

San Joaquin County Employees' Retirement Association (SJCERA)

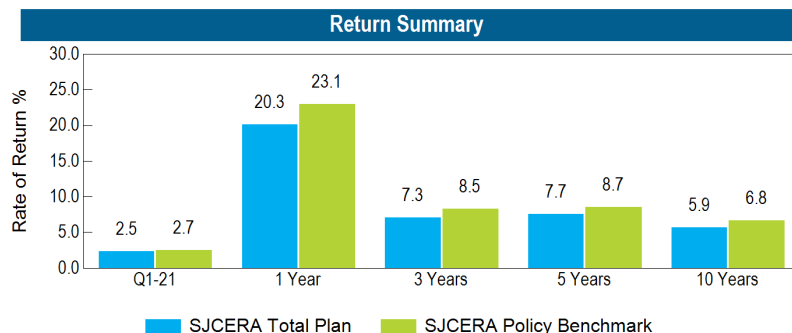
Q1 2021

Quarterly Report

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Introduction

Introduction | As of March 31, 2021



Summary of Cash Flows		
	First Quarter	One Year
Beginning Market Value	\$3,500,512,188	\$2,978,278,164
Net Cash Flow	\$4,916,246	\$28,882,660
Net Investment Change	\$92,039,616	\$590,307,226
Ending Market Value	\$3,597,468,050	\$3,597,468,050

Introduction

The SJCERA Total Portfolio had an aggregate value of \$3.6 billion as of March 31, 2020. During the latest quarter, the Total Portfolio increased in value by \$97.0 million, and over the one-year period, the Total Portfolio increased by \$619.2 million. The increase over the quarter and one-year periods was primarily due to positive investment returns. The IMF is forecasting U.S. growth in 2021 of 6.4% vs. a quarter-over-quarter (annualized) increase of 4.1% in the fourth quarter of 2020. Full year The IMF also forecasts global GDP to increase by 6.0% for 2021. Over the last year, global risk assets produced significant returns, largely driven by record fiscal and monetary policy stimulus and positive developments with the COVID-19 vaccine. One-year returns are also being heavily influenced by the roll-off the significant declines from March 2020. In March 2021, rising inflation and US economic growth expectations continued to drive longer-dated Treasury yields higher, leading to negative returns across most maturities. Equity markets across developed economies showed a notable level of resilience to the tighter financial conditions. Emerging markets were impacted by rising COVID-19 cases and re-shuttering of some economies, as well as rising inflation risks prompting some central banks to consider tightening measures.

Returns for US stocks, as measured by the Russell 1000, and US Treasuries, as measured by the Barclays Long US Government bond index, for the first quarter of 2021 were 5.9% and -(13.4%), respectively. Commodities were up 6.9% for the quarter, as measured by the Bloomberg Commodity Index and global equity returns, as measured by the MSCI ACWI IMI, were up 5.1% for the quarter ended March 31, 2021.

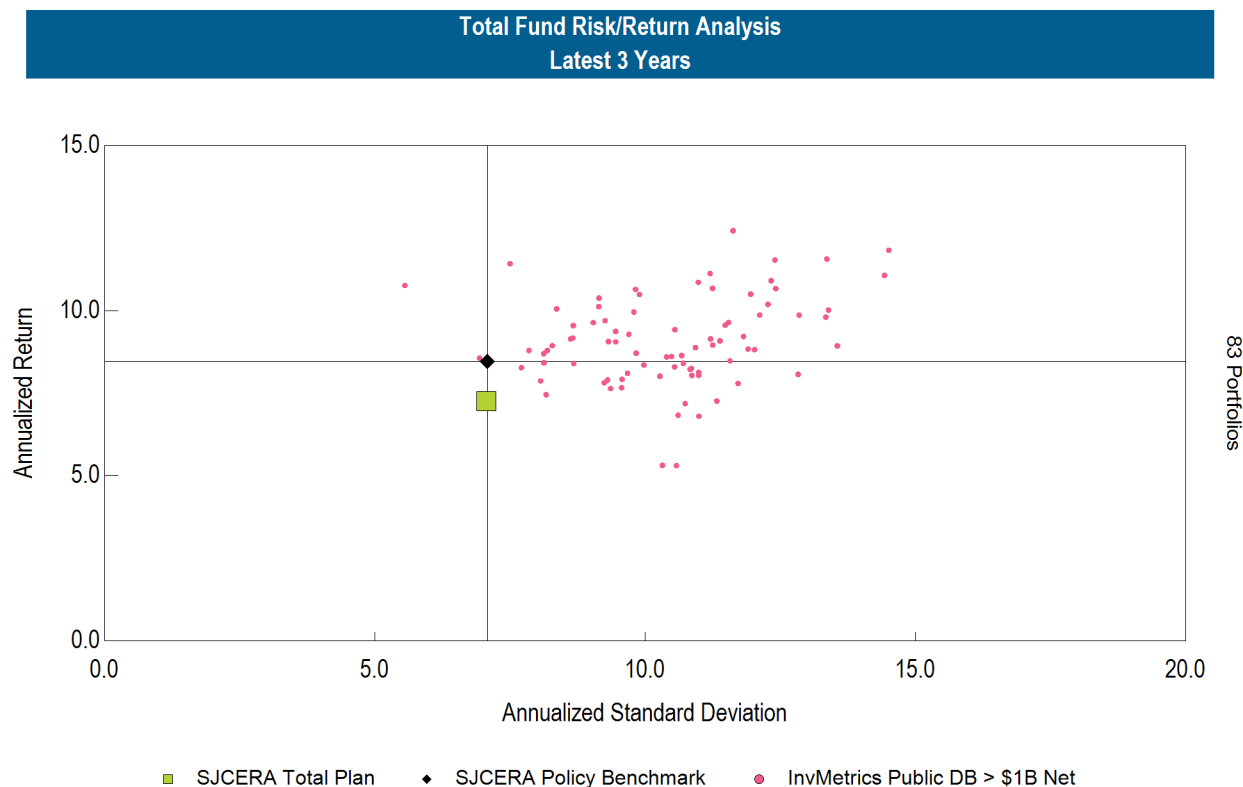
Recent Investment Performance

The Total Portfolio underperformed the policy benchmark for the quarter by (0.2%) and underperformed the Median Public Fund by (0.9%) over the same period. Over the 1-, 3-, 5-, 10-, 15-, 20-, and 25-year periods, the portfolio has trailed its benchmark by (2.8%), (1.2%), (1.0%), (0.9%), (1.2%), (0.4%), and (0.2%) respectively, and trailed the Median Public Fund by (11.4%), (1.6%), (2.0%), (2.0%), (2.1%), (1.0%), and (0.6%), respectively. However, the portfolio earned higher risk adjusted returns, as measured by the Sharpe Ratio, than the Median Public Fund over the 3- and 5-year time periods.

	QTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	25 Yrs
SJCERA Total Plan - Net	2.5	20.3	7.3	7.7	5.9	4.5	5.7	6.7
SJCERA Total Plan - Gross	2.7	20.9	7.9	8.5	6.7	5.2	6.3	7.2
<i>SJCERA Policy Benchmark</i>	<u>2.7</u>	<u>23.1</u>	<u>8.5</u>	<u>8.7</u>	<u>6.8</u>	<u>5.7</u>	<u>6.1</u>	<u>6.9</u>
Over/Under (vs. Net)	-0.2	-2.8	-1.2	-1.0	-0.9	-1.2	-0.4	-0.2
<i>InvMetrics Public DB > \$1B Net Median</i>	3.4	31.7	8.9	9.7	7.9	6.6	6.7	7.3

Investment Metrics Total Fund Public Universe >\$1 Billion, net of fees.

Policy Benchmark composition is listed in the Appendix.

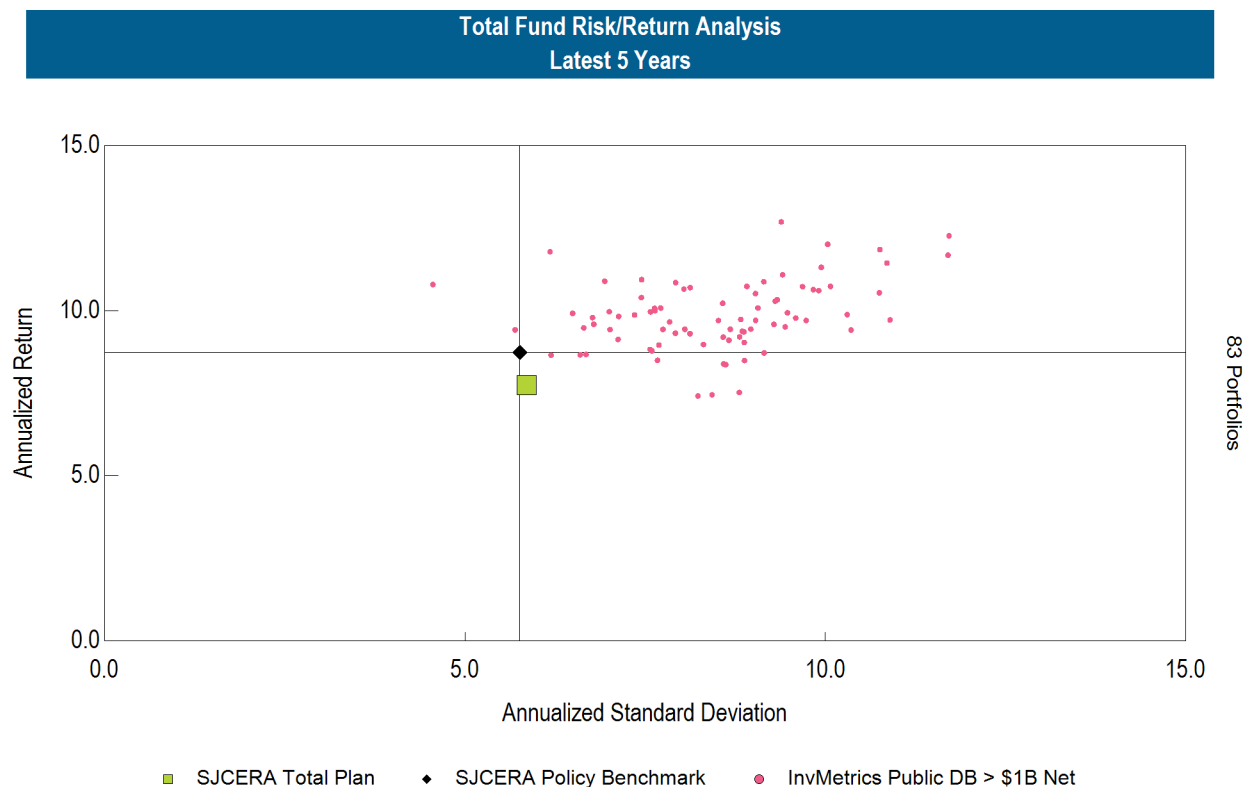


	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio ¹
SJCERA Total Plan	7.27%	7.07%	0.84
SJCERA Policy Benchmark	8.47%	7.08%	1.00
InvMetrics Public DB > \$1B Net Median ²	8.93%	10.55%	0.72

Returns are net of fees.

¹ Computed as annualized return less the risk free rate, divided by the annualized standard deviation.

² Investment Metrics Total Fund Public Universe >\$1 Billion, net of fees.



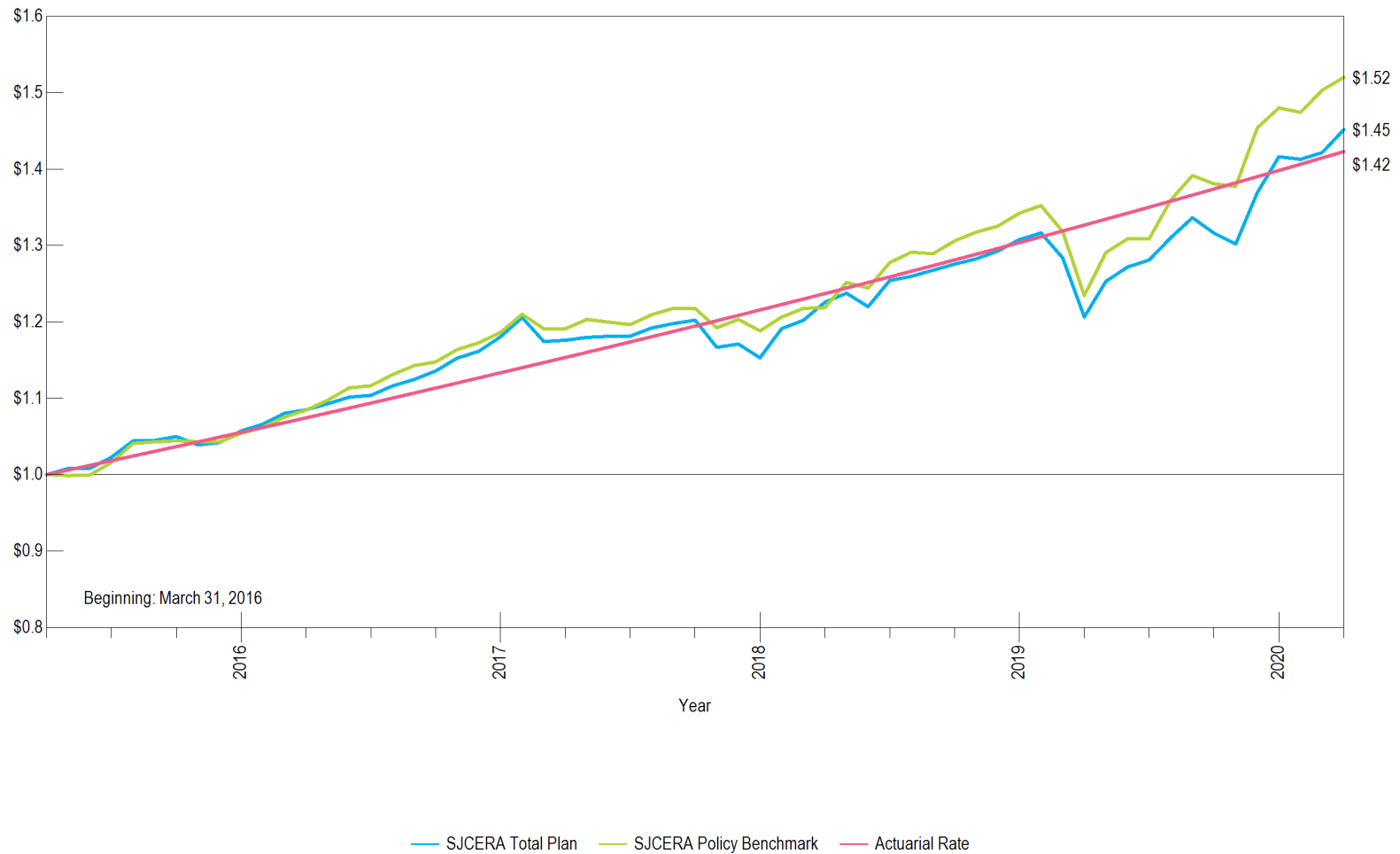
	Annualized Return	Annualized Standard Deviation	Sharpe Ratio ¹
SJCERA Total Plan	7.74%	5.86%	1.13
SJCERA Policy Benchmark	8.74%	5.76%	1.32
InvMetrics Public DB > \$1B Net Median ²	9.73%	8.58%	1.01

Returns are net of fees.

¹ Computed as annualized return less the risk free rate, divided by the annualized standard deviation.

² Investment Metrics Total Fund Public Universe >\$1 Billion, net of fees.

Growth of a Dollar - Latest 5 Years



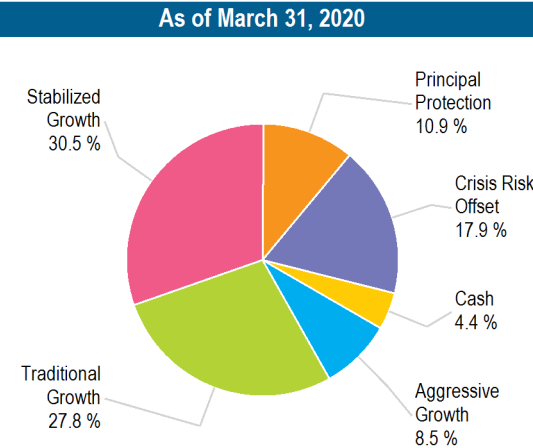
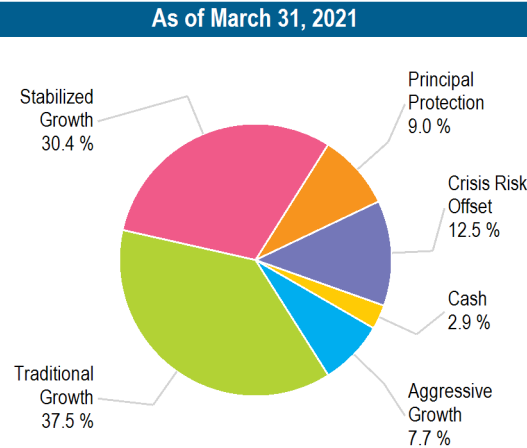
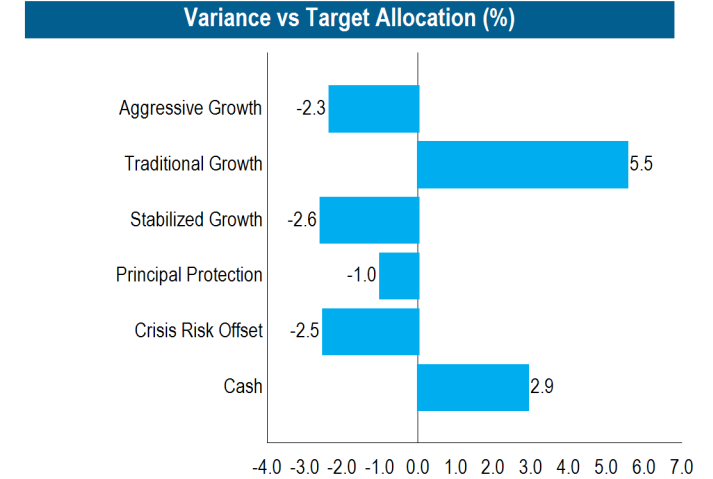
7.0% Actuarial Rate from 1/1/2020 to present. 7.25% Actuarial Rate from 1/1/2018 to 12/31/2019. 7.4% Actuarial Rate from 8/1/2016-12/31/2017. 7.5% Actuarial Rate from 1/1/2012-7/31/2016; previously 8.0%

Portfolio Review

Asset Allocation | As of March 31, 2021

Asset Allocation vs. Target				
	Current	Current	Policy	Difference*
Broad Growth	\$2,720,021,633	75.6%	75.0%	0.6%
Aggressive Growth	\$275,666,221	7.7%	10.0%	-2.3%
Traditional Growth	\$1,350,167,074	37.5%	32.0%	5.5%
Stabilized Growth	\$1,094,188,338	30.4%	33.0%	-2.6%
Diversified Growth	\$772,902,520	21.5%	25.0%	-3.5%
Principal Protection	\$323,811,174	9.0%	10.0%	-1.0%
Crisis Risk Offset	\$449,091,346	12.5%	15.0%	-2.5%
Cash²	\$104,543,898	2.9%	0.0%	2.9%
Cash	\$104,543,898	2.9%	0.0%	2.9%
Total ¹	\$3,597,468,050	100.0%	100.0%	

*Difference between Policy and Current Allocation



¹ Market values may not add up due to rounding.

² Cash asset allocation includes Parametric Overlay.

Asset Class Performance Net-of-Fees | As of March 31, 2021

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
SJCERA Total Plan¹	3,595,868,050	100.0	2.5	20.3	7.3	7.7	5.9
<i>SJCERA Policy Benchmark²</i>			<i>2.7</i>	<i>23.1</i>	<i>8.5</i>	<i>8.7</i>	<i>6.8</i>
Broad Growth	2,718,421,633	75.6	3.8	29.0	8.4	9.6	6.7
Aggressive Growth Lag	274,066,221	7.6	10.2	12.5	9.9	10.2	10.8
<i>Aggressive Growth Blend</i>			<i>8.3</i>	<i>11.9</i>	<i>10.8</i>	<i>10.1</i>	<i>9.5</i>
Traditional Growth	1,350,167,074	37.5	5.6	52.3	9.4	12.0	8.1
<i>MSCI ACWI IMI Net</i>			<i>5.1</i>	<i>57.6</i>	<i>13.2</i>	<i>14.1</i>	<i>9.9</i>
Stabilized Growth	1,094,188,338	30.4	0.1	12.0	6.6	6.8	3.9
Diversifying Strategies	772,902,520	21.5	-1.7	-4.0	3.3	2.2	4.4
Principal Protection	323,811,174	9.0	-1.7	2.6	3.5	3.6	4.5
<i>BBgBarc US Aggregate TR</i>			<i>-3.4</i>	<i>0.7</i>	<i>4.7</i>	<i>3.1</i>	<i>3.4</i>
Crisis Risk Offset Asset Class	449,091,346	12.5	-1.7	-8.3	2.9	1.3	6.0
<i>CRO Benchmark³</i>			<i>-3.4</i>	<i>-0.7</i>	<i>5.2</i>	<i>3.0</i>	<i>5.0</i>
Cash and Misc Asset Class	59,051,255	1.6	0.0	0.2	1.0	1.0	0.5
<i>ICE BofA 91 Days T-Bills TR</i>			<i>0.0</i>	<i>0.1</i>	<i>1.5</i>	<i>1.2</i>	<i>0.6</i>

¹ Market values may not add up due to rounding.

² Policy Benchmark composition is listed in the Appendix.

³ (1/3) BC Long Duration Treasuries, (1/3) BTOP50 Index, (1/3) 5% Annual.

Asset Class Performance Net-of-Fees | As of March 31, 2021

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Aggressive Growth Lag^{1 2}	274,066,221	100.0	10.2	12.5	9.9	10.2	10.8
<i>Aggressive Growth Blend</i>			8.3	11.9	10.8	10.1	9.5
Blackrock Global Energy and Power Lag ²	14,250,572	5.2	1.3	3.4	--	--	--
<i>MSCI ACWI +2% Blend</i>			15.3	19.1	--	--	--
Morgan Creek III Lag ²	7,899,653	2.9	8.3	3.1	-5.1	0.6	--
<i>MSCI ACWI +2% Blend</i>			15.3	19.1	13.1	11.4	--
Morgan Creek V Lag ²	9,893,870	3.6	0.0	1.7	7.9	9.0	--
<i>MSCI ACWI +2% Blend</i>			15.3	19.1	13.1	11.4	--
Morgan Creek VI Lag ²	25,332,027	9.2	9.6	17.8	15.1	12.7	--
<i>MSCI ACWI +2% Blend</i>			15.3	19.1	13.1	11.4	--
Ocean Avenue II Lag ²	40,855,968	14.9	25.0	39.4	18.9	21.9	--
<i>MSCI ACWI +2% Blend</i>			15.3	19.1	13.1	11.4	--
Ocean Avenue III Lag ²	53,593,391	19.6	11.7	9.0	19.5	--	--
<i>MSCI ACWI +2% Blend</i>			15.3	19.1	13.1	--	--
Ocean Avenue IV Lag ²	24,059,249	8.8	20.9	26.7	--	--	--
<i>MSCI ACWI +2% Lag</i>			15.3	19.1	--	--	--
Non-Core Real Assets Lag ^{2 3}	99,781,491	36.4	3.8	4.1	3.6	4.3	8.0
<i>NCREIF ODCE +1% lag (blend)</i>			1.4	1.3	5.0	6.3	9.7

¹ Market values may not add up due to rounding.

² Lagged 1 quarter.

³ Trailing Non-Core real estate performance includes returns provided by prior real estate consultant from inception through Q419.

Private Appreciation										
Investment Activity Statement for Since Inception by Fund										
Investment	Vintage Year	Original Inv. Commitment	Gross Contributions	Management Fees	Return of Capital	Distributions	Net Income	Unrealized Appreciation	Realized Gain	Ending Market Value
Blackrock Global Energy & Power III	2019	50,000,000	15,850,296	1,256,149	823,960	1,833,366	303,765	182,779	571,056	14,250,572
Ocean Avenue II*	2013	40,000,000	36,000,000	5,488,067	284,189	29,903,469	18,733,666	6,901,635	9,408,326	40,855,968
Ocean Avenue III	2016	50,000,000	44,000,000	4,378,097	500,000	18,000,000	7,297,105	17,859,587	2,936,700	53,593,391
Ocean Avenue IV	2019	50,000,000	18,500,000	1,552,269	-	-	919,484	4,608,512	31,252	24,059,249
Morgan Creek III	2015	10,000,000	9,900,000	572,771	1,847,525	195,728	(1,052,310)	744,161	351,055	7,899,653
Morgan Creek V	2013	12,000,000	11,520,000	1,206,636	3,330,348	5,203,843	(1,392,977)	4,041,093	4,259,946	9,893,870
Morgan Creek VI Estimate	2015	20,000,000	18,200,000	1,985,364	3,903,799	1,729,404	(892,231)	8,253,664	5,403,796	25,332,027
Total			153,970,296	16,439,351	10,689,821	56,865,810	23,916,502	42,591,431	22,962,131	175,884,730

* Ocean II commitment started at \$30 Mil in Q213 and increased to \$40 Mil in Q114.

Aggressive Growth

During the latest three-month period ending March, 31, 2021, four of SJCERA's aggressive growth managers outperformed their MSCI ACWI +2% Blended benchmark. Note that returns data for this asset class is lagged one quarter.

BlackRock Global Energy and Power, a recently added fund to the Aggressive Growth asset class, underperformed its target benchmark over the quarter by (14.0) and produced a 1-year return of 3.4%, underperforming its benchmark by (15.7%).

Morgan Creek III produced a quarterly return of 8.3%, underperforming its target benchmark by (7.0%). The manager also underperformed its benchmark over the 1-, 3-, and 5-year periods by (16.0%), (18.2%), and (10.8%) respectively.

Morgan Creek V outperformed its benchmark over the quarter, 3-, and 5-year periods by 2.1%, 2.4%, and 0.4%, respectively, and underperformed for the 1-year period by (8.9%).

Morgan Creek VI underperformed its benchmark over the quarter and 1-year periods by (5.7%) and (1.3%) respectively and outperformed for the 3- and 5-year periods by 2.0% and 1.3%, respectively.

Ocean Avenue II, a Private Equity Buyout fund-of-funds manager, outperformed its benchmark for the quarter, 1-, 3-, and 5-year periods by 9.7%, 20.3%, 5.8%, and 10.5% respectively.

Ocean Avenue III, a Private Equity Buyout fund-of-funds manager, trailed its benchmark for the quarter and 1-year periods by (3.6%) and (10.1%) respectively, and outperformed over the 3-year period by 6.4%.

Ocean Avenue IV outperformed its benchmark in the quarter and 1-year time periods by 5.6% and 7.6% respectively.

Non-Core Private Real Assets outperformed its benchmark over the quarter and 1-year periods by 22.4% and 2.8%, respectively. It lagged its benchmark over the 3-, 5-, and 10-year periods by (1.4%), (2.0%), and (1.7%), respectively.

Asset Class Performance Net-of-Fees | As of March 31, 2021

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Traditional Growth¹	1,350,167,074	100.0	5.6	52.3	9.4	12.0	8.1
<i>MSCI ACWI IMI Net</i>			5.1	57.6	13.2	14.1	9.9
SJCERA Transition ²	3,371	0.0					
Northern Trust MSCI World	1,166,974,309	86.4	5.5	--	--	--	--
<i>MSCI World IMI Net USD</i>			5.5	--	--	--	--
PIMCO RAE Emerging Markets	75,682,960	5.6	11.5	69.4	3.0	11.6	2.9
<i>MSCI Emerging Markets Gross</i>			2.3	58.9	6.9	12.5	4.0
GQG Active Emerging Markets	65,259,399	4.8	-1.2	--	--	--	--
<i>MSCI Emerging Markets</i>			2.3	--	--	--	--
Invesco REIT	42,247,035	3.1	8.6	28.6	8.1	5.8	8.4
<i>FTSE NAREIT Equity REIT</i>			8.9	37.8	9.5	5.3	8.6

¹ Market values may not add up due to rounding.

² Returns not meaningful.

Traditional Growth

During the latest three-month period ending March, 31, 2021, the traditional growth asset class outperformed its MSCI ACWI IMI benchmark by 0.5%. Two of the four managers matched or outperformed their benchmark over the quarter time period.

Northern Trust MSCI World, the Plan's new Passive Global Equity manager, matched its benchmark over the quarter time period.

PIMCO RAE Fundamental - Emerging, one of SJCERA's Active Emerging Markets Equity manager, outperformed the MSCI Emerging Markets Index over the quarter and 1-year time periods by 9.2% and 10.5% respectively, and underperformed its benchmark over the 3-, 5-, and 10-year periods by (3.9%), (0.9%), and (1.1%) respectively.

GQG, the Plan's new Active Emerging Markets Equity manager, was opened during the third quarter of 2020. It underperformed its MSCI Emerging Markets benchmark by (3.5%) in the first quarter of 2021.

Invesco, the Plan's Core US REIT manager, underperformed the FTSE NAREIT Equity REIT Index over the quarter, 1-, 3-, and 10-year periods by (0.3%), (9.2%), (1.4%), and (0.2%), and outperformed the benchmark over the 5-year time period by 0.5%.

Asset Class Performance Net-of-Fees | As of March 31, 2021

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Stabilized Growth¹	1,094,188,338	100.0	0.1	12.0	6.6	6.8	3.9
Risk Parity Asset Class	398,914,622	36.5	-2.5	20.6	7.3	7.8	2.1
ICE BofAML 3mo US TBill+4%			1.0	4.1	5.6	5.2	4.7
Bridgewater All Weather	193,436,024	17.7	-2.9	18.1	6.1	7.2	--
Bridgewater All Weather (blend)			1.0	4.1	5.6	5.2	--
PanAgora Diversified Risk Multi Asset	205,478,598	18.8	-2.2	23.0	8.4	8.3	--
ICE BofAML 3mo US TBill+4%			1.0	4.1	5.6	5.2	--
Liquid Credit	231,931,993	21.2	0.3	19.7	3.9	4.6	3.3
50% BBgBC US HY/50% S&P LSTA Lev Loan ³			1.3	22.2	5.5	6.7	5.4
Neuberger Berman	103,514,635	9.5	-0.3	22.3	--	--	--
33% ICEBofAMLUSHY /33%JPMEMBI Global Div /33% S&P LSTA LevLoan			-0.6	19.8	--	--	--
Stone Harbor Absolute Return	128,417,358	11.7	0.8	18.0	3.2	4.2	3.0
ICE BofA-ML LIBOR			0.1	0.6	1.8	1.5	0.9
Private Credit Lag	300,017,543	27.4	2.0	2.6	2.7	2.8	4.4
Custom Credit Benchmark ²			5.1	5.1	5.1	6.9	5.6
Blackrock Direct Lending Lag	28,523,103	2.6	2.5	--	--	--	--
CPI + 6% BLK Blend			1.5	--	--	--	--
Crestline Opportunity II Lag	19,879,050	1.8	0.6	-4.4	-2.3	2.2	--
Credit Blend CPI +6%			1.5	7.4	7.8	8.3	--
Davidson Kempner Long-Term Distressed Opportunities Fund V, L.P. Lag	9,040,182	0.8	8.3	--	--	--	--
Credit Blend CPI +6%			1.5	--	--	--	--
HPS European Asset Value II, LP Lag	5,572,982	0.5	3.0	--	--	--	--
Credit Blend CPI +6%			1.5	--	--	--	--

¹ Market values may not add up due to rounding.

² NCREIF ODCE Net + 1% 10/1/2012-present. NCREIF Property Index previously.

³ 50% BBgBC High Yield, 50% S&P Leveraged Loans.

Asset Class Performance Net-of-Fees | As of March 31, 2021

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Medley Opportunity II Lag	11,154,548	1.0	4.1	-14.2	-13.3	-7.7	--
<i>Credit Blend CPI +6%</i>			1.5	7.4	7.8	8.3	--
Mesa West III Lag	1,926,744	0.2	-11.0	-14.7	-0.1	3.6	--
<i>Credit Blend CPI +6%</i>			1.5	7.4	7.8	8.3	--
Mesa West IV Lag	46,635,765	4.3	1.0	6.6	7.6	--	--
<i>Credit Blend CPI +6%</i>			1.5	7.4	7.8	--	--
Oaktree Middle-Market Direct Lending Lag	22,291,736	2.0	3.7	16.0	--	--	--
<i>CPI + 6% Oaktree Blend</i>			1.5	4.9	--	--	--
Raven Opportunity II Lag	11,743,981	1.1	-0.4	-13.1	-3.2	-3.2	--
<i>Credit Blend CPI +6%</i>			1.5	7.4	7.8	8.3	--
Raven Opportunity III Lag	48,013,572	4.4	2.8	1.1	6.8	3.5	--
<i>Credit Blend CPI +6%</i>			1.5	7.4	7.8	8.3	--
White Oak Summit Peer Lag	46,190,005	4.2	1.8	4.1	6.3	--	--
<i>Credit Blend CPI +6%</i>			1.5	7.4	7.8	--	--
White Oak Yield Spectrum Master V Lag	49,045,875	4.5	1.5	7.7	--	--	--
<i>Credit Blend CPI +6%</i>			1.5	7.4	--	--	--
Private Core Real Assets Lag ¹	163,324,180	14.9	3.3	5.2	9.0	9.8	14.1
<i>NCREIF ODCE +1% lag (blend)</i>			1.4	1.3	5.0	6.3	9.7

Market values may not add up due to rounding.

¹ Trailing Core real estate performance includes returns provided by prior real estate consultant from inception through Q419.

Stabilized Growth

During the latest three-month period ending March, 31, 2021, eleven of SJCERA's seventeen Stabilized Growth managers matched or outperformed their benchmarks while six of the remaining managers underperformed their respective benchmarks. Several of the managers in this asset class are in the process of investing capital and may underperform as assets are invested (typically known as the J-curve effect).

Bridgewater All Weather, one of the Plan's Risk Parity managers, underperformed its benchmark over the quarter by (3.9%) and outperformed its benchmark over the 1-, 3-, and 5-year periods by 14.0%, 0.5%, and 2.0% respectively.

PanAgora DRMA, one of the Plan's Risk Parity managers, underperformed its T-Bill +4% benchmark over the quarter by (3.2%) and outperformed its benchmark over the 1-, and 3-year periods by 18.9%, 2.8%, and 3.1% respectively

Neuberger Berman, one of the Plan's Liquid Credit managers, outperformed its blended benchmark for the quarter and 1-year periods by 0.3% and 2.5%, respectively.

Stone Harbor, the Plan's Absolute Return Fixed Income manager, outperformed the 3-month ICE BofAML LIBOR index over the quarter, 1-, 3-, 5-, and 10-year periods by 0.7%, 17.4%, 1.4%, 2.7%, and 2.1% respectively.

BlackRock Direct Lending, one of the Plan's newer Private Credit manager, outperformed its CPI+6% benchmark by 1.0% for the quarter.

Crestline Opportunity II, the Plan's Credit, Niche Alternatives, and Hedge Fund Secondaries manager, trailed its benchmark over the quarter, 1-, 3-, and 5-year periods by (0.9%), (11.8%), (10.1%), and (6.1%) respectively.

Davidson Kempner, the Plan's newest Private Credit manager, was opened during the fourth quarter of 2020 and outperformed its CPI +6% annual benchmark by 6.8%.

HPS EU, one of the Plan's newer Direct Lending manager, was opened during the third quarter of 2020 and outperformed its CPI +6% benchmark for the first quarter of 2021 by 1.5%.

Stabilized Growth (Continued)

Medley Opportunity II, one of the Plan's Direct Lending managers, produced a positive quarterly return of 4.1%, outperforming its CPI +6% annual return target by 2.6%. The fund trailed its benchmark over the 1-, 3-, and 5-year time periods by (21.6%), (21.2%) and (16.0%) respectively.

Mesa West RE Income III, one of the Plan's Commercial Mortgage managers, produced a negative quarterly return of (11.0%), underperforming its CPI +6% annual benchmark by (12.5%). It also underperformed its benchmark over the 1-, 3-, and 5-year periods by (22.1%), (7.9%), and (4.7%) respectively.

Mesa West RE Income IV, one of the Plan's Commercial Mortgage managers, produced a quarterly return of 1.0%, underperforming its CPI +6% annual benchmark by (0.5%). Over the 1- and 3-year periods, the fund underperformed its benchmark by (0.8%) and (0.2%) respectively.

Oaktree, a Middle-Market Direct Lending manager, outperformed its MSCI ACWI +2% Blended benchmark over the quarter and 1-year time periods by 2.2%, and 11.1% respectively.

Raven Capital II, one of the Plan's Direct Lending managers, produced a quarterly return of (0.4%) and trailed its target over the quarter, 1-, 3-, and 5-year periods by (1.9%), (20.5%), (11.0), and (11.5%) respectively.

Raven Capital III outperformed its CPI +6% annual target over the quarter by 1.3% and trailed its benchmark over the 1-, 3-, and 5-year periods by (6.3%), (1.0%), and (4.8%) respectively.

White Oak Summit Peer, one of the Plan's Direct Lending managers, outperformed its CPI +6% index over the quarter by 0.3%, and underperformed its benchmark over the 1-, and 3-year periods by (3.3%) and (1.5%) respectively.

White Oak Yield Spectrum Master V matched its CPI +6% benchmark over the quarter and outperformed its benchmark over the 1-year time period by 0.3%.

Core Private Real Estate, investing in Private Core Real Assets, outperformed its Private RE Benchmark for the quarter, 1-, 3-, 5-, and 10-year periods by 1.9%, 3.9%, 4.0%, 3.5%, and 4.4% respectively.

Asset Class Performance Net-of-Fees | As of March 31, 2021

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Principal Protection	323,811,174	100.0	-1.7	2.6	3.5	3.6	4.5
BBgBarc US Aggregate TR			-3.4	0.7	4.7	3.1	3.4
Dodge & Cox Fixed Income	163,973,413	50.6	-2.6	7.5	5.7	4.8	4.7
BBgBarc US Aggregate TR			-3.4	0.7	4.7	3.1	3.4
DoubleLine	111,409,776	34.4	0.1	7.6	4.2	3.9	--
BBgBarc US Aggregate TR			-3.4	0.7	4.7	3.1	--
SJ Principal Protection	48,427,985	15.0	--	--	--	--	--
BBgBarc US Aggregate TR			--	--	--	--	--

Market values may not add up due to rounding.

Principal Protection

During the latest three-month period ending March 31, 2021, two of SJCERA's three Principal Protection managers outperformed the Blmbg. Barc. US Aggregate Index. PRIMA Mortgage was closed at the beginning of the quarter and SJ Principal Protection, a passive fixed income manager, was opened.

Dodge & Cox, the Plan's Core Fixed Income manager, earned a quarterly return of (2.6%), outperforming its benchmark by 0.8%. The portfolio also outperformed its benchmark over the 1-, 3-, 5-, and 10-year periods by 6.8%, 1.0%, 1.7%, and 1.3% respectively.

DoubleLine, the Plan's Mortgage Backed Securities manager, provided a quarterly return of 0.1%, outperforming its benchmark by 3.5%. The manager outperformed its benchmark over the 1-, and 5-year time periods by 6.9% and 0.8%, respectively, while underperforming its benchmark over the 3-year time period by (0.5%).

SJ Principal Protection, the Plan's passive Fixed Income manager, opened in January 2021, and therefore does not have a full quarter of performance.

Asset Class Performance Net-of-Fees | As of March 31, 2021

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Crisis Risk Offset Asset Class ¹	449,091,346	100.0	-1.7	-8.3	2.9	1.3	6.0
<i>CRO Benchmark ²</i>			-3.4	-0.7	5.2	3.0	5.0
Long Duration	142,418,103	31.7	-12.6	-15.1	5.7	2.9	--
<i>BBgBarc US Treasury Long TR</i>			-13.5	-15.8	5.9	3.1	--
Dodge & Cox Long Duration	142,418,103	31.7	-12.6	-15.1	5.7	2.9	--
<i>BBgBarc US Treasury Long TR</i>			-13.5	-15.8	5.9	3.1	--
Systematic Trend Following	182,558,332	40.7	6.9	13.4	4.0	-1.4	6.3
<i>BTOP 50 (blend)</i>			2.7	10.3	4.0	0.4	3.2
Graham Tactical Trend	90,707,025	20.2	4.8	14.7	4.7	--	--
<i>SG Trend</i>			4.0	8.0	5.3	--	--
Mount Lucas	91,851,307	20.5	9.0	12.1	3.2	-3.3	5.2
<i>BTOP 50 (blend)</i>			2.7	10.3	4.0	0.4	3.2
Alternative Risk Premium	124,114,911	27.6	0.8	-22.9	-2.6	-0.1	3.4
<i>5% Annual (blend)</i>			1.2	5.0	5.0	5.0	7.5
AQR Style Premia	29,642,987	6.6	21.6	-2.7	-12.1	--	--
<i>5% Annual</i>			1.2	5.0	5.0	--	--
Lombard Odier	57,677,888	12.8	-6.1	-14.6	--	--	--
<i>5% Annual</i>			1.2	5.0	--	--	--
P/E Diversified Global Macro	36,794,036	8.2	-1.3	-43.4	-2.1	--	--
<i>5% Annual</i>			1.2	5.0	5.0	--	--

¹ Market values may not add up due to rounding.

² (1/3) BC Long Duration Treasuries, (1/3) BTOP50 Index, (1/3) 5% Annual.

Crisis Risk Offset

During the latest three-month period ending March 31, 2021, four of the six of SJCERA's Crisis Risk Offset managers outperformed their respective benchmarks.

Dodge & Cox Long Duration produced a negative quarterly return of (12.6%), outperforming the Blmbg. Barc. US Long Duration Treasuries by 0.9%. The manager outperformed the benchmark over the 1-year time periods by 0.7% and underperformed its benchmark over the 3-, and 5-year time periods by (0.2%) and (0.2%) respectively.

Graham, one of the Plan's Systematic Trend Following managers, produced a quarterly return of 4.8%, outperforming the SG Trend Index by 0.8%. The fund also outperformed its benchmark over the 1-year time period by 6.7% and underperformed the benchmark over the 3-year time period by (0.6%).

Mount Lucas, one of the Plan's Systematic Trend Following managers, produced a quarterly return of 9.0%, outperforming the Barclays BTOP 50 Index by 6.3%. The fund also outperformed its benchmark over the 1- and 10-year periods by 1.8% and 2.0%, respectively, while underperforming the benchmark index over the 3-, and 5-year time periods by (0.8%) and (3.7%), respectively.

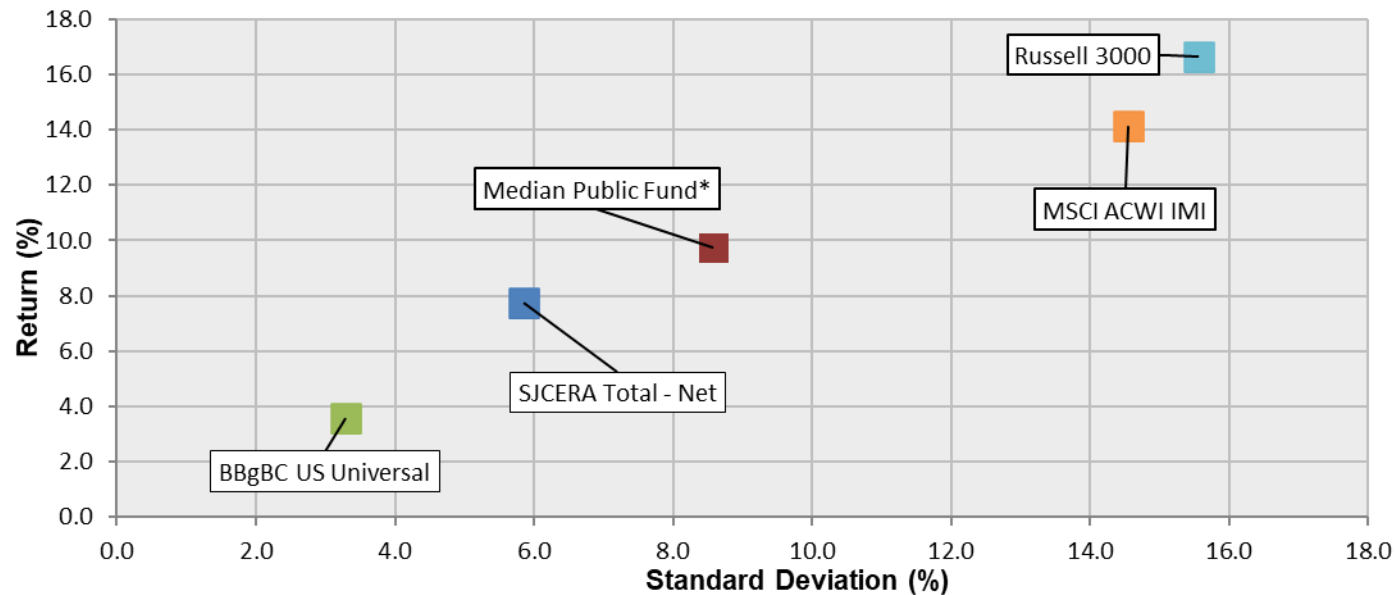
AQR, one of the Plan's Alternative Risk Premium managers, posted a positive quarterly return of 21.6%, outperforming its 5% Annual target by 20.4%. Over the 1- and 3-year periods, the manager trailed its benchmark by (7.7%) and (17.1%) respectively.

Lombard Odier, the newest of the Alternative Risk Premium class managers, earned a negative quarterly return of (6.1 %), trailing its 5% Annual target benchmark by (7.3%). The manager also underperformed its benchmark over the 1-year period by (19.6%).

P/E Diversified, one of the Plan's Alternative Risk Premium managers, underperformed its 5% Annual target for the quarter, 1-, and 3-year time periods by (2.5%), (48.4%), and (7.1%) respectively.

As of March 31, 2021

SJCERA Total Fund 5-Year Annualized Risk/Return (Net of Fees)



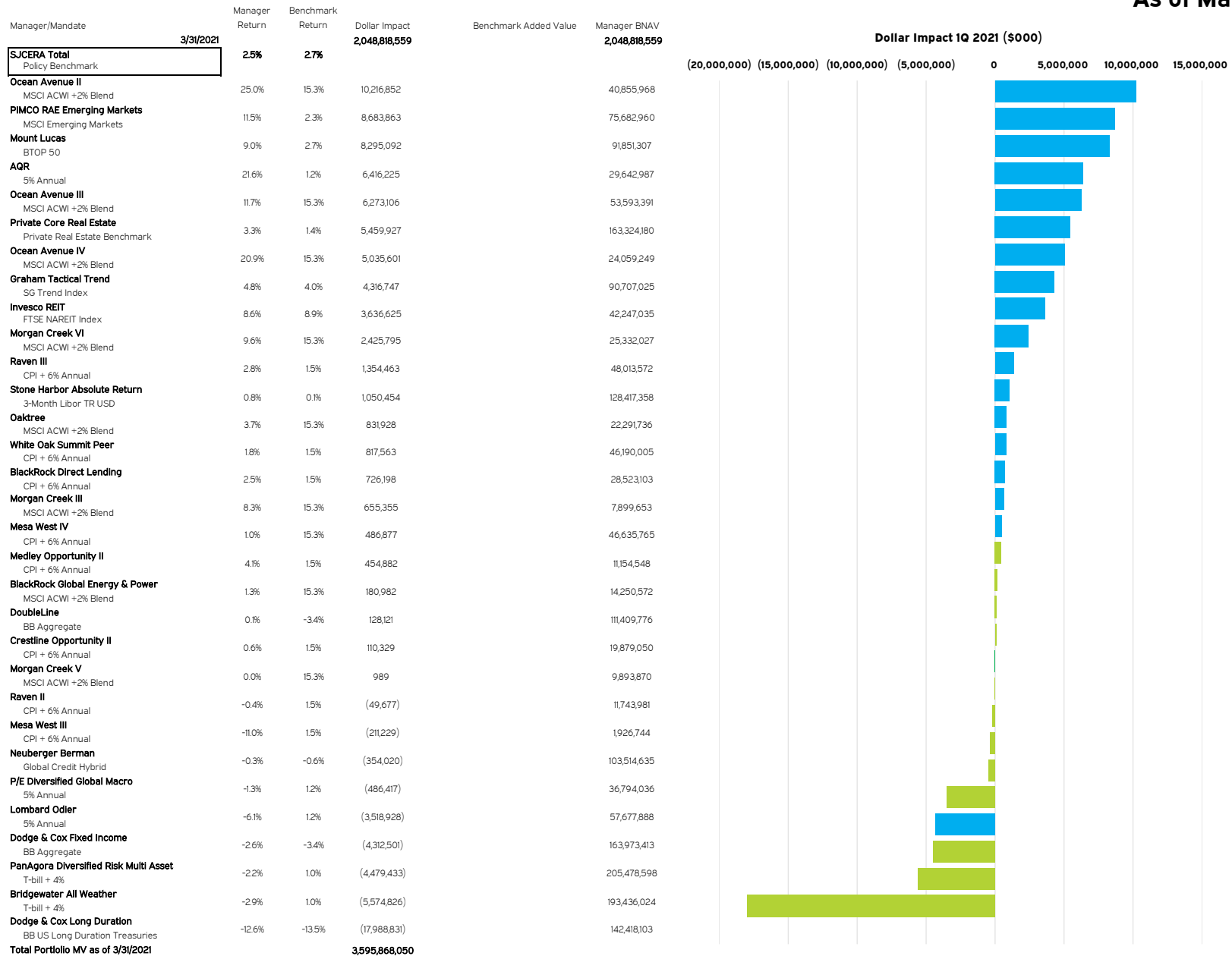
	Anlzd Return	Anlzd Std. Dev.	Sharpe Ratio
SJCERA Total - Net	7.74	5.86	1.13
Median Public Fund*	9.73	8.58	1.01
BBgBC US Universal	3.59	3.29	0.75
Russell 3000	16.64	15.56	1.00
MSCI ACWI IMI	14.14	14.54	0.9

* InvMetrics Public DB > \$1B Net

SJCERA Total Plan

As of March 31, 2021

San Joaquin County Employees' Retirement Association: Manager Value-Added (Dollar-Impact)
As of March 31, 2021

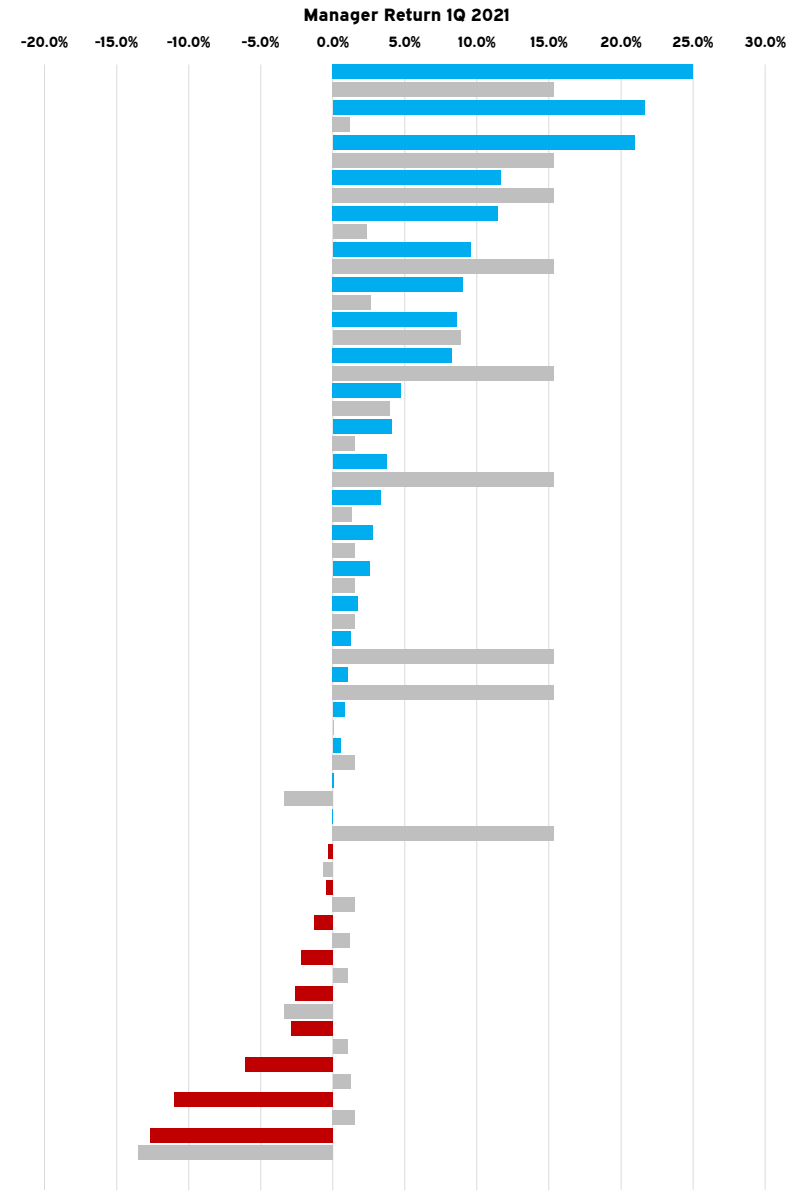


SJCERA Total Plan

San Joaquin County Employees' Retirement Association: Manager Value-Added (Return)
As of March 31, 2021

As of March 31, 2021

Manager/Mandate	Manager Return	Benchmark Return	Dollar Impact	Benchmark Added Value	Manager BNAV
	3/31/2021		2,048,818,559		2,048,818,559
SJCERA Total	2.5%	2.7%			
Policy Benchmark					
Ocean Avenue II					
MSCI ACWI +2% Blend	25.0%	15.3%	10,216,852		40,855,968
AQR					
5% Annual	21.6%	1.2%	6,416,225		29,642,987
Ocean Avenue IV					
MSCI ACWI +2% Blend	20.9%	15.3%	5,035,601		24,059,249
Ocean Avenue III					
MSCI ACWI +2% Blend	11.7%	15.3%	6,273,106		53,593,391
PIMCO RAE Emerging Markets					
MSCI Emerging Markets	11.5%	2.3%	8,683,863		75,682,960
Morgan Creek VI					
MSCI ACWI +2% Blend	9.6%	15.3%	2,425,795		25,332,027
Mount Lucas					
BTOP 50	9.0%	2.7%	8,295,092		91,851,307
Invesco REIT					
FTSE NAREIT Index	8.6%	8.9%	3,636,625		42,247,035
Morgan Creek III					
MSCI ACWI +2% Blend	8.3%	15.3%	655,355		7,899,653
Graham Tactical Trend					
SG Trend Index	4.8%	4.0%	4,316,747		90,707,025
Medley Opportunity II					
CPI + 6% Annual	4.1%	1.5%	454,882		11,154,548
Oaktree					
MSCI ACWI +2% Blend	3.7%	15.3%	831,928		22,291,736
Private Core Real Estate					
Private Real Estate Benchmark	3.3%	1.4%	5,459,927		163,324,180
Raven III					
CPI + 6% Annual	2.8%	1.5%	1,354,463		48,013,572
BlackRock Direct Lending					
CPI + 6% Annual	2.5%	1.5%	726,198		28,523,103
White Oak Summit Peer					
CPI + 6% Annual	1.8%	1.5%	817,563		46,190,005
BlackRock Global Energy & Power					
MSCI ACWI +2% Blend	1.3%	15.3%	180,982		14,250,572
Mesa West IV					
CPI + 6% Annual	1.0%	15.3%	486,877		46,635,765
Stone Harbor Absolute Return					
3-Month Libor TR USD	0.8%	0.1%	1,050,454		128,417,358
Crestline Opportunity II					
CPI + 6% Annual	0.6%	1.5%	110,329		19,879,050
DoubleLine					
BB Aggregate	0.1%	-3.4%	128,121		111,409,776
Morgan Creek V					
MSCI ACWI +2% Blend	0.0%	15.3%	989		9,893,870
Neuberger Berman					
Global Credit Hybrid	-0.3%	-0.6%	(354,020)		103,514,635
Raven II					
CPI + 6% Annual	-0.4%	1.5%	(49,677)		11,743,981
P/E Diversified Global Macro					
5% Annual	-1.3%	1.2%	(486,417)		36,794,036
PanAgora Diversified Risk Multi Asset					
T-bill + 4%	-2.2%	1.0%	(4,479,433)		205,478,598
Dodge & Cox Fixed Income					
BB Aggregate	-2.6%	-3.4%	(4,312,501)		163,973,413
Bridgewater All Weather					
T-bill + 4%	-2.9%	1.0%	(5,574,826)		193,436,024
Lombard Odier					
5% Annual	-6.1%	1.2%	(3,518,928)		57,677,888
Mesa West III					
CPI + 6% Annual	-11.0%	1.5%	(21,229)		1,926,744
Dodge & Cox Long Duration					
BB US Long Duration Treasuries	-12.6%	-13.5%	(17,988,831)		142,418,103
Total Portfolio MV as of 3/31/2021			3,595,868,050		

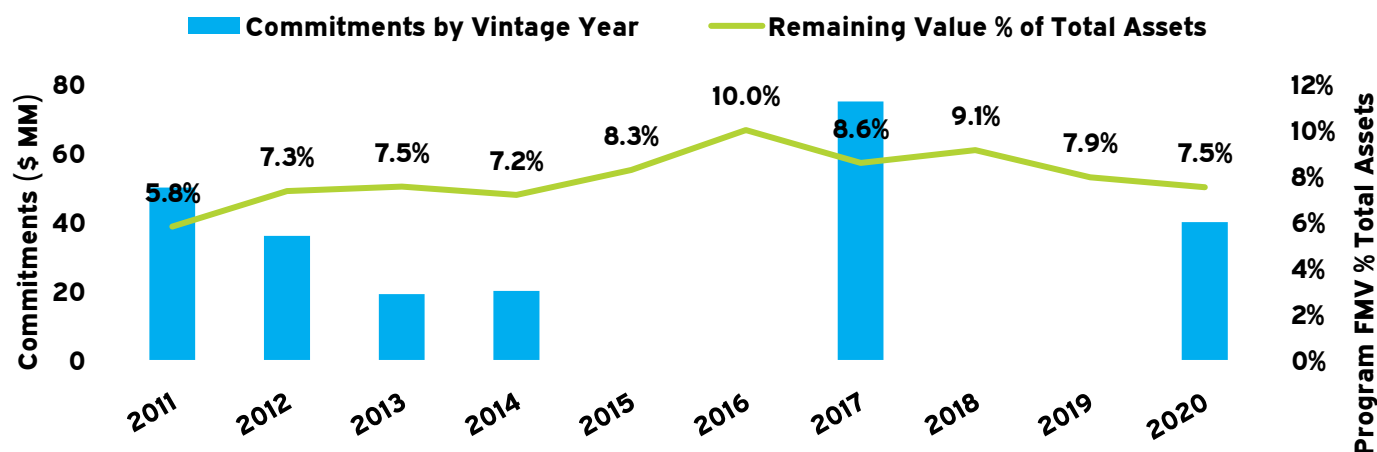


Real Estate Program

December 31, 2020

Introduction

The Retirement Association's target allocation towards real estate assets is 10-12%. As of December 31, 2020, the Retirement Association had invested with eighteen real estate managers (three private open-end and fourteen private closed-end). The aggregate reported value of the Retirement Association's real estate investments was \$263.1 million.



Program Status

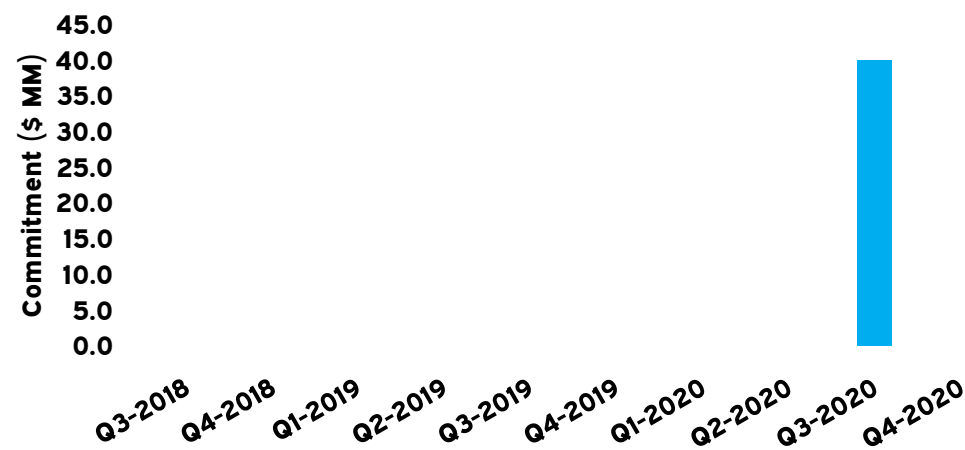
No. of Investments	18
Committed (\$ MM)	501.6
Contributed (\$ MM)	414.0
Distributed (\$ MM)	301.2
Remaining Value (\$ MM)	263.1

Performance Since Inception

	Program	Peer Universe
DPI	0.73x	0.90x
TVPI	1.36x	1.25x
IRR	5.9%	5.5%

Commitments

Recent Quarterly Commitments



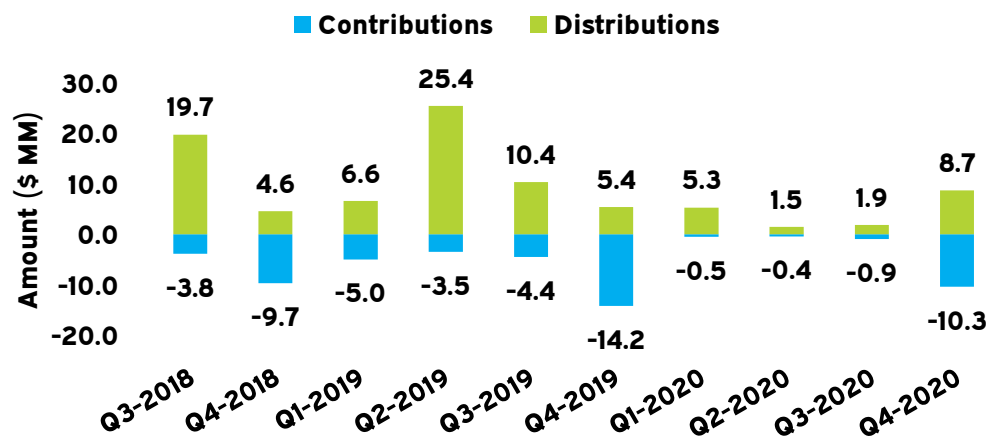
Commitments This Quarter

Fund	Strategy	Region	Amount (MM)
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None to report.

Cash Flows

Recent Quarterly Cash Flows



Largest Contributions This Quarter

Fund	Vintage	Strategy	Region	Amount (\$MM)
Stockbridge RE III	2017	Value-Added	North America	7.31
Berkeley V	2020	Value-Added	North America	2.94
Prologis Logistics	1970	Core	North America	0.10

Largest Distributions This Quarter

Fund	Vintage	Strategy	Region	Amount (\$MM)
Greenfield VII	2013	Opportunistic	North America	5.04
Greenfield VIII	2017	Opportunistic	North America	1.55
Prologis Logistics	1970	Core	North America	0.67

Significant Events

- During the fourth quarter, Prologis Targeted US Logistics acquired six buildings and three covered land parcels in the fourth quarter for a combined total of \$135.2 million.
- During the fourth quarter, Prologis Targeted US Logistics disposed of three non-strategic buildings for a combined total of \$49.6 million.
- Greenfield Acquisitions Partners VIII was rebranded as Grandview I-A in the fourth quarter, and two parallel partnerships were created, Grandview I-B, LP ("I-B") & Grandview I-C, LP ("I-C"). The combined partnerships are referred to as GVP-I with an overall fund size of \$296.5 million.
- During the fourth quarter, Greenfield Acquisitions Partners VIII acquired Plano Commerce Center, a 66.7-acre fully entitled development parcel located in Plano, Texas, with an existing JV partner.
- Berkeley Partners Value Industrial Fund V held its final close on December 18, 2020 and currently has \$400 million in capital commitments.
- On December 3, 2020, Berkeley Partners Value Industrial Fund V acquired 1501 N. Plano Road, an 83,000 SF warehouse in Dallas, for a purchase price of \$8.3 million through a fully-marketed process.

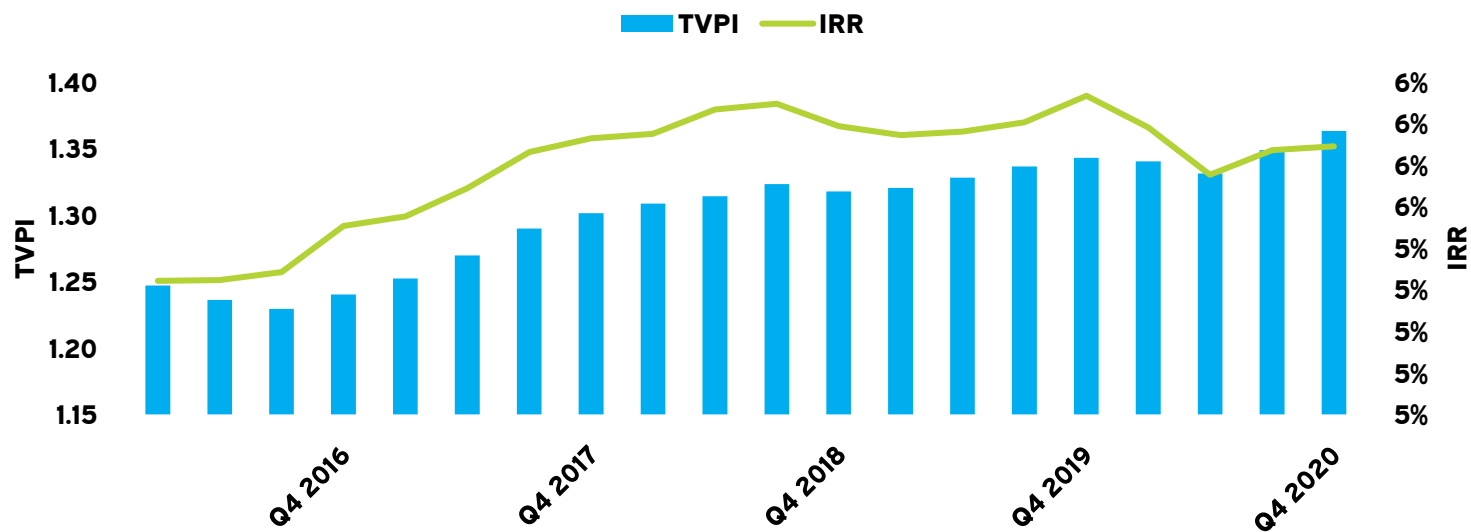
By Strategy

Group	Number	Committed (\$ MM)	Contributed (\$ MM)	Unfunded (\$ MM)	Distributed (\$ MM)	Remaining Value (\$ MM)	Exposure (\$ MM)	DPI (X)	TVPI (X)	IRR (%)
Core	3	120.5	121.5	0.0	24.5	163.3	163.3	0.20	1.55	6.0
Opportunistic	9	204.1	173.8	31.3	190.5	36.7	67.9	1.10	1.31	5.2
Value-Added	6	177.0	118.8	59.9	86.2	63.1	123.0	0.73	1.26	7.6
Total	18	501.6	414.0	91.2	301.2	263.1	354.3	0.73	1.36	5.9

By Vintage

Group	Number	Committed (\$ MM)	Contributed (\$ MM)	Unfunded (\$ MM)	Distributed (\$ MM)	Remaining Value (\$ MM)	Exposure (\$ MM)	DPI (X)	TVPI (X)	IRR (%)
Open-end	3	120.5	121.5	0.0	24.5	163.3	163.3	0.20	1.55	NM
2005	2	45.0	44.5	0.0	37.6	2.1	2.1	0.85	0.89	-1.5
2007	4	96.0	84.0	12.0	114.6	5.3	17.3	1.36	1.43	7.2
2011	2	50.0	38.3	11.7	47.1	3.7	15.5	1.23	1.33	9.6
2012	2	36.0	33.8	3.0	48.6	0.3	3.3	1.44	1.45	12.5
2013	1	19.1	18.3	0.8	20.0	9.6	10.5	1.09	1.62	13.0
2014	1	20.0	19.0	1.8	3.3	20.6	22.4	0.17	1.26	7.8
2017	2	75.0	51.8	24.6	5.5	55.1	79.7	0.11	1.17	9.9
2020	1	40.0	2.9	37.3	0.0	3.0	40.3	0.00	1.03	NM
Total	18	501.6	414.0	91.2	301.2	263.1	354.3	0.73	1.36	5.9

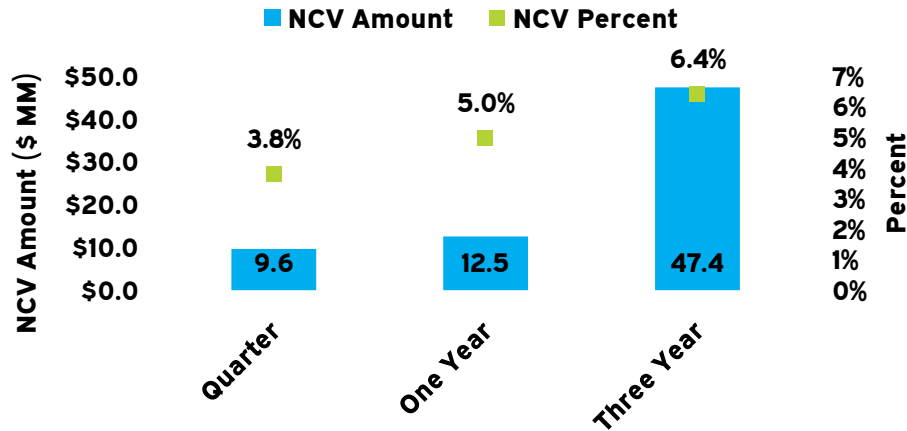
Since Inception Performance Over Time



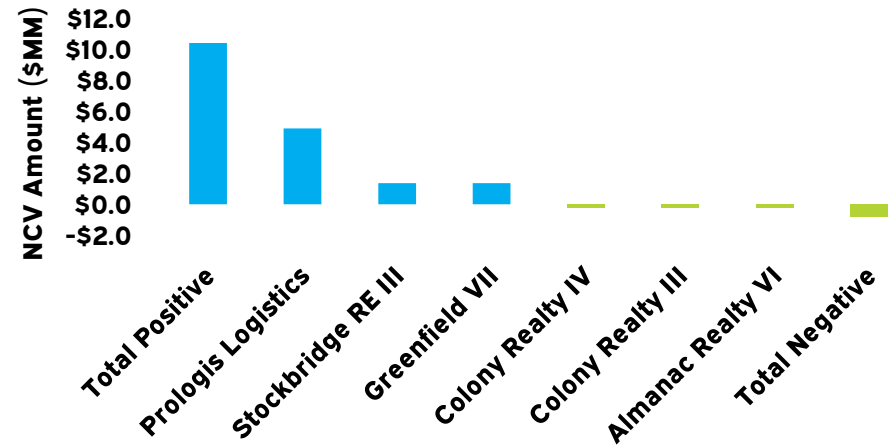
Horizon IRRs

	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Aggregate Portfolio	2.9	5.8	6.9	10.1	5.9
Public Market Equivalent	-11.3	1.9	3.1	7.5	7.4

Periodic NCV



1 Quarter Drivers Of NCV



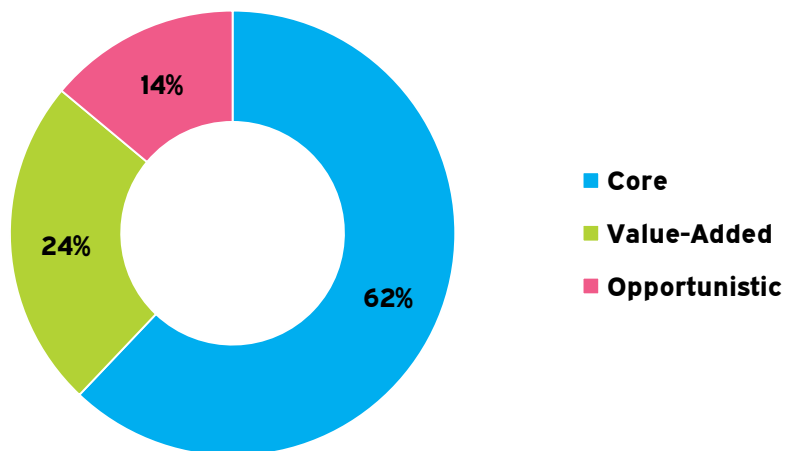
Fund Performance: Sorted By Vintage And Strategy

By Investment	Vintage	Strategy	Committed (\$ MM)	Contributed (\$ MM)	Unfunded (\$ MM)	Distributed (\$ MM)	Remaining Value (\$ MM)	TVPI (X)	Peer TVPI (X)	IRR (%)	Peer IRR (%)
Principal US	Open-end	Core	25.0	25.0	0.0	0.0	34.3	1.37	NM	6.1	NM
Prologis Logistics	Open-end	Core	50.5	51.5	0.0	17.6	78.5	1.87	NM	6.0	NM
RREEF America II	Open-end	Core	45.0	45.0	0.0	7.0	50.5	1.28	NM	5.9	NM
Miller GLocal Fund V	2005	Opportunistic	15.0	14.5	0.0	17.6	0.0	1.21	1.03	3.3	0.5
Walton Street V	2005	Opportunistic	30.0	30.0	0.0	20.1	2.1	0.74	1.03	-3.3	0.5
Greenfield V	2007	Opportunistic	30.0	29.6	0.4	40.4	0.2	1.37	1.23	8.3	4.8
Miller Global VI	2007	Opportunistic	30.0	21.1	8.9	32.3	0.4	1.55	1.23	7.5	4.8
Walton Street VI	2007	Opportunistic	15.0	13.3	1.7	15.2	4.7	1.50	1.23	7.8	4.8
Colony Realty III	2007	Value-Added	21.0	20.0	1.0	26.7	0.0	1.33	1.23	5.1	4.8
Greenfield VI	2011	Opportunistic	20.0	19.2	0.8	26.1	0.2	1.37	1.51	9.7	14.3
Almanac Realty VI	2011	Value-Added	30.0	19.1	10.9	21.0	3.6	1.29	1.51	9.6	14.3
Miller Global VII	2012	Opportunistic	15.0	12.0	3.0	15.9	0.3	1.35	1.48	14.8	11.8
Colony Realty IV	2012	Value-Added	21.0	21.7	0.0	32.7	0.0	1.50	1.48	11.7	11.8
Greenfield VII	2013	Opportunistic	19.1	18.3	0.8	20.0	9.6	1.62	1.35	13.0	10.5
AG Core Plus IV	2014	Value-Added	20.0	19.0	1.8	3.3	20.6	1.26	1.34	7.8	9.5

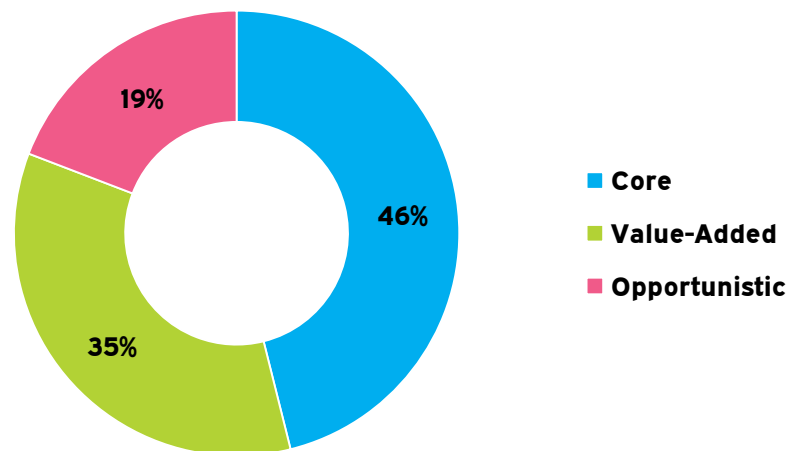
By Investment	Vintage	Strategy	Committed (\$ MM)	Contributed (\$ MM)	Unfunded (\$ MM)	Distributed (\$ MM)	Remaining Value (\$ MM)	TVPI (X)	Peer TVPI (X)	IRR (%)	Peer IRR (%)
Greenfield VIII	2017	Opportunistic	30.0	15.8	15.6	3.0	19.2	1.41	1.17	17.5	9.4
Stockbridge RE III	2017	Value-Added	45.0	36.0	9.0	2.5	35.9	1.07	1.17	4.5	9.4
Berkeley V	2020	Value-Added	40.0	2.9	37.3	0.0	3.0	1.03	0.99	NM	NM
Total			501.6	414.0	91.2	301.2	263.1	1.36	1.25	5.9	5.5

By Strategy

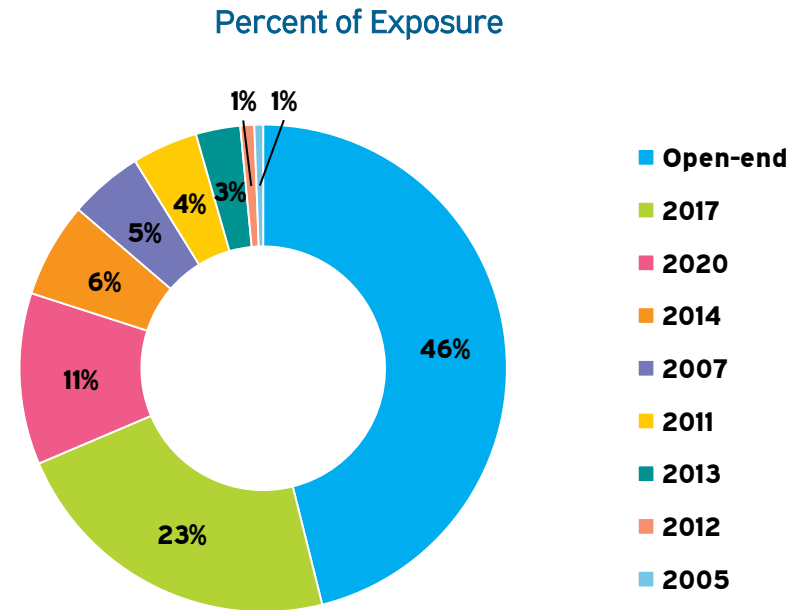
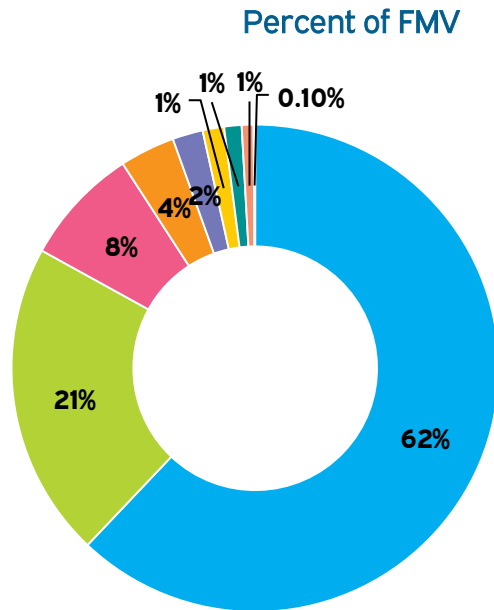
Percent of FMV



Percent of Exposure

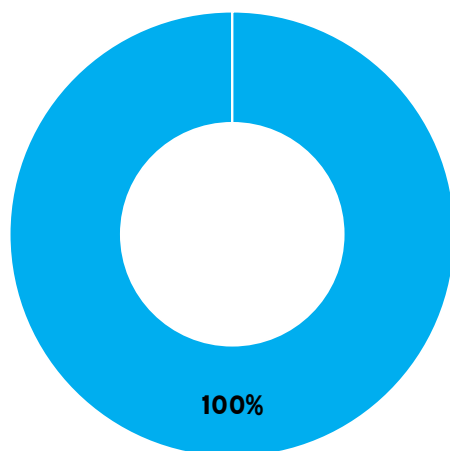


By Vintage



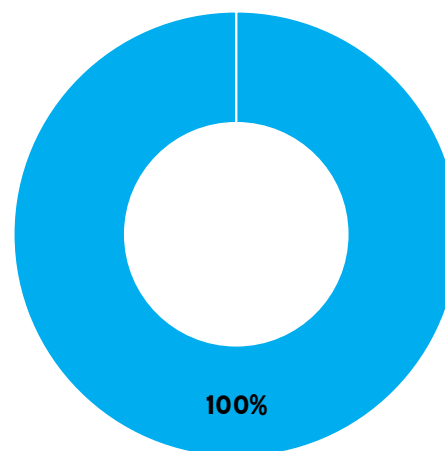
By Geographic Focus

Percent of FMV



■ North America

Percent of Exposure



■ North America

Below are details on specific terminology and calculation methodologies used throughout this report:

Committed	The original commitment amount made to a given fund. Some funds may be denominated in non-USD currencies, and such commitment amounts represent the sum of fund contributions translated to USD at their daily conversion rates plus the unfunded balance translated at the rate as of the date of this report.
Contributed	The amount of capital called by a fund manager against the commitment amount. Contributions may be used for new or follow-on investments, fees, and expenses, as outlined in each fund's limited partnership agreement. Some capital distributions from funds may reduce contributed capital balances. Some funds may be denominated in non-USD currencies, and such aggregate contributions represent the sum of each fund contribution translated to USD at its daily conversion rate.
Distributed	The amount of capital returned from a fund manager for returns of invested capital, profits, interest, and other investment related income. Some distributions may be subject to re-investment, as outlined in each fund's limited partnership agreement. Some funds may be denominated in non-USD currencies, and such aggregate distributions represent the sum of each fund distribution translated to USD at its daily conversion rate.
DPI	Acronym for "Distributed-to-Paid-In", which is a performance measurement for Private Market investments. The performance calculation equals Distributed divided by Contributed. DPIs for funds and groupings of funds are net of all fund fees and expenses as reported to by fund managers to Meketa.
Exposure	Represents the sum of the investor's Unfunded and Remaining Value.
IRR	Acronym for "Internal Rate of Return", which is a performance measurement for Private Market investments. IRRs are calculated by Meketa based on daily cash flows and Remaining Values as of the date of this report. IRRs for funds and groupings of funds are net of all fund fees and expenses as reported by fund managers to Meketa.
NCV	Acronym for "Net Change in Value", which is a performance measurement for Private Market investments. The performance calculation equals the appreciation or depreciation over a time period neutralized for the impact of cash flows that occurred during the time period.
NM	Acronym for "Not Meaningful", which indicates that a performance calculation is based on data over too short a timeframe to yet be meaningful or not yet possible due to inadequate data. Meketa begins reporting IRR calculations for investments once they have reached more than two years since first capital call. NM is also used within this report in uncommon cases where the manager has reported a negative Remaining Value for an investment.

Peer Universe

The performance for a set of comparable private market funds. The peer returns used in this report are provided by Thomson ONE, based on data from Cambridge Associates as of the date of this report. Program-level peer universe performance represents the pooled return for a set of funds of corresponding vintages and strategies across all regions globally. Fund-level peer performance represents the median return for a set of funds of the same vintage and the program's set of corresponding strategies across all regions globally. Data sets that include less than five funds display performance as "NM". Meketa utilizes the following Thomson ONE strategies for peer universes:

Infrastructure: Infrastructure

Natural Resources: Private Equity Energy, Upstream Energy & Royalties, and Timber

Private Debt: Subordinated Capital, Credit Opportunities, Senior Debt, and Control-Oriented Distressed

Private Equity (including Private Debt): Venture Capital, Growth Equity, Buyout, Subordinated Capital, Credit Opportunities, Senior Debt, and Control-Oriented Distressed

Private Equity (excluding Private Debt): Venture Capital, Growth Equity, and Buyout

Real Assets (excluding Real Estate): Infrastructure, Private Equity Energy, Upstream Energy & Royalties, and Timber

Real Assets (including Real Estate): Infrastructure, Private Equity Energy, Upstream Energy & Royalties, Timber, and Real Estate

Real Estate: Real Estate

Public Market Equivalent ("PME")

A calculation methodology that seeks to compare the performance of a portfolio of private market investments with public market indices. The figures presented in this report are based on the PME+ framework, which represents a net IRR value based on the actual timing and size of the private market program's daily cash flows and the daily appreciation or depreciation of an equivalent public market index. Meketa utilizes the following indices for private market program PME+ calculations:

Infrastructure: Dow Jones Brookfield Global Infrastructure Index

Natural Resources: S&P Global Natural Resources Index

Private Debt: Barclays Capital U.S. Corporate High Yield Bond Index

Private Equity: MSCI ACWI Investable Market Index

Real Assets (excluding Real Estate): Equal blend of Dow Jones Brookfield Global Infrastructure Index and S&P Global Natural Resources Index

	<p>Real Assets (including Real Estate): Equal blend of Dow Jones Brookfield Global Infrastructure Index, S&P Global Natural Resources Index, and Dow Jones U.S. Select Real Estate Securities Index</p> <p>Real Estate: Dow Jones U.S. Select Real Estate Securities Index</p>
<p>Remaining Value</p>	<p>The investor's value as reported by a fund manager on the investor's capital account statement. All investor values in this report are as of the date of this report, unless otherwise noted. Some funds may be denominated in non-USD currencies, and such remaining values represent the fund's local currency value translated to USD at the rate as of the date of this report.</p>
<p>TVPI</p>	<p>Acronym for "Total Value-to-Paid-In", which is a performance measurement for Private Market investments. The performance calculations represents Distributed plus Remaining Value, then divided by Contributed. TVPIs for funds and groupings of funds are net of all fund fees and expenses as reported to by fund managers to Meketa.</p>
<p>Unfunded</p>	<p>The remaining balance of capital that a fund manager has yet to call against a commitment amount. Meketa updates unfunded balances for funds to reflect all information provided by fund managers provided in their cash flow notices. Some funds may be denominated in non-USD currencies, and such unfunded balances represent the fund's local currency unfunded balance translated to USD at the rate as of the date of this report.</p>

Capital Markets Outlook & Risk Metrics

As of April 30, 2021

Capital Markets Outlook

Takeaways

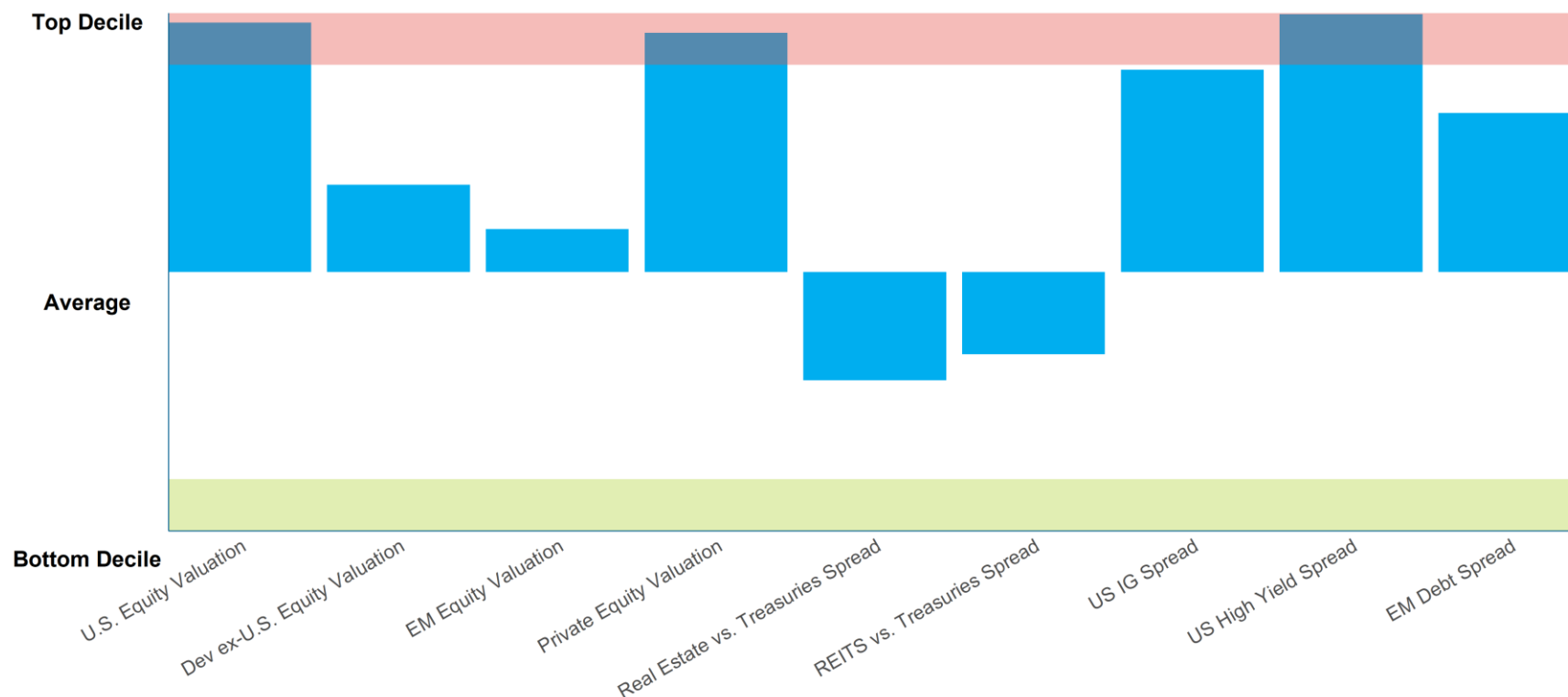
- The advent of ambitious global vaccination campaigns has begun to shift market focus to repricing of cyclical stocks, commodities, and real assets that may benefit from economic growth.
- The rotation to value and cyclical stocks took a pause so that growth stocks outperformed value stocks in the month of April as the Russell 1000 Growth Index outperformed the Russell 1000 Value Index.
- Developed markets outside of the US outperformed emerging market equities, and like the US, growth outperformed value.
- The MSCI China index continued its underperformance with a 1.4% return in April.
- Fixed income markets posted modest positive returns as the yield curve steepened rapidly to reflect higher inflation expectations.
- The Barclays TIPS index returned 1.4% in April and the Barclays 1-3 Year TIPS Index posted a 0.6% gain.
- Commodities and related stocks posted gains, with the Bloomberg Commodities index returning 8.3% and the S&P Global Natural Resources Index returning 4.1%.
- Global infrastructure stocks likewise posted positive returns in April, with the DJ Brookfield Global Infrastructure gaining 4.7% and the S&P Infrastructure index returning 3.8%.
- Global REITs have continued to recover from steep 2020 losses, with the MSCI US REITs and FTSE NAREIT Equity Index both of which returned 8.1% in April.

Capital Markets Outlook

Takeaways

- The US vaccination efforts combined with the American Recovery Act have lifted 2021 GDP forecasts for the US to 6.5%, while COVID-related setbacks in Europe have muted growth expectations there for 2021.
- According to the World Health Organization, global COVID cases have been falling since January. While the efficacy of many of the vaccines is promising, governments are closely monitoring new COVID variants as these may prove less susceptible to currently available vaccines.
- While the markets appear as though they are looking past COVID, a full recovery to pre-COVID levels of economic activity is not expected to occur until mid-2021 at the earliest.
- As the new administration in the US implements its policy agenda, investors will continue to examine its actions as it relates to monetary and fiscal policy, with a particular focus on economic stimulus, taxation, and broad infrastructure spending.

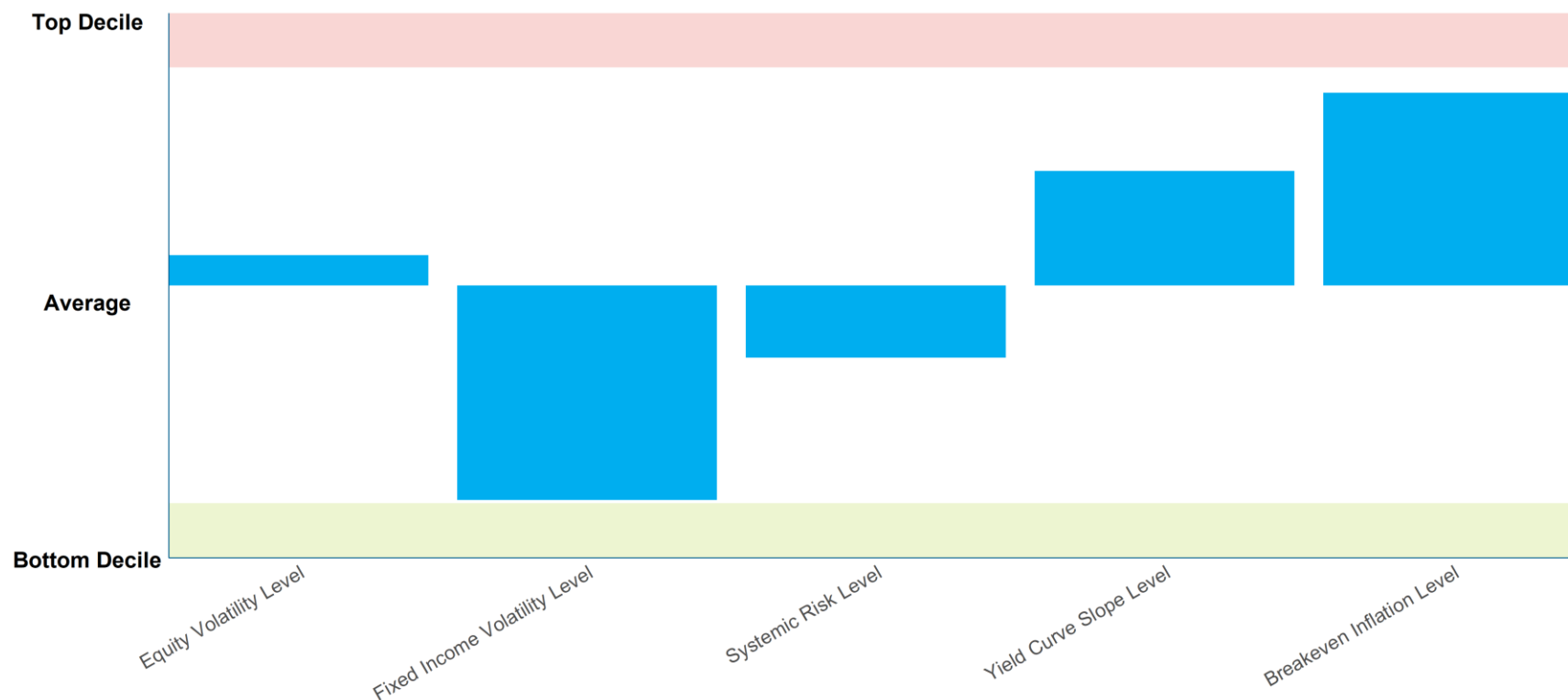
Risk Overview/Dashboard (1) (As of April 30, 2021)¹



- Dashboard (1) summarizes the current state of the different valuation metrics per asset class relative to their own history.

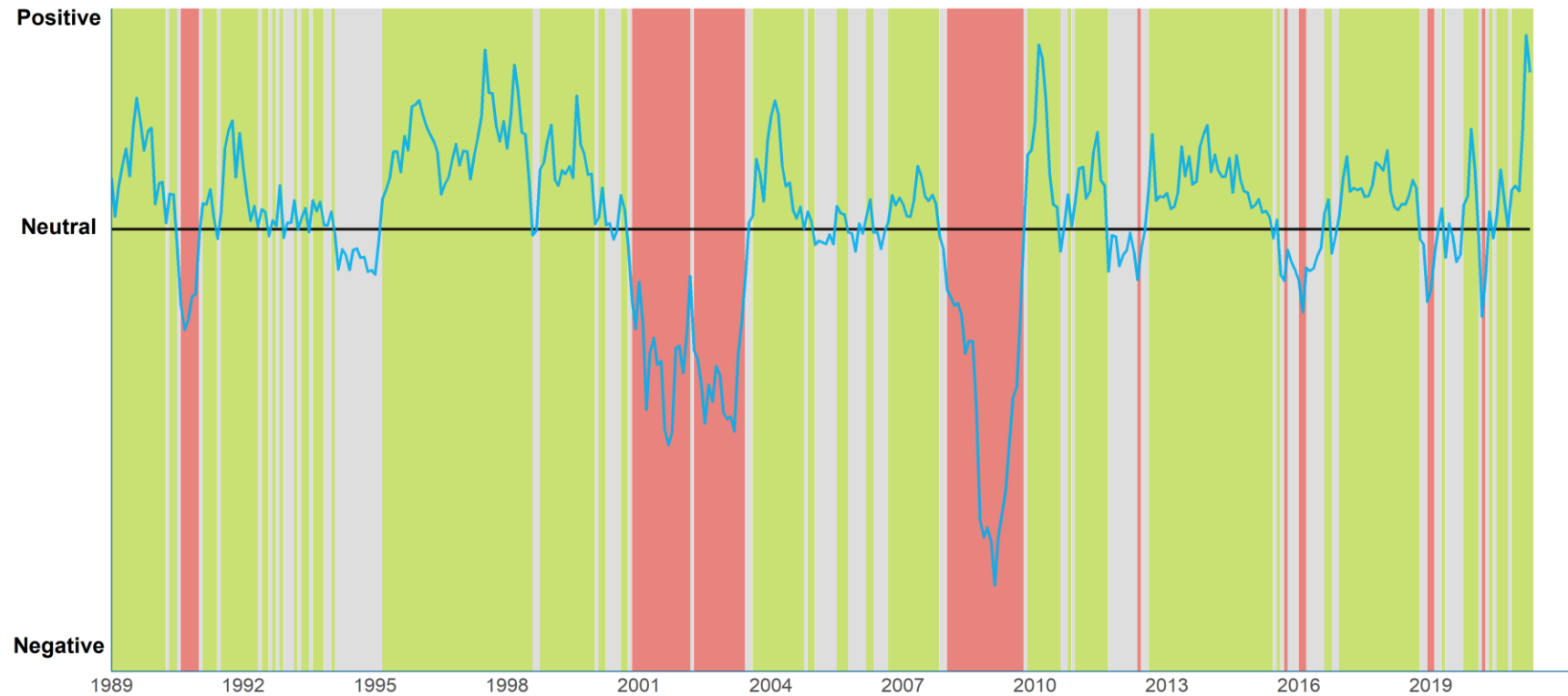
¹ With the exception of Private Equity Valuation, that is YTD as of December 31, 2020.

Risk Overview/Dashboard (2) (As of April 30, 2021)

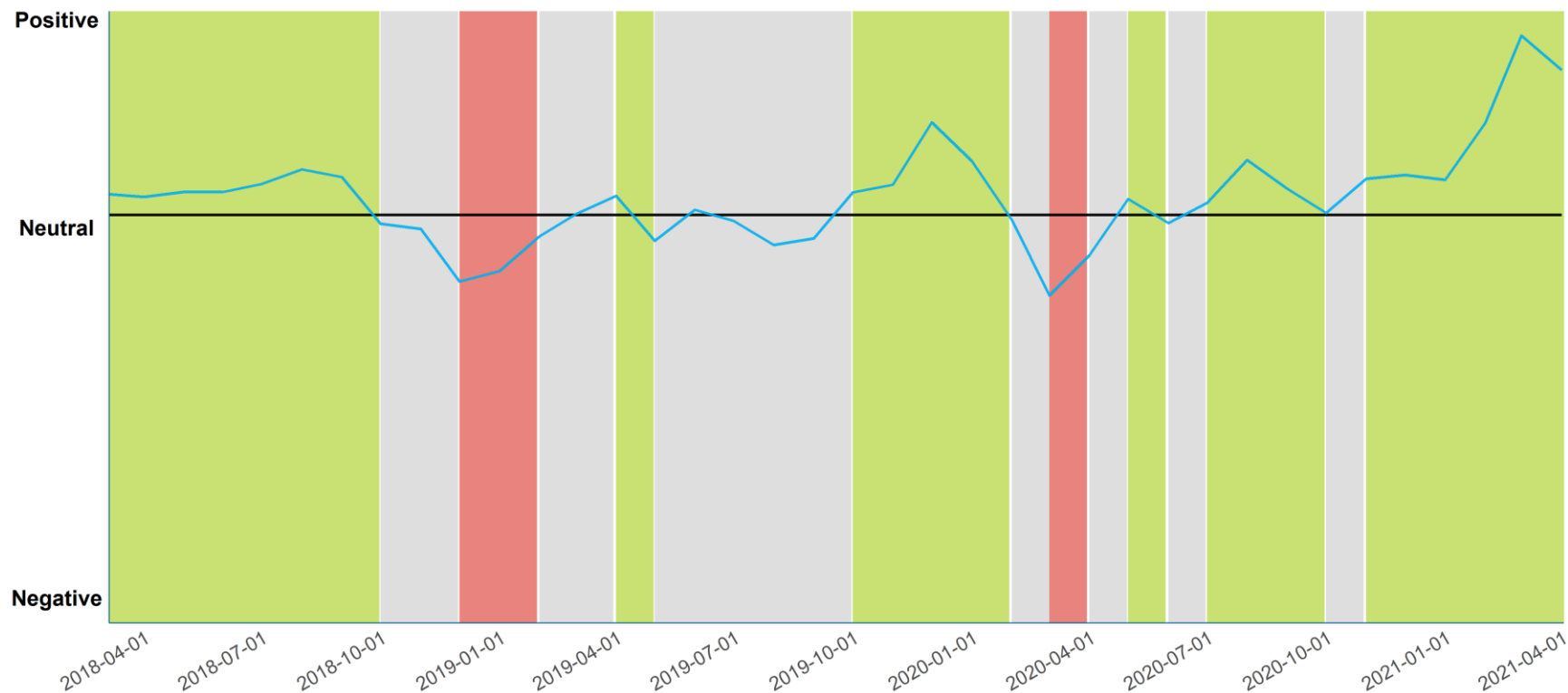


- Dashboard (2) shows how the current level of each indicator compares to its respective history.

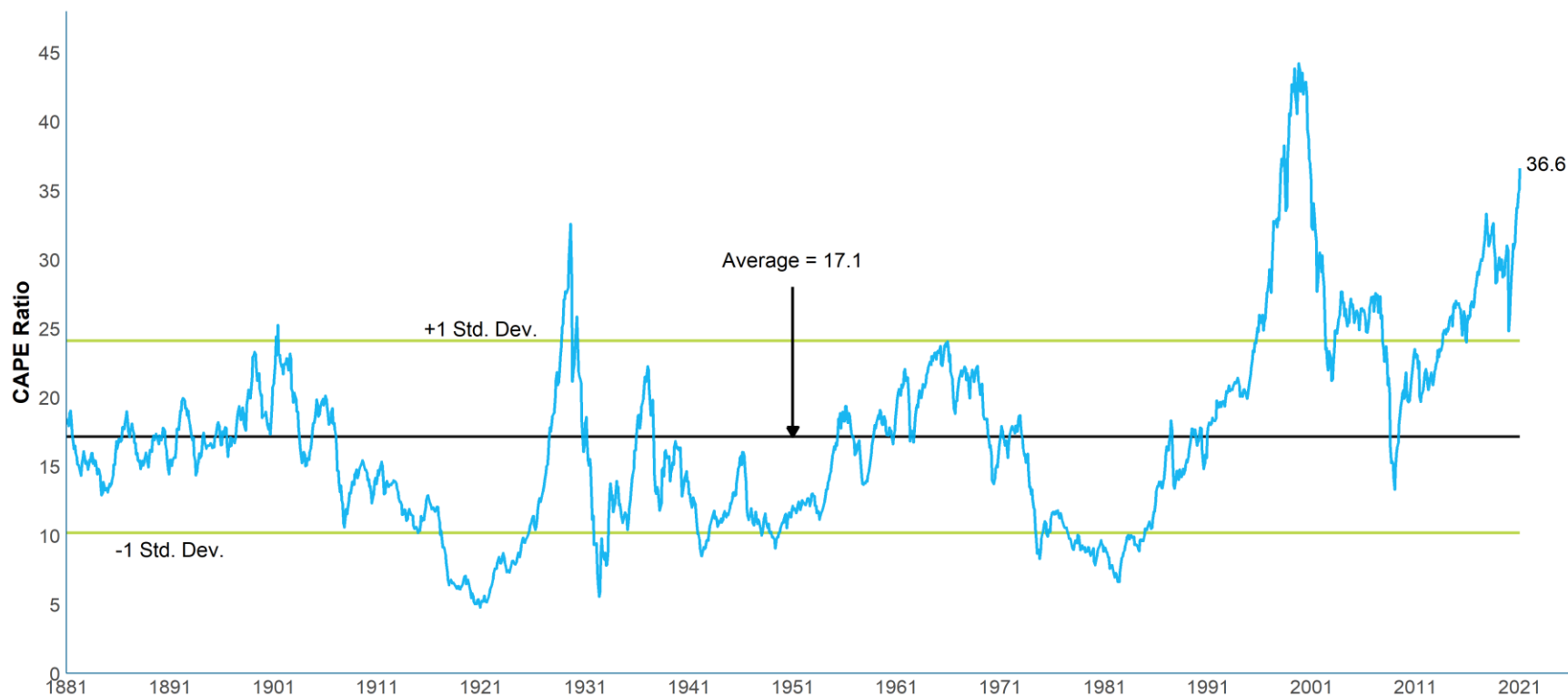
Market Sentiment Indicator (All History) (As of April 30, 2021)



Market Sentiment Indicator (Last Three Years)
(As of April 30, 2021)



US Equity Cyclically Adjusted P/E¹ (As of April 30, 2021)



- This chart details one valuation metric for US equities. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

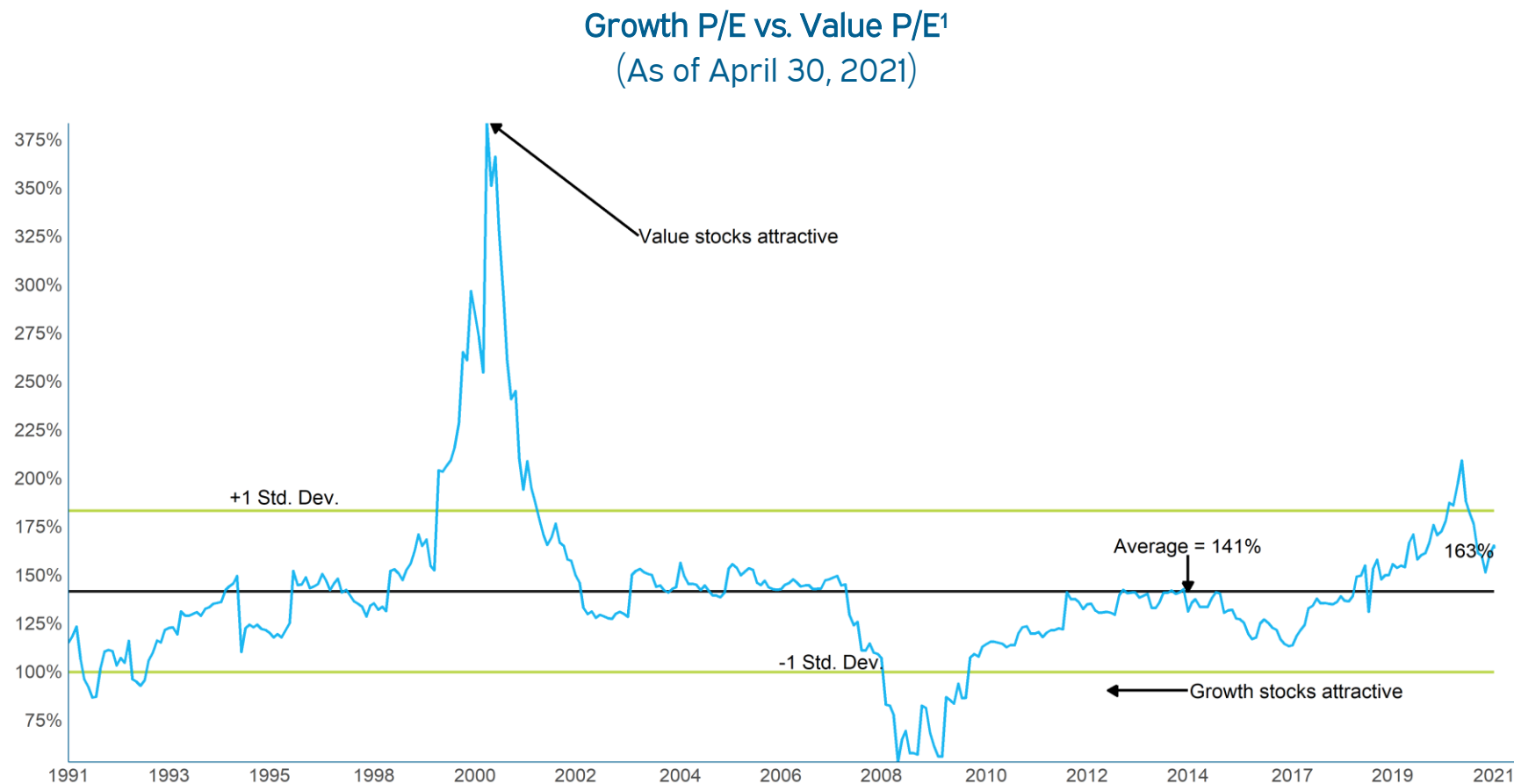
¹ US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group.

Small Cap P/E vs. Large Cap P/E¹ (As of April 30, 2021)



- This chart compares the relative attractiveness of small cap US equities vs. large cap US equities on a valuation basis. A higher (lower) figure indicates that large cap (small cap) is more attractive.

¹ Small Cap P/E (Russell 2000 Index) vs. Large Cap P/E (Russell 1000 Index) - Source: Russell Investments. Earnings figures represent 12-month "as reported" earnings.



- This chart compares the relative attractiveness of US growth equities vs. US value equities on a valuation basis. A higher (lower) figure indicates that value (growth) is more attractive.

¹ Growth P/E (Russell 3000 Growth Index) vs. Value (Russell 3000 Value Index) P/E - Source: Bloomberg, MSCI, and Meketa Investment Group. Earnings figures represent 12-month "as reported" earnings.

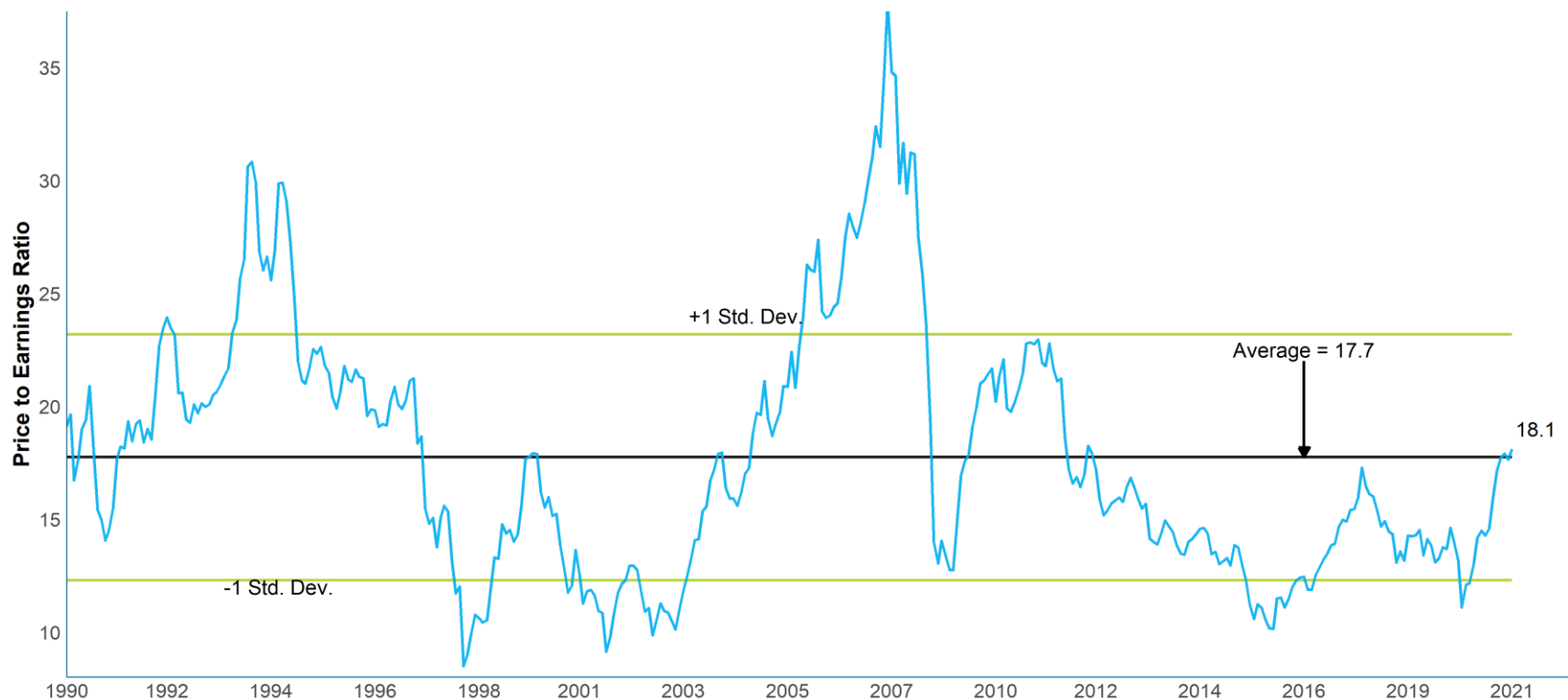
Developed International Equity Cyclically Adjusted P/E¹ (As of April 30, 2021)



- This chart details one valuation metric for developed international equities. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

¹ Developed International Equity (MSCI EAFE Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years.

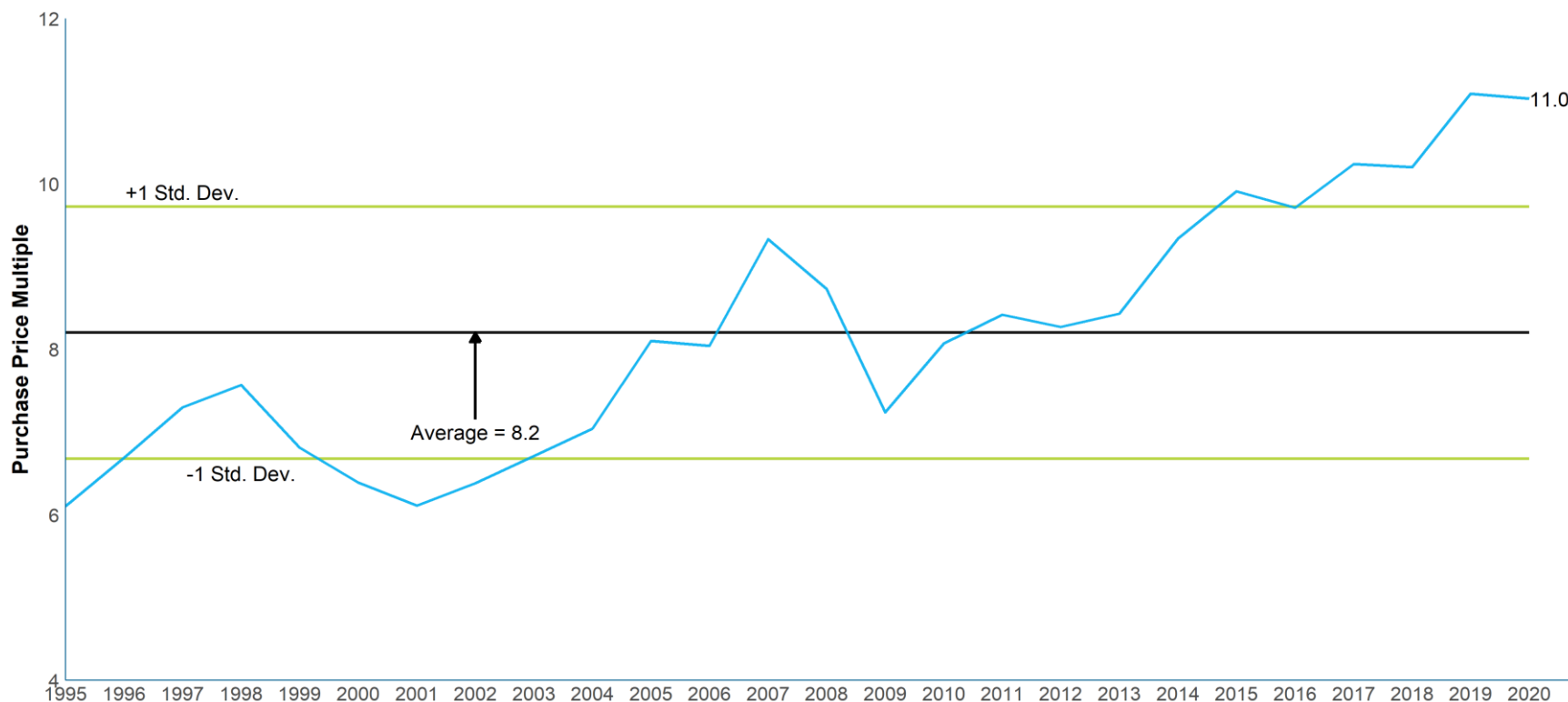
Emerging Market Equity Cyclically Adjusted P/E¹ (As of April 30, 2021)



- This chart details one valuation metric for emerging markets equities. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

¹ Emerging Market Equity (MSCI Emerging Markets Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years.

Private Equity Multiples¹ (As of February 28, 2021)²

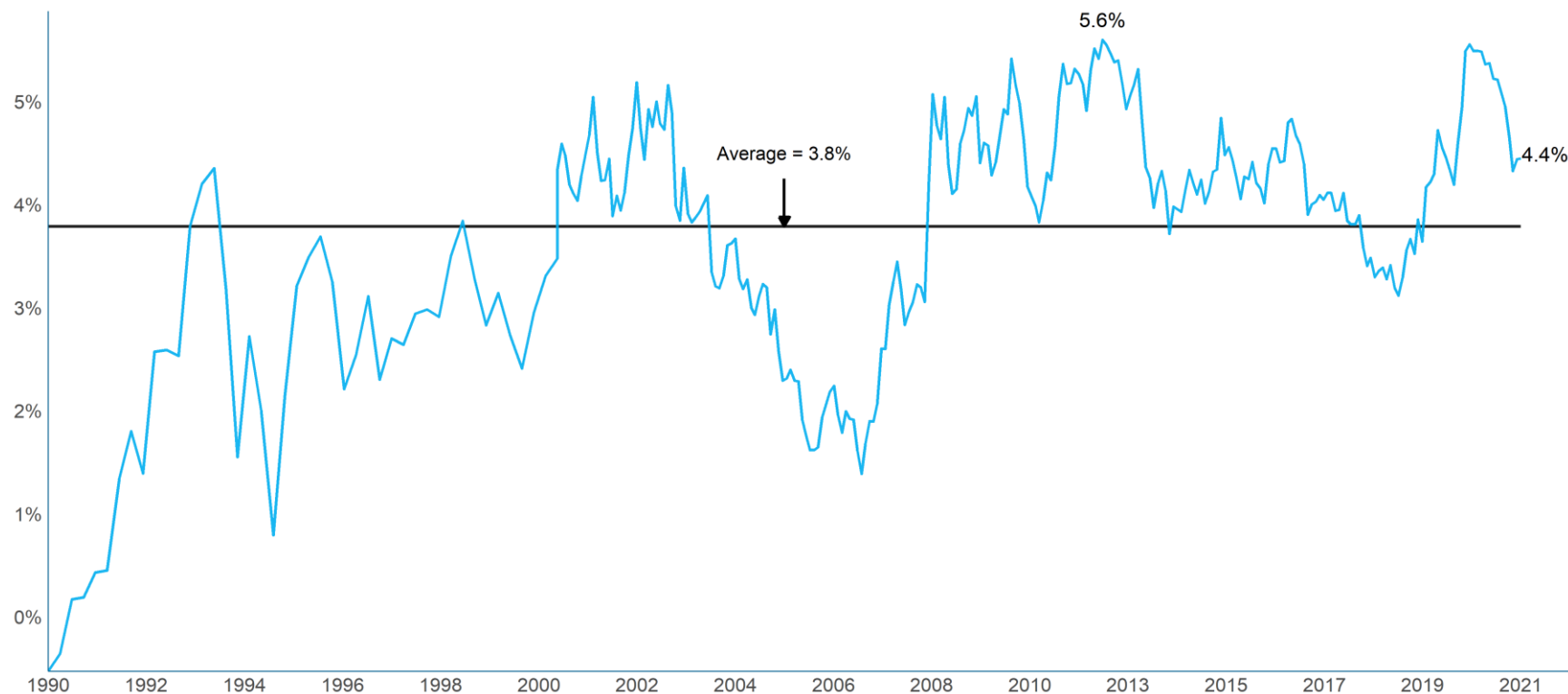


- This chart details one valuation metric for the private equity market. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

¹ Private Equity Multiples – Source: S&P LCD Average EBITDA Multiples Paid in All LBOs.

² Annual Data, as of December 31, 2020

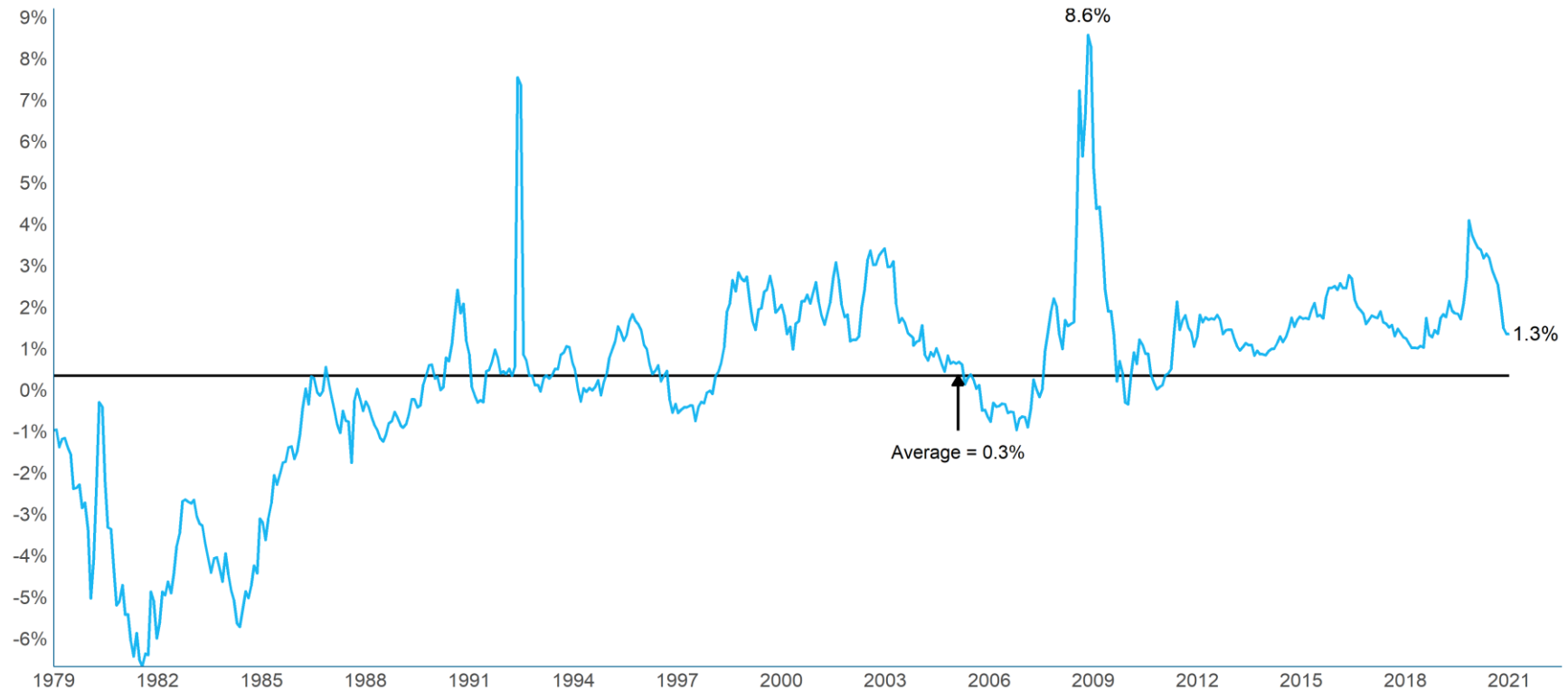
Core Real Estate Spread vs. Ten-Year Treasury¹ (As of April 30, 2021)



- This chart details one valuation metric for the private core real estate market. A higher (lower) figure indicates cheaper (more expensive) valuation.

¹ Core Real Estate Spread vs. Ten-Year Treasury – Source: Real Capital Analytics, US Treasury, Bloomberg, and Meketa Investment Group. Core Real Estate is proxied by weighted sector transaction based indices from Real Capital Analytics and Meketa Investment Group.

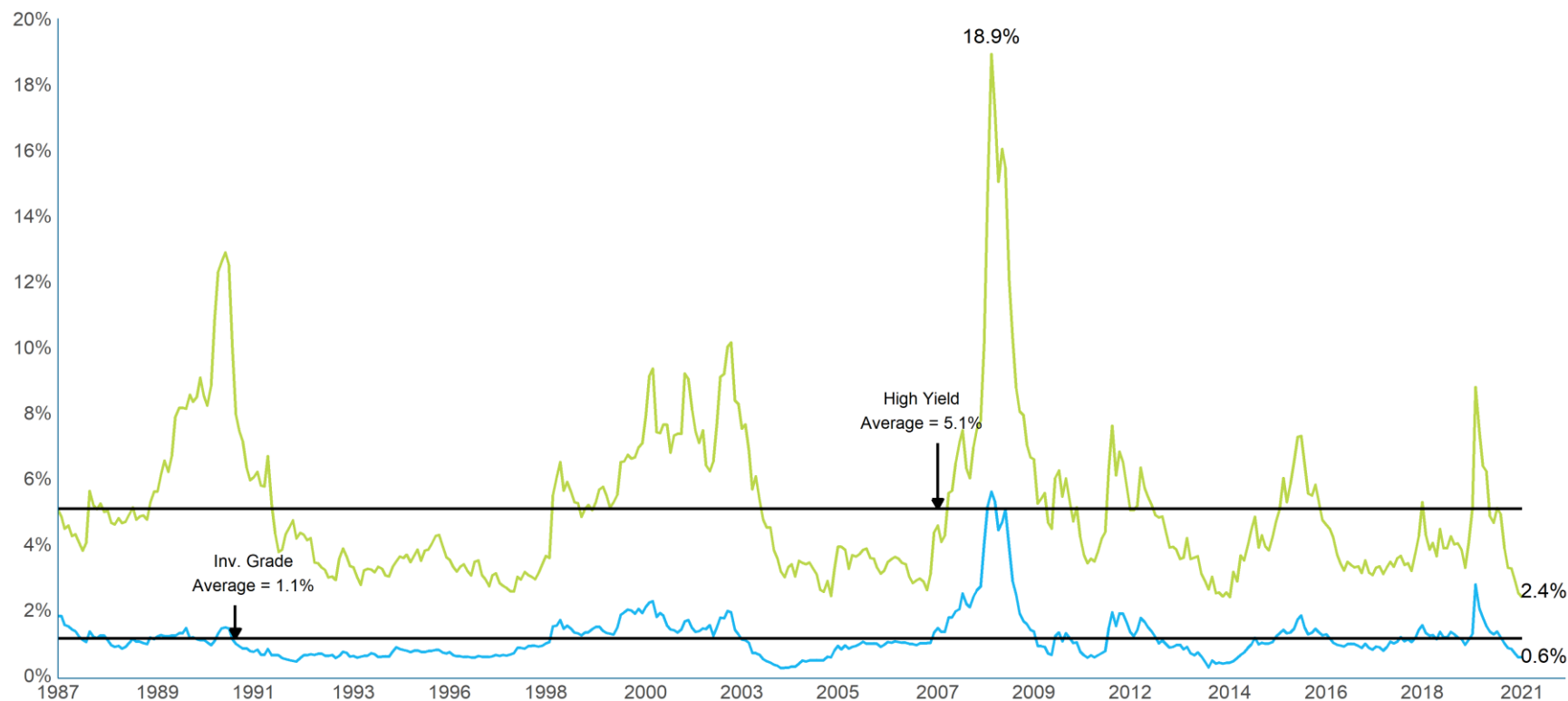
REITs Dividend Yield Spread vs. Ten-Year Treasury¹ (As of April 30, 2021)



- This chart details one valuation metric for the public REITs market. A higher (lower) figure indicates cheaper (more expensive) valuation.

¹ REITs Dividend Yield Spread vs. Ten-Year Treasury – Source: NAREIT, US Treasury. REITs are proxied by the yield for the NAREIT Equity index.

Credit Spreads¹ (As of April 30, 2021)



- This chart details one valuation metric for the US credit markets. A higher (lower) figure indicates cheaper (more expensive) valuation relative to history.

¹ Credit Spreads – Source: Barclays Capital. High Yield is proxied by the Barclays High Yield index and Investment Grade Corporates are proxied by the Barclays US Corporate Investment Grade index. Spread is calculated as the difference between the Yield to Worst of the respective index and the 10-Year US Treasury yield.

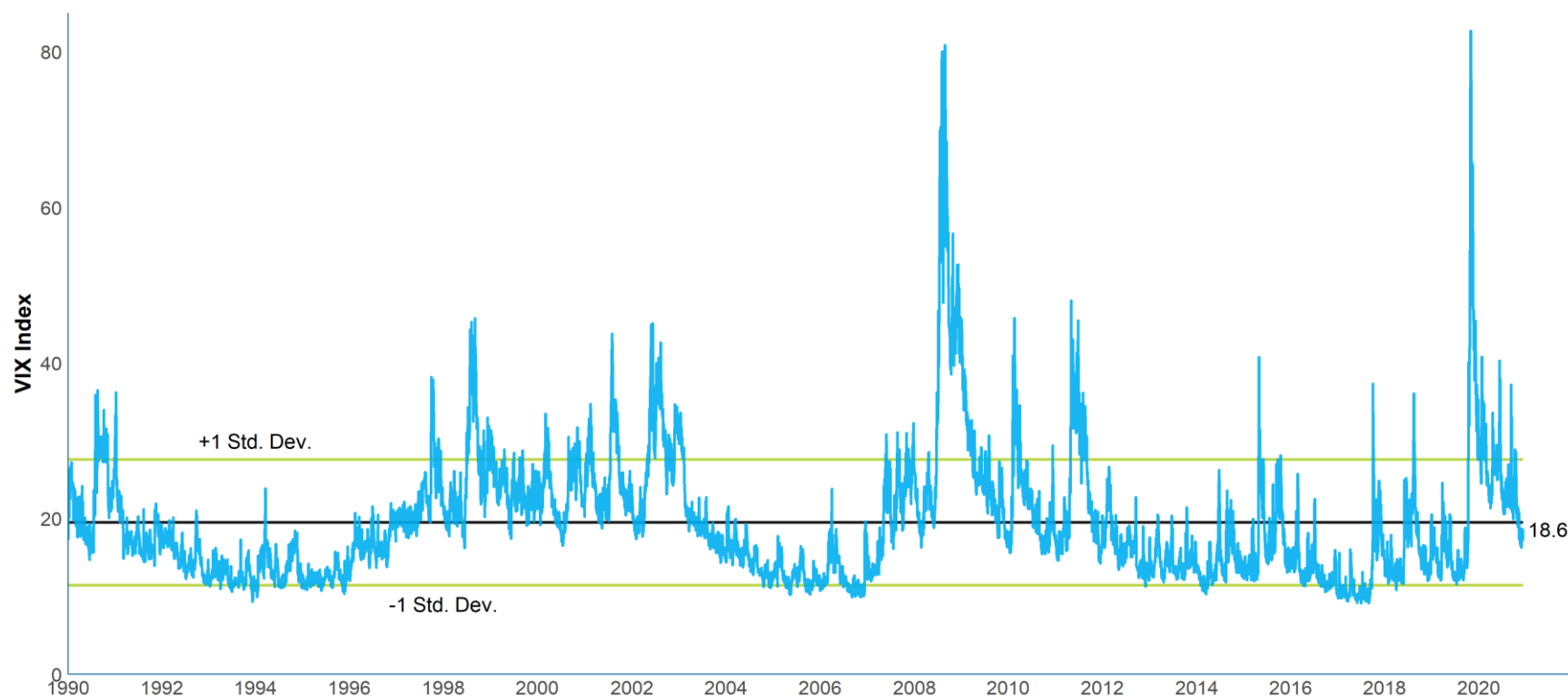
Emerging Market Debt Spreads¹ (As of April 30, 2021)



- This chart details one valuation metric for the EM debt markets. A higher (lower) figure indicates cheaper (more expensive) valuation relative to history.

¹ EM Spreads – Source: Bloomberg. Option Adjusted Spread (OAS) for the Bloomberg Barclays EM USD Aggregate Index.

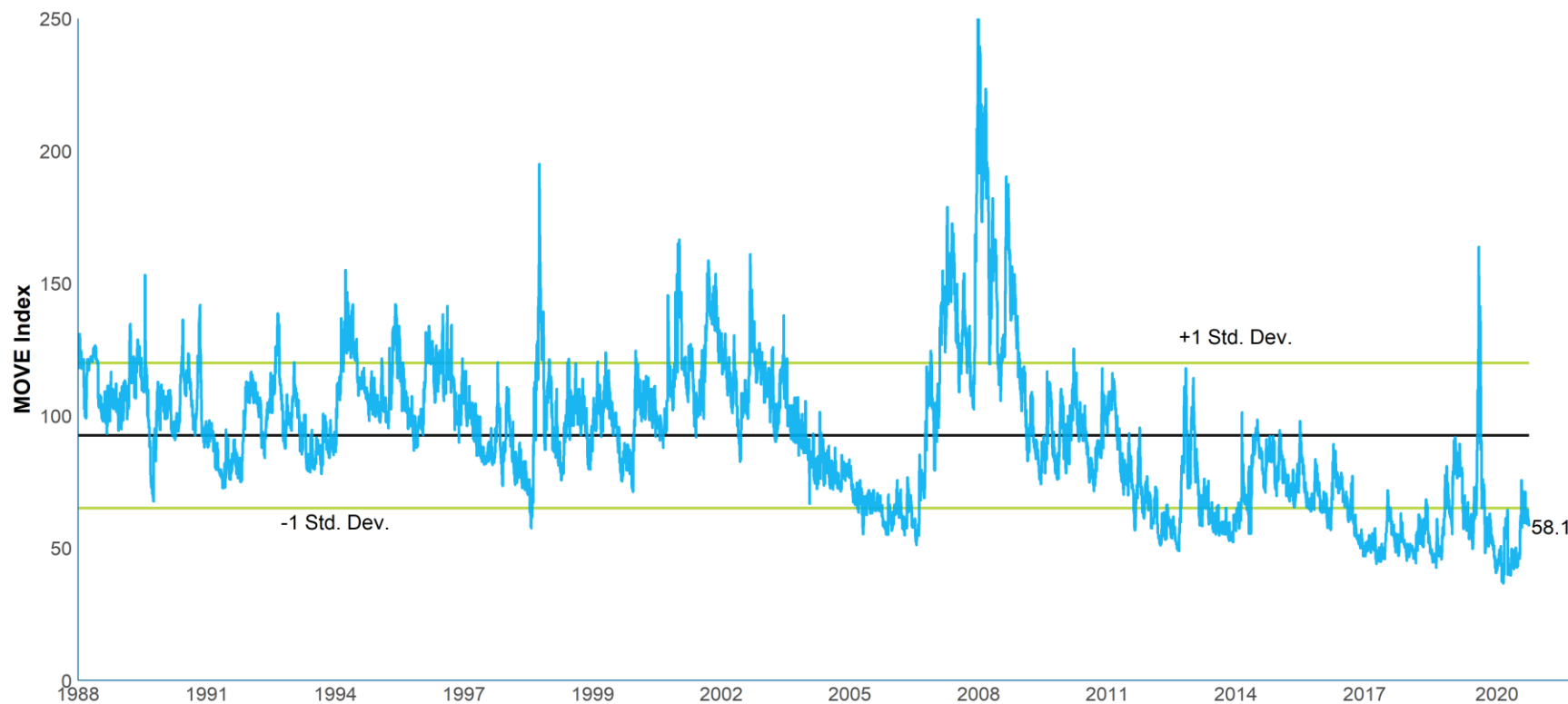
Equity Volatility¹ (As of April 30, 2021)



- This chart details historical implied equity market volatility. This metric tends to increase during times of stress/fear and while declining during more benign periods.

¹ Equity Volatility – Source: Bloomberg, and Meketa Investment Group. Equity Volatility proxied by VIX Index, a Measure of implied option volatility for US equity markets.

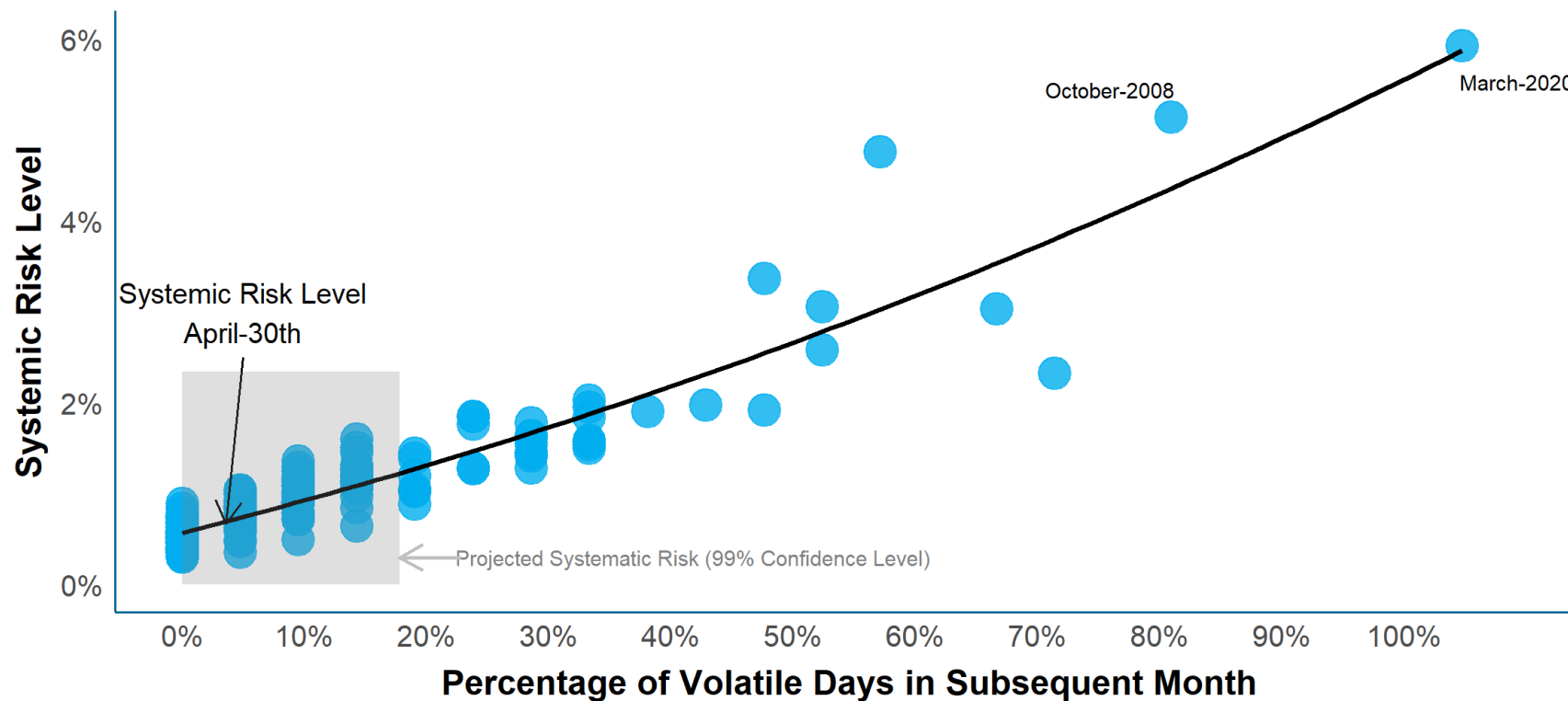
Fixed Income Volatility¹ (As of April 30, 2021)



- This chart details historical implied fixed income market volatility. This metric tends to increase during times of stress/fear and while declining during more benign periods.

¹ Fixed Income Volatility – Source: Bloomberg, and Meketa Investment Group. Fixed Income Volatility proxied by MOVE Index, a Measure of implied option volatility for US Treasury markets.

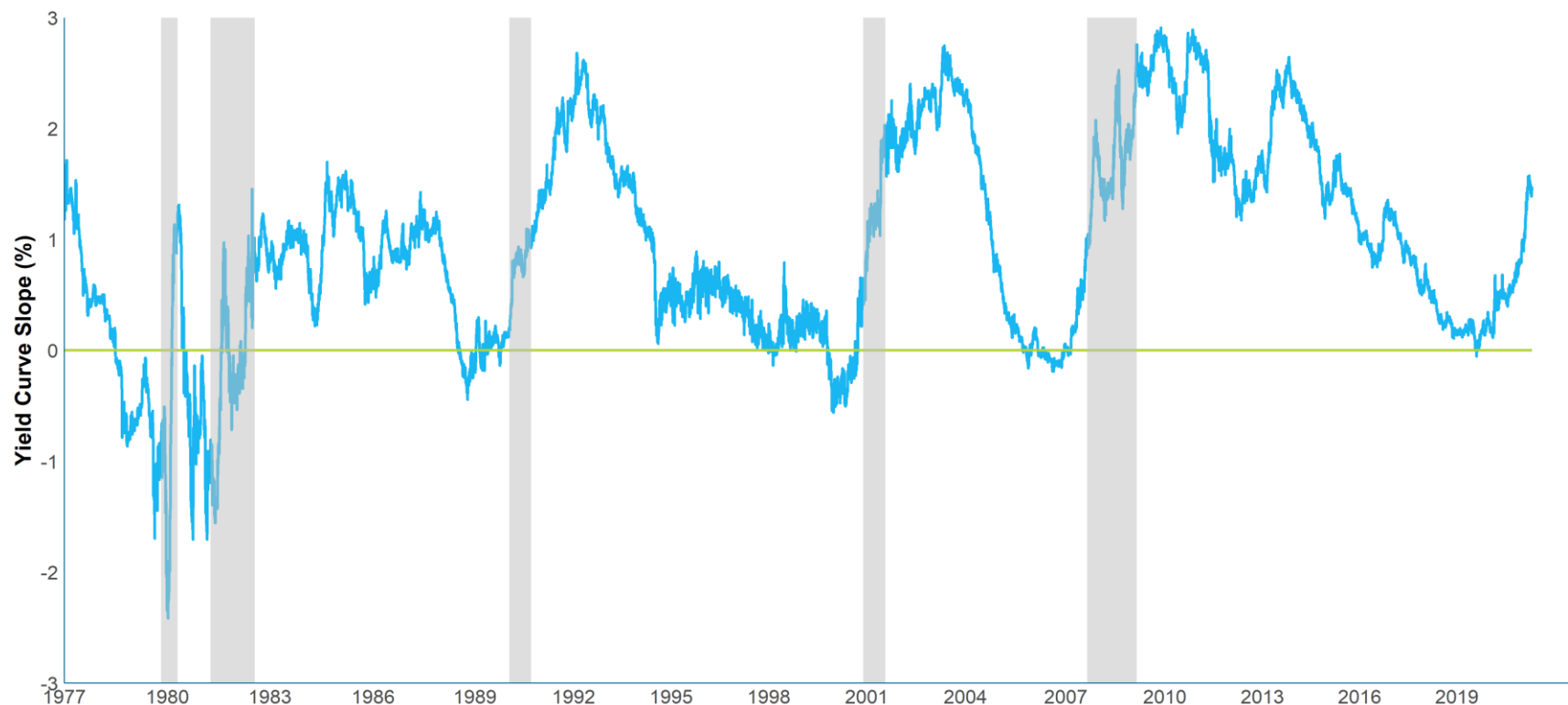
Systemic Risk and Volatile Market Days¹ (As of April 30, 2021)



- Systemic Risk is a measure of 'System-wide' risk, which indicates herding type behavior.

¹ Source: Meketa Investment Group. Volatile days are defined as the top 10 percent of realized turbulence, which is a multivariate distance between asset returns.

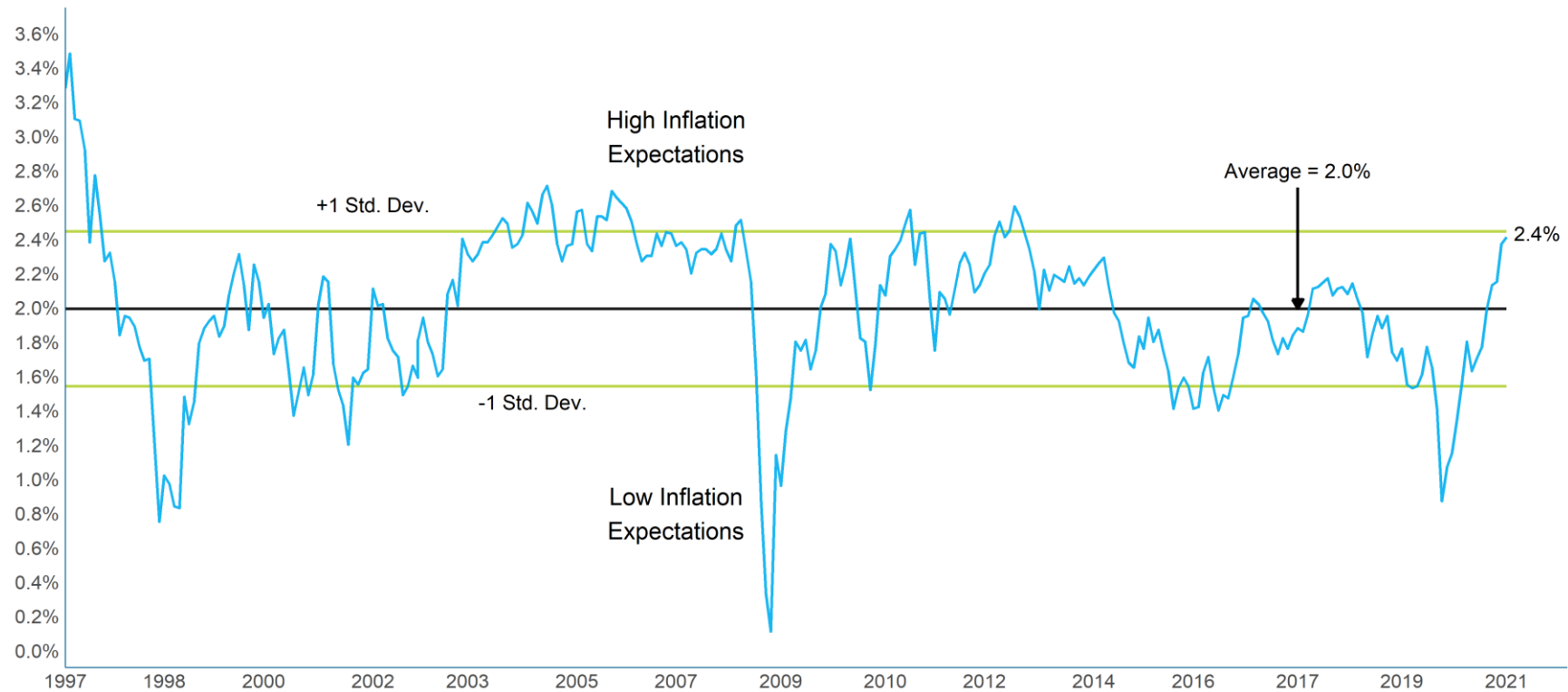
Yield Curve Slope (Ten Minus Two)¹
(As of April 30, 2021)



- This chart details the historical difference in yields between ten-year and two-year US Treasury bonds/notes. A higher (lower) figure indicates a steeper (flatter) yield curve slope.

¹ Yield Curve Slope (Ten Minus Two) – Source: Bloomberg, and Meketa Investment Group. Yield curve slope is calculated as the difference between the 10-Year US Treasury Yield and 2-Year US Treasury Yield.

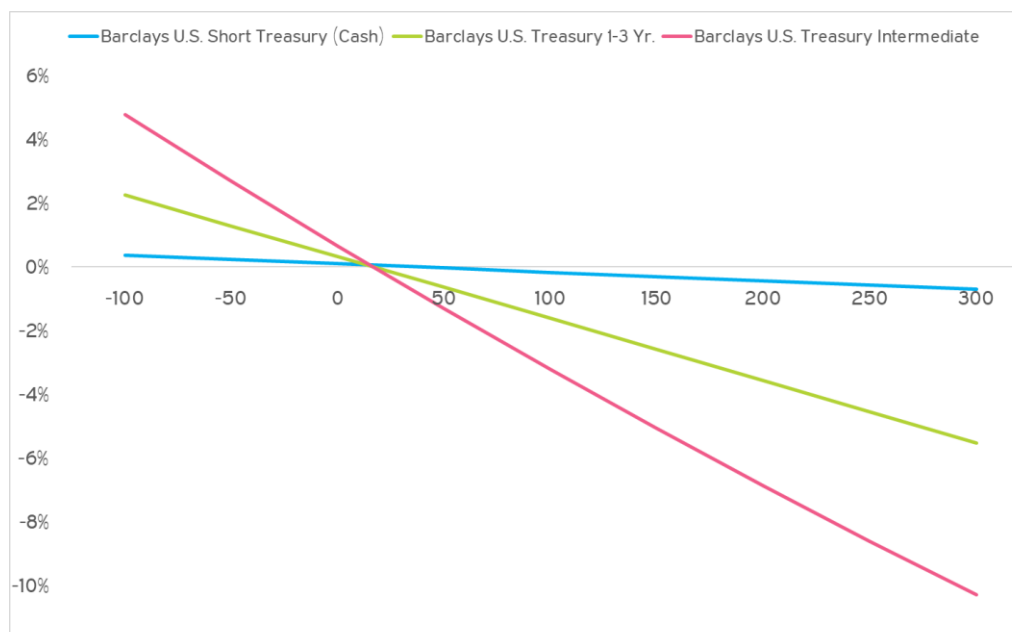
Ten-Year Breakeven Inflation¹ (As of April 30, 2021)



- This chart details the difference between nominal and inflation-adjusted US Treasury bonds. A higher (lower) figure indicates higher (lower) inflation expectations.

¹ Ten-Year Breakeven Inflation – Source: US Treasury and Federal Reserve. Inflation is measured by the Consumer Price Index (CPI-U NSA).

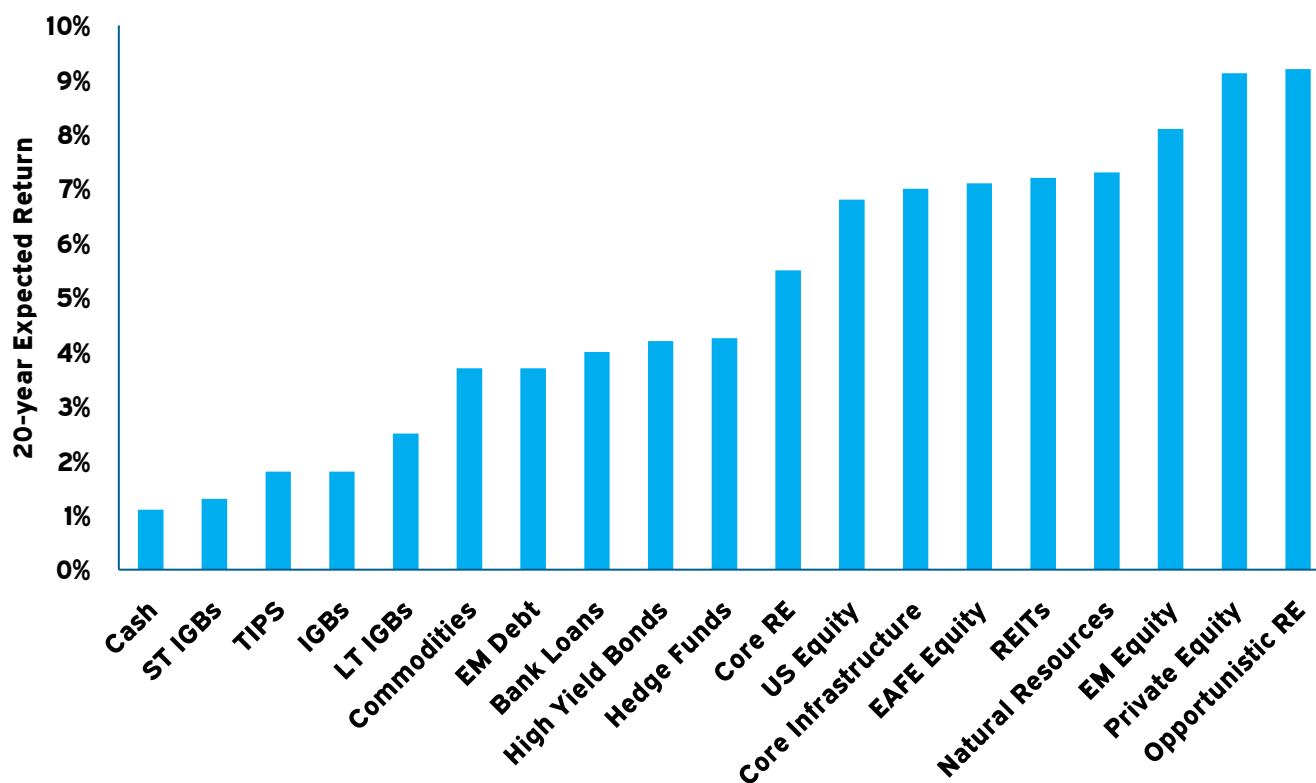
Total Return Given Changes in Interest Rates (bps)¹ (As of March 31, 2021)



	Total Return for Given Changes in Interest Rates (bps)									Statistics	
	-100	-50	0	50	100	150	200	250	300	Duration	YTW
Barclays US Short Treasury (Cash)	0.4%	0.2%	0.1%	-0.1%	-0.2%	-0.3%	-0.5%	-0.6%	-0.7%	0.27	0.08%
Barclays US Treasury 1-3 Yr.	2.2%	1.3%	0.3%	-0.7%	-1.6%	-2.6%	-3.6%	-4.6%	-5.5%	1.93	0.31%
Barclays US Treasury Intermediate	4.8%	2.7%	0.6%	-1.3%	-3.2%	-5.1%	-6.9%	-8.6%	-10.3%	4	0.64%
Barclays US Treasury Long	23.0%	12.1%	2.2%	-6.6%	-14.3%	-20.9%	-26.4%	-30.9%	-34.3%	18.65	2.22%

¹ Data represents the expected total return from a given change in interest rates (shown in basis points) over a 12-month period assuming a parallel shift in rates. Source: Bloomberg, and Meketa Investment Group.

Long-Term Outlook – 20-Year Annualized Expected Returns¹



- This chart details Meketa’s long-term forward-looking expectations for total returns across asset classes.

¹ Source: Meketa Investment Group’s 2021 Annual Asset Study.

Appendix

Data Sources and Explanations¹

- US Equity Cyclically Adjusted P/E on S&P 500 Index – Source: Robert Shiller and Yale University.
- Small Cap P/E (Russell 2000 Index) vs. Large Cap P/E (Russell 1000 Index) – Source: Russell Investments. Earnings figures represent 12-month “as reported” earnings.
- Growth P/E (Russell 3000 Growth Index) vs. Value (Russell 3000 Value Index) P/E – Source: Bloomberg, MSCI, and Meketa Investment Group. Earnings figures represent 12-month “as reported” earnings.
- Developed International Equity (MSCI EAFE) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years.
- Emerging Market Equity (MSCI Emerging Markets Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years.
- Private Equity Multiples – Source: S&P LCD Average EBITDA Multiples Paid in All LBOs.
- Core Real Estate Spread vs. Ten-Year Treasury – Source: Real Capital Analytics, US Treasury, Bloomberg, and Meketa Investment Group. Core Real Estate is proxied by weighted sector transaction based indices from Real Capital Analytics and Meketa Investment Group.

¹ All Data as of April 30, 2021 unless otherwise noted.

Appendix

Data Sources and Explanations¹

- REITs Dividend Yield Spread vs. Ten-Year Treasury – Source: NAREIT, US Treasury. REITs are proxied by the yield for the NAREIT Equity index.
- Credit Spreads – Source: Barclays Capital. High Yield is proxied by the Barclays High Yield index and Investment Grade Corporates are proxied by the Barclays US Corporate Investment Grade index.
 - Spread is calculated as the difference between the Yield to Worst of the respective index and the 10-Year Treasury Yield.
- EM Debt Spreads – Source: Bloomberg, and Meketa Investment Group. Option Adjusted Spread (OAS) for the Bloomberg Barclays EM USD Aggregate Index.
- Equity Volatility – Source: Bloomberg, and Meketa Investment Group. Equity Volatility proxied by VIX Index, a Measure of implied option volatility for US equity markets.
- Fixed Income Volatility – Source: Bloomberg, and Meketa Investment Group. Equity Volatility proxied by MOVE Index, a Measure of implied option volatility for US Treasury markets.
- Systemic Risk and Volatile Market Days – Source: Meketa Investment Group. Volatile days are defined as the top 10 percent of realized turbulence, which is a multivariate distance between asset returns.
- Systemic Risk, which measures risk across markets, is important because the more contagion of risk that exists between assets, the more likely it is that markets will experience volatile periods.

¹ All Data as of April 30, 2021 unless otherwise noted.

Appendix

Data Sources and Explanations¹

- Yield Curve Slope (Ten Minus Two) – Source: Bloomberg, and Meketa Investment Group. Yield curve slope is calculated as the difference between the 10-Year US Treasury Yield and 2-Year US Treasury Yield.
- Ten-Year Breakeven Inflation – Source: US Treasury and Federal Reserve. Inflation is measured by the Consumer Price Index (CPI-U NSA).

¹ All Data as of April 30, 2021 unless otherwise noted.

Meketa Market Sentiment Indicator

Explanation, Construction and Q&A

Meketa has created the MIG Market Sentiment Indicator (MIG-MSI) to complement our valuation-focused Risk Metrics. This measure of sentiment is meant to capture significant and persistent shifts in long-lived market trends of economic growth risk, either towards a risk-seeking trend or a risk-aversion trend.

This appendix explores:

- What is the Meketa Market Sentiment Indicator?
- How do I read the indicator graph?
- How is the Meketa Market Sentiment Indicator constructed?
- What do changes in the indicator mean?

Meketa has created a market sentiment indicator for monthly publication (the MIG-MSI – see below) to complement Meketa's Risk Metrics.

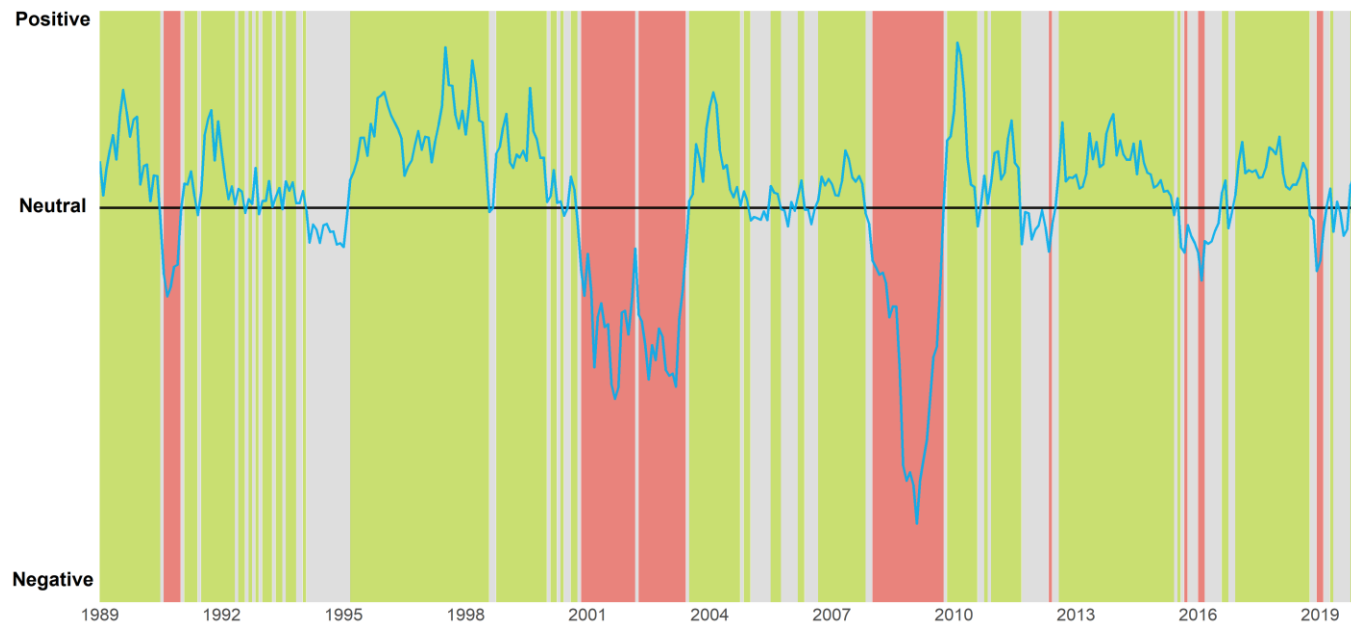
- Meketa's Risk Metrics, which rely significantly on standard market measures of relative valuation, often provide valid early signals of increasing long-term risk levels in the global investment markets. However, as is the case with numerous valuation measures, the Risk Metrics may convey such risk concerns long before a market corrections take place. The MIG-MSI helps to address this early-warning bias by measuring whether the markets are beginning to acknowledge key Risk Metrics trends, and / or indicating non-valuation based concerns. Once the MIG-MSI indicates that the market sentiment has shifted, it is our belief that investors should consider significant action, particularly if confirmed by the Risk Metrics. Importantly, Meketa believes the Risk Metrics and MIG-MSI should always be used in conjunction with one another and never in isolation. The questions and answers below highlight and discuss the basic underpinnings of the Meketa MIG-MSI:

What is the Meketa Market Sentiment Indicator (MIG-MSI)?

- The MIG-MSI is a measure meant to gauge the market's sentiment regarding economic growth risk. Growth risk cuts across most financial assets, and is the largest risk exposure that most portfolios bear. The MIG-MSI takes into account the momentum (trend over time, positive or negative) of the economic growth risk exposure of publicly traded stocks and bonds, as a signal of the future direction of growth risk returns; either positive (risk seeking market sentiment), or negative (risk averse market sentiment).

How do I read the Meketa Market Sentiment Indicator graph?

- Simply put, the MIG-MSI is a color-coded indicator that signals the market's sentiment regarding economic growth risk. It is read left to right chronologically. A green indicator on the MIG-MSI indicates that the market's sentiment towards growth risk is positive. A gray indicator indicates that the market's sentiment towards growth risk is neutral or inconclusive. A red indicator indicates that the market's sentiment towards growth risk is negative. The black line on the graph is the level of the MIG-MSI. The degree of the signal above or below the neutral reading is an indication the signal's current strength.
- Momentum as we are defining it is the use of the past behavior of a series as a predictor of its future behavior.



How is the Meketa Market Sentiment Indicator (MIG-MSI) Constructed?

- The MIG-MSI is constructed from two sub-elements representing investor sentiment in stocks and bonds:
 - Stock return momentum: Return momentum for the S&P 500 Equity Index (trailing 12-months).
 - Bond yield spread momentum: Momentum of bond yield spreads (excess of the measured bond yield over the identical duration US Treasury bond yield) for corporate bonds (trailing 12-months) for both investment grade bonds (75% weight) and high yield bonds (25% weight).
 - Both measures are converted to Z-scores and then combined to get an “apples to apples” comparison without the need of re-scaling.
- The black line reading on the graph is calculated as the average of the stock return momentum measure and the bonds spread momentum measure¹. The color reading on the graph is determined as follows:
 - If both stock return momentum and bond spread momentum are positive = GREEN (positive).
 - If one of the momentum indicators is positive, and the other negative = GRAY (inconclusive).
 - If both stock return momentum and bond spread momentum are negative = RED (negative).

¹ Momentum as we are defining it is the use of the past behavior of a series as a predictor of its future behavior.

“Time Series Momentum” Moskowitz, Ooi, Pedersen, August 2010. <http://pages.stern.nyu.edu/~lpederse/papers/TimeSeriesMomentum.pdf>

What does the Meketa Market Sentiment Indicator (MIG-MSI) mean? Why might it be useful?

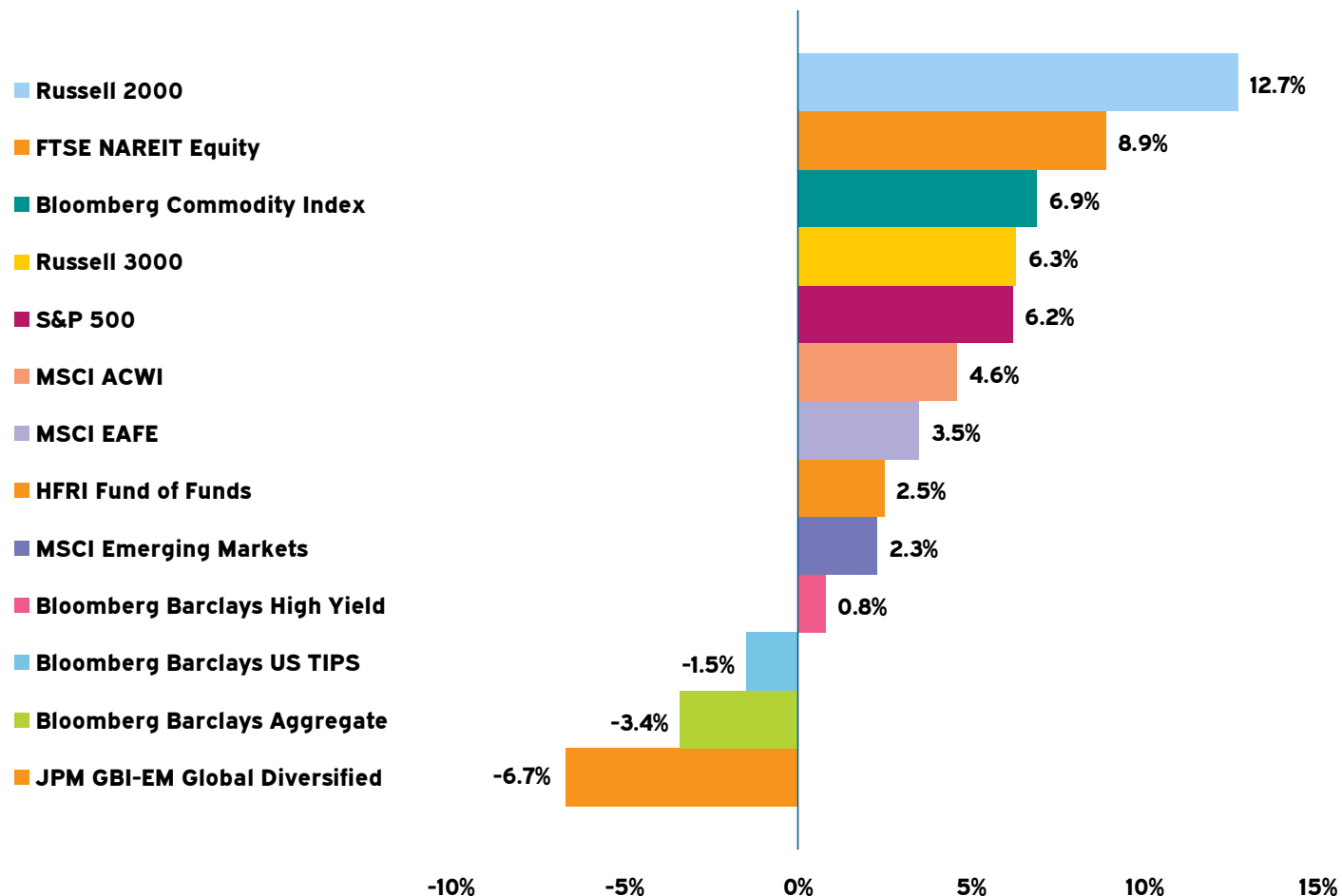
- There is strong evidence that time series momentum is significant and persistent. In particular, across an extensive array of asset classes, the sign of the trailing 12-month return (positive or negative) is indicative of future returns (positive or negative) over the next 12-month period. The MIG-MSI is constructed to measure this momentum in stocks and corporate bond spreads. A reading of green or red is agreement of both the equity and bond measures, indicating that it is likely that this trend (positive or negative) will continue over the next 12 months. When the measures disagree, the indicator turns gray. A gray reading does not necessarily mean a new trend is occurring, as the indicator may move back to green, or into the red from there. The level of the reading (black line) and the number of months at the red or green reading, gives the user additional information on which to form an opinion, and potentially take action.

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The World Markets First Quarter of 2021

The World Markets¹ First Quarter of 2021



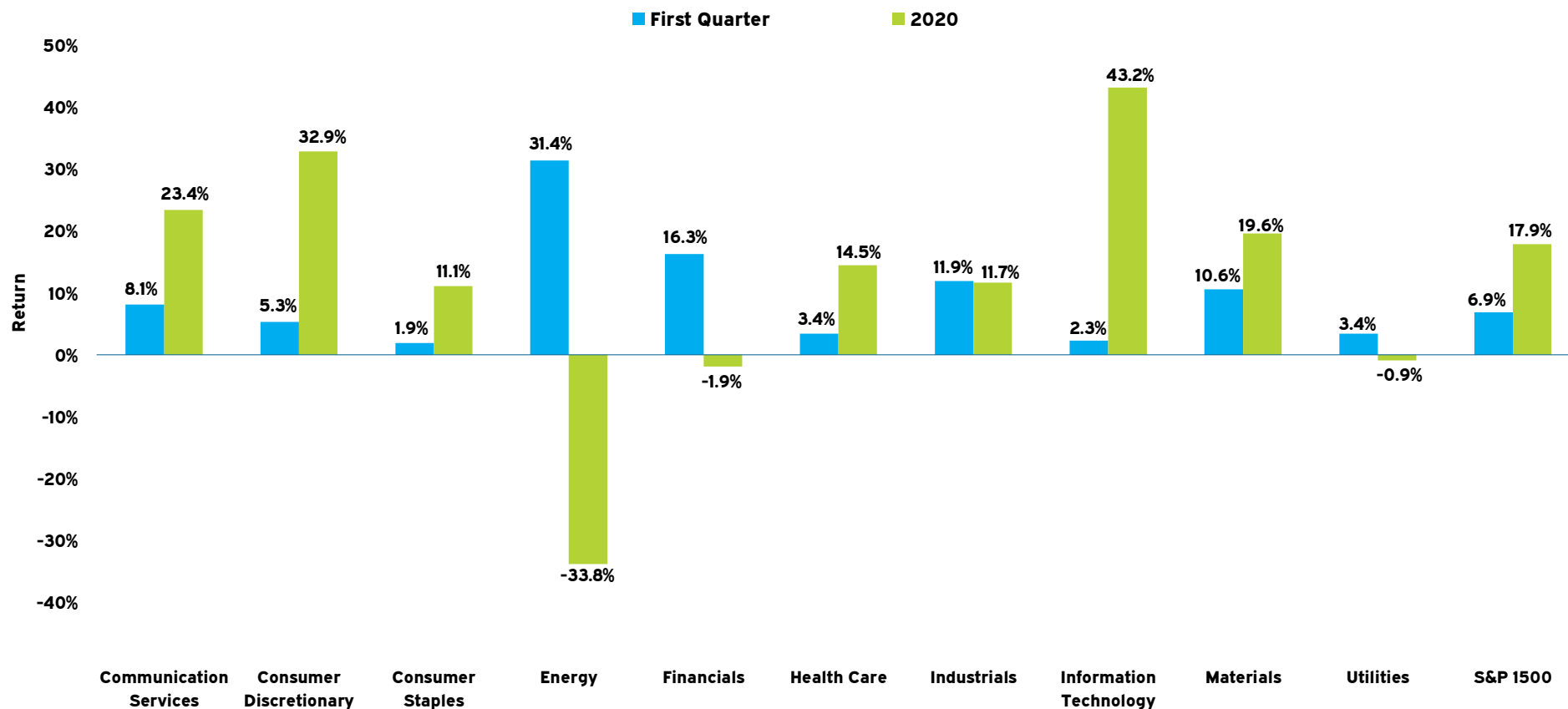
¹ Source: InvestorForce.

Index Returns¹

	1Q21 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Domestic Equity					
S&P 500	6.2	56.4	16.8	16.3	13.9
Russell 3000	6.3	62.5	17.1	16.6	13.8
Russell 1000	5.9	60.6	17.3	16.7	14.0
Russell 1000 Growth	0.9	62.7	22.8	21.0	16.6
Russell 1000 Value	11.3	56.1	11.0	11.7	11.0
Russell MidCap	8.1	73.6	14.7	14.7	12.5
Russell MidCap Growth	-0.6	68.6	19.4	18.4	14.1
Russell MidCap Value	13.1	73.8	10.7	11.6	11.1
Russell 2000	12.7	94.9	14.8	16.4	11.7
Russell 2000 Growth	4.9	90.2	17.2	18.6	13.0
Russell 2000 Value	21.2	97.1	11.6	13.6	10.1
Foreign Equity					
MSCI ACWI (ex. US)	3.5	49.4	6.5	9.8	4.9
MSCI EAFE	3.5	44.6	6.0	8.8	5.5
MSCI EAFE (Local Currency)	7.6	36.6	7.1	8.8	7.5
MSCI EAFE Small Cap	4.5	62.0	6.3	10.5	8.0
MSCI Emerging Markets	2.3	58.4	6.5	12.1	3.7
MSCI Emerging Markets (Local Currency)	4.0	53.0	9.3	12.9	6.9
Fixed Income					
Bloomberg Barclays Universal	-3.1	3.0	4.9	3.6	3.8
Bloomberg Barclays Aggregate	-3.4	0.7	4.7	3.1	3.4
Bloomberg Barclays US TIPS	-1.5	7.5	5.7	3.9	3.4
Bloomberg Barclays High Yield	0.8	23.7	6.8	8.1	6.5
JPM GBI-EM Global Diversified	-6.7	13.0	-0.8	3.1	0.5
Other					
FTSE NAREIT Equity	8.9	37.8	9.5	5.3	8.6
Bloomberg Commodity Index	6.9	35.0	-0.2	2.3	-6.3
HFRI Fund of Funds	2.5	24.6	5.6	5.7	3.5

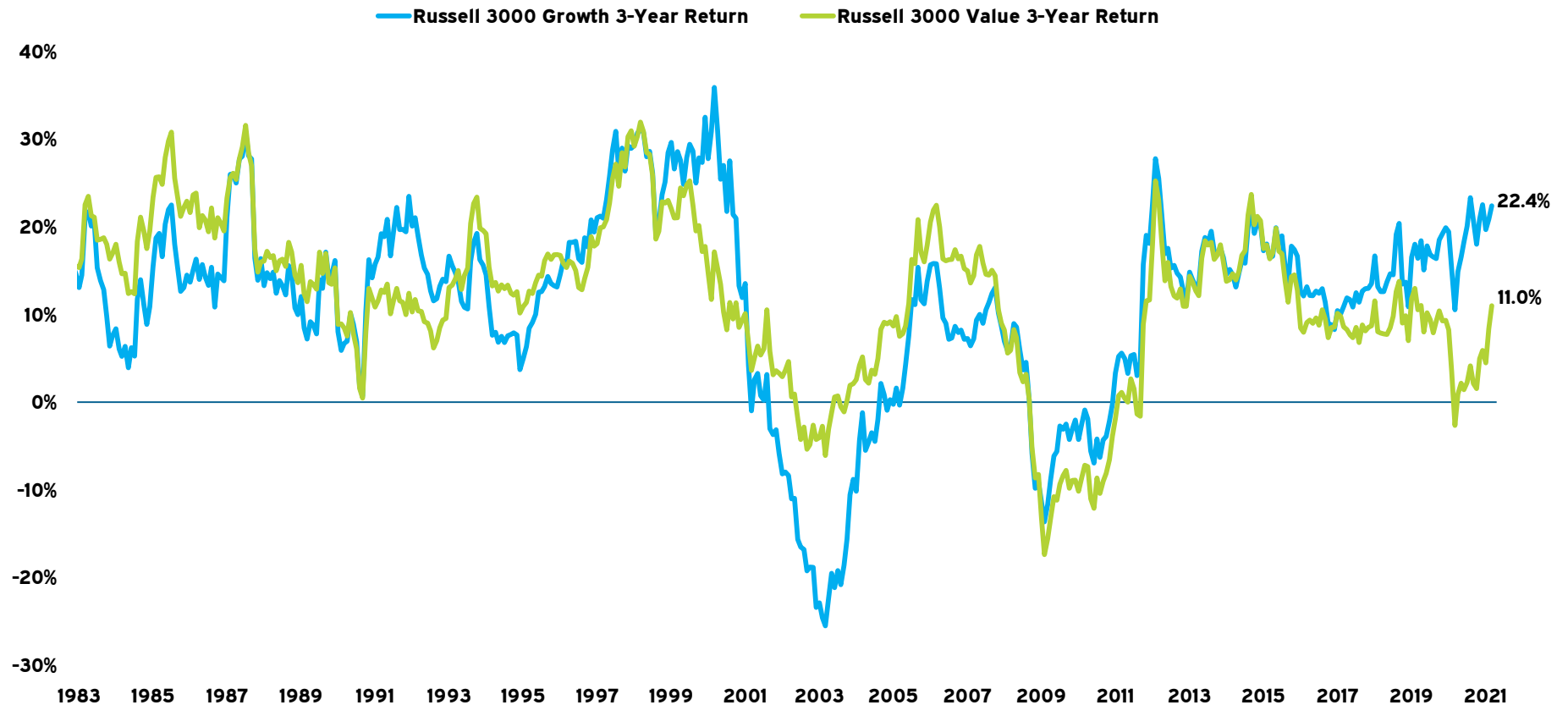
¹ Source: InvestorForce.

S&P Sector Returns¹



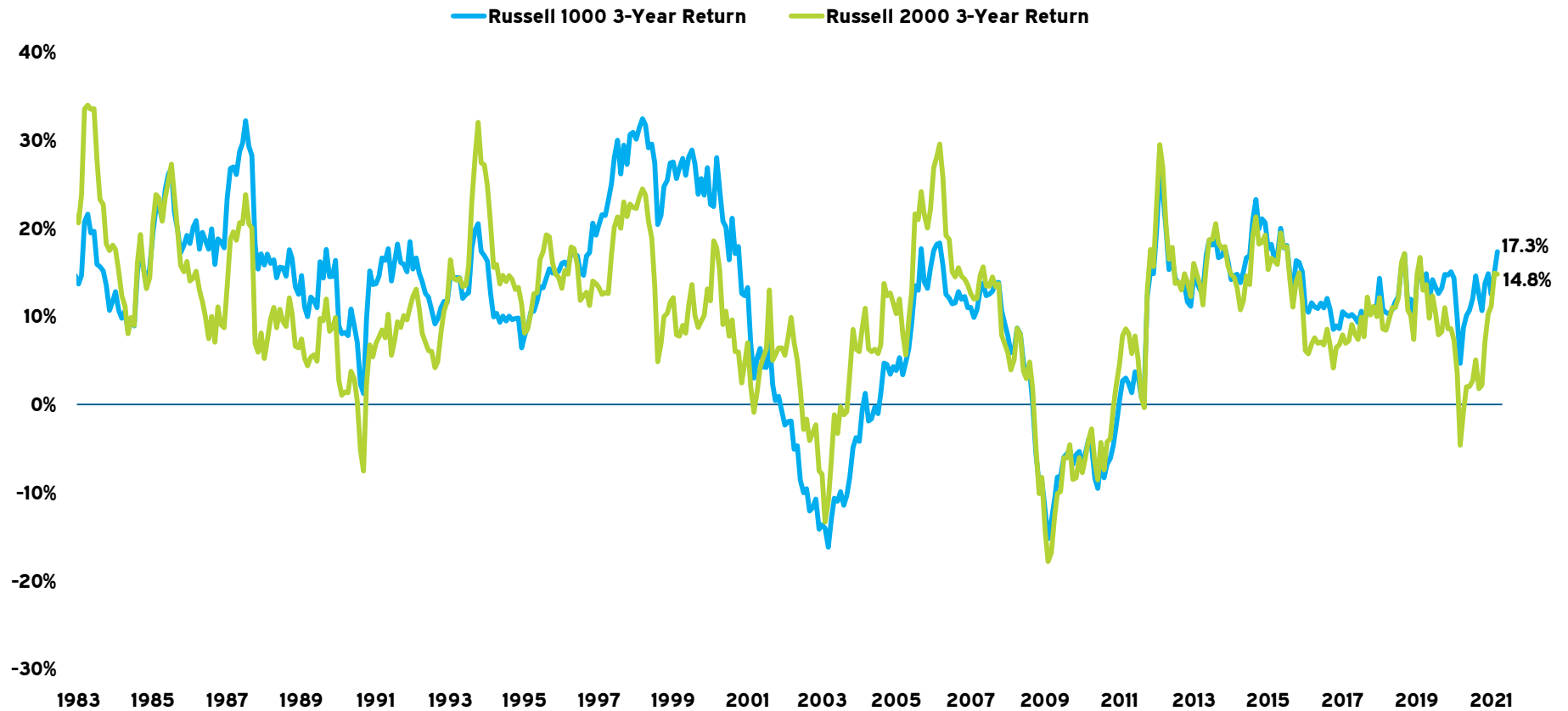
¹ Source: InvestorForce. Represents S&P 1500 (All Cap) data.

Growth and Value Rolling Three Year Returns¹



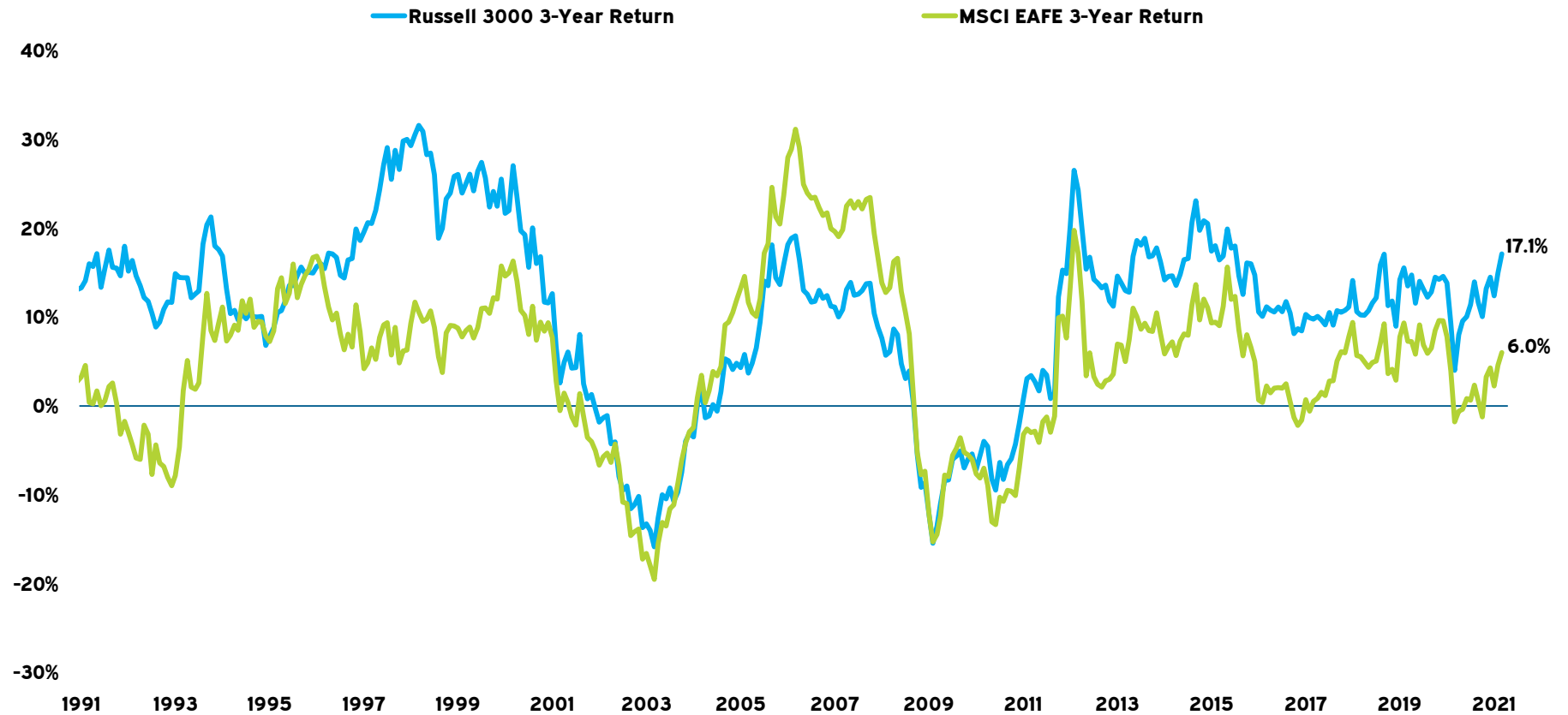
¹ Source: InvestorForce.

Large Cap (Russell 1000) and Small Cap (Russell 2000) Rolling Three Year Returns¹



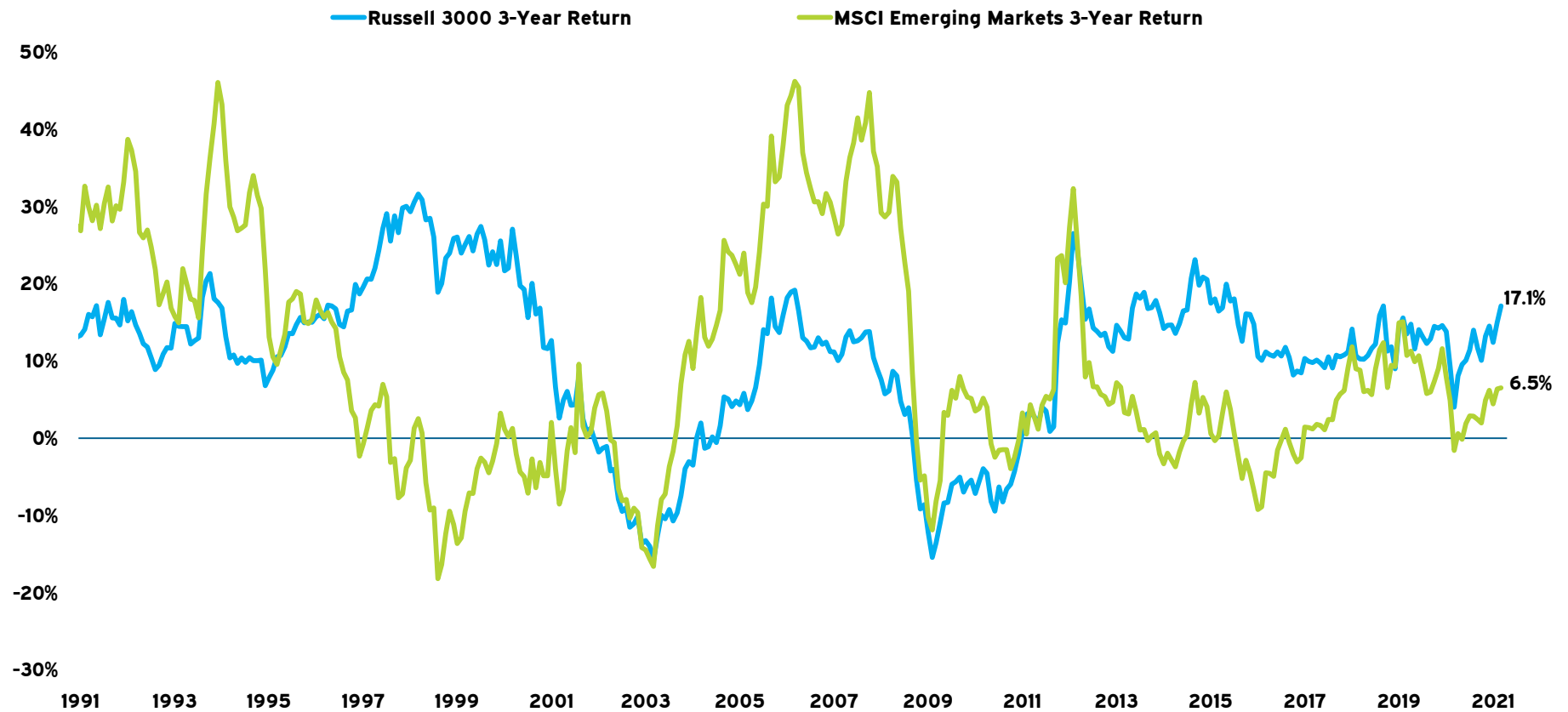
¹ Source: InvestorForce.

US and Developed Market Foreign Equity Rolling Three-Year Returns¹



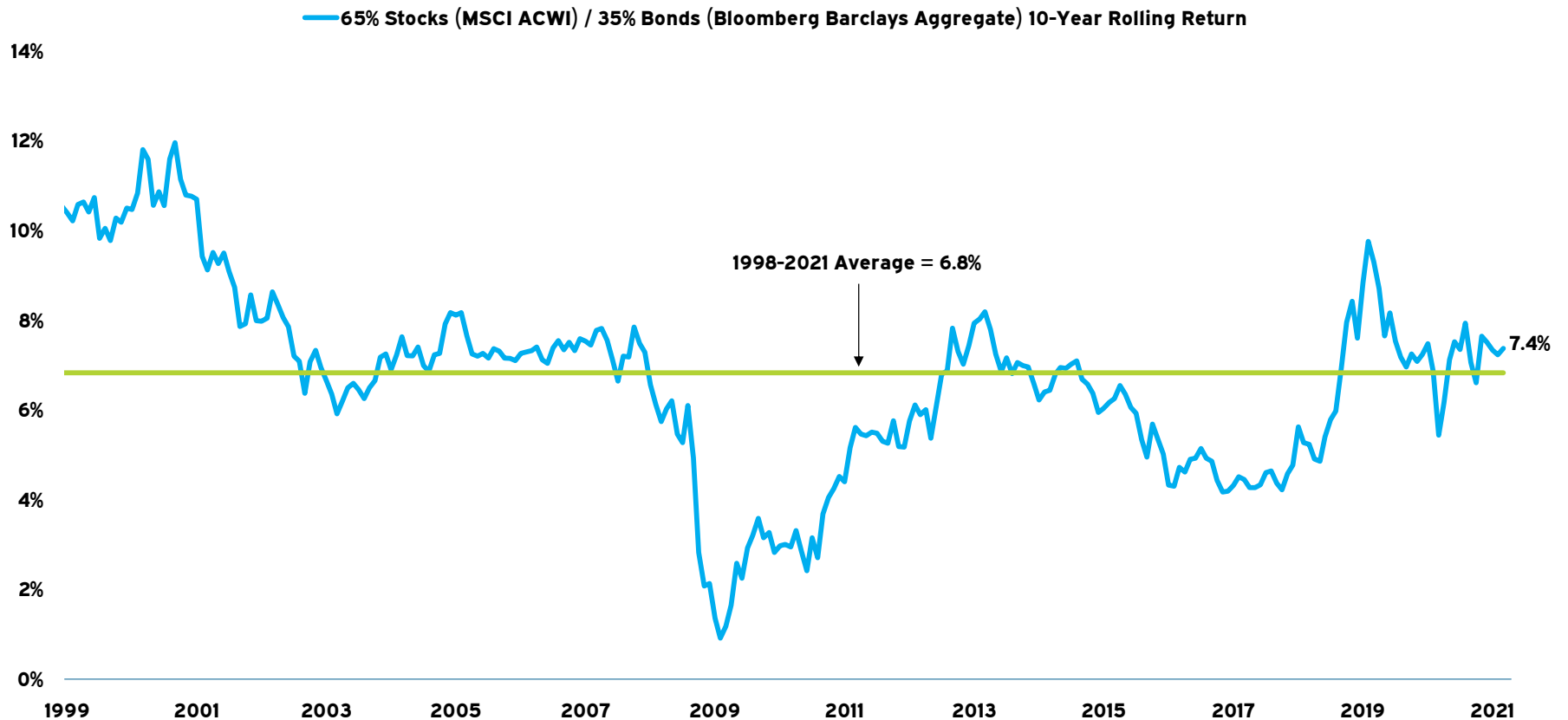
¹ Source: InvestorForce.

US and Emerging Market Equity Rolling Three-Year Returns¹



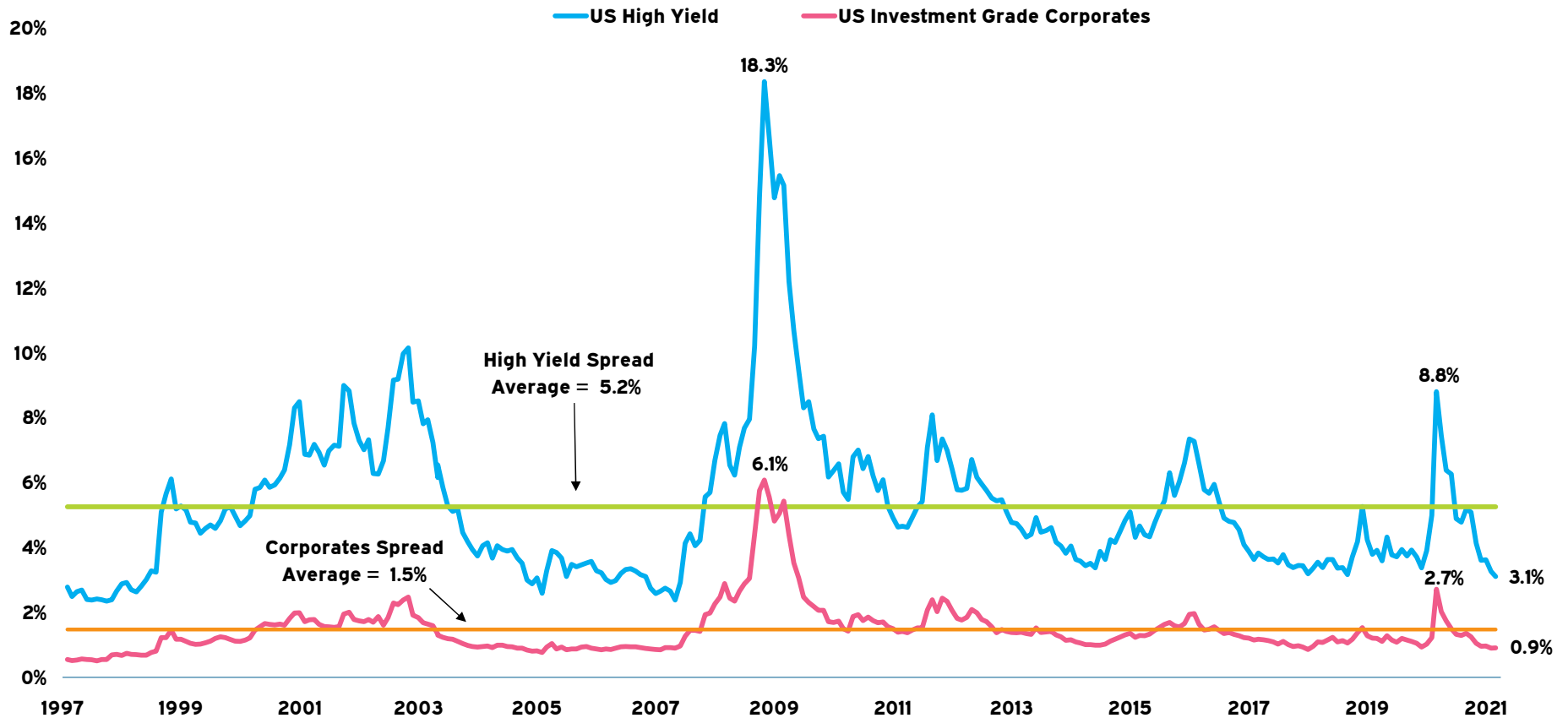
¹ Source: InvestorForce.

Rolling Ten-Year Returns: 65% Stocks and 35% Bonds¹



¹ Source: InvestorForce.

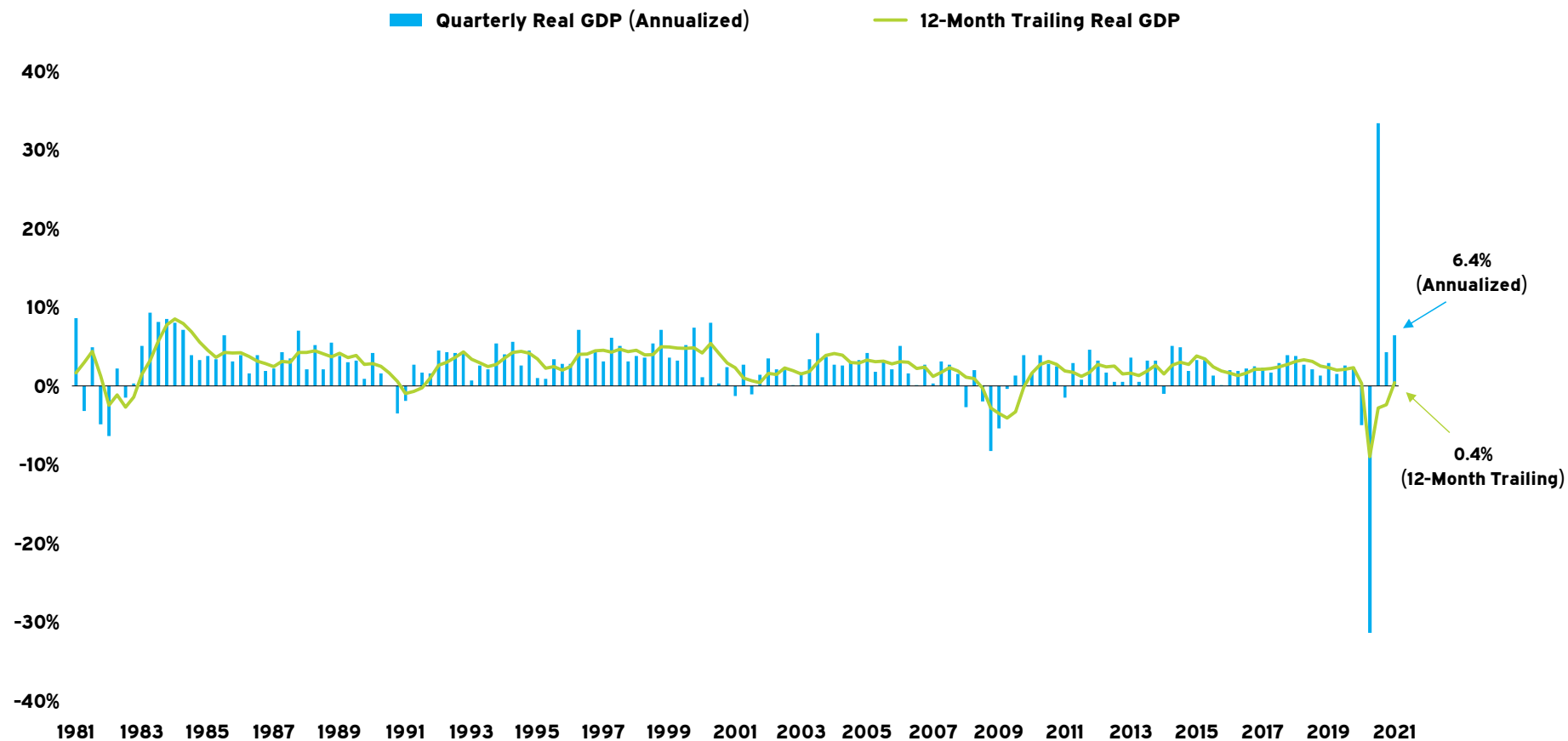
Credit Spreads vs. US Treasury Bonds^{1,2}



¹ Source: Barclays Live. Data represents the OAS.

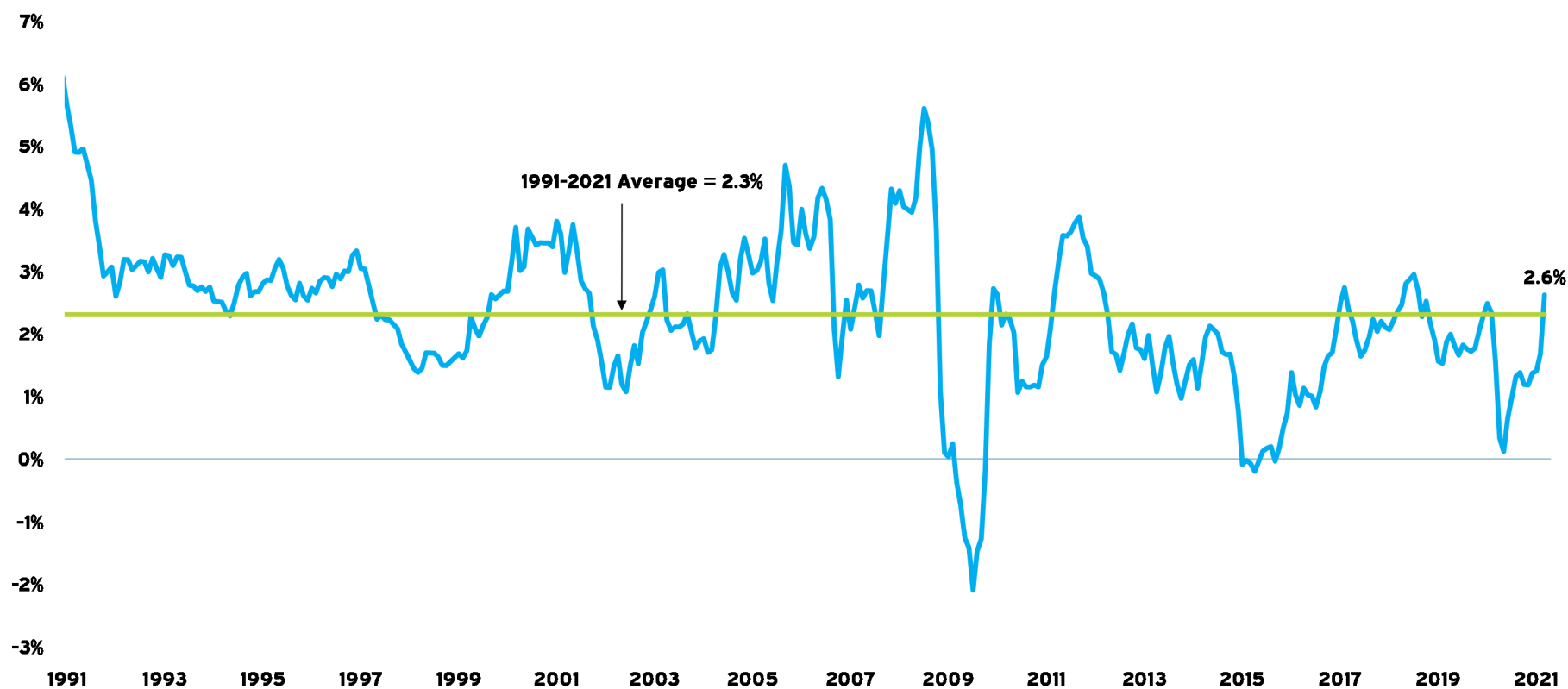
² The median high yield spread was 4.8% from 1997-2021.

US Real Gross Domestic Product (GDP) Growth¹



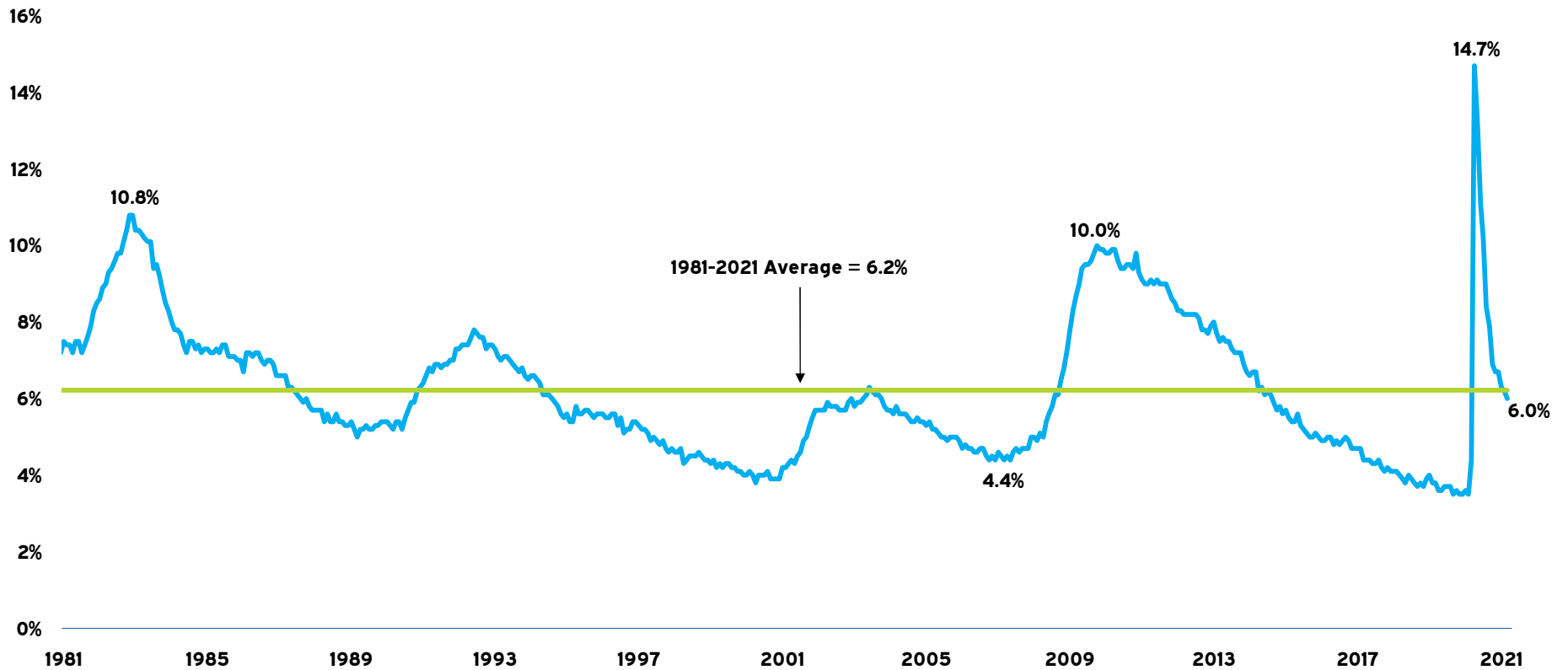
¹ Source: Bureau of Economic Analysis. Data is as of Q1 2021 and represents the first estimate.

US Inflation (CPI) Trailing Twelve Months¹



¹ Source: Bureau of Labor Statistics. Data is non-seasonally adjusted CPI, which may be volatile in the short-term. Data is as of March 31, 2021.

US Unemployment¹



¹ Source: Bureau of Labor Statistics. Data is as of March 31, 2021.

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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security).

Duration: Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Jensen's Alpha: A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} * (\text{market return} - \text{Risk Free Rate})]$.

Market Capitalization: For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

Market Weighted: Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

Maturity: The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

Prepayment Risk: The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

Price-Book Value (P/B) Ratio: The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

Quality Rating: The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

STIF Account: Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

Style: The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

Tracking Error: A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

Yield to Maturity: The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

Yield to Worst: The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

NCREIF Property Index (NPI): Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE): Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: Investment Terminology, International Foundation of Employee Benefit Plans, 1999.
The Handbook of Fixed Income Securities, Fabozzi, Frank J., 1991

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.