



Notice of Public Meeting

The Board of Retirement of the San Mateo County Employees' Retirement Association will meet on **Tuesday, August 27, 2024, at 10:00 A.M.**

PUBLIC SESSION – The Board will meet in Public Session at 10:00 a.m.

- 1. Call to Order, Roll Call and Miscellaneous Business**
 - 1.1 Administration of the Oath of Office to Reelected and Reappointed Trustees
 - 1.2 Announcement of Appointment of Board Committees
- 2. Oral Communications**
 - 2.1 Oral Communications from the Board
 - 2.2 Oral Communications from the Public
- 3. Approval of the Minutes**
 - 3.1 Approval of Board Meeting Minutes from July 23, 2024
- 4. Approval of the Consent Agenda***

<ol style="list-style-type: none">4.1 Disability Retirements (5)<ul style="list-style-type: none">• Arceo, Nuria• Goeking, Christopher• Horace, Romel• Mehta, Hemal• Quintanilla-Recinos, Ana4.2 Survivor Death Benefits4.3 Service Retirements4.4 Continuances4.5 Deferred Retirements4.6 Member Account Refunds4.7 Member Account Rollovers	<ol style="list-style-type: none">4.8 Member Account Redeposits4.9 Approval to Issue Retirement Check4.10 Acceptance of Trustees' Reports of Educational Activities4.11 Acceptance of Semi-Annual Compliance Certification Statements for Period Ended June 30, 20244.12 Report on SamCERA's Securities Lending Program4.13 Report on Preliminary Financial Statements for the Fiscal Year Ended June 30, 20244.14 Report on Budget-to-Actual for the Fiscal Year Ended June 30, 20244.15 Reaffirm Error Correction Policy
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- 5. Benefit & Actuarial Services**
 - 5.1 Consideration of Agenda Items, if any, Removed from the Consent Agenda
- 6. Investment Services**
 - 6.1 Report on Preliminary Monthly Portfolio Performance for the Period Ended July 31, 2024
 - 6.2 Report on Quarterly Investment Performance Report for Period Ended June 30, 2024
 - 6.3 Report on Defensive Fixed Income Manager Annual Reviews
 - 6.4 Report on Opportunistic Credit Manager Annual Reviews
 - 6.5 Approval of Proposed Purchase of Alternative Investments (*Confidential Under Gov. Codes §54956.81 and §7928.710, to be heard in Closed Session, C2*)
- 7. Board & Management Support**
 - 7.1 Approval of Resolution Amending Board Regulations
- 8. Management Reports**
 - 8.1 Chief Executive Officer's Report
 - 8.2 Assistant Executive Officer's Reports
 - 8.3 Chief Investment Officer's Report

Notice of Public Meeting

Page 2 of 2

CLOSED SESSION – The Board may meet in closed session prior to adjournment

- C1 Consideration of Disability Items, if any, removed from the Consent Agenda
- C2 Approval of Proposed Purchase of Alternative Investments (*Confidential Under Gov. Codes §54956.81 and §7928.710*)

9. Report on Actions Taken in Closed Session

10. Adjournment in Memory of the Following Deceased Members:

Berg, Michael	March 27, 2024	Mental Health
Martinez, Harry	May 13, 2024	Public Health
Bell, Gloria	June 26, 2024	Courts
Myers, Karen	July 2, 2024	San Mateo County Health
Andrews, Shirley	July 9, 2024	Health Services
Riley, Marsha	July 18, 2024	Human Services
Bundalian, Clarita	July 21, 2024	San Mateo County Health
Benedict, Kathleen	July 22, 2024	General Services
Marin, Ruth	July 23, 2024	Probation
Yoshida, Hisaye	July 24, 2024	District Attorney's Office
Merkh, Ralph	July 24, 2024	Sheriff's Office
Bresler, Lucy	July 28, 2024	Environmental Health
Murray, Thomas	July 29, 2024	General Services
Taiby, Hussain	July 31, 2024	San Mateo County Health
Mitchell, Raymond	August 1, 2024	Probation
Coudray, Peter	August 8, 2024	Public Works

Scott Hood, Chief Executive Officer

Posted: August 21, 2024

(* ALL ITEMS ON THE CONSENT AGENDA ARE APPROVED BY ONE ROLL CALL MOTION UNLESS A REQUEST IS MADE BY A BOARD MEMBER THAT AN ITEM BE WITHDRAWN OR TRANSFERRED TO THE REGULAR AGENDA. ANY ITEM ON THE REGULAR AGENDA MAY BE TRANSFERRED TO THE CONSENT AGENDA. ANY 4.1 ITEMS REMOVED FROM THE CONSENT AGENDA WILL BE TAKEN UP UNDER CLOSED SESSION; ALL OTHER ITEMS REMOVED FROM THE CONSENT AGENDA WILL BE TAKEN UP UNDER ITEM 5.1.)

THE BOARD MEETS AT 100 MARINE PARKWAY, SUITE 160, WHICH IS LOCATED ON THE SE CORNER OF TWIN DOLPHIN & MARINE PARKWAY IN REDWOOD CITY. Detailed directions are available on the "Contact Us" page of the website www.samcera.org. *Free Parking is available in all lots in the vicinity of the building. A copy of the Board of Retirement's open session agenda packet is available for review at the SamCERA offices and on our website unless the writings are privileged or otherwise exempt from disclosure under the provisions of the California Public Records Act. Office hours are Monday through Thursday 7 a.m. – 6 p.m.*

IN COMPLIANCE WITH THE CALIFORNIA GOVERNMENT CODE AND THE AMERICANS WITH DISABILITIES ACT: SamCERA's facilities and board and committee meetings are accessible to individuals with disabilities. Contact SamCERA at (650) 599-1234 at least three business days prior to the meeting if (1) you need special assistance or a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in this meeting; or (2) you have a disability and wish to receive the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting in an alternative format. Notification in advance of the meeting will enable SamCERA to make reasonable arrangements to ensure full accessibility to this meeting and the materials related to it.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 27, 2024

Agenda Item 1.1

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer



SUBJECT: Administration of the Oath of Office to Reelected and Reappointed Trustees


In this agenda item, the Oath of Office will be given to Trustees **Katherine O'Malley**, who was reelected to the Board, and to **Elaine Orr**, who was reappointed by the Board of Supervisors.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 27, 2024

Agenda Item 1.2

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer 

SUBJECT: Announcement of Appointment of Board Committees

Committee Appointments

The Chair announced the following committee assignments at the July 23rd Board meeting:

Standing Committees:

- Audit Committee: Al David, Katherine O'Malley, April DeCarsky and Kimathi Marangu, Chair
- Investment Committee: Sandie Arnott, Robert Raw, Elaine Orr, and Kurt Hoefer, Chair

Background

The Board Chair, or the Vice-Chair in the Chair's absence, is authorized by the Regulations of the Board of Retirement to appoint all committees.

2.1 Election of Chair: At the first regular meeting in July, the Board of Retirement shall elect one of its members Chair for a term of one year or until his or her successor is duly elected and qualified. The Chair shall preside at all meetings of the Board, **shall appoint all committees** (*emphasis added*) and shall perform all duties incidental to that office.

2.2 Election of Vice Chair: At the regular meeting in July or August, the Board of Retirement shall elect one of its members Vice Chair for a term of one year or until his or her successor is duly elected and qualified. In the Chair's absence or inability to act, the Vice Chair shall take the place and perform the duties of that office.

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
JULY 23, 2024 – REGULAR BOARD MEETING MINUTES**

2407.1 Call to Order, Roll Call and Miscellaneous Business

Call to Order: Alma Salas, Chair, called the Regular Meeting of the Board of Retirement to order at 10:00 a.m.

Roll Call:

Present: Sandie Arnott, Al David, Kurt Hoefler, Kimathi Marangu, Robert Raw, and Alma Salas.

Absent: Mark Battey, Katherine O'Malley and Elaine Orr.

Alternates: April DeCarsky and Nicole McKay.

Staff: Michael Coultrip, Lili Dames, Scott Hood, Jenny Lukan, Elizabeth LeNguyen, Doris Ng, Paul Okada, and Gladys Smith.

Consultants and speakers: Joe Abdou, John Nicolini, and Faraz Shooshani (Verus).

2407.1.1 Administration of the Oath of Office: Ms. Arnott administered the Oath of Office to Trustees DeCarsky and Raw, who were reelected to the Board. Trustees O'Malley and Orr were absent and will be administered the Oath of Office at the August meeting.

2407.1.2 Election of Board Officers: Mr. Hoefler informed the Board that the Ad Hoc Nominating Committee met and recommended the following slate of officers for the 2024-2025 term: Alma Salas, Chair; Kimathi Marangu, Vice Chair; and Sandie Arnott, Secretary. There were no other nominations made.

Action: A roll call vote was taken regarding the recommended slate of officers, and trustees Arnott, David, DeCarsky (for O'Malley), Hoefler, Marangu, Raw, and Salas were all in favor; none abstained; none opposed.

Ms. Salas assumed the role of Chair.

2407.1.3 Announcement of Appointment of Board Committees: Ms. Salas announced to the Board that the appointments to the Audit and Investment Committees are as follows:

- Audit Committee: Kimathi Marangu, Chair; Al David; Katherine O'Malley, and April DeCarsky.
- Investment Committee: Kurt Hoefler, Chair; Sandie Arnott, Robert Raw, and Elaine Orr.

2407.2.1 Oral Communications from the Board: None.

2407.2.2 Oral Communications from the Public: Susan Lee was present in the audience. Ms. Lee stated that she was present for her item on the Consent Agenda, item 4.1, and wanted to be available if the Board had any questions.

2407.3.1 Approval of Board Meeting Minutes from June 4, 2024: Ms. Salas asked if there were any changes or corrections, or objections, to the minutes from the regular meeting held on June 4, 2024. Mr. Hood presented one correction to the Board regarding a missing first name in the Consent Agenda. The correction was reflected in the minutes.

Action: Mr. Hoefler moved to approve the minutes from the June 4, 2024 regular Board meeting. The motion was seconded by Ms. Arnott and carried with a vote of 7-0-0, with trustees Arnott, David, DeCarsky (for O'Malley), Hoefler, Marangu, Raw, and Salas all in favor; none opposed; none abstained.

2407.4.0 **Approval of the Consent Agenda:** Ms. Salas asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed; however, two motions were made and two votes were taken due to a conflict for Item 4.1.

Action: Mr. David moved to approve the items on the Consent Agenda, without Kathryn Chao’s disability application. The motion was seconded by Mr. Raw and carried with a vote of 7-0-0, with trustees Arnott, David, DeCarsky (for O’Malley), Hoefer, Marangu, Raw, and Salas all in favor; none opposed; none abstained.

Action: Mr. Hoefer moved to approve Kathryn Chao’s disability application. The motion was seconded by Mr. Raw and carried with a vote of 6-0-1, with trustees Arnott, David, Hoefer, Marangu, Raw, and Salas all in favor; none opposed; DeCarsky (for O’Malley) abstained.

2407.4.1 **Disability Retirements:**

- a) The Board found that **Kathryn Chao** (1) is able to substantially perform her usual and customary duties as a Probation Services Manager I and (2) denied her application for a service-connected disability retirement.
- b) The Board found that **Michael El Haddad** (1) is permanently incapacitated from the performance of his usual and customary duties as a Deputy Sheriff, (2) found that his disability was the result of an injury arising out of and in the course of his employment and (3) granted his application for a service-connected disability retirement.
- c) The Board found that **Maria Isabel Hernandez** (1) is able to substantially perform her usual and customary duties as a Marriage and Family Therapist II and (2) denied her application for a service-connected disability retirement.
- d) The Board referred **Susan Lee’s** application for service-connected disability retirement to a hearing officer for proposed findings and recommendations.
- e) The Board found that **Ashley Ochoa** (1) is permanently incapacitated from the performance of her usual and customary duties as a Sheriff’s Correctional Officer, (2) found that her disability was the result of an injury arising out of and in the course of her employment and (3) granted her application for a service-connected disability retirement.

2407.4.2 **Survivor Death Benefits:** None

2407.4.3 **Service Retirements:**

Name	Effective Retirement Date	Department
Boesch, Maureen	May 31, 2024	Superior Court
Calderbank, Mark	May 30, 2024	San Mateo County Health
Colin, Edmond	June 1, 2024	Probation
Danly, Annette	June 1, 2024	Human Services Agency
Dass, Arun	May 29, 2024	Superior Court
DeJesus, Alysa	May 18, 2024	Deferred - Probation
Dragunas, Neringa	June 1, 2024	San Mateo County Health
Fung, William	March 30, 2024	Deferred - Environmental Health
Gervais, Jonathan	May 15, 2024	Deferred – Parks Department
Gomez, Elvira	May 29, 2024	Mental Health
Halpern, Kent	May 31, 2024	Mental Health
Khoury, George	June 1, 2024	Probation
Love, Nadyne	June 1, 2024	Deferred - Mental Health
McAllan, Karen	May 16, 2024	Deferred - Probation
Needels, Steven	June 1, 2024	San Mateo County Health

2407.4.4 **Continuances:****Survivor's Name**

Lucia, Sally
 Moore, Lynda
 Rodriguez, Pedro

Beneficiary of:

Lucia, Paul
 Cid, Luis
 Rodriguez, Beatriz

2407.4.5 **Deferred Retirements:****Name**

Akiyama, Melissa
 Albini, Bryan
 Alota, Jeffrey
 Antezana, Cindy
 Berrada, Zenda
 Blake, Sarah
 Campos, Angelica
 Chow, Richard
 Cloney, Christopher
 Domingo, Jenifer
 Espano, Gladys
 Figard, Kayla
 Gomez, Emeraldalda
 Estrada, Natalia
 Garcia, Gloria
 Geipe, Amanda
 Gilman, Scott
 Green Young, Anthony
 Gutierrez, Alexandra
 Herborn, Patricia
 Hernandez, Ednalina
 Holomuzki, Carole
 Holt, Vanessa
 Jakubowski, Susan
 Kalra, Sumita
 Lee, Ruby
 MacDonald, Warren
 Martinez, Julia
 McCarthy, Thomas
 Molina, Daniela
 Newell, Jordan
 Obedoza, Elvie
 Ou, Sara
 Paredes-Colonia, Michelle
 Parsons-Barillas, Iliana
 Pien-Wong, Jennifer
 Povah, Tricia
 Ramirez, Silvia
 Reynicke, Nicky
 Rienhardt, Scott

Retirement Plan Type

G7, Vested Auto Defer – Code 31700
 G4, Vested Auto Defer – Code 31700
 G4, Vested Auto Defer – Code 31700
 G4, Vested Auto Defer – Code 31700
 G5, Vested Auto Defer – Code 31700
 G4, Vested Auto Defer – Code 31700
 G5, Vested Auto Defer – Code 31700
 G4, Vested Auto Defer – Code 31700
 S4, Vested Auto Defer – Code 31700
 G7, Vested Auto Defer – Code 31700
 G7, Vested Auto Defer – Code 31700
 G5, Vested Auto Defer – Code 31700
 G7, Non-Vested - Reciprocity
 G7, Vested Auto Defer – Code 31700
 G7, Vested Auto Defer – Code 31700
 G5, Vested Auto Defer – Code 31700
 G7, Non-Vested – Reciprocity
 S4, Vested
 G7, Vested Auto Defer – Code 31700
 G2/G3, Vested Auto Defer – Code 31700
 G4, Vested Auto Defer – Code 31700
 G7, Vested Auto Defer – Code 31700
 G7, Vested Auto Defer – Code 31700
 G4, Vested Auto Defer – Code 31700
 G4, Vested Auto Defer – Code 31700
 G7, Vested Auto Defer – Code 31700
 G7, Vested Auto Defer – Code 31700
 G4, Vested Auto Defer – Code 31700
 G5, Vested Auto Defer – Code 31700
 G5, Vested Auto Defer – Code 31700
 G7, Vested Auto Defer – Code 31700
 G7, Vested Auto Defer – Code 31700
 G7, Vested
 G7, Vested Auto Defer – Code 31700
 G7, Vested - Reciprocity
 G4, Vested Auto Defer – Code 31700
 G4, Vested Auto Defer – Code 31700
 G4, Vested Auto Defer – Code 31700
 G7, Vested - Reciprocity
 G4, Vested Auto Defer – Code 31700

Riley, Kelly	G4, Vested Auto Defer – Code 31700
Rousseau, Kyle	G7, Vested Auto Defer – Code 31700
Santiago, Mary	G4, Vested Auto Defer – Code 31700
Selig, Megan	P4, Vested Auto Defer – Code 31700
Solorzano Flores, Esperanza	G7, Vested Auto Defer – Code 31700
Tharayil, Mithu	G7, Vested Auto Defer – Code 31700
Urquidez, Neil	G4, Vested Auto Defer – Code 31700
Venning, Kristen	G7, Vested Auto Defer – Code 31700
Wertz, Diana	G7, Vested Auto Defer – Code 31700
Wixon, Rebecca	G4, Vested Auto Defer – Code 31700

2407.4.6 **Member Account Refunds:**

Name	Retirement Plan Type
Britt, Kevin	G7, Non-vested
Bruno, Antoinette	G7, Non-vested
De Guzman, Leonard Vincent	G7, Non-vested
De Zoysa, Shailen Ujsha	G7, Non-vested
Garcia, Briana Tillie	G7, Vested
Lloyd, Barbara	G7, Non-vested
MacDonell, Jennifer	G7, Non-vested
Sevilla, Stephen	G7, Non-vested
Vargas, Brandy	G7, Non-vested
Vujicevich, Michael	G4, Vested

2407.4.7 **Member Account Rollovers:** None.

2407.4.8 **Member Account Redeposits:**

Name	Retirement Plan Type
Ladcani, Ivan	G2

2407.4.9 **Acceptance of Trustees’ Reports of Educational Activities:** The Board accepted the submitted report for educational activities attended by Mr. Hoefer.

2407.4.10 **Reaffirmation of Records Retention Policy:** The Board reaffirmed the Board of Retirement’s Records Retention Policy.

2407.4.11 **Reaffirmation of Records Retention Policy:** The Board reaffirmed the Board of Retirement’s Code of Conduct.

2407.4.12 **Approval of Amendment to Conflict of Interest Code:** The Board approved amendments to SamCERA’s Conflict of Interest Code.

2407.4.13 **Approval of Resolutions that Define Compensation Earnable and Pensionable Compensation:** The Board approved amendments to (1) the Resolution defining Compensation Earnable, pursuant to Government Code §31461 for members who are not subject to Government Code §7522.34 and (2) the Resolution defining Pensionable Compensation for members who are subject to Government Code §7522.34.

2407.4.14 **Report on California Government Code Section 7514.7 Annual Disclosure for 2023:** The Board accepted the report on California Government Code Section 7514.7 Annual Disclosure for 2023.

2407.4.15 **Acceptance of Semi-Annual Compliance Certification Statements for Period Ended June 30, 2024:** The Board accepted the semi-annual Compliance Certification Statements submitted by SamCERA's alternative managers and investment consultant, as of June 30, 2024.

2407.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2407.6.1 **Report on Preliminary Monthly Portfolio Performance for the Period Ended June 30, 2024:** Mr. Coultrip reported that SamCERA's preliminary return for June was 0.7%, bringing the preliminary trailing twelve-month net return ending June to 9.0%, which is below our benchmark return of 11.8% but above our assumed earnings rate of 6.25%. SamCERA's estimated market value as of June was \$6.46 billion, while the actuarial funded ratio as of June 30, 2023 was 88.3%.

2407.6.2 **Presentation of Private Asset Semi-Annual Performance Reports as of December 31, 2023:** Ms. Dames reported that as of December 31, 2023, SamCERA's private equity portfolio had a total market value of \$419 million (6.7% of SamCERA's total fund). The private equity portfolio's net IRR since inception is 18.99%, 580 bps above the same cash flow invested in the Russell 3000 Total Return Index + 300 bps return of 13.19%. Ms. Dames also reported that as of December 31, 2023, SamCERA's private real assets portfolio had a total market value of \$352 million (5.7% of SamCERA's total fund). The private real assets portfolio's net IRR is 6.72% and there were twenty private real asset funds in the portfolio with \$469.8 million in committed capital across fifteen private real asset managers. Mr. Shooshani reviewed the private equity performance report and Mr. Nicolini reviewed the private real assets performance report with the Board. This item was informational and for discussion only, no action was taken.

This item was heard after Item 6.5.

2407.6.3 **Report on Core Equity and Low Volatility Equity Manager Annual Reviews:** Ms. Ng reported that on May 23, SamCERA staff and consultant held annual review meetings with our core equity manager, D.E. Shaw, and our low volatility equity manager, PanAgora. Each meeting lasted approximately 1.5 hours, and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook. Ms. Ng reviewed the meetings, stated there were no significant concerns and answered questions from the Board. This item was informational and for discussion only, no action was taken.

2407.6.4 **Report on International Equity Manager Annual Reviews:** Ms. Ng reported that SamCERA staff and consultant held annual review meetings with Baillie Gifford and Mondrian on June 6. Each meeting lasted approximately 1.5 hours, and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook. Ms. Ng reviewed the meetings, stated there were no significant concerns and answered questions from the Board. This item was informational and for discussion only, no action was taken.

2407.6.5 **Report on Real Estate Manager Annual Reviews:** Ms. Ng reported that SamCERA staff and consultant held annual review meetings with our real estate managers, INVESCO and Stockbridge on April 25. Each meeting lasted approximately 1.5 - 2 hours, and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook. Ms. Ng reviewed the meetings, stated there were no significant concerns and answered questions from the Board. This item was informational and for discussion only, no action was taken.

Mr. Marangu left the Board Meeting at 10:57 a.m. Mr. Raw stepped out of the board room at 11:14 a.m. until 11:17 a.m.

- 2407.6.6 **Report on SamCERA's Liquidity Profile:** Mr. Abdou reviewed SamCERA's liquidity report with the Board. This item was informational and for discussion only, no action was taken.
- 2407.6.7 **Approval of Proposed Alternative Investments (to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §7928.710, C2 & C3):** This item was heard in Closed Session at 11:18 a.m. and Open Session was reconvened at 11:34 a.m. See Closed Session report under C2/C3.

This item was heard before Item 6.6.

- 2407.8.1 **Chief Executive Officer's Report:** Mr. Hood reported to the Board that he's been working with the Board of Supervisors regarding the vacant sixth seat. The Board of Supervisors has three applicants that they want to interview with interview dates in the middle of September. Mr. Hood will keep the Board informed of the scheduled dates. Mr. Hood reported to the Board that the SACRS Legislative Committee produces a monthly report that he will start sending out to the Board. Mr. Hood informed the Board that SACRS has a new legislative team that does a good job at updating the report. Mr. Hood informed the Board that the updated Year-at-a-Glance calendar is now in Dropbox, starting with September and has some new features added. Lastly, Mr. Hood reported that next month's meeting will include budget and financials, as well as review of the Error Correction Policy.
- 2407.8.2 **Assistant Executive Officer's Report:** Ms. Smith reported to the Board that the interim audit has been underway. Ms. Smith also reported to the Board that files have been sent to Milliman for the actuarial valuation. Lastly, Ms. Smith reported to the Board that the Retirement Technology Officer recruitment screening panel has completed its screening of the applications and interviews will be held the week of August 5th. Ms. Lukan reported to the Board on upcoming education opportunities including CALAPRS Trustees In-Person Round Table on October 11, NCPERS is also in October, and IFEBP's Annual Conference and SACRS are both around the same time in November. Mr. Lukan stated she will send an email with the information. Lastly, Ms. Lukan asked the Board to please let SamCERA management know if they will be unable to attend the August meeting, so that SamCERA can make sure it has a quorum.
- 2407.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported to the Board that SamCERA staff and Verus had a due diligence meeting with GoldenTree Asset Management for a potential investment within the Opportunistic Credit portfolio and that the meeting went well. Mr. Coultrip reported that there will be a couple of follow-ups and then staff anticipates bringing the investment to the Board within the next few months. Mr. Coultrip also reported rebalancing actions to the Board. Lastly, Mr. Coultrip informed the Board of upcoming Manager Reviews for Opportunistic Credit on August 1, 2024, with White Oak Investors and One William Street; and August 13, 2024, with BlackRock.
- 2407.8.4 **Chief Legal Counsel's Report:** Mr. Okada reported to the Board on several legislative and case updates. The legislative and case updates that Mr. Okada reported on included AB2474, AB2770, AB2284, AB3025, and the LACERA case. Bills AB2474 and AB2770 have passed both Houses and are waiting on the Governor's decision. Bills AB2284 and AB3025 have passed out of one House but needs approval from the other House. Regarding the LACERA case, Mr. Okada reported that in the Superior Court, LACERA lost their case, however LACERA won their appeal in the Court of Appeals. The decision was published at the end of June and will become final 30 days after publication. After the decision becomes final, the County of Los Angeles has 10 days to file an appeal to the Supreme Court.

C1 **Consideration of Disability Items, if any, removed from the Consent Agenda:** None.

C2/C3 **Approval of Proposed Alternative Investment (Confidential Under Gov. Code §54956.81 and §7928.710 – see also item 6.7):**

The Board entered Closed Session at 11:18 a.m.

The Board met in Closed Session for the approval of proposed alternative investments:

No reportable action was taken.

No other matters were heard in Closed Session and the Board exited Closed Session at 11:34 a.m.

2407.9.0 **Reports on Actions Taken in Closed Session:** Mr. Okada reported on Items C2 and C3 above. There were no additional closed session items.

2407.10 **Adjournment:** Ms. Salas adjourned the meeting at 12:19 p.m. in memory of the deceased members listed below. Ms. Smith offered a special condolence to Lisa Okada, Deputy Director of Human Resources, whose father, Jerry Okada, is one of the listed deceased members.

Lind, Paul	March 31, 2024	Employee & Public Service
Wells, William	April 5, 2024	Human Services
La Voy, Lois	April 7, 2024	Health Services
Hanson, Lorraine	April 17, 2024	Probation
Britzman, Jean	April 22, 2024	Human Services
Sampson, Shirley	April 23, 2024	Library
Stagner, Frank	May 3, 2024	Public Works
Rodriguez, Beatriz	May 6, 2024	Family Health
Robinson, Helena	May 18, 2024	Chope Hospital

Alma Salas
Chair

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 27, 2024

Agenda Items 4.1- 4.9

TO: Board of Retirement

FROM: Elizabeth LeNguyen, Retirement Benefits Manager



SUBJECT: Approval of Consent Agenda Items 4.1 – 4.9

4.1 Disability Retirements

- a) Staff recommends that the Board terminate the disability retirement application of **Nuria Arceo** per Article VI, sections 6.5 and 6.6 of the Board Regulations regarding Disability Retirement.
- b) The Board find that **Christopher Goeking** (1) is not permanently incapacitated from substantially performing his usual and customary duties as a Sheriff's Correctional Officer and (2) deny his application for a service-connected disability retirement.
- c) The Board find that **Romel Horace** (1) is permanently incapacitated from the performance of her usual and customary duties as a Therapy Aide, (2) find that her disability was not a result of an injury/illness arising out of and in the course of her employment, (3) deny her application for a service-connected disability and (4) grant her a non-service-connected disability retirement.
- d) The Board find that **Hemal Mehta** (1) is not permanently incapacitated from the performance of her usual and customary duties as a Staff Physician - Pediatrics, (2) find that her condition was not the result of an injury arising out of and in the course of her employment and (3) deny her application for a service-connected disability retirement.
- e) Staff recommends that the Board terminate the disability retirement application submitted by the San Mateo Medical Center on behalf of **Ana Quintanilla-Recinos** per Article VI, sections 6.5 and 6.6 of the Board Regulations regarding Disability Retirement.

4.2 Survivor Death Benefits

None.

4.3 Service Retirements

The Board ratifies the service retirement for the individuals listed below as follows:

Name	Effective Retirement Date	Department
Bergman, Lisa	June 22, 2024	Superior Court
Bollinger, Vilma	June 22, 2024	San Mateo County Health
Cassano, Irma	June 8, 2024	Human Services Agency

Chan, Sandy	July 1, 2024	Deferred - Emergency Mgmt
Curlee, Maria	June 29, 2024	San Mateo County Health
Farfan, Daniel	June 29, 2024	Public Health
Giampaoli, Mitchell	June 30, 2024	Sheriff's Office
Gomez, Lucia	June 18, 2024	Assessor's office
Joseph, Susan	June 29, 2024	San Mateo County Health
Louie, Harry	June 15, 2024	Family Health
Lugo, Ana	June 17, 2024	Human Services Agency
Pisani, Karen	June 29, 2024	First 5
Rodas, Carmen	June 30, 2024	Deferred - Family Health
Rojas, Regina	June 9, 2024	Sheriff's Office

4.4 Continuances

The Board ratifies the granting of a continuance to the following individuals:

Survivor's Name	Beneficiary of:
Lim, Nancy	Lim, Jose Paquito
Mendelson, Harry	Mendelson, Diane
Murphy, Kevin	Murphy, Deanna

4.5 Deferred Retirements

The Board ratifies the deferred retirements as listed below for the following individuals:

Name	Retirement Plan Type
Alcazar, Sonia	G4, Vested - Reciprocity
Bokharey, Saba	G7, Vested Auto Defer – Code 31700
Burdick, Sarah	G4, Vested - Reciprocity
Caballero, Lynette	G7, Non-Vested - Reciprocity
Dimanlig, Emillie	G7, Vested - Reciprocity
Kath, Chantha	G7, Non-Vested - Reciprocity
Kau, Linda	G7, Non-Vested - Reciprocity
Lam, Ka Ming	G7, Vested Auto Defer – Code 31700
Lum, Anthony	G5, Vested - Reciprocity
Martinez, Adrianna	G7, Non-Vested - Reciprocity
Mosley, Tyesha	G7, Vested Auto Defer – Code 31700

Rubert, Aidan	G7, Non-Vested - Reciprocity
Valenzuela, Erika	G7, Vested - Reciprocity
Villarreal, Claudia	G7, Vested Auto Defer – Code 31700
Wong, Kimberly	G5, Vested - Reciprocity

4.6 Member Account Refunds

The Board ratifies the refunds as listed below for the following individuals:

Name	Retirement Plan Type
Ahern, Erin	G7, Non-vested
Banning, Monica	G7, Vested
Borghi, Gabriel (FBO: Borghi, Christopher)	G2, Vested
Caballero, Jessica	S4, Vested
Choudhrie, Sanjay	G7, Non-vested
Cooper, Carol	G4, Non-vested
Gonzalez, Michelle (FBO: Ayon, Celina)	G7, Non-vested
Rusniak, Kassidee	G7, Non-vested

4.7 Member Account Rollovers

The Board ratifies the rollovers as listed below for the following individuals:

Name	Retirement Plan Type
Borghi, Gabriel (FBO: Borghi, Christopher)	G2, Vested
Carlos, Jessica	G7, Vested
Hufana, Annabell	G7, Non-vested
Sankaran, Lalitha	G7, Non-vested

4.8 Member Account Redeposits

None.

4.9 Request of Payment by Check

The Board approves the payment by check for the following individual:

Name	Effective Date
Susan Botti	September 1, 2024

4.10 Acceptance of Trustees' Reports of Educational Activities

See attached.


San Mateo County Employees' Retirement Association
Board of Retirement

CONFIDENTIAL

August 27, 2024

Agenda Item 4.9

TO: Board of Retirement

FROM: Elizabeth LeNguyen, Retirement Benefits Manager 

SUBJECT: Request for Payment by Check

Date of Request

July 25, 2024

Recommendation

Staff recommends that the Board approve the request by **Susan Botti** to receive a paper check per Section 5.5(C) of Article V of the Board Regulations regarding Required Documents for Retirement.

5.5(C) Documentation setting forth arrangement for the auto deposit of benefit payments. The Board may approve payment by check in cases where the Board's paying agent is unable to provide payment by auto deposit and in cases where the member has specifically requested payment by check.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 27, 2024

Agenda Item 4.10

TO: Board of Retirement

FROM: Jenny Lukan, Retirement Executive Secretary



SUBJECT: Trustees' Reports of Educational Activities

Recommendation

Accept the following report from a Board of Retirement trustee who recently attended an educational event.

Background

SamCERA's Education Policy Section 1D states "Prior to the next regularly scheduled meeting of the Board following the Board member's participation in an educational activity, the Board member shall submit for inclusion on the Consent Agenda, a summary written report on the content of educational activities. The report shall substantially reflect the information contained in the attached sample report."

Discussion

Al David attended the following educational event and his report is attached:

IFEBP Certificate of Achievement in Public Plan Policy (CAPPP) Pensions: Part II,
August 1-2, 2024

Attachment

Trustees' Education Proof of Participation Certificate and Summary

SamCERA Board of Retirement Trustee Education
Proof of Participation Certificate and Summary



Trustee Name <i>Al Dawd</i>		Date(s) of Event <i>1 Aug - 2 Aug 2024</i>
Education Event Name CAPPP: Pensions Part II		
Event Provider IFEBP		
Type of Participation: Attended Event <input checked="" type="checkbox"/> Listened to Audio/Watched Video <input type="checkbox"/>	Eligible Credit: Total hours for sessions you participated in: <u><i>8</i></u> / <u><i>16</i></u> <i>(Staff may adjust hours if the provider issues an education certificate that reflects different hours.)</i>	

This event satisfies the following requirements of the Board of Retirement's Education Policy and Government Code section 31522.8:

Topic: (Check all that apply)

- | | |
|---|---|
| <input type="checkbox"/> Fiduciary responsibilities | <input type="checkbox"/> Disability evaluation |
| <input type="checkbox"/> Ethics | <input type="checkbox"/> Fair hearings |
| <input type="checkbox"/> Benefits administration | <input checked="" type="checkbox"/> Pension fund governance |
| <input checked="" type="checkbox"/> Actuarial matters | <input type="checkbox"/> New board member orientation |
| <input checked="" type="checkbox"/> Pension funding | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Pension fund investments and investment program management | |

Summary Report

What concepts or information did you learn about?

- Great info on governance and strategic planning - Risk Management & Funding states

Would you recommend this event to other trustees?

- Yes No Maybe

You may provide additional comments to SamCERA's CEO.

By signing below, I certify that I participated in the activities described above and am entitled to claim the indicated amount of education credit hour(s).

Trustee Signature (print this form and sign) <i>Albert Dawd</i>	Date <i>8/9/2024</i>
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NOTE: Please return this completed form to SamCERA's Executive Secretary prior to the mailing of the Board packet, so it can be included in that month's Consent Agenda.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 27, 2024

Agenda Item 4.11

TO: Board of Retirement

FROM: Doris Ng, Investment Analyst 

SUBJECT: Semi-Annual Compliance Certification Statements for Period Ended June 30, 2024

Recommendation

Accept the semi-annual Compliance Certification Statements for SamCERA's non-alternative investment managers, as of June 30, 2024.

Background

As part of SamCERA's ongoing due diligence process, the Compliance Certification Statement is completed by each of the association's public equity, fixed income, real estate, real asset and cash overlay investment managers and investment consultant on a semi-annual basis.

These statements are used to update SamCERA on any firm-wide compliance issues and to provide strategic-level information regarding such things as derivatives and portfolio positioning. For investment managers whose investments are considered "alternative investment vehicles" per the California Government Section Code §7928.710, the Compliance Certification Statements are not provided in the public board packet and will be sent separately to the Board.

Discussion

The Compliance Certification Statements report that SamCERA's investment managers, BlackRock, PIMCO and SSgA, are in compliance with SamCERA's Investment Policy as of June 30, 2024. There were no reported significant developments in portfolio construction, investment approach, firm ownership or organizational structure of concern relating to the association's public investments. There were no notable issues regarding industry or regulatory actions that impact SamCERA. The managers were also requested to provide data regarding the characteristics and composition of their portfolios. No prominent issues were identified during the review. Any items that raise concern will be brought to the manager's or investment consultant's attention and will be thoroughly vetted by staff.

Attachments

Compliance Certification Statement Matrix 06-2024

Compliance Certification Statements (3)

- A. International Equity: BlackRock
- B. Fixed Income: PIMCO Diversified Income Fund
- C. Liquid Real Assets: SSGA

Compliance Certification Statement Matrix – June 30, 2024

Investment Manager	Mandate	General Compliance Issues	Derivative Instruments	Investment Manager Guidelines	Mandate Specific
International Equity					
Blackrock MSCI ACWI ex US IMI		No Concerns	No Concerns	No Concerns	<ul style="list-style-type: none"> 0.69% ADR 29.58% in emerging markets
Fixed Income					
PIMCO (Diversified Income Fund)		<ul style="list-style-type: none"> Eff Jan 2024 – contracted with E&Y to provide various middle and back office functions – no impact on mgmt of client portfolios. 	No Concerns	No Concerns	<ul style="list-style-type: none"> 33.64% Rule 144a securities
Real Assets					
State Street Global Advisors (Custom Real Asset Account)		No Concerns	No Concerns	No Concerns	<ul style="list-style-type: none"> 2.05% ADR 25.06% Derivatives 1.59% Rule 144a securities

3 Total | 3 Completed

| 0 Pending Information

| 0 Confidential

BlackRock MSCI ACWI ex US IMI Index – June 30, 2024

Compliance Certification Statement

San Mateo County

Employees' Retirement Association

In accordance with SamCERA's Investment Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office (Investments@samcera.org) by **Tuesday, July 9, 2024.**

General Compliance Issues

1. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel?
 Yes: Please explain. / **No**
2. Have there been any changes in the firm's investment approach?
 Yes: Please explain. / **No**
3. Have there have been any industry or regulatory disciplinary actions taken against the firm?
 Yes: Please explain. / **No**
4. Has the firm's insurance coverage been sustained?
 Yes / **No: Please explain.**
5. Have there been any investment guideline breaches with respect to the Fund's guidelines in the offering documents during the prior 6 months?
 Yes: Please explain. / **No**
6. Have proxy ballots been voted in accordance with the best economic interest of *SamCERA*?
 Yes / **No: Please explain.**

Investment Management Fees

1. Is *SamCERA's* investment management fee schedule less favorable than those charged other institutional clients who hold an account investment substantially similar to ours?
 Yes: Please explain. / **No**

Derivative Investments

1. Are derivatives used in the management of the investment strategy?
 Yes: Please ANSWER the remaining questions in this section.
 No: Please SKIP the remaining questions in this section.

We typically use exchange traded equity index futures in our strategies for the purposes of efficient portfolio management. Futures are not used for speculative or leveraged positions in the portfolio and we keep cash to fully cover all outstanding futures positions.

Exchange traded futures are employed to equitize dividend accruals as well as to manage day-to-day cash flows generated from clients trades, dividends, interest received and other activity associated with securities in the portfolio. Specifically, futures contracts are purchased to provide immediate market exposure proportionate to cash accruals and investable cash within the portfolio. While we seek to remain fully invested, a small amount of spendable cash is retained to minimize trading and transactions costs. Skillful cash management and cash equitization are critical to minimizing the potential impact of cash drag and ensure tight tracking to the benchmark.

2. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated?
 Yes / **No: Please explain.**

N/A

3. For non-exchange traded derivative transactions, were the counter-parties broker/dealers?
 Yes / **No**

If **Yes:**

- a) Do the counter-parties have investment grade debt? **Yes/** **No**
b) Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances? **Yes/** **No: Please explain.**

N/A

4. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)?
 Yes / **No**

If **Yes:**

- a) Do the counter-parties have investment grade debt? **Yes/** **No**
b) Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances?
 Yes/ **No: Please explain.**

N/A

5. Is individual counter-party exposure well diversified? **Yes/** **No: Please explain.**
- What is the largest exposure to a single counter-party within the portfolio?
 - Please specify the name of the counter-party and the amount of exposure.
 - Have there been any changes to the investment manager's list of approved counter-parties over the past six months?
6. Specify the security pricing sources used when developing portfolio market value exposures for non-exchange traded derivative positions.

N/A

7. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.

Please refer to our response in question 1

8. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months. **Yes: Please explain.** / **No**

International Equity Portfolios

1. Specify the percentage of the portfolio held in each of the following types of securities:

<i>Foreign Ordinary Shares</i>	97.05%
<i>ADR's</i>	0.69%
<i>Cash & Equivalents (Foreign)</i>	1.52%
<i>Cash & Equivalents (Domestic)</i>	0.43%

2. Specify the large, mid and small capitalization exposure of the portfolios.

<i>Large-Cap</i>	75.77%
<i>Mid-Cap</i>	18.08%
<i>Small-Cap</i>	6.15%

3. What percentage of the portfolio is invested in emerging and/or frontier markets?

29.58% of the portfolio is invested in emerging markets.

Signed by: Grant Dechert, Vice President

A handwritten signature in black ink, appearing to be 'GD', written in a cursive style.

Dated: 7/9/2024

Name of Firm: BlackRock

PIMCO Diversified Income Fund – June 30, 2024

Compliance Certification Statement

San Mateo County

Employees' Retirement Association

In accordance with SamCERA's Investment Policy Statement, the following compliance worksheet will be completed by each of SamCERA's investment managers on a semi-annual basis. These statements must be e-mailed to SamCERA's office (Investments@samcera.org) by **Tuesday, July 9, 2024**.

General Compliance Issues

1. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel?
 Yes: Please explain. / **No**

Please refer to the attached SamCERA Quarterly Firm report.

2. Have there been any changes in the firm's investment approach?
 Yes: Please explain. / **No**

Please refer to pg. 2 of the Diversified Income Fund Summary Prospectus for the fund's investment strategies.

3. Have there have been any industry or regulatory disciplinary actions taken against the firm?
 Yes: Please explain. / **No**

As a matter of policy, the Fund does not selectively disclose non-public information to investors. Unfortunately, since the information you are requesting is not publicly available, PIMCO is unable to comply with this request. Please reference PIMCO's most recent Form ADV for relevant public disclosures (attached).

4. Has the firm's insurance coverage been sustained?
 Yes / **No: Please explain.**

5. Have there been any investment guideline breaches with respect to the Fund's guidelines in the offering documents during the prior 6 months?
 Yes: Please explain. / **No**

The U.S. Fund in which you seek additional information on is an investment company registered under the Investment Company Act of 1940 ("1940 Act"), which prohibits selective disclosure of information to some investors and not to others. Therefore, we cannot respond directly to your inquiry. However, please note that as required by Rule 38a-1 of the Investment Company Act of 1940 Act, the Board of Trustees approved a comprehensive compliance program for the firm's

mutual fund trusts (“Funds”), which became effective October 5, 2004 and is administered by the Funds’ CCO. The Funds’ compliance program contains policies and procedures reasonably designed to prevent violations of federal securities laws by the Funds, including a Code of Ethics, as well as policies and procedures regarding the oversight of the Funds’ principal service providers, including PIMCO LLC in its role as a registered investment adviser to the Funds. PIMCO’s compliance department performs an annual self-assessment of the Funds’ compliance policies and procedures under Rule 38a-1 of the Investment Company Act of 1940. The results of the Rule 38a-1 review are presented to the Funds’ Board of Trustees. The legal and compliance department periodically amends and/or adopts new Fund policies and procedures in response to new regulatory requirements, business changes, or to more accurately reflect current processes and controls.

Investment Management Fees

1. Is *SamCERA*’s investment management fee schedule higher than those charged other institutional clients who hold an account investment substantially similar to ours?
 Yes: Please explain. / **No**

Derivative Investments

1. Are derivatives used in the management of the investment strategy?
 Yes: Please ANSWER the remaining questions in this section.
 No: Please SKIP the remaining questions in this section.

The Fund may invest, without limitation, in derivative instruments, such as options, futures contracts or swap agreements, or in mortgage- or asset-backed securities, subject to applicable law and any other restrictions described in the Fund’s prospectus or Statement of Additional Information.

2. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated?
 Yes / **No: Please explain.**

In assessing counterparty risk, PIMCO does not rely on ratings agencies as its primary determinant. PIMCO’s team of experienced credit analysts evaluate individual counterparties and clearing brokers using rigorous methods of credit analysis including: ability to meet regulatory capital and stress tests, company visits, reports, earnings updates and constant dialogue. PIMCO then takes into account other factors, including the integrity of the counterparty’s reputation for sound management; the past experience of PIMCO and its affiliates with the entity; both market levels and recent changes in market levels for its debt, credit default swaps and equity; the quality of liquidity provided and its share of market participation. Please refer to pg. 9 of PIMCO’s Use of Derivatives for more counterparty information

3. For non-exchange traded derivative transactions, were the counter-parties broker/dealers?
 Yes / **No**

Please refer to pgs. 63-68 in the attached Diversified Income Fund Annual Report for line-by-line detail of counterparties used by the fund.

If **Yes**:

- a) Do the counter-parties have investment grade debt? **Yes**/ **No**
- b) Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances? **Yes**/ **No: Please explain.**

In assessing counterparty risk, PIMCO does not rely on ratings agencies as its primary determinant. PIMCO's team of experienced credit analysts evaluate individual counterparties and clearing brokers using rigorous methods of credit analysis including: ability to meet regulatory capital and stress tests, company visits, reports, earnings updates and constant dialogue. PIMCO then takes into account other factors, including the integrity of the counterparty's reputation for sound management; the past experience of PIMCO and its affiliates with the entity; both market levels and recent changes in market levels for its debt, credit default swaps and equity; the quality of liquidity provided and its share of market participation. Please refer to pg. 9 of PIMCO's Use of Derivatives for more counterparty information.

4. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)?

Yes / **No**

If **Yes**:

- a) Do the counter-parties have investment grade debt? **Yes**/ **No**
- b) Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances?
 Yes/ **No: Please explain.**

In assessing counterparty risk, PIMCO does not rely on ratings agencies as its primary determinant. PIMCO's team of experienced credit analysts evaluate individual counterparties and clearing brokers using rigorous methods of credit analysis including: ability to meet regulatory capital and stress tests, company visits, reports, earnings updates and constant dialogue. PIMCO then takes into account other factors, including the integrity of the counterparty's reputation for sound management; the past experience of PIMCO and its affiliates with the entity; both market levels and recent changes in market levels for its debt, credit default swaps and equity; the quality of liquidity provided and its share of market participation. Please refer to pg. 9 of PIMCO's Use of Derivatives for more counterparty information.

5. Is individual counter-party exposure well diversified? **Yes**/ **No: Please explain.**

- a) What is the largest exposure to a single counter-party within the portfolio?
- b) Please specify the name of the counter-party and the amount of exposure.
- c) Have there been any changes to the investment manager's list of approved counter-parties over the past six months?

Please refer to pgs. 63-68 in the attached Diversified Income Fund Annual Report for line-by-line detail of counterparties used by the fund.

6. Specify the security pricing sources used when developing portfolio market value exposures for limited allocation derivatives.

Please refer to pg. 8 in the attached PIMCO Pricing Policy.

7. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many OTC derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous price. Less liquid derivatives may also fall more in price than other derivatives or related securities during market falls. During periods of market disruption, the Fund may have a greater need for cash to provide collateral for large swings in the mark-to-market obligations arising under the derivative instruments used by the Fund or to provide additional initial margin if required by a clearing house, clearing member or other counterparty and may be forced to sell assets to satisfy margin calls or post collateral to counterparties at times when PIMCO would otherwise prefer to hold such assets. These risks may be further exacerbated by requirements under rules issued pursuant to financial reform legislation.

As a rule, we are constantly evaluating the price of liquidity. With specialists across the bond market, we are able to identify trends relating to the value of liquidity affecting related asset classes such as high yield and investment-grade corporates as well as the impact on mature markets such as on-the-run versus off-the-run Treasuries. As long-term investors, we seek to take advantage of opportunities arising from irrational markets, though only when consistent with our key investment criteria.

In the derivatives market, regulation has had several positive impacts on the functioning of the market and liquidity. First, it has improved the arrangements for clearing and settling credit default swaps. In addition, regulation has improved transparency in the over-the-counter market for credit derivatives, which can improve willingness of participants to transact. Other major improvements include standardization of contractual terms and clearing houses.

8. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months. **Yes: Please explain.** / **No**

Please refer to the attached PIMCO's Use of Derivatives for further information.

Investment Manager Guidelines

1. Are portfolio holdings well-diversified, and made in liquid securities?
 Yes / **No: Please explain.**

Please refer to the attached holdings report.

2. Has the firm engaged in short selling, use of leverage or margin and/or investments in commodities? **Yes: Please explain.** / **No**

The fund is permitted to engage in short sales as allowed by the Fund's Prospectus and Statement of Additional Information, which are attached for reference.

Fixed Income Portfolios

1. State the percentage of the portfolio held in each of the following types of securities

<i>Treasury</i>	<i>%</i>
<i>Agency</i>	<i>%</i>
<i>Inflation-Linked</i>	<i>%</i>
<i>Mortgage-Backed</i>	<i>%</i>
<i>Asset-Backed</i>	<i>%</i>
<i>Investment-Grade Credit</i>	<i>%</i>
<i>High-Yield Credit</i>	<i>%</i>
<i>Bank Loan</i>	<i>%</i>
<i>Non-US</i>	<i>%</i>
<i>EM Government</i>	<i>%</i>
<i>EM Local Currency</i>	<i>%</i>
<i>EM Corporate</i>	<i>%</i>
<i>Cash & Equivalents</i>	<i>%</i>
<i>Total</i>	<i>%</i>

Please refer to the attached Bond Statistics Report.

2. Excluding U. S. Government and Agency bond holdings, did any individual bond issue represent more than 5% of the market value of the portfolio? **Yes** / **No**

Please refer to the attached holdings report.

a) If **Yes**, please specify the bond issue and percentage amount.

3. What percentage of the portfolio is held in Rule 144A securities?

Please refer to the attached 144a report.

4. At the time of purchase, was there any single industry which represented more than 15% of the market value of the account. Yes / No

Please refer to the attached holdings report.

- a) If **Yes**, please specify the name of the industry, percentage amount and size relative to benchmark.
5. What proportion of total AUM do the assets in this product make-up of the firm? What size does SamCERA's account comprise of total product assets?

As of 6/30/24, the Fund represented 0.17% of the Firm assets.

As of 6/30/24, SamCERA's investment represented 3.98% of Fund assets.

Signed by:



Dated: 7/25/24

Name of Firm: PIMCO

State Street Global Advisors Custom Real Asset Account – June 30, 2024

Compliance Certification Statement

San Mateo County

Employees' Retirement Association

In accordance with SamCERA's Investment Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office (Investments@samcera.org) by **Tuesday, July 9, 2024.**

General Compliance Issues

1. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel?
 Yes: Please explain. / **No**

There have been no significant portfolio developments, major changes in firm ownership of organizational structure. However, for information on material changes in personnel, please refer to the separately attached "*Appendix A – SSGA Organizational Memo*".

2. Have there been any changes in the firm's investment approach?
 Yes: Please explain. / **No**
3. Have there have been any industry or regulatory disciplinary actions taken against the firm?
 Yes: Please explain. / **No**

As with any similarly regulated financial institution, State Street Global Advisors is likely to be responding to multiple inquiries, both formal and informal, from various regulators at any given time. In the normal course, various regulators also conduct periodic reviews, exams and audits. Our policy is that such communications are confidential.

4. Have there been any investment guideline breaches during the prior 6 months?
 Yes: Please explain. / **No**

There have been no active investment guideline breaches for the products in scope.

5. Have proxy ballots been voted in accordance with the best economic interest of *SamCERA*?
 Yes / **No: Please explain.**

Members of the Asset Stewardship team evaluate the proxy solicitation to determine how to vote based on facts and circumstances, and consistent with our Proxy Voting Guidelines, which seeks to maximize the value of our client accounts.

6. Has the firm's insurance coverage been sustained?
 Yes / **No: Please explain.**

Please refer to the separately attached "*Appendix B – Memorandum of Insurance*".

Investment Management Fees

1. Is *SamCERA*'s investment management fee schedule higher than those charged other institutional clients who hold an account investment substantially similar to ours?
 Yes: Please explain. / **No**

While we cannot confirm that your fee schedule represents MFN, we confirm that for the 6-month period ending June 30, 2024; SSGA Trust Company is able to make the same price assurance representations that we made in our original contract with San Mateo County Employees' Retirement Association.

Derivative Investments

1. Are derivatives used in the management of the investment strategy?
 Yes: Please ANSWER the remaining questions in this section.

Derivatives are used for the Bloomberg Roll Select Commodity Index SM NL FD (ZVME).

No: Please SKIP the remaining questions in this section.

However, No derivatives are used for S&P Global Infrastructure Index NL CTF (ZVPY) or the S&P Global Large MidCap Natural Resources Index NL Fund (ZVB5).

2. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated?
 Yes / **No: Please explain.**
3. For non-exchange traded derivative transactions, were the counter-parties broker/dealers?
 Yes / **No**

If **Yes**:

- a) Do the counter-parties have investment grade debt? **Yes** / **No**

- b) Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances? Yes/ No: **Please explain.**

The Client entered into trades with financial and non-financial institutions. One of the counterparties operates in the UK and does not have a Net Capital requirement similar to a registered US Broker Dealer. In Summary, Net Capital is a US centric requirement and one of counterparties utilized by our client operates in the United Kingdom.

4. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)?
 Yes / No

If Yes:

- a) Do the counter-parties have investment grade debt? Yes/ No
b) Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances?
 Yes/ No: **Please explain.**

5. Is individual counter-party exposure well diversified? Yes/ No: **Please explain.**

- a) What is the largest exposure to a single counter-party within the portfolio?

Approximately 23.5% of the fund, as of June 30,2024.

- b) Please specify the name of the counter-party and the amount of exposure.

Societe Generale, approximately \$55.3 million as of June 30,2024.

- c) Have there been any changes to the investment manager's list of approved counter-parties over the past six months?

No

6. Specify the security pricing sources used when developing portfolio market value exposures for non-exchange traded derivative positions.

The swap positions are based on a commodity index (Bloomberg Commodity Roll Select TR Index). The Index levels are quoted on Bloomberg.

7. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.

The swap positions are based on a commodity index (Bloomberg Commodity Roll Select TR Index). The Index is comprised of a diversified basket of liquid (listed) commodity futures

contracts. Please refer to the separately attached “*Appendix C - Commodity Index Strategy Disclosure Document*”

8. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months. **Yes: Please explain.** / **No**

Real Asset Portfolio

1. Specify the percentage of the portfolio held in each of the following types of securities.

<i>Foreign Ordinary Shares</i>	<i>0.05%</i>
<i>ADR's</i>	<i>2.05%</i>
<i>Common Stock</i>	<i>47.66%</i>
<i>MIP Limited Partnership</i>	<i>%</i>
<i>Derivatives: Futures/ Options</i>	<i>25.06%</i>
<i>Cash & Equivalents (Domestic)</i>	<i>0.13%</i>
<i>Cash & Equivalents (Foreign)</i>	<i>0.03%</i>
<i>Other (please specify)</i>	<i>25.03%</i>

2. Specify the large, mid and small capitalization exposure of the portfolios.

S&P Global LargeMidCap Natural Resources Index NL Fund (**ZVB5**)

<i>Large-Cap</i>	<i>79.19%</i>
<i>Mid-Cap</i>	<i>16.68%</i>
<i>Small-Cap</i>	<i>4.14%</i>

S&P Global Infrastructure Index NL CTF (**ZVPY**)

<i>Large-Cap</i>	<i>67.57%</i>
<i>Mid-Cap</i>	<i>24.67%</i>
<i>Small-Cap</i>	<i>7.77%</i>

Bloomberg Roll Select Commodity Indx SM NL FD (**ZVME**)

<i>Large-Cap</i>	<i>N/A</i>
<i>Mid-Cap</i>	<i>N/A</i>
<i>Small-Cap</i>	<i>N/A</i>

3. What percentage of the portfolio is held in Rule 144A securities?

1.59% of Portfolio is held in Rule 144A Securities

4. What is the largest percentage of the portfolio represented by a single security? Please specify the security and percentage amount. If any securities were above 5% at the time of purchase, please list and explain why.

Exxon Mobil Corp Common Stock USD 1.89%

5. What is the largest percentage of the portfolio represented by a single issuer? Please specify the security and percentage amount. If any exposure to a single issuer was above 15% at time of purchase, please list and explain why.

Exxon Mobil Corp Common Stock USD 1.89%

6. What proportion of total AUM do the assets in this product make-up of the firm? What size does SamCERA's account comprise of total product assets?

Part I*

The Real Asset Strategy AUM is \$6,743.02 million, which makes up 0.15% of SSGA's total firm AUM of 4,415,333.33 million.**

Real Asset Strategy - Underlying Funds:

S&P Global Large MidCap Natural Resources Index NL Fund (ZVB5) – \$1,109.78 million (0.03%)

Bloomberg Roll Select Commodity Index SM NL FD (ZVME) – \$233.59 million (0.01%)

S&P Global Infrastructure Index NL CTF (ZVPY) – \$924.56 million (0.02%)

Part II*

SamCERA's account AUM is \$214.24 million, which comprises 3.30% of the Real Asset Strategy AUM of \$6,743.02 million.

**AUM data provided is unaudited and as of June 30, 2024.*

*** This figure is presented as of June 30, 2024 and includes ETF AUM of \$1,393,915.54 million USD of which approximately \$69,351.96 million USD is in gold assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated. Please note all AUM is unaudited.*

Signed by:



Dated: July 19, 2024

Name of Firm : State Street Global Advisors

Disclosures:

This material is solely for the private use of **San Mateo County Employees Retirement Association** and is not intended for public dissemination.

Past performance is not a guarantee of future results. Performance returns for periods of less than one year are not annualized. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income.

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Investing involves risk including the risk of loss of principal.

Companies with large market capitalizations go in and out of favor based on market and economic conditions. Larger companies tend to be less volatile than companies with smaller market capitalizations. In exchange for this potentially lower risk, the value of the security may not rise as much as companies with smaller market capitalizations.

Equity securities may fluctuate in value in response to the activities of individual companies and general market and economic conditions.

Characteristics presented are calculated using the month end market value of holdings, except for beta and standard deviation, if shown, which use month end return values. Averages reflect the market weight of securities in the portfolio.

State Street Global Advisors Trust Company, One Iron Street, Boston, MA 02210.

Web: www.ssga.com


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SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 27, 2024

Agenda Item 4.12

TO: Board of Retirement

FROM: Lilibeth Dames, Investment Analyst 

SUBJECT: Report on SamCERA's Securities Lending Program

Recommendation

Review the report on SamCERA's Securities Lending Program as of June 30, 2024.

Background

SamCERA commenced its securities lending program on July 1, 2007. The program was implemented by SamCERA's then custodian, State Street Bank & Trust, and then by The Northern Trust Company, effective July 1, 2014.

Discussion

Since inception, the securities lending program has earned \$7.5 million for SamCERA. During the fiscal year ended June 30, 2024, the program earned \$139,690. This is a 26% decrease from last fiscal year's earnings of \$187,535. The decline is primarily due to the sale of a particular security in September 2023, which has accounted for most of the gross revenue the past fiscal years.

Securities lending utilization (on-loan amount divided by lendable assets) on June 30, 2024 was 0.74%, which was lower than the utilization rate of 1.05% as of June 30, 2023.

There were no violations of provisions and no borrower or lending agent default losses during the fiscal year.

In April 2024, the Board approved changes to the Investment Policy to update SamCERA's securities lending guidelines. In connection with the Request for Proposal process for global custody and security lending services, staff determined that the current securities lending guidelines should be modified to allow for more flexibility within the program to potentially earn additional income while targeting a slightly higher level of risk. The approved modifications to SamCERA's securities lending program guidelines, in aggregate, are expected to result in additional securities lending revenue.

Sections 16(C)(iii), 16(C)(v), and 16(C)(vi) of the Investment Policy Statement were replaced in their entirety with the following:

- (iii) Acceptable collateral shall be in the form of cash or obligations issued or guaranteed by the U.S. Government, or its agencies or instrumentalities, as well as highly-rated OECD Debt (rated AA – or better).

- (v) The maximum allowable amount of assets on loan to any single borrower shall not be greater than 20% of the program assets on loan.

- (vi) The maximum total amount of program assets on loan shall not be greater than 50% of the total plan.

The changes took effect on July 23, 2024 following the complete execution of the Securities Lending Agreement.

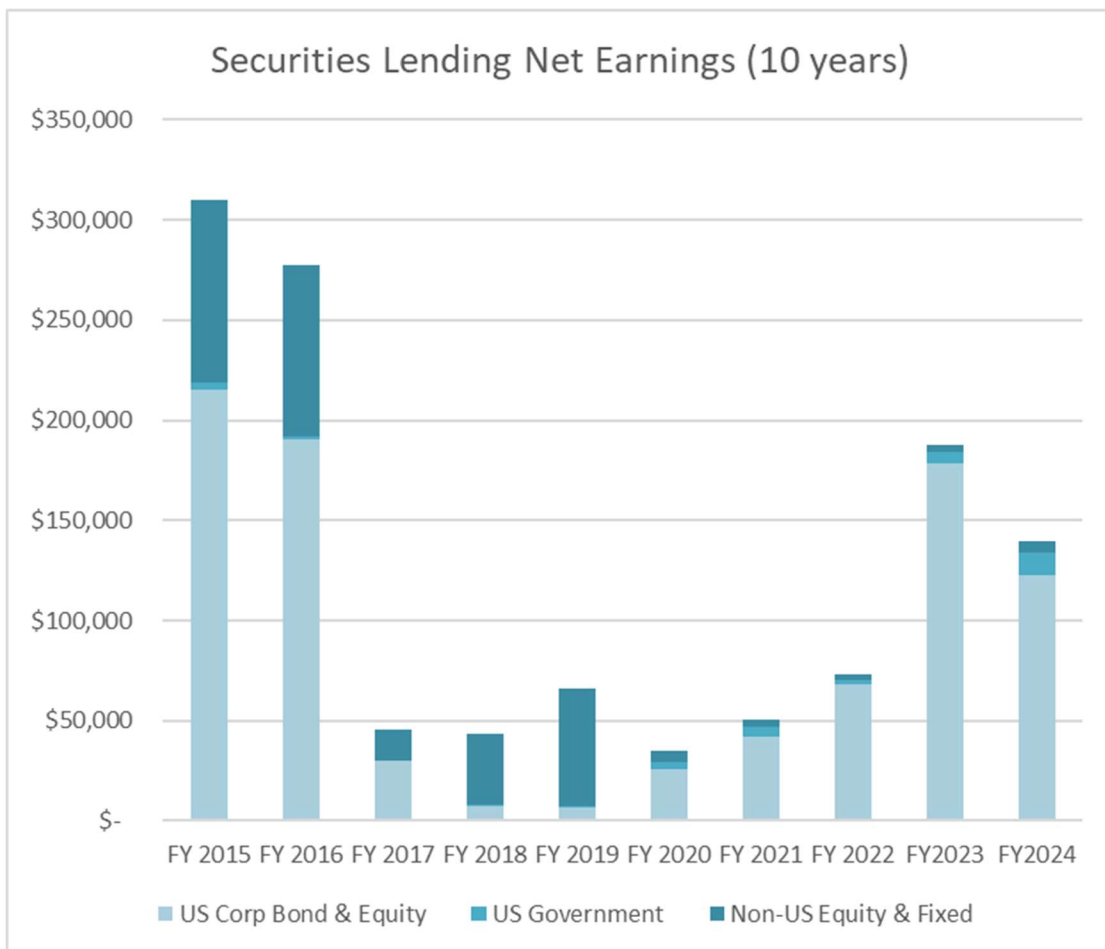
Attachment

Securities Lending Report for Fiscal Year Ended June 30, 2024

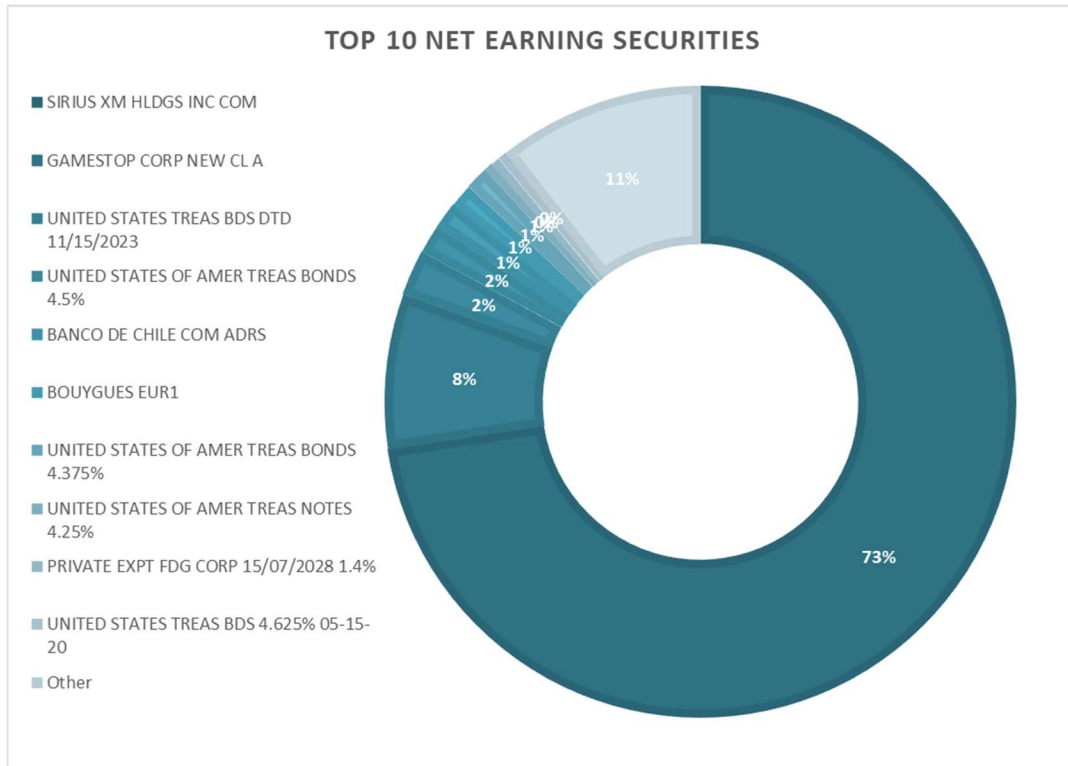
SamCERA Securities Lending Report as of June 30, 2024

Earnings

SamCERA’s securities lending program earned \$139,690 for the fiscal year ending June 30, 2024. This is a 26% decrease from last fiscal year’s earnings of \$187,535. The decline is primarily due to the sale of a particular security, Sirius XM, in September 2023, which has accounted for most of the gross revenue the past few fiscal years. The program has earned \$7.5 million since its inception on July 1, 2007.

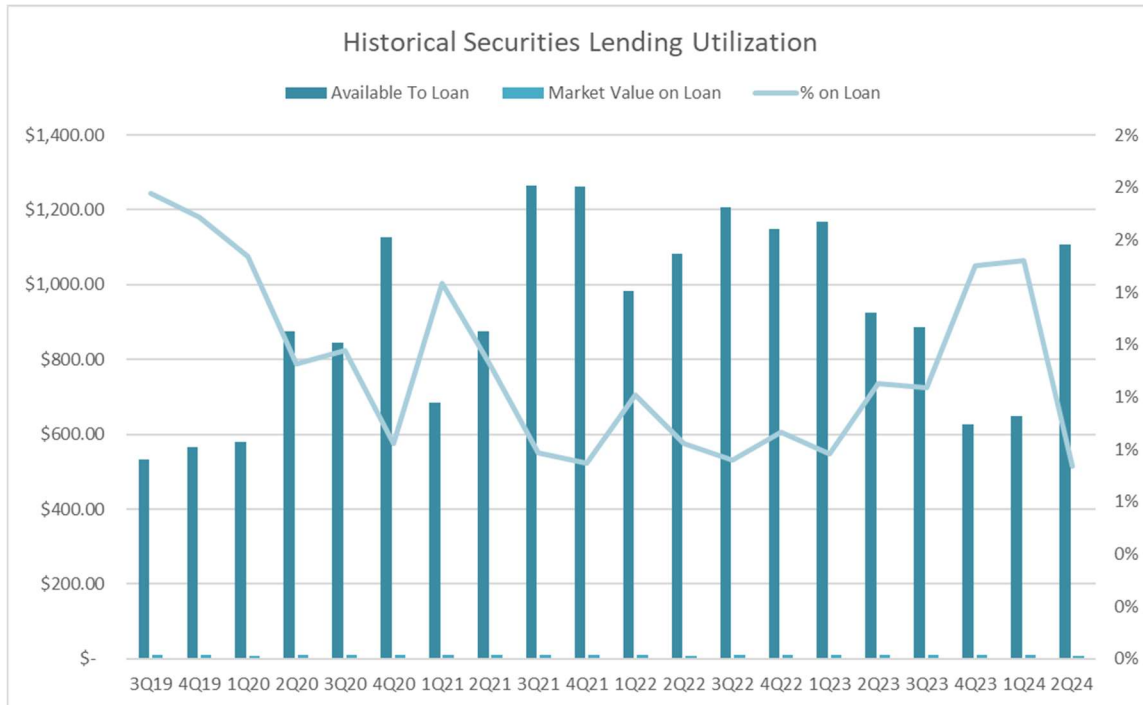


Fiscal year earnings was mainly attributable to one specific security, Sirius XM, which represented 73% of total earnings. The top 10 securities represented 89% of total earnings.



Utilization

Utilization (securities on-loan amount divided by lendable assets) has ranged from 0% to 20% during the ten years that SamCERA has used Northern Trust as its securities lending provider. As of June 30, 2024, securities lending utilization was 0.74%, which was slightly lower than the utilization rate of 1.05% the previous year. SamCERA had six separate accounts that had securities on loan as of June 30, 2024, the same number of accounts as of June 30, 2023.



In April 2024, the Board approved changes to the Investment Policy to update SamCERA’s securities lending guidelines. In connection with the Request for Proposal process for global custody and security lending services, staff determined that the current securities lending guidelines should be modified to allow for more flexibility within the program to potentially earn incremental income while targeting a similar level of risk. The proposed modifications to SamCERA’s securities lending program guidelines, in aggregate, would result in additional securities lending revenue. There should be a meaningful uptick in revenue in next year’s securities lending report.

Collateral

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any accrued interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults.

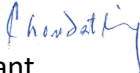


There were no violations of legal or contractual provisions, and no borrower or lending agent default losses were known to SamCERA’s custodian, Northern Trust.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 27, 2024

Agenda Item 4.13

TO: Board of Retirement

FROM: Tat-Ling Chow, Finance Officer 
Chezelle Milan, Senior Accountant 
Lilibeth Dames, Investment Analyst 

SUBJECT: Preliminary Financial Statements for the Fiscal Year Ended June 30, 2024

Recommendation

Accept the Preliminary Financial Statements for the Fiscal Year Ended June 30, 2024.

Background

The preliminary financial statements provide information on SamCERA's financial position as of June 30, 2024, and its operating results for the fiscal year ended June 30, 2024.

The *Statement of Fiduciary Net Position* (balance sheet) provides a snapshot of the account balance as of June 30, 2024. This Statement indicates the amount of fiduciary net position (total assets minus total liabilities) available to pay future pension benefits. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial health of the Retirement Fund is improving or declining. Other factors, such as market conditions, should also be considered in measuring SamCERA's overall financial health.

The *Statement of Changes in Fiduciary Net Position* (income statement) reports additions to, and deductions from, SamCERA's fiduciary net position for the fiscal year ended June 30, 2024. "Additions" consist of contributions from plan sponsors and members, investment income net of investment expenses, securities lending income net of related expenses, and other additions if applicable. "Deductions" include member benefits, member refunds as well as administrative, information technology, and other expenses.

Summary

SamCERA's financial position improved modestly over the fiscal year just ended. Its net position increased by \$481.7 million or 8% to \$6.5 billion, due predominantly to the favorable market conditions.

Statement of Fiduciary Net Position

The table below shows SamCERA's preliminary Statement of Fiduciary Net Position as of June 30, 2024. Its assets and liabilities as of June 30, 2024, are compared to those as of June 30, 2023, to reflect changes over the fiscal year.

	Preliminary	Actual	Increase (Decrease)	
	June 30, 2024	June 30, 2023	Amount	Percentage
ASSETS:				
Cash and Cash Equivalents	\$ 168,566,186	\$ 210,121,124	\$ (41,554,938)	-20%
Cash Management Overlay	12,191,411	19,989,496	(7,798,085)	-39%
Securities Lending Cash Collateral	4,400,951	3,737,378	663,573	18%
Subtotal - Cash and Other Cash Related Activities	<u>185,158,548</u>	<u>233,847,998</u>	<u>(48,689,450)</u>	-21%
Receivables				
Contributions	1,641,117	3,105,913	(1,464,796)	-47%
Due from Broker for Investments Sold	48,979,891	131,151,929	(82,172,038)	-63%
Investment Income	12,569,226	12,789,009	(219,783)	-2%
Securities Lending Income	3,273	35,260	(31,987)	-91%
Other Receivable	2,942,511	3,019,886	(77,375)	-3%
Subtotal - Receivables	<u>66,136,018</u>	<u>150,101,997</u>	<u>(83,965,979)</u>	-56%
Prepaid Expenses	<u>325,024</u>	<u>214,663</u>	<u>110,361</u>	51%
Investments at Fair Value				
Public Equity	2,743,032,845	2,435,036,194	307,996,651	13%
Fixed Income	1,501,116,413	1,358,012,682	143,103,731	11%
Alternatives	787,922,968	742,188,710	45,734,258	6%
Inflation Hedge	1,041,312,264	1,022,566,835	18,745,429	2%
Liquidity	247,762,006	270,101,574	(22,339,568)	-8%
Subtotal - Investment at Fair Value	<u>6,321,146,496</u>	<u>5,827,905,995</u>	<u>493,240,501</u>	8%
Capital Assets	11,977,457	11,924,533	52,924	0%
Less Accumulated Depreciation	<u>(7,822,714)</u>	<u>(6,451,800)</u>	<u>(1,370,914)</u>	21%
Capital Assets, Net of Accumulated Depreciation	<u>4,154,743</u>	<u>5,472,733</u>	<u>(1,317,990)</u>	-24%
TOTAL ASSETS	<u>6,576,920,829</u>	<u>6,217,543,386</u>	<u>359,377,443</u>	6%
LIABILITIES:				
Payable - Investment Management Fees	2,298,415	2,037,842	260,573	13%
Due to Broker for Investments Purchased	75,619,519	202,435,351	(126,815,832)	-63%
Securities Lending Cash Collateral - Due to Borrowers	4,400,951	3,737,379	663,572	18%
Lease Liability	1,965,063	2,443,817	(478,754)	-20%
Other	5,891,024	1,846,497	4,044,527	219%
TOTAL LIABILITIES	<u>90,174,972</u>	<u>212,500,886</u>	<u>(122,325,914)</u>	-58%
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 6,486,745,857</u>	<u>\$ 6,005,042,500</u>	<u>\$ 481,703,357</u>	8%

Assets. SamCERA's total assets increased by \$359.4 million or 6% over the year. Significant changes are discussed below.

- *Cash and cash equivalents* decreased by \$41.6 million. In early July 2023, \$30.0 million was withdrawn from the custodian general cash account to fund a new Fixed Income Manager. In addition, a total of \$28.0 million was pulled out from the liquidity-match account to finance the retiree payroll. The aggregated cash outflow was partially offset by the County supplementary contributions of \$10.0 million made in June 2024 and other investment income received.

- *Cash management overlay* decreased by \$7.8 million. The cash overlay program uses derivative instruments to enhance returns, manage risks, and increase efficiency. To minimize excess variation margin, \$10 million was transferred from the cash overlay account to the General cash account to meet other needs.
- *Securities lending cash collateral* increased by \$0.7 million. Although the market value of securities on loan decreased modestly by \$1.5 million from \$9.7 million in June 2023 to \$8.2 million in June 2024, the cash collateral received outweighed the non-cash collateral.
- *Receivables* overall decreased by \$84.0 million. Multiple sizeable trades that had been executed in June 2023 were not settled until July 2023.
- *Investment at fair value* increased by \$493.2 million, primarily due to the following:
 - Public Equity increased by \$308.0 million. Of this amount, \$305 million was triggered by appreciation as the markets flourished, with \$221.0 million in the passive indexed accounts, \$55.0 million in active domestic equity, and \$29.0 million in active international equity.
 - Fixed Income increased by \$143.1 million. During the fiscal year, about \$77.0 million of new capital was added into Fixed Income due to portfolio balancing. The remaining increase was mainly attributable to market appreciation with \$29.0 million in opportunistic credit and \$32.0 million in core fixed income.
 - Alternatives increased by \$45.7 million, partly due to \$17.0 million increased valuations in Private Equity and partly attributable to \$29.0 million market appreciation in Absolute Return.
 - Inflation Hedge increased by \$18.7 million. To rebalance its portfolio, SamCERA invested an additional \$31.0 million in public real assets, \$8.0 million in private real assets, and \$8.0 million in real estate. Despite the \$35.0 million market appreciation in private and public real assets, the value of this portfolio was reduced by \$64.0 million in real estate as investment in commercial properties continue to struggle.
 - Liquidity decreased by \$22.3 million. SamCERA redeemed a net \$27.0 million from the cashflow match account for benefit payments, which was offset by \$5.0 million in market appreciation.

Liabilities. SamCERA's total liabilities decreased by \$122.3 million or 58% over the year. Significant changes are discussed below.

- *Due to broker for investments purchased* decreased by \$126.8 million. The decrease was predominantly linked to a sizable payable of \$128.0 million from a fixed income manager that transpired in June 2023. The payable was subsequently settled in July 2023.

- *Securities lending cash collateral due to borrowers* increased by \$0.6 million. The increase in liability was triggered by and in parallel with the increase in securities lending cash collateral discussed earlier under the Assets section.

Statement of Changes in Fiduciary Net Position

SamCERA's preliminary Statement of Changes in Fiduciary Net Position (income statement) for the fiscal year ended June 30, 2024, is presented below. Additions to and deductions from the Retirement Fund for the fiscal year are compared to those of the prior fiscal year.

	<u>Preliminary</u>	<u>Actual</u>	<u>Increase (Decrease)</u>	
	<u>FY 2023-24</u>	<u>FY 2022-23</u>	<u>Amount</u>	<u>Percentage</u>
ADDITIONS:				
Contributions				
Employer Contributions	\$ 175,572,103	\$ 238,938,203	\$ (63,366,100)	-27%
Member Contributions	82,330,650	77,666,128	4,664,522	6%
Employer Supplemental Contribution - CSCA	<u>10,000,000</u>	<u>10,000,000</u>	<u>-</u>	0%
Subtotal - Contributions	<u>267,902,753</u>	<u>326,604,331</u>	<u>(58,701,578)</u>	-18%
Investment Income				
Interest and Dividends	152,441,292	133,336,480	19,104,812	14%
Net Appreciation in the Fair Value of Investments	<u>452,157,322</u>	<u>253,087,820</u>	<u>199,069,502</u>	79%
Total Investment Income	604,598,614	386,424,300	218,174,314	56%
Less: Investment Expenses	<u>(59,032,657)</u>	<u>(45,366,003)</u>	<u>(13,666,654)</u>	30%
Net Investment Income	<u>545,565,957</u>	<u>341,058,297</u>	<u>204,507,660</u>	60%
Securities Lending Income				
Earnings	277,466	267,081	10,385	4%
Rebates	31,863	10,568	21,295	202%
Less: Securities Lending Expenses	<u>(169,639)</u>	<u>(90,114)</u>	<u>(79,525)</u>	88%
Subtotal - Securities Lending Income	<u>139,690</u>	<u>187,535</u>	<u>(47,845)</u>	-26%
Total Additions	<u>813,608,400</u>	<u>667,850,163</u>	<u>145,758,237</u>	22%
DEDUCTIONS:				
Benefits				
Service Retirement Benefits	281,572,406	266,316,948	15,255,458	6%
Disability Retirement Benefits	34,308,873	30,196,733	4,112,140	14%
Survivor, Death and Other Benefits	<u>1,983,508</u>	<u>2,420,489</u>	<u>(436,981)</u>	-18%
Subtotal - Benefits	317,864,787	298,934,170	18,930,617	6%
Refund of Member Contributions	4,643,412	3,895,438	747,974	19%
Administrative Expenses	7,765,358	7,835,470	(70,112)	-1%
Information Technology Expenses	<u>1,631,486</u>	<u>1,817,031</u>	<u>(185,545)</u>	-10%
Total Deductions	<u>331,905,043</u>	<u>312,482,109</u>	<u>19,422,934</u>	6%
Net Income	481,703,357	355,368,054	126,335,303	36%
NET POSITION RESTRICTED FOR PENSIONS:				
Beginning of year	<u>6,005,042,500</u>	<u>5,649,674,446</u>	<u>355,368,054</u>	6%
End of year	<u>\$ 6,486,745,857</u>	<u>\$ 6,005,042,500</u>	<u>\$ 481,703,357</u>	8%

	<u>Preliminary</u> <u>FY 2023-24</u>	<u>Actual</u> <u>FY 2022-23</u>	<u>Increase (Decrease)</u>	
			<u>Amount</u>	<u>Percentage</u>
ADDITIONS:				
Contributions				
Employer Contributions	\$ 175,572,103	\$ 238,938,203	\$ (63,366,100)	-27%
Member Contributions	82,330,650	77,666,128	4,664,522	6%
Employer Supplemental Contribution - CSCA	<u>10,000,000</u>	<u>10,000,000</u>	<u>-</u>	0%
Subtotal - Contributions	<u>267,902,753</u>	<u>326,604,331</u>	<u>(58,701,578)</u>	-18%
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Net Investment Income	<u>545,565,957</u>	<u>341,058,297</u>	<u>204,507,660</u>	60%
Securities Lending Income				
Earnings	277,466	267,081	10,385	4%
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DEDUCTIONS:				
Benefits				
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Refund of Member Contributions	4,643,412	3,895,438	747,974	19%
Administrative Expenses	7,765,358	7,835,470	(70,112)	-1%
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Total Deductions	<u>331,905,043</u>	<u>312,482,109</u>	<u>19,422,934</u>	6%
Net Income	481,703,357	355,368,054	126,335,303	36%
NET POSITION RESTRICTED FOR PENSIONS:				
Beginning of year	<u>6,005,042,500</u>	<u>5,649,674,446</u>	<u>355,368,054</u>	6%
End of year	<u>\$ 6,486,745,857</u>	<u>\$ 6,005,042,500</u>	<u>\$ 481,703,357</u>	8%

Additions. Total additions to the Retirement Fund were \$813.6 million, which increased by \$145.8 million or 22% over the year. Significant changes are discussed below.

- Employer contributions decreased by \$63.4 million. In June 2023, the original unfunded liability layers from 2008 were fully retired, causing a significant decline in employer contribution from 38.33% of the payroll for fiscal year 2023 to 26.19% for fiscal year 2024.
- Member contributions increased by \$4.7 million. Despite the member contribution rate declining slightly from 12.49% of the payroll for fiscal year 2023 to 12.27% for fiscal year 2024, the 4% scheduled increase in salaries in October 2023 triggered a \$45.7 million increase in total pensionable income.
- Interest and dividends increased by \$19.1 million. On one hand, two new fixed income managers brought in a total of \$19.0 million in interest income. On the other hand, the termination of one of the low volatility managers slashed dividend income by \$3.5 million, which was entirely offset by other investment income from the rest of the portfolio.
- Net appreciation in fair value of investments was \$199.1 million over the fiscal year. The appreciation was driven mainly by strong performance in various areas: \$102.0 million in domestic equity, \$51.0 million in fixed income and \$61.0 million in alternative assets. The increase was partially offset by \$17.0 million market depreciation in real estate as the investments in commercial real estate continue to underperform.
- Investment expenses increased by \$13.7 million. Striving to meet its long-term investment target, SamCERA added three new managers to its fixed income portfolio, several new funds to inflation hedge assets and private equity funds to the portfolio. These strategies altogether attributed to the increase in investment expenses.

Deductions. Total deductions from the Retirement Fund were \$331.9 million, which increased by \$19.4 million or 6% over the year. Significant changes are explained below:

- Service retirement benefits increased by \$15.3 million or 6%, due mostly to the annual cost of living adjustment (between 2% to 4%) to the pension benefits. Additionally, 131 new retirees were added to the payroll during the year.
- Disability retirement benefits rose by \$4.1 million or 14%. A new medical reviewer was hired to help improve the backlog in disability retirement determinations. Some of these disability cases spanned years and included hefty retroactive disability benefits leading to a larger disability retirement payroll.

- Survivor, Death, and Other Benefits went down by \$0.4 million or 18%. The aggregated disbursement to each category below was relatively lower than the prior fiscal year:
 - Residual contribution and accrued interest handed down by deceased retirees to their beneficiaries.
 - Survivor and death benefits arising from the death of active members.

- Refund of Member Contributions increased by \$0.7 million or 19%. The total number of refunds and rollovers processed increased by 23%, from 100 requests last fiscal year to 123 requests this fiscal year.

- Information technology expenses decreased by \$0.2 million or 10%. The Information Technology manager position has been vacant since January 2024 and is yet to be filled. Being short-staffed, a few IT projects were postponed to the next fiscal year.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 27, 2024

Agenda Item 4.14

TO: Board of Retirement

FROM: Tat-Ling Chow, Finance Officer *Tat-Ling Chow*
Gladys Smith, Assistant Executive Officer *Gladys Smith*
Chezelle Milan, Senior Accountant *C Milan*
Lilibeth Dames, Investment Analyst *Lilibeth Dames*

SUBJECT: Preliminary Report on Budget-to-Actual for the Fiscal Year Ended June 30, 2024

Recommendation

Accept the Preliminary Report on Budget-to-Actual for the fiscal year ended June 30, 2024.

Background

SamCERA's budget consists of the following three budget units:

1. Professional Services Budget – covers costs for actuarial consulting services, custodial services, investment management, investment consulting services, and outside legal services. (Government Code §31596.1).
2. Administrative Budget – covers personnel expenses (salaries and benefits) and administrative overhead (services and supplies). The administrative budget cannot exceed the mandated limit of 0.21% of the accrued actuarial liability of the retirement fund (Government Code §31580.2(a)).
3. Technology Budget – covers expenses for computer software, computer hardware, and computer technology consulting services in support of these computer products. The technology budget is not subject to the mandated limit of 0.21% discussed above (Government Code §31580.2(b)).

Discussion

During the fiscal year 2023-24, the actual-to-budget comparison shows that SamCERA's actual spending was over budget due to the underestimation of professional service fees.

	Budget FY 23-24	Actual FY 23-24	% of Budget Used	Under (Over) Budget
Professional Services	\$37,552,118	\$41,989,846	112%	\$ (4,437,728)
Administrative	7,956,983	7,732,420	97%	224,563
Information Technology	1,270,200	935,549	74%	334,651
Total	<u>\$46,779,301</u>	<u>\$50,657,815</u>	108%	<u>\$ (3,878,514)</u>

Professional Services Budget. For the fiscal year ended June 30, 2024, actual professional service fees totaled \$42.0 million, or 64.7 basis points (or one hundredth of one percent) of the total fund invested. Overall fees were higher than projections. Below is a summary of professional service fees incurred during the fiscal year.

Investment Management & Other Professional Services				
<u>Service</u>	<u>Actual Fee (bps)</u>	<u>Projected Fee FY 23-24</u>	<u>Actual Fee FY 23-24</u>	<u>% of Projected Fee Used</u>
Investment Management	64.5	\$ 36,402,618	\$ 40,875,342	112%
Other Professional Services	1.7	1,149,500	1,114,504	97%
Total	64.7	<u>\$ 37,552,118</u>	<u>\$ 41,989,846</u>	112%

- *Investment management fees* are driven by contractual agreements and based on assets under management, the amount of capital committed, and/or investment performance.

Investment Management Services				
<u>Investment</u>	<u>Actual Fee (bps)</u>	<u>Projected Fee FY 23-24</u>	<u>Actual Fee FY 23-24</u>	<u>% of Projected Fee Used</u>
Total Public Equity	15.5	\$ 4,975,970	\$ 4,239,157	85%
Total Fixed Income	78.5	7,805,668	11,786,165	151%
Total Alternative Assets	157.1	14,410,605	12,376,695	86%
Total Inflation Hedge	108.0	8,510,375	11,245,673	132%
Total Cash Overlay	N/A	385,000	972,615	253%
Total Liquidity	10.3	315,000	255,037	81%
Total	64.5	<u>\$ 36,402,618</u>	<u>\$ 40,875,342</u>	112%

Below are discussions on areas where management fees were over budget.

- For fixed income, three new fixed income funds were introduced after the budget adoption.
- For inflation hedge, performance fees were underestimated evenly across the private real asset portfolio.
- For cash overlay, management fees for the new dynamic currency hedge fund were underestimated.

Below are discussions on areas where management fees were under budget.

- For public equity, management fees for two international equity funds were overestimated.
- For alternative assets, performance fees were overestimated evenly across the private equity portfolio.
- For liquidity, management fees for the cashflow match fund were overestimated.

- *Other professional service fees*, based primarily on contractual agreements, were closely aligned with projections except in two areas. First, the actuarial consulting service fees to Milliman were overestimated as most of the fees designated for the Triennial Experience Study were paid in the prior fiscal year. Second, custodial fees to Northern Trust were slightly under budget after factoring in fee reimbursements from inactive accounts.

Other Professional Services

Contractor	Service	Actual Fee (bps)	Projected Fee FY 23-24	Actual Fee FY 23-24	% of
					Projected Fee Used
Milliman Inc.	Actuarial Consulting	0.2	\$ 149,500	\$ 121,895	82%
Cheiron	Actuarial Audit	0.1	40,000	40,000	100%
Verus Investments	Investment Consulting	0.9	600,000	607,934	101%
Northern Trust	Custodian	0.5	360,000	344,675	96%
	Total	1.7	<u>\$ 1,149,500</u>	<u>\$1,114,504</u>	97%

Administrative Budget. About 97% of the administrative budget (or \$7.7 million) was used during the fiscal year 2023-24. This is a good indicator that overall actual expenses closely matched with projections. The table below summarizes all administrative expenses with explanations as to why actual results of certain items differ from projected outcomes.

	Budget FY 23-24	Actual FY 23-24	% of Budget Used	(Over)/Under Budget	% of Budget Remaining
Salaries and Benefits					
Salaries	\$ 4,180,040	\$ 3,955,775	95%	\$ 224,265	5%
Benefits	1,771,977	1,782,140	101%	(10,163)	-1%
Total Salaries and Benefits	<u>5,952,017</u>	<u>5,737,915</u>	96%	<u>214,102</u>	4%
Services and Supplies					
Board Expenses	8,000	5,200	65%	2,800	35%
Insurance	110,000	143,620	131%	(33,620)	-31%
Medical Record and Hearing Services	95,000	213,298	225%	(118,298)	-125%
Member Education	68,000	61,845	91%	6,155	9%
Education and Conference	137,826	86,949	63%	50,877	37%
Transportation and Lodging	111,448	87,776	79%	23,672	21%
Property and Equipment	28,000	15,846	57%	12,154	43%
General Office Supplies	43,000	26,930	63%	16,070	37%
Postage and Printing	22,000	26,998	123%	(4,998)	-23%
Leased Facilities	705,000	720,796	102%	(15,796)	-2%
County Services	502,692	512,041	102%	(9,349)	-2%
Audit Services	60,000	43,333	72%	16,667	28%
Other Administration	114,000	49,873	44%	64,127	56%
Total Services and Supplies	<u>2,004,966</u>	<u>1,994,505</u>	99%	<u>10,461</u>	1%
Total	<u>\$ 7,956,983</u>	<u>\$ 7,732,420</u>	97%	<u>\$ 224,563</u>	3%

Salaries and Benefits – Actual expenses for salaries and benefits were \$5.7 million, slightly below projections by 4%.

- *Salaries* were slightly below budget by 5%. The Information Technology Manager position has been vacant for six months since January 2024, and recruitment is currently underway to fill the position.
- Benefits were marginally over budget by 1%, due primarily to the “Wellness Dividend Program” of \$11,500 that was not included in the adopted budget.

Services and Supplies – Total expenses were \$2.0 million, closely in alignment with the budget.

Areas where actual expenses were either modestly or significantly lower than anticipated are discussed as follows:

- *Member Education*. The total number of classes delivered by Financial Knowledge Network (an entity hired to provide members’ financial planning education) was less than anticipated. Additionally, payments from “no show” registrants slightly offset the expenses.
- *“Education and Conference” and “Transportation and Lodging”*. Staff and trustees did not attend all seminars and conferences that were budgeted for, and that had domino effects on associated transportation and lodging outlays.
- *Property and Equipment*. Lease payments toward an advanced copier declined moderately as usage dwindled. Additionally, the plan to purchase ergonomic office equipment for staff was deferred to fiscal year 2024-25.
- *General Office Supplies*. The need to replenish office essentials fell short of expectations as the hybrid work schedules continued. In addition, certain new trustees opted to use personal or County-issued electronic devices when conducting SamCERA’s business activities.
- *Audit Services*. Expenses reflected payments towards the 2023 final financial audit that was completed in October 2023. The remaining budget was designated for the 2024 interim audit that should have transpired in June 2024 but was postponed to July due to rescheduling. Audit services are usually carried out in two phases, with the interim audit before year-end and the final audit after year-end.
- *Other Administration*. This budget was predominantly reserved for external professional services concerning disability retirement and taxation. The aggregated number of complex tax issues as well as disability retirement hearings was substantially less than anticipated.

Areas where actual expenses modestly or significantly exceeded projections are discussed as follows:

- *Insurance.* In conjunction with a 25% growth in SamCERA’s portfolio over the last four fiscal years (from \$4.8 billion in 2020 to \$6.0 billion in 2024), Staff accepted the broker’s recommendation to increase the liability coverage from \$10 million to \$20 million in aggregate.
- *Medical Record and Hearing Services.* A new medical reviewer was chosen to address the backlog in disability retirement determinations. This effort triggered a spike in independent medical examinations that were crucial to the final determinations.
- *Postage and Printing.* The cost of printing and mailing newsletters to members exceeded projections, partly due to the price adjustment imposed by the vendor and partly due to the expanded distribution list dictated by Staff. In addition, the County acquired a new postage machine and asked departments, including SamCERA, to absorb the purchase cost based on usage.

Technology Budget. About 72% of the budget (or \$0.9 million) was used during the fiscal year. Below is a summary of all technology expenses incurred.

	Budget FY 23-24	Actual FY 23-24	% of Budget Used	Under/(Over) Budget	% of Budget Remaining
Computer Equipment and Software	\$ 25,000	\$ 6,110	24%	\$ 18,890	76%
IT Infrastructure - Software License Maintenance	760,200	786,715 a	103%	(26,515)	-3%
IT Infrastructure - Tools & Equipment	200,000	52,602	26%	147,398	74%
IT Infrastructure - Contract IT Services	251,000	88,964 b	35%	162,036	65%
IT Infrastructure - Imaging	25,000	-	0%	25,000	100%
Technology Research and Development	5,000	1,158	23%	3,842	77%
IT Subscription	4,000	-	0%	4,000	100%
Total	<u>\$ 1,270,200</u>	<u>\$ 935,549</u>	74%	<u>\$ 334,651</u>	26%

a The following are four key "software license maintenance" transactions, totaling \$436,670. Of this amount, \$183,491 was spent during the year, and the remaining \$253,179 was reported as prepaid expenses on the Statement of Fiduciary Net Position as of June 30, 2024.

- (1) \$22,751 to VMWare, a software offering a digital foundation for businesses to run an application on cloud, for three years of support and maintenance. Of this amount, \$15,167 remained intact as of June 30, 2024.
- (2) \$25,057 to Kofax, a software for business users to streamline document workflows. Of this amount, \$9,729 remained intact at year-end.
- (3) \$161,012 to Vitech for the maintenance support of the pension administration system software. Of this amount, \$80,506 remained intact at year-end.
- (4) \$227,850 to Vitech for system support service hours as the contract stipulated. Of this amount, \$147,777 remained intact at year-end.

b A total of \$52,924 was spent on various projects, including internet backup of \$5,394, audio/visual upgrade of \$12,530, web portal of \$15,000, and website redesign of \$20,000. The total was reported as capital assets on the Statement of Fiduciary Net Position as of June 30, 2024.

Note: Depreciation of \$859,222 was a non-cash expense and therefore not included in the adopted budget. This amount was reported on the Statement of Changes in Fiduciary Net Position for the fiscal year ended June 30, 2024.

Areas where actual expenses were significantly under budget are as follows:

- *Computer Equipment and Software*. The budget for this category is to meet unforeseen needs of newly developed equipment and software, which were considerably lower than projected.
- *IT Infrastructure – Tools & Equipment*. The budget under this category was slated for two purposes: replacing staff laptops and upgrading SamCERA's WiFi network. New laptops (21 in aggregate) were acquired as planned, but the WiFi upgrade did not transpire as anticipated.
- *IT Infrastructure – Contract IT Services*. The initiative to conduct cyber security evaluations and implement constructive measures, with a total budget of \$150,000 for external consulting services, was put off to fiscal year 2024-25 due to being short-staffed.
- *IT Infrastructure – Imaging*. The project to convert paper documents to digital has been suspended as other projects took precedence.
- *Technology Research and Development (R&D)*. The R&D budget provides staff with opportunities to explore new technologies that may enhance operational efficiency and member services. The budget was not fully utilized as priorities were given to time-sensitive projects.
- *IT Subscription*. Staff discontinued the subscription with Norex, an IT community where members can share and learn among peers through virtual and live events.

On the contrary, *IT Infrastructure – Software License Maintenance* encountered a budget overrun of \$26,515, due mainly to the combined effects of the following two events:

- To support ongoing enhancement of the pension administration system software (PASS), Staff purchased 713.5 additional service hours from Vitech at \$240 per hour totaling \$171,240. In contrast, the original budget was significantly lower with 400 service hours at \$250 per hour totaling \$100,000.
- The budget for hosting PASS on Amazon Web Services platform was overestimated by approximately \$42,200, offsetting nearly 60% of the budget overrun mentioned earlier.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 27, 2024

Agenda Item 4.15

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer



SUBJECT: Policy and Procedure for Correcting Inaccuracies Relating to Member Contributions, Withdrawals, and the Payment of Benefits

Recommendation

Reaffirm the Board of Retirement's Policy and Procedure for Correcting Inaccuracies Relating to Member Contributions, Withdrawals, and the Payment of Benefits.

Background

The Board has 24 policies which it has adopted at various times to govern the Board in its activities and to guide staff's administration of the system. Staff brings these policies to the Board for periodic reaffirmation or amendment on an as needed basis. The policy before the Board today is its Policy and Procedure for Correcting Inaccuracies Relating to Member Contributions, Withdrawals and the Payment of Benefits which is in the same form as the policy reaffirmed in 2021.

Discussion

The Board has a fiduciary obligation to the retirement fund to conserve assets and protect the integrity of the fund for the benefit of the members and beneficiaries of SamCERA.

The "Policy and Procedures for the Correction of Inaccuracies Relating to Member Accounts" reflects the Board's priorities of:

- Collecting member contributions and issuing all disbursements in accordance with the law;
- Correcting inaccuracies as soon as administratively feasible once identified and verified;
- Recovering under-payments of member contributions and over-payments of funds where it is both in accordance with the law and reasonable to do so in the opinion of the Board; and
- Remitting to a member the amount of any over-payment of contributions or under-payment of benefits consistent with this policy and procedures.

The correction procedures differ depending on whether the member is an active member or retiree, and whether the inaccuracy involves a lump sum withdrawal/rollover. The steps also differ if the amount owed is greater or less than \$50. Additionally, because unique situations inevitably will arise, the policy grants the Chief Executive Officer authority to make minor adjustments in implementing the policy so that it can be accomplished in a fair and reasonable manner.

Staff recommends that the policy be reaffirmed by the Board.

Attachment

Policy and Procedure for Correcting Inaccuracies Relating to Member Contributions, Withdrawals and the Payment of Benefits

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

POLICY AND PROCEDURE FOR THE CORRECTION OF INACCURACIES RELATING TO MEMBER CONTRIBUTIONS, WITHDRAWALS, AND THE PAYMENT OF BENEFITS

I. POLICY OF THE BOARD OF RETIREMENT

Pursuant to the Board of Retirement's ("Board's") fiduciary duty to conserve retirement fund assets and protect the integrity of the fund for the benefit of the members and beneficiaries, it is the policy of the Board:

- To collect member contributions and issue all disbursements in accordance with the law;
- To correct inaccuracies as soon as administratively feasible once identified and verified;
- To recover under-payments of member contributions and over-payments of SamCERA funds where it is both in accordance with the law and reasonable to do so in the opinion of the Board; and
- To remit to a member the amount of any overpayment in contributions or underpayment of benefits consistent with this policy and procedures.

For purposes of this policy, the term Chief Executive Officer ("CEO") means the Chief Executive Officer and the Chief Executive Officer's designee. The term "Member" means member, beneficiary, or survivor.

This Policy is designed for use when calculation and other inaccuracies affect an individual or small number of members. In the event of a system-wide inaccuracy that affects a larger number of members, the Board may direct staff to implement a system-wide correction process that it determines is appropriate under the circumstances.

In the event of any inconsistency between applicable state and federal law or regulations and this Policy, the law or regulation shall take precedence.

II. PROCEDURE FOR RESOLVING CONTRIBUTION INACCURACIES

A. Under-Payment of Member Contributions Discovered While A Member Is Still Active.

1. The CEO shall confirm the amount of contributions that the member should have paid, the period of time that the under-payment occurred, and the total amount of contributions owed.

2. Staff shall promptly notify the employer to correct the inaccuracy on a going-forward basis so that the correct amount of contributions is deducted from the member's bi-weekly pay. The member shall be notified as well.
3. With regard to the collection of under-payments in arrears, the total amount of the under-payments and the applicable interest on that amount shall be collected. The interest shall be assessed at the rate(s) of interest credited to the members' accounts for the period in which the under-payments were occurring and shall be applied to the outstanding amount due until such time as a repayment arrangement is commenced. Thereafter, the rate of interest during the repayment period shall be the assumed actuarial rate of return applicable at the commencement of the repayment. If the under-payment by the member was due to an incorrect pick-up or cost share, or COLA cost share in which the employer paid rather than the member, no interest shall be assessed.
4. If the full amount of the past due contributions and interest equals \$50 or less, staff shall send a notice setting forth:
 - (a) The total amount of contributions and interest owed; and
 - (b) The amount of the additional contributions to be deducted from the member's next payroll.
5. If the full amount of the past due contributions and interest to be collected will exceed \$50, staff shall undertake a collection effort that shall commence after sending a notice to the member setting forth:
 - (a) The total amount of contributions and interest owed and the rate that interest will continue to accrue should repayment commence;
 - (b) The bi-weekly amount of the additional contributions to be deducted from the member's payroll;
 - (c) The commencement date of the collection and the number of affected pay periods;
 - (d) The member's right to object to the collection of the additional contributions and/or collection method and the deadline for such objection; and
 - (e) The fact that repayment will commence if a written objection is not received within 15 days.

6. For those members whom staff has determined are on disability leave and the payments received through their employer are insufficient to allow the correct deduction of member contributions, staff shall send a notice to the member stating that the member:
 - (a) Must pay the amount of contributions not correctly deducted while on disability leave;
 - (b) Must pay any assessed interest on the unpaid contributions until repayment is made;
 - (c) Can pay the amounts owed by check(s) while still on leave; and
 - (d) Will have any outstanding amount of contributions and interest owed deducted from their bi-weekly payroll upon return to active status in addition to regular contributions until repayment is completed.

Staff will send a follow-up letter to the member regarding the required repayment of contributions and interest upon determination that the member has either: returned to active service, applied for service or disability retirement, or terminated employment.

7. All methods of repayments should be completed no later than three years from the date of the notice to member of the amount owed unless otherwise extended by the CEO.
8. Notwithstanding paragraphs 5, 6, and 7 above, the full amount of the required contributions and interest must be paid to prior to the commencement of any benefit payments to the member.
9. If the member withdraws/rolls over funds, staff shall note the under-payment plus accrued interest amount owing in the member's account and that this amount is to be repaid in addition to any future redeposit made by the member.

B. Under-Payment of Member Contributions Discovered After Member Has Left Active Status.

1. The CEO shall confirm the amount of contributions that the member should have paid, the period of time that the under-payment occurred, and the total amount of the under-payment of contributions by the member.

2. With regard to the collection of under-payments in arrears, the amount of the under-payment and the applicable interest on that amount shall be collected. If the under-payment was due to an incorrect pick-up or cost share, or COLA cost share in which the employer paid rather than the member, no interest shall be assessed.
3. Interest shall be assessed at the rate of interest credited to the members' accounts for the period in which the under-payments were made, and shall be applied to the under-payment amount due until repayment is complete. However, if the member has withdrawn the funds or has commenced a benefit, interest shall from that point forward be assessed at the assumed actuarial rate of return until repayment is complete.
4. If the member withdraws/rolls over funds, staff shall note the under-payment plus accrued interest in the member's account and that this amount must be repaid in addition to any future redeposit made by the member.
5. If the member has left funds on deposit or has already retired, staff shall endeavor to recover under-payments and interest by: (a) a lump sum payment from the member, (b) installment payments from the member, (c) offsets to future benefit payments to the member, or (d) a combination of the foregoing, unless the Board, in its discretion and because of legal or practical considerations, determines that other action is warranted.
6. If the member has left active membership and if the CEO believes that considerations of cost effectiveness make it prudent and reasonable to not pursue recovery of under-payments where the cumulative total amount of member contributions underpaid, not including interest, is \$50 or less, then no further action is required.
7. The CEO may, on the advice of legal counsel, compromise the recovery of under-payments when the total amount of under-payment, not including interest, is \$5,000 or less. Only the Board may compromise claims in which the total amount of under-payment, not including interest, is greater than \$5,000. Among other factors, the likelihood of collection, the cost of collection, the amount of possible recovery, and extreme hardship to the member will be considered by the CEO and/or the Board when determining whether to compromise a claim. Compromising claims may include a different method of repayment than is otherwise provided by this Policy and/or a partial reduction of the amounts underpaid or interest due.
8. The CEO's collection process shall include a notice to the member setting forth:

- (a) The total amount of contributions and interest owed and the fact that interest will continue to accrue on the contributions owed until the repayment is made;
 - (b) An agreement to pay the amounts owed with the payment options;
 - (c) A statement that, if the member is receiving a monthly payment, a repayment by equal installments for the amount of the contributions and interest will be deducted from benefit payments over the same length of time that the under-payments occurred and will go into effect by default if a written response from the member is not received within 30 days following the date the letter was mailed; and
 - (d) The member's right to appeal the collection of the additional contributions and/or collection method and the deadline for such action.
- 9. If the amount of the under-payment, not including interest, is greater than \$5,000, staff will attempt to contact the member by phone to discuss the contents of the letter before the letter is sent out for delivery.
 - 10. The CEO is hereby authorized to pursue all legal remedies to collect under-payments, including making a claim on an estate or trust, if appropriate.

C. Over-Payment of Member Contributions Discovered While Member Is Still Active.

- 1. The CEO shall confirm the amount of contributions that the member should have paid, the period of time that the over-payment occurred, and the total amount of the over-payment of contributions.
- 2. Staff shall promptly notify the employer to correct the inaccuracy on a going-forward basis so that the correct amount of contributions is deducted from the member's bi-weekly pay.
- 3. Staff shall promptly notify the employer that the member is entitled to a lump sum credit equal to the amount of the over-payment plus the interest credited to the member's account on the over-payment. The adjustment reflecting the credit applicable to future deductions shall be made in the member's pay from their SamCERA participating employer as soon as is reasonably practicable following the confirmation of the over-payment.
- 4. Staff shall notify the member of the adjustments made to the deductions.

D. Over-payment of Member Contributions Discovered After Member Has Left Active Status.

1. The CEO shall confirm the amount of contributions that the member should have paid, the period of time that the over-payment occurred, and the total amount of the over-payment of contributions.
2. Staff shall ensure that the member receives a lump sum payment equal to the amount of the over-payment plus the interest credited to the member's account on the over-payment, and the interest accruing from the date of the last over-payment until the date that the lump sum is paid, accruing at the applicable assumed actuarial rate of return. The payment shall be made as soon as is reasonably practicable following the confirmation of the over-payment and shall be made in a manner that is in compliance with requirements contained in the Internal Revenue Code and applicable Internal Revenue Service regulations.
3. If the member has died prior to payment of the lump sum amount due, the following procedures will be followed:
 - (a) If the member has named a designated beneficiary, the payment will be made directly to the designated beneficiary.
 - (b) If there is no beneficiary but there is an open estate (*i.e.*, no order for final distribution yet), payment will be made to the estate (through the personal representative). If an estate was not established, distribution will be made in accordance with any applicable and valid Affidavit for Payment of Personal Property on file with SamCERA pursuant to Probate Code Section 13101. In cases where there is no designated beneficiary and the total amount of over-payment is less than \$50, staff need not take proactive measures to locate the person(s) entitled to such funds. All claims presented to SamCERA, however, will be considered regardless of size.

III. PROCEDURE FOR RESOLVING BENEFIT PAYMENT INACCURACIES

A. Under-payments to Members Who Withdrew/Rolled Over Funds or Retired.

1. The CEO shall confirm the amount of the under-payment contained in the withdrawal/rollover or monthly benefit.
2. If the member has withdrawn/rolled over an incorrect amount of contributions and interest, staff shall promptly contact the member and

remit to the member the amount owed and interest accrued. Interest should be paid at the rate(s) of interest credited to the member's account for the period in which the under-payments were made. The correction shall be on the next Consent Agenda for ratification by the Board.

3. For the under-payment of a monthly benefit, staff promptly shall correct the monthly benefit amount on a going-forward basis and make a lump sum payment of the amount owed in arrears, for up to three years from the date of the discovery of the under-payment, plus the interest that accrued at the applicable assumed actuarial rate of return and staff shall report the correction in the next Consent Agenda for ratification by the Board.
4. If a monthly benefit is no longer being paid, staff shall make a reasonable attempt to pay the amount of the under-payment for up to three years from the date of the discovery of the under-payment, plus interest at the assumed rate of return to the beneficiary, survivor, or estate of the deceased recipient and shall report such action in the next Consent Agenda for ratification by the Board.

B. Over-payments to Members Who Withdrew/Rolled Over Funds or Retired.

1. The CEO shall confirm the amount of the over-payment contained in the withdrawal/rollover or monthly benefit.
2. For withdrawn/rolled over contributions and interest, staff shall contact the member and request payment of the amount of the over-payment plus interest at the rate of the applicable assumed actuarial rate of return from date of withdrawal/rollover to the completion of the repayment. If payment is not made, the collection procedure is set forth in paragraph 5 below.
3. For the over-payment of a monthly benefit, staff shall correct the monthly benefit on a going-forward basis at the earliest practical time after confirming the inaccuracy.
4. For the over-payment of a monthly benefit, staff shall take all reasonable steps to recover the full amount of all past over-payments made within three years from the date of the discovery of the over-payment, interest shall accrue from the dates of the over-payments until the completion of the repayment at the applicable assumed rate of return. Collection of over-payments that are subject to the provisions of paragraph 12, shall not be limited to three years.
5. Staff shall endeavor to recover over-payments by: (a) a lump sum payment from the member, (b) periodic installment payments from the member,

(c) offsetting the amount to be recovered against future benefits, or (d) a combination of these methods; unless the Board, in its discretion and because of legal or practical considerations, determines that another action is warranted, including but not limited to repayment by the employer. The member shall have a right to appeal the collection of the over-payment amount and/or collection method and the deadline for such action.

6. If the CEO believes that considerations of cost effectiveness make it prudent and reasonable to not pursue recovery of over-payments where the cumulative total amount of the over-payment, not including interest, is \$50 or less, then no further steps shall be taken.
7. The CEO shall have authority, on the advice of legal counsel, to compromise recovery of over-payments when the total amount of over-payment, not including interest, is \$5,000 or less. Only the Board may compromise claims in which the total amount of over-payment, not including interest, is greater than \$5,000. Among other things, the likelihood of collection, the cost of collection, the amount of possible recovery and the extreme hardship to the member will be considered by the CEO and/or the Board when determining whether to compromise a claim. Compromising claims may include a different method of repayment than is otherwise provided by this Policy and/or a partial forgiveness of the amounts overpaid.
8. Upon confirmation of an over-payment, staff shall send a letter by certified mail, return receipt requested, or by express delivery service, to the member advising the member of the over-payment and proposing a repayment schedule, as follows:
 - (a) The letter will identify the circumstances of the over-payment and the fact that adjustments will be made to all future benefit payments.
 - (b) The letter will request payment of the amount overpaid and interest, subject to the provisions of this Policy.
 - (c) The letter will include an agreement to repay excess benefits and interest and a consent form for the spouse, survivor, or beneficiary, if applicable.
 - (d) The agreement to repay excess benefits and interest will provide options including, but not limited to:
 - Option 1 — equal installments over the same length of time that the over-payments occurred, with interest that accrued during

the over-payment period and during the repayment period.

Option 2 — lump sum payment for the full amount overpaid, with accrued interest that accrued during the over-payment period and during the repayment period.

Option 3 — reduction of monthly benefit until the over-payment is paid in full, with interest applied during the over-payment period and during the repayment period.

- (e) The letter and agreement to repay excess benefits may provide that Option 3 will go into effect by default if a written response from the member is not received within 30 days following the date the letter was mailed.
 - (f) The letter shall inform the member of the right to appeal the collection effort and/or collection method and the deadline for such action.
8. If the amount of the over-payment, not including interest, is greater than \$5,000, staff will attempt to contact the member by phone to schedule a meeting to discuss the contents of the letter before the letter is sent out for delivery.
 10. Staff may pursue all legal remedies to collect over-payments, including making a claim on an estate or trust, if appropriate.
 11. Upon the death of the member before full repayment has been made, staff shall endeavor to pursue a claim or claims against the member's estate, survivors, heirs, and/or beneficiaries to recover the unpaid amounts.
 12. In cases where the inaccuracy in the calculation of the member's monthly allowance or other benefits was made as a result of either (1) fraudulent reports for compensation made, or caused to be made, by the member for his or her own benefit or (2) the member caused his or her final compensation to be improperly increased or otherwise overstated at the time of retirement and the system applied that overstated amount as the basis for calculating the member's monthly retirement allowance or other benefits, the correction of this inaccuracy shall be subject to the procedures sets forth in Government Code section 31529.

IV. Chief Executive Officer Implementation Authority


In the implementation of this policy and procedure, the Chief Executive Officer has the authority to make minor adjustments in order that such implementation is accomplished in a fair and reasonable manner consistent with the objectives set forth in Section I. Interest may be waived on inaccuracies caused by systemic constraints or events.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 27, 2024

Agenda Item 6.1

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer 

SUBJECT: Preliminary Monthly Portfolio Performance Report for the Period Ended July 31, 2024

Recommendation

Accept the preliminary performance report dated July 31, 2024.

Background

This preliminary report is intended to provide a high-level view of the portfolio and its trends. It is not intended to provide short-term performance upon which the Board would act. The quarterly performance metrics are not yet available for our private equity, private credit, private real asset, and real estate portfolios. The performance for these portfolios will be reflected in the quarterly performance report generated by Verus.

The fund's preliminary return for July was 1.6%, bringing the preliminary trailing twelve-month net return ending July to 9.1%, which is below our benchmark return of 10.9% but above our assumed earnings rate of 6.25%.

SamCERA's estimated market value as of July was \$6.65 billion, while the actuarial funded ratio as of June 30, 2023 was 88.3%.

Discussion

Most assets (outside of commodities) were higher in July. There was a big rotation from large-cap technology stocks into other equity sectors and small-cap equities, as a soft labor report and continuing progress on the inflation front led the market to price in addition interest rate cuts.

The U.S. equity market (as measured by the S&P 500 Index) was up 1.2% (the equal-weight index was up 4.5%), while small-capitalization stocks were up 10.2%. Developed international equity (as measured by MSCI EAFE) was up 2.9%, while emerging markets were up 0.3%.

U.S. economic activity was mixed in July. Real Gross Domestic Product for the second quarter increased by 2.8%, higher than both expectations and last quarter (+1.4%). The labor market underperformed expectations by adding 114,000 jobs in July (May and June numbers were revised downward), and the headline unemployment rate inched up to 4.3% from 4.1%. Inflation (as measured by the Consumer Price Index - All Urban Consumers) increased 2.9% for the 12-months ending July, which was in-line with expectations and below June levels.

The general U.S. fixed income market was up 2.3% in July as interest rates fell across the yield curve. The 10-year U.S. Treasury yield was lower by 27 basis points during the month and ended at 4.03% by month-end. Commodities were down 4.0% in July.

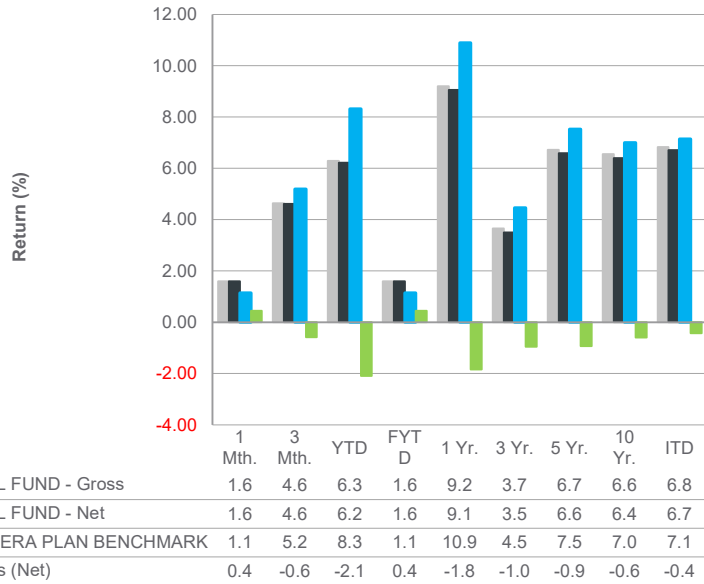
Attachments

Northern Trust Monthly Preliminary Performance Report
Verus Capital Market Update

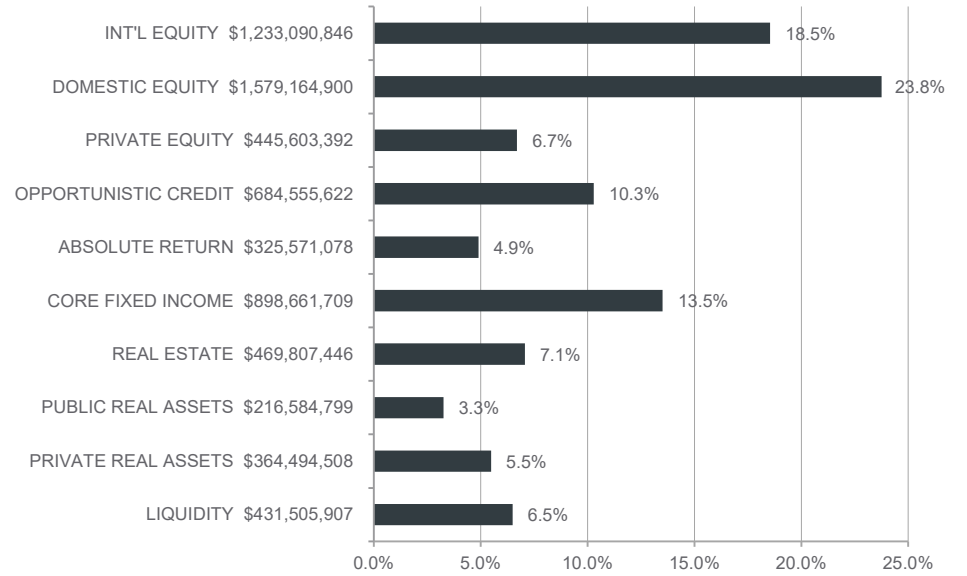
San Mateo County Composite Return Summary July 31, 2024



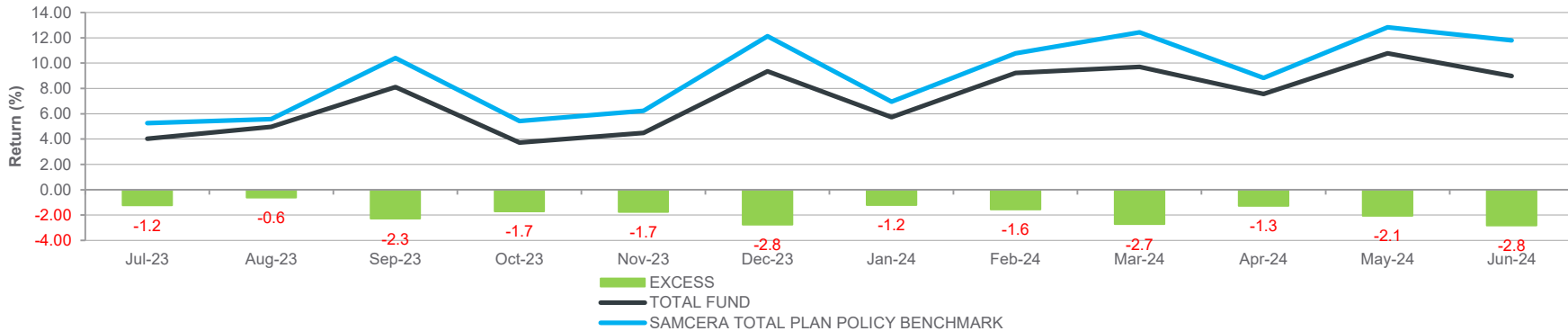
Total Fund Performance



Asset Allocation

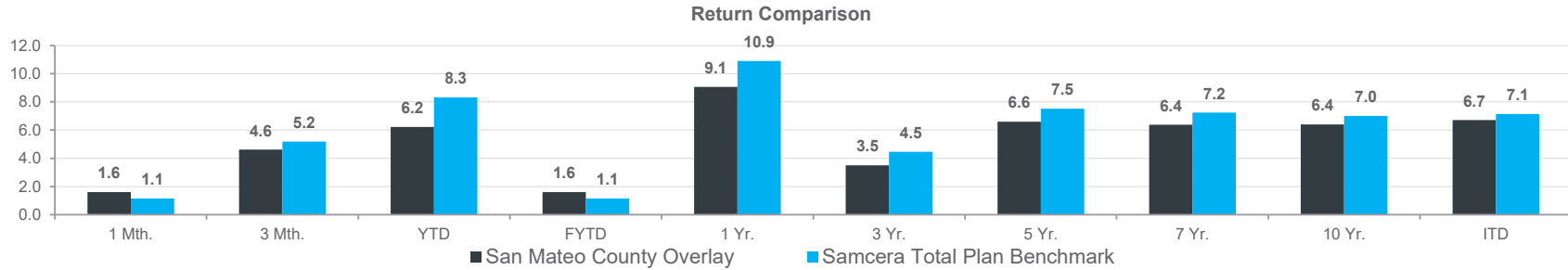


Rolling Month End Annual Returns



San Mateo County Composite Return Summary

July 31, 2024



Composite Returns (Net of Manager Fees)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
San Mateo County Overlay	6,649,040,207	1.6	4.6	6.2	1.6	9.1	3.5	6.6	6.4	6.4	6.7
Samcera Total Plan Benchmark		1.1	5.2	8.3	1.1	10.9	4.5	7.5	7.2	7.0	7.1
Excess		0.4	-0.6	-2.1	0.4	-1.8	-1.0	-0.9	-0.9	-0.6	-0.4
San Mateo Ex-Clifton Overlay	6,636,081,724	1.6	4.6	6.2	1.6	9.0	3.5	6.6	6.3	6.3	6.6
Samcera Total Plan Benchmark		1.1	5.2	8.3	1.1	10.9	4.5	7.5	7.2	7.0	7.1
Excess		0.4	-0.6	-2.1	0.4	-1.9	-1.0	-1.0	-0.9	-0.7	-0.5
Growth	3,942,414,760	2.0	6.3	9.8	2.0	13.0	--	--	--	--	14.5
Samcera Growth Portfolio BM		1.1	6.6	12.5	1.1	17.4	--	--	--	--	19.1
Excess		0.8	-0.3	-2.7	0.8	-4.5	--	--	--	--	-4.6
Diversifying	1,224,232,787	1.7	3.4	2.4	1.7	6.5	--	--	--	--	5.6
SamCera Diversifying Port BM		2.0	4.7	2.4	2.0	5.8	--	--	--	--	5.2
Excess		-0.3	-1.3	0.1	-0.3	0.6	--	--	--	--	0.4
Inflation Hedge	1,050,886,753	0.4	1.0	-1.0	0.4	-0.8	4.4	3.6	3.6	--	4.9
SamCERA Inflation Hedge Index		0.3	1.9	2.4	0.3	-3.5	4.0	5.3	5.3	--	--
Excess		0.1	-0.9	-3.4	0.1	2.7	0.4	-1.7	-1.7	--	--
Liquidity	431,505,907	0.7	1.9	3.0	0.7	6.1	3.4	--	--	--	2.5
Liquidity Composite Benchmark		1.1	2.3	2.7	1.1	5.6	--	--	--	--	--
Excess		-0.3	-0.4	0.3	-0.3	0.5	--	--	--	--	--



San Mateo County Composite Return Summary

July 31, 2024



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Public Equity	2,812,255,746	2.6	7.8	12.1	2.6	14.9	5.4	10.2	9.3	8.9	8.2
Samcera Total Equity BM		1.9	7.7	13.3	1.9	17.4	6.5	11.5	10.2	10.1	8.9
Excess		0.7	0.1	-1.2	0.7	-2.5	-1.1	-1.3	-0.9	-1.2	-0.7
Domestic Equity	1,579,164,900	3.0	10.4	15.7	3.0	20.3	8.8	13.1	12.5	11.9	9.5
Samcera Dom. Equity Benchmark		1.9	10.0	15.7	1.9	21.1	8.1	14.2	13.5	12.5	10.0
Excess		1.1	0.5	-0.0	1.1	-0.8	0.7	-1.2	-1.0	-0.7	-0.5
Large Cap Equity	1,433,150,292	2.3	9.9	15.9	2.3	20.6	8.7	13.1	12.8	12.3	10.1
Russell 1000		1.5	9.7	15.9	1.5	21.5	8.5	14.6	13.8	12.9	10.6
Excess		0.8	0.2	0.0	0.8	-0.9	0.2	-1.5	-1.1	-0.5	-0.5
Blackrock Russell 1000	926,516,109	1.5	9.8	15.9	1.5	21.5	8.5	14.7	13.9	--	14.3
Russell 1000		1.5	9.7	15.9	1.5	21.5	8.5	14.6	13.8	--	14.2
Excess		0.0	0.0	-0.0	0.0	0.0	0.0	0.1	0.1	--	0.1
DE Shaw Commingled Fund	243,510,028	2.5	12.3	21.1	2.5	26.9	9.6	14.2	13.4	--	12.8
Russell 1000		1.5	9.7	15.9	1.5	21.5	8.5	14.6	13.8	--	12.6
Excess		1.0	2.5	5.2	1.0	5.4	1.1	-0.4	-0.4	--	0.2
Panagora Defuseq -SL	263,124,156	5.1	8.3	11.5	5.1	11.7	6.3	8.6	--	--	12.0
Russell 1000		1.5	9.7	15.9	1.5	21.5	8.5	14.6	--	--	17.0
Excess		3.6	-1.4	-4.4	3.6	-9.8	-2.2	-6.0	--	--	-5.0
Small Cap Equity	144,675,708	10.1	15.5	12.6	10.1	17.0	8.2	10.7	8.5	7.7	7.0
Russell 2000		10.2	14.6	12.1	10.2	14.3	1.9	8.9	8.2	8.7	8.0
Excess		-0.1	0.9	0.5	-0.1	2.8	6.4	1.8	0.2	-1.0	-1.0
QMA US Small Cap	144,675,708	10.1	15.5	12.6	10.1	17.0	8.2	10.7	8.5	--	9.7
Russell 2000		10.2	14.6	12.1	10.2	14.3	1.9	8.9	8.2	--	9.3
Excess		-0.1	0.9	0.5	-0.1	2.8	6.4	1.8	0.2	--	0.4
Domestic Equity Overlay	1,338,900	6.2	14.4	19.1	6.2	16.6	61.1	--	--	--	83.3
ICE BofAML US 3-Month Treasury Bill		0.4	1.3	3.1	0.4	5.5	3.2	--	--	--	2.3
Excess		5.8	13.1	16.0	5.8	11.1	57.9	--	--	--	81.0
International Equity	1,233,090,846	2.1	4.6	7.8	2.1	8.4	1.5	6.9	5.6	4.9	5.6
SamCERA Custom Hedge Intl		2.0	4.8	10.3	2.0	12.6	4.4	8.0	6.3	5.2	5.5
Excess		0.1	-0.2	-2.6	0.1	-4.3	-2.9	-1.2	-0.7	-0.3	0.2



San Mateo County Composite Return Summary

July 31, 2024



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Developed Markets Equity	1,232,219,296	2.1	4.6	7.8	2.1	8.5	-0.2	6.5	5.4	4.9	4.8
Dev Mrkts Equity Curr Hedge	376,023	--	--	--	--	--	--	--	--	--	--
Dev Mrkts Equity Ex Curr Hedge	1,232,595,319	2.7	5.3	7.2	2.7	7.8	-0.6	6.2	5.2	4.8	4.7
MS AC WldxUS IMI Nt		2.5	5.3	7.9	2.5	9.8	1.5	6.4	5.0	4.3	5.0
Excess		0.2	-0.0	-0.7	0.2	-2.0	-2.1	-0.2	0.2	0.5	-0.3
Baillie Gifford	294,929,793	1.8	5.0	4.9	1.8	1.0	-7.9	4.1	4.0	4.5	6.2
MSCI ACWI ex USA Growth		1.1	4.8	8.0	1.1	8.0	-1.5	6.1	5.7	5.4	--
Excess		0.8	0.3	-3.1	0.8	-7.0	-6.4	-1.9	-1.7	-0.9	--
Blackrock MSCI ACWI ex US IMI	637,404,883	2.4	5.2	8.0	2.4	9.7	1.6	--	--	--	8.0
MS AC WldxUS IMI Nt		2.5	5.3	7.9	2.5	9.8	1.5	--	--	--	7.9
Excess		-0.1	-0.1	0.1	-0.1	-0.1	0.2	--	--	--	0.1
Mondrian Investment Partners	300,260,643	4.2	5.8	7.8	4.2	10.9	3.5	5.6	4.2	3.5	5.2
MSCI ACWI xUSA Value		3.7	6.0	9.1	3.7	12.7	6.2	7.2	5.0	3.8	5.5
Excess		0.5	-0.2	-1.3	0.5	-1.8	-2.7	-1.6	-0.9	-0.3	-0.3
Int'l Equity Overlay	871,550	4.2	6.5	9.4	4.2	--	--	--	--	--	--
ICE BofAML US 3-Month Treasury Bill		0.4	1.3	3.1	0.4	--	--	--	--	--	4.5
Excess		3.8	5.1	6.3	3.8	--	--	--	--	--	--
Private Equity	445,603,392	-0.2	1.9	4.6	-0.2	7.9	1.2	16.5	17.4	16.7	-4.7
Samcera PE Benchmark		-4.1	4.6	19.6	-4.1	25.3	9.4	15.5	14.9	14.6	16.0
Excess		3.9	-2.8	-15.0	3.9	-17.5	-8.2	1.0	2.4	2.2	-20.7
Opportunistic Credit	684,555,622	1.0	3.0	4.2	1.0	8.7	2.7	4.2	4.5	4.9	7.3
Samcera Opp Credit Bench		1.6	3.6	5.0	1.6	11.4	2.4	4.3	4.4	4.8	6.3
Excess		-0.6	-0.6	-0.8	-0.6	-2.6	0.3	-0.2	0.1	0.1	1.0
Public Credit	488,853,191	1.5	3.3	4.2	1.5	9.0	--	--	--	--	9.7
BBG US Corp High Yield		1.9	4.0	4.6	1.9	11.1	--	--	--	--	11.6
Excess		-0.5	-0.7	-0.4	-0.5	-2.1	--	--	--	--	-1.9
Beach Point Select Fund	115,397,016	1.4	2.6	4.6	1.4	10.6	5.0	8.0	7.5	--	8.0
BBG US Corp High Yield		1.9	4.0	4.6	1.9	11.1	2.2	4.2	4.4	--	5.0
Excess		-0.5	-1.5	0.0	-0.5	-0.4	2.9	3.8	3.1	--	3.0



San Mateo County Composite Return Summary

July 31, 2024



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Brigade Cap Mngmt	111,547,422	2.2	4.9	5.0	2.2	8.3	2.5	4.9	4.3	4.3	5.8
BBG US Corp High Yield		1.9	4.0	4.6	1.9	11.1	2.2	4.2	4.4	4.6	6.1
Excess		0.3	0.8	0.4	0.3	-2.8	0.3	0.7	-0.0	-0.4	-0.2
Eaton Vance EM	61,557,730	-0.2	1.5	--	-0.2	--	--	--	--	--	2.6
BBG US Corp High Yield		1.9	4.0	--	1.9	--	--	--	--	--	4.6
Excess		-2.1	-2.5	--	-2.1	--	--	--	--	--	-2.0
One William Street	67,099,218	0.9	2.1	6.6	0.9	10.6	--	--	--	--	--
BBG US Corp High Yield		1.9	4.0	4.6	1.9	11.1	--	--	--	--	10.6
Excess		-1.1	-2.0	2.0	-1.1	-0.5	--	--	--	--	--
PIMCO Div. Income Fund	133,251,804	1.9	4.2	3.8	1.9	9.4	-0.6	1.5	2.6	--	2.6
BBG US Corp High Yield		1.9	4.0	4.6	1.9	11.1	2.2	4.2	4.4	--	4.4
Excess		-0.0	0.2	-0.8	-0.0	-1.6	-2.8	-2.7	-1.8	--	-1.8
Private Credit	195,702,431	-0.0	2.3	4.3	-0.0	7.8	--	--	--	--	6.6
Credit Suisse Lev Loan 1 QTR L		0.7	2.4	6.2	0.7	12.1	--	--	--	--	12.1
Excess		-0.7	-0.1	-1.9	-0.7	-4.3	--	--	--	--	-5.5
AG CREDIT SOL FU LP	6,260,013	0.1	2.4	7.7	0.1	14.4	5.5	--	--	--	13.9
Credit Suisse Lev Loan 1 QTR L		0.7	2.4	6.2	0.7	12.1	--	--	--	--	--
Excess		-0.6	-0.0	1.6	-0.6	2.3	--	--	--	--	--
AG CSF ADF II	4,454,731	0.0	3.1	10.5	0.0	19.3	--	--	--	--	--
Credit Suisse Lev Loan 1 QTR L		0.7	2.4	6.2	0.7	12.1	--	--	--	--	--
Excess		-0.7	0.7	4.4	-0.7	7.1	--	--	--	--	--
AG CSF II	21,925,837	0.1	3.1	8.3	0.1	20.9	--	--	--	--	6.4
Credit Suisse Lev Loan 1 QTR L		0.7	2.4	6.2	0.7	12.1	--	--	--	--	--
Excess		-0.6	0.7	2.1	-0.6	8.8	--	--	--	--	--
Blackrock Direct Lending Feede	39,996,841	-0.3	0.9	3.4	-0.3	9.0	6.2	4.5	--	--	4.3
Credit Suisse Lev Loan 1 QTR L		0.7	2.4	6.2	0.7	12.1	--	--	--	--	--
Excess		-1.0	-1.5	-2.7	-1.0	-3.1	--	--	--	--	--
Comvest Credit Partners VII	2,250,000	0.0	0.0	--	0.0	--	--	--	--	--	0.0



San Mateo County Composite Return Summary

July 31, 2024



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Credit Suisse Lev Loan 1 QTR L		0.7	2.4	--	0.7	--	--	--	--	--	--
Excess		-0.7	-2.4	--	-0.7	--	--	--	--	--	--
Pimco Private Income	50,044,786	0.0	2.8	3.9	0.0	7.7	5.6	7.4	--	--	6.9
Credit Suisse Lev Loan 1 QTR L		0.7	2.4	6.2	0.7	12.1	--	--	--	--	--
Excess		-0.7	0.4	-2.3	-0.7	-4.4	--	--	--	--	--
TCP Direct Lending VIII	9,526,787	0.0	-0.5	1.6	0.0	4.4	4.7	5.4	5.6	--	--
Credit Suisse Lev Loan 1 QTR L		0.7	2.4	6.2	0.7	12.1	--	--	--	--	--
Excess		-0.7	-3.0	-4.5	-0.7	-7.7	--	--	--	--	--
White Oak Yield Spec	29,743,963	0.0	2.5	3.3	0.0	5.6	4.7	5.3	5.3	--	--
Credit Suisse Lev Loan 1 QTR L		0.7	2.4	6.2	0.7	12.1	--	--	--	--	--
Excess		-0.7	0.1	-2.8	-0.7	-6.5	--	--	--	--	--
White Oak YSF V	31,499,473	0.0	3.1	1.8	0.0	3.7	2.1	--	--	--	1.4
Credit Suisse Lev Loan 1 QTR L		0.7	2.4	6.2	0.7	12.1	--	--	--	--	--
Excess		-0.7	0.7	-4.4	-0.7	-8.4	--	--	--	--	--
Absolute Return	325,571,078	-0.5	-2.3	4.7	-0.5	7.3	4.4	0.8	-0.8	1.6	1.9
Samcera SOFR + 4%		0.8	2.3	5.5	0.8	9.6	7.4	6.3	6.2	5.7	5.3
Excess		-1.2	-4.6	-0.9	-1.2	-2.2	-2.9	-5.5	-7.0	-4.1	-3.5
Acadian MAAR Fund LLC	0	--	--	--	--	--	--	--	--	--	--
Samcera SOFR +4%		0.8	2.4	5.6	0.8	9.8	7.5	--	--	--	6.7
Excess		--	--	--	--	--	--	--	--	--	--
CFM SYS Global Macro Fund	110,771,594	1.3	0.2	1.2	1.3	10.2	5.9	--	--	--	7.6
Samcera SOFR +4%		0.8	2.4	5.6	0.8	9.8	7.5	--	--	--	6.7
Excess		0.5	-2.1	-4.3	0.5	0.4	-1.6	--	--	--	0.9
Graham Global Investment	104,295,122	-3.8	-7.0	9.8	-3.8	6.7	7.5	--	--	--	6.3
Samcera SOFR +4%		0.7	2.2	5.1	0.7	9.0	7.1	--	--	--	6.2
Excess		-4.5	-9.1	4.7	-4.5	-2.3	0.4	--	--	--	0.1
PIMCO MAARS Fund L.P.	110,504,363	1.1	-0.3	9.4	1.1	16.4	11.9	--	--	--	9.7
Samcera SOFR +4%		0.8	2.4	5.6	0.8	9.8	7.5	--	--	--	6.5
Excess		0.3	-2.6	3.8	0.3	6.7	4.4	--	--	--	3.3
Core Fixed Income	898,661,709	2.6	5.7	1.2	2.6	5.6	-2.6	0.3	1.2	1.9	4.3
BBG US Aggregate		2.3	5.1	1.6	2.3	5.1	-2.6	0.2	1.1	1.6	4.0



San Mateo County Composite Return Summary

July 31, 2024



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Excess		0.3	0.6	-0.4	0.3	0.5	-0.0	0.2	0.0	0.3	0.3
Core Fixed Income ex Overlay	878,475,155	2.6	5.7	1.3	2.6	5.7	-2.6	0.4	1.2	1.9	4.3
BBG US Aggregate		2.3	5.1	1.6	2.3	5.1	-2.6	0.2	1.1	1.6	4.0
Excess		0.3	0.7	-0.3	0.3	0.6	0.1	0.2	0.1	0.3	0.3
DoubleLine	266,547,725	2.4	5.2	2.9	2.4	6.5	-2.6	--	--	--	-0.4
BBG US Aggregate		2.3	5.1	1.6	2.3	5.1	-2.6	--	--	--	-1.1
Excess		0.0	0.1	1.2	0.0	1.4	0.0	--	--	--	0.8
FIAM B Core Bond	189,109,019	2.4	5.4	2.2	2.4	5.8	-2.3	1.0	1.8	--	2.3
BBG US Aggregate		2.3	5.1	1.6	2.3	5.1	-2.6	0.2	1.1	--	1.4
Excess		0.1	0.3	0.5	0.1	0.7	0.4	0.9	0.7	--	0.9
NISA Core Bond	288,061,469	2.4	5.1	1.8	2.4	5.3	-2.3	--	--	--	-1.0
BBG US Aggregate		2.3	5.1	1.6	2.3	5.1	-2.6	--	--	--	-1.4
Excess		0.1	0.0	0.2	0.1	0.2	0.3	--	--	--	0.4
NISA Long Treasury	134,756,942	3.5	8.2	-1.7	3.5	0.0	--	--	--	--	-2.1
Bloomberg US Long Tsy		3.6	8.3	-1.6	3.6	-0.1	--	--	--	--	-2.1
Excess		-0.0	-0.1	-0.1	-0.0	0.1	--	--	--	--	0.0
Core Fixed Income Overlay	20,186,555	1.3	1.9	-4.6	1.3	-5.2	--	--	--	--	--
ICE BofAML US 3-Month Treasury Bill		0.4	1.3	3.1	0.4	5.5	3.2	--	--	--	2.3
Excess		0.9	0.6	-7.7	0.9	-10.7	--	--	--	--	--
Real Estate	469,807,446	-0.3	-0.3	-7.5	-0.3	-8.8	1.7	2.9	4.1	--	5.0
Samcera NCREIF ODCE (gross)		0.0	-0.4	-2.8	0.0	-9.3	1.9	3.2	4.4	--	4.9
Excess		-0.3	0.2	-4.7	-0.3	0.5	-0.2	-0.3	-0.3	--	0.1
Harrison Street Core Property	89,643,114	-1.1	0.4	-5.6	-1.1	-7.0	2.1	--	--	--	2.9
Samcera NCREIF ODCE (gross)		0.0	-0.4	-2.8	0.0	-9.3	1.9	--	--	--	2.8
Excess		-1.1	0.8	-2.8	-1.1	2.2	0.2	--	--	--	0.1
Invesco Core Real Estate	224,972,833	-0.1	-1.4	-9.5	-0.1	-11.0	0.8	1.9	3.5	5.9	6.3
Samcera NCREIF ODCE (gross)		0.0	-0.4	-2.8	0.0	-9.3	1.9	3.2	4.4	6.4	6.7
Excess		-0.1	-1.0	-6.7	-0.1	-1.7	-1.1	-1.2	-0.9	-0.5	-0.4
Invesco US Val IV	99,763	-6.4	-6.4	-31.5	-6.4	-50.7	-40.4	-24.2	-15.3	--	-10.5
Samcera NCREIF ODCE (gross)		0.0	-0.4	-2.8	0.0	-9.3	1.9	3.2	4.4	--	5.3
Excess		-6.4	-5.9	-28.7	-6.4	-41.4	-42.3	-27.4	-19.6	--	-15.8



San Mateo County Composite Return Summary

July 31, 2024



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Invesco US VAL V	23,126,386	-1.5	-1.5	-25.7	-1.5	-28.5	-7.2	0.7	--	--	-0.2
Samcera NCREIF ODCE (gross)		0.0	-0.4	-2.8	0.0	-9.3	1.9	3.2	--	--	--
Excess		-1.5	-1.0	-22.9	-1.5	-19.2	-9.1	-2.5	--	--	--
Invesco Value-Add Fund	24,874,197	0.0	2.9	-9.9	0.0	-13.0	--	--	--	--	-7.8
Samcera NCREIF ODCE (gross)		0.0	-0.4	-2.8	0.0	-9.3	--	--	--	--	-10.0
Excess		0.0	3.3	-7.1	0.0	-3.8	--	--	--	--	2.2
PGIM Real Estate US Debt Fund	72,605,961	-0.0	1.7	3.2	-0.0	6.0	6.1	5.7	5.5	--	5.4
Samcera NCREIF ODCE (gross)		0.0	-0.4	-2.8	0.0	-9.3	1.9	3.2	4.4	--	4.3
Excess		-0.0	2.2	6.0	-0.0	15.3	4.2	2.6	1.1	--	1.1
Stockbridge VAL FD V	7,222,849	0.0	--	--	0.0	--	--	--	--	--	-0.0
Samcera NCREIF ODCE (gross)		0.0	-0.4	-2.8	0.0	-9.3	1.9	3.2	4.4	--	4.3
Excess		0.0	--	--	0.0	--	--	--	--	--	-4.3
Stockbridge Value IV	27,262,343	0.0	0.0	0.2	0.0	-5.2	9.1	--	--	--	5.2
Samcera NCREIF ODCE (gross)		0.0	-0.4	-2.8	0.0	-9.3	1.9	--	--	--	3.0
Excess		0.0	0.5	3.0	0.0	4.1	7.2	--	--	--	2.2
Public Real Assets	216,584,799	1.1	2.1	4.0	1.1	2.3	4.3	2.1	2.0	--	--
SamCera Liquid Real Asset Inde		1.1	2.2	4.0	1.1	2.5	4.2	5.0	4.3	--	5.8
Excess		-0.0	-0.1	0.1	-0.0	-0.2	0.1	-2.9	-2.3	--	--
SSGA CST REAL ASSET NL	216,584,799	1.1	2.1	4.0	1.1	2.3	4.3	4.9	4.3	--	--
SamCera Liquid Real Asset Inde		1.1	2.2	4.0	1.1	2.5	4.2	5.0	4.3	--	5.1
Excess		-0.0	-0.1	0.1	-0.0	-0.2	0.1	-0.1	0.0	--	--
Private Real Assets	364,494,508	0.8	2.0	5.5	0.8	9.6	10.4	10.1	5.4	--	9.7
SamCERA Private Real Asset Idx		0.2	5.8	10.7	0.2	2.6	6.6	7.1	7.8	--	10.0
Excess		0.6	-3.9	-5.2	0.6	7.0	3.8	3.1	-2.4	--	-0.3
Liquidity	431,505,907	0.7	1.9	3.0	0.7	6.1	3.4	--	--	--	2.5
Liquidity Composite Benchmark		1.1	2.3	2.7	1.1	5.6	--	--	--	--	--
Excess		-0.3	-0.4	0.3	-0.3	0.5	--	--	--	--	--
Cash Flow - Match Liquidity	333,367,437	0.9	2.0	2.9	0.9	5.9	--	--	--	--	4.2
BBG US Agg Govt Credit 1-3		1.2	2.5	2.6	1.2	5.7	--	--	--	--	3.1
Excess		-0.3	-0.5	0.3	-0.3	0.3	--	--	--	--	1.0



San Mateo County Composite Return Summary

July 31, 2024



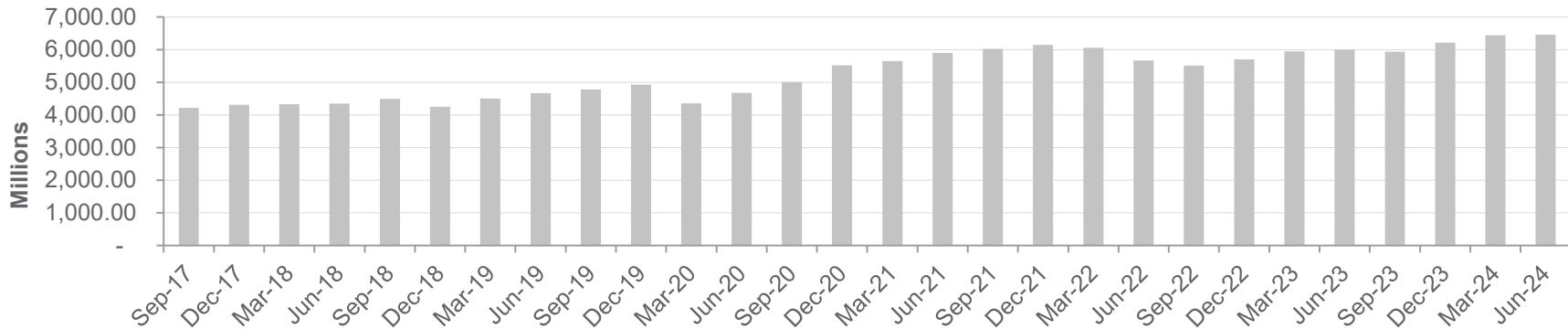
Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
County Treasury Pool	9,032,408	0.3	0.3	2.1	0.3	3.1	2.7	2.1	2.0	1.6	2.6
91 Day T-Bill		0.4	1.3	3.1	0.4	5.5	3.2	2.2	2.1	--	--
Excess		-0.1	-1.0	-1.0	-0.1	-2.3	-0.5	-0.1	-0.1	--	--
Insight Investment	324,335,029	0.9	2.1	2.9	0.9	6.1	--	--	--	--	3.9
BBG US Credit 1-3 Yrs		1.2	2.6	3.0	1.2	6.3	--	--	--	--	4.0
Excess		-0.3	-0.5	-0.1	-0.3	-0.3	--	--	--	--	-0.1
Cash & Cash Overlay	120,535,474	0.5	1.4	3.2	0.5	5.7	--	--	--	--	--
91 Day T-Bill		0.4	1.3	3.1	0.4	5.5	3.2	2.2	2.1	--	--
Excess		0.0	0.0	0.1	0.0	0.2	--	--	--	--	--
Cash Overlay	12,958,483	0.5	1.4	3.2	0.5	5.5	2.8	--	--	--	2.0
ICE BofAML US 3-Month Treasury Bill		0.4	1.3	3.1	0.4	5.5	3.2	--	--	--	2.3
Excess		0.0	0.0	0.1	0.0	0.0	-0.4	--	--	--	-0.2
General Account	107,576,930	0.5	1.4	3.2	0.5	5.7	3.4	2.3	2.2	1.7	2.1
Transition Account	62	--	--	--	--	--	--	--	--	--	--
Futures Offsets	22,397,005	0.0	0.0	-0.0	0.0	-0.1	-0.1	--	--	--	-0.0
ICE BofAML US 3-Month Treasury Bill		0.4	1.3	3.1	0.4	5.5	3.2	--	--	--	2.3
Excess		-0.4	-1.3	-3.1	-0.4	-5.6	-3.3	--	--	--	-2.3



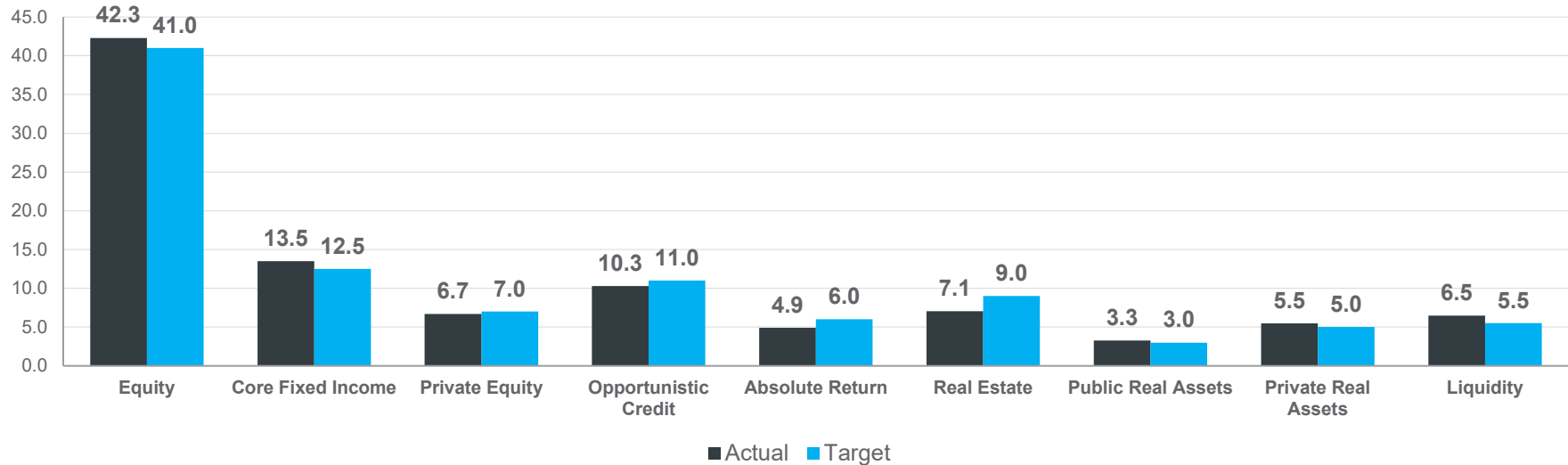
Record of Asset Growth

	Three Months	One Year
TOTAL FUND		
Beginning Market Value	6,313,492,634	6,160,862,792
Contributions	121,811,863	257,033,752
Withdrawals	-80,452,558	-325,988,134
Income Received	32,475,191	125,107,256
Gain/Loss	261,759,683	432,377,219
Ending Market Value	6,649,040,207	6,649,040,207

Net Asset Values Over Time (\$000)

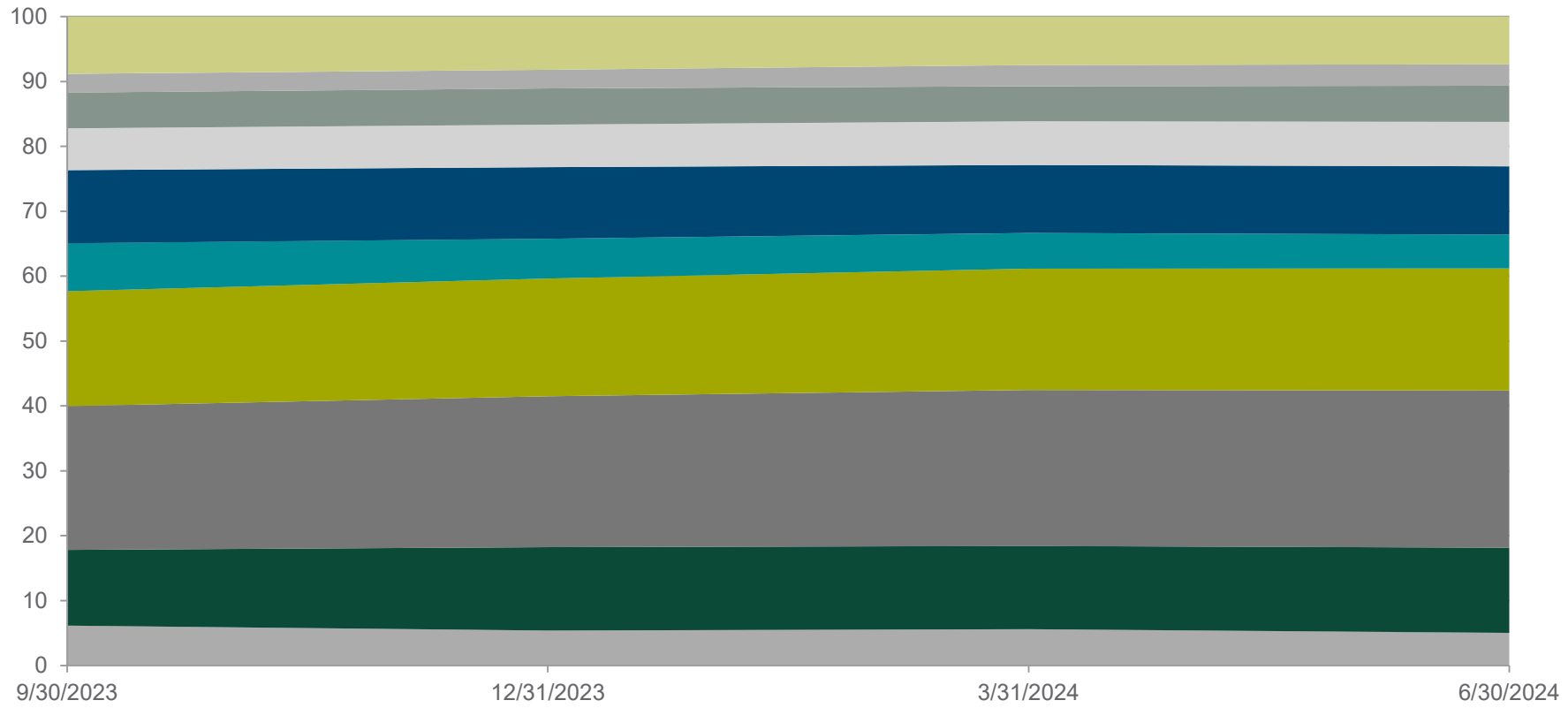


Actual vs Target Weights



	Min	Actual	Target	Deviation	Max
Equity	38.0	42.3	41.0	1.3	44.0
Core Fixed Income	10.5	13.5	12.5	1.0	14.5
Private Equity	5.0	6.7	7.0	-0.3	9.0
Opportunistic Credit	9.0	10.3	11.0	-0.7	13.0
Absolute Return	4.0	4.9	6.0	-1.1	8.0
Real Estate	7.0	7.1	9.0	-1.9	11.0
Public Real Assets	1.0	3.3	3.0	0.3	5.0
Private Real Assets	3.0	5.5	5.0	0.5	7.0
Liquidity		6.5	5.5	1.0	

Asset Allocation over Time



- Absolute Return
- Core Fixed Income
- Domestic Equity
- International Equity
- Liquidity
- Opportunistic Credit
- Private Equity
- Private Real Assets
- Public Real Assets
- Real Estate

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**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**

JULY 2024
Capital Markets Update

Market commentary

U.S. ECONOMICS

- July nonfarm payrolls came in at 114,000, well below expectations of 175,000, while May and June figures were revised lower by a total of 26,000. Adding to the sharp slowdown in employment growth was an increase in the unemployment rate, which rose to 4.3%. The surprise increase in unemployment fueled fears that the U.S. labor market may be cooling much faster than expected.
- The ISM Manufacturing and Services Indexes diverged this month as the Manufacturing Index moved into a more notable pace of contraction (46.8) while the Services Index rebounded into expansionary territory with a reading of 51.4. Consumer activity has remained stable in services but both broad segments are reporting hesitancy in business investment given the higher rate environment.
- Consumer sentiment fell slightly to 66.4 from June's reading of 68.2. Although the drop is not particularly significant, consumer expectations of year ahead inflation continued to fall.

U.S. EQUITIES

- The U.S. equity rally carried on, with the S&P 500 closing the month +1.2%. U.S. Equities rallied through the first half of the month, posting new all-time highs near 5,670 on July 16th but fell through the second half of the month as uncertainty about the economy and the labor market rose. The second half of the month was largely a story of rotation out of the large cap space as the S&P 500 fell around -2.6% from the 17th through month end.
- Shakiness in the labor market and economic outlook had some investors speculating that two rate cuts could be possible in September. This change in expectations likely contributed to a rotation out of large caps and into small caps with the Russell 2000 Index posting a +10.2% return on the month.

U.S. FIXED INCOME

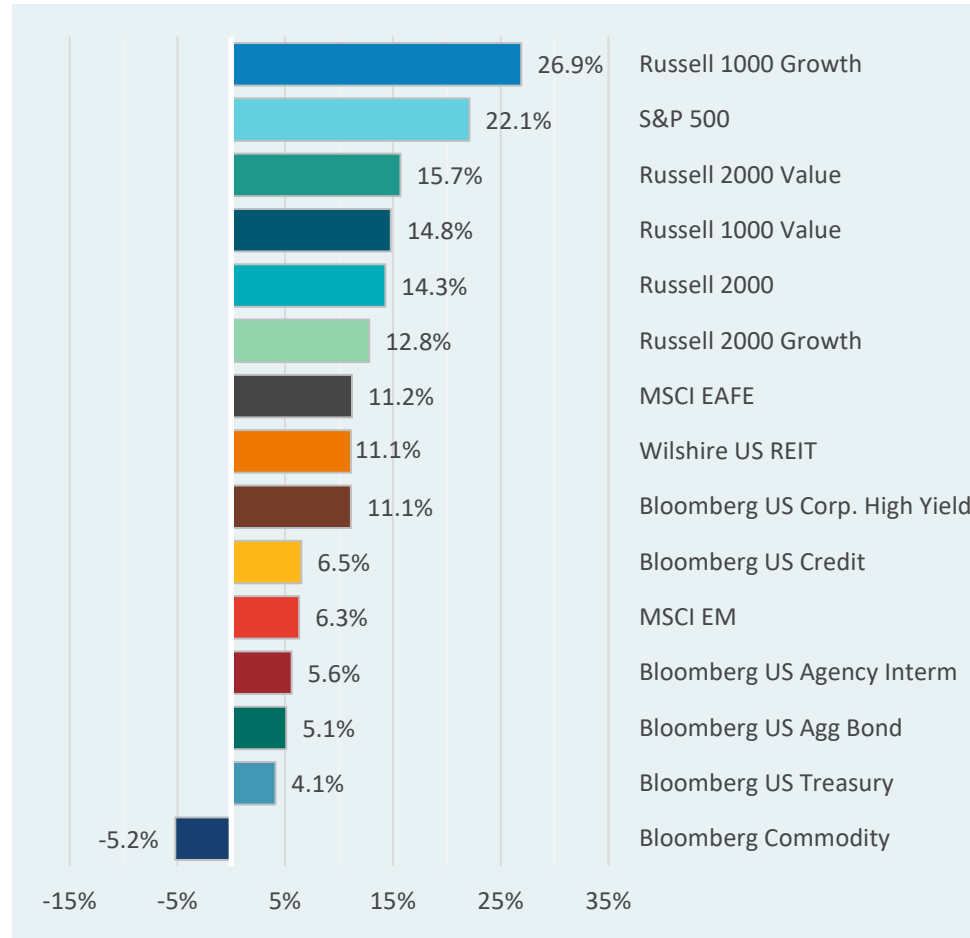
- The month closed with the July 30th-31st FOMC meeting. Investor opinions appeared to consolidate on a September rate cut in the final two weeks of the month. The meeting concluded with no changes to the policy rate and Chairman Powell reiterated that economic growth remains stable, inflation continues to move lower - in line with expectations, and that the labor market is normalizing.
- Yields moved lower across the curve in line with the increased likelihood of a quarter point September rate cut. Moves were more pronounced on the short end of the curve with the 2-year yield falling -42 bps. The 10/2 yield curve inversion narrowed from -35bps to -20 bps by month end.
- Fixed income markets benefited from expectations of rate cuts becoming more solidified. By month end a 0.25% rate cut in September was almost 100% priced in by investors which contributed to the Bloomberg U.S. Aggregate Bond Index posting a +2.3% gain.

INTERNATIONAL MARKETS

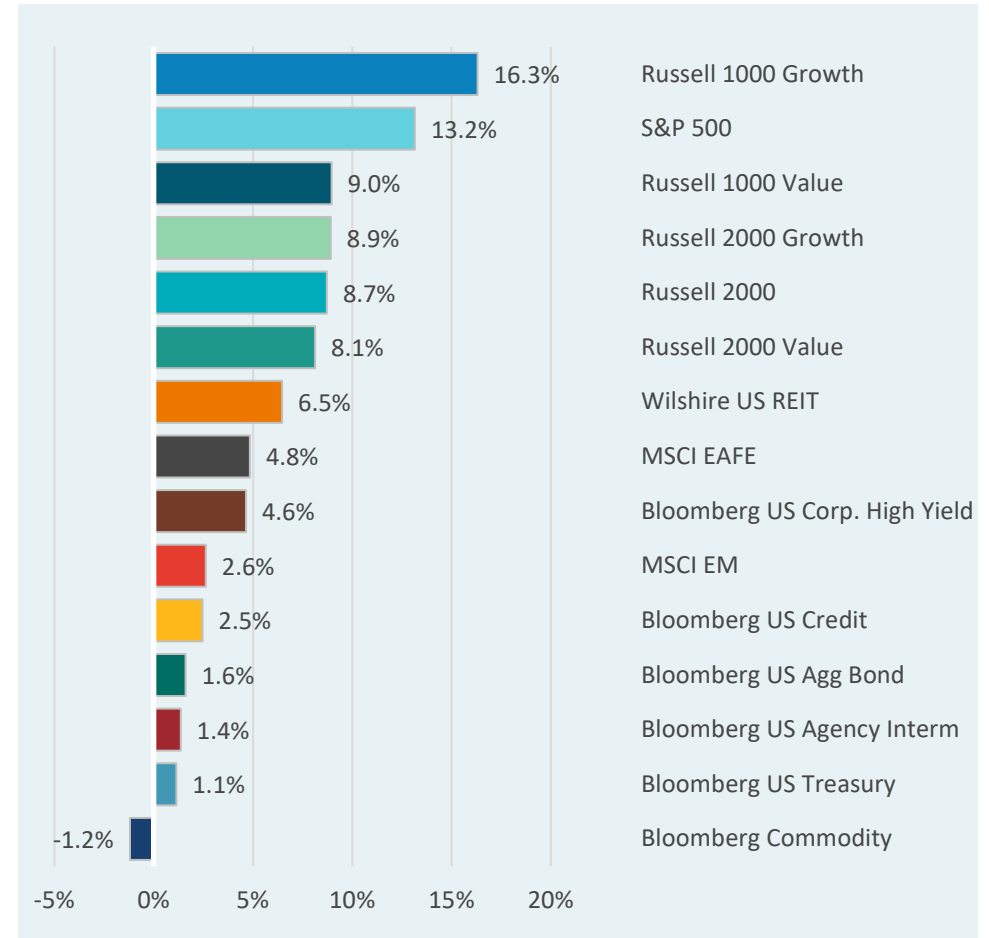
- The Bank of Japan continued its fight against the weakening yen. Over the past several months there were attempts to prop up the falling currency, but intervention only provided brief moments of relief. July was no different as the BOJ intervened on at least two separate occasions. On July 31st, the BOJ voted to raise its benchmark interest rate to "around 0.25%". The move helped strengthen the yen but also made waves across global markets during the days after month end.
- The European Central Bank opted to keep interest rates unchanged at the July 18th meeting. ECB President Christine Lagarde mentioned that the decision for the September meeting was "wide open" especially after messaging indicated that economic outlook for the euro zone was downgraded from previously more optimistic forecasts.

Major asset class returns

ONE YEAR ENDING JULY



TEN YEARS ENDING JULY



*Only publicly traded asset performance is shown here. Performance of private assets is typically released with a 3- to 6-month delay.

Source: Morningstar, as of 7/31/24

Source: Morningstar, as of 7/31/24

U.S. large cap equities

- The S&P 500 ended the month up 1.2% amidst market reallocation to small cap equities in the second half of the month. For the third month in a row, weakening economic data bolstered investor confidence in a 2024 rate cut.
- Performance was mixed but was broadly positive with 9 of 11 sectors posting gains. Energy (+7.2%), utilities (+6.8%), and financials (+6.5%) were the biggest gainers while communication services (-4.0%) and information technology (-2.1%) lagged the most.
- As of August 9th, 91% of companies in the S&P 500 had reported second quarter results. Of those companies, 59% reported a positive revenue surprise and 78% reported a positive EPS surprise.
- The year-over-year earnings growth rate was 10.8% as of August 9th, beating estimates of 8.9%. Positive EPS surprises reported by three of the Magnificent 7 were the largest contributors to the overall earnings growth rate in the second quarter. Amazon, Meta, and Apple posted EPS beats of \$0.23, \$0.44, and \$0.06, respectively.

S&P 500 PRICE INDEX



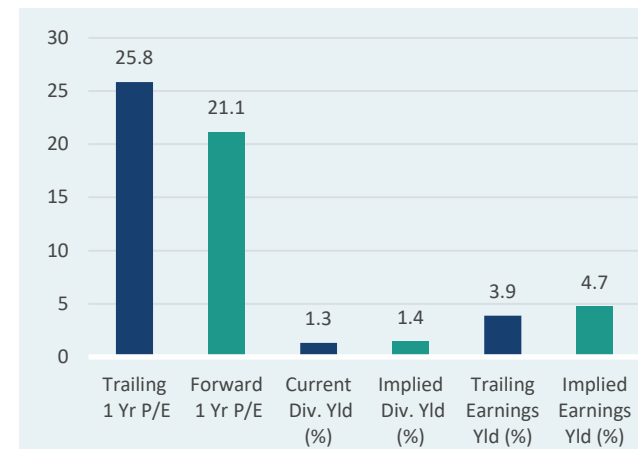
Source: Bloomberg, as of 7/31/24

IMPLIED VOLATILITY (VIX INDEX)



Source: Cboe, as of 7/31/24

S&P 500 VALUATION SNAPSHOT

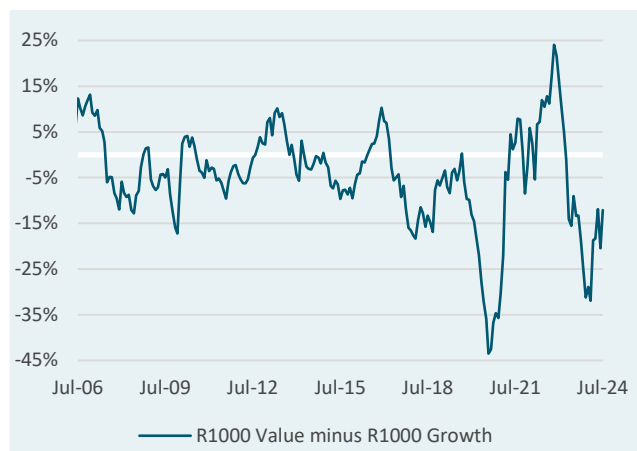


Source: Bloomberg, as of 7/31/24

Domestic equity size and style

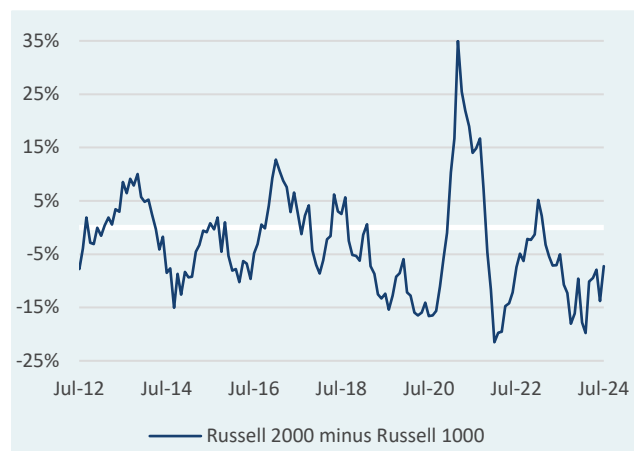
- In July, small caps (Russell 2000 +10.2%) outperformed large caps (Russell 1000 +1.5%) bringing the difference in 1-year performance to -7.3%. Small caps rose on cooling economic data, given that this market segment is generally more sensitive to borrowing costs than large caps.
- Value outperformed growth across sizes. Large cap value (Russell 1000 Value +5.1%) outperformed large cap growth (Russell 1000 Growth -1.7%) in July as investors turned their attention away from popular growth names in favor of small caps and value.
- Small cap value (Russell 2000 Value +12.2%) posted the largest gains across all sizes and styles in June, outperforming small cap growth (Russell 2000 Growth +8.2%).
- Relative valuations for large cap stocks continued to increase over the month. Large cap growth forward earnings increased to 28.5x, a 26.1% premium to the 10-year average of 22.6x. Large cap value traded at 16.2x forward earnings at the end of July, a 7.3% premium to the 10-year average and 5.9% more expensive than in June.

VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE, Bloomberg, as of 7/31/24

SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE, Bloomberg, as of 7/31/24

1-YEAR SIZE & STYLE PERFORMANCE

	Value	Core	Growth
Large Cap	14.8%	21.5%	26.9%
Mid Cap	13.8%	13.7%	12.3%
Small Cap	15.7%	14.3%	12.8%

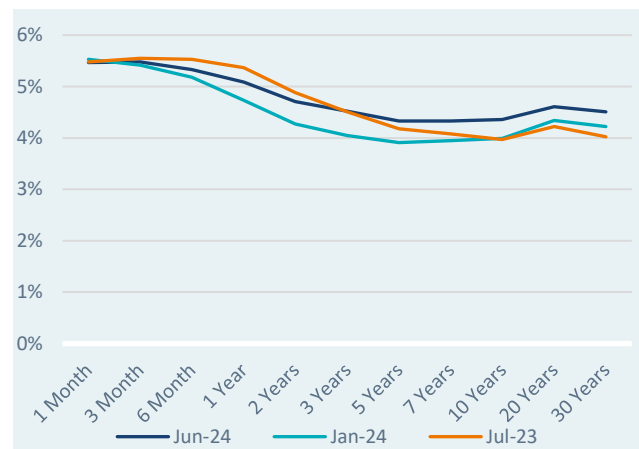
Source: FTSE, Bloomberg, as of 7/31/24

Fixed income

- U.S. bonds climbed for the third month in a row (Bloomberg U.S. Aggregate Index +2.3%) as inflation moved closer to the federal reserve 2% target and economic data continued to show signs of cooling. The gains made by the Bloomberg Aggregate in July pushed year-to-date returns (+1.6%) into the green for the first time year-to-date.
- Yields fell across the curve over the course of the month. The 2-year ended down 42 bps while the 10-year fell 27 bps. The 10/2 yield curve inversion narrowed from -35 bps to -20 bps as the short end fell most with the latest rate cut scenarios being priced in.

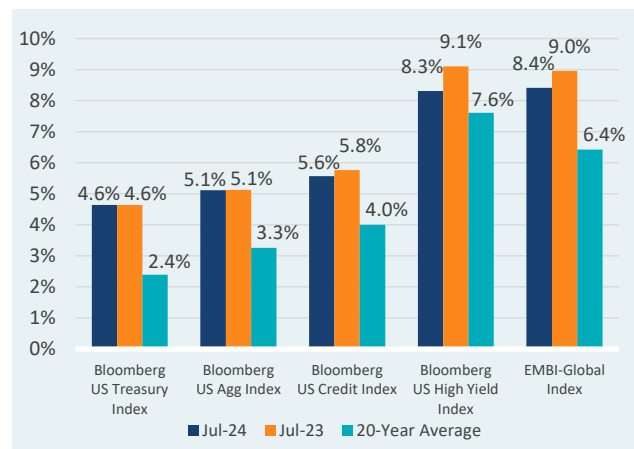
- Interest rate sensitivity mattered in July. Out of all the major fixed income indexes, the Bloomberg U.S. Treasury Long index was the top performer in July (+3.6%) while the Bloomberg short-duration treasury index (+0.5%) performed the worst.
- The annual default rate for bank loans and high yield corporate debt has fallen considerably since the beginning of the year. High yield corporate annual default rates fell from 2.04% in January to 1.16% in July. Bank loan annual default rates have receded 55 bps since January, ending July at 0.92%.

U.S. TREASURY YIELD CURVE



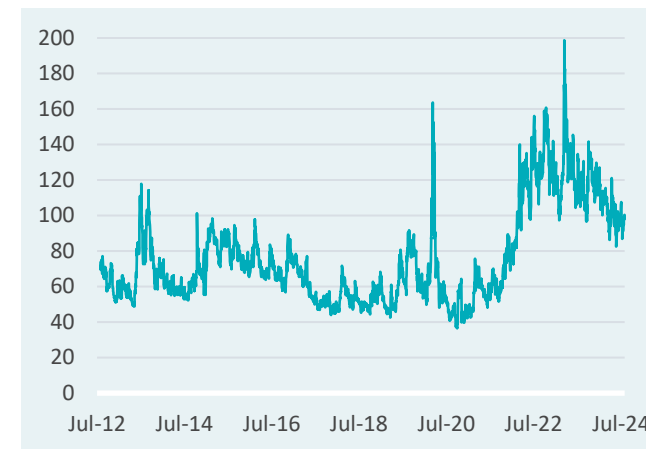
Source: Bloomberg, as of 7/31/24

NOMINAL YIELDS



Source: Morningstar, as of 7/31/24

U.S. TREASURY IMPLIED VOL ("MOVE" INDEX)

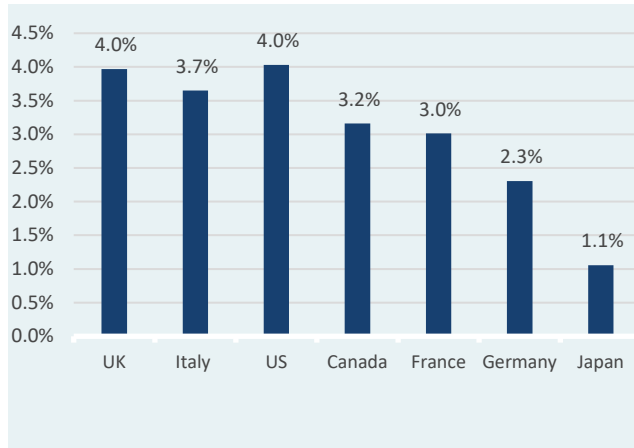


Source: Bloomberg, as of 7/31/24

Global markets

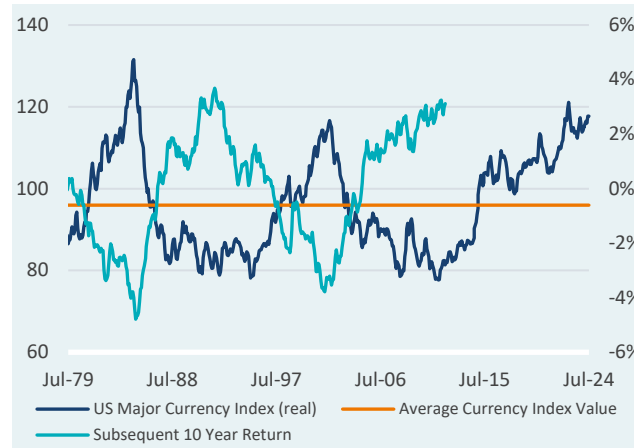
- In a reversal from the last two months, international equities outperformed U.S. equities by a healthy margin (MSCI ACWI ex US +2.3%). Japan, the United Kingdom, Canada and France, the largest ACWI ex U.S. constituents, all posted positive returns greater than 4%, with Japan leading the pack at +5.8%.
- Chinese equities were among the worst performers and finished the month -1.2% lower. The Chinese Communist Party held its third plenum at mid-month and although economic messaging was widely optimistic, many investors were hoping for a clearer plan to help the struggling property sector recover.
- The Biden administration touted potential restrictions on the sale of products that use any U.S. technology to China. The announcement shook up Asian tech stocks, but Japanese equities (+5.8%) recovered from the announcement and went on to post fresh highs not seen since December 1989.
- The MSCI Euro Index lagged most broad index counterparts, but still posted a modest +0.9% gain. The economic picture in the euro zone remains uncertain, but the prospect of continued rate cuts has kept investors optimistic that if economic activity does continue to slow, the ECB will act to fuel the economy.

GLOBAL SOVEREIGN 10-YEAR YIELDS



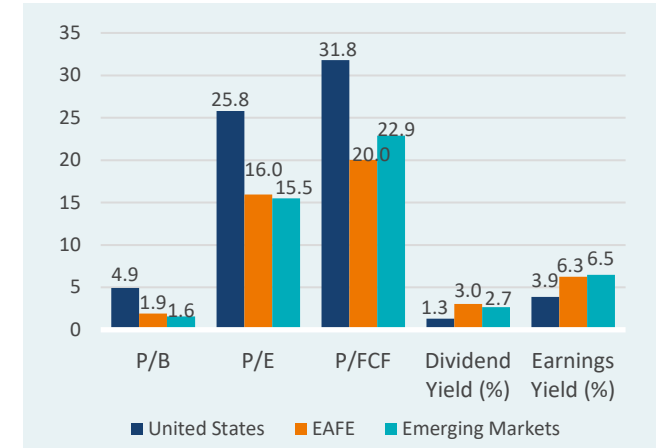
Source: Bloomberg, as of 7/31/24

U.S. DOLLAR MAJOR CURRENCY INDEX



Source: Federal Reserve, as of 7/31/24

MSCI VALUATION METRICS (3-MONTH AVG)



Source: Bloomberg, as of 7/31/24

Commodities

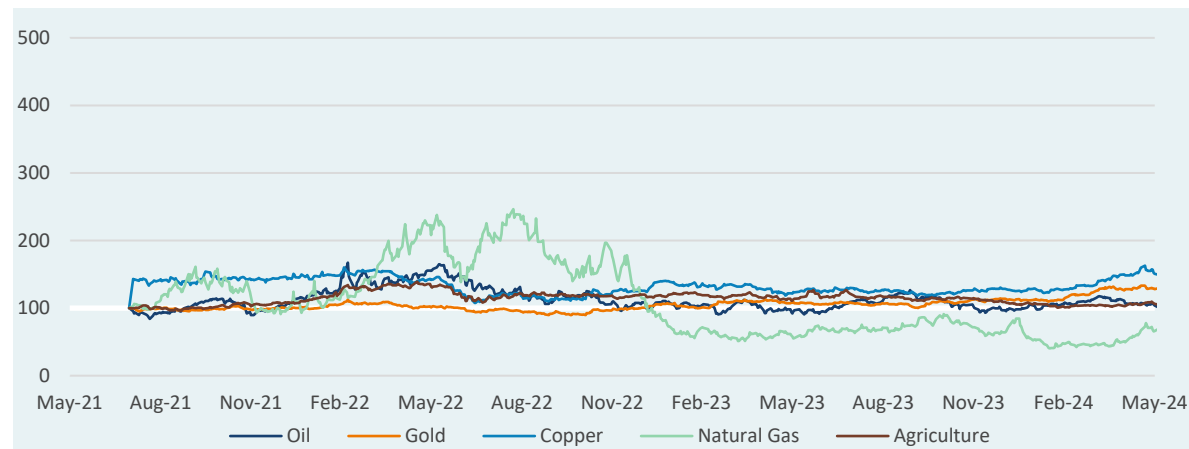
- Commodity performance was generally negative for the month as most major commodity sub indexes struggled with a multitude of headwinds. Precious metals and livestock were the only sub indexes to post positive performance, but the broad index fell -4.0%.
- Industrial metals (-6.8%) were the second worst performing sub index with aluminum (-10.0%) and zinc (-8.9%) leading the index to the downside. Weaker than expected economic data in China and soft manufacturing data in the U.S. have weighed on non-ferrous and other industrial metals.
- The Bloomberg Energy Index posted a -7.6% decline on the month. Though all components of the index were in the red, natural gas, which holds the second largest weight, fell -21.7%. Hurricane Beryl likely provided downward price pressure as the second largest natural gas export facility in the U.S. was affected by the storm, which resulted in less exports and more inventories.
- The Bloomberg Precious Metals sub-index recovered from last month's losses and went on to gain +2.7%. Although silver fell -2.1%, gold rose +4.7% to help prop up the index.

INDEX AND SECTOR PERFORMANCE

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg Commodity	(4.0)	(4.0)	0.9	(5.2)	3.6	6.5	(1.2)
Bloomberg Agriculture	(4.8)	(4.8)	(10.8)	(16.1)	1.5	9.0	(0.6)
Bloomberg Energy	(7.6)	(7.6)	(0.3)	(12.8)	2.6	(1.3)	(9.4)
Bloomberg Grains	(6.5)	(6.5)	(18.9)	(26.1)	(4.6)	4.3	(2.7)
Bloomberg Industrial Metals	(6.8)	(6.8)	1.6	(1.5)	(1.3)	6.6	1.6
Bloomberg Livestock	2.4	2.4	12.2	1.9	5.8	(0.7)	(3.4)
Bloomberg Petroleum	(3.1)	(3.1)	13.1	6.0	20.8	11.3	(2.7)
Bloomberg Precious Metals	2.7	2.7	18.1	20.9	8.4	10.3	4.9
Bloomberg Softs	(2.3)	(2.3)	8.6	9.3	12.9	15.1	0.5

Source: Morningstar, as of 7/31/24

COMMODITY PERFORMANCE



Source: Bloomberg, as of 7/31/24

Appendix

Periodic table of returns

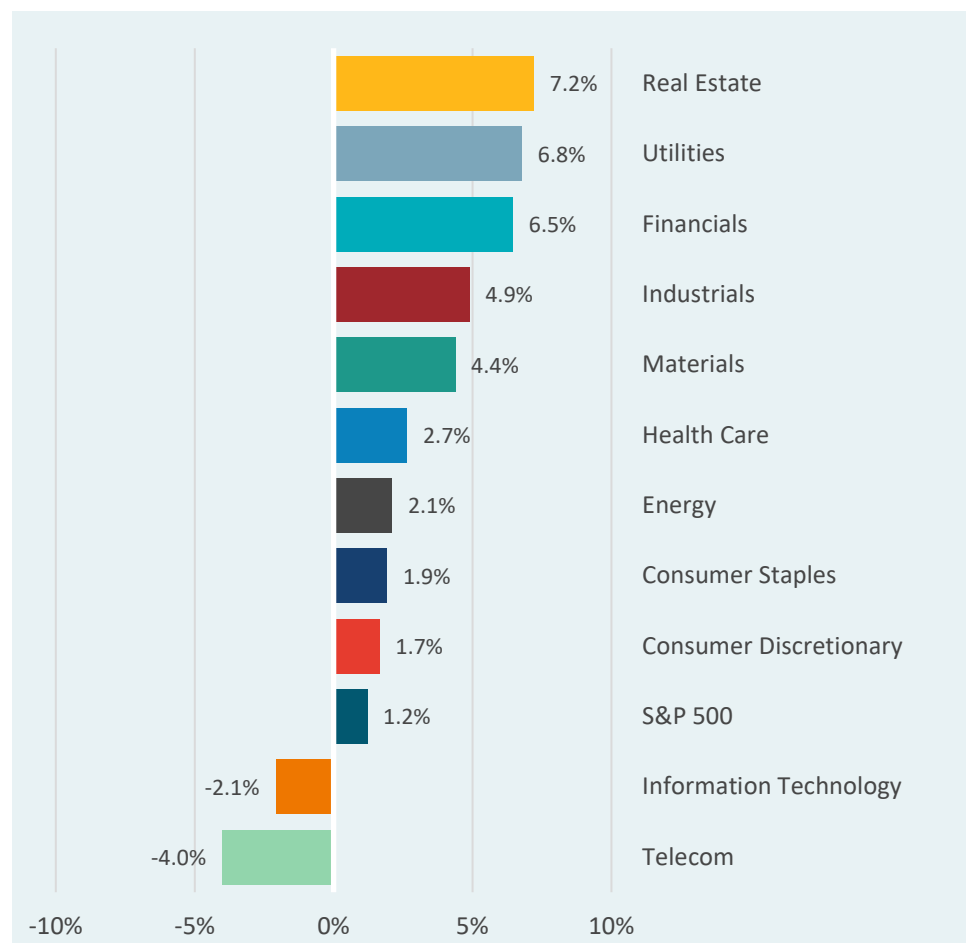
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD	5-Year	10-Year
Large Cap Growth	26.0	34.5	32.6	39.8	5.2	79.0	29.1	14.3	18.6	43.3	13.5	13.3	31.7	37.3	6.7	36.4	38.5	28.3	16.1	42.7	18.6	18.4	16.3
Large Cap Equity	22.2	21.4	26.9	16.2	1.4	37.2	26.9	7.8	18.1	38.8	13.2	5.7	21.3	30.2	1.9	31.4	34.6	27.6	9.4	26.5	15.9	14.6	12.9
Small Cap Growth	20.7	20.1	23.5	15.8	-6.5	34.5	24.5	2.6	17.9	34.5	13.0	0.9	17.3	25.0	0.0	28.5	21.0	27.1	1.5	18.7	13.0	9.9	9.0
Large Cap Value	18.3	14.0	22.2	11.8	-21.4	32.5	19.2	1.5	17.5	33.5	11.8	0.6	12.1	22.2	-1.5	26.5	20.0	26.5	-4.7	18.2	12.1	6.5	8.9
Small Cap Equity	16.5	7.5	18.4	11.6	-25.9	28.4	16.8	0.4	16.4	33.1	6.0	0.0	11.8	21.7	-3.5	25.5	18.3	25.2	-7.5	16.9	12.1	9.5	8.7
Small Cap Value	14.5	7.1	16.6	10.9	-28.9	27.2	16.7	0.1	16.3	32.5	5.6	-0.4	11.3	17.1	-4.8	22.4	14.0	17.7	-13.0	15.4	11.2	8.9	6.4
International Equity	14.3	6.3	15.5	10.3	-33.8	23.3	16.1	-2.1	15.3	23.3	4.9	-0.8	11.2	14.6	-6.0	22.0	10.3	14.8	-14.5	14.6	8.4	7.4	8.1
Emerging Markets Equity	12.9	5.3	15.1	7.0	-35.6	20.6	15.5	-2.9	14.6	12.1	4.2	-1.4	8.0	13.7	-8.3	18.6	7.8	11.3	-14.5	11.5	7.8	7.6	5.0
60/40 Global Portfolio	11.4	4.7	13.3	7.0	-36.8	19.7	13.1	-4.2	11.5	11.0	3.4	-2.5	7.1	7.8	-9.3	18.4	7.5	8.9	-17.3	9.8	7.5	5.7	4.8
Hedge Funds of Funds	9.1	4.6	10.4	5.8	-37.6	18.9	10.2	-5.5	10.5	9.0	2.8	-3.8	5.7	7.7	-11.0	8.7	4.6	6.5	-19.1	6.3	4.6	4.7	3.5
Cash	6.9	4.6	9.1	4.4	-38.4	11.5	8.2	-5.7	4.8	0.1	0.0	-4.4	2.6	7.0	-11.2	7.8	2.8	2.8	-20.1	5.5	3.1	3.8	2.6
US Bonds	6.3	4.2	4.8	-0.2	-38.5	5.9	6.5	-11.7	4.2	-2.0	-1.8	-7.5	1.0	3.5	-12.9	7.7	0.5	0.0	-20.4	5.0	1.6	3.4	1.5
Commodities	4.3	3.2	4.3	-1.6	-43.1	0.2	5.7	-13.3	0.1	-2.3	-4.5	-14.9	0.5	1.7	-13.8	6.4	0.5	-1.5	-26.4	-7.9	0.9	2.1	1.6
Real Estate	1.4	2.4	2.1	-9.8	-53.2	-16.9	0.1	-18.2	-1.1	-9.5	-17.0	-24.7	0.3	0.9	-14.6	2.1	-3.1	-2.5	-29.1	-7.9	-1.2	0.2	-1.2



Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 6/30/24.

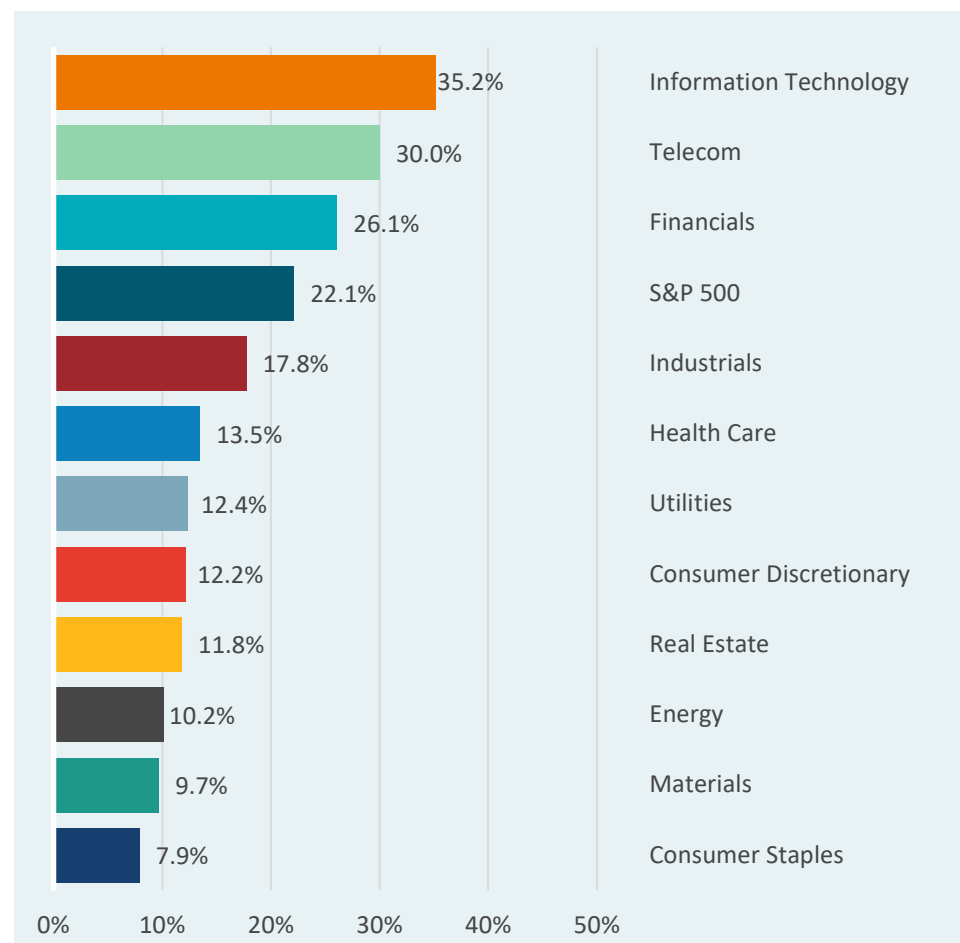
S&P 500 sector returns

QTD



Source: Morningstar, as of 7/31/24

ONE YEAR ENDING JUNE



Source: Morningstar, as of 7/31/2024

Detailed index returns

DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Core Index							
S&P 500	1.2	1.2	16.7	22.1	9.6	15.0	13.2
S&P 500 Equal Weighted	4.5	4.5	9.8	12.9	5.9	11.7	10.8
DJ Industrial Average	4.5	4.5	9.5	17.2	7.5	11.1	12.0
Russell Top 200	0.6	0.6	17.8	24.1	10.2	16.1	13.9
Russell 1000	1.5	1.5	15.9	21.5	8.5	14.6	12.9
Russell 2000	10.2	10.2	12.1	14.3	1.9	8.9	8.7
Russell 3000	1.9	1.9	15.7	21.1	8.1	14.2	12.6
Russell Mid Cap	4.7	4.7	9.9	13.7	3.7	10.2	9.9
Style Index							
Russell 1000 Growth	(1.7)	(1.7)	18.6	26.9	9.5	18.4	16.3
Russell 1000 Value	5.1	5.1	12.1	14.8	7.0	9.9	9.0
Russell 2000 Growth	8.2	8.2	13.0	12.8	(1.1)	7.6	8.9
Russell 2000 Value	12.2	12.2	15.5	15.7	4.6	9.5	8.1

INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
MSCI ACWI	1.6	1.6	13.1	17.0	5.8	11.0	8.7
MSCI ACWI ex US	2.3	2.3	8.1	9.7	1.8	6.3	4.2
MSCI EAFE	2.9	2.9	8.4	11.2	3.6	7.4	4.8
MSCI EM	0.3	0.3	7.8	6.3	(2.7)	3.4	2.6
MSCI EAFE Small Cap	5.7	5.7	6.2	9.1	(2.1)	5.5	5.1
Style Index							
MSCI EAFE Growth	1.2	1.2	7.5	8.6	(0.1)	6.8	5.8
MSCI EAFE Value	4.7	4.7	9.4	13.9	7.3	7.5	3.7
Regional Index							
MSCI UK	4.2	4.2	11.4	13.3	8.1	7.0	3.2
MSCI Japan	5.8	5.8	12.4	16.2	4.7	7.8	6.1
MSCI Euro	0.9	0.9	6.4	8.2	3.6	7.9	4.8
MSCI EM Asia	(0.3)	(0.3)	10.7	8.0	(2.8)	4.8	4.2
MSCI EM Latin American	1.0	1.0	(14.8)	(9.3)	2.7	0.3	(0.3)

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
Bloomberg US TIPS	1.8	1.8	2.5	4.4	(1.6)	2.4	2.1
Bloomberg US Treasury Bills	0.5	0.5	3.1	5.5	3.2	2.2	1.6
Bloomberg US Agg Bond	2.3	2.3	1.6	5.1	(2.6)	0.2	1.6
Bloomberg US Universal	2.3	2.3	2.0	5.7	(2.3)	0.5	1.9
Duration							
Bloomberg US Treasury 1-3 Yr	1.2	1.2	2.4	5.4	0.7	1.3	1.2
Bloomberg US Treasury Long	3.6	3.6	(1.6)	(0.1)	(10.5)	(3.6)	0.9
Bloomberg US Treasury	2.2	2.2	1.3	4.1	(3.0)	(0.2)	1.1
Issuer							
Bloomberg US MBS	2.6	2.6	1.6	4.9	(2.3)	(0.3)	1.2
Bloomberg US Corp. High Yield	1.9	1.9	4.6	11.1	2.2	4.2	4.6
Bloomberg US Agency Interim	1.4	1.4	2.4	5.6	(0.3)	0.9	1.4
Bloomberg US Credit	2.3	2.3	1.9	6.5	(2.6)	0.9	2.5

OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
Bloomberg Commodity	(4.0)	(4.0)	0.9	(5.2)	3.6	6.5	(1.2)
Wilshire US REIT	5.5	5.5	5.2	11.1	0.4	4.8	6.5
CS Leveraged Loans	0.7	0.7	5.2	10.4	6.2	5.4	4.7
S&P Global Infrastructure	4.4	4.4	8.6	9.5	6.8	5.7	5.3
Alerian MLP	0.7	0.7	20.0	27.5	25.5	11.4	2.4
Regional Index							
JPM EMBI Global Div	1.9	1.9	4.3	9.2	(2.1)	0.1	2.8
JPM GBI-EM Global Div	2.3	2.3	(1.5)	0.1	(2.4)	(1.0)	(0.5)
Hedge Funds							
HFRI Composite	0.8	0.8	5.7	8.6	3.4	6.7	4.9
HFRI FOF Composite	(0.0)	(0.0)	4.6	7.2	2.3	4.7	3.5
Currency (Spot)							
Euro	1.0	1.0	(2.0)	(1.9)	(3.0)	(0.6)	(2.1)
Pound Sterling	1.6	1.6	0.8	(0.2)	(2.6)	1.0	(2.7)
Yen	6.9	6.9	(6.3)	(5.6)	(10.0)	(6.3)	(3.7)

Source: Morningstar, HFRI, as of 7/31/24

Detailed private market returns

Comparison to public market index returns

Private Equity Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Private Equity FoFs & Secondary Funds	2.7	7.4	14.9	12.4
<i>MSCI World Index (PME)</i>	25.2	9.0	12.4	9.1
Global Private Equity Direct Funds ¹	4.9	6.9	15.3	14.0
<i>MSCI World Index (PME)</i>	25.1	9.2	12.4	9.6
U.S. Private Equity Direct Funds ¹	6.2	8.3	17.0	15.3
<i>Russell 3000 Index (PME)</i>	29.2	10.4	14.6	12.5
Europe Private Equity Direct Funds ¹	4.3	8.2	14.8	12.5
<i>MSCI Europe Index (PME)</i>	14.4	7.0	8.6	4.8
Asia Private Equity Direct Funds ^{1,4}	(1.1)	(0.7)	8.2	11.1
<i>MSCI AC Asia Pacific Index (PME)</i>	11.7	(1.9)	4.4	4.9

Private Credit Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Debt ^{2,4}	8.0	12.1	12.2	10.8
<i>Morningstar LSTA U.S. Leveraged Loan 100 Index (PME)</i>	12.1	5.9	5.6	4.8

Private Real Estate Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Real Estate	(4.0)	8.4	7.6	10.3
<i>FTSE NAREIT Equity REIT Index (PME)</i>	10.8	5.2	5.0	7.6

Private Real Assets Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Natural Resources ^{3,4}	6.6	17.9	6.1	3.4
<i>S&P Global Natural Resources Index (PME)</i>	4.6	9.1	8.5	5.7
Global Infrastructure ⁴	8.2	10.3	10.2	10.2
<i>S&P Global Infrastructure Index (PME)</i>	3.5	4.6	4.3	4.6

Source: Pooled IRRs and Public Market Equivalents (PMEs) are both from Refinitiv C/A, as of March 31st, 2024. All returns in U.S. dollars.

1. Includes Buyout, Growth Equity and Venture Capital.

2. Includes Control-Oriented Distressed, Credit Opportunities, Senior Debt and Subordinated Capital.

3. Includes Private Equity Energy, Timber and Upstream Energy & Royalties.

4. Due to limited history of the PME, only the funds with the same vintage years as PMEs are included.

Notices & disclosures

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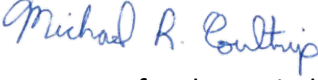
Verus – also known as Verus Advisory™.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 27, 2024

Agenda Item 6.2

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer 

SUBJECT: Report on Quarterly Investment Performance Report for the Period Ended June 30, 2024

Recommendation

Accept Verus Advisory's quarterly performance report for the period ended June 30, 2024.

Discussion

The 2nd quarter net total return for the SamCERA portfolio was 1.7%, which was 50 bps lower than the 2.2% policy benchmark return. As can be seen on pages 23 and 24, the growth portfolio was the main detractor to relative performance, while inflation hedge was the main contributor.

For the Fiscal Year ending June 30, 2024, the net total return for the SamCERA portfolio was 9.2%, which was 250 bps lower than the 11.7% policy benchmark return. The growth portfolio was the main detractor to relative performance, while inflation hedge was the main contributor.

John Nicolini and Joe Abdou will present the report to the Board and will be available for questions.

Attachment

Verus Quarterly Performance Report Ending 6/30/2024



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



PERIOD ENDING: June 30, 2024

Investment Performance Review for

San Mateo County Employees' Retirement Association

Table of Contents



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PITTSBURGH 412.784.6678

LOS ANGELES 310.297.1777

SAN FRANCISCO 415.362.3484

Market Environment

TAB I

Diversifying

TAB IV

Total Fund

TAB II

Inflation Hedge

TAB V

Growth

TAB III

Appendix

TAB VI

2nd quarter summary

THE ECONOMY

- U.S. inflation (CPI) fell to 3.0% YoY in June, following two consecutive months of flat prices (0.0% in May and -0.1% in June). The report reflected a slowing in shelter costs, which have been a primary hurdle for inflation reaching the 2% Federal Reserve target. If the slowing of shelter prices persists, inflation could fall rather quickly. Core inflation (ex-Food & Energy) was 3.3% year-over-year in June.
- The U.S. labor market remains strong, but recently some cracks of weakness have appeared. Unemployment jumped unexpectedly to 4.1% in June—a level not seen since 2021. Jobless claims have also been rising. This negative data could prove to be a continuation of the trend towards a more balanced labor market, though it will be important to monitor conditions closely.

EQUITY

- Emerging market equities outperformed during Q2, up +5.0%, despite significant ongoing underperformance of China. U.S. equities were close behind (S&P 500 +4.3%), setting a new all-time-high price level. In contrast, international developed equities were flat.
- Small cap and value style investing underperformed. Small cap lagged large cap by -6.9% while value underperformed growth by -10.5%. The style premia performance gap was even wider over the past year, as small cap underperformed large cap by -13.8% and value underperformed growth by -20.4%.

FIXED INCOME

- The 10-year U.S. Treasury yield increased slightly from 4.20% to 4.36% during Q2, resulting in near-zero or negative performance for high quality fixed income of a longer duration profile.
- Default activity in loans and credit reached a one-year low at the end of Q2. However, the gap between bank loan and high yield default activity has increased to a 10-year high, with total volume of distressed or defaults comprised of loans (80%) to bonds (20%) on pace for a record high.

ASSET ALLOCATION ISSUES

- Many goods and services prices have been falling in areas such as autos, energy, and transportation. This trend has occurred alongside signs of weakness in the job market and consumer spending, and has reignited hopes for lower inflation, which would ease pressures on household budgets and allow for interest rate cuts. It is possible that an economic *soft landing* may be occurring, which would suggest lower rates and further gains for risk assets.
- Market-priced volatility (Cboe VIX Index) remained very low, ending at 12.4% in June. This has raised eyebrows, given a variety of risks that domestic equities face, but low volatility is typical of strongly up trending equity environments. Markets continue to present a unique environment of low equity volatility but high fixed income volatility. This gap has closed somewhat, as bond market implied volatility has receded.

Risk assets delivered moderate returns in Q2, while fixed income was flat to mildly positive, depending on duration profile.

A soft landing appears possible for the U.S. economy.

U.S. economics summary

- Real GDP growth was substantially higher than expected in Q2, rising 2.8% quarter-over-quarter (3.1% year-over-year), beating economist forecasts of a 2.0% increase on the quarter. The GDP release reflected an increase in consumer spending, as well as increased investment in inventories and capital goods. Residential fixed investment detracted from GDP growth, as did the trade deficit.
- U.S. inflation (CPI) fell to 3.0% YoY in June, following two consecutive months of flat prices (0.0% in May and -0.1% in June). The report reflected a slowing in shelter costs, which have been a primary hurdle for inflation reaching the 2% Federal Reserve target. If a slowing of shelter prices persists, inflation could fall rather quickly. Core inflation (e.g., Food & Energy) was 3.3% year-over-year in June.
- Inflation adjusted personal spending growth was 2.6% year-over-year in June, remaining in a 2-3% range for the past two years and suggesting more

moderate economic expansion in line with pre-pandemic conditions. Purchases of goods have been weaker than services, perhaps partly a reflection of higher interest rates, which impact the affordability of big-ticket items such as autos and homes.

- The U.S. labor market remains strong, but in recent months some cracks of weakness have appeared. Unemployment jumped unexpectedly to 4.1% in June—a level not seen since 2021. Jobless claims have also been rising. This negative data could prove to be a continuation of the trend towards a more balanced labor market.
- Consumer sentiment deteriorated in Q2, moving back towards the lows of 2022. The University of Michigan Consumer Sentiment survey dropped from 79.4 to 66.4 on concerns over high goods and services prices and the impacts of inflation on personal income. Household expectations for lower interest rates in the future helped to buoy the index somewhat.

	Most Recent	12 Months Prior
Real GDP (YoY)	3.1% 6/30/24	2.4% 6/30/23
Inflation (CPI YoY, Core)	3.3% 6/30/24	3.1% 6/30/23
Expected Inflation (5yr-5yr forward)	2.3% 6/30/24	2.3% 6/30/23
Fed Funds Target Range	5.25–5.50% 6/30/24	5.00–5.25% 6/30/23
10-Year Rate	4.20% 6/30/24	3.80% 6/30/23
U-3 Unemployment	4.1% 6/30/24	3.6% 6/30/23
U-6 Unemployment	7.4% 6/30/24	6.9% 6/30/23

International economics summary

- Global economic data continues to paint a picture of slower but positive growth—a move back to pre-pandemic rates of expansion in the United States and across emerging markets, but with concerning weakness in Europe and Japan. Moderating conditions have allowed for rate cut signaling from central banks, which will likely provide an incremental boost to activity in the near-term.
- Inflation has fallen to a 2-3% range for most developed countries. Big inflation trends have tended historically to rhyme across the developed world, as crises often impact prices of global goods and services in similar ways. Recently, pandemic effects such as global supply chain issues, government stimulus, and higher energy prices had resulted in a similar ebb and flow to prices across marketplaces.
- India's economy continues to face uncertainty for this upcoming quarter.

In the last five out of six years, India's real GDP growth rate has fallen short of the Economic Survey projections, but they have seen growth in private investments and infrastructure spending. Annual retail inflation rose to 5.1% in June compared to 4.8% from the previous month, primarily due to food prices. The Reserve Bank of India paused rate hikes, with the goal of not obstructing growth, and bringing inflation to its target rate of 4%.

- China year-over-year inflation was just 0.2% in June, as the country struggles with deflationary pressures, given a real estate slump, a weak job market, and generally poor economic conditions. According to some reports, excess manufacturing capacity and government incentives for overinvestment have created a situation where supply is outstripping demand. A declining population significantly adds to uncertainty around these issues.

Area	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	3.1% 6/30/24	3.0% 6/30/24	4.1% 6/30/24
Eurozone	0.4% 3/31/24	2.5% 6/30/24	6.4% 5/31/24
Japan	(0.7%) 3/31/24	2.3% 6/30/24	2.8% 5/31/24
BRICS Nations	5.3% 3/31/24	1.9% 6/30/24	4.8% 12/31/22
Brazil	2.5% 3/31/24	4.2% 6/30/24	7.1% 5/31/24
Russia	5.4% 3/31/24	8.6% 6/30/24	2.6% 5/31/24
India	7.8% 3/31/24	5.1% 6/30/24	9.2% 6/30/24
China	4.7% 6/30/24	0.2% 6/30/24	5.0% 6/30/24

NOTE: India lacks reliable government unemployment data. Unemployment rate shown above is estimated from the Centre for Monitoring Indian Economy. The Chinese unemployment rate represents the monthly surveyed urban unemployment rate in China.

Equity environment

- Emerging market equities outperformed during Q2, up +5.0% (MSCI Emerging Markets), despite ongoing poor returns from China. U.S. equities were close behind (S&P 500 +4.3%), setting a new all-time-high price level. In contrast, international developed equities were relatively rangebound (MSCI EAFE -0.4%).
- Blended S&P 500 year-over-year Q2 earnings growth was +9.3% as of July 12th. If total reported earnings growth ends at this +9.3% rate, it would mark the largest year-over-year earnings growth rate since Q1 of 2022.
- The U.S. dollar rose moderately in value during Q2, resulting in losses for U.S. investors with unhedged foreign currency exposure. Given that the Federal Reserve is expected to engage in similar rate cuts as other developed economies, it is unclear the extent to which the global rate cutting path will impact relative currency

valuations. Unexpected central bank actions will likely have the greatest directional impact in the future.

- Small cap and value style investing drastically underperformed during Q1. Small cap lagged large cap by -6.9% (Russell 2000 -3.3% vs. Russell 1000 +3.6%), while value underperformed growth by -10.5% (Russell 1000 Value -2.2% vs. Russell 1000 Growth +8.3%). The style premia performance gap was even wider over the last year, as small cap underperformed large cap by -13.8% and value underperformed growth by -20.4%.
- Markets continue to present a unique environment of low equity volatility but high fixed income volatility. This gap has closed somewhat, as bond market implied volatility has moved a bit back towards normal levels since reaching a nearly all-time high 2023.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
U.S. Large Cap (S&P 500)	4.3%		24.6%	
U.S. Small Cap (Russell 2000)	(3.3%)		10.1%	
U.S. Equity (Russell 3000)	3.2%		23.1%	
U.S. Large Value (Russell 1000 Value)	(2.2%)		13.1%	
US Large Growth (Russell 1000 Growth)	8.3%		33.5%	
Global Equity (MSCI ACWI)	2.9%	3.5%	19.4%	21.6%
International Large (MSCI EAFE)	(0.4%)	1.7%	11.5%	18.5%
Eurozone (EURO STOXX 50)	(2.8%)	(1.7%)	12.0%	16.3%
U.K. (FTSE 100)	3.8%	3.8%	12.1%	13.2%
Japan (TOPIX)	(4.3%)	3.0%	12.7%	32.5%
Emerging Markets (MSCI Emerging Markets)	5.0%	6.3%	12.5%	15.8%

Source: Russell Investments, MSCI, STOXX, FTSE, JPX, as of 6/30/24

Domestic equity

U.S. equities further outperformed international developed equities, but lagged emerging market shares, with the S&P 500 finishing up +4.3% during the quarter. The artificial intelligence boom provided a tailwind to earnings of chip manufacturers and has likely helped to lift valuations more broadly. Signs of cooling in the labor market, as well as surprisingly weak inflation figures, helped reignite investor hopes for an economic *soft landing* and interest rate cuts.

Blended S&P 500 year-over-year Q2 earnings growth was +9.3% as of July 12th. If total reported earnings growth ends at this +9.3% rate, it would mark the largest year-over-year earnings growth rate since Q1 of 2022. Communication Services (+18.4%) and Information Technology

(+16.4%) were the earnings leaders, while Materials (-11.8%) and Industrials (-3.7%) lagged.

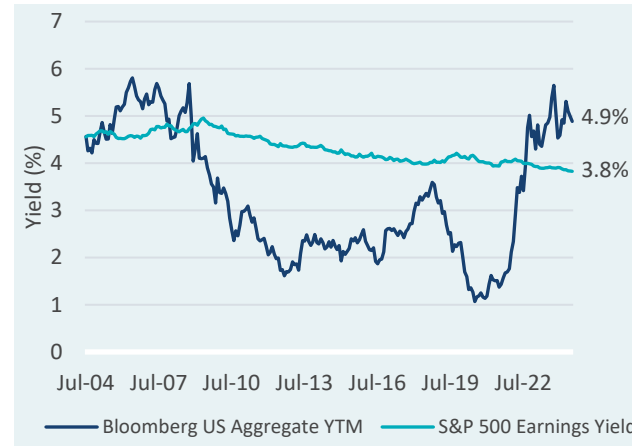
Strong price gains have moved valuations towards the richer side of the historical range. This effect, alongside higher interest rates and more attractive bond yields, has resulted in a regime shift regarding the attractiveness of equity and fixed income. Expensive equity prices have pushed total U.S. equity yield to below 4%, at a time when holding cash yields materially more than 5% and core fixed income yields 5%. This new regime is captured in institutional capital market assumptions which now tend to reflect mild future domestic equity returns and robust fixed income returns.

S&P 500 PRICE INDEX



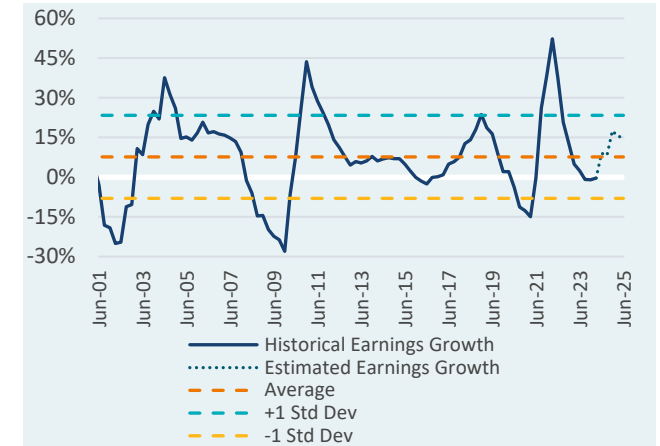
Source: Bloomberg, as of 6/30/24

RELATIVE YIELD: EQUITY VS FIXED INCOME



Source: Bloomberg, Standard & Poor's, Verus, as of 6/30/24

S&P 500 EPS GROWTH (YEAR-OVER-YEAR)



Source: Bloomberg, Factset, Verus, as of 7/19/24

Domestic equity size & style

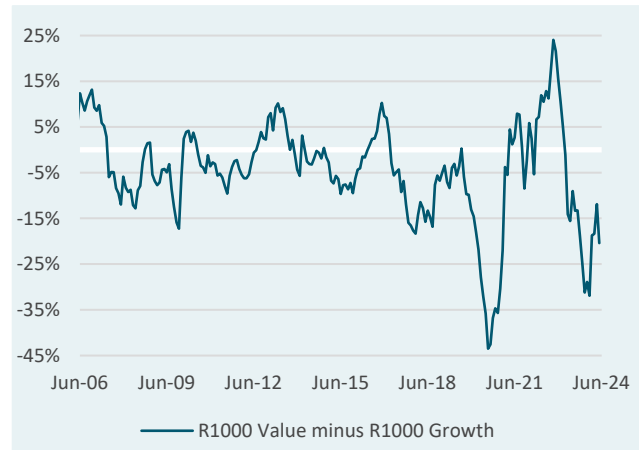
Small cap and value style investing drastically underperformed during Q1. Small cap lagged large cap by -6.9% (Russell 2000 -3.3% vs. Russell 1000 +3.6%), while value underperformed growth by -10.5% (Russell 1000 Value -2.2% vs. Russell 1000 Growth +8.3%). The style premia performance gap was even wider over the last year, as small cap underperformed large cap by -13.8% and value underperformed growth by -20.4%.

Much of the difference in style performance is driven by sector differences. Growth has a much greater exposure to mega cap technology companies, which continued to overshadow all other sectors in the second quarter. Nvidia extended its historic run, while Apple and Tesla bounced back from a poor first quarter. Technology and Communication companies led earnings

growth and this is expected to persist going forward. Per Factset, Communication Services and Technology companies within the S&P 500 are expected to provide earnings growth of 21% and 18.7%, respectively, leading all other sectors. This has translated into volatility between sectors, where Technology (+13.8%) and Communications (+9.4%) led the S&P 500 in Q2, while six out of eleven sectors declined in value over the quarter.

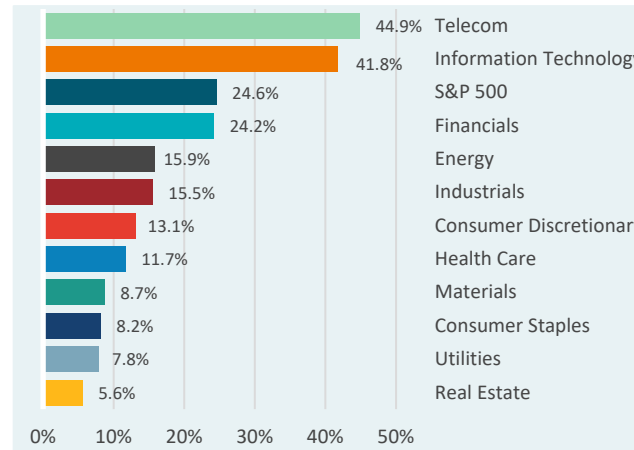
Unusually large disparities in style performance has been apparent, driven by sector trends and mega cap stock dominance. Market behavior continues to support our stance that short-term factor timing decisions should in most circumstances be pursued only in the rare occasion of obvious market mispricing and with a clear catalyst for price correction.

VALUE VS. GROWTH 1-YR ROLLING



Source: FTSE, Bloomberg, as of 6/30/24

S&P 500 SECTOR RETURNS (1 YEAR ROLLING)



Source: FTSE, Bloomberg, as of 6/30/24

1-YEAR SIZE & STYLE PERFORMANCE

	Value	Core	Growth
Large Cap	13.1%	23.9%	33.5%
Mid Cap	12.0%	12.9%	15.1%
Small Cap	10.9%	10.1%	9.1%

Source: FTSE, Bloomberg, as of 6/30/24

International developed equity

International developed shares had a weak second quarter, trailing domestic and emerging markets equities. The MSCI EAFE Index returned +1.7% in U.S. dollar terms, while losing value (-0.4%) if the exposure remained unhedged. The ECB cut rates for the first time in five years in June, with the intention of stimulating a set of economies that had been otherwise stagnant, especially in comparison to the U.S. economy. The dollar's advance was likely fueled by this ECB rate cut, which increased the interest rate differential between the U.S. dollar and the Euro, providing a headwind for unhedged investors.

Some of the discrepancy in performance between U.S. and international developed equities can be attributed to sector

differences. U.S. equities are heavily concentrated in technology companies, while developed markets have a more diversified sector breakdown, with Financials and Industrials – two sectors that tilt towards value – more heavily weighted in developed markets. This lower exposure to technology companies has not helped developed equity performance over the past couple of years, but if richly valued U.S. tech companies have a pullback, it would provide a material boost.

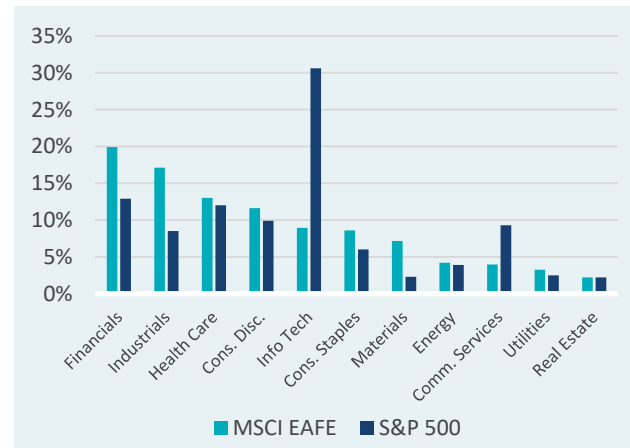
Markets will continue to watch the effect of adjustments to rate cut expectations, as European economies attempt to stimulate growth that has been lackluster this year without reigniting inflation.

INTERNATIONAL DEVELOPED EQUITY



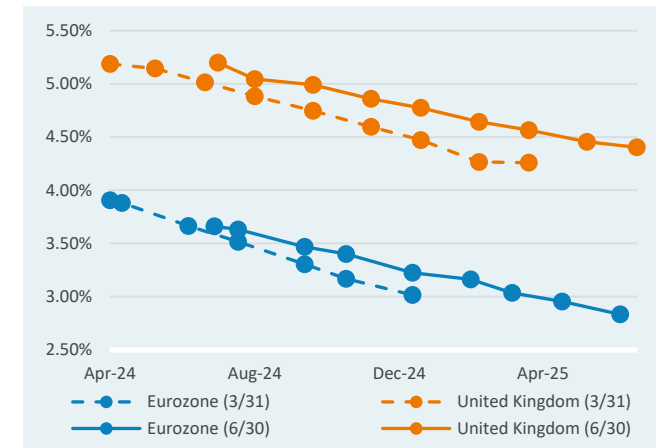
Source: MSCI, as of 6/30/24

MSCI EAFE VS. S&P 500 SECTOR DISTRIBUTION



Source: MSCI, S&P, as of 5/31/24

ECB & BOE RATE EXPECTATIONS VS Q1



Source: Bloomberg, as of 6/30/24

Emerging market equity

Emerging market equities were the highest performing equity market in portfolios (MSCI EM +5.0%), outpacing the domestic market (S&P 500 +4.3%) and international developed equities (MSCI EAFE -0.4%).

Sector differences played out in Emerging Markets, much as they did in the U.S., with Info Tech (+11.9%) being the best performing sector in the MSCI EM Index. This growth was bolstered by Taiwan Semiconductor Manufacturing Company (TSMC), who reported earnings growth of +36% in Q2. TSMC works directly with several domestic mega cap tech companies and makes up nearly 10% of the MSCI EM index.

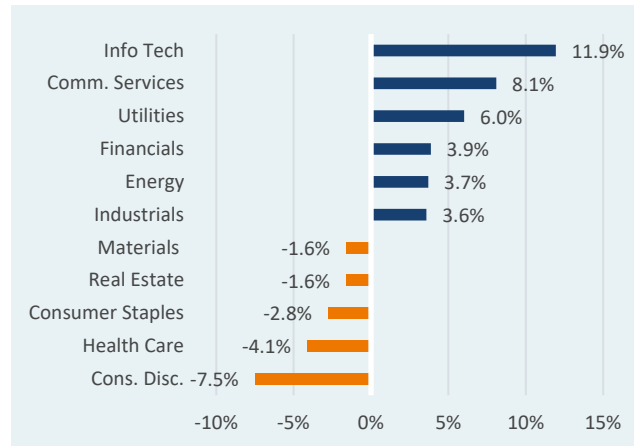
Chinese equities continue to be cheap from a valuation perspective but face serious structural issues which could further act as a drag on performance. Real estate market shakiness has come back to the forefront of many investors' minds. A large inventory of real estate sits empty, China's population is in decline and that decline is expected to accelerate, and a large portion of the economic boom has only been possible through ongoing real estate construction. It is difficult to imagine how these woes are resolved without a serious downward resetting of prices which would be incredibly painful for Chinese citizens who, on average, hold a large portion of their wealth in real estate.

EMERGING MARKET EQUITY



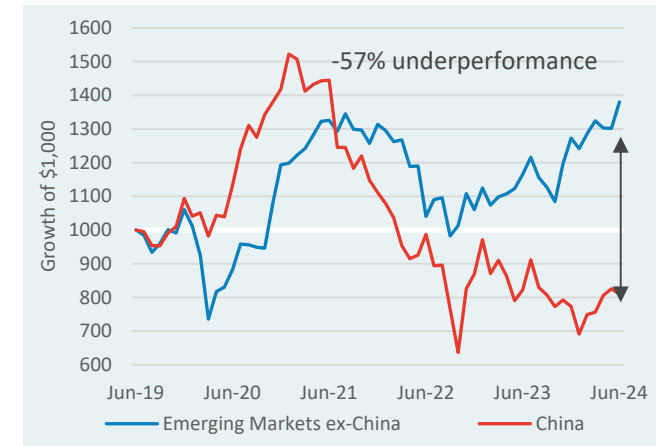
Source: MSCI, as of 6/30/24

MSCI EM Q2 2024 SECTOR RETURNS (USD)



Source: MSCI, J.P. Morgan, as of 6/30/24

SUBSTANTIAL CHINA UNDERPERFORMANCE



Source: MSCI, as of 6/30/24

Fixed income environment

- The 10-year U.S. Treasury yield initially increased in Q2, rising from 4.20% to a peak of 4.70% before gradually falling to 4.36%, resulting in an overall increase in yields with a downward trend going into Q3. These movements resulted in near-zero performance for short to intermediate duration high quality fixed income and negative performance for longer duration.
- By comparison, most credit indices saw positive returns. High yield gained +1.1% (Bbg U.S. Corporate High Yield), while bank loans rose +1.9% (S&P/LSTA Leveraged Loan). Longer duration investment grade corporate bonds declined by -1.6% (Bloomberg U.S. Long Corporate Credit) as sensitivity to rising yields in April overwhelmed gradual returns in the latter half of the quarter. This reflects a continued concern in the market over inflation and higher-for-longer Fed policy.
- The U.S. yield curve, indicated by the 10-year minus the 2-year Treasury

yield, continues to remain inverted, marking over two years of continuous yield curve inversion (June 6th, 2022). The curve ended the quarter inverted by -35bps. While an inverted yield curve has been a common metric for predicting recessions, the recent continued economic resilience has increased public optimism of a potential soft-landing.

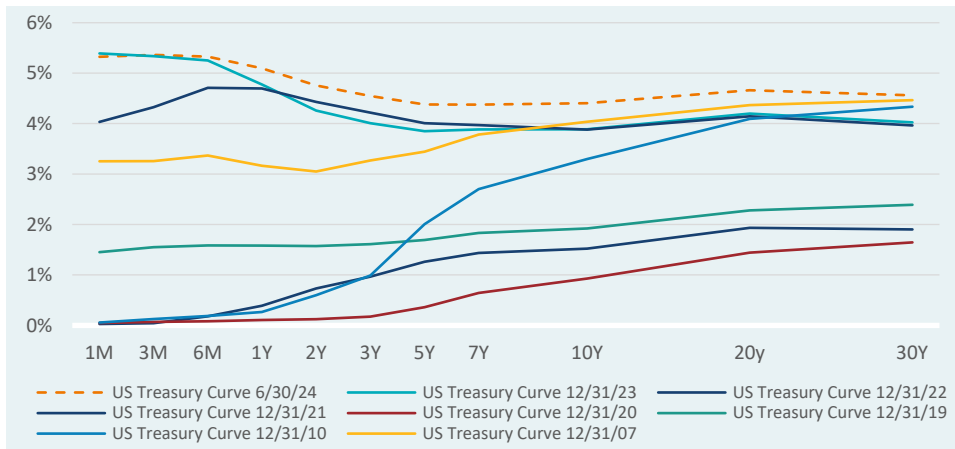
- Default activity in loans and credit reached a one-year low at the end of Q2. However, the gap between bank loan and high yield default activity has increased to a 10-year high, with total volume of distressed or defaults comprised of loans (80%) to bonds (20%) is on pace to be a record high proportion. During the period, a total of \$15.2 billion of bank loan and high yield bonds were impacted by default or distressed exchanges, down from \$20.6 billion in the prior quarter. Notably, default/distressed exchange volume averaged \$17.9 billion quarterly since 2020 and \$14 billion quarterly over the last 17.5 years.

	QTD Total Return	1 Year Total Return
Core Fixed Income (Bloomberg U.S. Aggregate)	0.1%	2.6%
Core Plus Fixed Income (Bloomberg U.S. Universal)	0.2%	3.5%
U.S. Treasuries (Bloomberg U.S. Treasury)	0.1%	1.5%
U.S. Treasuries: Long (Bloomberg U.S. Treasury 20+)	(2.2%)	(7.2%)
U.S. High Yield (Bloomberg U.S. Corporate HY)	1.1%	10.4%
Bank Loans (S&P/LSTA Leveraged Loan)	1.9%	11.1%
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	-1.6%	0.7%
Emerging Market Debt Hard (JPM EMBI Global Diversified)	0.3%	9.2%
Mortgage-Backed Securities (Bloomberg MBS)	0.1%	2.1%

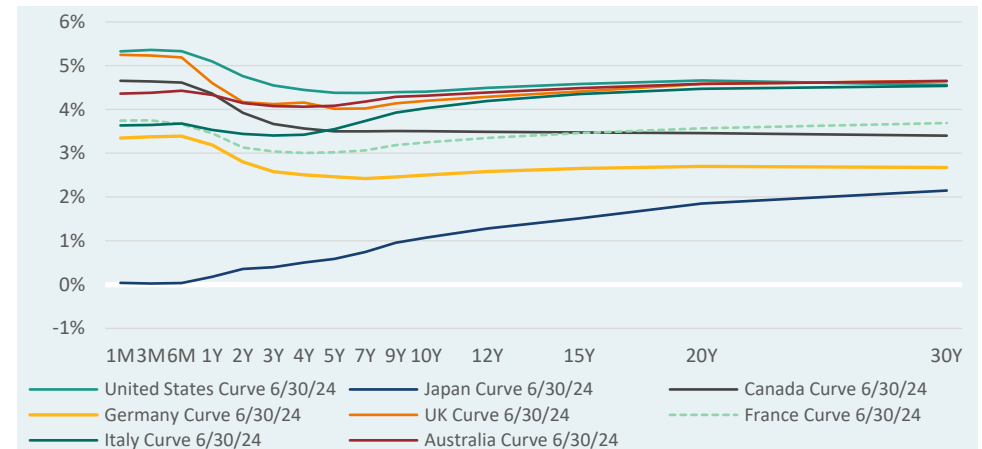
Source: Bloomberg, as of 6/30/24

Yield environment

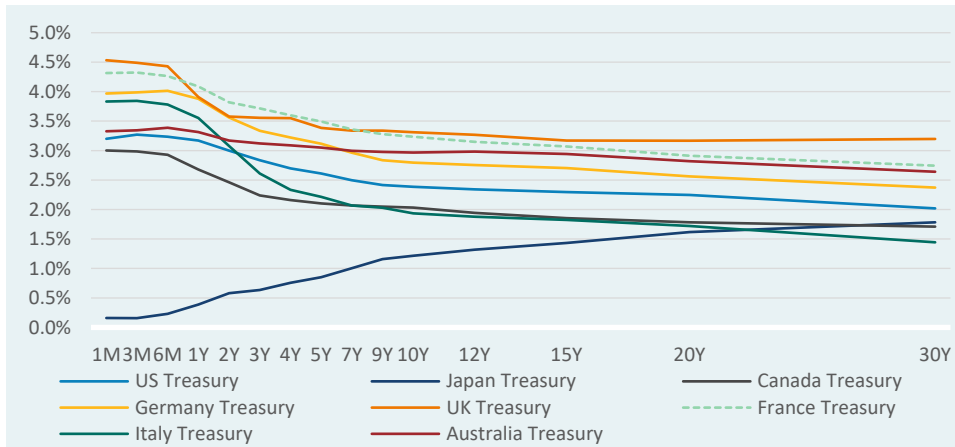
U.S. YIELD CURVE



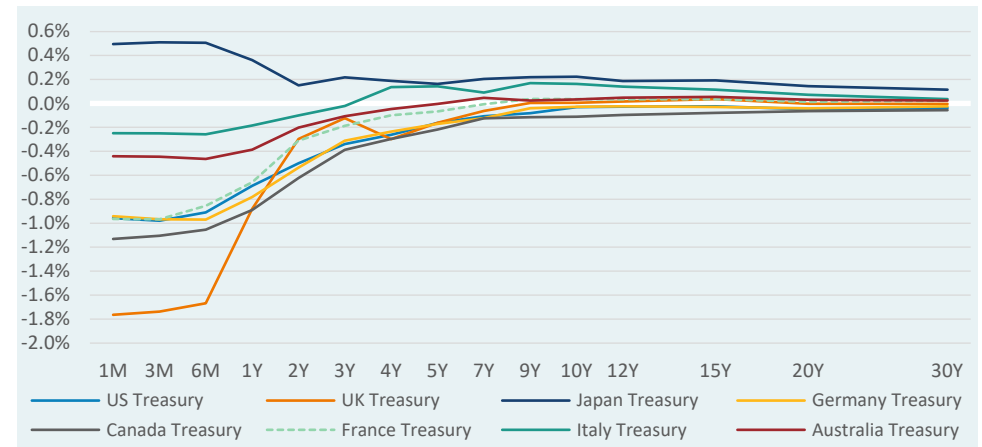
GLOBAL GOVERNMENT YIELD CURVES



YIELD CURVE CHANGES OVER LAST FIVE YEARS



IMPLIED CHANGES OVER NEXT YEAR



Source: Bloomberg, as of 6/30/24

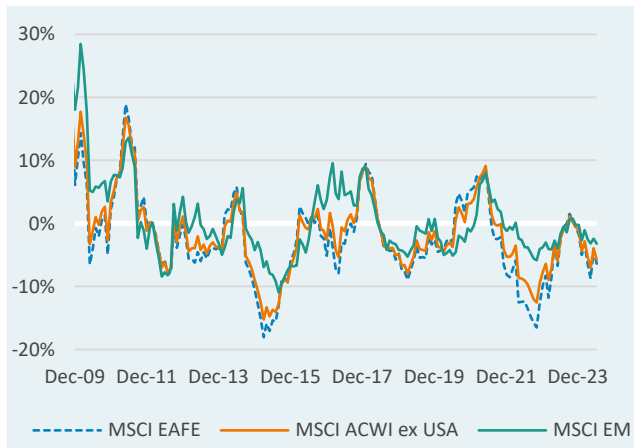
Currency

The U.S. dollar rose modestly in value during Q2, resulting in losses for investors with unhedged foreign currency exposure. Given that the Federal Reserve is expected to engage in similar sized rate cuts as other developed central banks, it is unclear the extent to which the *rate cutting path* will impact relative currency valuations. Unexpected central bank actions will likely have the greatest directional impact in the future.

Investors without a currency hedging program lost -1.2% from their international developed equity exposure (MSCI EAFE) during Q2 due to currency movements and -7.0% over the past year. Losses from unhedged Japanese currency exposure have once again been extreme (-7.3% over the quarter, -19.8% over the past year, based on the TOPIX Index), while unhedged European equity exposure losses due to currency were milder (-1.1% over the quarter, -4.3% over the past year, EURO Stoxx 50 Index).

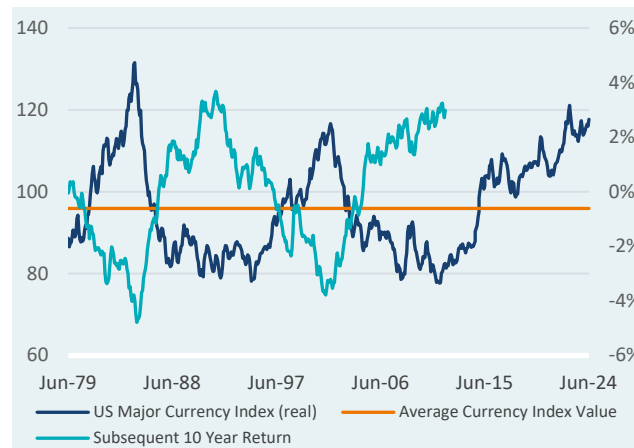
A more thoughtful portfolio approach to currency exposure has provided the dual benefit of lower portfolio volatility and also higher returns—a rare proposition in markets. This approach involves reducing the uncompensated risk of unhedged foreign currency exposure, and instead of unhedged exposure, making a passive investment in the currency market by investing in currencies with higher interest rates, currencies that are undervalued, and currencies that are showing positive price momentum. This approach, represented by the MSCI Currency Factor Mix Index—has offered a positive one-year rolling return over most periods with far lower volatility than the unhedged currency exposure that many investors hold. The past year is testament to this approach, this program would have far outperformed unhedged currency exposure, and with much less volatility.

EFFECT OF CURRENCY (1-YEAR ROLLING)



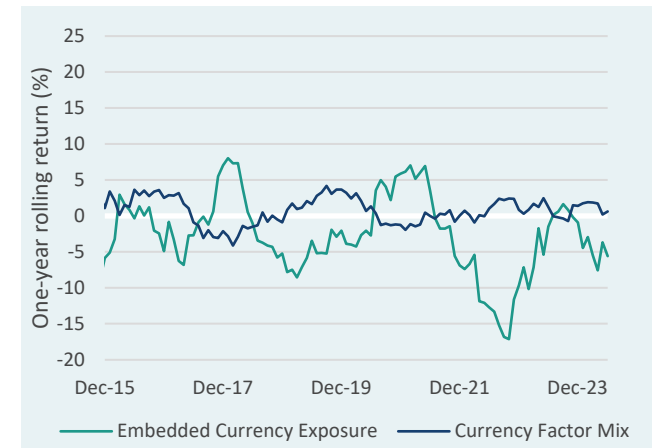
Source: MSCI, as of 6/30/24

U.S. DOLLAR MAJOR CURRENCY INDEX



Source: Bloomberg, as of 6/30/24

EMBEDDED CURRENCY VS CURRENCY FACTORS



Source: Bloomberg, MSCI, as of 6/30/24

Detailed index returns

DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Core Index							
S&P 500	3.6	4.3	15.3	24.6	10.0	15.0	12.9
S&P 500 Equal Weighted	(0.5)	(2.6)	5.1	11.8	4.8	10.9	10.0
DJ Industrial Average	1.2	(1.3)	4.8	16.0	6.4	10.3	11.3
Russell Top 200	4.5	5.7	17.2	27.4	10.9	16.4	13.8
Russell 1000	3.3	3.6	14.2	23.9	8.7	14.6	12.5
Russell 2000	(0.9)	(3.3)	1.7	10.1	(2.6)	6.9	7.0
Russell 3000	3.1	3.2	13.6	23.1	8.1	14.1	12.1
Russell Mid Cap	(0.7)	(3.3)	5.0	12.9	2.4	9.5	9.0
Style Index							
Russell 1000 Growth	6.7	8.3	20.7	33.5	11.3	19.3	16.3
Russell 1000 Value	(0.9)	(2.2)	6.6	13.1	5.5	9.0	8.2
Russell 2000 Growth	(0.2)	(2.9)	4.4	9.1	(4.9)	6.2	7.4
Russell 2000 Value	(1.7)	(3.6)	(3.6)	10.9	(0.5)	7.1	6.2

INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
MSCI ACWI	2.2	2.9	11.3	19.4	5.4	10.8	8.4
MSCI ACWI ex US	(0.1)	1.0	5.7	11.6	0.5	5.5	3.8
MSCI EAFE	(1.6)	(0.4)	5.3	11.5	2.9	6.5	4.3
MSCI EM	3.9	5.0	7.5	12.5	(5.1)	3.1	2.8
MSCI EAFE Small Cap	(3.0)	(1.8)	0.5	7.8	(3.4)	4.2	4.3
Style Index							
MSCI EAFE Growth	(0.4)	(0.8)	6.2	9.4	0.1	6.5	5.4
MSCI EAFE Value	(2.8)	0.0	4.5	13.7	5.5	6.1	3.0
Regional Index							
MSCI UK	(1.8)	3.7	6.9	12.5	6.9	5.7	2.7
MSCI Japan	(0.7)	(4.3)	6.3	13.1	2.3	6.6	5.5
MSCI Euro	(3.3)	(2.8)	5.4	10.1	3.6	7.2	4.1
MSCI EM Asia	5.0	7.4	11.0	15.1	(5.5)	4.6	4.5
MSCI EM Latin American	(6.1)	(12.2)	(15.7)	(5.6)	0.9	0.1	(0.3)

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
Bloomberg US TIPS	0.8	0.8	0.7	2.7	(1.3)	2.1	1.9
Bloomberg US Treasury Bills	0.4	1.3	2.6	5.5	3.0	2.2	1.5
Bloomberg US Agg Bond	0.9	0.1	(0.7)	2.6	(3.0)	(0.2)	1.3
Bloomberg US Universal	0.9	0.2	(0.3)	3.5	(2.7)	0.1	1.6
Duration							
Bloomberg US Treasury 1-3 Yr	0.6	0.9	1.2	4.5	0.3	1.0	1.1
Bloomberg US Treasury Long	1.7	(1.8)	(5.0)	(5.6)	(10.5)	(4.3)	0.6
Bloomberg US Treasury	1.0	0.1	(0.9)	1.5	(3.3)	(0.7)	0.9
Issuer							
Bloomberg US MBS	1.2	0.1	(1.0)	2.1	(2.9)	(0.8)	0.9
Bloomberg US Corp. High Yield	0.9	1.1	2.6	10.4	1.6	3.9	4.3
Bloomberg US Agency Interim	0.7	0.8	1.0	4.5	(0.5)	0.6	1.2
Bloomberg US Credit	0.7	(0.0)	(0.5)	4.4	(2.9)	0.5	2.2

OTHER

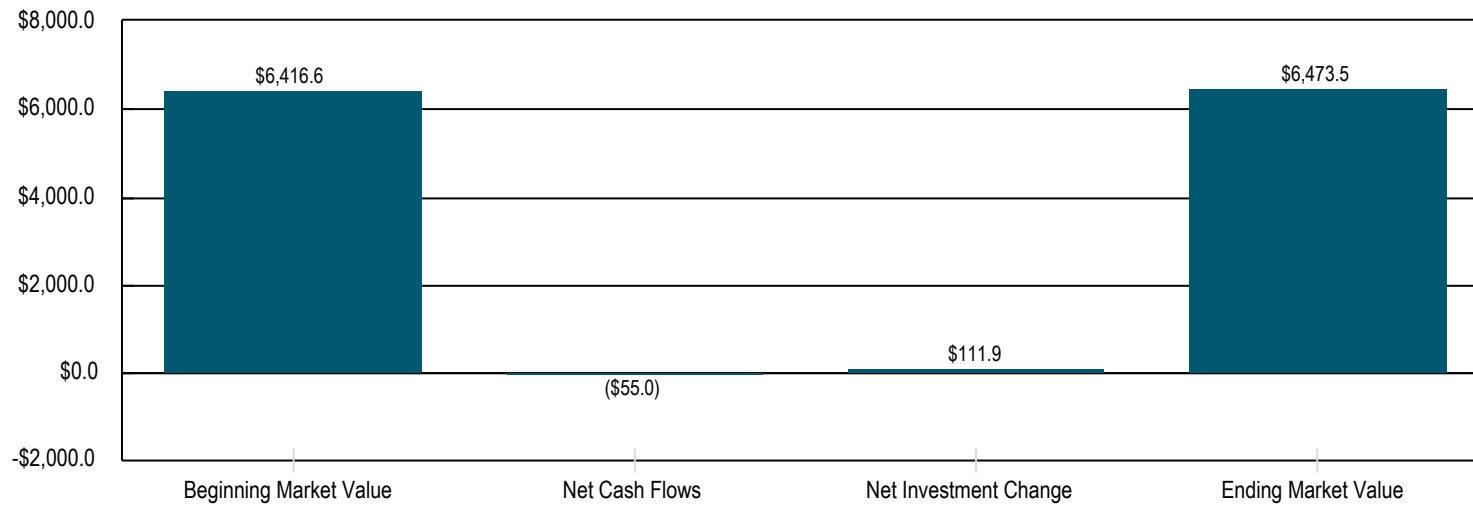
	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
Bloomberg Commodity	(1.5)	2.9	5.1	5.0	5.7	7.2	(1.3)
Wilshire US REIT	3.0	(0.2)	(0.3)	8.6	0.3	4.0	5.9
CS Leveraged Loans	0.3	1.9	4.4	11.0	6.0	5.4	4.6
S&P Global Infrastructure	(2.9)	2.7	4.0	7.0	5.6	4.3	4.6
Alerian MLP	4.7	3.8	19.2	34.2	22.3	11.1	1.9
Regional Index							
JPM EMBI Global Div	0.6	0.3	2.3	9.2	(3.5)	0.6	3.2
JPM GBI-EM Global Div	(1.1)	(1.6)	0.7	0.7	(3.3)	(1.3)	(0.9)
Hedge Funds							
HFRI Composite	(0.2)	0.4	4.8	9.6	2.8	6.6	4.8
HFRI FOF Composite	0.1	0.4	4.6	8.4	2.0	4.8	3.5
Currency (Spot)							
Euro	(1.3)	(1.8)	(3.0)	(1.8)	(3.3)	(1.2)	(2.4)
Pound Sterling	(0.7)	0.3	(0.8)	(0.6)	(2.9)	(0.1)	(3.0)
Yen	(2.3)	(10.1)	(12.4)	(10.2)	(11.6)	(7.7)	(4.5)

Source: Morningstar, HFRI, as of 6/30/24

Portfolio Reconciliation

	3 Mo	1 Yr
Beginning Market Value	\$6,416,592,703	\$5,990,311,826
Net Cash Flows	-\$55,049,239	-\$75,521,729
Net Investment Change	\$111,920,676	\$558,674,043
Ending Market Value	\$6,473,464,140	\$6,473,464,140

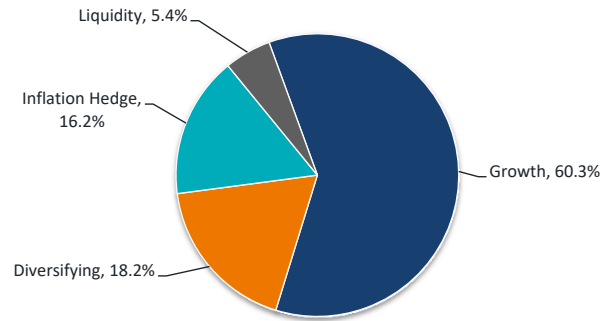
Change in Market Value
Last Three Months



Total Fund
Asset Allocation Analysis

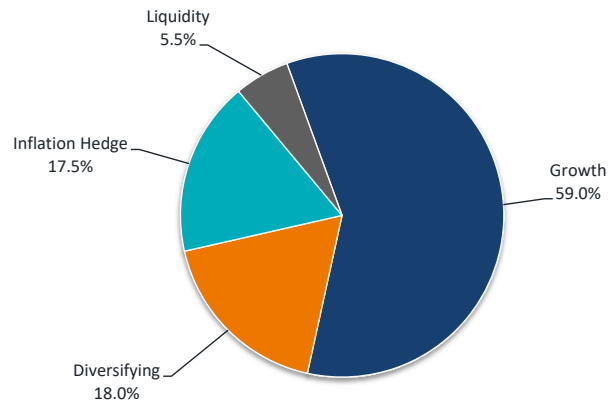
San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

Current w/ Overlay



ASSET ALLOCATION	MARKET VALUE W/	W/ OVERLAY	W/O OVERLAY
Growth	3,903,561,465	60.3%	58.9%
Diversifying	1,175,062,898	18.2%	18.3%
Inflation Hedge	1,048,454,364	16.2%	16.2%
Liquidity	346,385,413	5.4%	6.6%
TOTAL	6,473,464,140	100.0%	100.0%

Target



ASSET ALLOCATION	W/ OVERLAY	TARGET	DIFF
Growth	60.3%	59.0%	1.3%
Diversifying	18.2%	18.0%	0.2%
Inflation Hedge	16.2%	17.5%	-1.3%
Liquidity	5.4%	5.5%	-0.1%
TOTAL	100.0%	100.0%	0.0%

Total Fund
Risk vs. Return

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

Statistics Summary
3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Total Fund	3.2 (47)	7.4 (17)	0.1 (49)	-0.6 (78)	2.1 (2)
Policy Index	4.4 (17)	8.6 (37)	0.2 (18)	-	0.0
Policy Index II	3.8 (32)	8.9 (46)	0.1 (33)	-1.1 (96)	0.5 (1)
InvMetrics Public DB > \$1B Median	3.0	9.0	0.1	-0.3	2.9

Statistics Summary
5 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Total Fund	6.4 (79)	8.4 (22)	0.5 (44)	-0.4 (93)	2.3 (4)
Policy Index	7.4 (38)	9.0 (28)	0.6 (26)	-	0.0
Policy Index II	7.0 (56)	9.3 (34)	0.5 (36)	-0.6 (98)	0.5 (1)
InvMetrics Public DB > \$1B Median	7.2	10.1	0.5	0.0	3.0

Statistics Summary
10 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Total Fund	6.1 (66)	7.5 (26)	0.6 (40)	-0.4 (80)	1.8 (1)
Policy Index	6.7 (32)	7.9 (38)	0.7 (27)	-	0.0
Policy Index II	-	-	-	-	-
InvMetrics Public DB > \$1B Median	6.3	8.3	0.6	-0.1	2.5

- The Total Fund, net of manager fees, returned 1.7% in the second quarter of 2024 and in the ranked 12th percentile among other public plans greater than \$1 billion (median of 1.0%). It lagged the policy index return of 2.2%. The Total Fund ex Overlay returned 1.7% for the quarter. The Total Fund one-year return of 9.2% lagged the policy index return of 11.7% and ranked in the 59th percentile of its peer universe. The three-year return of 3.2% (47th percentile) beat the median large public plan (3.0%) and lagged the policy index (4.4%).

- Second quarter results were enhanced by the following factors:
 1. Private Real assets had strong performance over the quarter beating the benchmark by 4.2% (gaining 6.1% for the quarter).

- Second quarter results were hindered by the following factors:
 1. PanAgora Defensive Equity trailed the Russell 1000 (0.2% vs 3.6%). PanAgora's low volatility strategy is more risk diversified than the index and hurt as relatively few large names (mostly not low vol candidates) continued to drive the Russell 1000 Returns.
 2. Baillie Gifford lost -0.7% trailing the MSCI ACWI ex US Growth (0.9%). Holdings in Adyen a payment software system along with two biotech companies provided a headwind to performance.

Total Fund
Performance Summary (Net of Fees)

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

	Market Value	% of Portfolio	3 Mo Rank	YTD	Fiscal YTD	1 Yr Rank	2 Yrs Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank
Total Fund**	6,473,464,140	100.0	1.7 (11)	5.2 (47)	9.2 (59)	9.2 (59)	7.2 (80)	3.2 (47)	6.4 (79)	6.1 (66)
Policy Index			2.2 (3)	7.1 (2)	11.7 (15)	11.7 (15)	9.1 (44)	4.4 (17)	7.4 (38)	6.7 (32)
Simple Benchmark			1.4 (28)	5.5 (32)	9.8 (48)	9.8 (48)	8.4 (58)	2.7 (69)	6.8 (62)	6.4 (45)
InvMetrics Public DB > \$1B			1.0	5.1	9.7	9.7	8.8	3.0	7.2	6.3
Total Fund ex Overlay	6,461,386,948	99.8	1.7 (11)	5.2 (48)	9.2 (61)	9.2 (61)	7.0 (84)	3.2 (47)	6.4 (81)	6.0 (70)
Policy Index			2.2 (3)	7.1 (2)	11.7 (15)	11.7 (15)	9.1 (44)	4.4 (17)	7.4 (38)	6.7 (32)
Simple Benchmark			1.4 (28)	5.5 (32)	9.8 (48)	9.8 (48)	8.4 (58)	2.7 (69)	6.8 (62)	6.4 (45)
InvMetrics Public DB > \$1B			1.0	5.1	9.7	9.7	8.8	3.0	7.2	6.3
Growth Portfolio	3,903,561,465	60.3	2.4	7.7	13.6	13.6	11.9	-	-	-
Blended Growth Index			3.4	11.3	19.5	19.5	16.0	6.4	11.0	-
US Equity	1,565,957,445	24.2	2.8 (33)	12.3 (44)	20.7 (58)	20.7 (58)	18.2 (72)	8.2 (18)	12.4 (74)	11.0 (71)
Blended US Equity Index			3.2 (18)	13.6 (22)	23.1 (24)	23.1 (24)	21.0 (26)	8.1 (23)	14.1 (17)	12.1 (28)
Russell 3000 Index			3.2 (18)	13.6 (22)	23.1 (24)	23.1 (24)	21.0 (26)	8.1 (23)	14.1 (17)	12.1 (19)
BlackRock Russell 1000	932,835,406	14.4	3.6 (39)	14.2 (47)	23.9 (44)	23.9 (44)	21.6 (33)	8.7 (46)	14.6 (29)	-
DE Shaw	237,593,939	3.7	5.1 (12)	18.1 (13)	27.0 (22)	27.0 (22)	21.6 (33)	9.3 (39)	14.0 (43)	12.6 (22)
PanAgora Defuseq	250,421,372	3.9	0.2 (79)	6.1 (90)	8.5 (98)	8.5 (98)	7.6 (100)	5.2 (89)	7.7 (97)	-
Russell 1000 Index			3.6 (39)	14.2 (47)	23.9 (45)	23.9 (45)	21.6 (33)	8.7 (46)	14.6 (30)	12.5 (25)
eV US Large Cap Core Equity Median			3.0	13.8	22.7	22.7	20.0	8.3	13.5	11.6
PGIM Quant Solutions	131,410,678	2.0	-2.2 (32)	2.2 (52)	12.8 (33)	12.8 (33)	15.3 (22)	4.1 (23)	8.7 (59)	-
Russell 2000 Index			-3.3 (50)	1.7 (64)	10.1 (54)	10.1 (54)	11.2 (64)	-2.6 (88)	6.9 (85)	7.0 (79)
eV US Small Cap Core Equity Median			-3.3	2.3	10.5	10.5	12.3	1.5	9.2	8.0
International Equity	1,214,803,036	18.8	1.2 (16)	5.6 (43)	9.9 (63)	9.9 (63)	12.0 (63)	0.3 (51)	6.4 (39)	4.5 (33)
Blended International Equity Index			1.8 (10)	8.2 (9)	14.5 (7)	14.5 (7)	14.1 (17)	3.3 (10)	7.5 (11)	5.0 (14)
International Equity x Currency Overlay	1,207,293,966	18.6	0.7	4.4	9.0	9.0	11.2	-0.2	6.0	4.3
Blended International Equity Index			1.8	8.2	14.5	14.5	14.1	3.3	7.5	5.0
Baillie Gifford	289,666,489	4.5	-0.7 (50)	3.0 (61)	3.1 (88)	3.1 (88)	8.5 (85)	-8.8 (85)	3.9 (80)	4.2 (86)
MSCI ACWI ex US			1.2 (24)	6.0 (35)	12.2 (22)	12.2 (22)	12.7 (44)	1.0 (16)	6.1 (52)	4.3 (83)
MSCI ACWI ex US Growth			0.9 (28)	6.9 (29)	10.2 (30)	10.2 (30)	11.9 (55)	-2.3 (45)	5.8 (56)	5.1 (63)
Mondrian	288,233,212	4.5	1.3 (33)	3.5 (58)	10.1 (64)	10.1 (64)	10.8 (81)	1.3 (72)	4.4 (88)	2.9 (76)
MSCI AC World ex USA Value			1.6 (29)	5.2 (35)	14.2 (32)	14.2 (32)	13.6 (52)	4.3 (28)	6.0 (62)	3.4 (73)
MSCI AC World ex USA Index			1.2 (35)	6.0 (30)	12.2 (49)	12.2 (49)	12.7 (55)	1.0 (77)	6.1 (61)	4.3 (28)
BlackRock MSCI ACWI EX-US IMI	622,407,957	9.6	1.1 (36)	5.5 (45)	11.6 (44)	11.6 (44)	12.2 (62)	0.4 (51)	-	-
MSCI AC World ex USA IMI (Net)			0.9 (43)	5.3 (45)	11.6 (44)	11.6 (44)	12.0 (63)	0.2 (54)	5.6 (62)	3.9 (78)
Record Dynamic Currency Hedge	7,509,070	0.1								

* Total Fund and asset class aggregates are ranked in InvMetrics universes. Managers are ranked in eVest (eA) manager universes.

** Includes Parametric Minneapolis manager funded in August 2013
See Appendix for Benchmark History

Total Fund
Performance Summary (Net of Fees)

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

	Market Value	% of Portfolio	3 Mo Rank	YTD	Fiscal YTD	1 Yr Rank	2 Yrs Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank
Private Equity***	443,372,351	6.8	7.3 (1)	5.6 (10)	9.0 (17)	9.0 (17)	0.9 (60)	3.4 (82)	19.2 (4)	17.7 (7)
<i>Blended Private Equity Index</i>			<i>10.7 (1)</i>	<i>24.9 (1)</i>	<i>32.3 (1)</i>	<i>32.3 (1)</i>	<i>11.8 (1)</i>	<i>12.8 (12)</i>	<i>17.4 (10)</i>	<i>14.8 (23)</i>
Opportunistic Credit	679,428,632	10.5	0.6	2.6	7.7	7.7	-	-	-	-
<i>Opportunistic Credit Index</i>			<i>1.5</i>	<i>3.4</i>	<i>11.0</i>	<i>11.0</i>	<i>9.1</i>	<i>2.8</i>	<i>4.4</i>	<i>4.5</i>
Public Credit	481,753,488	7.4	0.9	2.7	9.0	9.0	6.7	2.6	4.2	4.8
<i>Blmbg. U.S. Corp: High Yield Index</i>			<i>1.1</i>	<i>2.6</i>	<i>10.4</i>	<i>10.4</i>	<i>9.7</i>	<i>1.6</i>	<i>3.9</i>	<i>4.3</i>
Beach Point Select	113,779,078	1.8	0.8 (82)	3.2 (31)	10.5 (32)	10.5 (32)	7.3 (94)	4.7 (4)	7.7 (1)	-
Brigade Capital	109,119,894	1.7	0.4 (96)	2.7 (54)	8.0 (92)	8.0 (92)	5.0 (99)	1.7 (56)	4.4 (24)	3.9 (56)
One William Street	66,533,684	1.0	1.9 (4)	5.6 (2)	10.9 (23)	10.9 (23)	-	-	-	-
<i>Blmbg. U.S. Corp: High Yield Index</i>			<i>1.1 (68)</i>	<i>2.6 (64)</i>	<i>10.4 (34)</i>	<i>10.4 (34)</i>	<i>9.7 (31)</i>	<i>1.6 (58)</i>	<i>3.9 (42)</i>	<i>4.3 (31)</i>
<i>eV US High Yield Fixed Inc Median</i>			<i>1.2</i>	<i>2.8</i>	<i>9.9</i>	<i>9.9</i>	<i>9.1</i>	<i>1.8</i>	<i>3.8</i>	<i>4.0</i>
PIMCO Diversified	130,763,100	2.0	0.6 (95)	1.9 (94)	8.6 (89)	8.6 (89)	7.1 (97)	-1.0 (100)	1.3 (100)	-
<i>Blmbg. U.S. Corp: High Yield Index</i>			<i>1.1 (75)</i>	<i>2.6 (75)</i>	<i>10.4 (51)</i>	<i>10.4 (51)</i>	<i>9.7 (50)</i>	<i>1.6 (80)</i>	<i>3.9 (71)</i>	<i>4.3 (62)</i>
Eaton Vance Emerging Markets Debt Opportunities Fund	61,557,732	1.0	1.5 (3)	-	-	-	-	-	-	-
<i>JPM EMB (JEMB) Hard Currency/Local Currency 50-50</i>			<i>-0.4 (42)</i>	<i>-0.3 (75)</i>	<i>4.9 (83)</i>	<i>4.9 (83)</i>	<i>6.9 (83)</i>	<i>-2.3 (73)</i>	<i>-0.1 (73)</i>	<i>1.1 (65)</i>
<i>eV Emg Mkts Fixed Inc - Blended Currency</i>			<i>-0.6</i>	<i>0.7</i>	<i>6.7</i>	<i>6.7</i>	<i>8.4</i>	<i>-1.6</i>	<i>0.6</i>	<i>1.5</i>
Private Credit	197,675,144	3.1	-0.2	2.2	3.9	3.9	4.4	4.3	5.6	-
<i>Credit Suisse Leveraged Loan Index 1 Qtr Lag</i>			<i>2.5</i>	<i>5.4</i>	<i>12.4</i>	<i>12.4</i>	<i>7.1</i>	<i>5.8</i>	<i>5.3</i>	<i>4.6</i>
AG CSF ADF II	4,347,839	0.1	-1.7	0.5	10.4	10.4	-	-	-	-
AG CSF II	22,838,234	0.4	1.4	4.2	13.6	13.6	11.5	-	-	-
Angelo Gordon Credit Solutions	6,503,737	0.1	0.2 (97)	2.3 (77)	9.6 (65)	9.6 (65)	6.2 (97)	4.7 (4)	-	-
Blackrock DL Feeder IX-U	40,916,461	0.6	-1.2	-0.1	5.2	5.2	6.1	5.8	-	-
Comvest Credit Partners VII	2,250,000	0.0	-	-	-	-	-	-	-	-
PIMCO Private Income	50,048,650	0.8	0.0	2.8	5.6	5.6	4.4	4.3	7.0	-
TCP Direct Lending VIII	9,526,787	0.1	-0.6	1.3	4.3	4.3	5.4	4.6	5.3	-
White Oak Yield	29,743,963	0.5	0.0	2.5	3.9	3.9	3.4	4.1	4.8	-
White Oak YSF V	31,499,473	0.5	0.0 (98)	3.4 (26)	2.5 (100)	2.5 (100)	1.1 (100)	1.6 (59)	-	-
<i>Credit Suisse Leveraged Loan Index 1 Qtr Lag</i>			<i>2.5 (2)</i>	<i>5.4 (3)</i>	<i>12.4 (7)</i>	<i>12.4 (7)</i>	<i>7.1 (94)</i>	<i>5.8 (1)</i>	<i>5.3 (11)</i>	<i>4.6 (21)</i>
<i>eV US High Yield Fixed Inc Median</i>			<i>1.2</i>	<i>2.8</i>	<i>9.9</i>	<i>9.9</i>	<i>9.1</i>	<i>1.8</i>	<i>3.8</i>	<i>4.0</i>

See Appendix for Benchmark History

***Returns are one-quarter lag, excludes EnCap Energy Capital Fund and Sheridan Production Partners.

White Oak and PIMCO Private Income as of 3/31/2024 +/- cash flows.

Comvest Credit Partners VII initial capital call of \$2.3M on 4/25/2024.

Total Fund
Performance Summary (Net of Fees)

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

	Market Value	% of Portfolio	3 Mo Rank	YTD	Fiscal YTD	1 Yr Rank	2 Yrs Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank
Diversifying Portfolio	1,175,062,898	18.2	-0.7	0.6	4.2	4.2	1.4	-	-	-
<i>Blended Diversifying Index</i>			0.4	0.3	3.6	3.6	2.8	0.0	1.7	2.7
Defensive Fixed Income	847,952,894	13.1	-0.3	-1.3	2.5	2.5	1.0	-3.2	-0.1	1.5
<i>Blended Defensive Fixed Income Benchmark</i>			-0.4	-1.7	0.7	0.7	-0.1	-3.6	-0.6	1.2
DoubleLine	260,342,409	4.0	0.3 (67)	0.5 (56)	3.7 (61)	3.7 (61)	1.5 (55)	-3.0 (81)	-	-
<i>Blmbg. U.S. Aggregate Index</i>			0.1 (91)	-0.7 (76)	2.6 (74)	2.6 (74)	0.8 (64)	-3.0 (81)	-0.2 (61)	1.3 (59)
<i>eV US Securitized Fixed Inc Median</i>			0.8	1.5	5.4	5.4	2.1	-1.2	0.5	1.9
FIAM Bond	150,022,582	2.3	0.2 (48)	-0.3 (53)	3.5 (36)	3.5 (36)	1.6 (27)	-2.5 (22)	0.7 (12)	2.0 (7)
NISA Core Bond	281,289,033	4.3	0.0 (88)	-0.6 (78)	2.8 (72)	2.8 (72)	1.1 (67)	-2.7 (40)	-	-
<i>Blmbg. U.S. Aggregate Index</i>			0.1 (83)	-0.7 (90)	2.6 (81)	2.6 (81)	0.8 (79)	-3.0 (72)	-0.2 (86)	1.3 (80)
<i>eV US Core Fixed Inc Median</i>			0.2	-0.3	3.2	3.2	1.3	-2.8	0.1	1.6
NISA Long Treasury	144,789,588	2.2	-1.8	-5.0	-5.4	-5.4	-	-	-	-
<i>Blmbg. U.S. Treasury: Long</i>			-1.8	-5.0	-5.6	-5.6	-6.2	-10.5	-4.3	0.6
Absolute Return	327,110,004	5.1	-1.8 (92)	5.1 (45)	7.3 (77)	7.3 (77)	2.3 (84)	4.4 (39)	1.4 (80)	1.8 (73)
<i>Absolute Return Custom Index</i>			2.1 (20)	4.5 (57)	9.4 (57)	9.4 (57)	8.7 (29)	7.2 (14)	6.2 (32)	5.6 (13)
CFM Systematic Global Macro	109,334,294	1.7	0.1 (69)	-0.1 (87)	7.3 (63)	7.3 (63)	1.1 (86)	4.0 (50)	-	-
Graham Quant Macro	108,430,411	1.7	-3.0 (87)	14.0 (7)	12.9 (30)	12.9 (30)	4.7 (68)	8.6 (23)	-	-
PIMCO MAARS Fund LP	109,345,299	1.7	-1.2 (81)	8.2 (26)	13.6 (28)	13.6 (28)	8.2 (40)	12.7 (11)	-	-
<i>Absolute Return Custom Index</i>			2.1 (37)	4.5 (57)	9.4 (49)	9.4 (49)	8.7 (36)	7.2 (30)	6.2 (51)	5.6 (48)
<i>eV Alt All Multi-Strategy Median</i>			1.3	5.1	9.2	9.2	6.9	4.0	6.2	5.4
Inflation Hedge	1,048,454,364	16.2	2.2	2.4	0.9	0.9	-0.8	4.8	3.7	-
<i>Blended Inflation Hedge Index</i>			0.7	2.2	-2.5	-2.5	-4.0	4.3	5.1	4.8
Real Estate	470,174,791	7.3	-0.7 (54)	-2.0 (1)	-7.8 (23)	-7.8 (23)	-6.4 (28)	1.9 (11)	3.1 (13)	6.5 (4)
<i>NCREIF ODCE</i>			-0.4 (47)	-2.8 (27)	-9.3 (69)	-9.3 (69)	-9.6 (65)	1.9 (12)	3.2 (12)	6.4 (5)
Harrison Street Core Property	90,412,068	1.4	0.4	-1.4	-6.9	-6.9	-3.0	2.6	-	-
Invesco	226,779,760	3.5	-1.4	-4.8	-10.8	-10.8	-10.4	0.6	2.0	5.9
Invesco US Val IV	99,763	0.0	-6.4	-14.8	-50.7	-50.7	-54.7	-40.6	-24.6	-
Invesco US Val V	23,126,386	0.4	-1.5	-2.5	-28.6	-28.6	-17.9	-7.2	-0.4	-
Invesco US Val VI	23,772,890	0.4	0.0	13.5	-4.0	-4.0	-	-	-	-
PGIM RE US Debt Fund	73,088,020	1.1	1.7	3.2	6.0	6.0	6.5	6.0	5.7	-
<i>NCREIF ODCE</i>			-0.4	-2.8	-9.3	-9.3	-9.6	1.9	3.2	6.4
Stockbridge Value IV	26,225,091	0.4	-3.8	-3.8	-8.5	-8.5	-1.4	8.4	-	-
Stockbridge Value V	6,670,812	0.1	-	-	-	-	-	-	-	-
<i>NCREIF ODCE</i>			-0.4	-2.8	-9.3	-9.3	-9.6	1.9	3.2	6.4

*NISA Core Treasury funded 6/15/2023.
See Appendix for Benchmark History
Invesco Val VI as of 3/31/2024 +/- cashflows.
Stockbridge V initial capital call of \$7.2M on 6/26/2024.

Total Fund
Performance Summary (Net of Fees)

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

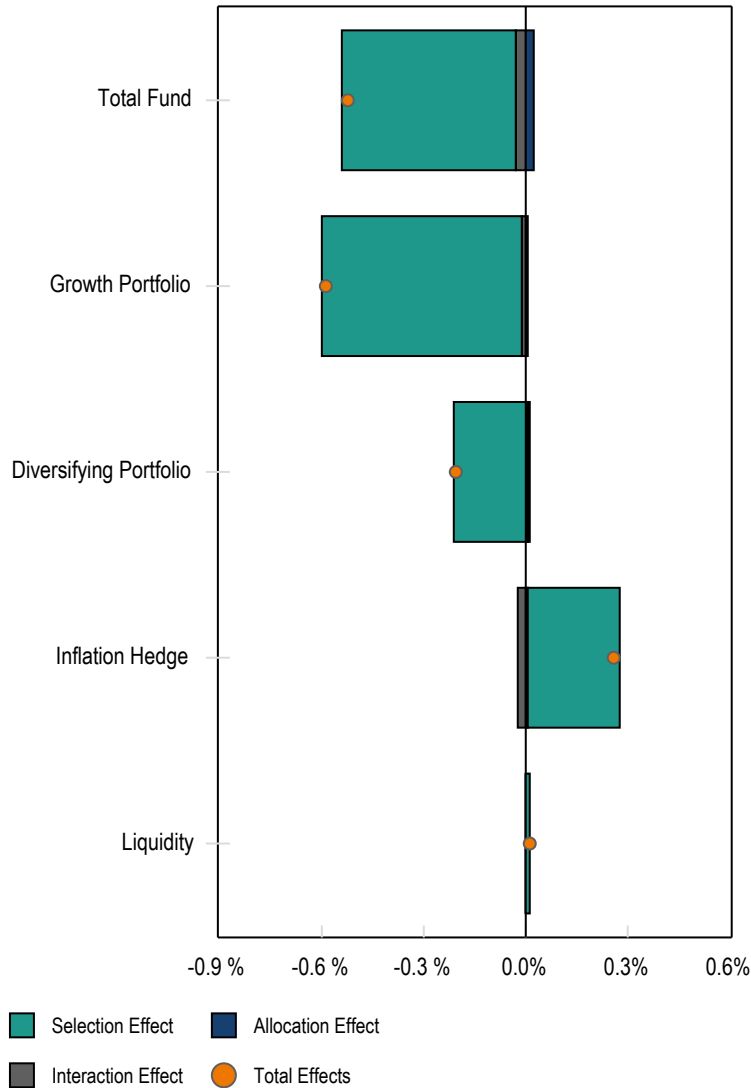
	Market Value	% of Portfolio	3 Mo Rank	YTD	Fiscal YTD	1 Yr Rank	2 Yrs Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank
Private Real Assets	364,036,471	5.6	6.4	8.2	12.3	12.3	6.4	12.1	10.6	-
<i>Blended Private Real Assets Index</i>			1.9	10.6	4.7	4.7	1.0	7.8	7.2	6.3
<i>Blended Secondary CA Private RA Index</i>			2.5	3.8	7.5	7.5	7.5	13.2	8.3	-
Private Real Asset***	235,749,636	3.6	5.4	7.2	11.2	11.2	5.9	11.8	10.4	-
Brookfield Super-Core Infrastructure Partners	65,883,382	1.0	2.9	6.2	10.5	10.5	9.3	-	-	-
KKR Diversified Core Infrastructure Fund	62,403,453	1.0	2.6	4.3	7.4	7.4	-	-	-	-
Public Real Assets	214,243,103	3.3	1.6	2.8	4.9	4.9	2.0	4.2	1.8	-
<i>Blended Public Real Assets Index</i>			1.7	2.8	5.1	5.1	2.2	4.3	4.4	5.1
SSgA Custom Real Assets	214,243,103	3.3	1.6	2.8	4.9	4.9	2.0	4.2	4.3	-
<i>SSgA Custom Real Assets Index</i>			1.7	2.8	5.1	5.1	2.2	4.3	4.4	-
Liquidity	346,385,413	5.4	1.2	2.1	5.6	5.6	4.3	-	-	-
<i>Blended Liquidity Index</i>			1.0	1.6	5.0	5.0	3.2	-	-	-
Cash Flow-Matched Liquidity	266,337,188	4.1	1.1	2.0	5.6	5.6	3.9	-	-	-
<i>Bloomberg U.S. Gov/Credit 1-3 Year Index</i>			1.0	1.4	4.9	4.9	2.7	0.6	1.2	1.4
<i>Bloomberg U.S. Credit 1-3 Year Index</i>			1.0	1.8	5.6	5.6	3.5	1.0	1.7	1.8
Insight Investment*	243,427,934	3.8	1.1	2.0	5.7	5.7	-	-	-	-
<i>Bloomberg U.S. Credit 1-3 Year Index</i>			1.0	1.8	5.6	5.6	3.5	1.0	1.7	1.8
County Treasury Pool**	22,909,254	0.4	1.4	1.7	3.2	3.2	3.4	2.6	2.3	2.1
<i>90 Day U.S. Treasury Bill</i>			1.3	2.6	5.4	5.4	4.5	3.0	2.2	1.5
Cash & Cash Overlay	112,239,865	1.7	1.4	2.8	5.7	5.7	5.0	3.4	2.3	1.7
<i>90 Day U.S. Treasury Bill</i>			1.3	2.6	5.4	5.4	4.5	3.0	2.2	1.5
General Account	100,162,685	1.5	1.4	2.8	5.8	5.8	5.0	3.5	2.6	2.5
<i>90 Day U.S. Treasury Bill</i>			1.3	2.6	5.4	5.4	4.5	3.0	2.2	1.5

***Returns are one-quarter lag, excludes EnCap Energy Capital Fund and Sheridan Production Partners
See Appendix for Benchmark History

Total Fund
Performance Attribution

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

Attribution Effects
Last Three Months



Performance Attribution

	3 Mo
Wtd. Actual Return	1.7
Wtd. Index Return	2.2
Excess Return	-0.5
Selection Effect	-0.5
Allocation Effect	0.0
Interaction Effect	0.0

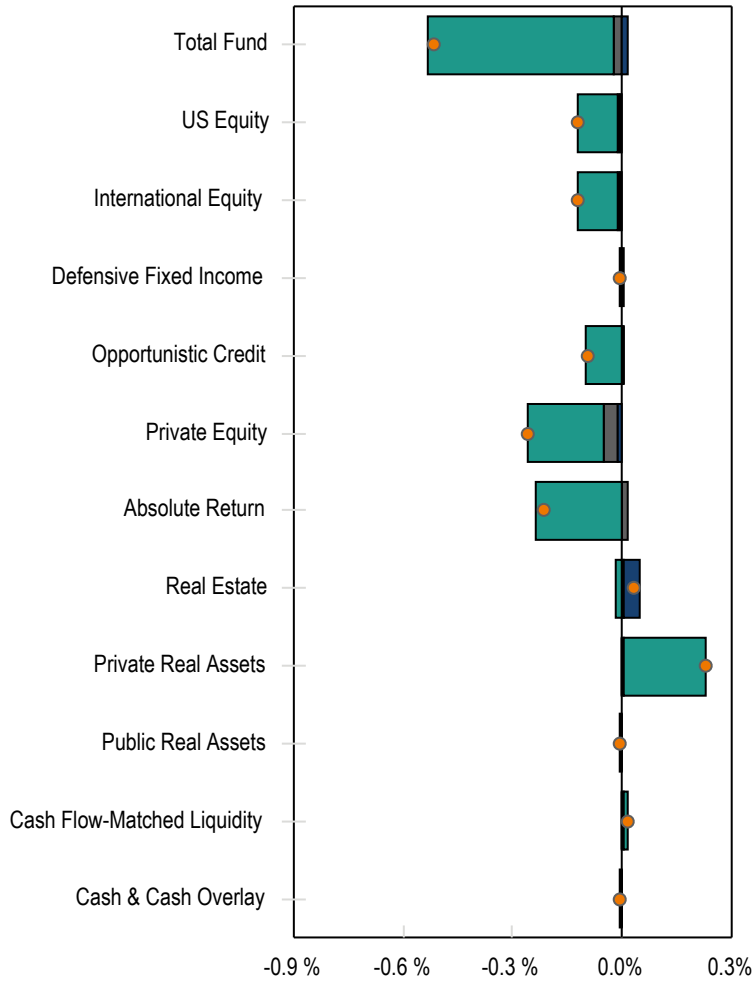
Attribution Summary
Last Three Months

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Growth Portfolio	2.4	3.4	-1.0	-0.6	0.0	0.0	-0.6
Diversifying Portfolio	-0.7	0.4	-1.1	-0.2	0.0	0.0	-0.2
Inflation Hedge	2.2	0.7	1.5	0.3	0.0	0.0	0.3
Liquidity	1.2	1.0	0.2	0.0	0.0	0.0	0.0
Total Fund	1.7	2.2	-0.5	-0.5	0.0	0.0	-0.5

Total Fund
Performance Attribution

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

Attribution Effects
Last Three Months



■ Selection Effect ■ Allocation Effect
■ Interaction Effect ● Total Effects

Performance Attribution

	3 Mo
Wtd. Actual Return	1.7
Wtd. Index Return	2.2
Excess Return	-0.5
Selection Effect	-0.5
Allocation Effect	0.0
Interaction Effect	0.0

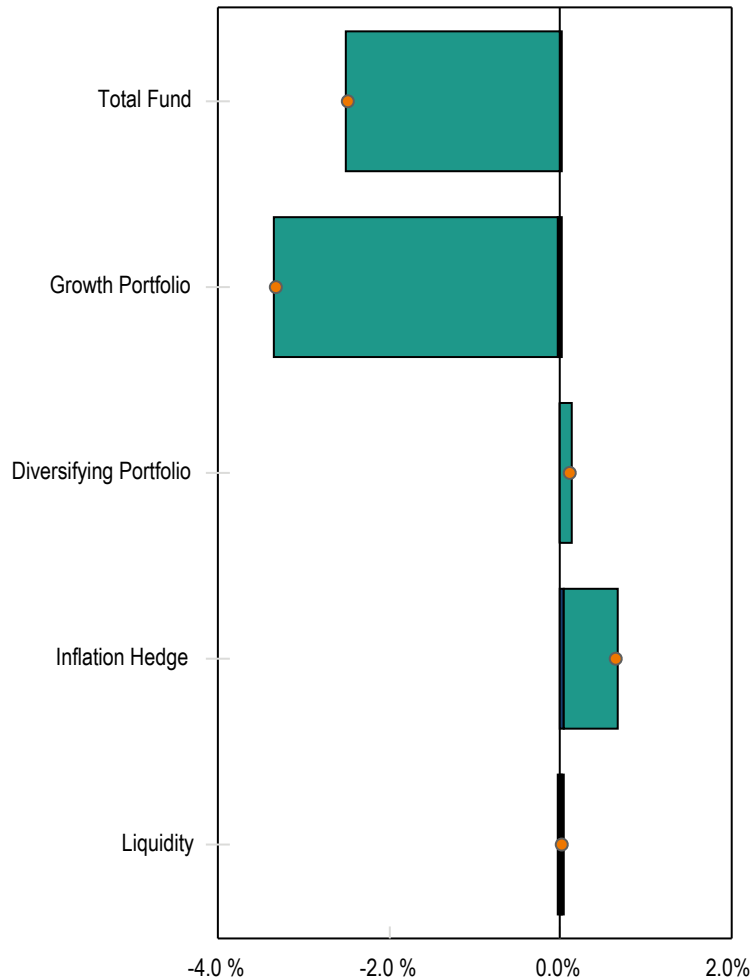
Attribution Summary
Last Three Months

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
US Equity	2.8	3.2	-0.5	-0.1	0.0	0.0	-0.1
International Equity	1.2	1.8	-0.6	-0.1	0.0	0.0	-0.1
Defensive Fixed Income	-0.3	-0.4	0.0	0.0	0.0	0.0	0.0
Opportunistic Credit	0.6	1.5	-0.9	-0.1	0.0	0.0	-0.1
Private Equity	7.3	10.7	-3.4	-0.2	0.0	0.0	-0.3
Absolute Return	-1.8	2.1	-3.9	-0.2	0.0	0.0	-0.2
Real Estate	-0.7	-0.4	-0.2	0.0	0.0	0.0	0.0
Private Real Assets	6.4	1.9	4.5	0.2	0.0	0.0	0.2
Public Real Assets	1.6	1.7	0.0	0.0	0.0	0.0	0.0
Cash Flow-Matched Liquidity	1.1	1.0	0.2	0.0	0.0	0.0	0.0
Cash & Cash Overlay	1.4	1.3	0.0	0.0	0.0	0.0	0.0
Total Fund	1.7	2.2	-0.5	-0.5	0.0	0.0	-0.5

Total Fund
Performance Attribution (1 Year)

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

Attribution Effects
One Year



■ Selection Effect ■ Allocation Effect
■ Interaction Effect ● Total Effects

Performance Attribution

	1 Yr
Wtd. Actual Return	9.2
Wtd. Index Return	11.7
Excess Return	-2.5
Selection Effect	-2.5
Allocation Effect	0.0
Interaction Effect	0.0

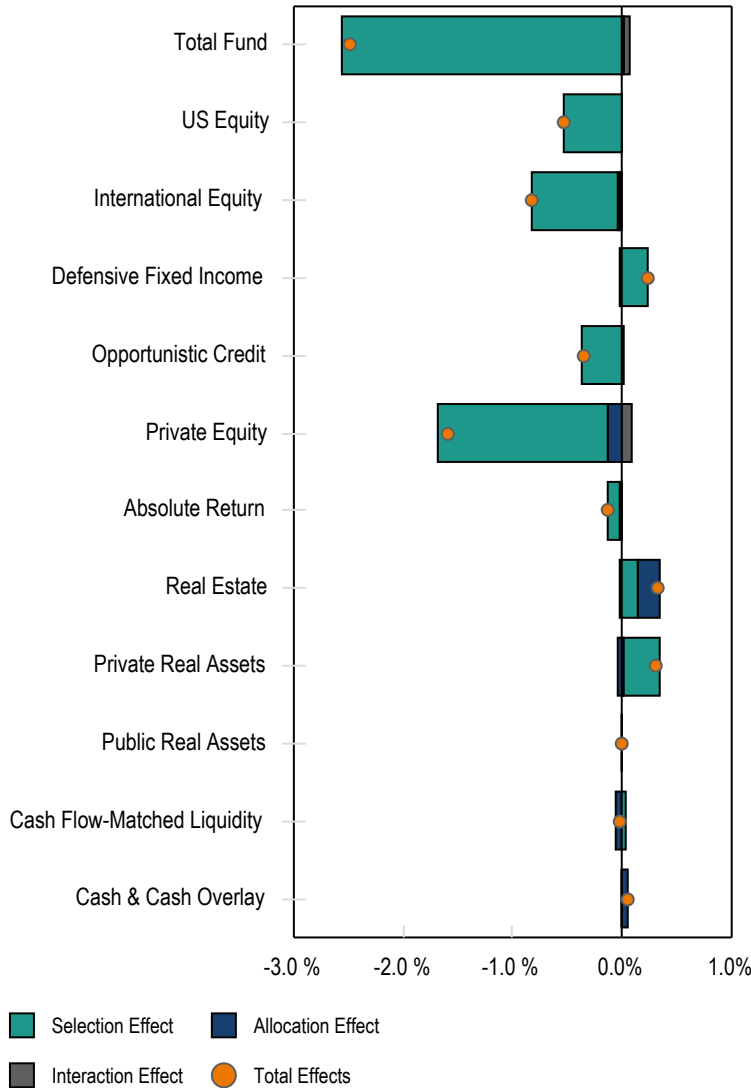
Attribution Summary
One Year

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Growth Portfolio	13.6	19.5	-5.9	-3.3	0.0	0.0	-3.3
Diversifying Portfolio	4.2	3.6	0.6	0.1	0.0	0.0	0.1
Inflation Hedge	0.9	-2.5	3.4	0.6	0.0	0.0	0.7
Liquidity	5.6	5.0	0.6	0.0	0.0	0.0	0.0
Total Fund	9.2	11.7	-2.5	-2.5	0.0	0.0	-2.5

Total Fund
Performance Attribution (1 Year)

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

Attribution Effects
One Year



Performance Attribution

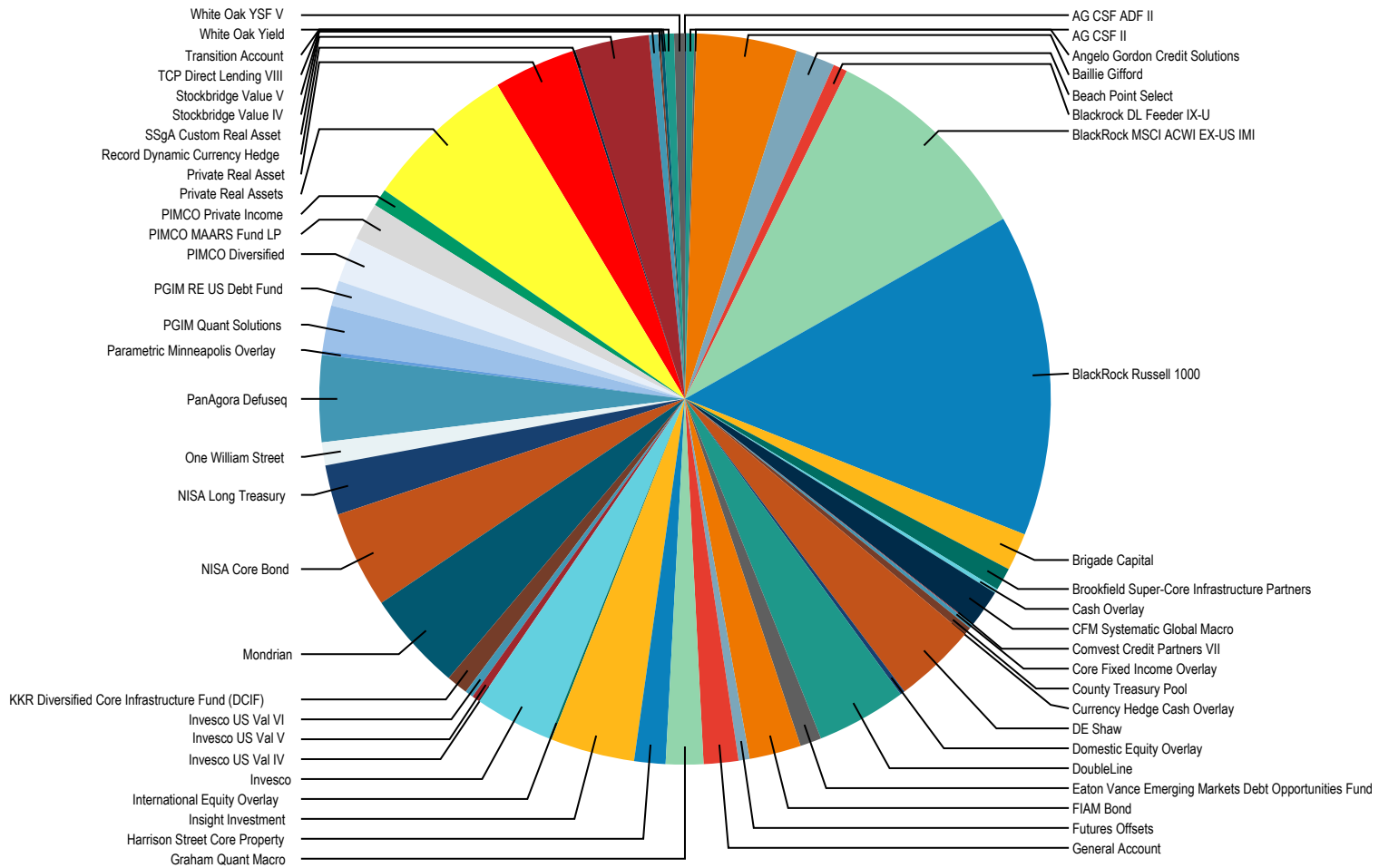
	1 Yr
Wtd. Actual Return	9.2
Wtd. Index Return	11.7
Excess Return	-2.5
Selection Effect	-2.6
Allocation Effect	0.0
Interaction Effect	0.1

Attribution Summary
One Year

	Actual Weight (%)	Policy Weight (%)	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
US Equity	23.0	23.0	20.7	23.1	-2.4	-0.5	0.0	0.0	-0.5
International Equity	18.3	18.0	9.9	14.5	-4.5	-0.8	0.0	0.0	-0.8
Defensive Fixed Income	12.5	12.5	2.5	0.7	1.8	0.2	0.0	0.0	0.2
Opportunistic Credit	10.8	11.0	7.7	11.0	-3.3	-0.4	0.0	0.0	-0.3
Private Equity	6.6	7.0	9.0	32.3	-23.3	-1.6	-0.1	0.1	-1.6
Absolute Return	5.7	6.0	7.3	9.4	-2.1	-0.1	0.0	0.0	-0.1
Real Estate	8.0	9.0	-7.8	-9.3	1.4	0.1	0.2	0.0	0.3
Private Real Assets	5.4	5.0	12.3	4.7	7.5	0.3	0.0	0.0	0.3
Public Real Assets	3.0	3.0	4.9	5.1	-0.3	0.0	0.0	0.0	0.0
Cash Flow-Matched Liquidity	5.0	4.5	5.6	4.9	0.7	0.0	-0.1	0.0	0.0
Cash & Cash Overlay	1.7	1.0	5.7	5.4	0.3	0.0	0.0	0.0	0.0
Total Fund	100.0	100.0	9.2	11.7	-2.5	-2.6	0.0	0.1	-2.5

Total Fund
 Manager Allocation Analysis

San Mateo County Employees' Retirement Association
 Period Ending: June 30, 2024



Total Fund
 Manager Allocation Analysis

San Mateo County Employees' Retirement Association
 Period Ending: June 30, 2024

Name	Market Value	% of Portfolio
BlackRock Russell 1000	\$932,835,406	14.4
DE Shaw	\$237,593,939	3.7
PanAgora Defuseq	\$250,421,372	3.9
PGIM Quant Solutions	\$131,410,678	2.0
Domestic Equity Overlay	\$13,696,050	0.2
Baillie Gifford	\$289,666,489	4.5
Mondrian	\$288,233,212	4.5
BlackRock MSCI ACWI EX-US IMI	\$622,407,957	9.6
International Equity Overlay	\$6,986,308	0.1
DoubleLine	\$260,342,409	4.0
FIAM Bond	\$150,022,582	2.3
NISA Core Bond	\$281,289,033	4.3
NISA Long Treasury	\$144,789,588	2.2
Core Fixed Income Overlay	\$11,509,281	0.2
AG CSF ADF II	\$4,347,839	0.1
AG CSF II	\$22,838,234	0.4
Angelo Gordon Credit Solutions	\$6,503,737	0.1
Beach Point Select	\$113,779,078	1.8
Brigade Capital	\$109,119,894	1.7
PIMCO Diversified	\$130,763,100	2.0
Eaton Vance Emerging Markets Debt Opportunities Fund	\$61,557,732	1.0
Blackrock DL Feeder IX-U	\$40,916,461	0.6
Comvest Credit Partners VII	\$2,250,000	0.0
PIMCO Private Income	\$50,048,650	0.8
TCP Direct Lending VIII	\$9,526,787	0.1
White Oak Yield	\$29,743,963	0.5
White Oak YSF V	\$31,499,473	0.5
Private Equity	\$443,372,351	6.8

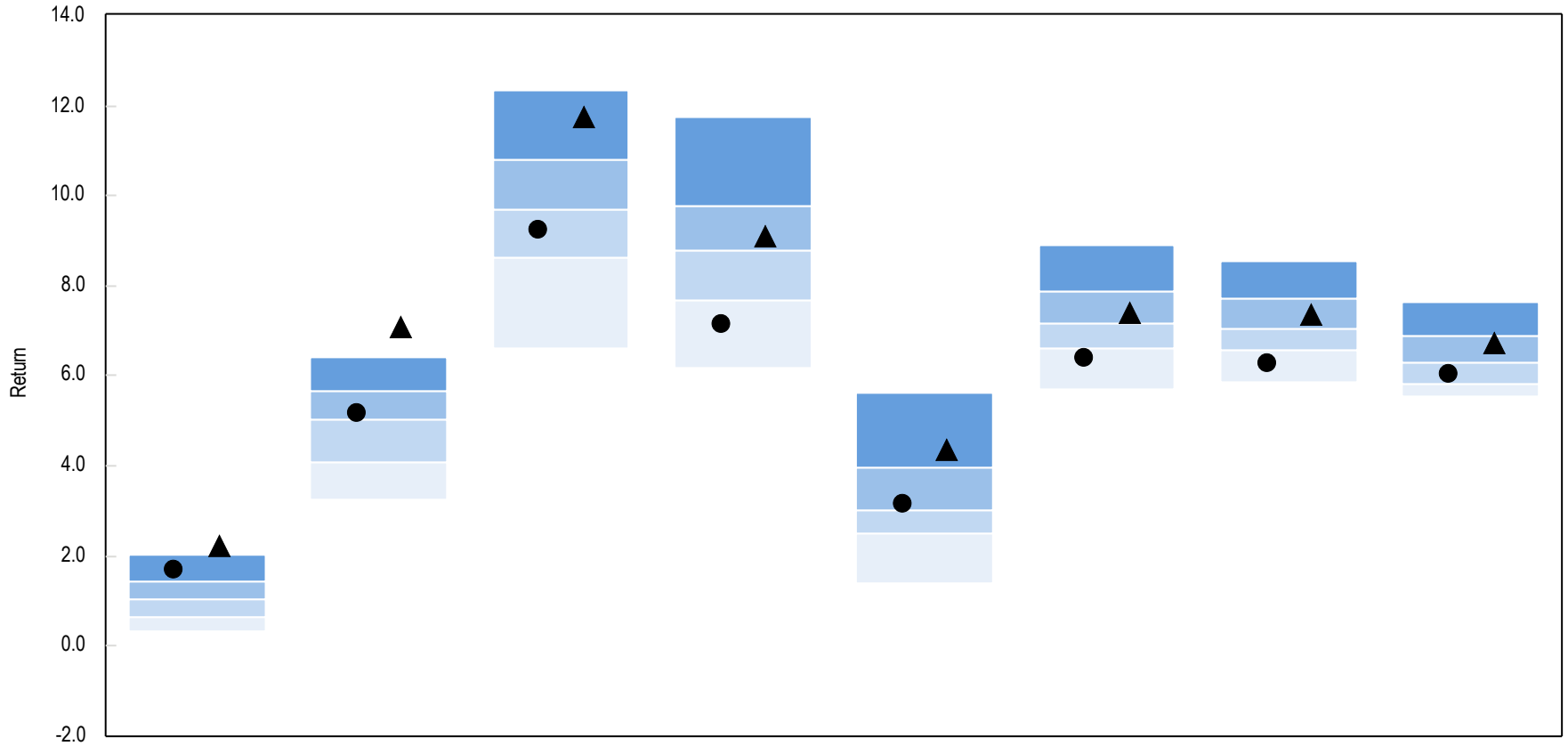
Total Fund
 Manager Allocation Analysis

San Mateo County Employees' Retirement Association
 Period Ending: June 30, 2024

Name	Market Value	% of Portfolio
CFM Systematic Global Macro	\$109,334,294	1.7
Graham Quant Macro	\$108,430,411	1.7
PIMCO MAARS Fund LP	\$109,345,299	1.7
Harrison Street Core Property	\$90,412,068	1.4
Invesco	\$226,779,760	3.5
Invesco US Val IV	\$99,763	0.0
Invesco US Val V	\$23,126,386	0.4
Invesco US Val VI	\$23,772,890	0.4
PGIM RE US Debt Fund	\$73,088,020	1.1
Stockbridge Value IV	\$26,225,091	0.4
Stockbridge Value V	\$6,670,812	0.1
Private Real Assets	\$235,749,636	3.6
Brookfield Super-Core Infrastructure Partners	\$65,883,382	1.0
KKR Diversified Core Infrastructure Fund	\$62,403,453	1.0
SSgA Custom Real Asset	\$214,243,103	3.3
Insight Investment	\$243,427,934	3.8
County Treasury Pool	\$22,909,254	0.4
General Account	\$100,162,685	1.5
Cash Overlay	\$12,077,193	0.2
Transition Account	-	0.0
Futures Offsets	-\$32,191,639	-0.5
Total Fund	\$6,473,464,140	100.0

Total Fund
Peer Universe Comparison

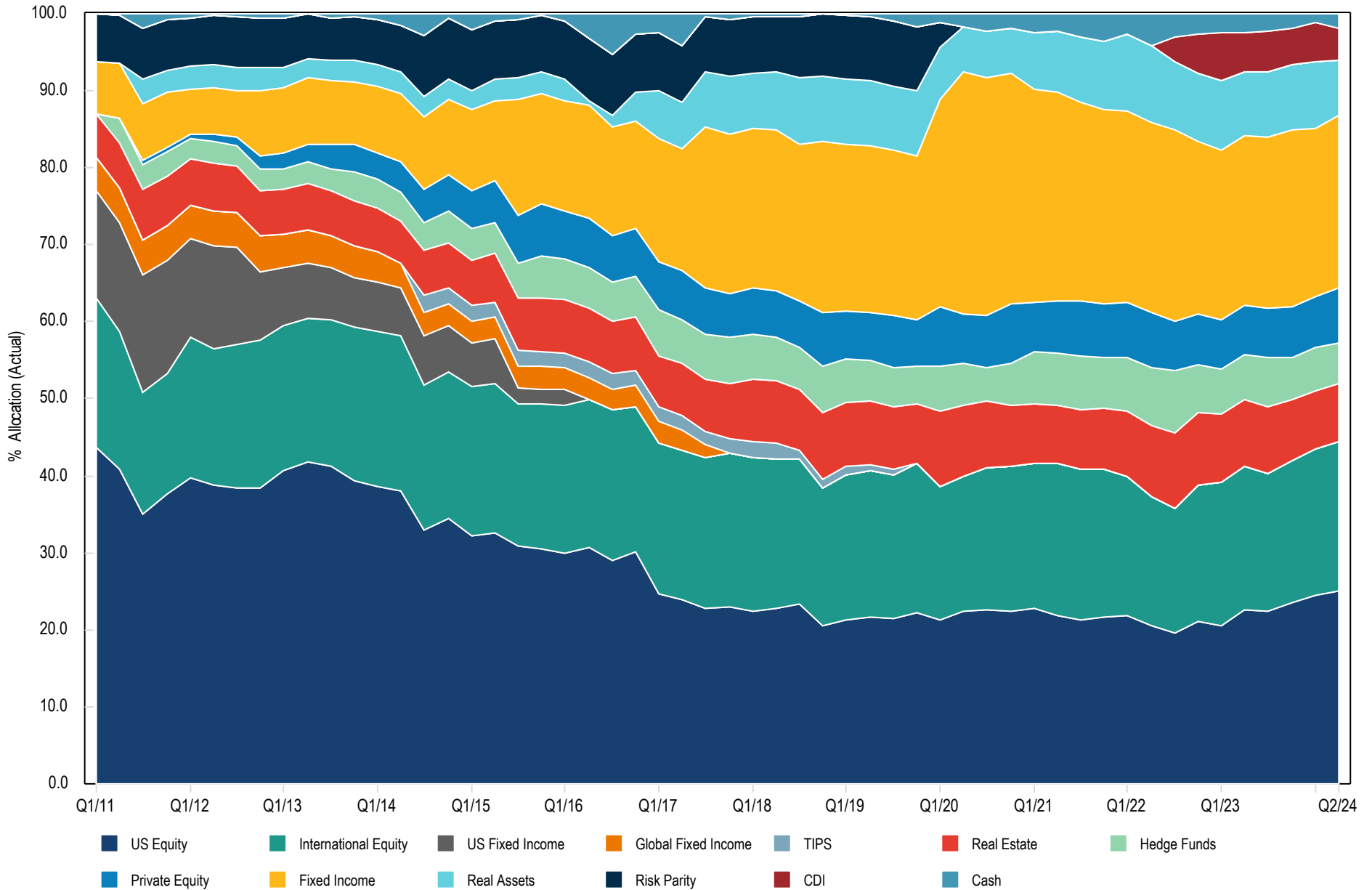
InvMetrics Public DB >\$1B Net Return Comparison

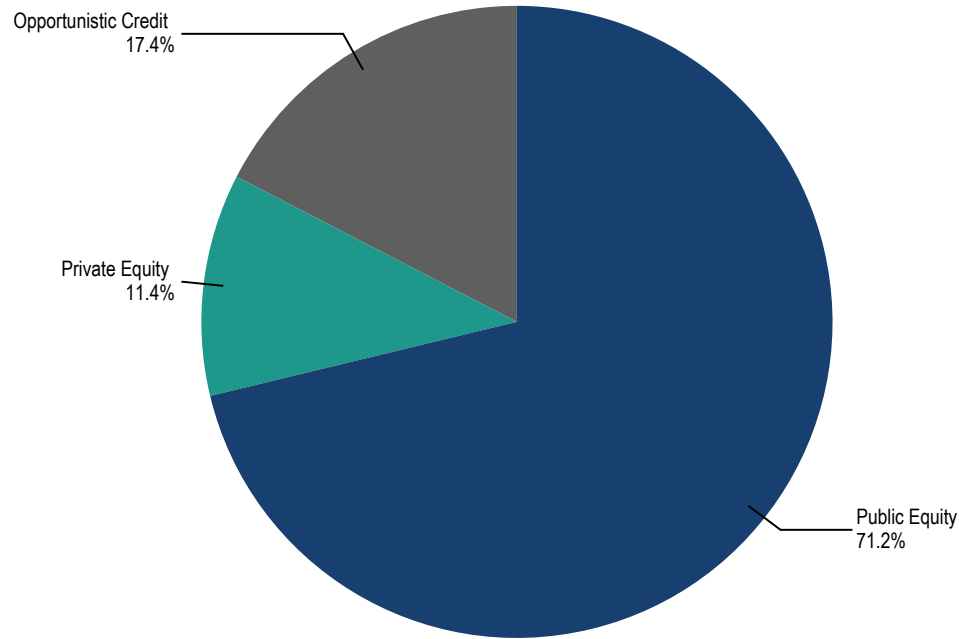


	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Total Fund	1.7 (11)	5.2 (47)	9.2 (59)	7.2 (80)	3.2 (47)	6.4 (79)	6.3 (82)	6.1 (66)
▲ Policy Index	2.2 (3)	7.1 (2)	11.7 (15)	9.1 (44)	4.4 (17)	7.4 (38)	7.4 (34)	6.7 (32)
5th Percentile	2.0	6.4	12.4	11.7	5.6	8.9	8.6	7.6
1st Quartile	1.4	5.7	10.8	9.8	4.0	7.9	7.7	6.9
Median	1.0	5.1	9.7	8.8	3.0	7.2	7.1	6.3
3rd Quartile	0.7	4.1	8.6	7.7	2.5	6.6	6.6	5.8
95th Percentile	0.3	3.2	6.6	6.2	1.4	5.7	5.9	5.5
Population	94	94	94	92	89	87	84	82

Total Fund
Asset Allocation History

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024



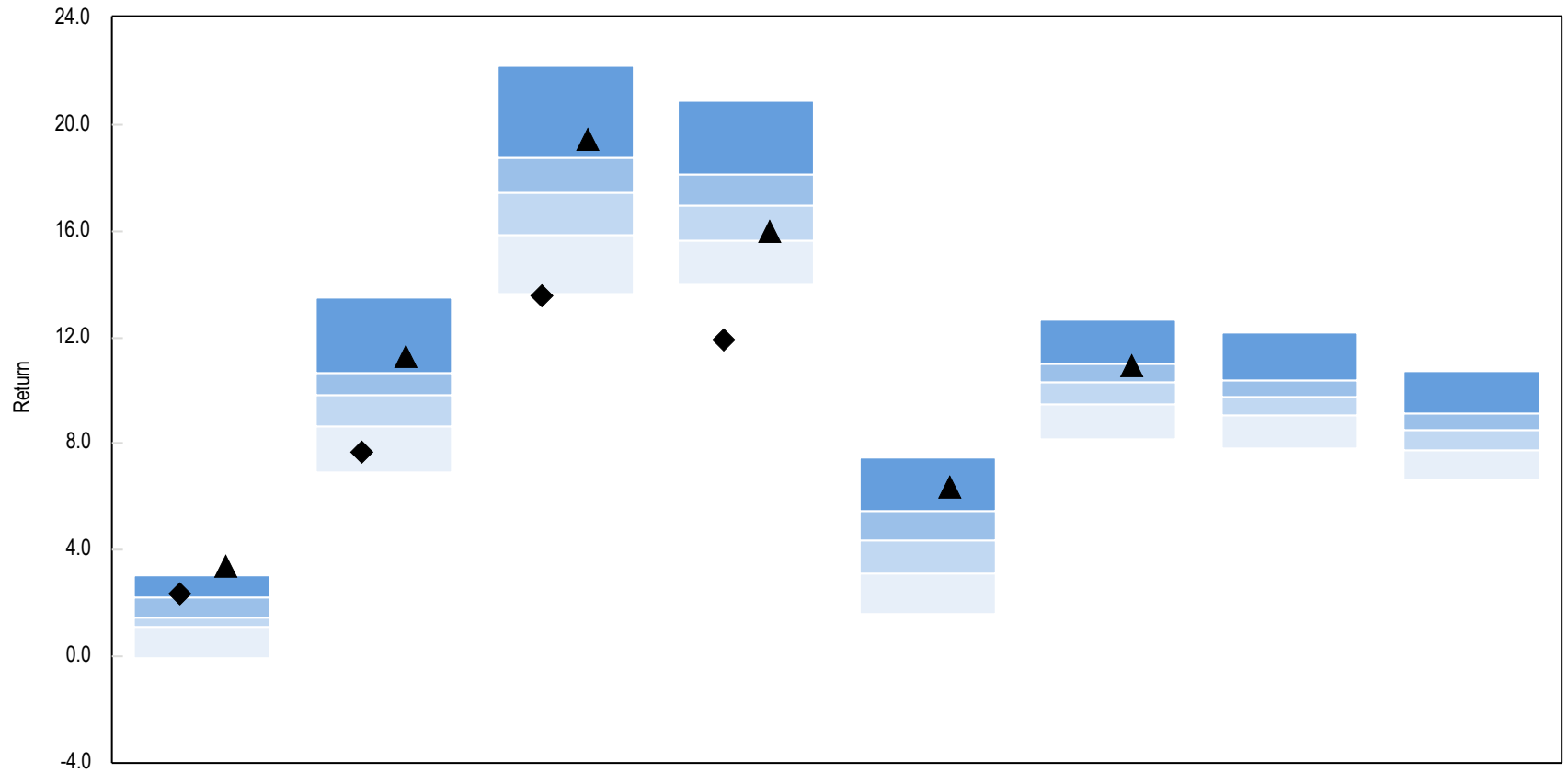


	Actual \$	Actual %	Manager Contribution to Excess Return %
US Equity	\$1,565,957,445	40.1%	-0.2%
International Equity	\$1,214,803,036	31.1%	-0.2%
Private Equity	\$443,372,351	11.4%	-0.4%
Opportunistic Credit	\$679,428,632	17.4%	-0.2%
Actual vs. Policy Weight Difference			-0.1%
Total	\$3,903,561,465	100.0%	-1.0%

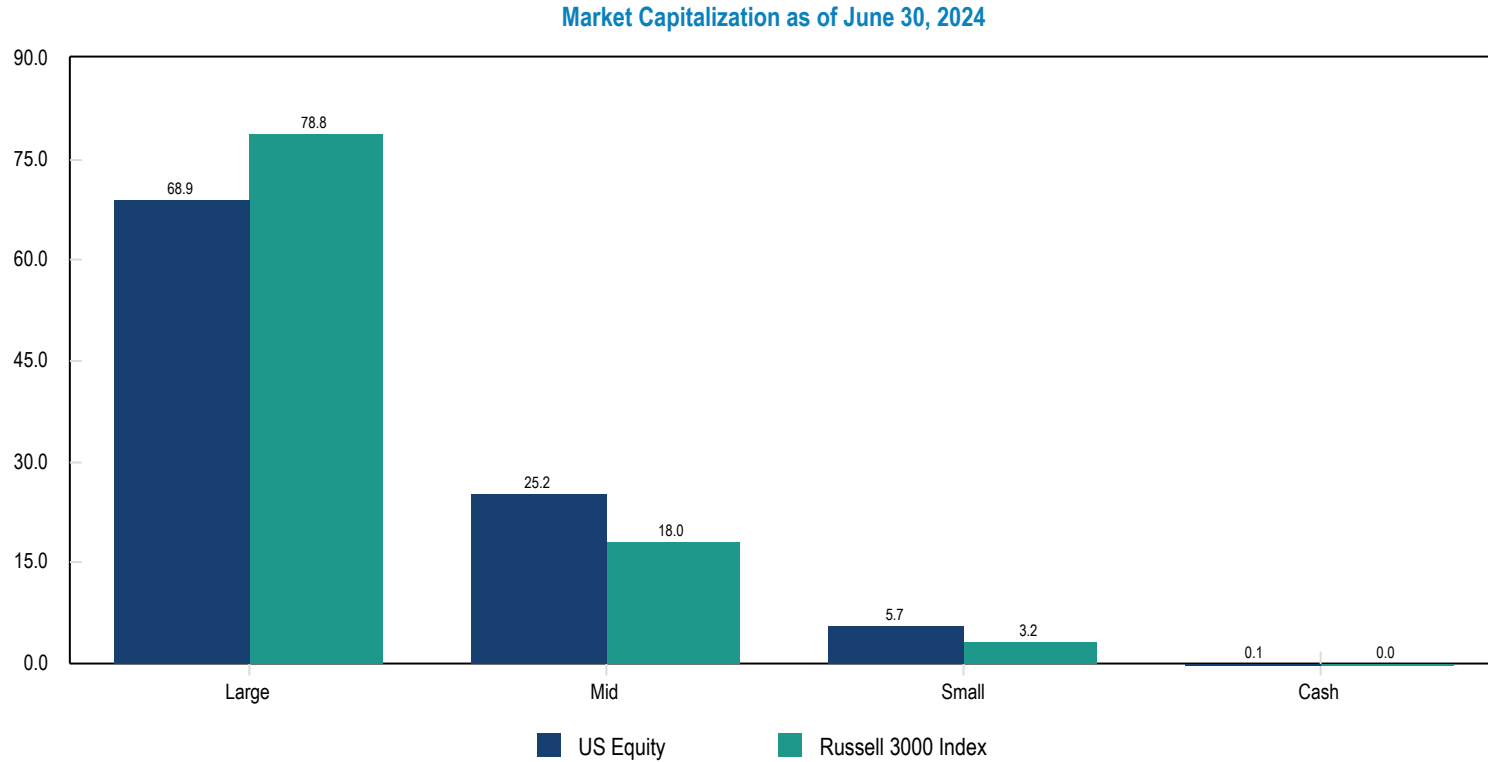
Statistics Summary
3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Growth Portfolio	13.6	9.3	0.9	-2.7	1.9
<i>Blended Growth Index</i>	19.5	9.5	1.4	-	0.0
US Equity	20.7	13.9	1.1	-2.2	1.0
<i>Blended US Equity Index</i>	23.1	14.6	1.1	-	0.0
International Equity	9.9	12.5	0.4	-2.4	1.6
<i>Blended International Equity Index</i>	14.5	11.5	0.8	-	0.0
Private Equity	9.0	7.3	0.5	-1.3	15.4
<i>Blended Private Equity Index</i>	32.3	13.4	1.8	-	0.0
Opportunistic Credit	7.7	3.5	0.7	-2.1	1.4
<i>Opportunistic Credit Index</i>	11.0	4.3	1.2	-	0.0

InvMetrics All DB US Eq Net Return Comparison



	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs
◆ Growth Portfolio	2.4 (18)	7.7 (92)	13.6 (96)	11.9 (99)	-	-	-	-
▲ Blended Growth Index	3.4 (4)	11.3 (14)	19.5 (18)	16.0 (68)	6.4 (10)	11.0 (27)	-	-
5th Percentile	3.0	13.5	22.2	20.9	7.5	12.7	12.2	10.7
1st Quartile	2.2	10.7	18.7	18.1	5.5	11.0	10.4	9.1
Median	1.5	9.8	17.4	16.9	4.4	10.3	9.8	8.5
3rd Quartile	1.1	8.6	15.9	15.6	3.1	9.5	9.1	7.7
95th Percentile	0.0	7.0	13.6	14.0	1.6	8.2	7.8	6.7
Population	109	109	109	108	106	104	95	84



US Equity
Equity Only Summary Statistics

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

Characteristics

	Portfolio	Benchmark
Number of Stocks	2,168	2,925
Wtd. Avg. Mkt. Cap \$M	709,791.0	876,937.9
Median Mkt. Cap \$M	3,567.2	2,138.4
Price/Earnings ratio	24.3	25.8
Current Yield (%)	1.6	1.4
Beta (5 Years, Monthly)	0.9	1.0
Price/Book ratio	4.1	4.6
Return on Equity (%)	7.0	8.5

Top Holdings

Best Performers

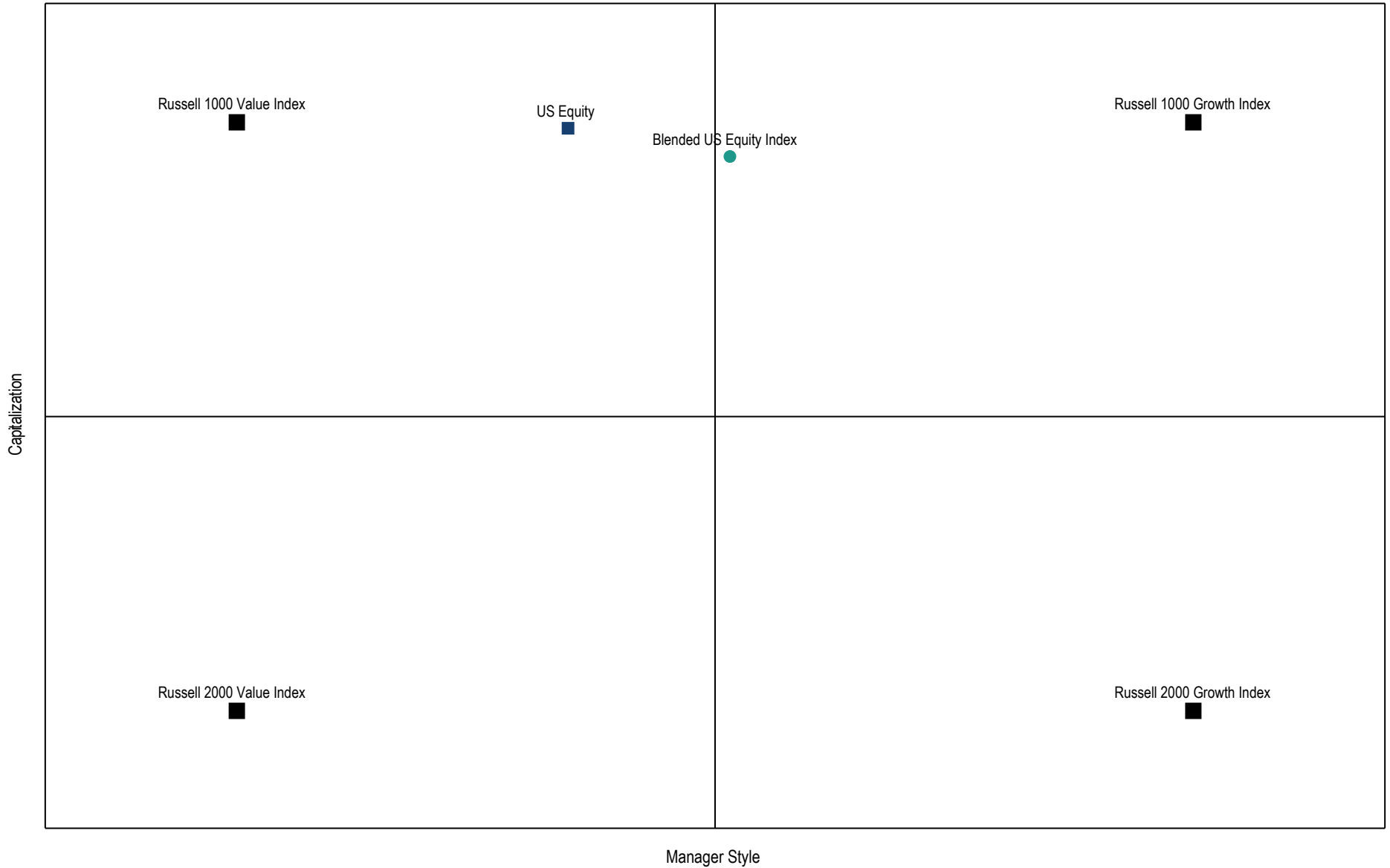
Worst Performers

	(%)		Return (%)		Return (%)
Microsoft Corp	5.4	AST SpaceMobile Inc	300.3	Marinus Pharmaceuticals Inc	-87.1
Apple Inc	4.5	Emergent BioSolutions Inc	169.6	Inotiv Inc	-84.8
NVIDIA Corporation	4.5	Insmid Inc	147.0	Cerence Inc	-82.0
Amazon.com Inc	2.9	Innodata Inc	124.7	Zentalis Pharmaceuticals Inc	-74.0
Meta Platforms Inc	1.8	TransMedics Group Inc	103.7	Virgin Galactic Holdings Inc	-71.5
Alphabet Inc	1.6	Vital Farms Inc	101.2	MacroGenics Inc	-71.1
Alphabet Inc	1.1	GameStop Corp.	97.2	Caribou Bioscience Inc	-68.1
Tesla Inc	1.1	Enovix Corp	93.0	Conn's Inc	-67.0
Eli Lilly and Co	1.1	Gannett Co Inc	88.9	RAPT Therapeutics Inc	-66.0
Berkshire Hathaway Inc	1.0	Rackspace Technology Inc	88.6	Accolade Inc	-65.8

US Equity Performance Attribution vs. Russell 3000 Index

	Attribution Effects				Performance		Sector Weights	
	Total Effects	Selection Effect	Allocation Effect	Interaction Effect	Portfolio	Benchmark	Portfolio	Benchmark
Energy	0.1	0.1	0.0	0.0	0.3	-2.2	4.7	4.1
Materials	-0.1	0.0	-0.1	0.0	-4.3	-5.1	4.0	2.7
Industrials	-0.1	0.0	0.0	0.0	-3.7	-3.4	10.4	10.1
Consumer Discretionary	0.0	0.0	0.0	0.0	-0.7	-0.5	11.0	10.5
Consumer Staples	-0.1	0.0	0.0	0.0	0.3	1.1	6.7	5.6
Health Care	0.0	0.0	0.0	0.0	-1.5	-1.4	11.8	12.4
Financials	0.1	0.0	0.1	0.0	-1.8	-2.1	12.9	13.9
Information Technology	-0.3	0.0	-0.3	0.0	12.3	12.3	24.0	27.6
Communication Services	-0.1	-0.1	0.0	0.0	7.6	9.2	8.1	8.3
Utilities	0.0	0.0	0.0	0.0	3.0	4.5	3.8	2.2
Real Estate	0.0	0.0	0.0	0.0	-1.0	-1.9	2.6	2.7
Other	0.0	0.0	0.0	0.0	4.4	0.0	0.1	0.0
Cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	-0.5	-0.1	-0.4	0.0	2.7	3.2	100.0	100.0

U.S. Effective Style Map



Characteristics

	Portfolio	Benchmark
Number of Stocks	1,013	1,004
Wtd. Avg. Mkt. Cap \$M	913,675.1	921,415.9
Median Mkt. Cap \$M	13,576.7	13,576.7
Price/Earnings ratio	26.5	26.4
Current Yield (%)	1.4	1.4
Beta (5 Years, Monthly)	1.0	1.0
Price/Book ratio	4.8	4.8
Return on Equity (%)	8.8	8.9

Top Holdings

Best Performers

Worst Performers

	(%)		Return (%)		Return (%)
Microsoft Corp	6.6	GameStop Corp.	97.2	10x Genomics Inc	-48.2
Apple Inc	6.1	Alnylam Pharmaceuticals Inc	62.6	Trump Media & Technology Group Corp	-47.1
NVIDIA Corporation	5.9	Carvana Co	46.4	DoubleVerify Holdings Inc	-44.6
Amazon.com Inc	3.6	United Therapeutics Corp	38.7	UiPath Inc	-44.1
Meta Platforms Inc	2.2	Cirrus Logic Inc.	37.9	Walgreens Boots Alliance Inc	-43.5
Alphabet Inc	2.1	NVIDIA Corporation	36.7	Fortrea Holdings Inc	-41.9
Alphabet Inc	1.8	First Solar Inc	33.6	Five Below Inc	-39.9
Eli Lilly and Co	1.5	CAVA Group Inc	32.4	Leggett & Platt Inc	-39.9
Berkshire Hathaway Inc	1.5	Teradyne Inc	31.5	Unity Software Inc	-39.1
Broadcom Inc	1.5	Coca Cola Consolidated Inc	28.3	Exact Sciences Corporation	-38.8

Characteristics

	Portfolio	Benchmark
Number of Stocks	154	1,004
Wtd. Avg. Mkt. Cap \$M	154,366.1	921,415.9
Median Mkt. Cap \$M	30,924.6	13,576.7
Price/Earnings ratio	20.3	26.4
Current Yield (%)	2.8	1.4
Beta (5 Years, Monthly)	0.8	1.0
Price/Book ratio	2.9	4.8
Return on Equity (%)	3.5	8.9

Top Holdings

Best Performers

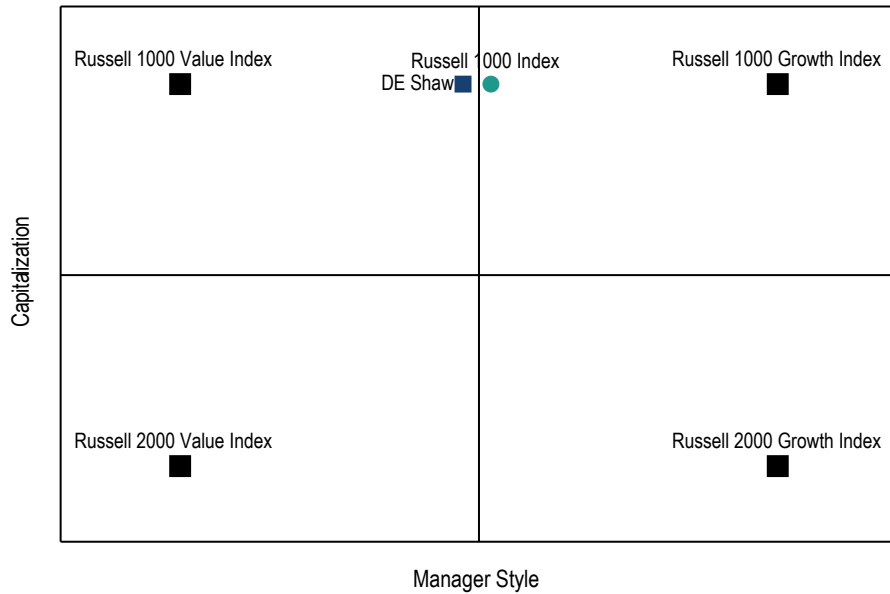
Worst Performers

	(%)		Return (%)		Return (%)
AT&T Inc	2.1	Tyler Technologies Inc	18.3	Apellis Pharmaceuticals Inc	-34.7
Microsoft Corp	2.0	DT Midstream Inc	17.5	Bristol-Myers Squibb Co	-22.5
T-Mobile US Inc	1.9	VERISK ANALYTICS INC	14.5	Zimmer Biomet Holdings Inc	-17.6
Amcor Plc	1.9	Texas Instruments Inc	12.5	MSC Industrial Direct Co Inc.	-17.6
Service Corp International	1.8	Boston Scientific Corp	12.4	IDEX Corp	-17.3
Sonoco Products Co	1.7	Essex Property Trust Inc.	12.2	Monster Beverage Corp	-15.7
McDonald's Corp	1.7	Vertex Pharmaceuticals Inc	12.1	Chemed Corp	-15.4
Verizon Communications Inc	1.6	Philip Morris International Inc	12.0	Nordson Corp	-15.3
Packaging Corp Of America	1.6	Camden Property Trust	11.9	Henry Schein Inc	-15.1
YUM Brands Inc	1.6	Fox Corp	11.9	Graco Inc.	-14.9

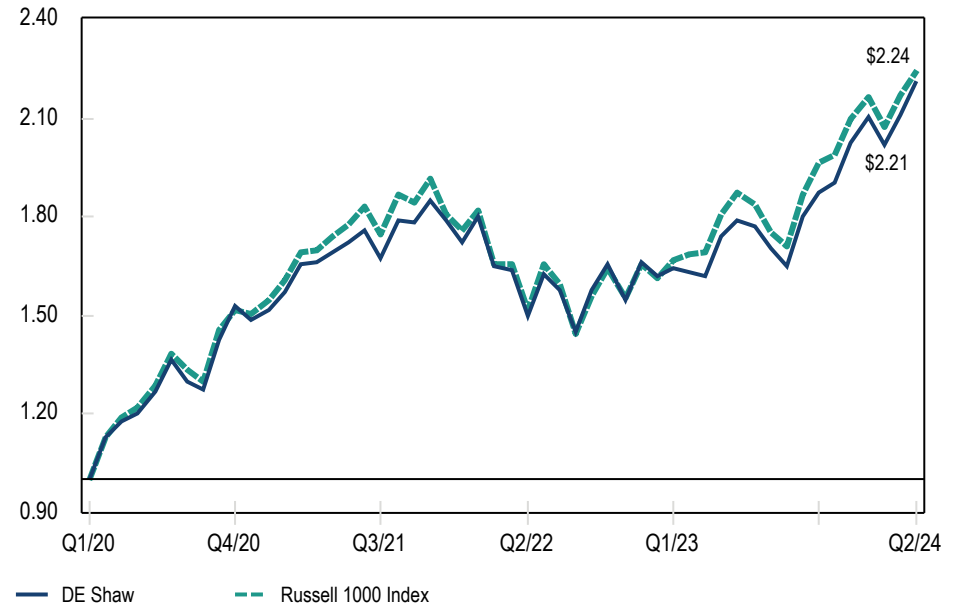
PanAgora Defuseq Performance Attribution vs. Russell 1000 Index

	Attribution Effects				Performance		Sector Weights	
	Total Effects	Selection Effect	Allocation Effect	Interaction Effect	Portfolio	Benchmark	Portfolio	Benchmark
Energy	0.4	0.3	-0.2	0.3	6.5	-2.1	7.2	3.9
Materials	-0.3	0.1	-0.6	0.2	-2.4	-5.2	9.3	2.6
Industrials	0.0	0.0	0.0	0.0	-3.2	-3.3	9.3	9.7
Consumer Discretionary	0.4	0.5	0.1	-0.1	4.3	-0.2	7.8	10.4
Consumer Staples	-0.6	-0.2	-0.2	-0.2	-1.9	1.1	13.0	5.7
Health Care	-0.3	-0.5	0.1	0.1	-4.9	-1.1	10.9	12.3
Financials	0.2	-0.1	0.3	0.0	-2.9	-2.1	8.9	13.8
Information Technology	-3.0	-3.8	-1.8	2.6	-0.5	12.8	8.7	28.3
Communication Services	-0.3	-0.4	0.0	0.0	5.2	9.3	9.4	8.7
Utilities	-0.2	-0.1	0.1	-0.3	2.3	4.8	12.6	2.1
Real Estate	0.1	0.1	0.0	0.0	2.9	-1.7	2.8	2.5
Total	-3.5	-3.9	-2.1	2.5	0.1	3.6	100.0	100.0

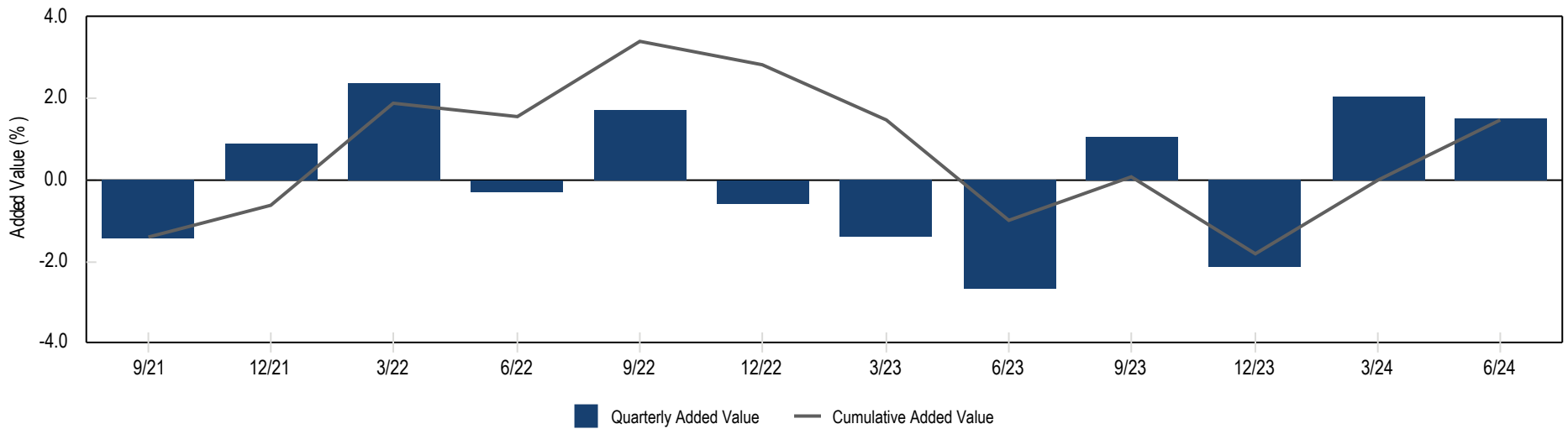
U.S. Effective Style Map



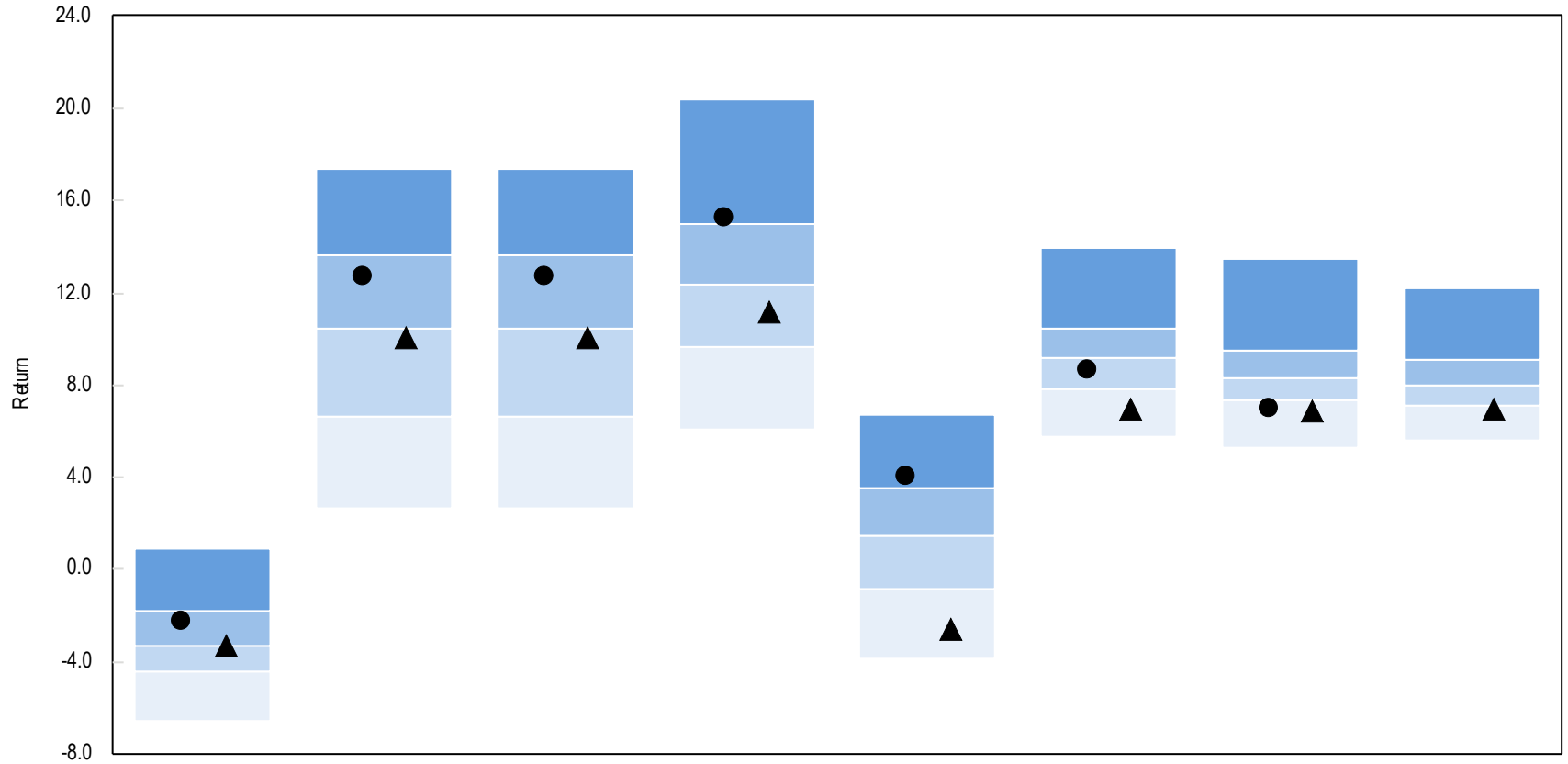
Growth of a Dollar



Quarterly and Cumulative Excess Performance



eV US Small Cap Core Equity Net Return Comparison



	3 Mo	Fiscal YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● PGIM Quant Solutions	-2.2 (32)	12.8 (33)	12.8 (33)	15.3 (22)	4.1 (23)	8.7 (59)	7.1 (82)	-
▲ Russell 2000 Index	-3.3 (50)	10.1 (54)	10.1 (54)	11.2 (64)	-2.6 (88)	6.9 (85)	6.8 (83)	7.0 (79)
5th Percentile	0.9	17.4	17.4	20.4	6.8	14.0	13.5	12.2
1st Quartile	-1.8	13.7	13.7	15.0	3.6	10.5	9.5	9.1
Median	-3.3	10.5	10.5	12.3	1.5	9.2	8.4	8.0
3rd Quartile	-4.4	6.6	6.6	9.7	-0.8	7.8	7.4	7.2
95th Percentile	-6.6	2.6	2.6	6.1	-3.9	5.8	5.3	5.6
Population	194	193	193	183	181	174	164	147

Characteristics

	Portfolio	Benchmark
Number of Stocks	334	1,921
Wtd. Avg. Mkt. Cap \$M	4,026.8	4,440.8
Median Mkt. Cap \$M	2,200.4	889.5
Price/Earnings ratio	15.9	16.2
Current Yield (%)	1.4	1.5
Beta (5 Years, Monthly)	1.0	1.0
Price/Book ratio	2.4	2.5
Return on Equity (%)	3.0	1.2

Top Holdings

Best Performers

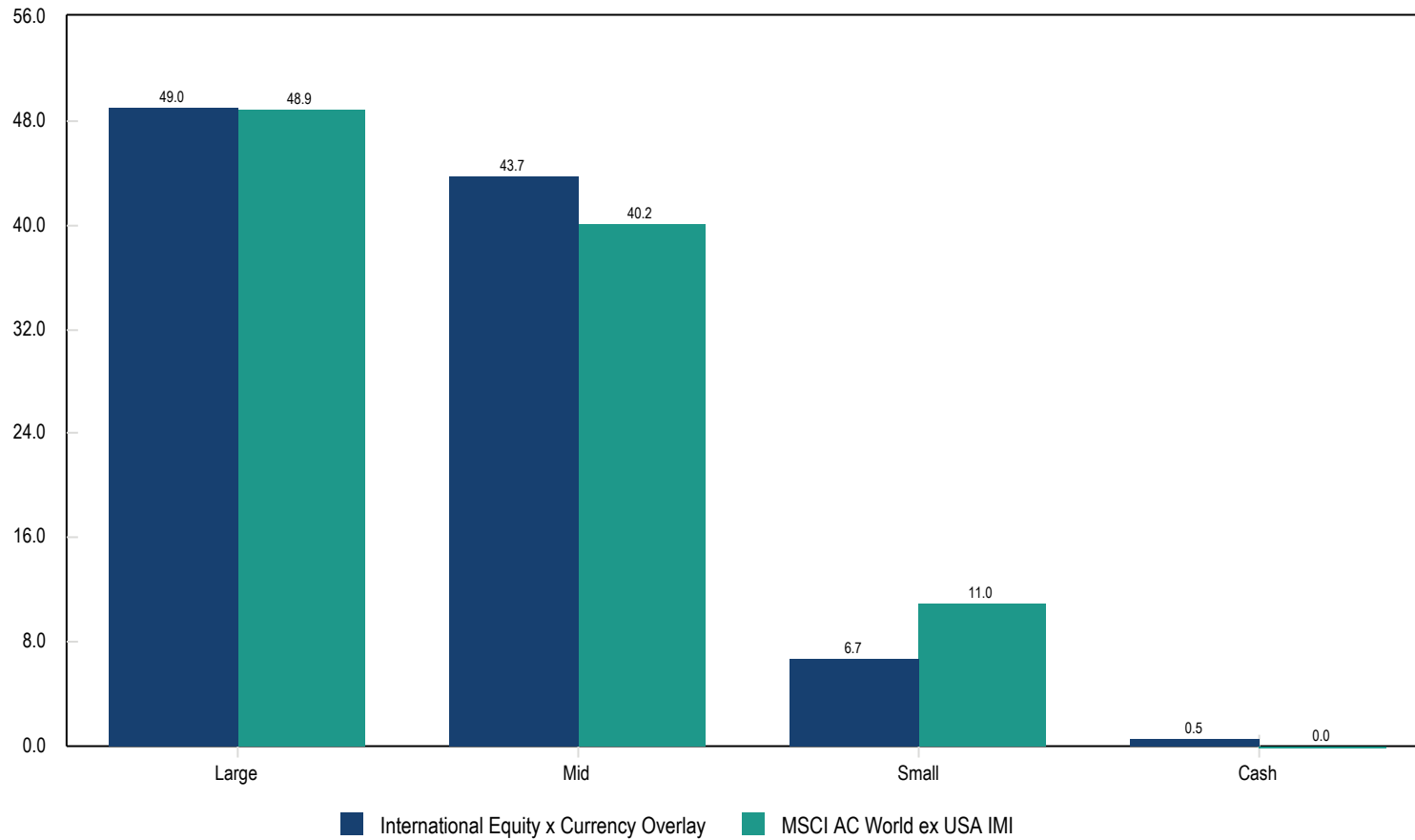
Worst Performers

	(%)		Return (%)		Return (%)
Super Micro Computer Inc	1.1	Insmid Inc	147.0	Accolade Inc	-65.8
Onto Innovation Inc	1.0	TransMedics Group Inc	103.7	Fate Therapeutics Inc	-55.3
Commvault Systems Inc	1.0	Vital Farms Inc	101.2	Uniti Group Inc	-47.8
Coca Cola Consolidated Inc	0.9	ADMA Biologics Inc	69.4	Anywhere Real Estate Inc	-46.4
AppFolio Inc	0.9	Zeta Global Holdings Corp	61.5	Quanterix Corp	-43.9
Vital Farms Inc	0.9	Humacyte Inc	54.3	TTEC Holdings Inc	-42.9
ACI Worldwide Inc	0.8	Carpenter Technology Corp	53.8	Granite Point Mortgage Trust Inc	-37.7
Fluor Corp	0.8	Tutor Perini Corp	50.6	Editas Medicine Inc	-37.1
Amkor Technology Inc	0.8	Agios Pharmaceuticals Inc	47.5	JELD-WEN Holding Inc	-36.6
HealthEquity Inc	0.8	CareDx Inc	46.6	Dave & Buster's Entertainment Inc	-36.4

PGIM Quant Solutions Performance Attribution vs. Russell 2000 Index

	Attribution Effects				Performance		Sector Weights	
	Total Effects	Selection Effect	Allocation Effect	Interaction Effect	Portfolio	Benchmark	Portfolio	Benchmark
Energy	-0.4	-0.4	0.0	0.0	-8.6	-2.6	6.5	7.3
Materials	-0.3	-0.2	0.0	0.0	-9.3	-4.2	5.3	4.5
Industrials	-0.2	-0.2	0.0	0.0	-5.6	-4.3	17.8	17.6
Consumer Discretionary	-0.1	-0.1	0.0	0.0	-7.0	-6.1	10.2	10.8
Consumer Staples	0.4	0.3	0.0	0.1	11.0	2.3	4.0	3.3
Health Care	0.5	0.5	0.0	0.0	-1.3	-4.6	14.5	15.3
Financials	0.3	0.3	0.0	0.0	0.3	-1.8	16.3	15.9
Information Technology	0.7	0.7	0.0	0.0	2.0	-2.8	15.1	15.0
Communication Services	0.3	0.3	0.0	0.0	12.5	-0.6	2.0	2.1
Utilities	0.0	0.0	0.0	0.0	0.9	0.1	3.0	2.5
Real Estate	-0.2	-0.2	0.0	0.0	-7.2	-3.3	4.9	5.6
Cash	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0
Total	1.1	0.9	0.1	0.1	-2.2	-3.3	100.0	100.0

Market Capitalization as of June 30, 2024



See appendix for the market capitalization breakpoints.

International Equity x Currency Overlay
Equity Only Summary Statistics

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

Characteristics

	Portfolio	Benchmark
Number of Stocks	6,679	6,513
Wtd. Avg. Mkt. Cap \$M	98,522.4	96,871.4
Median Mkt. Cap \$M	1,971.3	1,969.6
Price/Earnings ratio	16.2	16.1
Current Yield (%)	2.9	3.0
Beta (5 Years, Monthly)	1.0	1.0
Price/Book ratio	2.6	2.5
Return on Equity (%)	3.2	2.8

Top Holdings

Best Performers

Worst Performers

	(%)		Return (%)		Return (%)
Taiwan Semiconductor Man.	2.0	SILICON2 Co Ltd	290.2	PT Berkah Beton Sadaya Tbk	-80.6
ASML Holding NV	1.6	Sam Yang Foods Co Ltd	210.8	Cettire Limited	-70.4
Taiwan Semiconductor Man.	1.3	Garden Reach Shipbuilders & Engineers Ltd	174.5	Energy Absolute Public Company Limited	-67.5
United Overseas Bank Ltd	1.1	Cochin Shipyard Limited	154.1	CM Hospitalar S A	-66.3
Novo Nordisk A/S	0.8	Puravankara Ltd	136.3	Alfen N.V.	-65.7
Tencent Holdings LTD	0.8	YC Corporation	132.0	Katilimevim Tasarruf Finansman Anonim Sirketi	-63.4
Banco Santander SA	0.8	TCL Electronics Holdings Ltd	123.9	Perion Network Ltd	-62.8
Alibaba Group Holding Ltd	0.8	ZIM Integrated Shipping Services Ltd	121.4	Maytronics Ltd	-61.9
Sony Group Corporation	0.8	LS ELECTRIC Co Ltd	120.5	Politeknik Metal Sanayi ve Ticaret AS	-61.4
Samsung Electronics Co Ltd	0.8	Amara Raja Energy & Mobility Limited	118.8	Beyond Securities Public Co Ltd	-61.3

International Equity x Currency Overlay Performance Attribution vs. MSCI AC World ex USA IMI

	Attribution Effects				Performance		Sector Weights	
	Total Effects	Selection Effect	Allocation Effect	Interaction Effect	Portfolio	Benchmark	Portfolio	Benchmark
Energy	0.0	0.0	0.0	0.0	1.8	1.6	4.8	5.3
Materials	0.0	0.0	0.0	0.0	-1.5	-1.2	6.5	8.0
Industrials	-0.4	-0.3	0.0	0.0	-2.1	0.0	16.3	14.9
Consumer Discretionary	0.2	0.2	0.0	0.0	-2.7	-4.3	12.0	11.8
Consumer Staples	0.0	0.0	0.0	0.0	-0.9	-1.3	8.6	7.3
Health Care	-0.2	-0.2	0.0	0.0	1.5	3.5	9.3	8.8
Financials	-0.1	-0.1	0.0	0.0	2.6	3.0	18.0	20.0
Information Technology	0.1	0.0	0.1	0.0	5.1	4.8	14.6	13.1
Communication Services	0.1	0.1	0.0	0.0	4.9	3.5	4.9	4.9
Utilities	0.0	0.0	0.0	0.0	3.8	2.8	3.2	3.0
Real Estate	0.1	0.0	0.1	0.0	-3.9	-4.0	1.5	2.9
Cash	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0
Total	-0.2	-0.2	0.1	0.0	0.9	1.1	100.0	100.0

International Equity x Currency Overlay vs. MSCI AC World ex USA IMI

	Weights		Performance		Attribution Effects			
	Portfolio	Benchmark	Portfolio	Benchmark	Selection Effects	Country Effects	Interaction Effects	Total Effects
Australia	3.1	4.7	0.5	1.6	-0.1	0.0	0.0	0.0
Austria	0.3	0.2	1.4	6.1	0.0	0.0	0.0	0.0
Belgium	0.6	0.6	-1.8	0.2	0.0	0.0	0.0	0.0
Brazil	1.8	1.4	-13.9	-12.8	0.0	-0.1	0.0	-0.1
Canada	5.4	7.5	-3.5	-1.5	-0.2	0.1	0.0	-0.1
Chile	0.1	0.1	-7.4	0.6	0.0	0.0	0.0	0.0
China	5.4	5.5	3.0	6.7	-0.2	0.0	0.0	-0.2
Colombia	0.0	0.0	-4.6	-4.6	0.0	0.0	0.0	0.0
Czech Republic	0.0	0.0	8.9	8.9	0.0	0.0	0.0	0.0
Denmark	1.3	2.2	5.4	7.3	0.0	-0.1	0.0	-0.1
Egypt	0.0	0.0	1.7	1.7	0.0	0.0	0.0	0.0
Finland	0.3	0.6	3.6	3.5	0.0	0.0	0.0	0.0
France	6.1	6.5	-7.0	-6.0	-0.1	0.0	0.0	0.0
Germany	5.1	5.2	-4.2	-1.2	-0.2	0.0	0.0	-0.2
Greece	0.1	0.1	-1.4	-1.4	0.0	0.0	0.0	0.0
Hong Kong	2.3	1.6	0.2	3.6	-0.1	0.0	0.0	-0.1
Hungary	0.0	0.1	9.6	9.7	0.0	0.0	0.0	0.0
India	4.7	5.3	12.6	12.0	0.0	-0.1	0.0	0.0
Indonesia	0.5	0.5	-15.9	-11.6	0.0	0.0	0.0	0.0
Ireland	1.3	1.0	-1.4	-0.2	0.0	0.0	0.0	0.0
Israel	0.3	0.7	-4.2	-4.4	0.0	0.0	0.0	0.0
Italy	1.9	1.6	1.5	1.1	0.0	0.0	0.0	0.0
Japan	17.0	16.2	-3.8	-4.6	0.1	0.0	0.0	0.1
Korea	2.9	3.6	-0.4	-1.0	0.0	0.0	0.0	0.0
Kuwait	0.1	0.2	-3.6	-3.6	0.0	0.0	0.0	0.0
Malaysia	0.3	0.4	5.2	5.9	0.0	0.0	0.0	0.0
Malta	0.0	0.0	3.3	3.3	0.0	0.0	0.0	0.0
Mexico	1.1	0.7	-15.3	-16.2	0.0	-0.1	0.0	-0.1
Netherlands	4.8	3.6	0.6	-0.1	0.0	0.0	0.0	0.0
New Zealand	0.3	0.2	3.9	2.0	0.0	0.0	0.0	0.0
Norway	0.3	0.5	9.4	9.4	0.0	0.0	0.0	0.0
Peru	0.2	0.1	0.9	1.9	0.0	0.0	0.0	0.0
Philippines	0.1	0.2	-10.0	-10.0	0.0	0.0	0.0	0.0

International Equity x Currency Overlay
Equity Performance Attribution

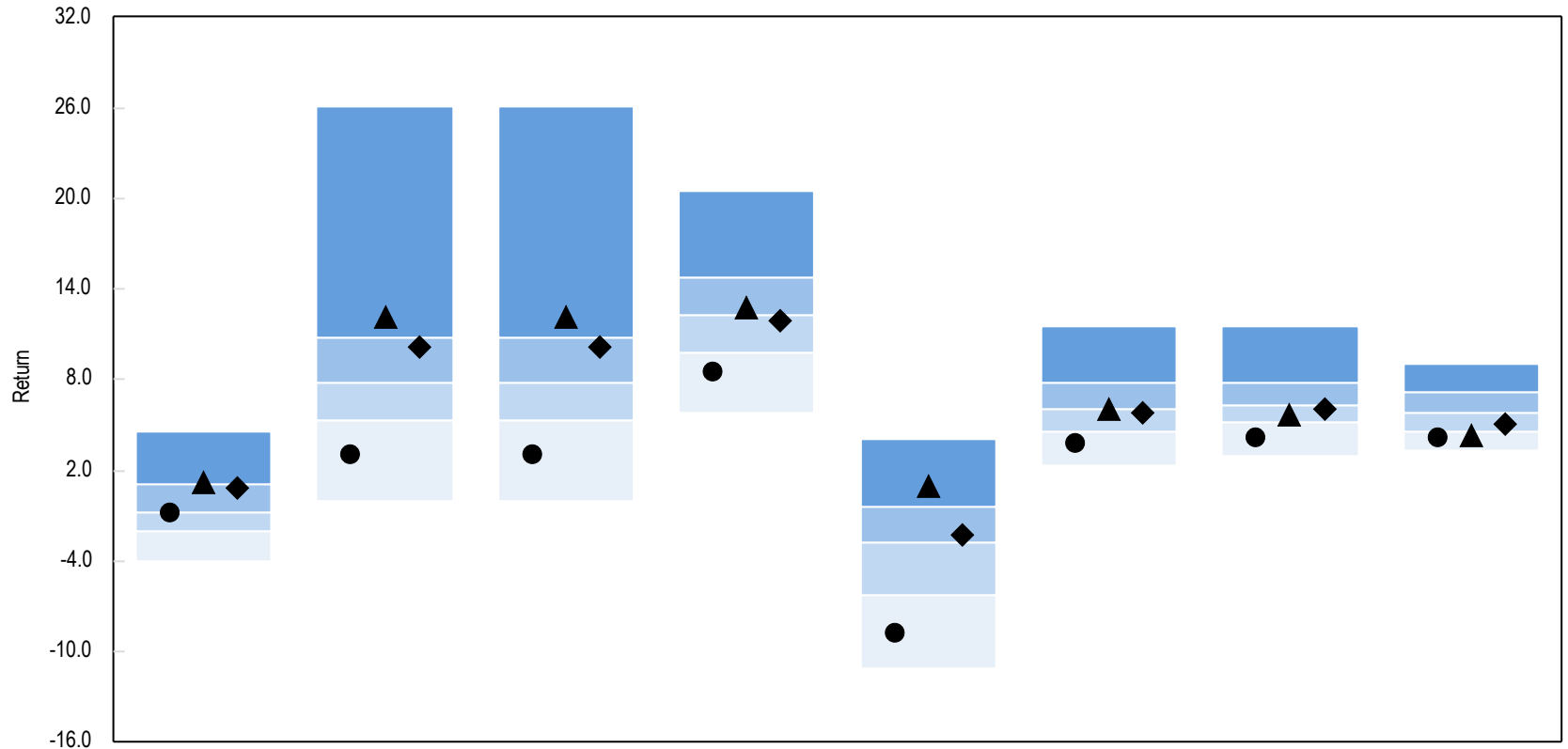
San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

	Weights		Performance			Attribution Effects		
	Portfolio	Benchmark	Portfolio	Benchmark	Selection Effects	Country Effects	Interaction Effects	Total Effects
Poland	0.1	0.3	6.5	6.4	0.0	0.0	0.0	0.0
Portugal	0.4	0.1	2.7	8.5	0.0	0.0	0.0	0.0
Qatar	0.1	0.2	1.4	1.4	0.0	0.0	0.0	0.0
Russia	0.0	0.0	8.5	0.0	0.0	0.0	0.0	0.0
Saudi Arabia	0.8	1.2	-5.0	-5.1	0.0	0.0	0.0	0.0
Singapore	1.5	1.0	8.6	7.0	0.0	0.0	0.0	0.1
South Africa	0.4	0.7	13.2	13.2	0.0	0.0	0.0	0.0
Spain	1.6	1.6	-1.5	-0.2	0.0	0.0	0.0	0.0
Sweden	2.6	2.2	7.0	2.5	0.1	0.0	0.0	0.1
Switzerland	4.5	6.0	3.6	3.2	0.0	0.0	0.0	0.0
Taiwan	4.9	5.1	19.7	13.6	0.3	0.0	0.0	0.3
Thailand	0.3	0.5	-4.4	-5.4	0.0	0.0	0.0	0.0
Turkey	0.1	0.3	16.4	16.5	0.0	0.0	0.0	0.0
United Arab Emirates	0.3	0.3	-4.2	-2.6	0.0	0.0	0.0	0.0
United Kingdom	12.1	8.6	3.6	4.1	0.0	0.1	0.0	0.0
United States	0.4	0.1	4.4	1.1	0.0	0.0	0.0	0.0
Other	1.4	0.4	4.8	-8.3	0.1	-0.1	0.1	0.1
Cash	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	0.9	1.1	-0.2	-0.2	0.2	-0.2

International Equity x Currency Overlay vs. MSCI AC World ex USA IMI

	Weights		Performance		Attribution Effects			Total Effects
	Portfolio	Benchmark	Portfolio	Benchmark	Selection Effects	Region Effects	Interaction Effects	
Americas	9.1	10.0	-6.7	-4.1	-0.3	0.0	0.0	-0.2
Asia Pacific	43.3	44.8	2.6	2.3	0.1	0.0	0.0	0.1
EMEA	45.8	44.8	0.6	1.1	-0.2	0.0	0.0	-0.2
Other	1.4	0.4	4.8	-8.3	0.1	-0.1	0.1	0.1
Cash	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	0.9	1.1	-0.3	-0.1	0.2	-0.2

eV ACWI ex-US Growth Equity Net Return Comparison



	3 Mo	Fiscal YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Baillie Gifford	-0.7 (50)	3.1 (88)	3.1 (88)	8.5 (85)	-8.8 (85)	3.9 (80)	4.2 (86)	4.2 (86)
▲ MSCI ACWI ex US	1.2 (24)	12.2 (22)	12.2 (22)	12.7 (44)	1.0 (16)	6.1 (52)	5.7 (64)	4.3 (83)
◆ MSCI ACWI ex US Growth	0.9 (28)	10.2 (30)	10.2 (30)	11.9 (55)	-2.3 (45)	5.8 (56)	6.0 (56)	5.1 (63)
5th Percentile	4.6	26.1	26.1	20.5	4.1	11.5	11.6	9.1
1st Quartile	1.1	10.8	10.8	14.7	-0.5	7.8	7.8	7.2
Median	-0.7	7.9	7.9	12.3	-2.8	6.1	6.3	5.8
3rd Quartile	-2.0	5.3	5.3	9.8	-6.2	4.6	5.2	4.6
95th Percentile	-4.0	0.0	0.0	5.8	-11.2	2.3	2.9	3.3
Population	107	107	107	105	104	96	88	70

Characteristics

	Portfolio	Benchmark
Number of Stocks	83	2,159
Wtd. Avg. Mkt. Cap \$M	105,670.8	112,366.5
Median Mkt. Cap \$M	29,523.0	9,176.2
Price/Earnings ratio	20.9	16.3
Current Yield (%)	1.7	3.0
Beta (5 Years, Monthly)	1.1	1.0
Price/Book ratio	3.8	2.6
Return on Equity (%)	3.8	2.8

Top Holdings

Best Performers

Worst Performers

	(%)		Return (%)		Return (%)
Taiwan Semiconductor Man.	5.3	Hargreaves Lansdown PLC	53.9	Sartorius AG	-40.9
ASML Holding NV	3.7	Silergy Corp	39.0	Adyen N.V	-29.5
United Overseas Bank Ltd	2.5	Taiwan Semiconductor Man.	28.2	Wise plc	-26.6
Investor AB publ	2.4	Recruit Holdings Co Ltd	20.7	Burberry Group PLC	-24.1
Auto Trader Group plc	2.3	Spotify Technology SA	18.9	B3 S.A.-Brasil Bolsa Balcao	-22.4
MercadoLibre Inc	2.1	MakeMyTrip Ltd	18.4	Centre Testing International Group Co Ltd	-21.0
Tokyo Electron Ltd	2.1	HDFC Bank Limited	17.9	IMCD NV	-20.2
Experian Plc	2.1	Softcat PLC	15.1	Ryanair Holdings PLC	-20.0
Cie Financiere Richemont	2.0	Auto Trader Group plc	14.5	Li Ning Company Limited	-17.7
Atlas Copco AB	1.8	Prosus NV	13.5	Remy Cointreau SA	-17.3

Baillie Gifford Performance Attribution vs. MSCI AC World ex USA Index

	Attribution Effects				Performance		Sector Weights	
	Total Effects	Selection Effect	Allocation Effect	Interaction Effect	Portfolio	Benchmark	Portfolio	Benchmark
Energy	0.0	0.2	0.0	-0.2	5.4	1.5	1.4	5.5
Materials	0.0	-0.3	0.1	0.2	-5.9	-1.7	3.2	7.4
Industrials	-0.7	-0.4	-0.1	-0.2	-3.5	-0.5	19.9	13.8
Consumer Discretionary	0.7	0.7	-0.2	0.2	1.1	-4.7	14.8	11.8
Consumer Staples	-0.5	-0.2	-0.1	-0.2	-4.6	-1.5	12.9	7.4
Health Care	-1.0	-1.1	0.0	0.1	-8.2	3.7	8.5	9.2
Financials	-0.4	-0.4	-0.1	0.1	1.2	2.9	14.4	21.4
Information Technology	0.3	0.0	0.2	0.0	5.5	5.2	19.0	13.4
Communication Services	0.3	0.3	0.0	0.0	9.2	4.1	5.3	5.1
Utilities	0.0	0.0	0.0	0.0	0.0	2.6	0.0	3.0
Real Estate	0.1	0.0	0.1	0.0	0.0	-4.6	0.0	2.0
Cash	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0
Total	-1.3	-1.2	-0.2	0.1	-0.2	1.1	100.0	100.0

Baillie Gifford vs. MSCI AC World ex USA Index

	Weights		Performance		Attribution Effects			Total Effects
	Portfolio	Benchmark	Portfolio	Benchmark	Selection Effects	Country Effects	Interaction Effects	
Australia	1.3	4.5	-0.5	2.0	-0.1	0.0	0.1	-0.1
Austria	0.0	0.1	0.0	9.1	0.0	0.0	0.0	0.0
Belgium	1.4	0.5	-3.5	-0.1	0.0	0.0	0.0	-0.1
Brazil	2.3	1.4	-18.1	-12.3	-0.1	-0.1	-0.1	-0.3
Canada	3.5	7.6	-13.0	-1.9	-0.8	0.1	0.5	-0.3
Chile	0.0	0.1	0.0	-0.2	0.0	0.0	0.0	0.0
China	3.6	6.0	-5.1	6.9	-0.7	-0.1	0.3	-0.6
Colombia	0.0	0.0	0.0	-4.6	0.0	0.0	0.0	0.0
Czech Republic	0.0	0.0	0.0	9.0	0.0	0.0	0.0	0.0
Denmark	0.8	2.4	-5.6	7.4	-0.3	-0.1	0.2	-0.2
Egypt	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Finland	0.0	0.6	0.0	3.4	0.0	0.0	0.0	0.0
France	5.3	7.2	-10.3	-5.9	-0.3	0.1	0.1	-0.1
Germany	2.6	5.6	-23.8	-0.7	-1.3	0.1	0.7	-0.6
Greece	0.0	0.1	0.0	-1.2	0.0	0.0	0.0	0.0
Hong Kong	3.7	1.7	-4.2	3.3	-0.1	0.0	-0.1	-0.2
Hungary	0.0	0.1	0.0	9.1	0.0	0.0	0.0	0.0
India	4.9	4.9	12.9	10.4	0.1	0.0	0.0	0.1
Indonesia	0.0	0.5	0.0	-12.0	0.0	0.1	0.0	0.1
Ireland	3.0	1.2	-2.3	-0.2	0.0	0.0	0.0	-0.1
Israel	0.0	0.5	0.0	-4.6	0.0	0.0	0.0	0.0
Italy	0.0	1.5	0.0	1.3	0.0	0.0	0.0	0.0
Japan	16.5	15.3	-2.8	-4.4	0.2	-0.1	0.0	0.2
Korea	0.0	3.5	0.0	-1.7	0.0	0.1	0.0	0.1
Kuwait	0.0	0.2	0.0	-4.4	0.0	0.0	0.0	0.0
Malaysia	0.0	0.4	0.0	4.4	0.0	0.0	0.0	0.0
Mexico	2.1	0.7	-16.0	-15.9	0.0	-0.2	0.0	-0.2
Netherlands	10.3	4.0	-4.2	0.1	-0.2	-0.1	-0.3	-0.5
New Zealand	1.0	0.2	4.7	4.2	0.0	0.0	0.0	0.0
Norway	0.0	0.4	0.0	7.6	0.0	0.0	0.0	0.0
Peru	0.0	0.1	0.0	2.1	0.0	0.0	0.0	0.0
Philippines	0.0	0.2	0.0	-10.4	0.0	0.0	0.0	0.0
Poland	0.0	0.2	0.0	5.7	0.0	0.0	0.0	0.0

	Weights		Performance			Attribution Effects		
	Portfolio	Benchmark	Portfolio	Benchmark	Selection Effects	Country Effects	Interaction Effects	Total Effects
Portugal	1.2	0.1	1.8	10.0	0.0	0.1	-0.1	0.0
Qatar	0.0	0.2	0.0	0.7	0.0	0.0	0.0	0.0
Saudi Arabia	0.0	1.2	0.0	-5.9	0.0	0.1	0.0	0.1
Singapore	2.4	0.9	9.4	8.4	0.0	0.1	0.0	0.1
South Africa	0.0	0.7	0.0	12.8	0.0	-0.1	0.0	-0.1
Spain	0.0	1.7	0.0	-1.2	0.0	0.0	0.0	0.0
Sweden	6.1	2.0	10.4	2.4	0.2	0.1	0.3	0.5
Switzerland	3.9	6.5	-2.9	3.5	-0.4	-0.1	0.2	-0.3
Taiwan	4.8	4.9	29.0	15.2	0.7	0.0	0.0	0.7
Thailand	0.0	0.4	0.0	-4.9	0.0	0.0	0.0	0.0
Turkey	0.0	0.2	0.0	21.5	0.0	0.0	0.0	0.0
United Arab Emirates	0.0	0.3	0.0	-2.3	0.0	0.0	0.0	0.0
United Kingdom	13.3	8.7	1.8	4.3	-0.2	0.1	-0.1	-0.2
United States	1.5	0.1	5.0	2.4	0.0	0.0	0.0	0.1
Other	4.1	0.3	9.8	-13.2	0.1	-0.5	0.9	0.4
Cash	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	-0.2	1.1	-3.4	-0.4	2.5	-1.3

Baillie Gifford vs. MSCI AC World ex USA Index

	Weights		Performance			Attribution Effects		Total Effects
	Portfolio	Benchmark	Portfolio	Benchmark	Selection Effects	Region Effects	Interaction Effects	
Americas	9.4	10.1	-12.1	-4.4	-0.8	0.0	0.1	-0.7
Asia Pacific	38.0	43.3	3.9	2.5	0.6	-0.1	-0.1	0.5
EMEA	47.9	46.3	-2.1	1.0	-1.4	0.0	-0.1	-1.5
Other	4.1	0.3	9.8	-13.2	0.1	-0.5	0.9	0.4
Cash	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	-0.2	1.1	-1.5	-0.6	0.8	-1.3

Characteristics

	Portfolio	Benchmark
Number of Stocks	131	1,242
Wtd. Avg. Mkt. Cap \$M	95,596.6	70,390.7
Median Mkt. Cap \$M	28,283.9	9,477.4
Price/Earnings ratio	12.9	12.1
Current Yield (%)	4.0	4.4
Beta (5 Years, Monthly)	1.0	1.0
Price/Book ratio	2.0	1.8
Return on Equity (%)	3.2	3.2

Top Holdings

Best Performers

Worst Performers

	(%)		Return (%)		Return (%)
Taiwan Semiconductor Man.	3.2	Hon Hai Precision Industry	40.7	Xinyi Solar Holdings Ltd	-33.0
Banco Santander SA	3.0	Koninklijke Philips NV	30.1	LONGi Green Energy Technology Co Ltd	-28.5
Fujitsu Ltd	2.8	Samsung Fire & Marine Insurance Co Ltd	24.3	PT Bank Rakyat Indonesia (Persero) Tbk	-26.4
Sony Group Corporation	2.7	Tencent Holdings LTD	23.9	Lg Chem Ltd	-23.0
Enel Ente Nazionale	2.7	Taiwan Semiconductor Man.	22.8	Yum China Holdings Inc	-22.1
Snam SPA	2.6	PetroChina Company Limited	22.5	Grupo Financiero Banorte	-21.8
TC Energy Corp	2.4	Hitachi Ltd	21.8	Hypera SA	-20.7
Allianz SE	2.4	Sandoz Group AG	21.6	Lg Chem Ltd	-20.5
Fujifilm Holdings Corp	2.4	Axis Bank Ltd	20.8	Continental AG	-18.7
Koninklijke Philips NV	2.3	HDFC Bank Limited	17.9	Secom Co Ltd	-18.5

Mondrian Performance Attribution vs. MSCI AC World ex USA Value

	Attribution Effects				Performance		Sector Weights	
	Total Effects	Selection Effect	Allocation Effect	Interaction Effect	Portfolio	Benchmark	Portfolio	Benchmark
Energy	-0.1	-0.1	0.0	0.0	1.3	2.4	6.9	9.7
Materials	0.0	0.0	0.0	0.0	-0.4	0.2	6.5	8.4
Industrials	-0.7	-0.4	-0.1	-0.2	-4.7	-1.0	15.9	11.0
Consumer Discretionary	0.0	0.0	-0.1	0.0	-4.7	-5.1	9.7	8.9
Consumer Staples	0.3	0.2	0.0	0.1	6.9	3.1	7.0	4.5
Health Care	0.3	0.1	0.1	0.1	5.6	3.7	11.4	6.8
Financials	-0.5	-0.3	-0.3	0.1	2.6	3.5	17.5	31.8
Information Technology	0.3	0.1	0.2	0.1	5.0	4.1	13.2	5.8
Communication Services	0.1	0.1	0.0	0.0	2.5	-0.3	4.3	4.4
Utilities	0.2	0.1	0.0	0.0	4.8	2.5	6.9	5.4
Real Estate	0.2	0.0	0.2	0.0	0.0	-5.8	0.0	3.4
Cash	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0
Total	0.2	-0.2	0.1	0.3	1.5	1.3	100.0	100.0

Mondrian vs. MSCI AC World ex USA Value

	Weights		Performance			Attribution Effects		
	Portfolio	Benchmark	Portfolio	Benchmark	Selection Effects	Country Effects	Interaction Effects	Total Effects
Australia	1.4	4.4	-6.6	1.1	-0.3	0.0	0.2	-0.1
Austria	0.9	0.2	-0.7	8.1	0.0	0.0	-0.1	0.0
Belgium	0.0	0.4	0.0	-3.1	0.0	0.0	0.0	0.0
Brazil	2.2	1.4	-10.9	-8.0	0.0	-0.1	0.0	-0.1
Canada	2.6	7.8	-3.3	-1.4	-0.1	0.1	0.1	0.1
Chile	0.3	0.1	-16.7	4.2	0.0	0.0	0.0	-0.1
China	7.2	6.1	0.9	8.5	-0.5	0.1	-0.1	-0.5
Colombia	0.0	0.0	0.0	-1.5	0.0	0.0	0.0	0.0
Czech Republic	0.0	0.0	0.0	8.4	0.0	0.0	0.0	0.0
Denmark	0.0	0.4	0.0	5.7	0.0	0.0	0.0	0.0
Egypt	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0
Finland	0.0	1.1	0.0	3.6	0.0	0.0	0.0	0.0
France	5.9	6.7	-6.2	-3.7	-0.2	0.0	0.0	-0.1
Germany	8.0	6.6	-1.7	-1.8	0.0	0.0	0.0	0.0
Greece	0.0	0.2	0.0	-4.4	0.0	0.0	0.0	0.0
Hong Kong	2.3	1.9	2.3	6.0	-0.1	0.0	0.0	-0.1
Hungary	0.0	0.1	0.0	8.6	0.0	0.0	0.0	0.0
India	2.7	5.2	14.2	10.1	0.2	-0.2	-0.1	-0.1
Indonesia	1.0	0.5	-20.7	-15.5	0.0	-0.1	0.0	-0.1
Ireland	0.0	0.4	0.0	4.3	0.0	0.0	0.0	0.0
Israel	0.0	0.5	0.0	-1.4	0.0	0.0	0.0	0.0
Italy	4.3	2.1	1.8	3.0	0.0	0.0	0.0	0.0
Japan	19.1	15.7	-3.3	-3.4	0.0	-0.2	0.0	-0.1
Korea	4.3	3.7	0.8	-0.2	0.0	0.0	0.0	0.0
Kuwait	0.0	0.3	0.0	-7.3	0.0	0.0	0.0	0.0
Malaysia	0.3	0.4	3.1	5.2	0.0	0.0	0.0	0.0
Mexico	0.9	0.8	-12.4	-18.0	0.0	0.0	0.0	0.0
Netherlands	1.9	2.1	30.1	-2.3	0.7	0.0	-0.1	0.6
New Zealand	0.0	0.1	0.0	-7.7	0.0	0.0	0.0	0.0
Norway	0.0	0.7	0.0	7.4	0.0	0.0	0.0	0.0
Peru	0.7	0.1	0.7	2.7	0.0	0.0	0.0	0.0
Philippines	0.0	0.2	0.0	-8.9	0.0	0.0	0.0	0.0
Poland	0.0	0.3	0.0	5.7	0.0	0.0	0.0	0.0

Mondrian
Equity Performance Attribution

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

	Weights		Performance			Attribution Effects			Total Effects
	Portfolio	Benchmark	Portfolio	Benchmark	Selection Effects	Country Effects	Interaction Effects		
Portugal	0.3	0.1	1.8	6.6	0.0	0.0	0.0	0.0	
Qatar	0.0	0.2	0.0	-0.1	0.0	0.0	0.0	0.0	
Saudi Arabia	0.8	1.1	-4.7	-5.9	0.0	0.0	0.0	0.0	
Singapore	1.9	0.9	9.4	4.3	0.0	0.0	0.0	0.1	
South Africa	0.0	0.7	0.0	16.2	0.0	-0.1	0.0	-0.1	
Spain	3.1	2.6	-3.1	-1.8	0.0	0.0	0.0	-0.1	
Sweden	0.0	1.5	0.0	1.2	0.0	0.0	0.0	0.0	
Switzerland	2.6	6.1	14.9	6.5	0.5	-0.2	-0.3	0.0	
Taiwan	4.5	4.2	24.8	9.5	0.6	0.0	0.0	0.7	
Thailand	0.0	0.4	0.0	-5.6	0.0	0.0	0.0	0.0	
Turkey	0.0	0.2	0.0	21.7	0.0	0.0	0.0	0.0	
United Arab Emirates	0.7	0.4	-5.9	1.2	0.0	0.0	0.0	0.0	
United Kingdom	18.4	10.5	4.5	4.9	0.0	0.3	0.0	0.2	
United States	0.0	0.0	0.0	-21.0	0.0	0.0	0.0	0.0	
Other	1.0	0.4	-5.1	-14.0	0.0	-0.1	0.1	0.0	
Cash	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total	100.0	100.0	1.5	1.3	0.8	-0.3	-0.3	0.2	

Mondrian vs. MSCI AC World ex USA Value

	Weights		Performance		Attribution Effects			Total Effects
	Portfolio	Benchmark	Portfolio	Benchmark	Selection Effects	Region Effects	Interaction Effects	
Americas	6.7	10.3	-7.1	-3.5	-0.4	0.2	0.1	-0.1
Asia Pacific	44.6	43.7	2.0	2.3	-0.1	0.0	0.0	-0.1
EMEA	47.0	45.6	2.6	1.7	0.4	0.0	0.0	0.4
Other	1.0	0.4	-5.1	-14.0	0.0	-0.1	0.1	0.0
Cash	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	1.5	1.3	-0.1	0.1	0.2	0.2

BlackRock MSCI ACWI EX-US IMI Performance Attribution vs. MSCI AC World ex USA IMI (Net)

	Attribution Effects				Performance		Sector Weights	
	Total Effects	Selection Effect	Allocation Effect	Interaction Effect	Portfolio	Benchmark	Portfolio	Benchmark
Energy	0.0	0.0	0.0	0.0	1.6	1.6	5.4	5.3
Materials	0.0	0.0	0.0	0.0	-1.2	-1.2	8.0	8.0
Industrials	0.0	0.0	0.0	0.0	0.1	0.0	14.8	14.9
Consumer Discretionary	0.0	0.0	0.0	0.0	-4.2	-4.3	11.8	11.8
Consumer Staples	0.0	0.0	0.0	0.0	-1.3	-1.3	7.3	7.3
Health Care	0.0	0.0	0.0	0.0	3.5	3.5	8.7	8.8
Financials	0.0	0.0	0.0	0.0	3.0	3.0	20.0	20.0
Information Technology	0.0	0.0	0.0	0.0	4.9	4.8	13.2	13.1
Communication Services	0.0	0.0	0.0	0.0	3.6	3.5	4.9	4.9
Utilities	0.0	0.0	0.0	0.0	2.9	2.8	3.0	3.0
Real Estate	0.0	0.0	0.0	0.0	-3.9	-4.0	2.9	2.9
Cash	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0
Total	0.0	0.0	0.0	0.0	1.1	1.1	100.0	100.0

Characteristics

	Portfolio	Benchmark
Number of Stocks	6,630	6,513
Wtd. Avg. Mkt. Cap \$M	96,412.7	96,871.4
Median Mkt. Cap \$M	1,960.4	1,969.6
Price/Earnings ratio	16.2	16.1
Current Yield (%)	3.0	3.0
Beta (3 Years, Monthly)	1.0	1.0
Price/Book ratio	2.5	2.5
Return on Equity (%)	2.8	2.8

Top Holdings

Best Performers

Worst Performers

	(%)		Return (%)		Return (%)
Taiwan Semiconductor Man.	2.4	SILICON2 Co Ltd	290.2	PT Berkah Beton Sadaya Tbk	-80.6
Novo Nordisk A/S	1.6	Sam Yang Foods Co Ltd	210.8	Cettire Limited	-70.4
ASML Holding NV	1.4	Garden Reach Shipbuilders & Engineers Ltd	174.5	Energy Absolute Public Company Limited	-67.5
Tencent Holdings LTD	1.0	Cochin Shipyard Limited	154.1	CM Hospitalar S A	-66.3
Samsung Electronics Co Ltd	0.9	Puravankara Ltd	136.3	Alfen N.V.	-65.7
Nestle SA, Cham Und Vevey	0.8	YC Corporation	132.0	Katilimevim Tasarruf Finansman Anonim Sirketi	-63.4
Astrazeneca PLC	0.8	TCL Electronics Holdings Ltd	123.9	Perion Network Ltd	-62.8
Shell Plc	0.8	ZIM Integrated Shipping Services Ltd	121.4	Maytronics Ltd	-61.9
Toyota Motor Corp	0.7	LS ELECTRIC Co Ltd	120.5	Politeknik Metal Sanayi ve Ticaret AS	-61.4
LVMH Moet Hennessy Louis V	0.7	Amara Raja Energy & Mobility Limited	118.8	Beyond Securities Public Co Ltd	-61.3

BlackRock MSCI ACWI EX-US IMI vs. MSCI AC World ex USA IMI (Net)

	Weights		Performance		Attribution Effects			Total Effects
	Portfolio	Benchmark	Portfolio	Benchmark	Selection Effects	Country Effects	Interaction Effects	
Australia	4.7	4.7	1.6	1.6	0.0	0.0	0.0	0.0
Austria	0.2	0.2	6.0	6.1	0.0	0.0	0.0	0.0
Belgium	0.5	0.6	0.2	0.2	0.0	0.0	0.0	0.0
Brazil	1.4	1.4	-12.8	-12.8	0.0	0.0	0.0	0.0
Canada	7.5	7.5	-1.5	-1.5	0.0	0.0	0.0	0.0
Chile	0.1	0.1	0.6	0.6	0.0	0.0	0.0	0.0
China	5.5	5.5	6.7	6.7	0.0	0.0	0.0	0.0
Colombia	0.0	0.0	-4.6	-4.6	0.0	0.0	0.0	0.0
Czech Republic	0.0	0.0	8.9	8.9	0.0	0.0	0.0	0.0
Denmark	2.2	2.2	7.3	7.3	0.0	0.0	0.0	0.0
Egypt	0.0	0.0	1.7	1.7	0.0	0.0	0.0	0.0
Finland	0.6	0.6	3.6	3.5	0.0	0.0	0.0	0.0
France	6.5	6.5	-6.0	-6.0	0.0	0.0	0.0	0.0
Germany	5.0	5.2	-1.2	-1.2	0.0	0.0	0.0	0.0
Greece	0.1	0.1	-1.4	-1.4	0.0	0.0	0.0	0.0
Hong Kong	1.6	1.6	3.6	3.6	0.0	0.0	0.0	0.0
Hungary	0.1	0.1	9.6	9.7	0.0	0.0	0.0	0.0
India	5.5	5.3	12.2	12.0	0.0	0.0	0.0	0.0
Indonesia	0.5	0.5	-11.6	-11.6	0.0	0.0	0.0	0.0
Ireland	1.1	1.0	-0.1	-0.2	0.0	0.0	0.0	0.0
Israel	0.7	0.7	-4.2	-4.4	0.0	0.0	0.0	0.0
Italy	1.6	1.6	1.1	1.1	0.0	0.0	0.0	0.0
Japan	16.2	16.2	-4.6	-4.6	0.0	0.0	0.0	0.0
Korea	3.6	3.6	-1.0	-1.0	0.0	0.0	0.0	0.0
Kuwait	0.2	0.2	-3.6	-3.6	0.0	0.0	0.0	0.0
Malaysia	0.4	0.4	5.9	5.9	0.0	0.0	0.0	0.0
Malta	0.0	0.0	3.3	3.3	0.0	0.0	0.0	0.0
Mexico	0.7	0.7	-16.1	-16.2	0.0	0.0	0.0	0.0
Netherlands	3.6	3.6	-0.1	-0.1	0.0	0.0	0.0	0.0
New Zealand	0.2	0.2	1.9	2.0	0.0	0.0	0.0	0.0
Norway	0.5	0.5	9.4	9.4	0.0	0.0	0.0	0.0
Peru	0.1	0.1	1.9	1.9	0.0	0.0	0.0	0.0
Philippines	0.2	0.2	-10.0	-10.0	0.0	0.0	0.0	0.0

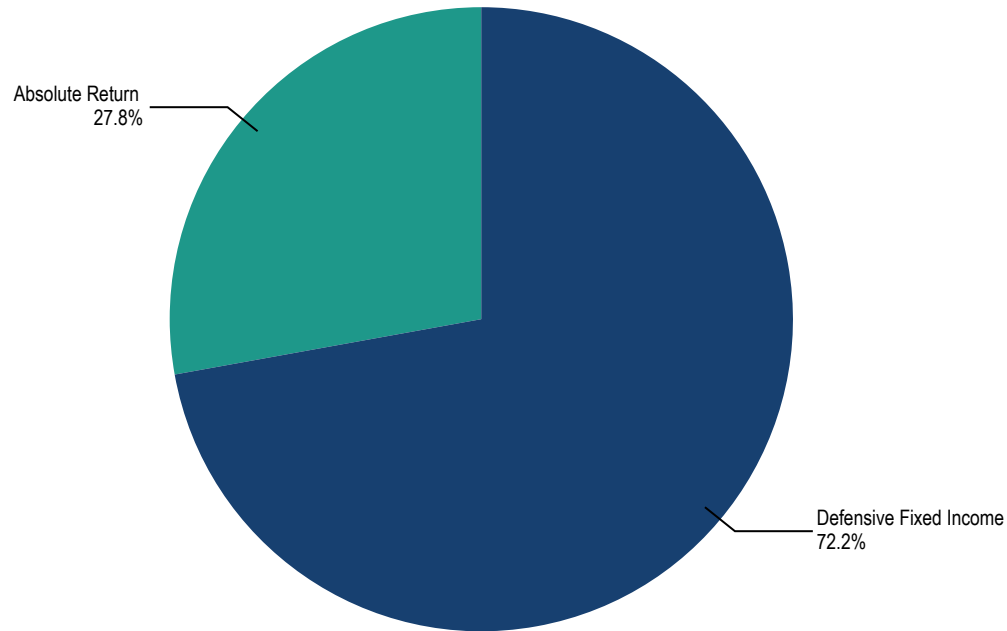
BlackRock MSCI ACWI EX-US IMI
Equity Performance Attribution

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

	Weights		Performance			Attribution Effects		Total Effects
	Portfolio	Benchmark	Portfolio	Benchmark	Selection Effects	Country Effects	Interaction Effects	
Poland	0.3	0.3	6.5	6.4	0.0	0.0	0.0	0.0
Portugal	0.1	0.1	8.5	8.5	0.0	0.0	0.0	0.0
Qatar	0.2	0.2	1.4	1.4	0.0	0.0	0.0	0.0
Russia	0.0	0.0	8.5	0.0	0.0	0.0	0.0	0.0
Saudi Arabia	1.2	1.2	-5.1	-5.1	0.0	0.0	0.0	0.0
Singapore	1.0	1.0	6.9	7.0	0.0	0.0	0.0	0.0
South Africa	0.8	0.7	13.2	13.2	0.0	0.0	0.0	0.0
Spain	1.6	1.6	-0.2	-0.2	0.0	0.0	0.0	0.0
Sweden	2.2	2.2	2.6	2.5	0.0	0.0	0.0	0.0
Switzerland	5.6	6.0	3.2	3.2	0.0	0.0	0.0	0.0
Taiwan	5.2	5.1	13.6	13.6	0.0	0.0	0.0	0.0
Thailand	0.6	0.5	-4.4	-5.4	0.0	0.0	0.0	0.0
Turkey	0.3	0.3	16.4	16.5	0.0	0.0	0.0	0.0
United Arab Emirates	0.3	0.3	-2.6	-2.6	0.0	0.0	0.0	0.0
United Kingdom	8.6	8.6	4.1	4.1	0.0	0.0	0.0	0.0
United States	0.1	0.1	1.0	1.1	0.0	0.0	0.0	0.0
Other	0.4	0.4	-8.3	-8.3	0.0	0.0	0.0	0.0
Cash	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	1.1	1.1	0.0	0.0	0.0	0.0

BlackRock MSCI ACWI EX-US IMI vs. MSCI AC World ex USA IMI (Net)

	Weights		Performance		Attribution Effects			Total Effects
	Portfolio	Benchmark	Portfolio	Benchmark	Selection Effects	Region Effects	Interaction Effects	
Americas	10.1	10.0	-4.1	-4.1	0.0	0.0	0.0	0.0
Asia Pacific	45.1	44.8	2.4	2.3	0.0	0.0	0.0	0.0
EMEA	44.2	44.8	1.1	1.1	0.0	0.0	0.0	0.0
Other	0.4	0.4	-8.3	-8.3	0.0	0.0	0.0	0.0
Cash	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	1.1	1.1	0.0	0.0	0.0	0.0



	Actual \$	Actual %	Manager Contribution to Excess Return %
Defensive Fixed Income	\$847,952,894	72.2%	0.0%
Absolute Return	\$327,110,004	27.8%	-1.2%
Actual vs. Policy Weight Difference			0.0%
Total	\$1,175,062,898	100.0%	-1.1%

Diversifying Portfolio
Risk vs. Return (1 Year)

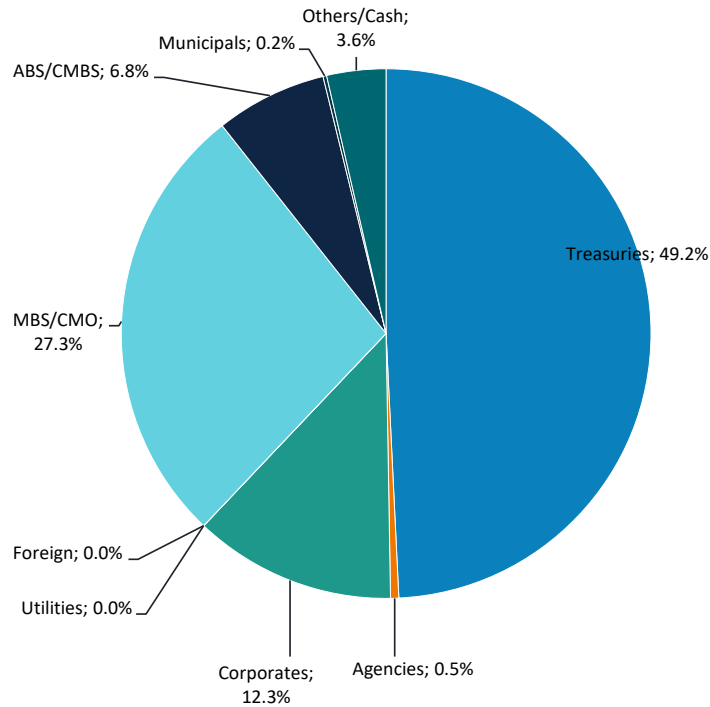
San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

Statistics Summary
3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Diversifying Portfolio	4.2	5.6	-0.2	0.3	2.1
<i>Blended Diversifying Index</i>	3.6	6.7	-0.2	-	0.0
Defensive Fixed Income	2.5	9.4	-0.2	2.5	0.7
<i>Blended Core Fixed Income Benchmark</i>	0.7	9.9	-0.4	-	0.0
Absolute Return	7.3	6.0	0.3	-0.3	6.0
<i>Absolute Return Custom Index</i>	9.4	0.2	20.6	-	0.0

Defensive Fixed Income
Bond Sector Allocation

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024



Sector	Account Weight	Bloomberg Aggregate	
		Weight	Difference
Treasuries	49.2%	43.2%	6.1%
Agencies	0.5%	0.9%	-0.4%
Corporates	12.3%	28.3%	-16.0%
Utilities	0.0%	0.0%	0.0%
Foreign	0.0%	0.0%	0.0%
MBS/CMO	27.3%	25.6%	1.7%
ABS/CMBS	6.8%	0.5%	6.3%
Municipals	0.2%	0.0%	0.2%
Others/Cash	3.6%	1.6%	2.0%
TOTAL	100.0%	100.0%	0.0%

Defensive Fixed Income
Bond Summary Statistics

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

Portfolio Characteristics		Portfolio	Bloomberg Aggregate
Total Number of Securities			
Total Market Value	\$	836,443,612	
Current Coupon		3.88	3.27
Yield to Maturity		5.23	5.00
Average Life		11.75	8.46
Duration		8.25	5.96
Quality		AA	AA

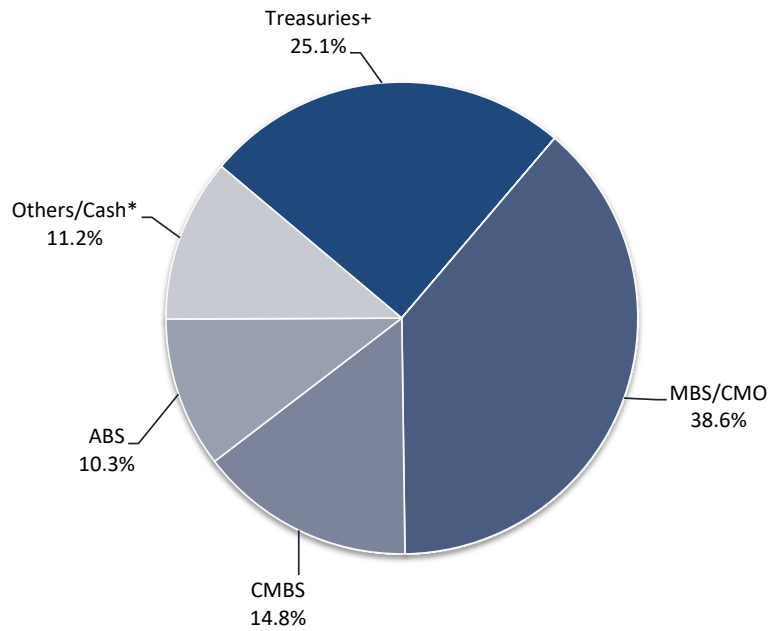
Yield to Maturity	
Range	% Held
0.0 - 5.0	51.8
5.0 - 7.0	41.2
7.0 - 9.0	5.9
9.0 - 11.0	0.6
11.0 - 13.0	0.2
13.0+	0.2
Unclassified	0.3

Average Life	
Range	% Held
0.0 - 1.0	8.2
1.0 - 3.0	24.8
3.0 - 5.0	14.3
5.0 - 10.0	20.1
10.0 - 20.0	14.7
20.0+	18.0
Unclassified	0.0

Duration	
Range	% Held
0.0 - 1.0	13.0
1.0 - 3.0	12.0
3.0 - 5.0	15.3
5.0 - 7.0	14.2
7.0 - 10.0	9.5
10.0+	36.1
Unclassified	0.0

Quality	
Range	% Held
Govt (10)	52.9
Aaa (10)	17.9
Aa (9)	10.5
A (8)	7.3
Baa (7)	9.8
Below Baa (6-1)	0.3
Other	1.4

Coupon	
Range	% Held
0.0 - 5.0	77.4
5.0 - 7.0	17.8
7.0 - 9.0	3.0
9.0 - 11.0	0.2
11.0 - 13.0	0.0
13.0+	0.0
Unclassified	1.6



Sector	Account Weight	Bloomberg Aggregate Weight	Difference
Treasuries ⁺	25.1%	43.2%	-18.1%
Agencies	0.0%	0.9%	-0.9%
Corporates	0.0%	28.3%	-28.3%
Utilities	0.0%	0.0%	0.0%
Foreign	0.0%	0.0%	0.0%
MBS/CMO	38.6%	25.6%	13.0%
CMBS	14.8%	0.0%	14.8%
ABS	10.3%	0.5%	9.8%
Municipals	0.0%	0.0%	0.0%
Others/Cash*	11.2%	1.6%	9.6%
TOTAL	100.0%	100.0%	0.0%

+ May include TIPS allocation.

* Includes CLOs.

Portfolio Characteristics		Portfolio
Total Number of Securities		256
Total Market Value	\$	260,342,409
Current Coupon		4.77
Yield to Maturity		5.83
Average Life		7.51
Duration		6.44
Quality		AA+

Bloomberg Aggregate
3.27
5.00
8.46
5.96
AA

Yield to Maturity	
Range	% Held
0.0 - 5.0	23.6
5.0 - 7.0	57.1
7.0 - 9.0	17.3
9.0 - 11.0	1.2
11.0 - 13.0	0.4
13.0+	0.4
Unclassified	0.0

Average Life	
Range	% Held
0.0 - 1.0	23.6
1.0 - 3.0	57.1
3.0 - 5.0	17.3
5.0 - 10.0	1.2
10.0 - 20.0	0.4
20.0+	0.4
Unclassified	0.0

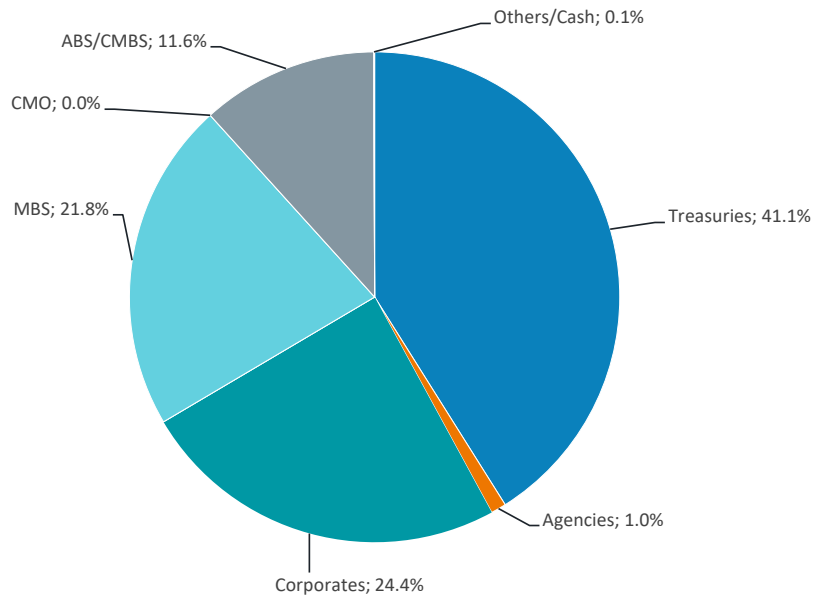
Duration	
Range	% Held
0.0 - 1.0	34.7
1.0 - 3.0	13.8
3.0 - 5.0	16.6
5.0 - 7.0	12.3
7.0 - 10.0	3.8
10.0+	18.9
Unclassified	0.0

Quality	
Range	% Held
Govt (10)	35.7
Aaa (10)	35.5
Aa (9)	5.4
A (8)	8.0
Baa (7)	10.2
Below Baa (6-1)	0.7
Other	4.5

Coupon	
Range	% Held
0.0 - 5.0	64.4
5.0 - 7.0	22.4
7.0 - 9.0	8.0
9.0 - 11.0	0.8
11.0 - 13.0	0.0
13.0+	0.0
Unclassified/Cash	4.5

FIAM Bond Duration Pool
Bond Sector Allocation

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024



Sector	Bloomberg Aggregate		
	Account Weight	Weight	Difference
Treasuries	41.1%	43.2%	-2.1%
Agencies	1.0%	0.9%	0.2%
Corporates	24.4%	28.3%	-3.9%
Utilities	0.0%	0.0%	0.0%
Foreign	0.0%	0.0%	0.0%
MBS	21.8%	25.6%	-3.8%
CMO	0.0%	0.0%	0.0%
ABS/CMBS	11.6%	0.5%	11.2%
Municipals	0.0%	0.0%	0.0%
Others/Cash	0.1%	1.6%	-1.5%
TOTAL	100.0%	100.0%	0.0%

FIAM Bond Market Duration Pool
Bond Summary Statistics

San Mateo County Employees' Retirement Association
Period Ending: March 31, 2024

Portfolio Characteristics		
	Portfolio	
Total Number of Securities		456
Total Market Value	\$	150,022,582
Current Coupon		4.04
Yield to Maturity		5.30
Average Life		9.19
Duration		6.21
Quality		AA-

Bloomberg Aggregate	
	3.27
	5.00
	8.46
	5.96
	AA

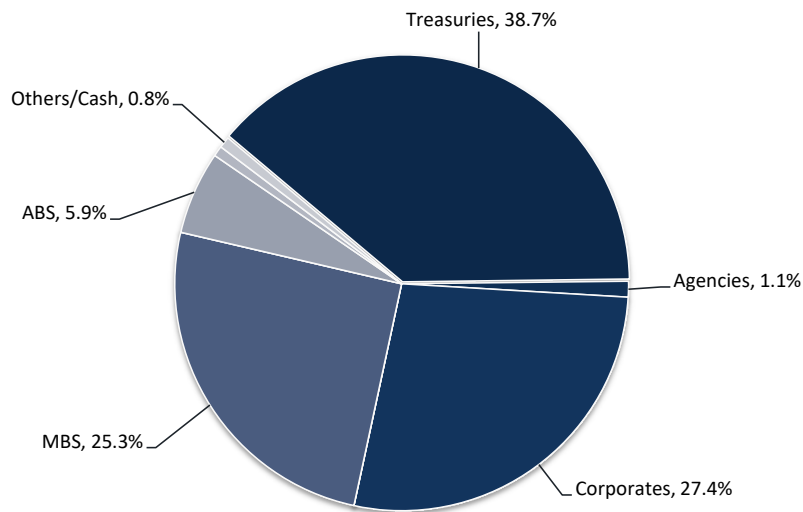
Yield to Maturity	
Range	% Held
0.0 - 5.0	51.9
5.0 - 7.0	43.0
7.0 - 9.0	3.4
9.0 - 11.0	1.1
11.0 - 13.0	0.5
13.0+	0.3
Unclassified	0.0

Average Life	
Range	% Held
0.0 - 1.0	2.2
1.0 - 3.0	8.3
3.0 - 5.0	20.2
5.0 - 10.0	50.8
10.0 - 20.0	6.7
20.0+	11.6
Unclassified	0.17

Duration	
Range	% Held
0.0 - 1.0	11.5
1.0 - 3.0	6.8
3.0 - 5.0	20.7
5.0 - 7.0	29.2
7.0 - 10.0	17.1
10.0+	14.6
Unclassified	0.00

Quality	
Range	% Held
Govt (10)	42.1
Aaa (10)	28.6
Aa (9)	3.0
A (8)	8.0
Baa (7)	17.8
Below Baa (6-1)	0.4
Other	0.00

Coupon	
Range	% Held
0.0 - 5.0	77.0
5.0 - 7.0	20.8
7.0 - 9.0	2.1
9.0 - 11.0	0.0
11.0 - 13.0	
13.0+	0.0
Unclassified	



Sector	Account Weight	Bloomberg Aggregate	
		Weight	Difference
Treasuries	38.7%	43.2%	-4.5%
Agencies	1.1%	0.9%	0.3%
Corporates	27.4%	28.3%	-0.9%
Utilities	0.0%	0.0%	0.0%
Foreign	0.0%	0.0%	0.0%
MBS	25.3%	25.6%	-0.3%
CMO	0.0%	0.0%	0.0%
ABS	5.9%	0.5%	5.4%
Municipals	0.7%	0.0%	0.7%
Others/Cash	0.8%	1.6%	-0.8%
TOTAL	100.0%	100.0%	0.0%

NISA Core Bond Market Duration Pool
Bond Summary Statistics

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

Portfolio Characteristics		
		Portfolio
Total Number of Securities		604
Total Market Value	\$	281,289,033
Current Coupon		3.69
Yield to Maturity		5.06
Average Life		9.05
Duration		6.04
Quality		Aa2

Bloomberg Aggregate	
Current Coupon	3.27
Yield to Maturity	5.00
Average Life	8.46
Duration	5.96
Quality	AA

Yield to Maturity	
Range	% Held
0.0 - 5.0	42.7
5.0 - 7.0	55.9
7.0 - 9.0	0.4
9.0 - 11.0	0.2
11.0 - 13.0	0.0
13.0+	0.0
Unclassified*	0.8

Average Life	
Range	% Held
0.0 - 1.0	2.3
1.0 - 3.0	20.7
3.0 - 5.0	18.9
5.0 - 10.0	37.6
10.0 - 20.0	11.4
20.0+	9.0
Unclassified	0.0

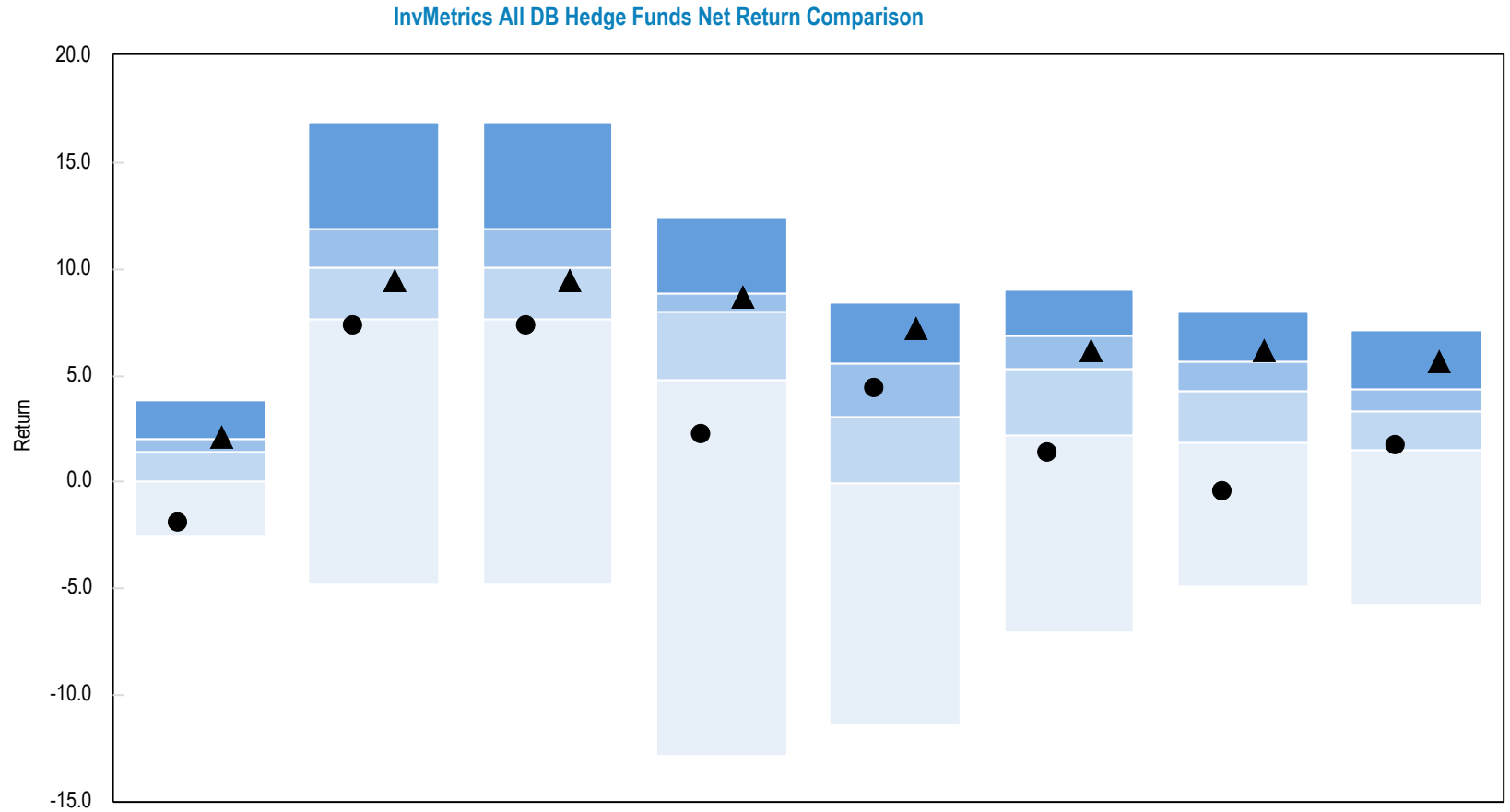
Duration	
Range	% Held
< 1.0	2.3
1.0 - 3.0	22.2
3.0 - 5.0	22.7
5.0 - 7.0	18.9
7.0 - 10.0	17.7
10.0+	16.2
Unclassified	0.0

*Unclassified includes a 0.65% cash position

Quality	
Range	% Held
Govt* (10)	39.8
Aaa (10)	8.4
Aa (9)	27.5
A (8)	11.8
Baa (7)	12.4
Below Baa (6-1)	0.0
Other	0.0

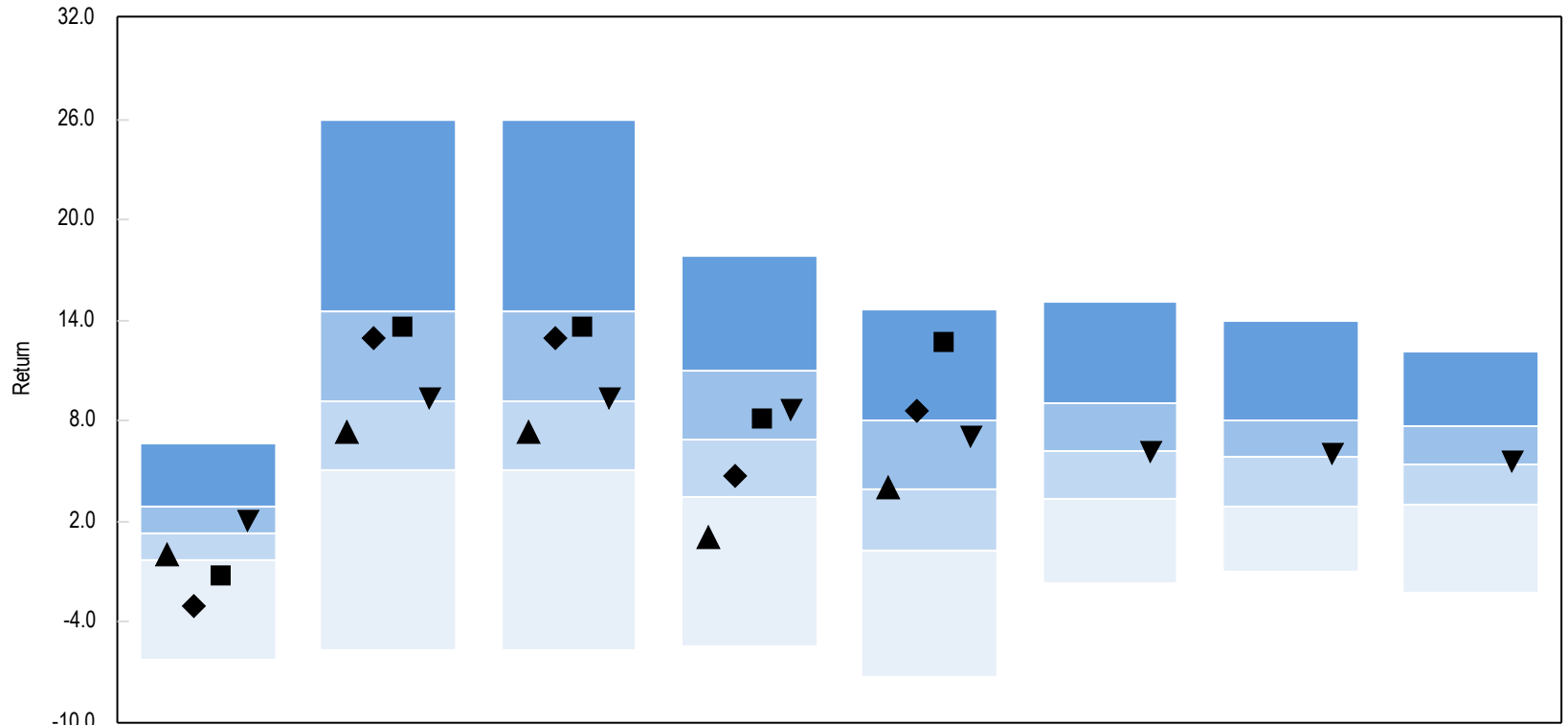
Coupon	
Range	% Held
0.0 - 5.0	73.3
5.0 - 7.0	25.2
7.0 - 9.0	0.7
9.0 - 10.0	0.0
10.0+	0.0
Unclassified	0.8

Absolute Return
Peer Universe Comparison



	3 Mo	Fiscal YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Absolute Return	-1.8 (92)	7.3 (77)	7.3 (77)	2.3 (84)	4.4 (39)	1.4 (80)	-0.4 (84)	1.8 (73)
▲ Absolute Return Custom Index	2.1 (20)	9.4 (57)	9.4 (57)	8.7 (29)	7.2 (14)	6.2 (32)	6.1 (20)	5.6 (13)
5th Percentile	3.8	16.9	16.9	12.4	8.4	9.1	8.0	7.1
1st Quartile	2.0	11.9	11.9	8.8	5.6	6.8	5.7	4.4
Median	1.4	10.0	10.0	8.0	3.0	5.3	4.3	3.3
3rd Quartile	0.0	7.6	7.6	4.7	0.0	2.2	1.8	1.5
95th Percentile	-2.5	-4.8	-4.8	-12.8	-11.3	-7.1	-4.9	-5.8
Population	54	54	54	54	53	52	43	38

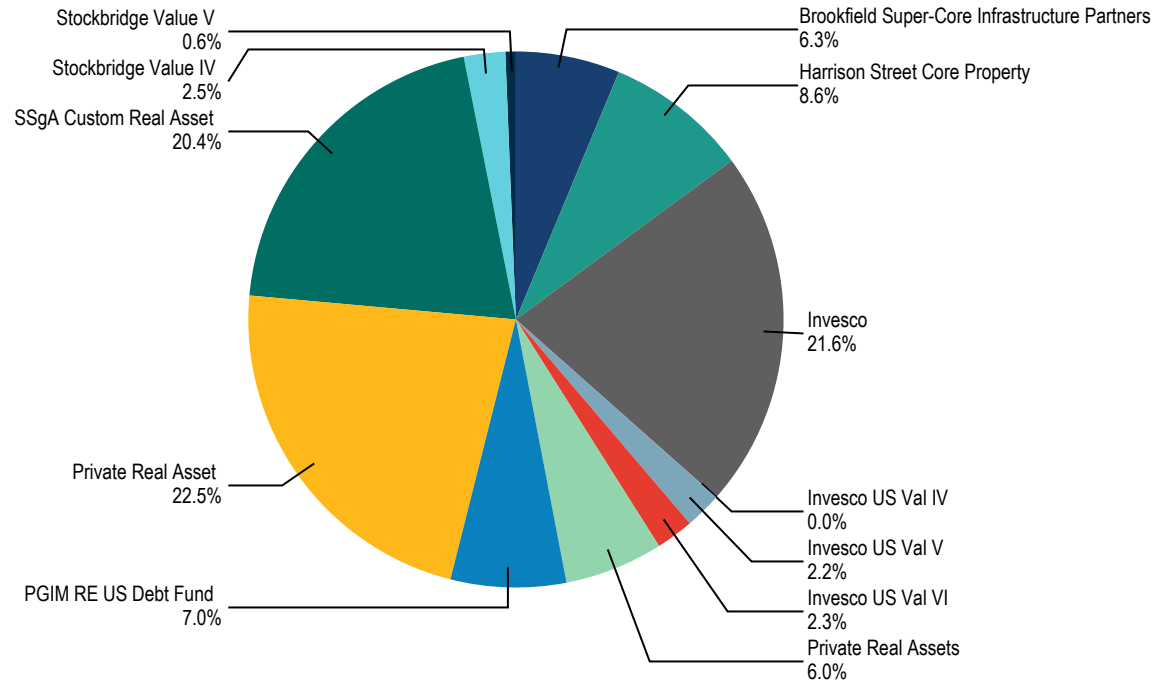
eV Alt All Multi-Strategy Net Return Comparison



	3 Mo	Fiscal YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs
▲ CFM Systematic Global Macro	0.1 (69)	7.3 (63)	7.3 (63)	1.1 (86)	4.0 (50)	-	-	-
◆ Graham Quant Macro	-3.0 (87)	12.9 (30)	12.9 (30)	4.7 (68)	8.6 (23)	-	-	-
■ PIMCO MAARS Fund LP	-1.2 (81)	13.6 (28)	13.6 (28)	8.2 (40)	12.7 (11)	-	-	-
▼ Absolute Return Custom Index	2.1 (37)	9.4 (49)	9.4 (49)	8.7 (36)	7.2 (30)	6.2 (51)	6.1 (48)	5.6 (48)
5th Percentile	6.7	25.9	25.9	17.9	14.6	15.1	13.9	12.2
1st Quartile	2.9	14.5	14.5	11.0	8.0	9.0	8.1	7.7
Median	1.3	9.2	9.2	6.9	4.0	6.2	5.8	5.4
3rd Quartile	-0.3	5.1	5.1	3.5	0.3	3.4	2.9	3.1
95th Percentile	-6.2	-5.7	-5.7	-5.4	-7.3	-1.7	-1.0	-2.2
Population	277	270	270	259	245	212	186	154

Inflation Hedge
 Manager Allocation Analysis

San Mateo County Employees' Retirement Association
 Period Ending: June 30, 2024



	Actual \$	Actual %	Manager Contribution to Excess Return %
Harrison Street Core Property	\$90,412,068	8.6%	0.1%
Invesco	\$226,779,760	21.6%	-0.2%
Invesco US Val IV	\$99,763	0.0%	0.0%
Invesco US Val V	\$23,126,386	2.2%	0.0%
Invesco US Val VI	\$23,772,890	2.3%	0.0%
PGIM RE US Debt Fund	\$73,088,020	7.0%	0.1%
Stockbridge Value IV	\$26,225,091	2.5%	-0.1%
Stockbridge Value V	\$6,670,812	0.6%	0.0%
Private Real Asset	\$235,749,636	22.5%	1.0%
Brookfield Super-Core Infrastructure Partners	\$65,883,382	6.3%	0.1%
KKR Diversified Core Infrastructure Fund	\$62,403,453	6.0%	0.0%
SSgA Custom Real Asset	\$214,243,103	20.4%	0.0%
Actual vs. Policy Weight Difference			0.5%
Total	\$1,048,454,365	100.0%	1.5%

Inflation Hedge
Risk vs. Return

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

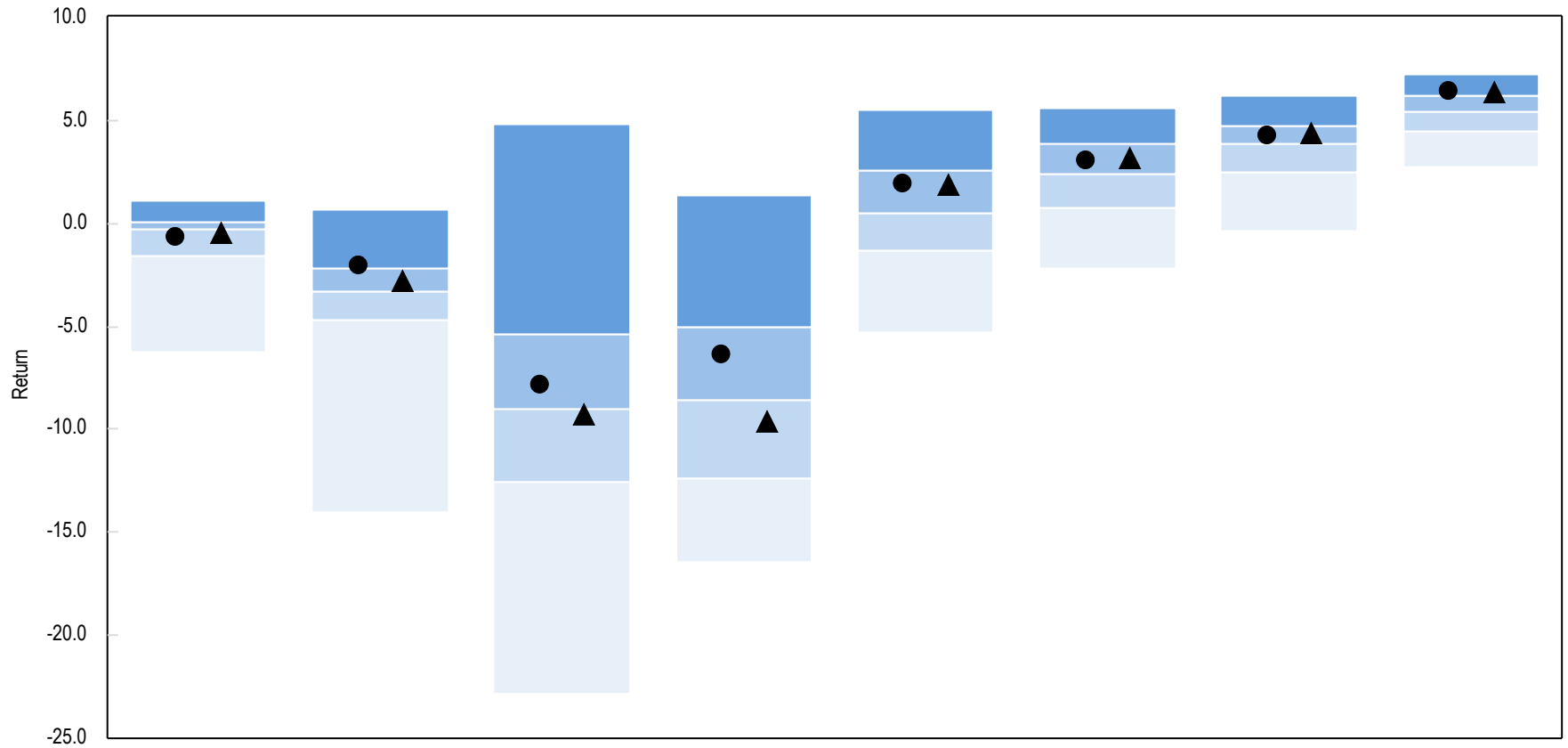
Statistics Summary
3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Inflation Hedge	4.8	5.2	0.3	0.1	5.1
Blended Inflation Hedge Index	4.3	7.9	0.2	-	0.0
Real Estate	1.9	6.7	-0.1	-0.1	3.1
NCREIF ODCE	1.9	9.3	-0.1	-	0.0
Invesco	0.6	9.0	-0.2	-0.7	1.8
NCREIF ODCE	1.9	9.3	-0.1	-	0.0
Invesco US Val IV	-40.6	33.0	-1.4	-1.5	30.9
NCREIF ODCE	1.9	9.3	-0.1	-	0.0
Invesco US Val V	-7.2	15.6	-0.6	-0.7	11.9
NCREIF ODCE	1.9	9.3	-0.1	-	0.0
PGIM RE US Debt Fund	6.0	0.7	3.3	0.4	9.1
NCREIF ODCE	1.9	9.3	-0.1	-	0.0
Private Real Assets	12.1	9.3	0.9	0.2	17.5
Blended Private Real Assets Index	7.8	16.2	0.4	-	0.0
Public Real Assets	4.2	12.5	0.2	-0.2	0.3
Blended Public Real Assets Index	4.3	12.4	0.2	-	0.0
SSgA Custom Real Asset	4.2	12.5	0.2	-0.2	0.3
SSgA Custom Real Asset Index	4.3	12.4	0.2	-	0.0

Statistics Summary
5 Years

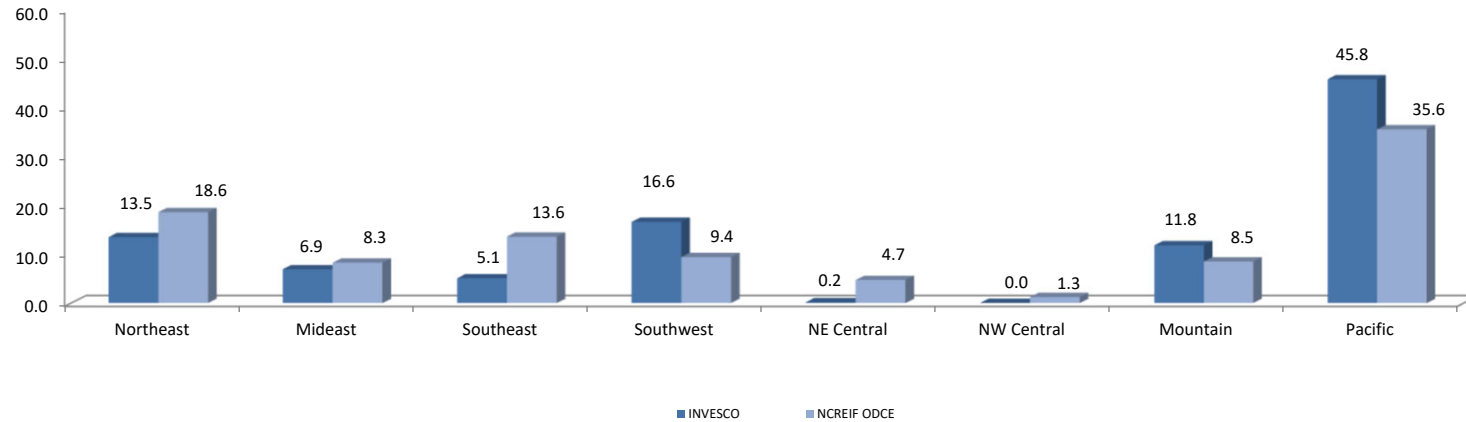
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Inflation Hedge	3.7	6.4	0.3	-0.3	4.8
Blended Inflation Hedge Index	5.1	7.6	0.4	-	0.0
Real Estate	3.1	5.8	0.2	-0.1	2.5
NCREIF ODCE	3.2	7.5	0.2	-	0.0
Invesco	2.0	7.7	0.0	-0.5	2.1
NCREIF ODCE	3.2	7.5	0.2	-	0.0
Invesco US Val IV	-24.6	26.9	-0.9	-1.1	25.1
NCREIF ODCE	3.2	7.5	0.2	-	0.0
PGIM RE US Debt Fund	5.7	1.3	2.6	0.3	7.4
NCREIF ODCE	3.2	7.5	0.2	-	0.0
Private Real Assets	10.6	10.5	0.8	0.1	20.6
Blended Private Real Assets Index	7.2	19.1	0.3	-	0.0
Public Real Assets	1.8	16.9	0.1	-0.7	3.3
Blended Public Real Assets Index	4.4	14.9	0.2	-	0.0
SSgA Custom Real Asset	4.3	14.8	0.2	-0.1	0.7
SSgA Custom Real Asset Index	4.4	14.9	0.2	-	0.0

InvMetrics All DB All Real Estate Net Return Comparison

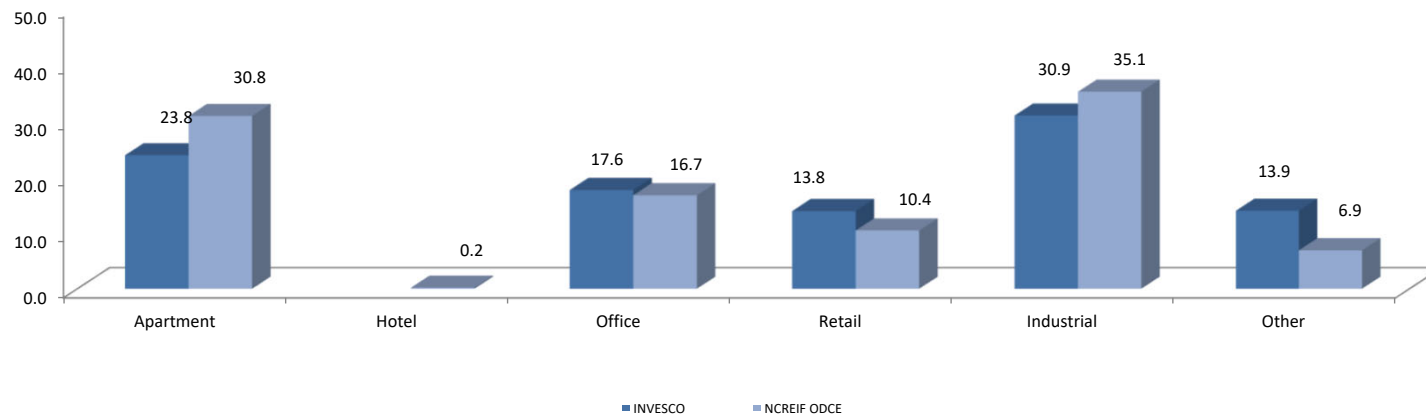


	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Real Estate	-0.7 (58)	-2.0 (24)	-7.8 (42)	-6.4 (37)	1.9 (35)	3.1 (40)	4.3 (39)	6.5 (18)
▲ NCREIF ODCE	-0.4 (56)	-2.8 (36)	-9.3 (51)	-9.6 (58)	1.9 (35)	3.2 (40)	4.4 (38)	6.4 (19)
5th Percentile	1.1	0.6	4.8	1.4	5.5	5.6	6.2	7.3
1st Quartile	0.1	-2.2	-5.3	-5.0	2.6	3.8	4.7	6.2
Median	-0.3	-3.3	-9.0	-8.6	0.5	2.4	3.9	5.5
3rd Quartile	-1.6	-4.7	-12.5	-12.4	-1.3	0.8	2.5	4.5
95th Percentile	-6.2	-14.0	-22.8	-16.4	-5.3	-2.2	-0.4	2.7
Population	106	106	106	105	103	100	89	73

Geographic Diversification



Property Diversification



Cash & Cash Overlay
Risk vs. Return

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

Statistics Summary
3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
County Treasury Pool	2.6	1.8	-0.2	-0.2	1.8
90 Day U.S. Treasury Bill	3.0	0.7	-	-	0.0
Cash & Cash Overlay	3.4	0.7	2.1	2.1	0.2
90 Day U.S. Treasury Bill	3.0	0.7	-	-	0.0
General Account	3.5	0.7	3.5	3.5	0.1
90 Day U.S. Treasury Bill	3.0	0.7	-	-	0.0

Acadian Asset Management – MAARS Fund

Acadian Multi-Asset Absolute Return (MAARS) strategy was inceptioned in November 2017. MAARS targets a volatility of 6%-8% and a return of cash plus 5%. This is a multi-factor strategy that aims to exploit behavioral inefficiencies within and across global markets and is designed to be diversifying, dynamic and defensive. It is market neutral, implemented using long and short positions across five primary asset classes (equity, fixed income, currency, commodities, and volatility) and over 100 underlying assets with a focus on liquid instruments. Return forecasts incorporate asset-specific and macroeconomic insights and are utilized to harvest active returns from within and across asset classes through market selection and directional positioning. The strategy integrates risk and return across asset classes. Avoidance of downside events is highlighted in the approach with a greater weighting in their models allocated to down market beneficiaries, such as quality factors, and asymmetric positioning which reduces positions when risk rises. Differentiated attributes of this are its approach and weighting to commodities and its volatility sleeve which can incorporate long volatility.

Angelo, Gordon & Co. – Credit Solutions

The Angelo Gordon (AG) Credit Solutions Fund (CSF) expects to hold concentrated positions of 5-8% of NAV (averaging 30 positions over the life of the Fund with recycling). The Fund is targeting a net 15% IRR with a 5-7% current yield. The Fund should be 70% concentrated in the U.S. with the balance in Europe. Finally, while the opportunities can be sourced from both the public markets and the private markets, AG is finding compelling sources of return at this time through structuring new privately placed secured term loans out of public investments made by the firm. CSF will address corporate credit-based opportunities created in three main areas: 1) trading-based price dislocations that reduce creation multiples (price through the debt that must be repaid before value accrues to other stakeholders) while generating high current income; 2) opportunities in issuers tied to industries directly impacted by COVID-19 where the market's perception of the impact differs from the actual impact; and 3) corporate debt issuers that will be materially impacted by the pandemic and will need to restructure, but whose creation value is materially lower than the issuer's intrinsic value.

Angelo, Gordon & Co. – CSF (Annex) Dislocation II

The Angelo Gordon Annex Dislocation Fund II (ADFII)'s investment aim is to target senior securities of world-class businesses with irreplaceable assets and strong cash flow profiles which, because of market stress, can be purchased at a material discount to what they believe is a company's long-term intrinsic value. ADFII will invest opportunistically in securities or claims of companies in North America and Europe for which prices have, in Angelo Gordon's view, dislocated from long term fundamentals due to situational market volatility and stress.

Angelo, Gordon & Co. – Credit Solutions II

Like its predecessor funds, the Angelo Gordon (AG) Credit Solutions Fund II (CSF II) is an all-weather, solutions-based strategy that targets net returns of 14+% with 5-7% current yield. The Fund will invest in single-name opportunities where price movements and credit documents afford creative financing solutions. This could include companies with upcoming debt maturities, working capital issues, or inefficient capital structures that are inflating financing costs. In these cases, AG will seek to work with management and other creditors to structure a bespoke transaction that avoids bankruptcy and solves the issue for the company in exchange for debt securities with conservative attachment points and healthy yield. While the opportunities are likely to be sourced 75% from the public markets and 25% from the private markets, the "solutions" will likely be private products. During periods of dislocation, the Fund can pivot towards trading-oriented strategies where there is not a need for additional financing, such as sourcing debt in the secondary markets at discounts to intrinsic value. CSF II expects to hold concentrated positions of 5-8% of NAV (averaging 30 positions over the life of the Fund with recycling). The fund should be 70% concentrated in the U.S. with the balance in Europe.

Baillie Gifford – ACWI ex US Focus Equities

ACWI ex US Focus is a fundamental growth strategy. Research is organized primarily by regional teams, with each member of the ACWI ex US Focus Portfolio Construction Group representing a regional team. Four global sector groups also contribute research. Baillie Gifford conducts approximately 2000 company meetings annually both in Edinburgh and onsite. Companies are evaluated on their growth opportunity relative to the average company, their ability to execute on that opportunity, and the degree to which probability of future success is already valued by the market. Baillie Gifford's basic philosophy is that share prices ultimately follow earnings. They believe that the stock market has a recurring tendency to under-appreciate the value of long-term compound growth. The process seeks to add value through use of proprietary fundamental research to identify companies exhibiting some combination of sustained above average growth, and attractive financial characteristics. The portfolio generally holds 60-90 stocks, with country and sector weights +/-10% relative to the index and stock weights +/- 5% relative to the index.

Beach Point Capital Management, L.P. - Beach Point Select Fund

Beach Point Select Fund is a commingled fund vehicle within the firm's Opportunistic Credit strategy. This fund focuses on off-the-run, complex, and less-liquid securities. It is a best ideas portfolio of distressed debt, special situations, private/direct loans, catalyst-driven high yield bonds and bank loans, and credit-informed equities with a North American and European focus. The Select Fund differs from other funds and accounts in the Opportunistic Credit strategy by pursuing a more concentrated portfolio and emphasizing a higher percentage of less-liquid/private investments. Beach Point invests up and down the entire capital structure and it constructs portfolios with a bottom-up, research-driven approach that also takes into account top-down macro considerations. Its investment process includes idea generation, detailed credit analysis, relative value decision making and investment selection, portfolio construction and on-going monitoring. The ultimate goal of its investment process is to produce a well-diversified investment portfolio with limited downside risk and substantial upside potential.

BlackRock – MSCI ACWI ex US IMI Index

The ACWI ex US IMI Index Fund seeks to replicate the return of the MSCI ACWI ex US IMI Index. This index represents the developed equity markets outside of North America, including small cap equity. BlackRock monitors their funds daily to ensure that additions and deletions to the indexes, mergers and acquisitions, restructurings and other capitalization changes are made to the fund in such a way as to minimize tracking error and transactions costs.

BlackRock – Russell 1000 Index

The Russell 1000 Index Fund tracks large U.S. companies and achieve broad diversification with low costs by fully replicating the Russell 1000 Index. BlackRock monitors their funds daily to ensure that additions and deletions to the indexes, mergers and acquisitions, restructurings and other capitalization changes are made to the fund in such a way as to minimize tracking error and transactions costs.

BlackRock (formerly Tennenbaum Capital Partners) - Direct Lending Funds VIII and IX

TCP Direct Lending Fund VIII is a private investment fund managed by Tennenbaum Capital Partners ("TCP"). The Fund is designed to continue TCP's successful strategy of investing in privately-originated, performing senior secured debt primarily in North America-based companies with target enterprise values between \$100 million and \$1.5 billion. The Fund will include positions in 1st lien, 2nd lien and unitranche debt, with a preference for floating-rate debt, which TCP believes provides better flexibility to adapt to market conditions. TCP's direct lending strategy has generated attractive investment opportunities across market cycles, as evidenced by the Firm's prior direct lending track record. Fund VIII targets an unlevered annual yield of approximately 9-12%, with its return primarily driven by current income. SamCERA committed \$35 million to DLF VIII in June 2016 in its unlevered fund sleeve and \$35 million to the DLF IX in June 2019.

Brigade – Opportunistic Credit

Opportunistic Credit is a fundamental, bottom-up strategy focused on high yield corporate bonds and bank loans with tactical allocations to structured securities, convertibles, and other sectors of the bond markets as they become attractive on a relative value basis. While performing credits represent the majority, Brigade will invest up to 35% of the portfolio in distressed securities and restructuring situations if these types of opportunities are attractive on a risk-adjusted basis and the timing is right with respect to the credit cycle. The portfolio is comprised of mostly North American issuers, but they are not restricted geographically and expect to have a moderate allocation to Europe over time. Although the portfolio is generally long-only, Brigade has the ability to implement a limited amount of tactical macro hedges.

CFM - Systematic Global Macro

Capital Fund Management (CFM) Systematic Global Macro (SCM) is a directional strategy that takes long and short positions in liquid future and forwards across 130+ markets and across equities, bonds, currencies, and commodities. It is a new strategy that draws on model signals from existing strategies at the firm – Discus (diversified CTA), CFM ISTrends (trend following) and CFM ISTrend Equity Capped (defensive trend following) - and SamCERA is a seed investor with an attractive fee. SGM's objective is to provide absolute returns that are uncorrelated with traditional asset classes over a long time horizon with an annualized volatility target between 8% and 12%. SGM uses a diverse set of trading strategies that are based on factors (momentum, value, carry, macro and sentiment) across asset classes. These technical and fundamental factors operate at different time scales and can have varying degrees of influence on performance depending on market and economic conditions. An additional global macro defensive overlay is combined with these outputs in constructing the final portfolio. CFM uses a form of portfolio construction known as agnostic risk parity to ensure that the SGM portfolio is diversified on an out-of-sample basis. The goal of SGM is to generate consistent returns while limiting drawdowns.

DE Shaw – DE Shaw US Broad Market Core Alpha Extension Fund

The D. E. Shaw group believes that there exist some market inefficiencies that may be identified through quantitative analysis, advanced technology, and the insight of practitioners. Identifying these inefficiencies involves a process of hypothesis formulation, testing, and validation. Importantly, to avoid data-mining, the hypothesis formulation precedes the analysis of the historical data. D.E. Shaw's Structured Equity strategies rely largely on quantitative and computational investment techniques developed by the D. E. Shaw over the last two decades in the course of research conducted for purposes of managing the firm's hedge funds. D.E. Shaw's investment process involves a suite of quantitative models, each designed to capitalize on a distinct and uncorrelated set of market inefficiencies. Some of these models are technical in nature and involve price and volume inputs. Other models rely on fundamental data, such as figures gleaned from corporate balance sheets or income statements. Still others, again quantitative, anticipate or react to a particular corporate event or set of events. These models typically operate with forecast horizons of a few weeks to many months. The ability to trade on shorter-term signals distinguishes D.E. Shaw from many of its long only and 130/30 peers. Portfolio construction involves the use of a proprietary optimizer which runs dynamically throughout the trading day. The portfolio is broadly diversified with several hundred long and short positions. Over- and under-weighting of sectors and industries relative to the benchmark will be quite modest, with the intention that most of the alpha be generated by security selection. The US Broad Market Core Alpha Extension Fund is a 130/30 strategy which maintains a beta that is approximately neutral to the Russell 1000 Index.

DoubleLine – Securitized Income

The DoubleLine Securitized Income strategy is an actively managed, liquid, long only, intermediate-term fixed income product. The primary objective of the strategy is to seek and maximize current income and total return by utilizing a combination of Agency MBS and structured credit. The DoubleLine Structured Products team aims to offer clients investment grade exposure to both interest rate duration and credit spread to provide a more attractive total return profile compared to the benchmark. Securitized Income seeks to maximize income and total return by investing across the structured products universe, focusing on agency mortgage-backed securities (MBS) and investment grade securitized credit. DoubleLine takes a barbelled approach to investing in the securitized market, and they will separate rates from credit and will adjust the allocations to both at the based on the economic cycle and opportunities. Duration positioning is achieved through Agency MBS, Agency CMBS, and treasuries while credit exposure is attained through all areas of structured credit.

Eaton Vance – Emerging Markets Debt Opportunities Fund

Eaton Vance's Emerging Market Debt Opportunities (EMDO) strategy utilizes a combination approach to build a portfolio of fixed income securities that is highly diversified across geographies, issuers, credit quality, and currencies to achieve a higher expected return relative to the benchmark with similar volatility.

Fidelity (FIAM) – Broad Market Duration Separate Account

Pyramis' Broad Market Duration (BMD) investment strategy seeks to achieve absolute and risk-adjusted returns in excess of the BC U.S. Aggregate Index, focusing its investment in US Treasuries, agencies, investment grade corporate bonds, mortgage-backed and asset-backed securities. The BMD commingled pool can also hold small, opportunistic positions in out-of-benchmark securities, such as inflation-linked bonds. The investable universe includes all US dollar denominated, investment grade debt securities. The BMD investment approach emphasizes issuer and sector valuation and individual security selection. Through the integration of fundamental and quantitative research and trading, the BMD strategy is implemented in a team environment. Risk management technology is utilized to explicitly quantify benchmark exposures on a daily basis, and Pyramis uses the same analytical framework to assess both index and portfolio risk. Tracking error should range between 40 and 60 basis points per annum over the benchmark, and stringent portfolio construction risk control rules are strictly adhered to.

Graham – Quant Macro Fund

Graham Quant Macro ("GQM") is a directional, long and short strategy that utilizes fundamental and price-based indicators to establish return forecasts across global interest rates, foreign exchange, stock indices and commodities. The strategy incorporates a variety of submodels that generate macro fundamental forecasts, assess yield and earnings differentials, compare current valuations relative to historic fair value, and analyze directional price trends across markets. Quantitative risk management and portfolio construction techniques are used to diversify risk across the portfolio and enhance risk-adjusted returns. Historically, the average holding period has been approximately eight to ten weeks, although the sub-models will make daily adjustments to positions. The strategy is designed to have low correlation to traditional markets and other alternative strategies and has the potential to provide significant portfolio diversification benefits.

Harrison Street Core Property

Based in Chicago, Harrison Street's exclusive focus since inception in 2005 has been investing in non-core property sectors of the real estate market. The Harrison Street Core Fund is an open-end fund that invests primarily in stabilized education, healthcare, and self-storage real estate assets in the United States using modest leverage with an emphasis on generating current income. The focus on these alternative property types is intended to concentrate on areas of the real estate market that are less GDP sensitive with demand drivers that are more demographic driven such as aging populations, education growth and healthcare delivery. Each of these areas tend to be less tied to the business cycle, have fragmented ownership and more operationally intensive. The fund acts as a diversifier within real estate portfolios with sector exposures that are not a typical focus of other core ODCE funds.

INVESCO Realty Advisors – INVESCO Core Equity, LLC

SamCERA is a founding member of INVESCO's open-end Core Equity real estate fund and rolled its separate account properties into the fund. INVESCO Core Equity, LLC (the "Fund") is a perpetual life, open-end vehicle which invests in a diversified portfolio of institutional quality office, retail, industrial and multifamily residential real estate assets. The Fund buys core properties that are located within the United States, typically requiring an investment of \$10 million or more. The portfolio cannot be more than 30% leveraged.

INVESCO Realty Advisors – INVESCO US Val IV, V, & VI

Invesco has provided SamCERA with Core Real Estate exposure since 2004 through the Invesco Core Equity Fund. The Invesco real estate team manages around \$62B in assets with investments and offices around the globe. Invesco Value Fund's looks to acquire fundamentally sound but broken "core" assets that can be repositioned into institutional-quality, income producing properties. Investments are limited to direct equity interests in office, multi-family, retail and industrial properties across the US. The Fund is expected to be geographically concentrated in U.S. gateway cities and top 25 Metropolitan Statistical Areas (MSA's). Invesco Value Fund's provide a complement to the more conservative Invesco Core Fund and offers the potential of enhanced returns to the SamCERA Real Estate portfolio.

Insight Investments – Cash Flow Matched Liquidity

Insight is the fixed income sleeve of Mellon Capital. The strategy seeks to invest in short duration fixed income securities that match the negative cash flows of the Plan (similar to an LDI plan). Insight receives estimates of three years of cash flows from the actuarial report. Once a year, if market conditions allow, SamCERA will re-invest "year 3" net cash flows. Insight uses their credit analysis team for analyzing all credits or potential investments to the fund.

Mondrian Investment Partners – International Equity

Mondrian is a value-oriented, defensive manager whose investment philosophy is based on the principle that investments must be evaluated for their fundamental long-term value. The firm's philosophy involves three stated investment objectives: 1) provide a rate of return meaningfully greater than the client's domestic rate of inflation, 2) structure client portfolios that preserve capital during protracted international market declines, and 3) provide portfolio performance that is less volatile than benchmark indices and other international managers. Mondrian applies typical value screening criteria to a universe of 1,500 stocks, from which 500 are selected for more detailed work. Through fundamental research, and the deliberations of the Investment Committee, the universe is further reduced to a list of 150 stocks. The investment team conducts detailed fundamental analysis on the remaining stocks, a process which includes applying the firm's dividend discount model consistently across all markets and industries. Mondrian also uses a purchasing power parity model to give an accurate currency comparison of the value of the stocks under consideration. The firm will only consider buying stocks in countries with good investor protection practices and relatively simple repatriation procedures. A computer-based optimization program is employed in the portfolio construction process. Mondrian's portfolio holds 80-125 issues.

NISA – Core Bond

NISA applies a risk-controlled approach to all of its fixed income portfolios. This approach does not permit large bets or positions that generate significant tracking error versus the benchmark. Instead, NISA invests in a large number of small, diversified, active positions which seek tight tracking error to the chosen benchmark. Benchmark weight is a significant consideration when constructing and managing portfolios. The investment strategy is comprised of strategic (top-down) and tactical (bottom-up) decisions. Strategic decisions include sector selection and yield curve positioning while tactical decisions include industry and security selection and trading activity. Review of both strategic and tactical decisions is continual. The amount of portfolio risk budget devoted to one aspect versus the other will change as market conditions warrant. In general, strategic decisions change relatively infrequently, while tactical decisions, especially security selection, will change fairly often as market conditions provide opportunities. Over a typical market cycle, the bottom-up is expected to contribute to 70% of value-added while top-down is roughly 30%.

NISA – Long Treasury

A passive implementation of long treasuries managed to the Bloomberg Long Treasury Index. This strategy seeks to replicate the characteristics of its benchmark.

PanAgora Asset Management – Defensive U.S. Equity Low Volatility

PanAgora's Defensive Equity strategy seeks to harness the 'low-volatility premium' through a systematic, factor-based investment approach focused on achieving market-like returns with less risk. This is accomplished by leveraging PanAgora's proprietary Risk Parity portfolio construction methodology, which seeks to efficiently capture the equity premium associated with low volatility, while taking minimal unintended risks. Since the firm's inception, PanAgora has been using quantitative techniques to integrate fundamental insights with large amounts of dynamic market data. They score individual securities on a factor basis and also on a diversification basis, in the context of a broadly diversified portfolio. The portfolio construction process optimizes the portfolio around the intended factor exposure (volatility) while maintaining equal risk contribution across sectors (ex., overweight utilities and consumer staples, underweight financials and technology). Shorter term volatility and longer term correlation analysis is combined in the approach. The result for the US Defensive Equity strategy is a portfolio expected to have lower volatility (beta around 0.65-0.75), and similar returns relative to the capitalization-weighted benchmark over a full market cycle. PanAgora expects the strategy to participate in approximately 75% of up markets and 55% in down markets.

Parametric Overlay – Cash Overlay and Currency Hedge

Parametric's cash overlay program is an efficient way for SamCERA to maintain its target asset allocation in a systematic fashion through cash securitization at the fund and manager level transition/reallocation support and asset class rebalancing back to target within defined bands. The cash overlay program is invested synthetically using liquid futures with cash balances reviewed daily. A combination of large and small cap futures implementation is the proxy for private equity. SamCERA's investment guidelines initially allowed only for cash overlay. Rebalancing was added to the SamCERA program in January 2014. Cash overlay and rebalancing is expected to add 10-20 bps to the portfolio over time. The purpose of the currency is first and foremost to lower portfolio risk and secondarily to add incremental performance.

PIMCO Diversified

PIMCO's Diversified Income (DI) Fund is a multi-sector strategy that invests across a broad spectrum of global credit market sectors, including investment grade and high yield corporate debt, as well as emerging markets. The allocation among these will vary based on PIMCO's assessment of global trends and relative valuations. This active and dynamic approach allows for increased responsiveness in asset allocation to changing economic and market conditions while remaining anchored by PIMCO's investment process and longer-term orientation. The ability to invest globally helps to improve diversification and may allow investors to benefit from differences in business cycles across regions and credit quality trends across credit sectors. PIMCO's DI investment strategy seeks to provide high yield-like returns with lower volatility against a blended index (1/3 Bloomberg Barclays Global Agg Credit ex-EM; 1/3 BofA Merrill Lynch BB-B rated Developed Markets High Yield; 1/3 JPMorgan EMBI Global). The fund allows for a duration band of 3-8 years. The team focuses its investments into these groups: credit strategies (investment grade, high yield, emerging markets and non-core credits including MBS, municipals and other govt-related sectors); duration strategies (U.S. and non-U.S. duration) and currencies (tactical non-USD exposure).

PIMCO – MAARS

PIMCO MAARS is an alternative risk premia strategy that looks for risks associated with: (1) Supply and Demand Constraints, (2) Behavioral Biases, and (3) Asymmetric Risks (event risk). As reflected in the design of the MAARS strategies, PIMCO believes that alternative risk premia strategies are best implemented using a systematic approach that minimizes the discretionary inputs in day-to-day portfolio management. MAARS places a greater emphasis and weighting on global interest rates, currencies and commodities and a lesser emphasis on equities than many of its Alt Beta peers. Relative to Alt Beta peers, the strategy's rates and currency (FX) models are particularly robust, reflective of PIMCO's core competency and long history managing these asset classes using derivative instruments.

PIMCO Private Income Fund

PIMCO Private Income Fund (PIF) uses an opportunistic and flexible approach to global private credit. PIF provides a total return oriented global credit exposure utilizing both top-down sector relative value and bottom up security selection. The strategy invests across private residential, commercial, corporate and specialty finance markets. PIMCO's Private Income Fund (PIF) is targeting 8-12% net returns with income providing most of the fund's returns. The Private Income Investment Committee (IC) identifies market themes and direction for their relative value framework, and sector specialists provide recommendations to the PM team within that construct. PIF has the ability to invest throughout the capitalization structure. The fund can use a moderate amount of leverage to enhance portfolio returns (1.5 times with a hard cap of 2 times).

PGIM RE Debt

PGIM Real Estate US Debt Fund (PREDS) focuses on a loan origination strategy with a mix of 20% senior long duration loans on stable assets, 60% senior short/medium duration loans on stable and transitional assets, and 20% mezzanine mid/long duration debt. SamCERA was a founding investor in the PREDS strategy which invests in US commercial real estate debt in an open-ended vehicle with a return target of 7-8% (gross) coming from stable current income. The fund makes investments in first lien mortgages and mezzanine debt. First lien mortgages can be floating rate or fixed rate, but only floating rate loans will use leverage. Subordinate investments (mezzanine debt and preferred equity) will be limited by design. The fund can source and invest in secondary loans through a variety of Prudential real estate professionals, but the primary focus will be on direct origination through the real estate finance team.

PGIM Quantitative Solutions – Small-Cap Core

Quantitative Management Associates (QMA) utilizes a bottom-up quantitative framework in order provide a diversified exposure to core U.S. small-cap stocks, while attempting to produce consistent outperformance versus the benchmark with moderate tracking error levels. QMA uses an adaptive, systematic investment process to exploit opportunities created by mispriced securities to consistently add value over long time periods. Bottom-up stock selection drives exposure to key sources of alpha (valuation, growth, and quality). The QMA stock selection model adapts to changes in company growth rates and market environments by putting more emphasis on valuation for slowly growing companies, and more emphasis on future growth projections for companies with higher projected growth rates.

Record Dynamic Currency

Record is one of the world's largest and longest standing currency managers. The Record Dynamic Currency Hedging program uses a systematic process which exploits inefficiencies in the FX markets. The strategy focuses on currencies' tendency to trend, in an explicable, repeatable way.

State Street Global Advisors (SSgA) Custom Real Asset

SSgA Custom Real Asset portfolio uses a portfolio of liquid real assets to proxy private real assets. The portfolio is comprised of equal weightings of the Bloomberg Roll Select Commodity Index, S&P Global Mid-Large Cap Natural Resources Index, S&P Global Infrastructure Index, and Bloomberg Barclays TIPS Index. SSgA provides beta exposure through these underlying liquid components which can be customized to changing client needs (ex., TIPS was added in May 2020 with the other three parts of the portfolio reduced pro-rata). The portfolio is used to fund upcoming private real asset mandates.

Stockbridge Value IV

Stockbridge Value IV will implement a value-added strategy that will seek to own assets that are undervalued, underutilized, and/or not operating to their full potential. The manager will add value with their internal asset management team through active strategies including additional capital investment, leasing, recapitalization, renovation and/or development. The fund will target three to five year holding periods for investments, with disposition taking place after the completion of the value-add strategy. The fund will target 15 to 25 mid-sized investments, diversified by geography and property type. The strategy will target 21 markets in the United States in which the firm has boots on the ground coverage with dedicated acquisitions professionals and asset managers responsible for knowing each market extensively with a vast network of relationships.

White Oak - White Oak Yield Spectrum Fund/Fund V

The White Oak Yield Spectrum Fund's objective is to earn substantial current income by originating, extending, and/or investing in a diversified portfolio of primarily senior secured corporate credit and debt instruments consisting of term loans, asset-based loans and equipment leases and loans issued by small to middle-market companies located primarily in the United States and Canada. It focuses on providing self-originated deals for predominantly non-sponsored, privately-held borrowers.

Total Plan Policy Index	As of															
	7/1/23	3/1/23	10/1/22	7/1/22	2/1/21	1/1/21	7/1/20	4/1/20	10/1/19	7/1/19	4/1/19	1/1/19	10/1/18	4/1/18	10/1/17	
60/40 MSCI World/Bloomberg Global Aggregate (RP)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	
91 Day T-Bills	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Blended Opportunistic Index	11.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Bloomberg US Govt/Credit 1-3 Yr. TR	4.5%	4.5%	4.5%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Bloomberg Aggregate	9.5%	12.5%	13.5%	16.5%	18.0%	21.0%	21.0%	18.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	
Bloomberg BA Intermediate HY	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	8.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	
Bloomberg Long Treasury	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Bloomberg TIPS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Blended Public Real Assets	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	0.0%	
Blended Private Real Assets	5.0%	5.0%	4.0%	4.0%	4.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	8.0%	
Libor +4% (HF)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
SOFR +4% (HF)	6.0%	7.0%	7.0%	7.0%	7.0%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
MSCI ACWI ex US IMI 100% Hedged (Net)	9.0%	9.5%	9.5%	9.5%	9.5%	9.0%	9.0%	9.0%	9.0%	7.6%	5.7%	3.8%	1.9%	0.0%	0.0%	
MSCI ACWI ex-US IMI (Net)	9.0%	9.5%	9.5%	9.5%	9.5%	9.0%	9.0%	9.0%	9.0%	11.4%	13.3%	15.2%	17.1%	19.0%	19.0%	
NCREIF ODCE	9.0%	9.0%	9.0%	9.0%	9.0%	10.0%	10.0%	9.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	
Russell 3000	23.0%	21.0%	21.0%	21.0%	22.0%	21.0%	21.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	21.0%	21.0%	
Russell 3000 +3% (PE)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.0%	
Russell 3000 +3% 1Q Lag (PE)	7.0%	7.0%	7.0%	7.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	7.0%	0.0%	
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Simple Benchmark	As of			
	7/1/23	3/1/23	10/1/22	7/1/22
MSCI ACWI IMI	59.0%	57.0%	57.0%	57.0%
Bloomberg US Aggregate	18.5%	19.5%	20.5%	23.5%
NFI ODCE	17.0%	18.0%	17.0%	17.0%
Bloomberg 1-3 Yr Govt/Credit Index	5.5%	5.5%	5.5%	2.5%
	100.0%	100.0%	100.0%	100.0%

Public Equity Benchmark	As of:																				
	7/1/23	7/1/22	2/1/21	7/1/20	10/1/19	7/1/19	4/1/19	1/1/19	10/1/18	10/1/17	2/1/17	10/1/16	9/1/16	1/1/16	1/1/14	10/1/10	5/1/07	6/1/00	3/1/99	9/1/98	1/1/96
MSCI ACWI ex-US	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	34.0%	31.3%	23.1%	0.0%	0.0%	0.0%
MSCI ACWI ex US IMI 100% Hedged (Net)	22.0%	23.8%	23.2%	23.1%	22.5%	18.5%	13.9%	9.3%	4.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MSCI ACWI ex-US IMI	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	47.5%	45.2%	40.4%	41.7%	41.7%	40.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MSCI ACWI ex US IMI (Net)	22.0%	23.8%	23.2%	23.1%	22.5%	27.8%	32.4%	37.0%	41.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MSCI EAFE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Russell 1000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	48.0%	52.8%	55.2%	61.5%	35.5%	33.3%	33.3%
Russell 1000 Value	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	8.4%	0.0%
Russell 2000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.3%	12.0%	13.2%	13.5%	15.4%	24.2%	25.0%	25.0%
Russell 3000	56.1%	52.5%	53.7%	53.9%	55.0%	53.7%	53.7%	53.7%	53.7%	52.5%	54.8%	59.6%	58.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
S&P 500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

US Equity Benchmark	As of:						
	9/1/16	1/1/16	6/1/00	3/1/99	9/1/98	7/1/96	1/1/95
Russell 1000	0.0%	85.7%	80.0%	52.0%	50.0%	50.0%	69.0%
Russell 1000 Value	0.0%	0.0%	0.0%	12.0%	12.5%	0.0%	0.0%
Russell 2000	0.0%	14.3%	20.0%	36.0%	37.5%	37.5%	14.0%
Russell 3000	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
S & P 500	0.0%	0.0%	0.0%	0.0%	0.0%	12.5%	17.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

International Equity Benchmark	As of:								
	10/1/19	7/1/19	4/1/19	1/1/19	10/1/18	10/1/17	1/1/14	6/1/00	1/1/96
MSCI ACWI ex US	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
MSCI ACWI ex US IMI 100% Hedged (Net)	50.0%	40.0%	30.0%	20.0%	10.0%	0.0%	0.0%	100.0%	0.0%
MSCI ACWI ex US IMI	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
MSCI ACWI ex US IMI (Net)	50.0%	60.0%	70.0%	80.0%	90.0%	100.0%	0.0%	0.0%	0.0%
MSCI EAFE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Defensive Fixed Income Benchmark	As of:	
	7/1/23	7/1/22
Bloomberg U.S. Aggregate Index	76.0%	100.0%
Bloomberg U.S. Treasury Long Index	24.0%	0.0%
	100.0%	100.0%

Opportunistic Credit Benchmark	As of:	
	7/1/23	7/1/22
Bloomberg US Corporate HY	73.0%	0.0%
Credit Suisse Leveraged Loan Index 1 Qtr Lag	27.0%	0.0%
Bloomberg BA Intermediate HY	0.0%	100.0%
	100.0%	100.0%

Public Credit Benchmark	As of:		
	7/1/23	1/1/14	12/1/09
Bloomberg US Corporate HY	100.0%	0.0%	100.0%
Bloomberg BA Intermediate HY	0.0%	100.0%	0.0%
Bloomberg Credit BAA	0.0%	0.0%	100.0%
	100.0%	100.0%	100.0%

Private Credit Benchmark	As of:		
	7/1/23	1/1/14	12/1/09
Credit Suisse Leveraged Loan Index 1 Qtr Lag	100.0%	0.0%	0.0%
Bloomberg US Corporate HY	0.0%	0.0%	100.0%
Cliffwater Direct Lending Index	0.0%	100.0%	0.0%
Bloomberg Credit BAA	0.0%	0.0%	100.0%
	100.0%	100.0%	100.0%

Private Equity Benchmark		As of:	
	4/1/18	10/1/10	
Russell 3000 +3% 1Q Lag	100.0%	0.0%	
Russell 3000 +3%	0.0%	100.0%	
	100.0%	100.0%	

Absolute Return Benchmark		As of:	
	1/1/21	10/1/10	
Libor +4%	0.00%	100.00%	
SOFR +4%	100.0%	0.0%	
	100.0%	0.0%	

Inflation Hedge Benchmark		As of:								
	3/1/23	2/1/21	7/1/20	4/1/20	10/1/19	4/1/18	2/1/17	10/1/16	4/1/16	
Bloomberg TIPS	0.00%	0.00%	0.00%	0.00%	5.88%	11.1%	12.5%	14.3%	14.3%	
Bloomberg Commodity	0.00%	0.00%	0.00%	0.00%	0.00%	0.0%	0.0%	0.0%	21.4%	
CPI + 5% (RA)	0.00%	0.00%	0.00%	0.00%	0.00%	0.0%	0.0%	0.0%	14.3%	
Blended Public Real Assets	22.22%	23.53%	23.53%	35.29%	35.29%	33.3%	0.0%	0.0%	0.0%	
Blended Private Real Assets	27.78%	23.53%	17.65%	11.77%	11.77%	11.1%	43.8%	35.7%	0.0%	
NCREIF ODCE	50.00%	52.94%	58.82%	52.94%	47.06%	44.4%	43.8%	50.0%	50.0%	
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Public Real Assets Benchmark		As of:		
	5/1/20	10/1/16	1/1/14	
Bloomberg Roll Select Commodity	25.0%	34.0%	0.0%	
S&P Global Large-MidCap Commodity and Resources	25.0%	33.0%	0.0%	
S&P Global Infrastructure	25.0%	33.0%	0.0%	
CPI + 5%	0.0%	0.0%	100.0%	
Bloomberg TIPS	25.0%	0.0%	0.0%	
	100.0%	100.0%	100.0%	

Private Real Assets Benchmark		As of:			
	1/1/21	4/1/18	10/1/16	1/1/14	
Bloomberg Roll Select Commodity	0.00%	0.00%	34.00%	0.0%	
S&P Global Large-MidCap Commodity and Resources	0.00%	0.00%	33.00%	0.0%	
S&P Global Infrastructure	0.00%	0.00%	33.00%	0.0%	
50/50 S&P Global Infra & Lrg-MidCap Com & Resources +2% 1QL	0.00%	100.00%	0.00%	0.0%	
75/25 S&P Global Infra & Lrg-MidCap Com & Resources +2% 1QL	100.00%	0.00%	0.00%	0.0%	
CPI + 5%	0.00%	0.00%	0.00%	100.0%	
	100.0%	100.0%	100.0%	100.0%	

Private RA Secondary Benchmark		As of:	
	9/1/14		
Cambridge Associates Private Natural Resources 1 Qtr Lag	50.0%		
Cambridge Associates Private Infrastructure 1 Qtr Lag	50.0%		
	100.0%		

Real Estate Benchmark		As of:		
	1/1/09	6/1/00	7/1/96	
10 Year Treasury +2%	0.0%	0.0%	100.0%	
NCREIF ODCE	100.0%	0.0%	0.0%	
NCREIF Property	0.0%	100.0%	0.0%	
	100.0%	100.0%	100.0%	

Liquidity Benchmark		As of:	
	10/1/22	7/1/22	
Bloomberg US Govt/Credit 1-3 Yr. TR	81.8%	60.0%	
91 Day T-Bills	18.2%	40.0%	
	100.0%	100.0%	

Baillie Gifford Benchmark	As of:	
	1/1/14	5/1/12
MSCI ACWI ex-US	100.0%	0.0%
MSCI EAFE	0.0%	100.0%
	100.0%	100.0%

Baillie Gifford Secondary Benchmark	As of:	
	1/1/14	5/1/12
MSCI ACWI ex-US Growth	100.0%	0.0%
MSCI EAFE Growth	0.0%	100.0%
	100.0%	100.0%

Brigade Secondary Benchmark	As of:	
	8/1/10	
Bloomberg High Yield	50.0%	
Credit Suisse Leveraged Loans	50.0%	
	100.0%	

PIMCO Diversified	As of:	
	9/1/17	
JPMorgan EMBI Global	33.333%	
BofAMLBB-BRatedDvlpdMktsHYHdgUSD	33.333%	
Global Agg Credit Ex EM USD hedged	33.334%	
	100.0%	

SSgA Custom Real Assets	As of:	
	5/1/20	11/1/16
Bloomberg Roll Select Commodity	25.00%	33.33%
S&P Global Large-MidCap Commodity and Resources	25.00%	33.33%
S&P Global Infrastructure	25.00%	33.34%
Bloomberg TIPS	25.00%	0.00%
	100.0%	100.0%

Fee Schedule

San Mateo County Employees' Retirement Association Period Ending: June 30, 2024

Baillie Gifford

First \$25 million:	0.60% per annum
Next \$75 million:	0.50% per annum
Next \$300 million:	0.40% per annum
Thereafter:	0.30% per annum

BlackRock-Russell 1000 Index Fund

On All Assets:	0.01% per annum
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BlackRock-MSCI ACWI ex US IMI Index Fund

On All Assets:	0.045% per annum
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DoubleLine

On All Assets:	0.30% per annum
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NISA

First \$500 million:	0.15% per annum
Next \$1 billion:	0.125% per annum
Next \$1 billion:	0.105% per annum
Next \$1.5 billion	0.085% per annum
Thereafter:	0.065% per annum

Eaton Vance

On All Assets:	0.54% per annum
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FIAM Bond

First \$50 million:	0.25% per annum
Next \$50 million:	0.20% per annum
Next \$100 million:	0.125% per annum
Thereafter:	0.10% per annum

PanAgora Asset Management

First \$50 million:	0.25% per annum
Next \$50 million:	0.15% per annum
Thereafter:	0.10% per annum

Parametric Overlay

First \$50 million:	0.12% per annum
Next \$100 million:	0.10% per annum
Thereafter:	0.05% per annum
Plus monthly reporting fee of \$1500	

PIMCO Diversified

On All Assets:	0.75% per annum
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PGIM Quantitative Solutions

First \$100 million:	0.55% per annum
Next \$100 million:	0.53% per annum
Thereafter:	0.49% per annum

Mondrian Investment Partners

First \$50 million:	1.00% per annum
Next \$150 million:	0.19% per annum
Thereafter:	0.33% per annum

Insight Investment

First \$200 million:	0.09% per annum
Next \$300 million:	0.08% per annum
Thereafter:	0.06% per annum

Manager Compliance (Net)

Fund Name	Benchmark	Rule 1	Rule 2	Rule 3
Acadian US MGD V	Russell 1000 Index	-	-	-
DE Shaw	Russell 1000 Index	⚠	✓	⚠
PanAgora Defuseq	Russell 1000 Index	⚠	⚠	⚠
PGIM Quant Solutions	Russell 2000 Index	✓	⚠	✓
Baillie Gifford	MSCI ACWI ex US	⚠	⚠	⚠
Mondrian	MSCI AC World ex USA Value	⚠	⚠	⚠
DoubleLine	Blmbg. U.S. Aggregate Index	-	-	-
FIAM Bond	Blmbg. U.S. Aggregate Index	✓	✓	✓
NISA Core Bond	Blmbg. U.S. Aggregate Index	-	-	-
NISA Long Treasury	Blmbg. U.S. Treasury: Long	-	-	-
AG CSF ADF II	Blmbg. U.S. Corp: High Yield Index	-	-	-
AG CSF II	Blmbg. U.S. Corp: High Yield Index	-	-	-
Angelo Gordon Credit Solutions	Blmbg. U.S. Corp: High Yield Index	-	-	-
Beach Point Select	Blmbg. U.S. Corp: High Yield Index	✓	✓	✓
Brigade Capital	Blmbg. U.S. Corp: High Yield Index	✓	✓	✓
PIMCO Diversified	Blmbg. U.S. Corp: High Yield Index	-	⚠	-
Eaton Vance Emerging Markets Debt Opportunities Fund	JPM EMB (JEMB) Hard Currency/Local Currency 50-50	-	-	-
CFM Systematic Global Macro	Absolute Return Custom Index	-	-	-
Graham Quant Macro	Absolute Return Custom Index	-	-	-
PIMCO MAARS Fund LP	Absolute Return Custom Index	-	-	-

Rule 1 - Manager has underperformed the benchmark index for the five year period.

Rule 2 - Manager has underperformed the 50th percentile in the appropriate style universe for the five year period

Rule 3 - Excess 5 Year Sharpe Ratio vs. Benchmark is positive.

Manager Compliance (Gross)

Period Ending: June 30, 2024

Fund Name	Benchmark	Rule 1	Rule 2	Rule 3
Acadian US MGD V	Russell 1000 Index	-	-	-
DE Shaw	Russell 1000 Index	⚠	✓	⚠
PanAgora Defuseq	Russell 1000 Index	⚠	⚠	⚠
PGIM Quant Solutions	Russell 2000 Index	✓	⚠	✓
Baillie Gifford	MSCI ACWI ex US	⚠	⚠	⚠
Mondrian	MSCI AC World ex USA Value	⚠	⚠	⚠
DoubleLine	Blmbg. U.S. Aggregate Index	-	-	-
FIAM Bond	Blmbg. U.S. Aggregate Index	✓	✓	✓
NISA Core Bond	Blmbg. U.S. Aggregate Index	-	-	-
NISA Long Treasury	Blmbg. U.S. Treasury: Long	-	-	-
AG CSF ADF II	Blmbg. U.S. Corp: High Yield Index	-	-	-
AG CSF II	Blmbg. U.S. Corp: High Yield Index	-	-	-
Angelo Gordon Credit Solutions	Blmbg. U.S. Corp: High Yield Index	-	-	-
Beach Point Select	Blmbg. U.S. Corp: High Yield Index	✓	✓	✓
Brigade Capital	Blmbg. U.S. Corp: High Yield Index	✓	✓	✓
PIMCO Diversified	Blmbg. U.S. Corp: High Yield Index	-	⚠	-
Eaton Vance Emerging Markets Debt Opportunities Fund	JPM EMB (JEMB) Hard Currency/Local Currency 50-50	-	-	-
CFM Systematic Global Macro	Absolute Return Custom Index	-	-	-
Graham Quant Macro	Absolute Return Custom Index	-	-	-
PIMCO MAARS Fund LP	Absolute Return Custom Index	-	-	-

Rule 1 - Manager has underperformed the benchmark index for the five year period.

Rule 2 - Manager has underperformed the 50th percentile in the appropriate style universe for the five year period

Rule 3 - Excess 5 Year Sharpe Ratio vs. Benchmark is positive.

Total Fund
Performance Summary (Gross of Fees)

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

	Market Value	% of Portfolio	3 Mo Rank	Fiscal YTD	1 Yr Rank	2 Yrs Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank
Total Fund**	6,473,464,140	100.0	1.8 (8)	9.4 (60)	9.4 (60)	7.4 (80)	3.4 (46)	6.6 (80)	6.3 (70)
Policy Index			2.2 (2)	11.7 (18)	11.7 (18)	9.1 (47)	4.4 (17)	7.4 (50)	6.7 (47)
Simple Benchmark			1.4 (25)	9.8 (54)	9.8 (54)	8.4 (65)	2.7 (72)	6.8 (74)	6.4 (57)
Total Fund ex Overlay	6,461,386,948	99.8	1.8 (9)	9.4 (63)	9.4 (63)	7.2 (82)	3.3 (48)	6.6 (80)	6.2 (71)
Policy Index			2.2 (2)	11.7 (18)	11.7 (18)	9.1 (47)	4.4 (17)	7.4 (50)	6.7 (47)
Simple Benchmark			1.4 (25)	9.8 (54)	9.8 (54)	8.4 (65)	2.7 (72)	6.8 (74)	6.4 (57)
Growth Portfolio	3,903,561,465	60.3	2.4	13.7	13.7	12.0	-	-	-
Blended Growth Index			3.4	19.5	19.5	16.0	6.4	11.0	-
US Equity	1,565,957,445	24.2	2.8 (36)	20.8 (63)	20.8 (63)	18.3 (77)	8.4 (20)	12.6 (78)	11.2 (78)
Blended US Equity Index			3.2 (20)	23.1 (31)	23.1 (31)	21.0 (32)	8.1 (32)	14.1 (31)	12.1 (39)
Russell 3000 Index			3.2 (20)	23.1 (31)	23.1 (31)	21.0 (32)	8.1 (32)	14.1 (31)	12.1 (33)
BlackRock Russell 1000	932,835,406	14.4	3.6 (39)	23.9 (46)	23.9 (46)	21.6 (40)	8.8 (56)	14.6 (42)	-
DE Shaw	237,593,939	3.7	5.2 (12)	27.4 (23)	27.4 (23)	21.9 (37)	9.6 (42)	14.3 (48)	13.2 (23)
PanAgora Defuseq	250,421,372	3.9	0.3 (79)	8.7 (98)	8.7 (98)	7.8 (99)	5.4 (93)	7.8 (98)	-
Russell 1000 Index			3.6 (40)	23.9 (46)	23.9 (46)	21.6 (40)	8.7 (56)	14.6 (43)	12.5 (42)
PGIM Quant Solutions	131,410,678	2.0	-2.1 (28)	13.4 (28)	13.4 (28)	16.0 (18)	4.6 (17)	9.3 (48)	-
Russell 2000 Index			-3.3 (50)	10.1 (54)	10.1 (54)	11.2 (64)	-2.6 (88)	6.9 (85)	7.0 (79)
International Equity	1,214,803,036	18.8	1.3 (16)	10.2 (76)	10.2 (76)	12.3 (72)	0.6 (53)	6.3 (59)	4.6 (59)
Blended International Equity Index			1.8 (10)	14.5 (11)	14.5 (11)	14.1 (26)	3.3 (14)	7.5 (22)	5.0 (39)
Baillie Gifford	289,666,489	4.5	-0.6 (54)	3.5 (90)	3.5 (90)	9.0 (89)	-8.4 (87)	4.3 (87)	4.6 (90)
MSCI ACWI ex US			1.2 (26)	12.2 (22)	12.2 (22)	12.7 (56)	1.0 (20)	6.1 (71)	4.3 (96)
MSCI ACWI ex US Growth			0.9 (29)	10.2 (36)	10.2 (36)	11.9 (67)	-2.3 (54)	5.8 (75)	5.1 (88)
Mondrian	288,233,212	4.5	1.3 (37)	10.6 (67)	10.6 (67)	11.3 (84)	1.7 (80)	4.8 (94)	3.2 (83)
MSCI AC World ex USA Value			1.6 (32)	14.2 (42)	14.2 (42)	13.6 (58)	4.3 (39)	6.0 (78)	3.4 (79)
MSCI AC World ex USA Index			1.2 (41)	12.2 (55)	12.2 (55)	12.7 (69)	1.0 (86)	6.1 (77)	4.3 (60)
BlackRock MSCI ACWI EX-US IMI	622,407,957	9.6	1.1 (40)	11.7 (46)	11.7 (46)	12.3 (73)	0.5 (64)	-	-
MSCI AC World ex USA IMI (Net)			0.9 (44)	11.6 (48)	11.6 (48)	12.0 (75)	0.2 (67)	5.6 (80)	3.9 (94)
Record Dynamic Currency Hedge	7,509,070	0.1	233.6	-4,131.3	-4,131.3	-	-	-	-

Total Fund
Performance Summary (Gross of Fees)

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

	Market Value	% of Portfolio	3 Mo Rank	Fiscal YTD	1 Yr Rank	2 Yrs Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank
Private Equity***	443,372,351	6.8	7.3 (1)	9.0 (20)	9.0 (20)	0.9 (60)	3.4 (84)	19.2 (5)	17.7 (8)
<i>Blended Private Equity Index</i>			<i>10.7 (1)</i>	<i>32.3 (1)</i>	<i>32.3 (1)</i>	<i>11.8 (1)</i>	<i>12.8 (13)</i>	<i>17.4 (13)</i>	<i>14.8 (24)</i>
Opportunistic Credit	679,428,632	10.5	0.6	7.7	7.7	-	-	-	-
<i>Opportunistic Credit Index</i>			<i>1.5</i>	<i>11.0</i>	<i>11.0</i>	<i>9.1</i>	<i>2.8</i>	<i>4.4</i>	<i>4.5</i>
Public Credit	481,753,488	7.4	0.9	9.0	9.0	6.7	2.6	4.2	5.1
<i>Blmbg. U.S. Corp: High Yield Index</i>			<i>1.1</i>	<i>10.4</i>	<i>10.4</i>	<i>9.7</i>	<i>1.6</i>	<i>3.9</i>	<i>4.3</i>
Beach Point Select	113,779,078	1.8	0.8 (89)	10.5 (50)	10.5 (50)	7.3 (96)	4.7 (6)	7.7 (2)	-
Brigade Capital	109,119,894	1.7	0.4 (96)	8.0 (96)	8.0 (96)	5.0 (100)	1.7 (77)	4.4 (44)	4.1 (76)
One William Street	66,533,684	1.0	1.9 (5)	10.9 (37)	10.9 (37)	-	-	-	-
<i>Blmbg. U.S. Corp: High Yield Index</i>			<i>1.1 (75)</i>	<i>10.4 (51)</i>	<i>10.4 (51)</i>	<i>9.7 (50)</i>	<i>1.6 (80)</i>	<i>3.9 (71)</i>	<i>4.3 (62)</i>
PIMCO Diversified	130,763,100	2.0	0.6 (95)	8.6 (89)	8.6 (89)	7.1 (97)	-1.0 (100)	1.3 (100)	-
<i>Blmbg. U.S. Corp: High Yield Index</i>			<i>1.1 (75)</i>	<i>10.4 (51)</i>	<i>10.4 (51)</i>	<i>9.7 (50)</i>	<i>1.6 (80)</i>	<i>3.9 (71)</i>	<i>4.3 (62)</i>
Eaton Vance Emerging Markets Debt Opportunities Fund	61,557,732	1.0	1.5 (3)	-	-	-	-	-	-
<i>JPM EMB (JEMB) Hard Currency/Local Currency 50-50</i>			<i>-0.4 (42)</i>	<i>4.9 (83)</i>	<i>4.9 (83)</i>	<i>6.9 (83)</i>	<i>-2.3 (73)</i>	<i>-0.1 (73)</i>	<i>1.1 (65)</i>
Private Credit	197,675,144	3.1	-0.2	3.9	3.9	4.4	4.3	5.6	-
<i>Credit Suisse Leveraged Loan Index 1 Qtr Lag</i>			<i>2.5</i>	<i>12.4</i>	<i>12.4</i>	<i>7.1</i>	<i>5.8</i>	<i>5.3</i>	<i>4.6</i>
AG CSF ADF II	4,347,839	0.1	-1.7	10.4	10.4	-	-	-	-
AG CSF II	22,838,234	0.4	1.4	13.6	13.6	11.5	-	-	-
Angelo Gordon Credit Solutions	6,503,737	0.1	0.2 (97)	9.6 (65)	9.6 (65)	6.2 (97)	4.7 (4)	-	-
<i>Credit Suisse Leveraged Loan Index 1 Qtr Lag</i>			<i>2.5 (2)</i>	<i>12.4 (7)</i>	<i>12.4 (7)</i>	<i>7.1 (94)</i>	<i>5.8 (1)</i>	<i>5.3 (11)</i>	<i>4.6 (21)</i>
Blackrock DL Feeder IX-U	40,916,461	0.6	-1.2	5.2	5.2	6.1	5.8	-	-
Comvest Credit Partners VII	2,250,000	0.0	-	-	-	-	-	-	-
PIMCO Private Income	50,048,650	0.8	0.0	5.6	5.6	4.4	4.3	7.0	-
TCP Direct Lending VIII	9,526,787	0.1	-0.6	4.3	4.3	5.4	4.6	5.3	-
White Oak Yield	29,743,963	0.5	0.0	3.9	3.9	3.4	4.1	4.8	-
White Oak YSF V	31,499,473	0.5	0.0 (98)	2.5 (100)	2.5 (100)	1.1 (100)	1.6 (81)	-	-
<i>Credit Suisse Leveraged Loan Index 1 Qtr Lag</i>			<i>2.5 (1)</i>	<i>12.4 (11)</i>	<i>12.4 (11)</i>	<i>7.1 (97)</i>	<i>5.8 (3)</i>	<i>5.3 (15)</i>	<i>4.6 (47)</i>

Total Fund
Performance Summary (Gross of Fees)

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

	Market Value	% of Portfolio	3 Mo Rank	Fiscal YTD	1 Yr Rank	2 Yrs Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank
Diversifying Portfolio	1,175,062,898	18.2	-0.7	4.3	4.3	1.5	-	-	-
<i>Blended Diversifying Index</i>			0.4	3.6	3.6	2.8	0.0	1.7	2.7
Defensive Fixed Income	847,952,894	13.1	-0.3	2.7	2.7	1.2	-3.0	0.1	1.7
<i>Blended Core Fixed Income Benchmark</i>			-0.4	0.7	0.7	-0.1	-3.6	-0.6	1.2
DoubleLine	260,342,409	4.0	0.4 (65)	4.0 (59)	4.0 (59)	1.8 (53)	-2.7 (81)	-	-
<i>Blmbg. U.S. Aggregate Index</i>			0.1 (98)	2.6 (79)	2.6 (79)	0.8 (71)	-3.0 (94)	-0.2 (68)	1.3 (71)
FIAM Bond	150,022,582	2.3	0.2 (56)	3.7 (42)	3.7 (42)	1.8 (37)	-2.4 (33)	0.9 (19)	2.2 (15)
NISA Core Bond	281,289,033	4.3	0.1 (94)	3.0 (80)	3.0 (80)	1.3 (76)	-2.6 (57)	-	-
<i>Blmbg. U.S. Aggregate Index</i>			0.1 (94)	2.6 (92)	2.6 (92)	0.8 (92)	-3.0 (89)	-0.2 (96)	1.3 (99)
NISA Long Treasury	144,789,588	2.2	-1.8	-5.4	-5.4	-	-	-	-
<i>Blmbg. U.S. Treasury: Long</i>			-1.8	-5.6	-5.6	-6.2	-10.5	-4.3	0.6
Absolute Return	327,110,004	5.1	-1.8 (92)	7.3 (77)	7.3 (77)	2.3 (84)	4.4 (42)	1.4 (80)	1.8 (74)
<i>Absolute Return Custom Index</i>			2.1 (25)	9.4 (60)	9.4 (60)	8.7 (41)	7.2 (15)	6.2 (41)	5.6 (14)
CFM Systematic Global Macro	109,334,294	1.7	0.1 (82)	7.3 (71)	7.3 (71)	1.1 (84)	4.0 (50)	-	-
Graham Quant Macro	108,430,411	1.7	-3.0 (91)	12.9 (31)	12.9 (31)	4.7 (75)	8.6 (24)	-	-
PIMCO MAARS Fund LP	109,345,299	1.7	-1.2 (87)	13.6 (27)	13.6 (27)	8.2 (52)	12.7 (14)	-	-
<i>Absolute Return Custom Index</i>			2.1 (35)	9.4 (55)	9.4 (55)	8.7 (51)	7.2 (26)	6.2 (52)	5.6 (40)
Inflation Hedge	1,048,454,364	16.2	2.3	1.2	1.2	-0.5	5.2	4.1	-
<i>Blended Inflation Hedge Index</i>			0.7	-2.5	-2.5	-4.0	4.3	5.1	4.8
Real Estate	470,174,791	7.3	-0.5 (55)	-7.3 (22)	-7.3 (22)	-5.8 (27)	2.5 (25)	3.7 (24)	7.0 (10)
<i>NCREIF ODCE</i>			-0.4 (54)	-9.3 (79)	-9.3 (79)	-9.6 (77)	1.9 (43)	3.2 (45)	6.4 (18)
Harrison Street Core Property	90,412,068	1.4	0.6	-5.9	-5.9	-2.0	3.6	-	-
Invesco	226,779,760	3.5	-1.3	-10.4	-10.4	-10.1	0.9	2.4	6.2
Invesco US Val IV	99,763	0.0	-6.4	-50.2	-50.2	-54.0	-39.7	-23.7	-
Invesco US Val V	23,126,386	0.4	-1.2	-27.9	-27.9	-17.1	-6.4	0.6	-
Invesco US Val VI	23,772,890	0.4	0.0	-3.3	-3.3	-	-	-	-
PGIM RE US Debt Fund	73,088,020	1.1	1.9	6.8	6.8	7.3	6.8	6.4	-
<i>NCREIF ODCE</i>			-0.4	-9.3	-9.3	-9.6	1.9	3.2	6.4
Stockbridge Value IV	26,225,091	0.4	-3.8	-7.6	-7.6	-0.1	10.7	-	-
Stockbridge Value V	6,670,812	0.1	-	-	-	-	-	-	-
<i>NCREIF ODCE</i>			-0.4	-9.3	-9.3	-9.6	1.9	3.2	6.4

*NISA Core Treasury funded 6/15/2023.
See Appendix for Benchmark History

Total Fund
Performance Summary (Gross of Fees)

San Mateo County Employees' Retirement Association
Period Ending: June 30, 2024

	Market Value	% of Portfolio	3 Mo Rank	Fiscal YTD	1 Yr Rank	2 Yrs Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank
Private Real Assets***	364,036,471	5.6	6.4	12.3	12.3	6.4	12.1	10.6	-
<i>Blended Private Real Assets Index</i>			1.9	4.7	4.7	1.0	7.8	7.2	6.3
<i>Blended Secondary CA Private RA Index</i>			2.5	7.5	7.5	7.5	13.2	8.3	-
Private Real Asset	235,749,636	3.6	5.4	11.2	11.2	5.9	11.8	10.4	-
Brookfield Super-Core Infrastructure Partners	65,883,382	1.0	2.9	10.5	10.5	9.3	-	-	-
KKR Diversified Core Infrastructure Fund (DCIF)	62,403,453	1.0	2.6	7.4	7.4	-	-	-	-
Public Real Assets	214,243,103	3.3	1.7	5.1	5.1	2.3	4.4	2.0	-
<i>Blended Public Real Assets Index</i>			1.7	5.1	5.1	2.2	4.3	4.4	5.1
SSgA Custom Real Assets	214,243,103	3.3	1.7	5.1	5.1	2.3	4.4	4.5	-
<i>SSgA Custom Real Assets Index</i>			1.7	5.1	5.1	2.2	4.3	4.4	-
Liquidity	346,385,413	5.4	1.2	5.7	5.7	4.4	3.1	2.2	-
<i>Blended Liquidity Index</i>			1.0	5.0	5.0	3.2	-	-	-
Cash Flow-Matched Liquidity	266,337,188	4.1	1.2	5.7	5.7	3.9	-	-	-
<i>Bloomberg U.S. Gov/Credit 1-3 Year Index</i>			1.0	4.9	4.9	2.7	0.6	1.2	1.4
<i>Bloomberg U.S. Credit 1-3 Year Index</i>			1.0	5.6	5.6	3.5	1.0	1.7	1.8
Insight Investment*	243,427,934	3.8	1.2	5.8	5.8	-	-	-	-
<i>Bloomberg U.S. Credit 1-3 Year Index</i>			1.0	5.6	5.6	3.5	1.0	1.7	1.8
County Treasury Pool**	22,909,254	0.4	1.4	3.2	3.2	3.4	2.6	2.3	2.1
<i>90 Day U.S. Treasury Bill</i>			1.3	5.4	5.4	4.5	3.0	2.2	1.5
Cash & Cash Overlay	112,239,865	1.7	1.4	5.8	5.8	5.1	3.6	2.4	1.7
<i>90 Day U.S. Treasury Bill</i>			1.3	5.4	5.4	4.5	3.0	2.2	1.5
General Account	100,162,685	1.5	1.4	5.9	5.9	5.1	3.5	2.6	2.5
<i>90 Day U.S. Treasury Bill</i>			1.3	5.4	5.4	4.5	3.0	2.2	1.5

***Returns are one-quarter lag, excludes EnCap Energy Capital Fund and Sheridan Production Partners
See Appendix for Benchmark History

Glossary

Allocation Effect: An attribution effect that describes the amount attributable to the managers' asset allocation decisions, relative to the benchmark.

Alpha: The excess return of a portfolio after adjusting for market risk. This excess return is attributable to the selection skill of the portfolio manager. Alpha is calculated as: $\text{Portfolio Return} - [\text{Risk free Rate} + \text{Portfolio Beta} \times (\text{Market Return} - \text{Risk free Rate})]$.

Benchmark R squared: Measures how well the Benchmark return series fits the manager's return series. The higher the Benchmark R squared, the more appropriate the benchmark is for the manager.

Beta: A measure of systematic, or market risk; the part of risk in a portfolio or security that is attributable to general market movements. Beta is calculated by dividing the covariance of a security by the variance of the market.

Book to Market: The ratio of book value per share to market price per share. Growth managers typically have low book to market ratios while value managers typically have high book to market ratios.

Capture Ratio: A statistical measure of an investment manager's overall performance in up or down markets. The capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen (up market) or fallen (down market). The capture ratio is calculated by dividing the manager's returns by the returns of the index during the up/down market, and multiplying that factor by 100.

Correlation: A measure of the relative movement of returns of one security or asset class relative to another over time. A correlation of 1 means the returns of two securities move in lock step, a correlation of -1 means the returns of two securities move in the exact opposite direction over time. Correlation is used as a measure to help maximize the benefits of diversification when constructing an investment portfolio.

Excess Return: A measure of the difference in appreciation or depreciation in the price of an investment compared to its benchmark, over a given time period. This is usually expressed as a percentage and may be annualized over a number of years or represent a single period.

Information Ratio: A measure of a manager's ability to earn excess return without incurring additional risk. Information ratio is calculated as: excess return divided by tracking error.

Interaction Effect: An attribution effect that describes the portion of active management that is contributable to the cross interaction between the allocation and selection effect. This can also be explained as an effect that cannot be easily traced to a source.

Portfolio Turnover: The percentage of a portfolio that is sold and replaced (turned over) during a given time period. Low portfolio turnover is indicative of a buy and hold strategy while high portfolio turnover implies a more active form of management.

Price to Earnings Ratio (P/E): Also called the earnings multiplier, it is calculated by dividing the price of a company's stock into earnings per share. Growth managers typically hold stocks with high price to earnings ratios whereas value managers hold stocks with low price to earnings ratios.

R Squared: Also called the coefficient of determination, it measures the amount of variation in one variable explained by variations in another, i.e., the goodness of fit to a benchmark. In the case of investments, the term is used to explain the amount of variation in a security or portfolio explained by movements in the market or the portfolio's benchmark.

Selection Effect: An attribution effect that describes the amount attributable to the managers' stock selection decisions, relative to the benchmark.

Sharpe Ratio: A measure of portfolio efficiency. The Sharpe Ratio indicates excess portfolio return for each unit of risk associated with achieving the excess return. The higher the Sharpe Ratio, the more efficient the portfolio. Sharpe ratio is calculated as: $\text{Portfolio Excess Return} / \text{Portfolio Standard Deviation}$.

Sortino Ratio: Measures the risk adjusted return of an investment, portfolio, or strategy. It is a modification of the Sharpe Ratio, but penalizes only those returns falling below a specified benchmark. The Sortino Ratio uses downside deviation in the denominator rather than standard deviation, like the Sharpe Ratio.

Standard Deviation: A measure of volatility, or risk, inherent in a security or portfolio. The standard deviation of a series is a measure of the extent to which observations in the series differ from the arithmetic mean of the series. For example, if a security has an average annual rate of return of 10% and a standard deviation of 5%, then two thirds of the time, one would expect to receive an annual rate of return between 5% and 15%.

Style Analysis: A return based analysis designed to identify combinations of passive investments to closely replicate the performance of funds

Style Map: A specialized form or scatter plot chart typically used to show where a Manager lies in relation to a set of style indices on a two dimensional plane. This is simply a way of viewing the asset loadings in a different context. The coordinates are calculated by rescaling the asset loadings to range from -1 to 1 on each axis and are dependent on the Style Indices comprising the Map.

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SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 27, 2024

Agenda Item 6.3

TO: Board of Retirement

FROM: Doris Ng, Investment Analyst 

SUBJECT: Report on Defensive Fixed Income Manager Annual Reviews

Recommendation

Accept the reports on the annual reviews of SamCERA's defensive fixed income bond managers.

Background

SamCERA staff and consultant held annual review meetings with our defensive fixed income bond managers, DoubleLine, NISA Investment Advisors and FIAM on June 18, 2024.

Each meeting lasted approximately 1.5 hours, and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook.

Discussion

On June 18th, we met with DoubleLine first to review the Securitized Income strategy, which is an active strategy that utilizes a barbell approach of investing in interest-rate sensitive agencies and government securities and credit-sensitive structured securities.

Next, we reviewed the NISA Aggregate Bond strategy and the NISA Long Treasury strategy. The NISA Aggregate Bond strategy is an active strategy invested primarily in U.S. Treasuries, agencies, investment grade corporate bonds and structured securities, and managed with a tight tracking error relative to the Barclays Aggregate benchmark. The NISA Long Treasury strategy is a passive strategy invested in long duration U.S. Treasuries, and managed with a tight tracking error relative to the Bloomberg US Long Treasury benchmark.

Lastly, we reviewed the FIAM Broad Market Duration strategy, which is an active strategy invested primarily in U.S. Treasuries, agencies, investment grade corporate bonds, and structured securities.

There were no significant concerns identified during the portfolio reviews. Attached you will find meeting notes from Verus summarizing the findings from these annual reviews.

Attachments

DoubleLine Annual Review Meeting Notes
NISA Annual Review Meeting Notes
FIAM Annual Review Meeting Notes

Date of meeting:
6/18/2024

Location: SamCERA

Manager Representative(s)

Andrew Hsu (Portfolio Manager)
Stephanie Luh (Consultant Relations)
Vitaliy Liberman (Portfolio Manager)
Rudy Garza (Client Relations)

Verus Representative(s)

Joseph Abdou

Account Assets

\$260 million (6/30/24)

Client Representative(s)

Mike Coultrip (CIO), Doris Ng
(Analyst)

Product Description

Securitized Income seeks to maximize income and total return by investing across the structured products universe, focusing on agency mortgage-backed securities (MBS) and investment grade securitized credit. Doubleline takes a barbel approach to investing in the securitized market, and they will separate rates from credit and will adjust the allocations to both at the based on the economic cycle and opportunities. Duration positioning is achieved through Agency MBS, Agency CMBS, and treasuries while credit exposure is attained through all areas of structured credit.

Meeting Notes

Organization

DoubleLine is an independent, employee-owned asset management firm founded by Jeffrey Gundlach in 2009. Mr. Gundlach's departure from a previous firm prompted 45 employees to follow him to establish DoubleLine. DoubleLine's senior investment team has worked together for an average of 17 years, with its portfolio managers averaging 23 years of industry experience. The firm's shareholders include the senior securitized team members. The firm is based in Los Angeles with a small client service office in Tokyo. Oaktree owns a minority, non-controlling stake in the company.

Investment Team

The Structured Product committee comprises of Ken Shinoda (chairman), Andrew Hsu, Vitaliy Liberman, Sam Garza, and Morris Chen. The committee reports up to the Fixed Income Asset Allocation Committee, chaired by Jeffrey Gundlach (CEO/CIO.) Doubleline has a deep research team of 98 investment professionals. Over the past year a CMBS trader left to join another firm as a principal. There will be a planned retirement for the government portfolio manager which will be announced after our meeting.

Investment Strategy

DoubleLine has a Structured Products Committee that meets weekly to review all structured products, including Securitized Income. The committee discusses the securitized markets on a macroeconomic level and identifies structured products sectors with attractive risk/reward opportunities. The firm has specialized structured product sector teams that identify bottom up ideas in their sub sectors. Agency MBS typically comprises 50% of the portfolio with the other half in investment grade structured credit. Asset class exposures are shifted gradually based on sector fundamentals and relative valuation. The primary driver of security selection is scenario analysis. Importantly, future scenarios incorporate the market insights of the specialized team members based on their years of experience investing in the sectors, as opposed to relying on historical data regressions. DoubleLine research covers the full spectrum of securitized products.

The majority of research is internally produced. However, DoubleLine purchases collateral and loan level data and portfolio systems from a number of third parties. The team seeks to “buy convexity” which means that all investments must have an attractive risk/reward profile whereby securities have more upside for a given level of downside. Scenario analyses are run considering numerous interest rate and credit environments and with a view on the current market environment. Within portfolio construction guidelines, the most attractive discounted securities are purchased using their convexity methodology. At the portfolio level, average credit quality can range between AA and AAA. The investment process focuses on purchasing discounted securities and does not hedge portfolio duration which can result in a range between 5 and 10 years depending on their macro outlook and the bottom up opportunity set.

Performance & Positioning

The since inception (3/2020) net performance has outperformed the Bloomberg Barclays Aggregate (-1.3% vs -2.1%). YTD 2024, the portfolio was down -0.7%, lagging the benchmark by 90 bps. Portfolio managers have seen opportunities in mortgages. The team is currently positive on mortgages and feel there is a large upside for the sector. They are neutral duration and reducing CMBS exposure, which was one of the top performers over the past year.

Date of meeting:
6/18/2024

Location: SamCERA

Manager Representative(s)

Cheryl Hanson (Client Service)
Michael Williams (Client Service)
Kevin Scholtz (Director, Markets and Portfolios)

Verus Representative(s)

Joseph Abdou

Account Assets

\$281 million (6/30/24)

Client Representative(s)

Mike Coultrip (CIO), Doris Ng
(Analyst)

Product Description

NISA applies a risk-controlled approach to all of its fixed income portfolios. This approach does not permit large bets or positions that generate significant tracking error versus the benchmark. Instead, NISA invests in a large number of small, diversified, active positions which seek tight tracking error to the chosen benchmark. Benchmark weight is a significant consideration when constructing and managing portfolios. The investment strategy is comprised of strategic (top-down) and tactical (bottom-up) decisions. Strategic decisions include sector selection and yield curve positioning while tactical decisions include industry and security selection and trading activity. Review of both strategic and tactical decisions is continual. The amount of portfolio risk budget devoted to one aspect versus the other will change as market conditions warrant. In general, strategic decisions change relatively infrequently, while tactical decisions, especially security selection, will change fairly often as market conditions provide opportunities. Over a typical market cycle, the bottom-up is expected to contribute to 70% of value-added while top-down is roughly 30%.

Meeting Notes

Organization

NISA registered with the SEC in November 1993 and began managing assets in April 1994. Prior to 1994, several of the firm's key employees were with National Investment Services of America, Inc. ("National"), which reorganized in 1994 to facilitate a change in ownership among employees. National split itself into three separately owned entities in 1994, one of which was NISA, focusing predominantly on fixed income asset management. NISA Investment Advisors, LLC is a wholly owned subsidiary of NISA, LLC which is 100% employee-owned. The firm manages \$462 billion in total assets at 3/31/24, \$284 billion of which was in investment grade fixed income across the maturity spectrum. From this, \$37 billion was in Short & Core Broad Market Fixed Income. Notional derivative overlay strategies are another core competency for the firm. Consistent themes across the firm's strategies include risk-controlled asset management, customized, separate accounts, frequent client interaction, and a team-oriented approach.

Effective 1/1/19, the firm's founders Jess Yawitz and Bill Marshall transferred their ownership interests to NISA's existing senior management team in exchange for a non-voting preferred stake in the firm. Direct LLC ownership among NISA's senior leadership was expanded at that time. Succession to the next generation was further augmented using NISA's Phantom Ownership Plan. NISA expects that its distribution of participation

interests in the plan will continue to broaden. NISA has a “promote from within” culture, and many employees start out in the firm’s internship program.

Investment Team

All portfolios are managed with a team-approach. NISA’s Investment Committee (Stephen Douglass, David Eichhorn, Biswajit Bhattacharya, Ken Lester, Anthony Pope, and Dan Scholz) meets monthly and develops strategic themes based on market and economic research including the analysis of monetary policy, expected economic and corporate profit growth, new issue activity, inflationary pressures, Treasury issuance and other macroeconomic factors. At these meetings, targets for sector overweights/underweights are developed and a yield curve strategy is determined. Joe Murphy announced his retirement which will be effective at the end of 2022. His position will not be backfilled, and his responsibilities will be distributed throughout the team. Tony Gould was hired as a director of investment strategies working on client solutions.

Investment Strategy

The investment strategy is comprised of strategic (top-down) and tactical (bottom-up) decisions. The amount of the portfolio risk budget devoted to one aspect versus the other will change as market conditions warrant. Over a typical market cycle, the bottom-up is expected to contribute to 70% of value-added while top-down is roughly 30%.

NISA will look for opportunities to trade very similar bonds for small gains at little or no incremental risk. As active traders, they are in constant communication with the brokerage community and analyzing real-time data. NISA uses its risk management tools to monitor each portfolio’s exposure relative to the benchmark. Each source of risk is evaluated net of the benchmark to determine active risks and these risks are compared with the expected excess performance associated with the positions. NISA will only implement positions which meet the active risk/reward threshold (either on an individual basis, or when viewed in the context of other active positions).

Performance & Positioning

Performance will tend to be closely matched to the Aggregate benchmark, with the goal of having low tracking error and moderate excess return. Nisa keeps portfolios duration-neutral to their respective benchmark(s) (+/- 0.25 years). Low tracking error is a hallmark of the strategy and as such, NISA's fixed income universe is predominately comprised of securities included in the benchmark. This tends to result in high information ratios versus peers. Betas tend to be around 1.0 to the benchmark over time.

For the 1-year ending 3/31/2024, the NISA Core Broad Market Fixed Income composite beat the Benchmark (2.1% vs 1.7%.) Nisa provided the 1-year attribution 24 bps from trading, 11 by from ticker selection, and 9 bps from sector allocation. SamCERA’s portfolio was funded 6/1/2020 and had a since inception gross return of -1.9% through March 31, 2024, beating the benchmark by 42 bps.

Nisa also runs a passive Long Treasury Portfolio for SamCERA that was implemented in July 2023. Returns are in line with expectations providing 0-2 bps of excess return.

Date of meeting: 6/18/2024

Location: SamCERA

Manager Representative(s)

Beau Coash (Institutional PM)
Arthur Greenwood (Relationship Manager)

Verus Representative(s)

Joseph Abdou

Account Assets

\$150 million (6/30/24)

Client Representative(s)

Mike Coultrip (CIO), Doris Ng (Analyst)

Product Description

Fidelity's Broad Market Duration (BMD) investment strategy seeks to achieve absolute and risk-adjusted returns in excess of the Bloomberg Barclays U.S. Aggregate Index, focusing its investments in U.S. Treasuries, agencies, investment grade corporate bonds, mortgage-backed, and asset-backed securities. The BMD commingled pool can also hold small, opportunistic positions in out-of-benchmark securities, such as inflation-linked bonds. The investable universe includes all U.S. dollar denominated, investment grade debt securities. The BMD investment approach emphasizes issuer and sector valuation and individual security selection. Through the integration of fundamental and quantitative research and trading, the BMD strategy is implemented in a team environment. Risk management technology is utilized to explicitly quantify benchmark exposures on a daily basis, and Fidelity uses the same analytical framework to assess both index and portfolio risk. Tracking error should range between 1.00 - 1.50% per annum over the benchmark, and stringent portfolio construction risk control rules are strictly adhered to.

Meeting Notes

Organization

Fidelity was founded in 1946 by Edward Johnson 2d, the grandfather of the current Chairman, Abigail P. Johnson. The firm has been privately held since its inception. The Fidelity Institutional Asset Management was created in 2005 to help meet the needs of the institutional marketplace. Presently, Fidelity is responsible for managing more than \$5.1 trillion in assets. The firm is headquartered in Boston, while the team is in the Merrimack, New Hampshire office. The FIAM group of companies are wholly owned, indirect subsidiaries of FMR LLC, commonly known as Fidelity Investments. FIAM invests in traditional long-only, equity, fixed income, high income, alternative, and asset allocation disciplines. The organization has been stable over the last year with no material changes to the firm.

Investment Team

There were no investment team changes specific to BMD in the past year. Ford O'Neil, Jeff Moore, Celso Munoz and Michael Plage are the portfolio managers responsible for the Broad Market Duration strategy. Jeff Moore announced that he will retire at the end of the year. Fidelity added two additional portfolio managers in 2024 due to AUM growth and for Jeff's succession planning. Stacie Ware joined from the quant team within BMD, and Brian Day will join the team from the securitized desk. Fidelity has a compensation structure within the team that allows analysts to maintain careers as analysts if they choose not to become portfolio managers. In this way, FIAM analysts can develop insights and differentiated viewpoints on industry credits.

Investment Strategy

Fidelity' Broad Market Duration uses bottom-up issuer and sector selections as its primary sources of alpha. Because Fidelity recognizes that macroeconomic forces have often overwhelmed underlying fundamentals for extended period of time, the BMD team incorporates inputs from both global macro and quantitative analyst teams to guide decisions. Risk management is also a priority and is integrated into the framework in managing this strategy.

Credit analysts cover approximately 2–3 industries across 30–50 names, resulting in a high degree of specialization and focus. Analysts provide their own credit rating for each issuer they cover as well as a numerically ranked (1-strong buy, 6-strong sell) relative value rank for each issuer and sector they cover. This quantitative ranking is incorporated into the portfolio management and risk monitoring systems. Analysts also provide qualitative assessments to portfolio managers. In meetings with the portfolio manager and traders, analysts propose their security recommendations, discuss industry trends, and provide updates on company-specific situations. Outputs from these meetings can include formal ratings changes to both fundamental outlooks and relative value.

While the investment process is rooted in a bottom-up, fundamental approach, FIAM incorporates macroeconomic variables that can influence credit, liquidity and valuation perspectives into their bottom-up process. These global macro perspectives serve a twofold function: (1) they facilitate the risk management process and (2) they represent potential sources of alpha.

Performance & Positioning

As of May 31, 2024, the SamCERA BMD account's trailing 12-month net return outperformed the Bloomberg Barclays U.S. Aggregate benchmark (2.2% versus 1.3% for the Bloomberg Barclays U.S. Aggregate Index). Attribution for the 1-year time period is 0% from duration (FIAM doesn't take duration bets in this strategy). Outperformance was primarily due to security selection.


Currently, portfolio managers believe there is no replacement for Treasuries in bear markets. Treasuries look underweight but are overweight from a duration perspective.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 27, 2024

Agenda Item 6.4

TO: Board of Retirement

FROM: Doris Ng, Investment Analyst 

SUBJECT: Report on Opportunistic Credit Manager Annual Reviews

Recommendation

Accept the reports on the annual reviews of SamCERA's opportunistic credit bond managers.

Background

On July 11th, SamCERA staff and consultant held annual review meetings with our opportunistic credit bond managers, PIMCO and Beach Point. On August 1st, SamCERA staff and consultant also held annual review meetings with two other opportunistic credit bond managers, White Oak Global Advisors and One William Street.

Each meeting lasted approximately 1.5-2 hours, and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook.

Discussion

On July 11th, we reviewed two investment strategies with PIMCO. First, we reviewed PIMCO's Diversified Income strategy, which is a multi-sector approach that diversifies globally across different public credit sectors based on relative value. The strategy has the flexibility to invest across a broad spectrum of public credit, including investment grade, high yield, emerging markets, other non-core credit sectors and currencies.

Next, we reviewed the PIMCO Private Income strategy, which is an opportunistic global private credit strategy that invests across private residential, commercial, corporate, and specialty finance markets. The strategy utilizes both top-down sector relative value and bottom-up security selection.

Lastly, we reviewed Beach Point's Select Fund strategy, which focuses on mid-market, off-the-run, complex and less-liquid securities. The strategy invests across the capital structure in distressed/opportunistic securities, event-driven bonds, bank debt and credit-informed equities with a North American and European focus.

On August 1st, we reviewed two investment strategies with White Oak Global Advisors. Both strategies, White Oak's Yield Spectrum Fund IV and V, are private investment funds that invest primarily in senior-secured corporate credit and debt instruments, including term loans, asset-based loans, and equipment financing to small and middle-market companies.

Lastly, we reviewed One William Street Capital Partners, LP, which is a multi-strategy, structured finance fund investing in various asset-based securities and loans.

There were no significant concerns identified during the portfolio reviews. Attached you will find meeting notes from Verus summarizing the findings from these annual reviews.

Attachments

- A. PIMCO Diversified Income Fund Annual Review Meeting Notes
- B. PIMCO Private Income Fund Annual Review Meeting Notes (Confidential)
- C. Beach Point Annual Review Meeting Notes (Confidential)
- D. White Oak Global Advisors Annual Review Meeting Notes (Confidential)
- E. One William Street Capital Partners Annual Review Meeting Notes (Confidential)

Date of meeting: 7/11/2024

Location: SamCERA Office

Manager Representative(s)

Sonali Pier (Portfolio Manager)
Geoffrey Bowers (Credit Strategist)
Ross Hutchason (Account Management)

Verus Representative(s)

Joseph Abdou

Client Representative(s)

Mike Coultrip (CIO), Doris Ng (Analyst)

Account Assets

\$131 million (6/30/2024)

Product Description

PIMCO's Diversified Income (DI) Fund is a multi-sector strategy that invests across a broad spectrum of global credit market sectors, including investment grade and high yield corporate debt, as well as emerging markets. The allocation among these will vary based on PIMCO's assessment of global trends and relative valuations. This active and dynamic approach allows for increased responsiveness in asset allocation to changing economic and market conditions while remaining anchored by PIMCO's investment process and longer-term orientation. The ability to invest globally helps to improve diversification and may allow investors to benefit from differences in business cycles across regions and credit quality trends across credit sectors. PIMCO's DI investment strategy seeks to provide high yield-like returns with lower volatility against a blended index (1/3 Bloomberg Barclays Global Agg Credit ex-EM; 1/3 BofA Merrill Lynch BB-B rated Developed Markets High Yield; 1/3 JPMorgan EMBI Global). The fund allows for a duration band of 3-8 years. The team focuses its investments into these groups: credit strategies (investment grade, high yield, emerging markets and non-core credits including MBS, municipals and other govt-related sectors); duration strategies (U.S. and non-U.S. duration) and currencies (tactical non-USD exposure).

Meeting Notes

Organization

The firm's total assets under management as of 3/31/24 were \$1.9 trillion. As of March 31, 2024, Diversified Income strategy assets were approximately \$26.6 billion which is large enough to be relevant but small enough for the team to be relatively nimble. DI fund assets were \$3.3 billion.

Investment Team

Diversified Income accounts are managed by a team of portfolio managers averaging 20 years of experience. The team includes senior portfolio managers Daniel Ivascyn, Alfred Murata, Regina Borromeo, Charles Watford and Sonali Pier. Lead portfolio manager Sonali Pier ultimately has the final decision-making authority. There were no team departures over the past year. Portfolio managers are responsible for positioning and trades within their portfolios and work in conjunction with investment grade credit, emerging markets, high yield and mortgage-backed securities teams in constructing portfolios.

Investment Strategy

PIMCO's approach to managing the Diversified Income strategy is driven by the same key principles that are applied to all credit portfolios managed at the firm. PIMCO's global approach to investing and top-down macroeconomic research gives the team insights into managing in a multi-sector credit framework. The team's philosophy is driven by three main principles: 1) flexible and tactical allocation across global credit sectors in an effort to identify dislocations in relative value, 2) adding value through the combination of bottom-up fundamental credit research with top-down macroeconomic analysis, and 3) diversifying sources of risk and return in an attempt to avoid large drawdowns, which can result in attractive risk-adjusted returns over a long-term investment horizon.

PIMCO's process is a combination of top-down macroeconomic insights coupled with bottom-up fundamental research. The DI portfolio management team, structured in a generalist/specialist model, is responsible for coordinating a global investment process to ensure consistency across portfolios. The team works closely with the investment grade credit, emerging markets, high yield and mortgage-backed securities teams in constructing portfolios. PIMCO's portfolio risk management team enforces internal investment committee-defined targets and limits and partners with portfolio managers to provide analysis and insights on portfolio construction, stress tests, potential drawdowns and other market risks. PIMCO uses an integrated approach to assessing ESG risks in the portfolio, striving to consider and model all possible variables that could potentially impact a bond's future value.

This is a best-ideas portfolio seeking the most attractive risk-adjusted returns globally and across asset classes while mitigating market volatility. Over time performance attribution should come 10-20% from macro decisions, 30-40% from sector decisions and 30-40% from bottom up decisions.

Performance & Positioning

As of June 30, 2024, SamCERA's DI portfolio beat its primary benchmark return since inception gaining 2.4% since 8/2017. For the 1-year ending June 30, 2024 the fund outperformed its benchmark by 0.40%. The secondary PIMCO DI Index is comprised of 1/3 Bloomberg Barclays Global Agg Credit ex-EM; 1/3 BofA Merrill Lynch BB-B rated Developed Markets High Yield; 1/3 JPMorgan EMBI Global. The portfolio US duration overweight and underweight to the investment grade and emerging markets sectors contributed to outperformance.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 27, 2024

Agenda Item 7.1

TO: Board of Retirement
FROM: Scott Hood, Chief Executive Officer
SUBJECT: Amendments to Board Regulations



Recommendation

Approve a resolution amending Regulation Sections 4.2, 4.5, 4.6, 4.9, 4.10, 4.13, 4.17, 4.21, and 4.22 in Article IV Election of Trustees; amending Regulation Sections 5.3 and 5.5(D) in Article V Membership Duties and Rights; and adding Regulation Section 6.10 in Article VI Disability Retirements.

Background

In reviewing the Board's regulations regarding special elections, staff has obtained feedback from the County's Elections Division with respect to potential revisions to the regulations. Additionally, in the interests of efficiency, staff took the opportunity to review the regulations and suggest other revisions that would assist staff in more efficiently processing benefit payments and disability retirement applications. All of the recommended revisions are in accordance with the Board's plenary authority in administering the retirement system.

Discussion

Elections-Related Revisions (Article IV) - Proposed revisions to Regulation Sections 4.2, 4.5, 4.6, 4.9, 4.10, and 4.17 were suggested by the County's Elections Division in order to provide elections staff with an additional week to conduct SamCERA's regular elections by moving the date on which candidates may obtain Nominating Petitions or Declarations of Candidacy one week earlier to the second Monday in April (as opposed to the third Monday). Subsequent deadlines such as the dates by which candidates shall file such papers have correspondingly been shifted one week earlier which ultimately provides elections staff with an additional week to prepare and mail ballots.

Staff recommends an amendment to Regulation Section 4.22 to extend the period for Special Elections to between 60-150 days as opposed to the current 60-120 days. This recommendation stems from the realization that if an elected Board Member whose term is within one year of expiration resigns or retires in August, then pursuant to the current timeframes, SamCERA would need to conduct one Special Election prior to the end of the calendar year to fill the remaining term and a second election the following June for the upcoming term. Extending the time period to hold the Special Election to 150 days will allow SamCERA and the Elections Division to conduct one consolidated election (for both the remaining term and the upcoming term) in January.

Revisions to Regulation Sections 4.2 and 4.21 were proposed by SamCERA staff to clarify that deferred members are ineligible to be placed on either the List of Eligible Candidates and Nominators or the List of Eligible Voters and to clarify that newly-elected Trustees shall be sworn in at the first

Board meeting at which they are present following election. Staff also recommends the revision of Regulation Section 4.13 to correct a typographical error.

Membership Duties and Rights Revisions (Article V) – Staff recommends revision of Regulation Section 5.5(D) to allow the Board to delegate its authority to the Chief Executive Officer to provide for payment to members by check. Presently, such authority may only be exercised by the Board which necessitates the placement of such items on the Board agenda and which may cause delay in processing such payment method changes. Staff also recommends revisions to Regulation Section 5.3 to clarify its intended meaning which is to allow the Chief Executive Officer to prescribe the manner and form of documents that are required to be submitted by new members.

Disability Retirements (Article VI) – California Government Code section 31535 authorizes the Board to issue subpoenas and subpoenas duces tecum in connection with the evaluation and processing of disability retirement applications. Such subpoenas may be necessary in situations where an employer has filed for disability retirement on behalf of a member and the member fails to promptly execute the necessary releases for SamCERA to be able to obtain relevant medical and other records. Section 31535 further provides that the Board, through its regulations, may delegate this authority to the Chief Executive Officer and to a hearing officer. Staff recommends the addition of Regulation Section 6.10 which would provide for the delegation of this authority which would allow for the more efficient exercise of this subpoena power.

Attachments

Resolution amending Regulation Sections 4.2, 4.5, 4.6, 4.9, 4.10, 4.13, 4.17, 4.21, and 4.22 in Article IV Election of Trustees; amending Regulation Sections 5.3 and 5.5(D) in Article V Membership Duties and Rights; and adding Regulation Section 6.10 in Article VI Disability Retirements Amendments to Regulation Sections 4.2, 4.5, 4.6, 4.9, 4.10, 4.13, 4.17, 4.21, and 4.22 (Article IV Election of Trustees), Regulation Sections 5.3 and 5.5(D) (Article V Membership Duties and Rights), and Regulation Section 6.10 in Article VI Disability Retirements (Redlined)

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

RESOLUTION 2024-__

RESOLUTION AMENDING REGULATION SECTIONS 4.2, 4.5, 4.6, 4.9, 4.10, 4.13, 4.17, 4.21, AND 4.22 IN ARTICLE IV ELECTION OF TRUSTEES; AMENDING REGULATION SECTIONS 5.3 AND 5.5(D) IN ARTICLE V MEMBERSHIP DUTIES AND RIGHTS; AND ADDING REGULATION SECTION 6.10 IN ARTICLE VI DISABILITY RETIREMENTS

WHEREAS, Government Code section 31525 provides that this Board, with the approval of the Board of Supervisors, may establish regulations that govern the operation of SamCERA that are not inconsistent with the County Employees' Retirement Law of 1937; and

WHEREAS, the proposed amendments to the Board's regulations are in accordance with the County Employees' Retirement Law of 1937 and are intended to streamline certain of SamCERA's procedures as well as provide the County's Elections Division with additional time to process SamCERA's elections; and

WHEREAS, the Board has reviewed proposed amendments to its regulations and desires to adopt them;

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Regulations of the Board of Retirement are amended to read as set forth below;

Regulation 4.2 of Article IV is amended to read:

4.2 List of Eligible Candidates and Nominators and the List of Eligible Voters:

The Chief Executive Officer, or his designee, shall provide to the Elections Officer a copy of the Nominating Petition, the "List of Eligible Candidates and Nominators," the "List of Eligible Voters," and other necessary election materials. The "List of Eligible Candidates and Nominators" shall include those names of members who are eligible to sign Nomination papers and/or run for office as set forth in sections 4.4 and 4.5, and shall be provided no later than the Friday prior to the second Monday in April of the election year. The "List of Eligible Voters" shall include those names of members who are eligible to vote in the election as set forth in section 4.13, and shall be provided no later than the Monday prior to the first day ballots may be mailed to those voters. Notwithstanding any provision to the contrary in these regulations, the "List of Eligible Candidates and Nominators" and the "List of Eligible Voters" shall not include deferred members.

Regulation 2.2 of Article IV is amended to read:

4.5 Nominating Petitions/Declaration of Candidacy: On and after the second Monday in April, qualified candidates may obtain a Nominating Petition or Declaration of Candidacy, a copy of the Code of Fair Campaign Practices as it appears in the California Elections Code, and a copy of these Election Regulations from the Elections Officer. Candidates for Second, Third and Seventh Trustee shall be nominated by a petition signed by not less than ten SamCERA Members eligible to

sign the candidate's petition. SamCERA's General Members are eligible to sign a petition for a candidate for Second or Third Trustee. SamCERA's Safety Members are eligible to sign a petition for a candidate for Seventh Trustee. SamCERA's Retired Members are eligible to nominate themselves as a candidate either for the Eighth Trustee or the Eighth Trustee Alternate by filing a Declaration of Candidacy with the Elections Officer. SamCERA's Retired Members may only nominate themselves to one position. To be eligible to sign petitions, or nomination papers, a member's name shall be included on the "List of Eligible Candidates and Nominators." No member shall sign more than one Nominating Petition for each election. Signed Nominating Petitions and Declarations of Candidacy must be filed with the Elections Officer no later than 5:00 p.m. of the last Monday in April. Candidates who file Nominating Petitions after the deadline will be disqualified. Prospective candidates shall appear in person to receive candidate papers from and to deliver candidate papers to the Elections Officer. If a prospective candidate is unable to appear in person, they shall designate in writing an agent to receive and/or deliver the candidate's Nomination Papers or Declaration of Candidacy on their behalf.

Regulation 4.6 of Article IV is amended to read:

4.6 Withdrawal: Candidates may withdraw from the election no later than 5:00 p.m. of the last Monday in April by filing a written statement of withdrawal with the Elections Officer.

Regulation 4.9 of Article IV is amended to read:

4.9 Candidate Statements: The Elections Officer shall accept, reproduce and include with the ballot, a Candidate Statement listing the name of the candidate and no more than 300 words. Candidate Statements shall be limited to a recitation of the candidate's own personal background and qualifications and shall not make any reference to other candidates or to another candidate's qualifications. Statements that do not meet these requirements shall not be accepted, but may be resubmitted up to the filing deadline. The counting of words will be in accordance with the California Elections Code. If the Elections Officer determines that an acceptable Candidate Statement is not submitted by the deadline, the candidate will not have one included with the ballot. Candidate Statements must be filed with the Elections Officer no later than 5:00 p.m. of the last Monday in April. Statements shall be printed as submitted. No candidate, for any reason, may withdraw or change his or her Candidate's Statement after this deadline. Statements filed pursuant to this section shall remain confidential until the expiration of the filing deadline.

Regulation 4.10 of Article IV is amended to read:

4.10 Challenges to Statements: No later than 5:00 p.m. on the last Thursday in April or first Thursday in May, whichever follows the last Monday in April, a candidate may challenge by writ of mandate or injunction filed with the Superior Court of San Mateo County, which requests that the decision of the Elections Officer to accept or reject a candidate's statement be reversed and/or that the statement in question is false, misleading, or inconsistent with the requirements of Section 4.9. The peremptory writ of mandate or injunction shall be issued only upon clear and convincing proof and a finding that an order would not substantially interfere with the printing or distribution of official election materials.

Regulation 4.13 of Article IV is amended to read:

4.13 Qualification of Voters: For mailed ballots, the Elections Officer shall confirm the name on the outer ballot envelope with the “List of Eligible Voters.” For electronic voting, the Elections Officer shall confirm the name of the electronic ballot recipient with the “List of Eligible Voters.” SamCERA’s General Members are qualified to elect the Second and Third Trustees. SamCERA’s Safety members are qualified to elect the Seventh Trustee. SamCERA’s Retired Members are qualified to elect the Eighth Trustee and Eighth Trustee Alternate. To be eligible to vote, a member shall be a part of his or her respective group at the close of the pay period immediately preceding the first day that ballots may be mailed or sent electronically per these regulations.

Regulation 4.17 of Article IV is amended to read:

4.17 Certification of Election Results: The Elections Officer shall canvass and certify the results of the election no later than the Monday following the election.

Regulation 4.18 of Article IV is amended to read:

4.18 Receipt & Safekeeping of Ballots Cast and other Election Materials: The Elections Officer shall accept and provide for the safekeeping of all ballots cast. Ballots must be retained for 180 days after Election Day, and, in the absence of litigation, may be discarded thereafter. All other Election related materials and documents must be retained for 180 days after Election Day, and, in the absence of litigation, may be discarded thereafter.

Regulation 4.21 of Article IV is amended to read:

4.21 Oath of Office: Newly elected Trustees shall be sworn-in during the Board’s first meeting in July, or, if absent at such meeting or if elected as a result of a Special Election, then at the first Board meeting at which such newly-elected Trustee is present/

Regulation 4.22 of Article IV is amended to read:

4.22 Special Elections: The Chief Executive Officer shall advise the Board when a vacancy occurs. The Board has determined that the earliest possible date for the Special Election be not less than 60 nor more than 150 days from the effective date of the vacancy and shall call a Special Election to be held during that period. Special Elections shall be conducted in conformance with the provisions of Government Code section 31523 and this Article for Regular Elections, except that the schedule shall be adjusted by the Elections Officer to comply with the date of the Special Election set by the Board.

Regulation 5.3 of Article V is amended to read:

5.3 Required Documents Upon Entering Service: Upon entering service, the member shall immediately execute and file such documents as may be prescribed by the Chief Executive Officer in the manner and form thereof.

Regulation 5.5(C) of Article V is amended to read:

5.5(C) The Board may approve payment by check in cases where the Board's paying agent is unable to provide payment by auto deposit and in cases where the member has specifically requested payment by check. The Board, by resolution, may delegate the authority to approve payment by check in the circumstances described above to the Chief Executive Officer.

BE IT FURTHER RESOLVED that the Board hereby adds Section 6.10 to Article VI of the Regulations of the Board of Retirement which shall read as follows:

6.10 Authority to Issue Subpoenas: The Board delegates its subpoena power under Government Code section 31535 to SamCERA's Chief Executive Officer. In situations where a matter is before a hearing officer pursuant to Section 6.2(D), such subpoena power is delegated to such hearing officer.

BE IT FURTHER RESOLVED that the amendments shall become effective after their approval by the Board of Supervisors.

* * * * *

Regularly passed and adopted, by the San Mateo County Employees' Retirement Association, Board of Retirement, on August 27, 2024.

Ayes, Trustees:

Noes, Trustees:

Absent, Trustees:

Abstain, Trustees:

Sandie Arnott, SamCERA Board Secretary



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SamCERA Board Regulations

TABLE OF CONTENTS

ARTICLE I	PURPOSE, SCOPE, AND AMENDMENTS
ARTICLE II.	BOARD OFFICERS AND CHIEF EXECUTIVE OFFICER
ARTICLE III.	MEETINGS
ARTICLE IV.	ELECTION OF TRUSTEES
ARTICLE V.	MEMBERSHIP DUTIES & RIGHTS
ARTICLE VI.	DISABILITY RETIREMENT
ARTICLE VII.	PURCHASE OF CREDIT FOR PUBLIC SERVICE
ARTICLE VIII.	INTERNAL REVENUE CODE COMPLIANCE

ARTICLE I.
PURPOSE, SCOPE AND AMENDMENTS

1.1 Purpose and Scope: In accordance with California Government Code section 31525, the regulations set forth herein are effective as of October 1, 2014, and reaffirm and clarify the existing practices of the San Mateo County Employees' Retirement Association ("SamCERA").

1.2 Amendments: These regulations may be amended from time to time at any meeting of the Board by an affirmative vote of at least five (5) members of the Board, and shall be submitted to the San Mateo County Board of Supervisors for ratification.

[Return to Table of Contents](#)

ARTICLE II.
BOARD OFFICERS AND CHIEF EXECUTIVE OFFICER

- 2.1 Election of Chair:** At the regular meeting in July or August, the Board of Retirement shall elect one of its members chair for a term of one year or until his or her successor is duly elected and qualified. The Chair shall preside at all meetings of the Board, shall appoint all committees and shall perform all duties incidental to that office.
- 2.2 Election of Vice Chair:** At the regular meeting in July or August, the Board of Retirement shall elect one of its members vice chair for a term of one year or until his or her successor is duly elected and qualified. In the Chair's absence or inability to act, the Vice Chair shall take the place and perform the duties of that office.
- 2.3 Election of Secretary:** At the regular meeting in July or August, the Board of Retirement shall elect one of its member's secretary for a term of one year or until his or her successor is duly elected and qualified. The Secretary shall attest to Resolutions and other such documents for the Board. In the Chair's and Vice Chair's absence or inability to act, the Secretary shall take the place and perform the duties of the Chair.
- 2.4 Filling of Vacancy in Office:** In the event of a vacancy in the office of chair, vice chair or secretary, the Board of Retirement shall, at its next regular meeting, elect one of its members to fill such vacancy for the remainder of the term.
- 2.5 Administrator's/Chief Executive Officer's Authority:** The Board shall adopt, and may amend from time to time, a formal Delegation of Authority which sets forth the specific powers and duties assigned to the Administrator who shall have the title of Chief Executive Officer. The Chief Executive Officer shall adhere to the terms and conditions of the Delegation of Authority in all matters.

[Return to Table of Contents](#)

**ARTICLE III.
MEETINGS**

3.1 Public Meetings: All business of the Board shall be conducted in conformance with the requirements of California's public meeting law, known as the Ralph M. Brown Act, commencing at Government Code section 54950.

3.2 Quorum: Five trustees of the Board constitute a quorum.

3.3 Motions: Motions approved by affirmative votes of less than five trustees shall have no force and effect. The Chair should vote on all motions.

3.4 Regular Meetings: Regular meetings of the Board shall be held on the Fourth Tuesday of each month. Meetings shall begin at 10:00 a.m. Meetings shall be held in SamCERA's offices. By resolution, the Board may add, cancel, and or change the date, time and/or location of meetings within the County, if the proposed change is included on the agenda of a regular meeting.

3.5 Special Meetings: Special meetings of the Board of Retirement may be called in the manner provided by Government Code section 54956.

3.6 Order Business: The Board shall conduct its business in accordance with the provisions of the Government Code and these regulations.

3.7 Preparation of Agenda: The Chief Executive Officer shall be responsible for the preparation of the Board's agenda, which shall be approved by the chair prior to publication.

3.8 Communications to the Board: Whenever possible, communications and requests to the Board should be made in writing. Oral communications and requests will be accepted during Board meetings. The substance of such requests and the actions of the Board thereon shall be recorded in the minutes.

3.9 Meeting Minutes: The minutes of the Board's meetings shall reflect the time and place of each meeting of the Board, the names of trustees present, all official acts of the Board, the votes cast by trustees when by roll call vote, a trustee's dissent or approval and reasons when requested. The minutes will be presented for approval at the next regular meeting. The minutes as approved, signed by the Chair, shall form part of the permanent records of the Board.

[Return to Table of Contents](#)

**ARTICLE IV.
ELECTION OF TRUSTEES**

- 4.1 Regular Elections:** Regular Elections shall be held on the second Monday in June of the years in which the terms of elected Trustees expire. The Elections Officer for the County of San Mateo or his or her designee, herein after referred to in this Article as "Elections Officer" shall be responsible for the conduct of the election and shall report directly to the Board in all matters pertaining to the election of trustees.
- 4.2 List of Eligible Candidates and Nominators and the List of Eligible Voters:** The Chief Executive Officer, or his designee, shall provide to the Elections Officer a copy of the Nominating Petition, the "List of Eligible Candidates and Nominators," ~~and~~ the "List of Eligible Voters," and other necessary election materials. The "List of Eligible Candidates and Nominators" shall include those names of members who are eligible to sign Nomination papers and/or run for office as set forth in sections 4.4 and 4.5, and shall be provided no later than the Friday prior to the ~~third-second~~ Monday in April of the election year. The "List of Eligible Voters" shall include those names of members who are eligible to vote in the election as set forth in section 4.13, and shall be provided no later than the ~~Thursday-Monday~~ prior to the first day ballots may be mailed to those voters. Notwithstanding any provision to the contrary in these regulations, the "List of Eligible Candidates and Nominators" and the "List of Eligible Voters" shall not include deferred members.
- 4.3 Notice of Election:** The Chief Executive Officer shall distribute a Notice of Election on or before the first Monday in April of election years. The Notice shall include, but not be limited to, the Qualification of Candidates, the process for obtaining copies of the Nominating petition and Election Regulations, the Date of the Election, and the name and address of the Elections Officer.
- 4.4 Qualifications of Candidates:** A candidate for Second or Third Trustee shall be a General Member of SamCERA. A candidate for Seventh Trustee shall be a Safety Member of SamCERA. A candidate for Eighth Trustee shall be a Retired Member of SamCERA. A candidate for Eighth Trustee Alternate shall be a Retired Member of SamCERA. To be eligible, a candidate shall be a member of his or her respective group at the close of the pay period immediately preceding the beginning of the Nomination/Declaration of Candidacy period. The Elections Officer shall compare the names of candidates with the "List of Eligible Candidates and Nominators." If the Elections Officer finds that the candidate does not meet the qualifications set forth in this Section and Section 4.5, the Elections Officer shall disqualify the candidate.
- 4.5 Nominating Petitions/Declaration of Candidacy:** On and after the ~~third-second~~ Monday in April, qualified candidates may obtain a Nominating Petition or Declaration of Candidacy, a copy of the Code of Fair Campaign Practices as it appears in the California Elections Code, and a copy of these Election Regulations from the Elections Officer. Candidates for Second, Third and Seventh Trustee shall be nominated by a petition signed by not less than ten SamCERA Members eligible to sign the candidate's petition. SamCERA's General Members are eligible to sign a petition for a candidate for Second or

Third Trustee. SamCERA's Safety Members are eligible to sign a petition for a candidate for Seventh Trustee. SamCERA's Retired Members are eligible to nominate themselves as a candidate either for the Eighth Trustee or the Eighth Trustee Alternate by filing a Declaration of Candidacy with the Elections Officer. SamCERA's Retired Members may only nominate themselves to one position. To be eligible to sign petitions, or nomination papers, a member's name shall be included on the "List of Eligible Candidates and Nominators." No member shall sign more than one Nominating Petition for each election. Signed Nominating Petitions and Declarations of Candidacy must be filed with the Elections Officer no later than 5:00 p.m. of the ~~first-last~~ Monday in ~~May~~April. Candidates who file Nominating Petitions after the deadline will be disqualified. Prospective candidates shall appear in person to receive candidate papers from and to deliver candidate papers to the Elections Officer. If a prospective candidate is unable to appear in person, they shall designate in writing an agent to receive and/or deliver the candidate's Nomination Papers or Declaration of Candidacy on their behalf.

4.6 Withdrawal: Candidates may withdraw from the election no later than 5:00 p.m. of the ~~first-last~~ Monday in ~~May~~April by filing a written statement of withdrawal with the Elections Officer.

4.7 Qualification of Candidates and Nominators: The Elections Officer shall compare the names on Nominating Petitions and Declarations of Candidacy with the "List of Eligible Candidates and Nominators." If the Elections Officer finds that less than the number of qualified signatures specified in Section 4.5 have been submitted, the Elections Officer shall disqualify the candidate.

4.8 Fewer than Two Qualified Candidates: If the Elections Officer determines that there is only one qualified candidate, the Board of Supervisors has delegated its authority to cancel the election to the Elections Officer who shall cancel the election and certify the single candidate elected. If there are no qualified candidates, the Elections Officer shall notify the Board of Retirement who shall reschedule the election. The Chief Executive Officer shall re-notice the Election. Any election that has been re-noticed shall be held in accordance with the provision for Special Elections.

4.9 Candidate Statements: The Elections Officer shall accept, reproduce, and include with the ballot, a Candidate Statement listing the name of the candidate and no more than 300 words. Candidate Statements shall be limited to a recitation of the candidate's own personal background and qualifications and shall not make any reference to other candidates or to another candidate's qualifications. Statements that do not meet these requirements shall not be accepted, but may be resubmitted up to the filing deadline. The counting of words will be in accordance with the California Elections Code. If the Elections Officer determines that an acceptable Candidate Statement is not submitted by the deadline, the candidate will not have one included with the ballot. Candidate Statements must be filed with the Elections Officer no later than 5:00 p.m. of the ~~first-last~~ Monday in ~~May~~April. Statements shall be printed as submitted. No candidate, for any reason, may withdraw or change his or her Candidate's Statement after this deadline. Statements filed pursuant to this section shall remain confidential until the expiration of the filing deadline.

4.10 Challenges to Statements: No later than 5:00 p.m. on the ~~first-last~~ Thursday in ~~May-April~~ or ~~first Thursday in May, whichever following-follows~~ the ~~first-last~~ Monday in ~~May~~April, a candidate may challenge by writ of mandate or injunction filed with the Superior Court of San Mateo County, which requests that the decision of the Elections Officer to accept or reject a candidate's statement be reversed and/or that the statement in question is false, misleading, or inconsistent with the requirements of Section 4.9. The peremptory writ of mandate or injunction shall be issued only upon clear and convincing proof and a finding that an order would not substantially interfere with the printing or distribution of official election materials.

4.11 Ballots: The Elections Officer shall certify for inclusion on the ballot the names of qualified candidates who submitted Nominating Petitions containing the number of qualified signatures specified in section 4.5. The Elections Officer shall determine by lot the order in which candidates shall appear on the ballot. There can be elections for multiple trustee positions on a single ballot. There is no provision for write-in candidates.

A. Mail Ballots: The Elections Officer shall provide for the preparation of a number of ballots sufficient to supply one to each SamCERA Member eligible to vote in each election. The Elections Officer shall provide for the mailing of ballots to the member's home address. Ballots shall be mailed no earlier than the third Friday in May and no later than the fourth Friday in May. Ballots mailed shall include a return envelope bearing prepaid postage. The Elections Officer shall make available a replacement ballot upon request by any eligible member who lost or did not receive his or her ballot. Requests may be made in person, in writing, by e-mail, fax or by telephone. A replacement ballot will not be provided to anyone other than the member who requested the replacement ballot. Candidates are specifically prohibited from handling ballots, whether voted or unvoted, sealed or unsealed, other than their own. Voted ballots must be received by the Elections Officer on or before Election Day. Any voted ballot that is U.S. Postmarked on or before Election Day and received by the Elections Officer on or before 5:00 p.m. on the Friday following the Election Day shall also be counted.

B. Electronic voting: Upon request of the Board, the Elections Officer shall provide for the distribution of ballots and voting through an electronic voting system in addition to or in lieu of mailed ballots. The Elections Officer shall make available a replacement ballot upon request by any eligible member who lost or did not receive his or her electronic ballot. Requests may be made in person, in writing, by e-mail, fax or by telephone. A replacement ballot will not be provided to anyone other than the member who requested the replacement ballot. Candidates are specifically prohibited from handling electronic or replacement ballots, whether voted or unvoted, sealed or unsealed, other than their own. Voted ballots must be received by the Elections Officer on or before Election Day. Any voted electronic ballot sent electronically on or before Election Day and received by the Elections Officer on or before 5:00 p.m. on the Election Day shall be counted.

4.12 Ballot Designation: There shall be no ballot designations on the ballot.

4.13 Qualification of Voters: For mailed ballots, the Elections Officer shall confirm the name on the outer ballot envelope with the "List of Eligible Voters." For electronic voting, the Elections Officer shall confirm the name of the electronic ballot recipient with the "List of Eligible Voters." SamCERA's General Members are qualified to elect the Second and Third Trustees. SamCERA's Safety members are qualified to elect the Seventh Trustee. SamCERA's Retired Members are qualified to elect the Eighth Trustee and Eighth Trustee Alternate. To be eligible to vote, a member shall be a part of his or her respective group at the close of the pay period immediately preceding the first day that ballots may be mailed or sent electronically per these regulations ~~bylaws~~.

4.14 Counting of Ballots: The Elections Officer shall supervise the counting of ballots. A candidate certified as the winner must receive the highest number of votes cast. In the event of a tie vote, the Elections Officer shall determine the winning candidate by lot.

4.15 Voided Ballots: The Elections Officer shall void all of the following ballots: duplicate ballot cast; all ballots which bear the signature or initials of the voter on the ballot itself; ballots which do not bear the signature of the voter on the outside of the envelope or where it is not possible to determine who submitted the ballot; envelopes containing more than one ballot; and ballots where the Election Officer cannot determine the voter's intent. Any names written in on a ballot, other than the name of a qualified candidate, will not be counted or reported in the Certification of the Election Results.

4.16 Alternate Safety Member: If there are two or more safety member candidates for the seventh member position, the candidate receiving the highest number of votes shall be elected to the seventh member position. The safety member candidate who is of a different safety membership group and who received the next highest number of votes, shall be elected to the Alternate Safety Member position per Government Code section 31520.1. If there is no eligible candidate who is of a different safety membership group, there will be a vacancy in the Alternate Safety Member seat effective the first day of the commencement of the new term.

4.17 Certification of Election Results: The Elections Officer shall canvass and certify the results of the election no later than the ~~Friday-Monday~~ following the election.

4.18 Receipt & Safekeeping of Ballots Cast: The Elections Officer shall accept and provide for the safekeeping of all ballots cast. Ballots must be retained for 180 days after Election Day, and, in the absence of litigation, may be discarded thereafter. All other Election related materials and documents must be retained for 180 days after Election Day, and, in the absence of litigation, may be discarded thereafter.

4.19 Recount: Upon written application to the Elections Officer, and within five (5) calendar days of the Elections Officer's Certification of Election Results, any candidate may order a recount of all votes cast. Prior to a recount, the candidate requesting a recount must agree to pay for the actual cost of the recount. The Elections Officer shall determine an estimated cost for a recount and the candidate requesting the recount must deposit with the Elections Officer payment for the estimated cost. The candidate will be under no obligation to pay for the recount if the recount shows a change in the outcome of the election. The recount shall be conducted in the same manner as the original count.

4.20 Contests: Election results may be contested by a candidate upon filing a verified petition with the Superior Court of the County of San Mateo within 15 calendar days of the issuance of the Certified Election Results by the Elections Officer. Candidates may contest the election on the following grounds: a) that the person who has been declared elected to an office was not, at the time of the election, eligible for that office; b) that the candidate or his or her agent has given to a member a bribe or reward or offered any bribe or reward for the purpose of procuring his or her election; c) that a sufficient number of votes were illegal, fraudulent, forged, or otherwise improper, and that had those votes not been counted, the person having been declared elected would not have received more votes than the contestant; and/or d) that the Elections Officer in conducting the election or in canvassing the returns, made errors sufficient to change the result of the election as to any person who has been elected. The acceptance or rejection of a candidate's statement of qualifications by the Elections Officer shall not constitute grounds for a new election. A hearing on the contest shall be set by the Court. The Court's decision shall be based upon clear and convincing proof of the allegations. If the Board orders a new election based upon the Court's decision, it shall be held in accordance with the provisions for Special Elections.

4.21 Oath of Office: Newly elected Trustees shall be sworn-in during the Board's first meeting in July, [or, if absent at such meeting or if elected as a result of a Special Election, then at the first Board meeting at which such newly-elected Trustee is present.](#)

4.22 Special Elections: The Chief Executive Officer shall advise the Board when a vacancy occurs. The Board has determined that the earliest possible date for the Special Election be not less than 60 nor more than ~~120-150~~ days from the effective date of the vacancy and shall call a Special Election to be held during that period. Special Elections shall be conducted in conformance with the provisions of Government Code section 31523 and this Article for Regular Elections, except that the schedule shall be adjusted by the Elections Officer to comply with the date of the Special Election set by the Board.

4.23 Reimbursement for Services: The SamCERA Board of Retirement will reimburse the Elections Officer for the election services provided.

4.24 Public Information: During the ninety days preceding Election Day, no newsletter or other one-time publication intended for the use of SamCERA's members will be distributed by SamCERA which includes the name of any incumbent candidate for an election conducted pursuant to these regulations. This moratorium shall not apply to standard publications such as member booklets, annual reports and other documents of a similar nature.

[Return to Table of Contents](#)

**ARTICLE V.
MEMBERSHIP DUTIES & RIGHTS**

5.1 Membership: An individual entering permanent full time or permanent part time employment with a SamCERA employer, which shall be either the County of San Mateo, the Superior Court of the County of San Mateo, or the Mosquito and Vector Control District, prior to July 1, 1996, shall become a member of SamCERA on the first day of the first pay period commencing after the date of employment. An individual entering such employment on or after July 1, 1996, shall become a member of SamCERA on the first day of employment. Members may delay the effective start date of their membership with SamCERA up to twelve weeks after the date of employment and/or terminate accrual of service credit with SamCERA up to twelve weeks prior to termination of employment with a SamCERA employer, for the purpose of establishing reciprocity with another public retirement system as described in the 1937 Act.

5.2 Exclusions: All employees whose service falls in the following categories shall be excluded from membership in SamCERA:

- A. Members of appointed Boards and Commissions;
- B. Judges of the Superior Court;
- C. Employees with temporary, seasonal, or intermittent tenure, including but not limited to employees hired for a fixed term or terms which shall not in the aggregate exceed 6,240 hours; and extra help employees. However, employees first hired on or before September 30, 2014, to temporarily fill an existing position that is already filled by another employee shall be included in membership.

5.3 ~~Required Documents Upon Entering Service~~ Entering Service Application: Upon entering service, the member shall immediately execute and file such documents as may be stated in the manner and form prescribed by the Chief Executive Officer in the manner and form thereof.

5.4 Terminating Employment: A member terminating employment shall file either a completed application for retirement, or a completed form directing disposition of retirement contributions, in the manner and form prescribed by the Chief Executive Officer.

5.5 Required Documents for Retirement: Prior to the effective date of retirement, in addition to the fully executed and completed application for retirement, each member shall provide to the retirement system the following documents:

- A. Proof of birthdate of the member filed in one of the following manners: copy of a birth certificate, passport or passport card, Federal Compliant REAL ID driver license or Federal Compliant REAL ID card.
- B. Fully executed option agreement in the manner and form prescribed by the Chief Executive Officer.

C. ~~Documentation setting forth arrangement for the auto deposit of benefit payments.~~ The Board may approve payment by check in cases where the Board's paying agent is unable to provide payment by auto deposit and in cases where the member has specifically requested payment by check. [The Board, by resolution, may delegate the authority to approve payment by check in the circumstances described above to the Chief Executive Officer.](#)

Commented [PO1]: This looks like a heading to me but I think it is unnecessary and actually a little confusing. I recommend that we delete it.

D. For those members of SamCERA who were married or had a registered domestic partnership for all or a portion of their SamCERA service time: (i) copies of all applicable marriage licenses or registered domestic partnerships; (ii) for any subsequent divorce order or termination of registered domestic partnership, copies of Court dissolution orders setting forth the division of the SamCERA service time between the member and the non-member must be submitted. If applicable, a fully executed waiver by the non-member of community share of SamCERA-covered service in the manner and form approved by the Chief Executive Officer can be submitted; and (iii) if applicable, copies of death certificates for spouses and domestic partners.

5.6 Approval of Service Retirement: All applications for service retirement shall be subject to review and approval by the Board. The Chief Executive Officer shall place such retirements on the Consent Calendar for the Board's ratification of staff's actions.

5.7 Effective Date of Retirement: The effective date of retirement shall be the later of the day following the member's last day on payroll or the day the member filed the retirement application with the Chief Executive Officer. For members retiring from a deferred status, the effective date of retirement shall be the later of the day the member elects on the application or the date the application is filed.

5.8 Service Credit: For members in a contributory plan, credit shall be given for all County service rendered for compensation for which contributions are made by or for the member. For members in a noncontributory plan, credit shall be given for all County service rendered for compensation after the effective date of employment.

5.9 Computation of Service Credit: Service credit shall be calculated as follows: 2,080 hours of service shall equal one year of service credit.

5.10 Statement of Retirement Allowance Time of Retirement: Prior to the ratification by the Board of an application for service retirement, the member shall be furnished with a statement that shall indicate the effective date of retirement, the retirement allowance, and any other information that the Chief Executive Officer or designee determines is appropriate and in the member's best interest. This statement shall serve as an annuity certificate provided for in Government Code section 31526.

5.11 Statement of Deferred Retirement: When a member leaves service and applies for and is granted deferred retirement, such member shall be furnished with a statement indicating that deferred retirement has been granted and setting forth the years of service credited to said member.

5.12 Suspension of Benefits: If the Chief Executive Officer is made aware of circumstances in which, in the opinion of the Chief Executive Officer, the member may not be receiving his or her benefit, the Chief Executive Officer may temporarily suspend the benefit payments in order to determine whether the benefit payment should be directed in a different manner.

5.13 Electronic Signatures: The Board may use and accept a document requiring a signature that is submitted by a member using an electronic signature, if the document and electronic signature are submitted using technology the Board deems sufficient, as set forth in a policy adopted by the Board, to ensure its integrity, security, and authenticity. A document submitted pursuant to the Board-adopted policy shall be given the same force as a signed, valid original document.

[Return to Table of Contents](#)

**ARTICLE VI.
DISABILITY RETIREMENT**

6.1 Application Process: The application process for service connected and non-service connected disabilities shall be as follows:

- A. Submission of Completed Application:** Either the member or the employer, on behalf of the member, can apply for a disability retirement by filing with SamCERA: (1) a completed SamCERA application for disability retirement form reflecting the member's current mailing address to receive all notices provided for in this Article VI which the member shall update as applicable during the process and (2) authorizations signed by the member permitting SamCERA and its legal counsel to obtain all medical information relating to the applicant's physical or mental illness or injury and permitting access to records relating to applicant's current and prior employment. Applicant's employer shall complete forms provided by SamCERA and provide information as deemed necessary. All information received by SamCERA or its agents and counsel shall be treated as confidential and not released to anyone except insofar as may be necessary for the administration of the retirement system or upon an order of a court of competent jurisdiction, as provided by Government Code section 31532.
- B. Determination of the Disability:** The determination of the member's disability shall be limited to the disability as set forth in the application for disability retirement.
- C. Additional Information:** If at any point in the process the Chief Executive Officer determines that additional information is necessary, the Chief Executive Officer may ask the applicant or the employer to submit the additional information.
- D. Medical and Investigatory Services:** The Chief Executive Officer is authorized and directed to secure such medical, investigatory, and other services and advice in connection with applications for disability retirement as may be required in order to make a decision.
- E. Review of Information and Records by Medical Advisor:** SamCERA will inform the member when all information and records requested by SamCERA have been received. When the applicant indicates that all necessary information, including information not requested by SamCERA, has been submitted, the Chief Executive Officer shall forward the complete record to the Board's medical advisor for his or her evaluation of the applicant's condition.
- F. Cut off for Amendments to Application:** After the record has been forwarded to the Board's medical advisor, the member cannot amend his or her application to add a new disabling condition that is unrelated or not caused by the condition set forth in the application. The member must file a new application which would be subject to all regular statutory deadlines.

6.2 Submission of Application Information to the Board: Staff, in consultation with the medical advisor, shall prepare a memorandum summarizing the application and information received from medical, employment and other records. Staff shall make a recommendation to the Board regarding the approval of the application.

- A. Notification of Board Review:** The applicant shall be notified in writing when the matter will be submitted to the Board for its consideration and that the matter will be placed on the Board's consent agenda. If staff's recommendation to the Board is to deny the application, the notice shall include a copy of staff's memorandum to the Board summarizing the application and information received from medical, employment and other records. While the applicant is welcome to appear before the Board, the appearance is not mandatory, unless the member would like the matter removed from the consent agenda.
- B. Board Review of Staff Recommendation:** The matter will be placed on the Board's consent agenda with recommended action by staff. The applicant or any member of the Board can request that the matter be taken off of the consent agenda to be discussed and considered during the regular agenda. If the matter is placed on the regular agenda, it will be heard in closed session, unless otherwise directed by the applicant. For all disability matters heard on either the consent agenda or regular agenda, the Board shall review the information submitted and consider the acceptance of staff's recommendation. The applicant and the employer shall be notified in writing of the Board's action regarding the application.
- C. Request for a Formal Hearing:** If the applicant or employer is dissatisfied with the Board's action, the applicant or employer may request a formal hearing. The request for a formal hearing must be made in writing, and filed with the Chief Executive Officer, if by the member, within 60 days of the date of the notice of the Board's action; if by the employer, within 30 days of the date of notice of the Board's action. If no request for a formal hearing is filed within the applicable period, the Board's action shall be deemed final and binding. If there is a failure to cooperate or any other act or omission by the member or applicant or their representative which prevents the hearing officer from being able to hear and make recommendations and findings on the application within one year of the request for a hearing, the hearing request shall be considered null and void by the Board and the Board's decision on the application shall be deemed final and binding. Before the Board determines whether to null and void a hearing request, the member or applicant or their representative shall be sent, at least 15 days prior, a written notice of the proposed action with the date and time of the Board meeting and shall be granted the opportunity to appear and address the Board regarding the proposed action.
- D. Formal Hearing Process:** Upon the filing of a written request for a hearing, staff will select a hearing officer on a rotational basis from a list of private attorneys who serve as hearing officers, and then will refer the matter to counsel for SamCERA. Counsel for SamCERA will contact the applicant about communicating with the hearing officer regarding the hearing schedule and the preparation of the record. The hearing officer shall schedule the time and

place of the hearing with the consent of the parties. The hearing officer shall set a briefing schedule for any briefs to be filed. The hearing shall be limited to the disability as set forth in the application for disability retirement and shall be recorded by a qualified court reporter. The hearing officer shall prepare and submit a proposed finding of fact and recommended decision based upon the evidence considered.

- E. Objections to Hearing Officer Decision:** The proposed findings of fact and recommendations of the hearing officer shall be served on the parties who shall have 10 days from the date of service to submit written objections. The objections shall be incorporated into the record to be considered by the Board.
- F. Notice of Submission of Hearing Officer Decision to the Board:** The hearing officer's decision shall be placed on the Board's agenda as soon as administratively possible after the period for objections has run. Staff shall notify the applicant of the time and place of the meeting and staff's recommendation to the Board. The matter will be placed on the Board's consent agenda with the recommended action by staff. The applicant or any member of the Board can request that the matter be taken off of the consent agenda to be considered during the regular agenda. If the matter is to be heard on the regular agenda, it will be heard in closed session, unless otherwise directed by the applicant.
- G. Consideration of Hearing Officer Decision by the Board:** Upon receiving the proposed findings of fact and recommendations of the hearing officer, the Board may: (1) approve and adopt the proposed findings and recommendations; or (2) require a transcript or summary of all the testimony and evidence, and then take such action as in its opinion is indicated by such evidence; or (3) refer the matter back with or without instructions to the hearing officer for further proceedings; or (4) set the matter for a hearing before itself. The applicant and the employer shall be notified in writing of the Board's action.
- H. Appeal of the Action of the Board:** If the member or the employer is dissatisfied with the Board's action relating to the hearing officer's recommended decision, the applicant or the employer may obtain judicial review by filing a petition for a writ of mandate in accordance with the Code of Civil Procedure within 90 days of the date of the written notice of the Board's action. If a petition for writ of mandate is not timely filed, the Board's action shall be deemed final and binding.

6.3 Effective Date: If the Board approves the application for disability retirement, the effective date of retirement shall be the later of the day following the member's last day on payroll or the day the member filed the retirement application with the Chief Executive Officer.

6.4 Required Documents for Disbursement of Disability Payment: The first disability retirement benefit payment shall not be disbursed until the member has filed the required documents set forth in Article V regulation 5.5 of these regulations.

6.5 Grounds for Termination of an Application for Disability Retirement: An application for disability retirement may be terminated and considered null and void by the Board for one or more of the following reasons:

- A. Failure of the member to submit to a requested medical examination; or
- B. Any failure to cooperate by the member or applicant or any other act or omission by the member or applicant or their representative which causes an unwarranted period of delay of 6 or more months and prevents staff's ability to submit the application to the Board for hearing and adjudicating because the review and/or investigation of the application cannot be completed.

6.6 Process to Terminate an Application for Disability Retirement: Before the Board determines whether to void and null a disability application, the applicant shall be given at least 15 days written notice of the proposed action and the date and time of the Board meeting. The applicant shall be granted the opportunity to appear and address the Board regarding the proposed action. The Board may exercise broad discretion in extending the time for the processing of the application. Nothing in this section shall prohibit an applicant from filing a new application if applicant is eligible to do so.

6.7 Cancellation of Disability Benefits after Medical Examination: If the Board requires a disability retiree under the age of 55 to undergo a medical examination and on the basis of such examination determines that it should review whether the disability retiree is still physically or mentally incapacitated for service in the position held when retired for disability, the matter will be placed on the Board's agenda for hearing. The disability retiree will be given written notice of the hearing and be advised that if the Board decides that he or she is no longer incapacitated, and if the employer reinstates the retiree, the disability retirement allowance will be canceled. The notice shall also advise the disability retiree of his or her right to be represented by counsel, to present evidence in his or her own behalf and to cross-examine any witness produced in support of canceling the disability retirement allowance. If the disability retiree is dissatisfied with the Board's action, the disability retiree may obtain judicial review by filing a petition for a writ of mandate in accordance with the Code of Civil Procedure within 90 days of the date of the written notice of the Board's action. If a petition for writ of mandate is not timely filed, the Board's action shall be deemed final and binding.

6.8 Modified Work Program Pending Determination of Disability: If the Board has not made a determination of eligibility for a disability benefit prior to a member's entry into a Modified Work position designed by the County to accommodate the member's work restrictions, then at the time of the member's retirement, the Board's determination of eligibility for a disability benefit shall be based upon the normal and customary duties of the member's position prior to entering the Modified Work position, unless the member requests that the Board base its decision on the duties of a subsequent position held by the member.

6.9 Modified Work Program-Request for Retirement: If the Board has authorized modified work benefits, then upon the member's subsequent request to retire, the Chief Executive Officer may retire the member with a disability benefit and record the member's name on the consent agenda for Board ratification. However, if the Chief Executive Officer has reason to believe that the member's condition has improved to the point where the member may be capable of performing the normal and customary duties of the position from which the member was previously disabled, then the Chief Executive Officer shall submit the matter to the Board for its independent review and determination.

6.10 [Authority to Issue Subpoenas:](#) [The Board delegates its subpoena power under Government Code section 31535 to SamCERA's Chief Executive Officer. In situations where a matter is before a hearing officer pursuant to Section 6.2\(D\), such subpoena power is delegated to such hearing officer.](#)

[Return to Table of Contents](#)

ARTICLE VII.
PURCHASE OF CREDIT FOR PUBLIC SERVICE

7.1 Compliance with State and Federal Law: All service credit purchases and redeposits of previously withdrawn contributions are to be made in accordance with the Internal Revenue Code ("IRS Code"), the Treasury Regulations promulgated thereunder, and the County Employees' Retirement Law of 1937 ("Government Code"). If there is a conflict between federal and state law, federal law will govern in order to maintain SamCERA's tax qualified status.

7.2 Permissive Service Credit and Applicable Federal Statutory Tax Limits: Service Credit purchases may be limited by the applicable requirements set forth in IRS Code Section 415. IRS Code Section 415 tax limits do not apply to the redeposit of previously withdrawn contributions and related interest. Service Credit purchases must comply with the provisions of Government Code section 31482.5.

7.3 Service Credit Available for Purchase by Active Members:

- A. Prior Public Service:** Any active member who is a County employee or a member of a participating employer and was a member prior to January 1, 1970 may purchase service credit for service performed for military or federal, state, and other public agencies credited in California that do not qualify for reciprocity. Such public service may be purchased pursuant to the terms of Government Code sections 31641.1 & 31641.2.
- B. Employment Through CETA:** Any active member (1) who was employed by the County or a participating employer while compensated pursuant to the provisions of the Comprehensive Employment Training Act (CETA) and (2) who subsequently became a permanent employee of the County or District, is eligible to purchase credit for the Public Service performed for the County or District while a CETA participant. Applications for the purchase of such CETA public service must include a detailed documentation accounting the period of service and compensation in the form and manner prescribed by the Chief Executive Officer. Such public service may be purchased pursuant to the terms of Government Code section 31641.5.
- C. Service Credit:** In accordance with Government Code section 31641.5, a member may purchase service he or she rendered with San Mateo County or another employer participating in SamCERA prior to the member's membership in SamCERA during which time the member was ineligible for membership. A member must make this service purchase at the time they are employed with that participating employer.
- D. Leave of Absence Credit:** In accordance with Government Code section 31646, an eligible member may purchase his or her uncompensated leave of absence on account of illness, not to exceed 12 consecutive months, provided the eligible member returned directly to active service following such uncompensated leave. An eligible member may also purchase employer-approved leaves of absence on account of maternity or paternity leave, for up to 12 consecutive months for each unpaid parental leave occurrence. Members must have returned

to active employment for a time period at least equal to the parental leave to commence the purchase. The parental leave must have commenced on or after March 23, 2021.

- E. Plan 3 Noncontributory Plan Credit:** Eligible members currently in a SamCERA contributory plan contained in Government Code section 31496, et seq. may upgrade their past service credit in the SamCERA noncontributory plan by paying the difference between the employer contributory and noncontributory plan contributions plus the member's contributions for the contributory plan for the period of service being upgraded along with the interest the contributions would have earned had they been on deposit with SamCERA. Contributions are based on the current entry age.
- F. Plan 5 to Plan 4:** Eligible members in General Plan 5 can transfer to Plan 4, if they have provided 10 years of County service (20,800 hours) in Plan 5 and/or Plan 3 and pay all the additional employee and employer contributions, plus interest, that would have been required had the member been in Plan 4 since the date of employment. Reciprocal service credit and purchases of service credit, such as extra help, cannot be used to satisfy the 10 years of service in Plan 5 requirement.
- G. Redeposit of Previously Withdrawn Contributions:**

 - 1. An active member may redeposit to SamCERA an amount that is equal to all previously withdrawn contributions, plus interest, in accordance with Government Code section 31652. SamCERA will charge interest for the period from the date of separation from SamCERA until the member has paid the required redeposit amount.

 - a. A member's age for purposes of calculating contribution rates will be based on the member's age at the nearest birthday at the time of the member's reentrance into employment, unless the member is otherwise eligible under Government Code section 31652 to have his or her original entrance age reinstated.
 - b. SamCERA will treat a member who does not redeposit all contributions previously withdrawn plus interest as a new member without credit for any previous service.
 - c. If for any reason a member fails to complete the redeposit of previously withdrawn contributions plus interest, SamCERA will not reinstate the member's related prior service credit in accordance with Government Code section 31652. SamCERA will instead return the eligible member's related payment in a manner and at a time permitted under federal tax law.
 - d. SamCERA will credit the member's related service credit upon completion of full payment of all previously withdrawn contributions plus interest.

2. Prior to filing an application for retirement, an eligible former member may redeposit to SamCERA an amount that is equal to all previously withdrawn contributions, plus interest, in accordance with Government Code section 31652.

The former member must qualify for this type of redeposit under the terms of Government Code section 31831.3. Under the provisions SamCERA will charge interest for the period from the date of separation from SamCERA until the member has paid the required redeposit amount. Redeposits of this type may only be executed by lump sum payment.

3. In accordance with the time period set forth in Government Code section 31685.2 and Regulation 7.5(E), an active member may redeposit to SamCERA an amount that is equal to all contributions, plus interest, previously transferred to a nonmember account and subsequently withdrawn by the nonmember. SamCERA will charge interest for the period from the date of the withdrawal of funds until the member has paid all of the required redeposit amount.

1. If for any reason a member fails to complete the redeposit of the withdrawn contributions plus interest, SamCERA will not reinstate the service credit to the member's account in accordance with Government Code section 31685.2. SamCERA will instead return the member's payment in a manner and at a time permitted under federal tax law.
2. SamCERA will credit the member's related service credit upon completion of full payment of all previously withdrawn contributions plus interest.

H. **Additional Retirement Credit (ARC):** Eligible active members in a contributory plan who completed at least 5 years of credited service with SamCERA were able to purchase up to 5 years of ARC in increments of one year if the active member submitted an application to purchase ARC prior to December 31, 2012. ARC cannot be used to meet the minimum eligibility requirements for either a service retirement, a non-service disability retirement, additional ad hoc cost-of-living benefits based on service credit, or eligibility for any other benefits based on service credit or toward a cancellation of contributions for certain members who attain 30 years of service credit. Service may include purchased extra-help time, upgraded Plan 3 service, and redeposited time. Reciprocal service is not included. Government Code section 31658.

I. **Prior Military Service:** See Regulation 7.7 for purchase of prior military service.

7.4 Payment Options: Federal and State Law Limitations. Eligible members may purchase Permissive Service Credit or make a redeposit of previously withdrawn contributions plus required accumulated interest using the following payment methods or a combination thereof. Payments are subject to the rules and/or conditions set forth below and any applicable tax limits under IRS Code section 415. All

purchase agreements containing installment payments will include interest calculated using the actuarially assumed rate of earnings in effect as of the date each agreement is signed.

- A. Lump Sum After-Tax Payments and Terminal Pay:** An eligible member may pay with a single lump sum payment of after-tax dollars. Terminal Pay (the cash out of accrued hours of compensation paid to a member by the member's employer after terminating employment) can be used for lump sum after-tax payments. Terminal pay must be received by SamCERA by a separate payment issued after termination and not as a part of the member's last paycheck.
- B. Pre-Tax Rollover Contributions:** In accordance with the regulations contained in Article VIII, an eligible member may pay with a pre-tax rollover contribution to SamCERA from a qualified retirement plan, an individual retirement account or annuity, an annuity contract described in IRS Code section 403(b), or a governmental 457(b) plan. This payment option is not available for transfers from Plan 5 to Plan 4.
- C. Plan-to-Plan Transfers:** In accordance with the regulations contained in Article VIII, an eligible member may pay with an in- service trustee-to-trustee transfer from a governmental eligible deferred compensation plan described in IRS Code section 457(b) or an annuity contract described in IRS Code section 403(b), provided the transfer plan or annuity contract provides for such transfers. Such transfers are subject to the requirements of IRS Code section 457(e)(17) or 403(b)(13), as applicable. This payment option is not available for transfers from Plan 5 to Plan 4.
- D. Payroll Deductions:** An eligible member may elect to pay installments by post tax payroll deduction.

7.5 Time Limitations for Installment Payments: The time period over which a member may make installment payments is subject to the following limitations:

- A. Prior Public Service:** For a purchase of service credit for prior public service under Government Code sections 31641.1 and 31641.2, installment payments may be made over a period of time not to exceed five years.
- B. Service Credit, Including Employment through CETA:** For a purchase of service credit for prior service under Government Code section 31641.5, installment payments may be made over a period of time that does not exceed the length of time for which the member has elected to receive service credit, as determined by SamCERA.
- C. Leave of Absence Credit:** For a purchase of service credit for an unpaid leave of absence under Government Code section 31646, installment payments may be made over a period of time that does not exceed the length of unpaid leave that the member has elected to purchase, as determined by SamCERA.

- D. **Plan 3 Service Credit Upgrade:** For upgrades of Plan 3 service credit pursuant to Board of Supervisor's Resolution 64827, installment payments may be made over a period of time that does not exceed twice the length of service being upgraded.
- E. **Redeposit of Previously Withdrawn Contributions:** For redeposits of previously withdrawn contributions under Government Code section 31652 and 31685.2, installment payments may be made over a period of one year.
- F. **Additional Retirement Credit:** For a purchase of ARC under Government Code section 31658, installment payments may be made over a period not to exceed 10 years.
- G. **Completion of Purchase After Separation of Service:** If a member terminates, retires or goes into deferred retirement before the purchase has been completed, the purchase must be completed no later than the date specified in the purchase agreement or 120 days after the effective date of retirement, whichever date is earlier.

7.6 Procedures

- A. **Administrative Procedures:** SamCERA will establish administrative procedures for processing service credit purchases and redeposits of previously withdrawn contributions and will determine the amounts required for service credit purchases and redeposits, including required interest.
- B. **Required Documentation:** All purchases and redeposits shall be set forth in a written SamCERA election form and agreement. Members shall provide any required documents and information associated with their purchase or redeposit in a manner and form acceptable to SamCERA.
- C. **Requirement To Complete Purchase:** Except as otherwise provided below, service credit will not be credited to a member's account until the entire purchase has been completed. If for any reason a member fails to complete his or her service credit purchase, credit will be given in accordance with the contract or applicable provisions of the Government Code. SamCERA or the employer may return the eligible member's related overpayment in a manner and at a time permitted under federal tax law.
- D. **Partial Service Credit:** SamCERA will allow partial service credit for purchases of prior public service credit under Government Code sections 31641.1 and 31641.2 even though the member has not completed payment of the entire period he or she has elected.

7.7 Military Service: Eligible active members can purchase prior military service in accordance with the provisions of Government Code section 31641.97.

- A. **Notice by January 1, 1995:** Eligible members who gave written notice by January 1, 1995, by filing with SamCERA a signed Purchase of Military Service Credit Application form as prescribed by the Chief Executive Officer.
- B. **Certification:** The Application must include verification of military service (DD214 or its equivalent) and an affidavit that the applicant is not eligible to receive credit for this service under any other retirement plan.
- C. **Calculation of Cost to the Member:** Government Code section 31641.97 requires that the full cost, including interest, of the employee and county liability for the additional credit under this section shall be determined by the Board of Retirement on actuarial advice, and shall be the actuarial equivalent of the difference between the retirement benefits the person will receive with and without the credit for military service.
- D. **Actuarial Assumptions:** The actuarial factors used shall be those used for the actuarial valuation of the Retirement Fund at the time of the calculation, except that the member shall select the age of retirement.
- E. **Method Used to Determine the Cost:** The cost shall be the Actuarial Equivalent of the Difference between the benefit the member will receive with and without the credit for military service.
- F. **Lump Sum Purchase:** Eligible persons may purchase credit for their Military service at any time prior to the effective date of their retirement by lump-sum payment of an amount equal to the full cost, including interest, of the employee and county liability for the additional credit within 180 days prior to receipt of the lump-sum payment.
- G. **Installment Purchase:** Eligible persons may purchase credit for their military service at any time prior to the effective date of their retirement by authorizing biweekly post-tax payroll deductions over a period not to exceed five years in equal payments which will accumulate the full cost, including interest, of the employee and county liability for the additional credit within 180 days prior to commencement of the deductions.
- H. **Purchase of Partial Credit:** Eligible persons may purchase less than the full credit for which they are eligible, so long as the payment, or payments, accumulate the full cost, including interest, of the employee and employer liability for the additional credit. Additional credit may be purchased at any time prior to the effective date of retirement, so long as the payment or payments are based on the full cost within 180 days prior to receipt of the lump-sum payment or commencement of biweekly payroll deductions.
- I. **Recording of Members' Assets & Crediting of Interest:** All funds deposited into the Retirement Fund pursuant to this regulation shall be recorded in individual Military Service Credit Reserve accounts established in the name of the member. Funds on deposit shall be

credited on the same terms and at the same rate of interest as the county's accounts in the Retirement Fund, regardless of the subsequent status of the member. On the effective date of retirement, all principal and interest in the Reserve will be transferred to the member's regular account in the Retirement Fund.

- J. Calculation of Benefit Payable at Time of Retirement:** When the member files an application for retirement there shall be a recalculation of the Military Service Benefit and Member Service Credit Reserve as set forth subsection (E), using the information then available and the assumptions in effect at the time of recalculation.
- K. Surplus:** If the calculations performed pursuant to subsection (J) indicate that the principal and interest in the Military Service Credit Reserve exceeds the amount required, the surplus balance will be refunded to the member, at a time and in a manner that complies with applicable tax laws.
- L. Deficiency:** If the calculations performed pursuant to subsection (J) indicate that the principal and interest in the Military Service Credit Reserve is not sufficient to fund the full Military Service Benefit, the Chief Executive Officer shall allow the member to make one of the following two elections: (1) Lump Sum Purchase: The member may immediately purchase the unfunded military service credit and receive the full Military Service Benefit; or (2) Pro Rata Credit: The member may elect to not purchase the unfunded military service credit and receive a reduced Military Service Benefit.
- M. Payment of Military Service Benefit:** On the effective date of retirement, the years of military service for which payment-in-full has been received shall be added to the member's years of county service in the computation of the retirement allowance and will, thereafter, be an integral part of the base allowance for the purpose of calculating cost-of-living increases and survivor benefits.
- N. Disability:** The member who retires on account of disability may elect either (1) a refund of all principal and interest in the account maintained pursuant to subsection (I), or (2) an annuity based upon the years-of- military-service for which payment-in-full has been received. If the member elects an annuity, all principal and interest in the account on the effective date of the Disability Retirement shall be converted to an annuity which will be based on the Board's Actuarial Assumptions, including Disability Retirement Life Expectancy Factors, in effect at that time. Subject to applicable tax laws, the annuity shall be payable for life in equal monthly installments, plus annual cost-of-living adjustments equal to those granted to retirees in the member's Plan. An eligible surviving spouse or registered domestic partner shall receive the applicable survivor allowance. The Chief Executive Officer shall determine the amount of the annuity on the effective date of the Disability Retirement.

- O. Death Before Retirement:** If the member was not eligible to retire, all principal and interest in the account maintained pursuant to subsection (I) will go to the member's beneficiary. If the member was eligible to retire, the surviving eligible spouse or registered domestic partner may elect to receive (1) a refund of all principal and interest in the account maintained pursuant to subsection (I), or (2) a monthly allowance which includes military service credit based on the provisions of subsections (J) and (L). The surviving eligible spouse or registered domestic partner may elect to receive any surplus, make a lump-sum payment for any deficiency, or accept pro-rata credit, as provided for in subsection (J).
- P. Death After Retirement with a Surviving Spouse or Registered Domestic Partner:** The Military Service Credit Reserve has been merged with the member's regular account. Therefore, the surviving eligible spouse or registered domestic partner will receive a monthly allowance based on the same survivor option formula elected by the member at the time of retirement.
- Q. Death After Retirement Without a Surviving Spouse or Registered Domestic Partner:** The Military Service Credit Reserve has been merged with the member's regular account and, therefore, the balance, if any, goes to the beneficiary.
- R. Termination of Employment:** Upon termination of employment, a member may elect to withdraw the funds; or, if eligible, may elect a deferred retirement, in which case the funds will remain on deposit and will continue to be subject to the provisions of subsection (I) until the effective date of retirement.
- S. Election to Discontinue Installment Purchase Plan:** The decision to purchase military service credit is irrevocable. However, unless otherwise prohibited by law, any member may discontinue the installment purchase plan at any time. All funds on deposit will continue to be subject to the provisions of subsection (I). Unless otherwise prohibited by law, the member may elect to reinstate the purchase plan at any time prior to the effective date of retirement, but shall be subject to re-computation of the balance due as calculated pursuant to subsections (C)(F)(G)(H). At the time of retirement, the member will receive proportional military service credit, as provided for in subsections (J) and (M).
- T. Dissolution of Marriage or Registered Domestic Partnership:** If the final decree does not specifically identify the member's Military Service Credit Reserve, the Chief Executive Officer shall administer the assets in the account in the same manner as stipulated in the final decree for the disposition of the member's retirement benefits.

[Return to Table of Contents](#)

ARTICLE VIII.
INTERNAL REVENUE COMPLIANCE

- 8.1 Plan Year.** The plan year for purposes of these regulations is the calendar year.
- 8.2 Reversions of Employer Contributions:** Pursuant to section 401(a)(2) of the Internal Revenue Code, the SamCERA trust fund shall not revert, and no contributions shall be permitted to be returned, to a participating SamCERA employer prior to the satisfaction of all liabilities with respect to their employees and their beneficiaries under the trust.
- 8.3 Vesting:** Pursuant to section 401(a)(7) of the Internal Revenue Code, a member shall be 100% vested in her or her service retirement benefit upon attaining eligibility for that service retirement benefit. A member shall be 100% vested in his or her accumulated contributions at all times. In the event of a full or partial termination of, or complete discontinuance of employer contributions to, SamCERA, the accrued benefits of the affected members shall be 100% vested and nonforfeitable to the extent funded and to the extent required by federal law.
- 8.4 Required Minimum Distributions (“RMD”):** The regulations herein reaffirm and clarify the existing practices of SamCERA with respect to the minimum distribution requirements under section 401(a)(9) of the Internal Revenue Code (the “Code”). These regulations are intended to be in accordance with the Code and the applicable Treasury regulations. To the extent there is a conflict between these regulations and the Code and Treasury regulations, the applicable federal law will govern. SamCERA may establish reasonable procedures for complying with the minimum distribution requirements under section 401(a)(9) of the Code that it deems necessary or desirable to comply with applicable tax laws or for administrative purposes. Capitalized terms used in this regulation 8.4 are defined in Section H. Terms used in this regulation 8.4 as defined in the County Employees’ Retirement Law of 1937 (“CERL”) or the California Public Employees’ Pension Reform Act of 2013 (“PEPRA”) apply here unless otherwise stated.
- A. Reasonable Good Faith Interpretation of Code:** In accordance with section 823 of the Pension Protection Act of 2006 (“PPA”), these regulations are promulgated in accordance with a reasonable good faith interpretation of section 401(a)(9) of the Code, and the Treasury regulations thereunder, as applicable to a governmental plan within the meaning of section 414(d) of the Code. For purposes of section 401(a)(9), Code means the Code and applicable Treasury regulations as they apply under a reasonable good faith interpretation of section 401(a)(9).
- B. Elections Under TEFRA § 242(b)(2):** Notwithstanding the other requirements of this regulation to the contrary, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act.

C. Time And Manner Of Distribution

1. **Required Beginning Date.** The Member's entire interest will be distributed, or begin to be distributed, no later than the Member's Required Beginning Date.

2. **Forms of Distribution.**

a. **Periodic and Other Forms of Payments.** A Member's entire interest in SamCERA shall be distributed in the form of RMD Annuity payments that meet the requirements of paragraph (b) of this subsection or in the form of a single sum. Payments may be made in a combination of these forms of payment and may include lump sum refunds or withdrawals of Member contributions or death benefits as provided in the CERL provided that these forms comply with a reasonable good faith interpretation of Code section 401(a)(9).

b. **General Rules Regarding RMD Annuities.** If the Member's interest is to be paid in the form of an RMD Annuity, the RMD Annuity must meet the following requirements:

i. **Periodic.** RMD Annuities must be paid over equal payment intervals which may not be longer than one year.

ii. **Distribution Period.** RMD Annuities will be paid over the life or lives of the Member and a beneficiary or over a period certain that does not exceed the maximum length of the period described in Section E or Section F of this regulation.

iii. **Increases.** RMD Annuities may not increase over time except in accordance with the rules in Section G (1).

iv. **Change in Period Paid.** The period over which an RMD Annuity is paid can be changed only in accordance with Section 1.401(a)(9)-6 of the Treasury regulations.

v. **Commencement.** Payment of the RMD Annuity must start no later than the Required Beginning Date.

D. Amount Required to be Distributed by Required Beginning Date and Later Payment Intervals. The amount that must be distributed on or before the Member's Required Beginning Date is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. All of the Member's benefit accruals as of the last day of the first Distribution Calendar Year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Member's Required Beginning Date. If the Member dies before distributions begin, the same rules apply with reference to the date distributions are required to begin under section F(1)(a) or F(1)(b).

E. RMD Annuity Distributions Beginning During Member's Life. The following rules must be met to comply with the requirements of the Code and this regulation for RMD Annuities that begin during the Member's lifetime.

1. Single Life RMD Annuity. An RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime only, with no benefits paid to any other person, meets the requirements of the Code and this regulation.

2. Joint and Survivor RMD Annuity - Death of Member After Benefits Begin. If Member dies after RMD Annuity payments have commenced to the Member, then distributions must continue to be made over the remaining period over which distributions commenced in accordance with the schedule of payments made to the Member. Reasonable delay for administration may occur, but in this case payments that should have been made in accordance with the original payment schedule must be made with the first resumed payment.

3. Joint and Survivor RMD Annuity With Spouse as the Sole Beneficiary. An RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime and the lifetime of the Member's surviving Spouse, with no benefits paid to any other person, meets the requirements of the Code and this regulation regardless of the difference in age of the Member and the Member's Spouse.

4. Joint and Survivor RMD Annuity When the Sole Beneficiary Is Not the Member's Spouse.

a. Limit on Percentage of Member's RMD Annuity Paid to Non-Spouse Beneficiary. The survivor annuity percentage of an RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime and the lifetime of a beneficiary other than the Member's surviving Spouse must not at any time exceed the applicable

percentage of the RMD Annuity payment during the Member's lifetime, using the table set forth in Treasury regulation section 1.401(a)(9)-6. This Treasury Regulation requires that the RMD Annuity payable to the Member's beneficiary after the Member's death not exceed the percentage of the RMD Annuity payable to the Member during the Member's life specified in the table if the adjusted age difference between the Member and the beneficiary is more than 10 years.

- b. Rule Regarding Children of Member.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6 and taking into account the vested rights in retirement benefits created by the California Constitution, if a survivor benefit is payable to a surviving child of the Member for a limited period of time (such as until the child reaches the age of 21), the survivor benefit shall be treated as payable solely to the surviving Spouse of the Member.
- c. Rule Regarding Other Beneficiaries.** Solely to the extent required by section 401(a)(9) of Title 26 of the United States Code and under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6 and taking into account the vested rights in retirement benefits created by the California Constitution, if a survivor benefit is payable to a person other than a surviving Spouse of the Member (or surviving child) under paragraph (b) of this subsection (4), then the present value (if any) of any benefit that would be in excess of the amount that can be paid in accordance with such regulation shall be paid to such person in a lump sum payment no later than one year after such person becomes entitled to survivor benefits.

5. Period Certain RMD Annuity

- a. Spouse is the Sole Beneficiary.** If the Member's sole beneficiary is the Member's surviving Spouse, and the form of distribution is a period certain with no life annuity, the period certain may not exceed the joint life and last survivor expectancy of the Member and Spouse as determined in accordance with the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9, of the Treasury Regulations, using the Member's and Spouse's ages as of the Member's and Spouse's birthdays in the calendar year that contains the Annuity Starting Date.
- b. Spouse is Not the Sole Beneficiary.** When the Member's surviving Spouse is not the sole beneficiary then the period certain may not exceed the period established under the Uniform Lifetime Table contained in

Treasury regulations section 1.401(a)(9)-9 for the calendar year that contains the Annuity Starting Date. If the Member is younger than age 72 in that year, then the distribution period for the Member is the distribution period for age 72 increased by the difference between 70 and the age of the Member in the year of the Annuity Starting Date. Also see below regarding Designated Beneficiaries.

- c. **Rule Regarding Children of Member.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6 and taking into account the vested rights in retirement benefits created by the California Constitution, the period certain distribution rules shall not apply to survivor benefits payable to children of the Member but the rules of section E (4) above shall apply.
- d. **Rule Regarding Other Beneficiaries.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6 and taking into account the vested rights in retirement benefits created by the California Constitution, if a period certain survivor benefit is payable to a person other than a surviving Spouse of the Member, then the present value (if any) of any benefit that would be in excess of the amount that can be paid in accordance with such regulation shall be paid to such person in a lump sum payment no later than one year after such person becomes entitled to a survivor benefit.

F. Distributions When Member Dies Before Benefits Begin. If a Member dies before distributions begin, distributions after the death of the Member must meet the following requirements:

1. When Distributions Must Begin.

- a. **Spouse is the Sole Designated Beneficiary.** If the Member's sole Designated Beneficiary is the Member's surviving Spouse, then, except as provided in paragraph (e) of this subsection 1, distributions to the surviving Spouse must begin by December 31 of the calendar year immediately following the calendar year in which the Member died or, if later, by December 31 of the calendar year in which the Member would have reached age 72.
- b. **Spouse is not the Sole Designated Beneficiary.** If the Member's sole Designated Beneficiary is not the Member's surviving Spouse, then, except as provided in paragraph (e) of this subsection 1, distributions to

the Designated Beneficiary must begin by December 31 of the calendar year immediately following the calendar year in which the Member died.

- c. **No Designated Beneficiary.** If there is no Designated Beneficiary as of September 30 of the year following the year of the Member's death, then distributions of the Member's entire interest must be completed by December 31 of the calendar year that contains the fifth anniversary of the Member's death.
 - d. **Death of Surviving Spouse Who Is the Sole Designated Beneficiary.** If the Member's surviving Spouse is the Member's sole Designated Beneficiary and the surviving Spouse dies after the Member but before distributions to the surviving Spouse are required to begin, then this Section F (1), other than Section F (1)(a) applies as if the surviving Spouse were the Member.
 - e. **Election of Five Year Rule.** A Designated Beneficiary may elect, at the time and in the manner determined by SamCERA, to have the five year rule of Section F (1)(c) apply, but solely to the extent that the Designated Beneficiary may elect, under the CERL, a benefit which will be paid in the required time period.
2. **When Distributions Are Considered to Begin.** For purposes of this Section F, unless Section F (1)(d) applies, distributions are considered to begin on the Member's Required Beginning Date. If Section F (1)(d) applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under Section F (1)(a). If distributions under an RMD Annuity meeting the requirements of this regulation commence to the Member before the Member's Required Beginning Date (or to the Member's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section F(1)(a), the date distributions are considered to begin is the date distributions actually commence.
3. **Length of Distribution Period.**
- a. **Member Is Survived by a Designated Beneficiary.**
 - i. **General Rule.** If the Member is survived by a Designated Beneficiary, the Member's entire interest in SamCERA shall be distributed over the life of the Designated Beneficiary or over a period certain that does not exceed the period specified in 3(a)(ii).

- ii. **Period Certain.** The period certain in 3(a)(i) may not exceed the Designated Beneficiary's life expectancy determined using the Single Life Table in Treasury regulations section 1.401(a)(9)-9. If the Annuity Starting Date is in the first Distribution Calendar Year, the life expectancy shall be determined using the Designated Beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Member's death. If the Annuity Starting Date is before the first Distribution Calendar Year, then the life expectancy is determined using the Designated Beneficiary's age in the calendar year that contains the Annuity Starting Date.
- b. **No Designated Beneficiary.** If there is no Designated Beneficiary as of the September 30 of the year following the year of the Member's death, distribution of the Member's entire interest if it can be distributed, must be distributed by December 31 of the calendar year containing the fifth anniversary of the Member's death.
- c. **Death of Surviving Spouse Before Distributions To Spouse Begin.** If the Member's surviving Spouse is the Member's sole Designated Beneficiary, and the surviving Spouse dies before distributions to the surviving Spouse begin, this Section F(3) shall apply as if the surviving Spouse were the Member, except that the time that distributions are required to begin is determined without regard to Section F(1)(a).

G. Special Rules

1. **RMD Annuity Payment Increases.** RMD Annuity payments will either not increase over time or increase only as follows:
 - a. **Cost of Living Adjustments**
 - i. **Annual COLA Increases.** RMD Annuity payments may increase by an annual percentage that does not exceed the percentage increase in an eligible cost-of-living index, as defined in section 1.401(a)(9)-6 of the Treasury regulations, for a 12-month period ending in the year during which the increase occurs or a prior year.
 - ii. **Cumulative COLA Increases.** RMD Annuity payments may increase by a percentage increase that occurs at specified times and does not exceed the cumulative total of annual percentage

increases in an eligible cost-of-living index, as defined in the preceding paragraph since the Annuity Starting Date, or if later, the date of the most recent percentage increase.

- iii. **Additional COLA Increases.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, and taking into account the vested rights in retirement benefits created by the California Constitution, RMD Annuity payments may increase by a percentage or amount that is determined by SamCERA, in accordance with the CERL, to represent an appropriate amount to take account of cost of living increases affecting retirees or beneficiaries.
- b. **“Pop-Ups.”** RMD Annuity Payments may increase to the extent of the reduction in the amount of the Member’s payments to provide for a survivor benefit, but only if there is no longer a survivor benefit because the beneficiary whose life was being used to determine the distribution period dies or is no longer the Member’s beneficiary pursuant to a domestic relations order under applicable state law.
- c. **Single Sum Distribution.** RMD Annuity Payments may increase to the extent necessary to allow a beneficiary to convert the survivor portion of a joint and survivor annuity into a single sum distribution upon the Member’s death or under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6 and taking into account the vested rights in retirement benefits created by the California Constitution, to allow a beneficiary to select a lump sum distribution of all or part of the Member’s interest under SamCERA as provided in the CERL.
- d. **Plan Amendment.** Benefits may increase if they result from an amendment to, or interpretation of, the County Employees Retirement Law, the California Government Code or any other applicable law governing benefits for Members or from an ordinance, resolution or regulation pursuant to such law.
- e. **Other Benefits.** Benefits may increase (i) to the extent increases are permitted in accordance with section 1.401(a)(9)-6 of the Treasury regulations dealing with additional permitted increases for annuity payments under annuity contracts purchased from an insurance company and additional permitted increases for annuity payments from a qualified trust; (ii) pursuant to section 31691.1 of the CERL; and (iii) pursuant to sections 31681.1 et seq., and 31739 et seq. of the CERL.

- 2. Additional Accruals After First Distribution Calendar Year.** Any additional benefits accruing to the Member in a calendar year after the first Distribution Calendar Year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such benefit accrues.
- 3. Domestic Relations Orders.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, and taking into account the vested rights in retirement benefits created by the California Constitution, pursuant to Article 8.4 of the CERL, both the Member and the Member's former Spouse shall be deemed to be separate Members of SamCERA for purposes of these regulations and section 401(a)(9) of the Code.
- 4. Reciprocal Member.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, and taking into account the vested rights in retirement benefits created by the California Constitution, if a deferred Member is a current employee and a member of another retirement system with which SamCERA has reciprocity under California law, then for purposes of determining the Required Beginning Date under SamCERA the Member shall be treated as a current employee of a SamCERA employer and as such, as if he or she had not retired, even if he or she has attained age 72.
- 5. Public Safety Member Killed In Line of Duty.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, and taking into account the vested rights in retirement benefits created by the California Constitution, additional retirement benefits, if any, that are applicable under CERL and have been made applicable to SamCERA, to the surviving Spouse of a public safety SamCERA member killed in the line of duty shall not be limited by Code section 401(a)(9) because they shall be treated as incidental death benefits.
- 6. Rollovers.** Amounts that are required minimum distributions cannot be rolled over to another qualified retirement plan or other tax-favored vehicle. The amount that cannot be rolled over shall be determined in accordance with Treasury regulations section 1.402 (c)-2.
- 7. Payments to Surviving Child Treated as Made to Surviving Spouse.** Solely to the extent required by section 401 (a)(9) of Title 26 of the United States Code and under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, and taking into account the vested rights in retirement benefits created by the California Constitution, for purposes of Code section 401 (a)(9) and these regulations, payments to a member's surviving child in accordance with the

requirements of section 1.401(a)(9)-6 of the Treasury regulations shall be treated as if such payments had been made to the Member's surviving Spouse to the extent the payments become payable to the surviving Spouse upon the child's attainment of the age of majority, as determined in accordance with section 1.401(a)(9)-6 of the Treasury regulations, or upon the occurrence of such other event specified in section 1.401(a)(9)-6 of the Treasury regulations, or as otherwise specified in IRS guidance under section 401(a)(9) of the Code.

H. Definitions.

1. **Annuity Starting Date.** "Annuity Starting Date" means the first day of the first period for which a retirement benefit is payable as an RMD Annuity or, in the case of a retirement benefit not payable in the form of an RMD Annuity, the first day on which all events have occurred which entitle the member to payment.
2. **Designated Beneficiary.** "Designated Beneficiary" means the individual who is designated by the Member (or the Member's surviving Spouse) as the beneficiary of the Member's interest under SamCERA and who is the designated beneficiary under section 401(a)(9) of the Code and section 1.401(a)(9)-4 of the Treasury regulations. Accordingly, entities other than individuals, such as the Member's estate or a trust, cannot be a Designated Beneficiary of a Member's interest in SamCERA. However, the individuals who are beneficiaries under a designated trust shall be treated as Designated Beneficiaries for purposes of determining the distribution period under this regulation and Code section 401(a)(9) if all of the applicable requirements of Treasury regulation section 1.401(a)(9)-4 are met. If all of such applicable requirements are not met, then the distribution of the Member's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.
3. **Distribution Calendar Year.** "Distribution Calendar Year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Member's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Member's Required Beginning Date. For distributions beginning after the Member's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to Section F (1) of this regulation.
4. **Required Beginning Date.** "Required Beginning Date" means April 1 of the calendar year following the later of the calendar year in which the Member attains age 72 or the calendar year in which the Member retires.

5. **RMD Annuity.** “RMD Annuity” means, for purposes of the required minimum distribution rules in section 401(a)(9) of the Code, a distribution form providing for periodic payments for a specified period of time.

6. **Spouse.** A person who is a legally married spouse under either state law or federal law.

8.5 Rollovers. The regulations set forth herein reaffirm and clarify the existing practices of SamCERA with respect to rollovers into and out of SamCERA in accordance with the Internal Revenue Code (the “Code”). For these regulations, Code includes the Treasury regulations issued under the Code. These regulations are intended to be in accordance with the Code and the applicable Treasury regulations. To the extent there is a conflict between these regulations and the Code and Treasury regulations, the applicable federal law will govern. SamCERA may establish any reasonable procedures for paying rollover distributions or accepting rollover contributions that it deems necessary or desirable for complying with applicable tax laws or for administrative purposes. Terms used in this regulation 8.5 are defined in the County Employees’ Retirement Law of 1937 (“CERL”) or the California Public Employees’ Pension Reform Act of 2013 (“PEPRA”) and apply here unless otherwise stated.

A. Rollover Distributions From SamCERA

1. Rollovers

a. **Direct Rollover.** A “Direct Rollover” is that portion of an Eligible Rollover Distribution that SamCERA pays directly to an Eligible Retirement Plan, and may also be referred to as a trustee-to-trustee transfer to an Eligible Retirement Plan, at the direction of an Eligible Individual.

b. **Indirect Rollover.** An “Indirect Rollover” is that portion of an Eligible Rollover Distribution that SamCERA pays directly to an Eligible Individual.

2. Eligible Individuals

a. **Eligible Individual.** Only an “Eligible Individual” may elect a Direct Rollover. An “Eligible Individual” is:

i. **Terminated From Employment.** A Member who has terminated employment from a SamCERA employer and who is eligible to withdraw his or her accumulated Member contributions under SamCERA;

ii. **Surviving Spouse.** A deceased Member’s surviving Spouse;

iii. **Alternate Payee.** Member's or former Member's Spouse or former Spouse who is the alternate payee under a domestic relations order, as defined in Code section 414(p), with regard to the interest of the Spouse or former Spouse; and

iv. **Non-Spouse Beneficiary.** A deceased Member's non-spouse beneficiary who is a "designated beneficiary" under Code section 401(a)(9)(E), subject to the non-spouse beneficiary provisions in Section A(7).

b. **Spouse.** A person who is a legally married under either state or federal law.

3. Payments that Can and Cannot be Rolled Over

a. **Eligible Rollover Distribution Required.** SamCERA will pay a Direct Rollover on behalf of an Eligible Individual only if the payment is an "Eligible Rollover Distribution."

b. **Eligible Rollover Distribution Defined.** An "Eligible Rollover Distribution" is any distribution to an Eligible Individual of all or any portion of the amount credited to the Eligible Individual under SamCERA. These amounts may include (a) refunds of Member contributions plus accumulated interest, or (b) one-time lump sum death benefit payments.

c. **After-Tax Portion.** The portion of a distribution that consists of after-tax Member contributions may be rolled over if the after-tax funds are transferred in a direct trustee-to-trustee transfer to (a) a qualified trust or (b) an annuity contract described in Code Section 403(b). After-tax Member contributions may also be rolled over to an individual retirement account or annuity described in Code Section 408(a) or (b). The qualified trust or annuity contract must separately account for the transferred after-tax amounts, and must also separately account for the earnings on the after-tax amounts.

d. **Exclusions from Eligible Rollover Distributions.** An Eligible Rollover Distribution does not include the following kinds of payments:

i. **Periodic Payments.** Payments that are part of a series of substantially equal periodic payments (i) made at least once per year over the life (or life expectancy) of the Eligible Individual or

the life (or life expectancy) of the Eligible Individual and his or her designated beneficiary, or (ii) made for a period of 10 years or more; or

- ii. **Required Distributions.** Payments that are “required minimum distributions” under Code section 401(a)(9).

4. Eligible Retirement Plans

- a. **Payment to Eligible Retirement Plan.** SamCERA will pay an Eligible Rollover Distribution directly to an “Eligible Retirement Plan.”
- b. **Eligible Retirement Plan Defined.** An “Eligible Retirement Plan” is:
 - i. An annuity plan described in Code section 403(a);
 - ii. An annuity contract described in Code section 403(b);
 - iii. A governmental eligible deferred compensation plan described in Code section 457(b) that agrees to separately account for amounts transferred into such plan from SamCERA;
 - iv. An individual retirement annuity described in Code section 408(a);
 - v. An individual retirement account described in Code section 408(b);
 - vi. A Roth IRA described in Code section 408A; or
 - vii. A qualified trust described in Code section 401(a) (including defined benefit pension plans and defined contribution plans such as 401(k) plans, profit sharing plans, and money purchase plans).
- c. **Certain Exclusions.** An Eligible Retirement Plan does not include, and a rollover cannot be made to, a SIMPLE IRA or a Coverdell Education Savings Account.

5. Direct Rollovers

- a. **Withholding and Direct Rollovers.** SamCERA will not withhold any federal or state income taxes from a Direct Rollover. The only exception is that SamCERA will withhold federal or state income taxes from a Direct

Rollover to a Roth IRA if the Eligible Individual requests that withholding on a form and in the manner prescribed by SamCERA.

- b. Administrative Requirements, In General.** An Eligible Individual who requests a Direct Rollover must complete a distribution form in the manner and form that SamCERA prescribes. SamCERA may require the Eligible Individual to provide any reasonable information and/or documentation for purposes of administering the Direct Rollover in accordance with the Code.
- c. Rollover Check.** The Eligible Individual must provide SamCERA with the name of the Eligible Retirement Plan to which the rollover check will be made payable for his or her benefit. If the Eligible Individual so chooses, SamCERA will provide this rollover check directly to the Eligible Individual who will be responsible for delivering the check to the recipient IRA or plan.
- d. Eligible Individual's Responsibility Re: Recipient Plan.** The Eligible Individual is responsible for ensuring that any Eligible Retirement Plan that he or she has designated to receive the Eligible Individual's distribution from SamCERA in a Direct Rollover is an Eligible Retirement Plan that will accept and receive the rollover on his or her behalf in accordance with the applicable tax rules.
- e. Time of Payment.** SamCERA will pay a Direct Rollover on behalf of an Eligible Individual as soon as is reasonably and administratively practicable in accordance with its withdrawal and/or death benefit payment processes.

6. Indirect Rollovers

- a. Choice of Indirect Rollover.** An Eligible Individual, other than a nonspouse beneficiary, may also choose to receive a rollover payment as an Indirect Rollover.
- b. Indirect Rollover Withholding.** An Indirect Rollover is subject to 20% federal income tax withholding, or the current applicable withholding rate, and any applicable state withholding. SamCERA will withhold and deduct these taxes on behalf of the Eligible Individual as prescribed by federal and applicable state law.

- c. **Eligible Individual's Responsibility Re: Recipient Plan.** It is the responsibility of the Eligible Individual to roll over all or some portion of his or her Indirect Rollover payment to an IRA or eligible employer plan within 60 days if he or she wants the payment to qualify as a rollover for tax purposes. If an Eligible Individual wants to roll over 100% of the payment, the Eligible Individual must replace the 20% that was withheld for federal income taxes (and any applicable state withholding) with other money.

7. Direct Rollover of a Non-Spousal Distribution.

- a. **Trustee-To-Trustee Transfer Required.** A rollover on behalf of a non-spouse beneficiary must be a direct or trustee-to-trustee transfer and may not be paid in the form of an Indirect Rollover.
- b. **Non-Spouse Beneficiaries Who May Rollover and Rollover to Inherited IRA Only.** A non-spouse beneficiary who is a "designated beneficiary" under Code Section 401(a)(9)(E) may roll over all or any portion of the non-spouse beneficiary's Eligible Rollover Distribution to an IRA that is established by the non-spouse beneficiary for purposes of receiving the distribution and that is treated as an "inherited IRA" under the Code. The IRA must be established in a manner that identifies it as an IRA with respect to a deceased individual and it must identify the deceased individual and the beneficiary.
- c. **Trust as Beneficiary.** If the non-spouse beneficiary is a trust, SamCERA may make a Direct Rollover to an IRA on behalf of the trust, provided the beneficiaries of the trust satisfy the requirements to be designated beneficiaries within the meaning of Code Section 401(a)(9)(E). The IRA on behalf of the trust must be established in a manner that identifies it as an IRA with respect to a deceased individual and it must identify the deceased individual and the trust beneficiary.

8. Notice Requirements

- a. **402(f) Notice from SamCERA.** SamCERA will provide the tax notice required under Code Section 402(f) to each Eligible Individual who requests a withdrawal from the SamCERA.
- b. **Time Periods.** SamCERA will not process any withdrawals until 30 days after the date such notice is received by the Eligible Individual requesting the withdrawal. If, however, the Eligible Individual waives this 30-day

period on a form and in the manner prescribed by SamCERA, SamCERAmay process the withdrawal before the 30-day period expires.

B. Rollover Contributions to SamCERA. Adoption of these regulations providing for the acceptance of certain rollover contributions as determined below does not create any continuing entitlement for Eligible Members to make rollover contributions to SamCERA in the future and the right to make rollover contributions to SamCERA may be amended or terminated at any time and for any reason. If SamCERA has determined to permit any rollover contributions, SamCERA will permit Eligible Members to make a rollover contribution to SamCERA subject to the limitations and conditions described in this Section B.

1. General Rules

- a. Eligible Member.** An “Eligible Member” is (i) an active Member of the SamCERA, or (ii) a SamCERA Member that has elected a deferred retirement.
- b. Rollovers Allowed.** SamCERA will permit an Eligible Member to make a rollover contribution to SamCERA for (i) a purchase of service credit, or (ii) a redeposit of previously withdrawn funds plus accumulated interest.
- c. Separate Accounting.** SamCERA will separately account for all rollover contributions.
- d. Certification to SamCERA by Member.** Only eligible rollover distributions as defined by Code Section 402(c)(4) can be contributed to SamCERA. In addition to any requirements under subsections 2, 3, and 4 below, each Eligible Member making a rollover contribution to SamCERA must certify in writing the source of the rollover funds and that the rollover contribution is an eligible rollover distribution under the Code. SamCERA will not accept rollovers of any after-tax contributions, amounts attributable to designated Roth contributions, amounts that represent minimum required distributions, or any rollover that is an indirect rollover that does not satisfy the requirements of Section 8.5 (B)(5).
- e. Elections and SamCERA Discretion.** An Eligible Member must make an election to purchase service credit or redeposit previously withdrawn contributions with a rollover contribution in the manner and form that is prescribed by SamCERA. SamCERA has final discretionary authority to determine whether any required information or documentation is

satisfactory and whether SamCERA will accept an Eligible Member's rollover contribution.

- f. **Correction of Errors.** If SamCERA accepts a rollover contribution that it later determines was not eligible to be rolled over to SamCERA, SamCERA will return, as soon as administratively possible, the amount of the rollover contribution plus accumulated interest back to the sending institution and if not able to do so will distribute to the Eligible Member.

2. Rollovers from Qualified Plans

- a. **Acceptance of Rollover.** SamCERA may accept a rollover from another plan that is qualified under Code Section 401(a) and exempt from tax under Code Section 501(a).
- b. **Required Due Diligence Process.** SamCERA will take reasonable steps to verify that the payment source (on the incoming check or wire transfer) is the former tax-qualified plan of the Eligible Member as represented by the Eligible Member on his or her request to make a rollover. SamCERA will also take reasonable steps to verify that the rollover will be from a tax-qualified plan which can include the following or any other methods allowed in guidance issued by the Internal Revenue Service.
 - i. SamCERA may confirm the qualified plan status of the transferring plan with information contained on the Department of Labor's database.
 - ii. If the qualified plan is not on the Department of Labor's database, then the Eligible Member must provide one of the following to SamCERA demonstrating that the source of the rollover contribution is a qualified plan: (a) a copy of the plan's most recent favorable determination letter from the Internal Revenue Service stating that the plan is tax-qualified and a written certification from the plan's administrator that the plan continues to be tax-qualified, or (b) a written and signed certification from the plan's administrator that the source of the eligible rollover distribution is a qualified plan under Code Section 401(a).
- c. **Additional Information Required.** The Eligible Member must provide assigned certification from the transferring plan's administrator that the rollover contribution contains no after-tax or designated Roth contributions or earnings or any amounts representing a required

minimum distribution under Code section 401(a)(9). If that cannot be obtained, the Eligible Member must submit a statement signed under penalty of perjury by the Eligible Member certifying that the rollover contribution contains no after-tax or designated Roth contributions or earnings or any amounts representing a required minimum distribution. If an Eligible Member does not provide such information, SamCERA will not accept the rollover.

3. Rollovers from an IRA.

- a. Acceptance of Rollover.** SamCERA may accept a rollover from an individual retirement account or annuity (IRA) described in Code Section 408(a) or Code Section 408(b).
- b. Required Information from Member.** The Eligible Member must provide a statement signed by the Eligible Member under penalty of perjury certifying and identifying the IRA source of the rollover funds and that no portion of the rollover contribution contains after-tax or designated Roth contributions or earnings and that no portion of the rollover contribution contains a required minimum distribution. If an Eligible Member does not provide such information, SamCERA will not accept the rollover.
- c. Additional Information Required.** The Eligible Member must provide SamCERA with a written statement from the transferring IRA custodian providing that the source of the rollover contribution is an IRA that meets the requirements of Code section 408(a) or 408(b). As part of its due diligence process, SamCERA will take reasonable steps to verify the payment source (on the incoming rollover check or wire transfer) as the Eligible member's IRA, and if the Eligible Member was not able to obtain a letter from the transferring IRA custodian certifying the source of the funds, SamCERA may rely on its due diligence verification process to the extent it does not have any direct evidence to the contrary. If such qualified status cannot be confirmed, SamCERA will not accept the rollover.

4. Rollovers from Other Plans: 457(b) and 403(b)

- a. Acceptance of Rollover.** SamCERA may accept rollover contributions from an eligible plan under Code section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a

state or political subdivision of a state (a “governmental 457(b) plan”), and an annuity contract described in Code section 403(b).

b. Required Due Diligence Process. SamCERA will take reasonable steps to confirm the sending plan’s status as an eligible 457(b) plan or an eligible Code section 403(b) annuity or custodial account and that the rollover contribution is valid. SamCERA will take steps to verify that the payment source (on the incoming check or wire transfer) is the former eligible 457(b) or 403(b) plan of the Eligible Member as represented by the Eligible Member on his or her request to make a rollover. SamCERA also will take reasonable steps to verify that the rollover will be from an eligible 457(b) plan or 403(b) plan which can include the following or any other methods allowed in guidance issued by the Internal Revenue Service.

- i. SamCERA may confirm the qualified plan status of the transferring plan with information contained on the Department of Labor’s database.
- ii. If the qualified plan is not on the Department of Labor’s database, then the Eligible Member must provide one of the following to SamCERA demonstrating that the source of the rollover contribution is an eligible governmental 457(b) plan or a Code section 403(b) plan: (a) a copy of the transferring plan’s most recent private letter ruling from the Internal Revenue Service stating that the transferring plan qualifies as an eligible governmental 457(b) plan or a Code section 403(b) plan, as applicable, and a signed certification from the transferring plan’s administrator that the transferring plan continues to be so qualified, or (b) a signed certification from the transferring plan’s administrator that the rollover distribution source is an eligible governmental 457(b) plan or a Code section 403(b) plan, as applicable. If an Eligible Member does not provide such information, SamCERA will not accept the rollover.

5. Rollover Contributions Made by Indirect Rollover. A rollover contribution to SamCERA may be made by a direct rollover or may be made by an indirect rollover no later than the 60th day after the Eligible Member receives the eligible rollover distribution in cash from his or her eligible retirement plan. In addition to providing the applicable documentation above in Sections B (2)-(4), Eligible Members making a rollover contribution with an indirect rollover must provide

evidence satisfactory to SamCERA that the Eligible Member received the distribution within the required 60-day period.

8.6 Compensation Limit. The regulations set forth herein reaffirm and clarify the existing practices of SamCERA with respect to the limit on annual compensation under section 401(a)(17) of the Internal Revenue Code (the "Code"). For these regulations, the Code includes Treasury regulations issued under section 401(a)(17). These regulations are intended to be in accordance with the Code and the applicable Treasury regulations. To the extent there is a conflict between these regulations and the Code and Treasury regulations, the applicable federal law will govern. SamCERA may establish reasonable procedures for complying with the limit on annual compensation under section 401(a)(17) of the Code that it deems necessary or desirable to comply with applicable tax laws or for administrative purposes. Terms used in this regulation 8.6 are defined in the County Employees' Retirement Law of 1937 ("CERL") or the California Public Employees' Pension Reform Act of 2013 ("PEPRA") apply here unless otherwise stated.

A. Limitation On Annual Compensation Earnable

1. In General

a. Annual Compensation Earnable Limit. The annual amount of compensation that is taken into account in determining all benefits provided by SamCERA to affected Members for any year, which is referred to in CERL and PEPRA and in these Regulations as "Compensation Earnable," shall in no event be greater than the amount allowed by Code section 401(a)(17) adjusted in accordance with the Code for increases in the cost of living. This limit is called the Annual Compensation Earnable Limit in these regulations.

b. Members Affected By the Annual Limit.

i. Not Applicable to Pre-July 1, 1996 Members. The Annual Compensation Earnable Limit does not apply to any individual who first became a Member prior to July 1, 1996.

ii. Applies to New Members On and After July 1, 1996. In accordance with Government Code section 31671, the Annual Compensation Earnable Limit shall apply to all individuals who first become Members on or after July 1, 1996.

(A.) Date First Becomes a Member. An individual first becomes a Member on the date that a Member first

became a Member in SamCERA, regardless of whether the Member terminated and resumed participation at a later date.

(B.) Pensionable compensation limits for new members hired on or after January 1, 2013. If a “new member” as defined in PEPRA hired on or after January 1, 2013, is placed by SamCERA into a “PEPRA” plan, such member’s pensionable compensation shall be limited by the applicable dollar amount set forth in the Annual Compensation Earnable Limit.

2. Operational Rules, In General. This section applies to members who are not grandfathered under section 1 (b)(i).

- a. Limited Compensation Earnable.** All Compensation Earnable that would be taken into account for determining benefits provided by SamCERA without regard to these regulations is subject to the Annual Compensation Earnable Limit. Such Compensation Earnable is not limited to salary or to base salary.
- b. Benefits Affected by the Limit.** The Annual Compensation Earnable Limit applies to the determination of all benefits provided by SamCERA including pensions, annuities, retirement allowances, death benefits, disability benefits, refunds and withdrawals that are determined by member contributions (including such contributions that are “picked up” by the employer) and earnings thereon.
- c. Compensation Earnable from More Than One Employer.** If Compensation Earnable from more than one employer that participates in SamCERA is taken into account in determining a member’s benefits, the Annual Compensation Earnable Limit shall apply separately to the Compensation Earnable from each employer. The Annual Compensation Earnable Limit does not apply to the aggregate of Compensation Earnable earned from all employers that participate in SamCERA.
- d. Proration for Short Plan Year.** If a plan year consists of fewer than 12 months, the Annual Compensation Earnable Limit is an amount equal to the otherwise applicable Annual Compensation Earnable Limit multiplied by a fraction, the numerator of which is the number of months in the short plan year, and the denominator of which is 12. No proration is required for participation of less than a full plan year.

- e. **Pensionable compensation limits for new members hired on or after January 1, 2013.** If a “new member” as defined under PEPRA as hired on or after January 1, 2013, and SamCERA places the member into a “PEPRA” plan, such member’s pensionable compensation shall be limited by the applicable dollar amount set forth in the Annual Compensation Earnable Limit.
- f. **Reciprocity and New Membership in SamCERA.** An individual who becomes a member of SamCERA on or after July 1, 1996, and who has reciprocity with another public sector retirement plan nevertheless is a new Member of SamCERA. Membership before July 1, 1996, in another retirement plan with which SamCERA has reciprocity does not create pre-July 1, 1996, SamCERA membership for purposes of the Annual Compensation Earnable Limit.
- g. **Reciprocity and Prior Membership in SamCERA.** A person who was a grandfathered member of SamCERA prior to July 1, 1996, under section 1(b)(i) who terminated employment with an employer that participated in SamCERA, remains a member of SamCERA prior to July 1, 1996. Therefore, if the Member established reciprocity between another public sector retirement plan and SamCERA, any higher Compensation Earnable that is earned under the other plan shall be taken into account by SamCERA in accordance with the rules of reciprocity and that Compensation Earnable shall not be limited by the Annual Compensation Earnable Limit.
- h. **Relationship Between Section 415 Limit and Compensation Earnable Limit.** The limits of Code section 415 and Code section 401(a)(17) are separate and independent. Each limit is operated according to its own rules and applies separately. Therefore, the Annual Compensation Earnable Limit may apply to a Member and the Code section 415 limit may not apply. Similarly, the Code section 415 limit may apply to a Member and the Annual Compensation Earnable Limit may not apply. Also, both of these limits may apply to the same Member.
- i. **Clarification Concerning Member Contributions.** Because Member contributions are the basis for benefits provided by SamCERA, Member contributions shall not be made by taking into account Compensation Earnable in excess of the Annual Compensation Earnable Limit.

- j. **General Plan Year Rule for Determining the Limit.** If Compensation Earnable for any prior plan year is taken into account in determining a Member's benefits for the current plan year, the Compensation Earnable for such prior plan year is subject to the applicable Annual Compensation Earnable Limit in effect for that prior plan year. In addition, in determining benefits for plan years beginning on or after January 1, 2002, the Annual Compensation Earnable Limit in effect for plan years beginning before that date is \$200,000.

B. Plan Year And Cost-of-Living Adjustments

- 1. **Annual Adjustment for Cost-of-Living Increases.** The Annual Compensation Earnable Limit may be adjusted annually by the Internal Revenue Service for cost-of-living changes in accordance with the Code.
- 2. **General Rule--Application of Limit to a Plan Year.** In general, the Annual Compensation Earnable Limit is applied to the Compensation Earnable for the plan year on which accruals of benefits from SamCERA are based.

3. Plan Year Compensation Earnable.

- a. **General Rule.** Since SamCERA's plan year corresponds to the calendar year, the Compensation Earnable used to determine Member contributions for each plan year shall be limited to the Annual Compensation Earnable Limit in effect as of January 1 of the calendar year that coincides with the plan year.
- b. **Member Contributions.** Since SamCERA's plan year corresponds to the calendar year, the Compensation Earnable used to determine Member contributions for each plan year shall be limited to the Annual Compensation Earnable Limit in effect as of January 1 of the calendar year that coincides with the plan year.

8.7 Limits on Annual Benefits. The regulations set forth herein reaffirm and clarify the existing practices of SamCERA with respect to the limits on benefits under section 415(b) of the Internal Revenue Code (the "Code"). For these regulations, the Code includes Treasury regulations issued under section 415(b). To the extent there is a conflict between these regulations and the Code, the Code governs. SamCERA may establish reasonable procedures for complying with the limits on benefits under section 415(b) of the Code that it deems necessary or advisable for complying with applicable tax laws or for administrative purposes. Capitalized terms used in this Regulation are defined in Section F. Terms used in this regulation 8.7 are defined in the County Employees' Retirement Law of 1937 ("CERL") and the

California Public Employees' Pension Reform Act of 2013 ("PEPRA") apply here unless otherwise stated.

A. Annual Benefit Limit.

1. Annual Benefit Limit, In General

- a. Annual Limit.** Unless the alternative limit described in subsection 5 of this Section applies, the Annual Benefit payable to a Member under SamCERA at any time shall not exceed the dollar limit specified under section 415(b)(1)(A) of the Code, automatically adjusted under section 415(d) of the Code, effective January 1 of each year, as provided by the Internal Revenue Service.
- b. Maximum Payment.** If the benefit the Member would otherwise be paid in a Limitation Year would be in excess of the limit in (1)(a), the benefit shall be limited to a benefit that does not exceed the limit.
- c. COLA Adjustment.** In the case of a Member who has had a severance from employment with the Employer, the Annual Benefit Limit applicable to the Member in any Limitation Year beginning after the date of severance shall be automatically adjusted under section 415(d) of the Code.
- d. Multiple Annuity Starting Dates.**

 - i. For a Member who has or will have distributions commencing at more than one Annuity Starting Date, the Annual Benefit shall be determined as of each such Annuity Starting Date (and shall satisfy the limitations of these regulations as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other Annuity Starting Dates.
 - ii. For this purpose, the determination of whether a new starting date has occurred shall be made in accordance with section 1.415(b)-1(b)(1)(iii)(B) and (C) of the Treasury regulations.
- e. Actuarial Adjustment for Forms of Benefit.** Except as provided in paragraph (f) of this Section A (1), if the Member's benefit is payable in a form other than a Straight Life Annuity, then solely for purposes of applying the limits of Code section 415 and of this regulation, the

actuarially equivalent Straight Life Annuity shall be determined in accordance with paragraph (i) or (ii) below, whichever is applicable.

- i. **Annuities.** If the Member's benefit is payable in the form of a non-decreasing life annuity or other form of benefit described in Treasury regulation section 1.417(e)-1(d)(6) (e.g., other than a lump sum, installments, a decreasing annuity or a term certain), then the actuarially equivalent Straight Life Annuity is determined using the greater of (a) the Straight Life Annuity (if any) payable to the Member under SamCERA commencing at the same annuity starting date as the form of benefit payable to the Member, or (b) the annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the Applicable Mortality Table and a 5% Interest rate.
- ii. **Lump sums, installments, etc.** If the Member's benefit is payable in the form of a lump sum, installments, a decreasing annuity, term certain or other form of benefit not described in Treasury regulations section 1.417(e)-1(d)(6), then the Straight Life Annuity that is actuarially equivalent to the Member's form of benefit shall be equal to the greatest of : (a) The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the interest rate and the mortality table specified in the Plan for adjusting benefits in the same form; (b) The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using a 5.5 percent interest rate and the Applicable Mortality Table; or (c) The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the Applicable Interest Rate and the Applicable Mortality Table divided by 1.05.
- f. **No Actuarial Adjustment (Or Limitation) Required for Certain Benefits.** In determining the Annual Benefit, no actuarial adjustment to the benefit shall be made for the following benefits or benefit forms:

- i. **Qualified Joint and Survivor Annuity.** Survivor benefits payable to a surviving spouse under a joint and survivor annuity that would qualify as a qualified joint and survivor annuity defined in section 417(b) of the Code. If benefits are paid partly in the form of a qualified joint and survivor annuity and partly in some other form (such as a single sum distribution), the rule of this paragraph applies only to the survivor annuity payments under the portion of the benefit that is paid in the form of a qualified joint and survivor annuity.
 - ii. **Benefits that are not “Retirement Benefits.”** Benefits that are not directly related to retirement benefits such as, pre-retirement qualified disability benefits, preretirement incidental death benefits, and postretirement medical benefits. Additionally, these benefits shall not be subject to the Annual Benefit Limit.
 - iii. **Certain Automatic Benefit Increases.** Benefits that meet the following requirements: (a) SamCERA provides for automatic periodic increases such as a form of benefit that automatically increases the benefit paid according to a specified percentage or objective index (but not a benefit that is increased on an ad hoc basis or a basis that is separately determined by action of the board of retirement or the board of supervisors of a county) and (b) the form of benefit complies with Code section 415(b) without regard to the automatic benefit increase. In no event shall the amount payable to the Member under the form of benefit in any Limitation Year be greater than the Annual Benefit Limit applicable at the Annuity Starting Date increased by the amounts provided in Code section 415(d). Also if the form of benefit without regard to the automatic benefit increase is not a Straight Life Annuity, then the Annual Benefit at the Annuity Starting Date is determined by converting the form of benefit to an actuarially equivalent Straight Life Annuity, as provided in section A (2)(a) of this regulation.
- g. Rules for Determining Annual Benefit.**
- i. **Social Security Supplements, Etc.** The determination of the Annual Benefit shall take into account social security supplements described in section 411(a)(9) of the Code and benefits transferred from another defined benefit plan, other than

transfers of distributable benefits pursuant section 1.411(d)-4, of the Treasury regulations.

- ii. **Member Contributions.** The determination of the Annual Benefit shall disregard benefits attributable to member contributions or rollover contributions. Benefits attributable to member contributions do not include any benefits that are made on a pre-tax basis such as pickups under Code section 414(h)(2) or such as member contributions that are actually paid by the member's employer.
- iii. **Rollovers.** The amount of any benefits attributable to member contributions and to rollover contributions shall be determined in accordance with Code section 415.
- iv. **Voluntary Contributions.** Member contributions that are defined as "voluntary" contributions under Code section 415 (such as certain contribution under California Government Code section 31627) are not subject to the limits of this regulation but are subject to the limits of Code section 415(c) concerning defined contribution plans.

2. Reduction for Less Than 10 Years of Participation

- a. **Reduction.** If the Member has less than 10 Years of Participation in SamCERA, the Annual Benefit Limit shall be multiplied by a fraction -- (i) the numerator of which is the number of years (or part thereof, but not less than one year) of participation in SamCERA, and (ii) the denominator of which is 10.
- b. **Counting Years of Participation.** The Member is credited with a Year of Participation (computed to fractional parts of a year) for each accrual computation period for which the following conditions are met: (i) the Member is credited with at least the number of hours of service or period of service for benefit accrual purposes, required under the terms of SamCERA in order to accrue a benefit for the accrual computation period, and (ii) the Member is included as a Member under the eligibility provisions of SamCERA for at least one day of the accrual computation period. If these two conditions are met, the portion of a Year of Participation credited to the Member shall equal the portion of a year of benefit accrual service credited to the Member for such accrual computation period.

- c. **Disability and Death Benefits.** The reduction described in paragraph (a) of this subsection shall not apply to disability benefits or death benefits as provided in the Code.

3. Reduction for Commencement Before Age 62 for Certain Members

- a. **No Reduction for Employees of the Sheriff's Department.** The reduction shall not apply if the Member's benefit is based on at least 15 years as a full-time employee of the Sheriff's Department pursuant to Code section 415(b)(2)(H). However, there shall be a reduction adjustment as set forth in paragraph (b) of this subsection if the Member's benefit is based on years of service as an employee of the Probation Department.
- b. **Reduction for Benefits Commencing Before Age 62.** If the Member's benefits commence before the Member attains age 62, the Annual Benefit Limit is equal to the lesser of:
 - i. The Annual Benefit Limit reduced in accordance with Code section 415(b) to its actuarial equivalent using: the Applicable Mortality Table and a 5% interest rate; or
 - ii. The Annual Benefit Limit multiplied by the ratio of the immediately commencing Straight Life Annuity under SamCERA at the Member's Annuity Starting Date to the annual amount of the Straight Life Annuity under SamCERA commencing at age 62, both determined without applying the limitations of this regulation.
- c. **Probability of Death.** No adjustment will be made to the annual benefit limit to reflect the probability of death between the Annuity Starting Date and age 62 unless the Member's benefit is forfeited at death before the Annuity Starting Date.
- d. **Death and Disability.** The adjustment described in paragraph (b) of this subsection shall not apply to disability benefits or death benefits.

4. Increase for Commencement After Age 65.

- a. **Increase For Benefits Commencing After 65.** If the Member's benefits commence after the Member attains age 65, the Annual Benefit Limit is equal to the lesser of:

- i. The Annual Benefit Limit increased in accordance with Code section 415(b) to its actuarial equivalent using: The Applicable Mortality Table and a 5% interest rate; or
- ii. The Annual Benefit Limit multiplied by the ratio of the annual amount of the adjusted immediately commencing Straight Life Annuity under SamCERA at the Member's Annuity Starting Date to the annual amount of the adjusted immediately commencing Straight Life Annuity under SamCERA at age 65, both determined without applying the limitations of this regulation. For this purpose, the adjusted immediately commencing Straight Life Annuity under SamCERA at the Member's Annuity Starting Date is the annual amount of such annuity payable to the Member, computed disregarding the Member's accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing Straight Life Annuity under SamCERA at age 65 is the annual amount of such annuity that would be payable under SamCERA to a hypothetical Member who is age 65 and has the same accrued benefit as the Member.

b. Probability of Death. No adjustment will be made to the Annual Benefit Limit to reflect the probability of death between age 65 and the Annuity Starting Date unless the Member's benefit is forfeited at death before the Annuity Starting Date.

5. Minimum Benefit Permitted. The benefit otherwise accrued or payable to a Member under SamCERA is treated as not exceeding the Annual Benefit Limit if:

- a. **Minimum Benefit Limit Allowed.** The sum of the retirement benefits payable under any form of benefit with respect to the Member for the Limitation Year or for any prior Limitation Year under SamCERA and all other defined benefit plans (without regard to whether a plan has been terminated) ever maintained by the Member's Employer does not exceed \$10,000 multiplied by a fraction – (i) the numerator of which is the Member's number of years (or part thereof, but not less than one year) of service (not to exceed 10) with the Member's Employer, and (ii) the denominator of which is 10; and
- b. **Condition.** The Member has never participated in any qualified defined contribution plan maintained by the Member's Employer.

B. Participation In Multiple Defined Benefit Plans

1. **Application of Limit to Aggregate Benefits.** If the Member is, or has ever been, a participant in another qualified defined benefit plan (without regard to whether the plan has been terminated) maintained by the Member's SamCERA Employer, the sum of the participant's Annual Benefits from all such plans may not exceed the Annual Benefit Limit.
2. **Multiple Plan Benefit Limit Coordination.** Where the Member's SamCERA employer provided benefits under all such defined benefit plans (determined as of the same age) would exceed the Annual Benefit Limit applicable at that age, the benefits accrued under all such other plans shall be reduced first in order to avoid exceeding the limit and shall be reduced under SamCERA only to the extent that the reduction under such other plans is insufficient to avoid exceeding the limit.

C. Multiple Employer Plan. Benefits attributable to the Member attributable to all of the Employers participating in SamCERA are taken into account for purposes of applying the Annual Benefit Limit.

D. Grandfather Rules.

1. **Annual Benefit Limit Equals Accrued Benefit.** Notwithstanding anything herein to the contrary, the Annual Benefit Limit with respect to a Qualified Member shall not be less than the accrued benefit of the Qualified Member under SamCERA determined without regard to any amendment made after October 14, 1987.
2. **Qualified Participant.** For purposes of this section, the term "Qualified Member" means a Member who first became a Member in SamCERA before January 1, 1990.
3. **Election.** Pursuant to California Government Code section 31899 et seq., the election has been made to have this Section apply.

E. Purchase of Permissive Service Credit

1. **General Rule.** If a Member makes one or more contributions to SamCERA to purchase Permissive Service Credit under SamCERA, then the requirements of this regulation will be treated as met only if:
 - a. The requirements of this regulation are met, determined by treating the accrued benefit derived from all such contributions as an Annual Benefit for purposes of this regulation; or

- b. The requirements of SamCERA's regulation governing the limits on annual additions applicable to defined contribution plans are met by treating all such contributions as annual additions.

2. Permissive Service Credit Defined. For purposes of this Section, "Permissive Service Credit" means:

- a. Credit recognized by SamCERA for purposes of calculating a member's benefit under SamCERA; and
- b. Credit which such member has not received under SamCERA; and
- c. Credit which the member may receive only by making a voluntary additional contribution in an amount determined under SamCERA, which does not exceed the amount necessary to fund the benefit attributable to the service credit purchased; and
- d. Credit which the member is authorized to purchase under Article VII of these regulations.

3. Limitation on Nonqualified Service Credit. SamCERA will fail to satisfy the requirements of this regulation if:

- a. More than 5 years of Nonqualified Service Credit is taken into account for purposes of this Section; or
- b. Any Nonqualified Service Credit is taken into account under this Section before the Member has at least 5 Years of Participation under SamCERA.

4. Nonqualified Service Credit. For purposes of subsection 3, the term "Nonqualified Service Credit" means permissive service credit other than that allowed with respect to:

- a. Service (including parental, medical, sabbatical, and similar leave) as an employee of the government of the United States, an State or political subdivision thereof, or any agency or instrumentality of any of the foregoing (other than military service or service for credit which was obtained as a result of repayment described in subsection 6 of this Section);

- b. Service (including parental, medical, sabbatical, and similar leave) as an employee (other than as an employee described in subparagraph (a) or (d) of this paragraph) of an educational organization described in Code section 170(b)(1)(A)(ii) which is a public, private, or sectarian school which provides elementary or secondary education (through grade 12), or a comparable level of education, as determined under the applicable law of the jurisdiction in which the service was performed,
- c. Service as an employee of SamCERA of employees who are described in subparagraph (a) or (d) of this paragraph; or
- d. Military service (other than qualified military service under Code section 414(u)) recognized by SamCERA.

In the case of service described in subparagraphs (a), (b), and (c), of this paragraph, such service will be nonqualified service if recognition of such service would cause a Member to receive a retirement benefit for the same period of service under more than one plan.

Even if the proposed service credit purchase meets the above requirements, to the extent such proposed service credit purchase is not permitted under Article VII of these regulations, or is prohibited by CERL or PEPR, SamCERA will not process such service credit purchase.

- 5. Trustee-to-Trustee Transfers.** In the case of a trustee-to-trustee transfer to SamCERA to which Code section 403(b)(13)(A) or 457(e)(17)(A) applies, (without regard to whether the transfer is made from a plan that is maintained by the same Employer):
- a. The limitations of subsection 3 of this subsection shall not apply in determining whether the transfer is for the purchase of Permissive Service Credit; and
 - b. The distribution rules applicable under the Code to SamCERA shall apply to such amounts and any benefits attributable to such amounts.
- 6. Redeposits.** In the case of any repayment of contributions (including interest) to SamCERA with respect to an amount previously refunded upon a forfeiture of service credit under SamCERA or similar repayment of contributions to another governmental plan maintained by a state or local government employer with in the State of California, any such repayment shall not be taken into account for purposes of this regulation.

F. Definitions.

1. **Annual Benefit.** “Annual Benefit” means a benefit that is payable annually in the form of a Straight Life Annuity. Except as provided in Section A(1)(e), where a benefit is payable in a form other than a Straight Life Annuity, the benefit shall be adjusted (solely for purposes of applying the limits of Code section 415 and of this regulation) pursuant to Section A(1)(g), to an actuarially equivalent Straight Life Annuity that begins at the same time as such other form of benefit and is payable on the first day of each month.
2. **Annual Benefit Limit.** “Annual Benefit Limit” means the limit described in Section Section A(1)(a) of this regulation.
3. **Annuity.** “Annuity” for purposes of this regulation does not mean “annuity” as defined in the County Employees Retirement Law but instead means a retirement benefit that is payable by SamCERA, as provided in section 415 of the Code.
4. **Annuity Starting Date.** “Annuity Starting Date” means the first day of the first period for which a retirement benefit is payable as an annuity or, in the case of a retirement benefit not payable in the form of an annuity, the first day on which all events have occurred which entitle the Member to payment under SamCERA.
5. **Applicable Interest Rate.** “Applicable Interest Rate” means the “applicable interest rate” defined in section 417(e)(3)(C) of the Code.
6. **Applicable Mortality Table.** “Applicable Mortality Table” means the “applicable mortality table” defined in section 417(e)(3)(B) of the Code.
7. **Employer.** “Employer” means an employer who participates in SamCERA. Solely to the extent provided in the Code and applicable guidance from the Internal Revenue Service with respect to public agencies the term “Employer” will also include all “Affiliated Employer” which means the entities within the controlled group of the Employer.
8. **Limitation Year.** “Limitation Year” means the calendar year.
9. **Straight Life Annuity.** “Straight Life Annuity” means an Annuity payable in equal installments for the life of the member and terminating on the Member’s death.
10. **Spouse.** A person who is a legally married spouse under either state law or federal law.

8.8 Defined Contribution Limits. The regulations set forth herein reaffirm and clarify the existing practices of SamCERA with respect to the limits on annual additions under section 415(c) of the Internal Revenue Code (the "Code"). These regulations may be applicable in certain cases when Members make service credit purchases. For these regulations, the Code includes Treasury regulations issued under section 415(c). To the extent there is a conflict between these regulations and the Code, the Code governs. SamCERA may establish reasonable procedures for complying with the limits on annual additions under section 415(c) of the Code that it deems necessary or advisable for complying with applicable tax laws or for administrative purposes. Capitalized terms used in this Regulation are defined in Section B. Terms used in this regulation 8.8 are defined in the County Employees Retirement Law of 1937 ("CERL") or the California Public Employees' Pension Reform Act of 2013 ("PEPRA") apply here unless otherwise stated.

A. Annual Additions Limitation. Notwithstanding anything to the contrary contained in SamCERA, the total Annual Additions allocated to a Member's Account under SamCERA, when added to the Annual Additions allocated to the Member's accounts under all other Aggregated Plans maintained by the Employer for any Limitation Year, shall not exceed the Maximum Permissible Amount; provided, however, that the limit described in B (7)(b) shall not apply to an individual medical benefit account (as defined in section 415(l) of the Code).

B. Definitions. Solely for purposes of this regulation 8.8, the following definitions shall apply:

- 1. Account.** "Account" means the separate Member account provided under SamCERA for benefits that are separate and apart from the retirement benefits (annuity and pension) otherwise provided under the County Employees Retirement Law.
- 2. Aggregated Plan.** "Aggregated Plan" means any defined contribution plan which is aggregated with SamCERA pursuant to Section C of this regulation.
- 3. Annual Additions.** "Annual Additions" means the sum of the following amounts credited to a Member's Accounts under the Plan and any Aggregated Plans for the Limitation Year:
 - a.** Employer contributions allocated to the member's Account that is separate and apart from any pension or annuity benefits provided under the County Employees Retirement Law;
 - b.** Employee contributions (after-tax), including mandatory contributions (as defined in section 411(c)(2)(C) of the Code and Treasury regulations

issued thereunder), as well as voluntary employee contributions used to purchase permissive service credit (as Defined in Code section 415(n)(3)) if an election is made to treat those amounts as Annual Additions in the year contributed pursuant to Code section 415(n)(1).

- c. Forfeitures;
- d. Amounts allocated to the Member's individual medical account (within the meaning of section 415(l)(2) of the Code), which is part of a pension or annuity plan maintained by the Employer, except that such amounts are not included in Annual Additions for purposes of applying the 100% of compensation limit.

4. The term "Annual Additions" excludes:

- a. Repayments of cash-outs as described in Code section 415(k)(3) (for example, to purchase restoration of an accrued benefit that was lost when employee contributions were previously cashed out) for the limitation year in which the restoration occurs;
- b. Catch-up contributions made in accordance with Code section 414(v);
- c. Restorative payment described in Treasury regulations section 1.415(c)-1(b)(2)(ii)(C);
- d. Excess deferrals that are distributed in accordance with Treasury regulations section 1.402(g)-1(e)(2) or (3);
- e. Rollover contributions (as described in Sections 401(a)(31), 402(c)(1), 403(a)(4), 403(b)(8), 408(d) and 457(e)(16) of the Code);
- f. Employee contributions to a qualified cost-of-living arrangement described in Code section 415(k)(2)(B);
- g. Employee contributions picked up by the Employer under Code section 414(h)(2);
- h. Make-up contributions attributable to a period of qualified military service, as defined in Code section 414(u), with respect to the year in which the contribution is made (but not with respect to the year to which the contribution relates); and

- i. Employee contributions to purchase permissive service credit (as defined in Code section 415(n)(3)) if an election is made to treat the accrued benefit derived from all such contributions as an annual benefit subject to the limits of Code section 415(b).
- 5. **Employer.** “Employer” means an employer who participates in SamCERA. Solely to the extent provided in the Code and applicable guidance from the Internal Revenue Service, with respect to public agencies, the term “Employer” will also include “Affiliated Employer” which means all entities within the controlled group of the Employer.
- 6. **Limitation Year.** “Limitation Year” means the calendar year.
- 7. **Maximum Permissible Amount.** “Maximum Permissible Amount” means the lesser of:
 - a. The amount allowable under section 415(c) of the Code as adjusted for increases in the cost-of-living under section 415(d) of the Code; or
 - b. 100 percent of the Member’s Total Compensation for the Limitation Year.
- 8. **Severance from Employment.** “Severance from Employment” means the Member ceases to be an employee of the Employer. A Member does not have a Severance from Employment if, in connection with a change of employment, the Member’s new employer maintains SamCERA with respect to the Member.
- 9. **Total Compensation.** “Total Compensation” for purposes of this regulation only, means all items of remuneration described in paragraph (a) and excludes all items of remuneration described in paragraph (b), below.
 - a. **Items Included.** Total Compensation includes all of the following items of remuneration for services:
 - i. A Member’s wages as defined within the meaning of Code section 3401(a) and all other payments of compensation to an employee by an employer for which the employer is required to furnish the employee a written statement under Code Sections 6041(d), 6051(a)(3) and 6052 (including amounts that would have been includable in gross income but for an election under Code section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b)) and will be determined without regard to any rules under Code Section 3401(a) that limit the remuneration included in wages

based on the nature or location of employment or the services performed.

- ii. Amounts described in Code section 104(a)(3), 105(a), or 105(h), but only to the extent that these amounts are includable in the gross income of the Member;
- iii. Amounts paid or reimbursed by the Employer for moving expenses incurred by a Member, but only to the extent that at the time of the payment it is reasonable to believe that these amounts are not deductible by the Member under Code section 217;
- iv. The amount includable in the gross income of an Member upon making the election described in Code section 83(b);
- v. Amounts that are includable in the gross income of a Member under the rules of Code section 409A or Code section 457(f)(1)(A), or because the amounts are constructively received by the Member; and
- vi. An amount that is excludable under Code section 106 that is not available to a Member in cash in lieu of group health coverage because the Member is unable to certify that he or she has other health coverage; provided, however, that the Employer does not request or collect information regarding the Member's other health coverage as part of the enrollment process for the health plan.
- vii. Differential wage payments as defined in Internal Revenue Code section 3401(h)(2).

b. Items Excluded. The following items are excluded from Total Compensation:

- i. Employer contributions (other than elective contributions described in Code section 402(e)(3), 408(k)(6), 408(p)(2)(A)(i), or 457(b)) to a deferred compensation plan (including a simplified employee pension described in Code section 408(k) or a simple retirement account described in Code section 408(p), and whether or not qualified) to the extent such contributions are not includable in the Member's gross income for the taxable year in

which contributed, and any distributions (whether or not includable in gross income when distributed) from a deferred compensation plan (whether or not qualified) other than amounts received during the year by a Member pursuant to a nonqualified unfunded deferred compensation plan to the extent includable in gross income;

- ii. Other amounts that receive special tax benefits, such as premiums for group term life insurance (but only to the extent that the premiums are excludable from the gross income of the Member, and are not salary reduction amounts that are described in Code section 125);
- iii. Other items of remuneration that are similar to any of the items listed in (i) and (ii), above.

c. Timing.

- i. In order to be taken into account for a Limitation Year, Total Compensation must be paid or made available (or, if earlier, includable in the gross income of the Member) during the Limitation Year. For this purpose, compensation is treated as paid on a date if it is actually paid on that date or it would have been paid on that date but for an election under Code section 125, 132(f)(4), 401(k), 403(b), 408(k), 408(p)(2)(A)(i), or 457(b).
- ii. In order to be taken into account for a Limitation Year, Total Compensation must be paid or treated as paid to the Member prior to the Member's Severance From Employment with the Employer; provided, however, that Total Compensation includes amounts paid to the Member by the later of 2½ months after Severance From Employment or the end of the Limitation Year if the amounts are regular compensation for services during the Member's regular working hours, compensation for services outside the Member's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar compensation that absent a Severance From Employment would have been paid to the Member while the Member continued in employment with the Employer.
- iii. Total Compensation does not include amounts paid after Severance From Employment that are severance pay, unfunded

nonqualified deferred compensation, or any other payment that is not described in the preceding paragraph, even if paid within 2½ months, except for:

- (A.) Payments to an individual who does not currently perform services for the Employer by reason of Qualified Military Service to the extent that these payments do not exceed the amounts that the individual would have received if the individual had continued to perform services for the Employer rather than entering Qualified Military Service; and
- (B.) Payments to a Member who is permanently and totally disabled; provided, however that salary continuation applies to all Members who are permanently and totally disabled for a fixed or determinable period. For this purpose, a Member is permanently and totally disabled only if the Member is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than 12 months.

d. **Limit.** A Member's Total Compensation shall not include compensation in excess of the limitation of Code section 401(a)(17) that is in effect for the calendar year in which such Limitation Year begins.

- C. **Aggregation with Other Defined Contribution Plans.** All defined contribution plans (as defined in section 1.415(c)-1(a)(2) of the Treasury regulations and whether or not terminated) maintained by the Employer shall be aggregated with SamCERA, and all plans so aggregated shall be considered as one plan in applying the limitations of this regulation 8.8.
- D. **Coordination with Other Defined Contribution Plans.** In the event that a Member participates in another defined contribution plan of the Employer or of an Affiliate that is a tax-qualified defined contribution plan, contributions or allocations that would otherwise be made on behalf of the Member to SamCERA shall be reduced to the extent necessary to avoid exceeding the limitations of this regulation when contributions are aggregated as described in C. above.

E. Correction. Any excess Annual Additions shall be corrected using the methods specified in Revenue Procedure 2013-12 or any subsequent guidance promulgated by the Secretary of the Treasury describing the procedures for correcting excess Annual Additions under the Employee Plans Compliance Resolution System (“EPCRS”) or its successor.

8.9 Actuarial Equivalent. For determining benefits provided by SamCERA, actuarial equivalents shall be established by the Board as being a benefit of equal value when computed upon the basis of mortality tables and interest assumptions adopted by the Board from time to time upon the recommendation of SamCERA’s actuary as reflected in SamCERA’s actuarial valuation.

8.10 Normal Retirement Ages. The normal retirement ages set forth below shall be in effect until such time as action taken by the Legislature, Congress, Internal Revenue Service or other government agencies whose actions take precedence as a matter of law over the actions of SamCERA establish or require establishment of normal retirement ages that differ from those established in this regulation. The Board may change the normal retirement age to the extent required to comply with section 401(a) of Title 26 of the United States Code or for any other reasons determined by the Board. The normal retirement age determined herein does not create any vested rights under California or federal law including but not limited to the contracts clause of the California Constitution. These normal retirement ages are based upon SamCERA’s calculation of the average actual retirement ages of members and was reviewed by SamCERA’s actuary.

A. General Members. The normal retirement age for general members shall be the later of age 60 or the age at which the member is entitled to receive a monthly retirement allowance under the County Employees Retirement Law of 1937 contained in Government Code sections 31450 et seq. or the California Public Employees’ Pension Reform Act of 2013 contained in Government Code section 7522 et seq., as applicable. Normal retirement age is not later than age 70.

B. Safety Members. The normal retirement age for safety members shall be the later of age 53 or the age at which the member is entitled to receive a monthly retirement allowance under the County Employees Retirement Law of 1937 contained in Government Code sections 31450 et seq. or the California Public Employees’ Pension Reform Act of 2013 contained in Government Code section 7522 et seq., as applicable. Normal retirement age is not later than age 70.

8.11 Post Retirement Employment

A. No Pre Arrangement of Post-Retirement Employment. A member who retires at an age younger than normal retirement age, as defined in section 8.10, may not, prior to the date the member’s retirement commences, enter into an agreement, either oral or written, to

be reemployed while retired by the County or any other employer whose employees are members of SamCERA, regardless of the length of the member's break in service after retirement.

B. Required Break in Service Prior to Post Retirement Employment. Regardless of a member's age, every member who is reemployed by a SamCERA employer consistent with the terms of Government Code section 7522.56, or any amendments thereto, shall have a 180-day break in service from the date of retirement to the commencement of the reemployment. If a member is reemployed within the 180 days, pursuant to Government Code section 7522.56, and the member retired at an age younger than normal retirement age, as defined in section 8.10, there must be at least a continuous 90-day break in service from the date of the member's retirement prior to such reemployment unless such reemployment is to respond to an emergency declared by a government agency or an emergency that may prevent the stoppage of public business. Said breaks in service set forth above shall constitute a "bona fide" separation from service to the extent required by Section 401(a) of Title 26 of the United States Code.

8.12 Prohibited Transactions. Effective as of July 1, 1989, SamCERA may not engage in a transaction prohibited by Section 503(b) of the Internal Revenue Code. Prohibited transactions include, but are not limited to the following transactions with certain related parties, such as participating employers: a loan without adequate interest or security, the payment of excessive compensation, the purchase of securities or property for more than adequate consideration, or the sale of securities or property for less than adequate consideration.

[Return to Table of Contents](#)