



BOARD OF RETIREMENT

June 27, 2023

Boardroom

832 12th Street Suite 600 Modesto, CA

AGENDA

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.

The StanCERA boardroom, is currently open to public access. Members of the public who wish to attend Board meetings may also do so by teleconference, by calling (669) 900-6833. The Meeting ID: 859 3221 9325. If you wish to make a public comment during the Public Comment section of the meeting, or if you wish to comment on a specific agenda item, please press *9 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 taaa@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.

CONSENT/ACTION ITEMS: Consent matters include routine administrative actions and are identified under the Consent Items heading. All other items are 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.

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.

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.

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

7. Consent Items

- a. Approval of April 25, 2023 [View](#) and May 23, 2023 Meeting Minutes [View](#)
- b. Applications for Service Retirement(s)
Government Code Sections 31499.14, 31670, 31662.2 & 31810
See attachment for details [View](#)
- c. Applications for Disability
Government Code Section 31724
 - 1. *Billy J. Carter – City of Ceres – Service Connected Disability*
 - 2. *Nicole Rachels-Gomez – Stanislaus County- Non-Service Connected*
- d. Application of Death Benefit
Government Code Section 31781, 31781.1, 31781.3
 - 1. *Shelly Southern (Active) Non-Service Connected – BHRS – Effective 05-19-2023*
- e. Investment Matrix [View](#)
- f. Conference Summary [View](#)
- g. Legislative Legal [View](#)

8. NEPC – Investment Consultant

- a. May Flash Report [View](#)

9. Investment

None

10. Administrative

- a. Fiscal Year 2022/2023 Proposed Administrative Budget Amendment [View](#)
- b. StanCERA Member Web Portal Update [View](#)
- c. Tegrity Service Contract Amendments 3 and 4 to Pension Administration System Agreement [View](#)

11. Closed Session

- a. Public Employee Discussion – Elected Official Update
Stanislaus County Employees' Retirement Association
832 12th Street STE 600 Modesto CA 95354
Government Code Section 54957(4)

- b. Public Employee Discussion – Conference with Real Property
Lease Negotiations update
Stanislaus County Employees' Retirement Association
832 12th Street STE 601 Modesto CA 95354
Government Code Section 54956.8

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

13. Adjournment

BOARD OF RETIREMENT MINUTES**April 25, 2023**

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

Trustees Present

Mandip Dhillon - Chair
Darin Gharat – Vice Chair
Mike Lynch
Delilah Vasquez
Donna Riley
Jeff Grover
Terry Withrow
Michael O'Neal
Joshua Clayton

Trustees Absent

Rhonda Biesemeier

Others Present by Conference Call:

Lisa Frazer, Retirement Benefits Manager

Others Present:

Tom Stadelmaier, Executive Director
Stan Conwell, Retirement Investment Officer
Brittany Smith-Atkins, Retirement Fiscal Manager
Kellie Gomes, Business and Operations Manager
Fred Silva, General Legal Counsel
Daniel Hennessy, NEPC Investment Consultant

4. Public Comment - NONE
5. Emergency Declaration
 - a. Emergency Declaration -AB-361
6. Consent Items
 - a. Approval of the March 28, 2023 Meeting Minutes
 - b. Applications for Service Retirement(s) – Government Code Sections 31499.14, 31670, 31662.2 & 31810 See agenda attachment for details.
 - c. Application for Service-Connected Disability– **Government Code 31724**
 1. Lopez, Charlie – Stanislaus County, Effective Date 02/04/23

- d. Application of Death Benefit – **Government Code Section 31781, 31781.1, 31781.3 1.**
 - 1. Cherise Babb – Community Services Agency – Non-Service Connected – Effective 04/14/2023 – Active Member
- e. Legislative Update
- f. Investment Matrix
- g. Private Markets Commitment Notices:
 - 1. Eclipse V fund
 - 2. TA Realty Fund XIII
 - 3. Callodine Asset Based Loan Fund II
- h. Investment Fee Summary, Value Added, and Cash Flow Reports as of December 31, 2022
Agenda Item Attachment 1
- i. Private Markets Program Report as of December 2022
Agenda Item Attachment 1
- j. Investment Matrix
- k. Fiscal Year 2022-2023 Mid-Year Budget Review
- l. Conference Summary

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

Roll Call Vote was as follows:

Trustee Dhillon	YES
Trustee Gharat	YES
Trustee Lynch	YES
Trustee Vasquez	YES
Trustee Clayton	YES
Trustee O'Neal	YES
Trustee Withrow	YES
Trustee Riley	YES
Trustee Grover	YES

Motion passed unanimously

- 7. NEPC – Investment Consultant
 - 1. March Flash Report
 - 2. 2023 Pacing Plan – Real Estate and Infrastructure
- 8. Investment - None

9. Administrative

a. 2023 SACRS Spring Business Meeting Proxy and Proxy Directives

Agenda Item Attachment 1 Attachment 2

Motion was made by Trustee Riley and seconded by Trustee Lynch to accept staff recommendation to have Donna Riley as Primary and Delilah Vasquez as the Alternate to vote on behalf of the StanCERA Board at the 2023 Spring Conference.

Roll Call Vote was as follows:

Trustee Dhillon	YES
Trustee Gharat	YES
Trustee Lynch	YES
Trustee Vasquez	YES
Trustee Clayton	YES
Trustee O'Neal	YES
Trustee Withrow	YES
Trustee Riley	YES
Trustee Grover	YES

Motion passed unanimously

Motion was made by Trustee Gharat and seconded by Trustee O'Neal to accept to vote yes in support of the Four SACRS Ballot as well as accept and all other items in Business meeting packet as presented.

Roll Call Vote was as follows:

Trustee Dhillon	YES
Trustee Gharat	YES
Trustee Lynch	YES
Trustee Vasquez	YES
Trustee Clayton	YES
Trustee O'Neal	YES
Trustee Withrow	YES
Trustee Riley	YES
Trustee Grover	YES

Motion passed unanimously

10. Closed Session No Read Out for Closed Session

a. Conference with Real Property Negotiations – Lease Space:

Stanislaus County Employees' Retirement Association
832 12th Street STE 601 Modesto CA 95354
Government Code Section 54956.8

b. Public Employee Contract Negotiation – Retirement Pension System Project Manager - Tegrity:

Stanislaus County Employees' Retirement Association
832 12th Street STE 600 Modesto CA 95354
Government Code Section 54957(4)

c. Public Employee Performance Evaluation – Retirement Investment Officer:

Stanislaus County Employees' Retirement Association
832 12th Street STE 600 Modesto CA 95354
Government Code Section 54957(4)

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

12. Adjournment – meeting adjourned at 3:32 p.m.

Respectfully submitted,

APPROVED AS TO FORM

By 
Thomas Stadelmaier, Executive Director

By 
Fred A. Silva, General Legal Counsel

BOARD OF RETIREMENT MINUTES
May 23, 2023

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

Trustees Present

Mandip Dhillon - Chair
Darin Gharat – Vice Chair
Mike Lynch
Donna Riley
Rhonda Bieseemeier
Jeff Grover
Terry Withrow
Michael O'Neal
Joshua Clayton

Trustees Absent

Delilah Vasquez

Others Present by Conference Call:

Lisa Frazer, Retirement Benefits Manager
Brittany Smith-Atkins, Retirement Fiscal Manager

Others Present:

Tom Stadelmaier, Executive Director
Stan Conwell, Retirement Investment Officer
Kellie Gomes, Business and Operations Manager
Alaine Taa, Executive Board Assistant
Daniel Hennessy, NEPC Investment Consultant
Faraz Shooshani, VERUS Investment Consultant
Steve Hempler, VERUS Investment Consultant

4. Announcements

Lisa Frazer announced the status of the Member Portal and roll out of the Member Portal at the beginning of the fiscal year.

5. Public Comment - NONE

6. Emergency Declaration

- a. Emergency Declaration -AB-361

7. Consent Items

- a. Approval of the April 25, 2023 Meeting Minutes
- b. Applications for Service Retirement(s) – **Government Code Sections 31499.14, 31670, 31662.2 & 31810** See attachment for details.
- c. Application for Service-Connected Disability– **Government Code 31724**
 - 1. Beauchene, Daniel – Stanislaus County, Effective Date 5/24/2023
- d. Application of Death Benefit – Government Code Section 31781, 31781.1, 31781.3 1.
 - 1. Alfonso Alarcon – Library – Non-Service Connected – Effective 04.21.2023 – Active Member
 - 2. Ryan Berndt – Sheriff's Department – Non-Service Connected – Effective 4-27-2023 – Active Member
- e. Investment Matrix
- f. Conference Summary [View](#)

Motion was made by Trustee Gharat and seconded by Trustee O'Neal to approve all consent items as presented except for 7a.

Roll Call Vote was as follows:

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

Motion passed unanimously

8. VERUS – Investment Consultant

- 1. Q4 2022 Performance Report – Presented by Faraz Shashooni
- 2. Private Credit and Private Equity Strategic Investment Plan: 2023-2025- Presented by Steve Hempler

9. NEPC – Investment Consultant

- a. March Flash Report – Presented by Daniel Hennessy
- b. QTR1 Performance Report - Presented by Daniel Hennessy

10. Investment

None

11. Administrative

a. Fiscal Year 2023-2024 Proposed Administrative Budget

Motion was made by Trustee Gharat and seconded by Trustee Lynch to approve the recommended Proposed Administrative Budget for Fiscal Year 2023-2024.

Roll Call Vote was as follows:

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

Motion passed unanimously

12. Committee Reports

a. Strategic Planning Objectives Committee, SPOC

Motion was made by Trustee O'Neal and seconded by Trustee Riley to accept the StanCERA Strategic Plan 2023-2025, effective 5/25/2023

Roll Call Vote was as follows:

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

Motion passed unanimously

Motion was made by Trustee Gharat and seconded by Trustee Clayton to enter closed session.

Roll Call Vote was as follows:

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

Motion passed unanimously

13. Closed Session

- a. Conference with Real Property Negotiations – Lease Space:
Stanislaus County Employees' Retirement Association
832 12th Street STE 600 Modesto CA 95354
Government Code Section 54956.8
- b. Public Employee Contract Negotiation – Retirement Pension System Project Manager - Tegrity
Stanislaus County Employees' Retirement Association
832 12th Street STE 600 Modesto CA 95354
Government Code Section 54957(4)
- c. Public Employee Discussion – Lisa Frazer
Stanislaus County Employees' Retirement Association
832 12th Street STE 600 Modesto CA 95354
Government Code Section 54957(4)

Motion was made to by Trustee O'Neal and seconded by Trustee Riley to enter open session.

Roll Call Vote was as follows:

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

Motion passed unanimously

No Read Out for Closed Session

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

15. Adjournment – meeting adjourned at 3:29 p.m.

Respectfully submitted,

APPROVED AS TO FORM

By Thomas Stadelmaier
Thomas Stadelmaier, Executive Director

By Fred A. Silva
Fred A. Silva, General Legal Counsel

STANCERA APPLICATIONS FOR SERVICE RETIREMENT(S)
GOVERNMENT CODE SECTIONS 31499.14, 31670,
31662.2, 318/10 & 31700
06/27/2023 Item 7.b

1. Boisa, John - Stanislaus County - Effective 06/09/2023
2. Chavez-Mora, Maria - Stanislaus County - Effective 06/03/2023
3. Leguria, Gina - Stanislaus County - Effective 06/14/2023
4. Magana, Froylan - Stanislaus Superior Court - Effective 06/02/2023
5. Mendenhall, Karen - Stanislaus County - Effective 06/03/2023
6. Pittman, Tommy - Stanislaus County - Effective 06/05/2023
7. Pollack, Nicole - Stanislaus County - Effective 06/07/2023
8. Stammier, Cristin - Stanislaus County - Effective 06/10/2023
9. Towers, Catherine - Stanislaus County - Effective 05/08/2023

June 27, 2023

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:*

PGIM hosted their LPAC meeting in San Francisco in May and staff was able to attend in person. The meeting covered all the activities of the prior year as well as planned future changes. The PGIM US Debt fund is a conservatively managed fund and can benefit from the resources and insights from the broader Prudential organization. A couple private credit funds, a direct lending fund and a special situations fund, are in the legal due diligence stage of review. Staff is also gathering the necessary data and information to forecast the cash shortfalls as part of the annual replenishment of the liquidity sub-portfolio later this year.

b) *Money Transfer Report:*

May 2023: Capital Calls

From			To		
Manager	Asset Class	Amount	Manager	Asset Class	Amount
BlackRock US High Yield Bond Index	Public Fixed Income	\$-12,048,103.44	Callodine Asset Based Loan Fund II	Private Credit	\$12,048,103.44
NT Russell 3000	Public Equity	\$-3,454,556.57	Gryphon Partners VI	Private Equity	\$3,454,556.57
StanCERA Cash	Cash	\$-301,578.00	Grandview Partners II	Private Real Estate	\$301,578.00

c) *Manager Meetings:*

Invesco Global Targeted Returns

The Invesco Global Targeted Returns Strategy was added to the portfolio in 2021. The objective of the liquid absolute return strategy is to provide a positive total return over the long-term regardless of the market environment. The strategy has performed as expected since becoming a part of StanCERA's portfolio with the added diversification and drawdown protection providing clear value during the underperformance of both equities and bonds in 2022. The recent meeting with staff covered many different topics but functioned primarily as a fund update call and introduction to the strategy and team. Investment process, portfolio diversification and positioning, and performance attribution were discussed. The Invesco strategy has seen a large amount of fund outflows recently, but the total strategy AUM has stabilized at an acceptable level. This will be an area to continue monitoring going forward.

Insight Investment

Staff set up an update and introductory call with Insight Investment to review the strategy, meet new members of the Insight team, and touch on the history of the relationship with Insight. Insight fulfills the cash flow driven strategy in StanCERA's liquidity sub-portfolio. The liquidity sub portfolio provides cash to pay benefits and Insight manages a portfolio of high-quality bonds optimized to provide cash monthly to pay benefits. The current Insight portfolio is set to provide the additional cash needed to cover six years of retiree payments. The Insight team is stable and they have added new hires as they continue to gain clients. Insight focuses on fixed income investments and employs credit analysts to screen and monitor the bonds in the portfolio. From time to time, the team will replace a bond in the portfolio based on the internal credit rating change. The minimum average credit rating of the portfolio is A-.

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



Conference Summary

1. **Attendee Name:** Donna Riley
2. **Event Name:** SACRS Spring Conference
3. **Event Date:** May 9 – 12, 2023
- 4.
5. **Event Location:** San Diego, CA
6. **Describe what was good about the event:** Wide ranging topics including global politics, economic updates, diversity, and leadership. The speakers were good, and I enjoyed networking with other systems.
7. **Would you recommend this event to other trustees/staff:** Yes
8. **Number of Education Credits:** Undetermined, 11?



Conference Summary

1. **Attendee Name:** Michael Lynch
2. **Event Name:** Sacrs Spring
3. **Event Date:** May 9-12
- 4.
5. **Event Location:** San Diego
6. **Describe what was good about the event:** the conference had interesting and timely speakers. The keynote speech on the Ukrainian war by Michael O'Hanlon was excellent. He also took the time to counsel the audience to be cautious of making local investment or disinvestment decisions based on news events without a full review of impact. I appreciated his words because it is easy to get news events and forget that our mission is to see to the soundness of the fund before all else. The session on China was informative and sobering. It is another example of how much our success is tied to factors well beyond or ability to impact. I also attended the breakouts on harassment to keep current with the ever-changing laws, and DEI, another area of rapidly changing rules and guidelines.
7. **Would you recommend this event to other trustees/staff:** yes..
8. **Number of Education Credits:**



Conference Summary

1. **Attendee Name:** Brittany Smith-Atkins
2. **Event Name:** 2023 GFOA Annual Conference
3. **Event Date:** May 21 – 24, 2023
4. **Event Location:** Portland, Oregon
5. **Describe what was good about the event:**

The GFOA Annual Conference brings together a wide array of governmental finance attendees, which support various agencies from small towns to large counties across the country. Conference sessions included topics such as GASB updates, best practices for investment reporting, leveraging lean processes, financial reporting, and leadership development sessions to name a few. While in attendance, I selected sessions which focused on GASB updates, investment reporting, cashflow forecasting, financial reporting and leadership development.

The sessions dedicated to the future GASB statements were very valuable. For instance, GASB Statement 101 will require agencies to report the liability associated for accrued leave which may be paid in the future. Although this is not a new concept as it is usually tracked in the private sector and some larger public agencies, this will be a change in StanCERA's current practices. The session highlighted which types of leave should be included and provided a high-level approach to capturing this information. This session and the others offered provided insight of the new standards coming into effect over the next few years which will allow StanCERA to proactively plan for the new reporting requirements.

Additionally, the sessions on investment and financial reporting were insightful. These sessions were presented by other governmental agencies which shared their learnings and approaches to various topics. During the session which highlighted the Annual Comprehensive Financial Report (ACFR) the panel shared some of the best practices they've seen such as detailed table notations as well as some of the most common mistakes noted during reviews. This discussion was a great refresher as StanCERA has begun the process for the Fiscal Year close and audit.

6. **Would you recommend this event to other trustees/staff?**

Possibly.

This conference is well designed for an array of topics for those in the role of a government finance officer. With this in mind, I would recommend this conference dependent on the content of the agenda. For instance, GASB has many new statements going into effect in the future. GFOA provides sessions designated to each statement which provides relevant information which will impact StanCERA's financial reporting. Additionally, this conference provides many sessions to benchmark best practices as well as further professional development.

7. **Number of Education Credits:** N/A

June 27, 2023
Retirement Board Agenda Item

TO: Retirement Board

FROM: Lisa Frazer, Member and Employer Services Manager

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

SB 252: Public retirement systems: fossil fuels: divestment

Referred to Committee on Public Employment and Retirement – June 8, 2023

This bill would prohibit the boards of the Public Employees' Retirement System and the State Teachers' Retirement System from making new investments or renewing existing investments of public employee retirement funds in a fossil fuel company, as defined. The bill would require the boards to liquidate investments in a fossil fuel company on or before July 1, 2030. The bill would provide that it does not require a board to take any action unless the board determines in good faith that the action is consistent with the board's fiduciary responsibilities established in the California Constitution. This bill would require the boards, commencing on February 1, 2025, and annually thereafter, to file a report with the Legislature and the Governor, containing specified information, including a list of fossil fuel companies of which the board has liquidated their investments. The bill would provide that board members and other officers and employees shall be held harmless and be eligible for indemnification in connection with actions taken pursuant to the bill's requirements, as specified.

AB 1020: County Employees Retirement Law of 1937: disability retirement: medical conditions: employment-related presumption

Ordered to Senate – Read Second Time, Amended and Re-Referred Reading Committee on Public Employment and Retirement – May 30, 2023

Existing law requires, if a safety member, a firefighter member, or a member of active law enforcement who has completed five years or more of service develops heart trouble, that the heart trouble be presumed to arise out of and in the course of employment.

This bill would additionally require, if a safety member, firefighter, or member in active law enforcement who has completed five or more years of service develops hernia or pneumonia, that the hernia or pneumonia be presumed to arise out of and in the course of employment. Existing law provides that participants in certain membership categories may be entitled to special benefits if the injury that causes their disability arises in the course of their employment. Existing law creates a presumption, for purposes of qualification for disability retirement benefits for specified members, that certain injuries, including but not limited to, a bloodborne infectious disease or a methicillin-resistant *Staphylococcus aureus* skin infection, arose out of and in the course of employment. Existing law authorizes the presumption to be rebutted by evidence to the contrary, but

unless controverted, the applicable governing board of a public retirement system is required to find in accordance with the presumption.

This bill would expand the scope of this presumption to include additional injuries, post-traumatic stress disorder, tuberculosis, and meningitis, if the injury develops or manifests while a member is in a specified membership classification or job classification. This bill would authorize the presumption relating to these additional injuries to be rebutted by evidence to the contrary, but unless controverted, the applicable governing board of a public retirement system is required to find in accordance with the presumption.

AB 739: Public retirement systems: defined benefit plans: funding

Failed Deadline, May be acted upon January 2024 – April 28, 2023

Existing law, the California Public Employees' Pension Reform Act of 2013 (PEPRA), generally requires a public retirement system, as defined, to modify its plan to comply with the act. PEPRA prohibits a public employer's contribution to a defined benefit plan, in combination with employee contributions to the plan, from being less than the normal cost rate, as defined, for the fiscal year. Existing law authorizes a public retirement system to suspend contributions if certain conditions are satisfied, one of which is that the plan be funded by more than 120%, based on a computation by the retirement system actuary in accordance with specified standards, that is included in the annual evaluation.

This bill would revise the conditions for suspending contributions to a public retirement system defined benefit plan to increase to the threshold percentage amount of plan funding to more than 130%.

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



MONTHLY PERFORMANCE REPORT

STANISLAUS COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

MAY 31, 2023

Dan Hennessy, CFA, CAIA, Senior Consultant

Sam Austin, Partner

Leah Tongco, Consulting Analyst



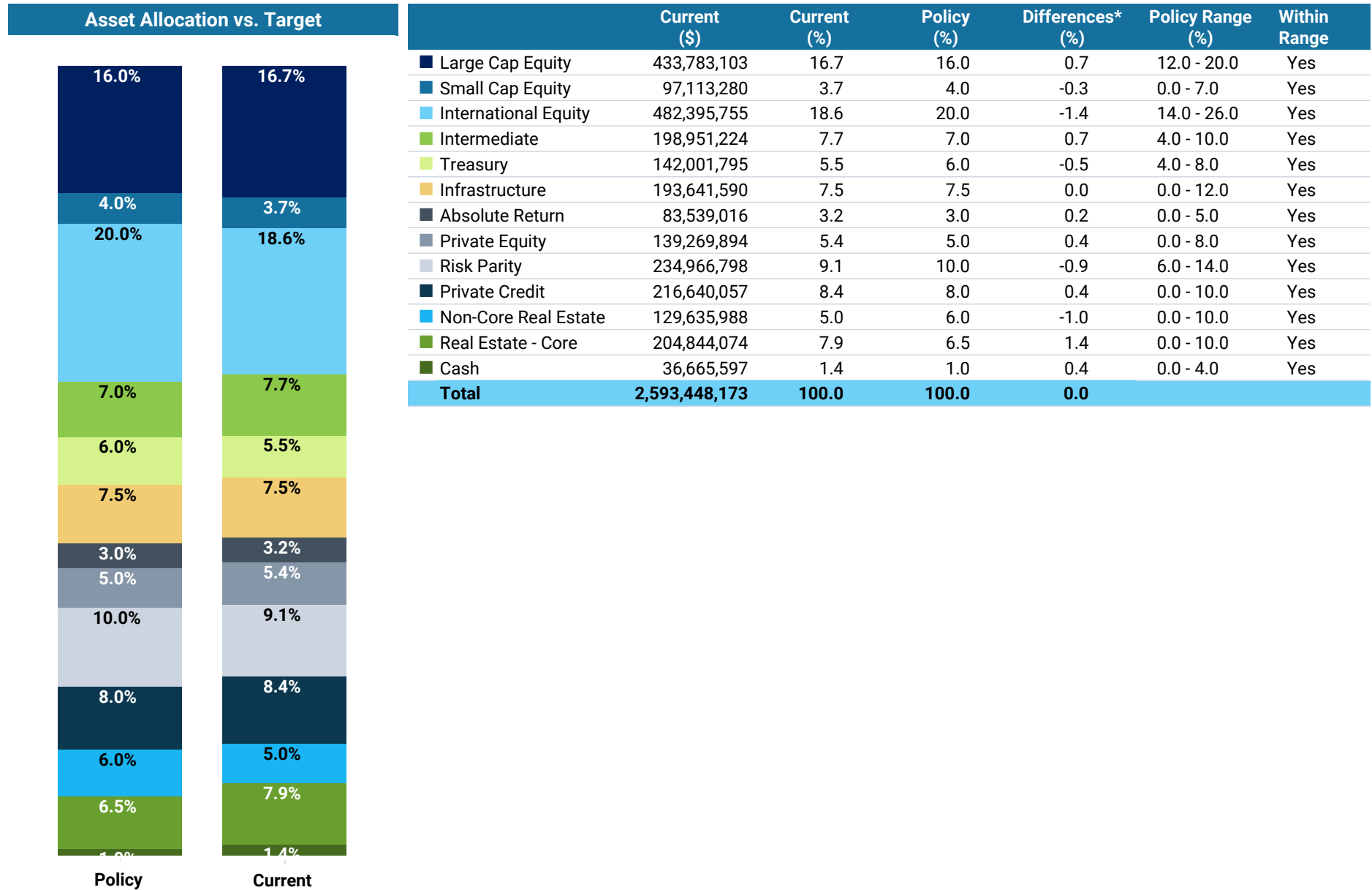
CALENDAR YEAR INDEX PERFORMANCE

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	May	YTD
S&P 500	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%	-18.1%	0.4%	9.6%
Russell 1000	33.1%	13.2%	0.9%	12.1%	21.7%	-4.8%	31.4%	21.0%	26.5%	-19.1%	0.5%	9.3%
Russell 2000	38.8%	4.9%	-4.4%	21.3%	14.6%	-11.0%	25.5%	20.0%	14.8%	-20.4%	-0.9%	0.0%
Russell 2500	36.8%	7.1%	-2.9%	17.6%	16.8%	-10.0%	27.8%	20.0%	18.2%	-18.4%	-1.8%	0.3%
MSCI EAFE	22.8%	-4.9%	-0.8%	1.0%	25.0%	-13.8%	22.0%	7.8%	11.3%	-14.5%	-4.2%	6.8%
MSCI EM	-2.6%	-2.2%	-14.9%	11.2%	37.3%	-14.6%	18.4%	18.3%	-2.5%	-20.1%	-1.7%	1.1%
MSCI ACWI	22.8%	4.2%	-2.4%	7.9%	24.0%	-9.4%	26.6%	16.3%	18.5%	-18.4%	-1.1%	7.7%
Private Equity	12.6%	22.3%	14.6%	10.4%	10.3%	21.0%	13.1%	17.2%	45.0%	-9.3%	-	-9.3%
BBG TIPS	-8.6%	3.6%	-1.4%	4.7%	3.0%	-1.3%	8.4%	11.0%	6.0%	-11.8%	-1.2%	2.2%
BBG Municipal	-2.6%	9.1%	3.3%	0.2%	5.4%	1.3%	7.5%	5.2%	1.5%	-8.5%	-0.9%	1.7%
BBG Muni High Yield	-5.5%	13.8%	1.8%	3.0%	9.7%	4.8%	10.7%	4.9%	7.8%	-13.1%	-0.7%	2.6%
BBG US Corporate HY	7.4%	2.5%	-4.5%	17.1%	7.5%	-2.1%	14.3%	7.1%	5.3%	-11.2%	-0.9%	3.6%
BBG US Agg Bond	-2.0%	6.0%	0.5%	2.6%	3.5%	0.0%	8.7%	7.5%	-1.5%	-13.0%	-1.1%	2.5%
BBG Global Agg	-2.6%	0.6%	-3.2%	2.1%	7.4%	-1.2%	6.8%	9.2%	-4.7%	-16.2%	-2.0%	1.4%
BBG Long Treasuries	-12.7%	25.1%	-1.2%	1.3%	8.5%	-1.8%	14.8%	17.7%	-4.6%	-29.3%	-2.8%	3.7%
BBG US Long Credit	-6.6%	16.4%	-4.6%	10.2%	12.2%	-6.8%	23.4%	13.3%	-1.2%	-25.3%	-2.7%	3.5%
BBG US STRIPS 20+ Yr	-21.0%	46.4%	-3.7%	1.4%	13.7%	-4.1%	20.9%	24.0%	-5.2%	-39.6%	-4.0%	4.1%
JPM GBI-EM Global Div	-9.0%	-5.7%	-14.9%	9.9%	15.2%	-6.2%	13.5%	2.7%	-8.7%	-11.7%	-1.6%	4.4%
JPM EMBI Glob Div	-5.3%	7.4%	1.2%	10.2%	10.3%	-4.3%	15.0%	5.3%	-1.8%	-17.8%	-0.6%	1.8%
CS Hedge Fund	9.7%	4.1%	-0.7%	1.2%	7.1%	-3.2%	9.3%	6.4%	8.2%	1.1%	-	0.5%
BBG Commodity	-9.5%	-17.0%	-24.7%	11.8%	1.7%	-11.2%	7.7%	-3.1%	27.1%	16.1%	-5.6%	-11.4%
Alerian Midstream	-	16.4%	-37.3%	33.8%	-2.4%	-13.3%	24.0%	-23.4%	38.4%	21.5%	-5.4%	-2.3%
FTSE NAREIT Equity REITs	2.5%	30.1%	3.2%	8.5%	5.2%	-4.6%	26.0%	-8.0%	43.2%	-24.4%	-3.2%	0.2%

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



ASSET ALLOCATION VS. POLICY



*Difference between Policy and Current Allocation

TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)									
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	2,593,448,173	100.0	-1.1	3.3	4.8	0.1	7.8	5.4	7.0	6.7	8.5	Jan-95
Policy Index			-0.8	4.6	6.4	2.0	7.7	5.9	7.0	6.8	7.8	
Allocation Index												
Liquidity Sub-Portfolio	235,616,821	9.1	0.3	2.2	2.1	1.5	0.6	2.7	2.1		1.8	Aug-14
StanCERA Liquidity Blended BM			-0.6	2.2	0.9	0.0	-0.8	1.9	1.5		1.4	
Cash	36,665,597	1.4	0.4	2.2	4.1	4.2	2.7	2.3	2.0		1.7	Aug-14
FTSE 1 Month T-Bill			0.4	1.9	3.3	3.3	1.1	1.4	1.3		1.0	
Cashflow-Matched Bonds	198,951,224	7.7	0.3	2.2	1.7	0.9	-0.1	2.5			2.1	Jul-17
Blmbg. Intermed. U.S. Government/Credit			-0.7	2.2	0.6	-0.5	-2.0	1.4			1.1	
Insight	198,951,224	7.7	0.3	2.2	1.7	0.9	-0.1	2.5			2.1	Jul-17
Blmbg. Intermed. U.S. Government/Credit			-0.7	2.2	0.6	-0.5	-2.0	1.4			1.1	
Growth Sub-Portfolio	1,897,323,742	73.2	-1.1	3.6	6.5	0.9	10.8	6.7	8.8	8.3	7.9	Jan-04
StanCERA Growth Blended BM			-0.8	4.9	7.7	2.7	11.3	7.8	9.3			
US Equities	530,896,383	20.5	0.3	7.0	10.6	1.2	14.1	9.3	11.4	10.8	9.4	Jan-04
Russell 3000 Index			0.4	8.7	11.4	2.0	12.2	10.1	11.8	11.5	9.1	
US Large Equity	433,783,103	16.7	0.6	9.1	11.5	2.0	13.4	10.9	12.5	11.9	12.2	Jan-95
Russell 1000 Index			0.5	9.3	11.8	2.4	12.5	10.6	12.1	11.8	10.2	
BlackRock Russell 1000 Growth	218,143,936	8.4	4.6	20.7	18.9	9.5	12.8	13.8	15.7	14.8	15.4	Aug-10
Russell 1000 Growth Index			4.6	20.8	19.0	9.5	12.8	13.8	15.7	14.8	15.4	
BlackRock Russell 1000 Value	107,743,870	4.2	-3.8	-1.4	4.6	-4.5	11.6	6.8	8.1	8.5	10.8	Aug-09
Russell 1000 Value Index			-3.9	-1.4	4.6	-4.5	11.6	6.8	8.1	8.4	10.7	
Dodge & Cox-Equity	107,895,297	4.2	-2.3	0.2	5.3	-4.5	16.0	8.5	10.8	10.4	11.5	Jan-95
Russell 1000 Value Index			-3.9	-1.4	4.6	-4.5	11.6	6.8	8.1	8.4	9.4	
US Small Equity	97,113,280	3.7	-1.3	-1.4	6.9	-2.4	17.8	4.2	7.7	7.2	11.0	Jan-09
Russell 2000 Index			-0.9	0.0	3.9	-4.7	9.2	2.7	7.5	7.4	10.6	
Attucks Small Cap	97,113,280	3.7	-1.3	-1.4	6.9	-2.4	17.8	4.2	8.3	7.6	11.2	Jan-09
Russell 2000 Value Index			-2.0	-5.0	-1.8	-11.5	13.6	2.1	6.6	6.4	9.3	
International Equity	482,395,755	18.6	-3.9	4.8	9.2	-0.4	9.6	2.7	6.0	4.5	5.9	Oct-04
MSCI AC World ex USA (Net)			-3.6	4.8	7.9	-1.4	7.2	2.2	5.4	3.8	5.3	
LSV Int'l Large Cap Value	255,218,989	9.8	-4.0	4.6	9.8	-0.1	10.9	2.2	6.0	4.4	5.7	Oct-04
MSCI AC World ex USA Value (Net)			-4.5	2.9	6.6	-3.0	10.0	1.2	4.5	2.7	4.5	
Fidelity Int'l Growth	227,176,766	8.8	-3.8	5.0	8.6	-0.7	8.1	3.1	5.8	4.4	3.8	May-06
MSCI AC World ex USA Growth (Net)			-2.8	6.7	9.1	0.2	4.4	3.0	6.1	4.8	3.8	

- Cash Composite includes the Transaction Account Value.

TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)									
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Core Real Estate	204,844,074	7.9	-0.1	0.3	-0.3	0.0	8.0	6.5	5.7	6.3	3.1	Apr-08
NCREIF Property Index			0.0	-1.8	-4.7	-1.6	7.2	6.7	6.8	8.3	6.2	
Prime Property Fund	102,800,000	4.0	0.0	-1.0	-4.7	-1.8	8.7	7.7	8.1		8.1	Oct-15
NCREIF ODCE			0.0	-3.2	-7.5	-3.1	8.4	7.5	7.7		7.8	
BlackRock Real Estate Securities	6,077,567	0.2	-2.8	0.5	-5.7	-13.0	7.9	3.0	2.7	5.0	5.6	Oct-12
Dow Jones U.S. Select RESI			-2.8	0.6	-5.6	-12.9	8.0	3.1	2.8	5.0	5.6	
PGIM Real Estate US Debt Fund	95,966,507	3.7	0.0	1.7	5.0	6.2	5.2				5.1	Sep-18
Blmbg. U.S. Investment Grade: CMBS Index			-0.6	1.9	-1.0	-1.8	-1.9				1.2	
Value-Add Real Estate	129,635,988	5.0	0.0	-1.1	-1.4	0.0	11.4	11.2	11.3		10.8	Aug-14
NCREIF Property Index +2%			0.2	-1.0	-3.0	0.3	9.3	8.8	9.0		10.0	
American Strategic Value Realty	88,716,589	3.4	0.0	0.0	-2.0	0.8	9.0	8.7	9.2		10.2	Jan-15
NCREIF Property Index			0.0	-1.8	-4.7	-1.6	7.2	6.7	6.8		7.5	
Greenfield Acquisition Partners VII	1,019,075	0.0	0.0	-5.3	-10.4	-7.6	1.3	5.2	7.6		7.8	Aug-14
NCREIF-ODCE +1%			0.1	-2.8	-6.7	-2.1	9.5	8.6	8.8		9.9	
Grandview Property Partners I	23,054,375	0.9	0.0	-0.5	1.3	-2.7	21.9	22.2			21.4	Apr-18
NCREIF-ODCE +1%			0.1	-2.8	-6.7	-2.1	9.5	8.6			8.3	
Grandview Property Partners II	16,845,949	0.6	0.0	-7.2	2.0	4.7					-1.1	Dec-21
NCREIF-ODCE +1%			0.1	-2.8	-6.7	-2.1					9.2	
Infrastructure	193,641,590	7.5	-1.6	1.8	5.9	2.9	0.7	4.5	6.5		4.9	Jun-15
CPI + 5% (Unadjusted)			0.7	4.6	7.3	9.2	11.1	9.1	8.6		8.3	
MS Infrastructure Partners II	13,679,141	0.5	0.0	-2.5	10.5	10.5	7.7	8.8	9.6		7.6	Jun-15
CPI + 5% (Unadjusted)			0.7	4.6	7.3	9.2	11.1	9.1	8.6		8.3	
Palistar Communications Infrastructure Fund II	13,997,018	0.5	0.0	0.0	7.0	24.9					7.7	Jan-22
CPI + 5% (Unadjusted)			0.7	4.6	7.3	9.2					11.6	
JP Morgan IIF Hedged LP	33,193,969	1.3	0.0	3.4	10.6	12.5					10.6	Apr-22
CPI + 5% (Unadjusted)			0.7	4.6	7.3	9.2					10.2	
Northern Trust Infrastructure Fund	79,077,458	3.0	-3.8	1.2	-1.0	-6.2					-4.0	Jul-21
67% STOXX Global Broad Infra / 33% Bloomberg US TIPS												
IFM Global Infrastructure Fund	53,694,005	2.1	0.0	3.0	7.4						7.4	Jul-22
CPI + 5% (Unadjusted)			0.7	4.6	7.3						7.3	

TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)									
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Equity	139,269,894	5.4	0.1	2.9	2.0	-2.0	14.4				13.3	Dec-18
Russell 3000 + 3%			0.6	10.1	14.4	5.1	15.6				14.1	
Private Equity	93,471,712	3.6	0.0	-0.7	-4.8	-3.0	17.4				16.4	Apr-20
Russell 3000 + 3%			0.6	10.1	14.4	5.1	15.6				21.5	
Private Equity Proxy	45,798,183	1.8	0.4	8.8	11.4	2.0	12.2	11.3	12.5	12.1	9.5	Dec-03
Russell 3000 Index			0.4	8.7	11.4	2.0	12.2	10.1	11.8	11.5	9.4	
Private Credit	216,640,057	8.4	-0.4	1.6	6.0	4.7	1.5	-0.2	0.7	2.2	2.2	Jun-13
S&P/LSTA Leveraged Loan Index +2%			0.0	5.0	10.2	8.0	8.0	5.8	6.4	5.8	5.8	
Private Credit	118,136,648	4.6	0.0	-0.1	3.4	8.6	5.1	2.0	2.2	3.2	3.2	Jun-13
S&P/LSTA Leveraged Loan Index +2%			0.0	5.0	10.2	8.0	8.0	5.8	6.4	5.8	5.8	
Private Credit Proxy	98,503,409	3.8	-0.8	3.1	8.7	1.2					-2.9	Jul-21
ICE BofA US High Yield Master II Constrained			-1.0	3.7	7.1	-0.2					-3.4	
Risk-Diversifying Sub-Portfolio	460,507,610	17.8	-1.4	2.9	-0.5	-3.7	-1.5	1.3	1.6	2.1	3.9	Dec-03
StanCERA Risk-Diversifying Blended BM			-1.1	4.2	3.6	-0.2	-1.2	1.7	1.2	1.3		
Risk Parity	234,966,798	9.1	-2.0	4.1	-1.8	-7.8	1.7	2.4			2.5	Dec-17
60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg			-1.4	5.2	5.6	-1.1	4.1	3.8			3.6	
HFR Risk Parity Vol 10 Institutional Index												
AQR Global Risk Premium - EL	118,913,980	4.6	-2.5	1.4	-3.0	-7.7	1.8	2.1			2.7	Apr-18
60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg			-1.4	5.2	5.6	-1.1	4.1	3.8			3.6	
PanAgora Risk Parity Multi Asset	116,052,818	4.5	-1.5	7.1	-0.5	-8.0	1.5	2.7			2.6	Dec-17
60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg			-1.4	5.2	5.6	-1.1	4.1	3.8			3.6	
US Treasury Bonds	142,001,795	5.5	-1.4	2.5	-2.2	-3.2	-5.3	0.4	1.0	1.7	3.7	Dec-03
Blmbg. U.S. Treasury: 7-10 Year			-1.4	2.9	-1.8	-2.8	-5.6	0.8	0.2	1.2	3.5	
Northern Trust Intermediate Gov't Bond	101,029,386	3.9	-0.7	2.0	-0.1	-0.9	-2.6	1.0			0.6	Aug-17
Blmbg. U.S. Government: Intermediate			-0.7	2.0	-0.1	-0.8	-2.5	1.0			0.7	
Northern Trust Long Term Gov't Bond	40,972,409	1.6	-2.8	3.6	-6.9	-8.3	-11.2	-0.3			-0.2	Aug-17
Blmbg. U.S. Government: Long Term Bond Index			-2.8	3.7	-6.8	-8.1	-12.0	-0.8			-0.7	
Liquid Absolute Return	83,539,016	3.2	-0.1	0.1	5.1	6.3					10.9	Oct-21
30 Day T-Bill + 4%			0.7	3.6	7.0	7.5					6.1	
Graham Global Investment Fund I SPC LTD	55,042,564	2.1	-0.4	-1.8	1.5	3.6					14.9	Nov-21
HFR Macro (Total) Index			-0.2	-1.8	-1.4	-2.2					3.4	
Invesco Global Targeted Return	28,496,452	1.1	0.5	4.0	12.3	10.8					4.6	Dec-21
30 Day T-Bill + 4%			0.7	3.6	7.0	7.5					6.3	

CASH FLOW SUMMARY BY MANAGER

	1 Month Ending May 31, 2023				
	Beginning Market Value	Contributions	Withdrawals	Net Investment Change	Ending Market Value
Abry Senior Equity VI, L.P.	\$7,123,524	-	-	-	\$7,123,524
American Strategic Value Realty	\$88,716,589	-	-	-	\$88,716,589
AQR Global Risk Premium - EL	\$121,863,565	-	-	-\$2,949,585	\$118,913,980
Blackrock High Yield Fund	\$96,424,900	-	-\$12,636,248	-\$819,678	\$82,968,974
BlackRock Real Estate Securities	\$6,249,506	-	-\$1	-\$171,938	\$6,077,567
BlackRock Russell 1000 Growth	\$208,628,229	-	-	\$9,515,707	\$218,143,936
BlackRock Russell 1000 Value	\$112,052,845	-	-	-\$4,308,974	\$107,743,870
Blue Wolf Capital Fund V-A, L.P.	\$3,714,974	-	-	-	\$3,714,974
Callodine Loan Fund II LP	-	\$12,048,103	-	-	\$12,048,103
Cash Account	\$34,525,412	\$5,605,086	-\$3,796,515	\$161,347	\$36,495,330
Channing	\$27,043,326	-	-\$53,066	-\$66,516	\$26,923,744
Clayton, Dublier, & Rice	\$14,321,576	-	-	-	\$14,321,576
Dodge & Cox-Equity	\$110,398,855	-	-	-\$2,503,558	\$107,895,297
Fidelity Int'l Growth	\$236,080,211	-	-	-\$8,903,445	\$227,176,766
Genstar Capital Partners X	\$9,904,072	-	-	-\$1	\$9,904,071
Graham Global Investment Fund I SPC LTD	\$55,278,470	-	-	-\$235,906	\$55,042,564
Grandview Property Partners I	\$23,054,375	-	-	-	\$23,054,375
Grandview Property Partners II	\$16,544,375	\$301,578	-\$4	-	\$16,845,949
Great Hill EP VIII	\$1,030,487	-	-	-	\$1,030,487
Greenfield Acquisition Partners VII	\$1,019,089	-	-\$14	-	\$1,019,075
Gryphon Partners VI LP	\$12,941,173	\$3,454,557	-	-	\$16,395,730
IFM Global Infrastructure Fund	\$53,694,005	-	-	-	\$53,694,005
Insight	\$198,430,908	-	-	\$520,316	\$198,951,224
Insight Partners XI	\$21,239,578	-	-	-	\$21,239,578
Invesco Global Targets Returns	\$28,365,173	-	-	\$131,280	\$28,496,452
JP Morgan IIF Hedged LP	\$33,193,969	-	-	-	\$33,193,969
LSV Int'l Large Cap Value	\$265,768,500	-	-	-\$10,549,510	\$255,218,989
Medley Capital	\$2,590,770	-	-\$1,042,989	-	\$1,547,781
Monroe Private Credit IV	\$15,989,771	-	-\$455,336	-	\$15,534,435

CASH FLOW SUMMARY BY MANAGER

	Beginning Market Value	Contributions	Withdrawals	Net Investment Change	Ending Market Value
MS Infrastructure Partners II	\$13,679,141	-	-	-	\$13,679,141
Northern Trust Infrastructure Fund	\$82,188,718	\$1,132	-\$652	-\$3,111,740	\$79,077,458
Northern Trust Intermediate Gov't Bond	\$101,778,514	\$10,245	-	-\$759,373	\$101,029,386
Northern Trust Long Term Gov't Bond	\$42,158,270	\$4,157	-	-\$1,190,018	\$40,972,409
Northern Trust Russell 3000	\$49,044,229	\$3,457,479	-\$6,912,036	\$208,510	\$45,798,183
Owl Rock First Lien Fund	\$9,061,408	-	-	-	\$9,061,408
Pacific Ridge	\$15,826,659	-	-\$44,868	-\$61,890	\$15,719,902
Palistar Communications Infrastructure Fund II	\$13,997,018	-	-	-	\$13,997,018
PanAgora Risk Parity Multi Asset	\$117,730,000	-	-	-\$1,677,182	\$116,052,818
PGIM Real Estate US Debt Fund	\$95,966,507	-	-	-	\$95,966,507
Phocas'	\$23,590,718	-	-\$43,108	-\$489,451	\$23,058,159
Prime Property Fund	\$102,800,000	-	-	-	\$102,800,000
Raven Opportunity III	\$56,961,867	-	-	-	\$56,961,867
Seizert	\$32,079,307	-	-\$49,024	-\$618,812	\$31,411,471
Sole Source Capital Partners II	\$12,597,642	-	-	-	\$12,597,642
Strategic Values Special Situations Fund V, L.P.	\$5,316,581	-	-	-	\$5,316,581
Transition Account	\$169,694	-	-	\$574	\$170,267
Vista Foundation Fund IV	\$14,267,654	-	-	-	\$14,267,654
Walhausen	\$5	-	-	-	\$5
White Oak Pinnacle	\$26,077,384	-	-	-	\$26,077,384
Total	\$2,621,479,540	\$24,882,337	-\$25,033,861	-\$27,879,843	\$2,593,448,173

NOTES

- All performance is shown net of investment management fees. Prime Property Fund, American Strategic Value Reality, Palistar Communications Infrastructure Fund II, IFM Global Infrastructure Fund, and PanAgora Risk Parity Multi-Asset are preliminary as of 05/23 and subject to change once finalized.

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

- Policy Index 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.

- Fiscal Year End Date June 30.

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



June 27, 2023

Retirement Board Agenda Item

TO: StanCERA Retirement Board

FROM: Tom Stadelmaier, Executive Director
Brittany Smith-Atkins, Financial Services Manager

- I. SUBJECT: Fiscal Year 2022/2023 – Proposed Administrative Budget Amendment
- II. ITEM NUMBER: 10.a
- III. ITEM TYPE: Discussion and Action
- IV. STAFF RECOMMENDATION: Approve the recommended Proposed Administrative Budget Amendment for Fiscal Year 2022/2023.
- V. ANALYSIS: Each year staff prepares a budget of general operating expenses for review and approval by the Board of Retirement (Board). During the fiscal year, staff provide a mid-year review as well as a year-end forecast analyzing incurred expenditures in comparison to the approved administrative budget.

On May 24, 2022, the Board approved a Fiscal Year 2022/2023 budget of \$4,690,326; on July 26, 2022, an increase of \$70,900 was approved to support the implementation of Workiva. The revised 2022/2023 budget is \$4,761,226. The approved 2022/2023 budget did not include the unused funds for a few capital projects that were believed to have been realized, or expensed, in the prior fiscal year ending June 30, 2022, at the time of the initial budget proposal. These projects included the StanCERA Lobby and Office Redesign, the Pension Administration System, and the update to the Formax Folding Machine.

These three projects were allocated an administrative budget totaling \$1,437,606 for the Fiscal Year 2021/2022; however, a portion, \$989,767, was realized or expensed by June 30, 2022. This left \$447,839 unused in which the costs were realized in the current fiscal year without the funds being formally allocated to the budget.

	Fiscal Year 2021/2022 Approved Budget	Fiscal Year 2021/2022 Actual Expenditures	Fiscal Year 2021/2022 Budget v. Actual
CAPITAL EXPENDITURES			
6th Floor Lobby & Office Redesign	\$ 512,000	\$ 334,167	\$ 177,833
Formax Folding Machine	\$ 25,000	\$ -	\$ 25,000
Pension Administration System	\$ 900,606	\$ 655,600	\$ 245,006
CAPITAL EXPENDITURES SUB-TOTAL	\$ 1,437,606	\$ 989,767	\$ 447,839

Currently, StanCERA does not have a practice in which unused capital expenditure resources carry-forward to the next fiscal year. To this end, Staff seeks the Board's approval in allocating the unused funds totaling \$447,839 to the administrative budget for the Fiscal Year 2022/2023. This allocation should ensure that StanCERA's operating costs for the period ending June 30, 2023, not exceed the newly approved budget of \$5,209,064.

StanCERA Administrative Budget, Fiscal Year 2022/2023	
Budget, Initial	\$ 4,690,326
Workiva Amendment	\$ 70,900
Budget, Revised	\$ 4,761,226
Capital Exp. Proposal	\$ 447,839
Budget, Final	\$ 5,209,065
Estimated Expenses	\$ 5,185,608
Projected Budget v. Actual	\$ 23,457

As StanCERA continues to enhance processes in support of its strategic plan this amendment illustrates an opportunity in StanCERA's current budgeting process. In the coming months, Staff will review the budget policy and capital expenditure processes to identify how these types of occurrences can be identified and remedied with the intent to improve the current practice.

- VI. RISK: Without approval of the request to carry-forward the unused funds from the prior fiscal year (2021/2022), StanCERA is forecasted to exceed its currently approved Administrative Budget for the fiscal year ending June 30, 2023.
- VII. STRATEGIC PLAN: N/A
- VIII. ADMINISTRATIVE BUDGET IMPACT: An approved increase of \$447,839, carried forward from the unused funds of the prior fiscal year, will amended the currently approval Fiscal Year 2022/2023 to a total of \$5,209,065.

June 27, 2023

Retirement Board Agenda Item

TO: Retirement Board

FROM: Lisa Frazer, Member and Employer Services Manager

- I. SUBJECT: StanCERA Member Web Portal
- II. ITEM NUMBER: 10.b
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: None
- V. ANALYSIS: The next key phase for the implementation of the Arrivos system is providing direct access to members through a Member Web Portal. The portal will allow for secure access to member-specific information regarding benefits and other key data elements provided and maintained by StanCERA. Staff has been working on review and testing, including member beta testing, of the Member Web Portal.

StanCERA has developed a plan for the initiation of the Member Web Portal to the membership in phases: active members, retired members, and lastly deferred members. The registration process is the same for all users. Once the link is provided, members will be able to register and access their information on the portal. A targeted communication plan will be delivered to the specified groups in intervals. The goal of the testing process and the communications plan is to provide for the best possible experience for members and to all staff to effectively manage member inquiries.

Below is the timeline for deployment of Member Web Portal access:

Milestone	Status
Initial Staff Testing	Complete
Beta Group Testing and Feedback Provided	Complete
Functionality and Setup Changes Made by Tegrity	Complete
Changes Tested by Staff	Complete
Member Registration Instructions Document Developed by Staff	Complete
Member Portal Q&A Document Developed by Staff	Complete
Hold Group Training Session with Staff regarding Member Web Portal Functionality and Rollout	Complete
Link with Registration Information Posted on StanCERA Website (Soft go-live)	Complete
Generic Communication Provided to Employers to communicate to active employees	Complete
Member Web Portal information shared in pre-retirement seminar	Complete
Member Web Portal information added to retirement application	Complete
Add Member Web Portal Information to retiree pay statements	July 2023
Mail Member Web Portal notice to deferred population	December 2023 – with member statements

Compile Member and Staff Feedback on Functionality and Data and identify potential areas for improvement	On going
Identify additional communication opportunities for Member Web Portal	On going
Begin Tracking Portal registrations and usage and develop targeted plan for increasing registration and improving user experience	On going
Evaluate eliminating mailing of all retiree pay statements	In process

It is anticipated that user experience and functionality will need to be reviewed and revised periodically based on feedback. It is also anticipated that roll-out of Member Web Portal will initially result in increased work for staff with the long-term goal of improved efficiency and better member experience.

VI. RISK: The following areas of risk have been identified along with the corresponding risk mitigation strategy:

Risk	Primary Risk Mitigation Strategies
Functionality not working as intended	Staff testing, member beta testing, phased communication regarding roll-out
Functionality is not user friendly	Staff testing, member beta testing, phased communication regarding roll-out
Data shown is not accurate	Staff testing, member beta testing, web messaging, process for capturing feedback
Volume of inquiries to staff is high	Staff testing, member beta testing, phased communication regarding roll-out, training material for staff
Users have a bad experience and questions	Communication materials, staff training, FAQ development
Technology cannot support volume of traffic	Managed with Tegrity and new web provider
Data security concerns	Managed with Tegrity

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

VIII. ADMINISTRATIVE BUDGET IMPACT: Cost for initial functionality and roll-out has already been factored into existing budget. New functionality and additional communications may require additional costs in the future. Elimination of mailing all pay statements would result in ongoing cost savings—both staff time and hard cost of postage and materials.

June 27, 2023

Retirement Board Agenda Item

TO: StanCERA Retirement Board

FROM: Tom Stadelmaier, Executive Director
Lisa Frazer, Retirement Services Manager

- I. SUBJECT: Tegrit Service Contract Amendments 3 and 4 to Pension Administration System Agreement
- II. ITEM NUMBER: 10.c
- III. ITEM TYPE: Action requested
- IV. STAFF RECOMMENDATION: Subject to legal approval, staff recommends the Board approve execution of Amendments 3 and 4 to the Tegrit contract.
- V. ANALYSIS: On May 23, 2023, the Board of Retirement approved StanCERA's 2023-2024 fiscal budget. Included in the approved budget were hosting, maintenance and system enhancement costs for StanCERA's pension administration system, Arrivos.

Ongoing negotiations between StanCERA and Tegrit regarding Amendments 3 and 4 to the contract agreement have concluded. The Amendments extend support from Tegrit to the end of fiscal year 2023-2024. Included in the amendments are hosting fees, maintenance, and enhancements. Additionally, the amendments allow for StanCERA to rollover any used enhancement hours to the next year. StanCERA has the ability to purchase additional support hours that may be necessary for enhancements and upgrades with the agreement that these hours will rollover into the next contract period if unused.

Staff has requested a longer-term contract with Tegrit in order to provide additional contractual protections for StanCERA and for greater predictability regarding expenses and support related to the system. Tegrit will be providing a draft of the agreement based on provisions requested from staff. After review and negotiation, staff will bring the longer-term contract to the Board for consideration. Tegrit plans to have a draft agreement to staff by September-October timeframe.

- VI. RISK: NONE
- VII. STRATEGIC PLAN: Supports sustainability objective. See strategic plan action items document.
- VIII. ADMINISTRATIVE BUDGET IMPACT: NONE. Expenses are reflected in approved budget.