

## AGENDA

### BOARD OF RETIREMENT

Boardroom

832 12<sup>th</sup> Street Suite 600 Modesto, CA 95353

July 26, 2022

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](http://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 Government Code section 54953, the StanCERA Board of Retirement ("Board") is authorized to conduct its meetings via teleconference during the COVID-19 public health emergency.

Because of the COVID-19 public health emergency, StanCERA's offices, including the StanCERA boardroom, are currently closed to public access. Members of the public who wish to attend Board meetings may do so by teleconference, by calling (209) 689-0007. The access code is 414752.

If you wish to make a general public comment during the Public Comment section of the meeting, or if you wish to comment on a specific agenda item, please press 5\* on your phone to alert the Chair that you wish to speak. As permitted by Gov. Code § 54954.3(b)(1), each public comment is limited to three minutes.

You may also submit public comments in writing. If you wish to make a general public comment or a comment on a specific agenda item in writing, please submit your comment via email or fax no later than 4:30 p.m. on the day before a Board meeting. Comments can be submitted via email at [gomesk@stancera.org](mailto:gomesk@stancera.org) or via fax at (209) 558-4976. If your comment pertains to a specific agenda item, please include the agenda item number in the subject line. As permitted by Gov. Code § 54954.3(b)(1), each public comment is limited to 400 words. Comments submitted in writing will be read aloud during the meeting.

In compliance with the Americans with Disabilities Act, if you require an accommodation, auxiliary aid, or service in order to participate in this meeting, please 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](http://www.stancera.org)

1. Call Meeting to Order
2. Pledge of Allegiance
3. Roll Call
4. Announcements
5. Public Comment
6. Emergency Declaration
  - a. Emergency Declaration - AB-361  
Agenda Item [View](#) Attachment 1 [View](#)
7. Consent Items
  - a. Approval of the June 28, 2022 Meeting Minutes [View](#)
  - b. Applications for Service Retirement(s) – **Government Code Sections 31499.14, 31670, 31662.2 & 31810** See attachment for details. [View](#)
  - c. Application for Service-Connected Disability – **Government Code 31724**
    1. Adam Hall – City of Ceres – Effective 07.27.2022
  - d. Legislative Update  
Agenda Item [View](#) Attachment 1 [View](#)
  - e. Investment Matrix [View](#)
  - f. Information Technology Solutions (ITS) Project [View](#)
  - g. Auxiliary Investment Report as of March 31, 2022
    1. AB2833 Auxiliary Report  
Agenda Item [View](#) Attachment 1 [View](#)
    2. Investment Fee Summary, Value Added and Cash Flow Reports  
Agenda Item [View](#) Attachment 1 [View](#)
  - h. 2022 Executive Director Goals Update - Quarter 2  
Agenda Item [View](#) Attachment 1 [View](#)
8. NEPC – Investment Consultant
  - a. June Flash Report [View](#)
  - b. Asset Class Assumptions [View](#)
9. Investment

NONE

10. Administrative

a. Quarterly Staff Update

b. Financial Reporting Software – Workiva [View](#)

11. Closed Session

Government Code Section 54957(b)(1)—RED Committee update re:  
Executive Director Search Status

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

13. Adjournment

**July 26, 2022**

Retirement Board Agenda Item

TO: Retirement Board  
FROM: Fred Silva, General Counsel  
Rick Santos, Executive Director

**I. SUBJECT:** A Resolution of the Board of the Stanislaus County Employees' Retirement Association Acknowledging the Proclamation of a State of Emergency and Authorizing Remote Teleconference Meetings of the Stanislaus County Employees' Retirement Association for the Period of July 28, 2022 until the earlier of August 27, 2022 or the date of termination of the COVID-19 State of Emergency in California; discussion regarding procedure for returning to regular meetings according to normal Brown Act requirements at a future date.

**II. ITEM NUMBER:** 6.a

**III. ITEM TYPE:** Discussion and Action

**IV. STAFF RECOMMENDATION:**

- A. Approve a Resolution of the Board of the Stanislaus County Employees' Retirement Association acknowledging the proclamation of a state of emergency by Executive Order N-15-20 issued on March 4, 2020, as acknowledged by the Stanislaus County Public Health Officer's recommendation issued on September 22, 2021, which together permit the legislative bodies of Stanislaus County Employees' Retirement Association to conduct remote teleconference meetings pursuant to Assembly Bill 361 (AB-361) during the period of July 28, 2022 until the earlier of August 27, 2022 or the date of termination of the COVID-19 State of Emergency in California.

**V. MEETINGS VIA TELECONFERENCE:**

**A. BACKGROUND.**

AB-361 allows local government entities to conduct meetings via teleconference without complying with certain Brown Act requirements when the following conditions are in place:

- Condition 1: The Governor has proclaimed a state of emergency; and  
Condition 2: State or local officials have imposed or recommended measures to promote social distancing.

The first condition is satisfied by the Governor's March 4, 2020 state of emergency proclamation, which has now been extended several times and remains in effect.

The second condition is satisfied by the Stanislaus County Public Health Officer's September 22, 2021 recommendation issued in response to AB-361, stating "I recommend that physical/social distancing measures be practiced throughout our Stanislaus County communities to minimize the spread of COVID-19, including implementation of the newly enacted AB 361 to maintain social distancing by legislative bodies of our local

agencies. This recommendation is made due to the continued threat of COVID-19 in the community.”

AB-361 was signed on September 16, 2021 and went into effect immediately. AB-361 replaced some aspects of Executive Order N-29-20, which allowed local legislative bodies to hold remote teleconference meetings while the COVID-19 public health crisis is in effect. Since the size of StanCERA’s Board room prevents compliance with social distancing measures if the public were to attend meetings in person, attendance by the public in a county with high transmission rates creates potential health issues for StanCERA employees and the public. Therefore, to continue remote teleconference meetings, AB-361 requires that the Board consider the circumstances of the state of emergency and make findings via resolution by majority vote to hold remote teleconference meetings. If such findings are made, a resolution must be passed by a majority of the Board citing these circumstances. The Board will need to complete such recertification every 30 days or at each Board meeting following adoption of this Resolution, until Government Code section 54953 sunsets by operation of law on January 1, 2024 or there is no longer a state of emergency in effect.

**Mask Mandate:** California’s indoor mask mandate is no longer in effect for either vaccinated or unvaccinated persons. However, the State of California continues to “strongly recommend” that people wear masks in state and local government offices that serve the public. All attendees are asked to socially distance while in the Board room by maintaining at least six feet of distance from other persons whenever possible.

**VI. RISK: NONE**

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

**VIII. ADMINISTRATIVE BUDGET IMPACT: NONE**

## **RESOLUTION NO. 2022-\_\_**

### **A RESOLUTION OF THE BOARD OF THE STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION ACKNOWLEDGING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR GAVIN NEWSOM ON MARCH 4, 2020 AND ADDITIONAL ORDERS AND RECOMMENDATIONS ISSUED BY THE STANISLAUS COUNTY PUBLIC HEALTH OFFICER, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF THE STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION FOR THE PERIOD OF JULY 28, 2022 TO THE EARLIER OF AUGUST 27, 2022 OR THE DATE OF TERMINATION OF THE COVID-19 STATE OF EMERGENCY IN CALIFORNIA, PURSUANT TO BROWN ACT PROVISIONS**

**WHEREAS**, the Board of Retirement ("Board") for the Stanislaus County Employees' Retirement Association ("StanCERA") is committed to preserving and promoting public access and encouraging participation in meetings of the Board and its legislative bodies; and

**WHEREAS**, all meetings of the Board and its legislative bodies are open and public, as required by the Ralph M. Brown Act (Gov. Code §§ 54950-54963), so that any member of the public may attend meetings and observe and participate in the conducting of business by the Board and its legislative bodies; and

**WHEREAS**, Government Code section 54953(e) allows local government entities such as the Board and its legislative bodies to conduct meetings via teleconference without complying with the requirements of Government Code section 54953(b)(3) when the following conditions are in place:

- A state of emergency proclaimed by the Governor pursuant to Government Code section 8625 is in effect; and
- State or local officials have imposed or recommended measures to promote social distancing.

**WHEREAS**, such conditions are currently in place for the Board and its legislative bodies, which operate in Stanislaus County:

- On March 4, 2020, Governor Gavin Newsom proclaimed a State of Emergency for the State of California pursuant to the California Emergency Services Act (Gov. Code § 8625) based on an outbreak of respiratory and other illness due to the novel coronavirus known as COVID-19. That State of Emergency has been extended several times. At this time, it is not clear when the State of Emergency will be terminated. Governor Newsom commented during a February 17, 2022 press conference that, currently, "there is no end

date” for the COVID-19 state of emergency. The Board acknowledges that, while the State of Emergency will most likely still be in place through August 28, 2022, it is possible that it will have been lifted by the time this Resolution has expired.

- On September 22, 2021, the Public Health Officer for Stanislaus County issued a recommendation stating: “I recommend that physical/social distancing measures be practiced throughout our Stanislaus County communities to minimize the spread of COVID-19, including implementation of the newly enacted AB 361 to maintain social distancing by legislative bodies of our local agencies. This recommendation is made due to the continued threat of COVID-19 in the community. I will continue to evaluate this recommendation on an ongoing basis and will communicate when there is no longer such a recommendation.”

**WHEREAS**, Government Code section 54953(e) allows local government entities such as the Board and its legislative bodies to conduct meetings when a state of emergency is in place without complying with the requirements of Government Code section 54953(b)(3), as long as such entities instead comply with the requirements of Government Code section 54953(e)(2);

**WHEREAS**, StanCERA’s offices, including its boardroom, are not large enough to accommodate the COVID-19 social distancing measures recommended by the Centers for Disease Control and others if members of the public were to attend StanCERA Board and/or committee meetings in person; and

**WHEREAS**, to ensure that the public retains access to StanCERA Board and committee meetings during this state of emergency, StanCERA will post each Board or committee agenda on the StanCERA website and at its business office location at least 72 hours prior to the meeting, and such agenda will describe the means by which members of the public may access the meeting and offer public comment. In addition, persons requiring accommodations are asked to contact StanCERA prior to the meeting.

**NOW, THEREFORE, BE IT RESOLVED that:**

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Acknowledgment of Proclamation of Emergency and Local Orders. The Board hereby acknowledges that a state of emergency has been proclaimed by the Governor of the State of California effective as of its issuance date of March 4, 2020, and that on September 22, 2021 the Stanislaus County Public Health Office recommended that physical and social distancing measures, including holding meetings via teleconference pursuant to AB-361, be practiced throughout the County.

Section 3. Remote Teleconference Meetings. The StanCERA Retirement Administrator and his designee(s) and the legislative bodies of StanCERA are hereby authorized and directed to

take all actions necessary to carry out the intent and purpose of this Resolution, including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 4. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of August 28, 2022 or the date of termination of the COVID-19 State of Emergency in California.

Section 5. Reconsideration of Circumstances Every 30 Days. Government Code section 54953(e)(3) requires that the Board periodically recertify its decision to continue to hold remote teleconference meetings; in order to do so, the Board must reconsider the circumstances of the state of emergency and make findings by majority vote as are necessary to continue to hold remote teleconference meetings. The Board will complete such recertification every 30 days or at each Board meeting following adoption of this Resolution, until Government Code section 54953 sunsets by operation of law on January 1, 2024 or there is no longer a state of emergency in effect.

The foregoing Resolution was adopted by the Board of Retirement upon motion of Board member \_\_\_\_\_, seconded by Board member \_\_\_\_\_, at a regular meeting of this Board held on July 26, 2022, by the following vote:

Ayes:

Nays:

Absent:

Abstain:

## **STANISLAUS COUNTY EMPLOYEE RETIREMENT ASSOCIATION**

\_\_\_\_\_  
Donna Riley, Chair of the Board of Retirement

\_\_\_\_\_  
Kellie Gomes, Clerk of the Board of Retirement

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Fred A. Silva, General Counsel

\_\_\_\_\_  
Rick Santos, Executive Director



## BOARD OF RETIREMENT MINUTES June 26, 2022

1. Call Meeting to Order
2. Pledge of Allegiance
3. Roll Call

**Trustees Present**

Donna Riley - Chair  
Terry Withrow  
Darin Gharat  
Joshua Clayton

**Trustees Absent:**

Mike Lynch

**Present by Conference Call:**

Sam Sharpe  
Mike Lynch  
Michael O'Neal  
Rhonda Biesemeier  
Mandip Dhillon - Vice Chair  
Jeff Grover

**Others Present by Conference Call:**

Lisa Fraser, Benefits Manager  
Daniel Hennessy, NEPC Investment Consultant

**Others Present:**

Rick Santos, Executive Director  
Stan Conwell, Retirement Investment Officer  
Brittany Atkins-Smith, Fiscal Services Manager  
Fred Silva, General Legal Counsel  
Kellie Gomes, Executive Board Assistant

4. Announcements

Chair- Donna Riley announced due to the COVID-19 Pandemic, we are meeting today virtually and in person to accommodate the 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 make a public comment.

5. Public Comment

NONE

6. Emergency Declaration

a. AB-361

Motion was made by Trustee Withrow and seconded by Trustee Gharat to approve the Emergency Declaration as presented.

Roll Call Vote was as follows:

Trustee Riley	YES
Trustee O'Neal	YES
Trustee Withrow	YES
Trustee Sharpe	YES
Trustee Clayton	YES
Trustee Gharat	YES
Trustee Dhillon	YES
Trustee Grover	YES

Motion passed unanimously

7. Consent Items

a. Approval of the May 24, 2022 Meeting Minutes

b. Applications for Service Retirement(s) – **Government Code Sections 31499.14, 31670, 31662.2 & 31810** See attachment for details.

c. Application of Death Benefit – **Government Code Section 31781, 31781.1, 31781.3**

1. Robert Ball – City of Ceres – Non-Service Connected – Effective 6-3-2022 – Active Member

d. Legislative Update

e. Investment Matrix

f. Information Technology Solutions (ITS) Project

Motion was made by Trustee Gharat and seconded by Trustee Clayton to approve all the consent items as presented

Roll Call Vote was as follows:

Trustee Riley	YES	Trustee Gharat	YES
Trustee O'Neal	YES	Trustee Grover	YES
Trustee Sharpe	YES	Trustee Withrow	YES
Trustee Clayton	YES	Trustee Dhillon	YES

Motion carried unanimously

8. NEPC – Investment Consultant

a. May Flash Report

9. Investment

NONE

10. Administrative

a. Discussion regarding procedure for eventual return to in-person meetings according to pre-pandemic Brown Act requirements and/or in anticipation of current pending legislation

Motion was made by Trustee Withrow and seconded by Trustee Gharat to approve the attached Resolution of the Board of the Stanislaus County Employees Retirement Association that any vote by the Board that results in not authorizing remote teleconference meetings be effective no sooner than the next regularly scheduled meeting. This will allow Trustees and staff to take appropriate measures before the Board resumes regular in-person meetings with teleconferencing permitted only if the requirements of Government Code section 54953(b)(3) are met.

Roll Call Vote was as follows:

Trustee Riley	YES
Trustee O'Neal	YES
Trustee Sharpe	No
Trustee Clayton	YES
Trustee Gharat	YES
Trustee Withrow	YES

Trustee Dhillon	YES
Trustee Grover	YES

Motion passed 7/1

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

Nothing to report

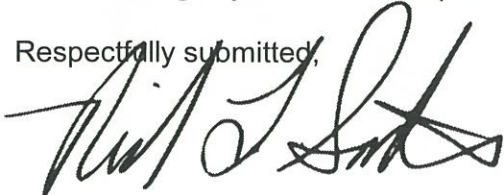
12. Closed Session

NONE

14. Adjournment

Meeting adjourned at 2:03 p.m.

Respectfully submitted,



Rick Santos, Executive

APPROVED AS TO FORM

By   
Fred Silva, GENERAL LEGAL COUNSEL

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**STANCERA APPLICATIONS FOR SERVICE RETIREMENT(S)  
GOVERNMENT CODE SECTIONS 31499.14, 31670, 31662.2,  
31810 & 31700**

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1. Abbott, Joann - Stanislaus County - Effective 07/02/2022
2. Bernaciak, Daniel - Stanislaus County - Effective 07/23/2022
3. Camper, Karen - Stanislaus Superior Court - Effective 07/30/2022
4. DAYTON, JAMES - City of Ceres - Effective 07/19/2022
5. Howard, Jill - Stanislaus County - Effective 07/16/2022
6. Ignacio, Elmer - Stanislaus County - Effective 07/16/2022
7. McGowan, Sylvia - Stanislaus County - Effective 07/06/2022
8. Moreno, Mario - Stanislaus County - Effective 07/16/2022
9. Rodriguez, Hector - Stanislaus County - Effective 07/16/2022
10. Sharp, Amanda - Stanislaus County - Effective 06/27/2022
11. Silveira, Bret - Stanislaus County - Effective 07/02/2022

July 26, 2022  
Retirement Board Agenda Item

TO: Retirement Board

FROM: Lisa Frazer, Member and Employer Services Manager

- I. SUBJECT: Legislation Update
- II. ITEM: 7.d
- III. ITEM TYPE: Consent
- IV. RECOMMENDATION: None
- V. ANALYSIS:

**AB 2493: Act to add Section 31541.2 to Government Code, relating to county employees' retirement (disallowed compensation: benefit adjustments)**  
*Read second time and amended. Ordered to third reading – June 30, 2022*

**AB 2647: Act to amend Government Code Section 54957.5, relating to local government (open meetings)**  
*From committee: Amend, and do pass as amended. – June 229, 2022*

**SB 1328: Act to add and repeal Sections 7513.73 and 12414 of and to add and repeal Chapter 8 (commencing with Section 16649.100) (prohibited investments and contracts: Russia and Belarus)**  
*Hearing postponed by committee – June 21, 2022*

**AB 1944: Act to amend Government Code Section 54953, relating to public meetings**  
*Failed Deadline pursuant to Rule 61(b)(14). – July 5, 2022*

**AB 2449: Act to amend Government Code Section 54953, relating to local government (open meetings)**  
*Read second time and amended. Referred to committee. – June 30, 2022*

**AB 1824: Act to amend Government Code Sections 314527.7, 31641.4, 31663.25, 31663.26, 31726, 31726.5, 31761, 31762, 31763, 31764, and 31781**  
*Read second time and amended. Referred to committee. – June 30. 2022*

**AB 1971: Act to amend Government Code Sections 31525, 31646, 31725.7, 31730, 31760 and 31838.5 and add Sections 31646.2 and 31680.16**  
*Read second time and amended. Ordered to consent calendar. – June 30, 2022*

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

**AB 2493: Act to add Section 31541.2 to Government Code, relating to county employees' retirement**

This bill would require a retirement system established under CERL, upon determining that the compensation reported for a sworn peace officer or firefighter is disallowed compensation, to require the employer, as defined, to discontinue reporting the disallowed compensation. The bill would require, for an active sworn peace officer or firefighter, the retirement system to credit all contributions made on the disallowed compensation against future contributions to the benefit of the employer that reported the disallowed compensation, and return any contribution paid by, or on behalf of, that member, to the member by the employer that reported the disallowed compensation, except in certain circumstances in which a system has already initiated recalculated compensation. The bill would require the system, for a retired sworn peace officer or firefighter, survivor, or beneficiary whose final compensation was predicated upon the disallowed compensation to credit the contributions, to the benefit of the employer that reported the disallowed compensation, and to permanently adjust the benefit of the affected retired member, survivor, or beneficiary to reflect the exclusion of the disallowed compensation. The bill would establish other conditions required to be satisfied with respect to a retired sworn peace officer or firefighter, survivor, or beneficiary when final compensation was predicated upon disallowed compensation, including among others, requiring a specified payment to be made by the employer that reported contributions on the disallowed compensation to the retired member, survivor, or beneficiary, as appropriate. The bill would authorize a retirement system that has initiated a process prior to July 1, 2022, to permanently adjust the benefit of the affected retired member, survivor, or beneficiary to reflect the exclusion of the disallowed compensation to use that system in lieu of specified provisions that the bill would enact.

The bill would authorize an employer to submit to a retirement system for review a compensation item proposed to be included in an agreement, as specified, on and after January 1, 2022, that is intended to and form the basis of a pension benefit calculation and would require the system to provide guidance on the matter. The bill would prescribe a process in this regard. The bill would specify that it does not affect or otherwise alter a party's right to appeal any determination regarding disallowed compensation made by the system after July 30, 2022.

**AB 2647: Act to amend Government Code Section 54957.5, relating to local government**

This bill would require a local agency to make writings distributed to members of the governing board available for public inspection at a public office or location that the agency designates and list the address of the office or location on the agenda for all meetings of the legislative body of the agency unless the local agency meets certain requirements, including the local agency immediately posts the writings on the local agency's internet website in a position and manner that makes it clear that the writing relates to an agenda item for an upcoming meeting.

**SB 1328: Act to add and repeal Sections 7513.73 and 12414 of and to add and repeal Chapter 8 (commencing with Section 16649.100) Part 2 of Division 4 of Title 2, of the Government Code, and to add and repeal Article 14 (commencing with Section 10495) of Chapter 2 of Part 2 of Division 2 of the Public Contract Code, relating to government**

This bill, except as specified, would prohibit the boards of specified state and local public retirement systems from making additional or new investments in prohibited companies, as defined, domiciled in Russia or Belarus, as defined, companies that



the United States government has designated as complicit in the aggressor countries, as defined, war in Ukraine, or companies that supply military equipment to the aggressor countries, and to liquidate the investments of the board in those companies as specified. The bill would also require the board on or before January 1, 2023, and every year thereafter, to file a specified report with the Legislature. The bill would repeal these provisions on specified triggering events. By requiring the boards of local public retirement systems to take specified actions, this bill would impose a state-mandated local program.

**AB 1944: Act to amend Government Code Section 54953, relating to public meetings**

This bill would require the agenda to identify any member of the legislative body that will participate in the meeting remotely. The bill will also require an updated agenda reflecting all of the members participating in the meeting remotely to be posted, if a member of the legislative body elects to participate in the meeting remotely after the agenda is posted. This bill will also authorize upon determination by a majority vote of the legislative body, a member to be exempt from identifying the address of the member's teleconference location in notice and the agenda or having the location be accessible to the public, if the member elects to teleconference from a location that is not a public place, including, beginning January 1, 2024, that at least a quorum of the members of the legislative body participates from a single physical location that is clearly defined on the agenda, open to the public, and situated within the boundaries of the territory over which the local agency has jurisdiction. This bill would require all open and public meetings of a legislative body that elects to use teleconferencing to provide a video stream accessible to members of the public and an option for members of the public to address the body remotely during the public comment period through an audio-visual or call-in option.

**AB 2449: Act to amend Government Code Section 54953, relating to local government**

This bill would revise and recast those teleconferencing provisions and, until January 1, 2028, would authorize a local agency to use teleconferencing without complying with the teleconferencing requirements that each teleconference location be identified in the notice and agenda and that each teleconference location be accessible to the public if at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the agency's jurisdiction. Under this exception, the bill would authorize a member to participate remotely only under specified circumstances and for a period of three consecutive months.

**SB 1824: Act to amend Government Code Sections 314527.7, 31641.4, 31663.25, 31663.26, 31726, 31726.5, 31761, 31762, 31763, 31764, and 31781**

- 314527.7: Section (c) added: *For purposes of this section, "beneficiary" includes, but is not limited to, a corporation, a trust, or an estate.*
- 31641.4: Section (2) added: *Nothing in this subdivision prohibits a member from receiving credit for a period of federal public service if federal law expressly permits the credit even though the member is already entitled to receive a pension or retirement allowance from that service. It is intended that this section be consistent with the holdings in Cantwell v. San Mateo County (1980) 631 F.2d 631.*
- 31663.25: Additional language added: *The effective retirement date shall not be either of the following: (1) Earlier than the date the application is filed with the*

*board. (2) More than 60 days after the date of filing the application or more than a number of days that has been approved by the board.*

- 31663.26: Additional language added: *The effective retirement date shall not be either of the following: (1) Earlier than the date the application is filed with the board. (2) More than 60 days after the date of filing the application or more than a number of days that has been approved by the board.*
- 31726: Language clean-up
- 31726.5: Language clean-up
- 31761: Language clean-up
- 31762: Language clean-up
- 31763: Language clean-up
- 31764: Language clean-up
- 31781: Additional language added: *The computation for any absence shall be based on the compensation of the position held by the member at the beginning of the absence.*

**SB 1971: Act to amend Government Code Sections 31646, 31725.7, and 31760 and add Sections 31646.2 and 31680.16**

- 31646: Section (c)(1) and (2) added: (c) (1) A member who returns to active service following an uncompensated leave of absence on account of the serious illness of a family member when the absence is eligible for coverage under the federal Family and Medical Leave Act of 1993 (29 U.S.C. Sec. 2601 et seq.) or the Moore-Brown-Roberti Family Rights Act, commonly referred to as the California Family Rights Act, as described in Section 12945, may receive service credit for the period of the absence upon the payment of the contributions that the member and the employer would have paid during that period, together with the interest that the contributions would have earned had the contributions been on deposit, if the member was not absent. For purposes of this subdivision, "leave of absence on account of illness of a family member" means any time, up to one year, during which a member is granted an approved leave to care for a seriously ill family member and returns to employment at the end of the approved leave for a period of time at least equal to that leave. The contributions required to receive the service credit may be paid in a lump sum or may be paid on a monthly basis for a period of not more than the length of the period for which service credit is claimed. Credit shall not be received for any period of such an absence in excess of 12 consecutive months.  
(2) This subdivision shall not be operative until the board of supervisors, by resolution adopted by majority vote, makes the provisions applicable to that county and applies it to leave that commences after the adoption by the board of supervisors.
- 31646.2: Section (a) and (b) added: (a) The board may grant a member who is subject to a temporary mandatory furlough the same service credit and compensation earnable or pensionable compensation to which the member would have been entitled in the absence of the temporary mandatory furlough. The board may condition this grant on the receipt of additional member or employer contributions, or both as applicable, that the board determines are necessary to fund any benefits granted under this section on an actuarially sound basis.  
(b) For the purposes of this section, "temporary mandatory furlough" means the time during which a member is directed to be absent from work without pay for up



*to one quarter of the member's normal working hours, provided that these reduced working hours shall not be in place for longer than two years.*

- 31680.16: Section (a) and (b) added: (a) *This section shall apply to a retired person who is receiving a retirement benefit from a county retirement system and is appointed or elected to either of the following: (1) A county board or commission of the county that is a covered employer of the retirement system. (2) A board or commission operating under a participating agency of the county that is a covered employer of the retirement system. (b) A person who is retired under this chapter may serve as a nonsalaried member of a board or commission without reinstatement from retirement or loss or interruption of benefits under this chapter or the California Public Employees' Pension Reform Act of 2013 (Article 4 (commencing with Section 7522) of Chapter 21 of Division 7 of Title 1), provided the appointment or election is a part-time board or commission. A retired person whose service without reinstatement is authorized by this subdivision shall not acquire benefits, service credit, or retirement rights with respect to the appointment or election, but may receive any per diem that is authorized to all members of the board or commission.*
- 31725.7: Section (b) added: (b) *Notwithstanding subdivision (a), this section shall also apply to a member retired for service who subsequently files an application for disability retirement with the board. If the member retired for service is found to be eligible for disability retirement, appropriate adjustments shall be made in their retirement allowance retroactive to the effective date of their disability retirement, as provided in Section 31724.*
- 31760: Section (c) added: c) *Notwithstanding subdivision (a), a member retired for service who applies for, and is subsequently granted, a disability retirement may change the type of optional or unmodified allowance that was elected at the time the service retirement was granted, subject to the provisions of Section 31725.7.*

**July 26, 2022**

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

- I. SUBJECT: Investment Matrix
- II. ITEM NUMBER: 7.e
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: N/A
- V. ANALYSIS:

a) *Investment Program Activities:*

Many of the recent investment activities are related to StanCERA's Fiscal Year end. This includes prepping for the annual financial audit, finishing of any strategic plan goals, and finalizing the annual funding plan for the replenishing of the liquidity sub-portfolio. The annual funding plan is in the final stages, and we are now awaiting updated contribution rates from StanCERA's actuary related to the proposed payroll increases by the County. Integrating the updated rates will help create a more accurate projection of StanCERA's expected contributions for the upcoming year. Work is also continuing with Verus to review a potential private equity buyout fund and a private credit special situations fund.

b) *Money Transfer Report:*

June

From			To		
Manager	Asset Class	Amount	Manager	Asset Class	Amount
StanCERA Cash	Cash	\$-216,902.81	Abry Senior Equity VI	Private Credit	\$216,902.81
StanCERA Cash	Cash	\$-345,000.00	Insight Partners XI	Private Equity	\$345,000.00
StanCERA Cash	Cash	\$-424,976.00	Grandview II	Real Estate	\$424,976.00
NT Russell 3000 fund	Public Equity	\$-2,422,651.00	Vista Foundation Fund IV	Private Equity	\$2,422,651.00

StanCERA Cash	Cash	\$-1,367,804.89	Abry Senior Equity VI	Private Credit	\$1,367,804.89
BlackRock US REIT	Public Equity	\$-3,725,000.00	PGIM Real Estate US Debt	Real Estate	\$3,725,000.00
StanCERA Cash	Cash	\$-412,079.58	Genstar Capital Partners X	Private Equity	\$412,079.58

c) *Conferences and Trainings:*

ILPA Member's Conference and Private Credit Training  
June 7-10 Chicago, IL

StanCERA is a member of ILPA (Institutional Limited Partners Association) and they host a member conference every year. ILPA has over 500 institutional investor members and is exclusively dedicated to advancing the interests of LPs. This year's conference marked the 20<sup>th</sup> anniversary of the organization, and was held in person after two years of virtual only attendance due to the pandemic. The conference agenda included many relevant and timely educational workshops as well as opportunities for networking among peers. A few workshops were particularly interesting including a session that focused on key conflict of interests in the life of a fund partnership. The session focused in on difficult problems that can occur during the end of a fund's life and some examples of steps to proactively address these potential issues. Other workshops of note included one highlighting various ways to incorporate technology in the investment decision making process and a deep dive into the proposed SEC rules impacting the private market industry. Overall, the conference proved to be worthwhile, given the quality of the educational workshops and the ability to network with peers in a LP-only environment.

Investment staff attended an ILPA institute private credit training immediately following the conclusion of the conference. The training was designed to cover all the critical areas of the private credit asset class and deepen knowledge and understanding of the asset class. The course started with an overview of private credit basics to fill in any foundational gaps and moved into private credit specific due diligence, portfolio design and construction considerations, and data analytic methods for monitoring ongoing portfolio health. The training covered all the bases and provided the foundational knowledge to build off of as well as number of practical processes and analysis techniques that can be implemented right now as StanCERA is building out the private credit program.

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

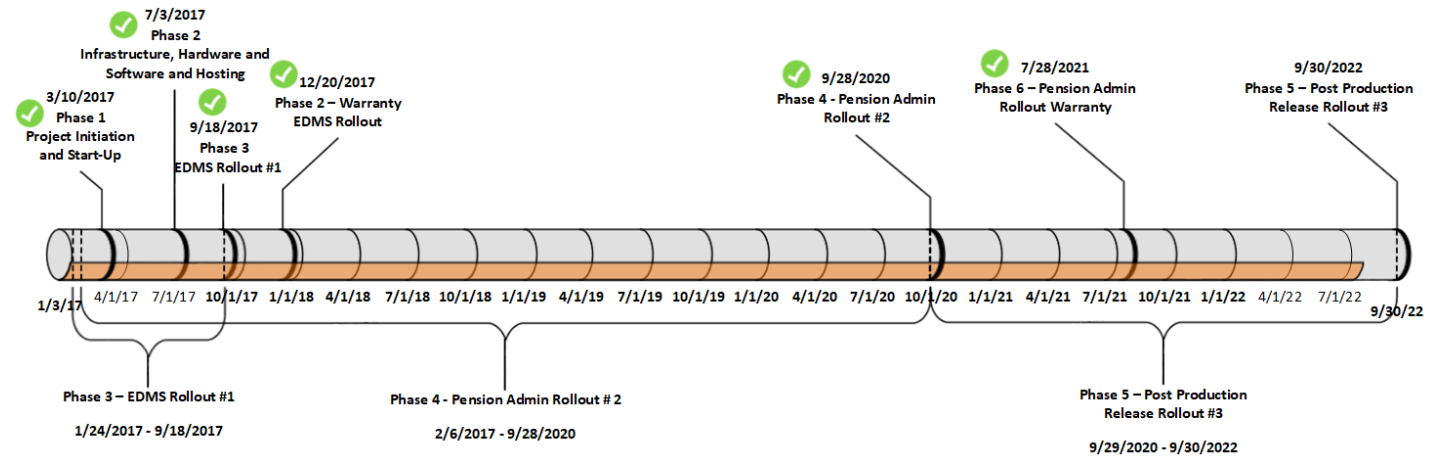
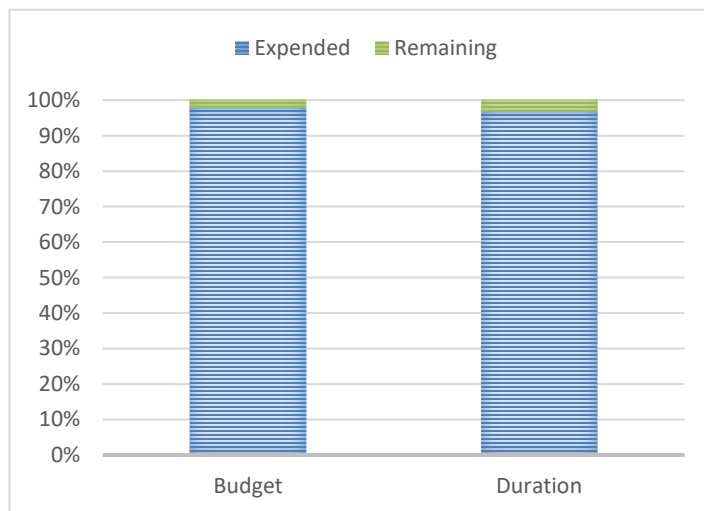
# PAS IMPLEMENTATION LINEA BI-WEEKLY STATUS UPDATE


**SPONSOR:**

Rick Santos

**REPORT DATE:**

07-22-2022


**Baseline 12/01/2016**
**STATUS**


Linea Budget as of 06/30/2022

**Risks & Issues:**

There are currently not any significant project risks or issues. The project team is working to close out the formal project.

The project team continues monitoring the following:

- City of Ceres transmittal file changes.

The City of Ceres is now implementing a new transmittal upload file.

**Accomplishments:**

- Tegrity successfully made release R29 to production for StanCERA's use on 07/13/22, as planned. The release included the Disability Retirement Workflow, W-4P changes, and multiple resolved PIRs.
- StanCERA implemented the new IRS W-4P as of 07/01/2022 using Arrivos functionality in release R29.
- The project team has intensified work on functionality planned for the final project release, R30, including the Member Web Portal and Benefit Adjustment Workflow.

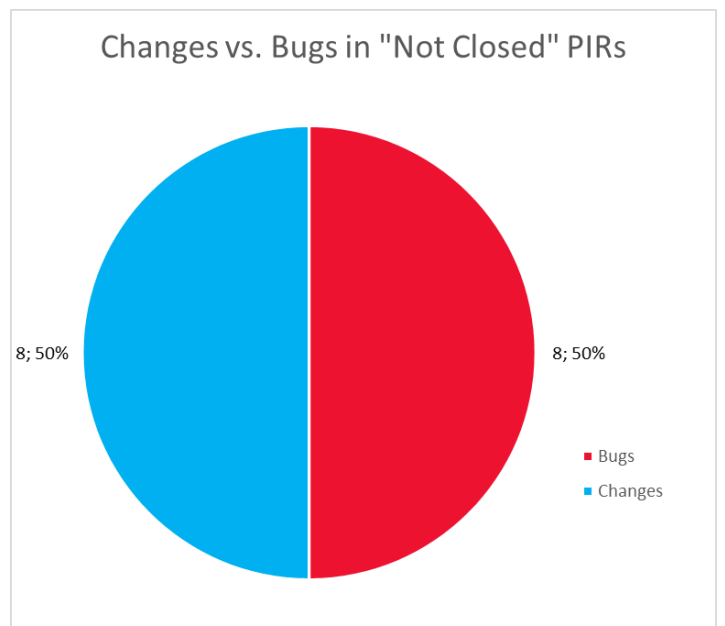
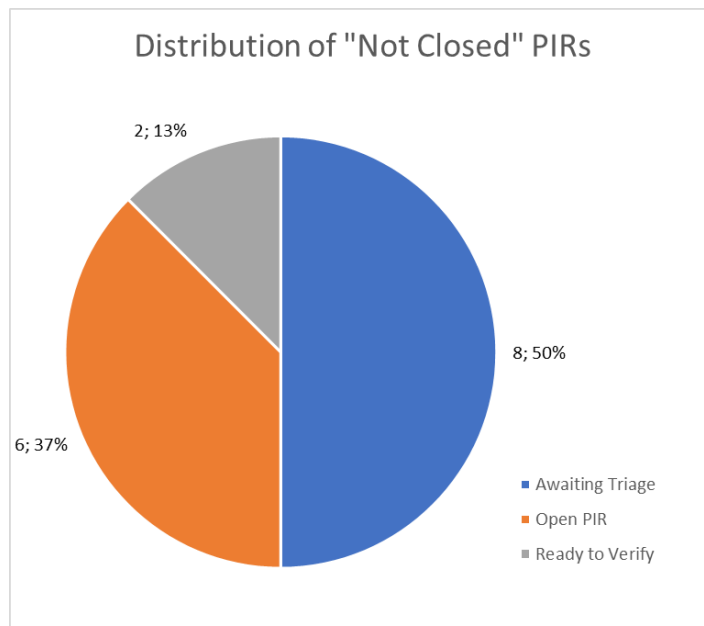
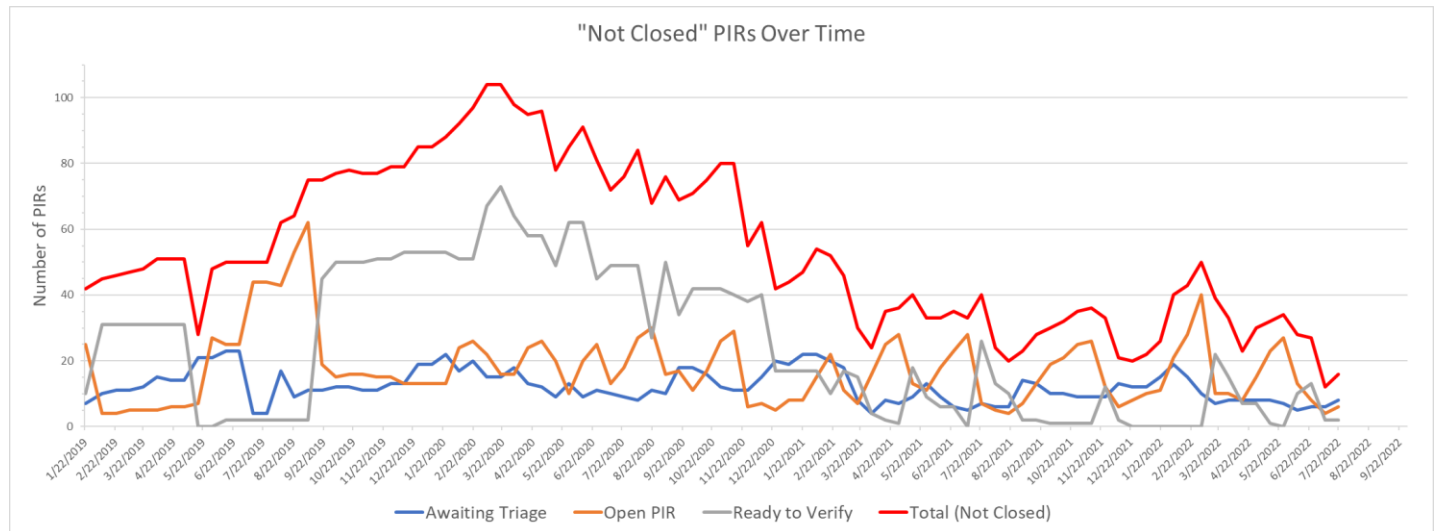
**Upcoming:**

- Completion of design sessions and further testing of new Member Web Portal features, plus planning for Portal rollout process and user registrations.
- The Project Planning Working Group will complete review and closure of all initial project requirements.
- Release R30 to UAT is planned for August 2022.

## 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 (BSR74, BSR105).
- Track requirements, as discussed in work sessions and BSRDs, using the RTM and meet with StanCERA PM to update requirements confirmation.
- Manage and participate in system testing efforts, including review of test scripts, compiling of results, input of PIRs, and tracking of issue resolution.

## Current PIR Summary



**July 26, 2022**

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

- I. SUBJECT: AB2833 Auxiliary Report
- II. ITEM NUMBER: 7.g.1
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: N/A
- V. ANALYSIS:

Background

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

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

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

Report Analysis

This report is as of March 31, 2022, which is the most recent quarter with complete data on the alternative type managers. The aggregate performance since inception of the entire alternative investment program as of March 31, 2022, was 8.25%. The real estate group returned 11.53% as of March 31, 2022. This represents a 0.84% increase in since inception performance over the last quarter. The private credit group returned 3.10% as of March 31, 2022, decreasing slightly from the prior quarter's 3.30% return. The private equity group was added this quarter as there are now enough funds with data available to group together. Please keep in mind that the performance numbers at both the group and individual fund level will vary significantly between reporting periods during the early stages of the private equity program. Genstar X, a private equity buyout fund, was added to the report this quarter.

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

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

VI. RISK: None

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT: NONE

## Alternative Investment Program Performance

Analysis Date:	3/31/2022	Expense Matrix Since Inception		
Program Name:	Alternative Investment	<u>Expense Type</u>	<u>Expense</u>	<u>% of Total</u>
Program Inception Date:	5/16/2013	Management Fee	\$34,908,555	61.0%
Total Commitment:	\$585,005,732	Partnership Operations	\$2,832,801	5.2%
Unfunded Commitment as of Analysis Date:	\$129,996,637	Organizational Expense	\$244,958	0.4%
% Funded as of Analysis Date:	77.78%	Incentive Allocation	\$9,498,866	17.4%
Program Fund Balance:	\$485,031,640	Offering Costs	\$54	0.0%
		Service Fee	\$339,601	0.6%
		Syndication Costs	\$116,084	0.2%
		Professional Fee	\$4,351,467	8.0%
		Other Expense	\$688,184	1.3%
		Management Fee Reimbursement	-\$1,611,862	-
		General/Administrative Expense	\$721,507	1.3%
		Broken Deal Expense	\$267,706	0.5%
		Interest Expense	\$2,031,502	3.7%
		Custody Fee	\$168,938	0.3%
		Dividend Expense	\$0	0.0%
		Performance Fee	<u>\$6,133</u>	<u>0.0%</u>
		Total	\$54,564,494	100.0%
<b>Performance Measures</b>				
Net IRR Since Inception:	8.25%			
Realization Multiple (DPI):	\$0.38			
Residual Value to Paid in Multiple (RVPI):	\$0.81			
Investment Multiple (TVPI):	\$1.18			
<b>Net IRR Decomposition</b>				
Return from Income & Cash Flow:	6.11%			
Return from Expenses:	-2.65%			
Return from Gain/Loss:	4.22%			
Interaction Effect:	<u>0.57%</u>			
Net IRR Since Inception:	8.25%			



## Real Estate Program Performance

Analysis Date:	3/31/2022	Expense Matrix Since Inception		
Program Name:	Real Estate	<u>Expense Type</u>	<u>Expense</u>	<u>% of Total</u>
Program Inception Date:	7/8/2014	Management Fee	\$16,382,407	59.7%
Total Commitment:	\$319,000,000	Partnership Operations	\$719,915	2.6%
Unfunded Commitment as of Analysis Date:	\$58,041,007	Organizational Expense	\$52,991	0.2%
% Funded as of Analysis Date:	81.81%	Incentive Allocation	\$8,815,715	32.1%
Program Fund Balance:	\$336,728,799	Offering Costs	\$54	0.0%
		Service Fee	\$0	0.0%
		Syndication Costs	\$65,354	0.2%
		Professional Fee	\$147,575	0.5%
		Other Expense	\$0	0.0%
		Management Fee Reimbursement	\$0	-
		General/Administrative Expense	\$222,469	0.8%
		Broken Deal Expense	\$267,706	1.0%
		Interest Expense	\$679,080	2.5%
		Custody Fee	\$79,501	0.3%
		Dividend Expense	\$0	0.0%
		Performance Fee	\$0	0.0%
		Total	\$27,432,768	100.0%
<b>Performance Measures</b>				
Net IRR Since Inception:	11.53%			
Realization Multiple (DPI):	\$0.30			
Residual Value to Paid in Multiple (RVPI):	\$0.97			
Investment Multiple (TVPI):	\$1.27			
<b>Net IRR Decomposition</b>				
Return from Income & Cash Flow:	5.19%			
Return from Expenses:	-2.71%			
Return from Gain/Loss:	8.29%			
Interaction Effect:	0.76%			
Net IRR Since Inception:	11.53%			

## Private Credit Program Performance

Analysis Date:	3/31/2022	Expense Matrix Since Inception		
Program Name:	Private Credit	<u>Expense Type</u>	<u>Expense</u>	<u>% of Total</u>
Program Inception Date:	5/16/2013	Management Fee	\$16,669,070	63.4%
Total Commitment:	\$176,005,732	Partnership Operations	\$1,653,212	7.0%
Unfunded Commitment as of Analysis Date:	\$21,236,112	Organizational Expense	\$174,441	0.7%
% Funded as of Analysis Date:	87.93%	Incentive Allocation	\$435,861	1.8%
Program Fund Balance:	\$94,074,581	Offering Costs	\$0	0.0%
		Service Fee	\$339,601	1.4%
		Syndication Costs	\$0	0.0%
		Professional Fee	\$4,171,667	17.6%
		Other Expense	\$289,826	1.2%
		Management Fee Reimbursement	-\$1,611,862	-
		General/Administrative Expense	\$496,487	2.1%
		Broken Deal Expense	\$0	0.0%
		Interest Expense	\$1,045,380	4.4%
		Custody Fee	\$77,124	0.3%
		Dividend Expense	\$0	0.0%
		Performance Fee	\$0	0.0%
		Total	\$23,740,806	100.0%
<b>Performance Measures</b>				
Net IRR Since Inception:	3.10%			
Realization Multiple (DPI):	\$0.58			
Residual Value to Paid in Multiple (RVPI):	\$0.44			
Investment Multiple (TVPI):	\$1.03			
<b>Net IRR Decomposition</b>				
Return from Income & Cash Flow:	7.24%			
Return from Expenses:	-2.22%			
Return from Gain/Loss:	-1.62%			
Interaction Effect:	-0.30%			
Net IRR Since Inception:	3.10%			

## Private Equity Program Performance

Analysis Date:	3/31/2022	Expense Matrix Since Inception		
Program Name:	Private Equity	Expense Type	Expense	% of Total
Program Inception Date:	4/30/2020	Management Fee	\$1,857,078	54.8%
Total Commitment:	\$90,000,000	Partnership Operations	\$459,674	13.6%
Unfunded Commitment as of Analysis Date:	\$50,719,519	Organizational Expense	\$17,526	0.5%
% Funded as of Analysis Date:	43.64%	Incentive Allocation	\$247,290	7.3%
Program Fund Balance:	\$54,228,260	Offering Costs	\$0	0.0%
		Service Fee	\$0	0.0%
		Syndication Costs	\$50,730	1.5%
		Professional Fee	\$32,225	1.0%
		Other Expense	\$398,358	11.7%
		Management Fee Reimbursement	\$0	-
		General/Administrative Expense	\$2,551	0.1%
		Broken Deal Expense	\$0	0.0%
		Interest Expense	\$307,042	9.1%
		Custody Fee	\$12,313	0.4%
		Dividend Expense	\$0	0.0%
		Performance Fee	\$6,133	0.2%
		Total	\$3,390,921	100.0%
<b>Performance Measures</b>				
Net IRR Since Inception:	39.38%			
Realization Multiple (DPI):	\$0.03			
Residual Value to Paid in Multiple (RVPI):	\$1.24			
Investment Multiple (TVPI):	\$1.26			
<b>Net IRR Decomposition</b>				
Return from Income & Cash Flow:	-1.37%			
Return from Expenses:	1.37%			
Return from Gain/Loss:	49.69%			
Interaction Effect:	-10.30%			
Net IRR Since Inception:	39.38%			

### Fund Information

Manager Name:	Morgan Stanley Prime Property Fund, L.L.C
Analysis Date:	3/31/2022
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2022
Manager Investment Style:	Core Real Estate
Fund Vintage Year:	1973
StanCERA Investment Start Date:	10/1/2015
Initial Commitment:	\$15,000,000
Additional Commitments:	\$61,000,000
Total Commitment Funded:	\$76,000,000
Total Commitment Unfunded:	\$0
Fund Balance:	\$104,684,027

### Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	10.47%
Investment Multiple (TVPI):	\$1.38
Realization Multiple (DPI):	\$0.00
Residual Value to Paid in Multiple (RVPI):	\$1.38
Paid in Capital Multiple (PIC):	100.0%

### Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$76,000,000
Distributions	\$0
Expenses	-\$2,880,644
Income	\$9,918,945
Gain/(Loss)	<u>\$21,645,725</u>
Ending Fund Balance	\$104,684,027

### Internal Rate of Return Decomposition

Return from Income and Cash Flow	4.09%
Return from Expenses	-0.86%
Return from Gain/Loss	7.50%
Interaction/Timing Effect:	<u>-0.27%</u>
Net IRR Since Inception:	10.47%

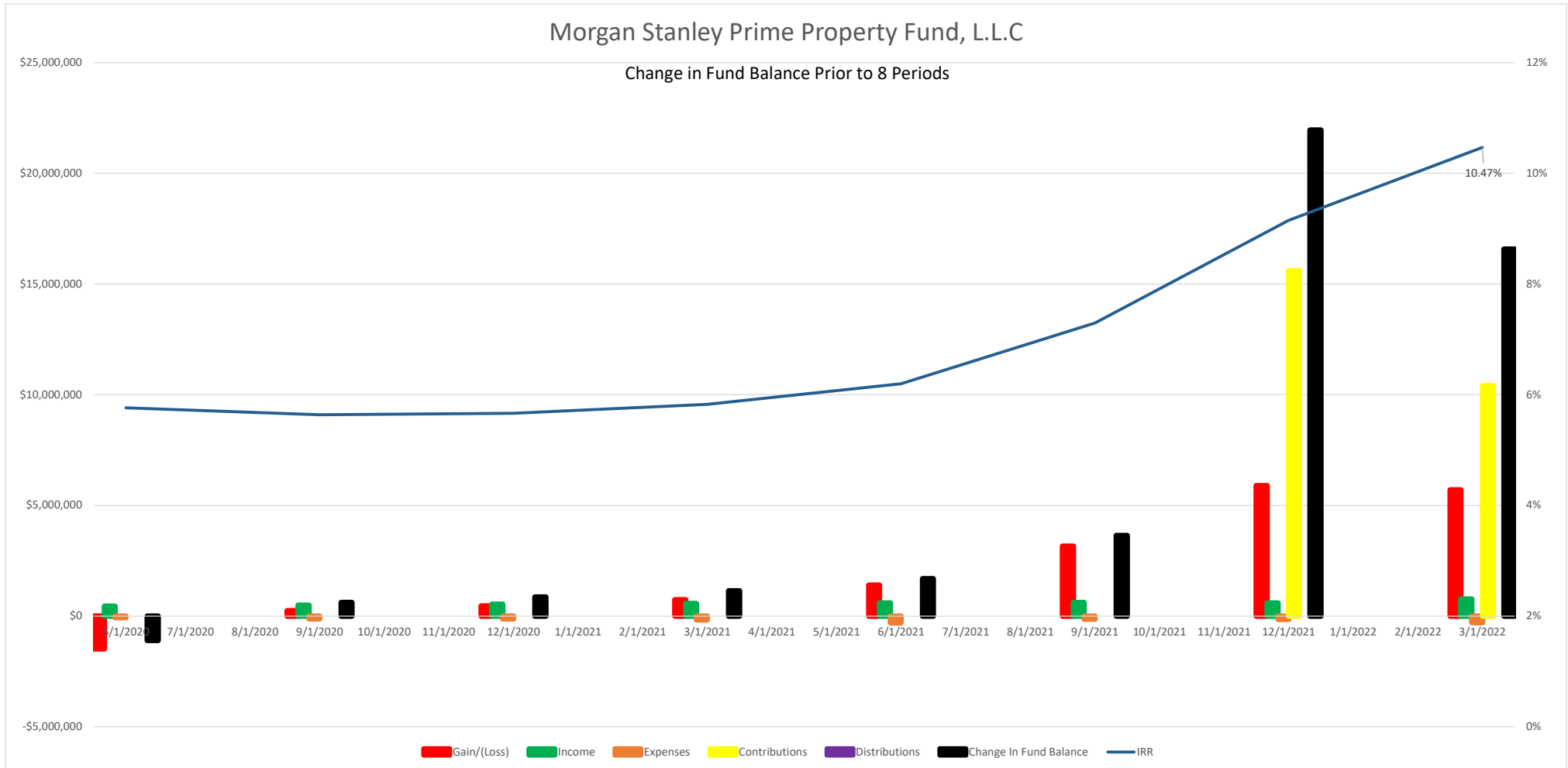
### Expense Matrix

Management Fee	\$2,334,665
Incentive Allocation	<u>\$545,979</u>
Total	\$2,880,644

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

# Morgan Stanley Prime Property Fund, L.L.C

Change in Fund Balance Prior to 8 Periods



### Fund Information

Manager Name:	American Realty Advisors Fund
Analysis Date:	3/31/2022
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2022
Manager Investment Style:	Value Added Real Estate
Fund Vintage Year:	2009
StanCERA Investment Start Date:	12/15/2014
Initial Commitment:	\$30,000,000
Additional Commitments:	\$28,000,000
Total Commitment Funded:	\$58,000,000
Total Commitment Unfunded:	\$0
Fund Balance:	\$87,976,963

### Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	11.39%
Investment Multiple (TVPI):	\$1.55
Realization Multiple (DPI):	\$0.04
Residual Value to Paid in Multiple (RVPI):	\$1.52
Paid in Capital Multiple (PIC):	100.0%

### Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$58,000,000
Distributions	-\$2,031,680
Expenses	-\$5,615,949
Income	\$11,969,928
Gain/(Loss)	<u>\$25,654,664</u>
Ending Fund Balance	\$87,976,963

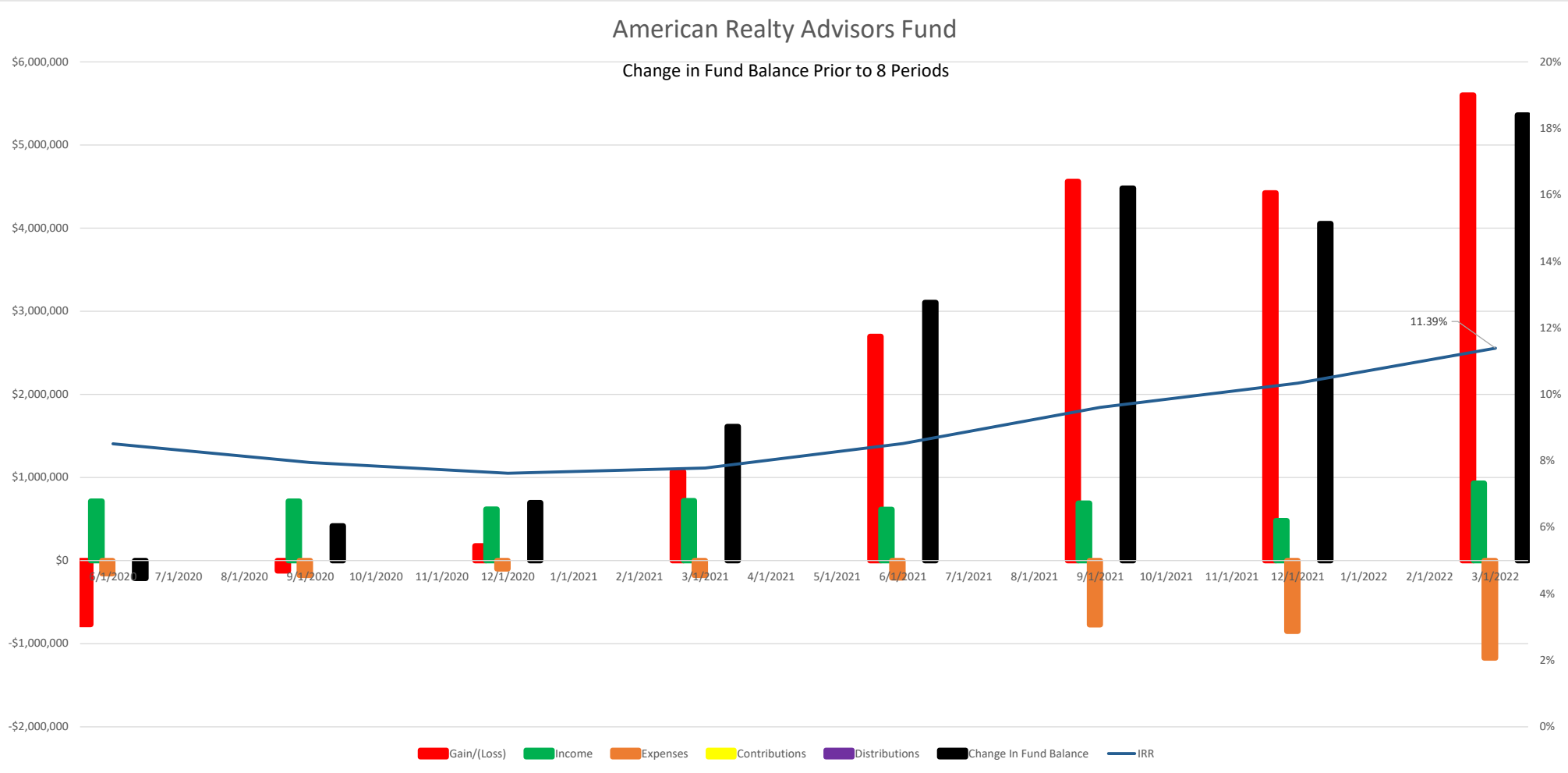
### Internal Rate of Return Decomposition

Return from Income and Cash Flow	4.89%
Return from Expenses	-1.57%
Return from Gain/Loss	8.64%
Interaction/Timing Effect:	<u>-0.57%</u>
Net IRR Since Inception:	11.39%

### Expense Matrix

Management Fee	\$3,416,894
Incentive Allocation	\$2,332,078
Offering Costs	\$54
General/Administrative Expense	<u>-\$133,077</u>
Total	\$5,615,949

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



### Fund Information

Manager Name:	PGIM Real Estate U.S. Debt Fund, L.P.
Analysis Date:	3/31/2022
Reporting Frequency:	Monthly
Latest Data Date:	5/31/2022
Manager Investment Style:	Real Estate Debt
Fund Vintage Year:	0
StanCERA Investment Start Date:	9/28/2018
Initial Commitment:	\$54,000,000
Additional Commitments:	\$26,000,000
Total Commitment Funded:	\$76,275,000
Total Commitment Unfunded:	\$3,725,000
Fund Balance:	\$86,695,092

### Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	5.35%
Investment Multiple (TVPI):	\$1.14
Realization Multiple (DPI):	\$0.00
Residual Value to Paid in Multiple (RVPI):	\$1.14
Paid in Capital Multiple (PIC):	95.3%

### Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$76,275,000
Distributions	\$0
Expenses	-\$1,570,169
Income	\$12,473,558
Gain/(Loss)	<u>-\$483,297</u>
Ending Fund Balance	\$86,695,092

### Internal Rate of Return Decomposition

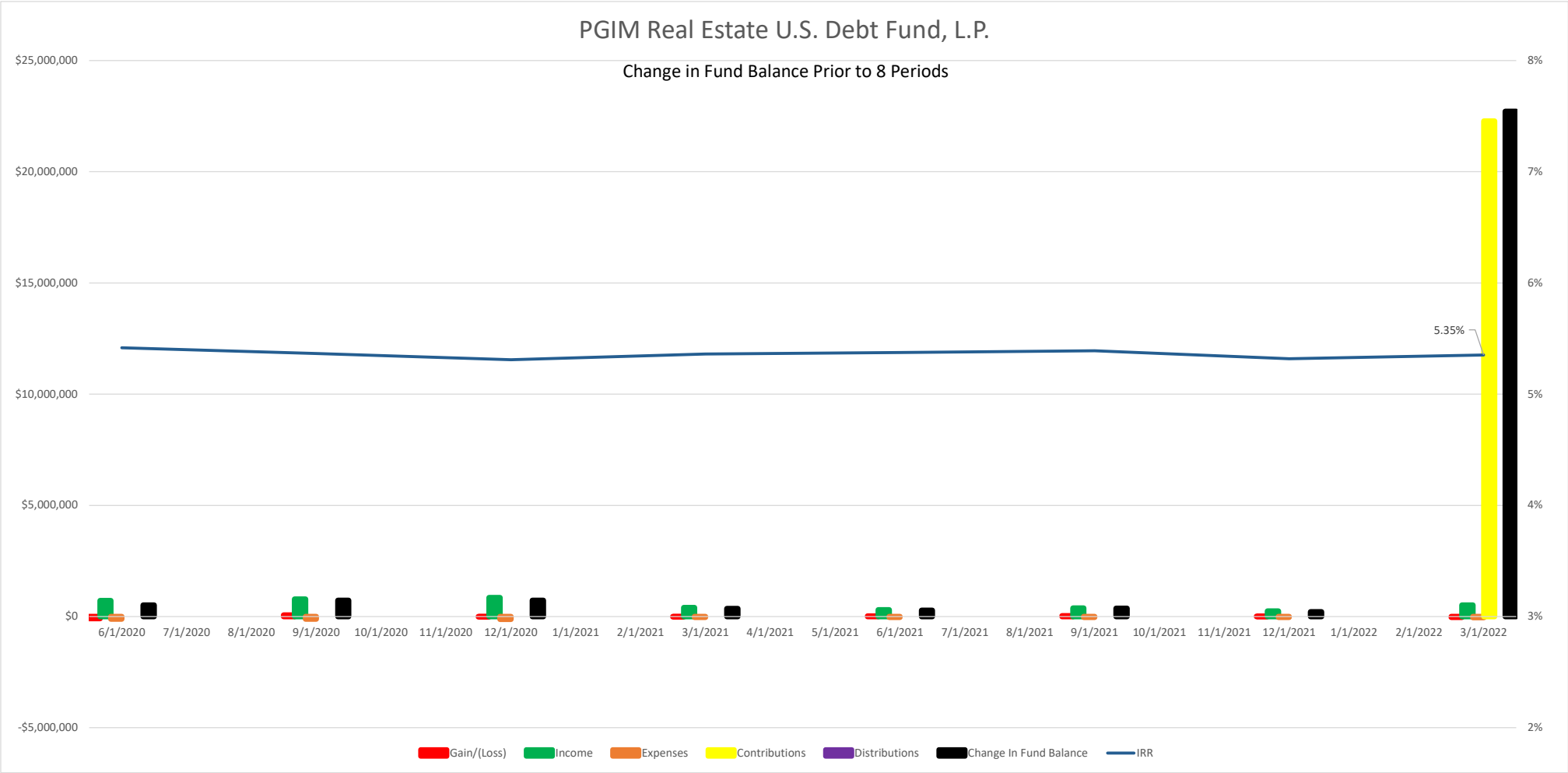
Return from Income and Cash Flow	6.33%
Return from Expenses	-0.75%
Return from Gain/Loss	-0.23%
Interaction/Timing Effect:	<u>0.00%</u>
Net IRR Since Inception:	5.35%

### Expense Matrix

Management Fee	\$1,570,170
Incentive Allocation	<u>\$0</u>
Total	\$1,570,169

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





### Fund Information

Manager Name:	Greenfield GAP VII Management Fund, L.L.C
Analysis Date:	3/31/2022
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2022
Manager Investment Style:	Value Added Real Estate
Fund Vintage Year:	2011
StanCERA Investment Start Date:	7/8/2014
Initial Commitment:	\$15,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$8,468,885
Total Commitment Unfunded:	\$6,531,115
Fund Balance:	\$4,253,887

### Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	14.68%
Investment Multiple (TVPI):	\$1.59
Realization Multiple (DPI):	\$1.35
Residual Value to Paid in Multiple (RVPI):	\$0.24
Paid in Capital Multiple (PIC):	56.5%

### Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$18,013,692
Distributions	-\$24,379,137
Expenses	-\$3,545,951
Income	\$3,186,930
Gain/(Loss)	<u>\$10,978,355</u>
Ending Fund Balance	\$4,253,889

### Internal Rate of Return Decomposition

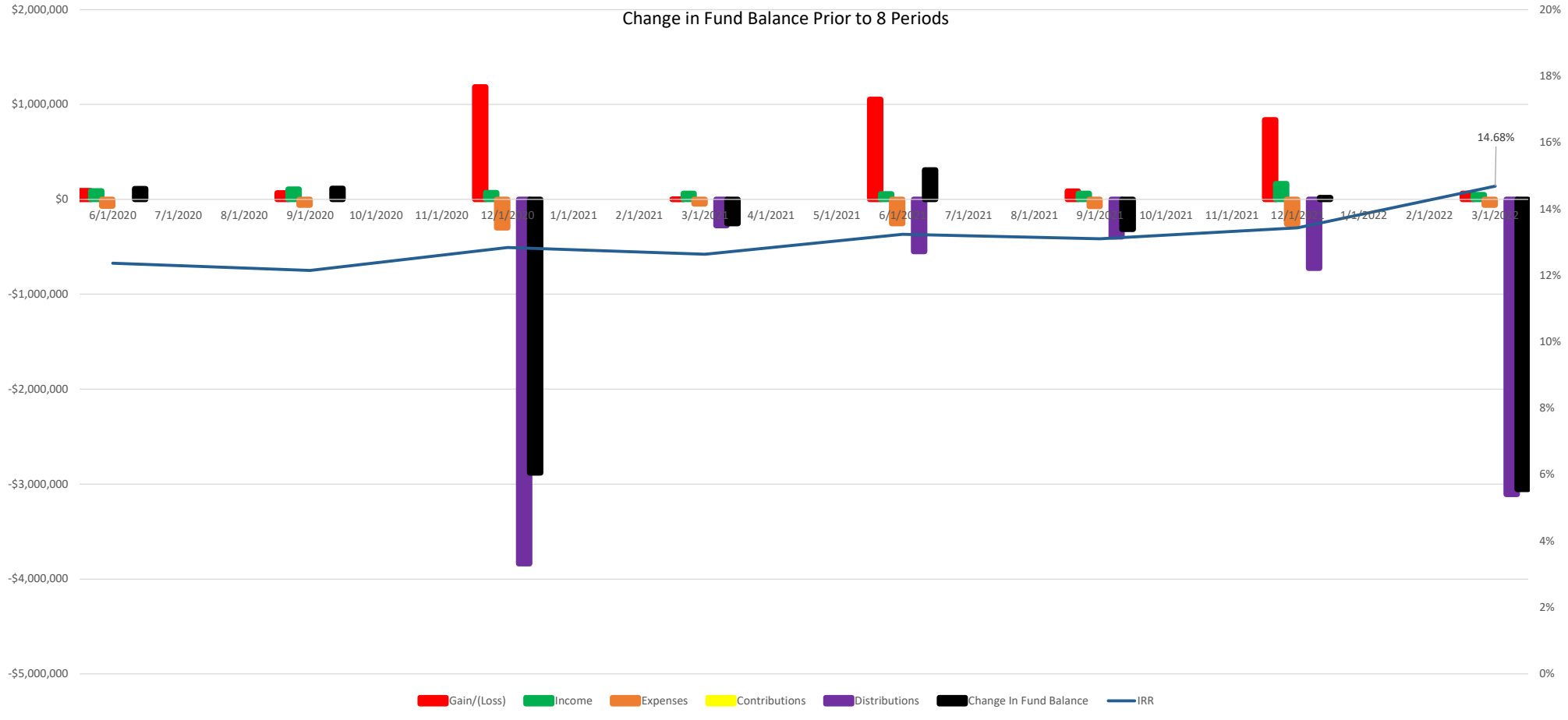
Return from Income and Cash Flow	7.92%
Return from Expenses	-2.38%
Return from Gain/Loss	11.82%
Interaction/Timing Effect:	<u>-2.69%</u>
Net IRR Since Inception:	14.68%

### Expense Matrix

Management Fee	\$1,784,483
Partnership Operations	\$182,291
Incentive Allocation	\$1,576,308
Interest Expense	<u>\$2,869</u>
Total	\$3,545,951

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

Greenfield GAP VII Management Fund, L.L.C



### Fund Information

Manager Name:	Grandview Partners I, L.P.
Analysis Date:	3/31/2022
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2022
Manager Investment Style:	Value Added Real Estate
Fund Vintage Year:	2017
StanCERA Investment Start Date:	4/27/2018
Initial Commitment:	\$40,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$29,653,571
Total Commitment Unfunded:	\$10,346,429
Fund Balance:	\$26,118,229

### Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	28.33%
Investment Multiple (TVPI):	\$1.74
Realization Multiple (DPI):	\$0.86
Residual Value to Paid in Multiple (RVPI):	\$0.88
Paid in Capital Multiple (PIC):	30.3%

### Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$29,653,571
Distributions	-\$25,502,670
Expenses	-\$8,121,022
Income	\$1,092,045
Gain/(Loss)	<u>\$28,996,305</u>
Ending Fund Balance	\$26,118,229

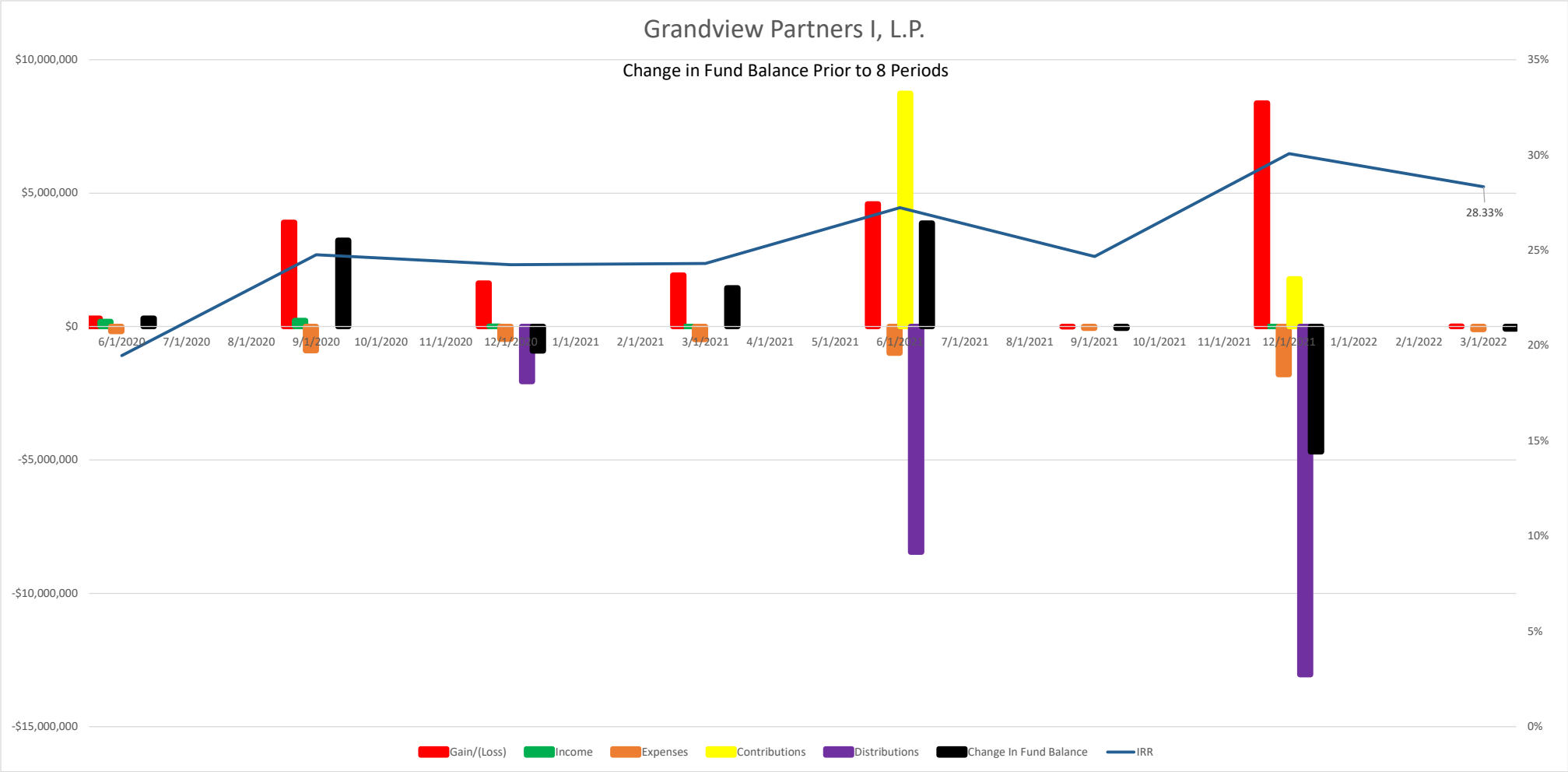
### Internal Rate of Return Decomposition

Return from Income and Cash Flow	1.86%
Return from Expenses	-7.24%
Return from Gain/Loss	45.21%
Interaction/Timing Effect:	<u>-11.51%</u>
Net IRR Since Inception:	28.33%

### Expense Matrix

Management Fee	\$2,794,492
Partnership Operations	\$499,987
Incentive Allocation	\$4,361,351
Professional Fee	\$20,386
Interest Expense	<u>\$444,806</u>
Total	\$8,121,022

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



### Fund Information

Manager Name:	North Haven Infrastructure II GP LP
Analysis Date:	3/31/2022
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2022
Manager Investment Style:	Infrastructure
Fund Vintage Year:	2015
StanCERA Investment Start Date:	5/19/2015
Initial Commitment:	\$50,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$30,095,868
Total Commitment Unfunded:	\$19,904,132
Fund Balance:	\$27,000,602

### Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	11.20%
Investment Multiple (TVPI):	\$1.27
Realization Multiple (DPI):	\$0.83
Residual Value to Paid in Multiple (RVPI):	\$0.44
Paid in Capital Multiple (PIC):	60.2%

### Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$61,881,271
Distributions	-\$51,577,753
Expenses	-\$5,619,532
Income	\$5,472,265
Gain/(Loss)	<u>\$16,845,368</u>
Ending Fund Balance	\$27,001,619

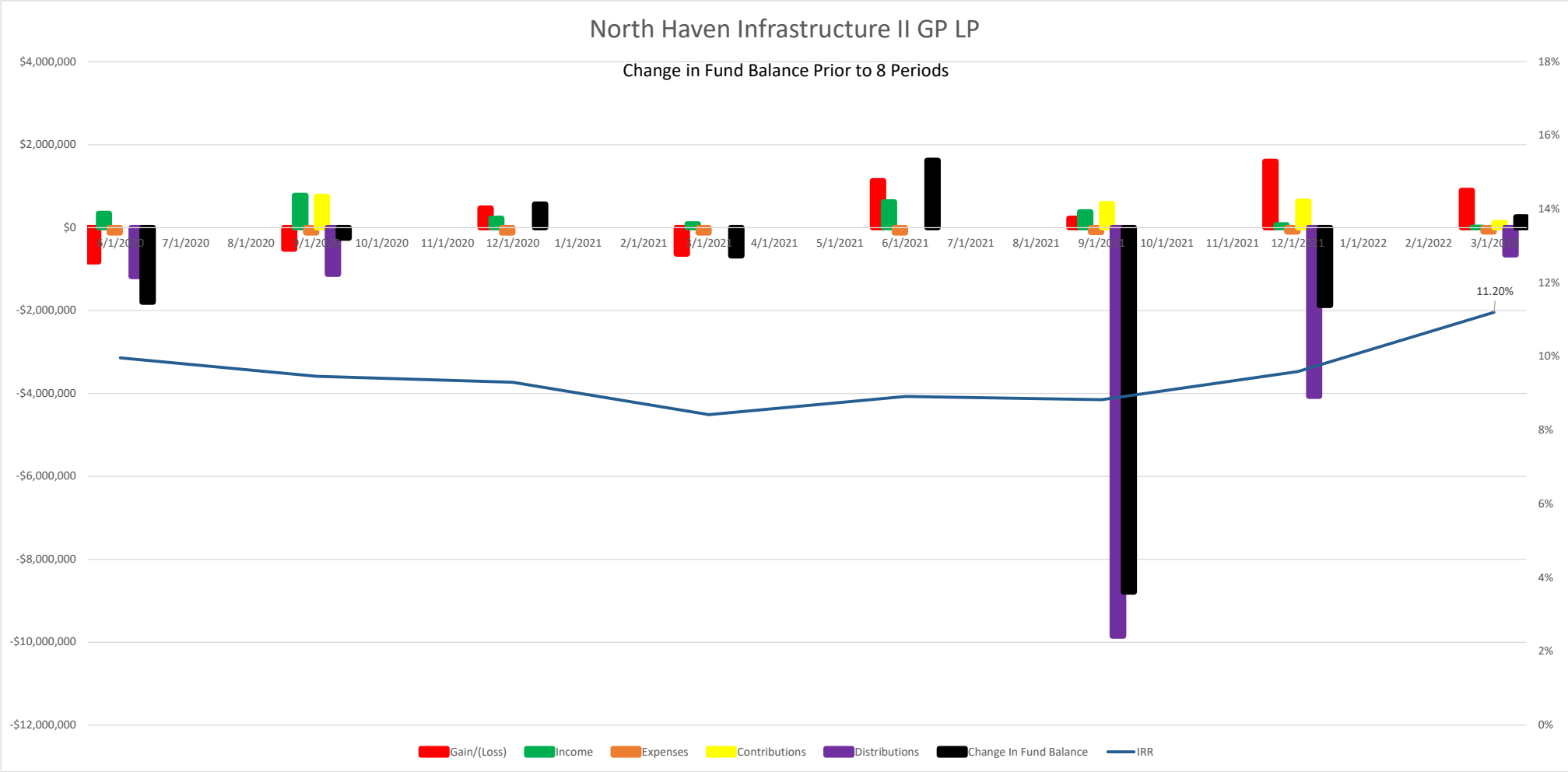
### Internal Rate of Return Decomposition

Return from Income and Cash Flow	5.88%
Return from Expenses	-2.25%
Return from Gain/Loss	8.58%
Interaction/Timing Effect:	<u>-1.02%</u>
Net IRR Since Inception:	11.20%

### Expense Matrix

Management Fee	\$4,481,704
Partnership Operations	\$37,637
Organizational Expense	\$52,991
Syndication Costs	\$65,354
Professional Fee	\$127,189
General/Administrative Expense	\$355,546
Broken Deal Expense	\$267,706
Interest Expense	\$231,405

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



### Fund Information

Manager Name:	Medley Opportunity Fund II L.P.
Analysis Date:	12/31/2021**
Reporting Frequency:	Quarterly
Latest Data Date:	12/31/2021
Manager Investment Style:	Private Credit
Fund Vintage Year:	2011
StanCERA Investment Start Date:	5/16/2013
Initial Commitment:	\$30,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$26,005,733
Total Commitment Unfunded:	\$3,994,267
Fund Balance:	\$2,627,272

### Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	-0.62%
Investment Multiple (TVPI):	\$1.07
Realization Multiple (DPI):	\$0.98
Residual Value to Paid in Multiple (RVPI):	\$0.08
Paid in Capital Multiple (PIC):	86.7%

### Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$31,086,716
Distributions	-\$30,533,960
Expenses	-\$4,348,656
Income	\$18,077,235
Gain/(Loss)	<u>-\$11,654,063</u>
Ending Fund Balance	\$2,627,272

### Internal Rate of Return Decomposition

Return from Income and Cash Flow	7.12%
Return from Expenses	-2.69%
Return from Gain/Loss	-6.10%
Interaction/Timing Effect:	<u>1.05%</u>
Net IRR Since Inception:	-0.62%

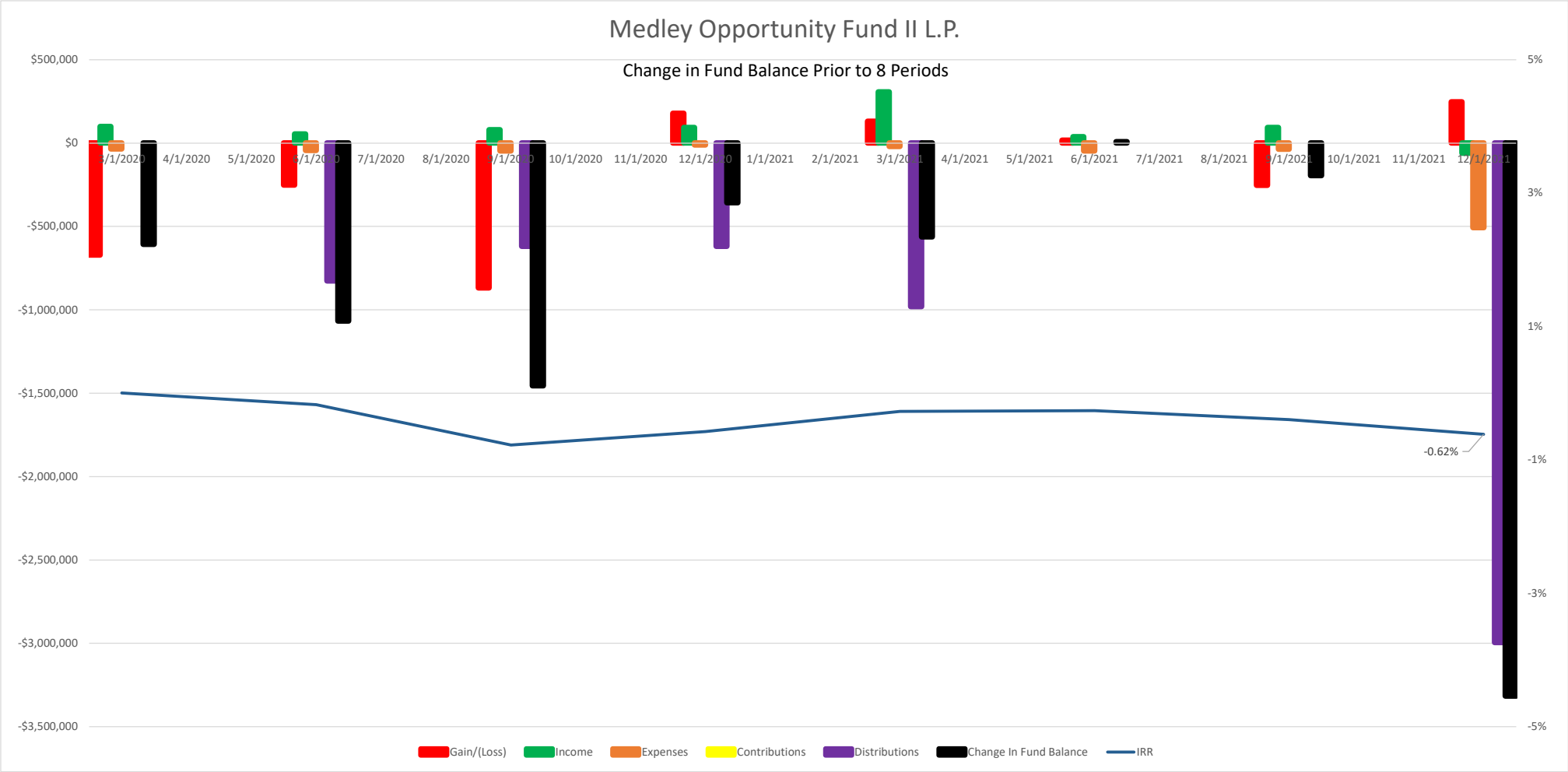
### Expense Matrix

Management Fee	\$2,570,452
Partnership Operations	\$1,362,882
Incentive Allocation	<u>\$415,322</u>
Total	\$4,348,656

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

\*\* 3/31/2022 data is not available





### Fund Information

Manager Name:	Raven Asset-Based Opportunity Fund I L.P.
Analysis Date:	3/31/2022
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2022
Manager Investment Style:	Private Credit
Fund Vintage Year:	2012
StanCERA Investment Start Date:	5/22/2013
Initial Commitment:	\$40,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$34,505,763
Total Commitment Unfunded:	\$5,494,237
Fund Balance:	\$0

### Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	-4.26%
Investment Multiple (TVPI):	\$0.87
Realization Multiple (DPI):	\$0.87
Residual Value to Paid in Multiple (RVPI):	\$0.00
Paid in Capital Multiple (PIC):	86.3%

### Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$34,505,763
Distributions	-\$30,192,215
Expenses	-\$5,682,806
Income	\$14,459,166
Gain/(Loss)	<u>-\$13,089,909</u>
Ending Fund Balance	-\$1

### Internal Rate of Return Decomposition

Return from Income and Cash Flow	6.77%
Return from Expenses	-4.62%
Return from Gain/Loss	-8.66%
Interaction/Timing Effect:	<u>2.25%</u>
Net IRR Since Inception:	-4.26%

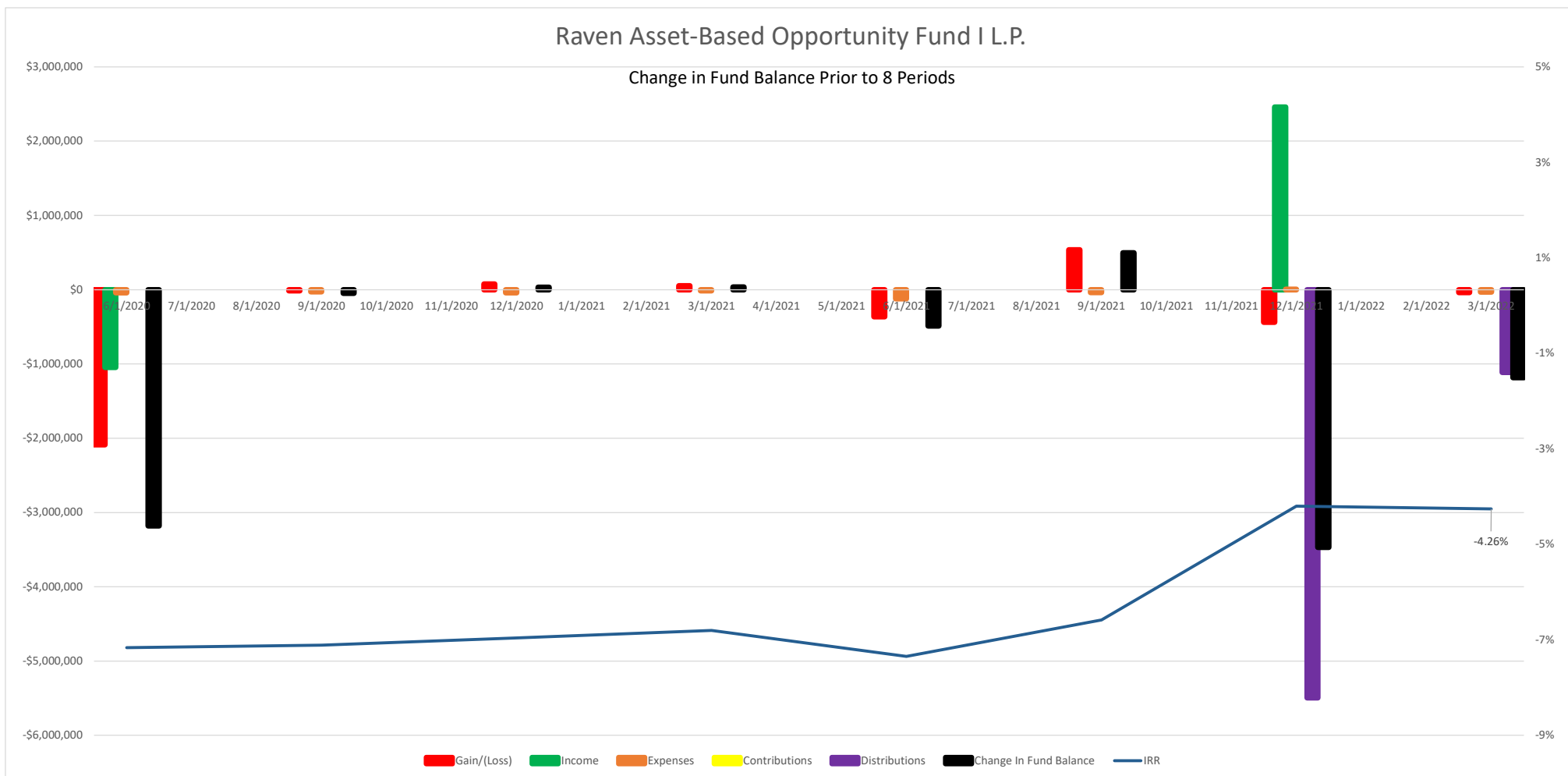
### Expense Matrix

Management Fee	\$3,381,252
Organizational Expense	\$92,275
Service Fee	\$339,601
Professional Fee	<u>\$1,869,678</u>
Total	\$5,682,806

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

# Raven Asset-Based Opportunity Fund I L.P.

Change in Fund Balance Prior to 8 Periods



### Fund Information

Manager Name:	Raven Asset-Based Opportunity Fund III L.P.
Analysis Date:	3/31/2022
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2022
Manager Investment Style:	Private Credit
Fund Vintage Year:	2015
StanCERA Investment Start Date:	7/6/2015
Initial Commitment:	\$15,000,000
Additional Commitments:	\$34,999,999
Total Commitment Funded:	\$49,999,999
Total Commitment Unfunded:	\$0
Fund Balance:	\$54,263,544

### Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	7.24%
Investment Multiple (TVPI):	\$1.28
Realization Multiple (DPI):	\$0.30
Residual Value to Paid in Multiple (RVPI):	\$0.98
Paid in Capital Multiple (PIC):	100.0%

### Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$55,477,654
Distributions	-\$16,481,166
Expenses	-\$7,722,834
Income	\$10,804,173
Gain/(Loss)	<u>\$12,185,715</u>
Ending Fund Balance	\$54,263,543

### Internal Rate of Return Decomposition

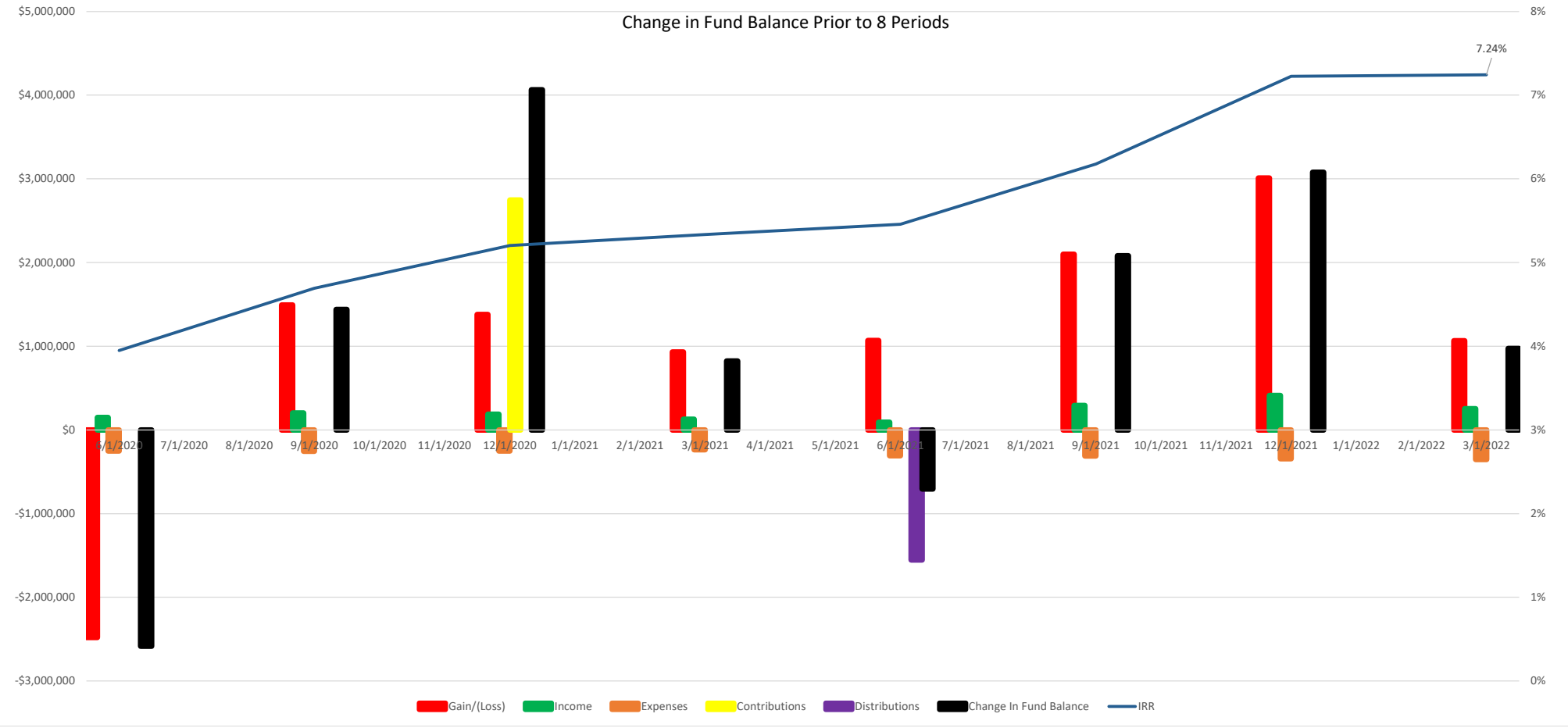
Return from Income and Cash Flow	5.33%
Return from Expenses	-3.02%
Return from Gain/Loss	5.61%
Interaction/Timing Effect:	<u>-0.68%</u>
Net IRR Since Inception:	7.24%

### Expense Matrix

Management Fee	\$5,235,823
Partnership Operations	\$102,856
Organizational Expense	\$82,166
Professional Fee	<u>\$2,301,989</u>
Total	\$7,722,834

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

Raven Asset-Based Opportunity Fund III L.P.



### Fund Information

Manager Name:	White Oak Pinnacle Fund L.P.
Analysis Date:	3/31/2022
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2022
Manager Investment Style:	Private Credit
Fund Vintage Year:	2012
StanCERA Investment Start Date:	8/2/2013
Initial Commitment:	\$40,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$32,758,125
Total Commitment Unfunded:	\$7,241,875
Fund Balance:	\$27,775,970

### Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	6.54%
Investment Multiple (TVPI):	\$1.31
Realization Multiple (DPI):	\$0.81
Residual Value to Paid in Multiple (RVPI):	\$0.50
Paid in Capital Multiple (PIC):	81.9%

### Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$55,047,161
Distributions	-\$44,452,785
Expenses	-\$4,059,266
Income	\$26,683,270
Gain/(Loss)	<u>-\$5,442,410</u>
Ending Fund Balance	\$27,775,970

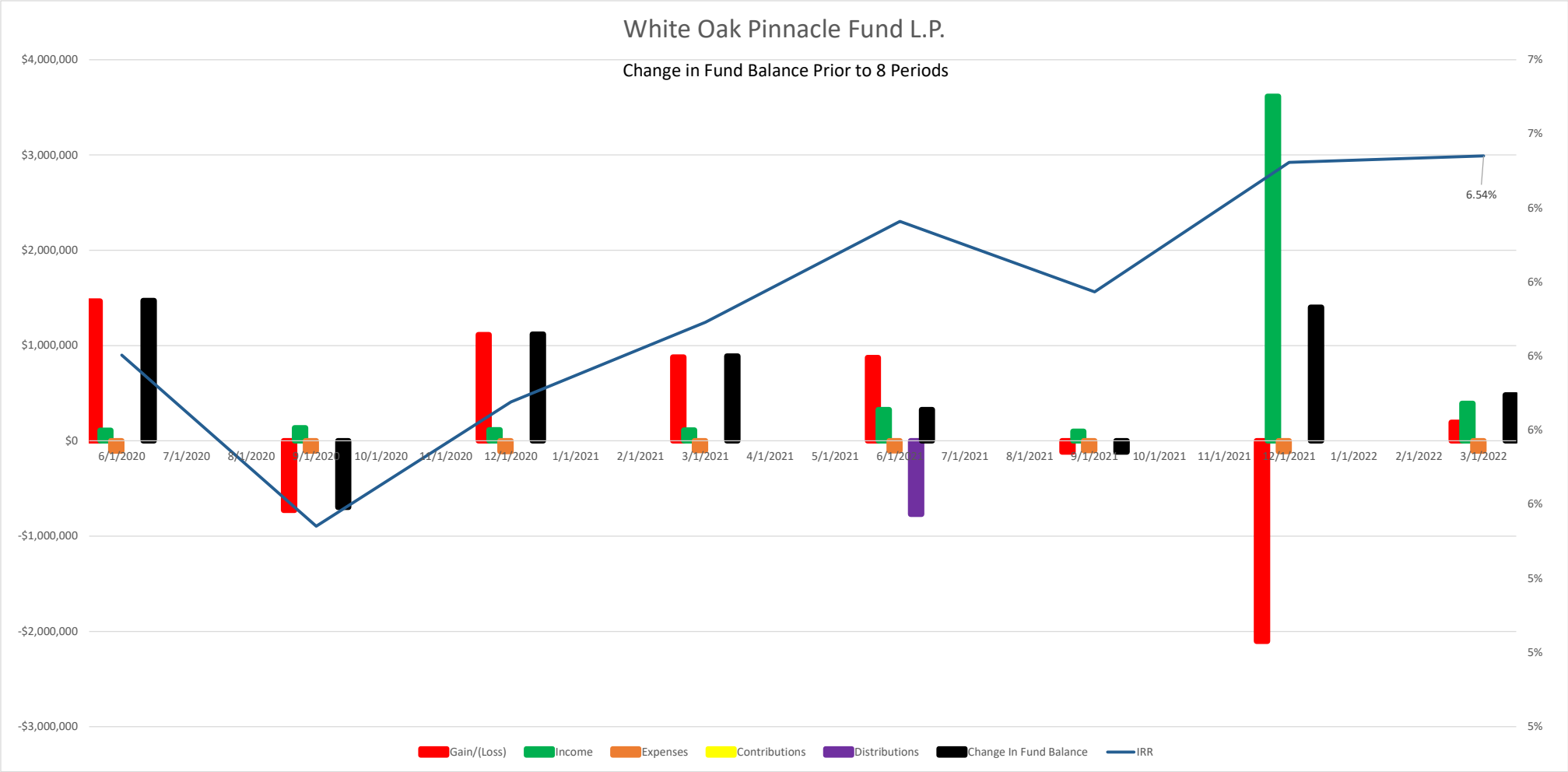
### Internal Rate of Return Decomposition

Return from Income and Cash Flow	9.35%
Return from Expenses	-1.27%
Return from Gain/Loss	-1.68%
Interaction/Timing Effect:	<u>0.15%</u>
Net IRR Since Inception:	6.54%

### Expense Matrix

Management Fee	\$4,950,570
Incentive Allocation	\$0
Other Expense	\$224,071
Management Fee Reimbursement	-\$1,611,862
General/Administrative Expense	<u>\$496,487</u>
Total	\$4,059,266

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



### Fund Information

Manager Name:	Owl Rock First Lien Fund
Analysis Date:	3/31/2022
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2022
Manager Investment Style:	Private Credit
Fund Vintage Year:	2019
StanCERA Investment Start Date:	10/28/2019
Initial Commitment:	\$10,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$8,250,000
Total Commitment Unfunded:	\$1,750,000
Fund Balance:	\$8,470,544

### Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	7.71%
Investment Multiple (TVPI):	\$1.15
Realization Multiple (DPI):	\$0.14
Residual Value to Paid in Multiple (RVPI):	\$1.01
Paid in Capital Multiple (PIC):	82.5%

### Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$8,391,193
Distributions	-\$1,150,176
Expenses	-\$1,710,889
Income	\$2,994,437
Gain/(Loss)	<u>-\$54,021</u>
Ending Fund Balance	\$8,470,544

### Internal Rate of Return Decomposition

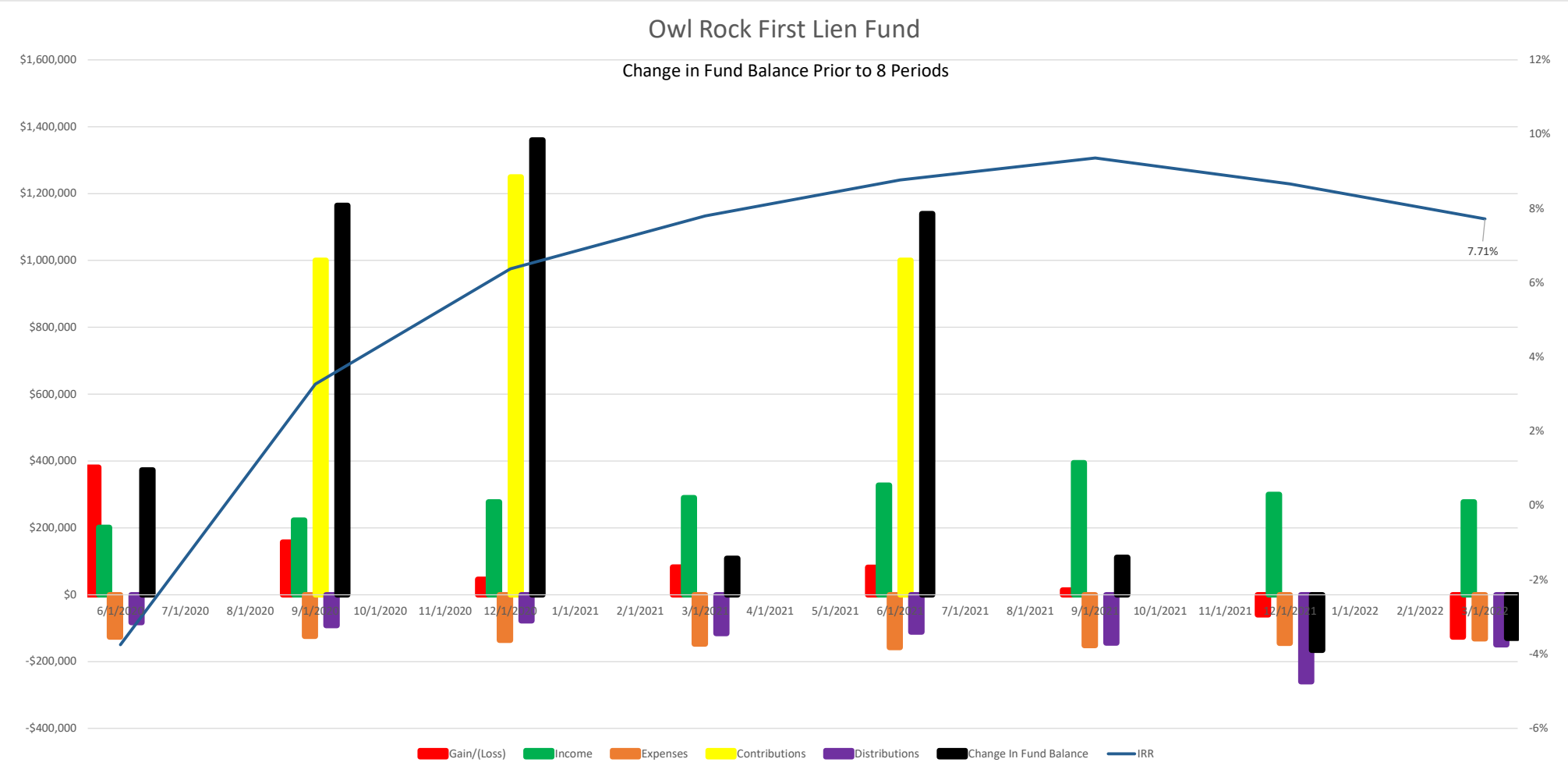
Return from Income and Cash Flow	17.78%
Return from Expenses	-9.77%
Return from Gain/Loss	-0.32%
Interaction/Timing Effect:	<u>0.03%</u>
Net IRR Since Inception:	7.71%

### Expense Matrix

Management Fee	\$445,212
Partnership Operations	\$162,899
Other Expense	\$65,660
Interest Expense	<u>\$1,037,119</u>
Total	\$1,710,889

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





### Fund Information

Manager Name:	Strategic Value Special Situations Fund V
Analysis Date:	3/31/2022
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2022
Manager Investment Style:	Private Credit
Fund Vintage Year:	2021
StanCERA Investment Start Date:	5/13/2021
Initial Commitment:	\$10,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$3,250,000
Total Commitment Unfunded:	\$6,750,000
Fund Balance:	\$3,564,523

### Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	24.30%
Investment Multiple (TVPI):	\$1.10
Realization Multiple (DPI):	\$0.00
Residual Value to Paid in Multiple (RVPI):	\$1.10
Paid in Capital Multiple (PIC):	32.5%

### Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$3,250,000
Distributions	\$0
Expenses	-\$139,231
Income	\$24,508
Gain/(Loss)	<u>\$429,246</u>
Ending Fund Balance	\$3,564,523

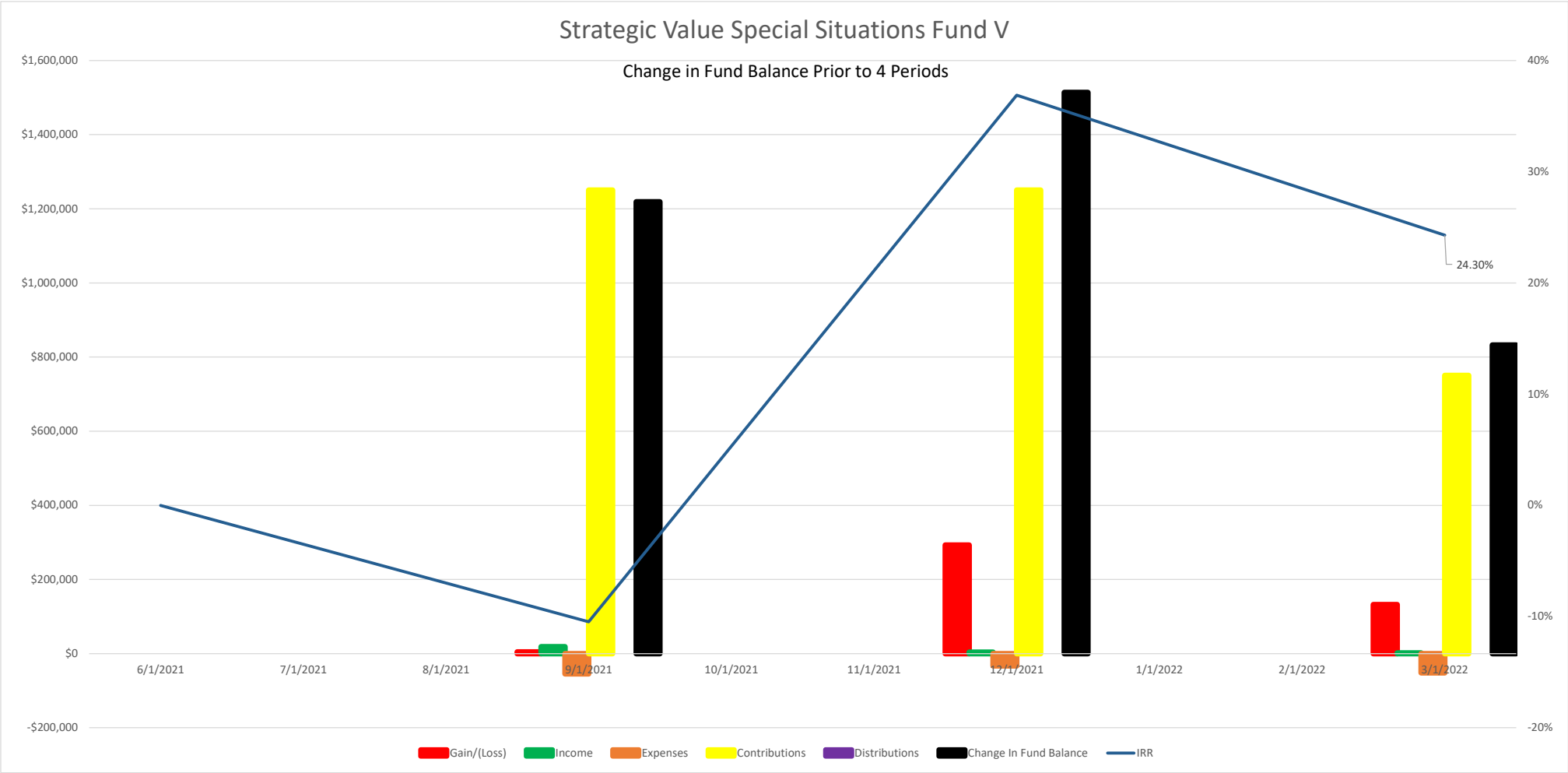
### Internal Rate of Return Decomposition

Return from Income and Cash Flow	1.82%
Return from Expenses	-11.40%
Return from Gain/Loss	32.63%
Interaction/Timing Effect:	<u>1.25%</u>
Net IRR Since Inception:	24.30%

### Expense Matrix

Management Fee	\$85,761
Partnership Operations	\$24,575
Incentive Allocation	\$20,539
Other Expense	\$95
Interest Expense	<u>\$8,261</u>
Total	\$139,231

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



### Fund Information

Manager Name:	Insight Partners XI
Analysis Date:	3/31/2022
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2022
Manager Investment Style:	Private Equity
Fund Vintage Year:	2020
StanCERA Investment Start Date:	4/30/2020
Initial Commitment:	\$15,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$14,250,000
Total Commitment Unfunded:	\$750,000
Fund Balance:	\$27,661,888

### Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	69.63%
Investment Multiple (TVPI):	\$1.94
Realization Multiple (DPI):	\$0.00
Residual Value to Paid in Multiple (RVPI):	\$1.94
Paid in Capital Multiple (PIC):	95.0%

### Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$14,250,000
Distributions	-\$25,410
Expenses	-\$904,949
Income	\$7,746
Gain/(Loss)	<u>\$14,334,502</u>
Ending Fund Balance	\$27,661,888

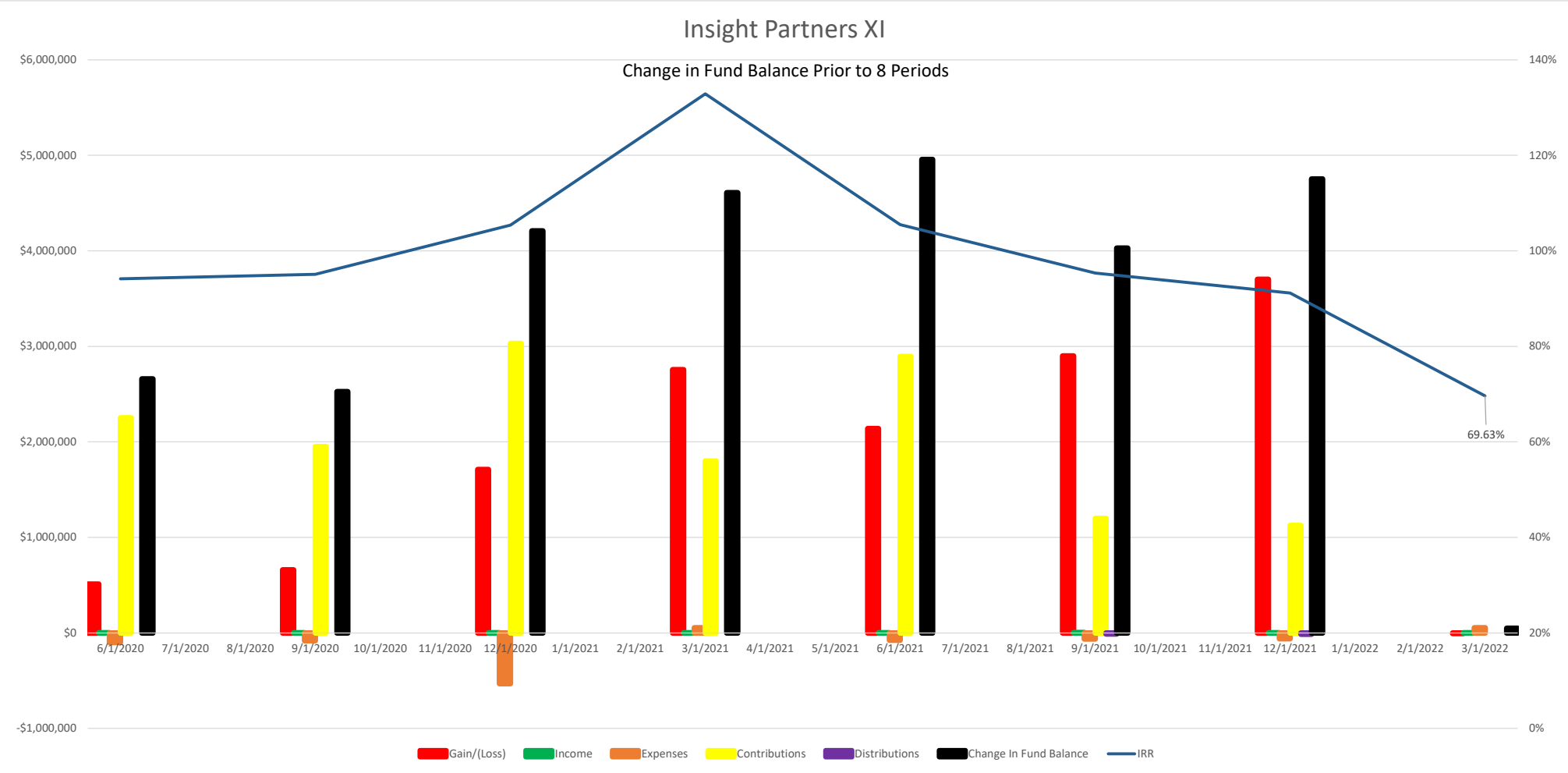
### Internal Rate of Return Decomposition

Return from Income and Cash Flow	-0.01%
Return from Expenses	-4.21%
Return from Gain/Loss	74.97%
Interaction/Timing Effect:	<u>-1.11%</u>
Net IRR Since Inception:	69.63%

### Expense Matrix

Management Fee	\$584,377
Partnership Operations	\$47,866
Incentive Allocation	\$198,825
Other Expense	\$39,598
Interest Expense	<u>\$34,283</u>
Total	\$904,949

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



### Fund Information

Manager Name:	Clayton, Dubilier, Rice Fund XI (CD&R XI)
Analysis Date:	3/31/2022
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2022
Manager Investment Style:	Private Equity
Fund Vintage Year:	2020
StanCERA Investment Start Date:	9/23/2021
Initial Commitment:	\$20,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$5,927,365
Total Commitment Unfunded:	\$14,072,635
Fund Balance:	\$6,732,856

### Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	30.42%
Investment Multiple (TVPI):	\$1.13
Realization Multiple (DPI):	\$0.04
Residual Value to Paid in Multiple (RVPI):	\$1.09
Paid in Capital Multiple (PIC):	29.6%

### Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$6,172,406
Distributions	-\$245,041
Expenses	-\$541,552
Income	\$0
Gain/(Loss)	<u>\$1,347,043</u>
Ending Fund Balance	\$6,732,856

### Internal Rate of Return Decomposition

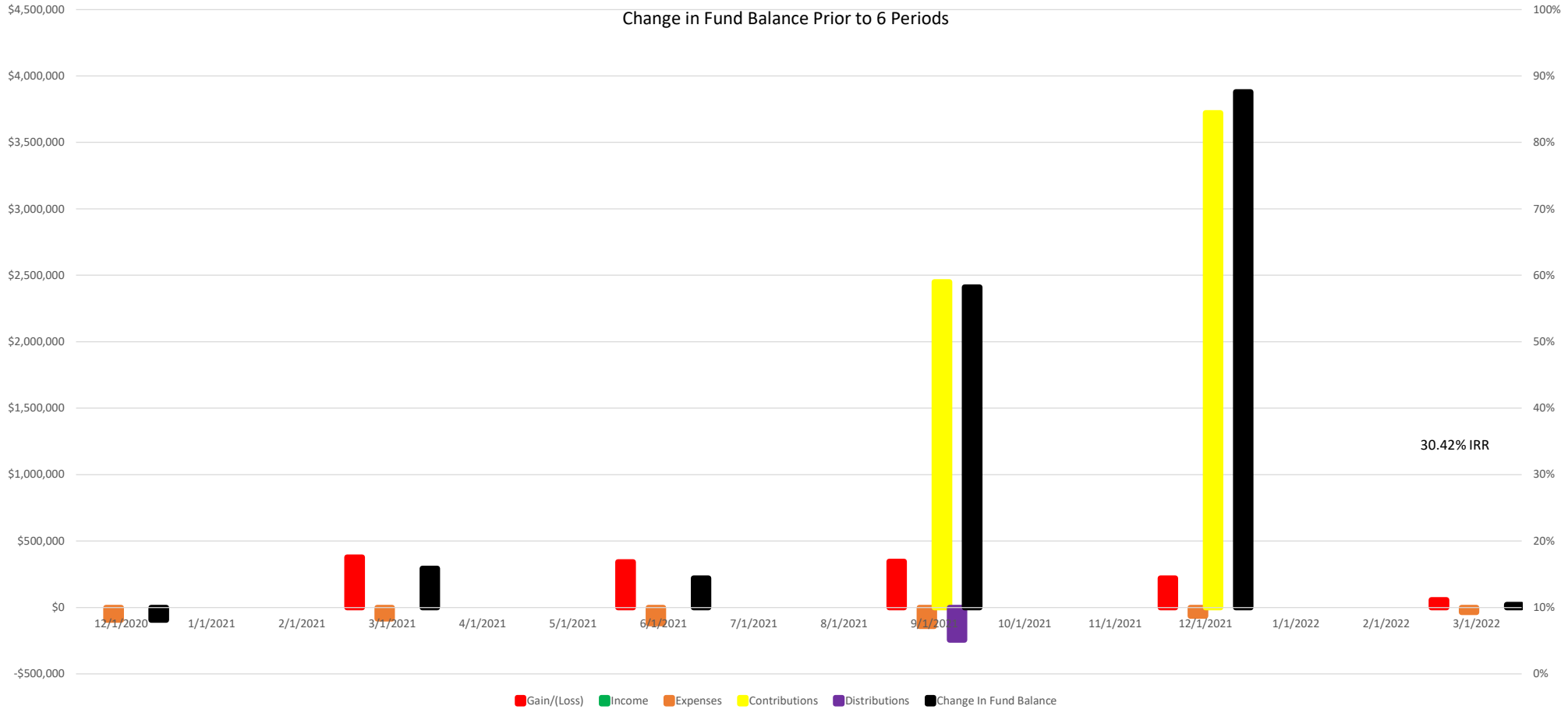
Return from Income and Cash Flow	0.00%
Return from Expenses	-22.81%
Return from Gain/Loss	48.54%
Interaction/Timing Effect:	<u>4.69%</u>
Net IRR Since Inception:	30.42%

### Expense Matrix

Management Fee	\$269,304
Syndication Costs	\$50,459
Other Expense	\$142,007
Interest Expense	<u>\$84,280</u>
Total	\$546,050

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

Clayton, Dubilier, Rice Fund XI (CD&R XI)



### Fund Information

Manager Name:	Vista Foundation Fund IV
Analysis Date:	3/31/2022
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2022
Manager Investment Style:	Private Equity
Fund Vintage Year:	2020
StanCERA Investment Start Date:	7/24/2020
Initial Commitment:	\$20,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$7,845,235
Total Commitment Unfunded:	\$12,154,765
Fund Balance:	\$7,755,966

### Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	-1.13%
Investment Multiple (TVPI):	\$0.99
Realization Multiple (DPI):	\$0.00
Residual Value to Paid in Multiple (RVPI):	\$0.99
Paid in Capital Multiple (PIC):	39.2%

### Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$7,845,235
Distributions	\$0
Expenses	-\$931,729
Income	\$0
Gain/(Loss)	<u>\$842,460</u>
Ending Fund Balance	\$7,755,966

### Internal Rate of Return Decomposition

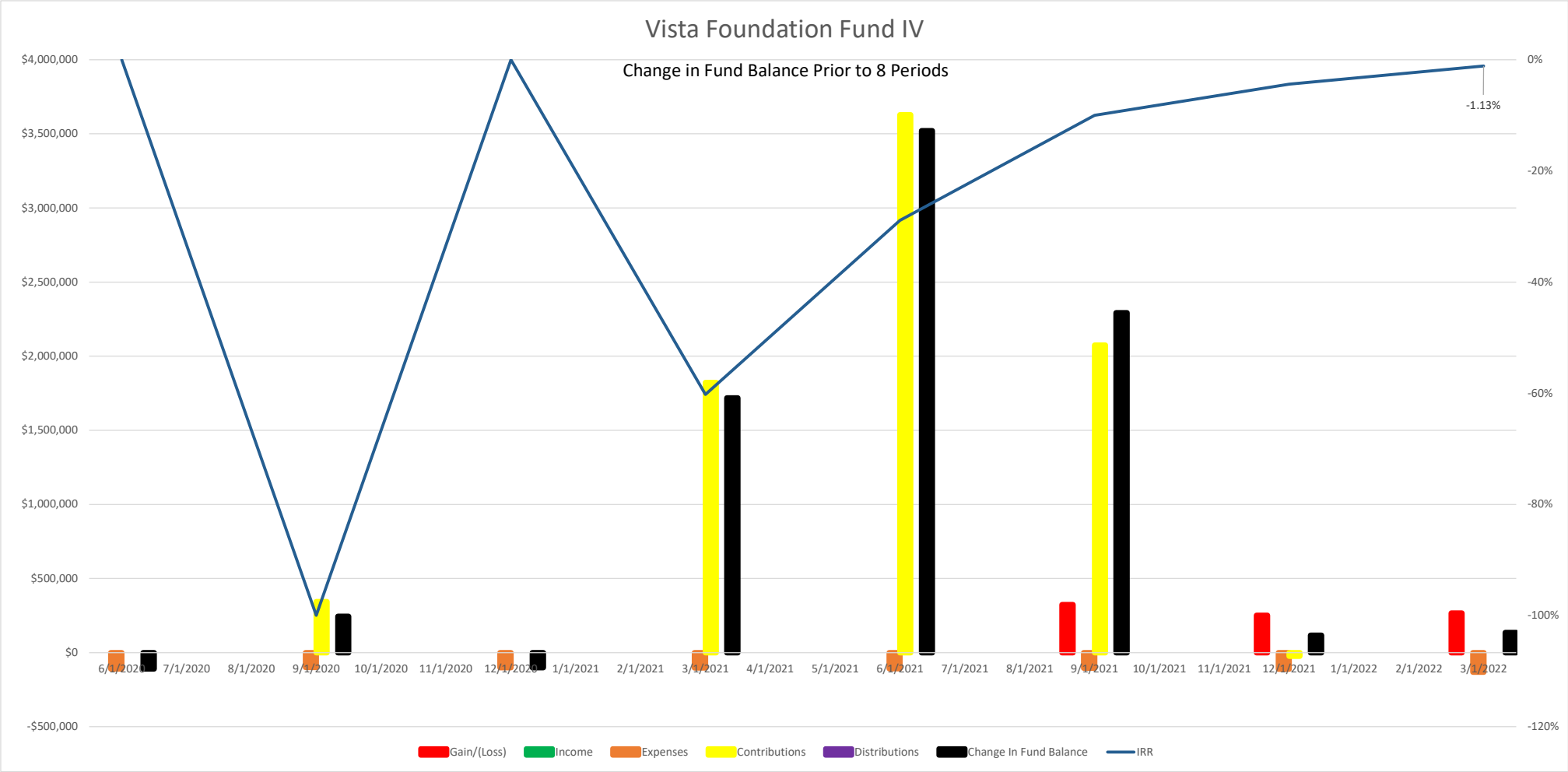
Return from Income and Cash Flow	0.06%
Return from Expenses	-12.48%
Return from Gain/Loss	-1.13%
Interaction/Timing Effect:	<u>12.42%</u>
Net IRR Since Inception:	-1.13%

### Expense Matrix

Management Fee	\$843,956
Organizational Expense	\$17,526
Professional Fee	\$32,225
Other Expense	\$6,314
General/Administrative Expense	\$2,551
Interest Expense	\$23,024
Performance Fee	<u>\$6,133</u>
Total	\$931,729

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





### Fund Information

Manager Name:	Gryphon Partners VI
Analysis Date:	3/31/2022
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2022
Manager Investment Style:	Private Equity
Fund Vintage Year:	2021
StanCERA Investment Start Date:	3/26/2021
Initial Commitment:	\$20,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$9,412,447
Total Commitment Unfunded:	\$10,587,553
Fund Balance:	\$10,039,224

### Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	1.65%
Investment Multiple (TVPI):	\$1.06
Realization Multiple (DPI):	\$0.09
Residual Value to Paid in Multiple (RVPI):	\$0.97
Paid in Capital Multiple (PIC):	47.1%

### Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$10,391,757
Distributions	-\$979,309
Expenses	-\$852,642
Income	\$4,143
Gain/(Loss)	<u>\$1,475,276</u>
Ending Fund Balance	\$10,039,224

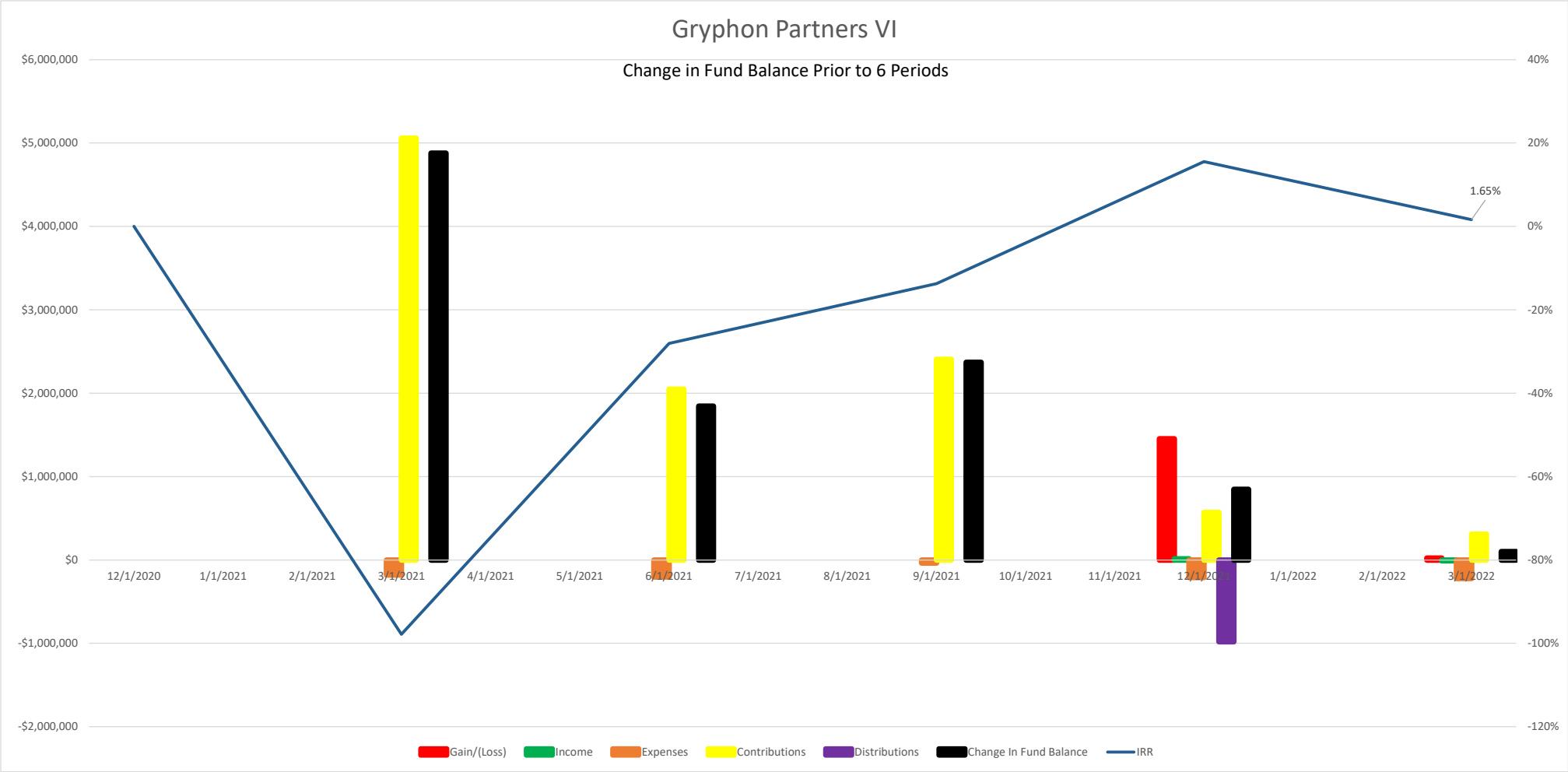
### Internal Rate of Return Decomposition

Return from Income and Cash Flow	-6.14%
Return from Expenses	-10.77%
Return from Gain/Loss	18.33%
Interaction/Timing Effect:	<u>0.23%</u>
Net IRR Since Inception:	1.65%

### Expense Matrix

Management Fee	\$123,775
Partnership Operations	\$369,969
Other Expense	\$228,771
Interest Expense	<u>\$130,127</u>
Total	\$852,642

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



### Fund Information

Manager Name:	Genstar Capital Partners X
Analysis Date:	3/31/2022
Reporting Frequency:	Quarterly
Latest Data Date:	3/31/2022
Manager Investment Style:	Private Equity
Fund Vintage Year:	2021
StanCERA Investment Start Date:	10/4/2021
Initial Commitment:	\$15,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$1,845,434
Total Commitment Unfunded:	\$13,154,566
Fund Balance:	\$2,038,326

### Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	43.06%
Investment Multiple (TVPI):	\$1.10
Realization Multiple (DPI):	\$0.00
Residual Value to Paid in Multiple (RVPI):	\$1.10
Paid in Capital Multiple (PIC):	12.3%

### Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$1,845,434
Distributions	\$0
Expenses	-\$143,237
Income	\$0
Gain/(Loss)	<u>\$336,129</u>
Ending Fund Balance	\$2,038,326

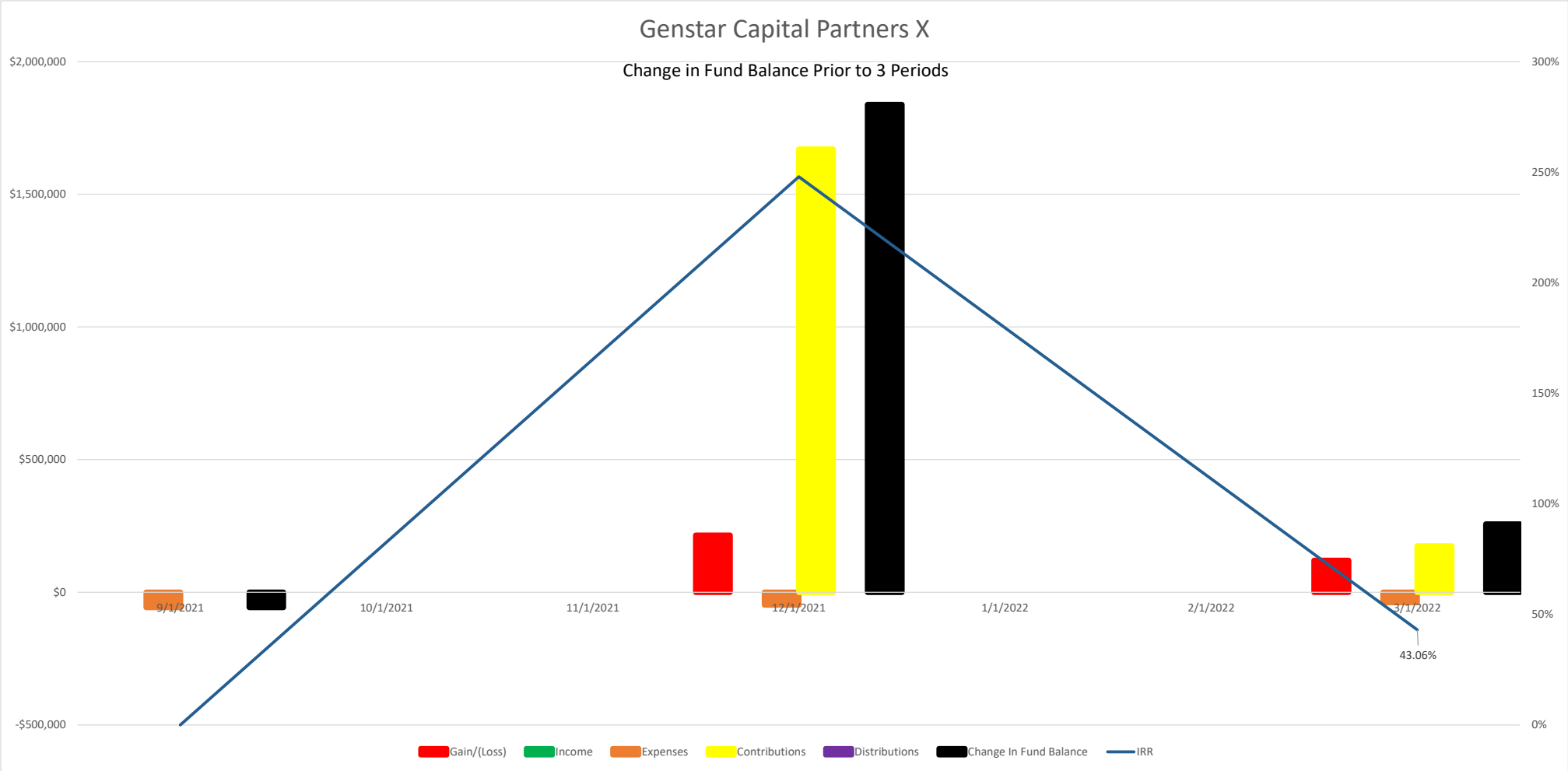
### Internal Rate of Return Decomposition

Return from Income and Cash Flow	0.00%
Return from Expenses	-39.39%
Return from Gain/Loss	68.44%
Interaction/Timing Effect:	<u>14.00%</u>
Net IRR Since Inception:	43.06%

### Expense Matrix

Management Fee	\$35,666
Partnership Operations	\$41,839
Incentive Allocation	\$48,465
Syndication Costs	\$271
Other Expense	-\$18,332
Interest Expense	<u>\$35,328</u>
Total	\$143,237

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



**July 26, 2022**

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

- I. SUBJECT: Investment Fee Summary, Value Added, and Cash Flow Reports – March 31, 2022
- II. ITEM NUMBER: 7.g.2
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: N/A
- V. ANALYSIS:

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

*Investment Fee Summary* – This report details StanCERA's investment management fees by asset class, investment style, and individual manager. Fee data for this report is updated on at least a quarterly basis. For the period, 01/01/2019 to 03/31/2022, total investment fees were approximately \$44.86 Million or roughly 60 bps (0.60%) when annualized. As the private credit, private equity, and real assets programs continue to be funded, the total fees are expected to increase as well. The lookback period was set to 3 years this quarter to reduce the length of the report while still providing a good overall indication of the fees and expense charged to the portfolio.

*Value Added Report* – For the quarter ending 03/31/2022 the managers in total finished behind their primary benchmarks. The international managers, LSV and Fidelity, were the primary drivers of the underperformance. However, when you combine the performance of the international managers, they outperformed the policy level index for the quarter. The policy level benchmark is the MSCI ACWI ex-US Core index. Dodge and Cox and Channing added value this quarter offsetting some of the underperformance exhibited by other managers. Channing is small cap equity value manager selected by Attucks. The Attucks fund underperformed this quarter, but over longer periods they have added value relative to their benchmark. LSV is currently the only manager on this report with a secondary benchmark. The primary benchmark for LSV is the MSCI ACWI ex-US Value index and the secondary benchmark is the MSCI ACWI ex-US Core index.

*Cash Flow Report* – This report details StanCERA's year-to-date cash activities.
- VI. RISK: None
- VII. STRATEGIC PLAN: N/A
- VIII. ADMINISTRATIVE BUDGET IMPACT: None



## StanCERA Investment Fee Summary - By Asset Class

Fiscal Year to Date

4/1/2019

thru

3/31/2022

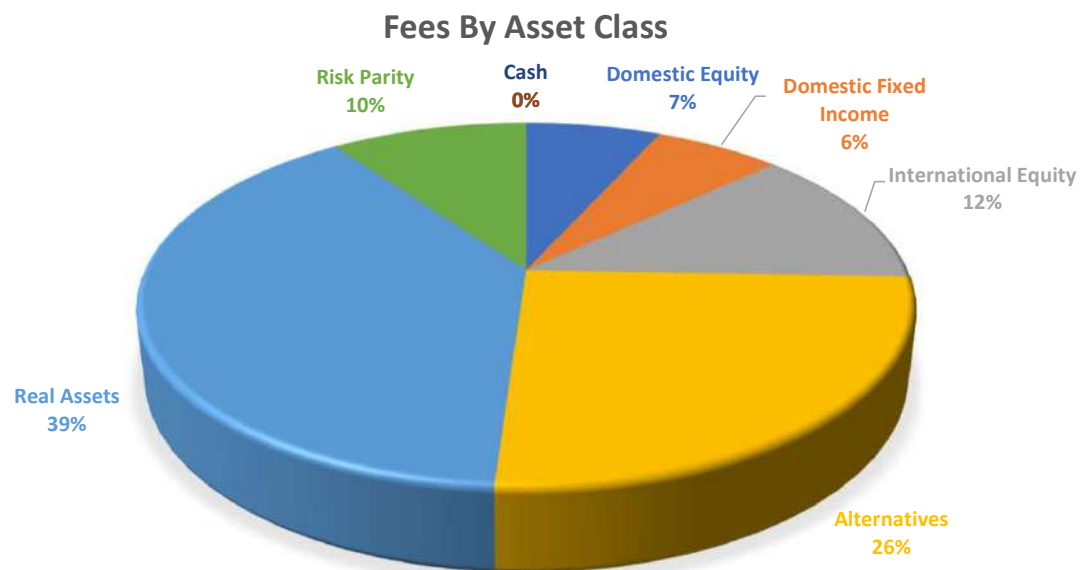
	Fees In Dollars						Annualized Fees in Basis Points				
	Average AUM	Managerial	Performance*	Other	Custodial	Total	Managerial	Performance	Other	Custodial	Total
Total StanCERA Portfolio	\$2,400,594,842	\$28,300,631	\$7,944,411	\$7,635,455	\$981,841	\$44,862,338	38.0	10.7	10.2	1.3	60.2

### Fees By Asset Class

	Average AUM	Managerial	Performance	Other	Custodial	Total	Managerial	Performance	Other	Custodial	Total
Domestic Equity	\$610,953,953	\$2,839,949	\$0	\$0	\$187,056	\$3,027,006	3.8	0.0	0.0	0.3	4.1
Domestic Fixed Income	\$493,362,584	\$2,775,987	\$0	\$0	\$65,481	\$2,841,468	3.7	0.0	0.0	0.1	3.8
International Equity	\$527,970,190	\$3,972,023	\$1,002,180	\$0	\$629,832	\$5,604,035	5.3	1.3	0.0	0.8	7.5
Alternatives	\$119,921,598	\$6,728,303	-\$586,090	\$5,254,751	\$47,392	\$11,444,355	9.0	-0.8	7.0	0.1	15.3
Real Assets	\$297,453,007	\$8,519,312	\$7,528,322	\$1,445,413	\$39,321	\$17,532,368	11.4	10.1	1.9	0.1	23.5
Risk Parity	\$324,985,898	\$3,465,057	\$0	\$935,291	\$12,759	\$4,413,107	4.6	0.0	1.3	0.0	5.9
Cash	\$25,947,610	\$0	\$0	\$0	\$0	\$0	0.0	0.0	0.0	0.0	0.0

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

Asset Class	Fees
Domestic Equity	\$3,027,006
Domestic Fixed Income	\$2,841,468
International Equity	\$5,604,035
Alternatives	\$11,444,355
Real Assets	\$17,532,368
Risk Parity	\$4,413,107
Cash	\$0
<b>Total</b>	<b>\$44,862,338</b>





## StanCERA Investment Fee Summary - By Investment Style

Fiscal Year to Date

4/1/2019 thru 3/31/2022

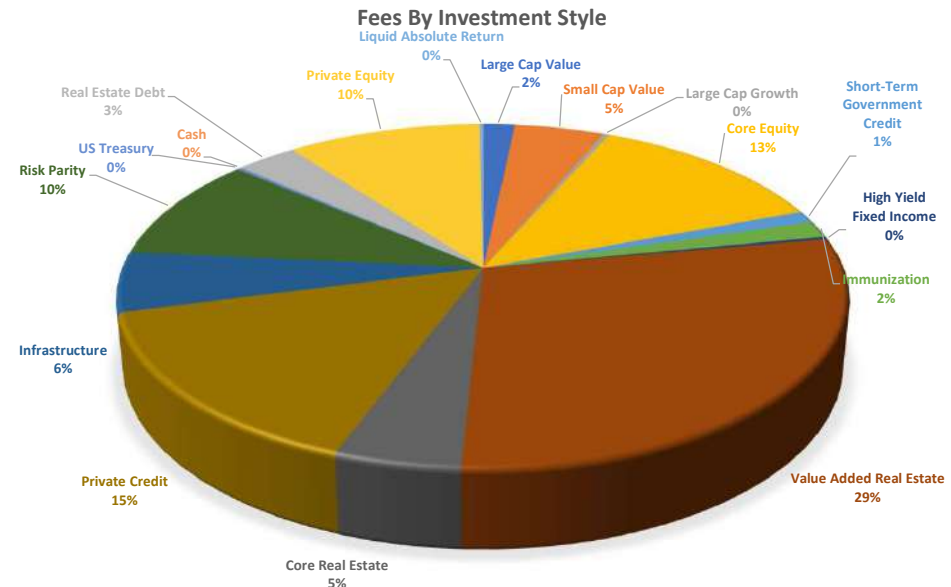
	Fees In Dollars						Annualized Fees in Basis Points				
	<u>Average AUM</u>	<u>Managerial</u>	<u>Performance*</u>	<u>Other</u>	<u>Custodial</u>	<u>Total</u>	<u>Managerial</u>	<u>Performance</u>	<u>Other</u>	<u>Custodial</u>	<u>Total</u>
Total StanCERA Portfolio	\$2,400,594,842	\$28,300,631	\$7,944,411	\$7,635,455	\$981,841	\$44,862,338	38.0	10.7	10.2	1.3	60.2

	Fees By Investment Style										
	Average AUM	Managerial	Performance	Other	Custodial	Total	Managerial	Performance	Other	Custodial	Total
Large Cap Value	\$186,858,066	\$693,139	\$0	\$0	\$40,836	\$733,975	0.9	0.0	0.0	0.1	1.0
Small Cap Value	\$86,190,107	\$1,952,824	\$0	\$0	\$139,718	\$2,092,541	2.6	0.0	0.0	0.2	2.8
Large Cap Growth	\$205,153,308	\$122,701	\$0	\$0	\$6,503	\$129,203	0.2	0.0	0.0	0.0	0.2
Core Equity	\$660,722,663	\$4,043,309	\$1,002,180	\$0	\$629,832	\$5,675,321	5.4	1.3	0.0	0.8	7.6
Short-Term Government Credit	\$115,058,033	\$474,328	\$0	\$0	\$25,983	\$500,311	0.6	0.0	0.0	0.0	0.7
Immunization	\$186,730,726	\$672,182	\$0	\$0	\$31,057	\$703,238	0.9	0.0	0.0	0.0	0.9
High Yield Fixed Income	\$33,865,215	\$113,555	\$0	\$0	\$1,658	\$115,213	0.2	0.0	0.0	0.0	0.2
Value Added Real Estate	\$104,719,110	\$4,615,585	\$7,178,979	\$1,032,901	\$19,933	\$12,847,398	6.2	9.6	1.4	0.0	17.2
Core Real Estate	\$113,994,709	\$1,805,501	\$349,343	\$0	\$12,937	\$2,167,781	2.4	0.5	0.0	0.0	2.9
Private Credit	\$92,363,263	\$4,060,770	-\$839,513	\$3,581,702	\$32,719	\$6,835,678	5.4	-1.1	4.8	0.0	9.2
Infrastructure	\$78,739,188	\$2,098,226	\$0	\$412,512	\$6,452	\$2,517,189	2.8	0.0	0.6	0.0	3.4
Risk Parity	\$324,985,898	\$3,465,057	\$0	\$935,291	\$12,759	\$4,413,107	4.6	0.0	1.3	0.0	5.9
US Treasury	\$95,555,348	\$108,954	\$0	\$0	\$0	\$108,954	0.1	0.0	0.0	0.0	0.1
Cash	\$25,947,610	\$0	\$0	\$0	\$0	\$0	0.0	0.0	0.0	0.0	0.0
Real Estate Debt	\$62,153,261	\$1,406,968	\$0	\$0	\$6,783	\$1,413,751	1.9	0.0	0.0	0.0	1.9
Private Equity	\$23,140,975	\$2,591,549	\$253,423	\$1,673,049	\$12,874	\$4,530,894	3.5	0.3	2.2	0.0	6.1
Liquid Absolute Return	\$4,417,360	\$75,984	\$0	\$0	\$1,800	\$77,783	0.1	0.0	0.0	0.0	0.1

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

By Investment Style	Fees
Large Cap Value	\$733,975
Small Cap Value	\$2,092,541
Large Cap Growth	\$129,203
Core Equity	\$5,675,321
Short-Term Government Credit	\$500,311
Immunization	\$703,238
High Yield Fixed Income	\$115,213
Value Added Real Estate	\$12,847,398
Core Real Estate	\$2,167,781
Private Credit	\$6,835,678
Infrastructure	\$2,517,189
Risk Parity	\$4,413,107
US Treasury	\$108,954
Cash	\$0
Real Estate Debt	\$1,413,751
Private Equity	\$4,530,894
Liquid Absolute Return	\$77,783

Total \$44,862,338







# Stanislaus County Employees' Retirement Association - Investment Fee Summary

4/1/2019 thru 3/31/2022

Count	Manager Name	Fees in Dollars						Fees in Annualized Basis Points				
		Average AUM	Management	Performance **	Other	Custodial	Total	Management	Performance	Other	Custodial	Total
1	Dodge Cox Equity	\$98,530,012	\$640,211	\$0	\$0	\$34,342	\$674,553	21.7	0.0	0.0	1.2	22.8
2	Bernzott	\$9,477,059	\$152,180	\$0	\$0	\$14,179	\$166,359	83.9	0.0	0.0	7.8	91.7
3	LSV	\$258,220,772	\$1,932,859	\$0	\$0	\$412,468	\$2,345,327	25.0	0.0	0.0	5.3	30.3
4	Fidelity	\$269,749,418	\$2,039,164	\$1,002,180	\$0	\$217,364	\$3,258,708	25.2	12.4	0.0	2.7	40.3
5	Blackrock Value	\$88,328,054	\$52,928	\$0	\$0	\$6,494	\$59,422	2.0	0.0	0.0	0.2	2.2
6	Blackrock Growth	\$205,153,308	\$122,701	\$0	\$0	\$6,503	\$129,203	2.0	0.0	0.0	0.1	2.1
7	Raven Asset-Based Opportunity Fund I L.P.	\$6,059,310	\$109,443	\$0	\$513,920	\$6,375	\$629,738	60.2	0.0	282.9	3.5	346.7
8	White Oak Pinnacle Fund L.P.**	\$25,599,695	\$1,074,870	-\$1,275,375	\$193,350	\$6,375	-\$780	140.1	-166.2	25.2	0.8	-0.1
9	Medley Opportunity Fund II L.P.	\$7,978,141	\$183,779	\$415,323	\$369,731	\$6,375	\$975,208	76.8	173.6	154.6	2.7	407.7
10	Blackrock US Real Estate	\$47,950,147	\$131,680	\$0	\$0	\$6,562	\$138,242	9.2	0.0	0.0	0.5	9.6
11	Greenfield GAP VII Management Fund, L.L.C	\$8,748,854	\$602,224	\$874,133	\$135,354	\$6,375	\$1,618,086	229.6	333.3	51.6	2.4	616.9
12	Channing	\$19,685,286	\$442,008	\$0	\$0	\$39,687	\$481,695	74.9	0.0	0.0	6.7	81.6
13	Inview	\$13,448,469	\$270,623	\$0	\$0	\$14,935	\$285,558	67.1	0.0	0.0	3.7	70.8
14	Keeley	\$8,125,239	\$130,362	\$0	\$0	\$13,767	\$144,128	83.8	0.0	0.0	8.9	92.7
15	Pacific Ridge	\$15,929,478	\$427,921	\$0	\$0	\$26,315	\$454,236	89.6	0.0	0.0	5.5	95.1
16	Walhausen	\$15,647,972	\$353,013	\$0	\$0	\$23,201	\$376,214	75.3	0.0	0.0	4.9	80.2
17	Morgan Stanley Prime Property Fund, L.L.C	\$66,044,562	\$1,673,821	\$349,343	\$0	\$6,375	\$2,029,539	84.5	17.6	0.0	0.3	102.5
18	American Realty Advisors Fund	\$69,492,300	\$2,337,496	\$1,922,986	-\$133,077	\$6,375	\$4,133,780	112.2	92.3	-6.4	0.3	198.4
19	North Haven Infrastructure II GP LP	\$36,153,061	\$1,318,608	\$0	\$311,263	\$6,452	\$1,636,323	121.7	0.0	28.7	0.6	151.0
20	Raven Asset-Based Opportunity Fund III L.P.	\$46,661,857	\$2,072,572	\$0	\$1,180,282	\$6,435	\$3,259,289	148.2	0.0	84.4	0.5	233.0
21	Insight Investment	\$186,730,726	\$672,182	\$0	\$0	\$31,057	\$703,238	12.0	0.0	0.0	0.6	12.6
22	Dimensional Fund Advisors	\$153,270,738	\$474,328	\$0	\$0	\$25,983	\$500,311	13.8	0.0	0.0	0.8	14.5
23	Northern Trust Cash Account	\$25,947,610	\$0	\$0	\$0	\$0	\$0	0.0	0.0	0.0	0.0	0.0
24	Northern Trust Long Term Bond Fund	\$29,188,478	\$32,726	\$0	\$0	\$0	\$32,726	3.7	0.0	0.0	0.0	3.7
25	Northern Trust Intermediate Term Bond Fund	\$66,366,870	\$76,228	\$0	\$0	\$0	\$76,228	3.8	0.0	0.0	0.0	3.8
26	PanAgora Diversified Risk Multi-Asset Fund, Ltd.	\$164,078,038	\$1,723,309	\$0	\$401,337	\$6,384	\$2,131,030	35.0	0.0	8.2	0.1	43.3
27	PGIM Real Estate U.S. Debt Fund, L.P.	\$62,153,261	\$1,406,968	\$0	\$0	\$6,783	\$1,413,751	75.5	0.0	0.0	0.4	75.9
28	AQR Capital Management	\$160,907,861	\$1,741,748	\$0	\$533,954	\$6,375	\$2,282,077	36.1	0.0	11.1	0.1	47.3
29	Grandview Partners I, L.P.	\$25,366,083	\$1,479,427	\$4,381,860	\$965,179	\$6,375	\$6,832,841	194.5	576.2	126.9	0.8	898.5
30	Northern Trust Russell 3000 Fund	\$132,752,473	\$71,286	\$0	\$0	\$0	\$71,286	1.8	0.0	0.0	0.0	1.8
31	Owl Rock First Lien Fund	\$6,893,367	\$445,212	\$0	\$1,265,677	\$5,222	\$1,716,111	277.2	0.0	788.0	3.3	1068.5*
32	Insight Partners XI	\$14,171,364	\$584,377	\$198,825	\$121,747	\$4,200	\$909,150	225.5	76.7	47.0	1.6	350.8*
33	Vista Foundation Fund IV	\$3,288,529	\$843,956	\$6,133	\$81,640	\$3,675	\$935,404	1627.4	11.8	157.4	7.1	1803.7*
34	Clayton, Dubilier, Rice Fund XI (CD&R XI)	\$2,400,337	\$269,304	\$0	\$276,746	\$1,147	\$547,197	1037.4	0.0	1066.1	4.4	2108*
35	Seizert Capital Partners	\$26,513,925	\$176,718	\$0	\$0	\$7,634	\$184,352	57.6	0.0	0.0	2.5	60.0
36	Gryphon Partners VI	\$8,134,011	\$123,775	\$0	\$728,867	\$2,200	\$854,843	140.7	0.0	828.6	2.5	971.8*
37	Genstar Capital Partners X	\$1,254,065	\$35,666	\$48,465	\$59,106	\$1,091	\$144,328	N/A	N/A	N/A	N/A	N/A
38	Strategic Value Special Situations Fund V	\$2,505,153	\$85,761	\$20,539	\$32,931	\$1,937	\$141,168	N/A	N/A	N/A	N/A	N/A
39	Northern Trust Infrastructure Fund	\$153,522,595	\$6,810	\$0	\$0	\$0	\$6,810	N/A	N/A	N/A	N/A	N/A
40	BlackRock High Yield Bond Fund	\$122,384,194	\$113,555	\$0	\$0	\$1,658	\$115,213	N/A	N/A	N/A	N/A	N/A
41	Invesco Global Targeted Returns	\$26,723,810	\$75,984	\$0	\$0	\$882	\$76,866	N/A	N/A	N/A	N/A	N/A
42	Sole Source Capital Partners II	\$8,607,261	\$626,378	\$0	\$308,126	\$561	\$935,065	N/A	N/A	N/A	N/A	N/A
43	Grandview II, LP	\$8,116,677	\$196,438	\$0	\$65,445	\$808	\$262,691	N/A	N/A	N/A	N/A	N/A
44	Melody Communications Infrastructure Fund II	\$3,815,433	\$772,808	\$0	\$101,249	\$0	\$874,057	N/A	N/A	N/A	N/A	N/A
46	ABRY Senior Equity VI, LP	\$501,566	\$89,133	\$0	\$25,811	\$0	\$114,944	N/A	N/A	N/A	N/A	N/A

\* These funds charge management fees on committed capital during the investment period.

\*\* Performance fees can be negative due to clawback provisions.



## StanCERA Value Added Report

1/1/2022

through

3/31/2022

Manager	Average AUM	Manager Returns	Manager Fees	Custodial Fees	Primary Benchmark Returns	Secondary Benchmark Returns	Benchmark Fees*	Value Added Primary Benchmark	Value Added Secondary Benchmark
Dodge Cox Equity	\$ 131,463,941	\$ 1,355,533	\$ (67,082)	\$ (3,122)	\$ (969,728)	None	\$ (8,008)	\$ 2,263,066	\$ 2,263,066
LSV	\$ 263,036,772	\$ (2,618,694)	\$ (160,652)	\$ (35,405)	\$ 756,656	\$ (14,030,811)	\$ (198,691)	\$ (3,372,716)	\$ 11,414,751
Fidelity	\$ 251,516,295	\$ (21,769,366)	\$ (235,368)	\$ (17,337)	\$ (13,416,290)	None	\$ (189,989)	\$ (8,415,791)	\$ (8,415,791)
Channing	\$ 31,611,514	\$ (370,476)	\$ (61,089)	\$ (2,836)	\$ (758,395)	None	\$ (18,487)	\$ 342,480	\$ 342,480
Pacific Ridge	\$ 19,536,252	\$ (1,082,965)	\$ (44,908)	\$ (2,231)	\$ (674,167)	None	\$ (11,425)	\$ (444,512)	\$ (444,512)
Walhausen	\$ 26,806,345	\$ (1,500,752)	\$ (51,254)	\$ (1,765)	\$ (643,113)	None	\$ (15,676)	\$ (894,982)	\$ (894,982)
Seizert Capital Partners	\$ 32,080,274	\$ (2,392,399)	\$ (46,688)	\$ (1,970)	\$ (769,641)	None	\$ (18,761)	\$ (1,652,655)	\$ (1,652,655)
<b>Totals</b>	<b>\$ 756,051,393</b>	<b>\$ (28,379,119)</b>	<b>\$ (667,040)</b>	<b>\$ (64,666)</b>	<b>\$ (16,474,678)</b>	<b>\$ (14,030,811)</b>	<b>\$ (461,037)</b>	<b>\$ (12,175,111)</b>	<b>\$ 2,612,357</b>

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



## Cash Flow Report

July 2021 through March 2022

Beginning Cash Balance*	\$13,555,078
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### Cash Flow In

Cash Draw From Managers	\$21,430,104
Employer Contributions	\$72,783,977
Employee Contributions	\$21,243,789
Employee Redeposits	\$76,442
Money Market Income	\$59,497
Rental Income	\$544,181
Litigation Recovery	\$79,396
Securities Lending	\$6,747
Additional Employer Contributions	<u>\$23,522</u>

Total Cash Flow In	\$116,247,655
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### Cash Flow Out

StanCERA Operations Expense	\$1,280,526
12th Street Lease	\$517,150
Tyler Maintenance	\$793,534
Death Benefits - Salary Based	\$265,991
Burial Allowance	\$2,086,450
Death Benefits - Lump Sum	\$72,818
Investment Consulting Fees	\$318,333
Actuarial Fees	\$509,989
Custodial Fees	\$370,311
Investment Management Fees	\$136,558
Legal Fees	\$116,321,828
Other Fees	\$155,285

Total Cash Flow Out	\$122,828,772
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Ending Cash Balance	\$6,973,961
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Change in Cash Balance	-\$6,581,117
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**July 26, 2022**

Retirement Board Agenda Item

TO: Retirement Board

FROM: Rick Santos, Executive Director

I. SUBJECT: Executive Director Goals Quarter 2 2022

II. ITEM NUMBER: 7.h

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: None

V. ANALYSIS: This is the Quarter 2 report for 2022 regarding the completion of StanCERA's strategic objectives. This report includes tasks from the strategic objective plan and ongoing, routine administrative tasks.

*General and/or Ongoing items* – All routine items are up to date. Staff is currently still in the midst of its biennial by-law review and this task will be complete by year's end as required.

*Strategic Objectives* – With respect to the strategic objectives, all items have been either completed or researched. There are two specific items that require attention beyond the current strategic objective time period (2020-2022) and should be included in the next 3-year strategic plan.

- Regarding the dispensation of member education, staff recommends placing the implementation of this item on the next plan. Staff has concluded its research and has determined that with the technological tools at its disposal, a formal education process for its members is a necessary next step in StanCERA's growth. However, this implementation should procure the services of a professional vendor.
- Regarding the documentation and management system for business policies and practices, staff has also concluded that a commercial solution is necessary. Along with this documentation, StanCERA is in great need for a reorganization and purge of its network drive. This drive houses information that is decades old and it is estimated that less than 10% of its content is ever accessed today. This clean up, documentation and archiving process most likely can be accomplished by one vendor and should also be included in the next strategic plan (2023-2025).

VI. RISK: NONE

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT: NONE



## StanCERA Strategic Goals Quarter 2 2022

### (Attachment 1)

#### **General and/or Ongoing Items**

- Continued communication, outreach and transparency with major stakeholders such as Plan Sponsors, County BOS, Local Governments and Employee Groups – *several meetings with representatives from the County regarding various issues. Annual presentation of the actuarial valuation and state of StanCERA to County officials.*
- Maintenance of StanCERA's asset allocation targets - *portfolio is within target limits*
- Continued progress on the System data clean-up project – *File audits 90% Complete*
- Director Professional Development
- Oversee completion of the Information Technology Solutions Project – *Project completion date anticipated for end of year 2022. Note that in this instance project completion date is when all the major functionality agreed to in the original RFP is complete. There will always be ongoing upgrades to the System as StanCERA understands its future business needs as related to the project. Member web portal basic functionality is nearly complete. As soon as this functionality is complete, staff plans on rolling this out to small focus groups to grasp the implications of releasing this type of information out to the public*
- Oversee and completion of day-to-day administrative functions – *all administrative functions for quarter complete; Outstanding disabilities 16 as of July 12<sup>th</sup>*
- Complete implementation of the Alameda Decision (refund members) – *Staff has begun processing Alameda refunds. Approximately 35% of the reviews and analysis complete*
- Biennial Bylaw Review – *Review process has begun, and several internal policies have been updated (should any trustee wish to see these changes to internal policies, staff can provide them).*
  - *Bylaw Article 4, "Claims for Disability Retirement" has been reviewed by disability counsel and no changes were recommended*

#### **Strategic Objective # 1**

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

1. Develop the Job Description for the Organizational Support Manager position by StanCERA Leadership – *Complete*
2. On-board Organizational Support Manager by StanCERA Leadership - *Complete*



## **Strategic Objective # 2**

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

#### 1. Maximize the potential value inherent in our member web portal and StanCERA website

- ✓ Research the value of educational seminars on StanCERA's website –

Research Complete through CALAPRS Communication Roundtable. Several systems use this methodology to educate members, mostly larger systems. Systems using educational videos have positive feedback from membership. Staff recommends placing the actual implementation of educational seminars on the next strategic plan (2023-2025) in coordination with the use of the member web portal

- ✓ Hold training sessions for members designed to introduce them to the capabilities of the portal – Will occur after go-live of the member web portal
- ✓ Consider mid-career retirement seminars - Staff has provided educational experiences upon request to departments/plan sponsors. It has proven beneficial to members. Moving forward, mid-career education would be beneficial for members, educating members on service purchases, benefits of their pension, etc.

## **Strategic Objective # 3**

### **Development and implementation of a formalized succession plan for StanCERA**

#### 1. Documentation of all StanCERA business processes and policies

- ✓ Research and source an appropriate knowledge management system meant to house the documentation of StanCERA's business processes and policies – Staff has decided to research services that are commercially available to undertake this task. Similarly, StanCERA needs a commercial solution to organize (and purge) its network and all the files that are housed here. This restructure of the network and documentation of all business processes and policies can be done by one vendor. This task's resolution (not research, but implementation) should be placed on the next Strategic Plan as well



## **Strategic Objective # 4**

### **Development of a formalized Operational Risk Management Plan**

1. Communicate and inform StanCERA staff of their risk responsibilities and any controls that are associated with their activities

StanCERA Staff is currently reviewing processes and assessing the risk of each functional area. Staff are communicated with frequently on new risks as well as processes reviewed frequently. In recent months, risk planning and assessment have become an area of discussion; this is especially true in the cyber space. StanCERA Staff is currently working with a local company to scope the process to assess IT systems and cyber security. Additionally, StanCERA is researching management tools to create a robust system to review risk management plans and processes

## **Strategic Objective # 5**

### **Process documentation and standardization of the Investment Governance process**

1. Standardize the documentation process. Create a procedure template appropriate for the following investment governance tasks (all tasks complete):
  - ✓ Private market fund executive summary and compliance reports - Complete
  - ✓ Private market fund legal due diligence - Complete
  - ✓ Investment matrix report - Complete
  - ✓ Oversight and coordination of investment consultants – Complete
  - ✓ Investment manager monitoring - Complete
  - ✓ Manager and custody fee invoice approvals - Complete
  - ✓ Annual manager review calls - Complete
  - ✓ Onsite due diligence - Complete





# MONTHLY PERFORMANCE REPORT

STANISLAUS COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION

JUNE 30, 2022

Dan Hennessy, CFA, CAIA, Senior Consultant





# MARKET ENVIRONMENT

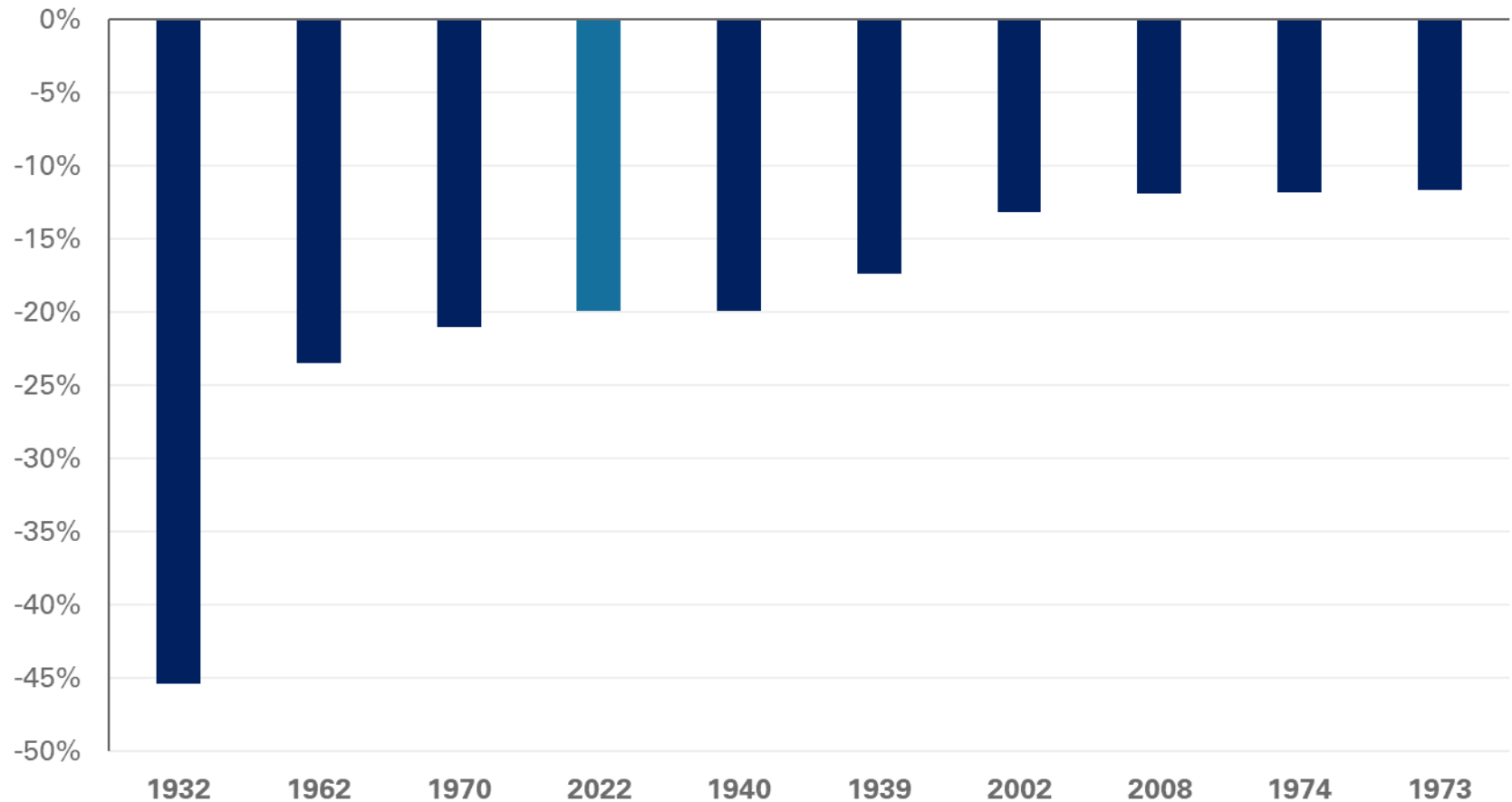
# CALENDAR YEAR INDEX PERFORMANCE

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Jun	YTD
<b>S&amp;P 500</b>	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%	-8.3%	-20.0%
<b>Russell 1000</b>	16.4%	33.1%	13.2%	0.9%	12.1%	21.7%	-4.8%	31.4%	21.0%	26.5%	-8.4%	-20.9%
<b>Russell 2000</b>	16.3%	38.8%	4.9%	-4.4%	21.3%	14.6%	-11.0%	25.5%	20.0%	14.8%	-8.2%	-23.4%
<b>Russell 2500</b>	17.9%	36.8%	7.1%	-2.9%	17.6%	16.8%	-10.0%	27.8%	20.0%	18.2%	-9.6%	-21.8%
<b>MSCI EAFE</b>	17.3%	22.8%	-4.9%	-0.8%	1.0%	25.0%	-13.8%	22.0%	7.8%	11.3%	-9.3%	-19.6%
<b>MSCI EM</b>	18.2%	-2.6%	-2.2%	-14.9%	11.2%	37.3%	-14.6%	18.4%	18.3%	-2.5%	-6.6%	-17.6%
<b>MSCI ACWI</b>	16.1%	22.8%	4.2%	-2.4%	7.9%	24.0%	-9.4%	26.6%	16.3%	18.5%	-8.4%	-20.2%
<b>Private Equity</b>	9.5%	12.6%	22.3%	14.6%	10.4%	10.3%	21.0%	13.1%	17.2%	37.7%	-	-
<b>BBG TIPS</b>	7.0%	-8.6%	3.6%	-1.4%	4.7%	3.0%	-1.3%	8.4%	11.0%	6.0%	-3.2%	-8.9%
<b>BBG Municipal</b>	6.8%	-2.6%	9.1%	3.3%	0.2%	5.4%	1.3%	7.5%	5.2%	1.5%	-1.6%	-9.0%
<b>BBG Muni High Yield</b>	18.1%	-5.5%	13.8%	1.8%	3.0%	9.7%	4.8%	10.7%	4.9%	7.8%	-3.2%	-11.8%
<b>BBG US Corporate HY</b>	15.8%	7.4%	2.5%	-4.5%	17.1%	7.5%	-2.1%	14.3%	7.1%	5.3%	-6.7%	-14.2%
<b>BBG US Agg Bond</b>	4.2%	-2.0%	6.0%	0.5%	2.6%	3.5%	0.0%	8.7%	7.5%	-1.5%	-1.6%	-10.3%
<b>BBG Global Agg</b>	4.3%	-2.6%	0.6%	-3.2%	2.1%	7.4%	-1.2%	6.8%	9.2%	-4.7%	-3.2%	-13.9%
<b>BBG Long Treasuries</b>	3.6%	-12.7%	25.1%	-1.2%	1.3%	8.5%	-1.8%	14.8%	17.7%	-4.6%	-1.5%	-21.3%
<b>BBG US Long Credit</b>	12.7%	-6.6%	16.4%	-4.6%	10.2%	12.2%	-6.8%	23.4%	13.3%	-1.2%	-4.2%	-22.4%
<b>BBG US STRIPS 20+ Yr</b>	3.0%	-21.0%	46.4%	-3.7%	1.4%	13.7%	-4.1%	20.9%	24.0%	-5.2%	-1.6%	-28.8%
<b>JPM GBI-EM Global Div</b>	16.8%	-9.0%	-5.7%	-14.9%	9.9%	15.2%	-6.2%	13.5%	2.7%	-8.7%	-4.5%	-14.5%
<b>JPM EMBI Glob Div</b>	17.4%	-5.3%	7.4%	1.2%	10.2%	10.3%	-4.3%	15.0%	5.3%	-1.8%	-6.2%	-20.3%
<b>CS Hedge Fund</b>	7.7%	9.7%	4.1%	-0.7%	1.2%	7.1%	-3.2%	9.3%	6.4%	8.2%	-	1.9%
<b>BBG Commodity</b>	-1.1%	-9.5%	-17.0%	-24.7%	11.8%	1.7%	-11.2%	7.7%	-3.1%	27.1%	-10.8%	18.4%
<b>Alerian Midstream</b>	-	-	16.4%	-37.3%	33.8%	-2.4%	-13.3%	24.0%	-23.4%	38.4%	-12.2%	13.2%
<b>FTSE NAREIT Equity REITs</b>	18.1%	2.5%	30.1%	3.2%	8.5%	5.2%	-4.6%	26.0%	-8.0%	43.2%	-7.4%	-20.2%

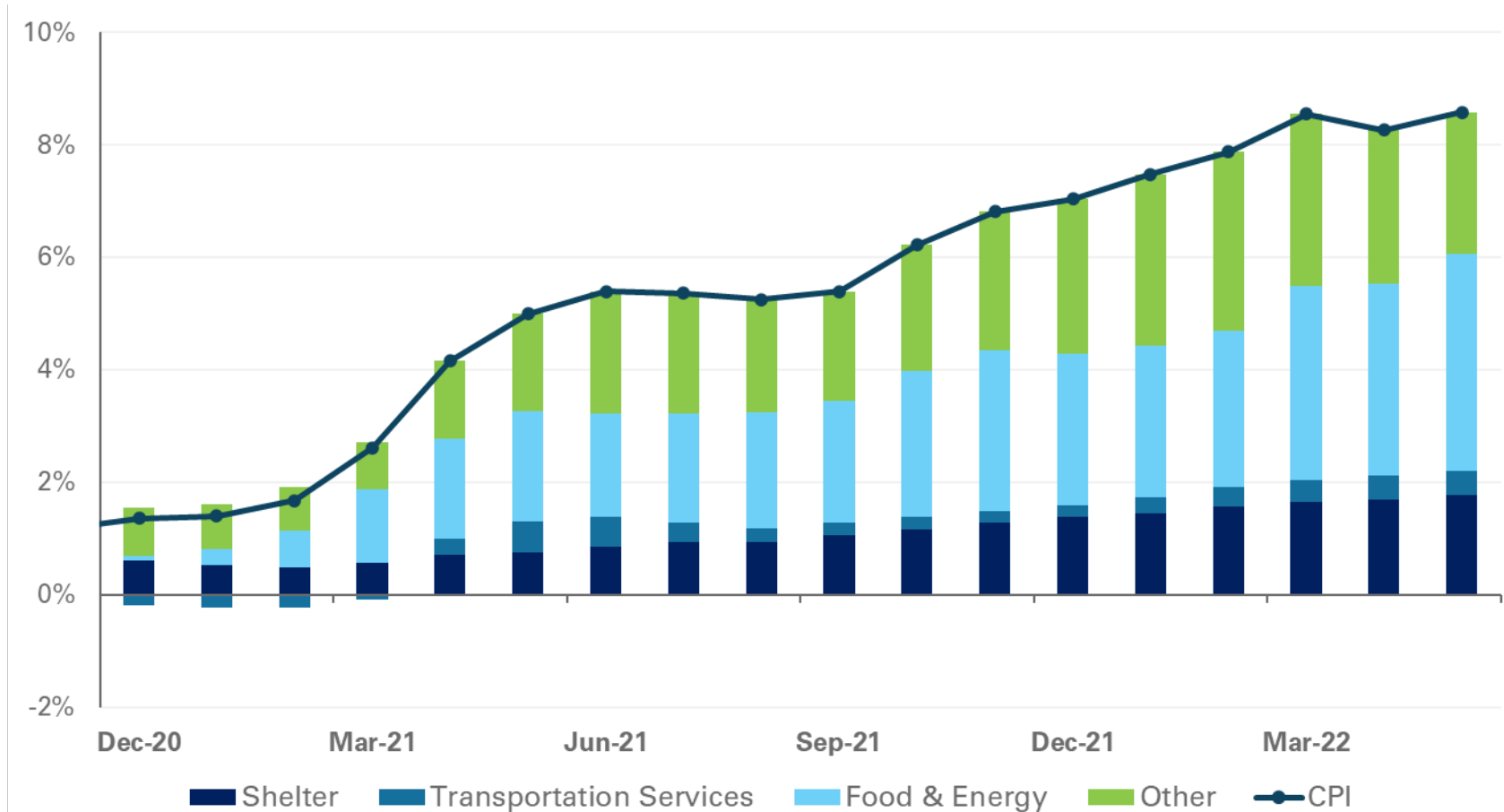
\*Private Equity return represents calendar year pooled IRR and is subject to a one quarter lag  
Source: FactSet, Barclays, Thomson One



# WORST START FOR THE S&P IN OVER 50 YEARS

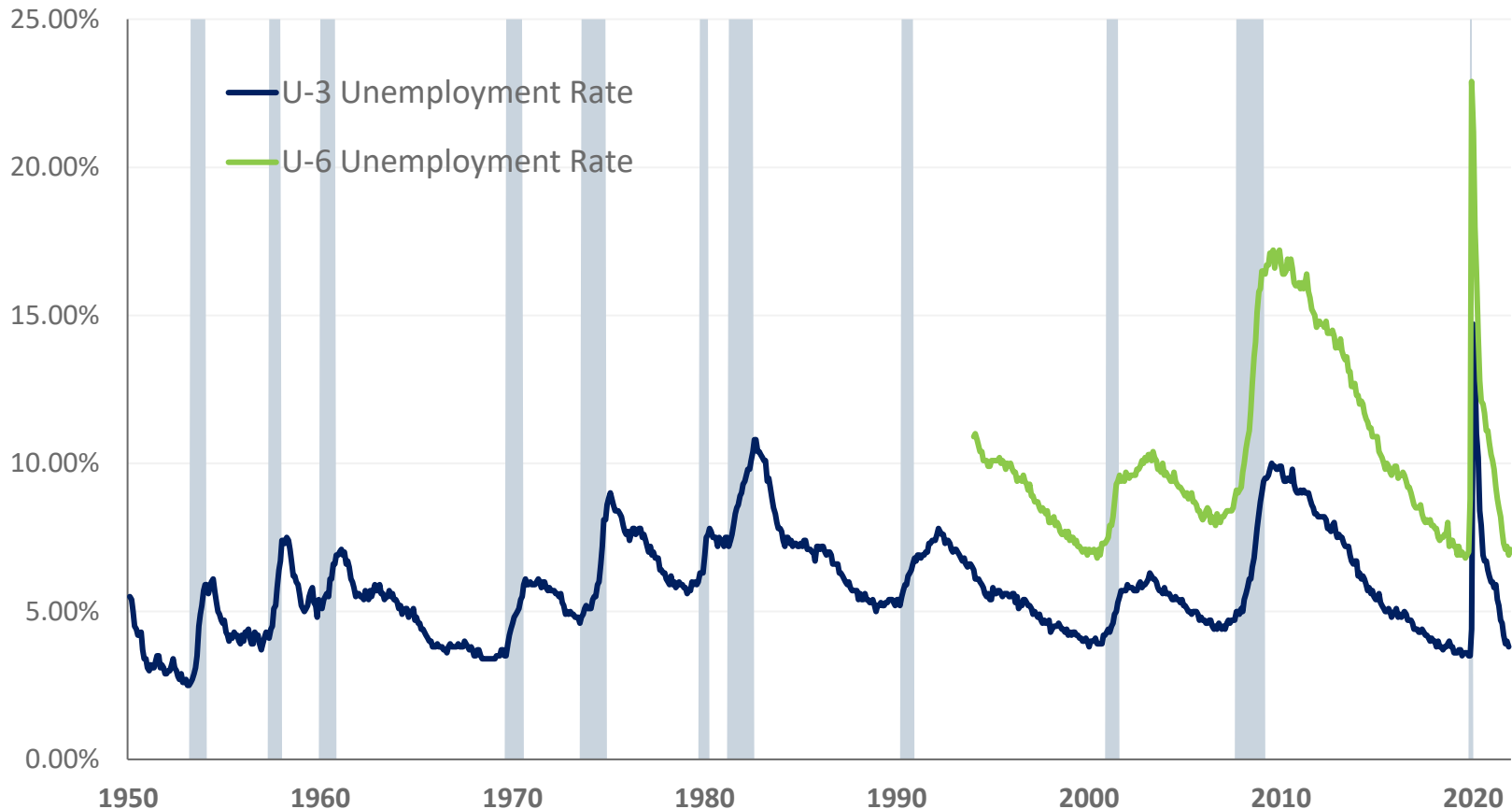


# INFLATION CONTINUED TO TREND HIGHER



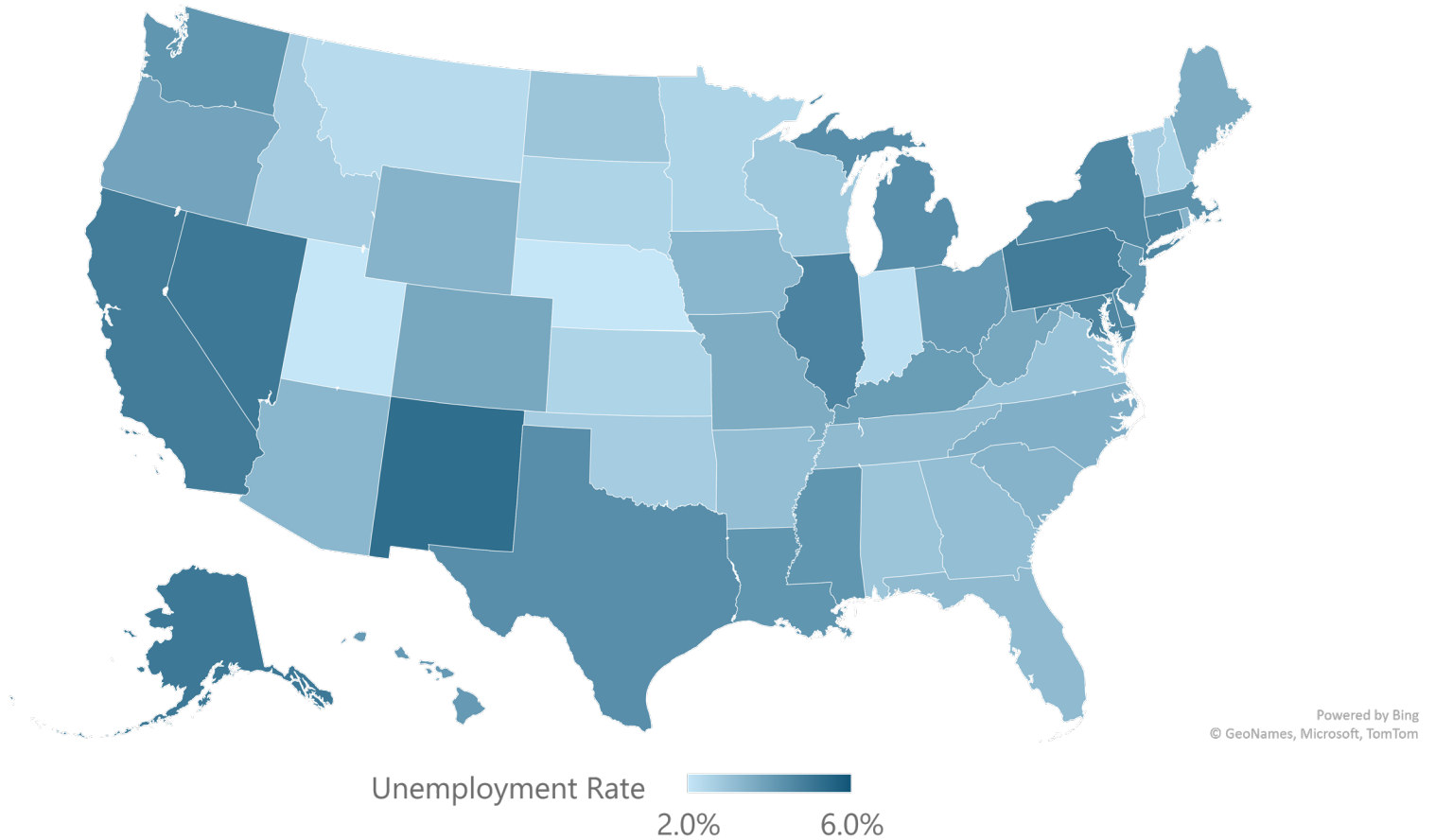
# HEADLINE LABOR MARKET DATA HAS RECOVERED

## THE U.S. UNEMPLOYMENT RATE



Notes: Shaded areas represent U.S. economic recessions; data as of May 31, 2022  
Sources: U.S. Department of Labor, ECRI, FactSet

## THE DETAILED DATA SHOWS MORE VARIATION



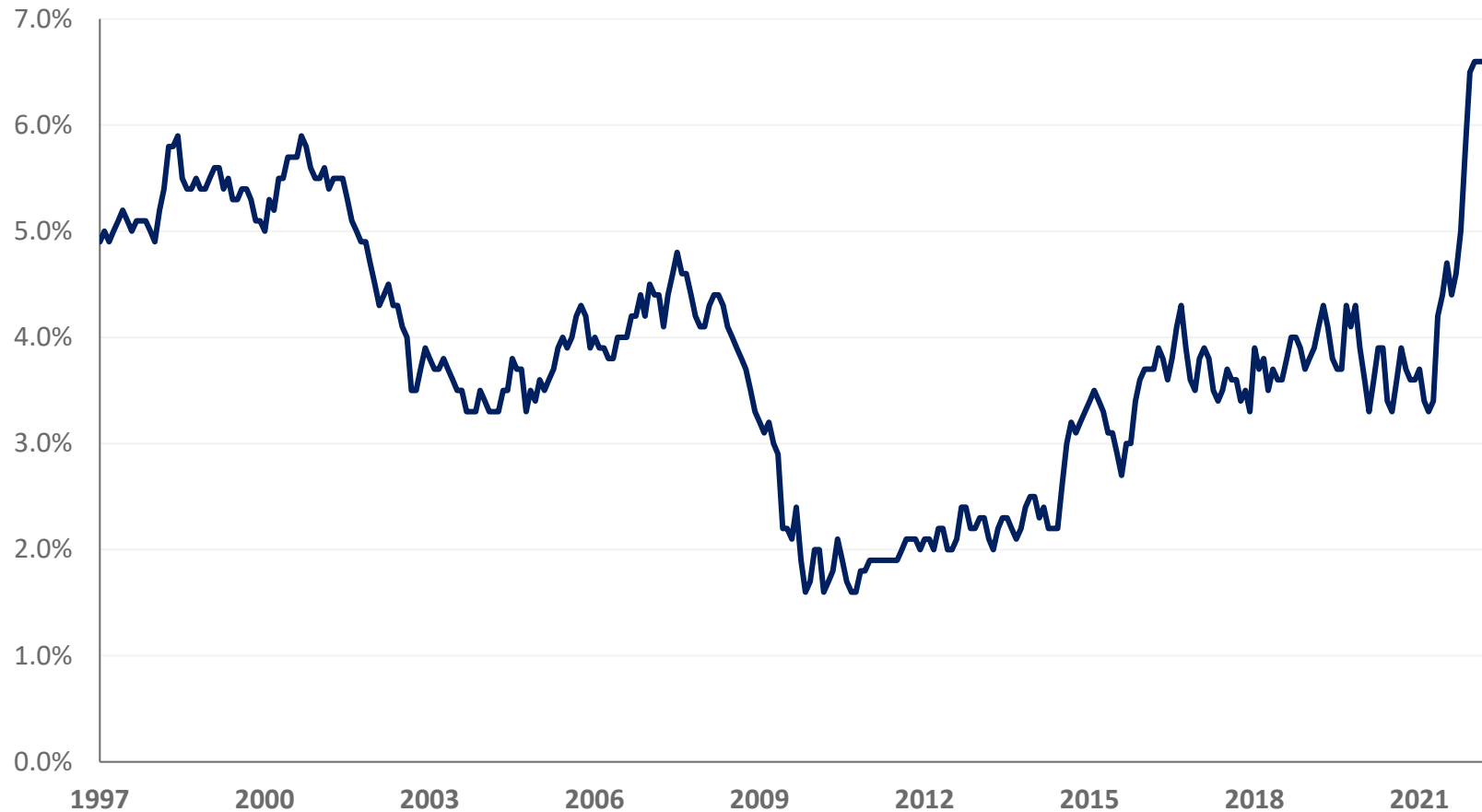
# TAKING A CLOSER LOOK AT THE U.S. POPULATION



Notes: \*Other may include full-time college students, active-duty military, and institutionalized individuals. Total may not add due to rounding.  
 Sources: U.S. Department of Labor, Conference Board U.S., FactSet

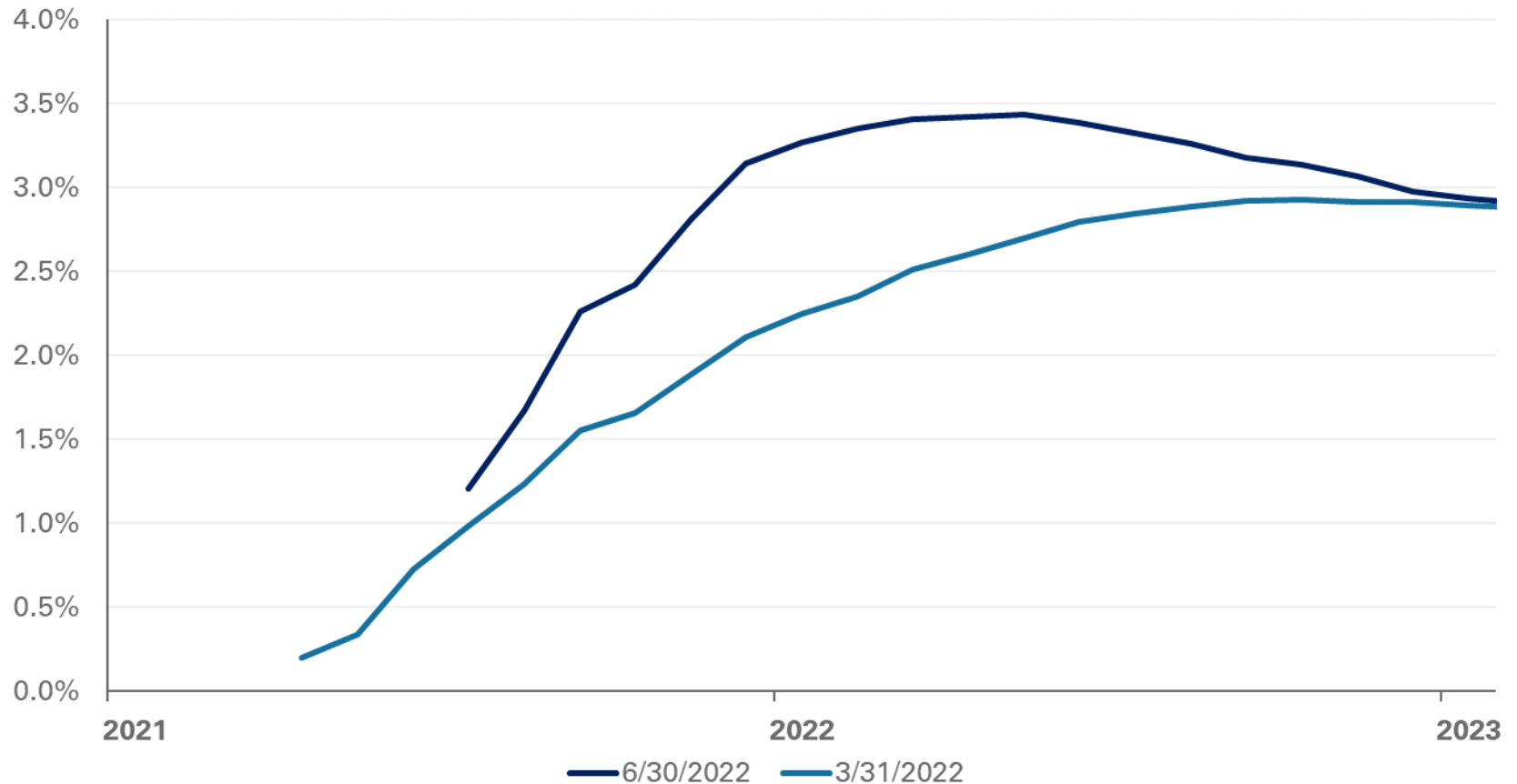
# **RIISING WAGES ARE BUILDING MOMENTUM**

## 3-MONTH MOVING AVERAGE OF OVERALL WAGE GROWTH

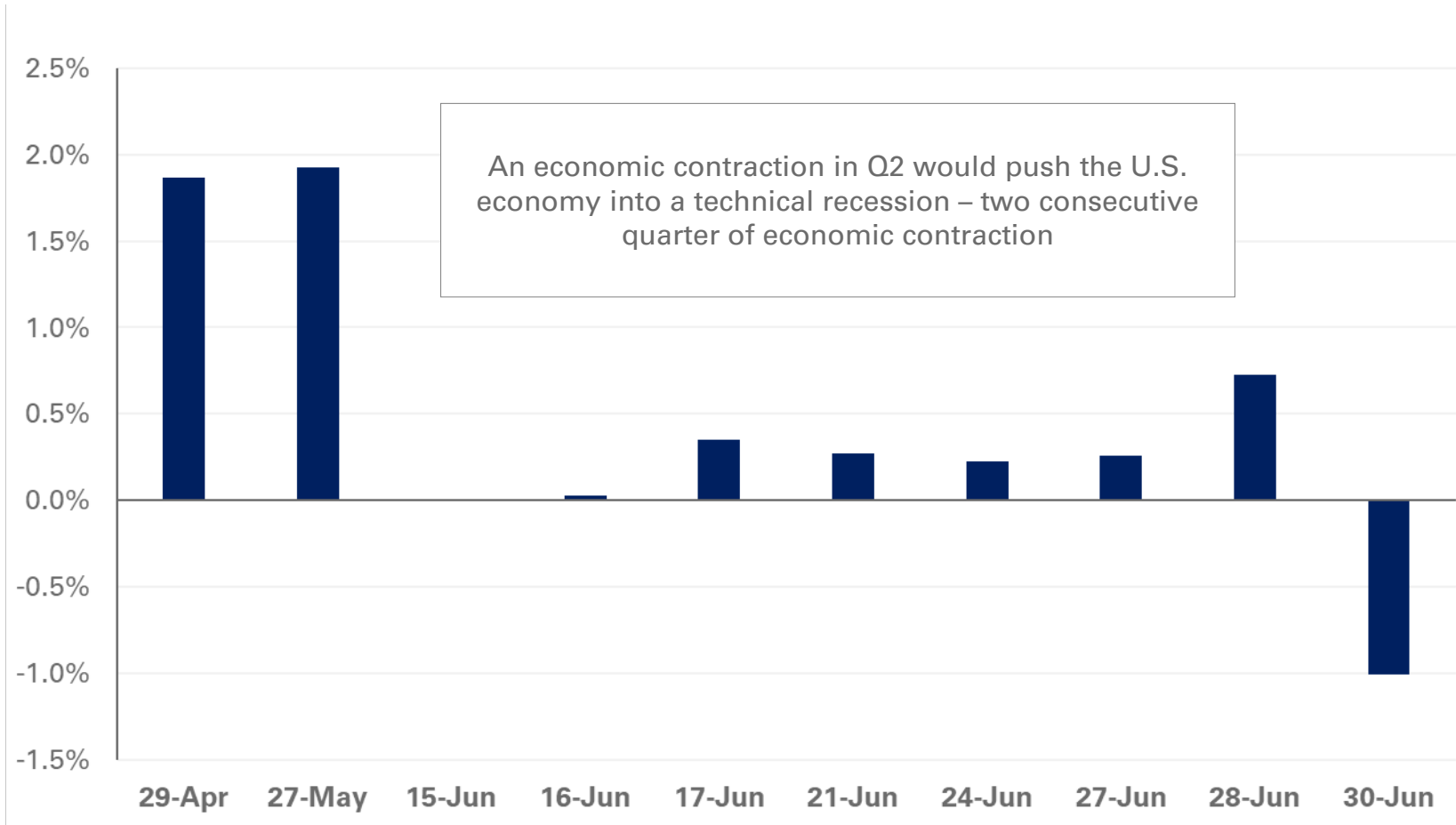




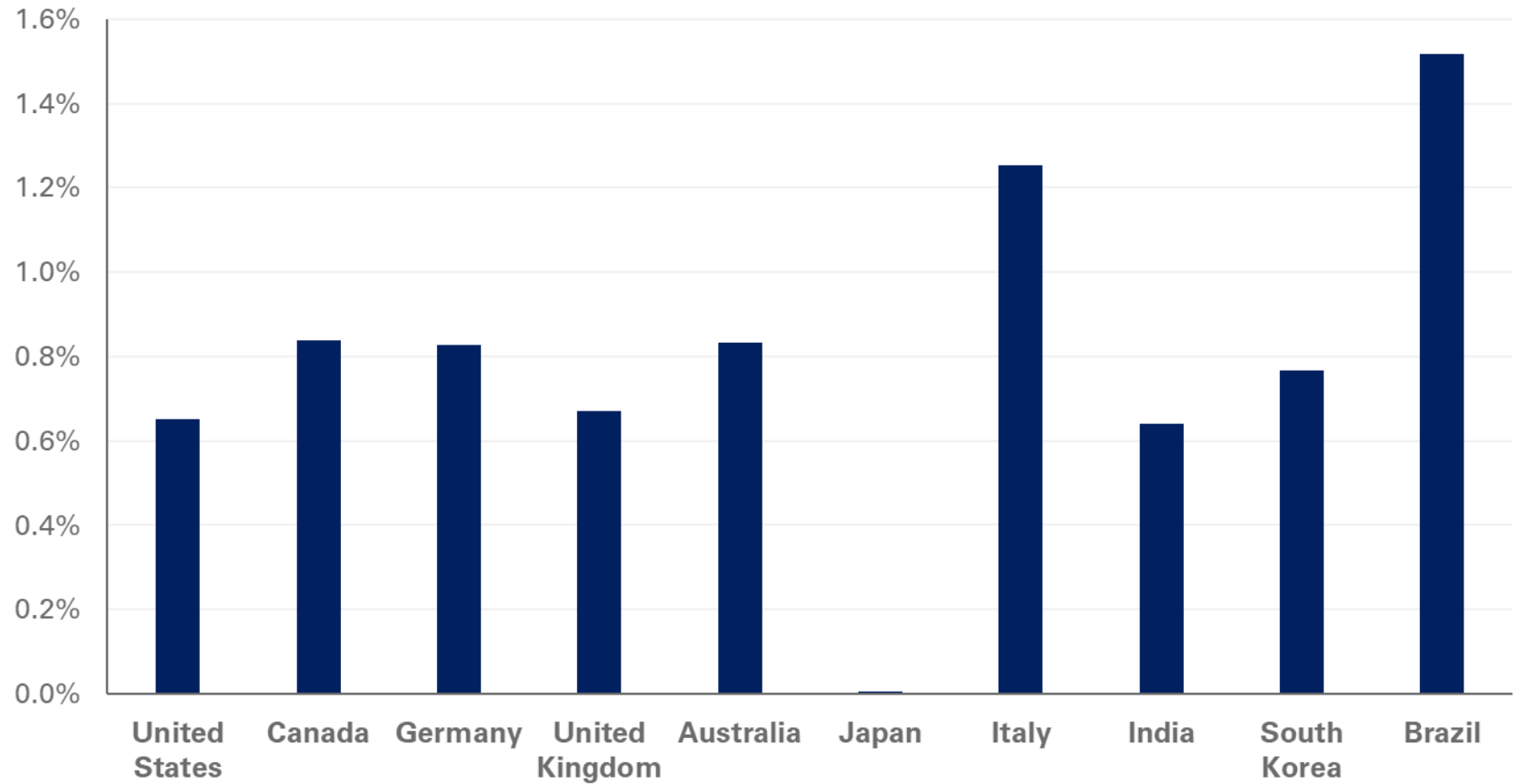
# RATE HIKE EXPECTATIONS INCREASED



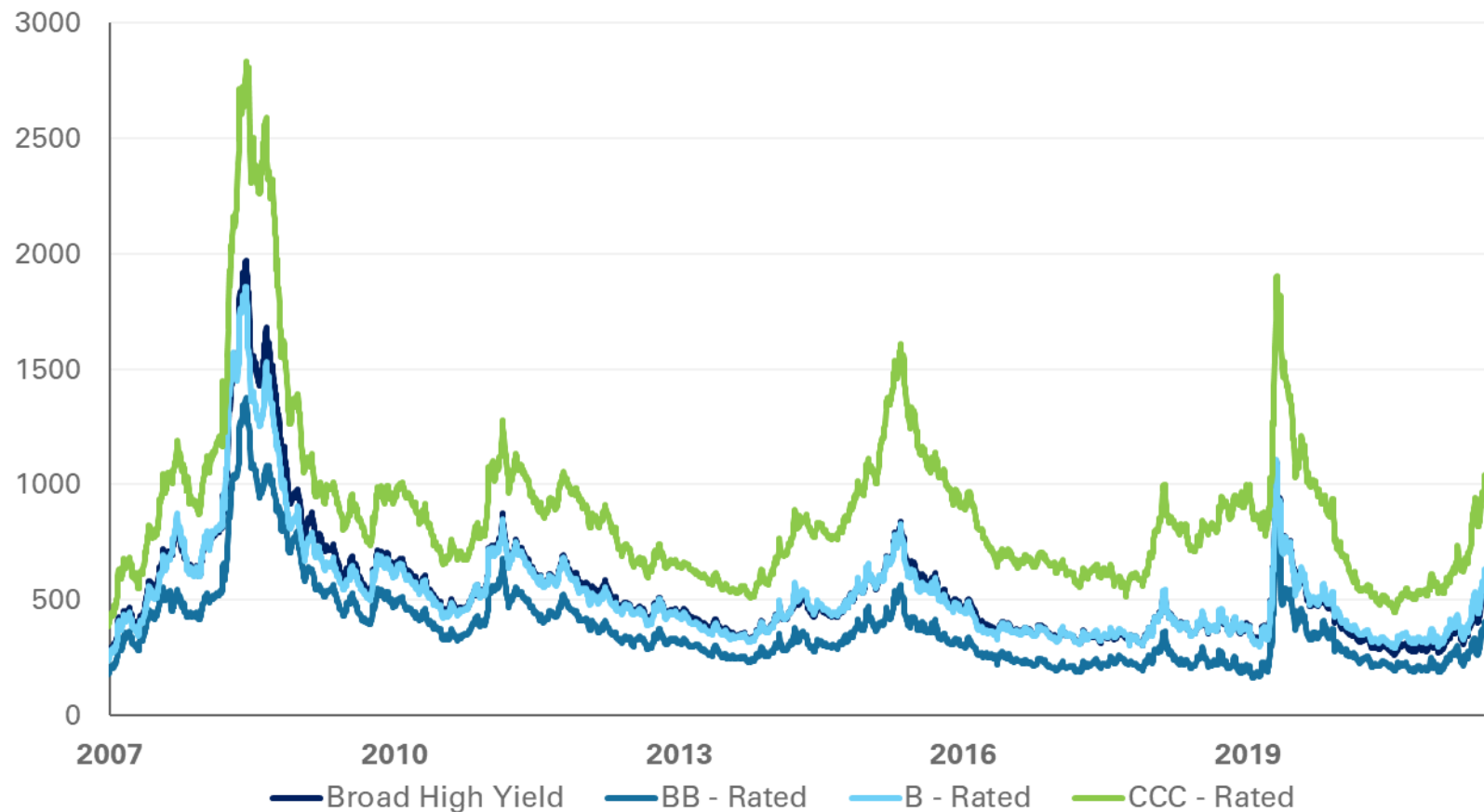
# RISING RECESSION RISKS



# GLOBAL YIELDS SHIFTED HIGHER

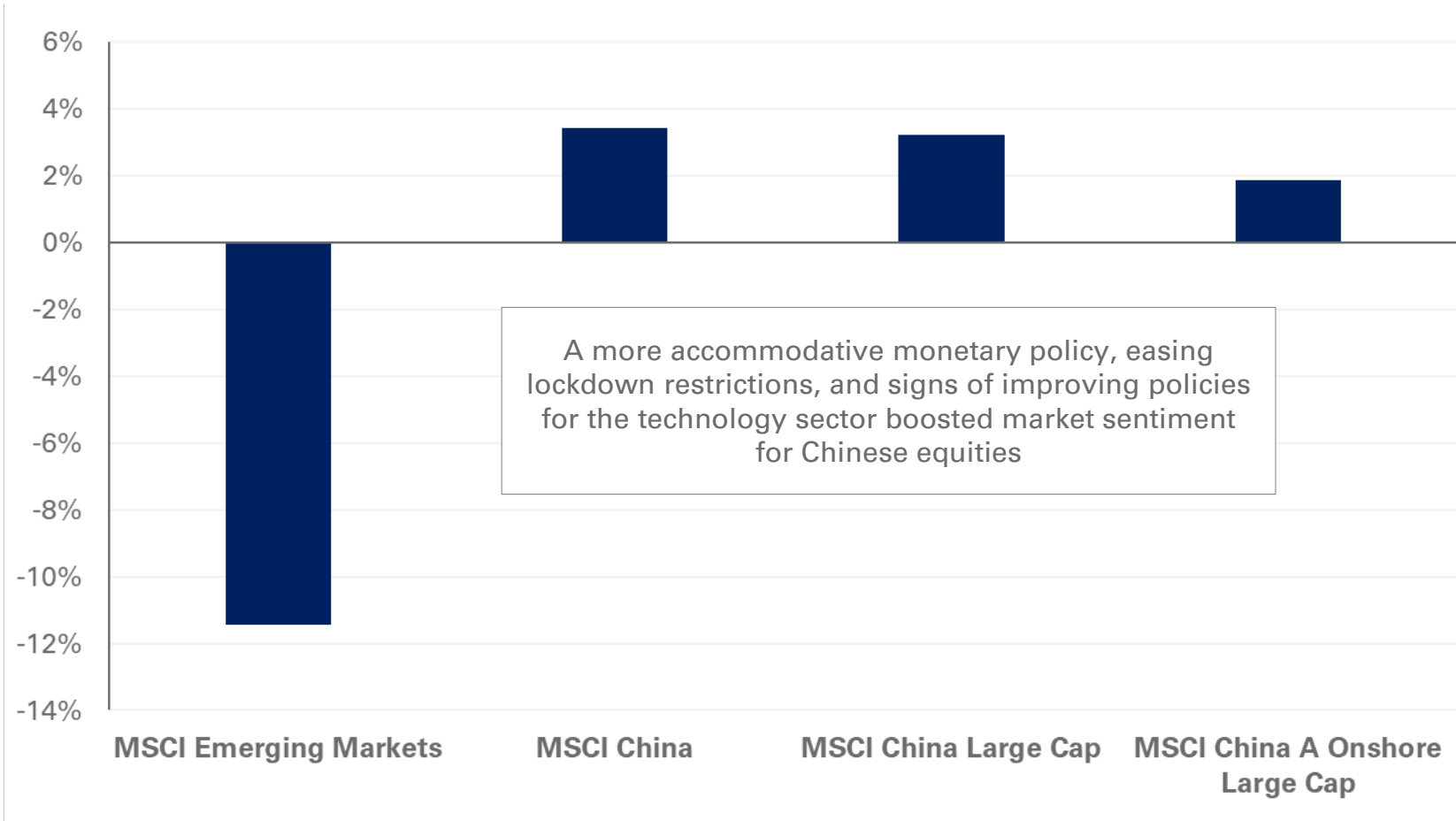


# CORPORATE CREDIT SPREADS WIDENED



Source: Bloomberg, FactSet

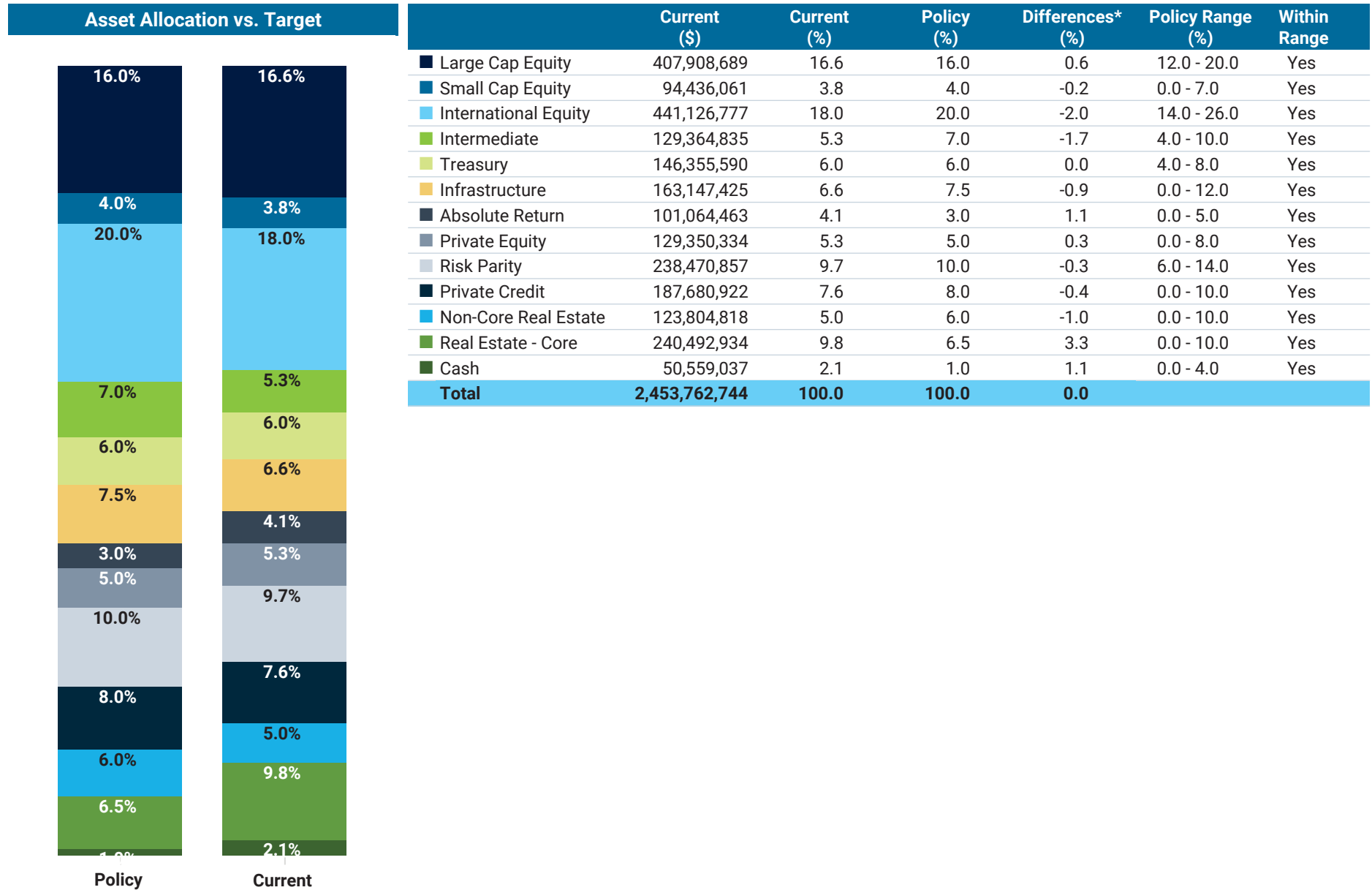
# CHINESE EQUITIES OUTPERFORMED IN Q2





# **TOTAL FUND PERFORMANCE**

# ASSET ALLOCATION VS. POLICY



\*Difference between Policy and Current Allocation

# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)									
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund</b>	<b>2,453,762,744</b>	<b>100.0</b>	<b>-5.0</b>	<b>-8.8</b>	<b>-11.2</b>	<b>-7.5</b>	<b>5.5</b>	<b>5.9</b>	<b>6.0</b>	<b>7.7</b>	<b>8.6</b>	<b>Jan-95</b>
Policy Index			-4.6	-8.6	-11.0	-7.2	5.7	6.1	6.3	7.4	7.8	
Allocation Index			-5.2	-9.9	-12.8	-9.0						
<b>Liquidity Sub-Portfolio</b>	<b>179,923,873</b>	<b>7.3</b>	<b>-0.6</b>	<b>-0.9</b>	<b>-3.2</b>	<b>-3.7</b>	<b>1.8</b>	<b>2.4</b>	<b>1.9</b>			<b>Apr-11</b>
StanCERA Liquidity Blended BM			-1.6	-3.3	-7.8	-8.2	0.7	1.3	1.2			
<b>Cash</b>	<b>50,559,037</b>	<b>2.1</b>	<b>0.1</b>	<b>0.3</b>	<b>0.4</b>	<b>1.1</b>	<b>1.9</b>	<b>1.7</b>	<b>1.5</b>			<b>Apr-11</b>
FTSE 1 Month T-Bill			0.1	0.1	0.1	0.1	0.5	1.0	0.8			
<b>Cashflow-Matched Bonds</b>	<b>129,364,835</b>	<b>5.3</b>	<b>-0.9</b>	<b>-1.3</b>	<b>-4.5</b>	<b>-5.2</b>	<b>1.2</b>	<b>2.1</b>			<b>2.1</b>	<b>Jul-17</b>
Blmbg. Intermed. U.S. Government/Credit			-1.1	-2.4	-6.8	-7.3	-0.2	1.1			1.1	
Insight	129,364,835	5.3	-0.9	-1.3	-4.5	-5.2	1.2	2.1			2.1	Jul-17
Blmbg. Intermed. U.S. Government/Credit			-1.1	-2.4	-6.8	-7.3	-0.2	1.1			1.1	
<b>Growth Sub-Portfolio</b>	<b>1,796,158,976</b>	<b>73.2</b>	<b>-5.9</b>	<b>-9.8</b>	<b>-12.2</b>	<b>-7.7</b>	<b>7.1</b>	<b>7.3</b>	<b>7.2</b>	<b>9.8</b>	<b>7.8</b>	<b>Jan-04</b>
StanCERA Growth Blended BM			-6.5	-11.8	-15.0	-11.5	5.5	6.7	6.9			
<b>US Equities</b>	<b>502,344,750</b>	<b>20.5</b>	<b>-8.6</b>	<b>-15.8</b>	<b>-19.7</b>	<b>-12.7</b>	<b>10.1</b>	<b>9.9</b>	<b>9.4</b>	<b>12.2</b>	<b>9.3</b>	<b>Jan-04</b>
Russell 3000 Index			-8.4	-16.7	-21.1	-13.9	9.8	10.6	10.4	12.6	9.0	
<b>US Large Equity</b>	<b>407,908,689</b>	<b>16.6</b>	<b>-8.5</b>	<b>-16.5</b>	<b>-20.3</b>	<b>-12.8</b>	<b>11.0</b>	<b>11.3</b>	<b>10.7</b>	<b>13.1</b>	<b>12.2</b>	<b>Jan-95</b>
Russell 1000 Index			-8.4	-16.7	-20.9	-13.0	10.2	11.0	10.8	12.8	10.1	
BlackRock Russell 1000 Growth	188,941,916	7.7	-7.9	-20.9	-28.1	-18.8	12.6	14.3	13.5	14.8	15.0	Aug-10
Russell 1000 Growth Index			-7.9	-20.9	-28.1	-18.8	12.6	14.3	13.5	14.8	15.0	
BlackRock Russell 1000 Value	102,986,159	4.2	-8.7	-12.2	-12.9	-6.9	6.9	7.2	7.8	10.6	11.2	Aug-09
Russell 1000 Value Index			-8.7	-12.2	-12.9	-6.8	6.9	7.2	7.7	10.5	11.1	
Dodge & Cox-Equity	115,980,615	4.7	-9.3	-12.4	-11.6	-7.5	10.6	9.3	9.7	12.7	11.7	Jan-95
Russell 1000 Value Index			-8.7	-12.2	-12.9	-6.8	6.9	7.2	7.7	10.5	9.6	
<b>US Small Equity</b>	<b>94,436,061</b>	<b>3.8</b>	<b>-8.7</b>	<b>-12.4</b>	<b>-16.9</b>	<b>-12.0</b>	<b>6.7</b>	<b>5.0</b>	<b>5.3</b>	<b>9.2</b>	<b>11.3</b>	<b>Jan-09</b>
Russell 2000 Index			-8.2	-17.2	-23.4	-25.2	4.2	5.2	5.9	9.4	11.0	
<b>Attucks Small Cap</b>	<b>94,436,061</b>	<b>3.8</b>	<b>-8.7</b>	<b>-12.4</b>	<b>-16.9</b>	<b>-12.0</b>	<b>6.7</b>	<b>5.6</b>	<b>6.6</b>	<b>9.9</b>	<b>11.5</b>	<b>Jan-09</b>
Russell 2000 Value Index			-9.9	-15.3	-17.3	-16.3	6.2	4.9	6.4	9.1	10.1	
<b>International Equity</b>	<b>441,126,777</b>	<b>18.0</b>	<b>-8.8</b>	<b>-12.3</b>	<b>-16.6</b>	<b>-16.9</b>	<b>2.8</b>	<b>2.7</b>	<b>3.4</b>	<b>5.7</b>	<b>5.7</b>	<b>Oct-04</b>
MSCI AC World ex USA (Net)			-8.6	-13.7	-18.4	-19.4	1.4	2.5	2.9	4.8	5.1	
LSV Int'l Large Cap Value	231,942,724	9.5	-9.0	-11.5	-12.5	-12.6	2.8	2.2	3.1	5.5	5.4	Oct-04
MSCI AC World ex USA Value (Net)			-9.1	-11.9	-11.8	-12.8	0.6	1.2	1.7	3.8	4.4	
Fidelity Int'l Growth	209,184,053	8.5	-8.5	-13.3	-20.8	-21.3	2.6	3.2	3.5	5.6	3.5	May-06
MSCI AC World ex USA Growth (Net)			-8.1	-15.7	-24.8	-25.8	1.6	3.4	3.9	5.7	3.5	

- Cash Composite includes the Transaction Account Value.



# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)									
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Core Real Estate</b>	<b>240,492,934</b>	<b>9.8</b>	<b>0.0</b>	<b>-2.6</b>	<b>-1.4</b>	<b>11.9</b>	<b>7.6</b>	<b>6.6</b>	<b>6.6</b>	<b>7.7</b>	<b>3.3</b>	<b>Apr-08</b>
NCREIF Property Index			0.0	0.0	5.3	17.6	9.1	8.2	8.3	9.3	6.8	
Prime Property Fund	109,395,373	4.5	3.4	3.4	11.1	28.8	12.0	10.3			10.1	Oct-15
NCREIF ODCE			4.8	4.8	12.5	29.5	12.7	10.5			10.1	
BlackRock Real Estate Securities	40,677,468	1.7	-7.8	-18.1	-21.2	-6.5	2.4	4.2	5.7		6.8	Oct-12
Dow Jones U.S. Select RESI			-7.8	-18.1	-21.1	-6.4	2.5	4.3	5.7		6.8	
PGIM Real Estate US Debt Fund	90,420,092	3.7	0.0	0.0	0.7	3.2	4.5				4.7	Sep-18
Blmbg. U.S. Investment Grade: CMBS Index			-0.8	-2.9	-8.3	-8.9	-0.2				1.8	
<b>Value-Add Real Estate</b>	<b>123,804,818</b>	<b>5.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.7</b>	<b>12.6</b>	<b>13.2</b>	<b>12.3</b>	<b>12.1</b>		<b>11.4</b>	<b>Aug-14</b>
NCREIF Property Index +2%			0.2	0.5	6.4	20.0	11.2	10.3	10.5		11.2	
American Strategic Value Realty	87,976,964	3.6	0.0	0.0	6.5	18.8	10.7	10.0	10.9		11.4	Jan-15
NCREIF Property Index			0.0	0.0	5.3	17.6	9.1	8.2	8.3		8.7	
Greenfield Acquisition Partners VII	341,077	0.0	0.0	0.0	0.0	1.1	7.9	9.9	10.0		9.7	Aug-14
NCREIF-ODCE +1%			4.9	5.0	13.1	30.8	13.8	11.6	11.4		12.1	
Grandview Property Partners I	35,486,778	1.4	0.0	0.0	0.0	-0.2	21.0				19.9	Apr-18
NCREIF-ODCE +1%			4.9	5.0	13.1	30.8	13.8				12.0	
<b>Infrastructure</b>	<b>171,358,441</b>	<b>7.0</b>	<b>-4.2</b>	<b>-3.3</b>	<b>-1.9</b>	<b>-1.4</b>	<b>3.1</b>	<b>9.3</b>	<b>7.4</b>		<b>5.4</b>	<b>Jun-15</b>
CPI + 5% (Unadjusted)			1.8	4.3	8.9	14.5	10.2	9.1	8.3		8.3	
MS Infrastructure Partners II	27,000,619	1.1	0.0	0.0	2.4	9.9	7.1	11.8	9.1		7.1	Jun-15
CPI + 5% (Unadjusted)			1.8	4.3	8.9	14.5	10.2	9.1	8.3		8.3	
Northern Trust Infrastructure Fund	136,146,806	5.5	-5.3	-8.2	-8.8	-6.7					-6.7	Jul-21
67% STOXX Global Broad Infra / 33% Bloomberg US TIPS			-5.5	-8.6	-9.1	-6.7					-6.7	
Melody Infrastructure II	8,211,016	0.3	0.0	0.0	0.0						0.0	Jan-22
CPI + 5% (Unadjusted)			1.8	4.3	8.9						8.9	

- Prime Property Fund and PGIM Real Estate US Debt Fund are preliminary as of 06/2022, and are subject to change once finalized.

# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)									
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Private Equity</b>	<b>129,350,334</b>	<b>5.3</b>	<b>-5.4</b>	<b>-11.3</b>	<b>-14.6</b>	<b>-8.9</b>	<b>12.0</b>				<b>13.8</b>	<b>Dec-18</b>
Russell 3000 + 3%			-8.1	-16.1	-19.9	-11.3	13.1				13.7	
<b>Private Equity</b>	<b>51,124,523</b>	<b>2.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>					<b>16.9</b>	<b>Apr-20</b>
Russell 3000 + 3%			-8.1	-16.1	-19.9	-11.3					23.9	
<b>Private Equity Proxy</b>	<b>78,225,810</b>	<b>3.2</b>	<b>-8.4</b>	<b>-16.8</b>	<b>-21.1</b>	<b>-13.9</b>	<b>9.8</b>	<b>11.6</b>	<b>11.4</b>	<b>13.1</b>	<b>9.4</b>	<b>Dec-03</b>
Russell 3000 Index			-8.4	-16.7	-21.1	-13.9	9.8	10.6	10.4	12.6	9.2	
<b>Private Credit</b>	<b>187,680,922</b>	<b>7.6</b>	<b>-3.7</b>	<b>-5.7</b>	<b>-8.2</b>	<b>-6.9</b>	<b>-4.6</b>	<b>-1.3</b>	<b>-0.4</b>		<b>1.3</b>	<b>Jun-13</b>
S&P/LSTA Leveraged Loan Index +2%			-2.0	-4.0	-3.6	-0.8	4.1	5.0	5.3		5.3	
<b>Private Credit</b>	<b>90,273,633</b>	<b>3.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.2</b>	<b>-1.8</b>	<b>0.5</b>	<b>0.9</b>		<b>2.3</b>	<b>Jun-13</b>
S&P/LSTA Leveraged Loan Index +2%			-2.0	-4.0	-3.6	-0.8	4.1	5.0	5.3		5.3	
<b>Private Credit Proxy</b>	<b>97,407,289</b>	<b>4.0</b>	<b>-6.9</b>	<b>-10.2</b>	<b>-14.3</b>	<b>-12.9</b>					<b>-12.9</b>	<b>Jul-21</b>
ICE BofA US High Yield Master II Constrained			-6.8	-10.0	-14.0	-12.7					-12.7	
<b>Risk-Diversifying Sub-Portfolio</b>	<b>477,679,895</b>	<b>19.5</b>	<b>-3.2</b>	<b>-7.4</b>	<b>-10.0</b>	<b>-8.0</b>	<b>0.2</b>	<b>1.4</b>	<b>2.1</b>	<b>2.5</b>	<b>4.1</b>	<b>Dec-03</b>
StanCERA Risk-Diversifying Blended BM			-0.8	-1.7	-5.2	-5.5	-0.1	1.0	1.1	1.1		
<b>Risk Parity</b>	<b>238,470,857</b>	<b>9.7</b>	<b>-6.1</b>	<b>-11.5</b>	<b>-15.1</b>	<b>-12.6</b>	<b>2.0</b>				<b>3.4</b>	<b>Dec-17</b>
60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg			-6.3	-12.7	-17.7	-15.4	2.6				3.1	
HFR Risk Parity Vol 10 Institutional Index			-6.4	-11.5	-16.1	-13.5	-0.2				1.9	
AQR Global Risk Premium - EL	122,159,374	5.0	-4.8	-9.5	-13.1	-10.2	2.2				4.0	Apr-18
60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg			-6.3	-12.7	-17.7	-15.4	2.6				3.1	
PanAgora Risk Parity Multi Asset	116,311,483	4.7	-7.5	-13.6	-17.1	-15.0	1.8				3.3	Dec-17
60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg			-6.3	-12.7	-17.7	-15.4	2.6				3.1	
<b>US Treasury Bonds</b>	<b>146,355,590</b>	<b>6.0</b>	<b>-1.0</b>	<b>-5.1</b>	<b>-10.3</b>	<b>-9.7</b>	<b>-1.1</b>	<b>1.0</b>	<b>1.8</b>	<b>2.3</b>	<b>4.0</b>	<b>Dec-03</b>
Blmbg. U.S. Treasury: 7-10 Year			-1.0	-4.5	-10.8	-10.5	-1.2	0.8	1.3	1.3	3.8	
Northern Trust Intermediate Gov't Bond	101,079,336	4.1	-0.7	-1.7	-5.8	-6.4	-0.3				0.8	Aug-17
Blmbg. U.S. Government: Intermediate			-0.7	-1.7	-5.8	-6.3	-0.3				0.8	
Northern Trust Long Term Gov't Bond	45,276,254	1.8	-1.5	-11.9	-18.9	-16.1	-2.1				1.2	Aug-17
Blmbg. U.S. Government: Long Term Bond Index			-1.5	-11.9	-21.2	-18.4	-2.9				0.6	
<b>Liquid Absolute Return</b>	<b>92,853,448</b>	<b>3.8</b>	<b>1.1</b>	<b>0.6</b>	<b>7.4</b>						<b>9.2</b>	<b>Oct-21</b>
30 Day T-Bill + 4%			0.4	1.1	2.1						3.1	
Graham Global Investment Fund I SPC LTD	67,472,851	2.7	2.1	8.1	26.4						22.7	Nov-21
HFRI Macro (Total) Index			-0.8	1.8	8.6						7.0	
Invesco Global Targets Returns	25,380,596	1.0	-1.3	-2.7	-7.3						-4.8	Dec-21
30 Day T-Bill + 4%			0.4	1.1	2.1						2.4	

- 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, US Small, US Equities, Growth Sub-Portfolio, Cash, and Liquidity Sub-Portfolio prior to July 1, 2020 reflects performance of these composites before this change.

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

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

# DISCLAIMERS & DISCLOSURES

Past performance is no guarantee of future results.

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

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

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

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

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

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



# STANCERA ASSET CLASS ASSUMPTIONS

06/30/2022

JULY 2022

Dan Hennessy and Sam Austin





# ASSET CLASS ASSUMPTIONS

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# INTRODUCTION



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# ASSET CLASS ASSUMPTIONS

## OVERVIEW

- **NEPC's capital market assumptions are available each quarter and currently reflect June 30, 2022 market data**
- **Higher interest rates lifted fixed income return assumptions and temper the outlook for equities given the expected valuation headwinds**
- **We encourage investors to hold a dedicated safe-haven fixed income allocation to be a source of portfolio liquidity and downside protection**
- **NEPC's expectation for inflation is elevated over the near-term, but the long-term outlook reflects a more subdued inflation environment**

# ASSET CLASS ASSUMPTIONS

## DEVELOPMENT

- **Assumptions are published for over 70 asset classes**
  - NEPC publishes return forecasts for 10-year and 30-year periods
- **Market data as of 06/30/2022**
  - Assumptions are developed with NEPC valuations models and rely on a building block approach
- **The 10-year return outlook is intended to support strategic asset allocation analysis**
- **30-year return assumptions are used for actuarial inputs and long-term planning**

## Asset Allocation Process

1. Finalize list of new asset classes
2. Calculate asset class volatility and correlation assumptions
3. Set model terminal values, growth, and inflation inputs
4. Model data updated at quarter-end
5. Review model outputs and produce asset class return assumptions
6. Assumptions released on the 15<sup>th</sup> calendar day after quarter-end

# ASSET CLASS BUILDING BLOCKS

## METHODOLOGY

- **Asset models reflect current and forecasted market data to inform expected returns**
- **Systematic inputs are paired with a long-term trend to terminal values**
- **Model inputs are aggregated to capture key return drivers for each asset class**
- **Building block inputs will differ across asset class categories**

**Illiquidity Premium**

**Valuation**

**Inflation**

**Real Growth**

**Yield**

# THE CHANGE IN ASSET CLASS EXPECTATIONS

	Asset Class	June 2022 10-Year Return	June 2020 10-Year Return	Delta
	Cash	2.9%	0.6%	+2.3%
	U.S. Inflation	2.4%	1.7%	+0.7%
Equity	U.S. Large-Cap Equity	5.8%	6.3%	-0.5%
	Non-U.S. Developed Equity	6.4%	6.7%	-0.3%
	Emerging Market Equity	9.6%	9.1%	+0.5%
	Global Equity*	6.8%	7.2%	-0.4%
	Private Equity*	9.8%	10.4%	-0.6%
Fixed Income	U.S. Treasury Bond	3.2%	0.6%	+2.6%
	U.S. Core Bonds*	3.8%	1.3%	+2.5%
	U.S. TIPS	3.0%	0.9%	+2.1%
	U.S. High Yield Corporate Bond	6.9%	4.3%	+2.6%
	Private Debt*	8.0%	6.8%	+1.2%
Real Assets	Commodity Futures	3.4%	1.7%	+1.7%
	Public REITs	6.1%	6.6%	-0.5%
	Gold	4.4%	3.4%	+1.0%
	Core Private Real Estate	4.4%	4.4%	-
	Private Real Assets - Infrastructure	6.1%	5.9%	+0.2%
Multi-Asset	60% S&P 500 & 40% U.S. Aggregate	5.3%	4.6%	+0.7%
	60% MSCI ACWI & 40% U.S. Agg.	6.0%	4.9%	+1.1%
	Liquid Absolute Return*	5.4%	4.6%	+0.8%

\*Calculated as a blend of other asset classes

# LONG-TERM ASSET CLASS EXPECTATIONS

	Asset Class	June 2022 10-Year Return	June 2022 30-Year Return	Volatility
	Cash	2.9%	2.9%	0.6%
	U.S. Inflation	2.4%	2.4%	-
Equity	U.S. Large-Cap Equity	5.8%	6.9%	14.5%
	Non-U.S. Developed Equity	6.4%	7.0%	19.6%
	Emerging Market Equity	9.6%	9.5%	28.3%
	Global Equity*	6.8%	7.7%	17.9%
	Private Equity*	9.8%	10.3%	25.2%
Fixed Income	U.S. Treasury Bond	3.2%	3.4%	5.3%
	U.S. Core Bonds*	3.8%	4.0%	5.6%
	U.S. TIPS	3.0%	3.6%	5.8%
	U.S. High Yield Corporate Bond	6.9%	6.9%	11.2%
	Private Debt*	8.0%	8.7%	11.6%
Real Assets	Commodity Futures	3.4%	3.3%	18.5%
	Public REITs	6.1%	7.3%	21.4%
	Gold	4.4%	4.4%	16.3%
	Core Private Real Estate	4.4%	5.2%	15.0%
	Private Real Assets - Infrastructure	6.1%	6.8%	12.6%
Multi-Asset	60% S&P 500 & 40% U.S. Aggregate	5.3%	6.1%	10.3%
	60% MSCI ACWI & 40% U.S. Agg.	6.0%	6.6%	11.0%
	Liquid Absolute Return*	5.4%	5.5%	9.2%

# STANCERA ASSET ALLOCATION EXPECTATIONS

	Current Policy
Cash	1.0%
Cashflow-Matched Bonds	7.0%
<b>Total Liquidity Sub-Portfolio</b>	<b>8.0%</b>
US Large-Cap Equity	16.0%
US Small/Mid-Cap Equity	4.0%
Non-US Public Equity	20.0%
Private Equity	5.0%
Private Debt	8.0%
Core Real Estate	6.5%
Value-Add Real Estate	6.0%
Private Infrastructure	7.5%
<b>Total Growth Sub-Portfolio</b>	<b>73.0%</b>
Risk Parity	10.0%
Liquid Absolute Return Strategies	3.0%
US Treasury Bond	6.0%
<b>Total Risk-Diversifying Sub-Portfolio</b>	<b>19.0%</b>
<b>Expected Return 10 yrs</b>	<b>6.75%</b>
<b>Expected Return 30 yrs</b>	<b>7.42%</b>
<b>Standard Deviation (Volatility)</b>	<b>12.1%</b>
<b>Total</b>	<b>100.0%</b>
<b>Probability of 10-Year Return Over 6.75%</b>	<b>50%</b>
<b>Probability of 30-Year Return Over 6.75%</b>	<b>62%</b>
<b>Probability of 1-Year Return Under 0%</b>	<b>29%</b>
<b>Probability of 5-Year Return Under 0%</b>	<b>11%</b>

Our expectations for StanCERA's future investment performance have increased since the asset-liability study that we presented in November 2020, primarily because interest rates are higher now. Our newly revised base-case projection is for 6.75% annualized returns over the next decade, and 7.42% annualized returns over the next 30 years.

# INFLATION



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# INFLATION ASSUMPTIONS

## OVERVIEW

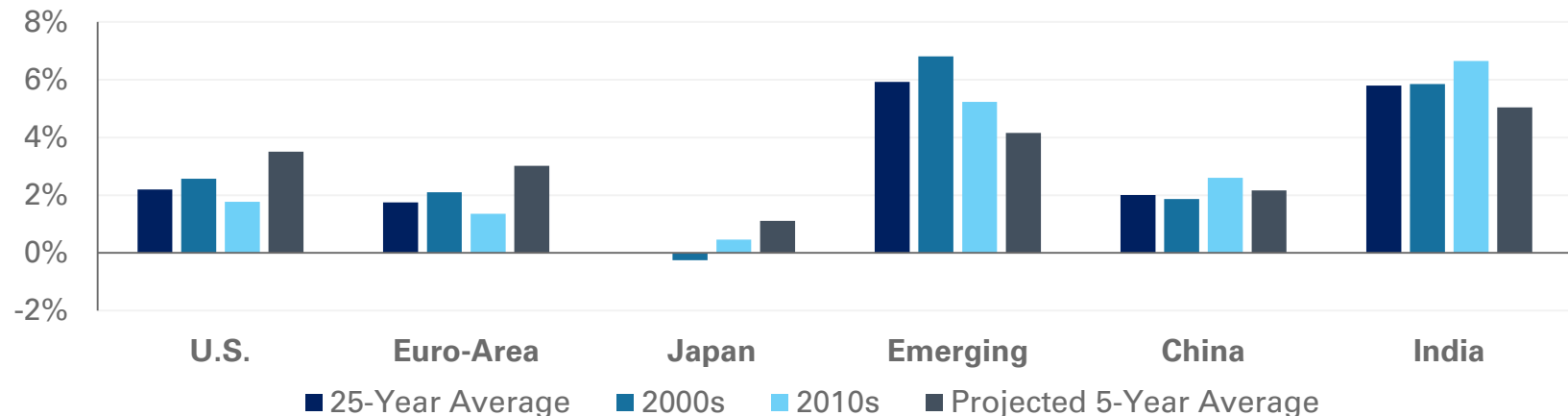
- **Inflation is a key building block to develop asset class assumptions**
- **Inflation assumptions are model-driven and informed by multiple inputs for both the U.S. and global assets**
  - Includes forecasts from international organizations (e.g. IMF), local consumer and producer price indices, global interest rate curves, and break-even inflation expectations
- **NEPC's U.S. expectations reflect increased inflation in the near-term, but a stable inflation outlook over the long-term**
  - We anticipate continued volatility among inflation measures as financial market expectations remain lower than current consumer inflation rates

Region	10-Year Inflation Assumption	30-Year Inflation Assumption
United States	2.4%	2.5%



# GLOBAL INFLATION

## HISTORICAL INFLATION



- **Near-term inflation levels are elevated relative to stated central bank inflation targets**
  - Long-term inflation assumptions are subdued and reflect market-based break-even inflation expectations
- **Emerging market inflation levels are diverging but generally remain above the developed world**

# PUBLIC EQUITY



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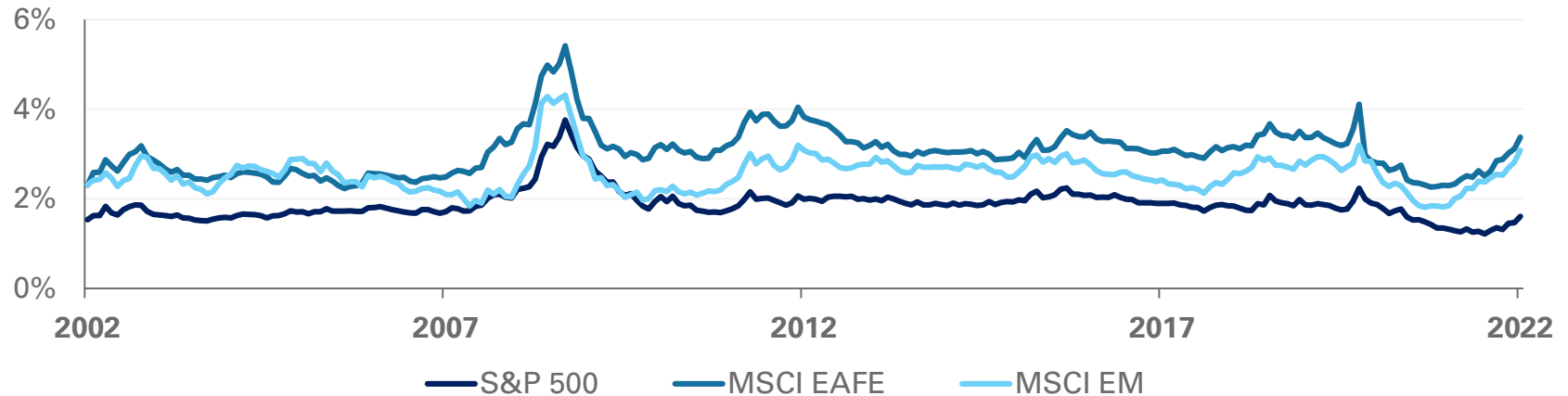
# PUBLIC EQUITY ASSUMPTIONS

## OVERVIEW

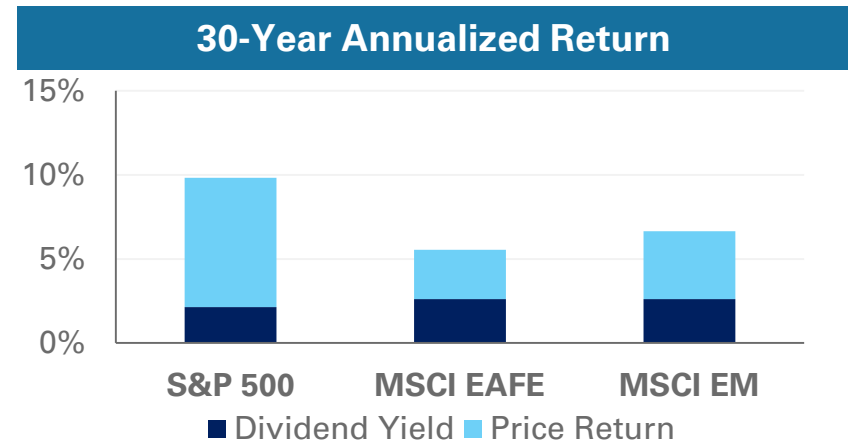
- **Valuation multiples underlying the equity return assumptions have moved lower to reflect the increase in long-term interest rates**
- **Equity valuation multiples are sensitive to higher interest rates, though inflation can positively impact nominal revenue growth**
- **We recommend strategic asset allocation targets for emerging market equity reflect an overweight compared to the MSCI ACWI IMI**
  - The return assumption for emerging equity is highest among public equity and we recommend using non-U.S. developed equity as the funding source
- **NEPC encourages a strategic bias to small-cap with the use of active management relative to small-cap exposure in the MSCI ACWI IMI**

# PUBLIC EQUITY

## DIVIDEND YIELD

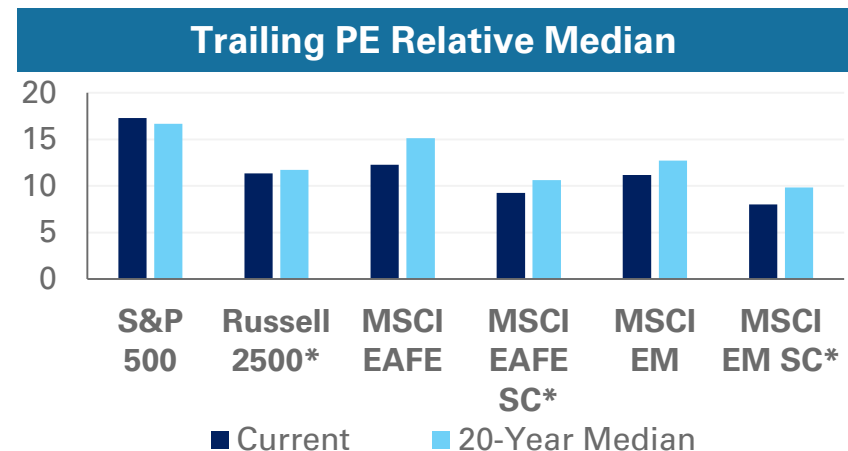
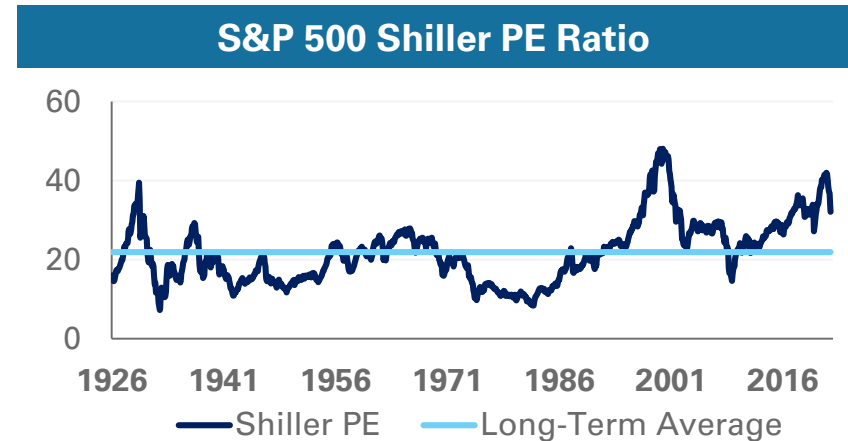


- **Non-U.S. equities provide higher dividend yields than U.S. equities**



## VALUATION

- **U.S. stock valuations are elevated relative to long-term averages**
- **P/E terminal value inputs have been adjusted lower to reflect the impact of higher nominal interest rates**
- **EAFE P/E inputs reflect more subdued market sentiment levels**
- **Emerging market stocks offer an elevated total return opportunity relative to developed markets**

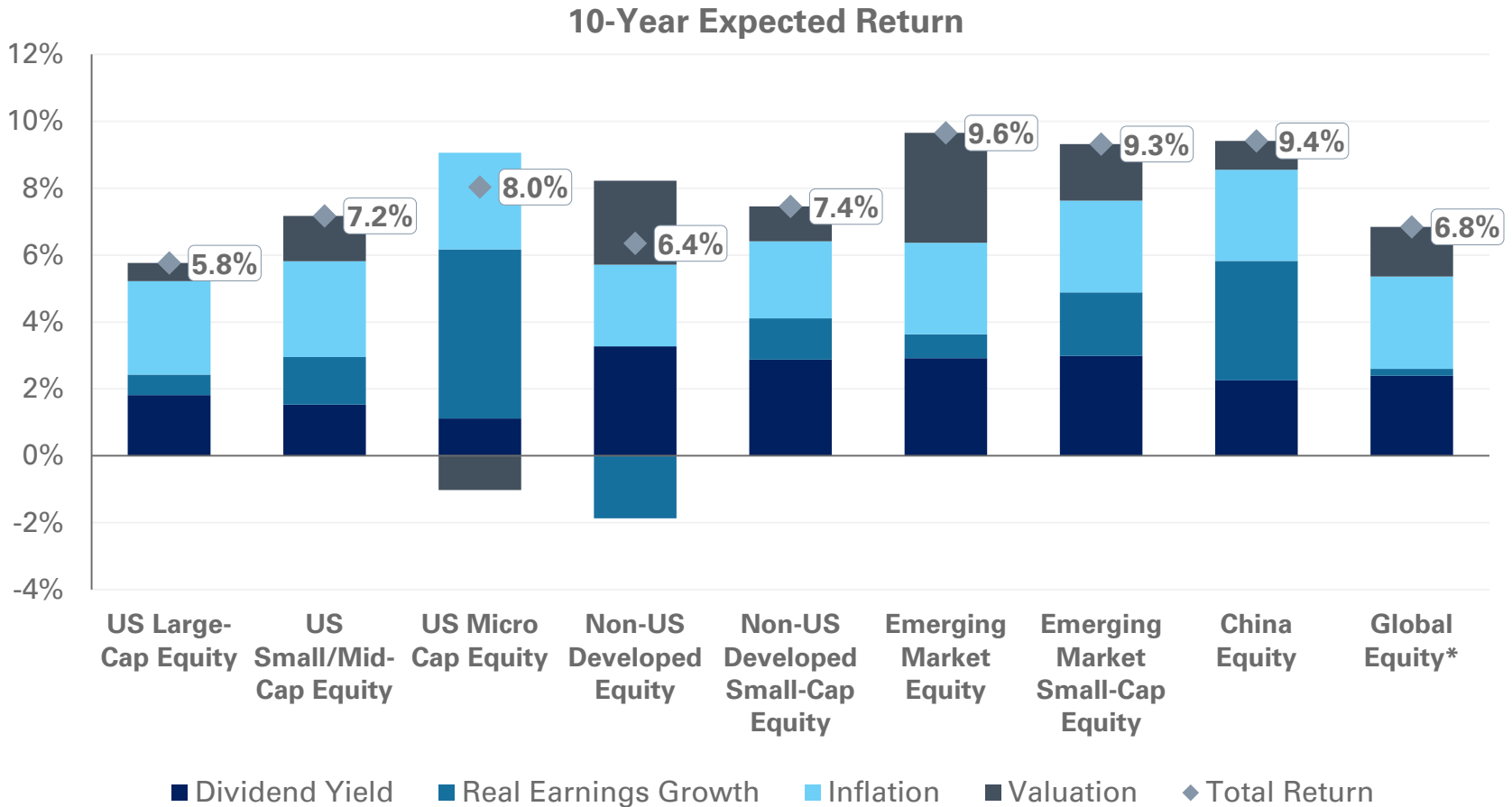


Sources: S&P, Shiller, Russell, MSCI, FactSet, NEPC; Shiller PE long-term average beginning in 1926

Note: \*Small cap indices valuations based on EV/EBITDA multiples; MSCI EM Small Cap median calculated since 3/31/2003

# PUBLIC EQUITY

## BUILDING BLOCKS



Source: NEPC

\*Calculated as a blend of other classes

# FIXED INCOME



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# FIXED INCOME ASSUMPTIONS

## OVERVIEW

- **Fixed income return assumptions reflect a transition to tighter monetary policy to offset ongoing inflationary pressures**
- **NEPC remains committed to a dedicated Treasury allocation given the upward movement in interest rates and return expectations**
- **Safe-haven fixed income exposure will differ by investor objective**
  - The fixed income asset-type and duration profile should reflect portfolio objectives, asset-liability glide path, and desire for capital efficiency
- **The use of return-seeking credit investments requires a more dynamic posture to manage shifts in credit spreads and market cycles**



# FIXED INCOME ASSUMPTIONS

## BUILDING BLOCKS

<b>Illiquidity Premium</b>	The return expected for assets with illiquidity risk
<b>Government Rates Price Change</b>	Change due to shifts in current yields relative to forecasted rates
<b>Credit Deterioration</b>	The average loss for credit assets due to defaults and recovery rates
<b>Spread Price Change</b>	Valuation change due to changes in credit spreads relative to long-term targets
<b>Credit Spread</b>	Yield premium provided by securities with credit risk
<b>Government Rates</b>	The yield attributed to sovereign bonds that do not have credit risk

Asset Class	06/30/22 10-Yr Return	12-Month Change
U.S. TIPS	3.0%	+1.5%
U.S. Treasury Bond	3.2%	+1.8%
U.S. Corporate Bond	5.2%	+2.6%
U.S. MBS	3.4%	+1.7%
U.S. High Yield Corporate	6.9%	+3.8%
U.S. Leveraged Loan	6.6%	+2.2%
EMD External Debt	7.3%	+3.6%
EMD Local Currency Debt	6.9%	+1.1%
Non-U.S. Govt. Bond	2.1%	+1.1%
U.S. Muni Bond (1-10 Year)	3.0%	+1.8%
U.S. High Yield Muni Bond	5.0%	+2.8%
Hedge Fund – Credit	6.5%	+2.4%
U.S. Aggregate Bond*	3.8%	+1.9%
Private Debt*	8.0%	+1.6%

Source: NEPC

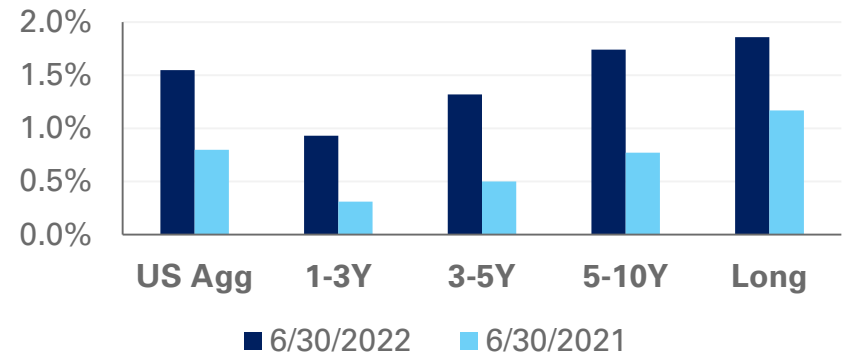
\*Calculated as a blend of other asset classes

# FIXED INCOME

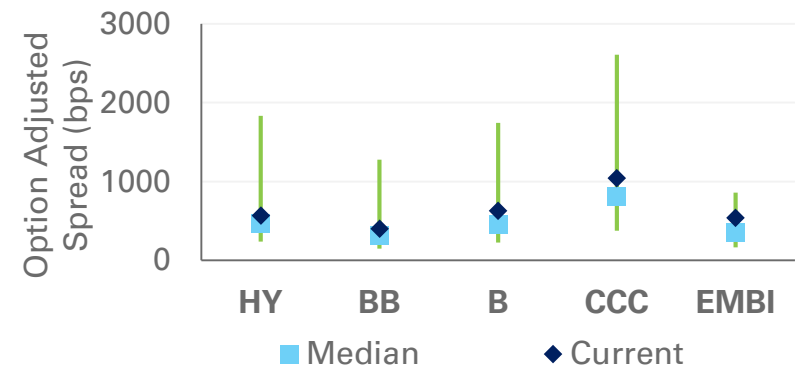
## CREDIT SPREADS

- **Credit spreads have increased and are above median levels**
- **Higher credit spread levels raise future return expectations**
- **Credit spread assumptions reflect potential disruption**
  - With a record number of BBB-rated corporates, fallen angel downgrades are a greater risk
- **Default and recovery rates are informed by long-term history**

U.S. Corporate OAS by Maturity

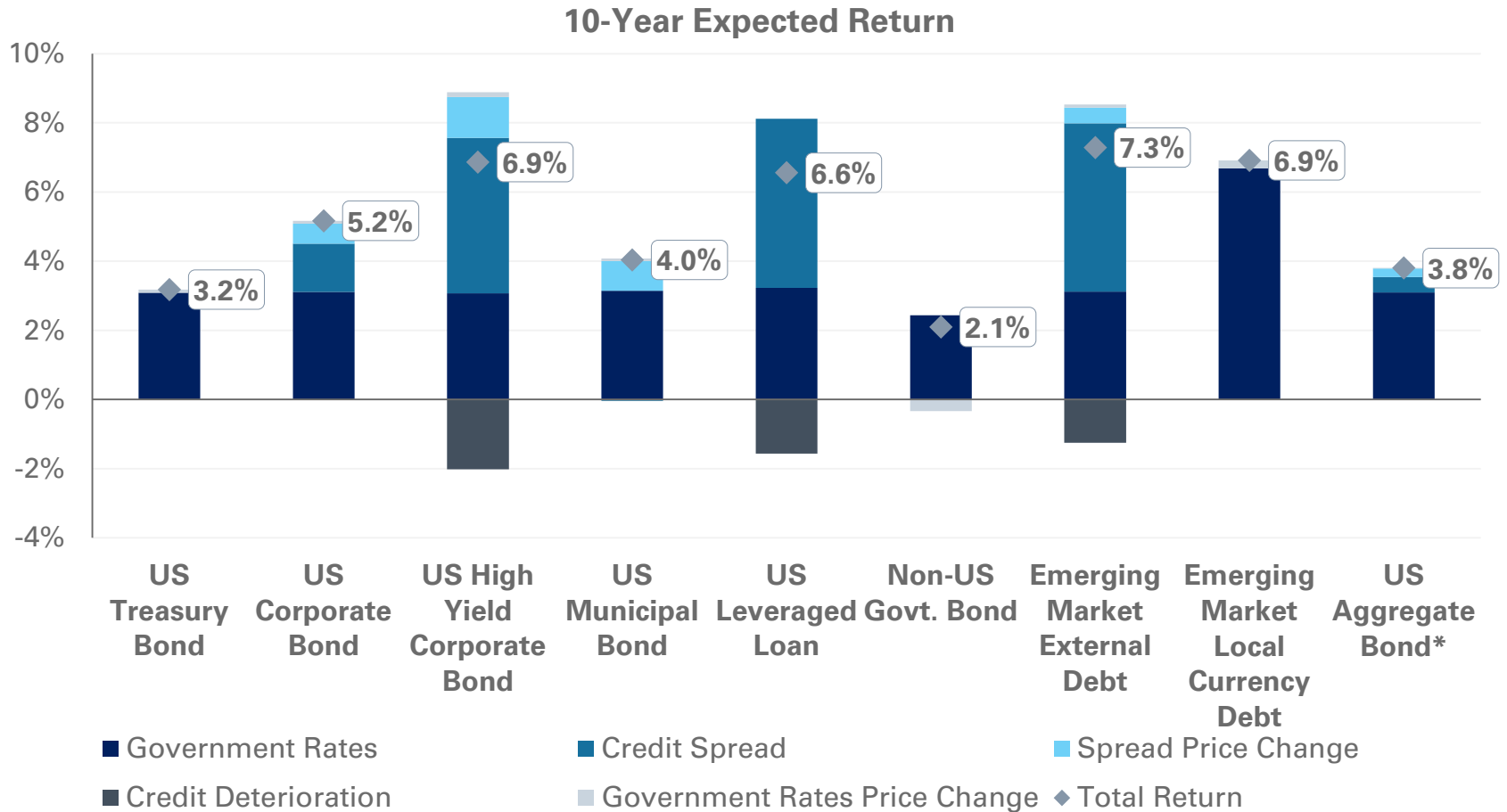


Return-Seeking Credit Spreads



# FIXED INCOME

## BUILDING BLOCKS



Source: NEPC

\*Calculated as a blend of other classes

# REAL ASSET



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# REAL ASSET ASSUMPTIONS

## OVERVIEW

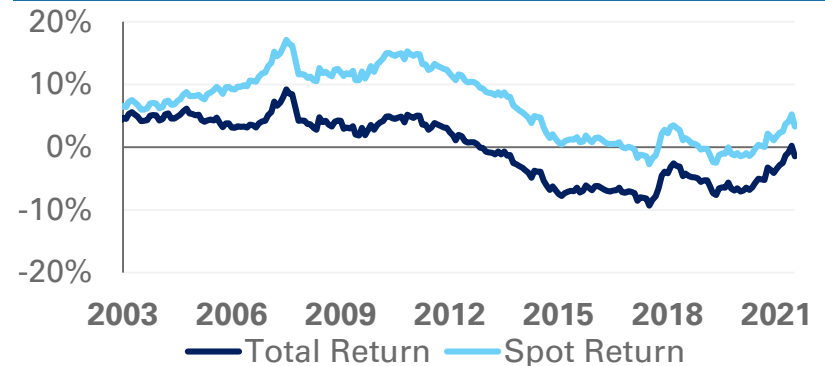
- **The strategic outlook for real assets reflects a high level of uncertainty due to the elevated near-term inflation environment**
- **Real assets offer a meaningful portfolio diversification benefit, but are sensitive to a wide range of potential inflation scenarios**
- **Real assets exhibit different betas to inflation and each asset class is exposed to various economic factors**
  - Diversification and correlation benefits are helpful to a portfolio but must be carefully considered relative to the expected risk premium
- **Inflation-sensitivity and portfolio objectives influence an investor's strategic allocation to real assets**
  - We recommend private markets to meet strategic real asset allocation targets
  - Relative to portfolio objectives, we prefer the use of public market strategies to mitigate short-term inflation risks

# REAL ASSET

## REAL INCOME

- **Equity: Real income is inflation-adjusted dividend yield**
  - Includes public infrastructure, REITS, midstream energy, and natural resource equity
- **Real Estate: Real income is net operating income (NOI)**
  - NOI growth tracks the business cycle and economic regimes
- **Commodity Futures: Real income reflects collateral return and the futures roll yield**
  - Collateral is based on a cash proxy over the time horizon

### Commodities Rolling 10-Year Returns



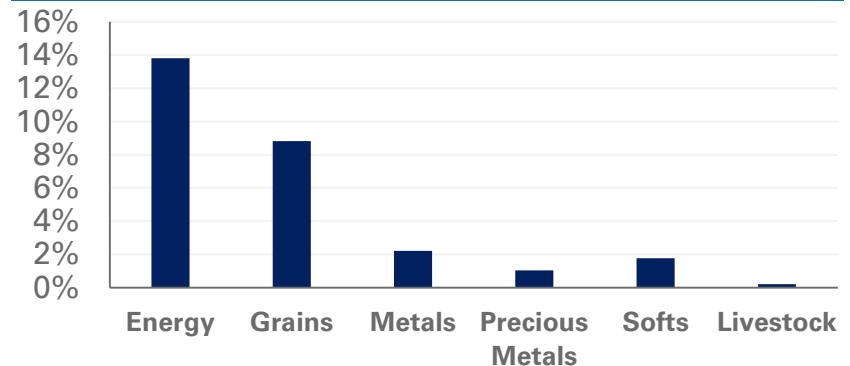
### Real Assets Yields

	6/30/22	6/30/21
Midstream Energy	5.6%	5.5%
Core Real Estate	3.0%	3.0%
U.S. REIT	3.8%	3.1%
Global Infrastructure Equity	3.1%	2.9%
Global Nat Resource Equity	3.8%	3.1%
U.S. 10-Yr Breakeven Inflation	2.3%	2.3%

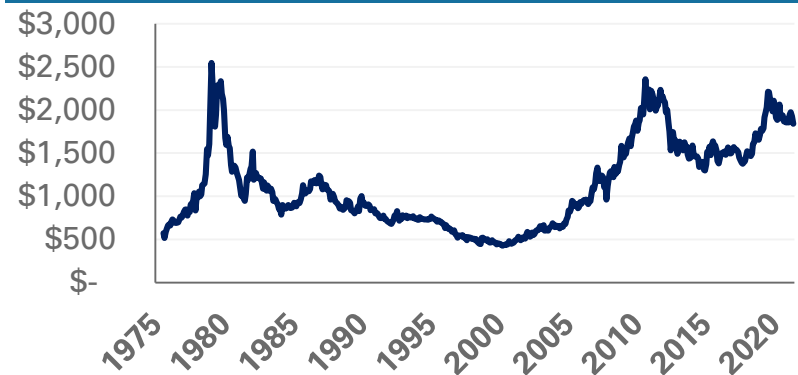
# REAL ASSET VALUATION

- **Commodity valuation inputs reflect the long-term average of spot prices**
  - Most areas of the commodity index are trading at a premium to long-term real averages
- **Valuation assumptions for other real assets are based on asset-specific valuation inputs**
  - Capitalization rates are used for core real estate, price-to-earnings for global infrastructure and global natural resources equity
  - Gold's valuation incorporates the asset's historical risk premia and the impact of the macroeconomic market regime

Discount/Premium to 10-Year Real Average

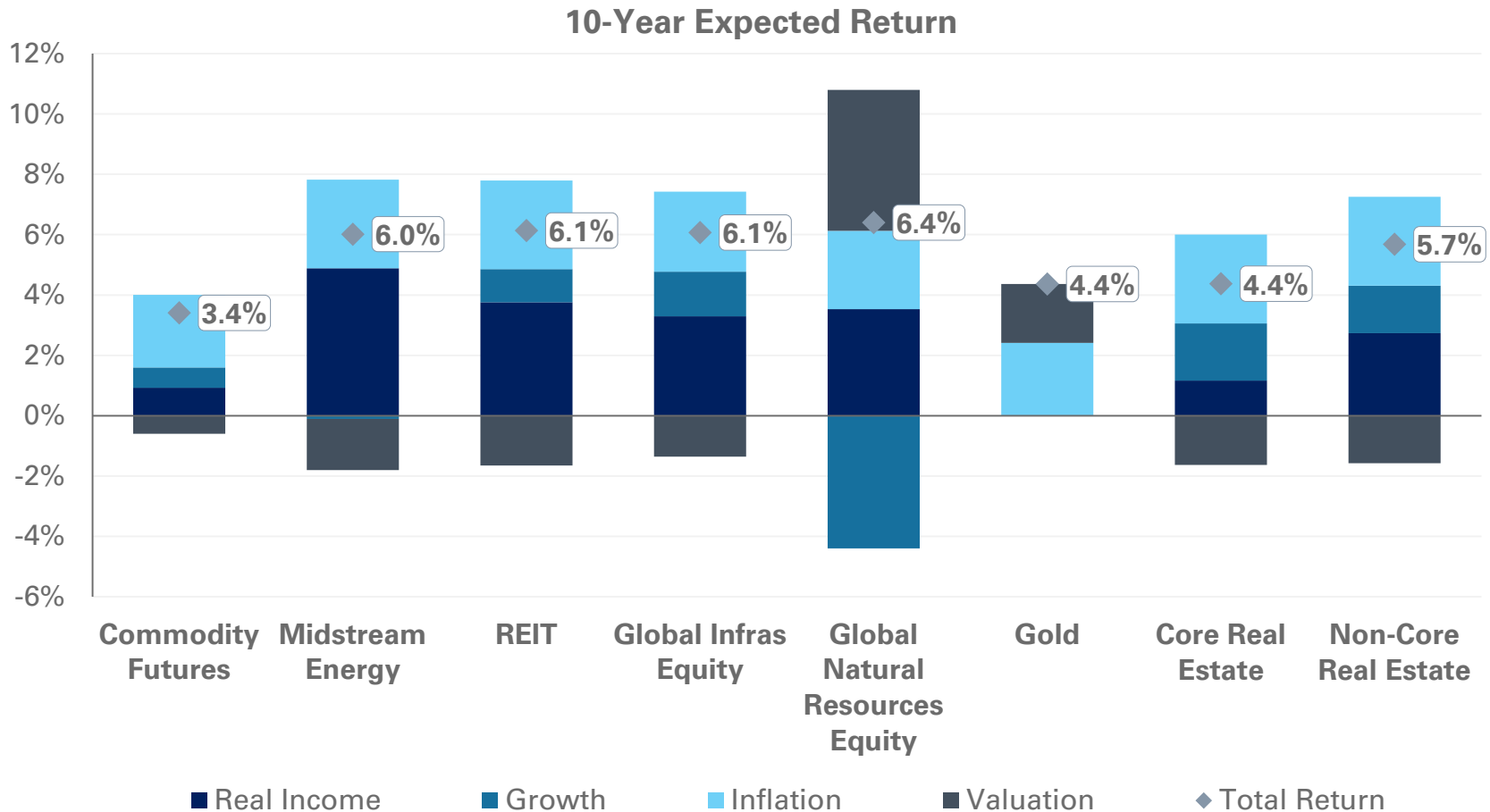


Real Price of Gold



# REAL ASSET

## BUILDING BLOCKS





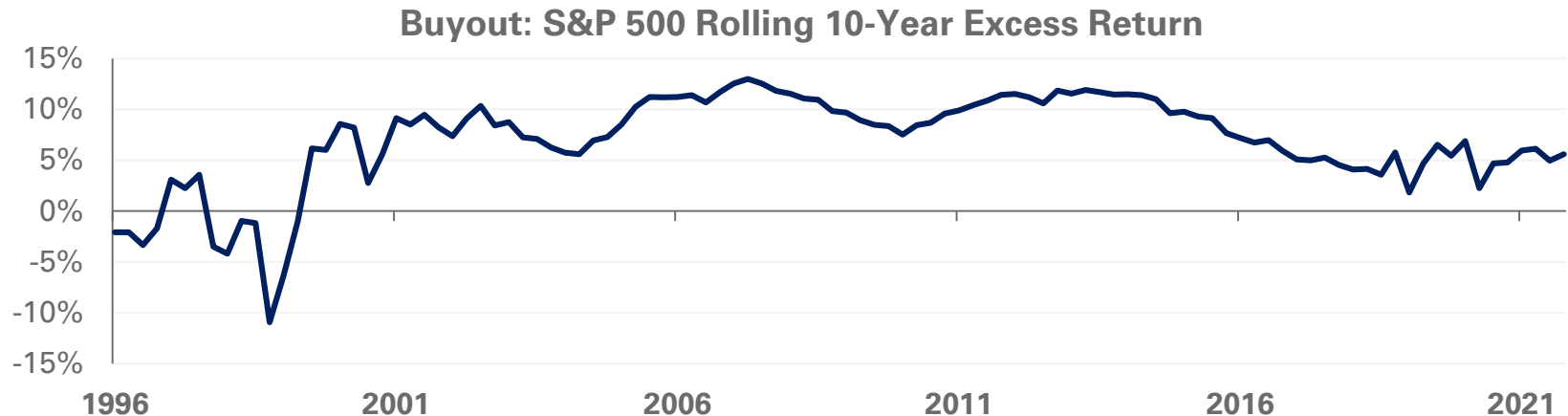
# ALTERNATIVE ASSETS



PROPRIETARY & CONFIDENTIAL

# ALTERNATIVE ASSETS

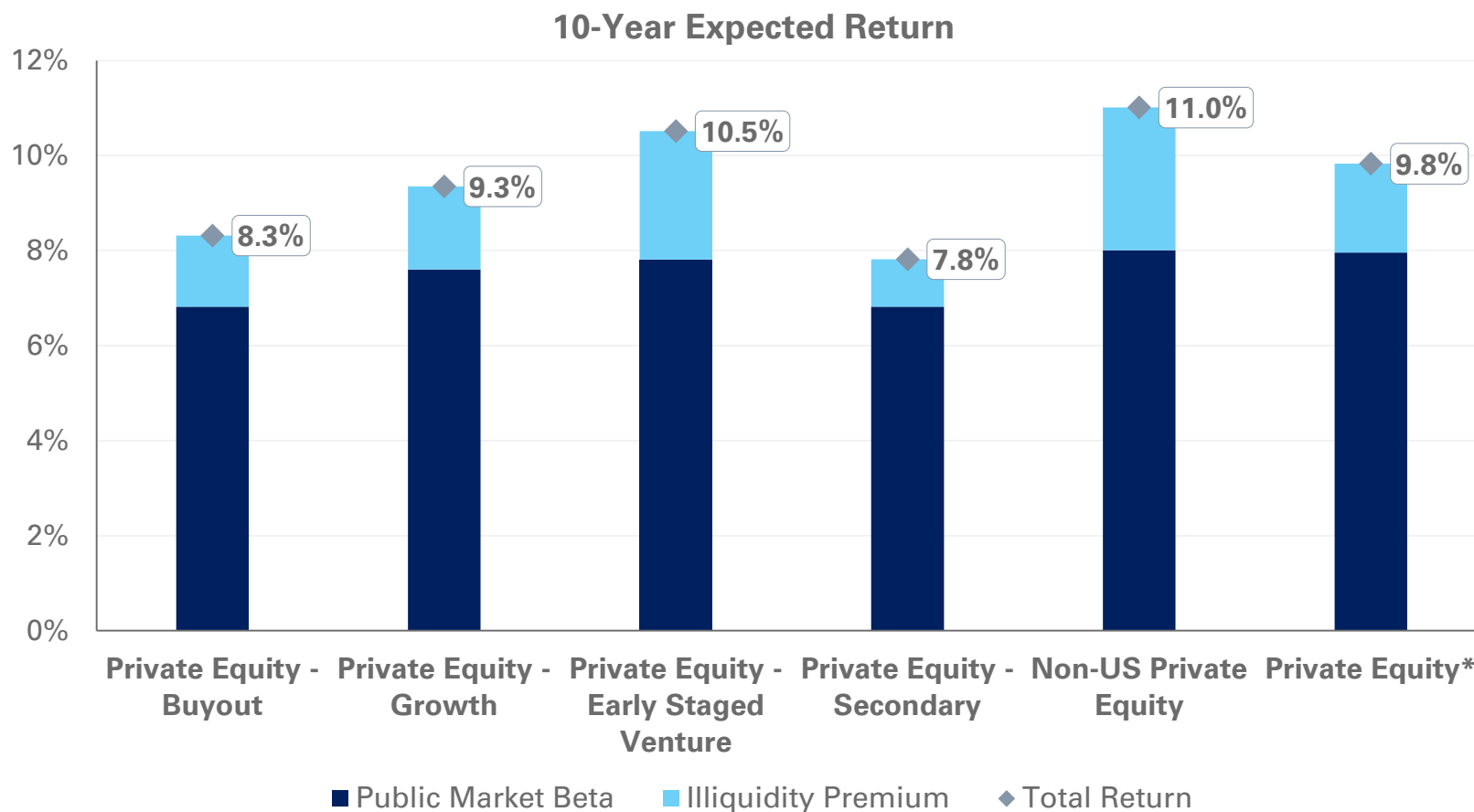
## METHODOLOGY



- **Private market assumptions are constructed from betas to public markets with an added illiquidity premia**
  - Historically, the observed illiquidity premium has been a significant component driving private market returns
- **Hedge fund assumptions are constructed from betas to public markets with an added alpha assumption**

# PRIVATE EQUITY

## BUILDING BLOCKS

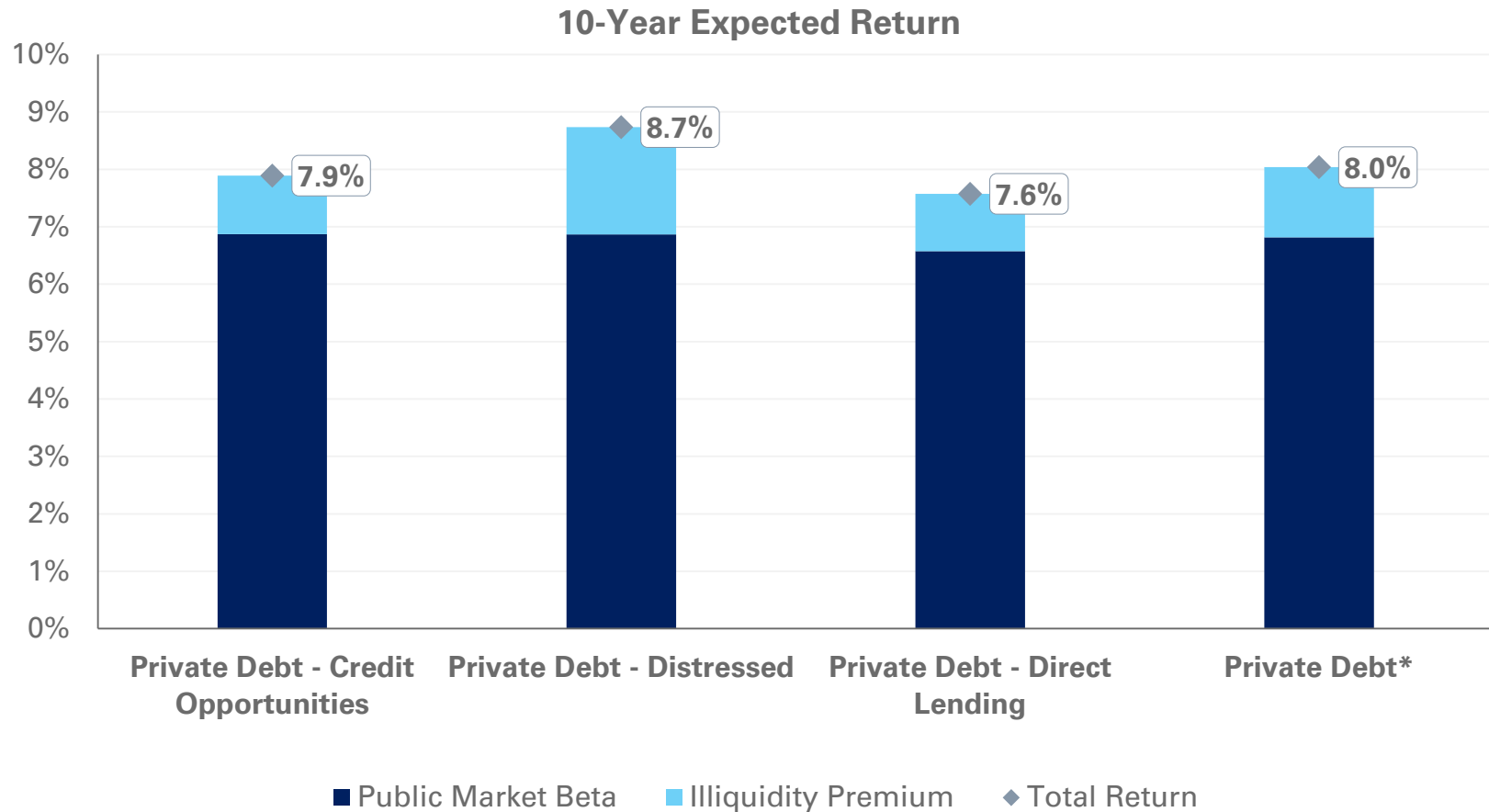


Source: NEPC

\*Private Equity is a derived composite of 34% U.S. Buyout, 34% U.S. Growth, 8.5% U.S. Secondary, 8.5% U.S. Venture, 15% Non-U.S. PE

# PRIVATE DEBT

## BUILDING BLOCKS

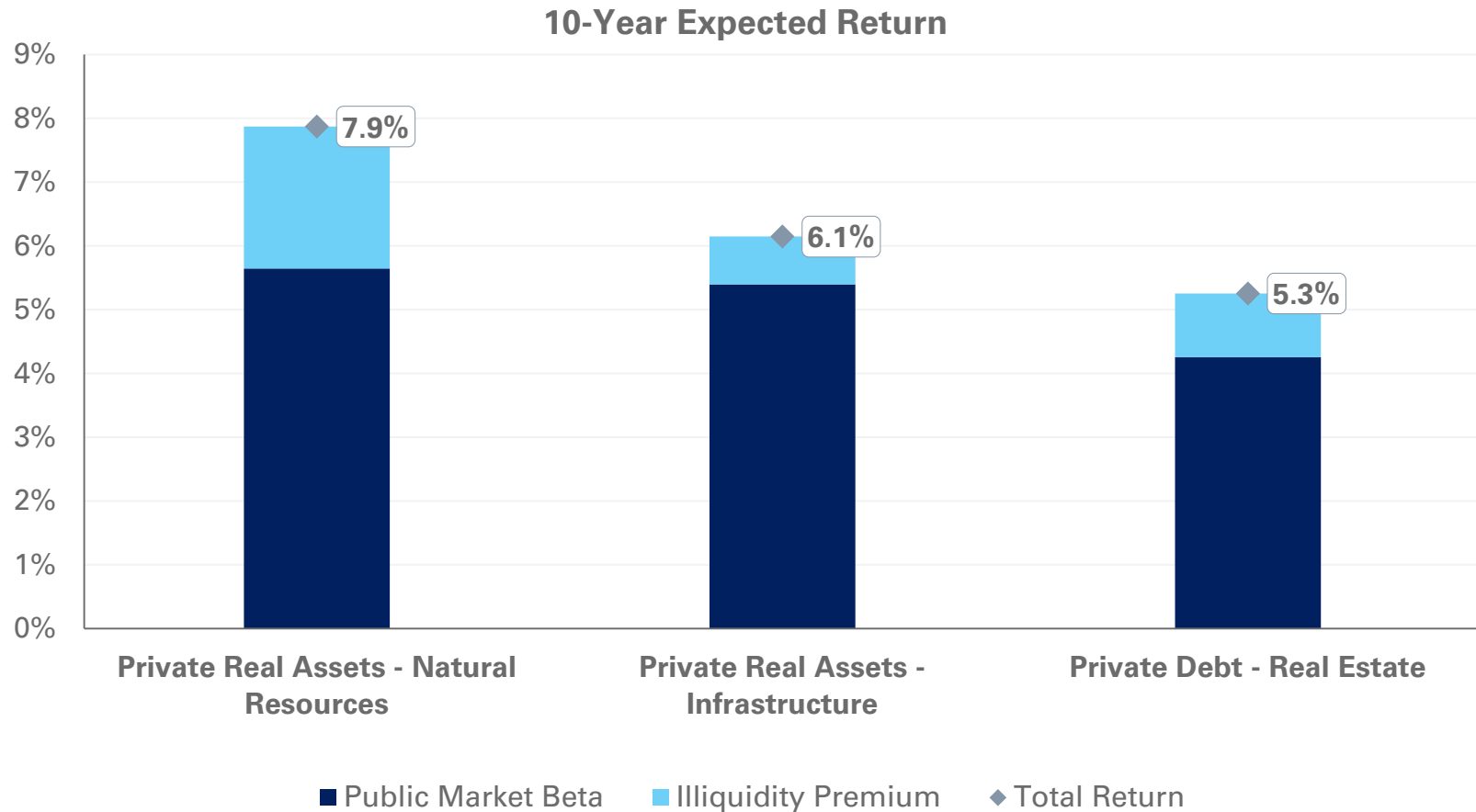


Source: NEPC

\*Private Debt is a derived composite of 25% Mezzanine, 25% Distressed, 50% Direct Lending

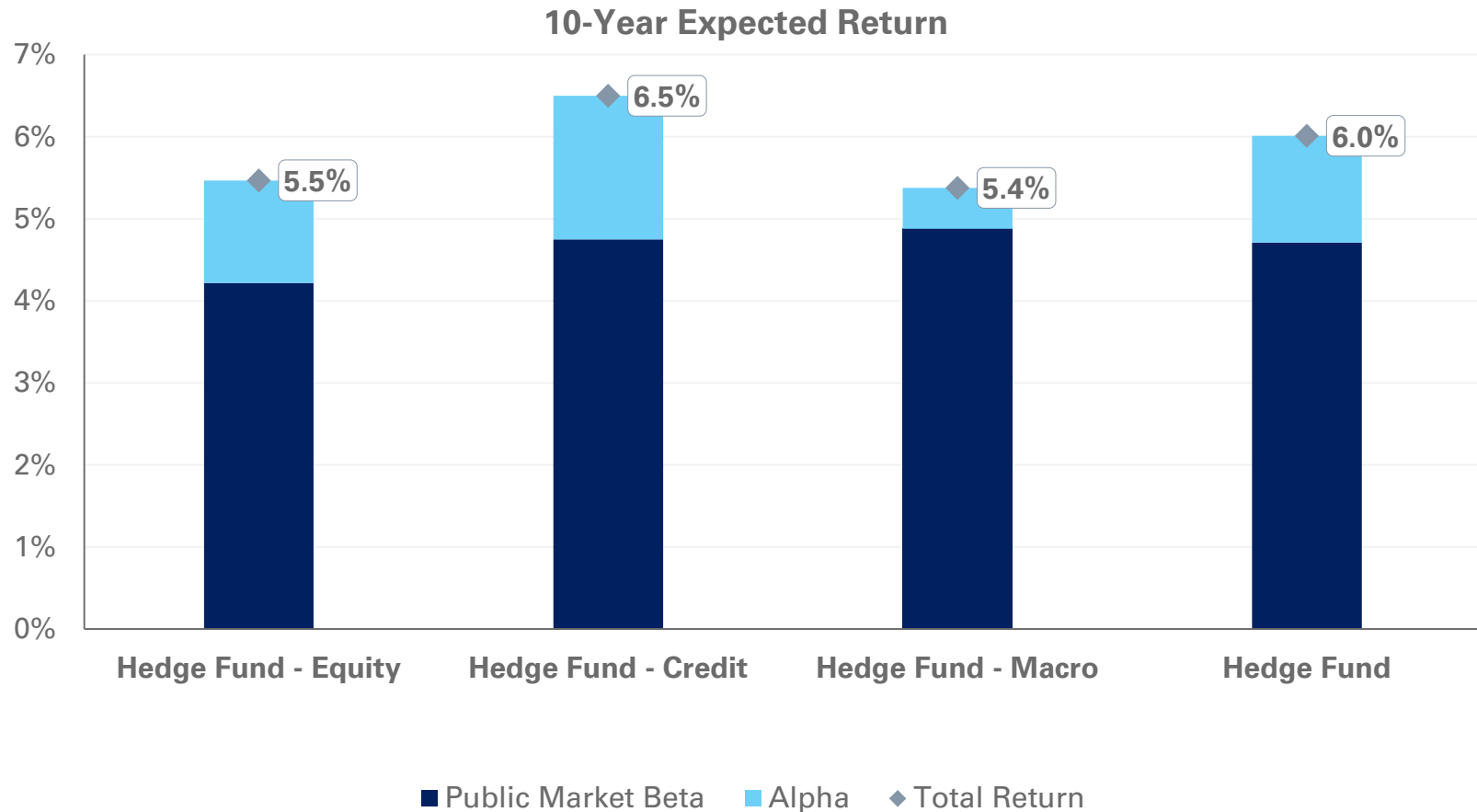
# PRIVATE REAL ASSET

## BUILDING BLOCKS



# HEDGE FUND

## BUILDING BLOCKS



Source: NEPC

\*Hedge Funds is a derived composite of 40% Long/Short, 40% Credit, 20% Macro

# APPENDIX



# 10-YEAR RETURN FORECASTS

## EQUITY

Geometric Expected Return			
Asset Class	06/30/2022	06/30/2021	Delta
U.S. Large-Cap Equity	5.8%	4.9%	+0.9%
U.S. Small/Mid-Cap Equity	7.2%	5.0%	+2.2%
Non-U.S. Developed Equity	6.4%	5.2%	+1.2%
Non-U.S. Developed Equity (USD Hedge)	6.5%	5.4%	+1.1%
Non-U.S. Developed Small-Cap Equity	7.4%	5.3%	+2.1%
Emerging Market Equity	9.6%	7.4%	+2.2%
Emerging Market Small-Cap Equity	9.3%	7.8%	+1.5%
Hedge Fund - Equity	5.5%	4.1%	+1.4%
Private Equity - Buyout	8.3%	7.2%	+1.1%
Private Equity - Growth	9.3%	8.4%	+0.9%
Private Equity - Early Stage Venture	10.5%	9.8%	+0.7%
Private Equity - Secondary	7.8%	6.7%	+1.1%
Non-U.S. Private Equity	11.0%	10.3%	+0.7%
China Equity	9.4%	7.2%	+2.2%
U.S. Microcap Equity	8.0%	5.3%	+2.7%
Global Equity*	6.8%	5.6%	+1.2%
Private Equity*	9.8%	8.9%	+0.9%



# 10-YEAR RETURN FORECASTS

## SAFE-HAVEN FIXED INCOME

Geometric Expected Return			
Asset Class	06/30/2022	06/30/2021	Delta
Cash	2.9%	1.2%	+1.7%
U.S. TIPS	3.0%	1.5%	+1.5%
U.S. Treasury Bond	3.2%	1.4%	+1.8%
U.S. Corporate Bond	5.2%	2.6%	+2.6%
U.S. Corporate Bond - AAA	4.3%	1.9%	+2.4%
U.S. Corporate Bond - AA	4.3%	2.1%	+2.2%
U.S. Corporate Bond - A	4.8%	2.4%	+2.4%
U.S. Corporate Bond - BBB	5.5%	2.8%	+2.7%
U.S. Mortgage-Backed Securities	3.4%	1.7%	+1.7%
U.S. Securitized Bond	4.1%	2.1%	+2.0%
U.S. Collateralized Loan Obligation	4.7%	2.9%	+1.8%
U.S. Municipal Bond	4.0%	1.5%	+2.5%
U.S. Municipal Bond (1-10 Year)	3.0%	1.2%	+1.8%
U.S. Taxable Municipal Bond	4.5%	1.9%	+2.6%

# 10-YEAR RETURN FORECASTS

## SAFE-HAVEN FIXED INCOME

Geometric Expected Return			
Asset Class	06/30/2022	06/30/2021	Delta
Non-US Government Bond	2.1%	1.0%	+1.1%
Non-US Government Bond (USD Hedge)	2.3%	1.2%	+1.1%
Non-US Inflation-Linked Bond (USD Hedge)	1.7%	0.6%	+1.1%
U.S. Short-Term TIPS (1-3 Year)	2.8%	1.2%	+1.6%
U.S. Short-Term Treasury Bond (1-3 Year)	3.1%	1.3%	+1.8%
U.S. Short-Term Corporate Bond (1-3 Year)	4.4%	2.2%	+2.2%
U.S. Intermediate-Term TIPS (3-10 Year)	3.1%	1.5%	+1.6%
U.S. Intermediate-Term Treasury Bond (3-10 Year)	3.2%	1.5%	+1.7%
U.S. Intermediate-Term Corporate Bond (3-10 Year)	5.3%	2.8%	+2.5%
U.S. Long-Term Treasury Bond (10-30 Year)	3.2%	1.4%	+1.8%
U.S. Long-Term TIPS (10-30 Year)	3.5%	1.6%	+1.9%
U.S. Long-Term Corporate Bond (10-30 Year)	5.4%	2.5%	+2.9%
20+ Year U.S. Treasury STRIPS	3.1%	1.1%	+2.0%
10 Year U.S. Treasury Bond	3.4%	1.7%	+1.7%
10 Year Non-U.S. Government Bond (USD Hedge)	1.4%	0.2%	+1.2%
U.S. Aggregate Bond*	3.8%	1.9%	+1.9%

# 10-YEAR RETURN FORECASTS

## RETURN-SEEKING CREDIT

Geometric Expected Return			
Asset Class	06/30/2022	06/30/2021	Delta
U.S. High Yield Corporate Bond	6.9%	3.1%	+3.8%
U.S. Corporate Bond - BB	7.2%	3.9%	+3.3%
U.S. Corporate Bond - B	7.4%	3.4%	+4.0%
U.S. Corporate Bond - CCC/Below	2.3%	-3.5%	+5.8%
U.S. Short-Term High Yield Corp Bond (1-3 Year)	5.5%	2.0%	+3.5%
U.S. Leveraged Loan	6.6%	4.4%	+2.2%
Emerging Market External Debt	7.3%	3.7%	+3.6%
Emerging Market Local Currency Debt	6.9%	5.8%	+1.1%
U.S. High Yield Securitized Bond	6.6%	3.0%	+3.6%
U.S. High Yield Collateralized Loan Obligation	7.3%	5.2%	+2.1%
U.S. High Yield Municipal Bond	5.0%	2.2%	+2.8%
Hedge Fund - Credit	6.5%	4.1%	+2.4%
Private Debt - Credit Opportunities	7.9%	6.3%	+1.6%
Private Debt - Distressed	8.7%	7.3%	+1.4%
Private Debt - Direct Lending	7.6%	5.9%	+1.7%
Private Debt*	8.0%	6.4%	+1.6%

# 10-YEAR RETURN FORECASTS

## REAL ASSETS

Geometric Expected Return			
Asset Class	06/30/2022	06/30/2021	Delta
Commodity Futures	3.4%	1.3%	+2.1%
Midstream Energy	6.0%	6.3%	-0.3%
REIT	6.1%	4.7%	+1.4%
Global Infrastructure Equity	6.1%	5.7%	+0.4%
Global Natural Resources Equity	6.4%	5.4%	+1.0%
Gold	4.4%	3.4%	+1.0%
Real Estate - Core	4.4%	4.8%	-0.4%
Real Estate - Non-Core	5.7%	6.0%	-0.3%
Private Debt - Real Estate	5.3%	4.5%	+0.8%
Private Real Assets - Natural Resources	7.9%	7.2%	+0.7%
Private Real Assets - Infrastructure	6.1%	5.4%	+0.7%

# 30-YEAR RETURN FORECASTS

## EQUITY

Geometric Expected Return			
Asset Class	06/30/2022	06/30/2021	Delta
U.S. Large-Cap Equity	6.9%	6.2%	+0.7%
U.S. Small/Mid-Cap Equity	7.5%	6.3%	+1.2%
Non-U.S. Developed Equity	7.0%	6.2%	+0.8%
Non-U.S. Developed Equity (USD Hedge)	7.2%	6.4%	+0.8%
Non-U.S. Developed Small-Cap Equity	7.8%	6.6%	+1.2%
Emerging Market Equity	9.5%	8.4%	+1.1%
Emerging Market Small-Cap Equity	9.6%	8.4%	+1.2%
Hedge Fund - Equity	5.9%	5.2%	+0.7%
Private Equity - Buyout	8.9%	8.4%	+0.5%
Private Equity - Growth	9.9%	9.6%	+0.3%
Private Equity - Early Stage Venture	10.7%	10.5%	+0.2%
Private Equity - Secondary	8.3%	7.9%	+0.4%
Non-U.S. Private Equity	11.0%	10.6%	+0.4%
China Equity	9.3%	7.9%	+1.4%
U.S. Microcap Equity	8.4%	7.0%	+1.4%
Global Equity*	7.7%	6.8%	+0.9%
Private Equity*	10.3%	9.9%	+0.4%

# 30-YEAR RETURN FORECASTS

## SAFE-HAVEN FIXED INCOME

Geometric Expected Return			
Asset Class	06/30/2022	06/30/2021	Delta
Cash	2.9%	2.3%	+0.6%
U.S. TIPS	3.6%	2.7%	+0.9%
U.S. Treasury Bond	3.4%	2.6%	+0.8%
U.S. Corporate Bond	5.3%	4.2%	+1.1%
U.S. Corporate Bond - AAA	4.4%	3.3%	+1.1%
U.S. Corporate Bond - AA	4.4%	3.4%	+1.0%
U.S. Corporate Bond - A	4.8%	3.8%	+1.0%
U.S. Corporate Bond - BBB	5.5%	4.3%	+1.2%
U.S. Mortgage-Backed Securities	3.7%	2.8%	+0.9%
U.S. Securitized Bond	4.5%	3.6%	+0.9%
U.S. Collateralized Loan Obligation	4.6%	4.0%	+0.6%
U.S. Municipal Bond	3.5%	2.5%	+1.0%
U.S. Municipal Bond (1-10 Year)	3.1%	2.4%	+0.7%
U.S. Taxable Municipal Bond	5.2%	3.6%	+1.6%

# 30-YEAR RETURN FORECASTS

## SAFE-HAVEN FIXED INCOME

Geometric Expected Return			
Asset Class	06/30/2022	06/30/2021	Delta
Non-US Government Bond	2.8%	1.9%	+0.9%
Non-US Government Bond (USD Hedge)	3.0%	2.2%	+0.8%
Non-US Inflation-Linked Bond (USD Hedge)	2.6%	1.5%	+1.1%
U.S. Short-Term TIPS (1-3 Year)	3.2%	2.5%	+0.7%
U.S. Short-Term Treasury Bond (1-3 Year)	3.2%	2.4%	+0.8%
U.S. Short-Term Corporate Bond (1-3 Year)	4.3%	3.4%	+0.9%
U.S. Intermediate-Term TIPS (3-10 Year)	3.7%	2.8%	+0.9%
U.S. Intermediate-Term Treasury Bond (3-10 Year)	3.6%	2.8%	+0.8%
U.S. Intermediate-Term Corporate Bond (3-10 Year)	5.4%	4.4%	+1.0%
U.S. Long-Term Treasury Bond (10-30 Year)	3.4%	2.5%	+0.9%
U.S. Long-Term TIPS (10-30 Year)	3.8%	2.5%	+1.3%
U.S. Long-Term Corporate Bond (10-30 Year)	5.5%	4.2%	+1.3%
20+ Year U.S. Treasury STRIPS	3.3%	2.2%	+1.1%
10 Year U.S. Treasury Bond	3.9%	3.1%	+0.8%
10 Year Non-U.S. Government Bond (USD Hedge)	2.5%	1.4%	+1.1%
U.S. Aggregate Bond*	4.0%	3.2%	+0.8%

# 30-YEAR RETURN FORECASTS

## RETURN-SEEKING CREDIT

Geometric Expected Return			
Asset Class	06/30/2022	06/30/2021	Delta
U.S. High Yield Corporate Bond	6.9%	5.4%	+1.5%
U.S. Corporate Bond - BB	7.3%	6.0%	+1.3%
U.S. Corporate Bond - B	7.0%	5.4%	+1.6%
U.S. Corporate Bond - CCC/Below	1.7%	-0.5%	+2.2%
U.S. Short-Term High Yield Corp Bond (1-3 Year)	5.0%	3.6%	+1.4%
U.S. Leveraged Loan	6.3%	5.5%	+0.8%
Emerging Market External Debt	6.5%	5.1%	+1.4%
Emerging Market Local Currency Debt	5.9%	5.4%	+0.5%
U.S. High Yield Securitized Bond	6.8%	5.3%	+1.5%
U.S. High Yield Collateralized Loan Obligation	7.1%	6.4%	+0.7%
U.S. High Yield Municipal Bond	5.2%	4.0%	+1.2%
Hedge Fund - Credit	6.6%	5.7%	+0.9%
Private Debt - Credit Opportunities	8.1%	7.2%	+0.9%
Private Debt - Distressed	9.1%	8.1%	+1.0%
Private Debt - Direct Lending	8.6%	7.8%	+0.8%
Private Debt*	8.7%	7.8%	+0.9%



# 30-YEAR RETURN FORECASTS

## REAL ASSETS

Geometric Expected Return			
Asset Class	06/30/2022	06/30/2021	Delta
Commodity Futures	3.3%	3.5%	-0.2%
Midstream Energy	6.7%	6.5%	+0.2%
REIT	7.3%	6.5%	+0.8%
Global Infrastructure Equity	6.7%	6.4%	+0.3%
Global Natural Resources Equity	6.7%	6.5%	+0.2%
Gold	4.4%	4.1%	+0.3%
Real Estate - Core	5.2%	5.6%	-0.4%
Real Estate - Non-Core	6.7%	7.0%	-0.3%
Private Debt - Real Estate	5.7%	5.4%	+0.3%
Private Real Assets - Natural Resources	8.4%	8.1%	+0.3%
Private Real Assets - Infrastructure	6.8%	6.5%	+0.3%

# PRIVATE MARKETS COMPOSITES

## PUBLIC MARKET BETA INPUTS FOR PRIVATE MARKETS

### PRIVATE EQUITY

**Buyout:** 25% U.S. Large Cap, 75% U.S. Small/Mid Cap

**Secondary:** 25% U.S. Large Cap, 75% U.S. Small/Mid Cap

**Growth:** 50% U.S. Small/Mid Cap, 50% U.S. Microcap

**Early-Stage Venture:** 25% U.S. Small/Mid Cap, 75% U.S. Microcap

**Non-U.S.:** 70% International Small Cap, 30% Emerging Small Cap

**Composite:** 34% Buyout, 34% Growth, 15 % Non-U.S., 8.5% Secondary, 8.5% Early Venture

### PRIVATE DEBT

**Direct Lending:** 100% Bank Loans

**Distressed:** 20% U.S. Small/Mid Cap, 60% U.S. High Yield, 20% Bank Loans

**Credit Opportunities:** 34% U.S. SMID Cap, 33% U.S. High Yield, 33% Bank Loans

**Composite:** 50% Direct Lending, 25% Credit Opportunities, 25% Distressed

### PRIVATE REAL ASSETS

**Energy:** 30% Comm., 35% Midstream, 35% Public Resource Equity

**Infra/Land:** 30% Commodities, 70% Public Infrastructure

**Private Real Estate Debt:** 50% CMBS, 50% Real Estate - Core

# INFORMATION DISCLAIMER

Past performance is no guarantee of future results.

The goal of this report is to provide a basis for substantiating asset allocation recommendations. The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.

Information on market indices was provided by sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.

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

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**July 26, 2022**

Retirement Board Agenda Item

TO: Retirement Board

FROM: Brittany Smith-Atkins, Financial Services Manager

I. SUBJECT: Financial Reporting Software - Workiva

II. ITEM NUMBER: 10.b

III. ITEM TYPE: Discussion and Action

IV. STAFF RECOMMENDATION:

Approve Staff's recommendation to enter into an agreement with Workiva and allocate an additional \$70,900 for Fiscal Year 2022-2023 to enhance and expand StanCERA's financial reporting capabilities.

V. ANALYSIS:

At current state, StanCERA Staff manually prepare multiple financial documents which require inputting data from one system to another for the desired result. A few examples include, but not limited to, the Annual Comprehensive Financial Report (ACFR), Popular Annual Financial Report (PAFR) and Budget Reports.

As StanCERA continues to grow, an opportunity has been identified to streamline financial reporting through the adoption and implementation of a financial reporting software. StanCERA Staff has surveyed like systems and identified two, prominent, vendors in which other pension systems utilize to produce these reports. Upon inquiry with the vendors, Staff come to the Board of Retirement to seek approval to enter into an agreement with Workiva.

Workiva will enable the organization to bring in multiple data sources to report on key metrics. This will not only improve turnaround times for reporting due to its ability to connect data from the source to the report but decrease the errors which resulting in multiple versions and reviews. Other benefits include automation, increase ad hoc reporting capabilities and in-software collaboration across Staff.

With approval from the Board, the tentative rollout of this software will run parallel with the fiscal year-end process for June 30, 2022; affording Staff the opportunity to thoroughly develop and implement this software. The expected expenditure for fiscal year 2022-2023 is \$70,900; this supports the implementation as well as the first year's operating fee. After the initial year, the annual fee is \$51,500 per year through fiscal year 2025.

As this item is presented to the Board today, Staff requested Workiva to provide a virtual demo of the software and support any additional inquiries the Board may have. To present Workiva to the Board today we have invited the Miranda Boyd, Regional Sales Director-West, and Corey Reuter, Solution Engineer.

VI. RISK: None

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT:

In total this request encompasses a financial commitment of \$173,900 over the next three years; the cost schedule is provided below:

Fiscal Year 2022/2023:	\$70,900
Fiscal Year 2023/2024:	\$51,500
Fiscal Year 2024/2025:	\$51,500

These proposed costs included a discounted implementation rate in addition to a reduced annual renewal rate.