50%, with exposure to sub-asset classes as follows:

	Allocations as a percent of total plan assets		
	Min	Target	Max
Private Equity	0%	5%	8~~.0~~%
Benchmark: Russell 3000 + 3%			
Buyouts	0%	3.5%	5~~.0~~%
Venture Capital	0%	1.5%	3~~.0~~%
Private Credit	0%	8%	10~~.0~~%
Benchmark: S&P / LSTA Leveraged Loan Index + 2%			
Direct lending	0%	5%	6~~.0~~%
Special situations	0%	3%	4~~.0~~%
Real Estate[1]	0%	12.5%	20%
Core Real Estate	0%	6.5%	10%
Benchmark: NCREIF Property Index			
Value Add Real Estate	0%	6%	10%
Benchmark: NCREIF Property Index + 2%			
Infrastructure[1]	0%	7.5%	12%
Benchmark: CPI + 5%			

While the target allocations outlined above will be used to ensure consistency with the investment program's strategic asset allocation, the range between the minimums and maximums may be used to improve the risk and return positioning based on an assessment of the relative attractiveness of all available opportunities.

As commitments and investments are expected to be made over time, the Private Markets Portfolio is expected to reach and maintain its long-term target allocation within 4-6 years (subject to availability of quality managers and general market conditions) from the most recent date of change in allocation targets.

While both closed end and open end funds can be suitable for each asset class covered by the PM policy, the majority of Private Equity and Private Credit commitments will be to closed end funds. Allocations to the Real Estate and Infrastructure asset classes will include both open end and closed end funds. Approximately 6% of the total plan assets are targeted to be allocated to closed end real estate and infrastructure funds.

Over commitment. Because timing of both contributions and distributions is at the discretion of each private fund manager, commitments do not equal money at work. In order to reach target allocations, it is, therefore, necessary to commit more than the stated target of ~~13%~~ 33%to reach the Plan's target exposure within the four- to six-year timeframe. Pacing studies are effective tools to manage the level of over commitment. At times, particularly during corrections in public equity markets, it is possible that the Plan's level of over commitment may result in the allocation to private markets exceeding the maximum of 50%~~18%~~. If such a situation were to arise, the pacing study would, ~~if possible,~~ likely reflect lower future allocations until the Plan's exposure returns to appropriate levels.

6. Guidelines

StanCERA will gain exposure to private markets investments by hiring external investment managers either directly or through participation in secondary markets. Typically, the Plan will subscribe as a limited partner to limited partnership vehicles sponsored by specialty external investment managers.

The Private Markets Portfolio is to be diversified over 4 to 6 years from the most recent date of change in allocation targets as follows:

A. **Sub-asset class**

The private markets sub-asset classes include private equity buyout strategies, venture capital, and debt-related / special situations strategies. The target allocations and ranges are outlined in the Strategic Allocation to Private Markets section.

B. **Vintage year**

It is expected that roughly equal amounts of new funding will be committed in each calendar year, with deviations permitted to accommodate market opportunities and to facilitate initial entry into the asset class.

C. **Investment manager**

No more than 20% of the target allocation to the private markets may be committed to any one investment manager.

D. **Geography**

While the investments made by each investment strategy will be governed by the investment guidelines corresponding to each strategy, the overall private markets exposure is expected to have the majority of its investments domiciled in the United States and Canada.

E. **Sector**

As noted in the Strategic Allocation to Private Markets section above, it is expected that the Private Markets exposure will be diversified by sector as follows:

1. BUYOUTS

   Buyout investments typically involve the purchase of a control position (primarily majority positions, with some minority positions) in an established, privately held company. Investments are typically made in years one through three and returns typically occur in years three through six of the limited partnership.

   No more than 35% of the target value of capital invested of the buyout portfolio may be invested in a single sector of the domestic or international economy.

2. VENTURE CAPITAL

   Venture Capital investments are typically made in privately-held companies at varying stages of development. Investments are often made in years one through five and returns typically occur in years four through ten of the limited partnership. Depending on stage or risk profile of investments, a large portion of investments may result in losses, while a few provide substantially outsized returns. Other types of Private Equity Investments with similar risk/return profiles may be considered ~~for the Fund~~ under this category.

   No more than 50% of the target value of capital invested in the venture capital portfolio may be invested in a single industry within a particular sector.

3. PRIVATE CREDIT

   Private Credit investments are highly negotiated, private debt investments in middle market companies through a variety of transactions including growth financings, recapitalizations, and acquisition-related financings. Investments are typically made in years one through three of the partnership with a high level of current income. Special Situations investments can encompass any variety of private investments in debt or equity, typically to generate returns from the turnaround or dissolution of stressed and distressed assets, including opportunistic real estate investments.

   The ~~portfolio~~ plan's commitment will not represent greater than 20% of a single fund.

4. REAL ESTATE

   Real Estate investments are typically made in private commercial real estate assets in the office, multi-family, industrial, retail, medical, and self-storage property types. Typically, investments are made in years one through four. Closed end real estate funds are more likely to focus on value add or opportunistic strategies where capital appreciation is the largest driver of total return.

   No more than 35% of the target value of capital invested in real estate may be invested in opportunistic real estate investments.

5. INFRASTRUCTURE

Infrastructure investments are made in facilities and essential services necessary for the functioning of a modern society. Infrastructure assets usually exhibit stable cash flows and high barriers to entry. Infrastructure funds follow various strategies including taking debt and/or equity positions. Infrastructure assets are generally long-lived assets and the fund life may extend longer than other private market investments.

No more than 35% of the target value of capital invested of the infrastructure portfolio may be invested in a single sector of the domestic or international economy.

7. Due diligence process for Private Markets Investment Selection

StanCERA recognizes that a proper due diligence process is essential to control the risks associated with Private Markets investments and, therefore, establishes the following due diligence processes for both its Consultant and Investment Staff:

Consultant

A. Consultant shall conduct extensive, documented due diligence before making any Private Markets investment recommendations to Investment Staff and the Board. Consultant shall involve Investment Staff in the due diligence process, as necessary. Duties of the Consultant include:

- Assess the reputation of the individuals who manage the investments, consider background checks, internet searches, and in-person meetings or conference calls with these individuals, etc.;
- Conduct on-site visits to the offices of the Investment Managers;
- Check references from other investors that have invested in these investments, and, when advisable, from competitors;
- Determine that the investment funds are audited, at least annually, by a reputable and recognized external independent auditing firm;
- Review Investment Managers investment strategies, policies, operating procedures, and historical performance;
- Review and understand the valuation procedures employed by the Investment Managers;
- Review business terms of all legal agreements and other related documents for the investments under consideration, such as offering memorandum, legal agreements, and Forms ADV, as available;
- B. Review the investments for potential exposure to Unrelated Business Taxable Income (UBTI); and
- Assess what exit strategies exist to liquidate existing investments owing to poor performance and, if necessary, to avoid future investments in similar funds

Investment Staff

Investment Staff shall ensure that Consultant has conducted extensive, documented due diligence on all Private ~~Equity~~ Markets investment proposals recommended to Investment

Staff and the Board. Investment Staff shall participate in Consultant's due diligence process when appropriate and shall also be responsible for:

- Reviewing the comprehensive analysis report prepared by Consultant on its recommended investments;
- Verifying the compliance of each recommended investment with this PM Policy, the annual investment plan for StanCERA's portfolio and other applicable investment policies;
- Discussing all issues related to the recommended investments with Consultant and if necessary, with Investment Managers;
- Arranging presentations of select investment opportunities to the Board as described under Section 3.B.3;
- Conducting an on-site due diligence visit to each manager's headquarters office when necessary and practicable; and
- Completing Appendix II of this document for each proposal.

8. Portfolio Monitoring

In addition to the portfolio monitoring responsibilities outlined in the IPS, the Consultant and Investment Staff will closely monitor and analyze the PM Portfolio so that the strategic objective of the Portfolio can be met.

Investment Managers shall submit all reports to Investment Staff, Consultant, StanCERA's custodian, and other StanCERA vendors in accordance with their respective contracts.

9. History of Policy Revisions

POLICY APPROVAL DATE: September 25, 2018
Revised: September 28. 2021

Policy Review

This Board shall review this policy at least every three years.

Reviewed and amended by the Board of Retirement

Rick Santos, Executive Director

Approval/Adoption Date:_9/28~~5~~/2021~~18~~________

Appendix I

List of Reports Required for Each Investment Recommendation/Approval

Report	Source
Recommendation/Approval memo	Investment Staff
Recommendation/Approval memo	Consultant
~~Executive Summary of the Fund~~	~~Consultant~~
Compliance Checklist	Investment Staff
Comprehensive Due Diligence Report with Executive Summary (available to Trustees upon request due to confidentiality)	Consultant
Manager Pitchbook	Investment Manager

Investment Staff will provide an abbreviated Executive Summary Report that is available for review upon request by the Trustees.

Appendix II

Executive Summary Report [Template]

[Fund Name]

Section I: General Information
Fund Name; Total AUM of the Firm; Current Target Fund Size; Previous Fund Size; Fund Focus; etc.

Section II: Investment Management
Organization Structure; Management Group; Experience; Personnel Turnover; etc.

Section III: Investment Strategy
Investment Philosophy; Investment Strategy; Investment Process; Investment Objective; etc.

Section IV: Risk Management
Risk Control Methodology; Exit Strategy; etc.

Section V: Investment Rationale

Section VI: Investment Concerns

Section VII: Performance (example)

Benchmark:

Performance History	YTD	1-yr	3-yr	5-yr	Since Inception
Fund					
Benchmark					
Out/(under)performance					

Section VIII: Key Terms

Fund Term; Preferred Return; Investment Period; Management Fee; Other Fees; General Partner Carry; GP Commitment; Advisory Board; Clawback; No-Fault Divorce; Key-Person Events; Closing Schedule; Drawdown Schedule; etc.

List of items to be addressed as appropriate.

September 28, 2021

Retirement Board Agenda Item

TO: Retirement Board

FROM: Due Diligence Committee

I. SUBJECT: Annual Due Diligence Trips

II. ITEM NUMBER: 9.a

III. ITEM TYPE: Discussion and Action

IV. COMMITTEE RECOMMENDATION: Direct the Due Diligence Committee to meet at least once a year or whenever conditions warrant, to decide which managers, if any, to perform due diligence on. Approve resulting recommended changes to StanCERA's bylaws and Investment Policy Statement

V. ANALYSIS: The Due Diligence Committee is recommending revamping the way annual due diligence trips are carried out. Currently, the process, which has been in place for many years, requires the Due Diligence Committee to perform on-site visits on each StanCERA investment manager every 4 years. This process in its current form is becoming unsustainable. Today, StanCERA employs approximately 35 managers which means the Committee and staff would have to meet (or travel) with 8 to 9 managers each year. This number will continue to grow as StanCERA and its assets under management continue to do so as well.

Currently, there are several lines of defense that StanCERA uses to monitor our stable of investment managers. Internal staff (Executive Director and Investment Officer) for the most part, are in regular contact with most managers. The Investment Officer spends approximately 30% of his time doing this type of outreach and communication. This communication also includes StanCERA investment consultants and its investment legal resources. Anything of concern is brought to the Executive Director's attention and if warranted, the Board of Retirement.

StanCERA also has 2 external sources of monitoring by its primary investment consultant, NEPC and its private markets consultant, Verus. As such, there are several "sets of eyes" on all of StanCERA managers at all times. Consequently, in some respects, the current due diligence process is redundant.

However, staff does not think the entire process should be abandoned. There are issues that StanCERA should continue to monitor and inquire about that are not typical diligence topics and which the Organization has taken up over the past several years. Often overlooked in diligence processes today are inquiries into and reviews of Organizational infrastructure issues such as Information Technology, oversight, compliance and data security.

Finally, there are approximately 10 managers that are considered "alternative" type investments and the ability to do onsite visits can and usually is extremely limited in today's market. Additionally, alternative investments are meant to be long term, so required regular onsite visits make less sense for these managers because the cost of separation or "voting with our feet" is much higher or unadvisable because of illiquidity and the contractual nature of the funds. There may be times when an onsite may be warranted, but it would be much more efficient to make that determination on a case by case basis as issues arise.

Consequently, in light of the growth of the System's assets and the manageability of the diligence program, the Committee is recommending some changes to the way auxiliary/annual diligence is carried out.

VI. SOLUTION: The Committee is recommending to the full Board the following changes to the annual Due Diligence process:

- At least annually, or more appropriately whenever conditions warrant, staff will inform the Due Diligence Committee of potential concerns that the Organization has with the Manager.
- Staff (which includes internal and external sources) will meet with the Committee to discuss the concerns and decide how best to proceed. This could include the following:

    1. Communication with the manager(s) with a formal request for more information regarding the concern at hand. This is much like the current process whereby a formal questionnaire is sent to the manager requesting their input and solutions for addressing the concern.
    2. Staff and the Committee would then re-convene to discuss the input received and decide if further investigation is warranted.
    3. If further investigation is warranted, staff would then set up either an in-person visit or an electronic conference to discuss their concerns with the manager directly
    4. If Organizational infrastructure is the main concern, then it would be prudent to attempt to perform further diligence onsite

- The Committee would then report out directly to the full Board for further disposition or resolution
- The Committee should convene at least once a year regardless of any manager status simply to be kept informed of how the Investment Governance process is proceeding and to determine whether any changes are needed

VII. CHANGES TO BYLAWS AND INVESTMENT POLICY STATEMENT - DIRECTIVE 4, INVESTMENT MANAGER ONSITE DUE DILIGENCE VISITS: Should the full Board accept staff's recommendation, the following changes are recommended:

- *StanCERA bylaw, 1.7. Committees*. Currently, this section states "*This committee shall insure that Due Diligence visits are carried out and reports provided to the Retirement Board of investment manager and other vendor business reviews on a schedule as determined by these Bylaws and the committee".* Recommend the following change: "**This Committee shall insure that Due Diligence is carried out and reports provided to the Retirement Board of investment manager and other vendor business reviews on a schedule as determined by the Committee and as described in StanCERA's Investment Policy Statement, Directive #4**"

- *Investment Policy Statement – Directive #4 – Investment Manager Onsite Due Diligence Visits.* Attachment 1 contains a red-lined version of the recommended changes

VIII. RISK: None

IX. STRATEGIC PLAN: N/A

X. ADMINISTRATIVE BUDGET IMPACT: NONE

StanCERA Stanislaus County Employees' Retirement Association

Investment Policy Statement – Directive # 4

Investment Manager ~~Onsite~~ Due Diligence ~~Visits~~

Rationale

~~StanCERA acknowledges that onsite diligence visits are only undertaken once every 4 years. In that regard, t~~The Due ~~d~~Diligence ~~team~~Committee understands that given the number of investment managers that StanCERA currently employs, it doesn't have a lot of time to spend analyzing each and every manager, yet it wishes to employ the analytical and research resources it has in the most efficient way possible. ~~onsite and it wishes to extract the most value from these visits.~~ Further, StanCERA also acknowledges that performance matters are generally discussed each month at regular investment meetings and are monitored on a continual basis by StanCERA staff and its external consultants. As such, this policy places more emphasis on continual staff monitoring and reporting back to the Committee (and ultimately the full Board) on the disposition of manager performance when warranted. ~~and as such, this policy places slightly more weight on qualitative rather than quantitative issues.~~

Purpose

The purpose of the policy is to:

1. Identify warning signs of adverse changes in an existing manager's organization
   a. Has anything fundamentally changed in the manager's operations?
   b. Is the change significant?
   c. What are the likely ramifications of the change?
2. Pick up on indications of future poor performance
3. To reassure StanCERA that we would again hire the manager in question today

General Policy

At least annually, or more appropriately whenever conditions warrant, staff will inform the Due Diligence Committee of potential concerns the Organization may have with the Manager. Staff (which includes internal and external sources) will meet with the Committee to discuss the concerns and decide how best to proceed. This could include the following:

1. Communication with the manager with a formal request for more information regarding the concern at hand. This most typically can be in the form of a formal questionnaire sent to the manager requesting their input and potential solutions for correcting the concern.
2. Staff and Committee would then re-convene to discuss the input received and decide if further investigation is warranted.
3. If further investigation is warranted, staff would then set up either an in-person visit or an electronic conference to discuss their concerns with the manager directly.
4. If Organizational infrastructure is the main concern, then it may be prudent to attempt to perform further diligence onsite.

5. The Committee would then report out directly to the full Board for further disposition or resolution

The Committee should convene at least once a year regardless of any manager status simply to be kept informed of how the Investment Governance process is proceeding and to determine whether any changes are needed. Should the Committee wish to proceed with a formal questionnaire sent to the manager or perform onsite diligence/interviews, the following processes and procedures may be used as a guide:

Questionnaire: A questionnaire should be sent to the investment manager at least 6 weeks prior to any onsite visit or formal interview and should be returned to StanCERA at least 4 weeks prior to the interview or onsite visit. The completed questionnaire covering all aspects of concern of the Organization will be submitted by the investment manager to StanCERA's investment consultant and/or internal investment officer. This version will be kept on hand and reviewed by the consultant and/or investment officer prior to the visit or interview and also handed out and emailed to the diligence committee. A shorter, succinct version may also be given to the diligence committee approximately 2 to 3 weeks prior to the visit or interview and this version will focus on those questions that may reveal any recent changes within the Organization that could help fulfill the purpose above.

Onsite Visit or Interview: The goal of the onsite visit or interview is to allow the diligence committee the ability to address any concerns that may have arisen from the questionnaire and reassure themselves that StanCERA would again hire the firm today. *The committee should drive the discussion*, much the same as in a job interview setting. The Diligence Committee may meet prior to the onsite visit or interview with StanCERA's investment consultant to discuss what concerns they would like addressed and to formulate a general strategy of discussion points and questions.

The investment manager should make available, at a minimum, the individual(s) that are in charge of driving the investment process for the StanCERA portfolio. Individuals that can articulate past, current and prospective investment philosophies and performance should be involved as well.

Onsite Inspection: Onsite inspection allows the team the ability to visually "inspect" certain aspects of the Organization that may reveal operational risk. It is not the intent of this policy to proscribe methodologies to determine whether operational risk exists. Instead, after a thorough review of the completed questionnaire, the consultant and/or investment officer may suggest some areas that the diligence committee may want to explore while onsite.

II. Review

This Board shall review this policy / directive at least every three years.

III. History

Adopted by the Retirement Board on 11/25/14
Revised 9/25/2018

Revised 5/28/2019
Revised 9/28/2021

Richard Santos, Executive Director

POLICY APPROVAL DATE: September 28, 2021

September 28, 2021
Retirement Board Agenda Item

TO: Retirement Board

FROM: Brittany Smith-Atkins, Fiscal Services Manager

I. SUBJECT: The Northern Trust Company – Treasury Management Services

II. ITEM NUMBER: 9.b.

III. ITEM TYPE: Discussion and Action

IV. STAFF RECOMMENDATION: Accept Staff's recommendation to use Northern Trust to provide Treasury Management Services inclusive of, but not limited to banking services and account deposits. The desired transition target for completion is January 31, 2022.

V. ANAYLSIS: In prior years, it has been recommended by the Organization's auditor, The Brown Armstrong Accountancy Corporation, to establish banking services independent of Stanislaus County. The recommendation came a result of the discovery of comingled funds issued through the Replacement Benefit Plan.

Staff comes to the Board today, to propose the withdrawal of StanCERA funds from the Stanislaus County Treasury and deposit those funds with The Northern Trust Company. This change will allow the organization to have complete oversight of StanCERA's funds; additionally, this transition will enable Fiscal Services to improve the daily management of funds in the spirit of fiduciary responsibility.

With the ability to secure deposits independent of the County, StanCERA gains the ability (and efficiencies) to enhance its current processes, in respect to payables, as well as efficiencies in benefit payroll streams and other services.

Staff has conducted informational meetings to learn of the services provided by the Northern Trust Company as well as inquire about the transition if selected. During the sessions, Northern Trust indicated that StanCERA would be partnered with a Transition Team to assist in the facilitation. This team would be similar in nature to when the Organization transitioned custodial banks for investment funds.

After much discussion and review, Staff recommends the transfer of funds from the Stanislaus County treasury to The Northern Trust Company.

VI. RISK: None

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT: In using an average monthly balance of funds, check issuances, deposits and electronic wires the estimated annual costs to StanCERA is $30,000. These costs will be offset by an earning credit (0.10%) dependent on StanCERA's ledger balance; it is estimated that StanCERA will earn approximately $20,000 in earnings credit each year. This results in a net, estimated, cost of $10,000 per year.