San Joaquin County Employees' Retirement Association

AGENDA

BOARD OF RETIREMENT MEETING
SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD MEETING
FRIDAY, JANUARY 9, 2026
AT 9:00 AM
SJCERA Board Room, 220 East Channel Street, Stockton, California

The public may also attend the Board meeting live via Zoom by (1) clicking here **https://us02web.zoom.us/j/89585932948** and following the prompts to enter your name and email, or (2) calling (669) 219-2599 or (669) 900-9128 and entering Meeting ID 89585932948#

Persons who require disability-related accommodation should contact SJCERA at (209) 468-2166 or GregF@sjcera.org at least forty-eight (48) hours prior to the scheduled meeting time.

1. ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. MEETING MINUTES

3.1 Minutes of Board Meeting of December 12, 2025

3.2 Board to consider and take possible action

4. PUBLIC COMMENT

4.1 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. MANAGER PRESENTATION - PEMBERTON (CREDIT)

5.1 Presentation by Ben Gulliver, Partner, and Grant Dechert, Director, of Pemberton Capital Management

6. CLOSED SESSION

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

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

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

7. CONSENT

7.1 Service Retirements

7.2 General

1 Annual Trustee Education Report

2 Retirement Eligible Earnings Codes Ratification Report

7.3 Trustee and Executive Staff Travel

1 Conference and Event Schedules

2 Summary of Pending Trustee and Executive Staff Travel

3 Summary of Completed Trustee and Executive Staff Travel

7.4 Legislative Summary Report/SACRS Legislative Update - None; No Substantive Changes since 12/2025

7.5 Board Calendar

7.6 Board to consider and take possible action on consent items

8. MACRO MARKET EDUCATION

8.1 Presentation by Alison Adams of Meketa Investment Group

9. INVESTMENT CONSULTANT REPORTS

9.1 Presentation by David Sancewich of Meketa Investment Group

9.1.1 Monthly Investment Performance Update

a Manager Performance Flash Report - November 2025

b Economic and Market Update - November 2025

9.2 Board to receive and file reports

10. STAFF REPORTS

10.1 CEO Report

10.2 2025 Action Plan Results

10.3 Quarterly Operations Report

1 Accounts Receivable Fourth Quater 2025

2 Disability Quarterly Report

3 Quarterly Operations Metrics

4 Pension Administration System Update

10.4 Board to receive and file reports

11. COMMENTS

11.1 Comments from the Board of Retirement

12. SUMMARY OF BOARD DIRECTION

13. ADJOURNMENT

San Joaquin County Employees' Retirement Association

MINUTES

BOARD OF RETIREMENT MEETING
SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD MEETING
FRIDAY, DECEMBER 12, 2025
AT 9:00 AM
SJCERA Board Room, 220 East Channel Street, Stockton, California

1. **ROLL CALL**
   MEMBERS PRESENT: Phonxay Keokham, Emily Nicholas, Sam Kaisch, Michael Duffy, Jason Whelen, JC Weydert, Steve Moore, Raymond McCray (out at 10:21) and Michael Restuccia presiding
   MEMBERS ABSENT: Sonny Dhaliwal
   STAFF PRESENT: Chief Executive Officer Renee Ostrander, Assistant Chief Executive Officer Brian McKelvey, Chief Counsel Aaron Zaheen, Investment Officer Trent Kaeslin, Management Analyst III Greg Frank, Information System Analyst Lolo Garza, Retirement Services Associate Andrea Bonilla, Administrative Secretary Elaina Petersen, Retirement Investment Accountant Jasmine Sales
   OTHERS PRESENT: David Sancewich of Meketa Investment Group

2. **PLEDGE OF ALLEGIANCE**

   Led by JC Weydert

3. **MEETING MINUTES**

   3.1 Minutes of Board Meeting of November 7, 2025

   3.2 Minutes of Administrative Committee Meeting of November 7, 2025

   3.3 The Board voted unanimously (8-0) to approve the Minutes of the Board Meeting of November 7, 2025 and the Minutes of the Administrative Committee Meeting of November 7, 2025 (Motion: Kaisch; Second: Keokham)

4. **PUBLIC COMMENT**

   4.1 There was no Public Comment

5. MANAGER PRESENTATION - FOCUS HEALTHCARE PARTNERS

5.1 Presentation by Paul Froning, Principal and Michael Feinstein, Managing Director of Focus Healthcare

6. CLOSED SESSION

The Chair convened Closed Session at 9:45 a.m. and reconvened Open Session at 10:23

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

Chief Legal Counsel Aaron Zaheen stated there was nothing to report out of Closed Session

7. CONSENT

7.1 Service Retirements

7.2 Trustee and Executive Staff Travel

- **1** Conference and Event Schedules
- **2** Summary of Pending Trustee and Executive Staff Travel
- **3** Summary of Completed Trustee and Executive Staff Travel
  - **a** Summary Stockbridge 2025 Annual Meeting, Renee Ostrander
  - **b** Summary of NCPERS Fall Conference, Renee Ostrander
  - **c** Summary of NCPERS Accredited Fiduciary Program, Renee Ostrander

7.3 Legislative Summary Report/SACRS Legislative Update

7.4 Board Calendar 2025-2026

7.5 Board Policies with Recommended Amendments

- **1** Communications Policy
- **2** Ex Parte Communications Policy
- **3** Investment Manager Monitoring and Communication Policy
- **4** Statement of Reserve Policy
- **5** Staff Transportation and Travel Policy
- **6** Strategic Asset Allocation Policy

7 Trustee and Executive Staff Travel Policy

a Trustee and Executive Staff Travel Policy - Markup

b Trustee and Executive Staff Travel Policy - Clean

7.6 New Board Policies

1 Administrative Appeals Policy

2 Artificial Intelligence Policy

3 Monthly Benefit Payments Policy

4 Security Litigation Policy

a Security Litigation Policy - Markup

b Security Litigation Policy - Clean

5 Social Media Policy

7.7 2026 Administrative Budget

7.8 The Board voted unanimously (7-0) to approve the Consent Agenda (Motion: Duffy; Second: Kaisch)

8. INVESTMENT CONSULTANT REPORTS

8.1 Presentation by David Sancewich of Meketa Investment Group

1 Quarterly Reports from Investment Consultant for period ended September 30, 2025

a Quarterly Investment Performance Analysis

b Manager Certification Report

c Manager Review Schedule

2 Monthly Investment Performance Updates

a Manager Performance Flash Report - October 2025

b Economic and Markets Update - October 2025

8.2 The Board received and filed reports

9. 2026 STRATEGIC INVESTMENT PLAN

9.1 Presentation by David Sancewich of Meketa Investment Group

9.1.1 Memo from Meketa Investment Group

9.2 The Board received and filed report

10. EVALUATION OF CONSULTANTS

10.1 Investment Consultant

10.2 Consulting Actuary

10.3 The Board received and filed reports

11. STAFF REPORTS

11.1 CEO Report

In addition to her written report, CEO Ostrander noted 1) the January 2026 Board meeting materials will be posted the Monday prior to the meeting; 2) the contract for the new PAS system is going well, we are on track to have this contract signed by end of 2025; 3) in our effort to increase the availability of education, we are working on delivering education opportunities in different mediums for Trustees and staff, we have received positive feedback so will continue to increase availability of education; 4) staff are noticing an increase and monitoring manager changes with investments funds via engagement and ongoing due diligence.

11.2 2026 Action Plan

11.3 The Board received and filed reports

12. COMMENTS

12.1 Trustee Whelen noted that he appreciated the Investment Consultants and the Consulting Actuary and was excited to see where we are going in the future; further thanking the staff and the Board of Retirement for the work and the camaraderie.

Trustee Restuccia thanked staff, David Sancewich and the Board for all the hard work in in 2025.

Trustee Weydert noted the RPESJC Holiday Luncheon was a huge success and thanked everyone for their participation.

Trustee Kaisch thanked CEO Ostrander and team; he appreciated attending the SACRS conference.

13. SUMMARY OF BOARD DIRECTION

Going forward, when a meeting date changes, a note is to be made at the bottom of the Board Calendar.

14. ADJOURNMENT

14.1 There being no further business the meeting was adjourned at 11:00 a.m.

Respectfully Submitted:

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Michael Restuccia, Chair

ATTEST:

____

Raymond McCray, Secretary

PEMBERTON

Pemberton Strategic Credit Fund IV

San Joaquin County Employees Retirement Association

January 2026

Please note that as of March 2025 the strategy name has been amended from 'Strategic Credit' to 'Strategic Capital'.

Pemberton Overview

An independent asset manager specialising in private debt

$28.8bn
AUM[1]
Across 8 Strategies

$46.1bn
Invested[2]
Since Inception

4,450+
Companies Reviewed
Since 2019

340+
Investors
Across the Globe

215+
Professionals[3]
Firmwide

16
Locations[4]
Across Europe, Australia, North America & the Middle East

Source: Pemberton Capital Advisors LLP. All figures as of 30th September 2025 unless stated otherwise. [1] Assets under management are defined as committed capital. [2] Across all funds including recycled capital. FX rate applied as at time of deployment. [3] Pemberton Group, including consultants, contractors, and advisors. [4] Includes one office and two locations in the US, and Canada.

Leaders in European Private Credit

Pemberton's USPs

Management Alignment Through Platform Ownership
Pemberton's senior team is highly aligned with LPs via a 60% shareholding

Local Market Expertise and Origination
Network of 10 European offices enables enhanced sourcing capability

Multi-Strategy Private Credit Platform
Eight strategies offering LPs options from single-B to single-A

Dual Track Investment Process
Independent credit function ensures robust underwriting process

Technology & AI Integration
Advance Credit Rating System and Proprietary Technology Stack

Multi-Award-Winning

Debtwire DIRECT LENDING AWARDS 2025 Winner [1]

Private Debt Investor AWARDS 2024 [2]

Wealth & Asset Management AWARDS 2023 WINNER Asset Manager of the Year – up to €100bn AuM [3]

Consistently recognised for its leadership and innovation in private credit markets with 15 industry awards since 2019 including:

- 9 awards in 11 years with Private Debt Investor and
- Multiple awards as lender of the year with Debtwire

[1] Pemberton Mid-Market Debt Fund II). The award received by Pemberton was given by The Debtwire Direct Lending Forum (published by ION Analytics). The award was received in 2023 and was decided purely on data provided by direct lenders. Although Pemberton paid for a table at the award ceremony, no amounts are paid by Pemberton in connection with the granting of the awards). [2] The awards received by Pemberton were given by Private Debt Investor Magazine, which is published by PEI Media Group Ltd., the awards are 100% editorially led and voted on by industry participants. Although Pemberton paid for an advert in the magazine and the winners 'tombstones', no amounts are paid by Pemberton in connection with the granting of the awards. The awards were received in the year indicated, and in each case, are granted in respect of the preceding prior year. [3] The award received by Pemberton was given by The Asset Management Awards, which is published by MoneyAge, the award is 100% editorially led and voted on by industry participants. The award was received in the year indicated, granted in respect of the preceding prior year. Although Pemberton paid for a table at the award ceremony and the winners package including "tombstones", no amounts are paid by Pemberton in connection with the granting of the awards.

Providing Solutions to Access Relative Value

Downside Protection

- Downside protection investing in **predominantly First lien** (~75%) loans
- Focusing on resolving complexity in **performing credits** to access alpha generation
- **Equity buffers** averaging **>50%**
- Solution providers with opportunities including
  - Carve outs
  - Capex projects
  - Buy and build platforms
- Independent **dual-track credit investment process**

Relative Value

- **Flexible mandate** able to invest **through the cycle** and pivot in periods of market dislocation:
  - Opportunistic investments into **hung syndications**
  - Leveraging **Pemberton's full platform** through diversified solutions across **CLO and SRT notes**
  - Ability to invest in **secondaries** when attractive
- **Charge additional margin** for flexible 1st lien solutions that serve borrower needs, alongside equity co-invest opportunities

Track Record[1]

- **First primary focussed special situations fund in Europe** (and current largest[2])
- **€7.6bn deployed** across 4 vintages since 2017
- **Attractive returns and credit fundamentals**
  - Net cash yield of >8% EUR / >10% USD (>90% from First Lien)
- Portfolio Managers able to leverage **25+ years of distressed and workout experience**

Source: Pemberton Capital Advisors LLP. Based on Pemberton's understanding of the market. [1] As of 30th June 2025. [2] Debtwire European Direct Lending Rankings (Full Year 2024).

Strategic Credit Transaction Types

Bespoke First Lien Solutions	▪ Providing 1st lien senior secured capital to borrowers that are going through a specific phase in their life-cycle e.g. carved out from a larger parent, a capex project, or a merger
Flexible Capital Solutions	▪ Providing capital across the capital structure often through a combination of 1st lien senior secured and a junior tranche or an equity co-investment alongside PE sponsor
Opportunistic Investments	▪ Hung Syndications - Opportunistically targeting 1st lien performing debt that can no longer be held by banks due to market dislocation ▪ Secondaries - Investing in 1st lien debt of performing companies coming out of forced sellers
Diversified Solutions	▪ CLO Notes (Pemberton Direct Lending & BSL) : Investments into diversified portfolios of direct lending loans or broadly syndicated loans with attractive relative value that provide regular cash flow ▪ SRT Notes: Leveraging Pemberton's specialist team to target diversified bank loan portfolios

Source: Pemberton Capital Advisors LLP.

European Private Credit Relative Value vs US

Market structure typically generates higher returns with better downside protection

✓ Lower Competition Between Lenders[1,2]

- Top eight lenders provide >50% of European direct lending loans[1]
- Relationship-driven market[2]

✓ More Primary & Secondary Buyouts[2]

- More levers for performance improvements in underlying assets

✓ Lower Defaults[3]

- European BSL defaults at 1.2% significantly lower than US 1.5%

✓ Higher Spreads & Fees[4]

- Pemberton analysis of the European private credit market shows:
    - Asset margins 5.25% - 6.00% in EUR
    - Fees 2.25% - 3.00%
    - Plus 2% cross currency pick-up into USD

✓ Strong Downside Protection[2]

- 1st Lien focus
- Strong covenant Protection
- Higher % of Sole Lender Deals

✓ Enhanced Reporting[2]

- Detailed monthly asset-level reporting
- Regular senior mgmt. connectivity at the borrower level

Sources: Pemberton Capital Advisors LLP, May 2025. For illustrative purposes only. Source: Pemberton, based on publicly available data. | [1] Debtwire. 2024 European Direct Lender Rankings | [2] Based on Pemberton's understanding of the market | [3] Pitchbook. Average lagging 12-month default rate (based on principal amount) of the Morningstar European Leveraged Loan Index as of 31-Jan-25 | [4] Analysis undertaken by Pemberton Portfolio Management team as of Q4 24. compared to US margins / fees: <$50m: S+4.50%-5.50% / 1.00%-2.00% ; >$50m: S+3.00%-4.00% / 0.25%.

Portfolio Managers

Strategic Capital Strategy

Ben Gulliver
Co-head Direct Lending,
Portfolio Management

Ben is the Head of Portfolio Management & Co-Head of Direct Lending responsible for the strategic credit opportunities strategies at Pemberton. That includes the selection, due diligence and structuring of new investments and the management of the strategic credit opportunities strategies to achieve their investment objectives. He is a member of the Management Committee of Pemberton Capital Advisors LLP and a member of the Credit Review Committee

Before joining Pemberton in 2016, Ben was Global Head of Credit and Syndication at ANZ between 2012 and 2016. Previously, he was Head of Credit for Europe and Asia for RBS between 2004 and 2012. At RBS he was the founder and principal trader for the Special Situations Group, responsible for trading, origination, research and sales. Previously, he was RBS's Head of High Yield, Investment Grade & Loan Trading in Europe and Asia.

Ben has over 20 years' experience in credit markets. He holds a BSc. in Geography and a MSc. in Urban and Regional Planning, LSE.

Robin Challis
Portfolio Manager,
Strategic Credit

Robin Challis is a Portfolio Manager for the European Strategic Credit Strategies at Pemberton. He is a member of the Credit Review Committee and ESG Working Group within Pemberton.

Prior to joining Pemberton in 2016, he worked at RBS, where he was Head of Credit Strategy for the Special Situations Group (SSG) between 2009 and 2016. Prior to that, he set up the bank's Principal Investment business in APAC in 2005.

Robin has over 20 years' experience in managing and valuing corporate credit. He started his career at KPMG in London, working in their Restructuring and Insolvency divisions where he advised banks on their loan exposures. While at KPMG, he worked in Iceland, the Netherlands, Poland, Italy, Switzerland, Norway, and the UK.

Robin is a qualified accountant (ACA) and holds a BA in History from Bristol University.

San Joaquin County Employees Retirement Association

January 2026

7.01 Service Retirement Consent

01 **BRENDA AGRAZ-VACA** AsstDeptyChiefProbationOffice
Probation - Adult

Member Type: Safety
Years of Service: 19y 01m 19d
Retirement Date: 10/20/2025

02 **KELLY L BORRERO** Deferred Member
N/A

Member Type: General
Years of Service: 09y 04m 02d
Retirement Date: 10/23/2025

03 **ALMA D BUKSH** Deferred Member
N/A

Member Type: General
Years of Service: 16y 03m 13d
Retirement Date: 11/1/2025

04 **GILBERT E CASTILLO** Information Systems Analyst Supervisor
Court - Information Technology

Member Type: General
Years of Service: 28y 06m 18d
Retirement Date: 10/31/2025

05 **AMANDA L CETON** Medical Assistant
Hosp Medical Clinic

Member Type: General
Years of Service: 22y 02m 21d
Retirement Date: 11/12/2025

06 **DONNA DELACRUZ-REFUERZO** Clinical Lab Scientist II
Hosp Laboratory Clinic

Member Type: General
Years of Service: 35y 09m 25d
Retirement Date: 11/15/2025

07 **CHAING EANG** Deferred Member
N/A

Member Type: Safety
Years of Service: 09y 03m 01d
Retirement Date: 11/5/2025

January 2026

08 DIANE RENEE ELIZALDE Customer Service Supervisor
CITYMH

Member Type: General
Years of Service: 07y 05m 07d
Retirement Date: 10/31/2025

09 EMILY M KREDIET Deferred Member
N/A

Member Type: Safety
Years of Service: 07y 04m 24d
Retirement Date: 11/15/2025

10 BARBARA A KRONLUND Deferred Member
N/A

Member Type: General
Years of Service: 14y 07m 29d
Retirement Date: 11/1/2025

11 SHIVETTI BEATRICE OSSOME Deferred Member
N/A

Member Type: General
Years of Service: 03y 10m 04d
Retirement Date: 10/25/2025

12 SOPHY SEM Medical Assistant
Hosp Medical Clinic

Member Type: General
Years of Service: 26y 01m 29d
Retirement Date: 10/31/2025

13 DELIA TERRAZAS Cashier Clerk
SW - North County Recycling

Member Type: General
Years of Service: 25y 06m 18d
Retirement Date: 11/1/2025

14 LAUREN P THOMASSON Deferred Member
N/A

Member Type: General
Years of Service: 02y 01m 27d
Retirement Date: 11/6/2025

15 NANCY E VASQUEZ Victim Claims Supervisor
D A - Victim Assistance

Member Type: General
Years of Service: 24y 11m 09d
Retirement Date: 10/27/2025

16 **GINA L VIEIRA** Deferred Member
N/A

Member Type: General
Years of Service: 00y 08m 07d
Retirement Date: 11/1/2025

2025 ANNUAL BOARD EDUCATION COMPLIANCE REPORT

Government Code Section 31522.8 requires Board Members to complete 24 hours of Board Member education within the first two years of assuming office and for every subsequent two-year period thereafter. Government Code Section 53235.1 requires at least two hours of Ethics training within one year of assuming office and every two years thereafter. Board Policy requires at least two hours of Sexual Harassment Prevention training within six months of assuming office and every two years thereafter.

TRUSTEE	TWO-YEAR PERIOD OF COMPLIANCE	EDUCATION HOURS COMPLETED*	REMAINING HOURS REQUIRED	Ethics Education	Sexual Harassment Prevention Training
Jason Whelen **Elected by Safety Members**	07/01/25 - 06/30/27	26.0	Fulfilled	✔	✔
Duffy, Michael **Appointed by BOS**	01/01/25 - 12/31/26	4.5	19.5	✔	
Kaisch, Sam **Elected by General Members**	07/01/24-06/30/26	52.7	Fulfilled	✔	✔
Keokham, Phonxay **Ex-Officio Member**	09/17/24-09/16/26	67.4	Fulfilled	✔	✔
McCray, Raymond **Appointed by BOS**	01/01/25 - 12/31/26	23.3	0.7	✔	
Nicholas, Emily **Elected by General Members**	07/01/24-06/30/26	42.1	Fulfilled	✔	✔
Moore, Steve **Alternate Retired Member**	07/09/25-07/08/27	20.8	3.3	✔	✔
Restuccia, Michael **Appointed by BOS**	01/01/25-12/31/26	21.7	2.3	✔	✔
Dhaliwal, Sonny **Appointed by BOS**	04/11/25-04/10/27	7.3	16.7		
Weydert, JC **Elected by Retired Members**	07/01/25-06/30/27	50.8	Fulfilled	✔	✔

* Education hours are based whether the topics comply with GC Section 31522.8, 53235.1 and SJCERA's Trustee Education Policy.

Updated December 2025

Board of Retirement Meeting
San Joaquin County Employees' Retirement Association

Agenda Item 7.2.2

January 9, 2026

SUBJECT: Compensation Earnable and Pensionable Compensation for SJCERA Members

SUBMITTED FOR: __X__ CONSENT __ ACTION __ INFORMATION

RECOMMENDATION

Staff recommends the Board ratify the new 2025 retirement-eligible earnings codes in Attachment I.

PURPOSE

To ratify the 2025 earnings codes, which staff included as retirement-eligible compensation, pursuant to the *Retirement-Eligible Compensation* policy.

DISCUSSION

In accordance with the *Retirement-Eligible Compensation* policy, throughout the year staff reviewed compensation items received from participating employer(s) and included those compensation types that were substantially the same as other, previously Board-approved, Retirement Eligible Compensation.

The County, Mountain House, and Courts Payroll Managers provided SJCERA staff the information required to evaluate the new 2025 earnings codes for retirement eligibility, as provided in Attachment I. Staff has evaluated the earnings codes in Attachment I and determined the earnings codes to be substantially the same as other codes the Board previously approved.

ATTACHMENTS

2025 Earnings Code Retirement-Eligible Ratification Report

RENEE OSTRANDER
Chief Executive Officer

GREG FRANK
Management Analyst III

2025 Retirement-Eligible Earning Codes Ratification Report

Per the *Retirement-Eligible Compensation* policy, the Board shall annually adopt and revise a resolution designating which compensation types shall be included in Retirement-Eligible Compensation

DATE	EARNINGS PAY CODE	DESCRIPTION	COMPENSATION EARNABLE (Tier 1)	PENSIONABLE COMPENSATION (Tier 2 hired pre 1/1/2022)	PENSIONABLE COMPENSATION (Tier 2 hired on or after 1/1/2022)	WORKSHEET SUBMITTED BY EMPLOYER PAYROLL
Jan-25	A5R	15% cap for employees receiving multiple 2.5% supplements assigned as Unmanned Aerial System (Sheriff).	Y	Y	N	Y
Jan-25	P5R	Overtime pay for A5R - 15% cap for employees receiving multiple 2.5% supplements assigned as Unmanned Aerial System (Sheriff).	N	N	N	Y
Jan-25	Q5R	Holiday pay for A5R - 15% cap for employees receiving multiple 2.5% supplements assigned as Unmanned Aerial System (Sheriff).	Y	Y	N	Y
Jan-25	R5R	Retro pay for A5R - 15% cap for employees receiving multiple 2.5% supplements assigned as Unmanned Aerial System (Sheriff).	Y	Y	N	Y
Feb-25	A0G	May cash out up to 80 hours of OT compensatory hours once a year, MOU 5.6 (Sheriff Mgmt).	N	N	N	Y
Feb-25	R0G	Retro pay for A0G - May cash out up to 80 hours of OT compensatory hours once a year, MOU 5.6 (Sheriff Mgmt).	N	N	N	Y
Feb-25	A0H	Sick Leave Incentive Program, may cash out per MOU 3.3.7 (DSA & Sheriff mgmt).	Y	N	N	Y
Feb-25	R0H	Retro pay for AOH - Sick Leave Incentive Program, may cash out per MOU 3.3.7 (DSA & Sheriff mgmt).	Y	N	N	Y
Dec-25	A0S	Registered Nurse (Unit M) MOU Section 4.1 Salaries. Employees in this unit, designated eligible to participate in the per diem program (as defined in Section 7) may receive a 20% pay supplement in lieu of benefits.	N	N	N	Y
Dec-25	P0S	A0S Overtime Pay - Employees in this unit, designated eligible to participate in the per diem program (as defined in Section 7) may receive a 20% pay supplement in lieu of benefits.	N	N	N	Y
Dec-25	Q0S	A0S Holiday Pay - Employees in this unit, designated eligible to participate in the per diem program (as defined in Section 7) may receive a 20% pay supplement in lieu of benefits.	N	N	N	Y
Dec-25	R0S	A0S Retro Pay - Employees in this unit, designated eligible to participate in the per diem program (as defined in Section 7) may receive a 20% pay supplement in lieu of benefits.	N	N	N	Y
Dec-25	A0T	Registered Nurse (Unit M) MOU Section 4.1 Salaries. Part-time with benefits employees receive a 2% supplement.	N	N	N	Y

2025 Retirement-Eligible Earning Codes Ratification Report

Per the *Retirement-Eligible Compensation* policy, the Board shall annually adopt and revise a resolution designating which compensation types shall be included in Retirement-Eligible Compensation

DATE	EARNINGS PAY CODE	DESCRIPTION	COMPENSATION EARNABLE (Tier 1)	PENSIONABLE COMPENSATION (Tier 2 hired pre 1/1/2022)	PENSIONABLE COMPENSATION (Tier 2 hired on or after 1/1/2022)	WORKSHEET SUBMITTED BY EMPLOYER PAYROLL
Dec-25	P0T	A0T Overtime Pay - Part-time with benefits employees receive a 2% supplement.	N	N	N	Y
Dec-25	Q0T	AOT Holiday Pay - Part-time with benefits employees receive a 2% supplement.	N	N	N	Y
Dec-25	R0T	AOT Retro Pay - Part-time with benefits employees receive a 2% supplement.	N	N	N	Y
Dec-25	A72	Professional (Unit E), Para-Professional & Technical (Unit F), and Supervisory (Unit R) MOUs Section 4.1 Salaries. Employees designated eligible to participate in the part-time program, as defined in Section 7, may receive a 15% pay supplement in lieu of benefits.	N	N	N	Y
Dec-25	P72	A72 Overtime Pay - Employees designated eligible to participate in the part-time program, as defined in Section 7, may receive a 15% pay supplement in lieu of benefits.	N	N	N	Y
Dec-25	Q72	A72 Holiday Pay - Employees designated eligible to participate in the part-time program, as defined in Section 7, may receive a 15% pay supplement in lieu of benefits.	N	N	N	Y
Dec-25	R72	A72 Retro Pay - Employees designated eligible to participate in the part-time program, as defined in Section 7, may receive a 15% pay supplement in lieu of benefits.	N	N	N	Y
Dec-25	A20	Physicians (Unit P) MOU Section 4.10 Part-Time Physicians. Prorated compensation shall be calculated based on full-time base salary for the specialty plus ten percent (10%) supplemental pay.	N	N	N	Y
Dec-25	R20	A20 Retro Pay (Part-time Physicians) - Prorated compensation shall be calculated based on full-time base salary for the specialty plus ten percent (10%) supplemental pay.	N	N	N	Y
Dec-25	A82	Physicians (Unit P) MOU Section 4.10 Part-Time Physicians. Part Time employees receiving base wages which equate to more than ten percent (10%) above full-time base salary as of the effective date of this provision shall be grandfathered to continue to receive the higher base wage, as adjusted herein, and will not receive the ten percent (10%) supplement.	N	N	N	Y
Dec-25	R82	A82 Retro Pay - Part Time employees receiving base wages which equate to more than ten percent (10%) above full-time base salary as of the effective date of this provision shall be grandfathered to continue to receive the higher base wage, as adjusted herein, and will not receive the ten percent (10%) supplement.	N	N	N	Y

CONFERENCES AND EVENTS SCHEDULE

2026 EVENT DATES BEGIN	END	EVENT TITLE	EVENT SPONSOR	LOCATION	REG. FEE	WEBLINK FOR MORE INFO	EST. BOARD EDUCATION HOURS
Jan 26	Jan 28	IREI, VIP Americas	IREI	Carlsbad, CA	$0	irei.com	6
Jan 26	Jan 28	Legislative Conference	NCPERS	Washington, DC	$670	ncpers.org	11.5*
Feb 2	Feb 4	Pension Bridge Private Credit 2026	withintelligence.com	Del Mar, San Diego, CA	$0	withintelligence.com	8.5
Feb 5	Feb 5	Attorney's Roundtable	CALAPRS	virtual	$50	calaprs.org	N/A
Feb 6	Feb 6	Administrators Roundtable	CALAPRS	virtual	$50	calaprs.org	N/A
Feb 23	Feb 24	Public Plan Trustee Institute - Level 1	IFEBP	Orlando, FL	$2015	ifebp.org	15
Mar 2	Mar 4	Communication & Member Services Summit	NCPERS	San Diego, CA	$800	ncpers.org	N/A
Mar 8	Mar 11	General Assembly 2026	CALAPRS	Carlsbad, CA	$250	calaprs.org	8.5 - 10.5
Mar 9	Mar 9	In-person Investment Roundtable	CALAPRS	Carlsbad, CA	$100	calaprs.org	N/A
Mar 23	Mar 25	ALTSLA 2026	MarketsGroup	Los Angeles, CA	$2,500	marketsgroup.com	15*
Apr 17	Apr 17	Ad Hoc Roundtable	CALAPRS	virtual	$50	calaprs.org	N/A
Apr 20	Apr 22	The Annual	withintelligence.com	Los Angeles, CA	$0	withintelligence.com	10.25
Apr 30	Apr 30	10th Annual Pacific Northwest Institutional Forum	MarketsGroup	Seattle, WA	$0	marketsgroup.com	6.2
May 12	May 15	SACRS Spring Conference	SACRS	Olympic Valley, CA	TBD	sacrs.org	11*
May 12	May 14	AEW General Meeting - LPAC seat	AEW	Boston, MA	$0	aew.com	N/A
May 16	May 17	Accredited Fiduciary (NAF) Program	NCPERS	Las Vegas, NV	$930	ncpers.org	12.15
May 16	May 17	Trustee Educational Seminar (TEDS)	NCPERS	Las Vegas, NV	$520	ncpers.org	9
May 17	May 20	Annual Conference & Exhibition (ACE)	NCPERS	Las Vegas, NV	$1135	ncpers.org	12*
May 21	May 21	Attorney's Roundtable	CALAPRS	virtual	$50	calaprs.org	N/A
May 29	May 29	Trustee Roundtable	CALAPRS	virtual	$50	calaprs.org	4
Jun 5	Jun 5	Administrators Roundtable	CALAPRS	virtual	$50	calaprs.org	N/A
Jun 15	Jun 17	Chief Officers Summit	NCPERS	Newport Beach, CA	$1030	ncpers.org	N/A
Aug 24	Aug 27	Principles of Pension Governance for Trustees	CALAPRS	Santa Barbara, CA	TBD	calaprs.org	18*
Sep 15	Sep 17	Fiduciary Investors Symposium	top1000funds	Palo Alto	$1900	top1000funds.com	12*
Sep 23	Sep 25	Administrator's Institute	CALAPRS	Carmel, CA	TBD	calaprs.org	N/A
Oct 2	Oct 2	Trustee Roundtable	CALAPRS	virtual	$50	calaprs.org	4
Oct 24	Oct 25	Accredited Fiduciary (NAF) Program	NCPERS	Nashville, TN	$930	ncpers.org	12*
Oct 24	Oct 25	Program for Advanced Trustee Studies (PATS)	NCPERS	Nashville, TN	$900	ncpers.org	9
Nov 10	Nov 13	SACRS Fall Conference	SACRS	Rancho Mirage, CA	TBD	sacrs.org	11*

** Estimates based on prior agendas*

MarketsGroup

10th Annual Pacific Northwest Institutional Forum

An Annual Event for the Regional Institutional Investor Community Held on
Thursday, April 30th, 2026, **Four Seasons Seattle**, 99 Union St, Seattle, WA 98101

Designed For: Pensions, Endowments, Foundations, Hospital Plans, Insurance Companies & Investment Consultants. The forum provides insight into selected areas of interest within the Pacific Northwest institutional investment community.

Current Speakers Include:

Jason Malinowski, *Chief Investment Officer,* **Seattle City Employees' Retirement System**

Donald Pierce*, Chief Investment Officer*, **San Bernardino County Employees' Retirement Association**

Leola Ross, *Deputy Chief Investment Officer and Head of ESG,* **Seattle City Employees Retirement System**

Dawn Jia*, President, CEO/CIO,* **University of British Columbia Investment Management**

Rex Kim*, Chief Investment Officer*, **Oregon State Treasury**

Debby Cherney*, Chief Executive Officer,* **San Bernardino County Employees' Retirement Association**

Thom Williams, *Executive Director,* **Employees' Retirement System of the State of Hawaii**

Ian Toner, *Chief Investment Officer*, **Verus**

Alec Stais, *Chief Investment Officer,* **Providence Health & Services**

Kristin Varela, *Chief Investment Officer,* **Employees' Retirement System of the State of Hawaii**

Gabe Nelson, *Head of Multi-Asset Manager Research for North America,* **Mercer**

Lauren Fradgely, *Managing Director, Partnership Portfolio,* **British Columbia Investment Management Corporation (BCI)**

Jeffrey MacLean, *Chief Executive Officer, Investment Consultant,* **Verus Investments**

George Emerson, *Senior Investment Officer,* **Seattle City Employees' Retirement System**

James Olson, *Director of Investments,* **Seattle Children's Hospital Endowment**

Erik Bernhardt, *Chief Investment Officer,* **Reed College Endowment**

Damien Charléty, *Chief Executive Officer*, **AC Transit Employees' Retirement Plan**

Bill Finley, *Chief Financial Officer,* **Mat-Su Health Foundation**

Spencer Hunter, *Co-President, Principal,* **RVK, Inc.**

Alison Adams, *Managing Principal, Research Consultant,* **Meketa Investment Group**

Michelle Mathieu, *Board Member,* **Whitman College Endowment**

Cole Bixenman*, Principal, Consultant,* **RVK, Inc.**

Danny Sullivan, *Consultant***, Verus**

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8:00 Registration & Welcome Coffee

8:30 Breakfast Workshop

9:00 Welcome Remarks
Organizer: **Jennifer Hughey**, *Program Manager and Investor Relations*, **Markets Group**

9:05 Panel Discussion: Navigating Markets in 2026: Investment Strategies and Macroeconomic Outlook
The financial landscape continues to evolve in an era marked by unprecedented global events. Investors are faced with the imperative challenge of constructing resilient portfolios in the face of economic shifts and market volatility. The panel will shed light on the current macroeconomic landscape, providing insights into global economic trends and their potential impact on various asset classes. From equities and fixed income to alternative investments, our experts will share their perspectives on where opportunities lie and the potential pitfalls to avoid in the pursuit of optimal asset allocation.
Moderator:
Alison Adams, *Managing Principal, Research Consultant,* **Meketa Investment Group**
Panelists:
Dawn Jia, *President, CEO/CIO,* **University of British Columbia Investment Management**
Ian Toner, *Chief Investment Officer*, **Verus**

9:35 Keynote Presentation

10:05 Panel Discussion: Fixed Income: Investment Grade Credit in Today's Market
Tight corporate spreads are causing investors to consider how they are allocating within investment grade fixed income buckets. Are investors just looking at public markets or are they also looking at private placements? Where does IG private credit fit in a diversified fixed income portfolio? How does it compare to IG public credit? How are investors balancing the liquidity and credit risk inherent to some of the more esoteric sub asset classes? The panel examines new and sometimes unexpected ways of sourcing spread premiums across investment grade credit.
Panelists:
Speaker, *Managing Director,* **PGIM**

10:35 Morning Networking Break

10:55 Panel Discussion: The Equity Calculation: Evaluating its Effect on Portfolios
The equities market faces substantial influence from earnings expectations, elections and policy considerations, sector bets, slowing economies and interest rates. Will the rally continue? This panel will endeavor to answer how institutional allocators can build an all-weather equity portfolio and answer the following questions: What is the best approach to market breadth and Magnificent 7? Do cap weighted Indices cause us to buy high and sell low, or worse buy the winners and sell the cheap stocks? Will macro conditions continue to drive Value vs Growth? What is the best play for deciding Active vs. passive management? Will large cap hold up better than small cap? Should investors pay more attention to economic conditions or the starting valuation? Does US exceptionalism still apply or are international stocks (and currencies) too cheap to ignore?
Moderator:
Danny Sullivan, *Consultant,* **Verus**
Panelists:
James Olson, *Director of Investments,* **Seattle Children's Hospital Endowment**
Michelle Mathieu, *Board Member,* **Whitman College Endowment**

11:25 Panel Discussion: Effectively Investing Through Private Markets, Diversification & Returns
As investors search for additional sources of return and methods for portfolio diversification in a continuously volatile and changing environment, private markets stand out as an area of opportunity. The panel brings together leading alternatives investors and allocators, to share the role private equity, private debt, venture capital and other asset classes, play in their portfolios, and what they look for in managers, to meet their objectives in these asset classes. Panelists will address risks and opportunities across capital structures, expected returns and the operational considerations, for managing the unique complexities of private markets.
Panelists:
Lauren Fradgely, *Managing Director, Partnership Portfolio, Capital Markets and Credit Investments,* **British Columbia Investment Management Corporation (BCI)**

11:55 Panel Discussion: Unveiling the Dynamics of Passive vs. Active Management
Join the discussion on the world of investment management and explore the distinct strategies of passive and active approaches. Passive Management, often associated with index funds and ETFs, follows a strategy of mirroring a market index. Our panelists will discuss how this approach offers diversification and cost-effectiveness, making it an attractive option for investors seeking long-term, low-maintenance portfolios. On the other hand, Active Management involves a hands-on approach, with fund managers actively making decisions to outperform the market. Learn about the potential benefits of active management, and how it can be a lucrative strategy for investors who seek higher returns.
***Moderator**:*
Cole Bixenman*, Principal, Consultant,* **RVK, Inc.**
Panelists:
Alec Stais*, Chief Investment Officer,* **Providence Health & Services**

12:25 Networking Luncheon & Breakout Discussions
In the format of roundtables, small discussion groups are formed by topic. This is your opportunity to interact with some of our speakers and guests of the day, ask questions, and make connections.

1:25 Panel Description: The Next Decade of Artificial Intelligence for Institutional Allocators
Artificial intelligence is rapidly reshaping the investment landscape—and institutional allocators are beginning to feel both the opportunity and the pressure. This panel brings together leading CIOs, investment strategists, and consultants to explore how large, complex asset owners are integrating AI to enhance decision-making, risk management, portfolio construction, and operational efficiency. The discussion will unpack where AI is delivering tangible value today—such as predictive analytics, manager selection, due-diligence automation, and workflow optimization—and where expectations remain ahead of reality. Panelists will address key questions around data readiness, governance, model transparency, and the evolving role of human judgment in an increasingly algorithm-driven world.
Panelists:
Leola Ross, *Deputy Chief Investment Officer and Head of ESG,* **Seattle City Employees' Retirement System**

1:55 Panel Discussion: Institutional Views on Private Credit's Growing Portfolio Utility & Importance
Great Recession-era bank regulations helped fuel the rise of private credit, as investors looked for more attractive returns. The rise is not without its challenges, and private-credit investors are preparing to face higher borrowing costs and a slower economy weighing on the margins of portfolio companies. How are investors cutting through the challenges facing private credit? Where are credit risks subject to considerable geopolitical threats? Investors have been looking for greater diversifiers within the private credit space, and the market has delivered an ever-increasing range of specialty, niche, and bespoke strategies. Having outperformed public markets in recent years, how will credit markets fare in a low-yield environment where uncertainty and inflationary pressures cloud the economic outlook?

2:25 Fireside Chat and Chief Investment Officer Strategy Award Ceremony
Markets Group's Strategy Award honors chief investment officers who have implemented distinct investment approaches that help their funds generate returns in the current economy or have provided stability and strong performance over the past three, five, or 10 years. Join us as we celebrate Donald Pierce, CIO of the San Bernardino County Employees' Retirement Association, who has led a diversified and flexible global private credit strategy that is designed to outperform in higher (normalized) interest-rate environments.
Interviewer:
Jason Malinowski, *Chief Investment Officer,* **Seattle City Employees' Retirement System**
Award Recipient:
Donald Pierce*, Chief Investment Officer*, **San Bernardino County Employees' Retirement Association**
Speakers:
Debby Cherney, *Chief Executive Officer,* **San Bernardino County Employees' Retirement Association**

2:55 Afternoon Networking Break

3:15 Panel Discussion: Alternatives – Time to Shine
Interest rates stayed high as central banks around the work continued to fight inflation. Which alternatives offer the most meaningful diversification and how can the best managers be sourced? This panel will aim to answer several key questions including: How are institutional investors eyeing expected returns across the alternative's spectrum? Which alternatives will generate meaningful risk-adjusted returns? How are investors instilling crisis management and downside risk?
Panelists:
Erik Bernhardt, *Chief Investment Officer,* **Reed College Endowment**
Spencer Hunter, *Co-President, Principal,* **RVK, Inc.**

3:45 Panel Discussion: Real Assets: Seeking the Best Prospects
Inflation and interest rate shifts have led investors to look at real assets, such as real estate and infrastructure, to help cushion their portfolios in times of volatility. Join our panel of experts as they examine investment strategies, trends, and risks for the year ahead. This session will focus on investing in real assets and real estate by addressing a range of questions including, but not limited to: How do macroeconomic factors impact real assets? How are economic indicators like GDP growth, interest rates, inflation, and population trends affect real estate markets? How are investors utilizing technology and innovation in the realm of real assets? What investment avenues are available and how can investors safeguard their portfolios from the uncertainty ahead?
Moderator:
Gabe Nelson, *Head of Multi-Asset Manager Research for North America*, **Mercer Investments**
Panelists:
George Emerson, *Senior Investment Officer,* **Seattle City Employees' Retirement System**
Alison Schneider, *Principal,* **Encompass ESG Corporation** and *Senior Fellow,* **GRESB BV**

4:05 Fireside Chat and Chief Investment Officer Lifetime Achievement Award Ceremony
This special recognition honors Thom Williams for his decades of dedicated service protecting Americans' access to quality retirement benefits and safeguarding their retirement savings so they can retire dignity. Williams will reflect on his decades of experience in the pension investment space, including his tenure leading the Employees' Retirement System of the State of Hawaii, discussing the challenges and opportunities he encountered while expanding the scope of Hawaii ERS' investment team, reshaping its asset allocation strategy, addressing legal and operational hurdles, and driving the modernization of the system's pension administration system.
Interviewer:
Lauren Bailey, *Deputy Editor,* **Markets Group**
Award Recipient:
Thom Williams, *Executive Director,* **Employees' Retirement System of the State of Hawaii**
Speakers:
Kristin Varela, *Chief Investment Officer,* **Employees' Retirement System of the State of Hawaii**

4:45 Leadership Roundtable: Decision-Making in Disruptive Times
Amid all this operational, cultural, and technological change, businesses must make strategic decisions on how to run and steer their firms in the face of these challenges. Leading institutional investors shed light on the most pressing investment and management issues facing their organizations for example, how have global developments shifted priorities and what are reasonable expectations for investment returns this year? This panel will present an opportunity to hear best practices from private leadership peers and how they develop strategies for opportunities and challenges to come.
Panelists:
Rex Kim, *Chief Investment Officer*, **Oregon State Treasury**
Jeffrey MacLean, *Chief Executive Officer, Investment Consultant,* **Verus Investments**
Bill Finley, *Chief Financial Officer,* **Mat-Su Health Foundation**

5:15 Closing Remarks
Organizer: **Jennifer Hughey**, *Program Manager and Investor Relations*, **Markets Group**

5:15 Networking Cocktail Reception

6:00 Closing Dinner *(by invitation only)*

Mon Feb 02

Opening remarks

1:20 PM

1:20 PM - 1:35 PM PST (15 min)

With Intelligence's market review

James Harvey

Private Credit Editor

With Intelligence

Speaker

1:35 PM

1:35 PM - 1:55 PM PST (20 min)

Building credit from zero: IMCO’s journey through public and private markets

This fireside chat explores the evolution of a major public pension fund’s credit strategy - from its inception in 2020 to its current flexible, market-responsive design. Jennifer Hartviksen, Managing Director, Head of Global Credit at Investment Management Corporation of Ontario (IMCO) will discuss starting the platform from scratch, building a unified view across public and private credit, and architecting a portfolio built for adaptability. As the traditional distinctions between public and private credit continue to blur, we’ll examine how this strategy leverages that convergence, what ‘flexibility’ means in practice, and how portfolio construction decisions evolve as markets shift. Expect to gain an inside look at the guiding principles, lessons learned, and forward-looking insights shaping one of today’s most dynamic institutional credit portfolios.

What were the foundational decisions and early challenges in building a credit strategy from scratch in 2020, and what would you approach differently now?

How did you balance public and private credit exposure early on, and how has that mix evolved as the strategy and market matured?

When designing for flexibility, what guardrails or core principles did you put in place to maintain discipline without limiting opportunity?

How do you think about portfolio construction across the full credit spectrum as the lines between public and private credit increasingly blur?

What market conditions or structural changes have had the greatest impact on how you allocate between liquid and illiquid credit today?

How does your team evaluate risk and return differently across public vs. private credit when the distinctions between the two are less clear than they once were?

Looking ahead, what themes or opportunities do you believe will define the next stage of your flexible credit strategy?

Jennifer Hartviksen

Managing Director, Head of Global Credit

Investment Management Corporation of Ontario (IMCO)

Speaker

1:55 PM

1:55 PM - 2:35 PM PST   (40 min)

Do the assumptions that made private credit great still hold true?

The rise of private credit was supported by a unique macroeconomic context: a prolonged period of low rates, accommodative central banks, and a widespread hunt for yield. This context is no more. Fiscal policies which pressure bond markets abound. Stickier-than-thought inflation (exacerbated by global trade policies) continues to plague the economy. And structurally higher-for-longer rates have become the norm. Yet capital continues to flow energetically into the asset class, creating dry powder and compressing returns. How will private credit fare in fundamentally different economic circumstances?

Is the underlying assumption that private credit is uncorrelated still true, and what is the true representation of market value or valuation lag in times of public strife?

Is private credit a reasonable mechanism to refinance debt walls given structurally higher interest rates?

Are stable returns less viable in an era defined by persistent inflation, geopolitical shocks and fiscal tightening?

Are current valuation models flawed? Are they masking portfolio volatility and potentially misleading LPs on actual performance?

Is there a latency in recognizing deteriorating asset quality? And how can LPs understand the true developments of their assets?

With record dry powder and fewer high-quality borrowers, is the volume of capital chasing deals suppressing returns and increasing risk?

Is the mantra that private credit is low-beta accurate, given rising correlation with high-yield credit? •Have covenant-lite structures gone too far in reducing lender protections, and will managers be able to effectively manage recoveries in a default wave?

To what degree are borrower financials stress-tested against adverse macro scenarios?

2:35 PM

2:35 PM - 2:55 PM PST (20 min)

The hidden opportunity set: Sub-strategies that are overlooked and poised for growth

This dynamic presentation will look into how supply-demand imbalances create premium pricing, better covenants and stronger lender protections, and dig into the reasons that the lower middle market has not commoditized like the core and upper middle market direct lending. Insights into the role of specialization and active portfolio engagement in mitigating risk will also be shared, as well as the key questions LPs should be asking when assessing direct lending managers.

Direct lending: Time for the resilience test

The arguments for middle market lending are well known. High yields and strong risk controls. Institutionalization and sophistication of the market. And manageable default rates and high borrower demand. As the market matures, however, and yields compress, questions abound on the long-term viability of the asset class. Rising interest rates and debt servicing strains, weakening underwriting standards and a potentially diminishing illiquidity premium, to name a few. And the market is crowded. Investors like to ask the salacious questions. Is the middle market facing a reckoning, or is it resilient enough to see off macro volatility?

To what extent are investors accepting public market risks without the transparency or liquidity benefits those markets provide?

Can direct lending still deliver equity-like returns with bond-like volatility given a less benign macro environment?

How is the market recalibrating versus facing a reckoning?

Given current headwinds—higher-for-longer rates, tighter liquidity, higher defaults—are natural parts of credit cycles, to what degree is the market resilient?

Are allocators right to continue to inflows into an increasingly convoluted market?

How are slower distributions in private equity delaying payment and prolonging the life of loans? Does this represent waterfall headwinds in the middle market, and how worried should investors be?

To what degree is increased regulatory scrutiny a worry for middle market direct lending? And should regulators force more transparency and capital requirements, could we see diminished returns and a challenge to the point of private credit in general?

As the credit cycle turns, when will concentrations in highly levered sectors such as healthcare services, software and industrials become liabilities?

4:05 PM

4:05 PM - 4:25 PM PST (20 min)

Private credit insights from Manulife | CQS

Jason Walker

Co-Chief Investment Officer

Manulife CQS

Sponsored By:

sponsor

4:25 PM

4:25 PM - 5:05 PM PST   (40 min)

The art of the deal: Engineering alpha when everything looks like beta

How should investors be positioning their portfolios in the current macro environment?

How do you structure deals for the optimal outcome? What are the “non negotiables” when it comes to terms and covenants?

Where are the hidden risks? Are headlines overblown or is there trouble brewing below the marks?

Is there still true alpha in the market and if so what strategies? How do LPs define alpha and beta? What roles do they play in a diversified portfolio?

5:05 PM

5:05 PM - 5:10 PM PST   (5 min)

Chair's closing remarks

5:10 PM

Tue Feb 03

7:00 AM

7:00 AM - 9:30 AM PST   (2 hours, 30 min)

Golf clinic and nine-hole game

Enjoy a morning of networking and friendly competition with your peers at the Fairmont Del Mar’s award-winning golf club.

10:00 AM

10:00 AM - 10:05 AM PST (5 min)

Opening remarks

10:05 AM

10:05 AM - 10:25 AM PST (20 min)

Keynote presentation: Find your polar bear

Mark Agnew and his teammates made history when they kayaked the Arctic's Northwest Passage. The 103-day epic adventure was packed with polar bears, ice bergs and near-death experiences. Now Mark travels the world helping others become happier and more resilient. In this thrilling talk, you will discover:

- How to build resilience by rediscovering your purpose

- Why is the pursuit greater than the goal?

- How to perform under pressure - get energized by obstacles and do your best work in the face of adversity and uncertainty

- How can you stay calm and sit with discomfort?

Mark Agnew

Motivational Adventure Speaker

Speaker

10:25 AM

10:25 AM - 10:55 AM PST (30 min)

The great debate: The motion—private credit is facing a reckoning in 2026

Private Credit has never faced a recession or a downturn. It flourished in the longest bull run on record. This session will pit two allocators against each other. One arguing for the motion and the other against, moderated by an impartial practitioner. The winner? The audience decides.

Opening Statements: Three minutes

Rebuttals: Three minutes

Questioning: Four minutes

Closing Statements: Three minutes

Audience Questions: Four minutes

10:55 AM

10:55 AM - 11:35 AM PST (40 min)

Asset-based finance: Does the reality justify the inflows?

The reasons for inflows are compelling. Enhanced predictable yield, low correlation with traditional asset classes, the chance at inflation hedging, and an inefficient and more fragmented market than its direct lending counterpart. Yet are investors merely seeing a middle market mark two? Are yields compressing? How do LPs define ABF in their portfolios? And in lieu of the next big thing, how should they navigate increasingly competitive markets, and the headwinds they create, in the future?

To what degree can allocators ascertain the true value of their collateral, from inventory to intellectual? And are these valuations exposed to volatility or manipulation?

To what extent is there enough supply to meet demand in ABF?

How can allocators reduce manager risk in AF? How can they understand how managers monitor collateral appraisal and covenant enforcement?

Are managers taking on the banks in originating the assets? Is there a potential conflict of interest for LPs in this model?

Given sectoral volatility, how should allocators approach operational complexity within ABF?

As macro forces deteriorate, or the threat of downturn looms, how can LPs manage the assets acquired through increased defaults?

What is the scope for co-investments in ABF?

How should LPs approach the tailoring of duration, collateral type, and borrower quality so that they can create a fully diversified ABF portfolio?

11:35 AM

11:35 AM - 12:05 PM PST (30 min)

Refreshments and coffee

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12:05 PM

12:05 PM - 12:25 PM PST (20 min)

U.S. direct lending: Facts vs. fears

Susan Kasser

Head of Private Debt

Neuberger Berman

Speaker

12:25 PM

12:25 PM - 1:05 PM PST (40 min)

How real is private credit's "manager myth"?

Investment managers are eager to differentiate themselves in an increasingly competitive market. Yet is manager selection as important as marketed? The case against? The market has become commoditized, seeing managers offering remarkably comparable products, deeming proprietary dealflow unlikely. Manager outperformance is hard to prove and often cyclical. And structural beta dominates most return profiles, meaning alpha is fleeting. Yet all managers are not made equal. Strategy matters. As does structure and risk management discipline. And rigorous underwriting, structuring bespoke terms, and actively managing credit through cycles all require skill. But where do the LPs stand on the issue?

What is the true state of performance dispersion among managers and how can allocators identify the best of the best?

Is the variation in underwriting quality wide enough to materially affect default rates, or is credit risk primarily market cycle-driven?

How substantial are manager claims to proprietary dealflow?

To what degree do higher fees erode net returns to LPs?

Are covenant-lite terms so prevalent that managers have limited flexibility in downside scenarios?

With tightening spreads, is return more a function of market beta than manager-specific alpha?

Does increased scale dilute manager edge in underwriting, thus compressing the performance gap between managers?

1:05 PM

1:05 PM - 2:05 PM PST (1 hour)

Surf & turf networking lunch

Delight in coastal flavors and comforting classics—from mustard-glazed salmon and aromatic beef short rib to vibrant salads and elegant sweet finishes.

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3:50 PM - 4:20 PM PST (30 min)

Coffee and refreshments

Sponsored By:

sponsor

4:20 PM

4:20 PM - 5:10 PM PST (50 min)

Specialist strategy showcase

Over the next 45 minutes, three niche assets managers will detail the market drivers that guide their investment strategies within private credit, which could range from music, healthcare or mining royalties to litigation finance and aviation finance. The session will be moderated by a prominent LP, and will be open to questions from the audience.

5:10 PM

5:10 PM - 5:30 PM PST (20 min)

Headline presentation

Randy Schwimmer

Vice Chairman, Chief Investment Strategist

Churchill

Speaker

Sponsored By:

sponsor

5:30 PM

5:30 PM - 5:35 PM PST (5 min)

Closing remarks

5:35 PM

5:35 PM - 7:00 PM PST (1 hour, 25 min)

8:20 AM - 8:50 AM PST   (30 min)

Networking breakfast for all attendees

Join us for a sturdy breakfast with your peers, ahead of the final half day of content, networking, and knowledge-sharing.

Sponsored By:

sponsor

8:50 AM

8:50 AM - 8:55 AM PST   (5 min)

Opening remarks

8:55 AM

8:55 AM - 9:35 AM PST   (40 min)

Lower-middle-market—the road less travelled

The lower-middle-market, with its smaller, less liquid firms with fewer financing options, offers yield premium and return enhancement. While compensation for greater risk is true, it also highlights market inefficiencies and a relative scarcity of capital to its middle-market counterpart. Market inefficiencies mean greater bargaining power for the lender, stronger covenant packages and lender protections. And the market, given its enormity, is not crowded. And not just in direct lending, but in areas such as commercial real estate and infrastructure too.

Yet is now the right time to increase exposure? Loans are subject to higher volatility, greater business risk and more fragile capital structures. And it can be argued there is a greater dispersion of quality of managers than in the middle market.

Does excess return adequately compensate for higher idiosyncratic and operational risk?

To what degree will increased inflows pressure underwriting standards?

How can LPs deploy large tickets efficiently in a fragmented market?

To what extent is the performance gap between top and bottom-quartile managers increasing?

Which localized economic conditions are affecting the lower-middle-market?

How can LPs identify the different skillsets required for top performing lower-middle-market managers?

While lower-middle-market offers more uncorrelated diversification, they come at higher deal count requirements and operational intensity. To what extent is the trade-off between these two justified?

To what extent has sustained market volatility coupled with limited financing from traditional lenders, most notably regional banks, forced underwriters to grow more conservative and creative in commercial real estate?

9:35 AM

9:35 AM - 10:15 AM PST   (40 min)

Opportunistic: It's the precision that counts...

Opportunistic credit has gained traction in recent years among allocators for its ability to exploit dislocations and generate outsized returns. Proponents argue that opportunistic credit funds are uniquely positioned to exploit inefficiencies and market dislocations, especially as credit spreads widen. Returns, compared to traditional fixed income, are high. And, with highly skilled managers, pension funds can rely on sophisticated workouts and thorough risk management.

One area drawing renewed interest - and scrutiny - is commercial real estate credit. As refinancing risks mount and valuations recalibrate, particularly in office and retail segments, opportunistic managers are stepping into capital voids left by retreating banks. The complexity and illiquidity of CRE debt can offer compelling entry points, but also magnify the challenges of underwriting, structuring, and exit. Are distressed real estate credit opportunities a new frontier, or a value trap?

Cue the detractors. Valuations are opaque. Risk is high. Manager dispersion wide.

Is the rate of capital volatility and the risk of prolonged recovery periods (or permanent losses) worth the IRR?

Do the leading opportunistic credit funds suffer from mandate drift, given their enhanced flexibility?

How can allocators spot tourist funds in the market?

How can they time the credit cycle to perfection, so that they can exploit market dislocations?

What is the trade-off between compelling entry points into assets trading at steep discounts due to technical dislocations and being exposed to greater idiosyncratic credit risk?

When it comes to commercial real estate, are allocators adequately equipped to underwrite the macro, structural, and asset-specific risks embedded in CRE credit exposures?

Is the market too highly fragmented for managers to excel in origination?

To what degree do operational burden, due to complex structures, bespoke documentation and uncertain exit timelines put opportunistic credit beyond the risk pale?

10:15 AM

10:15 AM - 10:55 AM PST (40 min)

Secondaries: Kicking the can down the road or easing the liquidity burden?

Credit secondaries, while nascent, are growing rapidly. They give buyers the opportunity to purchase seasoned assets at a discount. Shorter duration helps with liquidity. And vintage diversification, efficient deployment of capital becomes possible. Yet they are not without their controversy. Accusations of valuation lag abounds. There is less scope for manager oversight. And claims of their fee-grabbing nature are commonplace. While these are true, to an extent, they do offer LPs much needed liquidity solutions. The question remains, will LPs see private credit strategies as a mainstay of their overall debt allocation in the future?

To what degree do operational burden, due to complex structures, bespoke documentation and uncertain exit timelines put opportunistic credit beyond the risk pale?

Does a lack of standardization and transparency worry allocators looking to invest?

Is the market too relationship-driven and fragmented?

To what degree are secondaries vulnerable to macro shocks?

How can LPs build an internal function which deeply understands the intricacies of private credit secondaries?

10:55 AM

10:55 AM - 11:15 AM PST (20 min)

LP transparency and trust in the age of AI-assisted private credit

LPs investing in private credit are demanding faster insights, more context around risk, and more consistent reporting - yet data lives in silos across fund administrators, servicing platforms, and legal docs. This panel would dig into how GPs and LPs can use AI responsibly to deepen trust, transparency, and communication, without sacrificing accuracy or control.

Tony Chung

Managing Director of Private Equity & Credit

Juniper Square

Speaker

Sponsored By:

sponsor

11:15 AM

11:15 AM - 11:45 AM PST (30 min)

Coffee and refreshments

11:45 AM

11:45 AM - 12:25 PM PST (40 min)

Co-investment: Where specialist skillset and cost-efficiency collide

Allocators like co-investments as it gives them control, low or no fees, transparency and lessons in dealmaking. So far so good. Yet many struggle with the realities. Co-investments require speed—with investors often hampered by too much bureaucracy to move quickly enough. Some in industry claim that GPs often keep the most attractive opportunities for their main funds and offload marginal deals to co-investors. And operational complexity and resource intensity requires deep expertise in credit underwriting, legal negotiation, and deal structuring.

How can allocators optimize fee savings through co-investments in private credit, and what are the implications for net performance?

What level of decision-making autonomy do co-investments provide to investors, and how can this be effectively exercised?

How does increased transparency in co-investments enhance due diligence, and what data access is typically available?

In what ways can co-investing serve as a platform for institutional learning and capacity-building in private credit?

What are the liquidity challenges associated with private credit co-investments, and how can pension funds manage them?

What internal capabilities are necessary for pension funds to evaluate and manage co-investment deals effectively?

How can pension funds identify and mitigate the risk of adverse selection in co-investment opportunities offered by private credit managers?

What governance structures are needed to ensure timely decision-making on private credit co-investments?

How should pension funds navigate regulatory and fiduciary considerations when engaging in private credit co-investments?

12:25 PM

12:25 PM - 1:05 PM PST (40 min)

Balance of power: Private credit’s evolving LP-GP relationship

Is the game rigged for LPs? GPs certainly hold considerable power in private credit. Information advantages. Favorable terms with operations-spanning fees, from origination to monitoring, and carry to performance. And crucially, control over valuation. Ask any LP and understand that this is to name a few.

If the asset class is becoming too GP-centric, how can LPs push back?

How can LPs strengthen LPA negotiation standards, which eliminate catch-all language which gives GPs excessive discretion?

How can they create the most clear reporting mechanisms?

From pre-to-post: Creating robust due diligence and ongoing monitoring processes

In it together: To what extent are LP syndicate groups capable of wielding more power?

What role do co-investments play in equalising the balance?

How can investors most effectively promote governance rights and transparency?

To what degree should LPs diversify their private credit exposure away from the large incumbents and into emerging managers?

1:05 PM

1:05 PM - 2:05 PM PST   (1 hour)

Closing lunch

Join us for our closing barbecue-themed lunch, featuring smoked brisket, barbeque chicken, and decadent sweets to conclude the program.

Sponsored By:

Lunch & Networking

12:35 PM

12:35 PM - 12:40 PM PDT (5 min)

Welcome Remarks

12:40 PM

12:40 PM - 1:20 PM PDT (40 min)

Is US Exceptionalism Over? Rethinking Global Leadership in Markets and Capital

This session examines whether the US's dominance - economically, geopolitically, and in financial markets - is entering a new phase. For institutional allocators, the implications are enormous: should portfolios reflect a multi-polar investment world, or does the US still offer structural advantages that will continue to attract global capital?

Talking points:

- How allocators are thinking about US versus global commitments going forward
- Is the concentration risk in US large-cap stocks getting too much?
- What is driving LPs toward European private credit?
- Does the center of gravity in private equity, venture, and infrastructure still rest in the US?
- Are global diversification and currency exposure back in focus?
- Rethinking home bias - or doubling down on US quality and rule of law?

1:20 PM

1:20 PM - 2:00 PM PDT (40 min)

Separating Giants: Investing in a World Where China and the US Diverge

The US and China are diverging economically, technologically and politically, creating new challenges (and opportunities) for institutional investors. Portfolio construction and manager selection also need to reflect this evolving landscape.

This session explores how decoupling is affecting asset allocation, emerging market exposures, and global strategies. It will also examine sectoral and thematic opportunities, supply chain shifts, and the implications for private equity, real assets, and public markets.

Thomas Garrett
Managing Director, Strategic Research
Verus Investments
Moderator

2:00 PM

2:00 PM - 2:40 PM PDT (40 min)

Liquidity Engineering: How LPs and GPs are Solving the Distribution Drought

As traditional exits remain sluggish, investors are turning to creative liquidity solutions. From the rise of GP-led secondaries and NAV loans to increased use of public market proxies and listed alternatives, both LPs and GPs are experimenting with new ways to access or preserve liquidity.

Talking points:

- How widespread is the liquidity challenge across institutional portfolios?
- Why have exits slowed, and what catalysts could reopen the window?
- What's the balance between temporary slowdown vs. structural shift?
- Are secondaries now a liquidity strategy, not just a market?
- How are LPs approaching continuation funds, preferred equity, and strip sales?
- How are GPs and LPs using NAV loans to bridge liquidity needs at a manager and fund level?
- Are listed PE, infra, and private credit vehicles gaining traction as liquidity-friendly substitutes?
- Can public markets be used tactically to complement locked-up exposures?
- How are pacing models, re-up strategies, and risk budgets evolving?
- What lessons from 2022–2025 will shape liquidity management going forward?

Chason Beggerow
Global Leader – Co-investments and Secondaries
Mercer
Moderator

2:40 PM

2:40 PM - 3:00 PM PDT (20 min)

Headline Presentation

Sponsored By:

3:00 PM

3:00 PM - 3:30 PM PDT (30 min)

Refreshment Break

3:30 PM

3:30 PM - 4:10 PM PDT (40 min)

Separating Alpha from Beta: Where Institutional Investors are Really Getting Paid

Institutional investors are asking tougher questions than ever: Where is true alpha being generated, and where are we paying fees for beta exposure? With multi-asset portfolios spanning public equities, private markets, alternatives, and quant strategies, the distinction between alpha and beta is becoming both more complex and more critical.

This panel examines how allocators are sourcing, and capturing alpha, while strategically deploying beta exposures efficiently.

Talking points:

- Why should allocators think about creating a low-beta sleeve and what are the top priorities for building this out?
- Are traditional active managers still generating meaningful alpha, or has it shifted to alternative strategies?
- How are LPs optimizing beta exposure across public markets and private allocations?
- Where do low-cost index and ETF strategies make sense, and where do they fall short?
- Are thematic or ESG-driven strategies creating durable alpha, or just capturing crowding effects?

- What metrics and tools are allocators using to differentiate alpha from beta?
- How are LPs handling volatility, drawdowns, and correlation in performance attribution?
- How does understanding alpha vs. beta shape allocation decisions across multi-asset portfolios?
- Are fee structures and manager mandates evolving to reflect these distinctions?

4:10 PM

4:10 PM - 5:00 PM PDT (50 min)

Specialist Strategy Showcase

With 15 minutes each on the clock, three managers will discuss the market drivers that guide their investment strategies, spotlighting public and private investment opportunities. The session will be moderated by a prominent LP, and will be open to questions from the audience.

5 AM

8:15 AM - 8:55 AM PDT (40 min)

Registration & Breakfast

8:55 AM

8:55 AM - 9:15 AM PDT (20 min)

Welcome Remarks & With Intelligence Market Insights

9:15 AM

9:15 AM - 9:45 AM PDT (30 min)

Keynote Session

9:45 AM

9:45 AM - 10:25 AM PDT (40 min)

Are We Living in a Valuation Bubble or a New Dawn?

Public equity markets remain near record highs, private market marks are slow to reset, and risk assets are thriving despite higher rates and mounting fiscal pressures. Are we witnessing a structural re-rating driven by innovation and scarcity of growth, or simply the late stage of an extended bubble?

Talking points:

- Private equity: are marks realistic, or is there still a valuation lag?
- Public equities: justified by AI and productivity gains, or dangerously stretched?
- Credit and real assets: have spreads and cap rates caught up with reality?
- With rates higher for longer, what's the 'right' discount rate? Has the concept of fair value changed permanently?
- Are mega-cap tech valuations rational given dominance and cash flow?
- What's happening to transaction pricing and secondary market discounts?
- How do allocators navigate high valuations while maintaining return targets? How are allocators handling the risk of extreme concentration?
- Where are the undervalued opportunities — regionally or by asset class?

10:25 AM

10:25 AM - 11:05 AM PDT (40 min)

When Machines Become CIOs: Are Humans the Weak Link in Portfolio Construction?

The promise is enormous: cleaner signals, faster optimization, continuous risk recalibration, and the scaling of investment judgment beyond human limits. But the risks are equally profound. AI systems can hallucinate, inherit biased data, overfit, or collapse into self-referential feedback loops that destabilize markets.

This panel pushes beyond the usual AI optimism to interrogate what happens when asset owners rely on systems they can't always audit, markets synchronize around similar algorithms, and genuine skill becomes indistinguishable from synthetic intelligence. For LPs navigating a landscape of bold claims and real uncertainty, this session explores whether AI is the next great differentiator, or the next great blind spot.

Talking points:

- If AI models increasingly outperform humans, should CIOs reduce discretionary decision-making, and are they willing to?
- How much responsibility can an allocator delegate to an AI-driven model before it becomes a fiduciary risk or governance failure?

- Do AI tools democratize alpha, or commoditize it by pushing everyone toward the same signals and trades?
- What happens when an AI model goes wrong? Who is accountable: the manager, the machine, or the data?
- If AI becomes ubiquitous, does traditional manager due diligence become obsolete?
- Is the industry prepared for an AI-driven market event - where algorithms amplify volatility or act in herding patterns?
- Will AI expose which managers actually have investment skill and which have simply been riding market structure?

11:05 AM

11:05 AM - 11:35 AM PDT (30 min)

Refreshment Break

11:35 AM

11:35 AM - 11:55 AM PDT (20 min)

Headline Presentation

Sponsored By:

11:55 AM

11:55 AM - 12:35 PM PDT (40 min)

Hedge Funds: Diversifier, Defender, or Dead Weight?

After years of mixed performance and fee compression, hedge funds are regaining attention from institutional investors; not as high-octane return engines, but as strategic tools for diversification, downside protection, and capital efficiency.

In a regime of higher rates and tighter liquidity, this panel examines how allocators and consultants are using hedge fund strategies to manage volatility, complement private assets, and strengthen overall portfolio resilience - and whether the traditional hedge fund model is evolving fast enough to stay relevant.

Talking points

- Are hedge funds once again core to institutional portfolios — and if so, why?
- Have hedge funds actually delivered non-correlation through recent volatility?
- Which strategies have proven most reliable (macro, relative value, multi-strat)?

- How are institutions thinking about fees and hurdle rates given current risk-free rates?
- How much are hedge funds competing with other asset classes like fixed income and private credit?
- Where is alpha coming from today? Human discretion vs. systematic models? How are data and technology changing what 'hedge fund skill' looks like?
- How are LPs sizing hedge fund allocations within broader 'liquid alternatives' buckets?

12:35 PM

12:35 PM - 1:15 PM PDT (40 min)

Bonds are Back - But Not as We Knew Them

After a decade of near-zero yields, fixed income has re-emerged as a true return source — but also as a complex strategic decision. With rates structurally higher, inflation sticky, and global debt dynamics shifting, the traditional 'core bond' allocation no longer looks so simple.

This panel explores how leading institutional investors are redefining fixed income - across public and private credit, duration exposure, and global markets - to balance income, diversification, and resilience in a higher-rate environment.

Talking points:

- Is fixed income now a strategic return driver again rather than just a stabilizer?
- How are allocators adjusting long-term allocation models in response to higher yields?
- Does the bond–equity correlation look different in this regime?
- How are investors balancing duration risk against inflation and fiscal policy?
- Are institutional portfolios shifting toward private credit at the expense of traditional bonds?

- With diverging central bank policies, where are the most compelling risk-adjusted yields?
- What should the new core fixed income allocation look like? More flexible, multi-sector, or unconstrained?
- Are absolute return bond strategies and active management regaining their role?

1:15 PM

1:15 PM - 2:15 PM PDT (1 hour)

Lunch

2:15 PM

3:00 PM

3:40 PM

3:40 PM - 4:10 PM PDT (30 min)

Refreshment Break

4:10 PM

4:10 PM - 4:30 PM PDT (20 min)

Headline Presentation

Sponsored By:

4:30 PM

4:30 PM - 5:10 PM PDT (40 min)

From Core to Digital and Decarbonized: Infrastructure's Next Chapter

As infrastructure evolves from traditional 'core' assets like utilities and roads, to the fast-growing domains of digital infrastructure and decarbonized energy systems, institutional investors face new opportunities and complex challenges. This panel will explore how long-term allocators can balance risk, return and impact while positioning portfolios for a rapidly changing real asset landscape.

Talking points:

- How have the definitions of infrastructure and 'core/core-plus' evolved?

- How are macro trends like energy transition, digitalization and decarbonization redefining long-term value?
- What lessons can we learn from the past cycle in terms of performance of core vs value-add infrastructure?
- Discussion around data as the new utility: data centers, fiber networks, 5G towers and cloud infra – how are LPs assessing long-term value amid rapid tech change?
- How can investors underwrite 20-year assets in a sector that evolves every 3-5 years?
- What is the biggest bottleneck for institutional capital in the energy transition, and how could this be solved?
- How will infra allocation targets evolve in the next decade?
- What emerging sectors are allocators watching? Discussion around AI-driven infra, water resilience and circular economy assets.

Casey Wamsley
Senior Principal, Investment Director
Mercer Investments
Moderator

5:10 PM

5:10 PM - 5:40 PM PDT (30 min)

CIO Fireside Chat

9:00 AM - 9:10 AM PDT (10 min)

Welcome Remarks

9:10 AM

9:10 AM - 9:50 AM PDT (40 min)

If 60/40 is Broken, What Comes Next?

Rising rates, fiscal dominance, and persistent inflation have challenged the foundational assumptions of institutional portfolio construction. Correlations between stocks and bonds have turned positive, traditional diversification no longer offers the same protection, and private markets now represent a core, not a complement, to many asset mixes.

This panel explores whether the 'balanced' portfolio still works; and if not, how leading allocators and consultants are rethinking capital allocation, liquidity, and risk across public and private assets in 2026.

Talking points:

Is cash now a legitimate strategic allocation?

What does it mean if equities and bonds no longer hedge each other?

Are commodities, macro, or other alternatives the new diversifiers?

With higher yields and tighter liquidity, how much 'illiquidity budget' makes sense?

Are allocators overweight private assets heading into a new cycle? What role do overlays, derivatives, and portable alpha strategies play?

How large plans are structuring dynamic risk and liquidity management frameworks

Is it time for 60/40 to become 40/60 or something entirely different? Does 50/30/20? (public equity, fixed income, privates) make more sense?

9:50 AM

9:50 AM - 10:30 AM PDT (40 min)

The Quant Invasion: How Systematic Strategies are Reshaping Traditional Portfolios

Quantitative and systematic strategies are no longer niche: they're now integrated across public equities, fixed income, alternatives, and even private markets. This panel explores how institutional investors are leveraging quant tools to enhance returns, manage correlations, and improve portfolio construction.

Talking points

How are quant tools being used in equities, credit, macro, and multi-asset strategies?

Are LPs increasingly using quant overlays to complement discretionary managers?

How do systematic strategies help manage correlation, drawdowns, and tail risk? Are quant-based allocations reducing reliance on traditional diversifiers like bonds?

How is the world of hedge fund quant equity evolving and how much competition are prop trading shops proving to be?

How do allocators evaluate 'quantified alpha' vs. traditional fundamental alpha?

How are AI, alternative data, and cloud infrastructure enhancing systematic strategies? What are the big risks (e.g. model bias, overfitting, or crowding) that investors need to consider?

Are there areas where discretionary managers hold the upper hand? For example, macro?

What role should quant and systematic strategies play in a multi-asset, modern portfolio?

10:30 AM

10:30 AM - 10:50 AM PDT (20 min)

Headline Presentation

Sponsored By:

sponsor

10:50 AM

10:50 AM - 11:20 AM PDT (30 min)

Refreshment Break

11:20 AM

11:20 AM - 12:00 PM PDT (40 min)

Rethinking Emerging Markets: Structural Opportunity or Perpetual Value Trap?

Emerging markets are at an inflection point. After years of underperformance relative to developed markets, shifting global dynamics - from supply chain realignment and onshoring to demographic strength and technological leapfrogging - are reshaping where growth will come from over the next decade.

Here, speakers debate whether emerging markets are finally set for sustained outperformance, how investors are navigating governance and currency risks, and where the most compelling opportunities lie.

Talking points:

How do demographics, commodities, and geopolitics favor EM? How do fiscal and currency dynamics differ from past EM cycles?

Are EM equities still meaningfully undervalued relative to developed markets?

Are investors accessing EM through active, passive, or thematic approaches?

What's the role of private markets (infrastructure, credit, and venture) in EM portfolios?

How have EM central banks' proactive rate cycles positioned them relative to the Fed and ECB?

Which trends (energy transition, digital adoption, urbanization) will define the next decade?

12:00 PM

12:00 PM - 12:45 PM PDT (45 min)

Closing CIO Panel: 20 Years of Change, 20 Years Ahead – The Next Era of Institutional Investing

This session will bring together senior allocators to reflect on the past 20 years since the launch of The Annual, and look forward to what is to come. Panellists will take stock of two decades of transformation, and dig into how the investment landscape has evolved since 2006, while debating the direction of the industry for coming years:

Talking points:

Discussion around asset allocation, governance and the role of public vs. private asset allocation

What key lessons have stood the test of time, and which long-held assumptions have been overturned?

Navigating a new market reality – how are liquidity needs and long-term commitments being balanced mid inflation volatility and higher rates?

How are data, AI and automation reshaping investment research and portfolio construction?

What is the industry doing to attract the next generation of investment leaders in an increasing complex, competitive, and mission-driven environment?

12:45 PM

12:45 PM - 12:50 PM PDT (5 min)

Closing Remarks

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

SUMMARY OF PENDING TRUSTEE AND EXECUTIVE STAFF TRAVEL

2026 Event Dates	Sponsor / Event Description	Location	Traveler(s)	Estimated Cost	BOR Approval Date
Jan 26-28, 2026	IREI VIP Americas	Carlsbad, CA	M. Restuccia, T. Kaeslin, JC Weydert	$6,300	7/11/2025
Feb 6, 2026	Administrators Roundtable - CALAPRS	virtual	R. Ostrander	$50	N/A
Mar 2-4, 2026	Communication & Member Services Summit	San Diego, CA	B. McKelvey	$2,140	Pending
Mar 8-11, 2026	General Assembly - CALAPRS	Carlsbad, CA	R. Ostrander, T. Kaeslin	$4,000	N/A
Mar 9, 2026	Investments Roundtable @ GA - CALAPRS	Carlsbad, CA	T. Kaeslin	$100	N/A
Mar 23-25, 2026	ALTSLA - Markets Group	Los Angeles, CA	S. Kaisch	$4,400	Pending
Apr 17, 2026	Ad Hoc Roundtable	virtual	R. Ostrander	$50	N/A
Apr 20-22, 2026	The Annual	Los Angeles, CA	JC Weydert	$2,600	10/15/2025
May 12 - 15, 2026	Spring Conference - SACRS	Olympic Valley, CA	J. Whelen, R. Ostrander, A. Zaheen	$5,580	N/A
May 12-14, 2026	AEW General Meeting - LPAC Seat	Boston, MA	B. McKelvey	$500	Pending
May 15-17, 2026	NAF Program - NCPERS	Las Vegas, NV	R. Ostrander	$2,490	Pending
Jun 2-3, 2026	Blackrock Annual Meeting	New York, NY	T. Kaeslin	$2,260	Pending
Jun 14-17, 2026	Chief Officers Summit	Newport Beach, CA	R. Ostrander	$2,860	Pending
Sep 15-17, 2026	Fiduciary Investors Symposium Top1000funds	Palo Alto, CA	T. Kaeslin	$3,200	Pending

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

Event Dates 2026	Sponsor / Event Description	Location	Traveler(s)	Estimated Cost	Actual Cost	Event Report Filed

Board Member Travel (not including SACRS & CALAPRS	Dates	Amount used of $4500:	Balance of $4500
RESTUCCIA			
WHELEN			
DHALIWAL			
DUFFY			
KAISCH			
KEOKHAM			
MCCRAY			
NICHOLAS			
WEYDERT			
MOORE			

*Pending Final Expense

2026 - SJCERA BOARD OF RETIREMENT MEETING CALENDAR

MONTH	DATE	Periodic Items / Other Events	MONTH	DATE	Periodic Items / Other Events
JAN	**9**	**Board Meeting**	**JUL**	**10**	**Board Meeting**
		Earnings Code Ratification			Mid-Year Administrative Budget Report
		Fourth Quarter Operations Reports*			Second Quarter Operations Reports*
		Trustee Education Compliance Report			Election of Board Officers
		Action Plan Results			Annual Policy Review
				13-16	SACRS UC Berkeley
FEB	**13**	**Board Meeting**			
		Notice of CPI/Set Retiree COLA	**AUG**	**14**	**Board Meeting**
		Declining ER Payroll Report			Annual Valuation Report &
		Assumptions & CMAs			Adoption of Plan Contribution Rates
	13	**CEO Performance Review Committee**			Board Committee Assignments
					Investment Fee Transparency Report
MAR	**13**	**Board Meeting**			
		Fourth Quarter Inv Reports			
	TBD	**Audit Committee Meeting**	**SEP**	**11**	**Board Meeting**
	TBD	**CEO Performance Review Committee**			Second Quarter Inv Reports
	8-11	CALAPRS General Assembly			
APR	**10**	**Board Meeting**			
		First Quarter Operations Reports*	**OCT**	**14**	**Board Meeting**
					Adoption of Board Calendar for next year
					Third Quarter Operations Reports*
MAY	**8**	**Board Meeting**			2027 Action Plan
	TBD	**Audit Committee Meeting**		**15**	**Special Meeting - Investment Roundtable**
	12-15	SACRS Spring Conf			
			NOV	**6**	**Board Meeting**
					Investment Consultant and Actuary Consultant Evals
JUN	**12**	**Board Meeting**		**TBD**	**Administrative Committee Meeting**
		First Quarter Inv Reports		10-13	SACRS Fall Conference
		Auditor's Annual Report / ACFR			
		Mid Year Action Plan Results	**DEC**	**11**	**Board Meeting**
		Asset Class Review			Third Quarter Inv Reports
	TBD	**Administrative Committee Meeting**			Annual Administrative Budget
	TBD	RPESJC Picnic		TBD	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

1/26 - Updated CEO Performance Review Committee

Notes: May meeting may move to the first Friday due to the SACRS Spring Conference.
October meeting is on Wednesday prior to the Investment Roundtable.
November meeting may move to the first Friday due to the SACRS Fall Conference.
One meeting per month on all subjects; special Manager Due Diligence Meetings as needed.

MEKETA

San Joaquin County Employees' Retirement System

January 9, 2026

Themes for 2026 and Beyond

The Federal Reserve

New Fed Leadership & Mission

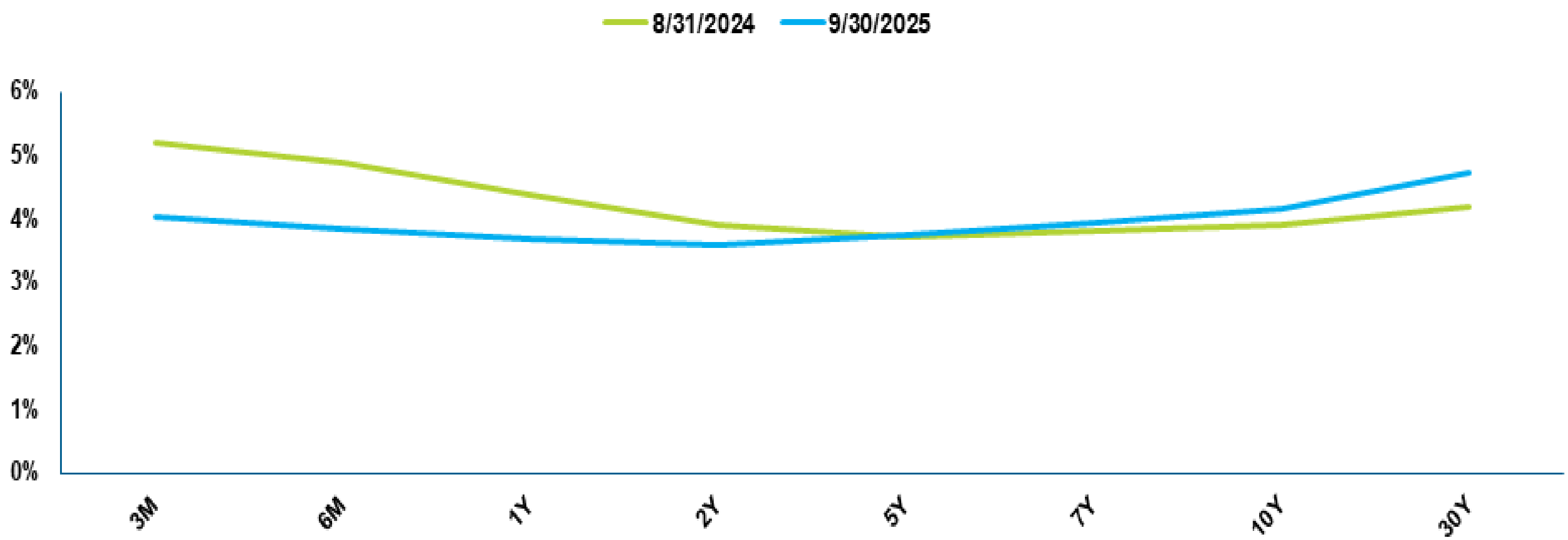
- Chair Powell's term expires in 2026 and US Treasury Secretary Bessent is leading very public interviews to replace Powell next year.
- In 2025, Chair Powell faced considerable pressure from the Administration regarding the level of interest rates and FOMC members also faced judicial pressure for removal both of which called into question the independence of the Federal Reserve.
- Secretary Bessent has made public comments regarding the Federal Reserve and plans to restructure the institution. Plans could include:
  - A streamlined Federal Reserve and its 12 regional banks.
  - A Federal Reserve that is less involved in managing the economy.
  - Possible re-working of bank reserve rules including delay or modification of planned Basel III rules.
  - Rollback of climate related policies.
  - Reducing or eliminating quantitative easing (QE).
  - Some discussion of using the SOFR or another market determined rate to accompany the Fed Funds Rate.
  - In a Wall Street Journal article Secretary Bessent stated "There must also be an honest, independent, nonpartisan review of the entire institution, including monetary policy, regulation, communications, Staffing and Research."

Source: Wall Street Journal, S. Bessent, "The Fed's 'Gain of Function" Monetary Policy," September 5, 2025.

Data, Surveys, and the Dual Mandate

- Substantial downward revisions of job creation by the Bureau of Labor Statistics in 2025 reveal that the BLS may have over-counted the number of jobs by approximately 1 million jobs in the last months of 2024 and early 2025. The Federal Reserve’s dual mandate ensures optimal employment, but the FOMC could have left cutting interest rates too soon.
- Office of Budget Management may have underestimated US GDP growth and revenue growth calling into question the need for debt issuance over the coming decade and clouding FOMC’s ability to anticipate forward rates.
  - Instead, US GDP has surprised to the upside in 2Q and 3Q 2025 as has revenue growth.
  - In 2026 – the outlook for the US is slow with higher unemployment but with stubborn inflation.
- Surveys of inflation like the Michigan Consumer Sentiment survey overestimate inflation compared to CPI while Federal Reserve models overestimated the inflationary impact of tariffs from imports.
- Data and models have continued to miss the mark for the FOMC and may do so in 2026.
  - President Trump’s agenda was modeled to be so inflationary that there would be no rate cuts in 2025; today it looks like there will be three cuts.
  - It looks like the Fed Funds Rate may fall to 3% or even slightly lower in 2026.

US Yield Curve



Bloomberg as of September 30, 2025.

US Government Debt

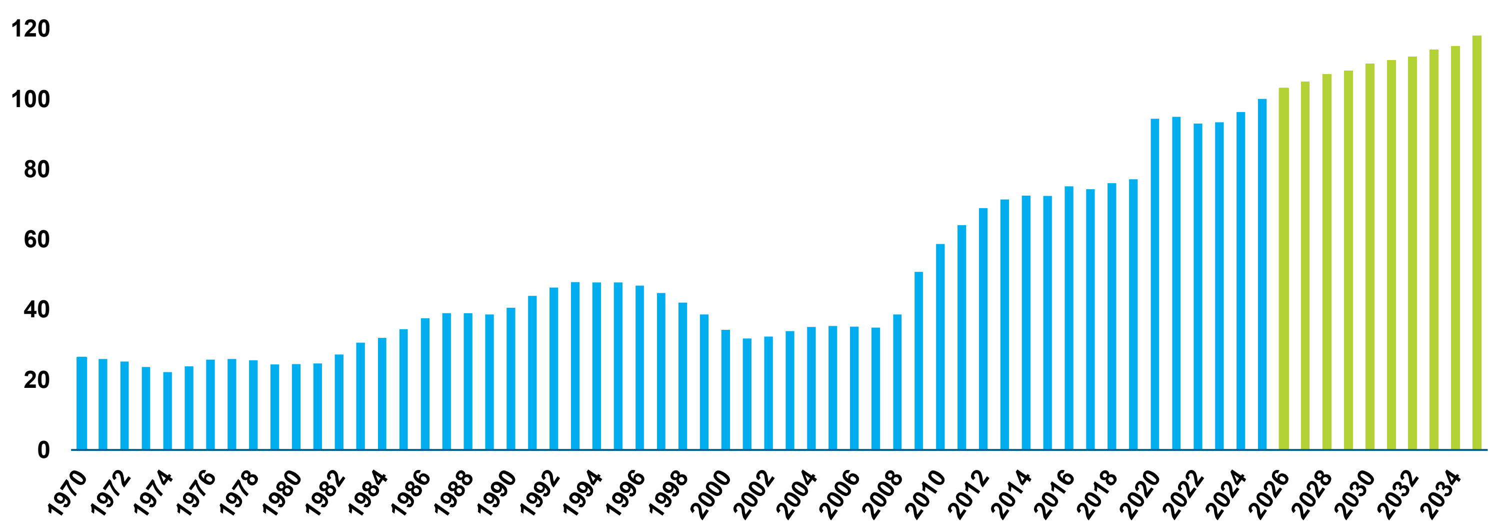
Trump Tax Cuts & the US Government Debt

Trump promised further tax cuts for corporations and individuals, but the US debt-to-GDP ratio is near its highest level since the end of WWII.

→ Slashing government revenues at a time when debt servicing costs are nearing three percent of GDP could have far-reaching consequences for Treasury yields as it may diminish investor appetite for US debt.

→ While the Trump administration hopes to reduce some spending via the Department of Government Efficiency (DOGE), critics argue that this will be insufficient to off-set the potential decline in tax revenues.

Figure 3: US Government Debt 1970-2035 (USD T)



Source: FRED as of August 14, 2025. Includes Congressional Budget Office Forecast as of March 2025.

One Big Beautiful Bill (OBBA): Too Big, Too Costly?

→ Nine hundred-page bill that is expansive that includes significant tax policy changes, spending increases, shifts in cuts and offsets, and adjusted the debt ceiling.

→ The Congressional Budget Office (CBO) projects that the OBBBA will increase deficits by $3.4 trillion throughout the 2025-2034 period, including a $700 billion increase in interest costs, bringing the total fiscal impact to $4.1 trillion for the period.

→ This represents a substantial increase in borrowing above current fiscal projections, with annual deficits expected to be $600 billion higher in 2027 than they would have been without the bill, which is equivalent to roughly 2% of GDP.

→ Between 2025 and 2034, the bill is expected to add an average of 1.1% of GDP per year to the deficit, in addition to the deficits the CBO already projected.

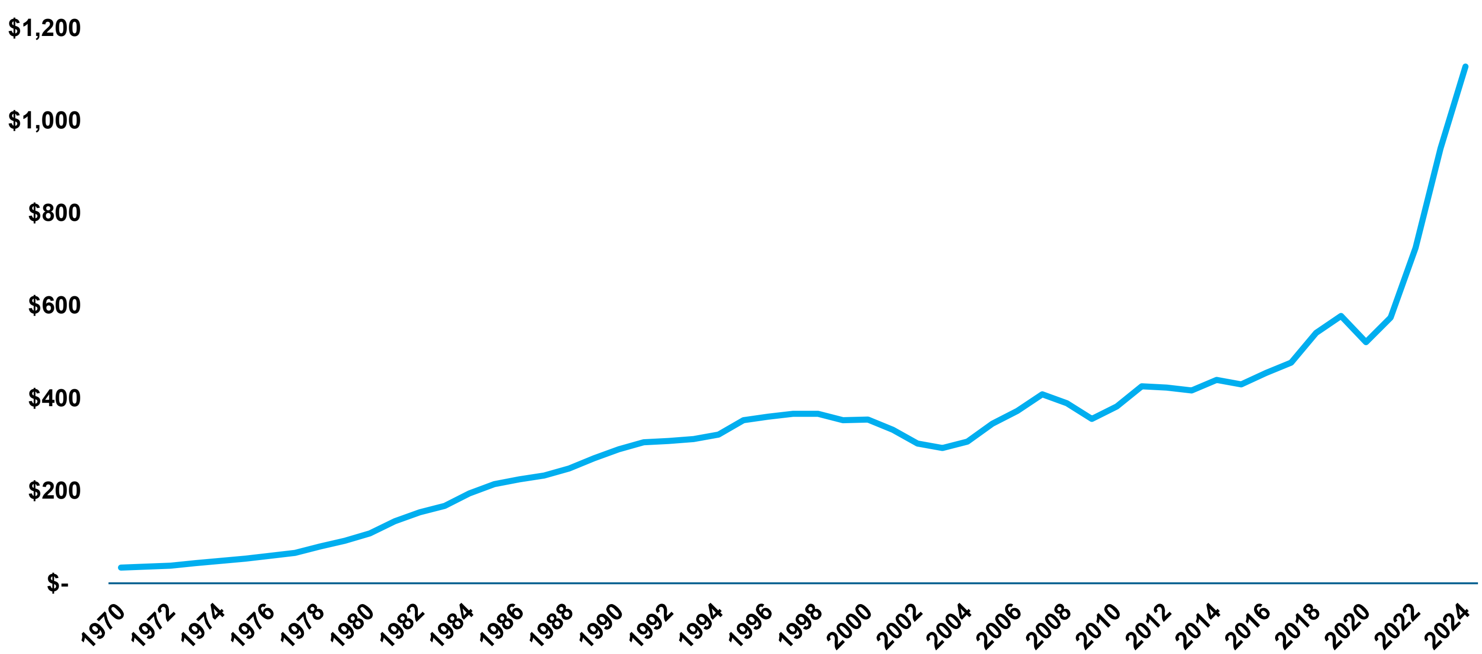
→ Before the passage of the OBBBA, the US debt/GDP ratio was already on an upward trend with forecasts for it to rise from the current level of around 100% of GDP to 118% of GDP by 2033.

→ Now, the OBBBA's policies are expected to accelerate this trajectory and by 2034 public debt is forecasted to reach around 124% of GDP.

US Government Debt Service Payment Soar on Higher Rates

- Inflationary pressures have driven borrowing costs higher, especially for the US government, whose annual interest expense exceeded one-trillion dollars in 2024.
- For perspective, in 2021 the US government's debt servicing costs were $574 million dollars. In November 2024, those debt servicing costs had almost doubled to $1.1 trillion dollars.

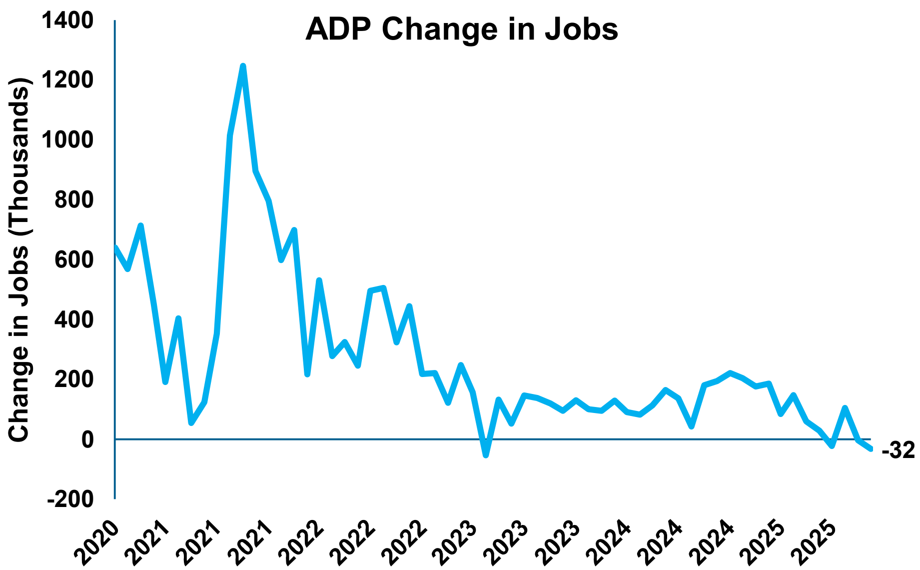
Figure 6: US Government Annual Debt Service Payments (USD M) 1970 – 2024

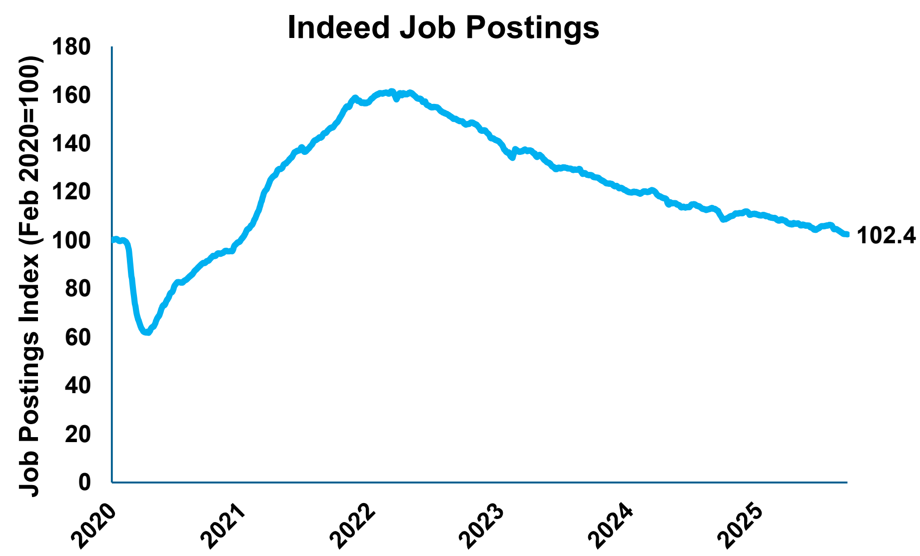


Source: FRED as of December 2024.

US Labor Market: AI and Immigration

US Unemployment





- Like inflation, the government shutdown means that current official employment data is also not available, however other private indicators support growing concerns regarding a softening labor market in the US.
- Government layoffs, a declining number of jobs created (ADP), and a falling number of job postings (Indeed) are also pointing to a deteriorating jobs market.

Source: ADP and Indeed. Data is as of September 30, 2025.

Trump Immigration Policies & Labor Markets

Stricter immigration policies, including deportations, could reduce the labor force, leading to wage inflation as companies are potentially forced to compete for a smaller pool of laborers.

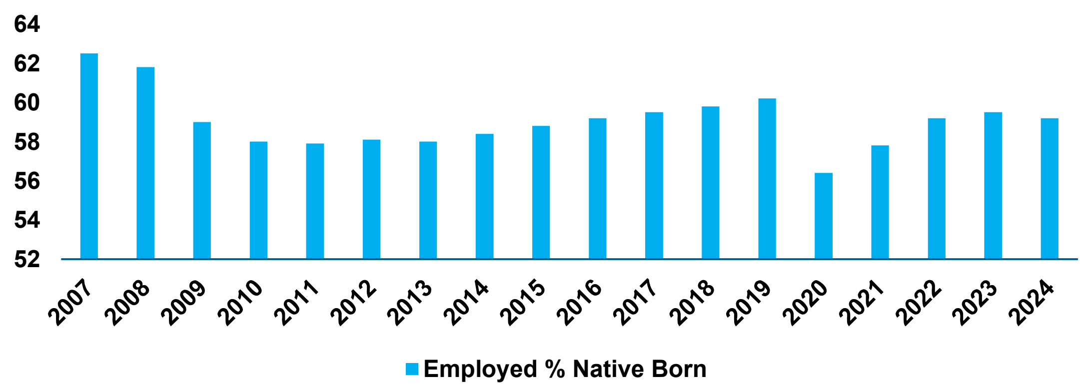
→ With approximately four million baby-boomers projected to be retiring each year through the next decade, the US may find it has too few young workers to fill the job vacancies.

→ Worker shortages will not only push wages higher, but a shrinking workforce may also have negative implications for economic growth and investment.

→ Without immigration, the share of seniors in the US is projected to rise from 17.3% of the population to 22.0% in 2050. Over the same period the total US population is projected to shrink from 333 million people to just 314 million people.

→ Today less than sixty percent of the US labor force was born in the US.

Figure 4: Percent of US Workforce Who Are Native Born



Source: FRED as of November 2024. Between 2007 and November 2024 the number of employed workers rose from 137.6 million to 159.3 million.

The AI Arms Race: Energy, Data Centers, Semiconductors

What Is AI Infrastructure?

- AI infrastructure investment requires a substantial investment in research and development to meet new levels of technological advancement.
  - The front-loading of AI investment costs is largely being made in expectation of future demand, which represent a necessary component for profitable commercialization of AI.
- AI related upgrades will require the customized development of new AI-semiconductors, software integrations, data center construction, network upgrades, and new sources of power.
- AI development and commercialization demands faster and more sophisticated semiconductors.
  - While cutting-edge chips are *designed* by firms like Nvidia, they typically do not make the chips themselves.
  - Production is outsourced to a handful of companies that manufacture these advanced chips at specialized factories, or foundries, known as "fabs."
- Once the chips have been produced and delivered, they require an immense amount of data storage (usually via the cloud), which of itself then requires connectivity and electricity.

[1] "Compute" is industry shorthand for computing power or computational resources. It refers to the hardware and systems (like GPUs and data centers) that perform the calculations and data processing required for AI tasks.

Advanced Chip Production

- In 1990, the US manufactured about 40% of the world's semiconductors, but today Asia dominates global semiconductor supply, led by Taiwan's TSMC and followed by UMC, SMIC, and Samsung.[1]
- The global pandemic and supply chain disruptions of 2020 through 2022 exposed this dependency on semiconductors produced overseas.
- With tensions between the US and China on the rise, there was a "growing fear that lagging behind China in such critical technologies will undermine US national security and economic competitiveness."[2]
- Hence, in 2022, the US Congress passed the 'Creating Helpful Incentives to Produce Semiconductors & Science Act' (i.e., the CHIPS & Science Act).
  - The Act offers an assortment of grants, loans, and tax incentive.

[1] Major semiconductor companies include Taiwan Semiconductor Manufacturing Company (TSMC), United Microelectronics Corporation (UMC), Semiconductor Manufacturing International Corporation (SMIC) and Samsung.
[2] Source: Council on Foreign Relations, D. Roy, "The CHIPS Act: How US Microchip Factories Could Reshape the Economy," October 8, 2024.

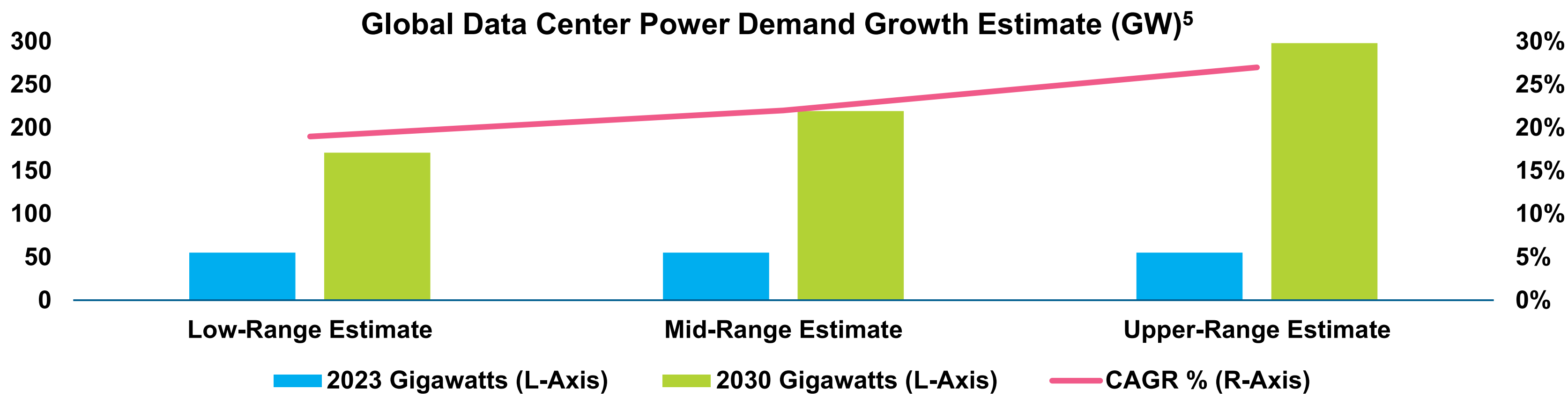
US CHIPS Act

- Nearly $2 trillion dollars in private investments has been announced.
- While the CHIPS Act is funded by the government, its implementation depends on active partnership and coordination with private enterprises.
  - TSMC, Amazon, Google, Meta, Intel, Samsung, Micron Technologies, Texas Instruments, Nvidia have all announced projects.[1]
- In the year following the passage of the CHIPS Act, the US semiconductor industry added 44,000 new jobs.[2]
- The US Semiconductor Industry Association estimated that investment in foundry capacity due to the CHIPS act will create at least 115,000 additional jobs by 2030.
- More broadly, the US economy is expected to add 3.85 million new jobs in the IT and related sectors by 2032.

[1] Sources: Tom's Hardware, A. Shilov, "US Semiconductor Renaissance: All the Upcoming Fabs," August 29, 2022; Nvidia, "Nvidia to Manufacture American-Made AI supercomputers in US for First Time," April 14, 2025.
[2] Sources for jobs data: Semiconductor Industry Association, "Chipping Away: Assessing & Addressing the Labor Market Gap Facing the US Semiconductor Industry," 2023; CSIS, S. Shivakumar et al., "A World of Chips Acts: The Future of US-EU Semiconductor Collaboration," August 2024.

Power Demand

- According to the US Department of Energy, "Domestic energy usage from data centers is expected to double or triple by 2028."[1]
- Generative AI is expected to account for approximately 35% of total data center demand by 2030.[2]
- Google, Meta, Microsoft, Tesla, Amazon, Apple and Nvidia have all indicated a continued interest in clean energy sources for power generation.[3]
- Microsoft, Amazon, Google, and Meta have also announced plans to support the tripling of nuclear power production in the US by 2050.[4]



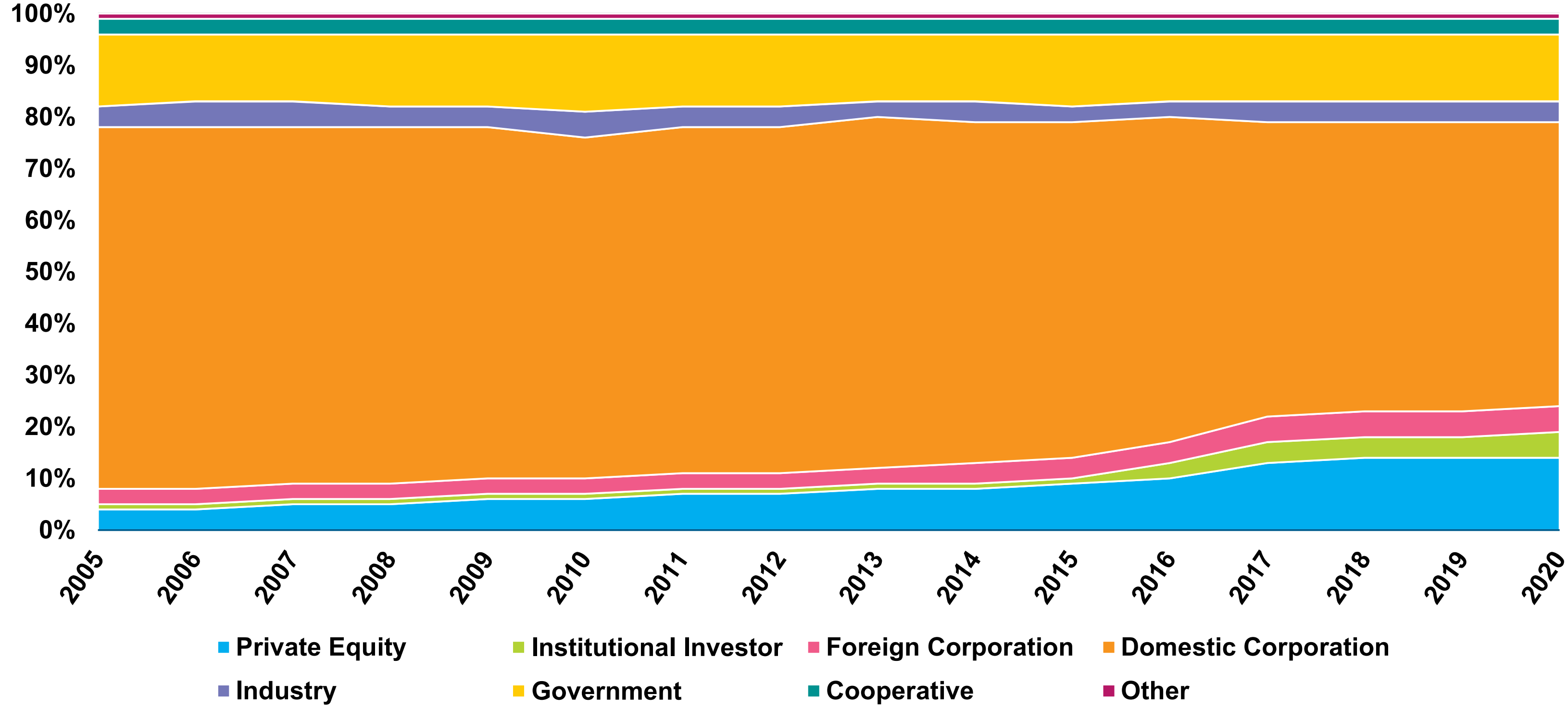
[1] Source: US Department of Energy, "DOE Releases New Report Evaluating Increase in Electricity Demand from Data Centers," December 20, 2024.
[2] Goldman Sachs Research forecasts global power demand from data centers will increase 50% by 2027 and by as much as 165% by the end of the decade (compared with 2023). Source: Goldman Sachs, "AI to drive 165% increase in data center power demand by 2030," February 4, 2025.
[3] Source: Power Magazine, D. Proctor, "Generational Shift – Data Centers Bring Change to Energy Landscape," January 7, 2025. Data Center Knowledge, C. Tozzi, 7 Top Data Center Sustainability Strategies for 2025," February 19, 2025.
[4] Source: Financial Times, M. Moore et al., "Amazon, Google and Meta support tripling of nuclear capacity by 2025," March 12, 2025.
[5] Source: McKinsey Data Center Power Demand Model, October 29, 2024. Three scenarios showing the upper, low and midrange estimates of demand based on analysis of AI adoption trends, growth in shipments of different types of chips.

Power Demand (continued)

→ Whereas power was traditionally owned and operated by local utility companies, in recent years, many private equity and institutional investors have entered the space.

- Thus, additional sources of capital are helping to meet the rising power generation needs.

Institutional Investors & Private Equity Power Generation Ownership (% Monthly Power Generation in the US)[1]

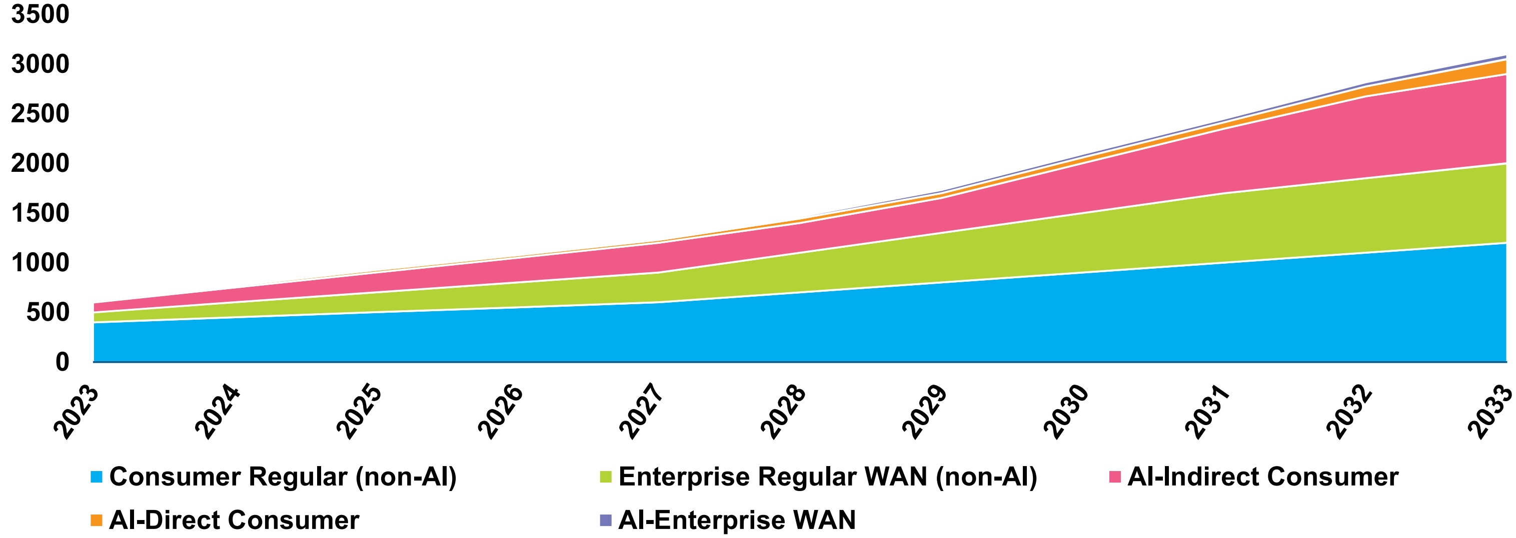


1 Source: NBER, J. D. Rauh et al., "The Shifting Finance of Electricity Generation," September 2024. Meketa illustration. A utility cooperative is a non-profit entity providing services to its member/customers.

Connectivity, Towers, and Satellites

- The rapidly expanding capacity of generative AI and AI assistants will also grow demand for mobile digital capacity.
- New generative AI assistants "are used for multi-media tasks, including audio, image, and video generation."[1]
- The promise of AI to deliver personalized and specialist services, data, and advertising could account for the largest AI-driven demand for data capacity in an indirect manner.
- Global telecom companies are looking to expand their wide-area-network capabilities to integrate public and private local-area-networks as well as cloud facilities like those being built by Amazon, Google, and Microsoft.

Global AI Wide Area Network (WAN) Demand Growth 2023 – 2033 (EB/M)[2]



[1] Source: Ericsson, "Impact of GenAI on Mobile Network Traffic," 2024.

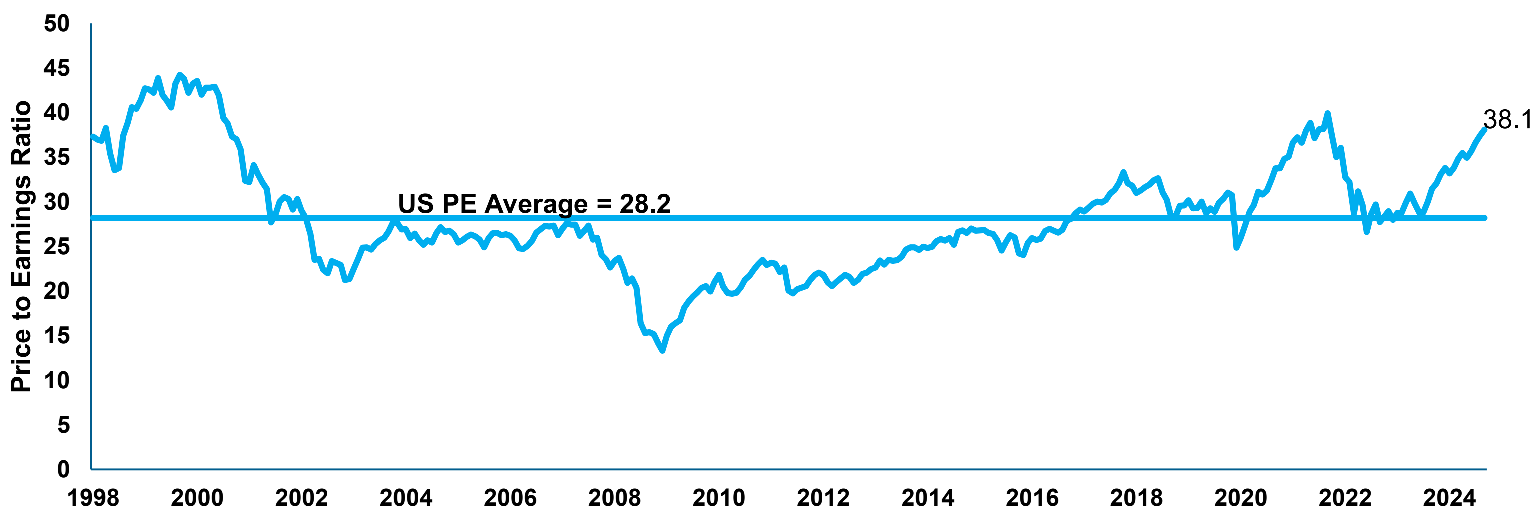
[2] Source: Nokia, "Global Network Traffic Report," 2023. Wide Area Network (WANs) connect small local area networks (LANs) that include cellular service providers, public and private cellular towers and cloud storage facilities. Wireless communications depend on WANs infrastructure. EB/month is a measure of digital information storage per month where EB is an exabyte of data or one billion gigabytes.

US Stocks & Exceptionalism

US Stock Risks: Concentration & High Valuations

- "The Magnificent 7" accounted for 53.9% of the S&P 500 returns in 2024 and over 57% over the past three years and questions remain about whether these technology and AI related stocks can continue to drive earnings growth in 2025.
- US stock valuations remain elevated, with price-to-earnings ratios well above historic averages.
- However, these lofty valuations increase the market's vulnerability to macroeconomic shocks and earnings disappointments.

Figure 12: Cyclically Adjusted Price/Earnings Ratios

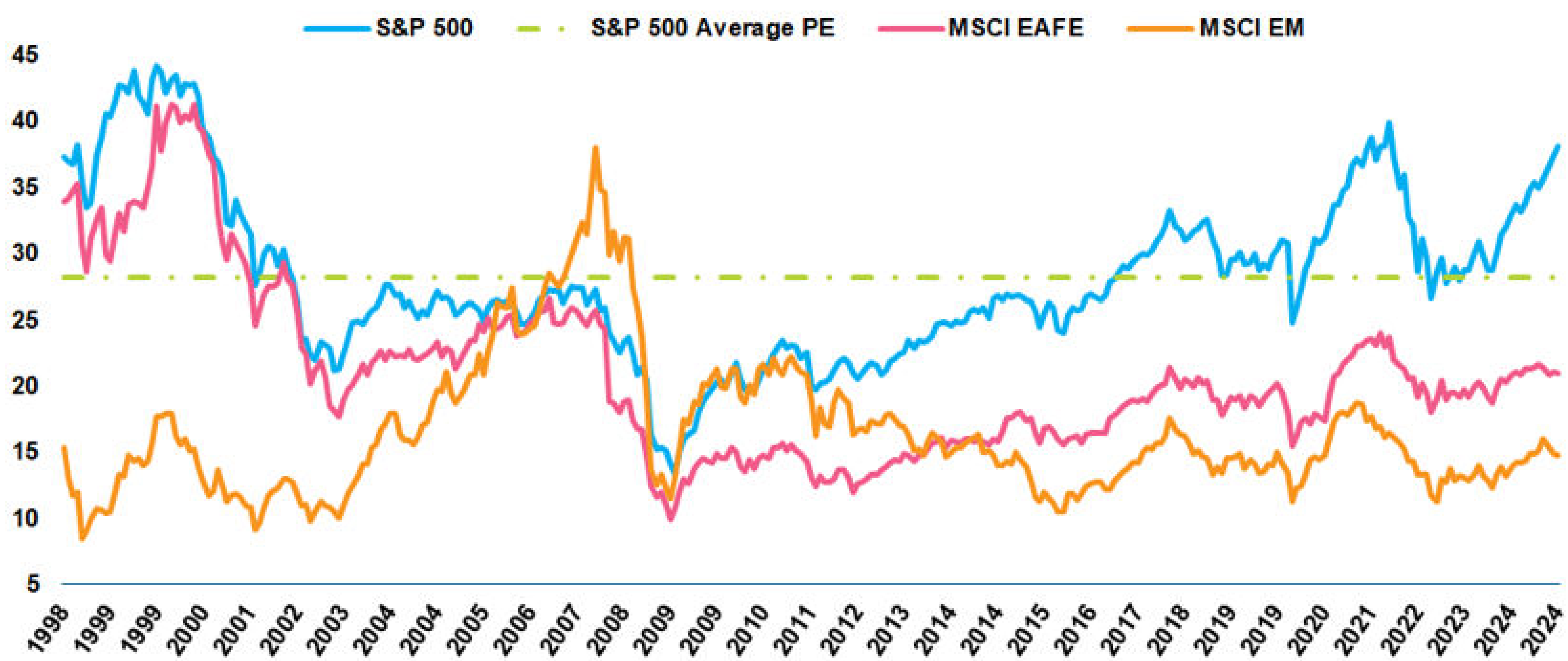


Source: Bloomberg as of December 2024. The Magnificent 7 include: Apple, Microsoft, Alphabet (Google), Nvidia, Tesla, Meta (Facebook), and Amazon.

American Exceptionalism and US Stock Valuations

- Regardless of the valuation metric used, US market valuations are typically higher than those of the rest of the world.
- This has been the case for more than a decade, with US equities commanding a substantial premium over non-US equities.

Cyclically Adjusted P/E Ratios for S&P 500, MSCI EAFE, and MSCI EM



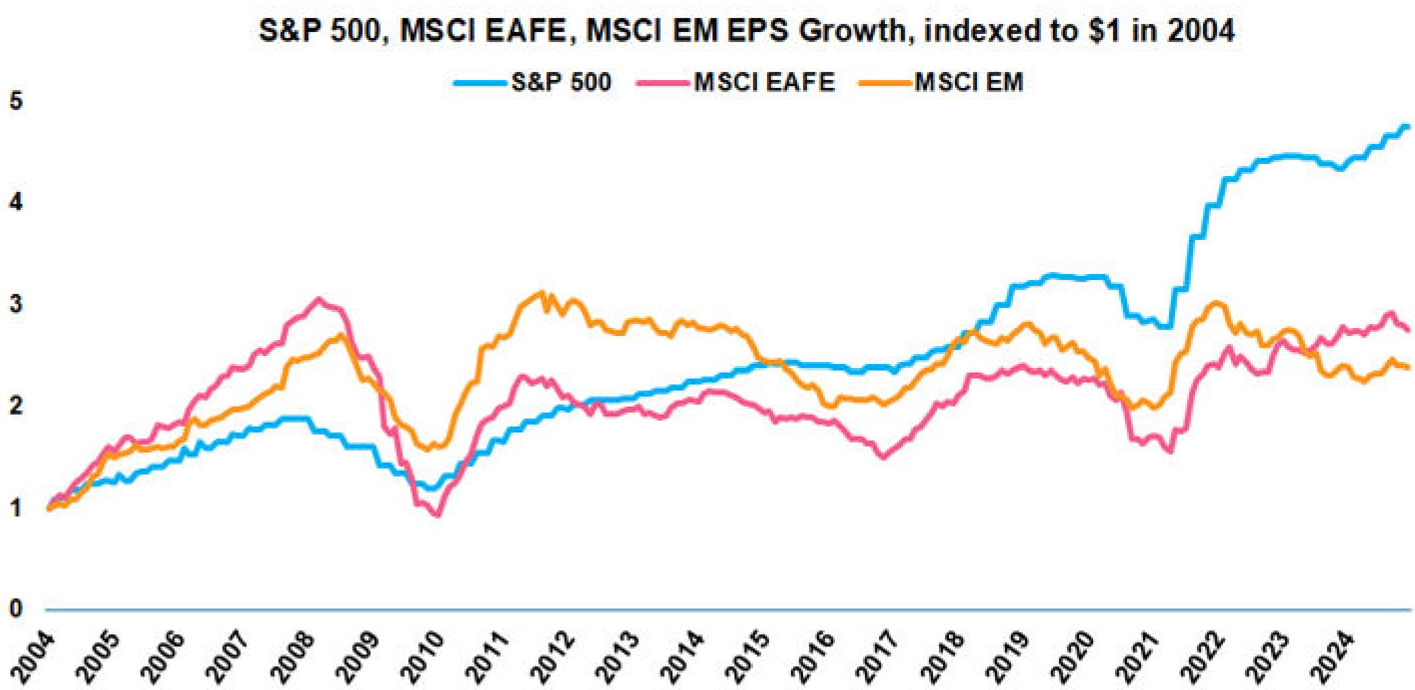
Source: Bloomberg as of December 2024. US equity cyclically adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and emerging market equity (MSCI EAFE and EM indices) cyclically adjusted P/E source: Bloomberg. Earnings figures represent the average monthly "as reported" earnings over the previous ten years. Data is as of October 2024. The average line is the long-term average of the US (S&P 500) P/E values from April 1998 to the recent month-end respectively.

Differences in Earnings Growth

→ There are many reasons why investors may be willing to pay a premium for US-based stocks.

→ Perhaps most important of all is the fact that US companies have out-earned their global competitors, particularly since the trough of the Global Financial Crisis.

- Earning Per Share ("EPS") growth for the MSCI EAFE and EM indices has been essentially zero since 2011.
- Meanwhile, US EPS growth has been strong over the past two decades.



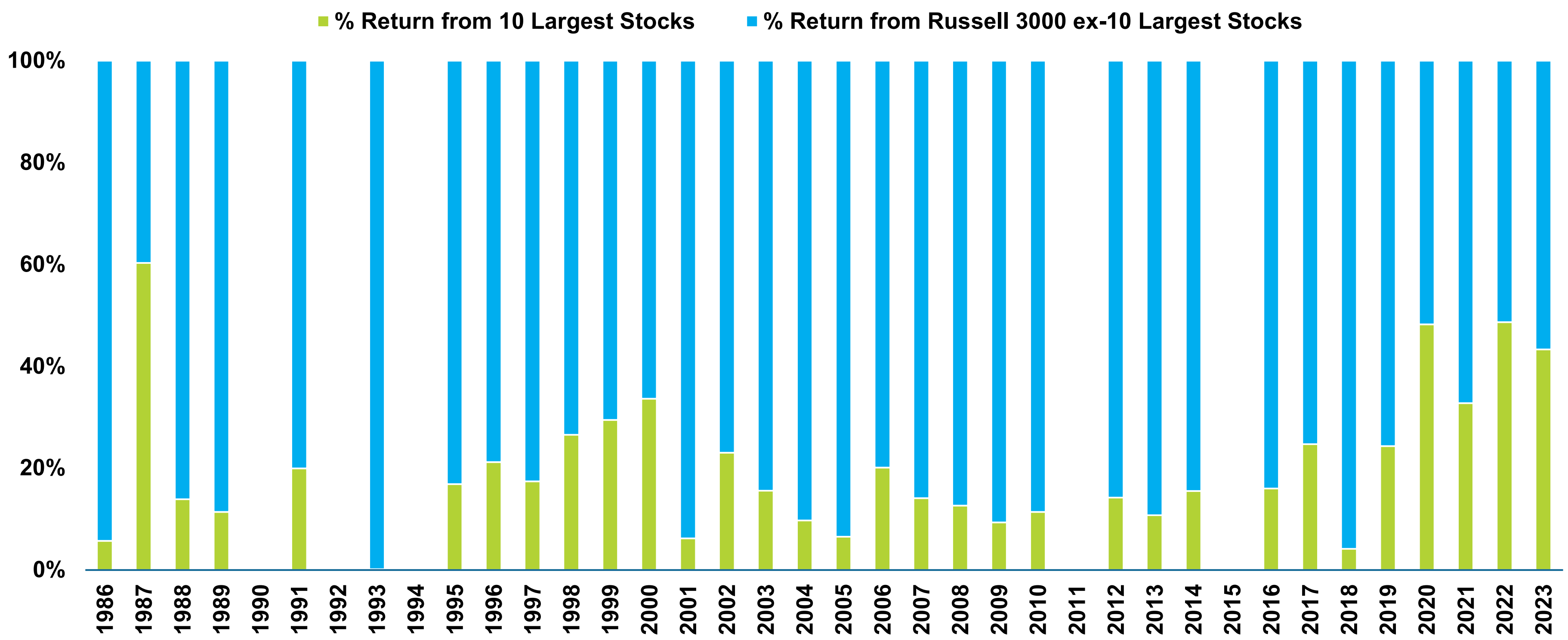
Source: Meketa analysis of Bloomberg data as of December 2024. Note that earnings are in local currency.

Historical Influence of the Top 10 Constituents on US Equity Returns

→ Since 2018, the top ten constituents' influence on the Russell 3000's returns have grown, coinciding with the rise of The Magnificent Seven.

→ The dot-com bubble was the last time the top ten's influence on returns was this high for a sustained period.

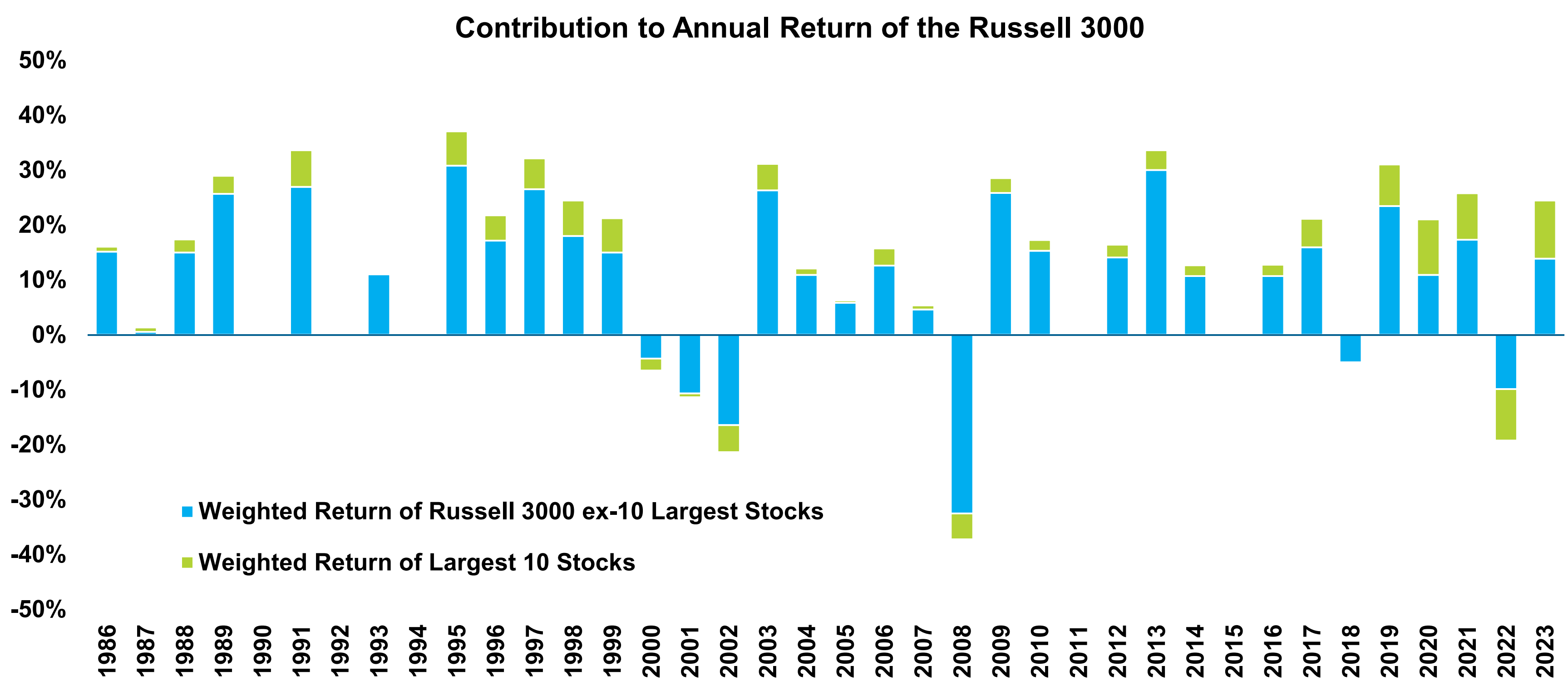
% Contribution to Annual Return of the Russell 3000



Source: FactSet, as of December 31, 2023. Note that Alphabet Class A and C were combined into one category for this analysis.
In years 1990, 1992, 1994, 2011, and 2015, the top 10 and the rest moved in opposite directions, making the stacked column not meaningful; hence they were excluded from the chart.

Historical Contribution of the Top 10 Constituents to US Equity Returns

- While 2023 stands out for the top ten contributing such a large share of returns, it is part of a trend.
- The last five years have all been in the top ten years ranked by absolute contribution to return by the largest ten stocks in the Russell 3000 since 1986.



Ranking excludes years 1994, 2011, and 2015 due to the top 10 stocks having higher returns than the Russell 3000.
Source: FactSet, as of December 31, 2023. Note that Alphabet Class A and C were combined into one category for this analysis.
In years 1990, 1992, 1994, 2011, and 2015, the top 10 and the rest moved in opposite directions, making the stacked column not meaningful; hence they were excluded from the chart.

Trade Wars 2.0?

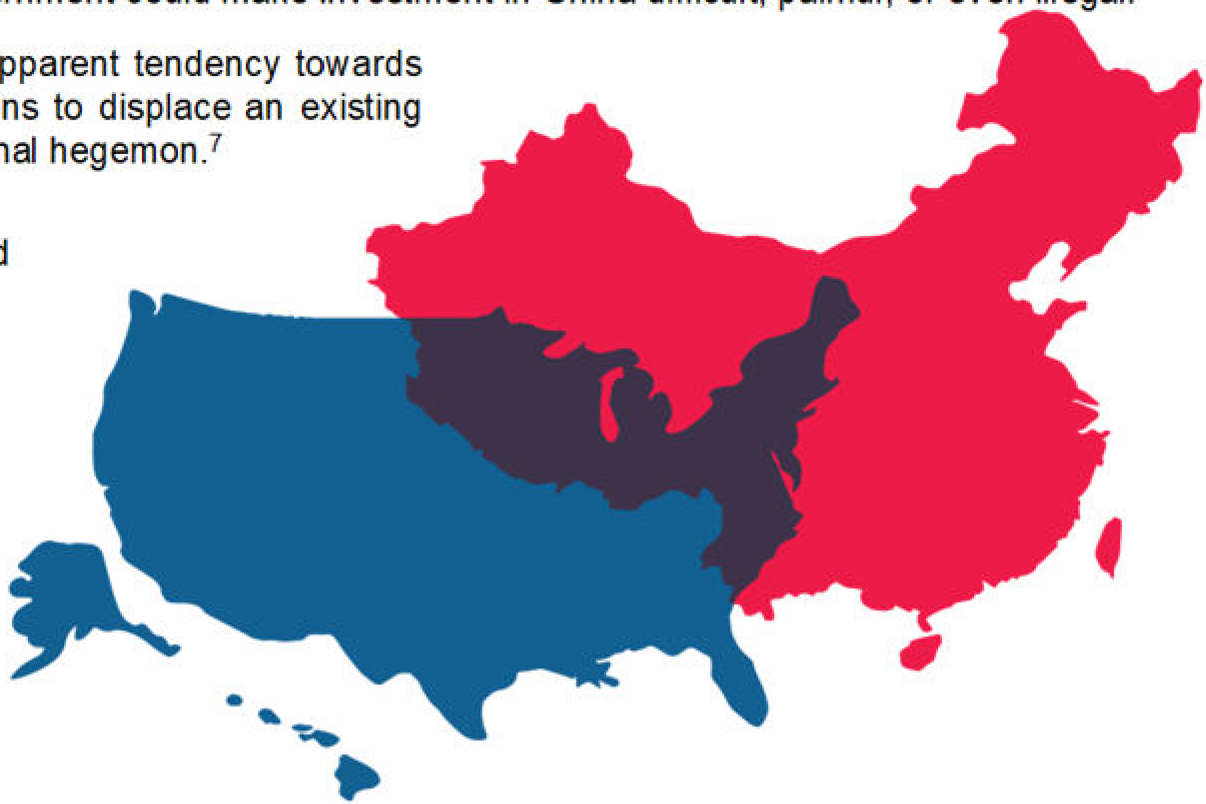
The US-China Relationship

It is not just the assertive nationalism and ideological enthusiasm of Xi's CCP that is a cause of concern for investors.

- The US now pursues an open policy of China containment.
- If this trend continues, the US government could make investment in China difficult, painful, or even illegal.

The "Thucydides Trap" refers to an apparent tendency towards war when an emerging power threatens to displace an existing great power as a regional or international hegemon.[7]

- The current relationship between China and the US can be described as selectively confrontational.



7 The term was coined by American political scientist Graham Allison in a 2012 article for Financial Times.

Enter President Xi

- Pragmatism appears to be fading in favor of nationalism and autarky, led by President Xi Jinping.
- Xi may have an additional goal that takes priority over the others:
  - Personal dominance & cementing his legacy
- Xi has consolidated power in a way that means he is going to be the final decision maker on major policy issues.
- The goals announced at the October 2022 Party Congress may be at odds with each other:[4]
  - Reinvigorate Party ideological discipline and adherence to Marxist doctrine
  - Achieve first world economic wealth by 2035
  - Build "fortress China" that is self-sufficient in tech, military capacity, and geopolitical power

4 Source: TS Lombard October 2022.

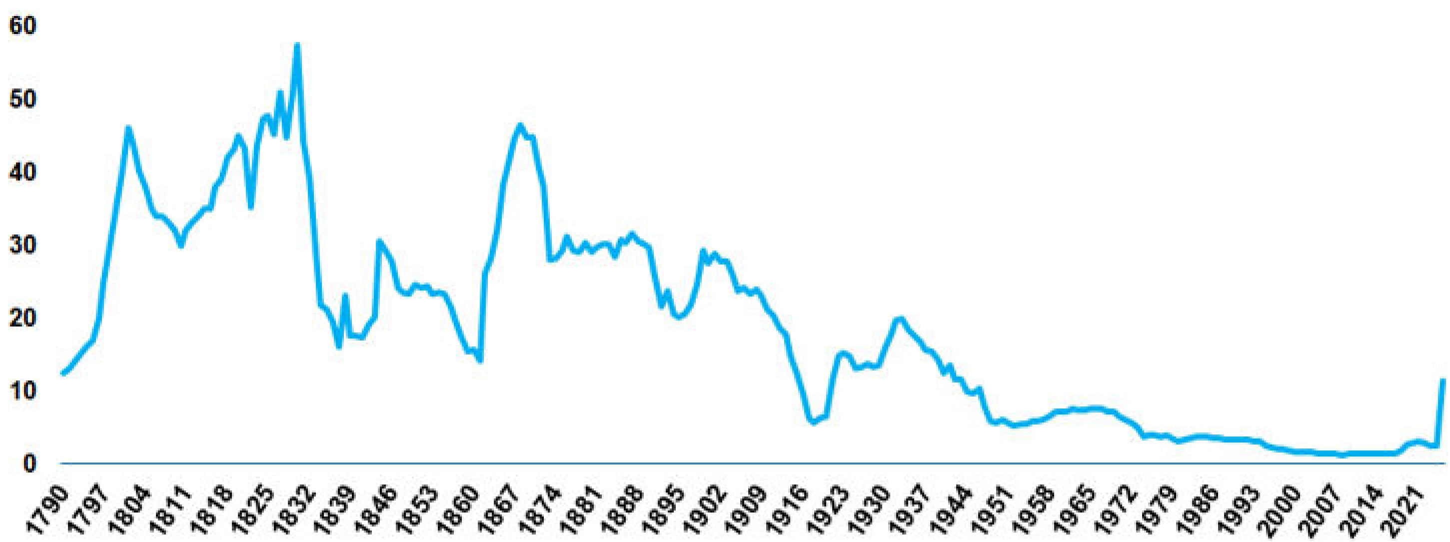
What is Modern Mercantilism?

- Mercantilism is an economic policy where a country aims to build its wealth and power by controlling trade and protecting its industries.
  - Historically, countries practicing mercantilism tried to keep gold and silver within their borders and focused on exporting goods to boost their economies.
  - Governments would often step in to help local industries succeed, sometimes by restricting competition from foreign businesses.
- Modern mercantilism reflects a belief that some strategic national goals require support and direction from the government.
- Four key tenants of modern mercantilism include:
  - State-Driven Economic Strategy: Active government intervention to promote national economic interests, often through industrial policy, subsidies, and strategic trade practices.
  - Export-Led Growth: Prioritization of a trade surplus by encouraging exports and limiting imports, aiming to accumulate foreign reserves and strengthen national industries.
  - Protection of Key Sectors: Use of tariffs, quotas, or regulations to shield certain domestic industries from foreign competition.
  - National Self-sufficiency: Re-engineer key supply chains to build resilience and reduce reliance on imports from and currencies of rivals.

United States History of Mercantilism

- The United States was neo-mercantilist at its founding and arguably for more than a century thereafter.[1]
- In 1787, the Constitutional Convention granted the new government the right to impose tariffs on imports.[2]
- Almost immediately Jefferson, Madison, and Hamilton began to debate the role of tariffs.
  - Hamilton envisioned a steady stream of fiscal revenue to support the government.
  - Jefferson and Madison had a vision of tariffs protecting nascent domestic industry while punishing trade partners that sought to hinder US advancement.

US Import Tariff Rates 1790-2025 (%)[3]

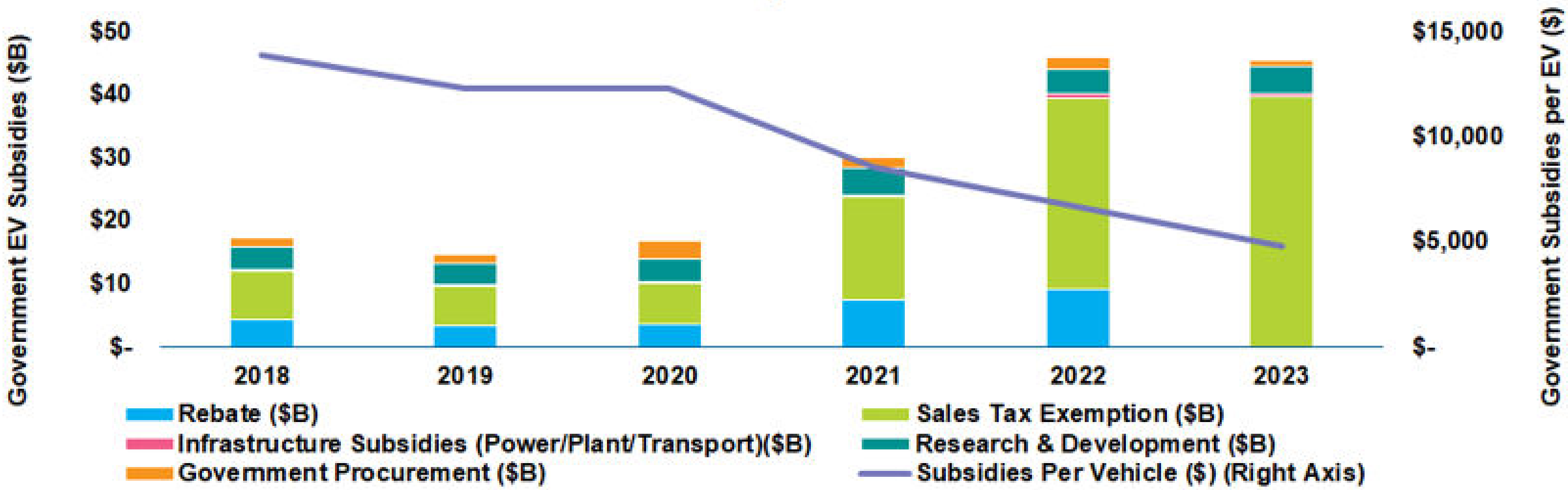


[1] Source: Brown University Watson Institute, Lecture, E. Helleiner, "The Neomercantilists: A Global Intellectual History," March 15, 2022.
[2] Source: NBER, D. Irwin, "Founding Feuds Over Early US Trade Policy," December 2010.
[3] Source: Data prior to 1821 from NBER, D. Irwin, "US Trade Policy in Historical Perspective," 2019. Data after 1821 is from Tax Foundation, E. York et al., "Trump Tariffs: Tracking the Economic Impact of the Trump Trade War," May 27, 2025.

Heading "Made in China 2025" – Modern Mercantilism at a Global Scale

- No country has embraced modern mercantilism perhaps more fully than China.
- Under President Xi Jinping, China has redoubled its efforts to pursue strategic national self-sufficiency and technological advancement.
  - Major state-led initiatives include the Belt and Road Initiative, Made In China 2025, and the Dual Circulation Policy.
- China offers substantial state subsidies to industries where it wants to become a global leader, such as solar power, electric vehicles, and AI.
  - These subsidies allow Chinese manufacturers to undercut foreign competitors.

Chinese Subsidies for Domestically Made Electric Vehicles 2018 - 2023[1]

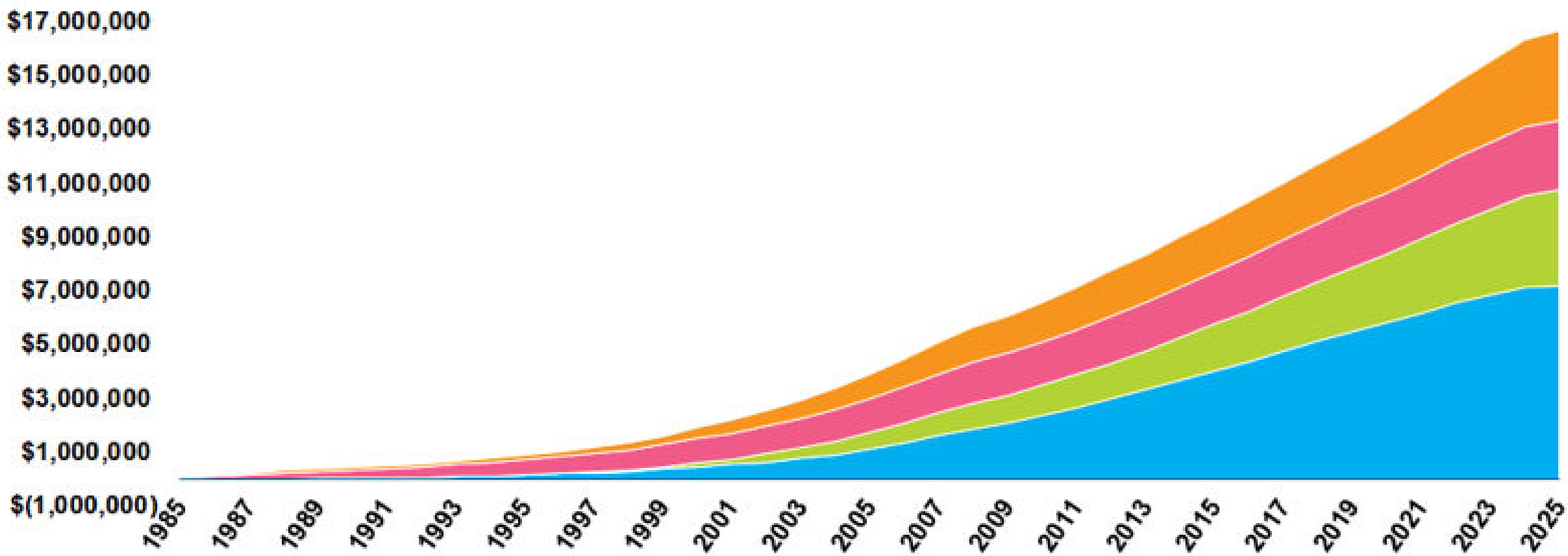


[1] Source: CSIS, S. Kennedy, "The Chinese EV Dilemma: Subsidized Yet Striking," June 20, 2024.

Addressing the US Trade Deficit

- The second Trump administration has greatly accelerated the adoption of mercantilist policies by the US.
- President Trump's "Liberation Day" tariffs mark a sharp break with decades of free-trade policies.
- Although the scope, scale and timing of the original tariff schedule has been reduced, the most prominent targets of the tariffs are China and the EU, where tariff negotiations are on-going.
- One stated goal was to remedy the cumulative and consistent trade deficit of the US versus its trading partners.

US Cumulative Trade Deficit with China, Japan, the EU, & MCA 1985 – 2025 (USD B)[1]



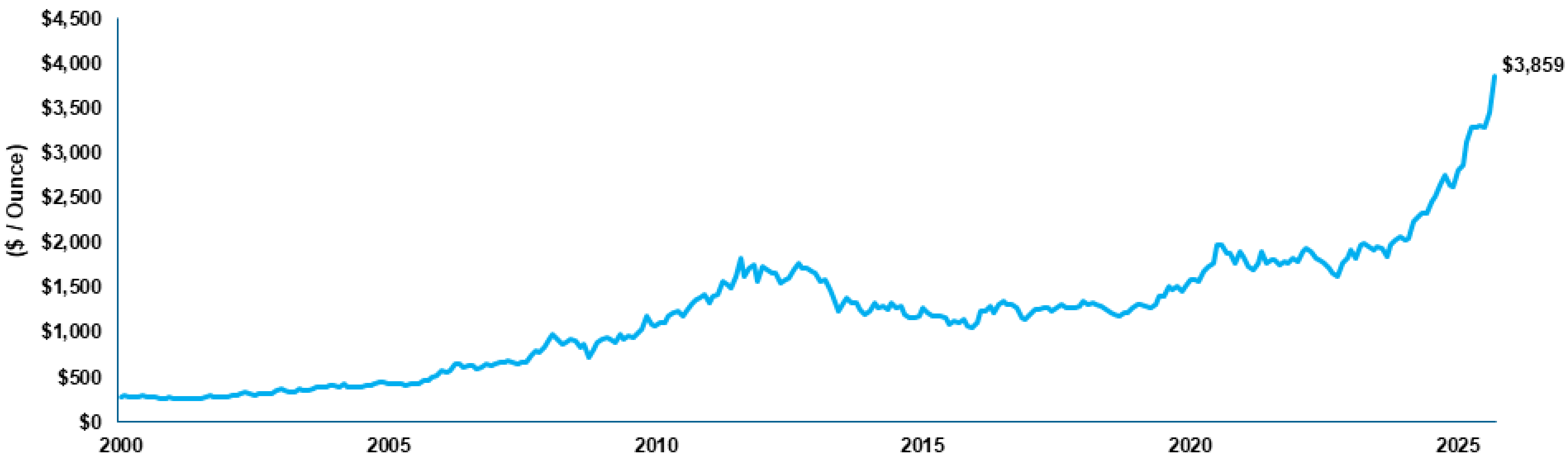
China ($B) European Union ($B) Japan ($B) Canada & Mexico (USMCA) ($B)

[1]Source: US Census Data as of March 2025. In the calculation of a country's balance of payments, the current account includes net imports of goods and services with investment income.

US Dollar & Gold

Gold to $5000 an Ounce?

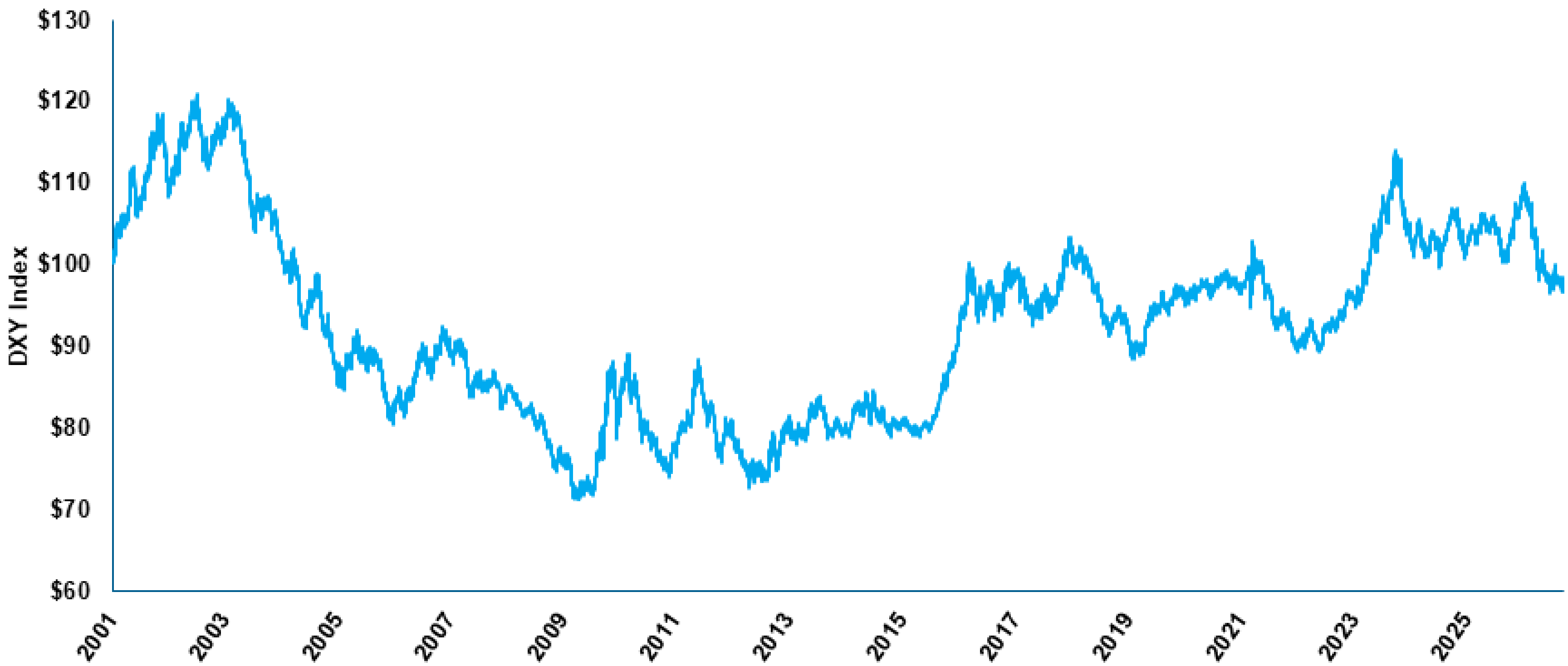
- In a period where risk assets have done particularly well, gold, which is usually perceived as a safe haven, has done even better, gaining over 47% year-to-date through September.
- Key drivers of gold's strong year include central bank demand, a weak US dollar, inflation concerns, and expectations for lower rates.



Source: Bloomberg as of September 30, 2025.

US Dollar Vs. Broad Currencies

- The US dollar hit near-historic highs in January of 2025 but since then its value has declined by ~11%.
- The US dollar stabilized in the third quarter on the easing of trade war concerns.
- Typically, higher interest rates support the US dollar but recent concerns over changing US administration policies and slowing growth have weighed on the value of the US dollar.



Bloomberg Trade Weighted Dollar Index as of September 30, 2025.

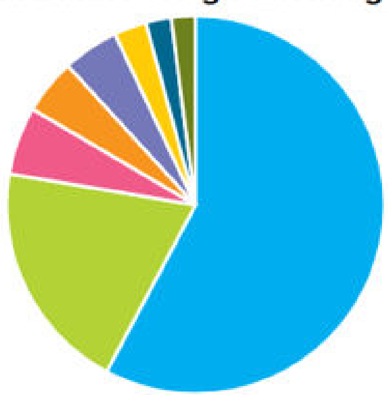
Central Bank Currency Reserves and the US Dollar

→ The US dollar dominates the reserve mix because it generally excels on every criterion policymakers apply when choosing reserve currencies.

- US Treasury markets confer unmatched liquidity and price transparency; on any given trading day, more Treasuries change hands than the combined sovereign bonds of the next five issuers.
- Dollar-denominated markets also remain open at all hours through a global network of primary dealers, custodians, and clearing houses, minimizing transaction costs.
- Legal frameworks, such as strong property-rights enforcement and a predictable bankruptcy code, further elevate the dollar over prospective rivals.

→ As a result, the US dollar accounts for over 80% of trade settlement and nearly 58% of central bank reserves.

Figure 2: Global Central Bank Foreign Exchange Reserves (% of total)[1]



1 Source: Council on Foreign Relations as of December 2024. From IMF Currency Composition of Official Foreign Exchange Reserves (COFER) database.

Central Banks Load Up on Gold

→ The rapid increase in gold bullion purchases by central banks appears to point to diversification away from the US dollar.

- But even as central banks added to their bullion reserves, the trade-weighted value of the US dollar rose.

→ However, during this period, global inflation rose rapidly in Europe, the US, and Japan.

- Hence, it is likely that some of the rationale for the increase in gold purchases was the first serious bout of inflation in forty years.[1]

Figure 5: Central Bank Annual Purchases of Gold 2010-2024 ($ M and Tons)[2]

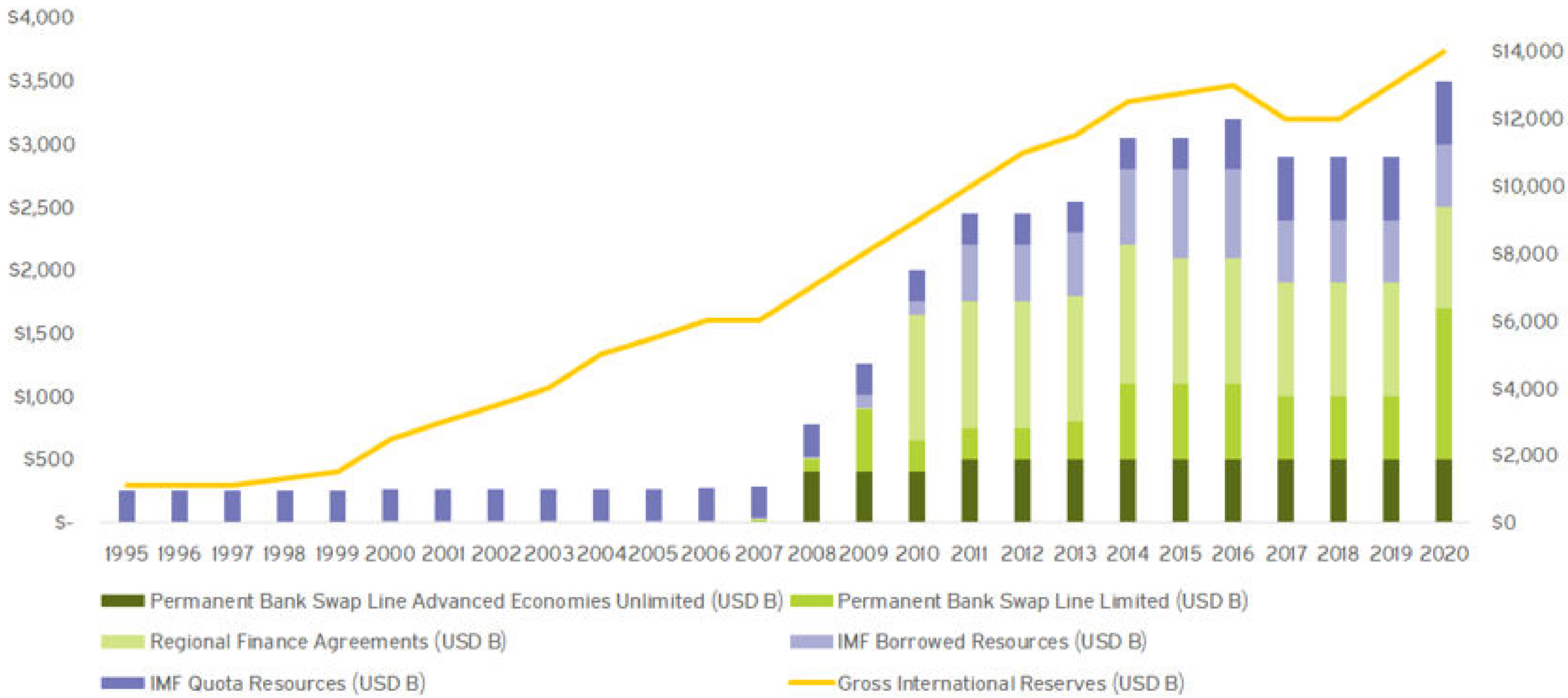
1 The World Gold Council's annual survey of central banks noted that central banks added gold due to interest rates (93%), inflation (81%), and geopolitical risks (77%). Source: World Gold Council, "Central Bank Gold Reserves Survey." June 2025.
2 Source: World Gold Council data as of December 2024.

Rise of the Global Financial Safety Net

→ These collective backstops reassure foreign banks and reserve managers that dollar funding will be available in extremis.

- This reduces their need to hold dollars while simultaneously reinforcing the currency's safe-haven status.

Figure 4: Annual Global Market Value of Swap & Lending Agreements and Total Reserves (US$ B)[1]



Source: IMF Working Paper, M. Perks et. Al. "Evolution of Bilateral Swap Lines," 2021. The chart ends in 2020 as this was the most recent data point we were able to locate.

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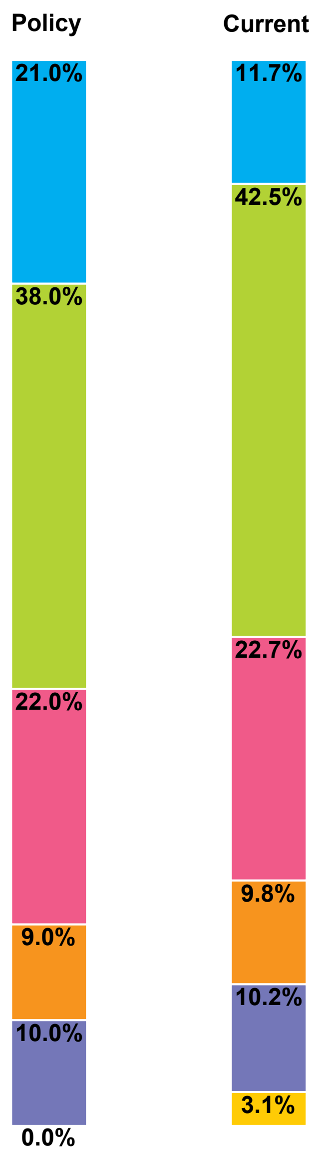
MEKETA

San Joaquin County Employees' Retirement Association (SJCERA)

January 9, 2026

November
Executive Summary

Total Fund | As of November 30, 2025



Allocation vs. Targets and Policy

	Balance ($)	Current (%)	Policy (%)	Difference (%)
Broad Growth	**3,997,086,788**	**76.9**	**81.0**	**-4.1**
Aggressive Growth	607,043,738	11.7	21.0	-9.3
Traditional Growth	2,209,231,907	42.5	38.0	4.5
Stabilized Growth	1,180,811,144	22.7	22.0	0.7
Diversified Growth	**1,035,797,294**	**19.9**	**19.0**	**0.9**
Principal Protection	507,621,338	9.8	9.0	0.8
Crisis Risk Offset	528,175,956	10.2	10.0	0.2
Cash	**162,362,623**	**3.1**	**0.0**	**3.1**
Cash	162,362,623	3.1	0.0	3.1
Total	**5,195,246,705**	**100.0**	**100.0**	**0.0**

Summary of Cash Flows

	Quarter	1 Year
SJCERA Total Plan		
Beginning Market Value	4,997,930,943	4,664,295,446
Net Cash Flow	25,842,321	83,353,746
Net Investment Change	171,473,441	447,597,513
Ending Market Value	5,195,246,705	5,195,246,705

Asset Class Performance Net-of-Fees | As of November 30, 2025

	Market Value ($)	% of Portfolio	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
SJCERA Total Plan	**5,195,246,705**	**100.0**	**10.5**	**9.4**	**8.5**	**7.3**	**7.7**	**Apr-90**
SJCERA Policy Benchmark			*12.2*	*11.1*	*11.2*	*7.8*	*7.7*	
Broad Growth	**3,997,086,788**	**76.9**	**12.3**	**11.0**	**10.2**	**9.0**	**8.4**	**Feb-95**
Aggressive Growth Lag	**607,043,738**	**11.7**	**6.6**	**10.2**	**4.5**	**15.0**	**-1.1**	**Nov-05**
Aggressive Growth Blend			*9.6*	*11.1*	*7.2*	*9.1*	*9.2*	
Traditional Growth	**2,209,231,907**	**42.5**	**20.2**	**16.8**	**18.1**	**12.4**	**9.7**	**Jan-95**
MSCI ACWI IMI Net			*20.8*	*17.6*	*18.0*	*11.6*	*8.5*	
Stabilized Growth	**1,180,811,144**	**22.7**	**2.4**	**1.9**	**1.9**	**3.0**	**3.6**	**Mar-05**
SJCERA Stabilized Growth Benchmark			*5.9*	*6.4*	*6.5*	*5.8*	*6.3*	
Diversifying Strategies	**1,035,797,294**	**19.9**	**4.8**	**4.7**	**2.7**	**2.3**	**5.9**	**Nov-90**
Principal Protection	**507,621,338**	**9.8**	**8.0**	**6.1**	**5.7**	**1.5**	**5.8**	**Feb-87**
Blmbg. U.S. Aggregate Index			*7.5*	*5.7*	*4.6*	*-0.3*	*5.3*	
Crisis Risk Offset Asset Class	**528,175,956**	**10.2**	**1.9**	**3.4**	**0.3**	**2.7**	**5.6**	**Feb-05**
CRO Benchmark			*4.8*	*3.5*	*2.8*	*1.7*	*4.6*	
Cash and Misc Asset Class	**128,635,639**	**2.5**	**2.7**	**2.9**	**3.2**	**2.1**	**2.4**	**Nov-94**
90 Day U.S. Treasury Bill			*3.8*	*4.2*	*4.8*	*3.1*	*2.5*	

1 Market values may not add up due to rounding.
2 All market values and returns are preliminary.
3 Benchmark compositions listed in the Appendix.

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Economic and Market Update

November 2025 Report

Commentary

In November, stocks were volatile but largely finished in positive territory, while bonds rose with expectations for rates to fall and weaker growth supporting lower bond-yields.

→ After a weak start to the month, US equities (Russell 3000) rose slightly in November (0.3%) with rotation away from mega cap growth names toward value and small caps.

→ Non-US developed stocks beat US equities slightly in November (MSCI EAFE +0.6%) with a similar dynamic of value beating growth.

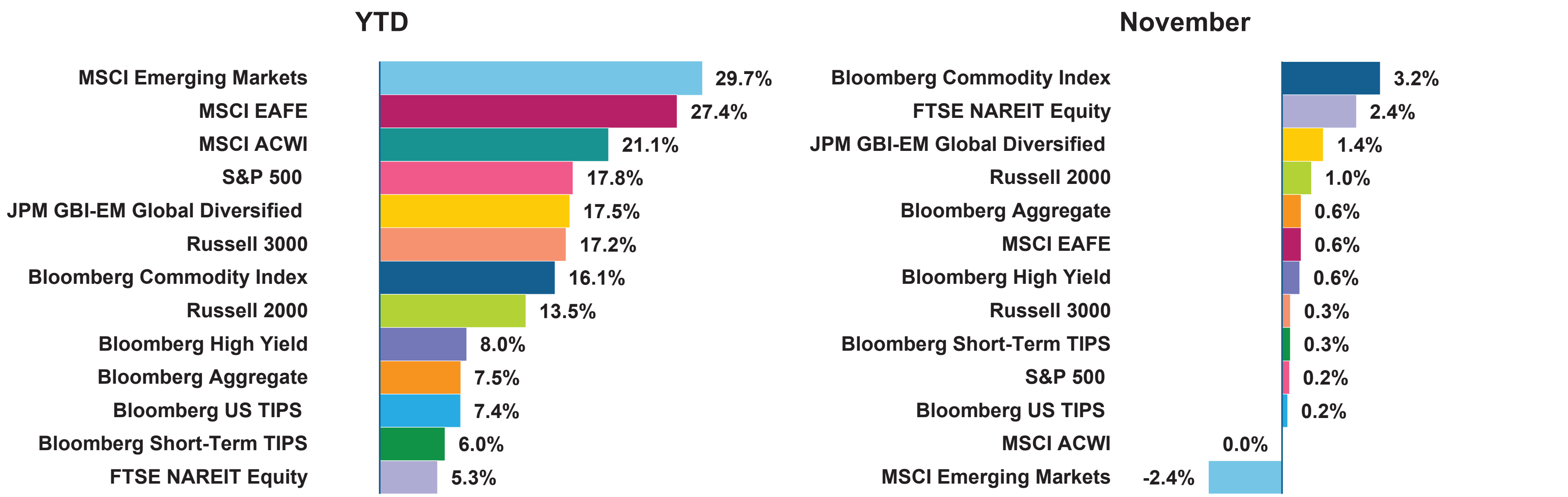
→ The MSCI Emerging Market index declined (-2.4%) in November but was up 29.7% year-to-date. Renewed China growth concerns weighed on Chinese stocks with the MSCI China falling 2.5% in November.

→ Major bond markets finished November in positive territory. US bonds led the way with the US aggregate index and high yield bonds both up 0.6% for the month. Cooling inflation led to slightly lower returns for TIPS (+0.2%) and short TIPS (+0.3%).

→ The government reopened in mid-November but the longest shutdown on record likely had a meaningful short-term impact on the economy, while delayed publication of key economic data increased uncertainty for policymakers and financial markets.

→ Key questions going forward include how the Fed will manage interest rates given competing pressures on its dual mandate of inflation and employment, will tariff pressures eventually show up in inflation, can earnings growth remain resilient in the US, will the significant investment in the AI infrastructure buildout pay off, and how will China's economy and relations with the US track.

Index Returns[1]



→ In November, commodities led the way, driven by higher gold and energy prices. More broadly, stocks were choppy but finished slightly higher, except for emerging markets, while bond markets benefited from expectations of Fed rate cuts.

→ Global markets have delivered a strong performance year-to-date helped by resilient earnings, AI optimism, a weaker US dollar, and expectations for lower interest rates.

[1] Source: Bloomberg. Data is as of November 30, 2025.

Domestic Equity Returns[1]

Domestic Equity	November (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	0.2	2.6	17.8	15.0	20.6	15.3	14.6
Russell 3000	0.3	2.4	17.2	13.6	19.8	14.1	14.0
Russell 1000	0.2	2.4	17.4	14.1	20.3	14.5	14.4
Russell 1000 Growth	-1.8	1.8	19.3	20.4	28.0	16.5	18.0
Russell 1000 Value	2.7	3.1	15.1	7.3	12.1	12.0	10.2
Russell MidCap	1.3	0.4	10.9	3.1	12.4	9.7	10.7
Russell MidCap Growth	-2.1	-2.4	10.1	3.3	16.8	7.9	12.4
Russell MidCap Value	2.4	1.4	11.0	2.9	10.3	10.8	9.4
Russell 2000	1.0	2.8	13.5	4.1	11.4	8.0	9.1
Russell 2000 Growth	-0.7	2.5	14.5	5.1	13.6	5.3	9.2
Russell 2000 Value	2.8	3.1	12.4	3.0	9.2	10.5	8.7

US Equities: The Russell 3000 index returned 0.3% in November and 17.2% year-to-date.

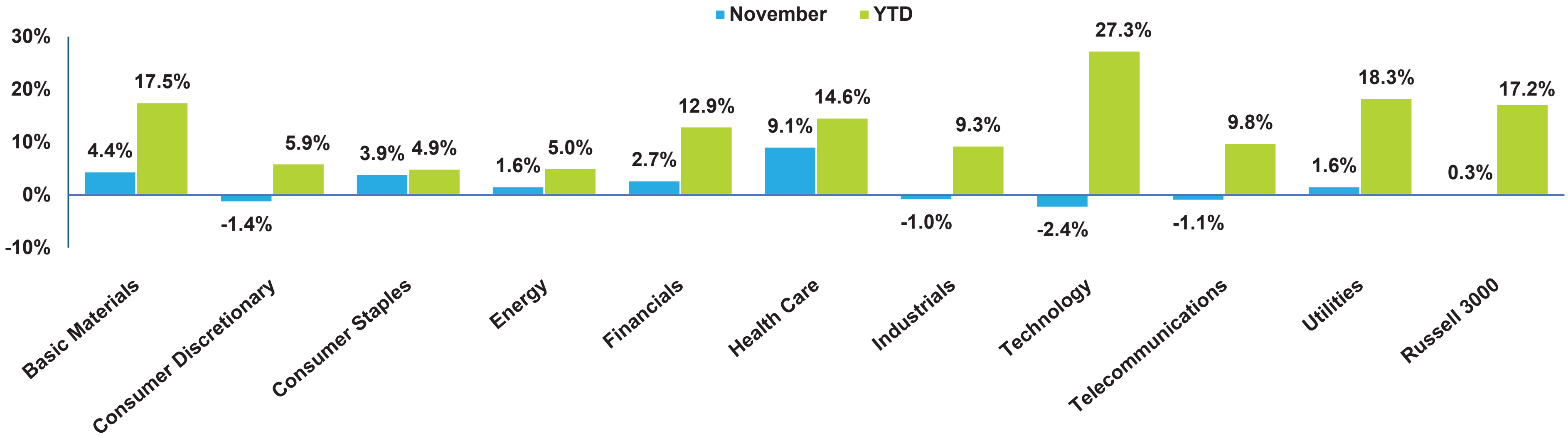
→ US stocks finished a somewhat volatile month of November slightly positive. Uncertainty regarding the path of Fed rate cuts along with concerns with the valuations of AI-related stocks contributed to the volatility.

→ Large cap stocks, represented by the Russell 1000 index, lagged small cap stocks (Russell 2000 index) during the month, bucking the trend seen year-to-date. This dynamic was driven in part by declines in large AI-related stocks such as NVIDIA, Microsoft, and Oracle, along with the small cap index's higher weighting to health care stocks.

→ Value stocks outperformed growth stocks across the market cap spectrum in November, which also went against the year-to-date trend. The drop in technology stocks and the strength of financial stocks were the main drivers of this divergence.

[1] Source: Bloomberg. Data is as of November 30, 2025.

Russell 3000 Sector Returns[1]



- → Health care stocks were the month's largest gainers in the Russell 3000 index. The sector continues to rebound from lows reached when investors expressed concerns regarding political and regulatory uncertainty. The rise in these stocks in November was driven by broad earnings beats and merger activity.
- → Technology stocks were the largest detractors in November but remain the leading sector year to date. The enthusiasm surrounding the AI trade dampened amid disappointing earnings reports and concerns regarding an "AI bubble."
- → Basic materials demonstrated strength in November as investors rotated out of mega cap tech and into more value-oriented areas of the market.

[1] Source: Bloomberg. Data is as of November 30, 2025.

Foreign Equity Returns[1]

Foreign Equity	November (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	0.0	2.0	28.5	26.0	15.9	8.4	7.9
MSCI EAFE	0.6	1.8	27.4	24.5	16.1	9.3	7.7
MSCI EAFE (Local Currency)	0.6	4.0	18.2	18.6	14.0	11.5	8.1
MSCI EAFE Small Cap	1.2	0.4	28.9	25.9	14.5	6.5	7.3
MSCI Emerging Markets	-2.4	1.7	29.7	29.5	14.7	5.1	7.9
MSCI Emerging Markets (Local Currency)	-1.6	2.9	27.9	29.5	15.9	7.3	9.2
MSCI EM ex China	-2.3	5.3	28.6	27.0	15.2	9.4	9.1
MSCI China	-2.5	-6.2	32.8	36.4	14.0	-2.4	5.5

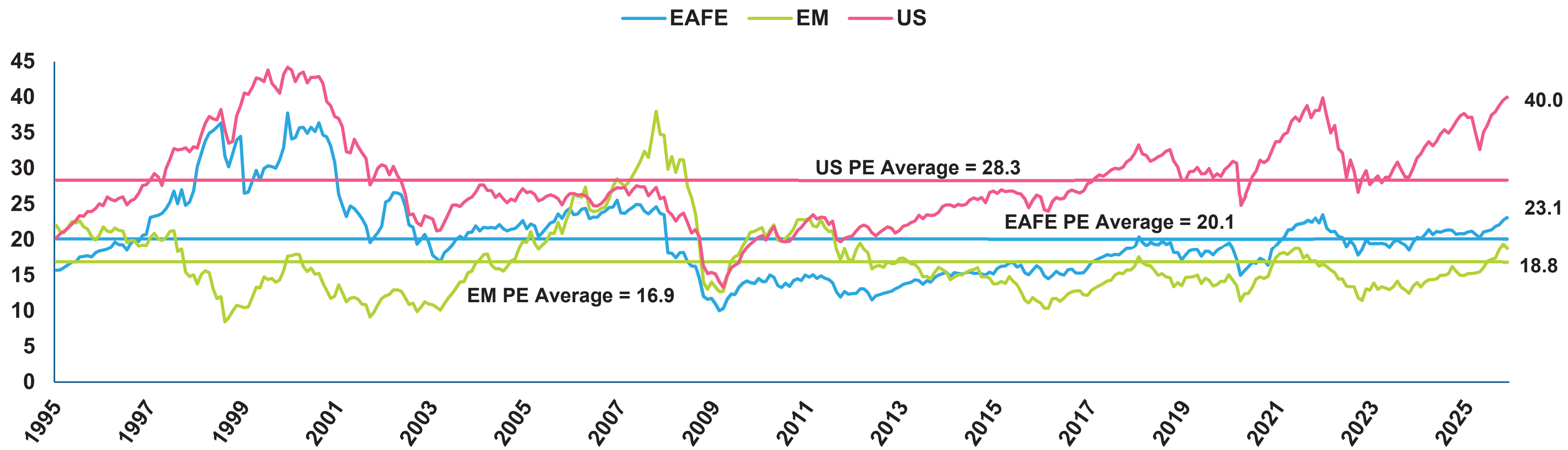
Foreign Equity: Developed international equities (MSCI EAFE) returned 0.6% in November and 27.4% year-to-date, and the emerging markets index fell 2.4% in November and returned 29.7% year-to-date.

→ Developed markets were slightly positive in November and characterized like the US by a rotation away from tech towards more defensive sectors. Eurozone equities rose slightly, benefiting from stimulus measures in Germany and robust earnings growth expectations. UK markets were essentially flat, with consumer sentiment weighing on returns. Japan saw significant volatility, selling off in early November before rallying strongly near month-end.

→ Emerging market equities fell in November, with AI bubble concerns leading to significant selloffs in tech. Chinese markets fell 2.5%, with manufacturing PMIs remaining in contraction, stimulus enthusiasm beginning to wane, and investors increasingly focusing on structural headwinds. Korea and Taiwan both saw notable losses amid AI concerns. India reversed its losing streak, and Southeast Asia saw solid gains, with both benefitting from resilient domestic consumption.

[1] Source: Bloomberg. Data is as of November 30, 2025.

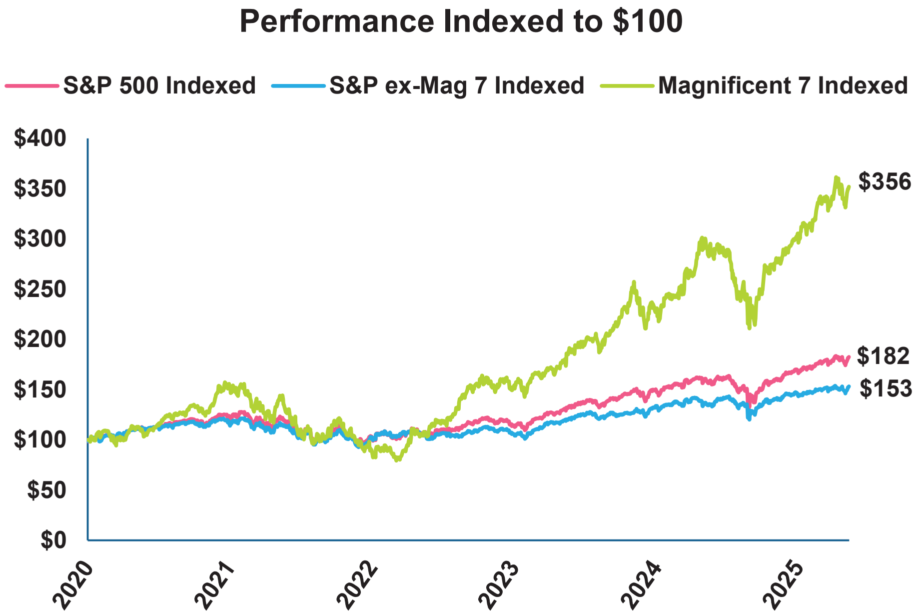
Equity Cyclically Adjusted P/E Ratios[1]

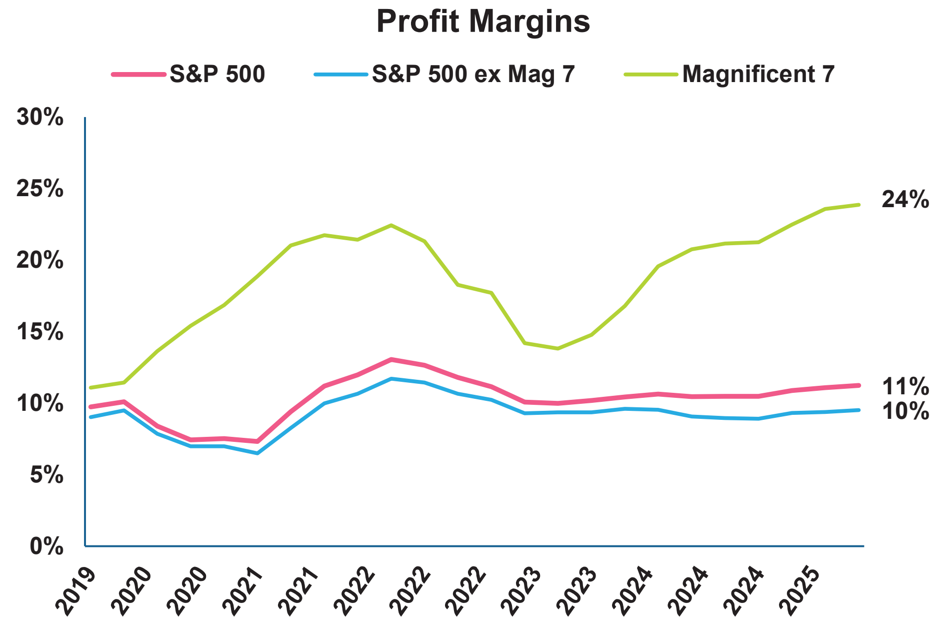


- Cyclically adjusted US stock valuations reached 40 in November, a level slightly above the peak coming out of the pandemic. AI-related optimism has been a key driver pushing valuations higher since the April lows.
- Given strong results this year in non-US developed stocks, valuations have moved further above their long-run P/E ratio (23.1 versus 20.1).
- As emerging market stocks lead the way in 2025, their valuations are now also trading at levels above their long-run average (18.8 versus 16.9).

[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 November 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.

Performance and Profit Margins: S&P 500 and "Magnificent 7"[1]





- Despite an over 25% decline to start the year, the so-called "Magnificent 7" AI-related technology stocks continue to drive market results gaining over 24% year-to-date through November. Since 2020, these stocks increased close to 3.6x while the other members of the S&P 500 increased roughly 1.5x.
- The relatively strong performance of the "Magnificent 7" has led to them currently comprising roughly a third of the S&P 500 index by market-capitalization, making their performance going forward key to overall market results.
- Profit margins have been relatively strong for these companies, with the latest readings more than double the broad market (24% versus 11%).

[1] Source: Bloomberg. Data is as of November 30, 2025, for index prices and September 30, 2025, for profit margins.

Fixed Income Returns[1]

Fixed Income	November (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	0.6	1.3	7.7	6.0	5.1	0.1	2.4	4.5	5.9
Bloomberg Aggregate	0.6	1.2	7.5	5.7	4.6	-0.3	2.0	4.3	6.0
Bloomberg US TIPS	0.2	0.5	7.4	5.7	4.0	1.4	3.0	3.9	6.6
Bloomberg Short-term TIPS	0.3	0.3	6.0	5.9	5.0	3.7	3.1	3.6	2.4
Bloomberg US Long Treasury	0.4	1.7	7.4	1.7	0.6	-7.1	0.2	4.6	14.7
Bloomberg High Yield	0.6	0.7	8.0	7.5	9.6	4.8	6.2	6.6	3.1
JPM GBI-EM Global Diversified (USD)	1.4	1.8	17.5	15.2	9.7	1.5	3.5	--	--

Fixed Income: The Bloomberg Universal index rose 0.6% in November, returning 7.7% year-to-date.

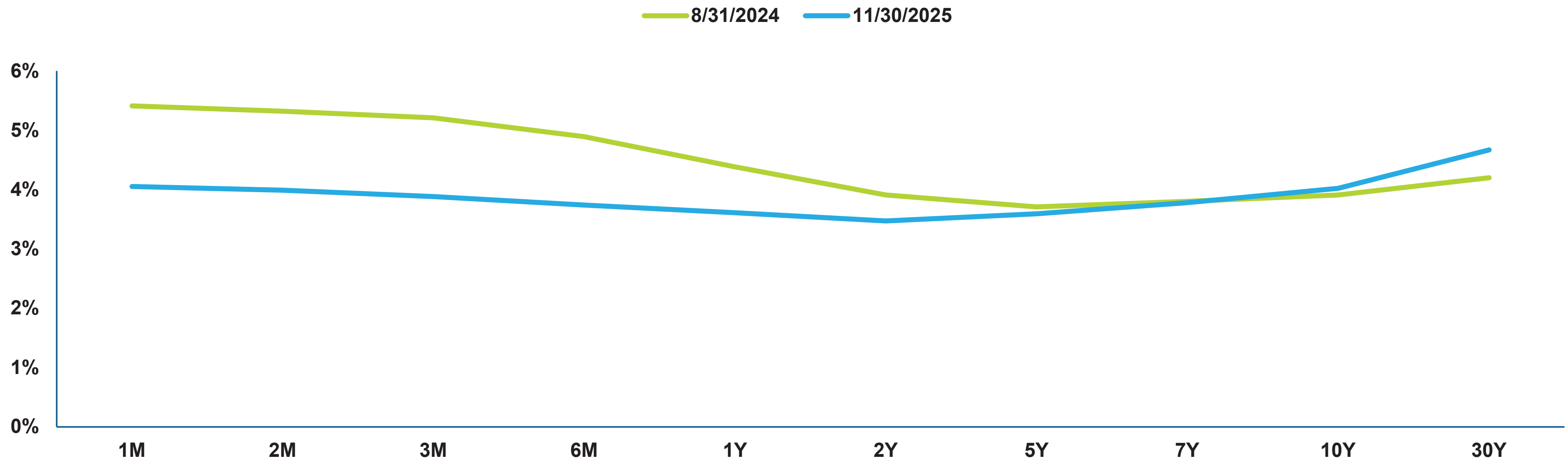
→ The US yield curve continued to move lower in November given soft economic data and expectations of further monetary policy easing.

→ In this environment, the broad US bond market (Bloomberg Aggregate) returned 0.6% with longer dated US Treasuries returning 0.4%. Longer and short-dated TIPS gained 0.2% and 0.3%, respectively, as inflation concerns eased.

→ Emerging market debt (+1.4%) lead the way for the month while US high yield (+0.6%) matched the broad market (Bloomberg Aggregate). Year-to-date performance in emerging markets exceeded other fixed income indices given relatively higher yields, an earlier start to central bank easing, and generally contained inflation.

[1] Source: Bloomberg. Data is as of November 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.

US Yield Curve[1]

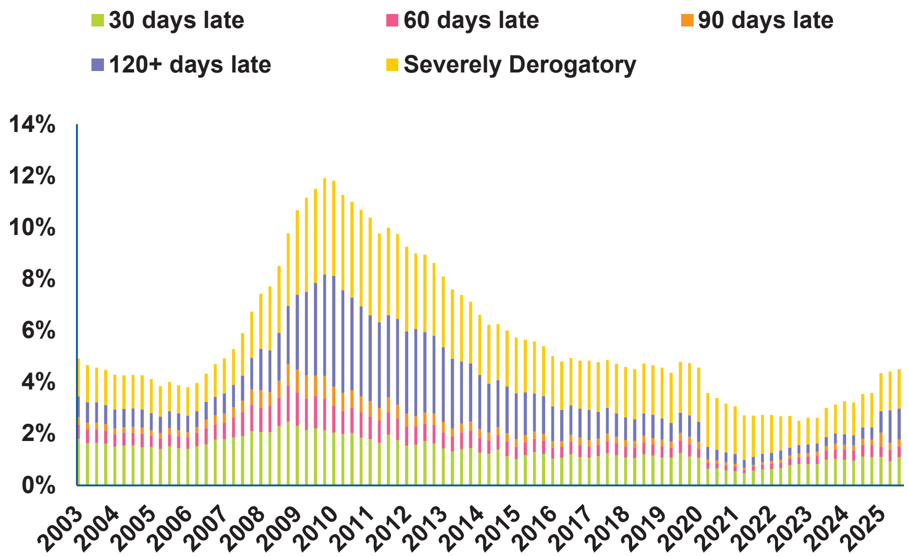


- Outside of longer maturities, interest rates generally fell in November on expectations of Fed rate cuts and some signs of cooling inflation.
- The policy sensitive 2-year nominal Treasury yield fell (3.57% to 3.49%) as expectations for a Fed rate cut at the last meeting moved from under a 30% probability mid-month to close to 100% at month-end. The 10-year nominal Treasury yield also fell (4.11% to 4.02%) on weak economic data, while the 30-year nominal Treasury yield stayed steady at around 4.67%.
- The shape of the yield curve has remained remarkably stable, with the spread between a two-year and ten-year Treasury staying in a tight range since April.

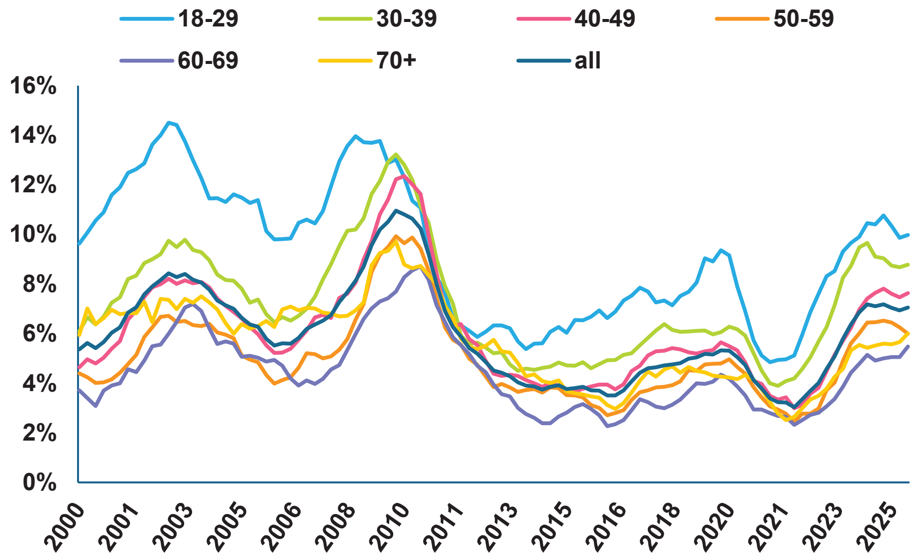
[1] Source: Bloomberg. Data is as of November 30, 2025. The August 2024 Treasury yields are shown as a reference before the first interest rate cut.

Stress is Building Among US Consumers

Percent of Total Outstanding Credit Card Balance by Delinquency Status[1]



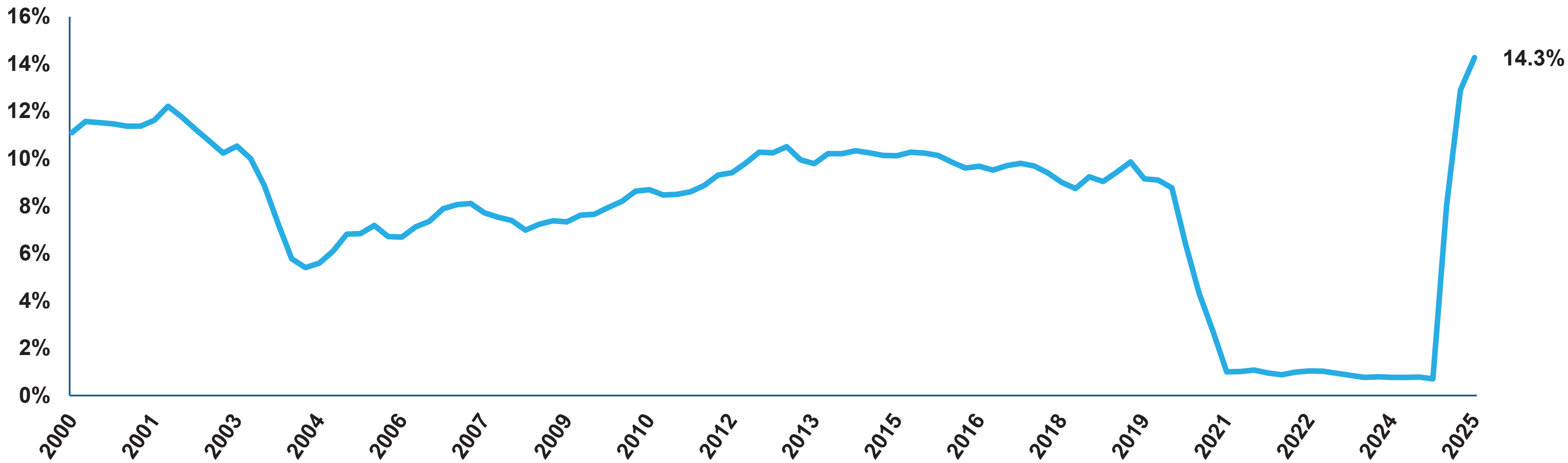
Transition into Serious Delinquency for Credit Cards by Age[1]



- 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 have started to increase.
- Parts of the credit card market, especially for younger cohorts, have begun to show stress as most borrowers are subject to variable and higher borrowing costs. Total delinquencies are below pre-pandemic levels though.

[1] Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. See also FRED. Data is as of September 30, 2025.

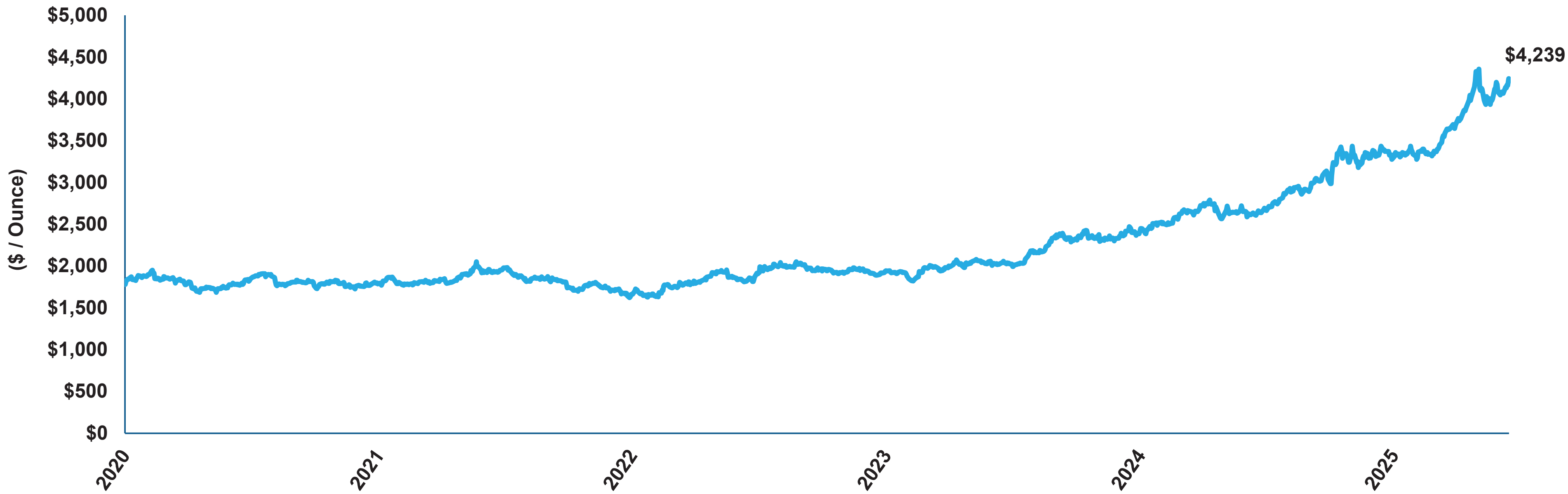
Transition Into Serious Delinquency (90+ Days) for Student Loans[1]



- → The restarting of student loan payments and reporting for those in default could add further pressures to consumers.
- → During the pandemic, student loan repayments were suspended with an estimated 43 million borrowers deferring payments.
- → Pressures have been growing in the student loan market with roughly 9 million borrowers missing at least one loan payment in 2025.
- → Approximately 14.3% of student debt has moved into seriously delinquent status.

[1] Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. See also FRED. Data is as of September 30, 2025. Percent of student loan holders transitioning in serious default (90-days or more) based on four quarter moving average. Delays in reporting may cause fluctuations.

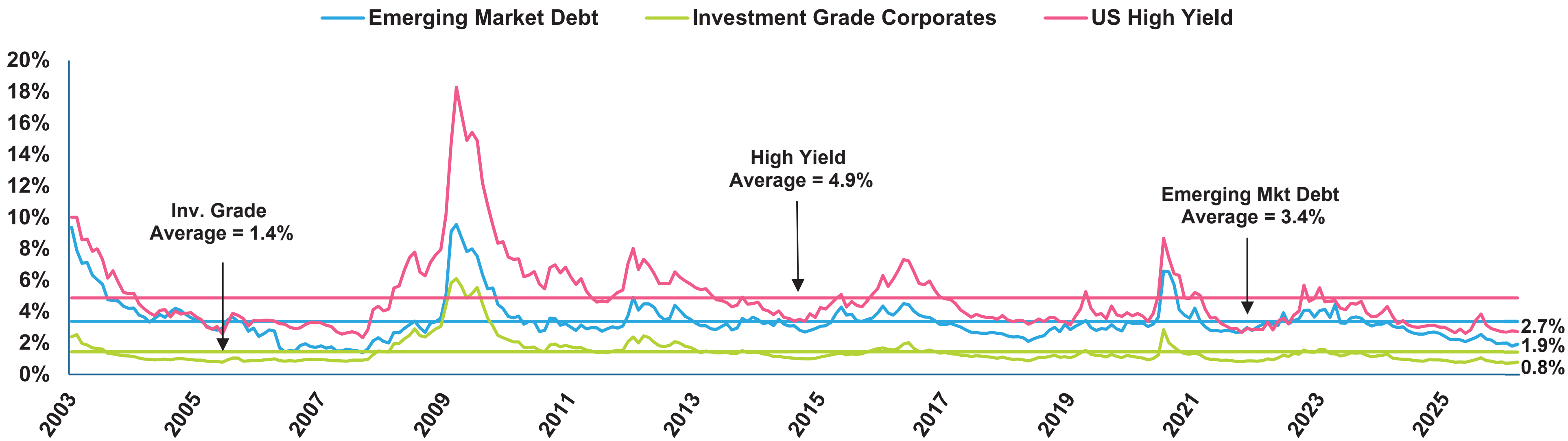
Gold[1]



- In a period where risk assets have done particularly well, gold, which is usually perceived as a safe-haven, has done even better, gaining over 60% year-to-date through November.
- Key drivers of gold's strong year include central bank demand, a weaker US dollar, inflation concerns, central banks purchasing bullion, and expectations for lower rates.
- In November gold increased over $200/ounce after its October decline largely driven by expectations of lower interest rates.

[1] Source: Bloomberg as of November 30, 2025. Gold Spot Price is quoted as US Dollars per Troy Ounce.

Credit Spreads vs. US Treasury Bonds[1]

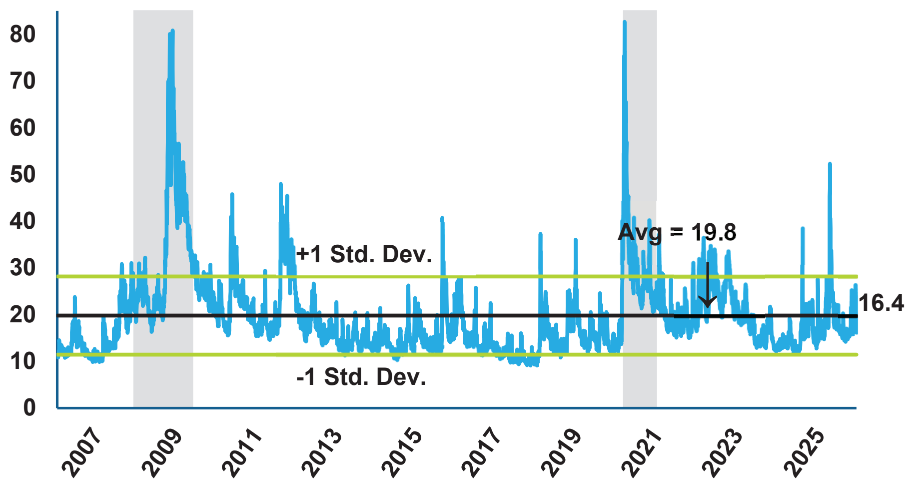


- Credit spreads remain historically tight, helped by the resilient US economy, strong corporate balance sheets/low default rates, and investor demand for yield.
- Investment grade spreads (the difference in yield from a comparable Treasury) remained below 1.0% in November.
- High yield spreads fell slightly from 2.8% to 2.7% for the month, while emerging market spreads rose from 1.8% to 1.9%.
- All yield spreads remained well below their respective long-run averages, especially high yield (2.7% versus 4.9%).

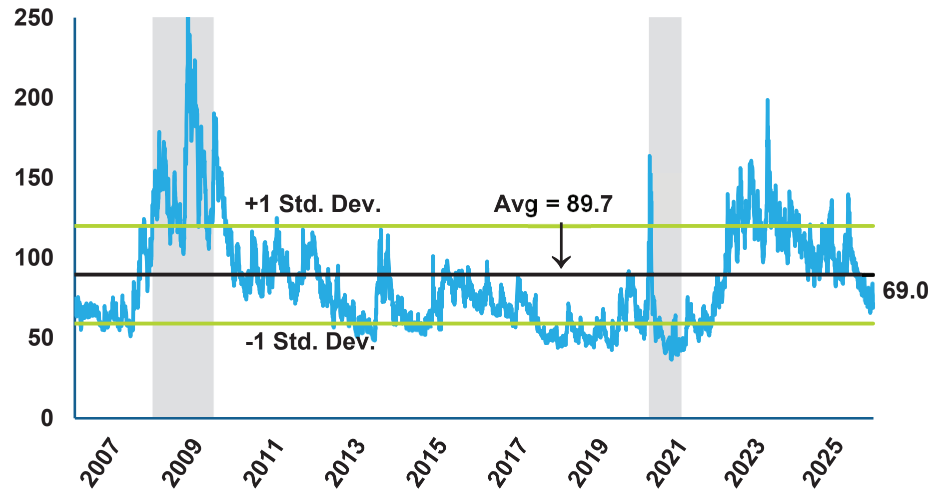
[1] Source: Bloomberg. Data is as of November 30, 2025. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

Equity and Fixed Income Volatility[1]

VIX Index



MOVE Index



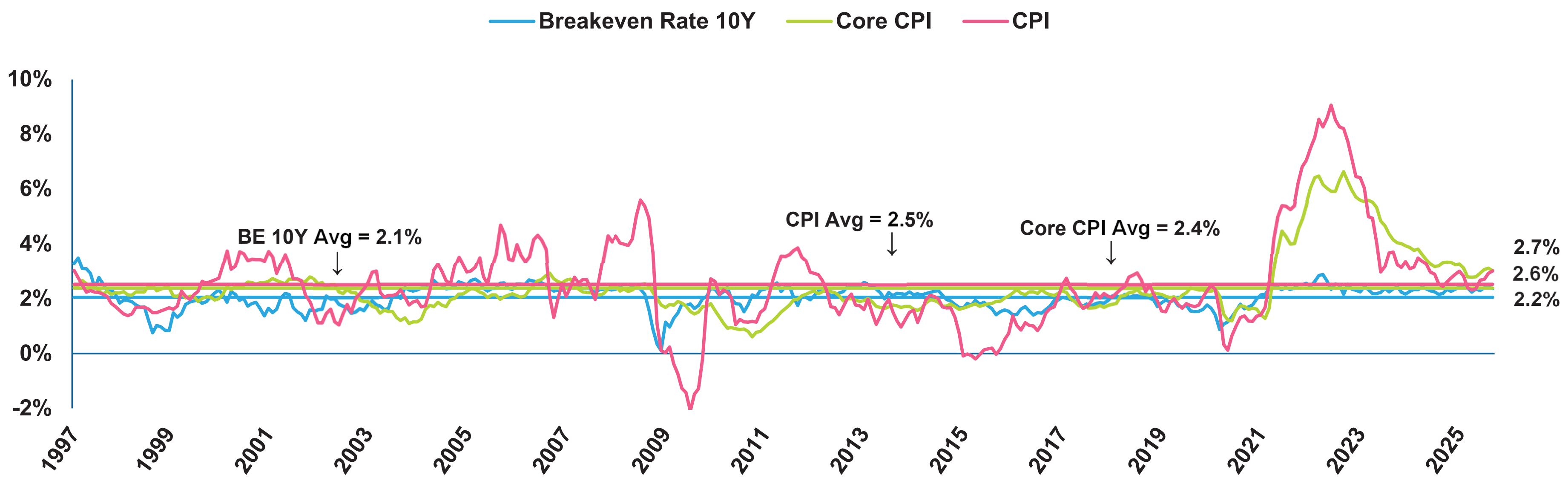
→ Volatility rose mid-month on AI valuation concerns and rate uncertainty but subsequently fell toward month-end as expectations grew for a December rate cut by the Fed.

→ Overall, resilient earnings data, optimism over AI-related stocks, and a general risk-on environment have all kept equity market volatility (VIX) relatively low.

→ Despite fiscal policy uncertainty and debt concerns, the MOVE index has largely declined as confidence increased in the Fed cutting rates.

[1] Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of November 30, 2025. The average line indicated is the average of the VIX and MOVE values between January 2005 and November 2025.

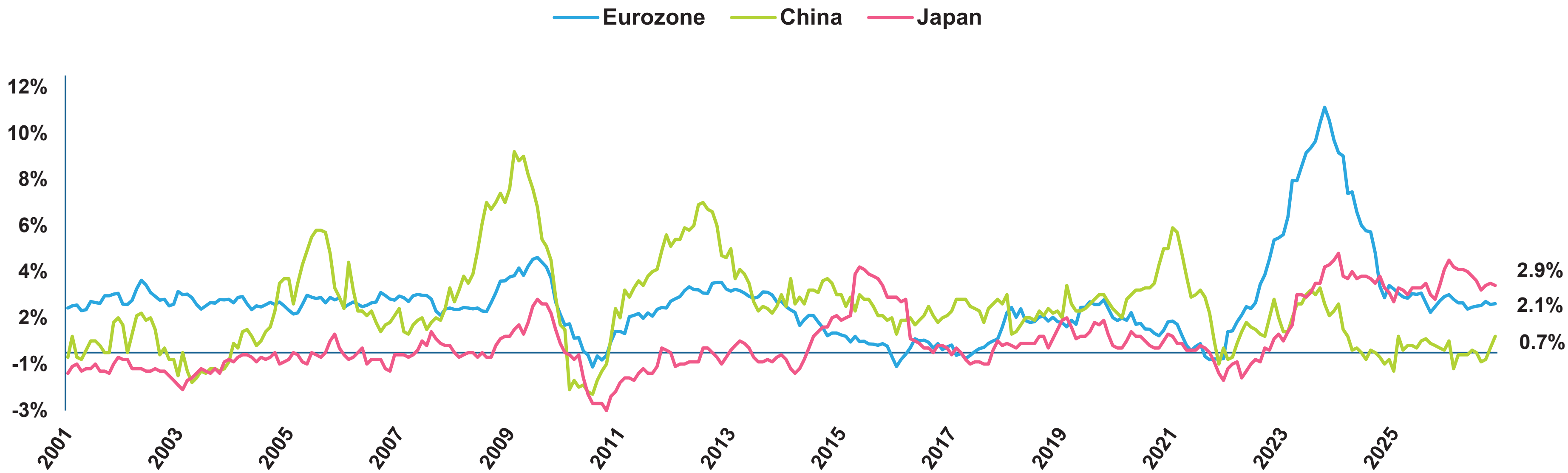
US Inflation[1]



- During the government shutdown the BLS was unable to conduct price surveys in October, raising some questions regarding the November CPI annual gain of just 2.7%, below expectations of 3.1%. While data collection resumed in mid-November, some survey collected data remains outstanding.
- The energy index rose 4.2% year-on-year through November while food prices increased 2.6% year-on-year.
- Core inflation rose 2.6% year-on-year, below expectations of 3.0%, with shelter costs a key driver of elevated inflation levels rising just 1.8% over the period.
- Long term inflation expectations remain well anchored at 2.2% close to their long-run average of 2.1%.

[1] Source: FRED. Data is as of November 30, 2025. This represents the latest inflation data. The October report was canceled given the government shutdown.

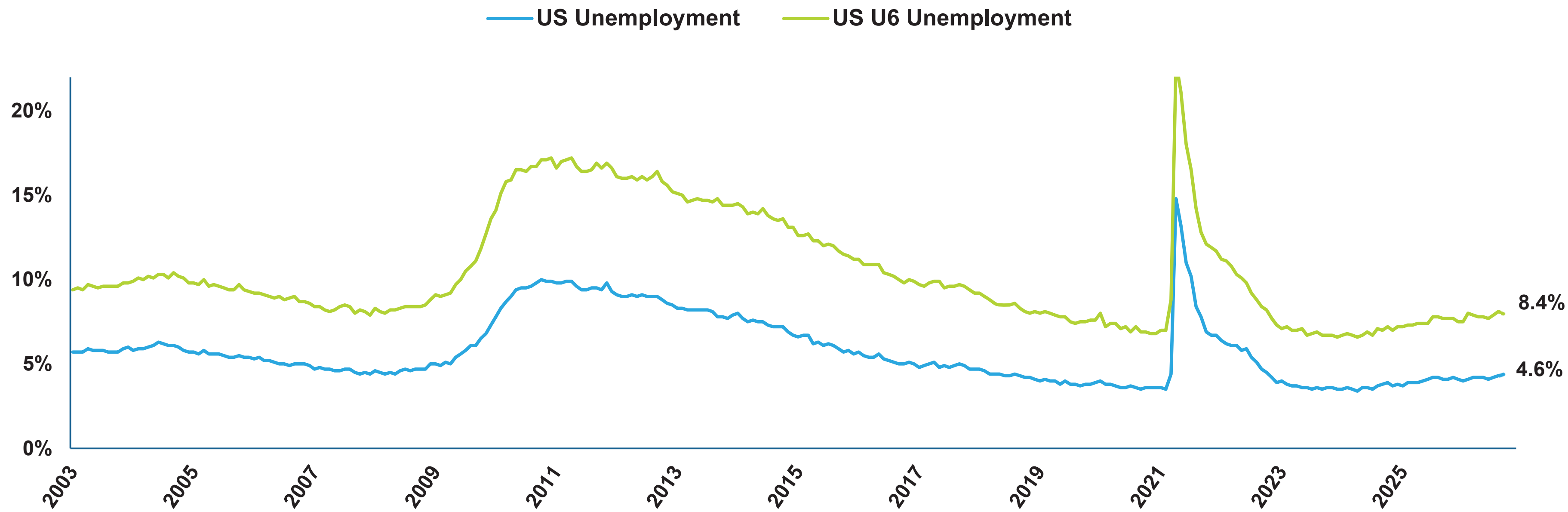
Global Inflation (CPI Trailing Twelve Months)[1]



- With inflation around its 2.0% target, the ECB held policy rates steady at 2% in December with no further rate cuts expected in 2026.
- The Bank of Japan raised interest rates to highest level in three decades from 0.5% to 0.75%. Inflation in Japan fell slightly in November (3.0% to 2.9%). Despite the slight drop, inflation levels continue to be roughly 1% above the Bank of Japan's target level.
- China's annual inflation rate rose in November from 0.2% to 0.7% driven by food prices moving from falling to rising. Clothing, healthcare, and education also experienced price increases, contributing to the overall rise in CPI. Despite higher levels, inflation pressures remain weak even with significant policy stimulus.

[1] Source: Bloomberg. Data is as of November 2025.

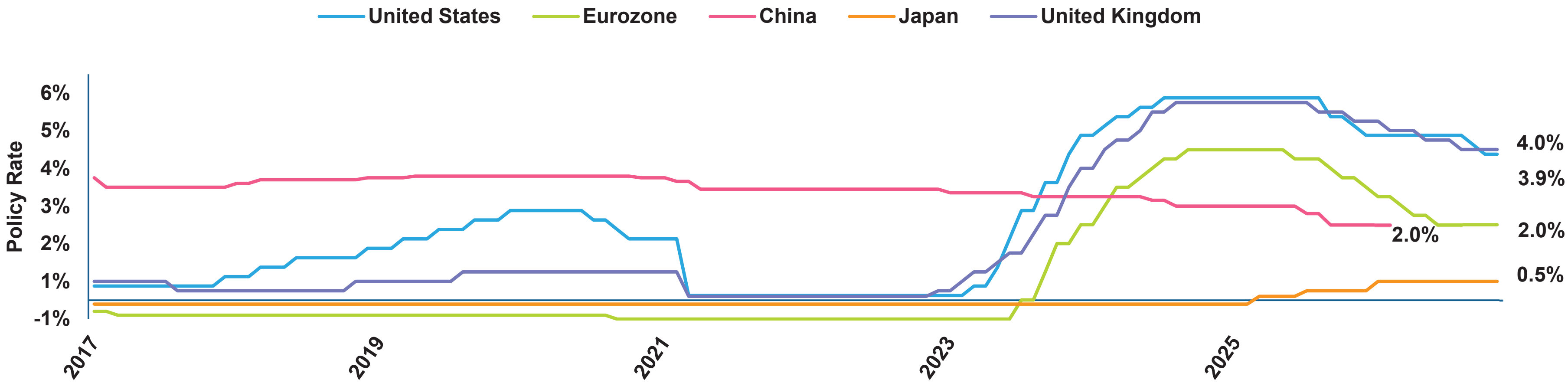
US Unemployment[1]



- In November the US added 64 thousand jobs above expectations of 50 thousand. The health care (+46 thousand), construction (+28 thousand), and social assistance (+18 thousand) sectors added jobs, while the transportation/ warehousing (-18 thousand) and government sectors (-6 thousand) reduced jobs.
- The unemployment rate rose from the September level of 4.4% to 4.6% in November (the BLS did not calculate October given the shutdown) driven by reentrants into the labor force.
- Weekly initial jobless claims remain relatively low, averaging slightly more than 200 thousand on a four-week moving average. Continuing unemployment claims continue to hover around 1.9 million, a level higher than levels coming out of the pandemic but still historically low.

[1] Source: FRED. Data is as of November 30, 2025.

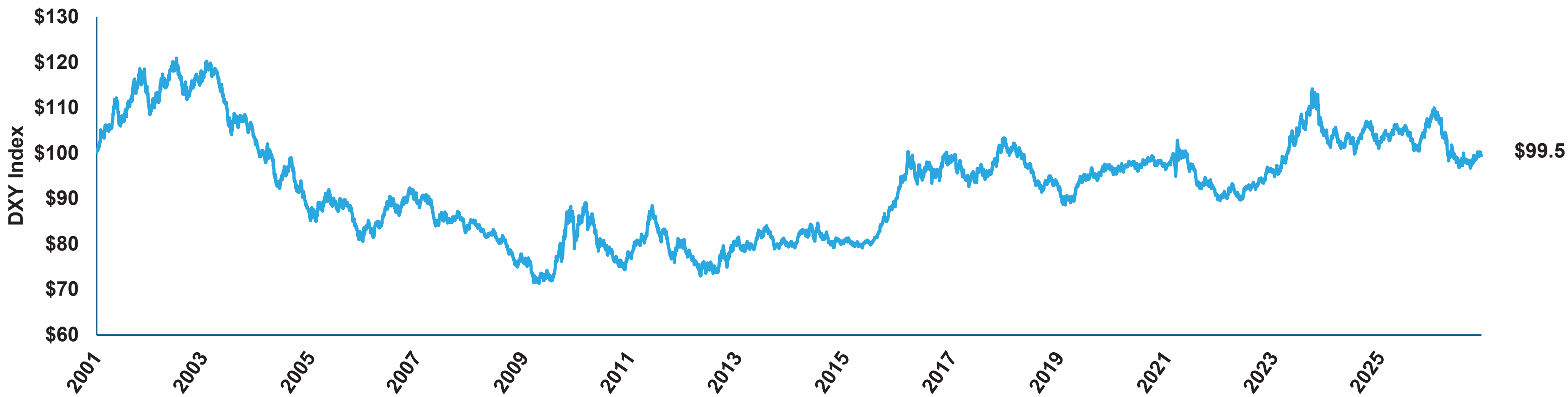
Global Policy Rates[1]



- → It appears that we are moving into an environment in which the Fed continues to cut interest rates while other central banks are on hold or moving rates higher.
- → The Fed cut interest rates again after month-end to a range of 3.5% to 3.75% with market expectations for roughly two more cuts over the next 12 months. Based on comments after the recent meeting it appears the Fed is going to take a cautious approach going forward, given inflation remaining elevated despite signs of weakness in the labor market.
- → The ECB held rates steady since the summer. In 2026, there are no expectations of further cuts by the ECB, but markets are pricing in several additional cuts from the BOE.
- → After cutting rates in May of last year, China's central bank has held rates steady, although disinflationary pressures continue to be a concern.
- → After month-end the BOJ increased rates by 0.25% with markets expecting potentially one more hike in 2026, given inflation levels remaining above their 2% target.

[1] Source: Bloomberg. Data is as of November 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 Currencies[1]



- The US dollar declined slightly in November after its recent gains from the September lows on relatively higher growth and interest rates in the US.
- Despite the recent increase, headwinds remain for the US dollar including a growing fiscal deficit and slowing growth.

[1] Source: Bloomberg. Data as of November 30, 2025.

Key Trends

→ According to the International Monetary Fund's (IMF) October's World Economic Outlook, the global economy will decelerate from 3.2% in 2025 to 3.1% in 2026. The US is expected to modestly accelerate economic growth in 2026 to 2.1% from 2.0% in 2025. The euro area will slow slightly from 1.2% in 2025 to 1.1% in 2026. China's economy is expected to slow from 4.8% in 2025 to 4.2% in 2026.

→ Despite the decline in tariff rhetoric since early April, many questions remain including how they will ultimately impact inflation. Overall, higher tariff levels and continued uncertainty could weigh on growth while increasing prices. Inflation levels and potential developments with tariffs combined with a weakening labor market will complicate the Fed's rate cutting path.

→ Some signs of US consumer stress have started to emerge, with growing weakness in the jobs market and sentiment weakening since the start of the year. Consumers are particularly concerned about losing 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 an even weaker job market. The resumption of collecting and reporting delinquent student loans could be a further headwind to consumption.

→ US equities have fully recovered from substantial losses experienced during the first week of April and have reached new highs. A relatively strong third quarter earnings season, ongoing AI optimism, and rate cuts from the Fed all helped drive stocks higher. How earnings track from here, particularly for the large AI-related companies that make up a significant portion of the market, will be key going forward. Many questions remain about the return on investment for companies making significant investments in building AI infrastructure.

→ Trade tensions between the US and China will remain an important focus as well as the overall health of China's economy. President Trump and President Xi met in late October and agreed to suspend trade sanctions for a year. However, it is not clear if China and the US will indeed de-escalate strategic high tech and rare earth tensions despite the official truce. How China manages its slowing economy, and deflationary pressures will also be important.

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San Joaquin County Employees' Retirement Association

January 9, 2026

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

Optimize the Investment Manager Lineup
Search for new Private asset class managers.
During the month of December, the investment team met with twelve outside managers to review new investment funds: eight Private Credit, two Private Equity, and two Real Estate.

Evaluate investment managers, including legacy managers, to optimize performance; initiate changes as needed.
The investment team conducted reviews with two existing managers, discussing investment approaches, performance, and portfolio fit. Both funds' return figures and future outlook were in line with expectations.

Define Emerging Governance Issues
Maintain a strong baseline of legal compliance with documents, guides, training, and continuance of the established review process.
In December we presented the Board with an online Fiduciary Education training. This allows for Board members to work on educational needs at their own pace. We plan to enact more online educational opportunities for the Board.

MODERNIZE THE OPERATIONS INFRASTRUCTURE

New Pension Administration System (PAS)
Achieve defined milestones in new Pension Administration System.
On December 29, we signed our new Pension Administration System contract with Heywood. Although we've already participated in several virtual meetings, we have scheduled our official kickoff with a week of in-person meetings starting January 12, to begin our collaborative efforts.

Member Experience

Implement process for Alive and Well project.

Our Alive and Well testing phase is almost complete. As of the end of December, we had five members who have yet to respond to our requests. Once the testing phase is complete, we will be working towards documenting the process and implementing as ongoing workload.

Improve Business Operations

Implement in house development of ACFR and PAFR.

Our Communications Officer has developed an in-house design for the 2025 ACFR and PAFR. With our 80th anniversary in 2026, we wanted to recognize the agricultural roots that are embedded in our history. The theme for 2025 is “Rooted in History. Growing Sustainably.” With the move to in-house development, we’ve been able to commence on much of the work not dependent on changing 2025 data and are ahead of our typical processing timeframe.

ALIGN RESOURCES AND ORGANIZATIONAL CAPABILITIES

Board of Retirement Practices

Define Board educational needs and implement corresponding educational opportunities and materials.

This month Alison Adams with Meketa will present the market themes Meketa anticipates for 2026 and beyond. The presentation outlines key economic and market themes for 2026 and beyond, focusing on Federal Reserve uncertainty, persistent inflation, and rising federal debt pressures. It highlights structural shifts in the labor market and the significant capital requirements tied to AI, semiconductors, data centers, and energy infrastructure. It also notes elevated U.S. equity valuations, concentration risk in large technology firms, and increased interest in gold alongside the continued dominance of the U.S. dollar.

Organization Metrics

Implement new data analytics tools and methodologies.

SJCERA worked with MBS, our data conversion vendor, to create a graphical dashboard that represents the overall data cleanliness and other relevant metrics for our entire population of active, deferred, and retired members in anticipation of our new PAS implementation and conversion. In December, MBS demonstrated the dashboard to our Benefits and Information Technology teams with the anticipation of utilizing this tool to enhance our ongoing evaluation and cleanup of employer reported data and to provide additional insight into our membership. We expect to show the production ready version of this tool during the April 2026 Quarterly Operational Reports.

MAINTAIN BUSINESS OPERATIONS

2025 Updates

Conduct Risk Audit with Linea.

On December 4, key SJCERA staff participated in a Tabletop exercise, a discussion-based simulation, led by Linea Secure. Linea Secure established a cybersecurity incident then led staff through a discussion of our response which clarified roles and responsibilities, gave us a look at our incident response plan, identified gaps in the process, and the teams discussed the “post incident” impacts of not being able to run monthly benefit payments through our pension administration system.

Define staff educational needs and develop corresponding training opportunities.
We created a fillable self-assessment tool to assist staff and supervisors in development planning discussions during their annual evaluations. The self-assessment tool includes Competencies, Rating System (1-Needs Development; 2-Emerging Skill; 3-Proficient; and 4-Strong/Executive Ready), and a Comments section, allowing for more guided, focused discussions with staff during their review.

Establish Semi-Annual Meetings with Employers.
We officially concluded our end-of-the-year semi-annual Employer meetings, with the final one being the County Administrators' Office on December 30th. These meetings continue to hold great value in understanding our employers, opening communication pathways, and getting an inside scoop on how we can be a better partner.

Develop measures to help track non-financial performance.
We compiled CEM and other non-financial measurements and linked them to the *Balanced Scorecard* and included as an attachment to the CEO Report. Staff will be working with the Heywood team to have these measurements tracked in the new PAS system as part of the dashboard reports.

<u>1099R Creation and Distribution</u>
On another note, our IT Manager, Adnan Khan, has been working with our new 1099R print vendor, Greatland. Once the Finance team can reconcile the data that will be presented on the forms, we will upload our data file to our new vendor. This year's IRS 1099R Forms will be printed and in the U.S. Mail by the IRS deadline. This new vendor also helps prepare and submit the IRS filing by March 31, 2026. In addition, as part of our goals for automation, retired members will have the option to obtain their IRS 1099R Form online.

<u>Employer Symposium</u>
We are happy to report that our 2nd Annual Employer Symposium is scheduled for February 19. We are gearing up for a full day of engaging with employers and are excited to have several of our key partners joining us: Cheiron, Meketa, and Heywood. Save the Dates have been sent to our employers; formal invitations and agendas will be distributed soon.

<u>Provide Excellent Customer Service</u>
A few quotes from our members:

"Margarita was very professional and sensitive to what has just transpired."

<u>Employee of the Month</u>
Congratulations to our December Employee of the Month, Aaron Zaheen! Knowing the importance of solid groundwork to a successful, expedient contract negotiation process, Aaron committed significant time to the development of the terms that went into the original Request for Proposal for our Pension Administration System. Once we received approval, he once again fully committed to the goal, maintaining exceptional responsiveness to our vendor's communications. Aaron's contract knowledge, attention to detail and responsiveness make him invaluable to our office. During this time, he also did much of the development that was the foundation for the first-recorded, Board-education module.

MANAGE EMERGING ORGANIZATIONAL NEEDS

On December 24, staff found water leaking into the electrical, IT and café areas of the office. Quick response by the team engaged Atlas, our property manager, to evaluate the source of the water leaks and begin clean up as well as prepare for approaching storms. Further evaluation will be conducted to ensure any water damage is identified and corrected given the likelihood of mold buildup if not corrected timely.

CONCLUSION

December was a month of surprises, but it showed our team is well at adapting to making sure the job continues to get done. Even with limited time due to the holidays, our team continues to persevere. On a lighter note, our office team threw a Holiday Party to celebrate each other and the holiday season. The party planning committee decided to throw a Wonka themed get together for staff to enjoy, complete with chocolate river (and fountain).

Of course, at the very heart of our mission is our retirees. We are here for the sole purpose of providing a secure retirement benefit to our members. Although I attend RPESJC luncheons on a regular basis, I also try to bring along subject matter experts to ensure our retiree population visually sees our commitment to them and has the opportunity to follow up on questions or concerns they might have. For the holiday luncheon this year, our investment experts joined me along with two of our trustees that also sit on their Board, and one of our employees who is now a retiree as well.

Our new year, 2026, is shaping up to be a year of changes. We are excited to see what is in store for SJCERA in the new year.

Develop Measures to Help Track Non-Financial Performance

BALANCED SCORECARD	MEASURE
Customers	Active Member Experience
	Inactive Member Experience
	Retiring Member Experience
	Annuitant Experience
	Total Service Score
Internal	Business-As-Usual Costs
	Major Project Costs
	Total Pension Administration
	Total Budgeted Staff
	Benefit Specialist Positions
	Dollars Per Member
	Incoming Volumes (website visits, calls, emails, 1:1 counseling sessions, member presentations)
	Statutory Limit Cap
	IT Security Costs per Member
Learning & Growth	Employee Retention
	Net Promotor Score

Impact Summary

1 STRENGTHEN THE LONG-TERM HEALTH OF RETIREMENT PLAN

- Implemented board-driven asset allocation policy in a timely, efficient manner, supporting long-term expectations/benchmark of the fund.
- Conducted actuarial experience study to validate assumptions are still on target or require an adjusting to continue fund health.

2 MODERNIZE THE OPERATIONS INFRASTRUCTURE

- Maintained current systems to ensure continuity of operations for our members, retirees, beneficiaries, and employers.
- Developed educational content to engage with members and employers.
- Hired new Pension Administration System vendor.

3 ALIGN RESOURCES AND ORGANIZATIONAL CAPABILITIES

- Developed measurements to help track non-financial performance.
- Enhanced staff evaluation process to better invest in staff development.

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	Evaluated current environment to ensure relevant data in actuarial calculations.
1b. Asset Allocation		
1.b.i.	Perform asset liability study (ALS)	Confirmed the Board's direction and risk tolerances for building an aligned asset portfolio.
1.b.ii.	Amend the Strategic Asset Allocation policy	Aligned with ALS and targeted achievement of annual performance objective.
1.b.iii.	Review Benchmarks	Provided the Board with relevant targets, creating a relevant means to evaluate manager performance.
1.b.iv.	Review Real Estate and CRO asset classes	Evaluated 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	Considered multiple opportunities for contracting to ensure best alignment with fiduciary duty.
1.c.ii.	Consider modifications to the Funding Policy	Moved to 2026.
1.c.iii.	Evaluate in-house vs. outsourced investment functions	Sought 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	Improved investment performance by seeking to reduce drag on returns from ineffective partners.
1.d.ii.	Conduct manager searches for various asset classes	Maximized investment returns by continually considering opportunities available in the marketplace.
1.d.iii.	Conduct pacing studies for various asset classes	Ensured investments are aligned with overall allocation targets and cash projections.
1e. Risk Assessment		
1.e.i.	Evaluate risk tolerance during ALS	Affirmed alignment of Board's risk tolerance to portfolio management and final adoption of new SAA.
1f. Define Emerging Governance Issues		
1.f.i	Evaluate practices related to fund governance	Minimized risk and ensured a solid foundation for system to operate by review and alignment (when appropriate) to best practices.
1.f.ii.	Build strong baseline for legal compliance	Reduced Board and system liability.
1.f.iii.	Provide educational support to trustees	Ensured 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	Signed contract with Heywood, new pension system vendor. Moved to 2026.
2.a.ii.	Implement business process improvements	Improved multiple processes via policy and procedure and added automated tools to aide in effective future system implementation.
2.a.iii.	Develop new policies related to PAS	Signed contract with Heywood, new pension system vendor. Moved to 2026.
2.a.iv.	Develop employee education plan for new system	
2.a.v	Develop communication strategy for implementation	
2.a.vi.	Develop educational material for implementation	
2b. Member Experience		
2.b.i.	Develop member engagement strategy	Found new ways to connect with members in order to create 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. Since implementation, our attendance for webinars has increased on average by 132%.
2.b.iii.	Develop content	Created a more educated population, increasing member's financial soundness. Maintained a LinkedIn engagement rate (direct interactions) of 12.7% (LinkedIn classifies a 3-6% engagement rate as a highly engaging).
2c. Improve Business Operations		
2.c.i.	Implement new Board meeting software	Improved operational efficiency.
2.c.ii.	Develop workflows to track current operational workload	Built mechanisms to track metrics to enable more accurate resource allocations and identification of trend changes.
2.c.iii.	Conduct risk audit with Linea	Managed risks to minimize potential financial and reputational consequences.
2d. Employer Experience		
2.d.i.	Conducted employer survey	In conducting this survey, it allowed us to identify areas of improvement for employer education and communication.
2.d.ii.	Develop employer educational strategy	Developed and executed multiple educational classes and printed materials to ensure employers are well educated to accurately respond to member's questions when raised.
2.d.iii.	Established employer roundtable	Created annual event to increase education and engagement.
2.d.iv.	Established semi-annual meetings with employers	Created regular communication structure with employers to encourage open dialogue and enhance responsiveness.

3 ALIGN RESOURCES AND ORGANIZATIONAL CAPABILITIES

	ACTION ITEM	BENEFIT
3a. Workforce Planning		
3.a.i.	Create preliminary post-system implementation workforce staffing plans	Signed contract with Heywood, new pension system vendor. Moved to 2026.
3.a.ii.	Develop onboarding documents for targeted positions	Moved to 2026.
3b. Staff Education		
3.b.i.	Enhance current staff evaluation process	Incorporated staff development to improve engagement with employees.
3c. Board of Retirement Practices		
3.c.i.	Curate and deliver Board fiduciary educational presentations	Minimized risk and ensured a solid educational foundation for trustees to utilize for decision making.
3.c.ii.	Curate and deliver Board disability educational presentation	Minimized risk and ensured 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	Created ability to evaluate current productivity to ensure efficient internal processes.

MANAGING EMERGING NEEDS

	Conduct an actuarial RFP	Ensured best practices are upheld with regular evaluation of costs and services provided.

	On Track
	Completed
	Identified Potential Risks
	Known Delays

Board of Retirement Meeting
San Joaquin County Employees' Retirement Association

Agenda Item 9.03-01

January 9, 2026

SUBJECT: Pending Member Accounts Receivable – 4th Quarter

SUBMITTED FOR: ___ CONSENT __ ACTION _X_ INFORMATION

RECOMMENDATION

This report is submitted for the Board's information.

PURPOSE

To report the quarterly summary of pending accounts receivables for SJCERA retired or deferred members as of December 31, 2025.

DISCUSSION

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

QUARTERLY SUMMARY REPORT OF PENDING ACCOUNTS RECEIVABLE - SJCERA MEMBERS

4th Quarter - Through December 2025

	Action Date	Total Receivable	Payments Began	Current Balance	Current Payment	Payment Description	Payment End Date	First Reported To Board
1	05/19/02	$35,537.23	11/01/15	$2,970.31	$320.31	Overpaid Retirement Benefits	12/02/27	Jul-21
2	12/31/22	$25,062.14	02/01/23	$3,371.87	$644.02	Underpaid Health Premiums	12/02/26	Apr-23
3	04/03/23	$8,494.56	04/03/23	$707.88	$235.96	Underpaid Contributions	04/02/26	Jul-23
4	02/01/24	$13,317.48	02/01/24	$4,809.09	$369.93	Overpaid Retirement Benefits	02/02/27	Apr-24
5	08/01/25	$5,767.35	08/01/25	$2,883.65	$576.74	Overpaid Retirement Benefits	05/01/26	Oct-25
6	11/03/25	$3,859.25	11/03/25	$3,087.39	$385.93	Overpaid Retirement Benefits	09/01/26	Jan-26
7	11/03/25	$6,962.80	11/03/25	$6,382.56	$290.12	Overpaid Retirement Benefits	11/01/27	Jan-26
8	11/03/25	$9,914.40	11/03/25	$9,363.60	$275.40	Overpaid Retirement Benefits	11/01/28	Jan-26
Total Accounts Receivable as of 12/31/2025				**$33,576.35**				

Two member accounts receivable were completed, and three new member accounts receivable were established in the fourth quarter of 2025.

BRIAN MCKELVEY
Asst. Chief Executive Officer

Pending Disability Application Statistics
4th Quarter 2025
Open Cases

SJCERA received 2 disability applications during Q4 2025

Time Elapsed From Application Date	
01 - 03 Months	2
04 - 06 Months	0
07 - 09 Months	1
10 - 12 Months	1
13 - 15 Months	0
16 - 18 Months	0
19 - 21 Months	3
22 - 24 Months	1
Over 24 Months	0
Total	**8**

Break Down By Application Type	
Service-Connected	7
Nonservice Connected	0
Service & Nonservice Connected	1
Total	**8**

Breakdown By Department	Service	Nonservice	Service & Nonservice	Total	SJCERA Members	Ratio
Correctional Health	1	0	0	1	91	1.10%
Public Works	0	0	1	1	401	0.25%
Sheriff	6	0	0	6	780	0.77%
Totals	7	0	1	8	1,272	0.63%
Total SJCERA Active Members For All Departments As of 12/31/2025					**7,301**	**17.42%**
Total Number of Department Groups					**3**	

2025 Total Cases Resolved = 4

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

Goal #1 67% Completed within 9 months
Goal #2 0% Completed with Hearing within 18 months

Of the four cases resolved in 2025, three were completed without a hearing, and one was withdrawn. Of the three completed cases, one was not resolved within the 9-month timeframe established under Goal # 1.

The Office of Administrative Hearings continues to experience scheduling delays; however, staff is working closely with applicants to minimize further setbacks. Despite these efforts, we are not anticipated to meet Goal #2. Three applications are expected to be ready for Board consideration at the February meeting.

Calendar Year Comparison
1/1 to 12/31

	2020	2021	2022	2023	2024	2025
New	7	16	14	14	6	4
Granted	10	8	12	13	4	3
Denied	4	3	3	3	0	0
Dismissed	2	0	0	1	1	0
Withdrawn	0	0	2	1	1	1
Rejected	0	0	0	3	0	0
Total Closed	16	11	17	21	6	4

Agenda Item 9.03-03

Q4 2025 – Operations Metrics

As part of SJCERA's efforts to make data-based decisions, the Retirement Services and IT units formalized its initial data collection in August 2023. This report represents operational data collected for the fourth quarter of 2025. The data is useful for workload allocation, analyzing staff performance and identifying training opportunities. In August 2025, we began tracking member phone and walk-in metrics which have been added below for your review.

Retirement Services

Completed Activities	Oct	Nov	Dec	Q4 Totals	Monthly Average[1]
Retirements	13	18	12	**43**	14
Deaths	16	10	18	**44**	15
Refunds	29	25	25	**79**	26
New Employees	81	88	72	**241**	80
Deferred	50	44	30	**124**	41
Terminations	56	54	45	**155**	52
Estimates	35	27	17	**79**	26
Service Purchases	16	10	7	**33**	11
Member Phone Calls	321	224	191	**736**	245
Member Walk-Ins	24	26	40	**90**	30

Information Technology

Completed Activities	Oct	Nov	Dec	Q4 Totals	Monthly Average[2]
IT Support	221	212	259	**692**	231
Ongoing Production	262	217	378	**857**	286
Cybersecurity & Infrastructure Maintenance	208	234	183	**628**	208
Projects	131	228	189	**548**	183

Brian P. McKelvey
Assistant Chief Executive Officer

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

Agenda Item 9.03-04

Q4 2025 - Pension System Project Status Report

2025 RFP Schedule & Milestones

In the May 9, 2025 CEO Report, we detailed our new Pension Administration System Request for Proposal project with Agile Progress (AP). SJCERA and AP expected this project to be completed in 16-20 weeks. And although we didn't complete the RFP project in 20 weeks, the project was successfully completed in 28 weeks, which is approximately 18 months faster than similar PAS RFP projects in the public pension industry.

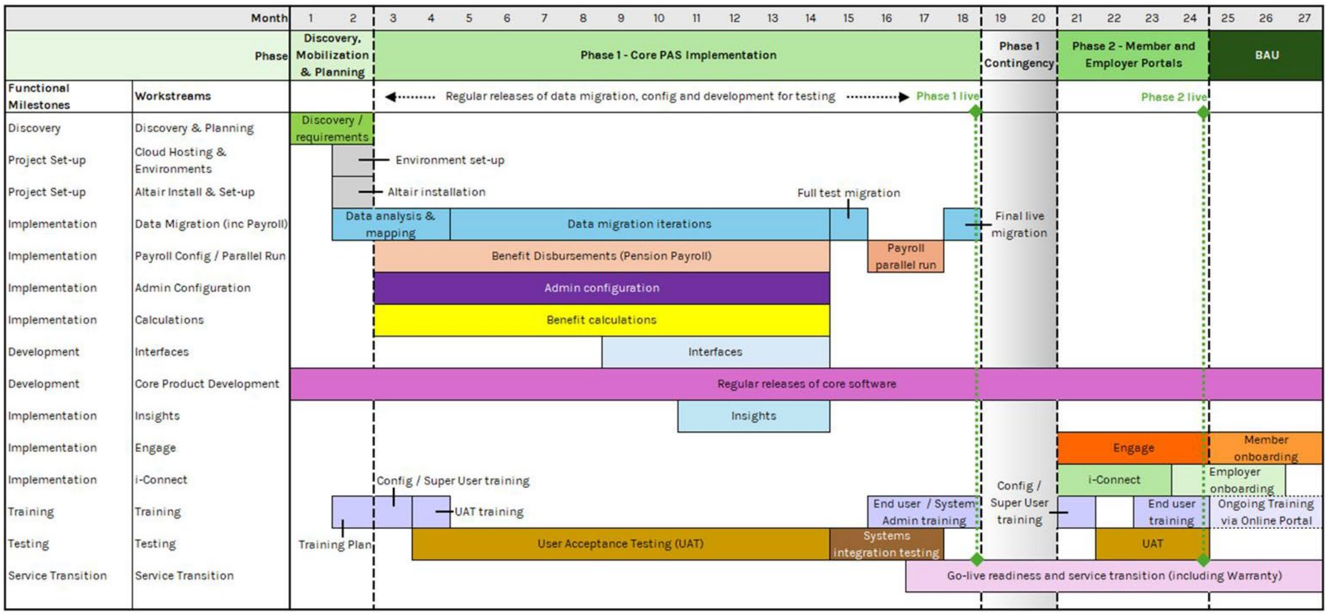
High Level Tasks	Duration	Start Date	End Date
Analysis of SJCERA goals, objectives, and prior RFP	2 weeks	05/05/25	05/16/25
Develop new RFP	4 weeks	05/19/25	06/13/25
Publish new RFP and Manage Vendor Response	**5 weeks**	**06/16/25**	**07/18/25**
Vendor Evaluation and Selection	6 weeks	07/21/25	08/29/25
Vendor Contract Negotiation	3 weeks	09/01/25	09/19/25
New Pension Administration System Project Kick-off	**20 weeks**	**10/01/25**	

In early December, all project teams began gathering and preparing documentation and collaborating on a January 2026 kick-off.

Vendor contract negotiations were completed on December 29, 2025, as the Master Services Agreement and Statement of Work were fully executed by Heywood and SJCERA.

Heywood and Agile Progress teams will be on-site January 12-16, for a week's worth of meetings to kick off the 24-month implementation project. These meetings will be to establish project governance, finalize discovery around benefit processes, calculations, data migration, monthly benefit payroll, testing requirements, and finally initiate cloud hosting, infrastructure build-out and cybersecurity plans.

PAS Schedule & Milestones



- Discovery, Mobilization, & Planning (Jan 2026 – Feb 2026)
- Phase 1 – Core PAS Implementation (Mar 2026 – Jun 2027)
- **Core PAS Go-Live – June 2027**
- Phase 1 – Contingency & Stabilization of Core PAS (Jul 2027 – Aug 2027)
- Phase 2 – Member and Employer Portals (Sep 2027 – Dec 2027)
- **Portals Go-Live – December 2027**

Activities Completed (Q4 – 2025)

1. Contract and Statement of Work Signed December 29, 2025
2. SJCERA Staff and MBS completed data cleanup and reconciliation activities, as well as designed and implemented the Data Health Dashboard which details data migration readiness through the project
3. Project Kick-off prep activities with Heywood and AP teams
4. SJCERA Staff and AP finalized functional test planning and test scenarios

Activities Planned (Q1 – 2026)

1. Complete two weeks of in-person meetings with Heywood to initiate project and finalize functional requirements in January and February
2. Heywood to participate in Employer Symposium on February 19, 2026
3. Coordinate and prepare for initial data migration as early as April 2026

Project Budget

Milestone	Target Date	Amount
1 – Discovery	Feb 2026	$0.00
2 – Infrastructure and Initial Training	Apr 2026	$637,135.20
3 **– Release 1**	Jul 2026	$424,756.80
4 – Release 2	Sep 2026	$424,756.80
5 – Release 3	Nov 2026	$424,756.80
6 – Release 4	Jan 2027	$424,756.80
7 – Testing Completed	Mar 2027	$424,756.80
8 – PAS Go-Live	Jun 2027	$637,135.20
9 – Employer Portal Environment	Sep 2027	$212,378.40
10 – Member Portal Environment	Oct 2027	$212,378.40
11 – Employer Portal	Nov 2027	$212,378.40
12 – Member Portal	Dec 2027	$212,378.40
13 – Close Project	Mar 2027	$222,997.32
Total Implementation Budget		**$4,247,568.00**

Staff and vendors are very excited about this partnership. The entire approach to the RFP and the PAS implementation was set to achieve this aggressive schedule. When achieved, this project will set a new industry standard for PAS systems implementation.

Brian P. McKelvey
Assistant Chief Executive Officer