October 22, 2024
1:30 P.M.
BOARD ROOM

BOARD OF RETIREMENT

AGENDA

832 12th Street
Suite 600
Modesto, CA

The Board of Retirement welcomes you to its meetings, which are regularly held on the fourth Tuesday of each month. Your interest is encouraged and appreciated.

The StanCERA boardroom, is currently open to public access. Members of the public who wish to attend Board meetings may also do so by teleconference, by calling (669) 900-6833. The Meeting ID: 859 3221 9325. Member ID: 278857.
If you wish to make a public comment during the Public Comment section of the meeting, or if you wish to comment on a specific agenda item, please press *9 on your phone to alert the Chair that you wish to speak. As permitted by Gov. Code § 54954.3(b)(1), each public comment is limited to three minutes.
You may also submit public comments in writing. If you wish to make a general public comment or a comment on a specific agenda item in writing, please submit your comment via email or fax no later than 4:30 p.m. on the day before a Board meeting. Comments can be submitted via email at taaa@stancera.org or via fax at (209) 558-4976. If your comment pertains to a specific agenda item, please include the agenda item number in the subject line. As permitted by Gov. Code § 54954.3(b)(1), each public comment is limited to 400 words. Comments submitted in writing will be read aloud during the meeting.

CONSENT/ACTION ITEMS: Consent matters include routine administrative actions and are identified under the Consent Items heading. All other items are action items, "Action" means that the Board may dispose of any item by any action, including but not limited to the following acts: approve, disapprove, authorize, modify, defer, table, take no action, or receive and file.
BOARD AGENDAS & MINUTES: Board agendas, minutes and copies of items to be considered by the Board of Retirement are customarily posted on the Internet by Friday afternoon preceding a meeting at the following website: www.stancera.org.
NOTICE REGARDING NON-ENGLISH SPEAKERS: Board of Retirement meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.
In compliance with the Americans with Disabilities Act: If you require an accommodation, auxiliary aid, or service in order to participate in this meeting, please contact StanCERA at (209) 525-6393 as far in advance as possible but no later than 48 hours before the scheduled event.

1) Call Meeting to Order

2) Pledge of Allegiance

3) Roll Call

4) Announcements

5) Public Comment

6) Emergency Declaration

7) Consent Items:

(a) Approval of September 24, 2024 Meeting Minutes View

(b) Application for Service Retirement(s)
Government Code Section 31499.17, 31670, 31662.2 & 31810
See attached for details View

(c) Investment Matrix View

(d) Investment Fee Summary and Value Added Reports as of June 2024
Agenda Item View Attachment View

(e) Private Market Program Report as of June 2024
Agenda Item View Attachment View

(f) Conference Summary View

8) Investment:

(a) Investment Consultant – NEPC - September Flash Report View

(b) Liquid Multi-Sector Public Credit Manager Selection
Agenda Item View Attachment 1 View Attachment 2 View

9) Administrative:

(a) 2024 SACRS Fall Business Meeting Voting Proxy
Agenda Item View Attachment View

10) Closed Session:

(a) Conference with Legal Counsel – Anticipated Litigation – One (1) Case
Government Code Section 54956.9 (d)(2)

(b) Independent Contractor Functioning as Government Employee
Government Code Section 54957 (b)(4)

(c) Personnel Matters
Government Code Section 54957 (b)(1)

11) Members’ Forum (Information and Future Agenda Requests Only)

12) Adjournment

September 24, 2024
1:30 P.M.
BOARD ROOM

BOARD OF RETIREMENT

MINUTES

832 12th Street
Suite 600
Modesto, CA 95354

1) Call Meeting to Order

2) Pledge of Allegiance

3) Roll Call

Trustees Present
Donna Riley
Mandip Dhillon
Darin Gharat
Mike Lynch
Jeff Grover
Joshua Clayton *(arrived at 2:41 p.m.)*
Rhonda Biesemeier
Samuel Sharpe

Trustees Absent
Terry Withrow
Delilah Vasquez

Others Present
Tom Stadelmaier, Executive Director
Stan Conwell, Retirement Investment Officer
Carmen Gusman, Retirement Fiscal Manager
Jamie Gingerich – Member and Employer Services Specialist
Donna Wood – Member and Employer Services Specialist
Fred Silva, General Legal Counsel
Alaine Taa, Executive Board Assistant
Daniel Hennessy- NEPC, Investment Consultant

4) Announcements
Announcement of technical difficulties in Board Room

5) Public Comment
Member Mark Montgomery attended the Board Meeting and expressed his concerns about the Leave Cash Outs Policy and the lack of information and changes communicated to members.

6) Emergency Declaration – None

7) Consent Items:

(a) Approval of August 27, 2024 Meeting Minutes

(b) Application for Service Retirement(s)
Government Code Section 31499.17, 31670, 31662.2 & 31810
See attached for details

(c) Application of Death Benefit -
Government Code Section 31781, 31781.1 , 31781.3

i. Sandoval, Joshua (Active Reciprocal) – Non-Service Connected – Stanislaus County - Effective 05-16-24

(d) Application for Disability -
Government Code Section 31724

i. Watson, Randall – Service-Connected Disability – Stanislaus County – Effective 05-23-24

(e) Investment Matrix

(f) Northern Trust Treasury Management Services

(g) Conference Summary

Motion was made by Trustee Grover and seconded by Trustee Biesemeier to approve all consent items as presented.

Motion passed unanimously.

Motion was made by Trustee Dhillon and seconded by Trustee Lynch to enter into the first Closed Session.

Motion passed unanimously.

Closed Session (1):

(a) Personnel Matters (2 Matters)
Government Code Section 54957 (b)(1)

No read out form Closed Session

Motion was made by Trustee Biesemeier and seconded by Trustee Grover to enter into Open Session.

Motion passed unanimously.

8) Investment:

(a) Investment Consultant – NEPC - August Flash Report

(b) Liquidity Sub-Portfolio Annual Funding Plan

(c) Capital Markets Update – NEPC

9) Administrative:

(a) Pension Benefit Information (PBI) CertiDeath Monitoring Services

Motion was made by Trustee Grover and seconded by Trustee Dhillon to approve a 3-year extension with Pension Benefit Information CertiDeath Monitoring Services. After the 3-year extension, there should be a RFP the next cycle for death monitoring services.

Motion passed unanimously.

10) Committee Reports and Recommendations:

(a) Due Diligence Committee - September 19, 2024 Due Diligence Meeting Update

Trustee Lynch gave an update to the Board on the last Due Diligence Committee meeting which included a detailed review of the Public Credit mandate search and planning for due diligence call s and on-site meetings with several managers and providers including Dodge and Cox, Cheiron, Fidelity and IFM. Regarding the Public

Credit finalists, staff identified three well qualified options and after review the Committee recommends that NIS present to the Board next month.

Motion was made by Trustee Biesemeier and seconded by Trustee Lynch to move forward with inviting NIS to present at the October 22, 2024 Board Meeting.

Motion passed unanimously.

Motion was made by Trustee Riley and seconded by Trustee Clayton to enter into Closed Session.

Motion passed unanimously.

11) Closed Session (2):

(a) Review of Independent Contractor Functioning as Employee
Government Code Section 54957 (b)(4)

Read Out: The Board approved the temporary extension of the Tegrit Contract with the current terms through December 31, 2024 while staff works closely with Tegrit on finalizing the terms of a longer-term contract.

Motion was made by Trustee Dhillon and seconded by Trustee Clayton to enter into Open Session.

Motion passed unanimously.

12) Members' Forum (Information and Future Agenda Requests Only)

13) Adjournment Time: 3:07 p.m.

Respectively submitted,

By Thomas Stadelmaier

Thomas Stadelmaier, Executive Director

APPROVED AS TO FORM

By Fred A. Silva

Fred A. Silva, General Legal Counsel

StanCERA APPLICATIONS FOR SERVICE RETIREMENT(S)

GOVERNMENT CODE SECTIONS 31499.14, 31670, 31662.2, 31810 & 31700

10/22/2024 Item 7.b

Catramis, Debra - Stanislaus County - Effective 10/09/2024

Dion, Victoria - Stanislaus County - Effective 10/23/2024

Gill, Kashmir - Stanislaus County - Effective 10/09/2024

Inthavong, Hamm - Stanislaus County - Effective 10/19/2024

Massey, Jolene - Stanislaus County - Effective 08/31/2024

Schoenly, Zenaida - Stanislaus County - Effective 10/31/2024

October 22, 2024

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

I. SUBJECT: Investment Matrix

II. ITEM NUMBER: 7.c

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: N/A

V. ANALYSIS:

a) *Investment Program Activities:*

The portfolio rebalance to fund the Wellington Global Macro Strategies was successfully completed in September. Wellington was allocated 2% of the total fund or about $60 Million. Staff continued work on expanding the performance reports provided by Northern Trust. This includes the creation of a private markets performance report and the addition of performance attribution analysis to the existing report. Once the new private markets performance report is completed, it can be used to verify both the manager and consultant performance figures and potentially replace the performance reports currently produce internally by staff. The real assets pipeline was reviewed with NEPC and additional real estate and infrastructure commitments are expected in Q4 2024 and Q1 2025.

b) *Money Transfer Report:*

September 2024: Capital Calls

From			To		
Manager	Asset Class	Amount	Manager	Asset Class	Amount
NT STIF Fund	Cash	-$258,261.00	Grandview Partners II	Private Real Estate	$258,261.00
BlackRock US High Yield Bond Index	Fixed Income	-$1,500,000.00	Comvest Credit Partners VII	Private Credit	$1,500,000.00

NT STIF Fund	Cash	-$187,500.00	Eclipse Fund V	Private Equity	$187,500.00
NT STIF Fund	Cash	-$651,277.96	Callodine Asset Based Loan Fund II	Private Credit	$651,277.96
NT STIF Fund	Cash	-$250,000.00	SVP Special Solutions Fund IV	Private Credit	$250,000.00
NT STIF Fund	US Equities	-$3,098,348.00	Blue Wolf Capital Fund V	Private Equity	$3,098,348.00

c) *Manager Meetings:*

Morgan Stanley Prime Property Fund – Advisory Committee
September 11-12, Denver, CO

Staff attended the annual limited partner advisory committee meeting for the Morgan Stanley Prime Property Fund. The meeting was held in Denver, CO and included a tour of select office and multi-family properties held in the fund. The multi-day event provided ample opportunities to evaluate the Prime fund in depth and to interact with the broader Morgan Stanley team and investor base. The tour of a few multi-family properties was particularly informative given the recent oversupply, but favorable long-term demand for housing that remains in the market. Within the multi-family sector, the Prime fund is vertically integrated which as contributed to their long-term outperformance. The meeting covered recent investment acquisitions and dispositions, as well as the expected positioning of the fund to take advantage of current opportunities in the market. The redemption queue, while still large, is shrinking and the trend is expected to continue.

VI. RISK: None

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT: None

October 22, 2024

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

I. SUBJECT: Investment Fee Summary and Value-Added Reports– June, 2024

II. ITEM NUMBER: 7.d

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: N/A

V. ANALYSIS:
Attachment 1 contains the investment fee summary and value-added reports. *Investment Fee Summary* – This report details StanCERA's investment management fees by asset class, investment style, and individual manager. Fee data for this report is updated on at least a quarterly basis. For the period, 07/01/2021 to 6/30/2024, total investment fees were approximately $68.5 Million or roughly 82.2 bps (0.82%) when annualized. The report includes fund expenses as other fees. Other fees include interest expense, professional fees, transaction costs, and general administration expenses. The lookback period was set to begin with the start of the 2021 fiscal year to provide a good overall indication of the fees and expenses charged to the portfolio.
Value Added Report – Performance was mixed for the quarter ending 6/30/2024. International equities posted large gains while small cap US equities slipped into negative territory. Risk parity and Dodge & Cox produced moderate gains. On a relative basis, Fidelity and Dodge & Cox notably outperformed their benchmarks. Phocas Financial, a small cap US equity sub-manager of Attucks, was the only small cap US equity manager to outperform their benchmark. Please note LSV processed a performance fee in June due to outperformance for the year ending June 30, 2024. Over the year, LSV has added about $5.6 Million in value net of all fees. In aggregate, the managers on this report added value for the fiscal year ending June 30, 2024. LSV and Dodge & Cox added the most value and AQR and PanAgora detracted the most value. LSV is currently the only manager on this report with a secondary benchmark. The primary benchmark for LSV is the MSCI ACWI ex-US Value index and the secondary benchmark is the MSCI ACWI ex-US Core index.

VI. RISK: None

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT: None

StanCERA Investment Fee Summary - By Asset Class

StanCERA

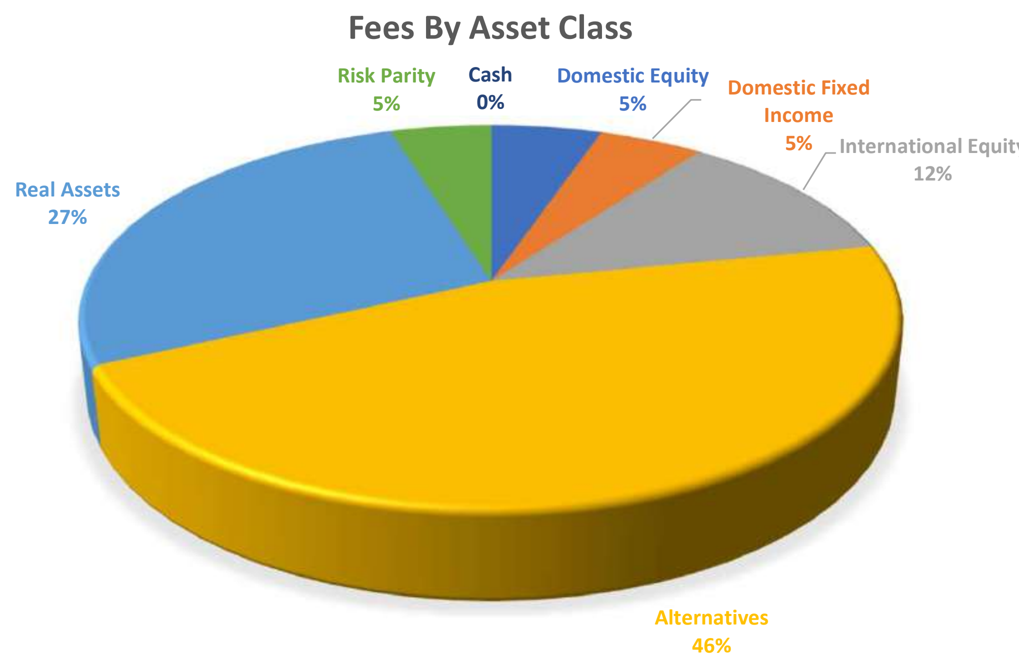
7/1/2021 thru 6/30/2024

	Fees In Dollars						Annualized Fees in Basis Points				
	Average AUM	Managerial	Performance*	Other**	Custodial	Total	Managerial	Performance	Other	Custodial	Total
Total StanCERA Portfolio	$2,674,005,331	$39,611,893	$11,858,343	$16,119,644	$927,151	$68,517,031	47.5	14.2	19.3	1.1	82.2

Fees By Asset Class

	Average AUM	Managerial	Performance	Other	Custodial	Total	Managerial	Performance	Other	Custodial	Total
Domestic Equity	$634,913,618	$3,422,018	$0	$0	$146,125	$3,568,143	4.1	0.0	0.0	0.2	4.3
Domestic Fixed Income	$513,674,859	$3,252,675	$0	$61,857	$42,025	$3,356,557	3.9	0.0	0.1	0.0	4.0
International Equity	$502,568,365	$3,750,483	$3,749,439	$0	$571,991	$8,071,913	4.5	4.5	0.0	0.7	9.7
Alternatives	$284,415,212	$13,811,133	$4,804,163	$12,924,697	$100,331	$31,640,325	16.6	5.8	15.5	0.1	37.9
Real Assets	$456,375,320	$12,646,379	$3,305,729	$2,602,749	$54,984	$18,609,841	15.2	4.0	3.1	0.1	22.3
Risk Parity	$246,510,440	$2,729,205	-$988	$530,340	$11,696	$3,270,253	3.3	0.0	0.6	0.0	3.9
Cash	$35,547,516	$0	$0	$0	$0	$0	0.0	0.0	0.0	0.0	0.0

Asset Class	Fees
Domestic Equity	$3,568,143
Domestic Fixed Income	$3,356,557
International Equity	$8,071,913
Alternatives	$31,640,325
Real Assets	$18,609,841
Risk Parity	$3,270,253
Cash	$0
Total	$68,517,031



* Performance fees can be negative due to the clawback of incentive fees

** Other fees include interest expense, professional fees, transaction costs, and general administration expenses.

StanCERA Investment Fee Summary - By Investment Style

7/1/2021 thru 6/30/2024

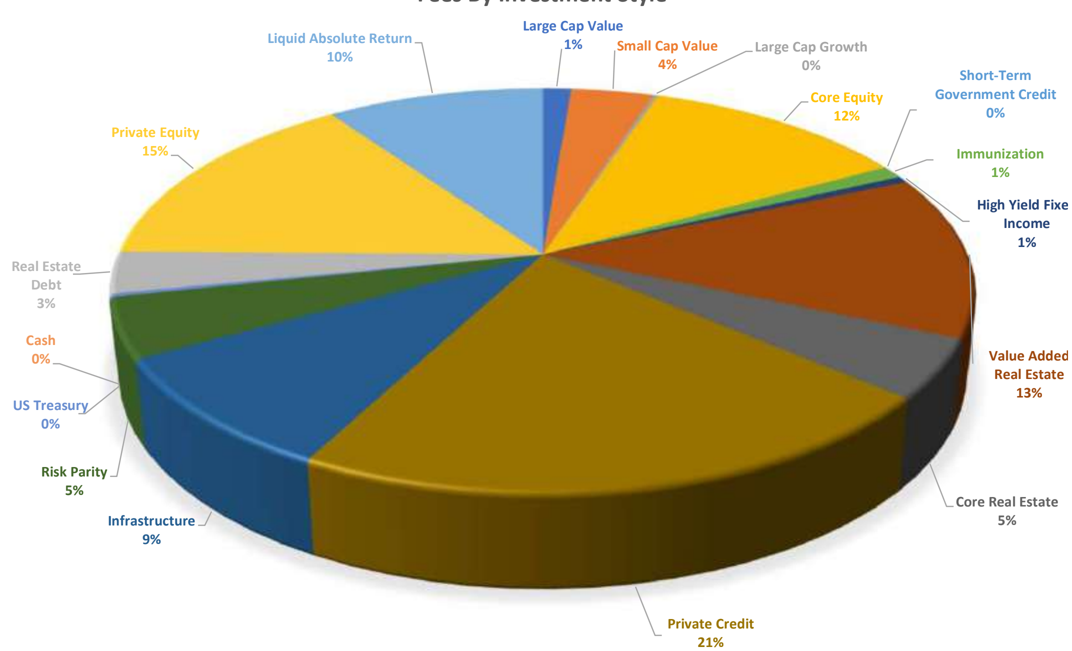
	Average AUM	Managerial	Performance*	Other**	Custodial	Total	Managerial	Performance	Other	Custodial	Total
	Fees In Dollars						Annualized Fees in Basis Points				
Total StanCERA Portfolio	$2,674,005,331	$39,611,893	$11,858,343	$16,119,644	$927,151	$68,517,031	47.5	14.2	19.3	1.1	82.2

Fees By Investment Style

	Average AUM	Managerial	Performance	Other	Custodial	Total	Managerial	Performance	Other	Custodial	Total
Large Cap Value	$235,947,450	$824,885	$0	$0	$38,466	$863,351	1.0	0.0	0.0	0.0	1.0
Small Cap Value	$106,265,955	$2,419,312	$0	$0	$101,705	$2,521,017	2.9	0.0	0.0	0.1	3.0
Large Cap Growth	$226,533,149	$135,884	$0	$0	$5,954	$141,838	0.2	0.0	0.0	0.0	0.2
Core Equity	$568,735,429	$3,792,420	$3,749,439	$0	$571,991	$8,113,850	4.5	4.5	0.0	0.7	9.7
Short-Term Government Credit	$0	$0	$0	$0	$2,063	$2,063	0.0	0.0	0.0	0.0	0.0
Immunization	$181,079,768	$651,935	$0	$0	$26,629	$678,564	0.8	0.0	0.0	0.0	0.8
High Yield Fixed Income	$98,194,520	$353,979	$0	$0	$6,035	$360,015	0.4	0.0	0.0	0.0	0.4
Value Added Real Estate	$125,287,183	$5,607,877	$2,428,712	$889,040	$23,966	$8,949,594	6.7	2.9	1.1	0.0	10.7
Core Real Estate	$130,907,581	$2,923,273	$232,079	$76,626	$11,420	$3,243,397	3.5	0.3	0.1	0.0	3.9
Private Credit	$124,695,475	$5,110,536	$842,694	$8,679,141	$47,085	$14,679,456	6.1	1.0	10.4	0.1	17.6
Infrastructure	$200,158,072	$4,089,685	$644,285	$1,513,434	$19,023	$6,266,427	4.9	0.8	1.8	0.0	7.5
Risk Parity	$246,510,440	$2,729,205	-$988	$530,340	$11,696	$3,270,253	3.3	0.0	0.6	0.0	3.9
US Treasury	$145,371,406	$180,223	$0	$0	$0	$180,223	0.2	0.0	0.0	0.0	0.2
Cash	$35,547,516	$0	$0	$0	$0	$0	0.0	0.0	0.0	0.0	0.0
Real Estate Debt	$89,051,650	$2,092,081	$653	$185,507	$7,872	$2,286,113	2.5	0.0	0.2	0.0	2.7
Private Equity	$87,049,368	$6,405,254	-$146,407	$4,014,842	$42,683	$10,316,371	7.7	-0.2	4.8	0.1	12.4
Liquid Absolute Return	$72,670,369	$2,295,344	$4,107,876	$230,715	$10,563	$6,644,497	2.8	4.9	0.3	0.0	8.0

By Investment Style	Fees
Large Cap Value	$863,351
Small Cap Value	$2,521,017
Large Cap Growth	$141,838
Core Equity	$8,113,850
Short-Term Government Credit	$2,063
Immunization	$678,564
High Yield Fixed Income	$360,015
Value Added Real Estate	$8,949,594
Core Real Estate	$3,243,397
Private Credit	$14,679,456
Infrastructure	$6,266,427
Risk Parity	$3,270,253
US Treasury	$180,223
Cash	$0
Real Estate Debt	$2,286,113
Private Equity	$10,316,371
Liquid Absolute Return	$6,644,497
Total	$68,517,031

Fees By Investment Style



* Performance fees can be negative due to the clawback of incentive fees

** Other fees include interest expense, professional fees, transaction costs, and general administration expenses.

StanCERA

Stanislaus County Employees' Retirement Association - Investment Fee Summary

7/1/2021 thru 6/30/2024

Count	Manager Name	Average AUM****	Fees in Dollars: Management	Fees in Dollars: Performance **	Fees in Dollars: Other***	Fees in Dollars: Custodial	Fees in Dollars: Total	Fees in Annualized Basis Points: Management	Fees in Annualized Basis Points: Performance	Fees in Annualized Basis Points: Other	Fees in Annualized Basis Points: Custodial	Fees in Annualized Basis Points: Total
1	Dodge Cox Equity	$121,291,580	$756,072	$0	$0	$32,529	$788,601	20.8	0.0	0.0	0.9	21.7
2	Bernzott	$0	$0	$0	$0	$1,169	$1,169	0.0	0.0	0.0	0.0	0.0
3	LSV	$264,587,899	$1,964,900	$3,084,953	$0	$394,998	$5,444,851	24.8	38.9	0.0	5.0	68.6
4	Fidelity	$237,980,466	$1,785,583	$664,486	$0	$176,992	$2,627,061	25.0	9.3	0.0	2.5	36.8
5	Blackrock Value	$114,655,870	$68,813	$0	$0	$5,937	$74,750	2.0	0.0	0.0	0.2	2.2
6	Blackrock Growth	$226,533,149	$135,884	$0	$0	$5,954	$141,838	2.0	0.0	0.0	0.1	2.1
7	Raven Asset-Based Opportunity Fund I L.P.	$1,945,867	$0	$0	$65,422	$5,313	$70,735	0.0	0.0	112.1	9.1	121.3
8	White Oak Pinnacle Fund L.P.	$26,499,684	$1,028,009	$0	$206,689	$5,313	$1,240,011	129.4	0.0	26.0	0.7	156.1
9	Medley Opportunity Fund II L.P.	$1,922,795	$39,434	$0	$84,786	$5,844	$130,064	68.4	0.0	147.1	10.1	225.6
10	Blackrock US Real Estate	$34,045,963	$87,418	$0	$0	$6,107	$93,525	8.6	0.0	0.0	0.6	9.2
11	Greenfield GAP VII Management Fund, L.L.C	$2,693,301	$336,756	$261,956	$93,395	$5,844	$697,951	417.1	324.4	115.7	7.2	864.4
12	Channing	$29,331,314	$712,020	$0	$0	$33,490	$745,510	81.0	0.0	0.0	3.8	84.8
13	Inview	$3,982,459	$20,603	$0	$0	$3,165	$23,767	17.3	0.0	0.0	2.7	19.9
14	Keeley	$0	$0	$0	$0	$1,169	$1,169	0.0	0.0	0.0	0.0	0.0
15	Pacific Ridge	$18,253,004	$531,457	$0	$0	$23,267	$554,724	97.1	0.0	0.0	4.3	101.4
16	Walthausen	$15,479,289	$238,529	$0	$0	$10,089	$248,618	123.4	0.0	0.0	5.2	128.6
17	Morgan Stanley Prime Property Fund, L.L.C	$96,861,618	$2,835,855	$232,079	$76,626	$5,313	$3,149,872	97.7	8.0	2.6	0.2	108.5
18	American Realty Advisors Fund	$84,037,365	$2,806,205	$719,940	$0	$5,844	$3,531,988	111.4	28.6	0.0	0.2	140.2
19	North Haven Infrastructure II GP LP	$19,640,116	$831,687	$0	$189,018	$5,886	$1,026,591	141.3	0.0	32.1	1.0	174.4
20	Raven Asset-Based Opportunity Fund III L.P.	$51,898,414	$1,492,388	-$454,183	$2,520,818	$5,844	$3,564,867	95.9	-29.2	162.0	0.4	229.1
21	Insight Investment	$181,079,768	$651,935	$0	$0	$26,629	$678,564	12.0	0.0	0.0	0.5	12.5
22	Dimensional Fund Advisors	$0	$0	$0	$0	$2,063	$2,063	0.0	0.0	0.0	0.0	0.0
23	Northern Trust Long Term Bond Fund	$43,622,785	$53,896	$0	$0	$0	$53,896	4.1	0.0	0.0	0.0	4.1
24	Northern Trust Intermediate Term Bond Fund	$101,748,620	$126,328	$0	$0	$0	$126,328	4.1	0.0	0.0	0.0	4.1
25	PanAgora Multi-Asset	$119,649,891	$1,256,689	-$988	$86,954	$5,852	$1,348,507	35.0	0.0	2.4	0.2	37.6
26	PGIM Real Estate U.S. Debt Fund, L.P.	$89,029,166	$2,066,537	$0	$61,857	$7,297	$2,135,691	77.4	0.0	2.3	0.3	80.0
27	AQR Global Risk Premium - EL	$126,860,549	$1,472,516	$0	$443,386	$5,844	$1,921,746	38.7	0.0	11.7	0.2	50.5
28	Grandview Partners I, L.P.	$22,918,647	$1,224,554	$1,446,816	$445,743	$5,844	$3,122,957	178.2	210.6	64.9	0.9	454.5
29	Northern Trust Russell 3000 Fund	$66,167,064	$41,937	$0	$0	$0	$41,937	2.1	0.0	0.0	0.0	2.1
30	Owl Rock First Lien Fund	$8,942,276	$440,604	$0	$2,433,232	$5,869	$2,879,705	164.4	0.0	907.6	2.2	1074.2
31	Insight Partners XI	$23,031,473	$705,536	-$116,955	$162,331	$5,987	$756,899	102.2	-16.9	23.5	0.9	109.6*
32	Vista Foundation Fund IV	$12,241,273	$1,200,000	$0	$446,097	$5,912	$1,652,009	327.0	0.0	121.6	1.6	450.2*
33	Clayton, Dubilier, Rice Fund XI (CD&R XI)	$11,028,993	$440,095	$0	$614,292	$5,448	$1,059,835	133.1	0.0	185.8	1.6	320.5*
34	Seizert Capital Partners	$33,054,912	$611,053	$0	$0	$18,907	$629,959	61.7	0.0	0.0	1.9	63.6*
35	Gryphon Partners VI	$14,119,732	$427,372	-$64,878	$258,136	$5,355	$625,985	101.0	-15.3	61.0	1.3	147.9
36	Genstar Capital Partners X	$7,907,799	$466,379	-$1	$121,172	$5,485	$593,035	196.7	0.0	51.1	2.3	250.2*
37	Strategic Value Special Situations Fund V	$4,898,281	$383,447	$20,539	$240,228	$6,238	$650,452	261.1	14.0	163.6	4.2	442.9*
38	Northern Trust Infrastructure Fund	$106,736,332	$17,972	$0	$0	$0	$17,972	0.6	0.0	0.0	0.0	0.6*
39	BlackRock High Yield Bond Fund	$98,194,520	$353,979	$0	$0	$6,035	$360,015	12.0	0.0	0.0	0.2	12.2
40	IIF Hedged JP Morgan	$33,373,591	$658,697	$279,057	$353,657	$4,276	$1,295,687	87.8	37.2	47.1	0.6	172.7
41	IFM Global	$54,459,235	$799,083	$365,228	$159,586	$3,196	$1,327,093	70.5	32.2	14.1	0.3	117.1
42	Graham Capital	$59,126,247	$1,983,560	$4,107,876	$230,715	$5,202	$6,327,352	126.1	261.1	14.7	0.3	402.1
43	Invesco Global Targeted Returns	$26,922,463	$311,784	$0	$0	$5,362	$317,145	51.5	0.0	0.0	0.9	52.4
44	Sole Source Capital Partners II	$12,237,617	$1,110,749	$0	$391,932	$4,811	$1,507,492	320.9	0.0	113.2	1.4	435.6
45	Grandview II, LP	$14,188,718	$872,056	$0	$224,370	$5,092	$1,101,518	231.0	0.0	59.4	1.3	291.7*
46	Palistar Communications Infrastructure Fund II	$11,667,568	$1,402,136	$0	$210,908	$4,676	$1,617,720	515.2	0.0	77.5	1.7	594.4*
47	Great Hill Equity Partners VIII	$1,550,388	$702,373	$0	$275,497	$3,378	$981,248	2177.2	0.0	854.0	10.5	3041.7*
48	ABRY Senior Equity VI, LP	$6,361,989	$443,346	$0	$93,711	$4,433	$541,491	298.7	0.0	63.1	3.0	364.9*

Stanislaus County Employees' Retirement Association - Investment Fee Summary

7/1/2021 thru 6/30/2024

Count	Manager Name	Average AUM****	Management	Performance **	Other***	Custodial	Total	Management	Performance	Other	Custodial	Total
		Fees in Dollars						Fees in Annualized Basis Points				
49	Monroe Capital Private Credit Fund IV, LP	$15,820,913	$709,202	$562,975	$2,064,860	$4,043	$3,341,080	N/A	N/A	N/A	N/A	N/A
50	Blue Wolf Capital Fund V	$2,915,899	$632,997	$0	$1,087,569	$3,069	$1,723,635	N/A	N/A	N/A	N/A	N/A
51	Audax Private Equity Fund VII	$2,222,635	$300,308	$0	$462,359	$1,956	$764,623	N/A	N/A	N/A	N/A	N/A
52	Phocas Financial Corporation	$26,084,509	$305,651	$0	$0	$10,450	$316,101	67.1	0.0	0.0	2.3	69.4
53	Callodine Asset Based Loan Fund II	$12,083,877	$333,265	$398,417	$293,277	$2,499	$1,027,458	N/A	N/A	N/A	N/A	N/A
54	Crestline Opportunity Fund V	$7,835,154	$201,699	$298,848	$265,000	$1,690	$767,238	N/A	N/A	N/A	N/A	N/A
55	Ares Senior Direct Lending Fund III	$38,544	$28,727	$16,098	$296,156	$0	$340,981	N/A	N/A	N/A	N/A	N/A
56	TA Realty Value-Add Fund XIII	$3,042,954	$368,306	$0	$125,532	$1,343	$495,181	N/A	N/A	N/A	N/A	N/A
57	Carlyle Renewable & Sustainable Energy Fund II	$1,882,533	$380,110	$0	$600,265	$988	$981,363	N/A	N/A	N/A	N/A	N/A
58	KSL Partners Credit Opportunities Fund IV	$164,135	$25,544	$653	$123,650	$575	$150,422	N/A	N/A	N/A	N/A	N/A
59	Comvest Credit Partners VII	$1,003,251	$10,415	$0	$114,961	$0	$125,376	N/A	N/A	N/A	N/A	N/A
60	Gridiron Capital Fund V	$3,460,467	$419,444	$35,427	$195,457	$1,284	$651,612	N/A	N/A	N/A	N/A	N/A

* These funds charge management fees on committed capital during the investment period or if fund leverage is allowed, the unlevered and levered portion of invested capital.

** Performance fees can be negative due to clawback provisions.

*** Other fees include interest expense, professional fees, transaction costs, and general administration expenses.

**** Average AUM can include periods of negative account balances due to the use of subscription lines of credit.

StanCERA Value Added Report

4/1/2024 through 6/30/2024

Manager	Average AUM	Manager Returns	Manager Fees	Custodial Fees	Primary Benchmark Returns	Secondary Benchmark Returns	Benchmark Fees*	Value Added Primary Benchmark	Value Added Secondary Benchmark
Dodge Cox Equity	$ 136,281,086	$ 255,771	$ (69,087)	$ (2,735)	$ (2,951,826)	None	$ (8,395)	$ 3,144,170	None
LSV	$ 311,043,811	$ 4,640,998	$ (1,918,689)	$ (43,197)	$ 4,834,196	$ 3,641,962	$ (237,594)	$ (1,917,491)	$ (725,256)
Fidelity	$ 262,277,972	$ 5,386,166	$ (164,329)	$ (17,806)	$ 3,070,970	None	$ (200,344)	$ 2,333,404	None
Insight Investment	$ 206,984,403	$ 1,508,779	$ (61,796)	$ (2,580)	$ 1,472,983	None	$ (25,501)	$ (3,079)	None
Channing	$ 33,341,543	$ (1,789,335)	$ (68,584)	$ (2,032)	$ (1,215,238)	None	$ (19,717)	$ (624,996)	None
Pacific Ridge	$ 18,818,484	$ (1,038,573)	$ (46,329)	$ (1,636)	$ (962,705)	None	$ (11,129)	$ (112,704)	None
AQR Global Risk Premium - EL	$ 95,307,147	$ 1,194,581	$ (134,580)	$ (531)	$ 1,215,737	None	$ (35,226)	$ (121,041)	None
PanAgora Multi-Asset	$ 95,961,086	$ 154,067	$ (93,902)	$ (531)	$ 1,224,079	None	$ (35,468)	$ (1,128,977)	None
Seizert Capital Partners	$ 40,312,859	$ (1,605,030)	$ (62,408)	$ (1,683)	$ (1,469,330)	None	$ (23,840)	$ (175,950)	None
Phocas Financial Corporation	$ 29,104,986	$ (16,512)	$ (48,390)	$ (1,631)	$ (1,060,824)	None	$ (17,212)	$ 1,011,503	None
Totals	$ 1,229,433,375	$ 8,690,912	$ (2,668,094)	$ (74,364)	$ 4,158,043	$ 3,641,962	$ (614,427)	$ 2,404,838	$ (725,256)

* Benchmark fees are approximated based on a hypothetical investment in a passive fund/ETF

October 22, 2024

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

I. SUBJECT: Private Markets Program Report as of June, 2024

II. ITEM NUMBER: 7.e

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: N/A

V. ANALYSIS:

Background

The purpose of this report is to provide useful program-level information on the private market investments in StanCERA's portfolio. StanCERA currently invests in the private real estate, private infrastructure, private credit and private equity asset classes. Each asset class is grouped together to form a program constructed to meet the guidelines outlined in the private markets policy and the overall investment goals of the total portfolio. With this report you can quickly monitor trends in performance, expenses, and funding progress. For each program, the commitment level, funded percentage and IRR trend data is provided for the trailing 8 quarters. The expense data is provided since inception.

Report Analysis - Attachment 1

Real Estate: Performance gains from PGIM and Grandview reversed the downward trend from the peak in 2022. PGIM, as a debt fund, has benefited from the higher interest rate environment and valuation declines have slowed or in some cases reversed course. TA Realty, called capital during Q2 raising the funded percentage slightly. While early, TA Realty's performance is positive and helped boost the overall performance of the real estate program.

Infrastructure: Performance remained largely stable dipping slightly the quarter. The Carlyle Renewable & Sustainable Energy Fund II was added to the report this quarter. The fund called capital in Q1 but was actively investing for most of 2023 and early returns are positive and income producing.

Private Credit: Performance declined for the quarter driven by continued markdowns from the legacy private credit managers. Distributions from the legacy managers have increased recently. The newer private credit managers are collectively performing well returning a 11.21% net IRR since inception, but only account for about 40% of commitments. Please note data from Owl Rock First Lien Fund was not available when this report was produced.

Private Equity: The program fund balance is nearing the 5% target allocation. Capital call totals remain consistent with prior quarters. Performance is moderating, but trending down as many of the funds in the program are in the early stages of investing when the expenses are highest and the general partners are actively executing their investment plans. This early performance drag, known as the J-Curve effect, is expected for private equity and was partially offset by an early realization from Sole Source Capital Partners II.

Below are the metrics and their definitions used in the report:

- Performance measures
    - **Net internal rate of return (IRR)** – The return on the investment since inception after fees. This measure includes all cash flows into and out of the investment, their timing and the ending fund value as of the measurement date. This measure is generally the most accurate, however, is highly dependent on the ending fund value as approximated by the general partner.
    - **Realization multiple or distributions to paid-in-capital (DPI)** – This is a measure of the cash received by StanCERA relative to cash contributed. For instance, if this measure is $0.75, then for every dollar StanCERA has contributed, it has received back 75 cents.
    - **Residual value to paid-in-capital multiple (RVPI)** – This is a measure of the current fund value relative to cash contributed. For instance, if this measure is $0.50, then for every dollar StanCERA has contributed, it holds an investment dollar valued at 50 cents. Like IRR, this measure is highly dependent on the ending fund value approximated by the general partner.
    - **Investment multiple or total value to paid-in-capital (TVPI)** – This measure is simply the sum of the DPI and RVPI and is a widely quoted number in the investment world in a general sense.

- Expenses Since Inception – Private markets expenses can be split into three broad categories: Management Fees, Performance Fees, and Fund Expenses. All expenses reported to StanCERA by the manager are represented in the pie chart.

- Commitment Level and Funded Percentage – The stacked bar chart provides the commitment level indicted on the left y-axis and the funded percentage line is indicated on the right y-axis.

- IRR Trend – This chart provides the net IRR for the program for the last eight quarters.

VI. RISK: None

VII. STRATEGIC PLAN: N/A

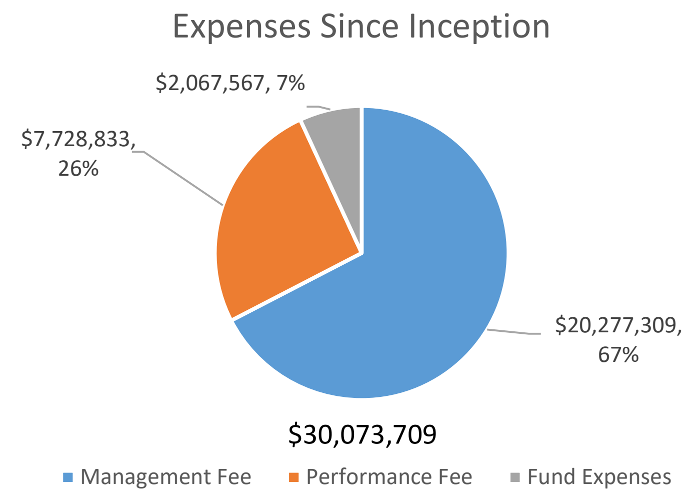
VIII. ADMINISTRATIVE BUDGET IMPACT: NONE

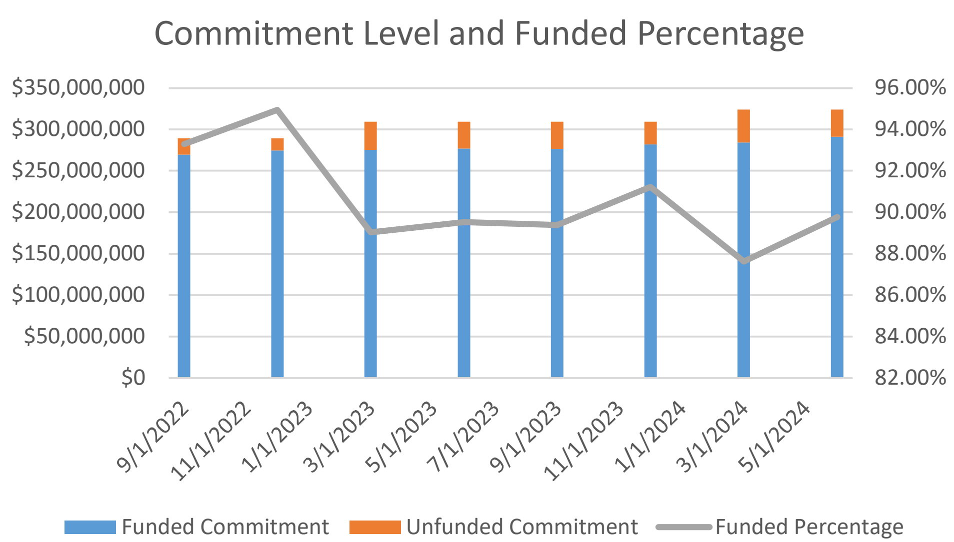
Real Estate Program Performance

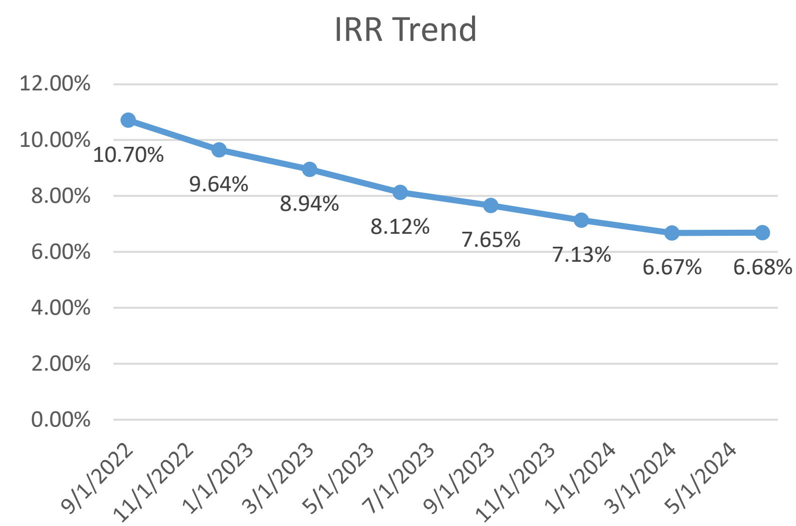
Analysis Date:	6/30/2024
Program Name:	Real Estate
Program Inception Date:	7/8/2014
Total Commitment:	$323,999,998
Unfunded Commitment as of Analysis Date:	$33,131,572
% Funded as of Analysis Date:	89.77%
Program Fund Balance:	$323,933,855

Performance Measures

Net IRR Since Inception:	6.68%
Realization Multiple (DPI):	$0.23
Residual Value to Paid in Multiple (RVPI):	$0.97
Investment Multiple (TVPI):	$1.20





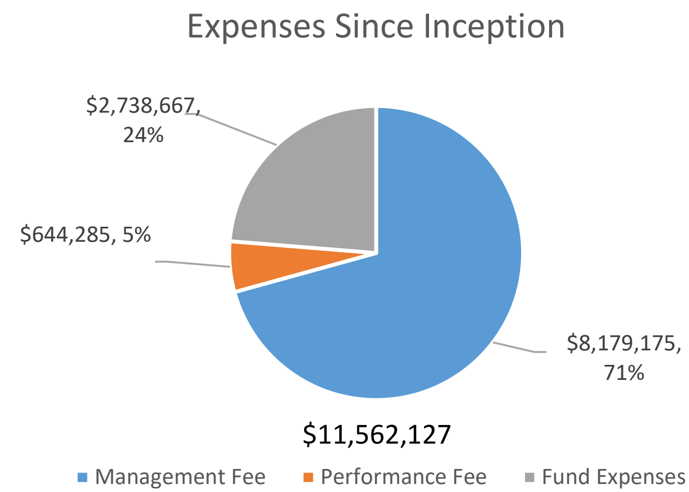


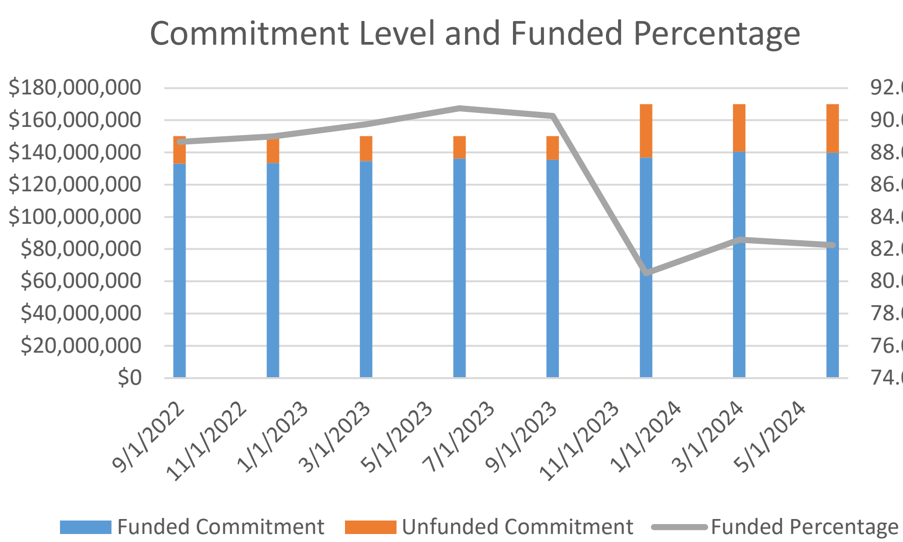
Infrastructure Program Performance

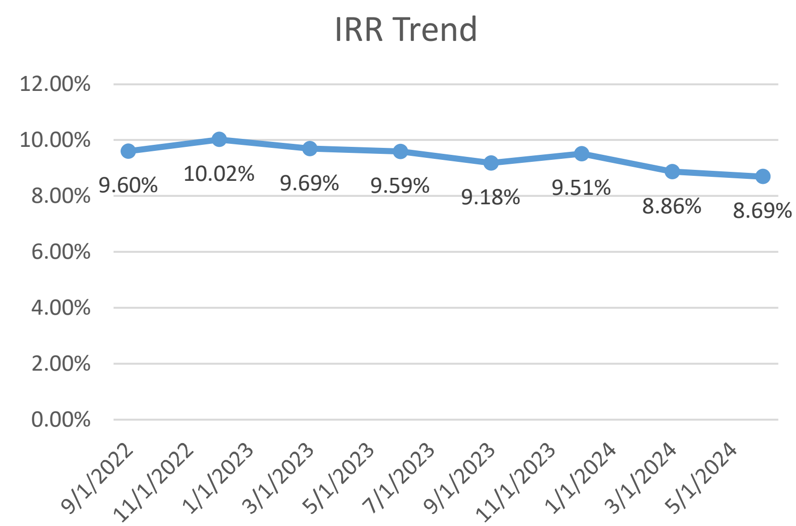
Analysis Date:	6/30/2024
Program Name:	Infrastructure
Program Inception Date:	5/19/2015
Total Commitment:	$170,000,000
Unfunded Commitment as of Analysis Date:	$30,174,310
% Funded as of Analysis Date:	82.25%
Program Fund Balance:	$125,688,089

Performance Measures

Net IRR Since Inception:	8.69%
Realization Multiple (DPI):	$0.44
Residual Value to Paid in Multiple (RVPI):	$0.73
Investment Multiple (TVPI):	$1.17





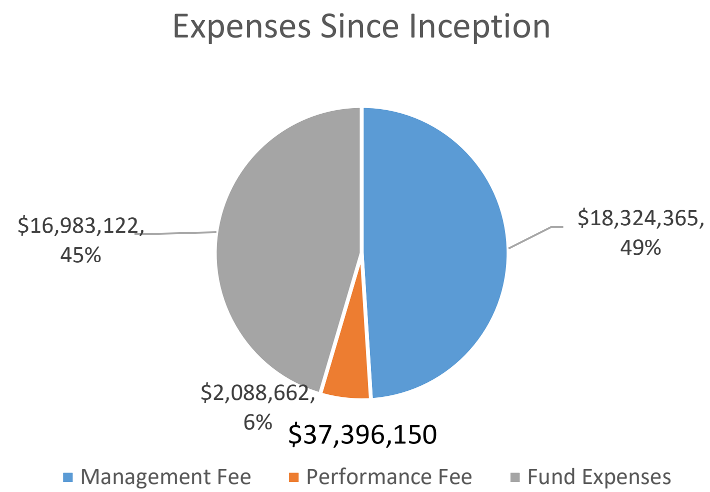


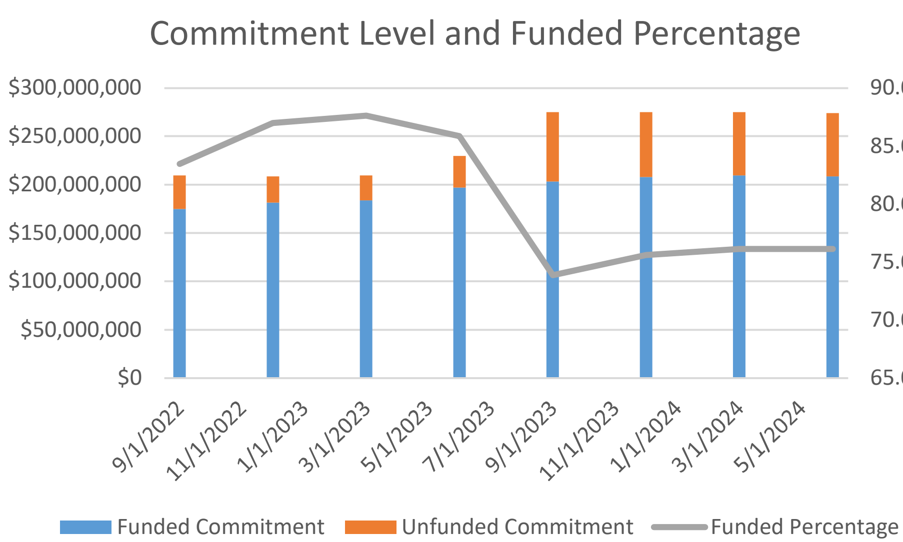
Private Credit Program Performance

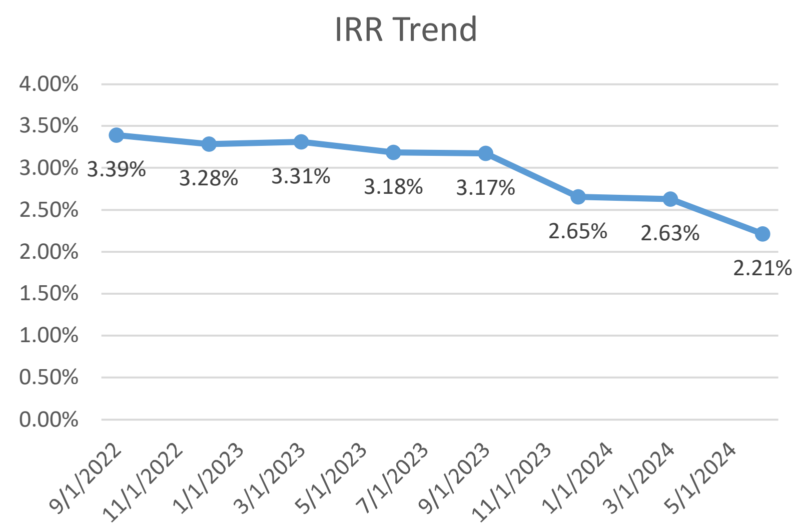
Analysis Date:	6/30/2024
Program Name:	Private Credit
Program Inception Date:	5/16/2013
Total Commitment:	$273,982,015
Unfunded Commitment as of Analysis Date:	$65,439,581
% Funded as of Analysis Date:	76.12%
Program Fund Balance:	$129,362,948

Performance Measures

Net IRR Since Inception:	2.21%
Realization Multiple (DPI):	$0.50
Residual Value to Paid in Multiple (RVPI):	$0.46
Investment Multiple (TVPI):	$0.96







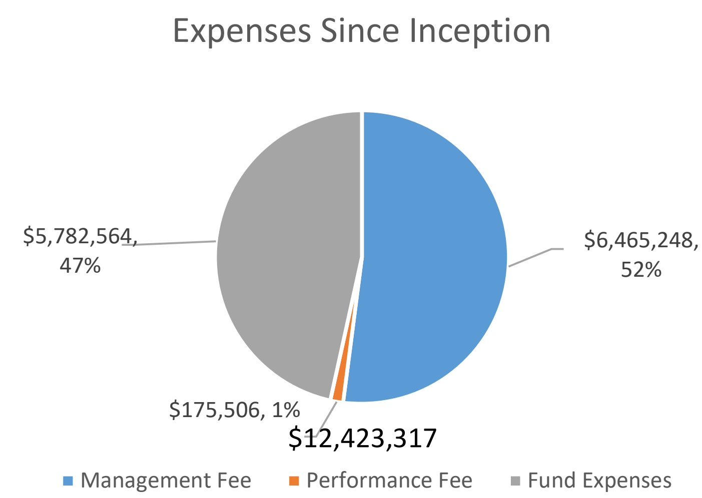
Note: 6/30/2024 data for Owl Rock/Blue Owl First Lien Fund was not available when this report was produced. Values from the prior quarter were used as estimates.

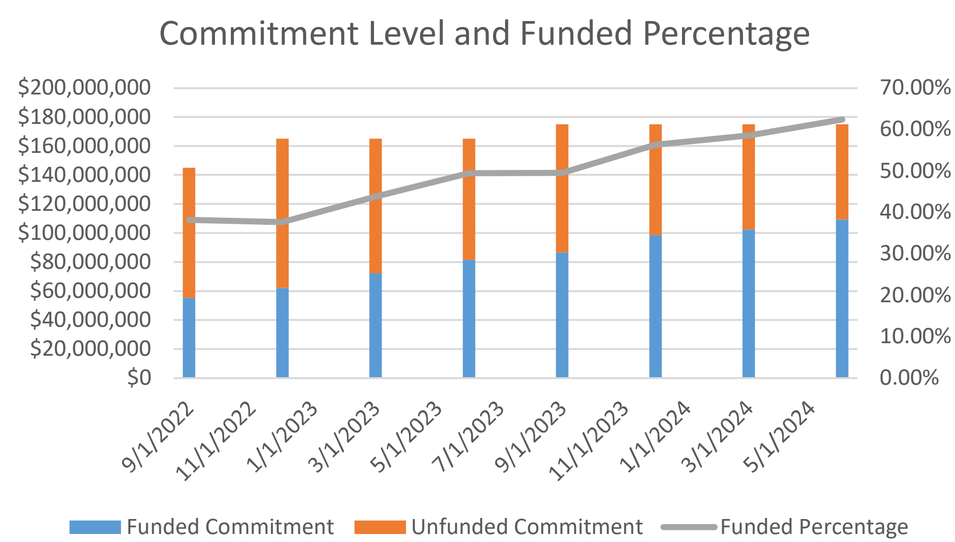
Private Equity Program Performance

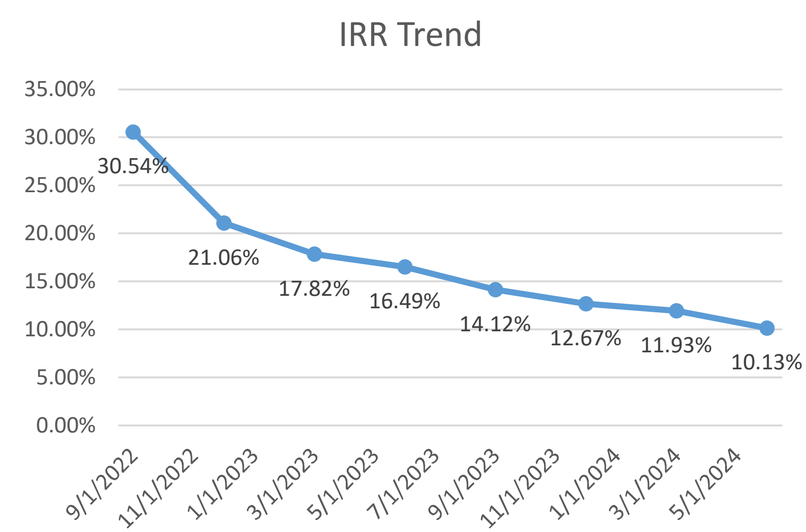
Analysis Date:	6/30/2024
Program Name:	Private Equity
Program Inception Date:	4/30/2020
Total Commitment:	$175,000,000
Unfunded Commitment as of Analysis Date:	$65,757,615
% Funded as of Analysis Date:	62.42%
Program Fund Balance:	$129,572,575

Performance Measures

Net IRR Since Inception:	10.13%
Realization Multiple (DPI):	$0.04
Residual Value to Paid in Multiple (RVPI):	$1.04
Investment Multiple (TVPI):	$1.08







StanCERA

CONFERENCE SUMMARY

1. **Attendee Name:** **Rhonda Biesemeier**
2. **Event Name:** **CALAPRS Trustee Round Table**
3. **Event Date:** **Friday, October 11, 2024**
4. **Event Location:** **San Jose Marriott**
5. **Describe what was good about the event: All sessions were very good, but, in particular, the session on "Challenges in Talent Management" was especially intriguing. Ashby Monk of Stanford introduced his co-founders Kyle Thorpe & Madison Gesser, whose company, Ascension, is building data banks whereby BORs can search for salaries, job descriptions, etc. for investment staffing positions. This would offer BORs current information when hiring for these positions and analyzing cost benefits to hiring in-house staff vs. contracting with outside sources. This would be very helpful in attracting skilled people to fill important positions and would justify the higher pay than might be comparable to other county positions. As they are building this data, they are interested in getting feedback from various counties and are offering their services FREE for 1 year. I think it would behoove us to take part in this process and have asked Ashby to send me more information.**
6. **OTHER (AS NEEDED) There was also a session on AI and how it might impact investing in the future.**
7. **Would you recommend this event to other trustees/staff:** **Definitely!**
8. **Number of Education Credits:** **0**

Attachment 8.a

MONTHLY PERFORMANCE REPORT

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

SEPTEMBER 30, 2024

Dan Hennessy, CFA, CAIA, Senior Consultant
Sam Austin, Partner
John Tolar, Consulting Analyst

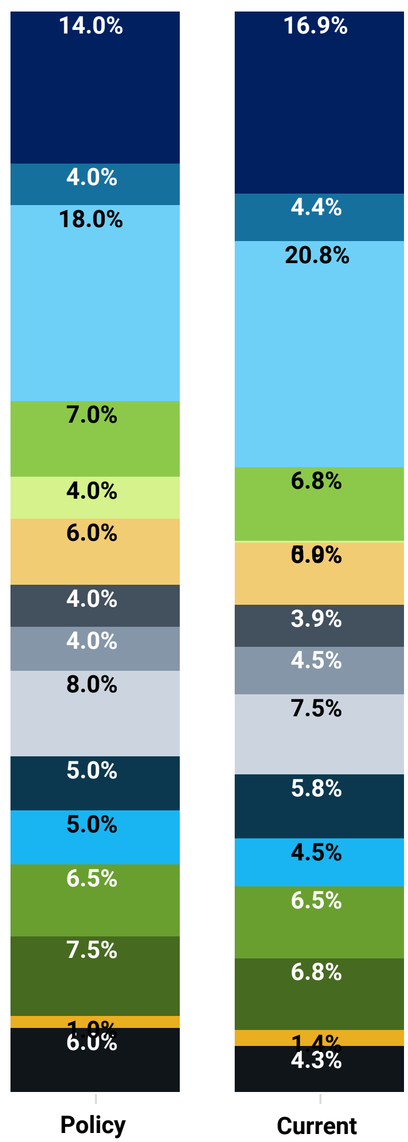
CALENDAR YEAR INDEX PERFORMANCE

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Sep	QTD	YTD
S&P 500	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%	-18.1%	26.3%	2.1%	5.9%	22.1%
Russell 1000	13.2%	0.9%	12.1%	21.7%	-4.8%	31.4%	21.0%	26.5%	-19.1%	26.5%	2.1%	6.1%	21.2%
Russell 2000	4.9%	-4.4%	21.3%	14.6%	-11.0%	25.5%	20.0%	14.8%	-20.4%	16.9%	0.7%	9.3%	11.2%
Russell 2500	7.1%	-2.9%	17.6%	16.8%	-10.0%	27.8%	20.0%	18.2%	-18.4%	17.4%	1.5%	8.7%	11.3%
MSCI EAFE	-4.9%	-0.8%	1.0%	25.0%	-13.8%	22.0%	7.8%	11.3%	-14.5%	18.2%	0.9%	7.3%	13.0%
MSCI EM	-2.2%	-14.9%	11.2%	37.3%	-14.6%	18.4%	18.3%	-2.5%	-20.1%	9.8%	6.7%	8.7%	16.9%
MSCI ACWI	4.2%	-2.4%	7.9%	24.0%	-9.4%	26.6%	16.3%	18.5%	-18.4%	22.2%	2.3%	6.6%	18.7%
Private Equity	12.6%	9.9%	9.0%	21.0%	11.1%	17.6%	32.9%	39.4%	-9.1%	5.7%	-	1.1%	1.1%
BBG TIPS	3.6%	-1.4%	4.7%	3.0%	-1.3%	8.4%	11.0%	6.0%	-11.8%	3.9%	1.5%	4.1%	4.9%
BBG Municipal	9.1%	3.3%	0.2%	5.4%	1.3%	7.5%	5.2%	1.5%	-8.5%	6.4%	1.0%	2.7%	2.3%
BBG Muni High Yield	13.8%	1.8%	3.0%	9.7%	4.8%	10.7%	4.9%	7.8%	-13.1%	9.2%	0.9%	3.2%	7.5%
BBG US Corporate HY	2.5%	-4.5%	17.1%	7.5%	-2.1%	14.3%	7.1%	5.3%	-11.2%	13.4%	1.6%	5.3%	8.0%
BBG US Agg Bond	6.0%	0.5%	2.6%	3.5%	0.0%	8.7%	7.5%	-1.5%	-13.0%	5.5%	1.3%	5.2%	4.4%
BBG Global Agg	0.6%	-3.2%	2.1%	7.4%	-1.2%	6.8%	9.2%	-4.7%	-16.2%	5.7%	1.7%	7.0%	3.6%
BBG Long Treasuries	25.1%	-1.2%	1.3%	8.5%	-1.8%	14.8%	17.7%	-4.6%	-29.3%	3.1%	2.0%	7.8%	2.4%
BBG US Long Credit	16.4%	-4.6%	10.2%	12.2%	-6.8%	23.4%	13.3%	-1.2%	-25.3%	10.7%	2.6%	8.1%	4.5%
BBG US STRIPS 20+ Yr	46.4%	-3.7%	1.4%	13.7%	-4.1%	20.9%	24.0%	-5.2%	-39.6%	1.1%	2.4%	10.2%	-0.4%
JPM GBI-EM Global Div	-5.7%	-14.9%	9.9%	15.2%	-6.2%	13.5%	2.7%	-8.7%	-11.7%	12.7%	3.4%	9.0%	4.9%
JPM EMBI Glob Div	7.4%	1.2%	10.2%	10.3%	-4.3%	15.0%	5.3%	-1.8%	-17.8%	11.1%	1.8%	6.2%	8.6%
CS Hedge Fund	4.1%	-0.7%	1.2%	7.1%	-3.2%	9.3%	6.4%	8.2%	1.1%	5.8%	-	0.2%	7.1%
BBG Commodity	-17.0%	-24.7%	11.8%	1.7%	-11.2%	7.7%	-3.1%	27.1%	16.1%	-7.9%	4.9%	0.7%	5.9%
Alerian Midstream	16.4%	-37.3%	33.8%	-2.4%	-13.3%	24.0%	-23.4%	38.4%	21.5%	14.0%	0.6%	9.7%	27.4%
FTSE NAREIT Equity REITs	30.1%	3.2%	8.5%	5.2%	-4.6%	26.0%	-8.0%	43.2%	-24.4%	13.7%	2.7%	16.1%	15.9%

*Private Equity return represents calendar year pooled IRR and is subject to a one quarter lag
Source: FactSet, Barclays, Thomson One

ASSET ALLOCATION VS. POLICY

Asset Allocation vs. Target



	Current ($)	Current (%)	Policy (%)	Differences* (%)	Policy Range (%)	Within Range
Large Cap Equity	504,197,457	16.9	14.0	2.9	10.0 - 18.0	Yes
Small Cap Equity	132,030,606	4.4	4.0	0.4	0.0 - 7.0	Yes
International Equity	621,402,847	20.8	18.0	2.8	12.0 - 24.0	Yes
Intermediate	201,949,520	6.8	7.0	-0.2	4.0 - 10.0	Yes
Credit		0.0	4.0	-4.0	0.0 - 6.0	Yes
Treasury	177,093,083	5.9	6.0	-0.1	4.0 - 8.0	Yes
TIPS	115,620,357	3.9	4.0	-0.1	2.0 - 6.0	Yes
Risk Parity	133,411,097	4.5	4.0	0.5	0.0 - 8.0	Yes
Private Credit	223,698,900	7.5	8.0	-0.5	0.0 - 10.0	Yes
Private Equity	172,937,535	5.8	5.0	0.8	0.0 - 8.0	Yes
Absolute Return	134,465,667	4.5	5.0	-0.5	0.0 - 7.0	Yes
Real Estate - Core	195,155,769	6.5	6.5	0.0	0.0 - 10.0	Yes
Infrastructure	201,562,331	6.8	7.5	-0.7	0.0 - 12.0	Yes
Cash	42,923,891	1.4	1.0	0.4	0.0 - 4.0	Yes
Non-Core Real Estate	127,736,957	4.3	6.0	-1.7	0.0 - 10.0	Yes
Total	**2,984,186,016**	**100.0**	**100.0**	**0.0**		

*Difference between Policy and Current Allocation

TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)									
	Market Value ($)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	**2,984,186,016**	**100.0**	**1.2**	**4.1**	**9.4**	**15.4**	**4.5**	**7.5**	**6.8**	**6.9**	**8.7**	**Jan-95**
Policy Index			*1.4*	*4.7*	*10.2*	*17.9*	*5.6*	*8.4*	*7.4*	*7.4*	*8.0*	
Allocation Index			*1.5*	*5.0*	*11.3*	*18.2*	*4.6*					
Liquidity Sub-Portfolio	**244,873,411**	**8.2**	**0.9**	**3.2**	**4.7**	**8.4**	**2.2**	**2.9**	**3.1**	**2.4**	**2.4**	**Aug-14**
StanCERA Liquidity Blended BM			*1.0*	*3.8*	*4.6*	*9.0*	*0.6*	*2.4*	*2.4*	*2.0*	*2.0*	
Cash	**42,923,891**	**1.4**	**0.4**	**1.3**	**4.3**	**5.8**	**4.3**	**3.4**	**2.9**	**2.3**	**2.3**	**Aug-14**
FTSE 1 Month T-Bill			*0.4*	*1.4*	*4.1*	*5.6*	*3.6*	*2.3*	*2.2*	*1.6*	*1.6*	
Cashflow-Matched Bonds	**201,949,520**	**6.8**	**1.0**	**3.4**	**4.7**	**8.8**	**1.6**	**2.5**	**2.9**		**2.9**	**Jul-17**
Blmbg. Intermed. U.S. Government/Credit			*1.1*	*4.2*	*4.7*	*9.4*	*0.2*	*1.3*	*1.9*		*1.9*	
Insight	201,949,520	6.8	1.0	3.4	4.7	8.8	1.6	2.5	2.9		2.9	Jul-17
Blmbg. Intermed. U.S. Government/Credit			*1.1*	*4.2*	*4.7*	*9.4*	*0.2*	*1.3*	*1.9*		*1.9*	
Growth Sub-Portfolio	**2,178,722,401**	**73.0**	**1.3**	**4.4**	**10.7**	**17.3**	**6.1**	**9.6**	**8.4**	**8.4**	**8.3**	**Jan-04**
StanCERA Growth Blended BM			*1.6*	*5.0*	*12.2*	*20.0*	*7.3*	*10.9*	*9.5*			
US Equities	**636,228,063**	**21.3**	**1.6**	**6.5**	**18.6**	**33.0**	**10.5**	**15.5**	**13.0**	**12.2**	**10.5**	**Jan-04**
Russell 3000 Index			*2.1*	*6.2*	*20.6*	*35.2*	*10.3*	*15.3*	*13.7*	*12.8*	*10.3*	
US Large Equity	**504,197,457**	**16.9**	**1.9**	**5.8**	**20.4**	**34.6**	**10.9**	**16.2**	**14.2**	**13.1**	**12.9**	**Jan-95**
Russell 1000 Index			*2.1*	*6.1*	*21.2*	*35.7*	*10.8*	*15.6*	*14.2*	*13.1*	*11.0*	
BlackRock Russell 1000 Growth	244,830,792	8.2	2.8	3.2	24.5	42.2	12.0	19.7	18.2	16.5	17.0	Aug-10
Russell 1000 Growth Index			*2.8*	*3.2*	*24.6*	*42.2*	*12.0*	*19.7*	*18.2*	*16.5*	*17.0*	
BlackRock Russell 1000 Value	126,932,437	4.3	1.4	9.4	16.7	27.8	9.0	10.7	9.6	9.3	11.8	Aug-09
Russell 1000 Value Index			*1.4*	*9.4*	*16.7*	*27.8*	*9.0*	*10.7*	*9.5*	*9.2*	*11.7*	
Dodge & Cox-Equity	132,434,228	4.4	0.7	7.4	16.6	28.2	10.5	14.2	11.6	11.1	12.1	Jan-95
Russell 1000 Value Index			*1.4*	*9.4*	*16.7*	*27.8*	*9.0*	*10.7*	*9.5*	*9.2*	*10.0*	
US Small Equity	**132,030,606**	**4.4**	**0.5**	**9.8**	**11.8**	**26.4**	**9.1**	**12.7**	**8.7**	**9.1**	**12.3**	**Jan-09**
Russell 2000 Index			*0.7*	*9.3*	*11.2*	*26.8*	*1.8*	*9.4*	*7.4*	*8.8*	*11.5*	
Attucks Small Cap	**132,030,606**	**4.4**	**0.5**	**9.8**	**11.8**	**26.4**	**9.1**	**12.7**	**8.7**	**9.6**	**12.4**	**Jan-09**
Russell 2000 Value Index			*0.1*	*10.2*	*9.2*	*25.9*	*3.8*	*9.3*	*6.6*	*8.2*	*10.4*	
International Equity	**621,402,847**	**20.8**	**2.5**	**7.8**	**14.7**	**25.2**	**6.2**	**9.3**	**6.3**	**6.2**	**6.8**	**Oct-04**
MSCI AC World ex USA (Net)			*2.7*	*8.1*	*14.2*	*25.4*	*4.1*	*7.6*	*5.4*	*5.2*	*6.1*	
LSV Int'l Large Cap Value	333,268,080	11.2	2.0	7.1	13.8	23.7	8.6	9.7	6.2	6.0	6.7	Oct-04
MSCI AC World ex USA Value (Net)			*2.8*	*9.3*	*14.4*	*24.0*	*7.5*	*7.8*	*4.9*	*4.3*	*5.6*	
Fidelity Int'l Growth	288,134,767	9.7	3.0	8.5	15.7	26.9	3.6	8.7	6.3	6.1	4.8	May-06
MSCI AC World ex USA Growth (Net)			*2.5*	*6.9*	*14.1*	*26.7*	*0.8*	*7.1*	*5.8*	*6.0*	*4.7*	

- Cash Composite includes the Transaction Account Value.

TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)									
	Market Value ($)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Core Real Estate	**195,155,769**	**6.5**	**0.0**	**0.0**	**0.9**	**0.4**	**3.2**	**4.1**	**4.7**	**5.5**	**2.9**	**Apr-08**
NCREIF Property Index			*0.0*	*0.0*	*-1.2*	*-4.2*	*0.6*	*3.1*	*4.1*	*5.8*	*5.2*	
Prime Property Fund	91,634,773	3.1	0.0	0.0	-1.5	-3.7	2.6	4.2	5.1		6.1	Oct-15
NCREIF ODCE			*0.0*	*0.0*	*-2.8*	*-7.5*	*-0.3*	*2.9*	*4.1*		*5.1*	
PGIM Real Estate US Debt Fund	103,520,996	3.5	0.0	0.0	3.2	4.5	5.3	5.2			5.3	Sep-18
Blmbg. U.S. Investment Grade: CMBS Index			*1.3*	*4.6*	*6.5*	*12.0*	*-0.3*	*1.2*			*2.6*	
Value-Add Real Estate	**127,736,957**	**4.3**	**0.0**	**0.0**	**0.9**	**-1.2**	**1.7**	**6.5**	**7.6**	**8.7**	**8.5**	**Aug-14**
NCREIF Property Index +2%			*0.2*	*0.5*	*0.2*	*-2.3*	*2.6*	*5.2*	*6.2*	*7.9*	*8.1*	
American Strategic Value Realty	76,668,891	2.6	0.0	0.0	-3.7	-7.7	-0.8	3.0	4.7		7.1	Jan-15
NCREIF Property Index			*0.0*	*0.0*	*-1.2*	*-4.2*	*0.6*	*3.1*	*4.1*		*5.6*	
Greenfield Acquisition Partners VII	836,470	0.0	0.0	0.0	10.5	-0.5	-0.6	2.4	5.6	7.4	7.3	Aug-14
NCREIF-ODCE +1%			*0.1*	*0.2*	*-2.1*	*-6.6*	*0.7*	*3.9*	*5.1*	*7.1*	*7.4*	
Grandview Property Partners I	19,839,616	0.7	0.0	0.0	6.0	19.9	10.0	17.9			17.7	Apr-18
NCREIF-ODCE +1%			*0.1*	*0.2*	*-2.1*	*-6.6*	*0.7*	*3.9*			*4.8*	
Grandview Property Partners II	17,940,171	0.6	0.0	0.0	2.0	3.9					0.5	Dec-21
NCREIF-ODCE +1%			*0.1*	*0.2*	*-2.1*	*-6.6*					*0.7*	
TA Realty Value Fund XIII	10,924,311	0.4	0.0	0.0	25.3						-4.6	Dec-23
NCREIF-ODCE +1%			*0.1*	*0.2*	*-2.1*						*-6.7*	
KSL Credit Opportunities IV	1,527,497	0.1	0.0	0.0							0.0	Apr-24
NCREIF-ODCE +1%			*0.1*	*0.2*							*0.0*	
Infrastructure	**201,562,331**	**6.8**	**0.0**	**0.0**	**6.1**	**4.1**	**2.3**	**2.7**	**7.1**		**4.9**	**Jun-15**
CPI + 5% 1 Qtr Lag (Unadjusted)			*0.4*	*1.8*	*5.9*	*8.1*	*10.2*	*9.4*	*8.8*		*8.3*	
MS Infrastructure Partners II	12,594,833	0.4	0.0	0.0	-3.8	-5.4	4.0	4.4	8.3		5.8	Jun-15
CPI + 5% 1 Qtr Lag (Unadjusted)			*0.4*	*1.8*	*5.9*	*8.1*	*10.2*	*9.4*	*8.8*		*8.3*	
Palistar Communications Infrastructure Fund II	16,429,538	0.6	0.0	0.0	3.3	4.8					7.1	Feb-22
CPI + 5% 1 Qtr Lag (Unadjusted)			*0.4*	*1.8*	*5.9*	*8.1*					*10.1*	
JP Morgan IIF Hedged LP	36,642,200	1.2	0.0	0.0	6.6	8.8					9.0	Apr-22
CPI + 5% 1 Qtr Lag (Unadjusted)			*0.4*	*1.8*	*5.9*	*8.1*					*10.1*	
Northern Trust Infrastructure Fund	74,931,836	2.5	0.0	0.0	11.8	5.2	0.3				0.0	Jul-21
67% STOXX Global Broad Infra/33% Blmbg. US TIPS 1 Qtr Lag			*0.0*	*0.0*	*10.5*	*4.5*	*0.1*				*-0.1*	
IFM Global Infrastructure Fund	56,248,479	1.9	0.0	0.0	1.7	2.6					5.6	Aug-22
CPI + 5% 1 Qtr Lag (Unadjusted)			*0.4*	*1.8*	*5.9*	*8.1*					*9.1*	
Carlyle Renewable and Sustainable Energy Fund II	4,715,445	0.2	0.0	0.0							0.0	Feb-24
CPI + 5% 1 Qtr Lag (Unadjusted)			*0.4*	*1.8*							*5.5*	

TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)									
	Market Value ($)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Equity	**172,937,535**	**5.8**	**0.5**	**1.3**	**6.4**	**9.6**	**4.0**	**11.4**			**12.2**	**Dec-18**
Russell 3000 + 3% QTR Lagged			*3.3*	*4.0*	*30.1*	*26.8*	*11.3*	*17.6*			*15.7*	
Private Equity	**134,954,611**	**4.5**	**0.0**	**0.0**	**2.4**	**2.5**	**5.5**				**12.0**	**Apr-20**
Russell 3000 + 3% QTR Lagged			*3.3*	*4.0*	*30.1*	*26.8*	*11.3*				*16.7*	
Private Equity Proxy	**37,982,924**	**1.3**	**2.1**	**6.2**	**20.6**	**35.1**	**10.3**	**15.2**	**14.6**	**13.4**	**10.6**	**Dec-03**
Russell 3000 Index			*2.1*	*6.2*	*20.6*	*35.2*	*10.3*	*15.3*	*13.7*	*12.8*	*10.5*	
Private Credit	**223,698,900**	**7.5**	**0.6**	**2.0**	**1.4**	**4.3**	**2.5**	**0.1**	**1.2**	**2.0**	**2.4**	**Jun-13**
S&P/LSTA Leveraged Loan Index +2% Qtr Lag			*0.5*	*2.4*	*9.0*	*13.3*	*8.3*	*7.6*	*7.2*	*6.7*	*6.7*	
Private Credit	**139,091,580**	**4.7**	**0.0**	**0.0**	**-2.5**	**-2.0**	**4.4**	**1.2**	**2.0**	**2.5**	**2.9**	**Jun-13**
S&P/LSTA Leveraged Loan Index +2% Qtr Lag			*0.5*	*2.4*	*9.0*	*13.3*	*8.3*	*7.6*	*7.2*	*6.7*	*6.7*	
Private Credit Proxy	**84,607,320**	**2.8**	**1.6**	**5.2**	**8.1**	**15.8**	**2.8**				**2.9**	**Jul-21**
ICE BofA US High Yield Master II Constrained			*1.6*	*5.3*	*8.0*	*15.7*	*3.1*				*3.1*	
Risk-Diversifying Sub-Portfolio	**560,590,204**	**18.8**	**1.3**	**3.2**	**6.0**	**10.8**	**-0.8**	**1.1**	**1.7**	**2.3**	**4.0**	**Dec-03**
StanCERA Risk-Diversifying Blended BM			*1.6*	*5.7*	*9.0*	*17.3*	*2.4*	*3.2*	*3.2*	*2.7*		
Risk Parity	**133,411,097**	**4.5**	**3.0**	**6.2**	**9.5**	**16.7**	**-2.7**	**1.7**			**3.1**	**Dec-17**
60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg			*2.1*	*6.8*	*12.5*	*23.6*	*3.6*	*7.0*			*6.1*	
AQR Global Risk Premium - EL	67,301,261	2.3	3.0	6.3	10.3	17.5	0.3	3.4			4.5	Apr-18
60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg			*2.1*	*6.8*	*12.5*	*23.6*	*3.6*	*7.0*			*6.3*	
PanAgora Risk Parity Multi Asset	66,109,836	2.2	2.9	6.1	8.7	15.8	-5.8	-0.1			1.9	Dec-17
60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg			*2.1*	*6.8*	*12.5*	*23.6*	*3.6*	*7.0*			*6.1*	
US Treasury Bonds	**177,093,083**	**5.9**	**1.3**	**5.2**	**4.0**	**10.5**	**-2.4**	**-0.6**	**0.9**	**1.8**	**3.7**	**Dec-03**
Blmbg. U.S. Treasury: 7-10 Year			*1.3*	*5.7*	*4.1*	*11.0*	*-2.7*	*-0.7*	*0.9*	*1.5*	*3.5*	
Northern Trust Intermediate Gov't Bond	117,004,528	3.9	1.0	3.9	4.1	8.2	-0.2	0.8	1.4		1.4	Aug-17
Blmbg. U.S. Government: Intermediate			*1.0*	*3.9*	*4.2*	*8.3*	*-0.1*	*0.8*	*1.5*		*1.4*	
Northern Trust Long Term Gov't Bond	60,088,555	2.0	2.0	7.8	2.4	15.4	-7.5	-3.8	-0.1		0.1	Aug-17
Blmbg. U.S. Government: Long Term Bond Index			*2.0*	*7.8*	*2.4*	*15.4*	*-8.3*	*-4.2*	*-0.5*		*-0.3*	
Liquid Absolute Return	**134,465,667**	**4.5**	**0.1**	**-4.0**	**5.9**	**0.6**	**8.3**				**8.3**	**Oct-21**
30 Day T-Bill + 4%			*0.8*	*2.4*	*7.2*	*9.8*	*7.7*				*7.7*	
Graham Proprietary Matrix	74,376,570	2.5	0.0	-4.1	5.8	1.1					11.7	Nov-21
HFRI Macro (Total) Index			*1.3*	*-0.9*	*4.5*	*3.6*					*3.9*	
Wellington Macro Strategy	60,089,097	2.0										Oct-24
HFRI Macro (Total) Index												
US Short Duration TIPS	**115,620,357**	**3.9**	**1.0**	**2.5**							**3.1**	**Jun-24**
Blmbg. U.S. TIPS 0-5 Year			*1.0*	*2.5*							*3.1*	
Northern Trust US TIPS	115,620,357	3.9	1.0	2.5							3.1	Jun-24
Blmbg. U.S. TIPS 0-5 Year			*1.0*	*2.5*							*3.1*	

CASH FLOW SUMMARY BY MANAGER

	1 Month Ending September 30, 2024				
	Beginning Market Value	Contributions	Withdrawals	Ending Market Value	Net Investment Change
Abry Senior Equity VI, L.P.	$11,193,407	-	-	$11,193,407	-
American Strategic Value Realty	$76,668,891	-	-	$76,668,891	-
AQR Global Risk Premium - EL	$65,312,301	-	-	$67,301,261	$1,988,960
Ares Sr Direct Lending Fund III	$3,000,397	-	-	$3,000,397	-
Audax Private Equity VII	$7,213,905	-	-	$7,213,905	-
Blackrock High Yield Fund	$84,748,921	-	-$1,500,000	$84,607,320	$1,358,399
BlackRock Russell 1000 Growth	$238,091,195	-	-	$244,830,792	$6,739,597
BlackRock Russell 1000 Value	$125,194,827	-	-	$126,932,437	$1,737,610
Blue Wolf Capital Fund V-A, L.P.	$8,949,922	$3,098,348	-	$12,048,270	-
Callodine Loan Fund II LP	$9,878,940	$651,278	-	$10,530,218	-
Cash Account	$94,379,735	$47,781,532	-$99,334,078	$42,923,853	$96,665
Carlyle Renewable and Sustainable Energy Fund II	$4,715,445	-	-	$4,715,445	-
Channing	$35,123,052	-	-	$35,238,201	$115,149
Clayton, Dublier, & Rice	$18,173,418	-	-	$18,173,418	-
Comvest Credit Partners VII	$1,500,000	$1,500,000	-	$3,000,000	-
Crestline Opportunity Fund IV	$9,257,252	-	-	$9,257,252	-
Dodge & Cox-Equity	$146,606,907	-	-$15,000,000	$132,434,228	$827,321
Eclipse Fund V	$150,000	$187,500	-	$337,500	-
Fidelity Int'l Growth	$279,696,645	-	-	$288,134,767	$8,438,122
Genstar Capital Partners X	$14,734,920	-	-	$14,734,920	-
Graham Proprietary Matrix	$74,376,570	-	-	$74,376,570	-
Grandview Property Partners I	$19,839,616	-	-	$19,839,616	-
Grandview Property Partners II	$17,681,910	$258,261	-	$17,940,171	-
Great Hill EP VIII	$4,729,691	-	-	$4,729,691	-
Greenfield Acquisition Partners VII	$883,535	-	-$47,065	$836,470	-
Gridiron Capital Fund V	$4,538,811	-	-	$4,538,811	-
Gryphon Partners VI LP	$18,702,948	-	-	$18,702,948	-
IFM Global Infrastructure Fund	$56,248,479	-	-	$56,248,479	-
Insight	$200,012,123	-	-	$201,949,520	$1,937,397

CASH FLOW SUMMARY BY MANAGER

	Beginning Market Value	Contributions	Withdrawals	Ending Market Value	Net Investment Change
Insight Partners XI	$22,174,847	-	-	$22,174,847	-
JP Morgan IIF Hedged LP	$36,642,200	-	-	$36,642,200	-
KSL Credit Opportunities IV	$1,527,497	-	-	$1,527,497	-
LSV Int’l Large Cap Value	$326,721,062	-	-	$333,268,080	$6,547,018
Upwelling Capital	$107,925	-	-	$107,925	-
Monroe Private Credit IV	$16,039,576	-	-	$16,039,576	-
MS Infrastructure Partners II	$12,594,833	-	-	$12,594,833	-
Northern Trust Infrastructure Fund	$75,261,949	-	-$330,113	$74,931,836	-
Northern Trust Intermediate Gov't Bond	$115,854,100	-	-	$117,004,528	$1,150,429
Northern Trust Long Term Gov't Bond	$58,894,993	-	-	$60,088,555	$1,193,562
Northern Trust Russell 3000	$37,214,256	-	-	$37,982,924	$768,669
Northern Trust US TIPS	$114,485,221	-	-	$115,620,357	$1,135,136
Owl Rock First Lien Fund	$6,592,501	-	-	$6,592,501	-
Pacific Ridge	$20,914,585	-	-	$21,266,386	$351,801
Palistar Communications Infrastructure Fund II	$16,637,690	-	-$208,152	$16,429,538	-
PanAgora Risk Parity Multi Asset	$64,252,297	-	-	$66,109,836	$1,857,539
PGIM Real Estate US Debt Fund	$103,520,996	-	-	$103,520,996	-
Phocas’	$31,549,428	-	-	$31,331,902	-$217,526
Prime Property Fund	$92,548,886	-	-$914,113	$91,634,773	-
Raven Opportunity III	$44,939,339	-	-	$44,939,339	-
Seizert	$43,679,503	-	-	$44,194,116	$514,613
Sole Source Capital Partners II	$15,249,834	-	-	$15,249,834	-
Strategic Values Special Situations Fund V, L.P.	$8,269,190	$250,000	-	$8,519,190	-
TA Realty Value Fund XIII	$10,924,311	-	-	$10,924,311	-
Transition Account	$50,632	-	-$50,594	$38	-
Vista Foundation Fund IV	$17,050,467	-	-	$17,050,467	-
Wellington Macro Strategy	-	$90,000,000	-$30,000,000	$60,089,097	$89,097
White Oak Pinnacle	$25,911,775	-	-	$25,911,775	-
Total	**$2,951,213,654**	**$143,726,919**	**-$147,384,115**	**$2,984,186,016**	**$36,629,558**

NOTES

- Attucks Small Cap is preliminary as of 9/30/24. The market value for Graham Proprietary Matrix is carried from August.

- All performance is shown net of investment management fees. Fiscal year end date is June 30th.

- Performance history is provided by Verus through June 2020. As of July 1, 2020 performance is calculated and reported by NEPC.

- Policy Index history:
  - **Inception - 6/30/2017:** 14.4% Russell 1000 Value, 11.3% Russell 1000 Growth, 4.8% S&P 500, 4% Russell 2000 Value, 3.7% Russell 2000 Growth, 18% MSCI ACWI ex USA Gross, 29.8%Bloomberg US Aggregate TR, 3.5% DJ US Select RESI TR USD, 7.5% 9% Annual, 3% CPI + 4%
  - **7/1/2017 - 8/31/2018:** 18.5% Russell 1000, 5.5% Russell 2000, 24% MSCI ACWI ex USA Gross, 19% Bloomberg US Govt/Credit 1-3 Yr. TR, 1% FTSE T-Bill 1 Month TR, 3% Bloomberg US Treasury 7-10 Yr TR, 7.7% NCREIF Property Index, 1.7% NCREIF Property Index +2%, 0.6% CPI + 5%, 5% Bloomberg US High Yield + 2%, 14% 60% MSCI ACWI Net/40% Bloomberg Global Aggregate
  - **9/1/2018 - 5/30/2019:** 10% Russell 1000, 3% Russell 2000, 6% Russell 3000 +3%, 27% MSCI ACWI ex USA Gross, 20% Bloomberg US Govt/Credit 1-3 Yr. TR, 1% FTSE T-Bill 1 Month TR, 3%Bloomberg US Treasury 7-10 Yr TR, 5% NCREIF Property Index, 5% NCREIF Property Index +2%, 1% CPI + 5%, 6% S&P/LSTA Leveraged Loan Index+2%, 13% 60% MSCI ACWI Net/40% Bloomberg Global Aggregate
  - **6/1/2019 - 6/30/2020**: 14% Russell 1000, 3% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 19% Bloomberg US Gov't/Credit 1-3 Yr, 1% Citi 1 Month T-Bills, 3% Bloomberg US Treasury 7-10 Yr, 5% NCREIF Property, 5% NCREIF Property +2%, 2% CPI +5%, 6% S&P/LSTA Leveraged Loan Index + 2%, 13% 60% MSCI ACWI / 40% Bloomberg Global Aggregate
  - **7/1/2020 - 12/31/2020**: 14% Russell 1000, 3% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 8% Bloomberg US Gov't/Credit 1-3 Yr, 1% Citi 1 Month T-Bills, 3% Bloomberg US Treasury 7-10 Yr, 5% NCREIF Property, 5% NCREIF Property +2%, 2% CPI +5%, 6% S&P/LSTA Leveraged Loan Index + 2%, 13% 60% MSCI ACWI / 40% Bloomberg Global Aggregate, 11%Bloomberg US Intermediate.
  - **1/1/2021 - 06/30/2021**: 16% Russell 1000, 3.5% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 8% Bloomberg US Gov't/Credit 1-3 Yr, 1% Citi 1 Month T-Bills, 5% Bloomberg US Treasury 7-10 Yr, 6% NCREIF Property, 5% NCREIF Property +2%, 2% CPI +5%, 4.5% S&P/LSTA Leveraged Loan Index + 2%, 13%60% MSCI ACWI / 40% Bloomberg Global Aggregate, 7%Bloomberg US Intermediate.
  - **7/1/2021 - 6/30/2023:** 16% Russell 1000, 4% Russell 2000, 5% Russell 3000 + 3%, 20% MSCI ACWI ex USA Gross, 6.5% NCREIF Property Index, 6% NCREIF Property Index + 2%, 7.5% CPI + 5% (Unadjusted), 8% S&P/LSTA Leveraged Loan Index +2%, 6% Bloomberg US Treasury 7-10 Yr TR, 10% 60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg, 3% 30 Day T-Bill + 4%, 1% FTSE T-Bill 1 Month TR, 7% Bloomberg US Govt/Credit Int TR.
  - **7/1/2023 - Present:** 16% Russell 1000, 4% Russell 2000, 5% Russell 3000 + 3%, 20% MSCI ACWI ex USA Gross, 6.5% NCREIF Property Index, 6% NCREIF Property Index + 2%, 7.5% CPI + 5% 1 Qtr Lag (Unadjusted), 8% S&P/LSTA Leveraged Loan Index +2%, 6% Bloomberg US Treasury 7-10 Yr TR, 10% 60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg, 3% 30 Day T-Bill + 4%, 1% FTSE T-Bill 1 Month TR, 7% Bloomberg US Govt/Credit Int TR.
  - **5/1/2024 - Present:** 14% Russell 1000, 4% Russell 2000, 5% Russell 3000 + 3%, 18% MSCI ACWI ex USA Gross, 6.5% NCREIF Property Index, 6% NCREIF Property Index + 2%, 7.5% CPI + 5% 1 Qtr Lag (Unadjusted), 8% S&P/LSTA Leveraged Loan Index +2%, 4% Public Credit Custom Benchmark (50% Bloomberg US Corp Investment Grade Index/25% Bloomberg US HY 2% Cap/25% Morningstar LTSA US Leveraged Loan Index), 6% Bloomberg US Treasury 7-10 Yr TR, 4% Bloomberg US TIPS 0-5 Yr, 4% 60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg, 5% 30 Day T-Bill + 4%, 1% FTSE T-Bill 1 Month TR, 7% Bloomberg US Govt/Credit Int TR.

- As of July 1, 2020, the small Capital Prospects transition cash balance is moved from the Cash composite to the Capital Prospects account. Historical performance for Capital Prospects, US Small, US Equities, Growth Sub-Portfolio, Cash, and Liquidity Sub-Portfolio prior to July 1, 2020 reflects performance of these composites before this change.

- Private Equity investments are valued one quarter lagged and adjusted for capital calls and distributions between quarter-end months.

- Value-Add Real Estate managers are valued quarterly adjusted for current cash flows.

- As of July 1, 2023, Infrastructure funds (MS Infrastructure Partners II, Northern Infrastructure Fund, Palistar Communications Infrastructure Fund II, JP Morgan IF Hedged LP, and IFM Global Infrastructure Fund) are valued one quarter lagged and adjusted for capital calls and distributions between quarter-end months. Northern Trust Infrastructure Fund's benchmark of 67% STOXX Global Broad Infra/33% Bloomberg US TIPS is valued one quarter lagged.

DISCLAIMERS & DISCLOSURES

Past performance is no guarantee of future results.

Returns for pooled funds, e.g. mutual funds and collective investment trusts, are collected from third parties; they are not generally calculated by NEPC. Returns for separate accounts, with some exceptions, are calculated by NEPC. Returns are reported net of manager fees unless otherwise noted.

A "since inception" return, if reported, begins with the first full month after funding, although actual inception dates (e.g. the middle of a month) and the timing of cash flows are taken into account in Composite return calculations.

NEPC's preferred data source is the plan's custodian bank or record-keeper. If data cannot be obtained from one of the preferred data sources, data provided by investment managers may be used. Information on market indices and security characteristics is received from additional providers. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within. In addition, some index returns displayed in this report or used in calculation of a policy index, allocation index or other custom benchmark may be preliminary and subject to change.

All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.

The opinions presented herein represent the good faith views of NEPC as of the date of this presentation and are subject to change at any time. Neither fund performance nor universe rankings contained in this report should be considered a recommendation by NEPC.

This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

Source of private fund performance benchmark data: Cambridge Associates, via Refinitiv

October 22, 2024

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

I. SUBJECT: Liquid Credit Manager Selection

II. ITEM NUMBER: 8.b

III. ITEM TYPE: Discussion and Action

IV. STAFF RECOMMENDATION: Allocate 4% (Approximately $118 Million) of the portfolio to the NIS Credit Opportunistic Credit Fund and authorize staff to negotiate and execute the final contract.

V. ANALYSIS:

Background

The Board adopted a new strategic asset allocation in December 2023 and added two new asset classes to the portfolio: US TIPS and Liquid Credit. The US TIPS search was completed earlier this year and once the Liquid Credit manager search is finished, the portfolio will be in line with the new asset allocation. As reported at the September meeting, the due diligence committee convened recently for an in-depth discussion of the liquid credit selection process and recommended bringing a single finalist to the Board for review and approval. The materials provided to the committee are also included with NEPC memo for the full board to review and evaluate. While the short list of finalists provided by NEPC were all well qualified, the NIS strategy provided the most attractive risk-adjusted returns and is best suited to be a part of the growth sub-portfolio.

Joint Recommendation

Staff and NEPC are jointly recommending a 4% allocation (approximately $118 Million) to the NIS Credit Opportunistic Credit Strategy. National Investment Services (NIS) was formed in 1993 and focuses on providing fixed income strategies primarily to public and multi-employer pension plans. The opportunistic credit strategy combines a traditional bond, high yield bond, and preferred stock strategy into a single product with the goal being to outperform US high yield bonds over a full market cycle with lower volatility. The strategy seeks to achieve this objective through active management of credit risk by adding value through security selection and sector rotation. The investment team has a long track record of consistent performance and a strong focus on downside protection. The proposed fee is 0.40% and is in line with competing offerings.

NEPC has provided a recommendation memo and the search book prepared for the due diligence committee. Barlett McCartin and Mark Anderson from NIS will be in attendance to provide an overview of NIS and the Opportunistic Credit Strategy. The memo and presentation materials are provided in the following attachments:

Attachment 1: NEPC's Recommendation Memo and Search Book

Attachment 2: NIS Opportunistic Credit Strategy Presentation Deck

VI. STRATEGIC PLAN: N/A

VII. ADMINISTRATIVE BUDGET IMPACT: NONE

Attachment 8.b (1)

National Investment Services

NIS Opportunistic Credit Strategy

Presented to:
StanCERA
Board of Retirement

Presented by:
Bartlett McCartin, III – Principal/Managing Partner
Mark Anderson, CFA – Chief Strategy Officer

October 22, 2024

CONTENTS

Firm Overview

Company Overview

Who We Are

- Established in 1993
- SEC Registered Investment Adviser
- Offices in Chicago and Milwaukee
- $12.6 Billion in AUM
- Traditional fixed income and enhanced yield fixed income products
- 37 employees of which 24 are owners
- 100% of portfolio managers are shareholders

Dedicated to Public/Multi-Employer Plans

- Longstanding relationship, serving Public and Multi-Employer plans since our firm's inception
- 22 portfolios managed for Public plans with a combined $1 Billion in AUM
- 19 California clients
- Nationwide presence with clients in 31 states and the District of Columbia

Firm Highlights

Calendar Year 2024 - Initiatives

- Added a Municipal Research Analyst
- Plan to add a credit research analyst in the next 12 months
- Plan to launch additional CIT's

Calendar Year 2023 - Highlights

- Awarded assets to manage for the PBGC
- Launched Core Fixed Income CIT on April 1st
- Launched Dynamic Fixed Income CIT on May 15th

Change in AUM YTD as of September, 2024	
Liquidity Provided (Current Client Redemptions)	$160 Million
Current Client Contributions	$906 Million
New Client AUM	27 Accounts | $1.5 Billion
Total AUM	$12.6 Billion
Committed and Not Yet Funded	$2.5 Billion
Total AUM + Committed and Not Yet Funded	$15.1 Billion
PM Team Retention Rate	100%

Representative Client List

Taft – Hartley

Automatic Sprinkler Local 281, Alsip, IL
Chicago Laborers District Council, Chicago, IL
Desert States Employers & UFCW Unions, Phoenix, AZ
Elevator Constructors Local 1, Queens, NY
Florida Carpenters Regional Council, Fort Lauderdale, FL
Fox Valley & Vicinity Construction Workers, Schaumberg, IL
Glaziers Local 387, Cincinnati, OH
Heating, Piping and Refrigeration Local 602, Capitol Heights, MD
IBEW Local 212, Cincinnati, OH
Indiana Laborers, Indianapolis, IN
Iron Workers Local 25, Troy, MI
Michigan Electrical Employees, Lansing, MI
National Asbestos Workers, Columbia, MD
Ohio Bricklayers, Cincinnati, OH
Operating Engineers Local 139, Milwaukee, WI
Operating Engineers Local 474, Savannah, GA
Pipefitters Local 597, Chicago, IL
Pipefitters Local 636, Troy, MI
Plumbers and Pipefitters Local 525, Las Vegas, NV
Plumbers Local 8, Kansas City, MO
Plumbers UA Local 198, Baton Rouge, LA
Roofers' Union, Washington, DC
Sheet Metal Workers Local 73, Hillside, IL
Sheet Metal Workers Local 224, Dayton, OH
Southern California Pipe Trades, Los Angeles, CA
Teamsters Local 301, Waukegan, IL
Teamsters Local 710, Chicago, IL
UFCW District Union Local Two & Employers, New York, NY
United Steelworkers of America Heavy & Highway Contractors, Lexington, KY
Washington/Idaho Laborers', Seattle, WA
Wisconsin Laborers, Deforest, WI

Public Funds

Pension Benefit Guaranty Corporation, Washington, DC
Hollywood Police Officers, Hollywood, FL
Miramar Police Officers' Pension Fund, Miramar, FL
Sarasota Police Officers' Pension Fund, Sarasota, FL
City of Erie, PA
City of Southfield Fire and Police Pension Fund, Southfield, MI
Macomb County Retirement System, Mount Clemens, MI
Park Employees' Annuity and Benefit Fund of Chicago, IL
Policemen's Annuity and Benefit Fund of Chicago, IL
Port Authority of Allegheny County, Pittsburgh, PA
Wayne County Employee's Retirement System, Detroit, MI

Religious & Foundation

Central Florida Foundation, Orlando, FL
Diocese of Columbus, Columbus, OH
Diocese of Madison, Madison, WI
Eskenazi Health Foundation, Indianapolis, IN
Lifeway Christian Resources, Brentwood, TN
Oneida Nation, Oneida, WI
Poor Handmaids of Jesus Christ, Plymouth, IN
Tennessee Baptist Foundation, Inc., Franklin, TN

Corporate & Eleemosynary

American Institute of Steel Construction, Chicago, IL
Moorings Park Institute, Naples, FL
St. Elizabeth Medical Center, Edgewood, KY
Whiting-Turner, Baltimore, MD

The client list is a representative client list, not a testimonial.
The complete disclosure is on the last page.

Client Service Team

Robert Brooks
CEO
Years of Experience, 40
Years at NIS, 30

Norman Sidler
Principal / Managing Partner
Years of Experience, 32
Years at NIS, 24
Trustee, Divine Word College
Trustee, Downers Grove Police Pension, 15 Years
IFEBP, Finance Committee for 2 Years
DePaul University, MBA
Bradley University

Bartlett McCartin, III
Principal / Managing Partner
Years of Experience, 28
Years at NIS, 15
Active UA Local 597 Member
Trustee, UA National Scholarship Fund
Trustee, Advocate Health Care, IL
Trustee, St. Ignatius College Prep
Chairman Emeritus, Boys and Girls Club of Chicago
London School of Economics
Pepperdine University

John Fremgen
Principal / Managing Partner
Years of Experience, 11
Years at NIS, 11
Retired Federal Agent, 18 Years
Military Service – USMC
Eastern Illinois University

Ray Caprio
Director, Institutional Sales
Years of Experience, 22
Years at NIS, 9
Focus on Public Funds
IFEBP, Finance Committee for 2 Years
University of Notre Dame, MBA
Bradley University

Jenny Notte
Director, Institutional Sales
Years of Experience, 38
Years at NIS, 3
Taft-Hartley Market Specialist
Series 65
Marymount University, MBA
Stonehill College

Mark Steen, CFA
Director, Institutional Sales
Years of Experience, 34
Years at NIS, <1
Taft-Hartley & Corporate Market Specialist
University of Minnesota, B.S.B.

Matthew Brooks
Director, Institutional Sales
Years of Experience, 12
Years at NIS, 10
IFEBP, Finance Committee, Current
DePaul University, MBA
Miami University, OH

Andrew Gruebling
Director, Consultant Relations
Years of Experience, 22
Years at NIS, 22
Cardinal Stritch University, MBA
St. Cloud State University

Fiona Girardot
Marketing Analyst
Years of Experience, <1
Years at NIS, <1
University of Wisconsin-Madison, MS, BBA

Investment Management Team

Investment Strategy Team

Jason Berrie, CFA
CIO

Corporate
Years of Experience, 31
Years at NIS, 21
University of Iowa

Mark Anderson, CFA
Chief Strategy Officer

Preferred Stock & Municipal
Years of Experience, 31
Years at NIS, 24
University of Wisconsin

Portfolio Managers – Sector Specialists

James Kaplan, CFA
Lead Portfolio Manager, Structured Products

MBS
Years of Experience, 42
Years at NIS, 15
Washington and Lee University

Barbara Schalla, CFA
Portfolio Manager

Bank & Finance
Years of Experience, 39
Years at NIS, 33
University of Wisconsin

Tom Price, CFA
Co-Portfolio Manager High Yield

High Yield
Years of Experience, 35
Years at NIS, 4
Northwestern University, MBA
University of Michigan

Stefan Martin
Portfolio Manager

CMBS & ABS
Years of Experience, 25
Years at NIS, 7
Villanova University, MBA
Pennsylvania State University
Goshen College

Vincent Russo, CFA
Portfolio Manager

Industrials
Years of Experience, 26
Years at NIS, 10
University of Wisconsin

Michael Fohr, CFA, CPA, JD
Co-Portfolio Manager High Yield

High Yield
Years of Experience, 12
Years at NIS, 8
University of Wisconsin, MS, MBA

Lesly Barnes
Portfolio Manager

ABS
Years of Experience, 22
Years at NIS, 17
Miami University, OH

Stephen Smitley
Portfolio Manager

Municipal Bonds & MBS
Years of Experience, 25
Years at NIS, 3
University of Notre Dame, MSBA
Cal State University

Jay Dirienzo
Lead Portfolio Manager

Preferred Stock & REITs
Years of Experience, 9
Years at NIS, 9
University of St. Thomas

John Veternick
Fixed Income Analyst

TMT & Healthcare
Years of Experience, 9
Years at NIS, 9
University of Wisconsin

Richard Tauber, CFA, CPA
Fixed Income Analyst

Energy, Aerospace & Auto Industries
Years of Experience, 34
Years at NIS, 4
University of Michigan, MBA
University of Illinois

Vasilios Gerasopoulos
Municipal Analyst

Years of Experience, 20
Years at NIS, <1
University of Colorado, MS
Marquette University, MBA
Carroll College

Kyle Olson
Treasury/Cash Management

Years of Experience, <1
Years at NIS, 8
University of St. Thomas

NIS Opportunistic Credit Strategy

NIS Opportunistic Credit Strategy is a broadly flexible, multi-sector strategy that offers the potential for income and capital appreciation higher than traditional fixed income and reduced sensitivity to interest rate moves. It combines credit-centric, higher-yielding alternative strategies into a single product offering. The goal is to provide our clients with a diversified credit portfolio and outperform traditional fixed income in many market conditions.

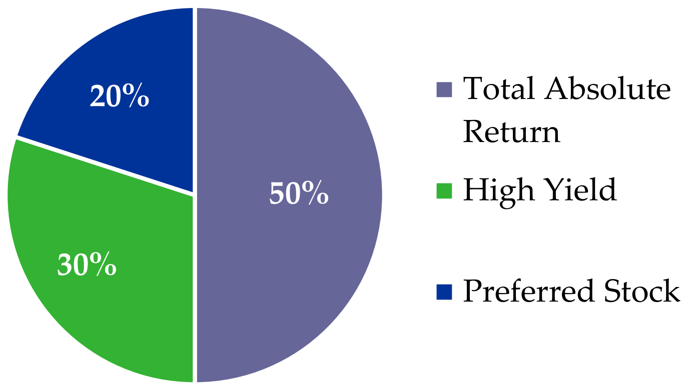
Background

- Developed for clients seeking:
  - Protection in a rising rate environment
  - Controlled access to opportunistic markets
  - Volatility similar to traditional fixed income

Components of the Opportunistic Credit Strategy

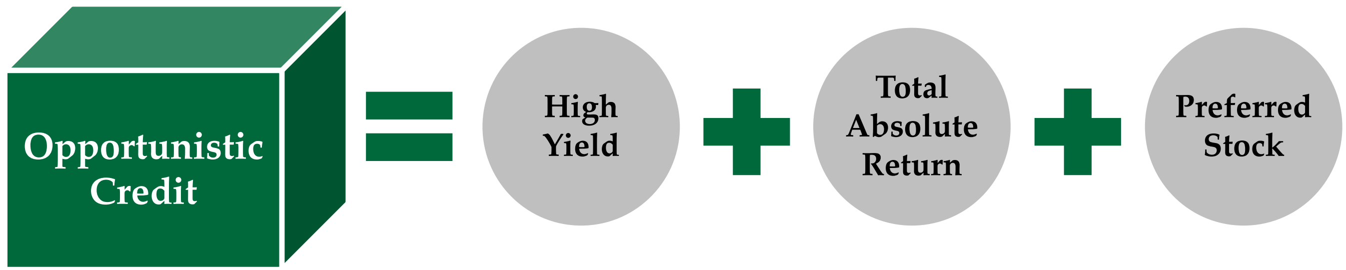
- High Yield Strategy (Inception: 4/1/2001)
- Preferred Stock Strategy (Inception: 9/1/2002)
- Total Absolute Return Strategy (Inception: 7/15/2007)

NIS Opportunistic Credit Strategy: Component Allocation



Evolution of the Opportunistic Credit Strategy

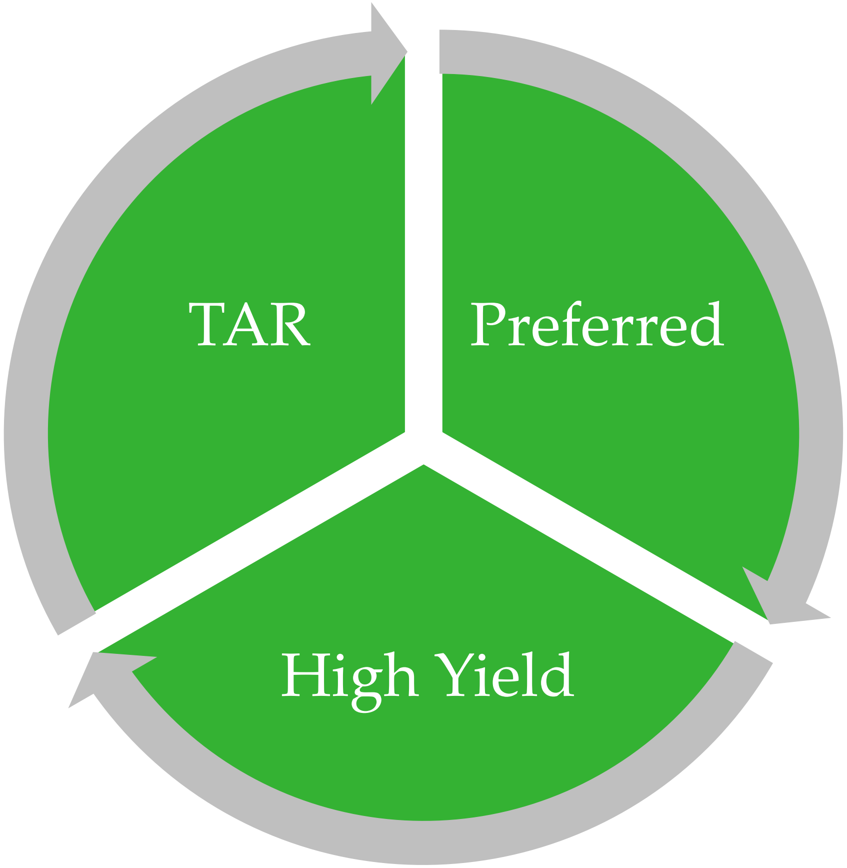
- 2001-2011: The components were offered as a stand-alone product to clients looking for exposure to higher-yielding strategies.
- 2011: Certain clients and consultants approached NIS with their concern of traditional fixed income not being able to provide clients with positive performance in low-yielding market conditions.
- 2012: NIS began the strategy, combining the components to tactically manage client assets based on changes in the economy, interest rates, and market for a flat fee.



	NIS High Yield Strategy	Total Absolute Return Strategy	NIS Preferred Stock Strategy
Investment Approach Snapshot	Diversified High Yield: Corporate, MBS, ABS and Bank Loans	Low Duration, More Flexible than Traditional Fixed Income, Opportunistic Bond Strategy	Enhanced Income Opportunity, Relative Value Trading, Long/Short
10 Year - Correlation to S&P 500 Index	0.80	0.63	0.69
10 Year - Standard Deviation **(10 Yr. SD of S&P 500 is 15.25)**	6.43	3.44	7.76
Performance Highlights	Returns similar to Bloomberg High Yield 2% Issuer Cap benchmark with lower volatility. 10 Yr. Std. Dev: Strategy 6.43% vs. Index 7.57%	Solid performance, posting positive quarterly net returns 87% of the time.	Reliablable diversifier from traditional fixed income. Outperfomed the Bloomberg Aggregate index by 2.65% (Net) for the trailing 10 year period.

Data is as of 9/30/24 using monthly returns. NIS Preferred Stock strategy net performance is net a 60 bps management fee and 15% performance incentive fee. Complete performance disclosures are in the appendix.

- Low duration, best for rising interest rates
- Works well in steady credit markets



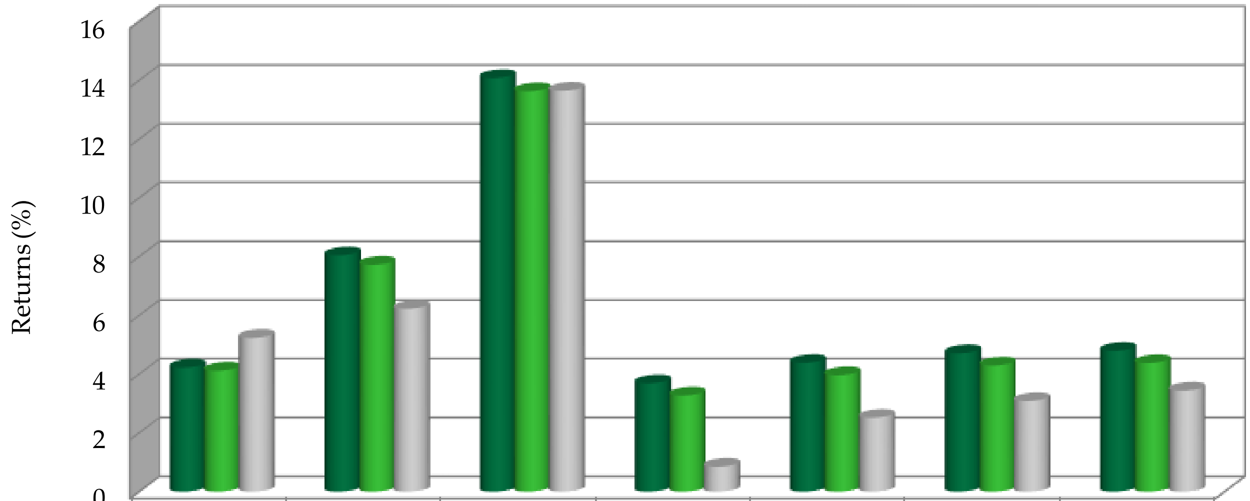
- Niche opportunities
- $1000 hybrid fixed to float issues offer opportunities
- Sector participants seem to like a stable rate environment

- Best in early and mid-cycles
- Sensitive to equity and market volatility
- Monitor standard deviation of spreads

TAR is an abbreviation for Total Absolute Return.
PFD is an abbreviation for Preferred Stock.
Disclaimer: This chart represents the opinions and views of NIS.

Opportunistic Credit Strategy
Component Allocations

50% NIS Total Absolute Return
30% NIS High Yield
20% NIS Preferred Stock
100%

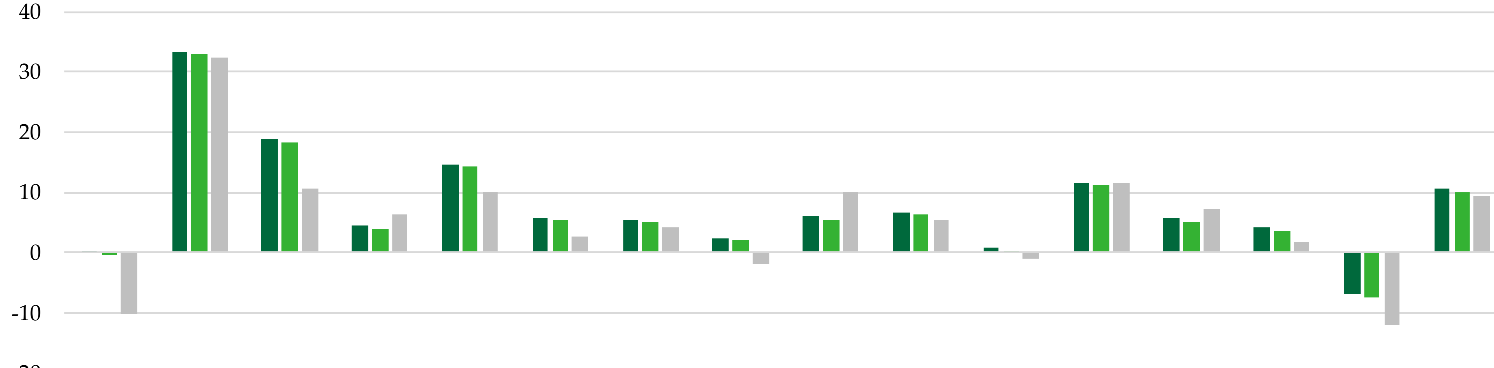


	Last 3 Months	YTD	1 Year	3 Year	5 Year	7 Year	10 Year
NIS Opportunistic Credit - Gross of Fees (%)	4.22	8.05	14.08	3.69	4.38	4.71	4.79
NIS Opportunistic Credit - Net of Fees (%)	4.12	7.73	13.63	3.28	3.97	4.30	4.38
Custom Index*	5.24	6.23	13.65	0.85	2.52	3.09	3.44

*Custom Index consists of 50% Bloomberg Aggregate Index and 50% Bloomberg High Yield 2% Market Capped Index.

Disclosure: Distribution totals may not equal 100% due to rounding. The data shown for the NIS Opportunistic Credit "strategy" is a hypothetical portfolio. The information presented for the strategy is based upon a model portfolio characterized by a static allocation, as presented, between three commingled funds managed by NIS (Manager). The static allocation consists of 50% NIS Total Absolute Return Fund, LLC, 30% NIS High Yield Fund, LLC, and 20% NIS Preferred Stock Fund II, LLC. There are inherent limitations related to the presentation of the statistics of a strategy, namely, that the results presented do not represent actual trading and the returns may not reflect the impact that material economic and market factors might have had on the Manager's allocation decision-making if the Manager were actually managing clients' money. The Bloomberg Aggregate Index is unmanaged, comprised of all outstanding U.S. Treasury and Agency issues, investment grade credit bond issues, asset-backed securities and agency sponsored, mortgage-backed securities greater than one year in maturity. The Bloomberg High Yield 2% Issuer Capped Index captures the performance of below-investment-grade debt issued by U.S. domiciled corporations with a maximum weighting of 2% per issuer. All investments are subject to a risk of loss.

Calendar Year Returns
2008-2023



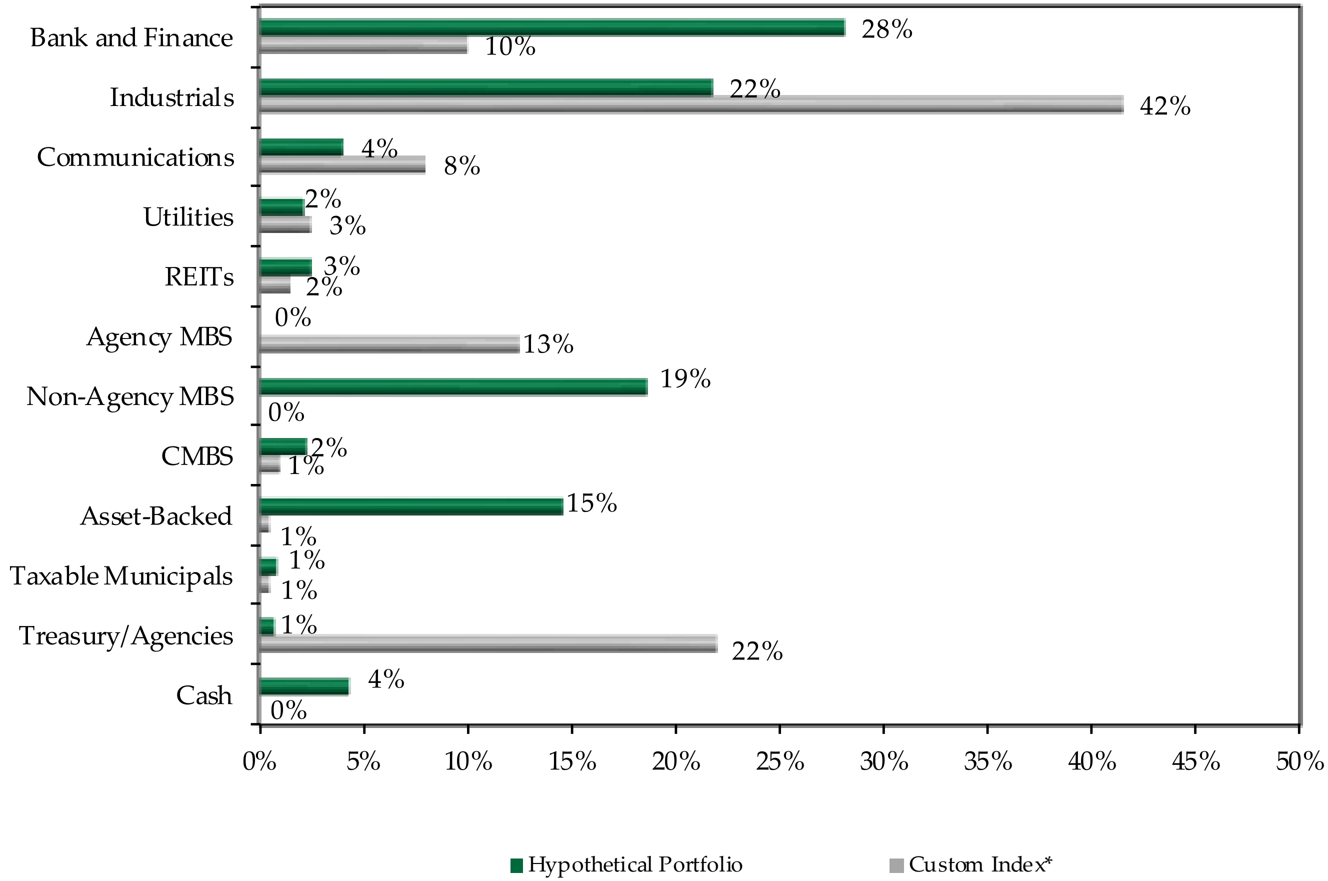
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
NIS Opportunistic Credit - Gross	0.28	33.42	18.81	4.36	14.65	5.72	5.55	2.45	5.90	6.73	0.67	11.54	5.59	4.06	-6.97	10.49
NIS Opportunistic Credit - Net	-0.13	32.90	18.34	3.95	14.19	5.30	5.13	2.05	5.48	6.30	0.27	11.10	5.17	3.65	-7.34	10.05
Custom Index*	-10.32	32.35	10.74	6.40	10.00	2.71	4.21	-1.94	9.89	5.52	-1.04	11.52	7.28	1.86	-12.10	9.49

NIS Opportunistic Credit - Gross   NIS Opportunistic Credit - Net   Custom Index*

Standard Deviation (as of 9/30/24)

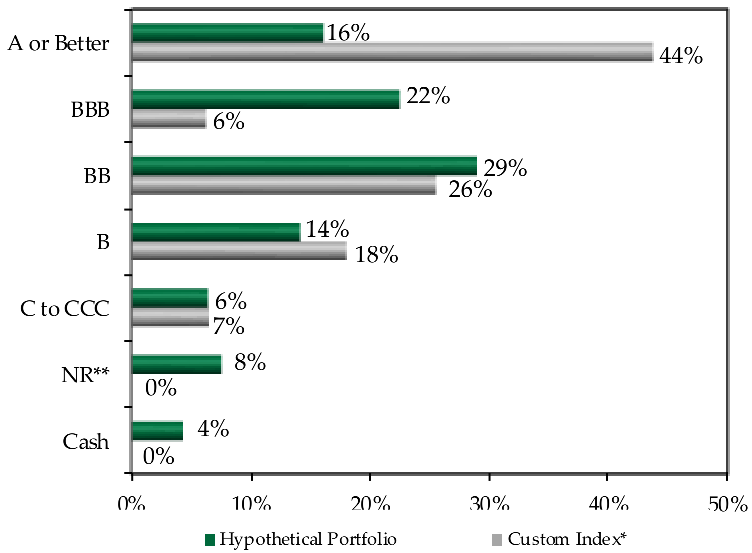
	1 Year	3 Year	5 Year	7 Year	10 Year
NIS Opportunistic Credit	5.01	5.77	6.63	5.73	4.93
Custom Index*	6.70	8.56	8.69	7.75	6.92

*Custom Index consists of 50% Bloomberg Aggregate Index and 50% Bloomberg High Yield 2% Market Capped Index.
The complete Hypothetical Performance Disclosure is on the last page of the presentation.



*Custom Index consists of 50% Bloomberg Aggregate Index and 50% Bloomberg High Yield 2% Market Capped Index.
The complete Hypothetical Performance Disclosure is on the last page of the presentation.
Distribution totals may not equal 100% due to rounding.

Quality Distribution



Portfolio Statistics

	Hypothetical Portfolio	Custom Index*
Yield to Worst	6.31%	5.61%
Avg Coupon	5.74%	4.86%
Effective Duration	3.40	4.57

*Custom Index consists of 50% Bloomberg Aggregate Index and 50% Bloomberg High Yield 2% Market Capped Index.
**NR are MBS securities that are investment grade and rated by Morningstar or Krolls Bond Rating Agency.
The complete Hypothetical Performance Disclosure is on the last page of the presentation.
Distribution totals may not equal 100% due to rounding.

Appendix

NIS Opportunistic Credit Strategy

.40 of 1% on Total Market Value

As compensation for our services we charge a percentage of the market value of the assets we manage. The fees are based upon an annual percentage rate applied to the market value of the portfolio at the end of each quarter. One-fourth of this annualized fee is then billed for services provided by us during the preceding quarter. Generally, we do not charge fees in advance of the rendering of our services.

NIS Opportunistic Credit Strategy: Component's Profiles

Objective

- To provide consistently higher current income than investment grade products.
- Risk adjusted returns to exceed that of traditional products over a rolling three year period.
- The primary goal is to outperform the Bloomberg US High Yield 2% Issuer Cap Index over a full market cycle with lower volatility than the index.

Strategy

The strategy seeks total rate of return through the active management of credit risk. Factors that may affect performance include analysis of industries, call risk and structure risk. Under normal market conditions, the strategy will be invested in a minimum of 70% corporate bonds with a majority rated BB and B. Other sectors that are strategically utilized include municipal bonds, MBS, CMBS, ABS and bank loans.

Philosophy

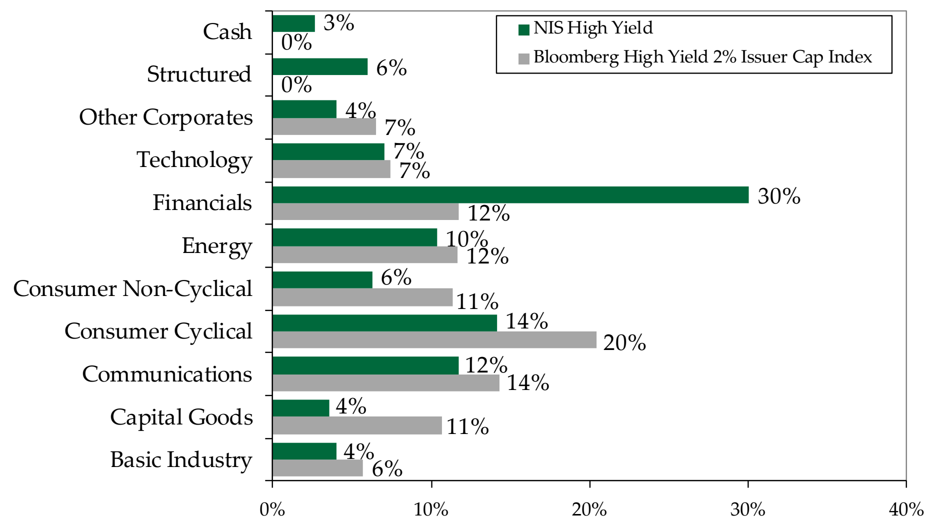
The philosophy is to maximize risk adjusted returns by adding value primarily through security selection and sector rotation. NIS believes the overall return and risk profile can be consistently improved through diligent analysis of short term changes in markets. Longer term performance will be enhanced by credit analysis of individual securities.

NIS High Yield Strategy Profile (as of 9/30/24)

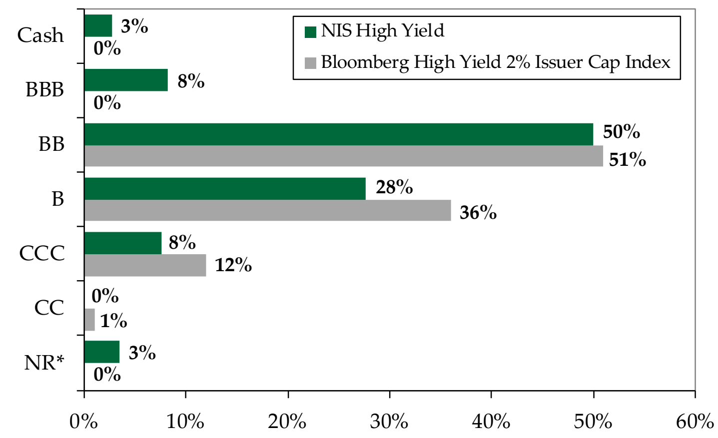
Portfolio Statistics

	NIS High Yield Strategy	Bloomberg High Yield 2% Issuer Cap Index
Yield to Worst	6.65%	6.99%
Effective Duration	3.06	2.93
Average Coupon	6.39	6.34
Average Quality	BB	B
Strategy AUM	$334 Million	-

Sector Distribution



Quality Distribution

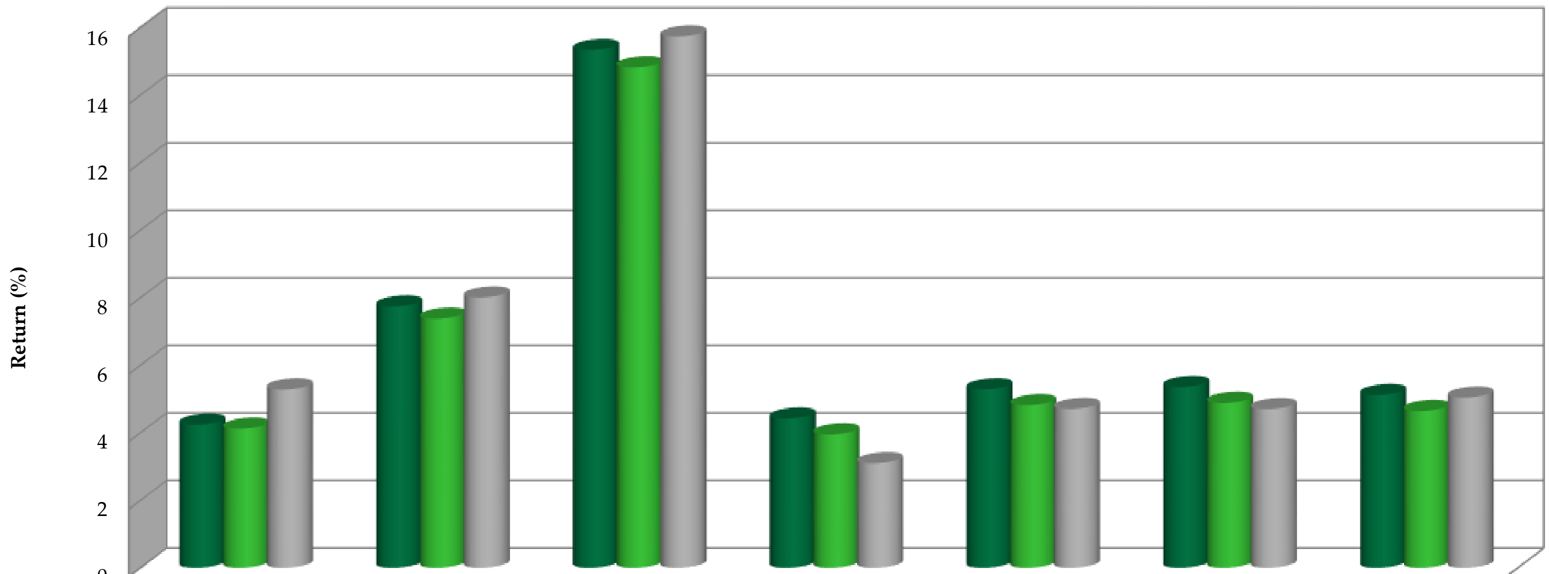


National Investment Services

*NR is rated by Morningstar or Kroll Bond Rating Agency.
Portfolio quality breakdown uses Index Rules.
Distributions may not equal 100% due to rounding.

NIS High Yield Strategy Performance (as of 9/30/24)

Performance



	Last 3 Months	YTD	1 Year	3 Year	5 Year	7 Year	10 Year
NIS High Yield Composite (Gross %)	4.23	7.74	15.33	4.42	5.28	5.35	5.11
NIS High Yield Composite (Net %)	4.12	7.38	14.82	3.95	4.81	4.88	4.64
Bloomberg HY 2% Issuer Cap Index	5.28	8.00	15.73	3.09	4.70	4.70	5.04

National Investment Services

Net of fees performance is net of a 45 bps investment management fee. Returns over one year are annualized
Performance disclosure is in the appendix.

Strategy

- Draws on credit analysis and trading strengths of the **NIS Fixed Income team**
- Enhanced Income Opportunity, benefiting from the strategy's flexibility
- **Primary Objective:** Generate positive returns 85% of the time on a quarterly basis without taking significant duration risk
- **Secondary Objective:** Outperform other alternative bond strategies during volatile periods
- Primary sources of return: **Short term trading profits and carry**
- Short positions will typically be 5-10% of total market value
- **Duration** will range from 0-3 years
- **Short Positions** used to manage duration risk, vary yield curve risk and lock in short term relative value trading opportunities
- Will **normally** be long spread duration and will utilize U.S. Treasury futures to hedge rate risk and cash to hedge spread risk

Components of Return

➢ **Sector Rotation**
- Focus on **relative value analysis**, short and long term supply trends and annual calendar trading opportunities
- Take advantage of overall **spread tightening and widening** by actively investing in a broad array of fixed income investments

➢ **Security Selection**
- Emphasizes credit analysis with a **relative value** overlay

➢ **Yield Curve Arbitrage**
- Yield curve arbitrage is dominated by **Federal Reserve activity analysis** and intermediate term **economic trends**

Strategy Information

Strategy Assets	$568 Million
Long/Cash/Short Positions *	96% / 4% / 0%
Yield to Maturity (%)	6.25
Duration (in Years)	1.99
Average Quality	BB+
Minimum Investment	$1,000,000
Liquidity	Redemptions permitted quarterly with 30 days written notice

* Short Treasury Futures Position is $0.00

Sector Distribution [1]

	Absolute Return	Bloomberg Aggregate Index
Treasury	1%	28%
Agency	0%	0%
Mortgages	35%	23%
Agency CMBS	0%	0%
CMBS	4%	5%
Asset-Backed	28%	10%
Credit	26%	27%
Municipal	1%	5%
Cash	4%	0%

Commentary

Market News

Yields collapsed on the short end of the curve as the Federal Reserve took a preemptive strike against a slowing labor market, while both investment-grade and high-yield corporate credit spreads rallied to nearly 25-year tights. This was an impressive quarter for many bond market participants, with those carrying high-duration exposure performing the best. The Total Absolute Return Strategy (the Strategy) managed to outpace the Bloomberg Aggregate. 1-3 yr. Index and capitalized on the rate move with an overall return exceeding 3.5%.

Performance

Security selection within the Strategy's corporate bonds was again a driver (+15 bps) of relative performance this quarter. Specifically, the Strategy's higher-yielding industrial credits and bank and finance names added to the outperformance. The Strategy's sector overweight in Non-Agency MBS added approximately 10bps, while selection within the ABS sector benefited the Strategy. Lastly, longer duration (versus the Bloomberg Aggregate 1-3 Index) was a minor value add, as was underweighting of U.S. Treasury debt.

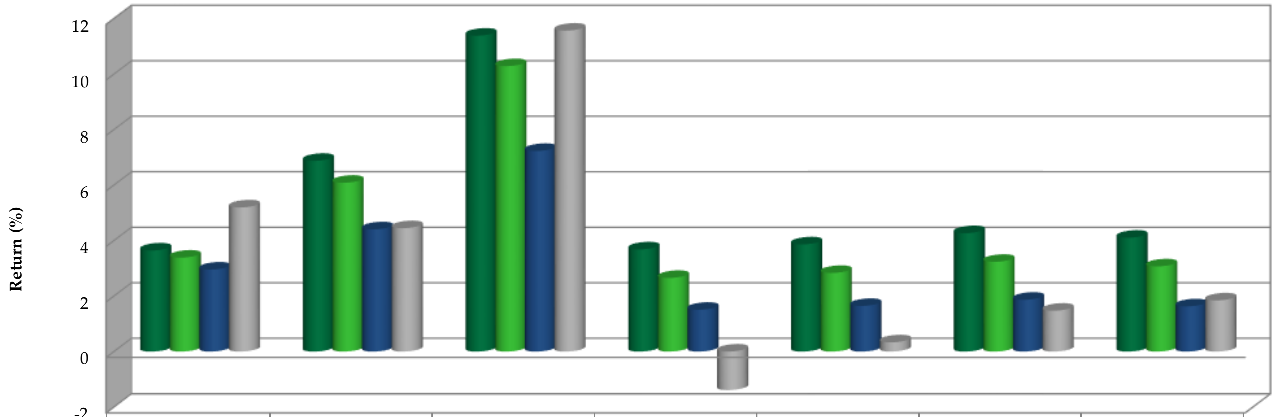
Outlook

While we are not necessarily negative on the economy or corporate earnings, we are concerned that a resilient jobs market, leftover pandemic capital, trade policy, and stimulus from China could all keep inflation above what the Fed hopes for in the coming months. This may act to pressure yields slightly higher. With corporate bond spreads trading near their historically tightest levels in 25 years, we view the risk/reward at these spread levels as skewed negatively. Our more cautious stance will likely continue into Q4 2024, as we expect some elevated volatility due to US elections and continued geopolitical instability. Meanwhile, the tone remains positive in ABS, with a robust new issue pipeline meeting strong demand. With most spreads tight, we prefer to go down the capital structure for value but stick to more experienced, liquid issuers. Following the recent rally in corporate credit, structured products appear relatively cheap, and we are comfortable with the Strategy's overweighting here.

Quality Distribution [2]

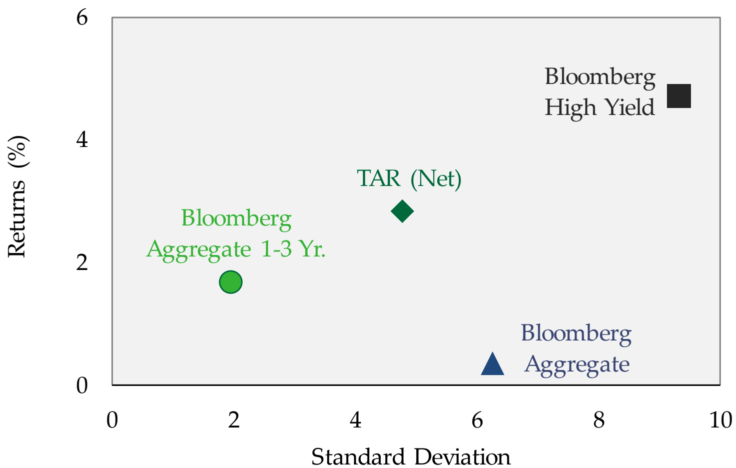
	Absolute Return	Bloomberg Aggregate Index
AAA	14%	4%
AA	9%	73%
A	9%	12%
BBB	14%	12%
BB	17%	0%
B	11%	0%
CCC	6%	0%
Below CCC	2%	0%
NR	13%	0%
Cash	4%	0%

(1) Treasury short positions are not included in the sector distribution.
(2) Portfolio quality breakdown uses Index Rules. NR (not rated by S&P, Moody's or Fitch). NR is rated by Morningstar or Kroll Bond Rating Agency. Distributions may not equal 100% due to rounding



	Last 3 Months	YTD	1 Year	3 Year	5 Year	7 Year	10 Year
NIS Total Absolute Return Composite (Gross %)	3.64	6.88	11.39	3.68	3.86	4.27	4.10
NIS Total Absolute Return Composite (Net %)	3.39	6.09	10.29	2.66	2.83	3.23	3.07
Bloomberg Aggregate 1-3 Year Index (%)	2.96	4.41	7.23	1.51	1.65	1.87	1.63
Bloomberg Aggregate Index (%)	5.20	4.45	11.57	-1.39	0.33	1.47	1.84

5 Year Risk/Return



	Return (%)	Standard Deviation (%)	Growth of $100	Correlation
Total Absolute Return Composite (Net)	2.83	4.78	115.0	-
Bloomberg Aggregate 1-3 Yr.	1.65	1.96	108.5	0.53
Bloomberg Aggregate	0.33	6.26	101.7	0.66
Bloomberg US Corporate HY	4.72	9.35	125.9	0.93

Net of fees performance is net of a 100 bps investment management fee. Performance over 1 year is annualized. Past performance is not indicative of future results. Indices shown are unmanaged and are not subject to fees and expenses typically associated with investment vehicles or accounts. Complete performance disclosure is in the appendix. Source for 5 Year Risk / Return: eVestment Alliance.

Strategy

- Objective: To provide returns well in excess of conventional fixed income investments with lower volatility than equities
- Active long/short trading strategy investing primarily in $25/par board listed & $1000/par preferred & hybrid securities
- Attempts to take advantage of an inefficient market via a close monitoring of the marketplace & searching for relative value
- Primary sources of return: Dividend Income and Short term trading profits
- **Does not use leverage**

Risk Management

- Investable Universe primarily includes:
  - Long positions: preferred stocks, preferred-like securities, debt securities
  - Short positions: preferred stocks , preferred ETFs, debt securities
- The strategy intends to maintain at least **60% of its portfolio in investment grade securities**
- No More than **10% of total assets will be invested in securities of a single issuer**
- Diversification is achieved by typically **maintaining over 150 positions**
- The strategy maintains **ability to short** and most always has a portion of the portfolio that is short
  - Can **take advantage of pricing inefficiencies** and **provide downside protection** during severe selloffs
  - Short position typically ranges from 5% to 15%
- Dual modes of trading improves liquidity. Can **raise cash quickly** in a defensive manner

Commentary

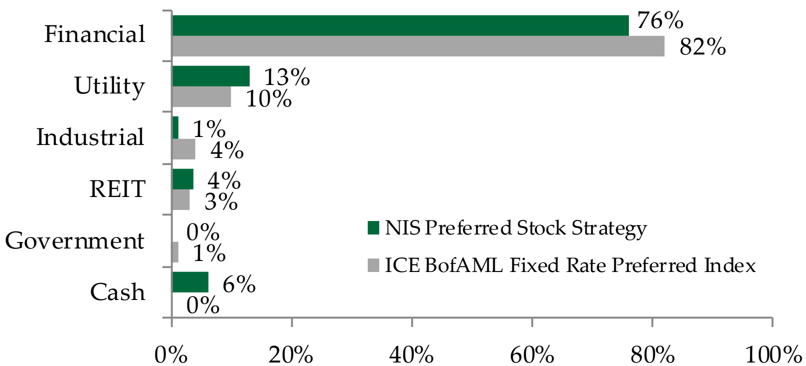
Market Recap

The third quarter of 2024 saw one era close, and a new one begin as the Federal Reserve (the Fed) decided that inflation has cooled enough to start the interest rate cutting cycle. The Fed wanted to get ahead of the potential for labor market slowing by making a jumbo cut of 50bps. While the jobs data has shown some weakening since the start of the year, it is still proving to be a rather resilient labor market with the unemployment rate at 4.1% and payroll numbers showing solid job creation. Lower interest rates and an economy on solid footing is an environment that is beneficial for longer duration securities like the preferred stock asset class. Preferred stock has also enjoyed a positive technical given the limited amount of new issues in the space, as well as issuers redeeming high back-end spread issues that were either floating or due to float at above market coupon rates.

Outlook

Outside of the first Federal Reserve rate cut, the most anticipated event of 2024 is the Presidential Election. We still expect some increased volatility as the election draws near. Credit spreads, in general, appear tight across the board. However, they could continue to grind tighter if the economy keeps chugging along and if geopolitical events, such as Ukraine and Russia or Israel and Iran, do not escalate into larger regional wars. We continue to believe that being rather selective within the portfolio while increasing liquidity is appropriate in order to be more flexible and act quickly when opportunities arise. The Strategy has surpassed our expectations of mid to high single digit returns thus far in 2024. While we welcome the low double digit returns up to this point in the year, we would not be surprised to see a little bit of a pullback given current valuations. If the macroeconomic picture continues to prove solid, we could see a slow grind higher into the end of the year.

Sector Distribution



Statistics

	NIS Preferred Stock Strategy	ICE BofAML Fixed Rate Preferred Index
Preferred Stock AUM	$350 Million	$150 Billion
Ratio : Long vs. Short Positions	99.5% : 0.5%	100% Long
Yield to Worst	5.93%	5.99%
Effective Duration	7.45	5.14
Option-Adjusted Spread	189	137
Average Quality	BBB+	BBB

Strategy Information

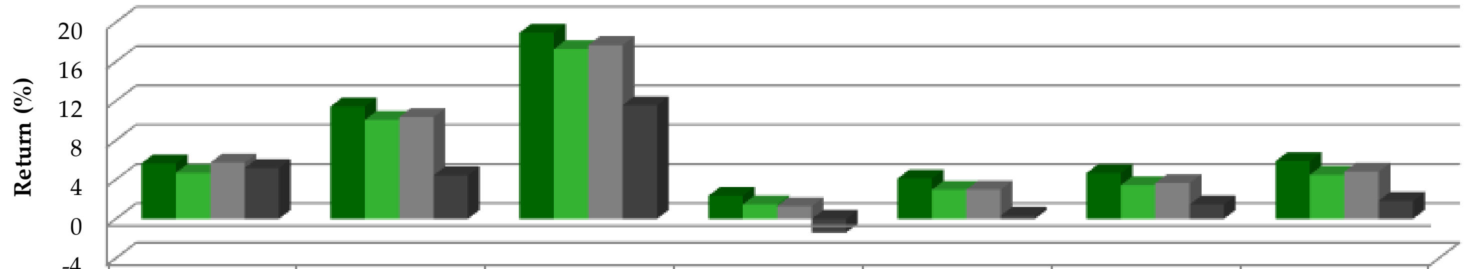
Minimum Investment	$250,000
Liquidity	Redemptions permitted quarterly with 30 days written notice
Fee Schedule	60 BPS Management Fee and 15% Performance Incentive Fee
Liquidity	1st and 15th of each month

Portfolio Management Team

Jay Dirienzo	Lead Manager: 9 years with the firm, 9 years of experience
Mark R. Anderson, CFA	Portfolio Manager: 24 years with the firm, 31 years of experience

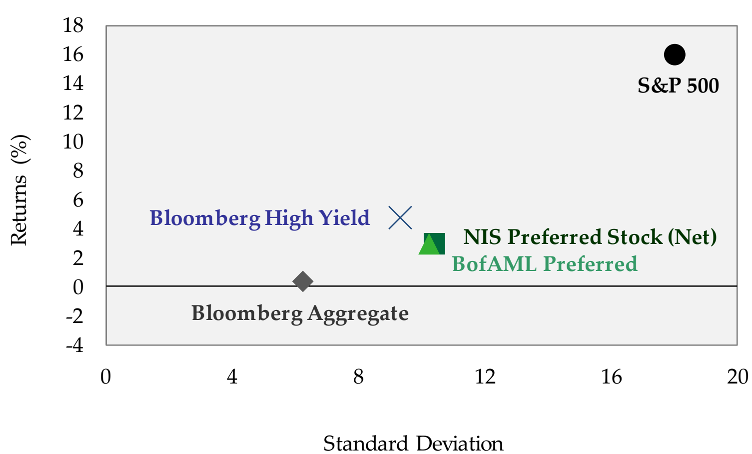
NIS Preferred Stock Strategy

Performance (as of 9/30/24)



	Last 3 Months	YTD	1 Year	3 Year	5 Year	7 Year	10 Year
NIS Preferred Stock Composite (Gross %)	5.66	11.45	18.95	2.37	4.11	4.68	5.89
NIS Preferred Stock Composite (Net %)	4.68	10.06	17.28	1.46	2.96	3.44	4.50
BofA ML Fixed Rate Preferred Index (%)	5.75	10.38	17.68	1.28	2.99	3.64	4.80
Bloomberg Aggregate Bond Index (%)	5.20	4.45	11.57	-1.39	0.33	1.47	1.84

5 Year Risk/Return



	Return (%)	Standard Deviation (%)	Growth of $100	Correlation
NIS Preferred Stock Composite (Net)	2.96	10.42	$115.7	-
ICE BofAML Fixed Rate Preferred Index	2.99	10.24	$115.9	0.96
Bloomberg Aggregate Index	0.33	6.24	$101.7	0.60
Bloomberg High Yield Index	4.72	9.35	$125.9	0.86
S&P 500 Index	15.98	18.04	$209.8	0.76

Net of fees performance is net of a 60 bps investment management fee and 15% performance incentive fee. Source for 5 Year Risk / Return: eVestment Alliance. Performance over 1 year is annualized. Indices shown are unmanaged and are not subject to fees and expenses typically associated with investment vehicles or accounts. Complete performance disclosure is in the appendix. Past performance is not indicative of future results.

National Investment Services

Year	Composite Gross Return (%)	Composite Net Return (%)	Bloomberg U.S. High Yield 2% Issuer Cap Index (%)	Composite 3-Yr St. Dev (%)	Bloomberg U.S. High Yield 2% Issuer Cap Index 3-Yr St. Dev (%)	Composite Dispersion (%)	Number of Accounts	Total Assets at End of Period (USD millons)	Percentage of Firm Assets	Firm AUM (in USD MM)
2023	13.94	13.44	13.44	6.78	7.30	-	1	172.8	1.77	9,771
2022	-8.02	-8.44	-11.18	9.70	11.12	-	1	168.0	2.12	7,923
2021	5.60	5.13	5.26	4.31	9.13	-	1	362.3	3.63	9,993
2020	6.11	5.64	7.05	4.31	9.37	-	1	367.8	3.91	9,411
2019	14.08	13.56	14.32	2.76	4.07	-	1	277.3	3.17	8,751
2018	-0.62	-1.06	-2.08	2.51	4.66	-	1	225.6	3.13	7,210
2017	6.67	6.19	7.5	2.52	5.64	-	1	256.5	3.82	6,709
2016	10.05	9.54	17.13	2.73	6.08	-	1	217.5	3.47	6,261
2015	-1.84	-2.23	-4.43	2.9	5.33	-	1	190.0	3.88	4,899
2014	3.20	2.78	2.46	2.7	4.56	-	1	142.1	3.45	4,122
2013	7.02	6.55	7.44	2.73	6.52	-	1	111.3	3.03	3,678
2012	15.28	14.76	15.78	2.43	7.17	-	1	102.4	2.96	3,463
2011	4.17	3.64	4.96	2.53	4.72	-	1	68.2	2.25	3,031
2010	14.67	14.09	14.94	3.70	13.29	-	1	76.9	2.72	2,827
2009	39.81	39.13	58.76	4.36	16.89	-	1	68.7	2.34	2,931
2008	-18.81	-19.22	-25.88	4.65	16.99	-	1	34.9	1.15	3,024
2007	4.96	4.43	2.26	3.19	11.15	-	1	45.5	1.43	3,181

National Investment Services (NIS) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. NIS has been independently verified for the periods of January 1, 1997 to December 31, 2022. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

NIS is defined as an SEC registered investment management firm established in 1993. Resolute Investment Managers acquired a controlling interest in NIS on December 30, 2019. NIS employees retained minority ownership of the firm. NIS manages fixed-income and preferred stock assets for primarily United States institutional clients. The strategy's investment objective is to achieve consistent returns through a diversified portfolio of high yield fixed income corporate, mortgage backed securities, asset backed securities and bank loans by emphasizing securities of companies with improving credit ratings in recovering industries. The Bloomberg U.S. High Yield 2% Issuer Cap Index captures the performance of below-investment-grade debt issued by U.S. domiciled corporations with a maximum weighting of 2% per issuer. The strategy is targeted to U.S. tax-exempt investors. The composite was created in May 2001. The inception date of the strategy is April 1, 2001. From 8/1/2020 to present, NIS manages the strategy 100% internally. From 7/01/2008 to 7/31/2020 Stone Harbor Investment Partner was a sub-advisor for managing non investment grade corporate bonds and loans. Beginning July 1, 2008, NIS managed high yield corporate, MBS and ABS securities in the portfolio. From 4/01/2001 to 6/30/2007 Fountain Capital Management was utilized as a subadvisor for managing non-investment grade corporate securities.

The gross-of fees returns are presented before the management fee but after all trading costs. The net-of-fees returns are calculated by deducting a model investment management fee of 0.0375%, 1/12th of the highest management fee of 0.45%, from the monthly gross composite return. Investment advisory fees are described in Part 2 of the firm's form ADV. Fees are negotiable. Portfolios are valued monthly on a trade date basis including accrued interest and dividends. Returns shown are on a total return basis, which includes realized and unrealized gains and losses, capital changes, dividends, interest income and brokerage commissions or trading costs, and excluding management and custodial fees. Valuations and returns are computed and stated in U.S. Dollars. Past performance is not a guarantee of future results. Market conditions can vary widely over time and can result in the loss of portfolio value. Annualized returns are shown for all periods over one year. Performance results are total returns which includes the reinvestment of all income. The dispersion of annual returns is measured by the standard deviation across equal-weighted portfolio returns represented within the composite for the full year. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is not presented for the other calendar years because it is not a requirement for periods prior to 2011. National Investment Services uses a significant cash flow rate of 15%. Accounts that reach a significant cash flow of 15% or more will be removed from their defined composites for the month of the flow. They will be added back into their defined composites the following month A complete list and description of firm composites and performance results is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Year	Strategy Gross Return (%)	Strategy Net Return (%)	Bloomberg 1-3 Yr. Aggregate (%)	Bloomberg Aggregate (%)	Strategy 3-Yr St. Dev (%)	Bloomberg 1-3 Yr. Aggregate 3-Yr. St. Dev (%)	Bloomberg Aggregate 3-Yr. St. Dev (%)	# of Accounts	AUM (in USD MM)	Firm AUM (in USD MM)	Dispersion
2023	8.66	7.59	4.65	5.53	3.75	2.16	7.24	1	498.8	9,771	
2022	-4.30	-5.25	-3.73	-13.01	5.59	1.72	5.85	1	552.7	7,923	-
2021	3.20	2.13	-0.49	-1.54	4.86	0.99	3.40	1	609.6	9,993	-
2020	4.67	3.67	3.08	7.51	4.79	0.97	3.36	1	608.9	9,411	-
2019	7.68	6.68	4.04	8.72	1.05	0.91	2.87	1	540.8	8,751	-
2018	2.84	1.79	1.61	0.01	0.78	0.81	2.88	1	520.0	7,210	-
2017	4.86	3.79	0.86	3.54	0.81	0.72	2.81	1	361.4	6,709	-
2016	3.53	2.45	1.31	2.65	0.87	0.74	2.98	1	367.0	6,261	-
2015	2.83	1.76	0.67	0.55	1.25	0.58	2.88	1	236.0	4,899	-
2014	4.44	3.36	0.82	5.97	1.96	0.51	2.63	1	211.2	4,122	-
2013	6.23	5.04	0.64	-2.02	2.37	0.56	2.71	1	121.4	3,678	-
2012	12.94	11.56	1.33	4.21	3.33	0.72	2.38	1	42.2	3,463	-
2011	3.47	2.18	1.73	7.84	4.71	1.01	2.78	1	34.5	3,031	-
2010	20.81	19.54	2.62	6.54				1	22.9	2,827	-
2009	25.36	24.13	5.01	5.93				1	12.8	2,931	-

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NIS is defined as an SEC registered investment management firm established in 1993. Resolute Investment Managers acquired a controlling interest in NIS on December 30, 2019. NIS employees retained minority ownership of the firm. NIS manages fixed-income and preferred stock assets for primarily United States institutional clients. The strategy's investment objective is to provide attractive risk-sensitive incremental returns through investments in an actively traded diversified portfolio of fixed-income securities. The strategy's inception date is 7/15/2007. The composite creation date is 8/1/2007. The strategy is targeted to U.S. pension funds and other tax-exempt investors. The investment strategy utilizes short U.S. Treasury positions with the objective of mitigating risk. Performance results are shown gross-of-fees and net-of-fees. The Bloomberg 1-3 year Aggregate Index is comprised of all outstanding U.S. Treasury and Agency issues, investment grade credit bond issues, asset-backed securities and agency-sponsored, mortgage-backed securities between one and three years maturity. The Bloomberg Aggregate Index is comprised of all outstanding U.S. Treasury and Agency issues, investment grade credit bond issues, asset-backed securities and agency-sponsored, mortgage-backed securities greater than one year in maturity.

The gross-of fees returns are presented before the management fee but after all trading costs. The net-of-fees returns are calculated by deducting a model investment management fee of 0.083%, 1/12th of the highest management fee of 1.00%, from the monthly gross composite return. Investment advisory fees are described in Part 2 of the firm's form ADV. Fees are negotiable. Portfolios are valued monthly on a trade date basis including accrued interest and dividends. Returns shown are on a total return basis, which includes realized and unrealized gains and losses, capital changes, dividends, interest income and brokerage commissions or trading costs, and excluding management and custodial fees. Valuations and returns are computed and stated in U.S. Dollars. Past performance is not a guarantee of future results. Market conditions can vary widely over time and can result in the loss of portfolio value. Annualized returns are shown for all periods over one year. Performance results are total returns which includes the reinvestment of all income. The dispersion of annual returns is measured by the standard deviation across equal-weighted portfolio returns represented within the composite for the full year. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is not presented for the other calendar years because it is not a requirement for periods prior to 2011. National Investment Services uses a significant cash flow rate of 15%. Accounts that reach a significant cash flow of 15% or more will be removed from their defined composites for the month of the flow. They will be added back into their defined composites the following month A complete list and description of firm composites and performance results is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Year	Composite Gross Return (%)	Composite Net Return (%)	ICE BofAML Fixed Rate Preferred Securities Index (%)	Bloomberg Aggregate (%)	Composite 3-Yr St. Dev (%)	ICE BofAML Fixed Rate Preferred Securities Index 3-Yr St. Dev	Bloomberg Aggregate 3-Yr St. Dev (%)	# of Accounts	AUM (in USD MM)	Firm AUM (in USD MM)	Dispersion
2023	9.54	8.84	10.20	5.53	9.82	11.03	7.24	1	317.8	9,771	-
2022	-12.06	-12.62	-14.60	-13.01	10.84	10.13	5.85	1	307.4	7,923	-
2021	3.71	2.77	2.24	-1.54	9.27	7.71	3.40	1	386.5	9,993	-
2020	6.77	5.26	6.95	7.51	9.55	7.85	3.36	1	363.5	9,411	-
2019	17.67	14.96	17.71	8.72	3.52	4.59	2.87	1	363.6	8,751	-
2018	-2.78	-3.38	-4.34	0.01	3.57	4.21	2.88	1	300.5	7,210	-
2017	11.59	9.64	10.58	3.54	3.20	3.80	2.81	1	312.5	6,709	-
2016	5.73	4.30	2.32	2.65	3.30	4.35	2.98	1	282.4	6,261	-
2015	8.03	6.18	7.58	0.55	2.76	4.62	2.88	1	213.4	4,899	-
2014	11.96	9.55	15.44	5.97	3.15	5.07	2.66	1	146.2	4,122	-
2013	2.48	1.55	-3.65	-2.02	3.31	5.08	2.78	1	142.4	3,678	-
2012	18.00	14.61	13.59	4.22	3.55	5.26	2.38	1	91.07	3,463	-
2011	6.73	5.03	4.11	7.84	13.09	20.65	2.78	1	32.50	3,031	-
2010	20.09	16.28	13.66	6.54				1	25.52	2,827	-
2009	42.94	35.53	20.07	5.93				1	27.46	2,931	-
2008	19.43	15.92	-25.24	5.24				1	23.78	3,024	-
2007	-0.53	-1.56	-11.31	6.97				1	34.94	3,181	-
2006	10.12	7.11	8.10	4.33				1	43.49	3,081	-
2005	5.53	3.48	0.96	2.43				1	40.89	3,088	-
2004	1.16	-0.01	5.11	4.34				1	53.14	2,906	-
2003	15.2	10.97	9.43	4.10				1	38.84	2,599	-

National Investment Services (NIS) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. NIS has been independently verified for the periods of January 1, 1997 to December 31, 2022. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

NIS is defined as an SEC registered investment management firm established in 1993. Resolute Investment Managers acquired a controlling interest in NIS on December 30, 2019. NIS employees retained minority ownership of the firm. NIS manages fixed-income and preferred stock assets for primarily United States institutional clients. The strategy's investment objective is to provide attractive risk-sensitive incremental returns through investments in an actively traded, non-leveraged diversified portfolio of preferred stocks and fixed-income securities with "preferred-like" characteristics. The strategy is targeted to U.S. tax-exempt investors. The ICE BofAML Fixed Rate Preferred Securities Index tracks the performance of fixed rate US dollar denominated preferred securities which are investment grade and issued in the US domestic market. The Bloomberg Aggregate Index is comprised of all outstanding U.S. Treasury and Agency issues, investment grade credit bond issues, asset-backed securities and agency-sponsored, mortgage-backed securities greater than one year in maturity. The inception of the strategy is 9/01/2002. The composite was created on September 1, 2002. Net performance returns reflect an actual annual management fee of .60%, annual incentive fee of 15% and custodial fees, as well as trading commissions and strategy expenses. Investment advisory fees are described in Part 2 of the firm's form ADV. Valuations and returns are computed and stated in US Dollars. Past performance is not a guarantee of future results. Market conditions can vary widely over time and can result in the loss of portfolio value. Performance results are total returns which includes the reinvestment of all income. A complete list of firm composites and performance results is available upon request. This material is not an offer to buy or a solicitation of an offer to sell any security. Any such offering will only be made in conjunction with the delivery of an offering memorandum, operating agreement, and subscription agreement, all of which will contain information that supersedes the information contained herein. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is not presented for the other calendar years because it is not a requirement for periods prior to 2011. The dispersion information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Hypothetical Performance Disclosure: Distribution totals may not equal 100% due to rounding. The data shown for the NIS Opportunistic Credit "strategy" is a hypothetical portfolio. The information presented for the strategy is based upon a model portfolio characterized by a static allocation, as presented, between three commingled funds managed by NIS (Manager). The static allocation consists of 50% NIS Total Absolute Return Fund, LLC, 30% NIS High Yield Fund, LLC, and 20% NIS Preferred Stock Fund II, LLC. There are inherent limitations related to the presentation of the statistics of a strategy, namely, that the results presented do not represent actual trading and the returns may not reflect the impact that material economic and market factors might have had on the Manager's allocation decision-making if the Manager were actually managing clients' money. The Bloomberg Aggregate Index is unmanaged, comprised of all outstanding U.S. Treasury and Agency issues, investment grade credit bond issues, asset-backed securities and agency-sponsored, mortgage-backed securities greater than one year in maturity. The Bloomberg High Yield 2% Issuer Capped Index captures the performance of below-investment-grade debt issued by U.S. domiciled corporations with a maximum weighting of 2% per issuer. All investments are subject to a risk of loss.

Disclosures

Registration with the SEC or with any self-regulatory authority does not imply approval by the SEC, nor does it imply a certain level of skill or training. A detailed summary of the risks and special circumstances relating to certain strategies and investments is included in Part 2A of NIS's Form ADV (available at: http:www.adviserinfo.sec.gov).

The financial and performance data contained herein is estimated, unaudited, based on certain assumptions. NIS's advisory fees are described in Part 2A of its Form ADV. Details regarding the calculations and characteristics of the performance of any strategy/strategies discussed are in the included GIPS reports.

The information is provided as of the date of delivery hereof, is condensed and is subject to change without notice. Information regarding strategy objectives, market returns and market outlooks is based on the research, analysis and opinions of NIS, which are speculative in nature, may not come to pass, and are not intended to predict the future performance of any specific investment or strategy.

Comparative and/or informational data was provided by or compiled based on information gathered from eVestment Alliance and Bloomberg which are third party sources. Although NIS believes the sources are reliable, it has not independently verified any such information and makes no representations or warranties as to the accuracy, timeliness or completeness of such information. Indices shown are unmanaged and are not subject to fees and expenses typically associated with investment vehicles or accounts.

To: StanCERA Retirement Board

From: Daniel Hennessy, CFA, CAIA, Senior Consultant

Date: October 22, 2024

Subject: Liquid Credit Recommendation

Recommendation

We recommend that the board approve the NIS Opportunistic Credit strategy as a liquid credit allocation within the growth sub-portfolio of the pension plan. Following the completion of legal and contract reviews, we propose allocating approximately 4% of the pension plan's total investment portfolio to this strategy.

Background

In December 2023 the StanCERA board approved several changes to StanCERA's long-term asset allocation targets that were intended to help the pension plan decrease month-to-month volatility risk while maintaining a long-term expected return at or above its actuarial assumed rate. One of the changes was a new 4% allocation to liquid credit.

NEPC and plan staff chose to focus on multi-sector fixed income strategies for this new allocation, so that managers could take advantage of opportunities across a range of fixed income sectors. Because this allocation is intended for StanCERA's growth sub-portfolio, we looked to strategies that de-emphasized the U.S. Treasuries that comprise a significant portion of StanCERA's risk-diversifying sub-portfolio. In addition to NEPC's focused placement list (FPL) of multi-credit funds, we also considered variations of FPL strategies that de-emphasized Treasuries to focus on other types of fixed income that yield a premium, or "spread", over similar-dated Treasuries. These sectors could include corporate bonds (both investment grade and high yield), bank loans, preferred securities, and a wide range of securitized credits backed by pools of loans such as mortgages, auto loans, or credit card receivables.

Last month the StanCERA board's due diligence sub-committee selected NIS Opportunistic Credit as their top choice of three finalists, with advice from NEPC and plan staff.

Finalists

Our three finalists included a FPL strategy and two variations on FPL strategies that focus on liquid credit. We have high conviction in the capabilities of all three investment teams, but they do differ in a number of significant ways.

- Fidelity Tactical Credit seeks to generate a high level of income and total return by focusing on corporate credit, but also incorporating other fixed income sectors. It is a benchmark agnostic global multi-sector fixed income strategy targeting no greater than 7% volatility and duration similar to its benchmark. The proposed strategy is very similar to a 1-rated Tactical Bond strategy but avoids much of that strategy's core bond and emerging market debt exposures.

- Loomis Sayles Credit Asset invests in U.S. corporate credit. Its 50/25/25 credit benchmark was used as the base case when the liquid credit mandate was first proposed.
- NIS Opportunistic Credit combines three NIS strategies: Absolute Return (short-term MBS, ABS, and credit with limited use of shorting/derivatives), high yield, and preferred stock. The proposed combination is very similar to a 2-rated Dynamic Fixed Income strategy without the core bonds. Overall expect a shorter-duration strategy, 35%-45% IG, mostly corporate bonds, MBS/ABS, and preferred securities. The niche focus of the three sleeves have each been very successful over time.

Strategy	Pros	Cons
Fidelity Tactical Credit	Good returns with lower volatility over its shorter track record	Higher fees; least investment-grade exposure
Loomis Sayles Credit Asset	Lower fees	Weaker past performance with higher volatility over most time periods
NIS Opportunistic Credit	Stronger past performance with least volatility of the finalists; greater emphasis on less efficient preferred securities	Smallest firm with fewer supporting resources; sector allocations likely to be more static than the other finalists

Strategy	Typical Allocation	Standard Benchmark	Proposed Fee	NEPC Rating
Fidelity Tactical Credit	35% investment-grade (mostly corporate bonds, Treasuries, and cash), 40% bank loans, and 25% high yield bonds	33% each: BB US Credit, BofA/ML Corporate, S&P/LSTA Leveraged Loan	42bp > $75m separate account	(Similar strategy 1-rated)
Loomis Sayles Credit Asset	50% investment-grade (corporate bonds and securitized credit), 25% high yield, and 25% bank loans	50% , 25% HY, 25% BL	37bp > $50m (39bp < $50m) commingled	1
NIS Opportunistic Credit	40% investment grade (mostly short-term corporate bonds and securitized credit), 35% high yield bonds, 25% preferred securities	50% Barclays Aggregate, 50% Bloomberg High Yield 2% Capped	40bp > $5m commingled	(Similar strategy 2-rated)

The attached search book provides a wide range of information about all three finalists. The performance history is dated as of June 30, 2024.

LIQUID MULTI-SECTOR CREDIT SEARCH FINALISTS

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

SEPTEMBER 2024

NEPC Research

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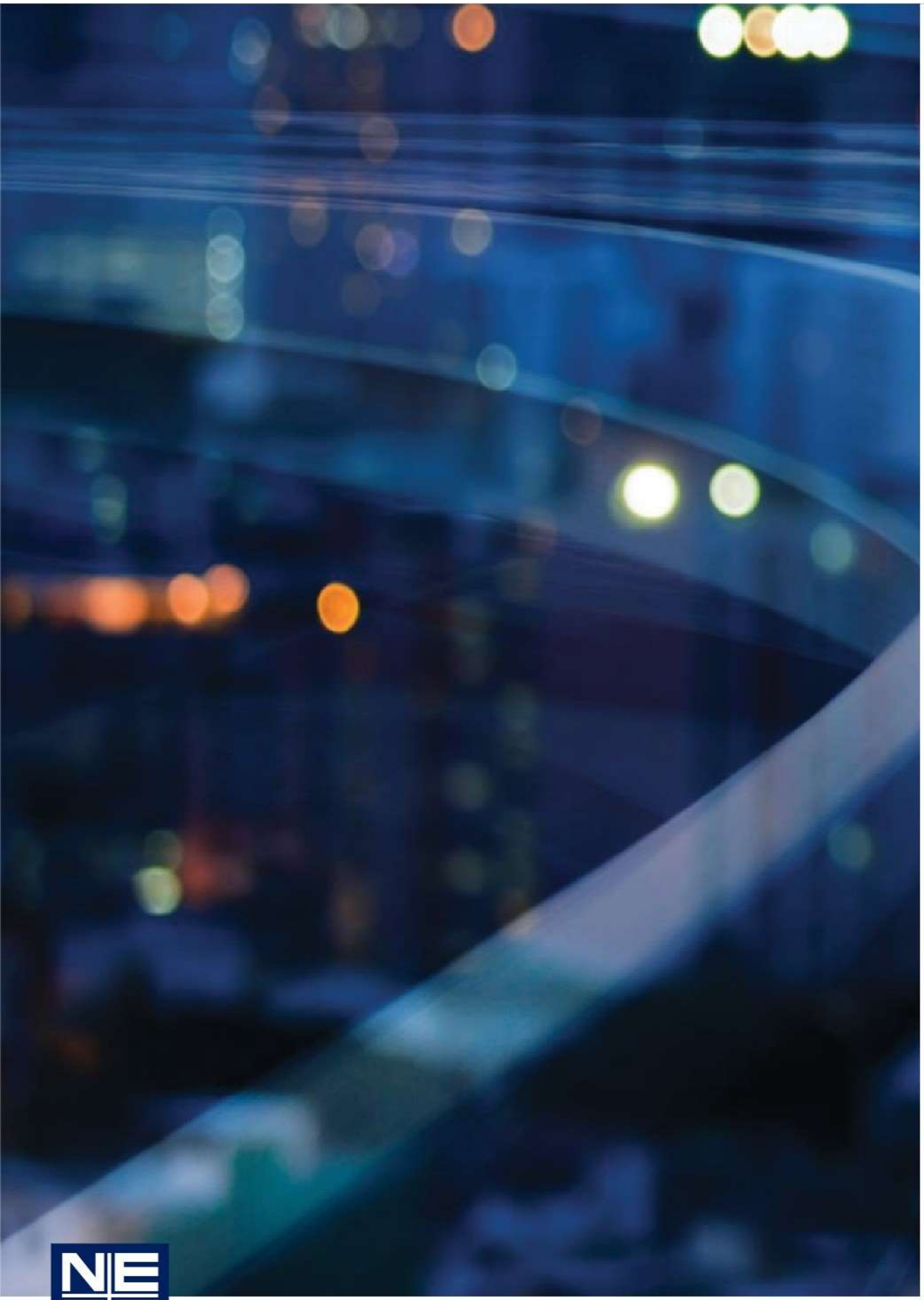


INTRODUCTION

SEARCH BACKGROUND

In December 2023 the StanCERA board approved several changes to StanCERA's long-term asset allocation targets that were intended to help the pension plan decrease month-to-month volatility risk while maintaining a long-term expected return at or above its actuarial assumed rate. One of the changes was a new 4% allocation to liquid credit.

We chose to focus on multi-sector fixed income strategies for this new allocation, so that managers could take advantage of opportunities across a range of fixed income sectors. NEPC and plan staff have spent much of this year evaluating strategies that were vetted by NEPC Research and approved for NEPC's focused placement lists ("FPL"). Because StanCERA already owns U.S. Treasuries in its risk-diversifying sub-portfolio, and this allocation is intended for StanCERA's growth sub-portfolio, we looked to strategies that de-emphasized Treasuries to focus on other types of fixed income that yield a premium, or "spread", over similar-dated Treasuries. In several cases we also considered credit-focused variations on FPL strategies. These credit sectors include corporate bonds (both investment grade and high yield), bank loans, and a wide range of securitized credits backed by pools of loans such as mortgages, auto loans, or credit card receivables. One strategy that we selected as a finalist also included preferred securities that share characteristics of fixed income and equity, and that have historically earned returns slightly greater than high yield bonds, with slightly higher volatility.

Our three finalists include one FPL strategy and two variations on FPL strategies that focus on liquid credit. We have high conviction in the capabilities of all three investment teams, but they do differ in a number of significant ways.

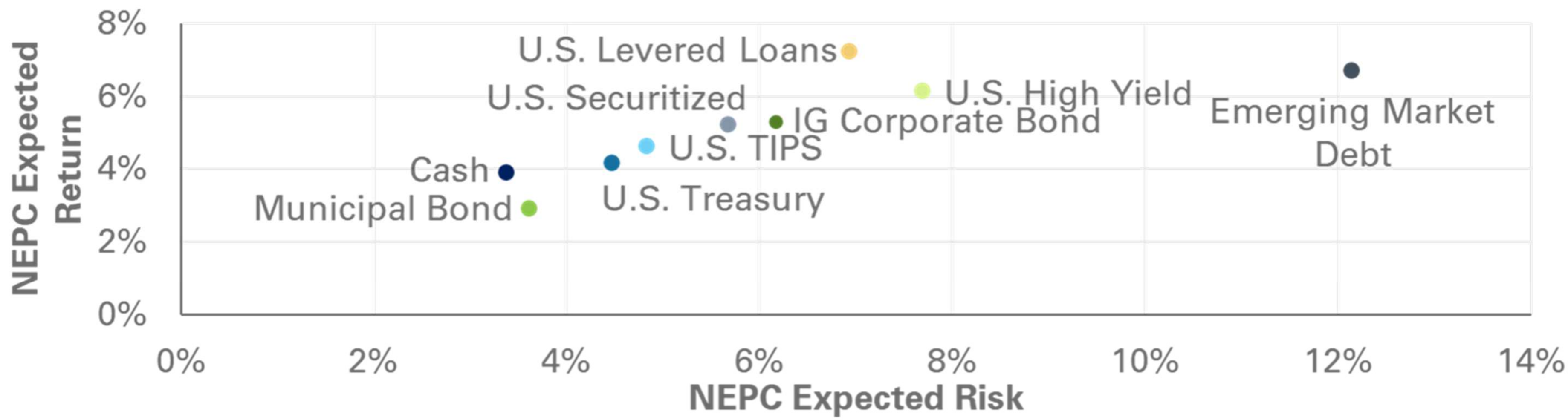
RETURN-SEEKING LIQUID CREDIT

NEPC Strategic Views

For many investors, strategic policy targets to fixed income are applied with a broad brush and hold conflicting investment objectives

- The goals of safety and return are in conflict; the expectation of liquidity cannot be relied upon from credit exposure when pursuing higher returns

We recommend investors create a distinct strategic asset allocation target for return-seeking credit and utilize high yield as the benchmark



Source: NEPC 12-31-23 Asset Class Assumptions

RETURN-SEEKING LIQUID CREDIT

NEPC Strategic Views

The size of the strategic allocation to return-seeking credit, liquidity preferences, and investor risk-tolerance inform the selection of public credit and private credit approaches beyond U.S. high yield bonds

The use of credit complexity, illiquidity, and active management tracking error relative to U.S. high yield should offer an appropriate return premium

INTRODUCTION TO ASSET CLASS

MULTI-SECTOR FIXED INCOME

It is the flexible investment approach, tactical nature of the portfolio, and the ability to invest in higher yielding instruments that differentiates Multi-Sector Fixed Income strategies from core plus mandates or other benchmark oriented fixed income products. Relaxed constraints allow managers to invest significant portions of the portfolio in below investment grade securities, emerging markets debt, global bonds, and/or other fixed income sectors including securitized credit based on their relative value views of the marketplace.. Managers may also seek to enhance returns through duration management, yield curve positioning, currency or other non-core bond management techniques.

Returns are expected to be greater in multi-sector fixed income products than in core bond or core plus bond mandates. Returns from multi-sector fixed income strategies are expected to exceed traditional fixed income strategies by 1% to 2%, net of fees. Strategies in this product space tend to be less benchmark aware or benchmark agnostic, and some may employ a more absolute return-oriented approach.

RESEARCH PROCESS

NEPC's investment manager research process identifies a Focused Placement List of strategies that we expect will provide superior investment performance over time. Our four step process used for identifying our Focused Placement List includes:

1. **UNIVERSE SCREENING**
   The construction of the Focused Placement List begins with initial universe screening to identify candidates that meet acceptable criteria for further analysis.
2. **QUANTITATIVE SCORING**
   Strategies are scored using our proprietary Performance Analytics Statistical Software (PASS) on metrics that we believe identify investment processes expected to consistently outperform the benchmark over the long term.
3. **QUALITATIVE SCORING**
   Our research efforts are focused on developing a deep understanding of each strategy's people, philosophy, & process, synthesizing those aspects into our interpretation of each strategy's investment thesis – the identification of a particular set of market inefficiencies and the conviction in a portfolio management team's ability to exploit those inefficiencies over the long-term.
4. **PEER REVIEW**
   The research process culminates in exhaustive peer review. NEPC Research coverage provides feedback and insight to the research team prior to vetting strategies in front of senior research and consulting professionals on NEPC's Marketable Investment Committee (MIC).

We believe that this exhaustive process leads to identification of strategies with a reasonable probability of delivering consistent, high quality investment results. From time to time, we may include products specifically requested by clients.

NEPC RESEARCH RATING DEFINITIONS

NEPC Rating	Definition
1	NEPC Research views these strategies as best ideas. Strategy has a clearly articulated investment thesis, and is managed by an investment team that is sufficiently resourced and incented to execute on the thesis. Strategies rated 1 have been vetted through NEPC's comprehensive due diligence process and approved by either the Private Investment Committee (PIC) or Marketable Investment Committee (MIC). Strategies rated 1 are monitored regularly and reviewed at least annually.
2	NEPC has a positive view of the strategy. Strategy has a clearly articulated investment thesis. The manager is sufficiently resourced and incented to execute on the thesis. Strategies rated 2 have been vetted through NEPC's due diligence process and approved by either the PIC or MIC. Strategies rated 2 are monitored regularly and reviewed at least annually.
3	NEPC has a constructive view of the strategy and believes the strategy can play an appropriate role in certain clients portfolios. NEPC monitors the team and strategy and believes the manager is sufficiently resourced and incented to execute on their investment approach. Through initital and/or ongoing research of a strategy, NEPC has not identified unreasonable risks from an organizational, process, operational or investment perspective. Strategies rated 3 have been reviewed and rated by an NEPC investment professional. Strategies rated 3 are monitored on an ongoing basis. 3 rated strategies are not profiled for clients in new searches though a client may request inclusion of a 3 rated strategy for comparison.
4	NEPC has conducted a reasonable level of due diligence on the strategy and has a relatively unfavorable view of the strategy. Through the due diligence process, NEPC has uncovered issues, weaknesses or risks that we believe challenge the manager's ability to execute on a stated investment thesis.
5	NEPC has conducted a reasonable level of due diligence on the strategy and has significant concerns about the effectiveness or viability of the strategy. Through the due diligence process, NEPC has uncovered issues, weaknesses or risks that we believe challenge the manager's ability to execute on a stated investment thesis. These risks include all those highlighted above that could potentially lead to a 4 rating. Any one or several of these risks together could be meaningful enough to cause us to have serious doubts about the strategy leading to a 5 rating.

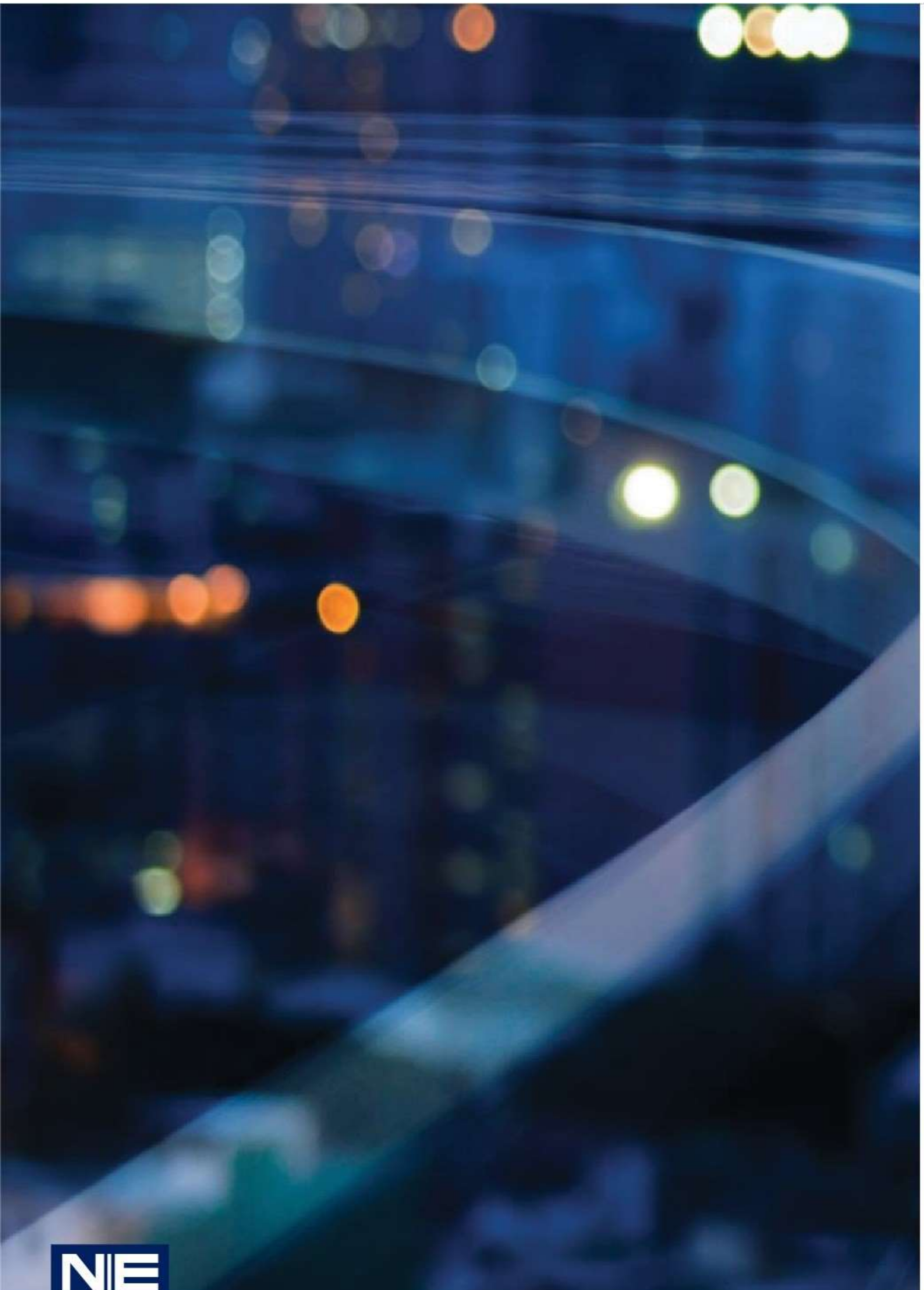
FINALIST INVESTMENT RATINGS

Firm/Product	NEPC Investment Thesis
Liquid Multi-Sector Credit Fixed Income	
Fidelity Tactical Credit	Fidelity Tactical Credit is not currently included on NEPC's Focused Placement List. The strategy is a credit-focused variant of Fidelity Tactical Bond, which is 1-rated by NEPC. Tactical Bond, like many unconstrained fixed income efforts is an extension of core plus. Tactical Bond looks to generate income while maintaining volatility similar to the Aggregate (3%-5% range) and also continuing to provide diversification relative to equities. This takes the form of targeting overall volatility, not tracking error to the Bloomberg Aggregate Index. The Fidelity team believes in carrying some duration to help diversify spread risk, but are not looking for rate risk to be the primary risk factor as it is within the Aggregate index.
Loomis Sayles Credit Asset	Credit Asset looks at the overall opportunity set for risk premiums and should be considered a macro/top-down driven approach. Value-added is expected to be driven by sector rotation, issue selection and market inefficiencies (technicals).
NIS Opportunistic Credit	NIS Opportunistic Credit is not currently included on NEPC's Focused Placement List. The strategy is a credit-focused variant of NIS Dynamic Fixed Income which is 2-rated by NEPC. NIS Dynamic Fixed Income allocates to strategic programs, with an aim of providing diversification, effectively reducing exposure to index sectors of Treasuries and Agency MBS and replacing them with various forms of spread product. Within core, they use non-Agency MBS and ABS as a substitute for short corporate exposure, preferring the yield advantage here. For core, in the long end, taxable munis are utilized as an up-in-quality play vs. long corporates. The non-agency MBS theme runs through the allocations and is a focus in their absolute return strategy and to a smaller degree, their high yield strategy..

Firm/Product	DUE DILIGENCE RATING	Analyst Opinion	Firm/ Organization	People & Resources	Investment Philosophy, Strategy, & Process
Fidelity Tactical Bond	1	2	1	2	2
Loomis Sayles Credit Asset	1	2	2	1	1
NIS Dynamic Fixed Income	2	2	1	2	2

PRODUCT COMMENTARY

Strategy	Investment Style/Strategy	Performance Expectations	Portfolio Positioning
Liquid Multi-Sector Credit Fixed Income			
Fidelity Tactical Credit	Tactical Credit seeks high income and total return through focus on corporate credit, but can also diversify to other fixed income sectors depending upon market conditions	Fidelity has shown an ability to rotate the portfolio effectively, leading to high risk-adjusted returns. Strategy performance may be highly correlated with credit markets	High bank loan allocation (30%-45%) results in relatively short duration, making credit bets the primary driver of volatility
Loomis Sayles Credit Asset	Credit Asset is a diversified, best ideas strategy across the developed corporate credit markets. Allocations to securitized bonds will also be used. One of the primary strengths of Loomis is their extensive proprietary research generated by their inhouse staff	Strategy is benchmarked to 50% Bloomberg Corporate/25% Bloomberg High Yield/25% LSTA Lev Loan. Expect the fund to outperform this benchmark over a full credit cycle	Top-down analysis determines current location in the credit cycle, which dictates allocations across the credit and quality spectrum. Duration can range from 0-7 years
NIS Opportunistic Credit	Opportunistic Credit combines several NIS strategies together to provide controlled access to several high yielding areas of the fixed income market such as preferred securities, high yield and securitized credit	This diversified strategy is expected to protect assets in rising rate environments while maintaining a higher yield than the broad market and a lower overall correlation to major fixed income indices	Lower volatility strategy due to emphasis on short-duration bonds



FIRM & PRODUCT SUMMARY

FIRM AND STRATEGY COMPARISON SUMMARY

Firm and Strategy	Year Founded and Headquarters	Firm Ownership Structure	Total Firm AUM	Total Strategy AUM	Investment Vehicle Minimum
Fidelity Investments, Fidelity Tactical Credit	1946, Boston MA	49% controlled by the Johnson family, remainder controlled by senior Fidelity employees	$436 Billion	$502 Million	Separate Account, $75 Million
Loomis Sayles, Loomis Sayles Credit Asset	1926, Boston MA	Owned by Groupe BPCE, the second-largest banking group in France	$360 Billion	$4,210 Million	Commingled Funds, $50 Million
National Investment Services, NIS Oppoirtunistic Credit	1993, Milwaukee WI	75% owned by Resolute Investment Managers, remainder owned by NIS employees	$12 Billion	$1,221 Million	Commingled Funds, $5 Million

Investment Strategy	Benchmark	Investment Return Target	Volatility Target	Management Fee
Fidelity Tactical Credit	33/33/33 Bloomberg US Credit / BofA ML US Corporate / Morningstar LSTA Leveraged Loan	8 – 58 Basis Points net return above benchmark over a full 3-5 year credit cycle (50-100 bps gross excess return)	No greater than 7% over a credit cycle	42 Basis Points on the first $300m, declining thereafter
Loomis Sayles Credit Asset	50/25/25 Bloomberg Corporate IG / Bloomberg High Yield 2% Capped / Morningstar LSTA Leveraged Loan	13 – 63 Basis Points net return above benchmark over a full 3-5 year credit cycle (50-100 bps gross excess return)	3% - 5% over a credit cycle	37 Basis Points
NIS Oppoirtunistic Credit	50/50 Bloomberg Aggregate / Bloomberg High Yield 2% Capped	75 Basis Points net return above benchmark over a 3-year rolling period	5.7% (2% less than the benchmark) over a 3-year cycle	40 Basis Points

As of June 30, 2024

PRODUCT COMPARISON

Strategy	Primary Portfolio Managers	Rest of the Investment Team	Supporting Colleagues
Liquid Multi-Sector Credit Fixed Income			
Fidelity Tactical Credit	Jeff Moore and Michael Plage	3 other portfolio managers (2 more joining team later this year), and a portfolio analyst	100+ researchers, analysts, and traders
Loomis Sayles Credit Asset	Kevin Kearns, Andrea DiCenso, and Tom Stolberg	1 associate portfolio manager and 14 other dedicated strategists, analysts, and specialists	100+ researchers, analysts, and traders
NIS Opportunistic Credit	Jason Berrie and Mark Anderson	9 other portfolio managers and 3 credit analysts	

As of June 30, 2024

PRODUCT COMPARISON

Strategy	Compliance Officers	Significant Team Departures	Litigation/Regulation
Liquid Multi-Sector Credit Fixed Income			
Fidelity Tactical Credit	Chris Gouveia leads a 100+ person compliance team at FIAM, and reports to CCO Stephanie Brown at Fidelity's parent company	In the past 5 years, 1 quantitative analyst supporting Tactical Credit was reassigned to a new role in Fidelity Fixed Income	No material litigation reported, and the last routine SEC review in 2018 did not result in any sanctions or fines (Fidelity does not report on other types of SEC findings including deficiencies)
Loomis Sayles Credit Asset	Chief Compliance Officer Donald Ryan has three direct reports	In the past 5 years, 5 Credit Asset team members have left Loomis to work elsewhere, while 3 have been reassigned elsewhere at Loomis	Six lawsuits from former employees/contractors/consultants in recent years, one settled by Loomis and the rest dismissed or ruled in Loomis' favor, routine SEC reviews in 2023 and 2017 noted zero deficiencies
NIS Opportunistic Credit	Chief Compliance Officer Natalie Abbot is supported by a Compliance/Financial Analyst	2 portfolio managers retired within the past 5 years after spending 24-30 years at NIS	No material litigation or non-routine regulatiory inquiries, the last 2015 SEC review noted 3 deficiencies that NIS addressed

FUND COMPOSITION

TYPICAL CREDIT QUALITY AND DURATION

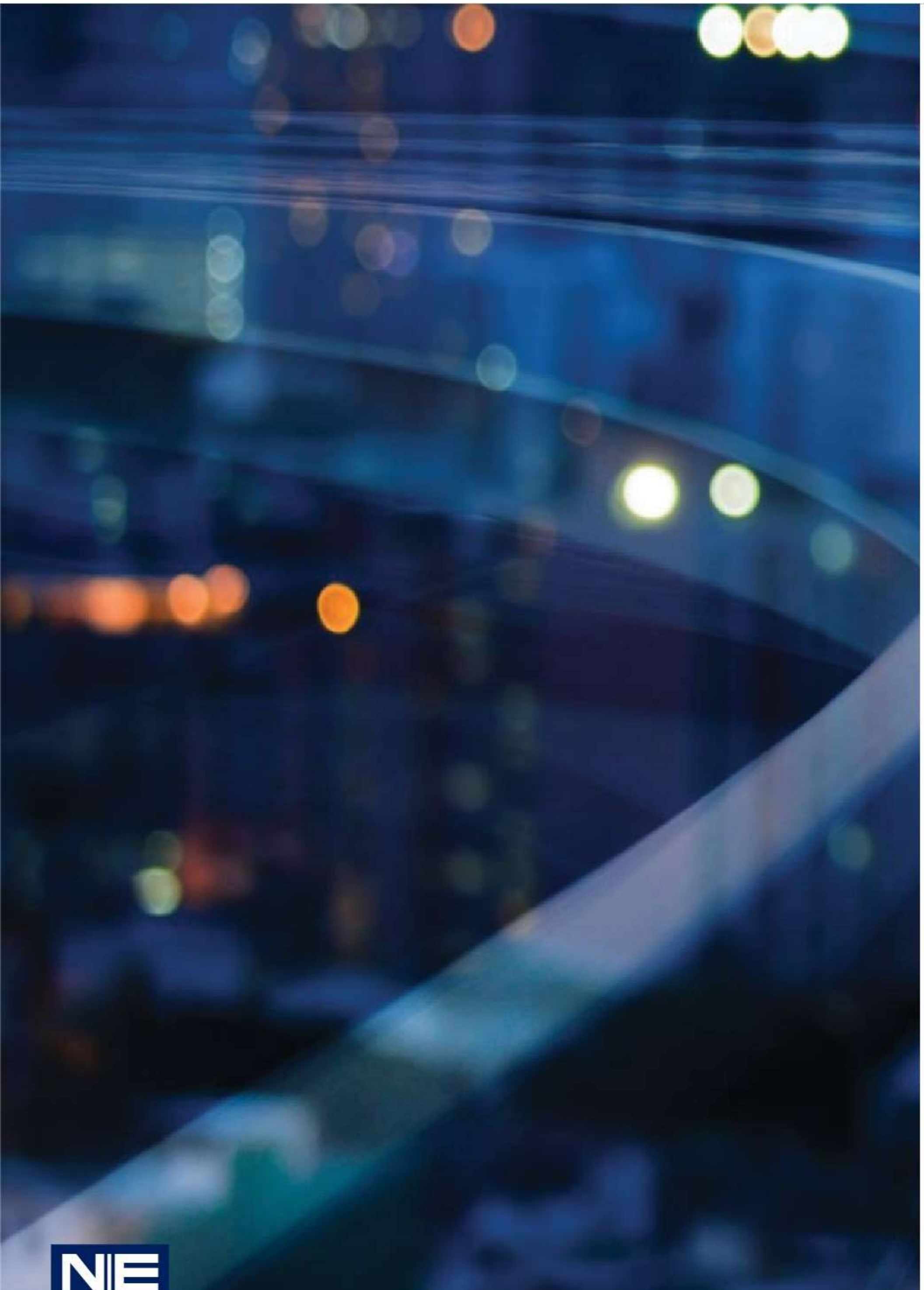
Credit Rating	Fidelity	Loomis	NIS
Investment-Grade	**34%**	**50%**	**42%**
BB	29%	25%	29%
B	29%	22%	15%
CCC-C	4%	2%	7%
Unrated	4%	2%	7%

Fidelity typically has less investment-grade exposure than the other finalists

Typical Duration Allocations			
Years	Fidelity	Loomis	NIS
<1	55%	28%	23%
1-3	10%	16%	37%
3-5	15%	23%	31%
5-7	8%	9%	7%
7-10	4%	16%	2%
10-20	7%	9%	0%
>20	0%	0%	0%

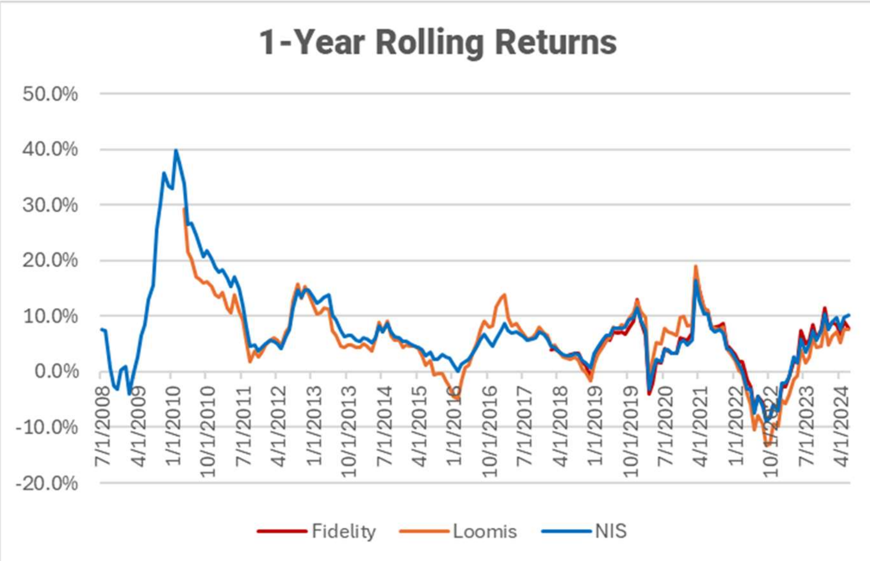
Loomis typically has a longer duration than the other finalists, resulting in greater interest rate risk

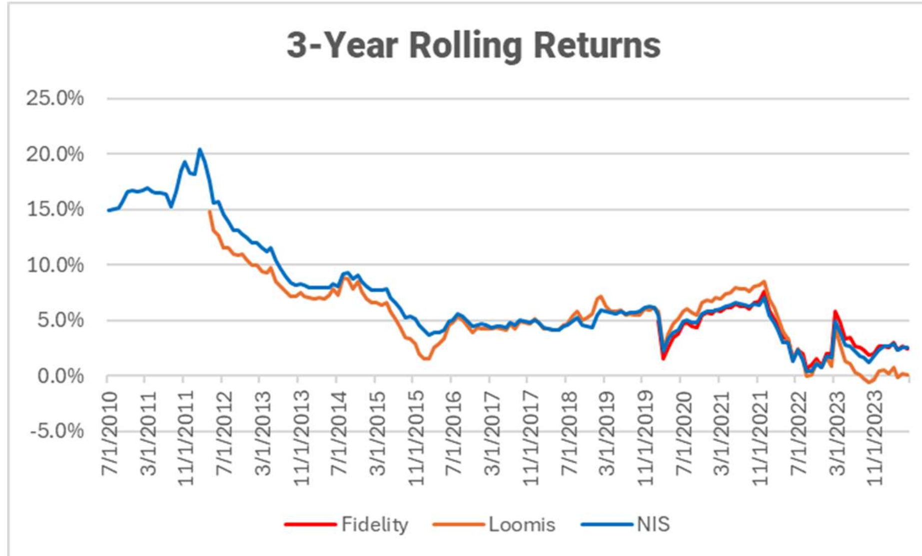
Historical median as of June 30, 2024



HISTORICAL PERFORMANCE

NET PERFORMANCE HISTORY



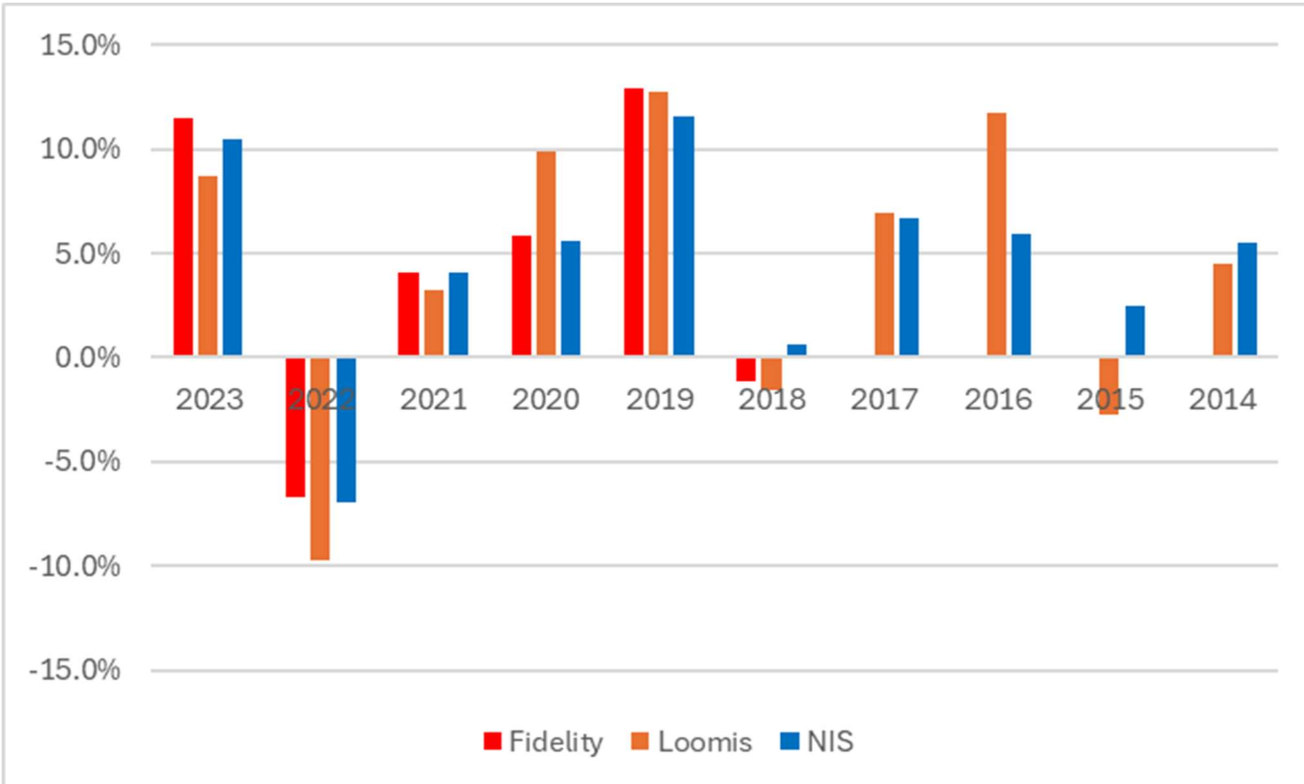


Annualized Net Returns					
Strategy	**Inception**	**3yr**	**5yr**	**10yr**	**15yr**
Fidelity Tactical Credit	Feb-17	2.8%	4.3%		
Loomis Sayles Credit Asset	May-09	0.5%	3.5%	3.9%	6.3%
NIS Opportunistic Credit	Aug-07	2.9%	4.2%	4.4%	7.3%

Recent past performance has suffered from two headwinds: relatively low interest rates for most of the period, then sharply increasing rates in 2022/2023

Performance as of June 30, 2024

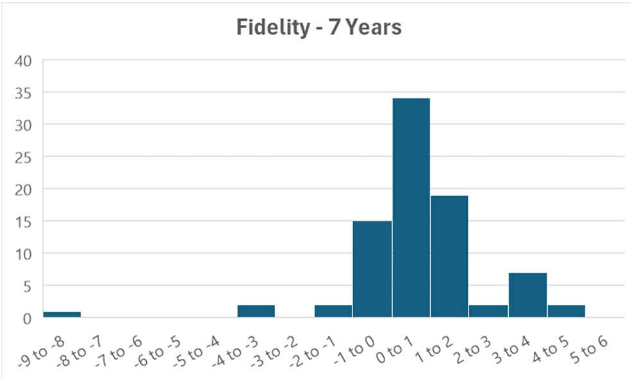
CALENDAR YEAR NET PERFORMANCE

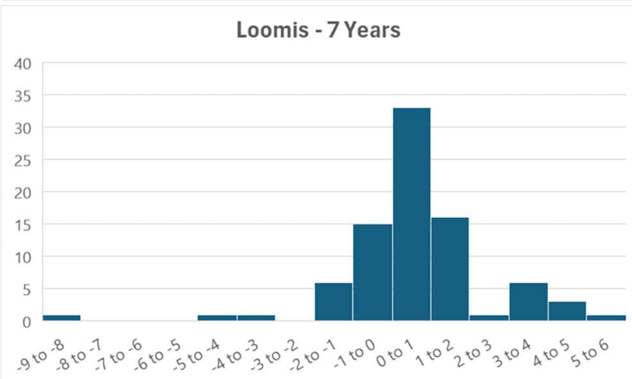


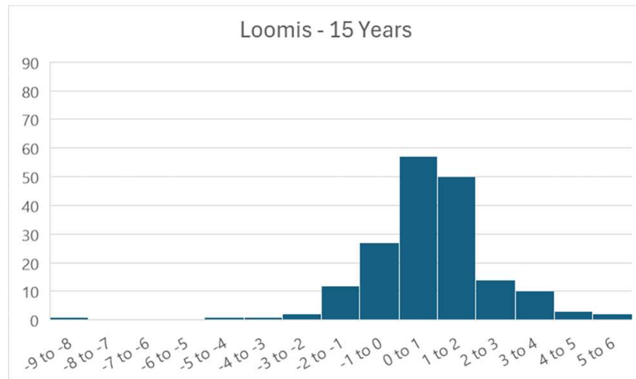
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	Fidelity Tactical Credit	11.5%	-6.7%	4.1%	5.8%	12.9%	-1.1%				
	Loomis Sayles Credit Asset	8.7%	-9.7%	3.2%	9.9%	12.7%	-1.6%	7.0%	11.7%	-2.7%	4.5%
	NIS Opportunistic Credit	10.5%	-7.0%	4.1%	5.6%	11.5%	0.7%	6.7%	5.9%	2.5%	5.5%

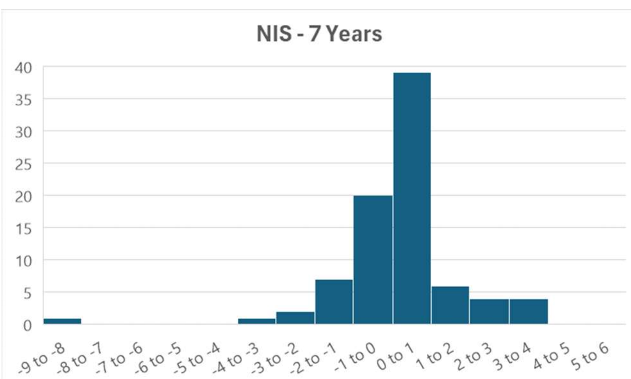
MONTHLY PERFORMANCE HISTOGRAMS

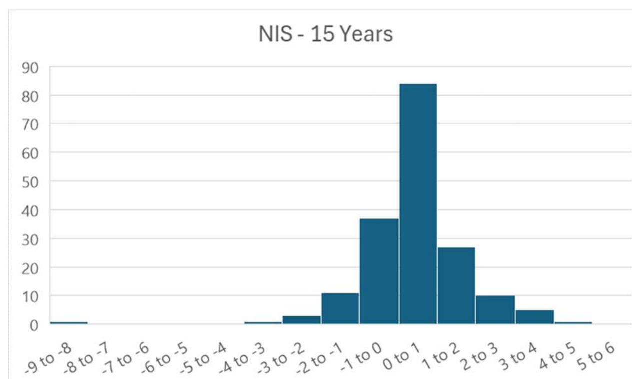
- NIS has had the lowest volatility of the finalists over the past 7- and 15-years
- Fidelity’s shorter track record exhibits slightly higher volatility than NIS
- Loomis has had the highest volatility of the finalists

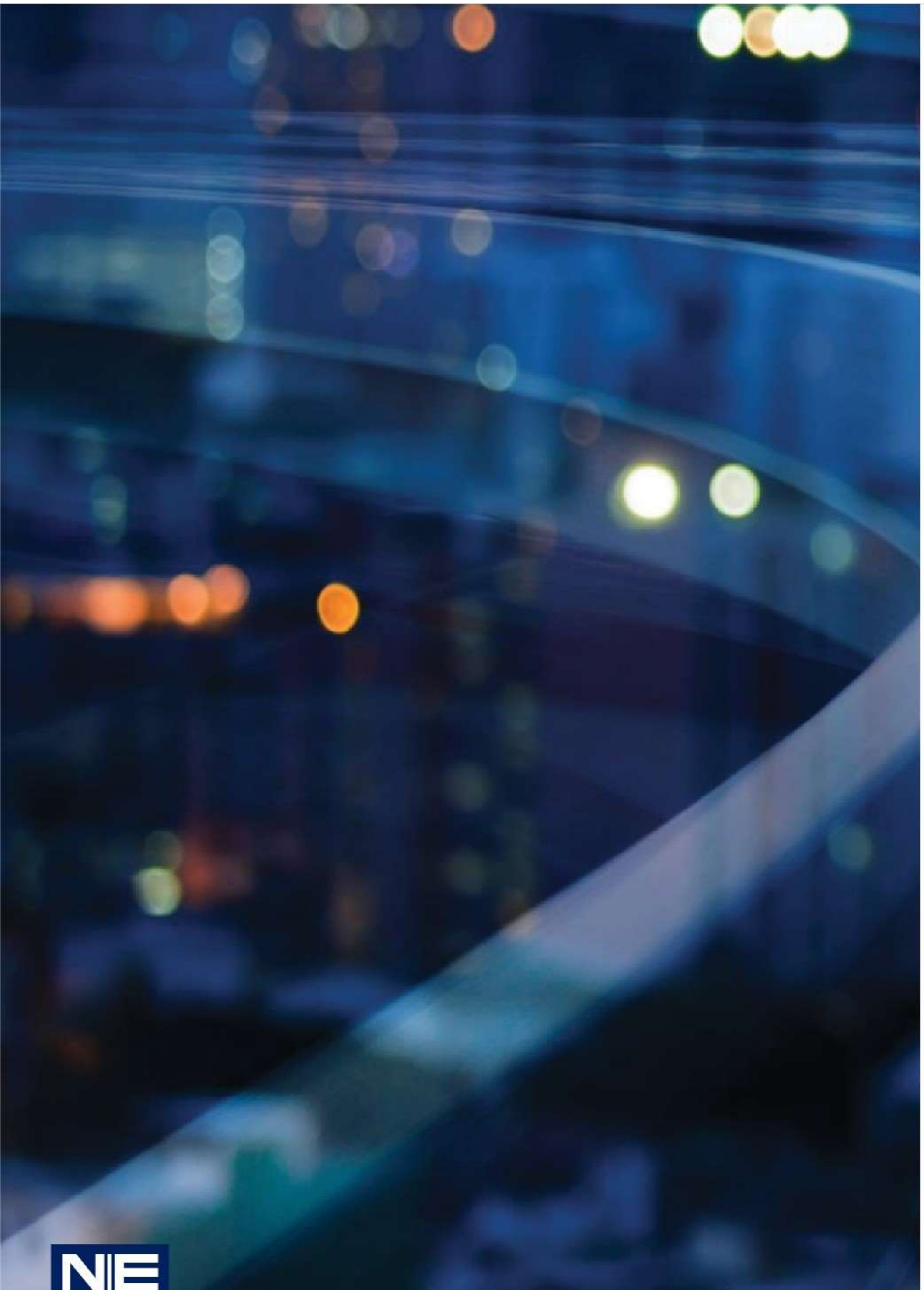












APPENDIX

DISCLOSURE

DATA DISCLOSURE

Investment management fees can have a significant effect on total returns. The results profiled herein reflect the deduction of management fees currently available for this StanCERA search.

DISCLAIMERS

This report contains summary information regarding the investment management approaches described herein but is not a complete description of the investment objectives, policies or portfolio management and research that supports these approaches.

Past performance is no guarantee of future results.

NEPC may provide background information on fund structures or the impact of taxes but you should contact your legal counsel or tax professional for specific advice on such matters.

Information on market indices was provided by sources external to NEPC, and other data used to prepare this report was obtained directly from the investment manager(s). While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.

October 22, 2024

Retirement Board Agenda Item

TO: Retirement Board

FROM: Alaine Taa, Executive Assistant/Clerk of the Board

I. SUBJECT: State Association of County Retirement Systems (SACRS) Voting Proxy

II. ITEM NUMBER: 9a

III. ITEM TYPE: Discussion and Action

IV. STAFF RECOMMENDATION:

a. Choose two voting proxy delegates to vote on behalf of the Board of Retirement for the SACRS Business meeting, November 15, 2024

V. ANALYSIS:

Each year in May and November, SACRS holds a conference with a business meeting on the last day of the conference. The Constitution of SACRS states that "the purpose of the Association is to provide forums for disseminating knowledge of, and developing expertise in, the 1937 Act retirement systems; and further, that the Association foster and take an active role in the legislative process as it affects SACRS retirement system". SACRS 2024 – Fall Conference is going to take place November 15, 2024. StanCERA will need two voting delegates identified who will be voting on behalf of the full Board at the Fall business Conference, Friday November 15, 2024.

Attachment 1

VI. RISK: None

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT: None

Providing insight. Fostering oversight.

SACRS VOTING PROXY FORM

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

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

_______________________________________ Voting Delegate

_____________________________________ Alternate Voting Delegate

These delegates were approved by the Retirement Board on _____/ _____/ _____.

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

Signature: _____________________________________

Print Name: _________________________________

Position: ______________________________________

Date: _________________________________

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