San Joaquin County Employees Retirement Association

AGENDA

BOARD MEETING
SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
FRIDAY, APRIL 12, 2024
AT 9:00 AM

Location: Regional Transit District Board Room 421 E. Weber Avenue, Stockton, CA 95202

The public may also attend the Board meeting live via Zoom by (1) clicking here https://us02web.zoom.us/j/82624079312 and following the prompts to enter your name and email, or (2) calling (669) 219-2599 or (669) 900-9128 and entering Meeting ID 82624079312#.

Persons who require disability or language interpretation related accommodations should contract SJCERA at (209) 468-9950 or ELAINAP@SJCERA.ORG at least forty-eight (48) hours prior to the scheduled meeting time. Documents related to the items on this Agenda submitted after distribution of the Agenda packet are available for public inspection at SJCERA, 220 E. Channel St. Stockton, CA during normal business hours.

1.0 ROLL CALL

2.0 PLEDGE OF ALLEGIANCE

3.0 MEETING MINUTES

3.01 Minutes for Board Meeting of March 8, 2024 05

3.02 Minutes for Audit Committee Meeting of March 8, 2024 10

3.03 Board to consider and take possible action on minutes

4.0 PUBLIC COMMENT

4.01 The public is welcome to address the Board during this time on matters within the Board's jurisdiction, following the steps listed below. Speakers are limited to three minutes, and are expected to be civil and courteous. Public comment on items listed on the agenda may be heard at this time, or when the item is called, at the discretion of the Chair.

If joining via Zoom, Public Comment can be made in the following ways:

PC or Mac: select "Participants" in the toolbar at the bottom of your screen, then select the option to raise or lower your hand.

Mobile Device: select the "More" option in the toolbar at the bottom of your screen, then select the option to raise or lower your hand.

Tablet: select the icon labeled "Participants," typically located at the top right of your screen, then select the hand icon next to your device in the Participants column.

If dialing in from a phone for audio only, dial *9 to "raise your hand."

If attending in person, members of the public are encouraged to complete a Public Comment form, which can be found near the entry to the Board Room.

Except as otherwise permitted by the Ralph M. Brown Act (California Government Code Sections 54950 et seq.), no deliberation, discussion or action may be taken by the Board on items not listed on the agenda. Members of the Board may, but are not required to: (1) briefly respond to statements made or questions posed by persons addressing the Board; (2) ask a brief question for clarification; or (3) refer the matter to staff for further information.

5.0 CONSENT ITEMS

5.01 Service Retirements (16) — 12

5.02 Return to active membership - Raquel Young — 15

5.03 Dissolution of Marriage or Registered Domestic Partnership policy review — 21

5.04 Board to consider and take possible action

6.0 EXISTING PRIVATE CREDIT MANAGER PRESENTATION

6.01 Presentation by Melanie Levine (Partner, Global Head of Sales & Client Service), Caroline Joy (Sales), and Hunter Maclean (Sales) of Davidson Kempner — 22

6.02 Board to receive and file report

7.0 PRIVATE EQUITY EDUCATION

7.01 Presentation by Judy Chambers of Meketa Investment Group — 34

7.02 Board to discuss and give direction to staff and consultant as appropriate

8.0 PRIVATE EQUITY MANAGER PRESENTATION

8.01 Presentation by Michael Stewart of Stellex — 53

9.0 CLOSED SESSION

9.01 Purchase or Sale of Pension Fund Investment
California Government Code Section 54956.81

9.02 Board to consider and give direction to staff and consultant as appropriate

9.03 Personnel Matters
California Government Code Section 54957
Employee Disability Retirement Application(s) (1)

01 Consent Item

a Joy Jordan
Service Connected Disability Retirement
Eligibility Worker II
Human Services Agency

10.0 REPORT OUT OF CLOSED SESSION

10.01 On January 12, 2024, the Board voted unanimously to approve Resolution 2024 -04-01 titled "Capitol Meridian Fund I" and to authorize the CEO to sign the necessary documents to invest $25 million in the fund.

01 Parametric 152
While the Last Round in Inflation Fight Might Be the Hardest
March 4, 2024

02 NCPERS 156
Monitor
March 2024

03 Pensions and Investments 171
Total portfolio approach: Large investors challenging traditional asset allocation
March 19, 2024

04 Pensions and Investments 176
Takeaways From BlackRock CEO Fink’s Annual Letter
March 26, 2024

16.0 COMMENTS

16.01 Comments from the Board of Retirement

17.0 CALENDAR

17.01 Board Meeting May 3, 2024 at 9:00

17.02 Audit Committee Meeting May 17, 2024 at 12:30 p.m.

17.03 Board Meeting June 7, 2024 at 9:00 a.m.

17.04 Administrative Committee Meeting, June TBD

17.05 Board Meeting July 12, 2024 at 9:00 a.m.

17.06 Board Meeting August 9, 2024 at 9:00 a.m.

18.0 ADJOURNMENT

M I N U T E S

BOARD MEETING
SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
FRIDAY, MARCH 8, 2024
AT 9:00 AM

Location: Regional Transit District Board Room, 421 E. Weber Avenue, Stockton, CA 95202

1.0 ROLL CALL

1.01 **MEMBERS PRESENT:** Phonxay Keokham, Emily Nicholas, Jennifer Goodman, Steve Ding (out at 10:50 a.m.), JC Weydert, Steve Moore, Raymond McCray, Michael Duffy and Michael Restuccia, presiding
MEMBERS ABSENT: Chanda Bassett
STAFF PRESENT: Chief Executive Officer Johanna Shick, Chief Executive Officer Renee Ostrander, Assistant Chief Executive Officer Brian McKelvey, Retirement Investment Officer Paris Ba, Management Analyst III Greg Frank, Information Systems Analyst II Lolo Garza, Administrative Secretary Elaina Petersen
OTHERS PRESENT: Yuliya Oryol of Nossaman, David Sancewich of Meketa, Former San Joaquin County Counsel Jason Morrish

2.0 PLEDGE OF ALLEGIANCE

2.01 Led by Renee Ostrander

3.0 MEETING MINUTES

3.01 Minutes for the Board Meeting of February 9, 2024

3.02 Minutes for the Special Administrative Committee Meeting of February 9, 2024

3.03 Minutes for the CEO Performance Review Committee of February 12, 2024

3.04 Minutes for the Special Board Meeting of February 12, 2024

3.05 Minutes for Special Board Meeting of February 20, 2024

3.06 The Board voted unanimously (8-0) to approve the Minutes of the Board meeting of February 9, 2024; Minutes of the Special Administrative Committee meeting of February 9, 2024; Minutes of the CEO Performance Review Committee meeting of February 12, 2024; Minutes of the Special Board meeting of February 12, 2024; Minutes of the Special Board meeting of February 20, 2024 (Motion: Keokham; Second: McCray)

4.0 PUBLIC COMMENT

4.01 Former County Counsel Jason Morrish thanked retiring CEO Johanna Shick both personally and professionally from him and his wife. This organization and he personally are in a far better place because of you, Johanna. Thank you very much.

5.0 CONSENT ITEMS

5.01 Service Retirements (37)

5.02 The Board voted unanimously (8-0) to approve the consent items (Motion: Duffy; Second: Goodman)

6.0 CONSULTANTS' CONTRACTS

6.01 The Board voted unanimously (8-0) to approve staff's recommendation to extend Cheiron's and Meketa's contracts through December 31, 2025 and postpone the development and issuance of Requests for Proposal (RFPs) (Motion: Duffy; Second: Weydert)

7.0 INVESTMENT CONSULTANT REPORTS

7.01 Presented by David Sancewich of Meketa Investment Group

01 Quarterly Reports from Investment Consultant for period ended December 31, 2023

a Quarterly Investment Performance Analysis

b Manager Certification Report

c Manager Review Schedule

02 Manager Performance Flash Report - January 2024

03 Economic and Market Update - January 2024

7.02 2024 Capital Market Expectations

7.03 SJCERA Total Portfolio Expected Return Update

7.04 The Board received and filed reports

8.0 STAFF REPORTS

8.01 Trustee and Executive Staff Travel

01 Conferences and Executive Staff Travel

02 Summary of Pending Trustee and Executive Staff Travel

a Travel Requiring Approval (3)

03 Summary of Completed Trustee and Executive Staff Travel

8.02 Board to accept and file reports and voted unanimously (8-0) to approve five pending travel requests (Motion Goodman; Second: Nicholas)

8.03 Legislative Summary Report

8.04 CEO Report

In addition to the written report CEO Shick reported: 1) recognition is due to Management Analyst III Greg Frank, Information Systems Manager Adnan Khan, Information Systems Analyst II Lolo Garza and Information Systems Specialist II Jordan Regevig for their amazing work on keeping SJCERA connected during this time of transition; 2) thank you to RTD for the use of their facility,and San Joaquin County for the office space for SJCERA staff so we could continue service to our members in person; 3) County General Services is processing the negotiated lease buy out payment of $2M, to be personally picked up when the check is ready; 4) the new building is close to move in, the move should happen by April 1; 5) Johanna gave her thanks to the Board, adding it has been an amazing seven years.

8.05 The Board received and filed reports

9.0 CORRESPONDENCE

9.01 Letters Received (0)

9.02 Letters Sent (0)

9.03 Market Commentary/Newsletters/Articles

01 Prologis
Research Valuation Paper
February 2024

02 NAREIT
Real Estate Cap Rates
August 28, 2023

03 NAREIT
Office and Apartment Sectors
September 12, 2023

04 JP MORGAN
The Role of Cap Rate in Real Estate
February 1, 2024

05 Pensions & Investments
CalPERS exec leaving to become CEO of San Joaquin County Employees
February 20, 2024

06 Institute for Real Estate, Inc.
San Joaquin County Employees appoints new CEO
February 22, 2024

10.0 COMMENTS

10.01 Trustee Restuccia: Today is a sad day for me and a happy day for me as well, Johanna you have made a real impact here, your legacy here will live on, you are going to be missed, you have a been a star as far as I am concerned.

Trustee Restuccia: A special thank you to Al Clifford, CEO of RTD and the RTD staff for working closely with our staff to make the use of RTD Boardroom work for SJCERA.

Trustee McCray: Thank you Johanna for your communications with the Board, you have done a great job.

Trustee Duffy: Johanna you truly made the last seven years easy on us, we have appreciated your style thank you, you served everyone so well.

Trustee Weydert: Thank you so much, I appreciate everything that you have done.

Trustee Goodman: Thank you, for your impact on staff and the difference you have made for members is just immeasurable. You have done an amazing job and it is very much appreciated. Wish you the best in retirement.

Trustee Keokham: Wish you a long and healthy retirement. Don't think about work, just think about life.

Trustee Ding: You have been the ultimate professional, you exemplify what all department heads should aspire to, thank you.

Trustee Moore: Thank you.

11.0 CLOSED SESSION

The Chair convened Closed Session at 10:40 a.m. and adjourned Closed Session and reconvened Open Session at 10:53 a.m.

11.01 Public Employee Performance Evaluation
California Government Code Section 54957(b)
Title: Retirement Administrator/Chief Executive Officer

Counsel reported out of Closed session there was discussion of Retirement Administrator Chief Executive Officer evaluation and feedback which were brought to a successful conclusion.

12.0 RETIREMENT ADMINISTRATOR/CHIEF EXECUTIVE OFFICER COMPENSATION

12.01 The Board voted unanimously (7-0) to accept the Chair of the Board of Retirement recommendation to approve item 12.0 on the agenda (Motion: Duffy; Second: Weydert)

13.0 CALENDAR

13.01 Audit Committee Meeting March 8, 2024, immediately following Board Meeting

13.02 Board Meeting April 12, 2024 at 9:00 a.m.

13.03 Board Meeting May 3, 2024 at 9:00 a.m.

13.04 Audit Committee Meeting May 17, 2024 at 12:30 p.m.

13.05 Board Meeting June 7, 2024 at 9:00 a.m.

13.06 Administrative Committee Meeting, June TBD

13.07 Board Meeting July 12, 2024 at 9:00 a.m.

14.0 ADJOURNMENT

14.01 There being no further business the meeting was adjourned at 10:55 a.m.

Respectfully Submitted:

____
Michael Restuccia, Chair

Attest:

____
Raymond McCray, Secretary

MINUTES

AUDIT COMMITTEE MEETING
SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
FRIDAY, MARCH 8, 2024
AT 11:01 AM IMMEDIATELY FOLLOWING BOARD MEETING
Location: RTD Board Room, 421 East Weber Avenue, Stockton, CA 95202

1.0 ROLL CALL

1.01 **MEMBERS PRESENT**: Raymond McCray, Phonxay Keokham, Michael Restuccia, and Michael Duffy presiding
MEMBERS ABSENT: None
STAFF PRESENT: Chief Executive Officer Johanna Shick, Chief Executive Officer Renee Ostrander, Assistant Chief Executive Officer Brian McKelvey, Financial Officer Carmen Murillo, and Administrative Secretary Elaina Petersen
OTHERS PRESENT: Counsel Yuliya Oryol of Nossaman, and Ashley Green of Brown Armstrong Accountancy Corporation

2.0 PUBLIC COMMENTS

2.01 There was no public comment

3.0 2023 AUDIT ENTRANCE CONFERENCE

3.01 Scope of Services Presentation by Ashley Green, CPA of Brown Armstrong Accountancy Corporation

01 Ms. Green reviewed the Scope of Services presentation, which summarized the audit plan, significant areas the audit will focus on, expected timeline/due dates and the reports that will be issued. The draft audit report will be provided to the Committee for discussion on May 17. The final audit report will be provided to the full Board on June 7.

3.02 Audit Engagement Letter dated December 18, 2023 from Brown Armstrong Accountancy Corporation for audit objectives and procedures

4.0 COMMENTS

4.01 There were no comments from the Committee

5.0 NEXT MEETING OF THE AUDIT COMMITTEE

5.01 May 17, 2024 at 12:30 p.m. in the SJCERA Boardroom

6.0 ADJOURNMENT

6.01 There being no further business, the meeting was adjourned at 11:09 a.m.

Respectfully Submitted:

____

Michael Duffy, Audit Committee Chair

5.01 Service Retirement — Consent

01 GRISELDA ALBERTO — Probation Unit Supervisor, Probation - Juvenile

Member Type: Safety
Years of Service: 24y 02m 29d
Retirement Date: 1/17/2024

02 GURJEET K BHALARU — Staff Nurse IV - Inpatient, Hosp Intensive Care Nursery

Member Type: General
Years of Service: 22y 02m 11d
Retirement Date: 2/1/2024

03 KATHERINE M BOYKIN — Deferred Member, N/A

Member Type: General
Years of Service: 14y 04m 00d
Retirement Date: 2/3/2024
Comments: Deferred from SJCERA since December 2003. Outgoing reciprocity and concurrent retirement with CalPERS.

04 ATHENA K CHASE — Deputy Public Defender IV, Public Defender

Member Type: General
Years of Service: 20y 06m 25d
Retirement Date: 1/22/2024

05 BILLY J CHAVEZ — Storekeeper II, Registrar of Voters

Member Type: General
Years of Service: 26y 08m 10d
Retirement Date: 1/18/2024

06 SOUDAVANH S DUANGMALA — Shelter Social Worker, Mary Graham Childrens Shelter

Member Type: General
Years of Service: 22y 01m 04d
Retirement Date: 1/18/2024

07 JAMES H DUFFY — Deputy Sheriff II, Sheriff-Custody-Regular Staff

Member Type: Safety
Years of Service: 25y 05m 06d
Retirement Date: 2/1/2024

08 SAUL GARCIA — Deputy Public Defender IV, Public Defender

Member Type: General
Years of Service: 04y 06m 23d
Retirement Date: 2/10/2024
Comments: Incoming reciprocity and concurrent retirement with StanCERA.

09 CHRISTINA E MARTIN — Welfare Fraud Specialist II, HSA_Fraud Investigative Staff

Member Type: General
Years of Service: 34y 05m 18d
Retirement Date: 1/26/2024

10 RITH C NEY — Deferred Member, N/A

Member Type: General
Years of Service: 10y 02m 07d
Retirement Date: 2/8/2024
Comments: Deferred from SJCERA since February 1999.

11 EZEQUIEL I PENA — Deputy Sheriff II, Sheriff-Custody-Regular Staff

Member Type: Safety
Years of Service: 17y 08m 22d
Retirement Date: 2/2/2024

12 JOSEPH M RIZZI — Probation Officer III, Probation-JPCF-Juv Probation

Member Type: Safety
Years of Service: 24y 05m 21d
Retirement Date: 2/2/2024

13 JACK W TADLOCK — Correctional Officer, Sheriff-AB109-Jail Beds

Member Type: Safety
Years of Service: 15y 08m 04d
Retirement Date: 1/27/2024

14 JACK W TADLOCK — Correctional Officer, Sheriff-AB109-Jail Beds

Member Type: General
Years of Service: 00y 04m 19d
Retirement Date: 1/27/2024

15 TOMI J THURSTON — Accounting Technician I, Office of Revenue - Recovery

Member Type: General
Years of Service: 10y 01m 29d
Retirement Date: 1/27/2024

16 **THOMAS E VALTIERRA**

Electrician
Facilities Management

Member Type: General
Years of Service: 24y 09m 18d
Retirement Date: 2/10/2024

17 **DEBRA A WALLACE**

Courtroom Clerk
Court-Court Oper-Courtrm Suppt

Member Type: General
Years of Service: 24y 07m 12d
Retirement Date: 2/10/2024

Board of Retirement Meeting
San Joaquin County Employees' Retirement Association

Agenda Item 5.02-02

April 12, 2024

SUBJECT: Retired Member Returning to Active Membership

SUBMITTED FOR: _X_ CONSENT ___ ACTION ___ INFORMATION

RECOMMENDATION

Approve the Application to Return to Active Membership for Raquel Young effective on the first day of the first full pay period following Board of Retirement approval, April 22, 2024.

PURPOSE

To provide an opportunity for a Retired member to return to Active membership.

DISCUSSION

San Joaquin County has made a conditional offer of full-time benefited employment to Ms. Raquel Young. Ms. Young is currently a Retired member of SJCERA and wishes to return to Active Membership.

Government Code Sections 31680.4 and 31680.5 allow for a retiree to suspend their retirement and return to work full time in an SJCERA-covered position as an Active member.

Pursuant to statute, (a) the member must apply to the Board of Retirement for reinstatement (b) the Board of Retirement must determine, based on medical examination that the member is not incapacitated for the duties assigned of the position and (c) the other conditions for membership (working in a full-time, permanent position with San Joaquin County or another SJCERA-participating employer) must be met.

The member's Application to Return to Active Membership, signed medical evaluation letter, and Job Description are provided for the Board's review. Based on the information on these documents, staff recommends approving Ms. Young's return to Active membership.

If approved to re-enter Active membership, employment may begin. Ms. Young will be a Tier 2 member for this period of employment, and her current retirement benefit payments will be suspended. When Ms. Young retires again, the original retirement benefit (increased by any cost-of-living adjustments), will resume and the additional benefit (based on the second period of employment) will be paid as a separate benefit.

ATTACHMENT

Application to Return to Active Membership
Medical Evaluation
Job Description

Brian McKelvey
Assistant Chief Executive Officer

San Joaquin County Employees' Retirement Association

Return to Active Membership Application for Retired Members

INSTRUCTIONS
Submit this form if you are a Retired SJCERA Member and have received a conditional offer of employment from the County of San Joaquin (or other participating employer) into a position that is eligible for SJCERA Membership. Department of Human Resources must complete the last section of this form.

MEMBER INFORMATION		
Full Name Raquel Young	Employee ID 162550	E-mail Raquel.young@yahoo.com
Department Records	Original Retirement Date 12/23/2021	Date of Re-employment 4/22/2024

MEMBER ACKNOWLEDGMENT

I hereby apply for reinstatement as an Active Member of SJCERA. I understand the Board of Retirement will determine my eligibility for Membership based on the position for which I am hired, my application and whether the pre-employment medical examination results indicate that I am not incapacitated for the duties assigned to me.

I understand my retirement benefit will be suspended on the effective date of my re-employment and will resume only when I subsequently terminate employment. I also understand that I must return any overpayment of my retirement benefit made to me after the effective date of my re-employment.

Member's Signature RYoung Date 2/29/2024

HUMAN RESOURCES AUTHORIZATION NOTE: THIS SECTION MUST BE COMPLETED BY A HR REPRESENTATIVE	
I certify that the Member named above has successfully completed a pre-employment medical exam and (is) (is not) incapacitated for the duties assigned to him/her.	
HR Representative's Full Name Silvia Aparicio	Telephone Number (209) 468-4429
HR Representative's Title Personnel Analyst II	E-mail scaparicio@sjgov.org
HR Representative's Signature SAparicio	Date 03/20/2024

The Permanente Medical Group, Inc.
MEDICINE
1721 W. YOSEMITE AVE.
MANTECA CA 95337-5130
Dept: 209-824-5051
Main: 824-5051X0000

March 19, 2024

Raquel M Young
17713 Almond Orchard Way
Lathrop CA 95330-9375

To whoever it may concern,

Ms Young is under my care & can perform full duties
Restriction - None

Sincerely,

JAYSHRI MAHESH NIMBARGI MD

Close Print

Senior Office Assistant (#RO6110)

We are currently accepting applications for this position. To apply, please close this pop-up window and then click on the link for Current Employment Opportunities Page.

$19.79-$24.06 Hourly / $3,430.35-$4,169.62 Monthly / $41,164.30-$50,035.47 Yearly

Notify Me when a Job Opens for the above position(s)

DEFINITION

Under general supervision, performs general clerical, office technical and/or secretarial tasks of average difficulty and complexity in a wide variety of office settings throughout the County; and does related or other work as required in accordance with Rule 3, Section 3, of the Civil Service Rules.

CLASS CHARACTERISTICS

This is the second working-level class in the Office Assistant series. Incumbents are expected to apply a moderate amount of initiative and independent judgment to perform a varied range of duties within standardized and well-established policies. For the most part, only highly unusual situations are referred to a supervisor or more skilled co-worker for advice and direction, though a supervisor typically reviews completed work. Depending upon the assignment, incumbents may be required to develop a moderate understanding of technical subject matter and perform duties that are unique to the work area. This class is typically multi-allocated with the class of Office Assistant, and incumbents in that lower class can usually promote to this level when they meet the minimum qualifications and Civil Service requirements, and when they have demonstrated satisfactory performance.

TYPICAL DUTIES

- Prepares a wide range of reports and documents from written material or machine transcription using a typewriter, word processor or other office equipment; formats documents, charts, reports and forms using techniques that may require the use of office automation equipment; edits for punctuation and spelling; proofreads for accuracy and consistency; may independently compose and prepare reports, letters and/or memoranda.

- Performs general secretarial work; receives and screens visitors, callers and mail, and directs to appropriate individual or office; takes and transmits messages; makes appointments; greets and assists customers in person, on the phone, on the computer or through other means of communication.
- Provides and gathers general information to/from a variety of sources; asks/answers questions and completes forms; identifies customer needs; searches for, receives and explains information regarding rules, regulations, policies, procedures and technical office operations; may issue certificates, permits, licenses and other documents; provides customer service in a calm, helpful and effective manner.
- Processes and maintains information related to departmental operations, including information of a moderately technical, specialized or sensitive nature; codes, files and retrieves documents and records using standard alphabetical, numerical, coded and computerized filing systems.
- Researches, compiles, maintains and processes general statistical, financial and/or numerical data related to departmental personnel, payroll, purchasing, inventory, budget and/or other functions; verifies and makes entries and notations; reviews material for completeness and accuracy; performs basic computations and calculations; may compute, collect and receipt monies and fees; may maintain basic ledgers and accounts; may process accounts receivable, perform billing operations, and/or make deposits; may develop and maintain spreadsheets and databases, either by hand or computer.
- May operate a multi-line telephone switchboard; may dispatch vehicles.
- May train or review the work of others; may provide lead or technical assistance as part of a training program.

MINIMUM QUALIFICATIONS

(***Special Note***: For positions reclassified to this class as part of Classification Studies #01-18 and #02-08, the incumbents occupying those positions on the effective date that the study is implemented by the Board of Supervisors shall be deemed to meet the minimum qualifications for the class.)

Either I

Experience: One year performing work at a level equal to or higher than Office Assistant in San Joaquin County service.

Or II

Experience: Two years of general clerical, secretarial and/or office technical work.

Substitutions: a) One year of business training in an approved vocational training program may substitute for one year of the above-required experience; or b) Completion of 30 semester/45 quarter credit units at an accredited college or university may substitute for one year of the above-required experience.

And

Certificates: 1) Possession of a valid typing/keyboarding or other acceptable certification of ability to input data at the rate of 45 words per minute, if required by the nature of the assignment; and/or 2) Possession of an acceptable proficiency certificate in one or more computer software programs, if required by the nature of the assignment.

Special Requirement: Most positions require the ability to use computers and/or word processing equipment. If required by the nature of the position, demonstrated general or software-specific computer proficiency may be required prior to appointment.

KNOWLEDGE

Standard office practices and procedures; personal computer systems and general office computer software; fundamental public relations techniques; filing and record keeping systems; language mechanics; correspondence and report formats; arithmetical operations related to clerical processes; cash handling procedures.

ABILITY

Utilize a variety of office procedures and equipment; follow oral and written directions; establish and maintain effective working relationships with others; communicate effectively with others; write clearly and legibly; perform basic arithmetical operations; match names and numbers.

PHYSICAL/MENTAL REQUIREMENTS

Mobility-Frequent operation of a data entry device, repetitive motion, sitting for long periods, walking; occasional standing, pushing, pulling, bending, squatting, climbing; ***Lifting***-Frequently 5 pounds or less; occasionally 5 to 30 pounds; ***Visual***-Constant good overall vision and reading/close-up work; frequent color perception and use of eye/hand coordination; occasional use of depth perception and peripheral vision; ***Hearing/Talking***-Frequent hearing of normal speech, hearing/talking on the telephone, talking in person; ***Emotional/Psychological***-Frequent decision making, concentration, and public contact; ***Special Requirements***-Some assignments may require working weekends, nights, and/or occasional overtime; ***Environmental***-Occasional exposure to varied weather conditions.

San Joaquin County complies with the Americans with Disabilities Act (ADA) and, upon request, will consider reasonable accommodations to enable individuals with disabilities to perform essential job functions.

CLASS: RO6110; **EST:** 10/11/1995; **REV:** 3/13/2002;

RESOLUTION TITLE: **DISSOLUTION OF MARRIAGE POLICY OR REGISTERED DOMESTIC PARTNERSHIP (RDP)**

RESOLUTION NO. **2024-04-02**

WHEREAS, the Board of Retirement for the San Joaquin County Employees' Retirement Association ("SJCERA") administers SJCERA for the benefit of its members and their beneficiaries; and

WHEREAS, pursuant to Government Code Section 31525, 31526 and 31527, the Board may make regulations, set policy and develop procedures to administer the system;

NOW, THEREFORE BE IT RESOLVED, all joinders of SJCERA in dissolution of marriage proceedings and domestic relations orders resulting therefrom are subject to legal review and approval by SJCERA's Chief Legal Counsel. All applications for nonmember benefits submitted pursuant to this section shall be subject to the Chief Executive Officer (CEO) or designee's approval.

PASSED AND APPROVED by the Board of Retirement of the San Joaquin County Employees' Retirement Association on the 12th day of April 2024.

AYES:

NOES:

ABSENT:

ABSTAIN:

____
MICHAEL RESTUCCIA, Chair

Attest:

____
RAYMOND McCRAY, Secretary

DavidsonKempner
Capital Management LP

NEW YORK LONDON HONG KONG DUBLIN PHILADELPHIA SHENZHEN MUMBAI

April 2024

SJCERA April Board Meeting

Disclaimer

This presentation relates to Davidson Kempner Long-Term Distressed Opportunities Fund LP and Davidson Kempner Long-Term Distressed Opportunities International LP (collectively, "Fund I"), Davidson Kempner Long-Term Distressed Opportunities Fund II LP and Davidson Kempner Long-Term Distressed Opportunities International II LP (collectively, "Fund II"), Davidson Kempner Long-Term Distressed Opportunities Fund III LP and Davidson Kempner Long-Term Distressed Opportunities International III LP (collectively, "Fund III"), Davidson Kempner Long-Term Distressed Opportunities Fund IV LP and Davidson Kempner Long-Term Distressed Opportunities International IV LP (collectively, "Fund IV"), Davidson Kempner Long-Term Distressed Opportunities Fund V LP and Davidson Kempner Long-Term Distressed Opportunities International V LP (collectively, "Fund V") and Davidson Kempner Opportunities Fund VI LP and Davidson Kempner Opportunities International VI LP (collectively, "Fund VI", and together with Fund I, Fund II, Fund III, Fund IV and Fund V, the "Funds" or the "Opportunities Funds").

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An investment in a Fund will be suitable only for certain financially sophisticated investors who meet certain eligibility requirements, have no need for immediate liquidity in their investment, and can bear the risk of an investment in such Fund for an extended period of time. This presentation is neither advice nor a recommendation to enter into any transaction with any Fund.

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Opportunities Funds

An all-weather, opportunistic focus on global dislocations

INVESTMENT LANDSCAPE

We believe this is the longest period of **sustained market stress** since the global financial crisis

Opportunities anticipated resulting from dislocations due to inflation, rising rates, pandemic overhang, geopolitical tensions

We believe contracting credit markets open **multiple avenues to deploy capital** in high-quality assets that are challenged or overlooked

FLEXIBLE AND OPPORTUNISTIC MANDATE

Dynamic mandate, agnostic to sector or geography

Focus on what we believe offers the **best risk-reward at any given time**

Target **complex situations** where **competition is low,** and our experience and expertise can unlock value

GLOBAL OPPORTUNITY SET

Curated sourcing network provides proprietary deal flow

Bottom-up approach seeks to create a diversified, global portfolio:

- **Corporate investments**
- **Asset-backed and structured products**
- **Real estate**
- **Infrastructure and hard assets**

Flexibility to invest in other compelling idiosyncratic opportunities if they arise

ESTABLISHED SPONSOR WITH TRACK RECORD OF EXECUTION

Diversified, experienced asset manager with a long track record of value creation

Multiple, flexible pools of capital should allow us to act as a **single-source solution provider** for portfolio companies, providing potentially competitive advantage

Intense focus on capital preservation and protection against downside

Due to various risks and uncertainties, market trends or events may differ materially from those anticipated. Nothing herein is intended to imply that any fund's investment methodology may be considered "conservative," "safe," "risk free" or "risk averse."
In addition to the investment types delineated herein, the funds may invest in other opportunities. Please refer to the relevant fund's Memorandum for more information.
Please see endnotes beginning on page 10 and additional important disclaimers on page 2

Opportunities Funds Overview

An all-weather, opportunistic focus on global dislocations

FOCUS
Quality assets, complex situations, overlooked value

OBJECTIVE
Seeks to generate attractive returns through a diversified, opportunistic portfolio

STRUCTURE
Drawdown; 3-year investment period; 2-year harvest period, extendable up to 4 years by the General Partner

CORE INVESTMENTS

Corporate Investments

Stressed or distressed companies impacted by inflation, recession, refinancing risks

Sound businesses with weak balance sheets

Restructurings & recapitalizations

- Tailored Capital Solutions
- Special Situations, Liquidations, Litigation Finance

Real Estate

Focus on sectors with projected cash flow growth greater than inflation

Target platforms that offer optionality to grow beyond our initial capital investment

- Global Hospitality
- Storage & Logistics
- Industrial

Asset-backed & Structured Products

Opportunities from traditional banks de-levering

Borrowers seeking non-bank capital

- Credit Servicing
- Forward Flow Purchases & Securitizations
- Alternative Asset Lending

Infrastructure and Hard Assets

Provide capital to infrastructure and traditional, alternative and/or renewable energy assets

- Renewables

Opportunistic approach to investments in hard assets and loans backed by hard assets, including aviation and shipping

- Aviation
- Shipping

The examples shown are solely intended to illustrate selected types of portfolio investments made by the Opportunities Funds. These examples are not intended to be exhaustive. The Firm makes no guarantee that similar investment opportunities will become available in the future. Even if similar investments do become available, the Firm makes no guarantee that any fund will invest in some or all of such opportunities. In addition to the investment types delineated herein, the funds may invest in other opportunities. Please refer to the relevant fund's Memorandum for more information.

Please see endnotes beginning on page 10 and additional important disclaimers on page 2.

Davidson Kempner Long-Term Distressed Opportunities Fund V

Portfolio Overview

Investment Types[1] (%)

	Portfolio
Corporate Investments	31.5
Real Estate	52.4
Infrastructure and Hard Assets	9.6
Longer-Dated Liquidations	0.0
Asset-Backed and Structured Products	3.1
Other	3.4
Total	**100.0**
Number of Investments	**45**

Capital Statistics (millions)

		Fund Total
Gross Called Capital[2]	91.3%	$2,839.2
Life-to-Date Distributions[3]	4.8%	$150.0
Months Remaining[4]	Investment Period	-
	Fund Term	16
Assets Under Management (millions)		
Aggregate Commitments to Fund V		$3,109
DK Assets Under Management (as of January 1, 2024)		$36,614

Performance[5]

	LDOF V	LDOI V[7]
Net Internal Rate of Return[6]	8.01%	7.89%
Net Multiple on Gross Called Capital	1.21x	1.20x

Geographic Breakdown[1] (%)

	Portfolio
Americas	67.9
Europe	31.7
Asia – Pacific/Middle East	0.0
Total Investment Exposure	**100.0**

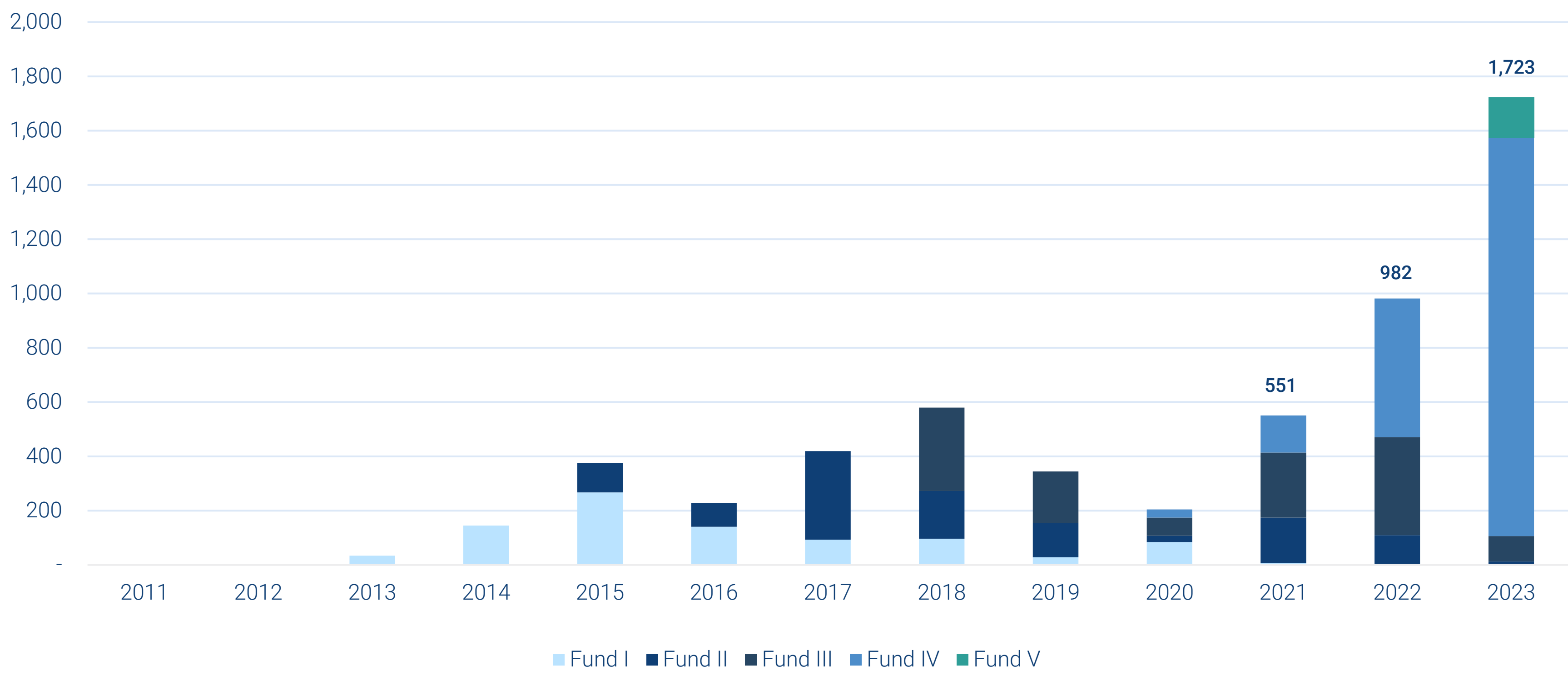
Please see endnotes beginning on page 10 and additional important disclaimers on page 2.

Opportunities Funds: LP Distributions Have Accelerated Since 2021

2023 distributions exceeded 2022 by over 75%

LP DISTRIBUTIONS

($ millions, 2011 - 2023)



Distributions may be recalled as permitted by the applicable fund's limited partnership agreement. The distribution amount shown excludes any distributions of carried interest to the fund's general partner, as applicable. Fund III: Life-to-date distributions are shown net of the 5% distribution made during the fund's investment period that was added back to partners' unfunded commitments.

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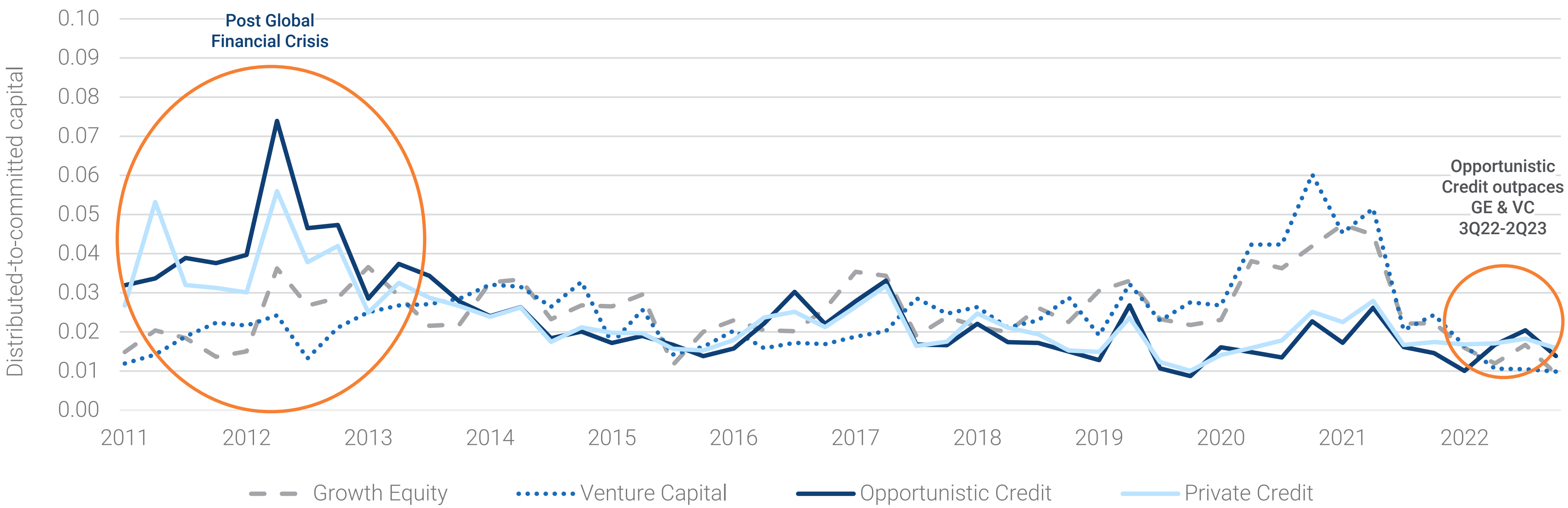
Opportunistic Credit as a Portfolio Diversifier

From 3Q22 through 2Q23, distributions from credit strategies show signs of being directionally consistent with the portfolio diversifier thesis

TIME SERIES OF DISTRIBUTED CASH AS A PERCENTAGE OF COMMITTED CAPITAL

(2011 Q3 - 2023 Q2)



The information contained in the graph has been calculated by Davidson Kempner's Quantitative Research team, based on underlying aggregate and anonymous data provided by Cambridge that is used by Cambridge to calculate the performance of the growth equity, venture capital, opportunistic credit and private equity indices published by Cambridge. The information contained in the graph has been calculated from the period of 2011Q3 to 2023Q2 and is based on aggregate distributions for the quarter made by all of the underlying funds that comprise the relevant index relative to the aggregate committed capital of such underlying funds. The y-axis represents the ratio of aggregate distributions to committed capital, where 1.0x would indicate aggregate distributions for the quarter equal to 100% of aggregate committed capital. In calculating the distributed-to-committed capital, capital calls are not subtracted from capital distributions. It is important to note that the indices are unmanaged and reflect aggregate data of underlying funds that report to Cambridge. An investor cannot and did not invest in any index. While all four indices have global coverage, the number of underlying funds that comprise each index, and the length of history for each index, varied substantially, which could have a material impact on the information reported herein. Accordingly, the data provided by Cambridge is necessarily subject to certain assumptions, qualifications, limitations and biases, including survivorship bias. Further information is provided in the endnotes to this presentation and available upon request. Past performance is not indicative of future results.

Please see endnotes beginning on page 10 and additional important disclaimers on page 2.

Opportunities Funds Market Outlook

We believe global disruptions create a range of attractive opportunities across asset categories

STRONG MACRO HEADWINDS CREATING DISLOCATIONS ACROSS THE GLOBE

- Generationally high inflation
- Hawkish central banks
- Rising interest rates
- Geopolitical tensions
- Ongoing pandemic overhangs, supply chain disruptions
- Retrenchment of traditional capital
- Rapid revaluation of assets

These cross-currents have created a myriad of dislocations across public and private markets, sectors, asset categories and geographies

DISLOCATIONS = OPPORTUNITIES

Forced selling by asset owners

- Seek to buy quality, performing assets at distressed prices
- Capitalize on asset and process mismanagement

Seek to fill the voids vacated by traditional capital providers

- Enhanced pricing power for non-traditional suppliers of capital

Pursue aggregation (or disaggregation) strategies to maximize value

- Seize on market dislocations to create "platform" value; or
- Break apart "wholesale-to-retail" if standalone assets have more value

ALL-WEATHER MANDATE THAT SEEKS TO CAPTURE IDIOSYNCRATIC OPPORTUNITIES

100+ person global team of experienced investment professionals to identify and deploy capital to what we believe are most attractive opportunities

Curated sourcing network and relationships provide proprietary deal flow

Technical expertise to work through complex situations where competition is low

An all-weather approach to capturing value in idiosyncratic opportunities

The statements provided herein reflect Davidson Kempner's subjective views and opinions, and they should not be construed as statements of material fact. Due to various risks and uncertainties, future market trends or events may differ materially from historical or anticipated market trends.

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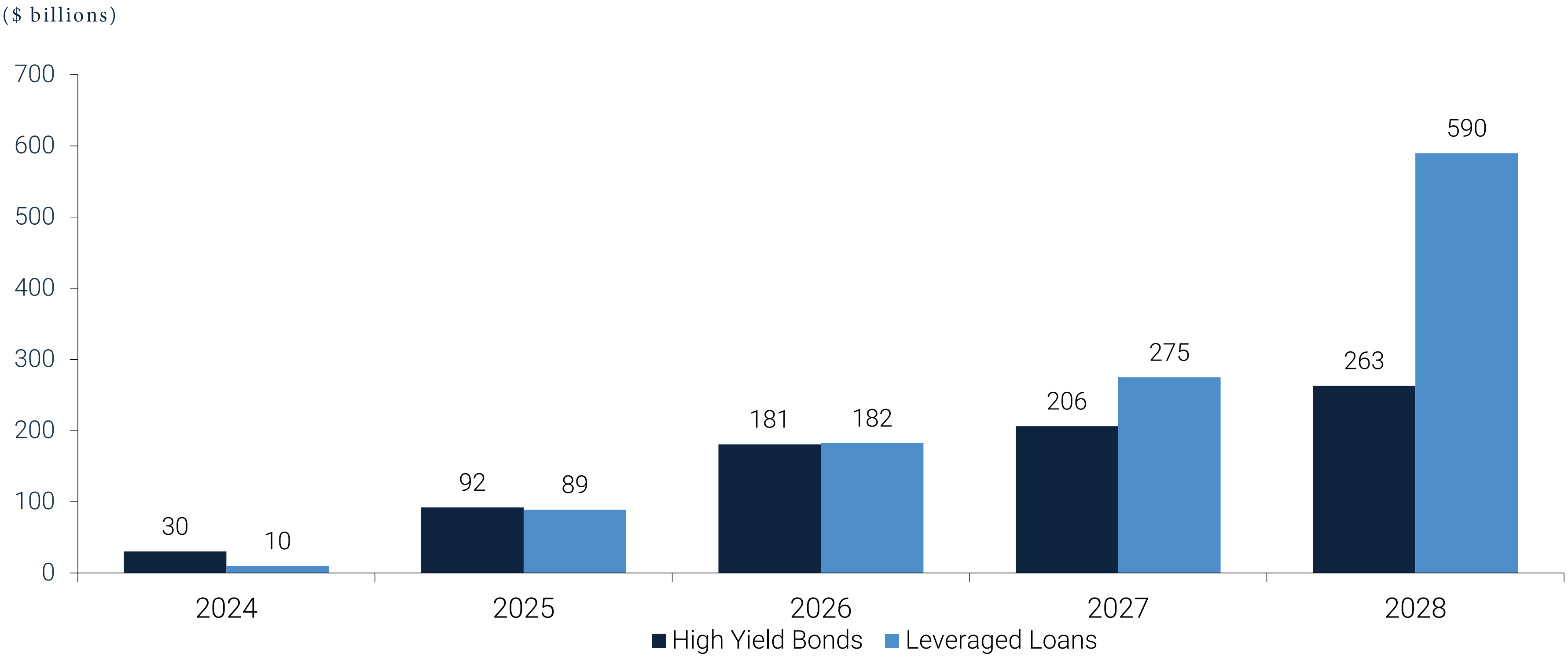
U.S. High Yield Bond and Leveraged Loan Maturities

Total value set to mature rises from $40 billion in 2024 to $181 billion in 2025, and up to $853 billion in 2028



Source: J.P. Morgan. As of Feb 23, 2024.

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Endnotes

Slide 5: Davidson Kempner Long-Term Distressed Opportunities Fund V

The information provided relates to Davidson Kempner Long-Term Distressed Opportunities Fund V LP ("LDOF V") and Davidson Kempner Long-Term Distressed Opportunities International V LP ("LDOI V"). With respect to any investments that have not been fully realized, the performance figures and portfolio information are calculated based on the assumption that such investments are realized at the current market value as of December 31, 2023. All performance figures and portfolio information are estimated, based on unaudited data and subject to change and are shown on an aggregate basis for LDOF V and LDOI V, unless otherwise indicated. The performance figures and portfolio information should not be interpreted as a reliable indication, prediction, projection or expectation of future performance and/or the internal rate of return or the multiple on invested capital that will be achieved by the fund or any investor.

1. The percentage values presented in this chart are based on the current market value of the fund's portfolio investments (excluding cash and cash equivalents) as a percentage of the fund's total net asset value. Portfolio investments purchased with financing are presented net of such financing for purposes of calculating the percentage values presented.
2. Reflects the aggregate amount of capital called by the fund, without reduction for amounts that had been distributed subject to recall.
3. The percentage value presented is aggregate distributions to date as a percentage of the fund's aggregate capital commitments. Distributions may be recalled as permitted by the fund's limited partnership agreement. The actual amounts distributed by each of LDOF V and LDOI V on each distribution date may not necessarily be pro rata based on aggregate capital commitments.
4. Assumes that neither the investment period nor the fund term will be terminated early in accordance with the fund's limited partnership agreement. The fund term may be extended by up to two additional one-year periods by the general partner in its sole discretion.
5. Calculated on a mark-to-market basis based on realized and unrealized profits and losses, net of 1.5% management fees, 20% carried interest and other fund-level expenses and calculated based on a fee-paying investor that did not receive a management fee discount. All investments not yet realized have been deemed sold at their current market value as of December 31, 2023.
6. Calculated on the basis of capital contributions made by investors to the fund as of the capital call due date and distributions made by the fund to investors as of the distribution date. The fund's use of a subscription line of credit typically increases investor IRR results by delaying the call of capital contributions from investors (but can also result in lower investor IRR, depending on the interest rate and other costs associated with the credit facility and performance of the fund).
7. Reflects the Net Internal Rate of Return and Net Multiple on Gross Called Capital for an investor in LDOI V that participates through the Davidson Kempner Long-Term Distressed Opportunities International V (AIV-TE) LP alternative investment vehicle. For an investor in LDOI V that participates through the Davidson Kempner Long-Term Distressed Opportunities International V (AIV-INT) LP alternative investment vehicle, the Net Internal Rate of Return is 6.98% and Net Multiple on Gross Called Capital is 1.16x.

Slide 7: Opportunistic Credit as a Portfolio Diversifier

The information presented is based on aggregate and anonymous data provided by Cambridge Associates ("Cambridge"). For purposes of calculating the information presented, Davidson Kempner's Quantitative Research team used aggregate and anonymous underlying data provided by Cambridge that was pooled across all vintages for reporting funds for the relevant index. For the Venture Capital Index, the starting quarter of available data is 1981Q1 and the aggregate number of underlying reporting funds is 2943. For the Growth Equity Index, the starting quarter of available data is 1986Q3 and the aggregate number of underlying reporting funds is 821. For the Private Credit Index, the starting quarter of available data is 1986Q2 and the aggregate number of underlying reporting funds is 595. For the Opportunistic Credit Index, the starting quarter of available data is 1988Q4 and the aggregate number of underlying reporting funds is 306.

It is important to note that the indices are unmanaged and reflect aggregate data of underlying funds that report to Cambridge. An investor cannot and did not invest in any index. While all four indices

have global coverage, as illustrated above, the number of underlying funds that comprise each index, and the length of history for each index, varied substantially, which could have a material impact on the information reported herein. Accordingly, the data provided by Cambridge is necessarily subject to certain assumptions, qualifications, limitations and biases, including survivorship bias. Further information is available upon request.

Below are the definitions used by Cambridge's research team to classify each underlying fund into one of the four separate indices discussed in this presentation:

- Venture Capital – Funds that specialize in sourcing, funding, and building young, innovative companies. Investments made by venture capital funds typically range in stage from seed ("new ideas") to late (growing, more established companies) and focus on industries such as technology and healthcare.
- Growth Equity – Funds where 50% of capital is deployed / intended for companies that exhibit organic revenue growth in excess of 10%, are profitable or have a clear path to profitability, and have no technology risk and limited market risk. In addition, the fund manager intends to be first and likely last institutional investor, acquires a minority ownership stake, is the sole or largest institutional shareholder, and employs low to no leverage at the time of investment.
- Private Credit – Consists of Credit Opportunities (Opportunistic Credit), Senior Debt and Subordinated Capital (Mezzanine) funds:
    - Credit Opportunities (Opportunistic Credit) – Funds that invest in a broad spectrum of credit and debt related investments across multiple geographies. Investments include but not limited to traditional high yield bonds and bank loans, corporate distressed debt, nonperforming loans (NPLs), real estate, structured finance, and dislocated industries (i.e., aviation, energy, shipping, royalties).
    - Senior Debt – Funds that provide senior secured loans for companies seeking to finance acquisitions, add-ons, restructurings and/ or bridge loans. Senior loans offer a level of downside protection through priority of claim on assets in the event of bankruptcy in addition to embedded covenants. The loans typically have floating rate coupons priced off LIBOR and benefit from LIBOR floors and/ or upfront origination fees. These investments may offer a lead role in refinancings with the ability to influence.
    - Subordinated Debt – Funds that invest in securities that lie between equity and secured debt. These investments are most often made to finance a buyout but can also be used in place of growth equity. Along with the typical interest payment associated with debt, mezzanine capital will often include an equity stake in the form of warrants attached to the debt obligation or a debt conversion feature identical to that of a convertible bond.

Risk Factors

Risk Factors

An investment in the Funds will entail substantial risks, including, but not limited to, those listed below, and a prospective investor should carefully consider the following summary of certain risk factors below and carefully consider the risk and conflicts of interest disclosures in the relevant Fund's Memorandum in determining whether an investment in any Fund is suitable:

Limited Liquidity of the Investment. The interests in the Funds (the "Interests") are not subject to voluntary withdrawal rights, are highly illiquid investments and should be acquired only by investors able to commit their funds for an indefinite period of time. There is no public market for these Interests and it is highly unlikely that one will develop. The Interests are not registered under U.S. federal or state securities laws or the securities laws of any other jurisdiction and may not be resold unless they are subsequently registered or an exemption from such registration is available. Transfers of Interests are also subject to the approval of the relevant Fund's general partner (which may be given or denied in the discretion of the general partner) and satisfaction of certain other conditions set forth in the Partnership Agreement of the relevant Fund.

Speculative Investment and High Degree of Risk. Each Fund's investment program is speculative and entails substantial risks. Since market risks are inherent in all securities investments to varying degrees, there can be no assurance that the investment objective of any Fund will be achieved. In fact, certain investment practices described herein can, in some circumstances, potentially increase the adverse impact on a Fund's investment portfolio. The Funds' activities could result in substantial losses under certain circumstances.

Only Qualified Persons May Invest in the Funds. An investment in a Fund is not suitable or desirable for all investors and Interests will be sold only to investors meeting certain financial criteria and suitability requirements.

Relevance of Past Performance. There can be no assurance that any Fund will realize returns comparable to those achieved by Davidson Kempner or its personnel in the past.

No Review or Approval by Regulators. In making an investment decision, prospective investors must rely upon their own examination of the relevant Fund and the terms of the offering, including the merits and risks involved. The Interests have neither been filed with nor approved or disapproved by the U.S. Securities and Exchange Commission or any other governmental agency or regulatory authority or National Securities Exchange.

Fees May Be Substantial. The compensation due to Davidson Kempner may be substantial regardless of whether the relevant Fund has a positive return. Fees and expenses are expected to substantially reduce returns to investors.

Dependence on Key Individuals. Investors have no authority to make decisions on behalf of a Fund. The success of a Fund depends on the ability of Davidson Kempner to develop and implement investment strategies that achieve such Fund's investment objective. A Fund's performance is largely dependent on the talents and efforts of highly skilled individuals. Competition in the financial services, private capital and alternative asset management industries for qualified investment professionals is intense. Davidson Kempner's ability to effectively manage a Fund's portfolio depends on the ability of Davidson Kempner to attract new employees and to retain and motivate existing employees. Although personnel of Davidson Kempner will commit a significant amount of their business efforts to Davidson Kempner, personnel of Davidson Kempner are generally not required to devote any specified portion of their business time to any Fund's affairs. Moreover, if a Fund were to lose the services of one or more key personnel, the consequences to such Fund could be adverse and could lead to the premature termination of such Fund.

Projections. The Funds may rely on projections and forecasts developed by Davidson Kempner. Such projections are based on assumptions with respect to future events. The actual future events may differ from the assumptions.

Complexity of Legal and Financial Analysis. The financial and legal framework for the Funds' investments is extremely complex. There is no certainty that the Funds' will correctly judge the nature and magnitude of factors that result in successful investments.

Business and Regulatory Risks of Private Investment Funds. Legal, tax and regulatory changes could occur during the term of a Fund that may adversely affect such Fund.

General Economic Conditions. The success of any investment is necessarily affected to some extent by market and economic conditions at any given time; such conditions within and/or outside the United States may prevent a Fund from executing its investment program with respect to such investment in the manner originally contemplated and/or could cause such Fund to incur substantial losses.

Concentration of Investments. There is no assurance that a Fund will have a diverse investment portfolio. Except for any investment concentration limitations set forth in the Partnership Agreement of the relevant Fund, the Funds are not subject to any requirement to diversify its holdings by country, industry or security type. Accordingly, a Fund's portfolio may become significantly concentrated in investments related to a limited number of companies, industries, sectors, strategies, countries or geographic regions. This limited diversification may result in the concentration of risk. A Fund's assets may be subject to greater risk of loss than if they were more widely diversified since the failure of one or a limited number of investments could have an adverse effect on such Fund.

Leverage. To the extent a Fund is able to obtain credit, such Fund or one or more special purpose vehicles could, from time to time, use leverage to finance purchases of investments or leverage investments with non-recourse debt financing (subject to customary recourse carve-outs). A Fund may also obtain recourse debt financing collateralized by such Fund's assets, including any undrawn capital commitments. Although the use of leverage may enhance returns and increase the number of investments that can be made, it is likely to increase volatility and may also substantially increase the risk of loss. There can be no assurance that a Fund will be able to obtain credit at all or to obtain credit on terms available to its competitors, or that indebtedness will be accessible by such Fund at any time, and to the extent that it is available there can be no assurance that such indebtedness will be on terms favorable to such Fund, including with respect to interest rates.

Competition. The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty. The Funds expect to encounter competition from other funds or similar market participants having a similar investment program or similar investment strategies and others pursuing the same or similar investment opportunities.

Potential Cross-Fund Liability. Certain investments may be purchased or held through special purpose vehicles that make or hold investments on behalf of both a Fund and other accounts and/or vehicles managed by Davidson Kempner in which such Fund will have no interest (such other accounts and/or vehicles, collectively, "Other Accounts"). A creditor having a claim that relates to a particular investment held by a special purpose vehicle (including an investment in which such Fund does not have an interest) may be able to satisfy such claim against all assets of such special purpose vehicle, including investments in which such Fund has an interest. Davidson Kempner will typically seek to mitigate this potential for cross-fund liability.

Credit Risks. The Funds invest in credit markets and may therefore be exposed to losses from defaults on certain debt instruments. The ability of some debt issuers to repay principal and pay interest thereon may be compromised, particularly in periods of economic downturn, and thus lead to default of such instruments.

Conflicts of Interest. Certain inherent conflicts of interest arise from the fact that Davidson Kempner provides investment management services both to each Fund and Other Accounts. It should be noted that each Fund's investment program may be similar to the investment program of certain Other Accounts, or that certain Other Accounts may use, from time to time, certain strategies that are similar to strategies such Fund will use. Davidson Kempner may give advice and recommend investments to an Other Account that differs from advice given to, or investments recommended or bought for, such Fund, even though such Other Account's investment program may be similar to that of such Fund or that such Other Account may use strategies similar to the strategies such Fund will use. Further, there may be situations where the Davidson Kempner Group is incentivized to take or not take an action that may otherwise be in the interests of a Fund if such action or inaction would benefit, or be detrimental to, the Other Accounts. A prospective investor should carefully consider the section of the relevant Fund's Memorandum entitled "Conflicts of Interest" before investing in such Fund.

THIS GENERAL INVESTMENT FUND RISK DISCLOSURE IS NOT COMPLETE. THE ABOVE SUMMARY IS NOT A COMPLETE LIST OF THE RISKS AND OTHER IMPORTANT DISCLOSURES INVOLVED IN INVESTING IN A FUND AND IS SUBJECT TO THE MORE COMPLETE DISCLOSURES CONTAINED IN THE RELEVANT FUND'S MEMORANDUM, WHICH MUST BE REVIEWED CAREFULLY.

.Please see additional important disclaimers on page 2.

MEKETA

INVESTMENT GROUP

San Joaquin County Employees' Retirement Association

April 12, 2024

Private Equity Overview

What is Private Equity?

→ Private Equity ("PE") investments are investments in privately held companies

→ PE funds are generally structured as partnerships

- Usually consist of 10 to 20 equity investments in individual companies
- Managed by a General Partner (GP) and investors are known as Limited Partners (LPs)

→ Unlike publicly traded stocks, PE funds are not priced daily by a market

- So, apparent price volatility is lower and correlation to other asset classes is less

→ There are many more private companies than public ones (estimated ratio 1000:1)

- PE market provides a large arena for investing

→ Private equity investments may be domestic or international and come in many forms:

- Buyouts
- Growth Equity
- Venture Capital
- Special Situations

What's the Role of Private Equity in Your Portfolio?

→ Drive investment returns :

- Higher return profiles are expected in exchange for illiquidity

→ Diversify the plan's investment portfolio via:

- Returns that are more income driven and less liquid capital market reliant
- Long-term investment horizon, capital appreciation, and cash flow generation

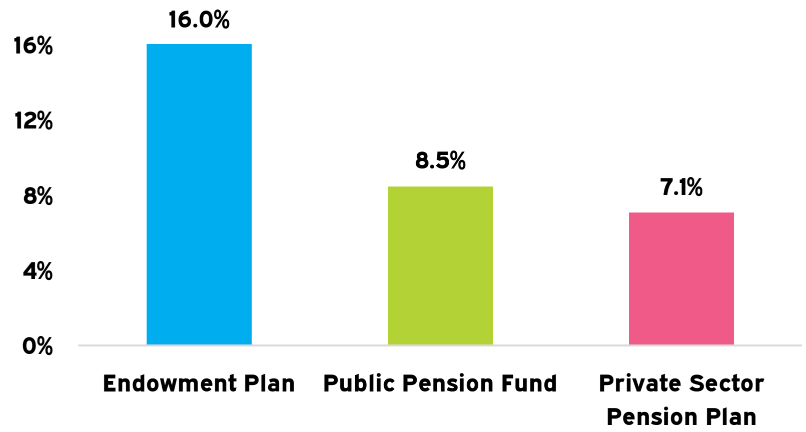
Who Invests in Private Equity & How Much?

→ Most of the capital allocated to private equity is comprised of institutional investors, such as:

- Pension funds
- Endowments
- Foundations
- High-net-worth individuals

→ The average target allocation to PE by endowments, public pension funds, and private pension funds is approximately 11%[1]

Average Private Equity Target Allocation by Investor Type (As a % of AUM)[2]



[1] Source: Preqin, as of July 2022.
[2] Source: Preqin, as of July 2022.

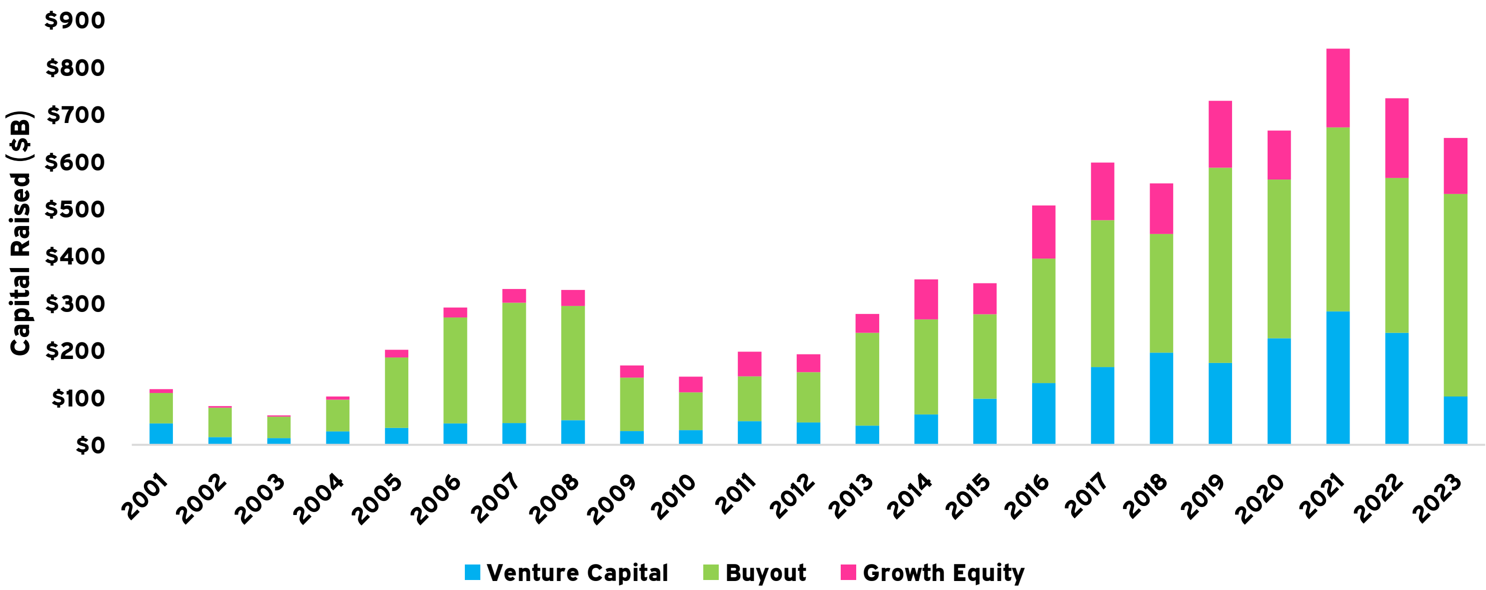
How Large is the Private Equity Universe?

→ The PE marketplace has become increasingly developed and sophisticated

- It has reached a size that should not be ignored by institutional investors of sufficient scale

→ While annual commitments to PE declined in the wake of the GFC, they have since been on a steady rise

Aggregate Capital Raised Globally by Vintage Year[3]



[3] Source: Preqin, as of January 2024.

Why Invest in Private Equity?

→ Adding to private equity should increase the expected return of a portfolio

→ An allocation to private equity should also reduce the observed volatility of the portfolio vis-à-vis other ways to increase returns (e.g., increasing the public equity allocation)

→ Private equity is an area with the opportunity to generate significant "alpha" via fund/manager selection

Higher Expected Returns

→ Private equity has the highest expected return among firms that produce capital markets expectations

- Horizon Actuarial Services annually publishes a survey of capital market assumptions collected from various investment advisors (shown below)[4]
- PE's average expected return is higher than any other asset class, both over the 10-year and 20-year horizon

Expected Returns for Equity-like Asset Classes

Asset Class	10-Year Average (%)	20-Year Average (%)
US Equity	6.9	7.4
Developed Non-US Equity	7.5	7.8
Emerging Non-US Equity	8.2	8.6
Real Estate	6.0	6.3
Hedge Funds	6.0	6.2
Private Equity	**9.5**	**10.1**

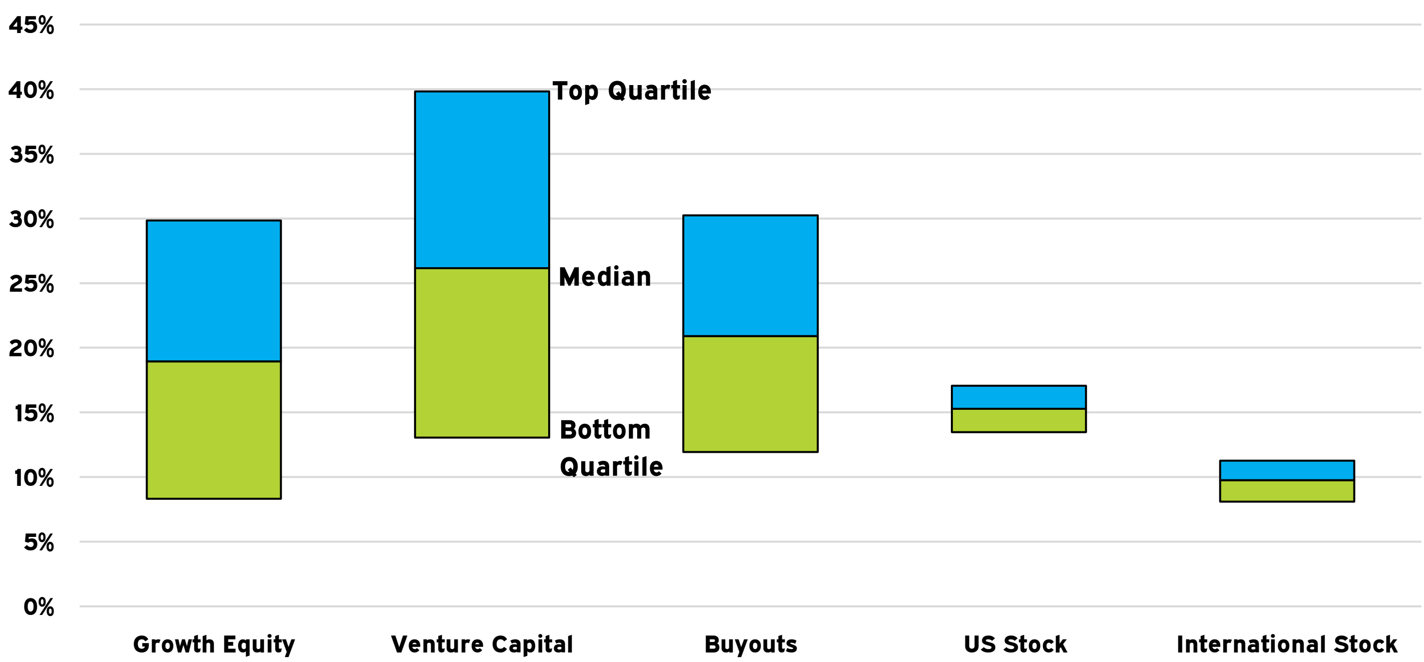
[4] The survey by Horizon Actuarial Services is published annually and is the most comprehensive survey of capital markets expectations of which we are aware. In the 2023 survey there were 42 respondents. The 10-year horizon included all 42 respondents, and the 20-year horizon included 27 respondents..

What About Alpha?

→ Interquartile spreads can be interpreted as how much potential value lies in selecting superior active managers

→ PE asset classes such as buyouts, growth equity, and venture capital show considerably higher performance dispersion, as measured by interquartile spreads

Quartile Returns, Last 10 Years[5]



[5] Data sourced from Cambridge Associates via IHS Markit and vestment. Data for PE funds raised from 2012 through December 2021 and public equity managers for the trailing 10 years, as of December 2021. All data sourced in August 2022.

How Important is Manager Selection?

→ Private equity is a much more inefficient asset class than public equity

- It is worth noting that private markets databases are often smaller, and with more limited history, than public market counterparts
- PE funds also tend to have more concentrated portfolios, so more dispersion should be expected

→ Direct exposure to PE is not available via passive vehicles, but only through active management

- Investors cannot "fall back" on mimicking the returns of a private equity index

→ Manager selection is critical as there is much value to be gained (lost) from picking a manager that is above (below) average

- Demand for managers with top historical performance is so high that access to their funds is often quite limited
- Access to these top funds can be a critical component for investors whose PE programs outperform their peers

What Risks Can Investors Expect?

→ A lack of liquidity, as investors are generally unable to pull capital from a fund once it has been invested

- Too much in illiquid assets may inhibit an investor from being able to meet its obligations in a worst-case scenario
- Illiquid assets cannot be rebalanced in the interim, which can lead to unintended deviations from a policy benchmark

→ Execution risk – the success of many distressed, turnaround, and buy & build strategies are predicated on significant operational improvements

→ Poor vintage year timing - missing out on a particularly good year or overcommitting to a particularly bad one will harm performance

→ Higher leverage (in buyouts) reduces the margin for error and can lead to a potentially higher risk of insolvency

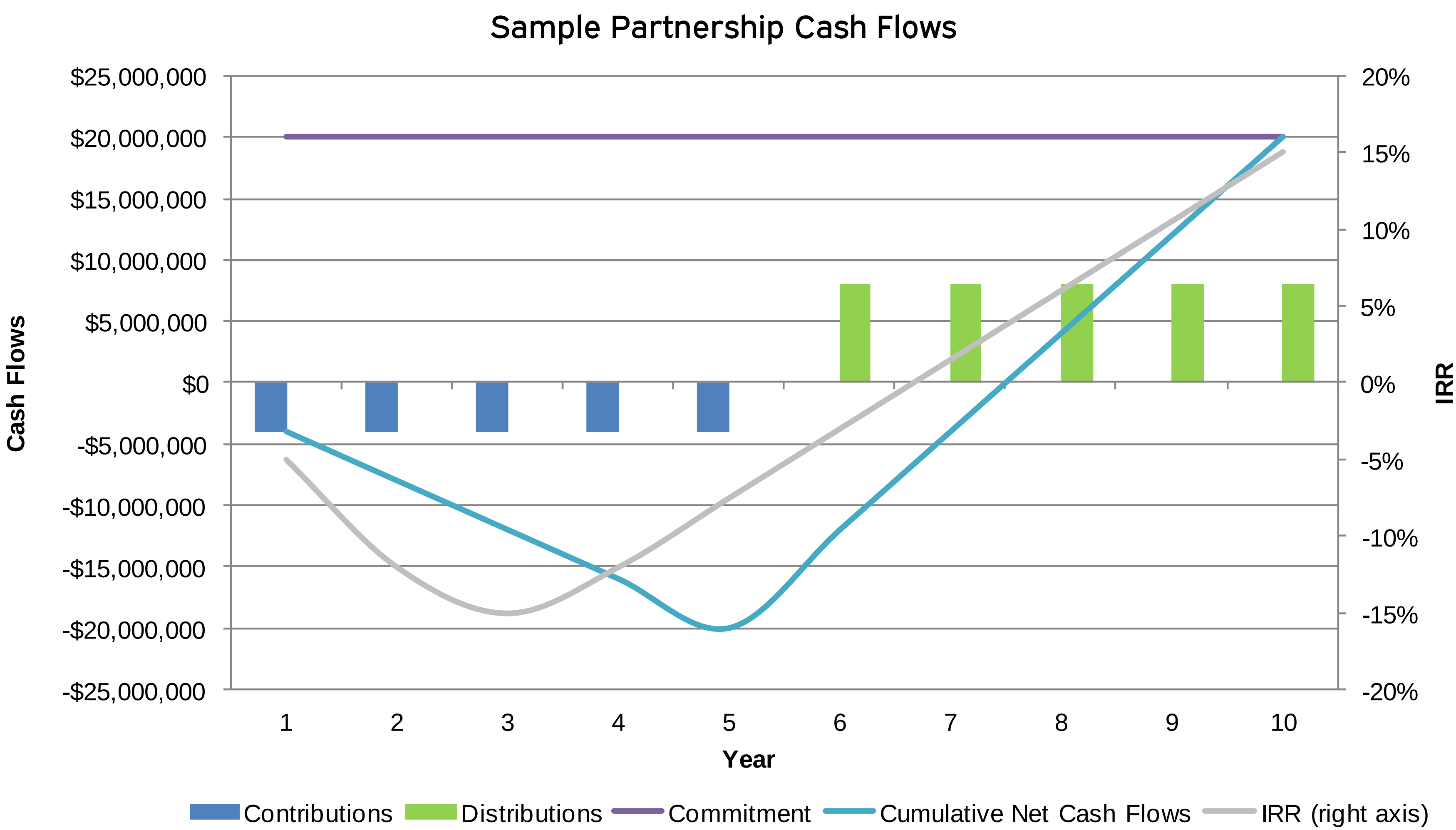
→ "Alpha" can be negative, and at a greater magnitude than in public markets

→ A general lack of transparency makes it harder to conduct due diligence on managers

→ Significant dry powder – capital committed that hasn't been drawn down for investing in companies and opportunities.

- Often fees are paid on committed capital and not invested capital

What is the J-Curve?



J-Curve - Consistent Deployment of Capital is Key to Performance

→ Partnerships have fixed lives

- Capital contributed during investment period (blue bars)
  - Holdings initially held at cost
  - Management fees a larger proportion of cash flows in early years
  - May exhibit "J-curve" in initial periods (grey line above)
- Value add during holding period
- Capital distributed at liquidity event (green bars)

→ Partnerships, unlike public equity, take time to fund

What are Vintage Years & How do They Help Diversify?

→ To remain prudently invested, both public and private equity portfolios must be diversified across many different individual investments, including investments in companies:

- Of different sizes;
- Situated in different geographic areas; and
- Involved in different business activities

→ Unlike public equity portfolios, private equity investments should be diversified across time as well

- Since individual partnerships have finite lifespans, new partnerships are created every year

→ The year in which a partnership closes to new investors is known as its "vintage year"

- Depending upon macro-economic events and available opportunities, some vintage years result in better performance than others
- Therefore, investments should be timed to ensure diversification across vintage years

How are Costs and Fees Structured?

→ Private equity fees come in two forms:

- A management fee
- A performance fee ("carried interest")

→ The management fee typically ranges from 1.8% to 2.1% per year,[6] depending on fund types, fund sizes, etc.

- The fee is applied to committed capital during the investment period and net invested capital (invested capital less cost of realized investments and write-offs) thereafter
- Similar in structure to that charged by active managers in other asset classes

→ Carried interest is a performance incentive fee for the GP typically set at 20% (30% for top venture capital funds)

- Once the GP produces a baseline annual net return for the LPs (a "preferred return"), all future profits are divided between the GP and the LPs
- Buyout funds have an 8% preferred return while many venture capital funds have no return hurdle

→ Funds with a preferred return often implement a "GP catch-up"

- This is where the GP takes a larger share of the profits (usually 50%-100%) until receiving a proportion of profits equal to its carried interest

→ PE fees are higher than those for investing in public equity funds

- Fortunately, the higher fees can be offset by the higher potential returns

[6] Source: Preqin "The 2021 Preqin Private Capital Fund Terms Advisor," September 2021.

What is a Fund of Funds?

→ Hiring a fund of funds manager is another way to diversify a PE portfolio

→ A fund of funds is what its name implies: a collection of many partnership funds managed by a master partner

- Structured as a partnership, organized as a blind pool, has a finite lifetime, and is self-liquidating
- The manager is the GP (who may or may not be an investment manager as defined by ERISA) and selects the underlying funds and provides administrative accounting
- Designed to provide exposure to different sectors, in proportions determined by the manager
- Invests in 15 or more underlying funds, each of which may consist of 10 or more investments, in total the fund of funds may consist of several hundred different investments
  - Thus, it is not possible for participants to control individual investments
- Funds may be chosen from several vintage years, and thus, offers some diversification across time

→ Advantages include potential access to top performing funds, diversification, and administrative ease

→ The primary disadvantage is cost, managers typically charge a management fee of 1% per year, which is added to the fees charged by each of the individual funds

- The manager also often takes a share of the profits (usually 5%-10%) that remain after each of the underlying funds deducts their share of the profits

→ A fund of funds does not eliminate the need to search for new funds in order to stay fully invested in PE

Summary

→ Private equity is the best performing asset class for the SJCERA portfolio. Investing in this asset class is compelling as it has produced higher risk adjusted returns, attributable to several drivers:

- The generation of an illiquidity premium;
- There is enhanced alignment of interests between management and owners;
- Managers are able to focus on long-term operational and governance improvement;
- Managers have expertise in generating new wealth through growth; and
- PE is an inefficient asset class with more opportunities to identify mispricing and create alpha

→ The above rationales are substantiated by private equity's historical track record

→ Private equity requires a significant amount of due diligence and resources

→ Private equity is compelling, but all investors must be aware of the asset classes' unique risks, such as:

- Higher costs and fees
- Administratively difficult to implement and maintain

→ The SJCERA has been a long time investors in private equity and has properly transformed as an investor as the private equity market place has developed over time.

Glossary

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

Buyout	A private equity strategy focused on acquiring controlling stakes in established companies with stable returns and cash flow. Managers can add value by improving revenues and operations, streamlining costs and improving efficiencies, making management changes and/or using leverage.
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 Fair Market Value.
Fair Market Value	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 fair market values represent the fund's local currency value translated to USD at the rate as of the date of this report.

General Partner	The general partner (GP) is the manager of the fund. These managers are in charge of making investments, calling and distributing capital to and from the investors / limited partners.
Growth Equity	Also known as expansion capital, growth equity is a form of capital investment usually undertaken in the form of minority investment in relatively mature and large companies that are looking forward to some structural and transformational change.
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 Fair Market 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.
Limited Partner	The individuals and institutions who invest in the fund are limited partners (LPs) in the limited partnerships structure of a fund. Limited partners have limited liability and do not participate in the day-to-day management of the fund.
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 Fair Market Value for an investment.
TVPI	Acronym for "Total Value-to-Paid-In", which is a performance measurement for Private Market investments. The performance calculations represents Distributed plus Fair Market 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.
Unfunded	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.
Venture Capital	A private equity strategy that focuses on financing seed, early and late stage startups, as well as emerging companies or a combination of multiple investment stages of startups.These businesses generally are not profitable at the time of investment. This strategy is typically more risky than buyouts.
Vintage Year	The year in which a partnership makes its first capital call for an investment into a portfolio company/holding.

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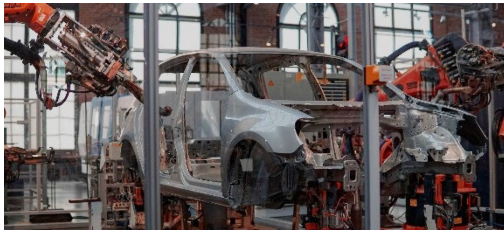

stellex
CAPITAL MANAGEMENT

Value Oriented Private Equity

San Joaquin County Employees' Retirement Association (SJCERA)
April 2024

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As used herein, "IRR" means an aggregate, compound, annual, gross or net, as applicable, internal rate of return on investments based on (a) with respect to Gross IRRs (as defined below), the actual capital inflows and outflows from investments on the dates such inflows and outflows occurred, and (b) with respect to Net IRRs (as defined below), the actual capital inflows and outflows from investors on the dates such inflows and outflows occurred, in each case including "unrealized value" as a terminal value using (1) actual daily cash flows for single portfolio company-level reporting, or (2) monthly cash flows for composite or fund-level reporting. Where indicated, multiples of invested capital ("MOICs" or "Multiples") and IRRs (including targeted or projected rates of return) are presented on a "gross" basis (respectively, "Gross MOIC" or "Gross Multiples" and "Gross IRR") (i.e., they do not reflect the management fees, carried interest, taxes and other expenses to be borne by investors, which will reduce returns and which, in the aggregate, may be substantial). MOICs or Multiples and IRRs presented on a "net" basis (respectively, "Net MOIC" or "Net Multiples" and "Net IRR") herein reflect the returns to investors after deducting the management fees, carried interest, transaction costs and other expenses borne by such investors (other than taxes borne, to be borne or deemed borne by investors in such funds, including, for example, certain taxes borne or deemed borne as a result of the investor's domicile or taxes borne or deemed borne by such fund or vehicles, including alternative investment vehicles, through which investors may participate in the fund or its investments).

Net performance calculations include usage of a hypothetical model developed by Stellex to simulate investment-level (as applicable) performance of corresponding gross cash flows, reflect assumptions of an annualized 2% fees and expenses (which is intended to be generally representative of aggregate management fees (irrespective of any step-down), organizational expenses and other fund-level expenses) beginning at each investment's respective fund's inception, 20% carried interest on the cumulative hypothetical portfolio, and a timing shift on investment cash flows simulating the most recent usage of fund credit facilities, and, with respect to investment-level net performance calculations, reflect the allocation of such assumed fees and expenses across the portfolio to the investment. Stellex is available to discuss such hypothetical model upon request. As a result, such net returns are estimates based on subjective assumptions and allocations of fees and expenses that Stellex believes to be reasonable under the circumstances. No investor received any such returns, which are hypothetical and provided for illustrative purposes only to assist investors in their evaluation of the risk-return profile of the investment strategy discussed herein. Certain of the information contained herein, particularly in respect of market data, economic and other forecasts, and performance data, is from third-party sources.

With respect to any particular Stellex Fund, differences in timing of an investor's capital commitment to the fund and the economic and other terms applicable to certain investors therein may increase the average Net IRR (calculated as described in the preceding paragraph) for such fund and, accordingly, the actual Net IRR of certain investors in that Stellex Fund to whom such terms do not apply may be higher or lower than such average Net IRR indicated herein. Net IRR and Net MOIC for a particular Stellex Fund are calculated taking into account contributions from, and distributions to, all investors in such Stellex Fund, including the general partner. The respective general partner of the Stellex Funds is not subject to the management fees or carried interest charges, and accordingly, the actual Net IRR of third-party limited partners that are subject to the management fees and carried interest charges would be lower than such average Net IRR indicated herein. Individual investors have experienced Net IRRs and Net MOICs that are higher or lower than those presented herein. Certain Stellex Funds have the ability to borrow funds in advance of capital contributions in a manner that can impact the calculation of returns, in particular IRR, as these calculations generally depend on the amount and timing of capital contributions. Track record information for non-control investments is available upon request. As Net IRR is calculated based on limited partner cash outlays to, and returns from, the Stellex Fund, such returns depend on the amount and timing of limited partner capital contributions. Accordingly, the use of such capital call facilities (and related delay of limited partner capital calls) typically will result in a higher Net IRR than would otherwise be the case had if such capital calls had not been delayed, even after taking into account the associated interest expense of the borrowing.

Information about investment advisory fees and expenses that reduce the returns to limited partners are described in the Governing Documents of each of the respective Stellex Fund as well as Part 2A of Stellex's Form ADV. Historically, non-fee paying investors have comprised 5% or less of the total invested capital. Certain Stellex Funds have the ability to borrow funds in advance of capital contributions in a manner that can impact the calculation of returns, in particular IRR, as these calculations generally depend on the amount and timing of capital contributions.

References to the Stellex Funds' investments should not be considered a recommendation of any particular security or portfolio company. The team of investment professionals responsible for managing the investments of certain Stellex Funds generally differs over time. A complete list of all investments made by Stellex Funds is available at www.stellexcapital.com and is also available, along with additional information about the performance information contained herein, upon request. Each recipient of this document is invited to contact Stellex to ask questions about or request additional information with respect to the information contained herein that may be reasonably necessary to enable the recipient to verify or evaluate the information contained herein.

Executive Summary

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Experienced Investment Team

- Stellex's Founding Partners have worked together for 20 years[1], investing in and working with businesses with financial, operational or cyclical complexity
- The Founding Partners are supported by 6 experienced Senior Professionals, responsible for investments in over 25 platform companies since Stellex's inception

Cycle Agnostic, Value-oriented Strategy

- Disciplined focus on middle-market, value-oriented buyouts and other cycle agnostic capital solutions
- Flexibility to invest across the capital structure in an effort to minimize binary outcomes and seek to maintain downside protection
- Seek to Drive favorable transaction dynamics in complex situations
- Target industries where our team has years of investment expertise, including out-of-favor, often overlooked industries

Deep Network with Transatlantic Access

- Stellex's well-networked business development team and over 300 operators work to ensure prime access to under-the-radar investment opportunities at attractive terms
- Regional relationships through offices in Detroit and Pittsburgh provide access to opportunities where our capital can provide a solution
- Stellex's office in London and collective language skills provide significant European access

Extensive Operating Playbook

- Focus on mismanaged, undervalued and underperforming companies that often suffer from flawed or dated strategies
- Draw on team's extensive experience with crisis management – including inventory, working capital, customer, production, pricing and/or labor issues
- Leverage broad operating network in an effort to source C-suite officers, turnaround specialists and industry veterans

Strong Performance (2)

- Fund I (2015, $870 million)
  - MOIC: 2.6x Gross(A) / 2.0x Net(B)
  - IRR:36% Gross (C) / 24% Net(D) / 23.% Unlevered Net(D)
- Fund II (2021, $1.78 billion)
  - MOIC: 1.3x Gross (A)/ 1.2x Net(B)
  - IRR:19% Gross(C) / 9.% Net(D) / 7.8% Unlevered Net(D)

Note: Please see next page for important notes, and this investment schedule must be read in conjunction with these notes.
Aggregate years of Founding Partners' shared experience across multiple firms, not represented purely by Stellex's track record. References to prior strategies at CSP are for illustrative purposes and there is no guarantee that Stellex's strategy will be similar or successful. (2) Data as of December 31, 2023. **Past performance is not indicative of future performance and there is no guarantee any of the investment objectives herein will be achieved**. Figures are provided on a levered, unaudited, and gross basis before taxes and expenses payable by the Fund (including management fees paid to the manager), and carried interest, which may reduce returns substantially. Projected combined returns for Funds I and II are hypothetical in that no investors have achieved such results and due to a variety of factors, including market events, actual gross and net returns will likely vary (in certain instances materially) from the hypothetical gross and net returns shown herein. Such hypothetical gross and net performance figures are provided for illustrative purposes only. Unrealized Values for the Funds' respective investments are determined by the investment manager. The calculation of hypothetical net returns contains subjective assumptions related to the allocation of fund-level fees, including expenses, taxes and carried interest, and generally may not be indicative of net returns an investor may receive. The calculation of these net returns is based on certain fee and expense information and is generally calculated with the methodology set forth in Footnotes (B) and (D) on page 5. As is the case with any performance model, there are significant limitations on the application and uses of these hypothetical fees and expenses in calculating performance returns. For Footnotes (A), (B), (C) and (D) Please refer to Performance Endnotes on page 5 of the presentation for important information on the calculation of performance.

Executive Summary: Performance Endnotes

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Data as of December 31, 2023 unless otherwise noted. Past performance is not indicative of future performance and there is no guarantee any of the investment objectives herein will be achieved. Figures are provided on a levered, unaudited, and gross basis before taxes and expenses payable by the Fund (including management fees paid to the manager), and carried interest, which may reduce returns substantially.

(1) "Invested Capital" includes capital contributions made by all Partners, including the General Partner, and does not include interim borrowings on the Fund's subscription credit facilities, which may be significant and affect returns.

(2) "Realized Proceeds" equals means the sum of gross proceeds generated from such investment, including, without limitation, through dispositions of such investment or cash dividends and/or interest received in respect of such investment, in each case, prior to payment of advisory fees, performance compensation and other expenses in connection with such investment which, in the aggregate, may be substantial. Total Realized Proceeds will (as applicable) also include the discount or premium received when purchasing a bond or loan.

(3) "Unrealized Value" means, with respect to each investment, the fair value of the unrealized portion of such investment as determined by Stellex as of the date noted above, which determination may be based on material assumptions. There can be no assurance that the assumptions used by Stellex are correct or that the fair value determined by Stellex for an unrealized portion of an investment will be ultimately realized. The actual realized returns of the unrealized portion of an investment will depend upon, among other factors, future operating results, the value of such unrealized portion and market conditions at the time of disposition of such unrealized portion, any related transaction costs and the timing and manner of sale, each of which may differ from the assumptions on which the values contained herein are based.

(4) LP NAV equals the sum of Limited Partners NAV of Stellex Capital Partners LP and Stellex Capital Investors LP taken from period-end balance sheets.

(5) LP Total Value means Cash Distributions plus LP NAV.

(6) Capital Contributions consists of aggregate capital contributions made by the Limited Partners, excluding amounts drawn down on the Fund's subscription credit facility.

(A) Gross MOIC equals Total Value divided by Invested Capital. Gross MOIC does not reflect reduction of management fees, taxes, partnership expenses, carried interest, benefit of the use of a subscription credit facility and other expenses that are borne by investors, which will reduce returns and in the aggregate are expected to be substantial. For more information on fees and expenses, please see Stellex's Form ADV Part 2A and your respective offering documents.

(B) Hypothetical Net MOIC equals highest fee paying investor Gross MOIC multiplied by highest fee paying investor MOIC gross-net-discount-factor ("GNDF") ratio ((Fund I GNDF Net MOIC x Fund I Commitment / (Fund I + Fund II Commitment)) + (Fund II GNDF Net MOIC x Fund II Commitment / (Fund I + Fund II Commitment)) = Weighted Net MOIC) / ((Fund I GNDF Gross MOIC x Fund I Commitment / (Fund I + Fund II Commitment)) + (Fund II GNDF Gross MOIC x Fund II Commitment / (Fund I + Fund II Commitment)) = Weighted Gross MOIC) = Weight MOIC Ratio ("WMR")). As is the case with any performance model, there are significant limitations on the application and uses of these hypothetical fees and expenses in calculating performance returns. Actual net returns may differ materially from any hypothetical net returns presented herein.

(C) Gross IRR means an aggregate, annual, compound, gross internal rate of return on investments. Gross IRRs and other gross multiples do not reflect reduction of management fees, taxes, partnership expenses, carried interest, benefit of the use of a subscription credit facility and other expenses that are borne by investors, which will reduce returns and in the aggregate are expected to be substantial. Except if otherwise indicated, IRRs are calculated using internal valuations, which are unaudited and subject to change.

(D) Hypothetical Net IRR equals highest fee-paying investor Gross IRR multiplied by highest fee paying investor IRR GNDF. As is the case with any performance model, there are significant limitations on the application and uses of these hypothetical fees and expenses in calculating performance returns. Actual net returns may differ materially from any hypothetical net returns presented herein. Unlevered Net IRR includes line of credit drawdowns as Capital Contributions, line of credit paydowns as Capital Distributions, and any fees associated with the line of credit as an increase to Net Asset Value.
The unlevered Net IRR equals 23.0% and 7.8% for Fund I and Fund II, respectively.

Organizational Chart

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Firm Leadership

Raymond Whiteman
Managing Partner, Founder

Michael Stewart
Managing Partner, Founder

Mark Redman
Managing Partner, Head of Europe

Investment Professionals

Karthik Achar – *Partner*
David Waxman – *Managing Director*
Mike Livanos – *Managing Director*
Trey Lee – *Managing Director*
Irina Krasik – *Managing Director*

Olivia Zhao – *Principal*
Andy Chetwood – *Principal*
Michael Cochran – *Principal*
Catherine DeMarco – *Vice President*
Michael Ma – *Vice President*

Enrico Donisi – *Vice President*
Shaan Gurnani – *Vice President*
Eduard Friedman – *Vice President*
Yoni Lipski – *Vice President*
Anton Smaliak – *Senior Associate*

Manal Hachimi – *Senior Associate*
Jackson Kinsley – *Senior Associate*
Greg Schwartz – *Senior Associate*
Colin Derdeyn – *Associate*
Kian Starsberg – *Associate*

Justin Wang – *Associate*
Michael Heilweil – *Associate*
Karim Hooda – *Associate*
Warren Chen – *Analyst*
Alex Iafrate – *Analyst*

Danielle Black – *Analyst*
Brendan Manya – *Analyst*
Pulast Thaker – *Analyst*

Business Development & Operational Strategy

Shankar Kiru – *Managing Director*
Andrew Arton – *Director*
Toby Kreidler – *Director*

IC Member | New York | London | Detroit | Pittsburgh

Operations

Amanda Appelbaum – *Chief Compliance Officer/Associate GC*
Amy Alisdairi – *Chief Talent Officer*
Tony Braddock – *Chief Financial Officer*
Courtney Mehrotra – *Head of Investor Relations*
Joe Posillico – *Controller*
Aliza Frazer – *HR Analyst*
Melvin Menye – *Assistant Controller*
Francesca Ferry – *IR Analyst*

As of 02/01/2024

Although Stellex believes the success of any strategy is not dependent upon any individual, there can be no assurance that any individual professional will continue to be associated with Stellex. The composition of the professionals working on any Fund may change over time.

Seeing Value Where Others May Not

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Applying a thematic lens to sub-sectors

1. Combined wealth of varying industry experience from deal leads' time investing both at Stellex and previously at other investment firms
2. Sector expertise across broader industrials, business services, government services, and aerospace and defense
3. Additional deal leads have expanded our industry coverage and expertise across the team

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- Aerospace, Defense & Government
- Transportation & Logistics
- Manufacturing
- Real Economy & Business Services
- Food Processing
- Tech-enabled Services

Past performance is not indicative of future performance and there can be no guarantee any of the investment objectives described herein will be achieved.

Generating Proprietary Access to Opportunities

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We take a differentiated approach to sourcing, designed to give us an earlier look at opportunities

Select Stellex I-II Investments(1)

1 Regional Sourcing

- Our regional relationships, generated through our offices in Detroit and Pittsburgh, strive to provide us with access to opportunities where our capital can provide a solution
- Our office in London and collective language skills across our European team provide us with European access
- We focus on creating relationships in areas that are "underbanked" by typical coverage providers
- We believe our local network, combined with insights from our industry expertise, allow us to generally pre-empt broader processes for investment opportunities

2 Depth of Team Experience

- Our Managing Partners collectively have over 50 years of combined experience in the sourcing and execution of stressed and distressed investments
- Each senior investment team member has 15+ years of sector expertise within their respective focus and are equipped to handle complex deal dynamics and adverse economic attributes often seen as daunting to other middle-market PE players
- We believe the experience built over this tenure makes the Stellex team a clear and obvious partner for vendors, service providers, and most importantly, companies

3 Operator Network

- Our senior investment team have built-up extensive networks & relationships across over 75 cumulative years, demonstrated most evidently by the 300+ Operators with whom Stellex works closely and continuously
- These Operator relationships have allowed us to access proprietary, "under the radar" and off-market deal flow and on favorable terms, ultimately acquiring businesses at attractive entry multiples

(1) Fund I and Fund II investments presented herein are for illustrative purposes only, and have been selected in order to provide examples of (1) deals sourced via Stellex regional offices, (2) deals sourced by senior Stellex team members including deal leads, and (3) deals sourced through Stellex's Operator network, respectively. References to the investments herein should not be construed as a recommendation of any particular investment or security. Past successful sourcing, does not guarantee nor is indicative of future sourcing potential. Additionally there is no guarantee that any pending deals will close and there can be no assurances or guarantees that any investment objectives will be realized or any investment strategy will prove successful. **Past performance is not indicative of future performance and there can be no guarantee any of the investment objectives described herein will be achieved.**

Versatility of Our Approach

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Investment team can utilize a variety of capital solutions to seek to invest in attractive opportunities

Scenario	Experience	Fund I and II Example(s)
Buyout & Special Situations	▪ Investments with control and/or other rights of significant influence over the strategic direction of the business ▪ Family or founder owned businesses	PLH Group; Custom Made Meals; Hodess Cleanroom Construction; GO; mss; Mecaer Aviation Group; Santasalo; Morbark; Grammer Industries; Armada; Dennis & Co.; W&B Service Company; Cisco Equipment
Platform	▪ Buy and build strategies to capitalize on specific dynamics associated within an industry or sub-industry sector	MHI Ship Repair & Services; RTC Aerospace; Titan Acquisition Holdings; P3 Services; Weber Logistics The Strongest Link; Dominion Hospitality; Paragon
Carve-out	▪ Non-core business divestitures ▪ Neglected corporate orphans	Cg Solutions; Continental Global Material Handling; G2 Risk Solutions
Turnarounds & Corporate Reorganization	▪ Situations that will necessitate active involvement in the reorganization process ▪ Crisis management expertise ▪ Operational overhaul ▪ Negative cash flow	Maccaferri; AFGlobal; Fenix Parts; Country Fresh; USMP Holdings; A.Stucki Company

All of the Funds' prior and current portfolio company investments presented herein are shown for illustrative purposes only to provide examples of capital solutions take by Stellex. Examples list all of the Funds' prior and current portfolio companies as of December 31 `2023, and does not include any new portfolio companies after such date. This slide should not be construed as a recommendation of any particular investment or security. This slide does not reflect subsequent investments or events. Past performance is not indicative of future performance and there can be no guarantee any of the investment objectives described herein will be achieved.

Striving to Create Value from Entry to Exit

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Utilizing a network of 300+ Operators, aligned to seek success through a two-pronged approach

Deal Team

Sourcing	Diligence	Active Management	Exit
▪ Senior team members are expected to use their sector expertise and experience, in conjunction with extensive and deep-rooted networks, to continually assess opportunities ▪ Deal Leads generate thematic analyses to develop investment ideas, uncovering opportunities with value creation potential and completing initial analysis	▪ Once in due diligence, the Deal Team is responsible for completing extensive review and collating detailed investment theses, operational and value creation plans, as well as cross-referencing these with other experts ▪ A comprehensive memo is presented to the IC by the deal team, with support from Operators	▪ Deal Teams take a 'hands-on' role in each company, with majority positions and Board control to ensure implementation and execution of value creation plans ▪ Stellex Deal Teams work intensively to execute plans within the first 12-18 months, allowing enough time to see expected results come through in the P&L of the business	▪ Deal leads consistently review market dynamics to ensure the best exit potential, with most investments sold to strategic buyers or financial sponsors ▪ We believe Stellex's known ability to acquire companies favourably, before executing extensive value creation, means companies often receive early inbound interest

Operators

▪ Stellex's on-the-ground presence facilitates connectivity with Operators outside of typical Wall Street intermediated processes ▪ Operators have a close pulse on opportunities through their networks and prior experience	▪ Operators are expected to be in the trenches conducting due diligence right alongside our deal team ▪ Operators may attend IC meetings to present investment opportunity and diligence findings alongside Deal Team	▪ Operators may be encouraged to spearhead "operational diagnostic" evaluation, establishing required changes and improvements for target investments as an integral part of the investment thesis ▪ Operators may continue to deliver their industry expertise to portfolio companies by assuming C-suite roles and Board Seats	▪ Operators are expected to remain true partners with Deal Team members, and may manage portfolio companies throughout duration of Stellex ownership through to exit ▪ We believe our Operators are additive to our team's ever evolving industry expertise

Past successful sourcing and exits, does not guarantee nor is indicative of future sourcing potential or exits. Past performance is not indicative of future results. Stellex's Operators are independent of and not exclusive to Stellex. There can be no assurances or guarantees that any investment objectives will be realized or any investment strategy will prove successful.

Key Levers of Value Creation

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Operations

- **Safety:** Culture, Compliance
- **Quality:** Lean Implementation, Continuous Improvement
- **Delivery:** Capacity Planning
- **Cost:** Fixed and Variable Costs
- **Performance:** Operating System. Operating Efficiency

MHI: Transitioned from cost-plus to fixed price contracts

Human Resources

- **Organization:** Right People on the Bus, Policies and Procedures Handbook
- **Engagement and Retention:** Recruiting, On-Boarding, Incentives, Training
- **Compliance:** 401K, I9, ADA, FCPA
- **Cost:** Health and Benefits, Workers Compensation

TITAN: Top-graded talent of the organization: CEO and BOD "got the right people on the bus"

Information Technology

- **Infrastructure:** Updating EOL Hardware, Remote Access / VPNs
- **Applications:** ERP, Software License Management, Business Intelligence
- **Security:** Cyber, Disaster Recovery
- **Scalability:** Training and User Counts, Latency and Response Times

FENIX PARTS: Implemented proprietary and centralized inventory management system

Supply Chain Management

- **Working Capital Efficiency:** Vendor Managed Inventory, Improve inventory turns
- **Cost Reductions:** Pareto of all direct and indirect costs, annual negotiations, new supplier qualifications
- **Professional Management:** contingency planning, market testing

Close look through all vendor relationships in an effort to improve inefficiencies

Sales

- **Pricing:** Pricing Strategy, Loss Recovery, Pass Through Positioning
- **Competitive Positioning:** Benchmarking, Reasons for Win / Loss
- **Sales Administration:** Quoting Model, Targeting, Sales Incentives
- **Market:** Trends (Industry / Customer), $ opportunities Quantified

Targeted price increases based on EOQ (Economic Order Quantities) and part complexity

Measurement

- **FP&A:** KPI Dashboards, 13-week Cash Rolling Forecasts, Annual Budgets
- **Bookkeeping / Reporting:** Standards Roll, Month End Closing, Audit
- **Profitability Analysis:** SKU rationalization, working capital efficiency

Cost of manufacturing analysis

Fund I: Summary Investment Schedule

Stellex Capital Partners LP & Stellex Capital Investors LP

Summary Investment Schedule (1)

As of December 31, 2023

Amounts in millions of US Dollars

	Invested Capital (2)	Cash Received (3)	Remaining FMV (4)	Total Value (5)	Gross MOIC (6)	Gross IRR (7)	Gross DVPI (8)	Hypothetical Net MOIC (17)	Hypothetical Net IRR (18)
Total Realized Investments	$ 219.1	$ 956.4	$ 19.8	$ 976.2	4.45x	70.8%	4.36x	3.31x	41.1%
Total Unrealized Investments	$ 534.5	$ 29.8	$ 913.0	$ 942.9	1.76x	13.3%	0.06x	1.31x	7.7%
Total Investment Activity	**$ 730.8**	**$ 983.3**	**$ 913.0**	**$ 1,896.3**	**2.59x**	**36.1%**	**1.35x**	**1.93x**	**21.0%**

	Capital Contributions (9)	Capital Distributions (10)	LP NAV (11)	LP Total Value (12)	Net MOIC (13)	Net DVPI (14)	Net IRR (15, 16)	Unlevered Net IRR (15)
Stellex Capital Partners LP & Stellex Capital Investors LP	**$ 841.6**	**$ 849.8**	**$ 841.2**	**$ 1,690.9**	**2.01x**	**1.01x**	**23.7%**	**23.0%**

Note**: Please see next page for important notes, and this investment schedule must be read in conjunction with these notes. Past performance is not indicative of future performance and there is no guarantee or assurances that any investment objectives will be realized or any investment strategy will prove successful.** All returns on unrealized investments are estimates based on subjective assumptions and allocations of fees and expenses that Stellex believes to be reasonable under the circumstances. No investor received any such returns, which are hypothetical and provided for illustrative purposes only to assist investors in their evaluation of the risk-return profile of Stellex's investment strategy. Stellex is available to discuss such hypothetical model upon request. Fair value is net of all third-party debt. Investments are and may be funded, even partially, through fund supported debt and (i.e., a line of credit) are not included in these returns. Unlevered returns will be lower than those presented herein, and may be significant. **The unlevered Net IRR equals 23.0%.**

Fund I: Summary Investment Schedule

(1) **Past performance is not indicative of future performance and there is no guarantee or assurances that any investment objectives will be realized or any investment strategy will prove successful**. All returns on unrealized investments are estimates based on subjective assumptions and allocations of fees and expenses that Stellex believes to be reasonable under the circumstances. Performance figures do not reflect any events subsequent to the as-of date of this schedule, including the continued impact of COVID-19 and any potential or actual deterioration of economic or market conditions. The full impact of COVID-19 and market conditions are particularly uncertain and difficult to predict and may have an adverse effect on the future aggregate investment performance and certain or all of the individual investments described herein. The actual return realized by any investor in the Fund is likely to differ, even materially, from those reflected or contemplated in the data presented herein. Such returns are hypothetical and provided for illustrative purposes only to assist investors in their evaluation of the risk-return profile of Stellex's investment strategy. Stellex is available to discuss such hypothetical model upon request. Fair value is net of all third-party debt. Investments are and may be funded, even partially or to temporarily invest in a portfolio company to bridge liquidity, through fund supported debt and (i.e., a line of credit) are not included in these returns. These unlevered returns will be lower than those presented herein and may be significant. The performance of an individual investor may and likely will differ from fund-level returns due to factors including, but not limited to, (i) the timing of an investor's capital contributions, including as a result of a later subscription and related charges, (ii) various structuring elections, including the use of one or more blocker entities on a particular transaction that were not common to all investors or other tax determinations, (iii) differences in fees or expenses allocable to certain investors as a result of taxes or other considerations, (iv) the excuse or exclusion of an investor for one or more of the Fund's investments and (v) Stellex's use of a subscription credit facility and its effect on returns. In addition, investments made by certain investors are subject to waived or reduced management fees and/or carried interest, and such investors would typically experience higher net returns than investors subject to the full amount of fees and carried interest. Net performance for individual investments cannot be calculated without making arbitrary assumptions including about the allocations of fees and expenses, and for that reason are not included herein. Figures herein are based on valuations calculated by Stellex and are based on certain assumptions and analyses made by Stellex. There is no guarantee that realized performance will be achieved or that an investment will not result in a loss, including a total loss of investment. **The unlevered Net IRR equals 23.0%.**

(2) Invested Capital includes capital contributions made by all Partners, including the General Partner, and does not include interim borrowings on the Fund's subscription credit facilities, which may be significant and affect returns.

(3) Cash Received represents cash proceeds received by Fund I.

(4) Remaining Fair Market Value amounts are determined in accordance with Stellex's internal Valuation Policy, are unaudited and subject to change. The values are based off of the preceding quarter and do not reflect subsequent events, which may be material. Further, these values may not necessarily reflect the value that could be realized upon sale. Such values do not reflect fees, expenses and carried interest that will reduce the value of returns experienced by Stellex investors. Please refer to the Fund's financial statements and Valuation Policy provided in the data room to all Fund I investors.

(5) Total Value means the sum of Total Realized Proceeds and Unrealized Value. "Total Realized Proceeds" means the sum of gross proceeds generated from such investment, including, without limitation, through dispositions of such investment or cash dividends and/or interest received in respect of such investment, in each case, prior to payment of advisory fees, performance compensation and other expenses in connection with such investment which, in the aggregate, may be substantial. Total Realized Proceeds will (as applicable) also include the discount or premium received when purchasing a bond or loan. "Unrealized Value" means, with respect to each investment, the fair value of the unrealized portion of such investment as determined by Stellex as of the date noted above, which determination may be based on material assumptions. There can be no assurance that the assumptions used by Stellex are correct or that the fair value determined by Stellex for an unrealized portion of an investment will be ultimately realized. The actual realized returns of the unrealized portion of an investment will depend upon, among other factors, future operating results, the value of such unrealized portion and market conditions at the time of disposition of such unrealized portion, any related transaction costs and the timing and manner of sale, each of which may differ from the assumptions on which the values contained herein are based.

(6) Gross MOIC equals Total Value divided by Invested Capital. Gross MOIC does not reflect reduction of management fees, taxes, partnership expenses, carried interest, benefit of the use of a subscription credit facility and other expenses that are borne by investors, which will reduce returns and in the aggregate are expected to be substantial. For more information on fees and expenses, please see Stellex's Form ADV Part 2A and your respective offering documents.

(7) Gross IRR means an aggregate, annual, compound, gross internal rate of return on investments. Gross IRRs and other gross multiples do not reflect reduction of management fees, taxes, partnership expenses, carried interest, benefit of the use of a subscription credit facility and other expenses that are borne by investors, which will reduce returns and in the aggregate are expected to be substantial. Except if otherwise indicated, IRRs are calculated using internal valuations, which are unaudited and subject to change.

(8) Capital Contributions consists of aggregate capital contributions made by the Limited Partners, excluding amounts drawn down on the Fund's subscription credit facility.

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Fund I: Summary Investment Schedule (Cont'd)

(9) Capital Distributions consists of aggregate distributions made by the Fund to the Limited Partners, net of any recalled distributions.

(10) LP NAV equals the sum of Limited Partners NAV of Stellex Capital Partners LP and Stellex Capital Investors LP taken from period-end balance sheets.

(11) LP Total Value means Cash Distributions plus LP NAV.

(12) Net MOIC equals LP Total Value divided by Capital Contributions.

(13) Net DVPI equals Capital Distributions divided by Capital Contributions.

(14) Net IRR means an aggregate, annual, compound, internal rate of return on investments net of management fees, taxes, partnership expenses, carried interest and other expenses that are borne by investors in connection with the disposition of unrealized (or partially realized) investments and other expenses that are borne by investors.

(15) In addition to footnote (14), Unlevered Net IRR includes line of credit drawdowns as Capital Contributions, line of credit paydowns as Capital Distributions, and any fees associated with the line of credit as an increase to Net Asset Value.

(16) Hypothetical Net MOIC equals highest fee paying investor Gross MOIC multiplied by highest fee paying investor MOIC gross-net-discount-factor ("GNDF") ratio ((Fund I GNDF Net MOIC x Fund I Commitment / (Fund I + Fund II Commitment)) + (Fund II GNDF Net MOIC x Fund II Commitment / (Fund I + Fund II Commitment)) = Weighted Net MOIC) / ((Fund I GNDF Gross MOIC x Fund I Commitment / (Fund I + Fund II Commitment)) + (Fund II GNDF Gross MOIC x Fund II Commitment / (Fund I + Fund II Commitment)) = Weighted Gross MOIC) = Weight MOIC Ratio ("WMR")). As is the case with any performance model, there are significant limitations on the application and uses of these hypothetical fees and expenses in calculating performance returns. Actual net returns may differ materially from any hypothetical net returns presented herein.

(17) Hypothetical Net IRR equals highest fee-paying investor Gross IRR multiplied by highest fee paying investor IRR GNDF. As is the case with any performance model, there are significant limitations on the application and uses of these hypothetical fees and expenses in calculating performance returns. Actual net returns may differ materially from any hypothetical net returns presented herein.

Fund II: Summary Investment Schedule

stellex CAPITAL MANAGEMENT

Stellex Capital Partners II LP & Stellex Capital Partners II-A LP

Summary Investment Schedule (1)

Amounts in millions of US Dollars

	As of December 31, 2023								
	Invested Capital (2)	**Cash Received (3)**	**Remaining FMV (4)**	**Total Value (5)**	**Gross MOIC (6)**	**Gross IRR (7)**	**Gross DVPI (8)**	**Hypothetical Net MOIC (17)**	**Hypothetical Net IRR (18)**
Total Realized Investments	$ 19.8	$ 73.4	$ -	$ 73.4	3.71x	775.9%	3.71x	3.28x	357.3%
Total Unrealized Investments	$ 1,097.9	$ 23.9	$ 1,337.4	$ 1,361.2	1.24x	15.2%	0.02x	1.10x	7.0%
Total Investment Activity	**$ 1,117.7**	**$ 97.3**	**$ 1,337.4**	**$ 1,434.6**	**1.28x**	**18.7%**	**0.09x**	**1.14x**	**8.6%**

	Capital Contribution s (9)	**Capital Distributions (10)**	**LP NAV (11)**	**LP Total Value (12)**	**Net MOIC (13)**	**Net DVPI (14)**	**Net IRR (15, 16)**	**Unlevered Net IRR (15)**
Stellex Capital Partners LP & Stellex Capital Investors LP	**$ 1,194.3**	**$ 88.0**	**$ 1,283.9**	**$ 1,371.9**	**1.15x**	**0.07x**	**9.4%**	**7.8%**

Note: **Please see next page for important notes, and this investment schedule must be read in conjunction with these notes. Past performance is not indicative of future performance and there is no guarantee or assurances that any investment objectives will be realized or any investment strategy will prove successful.** All returns on unrealized investments are estimates based on subjective assumptions and allocations of fees and expenses that Stellex believes to be reasonable under the circumstances. No investor received any such returns, which are hypothetical and provided for illustrative purposes only to assist investors in their evaluation of the risk-return profile of Stellex's investment strategy. Stellex is available to discuss such hypothetical model upon request. Fair value is net of all third-party debt. Investments are and may be funded, even partially, through fund supported debt and (i.e., a line of credit) are not included in these returns. Unlevered returns will be lower than those presented herein, and may be significant**. Unlevered Net IRR equals 7.8%.**

Fund II: Summary Investment Schedule

(1) **Past performance is not indicative of future performance and there is no guarantee or assurances that any investment objectives will be realized or any investment strategy will prove successful**. All returns on unrealized investments are estimates based on subjective assumptions and allocations of fees and expenses that Stellex believes to be reasonable under the circumstances. Performance figures do not reflect any events subsequent to the as-of date of this schedule, including the continued impact of COVID-19 and any potential or actual deterioration of economic or market conditions. The full impact of COVID-19 and market conditions are particularly uncertain and difficult to predict and may have an adverse effect on the future aggregate investment performance and certain or all of the individual investments described herein. The actual return realized by any investor in the Fund is likely to differ, even materially, from those reflected or contemplated in the data presented herein. Such returns are hypothetical and provided for illustrative purposes only to assist investors in their evaluation of the risk-return profile of Stellex's investment strategy. Stellex is available to discuss such hypothetical model upon request. Fair value is net of all third-party debt. Investments are and may be funded, even partially or to temporarily invest in a portfolio company to bridge liquidity, through fund supported debt and (i.e., a line of credit) are not included in these returns. These unlevered returns will be lower than those presented herein and may be significant. The performance of an individual investor may and likely will differ from fund-level returns due to factors including, but not limited to, (i) the timing of an investor's capital contributions, including as a result of a later subscription and related charges, (ii) various structuring elections, including the use of one or more blocker entities on a particular transaction that were not common to all investors or other tax determinations, (iii) differences in fees or expenses allocable to certain investors as a result of taxes or other considerations, (iv) the excuse or exclusion of an investor for one or more of the Fund's investments and (v) Stellex's use of a subscription credit facility and its effect on returns. In addition, investments made by certain investors are subject to waived or reduced management fees and/or carried interest, and such investors would typically experience higher net returns than investors subject to the full amount of fees and carried interest. Net performance for individual investments cannot be calculated without making arbitrary assumptions including about the allocations of fees and expenses, and for that reason are not included herein. Figures herein are based on valuations calculated by Stellex and are based on certain assumptions and analyses made by Stellex. There is no guarantee that realized performance will be achieved or that an investment will not result in a loss, including a total loss of investment. **The unlevered Net IRR equals 7.8%.**

(2) Invested Capital includes capital contributions made by all Partners, including the General Partner, and does not include interim borrowings on the Fund's subscription credit facilities, which may be significant and affect returns.

(3) Cash Received represents cash proceeds received by Fund II.

(4) Remaining Fair Market Value amounts are determined in accordance with Stellex's internal Valuation Policy, are unaudited and subject to change. The values are based off of the preceding quarter and do not reflect subsequent events, which may be material. Further, these values may not necessarily reflect the value that could be realized upon sale. Such values do not reflect fees, expenses and carried interest that will reduce the value of returns experienced by Stellex investors. Please refer to the Fund's financial statements and Valuation Policy provided in the data room to all Fund I investors.

(5) Total Value means the sum of Total Realized Proceeds and Unrealized Value. "Total Realized Proceeds" means the sum of gross proceeds generated from such investment, including, without limitation, through dispositions of such investment or cash dividends and/or interest received in respect of such investment, in each case, prior to payment of advisory fees, performance compensation and other expenses in connection with such investment which, in the aggregate, may be substantial. Total Realized Proceeds will (as applicable) also include the discount or premium received when purchasing a bond or loan. "Unrealized Value" means, with respect to each investment, the fair value of the unrealized portion of such investment as determined by Stellex as of the date noted above, which determination may be based on material assumptions. There can be no assurance that the assumptions used by Stellex are correct or that the fair value determined by Stellex for an unrealized portion of an investment will be ultimately realized. The actual realized returns of the unrealized portion of an investment will depend upon, among other factors, future operating results, the value of such unrealized portion and market conditions at the time of disposition of such unrealized portion, any related transaction costs and the timing and manner of sale, each of which may differ from the assumptions on which the values contained herein are based.

(6) Gross MOIC equals Total Value divided by Invested Capital. Gross MOIC does not reflect reduction of management fees, taxes, partnership expenses, carried interest, benefit of the use of a subscription credit facility and other expenses that are borne by investors, which will reduce returns and in the aggregate are expected to be substantial. For more information on fees and expenses, please see Stellex's Form ADV Part 2A and your respective offering documents.

(7) Gross IRR means an aggregate, annual, compound, gross internal rate of return on investments. Gross IRRs and other gross multiples do not reflect reduction of management fees, taxes, partnership expenses, carried interest, benefit of the use of a subscription credit facility and other expenses that are borne by investors, which will reduce returns and in the aggregate are expected to be substantial. Except if otherwise indicated, IRRs are calculated using internal valuations, which are unaudited and subject to change.

(8) Capital Contributions consists of aggregate capital contributions made by the Limited Partners, excluding amounts drawn down on the Fund's subscription credit facility.

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(9) Capital Distributions consists of aggregate distributions made by the Fund to the Limited Partners, net of any recalled distributions.

(10) LP NAV equals the sum of Limited Partners NAV of Stellex Capital Partners II LP and Stellex Capital Partners II-A LP taken from period-end balance sheets.

(11) LP Total Value means Cash Distributions plus LP NAV.

(12) Net MOIC equals LP Total Value divided by Capital Contributions.

(13) Net DVPI equals Capital Distributions divided by Capital Contributions.

(14) Net IRR means an aggregate, annual, compound, internal rate of return on investments net of management fees, taxes, partnership expenses, carried interest and other expenses that are borne by investors in connection with the disposition of unrealized (or partially realized) investments and other expenses that are borne by investors.

(15) In addition to footnote (14), Unlevered Net IRR includes line of credit drawdowns as Capital Contributions, line of credit paydowns as Capital Distributions, and any fees associated with the line of credit as an increase to Net Asset Value.

(16) Hypothetical Net MOIC equals highest fee paying investor Gross MOIC multiplied by highest fee paying investor MOIC gross-net-discount-factor (“GNDF”) ratio ((Fund I GNDF Net MOIC x Fund I Commitment / (Fund I + Fund II Commitment)) + (Fund II GNDF Net MOIC x Fund II Commitment / (Fund I + Fund II Commitment)) = Weighted Net MOIC) / ((Fund I GNDF Gross MOIC x Fund I Commitment / (Fund I + Fund II Commitment)) + (Fund II GNDF Gross MOIC x Fund II Commitment / (Fund I + Fund II Commitment)) = Weighted Gross MOIC) = Weight MOIC Ratio (“WMR”)). As is the case with any performance model, there are significant limitations on the application and uses of these hypothetical fees and expenses in calculating performance returns. Actual net returns may differ materially from any hypothetical net returns presented herein.

(17) Hypothetical Net IRR equals highest fee-paying investor Gross IRR multiplied by highest fee paying investor IRR GNDF. As is the case with any performance model, there are significant limitations on the application and uses of these hypothetical fees and expenses in calculating performance returns. Actual net returns may differ materially from any hypothetical net returns presented herein.

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CAPITAL MANAGEMENT

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San Joaquin County Employees' Retirement Association (SJCERA)

Preliminary Monthly Flash Report (Net)[1] February 2024

	Commitment ($000)	Sub-Segment	Market Value	Physical % of Total	Policy Target %	1-Mo	3-Mos	YTD	1-Yr	3-Yrs	5-Yrs	SI Return	SI Date
TOTAL PLAN[1]			$ 4,289,223,494	100.0%	100.0%	1.7	5.0	2.2	9.2	5.4	6.7	7.6	Apr-90
Policy Benchmark [4]						*2.7*	*4.9*	*2.5*	*11.3*	*4.9*	*7.3*	*7.5*	
Difference:						-1.0	0.0	-0.3	-2.1	0.5	-0.6	0.1	
75/25 Portfolio [5]						*2.9*	*7.9*	*3.0*	*18.3*	*4.1*	*8.6*	*6.9*	
Difference:			.			-1.2	-2.9	-0.8	-9.1	1.3	-1.9	0.7	
Broad Growth			$ 3,405,565,597	79.4%	78.0%	2.1	5.8	2.4	11.2	6.7	7.9	8.2	Jan-95
Aggressive Growth Lag[2]			$ 433,011,846	10.1%	12.0%	0.1	0.1	0.9	0.9	18.4	13.6	-1.9	Feb-05
Aggressive Growth Blend [6]						*-2.3*	*-2.3*	*4.8*	*4.8*	*8.9*	*7.4*	*8.5*	
Difference:						0.7	0.2	-6.3	-3.7	4.5	5.8	-1.9	
BlackRock Global Energy&Power Lag[3]	*$50,000*	*Global Infrastructure*	$ 46,621,376	1.1%		-0.5	-0.5	10.7	10.7	9.7	--	10.4	Jul-19
MSCI ACWI +2% Lag						*6.9*	*6.9*	*19.4*	*19.4*	*13.7*	--	*12.4*	
Difference:						-7.3	-7.3	-8.8	-8.8	-4.0	--	-2.0	
BlackRock Infrastructure[3]	*$50,000*	*Global Infrastructure*	$ 13,958,849	0.3%		-1.4	-1.4	--	--	--	--	-9.0	Mar-23
MSCI ACWI +2% Lag						*-2.8*	*-2.8*	--	--	--	--	*12.1*	
Difference:						1.4	1.4	--	--	--	--	-21.1	
Bessemer Venture Partners Forge Fund[3]	*$50,000*	*PE Buyout*	$ 6,370,041	0.1%		-2.6	-2.6	--	--	--	--	--	Sep-23
MSCI ACWI +2% Lag						*-2.8*	*-2.8*	--	--	--	--	--	
Difference:						0.2	0.2	--	--	--	--	--	
Lightspeed Venture Ptr Select V Lag[3]	*$40,000*	*Growth-Stage VC*	$ 19,020,050	0.4%		-1.1	-1.1	-5.7	-5.7	--	--	-11.9	Jun-22
MSCI ACWI +2% Lag						*6.9*	*6.9*	*19.4*	*19.4*	--	--	*-2.3*	
Difference:						-8.0	-8.0	-25.2	-25.2	--	--	-9.6	
Long Arc Capital Fund Lag[3]	*$25,000*	*Growth-Stage VC*	$ 22,259,650	0.5%		3.4	3.4	--	--	--	--	-3.0	Apr-23
MSCI ACWI +2% Lag						*6.9*	*6.9*	--	--	--	--	*27.4*	
Difference:						-3.5	-3.5	---	---	---	--	-30.4	
Oaktree Special Situations Lag[3]	*$40,000*	*PE Buyout*	$ -	0.0%		---	---	---	---	---	---	---	Mar-24
MSCI ACWI +2% Lag						---	---	---	---	---	---	---	
Difference:						---	---	---	---	---	---	---	
Ocean Avenue II Lag[3]	*$40,000*	*PE Buyout FOF*	$ 32,271,035	0.8%		-8.9	-8.9	-14.7	-14.7	29.3	22.6	15.7	May-13
MSCI ACWI +2% Lag						*6.9*	*6.9*	*19.4*	*19.4*	*13.7*	*10.2*	*9.6*	
Difference:						-15.8	-15.8	-34.2	-34.2	15.5	--	6.1	
Ocean Avenue III Lag[3]	*$50,000*	*PE Buyout FOF*	$ 53,687,919	1.3%		6.3	6.3	12.7	12.7	31.3	25.2	24.3	Apr-16
MSCI ACWI +2% Lag						*6.9*	*6.9*	*19.4*	*19.4*	*13.7*	*10.2*	*9.8*	
Difference:						-0.6	-0.6	-6.7	-6.7	17.6	--	14.5	
Ocean Avenue IV Lag[3]	*$50,000*	*PE Buyout*	$ 56,269,156	1.3%		-0.4	-0.4	9.3	9.3	33.2	--	31.0	Dec-19
MSCI ACWI +2% Lag						*-2.8*	*-2.8*	*23.8*	*23.8*	*9.5*	--	*10.8*	
Difference:						2.4	2.4	-14.5	-14.5	23.7	--	20.2	
Ocean Avenue V Lag[3]	*$30,000*	*PE Buyout*	$ 6,498,007	0.2%		16.0	16.0	--	--	--	--	2.9	Jun-23
MSCI ACWI +2% Lag						*6.9*	*6.9*	--	--	--	--	*15.1*	
Difference:						9.1	9.1	--	--	--	--	-12.2	
Morgan Creek III Lag[3]	*$10,000*	*Multi-Strat FOF*	$ 4,848,671	0.1%		5.7	5.7	4.0	4.0	-8.1	-10.3	-4.9	Feb-15
MSCI ACWI +2% Lag						*6.9*	*6.9*	*19.4*	*19.4*	*13.7*	*10.2*	*9.7*	
Difference:						-1.2	-1.2	-15.4	-15.4	-21.9	-20.5	-14.6	
Morgan Creek V Lag[3]	*$12,000*	*Multi-Strat FOF*	$ 5,557,161	0.1%		-0.6	-0.6	-4.9	-4.9	8.4	8.9	11.9	Jun-13
MSCI ACWI +2% Lag						*6.9*	*6.9*	*19.4*	*19.4*	*13.7*	*10.2*	*9.6*	
Difference:						-7.5	-7.5	-24.3	-24.3	-5.3	-1.3	2.3	
Morgan Creek VI Lag[3]	*$20,000*	*Multi-Strat FOF*	$ 22,031,859	0.5%		1.6	1.6	-1.9	-1.9	14.2	14.2	9.0	Feb-15
MSCI ACWI +2% Lag						*6.9*	*6.9*	*19.4*	*19.4*	*13.7*	*10.2*	*9.7*	
Difference:						-5.2	-5.2	-21.4	-21.4	0.5	4.0	-0.7	

[1] Returns are preliminary and are finalized during each quarterly reporting cycle. Monthly returns since previous quarter are provided by the managers. Market values are provided by Northern Trust.

[2] Total class returns are as of 12/31/23, and lagged 1 quarter.

[3] Manager returns are as of 12/31/23, and lagged 1 quarter. Since Inception date reflects one quarter lag.

[4] 9/1/23 to present benchmark is 34**%** MSCI ACWI IMI, 8**%** BB Aggregate Bond Index, **16%** *50%* BB High Yield/*50%* S&P Leveraged Loans, 7% NCREIF ODCE +1% lag; **9%** T-Bill +4%, **12%** MSCI ACWI +2% Lag, **14%** CRO Custom Benchmark. Prior to 9/1/23 benchmark is legacy policy benchmark.

[5] 4/1/20 to present **75%** MSCI ACWI, **25%** BB Global Aggregate. Prior to 4/1/20 60% MSCI ACWI, 40% BB Global Aggregate.

[6] 1/1/2021 to present **50%** MSCI ACWI +2%,**50%** NCREIF ODCE +1%

San Joaquin County Employees' Retirement Association (SJCERA)

Preliminary Monthly Flash Report (Net)[1] February 2024

	Commitment ($000)	Sub-Segment	Market Value	Physical % of Total	Policy Target %	1-Mo	3-Mos	YTD	1-Yr	3-Yrs	5-Yrs	SI Return	SI Date
Aggressive Growth Lag (continued)													
Ridgemont Equity Partners Lag[3]	*$50,000*	*Special Situations PE*	$ 20,102,882	0.5%		-2.0	-2.0	--	--	--	--	6.1	Apr-23
MSCI ACWI +2% Lag						*6.9*	*6.9*	*--*	*--*	*--*	*--*	*27.4*	
Difference:						-8.9	-8.9	--	--	--	--	-21.2	
Stellex Capital Partners II Lag[3]	*$50,000*	*Special Situations PE*	$ 36,447,033	0.8%		1.9	1.9	4.5	4.5	--	--	2.5	Jul-21
MSCI ACWI +2% Lag						*-2.8*	*-2.8*	*23.8*	*23.8*	*--*	*--*	*1.5*	
Difference:						4.7	4.7	-19.3	-19.3	--	--	1.0	
Opportunistic Private Real Estate[4]			$ 23,199,836	0.4%									
Greenfield VII[3]	*$19,100*	*Opportunistic Pvt. RE*	$ 1,343,355	0.0%		2.5	2.5	7.4	-4.6	13.8	11.8	12.0	Oct-14
NCREIF ODCE + 1% Lag Blend						*-1.9*	*-1.9*	*-12.0*	*-12.0*	*7.3*	*5.8*	*11.2*	
Difference:						4.4	4.4	19.4	7.4	6.5	6.0	0.8	
Grandview[3]	*$30,000*	*Opportunistic Pvt. RE*	$ 14,487,779	0.3%		-0.4	-0.4	-12.4	-8.2	11.1	--	16.0	Apr-18
NCREIF ODCE + 1% Lag Blend						*-1.9*	*-1.9*	*-12.0*	*-12.0*	*7.3*	*5.8*	*8.8*	
Difference:						1.5	1.5	-0.4	3.8	3.8	--	7.2	
Walton Street VI[3]	*$15,000*	*Opportunistic Pvt. RE*	$ 6,708,140	0.2%		1.6	1.6	4.8	10.3	12.3	4.4	8.1	Jul-09
NCREIF ODCE + 1% Lag Blend						*-1.9*	*-1.9*	*-12.0*	*-12.0*	*7.3*	*5.8*	*11.0*	
Difference:						3.5	3.5	16.8	22.3	5.0	-1.4	-2.9	
Value-Added Private Real Estate			$ 63,066,566	1.5%									
AG Core Plus IV[3]	*$20,000*	*Value-Added Pvt. RE*	$ 7,340,287	0.2%		-9.9	-9.9	-23.0	-31.2	-8.3	-2.7	-0.4	Sep-15
NCREIF ODCE + 1% Lag Blend						*-1.9*	*-1.9*	*-12.0*	*-12.0*	*7.3*	*5.8*	*10.6*	
Difference:						-8.0	-8.0	-11.0	-19.2	-15.6	-8.5	-11.0	
Almanac Realty VI[3]	*$30,000*	*Value-Added Pvt. RE*	$ 3,436,232	0.1%		-8.1	-8.1	-12.9	-11.0	-2.3	-8.5	16.7	Feb-13
NCREIF ODCE + 1% Lag Blend						*-1.9*	*-1.9*	*-12.0*	*-12.0*	*7.3*	*5.8*	*12.1*	
Difference:						-6.2	-6.2	-0.9	1.0	-9.6	-14.3	4.6	
Berkeley Partners Fund V, LP[3]	*$40,000*	*Value-Added Pvt. RE*	$ 31,522,143	0.7%		3.3	3.3	6.5	1.7	23.5	--	23.5	Aug-20
NCREIF ODCE + 1% Lag Blend						*-1.9*	*-1.9*	*-12.0*	*-12.0*	*7.3*	*5.8*	*10.4*	
Difference:						5.2	5.2	18.5	13.7	16.2	--	13.1	
Stockbridge RE III[3]	*$45,000*	*Value-Added Pvt. RE*	$ 20,767,905	0.5%		-3.4	0.7	1.8	20.2	13.4	--	11.2	Jul-18
NCREIF ODCE + 1% Lag Blend						*-1.9*	*-1.9*	*-12.0*	*-12.0*	*7.3*	*5.8*	*9.2*	
Difference:						-1.5	2.6	13.8	32.2	--	--	2.0	

[1] Returns are preliminary and are finalized during each quarterly reporting cycle. Monthly returns since previous quarter are provided by the managers. Market values are provided by Northern Trust.

[2] MSCI ACWI IMI Net as of 4/1/2020, MSCI ACWI Gross prior.

[3] Manager returns are as of 12/31/23, and lagged 1 quarter. Since Inception date reflects one quarter lag.

[4] Market value includes Greenfield V $15,783; Greenfield VI $21,768, and Walton V $623,011

San Joaquin County Employees' Retirement Association (SJCERA)

Preliminary Monthly Flash Report (Net)[1] February 2024

	Commitment ($000)	Sub-Segment	Market Value	Physical % of Total	Policy Target %	1-Mo	3-Mos	YTD	1-Yr	3-Yrs	5-Yrs	SI Return	SI Date
Traditional Growth[3]			**$ 1,699,218,086**	**39.6%**	**34.0%**	**4.1**	**10.7**	**4.8**	**23.6**	**7.6**	**9.3**	**9.2**	**Jan-95**
MSCI ACWI IMI Net [2]						*4.2*	*9.9*	*4.4*	*21.6*	*6.1*	*10.7*	*7.9*	
Difference:						0.0	0.8	0.4	2.0	1.5	-1.3	1.2	
Global Equity			$ 1,654,724,824	38.6%									
Northern Trust MSCI World IMI		*All Cap Global*	$ 1,479,445,729	34.5%		4.2	10.7	5.0	23.7	8.2	--	11.0	Sep-20
MSCI World IMI Net						*4.1*	*10.6*	*4.9*	*23.1*	*7.7*	--	*10.6*	
Difference:						0.1	0.1	0.1	0.6	--	--	0.5	
Emerging Markets			$ 175,275,989										
GQG Active Emerging Markets		*Emerging Markets*	$ 78,522,242	1.8%		5.2	15.8	8.0	39.2	2.2	--	7.5	Aug-20
MSCI Emerging Markets Index Net						*4.8*	*3.8*	*-0.1*	*8.7*	*-6.3*	--	*0.8*	
Difference:						0.4	12.0	8.2	30.5	--	--	6.7	
PIMCO RAE Fundamental Emerging Markets		*Emerging Markets*	$ 96,753,747	2.3%		3.4	10.3	3.5	26.6	7.3	7.5	5.6	Apr-07
MSCI Emerging Markets Index Net						*4.8*	*3.8*	*-0.1*	*8.7*	*-6.3*	*1.9*	*3.0*	
Difference:						-1.4	6.5	3.6	17.9	13.6	5.6	2.6	
REITS			$ 44,493,262	1.0%									
Invesco All Equity REIT		*Core US REIT*	$ 44,493,262	1.0%		1.3	3.2	-4.1	1.4	3.0	3.1	7.4	Aug-04
FTSE NAREIT Equity Index						*2.0*	*7.5*	*-2.2*	*5.6*	*5.0*	*4.4*	*7.4*	
Difference:						-0.7	-4.3	-1.9	-4.1	-2.0	-1.3	0.0	
Stabilized Growth			**$ 1,273,335,665**	**29.7%**	**32.0%**	**0.1**	**1.8**	**0.1**	**0.7**	**2.8**	**4.8**	**3.7**	**Jan-05**
Risk Parity			$ 376,152,331	8.8%		0.0	3.7	-1.5	3.7	-3.4	1.8	3.0	
T-Bill +4%						*0.7*	*2.3*	*1.5*	*9.4*	*6.5*	*6.0*	*5.0*	
Difference:						-0.8	1.4	-3.0	-5.7	-9.9	-4.2	-1.9	
Bridgewater All Weather		*Risk Parity*	$ 198,933,184	4.6%		0.0	4.4	-1.3	7.4	-0.7	2.8	3.5	Mar-12
T-Bill +4%						*0.7*	*2.3*	*1.5*	*9.4*	*6.5*	*6.0*	*5.2*	
Difference:						-0.7	2.1	-2.8	-2.0	-7.2	-3.2	-1.6	
PanAgora Diversified Risk Multi-Asset		*Risk Parity*	$ 177,219,147	4.1%		-0.1	3.0	-1.6	-0.2	-6.1	0.8	2.6	Apr-16
T-Bill +4%						*0.7*	*2.3*	*1.5*	*9.4*	*6.5*	*6.0*	*5.7*	
Difference:						-0.8	0.7	-3.1	-9.6	-12.7	-5.3	-3.1	
Liquid Credit			$ 252,363,278	5.9%		0.8	3.6	2.6	9.6	2.6	3.4	2.3	
50% BB High Yield, 50% S&P/LSTA Leveraged Loans						*0.6*	*3.7*	*0.9*	*11.3*	*3.8*	*4.7*	*5.6*	
Difference:						0.2	0.0	1.7	-1.7	-1.2	-1.3	-3.3	
Neuberger Berman		*Global Credit*	$ 107,704,013	2.5%		0.6	4.1	4.0	9.8	0.9	2.9	3.1	Feb-19
33% ICE BofA HY Constrained, 33% S&P/LSTA LL, 33% JPM EMBI Glbl Div.						*0.7*	*4.0*	*0.6*	*10.8*	*1.7*	*3.3*	*3.5*	
Difference:						-0.1	0.1	3.4	-1.0	-0.8	--	-0.5	
Stone Harbor Absolute Return		*Absolute Return*	$ 144,659,264	3.4%		0.8	3.3	1.6	9.3	3.8	3.9	3.1	Oct-06
3-Month Libor Total Return						*0.4*	*1.4*	*0.9*	*5.3*	*2.4*	*2.1*	*1.6*	
Difference:						0.4	1.9	0.7	4.0	1.4	1.8	1.5	

[1] Returns are preliminary and are finalized during each quarterly reporting cycle. Monthly returns since previous quarter are provided by the managers. Market values are provided by Northern Trust.

[2] MSCI ACW IMI Net as of 4/1/2020, MSCI ACWI Gross prior.

[3] Total Market Value includes DoubleLine $58 and SJCERA Transition $3,107.

San Joaquin County Employees' Retirement Association (SJCERA)

Preliminary Monthly Flash Report (Net)[1] — February 2024

	Commitment ($000)	Sub-Segment	Market Value	Physical % of Total	Policy Target %	1-Mo	3-Mos	YTD	1-Yr	3-Yrs	5-Yrs	SI Return	SI Date
Private Credit Lag[2]			$ 422,402,986	9.8%		1.6	1.6	0.1	0.1	4.7	3.4	3.5	
S&P/LSTA Leveraged Loans +3% Blend						*4.2*	*4.2*	*16.4*	*16.4*	*11.3*	*9.8*	*9.2*	
Difference:						-2.6	-2.6	-16.3	-16.3	-6.6	-6.6	-5.7	
Ares Pathfinder Fund II Lag[3]	*$62,500*	*Asset Backed*	$ 3,314,394	0.1%		---	---	---	---	---	---	---	Feb-24
S&P/LSTA Leveraged Loans +3% Blend[4]						---	---	---	---	---	---	---	
Difference:						---	---	---	---	---	---	---	
BlackRock Direct Lending Lag[3]	*$100,000*	*Direct Lending*	$ 88,369,651	2.1%		4.4	4.4	11.5	11.5	8.3	--	8.8	May-20
S&P/LSTA Leveraged Loans +3% Blend[4]						*4.2*	*4.2*	*16.4*	*16.4*	*11.3*	--	*10.6*	
Difference:						0.2	0.2	-4.9	-4.9	-3.0	--	-1.8	
Mesa West RE Income IV Lag[3]	*$75,000*	*Comm. Mortgage*	$ 30,826,114	0.7%		-0.7	-0.7	-19.3	-19.3	-3.9	0.5	2.6	Mar-17
S&P/LSTA Leveraged Loans +3% Blend[4]						*4.2*	*4.2*	*16.4*	*16.4*	*11.3*	*9.8*	*9.5*	
Difference:						-4.9	-4.9	-35.7	-35.7	-15.2	-9.3	-7.0	
Crestline Opportunity II Lag[3]	*$45,000*	*Opportunistic*	$ 11,159,060	0.3%		-4.6	-4.6	-14.7	-14.7	-2.8	-3.6	1.9	Nov-13
S&P/LSTA Leveraged Loans +3% Blend[4]						*4.2*	*4.2*	*16.4*	*16.4*	*11.3*	*9.8*	*9.4*	
Difference:						-8.8	-8.8	-31.1	-31.1	-14.1	-13.4	-7.5	
Davidson Kempner Distr Opp V Lag[3]	*$50,000*	*Opportunistic*	$ 50,225,595	0.0%		2.1	2.1	1.4	1.4	9.6	--	15.9	Oct-20
S&P/LSTA Leveraged Loans +3% Blend[4]						*4.2*	*4.2*	*16.4*	*16.4*	*11.3*	--	*11.2*	
Difference:						-2.2	-2.2	-15.0	-15.0	-1.7	--	4.7	
Oaktree Middle Market Lag[3]	*$50,000*	*Leveraged Direct*	$ 34,734,318	0.8%		4.2	4.2	5.3	5.3	11.2	12.6	10.7	Mar-18
S&P/LSTA Leveraged Loans +3% Blend[4]						*4.2*	*4.2*	*16.4*	*16.4*	*11.3*	*9.8*	*9.6*	
Difference:						0.0	0.0	-11.1	-11.1	-0.1	2.8	1.1	
HPS EU Asset Value II Lag[3]	*$50,000*	*Direct Lending*	$ 32,730,106	0.8%		4.1	4.1	12.2	12.2	9.6	--	6.2	Aug-20
S&P/LSTA Leveraged Loans +3% Blend[4]						*4.2*	*4.2*	*16.4*	*16.4*	*11.3*	--	*11.1*	
Difference:						-0.1	-0.1	-4.2	-4.2	-1.7	--	-5.0	
Raven Opportunity III Lag[3]	*$50,000*	*Direct Lending*	$ 51,649,570	1.2%		-4.4	-4.4	-11.6	-11.6	4.5	5.1	2.8	Nov-15
S&P/LSTA Leveraged Loans +3% Blend[4]						*4.2*	*4.2*	*16.4*	*16.4*	*11.3*	*9.8*	*9.4*	
Difference:						-8.6	-8.6	-28.0	-28.0	-6.8	-4.7	-6.6	
Medley Opportunity II Lag[2]	*$50,000*	*Direct Lending*	$ 1,484,588	0.0%		-9.5	-9.5	0.5	0.5	-0.7	-7.6	-2.0	Jul-12
S&P/LSTA Leveraged Loans +3% Blend[3]						*4.2*	*4.2*	*16.4*	*16.4*	*11.3*	*9.8*	*9.3*	
Difference:						-13.7	-13.7	-15.9	-15.9	-12.0	-17.4	-11.3	
Silver Point Credit III Lag[2]	*$62,000*	*Sub-Sector*	$ 17,649,394	0.4%		--	--	--	--	--	--	--	Nov-23
S&P/LSTA Leveraged Loans +3% Blend[4]						--	--	--	--	--	--	--	
Difference:						--	--	--	--	--	--	--	
SilverRock Tactical Allocation Lag[2]	*$50,000*	*Direct Lending*	$ 34,223,586	0.8%		5.8	5.8	--	--	--	--	5.8	Jul-23
S&P/LSTA Leveraged Loans +3% Blend[4]						*4.2*	*4.2*	--	--	--	--	*9.6*	
Difference:						1.6	1.6	--	--	--	--	-3.8	
White Oak Summit Peer Fund Lag[2]	*$50,000*	*Direct Lending*	$ 25,242,902	0.6%		2.4	2.4	6.1	6.1	-1.1	1.5	3.7	Mar-16
S&P/LSTA Leveraged Loans +3% Blend[3]						*4.2*	*4.2*	*16.4*	*16.4*	*11.3*	*9.8*	*9.5*	
Difference:						-1.9	-1.9	-10.4	-10.4	-12.4	-8.4	-5.8	
White Oak Yield Spectrum Master V Lag[2]	*$50,000*	*Direct Lending*	$ 40,793,708	1.0%		0.5	0.5	-2.2	-2.2	0.8	--	2.2	Mar-20
S&P/LSTA Leveraged Loans +3% Blend[3]						*4.2*	*4.2*	*16.4*	*16.4*	*11.3*	--	*10.6*	
Difference:						-3.7	-3.7	-18.6	-18.6	-10.5	--	-8.4	
Core Private Real Estate Lag			$ 222,417,070	5.2%									
Principal US[2]	*$25,000*	*Core Pvt. RE*	$ 39,961,260	0.9%		-3.9	-3.9	-8.8	-14.4	5.8	4.7	6.6	Jan-16
NCREIF ODCE + 1% Lag Blend						*-1.9*	*-1.9*	*-12.0*	*-12.0*	*7.3*	*5.8*	*10.1*	
Difference:						-2.0	-2.0	3.2	-2.4	-1.5	-1.1	-3.5	
Prologis Logistics[2]	*$50,500*	*Core Pvt. RE*	$ 127,352,283	3.0%		-2.3	-2.3	-3.0	-8.0	19.8	16.6	12.2	Dec-07
NCREIF ODCE + 1% Lag Blend						*-1.9*	*-1.9*	*-12.0*	*-12.0*	*7.3*	*5.8*	*8.9*	
Difference:						-0.4	-0.4	9.0	4.0	12.5	10.8	3.3	
RREEF America II[2]	*$45,000*	*Core Pvt. RE*	$ 55,538,296	1.3%		-2.4	-2.4	-11.2	-14.5	6.0	5.2	6.4	Jul-16
NCREIF ODCE + 1% Lag Blend						*-1.9*	*-1.9*	*-12.0*	*-12.0*	*7.3*	*5.8*	*9.8*	
Difference:						-0.5	-0.5	0.8	-2.5	-1.3	-0.6	-3.4	

[1] Returns are preliminary and are finalized during each quarterly reporting cycle. Monthly returns since previous quarter are provided by the managers. Market values are provided by Northern Trust.

[2] Total class returns are as of 12/31/23, and lagged 1 quarter.

[3] Manager returns are as of 12/31/23, and lagged 1 quarter. Since Inception date reflects one quarter lag.

[4] 9% Annual until 6/30/2018; CPI +6% Annual 7/1/2018 - 3/31/2022; S&P/LSTA Leveraged Loans +3% thereafter.

San Joaquin County Employees' Retirement Association (SJCERA)

Preliminary Monthly Flash Report (Net)[1] February 2024

	Commitment ($000)	Sub-Segment	Market Value	Physical % of Total	Policy Target %	1-Mo	3-Mos	YTD	1-Yr	3-Yrs	5-Yrs	SI Return	SI Date
Diversifying Strategies			**$ 783,561,531**	**18.3%**	**22.0%**	**0.4**	**2.0**	**2.0**	**1.9**	**1.7**	**2.8**	**6.0**	**Oct-90**
Principal Protection			**$ 300,970,877**	**7.0%**	**8.0%**	**-1.3**	**2.6**	**-1.4**	**4.7**	**-1.3**	**1.0**	**5.8**	Oct-90
BB Aggregate Bond Index						*-1.4*	*2.1*	*-1.7*	*3.3*	*-3.2*	*0.6*	*5.3*	
Difference:						0.1	0.5	0.2	1.4	1.9	0.4	0.5	
Dodge & Cox		*Core Fixed Income*	$ 206,788,102	4.8%		-1.3	2.8	-1.4	5.2	-1.3	2.2	6.5	Oct-90
BB Aggregate Bond Index						*-1.4*	*2.1*	*-1.7*	*3.3*	*-3.2*	*0.6*	*5.3*	
Difference:						0.1	0.7	0.3	1.9	1.9	1.6	1.2	
Loomis Sayles		*Core Fixed Income*	$ 94,182,717	2.2%		-1.4	2.2	-1.5	3.4	--	--	-1.8	Mar-22
BB Aggregate Bond Index						*-1.4*	*2.1*	*-1.7*	*3.3*	--	--	*-2.1*	
Difference:						0.1	0.1	0.2	0.1	--	--	0.3	
Crisis Risk Offset			**$ 482,590,655**	**11.3%**	**14.0%**	**1.5**	**1.7**	**4.2**	**0.2**	**4.1**	**4.2**	**6.1**	**Jan-05**
CRO Custom Benchmark[2]						*0.8*	*3.2*	*0.6*	*1.8*	*1.3*	*4.0*	*4.7*	
Difference:						0.7	-1.6	3.7	-1.5	2.7	0.2	1.4	
Long Duration			$ 111,584,187	2.6%		-2.4	4.0	-3.8	-2.1	-9.4	-1.9	-1.3	
BB US Long Duration Treasuries						*-2.3*	*3.8*	*-4.4*	*-2.8*	*-10.0*	*-2.0*	*-1.4*	
Difference:						-0.1	0.2	0.6	0.7	0.6	0.1	0.0	
Dodge & Cox Long Duration		*Long Duration*	$ 111,584,187	2.6%		-2.4	4.0	-3.8	-2.1	-9.4	-1.9	-1.3	Feb-16
BB US Long Duration Treasuries						*-2.3*	*3.8*	*-4.4*	*-2.8*	*-10.0*	*-2.0*	*-1.4*	
Difference:						-0.1	0.2	0.6	0.7	0.6	0.1	0.0	
Systematic Trend Following			$ 236,335,758	5.5%		3.7	0.1	5.3	-2.3	8.9	9.8	8.5	
BTOP50 Index						*4.3*	*4.3*	*5.4*	*1.8*	*8.6*	*8.1*	*5.0*	
Difference:						-0.5	-4.2	-0.1	-4.1	0.4	1.7	3.5	
Mt. Lucas Managed Futures - Cash		*Systematic Trend Following*	$ 118,439,593	2.8%		0.3	-3.9	-0.6	-0.4	8.1	8.5	7.9	Jan-05
BTOP50 Index						*4.3*	*4.3*	*5.4*	*1.8*	*8.6*	*8.1*	*5.0*	
Difference:						-4.0	-8.2	-6.0	-2.2	-0.5	0.3	2.9	
Graham Tactical Trend		*Systematic Trend Following*	$ 117,896,165	2.7%		7.5	4.4	11.9	-4.1	9.8	11.1	4.1	Apr-16
SG Trend Index						*6.5*	*7.5*	*7.8*	*2.8*	*11.7*	*11.3*	*5.3*	
Difference:						0.9	-3.1	4.1	-7.0	-1.9	-0.2	-1.1	
Alternative Risk Premia			$ 134,670,710	3.1%		1.1	2.7	10.0	7.3	10.5	2.0	7.6	
5% Annual						*0.4*	*1.2*	*0.8*	*5.0*	*5.0*	*5.0*	*6.1*	
Difference:						0.7	1.5	9.2	2.3	5.5	-3.0	1.5	
AQR Style Premia		*Alternative Risk Premia*	$ 70,130,727	1.6%		1.7	8.7	12.2	18.0	23.6	6.2	3.7	May-16
5% Annual						*0.4*	*1.2*	*0.8*	*5.0*	*5.0*	*5.0*	*5.0*	
Difference:						1.3	7.5	11.3	13.0	18.6	1.2	-1.3	
PE Diversified Global Macro		*Alternative Risk Premia*	$ 64,539,983	1.5%		0.6	-3.2	7.7	-2.3	10.6	1.0	2.2	Jun-16
5% Annual						*0.4*	*1.2*	*0.8*	*5.0*	*5.0*	*5.0*	*5.0*	
Difference:						0.2	-4.4	6.9	-7.3	5.6	-4.0	-2.8	
Cash[3]			**$ 71,248,835**	**1.7%**	**0.0%**	**0.0**	**0.5**	**0.4**	**3.3**	**1.8**	**1.5**	**2.4**	**Sep-94**
US T-Bills						*0.4*	*1.3*	*0.8*	*5.2*	*2.4*	*2.0*	*2.4*	
Difference:						-0.4	-0.8	-0.4	-2.0	-0.7	-0.5	0.0	
Northern Trust STIF		*Collective Govt. Short Term*	$ 73,779,051	1.7%		0.0	0.5	0.4	4.2	2.0	1.6	2.6	Jan-95
US T-Bills						0.4	1.3	0.8	5.2	2.4	2.0	*2.4*	
Difference:						-0.4	-0.8	-0.4	-1.0	-0.4	-0.4	0.2	
Parametric Overlay[4]		*Cash Overlay*	**$ 28,847,531**	**0.7%**		**0.0**	**0.0**	**0.0**	**0.0**	**--**	**--**	**0.0**	**Jan-20**

[1] Returns are preliminary and are finalized during each quarterly reporting cycle. Monthly returns since previous quarter are provided by the managers. Market values are provided by Northern Trust.

[2] Benchmark is (1/3) BB Long Duration Treasuries, (1/3) BTOP50 Index, (1/3) 5% Annual.

[3] Includes lagged cash.

[4] Given daily cash movement returns may vary from those shown above.

Economic and Market Update

Data as of February 29, 2024

Commentary

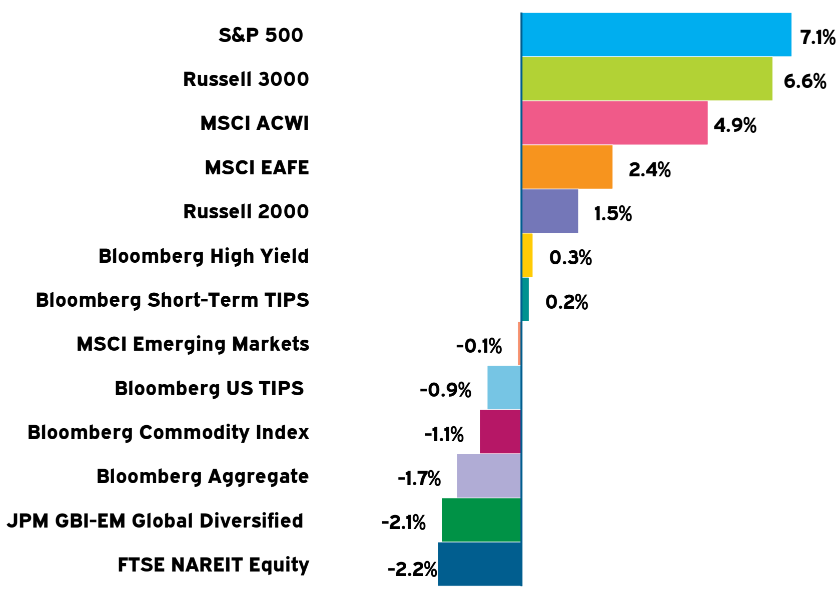
→ Markets were mixed in February. Resilient economic data drove global equities higher and pushed out the timing of expected first rate cut, weighing on bonds.

- Major central banks have largely paused interest rate hikes with expectations that many will cut rates this year. The timing and pace of interest rate cuts has been downgraded for many economies given the continued strength of economic data and stubborn inflation.
- In general, inflation pressures have eased in most countries, but some uncertainty remains and levels are still above central bank targets. Headline inflation in the US unexpectedly rose in February (3.1% to 3.2%), while core inflation fell (3.9% to 3.8%) but came in above expectations. Notably, China moved out of deflationary territory in February (0.7%) after four months of declining prices.
- US equity markets (Russell 3000 index) rose 5.4% in February after a very strong 2023 (+26.0%). The technology and consumer discretionary sectors continued to perform well.
- Non-US developed equity markets gained 1.8% in February, helped by Japanese equities which hit multi-decade highs during the month. A strengthening US dollar contributed to the weaker relative results for US investors in foreign markets.
- Policy efforts to support mainland stock prices saw Chinese equities return 8.4%, driving emerging market equities higher (4.8%). The stronger dollar also weighed on emerging market equities with returns in local currency terms 0.3% higher.
- Rising interest rates weighed on bonds with the broad US bond market declining 1.4% for the month.

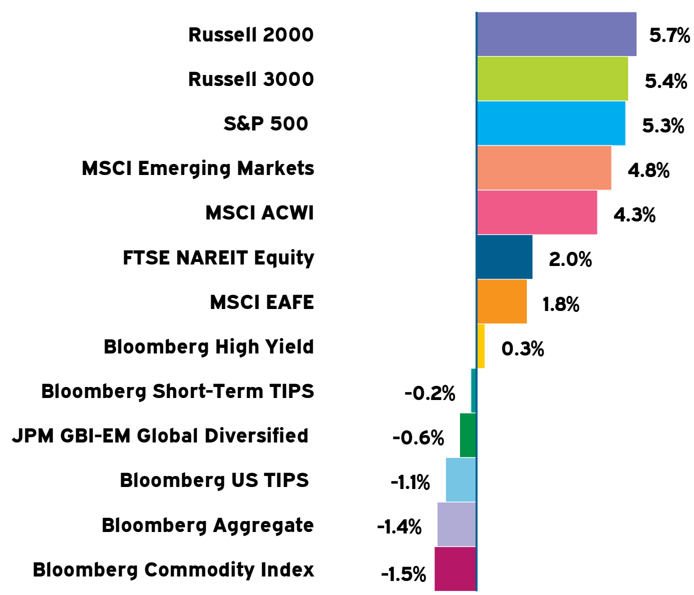
→ Looking to the rest of this year, the paths of inflation and monetary policy, China's economic disorder and slowing economic growth, the many looming elections, and the wars in Ukraine and Israel, will be key.

Index Returns[1]

YTD



February



→ In February global equity markets produced strong results with the US leading the way.

→ Resilient economic data weighed on bond markets domestically and dashed any hopes of a near-term cut in interest rates.

[1] Source: Bloomberg. Data is as of February 29, 2024.

Domestic Equity Returns[1]

Domestic Equity	February (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	5.3	7.1	30.5	11.9	14.8	12.7
Russell 3000	5.4	6.6	28.6	9.9	13.9	12.0
Russell 1000	5.4	6.9	29.8	10.6	14.4	12.4
Russell 1000 Growth	6.8	9.5	45.9	12.5	18.8	15.6
Russell 1000 Value	3.7	3.8	14.0	8.4	9.4	8.7
Russell MidCap	5.6	4.1	15.5	5.5	10.3	9.4
Russell MidCap Growth	7.5	6.9	25.0	3.1	11.6	10.9
Russell MidCap Value	4.8	2.9	10.9	6.8	8.9	8.2
Russell 2000	5.7	1.5	10.0	-0.9	6.9	7.1
Russell 2000 Growth	8.1	4.7	14.2	-4.6	6.5	7.3
Russell 2000 Value	3.3	-1.4	5.6	2.5	6.6	6.5

US Equities: The Russell 3000 increased 5.4% in February bringing the year-to-date gain to 6.6%.

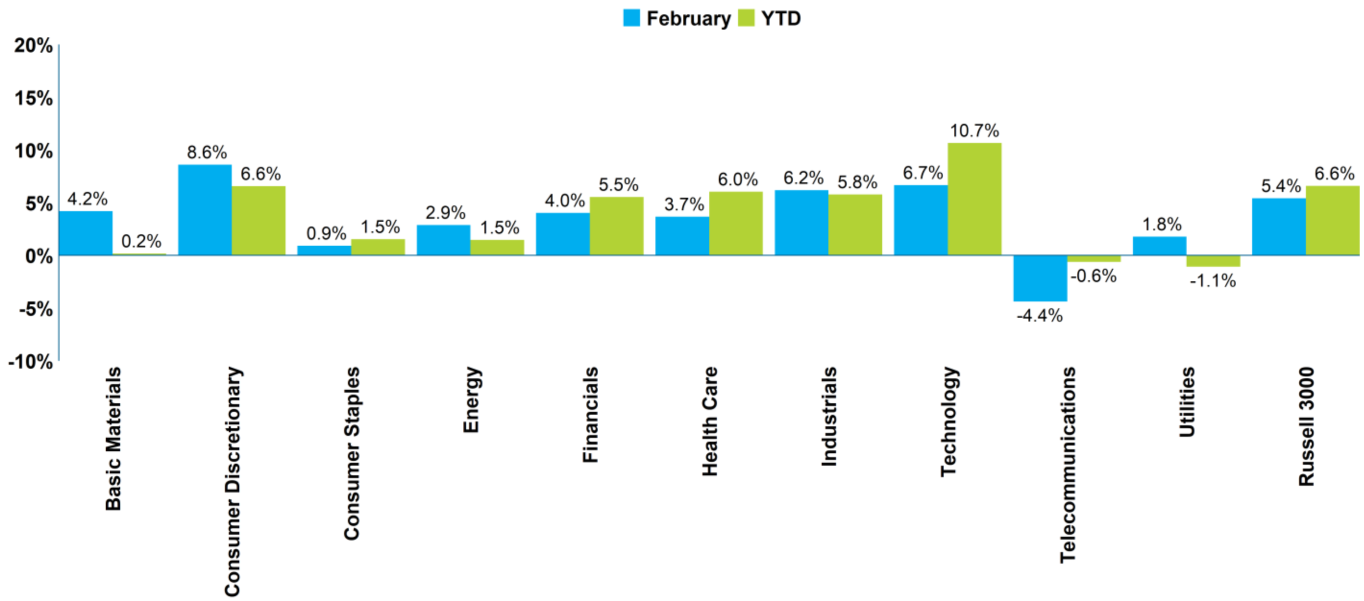
→ US equities rose further during February, fueled by continued optimism over artificial intelligence related stocks and strong economic data. The highest quintile price-to-earnings stocks outperformed all other groups and accounted for half of the return of the Russell 3000 index.

→ Small cap stocks slightly outperformed mid cap and large cap stocks.

→ Growth outperformed value across the market cap spectrum, particularly in small cap.

[1] Source: Bloomberg. Data is as of February 29, 2024.

Russell 3000 Sector Returns[1]



→ So far in 2024, the sectors that drove results last year continue to lead the way. Technology led by the so-called "Magnificent Seven" gained 10.7% through February, with the continued strength of the US consumer putting consumer discretionary second at 6.6%.

→ In February, all sectors except for telecommunications posted positive returns with consumer discretionary (+8.6%), technology (+6.7%), and industrials (+6.2%) leading the way. Traditionally defensive sectors like utilities (+1.8%) and consumer staples (+0.9%) trailed for the month.

[1] Source: Bloomberg. Data is as of February 29, 2024.

Foreign Equity Returns[1]

Foreign Equity	February (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	2.5	1.5	12.5	1.3	5.4	4.0
MSCI EAFE	1.8	2.4	14.4	4.4	6.8	4.4
MSCI EAFE (Local Currency)	3.0	5.7	14.8	9.8	8.8	7.2
MSCI EAFE Small Cap	0.4	-1.3	6.3	-1.8	4.2	4.3
MSCI Emerging Markets	4.8	-0.1	8.7	-6.3	1.9	3.0
MSCI Emerging Markets (Local Currency)	5.1	1.4	9.7	-3.6	4.0	5.6
MSCI China	8.4	-3.1	-14.1	-20.9	-6.1	1.0

Foreign Equity: Developed international equities (MSCI EAFE) gained 1.8% in February and had a year-to-date return of 2.4%. Emerging market equities (MSCI EM) rose 4.8% in February and are down slightly year-to-date (-0.1%).

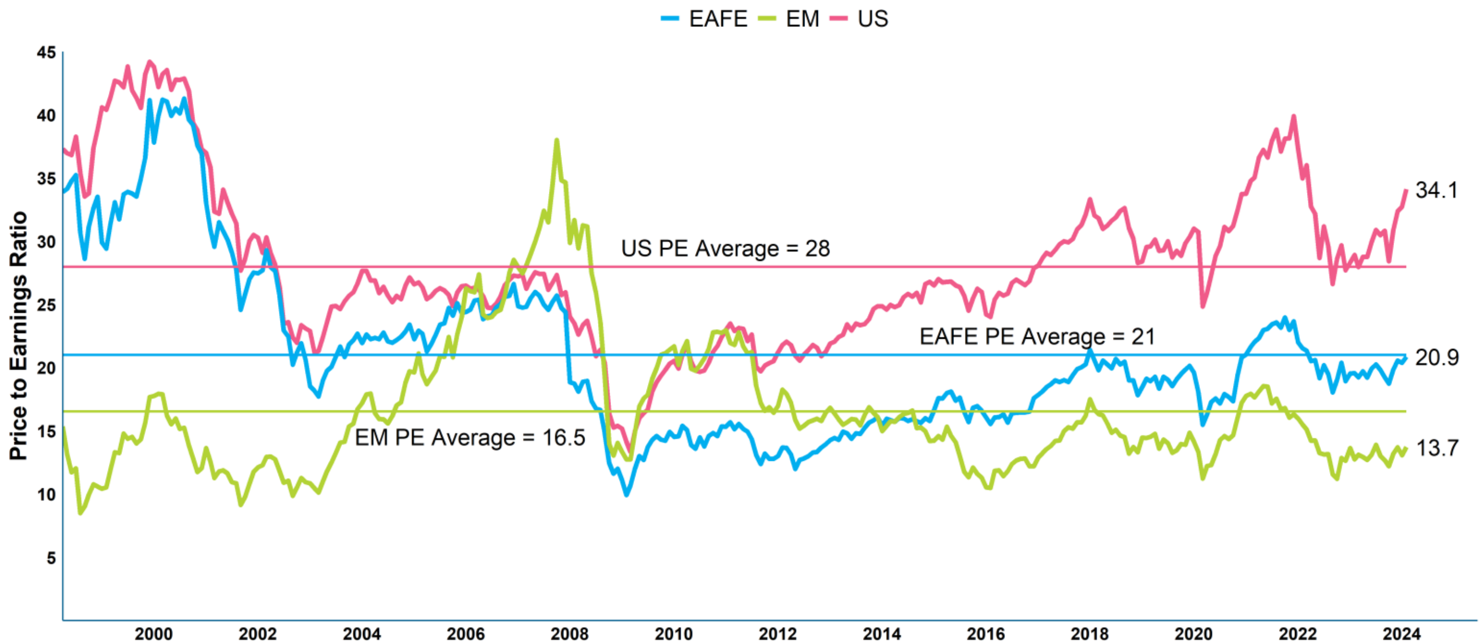
→ February saw solid positive performance in foreign developed markets, while emerging markets experienced stronger relative results driven by large gains in China.

→ Eurozone equities underperformed in February relative to other developed markets, and the UK saw slightly negative returns. Hawkish statements from the ECB and BoE earlier in the month weighed on returns. Japan continued to perform strongly, with the Nikkei 225 surpassing its 1989 peak. A strong US dollar also hurt overall results for US investors with local currency returns 1.2% higher for the month.

→ Emerging market equities benefitted from a strong rebound in China (the highest-performing country for the month at 8.4%). The Chinese recovery was driven by government buying programs, a cut on the five-year loan prime rate, new regulations on short-selling, and the Lunar New Year holiday's boost to consumer spending.

[1] Source: Bloomberg. Data is as of February 29, 2024.

Equity Cyclically Adjusted P/E Ratios[1]



- → In February, the US equity price-to-earnings ratio increased further above its 21st century average due to strong price appreciation.
- → International market valuations rose slightly in February and remain well below the US. In the case of developed markets, valuations are now close to the long-term average, while emerging market valuations remain well below its long-term average.

[1] US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E – Source: Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of February 2024. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end respectively.

Fixed Income Returns[1]

Fixed Income	February (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-1.2	-1.4	4.1	-2.8	0.8	1.7	5.2	6.0
Bloomberg Aggregate	-1.4	-1.7	3.3	-3.2	0.6	1.4	4.9	6.2
Bloomberg US TIPS	-1.1	-0.9	2.5	-0.9	2.7	2.1	4.6	6.9
Bloomberg Short-term TIPS	-0.2	0.2	4.5	2.2	3.2	1.9	4.8	2.5
Bloomberg High Yield	0.3	0.3	11.0	1.8	4.2	4.3	7.9	3.7
JPM GBI-EM Global Diversified (USD)	-0.6	-2.1	9.3	-2.6	-0.1	0.0	6.3	5.0

Fixed Income: The Bloomberg Universal index fell -1.2% in February bringing the year-to-date decline to -1.4%.

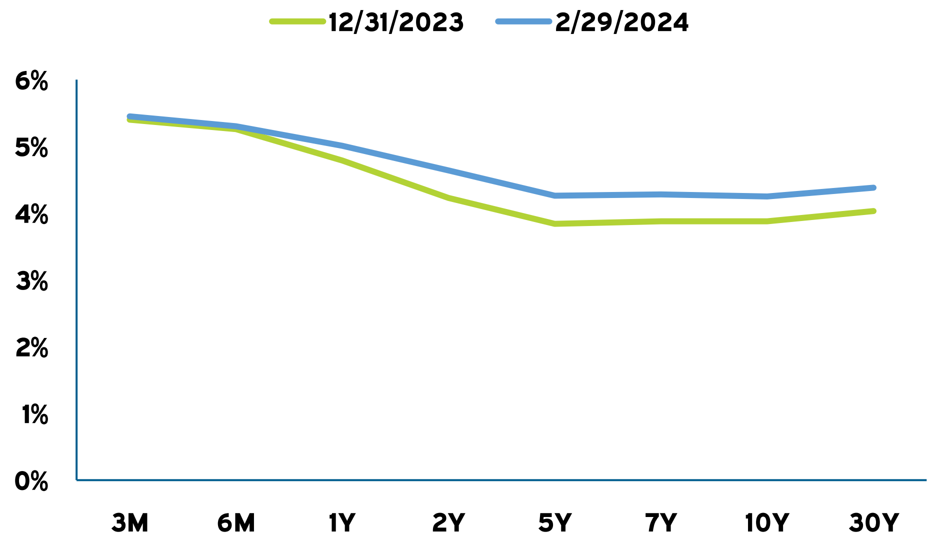
→ Strong economic data for the last two months and comments by policy makers hinting that rate cuts were not imminent, drove rates up over the month and weighed on bond prices.

→ The broad US bond market (Bloomberg Aggregate), as well as TIPS, fell due to the repricing of stronger growth expectations.

→ High yield bonds, however, provided slightly positive returns as risk appetite remains robust for high yield credit.

[1] Source: Bloomberg. JPM GBI-EM data is from InvestorForce. Data is as of February 29, 2024. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration respectively.

US Yield Curve[1]



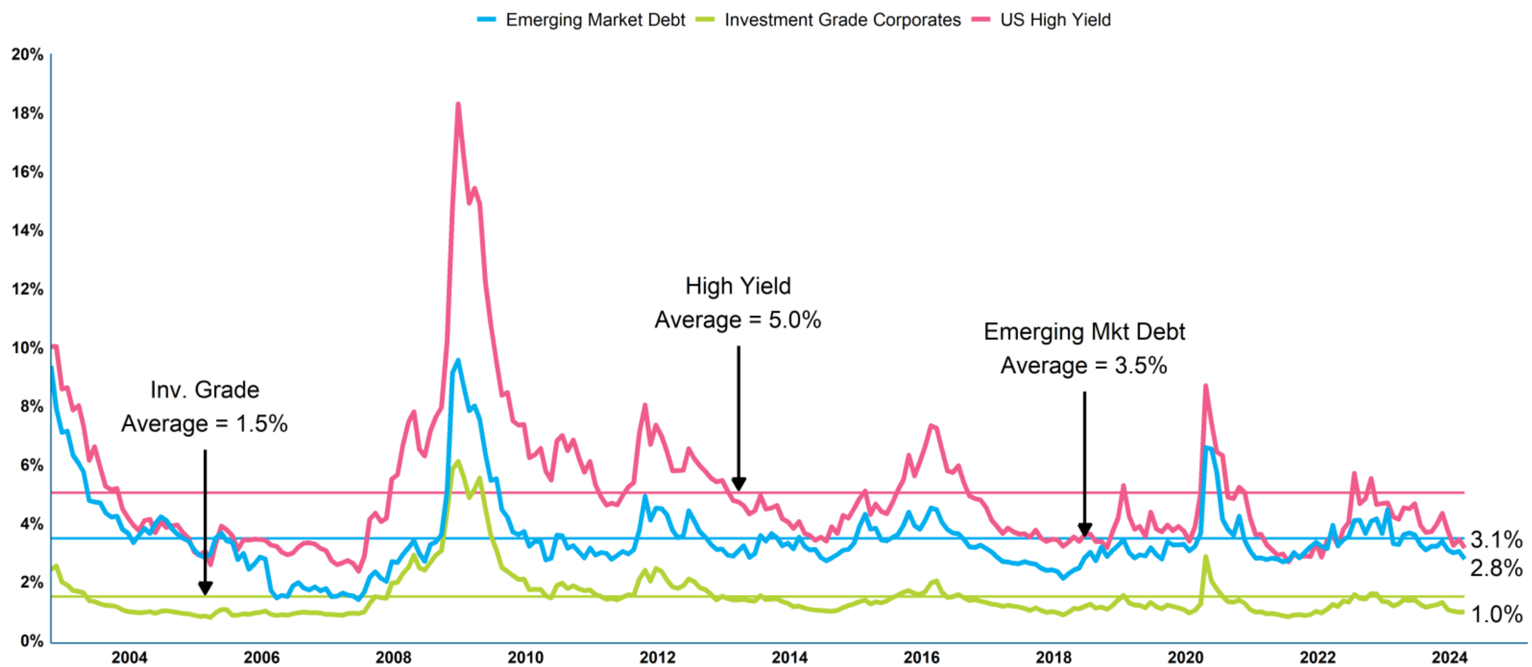
→ Both short-term and long-term maturity yields ended the month higher, largely from strong economic data and shifts in monetary policy expectations.

→ For the month, the more policy sensitive two-year Treasury yield increased from 4.2% to 4.6% while 10-year Treasury yields rose from 3.9% to 4.3%.

→ The yield curve remained inverted at month-end despite a recent flattening trend. The yield spread between the two-year and ten-year Treasury was -0.37% at the end of February.

[1] Source: Bloomberg. Data is as of February 29, 2024.

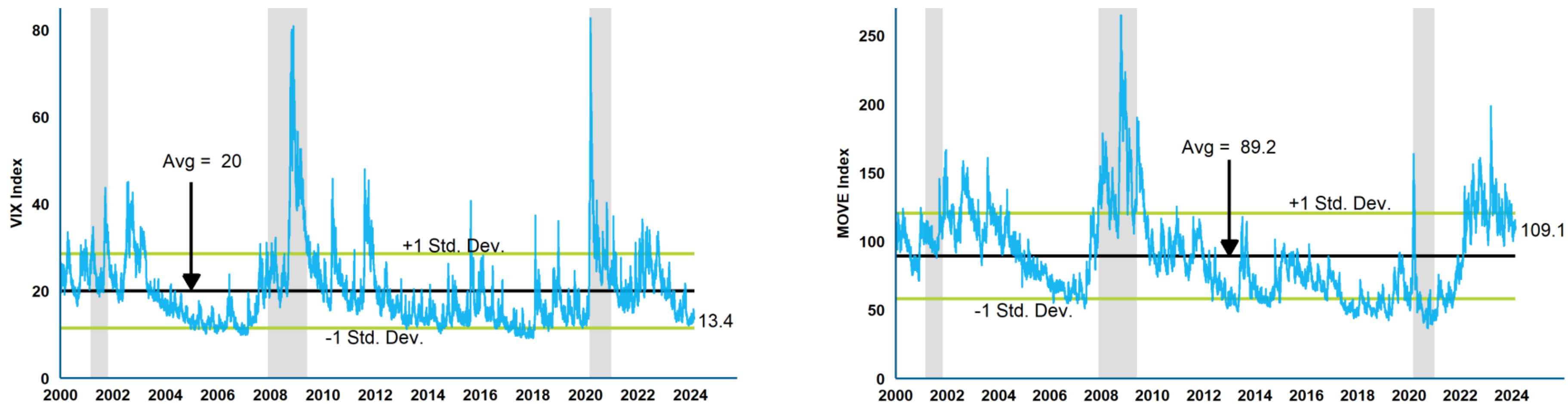
Credit Spreads vs. US Treasury Bonds[1]



- → A positive economic outlook along with expectations of lower interest rates has led to an increased risk appetite. This has benefited credit, with spreads (the added yield above a comparable maturity Treasury) narrowing.
- → Credit spreads narrowed in February for high yield (3.4% to 3.1%) and emerging market bonds (3.0% to 2.8%) while spreads for investment grade corporate bonds remained the same.
- → All spreads remain below their respective long-run averages, particularly within high yield.

[1] Source: Bloomberg. Data is as of February 29, 2024. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

Equity and Fixed Income Volatility[1]

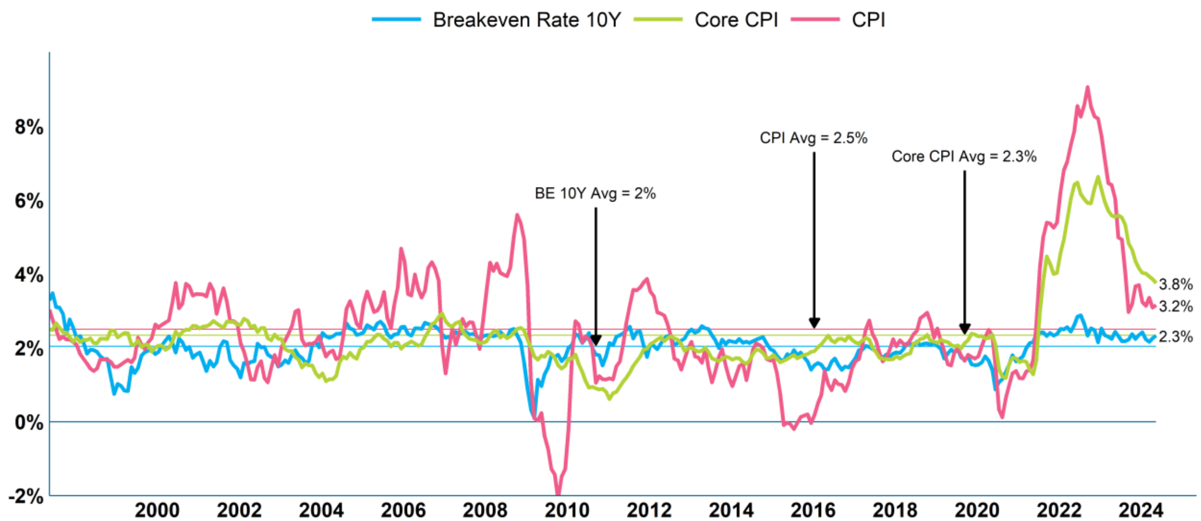


→ Volatility in equities (VIX) remains close to one standard deviation below the long-term average as the focus shifted late last year to peaking policy rates and the potential for a soft landing.

→ Although volatility in the bond market (MOVE) remains above its long-run average (89.2) it has declined recently given falling inflation, growth expectations, and a likely cut in interest rates.

[1] Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of February 2024. The average line indicated is the average of the VIX and MOVE values between January 2000 and February 2024.

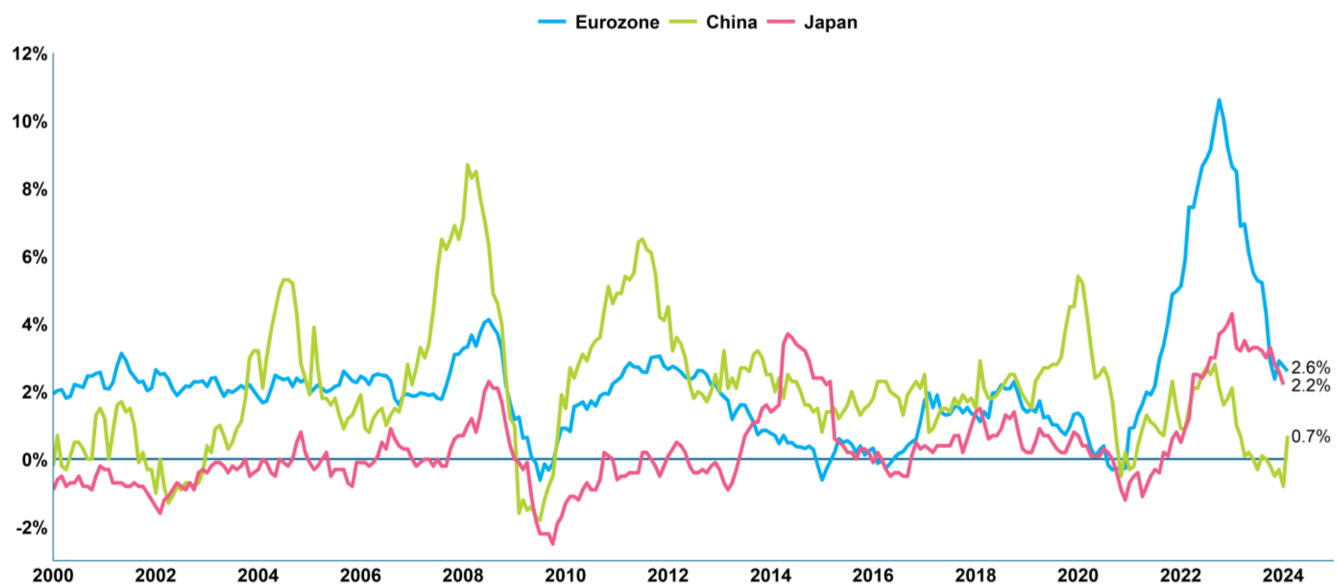
US Ten-Year Breakeven Inflation and CPI[1]



- → Year-over-year headline inflation rose in February (3.1% to 3.2%), coming in slightly above expectations. Inflation in services sectors, particularly shelter, remains a key reason consumer inflation is still above the Fed's 2% average target.
- → Month-over-month inflation rose to 0.4% from the 0.3% January reading again driven by shelter costs. Food prices were flat from a month prior, while increases in gas prices drove energy higher.
- → Core inflation - excluding food and energy – fell slightly from 3.9% to 3.8 but also came in above expectations.
- → Inflation expectations (breakevens) have remained stable despite the recent significant volatility in inflation.

[1] Source: FRED. Data is as February 2024. The CPI and 10 Year Breakeven average lines denote the average values from February 1997 to the present month-end, respectively. Breakeven values represent month-end values for comparative purposes.

Global Inflation (CPI Trailing Twelve Months)[1]



→ Outside the US, inflation is also falling across major economies from the recent peaks.

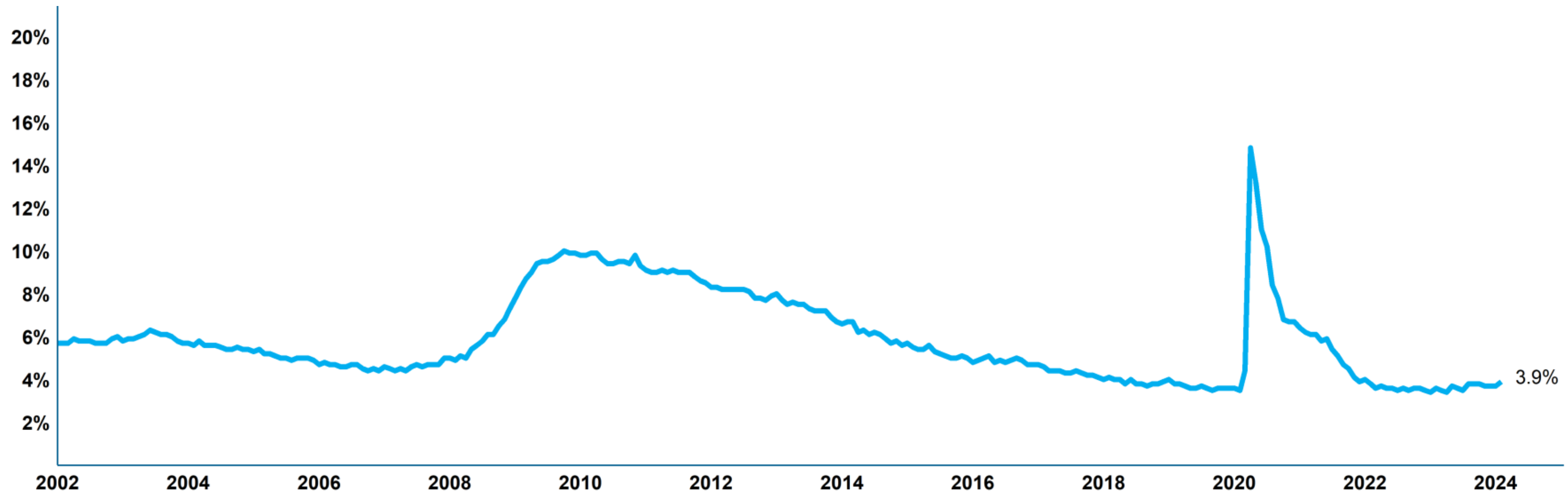
→ In the eurozone, prices experienced a dramatic decline last year but remains above the central bank's 2% target. In February, inflation fell further (2.8% to 2.6%), a level below the 3.2% year-over-year reading in the US.

→ Inflation in Japan has slowly declined from the early 2023 peak of 4.3%, but it remains near levels not seen in a decade, driven by food prices.

→ China emerged from deflationary pressures in February with the first positive reading (0.7%) since last September, driven largely by spending during the Lunar New Year holiday.

[1] Source: FRED for United States CPI and Eurozone CPI. Source: Bloomberg for Japan CPI, China CPI, and Eurozone CPI. Data is as February 29, 2024, except Japan which is as of January 31, 2024.

US Unemployment[1]



→ Overall, the US labor market remains healthy, with the unemployment rate low, wage growth now positive in real terms, and initial claims for unemployment staying subdued.

→ In February, the number of jobs added in the US was stronger than expected (275,000 versus 200,000) but with significant revisions to December and January data. The healthcare, government, and food service sectors added the most jobs for the month.

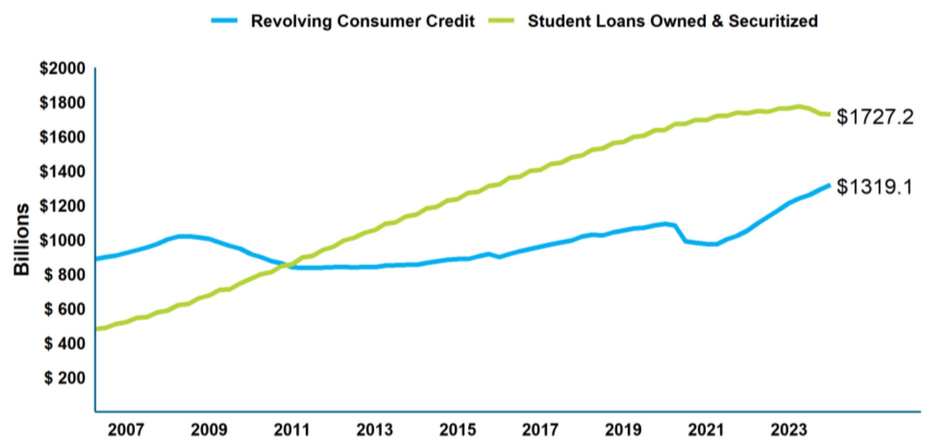
→ The unemployment rate rose from 3.7% to 3.9%, while wage growth came in at 4.3% compared to a year prior, a level well off the 6.0% peak but above inflation levels.

→ Quit rates have declined, and layoffs are stable, with 1.4 available workers per job opening.

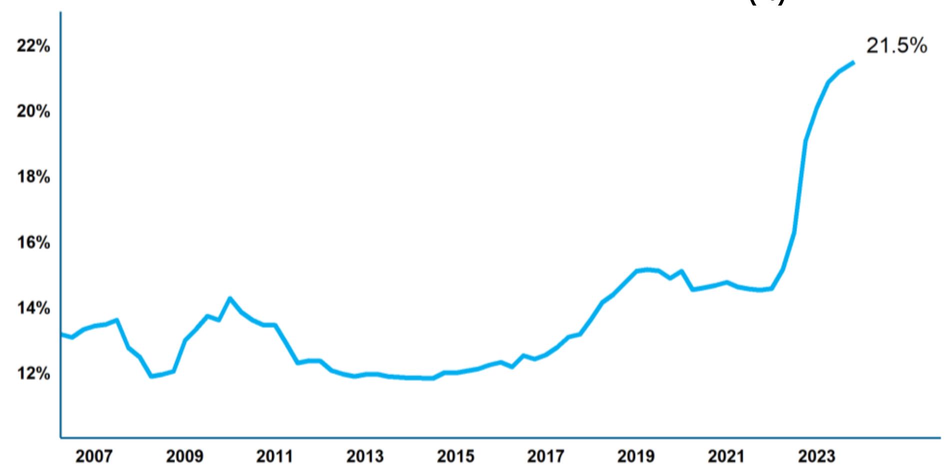
[1] Source: FRED. Data is as February 29, 2024.

US Consumer Under Stress?[1]

Revolving Consumer Credit & Student Loans ($B)



Consumer Credit Card Interest Rates (%)



→ Despite the strong labor market and higher wages, pressures have started to build on the US consumer. This is an important consideration as consumer spending has been a key driver of economic growth.

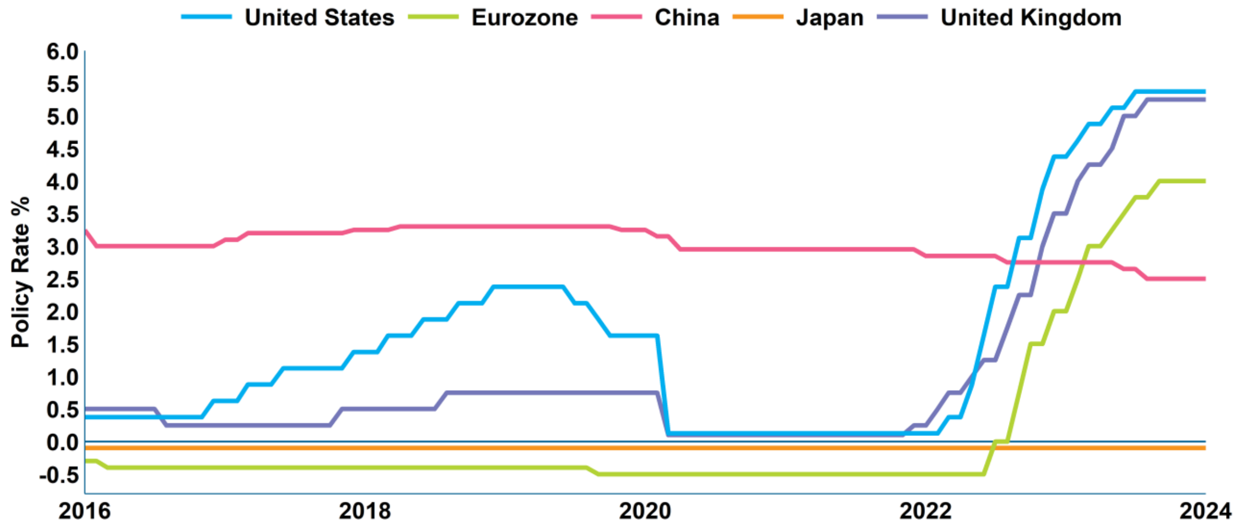
→ Revolving consumer credit surged to new highs in 2023 even as credit card interest rates hit levels not seen before (the prior peak was around 19% in the 1980s). Recently, we have also seen payment delinquencies on credit cards start to increase.

→ The return of student loan repayments after a three-year pandemic-related reprieve could add to pressures on consumers' budgets. This might be partially mitigated by recently initiated repayment and forgiveness programs.

→ As we look ahead, the strength of the US consumer will remain key as this sector makes up most of the domestic economy (GDP).

[1] Source: FRED. Data is as of December 31, 2023. Consumer Credit Card Rate data is as of November 30, 2023. Revolving Consumer Credit data is seasonally adjusted to remove distortions during the holiday season.

Policy Rates[1]



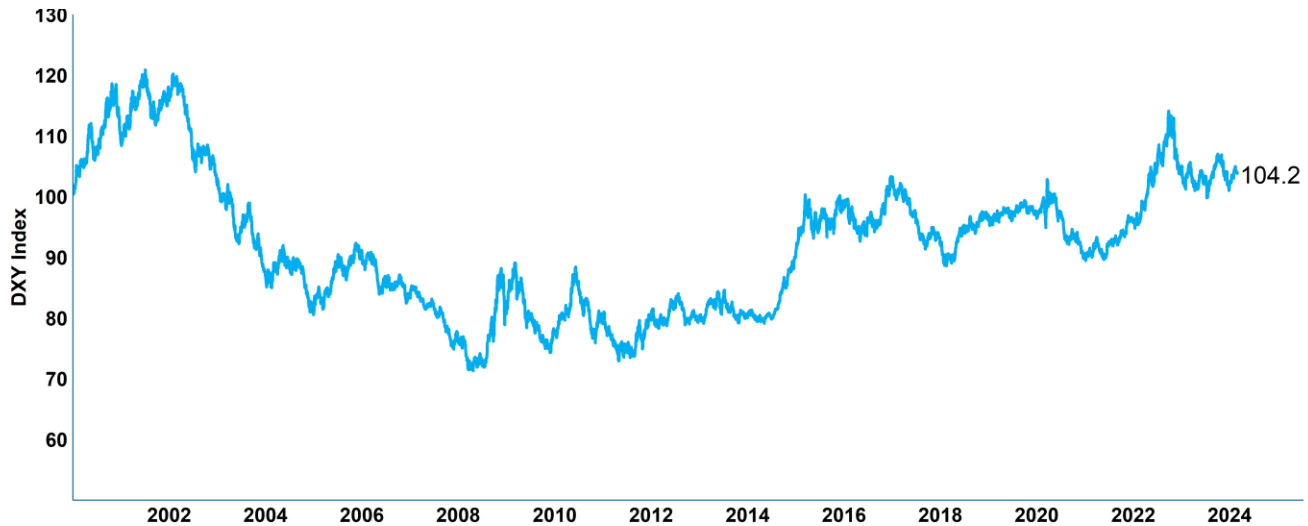
→ The Fed has been on hold since July 2023 when it raised rates to a range of 5.25%-5.50%. Markets are now pricing in slightly less than three rate cuts this year down from close to seven late last year as economic data has come in better than expectations. Market pricing for the first rate cut has also moved out from originally March to the summer or early fall.

→ The European and UK central banks also recently paused their rate increases on slowing inflation with cuts likely to follow this year. In Japan, the BoJ has further relaxed its yield curve control on the 10-year bond, and expectations for further policy normalization are rising.

→ The central bank in China has maintained interest rates at record low levels and continues to inject liquidity into the banking system, as weaker than expected economic data appears to indicate a widespread slowdown.

[1] Source: Bloomberg. Data is as of February 29, 2024.

US Dollar vs. Broad Currencies[1]



- → Overall, the dollar finished last year only slightly below where it started but it was a volatile year for the US currency as expectations related to monetary policy evolved.
- → Strong economic data in the US may delay policy rate cuts this year, which could contribute to upward pressure on the dollar as other countries pivot to rate cuts.

[1] Source: Bloomberg. Data as of February 29, 2024.

Summary

Key Trends:

→ The impact of inflation still above policy targets will remain important, with bond market volatility likely to stay high.

→ Global monetary policies could diverge going forward. The risk of policy errors remains elevated as central banks try to further reduce inflation toward targets while not tipping their economies into recession.

→ Global growth is expected to slow this year, with some economies forecasted to enter recessions. However, optimism has been building that certain economies could experience soft landings. Inflation, monetary policy, and geopolitical issues will remain key in 2024.

→ US consumers could feel pressure as certain components of inflation (e.g., shelter) remain high, borrowing costs are elevated, and the job market may weaken.

→ A focus for US equities going forward will be whether earnings can remain resilient if growth continues to slow. Also, the future paths of the large technology companies that have driven market gains will be important.

→ Equity valuations remain lower in emerging and developed markets, but risks remain, including China's economic uncertainty and on-going weakness in the real estate sector which could spill over into key trading partners' economies. Japan's recent hint at potentially tightening monetary policy along with changes in corporate governance in the country could influence relative results.

Board of Retirement Meeting

San Joaquin County Employees' Retirement Association

Agenda Item 12.0

April 12, 2024

SUBJECT: SACRS Board of Director Elections 2024-2025
Nominating Committee's Recommended Ballot

SUBMITTED FOR: ___ CONSENT _X__ ACTION ___ INFORMATION

RECOMMENDATION

Staff recommends the Board direct its voting delegate to vote in favor of the SACRS Nominating Committee's recommended ballot for the SACRS Board of Directors.

PURPOSE

(1) To determine which candidates SJCERA will support for the SACRS Board of Director elections.

(2) To fulfill the requirement of SACRS systems to communicate the Nominating Committee's recommended ballot and final ballot to each trustee and place the election of SACRS Officers on the Retirement Board's agenda.

DISCUSSION

The SACRS Nominating Committee Recommended Nominees/Candidates for the SACRS Board of Director 2024-2025 Elections are:

President	David MacDonald, Contra Costa CERA *(incumbent)*
Vice President	Adele Tagaloa, Orange CERS *(incumbent)*
Treasurer	Jordan Kaufman, Kern CERA *(incumbent)*
Secretary	Zandra Cholmondeley, Santa Barbara CERS *(incumbent)*
Regular Member	David Gilmore, San Diego CERA *(incumbent)*
Regular Member	Rhonda Biesemeier, Stanislaus CERA (*new*)

The delegate will vote at the SACRS Business Meeting to be held on Friday, May 10, 2024, at the SACRS Spring Conference. The SACRS officers elected at that Business Meeting will hold office for one year and until a successor is elected.

RENEE OSTRANDER
Chief Executive Officer

March 14, 2024

To: SACRS Trustees & SACRS Administrators/CEO's
From: Vivian Gray, SACRS Immediate Past President, Nominating Committee Chair
SACRS Nominating Committee
Re: SACRS Board of Director Elections 2024-2025 - Elections Notice

SACRS BOD 2024-2025 election process began January 1, 2024. Please provide this election notice to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2024	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.
March 25, 2024	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 10, 2024	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference
May 10, 2024	Board of Directors take office for 1 year

Per SACRS Bylaws, Article VIII, Section 1. Board of Director and Section 2. Elections of Directors:

Section 1. Board of Directors. The Board shall consist of the officers of SACRS as described in Article VI, Section 1, the immediate Past President, and two (2) regular members

> ***A. Immediate Past President.*** *The immediate Past President, while he or she is a regular member of SACRS, shall also be a member of the Board. In the event the immediate Past President is unable to serve on the Board, the most recent Past President who qualifies shall serve as a member of the Board.*
> ***B. Two (2) Regular Members****. Two (2) regular members shall also be members of the Board with full voting rights.*

Section 2. Elections of Directors*. Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.*

The Nominating Committee will report its suggested slate, along with a list of the names of all members who had been nominated, to each regular member County Retirement System prior to March 25.

The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's suggested slate to each trustee and placing the election of SACRS Directors on his or her board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee.
Director elections shall take place during the first regular meeting of each calendar year. The election shall be conducted by an open roll call vote, and shall conform to Article V, Sections 6 and 7 of these Bylaws.

Newly elected Directors shall assume their duties at the conclusion of the meeting at which they are elected, with the exception of the office of Treasurer. The incumbent Treasurer shall co-serve with the newly elected Treasurer through the completion of the current fiscal year.

The elections are being held at the SACRS Spring Conference May 7-10, 2024. Elections take place during the Annual Business meeting on Friday, May 10, 2024, in Santa Barabara at the Hilton Santa Barbara Beachfront Resort.

SACRS Nominating Committee Recommended Slate:

- President – David MacDonald, Contra Costa CERA
- Vice President – Adele Tagaloa, Orange CERS
- Treasurer – Jordan Kaufman, Kern CERA
- Secretary – Zandra Cholmondeley, Santa Barbara CERS
- Regular Member – David Gilmore, San Diego CERA
- Regular Member – Rhonda Biesemeier, Stanislaus CERA

Other Nominations Submitted:

- Daniel Vasquez, Marin CERA
- Alysia Bonner, Fresno CERA

Please prepare your voting delegate to have the ability to vote by the recommended ballot and by each position separately.

If you have any questions, please contact Vivian Gray at vgray@lacera.com.

Thank you for your prompt attention to this timely matter.

Sincerely,

Vivian Gray

Vivian Gray, Trustee, Los Angeles CERA and SACRS Nominating Committee Chair

CC: SACRS Board of Directors
SACRS Nominating Committee Members
Sulema H. Peterson, SACRS Executive Director

Attached: Nominee Submissions

President, David MacDonald, Contra Costa CERA

David J MacDonald, MD
[redacted]

January 19, 2024

SACRS Nominating Committee
Vivian Gray, Chair

Dear Ms. Gray,

I would like to express my interest in running as President for the SACRS' Board of Directors for the 2024/2025 year.

I was first elected to the SACRS board in 2020 and currently serve as the SACRS President. I am also an elected trustee of the CCCERA Retirement Board (since 2016) and currently serve as the CCCERA Board Vice Chair. I appreciate the level of responsibility entrusted to me in looking after our members' retirement plans. I understand the incredible value of a defined benefit plan for my coworkers and our retirees.

I have a long history of dedicated service to my coworkers and union members, and I carry this spirit into my role as an elected trustee. My work with SACRS has meant further education and inspiration from the SACRS organization via its conferences and programs. SACRS has enhanced my abilities to serve as an effective CCCERA trustee.

I desire to continue my service on the SACRS board. My roles on the SACRS board have been incredibly valuable to me. My work in SACRS allows me to further promote, protect and build upon pension programs under CERL for county public employees statewide. We have good momentum with SACRS that will mean the further constructive evolution of our organization.

Thank you for your time and consideration.

Sincerely and respectfully,

David J MacDonald, MD

SACRS Board of Directors Elections 2024-2025

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2024.** Please submit to the Nominating Committee Chair at vgray@lacera.com AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: David J. MacDonald, MD
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: [redacted] Email Address: dmacdcccera@gmail.com Phone: [redacted]
Name of Retirement System Candidate Currently Serves On	System Name: CCCERA
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	○ Chair ○ Alternate ○ General Elected ○ Retiree ○ **Other - Vice Chair X (elected board member)**
Applying for SACRS Board of Directors Position (select only one)	○ **President X** ○ Vice President ○ Treasurer ○ Secretary ○ Regular Member
Brief Bio	* SACRS Board of Directors, Member – 2020-2021 & 2021-2022 * SACRS Vice President – 2022-2023 * SACRS President – 2023-2024 * Vice Chair, CCCERA Board of Retirement * Elected general member trustee of CCCERA since 2016 * President, Physicians', and Dentists of Contra Costa (PDOCC), since 2010 (Union for health care providers working at Contra Costa County). * 30 years serving on the PDOCC Executive Board, including many years as Vice President and President. * 33 years of service to Contra Costa County as a physician working in the Department of Health Services. * Education/Pension Trustee Certificates: - Bachelor of Science, Biology – UC Irvine - Doctor of Medicine – UC Irvine - UC Berkeley (SACRS) – Modern Investment Theory & Practice for Retirement Systems - Wharton Business School – Portfolio Concepts & Management - IFEBP – CAPPP program, Trustees Master's Program - CALAPRS Trustee Education – Principles of Pension Governance

Vice President, Adele Tagaloa, OCERS

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

Serving the Active and Retired Members of:

CITY OF SAN JUAN CAPISTRANO

COUNTY OF ORANGE

ORANGE COUNTY CEMETERY DISTRICT

ORANGE COUNTY CHILDREN & FAMILIES COMMISSION

ORANGE COUNTY DEPARTMENT OF EDUCATION (CLOSED TO NEW MEMBERS)

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

ORANGE COUNTY FIRE AUTHORITY

ORANGE COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY

ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

ORANGE COUNTY PUBLIC LAW LIBRARY

ORANGE COUNTY SANITATION DISTRICT

ORANGE COUNTY TRANSPORTATION AUTHORITY

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE

TRANSPORTATION CORRIDOR AGENCIES

UCI MEDICAL CENTER AND CAMPUS (CLOSED TO NEW MEMBERS)

February 21, 2024

By Mail and Electronic Mail [vgray@lacera.com]

Ms. Vivian Gray
SACRS Nominating Committee Chair
SACRS
840 Richards Blvd.
Sacramento, CA 95811

Re: NOMINATION FOR SACRS BOARD OF DIRECTORS ELECTION 2024-2025

Dear Ms. Gray:

As a regular member of SACRS, the Orange County Employees Retirement System (OCERS) is entitled, under the SACRS Bylaws, Article VIII, Section 2, to submit nominations for the election of directors for the SACRS Board of Directors.

On February 21,2024, the OCERS Board of Retirement met and took action to nominate OCERS trustee, Adele Tagaloa, for the position of her choosing on the SACRS Board of Directors and directed me to submit this nomination to the SACRS Nominating Committee. Ms. Tagaloa intends to pursue the position of VICE PRESIDENT of the SACRS Board and will forward her submission form directly to SACRS.

Accordingly, please accept this letter as **OCERS' nomination of OCERS Trustee, Adele Tagaloa, for election to the position of VICE PRESIDENT of the SACRS Board of Directors at the 2024-2025 SACRS Board of Directors Election to take place on May 10, 2024.**

Please do not hesitate to contact me at (714) 558-6222 if you have any questions or require additional information. Thank you.

Best regards,

Steve Delaney

Steve Delaney
Chief Executive Officer

cc: Sulema H. Peterson, SACRS Administrator

Adele M. Tagaloa

2223 East Wellington Ave, Suite 100, Santa Ana, CA 92804 | [redacted] | atagaloa@ocers.org

February 25, 2024

Ms. Vivian Gray
SACRS Immediate Past President, Nominating Committee Chair
State Association of County Retirement Systems (SACRS)
840 Richards Blvd
Sacramento, CA 95811

Dear Ms. Vivian Gray:

Please accept this letter of my intent to run for SACRS Board of Directors for the office of Vice President.

I believe I am qualified to serve as Vice President based on my thirteen years of leadership positions in my employee labor organization, serving 1.8 million registered voters by providing transparent, accurate and secure elections, over 16 years in the non-profit and private sector and most importantly, as a Trustee on the Orange County Employees Retirement System. Most recently, serving on SACRS Vice President and Chair of the Programming Committee for the year 2023-2024 collaborating to enhance high-quality education for our trustees, with affiliates, staff and other CERL counties ensuring pension security.

I hold a passion for democracy, organized labor, and education accessibility that encompasses everything in my career and life. Since I have been elected to the OCERS Board of Retirement, trustee education has been one of my main priorities. All thought the last two years has proven a challenge for in-person conferences and education, this did not deter me from attending as many different organization's education, on any platform that I could. With that experience, in my opinion, SACRS is the leading organization for public pension organizations.

While attending SACRS Fall Conference in 2021, the level of professionalism and outstanding leadership, solidified my desire to be more than an attendee at SACRS. I have found an organization that understands the challenge and importance of pensions, education and duty, for trustees in our CERL 37 Act Systems. I have shared to many about the fantastic speakers and the subjects that reach beyond pensions. This past year serving as your SACRS Secretary, has allowed me to represent trustees, for example:

- Based on feedback, submitting topics and speakers that would benefit trustees, investment staff, and affiliates
- Commitment to working on long-term goals for all our members

Using my leadership experience, it is my goal to continue to share all the benefits of SACRS to members and to continue to make SACRS the premier pension organization in a changing world.

It would be an honor to serve on the SACRS Board of Directors as Vice President and truly appreciate your consideration.

Sincerely,

Adele Tagaloa

Adele Tagaloa
Trustee, General Member-Elected
Orange County Employees Retirement System (OCERS)

SACRS Nomination Submission Form
SACRS Board of Directors Elections 2024-2025

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2024.** Please submit to the Nominating Committee Chair at vgray@lacera.com **AND** to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: **Adele Tagaloa**
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: **2223 East Wellington Ave, Suite 100 Santa Ana, CA 92701** Email Address: **atagaloa@ocers.org** Phone: [redacted]
Name of Retirement System Candidate Currently Serves On	System Name: **Orange County Employees Retirement System (OCERS)**
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	● Chair ○ Alternate ● **General Elected** ○ Retiree ○ Other ___________
Applying for SACRS Board of Directors Position (select only one)	○ President ● **Vice President** ○ Treasurer ○ Secretary ○ Regular Member
Brief Bio in Paragraph Format ***(CV format and screenshot photos will not be accepted)***	• **Vice President, SACRS** • **Programming Committee Chair, SACRS** • **Elected General Member Trustee, OCERS, 2020 to present** • **Over 14 years of service to the County of Orange** • **Proudly serving 1.8 million registered voters at the Registrar of Voters** • **Chair, OCERS Disability Committee 2020 to 2022** • **Vice Chair, OCERS Investment Committee 2022** • **Chair, OCERS Investment Committee 2023** • **OCERS Governance Committee member 2022** • **Union Steward, Orange County Employees Association (OCEA) 2012 to present** • **Board of Directors, OCEA 2018 to present** **Public Pension Trustee Certificates:** **NCPERS - Accredited Fiduciary Program - Accredited Fiduciary designation 2024** **Public Pension Investment Management Program - UC Berkeley** **CALAPRS Principles of Pension Governance and Principles for Trustees** **Completed 209 hours of education, 2023**

Treasurer, Jordan Kaufman, Kern CERA

Kern County Treasurer-Tax Collector

Jordan Kaufman
Treasurer and Tax Collector
Chase Nunneley
Assistant Treasurer and Tax Collector

January 16, 2024

Vivian Gray, Nominating Committee Chairman
State Association of County Retirement Systems

Re: Letter of interest to continue on the Board of Directors of SACRS in the position of Treasurer

Dear Vivian and members of the Nominating Committee,

Thank you for the opportunity to express my interest in continuing on the SACRS Board of Directors in the position of Treasurer. I believe that I have the knowledge, experience and motivation to add value to the Board. I am in my third term as the elected Kern County Treasurer-Tax Collector, and I am an 19 year member of the Kern County Employees Retirement Association (KCERA) as a general elected, alternate, and statutory trustee. I have a deep background in public fund investment and retirement plan administration and I am or have been the Treasurer of many organizations and associations.

As the elected Treasurer-Tax Collector, I manage the County's $6.7 billion treasury pool, provide banking services to over 200 different county agencies and districts, and collect over $1.6 billion in local property taxes. I am also the Plan Administrator for the County's 457(b) deferred compensation plan with over $700 million in participant assets.

I am or have been the Treasurer of the following entities: County of Kern; California Association of County Treasurer's and Tax Collectors (CACTTC); United Way of Kern County; Boy Scouts of America Southern Sierra Council; California Statewide Communities Development Authority (CSCDA); and Kern County Management Council.

I have dedicated my career to public service and I am proud to serve the residents of Kern County and the employees of the County of Kern and I feel that I can continue to bring value to SACRS Board of Directors. Thank you in advance for your consideration and feel free to call me if you have any questions at 661-204-1510.

Sincerely,

Jordan Kaufman

Jordan Kaufman
Kern County Treasurer-Tax Collector
Deferred Compensation Plan Administrator

Attachment
M:\Administration\SACRS\SACRS Board Letter of Interest.doc

1115 Truxtun Avenue * Bakersfield, CA 93301-4639 * (661) 868-3490 * 800-552-KERN
Fax: (661) 868-3409 * Email: TTC@KernCounty.com * www.kcttc.co.kern.ca.us

SACRS

SACRS Nomination Submission Form
SACRS Board of Directors Elections 2024-2025

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2024.** Please submit to the Nominating Committee Chair at vgray@lacera.com **AND** to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Jordan Kaufman
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 1115 Truxtun Avenue, 2nd Floor, Bakersfield, CA 93301 Email Address: jkaufman@kerncounty.com Phone: 661-204-1510
Name of Retirement System Candidate Currently Serves On	System Name: Kern CERA
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	o Chair o Alternate o **General Elected** o Retiree X Other Statutory
Applying for SACRS Board of Directors Position (select only one)	o President o **Vice President** X Treasurer o Secretary o Regular Member
Brief Bio in Paragraph Format (*CV format and screenshot photos will not be accepted*)	I am the current SACRS Treasurer and am excited for the opportunity to continue in this role. I am in my third term as the elected Kern County Treasurer-Tax Collector with fiduciary responsibility over the $6.7 billion Treasury Investment Pool and the responsibility of annually collecting over $1.6 billion in local property taxes. I am also the Plan Administrator for the $700 million deferred compensation plan for County employees. Prior to being elected, I became the assistant Treasurer-Tax Collector in 2006. Prior to 2006, I spent over a decade in the County Administrative Office where I performed budget and policy analysis and was involved in the issuance of various types of municipal bonds for the County. I am the Treasurer and past Chairman of the United Way of Kern County, Trustee and past Chairman of the Kern County Employees Retirement Association (KCERA), Vice Chair of the California Statewide Communities Development Authority (CSCDA), Treasurer of the Boy Scouts of America Southern Sierra Council. I have a Bachelor of Science degree in Industrial Technology from Cal Poly San Luis Obispo. I live in Bakersfield with my beautiful wife Kristen and we have four children.

Secretary, Zandra Cholmondeley, Santa Barbara CERS

From: Zandra Cholmondeley
To: Vivian Gray; Sulema Peterson
Subject: Letter of Intent to serve as Secretary, SACRS Board of Directors
Date: Monday, February 26, 2024 1:19:41 PM

Dear Ms. Gray,
I hereby express my interest in serving as Secretary on the SACRS Board of Directors for the 2024-25 term of office.

I have been a regular attendee at SACRS conferences since 2009, when I joined the Board of Directors the Santa Barbara County Employees' Retirement System as elected retiree trustee. I currently serve as Secretary (2023-24) and have previously served as Secretary on the SACRS Board of Directors in 2013-14. I have also served on the SACRS program committee over the past 11 years and have contributed to the lineup of speakers and panelists at SACRS conferences during this period.

I would be honored to continue to serve as Secretary on the SACRS Board of Directors.

Yours sincerely,
Zandra Cholmondeley,
Elected Retiree Trustee,
Santa Barbara County Employees' Retirement System

Sent from my iPad

Providing insight. Fostering oversight.

SACRS Nomination Submission Form
SACRS Board of Directors Elections 2024-2025

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2024.** Please submit to the Nominating Committee Chair at vgray@lacera.com **AND** to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Zandra Cholmondeley
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: [redacted] Email Address: [redacted] Phone: [redacted]
Name of Retirement System Candidate Currently Serves On	System Name: Santa Barbara County Employees' Retirement System
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	○ Chair ○ Alternate ○ **General Elected** ☒ Retiree ○ Other ___________
Applying for SACRS Board of Directors Position (select only one)	○ President ○ **Vice President** ○ Treasurer ☒ Secretary ○ Regular Member
Brief Bio in Paragraph Format ***(CV format and screenshot photos will not be accepted)***	Zandra Cholmondeley was elected to represent County retirees as a trustee on the governing board of the Santa Barbara County Retirement System (SBCERS) in November 2008. She joined the SBCERS Board in January 2009 and starting in January 2010, served two terms as Chair of the Board. She currently serves as Secretary on the SACRS Board (2023-24) and previously served as Secretary of this board from 2014-15. She has also served three terms as the President of the Retired Employees of Santa Barbara County (RESBC). Zandra retired in July 2008. As Principal Analyst for Santa Barbara County she was charged with overseeing the development of the County's annual budget and performed numerous special projects for the County Executive Officer (CEO). Her budget responsibilities included working with County departments to ensure the accuracy of projections and overall preparation of the budget document. Special projects experience included implementing fiscal policy for the County Executive Office.

Regular Member, David Gilmore, San Diego CERA

January 24, 2024

Ms. Vivian Gray
Chair
Nominating Committee
State Association of County Retirement Systems

Dear Ms. Gray,

This letter is to state my intention to run for re-election. Attached please find my application for the State Association of County Retirement Systems Board of Directors.

I have been working with retirement education since first joining the county of San Diego almost 27 years ago. Working this past year with the SACRS team has been very educational and has provided a sense of accomplishment. The team is a caring group of individuals that are truly looking to provide a great experience for pension system trustees to learn and grow in their roles as board members.

My goal is to keep supporting the SACRS training mission. I respectfully request and thank you in advance for the consideration of the Nominating Committee in supporting my candidacy for election to the SACRS Board of Directors.

Respectfully,

David Gilmore
SDCERA Trustee

SACRS

SACRS Nomination Submission Form
SACRS Board of Directors Elections 2024-2025

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2024.** Please submit to the Nominating Committee Chair at vgray@lacera.com **AND** to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: David Gilmore
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: [redacted] Email Address: D.Gilmore@sdcera.org Phone: [redacted]
Name of Retirement System Candidate Currently Serves On	System Name: San Diego County Employees Retirement Association
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	x Chair o Alternate o **General Elected** o Retiree o Other ___________
Applying for SACRS Board of Directors Position (select only one)	o President o **Vice President** o Treasurer o Secretary x Regular Member
Brief Bio in Paragraph Format ***(CV format and screenshot photos will not be accepted)***	I am serving SDCERA for my second term. Currently, I am the Board Chair. I have two more years in this board term. I am a 27 year employee of San Diego County. Currently, I am the Training Division manager for the Sheriff's Department. I have a BBA in Accounting and an MPA in Public Administration. I have served on the SACRS Board for the past year and enjoyed participating in the development of training opportunities for pension trustees from around the state of California. I appreciate your support.

Regular Member, Rhona Biesemeier, Stanislaus CERA

Rhonda Biesemeier
[redacted]

February 22, 2024

Ms. Vivian Gray
SACRS Nominating Committee Chair

Ms. Sulema Peterson
SACRS Executive Director

Dear Ms. Gray and Ms. Peterson,

My name is Rhonda Biesemeier and I am interested in serving as a member of the SACRS Board of Directors. I am a strong proponent of furthering and protecting retiree's defined benefit plans.

I have always been impressed by the quality of education I receive through SACRS, both at conferences and through the UC Berkeley Program. The SACRS organization is impressively well- run, providing top-notch presenters to improve member's understanding of investments and other aspects of pension management. The networking opportunities you provide enhance the educational experience.

I would like to stress that once I commit to a position, I am involved and dedicated to assuring that a certain level of excellence is maintained. I recognize that SACRS maintains such a level and I'd like to be a part of its future.

I appreciate that you are willing to consider me for a position on the Board of SACRS.

Sincerely,

Rhonda Biesemeier

SACRS™

SACRS Nomination Submission Form
SACRS Board of Directors Elections 2024-2025

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2024.** Please submit to the Nominating Committee Chair at vgray@lacera.com **AND** to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Rhonda Biesemeier
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: [redacted] Email Address: [redacted] Phone: [redacted]
Name of Retirement System Candidate Currently Serves On	System Name: Stanislaus County Employees' Retirement Association (StanCERA)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	○ Chair ○ Alternate ○ **General Elected** X Retiree ○ Other ___________
Applying for SACRS Board of Directors Position (select only one)	○ President ○ **Vice President** ○ Treasurer ○ Secretary X Regular Member
Brief Bio in Paragraph Format (*CV format and screen*shot *photos will not be accepted*)	**I was elected as the Retiree Alternate Representative to the StanCERA Board of Retirement in July 2017, and was re-elected for a second term in 2020. In 2023, I was elected as the Retiree Representative and currently serve as a Trustee in that capacity. Since joining the Board in 2017, I have attended numerous SACRS conferences and the SACRS/UC Berkeley Program.** **I am committed to retirees as evidenced by volunteer positions I have held since retiring in 2008. They include President and board member of the Retired Employees of Stanislaus County (RESCO) 2008 – present and Delegate to the California Retired County Employees Association (CRCEA) 2009 - 2023. Additionally, my current experience as an Equal Rights Commissioner for Stanislaus County would be beneficial in continuing the goals of inclusiveness to which SACRS aspires.** **I was raised in Modesto, California. I have two accomplished young adult children, two dogs & a cat. My favorite things include spending time with my children and my many friends, meeting new people, participating in community events, traveling, and photography.**

Board of Retirement Meeting
San Joaquin County Employees' Retirement Association

Agenda Item 13.0

April 12, 2024

SUBJECT: SACRS Voting Proxy Form

SUBMITTED FOR: ___ CONSENT __X_ ACTION ___ INFORMATION

RECOMMENDATION

Staff recommends the Board approve the attached amendments to the SJCERA's current list of SACRS Voting Delegates.

PURPOSE

To provide SACRS with a complete list of voting delegates who are authorized to vote on behalf of SJCERA.

DISCUSSION

SJCERA's list of voting delegates, as reflected on the attached SACRS Voting Proxy forms, remains in effect unless changed by the Board.

Due to the change in SJCERA Chief Executive Officer, staff propose adding CEO Renee Ostrander, removing former CEO Johanna Shick and adding Chief Legal Counsel Aaron Zaheen to the SACRS Voting Delegates proxy form.

Due to variable attendance and availability, staff endorses including all Board members and executive staff on proxy form in order to improve efficiency and ensure at least one voting delegate is able to vote at the business meeting at each conference.

The proposed voting proxy form is attached for the Board's consideration.

ATTACHMENT

SACRS Voting Proxy Form
Proposed SACRS Voting Proxy Form

Renee Ostrander
Chief Executive Officer

Elaina Petersen
Administrative Secretary

SACRS VOTING PROXY FORM

The following are authorized by the San Joaquin County Retirement Board to vote on behalf of the County Retirement System at the upcoming SACRS Conference

(if you have more than one alternate, please attach the list of alternates in priority order):

Chair – Michael Restuccia	Voting Delegate
Vice Chair – Michael Duffy	Alternate Voting Delegate
Secretary – Raymond McCray	Second Alternate Voting Delegate
CEO – Johanna Shick	Third Alternate Voting Delegate
Ex-Officio – Phonxay Keokham	Fourth Alternate Voting Delegate
Trustee – Emily Nicholas	Fifth Alternate Voting Delegate
Trustee – Jennifer Goodman	Sixth Alternate Voting Delegate
Trustee – Steve Ding	Seventh Alternate Voting Delegate
Trustee – Chanda Bassett	Eighth Alternate Voting Delegate
Trustee – James Weydert	Ninth Alternate Voting Delegate
Trustee – Steve Moore	Tenth Alternate Voting Delegate
ACEO – Brian McKelvey	Eleventh Alternate Voting Delegate
RIO – Paris Ba	Twelfth Alternate Voting Delegate

These delegates were approved by the Retirement Board on 05/05/2023.

This Voting Proxy supersedes that approved by the Retirement Board on 05/06/2022 and is to remain in effect until superseded or revoked.

The person authorized to fill out this form on behalf of the Retirement Board:

Signature: J. Shick

Print Name: Johanna Shick

Position: Clerk of the Board

Date: May 5, 2023

Please send your system's voting proxy by May 5, 2023 to Sulema H. Peterson, SACRS Administrator at Sulema@sacrs.org.

SACRS VOTING PROXY FORM

The following are authorized by the San Joaquin County Retirement Board to vote on behalf of the County Retirement System at the upcoming SACRS Conference

(if you have more than one alternate, please attach the list of alternates in priority order):

Chair – Michael Restuccia	Voting Delegate
Vice Chair – Michael Duffy	Alternate Voting Delegate
Secretary – Raymond McCray	Second Alternate Voting Delegate
CEO – Renee Ostrander	Third Alternate Voting Delegate
Ex-Officio – Phonxay Keokham	Fourth Alternate Voting Delegate
Trustee – Emily Nicholas	Fifth Alternate Voting Delegate
Trustee – Jennifer Goodman	Sixth Alternate Voting Delegate
Trustee – Steve Ding	Seventh Alternate Voting Delegate
Trustee – Chanda Bassett	Eighth Alternate Voting Delegate
Trustee – James Weydert	Ninth Alternate Voting Delegate
Trustee – Steve Moore	Tenth Alternate Voting Delegate
ACEO – Brian McKelvey	Eleventh Alternate Voting Delegate
RIO – Paris Ba	Twelfth Alternate Voting Delegate
Counsel – Aaron Zaheen	Thirteenth Alternate Voting Delegate

These delegates were approved by the Retirement Board on 04/12/2024.

This Voting Proxy supersedes that approved by the Retirement Board on 05/05/2023 and is to remain in effect until superseded or revoked.

The person authorized to fill out this form on behalf of the Retirement Board:

Signature: ______________________________

Print Name: Renee Ostrander

Position: Clerk of the Board

Date: April 12, 2024

Please send your system's voting proxy by May 1, 2024 to Sulema H. Peterson, SACRS Administrator at Sulema@sacrs.org.

2024 CONFERENCES AND EVENTS SCHEDULE

2024 EVENT DATES		EVENT TITLE	EVENT SPONSOR	LOCATION	REG. FEE	WEBLINK FOR MORE INFO	EST. BOARD EDUCATION HOURS
Apr 15	Apr 17	Pension Bridge The Annual 2024	withintelligence	Half Moon Bay	$0	withintelligence.com	12.5
Apr 15	Apr 18	PIMCO Institute Educational Seminar	PIMCO	Newport Beach, CA	$0	pimco.com	21.5 hrs
Apr 15	Apr 19	Investment Strategies and Portfolio Mgmt.	Wharton	Philadelphia, PA	$13250	executiveeducation.wharton.upenn.edu	40
Apr 29	May 1	Public Funds Roundtable	Institutional Investor	Los Angeles, CA	$0	institutialinvestor.com	15
May 6	May 9	Portfolio Concepts and Mgmt.	Wharton	Philadelphia, PA	$6150	www.ifebp.org	32
May 7	May 10	SACRS Spring Conference	SACRS	Santa Barbara	$120	sacrs.org	11*
May 17	May 17	Trustee Roundtable	CALAPRS	virtual	$50	calaprs.org	4*
May 18	May 19	2024 Trustee Educational Seminar (TEDS)	NCPERS	Seattle, WA	$500	ncpers.com	9
May 19	May 22	2024 Annual Conference and Exhibit	NCPERS	Seattle, WA	$1110	ncpers.com	TBD
May 24	May 24	Virtual Attorneys Round Table	CALAPRS	Virtual	$50	calaprs.org	4*
May 30	May 30	2024 Lightspeed Annual Meeting	Lightspeed	Napa, CA	$0	lightspeed2024annualmeetings.splashthat.com	N/A
Jun 17	Jun 19	Chief Officers Summit	NCPERS	Seattle, WA	$1000	ncpers.com	N/A
Jun 21	Jun 21	Administrators Roundtable	CALAPRS	San Jose, CA	$300	ncpers.com	N/A
Jul 14	Jul 17	SACRS/UC Berkeley Program	SACRS	Berkeley, CA	$3000	sacrs.org	24*
Jul 22	Jul 24	Advanced Investment Management	Wharton	San Francisco	$6150	www.ifebp.org	24
Aug 18	Aug 20	2024 Public Pension Funding Forum	NCPERS	Boston, MA	$745	ncpers.com	10
Aug 26	Aug 29	Priciples of Pension Governance for Trustees	CALAPRS	TBD	TBD	calaprs.org	TBD
Sep 17	Sep 19	Fiduciary Investors Symposium	top1000funds	Stanford	TBD	top1000funds.com	TBD
Sep 25	Sep 27	Administrators Institute	CALAPRS	Carmel	TBD	calaprs.org	N/A
Oct 10	Oct 10	SJCERA Investment Roundtable	SJCERA	Lodi, CA	$0	SJCERA	7
Oct 11	Oct 11	Trustee Roundtable	CALAPRS	San Jose, CA	TBD	calaprs.org	TBD
Oct 14	Oct 18	Investment Strategies and Portfolio Mgmt.	Wharton	Philadelphia, PA	$13250	executiveeducation.wharton.upenn.edu	40
Oct 15	Oct 16	7th Annual Private Equity San Francisco Forum	Markets Group	San Francisco	$0	marketsgroup.com	TBD
Nov 12	Nov 15	SACRS Fall Conference	SACRS	Monterey, CA	TBD	sacrs.org	TBD

** Estimates based on prior agendas*

PRELIMINARY AGENDA

SATURDAY, MAY 18

7:00 AM – 8:00 AM BREAKFAST
Vashon Ballroom (3rd Floor)

7:00 AM – 1:00 PM REGISTRATION
Cascade Ballroom Foyer North (2nd Floor)

8:00 AM – 1:15 PM DAY 1 - GENERAL SESSION
Cascade Ballroom II (2nd Floor)

8:15 AM – 9:00 AM *Plan Governance: The Roles of Trustees and Staff*
Rick Funston, Board Smart

9:00 AM – 9:45 AM *Navigating Your Investment Role as a Trustee*
Jennifer Mink, Investment Performance Services, LLC

9:45 AM – 10:00 AM BREAK

10:00 AM – 11:00 AM *Investments 101: Fixed Income & Public Equities*
Callan/Marquette/NEPC
Luis Sierra, Marquette Associates

11:00 AM – 12:00 PM *Investments 201: Alternatives*
Callan/Marquette/NEPC

12:00 PM – 12:15 PM BREAK

*Agenda subject to change. Revised 3/26/24.

12:15 PM – 1:15 PM *Back to Basics: Actuarial Valuations*
Danny White, Gabriel, Roeder, Smith & Company
Thomas Lyle, Gabriel, Roeder, Smith & Company

5:00 PM – 6:00 PM UNIVERSITY NETWORKING RECEPTION
Puget Sound Room (Lobby Level)

SUNDAY, MAY 19

7:00 AM – 8:00 AM BREAKFAST
Vashon Ballroom (3rd Floor)

7:00 AM – 1:00 PM REGISTRATION
Cascade Ballroom Foyer North (2nd Floor)

8:00 AM – 1:15 PM DAY 2 – GENERAL SESSION
Cascade Ballroom II (2nd Floor)

8:00 AM – 8:30 AM *The Current State of Public Pensions: A Review of the 2024 NCPERS Public Retirement Systems (PRS) Study*
Hank Kim, NCPERS

8:30 AM – 9:30 AM *Understanding a Funding Policy*
Paul Angelo, Segal
Molly Calcagno, Segal

9:30 AM – 9:45 AM BREAK

9:45 AM – 10:30 AM *Pension and OPEB Go Together like Peas and Carrots*
It is undeniable that pension and retiree healthcare benefits are inextricably linked. Much focus has been placed on reforming pension benefits but how does this impact the other side of the equation, retiree healthcare. What decision points should be considered when approaching benefit reforms? How do stakeholders maximize the value to retirees while still maintaining affordability? How does an employer manage these two connected, yet distinct risks? This session will focus on how pension and OPEB benefits interact covering topics from assumption setting, plan design changes, and prefunding of OPEB benefits. The presenters will look at multiple case studies involving the

two and lead attendees through a stimulating discussion on the best strategies to provide a meaningful benefit package to retirees in this ever-changing landscape.
Joe Newton, Gabriel Roeder Smith & Co.
Blake Orth, Gabriel Roeder Smith & Co.

10:30 AM – 11:15 AM *The Nuts & Bolts of Fiduciary Duties*
Lisa Strejlau, Labaton Keller Sucharow

11:15 AM – 11:30 AM BREAK

11:30 AM – 1:00 PM *Asset Allocation Challenge*
(Interactive computer-based investment training session)
Bob Parise, Northern Trust Asset Management

1:00 PM – 1:10 PM *What's Next? Continued Learning*
Peter Landers, Global Governance Advisors
Brad Kelly, Global Governance Advisors

1:10 PM – 1:15 PM CLOSING REMARKS

MARKETS GROUP

7

ANNUAL PRIVATE EQUITY SAN FRANCISCO FORUM

OCTOBER 15-16, 2024 | SAN FRANCISCO

Dear Colleague,

The 7th Annual Private Equity San Francisco Forum was developed as an education-focused, two-day event for allocators and asset managers. The purpose of the meeting is to facilitate the dissemination of actionable investor content, coupled with supporting the continued development of the private equity investment industry along the West Coast.

The program's agenda has been specifically designed to provide relevant and topical educational content for people who manage, advise, allocate to, or oversee private equity. The 7th Annual Private Equity San Francisco Forum will offer exclusive access to the leading minds throughout the private equity investment industry, who will in turn, provide the latest information and insight on the future of private equity, private debt, infrastructure, technology, allocation plans, and real asset investing.

We'd like to thank the program sponsors for their support of this investor-centric educational initiative.

The 7th Annual Private Equity San Francisco Forum will bring together 500 executives to discuss institutional capital allocations into private equity investment vehicles. We have developed the program to meet the needs of institutional investors such as pension funds, foundations, endowments, family offices, consultants, and wealth managers.

We are looking forward to hosting you at the conference!

Paloma Lima-Mayland
Partner, Head of Private Equity Group

PRIVATE EQUITY SERIES 2024

12th Annual Private Equity New York Forum
New York
May 15, 2024

Private Equity Chicago Forum
Chicago
July 30– 31, 2024

Private Equity Boston Forum
Boston
November 6-7, 2024

Private Equity Asia Forum
Singapore
June 25, 2024

7th Annual Private Equity Europe Forum
London
September 17-18, 2024

15th Annual Private Equity Latin America Forum
Sao Paulo
December, 9-10, 2024

CONTACT INFORMATION

Partner, Head of Private Equity Group

Paloma Lima-Mayland
+1 646-201-5837
Paloma.Lima@marketsgroup.org

Head of Private Equity Sales

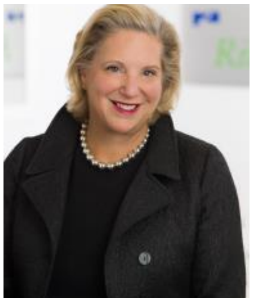
Nawshad Noorkhan
+44 20 3868 9692
Nawshad.Noorhhan@marketsgroup.org

Co-Head of Private Equity Production & Investor Relations
Meghan Hazen
+1 973-886-4368
Meghan.Hazen@marketsgroup.org

KEYNOTE SPEAKERS

David Breach, *President, Chief Operating Officer,* **Vista Equity Partners**

David Breach is the President and Chief Operating Officer of Vista Equity Partners. Vista currently has more than $100 billion in assets under management and oversees a portfolio of over 85 enterprise software, data and technology-enabled companies. Mr. Breach oversees the governance of the firm, advises on investment strategies and directs strategic growth initiatives, among other responsibilities. He is a member of Vista's Executive Committee and serves on the boards of several portfolio companies, including EagleView, Jamf (NASDAQ: JAMF), Solera and Stats Perform. Earlier in his career, Mr. Breach was a Senior Partner at Kirkland & Ellis. He holds a J.D. from the University of Michigan.



Pam Hendrickson, *Vice Chairman,* **The Riverside Company**

In 2006 Pam joined Riverside, a global multi strategy private equity firm, where she currently serves as Vice Chairman and sits on the Riverside Investment Council. She is also Chair of the Board of the American Investment Council, a member of AON's M&A advisory board, a member of the board of Accordion Technologies, a member of the board of Applied Biological Laboratories and is a Trustee of the National Humanities Center, where she chairs the audit committee. Prior to joining Riverside, she served for 22 years at JP Morgan Chase with senior roles in both the Real Estate Division and the Private Bank.

Jai Das, *President, Partner & Co-Founder,* **Sapphire Ventures**

Mr. Das is President, Partner and Co-Founder at Sapphire Ventures. He invests in startups that he believes are developing ground-breaking products and are on their way to becoming Companies of Consequence. He has more than 15 years of investment experience and has helped multiple companies innovate their product and marketing strategies in order to become market leaders. 13 of his investments have IPO'ed while 17 have been acquired. Prior to joining Sapphire Ventures in 2006, Jai worked at Oracle, Intel Capital, Agilent Ventures, and MVC Capital. He has a B.Sc. in Electrical Engineering from Brown University and an MBA from University of Chicago's Booth School of Business.

John Toomey, *Co-Chief Executive Officer,* **HarbourVest Partners**

Mr. Toomey is one of two members of the Firm's Executive Management Committee, which serves as HarbourVest's CEO; and is also a member of the Portfolio Construction Committee. He first joined the Firm in 1997, as a member of the direct investment team. He re-joined HarbourVest in 2001 after business school, and has focused on secondary investments since 2003. John was involved with the 2007 initial public offering of HarbourVest Global Private Equity Limited (HVPE) on Euronext Amsterdam and served as Chief Financial Officer from the IPO through September 2008. John received a BA (cum laude) in Chemistry and Physics from Harvard University in 1995 and an MBA from Harvard Business School in 2001, where he was awarded the Loeb Fellowship for outstanding achievement in finance.

Hasan Askari, *Co-Founder, Managing Partner,* **K1 Investment Management**

Hasan Askari is a Managing Partner at K1 Investment Management. He is responsible for leading the Firm's Sourcing function, is an active board member for K1's portfolio companies, and advisor to K1's management teams. Mr. Askari currently sits on the board of ControlUp, Digital Pharmacist, Emburse, RFPIO, Skuid, and Smarsh. Mr. Askari is a graduate of the Marshall School of Business at the University of Southern California, where he received a BS in Business Administration. Mr. Askari serves on the Board of Directors of UgandaProject, a grassroots non-profit focused on supporting orphans in Uganda and is a member of Young Presidents' Organization (YPO). Previously, he was a member of the Board of Governors for the University of Southern California's Alumni Association.

PLATINUM SPONSOR

Scientific Infra and Private Assets Ltd. is a venture of EDHEC Business School. An ESMA-regulated provider of indexes and analytics for private equity and debt investment universe, we serve numerous prestigious clients representing hundreds of billions of dollars of private equity and infrastructure assets under management. Because the majority of private assets are not easily proxied, there has traditionally been a vast knowledge gap when it comes to gauging the prices of these assets and their evolution. We are closing that gap with analytics and calculated indexes that already cover 25 countries representing an investable universe of 7,000 companies.

GOLD SPONSORS

Capital Insight LLC is a middle-market investment bank providing M&A, sale leaseback and structured corporate finance advisory services. CI's expertise focuses on structured complicated transactions enabling CI to leverage its institutionally pedigreed technical skills consistently delivering optimal outcomes for our institutional clients over multiple economic cycles. CI and its principals have successfully executed $15B+, more than half of which involved the monetization of real estate through various structured vehicles. CI's philosophy is always being relational and authentic establishing mutually beneficial long-term relationships and always finding time to have some laughs in the process!

Dechert has been at the forefront of advising private equity firms for almost 40 years. With more than 300 private equity and private investment clients, we have unique insights into how the industry has evolved and where it's going next. Our globally integrated team of more than 350 private equity lawyers advises private equity, private credit and other alternative asset managers on flexible solutions at every phase of the investment life cycle.

Mintz is an internationally recognized, multidisciplinary law firm with 600+ attorneys serving clients worldwide. With exceptional breadth in a broad range of industries and working within four core practice areas — transactional, intellectual property, litigation & investigations, and regulatory & advisory — our attorneys represent business leaders, entrepreneurs, and investors on pivotal deals, disputes, and regulatory matters. Our Private Equity / Mergers & Acquisitions Practice includes professionals from many different disciplines who focus on executing transactions that meet our clients' wide-ranging legal, business, and operational goals. Singled out by BTI Consulting Group as one of 32 "Deft Dealmaker" firms for 2022, Mintz develops winning transaction strategies for deals of virtually every size and type, including strategic acquisitions and divestitures, private equity platform and roll-up acquisitions and exits, spin-offs, joint ventures, asset and IP acquisitions, distressed sale transactions, complex earn-out and contingent value rights transactions, tender offers, and going private transactions and recapitalizations. To learn more about our firm, please visit www.mintz.com.

Primary Wave IP Investment Management is a leading private equity manager focused on investing in music intellectual property. Primary Wave has announced a JV with BlackRock, an oversubscribed fund, and investments in the music IP of iconic artists Smokey Robinson, Bob Marley and Whitney Houston.

GOLD SPONSORS

Great companies know that innovation requires risk. At **Woodruff Sawyer,** we've been insuring innovation for over 100 years. Our mission is simple: to provide our clients with deep expertise, thoughtful counsel, and fierce advocacy. We protect your people and your assets by identifying and mitigating your risk and reducing your costs. We're one of the largest insurance brokerage and consulting firms in the US. Working as an extension of your team, we tailor your program and coverage based on truly knowing you and your business. You'll get access to experts with decades of experience, as well as proprietary data that empowers you to make decisions with confidence. If a claim does occur, you'll have strong advocates with a specialized claims team to help drive the best result. Because when you win, we win.

Celebrating its 50th anniversary, **W. P. Carey** ranks among the largest net lease REITs with an enterprise value of approximately $23 billion and a well-diversified portfolio of high-quality, operationally critical commercial real estate, which includes 1,475 net lease properties covering approximately 180 million square feet and a portfolio of 85 self-storage operating properties, as of June 30, 2023. With offices in New York, London, Amsterdam and Dallas, the company remains focused on investing primarily in single-tenant, industrial, warehouse and retail properties located in the U.S. and Northern and Western Europe, under long-term net leases with built-in rent escalations.

SILVER SPONSOR

At **Vistra**, we believe your business and your people can make a difference in the world. That's why our work is focused on helping our clients act with confidence and speed to seize opportunity wherever it arises. As a global corporate service provider and fund administrator with more than 5,000 professionals in over 45 jurisdictions, we empower legal entities globally to work smarter, grow faster, act responsibly, protect capital and scale across borders — by doing what we do best: reducing risk and enhancing efficiency. Discover how we can help you and your business seize opportunity today by exploring our services at vistra.com

INDUSTRY PARTNERS

Driven by a deep understanding of what it takes to succeed in alternatives, **Alter Domus** is able to meet and anticipate the ever-changing needs of investment managers and asset owners worldwide; mitigating risks, reducing costs, creating efficiencies, and ultimately driving growth. Our fund, corporate and asset experts know first-hand the operational challenges customers face and how to overcome them. And when it comes to technology, whether we're enabling operational efficiencies or using data and analytics to enhance decision-making, we turn what some see as facts, figures, or data points into competitive advantage for some of the biggest names in alternatives. With 5,100 professionals across more than 35 offices in 21 countries, we're exactly where you need us to be.

Apex Group Ltd., established in Bermuda in 2003, is a global financial services provider. With over 80 offices worldwide and 11,000 employees in 38 countries, Apex Group delivers an expansive range of services to asset managers, financial institutions, private clients and family offices. The Group has continually improved and evolved its capabilities to offer a single-source solution through establishing the broadest range of services in the industry; including fund services, digital onboarding and bank accounts, depositary, custody, super ManCo services, corporate services including HR and Payroll and a pioneering ESG Ratings and Advisory solution. Apex Group's purpose is to be more than just a financial services provider and is committed to driving positive change to address three core areas; the Environment and Climate Change, Women's Empowerment and Economic Independence, Education and Social Mobility.

INDUSTRY PARTNERS

Founded in 1999, **NewSpring** partners with the innovators, makers, and operators of high-performing companies in dynamic industries to catalyze new growth and seize compelling opportunities. We manage approximately $3.5 billion across five distinct strategies covering the spectrum from growth equity and control buyouts to mezzanine debt. Having invested in over 200 companies, NewSpring brings a wealth of knowledge, experience, and resources to take growing companies to the next level and beyond.

Stoel Rives is a leading U.S. corporate and litigation law firm providing high quality services to sophisticated business clients at every stage of their evolution. With 350 attorneys in seven states and Washington, D.C., Stoel Rives is a nationally recognized leader in the energy and natural resources industries. From deals and disputes to compliance and counseling, clients turn to Stoel Rives for their most complex business challenges. Let's navigate the future together.

Zedra is a global independent fund administrator, offering best in class combinations of people, process and technology working efficiently throughout the fund design process, implementation, and governance. At the heart of our service ethos is the belief that clients are looking for something more than a simple administration service. Operating from key geographies including the Cayman Islands, Curacao, Luxembourg, Channel Islands, US and Singapore we have the local knowledge you need across the world.

AGENDA

Tuesday, October 15

7:50 Registration & Networking

8:30 Markets Group Welcoming Address
Paloma Lima-Mayland, *Partner, Head of Private Equity*, **Markets Group**

8:40 Keynote Interview: One-on-One Conversation with Pam Hendrickson
In 2006 Pam joined Riverside, a global multi strategy private equity firm, where she currently serves as Vice Chairman and sits on the Riverside Investment Council. She is also Chair of the Board of the American Investment Council, a member of AON's M&A advisory board, a member of the board of Accordion Technologies, a member of the board of Applied Biological Laboratories and is a Trustee of the National Humanities Center, where she chairs the audit committee. Prior to joining Riverside, she served for 22 years at JP Morgan Chase with senior roles in both the Real Estate Division and the Private Bank.
Interviewer:
Frederic Blanc-Brude, *Chief Executive Officer,* **Scientific Private Assets**
Interviewee:
Pam Hendrickson, *Vice Chairman,* **The Riverside Company**

9:00 Keynote Panel: Global Private Equity Investing
As the world turns its focus to inflation, geopolitical conflicts and potential recession, how are the private markets responding in different geographies? How are currency fluctuations affecting valuations? How are leading fund managers taking the offensive in this new climate? Additionally, what opportunities are presenting across varying markets to better prepare for future global challenges?
Moderator:
Mark Thiefelder, *Head of Corporate, Partner,* **Dechert**
Panelists:
Lynn Baranski, *Global Co-Head of Private Equity Partners,* **Blackrock**
Dick Kramlich, *Chairman Emeritus, Co-Founder,* **New Enterprise Associates**

9:30 Keynote Panel: Investing in US Private Equity
With an uncertain overall outlook for pricing and opportunities, how can fund managers remain both informed and flexible about the state of the market? Leading fund managers discuss their investment thesis regarding investment strategies, favorable sectors, exits, and portfolio company management.
Moderator:
Andew Hulsh, *Partner,* **Mintz Levin**
Panelists:
Christopher Hooper, *General Partner,* **Welsh, Carson, Anderson & Stowe**
Veronica Li, *Head of North America,* **Primavera Capital Group**
Spencer McLeod, *Partner, Head of Research*, **G Squared**

10:00 Morning Networking Break

AGENDA

10:30: Panel Discussion: Value Creation via Human Capital — How Leading Funds are Transforming Portfolio Companies

Beyond funding, how are leading managers working to create value in their portfolio companies? How can partners identify opportunities to boost innovation, productivity, and the bottom line? In the age of diversity, equity and inclusion, how can top funds apply firm values to their portfolio companies? Panelists discuss how human capital plays an essential role in the value creation process.

Panelists:

Margo Hays, *Managing Director, Digital Strategy,* **TSG Consumer Partners**

Jen Holmstrom, *Operating Partner,* **GGV Capital**

Amanda Good, *Partner, Head of Value Creation,* **Searchlight Capital Partners**

11:00 Panel Discussion: Private Equity Sale Leaseback Strategies

Sale-leasebacks have become a sought after mechanism for private equity firms to finance and enhance those businesses, while also creating a positive arbitrage opportunity for private equity investors. By carving out real estate from a business concurrent with or post-acquisition, buyers can unlock a substantially higher value for the real estate. Panelists discuss the benefits and considerations when undergoing leaseback strategies.

Moderator:

Zachary Pasanen, *Managing Director,* **W.P. Carey**

Panelist:

Brett Bishov, *Managing Partner,* **Capital Insight**

11:30 Breakout Sessions

Table 1: Investing in US Private Equity — Energy Sector Focus

Hosted by: **VISTRA**

Table 2: Navigating Human Capital Challenges in M&A

Table 3: Venture Capital, Technology, & IP Investments

Table 4: Impact of Tax Reform on Private Equity Strategies

Table 5: Making Strategic Decisions with Conviction: The Power of Market Research

12:10 Networking Luncheon

1:00 Keynote Interview: One-on-One Conversation with John Toomey

Mr. Toomey is one of two members of the Firm's Executive Management Committee, which serves as HarbourVest's CEO; and is also a member of the Portfolio Construction Commit-tee. He first joined the Firm in 1997, as a member of the direct investment team. He re-joined HarbourVest in 2001 after business school, and has focused on secondary investments since 2003. John was involved with the 2007 initial public offering of HarbourVest Global Private Equity Limited (HVPE) on Euronext Amsterdam and served as Chief Financial Officer from the IPO through September 2008. John received a BA (cum laude) in Chemistry and Physics from Harvard University in 1995 and an MBA from Harvard Business School in 2001, where he was awarded the Loeb Fellowship for outstanding achievement in finance.

Interviewee:

John Toomey, *Co-Chief Executive Officer,* **HarbourVest Partners**

AGENDA

1:20 Panel Discussion: A Spotlight on ESG Management Navigating Growing Expectations

The importance of ESG continues to grow within the entire PE industry. As more companies are bringing ESG to the forefront of their due diligence and evaluation processes, what are the strategies in moving forward? How are GPs responding to LPs ESG agendas in private equity? How are GPs making a difference and driving profits? Experts discuss how to best understand the relationship between corporate sustainability practices and company financial performance.

Panelists:

Zomo Fisher, *Head of Sustainability and ESG,* **Hellman & Friedman**

Matt Kaczmarek, *Global Head of Sustainable Private Debt,* **Blackrock**

Heather McGeory, *Head of Sustainability,* **Fifth Wall**

1:50 Panel Discussion: Middle Market & Growth Investing

In this crowded private market, where high valuations are slowing the investment pace, GPs have been forced to be more creative in finding value. Increasingly, in the middle market more firms are seeking growth equity investment opportunities rather than traditional leveraged buyouts. Hybrid, crossover and growth funds are on the rise. How are investors sourcing deals for non-control investments? What challenges and opportunities lie ahead in the realm of growth in-vesting for managers and institutional investors?

Panelists:

Pete Chung, *Head of Expansion Capital,* **Morgan Stanley**

Peter Tsang, *Co-Chief Investment Officer,* **The Riverside Company**

Felix Lo, *Managing Director,* **Golden Gate Capital**

2:20 Panel Discussion: Secondaries, Co-investments, & Funds of Funds

Private equity investors are increasingly turning to the secondary market to find value opportunities. How can investors take advantage of secondaries, co-investments, continuation funds and funds of funds to boost returns, and what advantages do they provide over individual manager selection within the current market environment?

Moderator:

Ivet Bell, *Partner,* **Freshfields Bruckhaus Deringer**

Panelists:

Lisa Sun, *Managing Director & Co-Head Blackrock Secondaries,* **Blackrock**

Benjamin Perl, *Global Co-Head of Secondary Private Equity,* **Neuberger Berman**

Jenna Shen, *Managing Director,* **Goldman Sachs**

Wyatt McKean, *Counsel, Private Equity & Data Infrastructure*, **GI Partners**

2:50 Afternoon Networking Break

3:20 Panel Discussion: Regulatory Changes in Private Equity

Join leading fund managers as they discuss the new Private Fund Advisors rule, reporting requirements including the significant changes of the filing process, and their impact on private equity.

Panelists:

Melissa Dickerson, *Chief Financial Officer & Managing Director, Operations,* **Genstar Capital Partners**

Blake Bennett, *Chief Financial Officer & Chief Compliance Officer,* **Revelstoke Capital Partners**

AGENDA

3:50 Panel Discussion: AI Unleashed: Empowering Business Transformation in the Digital Age

What are the strategies to initiate a practical and impactful path for AI implementation? How can Private Equity market surpass current trends in AI and take advantage of a market estimated to reach nearly $300 billion by 2026?

Panelists:

Rashmi Gopinath, *General Partner,* **B Capital Group**

Mark Fiske, *Operating Partner, Digital Transformation,* **H.I.G. Capital**

Judee Karson, *Chief Creative Officer,* **TSG Consumer Partners**

4:20 Keynote Interview: One-on-One Conversation with David Breach

David Breach is the President and Chief Operating Officer of Vista Equity Partners. Vista currently has more than $100 billion in assets under management and oversees a portfolio of over 85 enterprise software, data and technology-enabled companies. Mr. Breach oversees the governance of the firm, advises on investment strategies and directs strategic growth initiatives, among other responsibilities. He is a member of Vista's Executive Committee and serves on the boards of several portfolio companies, including EagleView, Jamf (NASDAQ: JAMF), Solera and Stats Perform. Earlier in his career, Mr. Breach was a Senior Partner at Kirkland & Ellis. He holds a J.D. from the University of Michigan.

Interviewee:

David Breach, *President, Chief Operating Officer,* **Vista Equity Partners**

4:40 Panel Discussion: Choosing The Right Private Equity Fund Managers

This panel brings together LPs to compare notes on their fund manager selection process, including: how to look beyond headline performance numbers and dig into the validity of the underlying investment thesis and what to look for when trying to identify funds that will outperform peers.

Panelists:

Valerie Ruddick, *Managing Director,* **Pathway Capital Management**

Stephen Biggs, *Managing Director, Head of Alternative Investments,* **The Mather Group**

5:10 Markets Group Closing Remarks

Paloma Lima-Mayland, *Partner, Head of Private Equity Group*, **Markets Group**

5:15 Executive Networking Cocktail Reception

6:15 Close of Day One

AGENDA

Wednesday, October 16

8:00 Registration & Networking

8:30 Breakfast Workshop: Value creation through engineering – Strategic collaboration between PE firms and engineering service providers

What approaches are PE firms taking to preserve liquidity, reduce costs and create value in their portfolio companies in the current macro-economic conditions? How are PEs and portfolio companies aligning on transformation initiatives and how can engineering service providers enable these initiatives? What are the sweet spots where PEs and engineering service providers can come together to create value for portfolio?

8:55 Markets Group Welcoming Address

Paloma Lima-Mayland, *Partner, Head of Private Equity*, **Markets Group**

9:00 Keynote Interview: One-on-One Conversation with Hasan Askari

Hasan Askari is a Managing Partner at K1 Investment Management. He is responsible for leading the Firm's Sourcing function, is an active board member for K1's portfolio companies, and advisor to K1's management teams. Mr. Askari currently sits on the board of ControlUp, Digital Pharmacist, Emburse, RFPIO, Skuid, and Smarsh. Mr. Askari is a graduate of the Marshall School of Business at the University of Southern California, where he received a BS in Business Administration. Mr. Askari serves on the Board of Directors of UgandaProject, a grassroots non-profit focused on supporting orphans in Uganda and is a member of Young Presidents' Organization (YPO). Previously, he was a member of the Board of Governors for the University of Southern California's Alumni Association.

Interviewee:

Hasan Askari, *Co-Founder, Managing Partner,* **K1 Investment Management**

9:20 Panel Discussion: Navigating Fund Operations & Formation Including Regulatory and Structural Considerations

The panel will discuss the key structural considerations and legal complexities of forming, launching and operating a private equity fund. As well as look at recent regulatory developments that have impacted fund managers and investors with respect to fees and expenses, co-investments and conflict of interest.

Panelists:

John Jacobs, *Chief Compliance Officer, Deputy General Counsel,* **Gryphon Investors**

Renata Lombardi Malavazzi, *General Counsel, Chief Compliance Officer,* **Paine Schwartz Partners**

9:50 Panel Discussion: Developing Strategic Exit Plans

Hear from senior executives from the top private equity firms on how they create strategic exit plans, including portfolio risk management, re-source allocation and pre-exit planning.

Panelist:

Dorothy Walter, *Partner, Chief Financial Officer*, **Alpine Investors**

AGENDA

10:20 Panel Discussion: Sourcing, Practicing Efficient Due Diligence & Downside Risk Mitigation

In the midst of continued economic uncertainty, what is the current reality and outlook for deal sourcing and pricing? What are the primary due diligence focal points, and how are they shifting in today's climate? Furthermore, which risks pose the greatest challenge, and how are investors hedging against potential pitfalls? Panelists discuss how their sourcing procedures, due diligence strategies and risk mitigation practices are adapting to today's climate and share thoughts on best practices for the future.

Panelists:

Thomas Casarella, *Managing Director, Assistant Portfolio Manager,* **Oaktree Capital Management**

Mike Morris, *Managing Director,* **Flexpoint Ford**

Luke Parsons, *Senior Vice President,* **Woodruff Sawyer**

10:50 Morning Networking Break

11:20 Keynote Interview: One-on-One Conversation with Jai Das

Mr. Das is President, Partner and Co-Founder at Sapphire Ventures. He invests in startups that he believes are developing ground-breaking products and are on their way to becoming Companies of Consequence. He has more than 15 years of investment experience and has helped multiple companies innovate their product and marketing strategies in order to be-come market leaders. 13 of his investments have IPO'ed while 17 have been acquired. Pri-or to joining Sapphire Ventures in 2006, Jai worked at Oracle, Intel Capital, Agilent Ven-tures, and MVC Capital. He has a B.Sc. in Electrical Engineering from Brown University and an MBA from University of Chicago's Booth School of Business.

Interviewee:

Jai Das, *Co-Founder & President,* **Sapphire Ventures**

11:40 Panel Discussion: Operating Partners Panel

Join Operating Partners from the leading funds as they share success stories, discuss key issues impacting them in the current environment and detail their firm priorities as we head into 2025.

Panelists:

Robin Li, *Operating Partner,* **GGV Capital**

Ignacio Giraldo, *Operating Partner,* **TPG**

12:10 Panel Discussion: Private Credit—Challenges, Risks, and Opportunities

An allocation to credit can offer higher risk adjusted returns, boost diversification, and provide new income streams. In 2023, we saw a clear shift in the market as a result of the continuous increases in interest rates, which resulted in private credit activity skyrocketing. Join leading fund manager as they discuss lender dynamics, deal terms, market competitiveness and their outlook on the asset class throughout 2024.

Panelists:

Brad Charchut, *Partner,* **Bain Capital**

Alexey Pazukha, *Executive Director,* **HPS Partners**

Brad Colman, *Senior Managing Director,* **Blackstone**

12:40 Networking Luncheon

AGENDA

1:30 Panel Discussion: Portfolio Optimization & Value Creation—Tools & Strategies Leading Funds Use to Support Growth & Reduce Costs

How are private equity firms navigating their portfolio companies through the continuing headwinds caused by economic conditions and the stock market slide. What strategies are GPs utilizing to preserve liquidity, reduce costs, create value, and drive EBITDA? How do partners and leading consultants identify opportunities to boost long term innovation and productivity in portfolio companies?

Panelists:

AJ Gandhi, *Chief Growth Officer,* **Marlin Equity Partners**
Adam Goetsch, *Operating Executive, Head of E-Commerce,* **AEA Investors**
Bill Cisneros, *President,* **Primary Wave IP Investment Management**

2:00 Panel Discussion: Technology & Cybersecurity in Private Equity

As global geopolitical tensions rise, how are alternative asset firms managing technology and cybersecurity risks? Additionally, how are firms utilizing and leveraging technology to hedge against vulnerabilities while improving transparency? Fund Managers discuss rising cybersecurity challenges and best approaches to solve and reduce vulnerabilities within their funds and across portfolio companies. How can portfolio companies transform digitally and benefit from this technological disruption and digital transformation?

Panelist:

Amir Salek, *Senior Managing Director,* **Cerberus Capital Management**

2:30 Keynote Interview: One-on-One Conversation

An industry leader sits to discuss their current outlook and investment theses on global financial markets. What regions and sectors will provide the best opportunities for growth and where should investors look to next?

2:50 Panel Discussion: LP Perspective on Global Private Equity Markets

Over the past decade, private equity saw increased popularity and importance amongst institutional investors. However, rising inflation, geopolitical tensions and other market factors raise new concerns for LPs regarding risk and liquidity. Are LPs willing to increase their allocations to these long-term illiquid strategies? How have these recent market conditions affected their allocation preferences, fund structure considerations, or geography preferences?

Panelist:

Marc Verissimo, *Executive Trustee,* **University of California, Davis Foundation**

3:20 Markets Group Closing Remarks

Paloma Lima-Mayland, *Partner, Head of Private Equity Group*, **Markets Group**

3:25 Close of Day Two

PRELIMINARY AGENDA

SUNDAY, AUGUST 18

3:30 pm – 5:30 pm	REGISTRATION
4:30 pm – 5:30 pm	When will the Demographic Challenge Facing Pensions be Over? *Diana Elliott, Population Reference Bureau*
5:30 pm – 6:30 pm	WELCOME RECEPTION

MONDAY, AUGUST 19

6:30 am – 4:30 pm	REGISTRATION
7:00 am – 8:00 am	BREAKFAST
8:00 am – 5:30 pm	GENERAL SESSION I
8:00 am – 8:15 am	Welcome & Opening Remarks Hank Kim, NCPERS
8:15 am – 9:00 am	Understanding Artificial Intelligence *Pia Malaney, Institute for New Economic Thinking*
9:00 am – 9:45 am	Artificial Intelligence and Future of Public Pensions *Frank Williams, Teacher Retirement System of Texas*

Agenda as of 3/25/24. Subject to change.

9:45 am – 10: 45 am	Funding Strategies for Mature with Negative Cash flow Plans *Dan Doonan, National Institute on Retirement Security* *Russell Kamp, Ryan Alm*
10:45 am – 11:00 am	BREAK
11:00 am – 11:45 am	Can Private Debt Minimize Negative Cash Flow Problem in Mature Plans? *Jean Hsu, CalPERS*
11:45 am – 12:30 pm	Private Debt: A Survey of Private Debt Funds *Young Soo Jang, University of Chicago*
12:30 pm – 1:30pm	LUNCH
1:30 pm – 2:15 pm	How did Connecticut's Mature State Employees Retirement System Become a Success Story? *John Herrington, Division of Pensions, Office of the State Comptroller, State of Connecticut*
2:15 pm – 3:00 pm	States Have Shored Up Funding, What Else Can They Do? *David Draine, PEW*
3:00 pm – 3:15 pm	BREAK
3:15 pm – 4:00 pm	Emerging State Restrictions on ESG Investing and Dollar Value of Environmental Sustainability *Kendal Killian, NPPC (TBD)* *Mariem Mhadhbi, Valuecometrics*
4:00 pm – 4:45 pm	Where will the Money to Adequately Fund Pensions Come From? *Greg LeRoy, Good Jobs First*
5:30 pm – 6:30 pm	NETWORKING RECEPTION

TUESDAY, AUGUST 20

7:00 am – 12:00 pm	REGISTRATION
7:00 am – 8:00 am	BREAKFAST
8:00 am – 11:30 am	GENERAL SESSION II
8:00 am – 8:45 am	Fiscal Sustainability Valuation of Athens-Clark County Employees' Retirement System *Jeff Hale, Human Resources Director, Athens-Clark County (TBD)* *Eric Atwater, AON (TBD)*
8:45 am – 9:30 am	Funding Strategies for Mature Plan: An Actuarial Perspective *Gene Kalwarski, Cheiron*
9:30 am – 10:00 am	Funding Strategies for Mature Plan: An Investment Perspective *David Wilson, Nuveen*
10:00 am – 10:15 am	BREAK
10:15 am – 11:00 am	Political and Economic Consequences of So-Called Pensions Reforms *Robert Kuttner, Brandies University*
11:00 am – 12:00 pm	Outlook for the U.S. Economy in 2024 and Beyond *David Altig, Federal Reserve Bank of Atlanta*
12:00 pm	THANK YOU & CLOSING REMARKS *Hank Kim and Michael Kahn, NCPERS*

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Agenda as of 3/25/24. Subject to change.

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SUMMARY OF PENDING TRUSTEE AND EXECUTIVE STAFF TRAVEL

2024 Event Dates	Sponsor / Event Description	Location	Traveler(s)	Estimated Cost	BOR Approval Date
4/15-4/18/2024	PIMCO Institute Educational Seminar	Newport Beach, CA	P. Ba	$2,200	1/12/2024
4/15-18/24	Pension Bridge	Half Moon Bay, CA	M. Duffy, JC Weydert	$1,540	3/8/2024
5/7-10/2024	SACRS Spring Conference	Santa Barbara, CA	R. McCray, P. Ba, R. Ostrander, JC Weydert, A. Zaheen, J. Goodman	$7,800.00	N/A
5/6-9/2024	Wharton Portfolio Concepts and Mgmt.	Wharton, PA	B. McKelvey	$9,501.40	3/8/2024
5/30/2024	Lightspeed Annual Meeting	Napa, CA	P.Ba	$96	3/8/2024
6/17-19/24	NCPERS CEO Summit	Nashville, TN	R. Ostrander	$1,400	Pending
7/22-24/24	Wharton Advanced Investment Mgmt.	San Francisco	B. McKelvey	$7,553	3/8/2024
7/14-17/24	SACRS/UC Berkeley Program	Berkeley	R. Ostrander S. Moore	$6,400.00	N/A

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

SUMMARY OF COMPLETED TRUSTEE AND EXECUTIVE STAFF TRAVEL

Event Dates 2024	Sponsor / Event Description	Location	Traveler(s)	Estimated Cost	Actual Cost	Event Report Filed
Jan 22-24	IREI '2024 Visions, Insights & Perspectives - Americas	Carlsbad, CA	M. Restuccia, JC Weydert	$1,500	$1134	02-09-2024 Pending
3/2-5/24	General Assembly 2024	Rancho Mirage	B. McKelvey	$1,100	$1002	N/A

Board Member	Travel (not including SACRS & CALAPRS)	Dates	Amount used of $4500:	Balance of $4500
RESTUCCIA	IREI	1/22-24/24	$531.27	$3,968.73
BASSETT				
DING				
DUFFY	Pension Bridge	4/15/-17/24		
GOODMAN				
KEOKHAM				
MCCRAY				
NICHOLAS				
WEYDERT	IREI; Pension Bridge	1/22-24/24; 4/15-17/24	$602.87	$3,897.13
MOORE				

Board of Retirement Meeting
San Joaquin County Employees' Retirement Association

Agenda Item 14.03-01

April 12, 2024

SUBJECT: Pending Member Accounts Receivable – 1st Quarter

SUBMITTED FOR: ___ CONSENT __ ACTION __X_ INFORMATION

RECOMMENDATION

This report is submitted for the Board's information.

PURPOSE

To report the quarterly summary of pending accounts receivables for SJCERA retired or deferred members as of March 31, 2024.

DISCUSSION

This quarter's Pending Accounts Receivable Report, below, includes all receivables owed by either retirees, beneficiaries or deferred members.

QUARTERLY SUMMARY REPORT OF PENDING ACCOUNTS RECEIVABLE - SJCERA MEMBERS

1st Quarter - January through March 2024

	Action Date	Total Receivable	Payments Began	Current Balance	Current Payment	Payment Description	Payment End Date	First Reported To Board
1	07/15/09	$11,475.48	05/01/11	$3,209.93	$163.00	Fixed Dollar Amount	10/01/25	Jul-11
2	05/19/02	$35,537.23	11/01/15	$9,566.60	$301.93	Fixed Dollar Amount	12/01/27	Jul-21
3	03/11/21	$12,035.49	06/01/21	$645.49	$335.00	Fixed Dollar Amount	05/01/24	May-21
4	12/31/22	$25,062.14	02/01/23	$16,634.20	$607.05	Fixed Dollar Amount	12/01/26	Apr-23
5	04/03/23	$8,494.56	04/03/23	$5,663.04	$235.96	Fixed Dollar Amount	04/01/26	Jul-23
6	02/01/24	$13,317.48	02/01/24	$12,577.62	$369.93	Fixed Dollar Amount	02/01/27	Apr-24
7	02/01/24	$8,695.73	02/01/24	$7,192.91	$751.41	Fixed Dollar Amount	02/01/25	Apr-24
	Total Accounts Receivable as of 3/31/2024			**$75,260.32**				

Two new receivables in the first quarter of 2024.

BRIAN MCKELVEY

Asst. Chief Executive Officer

Pending Disability Application Statistics
1st Quarter 2024
Open Cases

SJCERA received 2 disability applications during Q1 2024

Time Elapsed From Application Date	
01 - 03 Months	3
04 - 06 Months	1
07 - 09 Months	1
10 - 12 Months	2
13 - 15 Months	0
16 - 18 Months	1
19 - 21 Months	0
22 - 24 Months	1
Over 24 Months	0
Total	**9**

Break Down By Application Type	
Service-Connected	8
Nonservice Connected	1
Service & Nonservice Connected	0
Total	**9**

Breakdown By Department	Service	Nonservice	Service & Nonservice	Total	SJCERA Members	Ratio
District Attorney	1	0	0	1	269	0.37%
Hospital	0	1	0	1	1,392	0.07%
Human Services Agency	3	0	0	3	1,228	0.24%
Mental Health	1	0	0	1	575	0.17%
Recreation	1	0	0	1	38	2.63%
Sheriff	2	0	0	2	753	0.27%
Totals	8	1	0	9	4,255	0.21%
				Total SJCERA Active Members For All Departments As of 3/10/2024	**6,665**	**0.14%**
				Total Number of Department Groups	**6**	

2024 Total Cases Resolved = 0

Goal #1 - 100% of applications that do not require a hearing will go to the Board within 9 months
Goal #2 - 80% of applications requiring a hearing will go to the Board within 18 months

Goal #1 0% Completed within 9 months
Goal #2 0% Completed with Hearing within 18 months

Staff and our disability attorney continue meet twice per month and are taking action to ensure all cases are moving through the process as timely as possible.

Calendar Year Comparison
1/1 to 12/31

	2019	2020	2021	2022	2023	2024
New	13	7	16	14	14	2
Granted	19	10	8	12	13	0
Denied	2	4	3	3	3	0
Dismissed	6	2	0	0	1	0
Withdrawn	4	0	0	2	1	0
Rejected					3	0
Total Closed	31	16	11	17	21	0

Board of Retirement Meeting
San Joaquin County Employees' Retirement Association

Agenda Item 14.03-03

Q1 2024 - Pension System Project Status Report

	Overall Project Status
	The overall project is progressing as planned.
	Scope
	There have been no changes to project scope.
	Schedule
	No changes to overall project schedule.
	Risks / Issues
	No identifiable or foreseeable Risks or Issues.

LEGEND

- On track with no risk to schedule, scope, or cost
- Identified potential risk to schedule, scope, or cost
- Known delay or risk resulting in delay to schedule, change to project scope, or impact to cost

Schedule & Milestones

Phase 3 – PAS Implementation – Expected Completion March 2026

- August 2023 – Member Demographics – Completed August 2023
- February 2024 – Organization, Employment, Wages, Service Credit and Contributions Maintenance
- April 2024 – Membership, Service Purchase, Rates (Contribution, Interest, Tax) Maintenance, and Lump Sum Payments
- September 2024 – Employer Reporting
- November 2024 – Benefit Calculator
- March 2025 – Active and Deferred Workflow
- May 2025 – Service Purchase, Disability Retirement, and Death Calculations
- August 2025 – Retiree Payroll and Imaging Integration
- November 2025 – Retiree Workflow
- March 2026 – Accounting and General Ledger

Phase 4 – Imaging Integration – Expected Completion August 2025

Phase 5 – Member Portal – Expected Completion May 2026

Phase 6 – Partner Portal – Expected Completion May 2026

Phase 7 – System Readiness – Expected Completion July 2026

Go-Live – Expected Completion August 2026

Post Go-Live Warranty Support – Expected Completion August 2027

Activities Completed (Q4 – 2023)

1. Completed – Deliver Data Cycle 4 - Retirement Calculation and Payment History
2. Deferred – Work with Linea Solutions on the Target Operating Model document
3. Completed – Complete User Acceptance Testing (UAT) for Release 2 (February 2024)
4. Completed – Review, edit, and approve Business Systems Requirements (BSR) documents for Release 2
5. On-Schedule – Deliver Data Cycle 5 in advance of Release 3 (April 2024)

Activities Planned (Q1 – 2024)

1. Complete Data Cycle 5
2. Complete User Acceptance Testing (UAT) for Release 3 (April 2024)
3. Review, edit, and approve Business Systems Requirements (BSR) documents for Release 3
4. Design "To-Be" Processes and Workflows with Linea Solutions to be included the Target Operating Model document.
5. Work with employers on Employer Reporting requirements, file changes, and data validations.

Brian P. McKelvey
Assistant Chief Executive Officer

Agenda Item 14.03-04

Q1 2023 – Operational Metrics

As part of SJCERA's efforts to make data-based decisions, the Retirement Services and IT units formalized its initial data collection in August 2023. This report represents the second full quarter we have data to report. The data is already useful for workload allocation and training decisions. As our data collection and analysis matures, we will analyze and report on trends over time.

Retirement Services

Completed Activities	Jan	Feb	Mar	Q1 Totals	Monthly Average[1]
Retirements	24	23	40	87	29
Deaths	28	19	15	62	21
Refunds	0	48	7	55	18
New Employees	55	64	30	149	50
Deferred	36	42	36	114	38
Terminations	46	53	49	148	49
Estimates	34	29	42	105	35
Service Purchases	20	19	16	55	18

Information Technology

Completed Activities	Jan	Feb	Mar	Q1 Totals	Monthly Average[1]
IT Support	219	186	304	709	237
Ongoing Production	211	203	182	596	199
Infrastructure Maintenance	69	45	39	153	51
Move related	114	232	297	643	215
Projects	72	60	54	186	62
Cybersecurity	86	71	46	203	68

Brian P. McKelvey
Assistant Chief Executive Officer

[1] Monthly Average values rounded to nearest whole number.

2024 LEGISLATION

Last Updated: 3/28/2024

BILL NO.	AUTHOR	DESCRIPTION	LAST ACTION DATE	LOC	SPONSOR
Legislation Impacting SJCERA:					
AB 739	Lackey	This bill would increase the PEPRA condition for suspending contributions to a defined benefit plan from 120% funded to 130% funded.	02/13/24	Assembly Read first time. To print.	
AB 817	Pacheco, Wilson	This bill, until January 1, 2026, would authorize a subsidiary body that serves exclusively in an advisory capacity, to use similar alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation.	02/13/24	Senate RLS. Comm.	
AB 2183	Jones-Sawyer	This bill would make nonsubstantive changes to PEPRA provisions.	02/08/24	Assembly From Printer. May be heard in committee by March 9	
AB 2284	Grayson	This bill would allow a system who has not defined "grade" to mean a number of employees considered together because they share similarities in job duties, schedules, unit recruitment requirements, work location, collective bargaining unit, or other logical work-related groups.	02/26/24	Assembly P.E. & R. Comm.	
AB 2404	Lee	This bill would **provide that it is not unlawful or a cause for discipline against an employee to refuse to enter property that is site of a primary strike, perform work for employer involved in the strike, or work behind strike line** ~~make nonsubstantive changes to Brown Act provisions~~.	03/21/24	Assembly P.E. & R. Comm.	
AB 2474	Lackey	This bill would authorize monthly benefit to be delivered to a prepaid account. This bill would also define the "account of the retired member or survivor of a deceased retired member" to include an account held in a living trust or an income-only trust, and other considerations. This bill would also consider a retiree's retirement allowance an overpayment subject to collection if the retiree works beyond the 960 hour limit and continues to receive their monthly benefit payment. The bill would not preclude the retirement system from taking additional action to reinstate the person as a member of the system or terminate or suspend their retirement allowance.	02/26/24	Assembly P.E. & R. Comm.	
AB 2715	Boerner	This bill would authorize a closed session to consider/evaluate matters related to cybersecurity, provided that any action taken on those matters is done in open session.	03/04/24	Assembly L. Gov. Comm.	

BILL NO.	AUTHOR	DESCRIPTION	LAST ACTION DATE	LOC	SPONSOR
AB 2770	Committee on Public Employment and Retirement	This bill would extend the PTSD presumption repeal from January 1, 2025 to January 1, 2029.	03/12/24	Assembly P.E. & R. Comm.	
AB 3025	Valencia	This bill would **require a retirement system, upon determining that compensation reported is disallowed, to require the employer to discontinue reporting the disallowed compensation** ~~make a nonsubstantive change to CERL provision relating to "compensation earnable"~~.	03/19/24	Assembly P.E. & R. Comm.	
SB 1189	Limon	This bill would modify CERL to authorize the Board of Retirement to appoint a chief technology officer.	02/21/24	Senate Comm. on L., P.E. & R.	
Other Bills of Interest:					
SB 300	Seyarto	This bill would require the Legislative Analyst to prepare a pension fiscal impact on any PERS bill introduced on or after January 1, 2024.	02/01/24	Senate Returned to Secretary of Senate pursuant to Joint Rule 56	
Federal Legislation:					
None to report.					

	2024 TENTATIVE State Legislative Calendar
Feb 16	Last day for new bills to be introduced
Mar 21 - Apr 1	Spring Recess begins upon adjournment
May 24	Last day for bills to be passed out of the house of origin
Jun 15	Budget Bill must be passed by midnight
Jul 3 - Aug 5	Summer Recess upon adjournment provided budget bill passed
Aug 23	Last day to amend bills on the floor
Aug 31	Last day for each house to pass bills; Final Recess begins upon adjournment
Sept 30	**Last day for Governor to sign or veto bills.**

San Joaquin County Employees' Retirement Association

April 5, 2024

TO: Board of Retirement

FROM: Renee Ostrander
Chief Executive Officer

SUBJECT: Chief Executive Officer Report

Strengthen the Long-Term Financial Health of the Retirement Plan

<u>Review and confirm or refresh asset allocation</u>
Complete implementation of 2023 asset allocation policy. In accordance with SJCERA's pacing plan for the Private Equity asset class, Stellex Capital Partners, one of SJCERA's current Private Equity managers, will present a new Fund, Stellex Capital Partners III, at the April Board meeting for the Board's consideration. SJCERA had previously made a $50 million commitment to Stellex Fund II in 2021.

<u>Optimize the investment manager lineup</u>
Evaluate the portfolio for investment efficiency. In the April Board meeting, Melanie Levine, Caroline Joy and Hunter Maclean from Davidson Kempner will provide an update on the Davidson Kempner Long-Term Distressed Opportunities Fund V, in which SJCERA invests. This presentation not only helps fulfill our strategic goal of assessing our manager lineup but also responds to a Board request to receive short periodic updates from our managers.

Prudently manage portfolio costs. As part of our custodial bank contract, Northern Trusts monitors securities litigation and files for SJCERA to join applicable class action lawsuits. During the fourth quarter 2023, Northern Trust, on SJCERA's behalf, filed to join the following class actions: BioMarin Pharmaceuticals, Precigen Inc., The Geo Group, ProAssurance Corporation, Splunk Inc., AAC Holdings, Alexion Pharmaceuticals, Baxter International Inc., Tahoe Resources, Rite Aid Corporation, The Kraft Heinz Company, Magnachip Semiconductor Corp., SeaWorld Entertainment, Covia Holdings Corp., and Sonus Network.

Modernize the Operations Infrastructure

<u>Implement Pension Administration System (PAS)</u>
Program and test 2024 planned processes. Our project team members, Melinda DeOliveira and Ron Banez, completed the second cycle of User Acceptance Testing (UAT) in March. During this UAT cycle, we tested nine Business System Requirements (BSR), covering functionality for Employers, Reciprocal Agencies, Employment History, Service Purchase Time, Pay Period and Bargaining Unit Maintenance. Our next UAT cycle is currently scheduled for May 2024.

Improve technology for business operations
Adopt industry standard business processes wherever possible. Our transition to Windows is complete. As issues with Core-37 (retirement database) were identified, resolutions were quickly identified and implemented. Congratulations to the entire IT staff for their successful planning, coordination, oversight, and implementation of the numerous technical moving parts of this multi-year project.

Improve employer experience
Initiate planning and preparation for Employer Portal implementation. We initiated discussions with several in the employer community, creating awareness of the new system currently under development. We discussed, at a high level, some of the functionality that would be changing, general implementation timelines, and the opportunity for employers to test scenarios in a simulated environment in the future. The discussions were positively received. Communications with employers will continue as progress toward implementation continues.

Align Resources and Organizational Capabilities

Develop and implement a workforce planning process
Implement CEO succession plan. Johanna Shick officially transitioned leadership of SJCERA to Renee Ostrander on March 15, 2024, providing time to wrap up outstanding items. As part of Johanna's transition, she provided background and perspective as well as documentation on current activities. She also facilitated introduction meetings with most of our SJCERA's employers.

Enhance education and development across all levels of the organization
Regularly inform staff of available training opportunities. Elaina Petersen sent the SJCEngage notice to the SJCERA team for upcoming county training available. Renee Ostrander and Aaron Zaheen attended New Employee Orientation provided to every new hire in San Joaquin County.

In addition, multiple SJCERA employees are participating in training available outside of the county resources. Aaron Zaheen attended the CALAPRS virtual Compliance Round Table on March 19. Ron Banez and Lolo Garza are scheduled to attend future training at CALAPRS and PRISM, respectively.

Seamlessly manage move to new location
Maintain business operations without interruption. Over the last month, the SJCERA team has worked together to effectively serve our members at the County Administration building since February 26. We will continue to provide in-person assistance to our members in that location until the new building at 220 E. Channel St is permitted to open to the public.

Hold open house to familiarize members, employers, and stakeholders to the new location. Planning has started for holding an open house. We are currently finalizing dates and different activities for the day.

Business Operation Updates

Employee of the Month
This month the "Employee(s) of the Month" are Greg Frank and the entire SJCERA IT team, Adnan Khan, Lolo Garza, and Jordan Regevig. A hearty congratulations from the SJCERA staff to those that have been the backbone of our move from the 6 S. El Dorado Street location to our interim office at the County Administration building at 44 S. San Joaquin Street, Room 580, and then to our new permanent home at 220 E. Channel Street. The coordination, planning, and follow through to achieve this success has been awe inspiring. Greg has been responsible for oversight of the new office, including coordinating multiple vendors and construction timelines, leading us to a successful move. SJCERA IT team of Adnan, Lolo and Jordan have keep each staff member connected and able to complete their

work regardless of their work location. Each of these Employee(s) of the Month made this appear seamless during our time of transition.

Board of Retirement Elections/Appointments

SJCERA team member Greg Frank, is working with the Registrar of Voters' Office for the upcoming elections:

1. Third seat on the Board of Retirement, elected by Active, General Members
2. Eighth and Alternate retired seats, elected by the Retired Members

The first day to obtain candidacy paperwork is Friday, April 19, and the last day to file the paperwork with the RofV is Friday, May 10. The election occurs June 18 and the new term of office begins July 1.

Term for the fourth seat, which is appointed by the Board of Supervisors, expires June 30. Applications generally become available from the Clerk of the Board's Office in April. Staff will keep you apprised as more information becomes available.

Provide Excellent Customer Service

A few quotes from our members:

"I have been obtaining distributions from a few sources, lately, and had to speak with many HR & financial folks. Ms. (Bethany) Vavzincak stood out from them all! She was well versed with what SJC required me to do, provided me the forms needed and a genuinely delightful experience. Was very pleased to speak with someone that was knowledgeable, pleasant and capable."

"I was informed that it could take up to 8 weeks to receive a response, but I was pleasantly surprised that I received the information quickly. All the emails received by Andrea (Bonilla) she was friendly, courteous, and friendly!"

"Margarita (Arce) was very knowledgeable and friendly. Big thanks to her for emailing the necessary form. Good Job to Margarita!!!"

"Vickie (Monegas) is professional and very helpful and gives prompt service. Always a pleasure speaking to her."

Conclusion

SJCERA said farewell to their leader of seven years, Johanna Shick, last month. She led the team to numerous accomplishments, many of which provide a direct connection to our members: implementing a customer satisfaction survey that provides continual feedback to our team, implemented a new website that allows us to communicate to our members 24/7, and began creating short, easily consumable videos for our members so they have the opportunity to be educated on the benefit to which they are entitled. She has also put in place plans for further development of the system in the future.

Trustees, employers, and staff turned out to wish her well on her next chapter. The team spoke highly of leadership that she brought to the organization during her tenure. Included is a picture from the event along with one from the last board meeting where her efforts were recognized. At the end of the festivities, she literally "passed the baton" to me. I look forward to continuing to attain milestones on the plans established by Johanna and the Board.

March 4, 2024

While the Last Round in the Inflation Fight Might Be the Hardest, Don't Expect Gold to Outperform

Monetary policymakers have been battling inflation aggressively for years. Yet reaching their target remains elusive, which argues for maintaining an allocation to a broad basket of commodities.

The US Federal Reserve appears to be in the final round of its fight against inflation. Domestic prices rose just 3.1% year over year in January 2024, down from a peak of 9.1% in June 2022. We would call that spectacular progress—especially when GDP growth continues to outpace economist expectations, suggesting that people haven't shied away from spending.

Yet we see reasons to believe that the last hurdle for the Fed to overcome—getting inflation back to its 2% target—could be the most difficult. Inflation in the services sector hasn't fallen nearly enough, and a robust labor market may make that even more challenging.

The Fed may still begin cutting interest rates this year, at least to maintain a more neutral policy stance given the inflation progress already made. If so, many pundits have pointed to gold as a likely benefactor, claiming that prices would surely rise as the opportunity cost of owning gold falls.

We see little historical evidence for this claim, however. And we find it more concerning that gold prices failed to rally as recently as 2022, even though inflation was significantly higher than expected.

Low-hanging fruit already picked

Easing external price pressures have been the driving force behind falling inflation. Following Russia's invasion of Ukraine two years ago, food and energy shocks hit Europe. Since then, energy and food price increases in the eurozone have significantly abated. While more insulated from the Russia-Ukraine conflict, the US faced supply chain disruptions that lingered from the pandemic. Now those strains have also lessened.

With the effects of earlier price shocks fading, the low-hanging fruit on the road to the 2% target may have already been picked. We can see that plainly in the breakdown of goods versus services inflation.

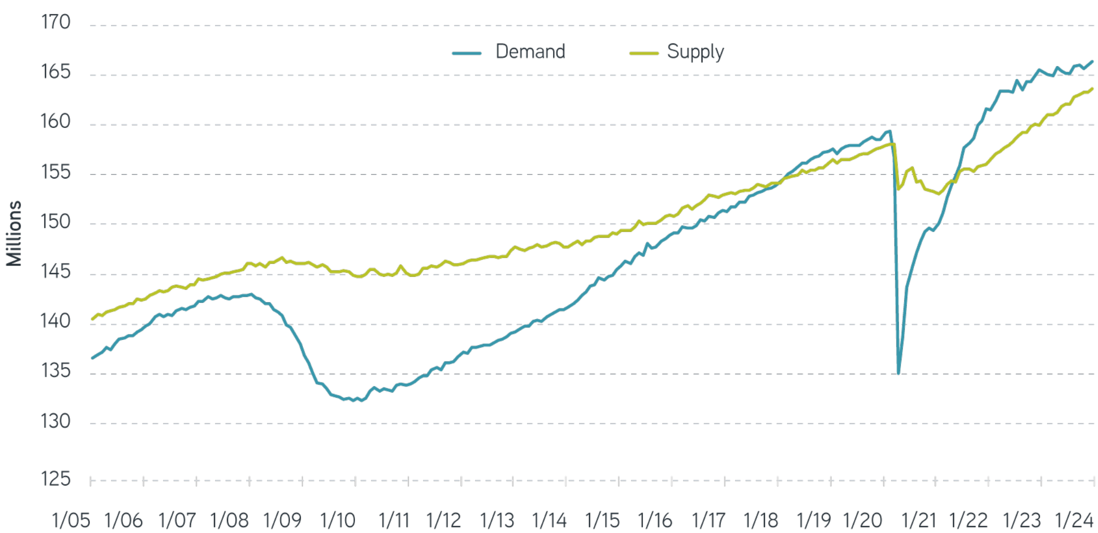
Year-over-year PCE inflation in services and goods

Source: US Bureau of Economic Analysis, retrieved from FRED, Federal Reserve Bank of St. Louis, Parametric. As of 2/13/2024.

Year-over-year goods inflation fell to roughly zero from a peak over 10% in 2022, while inflation on the services side was 3.9% year over year in December 2023. Services inflation is still significantly above the pre-pandemic average of about 2%. That's a key reason the Fed needs to see more data before it can feel confident that inflation is under control.

Certainly, the overall trend appears favorable, but one area where the Fed hasn't made enough progress is cooling off a sizzling labor market. Until very recently, employers wanted to hire more workers than they could find, resulting in a surge in vacancies. For every unemployed person, 1.4 jobs were available at the end of 2023. At its peak in 2022, there were over two vacancies per person in need of a gig.

US labor demand and supply



Note: Demand is the sum of total nonfarm payrolls and job openings, seasonally adjusted. Supply is the sum of total nonfarm payrolls and the unemployment level, seasonally adjusted.

Source: US Bureau of Labor Statistics, retrieved from FRED, Federal Reserve Bank of St. Louis, Parametric. As of 2/13/2024.

Swimming in options, employees asked for big raises, and year-over-year wage growth topped 6%—more than twice the average over the decade before the pandemic. That drove up company costs, which were often passed along to consumers in the form of higher prices.

To get inflation fully under control, we probably need to see an easing in wage growth. Given long-term trends in productivity gains, Fed Chair Jerome Powell has suggested that 3% wage inflation would be consistent with their inflation target over the long run.[1]

This is all part of the Fed's plan in raising rates. They hope that by hiking interest rates, higher borrowing costs will cause demand for labor to fall and with it, wage inflation. So far, the plan seems to be working. Using the data in the chart above, we estimate that labor demand now sits just 1.7% above labor supply, down from 3.8%.

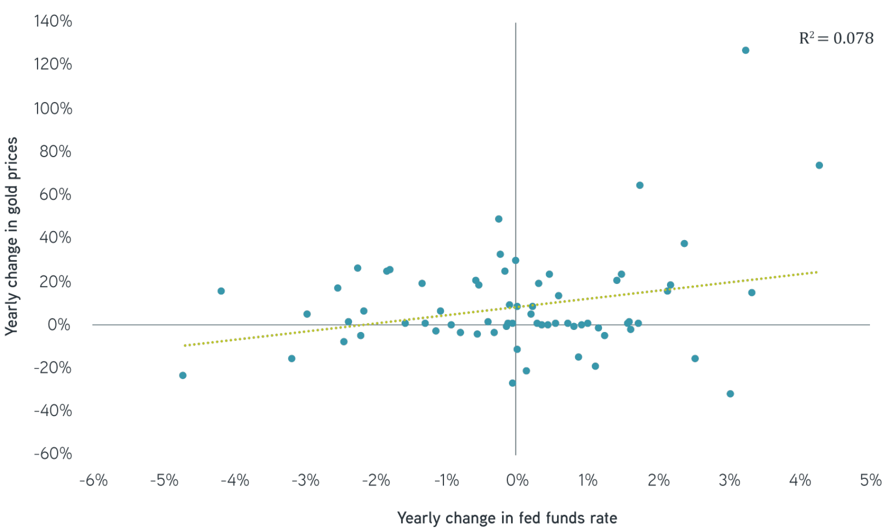
Wage inflation, on the other hand, has made less progress. In January, average hourly earnings sat 4.5% higher than the year prior—probably still too high to hit the Fed's 2% target. It's worth remembering that for most workers, pay changes occur only once a year, so there may be a lag before lower demand for labor makes its way into wages. This suggests that the last stretch of getting inflation back to target may yet take some time.

Not all that glitters

Inflation's trajectory can make an interesting backdrop for commodity investors. If all goes to plan, the Fed could cut interest rates three times by year's end. In this type of environment, we often see gold touted as a potential beneficiary. Ownership of the metal comes with no monetizable benefits, such as coupons or dividends, just the hope or expectation that its price may go up. One theorized way to make that happen is by lowering the opportunity cost of ownership—that is, interest rates.

Historically, gold has demonstrated little relationship with changes in interest rates. Since 1955, the yearly percentage change in gold prices had a correlation of 0.28 with the change in the federal funds rate. Such a low statistical measure of co-movement suggests that the odds of a fall in rates coinciding with a rally in gold have been less than the even chance of getting heads when flipping a coin.

Annual change in gold prices and fed funds rate, 1955 – 2023



Note: Coefficient of determination R^2 denotes the proportion of the variation in the dependent variable (here, change in gold prices) that is predictable from the independent variable (here, change in fed funds rate).

Source: Federal Reserve Bank of New York, LBMA Gold Price PM (Ice.com), Bloomberg, Parametric. As of 2/14/2024.
For illustrative purposes. Not a recommendation to buy or sell any security. Past performance is not indicative of future results. All investments are subject to risks, including the risk of loss.

Perhaps more troubling has been the inconsistent track record of gold as an inflation hedge. At times it has rallied in concert with a pickup in inflation, as it did during the great inflationary outbreak of the 1970s and early 1980s. Annualized Consumer Price Index (CPI) inflation from 1972 to 1983 was 7.8%, while gold prices averaged a yearly gain of 19.8%.

More recently, though, gold has lacked that connection. Annualized CPI inflation was 5.6% for the three years ending in 2023, compared to a yearly average return of only 3.3% from gold. Worse still, gold prices were actually down throughout most of 2022, at the peak of this inflation cycle.

Taken together, we find it hard to see a strong case for piling into the metal now. Based on its historical behavior, we wouldn't assume that a fall in rates will lead to gold price gains. Nor has gold been a slam dunk at preserving value during inflationary outbreaks.

Broad commodities brighter than gold

By contrast, the Bloomberg Commodity Index (BCOM) has historically delivered both better inflation protection and performance than gold. Over the past five years, we estimate that BCOM's correlation with CPI inflation was 0.4, while its beta was 4.9.[2] In other words, BCOM not only rallied when inflation erupted, but it generally increased five times the inflation rate. Gold, on the other hand, had a correlation of -0.3 with inflation and a beta of -2.1.

These stats match what most investors experienced firsthand in 2022, when BCOM was up 16.1% for the year, while gold fell 0.7%. The longer-term track record is similarly stacked in BCOM's favor: Since 1960, BCOM has delivered an annualized return of 7.7% through January 2024, outperforming gold by nearly 1.5%.

The bottom line

Inflation in the US has likely peaked for this cycle, though the final stretch back to the Fed's 2% target may not be as quick as we'd like to believe. That's because labor demand—and therefore labor inflation—hasn't come down quickly enough to get us there. We're not suggesting that interest rates won't fall this year, but if they do, we can't count on gold to outperform the rest.

[1] *Board of Governors of the Federal Reserve System, Federal Open Market Committee, Press Conference, May 3, 2023.*

[2] *Beta is a statistic that measures the expected increase or decrease of one variable (here, BCOM index or gold price) in proportion to movements of another variable (here, CPI inflation).*

It is not possible to invest in an index. ***Past performance is no guarantee of future results.***

THE NCPERS
MONITOR
The Latest in Legislative News
March 2024

NCPERS **Executive Director's Corner**

Supporting the Evolving Needs of Public Pension HR Professionals Through Education, Networking Opportunities

By Hank Kim, Executive Director and Counsel, NCPERS

Photo Illustration © 2024, istock.com

Like many of our member pension funds, NCPERS operates with a small staff. As we've recently grown to six full-time employees, I've started to fully realize and appreciate the challenges that human resources professionals face. From navigating an abrupt shift towards remote work during the pandemic to adapting to a new normal (if that exists) of hybrid/remote/in-person variations, the past few years have not been easy—even for a dedicated HR team.

The public sector has faced long-time challenges with recruitment and retention, and these were only exacerbated by the Great Resignation. In 2021, NCPERS asked its members about these challenges, and found that more than half of public pensions were struggling to attract and retain skilled staff. This led to the development of our annual Public Pension Compensation Survey.

But as I've learned, HR goes beyond just recruitment and retention. It is a complex and ever-evolving field that serves a vital function. So, it made perfect sense to continue to expand our lineup of educational and networking resources to support public pension HR professionals. Late last year, we were thrilled to announce the launch of the Public Pension HR Roundtable. It's been a pleasure learning from this group of nearly 150 HR and DEI professionals (sign up here to participate).

And it is members of this roundtable that are helping to shape our newest in-person program, the Public Pension HR Summit. Held September 24-26 in Denver, this program will draw public pension HR professionals and administrators from across the country for networking opportunities, peer-to-peer learning, and hands-on training. Both the HR Roundtable and Summit were previously managed by volunteers, and NCPERS hopes to continue to grow the program with its additional resources.

We believe this program will help drive organizational success for public pensions of all sizes. But don't take it from me. One of the 2024 program directors , Steve Hazime, director of human resources, diversity, and inclusion for the Municipal Employees' Retirement System of Michigan (MERS), participated in a recent Public Pension Profile interview where he shared his perspective on the value of the program and the recent partnership.

"I believe that public pension HR professionals and administrators stand to gain a great deal from attending the Public Pension HR Summit. The program is designed to address the unique challenges and opportunities facing the industry, offering attendees the chance to learn from experts, network with peers, and gain practical strategies for enhancing their HR practices and driving organizational success. The Summit's focus on networking and knowledge-sharing makes it a valuable opportunity for professionals looking to stay informed and connected within the industry."

NCPERS is working closely with the program directors to build the agenda, but we also want to hear from you. Complete this form to share your topics of interest at this year's event. We hope to see you in Denver later this year at the Public Pension HR Summit, so be sure to sign up here for event updates. ◆

Requesting Member Feedback: NCPERS Member Survey Closes March 8

By: William Whitman, Director, Membership & Strategic Alliances, NCPERS

We want your feedback! NCPERS is undertaking a comprehensive member needs assessment to gather opinions and ideas from all segments of the member community about our programs and services.

Where are we hitting the mark? Where could we be doing something new? What are your priorities for us? NCPERS leadership will be using your answers to these questions to improve the member experience and shape the future of our organization.

NCPERS members at public pension plans and related stakeholders (unions, retiree organizations, and plan sponsors) are asked to complete our Fund/Stakeholder Member Needs Assessment by March 8th. This short online survey should take no more than 10 minutes.

We are requesting responses from each individual within our pension plan and stakeholder members — no matter what role you hold in your organization, your feedback is important to us!

(Corporate and CorPERS Members can contact William Whitman, Director of Membership & Strategic Alliances, by email at william@ncpers.org for instructions on completing the separate needs assessment we've created for our service provider members.)

Thank you very much for participating in our survey! ◆

Recognizing the December 2023 Class of NCPERS Accredited Fiduciaries

By: Lizzy Lees, Director of Communications, NCPERS

NCPERS Accredited Fiduciary (NAF) Program is a two-day course designed to educate public pension trustees and administrators about best practices for plan governance, oversight, and administration. Attendees can earn their Accredited Fiduciary designation, recognized nationally as a prestigious symbol of governance excellence.

The next NAF Program will take place May 18-19 in Seattle, immediately preceding NCPERS Annual Conference & Exhibition (ACE). NAF is hosted twice per year, allowing for small class sizes where participants can freely discuss challenges and opportunities.

In order to earn the Accredited Fiduciary designation, trustees and staff must complete four training modules that cover governance and the board's role; investment and finance; legal, risk management, and communication; and human capital. Upon completion of all four modules, candidates must demonstrate mastery of the content through an exam held in June and December each year.

We would like to recognize the public pension trustees and staff who most recently earned their Accredited Fiduciary designation, demonstrating their commitment to and knowledge of pension plan governance:

- Greg Abend, City of Coral Springs Firefighters' Pension Plan
- Jason Mantas, Fire & Police Pension Association of Colorado
- Adele Tagaloa Orange County Employees Retirement System
- Keniseli Lafaele, American Samoa Government Employees Retirement Fund
- Saul Polish, New Castle County Employees' Pension Program (NCCEPP)
- Raymond Heck, New Jersey State Policemen's Benevolent Association
- Kimberly Adams, Educational Employees' Supplementary Retirement System of Fairfax County (ERFC)

NAF is part of NCPERS University, a suite of recurring educational programs tailored to the needs of trustees and other fiduciaries at each level of their journey. NAF is intended for experienced trustees and public pension administrators looking to deepen their knowledge of governance and administration best practices. Learn more about the NAF Program and enroll in the spring class to start earning your Accredited Fiduciary designation. ◆

The SECURE Act 3.0

By: Tony Roda, Partner, Williams & Jensen

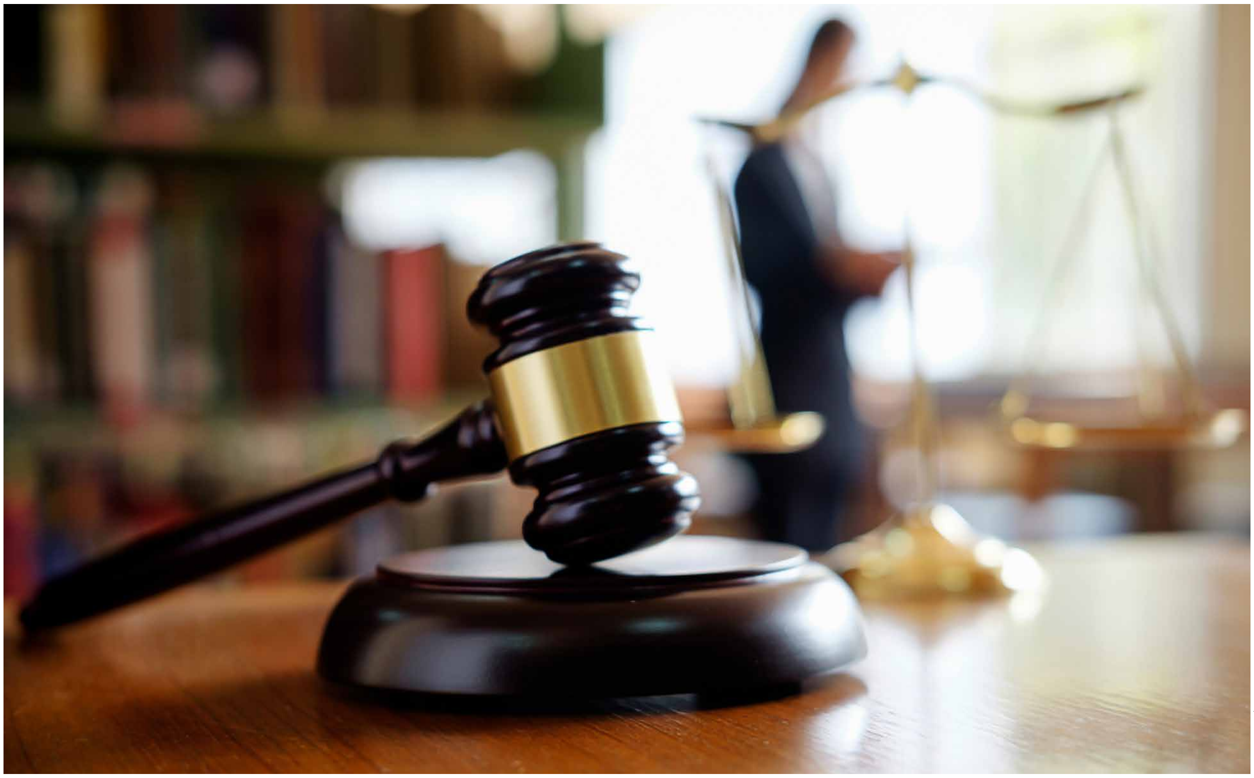


Photo Illustration © 2024, istock.com

During the presentation by Congressional tax counsels at the NCPERS Legislative Conference in January, the words "SECURE Act 3.0" were uttered. That Congress once again may assemble a major retirement bill should not come as a surprise to anyone.

As a refresher, know that the original SECURE Act was signed into law in December 2019, and was quickly followed, quickly in Congressional terms, by enactment of the SECURE Act 2.0 in December 2022.

So, why should Congress's interest in a SECURE Act 3.0 not be a surprise? Well, let's look at a few statistics. In 2024, 12,000 Americans each month will turn age 65. That equals 4.38 million Americans in this calendar year. Divided by 435 House Congressional districts, that is more than 10,000 people per district. Easily enough to sway a close election.

Turning age 65 triggers eligibility for Medicare. For those still working, reaching Medicare age often prompts a more serious consideration of retirement and all the issues that arise from that decision. Also, older individuals tend to vote more regularly, and many remain politically active. These facts have not been lost on Congress, and in bipartisan recognition, Congress is attuned to the interests of retirees and near-retirees. This rare bipartisanship has led to the SECURE Act, the SECURE Act 2.0, and likely in the not-too-distant future, the SECURE Act 3.0.

The overarching themes of the next retirement bill should roughly parallel what we've seen in its predecessor legislation – savings enhancement and increased coverage, preservation of income, and simplification and clarification.

One major piece of the SECURE Act 3.0 puzzle could be legislation recently introduced by House Ways and Means Committee Ranking Member Richard Neal (D-MA). The Automatic IRA Act (H.R. 7293) would require employers that do not have a retirement plan and have more than 10 employees to enroll them in an IRA through a payroll deduction. Employees can always opt out of the IRA. State and local government plans and church plans would be exempted from the requirement. This version of the auto IRA bill has attracted some industry support, including the powerful American Council of Life Insurers.

Another leading contender for SECURE 3.0 could be the 401Kids Savings Act, which was introduced at the end of January by Sen. Bob Casey (D-PA) and Rep. Don Beyer (D-VA) – S. 3716 and H.R. 7162, respectively. The legislation would build upon the platforms at the state level that manage 529 college savings accounts. The Kids accounts would be managed by state treasurers and the accounts would be for newborns and children under age 18. Families, non-profits, employers, foundations, and others could contribute to the accounts, and the monies could be used for post-secondary education and training, starting a small business, buying a first home, or retirement savings.

It is important to note, however, that both the Automatic IRA Act and the 401Kids Savings Act will need strong bipartisan support for them to be viable for SECURE 3.0.

Specifically related to public sector retirees, in this case retired first responders, the SECURE Act 3.0 could bring about an increase in the annual cap under the Healthcare Enhancement for Local Public Safety Act (HELPS). The SECURE Act 2.0 made direct payment under HELPS optional and created an alternative to the original method, namely allowing the retirement system to make the distribution to the retired public safety officer. The retiree can now make the premium payment to the insurance provider and remain eligible for the up to $3,000 per year tax exclusion.

Successfully fixing the direct payment requirement in SECURE Act 2.0 now allows NCPERS and others in the public safety stakeholder community to focus on increasing the annual exclusion cap. The $3,000 cap has not been increased since its inception in 2006 despite significant increases in premiums for health care and long-term care insurance over the ensuing 18-year period.

In addition, numerous retirement-related provisions in the tax code are indexed for inflation, including annual limits for contributions to 401(k), 457(b), and 403(b) accounts. This is done as a matter of fairness for taxpayers. During the upcoming consideration of the SECURE Act 3.0, we expect discussions on whether to index the HELPS annual exclusion for inflation for future years.

Also on the first responder front, S. 4267, which was introduced by Sen. Michael Bennet (D-CO) in the 117th Congress, would create a new tax credit for retired first responders for health care premiums of up to $4,800 per year. This or similar legislation could be considered as part of the discussions on SECURE 3.0.

Finally, an effort may be launched to extend the HELPS tax exclusion to all public sector workers. This proposal could parallel the existing HELPS exclusion or be designed as a tax credit, much like Sen. Bennet's previous legislation.

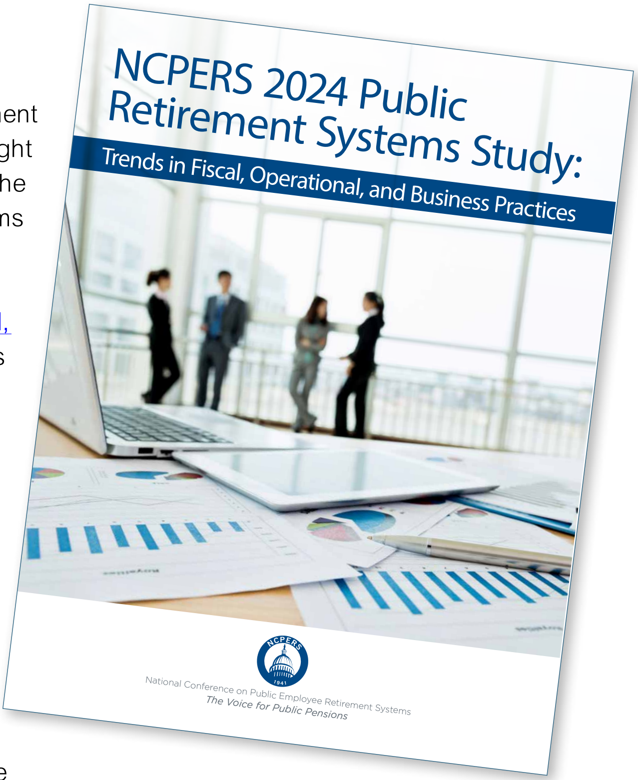
While we don't expect retirement legislation to be enacted in this 118th Congress, we have important work to do over the next year. We need to refine any new policy proposals, draft legislation, identify bipartisan and bicameral sponsors who serve on the committees of jurisdiction, and introduce the bills. We should look at 2024 as the staging ground for the next round of retirement tax law changes, which will begin to be considered in earnest by the next Congress.

Please be assured that as we learn more about possible components of the next major retirement legislation, we will keep you apprised. ◆

__Tony Roda__ is a partner at the Washington, D.C. law and lobbying firm __Williams & Jensen__, where he specializes in legislative, regulatory, and fiduciary matters affecting state and local pension plans. He represents the National Conference on Public Employee Retirement Systems and state-wide, county, and municipal pension plans in California, Colorado, Georgia, Kentucky, Ohio, Tennessee, and Texas. Tony has an undergraduate degree in government and politics from the University of Maryland, J.D. from the Catholic University of America, and LL.M (tax law) from the Georgetown University Law Center.

Public Pension Investment Expenses Fall to Four-Year Low, NCPERS Study Finds

By: Lizzy Lees, Director of Communications, NCPERS



Public pensions reported a sharp decrease in average investment management expenses as strong governance and oversight practices continue to drive performance, new data from the National Conference on Public Employee Retirement Systems (NCPERS) reveals.

NCPERS 2024 Public Retirement Systems Study: Trends in Fiscal, Operational, and Business Practices explores retirement practices of the public sector. Nearly 160 public pension funds with more than 13.8 million members and combined assets exceeding $2.3 trillion participated in the study.

“NCPERS has conducted this study annually for the past 13 years because public pensions are long-term investors who operate in complex environments, so it’s crucial to regularly benchmark overall fiscal and operational performance,” said Hank Kim, NCPERS’ executive director and counsel.

The study found that average investment management expenses fell to 39 basis points, down from 49 basis points the year prior, while administrative expenses remained steady year over year. Investment expenses reached a four-year low, suggesting a return to normalcy from the pandemic.

Sixty-three percent of survey respondents reported receiving their full actuarially determined contribution, up from 57 percent the year before. Notably, the funds that received the full contribution had an average funded level of 79 percent compared to 59 percent for funds that did not receive their full contribution.

In terms of sources of funding of public pensions, in the aggregate for every dollar of pension benefit paid, 63 cents are attributable to investment returns, 28 cents are from plan sponsor contributions, and nine cents are from employee contributions, the study found.

“Through strong governance and oversight practices, public pensions have cut costs while continuing to efficiently deliver retirement benefits to teachers, first responders, and other public servants across the country,” said Kim. “Investment returns make up the vast majority of public pensions’ revenue, but it’s crucial that state and local governments prioritize making their full actuarially determined contributions each year to support funds’ long-term health and ultimately reduce the costs to taxpayers over time,” he added.

In addition to the report, an interactive dashboard is available exclusively to NCPERS members. Pension funds can use this tool to filter survey data in a number of ways to compare their performance, assumptions, and expenses to peer groups.

Among the key findings from the study:

- Amortization continues to tighten. For responding funds, amortization averages 20.4 years, down from 20.8 years.
- The aggregated average cost-of-living adjustments (COLAs) offered to members was 2.2 percent, which is slightly higher than 2.0 percent last year. Many responding funds did not offer a COLA in the most recent fiscal year. Funds with populations smaller than 10,000 participants had an average COLA that was 0.25 percent higher than larger funds.
- The average investment-smoothing period for respondents increased from 5.2 to 5.7 years.
- Surveyed funds were asked, "How satisfied are you with your readiness to address retirement trends and issues over the next two years?" Respondents provided an overall "confidence" rating of 8.0 on a 10-point scale, up from 7.8 the year prior.
- The average investment assumed rate of return for responding funds increased from 6.85 percent to 6.91 percent.

NCPERS hosted a webinar on February 13, where lead researcher William Saint Amour of Cobalt Community Research discussed the study's methodology, shared insights into the data, and answered questions from the public pension community. Watch the replay.

If you have additional questions about the study or need assistance accessing the dashboard, please contact info@ncpers.org. ◆

Meet Hunter Bryant, NCPERS' Education Program Manager

By: Lizzy Lees, Director of Communications, NCPERS

Earlier this month, NCPERS welcomed Hunter Bryant as the latest addition to its team. Stepping into the newly created role of Education Program Manager, she will be leading the planning, delivery, and evaluation of all NCPERS educational programming.

"NCPERS has provided best-in-class education to the public pension community for decades, and we've recently expanded our in-person and virtual education programs to meet the growing demand. We're excited to have Hunter on board to help us optimize these educational offerings and best serve the evolving needs of public pension trustees, staff, and industry stakeholders," said Hank Kim, executive director and counsel for NCPERS.

Keep reading to get to know more about Hunter's background and what she'll be doing to support NCPERS' members.

Q: Where are you from?

A: I'm a proud native of St. Louis, Missouri. Go Cardinals and Go Chiefs!

Q: What will you be doing as NCPERS' first-ever Education Program Manager?

A: I'm excited to enhance our educational offerings for public pension professionals, ensuring they meet the needs of our community while also fostering its growth. My goal is to maintain our virtual and in-person programs' excellence and attract an even wider audience for future educational programs.

Q: Tell us a bit about your previous work experience.

A: Before joining NCPERS, I was the lead project manager with a membership organization in DC. I collaborated closely with stakeholders to drive research in higher education, including contributing to the research on advancing women leaders in higher education leadership roles. I also oversaw multiple legacy community groups and supported them in organizing large-scale convenings and virtual engagement opportunities with other higher education leaders and professionals.

Q: What are you looking forward to most in this new role?

A: I am absolutely thrilled to have the opportunity to not only grow existing educational programs but also to develop new programs that cater to the changing demands of our community!

Q: When you're not working on NCPERS educational programming, what do you enjoy doing?

A: Fun fact: I'm a budding artist. I picked up oil painting and pastel work during the early years of the pandemic and now have an at-home art studio. I spend my free time visiting art museums, my most recent visits being the Rubell Museum in Washington, DC and the PAAM in Provincetown, Massachusetts.

Q: How can members get in touch with you?

A: Call me direct at 202-601-2449 or reach out by email at hunter@ncpers.org. Otherwise, catch me at the upcoming Annual Conference and Exhibition in Seattle! ◆

Mississippi Lt. Governor Calls State Pension Problems 'The Major Issue' of 2024 Legislative Session

The system has experienced financial problems for years that many argue have gone largely unaddressed. PERS leaders this year are asking the Legislature for an infusion of cash — which lawmakers traditionally do not provide on an annual basis — to help offset the system's uncertain financial future.

READ MORE *Source: News from the States*

New Hampshire Senate Rejects Anti-ESG Investing Bill

The New Hampshire State Senate by voice vote rejected an anti-ESG investing bill that would have placed investing restrictions on the $11.8 billion New Hampshire Retirement System, Concord, and any state agency that invests taxpayer money.

READ MORE *Source: Pensions & Investments*

Dallas Continues to Look for a Long-Term Plan to Fix Its Pensions

Dallas' pensions are underfunded by billions of dollars, and the city is looking for a fix. The police and fire pension has faced financial trouble since 2015, almost folding in on itself in 2017 before the state got involved. Failure to fix pensions could make it difficult to attract or retain employees in the city, including police and firefighters.

READ MORE *Source: Dallas Observer*

NCPERS Around the Regions

[Kansas Audit Identifies Weaknesses in State’s Retirement Plan for Public Employees]

The Kansas Legislature’s auditors say the Kansas Public Employees Retirement System plan available to the state’s government employees hired since 2015 has higher worker contribution requirements, a longer vesting period and lower financial rewards than plans in comparable states.

READ MORE *Source: Kansas Reflector*

Illinois Gov. J.B. Pritzker’s Budget Proposal Would Revamp State's Pension System

Gov. J.B. Pritzker unveiled a $52.7 billion spending plan that includes the blueprint for a pension overhaul, funding for the migrant crisis and the creation of a child tax credit.

READ MORE *Source: Northern Public Radio*

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Upcoming Events

May

NCPERS Accredited Fiduciary (NAF) Program

May 18–19
Seattle, WA

Trustee Educational Seminar (TEDS)

May 18–19
Seattle, WA

Annual Conference & Exhibition (ACE)

May 19–22
Seattle, WA

June

Chief Officers Summit

June 17-19
Nashville, TN

August

Public Pension Funding Forum

August 18-20
Boston, MA

September

Public Pension HR Summit

September 24-26
Denver, CO

View all upcoming NCPERS conferences at www.ncpers.org/future-conferences.

The Voice for Public Pensions

The Monitor is published by the National Conference on Public Employee Retirement Systems.
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PENSION FUNDS

March 19, 2024 10:52 AM

Total portfolio approach: Large investors challenging traditional asset allocation

By PALASH GHOSH

John L. Bowman, president of Chartered Alternative Investment Analyst Association

In the autumn of 2022, John L. Bowman, president of the Chartered Alternative Investment Analyst Association, met in a coffee shop in Singapore with Swee Chiang Chiam, managing director and head of total portfolio policy and allocation at Singapore sovereign wealth fund GIC, to discuss total portfolio approach, an alternative to traditional forms of strategic asset allocation, or SAA.

Over coffee, Bowman and Chiam discussed how a number of large institutional asset owners in New Zealand, Canada, Australia and Singapore — including GIC — had embraced total portfolio approach, or TPA, which "improves upon many of the long-entrenched practices of SAA when constructing their portfolios." That meeting would eventually lead to CAIA creating its seminal report "Innovation Unleashed: The Rise of Total Portfolio Approach" on March 19.

Essentially, Bowman noted, TPA eschews the traditional concepts of asset allocation and passive benchmarks in favor of picking the best investment ideas for the portfolio designed to meet a total return goal consistent with the fund's actual purpose. TPA may be described as "one unified means of assessing risk and return of the whole portfolio."

The four institutional asset owners and co-authors of the paper — Australian sovereign wealth fund Future Fund, Melbourne; Canada's largest pension fund, Canada Pension Plan, Toronto; sovereign wealth fund New Zealand Superannuation Fund, Auckland; and GIC — all consider governance, a healthy partnership with and structure among the board of directors, the starting point of TPA, Bowman noted.

In the CAIA report, Jayne Bok, head of investments-Asia at Willis Towers Watson, stressed that TPA is not a specific model with a singular destination. Rather, it comprises a range of approaches that can be tailored to each asset owner in order to design a portfolio that best represents the team's long-term investment thesis.

To further delineate some of the differences between total portfolio approach and strategic asset allocation, while SAA seeks to outperform benchmarks, TPA focuses on the fund's absolute-return goals. While SAA seeks diversification via asset classes, TPA wants diversification through control of various risk factors. And while in SAA-centric organizations, portfolio decisions tend to be implemented by multiple teams competing for capital, in a TPA house, there is just one team collaborating together on decision-making.

And crucially, while the board dominates the portfolio construction under the SAA model, the chief investment officer is much more empowered in a TPA approach.

Bowman said that in a 2019 global study of 18 asset owners that use forms of TPA, the Thinking Ahead Institute argued that the advantages of this new approach are more than just cultural and theoretical — participating funds felt that the approach yields 50-100 basis points of outperformance over traditional SAA methods.

Charles Hyde, head of asset allocation at the NZ$64.5 billion ($39.7 billion) New Zealand Superannuation Fund, cited that perhaps the best indicator of the power of TPA to increase returns is the recent Global SWF report of sovereign wealth fund and public pension fund returns over the past 10 years, which showed that three of the top five funds were adherents to the TPA — New Zealand Super, CPP and Future Fund.

CAIA's own research on 10-year performance of their asset owner co-authors also yielded 140 basis points of annual outperformance against the NACUBO endowment composite during the same period. That said, the paper warns that tremendous changes in management, cultural transition and leadership alignment is necessary to migrate to a TPA mindset and therefore may not be right for many organizations, he said.

RELATED ARTICLE

Asia-Pacific funds lose share among the world's top 100 asset owners

Australia's Future Fund's total portfolio approach minimizes constraints

Australia Future Fund

Ben Samild, CIO of Australia's A$272.3 billion ($180.1 billion) Future Fund, said in an interview that while TPA means different things to different investors, "to us it means that every investment and divestment decision is carried out with reference to the needs of the total portfolio and not any subportfolio objective or benchmark." The Future Fund has embraced TPA since its inception in 2006.

Ultimately, he noted, this approach to better decision-making guards against overdiversifying at the asset class level and underdiversifying at the portfolio level. Narrow asset class objectives and incentives tended to lead to suboptimal outcomes at the portfolio level, he explained.

TPA has led to good returns and a reduction in risk, Samild said. "Our asset allocation changes daily based on opportunities and sometimes quite significantly based on a changed assessment of the investment environment," he added.

Samild also said that TPA does not necessarily require an expanded investment team. To the contrary, he observed, "as teams get larger and strong interpersonal relationships are more challenging, the approach becomes more difficult to scale and one needs to be extremely thoughtful about process and culture."

New Zealand Superannuation Fund

NZ Super's Hyde said in an interview that TPA is an "umbrella term used to describe approaches that break down siloed thinking within a fund by creating a culture and investment framework that results in all investment decisions being viewed through a whole-of-portfolio lens."

NZ Super adopted TPA in 2010. "The rationale for the change was the recognition that it made sense for our board to focus on governance and for most investment decisions to be delegated to management as this is where the investment knowledge and skill largely resides," he explained. "This provided the investment team with the flexibility and freedom to be truly opportunistic investors."

Moving toward a total portfolio approach requires a reassessment of team structures, benchmarking practices, compensation incentives and development of a collaborative culture. In contrast, the traditional approach involves allocating a fixed amount of capital to each asset class team and leaving it up to each team to decide how to allocate that capital.

"Because the return environment may not resemble what was anticipated when the allocations were made, this can lead to overinvestment in some asset classes and underinvestment in others," Hyde stated. "It can also lead to overdiversification within asset classes."

The main benefit of using TPA is that it enables an investor to be more flexible in responding to change in the investment environment. “It enables an investor to ensure that the marginal dollar invested is in the most attractive asset available regardless of asset class,” he added. “That is, it solves the problem of overinvestment in certain asset classes that arises when an asset class team with a fixed budget to spend has a dearth of attractive opportunities.”

In addition, TPA doesn’t favor the inclusion of any particular asset classes in the portfolio.

But since TPA by design requires a more collaborative approach to investing, this can present challenges since it requires more communication and coordination across the investment team.

But Hyde cautions that it’s hard to say definitively whether TPA has increased the fund’s returns since the counterfactual is unknowable. “As for risk, we target a level of risk in our portfolio and expect to earn returns commensurate with this level of risk,” he said. “TPA doesn’t change this risk target. We have confidence that this is the right approach because of its strong underlying logic.”

Hyde further indicated that “a lot of funds” have approached his fund seeking guidance as they contemplated moving to a total portfolio approach.

“Some have made the transition, others are still working on it,” he said. “It is a large undertaking to re-engineer an investment framework, team structure and culture and doing so could require buy-in from of a range of stakeholders. So, while I expect over time more asset owners will make the switch, it’s certainly conceivable that it won’t become the dominant approach any time soon. The most powerful catalyst for change will be if adherents of TPA continue to outperform non-adherents.”

TPA hasn’t affected NZ Super's asset allocations in any systematic way, he noted. “We still allocate risk budget in proportion to our assessment of expected attractiveness over time,” he said. “TPA just allows us to be more flexible so that we ensure we are investing in the most attractive assets at a point in time.”

However, he observed that TPA has changed the way the investment team functions in many ways but it has not led to an expanded staff. “In fact, having a smaller team is beneficial to the extent that TPA requires more communication and collaboration and this typically becomes harder in larger teams in which people are less connected, he said. “One change is that we have introduced a role which has the purpose of connecting our portfolio managers with the top-down view so that they are more total portfolio aware. Another is that we have abandoned the traditional asset class team structure — our teams are organized along functional lines with each spanning all asset classes. We have also developed a suite of total portfolio reports that allow everyone to see how each investment — both prospective and existing — compare with each other across all the relevant dimensions — including risk-adjusted return, liquidity usage and resource intensity. This provides the foundation for an informed discussion in real time about the merits of any given investment.”

CPP, GIC

Derek Walker, managing director, head of portfolio design and construction-total fund management at CPP Investments, said in an interview that TPA differs from a traditional portfolio in which capital is allocated to each asset class, and in turn each asset class team operates independently and is focused on running their silo of capital within the portfolio.

CPP had C$590.8 billion ($445.7 billion) in assets as of Dec. 31.

The key benefit of TPA is that it "allows us to better understand and quantify" the return-risk characteristics of each asset class, and how those asset classes in turn relate to underlying return-risk drivers, or factors, when we construct diversified portfolios. “By focusing on the underlying drivers rather than the asset class labels, this approach is also more flexible than a traditional SAA and enables us to take advantage of market conditions and our expertise when and where opportunities arise," Walker added.

CPP first implemented TPA in 2006. “The goal was to improve risk-adjusted returns for the portfolio to ensure the Canada Pension Plan Fund is strong and financially sustainable for the long term,” he explained.

Chiam of GIC said in the CAIA report that when TPA is done well, it allows an investor to design a diversified portfolio that is aligned with investment objectives and balanced across competing trade-offs. The key to its success, he added, hinges upon “an organizational culture built on long-termism and agility, with all employees sharing one clear focus — to deliver good, real returns for the total portfolio over the long term.”

GIC has an estimated $770 billion in assets.

Chiam emphasized that funds using TPA must embrace a long-term focus.

“This means that we are focused on fundamental value, rather than short-term changes in price, which are often influenced by market sentiments at each point in time,” he said. “This enables us to navigate short-term uncertainty, capitalize on market dislocations, and compound returns over time.

Pensions March 26, 2024

Takeaways From BlackRock CEO Fink's Annual Letter

The longtime leader highlighted his own background as a reason to stress solutions for a looming retirement crisis.

By *Matt Toledo*

BlackRock Inc. CEO Larry Fink's annual letter to investors details issues he sees as key for investors, businesses and markets. This year's edition, "Time to Rethink Retirement," focused on a looming retirement crisis and the need to better equip future generations to thrive as they age.

Fink highlighted the need for the U.S. and other countries to reconsider the concept of retirement and related public policies in light of increasing life expectancy. He also outlined the investment options and structures his firm has developed to help address the issues.

“When people are regularly living past 90, what should the average retirement age be?” Fink asked rhetorically in the letter. But he noted it will be important to encourage people who want to work longer to be able to do so, rather than requiring it.

Acknowledging that work has changed since the heyday of defined benefit pension funds, Fink wrote that defined contribution plans, such as 401(k) plans, were intended to help a more mobile workforce, “but in practice? Not really.”

Problems with the move to defined contribution retirement systems, Fink said, include that they force retirees “to trade a steady stream of income for an impossible math problem.”

In his letter, Fink pointed to his parents’ modest incomes and noted that when reviewing their retirement savings, he saw they were a magnitude greater than their combined incomes. The reason: their investments.

“My dad had always been an enthusiastic investor,” Fink wrote. “He encouraged me to buy my first stock (the DuPont chemical company) as a teenager. My dad invested because he knew that whatever money he put in the bond or stock markets would likely grow faster than in the bank. And he was right.”

Fink noted that he and his partners founded BlackRock in order to help people retire like his parents did, and that participation in capital markets is crucial for people to retire comfortably and financially secure.

“My parents lived their final years with dignity and financial freedom,” Fink continued. “Most people don’t have that chance. But they can. The same kinds of markets that helped my parents in their time can help others in our time. Indeed, I think the growth- and prosperity-generating power of the capital markets will remain a dominant economic trend through the rest of the 21st Century.”

His comments also noted how much harder today and how important it is for people to save for a secure retirement. His remarks noted that “as populations age, building retirement savings has never been more urgent.” Yet, while medical and pharmaceutical breakthroughs are making it possible for people to live longer, “we focus a tremendous amount of energy on helping people live longer lives. But not even a fraction of that effort is spent helping people afford those extra years.”

Retirement “is a much harder proposition than it was 30 years ago,” Fink wrote. “And it’ll be a much harder proposition 30 years from now. People are living longer lives. They’ll need more money. The capital markets can provide it—so long as governments and companies help people invest.”

Replicating Strong Capital Markets

Fink pointed to the success of American capital markets as one of the reasons why the U.S. rebounded from the global financial crisis faster than almost every other developed nation. “More and more countries recognize the power of American capital markets and want to build their own,” Fink wrote.

Stronger capital markets, according to Fink, will address two of the biggest economic challenges of the mid-21st century, providing a secured well-earned retirement and building the infrastructure the world will need in the future.

Fink noted that there is an increased demand for not only energy infrastructure, but lower-carbon sources of power while simultaneously achieving energy security. Stronger global capital markets can help countries meet these goals affordably, in his view.

“As countries decarbonize and digitize their economies, they’re supercharging demand for all sorts of infrastructure, from telecom networks to new ways to generate power,” Fink said. “In fact, in my nearly 50 years in finance, I’ve never seen more demand for energy infrastructure.”