



San Joaquin County Employees Retirement Association

A G E N D A

BOARD MEETING SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION BOARD OF RETIREMENT FRIDAY, JUNE 6, 2025 AT 9:00 AM

Location: SJCERA Board Room, 220 Channel Street, Stockton, California

The public may also attend the Board meeting live via Zoom by (1) clicking here <https://us02web.zoom.us/j/88539586107> and following the prompts to enter your name and email, or (2) calling (669) 219-2599 or (669) 900-9128 and entering Meeting ID [88539586107#](https://us02web.zoom.us/j/88539586107)

Persons who require disability-related accommodations should contact SJCERA at (209) 468-2163 or Elainap@sjcera.org at least forty-eight (48) hours prior to the scheduled meeting time.

1.0 ROLL CALL

2.0 PLEDGE OF ALLEGIANCE

3.0 MEETING MINUTES

- | | |
|---|----|
| 3.01 Minutes for the Board meeting of May 9, 2025 | 04 |
| 3.02 Minutes for the Audit Committee meeting of May 9, 2025 | 07 |
| 3.03 Board to consider and take possible action | |

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 RESOLUTION IN APPRECIATION OF TRUSTEE CHANDA BASSETT

- 5.01** Board to consider and take possible action on adoption of resolution of appreciation

6.0 TARIFFS AND INVESTMENTS EDUCATION

- 6.01** Interactive dialog with Allison Boxer, Economist and Senior Vice President, moderated by Matt Clark, Senior Vice President of PIMCO
- 6.02** Board to receive and file report, discuss and give direction to staff and consultant as appropriate

7.0 MANAGER PRESENTATION

- 7.01** Presentation by Ursula Burns and Richard Kunzer, Co-Founders of Integrum 08

8.0 CLOSED SESSION

- 8.01** Purchase or Sale of Pension Fund Investment
California Government Code Section 54956.81
- 8.02** Purchase or Sale of Pension Fund Investment
California Government Code Section 54956.81
- 8.03** Employee Disability Retirement Application(s) (1)
California Government Code Section 54957(b)
 - 01 Linda Blythe
Court Reporter
SJC Superior Court

9.0 CONSENT

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San Joaquin County Employees Retirement Association

MINUTES

BOARD MEETING SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION BOARD OF RETIREMENT FRIDAY, MAY 9, 2025 AT 9:00 AM

Location: SJCERA Board Room, 220 East Channel Street, Stockton, California

1.0 ROLL CALL

- 1.01 MEMBERS PRESENT:** Sam Kaisch, Emily Nicholas, JC Weydert, Steve Moore, Raymond McCray, Phonxay Keokham and Michael Restuccia, presiding
MEMBERS ABSENT: Sonny Dhaliwal, Chanda Bassett, Michael Duffy
STAFF PRESENT: Chief Executive Officer Renee Ostrander, Assistant Chief Executive Officer Brian McKelvey, Chief Counsel Aaron Zaheen, Retirement Financial Officer Trent Kaeslin, Management Analyst III Greg Frank, Information Systems Specialist Jordan Regevig and Administrative Secretary Elaina Petersen
OTHERS PRESENT: David Sancewich and Judy Chambers of Meketa Investment Group

2.0 PLEDGE OF ALLEGIANCE

- 2.01** Led by Sam Kaisch

3.0 MEETING MINUTES

- 3.01** Minutes of Board meeting of April 11, 2025
3.02 The Board voted unanimously (6-0) to approve the minutes of the Board meeting of April 11, 2025 (Motion: Kaisch; Second: McCray).

4.0 PUBLIC COMMENT

- 4.01** There was no public comment

5.0 CLOSED SESSION

The Chair convened Closed Session at 9:02 a.m. and reconvened Open Session at 9:47 a.m.

- 5.01** Purchase or Sale of Pension Fund Investment
California Government Code Section 54956.81

Chief Legal Counsel Aaron Zaheen stated that there is nothing to report out of closed session.

6.0 CONSENT

- 6.01** Service Retirements (35)
6.02 Trustee and Executive Staff Travel

01 Conference and Event Schedules

02 Summary of Pending Trustee and Executive Staff Travel

a Travel Request (1)

03 Summary of Completed Trustee and Executive Staff Travel

6.03 Legislative Summary Report/SACRS Legislative Update

6.04 SACRS Business Meeting

01 SACRS Business Meeting Materials - May 16, 2025

6.05 Calendar

01 Board Calendar

6.06 The Chair pulled item 6.03 for update, after update the entire Consent Calendar was unanimously approved (6-0) (Motion: Keokham; Second: Kaisch);

7.0 INVESTMENT CONSULTANT REPORTS

7.01 Monthly Investment Performance updates

01 Manager Performance Flash Report - March 2025

02 Economic and Markets Update - March 2025

7.02 Benchmark update for Newberger Berman Global Credit Fund

7.03 The Board unanimously approved (6-0) the Newberger Berman Global Credit Fund Benchmark update (Motion: McCray; Second: Nicholas) and received and filed all reports

8.0 STAFF REPORT

8.01 CEO Report

In addition to her written report, CEO Ostrander highlighted the following: 1) the seventh seat of this Board was up for election, as Trustee Bassett steps down, San Joaquin County Sheriff's Sergeant Jason Whelen becomes the seventh seat Trustee, after winning in an uncontested election. Jason Whelen starts his term on July 1, 2025 and we look forward to welcoming him; 2) CEO Ostrander has requested a seat on a SACRS Committee; 3) she is joining Board members and staff at the Spring SACRS Conference the week of May 13 - 16, 2025.

8.02 The Board received and filed report

9.0 COMMENTS

9.01 Trustee Keokham took this opportunity to thank Trustee Bassett for her help with the recent CEO Performance Review committee, she stepped up when she was needed and he appreciates her help and guidance.

Trustee Weydert advised he had not heard much on the tariffs, and he would like to hear a synopsis of how this affects investments.

10.0 SUMMARY OF BOARD DIRECTION

10.01 Board members would like Education item on tariff and investments;

Trustee McCray would like to attend a portion of SACRS UC Berkeley.

Trustee Weydert would like to attend SACRS UC Berkeley.

11.0 ADJOURNMENT

11.01 There being no further business the meeting was adjourned at 10:47 a.m.

Respectfully Submitted:

Michael Restuccia, Chair

Attest:

Raymond McCray, Secretary



San Joaquin County Employees Retirement Association

MINUTES

**AUDIT COMMITTEE MEETING
SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
FRIDAY, MAY 9, 2025
AT 11:03 AM**

Location: SJCERA Board Room, 220 East Channel Street, Stockton, California

1.0 ROLL CALL

1.01 MEMBERS PRESENT: Phonxay Keokham, Raymond McCray, and Michael Restuccia, presiding

MEMBERS ABSENT: Michael Duffy

STAFF PRESENT: Chief Executive Officer Renee Ostrander, Assistant Chief Executive Officer Brian McKelvey, Chief Counsel Aaron Zaheen, Management Analyst III Greg Frank, Contracted Fiscal Manager Kristin Montgomery and Administrative Secretary Elaina Petersen

OTHERS PRESENT: Ashley Green of Brown Armstrong Accountancy Corporation

2.0 PUBLIC COMMENT

2.01 There was no public comment

3.0 2024 AUDIT EXIT CONFERENCE

3.01 Presentation of Audit Results by Ashley Green, CPA of Brown Armstrong Accountancy Corporation

3.02 Draft Conclusion of Audit and Internal Control Reports

3.03 Draft Annual Financial Report

3.04 The Audit Committee voted unanimously (3-0) to accept the findings of the audit and forward the final audit report to the Board of Retirement for final approval (Motion: Keokham; Second: McCray)

4.0 COMMENT

4.01 Trustee Keokham inquired as to the cost of GFOA review and certification; he also agreed with findings that monthly reconciliation on accounts was very important.

5.0 ADJOURNMENT

5.01 There being no further business, the meeting was adjourned at 11:38 a.m.

Respectfully Submitted:

Michael Restuccia, Acting Audit Committee Chair



Integrum Capital Partners II

PREPARED FOR: SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (SJ-CERA)

JUNE 6, 2025

Why Integrum?



Experienced, proven team with top quartile track record¹



Thematic investment-led philosophy



Partner with resilient, people-centric businesses



Focused portfolio of high-conviction investments



Business innovation drives upside

¹ Benchmark data sourced from Cambridge Associates Private Equity Benchmarks.

Senior leaders with complementary experience & relationships

Highly experienced, complementary team with longstanding global relationships and connectivity that we believe will help deliver value to our portfolio.



INVESTMENT COMMITTEE BACKGROUND



Tagar Olson

- **25+ years of investing experience**
- Previously led the Financial Services vertical at **KKR**



Ursula Burns

- **40+ years of operating experience**
- Most recently Chairwoman and CEO of **VEON**, and previously, **Xerox**



Richard Kunzer

- **25+ years of investing and firm strategy experience**
- Previously Co-Head of Investor Relations at **BC Partners**



Kathy Reiland

- **30+ years of investing and operating experience**
- Previously led Strategy & Development at **Standard Industries** and **40 North**



Jeff Livingston

- **15+ years of investing and operating experience**
- Helped lead **KKR's** Financial Services investing team; previously **McKinsey**

PRIOR EXPERIENCE¹



25 TOTAL EXECUTIVES (15-PERSON INVESTMENT TEAM)²

¹ Investments presented herein are for illustrative purposes only and do not purport to be a complete list of all investments at prior firms. There can be no assurance that the Fund will be able to make similar investments, employ a similar investment strategy or achieve similar results as those achieved at prior firms. ² Includes a new team member who is expected to join Integrum in 2H25. There can be no guarantee that they will ultimately join the Integrum team.

Why now?¹



Services economy provides “safe haven” in dynamic environment

Integrum invests behind mission-critical providers to non-discretionary “C-suite” spend categories

“Rising tide” for best-in-class specialized service providers

Businesses leaning on outsourcers to handle functions that are critical to how they operate but not core to how they compete

Investments in technology and talent can differentiate services

Integrum partners with its management teams to invest behind strategic initiatives to grow market share and expand markets

“Organic-first” value creation strategy positioned to outperform

Generate “alpha” through organic growth rather than “buy and build” strategies that rely on cheap debt and multiple arbitrage

Significant “Dry Powder” available

Integrum has a “clean” portfolio and significant dry-powder available to take advantage of the present market dislocation

¹ Represents Integrum's opinion and current views.

Thematic approach focused on sustainable, organic growth

Integrum focuses on a core set of business characteristics that have enabled strong through-cycle investment performance across its core sectors



Business models

-  Resilient end markets
-  People-intensive services businesses
-  Client-centric (90%+ revenue retention)
-  High margin (25-35% EBITDA margins)
-  Capital light

Value creation levers

-  Talent
-  Technology enablement
-  Service expansion
-  Adjacent market entry
-  Relationships & introductions

Sectors



Insurance Services



Payments



Business & Professional Services



Capital-Light Financial Services

SECTION 02

Case Study

MerchantE¹



MERCHANT[™]

CLOSING DATE:
April 2022

EXIT DATE:
November 2022

HEADQUARTERS:
Alpharetta, Georgia

SECTOR:
Payments

Sourcing:
Proprietary

DEAL TYPE:
Buyout (control)

EQUITY INVESTMENT:
\$143 million

PURCHASE MULTIPLE²:
8.7x EBITDA

PF LEVERAGE²:
0.0x

DESCRIPTION

Leading provider of end-to-end payments solutions serving the complex needs of mid-market B2B customers

INTEGRUM DIFFERENTIATION

SOURCING

**Exclusive,
9-month bilateral
dialogue**

INSIGHTS

**Scarce, full-stack
processing
capabilities**

VALUE ADD

**Attract talent, craft
strategic, tech and
financial roadmap**

EXPERIENCE



INVESTMENT THESIS

\$8 trillion+
Large, resilient TAM³

Secular shift
Towards nimbler, specialized, embedded platforms

Attractive, growthful end markets
eCommerce / B2B 'card not present' focus

TRANSACTION DETAILS

Motivated seller
Non-core subsidiary of Brazilian parent (Cielo)

40+
Industry executives assisted during due diligence

Successful exit
Sold business and generated strong results

¹ Prospective investors should note that they will not participate in any investments of Fund I. Fund I investments are shown for illustrative purposes only. ² At the time the investment was made. ³ Nilson, Payment Cards in U.S., October 2021. **Past performance of the fund investments presented herein is not indicative of future results and should not be used as the basis for an investment decision.**



VALUE CREATION INITIATIVES



OPTIMIZED THE CORE BUSINESS

- Hired new C-suite – CEO, CFO, CTO
- Realigned and refocused sales efforts
- Terminated merchants in high-risk verticals



ACCELERATED TECHNOLOGY INITIATIVES

- Revamped technology roadmap to enhance focus
- Enhanced API and cloud enablement across platform

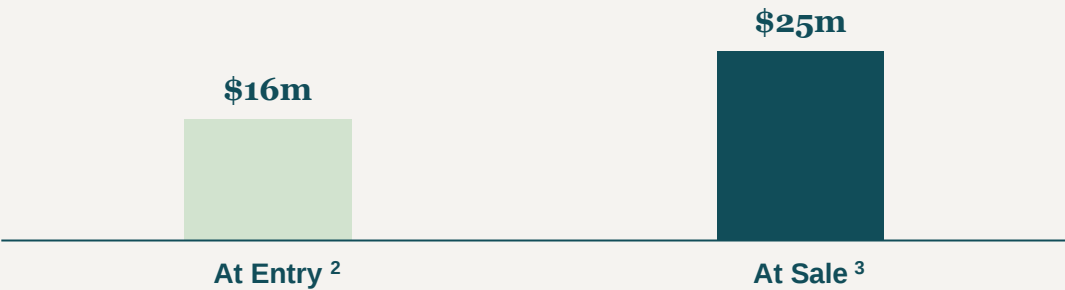


IMPROVED OPERATIONAL EXCELLENCE

- Reorganized to streamline operations

SUCCESSFUL EXIT AFTER 7-MONTH HOLD

Run-rate EBITDA⁴



Enterprise Value



¹ Prospective investors should note that they will not participate in any investments of Fund I. Fund I investments are shown for illustrative purposes only. ² As of February 18, 2022. ³ Sales Purchase Agreement to sell MerchantE was signed as of September 27, 2022. ⁴ Annual run-rate calculation refers to the financial performance of the company based on the extrapolation of current financial information as a predictor of future performance, assuming current conditions will continue. **Past performance of the fund investments presented herein is not indicative of future results and should not be used as the basis for an investment decision.**

Why Integrum?



Experienced, proven team with top quartile track record¹



Thematic investment-led philosophy



Partner with resilient, people-centric businesses



Focused portfolio of high-conviction investments



Business innovation drives upside

¹ Benchmark data sourced from Cambridge Associates Private Equity Benchmarks.

SECTION 03

Appendix

Key fund terms – Integrum Capital Partners II LP



FUND	Integrum Capital Partners II LP
STRATEGY	Focused on control investments in tech-enabled services businesses based or with significant operations in North America
TARGET SIZE	\$1.75 billion
GP COMMITMENT	At least \$50 million
MINIMUM LP COMMITMENT	\$10 million; the General Partner has discretion to accept lesser amounts
COMMITMENT PERIOD	Five-years from Final Closing date
TERM	Five-years from the expiration or termination of the Commitment Period, subject to one one-year extension at the General Partner's discretion and an additional one-year extension with the consent of the LP Advisory Committee
MANAGEMENT FEE	• Until the end of the Commitment Period / Successor Fund: 2.00% per annum of aggregate capital commitments • From Step-Down Date until expiration of the Fund's term: 1.75% per annum of invested capital; thereafter, 1.50% per annum of invested capital • Additional Fee Discounts - First Closing and size discounts, respectively
CARRIED INTEREST	20%
PREFERRED RETURN	8%

Disclaimer



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The Interests have not been recommended, approved or disapproved by the U.S. Securities and Exchange Commission (the “SEC”) or by the securities regulatory authority of any state or of any other U.S. or non-U.S. jurisdiction, nor has the SEC or any such securities regulatory authority passed upon the accuracy or adequacy of the Presentation. Any representation to the contrary is unlawful. The Interests have not been registered under the Securities Act, the securities laws of any other state or the securities laws of any other jurisdiction, nor is such registration contemplated. The Fund will not be registered as an investment company under the 1940 Act. Consequently, limited partners of the Fund are not afforded the protections of the 1940 Act.

The information contained herein is preliminary, is provided for discussion purposes only, is not complete, and does not contain material information about the Fund, including important conflicts disclosures and risk factors associated with an investment in the Fund, and is subject to change without notice.

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Statements contained in this Presentation are based on current expectations, estimates, projections, opinions and beliefs of the General Partner. All views expressed and any statements relating to expectations regarding future events, or the possible future activities, opportunities or performance of the Fund or investments represent the General Partner’s own assessment and interpretation of information available to it as at the date of this Presentation. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Such statements represent solely the opinion or belief of the General Partner and are not expressed herein as the opinion or belief of any other entity or of members of the Integrum team or other persons. No representation is made, or assurance given that such statements or views are correct. Opinions expressed and other information or statements herein are subject to change without notice. Any discussion of general market activity, industry or sector trends, or other broad-based economic, market, political or regulatory conditions should not be construed as research or investment advice.

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Disclaimer



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Any multiples of invested capital presented on a “gross” basis herein (i.e., they do not reflect management fees, “carried interest,” taxes, transaction costs and other expenses borne by investors, which reduce returns and, in the aggregate, are expected to be material) (“Gross MOICs”) represent the total value (realized or unrealized) of an investor’s investment as a multiple of invested capital prior to the payment of any expenses. “Net MOIC” represents the total value (realized or unrealized) of an investor’s investment net of expenses as a multiple of invested capital. All internal rates of return (“IRR”) shall mean an aggregate, annual, compound, whether gross or net, as applicable, internal rate of return on investments, calculated based on daily investment inflows and outflows reported on an annual basis. Gross IRRs present the gross annual IRR to Fund I after the effects of debt financing (at either the fund or portfolio company level) is taken into consideration. Net IRRs are net of all actual management fees, carried interest, transaction costs and other expenses (other than taxes borne or to be borne by investors) and are generally substantially lower. Net IRRs present the net annual internal rate of return to the investor after the effects of debt financing (at either the fund or portfolio company level) is taken into consideration.

Investors should note that the performance of any particular investment included in this Presentation may not be reflective of the performance of all Integrum’s or the Founders’ investments and should not be considered as an indication of future performance by Fund I or the Fund.

As carried interest, management fees and organizational expenses are borne at the fund level on a blended basis across all investments, it is not practicable to calculate the Net IRR and Net MOIC for an individual investment based on the cash flows related solely to such investment. Accordingly, (i) the Net IRR for each investment has been calculated by determining the basis point differential between the fund-level Gross IRR and Net IRR for Fund I and applying such basis point differential as a reduction to the Gross IRR for such investment and (ii) the Net MOIC for each investment has been calculated by determining the percentage that the fund-level Net MOIC for Fund I represents of the fund-level Gross MOIC for Fund I, and reducing the Gross MOIC for such investment by such percentage differential. As a result, the Net IRR and Net MOIC for each investment is hypothetical in nature and will not reflect the actual carried interest paid out of investment proceeds generated by such investment or the actual management fees payable in respect of such investment. The gross-to-net ratios used to generate such net returns may not be representative of the actual net returns that result from deducting the actual fees and expenses ultimately borne or to be borne (or deemed borne) by Fund investors, and the actual gross-to-net ratio ultimately achieved for the Fund could differ materially from the gross-to-net ratio used to generate such net returns. The application of this methodology may result in net returns that are higher or lower than if such returns were calculated based on other methodologies and changes in the methodology used could have a material impact on the returns presented herein.

There can be no assurance that unrealized investments will be realized at the valuations currently expected by Integrum or that any future events will occur. Unless otherwise stated, the amount of invested capital and any IRR, MOIC or other performance information presented herein exclude co-investment or co-invested capital subscribed for by third parties alongside or controlled by Integrum.

The Fund may utilize leverage and may also engage in bona fide hedging transactions in connection with the acquisition, holding, financing, refinancing or disposition of investments, including foreign currency hedging, swaps and other derivative contracts or instruments. Any amount paid by the Fund for or resulting from such sales, contracts or instruments will be treated as investment-related expenses.

Use of Benchmarks

This Presentation may include comparisons of the performance of certain investment funds to public indices or other market benchmarks, including Cambridge Associates Private Equity Benchmark Selected benchmarks are not intended to be reflective of the Fund’s investment strategy, but rather they are shown for comparability. The performance of any index or benchmark listed herein has not necessarily been selected to represent the most appropriate index or benchmark to compare to the performance of the relevant Fund or investment(s) but rather is disclosed to represent what Integrum believes to be a relevant point of comparison for the funds herein. There are significant differences between the types of securities and assets typically acquired by Fund I and/or the Fund, as applicable, and the investments covered by the applicable index. Fund I and the Fund may invest in securities that have a greater degree of risk and volatility, as well as less liquidity, than those securities contained in the index. No representation is made as to the risk profile of any index listed relative to the risk profile of the relevant funds. Certain public indices or other market benchmarks may or may not reflect the reinvestment of dividends, interest or capital gains. Moreover, indices are unmanaged and are not subject to fees and expenses. Investors cannot invest directly in an index. It should not be assumed that there will be a correlation between Fund I’s or the Fund’s returns and those of the index. It should not be assumed that correlations to the indices based on historical returns will persist in the future.

Case Studies

The selected investment examples, case studies and/or transaction or operation results summaries presented in this Presentation may not be representative of all transactions or endeavors (x) of Fund I or (y) with respect to which the Founders have been involved and are intended to be illustrative of the types of investments that may be made by the Fund employing the investment strategies intended to be employed by the Fund. Certain selected examples and case studies may relate to investments made with prior firms or companies unrelated to Integrum, in each case as described under the caption “Unrelated Endeavors” below. The investments, transactions and structures that the Fund intends to pursue are expected to be different from the selected examples and/or transaction summaries (whether relating to the Unrelated Endeavors or Fund I) presented herein. There can be no assurance that the Fund will be able to obtain comparable returns or achieve its investment objective.

Disclaimer



Unrelated Endeavors

Tagar Olson previously led the Financial Services Team at KKR, Ursula Burns was previously the Chairwoman of VEON Ltd. and Chairwoman and CEO of Xerox Corporation and Richard Kunzer was a Partner and Co-Head of Investor Relations for BC Partners (collectively, the “Unrelated Endeavors”). The Unrelated Endeavors have, and continue to have, investment programs, growth strategies or operations that differ from those of Integrum, including, without limitation, by asset classes, geography, duration, risks, purchase prices, holding periods, investment sizes, investment types, leverage, if any, and other characteristics. Certain of the Unrelated Endeavors are also operating business which did not pursue a private equity investment strategy as is intended for the Fund, and accordingly the operations of such Unrelated Endeavors differ in significant respects from the Fund. Additionally, investment transactions in which the Fund will participate and the methodology to be employed Integrum’s investment team in evaluating and executing such transactions will likely differ from those employed by certain of Unrelated Endeavors, due to, among other factors, the availability of investment opportunities, general economic conditions, differences in financial and other market conditions, the availability or lack thereof of financing, the issuers, holding periods, purchase prices, investment sizes, leverage (if any), profits/losses and other characteristics of the Fund’s investment, political developments as well as other relevant factors. In addition, several investment professionals who are expected to participate in managing the Fund did not previously work together in the Unrelated Endeavors. Further, the Unrelated Endeavors are comprised of and employ many investment professionals and executives who were, and continue to be, actively involved in and responsible for the Unrelated Endeavors and the investments and operations thereof, and such persons will not be part of the Fund’s investment team or have any other involvement with the activities of the Fund; and accordingly, none of the Unrelated Endeavors’ investment information or financial information are meant to imply attribution. All investment, acquisition and divestiture decisions were the responsibility of the relevant Unrelated Endeavor’s investment committees and executives. There can be no assurances that the Fund’s investments will achieve comparable results to those of the Unrelated Endeavors or will be able to avoid substantial losses. Therefore, the information about the Unrelated Endeavors may not be relevant to an evaluation of the prospects of and investment in, the Fund and prospective investors should use their own judgment to appropriately weight or discount such information. In any event, past performance is not indicative of future results.

Investment Team and Others

References herein to the Integrum investment team’s experience refer to the collective experience of the members of the investment team. Investment team members have different levels of experience and seniority, and each member’s individual experience differs.

None of the members of the investment team or any employees, officers, directors, members or other personnel of Integrum referred to herein hold themselves out to any person for any purpose as a general partner or managing member. Statements contained herein that are attributable to Integrum or its investment professionals or other personnel are not made in any person’s individual capacity, but rather on behalf of the General Partner, which manages and implements the investment program of the Fund. Any references herein to “expertise” are based solely on the belief of Integrum and in no way limit the exculpation provisions set forth in the limited partnership agreement of the Fund.

Further Information and Notices

Any decision to invest in the Fund should be made after reviewing the Memorandum carefully, conducting such diligence and investigations as the investor deems necessary and consulting the investor’s own legal, accounting and tax advisors in order to make an independent determination of the suitability and consequences of an investment in the Fund. Certain of the information contained herein is from third-party sources which in certain cases have not been updated through the date hereof. While Integrum believes such sources to be reliable, none of Integrum, the Fund, the General Partner nor any of their respective affiliates nor employees have updated any such information through the date hereof or undertaken any independent review of such information. No representation or warranty, express or implied, is made with respect to the fairness, correctness, accuracy, reasonableness or completeness of any of the information contained herein (including but not limited to economic, market or other information obtained from third parties included herein), and it expressly disclaims any responsibility or liability therefor. Integrum reserves the right to modify any of the terms of the offering and the Interests described herein and to revise and reissue this Presentation.

The Interests may not be eligible for sale in some states or countries, or suitable for all types of investors. Prospective investor should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of Interests, and any foreign exchange restrictions that may be relevant thereto.

None of the information contained herein has been filed with the U.S. Securities and Exchange Commission, any securities administrator under any securities laws of any U.S. or non-U.S. jurisdiction or any other U.S. or non-U.S. governmental or self-regulatory authority. No such governmental or self-regulatory authority will pass on the merits of the offering of the Fund, or the adequacy of the information contained herein. Any representation to the contrary is unlawful.

Risk Factors

Prospective investors should be aware that an investment in the Fund is speculative and involves a high degree of risk. The following is a summary of only certain considerations and is qualified in its entirety by the more detailed “Risk Factors and Potential Conflicts of Interest” section of the Memorandum. Fees and expenses will also reduce the Fund’s return.

No Assurance of Investment Return. Integrum cannot provide any assurance whatsoever that it will be able to choose, make and realize investments in any particular company or portfolio of companies. There can be no assurance that the Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of companies and transactions described herein. There can be no assurance that any prospective investors will receive any distribution from the Fund. Partial or complete sales, transfers or other dispositions of investments which may result in a return of capital or the realization of gains, if any, are generally not expected to occur for a number of years after an investment is made. Accordingly, an investment in the Fund should only be considered by persons for whom a speculative, illiquid and long-term investment is an appropriate component of a larger investment program and who can afford a loss of their entire investment. There can be no assurance that targeted returns will be achieved, that the returns generated by the Fund will equal or exceed those of other investment activities of any other investment managers with which the Founders have previously been affiliated, or that the Fund will be able to achieve comparable results, implement its investment strategy or achieve its investment objectives.

Leverage. The Fund’s investments are expected to include portfolio companies whose capital structures may have significant leverage. These companies may be subject to restrictive financial and operating covenants. The leverage may impair these companies’ ability to finance their future operations and capital needs. The leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the portfolio company or its industry.

Disclaimer



Market Conditions. The Fund's strategy is based, in part, upon the premise that investments will be available for purchase by the Fund at prices that the General Partner considers favorable, and which are commensurate with the targeted returns of the Fund. To the extent that current market conditions change or change more quickly than Integrum currently anticipates, investment opportunities may cease to be available to the Fund or investment opportunities that allow for the targeted returns of the Fund may no longer be available.

Ongoing Turmoil in the U.S. and Global Financial Markets. The turmoil in recent years in the U.S. and global financial markets has illustrated that the current environment continues to be characterized by uncertainty, volatility and instability. Lending and the global credit markets continue to experience substantial volatility, disruption, liquidity shortages and to some extent financial instability. Global financial markets have experienced considerable and prolonged declines in the valuations of equity and debt securities and periodic acute contraction in the availability of credit. There can be no assurances that conditions in the financial markets will not worsen and/or adversely affect one or more of the Fund's investments (including with respect to performing under or refinancing their existing obligations), its access to capital or leverage, its ability to effectively deploy its capital or realize investments on favorable terms or its overall performance.

Enhanced Scrutiny and Potential Regulation of the Private Equity Industry. The Fund's ability to achieve its investment objectives, as well as the ability of the Fund to conduct its operations, is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Future legislative, judicial or administrative action could adversely affect the Fund's ability to achieve its investment objectives, as well as the ability of the Fund to conduct its operations. The alternative asset management and financial services industries are subject to enhanced governmental scrutiny and/or increased regulation, and a number of legislative initiatives have been signed into law affecting alternative investment firms, including the Dodd-Frank Wall Street Reform and Consumer Protection Act, a key feature of which is the extension of prudential regulation by the Board of Governors of the Federal Reserve System to financial institutions that are not currently subject to such regulation but that potentially pose risk to the financial system.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions. There can be no assurance that the Fund will be able to locate, consummate and exit investments that satisfy the Fund's target equity size range, rate of return objectives or realize upon their values or that it will be able to invest fully its committed capital. To the extent that the Fund encounters competition for investments, returns to investors may decrease.

Reliance on Key Management Personnel. The success of the Fund will depend in part upon Integrum's ability to attract and retain talented professionals and the skill and expertise of Integrum's investment advisory professionals. There can be no assurance that such professionals will continue to be associated with Integrum throughout the life of the Fund and a loss of the services of key personnel could impair Integrum's ability to provide services to the Fund. Should one or more of these professionals become incapacitated or in some other way cease to participate in the Fund, the Fund's performance could be adversely affected. Other business activities of the Founders may at times require those individuals to devote significant time to matters unrelated to the business of the Fund and the Fund will have no interest in these other activities. The governing documents of the Fund will permit the Founders to spend significant time on matters unrelated to the Fund and its investment activities. Conflicts may arise as a result of such activities. The possibility exists that the companies with which one or more of the Founders is involved could engage in transactions that would be suitable for the Fund, but in which the Fund might be unable to invest.

Legal, Tax and Regulatory Risks. Legal, tax and regulatory changes (including changing enforcement priorities, changing interpretations of legal and regulatory precedents or varying applications of laws and regulations to particular facts and circumstances) could occur during the term of the Fund that may adversely affect the Fund.

Performance of the Fund and No Operating History. The Fund and the General Partner and certain other affiliated entities are or will be newly-formed entities with no operating history for prospective investors to evaluate. In addition, Integrum has not previously sponsored any fund or other investment product.

Limited Liquidity. There is no organized secondary market for investors' interests in the Fund, and none is expected to develop. There are restrictions on withdrawal and transfer of interests in the Fund.

Material, Non-Public Information. By reason of their responsibilities in connection with other activities of Integrum or any continued involvement with an Unrelated Endeavor, certain employees of Integrum and their respective affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Fund will not be free to act upon any such information. Due to these restrictions, the Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Absence of Regulatory Oversight. Although it is anticipated that the management company (i.e., Integrum) will register as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Investment Advisers Act"), as of the date of this Presentation neither the General Partner nor Integrum is currently registered as an investment adviser, and consequently they are not currently subject to the record-keeping, disclosure and certain other obligations specified in the Investment Advisers Act. The Fund is not required and does not intend to register as an investment company under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") and, accordingly, investors are not afforded the protections of the Investment Company Act.

Potential Conflicts of Interest. There may be occasions when the general partner and/or management company to the Fund and their affiliates will encounter potential conflicts of interest in connection with the Fund's activities including, without limitation, the allocation of investment opportunities, and the diverse interests of the Fund's investor group.

THE FOREGOING DOES NOT PURPORT TO BE A COMPLETE LIST OF THE RISKS AND CONFLICTS INVOLVED IN AN INVESTMENT IN THE FUND. POTENTIAL INVESTORS SHOULD READ THE MEMORANDUM AND THE FUND'S GOVERNING DOCUMENTS IN THEIR ENTIRETY BEFORE DECIDING WHETHER TO INVEST IN THE FUND AND SHOULD CONDUCT THEIR OWN DILIGENCE OF THE OPPORTUNITY AND IDENTIFY AND MAKE THEIR OWN ASSESSMENT OF THE RISKS INVOLVED.



New York

55 Hudson Yards
New York, NY 10001
(212) 970-2500

Florida

433 Plaza Real
Suite 275
Boca Raton, FL 33432



San Joaquin County Employees Retirement Association

June 2025

9.01 Service Retirement

Consent

01 MARY D AGUIRRE

Deputy District Attorney IV
District Attorney

Member Type: General
Years of Service: 35y 02m 04d
Retirement Date: 3/28/2025

02 CHRISTINA L BECHTOLD

Senior Office Assistant
Probation - Adult

Member Type: General
Years of Service: 25y 08m 05d
Retirement Date: 3/24/2025

03 DENNIS M BUETTNER

Protective Svcs Soc Wrkr III
Mental Health-Adult Outpatient

Member Type: General
Years of Service: 23y 00m 05d
Retirement Date: 3/29/2025

04 RONNIE G CARPENTER

Housekeeping Svce Wkr - SJGH
Hosp Environmental Services

Member Type: General
Years of Service: 21y 11m 15d
Retirement Date: 3/24/2025

05 HUMBERTO CASTRO-FERNANDEZ

Ag Bio/StandrdsInspector III
Agricultural Commissioner

Member Type: General
Years of Service: 17y 11m 26d
Retirement Date: 3/29/2025

06 VIVIAN R CEFALO

Nurse Midwife
Hosp Labor-Del-Rcvry-Post Part

Member Type: General
Years of Service: 08y 00m 29d
Retirement Date: 3/31/2025

07 STEPHANIE I CHARLES

Court Services Supervisor
Court-Court Oper-Courtrm Suppt

Member Type: General
Years of Service: 26y 11m 22d
Retirement Date: 4/19/2025



San Joaquin County Employees Retirement Association

June 2025

08 MICHELLE CLEMONSHSA Staff Analyst II
HSA - Eligibility StaffMember Type: General
Years of Service: 31y 06m 16d
Retirement Date: 4/1/2025**09 STEPHANIE L CONNER**Accounting Technician II
Auditor - ControllerMember Type: General
Years of Service: 18y 04m 09d
Retirement Date: 4/1/2025**10 ELIZABETH DUHART**Office Assistant Specialist
HSA - Clerical SupportMember Type: General
Years of Service: 24y 00m 01d
Retirement Date: 3/31/2025**11 ALMA A ESPINDOLA-OLLIS**Child Support Specialist III
Child Support SvsMember Type: General
Years of Service: 16y 11m 08d
Retirement Date: 3/31/2025**12 MAGDALENA M ESTRADA**Legal Technician II
Public DefenderMember Type: General
Years of Service: 37y 00m 01d
Retirement Date: 3/30/2025**13 JONATHAN W FATTARSI**Deferred Member
N/AMember Type: General
Years of Service: 16y 10m 03d
Retirement Date: 4/16/2025**14 ROBERT F GRAY**Physician
Hosp Surgery ClinicMember Type: General
Years of Service: 05y 01m 29d
Retirement Date: 4/1/2025

**San Joaquin County Employees Retirement Association***June 2025*

15	MICKY A HAUSWIRTH	Deferred Member N/A
	Member Type: General Years of Service: 15y 01m 28d Retirement Date: 4/1/2025	
16	TENG HER	Probation Officer II Prob-Pretrial Svs-Monitoring
	Member Type: Safety Years of Service: 18y 09m 12d Retirement Date: 4/19/2025	
17	RENEE M HILL	Legal Technician II HSA - Clerical Support
	Member Type: General Years of Service: 37y 06m 12d Retirement Date: 3/27/2025	
18	TONI I HINSZ	Office Assistant Specialist Hosp Patient Accounting
	Member Type: General Years of Service: 24y 11m 23d Retirement Date: 3/29/2025	
19	RUTH M JOHNSON	Deferred Member N/A
	Member Type: General Years of Service: 17y 10m 13d Retirement Date: 4/3/2025	
20	SUSAN M MART	Jail Librarian Sheriff-Cust-Prisoner Welfare
	Member Type: General Years of Service: 25y 01m 24d Retirement Date: 3/31/2025	
21	ROBERT A MASTRO	Senior Office Assistant HSA - Clerical Support
	Member Type: General Years of Service: 08y 04m 01d Retirement Date: 4/1/2025	



San Joaquin County Employees Retirement Association

June 2025

22	RICO D MOLINA	Chief Mental Health Clinician Behavioral Health Services
	Member Type: General Years of Service: 22y 05m 14d Retirement Date: 3/29/2025	
23	ANA M NUNEZ	Office Supervisor Public Health - WIC
	Member Type: General Years of Service: 28y 11m 03d Retirement Date: 3/31/2025	
24	CARMENCITA A OLIVA	Communicable Disease Investgr Public Health - TB CD
	Member Type: General Years of Service: 16y 10m 04d Retirement Date: 4/1/2025	
25	KITTY O OLMOS	Deferred Member N/A
	Member Type: General Years of Service: 00y 07m 24d Retirement Date: 3/28/2025	
26	EVARISTO ORDAZ	Sheriff Matl Specialist II Sheriff-Cust-Central Services
	Member Type: General Years of Service: 06y 03m 04d Retirement Date: 3/28/2025	
27	ROSA M PAM	Child Support Specialist II Child Support Svcs
	Member Type: General Years of Service: 23y 07m 18d Retirement Date: 3/31/2025	
28	WILLIAM R PANELO	Bridge Tender Public Works-Road Main-North
	Member Type: General Years of Service: 25y 03m 27d Retirement Date: 3/31/2025	
29	CYNTHIA E POULOS	Staff Nurse V -Clinical -Ambul Behavioral Health Admin
	Member Type: General Years of Service: 14y 01m 12d Retirement Date: 4/1/2025	



San Joaquin County Employees Retirement Association

June 2025

30	TRISTAN K RAMIREZ	Deferred Member N/A
	Member Type: Safety Years of Service: 09y 08m 05d Retirement Date: 3/29/2025	
31	BETTY J RIGGINS	Child Support Specialist II Child Support Svs
	Member Type: General Years of Service: 32y 03m 01d Retirement Date: 4/1/2025	
32	KIMBERLI D ROBINSON	Assistant Dir-Mary Graham CS Mary Graham Childrens Shelter
	Member Type: General Years of Service: 39y 09m 26d Retirement Date: 3/24/2025	
33	MIGDALIA RODRIGUEZ	Hospital Unit Clerk Hosp PACU
	Member Type: General Years of Service: 23y 10m 21d Retirement Date: 3/31/2025	
34	DWAYNE B SABINIANO	Engineering Assistant III Community Infra-Engineer Svs
	Member Type: General Years of Service: 39y 01m 28d Retirement Date: 4/1/2025	
35	BRIAN K SHORT	Deputy District Attorney IV District Attorney
	Member Type: General Years of Service: 36y 08m 18d Retirement Date: 3/28/2025	
36	CINNA G THOMPSON	Senior Office Assistant HSA - Clerical Support
	Member Type: General Years of Service: 20y 08m 18d Retirement Date: 3/28/2025	



San Joaquin County Employees Retirement Association

June 2025

37 ELLA L THOMPSON

Employment Training Spec II
Employment - Economic Developm

Member Type: General
Years of Service: 23y 07m 12d
Retirement Date: 3/31/2025

38 MIRIAM A UMPIG

Staff Nurse III -Inpatient
Hosp Med-Surg 2D

Member Type: General
Years of Service: 20y 07m 05d
Retirement Date: 3/31/2025

2025 CONFERENCES AND EVENTS SCHEDULE

2025 EVENT DATES	EVENT TITLE	EVENT SPONSOR	LOCATION	REG. FEE	WEBLINK FOR MORE INFO	EST. BOARD EDUCATION HOURS
May 13 May 16	SACRS Spring Conference	SACRS	Rancho Mirage, CA	\$290	sacrs.org	*11.5
May 19 May 23	Investment Strategies & Portfolio Management	Wharton	Philadelphia, PA	\$13500	wharton.com	*36
May 23 May 23	Attorneys Roundtable	CALAPRS	virtual	\$50	calaprs.org	N/A
May 26 May 29	AEW Conference & Annual Fund Meeting	AEW	Boston, MA	\$0	aew.com	N/A
May 30 May 30	Trustee Roundtable	CALAPRS	virtual	\$50	calaprs.org	*4
Jun 6 Jun 6	Administrators Roundtable	CALAPRS	virtual	\$50	calaprs.org	N/A
Jun 16 Jun 18	NCPERS Chief Officers Summit	NCPERS	New York, NY	\$1200	ncpers.com	N/A
Jun 24 Jun 27	NAPPA Conference	NAPPA	Denver, CO	\$990	nappa.org	N/A
Jul 13 Jul 16	SACRS/UC Berkeley Program	SACRS	Berkeley, CA	\$3000	sacrs.org	24
Jul 25 Jul 25	Attorneys Roundtable	CALAPRS	virtual	\$50	calaprs.org	N/A
Sep 9 Sep 11	2025 Fall Editorial Advisory Board Meeting; Instituional Real Estate Americas	IREI	San Diego, CA	\$0	irei.com	*16
Sep 12 Sep 12	Attorneys Roundtable	CALAPRS	virtual	\$50	calaprs.org	N/A
Sep 15 Sep 17	Stockbridge Annual Meeting	Stockbridge	Denver, CO	\$0	Stockbridge.com	N/A
Sep 16 Sep 18	Fiduciary Investors Symposium	top1000funds	Stanford, CA	*\$1900	top1000funds.com	*24
Sep 24 Sep 26	Administrators' Institute	CALAPRS	Carmel, CA	\$3000	calaprs.org	N/A
Oct 3 Oct 3	Trustee Roundtable	CALAPRS	virtual	\$50	calaprs.org	*4
Oct 16 Oct 16	SJCERA Investment Roundtable	SJCERA	Lodi, CA	\$0	SJCERA	*7
Oct 21 Oct 21	Investments Roundtable	CALAPRS	virtual	\$50	calaprs.org	N/A
Nov 11 Nov 14	SACRS Fall Conference	SACRS	Huntington Beach, CA	\$290	sacrs.org	*11.5
2026 EVENT DATES	EVENT TITLE	EVENT SPONSOR	LOCATION	REG. FEE	WEBLINK FOR MORE INFO	EST. BOARD EDUCATION HOURS
Mar 8 Mar 11	General Assembly 2026	CALAPRS	Carlsbad,	TB	calaprs.com	N/A

* Estimates based on prior agendas

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

2025 Event Dates	Sponsor / Event Description	Location	Traveler(s)	Estimated Cost	BOR Approval Date
May 30, 2025	CALAPRS Trustee Roundtable	Virtual	S. Kaisch, S. Moore	\$100	N/A
Jun 24-27, 2025	NAPPA Conference	Denver, CO	A. Zaheen	\$2,790	01/17/2025
Jul 13-16, 2025	SACRS UC Berkeley	Berkeley, CA	R. Ostrander, T. Kaeslin, JC Weydert, R. McCray (partial)	\$18,370	N/A
Sep 15-16, 2025	Stockbridge 2025 Annual Meeting	Denver, CO	R. Ostrander	\$0	Pending
Sep 16-18, 2025	Fiduciary Investors Symposium	Palo Alto, CA	T. Kaeslin	\$3,100	Pending

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

Event Dates 2025	Sponsor / Event Description	Location	Traveler(s)	Estimated Cost	Actual Cost	Event Report Filed
Jan 26-27, 2025	Communications Summit	Washington, DC	R. Ostrander	\$1,823	\$1,766.42	3/14/2025
Jan 27-29, 2025	Legislative Conference	Washington, DC	R. Ostrander	\$2,467	\$1,765.23	3/14/2025
Jan 27-29, 2025	IREI - VIP Americas	Dana Point, CA	M. Restuccia, JC Weydert	\$3,600	Restuccia: \$1869.00 Weydert: \$2011.00	Restuccia: 2/14/2025 Weydert: Pending
Feb 7, 2025	Virtual Attorney's Roundtable	Virtual	A. Zaheen	\$50	\$50	N/A
Feb 21, 2025	CALAPRS Disability Roundtable	San Diego, CA	A. Zaheen	\$680	\$775	N/A
Mar 3-5, 2025	General Assembly 2025	Napa, CA	T. Kaeslin	\$1,100	\$1,120.16	N/A
Mar 24-26, 2025	Pension Bridge 2025	Half Moon Bay, CA	R. McCray, JC Weydert	\$2,200	McCray: \$1057.77 Weydert: \$192.70	McCray: 6/6/2025 Weydert: Pending
May 7, 2025	The San Francisco Institutional Exchange/Global Business Connections	San Francisco, CA	T. Kaeslin	\$180	\$121.61	Pending
May 13-16, 2025	SACRS Spring Confernce	Rancho Mirage, CA	JC Weydert, S. Moore, R. Ostrander, A. Zaheen T. Kaeslin	\$6,500	Pending	N/A
May 19 - 23, 2025	Investment Strategies & Portfolio Management	Philadelphia, PA	P. Keokham	\$16,650	\$14,924.80	Pending
May 26-29, 2025	AEW Client Conference & Annual Fund Meeting	Boston, MA	T. Kaeslin	\$0	Pending	Pending

Board Member	Travel (not including SACRS & CALAPRS)	Dates	Amount used of \$4500:	Balance of \$4500
RESTUCCIA	IREI - VIP Americas	1/27-29	\$1,869.00	\$2,631.00
BASSETT				
GARDEA				
DUFFY				
KAISCH				
KEOKHAM				
MCCRAY	Pension Bridge	3/24-26/25	\$1,057.77	\$3,442.23
NICHOLAS				
WEYDERT	IREI - VIP Americas; Pension Bridge	1/27-29, 3/24-26	\$3,103.70	\$1,396.30
MOORE				

*Pending Final Expense



San Joaquin County Employees' Retirement Association

5/11/2025

TO: Board of Retirement

FROM: Ray McCray
Trustee

SUBJECT: Summary of Pension Bridge

High Level Conference Information:

On 3/26/2025 I attended the Pension Bridge Conference in Half Moon Bay. The event had too many irrelevant presentations and too much focus on sales. The three main topics I observed were:

Public Credit:

The speakers state there is high level of liquidity in this sector. They believe there is better opportunity in public credit than other areas to invest. Rates are relatively low and there is strong buying power. They say quality is not an issue, there is cash and low hanging fruit. There will be consolidation among lenders and spreads are high.

US Debt:

Smart money is looking at Japan and the assumption is there is a stronger alpha, along with currency appreciation. Women are entering this market more than ever before. Women in the Japanese workforce is growing. The transfer of assets is more broad than just family. They also commented that issues with higher volatility shouldn't be leveraged and risk parity is a doubtful investment category.

General Partner Liquidity:

Spreads are not good in this area and distributions are lower than expected. Capital calls are also poor. The takeaway is that the funds have poor liquidity. There is a duration and maturity mismatch.

Recommendation:

I recommend that we should review the topics before agreeing to attend again. This event is best suited for the IO due to the sales conversations. It felt like many of the panels were focused on the sales of specific products, and not how to distribute returns.



San Joaquin County Employees' Retirement Association

5/30/24

TO: Board of Retirement

FROM: Trent Kaeslin 
Investment Officer

SUBJECT: Summary of The San Francisco Institutional Exchange

Conference highlights:

The San Francisco Institutional Exchange was held at the W in San Francisco Wednesday, May 7th, 2025. The conference was well structured with round table discussions regarding different market segments and several panel discussions that included: public and private market navigation, market trends and investing for resilience (moderated by Paola Nealon from Meketa), changing alternative investments, and finally asset allocation in a dynamic market.

Changing Landscape in Alternative Investments

This was a great discussion with the public and private panelists discussing potential liquidity issues with private investments and how they are transitioning more of their funds to public alternatives. Several of the college fund managers stated they were concerned with liquidity due to the current administration's rapid changes. As SJCERA continues to invest in private opportunities, we must consider the risks of illiquidity.

Asset Allocation in a Dynamic Market Environment

The panel discussed each of their funds allocation and process. Many were looking to reduce the number of managers in their portfolio. A consistent theme of the group was stick with your winning investment managers and add others sparingly. Finally, we were reminded that we are investing long term and the current uncertainty in the market will pass, stay true to your long term objectives.

Recommendation:

Overall, the conference was educational and provided good current insight from investments groups that are struggling with changes in the marketplace and giving insight to their investment approaches and decision making. This meeting is specific to investment professionals. I found it informative but wouldn't recommend attending more than once a year, nor would I travel further than SFO for the meeting.

Pending California Legislation Summary

Bill	Topic	Key Provisions	Status
AB 853	Public Employees' Retirement	- Clarifies that compensation during concurrent service in multiple systems is pensionable under PEPRA - Revises "final compensation" rules for members with <3 years of consecutive service - Updates rules for past service conversion and retired member employment	Ordered to 3 rd reading, introduced to Assembly Floor May 27
AB 1383	Public Employees' Retirement Benefits	- Proposed aligning compensation limits with federal standards, with CPI adjustments - Would have allowed negotiated increases to retirement formulas for future service - Proposed allowing employers to cover more than 50% of retirement benefit costs	Suspended – Now a Two-Year Bill (eligible for reconsideration in 2026)
SB 707	Brown Act – Local Agency Open Meetings	- Requires translation of agendas into languages spoken by ≥20% of limited-English population in a county - Mandates digital translation tools and hardship exemptions – Mandates digital or telephonic participation	Ordered to 2 nd reading, introduced to Senate Floor May 29

2025 - SJCERA BOARD OF RETIREMENT MEETING CALENDAR

MONTH	DATE	Periodic Items / Other Events	MONTH	DATE	Periodic Items / Other Events
JAN	17	Board Meeting Earnings Code Ratification Fourth Quarter Operations Reports* Trustee Education Compliance Report Action Plan Results	JUL	11	Board Meeting Mid-Year Administrative Budget Report Second Quarter Operations Reports* Election of Board Officers Investment Fee Transparency Report Annual Policy Review Preliminary Plan Contribution Rates & Actuarial Experience Study Results
FEB	14	Board Meeting Notice of CPI/Set Retiree COLA Declining ER Payroll Report Assumptions & CMAs		13-16	SACRS UC Berkeley
	14	CEO Performance Review Committee	AUG	8	Board Meeting Adoption of Plan Contribution Rates & Actuarial Experience Study Asset-Liability Education
MAR	14	Board Meeting Fourth Quarter Inv Reports			
	14	Audit Committee Meeting			
	20	CEO Performance Review Committee	SEP	12	Board Meeting Second Quarter Inv Reports Asset-Liability Portfolio Selection
	2-5	CALAPRS General Assembly			
APR	11	Board Meeting First Quarter Operations Reports*	OCT	15	Board Meeting Adoption of Board Calendar for next year Third Quarter Operations Reports* 2026 Action Plan
MAY	9	Board Meeting		16	Special Meeting - Investment Roundtable
	9	Audit Committee Meeting			
	13-16	SACRS Spring Conf	NOV	7	Board Meeting Consultants and Actuaries Evaluations
JUN	6	Board Meeting First Quarter Inv Reports Auditor's Annual Report / CAFR Mid Year Action Plan Results Asset Class Review		TBD	Administrative Committee Meeting
	6	Administrative Committee Meeting		11-14	SACRS Fall Conference
	12	RPESJC Picnic	DEC	12	Board Meeting Third Quarter Inv Reports Annual Administrative Budget
				11	RPESJC Holiday Lunch

Unless otherwise noted on the agenda, Board Meetings convene at 9:00 a.m.

* Disability App Status Report and Pending Retiree Accounts Receivable Report

Notes: May meeting may move to the first Friday due to the SACRS Spring Conference.

June meeting is on the first Friday due to BOS meeting schedule.

October meeting is on Wednesday prior to the Investment Roundtable.

November meeting may move to the first Friday due to the SACRS Fall Conference.

**SAN JOAQUIN COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

**REPORT TO THE BOARD OF RETIREMENT
AND AUDIT COMMITTEE**

**FOR THE YEAR ENDED
DECEMBER 31, 2024**

**SAN JOAQUIN COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

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**REQUIRED COMMUNICATION AT THE CONCLUSION OF AN AUDIT
TO THE BOARD OF RETIREMENT AND AUDIT COMMITTEE IN
ACCORDANCE WITH PROFESSIONAL STANDARDS (SAS 114)**

To the Members of the Board of Retirement and Audit Committee of
San Joaquin County Employees' Retirement Association
Stockton, California

We have audited the basic financial statements and other information (financial statements) of the San Joaquin County Employees' Retirement Association (SJCERA), a pension trust fund of the County of San Joaquin, as of and for the year ended December 31, 2024, and have issued our report thereon dated May 30, 2025. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated December 16, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by SJCERA are described in Note 3, Summary of Significant Accounting Policies – Pension Plan, to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2024. We noted no transactions entered into by SJCERA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimates of the fair value of investments and the money-weighted rate of return are derived by various methods as described in Note 3, Summary of Significant Accounting Policies – Pension Plan; Note 4, Cash and Investments; and Note 5, Derivative Financial Instruments, to the financial statements. We evaluated the key factors and assumptions used to develop the estimates of the fair value of investments and the money-weighted rate of return in determining that they are reasonable in relation to the financial statements taken as a whole.

- Management's estimates of the contribution amounts and net pension liability are based on an actuarially-presumed interest rate and assumptions recommended by an independent actuary and adopted by the Board of Retirement and involve estimates of the values of reported amounts and probabilities about the occurrence of future events, as detailed in Note 6, Contributions Required and Contributions Made, and Note 8, Net Pension Liability and Significant Assumptions. We evaluated the key factors and assumptions used to develop the estimates of the contribution amounts and net pension liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosures for cash and investments and derivative financial instruments in Notes 4 and 5 to the financial statements, respectively, were derived from SJCERA's investment policy. Management's estimate of the fair value of investments was derived by various methods as detailed in the notes.
- The disclosures related to the funding policies, funded status, funding progress, and actuarial methods and assumptions in Note 6 and Note 8 were derived from actuarial valuations, which involve estimates of the value of reported amounts and probabilities about the occurrence of the future events far into the future.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following accumulated misstatements detected as a result of audit procedures were corrected by management:

Dr. Investments, at fair value	\$21,050,449	
Dr. Net appreciation/depreciation	\$9,825,637	
Cr. Receivables securities sold		\$30,876,086

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the purpose financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 30, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to SJCERA's financial statements, or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as SJCERA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contributions from the Employers and Other Contributing Sources – Defined Benefit Pension Plan, and Schedule of Investment Returns, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Administrative Expenses, Schedule of Investment Expenses, and Schedule of Payments to Consultants, which accompany the financial statements but are not RSI. With respect to this other supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the other supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introduction, investment, actuarial, and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Board of Retirement, Audit Committee, and management of SJCERA and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Stockton, California
May 30, 2025

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Members of the Board of Retirement and Audit Committee of
San Joaquin County Employees' Retirement Association
Stockton, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the San Joaquin County Employees' Retirement Association (SJCERA), as of and for the year ended December 31, 2024, and the related notes to the basic financial statements, which collectively comprise SJCERA's basic financial statements and other information (financial statements), and have issued our report thereon dated May 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered SJCERA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SJCERA's internal control. Accordingly, we do not express an opinion on the effectiveness of SJCERA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of SJCERA's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified one deficiency in internal control, described in the accompanying schedule of findings as item 2024-001, which we consider to be a significant deficiency. We have also provided the current status of prior year findings.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SJCERA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

SJCERA's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on SJCERA's response to the finding identified in our audit and described in the accompanying schedule of findings. SJCERA's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SJCERA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SJCERA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Stockton, California
May 30, 2025

Schedule of Findings

2024-001 – Reconciliation of Investment Managers

During our audit procedures over investments, we noted one investment was understated by \$21.1 million as an investment class unit was omitted from being recorded. During our audit procedures over securities sold receivables we noted a difference of \$30.9 million between the securities sold receivables reported by the Custodian, this error occurred due to an error in reporting by the Custodian and SJCERA not accurately accounting for the additional purchase of an investment during the year.

Recommendation

We recommend that management review cash, investment and pending trades balances by investment managers at the end of the year to ensure that investment manager accounts are reconciled and correctly classified.

Management's Response

Management agrees with the recommendation and has corrected the financial statements accordingly. Staff creates journal entries on a monthly basis updating cash, cost, investment income and expense. Procedures will be updated to include reconciliations of general ledger to the custodian for cash and cost on a monthly basis. At year end, staff create the market value adjustment based on custodian information and external manager statement. Procedures will be created to detail how to create journal entry along with the reconciliation of custodian and bank. Lastly, the custodian will close their book by end of February to allow time for staff to complete these procedures.

Status of Prior Year Findings

2023-001 – Terminated Investment Accounts

During our audit procedures over investments, we determined that the net appreciation and fair value of three terminated investment accounts were understated by \$16.3 million. This occurred as a result of lack of management reconciliation and oversight. The market value adjustment accounts were not properly adjusted to close out the remaining balance once the investment in the fund was terminated and closed.

Recommendation

We recommend that management review all terminated investment accounts at the end of the year to ensure that there are no market value adjustments remaining on the books, under- or overstating the investment market value.

Management's Response

Management agrees with the recommendation. Management will review and update procedures as necessary to ensure proper documentation is in place, including a final Management review step to ensure adherence to the procedures for terminated investments. Management will ensure the review of terminated investments will occur on at least a yearly basis.

Current Year Status

At year end, management reviewed to ensure terminated assets are not included in the financial statements.

2023-002 – Custodial Fund Reconciliation

During our review of the Post-Employment Healthcare Custodial Fund, we noted there was no process in place for reviewing and reconciling the custodial fund accounts at year-end to ensure information was properly reported. We performed a reconciliation of the related accounts and noted a couple errors with entries that should have been posted to the custodial fund accounts, as well as a couple entries omitted, which in the aggregate had a direct effect on the financial reporting of the Custodial Fund. Upon further inquiry, we also noted there was no internal process for identifying unposted journal entries at year-end.

Recommendation

We recommend that management implement a process to review and reconcile the Custodial Fund account balances periodically to ensure that the passthrough amounts are properly reported. We also suggest that management create a process for periodically reviewing the journal entry log to ensure all entries created are reviewed and posted in a timely manner to ensure that account balances are correctly reported.

Management's Response

Management agrees with the recommendation. Management will create procedures to review and reconcile the Custodial Fund on a quarterly basis, including management oversight review. A procedure will be created for the periodic review of the journal entry log to ensure all entries are created, reviewed, and posted timely.

Current Year Status

Management created procedures to review and reconcile the Custodial Fund on a quarterly basis, including management oversight review.

**SAN JOAQUIN COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

**ANNUAL FINANCIAL REPORT
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2024**

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Retirement and Audit Committee of
San Joaquin County Employees' Retirement Association
Stockton, California

Report on the Audit of the Basic Financial Statements and Other Information

Opinions

We have audited the accompanying Statement of Fiduciary Net Position of the San Joaquin County Employees' Retirement Association (SJCERA), a pension trust fund of the County of San Joaquin, as of December 31, 2024; the Statement of Changes in Fiduciary Net Position for the fiscal year then ended; and the related notes to the basic financial statements, which collectively comprise SJCERA's basic financial statements as listed in the table of contents. We have also audited the Schedule of Cost Sharing Employer Allocations and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan totals for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense (specified column totals) as of and for the fiscal year ended December 31, 2024, listed as other information in the table of contents.

In our opinion, the basic financial statements and other information referred to above present fairly, in all material respects, the fiduciary net position of SJCERA as of December 31, 2024; its changes in fiduciary net position for the fiscal year then ended; the Schedule of Cost Sharing Employer Allocations; and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan totals for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense (specified column totals) as of and for the fiscal year ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Basic Financial Statements and Other Information section of our report. We are required to be independent of SJCERA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Basic Financial Statements and Other Information

Management is responsible for the preparation and fair presentation of the basic financial statements and other information in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements and other information that are free from material misstatement, whether due to fraud or error.

In preparing the basic financial statements and other information, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SJCERA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Management is also responsible for maintaining a current plan instrument, including all SJCERA plan amendments; administering SJCERA; and determining that SJCERA's transactions that are presented and disclosed in the basic financial statements and other information are in conformity with SJCERA's plan provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Basic Financial Statements and Other Information

Our objectives are to obtain reasonable assurance about whether the basic financial statements and other information as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the basic financial statements and other information.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the basic financial statements and other information, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the basic financial statements and other information.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SJCERA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the basic financial statements and other information.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SJCERA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements and other information, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements and other information in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements

and other information, and other knowledge we obtained during our audit of the basic financial statements and other information. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements and other information that collectively comprise SJCERA's basic financial statements and other information. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements and other information. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and other information. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and other information and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements and other information or to the basic financial statements and other information themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements and other information as a whole.

Report on Summarized Comparative Information

We have previously audited SJCERA's December 31, 2023, basic financial statements and other information, and our report dated May 29, 2024, expressed an unmodified opinion on those audited basic financial statements and other information. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended December 31, 2023, is consistent in all material respects, with the audited basic financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2025, on our consideration of SJCERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SJCERA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SJCERA's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong" on the first line and "Accountancy Corporation" on the second line.

Stockton, California
May 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

Introduction

Management's Discussion and Analysis (MD&A) presents the overview and analysis of the financial activities of the San Joaquin County Employees' Retirement Association (SJCERA or the Plan) for the year ended December 31, 2024. This MD&A presents SJCERA's overall financial position and the results of its operations, in conjunction with SJCERA's basic financial statements and notes.

Financial Highlights

- SJCERA's fiduciary net position increased by \$443.5 million, or 10.5 percent, to \$4.7 billion as of December 31, 2024.
- SJCERA's funding objective is to meet long-term benefit obligations through contributions and investment income. As of December 31, 2023, the date of the last actuarial valuation, the funded ratio for the actuarial liability was approximately 74.0 percent. In general, this indicates that for every dollar of benefits liability, SJCERA has about 74 cents. The portion of the pension liability attributable to inactive members (retired or deferred) is fully funded by plan assets. (Note 8c provides a more detailed explanation of recent changes in the funded ratio.)
- Revenues for the year were \$758.0 million, an increase of \$62.7 million from the prior year. The increase was caused by the increase in net investment gains/(losses) compared to the prior year. It was also due to an increase in employer and member contributions due to increase in salaries.
- Expenses for the year were \$314.5 million, an increase of \$17.1 million, or 5.8 percent, from the prior year's \$297.4 million. This increase was primarily due to the \$15.7 million increase in pension benefit payments to retirees.

Overview of the Basic Financial Statements

The SJCERA 2024 basic financial statements, notes to the basic financial statements, required supplementary information, other supplementary information, and other information were prepared in accordance with the accounting principles and reporting standards prescribed by the Governmental Accounting Standards Board (GASB). The following discussion and analysis are intended to serve as an introduction and overview of SJCERA's financial reporting components.

The **Statement of Fiduciary Net Position** is the financial statement that presents the major categories of assets and liabilities and their related values. It represents the resources available for future benefit payments to retirees and beneficiaries and the current liabilities owed as of December 31, 2024, with comparative totals as of December 31, 2023.

The **Statement of Changes in Fiduciary Net Position** is the financial statement that provides an income statement presentation of annual additions to and deductions from the Plan for the year ended December 31, 2024, with comparative totals as of December 31, 2023.

The **Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the audited financial statements.

The **Required Supplementary Information** provides the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contributions from the Employers and Other Contributing Sources, Schedule of Investment Returns, and Note to Required Supplementary Information.

The **Other Supplementary Information** includes a Schedule of Administrative Expenses, Schedule of Investment Expenses, and Schedule of Payments to Consultants.

The **Other Information** includes two schedules pertaining to GASB Statement No. 68: the Schedule of Cost Sharing Employer Allocations and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan.

Defined Benefit Pension Plan Financial Analysis

As of December 31, 2024, SJCERA's Fiduciary Net Position was \$4.7 billion, an increase of \$443.5 million. Employer and member contributions of \$382.1 million and net investment income and miscellaneous income of \$375.9 million were offset by benefits payments and administrative expenses of \$314.5 million. Over time, increases and decreases in fiduciary net position are one of the indicators of whether SJCERA's financial situation is improving or deteriorating. Additional factors, such as market conditions, also need to be considered in assessing SJCERA's overall financial situation.

The table below compares SJCERA's fiduciary net position as of December 31, 2024 and 2023.

SJCERA Fiduciary Net Position				
	2024	2023	Increase (Decrease) Amount	Percent Change
Cash and Receivables	\$ 292,153,400	\$ 223,216,592	\$ 68,936,808	30.88%
Investments	4,463,020,831	4,064,748,850	398,271,981	9.80%
Other Assets	5,114,390	4,660,336	454,054	9.74%
Total Assets	4,760,288,621	4,292,625,778	467,662,843	10.89%
Total Liabilities	101,072,463	76,927,614	24,144,849	31.39%
Total Fiduciary Net Position				
Restricted for Pension Benefits	\$ 4,659,216,158	\$ 4,215,698,164	\$ 443,517,994	10.52%

Revenues – Additions to Fiduciary Net Position

The reserves needed to finance the retiree benefits are accumulated through the collection of employer and member contributions, and earnings on investments. The additions for the year ended December 31, 2024, totaled \$758.0 million. Net investment gains and miscellaneous income totaled \$375.9 million. The overall year 2024 revenues increased by \$62.7 million from that of the prior year, primarily due to appreciation of investments and employer and member contributions.

In 2024, the San Joaquin County (County), San Joaquin County (SJC) Mosquito and Vector Control District (MVCD), and SJC Superior Court paid additional contributions to decrease their proportionate share of the unfunded actuarial liability (UAL). Employer contributions increased by \$30.5 million, or 10.4 percent, over the prior year, and member contributions increased by \$3.9 million, or 7.2 percent, over the prior year. The County and the majority of its members equally share the normal cost of pre-funding post-retirement cost-of-living adjustments. Some members also pay 114% or 133% of the basic member contribution rate, which reduces the employers' Normal Cost portion of the required contribution. Employers pay all of the required UAL amortization payment.

Expenses – Deductions from Fiduciary Net Position

SJCERA's primary expenses are the payment of benefits to retirees and beneficiaries, the refund of contributions to former members, and the administrative costs. Expenses for the year 2024 totaled \$314.5 million, an increase of 5.8 percent over 2023. The increase is primarily attributed to the annual cost-of-living adjustment to retirees' benefit payments and the growth in the number and average amount of benefits paid to retirees.

The table below compares SJCERA's Changes in Fiduciary Net Position.

Changes in Fiduciary Net Position				
	2024	2023	Increase (Decrease) Amount	Percent Change
Additions				
Employer Contributions	\$ 323,248,229	\$ 292,752,311	\$ 30,495,918	10.42%
Member Contributions	58,873,823	54,934,141	3,939,682	7.17%
Net Investment Income and Miscellaneous Income	375,661,637	347,665,956	27,995,681	8.05%
Transfer from Healthcare Custodial Fund	255,666	-	255,666	100.00%
Total Additions	758,039,355	695,352,408	62,686,947	9.02%
Deductions				
Retirement Benefit Payments	301,364,059	285,617,687	15,746,372	5.51%
Death Benefits	747,067	653,960	93,107	14.24%
Refund of Contributions	5,139,038	4,266,024	873,014	20.46%
Administrative and Other Expenses	7,245,987	6,649,659	596,328	8.97%
Transfer from Healthcare Custodial Fund	25,210	219,676	(194,466)	-88.52%
Total Deductions	314,521,361	297,407,006	17,114,355	5.75%
Net Increase	443,517,994	397,945,402	45,572,592	11.45%
Fiduciary Net Position Restricted for Pension Benefits				
Beginning of Year	4,215,698,164	3,817,752,762	397,945,402	10.42%
End of Year	<u>\$ 4,659,216,158</u>	<u>\$ 4,215,698,164</u>	<u>\$ 443,517,994</u>	<u>10.52%</u>

Plan Administration SJCERA membership

The table below provides comparative SJCERA membership data for the last two years. Total membership as of December 31, 2024, was 16,975, an increase of 578 members, or 3.5 percent, compared to December 31, 2023.

SJCERA Membership As of December 31, 2024 and 2023				
Category	2024	2023	Increase (Decrease) Amount	Percent Change
Active Members	6,913	6,663	250	3.75%
Retired Members	6,931	6,799	132	1.94%
Deferred Members	3,131	2,935	196	6.68%
Total Membership	16,975	16,397	578	3.53%

Administrative Expenses

The County Employees Retirement Law of 1937 (CERL) Section 31580.2 limits the Administrative Expense to twenty-one hundredths of one percent (0.21 percent) of the accrued actuarial liability (AAL) of the system.

The table below provides comparison of the actual administrative expenses for the calendar years ended 2024 and 2023. The AAL was used to calculate the statutory budget amount. SJCERA's administrative expenses were well below the limit imposed by CERL for both years.

Compliance with Statutory Limitation Administrative Expenses As of December 31, 2024 and 2023 (Dollars in Thousands)		
	2024	2023
Basis for Budget Calculation (Accrued Actuarial Liability):		
Actual Administrative Expenses	\$ 5,673	\$ 5,291
Accrued Actuarial Liability as Basis for Budget Calculation*	5,674,663	5,323,789
Administrative Expenses as a Percentage of:		
The Basis for Budget Calculation	0.10%	0.10%
Limit per CERL	0.21%	0.21%

* Based on valuations dated December 31, 2022 and December 31, 2021, respectively

Actuarial Valuations

SJCERA engages an independent actuarial firm, Cheiron, Inc., to perform an annual actuarial valuation to monitor its funding and funding integrity. The valuation assesses the magnitude of SJCERA's benefit commitments, in comparison with the assets expected to be available to support those commitments. The most recent annual actuarial valuation as of December 31, 2023, contains a detailed discussion of the funding requirements. This valuation is used for funding purposes and establishing employer and member contributions rates. As of December 31, 2023, the pension plan's accrued actuarial liabilities were \$5.9 billion and the market value of assets net of Special Reserves (market value of assets basis) was \$4.2 billion, resulting in UAL of \$1.7 billion. The funded status (ratio) of market value of assets basis over accrued actuarial liabilities was 70.5 percent which increased from 66.6 percent. It also increased to 74.0 percent from 72.0 percent on an actuarial value of assets.

For the year ended December 31, 2024, a GASB Statement No. 67/68 report was prepared by Cheiron, Inc., to provide accounting and financial disclosure information. In order to accommodate the annual reporting requirements of our plan sponsors in a timely manner, the valuation was prepared using the December 31, 2023 valuation as the basis for calculating the total pension liability (TPL) and projected to December 31, 2024. Based on this actuarial valuation, the TPL was \$6.2 billion compared to a fiduciary net position of \$4.7 billion, resulting in the employers' net pension liability (NPL) of \$1.5 billion and a fiduciary net position as a percentage of TPL of 75.6 percent. The NPL as a percentage of covered payroll was 258.82 percent. Please see the Note 8 for more details.

Reporting SJCERA's Fiduciary Responsibilities

SJCERA's Board of Retirement and staff are fiduciaries for the pension plan. Accordingly, SJCERA is responsible for ensuring that the assets reported in the statements are used for the intended purpose of paying retirement benefits to the eligible members and beneficiaries.

Contacting SJCERA's Management

This financial report is designed to provide the Board of Retirement, the membership, taxpayers, and investment managers with a general overview of SJCERA's finances and to show SJCERA's accountability for the money it receives. Any questions about this report, or need for additional financial information, can be addressed to SJCERA, 220 E. Channel Street, Stockton, California 95202.

Respectfully Submitted,



Brian P. McKelvey
Assistant Chief Executive Officer
May 30, 2025

BASIC FINANCIAL STATEMENTS

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2024 (WITH COMPARATIVE TOTALS)

	2024		2023	
	Defined Benefit Pension Plan	Post- Employment Healthcare Custodial Fund	Defined Benefit Pension Plan	Post- Employment Healthcare Custodial Fund
<u>Assets</u>				
Cash and Short-Term Investments				
Cash and Cash Equivalents	\$ 157,429,655	\$ 229,569	\$ 129,780,743	\$ 232,688
Cash Collateral - Futures Margin	16,000,000	-	-	-
Cash Collateral - Securities Lending	72,278,331	-	65,283,825	-
Total Cash and Short-Term Investments	245,707,986	229,569	195,064,568	232,688
Receivables				
Investment Income Receivables	7,699,376	-	9,183,732	-
Contributions Receivable	18,318,330	-	15,315,128	-
Securities Sold, Not Received	20,395,360	-	3,587,306	-
Miscellaneous Receivables	32,348	-	65,858	-
Total Receivables	46,445,414	-	28,152,024	-
Investments, at Fair Value				
Aggressive Growth	528,270,353	-	422,255,956	-
Traditional Growth	1,838,129,987	-	1,620,830,779	-
Risk Parity	225,359,431	-	381,698,273	-
Credit	694,795,403	-	676,177,727	-
Crisis Risk Offset (CRO)	472,276,466	-	455,595,676	-
Principal Protection	424,807,281	-	300,556,811	-
Core Real Assets	279,381,910	-	207,633,628	-
Total Investments, at Fair Value	4,463,020,831	-	4,064,748,850	-
Other Assets				
Prepaid Expenses	146,523	-	126,739	-
Equipment and Fixtures, Net	4,967,867	-	4,533,597	-
Total Other Assets	5,114,390	-	4,660,336	-
Total Assets	4,760,288,621	229,569	4,292,625,778	232,688
<u>Liabilities</u>				
Securities Lending - Cash Collateral	27,386,459	-	9,035,345	-
Securities Purchased, Not Paid	72,278,331	-	65,283,825	-
Accrued Expenses and Other Payables	1,099,858	-	2,237,795	-
Securities Lending Interest and Other Payables	307,815	-	370,649	-
Total Liabilities	101,072,463	-	76,927,614	-
Fiduciary Net Position Restricted for Pension and Post-Employment Healthcare Benefits	\$ 4,659,216,158	\$ 229,569	\$ 4,215,698,164	\$ 232,688

The accompanying notes are an integral part of these financial statements.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024 (WITH COMPARATIVE TOTALS)**

	2024		2023	
	Defined Benefit Pension Plan	Post- Employment Healthcare Custodial Fund	Defined Benefit Pension Plan	Post- Employment Healthcare Custodial Fund
Additions				
Contributions				
Employer Contributions	\$ 323,248,229	\$ -	\$ 292,752,311	\$ -
Member Contributions	58,873,823	-	54,934,141	-
Employer Contributions to Healthcare Benefits	-	3,177,887	-	3,085,425
Total Contributions	382,122,052	3,177,887	347,686,452	3,085,425
Net Investment Income				
Net Appreciation in Fair Value of Investments	332,090,971	-	308,982,238	-
Interest	34,538,311	-	31,072,262	-
Dividends	23,401,133	-	21,015,892	-
Real Estate Income, Net	9,287,037	-	7,479,828	-
Investment Expenses	(26,029,411)	-	(21,312,493)	-
Net Investment Income, Before Securities Lending Income	373,288,041	-	347,237,727	-
Securities Lending Income				
Earnings	3,911,381	-	4,812,034	-
Rebates	(3,486,248)	-	(4,351,491)	-
Fees	(106,224)	-	(115,074)	-
Net Securities Lending Income	318,909	-	345,469	-
Total Net Investment Income	373,606,950	-	347,583,196	-
Miscellaneous Income	2,054,687	-	82,760	-
Transfer Between Plans	255,666	25,210	-	219,676
Total Additions	758,039,355	3,203,097	695,352,408	3,305,101
Deductions				
Benefit Payments	301,364,059	2,950,550	285,617,687	3,124,862
Death Benefits	747,067	-	653,960	-
Refunds of Member Contributions	5,139,038	-	4,266,024	-
Administrative Expenses				
General Administrative Expenses	5,673,061	-	5,290,801	-
Other Expenses				
Information Technology Expenses	1,195,928	-	732,915	-
Actuary Fees	150,719	-	188,416	-
Fund Legal Fees	226,279	-	437,527	-
Total Administrative and Other Expenses	7,245,987	-	6,649,659	-
Transfer Between Plans	25,210	255,666	219,676	-
Total Deductions	314,521,361	3,206,216	297,407,006	3,124,862
Changes in Fiduciary Net Position	443,517,994	(3,119)	397,945,402	180,239
Fiduciary Net Position Restricted for Pension and Post-Employment Healthcare Benefits				
Beginning of Year	4,215,698,164	232,688	3,817,752,762	52,449
End of Year	\$ 4,659,216,158	\$ 229,569	\$ 4,215,698,164	\$ 232,688

The accompanying notes are an integral part of these financial statements.

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

The San Joaquin County Employees' Retirement Association (SJCERA) is the public employee retirement system established by the County of San Joaquin (County) to operate as a pension trust fund of the County. SJCERA is administered by the Board of Retirement of SJCERA (Board) to provide retirement, disability, and survivor benefits under the County Employees Retirement Law of 1937 (CERL) for the employees of the County and nine other participating employers within the County. SJCERA is a component unit of the County of San Joaquin. SJCERA also administers the Post-Employment Healthcare Custodial Fund. Although the assets of the plans (defined benefit pension and post-employment healthcare) are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to eligible members and beneficiaries of that plan, in accordance with the terms of the plan. A description of the Post-Employment Healthcare Custodial Fund is located in Note 2. All notes to the basic financial statements apply to both plans unless indicated otherwise.

NOTE 1 – DEFINED BENEFIT PENSION PLAN DESCRIPTION

a. General Description

SJCERA is a public retirement system established by the San Joaquin County Board of Supervisors effective June 28, 1946, under the provisions of the CERL and the Public Employees' Pension Reform Act of 2013 (PEPRA). SJCERA is administered by the Board. Pursuant to Government Code Sections 31520.1 and 31520.5, the Board consists of nine regular members, one alternate retired member, and under certain circumstances an alternate Safety member. Four members and the alternate member(s) are elected by SJCERA's members, four are appointed by the County Board of Supervisors, and the County Treasurer is an ex-officio member. Board members serve for a term of three years, except for the County Treasurer who is a permanent member. The Board members as of December 31, 2024, were as follows:

Michael Restuccia, Chair	Sam Kaisch
Michael Duffy, Vice Chair	Phonxay Keokham
Raymond McCray, Secretary	Steve Moore, Alternate
Chanda Bassett	Emily Nicholas
Steven Ding	J.C. Weydert

SJCERA operates as a cost-sharing, multiple-employer defined benefit pension plan. SJCERA is a multiple-employer retirement system covering the County and the San Joaquin County (SJC) Historical Society and Museum, Local Agency Formation Commission (LAFCO), Lathrop-Manteca Rural Fire Protection District, San Joaquin County Law Library, SJC Mosquito and Vector Control District (MVCD), Mountain House Community Services District, SJC Superior Court, Tracy Public Cemetery District, and the Waterloo-Morada Rural Fire Protection District. SJCERA operates as a cost-sharing, multiple employer defined benefit pension plan. All employees appointed to full-time, permanent positions with an SJCERA participating employer become SJCERA members. Persons who commence covered employment at age 60 or older may irrevocably elect to waive membership in SJCERA. Public Health, a division of the County's Healthcare Services Department, became a participant of SJCERA effective June 27, 1993. Prior to that date, they were members of the California Public Employees' Retirement System (CalPERS). The elected officials of the County may request to become members of SJCERA. All benefits vest after attaining five years of service credit.

Due to the implementation of the Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, the County of San Joaquin (County) determined that SJCERA met the requirements of GASB Statement No. 84 and is a fiduciary component unit of the County. As such, it is included as a component unit in the County's financial statements as presented in its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024.

NOTE 1 – DEFINED BENEFIT PENSION PLAN DESCRIPTION (Continued)

a. General Description (Continued)

SJCERA has two benefit tiers:

- Tier 1 - Hired into public service before January 1, 2013
- Tier 2 - Hired into public service for the first time on or after January 1, 2013

There are two membership types:

- **Safety Member** – Permanent employees engaged in the performance of active law enforcement, including probation officers and fire suppression employees, are considered Safety Members and are not generally covered by Social Security.
- **General Member** – All other eligible employees not classified as Safety Members are considered General Members and are covered by Social Security.

Membership Summary

SJCERA's membership as of December 31, 2024, is presented below.

<u>Year 2024</u>	Retirees		Beneficiaries		Active		Deferred		Total	
	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2
General	4,792	145	762	3	1,708	4,371	1,151	1,730	8,413	6,249
Safety	986	15	228	-	349	485	150	100	1,713	600
Total	<u>5,778</u>	<u>160</u>	<u>990</u>	<u>3</u>	<u>2,057</u>	<u>4,856</u>	<u>1,301</u>	<u>1,830</u>	<u>10,126</u>	<u>6,849</u>

b. Plan Benefits

Eligibility for Retirement

Tier 1:

A Tier 1 member may retire for service at age 50 or older with five years of service credit, and at least ten years of membership. A General, Tier 1 member may retire at any age with 30 or more years of service credit. A Safety, Tier 1 member may retire at any age with 20 or more years of service credit.

Tier 2:

A Tier 2 member may retire for service with five or more years of service credit upon attaining the minimum retirement age: Age 52 for General, Tier 2 members, and Age 50 for Safety, Tier 2 members.

Any member of SJCERA, regardless of benefit tier, may retire at age 70 with no minimum service credit requirement.

Retirement Benefit

The monthly benefit amount at retirement depends upon the type of membership, years of retirement service credit, final average compensation, age at retirement, and the benefit option elected by the member.

Tier 1:

For Tier 1 members, final average compensation for purposes of computing a retirement allowance is the average monthly salary for the highest twelve consecutive months of employment. In addition to base salary, final average compensation may include other items defined as compensation earnable for retirement purposes.

NOTE 1 – DEFINED BENEFIT PENSION PLAN DESCRIPTION (Continued)

b. Plan Benefits (Continued)

Retirement Benefit (Continued)

The benefit formula for General, Tier 1 members is 2.6 percent of final average compensation for each year of service credit at age 62. The formula for Safety, Tier 1 members is 3.0 percent of final average compensation for each year of service credit at age 50 effective January 1, 2001. Members who retired prior to April 1, 1982, with 15 years or more of County service, receive an additional \$50 monthly supplement commencing at age 65. Members who retired on or after April 1, 1982, but before January 1, 2001, receive a supplemental monthly benefit of \$10 per year of service up to 30 years. This “Post 1982” supplemental benefit is payable if sufficient funds exist.

Federal law limits the annual compensation that may be used to calculate retirement benefits (applicable to persons who became SJCERA members on or after January 1, 1996), and the maximum annual benefit payable by SJCERA to any retired member. For 2024, the annual compensation limit under Internal Revenue Code Section 401(a)(17) is \$345,000 and the annual benefit limit under Internal Revenue Code Section 415(b) is \$275,000. Retired members whose statutory benefits from SJCERA would exceed the annual benefit limitation are eligible for the County’s Replacement Benefit Plan.

Tier 2:

For Tier 2 members, final average compensation for purposes of computing a retirement allowance is the average monthly salary for the highest 36 consecutive months of employment. In addition to base salary, final average compensation may include other items defined as pensionable compensation.

The benefit formula for General, Tier 2 members is 2.5 percent of final compensation for each year of service credit at age 67. The formula for Safety, Tier 2 members is 2.7 percent of final compensation for each year of service credit at age 57. PEPRA specifies the maximum annual compensation that may be used to calculate retirement benefits. The limits are adjusted annually based on changes in the Consumer Price Index (CPI). For 2024, the Tier 2 annual compensation limit is \$151,446 for those included in the Federal Social Security System and \$181,734 for those not included.

Cost-of-Living Adjustment (COLA)

For both Tier 1 and Tier 2 members, monthly allowances are eligible for an annual COLA based on the change in the CPI for the San Francisco-Oakland-Hayward area for the previous calendar year, up to a maximum of 3.0 percent. The Bureau of Labor Statistics does not publish a CPI for San Joaquin County. When the CPI exceeds 3.0 percent in any year, the difference between the actual change in CPI (rounded to the nearest one-half percent) and the 3.0 percent ceiling is “accumulated” for future years when the change is less than 3.0 percent. Based on the accumulated carry-over balances as of April 1, 2023, members received a 3.0% increase on April 1, 2024. Their accumulated carry-over balances were increased by 0.5%.

Terminated Members’ Deferred Retirement Benefit and Withdrawal of Contributions

A member leaving employment with at least five years of service credit becomes eligible for a retirement benefit once they meet the minimum service retirement age and have not withdrawn their accumulated member contributions.

Members who terminate employment with fewer than five years of service credit may leave their accumulated contributions on deposit until they become eligible for a retirement benefit at age 70. Contributions left on deposit with SJCERA continue to accrue interest.

NOTE 1 – DEFINED BENEFIT PENSION PLAN DESCRIPTION (Continued)

b. Plan Benefits (Continued)

Terminated Members' Deferred Retirement Benefit and Withdrawal of Contributions (Continued)

Upon termination of employment, members may withdraw their member contributions plus interest. Employer-paid contributions are not refundable. Members who take a refund of contributions become ineligible for future SJCERA retirement benefits.

Death Benefits

The beneficiary of an actively employed member who dies prior to attaining five years of credited service is refunded the member's accumulated contributions, with interest, and receives one month's salary for each full year of service, up to a maximum of six months' salary.

If the death occurs after five years of credited service and is not the result of a service-related injury or disease, the surviving spouse or minor children may elect to receive a lump sum benefit of the retirement contributions including interest and one month's salary for each full year of service up to six months' salary; 60 percent of the retirement allowance the deceased member would have received if they had retired with a nonservice-connected disability retirement benefit on the date of death; or a lump sum payment of six months' salary and a reduced monthly retirement benefit. The monthly allowance to minor children is discontinued once they marry or reach age 18 (age 22 if a full-time student).

The beneficiary of a deferred member receives the member's contributions plus accumulated interest.

Upon the death of a retiree, the beneficiary receives a retirement benefit as determined by the benefit option elected by the member at the time of retirement. In addition, the beneficiary also receives a \$5,000 death benefit, which is paid from retirement reserves.

NOTE 2 – POST-EMPLOYMENT HEALTHCARE CUSTODIAL FUND

The Post-Employment Healthcare Custodial Fund accounts for assets held as an agent on behalf of others. The funds held within the Post-Employment Healthcare Custodial Fund do not meet the definition of a qualifying Other Post-Employment Benefits (OPEB) Trust under Governmental Accounting Standards Board (GASB) Statement No. 74. This fund is custodial in nature and is accounted for on the flow of economic resources measurement focus and accrual basis of accounting. GASB Statement No. 84, *Fiduciary Activities*, was implemented in 2019. The Post-Employment Healthcare Fund is classified as a Custodial Fund.

The Post-Employment Healthcare Custodial Fund is used as a clearing account for cash flows from employers to fund Sick Leave Bank Benefits for their eligible retired members on a pay-as-you-go basis, and for cash flows out for payment of Sick Leave Bank Benefits. The Sick Leave Bank Benefit allows accumulated unused and un-cashed sick leave to be converted to a Sick Leave Bank upon retirement at a rate of \$27.65 per hour. Retired or deferred members who were employed prior to August 27, 2001, are eligible for Sick Leave Bank Benefits. In 2007, the San Joaquin County Superior Court (Court) extended eligibility for Sick Leave Bank Benefits to Court employees hired on or after August 27, 2001. Employers fund the Sick Leave Bank Benefits and employees are not required to contribute to the plan.

Sick Leave Bank Benefits may be used to pay for employer-sponsored group health, dental, and vision care insurance premiums and/or reimbursement of Medicare Part B premiums for the eligible members, their spouses, and dependents. When a retiree's Sick Leave Bank is depleted, the retiree assumes responsibility for payment of health, dental, and vision care insurance premiums.

SJCERA allocates the investments held at December 31, 2024, between the Defined Benefit Pension Plan and the Post-Employment Healthcare Custodial Fund based on the internal records of the respective accounts at December 31, 2024.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – PENSION PLAN

a. Basis of Accounting

SJCERA's financial statements are presented on the accrual basis of accounting. Employer and member contributions that should have been made in the calendar year based on the actuarially determined contribution rates or amounts are recognized as revenues of that calendar year. Contributions receivable pursuant to an installment contract are also recognized in full in the year in which the contract is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

b. Reporting Entity

SJCERA, governed by the Board, is an independent government entity. SJCERA's annual financial statements are included in the County's financial reports as a pension trust fund. SJCERA is a component unit of the County.

c. Cash Equivalents

SJCERA's cash and short-term investments are managed by Northern Trust (NT) and the County Treasurer.

Northern Trust (NT)

Cash not required for daily operations is deposited with NT, SJCERA's master custodian for investment securities. NT pools cash from its clients pending permanent investment in its Short-Term Investment Fund (STIF). The cash in the STIF account is invested in high-grade money market instruments with very short maturities, such as bonds, notes, and other evidence of indebtedness, in accordance with SJCERA's investment policy.

The cash collateral received under the securities lending program is invested by NT through its securities lending collateral fund, which is created solely for the investment of cash collateral.

County Treasurer

Cash necessary for SJCERA's daily operations is pooled with other County funds for short-term investment by the County Treasurer. The County is responsible for the control and safekeeping of all instruments of title and for all investment of the pooled funds.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – PENSION PLAN (Continued)d. Method Used to Value Investments

Investments are carried at fair value. Fair values for investments are derived by various methods as indicated in the following table.

Investments	Source
Publicly traded stocks and bonds, and issues of the U.S. Government and its agencies	Most recent sales price as of the fiscal year-end. International securities reflect currency exchange rates in effect at December 31, 2024.
Mortgages	Equivalent pricing to comparable Government National Mortgage Association (GNMA).
Real estate equity funds	Fair value as provided by real estate fund manager.
Real estate title holding corporations and limited liability companies	Fair value of the investment as provided by fund managers unless an alternative value has been determined by the Board per SJCERA's Real Estate Investment Policy and reviewed by SJCERA's Investment Consultant.
Private equity	Fair value as provided by the investment manager and reviewed by SJCERA's Investment Consultant.
Private placement bonds	Face value of the security subject to designated conditions such as sales restrictions or limited marketability.

e. Capital Assets

Capital assets, mainly leasehold improvements, furniture, and equipment, acquired by SJCERA are capitalized at cost. Depreciable capital assets are depreciated using the straight-line method over estimated useful lives of three to seven years for computer equipment, furniture, and other equipment. Leasehold improvements are amortized over the life of the lease. Depreciation/amortization expenses of the capital assets are included in general administrative expenses.

The change in capital assets owned for the year ended December 31, 2024, is presented below:

	Balance December 31, 2023	Additions	Deletions/ Adjustments	Balance December 31, 2024
Original Cost	\$ 6,684,169	\$ 1,519,760	\$ -	\$ 8,203,929
Accumulated Depreciation and Amortization	(2,150,572)	(1,085,490)	-	(3,236,062)
Net Book Value	<u>\$ 4,533,597</u>	<u>\$ 434,270</u>	<u>\$ -</u>	<u>\$ 4,967,867</u>

Depreciation and amortization expense for the year ended December 31, 2024, was \$1,085,490.

f. Receivables

Receivables consist primarily of interest, dividends, investments in transition (traded but not yet settled), and contributions owed by participating employers. Contributions receivable pursuant to an installment contract between the member and SJCERA for purchase of service credit are recognized in full in the year in which the contract is made.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – PENSION PLAN (Continued)g. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 4 – CASH AND INVESTMENTSa. Investment in Securities Lending Program

SJCERA participates in NT's pooled securities lending program. Under the agreement, NT is authorized to lend the SJCERA securities it holds to certain SJCERA-approved borrowers. NT does not have the ability to pledge or sell collateral securities unless a borrower default occurs.

All loans are fully collateralized with either cash, securities issued or fully guaranteed by the U.S. government, or irrevocable bank letters of credit. All collateral is held or invested by NT. The term or maturity of the securities loaned is generally matched with the term or maturity of the investment of the cash collateral. U.S. securities are loaned with collateral valued at 102 percent of the fair value of the securities plus any accrued interest. Non-U.S. securities are loaned with collateral valued at 105 percent of the fair value of the securities plus any accrued interest.

As of December 31, 2024, SJCERA had the following securities out on loan.

	<u>Fair Value of Securities Lent</u>	<u>Cash Collateral Value</u>	<u>Non-Cash Collateral Value</u>
U.S. Equities	\$ 4,204,380	\$ 3,961,756	\$ 346,323
U.S. Debt Securities	<u>132,452,520</u>	<u>67,852,353</u>	<u>67,646,831</u>
Total U.S. Securities	<u>136,656,900</u>	<u>71,814,109</u>	<u>67,993,154</u>
Non-U.S. Equities	8,726	-	9,478
Non-U.S. Debt Securities	<u>55,937,101</u>	<u>464,222</u>	<u>59,274,095</u>
Total Non-U.S. Securities	<u>55,945,827</u>	<u>464,222</u>	<u>59,283,573</u>
Total	<u>\$ 192,602,727</u>	<u>\$ 72,278,331</u>	<u>\$ 127,276,727</u>

The cash collateral is reported on the financial statements as an asset and as a liability of SJCERA. Securities lending transactions collateralized by letters of credit or by securities that SJCERA does not have the ability to pledge or sell unless the borrower defaults are not reported as assets and liabilities in accordance with GASB Statement No. 28. The potential risks involved in the securities lending program include borrower bankruptcy, collateral deficiencies, settlement problems, corporate actions, dividends, and interest. SJCERA's pro-rata share of net income derived from NT's pooled securities lending transactions in 2024 was \$318,909. As of December 31, 2024, there was no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The securities on loan at year-end were \$192.6 million and the collateral received for those securities on loan was \$199.6 million.

NOTE 4 – CASH AND INVESTMENTS (Continued)b. Cash and Short-Term Investments

The carrying value of cash and short-term investments as of December 31, 2024, consists of the following.

	<u>Amount</u>
Cash and Cash Equivalents - Custodian	\$ 157,373,407
Cash and Cash Equivalents - County Treasury	56,248
Cash and Cash Equivalents - Post-Employment Healthcare Custodian Fund	<u>229,569</u>
Total Cash and Cash Equivalents	157,659,224
Cash Collateral - Futures Margin - Mount Lucas	16,000,000
Cash Collateral - Securities Lending - Custodian	<u>72,278,331</u>
Total Cash and Short-Term Investments	<u><u>\$ 245,937,555</u></u>

Cash Collateral – Futures Margin

A futures contract represents a commitment for the future purchase or sale of an asset or index at a specified price on a specified date. The purchase and sale of futures requires margin deposits equal to certain percentage of the contract amount. Subsequent payments (variation margin) are made or received by the Fund, depending on the fluctuations in the value of the contract. For the year ended, the fund had \$16 million in cash collateral for variation margin.

c. Long-Term Investments

SJCERA owned the following long-term investments as of December 31, 2024.

	<u>Fair Value</u>
<u>Investments-Categorized</u>	
Aggressive Growth	\$ 528,270,353
Traditional Growth	1,838,129,987
Risk Parity	225,359,431
Credit	694,795,403
Crisis Risk Offset (CRO)	472,276,466
Principal Protection	424,807,281
Core Real Assets	<u>279,381,910</u>
Total Investments-Categorized	<u>4,463,020,831</u>
<u>Investments-Not Categorized</u>	
Investments Held by Broker-Dealers Under Securities Loans	
U.S. Equities	3,961,756
U.S. Debt Securities	67,852,353
Non-U.S. Debt Securities	<u>464,222</u>
Total Investments Held by Broker-Dealers Under Securities Loans	<u>72,278,331</u>
Total Investments	<u><u>\$ 4,535,299,162</u></u>

NOTE 4 – CASH AND INVESTMENTS (Continued)

c. Long-Term Investments (Continued)

GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, established and modified disclosure requirements related to the following:

- Credit risk
- Custodial credit risk
- Concentration of credit risk
- Interest rate risk
- Foreign currency risk

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. SJCERA's investment policy seeks to maintain a diversified portfolio of fixed income instruments in order to obtain the highest total return for the fund at an acceptable level of risk within the asset class. To control such risk, credit quality guidelines have been established for the separately managed accounts. The following table depicts the value of the investments exposed to those risks and the corresponding credit ratings from Standard & Poor's (S&P) as of December 31, 2024.

Quality Ratings	Fair Value
AAA	\$ 6,179,089
AA	13,973,130
A	24,183,764
BBB	127,131,536
BBB	24,082,534
B	7,226,243
CCC	4,294,808
C	24,282
Not Rated	562,208,883
Subtotal	769,304,269
U.S. Government Agencies - Implied AAA (FNMA, FHLB, FHLMC, FFCB, SLMA, Other)	350,298,415
Total Investments in Fixed Income Securities	\$ 1,119,602,684

Custodial Credit Risk – The custodial credit risk represents the risk that, in the event of the failure of the counterparty of a transaction, SJCERA will not be able to recover the value of deposits and investments or collateral securities that are in the possession of an outside party.

Deposits

The deposits with the County Treasurer are uninsured but secured by public funds of the pledging banks. The pool's investments, all held in the County's name, are short-term and include U.S. Treasury Bills, certain Federal agencies' instruments, bankers' acceptances, "prime" commercial paper, certificates of deposit, repurchase agreements, and the State Treasurer's Local Agency Investment Fund.

The cash deposits with NT are uninsured and uncollateralized. All underlying investments in the commingled STIF account are not registered in SJCERA's name.

NOTE 4 – CASH AND INVESTMENTS (Continued)c. Long-Term Investments (Continued)

Investment

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in SJCERA's name, and held by the counterparty. SJCERA's investment securities are not exposed to custodial credit risk because all securities are held by SJCERA's custodial bank in SJCERA's name, or by other qualified third party administrator trust accounts.

Concentration of Credit Risk – This risk represents the potential loss attributable to the magnitude of SJCERA's investments in a single issuer. As of December 31, 2024, for separately managed investment accounts, SJCERA did not hold any investments within any one issuer that would represent five percent (5%) or more of plan fiduciary net position.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of the price sensitivity of a fixed income portfolio to changes in interest rates. It is calculated as the weighted average time to receive a bond's coupon and principal payments. The longer the duration of a portfolio, the greater its price sensitivity to changes in interest rates.

As of December 31, 2024, SJCERA had the following interest rate sensitive investments.

Investment Type	Fair Value	Weighted Average Maturity-Years
U.S. Government and Agency Instruments:		
U.S. Government Mortgages	\$ 116,177,274	26.81
U.S. Government Bonds	165,965,927	19.02
Index-Linked Government Bonds	1,066,016	28.15
Municipal/Provincial Bonds	2,615,317	11.48
Government Agencies	8,116,444	14.41
Short-Term Bills and Notes	93,707,450	0.08
Total U.S. Government and Agency Instruments	387,648,428	
Corporate Securities:		
Asset Backed Securities	38,051,488	20.10
Commercial Mortgage-Backed Securities	9,790,535	12.58
Corporate Bonds	160,834,682	10.64
Corporate Convertible Bonds	1,693,835	30.14
Non-Government Backed CMOs	1,177,099	25.42
Total Corporate Securities	211,547,639	
Real Estate Financing	520,406,617	
Total Fixed Income Securities	\$ 1,119,602,684	

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates may adversely affect the fair value of an investment. SJCERA's external non-U.S. equity and fixed income investment managers may invest in international securities in accordance with their investment guidelines pertaining to these types of investments.

Currency hedging on an unleveraged basis is permitted by non-U.S. equity managers as a strategy to protect against losses due to currency translations (defensive hedging). However, it is expected that the primary sources of added value for non-U.S. equity investment managers will be stock and country selection, with currency management focused on limiting losses due to fluctuations in currency values. Managers may purchase or sell currency on a spot basis to accommodate securities settlements.

NOTE 4 – CASH AND INVESTMENTS (Continued)

c. Long-Term Investments (Continued)

Managers may invest in developed market currencies and emerging market currencies in accordance with their investment guidelines. Permitted derivative instruments are currency spots, currency forward contracts (deliverable or non-deliverable), currency futures, options on currency forwards or futures, and currency swaps. Other investments, contracts, or positions that, in the managers' judgment, are of similar purpose and character and equal credit quality and marketability to any of the investments above, are also permissible.

SJCERA's exposure to foreign currency risk in U.S. dollars as of December 31, 2024, follows.

<u>Currency</u>	<u>Fair Value</u>
Australian Dollar	\$ 1
British Pound Sterling	3
Canadian Dollar	4
Euro Currency	<u>88,785</u>
Total	<u>\$ 88,793</u>

d. Fair Value Measurement

In accordance with GASB Statement No. 72, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The statement establishes a fair value hierarchy based on three types of input to develop the fair value measurements for investments. The level is determined based on the lowest level of input significant to the measurement in its entirety. Assets and liabilities measured at fair value are classified into one of the following categories:

Fair Value Hierarchy

Level 1 – reflects unadjusted quoted prices in active markets for identical assets or liabilities accessible on the measurement date. Observable markets include exchange markets, dealer markets, and brokered markets.

Level 2 – reflects similar observable inputs other than quoted market prices. It includes quoted prices for similar assets in active markets or quoted prices for identical or similar assets in inactive markets.

Level 3 – reflects prices based on unobservable sources. They should be used only when relevant Level 1 and Level 2 inputs are unavailable.

NOTE 4 – CASH AND INVESTMENTS (Continued)

d. Fair Value Measurement (Continued)

The following table presents fair value measurements as December 31, 2024.

Investments by Fair Value Level	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities				
Common Stocks	\$ 32,388	\$ -	\$ 32,388	\$ -
Preferred Stocks	758,241	758,241	-	-
Total Equities	790,629	758,241	32,388	-
Fixed Income				
Asset Backed Securities	38,051,487	-	38,051,487	-
Commercial Mortgage-Backed Securities	9,790,535	-	9,790,535	-
Corporate Bonds	160,834,682	-	160,709,669	125,013
Corporate Convertible Bonds	1,693,835	-	1,693,835	-
Funds - Corporate Bonds	61,101,080	-	61,101,080	-
Funds - Fixed Income ETF	4,213,106	4,213,106	-	-
Government Agencies	8,116,444	-	8,116,444	-
Government Bonds	165,965,927	-	165,965,927	-
Government Mortgage-Backed Securities	118,689,891	-	118,689,891	-
Index Linked Government Bonds	1,066,016	-	1,066,016	-
Municipal/Provincial Bonds	2,615,317	-	2,615,317	-
Non-Government Backed CMOs	1,177,099	-	1,177,099	-
Other Fixed income	168,904,704	-	-	168,904,704
Total Fixed Income	742,220,123	4,213,106	568,977,300	169,029,717
Other Assets				
Short-Term Bills and Notes	93,710,765	-	93,710,765	-
Private Real Estate	60,083,113	-	-	60,083,113
Private Credit	38,482,497	-	-	38,482,497
Private Equity Funds	136,724,369	-	-	136,724,369
Swaps	235,829	-	235,829	-
Total Other Assets	329,236,573	-	93,946,594	235,289,979
Collateral from Securities Lending	72,278,331	-	72,278,331	-
Total Investments by Fair Value Level	1,144,525,656	\$ 4,971,347	\$ 735,234,613	\$ 404,319,696
Investments Measured at the Net Asset Value (NAV)				
Global Equities Funds	1,760,462,351			
Emerging Markets Global Equity	77,664,320			
Fixed Income Funds	116,257,058			
Private Credit	289,352,093			
Risk Parity Funds	225,359,431			
Multi-Strategy Funds	269,880,203			
Hedge Funds - Fixed Income	9,383,896			
Private Equity Funds	353,840,098			
Private Real Estate Funds	288,574,056			
Total Investments Measured at NAV	3,390,773,506			
Total Investments	\$ 4,535,299,162			

Investments Measured at the Net Asset Value (NAV)

SJCERA measures certain investments that do not have a readily determinable fair value, such as hedge funds, commingled funds, and private equity funds, using NAV as a practical expedient. The SJCERA investments valued at NAV are the majority holdings for the SJCERA portfolio. The following table presents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for SJCERA investments measured at NAV.

NOTE 4 – CASH AND INVESTMENTS (Continued)d. Fair Value Measurement (Continued)

The following table presents the investments measured at NAV as December 31, 2024:

Investments Measured at NAV	Fair Value	Unfunded Commitment	Redemption Frequency If Currently Eligible	Redemption Notice Period
Global Equities Funds	\$ 1,760,462,351	\$ -	Daily, Weekly, Semi-Monthly, Monthly	1-30 days
Emerging Markets Global Equity	77,664,320	-	Weekly	T-4 Days
Fixed Income Funds	116,257,058	18,034,439	Daily, Not Eligible	1 day
Private Credit	289,352,093	73,800,081	Not Applicable	Not Applicable
Risk Parity Funds	225,359,431	20,000,000	Monthly	5-15 days
Multi-Strategy Hedge Funds	269,880,203	-	Daily, Weekly, Semi-Monthly, Monthly	0-15 days
Hedge Funds - Fixed Income	9,383,896	12,717,985	Daily, Quarterly, Not Eligible	0-60 days
Private Equity Funds	353,840,098	107,594,662	Not Eligible	Not Applicable
Private Real Estate Funds	288,574,056	101,607,079	Quarterly, Not Eligible	5-90 Days, Not Applicable
Total Investments Measured at NAV	\$ 3,390,773,506	\$ 333,754,246		

Global Equities Funds - Assets within these funds represent shares of ownership in U.S. and international corporations, including publicly traded common stocks, American and Global Depository Receipts, as well as Real Estate Investment Trusts (REITS).

Emerging Markets Global Equity - Assets within this segment represent a diversified portfolio seeking to identify growing countries and the companies that complement our core Equity holdings.

Fixed Income Funds - Funds within this segment represent debt instruments of corporations, government or agencies characterized by a fixed or variable interest rate and stated maturity date, including marketable bonds.

Private Credit - Assets within this segment are defined by non-bank lending where the debt is not issued or traded on the public markets.

Risk Parity Funds - Funds within this segment represent portfolios that seek to balance the risk characteristics of assets across multiple segments. These portfolios generally invest in equities, bonds, and commodities among other assets.

Multi-Strategy Hedge Funds - Funds within this segment can involve holding both long and short positions in securities instead of traditional long-only investments in publicly traded investments. Portfolios also may utilize derivatives or hedging strategies as well. Multi-Strategy managers utilized various investment segments to invest, including but not limited to, equities, bonds, currency, and commodities.

Fixed Income Hedge Funds - Funds within this segment can involve holding both long and short positions in securities instead of traditional long-only investments in publicly traded investments. Portfolios also may utilize derivatives or hedging strategies as well. These investment funds generally focus on opportunities within fixed income markets.

Private Equity Funds - These funds are illiquid allocations that invest primarily in buyout funds, venture capital, and debt/special situations. These funds are not eligible for redemption and investment periods are generally between five and 15 years.

NOTE 4 – CASH AND INVESTMENTS (Continued)

d. Fair Value Measurement (Continued)

Private Real Estate Funds - These funds are defined as those investments that are unleveraged or leveraged positions in real property. The portfolio may pursue direct privately held partnership interests, fund-of-funds interests, and direct holdings for its real estate allocation.

e. Summary of Investment Policy

The CERL vests the Board with exclusive control over SJCERA's investment portfolio. The Board established investment policies in accordance with applicable local, State, and Federal laws. The Board members exercise authority and control over the management of SJCERA's assets by setting policy, which the staff executes either internally or through the use of external prudent experts. The Board provides oversight and guidance subject to the following basic fiduciary responsibilities:

- Solely in the interest of, and for the exclusive purpose of, providing economic benefits to participants and their beneficiaries.
- With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character with like objectives.
- Diversify the investments of the plans so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances, it is clearly prudent not to do so. Diversification is applicable to the deployment of the assets as a whole.

f. Target Asset Allocation

The Board completed an asset-liability study during 2022, facilitated by its investment consultant, Meketa Investment Group, and its consulting actuary, Cheiron, Inc. A key aspect of the study was the Board's consensus on how it defines risk and determining its tolerance for risk, which plays a significant role in the selection of the policy mix of assets that comprise the strategic asset allocation for the investment program.

On June 3, 2022, the Board adopted a revised strategic asset allocation policy for SJCERA's investments. On July 8, 2022, the Board adopted an Implementation Plan which describes how the new strategic allocation is to be implemented. The Implementation Plan uses an "evolving policy" framework which allows the portfolio to be adjusted over time, with a target completion deadline of June 30, 2024. The plan also notes that SJCERA will move faster, depending on market conditions.

The strategic asset allocation is expected to improve the likelihood of the plan accomplishing its primary financial objective: to earn a long-term return that, coupled with projected contributions, is projected to be sufficient to attain full funding in the long-term while avoiding substantial deterioration in funded status along the way.

NOTE 4 – CASH AND INVESTMENTS (Continued)f. Target Asset Allocation (Continued)

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION CURRENT ASSET ALLOCATION POLICY			
Asset Class	Policy Allocation Percentage	Purpose	Main Risk Exposures
Aggressive Growth	16.00%	Return	Growth
Traditional Growth	34.00%	Return	Growth, Currency
Risk Parity	6.00%	Balanced Return	Growth, Interest Rates, Inflation
Credit	15.00%	Income, Growth	Growth
Core Real Assets	9.00%	Income, Growth	Growth, Interest Rates
Principal Protection	7.00%	Income, Stability	Interest Rates
Crisis Risk Offset (CRO)	13.00%	Return and Liquidity during a Growth Crisis	Interest Rates, Variables based on Trends, Alternative Factor Risks
	<u>100.00%</u>		

NOTE 5 – DERIVATIVE FINANCIAL INSTRUMENTS

The Board has authorized certain investment managers to invest in, or otherwise enter into, transactions involving derivative financial instruments when such transactions are consistent with the investment objectives established for a specific investment manager's assignment. A professional investment consultant is employed to monitor and review each investment manager's securities and derivative position as well as the manager's performance relative to established benchmark rates of return and risk measures. Derivative activities must be evaluated within the context of the overall portfolio performance and cannot be evaluated in isolation.

Investment derivatives involve the following types of risks.

Market Risk: Market risk is the risk of change in value of an instrument in response to changes in a market price or index. While all investments are subject to market risk, derivatives often have a higher degree of market risk than other types of investment instruments. Values of cash securities containing derivative features are often more susceptible to market risk than other types of fixed income securities because the amounts and/or timing of their scheduled cash flows may fluctuate under changing market conditions, according to their contractual terms. For other types of derivatives, amounts of contractual cash flows may be either positive or negative depending upon prevailing market conditions relative to the reference prices or rates, and thus the values of such instruments may be positive or negative, despite the fact that little or no cash is initially exchanged to enter into such contacts.

NOTE 5 – DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Credit Risk: Credit risk of cash securities containing derivative features is based upon the credit worthiness of the issuers of such securities. It includes the risk that counterparties to contracts will not perform and/or the public exchange will not meet its obligation to assume this counterparty risk. Exchange traded derivatives are generally considered to be of lower credit risk than over-the-counter derivatives due to the exchange's margin requirements. The derivative investments are exchange traded, and credit risk is limited to the clearing corporation. As of December 31, 2024, collateral for derivatives was \$8.9 million. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted.

The following Credit Risk Analysis schedule discloses the counterparty credit ratings of SJCERA's derivative investments as of December 31, 2024:

Derivative Type	S&P Credit Rating	
	Not Rated	Total Fair Value
Swap Contracts	\$ 235,829	\$ 235,829
Total	<u>\$ 235,829</u>	<u>\$ 235,829</u>

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate swaps are an example of an investment that has a fair value that is highly sensitive to interest rate changes. SJCERA is exposed to interest rate risk in the form of futures contracts and option contracts in the following global government bond markets.

Interest Rate Risk As of December 31, 2024

Global Bonds	Futures Contracts	Option Contracts
Canadian Government Bond	\$ 17,303,410	\$ -
Long Gilt	(23,132,071)	-
Japanese Government Bond	(27,078,777)	-
Euro Bond	17,132,308	-
U.S. Notes	28,723,922	(24,625)
Eurodollars	119,213,691	-
SOFR	-	425,525
Sonia Future	66,895,595	-
Canadian Bills	118,060,593	-
Total	<u>\$ 317,118,671</u>	<u>\$ 400,900</u>

SJCERA measures derivative interest rate risk using duration with varying maturities of less than three months to more than 10 years. At December 31, 2024, SJCERA had the following investment derivative interest rate risks.

Interest Rate Risk Analysis As of December 31, 2024 (Dollars in Thousands)

Derivative Type	Notional Value	Fair Value	< 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	5 to 10 Years	10+ Years
Futures Contracts	\$ 16,890	\$ -	\$ 16,890	\$ -	\$ -	\$ -	\$ -	\$ -
Swap Contracts	-	236	-	-	-	236	-	-
Total	<u>\$ 16,890</u>	<u>\$ 236</u>	<u>\$ 16,890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 236</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 – DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Foreign Currency Risk: Foreign currency risk is the risk that changes in currency exchange rates will adversely affect the fair value of an investment. Currency forward contracts represent foreign exchange contracts that are used to control currency exposure and facilitate the settlement of international security purchase and sale transactions. As of December 31, 2024, SJCERA had the derivative foreign currency exposures listed in the table below.

Foreign Currency Risk
As of December 31, 2024

<u>Currency</u>	<u>Futures Contracts</u>
British Pound	\$ (18,051,206)
Canadian Dollar	(17,849,600)
Australian Dollar	(17,455,800)
Swiss Franc	(17,764,800)
Japanese Yen	(17,387,125)
Euro Currency	(18,050,019)
Mexican Peso	1,512,000
Total	<u><u>\$ (105,046,550)</u></u>

Derivatives are carried as assets when the fair value is positive, and as liabilities when the fair value is negative. Gains and losses from derivatives are included in net investment income (loss). For financial reporting purposes, all SJCERA derivatives are classified as investment derivatives.

Derivative financial instruments held by SJCERA from time to time consist of the following.

Futures Contracts

A futures contract represents an agreement to buy (long position) or sell (short position) an underlying asset at a specified future date for a specified price. Payment for the transaction is delayed until a future date, which is referred to as the settlement or expiration date. Futures contracts are standardized contracts traded on organized exchanges.

Option Contracts

An option contract is a type of derivative security in which a buyer (purchaser) has the right, but not the obligation, to buy or sell a specified amount of an underlying security at a fixed price by exercising the option before its expiration date. The seller (writer) has an obligation to buy or sell the underlying security if the buyer decides to exercise the option.

Swap Agreements

A swap is an agreement between two or more parties to exchange a sequence of cash flows over a period of time in the future. No principal is exchanged at the beginning of the swap. The cash flows the counterparties exchange are tied to a “notional” amount. A swap agreement specifies the time period over which the periodic payments will be exchanged. The fair value represents the gains or losses as of the prior marking-to-market.

All investment derivative positions are included as part of investments at fair value on the Statement of Fiduciary Net Position. All changes in fair value are reported as part of net appreciation/(depreciation) in fair value of investments in the Statement of Changes in Fiduciary Net Position. Investment information was provided either by SJCERA's investment managers or SJCERA's custodian bank. The Investment Derivatives schedule below is classified by type and reports the fair value balances and notional amounts of derivatives outstanding as of and for the year ended December 31, 2024.

NOTE 5 – DERIVATIVE FINANCIAL INSTRUMENTS (Continued)**Investment Derivatives**

As of December 31, 2024

Derivative Type	Notional Amount	Fair Value
Futures Contracts	\$ 165,546,699	\$ 3,528,030
Option Contracts	949,638	1,212,306
Total	<u>\$ 166,496,337</u>	<u>\$ 4,740,336</u>

NOTE 6 – CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADEDefined Benefit Pension Plan

The funding objective of the plan is to establish contribution rates that, together with investment earnings, will provide sufficient assets to pay all benefits under the plan. The County and participating employers are required to contribute a percentage of their annual covered payroll at actuarially determined rates. Actuarial valuations involve estimates and make assumptions about the probability of events far into the future; therefore, actuarially determined rates are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

Employer Contributions

For 2024, the required employer contribution rates including normal cost and amortization of the unfunded actuarial liability (UAL) were determined by using the valuation report as of December 31, 2022.

In 2024, the County made additional \$27,252,129 contributions. The Court made additional \$1,500,000 contributions to decrease its share of the UAL. MVCD made additional \$100,000 contributions to decrease its share of the UAL. These additional annual contributions decrease only that individual employer's share of the UAL and not the liability for other entities participating in SJCERA.

The total fair value of the additional contributions, including prior year amounts and accumulated with interest at the plan's actual rate of return, was \$288,207,597 as of December 31, 2024. These assets are included in the calculation of the UAL and funded ratio. However, under the funding policy with respect to these reserves requested by the contributors and approved by the Board, these assets are not currently included in the calculation of the employer contribution rates.

NOTE 6 – CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE (Continued)Employer Contributions (Continued)**EMPLOYER RETIREMENT CONTRIBUTION RATES****2024**
(Per 12/31/2022 Valuation)

Expressed as a Percentage of Active Member Payroll

	Normal Cost	UAL Amortization	Total
TIER 1			
General Members:			
Paying Basic Rate Only (G.C. 31621.3)	18.66%	30.96%	49.62%
Paying Basic Rate with COLA Cost Share	15.81%	30.96%	46.77%
Paying 114% of Basic Rate with COLA Cost Share	15.23%	30.96%	46.19%
Safety Members:			
Paying Basic Rate Only (G.C. 31639.5)	32.92%	67.42%	100.34%
Paying Basic Rate with COLA Cost Share	27.60%	67.42%	95.02%
Paying 133% of Basic Rate with COLA Cost Share	25.89%	67.42%	93.31%
Composite Total for General and Safety Combined:			
Paying Basic Rate Only (G.C. 31621.3)	21.69%	38.64%	60.33%
Paying Basic Rate with COLA Cost Share	18.31%	38.64%	56.95%
Paying 114%/133% of Basic Rate with COLA Cost Share	17.49%	38.64%	56.13%
TIER 2			
General Members:	10.07%	31.03%	41.10%
Safety Members:	15.74%	67.47%	83.21%
Composite Total for General and Safety Combined:	10.79%	35.58%	46.37%

The composite employer contribution rates (for General and Safety Members combined) expressed as a percentage, or range of percentages, of covered payroll for the past seven years are as follows:

<u>Contribution Year</u>	<u>Tier 1</u>	<u>Tier 2</u>
2024	56.13% - 60.33%	46.37%
2023	54.23% - 58.38%	44.54%
2022	55.24% - 59.33%	44.89%
2021	53.88% - 57.96%	43.69%
2020	50.86% - 54.72%	41.00%
2019	48.09% - 51.81%	38.60%
2018	45.18% - 48.75%	35.80%

Member Contributions

Member contributions are deducted from the member's salary on a biweekly basis.

Tier 1 member contribution rates are calculated by the actuary using the Entry Age Normal Funding Method (Cost Method). Most Tier 1 members pay one-half of the cost of pre-funding post-retirement COLAs, and some pay an additional percentage of the basic member contribution rate, which reduces the employers' normal cost. Tier 2 members pay a single contribution rate adjusted annually. The required contribution rates are expressed as a percentage of covered payroll. The 2024 contribution rates were determined using the actuarial valuation performed as of December 31, 2022.

Tier 1 members pay contributions based upon their membership category, General or Safety, and age at entry into membership. General, Tier 1 members employed before March 7, 1973, and all Safety, Tier 1 members stop paying member contributions when they have 30 years of service but continue to accrue retirement service credit for subsequent active employment subject to membership.

NOTE 6 – CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE (Continued)

Member Contributions (Continued)

Tier 2 members pay contributions, based upon their membership category, equal to one-half of the normal cost of the applicable benefits.

In 2024, member contributions totaled \$58,873,823 and employer contributions totaled \$323,248,229. Member contributions increased by \$3.9 million, or 7.2 percent, over the prior year, and employer contributions increased by \$30.5 million, or 10.4 percent, over the prior year.

NOTE 7 – FIDUCIARY NET POSITION RESTRICTED FOR PENSION BENEFITS

As required by the CERL and the Board's policy, the following reserves from Fiduciary Net Position Restricted for Pension Benefits must be established and used to account for the members', employers', and retirees' contributions. The Unappropriated Earnings Reserve was insufficient to fully credit all reserves interest earnings at the 6.75 percent assumption rate. The Contingency Reserve was used to fund the \$30,538,678 to satisfy the obligation.

a. Active and Deferred Members' Reserve

This reserve represents the cumulative contributions made by active members, net of refunds to the members, plus the investment earnings credited to the reserve at assumption rates determined by the actuary.

b. Employer Advance Reserve

This reserve represents the cumulative contributions made by the County and participating employers. Interest earnings are credited semi-annually to the reserve at the assumption rate determined by the actuary, if sufficient unappropriated earnings reserve funds exist.

c. County Additional 5% Contributions Reserve

This reserve represents the additional contributions in excess of actuarially determined contributions paid by the County in order to decrease its share of the UAL.

d. MVCD Additional Contributions Reserve

This reserve represents the additional contributions in excess of actuarially determined contributions paid by the MVCD in order to decrease its share of the UAL.

e. Court Additional Contribution Reserve

This reserve represents the additional contributions in excess of actuarially determined contributions paid by the Court in order to decrease its share of the UAL.

f. Retired Members' Reserve

This reserve accounts for the unpaid retirees' pension benefits. Upon a member's retirement, the member's accumulated contributions are transferred from the Active and Deferred Members' Reserve account to the Retired Members' Annuity Reserve account. In addition, the actuarially determined amount of the member's vested interest is transferred from the Employer Advance Reserve account to the Retired Members' Pension Reserve account. The Retired Members' Reserve account at December 31, 2024, includes the authorized "Purchasing Power" benefit reserve and additional pension benefits specified in the pre-April 1, 1982 class-action lawsuit settlement agreement. These benefits are explained in Note 1b. In accordance with the Statement of Reserve Policy, the post-April 1, 1982 Settlement Reserve is a Special Reserve, which is not included in valuation assets.

NOTE 7 – FIDUCIARY NET POSITION RESTRICTED FOR PENSION BENEFITS (Continued)

g. Class Action Settlement – Post 4/1/82 Reserve

The Class Action Settlement – Post 4/1/82 Reserve designates the reserve that pays the Post-82 Class Action Settlement allowances for the lifetime of the members and beneficiaries, who retired between April 1, 1982, and December 31, 2000, to the extent sufficient funds are available.

h. Contingency Reserve

Earnings of the retirement fund during any year in excess of the total interest credited to contributions and reserves during the year remain in the fund as a reserve against deficiencies in interest earnings in other years, losses on investments, and other contingencies. The CERL provides that when the contingency reserve exceeds one percent of total assets, the retirement board may transfer all or any part of the surplus as specified in Government Code Section 31592.2. In June 2017, the Board amended the Reserve Policy, lowering the Contingency Reserve target from three percent to one percent of total assets. The Contingency Reserve is 0.0 percent of the fair value of total assets at December 31, 2024.

i. Market Stabilization Designation Reserve

This “designation” reserve is used to further minimize the impact of the fluctuations in the fair value of the investments owned by SJCERA. It represents the difference between the actuarial value of assets and the fair value of assets at year-end. It is the balance of deferred earnings and losses created by a five-year smoothing of actual gains and losses compared to the assumed investment rate of return.

j. Unappropriated Earnings Reserve

The Unappropriated Earnings Reserve (UER) is used to accumulate investment income earned by SJCERA, net of the investment expenses and SJCERA’s administration cost. From this unappropriated earnings reserve, interest is credited to various other reserves. In addition, at the Board’s discretion and subject to the settlement agreement in 2001, this reserve may also be used, from time to time, to stabilize the County’s and other employers’ actuarially determined contributions, and to fund the market stabilization and contingency reserves.

k. Summary of Reserves

A summary of reserved and designated net position at December 31, 2024, is as follows.

Reserves:

Active and Deferred Members	\$ 591,584,472
Employer Advance	2,929,747,279
County Additional 5% Contributions	279,843,426
MVCD Additional Contributions	767,668
Court Additional Contributions	7,596,503
Retired Members	940,170,882
Class Action Settlement - Post-4/1/82	91,201
Contingency	93
Market Stabilization Designation	(90,585,366)
Unappropriated Earnings (Restricted)	-
Total Reserves	<u><u>\$ 4,659,216,158</u></u>

NOTE 8 – NET PENSION LIABILITY AND SIGNIFICANT ASSUMPTIONS

a. Net Pension Liability of Employers

SJCERA is a cost sharing, multiple-employer pension plan with a reporting date of December 31, 2024. Measurements as of the reporting date are based on the fair value of assets as of December 31, 2024, and the total pension liability as of the valuation date, December 31, 2023, projected to December 31, 2024. There were no significant events between the valuation date and the measurement date, so the updated procedures consisted of updated actuarial assumptions, plus the addition of service cost and interest cost offset by benefit payments.

The net pension liability was measured as of December 31, 2024, and determined based upon rolling forward the total pension liability from the actuarial valuation as of December 31, 2023. The net pension liability (i.e., the pension plan's liability determined in accordance with GASB Statement No. 67 less the fiduciary net position) is shown below.

Employers' Net Pension Liability (GASB Statement No. 67)

As of December 31, 2024
(Dollars in Millions)

Total Pension Liability	\$	6,165
Plan Fiduciary Net Position		<u>4,659</u>
Employers' Net Pension Liability	\$	<u><u>1,506</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		75.6%

b. Actuarial Methods and Significant Assumptions

SJCERA retains an independent actuarial firm to conduct actuarial valuations of the pension plan, monitor SJCERA's funding status, and establish the contribution rate requirements for the pension plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in accrued actuarial liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The total pension liability was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 67.

In the December 31, 2023 actuarial valuation, the Entry Age Normal Funding Method (Cost Method) was used. The actuarial assumptions include a 6.75 percent investment rate of return, annual inflation rate of 2.75 percent per year, and projected salary increases at 3.00 percent per year for the year ended 2024. The actuarial value of the plan's assets was based on a five-year smoothing of actual versus expected returns.

In 2015, the SJCERA Board changed the funding policy to amortize any unexpected changes in the UAL over a period of 15 years as a level percent of pay, with new amortization layers each year. The 2008 Extraordinary Actuarial Loss, which is amortized over a closed 30-year period, has 15 years remaining. The remaining UAL as of December 31, 2013, which is amortized over a closed 19-year period, has 9 years remaining. The new additions to the UAL on and after December 31, 2013, are amortized over 15 years. The single equivalent amortization period for the aggregate stream of UAL payments is 10 years for General and 11 years for Safety as of December 31, 2023. The amortization period for each UAL layer will decrease each year.

NOTE 8 – NET PENSION LIABILITY AND SIGNIFICANT ASSUMPTIONS (Continued)b. Actuarial Methods and Significant Assumptions (Continued)

The total pension liability for the pension plan was determined by an actuarial valuation as of December 31, 2023, and accepted actuarial procedures were applied to project the total pension liability to December 31, 2024. Key methods and assumptions used in the latest actuarial valuations as of December 31, 2023, follow.

Key methods and assumptions used in the latest actuarial valuations are presented below:

Valuation Date	December 31, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll with Separate Amortization Periods for Extraordinary Actuarial Gains or Losses
Remaining Amortization Period	2008 Extraordinary Actuarial Loss - 15 years Remaining UAL as of January 1, 2014 - 9 years Subsequent Unexpected Changes in UAL after December 31, 2013 - 15 years
Asset Valuation Method	Smoothed Actuarial Value (5 years) 80% - 120% Asset Corridor
Actuarial Assumptions:	
Discount Rate	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Projected Salary Increases	3.00%, Plus Service-Based Rates
General Inflation Rate	2.75%
Cost-of Living Adjustments	2.60% Per Year Assumed
Healthy Mortality	Mortality rates for General active members are based on the sex distinct 2021 CalPERS Pre-Retirement Non-Industrial Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020.
	Mortality rates for Safety active members are based on the sum of the rates from the 2021 CalPERS Industrial and Non-Industrial Mortality tables, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020. 10% of Safety member active deaths are assumed to occur in the line of duty.
	Mortality rates for healthy General annuitants are based on the sex distinct 2021 CalPERS Healthy Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020, and a partial credibility adjustment of 1.05 for males and no adjustment for females.
	Mortality rates for Safety annuitants are based on the sex distinct 2021 CalPERS Healthy Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020, and a partial credibility adjustment of 1.05 for males and no adjustment for females.
Disabled Mortality	Mortality rates for General disabled annuitants are based on status. Rates for General disabled annuitants with a service-related disability are based on the sex distinct 2021 CalPERS Industrially Disabled Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020. Rates for General disabled annuitants with a non-service-related disability are based on the sex distinct 2021 CalPERS Non-Industrially Disabled Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020.
	Mortality rates for Safety disabled annuitants are based on the sex distinct 2021 CalPERS Industrially Disabled Mortality Table, with generational mortality improvements projected from 2017 using Projection 80% of Scale MP-2020.

NOTE 8 – NET PENSION LIABILITY AND SIGNIFICANT ASSUMPTIONS (Continued)**c. Funded Status and Funding Progress**

The annual actuarial valuation determines the progress made in accumulating sufficient assets to pay benefits when due. As of December 31, 2023, the pension plan's accrued actuarial liabilities were \$5.9 billion and the market value of assets net of Special Reserves (market value of assets basis) was \$4.2 billion, resulting in UAL of \$1.7 billion. The funded status (ratio) of market value of assets basis over accrued actuarial liabilities was 70.5 percent.

As of the December 31, 2023 actuarial valuation, the funded status increased to 70.5 percent from 66.6 percent on a market value of assets basis. It increased to 74.0 percent from 72.0 percent on an actuarial value of assets. There were no assumption changes made as of December 31, 2023.

SJCERA's Funding Policy provides for regular employer and member contributions at actuarially determined rates, expressed as percentages of annual covered payroll. Contributions required and contributions made are explained in Note 6.

d. Asset Allocation Policy and Expected Long-Term Rate of Return by Asset Class

The allocation of investment assets within SJCERA's portfolio is approved by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit pension plan investment assets was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The following table displays the Board-approved asset allocation policy for 2024 and the long-term expected real rates of return.

Asset Class	Target Allocation	Arithmetic Long-Term Expected Real Rate of Return
Aggressive Growth	16.00%	10.33%
Traditional Growth	34.00%	6.98%
Stabilized Growth	30.00%	5.78%
Principal Protection	7.00%	2.62%
Crisis Risk Offset (CRO)	13.00%	2.27%
Cash	0.00%	0.36%
Total	100.00%	

e. Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent as of December 31, 2024. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2024.

NOTE 8 – NET PENSION LIABILITY AND SIGNIFICANT ASSUMPTIONS (Continued)f. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The table below presents the net pension liability of SJCERA as of December 31, 2024, calculated using the discount rate of 6.75 percent, as well as what SJCERA's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Total Pension Liability	\$ 6,984,801,843	\$ 6,165,057,299	\$ 5,489,335,967
Pension Plan Fiduciary Net Position	4,659,216,158	4,659,216,158	4,659,216,158
Collective Net Pension Liability	<u>\$ 2,325,585,685</u>	<u>\$ 1,505,841,141</u>	<u>\$ 830,119,809</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	66.7%	75.6%	84.9%

g. Rate of Return

For the year ended December 31, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 8.5 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 9 – INVESTMENT EXPENSES

Investment expenses include fees paid for investment management services, investment consulting services, fund evaluation services, securities custodian services, and interest expense and other fees incurred in security lending transactions.

NOTE 10 – GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses, including the depreciation and amortization of capital assets, are funded by investment income earnings and are limited, pursuant to Government Code Section 31580.2, to twenty-one-hundredths of one percent (0.21 percent) of SJCERA's accrued actuarial liability. The actual administration expense for the year ended December 31, 2024, was 0.10 percent of the accrued actuarial liability. SJCERA was in compliance with this requirement during 2024.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

SJCERA participates in certain investments that require commitments of a specified amount of capital upfront that is then drawn down at a later time as the investment vehicle requires. The total unfunded capital commitment represents the amount of funds that SJCERA could potentially be required to contribute at a future date. SJCERA had unfunded capital commitments totaling \$333.8 million at December 31, 2024.

NOTE 12 – SUBSEQUENT EVENTS

SJCERA has evaluated subsequent events through May 30, 2025, the date on which the financial statements were available to be issued, noting no subsequent events.

REQUIRED SUPPLEMENTARY INFORMATION

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31

	2024	2023	2022	2021	2020
Total Pension Liability					
Service cost	\$ 136,489,340	\$ 124,642,194	\$ 118,695,366	\$ 116,888,677	\$ 115,229,486
Interest (includes interest on service cost)	391,656,136	366,899,543	356,415,938	360,520,733	350,095,503
Change of benefit terms	-	-	-	-	-
Differences between expected and actual experience	57,862,580	168,153,229	(37,863,999)	(17,017,994)	(58,571,957)
Changes of assumptions	-	-	(58,741,183)	-	135,011,307
Benefit payments, including refunds of member contributions	(307,250,164)	(290,537,671)	(279,363,795)	(265,965,599)	(251,551,677)
Net Change in Total Pension Liability	278,757,892	369,157,295	99,142,327	194,425,817	290,212,662
Total Pension Liability - Beginning	5,886,299,407	5,517,142,112	5,417,999,785	5,223,573,968	4,933,361,306
Total Pension Liability - Ending (a)	<u>\$ 6,165,057,299</u>	<u>\$ 5,886,299,407</u>	<u>\$ 5,517,142,112</u>	<u>\$ 5,417,999,785</u>	<u>\$ 5,223,573,968</u>
Fiduciary Net Position					
Contributions - employer	\$ 323,248,229	\$ 292,752,311	\$ 269,080,047	\$ 306,662,635	\$ 240,700,988
Contributions - member	58,873,823	54,934,141	47,405,308	43,455,640	40,568,995
Transfer between plans	230,456	(219,676)	224,628	270,570	172,041
Net investment income (loss)	375,661,637	347,666,062	(412,759,726)	572,291,948	276,996,530
Benefit payments, including refunds of member contributions	(307,250,164)	(290,537,671)	(279,363,795)	(265,965,599)	(251,551,677)
Administrative expenses	(7,245,987)	(6,649,765)	(5,621,704)	(4,639,439)	(4,536,455)
Net Change in Fiduciary Net Position	443,517,994	397,945,402	(381,035,242)	652,075,755	302,350,422
Fiduciary Net Position - Beginning	4,215,698,164	3,817,752,762	4,198,788,004	3,546,712,249	3,244,361,827
Fiduciary Net Position - Ending (b)	<u>\$ 4,659,216,158</u>	<u>\$ 4,215,698,164</u>	<u>\$ 3,817,752,762</u>	<u>\$ 4,198,788,004</u>	<u>\$ 3,546,712,249</u>
Net Pension Liability (a)-(b)	<u>\$ 1,505,841,141</u>	<u>\$ 1,670,601,243</u>	<u>\$ 1,699,389,350</u>	<u>\$ 1,219,211,781</u>	<u>\$ 1,676,861,719</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	75.57%	71.62%	69.20%	77.50%	67.90%
Covered Payroll *	\$ 581,811,177	\$ 535,509,779	\$ 484,055,752	\$ 470,179,036	\$ 460,456,931
Net Pension Liability as a Percentage of Covered Payroll	258.82%	311.96%	351.07%	259.31%	364.17%

* Covered Payroll reported by plan sponsors is the payroll on which contributions are based in accordance with GASB Statement No. 82.

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (Continued)
FOR THE YEARS ENDED DECEMBER 31

	2019	2018	2017	2016	2015
Total Pension Liability					
Service cost	\$ 110,608,926	\$ 103,300,553	\$ 98,438,144	\$ 92,857,369	\$ 94,377,630
Interest (includes interest on service cost)	337,480,353	325,161,265	308,566,601	295,197,992	280,581,484
Change of benefit terms	-	-	-	-	-
Differences between expected and actual experience	4,950,114	(49,383,683)	37,219,673	(10,171,368)	(25,752,670)
Changes of assumptions	16,016,526	81,854,664	-	87,601,669	-
Benefit payments, including refunds of member contributions	(236,350,072)	(221,443,668)	(205,406,970)	(194,719,177)	(181,468,913)
Net Change in Total Pension Liability	232,705,847	239,489,131	238,817,448	270,766,485	167,737,531
Total Pension Liability - Beginning	4,700,655,459	4,461,166,328	4,222,348,880	3,951,582,395	3,783,844,864
Total Pension Liability - Ending (a)	<u>\$ 4,933,361,306</u>	<u>\$ 4,700,655,459</u>	<u>\$ 4,461,166,328</u>	<u>\$ 4,222,348,880</u>	<u>\$ 3,951,582,395</u>
Fiduciary Net Position					
Contributions - employer	\$ 225,528,756	\$ 208,757,572	\$ 200,051,742	\$ 159,122,523	\$ 150,371,556
Contributions - member	38,098,688	35,377,951	33,634,906	30,117,408	29,026,901
Transfer between plans	299,014	324,269	364,714	293,779	378,969
Net investment income (loss)	380,674,528	(56,397,598)	299,960,693	151,114,788	(47,339,750)
Benefit payments, including refunds of member contributions	(236,350,072)	(221,443,668)	(205,406,970)	(194,719,177)	(181,468,913)
Administrative expenses	(4,931,163)	(4,865,081)	(4,118,578)	(4,369,744)	(4,075,745)
Net Change in Fiduciary Net Position	403,319,751	(38,246,555)	324,486,507	141,559,577	(53,106,982)
Fiduciary Net Position - Beginning	2,841,042,076	2,879,288,631	2,554,802,124	2,413,242,547	2,466,349,529
Fiduciary Net Position - Ending (b)	<u>\$ 3,244,361,827</u>	<u>\$ 2,841,042,076</u>	<u>\$ 2,879,288,631</u>	<u>\$ 2,554,802,124</u>	<u>\$ 2,413,242,547</u>
Net Pension Liability (a)-(b)	<u>\$ 1,688,999,479</u>	<u>\$ 1,859,613,383</u>	<u>\$ 1,581,877,697</u>	<u>\$ 1,667,546,756</u>	<u>\$ 1,538,339,848</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	65.76%	60.44%	64.54%	60.51%	61.07%
Covered Payroll *	\$ 453,710,584	\$ 436,763,447	\$ 425,886,951	\$ 392,227,314	\$ 396,136,470
Net Pension Liability as a Percentage of Covered Payroll	372.26%	425.77%	371.43%	425.15%	388.34%

* Covered Payroll reported by plan sponsors is the payroll on which contributions are based in accordance with GASB Statement No. 82.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYERS
AND OTHER CONTRIBUTING SOURCES
DEFINED BENEFIT PENSION PLAN
FOR THE TEN YEARS ENDED DECEMBER 31**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially Determined Contributions	\$ 294,396,100	\$ 266,112,389	\$ 245,967,122	\$ 233,148,239	\$ 218,611,737
Contributions in Relation to the Actuarially Determined Contributions	<u>323,248,229</u>	<u>292,752,311</u>	<u>269,080,047</u>	<u>306,662,635</u>	<u>240,700,988</u>
Contribution Deficiency / (Excess)	<u>\$ (28,852,129)</u>	<u>\$ (26,639,922)</u>	<u>\$ (23,112,925)</u>	<u>\$ (73,514,396)</u>	<u>\$ (22,089,251)</u>
Covered Payroll	\$ 581,811,177	\$ 535,509,779	\$ 484,055,752	\$ 470,179,036	\$ 460,456,931
Contributions as a Percentage of Covered Payroll	55.56%	54.67%	55.59%	65.22%	52.27%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contributions	\$ 203,058,574	\$ 188,322,653	\$ 179,824,882	\$ 159,122,523	\$ 150,371,556
Contributions in Relation to the Actuarially Determined Contributions	<u>225,528,756</u>	<u>208,757,572</u>	<u>200,051,742</u>	<u>159,122,523</u>	<u>150,371,556</u>
Contribution Deficiency / (Excess)	<u>\$ (22,470,182)</u>	<u>\$ (20,434,919)</u>	<u>\$ (20,226,860)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 453,710,584	\$ 436,763,447	\$ 425,886,951	\$ 392,227,914	\$ 396,136,470
Contributions as a Percentage of Covered Payroll	49.71%	47.80%	46.97%	40.57%	37.96%

The contributions in excess of Actuarially Determined Contributions are due to the County's, MVCD's, and the Court's additional contributions.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF INVESTMENT RETURNS
FOR THE YEARS ENDED DECEMBER 31**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	8.50%	9.12%	-7.24%	13.68%	2.23%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	13.77%	-2.11%	11.85%	6.20%	-2.06%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. It is calculated by finding the rate of return that will set the present values of all cash flows and terminal values equal to the value of the initial investment. The money-weighted rate of return is equivalent to the internal rate of return (IRR).

Time-weighted rate of return assumes that all cash distributions are reinvested in the portfolio and the exact same periods are used for comparisons. When calculating the time-weighted rate of return, the effect of varying cash inflows is eliminated by assuming a single investment at the beginning of a period and measuring the growth or loss of fair value to the end of that period.

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1 – KEY METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

The following actuarial methods and assumptions were used to determine contribution rates for the year ended December 31, 2024, in the Schedule of Contributions from the Employers and Other Contributing Sources:

Valuation Date	December 31, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll with Separate Amortization Periods for Extraordinary Actuarial Gains or Losses
Remaining Amortization Period	2008 Extraordinary Actuarial Loss - 16 years Remaining UAL as of January 1, 2014 - 10 years Any future actuarial gains and losses - 15 years Single Equivalent Period - 11 years for General and 12 years for Safety
Asset Valuation Method	Smoothed Actuarial Value (5 years) 80%-120% Asset Corridor
Actuarial Assumptions:	
Discount Rate	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Projected Salary Increases	3.00%, Plus Service-Based Rates
General Inflation Rate	2.75%
Cost-of-Living Adjustments (COLA)	2.60% Per Year Assumed
Healthy Mortality	Mortality rates for General active members are based on the sex distinct 2021 CalPERS Pre-Retirement Non-Industrial Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020. Mortality rates for Safety active members are based on the sum of the rates from the 2021 CalPERS Industrial and Non-Industrial Mortality tables, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020. 10% of Safety member active deaths are assumed to occur in the line of duty. Mortality rates for healthy General annuitants are based on the sex distinct 2021 CalPERS Healthy Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020, and a partial credibility adjustment of 1.05 for males and no adjustment for females. Mortality rates for Safety annuitants are based on the sex distinct 2021 CalPERS Healthy Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020, and a partial credibility adjustment of 1.05 for males and no adjustment for females.

NOTE 1 – KEY METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES
(Continued)

Disabled Mortality

Mortality rates for General disabled annuitants are based on status. Rates for General disabled annuitants with a service-related disability are based on the sex distinct 2021 CalPERS Industrially Disabled Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020. Rates for General disabled annuitants with a non-service-related disability are based on the sex distinct 2021 CalPERS Non-Industrially Disabled Annuitant Mortality Table, with generational mortality improvements projected from 2017 using 80% of Projection Scale MP-2020.

Mortality rates for Safety disabled annuitants are based on the sex distinct 2021 CalPERS Industrially Disabled Mortality Table, with generational mortality improvements projected from 2017 using Projection 80% of Scale MP-2020.

A complete description of the methods and assumptions used to determine contribution rates for the year ending December 31, 2024, can be found in the December 31, 2022 actuarial valuation report.

OTHER SUPPLEMENTARY INFORMATION

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31**

General Administrative Expenses	<u>2024</u>
(Expenses Subject to the Statutory Limit)	
Personnel Services	
Staff Salaries	\$ 2,155,491
Cafeteria Benefits	112,972
Insurance	341,255
Social Security	157,439
Retirement	<u>932,923</u>
Total Personnel Services	<u>3,700,080</u>
Professional Services	
Professional and Specialized Services	1,465,790
Allocated Department Costs	<u>(27,469)</u>
Total Professional Services	<u>1,438,321</u>
Communications	
Postage	19,451
Telephone	68,294
Travel	<u>62,865</u>
Total Communications	<u>150,610</u>
Rentals/Equipment	
Office Space and Equipment	<u>139,318</u>
Total Rentals/Equipment	<u>139,318</u>
Miscellaneous	
Office Supplies/Expense	74,449
Subscriptions and Periodicals	7,023
Memberships	4,406
Maintenance	7,720
Insurance	<u>151,134</u>
Total Miscellaneous	<u>244,732</u>
Total General Administrative Expenses	<u>5,673,061</u>
Other Expenses	
(Expenses Not Subject to the Statutory Limit)	
Information Technology Expenses	1,195,928
Actuary Fees	150,719
Fund Legal Fees	<u>226,279</u>
Total Other Expenses	<u>1,572,926</u>
Total General Administrative and Other Expenses	<u><u>\$ 7,245,987</u></u>

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF INVESTMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>
Investment Management Fees	
Aggressive Growth	\$ 9,746,902
Traditional Growth	1,263,443
Risk Parity	1,089,254
Credit	5,943,591
Crisis Risk Offset (CRO)	2,865,731
Principal Protection	461,245
Core Real Assets	<u>1,676,643</u>
Total Investment Management Fees	<u>23,046,809</u>
Other Investment Fees and Expenses	
Custodian Fees	168,427
Investment Consultant Fees	351,000
Miscellaneous Fees	1,420,879
Notional Interest Expense	<u>1,042,296</u>
Total Other Investment Fees and Expenses	<u>2,982,602</u>
Total Investment Expense	<u>26,029,411</u>
Securities Lending Fees	
Securities Lending Fees and Rebates	<u>3,592,472</u>
Total Investment Fees and Expenses	<u><u>\$ 29,621,883</u></u>

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF PAYMENTS TO CONSULTANTS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>2024</u>
Nature of Service	
Actuarial-Retainer and Valuation	\$ 150,719
Audit	55,150
Fund Legal Fees	226,279
Business Technology Services	<u>1,195,928</u>
Total Payments to Consultants	<u><u>\$ 1,628,076</u></u>

OTHER INFORMATION

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF COST SHARING EMPLOYER ALLOCATIONS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024 ***

<u>Employer</u>	<u>Proportionate Share ⁽¹⁾</u>	<u>Net Pension Liability ⁽²⁾</u>
County of San Joaquin	92.8426%	\$ 1,398,062,184
SJC Superior Court	3.2733%	49,290,989
Manteca-Lathrop Rural Fire Protection District	1.7558%	26,438,896
Waterloo-Morada Rural Fire Protection District	0.7089%	10,674,590
Tracy Public Cemetery District	0.0712%	1,072,841
SJC Mosquito and Vector Control District	0.5084%	7,655,391
SJC Historical Society and Museum	0.0665%	1,001,079
Mountain House Community Services District	0.7204%	10,848,613
Local Agency Formation Commission	0.0381%	574,096
San Joaquin County Law Library	0.0148%	222,462
Total	<u>100.0000%</u>	<u>\$ 1,505,841,141</u>

*Numbers may not sum to total due to rounding.

- (1) As SJCERA is a cost sharing multiple-employer pension plan, each employer participating in SJCERA must reflect a portion of the collective net pension liability and pension expense in their financial statements. The calculation for the proportionate share for each employer allocates net pension liability and pension expense based on each employer's share of the unfunded liability amortization payment. The proportionate shares are then adjusted to account for the additional contributions made by the County of San Joaquin, the SJC Mosquito and Vector Control District, and SJC Superior Court for the year ended December 31, 2024.

- (2) Proportionate share of net pension liability is based on the actuarial valuation.

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF EMPLOYER PENSION AMOUNTS
ALLOCATED BY COST SHARING PLAN
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

Employer	Deferred Outflows of Resources					Deferred Inflows of Resources					Pension Expense		
	Net Pension Liability	Differences Between Expected and Actual Experience		Differences Between Projected and Actual Investment Earnings		Changes of Assumptions		Share of Pension Expense		Total Deferred Inflows of Resources	Share of Pension Expense		Total Pension Expense
		Differences Between Expected and Actual Experience	Differences Between Projected and Actual Investment Earnings	Changes of Assumptions	Share of Pension Expense	Proportionate Share of Pension Expense	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Changes of Assumptions	Proportionate Share of Pension Expense	Amortization of Deferred Amounts from Changes in Proportion and	Share of Pension Expense	
County of San Joaquin	\$ 1,398,062,184	\$ 121,035,824	\$ 84,097,166	\$ -	\$ 5,488,399	\$ 210,621,389	\$ 17,221,559	\$ 21,814,737	\$ 1,786,965	\$ 40,823,261	\$ 246,588,626	\$ 1,317,535	\$ 247,906,161
SJC Superior Court	49,290,989	4,267,318	2,964,984	-	2,029,050	9,261,352	607,175	769,115	6,289,353	7,663,643	8,693,888	(1,956,321)	6,737,567
Manteca-Lathrop Rural Fire Protection District	26,438,896	2,288,921	1,590,370	-	2,652,993	6,532,284	325,679	412,541	2,689,497	3,427,717	4,663,263	(66,251)	4,597,012
Waterloo-Morada Rural Fire Protection District	10,674,590	924,142	642,105	-	947,560	2,513,807	131,491	166,562	1,258,936	1,554,989	1,882,772	226,547	2,109,319
Tracy Public Cemetery District	1,072,841	92,860	64,534	-	244,449	401,863	13,215	16,740	241,925	271,680	189,227	(20,249)	168,978
SJC Mosquito and Vector Control District	7,655,391	662,758	460,492	-	113,506	1,236,756	94,300	119,451	557,830	771,581	1,350,249	(116,276)	1,233,973
SJC Historical Society and Museum	1,001,079	86,667	60,218	-	201,365	348,250	12,331	15,620	103,471	131,422	176,569	41,067	217,636
Mountain House Community Services District	10,848,613	939,208	652,573	-	1,865,629	3,457,410	133,635	169,277	820,696	1,123,608	1,913,466	476,835	2,390,301
Local Agency Formation Commission	574,096	49,702	34,533	-	279,250	363,485	7,072	8,958	36,952	52,982	101,258	121,609	222,867
San Joaquin County Law Library	222,462	19,259	13,382	-	1,174	33,815	2,740	3,471	39,749	45,960	39,238	(24,496)	14,742
Totals	\$ 1,505,841,141	\$ 130,366,679	\$ 90,580,357	\$ -	\$ 13,823,375	\$ 234,770,411	\$ 18,549,197	\$ 23,466,472	\$ 13,823,374	\$ 55,869,043	\$ 265,598,556	\$ -	\$ 265,598,556

**SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1 – BASIS OF PRESENTATION AND BASIS OF ACCOUNTING

Because San Joaquin County Employees' Retirement Association (SJCERA) is a cost sharing multiple-employer pension plan, employers participating in SJCERA are required to report a portion of the collective Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. GASB Statement No. 68 requires that the proportionate share for each employer be determined based on the employer's projected long-term contribution effort to the pension.

SJCERA's actuary prepared the following documents, (1) the Schedule of Cost Sharing Employer Allocations and (2) the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan, in accordance with accounting principles generally accepted in the United States of America as applicable to governmental organizations based on information provided by SJCERA. These documents provide the required information for financial reporting related to SJCERA that employers may use in their financial statements. The measurement date for SJCERA is December 31, 2024. Measurements are based on the fair value of assets as of December 31, 2024, and the Total Pension Liability of \$6,165,057,299 as of December 31, 2024, was measured as of a valuation date of December 31, 2023, and projected to December 31, 2024.

NOTE 2 – AMORTIZATION OF DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

The difference between projected and actual investment earnings on pension plan investments is amortized over five years on a straight-line basis. One-fifth is recognized in Total Pension Expense for each of the five years. The changes in assumptions and differences between expected and actual experience are recognized over the average of the expected remaining service lives of all active and inactive members of SJCERA, which is also five years. The net effect of the change in the employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources is recognized over the average expected remaining service lives of all active and inactive members of SJCERA.



INVESTMENT GROUP

Investment Concepts 101: Asset Allocation

May 2025



What is asset allocation?

- Asset allocation is the process of accepting and managing both risk and opportunity
 - Explicitly, it is the decision of how much to invest in distinct asset classes
 - Implicitly, it is also the determination of how much and what types of risks you are willing to accept



How does asset allocation affect performance?

- Each asset class exhibits unique risk and return behavior
- Each asset class interacts differently with other asset classes
- Combining asset classes allows investors to control more fully the aggregate risk and return of their portfolio
 - Allows investors to create a multi-asset portfolio tailored to a unique set of objectives



The importance of asset allocation

- Likely to have the largest impact of any decision you make
- The amount you invest in stocks, bonds, real estate, etc., will be a key driver of long-term returns
 - Asset allocation explains more than 90% of the variability of a fund's return over time¹
 - Further, asset allocation explains 100% of the level of returns at the policy level²

¹ Source: Determinants of Portfolio Performance, Brinson, Hood, and Beebower, 1986 “investment policy dominates investment strategy (market timing and security selection), explaining on average 93.6 percent of the variation in total plan returns.”

² Source: Does Asset Allocation Policy Explain 40, 90, or 100 Percent of Performance?, Ibbotson and Kaplan, 2000. “We found that about 90 percent of the variability in returns of a typical fund across time is explained by policy...and on average about 100 percent of the return level is explained by the policy return level.”



Understanding asset allocation

- Asset allocation is like cooking
- Putting together a great dish first involves selecting the proper ingredients
 - We must understand the characteristics of each individual ingredient and
 - We must understand how those ingredients interact with each other
- Then we need to figure out the right amount of each ingredient to include
 - The proper combination should yield an optimal result



Determining the right combination of assets

- In cooking, we learn from history and from trial and error
 - However, learning from history is less straight forward for investors
- In investing, it is arguably best to leave the trial and error up to peer investors
 - This is probably why most investors of a similar type (e.g., pension plans) tend to resemble each other



One advantage investors have is modeling

- The investment industry has been building mathematical models since before there were computers
- More data and computing power is available every day
 - Models are more sophisticated and robust, but not always more accurate
 - Need to distinguish between signal and noise



Modern Portfolio Theory (MPT)

- Developed by Harry Markowitz in 1950s
- Attempts to quantify the benefits of diversification
 - Investments should be chosen based on the context of the entire portfolio
- The risk in a diversified portfolio is will be less than the risk in a single investment
 - Why? Because assets are generally less than 100% correlated
- MPT is the basis for mean variance optimization



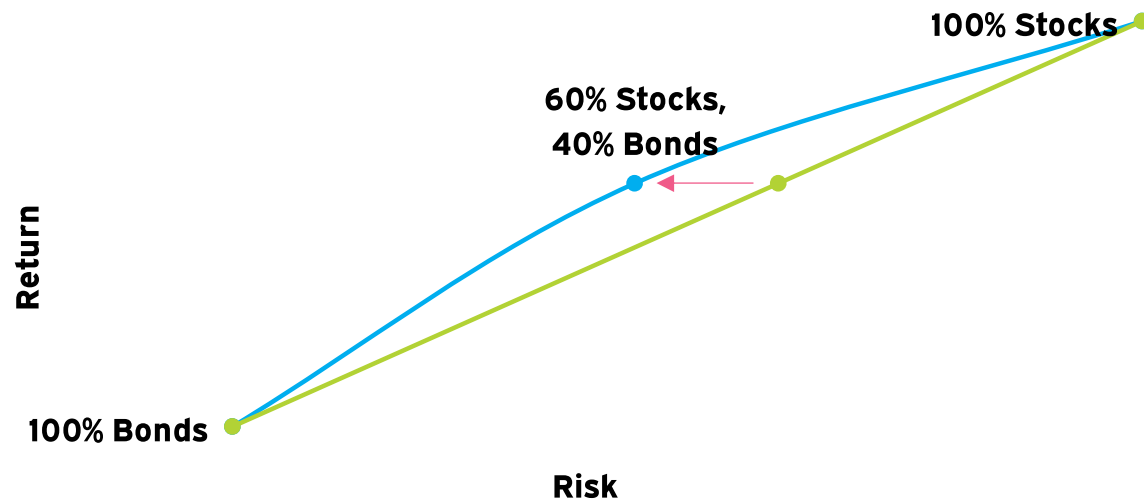
Mean Variance Optimization (MVO)

- MVO is the traditional starting point for determining asset allocation.
- MVO mathematically determines an “efficient frontier” of policy portfolios with the highest risk-adjusted returns
- All asset classes exhibit only three characteristics, which serve as inputs to the model:
 - Expected return
 - Expected volatility
 - Expected covariance with all other assets
- The model assumes:
 - Normal return distribution
 - Stable volatility and covariances over time
 - Returns are not serially correlated



The efficient frontier

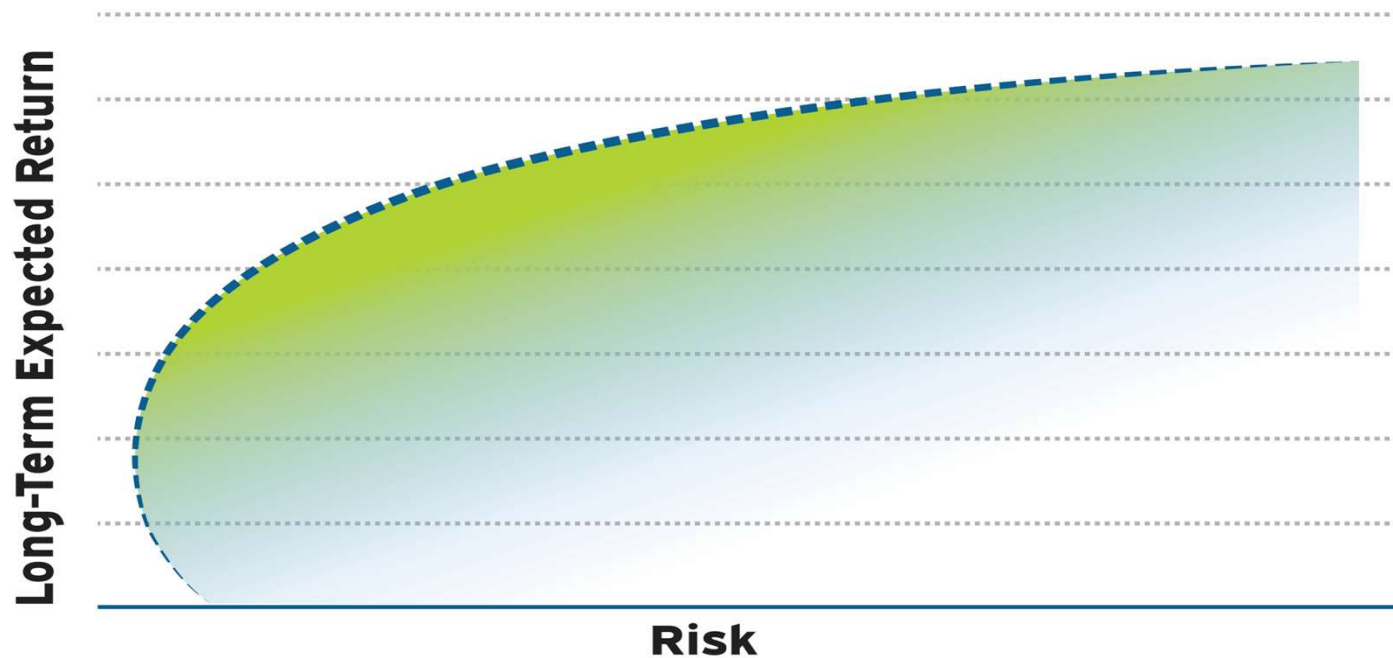
- Combining uncorrelated assets produces an “efficient frontier”
 - Different combinations of “optimal” portfolios will lie along this frontier
- Allows investors to create a portfolio that typically:
 - Provides a higher return for a given level of risk
 - Experiences less risk for a given level of return





The efficient frontier is not perfect

- May give a false sense of precision / illusion that there is only one correct portfolio at any given risk/return level
- Better interpreted with a gradient underneath
 - Gradient represents “near-optimal” portfolios





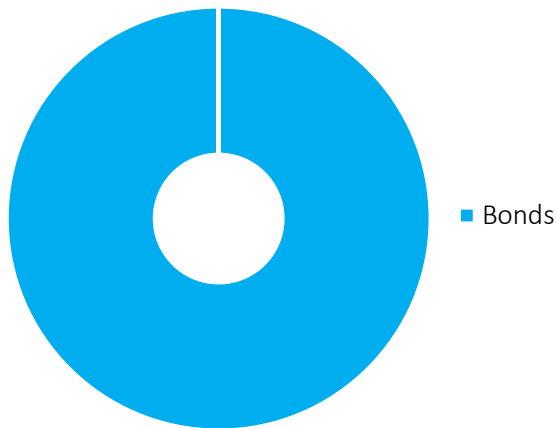
Diversification

- Primary motive for diversification is to reduce risk
- Represents the only way to reduce risk without reducing expected returns
- Investments should be allocated across multiple classes of assets that enhance diversification



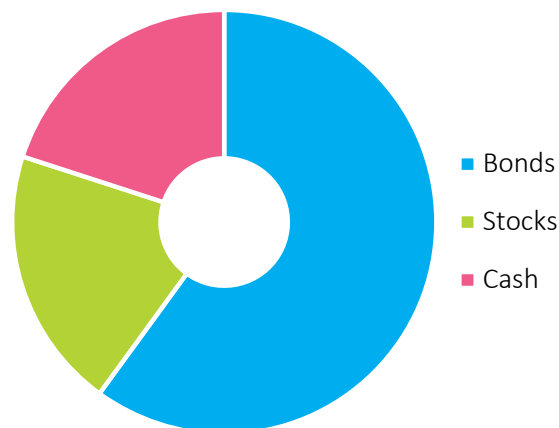
Example: benefits of portfolio diversification

Bond Portfolio



Return:	3.1%
Std Dev:	5.0%

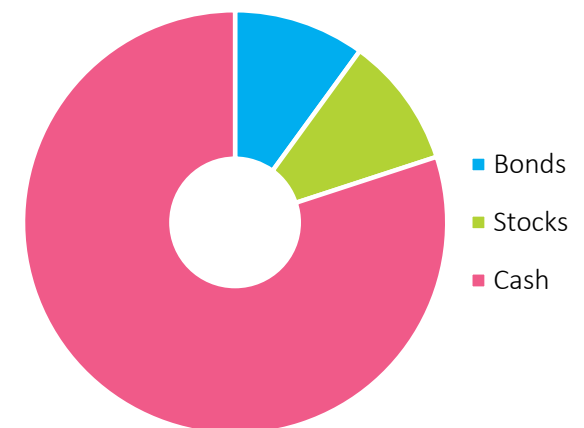
Diversified Portfolio A



Higher return, same risk

Return:	4.3%
Std Dev:	5.0%

Diversified Portfolio B



Lower risk, same return

Return:	3.1%
Std Dev:	2.7%

- By diversifying, investors have the ability to create more efficient portfolios

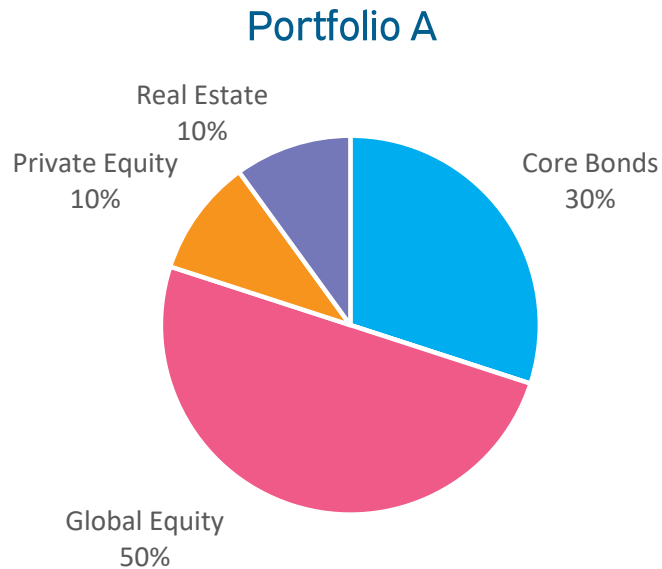
Note: based on proprietary expected return, standard deviation and correlation inputs.



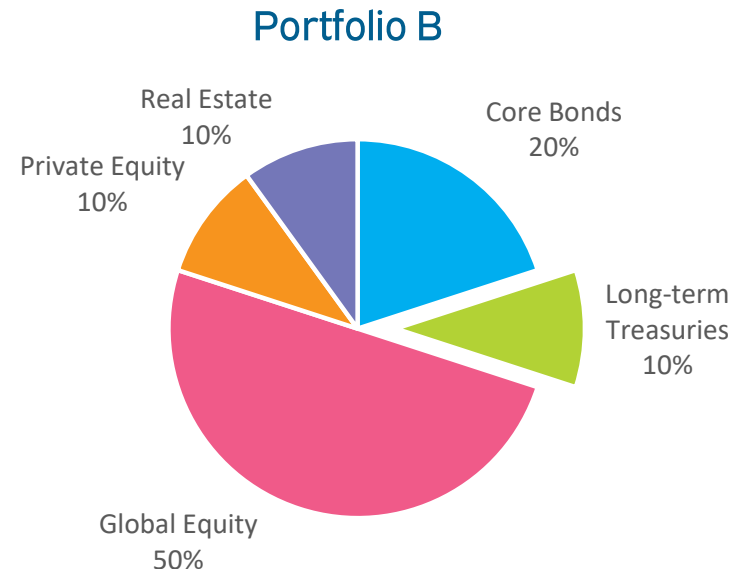
Investment Concepts 101

Asset Allocation

Example: the counter-intuitive benefits of adding a “riskier” asset



Expected return = 6.54%
Standard deviation = 12.41%
Sharpe ratio = 0.39



Expected return = 6.66%
Standard deviation = 12.19%
Sharpe ratio = 0.41

- On a standalone basis, long-term Treasuries are riskier than “core” bonds
- Yet, they are generally negatively correlated with stocks
- Hence, when we add them to the portfolio, overall risk decreases

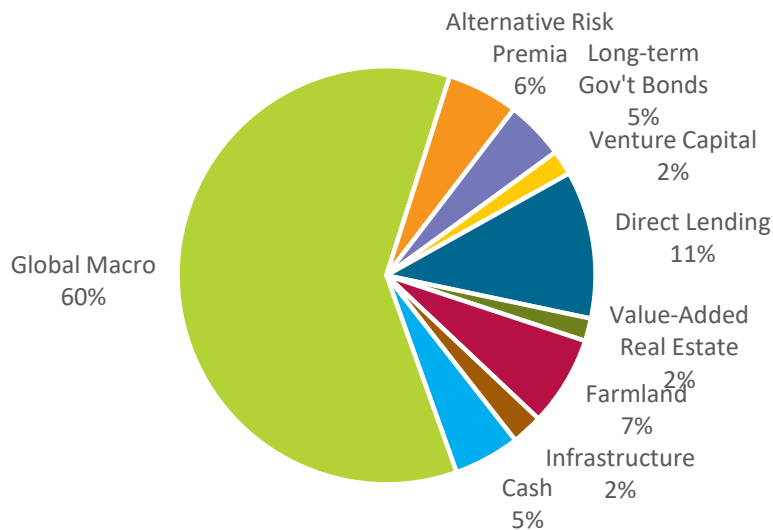
Note: based on proprietary expected return, standard deviation and correlation inputs.



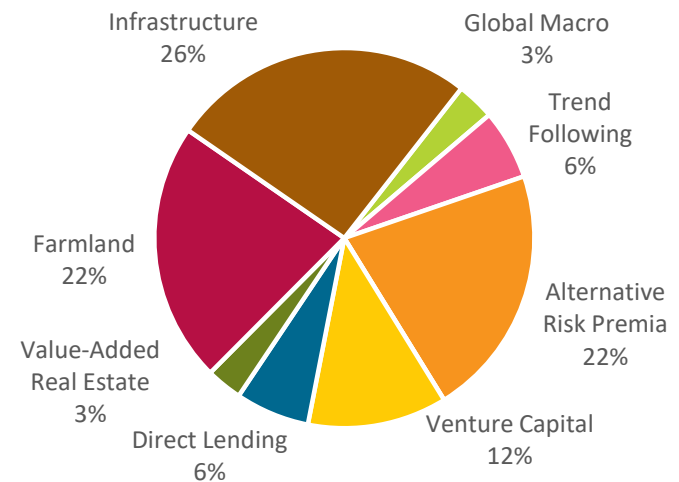
Critiques of MVO-based asset allocation

- Assumptions do not closely resemble real-world observations
- Output is only as good as the inputs (a common problem with all models)
- Framework does not account for all the needs of an investor
- It is important to address these shortcomings when doing an asset allocation study

MVO Portfolio for 5% ER



MVO Portfolio for 7.5% ER





The mosaic approach

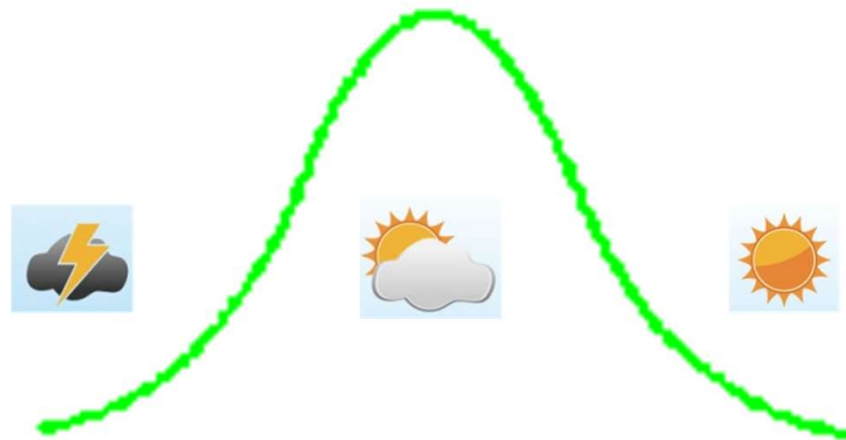
- The real-world risks and objectives faced by investors are complex and often conflicting
 - These cannot be summarized in a single statistic
 - Hence, we recommend using a variety of tools to build a more complete picture, or mosaic

Mean-Variance Optimization	Tracking Error vs. Peers
Risk Budgeting	Historical Scenario Analysis
Alpha Assumptions	Factor Stress Tests
Sequence of Returns Impact	Liquidity Stress Tests
Big Data Simulations	Economic Regime Analysis
High Dimension Optimization	Simulation-Based Optimization



An all-weather approach

- Seek to construct a portfolio that is designed to weather all possible environments
- This means not just structuring the portfolio for the environment you believe is most likely to occur





The asset allocation process

- The first step is to develop (or confirm) objectives and constraints:
 - Establish long-term return (and risk) objectives
 - Determine time horizon, liquidity needs, legal and regulatory constraints, etc.
- The next step is to evaluate different options that meet these objectives and constraints
 - This can/should be an iterative process
- The final step is to choose an asset allocation policy and memorialize it



Making choices

- Many investors select a portfolio at or above their target return
 - The return target could be based on an actuarial assumed rate of return, real spending rate, etc.
- Others might choose a risk target instead
 - Pension funds, for example, might choose a risk target relative to their liabilities
 - But risk, unlike return, has many different interpretations
 - Therefore, it can be harder to come to agreement on such an approach

	Portfolio A	Portfolio B	Portfolio C
Expected Return (20 year)	6.56%	6.79%	7.01%
Standard Deviation	12.66%	12.93%	13.32%
Probability of hitting target	46.8%	50.1%	53.0%



Considering trade-offs

- Most options offer trade-offs
- There is no single right way to choose

Asset Group	Current Portfolio	Portfolio X	Portfolio Y	Portfolio Z
Rate Sensitive	16%	25%	16%	17%
Credit	11%	4%	10%	3%
Growth/Equity	53%	51%	51%	53%
Real Assets	13%	13%	13%	27%
Hedge Funds	7%	7%	10%	0%
Expected Return (20 year)	6.56%	6.56%	6.85%	6.94%
Standard Deviation	12.66%	11.64%	12.99%	13.41%
% Illiquid	28%	28%	40%	28%
20-year probability of achieving 6.5%	50.4%	50.5%	54.3%	55.3%
Tracking Error vs Peer Group	0.31%	1.89%	1.04%	1.51%
Global Financial Crisis (Oct 2007 - Mar 2009)	-28.2%	-23.7%	-26.6%	-30.2%
Stagflation (Jan 1973 - Sep 1974)	-23.3%	-22.2%	-21.2%	-13.9%
10-year Treasury Bond rates rise 300 bps	-2.5%	-4.6%	-3.1%	-2.2%



Asset allocation best practices

- Define and set explicit (preferably quantifiable) objectives.
- Review the strategic asset allocation policy targets every 3-5 years
- Plan for multiple meetings to discuss asset allocation
- Set targets and ranges for each asset class
- Set interim targets when making changes.
- Document reasons for the objectives and policy chosen and share with new members



Summary

- Asset allocation will have the greatest impact on long-term performance
- Consider assets based on how they fit within a portfolio
- Take a “mosaic” approach to understanding the risks
- Construct a portfolio that is designed to weather all possible environments
- Choose what you believe is in the best interest of your institution



Disclaimers

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Investment Concepts 101

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San Joaquin County Employees' Retirement Association (SJCERA)

Q1 2025

Quarterly Report

1. Introduction
2. Q1 2025 Portfolio Review
3. Real Estate Program
4. Economic and Market Update as of March 31, 2025
5. Disclaimer, Glossary, and Notes

Introduction

Introduction

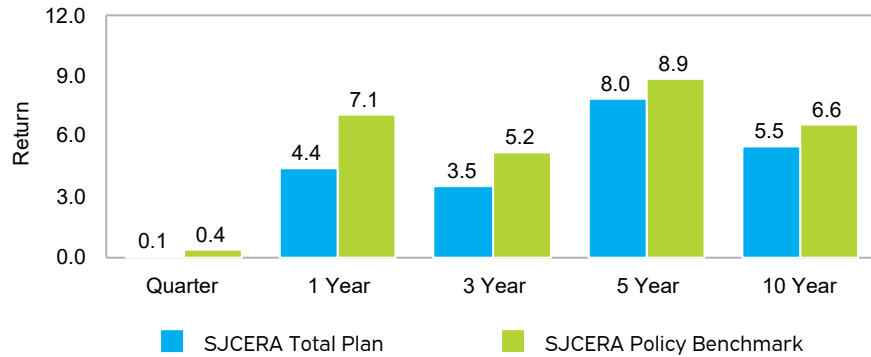
The SJCERA Total Portfolio had an aggregate value of \$4.66 billion as of March 31, 2025. During the latest quarter, the Total Portfolio increased in value by \$35.3 million, and over the one-year period, the Total Portfolio increased by \$252 million. The movement over the recent quarter was primarily driven by cash flows; however, the change in value over the one-year period was primarily driven by investment returns. Uncertainty was the dominant theme during the first quarter of 2025 as market participants attempted to digest the evolving foreign trade policy of the Trump administration. Since the reciprocal tariff announcements on 'Liberation Day' in the beginning of April, market volatility has been near record highs. Both fixed income and equity markets saw sharp declines in the immediate aftermath of the announcement, which led the administration to announce a 90-day pause on many of the tariffs. Markets have since calmed relative to the week of April 2nd. However, we are still in a period of heightened volatility and uncertainty as market participants await the next moves of the major global economic players, namely the US, China, Canada, Mexico, Japan, and the European Union.

Recent Investment Performance

The Total Portfolio has underperformed the policy benchmark for the quarter, 1-, 3-, 5-, 10-, 15-, 20- and 25-year periods by (0.3%), (2.7%), (1.7%), (0.9%), (1.1%), (0.8%), (1.0%) and (0.1%), respectively. Net of fees, the Plan has underperformed the Median Public Fund for the most recent quarter, 1-, 5-, 10-, 15-, 20-, and 25-year periods by (0.2%), (1.1%), (0.5%), (1.9%), (1.2%), (1.4%), (1.6%) and (0.7%), respectively. That said, it's important to view these returns in the context of the risk the portfolio is taking relative to that of the median public plan. The annualized standard deviation of the Plan is 2.3% lower than the median public plan with \$1-\$5 billion in assets during the last five years, (7.2% for the plan vs. 9.5% for the median public plan).

Introduction | As of March 31, 2025

Return Summary



Summary of Cash Flows

	Quarter	1 Year
SJCERA Total Plan		
Beginning Market Value	4,622,824,288	4,405,756,033
Net Cash Flow	27,562,594	56,615,762
Net Investment Change	7,702,937	195,718,024
Ending Market Value	4,658,089,819	4,658,089,819

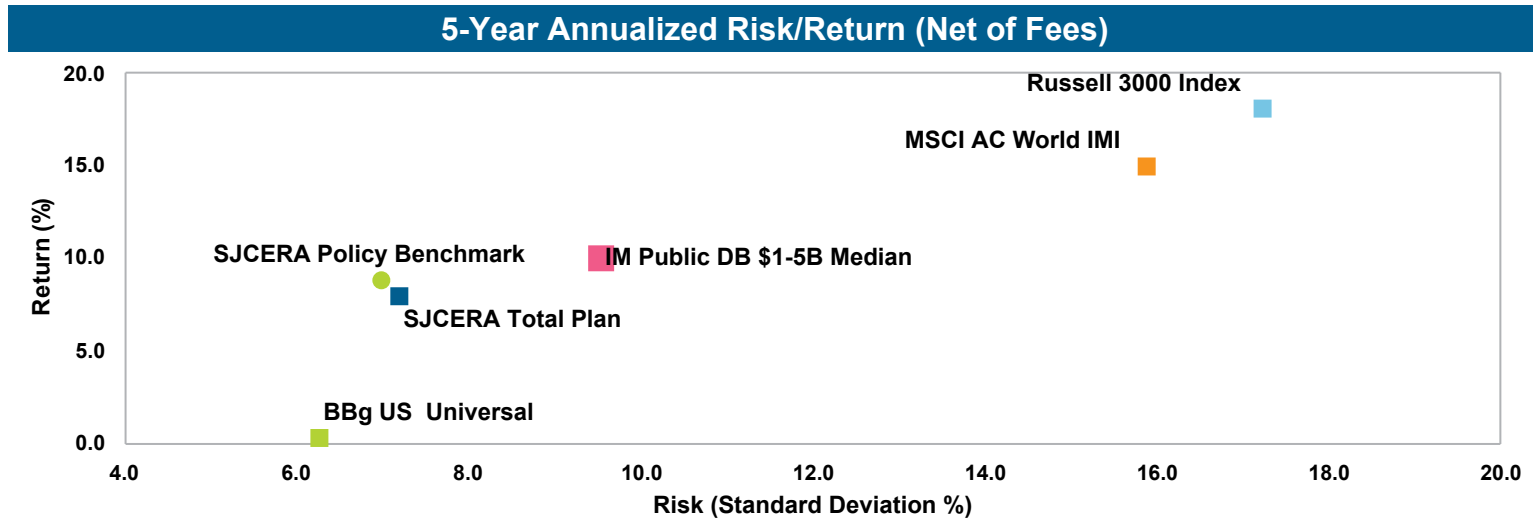
	Quarter	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	25 Years
SJCERA Total Plan - Gross	0.2	4.8	3.9	8.4	6.2	6.8	5.7	5.8
SJCERA Total Plan - Net	0.1	4.4	3.5	8.0	5.5	6.1	5.1	5.3
<i>SJCERA Policy Benchmark</i>	<u>0.4</u>	<u>7.1</u>	<u>5.2</u>	<u>8.9</u>	<u>6.6</u>	<u>6.9</u>	<u>6.1</u>	<u>5.3</u>
Excess Return (Net)	-0.3	-2.7	-1.7	-0.9	-1.1	-0.8	-1.0	-0.1
<i>All Public Plans > \$1B-Total Fund Median</i>	0.3	5.5	4.0	9.9	6.7	7.5	6.7	6.0

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

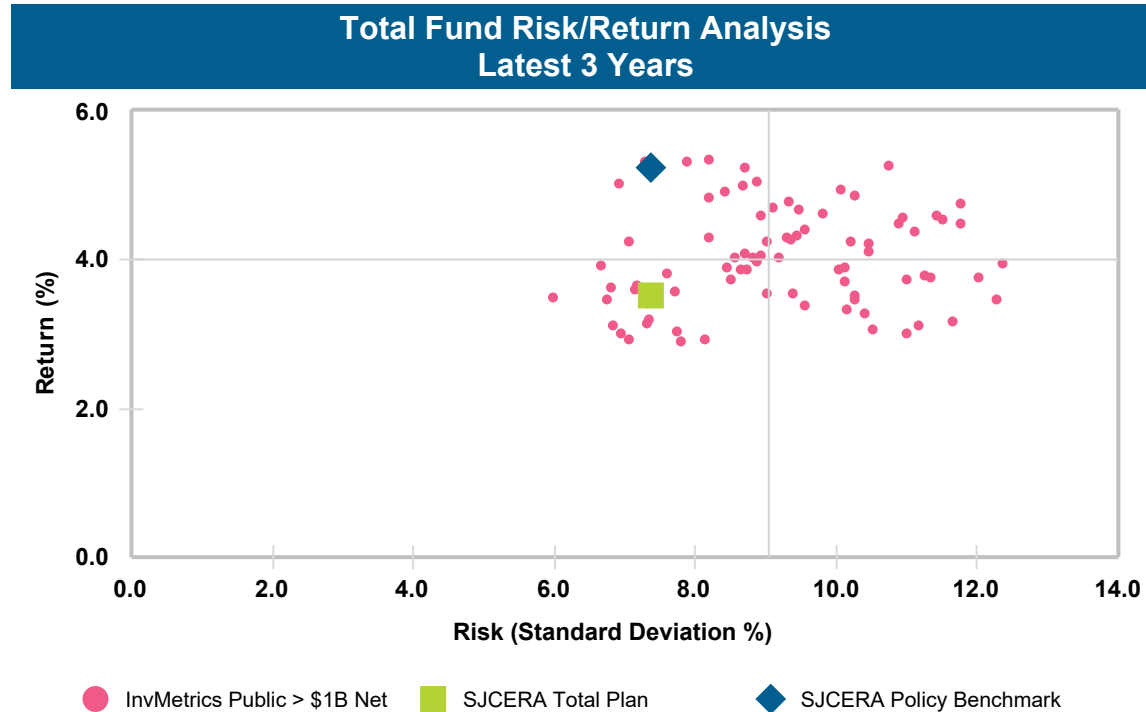
2 Policy Benchmark composition is listed in the Appendix.

Risk Adjusted Return vs Peers

Risk Adjusted Return vs Peers				
	1 Yr	3 Yrs	5 Yrs	10 Yrs
SJCERA Total Plan - Net	4.42	3.54	7.96	5.52
Risk Adjusted Median	4.43	3.24	7.83	6.47
Excess Return	-0.01	0.30	0.13	-0.95



	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
SJCERA Total Plan	8.0	7.2	0.7
SJCERA Policy Benchmark	8.9	7.0	0.9
InvMetrics Public DB \$1B-5B Median	10.0	9.5	0.8
Blmbg. U.S. Universal Index	0.3	6.3	-0.3
Russell 3000 Index	18.2	17.2	0.9
MSCI AC World IMI	15.0	15.9	0.8

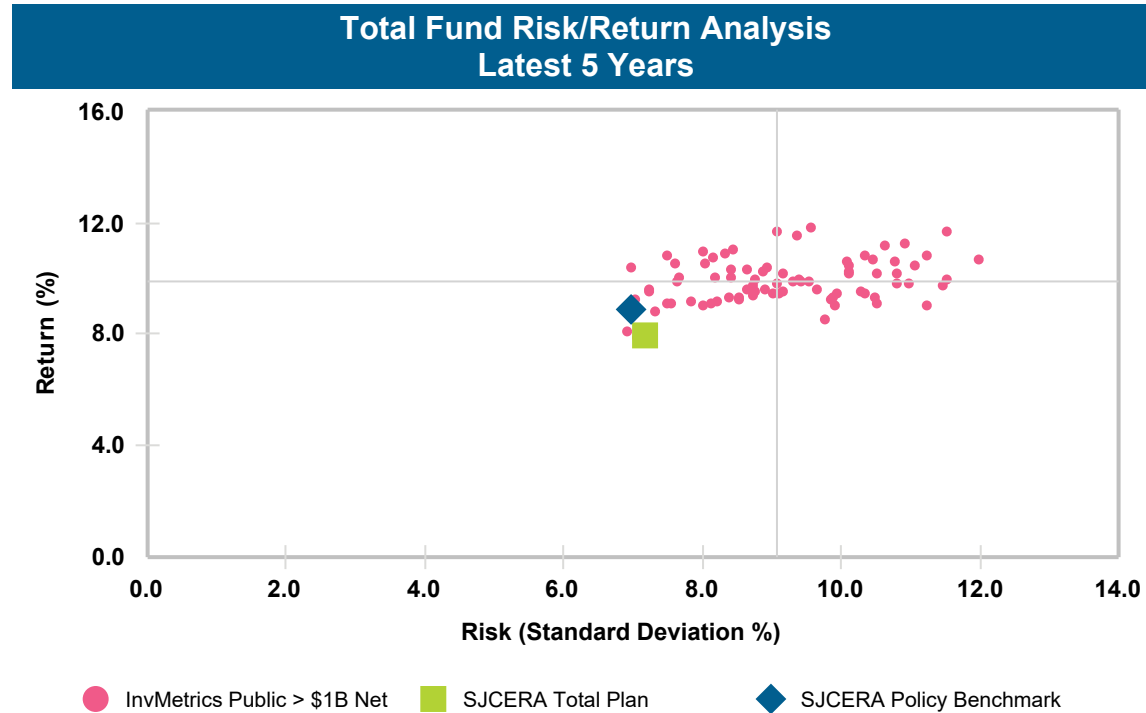


	Return	Standard Deviation	Sharpe Ratio
SJCERA Total Plan	3.5	7.4	-0.1
SJCERA Policy Benchmark	5.2	7.4	0.2
All Public Plans > \$1B-Total Fund Median	4.0	9.0	0.0

1 Returns are net of fees.

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

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

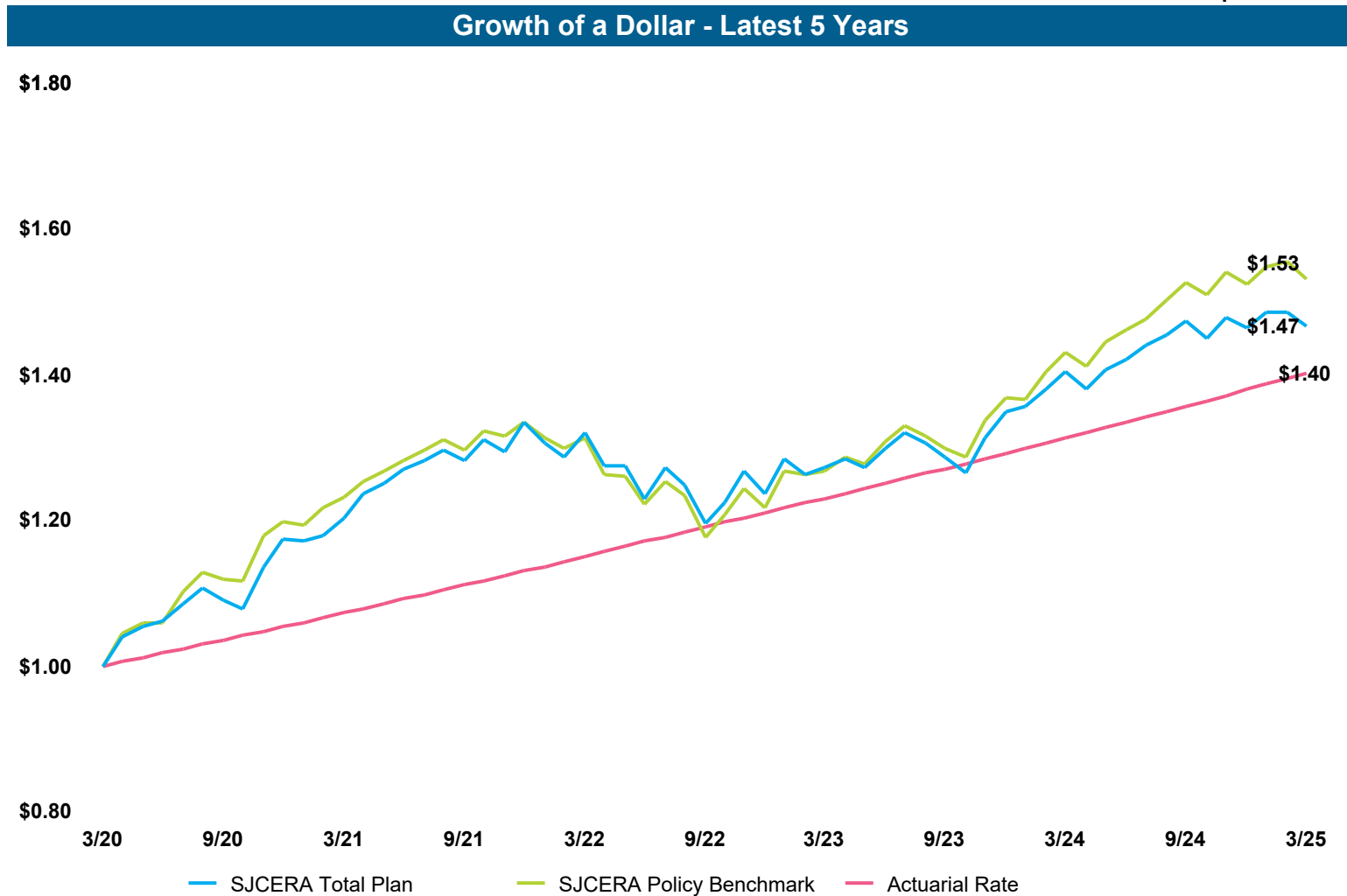


	Return	Standard Deviation	Sharpe Ratio
SJCERA Total Plan	8.0	7.2	0.7
SJCERA Policy Benchmark	8.9	7.0	0.9
All Public Plans > \$1B-Total Fund Median	9.9	9.1	0.8

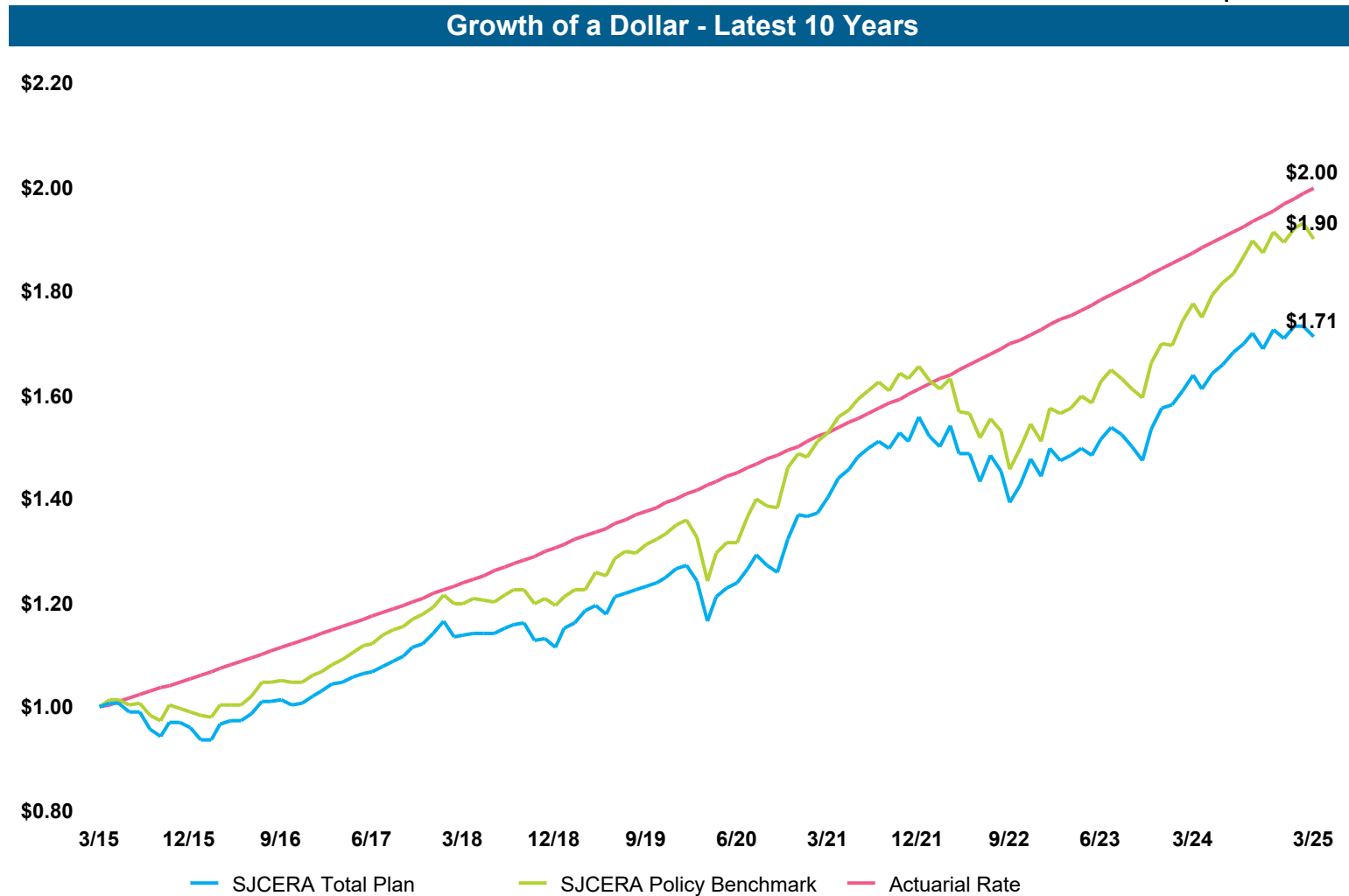
1 Returns are net of fees.

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

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

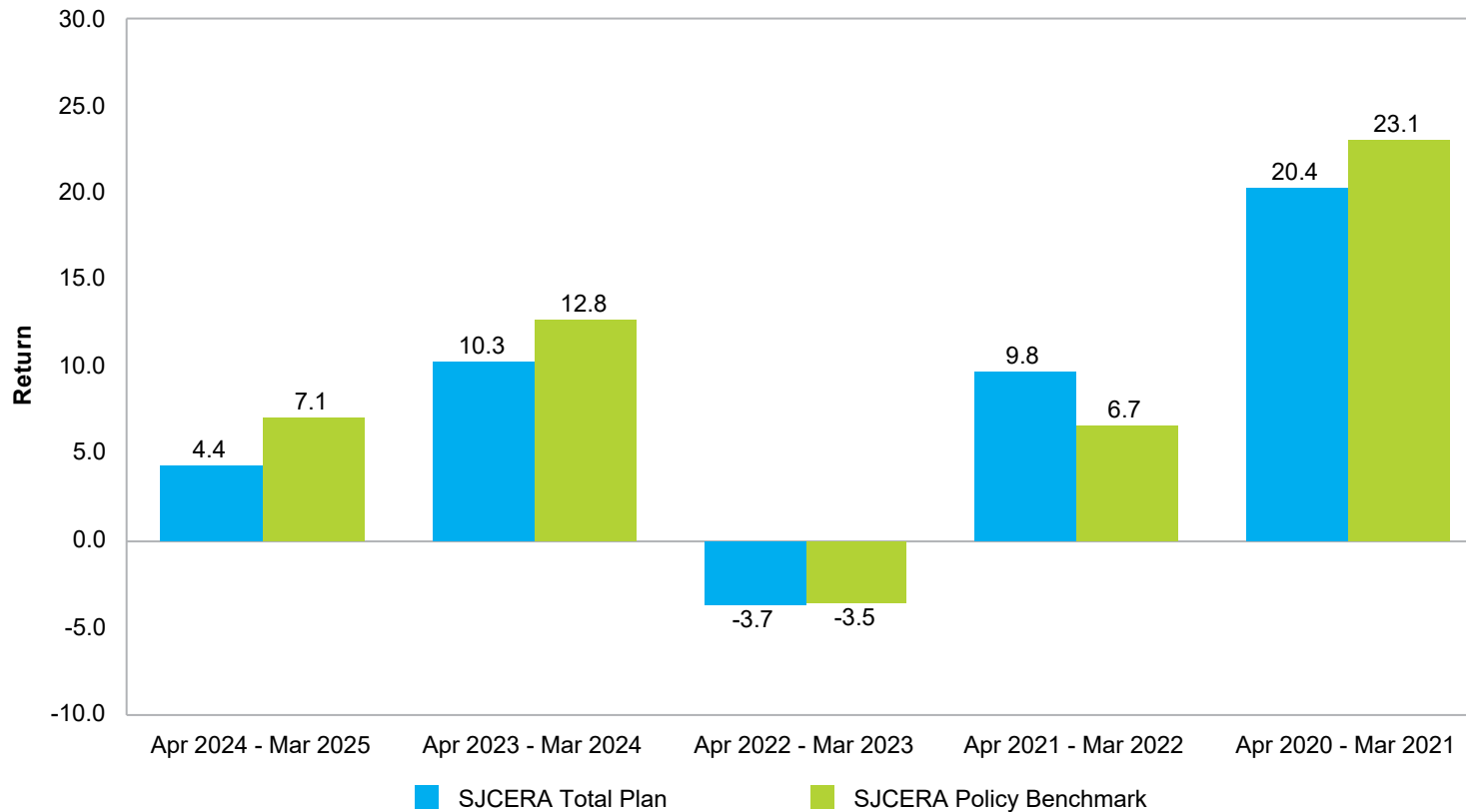


6.75% Actuarial Rate from 9/1/2022 to present. 7.0% Actuarial Rate from 1/1/2020 to 8/31/2022. 7.25% Actuarial Rate from 1/1/2018 to 12/31/2019. 7.4% Actuarial Rate from 8/1/2016 to 12/31/2017. 7.5% Actuarial Rate from 1/1/2012 to 7/31/2016. Previously 8.0%.



6.75% Actuarial Rate from 9/1/2022 to present. 7.0% Actuarial Rate from 1/1/2020 to 8/31/2022. 7.25% Actuarial Rate from 1/1/2018 to 12/31/2019. 7.4% Actuarial Rate from 8/1/2016 to 12/31/2017. 7.5% Actuarial Rate from 1/1/2012 to 7/31/2016. Previously 8.0%.

12-month Performance Overview



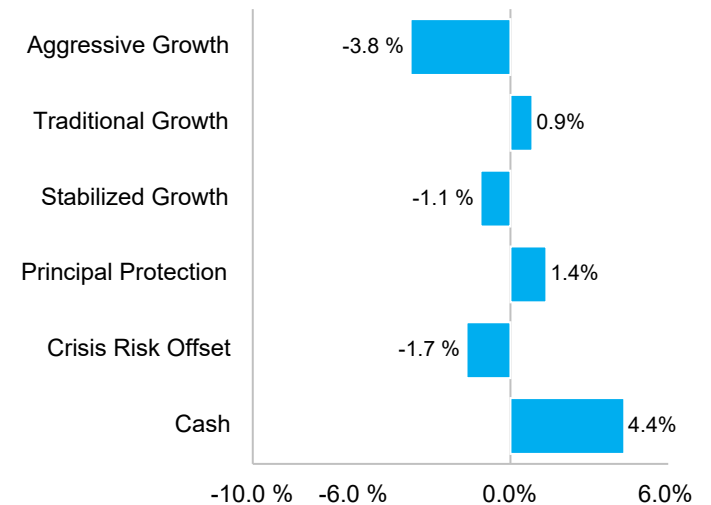
12-month absolute results have been positive four of the last five 12-month periods, net of fees. The SJCERA Total Portfolio outperformed the policy target benchmark one time during these five periods, net of fees.

Q1 2025 Portfolio Review

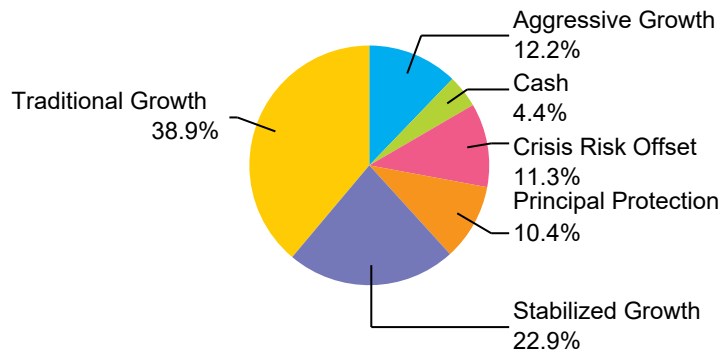
Asset Allocation | As of March 31, 2025

	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)
Broad Growth	\$3,442,461,888	73.9	78.0	-4.1
Aggressive Growth	\$566,961,133	12.2	16.0	-3.8
Traditional Growth	\$1,810,822,928	38.9	38.0	0.9
Stabilized Growth	\$1,064,677,827	22.9	24.0	-1.1
Diversified Growth	\$1,009,348,894	21.7	22.0	-0.3
Principal Protection	\$482,588,401	10.4	9.0	1.4
Crisis Risk Offset	\$526,760,494	11.3	13.0	-1.7
Cash	\$206,279,037	4.4	0.0	4.4
Cash	\$206,279,037	4.4	0.0	4.4
Total	\$4,658,089,819	100.0	100.0	0.0

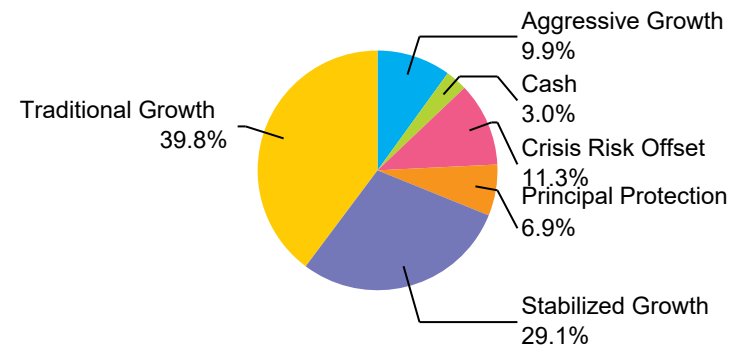
Variance vs Target Allocation (%)



As of March 31, 2025



As of March 31, 2024



Market values may not add up due to rounding
Cash asset allocation includes Parametric Overlay

Asset Class Performance Net-of-Fees | As of As of March 31, 2025

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
SJCERA Total Plan	4,658,089,819	100.0	0.1	4.4	3.5	8.0	5.5
<i>SJCERA Policy Benchmark</i>			<i>0.4</i>	<i>7.1</i>	<i>5.2</i>	<i>8.9</i>	<i>6.6</i>
Broad Growth	3,442,461,888	73.9	-0.5	5.4	4.1	10.3	6.8
Aggressive Growth Lag	566,961,133	12.2	1.6	7.8	5.1	12.9	11.0
<i>Aggressive Growth Blend</i>			<i>0.4</i>	<i>9.2</i>	<i>3.3</i>	<i>8.5</i>	<i>9.0</i>
Traditional Growth	1,810,822,928	38.9	-1.5	6.3	7.1	15.1	8.1
<i>MSCI ACWI IMI Net</i>			<i>-1.6</i>	<i>6.3</i>	<i>6.3</i>	<i>15.0</i>	<i>9.1</i>
Stabilized Growth	1,064,677,827	22.9	0.0	2.8	0.0	4.4	4.2
<i>SJCERA Stabilized Growth Benchmark</i>			<i>1.5</i>	<i>6.7</i>	<i>5.5</i>	<i>7.0</i>	<i>5.6</i>
Diversifying Strategies	1,009,348,894	21.7	2.2	1.0	1.6	1.0	1.9
Principal Protection	482,588,401	10.4	2.8	5.3	2.1	1.1	2.3
<i>Blmbg. U.S. Aggregate Index</i>			<i>2.8</i>	<i>4.9</i>	<i>0.5</i>	<i>-0.4</i>	<i>1.5</i>
Crisis Risk Offset Asset Class	526,760,494	11.3	1.7	-2.6	1.2	0.9	1.2
<i>CRO Benchmark</i>			<i>2.0</i>	<i>1.3</i>	<i>0.5</i>	<i>1.5</i>	<i>2.8</i>
Cash and Misc Asset Class	174,216,982	3.7	0.8	2.5	2.9	1.8	1.4
<i>90 Day U.S. Treasury Bill</i>			<i>1.0</i>	<i>5.0</i>	<i>4.2</i>	<i>2.6</i>	<i>1.9</i>

1 Market values may not add up due to rounding.

2 Policy Benchmark composition is listed in the Appendix.

3 29% 50% Bloomberg High Yield/50% S&P LSTA Leverage Loans; 38% NCREIF ODCE (Net); 33% S&P/LSTA Leverage Loans +2%.

4 (1/3) Bloomberg Long Duration Treasuries; (1/3) BTOP50 Index; (1/3) 5% Annual.

Asset Class Performance Net-of-Fees | As of As of March 31, 2025

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Aggressive Growth Lag	566,961,133	100.0	1.6	7.8	5.1	12.9	11.0
<i>Aggressive Growth Blend</i>			0.4	9.2	3.3	8.5	9.0
Bessemer Venture Partners Forge Fund	11,595,255	2.0	3.0	30.3	--	--	--
<i>MSCI ACWI +2% Blend</i>			-0.4	20.3	--	--	--
Bessemer Venture Partners Fund XII, L.P.	5,086,803	0.9	-0.4	--	--	--	--
<i>MSCI ACWI +2% Blend</i>			-0.4	--	--	--	--
Blackrock Global Energy and Power Lag	50,051,921	8.8	3.4	16.9	11.7	9.6	--
<i>MSCI ACWI +2% Blend</i>			-0.4	20.3	8.1	12.8	--
BlackRock Global Infrastructure Fund IV, L.P.	29,586,008	5.2	1.1	13.1	--	--	--
<i>MSCI ACWI +2% Blend</i>			-0.4	20.3	--	--	--
Capitol Meridian Fund I	9,670,000	1.7	3.5	--	--	--	--
<i>MSCI ACWI +2% Blend</i>			-0.4	--	--	--	--
Lightspeed Venture Ptnrs Select V Lag	34,447,647	6.1	5.0	13.2	--	--	--
<i>MSCI ACWI +2% Blend</i>			-0.4	20.3	--	--	--
Long Arc Capital Fund I	28,223,824	5.0	3.1	7.7	--	--	--
<i>MSCI ACWI +2% Blend</i>			-0.4	20.3	--	--	--
Morgan Creek III Lag	5,759,607	1.0	0.0	2.5	2.9	-2.6	--
<i>MSCI ACWI +2% Blend</i>			-0.4	20.3	8.1	12.8	--
Morgan Creek V Lag	4,741,178	0.8	0.0	-3.6	-3.2	4.5	7.6
<i>MSCI ACWI +2% Blend</i>			-0.4	20.3	8.1	12.8	11.1
Morgan Creek VI Lag	20,517,005	3.6	0.0	1.6	-5.4	9.0	--
<i>MSCI ACWI +2% Blend</i>			-0.4	20.3	8.1	12.8	--
Oaktree Special Situations Fund III, L.P.	16,793,656	3.0	15.4	33.5	--	--	--
<i>MSCI ACWI +2% Blend</i>			-0.4	20.3	--	--	--

1 Market Values may not add up due to rounding.

2 Lagged 1 quarter.

3 24Q4 data not available at the time of this report. Q3 values were rolled forward.

Asset Class Performance Net-of-Fees | As of As of March 31, 2025

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Ocean Avenue II Lag	18,401,596	3.2	3.1	-26.3	-8.9	12.8	13.0
MSCI ACWI +2% Blend			-0.4	20.3	8.1	12.8	11.1
Ocean Avenue III Lag	51,675,142	9.1	-0.8	6.5	8.4	17.1	--
MSCI ACWI +2% Blend			-0.4	20.3	8.1	12.8	--
Ocean Avenue IV Lag	54,956,059	9.7	1.1	7.4	17.0	22.9	--
MSCI ACWI +2% Blend			-0.4	20.3	8.1	12.8	--
Ocean Avenue V Lag	14,367,998	2.5	20.1	25.9	--	--	--
MSCI ACWI +2% Blend			-0.4	20.3	--	--	--
Non-Core Real Assets Lag	122,022,520	21.5	-3.5	2.7	-4.5	4.4	4.8
NCREIF ODCE +1% lag (blend)			1.2	-1.3	-2.2	3.0	6.0
Ridgemont Equity Partners IV, L.P.	29,875,409	5.3	4.6	14.4	--	--	--
MSCI ACWI +2% Blend			-0.4	20.3	--	--	--
Stellex Capital Partners II Lag	53,920,215	9.5	3.3	20.0	16.9	--	--
MSCI ACWI +2% Blend			-0.4	20.3	8.1	--	--
Stellex Capital Partners III Lag	5,269,291	0.9	--	--	--	--	--
MSCI ACWI +2% Blend			--	--	--	--	--

1 Lagged 1 quarter.

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

Aggressive Growth

During the latest three-month period ending March 31, 2025, sixteen of SJCERA's nineteen aggressive growth managers outperformed their respective benchmarks while two of the remaining three funds trailed the benchmark and one has not yet reported quarterly returns. Collectively, the Aggressive Growth sleeve outperformed the Aggressive Growth Blended benchmark by 1.2%. Please note that the return data for this asset class is lagged one quarter. More than half of these managers are in the funding stage and are experiencing what is known as the "J-Curve Effect" while they are in the downward sloping portion of the curve.

Bessemer Venture Partners Forge Fund returned 3.0% for the first quarter, outperforming the MSCI ACWI + 2% benchmark by 3.4% for the period. The manager also outperformed the benchmark over the trailing 1-year period by 10.0%.

Bessemer Venture Partners Fund XII is a new addition to Aggressive Growth sleeve and is still in the downward sloping portion of the J-curve. The fund returned (0.4%) during Q1, matching the benchmark return.

BlackRock Global Energy and Power, outperformed the MSCI ACWI +2% benchmark over the trailing quarter and 3-year periods by 3.8% and 3.6%, respectively; however, it underperformed the benchmark over the trailing 1- and 5 - year periods by (3.4%) and (3.2%), respectively.

BlackRock Global Infrastructure Fund IV, a newer addition to the Aggressive Growth sleeve outperformed the benchmark during the most recent quarter by 0.7% but trailed the benchmark over the 1-yr period by (7.2%)

Capitol Meridian Partners Fund I, A new addition to the Aggressive Growth sleeve outperformed the benchmark by 3.9% during the 1st quarter.

Aggressive Growth (continued)

Lightspeed Venture Partners Select V, a venture capital fund that was recently added and is experiencing the J-Curve effect, outperformed the benchmark during the most recent quarter by 5.4% but underperformed the benchmark over the trailing 1-yr period by (7.1%).

Long Arc Capital Fund I, a growth stage VC manager which is new to the Aggressive Growth sleeve, recently called capital and outperformed the benchmark during the most recent quarter by 3.5% but underperformed the benchmark over the trailing 1-yr period by (12.6%).

Morgan Creek III hasn't reported Q1 returns yet; however, the manager trailed the benchmark over the trailing 1-, 3 - , and 5-year periods by (17.8%), (5.2%), and (15.4%), respectively.

Morgan Creek V hasn't reported Q1 returns yet; however, the manager trailed the benchmark over the 1-, 3-, 5-, and 10-yr periods by (23.9%), (11.3%), (8.3%), and (3.5%), respectively.

Morgan Creek VI hasn't reported Q1 returns yet; however, the manager has trailed the benchmark over the 1-, 3-, and 5-year periods by (18.7%), (13.5%), and (3.8%) respectively.

Oaktree Special Situations Fund III, L.P., a new debt manager within the Aggressive Growth sleeve outperformed the benchmark over the recent quarter and trailing 1-year period by 15.8% and 13.2%, respectively.

Ocean Avenue II, outperformed its benchmark over the recent quarter by 3.5% and trailing 10-year period by 2.9%. That said, the manager trailed the benchmark over the 1- and 3-year periods by (46.6%) and (17.0%), respectively. The manager has performed in line with the benchmark, gaining 12.8% annually, over the trailing 5-year period.

Ocean Avenue III, trailed its benchmark over the quarter and 1-year periods by (0.4%) and (13.8%), respectively; however, it outperformed the benchmark over the 3- and 5-year periods by 0.3% and 4.3%, respectively.

Aggressive Growth (continued)

Ocean Avenue IV, outperformed its benchmark over the quarter and trailing 3- and 5-year periods by 1.5%, 8.9%, and 10.1%, respectively. However, it underperformed the benchmark over the 1-year period by 12.9%.

Ocean Avenue V, a newer Private Equity vintage of the veteran manager in this portfolio outperformed the benchmark over the most recent quarter and trailing 1-year periods by 20.5% and 5.6%, respectively.

Non-Core Real Assets underperformed its NCREIF ODCE +1% benchmark over the trailing quarter, 3-, and 10-year periods by (4.7%), (2.3%) and (1.2%), respectively. That said, the manager outperformed the benchmark over the trailing 1- and 5-year periods by 4.0% and 1.4%, respectively.

Ridgemont Equity Partners, a new Private Equity manager within the asset class that is undergoing capital calls, outperformed the benchmark over the quarter by 5%. However, it underperformed the benchmark over the trailing 1 - year period by (5.9%).

Stellex Capital Partners II, a new Private Equity manager within the asset class that is undergoing capital calls, outperformed the benchmark over trailing quarter and 3-year period by 3.7% and 8.8%, respectively; however, it trailed the benchmark over the recent quarter and trailing 1-year period by (5.3%) and (14.4%), respectively.

Stellex Capital Partners III, a new Private Equity manager within the asset class that is undergoing capital calls and has not published a quarterly statement yet.

Private Appreciation

Private Appreciation

Investment Activity Statement for Since Inception by Fund

Investment	Vintage Year	Original Inv. Commitment	Gross Contributions	Management Fees	Return of Capital	Distributions	Net Income	Unrealized Appreciation	Realized Gain	Ending Market Value
Bessemer Valley Forge	2022	20,000,000	10,177,569	1,001,099	-	-	(1,279,615)	2,697,301	-	11,595,255
Bessemer Venture Partners Fund XII	2024	30,000,000	5,492,399	532,212	-	-	(558,566)	152,992	(22)	5,086,803
Blackrock Global Energy & Power III	2019	50,000,000	52,926,400	4,422,166	1,425,739	18,244,635	4,661,588	9,268,116	2,866,191	50,051,921
Blackrock Global Infrastructure IV-D	2022	50,000,000	27,228,603	667,751	-	438,836	(1,593,146)	4,411,786	(22,400)	29,586,008
Capitol Meridian Fund I	2024	25,000,000	9,965,800	17,752	-	42,360	(500,226)	246,786	-	9,670,000
Lightspeed Venture Partners Select V	2021	40,000,000	33,600,000	2,220,000	-	-	(2,454,294)	3,301,940	-	34,447,647
Long Arc Capital I	2022	25,000,000	23,648,476	2,288,356	-	-	(779,566)	5,343,756	11,158	28,223,824
Morgan Creek III	2015	10,000,000	9,900,000	788,104	2,325,492	717,761	(1,570,102)	122,889	350,073	5,759,607
Morgan Creek V	2013	12,000,000	11,520,000	872,577	5,102,450	10,271,741	(1,758,096)	948,368	10,005,098	5,341,178
Morgan Creek VI	2015	20,000,000	18,200,000	3,860,299	6,864,868	8,368,335	(1,394,313)	13,202,468	6,342,053	21,117,005
Oaktree Special Situations III	2023	40,000,000	19,244,593	388,265	-	6,483,403	433,328	3,863,854	(264,714)	16,793,656
Ocean Avenue II*	2013	40,000,000	36,000,000	6,746,128	5,875,189	60,955,969	22,600,537	(4,804,345)	31,436,561	18,401,596
Ocean Avenue III	2016	50,000,000	46,500,000	7,742,575	25,500,000	34,000,000	11,164,047	23,159,816	30,351,279	51,675,142
Ocean Avenue IV	2019	50,000,000	49,000,000	5,528,656	3,250,000	34,145,927	(26,740)	17,075,296	26,303,429	54,956,059
Ocean Avenue V	2022	30,000,000	10,650,000	610,980	-	-	(1,200,533)	4,918,531	-	14,367,998
Ridgemont	2021	50,000,000	25,609,482	2,000,000	-	1,459	(1,639,306)	5,906,692	-	29,875,409
Stellex II	2020	50,000,000	47,272,871	3,414,857	-	6,491,009	(71,443)	10,457,159	2,752,637	53,920,215
Total			421,266,225	41,568,465	50,343,738	180,161,434	25,871,736	97,423,112	110,131,365	424,187,264

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

Asset Class Performance Net-of-Fees | As of As of March 31, 2025

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Traditional Growth	1,810,822,928	100.0	-1.5	6.3	7.1	15.1	8.1
<i>MSCI ACWI IMI Net</i>			-1.6	6.3	6.3	15.0	9.1
Northern Trust MSCI World	1,629,590,392	90.0	-1.8	6.7	7.5	--	--
<i>MSCI World IMI Index (Net)</i>			-2.0	6.3	6.9	--	--
PIMCO RAE Emerging Markets	103,608,581	5.7	3.1	6.1	8.4	16.7	6.8
<i>MSCI Emerging Markets (Net)</i>			2.9	8.1	1.4	7.9	3.7
GQG Active Emerging Markets	77,620,603	4.3	-0.1	-3.8	5.9	--	--
<i>MSCI Emerging Markets (Net)</i>			2.9	8.1	1.4	--	--

Market Values may not add up due to rounding.

Traditional Growth

During the latest three-month period ending March 31, 2025, the traditional growth asset class slightly outperformed its MSCI ACWI IMI benchmark return of -1.6% by 0.1%. Two managers slightly outperformed the benchmark and one manager trailed its benchmark during the recent quarter.

Northern Trust MSCI World, the Plan's Passive Global Equity manager, outperformed its benchmark over the past quarter, returning -1.8% versus the benchmark return of -2.0%. The strategy has gained 6.7% over the trailing 1-year period and an annualized 7.5% return over the trailing 3-year period.

PIMCO RAE Emerging Markets, one of SJCERA's Active Emerging Markets Equity managers, outperformed its MSCI Emerging Markets Index benchmark for the quarter by 0.2%; however, it underperformed the benchmark over the trailing 1-year period by 2.0%. The manager has outperformed the benchmark over the trailing 3-, 5- and 10-year periods by 7.0%, 8.8%, and 3.1%, respectively.

GQG Active Emerging Markets, underperformed its MSCI Emerging Markets benchmark over the quarter and trailing 1-year period by (3.0%) and (11.9%), respectively; however, the manager has outperformed the benchmark over the trailing 3-year period by 4.5%.

Asset Class Performance Net-of-Fees | As of As of March 31, 2025

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Stabilized Growth	1,064,677,827	100.0	0.0	2.8	0.0	4.4	4.2
<i>SJCERA Stabilized Growth Benchmark</i>			1.5	6.7	5.5	7.0	5.6
Liquid Credit	378,016,820	35.5	0.8	6.9	5.7	7.0	3.8
<i>50% BB US HY/50% S&P LSTA Lev Loan</i>			0.7	7.3	6.1	8.2	5.0
Neuberger Berman	181,663,600	17.1	1.0	6.9	4.6	6.4	--
<i>33% ICEBofAMLUSHY /33%JPMEMBI Global Div /33% S&P LSTA Lev Loan</i>			1.2	7.0	5.2	6.5	--
Stone Harbor Absolute Return	196,353,221	18.4	0.6	6.7	6.5	7.3	3.9
<i>ICE BofA-ML LIBOR</i>			1.1	5.2	4.3	2.7	2.1
Private Credit Lag	422,478,151	39.7	-1.9	-0.8	0.4	2.7	2.7
<i>Credit Blend S&P/LSTA Lev Loan +2%</i>			3.0	12.2	11.6	11.1	9.8
Ares Pathfinder Fund II, L.P.	13,388,591	1.3	3.2	23.1	--	--	--
<i>Credit Blend S&P/LSTA Lev Loan +2%</i>			3.0	12.2	--	--	--
Blackrock Direct Lending Lag	84,454,618	7.9	0.3	2.6	6.7	--	--
<i>Credit Blend S&P/LSTA Lev Loan +2%</i>			3.0	12.2	11.6	--	--
Crestline Opportunity II Lag	8,940,788	0.8	-4.8	-12.2	-14.3	-6.9	-2.0
<i>Credit Blend S&P/LSTA Lev Loan +2%</i>			3.0	12.2	11.6	11.1	9.8
Davidson Kempner Long-Term Distressed Opportunities Fund V, L.P. Lag	57,614,061	5.4	2.7	19.3	7.0	--	--
<i>Credit Blend S&P/LSTA Lev Loan +2%</i>			3.0	12.2	11.6	--	--
HPS European Asset Value II, LP Lag	33,315,807	3.1	1.9	10.5	10.9	--	--
<i>Credit Blend S&P/LSTA Lev Loan +2%</i>			3.0	12.2	11.6	--	--
Medley Opportunity II Lag	179,867	0.0	0.0	-1.2	-0.8	-4.7	-4.2
<i>Credit Blend S&P/LSTA Lev Loan +2%</i>			3.0	12.2	11.6	11.1	9.8
Mesa West IV Lag	33,269,336	3.1	-0.7	-8.2	-11.9	-4.4	--
<i>Credit Blend S&P/LSTA Lev Loan +2%</i>			3.0	12.2	11.6	11.1	--

1 Market Values may not add up due to rounding.

2 29% 50% Bloomberg High Yield/50% S&P LSTA Leverage Loans; 38% NCREIF ODCE (Net); 33% S&P/LSTA Leverage Loans +2%.

Asset Class Performance Net-of-Fees | As of As of March 31, 2025

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Oaktree Middle-Market Direct Lending Lag	31,641,089	3.0	0.9	7.6	7.7	11.3	--
<i>Credit Blend S&P/LSTA Lev Loan +2%</i>			3.0	12.2	11.6	11.1	--
Raven Opportunity III Lag	16,005,022	1.5	-46.0	-65.0	-33.0	-19.0	--
<i>Credit Blend S&P/LSTA Lev Loan +2%</i>			3.0	12.2	11.6	11.1	--
Silver Point Credit III Lag	21,688,841	2.0	1.5	11.8	--	--	--
<i>Credit Blend S&P/LSTA Lev Loan +2%</i>			3.0	12.2	--	--	--
Silver Rock Tactical Allocation Fund Lag	53,488,058	5.0	2.4	11.1	--	--	--
<i>Credit Blend S&P/LSTA Lev Loan +2%</i>			3.0	12.2	--	--	--
White Oak Summit Peer Lag	23,146,540	2.2	4.8	7.6	0.9	1.4	--
<i>Credit Blend S&P/LSTA Lev Loan +2%</i>			3.0	12.2	11.6	11.1	--
White Oak Yield Spectrum Master V Lag	45,345,532	4.3	0.2	3.6	0.7	2.1	--
<i>Credit Blend S&P/LSTA Lev Loan +2%</i>			3.0	12.2	11.6	11.1	--
Private Core Real Assets Lag	264,182,856	24.8	1.3	3.2	-0.1	7.3	9.5
<i>NCREIF ODCE (blend)</i>			1.0	1.2	0.1	4.1	6.7

1 Market values may not add up due to rounding.

2 NCREIF ODCE Net 01/1/2025 - present; NCREIF ODCE Net + 1% 10/1/2012 - 12/31/2024; NCREIF Property Index previously.

Stabilized Growth

During the latest three-month period ending March 31, 2025, the Stabilized Growth sleeve of the Plan trailed its Stabilized Growth benchmark by (1.5%). Three of SJCERA's sixteen Stabilized Growth managers matched or outperformed their benchmarks. Several managers in this asset class are in the process of investing capital and may underperform as assets are invested (typically known as the J-curve effect). Included in this group are private core real assets, which outperformed their benchmark this quarter.

Neuberger Berman, one of the Plan's Liquid Credit managers, trailed the benchmark return by (0.2%) for the recent quarter. The manager slightly underperformed the benchmark over the trailing 1-, 3-, and 5-year periods by (0.1%), (0.6%), and (0.1%), respectively.

Stone Harbor, the Plan's Absolute Return Fixed Income manager, trailed the benchmark over the recent quarter by (0.5%). That said, the manager outperformed the benchmark over the trailing quarter, 1-, 3-, 5- and 10-year periods by 1.5%, 2.2%, 4.6%, and 0.2%, respectively.

Ares Pathfinder Fund II, LP a new private credit manager within the plan outperformed its benchmark by 0.2% over the recent quarter and 10.9% over the trailing 1-year period.

BlackRock Direct Lending, trailed the benchmark over the quarter, 1-, and 3-year periods by (2.7%), (9.6%) and (4.9%), respectively.

Crestline Opportunity II, has underperformed the benchmark over the trailing quarter, 1-, 3-, 5- and 10-year periods by (7.8%), (24.4%), (25.9%), (18.0%), and (11.8%), respectively.

Davidson Kempner, a Distressed Private Credit manager, underperformed its benchmark over the quarter and trailing 3-year periods by (0.3%) and (4.6%), respectively; however, the manager outperformed the benchmark over the trailing 1-year period by 7.1%.

HPS EU Value II, one of the Plan's newer Direct Lending managers, trailed the benchmark over quarter, 1- and 3-year periods by (1.1%), (1.7%) and (0.7%).

Stabilized Growth (continued)

Medley Opportunity II, lagged its benchmark over the quarter, 1-, 3-, 5- and 10-year time periods by (3.0%), (13.4%), (12.4%), (15.8%), and (14.0%) respectively.

Mesa West RE Income IV, one of the Plan's Commercial Mortgage managers, trailed the benchmark by (3.7%), (20.4%), (23.5%) and (15.5%) over the trailing quarter, 1-, 3- and 5-year periods, respectively.

Oaktree, a Middle-Market Direct Lending manager, trailed the benchmark return over the recent quarter, 1-, 3-year periods by (2.1%), (4.6%), and (3.9%), respectively. However, the manager outperformed the benchmark over the trailing 5-year period by 0.2%.

Raven Opportunity III underperformed the benchmark for the quarter, 1-, 3-, and 5-year periods by (49.0%), (72.2%), (44.6%), and (30.1%), respectively.

Silver Point Credit III is a new addition to the private credit allocation which recently called capital and underperformed the benchmark by (1.5%) over the most recent quarter and (0.4%) over the trailing 1-year period.

Silver Rock Tactical Allocation Fund is a new addition to the private credit allocation which recently called capital and trailed the benchmark over the recent quarter and 1-year period by (0.6%) and (1.1%), respectively.

White Oak Summit Peer, one of the Plan's Direct Lending managers, outperformed the benchmark over the recent quarter by 1.8%. However, the strategy trailed the benchmark over the 1-, 3- and 5-year periods by (4.6%), (10.7%), and (9.7%), respectively.

White Oak Yield Spectrum Master V trailed its benchmark over the recent quarter, 1-, 3- and 5-year periods by (2.8%), (8.6%), (10.9%), and (9.0%), respectively.

Private Core Real Assets, outperformed its target over the most recent quarter, 1-, 5-, and 10-yr periods by 0.3%, 2.0%, 3.2%, and 2.8%, respectively. However, the manager trailed the benchmark over the trailing 3-year period by (0.2%)

Asset Class Performance Net-of-Fees | As of As of March 31, 2025

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Principal Protection	482,588,401	100.0	2.8	5.3	2.1	1.1	2.3
<i>Blmbg. U.S. Aggregate Index</i>			2.8	4.9	0.5	-0.4	1.5
Dodge & Cox Fixed Income	308,980,246	64.0	2.8	5.6	2.3	2.1	2.8
<i>Blmbg. U.S. Aggregate Index</i>			2.8	4.9	0.5	-0.4	1.5
Loomis Sayles	173,608,154	36.0	2.7	4.7	0.7	--	--
<i>Blmbg. U.S. Aggregate Index</i>			2.8	4.9	0.5	--	--

¹ Market Values may not add up due to rounding.

Principal Protection

During the latest three-month period ending March 31, 2025, one of SJCERA's Principal Protection managers matched the benchmark return for the quarter and one slightly trailed the target. The asset class matched the benchmark return of 2.8% for Q1 of 2025 and outperformed the benchmark over the trailing 1-year period by 40 basis points.

Dodge & Cox, the Plan's Core Fixed Income manager, matched the US Agg return of 2.8% over the recent quarter. The strategy has outperformed its benchmark by 0.7%, 1.8%, 2.5% and 1.3% for the trailing 1-, 3-, 5- and 10-year periods, respectively.

Loomis Sayles, the Plan's newest Principal Protection manager, was funded in Q1 2022 and trailed the benchmark by (0.1%). The manager matched the benchmark return of trailed the benchmark by (0.2%) over the trailing 1-year period; however, it has outperformed the benchmark over the trailing 3-year period by 0.2%.

Asset Class Performance Net-of-Fees | As of As of March 31, 2025

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Crisis Risk Offset Asset Class	526,760,494	100.0	1.7	-2.6	1.2	0.9	1.2
<i>CRO Benchmark</i>			2.0	1.3	0.5	1.5	2.8
Long Duration	155,256,272	29.5	4.4	1.5	-6.5	-7.4	--
<i>Blmbg. U.S. Treasury: Long</i>			4.7	1.3	-7.2	-7.9	--
Dodge & Cox Long Duration	155,256,272	29.5	4.4	1.5	-6.5	-7.4	--
<i>Blmbg. U.S. Treasury: Long</i>			4.7	1.3	-7.2	-7.9	--
Systematic Trend Following	222,698,646	42.3	-2.2	-8.9	-0.6	6.7	1.2
<i>BTOP 50 (blend)</i>			0.2	-2.9	2.9	7.2	3.4
Graham Tactical Trend	108,609,811	20.6	-2.8	-12.0	-0.4	6.5	--
<i>SG Trend</i>			-4.7	-12.9	0.5	6.2	--
Mount Lucas	114,088,835	21.7	-1.6	-5.8	-0.8	6.8	0.4
<i>BTOP 50 (blend)</i>			0.2	-2.9	2.9	7.2	3.4
Alternative Risk Premium	148,805,576	28.2	6.2	5.4	11.7	2.1	1.9
<i>5% Annual (blend)</i>			1.2	5.0	5.0	5.0	5.5
AQR Style Premia	85,521,503	16.2	12.9	12.6	22.0	15.0	--
<i>5% Annual</i>			1.2	5.0	5.0	5.0	--
P/E Diversified Global Macro	63,284,073	12.0	-1.6	-2.9	7.5	-5.9	--
<i>5% Annual</i>			1.2	5.0	5.0	5.0	--

1 Market Values may not add up due to rounding.

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

Crisis Risk Offset

During the latest three-month period ending March 31, 2025, the Crisis Risk Offset sleeve trailed the benchmark by (0.3%).

Dodge & Cox Long Duration returned 4.4% during Q1 versus the Bloomberg US Long Duration Treasuries benchmark return of 4.7%. The manager has outperformed the benchmark over the 1-, 3- and 5-year periods by 0.2%, 0.7%, and 0.5% respectively.

Graham Tactical Trend, one of the Plan's Systematic Trend Following managers, outperformed the benchmark over the quarter and trailing 1- and 5-year periods by 1.9%, 0.9% and 0.3%, respectively. However, the manager underperformed the benchmark over the trailing 3-year period by (0.9%).

Mount Lucas, one of the Plan's Systematic Trend Following managers, trailed the benchmark during the recent quarter, 1-, 3-, 5- and 10-year periods by (1.8%), (2.9%), (3.7%), (0.4%), and (3.0%), respectively.

AQR, one of the Plan's Alternative Risk Premium managers, outperformed its 5% Annual target for the quarter, trailing 1-, 3- and 5-year periods by 11.2%, 7.6%, 17.0%, and 10.0%, respectively.

P/E Diversified, one of the Plan's Alternative Risk Premium managers, underperformed its 5% Annual target for the quarter, 1-, and 5-year periods by (2.8%), (7.9%), and (10.9%) respectively. However, the strategy has outperformed the benchmark over the 3-year period by 2.5%.

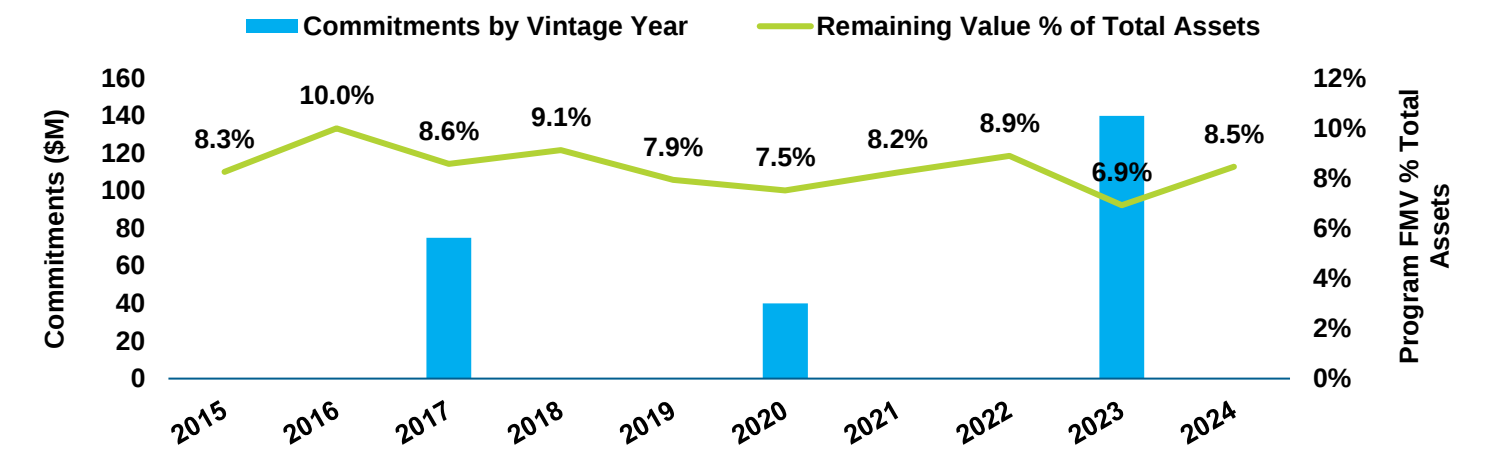
Benchmark History		
From Date	To Date	Benchmark
SJCERA Total Plan		
02/01/2025	Present	9.0% Blmbg. U.S. Aggregate Index, 38.0% MSCI AC World IMI Index (Net), 13.0% CRO Benchmark, 16.0% Aggressive Growth Blend, 24.0% SJCERA Stabilized Growth Benchmark
10/01/2024	02/01/2025	9.0% Blmbg. U.S. Aggregate Index, 38.0% MSCI AC World IMI Index (Net), 13.0% CRO Benchmark, 12.0% Aggressive Growth Blend, 28.0% SJCERA Stabilized Growth Benchmark
05/01/2024	10/01/2024	9.0% Blmbg. U.S. Aggregate Index, 38.0% MSCI AC World IMI Index (Net), 16.0% 50% BB US HY/50% S&P LSTA Lev Loan, 12.0% MSCI ACWI +2% Lag, 7.0% NCREIF ODCE +1% lag (blend), 5.0% ICE BofAML 3mo US TBill+4%, 13.0% CRO Benchmark
09/01/2023	05/01/2024	8.0% Blmbg. U.S. Aggregate Index, 34.0% MSCI AC World IMI Index (Net), 16.0% 50% BB US HY/50% S&P LSTA Lev Loan, 12.0% MSCI ACWI +2% Lag, 7.0% NCREIF ODCE +1% lag (blend), 9.0% ICE BofAML 3mo US TBill+4%, 14.0% CRO Benchmark
04/01/2023	09/01/2023	9.0% Blmbg. U.S. Aggregate Index, 33.0% MSCI AC World IMI Index (Net), 16.0% 50% BB US HY/50% S&P LSTA Lev Loan, 10.0% MSCI ACWI +2% Lag, 7.0% NCREIF ODCE +1% lag (blend), 10.0% ICE BofAML 3mo US TBill+4%, 15.0% CRO Benchmark
08/01/2022	04/01/2023	9.0% Blmbg. U.S. Aggregate Index, 33.0% MSCI AC World IMI Index (Net), 16.0% 50% BB US HY/50% S&P LSTA Lev Loan, 10.0% MSCI ACWI +2% Lag, 7.0% NCREIF ODCE +1% lag (blend), 10.0% ICE BofAML 3mo US TBill+4%, 15.0% CRO Benchmark
04/01/2020	08/01/2022	10.0% Blmbg. U.S. Aggregate Index, 32.0% MSCI AC World IMI Index (Net), 17.0% 50% BB US HY/50% S&P LSTA Lev Loan, 10.0% MSCI ACWI +2% Lag, 6.0% NCREIF ODCE +1% lag (blend), 10.0% ICE BofAML 3mo US TBill+4%, 15.0% CRO Benchmark
01/01/2016	04/01/2020	16.0% Blmbg. U.S. Aggregate Index, 37.0% MSCI AC World Index, 2.0% ICE BofA 3 Month U.S. T-Bill, 15.0% 50% BB US HY/50% S&P LSTA Lev Loan, 10.0% MSCI ACWI +2% Lag, 14.0% ICE BofAML 3mo US TBill+4%, 6.0% CRO Benchmark
01/01/1988	01/01/2016	100.0% SJCERA Policy Benchmark
Aggressive Growth Lag		
01/01/2021	Present	50.0% MSCI ACWI +2% Lag, 50.0% NCREIF ODCE +1% lag (blend)
02/01/1930	01/01/2021	100.0% MSCI ACWI +2% Blend
Stabilized Growth		
02/01/2025	Present	29.0% 50% BB US HY/50% S&P LSTA Lev Loan, 38.0% NCREIF ODCE (Net) (M Lag), 33.0% Credit Blend S&P/LSTA Lev Loan +2%
10/01/2024	02/01/2025	24.0% 50% BB US HY/50% S&P LSTA Lev Loan, 31.0% NCREIF ODCE (Net) (M Lag), 17.0% ICE BofAML 3mo US TBill+4%, 28.0% Credit Blend S&P/LSTA Lev Loan +2%
01/01/2010	10/01/2024	52.0% 50% BB US HY/50% S&P LSTA Lev Loan, 18.0% NCREIF ODCE +1% lag (blend), 30.0% ICE BofAML 3mo US TBill+4%
Crisis Risk Offset Asset Class		
01/01/1987	Present	33.3% Barclay BTOP 50, 33.3% Blmbg. U.S. Treasury: Long, 33.4% 5% Annual

Real Estate Program

December 31, 2024

Introduction

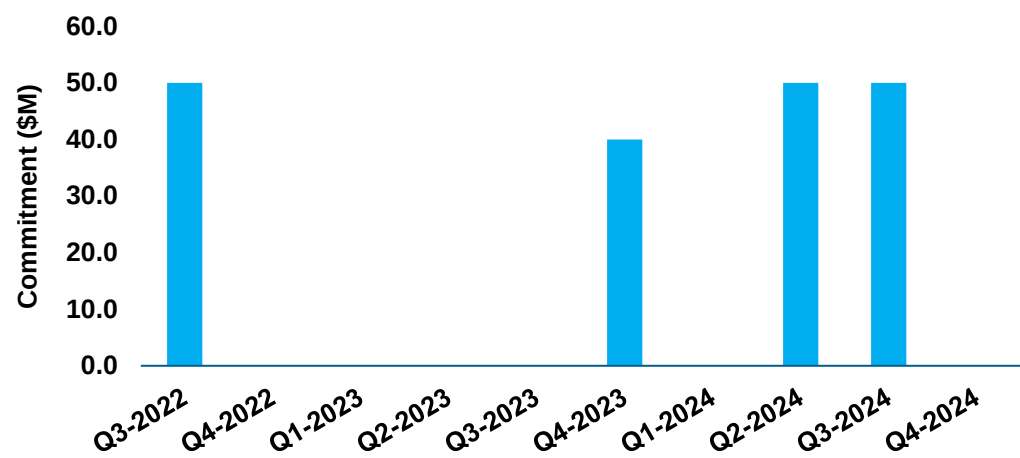
The Retirement Association’s target allocation towards real estate assets is 17%. As of December 31, 2024, the Retirement Association had invested with twenty two real estate managers (four private open-end and eighteen private closed-end). The aggregate reported value of the Retirement Association’s real estate investments was \$391.3 million at quarter-end.



Program Status		Performance Since Inception	
No. of Investments	22	Program	
Committed (\$M)	691.6		DPI0.76x
Contributed (\$M)	568.7		TVPI1.45x
Distributed (\$M)	432.6		IRR6.8%
Remaining Value (\$M)	391.3		

Commitments

Recent Quarterly Commitments



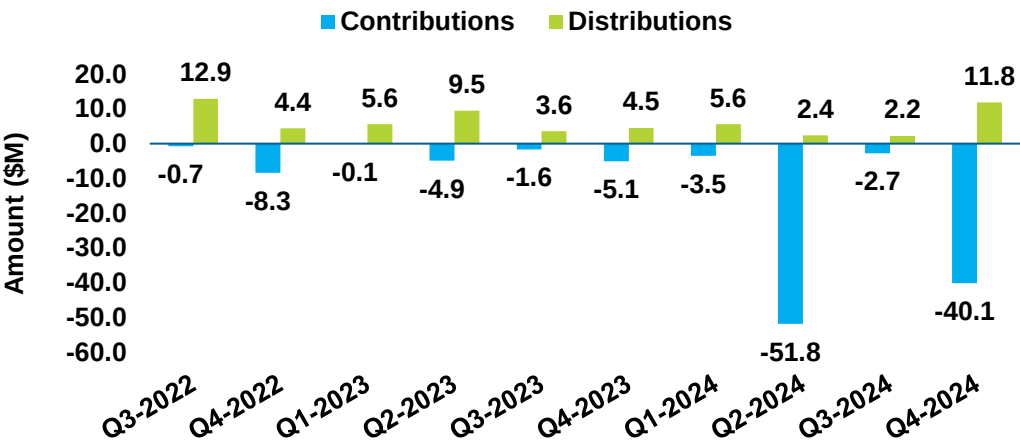
Commitments This Quarter

Fund	Strategy	Region	Amount (\$M)
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None to report.

Cash Flows

Recent Quarterly Cash Flows



Largest Contributions This Quarter

Fund	Vintage	Strategy	Region	Amount (\$M)
SROA IX	2023	Value-Added	North America	31.57
Blue Owl Digital III	2023	Value-Added	Global: All	4.64
Berkeley VI	2023	Value-Added	North America	2.72

Largest Distributions This Quarter

Fund	Vintage	Strategy	Region	Amount (\$M)
Stockbridge RE III	2017	Value-Added	North America	5.44
Greenfield VIII	2017	Opportunistic	North America	2.93
Berkeley V	2020	Value-Added	North America	1.56

Significant Events

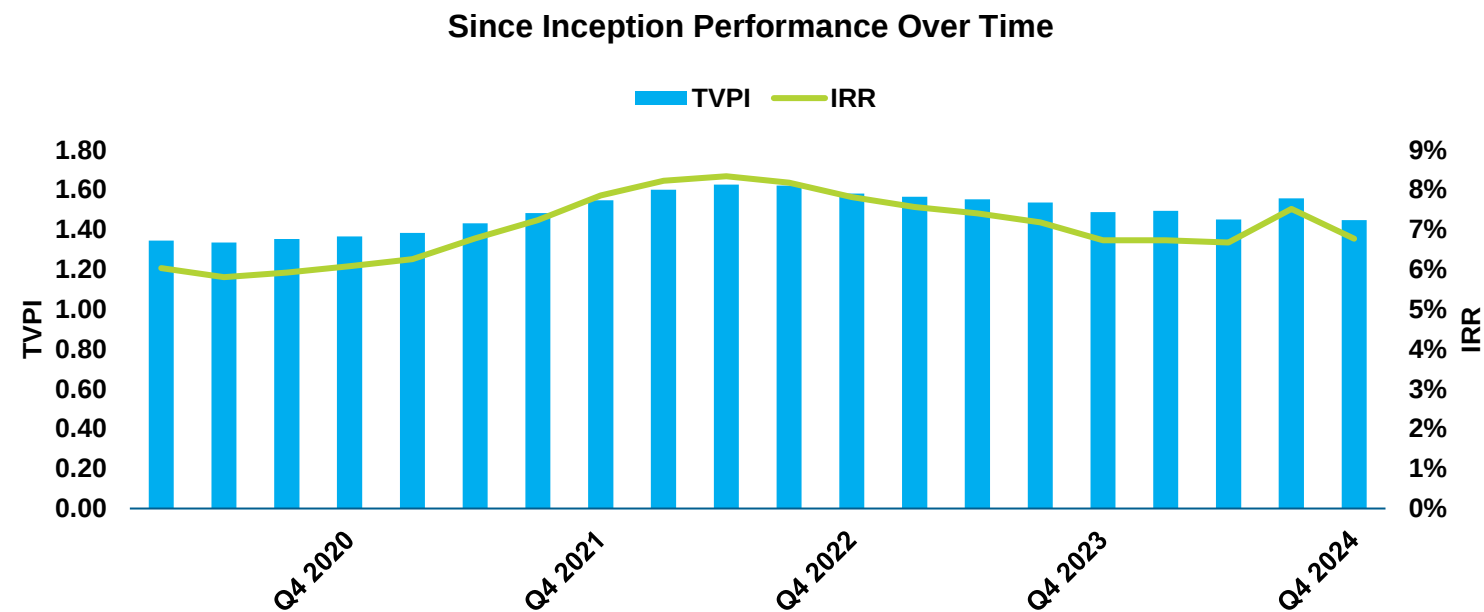
- In October, SROA Capital Fund IX issued their first capital call for \$31.57 million in order to fund 270 acquired properties across 23 states.
- Blue Owl Digital Infrastructure Fund III called \$4.64 million during the fourth quarter, which was used to acquire several data center properties across the globe. A portion of this capital call was related to data centers in the United States, Germany, Italy, Korea, and Japan.
- During the fourth quarter Berkely Partners Value Industrial Fund VI called \$2.72 million in order to fund the acquisition of 104th Commerce Park, in addition to pay various management fees and partnership expenses. 104th Commerce Park is two industrial buildings loated in Brighton, Colorado and the two properties are currently 32% occupied.
- Berkeley Partners Fund V distributed \$1.56 million during the fourth quarter resulting from the sale of two properties, one multi-tenant industrial property in Phoenix, Arizona (1.6x MOIC, 28.5% Net IRR) and the other was 296 Freeport Parkway in Dallas-Fort Worth, Texas (1.8x MOIC 25.8% Net IRR).
- Stockbridge Real Estate Fund III distributed \$5.44 million during the fourth quarter resulting from income generated by portfolio companies and the sale of Chicago Infill Industrial later in the quarter. Chicago Infill Industrial.

By Strategy

Group	Number	Committed (\$M)	Contributed (\$M)	Unfunded (\$M)	Distributed (\$M)	Remaining Value (\$M)	Exposure (\$M)	DPI (X)	TVPI (X)	IRR (%)
Core	4	170.5	181.0	0.0	40.7	261.4	261.4	0.22	1.67	6.6
Opportunistic	9	204.1	184.9	20.7	234.6	19.2	39.8	1.27	1.37	5.8
Value-Added	9	317.0	202.8	120.1	157.4	110.7	230.8	0.78	1.32	11.8
Total	22	691.6	568.7	140.8	432.6	391.3	532.1	0.76	1.45	6.8

By Vintage

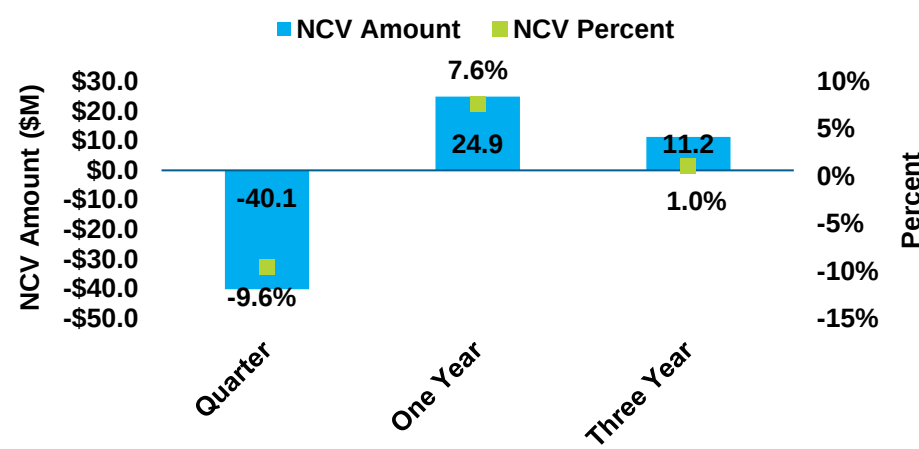
Group	Number	Committed (\$M)	Contributed (\$M)	Unfunded (\$M)	Distributed (\$M)	Remaining Value (\$M)	Exposure (\$M)	DPI (X)	TVPI (X)	IRR (%)
Open-end Fund	4	170.5	181.0	0.0	40.7	261.4	261.4	0.22	1.67	6.6
2005	1	15.0	14.5	0.5	17.6	0.0	0.5	1.21	1.21	3.4
2006	1	30.0	30.0	0.0	20.8	0.5	0.5	0.69	0.71	-3.7
2007	4	96.0	84.0	12.0	117.3	5.2	17.2	1.40	1.46	7.3
2011	2	50.0	38.3	11.7	47.4	2.8	14.5	1.24	1.31	8.8
2012	2	36.0	33.9	2.9	49.0	0.0	2.9	1.45	1.45	12.5
2013	1	19.1	18.3	0.8	32.1	1.1	1.9	1.75	1.81	13.8
2014	1	20.0	19.0	1.8	15.0	5.9	7.7	0.79	1.10	2.1
2017	2	75.0	68.2	8.2	82.8	19.5	27.7	1.21	1.50	14.8
2020	1	40.0	34.5	9.2	9.6	33.3	42.5	0.28	1.25	9.4
2023	3	140.0	47.1	93.7	0.5	61.4	155.1	0.01	1.31	NM
Total	22	691.6	568.7	140.8	432.6	391.3	532.1	0.76	1.45	6.8



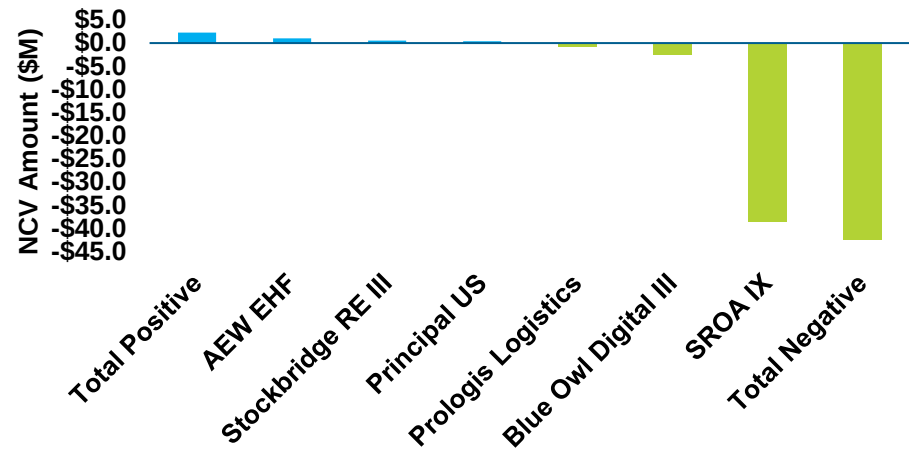
Horizon IRRs

	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Aggregate Portfolio	7.4	1.1	8.4	8.7	6.8
Public Market Equivalent	8.0	-2.6	3.7	5.4	7.6

Periodic NCV



1 Quarter Drivers Of NCV

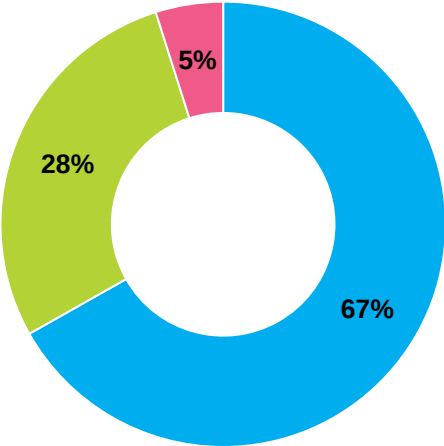


Fund Performance: Sorted By Vintage And Strategy

By Investment	Vintage	Strategy	Committed (\$M)	Contributed (\$M)	Unfunded (\$M)	Distributed (\$M)	Remaining Value (\$M)	TVPI (X)	IRR (%)
AEW EHF		Core	50.0	51.3	0.0	1.3	52.0	1.04	NM
Principal US		Core	25.0	25.0	0.0	0.0	38.2	1.53	4.8
Prologis Logistics		Core	50.5	59.7	0.0	25.7	121.8	2.47	7.6
RREEF America II		Core	45.0	45.0	0.0	13.7	49.4	1.40	4.6
Miller GLocal Fund V	2005	Opportunistic	15.0	14.5	0.5	17.6	0.0	1.21	3.4
Walton Street V	2006	Opportunistic	30.0	30.0	0.0	20.8	0.5	0.71	-3.6
Greenfield V	2007	Opportunistic	30.0	29.6	0.4	40.7	0.0	1.38	8.3
Miller Global VI	2007	Opportunistic	30.0	21.1	8.9	33.4	0.0	1.58	7.7
Walton Street VI	2007	Opportunistic	15.0	13.3	1.7	16.3	5.2	1.62	7.8
Colony Realty III	2007	Value-Added	21.0	20.0	1.0	26.9	0.0	1.35	5.3
Greenfield VI	2011	Opportunistic	20.0	19.2	0.8	26.2	0.0	1.37	9.6
Almanac Realty VI	2011	Value-Added	30.0	19.1	10.9	21.2	2.8	1.26	7.7
Miller Global VII	2012	Opportunistic	15.0	12.1	2.9	16.1	0.0	1.33	14.4
Colony Realty IV	2012	Value-Added	21.0	21.7	0.0	32.9	0.0	1.51	11.9
Greenfield VII	2013	Opportunistic	19.1	18.3	0.8	32.1	1.1	1.81	13.8
AG Core Plus IV	2014	Value-Added	20.0	19.0	1.8	15.0	5.9	1.10	2.1
Greenfield VIII	2017	Opportunistic	30.0	26.8	4.6	31.5	12.3	1.63	18.5
Stockbridge RE III	2017	Value-Added	45.0	41.4	3.6	51.3	7.2	1.41	9.2
Berkeley V	2020	Value-Added	40.0	34.5	9.2	9.6	33.3	1.25	9.3
Berkeley VI	2023	Value-Added	40.0	8.3	31.9	0.2	8.1	1.01	NM
Blue Owl Digital III	2023	Value-Added	50.0	7.3	42.7	0.0	24.7	3.40	NM
SROA IX	2023	Value-Added	50.0	31.6	19.1	0.3	28.6	0.91	NM
Total			691.6	568.7	140.8	432.6	391.3	1.45	6.8

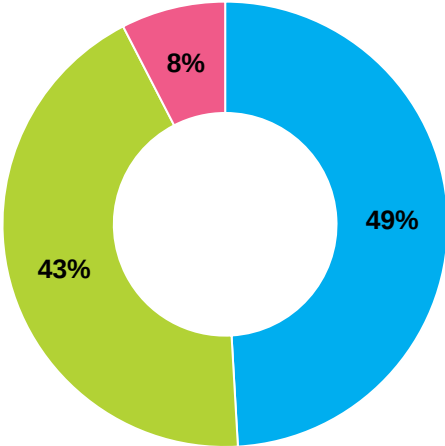
By Strategy

Percent of FMV



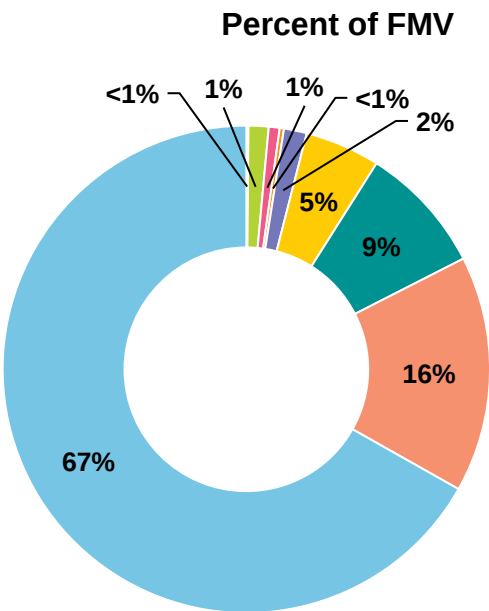
- Core
- Value-Added
- Opportunistic

Percent of Exposure

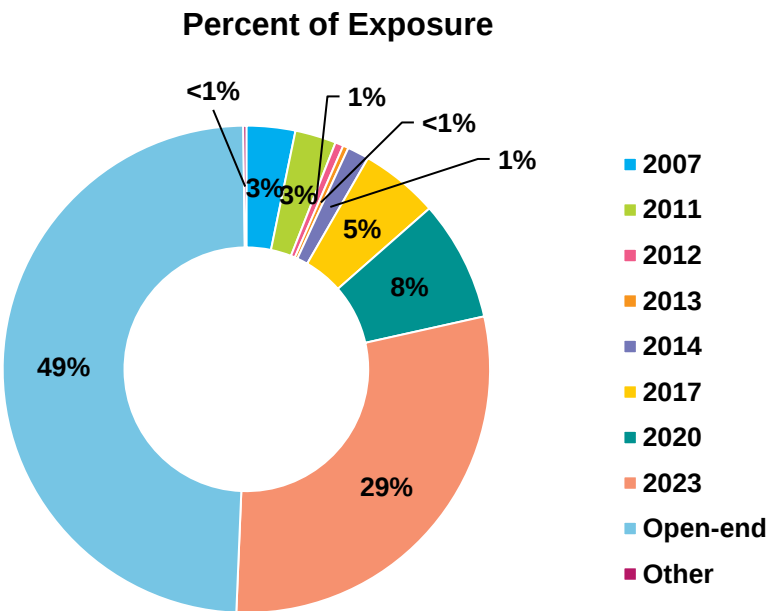


- Core
- Value-Added
- Opportunistic

By Vintage



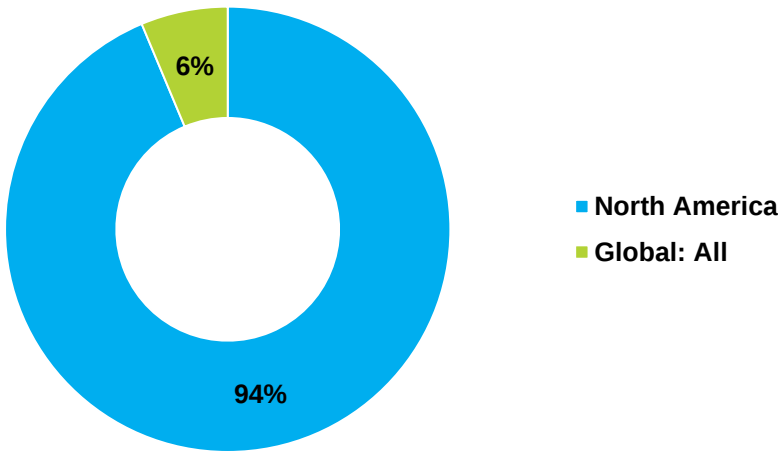
- 2006
- 2007
- 2011
- 2013
- 2014
- 2017
- 2020
- 2023
- Open-end



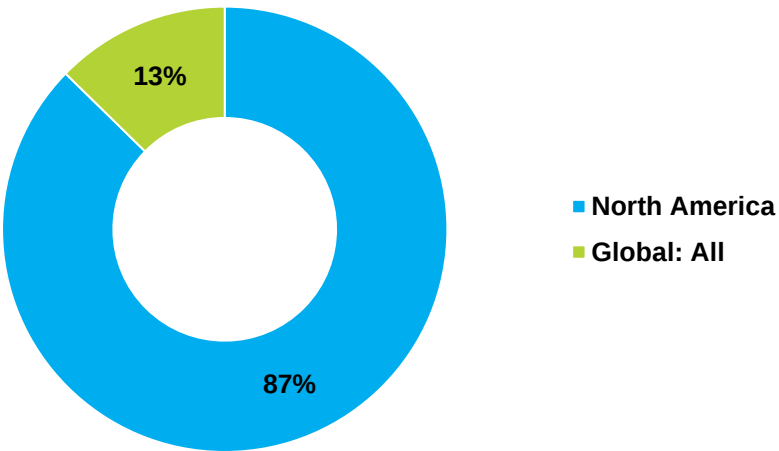
- 2007
- 2011
- 2012
- 2013
- 2014
- 2017
- 2020
- 2023
- Open-end
- Other

By Geographic Focus

Percent of FMV



Percent of Exposure



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

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

Peer Universe

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

Infrastructure: Infrastructure

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

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

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

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

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

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

Real Estate: Real Estate

Public Market Equivalent ("PME")

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

Infrastructure: Dow Jones Brookfield Global Infrastructure Index

Natural Resources: S&P Global Natural Resources Index

Private Debt: Meryl Lynch High Yield Master II Bond Index

Private Equity: MSCI ACWI Investable Market Index

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

Real Assets (including Real Estate): Equal blend of Dow Jones Brookfield Global Infrastructure Index, S&P Global Natural Resources Index, and Dow Jones U.S. Select Real Estate Securities Index

Real Estate: Dow Jones U.S. Select Real Estate Securities Index

Remaining 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 remaining values represent the fund's local currency value translated to USD at the rate as of the date of this report.
TVPI	Acronym for "Total Value-to-Paid-In", which is a performance measurement for Private Market investments. The performance calculations represents Distributed plus Remaining Value, then divided by Contributed. TVPIs for funds and groupings of funds are net of all fund fees and expenses as reported to by fund managers to Meketa.
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.

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Meketa Investment Group has prepared this report on the basis of sources believed to be reliable. The data are based on matters as they are known as of the date of preparation of the report, and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available.

If we manage your assets on a discretionary basis, please contact us if there are any changes in your financial situation or investment objectives, or if you want to impose any reasonable restrictions on our management of your account or reasonably modify existing restrictions.

In general, the valuation numbers presented in this report are prepared by the custodian bank for listed securities, and by the fund manager or appropriate General Partner in the case of unlisted securities. The data used in the market comparison sections of this report are sourced from various databases. These data are continuously updated and are subject to change.

This report does not contain all the information necessary to fully evaluate the potential risks of any of the investments described herein. Because of inherent uncertainties involved in the valuations of investments that are not publicly traded, any estimated fair values shown in this report may differ significantly from the values that would have been used had a ready market for the underlying securities existed, and the differences could be material.

This document may contain certain forward-looking statements, forecasts, estimates, projections, and opinions ("Forward Statements"). No representation is made or will be made that any Forward Statements will be achieved or will prove to be correct. A number of factors, in addition to any risk factors stated in this material, could cause actual future results to vary materially from the Forward Statements. No representation is given that the assumptions disclosed in this document upon which Forward Statements may be based are reasonable. There can be no assurance that the investment strategy or objective of any fund or investment will be achieved, or that the client will receive a return of the amount invested.

In some cases Meketa Investment Group assists the client in handling capital calls or asset transfers among investment managers. In these cases we do not make any representations as to the managers' use of the funds, but do confirm that the capital called or transferred is within the amounts authorized by the client.

Because there is no readily accessible market for private markets assets (companies and partnerships), the values placed on private markets assets are calculated by General Partners using conservative and industry standard pricing procedures. Annually, an independent auditor reviews the pricing procedures employed by the General Partner of each partnership.

The values of companies and partnerships are audited at year-end, and are not audited at other quarter-end periods. While financial information may be audited, there is some discretion as to the method employed to price private companies and, therefore, private markets partnerships. At all times, Meketa Investment Group expects General Partners to utilize conservative and industry standard pricing procedures, and requires the General Partners to disclose those procedures in their reports. However, because of the inherent uncertainty of valuation, these estimated values may differ from the values that would be used if a ready market for the investments existed, and the differences could be significant.

Economic and Market Update

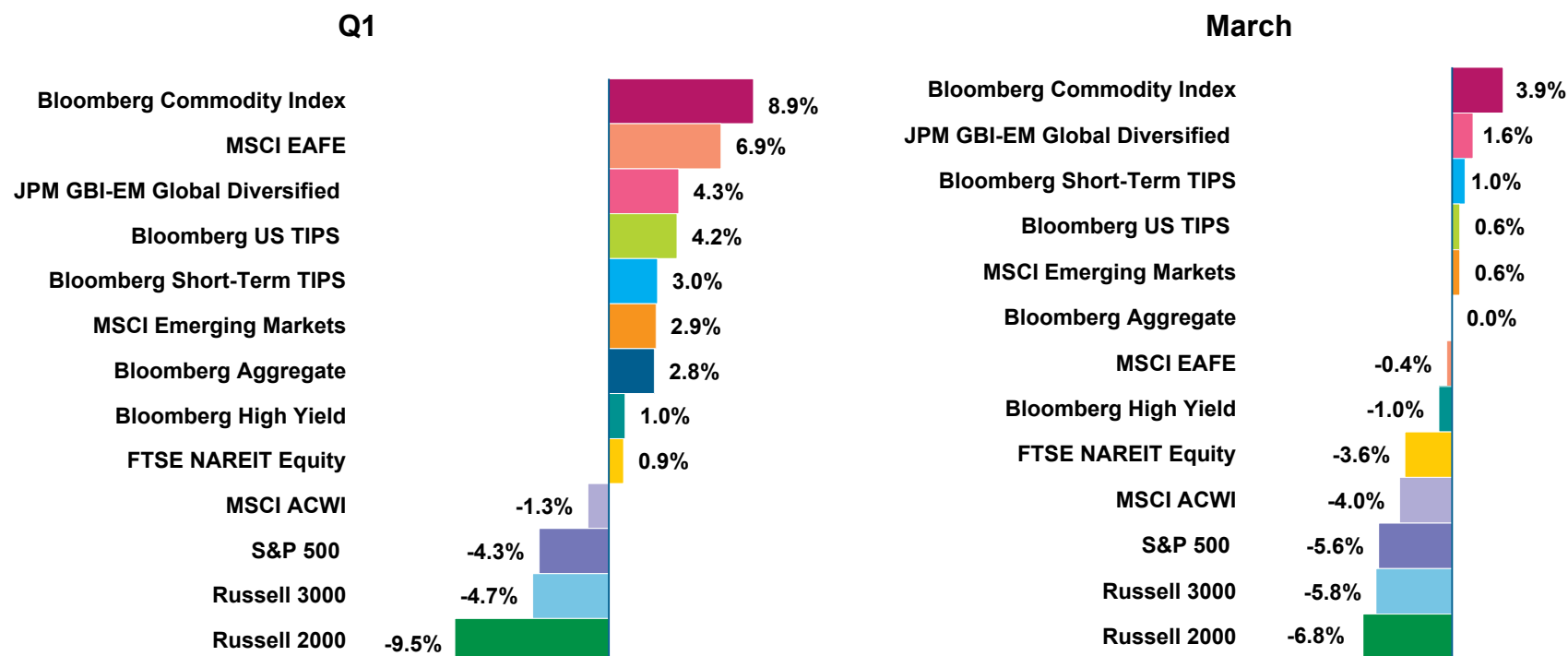
Data as of March 31, 2025

Commentary

In the first quarter of 2025, investment flows rotated out of US stocks to non-US stocks while bond markets rallied on uncertainty related to tariffs and growth.

- Domestic equities sold off in the first quarter (Russell 3000: -4.7%) with growth underperforming value, small-cap trailing large-cap, and defensive sectors outperforming.
- Non-US developed market stocks (MSCI EAFE: +6.9%) outperformed US markets at the start of the year, supported by rate cuts from the ECB, EU planned increases in defense spending, and a weakening US dollar.
- Emerging market equities returned +2.9% in the first quarter, largely supported by a rally in Chinese stocks (they rose an impressive +15.0%) on DeepSeek AI enthusiasm.
- In February, the Federal Reserve held rates steady with inflation, while improving, remaining above target and with the unemployment rate at near historic lows.
- Most fixed income markets posted positive returns in the first quarter with the broad bond market (Bloomberg Aggregate) up 2.8%. Long Treasuries (+4.7%) were the best performer in the falling rate environment while high yield bonds (+1.0%) produced the smallest gains given the economic uncertainty in the US.
- Looking ahead, continued uncertainty related to the US administration's tariff policies and their impact on the economy, inflation, and Fed policy will be key. The path of China's economy and relations with the US, as well as concerns over elevated valuations and technology-driven concentration in the US equity market will also be important focuses of 2025.

Index Returns¹



- At the end of the first quarter, global investors rotated away from the US, with domestic equities in negative territory (particularly small cap), while other asset classes were positive.
- Commodities led the way during the quarter due to safe havens like gold, while non-US developed markets followed, driven by strong results in Europe.
- In March, ahead of tariff announcements in the US, riskier assets generally sold off.

¹ Source: Bloomberg. Data is as of March 31, 2025.

Domestic Equity Returns¹

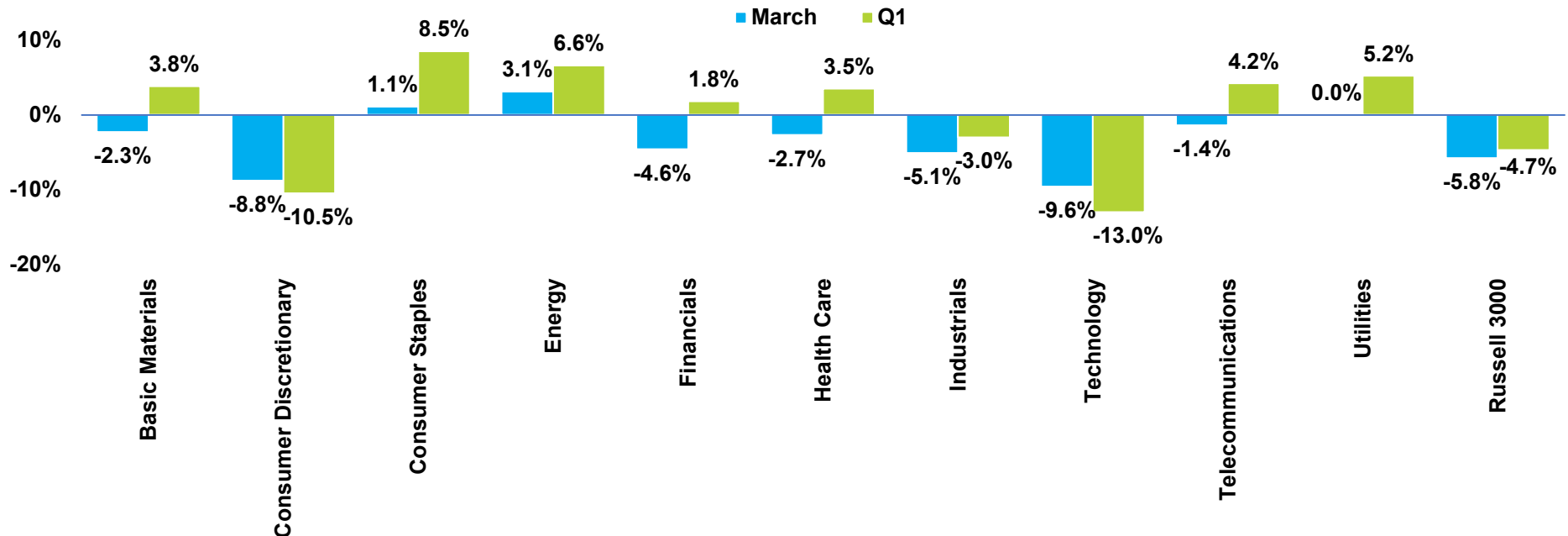
Domestic Equity	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-5.6	-4.3	8.3	9.1	18.6	12.5
Russell 3000	-5.8	-4.7	7.2	8.2	18.2	11.8
Russell 1000	-5.8	-4.5	7.8	8.6	18.4	12.2
Russell 1000 Growth	-8.4	-10.0	7.8	10.1	20.1	15.1
Russell 1000 Value	-2.8	2.1	7.2	6.6	16.1	8.8
Russell MidCap	-4.6	-3.4	2.6	4.6	16.3	8.8
Russell MidCap Growth	-7.4	-7.1	3.6	6.2	14.8	10.1
Russell MidCap Value	-3.7	-2.1	2.3	3.8	16.7	7.6
Russell 2000	-6.8	-9.5	-4.0	0.5	13.3	6.3
Russell 2000 Growth	-7.6	-11.1	-4.9	0.8	10.8	6.1
Russell 2000 Value	-6.0	-7.7	-3.1	0.0	15.3	6.1

US Equities: In the first quarter the Russell 3000 fell -4.7%.

- After a strong start to the year, US equities ended the quarter lower. In late January China's DeepSeek introduced an AI model comparable to market leaders but at a much lower cost. This took investors by surprise and heavily weighed on technology stocks, particularly the "Magnificent 7". Renewed trade tensions between the US and its trading partners also caused investors to lower expectations.
- Growth stocks were harder hit than value stocks across the market cap spectrum. In the large cap space, this dynamic was driven by technology stocks (NVIDIA, Broadcom, Microsoft, Apple), along with Tesla. In the small cap space, where the divergence was less pronounced, technology stocks were again the driver, mainly due to software and semiconductor stocks.
- Small cap stocks (Russell 2000) trailed large cap stocks (Russell 1000) over the quarter as recession fears grew.

¹ Source: Bloomberg. Data is as of March 31, 2025.

Russell 3000 Sector Returns¹



- There was wide performance dispersion among sectors in the first quarter, from -13.0% (technology) to +8.5% (consumer staples). Overall, the defensive sectors performed better than growth-oriented sectors.
- The so-called “Magnificent 7” stocks came under pressure weighing on both the technology and consumer discretionary sectors. The announcement of DeepSeek out of China and weak results from Tesla and Amazon drove results.
- Consumer staples was a bright spot as more defensive, dividend-paying stocks, such as Coca-Cola and Philip Morris International, fared relatively well. Energy and utilities also performed well due to broader growth and inflation concerns.

¹ Source: Bloomberg. Data is as of March 31, 2025.

Foreign Equity Returns¹

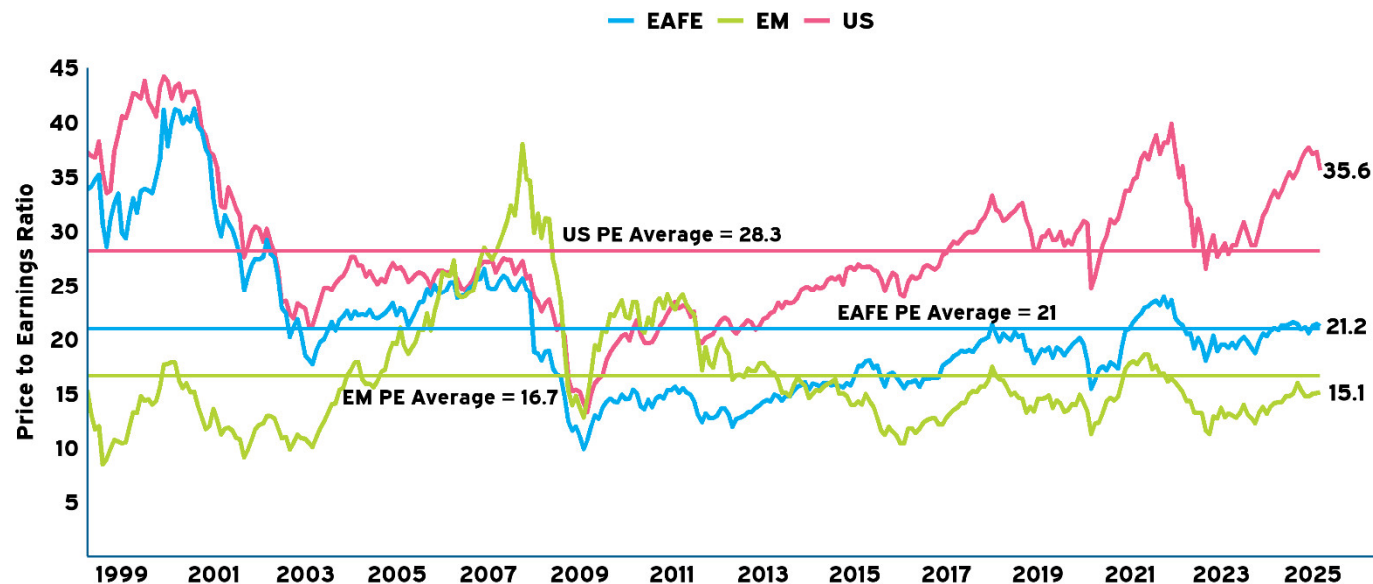
Foreign Equity	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	-0.2	5.2	6.1	4.5	10.9	5.0
MSCI EAFE	-0.4	6.9	4.9	6.0	11.8	5.4
MSCI EAFE (Local Currency)	-2.8	2.9	4.1	8.7	13.2	6.3
MSCI EAFE Small Cap	0.5	3.7	3.1	0.9	9.9	5.3
MSCI Emerging Markets	0.6	2.9	8.1	1.4	7.9	3.7
MSCI Emerging Markets (Local Currency)	0.3	2.7	11.1	4.7	9.6	5.7
MSCI EM ex China	0.0	-1.7	-2.1	0.7	12.0	4.5
MSCI China	2.0	15.0	40.4	3.5	1.5	2.5

Foreign Equity: Developed international equities (MSCI EAFE) returned 6.9% in the first quarter and emerging market equities (MSCI Emerging Markets) rose 2.9%.

- By contrast to the US, developed market equities rose in the first quarter benefiting from the rotation away from US technology companies. Eurozone stocks saw the highest returns, driven by plans in Germany to increase defense and infrastructure spending, strong gains in the financial sector (particularly banks), and continued rate cuts from the ECB. The UK followed closely behind, with gains led by returns in large cap energy and financials. Japan saw moderate losses, due to global trade uncertainties hurting exporters.
- Emerging markets saw modest gains in the first quarter, driven largely by China. China's gains were a combination of improving sentiment towards tech following DeepSeek's promising AI debut and the announcement of additional stimulus measures. Brazil was another strong performer in Q1, benefitting from strong commodity gains and a strengthening currency. India saw declines due to slowing growth and weakening demand for their exports.

¹ Source: Bloomberg. Data is as of March 31, 2025.

Equity Cyclically Adjusted P/E Ratios¹



- Valuations in US stocks came down over the quarter but remained at a significant premium to non-US developed and emerging market stocks.
- US equities, priced at 35.6 times earnings, continued to trade well above their long-run P/E average of 28.3.
- Non-US developed market valuations (21.2 times) increased over the quarter due in part to strong results in Europe and are trading slightly above their long-term average. Emerging market valuations (15.1 times) also increased in Q1 but remain below their long-run 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 March 2025. 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.

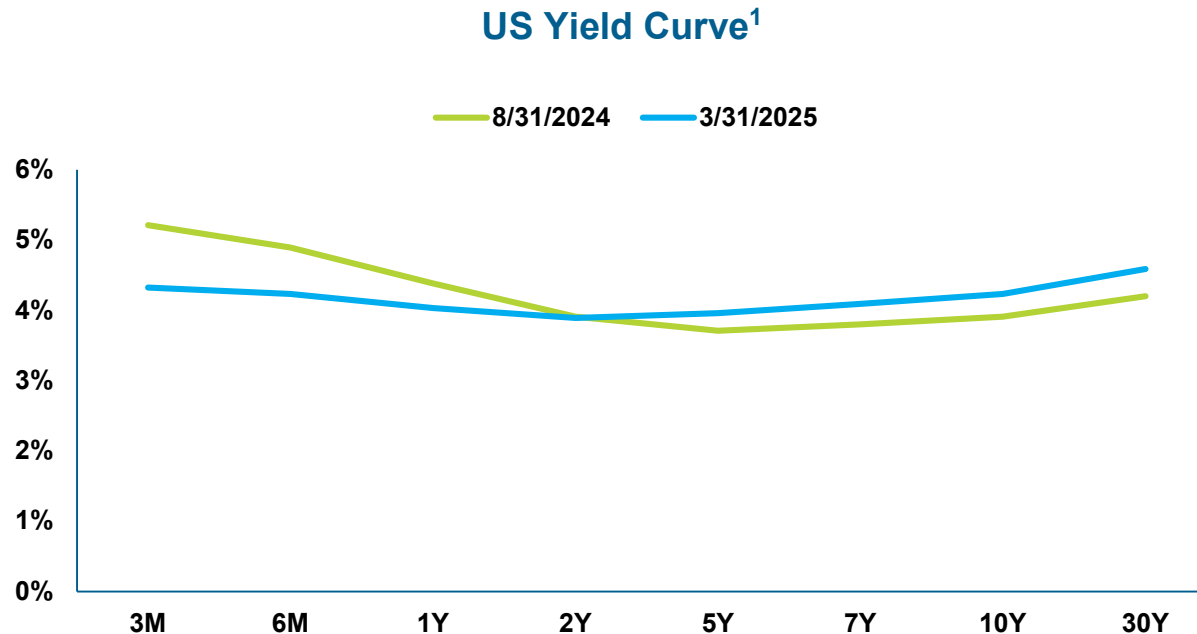
Fixed Income Returns¹

Fixed Income	March (%)	Q1 (%)	1 Yr (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	0.0	2.7	5.2	1.0	0.3	1.8	4.9	5.9
Bloomberg Aggregate	0.0	2.8	4.9	0.5	-0.4	1.5	4.6	6.1
Bloomberg US TIPS	0.6	4.2	6.2	0.1	2.4	2.5	4.2	6.8
Bloomberg Short-term TIPS	1.0	3.0	7.0	3.2	4.1	2.8	4.1	2.4
Bloomberg US Long Treasury	-0.9	4.7	1.3	-7.2	-7.9	-0.6	4.6	14.9
Bloomberg High Yield	-1.0	1.0	7.7	5.0	7.3	5.0	7.7	3.5
JPM GBI-EM Global Diversified (USD)	1.6	4.3	4.0	2.7	2.3	1.3	--	--

Fixed Income: The Bloomberg Universal index rose 2.7% in the first quarter.

- Uncertainty related to tariffs and growing worries about economic growth drove investors to high quality bonds over the quarter.
- The broad US bond market (Bloomberg Aggregate) rose 2.8% with both short- (+3.0%) and longer-dated (+4.2%) TIPS outperforming as inflation risks rose modestly. Long-term Treasuries (+4.7%) particularly benefited in this environment of uncertainty and falling interest rates.
- High yield bonds (+1.0%) rose the least during the quarter as uncertainty and risk aversion grew ahead of the planned tariff announcement from the US in early April.

¹ Source: Bloomberg. Data is as of March 31, 2025. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.

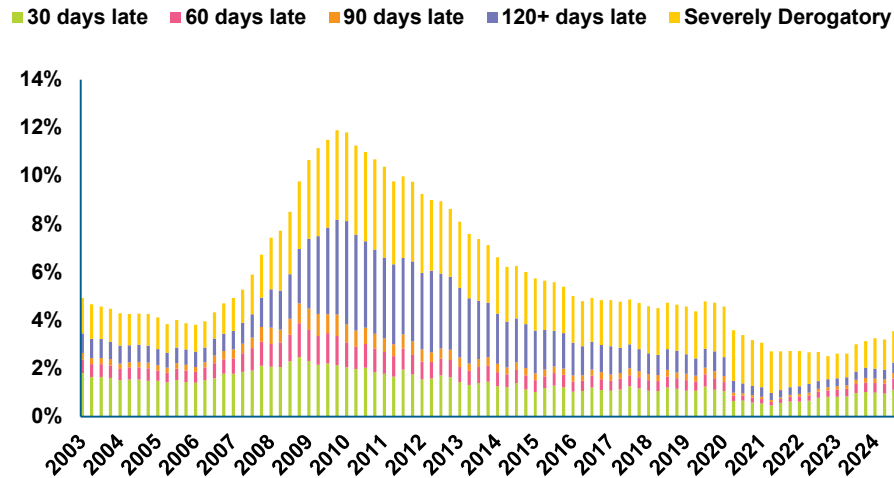


- US Treasury yields declined significantly over the quarter, as investors expressed concerns about the potential policies of the new US administration, economic data related to consumers weakened, and overall growth expectations fell.
- The more policy sensitive 2-year Treasury yield fell from 4.24% to 3.89%, while the 10-year Treasury yield declined from 4.57% to 4.21%.
- After the Fed started reducing interest rates in September 2024, the yield curve stopped being inverted (short-term interest rates higher than long-term interest rates) given expectations for inflation to continue to decline and policy rates to continue lower.

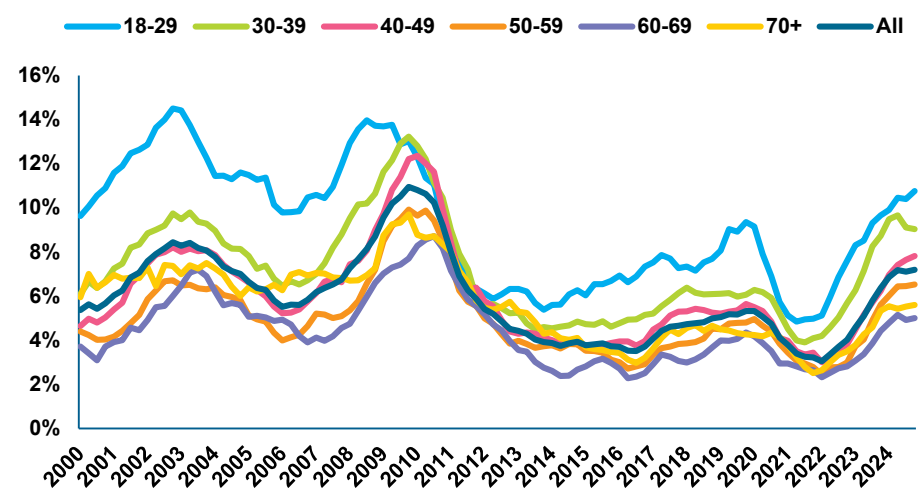
¹ Source: Bloomberg. Data is as of March 31, 2025. The August 2024 Treasury yields are shown as a reference before the first interest rate cut.

Stress is Building on US Consumers

Total Balance by Delinquency Status¹



Transition into Serious Delinquency for Credit Cards by Age²

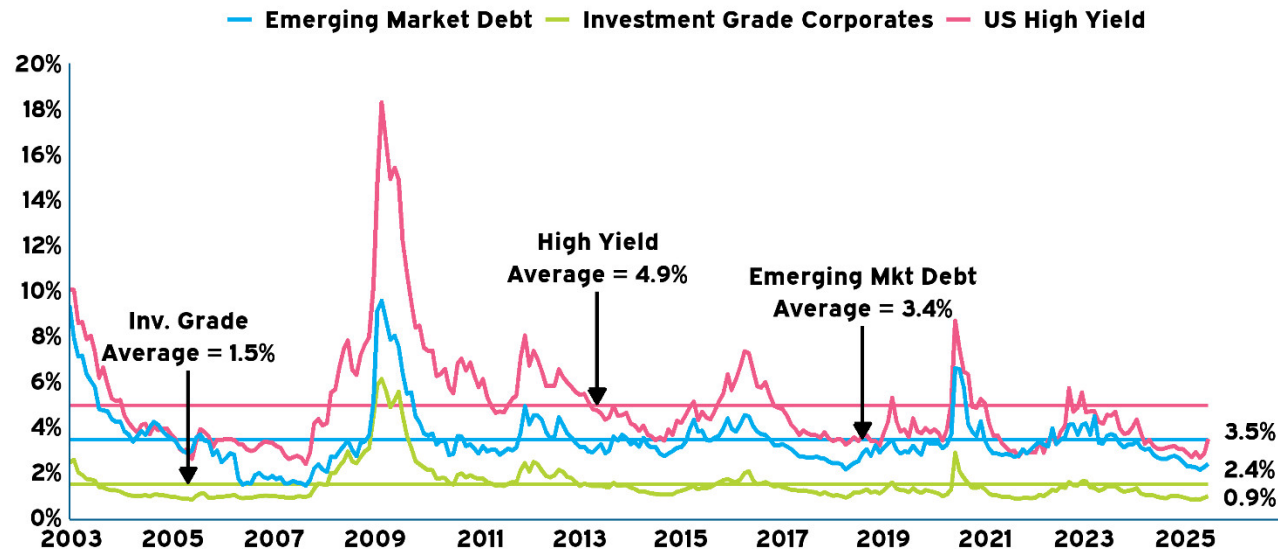


- Some signs of stress on the US consumer have started to emerge given persistently higher prices and interest rates.
- After falling to historic lows during the pandemic, loan delinquencies recently started rising.
- While some segments of the credit market have started to show signs of stress, total delinquencies remain well below pre-pandemic levels.
- While total delinquency rates are below pre-pandemic levels, the credit card segment is showing more signs of distress where borrowers are subject to variable and higher borrowing costs.
- Credit card delinquencies are rising rapidly, especially for borrowers under the age of forty.

¹ Source: New York Federal Reserve, Quarterly Household Debt and Credit Report, February 2025. See also FRED. Data is as of February 28, 2025.

² Source: FRED. Data is as of February 28, 2025.

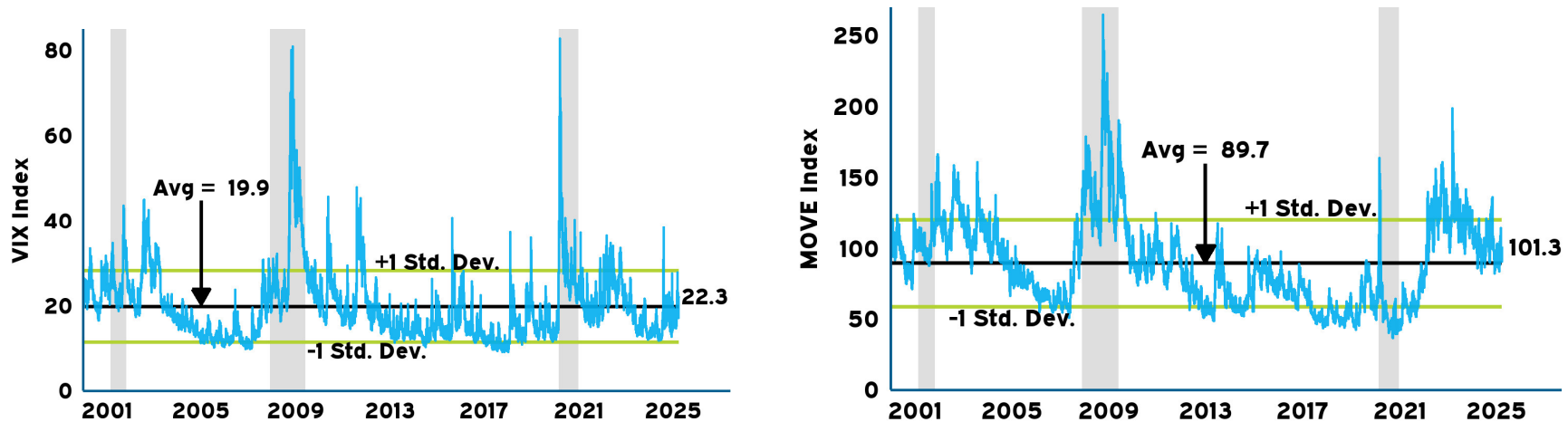
Credit Spreads vs. US Treasury Bonds¹



- Given all the uncertainty, spreads (the yield above a comparable maturity Treasury) widened in the first quarter.
- High yield spreads moved the most (2.9% to 3.5%) due to the concerns related to the US economy.
- All yield spreads remained below their respective long-run averages, particularly high yield (3.5% versus 4.9%).
- Although spreads are tight, absolute bond yields remain at above-average levels compared to the last two decades.

¹ Source: Bloomberg. Data is as March 31, 2025. 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.

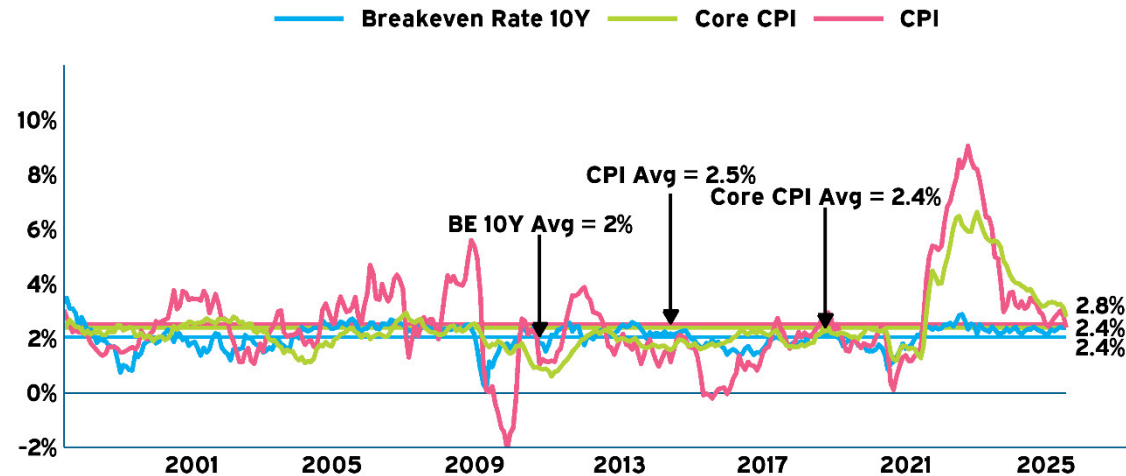
Equity and Fixed Income Volatility¹



- Bond and equity volatility rose in the first quarter driven mainly by policy and trade uncertainty.
- Volatility levels (VIX) in the US stock market and bond market (MOVE) finished the quarter above their respective long-run averages.

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 March 31, 2025. The average line indicated is the average of the VIX and MOVE values between January 2000 and March 2025.

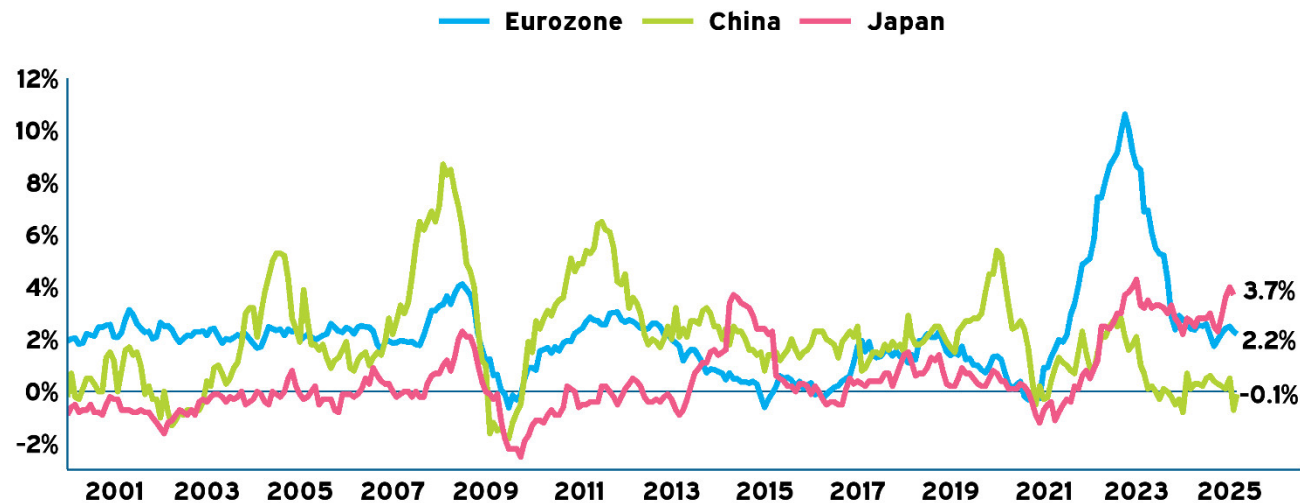
US Ten-Year Breakeven Inflation and CPI¹



- While inflation has been slow to return to the Fed's 2% average target, over the quarter the year-over-year rate fell from 2.9% to 2.4%. The month-over-month rate moved into negative territory at quarter-end (-0.1%). A slowing in the rate of increase in the services sector along with a drop in energy prices contributed to the recent decline.
- Core inflation year-over-year also declined over the quarter (3.2% to 2.8%) with the month-over-month rate slowing to 0.1%. A decline in the pace of shelter price increases drove results.
- Inflation expectations (breakevens) stayed relatively stable over the quarter as investors continued to evaluate the potential inflationary impacts of the new US administration's policies.

¹ Source: FRED. Data is as of March 2025. 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.

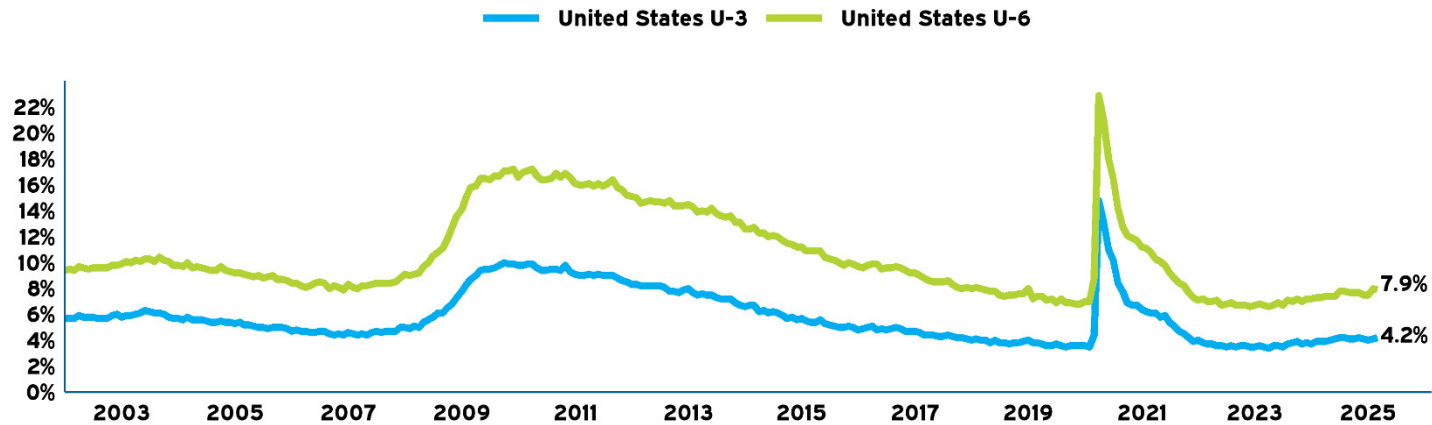
Global Inflation (CPI Trailing Twelve Months)¹



- Inflation in the eurozone fell over the quarter (2.4% to 2.2%), due largely to declines in energy costs and services. Levels remain slightly below the US.
- The latest reading of inflation in Japan dropped from 4.0% to 3.7% as energy subsidies were reintroduced.
- In China, despite record policy stimulus consumer prices moved back into negative territory over the quarter. In March, prices fell by 0.1% compared to a year prior, a lower decline than the February reading of -0.7%. Despite years of policy stimulus to counter the real estate crisis and economy, the Chinese consumer has remained weak.

¹ Source: Bloomberg. Data is as March 2025, except Japan which is as of February 2025.

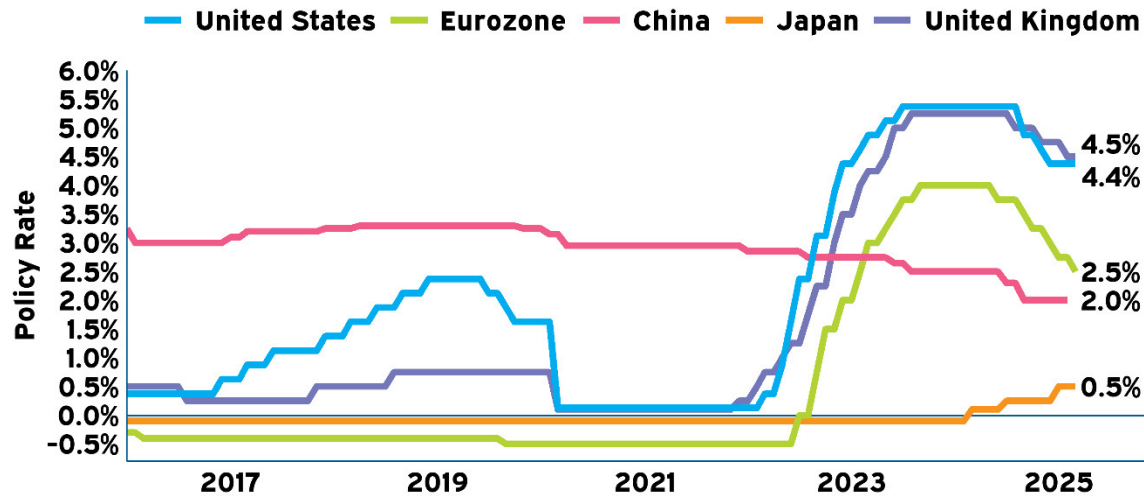
US Unemployment¹



- In March, the US added 228,000 jobs (above expectations of 140,000). The unemployment rate rose slightly to 4.2% but remained in the tight range of 4.0% to 4.2% it has been in since May of last year. There were 7.1 million jobseekers (little changed from the prior reading) of which 1.5 million have been without work for more than 27 weeks.
- A broader measure of total unemployed (U-6) that includes those marginally attached to the labor force and employed part-time for economic reasons, fell slightly to 7.9%.
- Health care (+54k), social assistance (+24k), retail (+24k), and transportation (+23k) added jobs in March while the Federal government lost 4,000 jobs adding to the 11,000 lost in February.
- The last reading of job opening fell slightly to 7.6 million, a level well below the pandemic highs (>12 million); the number of openings exceeded the number of unemployed workers looking for work (7.1 million).
- Separations (5.3 million) and hires (5.4 million) remained steady and average hourly wages continued to grow at approximately 4.0% annually.

¹ Source: FRED and BLS. Data is as of March 31, 2025.

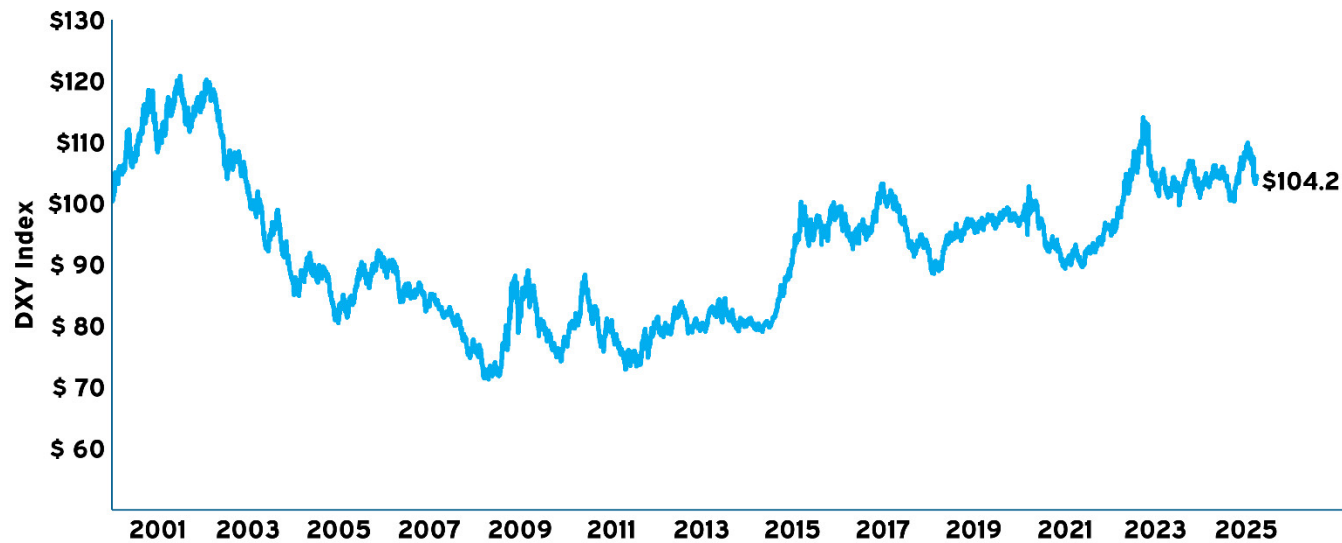
Policy Rates¹



- The Fed kept US interest rates steady at their March meeting after reducing rates by 0.25% twice over the final quarter of 2024 to a range of 4.25% to 4.50%. Given growing concerns about growth, markets recently increased expectations for the number of rate cuts in 2025 to over three.
- In February, the Bank of England cut interest rates for the third time by 0.25% to 4.5%, while in March the European Central Bank cut rates by another 0.25% to 2.5%. In addition to cutting interest rates, the People's Bank of China has also reduced reserve requirements, lowered mortgage rates, and supported the stock market.
- In contrast to many other central banks, the Bank of Japan increased interest rates in January to 0.5%, in the face of persistent inflation. Rate cutting by other major central banks are complicating prospects for further policy rate hikes in Japan.

¹ Source: Bloomberg. Data is as of March 31, 2025. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.

US Dollar vs. Broad Currencies¹



- After largely strengthening through 2024, the US dollar recently started to weaken.
- Concerns over changing US administration policies, slower growth, and corresponding lower yields have recently weighed on the value of the dollar.

¹ Source: Bloomberg. Data as of March 31, 2025.

Summary

Key Trends:

- According to the International Monetary Fund's (IMF) January report, global growth in 2025 is expected to be slightly higher than 2024 (3.3% versus 3.2%). Growth forecast in the US (+2.7%) and China (+4.6%) are lower for this year compared to last, while growth in the EU (+1.0%) is projected to be slightly higher in 2025.
- Elevated levels of uncertainty along with higher tariffs could weigh on growth while at the same time fan inflation. Inflation levels will likely lead to a slower pace of interest rate cuts by the Fed. Uncertainty in the US and the potential for slower growth could continue the rotation out of US assets and the pressure on the dollar.
- Signs of stress have started to emerge on the US consumer with sentiment weakening. Consumers are particularly concerned about losing their jobs and the potential for higher prices. Overall risk to economic growth and to inflation from tariffs, as well as elevated borrowing costs, could put further pressure on consumers and lead to a weaker job market.
- US equities have recently come under pressure. A focus going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will continue to be important.
- Trade tensions between the US and China will remain a key focus. As tariffs have soared on both sides, China has allowed its currency to weaken against the dollar. Outside of tariffs, China continues to focus on supporting its economy/asset prices with a suite of fiscal and financial policy stimulus measures. Advances in AI technologies have also contributed to some optimism. Despite the policy support, consumer spending is still weak and issues remain in the real estate sector.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MEMORANDUM

TO: SJCERA Board of Retirement
FROM: Meketa Investment Group
DATE: June 6, 2025
RE: SJCERA Manager Certification Update: Q1 2025 Overview and Responses

Summary of Responses

Meketa reviewed the SJCERA Quarterly Manager Certification Updates for the quarter ending March 31, 2025, from all funded managers. *In Meketa's opinion, of the responses we have received, the manager information reported for the quarter presents no significant concerns to the SJCERA portfolio.* Meketa's opinion is based on the written responses and on Meketa's conversations with managers that reported senior investment personnel or management departures.

The managers' responses indicate that¹:

→ All funded managers reported:

- Registered Investment Advisor in Good Standing, or are exempt,
- Compliance with Plan Investment Policy,
- Compliance with SJCERA's Manager Guidelines, or N/A,
- Reconciliation against the custodian, or N/A,
- Compliance with own internal risk management policies and procedures, and
- Delivered current ADV, SSAE-16 or equivalent Annual Financial Audits, as available.

→ Six Managers reported litigation or regulatory investigation information:

→ AQR, Ares Management, LLC, Loomis Sayles, Morgan Creek, Mount Lucas and Oaktree

→ Six managers reported investment team changes:

→ Ares Management, Stone Harbor (Newfleet), Oaktree, Raven, Dodge & Cox, and AQR

→ Seven managers reported material management changes:

→ AQR, Graham, Prologis, Davidson Kempner, Ares, Northern Trust, and Stockbridge

→ No managers reported material business changes

→ Nine Managers did not complete the survey in time for the publishing of this report:

→ BlackRock, Ocean Avenue, Lightspeed, Almanac, Ridgemont, Bessemer, PIMCO, Crestline, and Berkeley Partners

¹ Managers' responses to footnoted ("**") questions begin on page 6.

SJCERA Overview of Investment Manager Compliance Report

		Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10
Manager	Sub-Segment	RIA in Good Standing; RIA	Complied with Plan Investment Policy	Complied w/ Mgr. Guidelines	Reconciled With Custodian	Litigation	Investment Personnel Changes	Mgmt. Changes	Material Business Changes	Complied Internal Risk Mgmt.	Sent Fncl Stmtnts
Aggressive Growth											
BlackRock**	Global Infrastructure										
BlackRock**	Global Energy and Power										
Ocean Avenue	PE Buyout FOF	Yes	Yes	Yes	Yes	No	Yes*	Yes*	No	Yes	Yes
Lightspeed Venture Partners**	Growth Stage VC										
Morgan Creek	Multi-Strat FOF	Yes	Yes	Yes	N/A	Yes*	No	No	No	Yes	Yes
Stellrex Capital Partners	PE Special Situations	Yes	Yes	Yes	N/A	No	No	No	No	Yes	No
AG Core Plus	Pvt. Non-core RE	Yes	Yes	Yes	N/A	No*	Yes*	Yes*	No	Yes	Yes
Almanac Realty**	Pvt. Non-core RE										
Greenfield/Grandview**	Pvt. Non-core RE										
Stockbridge	Pvt. Non-core RE	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes
Walton Street	Pvt. Non-core RE	Yes	Yes	Yes	Yes	No*	No	No	No*	Yes	Yes
Ridgmont Equity Partners**	PE Buyout										
Long Arc Capital	Growth Stage VC	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Bessemer**	Venture Capital										
Traditional Growth											
Northern Trust	All Cap Global	Yes	Yes	Yes	Yes	No	No	Yes*	No	Yes	Yes
GQG	Emerging Mkts.	Yes	Yes	Yes	Yes	No*	No	No	No*	Yes*	Yes
PIMCO**	Emerging Mkts.										
Stabilized Growth											
Bridgewater**	Risk Parity										
Ares Pathfinder II	Private Credit	Yes	Yes	Yes	N/A	Yes*	Yes*	No	No*	Yes	Yes
Neuberger Berman	Opp. Credit	Yes	Yes	Yes	Yes	No	No	Yes*	No	Yes	No
Stone Harbor (Newfleet)**	Bank Loans/Abs Return										
BlackRock**	Direct Lending										
Crestline**	Opportunistic										
Davidson Kempner**	Opportunistic										
Mesa West	Comm. Mortgage	Yes	Yes	Yes	Yes	No	Yes*	No	No	Yes	No
Oaktree	Leveraged Direct	Yes	Yes	Yes	Yes	Yes*	No	No	No	Yes	No
HPS	Direct Lending	Yes	Yes	Yes	No*	Yes*	Yes*	No	Yes*	Yes	Yes

Manager	Sub-Segment	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10
		RIA in Good Standing; RIA	Complied with Plan Investment Policy	Complied w/ Mgr. Guidelines	Reconciled With Custodian	Litigation	Investment Personnel Changes	Mgmt. Changes	Material Business Changes	Complied Internal Risk Mgmt.	Sent Fncl Stmnts
Raven Capital	Direct Lending	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes
White Oak	Direct Lending	Yes	Yes	Yes	Yes	No*	Yes*	No	No	Yes	Yes
Berkeley Partners	Value Add RE	Yes	Yes	Yes	N/A	No	Yes*	No	No	Yes	Yes
Principal	Pvt. Core RE	Yes	Yes*	Yes	N/A*	No*	No*	No*	No	Yes	Yes
Prologis Targeted U.S.	Pvt. Core RE	N/A*	Yes	Yes	N/A	No*	No	Yes*	No	Yes	Yes
DWS / RREEF**	Pvt. Core RE										
Principal Protection											
Dodge & Cox	Core Fixed Income	Yes	Yes	Yes	Yes	No*	Yes*	No*	No	Yes	Yes
Loomis Sayles	Core Fixed Income	Yes	Yes	Yes	N/A	Yes*	No	No	No	Yes	Yes
Crisis Risk OffsetSM											
Dodge & Cox	Long Duration	Yes	Yes	Yes	Yes	No*	Yes*	No*	No	Yes	Yes
Mount Lucas	Syst. Trend Following	Yes	Yes	Yes	Yes	Yes*	No	No	No	Yes	Yes
Graham	Syst. Trend Following										
AQR	Alt. Risk Premia	Yes	Yes	Yes	Yes	Yes*	No	No	No	Yes	Yes
PE Investments	Alt. Risk Premia	Yes	Yes	Yes	Yes	No	No	No	No	Yes	No
Overlay											
Parametric	PIOS Overlay Prgm	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Consultant											
Meketa	Consultant	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes

* Detailed written response provided below

** Manager did not complete survey in time.

Performance Information through December 31, 2024								
Manager	Sub-Segment	Inception Date	Status	Benchmark	Ann. Excess (bps)		Peer Ranking	
					3 Yrs	5 Yrs	3 Yrs	5 Yrs
Aggressive Growth								
BlackRock	Global Infrastructure	06/2023	Good Standing	MSCI ACWI +2%	n/a	n/a	n/a	n/a
BlackRock	Global Energy	7/2019	Good Standing	MSCI ACWI +2%	360	-320	n/a	n/a
Bessemer Forge Fund	PE Buyout	09/2023	Good Standing	MSCI ACWI +2%	n/a	n/a	n/a	n/a
Lightspeed	Growth Stage VC	12/2023	Good Standing	MSCI ACWI +2%	n/a	n/a	n/a	n/a
Long Arc	Growth Stage VC	06/2023	Good Standing	MSCI ACWI +2%	n/a	n/a	n/a	n/a
Ocean Avenue II ¹	PE Buyout FOF	5/2013	Good Standing	MSCI ACWI +2%	-1,690	0	n/a	n/a
Ocean Avenue III ¹	PE Buyout FOF	4/2016	Good Standing	MSCI ACWI +2%	40	430	n/a	n/a
Ocean Avenue IV	PE Buyout	12/2019	Good Standing	MSCI ACWI +2%	900	1,010	n/a	n/a
Ocean Avenue V	PE Buyout	06/2023	Good Standing	MSCI ACWI +2%	n/a	n/a	n/a	n/a
Morgan Creek III ⁴	Multi-Strat FOF	2/2015	Good Standing	MSCI ACWI +2%	-520	-1,540	n/a	n/a
Morgan Creek V ¹	Multi-Strat FOF	6/2013	Good Standing	MSCI ACWI +2%	-1,130	-830	n/a	n/a
Ridgemont Equity	Special Situation PE	6/2023	Good Standing	MSCI ACWI +2%	n/a	n/a	n/a	n/a
Morgan Creek VI ¹	Multi-Strat FOF	2/2015	Good Standing	MSCI ACWI +2%	-1,350	-380	n/a	n/a
Stellax Capital II	PE – Special Situations	7/2021	Good Standing	MSCI ACWI +2%	880	n/a	n/a	n/a
AG Core Plus IV ³	Pvt. Non-core RE	2014	Good Standing	Private RE Benchmark	-1,720	-1,160	n/a	n/a
Almanac Realty VI ³	Pvt. Non-core RE	2011	Good Standing	Private RE Benchmark	-880	-1,430	n/a	n/a
Berkeley Partners V ³	Pvt. Non-core RE	2020	Good Standing	Private RE Benchmark	740	n/a	n/a	n/a
Greenfield VII ³	Pvt. Non-core RE	2013	Good Standing	Private RE Benchmark	80	260	n/a	n/a
Grandview ³	Pvt. Non-core RE	2018	Good Standing	Private RE Benchmark	440	1,120	n/a	n/a
Stockbridge III ³	Pvt. Non-core RE	2017	Good Standing	Private RE Benchmark	-100	550	n/a	n/a
Walton Street VI ³	Pvt. Non-core RE	2007	Good Standing	Private RE Benchmark	620	60	n/a	n/a
Traditional Growth								
Northern Trust	All Cap Global	10/2020	Good Standing	MSCI ACWI IMI	60	n/a	n/a	n/a
GQG	Emerging Mkts.	8/2020	Good Standing	MSCI Emerging Markets	430	n/a	n/a	n/a
PIMCO	Emerging Mkts.	4/2007	Good Standing	MSCI Emerging Markets	630	820	n/a	n/a
Stabilized Growth								
Neuberger Berman ¹	Opp. Credit	2/2019	Good Standing	33% HY Const./33% S&P LSTA LL/ 33% JPMEBBI Gbl Div.	-50	-40	n/a	n/a
Stone Harbor ¹	Abs. Return	4/2008	Good Standing	3-Month Libor	240	370	n/a	n/a
BlackRock	Direct Lending	05/2020	Good Standing	Custom Credit Benchmark	-490	n/a	n/a	n/a
Silver Rock	Direct Lending	06/2023	Good Standing	Custom Credit Benchmark	n/a	n/a	n/a	n/a
Crestline ¹	Opportunistic	11/2013	Good Standing	CPI +6%	-2,590	-1,800	n/a	n/a
Davidson Kempner ¹	Opportunistic	10/2020	Good Standing	CPI +6%	-460	n/a	n/a	n/a
Medley ¹	Direct Lending	7/2012	Good Standing	CPI +6%	-1,240	-1,590	n/a	n/a
Mesa West IV ¹	Comm. Mortgage	3/2017	Good Standing	CPI +6%	-2,360	-1,560	n/a	n/a
Oaktree ¹	Leveraged Direct	3/2018	Good Standing	MSCI ACWI +2%	-390	20	n/a	n/a
HPS	Direct Lending	8/2020	Good Standing	CPI +6%	-80	n/a	n/a	n/a
Raven Capital II ¹	Direct Lending	8/2014	Good Standing	CPI +6%	n/a	n/a	n/a	n/a
Stabilized Growth (cont)								

¹ Data is lagged 1 quarter.

³ Annual Excess returns for Private Non-Core Real Estate are as of 3/31/2024, lagged 1 quarter.

Performance Information through December 31, 2024								
Manager	Sub-Segment	Inception Date	Status	Benchmark	Ann. Excess (bps)		Peer Ranking	
					3 Yrs	5 Yrs	3 Yrs	5 Yrs
Raven Capital III ¹	Direct Lending	8/2015	Good Standing	CPI +6%	-4,470	-3,020	n/a	n/a
White Oak Summit ¹	Direct Lending	3/2016	Good Standing	CPI +6%	-1,070	970	n/a	n/a
White Oak Yield Spectrum ¹	Direct Lending	3/2020	Good Standing	CPI +6%	-1,090	-900	n/a	n/a
Principal ³	Pvt. Core RE	10/2015	Good Standing	Private RE Benchmark	-70	-10	n/a	n/a
Prologis Targeted US ³	Pvt. Core RE	9/2007	Good Standing	Private RE Benchmark	520	930	n/a	n/a
DWS / RREEF ³	Pvt. Core RE	4/2016	Good Standing	Private RE Benchmark	-160	-70	n/a	n/a
Principal Protection								
Dodge & Cox	Core Fixed Income	10/1990	Good Standing	BB Aggregate Bond	160	220	n/a	n/a
Loomis Sayles	Core Fixed Income	4/2022	Good Standing	BB Aggregate Bond	n/a	n/a	n/a	n/a
Crisis Risk Offset¹								
Dodge & Cox	Long Duration	2/2016	Good Standing	BB US Long Duration Treasury	70	70	n/a	n/a
Mount Lucas	Sys. Trend Following	1/2005	Good Standing	BTOP50 Index	-460	-40	n/a	n/a
Graham	Sys. Trend Following	4/2016	Good Standing	SG Trend	-120	-20	n/a	n/a
AQR	Alt. Risk Premia	5/2016	Good Standing	5% Annual	990	1,000	n/a	n/a
P/E Investments	Alt. Risk Premia	7/2016	Good Standing	5% Annual	-450	-940	n/a	n/a
Other								
Northern Trust	Govt. Short Term	1/1995	Good Standing	US T-Bills	-70	-40	n/a	n/a
Parametric	Long Duration	1/2020	Good Standing	n/a	n/a	n/a	n/a	n/a

¹ Data is lagged 1 quarter.

Manager Responses

This section includes the verbatim text of the manager's response to any highlighted questions to provide more detail to the table above.

Angelo Gordon Litigation

Please see attached for TPG AG's Litigation Disclosure.

AQR Litigation

To the best of our knowledge, neither AQR nor any of AQR's Principals or employees is or has been the subject of a legal proceeding, a government inquiry, or any regulatory actions during the quarter ending March 31, 2025, that would materially impact AQR's financial condition, its management of client assets or its provision of investment advisory services. AQR routinely engages in correspondence with, and from time to time receives document requests and inquiries from, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the U.S. Department of Labor and other regulatory and law enforcement agencies from various U.S. and non-U.S. jurisdictions. At this time, we are not aware of any inquiries or investigations that would have a material adverse effect on AQR's ability to conduct its business. Please note the historical matters set forth in Item 11 of AQR's Part 1 of Form ADV.

AQR Investment Team Changes

Within our Macro Strategies Group investment team, which supports the strategy, one senior-level (Managing Director and above) investment professional, David Kupersmith, was added over the past quarter ending March 31, 2025.

AQR Management Team Changes

- David Kupersmith returned to the firm as Principal and member of the Macro Strategies Group, focusing on discretionary macro.
- Alla Markova (Research and Portfolio Management), Alberto Botter (Research and Portfolio Management), Mark McLennan (Client Solutions and Portfolio Solutions) joined the AQR partnership in January 2025.

Ares Management Litigation

Litigation

Ares Management Corporation, an alternative investment management firm and sponsor of various investment funds (the "Ares Funds"), and certain of its affiliated entities, including Ares Management LLC and its direct and indirect subsidiaries ("Ares"), as well as certain employees of Ares, have been included in certain proceedings in the normal course of business.

Other than as disclosed in public filings, there are no actions pending or threatened at the current time that are material to Ares Management Corporation, the Ares Funds or Ares. Publicly filed reports are available at the following address: <https://ir.aresmgmt.com/sec-filings/>

Regulatory Proceedings

As a registered investment adviser with the U.S. Securities and Exchange Commission ("SEC"), Ares Management LLC and its affiliates and personnel (collectively, "Ares") are subject to examinations by regulators in the ordinary course of business.



On February 10, 2025, Ares Wealth Management Solutions, LLC (“AWMS”) received a notification from FINRA that they would be conducting a routine exam of the firm. Ares believes the exam was initiated in the ordinary course of business.

In addition, in the ordinary course of business Ares Management and/or its affiliated entities or personnel receive inquiries, subpoenas or other requests for information from regulatory bodies including, but not limited to, the SEC and FINRA in connection with inquiries and/or investigations conducted by such regulatory bodies. Ares and its personnel have responded to such inquiries, including producing requested documents.

Ares Management Investment Personnel Changes

Additions

There were no senior investment professional (Principal and above) and four professionals at the Vice President level and below additions to the Ares Alternative Credit Team (the “Team”), the team responsible for managing the Fund, during the one-quarter period ending March 31, 2025.

Departures

There were no departures from the Team during the one-quarter period ending March 31, 2025.

Ares expects to experience moderate turnover at the junior levels as it is typical for professionals at those levels to attend graduate school or pursue other interests [1].

The Team has been organized such that there are co-portfolio managers for each investment strategy. This structure is designed to mitigate risks associated with personnel departures.

Overall, we believe the turnover of senior investment professionals has historically been very modest and Ares believes it is lower than is typical for our peer group.

Other Changes

As previously shared with Meketa, at the beginning of 2025, Ares appointed Kevin Alexander, Partner, as Co-Head of Alternative Credit alongside current Co-Heads Keith Ashton and Joel Holsinger. Please refer to the press release via the link provided below for additional details.

<https://ir.aresmgmt.com/news/ares-management-appoints-kevin-alexander-as-co-head-of-alternative-credit/4795400e-3fff-4eb4-ad28-cec28f8630ab/>

[1] Forward looking statements are not reliable indicators of future events and no guarantee or assurance is given that such activities will occur as expected or at all.

Ares Management Management Personnel Changes

Notable Changes

In February 2025, Ares appointed Kipp deVeer and Blair Jacobson to the newly created positions of Co-Presidents. Both Mr. deVeer and Mr. Jacobson will report to Michael Arougheti, Ares’ Chief Executive Officer. Mr. deVeer and Mr. Jacobson will work closely with Mr. Arougheti to help drive firmwide strategic and operational initiatives, support critical investor and counterparty relationships, and continue to develop the next generation of leaders at Ares. In connection with these appointments, Mitchell Goldstein and Michael Smith will continue to serve as Co-Heads of Ares Credit Group, which they have co-led since 2017. Michael Dennis and Matt Theodorakis will continue to jointly lead the European Direct Lending strategy.



Penni Roll

Penni Roll, who previously served as our Global Chief Compliance Officer, has announced her retirement. Ms. Roll will retire, after approximately 15 years with Ares in various senior leadership roles, effective May 1, 2025. We are thankful for Ms. Roll's leadership and many contributions over the firm's significant growth since she joined us in 2010.

Richa Gulati

On March 17, 2025, Richa Gulati was appointed as the firm's Chief Compliance and Regulatory Officer. Ms. Gulati joined Ares in 2024 and previously held the position of Chief Regulatory Officer in the Ares Legal and Compliance Group before transitioning to this role. Ms. Gulati has served in a variety of senior compliance roles with over 15 years of experience in the alternative asset management industry, including most recently as the Chief Compliance Officer and Associate General Counsel at Angelo Gordon.

Ares Management Material Business Changes

Acquisitions

As previously shared with Meketa, in March 2025, Ares completed the acquisition of the international business of GLP Capital Partners Limited and certain of its affiliates, excluding its operations in Greater China ("GCP International"). The acquisition of GCP International, a leading global alternative asset management firm focused on logistics and self-storage, expands the global presence of Ares Real Estate and accelerates Ares' digital infrastructure buildout.

Ownership

While there were no material changes to the firm's ownership, please refer to the following update.

Ares Management Corporation held its initial public offering in May 2014. Ares[1] is owned approximately 35.3% by members of its senior management team, 59.5% by public ownership and 5.2% by SMBC[2] as of March 31, 2025[3].

From time to time, as a public company, Ares Management may issue additional shares of common stock and other securities.

[1] In this instance Ares refers to Ares Operating Group, which includes Ares Holdings, L.P., which is a subsidiary of Ares Management Corporation. (NYSE: ARES and NYSE: ARES.PRA).

[2] Sumitomo Mitsui Banking Corporation ("SMBC").

[3] All percentages shown are direct and indirect interests on an aggregate and as-exchanged basis. Ownership percentages are rounded up to the nearest single decimal. As such, percentages may not foot due to rounding.

Davidson Kempner Investment Personnel Changes

There were no senior level additions or departures within the Global Credit investment team during the 3-month period ending March 31, 2025. During the same period, there was one departure at the Principal level, 1 Associate departure.

Davidson Kempner Management Personnel Changes

As previously disclosed, Perry Metviner, Managing Director, Co-Chief Operating Officer and Chief Technology Officer, has informed us of his intention to retire, effective June 1, 2025.



Upon Eric's departure Anthony Gonzalez, a Managing Director in our Fund Accounting & Corporate Accounting team, is serving as interim Chief Financial Officer. Anthony joined Davidson Kempner in 2009 and was promoted to Managing Director in 2021.

Replacing Eric and Perry as Chief Operating Officer, Sona Gohel joined the Firm in January 2025 as a Partner. Sona joins Davidson Kempner from Goldman Sachs where she was most recently Deputy Chief Operating Officer of Engineering. As Chief Operating Officer, Sona will oversee the Information Technology, Finance, Global Operations, Human Resources and Corporate Real Estate teams. She will also chair the Firm's Operating Committee. Sona will report to Gabe Schwartz, co-Deputy Managing Partner, who has been managing these areas since May 2023 and will continue to provide oversight.

Rich Ahrens, who has assumed the role of Deputy Chief Technology Officer, will succeed Perry as Chief Technology Officer after Perry's retirement. Rich joined the Firm in April 2023 to lead the Firm's Investment Management Technology team and has been elevated to Managing Director as of January 1, 2025.

Dodge & Cox Litigation

Dodge & Cox, by the nature of its business, may receive third-party subpoenas in the normal course of doing business and may also become involved in civil litigation. Nevertheless, as of quarter end, Dodge & Cox and its officers/employees have not been involved in any material litigation during the relevant time period. Dodge & Cox has not been investigated by any regulator or involved in any regulatory enforcement action during the relevant time period.

Dodge & Cox Investment Personnel Changes

Dodge & Cox has experienced an extremely low level of personnel turnover throughout our history. There were no departures from the investment team in the past quarter. In turn, there were two additions. Kent Yamane, Structured Product Trader/Analyst, and Christopher Kelly, Global Industry Analyst, joined during the first quarter of 2025. Our global industry analysts are a critical shared resource between the fixed income and equity portfolio management teams.

Dodge & Cox Management Personnel Changes

Gradual and thoughtful transition of leadership is a hallmark of our firm. To ensure continuity of our investment philosophy, research process, and culture, we spend considerable time planning for leadership succession, and evolve the composition of our Investment Committees gradually. We select Investment Committee members based on their long-term contributions to our research and investment processes as analysts and members of our Sector Committees, and their demonstrated interest in portfolio strategy.

As we have traditionally done this time of year, we are announcing a planned firm leadership retirement and several changes to our Investment Committees.

After an extraordinary career of more than four decades at Dodge & Cox, including over a decade co-leading the firm and over 25 years as Director of Fixed Income, Dana Emery, Chair and CEO, has decided to retire on December 31, 2025. Under her leadership, the firm has globalized our research, investment strategies, and our client service capabilities. Dana will continue to serve in her firm leadership and Investment Committee roles and as Chair of the Dodge & Cox Funds Board until her retirement, and she will gradually transition her responsibilities over the course of the year.

On January 1, 2026, David Hoeft will succeed Dana as Chair and continue in his CIO role. Roger Kuo will succeed Dana as CEO of the firm and Chair of the Dodge & Cox Funds, while continuing to serve as President of the firm. David and Roger, who joined the firm in 1993 and 1998, respectively, will represent our sixth generation of leadership since 1930. David and Roger will partner with the other Dodge & Cox



Board members—Phil Barret, Lucy Johns, and Ray Mertens—and other senior leaders to build on the firm's long history of success.

As previously announced, we have the upcoming changes to our Operational Leadership and Investment Committees.

Bill Strickland, COO will be retiring on June 30, 2025. Hallie Marshall assumed the role of Associate COO on June 30, 2024 and will succeed Bill as COO when he retires. In conjunction with Bill's retirement, Sarah Clifford will assume oversight of various administrative functions such as business continuity, corporate communications, facilities management, and resource planning, as Director of Human Capital and Administration.

DWS RREEF Litigation

DWS Group GmbH & Co. KGaA and its various subsidiaries (Collectively "DWS"), which includes RREEF America L.L.C. (RREEF), are global financial institutions with numerous domestic and foreign affiliates. In the course of its businesses, these affiliates are, or may be subject to litigation and arbitration and to regulatory examinations, investigations and inquiries. To the best of our knowledge, none is currently expected to have a material adverse effect on the ability of DWS to execute its investment duties and responsibilities to your accounts. DWS reports these matters as required by law or regulation and disclose any significant legal proceedings, including litigation and regulatory matters in its annual reports. DWS Group's filings are available on its website at <https://group.dws.com/ir/reports-andevents/> (<https://group.dws.com/ir/reports-andevents/>). For RREEF, please refer to the Form ADV Part 1 for disclosures for these entities with respect to criminal, regulatory and civil actions, if applicable, against RREEF, its officers, directors and employees, and entities controlling, controlled by or under common control with either of those entities. Please note, we may be subject to confidentiality restrictions and prohibited from disclosing information concerning certain inquiries or investigations.

Graham Capital Management Changes

Effective February 7, 2025, Jens Foehrenbach was hired as Graham's President and Co-CIO. He also joined the Firm's Executive, Investment, and Risk Committees. Pablo Calderini was promoted to Vice Chairman and will serve as Co-CIO with Jens throughout 2025 and well into 2026. Over time, Pablo will begin trading a new alpha strategy which uses quantitative signals in conjunction with his discretionary decision making. Ken Tropin will not be reducing his involvement with Graham in any way.

HPS Custodian Reconciliation

We expect SJCERA's account to be reconciled with the Fund's Administrator, Harmonic Fund Services, for the first quarter of 2025 by June 2025. The custodian is Harmonic Fund Services.

HPS Litigation

To our knowledge, there is no litigation involving the Firm that HPS believes will have a material adverse effect upon the Firm. The Firm is not currently undergoing a regulatory examination.

HPS Investment Personnel Changes

During the fourth quarter of 2024, there was one departure at the Vice President level or above from the dedicated Asset Value team.



HPS Material Business Changes

No. In December 2024, HPS announced that it had entered into a definitive agreement for BlackRock Inc. (“BlackRock”) to acquire HPS, which is expected to close in Q2 2025, subject to receipt of certain consents from investors in HPS funds and accounts, regulatory approvals and satisfaction of other customary closing conditions. As part of the transaction, BlackRock’s existing private credit, CLO and GP/LP solutions businesses will be brought together with HPS in a newly formed private financing solutions business unit and the HPS senior leadership team will assume full managerial responsibility for the combined enterprise.

Loomis Sayles Litigation

Loomis, Sayles & Company, L.P. (“Loomis Sayles” or the “Firm”), and its affiliates under its control, are not a party to any litigation, administrative action or regulatory matters that would have a material impact on its ability to conduct investment management business. The following matters involving Loomis Sayles, and its affiliates under its control, are not deemed to be material in nature, except that the Citigroup matter may be considered material to the accounts involved in the trading acting as described below.

In August 2022, Loomis Sayles Trust Company, LLC (“LSTC”) filed a class action complaint against Citigroup in the United States District Court for the Southern District of New York (“Court”) alleging Citigroup’s failure to properly execute trades as LSTC’s broker. On March 18, 2022, Loomis Sayles engaged Citigroup to execute certain transactions on behalf of the Loomis Sayles Growth Equity Strategies portfolios. The complaint alleges that Citigroup failed to achieve best execution in connection with two large orders among the transactions resulting in harm to certain of LSTC’s funds and to certain clients of Loomis Sayles (collectively with LSTC, “Loomis Sayles”). Loomis Sayles believes Citigroup failed to meet its legal obligations to take diligent and reasonable efforts to maximize the economic benefit to LSTC’s affected funds and the clients of Loomis Sayles. In the complaint, LSTC alleges that Citigroup failed to discharge its fiduciary duty, including its duty of care, by failing to achieve best execution on these orders. The complaint further alleges that Citigroup’s conduct resulted in significantly dislocated prices on the executed trades. It is important to note that this complaint is specific to the failed execution of two trades and does not extend to other aspects of Loomis Sayles’ work with Citigroup. Loomis Sayles intends to continue to engage constructively with Citigroup on other client matters, but determined that litigation in this instance is necessary to protect clients that were impacted by these transactions.

All fact discovery for the case, including depositions of each party, document production and expert depositions, has been completed. In November 2022, Citigroup filed a motion to dismiss the complaint. In February 2023, the Court converted the motion to dismiss to a motion for summary judgment. On July 28, 2023, the Court denied Citigroup’s converted motion for summary judgment (without prejudice to renew upon the submission of additional evidence). The Court also ordered the parties to engage in private mediation which took place on September 21, 2023. The confidential mediation was unsuccessful. As with most large litigations, the parties are free to pursue mediation again as the litigation progresses.

In October 2023, the Court set the schedule for the next phase of the litigation and established a briefing schedule for Citigroup’s anticipated summary judgment motion, while deferring LSTC’s class certification motion and the setting of a trial date.

On November 1, 2023, Citigroup filed a motion for summary judgment arguing that it complied with the trading instructions and any duty it owed. On November 30, 2023, LSTC filed its opposition to Citigroup’s motion for summary judgment arguing that the case must go to the jury for resolution, and Citigroup filed a reply brief on December 21, 2023. On September 26, 2024, the Court denied Citigroup’s motion for summary judgment and set a trial date for February 10, 2025. Subsequently, the parties requested that the Court set out a schedule to consider certifying plaintiffs as a class. The Court agreed, instructing



LSTC to file its brief in support of class certification by October 21, 2024, Citigroup to file its opposition to class certification by November 20, 2024, and LSTC to file its reply by January 10, 2025. As a result, the Court said it would reschedule the trial for an unspecified future date after its class certification decision.

On July 19, 2024, a former consultant to Loomis Sayles filed a complaint with the Commonwealth of Massachusetts Commission Against Discrimination ("MCAD"). The consultant alleges discrimination on the basis of disability. Loomis Sayles denies the allegations made in the complaint in the entirety on both substantive and jurisdictional grounds, and submitted a response to the MCAD in support of its position. Pursuant to its standard investigation practices, the MCAD will conduct an investigative conference on February 6, 2025.

Regulatory Contact involving Loomis Sayles and its Affiliate under its Control

On November 8, 2024, Loomis Sayles Trust Company, LLC ("LSTC") was notified that the New Hampshire Banking Department ("NHBD") would begin an examination of LSTC beginning on January 6, 2025. This is a routine examination conducted by NHBD on a regular basis. LSTC has provided all documents requested by NHBD to date.

Mesa West Investment Personnel Changes

Mesa West has had one member at the Executive Director level and above leave the firm. This position was filled by existing team members who were given additional responsibility and opportunity for growth.

Morgan Creek Capital Management Litigation

A former employee has filed a suit against the firm. We do not believe it is material to our business.

Mount Lucas Management Litigation

Mount Lucas has been selected by the SEC for an exam. This exam is ongoing.

Oaktree Litigation

Oaktree is subject to the authority of a number of regulators both within and outside the United States, including the U.S. Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA"), and those authorities regularly conduct examinations of Oaktree and make other inquiries. No litigation or regulatory action has had a material adverse financial impact upon Oaktree or any of the funds it manages and Oaktree is not aware of any pending litigation or regulatory enforcement action that might reasonably be expected to have such an effect.

A summary of active regulatory inquiries is below.

On September 8, 2022, the CSSF (Luxembourg regulator) initiated a routine examination of LFE European Asset Management Sarl (the AIFM). The exam has not been officially closed yet with the last batch of information being shared with the CSSF in April 2025. Therefore, no findings or comment received.

On October 2, 2023 we received an inquiry from the SEC Enforcement Division regarding our participation in certain Ad Hoc Creditor Committees. We are cooperating with the inquiry and providing the requested information.

On June 28, 2024, we received a request for information from the SEC's Enforcement Division relating to Collateralized Fund Obligations. We are cooperating with the SEC's inquiry.



On September 12th, 2024, Oaktree (Beijing) Investment Management Co., Ltd. ("OBIM") was subject to an onsite inspection conducted by the Beijing Financial Bureau ("BFB"), the People's Bank of China, the State Administration of Foreign Exchange, and the State Administration for Market Regulation. This is part of an onsite inspection that these regulators are conducting for all Qualified Domestic Limited Partnership fund managers based in Beijing, China that includes OBIM. This inspection is ongoing, and we continue to cooperate with the regulators' requests and inquiries.

On September 19th, 2024, Oaktree Overseas Investment Fund Management (Shanghai) Co., Ltd ("OOSH") was notified by the Shanghai Financial Bureau regarding an examination for all Qualified Domestic Limited Partnership fund managers based in Shanghai, China that include OOSH. We are cooperating with the inquiry and provided the requested information.

Oaktree Investment Personnel Changes

Matthew Kupersmith, Managing Director left the firm to pursue other endeavours. Amy Rice, Managing Director, transferred to lead Oaktree's capital Solutions team

Parametric Management Team Changes

Paul Bouchey, Managing Director and Global Head of Research, transitioned into a different role within Research. Effective January 1, 2025, his new title is Managing Director, Applied Research. Ben Davis, Managing Director, Research, stepped into the Global Head of Research role on January 1, 2025.

Tom Seto, Head of Parametric Investment Management, retired effective February 2025. As part of this transition, effective January 1, 2025, Gordon Wotherspoon became Head of Equity SMA and Jennifer Mihara became Head of Equity Fund Management. Mr. Wotherspoon and Ms. Mihara both report into Brian Herscovici, COO of Investments for Parametric.

After 14 years at Parametric, James Barrett, Managing Director and Head of Client Development, retired from Parametric, effective February 2025. James led the Parametric distribution and marketing teams.

Principal Compliance with SJCERA IPS

Yes, we verify that the portfolio is currently, and has been during the past quarter, in compliance with the investment policy guidelines/offering document governing the management of the investment.

Principal Real Estate (the "Manager") is responsible for the day-to-day investment management of the Principal U.S. Property Separate Account (the "Account"). The Manager acknowledges and accepts that it is a fiduciary under ERISA for those assets under its management for the Account, including certain assets of San Joaquin County Employees Retirement Association ("SJCERA"). The Trustees have decided to utilize the Account as the investment instrument for certain assets of SJCERA. The Trustees acknowledge that the Investment Policy Statement of SJCERA differ from the exact investment objectives, policies and restrictions of the Account. No material changes have been made to the investment policy guidelines governing the management of the Account, though the guidelines are reviewed and potentially revised on at least an annual basis.



Principal Litigation

Given the size and scope of our operations, Principal Real Estate Investors, LLC and the member companies of Principal Financial Group are occasionally involved in litigation, either as a defendant and/or as a plaintiff. However, management does not believe that any pending litigation will have a material adverse effect on our business, financial position or net income. Please see our public filings for additional information.

Regulatory bodies such as state insurance departments, the Securities and Exchange Commission, the Financial Industry Regulatory Authority, the Department of Labor and other regulatory agencies regularly make inquiries and conduct examinations or investigations concerning our compliance with, among other things, insurance laws, securities laws, ERISA, and laws governing the activities of registered investment advisers. We receive requests from regulators and other governmental authorities relating to industry issues and may receive additional requests, including subpoenas and interrogatories, in the future.

For information about any completed regulatory matters please reference <https://adviserinfo.sec.gov/> and type in the name of the referenced legal entity.

Principal Investment Personnel Changes

There were no additions or departures from the dedicated Account portfolio management team during the first quarter. The portfolio management team is comprised of Darren Kleis (Managing Director Portfolio Management), Kyle Elfers (Managing Director Portfolio Management), Bridget Lechtenberg (Portfolio Manager), Ross Johnson (Sr. Portfolio Analyst), and Ellen Bennett (Portfolio Analyst).

Rich Hill joined Principal Real Estate during the first quarter as Senior Managing Director and Global Head of Real Estate Research and Strategy. While not a dedicated member of the Account portfolio management team, Rich is involved in Account strategy as a member of the firm's Investment Committee and the Senior Strategy Committee. Rich's full biography is included below.

RICH HILL - SENIOR MANAGING DIRECTOR, GLOBAL HEAD OF REAL ESTATE RESEARCH & STRATEGY

Richard Hill is a Senior Managing Director and Global Head of Research & Strategy for Principal Real Estate, the dedicated real estate group of Principal Asset Management. In his role, he's responsible for developing the house view on the state of the global CRE cycle, how it's impacting valuations, and what that means for asset allocation decisions. He advises portfolio management teams across equity and debt, as well as public and private on investment strategies developed through a relative value framework. As leader of the real estate global research team, he oversees both quantitative data analytics and fundamental research that forecasts growth and returns for property types across global geographies. Richard joined Principal in 2025 with 24 years of industry experience, most recently serving as Head of Real Estate Strategy & Research at Cohen & Steers Capital Management. Prior to this role, Richard was Head of Commercial Real Estate Research at Morgan Stanley where he was responsible for REIT equity research, CRE debt strategy, and macro property research. Throughout his career, he has led real estate investment strategy and portfolio management, advising global institutional clients, developing proprietary valuation models, optimizing asset allocation, and driving thought leadership on market trends and innovation. He is a regular commentator in print, radio and television regarding the commercial real estate market. Richard received his Bachelor of Science in Business Administration from Georgetown University.



Principal Management Changes

Rich Hill joined Principal Real Estate during the first quarter as Senior Managing Director and Global Head of Real Estate Research and Strategy. Please refer to question 11's response for Rich's biography.

Principal Real Estate has experienced limited turnover of its senior management over the past 15 years. Our organizational culture is woven by a commitment to teamwork and state-of-the-art tools which provide the firm with a resilient response to staff turnover.

Prologis Standing as an RIA

Investment advisors are required to register with the SEC as a Registered Investment Advisor (RIA) if they are in the business of providing advice or issuing reports or analyses regarding securities. The SEC has stated that direct interests in real estate are not securities. Prologis' vehicles invest in real estate directly. For example, USLF does not invest in the stock of other real estate companies or in other public or private funds that own real estate – USLF invests in real estate directly. Because USLF invests in real estate directly and because the SEC has stated that direct real estate investments are not securities, we have with the advice of external legal counsel determined that Prologis is not required to register as an RIA.

The ultimate parent company of Prologis is Prologis, Inc. which is a publicly traded company on the NYSE. As a publicly traded company, Prologis is subject to SEC reporting and the corporate governance and legal requirements applicable to other U.S. public companies. In addition, the general partner of USLF is Prologis, L.P., which is the operating subsidiary through which Prologis Inc. carries out the vast majority of its operations. Prologis, L.P. is large and well-capitalized.

Prologis Litigation

Prologis, Inc. is a publicly traded company with global operations. In the normal course of business, from time to time, Prologis may be involved in legal actions and environmental matters relating to the ownership and operations of its properties. Management does not expect that the liabilities, if any, that may ultimately result from such legal actions would have a material adverse effect on the financial position, results of operations or cash flows of Prologis. Except as has been previously disclosed in public filings as of March 31, 2025, there were no material pending legal proceedings or environmental matters to which Prologis is a party or of which any of its properties is the subject, the determination of which Prologis anticipates would have a material adverse effect upon its or the Fund's financial condition and results of operations. Additionally, during the past one year, to its knowledge, Prologis has not been the subject of any investigation for violation or potential violation of applicable law by the SEC or other regulatory organization which could result in a material adverse effect on the company or its investors. Item 401(f) of the SEC's Regulation S-K requires Prologis to report certain legal proceedings that are material to an evaluation of the ability or integrity of any director or persons nominated to become directors. None of the events described in Item 401(f) of Regulation S-K have occurred with respect to any director or executive officer of Prologis (including Former Prologis or Former AMB) during the past ten years.

Prologis Management Changes

Yes, in February 2025, Prologis announced the retirement of its co-founder, Hamid Moghadam, from his CEO role, effective January 1, 2026. Mr. Moghadam will continue as executive chairman, providing strategic guidance consistent with the company's mission of "enduring excellence." As part of the



company's succession plan, Dan Letter, currently president, will succeed Mr. Moghadam as CEO. Mr. Letter will also join the company's Board of Directors, effective immediately.

At the end of 2024, Ed Nekritz, chief legal officer, and Colleen McKeown, chief human resources officer, retired. They will both serve as senior advisors in 2025. Deborah Briones became Prologis' new chief legal officer and general counsel and Nathaalie Carey became Prologis' new chief human resources officer.

Raven Capital Custodian Reconciliation

SS&C Technologies, Inc. reconciles all cash to the balances maintained with the fund's bank, JP Morgan, formerly First Republic Bank. Additionally, Raven's operations team will track daily cash movements for the fund and will reconcile them to SS&C's books and records as well.

Raven Capital Investment Team Changes

Matt Sidari left the Firm on January 31, 2025. While Matt worked on certain investments within the portfolio, he did not have a significant responsibility with respect to overall portfolio or investment management.

DWS/REEF Litigation

DWS Group GmbH & Co. KGaA and its various subsidiaries (collectively "DWS") which includes RREEF America L.L.C. (RREEF), are global financial institutions with numerous domestic and foreign affiliates. In the course of its businesses, these affiliates are, or may be subject to litigation and arbitration and to regulatory examinations, investigations and inquiries. To the best of our knowledge, none is currently expected to have a material adverse effect on the ability of DWS to execute its investment duties and responsibilities to your accounts. DWS reports these matters as required by law or regulation and disclose any significant legal proceedings, including litigation and regulatory matters in its annual reports. DWS Group's filings are available on its website at <https://group.dws.com/ir/reports-and-events>. For RREEF, please refer to the Form ADV Part 1 for disclosures for these entities with respect to criminal, regulatory and civil actions, if applicable, against RREEF, its officers, directors and employees, and entities controlling, controlled by or under common control with their of these entities, Please note, we may be subject to confidentiality restrictions and prohibited from disclosing information concerning certain inquiries or investigations.

Stockbridge Management Changes

As previously communicated, effective January 1, 2025, Tuba Malinowski, Managing Director and Co-Portfolio Manager of the firm's ODCE Fund (Smart Markets Fund), has been promoted to Executive Managing Director and Head of Core and Value Advisors, LLC ("CVA"). Tuba will lead the day-to-day management of CVA's overall business and strategy, in addition to continuing her role on the broader firm's Investment and Executive Committees. Tuba succeeds Sol Raso who has led CVA since late 2015. Sol is transitioning to a new role at Stockbridge, focusing on firm-wide growth initiatives and capital formation leadership.

Stone Harbor (Newfleet) Investment Personnel Changes

Effective 3/28/2025, Jason Abercrombie, Director and Corporate Credit Analyst, departed the firm to pursue other opportunities



Walton Street Litigation

No. Walton Street is not currently involved in any litigation that would reasonably be expected to have a material adverse effect on Walton Street or its Funds and has never been involved in any such material litigation arising from its role as investment manager.

Walton Street has been a registered investment adviser with the SEC since 2008. All registered investment advisers are required to annually file Form ADV Part IA, which has a disciplinary disclosure section in Item 11. Item 11 requires advisers to provide disclosures about certain criminal actions, regulatory actions and civil judicial actions. Walton Street has never had to make any Item 11 disciplinary disclosures.

Walton Street Material Business Changes

Walton Street and Ares Management Corporation, a global alternative investment manager, (NYSE: ARES) (“Ares”), on September 26, 2024, have entered into a confidential Purchase and Sale Agreement for the acquisition of the interests in Walton Street Capital Mexico, S. de R.L. de C.V., an affiliate of Walton Street, and its management services business in Mexico (the “Proposed Transaction”). If consummated, the Proposed Transaction will result in the Mexico Platform, with the exception of WSMFI, becoming wholly owned indirect subsidiaries of Ares. The Proposed Transaction is expected to close on or before December 31, 2024. There is no assurance that the Proposed Transaction will close in the anticipated time frame or at all.

White Oak Global Advisors Litigation

Other than as noted below, in White Oak’s Form ADV, or as previously noticed in prior investor communications, there is no present or pending regulatory action or litigation brought by or against the firm or any of its principals or investment professionals, other than routine regulatory examinations and legal proceedings in connection with the normal course of originating and managing a portfolio of direct loans.

In May 2024, WOGA was named as the defendant in a lawsuit filed under seal brought by the current manager of White Oak Healthcare Finance.



DISCLOSURES:

This document is provided for informational purposes only. It does not constitute an offer of securities of any of the issuers that may be described herein. Information contained herein may have been provided by third parties, including investment firms providing information on returns and assets under management, and may not have been independently verified. The past performance information contained in this report is not necessarily indicative of future results and there is no assurance that the investment in question will achieve comparable results or that the Firm will be able to implement its investment strategy or achieve its investment objectives. The actual realized value of currently unrealized investments (if any) will depend on a variety of factors, including future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which any current unrealized valuations are based.

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The information contained in this report may include forward-looking statements. Forward-looking statements include a number of risks, uncertainties and other factors beyond the control of the Firm, which may result in material differences in actual results, performance or other expectations. The opinions, estimates and analyses reflect MEKETA's current judgment, which may change in the future.

Any tables, graphs or charts relating to past performance included in this report are intended only to illustrate investment performance for the historical periods shown. Such tables, graphs and charts are not intended to predict future performance and should not be used as the basis for an investment decision.

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SJCERA Quarterly Manager Review Schedule

Manager	Strategic Class	Sub-Segment	Under Review	Last Rvw	Next Rvw	Most Recent Visit to Meketa/SJCERA	Mgr. Meeting with SJCERA	Mgr. Location
AEW	Stablized Growth	Core Real Estate				10/10/2024	5/27/2025	Boston, MA
Angelo Gordon	Aggressive Growth	Value Added Real Estate		May-23		10/6/2022		New York, NY
Almanac Reality VI	Aggressive Growth	Value Added Real Estate		May-25	Sep-25			New York, NY
AQR	Diversifying Strategies	Alternative Risk Premia		Jul-19	Aug-25	10/12/2023		Stamford, CT
Ares	Stablized Growth	Asset Backed		Jul-24				Los Angeles, CA
BlackRock	Stabilized Growth, PC	Direct Lending		Mar-23		3/30/2023		San Francisco, CA
BlackRock	Aggressive Growth	Infrastructure			Jun-25	10/10/2024	8/22/2019	New York, NY
Berkeley Partners	Aggressive Growth	Private Real Estate		Jun-23		6/1/2023	6/1/2023	San Francisco, CA
Bessemer	Aggressive Growth	Buyout		Sep-23				New York, NY
Crestline	Stabilized Growth, PC	Opportunistic		Mar-25	Oct-25	7/22/2020	3/14/2025	Fort Worth, TX
Davidson Kempner	Stabilized Growth, PC	Opportunistic		Aug-23		8/29/2023		New York, NY
Dodge & Cox	Diversifying Strategies, PP	Core Fixed Income		Oct-21	Apr-25	10/6/2022		San Francisco, CA
Dodge & Cox	Diversifying Strategies, CRO	Long Duration				6/3/2020		San Francisco, CA
GQG	Traditional Growth	Emerging Markets		Jun-24		10/12/2023		San Francisco, CA
Graham	Diversifying Strategies, CRO	Systematic Trend Following		Aug-23		10/6/2022		Rowayton, CT
Greenfield/Grandview V, VI, VII	Aggressive Growth	Opportunistic Real Estate		May-23		10/6/2022		Greenwich, CT
HPS EU	Stabilized Growth, PC	Direct Lending		Jun-23		10/10/2024		New York, NY
LongArc Capital	Aggressive Growth	Private Equity		Nov-22	Jun-25	10/10/2024		New York, NY
Loomis Sayles	Principal Protection	Core Fixed Income		Oct-23	Nov-25	10/10/2024		Kansas City, MO
Lightspeed	Aggressive Growth	Private Equity			Apr-25	10/6/2022		Menlo Park, CA
Medley	Stabilized Growth, PC	Direct Lending		Apr-25		12/1/2022		San Francisco/New York
Mesa West III & IV	Stabilized Growth, PC	Comm. Mortgage		Oct-21		10/10/2024	8/22/2019	Los Angeles, CA
Morgan Creek III, V, & VI	Aggressive Growth	Multi-Strat FOF			Aug-25	8/22/2019	8/22/2019	Chapel Hill, NC
Mount Lucas	Diversifying Strategies, CRO	Systematic Trend Following		Mar-23		10/10/2024	2/12/2021	Newton, PA
Northern Trust	Traditional Growth	MSCI World IMI			Jul-25	10/10/2024		Chicago, IL
Northern Trust	Cash	Collective Govt. Short Term				10/6/2022		Chicago, IL
Neuberger Berman	Stabilized Growth, LC	Global Credit		Oct-21	Apr-25	10/10/2024		Chicago, IL
Oaktree	Aggressive Growth	Special Situations		Sep-23		10/10/2024		Los Angeles, CA
Oaktree	Stabilized Growth, PC	Leveraged Direct Lending				10/10/2024		New York, NY
Ocean Avenue	Aggressive Growth	PE Buyout FOF		Oct-21	Jul-25	10/10/2024		Santa Monica, CA
P/E Diversified	Diversifying Strategies	Alternative Risk Premia		Sep-23	Aug-25	10/10/2024		Boston, MA
Parametric	Cash	Cash Overlay		Feb-25		4/4/2023		Minneapolis, MN
PIMCO (RAE)	Traditional Growth	Emerging Markets			Jun-25	10/10/2024	8/1/2023	Newport Beach, CA
Principal US	Stabilized Growth, RE	Core Real Estate				10/10/2024		Des Moines, IA
Prologis	Stabilized Growth, RE	Core Real Estate		Oct-22		10/10/2024		San Francisco, CA
Raven III	Stabilized Growth, PC	Direct Lending		Mar-25	Sep-25		3/14/2025	New York, NY
Ridgmont	Aggressive Growth	Private Equity			Apr-25	10/12/2023		Charlotte, NC
RREEF America II	Stabilized Growth, RE	Core Real Estate		Sep-24		10/12/2023	9/13/2024	Kansas City, MO
SilverRock	Stablized Growth, PC	Private Credit		Dec-24		10/10/2024	12/1/2022	New York, NY
SilverPoint	Stablized Growth, PC	Private Credit		Dec-24		10/12/2023		Greenwich, CT
Stellax Capital	Aggressive Growth	Private Equity		Apr-24		10/10/2024	5/8/2020	New York, NY
Stockbridge RE III	Aggressive Growth	Value Added Real Estate		Jul-22	Jul-25			San Francisco, CA
Stone Harbor	Stabilized Growth, LC	Absolute Return		Apr-23	Aug-25	10/10/2024	2/3/2021	New York, NY
Walton Street	Aggressive Growth	Opportunistic Real Estate		Apr-25			4/11/2025	Chicago, IL
White Oak Summit Peer	Stabilized Growth, PC	Direct Lending		Jan-24	Mar-25			San Francisco, CA
White Oak Yield Spectrum	Stabilized Growth, PC	Direct Lending		Jan-24		7/24/2020	6/7/2019	San Francisco, CA

*General Meketa Review LC = Liquid Credit; PC = Private Credit; PP = Principal Protection; CRO = Crisis Risk Offset; RP = Risk Parity;

Liquidated Managers

Bridgewater	Risk Parity	Risk Parity		2025	Westport, CT
Invesco	Traditional Growth	REITs		2024	New York, NY
Panagora	Risk Parity	Risk Parity		2024	Boston, MA

Date Terminated

San Joaquin County Employees' Retirement Association (SJCERA)

Preliminary Monthly Flash Report (Net)¹

April 2025

	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 PLAN¹			\$ 4,673,815,626	100.0%	100.0%	0.0	-1.3	0.1	6.2	4.8	7.1	7.5	Apr-90
Policy Benchmark ⁴						0.7	-0.4	1.1	9.3	6.8	8.1	7.5	
Difference:						-0.7	-0.9	-1.0	-3.1	-2.1	-0.9	0.0	
75/25 Portfolio ⁵						1.5	-1.4	1.2	11.5	8.4	9.8	7.0	
Difference:						-1.5	0.1	-1.1	-5.3	-3.6	-2.7	0.5	
Broad Growth			\$ 3,508,183,403	75.1%	78.0%	0.4	-2.0	-0.1	7.9	5.9	9.3	8.2	Jan-95
Aggressive Growth Lag²			\$ 569,573,694	12.2%	16.0%	1.6	1.6	1.6	7.8	5.1	12.9	-1.4	Feb-05
Aggressive Growth Blend ⁶						0.4	0.4	0.4	9.2	3.3	8.5	9.0	
Difference:						1.1	1.1	1.1	-1.3	1.8	4.4	-10.4	
BlackRock Global Energy&Power Lag³	\$50,000	Global Infrastructure	\$ 43,727,712	0.9%		3.4	3.4	3.4	16.9	11.7	9.6	11.1	Jul-19
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	8.1	12.8	13.3	
Difference:						3.8	3.8	3.8	-3.5	3.6	--	-2.2	
BlackRock Infrastructure³	\$50,000	Global Infrastructure	\$ 33,439,268	0.7%		1.1	1.1	1.1	13.1	--	--	9.6	Mar-23
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	--	--	22.8	
Difference:						1.5	1.5	1.5	-7.2	--	--	-13.1	
Bessemer Venture Partners Forge Fund³	\$20,000	Middle Market VC	\$ 11,595,255	0.2%		3.0	3.0	3.0	30.3	--	--	15.1	Sep-23
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	--	--	22.8	
Difference:						3.4	3.4	3.4	9.9	--	--	-7.8	
Bessemer Venture Partners Fund XII, LP³	\$30,000	Early-Stage VC	\$ 5,086,803	0.1%		-0.4	-0.4	-0.4	--	--	--	-13.7	Jun-24
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	--	--	--	14.3	
Difference:						0.0	0.0	0.0	--	--	--	-27.9	
Capitol Meridian Fund I Lag³	\$25,000	Special Situations PE	\$ 9,670,000	0.2%		3.5	3.5	3.5	--	--	--	--	Jul-24
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	--	--	--	--	
Difference:						3.9	3.9	3.9	--	--	--	--	
Lightspeed Venture Ptr Select V Lag³	\$40,000	Growth-Stage VC	\$ 35,647,647	0.8%		5.0	5.0	5.0	13.2	--	--	-1.8	Jun-22
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	--	--	10.8	
Difference:						5.4	5.4	5.4	-7.2	--	--	-12.6	
Long Arc Capital Fund Lag³	\$25,000	Growth-Stage VC	\$ 28,223,824	0.6%		3.1	3.1	3.1	7.7	--	--	4.4	Apr-23
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	--	--	22.8	
Difference:						3.5	3.5	3.5	-12.6	--	--	-18.3	
Oaktree Special Situations Lag³	\$40,000	PE Buyout	\$ 16,793,656	0.4%		15.4	15.4	15.4	33.5	---	---	30.5	Mar-24
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	---	---	24.1	
Difference:						15.8	15.8	15.8	13.1	---	---	6.4	
Ocean Avenue II Lag³	\$40,000	PE Buyout FOF	\$ 18,401,596	0.4%		3.1	3.1	3.1	-26.3	-8.9	12.8	11.2	May-13
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	8.1	12.8	10.8	
Difference:						3.5	3.5	3.5	-46.6	-16.9	0.0	0.3	
Ocean Avenue III Lag³	\$50,000	PE Buyout FOF	\$ 51,675,142	1.1%		-0.8	-0.8	-0.8	6.5	8.4	17.1	20.4	Apr-16
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	8.1	12.8	11.4	
Difference:						-0.4	-0.4	-0.4	-13.8	0.4	4.3	8.9	
Ocean Avenue IV Lag³	\$50,000	PE Buyout	\$ 54,956,059	1.2%		1.1	1.1	1.1	7.4	17.0	22.9	25.8	Dec-19
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	8.1	12.8	14.4	
Difference:						1.5	1.5	1.5	-12.9	9.0	--	11.5	
Ocean Avenue V Lag³	\$30,000	PE Buyout	\$ 17,367,998	0.4%		20.1	20.1	20.1	25.9	--	--	19.3	Jun-23
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	--	--	21.0	
Difference:						20.5	20.5	20.5	5.6	--	--	-1.7	

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 3/31/25, and lagged 1 quarter.

³ Manager returns are as of 3/31/25, and lagged 1 quarter. Since Inception date reflects one quarter lag.

⁴ 2/1/25 to present benchmark is 38% MSCI ACWI IMI, 9% BB Aggregate Bond Index, 7% 50% BB High Yield/50% S&P Leveraged Loans, 9% NCREIF ODCE, 8% S&P/LSTA Leveraged Loan +2%, 16% Aggressive Growth Benchmark, 13% CRO Custom Benchmark. Prior to 2/1/25 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

April 2025

	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)													
Morgan Creek III Lag^{3,5}	\$10,000	Multi-Strat FOF	\$ 5,759,607	0.1%		0.0	0.0	0.0	2.5	2.9	-2.6	-2.6	Feb-15
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	8.1	12.8	11.2	
Difference:						0.4	0.4	0.4	-17.8	-5.2	-15.4	-13.8	
Morgan Creek V Lag^{3,5}	\$12,000	Multi-Strat FOF	\$ 4,741,178	0.1%		0.0	0.0	0.0	-3.6	-3.2	4.5	10.2	Jun-13
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	8.1	12.8	10.8	
Difference:						0.4	0.4	0.4	-24.0	-11.3	-8.3	-0.7	
Morgan Creek VI Lag^{3,5}	\$20,000	Multi-Strat FOF	\$ 19,917,005	0.4%		0.0	0.0	0.0	1.6	-5.4	9.0	7.3	Feb-15
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	8.1	12.8	11.2	
Difference:						0.4	0.4	0.4	-18.7	-13.5	-3.8	-3.8	
Ridgemont Equity Partners Lag³	\$50,000	Special Situations PE	\$ 29,875,409	0.6%		4.6	4.6	4.6	14.4	--	--	12.4	Apr-23
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	--	--	22.8	
Difference:						5.0	5.0	5.0	-5.9	--	--	-10.4	
Stellex Capital Partners II Lag³	\$50,000	Special Situations PE	\$ 54,380,333	1.2%		3.3	3.3	3.3	20.0	16.9	--	7.9	Jul-21
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	8.1	--	9.4	
Difference:						3.7	3.7	3.7	-0.3	8.8	--	-1.6	
Stellex Capital Partners III Lag³	\$40,000	Special Situations PE	\$ 5,269,291	0.1%		--	--	--	--	--	--	0.0	Mar-25
MSCI ACWI +2% Lag						--	--	--	--	--	--	-2.2	
Difference:						--	--	--	--	--	--	2.2	
Opportunistic Private Real Estate⁴													
Greenfield VII³	\$19,100	Opportunistic Pvt. RE	\$ 1,110,119	0.0%		3.9	3.9	3.9	1.4	-1.3	5.6	9.6	Oct-14
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	-1.3	-2.2	3.0	6.3	
Difference:						2.7	2.7	2.7	2.7	0.8	2.6	3.2	
Grandview³	\$30,000	Opportunistic Pvt. RE	\$ 12,311,026	0.3%		0.0	0.0	0.0	8.5	2.2	14.2	16.0	Apr-18
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	-1.3	-2.2	3.0	4.1	
Difference:						-1.2	-1.2	-1.2	9.8	4.4	11.2	11.9	
Walton Street VI³	\$15,000	Opportunistic Pvt. RE	\$ 28,589,706	0.6%		-1.1	-1.1	-1.1	-3.0	4.0	3.6	6.9	Jul-09
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	-1.3	-2.2	3.0	7.1	
Difference:						-2.3	-2.3	-2.3	-1.7	6.2	0.6	-0.2	
Value-Added Private Real Estate													
AG Core Plus IV³	\$20,000	Value-Added Pvt. RE	\$ 5,204,230	0.1%		-1.7	-1.7	-1.7	-13.6	-19.4	-8.6	-2.6	Sep-15
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	-1.3	-2.2	3.0	5.6	
Difference:						-2.9	-2.9	-2.9	-12.3	-17.2	-11.6	-8.2	
Almanac Realty VI³	\$30,000	Value-Added Pvt. RE	\$ 5,937,839	0.1%		-4.2	-4.2	-4.2	-11.9	-10.9	-11.3	0.7	Feb-13
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	-1.3	-2.2	3.0	7.2	
Difference:						-5.5	-5.5	-5.5	-10.6	-8.8	-14.3	-6.5	
Berkeley Partners Fund V, LP³	\$40,000	Value-Added Pvt. RE	\$ 2,822,269	0.1%		0.4	0.4	0.4	6.6	5.2	--	13.6	Aug-20
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	-1.3	-2.2	--	3.5	
Difference:						-0.9	-0.9	-0.9	7.9	7.4	--	10.1	
Berkeley Partners Value Industrial Fund VI, L.P.³	\$40,000	Value-Added Pvt. RE	\$ 33,341,052	0.7%		1.2	1.2	1.2	5.7	--	--	3.0	Feb-24
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	-1.3	--	--	-5.2	
Difference:						0.0	0.0	0.0	7.0	--	--	8.3	
Blue Owl Digital Infrastructure Fund III³	\$50,000	Value-Added Pvt. RE	\$ 8,080,808	0.2%		0.0	0.0	0.0	--	0.0	0.0	0.0	Jul-24
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	--	--	--	1.1	
Difference:						-1.2	-1.2	-1.2	--	--	--	-1.1	
SROA Capital Fund IX³	\$50,000	Value-Added Pvt. RE	\$ 28,589,706	0.6%		-8.1	-8.1	-8.1	--	--	--	-8.1	Jan-25
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	--	--	--	1.2	
Difference:						-9.3	-9.3	-9.3	--	--	--	-9.3	
Stockbridge RE III³	\$45,000	Value-Added Pvt. RE	\$ 16,900,763	0.4%		5.0	5.0	5.0	-8.0	-3.1	8.5	6.2	Jul-18
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	-1.3	-2.2	3.0	3.9	
Difference:						3.8	3.8	3.8	-6.7	-1.0	5.5	2.2	

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 3/31/25, and lagged 1 quarter. Since Inception date reflects one quarter lag.

⁴ Market value includes Walton V \$544,520.

⁵ Manager returns are as of 12/31/25 and lagged 1 quarter.

San Joaquin County Employees' Retirement Association (SJCERA)

Preliminary Monthly Flash Report (Net)¹

April 2025

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 Growth³		\$ 1,824,500,864	39.0%	38.0%	0.8	-3.9	-0.7	10.9	10.3	13.1	9.2	Jan-95
MSCI ACWI IMI Net ²					0.9	-3.8	-0.7	11.1	9.6	12.8	8.0	
Difference:					-0.2	0.0	-0.1	-0.2	0.7	0.2	1.2	
Global Equity		\$ 1,824,500,864	39.0%									
Northern Trust MSCI World IMI	All Cap Global	\$ 1,643,821,286	35.2%		0.9	-4.4	-1.0	11.9	10.9	--	10.6	Sep-20
MSCI World IMI Net					0.9	-4.5	-1.1	11.5	10.4	--	10.2	
Difference:					0.0	0.1	0.2	0.4	0.6	--	0.4	
Emerging Markets		\$ 180,676,214										
GQG Active Emerging Markets	Emerging Markets	\$ 77,751,013	1.7%		0.2	-0.3	0.1	-3.4	8.2	--	5.4	Aug-20
MSCI Emerging Markets Index Net					1.3	2.4	4.3	9.0	3.8	--	3.1	
Difference:					-1.1	-2.8	-4.2	-12.4	4.3	--	2.3	
PIMCO RAE Fundamental Emerging Markets	Emerging Markets	\$ 102,925,201	2.2%		-0.7	2.2	2.4	3.5	10.2	14.6	5.6	Apr-07
MSCI Emerging Markets Index Net					1.3	2.4	4.3	9.0	3.8	6.3	3.5	
Difference:					-2.0	-0.2	-1.9	-5.5	6.3	8.2	2.1	
Stabilized Growth		\$ 1,114,108,845	23.8%	24.0%	-0.1	-0.6	0.0	3.4	0.8	4.0	3.6	Jan-05
Liquid Credit		\$ 377,253,658	8.1%									
50% BB High Yield, 50% S&P/LSTA Leveraged Loans					-0.2	-0.3	0.6	6.8	6.5	6.0	2.6	
Difference:					0.0	-0.3	0.7	7.4	6.7	7.2	5.7	
Neuberger Berman	Global Credit	\$ 181,704,694	3.9%		0.0	0.0	1.1	7.5	5.7	5.4	3.8	Feb-19
33% ICE BofA HY Constrained, 33% S&P/LSTA LL, 33% JPM EMBI Gbl Div.					-0.1	0.0	1.1	7.8	6.2	5.8	4.2	
Difference:					0.1	0.0	-0.1	-0.3	-0.5	-0.4	-0.4	
Stone Harbor Absolute Return	Absolute Return	\$ 195,548,965	4.2%		-0.4	-0.6	0.2	6.0	6.9	6.4	3.3	Oct-06
3-Month Libor Total Return					0.4	1.1	1.4	5.1	4.4	2.7	1.8	
Difference:					-0.8	-1.6	-1.2	0.9	2.4	3.7	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 SJCERA Transition \$3.248.

San Joaquin County Employees' Retirement Association (SJCERA)

Preliminary Monthly Flash Report (Net)¹

April 2025

	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 Lag² S&P/LSTA Leveraged Loans +3% Blend Difference:			\$ 423,175,903	9.1%		-1.9 3.0 -4.9	-1.9 3.0 -4.9	-1.9 3.0 -4.9	-0.8 12.2 -13.0	0.4 11.6 -11.3	2.7 11.1 -11.3	3.2 9.4 -6.3	
Ares Pathfinder Fund II Lag³ S&P/LSTA Leveraged Loans +2% Blend ⁴ Difference:	\$62,500	Asset Backed	\$ 17,076,343	0.4%		3.2 3.0 0.2	3.2 3.0 0.2	---	---	---	---	---	Feb-24
BlackRock Direct Lending Lag³ S&P/LSTA Leveraged Loans +2% Blend ⁴ Difference:	\$100,000	Direct Lending	\$ 81,464,618	1.7%		0.3 3.0 -2.7	0.3 3.0 -2.7	0.3 3.0 -2.7	2.6 12.2 -9.6	6.7 11.6 -4.9	-- -- --	7.7 11.1 -3.4	May-20
Mesa West RE Income IV Lag³ S&P/LSTA Leveraged Loans +2% Blend ⁴ Difference:	\$75,000	Comm. Mortgage	\$ 33,269,336	0.7%		-0.7 3.0 -3.8	-0.7 3.0 -3.8	-0.7 3.0 -3.8	-8.2 12.2 -20.4	-11.9 11.6 -23.6	-4.4 11.1 -15.6	0.1 10.1 -10.0	Mar-17
Crestline Opportunity II Lag³ S&P/LSTA Leveraged Loans +2% Blend ⁴ Difference:	\$45,000	Opportunistic	\$ 8,940,788	0.2%		-4.8 3.0 -7.8	-4.8 3.0 -7.8	-4.8 3.0 -7.8	-12.2 12.2 -24.4	-14.3 11.6 -25.9	-6.9 11.1 -18.0	-0.3 9.7 -10.1	Nov-13
Davidson Kempner Distr Opp V Lag³ S&P/LSTA Leveraged Loans +2% Blend ⁴ Difference:	\$48,275	Opportunistic	\$ 57,614,061	0.0%		2.7 3.0 -0.3	2.7 3.0 -0.3	2.7 3.0 -0.3	19.3 12.2 7.1	7.0 11.6 -4.6	-- -- --	16.1 11.6 4.4	Oct-20
Oaktree Middle Market Lag³ S&P/LSTA Leveraged Loans +2% Blend ⁴ Difference:	\$50,000	Leveraged Direct	\$ 31,641,089	0.7%		0.9 3.0 -2.1	0.9 3.0 -2.1	0.9 3.0 -2.1	7.6 12.2 -4.6	7.7 11.6 -3.9	11.3 11.1 0.2	10.4 10.2 0.2	Mar-18
HPS EU Asset Value II Lag³ S&P/LSTA Leveraged Loans +2% Blend ⁴ Difference:	\$50,000	Direct Lending	\$ 33,315,807	0.7%		1.9 3.0 -1.1	1.9 3.0 -1.1	1.9 3.0 -1.1	10.5 12.2 -1.7	10.9 11.6 -0.8	-- -- --	7.3 11.6 -4.2	Aug-20
Raven Opportunity III Lag³ S&P/LSTA Leveraged Loans +2% Blend ⁴ Difference:	\$50,000	Direct Lending	\$ 16,005,022	0.3%		-46.0 3.0 -49.0	-46.0 3.0 -49.0	-46.0 3.0 -49.0	-65.0 12.2 -77.2	-33.0 11.6 -44.7	-19.0 11.1 -30.2	-9.7 9.9 -19.5	Nov-15
Medley Opportunity II Lag² S&P/LSTA Leveraged Loans +2% Blend ⁴ Difference:	\$50,000	Direct Lending	\$ 179,867	0.0%		0.0 3.0 -3.0	0.0 3.0 -3.0	0.0 3.0 -3.0	-1.2 12.2 -13.4	-0.8 11.6 -12.4	-4.7 11.1 -15.9	-2.0 9.7 -11.7	Jul-12
Silver Point Credit III Lag² S&P/LSTA Leveraged Loans +2% Blend ⁴ Difference:	\$62,000	Sub-Sector	\$ 21,688,841	0.5%		1.5 3.0 -1.5	1.5 3.0 -1.5	1.5 3.0 -1.5	11.8 12.2 -0.4	-- -- --	-- -- --	-- -- --	Nov-23
SilverRock Tactical Allocation Lag² S&P/LSTA Leveraged Loans +2% Blend ⁴ Difference:	\$62,500	Opportunistic	\$ 53,488,058	1.1%		2.4 3.0 -0.6	2.4 3.0 -0.6	2.4 3.0 -0.6	11.1 12.2 -1.1	-- -- --	-- -- --	11.0 10.2 0.7	Jul-23
White Oak Summit Peer Fund Lag² S&P/LSTA Leveraged Loans +2% Blend ⁴ Difference:	\$50,000	Direct Lending	\$ 23,146,540	0.5%		4.8 3.0 1.8	4.8 3.0 1.8	4.8 3.0 1.8	7.6 12.2 -4.6	0.9 11.6 -10.7	1.4 11.1 -9.7	4.1 9.9 -5.8	Mar-16
White Oak Yield Spectrum Master V Lag² S&P/LSTA Leveraged Loans +2% Blend ⁴ Difference:	\$50,000	Direct Lending	\$ 45,345,532	1.0%		0.2 3.0 -2.8	0.2 3.0 -2.8	0.2 3.0 -2.8	3.6 12.2 -8.6	0.7 11.6 -10.9	2.1 11.1 --	2.1 11.1 -9.0	Mar-20
Core Private Real Estate Lag			\$ 313,679,284	6.7%									
AEW Essential Housing² NCREIF ODCE lag (blend) Difference:	\$50,000	Core Pvt. RE	\$ 53,488,058	1.1%		1.9 1.2 0.7	1.9 1.2 0.7	1.9 1.2 0.7	-- -- --	-- -- --	-- -- --	1.4 -4.8 6.2	Jan-24
Invesco US Income Fund² NCREIF ODCE lag (blend) Difference:	\$25,000	Core Pvt. RE	\$ 50,000,000	1.1%		-- -- --	-- -- --	-- -- --	-- -- --	-- -- --	-- -- --	-- -- --	Apr-25
Principal US² NCREIF ODCE lag (blend) Difference:	\$25,000	Core Pvt. RE	\$ 23,146,540	0.5%		1.1 1.2 -0.1	1.1 1.2 -0.1	1.1 1.2 -0.1	-2.1 -1.3 -0.8	-3.1 -2.2 -1.0	2.3 3.0 -0.7	5.2 5.3 -0.1	Jan-16
Prologis Logistics² NCREIF ODCE lag (blend) Difference:	\$50,500	Core Pvt. RE	\$ 45,345,532	1.0%		1.6 1.2 0.3	1.6 1.2 0.3	1.6 1.2 0.3	8.4 -1.3 9.7	3.1 -2.2 5.2	12.3 3.0 9.3	13.4 5.8 7.6	Dec-07
RREEF America II² NCREIF ODCE lag (blend) Difference:	\$45,000	Core Pvt. RE	\$ 264,182,856	5.7%		0.3 1.2 -0.9	0.3 1.2 -0.9	0.3 1.2 -0.9	-0.5 -1.3 0.8	-3.7 -2.2 -1.6	2.3 3.0 -0.7	2.1 4.9 -2.8	Jul-16

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 3/31/25, and lagged 1 quarter.

³ Manager returns are as of 3/31/25, 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% 4/1/2022 - 1/31/2025; S&P/LSTA Leveraged Loans +2% thereafter.

San Joaquin County Employees' Retirement Association (SJCERA)

Preliminary Monthly Flash Report (Net)¹

April 2025

	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			\$ 995,062,481	21.3%	22.0%	-1.4	0.6	0.8	0.1	0.7	0.6	5.9	Oct-90
Principal Protection BB Aggregate Bond Index Difference:			\$ 483,718,508	10.3%	9.0%	0.2 0.4 -0.2	2.5 2.6 -0.2	3.0 3.2 -0.2	8.2 8.0 0.2	3.0 2.0 1.1	0.9 -0.7 1.6	5.8 5.3 0.5	Oct-90
Dodge & Cox BB Aggregate Bond Index Difference:		Core Fixed Income	\$ 309,597,203	6.6%		0.2 0.4 -0.2	2.4 2.6 -0.2	3.0 3.2 -0.2	8.4 8.0 0.4	3.5 2.0 1.6	1.5 -0.7 2.2	6.5 5.3 1.2	Oct-90
Loomis Sayles BB Aggregate Bond Index Difference:		Core Fixed Income	\$ 174,121,304	3.7%		0.3 0.4 -0.1	2.6 2.6 -0.1	3.0 3.2 -0.1	7.8 8.0 -0.2	1.9 2.0 --	-- -- --	0.7 0.6 0.1	Mar-22
Crisis Risk Offset CRO Custom Benchmark ² Difference:			\$ 511,343,973	10.9%	13.0%	-2.9 -1.3 -1.6	-1.1 0.0 -1.1	-1.3 0.7 -2.0	-6.0 1.1 -7.1	-1.2 0.4 -1.7	0.3 1.1 -0.8	5.6 4.5 1.1	Jan-05
Long Duration BB US Long Duration Treasuries Difference:			\$ 153,756,107	3.3%		-1.0 -1.1 0.1	2.8 3.1 -0.3	3.4 3.5 -0.1	6.6 6.7 0.0	-4.0 -4.6 0.7	-7.7 -8.5 0.8	-1.0 -1.0 0.1	
Dodge & Cox Long Duration BB US Long Duration Treasuries Difference:		Long Duration	\$ 153,756,107	3.3%		-1.0 -1.1 0.1	2.8 3.1 -0.4	3.4 3.5 -0.2	6.6 6.7 -0.1	-4.0 -4.6 0.7	-7.7 -8.5 0.7	-1.0 -1.0 0.1	Feb-16
Systematic Trend Following BTOP50 Index Difference:			\$ 214,818,813	4.6%		-3.5 -3.3 -0.2	-4.8 -4.4 -0.5	-5.7 -3.1 -2.5	-13.7 -8.3 -5.4	-4.6 0.0 -4.6	5.5 6.4 -0.9	7.5 4.6 2.9	
Mt. Lucas Managed Futures - Cash BTOP50 Index Difference:		Systematic Trend Following	\$ 112,281,803	2.4%		-1.6 -3.3 1.7	-0.9 -4.4 3.4	-3.2 -3.1 -0.1	-8.6 -8.3 -0.3	-4.5 0.0 -4.6	6.0 6.4 -0.4	7.1 4.6 2.6	Jan-05
Graham Tactical Trend SG Trend Index Difference:		Systematic Trend Following	\$ 102,537,010	2.2%		-5.6 -5.0 -0.6	-8.8 -9.6 0.8	-8.2 -9.4 1.2	-18.7 -18.7 0.0	-4.6 -3.4 -1.2	4.9 5.1 -0.2	2.0 2.9 -0.9	Apr-16
Alternative Risk Premia 5% Annual Difference:			\$ 142,769,053	3.1%		-4.1 0.4 -4.5	1.6 1.2 0.4	1.9 1.6 0.3	-2.2 5.0 -7.2	6.4 5.0 1.4	1.7 5.0 -3.3	7.5 6.1 1.4	
AQR Style Premia 5% Annual Difference:		Alternative Risk Premia	\$ 79,875,232	1.7%		-6.6 0.4 -7.0	2.6 1.2 1.4	5.5 1.6 3.8	4.3 5.0 -0.7	14.9 5.0 9.9	15.0 5.0 10.0	4.7 5.0 -0.3	May-16
PE Diversified Global Macro 5% Annual Difference:		Alternative Risk Premia	\$ 62,893,821	1.3%		-0.6 0.4 -1.0	0.4 1.2 -0.8	-2.2 1.6 -3.9	-9.4 5.0 -14.4	0.5 5.0 -4.5	-4.4 5.0 -9.4	1.6 5.0 -3.4	Jun-16
Cash ³ US T-Bills Difference:			\$ 138,507,689	3.0%	0.0%	0.1 0.3 -0.3	0.7 1.0 -0.3	0.8 1.4 -0.5	2.5 4.9 -2.4	2.9 4.3 -1.4	1.8 2.6 -0.8	2.4 2.5 -0.1	Sep-94
Northern Trust STIF US T-Bills Difference:		Collective Govt. Short Term	\$ 77,844,527	1.7%		0.2 0.3 -0.1	1.0 1.0 0.0	1.3 1.4 -0.1	3.8 4.9 -1.1	3.7 4.3 -0.7	2.2 2.6 -0.4	2.6 2.5 0.2	Jan-95
Parametric Overlay ⁴		Cash Overlay	\$ 32,062,053	0.7%		0.0	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 April 30, 2025

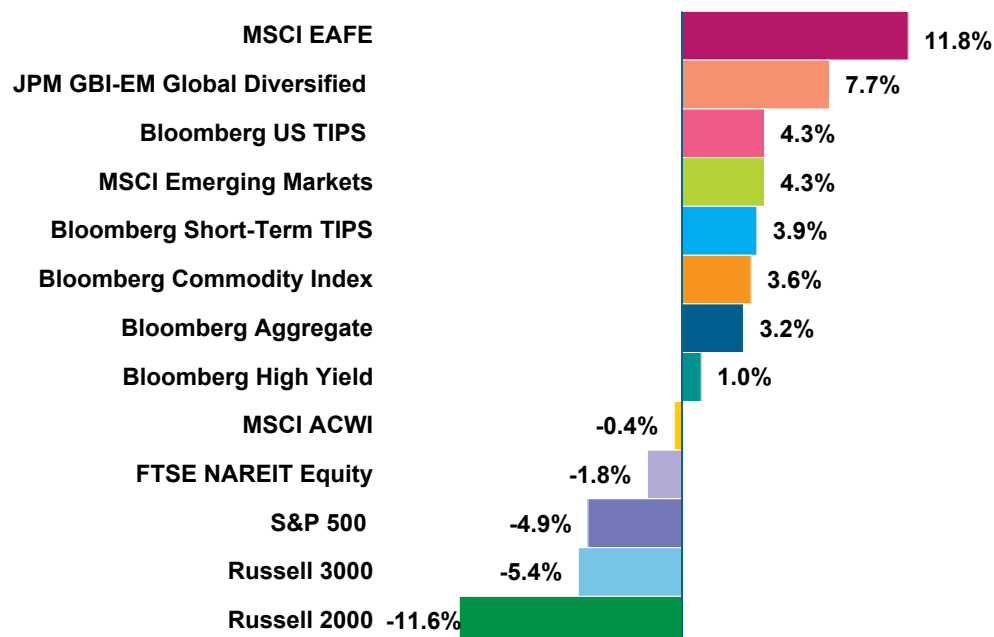
Commentary

April was a highly volatile month in capital markets in the wake of the April 2nd tariff announcement in the US and subsequent 90-day pause for many.

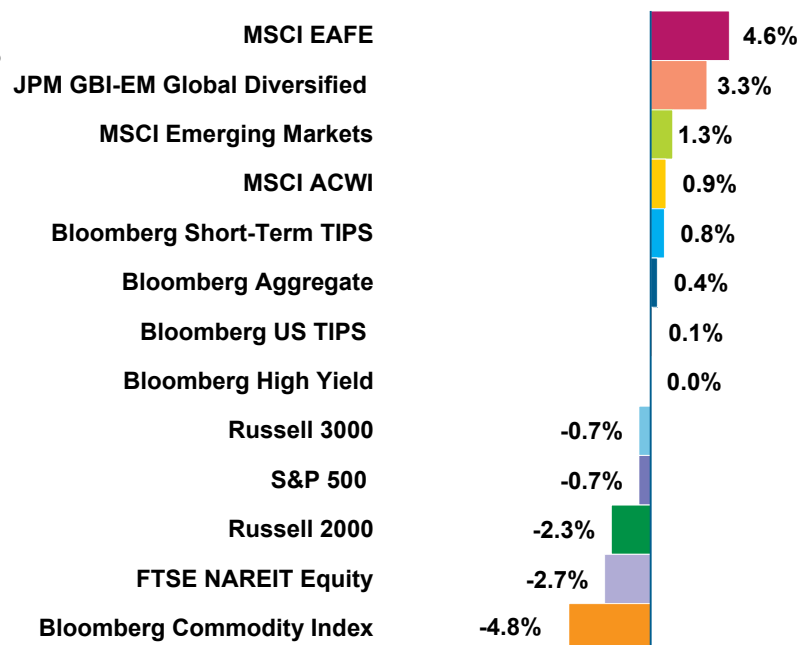
- Domestic equities declined in April (Russell 3000: -0.7%) but finished the month far above its lows.
- Non-US developed market stocks (MSCI EAFE: +4.6%) outperformed US markets in April, with gains entirely coming from the decline in the US dollar.
- Emerging market equities returned +1.3% for the month, despite a decline in Chinese stocks (-4.3%).
- In early May, the Federal Reserve held rates steady, with inflation, while improving, remaining above target and with the unemployment rate at near historic lows.
- Fixed income markets were mixed in April, with the broad Bloomberg Aggregate Index up 0.4%, long Treasuries falling -1.1%, and high yield bonds flat.
- Looking ahead, continued uncertainty related to the US administration's tariff policies and their impact on the economy, inflation, and Fed policy will be key. The path of China's economy and relations with the US, as well as concerns over elevated valuations and technology-driven concentration in the US equity market will also be important focuses of 2025.

Index Returns¹

YTD



April



- April was marked by volatility in financial markets as growth and inflation outlooks were repriced in response to the “Liberation Day” tariffs and their subsequent pause.
- Non-US assets led the way with developed market equities returning 4.6% in April, driven by the weakened US dollar.
- Extreme volatility in US stocks early in the month subsided with most of the month’s losses being erased by month-end. The Russell 3000 finished down 0.7% for the month.

¹ Source: Bloomberg. Data is as of April 30, 2025.

Domestic Equity Returns¹

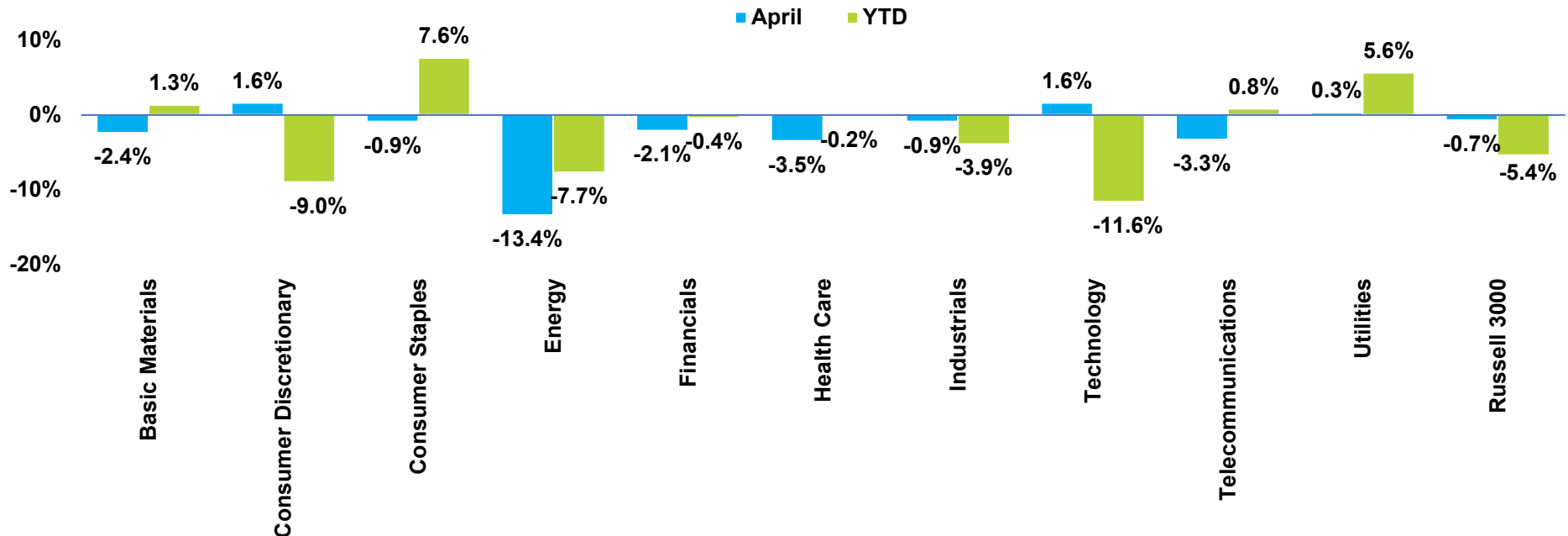
Domestic Equity	April (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-0.7	-4.9	12.1	12.2	15.6	12.3
Russell 3000	-0.7	-5.4	11.4	11.4	15.1	11.7
Russell 1000	-0.6	-5.1	11.9	11.8	15.4	12.0
Russell 1000 Growth	1.8	-8.4	14.5	15.6	17.2	15.3
Russell 1000 Value	-3.0	-1.0	8.6	7.6	13.0	8.3
Russell MidCap	-1.0	-4.4	7.3	7.1	12.9	8.8
Russell MidCap Growth	3.4	-4.0	13.7	11.7	12.3	10.6
Russell MidCap Value	-2.5	-4.5	5.2	5.0	13.2	7.5
Russell 2000	-2.3	-11.6	0.9	3.3	9.9	6.3
Russell 2000 Growth	-0.6	-11.7	2.4	5.0	7.6	6.4
Russell 2000 Value	-4.0	-11.4	-0.7	1.4	11.7	5.9

US Equities: The Russell 3000 declined 0.7% in April.

- US stocks fell 0.7% in April during a volatile month for equities. Investors reacted harshly to the April 2nd “Liberation Day” tariff announcement in the US, with the Russell 3000 index declining more than 12% over the following two days. Equities rebounded sharply after the Trump administration announced a 90-day pause on some tariffs on April 9th.
- Growth stocks outperformed value stocks across the market cap spectrum. In the large cap space, this dynamic was driven by the strong performance of technology stocks, such as Microsoft, Broadcom, NVIDIA, and Netflix. In the small cap market, the divergence was more dispersed and driven by industrials and health care instead of technology.
- With economic growth concerns persisting, small cap stocks trailed mid cap and large cap stocks, continuing the year-to-date trend.

¹ Source: Bloomberg. Data is as of April 30, 2025.

Russell 3000 Sector Returns¹



- Energy stocks declined over 13% in April, and 7.7% year-to-date. Oil prices fell sharply, given slower growth expectations and after OPEC announced a plan to increase oil production.
- Health care stocks dropped 3.5% in April. UnitedHealth Group's stock declined precipitously after the company reported a weaker than expected quarter and lowered guidance.
- Technology and consumer discretionary were both bright spots in the Russell 3000 index, gaining 1.6% each for the month.
- Year-to-date through April, defensive sectors like consumer staples and utilities led the way while cyclical sectors like technology and consumer discretionary trailed.

¹ Source: Bloomberg. Data is as of April 30, 2025.

Foreign Equity Returns¹

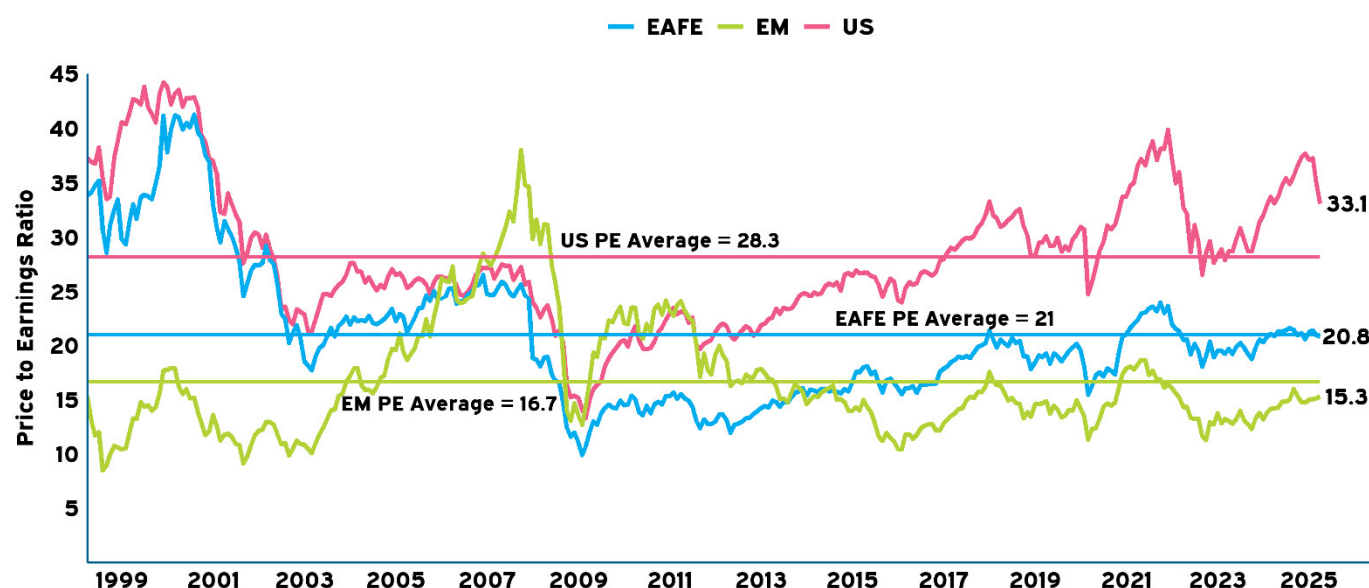
Foreign Equity	April (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	3.6	9.0	11.9	8.0	10.1	4.8
MSCI EAFE	4.6	11.8	12.6	10.1	11.4	5.4
MSCI EAFE (Local Currency)	-0.1	2.8	5.0	9.2	12.0	6.2
MSCI EAFE Small Cap	5.8	9.7	12.4	5.3	9.0	5.5
MSCI Emerging Markets	1.3	4.3	9.0	3.8	6.3	3.1
MSCI Emerging Markets (Local Currency)	-0.2	2.4	9.4	5.9	7.7	5.1
MSCI EM ex China	3.9	2.1	3.3	4.2	10.5	4.4
MSCI China	-4.3	10.1	26.1	3.5	-0.6	0.5

Foreign Equity: Developed international equities (MSCI EAFE) returned 4.6% in April and emerging market equities (MSCI Emerging Markets) rose 1.3%.

- Most developed markets saw slight losses in local terms, although they grew in dollar terms, given the USD's notable depreciation of ~4%. In the Eurozone and UK, trade tensions and the stalling of Ukraine peace talks led to a decline in consumer confidence and lower PMIs, although the EU's suspension of many retaliatory tariffs softened losses. Japan saw small gains, with a rebound in service sectors mitigating losses in manufacturing and export-focused companies. The announcement of historic levels of share buybacks also drove results.
- Emerging markets had a similar dynamic, with slight losses in local terms and gains in USD, although performance varied by country. The significant tariffs on China (up to 145% at the time) led to losses, although the country's promising Q1 GDP growth and continued AI enthusiasm moderated declines. Mexico and Brazil had positive returns in April because of less-punitive tariffs from the US while South Korea saw gains benefitting from strong earnings.

¹ Source: Bloomberg. Data is as of April 30, 2025.

Equity Cyclically Adjusted P/E Ratios¹



- Valuations in the US continued to decline in April on market weakness but at 33.1 times earnings they remain well above their long-run P/E average of 28.3.
- Despite a strong rally in April in dollar terms, non-US developed stock valuations remain close to the long-run average.
- Emerging market equities continue to trade below their long-run P/E average of 15.3.

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 April 2025. 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.

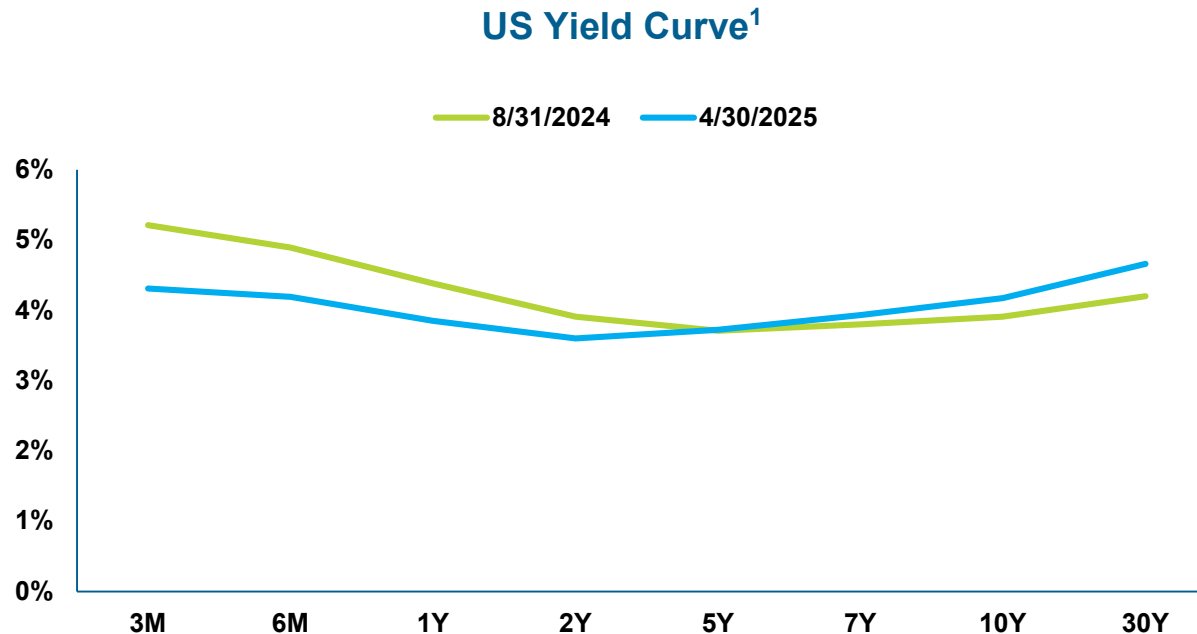
Fixed Income Returns¹

Fixed Income	April (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	0.4	3.0	8.1	2.4	0.0	1.9	4.8	5.9
Bloomberg Aggregate	0.4	3.2	8.0	2.0	-0.7	1.5	4.5	6.1
Bloomberg US TIPS	0.1	4.3	8.1	0.8	1.8	2.4	4.1	6.7
Bloomberg Short-term TIPS	0.8	3.9	8.0	3.5	4.0	2.8	3.8	2.5
Bloomberg US Long Treasury	-1.1	3.5	6.7	-4.6	-8.4	-0.4	4.7	14.8
Bloomberg High Yield	0.0	1.0	8.7	6.2	6.3	4.9	7.9	3.5
JPM GBI-EM Global Diversified (USD)	3.3	7.7	9.8	6.0	2.2	1.3	--	--

Fixed Income: The Bloomberg Universal index rose 0.4% in April.

- Uncertainty related to tariffs and growing worries about economic growth drove rate volatility higher. The yield curve from ten years and below ultimately declined over the month on the repricing of growth and monetary policy expectations.
- The broad US bond market (Bloomberg Aggregate) rose 0.4% while both short (+0.8%) and longer dated (+0.1%) TIPS also gained for the month despite rising real yields. Long-term Treasuries (-1.1%) underperformed as rates at the long end of the yield curve rose given the uncertainty and related lack of desire to be exposed to US assets.
- Emerging market bonds led the way for the month (+3.3%) while high yield bonds (0.0%) lagged as spreads widened modestly.

¹ Source: Bloomberg. Data is as of April 30, 2025. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.



- Bond market volatility rose to near historic levels in the first half of April, as markets struggled to price the growth, inflation, and monetary policy impacts from potential US tariffs.
- In April, the more policy sensitive 2-year Treasury yield fell from 3.88% to 3.60%, given expectations for additional interest rate cuts by the Fed. The 10-year Treasury fell from 4.21% to 4.17% but spiked close to 4.5% mid-month due to tariff related inflation concerns.
- These dynamics caused the Treasury yield curve to steepen over the month with the difference between the 2-year and 10-year maturity moving from 0.33% to 0.56%.

¹ Source: Bloomberg. Data is as of April 30, 2025. The August 2024 Treasury yields are shown as a reference before the first interest rate cut.

Tariffs¹

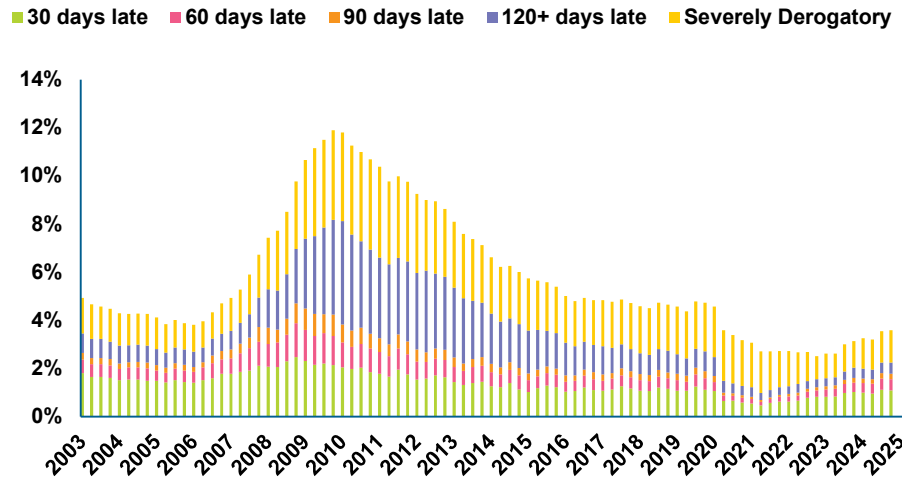
	Autos	Steel & Aluminum	Other Imports
Canada	25% on non-US content (52.5% non-USMCA compliant)	25% (excludes derivative articles melted and poured/cast and smelted in the US); 50% on non-USMCA compliant imports	25% on non-USMCA goods; 10% on energy & potash
Mexico	25% on non-US content (52.5% non-USMCA compliant)	25% (excludes derivative articles melted and poured/cast and smelted in the US); 50% on non-USMCA compliant imports	25% on non-USMCA goods
China	47.5%	50%	30% on all other goods
Rest of World (excluding China, Canada, and Mexico)	25%	25%	10% tariff on imports from all countries except Canada & Mexico

- On the April 2nd so-called “Liberation Day”, the new US administration announced reciprocal tariffs on many countries at levels much higher than expected leading to the recent market volatility.
- Since April 2nd, most reciprocal tariffs above 10% are currently suspended and imports from Mexico and Canada that comply with existing trade agreements are not subject to reciprocal tariffs at this time.
- In early May, China and the US also agreed on a 90-day pause on their 100%+ tariffs on each other. The US dropped its maximum tariff rate on Chinese goods from 145% to 30% with a 10% minimum level, while China agreed to reduce its 125% tariff on American goods to 10%.
- Despite the recent pause, questions remain about what will happen after the 90-day period and what the overall impact of tariffs will be on growth and inflation.

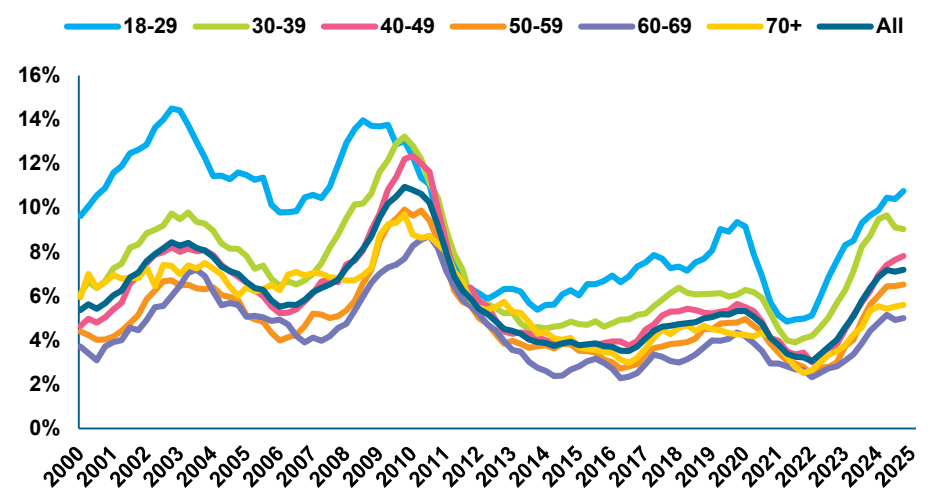
¹ Source: Brookings, J.P. Meltzer, “The Impact of US Tariffs on North American Auto Manufacturing and Implications for USMCA,” May 13, 2025. USMCA is the tri-lateral trade agreement between the US, Mexico and Canada which modernized its predecessor NAFTA on July 1, 2020.

Stress is Building on US Consumers

Total Balance by Delinquency Status¹



Transition into Serious Delinquency for Credit Cards by Age²

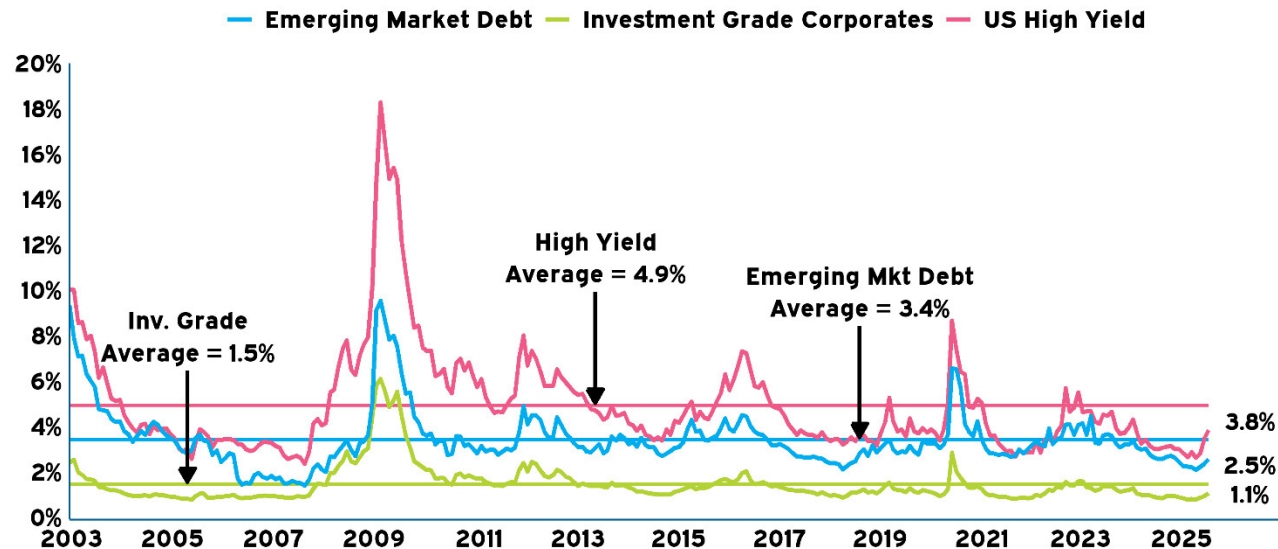


- Signs of stress on the US consumer have started to emerge given persistently higher prices and interest rates.
- After falling to historic lows during the pandemic, loan delinquencies recently started rising.
- Segments of the credit market have started to show stress, but total delinquencies remain well below pre-pandemic levels.
- While total delinquency rates are below pre-pandemic levels, the credit card segment is showing more signs of distress where borrowers are subject to variable and higher borrowing costs.
- Credit card delinquencies are rising rapidly, especially for borrowers under the age of forty.

¹ Source: New York Federal Reserve, Quarterly Household Debt and Credit Report, February 2025. See also FRED. Data is as of April 30, 2025.

² Source: FRED. Data is as of April 30, 2025.

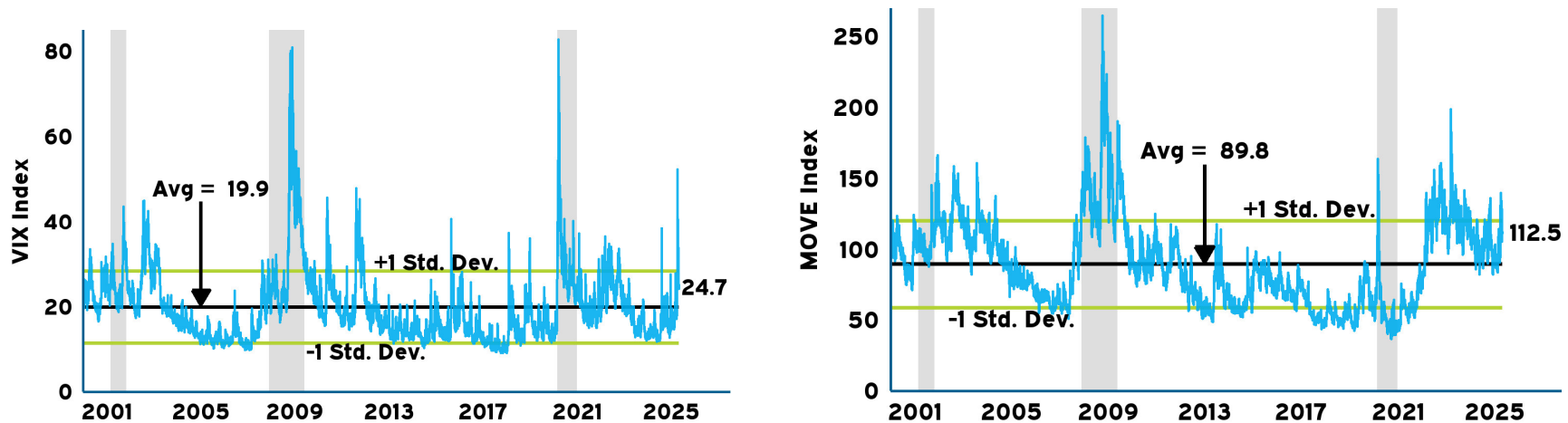
Credit Spreads vs. US Treasury Bonds¹



- Like other areas there were major fluctuations in the credit markets in April due to the new tariffs and the subsequent announcement of a 90-day pause.
- Investment grade spreads (the difference in yield from a comparable Treasury) spiked in the risk-off environment after the tariff announcement but narrowed as risk sentiment improved. For the month, investment grade spreads moved from 0.9% to 1.1%.
- High yield spreads moved the most (3.5% to 3.8%) due to concerns related to the US economy. At the peak of uncertainty, they crossed above 4.5%. Emerging market spreads climbed slightly (2.4% to 2.5%) over the month.
- All yield spreads remained below their respective long-run averages, particularly high yield (3.8% versus 4.9%).

¹ Source: Bloomberg. Data is as April 30, 2025. 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.

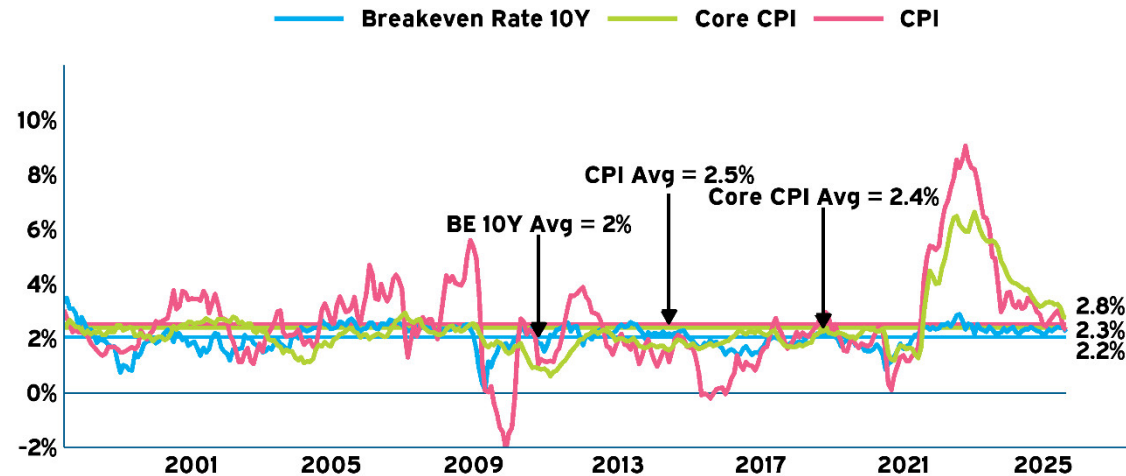
Equity and Fixed Income Volatility¹



- Bond and equity volatility spiked in April after the “Liberation Day” tariff announcement. Volatility levels finished well off their highs though, as the new tariffs were subsequently put on hold for 90 days for many countries to allow time for negotiations.
- Volatility levels (VIX) in the US stock market and bond market (MOVE) finished April above their respective long-run averages.

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 April 30, 2025. The average line indicated is the average of the VIX and MOVE values between January 2000 and April 2025.

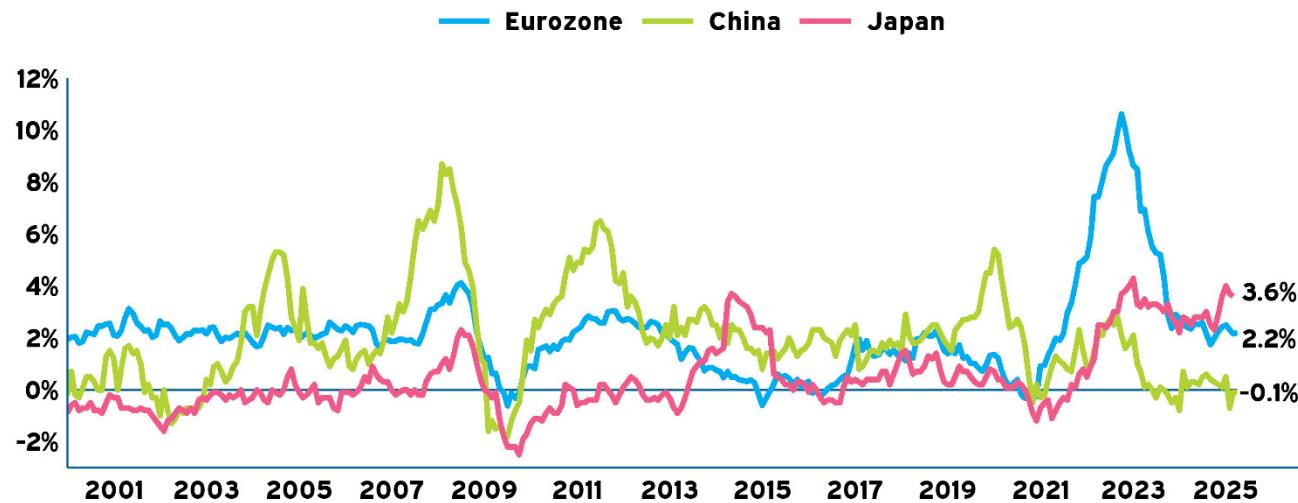
US Ten-Year Breakeven Inflation and CPI¹



- While inflation has been slow to return to the Fed's 2% average target, annual headline inflation declined slightly from 2.4% to 2.3%, coming in below expectations. The month-over-month rate rose from a 0.1% decline in March to 0.2% in April with gains in shelter accounting for more than half of the month's rise. Energy prices rose 0.7% for the month while food prices fell 0.1%.
- Core inflation year-over-year held steady at 2.8% as expected with the month-over-month rate accelerating from 0.1% to 0.2%. Price increases in household furniture, medical care, education, and insurance offset declines in airline prices, used cars, and apparel.
- Inflation expectations (breakevens) fell from 2.37% to 2.24% in April as investors continued to evaluate the potential inflationary impacts of the new US administration's evolving policies.

¹ Source: FRED. Data is as of April 2025. 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.

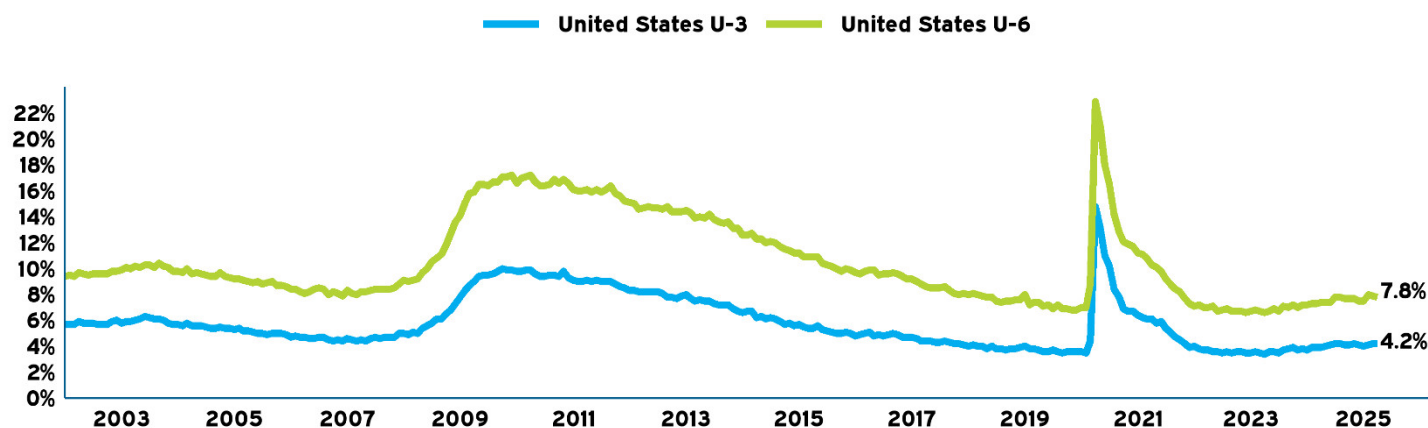
Global Inflation (CPI Trailing Twelve Months)¹



- Inflation in the eurozone remained at 2.2% in April (slightly above expectations), a level marginally below the US.
- The latest reading of inflation in Japan dropped from 3.7% to 3.6% as food price increases slowed as well as the cost of electricity and gas amid energy subsidies.
- In China, despite record policy stimulus consumer prices declined for the third consecutive month in April. During the month, prices fell by 0.1% compared to a year prior, like in March, due to ongoing weak domestic demand and growing trade tensions with the US.

¹ Source: Bloomberg. Data is as April 2025, except Japan which is as of March 2025.

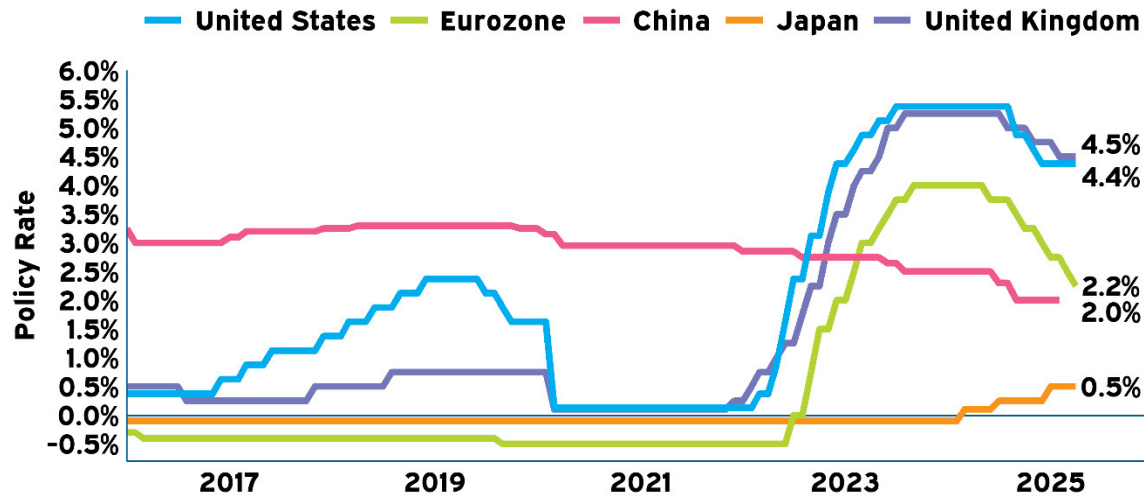
US Unemployment¹



- In April, the US added 177,000 jobs compared to expectations for 138,000. The unemployment rate remained at 4.2%; there were 7.2 million jobseekers of which 1.7 million were without work for more than 27 weeks.
- A broader measure of total unemployed (U-6) that includes those marginally attached to the labor force and employed part-time for economic reasons, fell slightly from 7.9% to 7.8%.
- The health care (+51,000), transportation/warehousing (+29,000), and financial activities (+14,000) sectors all added jobs for the month. Federal employees lost 9,000 positions in April and 26,000 since the start of the year; however, employees that chose paid leave or on-going severance pay are not yet included in the unemployed.
- The labor market continues to return to balance with the number of job openings falling from 7.6 million to 7.2 million in April, a ratio of roughly 1:1 compared to those not working.
- Separations declined from 5.3 to 5.1 million while hires remained steady at 5.4 million; average hourly wage growth continued to slow (4.0% to 3.8%) year-on-year in April.

¹ Source: FRED and BLS. Data is as of April 30, 2025.

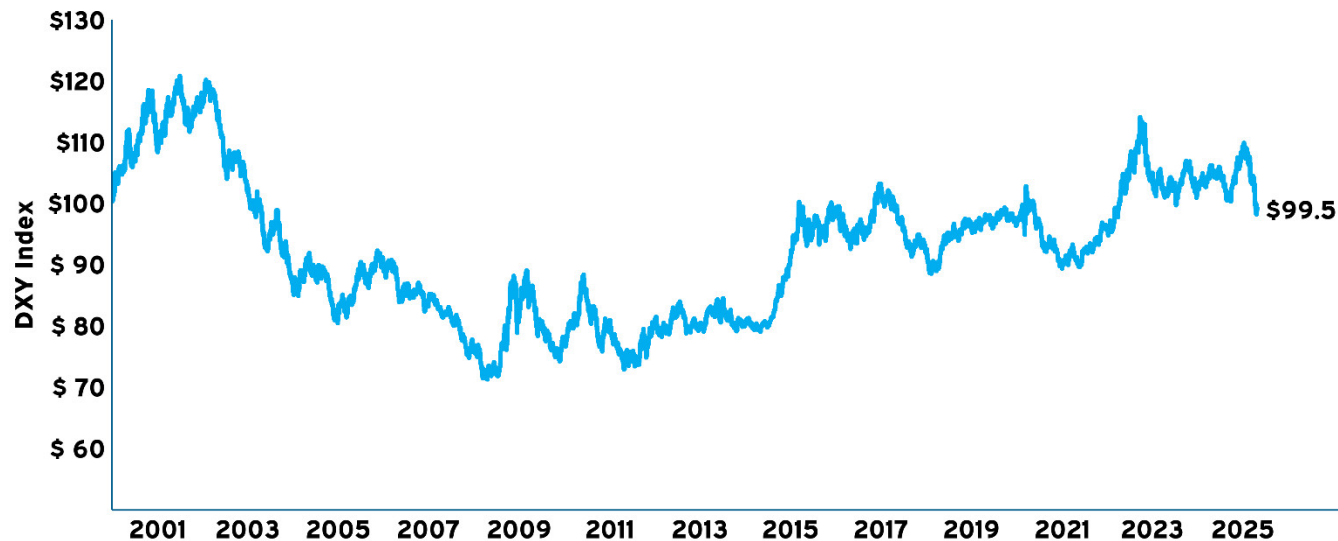
Global Policy Rates¹



- While the Fed remains on hold, other central banks have continued to ease policy rates. Expectations are now for the Fed to cut rates two times this year, down from four expected cuts during the heart of growth concerns.
- In February, the Bank of England cut interest rates for the third time, by 0.25% to 4.5% (the Bank also made an additional 0.25% cut after month-end), while in March the European Central Bank cut rates by another 0.25% to 2.25%. In addition to cutting interest rates, the People's Bank of China has also reduced reserve requirements, lowered mortgage rates, and supported the stock market.
- In contrast to many other central banks, the Bank of Japan increased interest rates in January to 0.5% in the face of persistent inflation. Rate cutting by other major central banks are complicating prospects for further policy rate hikes in Japan.

¹ Source: Bloomberg. Data is as of April 30, 2025, except China which is as of February 28, 2025. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.

US Dollar vs. Broad Currencies¹



- After several years of appreciation against a basket of currencies, the US dollar weakened rapidly (-8.3%) at the start of 2025 but remains above pre-pandemic levels.
- Concerns over changing US administration policies, slower growth, and corresponding lower yields have recently weighed on the value of the dollar.

¹ Source: Bloomberg. Data as of April 30, 2025.

Summary

Key Trends:

- According to the International Monetary Fund's (IMF) April annual report, global growth in 2025 was downgraded from 3.3% to 2.8%, 0.5% lower than 2024. Concerns related to tariffs and their impact on growth drove the reduction. Growth forecast in the US saw one of the larger declines for 2025 (+2.7% to +1.8%). China's growth forecast was also substantially lowered for this year (4.6% to 4.0%), while growth in the EU is projected to be slightly lower (1.0% to 0.8%) in 2025.
- Despite the recent pause and negotiations related to tariffs, uncertainty remains. Overall higher tariff levels and continued uncertainty could weigh on growth while at the same time fan inflation. Inflation levels and recent developments with tariffs will likely lead to a slower pace of interest rate cuts by the Fed. Uncertainty in the US and the potential for slower growth could continue the rotation out of US assets and the pressure on the dollar.
- Signs of stress have started to emerge on the US consumer with sentiment weakening. Consumers are particularly concerned about losing their jobs and the potential for higher prices. Overall risk to economic growth and to inflation from tariffs, as well as elevated borrowing costs, could put further pressure on consumers and lead to a weaker job market.
- By the end of April US equities largely recovered from the losses during the first week of the month. A focus going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will continue to be important.
- Trade tensions between the US and China will remain a key focus. Recently the two countries agreed on a 90-day truce with the US lowering its maximum tariff rate on Chinese goods from 145% to 30% with a 10% baseline level. China will lower its 125% tariff on American goods to 10%. Questions remain about what will happen after the 90-day period and notably tariff levels on China remain higher than where they previously were.

MEMORANDUM

TO: SJCERA Board of Retirement (SJCERA)
FROM: Meketa Investment Group (Meketa)
DATE: June 6, 2025
RE: Preliminary 2025 Roundtable Overview

Discussion and Overview:

In preparation for the upcoming SJCERA 2025 Roundtable on October 9th, Meketa and SJCERA staff have developed several topics that we would like you to consider in these discussions.

- **International Investing (Equities and Bonds)** – What are some of the benefits of investing into the International markets.. The US equity markets have dominated investment returns since the GFC. Will the US markets continue to face uncertainty? Are international markets more attractive over the next ten years? Where do the Chinese markets fit within this structure?
- **Tariffs and Stagflation** – When will it stop and what does it mean? The Global economy has been faced with historically high inflation and uncertainty over Tariffs, but slower economic growth is now a reality. Will we ever see normalized economic markets? What investment trends make sense given the current debates over Tariffs?
- **Equities and Bonds** – Higher interest rates have led to higher bond yields. How much farther can the equities market increase given valuations? How should investors, such as SJCERA, think about the public markets relative to economic conditions?
- **Real Estate, Private Equity and Private Credit** – Have Private markets reached a bottom? Can Real Estate continue to bounce back?

Format:

Similar to previous Roundtables, Meketa and staff would like to once again utilize a keynote speaker, have educational panels and a Q&A discussion session with Board trustees, managers, and advisors.

As we put together the roundtable discussion, our aim is to make the meeting useful for the SJCERA board members. Meketa and SJCERA staff seek your input into these topics. Meketa will work with staff to further develop the roundtable and make this a productive event for everyone involved.



San Joaquin County Employees' Retirement Association

May 30, 2025

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

Asset Allocation

Perform Asset-Liability Study. We are kicking off the asset allocation “lite” process for this year with an education this month. David Sancewich from Meketa will be presenting education on the fundamentals of asset allocation: terminology, importance of the right mix, and concepts. This will lay the foundation to the work that will be happening in the coming months.

Optimize the Investment Manager Lineup

Evaluate the portfolio/investment managers for optimum performance and initiate changes as needed. Since our last board meeting, we've met with thirteen new investment funds and reviewed six of our current managers. We're actively evaluating all funds to ensure optimal performance and will recommend changes where necessary to keep the portfolio aligned with our goals.

Conduct manager searches for private equity, private credit, and real estate asset classes. We're also continuing our search for managers in private equity, private credit, and real estate. The focus is on identifying strong candidates with strategies that complement our existing holdings and enhance long-term value.

Define Emerging Governance Issues

Provide educational support to trustees to strengthen the decision-making process. Our newest Board of Retirement trustee, Supervisor Sonny Dhaliwal, and the incoming trustee elected to the active safety member seat, Jason Whelen, received actuarial and investment education from our actuarial consultant, Graham Schmidt from Cheiron, and our investment consultant, David Sancewich, from Meketa Investment Group.

Modernize the Operations Infrastructure

Member Experience

Develop member engagement strategy, including new website design and annual member open house. Our Communications Officer is currently working on the logistics of a Member Open House. Our theme will be “Path to Retirement”. In accordance with the theme, we plan to have it in a free flow style, with different tables as stops with different educational topics.

Develop content (podcast, video, social media and educational materials) based on member feedback. We just recently released the second episode of our “Now What?” series, which focuses on getting your documents in order before your retirement packet arrives. Episode 1 was a strong start, generating over

750 impressions, a 15.8% engagement rate (compared to the 11% average), and more than 360 views. We're excited to keep building on that momentum with Episode 2!

Improve Business Operations

Evaluate and replace board meeting agenda software. We are about halfway through implementation of the new software and have been very impressed with the CivicPlus product and support team. We have completed review of the Board of Retirement meeting agenda template as well as all committee meeting templates. We will begin training in early June, which will be recorded for our team's ongoing use, and we are expecting that the July Board of Retirement Agenda will be published through CivicPlus!

Employer Experience

Develop and implement an employer education strategy, including tools to enhance education, consistency of communication and compliance. During our semi-annual meetings with employers, we received a request to develop relevant, understandable talking points to help explain, especially to potential new hires, the advantage of a defined benefit plan that is partially funded by their mandatory retirement deduction, often a significant chunk of income for an entry level position. To help with this educational effort, we are creating a handout for employers to use either at Job Faires, or during the hiring process. This handout will include talking points to better explain the long-term benefit they have the ability to receive through their employment.

Managing emerging needs

Complete RFP for actuarial and investment consulting services. We issued the Actuarial Consulting RFP on May 16 and are in the "Quiet Period". The quiet period runs from the RFP issue date (5/16/2025) through the announcement of intent to award, which we plan to occur around the August Board meeting. During the identified "Quiet Period," all Trustees and impacted staff must refrain from communicating with the potential respondents to the RFP regarding any service related to the search. Letters of Intent and Written Questions are due May 30.

New Pension Administration System (PAS). The new RFP project began mid-May. We have been meeting twice per week to define our vision and begin structuring a new RFP. We are on schedule, and while we are still retaining an objective rating process in alignment with county administrative requirements, this is shaping up to be a more collaborative process with multiple, interactive points with PAS bidders throughout the process. The outcome is intended to provide SJCERA the ability to understand the PAS bidders' product, features and process flows so we may see how our current environment, workflow, and data aligns with the product in advance of starting a new PAS project. We are very pleased with the progress, the teamwork and speed at which we are moving through this project.

Maintain Business Operations

Employee of the Month

Employee of the Month in May was very easy...it was all staff! As I passed my one-year mark with SJCERA, I fully recognize that my success, in no small part, is due to the support and commitment that comes from the entire SJCERA team. Employee of the Month for all staff was my way to recognize them for their hard work. Each person in this office has helped move our vision forward over this last year, some accomplishments tougher to attain than others. Every unit works diligently and shows great care for our members and stakeholders. It can be witnessed on a daily basis. I could not be more proud to be the leader of this group of dedicated, hardworking staff.

Provide Excellent Customer Service

A few quotes from our members:

“Very helpful and friendly. I truly appreciate the time she (Margarita Arce) took to get forms to me immediately for me to complete. An outstanding representative of SJCERA.”

“The Staff Member (Vickie Monegas) acted really fast, and the information was provided”

“Timely communication!” (Andrea Bonilla)

Conclusion

May has been a busy time for SJCERA. We wrapped up the final semi-annual meetings with our employers. Those meetings provided us the opportunity to share open dialogue about activities SJCERA is pursuing and respond to any issues they may be facing. Those meetings continue to strength our relationship moving forward.

We have also compiled our Annual Comprehensive Financial Report for 2024. Each year it is a significant lift for our financial team, more so this year with our Financial Officer position vacant. This report, prepared and presented to you within the consent items, will be brought forward to the county Board of Supervisors meeting later this month for adoption. We are proud of the commitment and dedication of our finance team in completing and bringing this forward.

We are currently in the early phases of several activities that will unfold this summer. Each of those, whether we are driving the activity or collaborating with our partners, will continue to build on SJCERA's strong foundation and stabilize for the path forward.



2025 Action Plan

Quarter Two Update

1 STRENGTHEN THE LONG-TERM HEALTH OF RETIREMENT PLAN

	ACTION ITEM	BENEFIT
1a. Evaluate the Appropriateness of Actuarial Assumptions		
1.a.i.	Conduct actuarial experience study	Evaluating current environment to ensure relevant data in actuarial calculations.
1b. Asset Allocation		
1.b.i.	Perform asset liability study (ALS)	Confirming the Board's direction and risk tolerances for building an aligned asset portfolio.
1.b.ii.	Amend the Strategic Asset Allocation policy	Aligning with ALS and targeting achievement of annual performance objective.
1.b.iii.	Review Benchmarks	Providing the Board with relevant targets, creating a relevant means to evaluate manager performance.
1.b.iv.	Review Real Estate and CRO asset classes	Evaluating classes to determine best path for maximized returns within the capital market assumptions.
1c. Operating Model 2025		
1.c.i.	Utilize Meketa to evaluate potential for aggregate investment opportunities	Decreasing overall fees of the system, resulting in a higher net of fees return.
1.c.ii.	Consider modifications to the Funding Policy	Ensuring the Board's policy on funding continually evaluates the current environment and demographics and potential opportunities and outcomes of changes considered.
1.c.iii.	Evaluate in-house vs. outsourced investment functions	Seeking the right fit for investment due diligence to achieve best performance outcome.
1d. Optimize Investment Manager Lineup		
1.d.i.	Evaluate investment managers for optimum performance	Improving investment performance by seeking to reduce drag on returns from ineffective partners.
1.d.ii.	Conduct manager searches for various asset classes	Maximizing investment returns by continually considering opportunities available in the marketplace.
1.d.iii.	Conduct pacing studies for various asset classes	Managing cash flows to maximize returns.
1e. Risk Assessment		
1.e.i.	Evaluate risk tolerance during ALS	Affirming alignment of Board's risk tolerance to portfolio management.

	ACTION ITEM	BENEFIT
1f. Define Emerging Governance Issues		
1.f.i.	Evaluate practices related to fund governance	Minimizing risk and ensuring a solid foundation for system to operate.
1.f.ii.	Build strong baseline for legal compliance	Reducing Board and system liability.
1.f.iii.	Provide educational support to trustees	Ensuring trustees are adequately educated to make sound decisions and meet their fiduciary responsibilities.

2 MODERNIZE THE OPERATIONS INFRASTRUCTURE

	ACTION ITEM	BENEFIT
2a. New Pension Administration System		
2.a.i.	Assessed timeline and implementation schedule	Assessed current timeline and implementation schedule. Determined it to be in the best interest of the pension system to search for new vendor.
2.a.ii.	Implement business process improvements	Creating efficiencies and improving service to our members/stakeholders.
2.a.iii.	Develop new policies related to PAS	Creating alignment with new processes and new improved, streamlined activities.
2.a.iv.	Develop employee education plan for new system	Increasing employee knowledge for more effective/efficient use of the system and minimizing unintentional user error.
2.a.v.	Develop communication strategy for implementation	Creating awareness for increased adoption by stakeholders.
2.a.vi.	Develop educational material for implementation	Creating awareness for increased adoption by stakeholders.
2b. Member Experience		
2.b.i.	Develop member engagement strategy	Creating a more educated population, increasing member's financial soundness.
2.b.ii.	Revamped education strategy	Overhauled approach to education with a special focus on connecting with new members. One example of this has been rebranding and prioritizing Understanding Your Retirement Webinars as a new member webinar. Since implementation, our attendance has increased on average by 132%.
2.b.iii.	Develop content	Creating a more educated population, increasing member's financial soundness.

	ACTION ITEM	BENEFIT
2c. Improve Business Operations		
2.c.i.	Implement new Board meeting software	Improving operational efficiency.
2.c.ii.	Develop workflows to track current operational workload	Creating efficiencies to increase capacity.
2.c.iii.	Conduct risk audit with Linea	Managing risks to minimize potential financial and reputational consequences.
2d. Employer Experience		
2.d.i.	Conducted employer survey	Created to understand employer needs to target fulfillment of specific educational gaps. In completing this, we have analyzed the data and along with feedback during employer meetings, will develop our employer educational strategy.
2.d.ii.	Develop employer educational strategy	Creating educational content to be responsive to gaps identified by employers in the survey.
2.d.iii.	Established employer roundtable	Held to provide educational content and actionable efforts that are of interest to employers. Employers walked away feeling more confident in SJCERA and their ability to help their employees. Employers found this especially valuable and felt it was a step in the right direction in providing clarity. Over half of the employers attended and expressed how beneficial it was. The employers who attended brought multiple employees.
2.d.iv.	Established semi-annual meetings with employers	Created regular communication structure with employers to encourage open dialogue and enhance responsiveness. Employers expressed gratitude for 1:1 sessions and opportunity to ask questions as they relate to their specific needs.

3 ALIGN RESOURCES AND ORGANIZATIONAL CAPABILITIES

	ACTION ITEM	BENEFIT
3a. Workforce Planning		
3.a.i.	Create preliminary post-system implementation workforce staffing plans	Aligning resources and capacity to workload needs; creating a sustainable environment.
3.a.ii.	Develop onboarding documents for targeted positions	Improving team transitions and reducing potential risks caused from turnover.
3b. Staff Education		
3.b.i.	Enhance current staff evaluation process	Incorporating staff development to improve engagement with employees.

	ACTION ITEM	BENEFIT
3c. Board of Retirement Practices		
3.c.i.	Curate and deliver Board fiduciary educational presentations	Minimizing risk and ensuring a solid foundation for system to operate.
3.c.ii.	Curate and deliver Board disability educational presentation	Minimizing risk and ensuring a solid educational foundation for trustees to utilize for decision making.
3d. Organization Metrics		
3.d.i.	Identify and implement measurements to track non-financial performance	Improving internal processes and efficiency.

MANAGING EMERGING NEEDS		
	Conduct an actuarial RFP	Ensuring best practices are upheld with regular evaluation of costs and services provided in the actuary space.
	On Track	
	Completed	
	Identified Potential Risks	
	Known Delays	