



January 28, 2025

1:30 P.M.

BOARD ROOM

## BOARD OF RETIREMENT

## AGENDA

832 12<sup>th</sup> 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. If you wish to make a public comment during the Public Comment section of the meeting, 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](mailto: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](http://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

(a) Board of Retirement Seat 3

(b) 2025 Chairman of the Board – Michael Lynch and Vice Chairman – Terry Withrow

(c) Staff Updates

5) Public Comment

6) Emergency Declaration

7) Consent Items:

(a) Approval of December 3, 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) Application for Death Benefit - Government Code Section 31781 & 31781.1, 31781.3  
Meredith, Natasha (Active) – Stanislaus County - Non-Service Connected –  
Effective 12-28-2024

(d) Investment Matrix [View](#)

(e) Investment Fee Summary and Value Added Reports as of June 2024  
Agenda Item [View](#) Attachment [View](#)

(f) Private Market Commitment Notice

1. Brookfield Strategic Real Estate Partners V  
Agenda Item [View](#)

(g) Private Markets Program Report as of September 2024  
Agenda Item [View](#) Attachment [View](#)

(h) Alameda review and refunds - completed [View](#)

(i) Disability Hearing Office Application Review [View](#)

(j) Tegrit Long-Term Contract – Pension Administration System Support  
Agenda Item [View](#) Attachment [View](#)

(k) StanCERA Reducing Risk of Fraud, Error, and Increase Automation of  
Financial Transactions [View](#)

(l) 2024 1099R Update [View](#)

- (m) Board of Retirement Seat 3 Declaration [View](#)
- (n) Strategic Plan Action Items Update  
Agenda Item [View](#) Attachment 1 [View](#)
- 8) Investment:
  - (a) Investment Consultant – NEPC  
December Flash Report [View](#) November Flash Report [View](#)
  - (b) Benchmark Education - NEPC [View](#)
- 9) Administrative (Part I):
  - (a) RFP Policy Update (Discussion and Action)  
Agenda Item [View](#) Attachment [View](#)
  - (b) Brown Armstrong Accountancy Corporation (Discussion and Action) –  
Auditing Services Contract  
Agenda Item [View](#) Attachment [View](#)
- 10) Closed Session:
  - (a) CONFERENCE WITH LEGAL COUNSEL ANTICIPATED LITIGATION  
Pursuant to Government Code Section 55456.9 (d)(2) Two (2) cases
  - (b) Personnel Matter (1)  
Government Code Section 54957 (b)(1)
  - (c) Personnel Evaluation of Executive Director  
Government Code Section 54957 (b)(1)  
Government Code Section 54957.6
- 11) Administrative (Part II):
  - (a) Discussion and Possible Action re changes to salary and/or fringe  
benefits of Executive Director
- 12) Members' Forum (Information and Future Agenda Requests Only)
- 13) Adjournment



December 3, 2024

1:30 P.M.

BOARD ROOM

BOARD OF RETIREMENT

MINUTES

832 12<sup>th</sup> 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.

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1) Call Meeting to Order

2) Pledge of Allegiance

3) Roll Call

**Trustees Present**

Donna Riley  
Mandip Dhillon  
Delilah Vasquez  
Darin Gharat  
Mike Lynch  
Terry Withrow  
Joshua Clayton  
Rhonda Biesemeier  
Jeff Grover

**Trustees Absent**

Samuel Sharpe

**Others Present**

Tom Stadelmaier, Executive Director  
Stan Conwell, Retirement Investment Officer  
Carmen Gusman, Retirement Fiscal Manager  
Fred Silva, General Legal Counsel  
Jamie Gingerich, Member and Employer Services Specialist  
Alaine Taa, Executive Board Assistant  
Daniel Hennessey- NEPC, Investment Consultant  
Graham Schmidt – Cheiron Consultant  
Jonathan Chipko, Cheiron Consultant (Video Conference)

4) Announcements

(a) Board of Retirement Seat 3 Elections December 2024

5) Public Comment

6) Emergency Declaration

7) Consent Items:

(a) Approval of October 22, 2024 Meeting Minutes

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

(c) Investment Matrix

(d) Private Market Commitment Notice

1. Crayhill Principal Strategies Fund III

(e) Conference Summary

- (f) StanCERA Board Member Committee Assignments
- (g) StanCERA Board Member Education Summary
- (h) StanCERA 2025 Board Meeting Calendar
- (i) Strategic Plan Action Update

Motion was made by Trustee Clayton and seconded by Trustee Vasquez to approve all consent items as presented.

Motion passed unanimously.

8) Investment:

- (a) Investment Consultant – NEPC - October Flash Report
- (b) NEPC Quarterly Performance as of September 30, 2024
- (c) NEPC Real Estate Assets Report as of June 30, 2024

9) Administrative:

- (a) Discussion and Action re Preliminary Actuarial Valuation as of June 30, 2024 and Actuarial Experience Study for July 1, 2021 – June 30, 2024 – Cheiron

The Board of Retirement agreed with Cheiron moving forward with the new recommended assumptions. Further discussion and action will occur when Cheiron returns to present the final June 30, 2024 Actuarial Valuation Report (tentatively scheduled for the February 2025 Board Meeting).

- (b) Hightower Investment in NEPC

10) Standing Committee:

- (a) Due Diligence Committee Report
- (b) Internal Governance Committee

2024 Annual Comprehensive Financial Report

Motion was made by Trustee Vasquez and seconded by Trustee Grover to approve the Annual Comprehensive Financial Report and Statements for the Fiscal Years ended June 30, 2024 and 2023.

Motion passed unanimously.

Motion was made by Trustee Bieseimer and seconded by Trustee Dhillon to enter into Closed Session.

Motion passed unanimously

11) Closed Session:

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

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

3:42 p.m. Trustee Withrow left the meeting.

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

Motion passed unanimously.

\*Read out – Motion by Trustee Withrow and seconded by Trustee Mandip Dhillon to authorize staff to finalize and execute the 5-year Pension Administration System Support Agreement with Tegrity.

Donna Riley - Yes  
Mandip Dhillon - Yes  
Delilah Vasquez - Yes  
Darin Gharat - Yes  
Mike Lynch - Yes  
Terry Withrow - Yes  
Joshua Clayton - Yes  
Rhonda Bieseimer - Abstained  
Jeff Grover - Yes

Motion passed.

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

13) Adjournment Time: 3:56 p.m.

Respectively submitted,

APPROVED AS TO FORM

By Thomas Stadelmaier

By Fred A. Silva

Thomas Stadelmaier, Executive Director

Fred A. Silva, General Legal Counsel

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*StanCERA APPLICATIONS FOR SERVICE RETIREMENT(S)*

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

*01/28/25 Item 7.b*

Bacon, Rebecca - Stanislaus County - Effective 12/28/2024  
CRAGO, Carrie - Stanislaus Superior Court - Effective 01/01/2025  
Conner, Laura - Stanislaus County - Effective 01/08/2025  
Dhami, Jasbir - Stanislaus County - Effective 01/03/2025  
Dhillon, Manpreet - Stanislaus County - Effective 01/07/2025  
Grogan, Cheryl - Stanislaus County - Effective 01/11/2025  
Hewett, Elizabeth - Stanislaus County - Effective 12/14/2024  
Hicks, Cheryl - Stanislaus County - Effective 12/12/2024  
Kelley, Jeanne - Stanislaus County - Effective 01/06/2025  
Lawrence III, Thomas - Stanislaus County - Effective 01/10/2025  
Mahurin, Lisa - Stanislaus County - Effective 01/09/2025  
Rohn, Shane - Stanislaus County - Effective 01/13/2025  
Rosenthal, Cheryl - Stanislaus County - Effective 07/27/2024  
Small, Tamica - Stanislaus County - Effective 12/28/2024  
TODD, LJILJANA - Stanislaus County - Effective 12/31/2024  
Veitch, Patricia - Stanislaus County - Effective 12/31/2024  
Williams, Cody - Stanislaus County - Effective 01/11/2025



**January 28, 2025**

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

- I. SUBJECT: Investment Matrix
- II. ITEM NUMBER: 7.d
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: N/A
- V. ANALYSIS:

a) *Investment Program Activities:*

The Private Markets Investment Consultant Search Services RFP was completed in January following a thorough evaluation of the finalists. The results were presented to the Private Markets Search Committee and the committee will be making a recommendation to the full board at the January meeting. The private markets RFP will be a significant project in 2025. Other important investment projects for 2025 were outlined in the work plans developed by Staff, NEPC and Verus. There should be more opportunities to focus on investment education, manager monitoring, and reporting enhancements in 2025. Significant progress was made with Northern Trust in developing a private markets performance report, which is expected to replace the internal reports currently prepared by staff.

b) *Money Transfer Report:*

November & December 2024: Capital Calls

From			To		
Manager	Asset Class	Amount	Manager	Asset Class	Amount
NT Russell 3000 Index Fund	Public Equity	-\$2,563,384.00	Blue Wolf Capital Fund V	Private Equity	\$2,563,384.00
NT STIF Fund	Cash	-\$768,907.26	Gryphon Partners VI	Private Equity	\$768,907.26
BlackRock US High	Fixed Income	-\$9,253,529.00	Crayhill Principal	Private Credit	\$9,253,529.00

Yield Bond Index			Strategies Fund III		
NT Russell 3000 Index Fund	Public Equity	-\$1,637,143.00	Gridiron Capital Fund V	Private Equity	\$1,637,143.00
NT Infrastructure Proxy Fund	Public Equity	-\$1,934,235.00	Carlyle RSEF II	Private Infrastructure	\$1,934,235.00
BlackRock US High Yield Bond Index	Fixed Income	-\$1,869,874.00	Comvest Credit Partners VII	Private Credit	\$1,869,874.00
NT Russell 3000 Index Fund	Public Equity	-\$1,508,273.32	Audax Private Equity Fund VII	Private Equity	\$1,508,273.32
NT Infrastructure Proxy Fund	Public Equity	-\$1,519,532.50	Palistar Comm Infra II	Private Infrastructure	\$1,519,532.50
NT STIF Fund	Cash	-\$300,000.00	Eclipse Fund V	Private Equity	\$300,000.00
NT STIF Fund	Cash	-\$135,250.12	Gryphon Partners VI	Private Equity	\$135,250.12
NT Russell 3000 Index Fund	Public Equity	-\$3,559,917.47	Great Hill Equity Partners VIII	Private Equity	\$3,559,917.47
NT STIF Fund	Cash	-\$908,128.00	Crestline Opportunity Fund V	Private Credit	\$908,128.00
BlackRock US High Yield Bond Index	Fixed Income	-\$9,253,529.00	Crayhill Principal Strategies Fund III	Private Credit	\$9,253,529.00

c) *Manager Meetings:*

LSV International Large Cap Value Equity

Staff met with an LSV portfolio manager and partner for an organizational and performance update. LSV has been a part of StanCERA's portfolio since 2004 and is one of two international public equity managers in the portfolio. LSV currently manages about \$315 Million in assets for StanCERA. LSV follows a deep value, quantitative strategy with built-in controls to optimize diversification and mitigate risk. The strategy has performed well, especially over the over the medium to long term. LSV has experienced a jump in employee turnover relatively recently and is currently involved in litigation with former employees.

While the risk of this event to StanCERA is small, staff and NEPC will continue to monitor the situation and report any significant developments to the board.

#### Ares Senior Direct Lending Fund III

While still early in the fund life, staff met with Ares account representatives for an update on Ares and the Ares Senior Direct Lending Fund III (SDL III). SDL III is a core part of StanCERA's direct lending sub portfolio. SDL III focuses almost exclusively on first lien senior secured loans to sponsor backed private borrowers across North America. While still early, deployment of capital was excellent and is broadly diversified. The outlook for activity remains positive as Ares seems to be benefiting from their scaled credit platform. A general update on the global leveraged credit markets was provided as well as other Ares fund offerings.

#### Crayhill Principal Strategies Fund III

Staff initiated a review call to learn more about the strategy. Crayhill is a private credit firm focused on providing capital solutions to underserved niche lending sectors. Loans are structured to provide good downside protection as they are backed by cash flowing assets and upside optionality is integrated through equity interests. Fund III was very active through the fund-raising period and has now called about 50% of StanCERA's commitment. Significant portions of the meeting were spent detailing the investment process for each niche sector. Crayhill is a high conviction manager for both Verus and NEPC given their differentiated strategy, good track record, and conservative underwriting practices.

- VI. RISK: None
- VII. STRATEGIC PLAN: N/A
- VIII. ADMINISTRATIVE BUDGET IMPACT: None

**January 28, 2025**

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

- I. SUBJECT: Investment Fee Summary and Value-Added Reports– September, 2024
- II. ITEM NUMBER: 7.e
- 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 and expenses by asset class, investment style, and individual manager. Data for this report is updated on at least a quarterly basis. For the period, 07/01/2022 to 9/30/2024, total investment fees and expenses were approximately \$48.3 Million or roughly 77.6 bps (0.78%) 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 2022 fiscal year to provide a good overall indication of the fees and expenses charged to the portfolio.

*Value Added Report* – Performance was down for most managers in the quarter ending September 30, 2024. Those managers that follow a value investment style, gave up some gains made in earlier periods. However, there were exceptions: Attucks sub-managers, Pacific Ridge and Seizert, outperformed this quarter while Fidelity, a growth manager, posted good results. Insight Investment had a weaker quarter but, like the value managers, has delivered strong results over the past 3–5 years. 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 which focuses on undervalued international stocks, and the secondary benchmark is the MSCI ACWI ex-US Core Index, a broader measure of international markets.

- VI. RISK: None
- VII. STRATEGIC PLAN: N/A
- VIII. ADMINISTRATIVE BUDGET IMPACT: None

### StanCERA Investment Fee Summary - By Asset Class



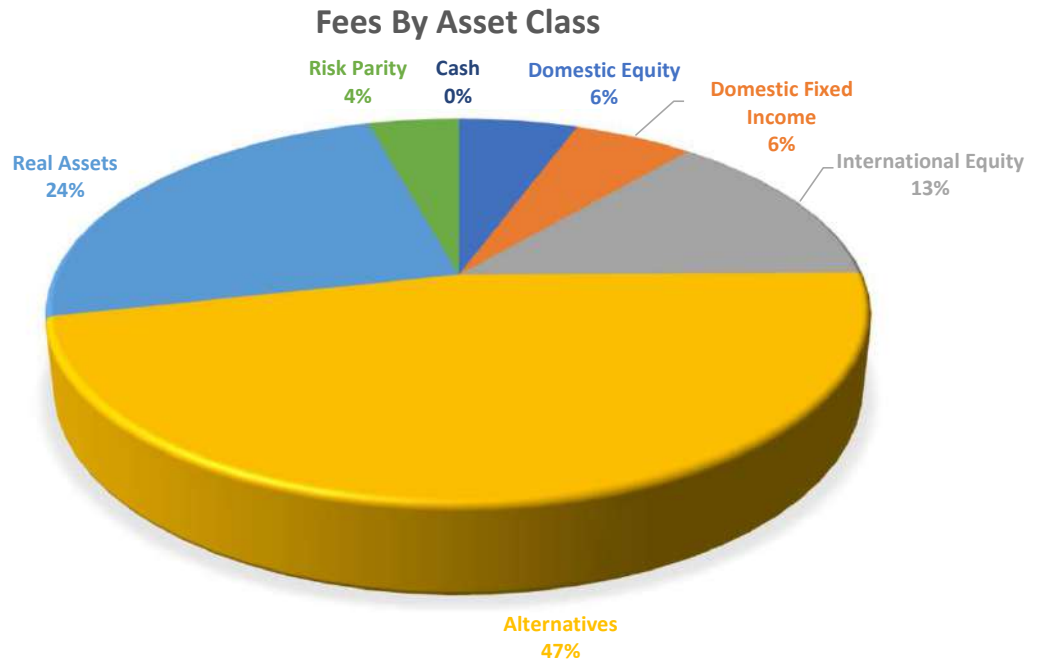
7/1/2022 thru 9/30/2024

	Fees In Dollars				Annualized Fees in Basis Points						
	Average AUM	Managerial	Performance*	Other**	Custodial	Total	Managerial	Performance	Other	Custodial	Total
Total StanCERA Portfolio	\$2,658,527,808	\$30,339,621	\$3,645,433	\$13,688,561	\$697,307	\$48,370,922	48.7	5.8	22.0	1.1	77.6

### Fees By Asset Class

	Average AUM	Managerial	Performance	Other	Custodial	Total	Managerial	Performance	Other	Custodial	Total
Domestic Equity	\$618,593,024	\$2,610,409	\$0	\$0	\$97,908	\$2,708,317	4.2	0.0	0.0	0.2	4.3
Domestic Fixed Income	\$532,103,826	\$2,641,915	\$0	\$61,857	\$30,009	\$2,733,781	4.2	0.0	0.1	0.0	4.4
International Equity	\$512,832,773	\$2,869,812	\$3,263,933	\$0	\$427,431	\$6,561,175	4.6	5.2	0.0	0.7	10.5
Alternatives	\$314,975,206	\$10,810,652	\$820,365	\$10,872,248	\$86,726	\$22,589,990	17.3	1.3	17.4	0.1	36.2
Real Assets	\$434,205,058	\$9,669,470	-\$438,865	\$2,436,920	\$46,724	\$11,714,250	15.5	-0.7	3.9	0.1	18.8
Risk Parity	\$210,178,374	\$1,737,363	\$0	\$317,536	\$8,509	\$2,063,408	2.8	0.0	0.5	0.0	3.3
Cash	\$35,639,547	\$0	\$0	\$0	\$0	\$0	0.0	0.0	0.0	0.0	0.0

Asset Class	Fees
Domestic Equity	\$2,708,317
Domestic Fixed Income	\$2,733,781
International Equity	\$6,561,175
Alternatives	\$22,589,990
Real Assets	\$11,714,250
Risk Parity	\$2,063,408
Cash	\$0
<b>Total</b>	<b>\$48,370,922</b>



\* 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.



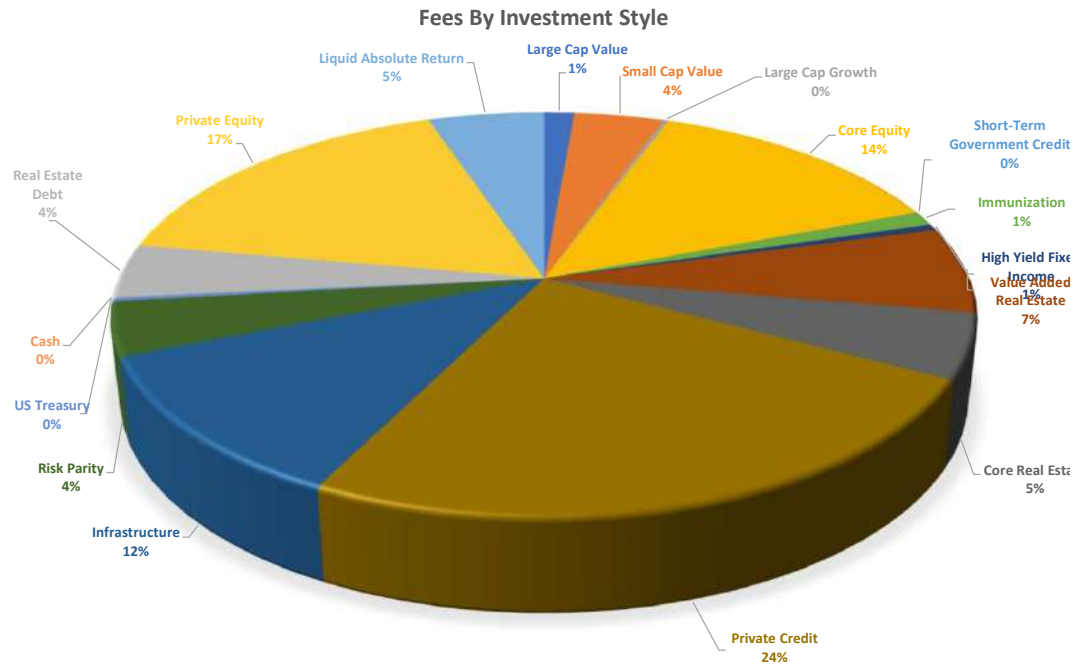
## StanCERA Investment Fee Summary - By Investment Style

7/1/2022 thru 9/30/2024

	Fees In Dollars					Annualized Fees in Basis Points					
	Average AUM	Managerial	Performance*	Other**	Custodial	Total	Managerial	Performance	Other	Custodial	Total
Total StanCERA Portfolio	\$2,658,527,808	\$30,339,621	\$3,645,433	\$13,688,561	\$697,307	\$48,370,922	48.7	5.8	22.0	1.1	77.6

	Fees By Investment Style										
	Average AUM	Managerial	Performance	Other	Custodial	Total	Managerial	Performance	Other	Custodial	Total
Large Cap Value	\$238,761,796	\$621,450	\$0	\$0	\$27,211	\$648,661	1.0	0.0	0.0	0.0	1.0
Small Cap Value	\$108,314,263	\$1,866,108	\$0	\$0	\$66,354	\$1,932,462	3.0	0.0	0.0	0.1	3.1
Large Cap Growth	\$223,722,859	\$100,181	\$0	\$0	\$4,344	\$104,525	0.2	0.0	0.0	0.0	0.2
Core Equity	\$560,626,880	\$2,892,481	\$3,263,933	\$0	\$427,431	\$6,583,845	4.6	5.2	0.0	0.7	10.6
Short-Term Government Credit	\$0	\$0	\$0	\$0	\$0	\$0	0.0	0.0	0.0	0.0	0.0
Immunization	\$199,299,074	\$538,171	\$0	\$0	\$20,345	\$558,516	0.9	0.0	0.0	0.0	0.9
High Yield Fixed Income	\$87,968,676	\$237,794	\$0	\$0	\$4,386	\$242,180	0.4	0.0	0.0	0.0	0.4
Value Added Real Estate	\$124,959,591	\$4,311,351	-\$1,603,070	\$608,193	\$18,899	\$3,335,373	6.9	-2.6	1.0	0.0	5.4
Core Real Estate	\$105,261,767	\$2,067,450	\$355,977	\$76,626	\$8,096	\$2,508,148	3.3	0.6	0.1	0.0	4.0
Private Credit	\$132,923,029	\$4,052,000	-\$189,489	\$7,940,660	\$39,655	\$11,842,826	6.5	-0.3	12.7	0.1	19.0
Infrastructure	\$203,838,245	\$3,245,709	\$807,926	\$1,506,149	\$18,614	\$5,578,398	5.2	1.3	2.4	0.0	9.0
Risk Parity	\$210,178,374	\$1,737,363	\$0	\$317,536	\$8,509	\$2,063,408	2.8	0.0	0.5	0.0	3.3
US Treasury	\$146,256,760	\$135,182	\$0	\$0	\$0	\$135,182	0.2	0.0	0.0	0.0	0.2
Cash	\$35,639,547	\$0	\$0	\$0	\$0	\$0	0.0	0.0	0.0	0.0	0.0
Real Estate Debt	\$98,724,771	\$1,775,729	\$303	\$307,809	\$6,393	\$2,090,234	2.8	0.0	0.5	0.0	3.4
Private Equity	\$105,552,106	\$5,397,024	\$29,477	\$2,782,992	\$38,307	\$8,247,800	8.7	0.0	4.5	0.1	13.2
Liquid Absolute Return	\$76,500,070	\$1,361,628	\$980,376	\$148,597	\$8,764	\$2,499,364	2.2	1.6	0.2	0.0	4.0

By Investment Style	Fees
Large Cap Value	\$648,661
Small Cap Value	\$1,932,462
Large Cap Growth	\$104,525
Core Equity	\$6,583,845
Short-Term Government Credit	\$0
Immunization	\$558,516
High Yield Fixed Income	\$242,180
Value Added Real Estate	\$3,335,373
Core Real Estate	\$2,508,148
Private Credit	\$11,842,826
Infrastructure	\$5,578,398
Risk Parity	\$2,063,408
US Treasury	\$135,182
Cash	\$0
Real Estate Debt	\$2,090,234
Private Equity	\$8,247,800
Liquid Absolute Return	\$2,499,364
<b>Total</b>	<b>\$48,370,922</b>



\* 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.



Stanislaus County Employees' Retirement Association - Investment Fee Summary

7/1/2022 thru 9/30/2024

Count	Manager Name	Fees in Dollars						Fees in Annualized Basis Points				
		Average AUM****	Management	Performance **	Other***	Custodial	Total	Management	Performance	Other	Custodial	Total
1	Dodge Cox Equity	\$121,044,447	\$568,671	\$0	\$0	\$22,885	\$591,555	20.9	0.0	0.0	0.8	21.7
2	LSV	\$274,586,113	\$1,529,137	\$3,084,953	\$0	\$306,697	\$4,920,787	24.7	49.9	0.0	5.0	79.6
3	Fidelity	\$238,246,661	\$1,340,675	\$178,980	\$0	\$120,734	\$1,640,388	25.0	3.3	0.0	2.3	30.6
4	Blackrock Value	\$117,717,349	\$52,779	\$0	\$0	\$4,327	\$57,105	2.0	0.0	0.0	0.2	2.2
5	Blackrock Growth	\$223,722,859	\$100,181	\$0	\$0	\$4,344	\$104,525	2.0	0.0	0.0	0.1	2.1
6	Raven Asset-Based Opportunity Fund I L.P.	\$0	\$0	\$0	\$0	\$3,188	\$3,188	0.0	0.0	0.0	0.0	0.0
7	White Oak Pinnacle Fund L.P.	\$26,206,870	\$761,026	\$0	\$165,223	\$4,250	\$930,499	129.0	0.0	28.0	0.7	157.8
8	Medley Opportunity Fund II L.P.	\$1,132,790	\$13,434	-\$1,245,969	-\$141,981	\$4,250	-\$1,370,266	52.7	-4887.4	-556.9	16.7	-5374.9
9	Blackrock US Real Estate	\$6,666,882	\$10,851	\$0	\$0	\$4,378	\$15,229	7.2	0.0	0.0	2.9	10.2
10	Greenfield GAP VII Management Fund, L.L.C	\$1,219,026	\$148,009	\$49,273	\$49,072	\$4,250	\$250,604	539.5	179.6	178.9	15.5	913.5
11	Channing	\$30,107,301	\$559,723	\$0	\$0	\$23,525	\$583,247	82.6	0.0	0.0	3.5	86.1
12	Pacific Ridge	\$18,152,985	\$404,867	\$0	\$0	\$15,097	\$419,964	99.1	0.0	0.0	3.7	102.8
13	Walhausen	\$4,537,699	\$40,321	\$0	\$0	\$2,579	\$42,900	356.6	0.0	0.0	22.8	379.5
14	Morgan Stanley Prime Property Fund, L.L.C	\$98,594,885	\$2,056,598	\$355,977	\$76,626	\$3,719	\$2,492,919	92.7	16.0	3.5	0.2	112.3
15	American Realty Advisors Fund	\$82,814,391	\$2,053,264	-\$1,579,301	\$0	\$4,250	\$478,212	110.2	-84.7	0.0	0.2	25.7
16	North Haven Infrastructure II GP LP	\$15,194,024	\$550,637	\$0	\$135,081	\$4,276	\$689,993	161.0	0.0	39.5	1.3	201.8
17	Raven Asset-Based Opportunity Fund III L.P.	\$48,581,723	\$775,376	-\$454,183	\$1,413,041	\$4,250	\$1,738,484	70.9	-41.5	129.2	0.4	159.0
18	Insight Investment	\$199,299,074	\$538,171	\$0	\$0	\$20,345	\$558,516	12.0	0.0	0.0	0.5	12.5
19	Northern Trust Long Term Bond Fund	\$43,100,971	\$39,452	\$0	\$0	\$0	\$39,452	4.1	0.0	0.0	0.0	4.1
20	Northern Trust Intermediate Term Bond Fund	\$103,155,789	\$95,730	\$0	\$0	\$0	\$95,730	4.1	0.0	0.0	0.0	4.1
21	PanAgora Multi-Asset	\$99,380,591	\$782,850	\$0	\$8,192	\$4,259	\$795,301	35.0	0.0	0.4	0.2	35.6
22	PGIM Real Estate U.S. Debt Fund, L.P.	\$98,579,317	\$1,730,768	\$0	\$61,857	\$5,279	\$1,797,903	78.0	0.0	2.8	0.2	81.0
23	AQR Global Risk Premium - EL	\$110,797,783	\$954,513	\$0	\$309,344	\$4,250	\$1,268,107	38.3	0.0	12.4	0.2	50.9
24	Grandview Partners I, L.P.	\$20,486,145	\$1,007,833	\$0	\$277,049	\$4,250	\$1,289,132	218.6	0.0	60.1	0.9	279.6
25	Northern Trust Russell 3000 Fund	\$47,794,106	\$22,670	\$0	\$0	\$0	\$22,670	2.1	0.0	0.0	0.0	2.1
26	Owl Rock First Lien Fund	\$8,722,015	\$349,371	\$0	\$2,414,853	\$4,259	\$2,768,483	178.0	0.0	1230.2	2.2	1410.4*
27	Insight Partners XI	\$21,936,572	\$530,801	\$0	\$154,507	\$4,340	\$689,648	107.5	0.0	31.3	0.9	139.7
28	Vista Foundation Fund IV	\$14,521,754	\$900,000	\$0	\$381,695	\$4,276	\$1,285,971	275.4	0.0	116.8	1.3	393.5
29	Clayton, Dubilier, Rice Fund XI (CD&R XI)	\$15,232,105	\$385,240	\$0	\$484,045	\$4,301	\$873,586	112.4	0.0	141.2	1.3	254.8
30	Seizert Capital Partners	\$35,774,453	\$502,839	\$0	\$0	\$13,102	\$515,941	62.5	0.0	0.0	1.6	64.1
31	Gryphon Partners VI	\$16,162,279	\$498,893	-\$64,878	-\$65,900	\$4,276	\$372,391	137.2	-17.8	-18.1	1.2	102
32	Genstar Capital Partners X	\$11,501,354	\$483,071	-\$3,983	\$42,597	\$4,395	\$526,080	186.6	-1.5	16.5	1.7	203
33	Strategic Value Special Situations Fund V	\$6,345,130	\$318,312	\$0	\$232,908	\$4,293	\$555,513	222.9	0.0	163.1	3.0	389
34	Northern Trust Infrastructure Fund	\$82,332,046	\$10,063	\$0	\$0	\$0	\$10,063	0.5	0.0	0.0	0.0	0.5
35	BlackRock High Yield Bond Fund	\$87,968,676	\$237,794	\$0	\$0	\$4,386	\$242,180	12.0	0.0	0.0	0.2	12.2
36	IIF Hedged JP Morgan	\$34,211,927	\$668,737	\$315,193	\$363,733	\$4,807	\$1,352,471	86.9	40.9	47.2	0.6	175.7
37	IFM Global	\$54,944,753	\$911,162	\$492,732	\$188,354	\$3,727	\$1,595,975	73.7	39.8	15.2	0.3	129.1
38	Graham Capital	\$58,288,414	\$1,170,911	\$980,376	\$148,597	\$4,284	\$2,304,169	89.3	74.7	11.3	0.3	175.7
39	Invesco Global Targeted Returns	\$27,317,483	\$190,716	\$0	\$0	\$4,480	\$195,196	46.5	0.0	0.0	1.1	47.6
40	Sole Source Capital Partners II	\$13,923,455	\$503,696	\$0	\$79,018	\$4,250	\$586,964	160.7	0.0	25.2	1.4	187.3
41	Grandview II, LP	\$16,289,602	\$676,439	\$0	\$156,540	\$4,267	\$837,246	184.5	0.0	42.7	1.2	228.4
42	Palistar Communications Infrastructure Fund II	\$14,341,632	\$675,000	\$0	\$109,597	\$4,284	\$788,881	209.1	0.0	34.0	1.3	244.4
43	Great Hill Equity Partners VIII	\$2,406,158	\$778,114	\$0	\$156,212	\$3,917	\$938,243	1436.9	0.0	288.5	7.2	1732.6*
44	ABRY Senior Equity VI, LP	\$8,486,725	\$340,276	\$108,644	\$68,301	\$4,386	\$521,607	178.2	56.9	35.8	2.3	273.1
45	Monroe Capital Private Credit Fund IV, LP	\$16,598,985	\$796,684	\$546,759	\$2,410,168	\$4,574	\$3,758,185	213.3	146.4	645.2	1.2	1006*
46	Blue Wolf Capital Fund V	\$4,747,785	\$469,777	\$0	\$856,647	\$3,608	\$1,330,032	439.7	0.0	801.7	3.4	1244.8*
47	Audax Private Equity Fund VII	\$2,881,120	\$342,274	\$0	\$480,213	\$2,495	\$824,982	1098.5	0.0	1541.2	8.0	2647.7*
48	Phocas Financial Corporation	\$26,773,750	\$358,359	\$0	\$0	\$12,050	\$370,409	67.0	0.0	0.0	2.3	69.2



**Stanislaus County Employees' Retirement Association - Investment Fee Summary**

7/1/2022 thru 9/30/2024

Count	Manager Name	Fees in Dollars						Fees in Annualized Basis Points				Total
		Average AUM****	Management	Performance **	Other***	Custodial	Total	Management	Performance	Other	Custodial	
49	Callodine Asset Based Loan Fund II	\$11,931,259	\$368,794	\$451,428	\$358,563	\$3,030	\$1,181,815	218.0	266.8	211.9	1.8	698.4*
50	Crestline Opportunity Fund V	\$8,209,978	\$251,593	\$367,754	\$323,930	\$2,230	\$945,507	136.2	199.0	175.3	1.2	511.7*
51	Ares Senior Direct Lending Fund III	\$665,753	\$44,886	\$24,885	\$461,519	\$0	\$531,290	N/A	N/A	N/A	N/A	N/A
52	TA Realty Value-Add Fund XIII	\$4,150,428	\$425,806	-\$73,042	\$125,532	\$1,882	\$480,178	N/A	N/A	N/A	N/A	N/A
53	Carlyle Renewable & Sustainable Energy Fund II	\$2,813,864	\$430,110	\$0	\$709,384	\$1,520	\$1,141,014	N/A	N/A	N/A	N/A	N/A
54	KSL Partners Credit Opportunities Fund IV	\$494,064	\$44,961	\$303	\$245,952	\$1,115	\$292,331	N/A	N/A	N/A	N/A	N/A
55	Comvest Credit Partners VII	\$2,051,993	\$32,248	\$11,193	\$234,134	\$947	\$278,522	N/A	N/A	N/A	N/A	N/A
56	Gridiron Capital Fund V	\$3,704,156	\$469,444	\$98,338	\$207,428	\$1,815	\$777,025	N/A	N/A	N/A	N/A	N/A
57	Eclipse Fund V	\$217,449	\$35,714	\$0	\$6,530	\$634	\$42,878	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

7/1/2024 through 9/30/2024

Manager	Average AUM	Manager Returns	Manager Fees	Custodial Fees	Primary Benchmark	Secondary	Value Added Primary		Value Added Secondary	
					Returns	Benchmark Returns	Benchmark Fees*	Benchmark	Benchmark	
Dodge Cox Equity	\$ 140,101,260	\$ 9,911,453	\$ (71,076)	\$ (2,746)	\$ 13,211,399	None	\$ (8,726)	\$ (3,365,042)	None	
LSV	\$ 323,745,811	\$ 23,059,055	\$ (203,406)	\$ (47,184)	\$ 30,461,704	\$ 26,438,210	\$ (250,044)	\$ (7,403,193)	\$ (3,379,700)	
Fidelity	\$ 276,734,791	\$ 23,542,748	\$ (175,282)	\$ (16,951)	\$ 22,599,127	None	\$ (213,735)	\$ 965,124	None	
Insight Investment	\$ 202,833,249	\$ 7,060,312	\$ (60,380)	\$ (2,576)	\$ 7,936,215	None	\$ (25,267)	\$ (913,592)	None	
Channing	\$ 34,691,017	\$ 2,727,060	\$ (73,729)	\$ (2,254)	\$ 3,521,721	None	\$ (20,743)	\$ (849,901)	None	
Pacific Ridge	\$ 20,400,003	\$ 2,978,301	\$ (52,585)	\$ (1,894)	\$ 1,658,146	None	\$ (12,198)	\$ 1,277,874	None	
AQR Global Risk Premium - EL	\$ 65,179,455	\$ 4,118,936	\$ (61,575)	\$ (531)	\$ 4,408,409	None	\$ (24,359)	\$ (327,220)	None	
PanAgora Multi-Asset	\$ 64,017,221	\$ 3,993,737	\$ (56,554)	\$ (540)	\$ 4,329,801	None	\$ (23,924)	\$ (369,233)	None	
Seizert Capital Partners	\$ 42,817,708	\$ 4,737,907	\$ (68,155)	\$ (1,621)	\$ 4,346,716	None	\$ (25,603)	\$ 347,017	None	
Phocas Financial Corporation	\$ 31,021,683	\$ 2,168,517	\$ (52,708)	\$ (1,600)	\$ 3,149,222	None	\$ (18,549)	\$ (1,016,465)	None	
<b>Totals</b>	<b>\$ 1,201,542,197</b>	<b>\$ 84,298,027</b>	<b>\$ (875,450)</b>	<b>\$ (77,898)</b>	<b>\$ 95,622,459</b>	<b>\$ 26,438,210</b>	<b>\$ (623,150)</b>	<b>\$ (11,654,631)</b>	<b>\$ (3,379,700)</b>	

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

**January 28, 2025**

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

- I. SUBJECT: Private Markets Commitment Notice
- II. ITEM NUMBER: 7.f
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: N/A
- V. Executive Summary:

On December 20, 2024 StanCERA committed \$25 million to Brookfield Strategic Real Estate Partners V, LP (BSREP V). Brookfield is a global alternative asset manager with approximately \$750 billion in AUM, of which \$240 billion is dedicated to real estate – its largest business segment. Brookfield real estate utilizes an owner and operator investment model and currently employs approximately 290 investment professionals and 29,500 operational employees globally. BSREP V will invest opportunistically in real estate assets worldwide with a focus on markets where Brookfield has extensive experience and operational presence. The fund will be well diversified across property types and geographic regions including markets in the Americas, Europe and the Asia Pacific.

Brookfield will employ a flexible, but disciplined investment approach and will rely on its global reach, access to large scale capital, and operational expertise to drive returns. Financial leverage will be prudently deployed and are not expected to be a primary driver of returns. The fund is targeting a 20% Gross IRR and a gross multiple of 2.0x. Brookfield has also pledged a 20% commitment to the fund creating strong alignment of interest between the GP and the LPs in the fund. As one of the largest real estate managers in the world, Brookfield is a publicly traded company.

StanCERA has a 12.5% target allocation to the real estate asset class with a sub-asset class target allocation of 6.5% to Core Real Estate and 6.0% to Value-Add Real Estate. The commitment to Brookfield Strategic Real Estate Partners V, LP will be allocated to the Value-Add Real Estate sub-asset class and is in compliance with StanCERA's Private Markets Investment Policy Statement. For each private market investment, several due diligence reports, including a comprehensive executive summary, are completed by the investment consultant and staff. These reports contain confidential and proprietary information and are available to Trustees upon request.

- VI. RISK: None
- VII. STRATEGIC PLAN: N/A
- VIII. ADMINISTRATIVE BUDGET IMPACT: NONE

**January 28, 2025**

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

- I. SUBJECT: Private Markets Program Report as of September, 2024
- II. ITEM NUMBER: 7.g
- 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 was in line with prior quarters. Generally speaking, later vintages are underperforming the newer vintages. New investment dollars in commercial real estate are relatively more attractive, in select sectors and markets, given the depressed valuation levels. The PGIM real estate debt fund continues to provide stable performance and while it's still early, the KSL credit opportunities fund, as a debt fund, is also providing good risk adjusted returns and diversification to the program.

**Infrastructure:** Performance increased modestly during the quarter with most managers reporting positive performance adjustments. IFM and early returns from Carlyle helped boost returns. Infrastructure should be the most stable of the private market asset classes as much of the return is contractual in nature and the assets provide essential services.

**Private Credit:** Performance dipped noticeably in the third quarter. The decline was due to a large write down of investments in the Raven III fund. Staff and Verus are currently gathering additional information on the affected asset and on the remaining assets in the fund. The annual independent audit of the fund is underway and updated valuations from independent third-party appraisals are expected to be reflected in the December Raven III statements. The private credit managers beginning with the 2019 vintage year have

collectively produced a since inception performance of 11.52% offsetting some of the decline from the legacy private credit managers.

**Private Equity:** The private equity funds saw a boost in performance driven by valuation increases across most managers. Early distributions were received during the quarter increasing the program level DPI. Capital call activity was fairly modest with the funded percentage of the program moving from 62.42% last quarter to 63.23% this quarter. As a new program, the IRR calculations can vary significantly between periods, but are expected to stabilize overtime.

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

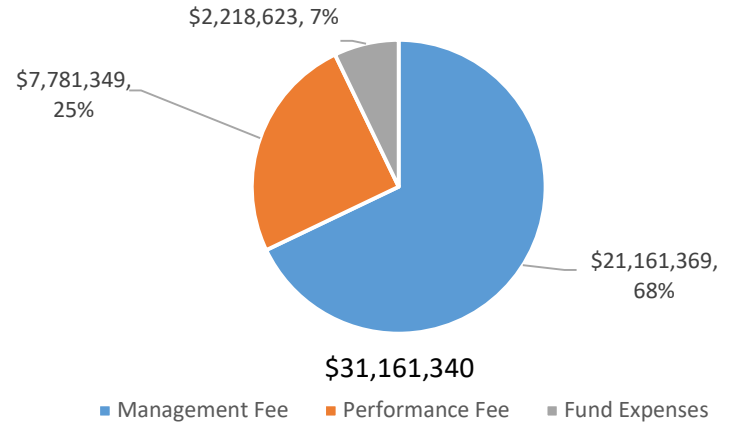
### Real Estate Program Performance

Analysis Date: **9/30/2024**  
 Program Name: **Real Estate**  
 Program Inception Date: **7/8/2014**  
 Total Commitment: **\$323,999,998**  
 Unfunded Commitment as of Analysis Date: **\$33,603,473**  
 % Funded as of Analysis Date: **89.63%**  
 Program Fund Balance: **\$324,692,240**

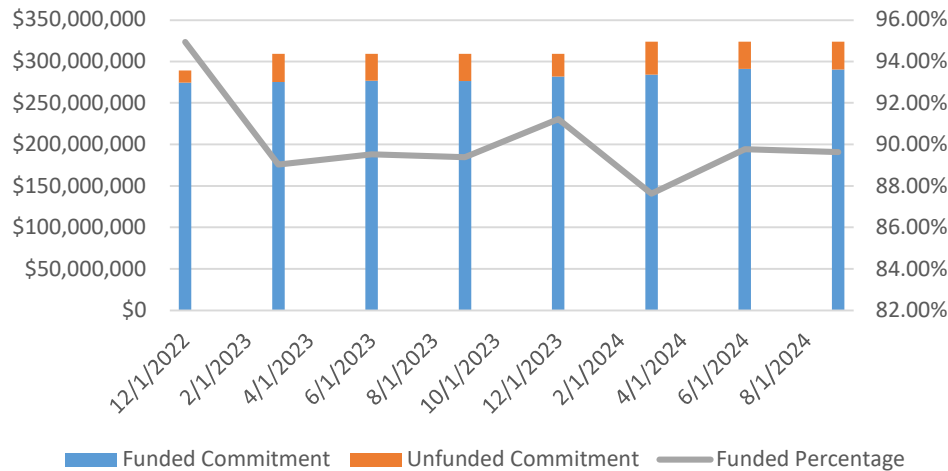
#### Performance Measures

Net IRR Since Inception: **6.51%**  
 Realization Multiple (DPI): **\$0.24**  
 Residual Value to Paid in Multiple (RVPI): **\$0.97**  
 Investment Multiple (TVPI): **\$1.21**

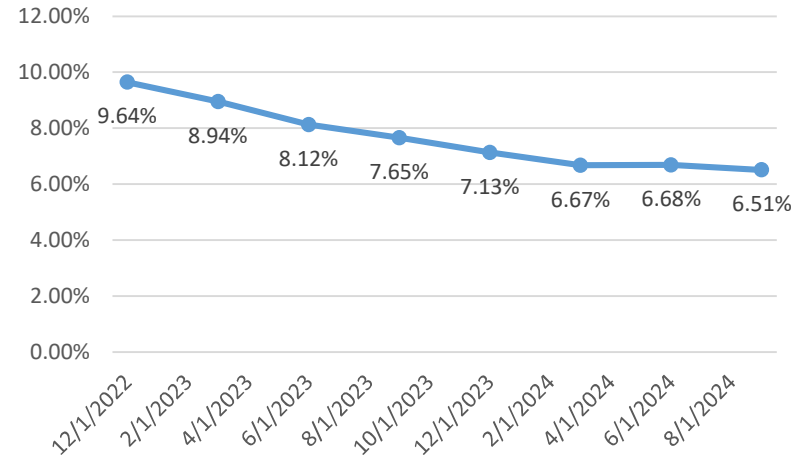
#### Expenses Since Inception



#### Commitment Level and Funded Percentage



#### IRR Trend



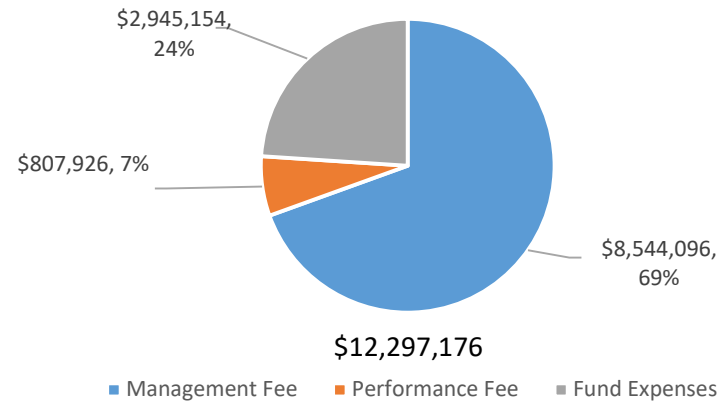
## Infrastructure Program Performance

Analysis Date:	9/30/2024
Program Name:	Infrastructure
Program Inception Date:	5/19/2015
Total Commitment:	\$170,000,000
Unfunded Commitment as of Analysis Date:	\$27,587,999
% Funded as of Analysis Date:	83.77%
Program Fund Balance:	\$132,251,367

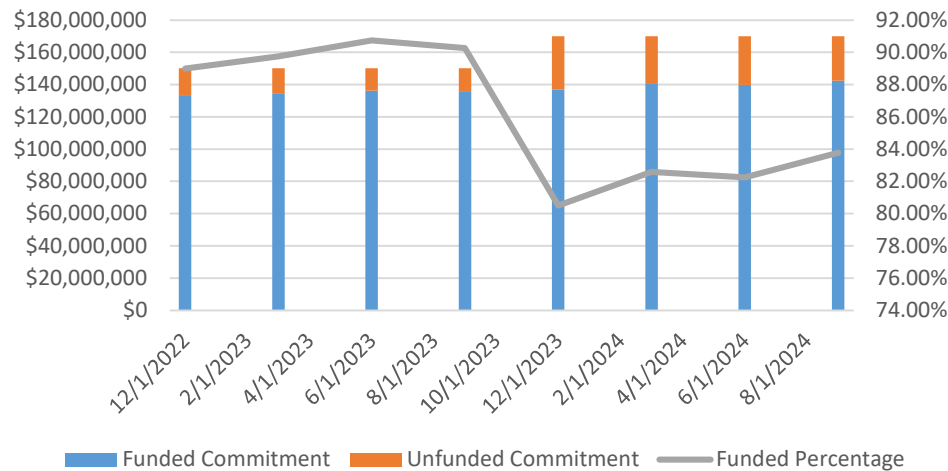
### Performance Measures

Net IRR Since Inception:	8.93%
Realization Multiple (DPI):	\$0.44
Residual Value to Paid in Multiple (RVPI):	\$0.75
Investment Multiple (TVPI):	\$1.19

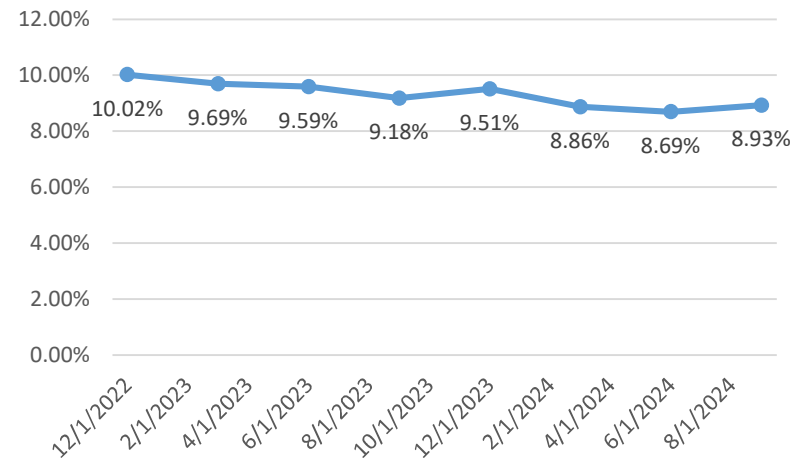
### Expenses Since Inception



### Commitment Level and Funded Percentage



### IRR Trend



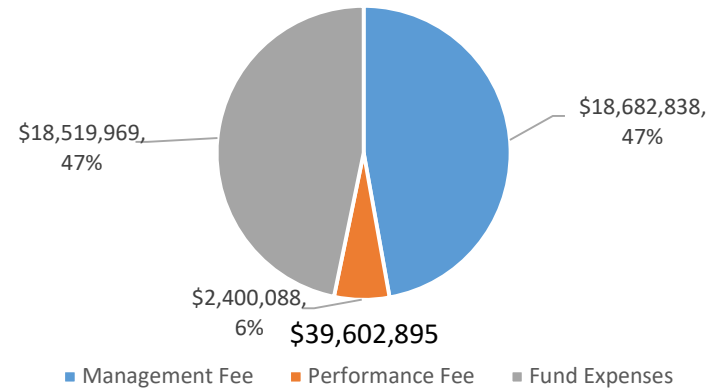
## Private Credit Program Performance

Analysis Date:	9/30/2024
Program Name:	Private Credit
Program Inception Date:	5/16/2013
Total Commitment:	\$294,999,999
Unfunded Commitment as of Analysis Date:	\$79,994,454
% Funded as of Analysis Date:	72.88%
Program Fund Balance:	\$126,531,245

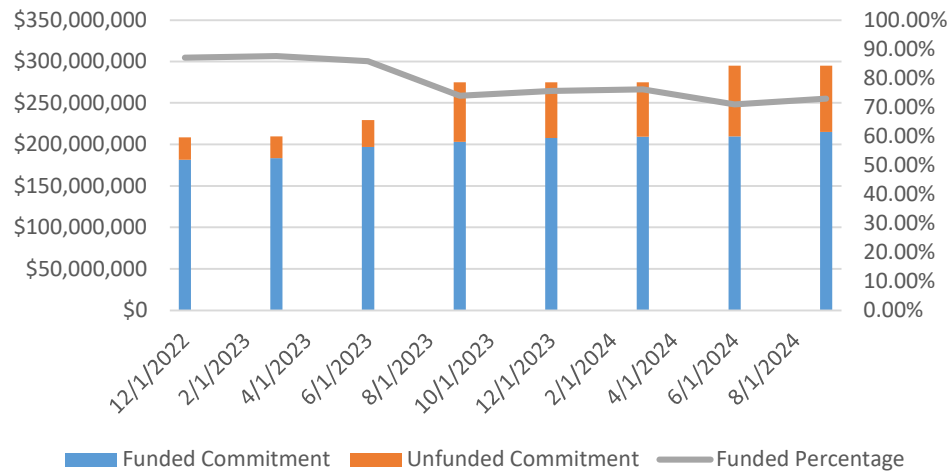
### Performance Measures

Net IRR Since Inception:	1.34%
Realization Multiple (DPI):	\$0.49
Residual Value to Paid in Multiple (RVPI):	\$0.44
Investment Multiple (TVPI):	\$0.93

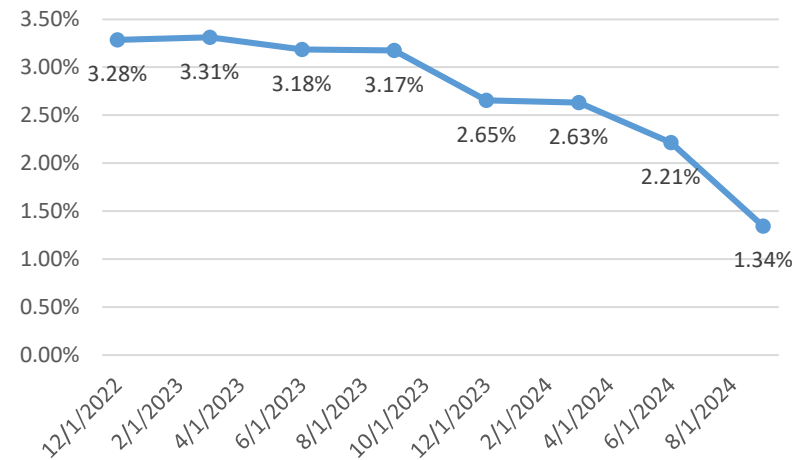
### Expenses Since Inception



### Commitment Level and Funded Percentage



### IRR Trend



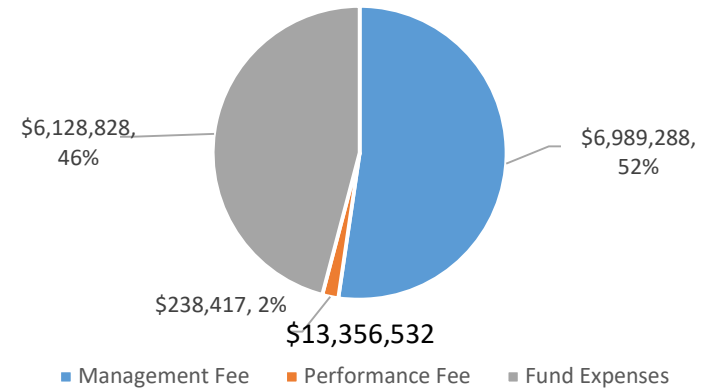
## Private Equity Program Performance

Analysis Date: **9/30/2024**  
 Program Name: **Private Equity**  
 Program Inception Date: **4/30/2020**  
 Total Commitment: **\$175,000,000**  
 Unfunded Commitment as of Analysis Date: **\$64,352,754**  
 % Funded as of Analysis Date: **63.23%**  
 Program Fund Balance: **\$135,548,643**

### Performance Measures

Net IRR Since Inception: **10.41%**  
 Realization Multiple (DPI): **\$0.07**  
 Residual Value to Paid in Multiple (RVPI): **\$1.04**  
 Investment Multiple (TVPI): **\$1.11**

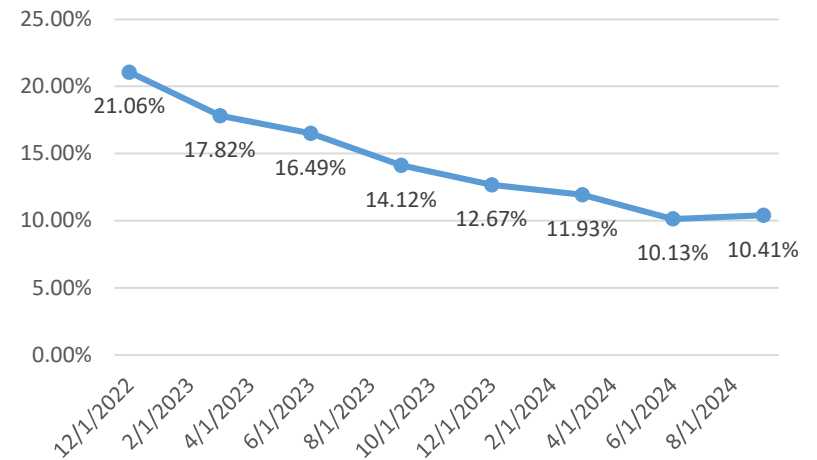
### Expenses Since Inception



### Commitment Level and Funded Percentage



### IRR Trend





January 28, 2025

TO: Retirement Board

FROM: Jamie Gingerich, Project Manager

- I. SUBJECT: Alameda Supreme Court Decision Update
- II. ITEM NUMBER: 7.h
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: None
- V. ANALYSIS: In late July 2020, the California Supreme Court issued its decision in a case henceforth referred to as the "Alameda Decision". This case combined several outstanding issues brought by various labor associations around the State regarding the inclusion of certain types of pay elements in the calculation of compensation earnable and, ultimately the size of a member's retirement benefit. The issue was whether these pay elements should have been included in the calculation of compensation earnable at retirement after the passage of AB 197 (legacy members) and AB 340 (new members) as of January 1, 2013. In general, it is the System's Board of Retirement that determines whether an item should be included in compensation earnable, but that determination must be consistent with applicable law.

On January 1, 2013, AB 197 was implemented as a companion law to AB 340 (also known as "PEPRA."). Among other things, this legislation promulgated reduced pension formulas for new members hired after 12/31/2012 and clarified the definition of what compensation earnable is. The clarification of what can be considered compensation earnable was driven by an attempt to curb what is sometimes called "pension spiking". Pension spiking can be described as a way for a member to enhance their retirement benefit by engaging in employment actions meant to increase his or her salary (compensation earnable) in the year(s) leading up to retirement.

At the time AB 197 and AB 340 were implemented, it seems most systems did not need to revise their basic interpretation of compensation earnable which, at that time, were based on an earlier court decision that had been in effect for over 10 years (the *Ventura* Decision). In fact, most systems were already in compliance with the definition of compensation earnable found in AB 197 and AB 340.

On November 27, 2012, StanCERA staff asked the Board of Retirement to re-define or re-affirm their definition of compensation earnable elements. At that time, the Board made the following decisions:

- 1) To exclude bonuses from compensation earnable for current members
- 2) To adopt "base pay only" for new members until further legislative or case law clarification
- 3) To exclude deferred compensation from pensionable compensation for new members

- 4) To continue to include “on-call pay” in compensation earnable for current members

After careful consideration and legal consultation, staff has concluded that the only decision the Board made that day, which the *Alameda* Decision says was an error is the inclusion of the on-call pay element in calculating benefits for those retiring after 12/31/2012.

The Supreme Court in the *Alameda* decision basically says that some Retirement Systems mis-interpreted the definition of compensation earnable brought about by AB 197 and AB 340. To summarize, the Court said that compensation elements attributable to hours worked outside of normal working hours (defined by the average number of hours normally worked by persons in the same grade or classification) should not be included in compensation earnable. And since on-call pay does not appear to be required of the members as part of their normal working hours nor uniformly distributed amongst all employees in the same grade or classification, nor can it be strictly monitored, staff ultimately recommends eliminating this form of compensation from the calculation of compensation earnable.

#### *Staff's Actions*

Given staff's analysis, the following actions were taken and implemented:

- 1) The immediate cessation of deducting active member contributions from on-call pay elements
- 2) The recalculation of benefits to be paid on and after October 1, 2020, to members who retired on and after January 1, 2013, to eliminate that portion of their benefits attributable to on-call pay elements
- 3) Immediately discontinued the practice of including on-call pay elements in the calculation of compensation earnable for the payment of retirement benefits and benefit estimates for those retiring from August 20, 2020 forward
- 4) Refund of employee contributions made by members taken from their pay due to reported on-call elements. This adjustment was from January 1, 2013 to September 13, 2020.

#### *Results*

Completion of the recalculation and reduction of retiree benefits of 74 retirees/beneficiary payees/alternate payees affected by the elimination of the on-call pay element resulted in the reduction of retiree payroll by \$10,520.91 per month.

Furthermore, employee contributions made by 407 members between January 1, 2013 and September 13, 2020 were completed in December 2024 resulting in refunds totaling \$410,907.16.

- VI. RISK: Failure to implement changes is a compliance risk
- VII. STRATEGIC PLAN: Strategic Objective 3: Reporting and transparency: information that is easy to access and improves understanding.

VIII. ADMINISTRATIVE BUDGET IMPACT: None

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Jamie Gingerich, Project Manager

January 7, 2025

TO: Thomas Stadelmaier, Executive Director  
Carmen Gusman, Fiscal Operations Manager  
Donna Wood, Member and Employer Services Specialist

FROM: Jamie Gingerich, Project Manager

I. SUBJECT: Disability Hearing Office Application Review

II. ITEM NUMBER: 7.i

III. ITEM TYPE: Information Only

IV. ANALYSIS:

StanCERA is in search of Disability Hearing Officers as we currently do not have any available to proceed with cases in need of Disability Hearings to finalize the application process. Therefore, StanCERA solicited Disability Hearing Officer applications by posting an RFP with application on our public website.

On December 17, 2024, we reviewed the applications and materials that were submitted to StanCERA for consideration to be a StanCERA Hearing Officer, contacted references and decided which applicants were acceptable.

V. STAFF RECOMMENDATION:

1. StanCERA staff will add applicants to the list of eligible Hearing Officers, and they will be assigned as needed on availability, subject to the Board rules regarding Disability Hearings.
2. StanCERA will keep the solicitation of Disability Hearing Officers open (posted to our public website with no deadline) and continue to review eligible candidates as they are received.

VI. RISK: None

VII. ADMINISTRATIVE BUDGET IMPACT: None

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Jamie Gingerich, Project Manager

January 28, 2025

Retirement Board Agenda Item

TO: StanCERA Retirement Board

FROM: Carmen Gusman, Retirement Fiscal Manager  
Tom Stadelmaier, Executive Director

- I. SUBJECT: Tegrit Long-Term Contract—Pension Administration System Support Agreement
- II. ITEM NUMBER: 7.j
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: NA
- V. ANALYSIS:

At the December 3, 2024, Retirement Board meeting, the Board authorized staff to finalize and execute the 5-year Pension Administration System Support Agreement with Tegrit. Attached is the final signed agreement.

StanCERA made a major commitment to Tegrit by implementing the Arrivos pension administration system which includes functionality for recordkeeping, compliance, complex calculations, imaging of documents, accounting, financial transactions, and member web portal functionality. After a series of short-term contracts with Tegrit following the implementation, StanCERA sought a longer-term deal to provide cost containment, resources for new functionality over time, data security and service commitments and flexibility for StanCERA in order to effectively manage to organizational needs over time.

StanCERA benefits from using Tegrit and ongoing investment in system functionality. Those benefits include:

- More efficient processing of financial transactions, member requests, employer requests and other services required to meet a large variety of StanCERA responsibilities
- Improved offering of services to members to meet their needs and keep up with industry standards for service delivery to our members and other key stakeholders
- Reduced risk for StanCERA related to financial activities, processing quality, accounting functionality, compliance, audit, data security demands, technical retirement knowledge, technology investments, and technology expertise

After completion of multiple amendments to provide system and system support services through December 31, 2024, StanCERA and Tegrit engaged in discussions to arrive at a longer-term agreement. The longer term contract covers 5 years starting with June 30, 2024 and provides for renewals for successive 2-year periods after that. There are provisions for

updated fees after the initial 5-year period. There are also provisions to allow for termination of the agreement after certain periods of time and also if certain conditions are met.

Staff requested a longer-term contract with Tegrit in order to provide additional contractual protections for StanCERA and for greater predictability regarding expenses and support needs related to the system. Staff also engaged with outside counsel with experience negotiating technology contracts and worked closely with counsel to obtain more favorable terms.

Below is an outline of the Year 1 system expenditures by category with Tegrit for the use and support of Arrivos compared to last year and FY24-25 budget.

<b>Category</b>	<b>FY23-24</b>	<b>FY24-25 BUDGET</b>	<b>FY24-25 FINAL CONTRACT</b>
Licensing	\$25K	\$30K	\$30K
Hosting Services	\$114K	\$119.7K	\$119.7K
Standard Maintenance	\$28.8K	\$33.8K	\$31.5K
System Functionality Support/Enhancement	\$320K	\$320K	\$319.375K
<b>Total</b>	<b>\$487.8K</b>	<b>\$503.5K</b>	<b>\$500.575K</b>

- VI. RISK: System availability, functionality, data security and ongoing escalation of IT expenses are critical ongoing risks for StanCERA. The updated contract reduces these risks for a 5-year contract period and allows for further extensions which benefit StanCERA. StanCERA will remain reliant on Tegrit for system support needs and this will remain as a key risk for StanCERA to consider and manage going forward.
- VII. STRATEGIC PLAN: Supports sustainability objective. See strategic plan action items document.
- VIII. ADMINISTRATIVE BUDGET IMPACT: Expenses in contract are reflected in approved budget. New contract provides a working template for Tegrit expenses for a 5-year period with flexibility to manage enhancements to meet StanCERA objectives.

## PENSION ADMINISTRATION SYSTEM SUPPORT AGREEMENT

This Pension Administration System Support Agreement ("Agreement") is entered into as of July 1, 2024, by and between the Stanislaus County Employees' Retirement Association ("StanCERA"), a political subdivision of the State of California, and Tegrit Software Ventures, Inc. ("Tegrit"), a Michigan corporation doing business at 17187 N. Laurel Park Dr., Ste 250, Livonia, MI 48152, with reference to the following:

A. StanCERA and Tegrit entered into that certain Pension Administration System Agreement, dated as of December 31, 2016 (as amended, the "Prior Agreement"). The Prior Agreement expired as of June 30, 2024.

B. StanCERA desires to engage Tegrit to continue to support the Pension Administration System described in the Prior Agreement ("System"), and Tegrit is willing to provide such support services to StanCERA on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

### 1. Definitions.

(a) "Affiliate" means, as to either party, any corporation or other entity that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with that party. The term "control" means the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(b) "Authorized Users" means StanCERA's employees, employers for which StanCERA administers plans, Beneficiaries, and independent contractors and consultants engaged by StanCERA to provide services to it in connection with the System.

(c) "Beneficiary" means any individual who is a member of StanCERA or a StanCERA administered plan or an individual entitled to a benefit administered by StanCERA.

(d) "Documentation" means both (1) Tegrit's standard user and system manuals and (2) any other written or electronic material for the Software that was identified in a Statement of Work or Change Order as "Documentation" under the Prior Agreement or that are otherwise identified in Exhibit A attached hereto as "Documentation."

(e) "Intellectual Property" means patent, copyright, trademark, trade secret and other intellectual and intangible property rights, including all registrations and applications therefore, and all continuations, continuations in part, divisional applications, and renewals of any of the foregoing.

(f) "Interfacing Systems" means other systems of StanCERA or other entities with which the System interoperated under and in accordance with the Prior Agreement.

(g) "Software" means: (i) the last version of the software solution known as "ARRIVOS" licensed to StanCERA under the Prior Agreement; (ii) any other software owned by Tegrit or a third party that constitutes part of the solution delivered by Tegrit under the Prior Agreement; and (iii) all related supporting databases and applications, together with all

components, modules, updates, software upgrades, additions, error corrections, modifications, enhancements and conversions thereof (collectively, "Software Updates"), and any modifications and interfaces needed for the System to properly interoperate with the Interfacing Systems and Software Updates thereto, in each case that constitute part of the solution delivered by Tegrit under the Prior Agreement,

(h) "Source Code" means the source code form of Software, including the materials listed in Schedule N of the Prior Agreement, all of which, where applicable, will be on media able to be compiled, read and processed on the System.

(i) "StanCERA Data" means all StanCERA data and information provided by StanCERA to Tegrit or to which Tegrit has access in the course of providing Services including without limitation information that identifies or describes, or is capable with reasonable effort of identifying or describing, an individual, such as his or her name, social security number, physical description, home address, home telephone number, education, financial matters, user name or password, and medical or employment history (such personally identifiable information, "PII" or "Personal Information")

(j) "Virus" means: (i) any program code, or programming routines or instructions intentionally constructed to damage, improperly interfere with, surreptitiously intercept or expropriate from, or otherwise adversely affect computer systems, information systems, programs, data, data files, systems, equipment or operations; (ii) any code typically designated to be a virus, worm, time or logic bomb, Trojan horse, backdoor, trapdoor or similar device which is intended to damage, improperly interfere with, surreptitiously intercept or expropriate from, or otherwise adversely affect computer systems, information systems, programs, data, data files, systems, equipment or operations; or (iii) any other code or routine commonly considered to be malicious or wrongfully disabling.

## 2. Services; Continuing License.

(a) Subject to the terms and conditions of this Agreement, Tegrit will provide hosting and System support services to StanCERA as set forth in Exhibit A ("Services").

(b) Subject to the terms and conditions of this Agreement, Tegrit hereby grants to StanCERA a nonexclusive, nontransferable, perpetual (subject to Section 11) license, during the term of this Agreement, without the right to sublicense (except as expressly provided herein), to use and configure the Software and the Documentation only in connection with the administration of pension benefits to Beneficiaries (the "Permitted Purpose"). StanCERA may permit Authorized Users to access and use the Software.

(c) In accordance with this Agreement, Tegrit will, upon StanCERA's request, deposit the complete Source Code for the Software to a third party escrow account maintained at StanCERA's expense, pursuant to an Escrow Agreement executed by the escrow vendor, Tegrit and StanCERA in the form reasonably satisfactory to the parties. StanCERA will have access to such Source Code through the third party escrow vendor and will not access, use, or modify it, except that upon the occurrence of a Release Condition (as defined in the Escrow Agreement), StanCERA may thereupon use the Source Code to use, modify, configure, adapt, and exercise all other rights to the Software contemplated hereunder.



(d) Tegrit will update the Source Code to ensure that it is at the same version of the Software then being utilized by StanCERA, within thirty (30) days after the object code of such version is delivered or made available to StanCERA.

3. Tegrit Personnel. Tegrit will be solely responsible for paying Tegrit Personnel and will pay such Tegrit Personnel promptly (including reimbursing all agreed-upon expenses) and in accordance with applicable federal and state wage and hour laws. Irrespective of the manner in which Tegrit is compensated by StanCERA, it is the intent of the Parties that no Tegrit Personnel will be eligible for any StanCERA-sponsored benefits, including but not limited to paid vacation, sick leave, medical insurance, bonuses, and retirement plan participation.

4. Governance.

(a) Tegrit will reasonably cooperate with StanCERA, its subcontractors and agents designated by StanCERA in its provision of all Services. StanCERA will reasonably cooperate with Tegrit, its subcontractors and agents designated by Tegrit in its provision of all Services and in providing timely decisions relating to Tegrit's Services. StanCERA will make all required management decisions, approvals and acceptances, on a timely basis. StanCERA will also ensure that those of its personnel who are assigned to assist Tegrit are familiar with StanCERA's requirements and have the expertise and capabilities necessary to permit Tegrit to provide the Services. Without limiting the foregoing, StanCERA will obtain at StanCERA's expense any sublicenses or otherwise obtain any consents required for Tegrit to use StanCERA's proprietary or third party software or materials as necessary to provide Services, provided Tegrit complies with the terms of any third party license terms and conditions provided in writing to Tegrit.

(b) StanCERA will grant to Tegrit such reasonable access to StanCERA's premises, all parts of the pension system that may reasonably be necessary or appropriate for Tegrit to access in order to perform its obligations under this Agreement subject to the terms of this Agreement. Tegrit will abide by StanCERA's security and administrative policies that are provided to Tegrit in writing in advance while on StanCERA's premises, and will cause all Tegrit Personnel, while they are on StanCERA's premises, to: (1) observe StanCERA's business hours and holiday schedule; (2) comply with reasonable requests, standard rules, and regulations of StanCERA communicated in writing to Tegrit in advance regarding personal and professional conduct generally applicable to such locations; and (3) otherwise conduct themselves in a business-like manner.

5. Proprietary Rights.

(a) Except for (i) the licenses granted to StanCERA herein and (ii) the Assigned Work Product, StanCERA agrees and acknowledges that StanCERA has no right, title and/or interest in and to the Software, Source Code, Documentation, and all Intellectual Property therein, and that StanCERA will not obtain or claim any ownership interest in the Software, Source Code, or Documentation, or any portion thereof, or any Intellectual Property therein. StanCERA agrees and acknowledges that such Software, Source Code, and Documentation contain the valuable trade secrets and proprietary information of Tegrit and its licensors which have been developed at great expense over many years. StanCERA will not obscure, alter or remove any patent, copyright, trademark, service mark or other marking or legend contained on or in the Software, Source Code, or Documentation.

(b) Without limiting the foregoing, each party will retain ownership of all software, technology, material, know-how, and Intellectual Property therein that it developed or acquired prior to or independently of this Agreement.

(c) StanCERA will own all right, title and interest (including Intellectual Property) in and to all work product developed by Tegrit specifically for StanCERA, including without limitation any Software customizations, that is fully paid for by StanCERA in accordance with this Agreement (collectively "Assigned Work Product"), together with all copies thereof; provided, however, that in no event shall StanCERA provide access to or distribute any such Assigned Work Product to a company that provides a pension administration solution in direct competition with Tegrit without Tegrit's prior written consent, not to be unreasonably withheld. To the extent that any such right, title and interest does not vest in StanCERA by operation of law, Tegrit hereby irrevocably assigns (free from any encumbrance) all of its right, title and interest (including all Intellectual Property) in and to the Assigned Work Product without further consideration for such assignment. Tegrit will execute, acknowledge and deliver to StanCERA, or will cause to be done, executed, acknowledged and delivered to StanCERA, all such further documents and instruments as may reasonably be required to effect the Assigned Work Product assignment contemplated herein. Within ten (10) business days of StanCERA's request, Tegrit will deliver to StanCERA all Assigned Work Product and, in the case of Assigned Work Product that is Software, in both Source Code and object code formats and by means reasonably designated by StanCERA, promptly upon payment therefor, but in any event within 30 days of payment by StanCERA for such Assigned Work Product (to the extent such payment is made expressly for such Assigned Work Product (it being understood that Tegrit shall not, in any event, unreasonably withhold such Assigned Work Product from StanCERA)).

(d) StanCERA hereby grants Tegrit a world-wide, fully paid-up, non-exclusive, non-transferable license to use the Assigned Work Product to the extent necessary and for the sole purpose of performing its obligations under this Agreement, with the right to grant sublicenses thereunder to Tegrit subcontractors only for such purpose. The license granted under this Section will take effect on the date that the relevant Assigned Work Product is created and will continue until the date that item ceases to be used in the performance of the Services, in which event Tegrit will promptly cease any and all use of such Assigned Work Product and, in any event, such license will cease on the later of the date of termination of this Agreement and the end of the period during which Termination Assistance is provided.

(e) Open Source Software Code. Unless expressly stated, Tegrit will not incorporate any programming or software that is subject to any Open Source Code (including any obligation or condition under any "open source" license such as the GNU Public License, Lesser GNU Public License, or Mozilla Public License) that would require public disclosure of StanCERA Data, StanCERA Confidential Information, or any Software Code specific to StanCERA or that would charge StanCERA for any of such bundled Open Source Code or that would subject StanCERA to licensing use restrictions that are more restrictive than as provided in this Agreement.

## 6. Confidential Information.

(a) Each party agrees that it will hold all confidential information of the other party secret, will treat the other party's confidential information with the same degree of care as it does its own similar information (but in no event will either party use less than a reasonable degree of care), will not disclose any such confidential information to third parties other than employees, contractors, representatives and agents with a need to know who are bound by

confidentiality obligations no less stringent than those contained herein (collectively, “Representatives”), and will not use any such confidential information, except as permitted by this Agreement. Due to the technical and sensitive nature of the System, the StanCERA Data and the Services, each party will treat all information received from the other party that should reasonably be deemed confidential as confidential, unless it falls within an exception set forth in Section 6(b) below. Without limitation, Tegrit will treat all StanCERA Data as confidential, and StanCERA will treat the Software, Source Code and Documentation as confidential. For the avoidance of doubt, except as specifically set out in this Agreement, nothing in this Agreement will grant, suggest or imply any authority for one party to use the name, trademarks, service marks, trade names or any other mark or brand identifier, whether or not registered or used in commerce, of the other for any purpose whatsoever. StanCERA agrees and acknowledges that the Software, Source Code, and Documentation are confidential information of Tegrit. StanCERA will not use, nor will it allow the use of any Tegrit confidential information for any purpose other than the Permitted Purpose. Tegrit will not use, nor will it allow the use of any StanCERA confidential information for any purpose other than the provision to StanCERA of access to and use of the Software. Each party will take appropriate steps to impose these confidentiality obligations on its employees, contractors and agents. Notwithstanding the foregoing or any provision in this Agreement to the contrary, Tegrit may refer to StanCERA in its customer list and in advertising and promotional materials and may use StanCERA as a reference to potential clients; however, when doing so, Tegrit will not disclose to any other person the monetary value of this Agreement. StanCERA may at any time request to be removed from such publicly available customer lists and materials at any time, and Tegrit shall do so within a reasonable time.

(b) The confidentiality provisions of this Agreement will not apply to: (i) information that is already known to the receiving party at the time of disclosure or is or becomes publicly known through no wrongful act on the receiving party’s part; (ii) information that is rightfully received by the receiving party from a third party without breach of this Agreement; (iii) information that is developed by the receiving party independently and without breach of this Agreement, provided such development was not based on the confidential information of the disclosing party; (iv) information that was or is furnished by a third party to the disclosing party without restrictions on the third party similar to those set forth herein; and/or information that is required to be disclosed by applicable law (provided that the party which is required to make such disclosure has consulted with the other party so far as is practicable before such disclosure).

(c) Each party will report to the other party any actual or suspected violation of the other party’s confidential information under this Section, and will take such further steps as may reasonably be requested by the other party to prevent or remedy any such violation.

(d) Because the disclosure of confidential information may cause irreparable harm to the non-disclosing party, and the unauthorized use or transfer of the Software may diminish substantially the value of such Software and irreparably harm the owning party and may not be susceptible of cure by the payment of monetary damages, if either party breaches the provisions of this Section 6, the non-breaching party will be entitled to seek injunctive and/or other equitable relief, in addition to other remedies afforded by law.

## 7. Safeguarding of Information and Security.

(a) StanCERA Data will be and remain, as between the parties, the property of StanCERA and nothing in this Agreement will grant to Tegrit any right, title or interest in such

information except as expressly set forth in this Agreement. No StanCERA Data, or any part thereof, may be assigned, leased, or otherwise communicated to or disposed of to third parties other than Representatives or StanCERA members or beneficiaries by Tegrity or commercially exploited by or on behalf of Tegrity. StanCERA Data will be used by Tegrity only for the purpose of performing the Services and pursuant to the terms of this Agreement.

(b) Tegrity will establish and maintain safeguards against the destruction, loss, alteration or disclosure of StanCERA Data that is in the possession or under the control of Tegrity in accordance with the requirements of Exhibit B. If StanCERA's standard security policy changes, StanCERA and Tegrity will enter into good faith discussions regarding Tegrity's future compliance with such changes, including timing, modifications and whether additional compensation to Tegrity will be required for such compliance, and upon agreement by the parties, Exhibit B will be amended accordingly.

(c) Without limiting the generality of subsection (b) above:

(i) As its sole obligation with respect to the prevention of unauthorized access, alteration, destruction, copying, use, or disclosure of StanCERA Data ("Data Breaches"), Tegrity will comply with the security requirements contained in Exhibit B. In the event Tegrity becomes aware of, or initiates an investigation into, any such Data Breach, Tegrity will immediately report such actual or suspected Data Breach in writing to StanCERA.

(ii) Tegrity will inform Tegrity Personnel and its subcontractors of the security requirements set forth in this Agreement and such other security policies of StanCERA provided to Tegrity in writing in advance.

(iii) Tegrity will develop and maintain a contingency plan to respond to Data Breaches, which includes back-up security and data back-ups in the event of any data loss or Data Breaches.

(iv) On StanCERA's request, Tegrity will, subject to mutual agreement, (A) comply with all requirements that are now or will become applicable to StanCERA under the regulations issued pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and (B) execute a Business Associate Agreement in a form substantially similar to the model agreement issued by the U.S. Department of Health and Human Services.

(d) Tegrity will use commercially reasonable methods to address the risk of the introduction by Tegrity of any Virus into the StanCERA environment. Tegrity will not, without the prior written agreement of StanCERA, knowingly insert or knowingly allow the insertion into the Software of any code which would have the effect of wrongfully disabling or otherwise wrongfully shutting down all or any portion of the Services. With respect to any disabling code that may be part of the Software, Tegrity will not invoke such disabling code at any time, including upon termination of this Agreement, without StanCERA's prior written consent. Tegrity will promptly remove or disable any such code described in this subsection (d) that violates this subsection and is subsequently discovered.

(e) Upon StanCERA's reasonable request, Tegrity will complete a questionnaire regarding Tegrity's handling of StanCERA Data and provide reasonable cooperation with related inquiries and assessments, e.g., data protection impact assessments

or confirmation of compliance with this Section 7. StanCERA shall make such a request no more than once a year.

8. Fees and Payment.

(a) In consideration of and subject to the Services rendered in accordance with all terms and conditions and specifications set forth herein, StanCERA will make payment as set forth in and in accordance with Exhibit A.

(b) StanCERA will pay Tegrit all undisputed amounts, set forth in invoices properly issued in accordance with Exhibit A, within forty-five (45) days after receipt thereof. StanCERA will have no more than forty-five (45) days to make payment to Tegrit following the date a disagreement regarding a payment dispute is resolved with Tegrit. If any undisputed payments or portions thereof are not received by Tegrit by the date that is ten (10) days after Tegrit's written notice of the delinquency demanding payment, StanCERA shall pay a late fee equal to the lesser of one half percent (0.5%) of the outstanding amount per every thirty (30) days or portion thereof that such amount remains outstanding or the maximum amount allowed by law. In addition, Tegrit reserves the right to suspend its provision of the Services if any payments or portions thereof are not received by Tegrit by the date that is ten (10) days after Tegrit's written notice of the delinquency demanding payment. For the avoidance of doubt, Tegrit may only suspend the provision of Services during StanCERA's production use of any part of the System if any undisputed payments or portions thereof are not received by Tegrit by the date that is ninety (90) days' after Tegrit's written notice of the delinquency demanding payment.

(c) StanCERA may set off against any and all amounts otherwise payable to Tegrit pursuant to any of the provisions of this Agreement: (i) any and all amounts claimed by StanCERA in good faith to be owed by Tegrit to StanCERA pursuant to any of the provisions of this Agreement; and (ii) any and all amounts claimed by StanCERA in good faith to be owed by Tegrit pursuant to any other written agreement between the parties. Within five (5) days after any such set-off by StanCERA, StanCERA will provide Tegrit with an accounting of such set-off and a written statement of the reasons therefor.

(d) StanCERA may withhold payment of fees or any other charges otherwise due to Tegrit under this Agreement to the extent that StanCERA disputes such charges in good faith. In such case, StanCERA will provide to Tegrit a reasonably detailed written explanation of the basis for the disagreement and will continue to make payments of undisputed amounts as otherwise provided in this Agreement. If any disputed amounts are later determined to have been improperly withheld (i.e., properly charged by Tegrit), then StanCERA will pay the withheld amount in accordance with this Agreement, until paid in full. If any paid amounts are later disputed by StanCERA and determined to have been improperly paid (i.e., improperly charged by Tegrit), then Tegrit will promptly, but no later than fifteen (15) days after such determination, pay StanCERA the improperly paid amount. The failure of StanCERA to withhold payment will not waive any other rights StanCERA may have with respect to disputed amounts or overpayments. If an audit is performed relating to amounts disputed hereunder and the result of such audit reveals an overcharge of fees by Tegrit in excess of five percent (5%) over the correct amount, then Tegrit will pay the cost of such audit.

(e) The fees will be inclusive of all taxes imposed with respect to the provision of the Services hereunder, including any sales, use, excise, value-added, services, consumption, or other tax; provided, however, that StanCERA will not be responsible for, and

the fees will not include, any taxes imposed on or arising from the following: (i) charges for goods and services provided by StanCERA to Tegrit in connection with this Agreement; (ii) Tegrit's income, revenue or property; or (iii) any franchise or privilege taxes. Tegrit will separately itemize taxes in any Tegrit invoices. The parties will cooperate to otherwise minimize and determine tax costs arising from this Agreement, including the imposition of sales, use, excise, and other taxes on asset transfers to and from Tegrit. Each party will be responsible for taxes on its own equipment, assets, and income.

(f) Any work performed by Tegrit for StanCERA that is in addition to the Services described in Exhibit A will be set forth on a separate statement of work or change order signed by the parties, and billed at Tegrit's then-current time and material rates, unless otherwise expressly agreed by the parties in writing.

(g) The fees set forth in this Agreement will be the sole compensation owed by or to any person for Tegrit's Services under this Agreement.

## 9. Relationship and Compliance.

(a) In performance of the work, duties and obligations assumed by Tegrit under this Agreement, it is mutually understood and agreed that Tegrit, including any and all of the Tegrit's officers, agents, employees, and subcontractors or partners working on the Services will at all times be acting and performing as an independent contractor, and will act in an independent capacity and not as an officer, agent, servant, employee, joint venturer, partner, or associate of StanCERA. Furthermore, StanCERA will have no right to control or supervise or direct the manner or method by which Tegrit will perform its work and function. However, StanCERA will retain the right to administer this Agreement so as to verify that Tegrit is performing its obligations in accordance with the terms and conditions thereof.

(b) Tegrit acknowledges and agrees that the Services require an understanding of StanCERA business rules and processes as they relate to applicable statutes including but not limited to: County Employees' Retirement Law of 1937 ("1 37 Act") and the Public Employees' Pension Reform Act ("PEPRA"), and any state and federal internal revenue and taxation statutes and regulations that are adopted and practiced by StanCERA. Tegrit, and any subcontractors or partners on the Services, and StanCERA will comply with StanCERA's reasonable interpretation of all applicable provisions of law and the rules and regulations, if any, of governmental authorities having jurisdiction over matters the subject thereof that apply to their performance hereunder.

(c) Because of its status as an independent contractor, Tegrit will have absolutely no right to employment rights and benefits available to StanCERA employees. Tegrit will be solely liable and responsible for providing to, or on behalf of, its employees all legally-required employee benefits. In addition, Tegrit will be solely responsible and hold StanCERA harmless from all matters relating to the provision of employee benefits to, and payment of, Tegrit's employees, including compliance with Social Security withholding and all other regulations governing such matters. It is acknowledged that during the term of this Agreement, Tegrit may be providing services to others unrelated to StanCERA or to this Agreement.

(d) Background Checks. Prior to initial placement, Tegrit will perform, at its expense, commercially reasonable background check services on its employees who (i) will work at any site operated by StanCERA or a StanCERA Affiliate or (ii) will work from a location

outside the United States. Tegrit further agrees to retain records of background checks performed under this Agreement for a period of six (6) years.

10. Non-Assignability. Neither party will assign or delegate this Agreement or any portion thereof to a third party without the prior written consent of the other party, provided that either party may assign this Agreement in connection with a sale of all or substantially all of its assets or equity, a merger, or other corporate reorganization, Any attempted assignment without such prior written consent in violation of this Section automatically will be deemed null and void.

11. Term and Termination Provisions.

(a) The term of this Agreement will commence on the date hereof and continue until the five-year anniversary of such date, and will at that time automatically renew for successive two (2) year periods unless either party provides two (2) years' prior written notice of nonrenewal, in which case this Agreement shall expire as of the end of the then-current term or until this Agreement is terminated in accordance herewith.

(b) StanCERA may terminate all or any part of this Agreement without cause at any time by delivering to Tegrit a written notice of termination for convenience specifying the extent to which Tegrit's Services are terminated and the effective termination date. The effective termination date will be no earlier than sixty (60) days after such notice of termination for convenience is delivered to Tegrit, provided however, that in its notice of termination StanCERA may require that Tegrit immediately cease providing Services pending such effective date of termination. In no event will StanCERA's termination of this Agreement under this Section be deemed a waiver of StanCERA's right to make a claim against Tegrit for damages resulting from any default by Tegrit which occurred prior to the effective termination date. If StanCERA terminates this Agreement for convenience, StanCERA will pay Tegrit for work already performed and reimbursable expenses incurred but for which Tegrit has not been compensated through the effective termination date.

(c) StanCERA may immediately terminate all or any part of this Agreement by delivering to Tegrit a written notice of termination for default which specifies the effective termination date, under any one of the following circumstances: (i) if Tegrit commits a material default of this Agreement and subsequently fails to cure such default within thirty (30) calendar days (or such longer period as StanCERA may authorize in writing) after receipt of written notice from StanCERA specifying such default; (ii) upon written notice if Tegrit is subject to criminal conviction, or is found civilly or criminally liable by a trial court, jury or administrative body in connection with any matter involving breach of trust, breach of fiduciary duty, fraud, or theft; or (iii) upon written notice if Tegrit attempts or purports to assign this Agreement, or any portion hereof, or any of its rights or obligations hereunder in violation of this Agreement, without obtaining StanCERA's prior written consent.

(d) Either party may immediately terminate this Agreement by giving written notice to the other party in the event that such other party dissolves, ceases to conduct business in the ordinary course (or threatens to so cease to conduct business), becomes insolvent, makes an assignment for the benefit of creditors, has a trustee or receiver appointed to take custody of its assets, or files or has filed against it a petition in bankruptcy or for reorganization under any state or federal bankruptcy or insolvency law that is not dismissed within 90 days of its filing.

(e) Without prejudice to any other rights or remedies it may have, Tegrit, by giving written notice to StanCERA, may terminate this Agreement as of the date specified in the notice of termination if (i) StanCERA fails to pay Tegrit any undisputed, delinquent amount exceeding \$30,000 within thirty (30) days after Tegrit's written notice stating that the delinquent amount is overdue and that Tegrit may terminate this Agreement if it is not paid within said thirty (30) days, or (ii) StanCERA commits a material breach of any other material provision of this Agreement, which breach is not cured within thirty (30) days after written notice of the breach from Tegrit to StanCERA.

(f) Except as otherwise provided herein, upon any expiration or termination of this Agreement, StanCERA will immediately (i) return to Tegrit (or, at Tegrit's option, destroy and certify in writing to Tegrit that it has destroyed) the original and all copies of Source Code, and/or Documentation in StanCERA's control or possession, and (ii) erase or destroy all such materials that are contained in computer memory or data storage apparatus of StanCERA or under the control of StanCERA.

(g) Unless this Agreement is terminated by Tegrit as provided in this Agreement, commencing on the earlier of: (i) no less than six (6) months prior to expiration of this Agreement; (ii) no less than six (6) months prior to the effective date if any termination of this Agreement, upon the written request of StanCERA and the written approval of Tegrit, with such Tegrit's written approval not to be unreasonably withheld, Tegrit will provide to StanCERA, or at StanCERA's request, to the successor provider, the reasonable termination assistance requested by StanCERA to allow the Services to continue with minimal, reasonably unavoidable interruption or adverse effect and to facilitate the orderly transfer of the Services and the StanCERA Data to StanCERA or the successor provider (foregoing referred to as "Termination Assistance"). Tegrit will use reasonable efforts to perform Termination Assistance using its then-existing resources dedicated to providing Services under this Agreement. Termination Assistance will be provided at the then-current Time and Materials Rates.

(h) Tegrit acknowledges that, due to the critical nature of Termination Assistance, there might be no adequate remedy at law for breach of Tegrit's obligation to provide such assistance, and that such breach might result in immediate and irreparable harm to StanCERA. Therefore, in addition to whatever other rights and remedies StanCERA might have at law or under this Agreement, StanCERA will be entitled to seek injunctive relief to compel such assistance without having to post bond.

(i) StanCERA will not authorize and will withhold payment for Services not provided if StanCERA terminates this Agreement for cause. Payment for Services which StanCERA received prior to the effective termination date will be paid in accordance with the terms hereof and incurred prior to the effective termination date.

(j) If, after StanCERA issues a notice of termination for default, it is determined for any reason that Tegrit was not in default, or that such default was excusable, then the rights and obligations of the parties will be the same as if StanCERA had issued a notice of termination for convenience.

(k) Upon any termination of Services, and to the extent directed by StanCERA, Tegrit will reasonably cooperate with StanCERA in good faith to effect a smooth and orderly transfer of such terminated Services and all applicable records to StanCERA or a successor, which reasonable cooperation will not exceed six hundred (600) hours of services



without Tegrit's prior written consent, not to be unreasonably withheld. Such service shall be provided at Tegrit's then-current Time and Materials Rates.

(l) The rights and remedies of the parties provided by this Section are not exclusive, but cumulative and in addition to any other rights and remedies provided by law, in equity or under any other provisions of this Agreement.

(m) Notwithstanding anything to the contrary in the foregoing, provisions of this Agreement that by their express terms or nature survive termination will continue thereafter until fully performed or no longer applicable.

## 12 Warranties.

(a) Tegrit hereby warrants to StanCERA that all applicable Services will be provided in a timely, competent and professional manner. If StanCERA believes that the Services do not materially conform with the above limited warranty, StanCERA will promptly notify Tegrit in writing and provide Tegrit with sufficient documentation of such nonconformity to enable Tegrit to verify the same. Tegrit's sole obligation with respect to any claims of nonconformance with the above limited warranty will be to reperform the Services so that they materially conform with the above limited warranty. The remedies set forth in this Section will constitute Tegrit's sole obligation, and StanCERA's sole remedy, for any breach of warranty by Tegrit.

(b) This limited warranty stated in this Section 12 will not be applicable in the event that any nonconformity arises from the negligence or intentional misconduct of any user of Software. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, STANCERA EXPLICITLY ACKNOWLEDGES THAT THE ACCURACY OF STANCERA'S WORK PRODUCT DEPENDS, IN PART, UPON THE ACCURACY OF THE STANCERA-CONTRIBUTED DATA IMPORTED INTO THE SOFTWARE, AND HEREBY WAIVES AND COVENANTS NOT TO BRING ANY WARRANTY CLAIM IF AND TO THE EXTENT CAUSED BY DATA-INTRODUCED ERROR. EXCEPT AS STATED IN THIS AGREEMENT: (i) TEGRIT AND ITS LICENSORS SPECIFICALLY DISCLAIM ALL WARRANTIES AND CONDITIONS, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES, SOFTWARE AND DOCUMENTATION, INCLUDING ALL IMPLIED WARRANTIES AND CONDITIONS OF MERCHANTABILITY, NONINFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE, OR ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE, AND (ii) TEGRIT AND ITS LICENSORS SPECIFICALLY DISCLAIM ANY WARRANTY THAT THE SERVICES OR THE FUNCTIONS CONTAINED IN THE SOFTWARE WILL MEET STANCERA'S REQUIREMENTS OR WILL OPERATE IN COMBINATION OR IN A MANNER SELECTED FOR USE BY STANCERA (EXCEPT WITH RESPECT TO COMBINATIONS OR USES CONTEMPLATED BY THE DOCUMENTATION OR THE REQUIREMENTS, AS WARRANTED IN THIS SECTION 12) OR THAT THE OPERATION OF THE SOFTWARE WILL BE UNINTERRUPTED OR ERROR-FREE. STANCERA ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, IT HAS NOT RELIED ON ANY EXPRESS OR IMPLIED WRITTEN OR ORAL REPRESENTATION AS AN INDUCEMENT TO ENTER INTO THIS AGREEMENT. StanCERA may be required to access or use the internet in connection with the use of some or all of the Software. StanCERA understands and agrees that the internet is an unregulated, public network over which Tegrit exerts no control. Tegrit makes no representations or warranties whatsoever, and will have no liability whatsoever, with respect to the accuracy, dependability, privacy, security, authenticity or completeness of data transmitted over or obtained using the internet, or any intrusion, disruption, loss of communication, loss or corruption of data, or other error or event caused or

permitted by or introduced through StanCERA's use of the internet. Except as stated in this Agreement, StanCERA is solely responsible for implementing adequate firewall, password and other security measures to protect its systems, data and applications from unwanted intrusion, whether over the internet or by other means.

13. Limitations of Liability.

(a) NEITHER PARTY WILL BE LIABLE, IN CONTRACT OR IN TORT (INCLUDING BREACH OF WARRANTY, NEGLIGENCE, AND STRICT LIABILITY IN TORT) FOR INDIRECT OR CONSEQUENTIAL, INCIDENTAL, OR SPECIAL LOSS OR DAMAGES (INCLUDING LOSS OF PROFITS, LOSS OF USE OF EQUIPMENT, LOST CONTRACTS, LOSS OF REVENUE OR ANTICIPATED SAVINGS) EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES IN ADVANCE.

(b) Subject to the remainder of this Section 13:

(i) Tegrit's total liability to StanCERA for all claims of any kind for any loss or damage, whether in contract, warranty, tort (including negligence), strict liability or otherwise, arising out of, connected with, or resulting from Tegrit's performance or non-performance under this Agreement will not exceed the lesser of the fees paid to Tegrit under this Agreement in the two-year period immediately preceding the first event giving rise to liability or \$1,000,000; and

(ii) StanCERA's total liability to Tegrit for all claims of any kind for any loss or damage, whether in contract, warranty, tort (including negligence), strict liability or otherwise, arising out of, connected with, or resulting from StanCERA's performance or non-performance under this Agreement will not exceed the lesser of the fees paid or payable to Tegrit under this Agreement in the two-year period immediately preceding the first event giving rise to liability or \$1,000,000.

(c) The limitations set forth in subsection (b) above will not apply with respect to: (i) a party's gross negligence or intentional misconduct; (ii) a breach by a party of its obligations under this Agreement with respect to the other party's Confidential Information or StanCERA Data; (iii) charges payable to Tegrit under this Agreement (including amounts owing for Services provided); (iv) a party's obligations to indemnify under Section 14, which is addressed in subsection (d) below; or (v) otherwise to the extent that such limitation is not permitted by law.

(d) Each party's total liability for all claims of any kind for any loss or damage, whether in contract, warranty, tort (including negligence), strict liability or otherwise, arising out of, connected with, or resulting from its obligations under this Agreement to indemnify the other party under Section 14 will not exceed \$1,000,000. The limitation set forth in this subsection (d) will apply separately from and independently of the limitations set forth in subsection (b) above.

14. Indemnification.

(a) Tegrit, at its own expense, will indemnify, defend, save, and hold harmless StanCERA, and its trustees, officers, employees, contractors, agents, and representatives (collectively, "Covered Persons") from and against any and all liabilities, losses, injuries, suits, costs, charges, judgments, fines, penalties, expenses (including, without limitation, reasonable defense costs and attorney's fees), and claims for damages of any nature

whatsoever; including, but not limited to, bodily injury, death, personal injury, or property damage (including, without limitation, any workers' compensation suits, liability or expense arising from or connected with work performed by or on behalf of Tegrit by any person, including any subcontractors and/or partners, pursuant to this Agreement), to the extent directly arising from, or relating to (i) any breach by Tegrit of a material obligation in Section 6 (Confidential Information) or Section 7 (Safeguarding of Information and Security), bad faith, negligence, willful misconduct, or unethical practice in Tegrit's performance of the Services; (ii) any willful misrepresentation contained in any statement or certificate furnished by Tegrit pursuant to this Agreement; and (iii) any claim, suit, demand, proceeding or other action brought or threatened by a third party ("Infringement Claim") that the Services or other Tegrit work product delivered under this Agreement actually or allegedly infringes or misappropriates a third party's Intellectual Property; provided however, that Tegrit will have no obligation under this Section 14(a)(iii) to the extent that such Infringement Claim is based upon: (A) the combination, operation, or use of the Services or System, or any equipment, materials or work product provided by Tegrit or any Tegrit subcontractor with equipment, Software, materials, business processes or data not provided, approved, or instructed by Tegrit, where but for such combination, operation, or use there would have been no infringement or misappropriation claim; or (B) developments or modifications made by Tegrit or Tegrit subcontractors according to or in compliance with designs, specifications, instructions, or the like, including business processes, furnished by StanCERA or any of its Affiliates or StanCERA subcontractors, to the extent compliance with such designs, specifications, instructions, or the like results in the infringement or misappropriation.

(b) StanCERA will give Tegrit prompt notice of any claim for which StanCERA is entitled to indemnification pursuant to this Section and Tegrit will control the defense or settlement thereof; provided no such settlement or compromise will be entered into without StanCERA's prior written consent, which consent will not be unreasonably withheld or delayed. Tegrit will have no right to settle or compromise any such claim without StanCERA's consent, which consent can be withheld for any reason or no reason, if such settlement or compromise involves the issuance of injunctive or other non-monetary relief binding upon StanCERA or a plea of guilty or novo contender on the part of StanCERA in any proceeding, or which involves any admission of liability or culpability on the part of StanCERA, or which has any collateral estoppel effect on StanCERA.

(c) StanCERA, at its own expense, will indemnify, defend and hold Tegrit, its shareholders, directors, officers, employees, contractors, and agents, harmless against any claims arising from or relating to (i) privacy- or confidentiality-related violations brought by Beneficiaries arising from or related to StanCERA Data, other than those arising from or relating to such violations if and to the extent resulting from Tegrit's (or its subcontractors') breach of this Agreement; (ii) workplace conditions at StanCERA's place of business or the negligent actions or omissions of StanCERA personnel; or (iii) StanCERA's violation of any legal requirement, except if and to the extent the claim arises from Tegrit's breach, fault or other wrongful conduct. Tegrit may be represented in the defense of any such claim, at Tegrit's expense, by counsel of Tegrit's selection. StanCERA will have no liability for settlements or costs incurred without its consent.

(d) Tegrit will procure and maintain insurance in accordance with Exhibit C.

15. Force Majeure. In the event Tegrit is unable to comply with any provision of this Agreement due to causes beyond its control, including acts of God, acts of war, pandemic, epidemic, civil disorders, or other similar acts, Tegrit will not be held liable to StanCERA for

such failure to comply. In the event StanCERA is unable to comply with any provision of this Agreement due to causes beyond its control relating to acts of God, acts of war, pandemic, epidemic, civil disorders, or other similar acts, StanCERA will not be held liable to Tegrit for such failure to comply.

16. Audits and Record Keeping.

(a) Tegrit will, during the term of this Agreement, upon reasonable advance written notice and without material disruption to Tegrit's business operations, provide to StanCERA access at reasonable times, to any facility at which either Tegrit or any Tegrit subcontractor is providing the Services, and will under the same terms grant StanCERA access to Tegrit Personnel to discuss, and to view and (as necessary to the audit) record and copy applicable data, records and information relating to, the Services (including the right to copy such data, records and information) for the purpose of performing audits and inspections ("Audits") of either Tegrit or any Tegrit subcontractors to: (i) verify the accuracy of charges and invoices; (ii) verify the integrity of StanCERA Data and examine the systems that process, store, support and transmit StanCERA Data; and (iii) verify Tegrit's and Tegrit subcontractors' performance of the Services and compliance with the terms of this Agreement.

(b) Tegrit will reasonably cooperate with StanCERA and provide such assistance as StanCERA reasonably requires in carrying out the Audits.

(c) StanCERA will ensure that StanCERA will comply with Tegrit's reasonable confidentiality and security requirements provided to StanCERA.

(d) Tegrit will reasonably cooperate with StanCERA in dealing with certification and regulatory Audits or requests by certification and regulatory agencies, which are applicable to this Agreement or the Services.

(e) Following an Audit, StanCERA will conduct a review meeting with Tegrit to review each Audit report promptly after the issuance thereof and will mutually agree upon the appropriate manner, if any, in which to respond to the changes suggested by the Audit report.

(f) If any Audit reveals any overcharge or undercharge in any Tegrit invoice, an appropriate correcting payment or credit will be promptly made by the appropriate party. In the event that an Audit reveals an overcharge by Tegrit by more than seven percent (7%), Tegrit's correcting payment will be made together with interest at one half percent (0.5%) per month during such period starting the date upon which the overcharge occurred and ending on the date of the repayment by Tegrit, in order to reimburse StanCERA for the returns it could have obtained had it been able to utilize such funds.

(g) Audits will be conducted at StanCERA's expense unless fees in any Tegrit invoice are found to have been overcharged by more than seven percent (7%), in which case Tegrit will pay all expenses associated with the audit and all adjustments in fees due.

(h) Upon request, Tegrit will maintain and provide access for StanCERA to the records, documents and other information required to meet StanCERA's audit rights under this Agreement until the later of: (i) three (3) years after the date the applicable Service was completed; (ii) the date that all pending matters relating to the applicable Service (including disputes) are closed; and (iii) the date when such records, documents and other information are

no longer required to meet Tegrit's records retention policy, as such policy may be amended from time to time.

17. Notices and Reports. Any notices and reports required or desired to be serviced by either party upon the other will be addressed to respective parties as set forth below:

StanCERA	Tegrit
832 12th Street, Suite 600	17187 N. Laurel Park Dr., Suite 250
Modesto, CA 95354	Livonia, MI 48152
209-525-6393	248-663-2443

18. Governing Law and Venue. The Agreement will be deemed to be made under, and will be governed by and construed in accordance with, the laws of the State of California. Any action brought to enforce the terms or provisions of this Agreement will exclusively be brought in the venue in the County of Stanislaus, State of California, and the parties submit to such venue, and shall make no claims such venue is improper or inconvenient.

19. Miscellaneous.

(a) During the performance of this Agreement, Tegrit and its officers, employees, agents, representatives or subcontractors will not unlawfully discriminate in violation of any Federal, State or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religious creed, color, national origin, ancestry, physical or mental disability, medical condition, genetic information, pregnancy related condition, marital status, gender/sex, sexual orientation, gender identity, gender expression, age (over 40), political affiliation or belief, or military and veteran status. Tegrit and its officers, employees, agents, representatives or subcontractors will comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the Stanislaus County's non-discrimination policy; the Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal Regulations. Tegrit will include the non-discrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement. Tegrit will provide a system by which recipients of service will have the opportunity to express and have considered their views, grievances, and complaints regarding Tegrit's delivery of services.

(b) Tegrit will take affirmative action to ensure that qualified applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex, handicap, ancestry or national origin.

(c) This Agreement may be executed in any number of counterparts, each of which will be deemed an original.

(d) The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provision.

(e) No waiver of a breach of any provision of this Agreement by either party will constitute a waiver of any other breach of said provision or any other provision of this Agreement. No waiver will be enforceable unless it is a written agreement executed by the party granting the waiver, making specific reference to this Agreement and reciting the parties' intention that it constitutes a waiver. Failure of either party to enforce at any time, or from time to time, any provisions of this Agreement will not be construed as a waiver thereof. The remedies herein reserved will be cumulative and additional to any other remedies in law or equity.

(f) In the event of any litigation regarding this Agreement, the prevailing party as determined by the appropriate court will be entitled to recover reasonable attorney's fees.

(g) This Agreement may not be amended except by written agreement executed by both of the parties making specific reference to this Agreement and reciting the parties' intention that it constitutes an amendment.

(h) This Agreement constitutes the entire agreement between Tegrit and StanCERA with respect to the subject matter hereof and supersedes all previous Agreement negotiations, commitments, writings, advertisements, publications, and understandings of any nature whatsoever unless expressly included in this Agreement.

(i) Tegrit has or will obtain in a timely manner all necessary or appropriate licenses, permits or other governmental authorizations or approvals applicable to its provision of the Services; will indemnify and hold StanCERA harmless from, and bear all expense of, complying with all foreign or domestic laws, regulations or requirements pertaining to the importation, exportation, or use of the technology to be developed or provided herein by Tegrit. Tegrit will not directly or indirectly export or re-export (including by transmission) any regulated technology to any country to which such activity is restricted by U.S. regulation or statute, without the prior written consent, if required, of the Bureau of Export Administration of the U.S. Department of Commerce. Tegrit will take no action, nor omit to take, any required action, which would cause either party to violate the Foreign Corrupt Practices Act of 1977 or the U.S. Export Administration Regulations.

(j) Tegrit warrants that no gratuities in the form of entertainment, gifts, or otherwise, were offered or given by Tegrit, or any agent or representative of Tegrit, to any officer, fiduciary, advisor, or employee of StanCERA with a view toward securing this Agreement or securing favorable treatment with respect to the awarding or the making of any determination with respect to this Agreement. Tegrit covenants that no such gratuities will be given to any such person with a view towards securing favorable treatment with respect to making a determination with respect to the performance, termination and/or continuation of this Agreement. Tegrit and its partners and subcontractors will review and become familiar with the conflicts of interest and reporting provisions applicable to the StanCERA, contained in California Government Code sections 1090 to 1097 inclusive, 31528, 82030 and 87100 to 87103 inclusive.

(k) Tegrit represents and warrants that to the best of its knowledge no employee of Tegrit or fiduciary whose position in Tegrit enables such person to influence the award of this Agreement or any competing agreement, and no spouse or economic dependent of such person is or will be employed in any capacity by Tegrit herein, or does or will have any

direct or indirect financial interest in this Agreement. Tegrit will deliver annually to StanCERA, or more frequently if requested, a certificate in the form as provided by StanCERA with respect to the interests of persons related to StanCERA, as specified from time to time by StanCERA.

(l) StanCERA and Tegrit will in good faith perform its required obligations hereunder and neither Tegrit nor StanCERA agrees to pay any penalties, liquidated damages, interest, or attorney's fees, except as required by law or otherwise stated herein.

(m) Tegrit, and its partners and subcontractors, attest, subject to the penalties for perjury, that he/she is the contracting party, or that he/she is the representative, agent, member or officer of the contracting party, that he/she has not, nor has any other member, employee, representative, agent or officer of the firm, company, corporation or partnership represented to him, directly or indirectly, to the best of his/her knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he/she has not received or paid, any sum of money or other consideration for the execution of this contract other than that which appears on the face of the contract.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement through their authorized representatives as of the date first set forth above.

Stanislaus County Employees' Retirement Association

Tegrit Software Ventures, Inc.

Signature: 

Signature:   
Timothy McClure (Dec 19, 2024 11:14 EST)

Name: Thomas Stadelmaier

Name: Timothy McClure

Title: Executive Director

Title: CEO



Exhibit A  
Services

## 1 Scope of the Services

The following services are provided in response to Help Desk tickets submitted to Tegrit via the Tegrit ticketing system. While StanCERA may report issues via phone, or email, a Help Desk ticket must be submitted for documentation and tracking purposes.

### 1.1 Available Services

#### 1.1.1 Level 1 – Help Desk

Level 1 represents generalist support and will be the first contact point for all support requests. If Level 1 support cannot resolve the problem, the request escalates to Level 2 or Level 3 support. StanCERA may also ask for tickets to be escalated to Level 2 or Level 3 at any time.

Tegrit support requests can be generated by StanCERA staff only. StanCERA Members and/or Employers should contact StanCERA to report issues.

Critical issues rated “Emergency” or “High” (see severity codes in Appendix A) are reported to the Tegrit Help Desk via phone call in addition to being documented as a ticket in the ticketing system.

#### 1.1.2 Level 2 - Hosting / Infrastructure Support

Level 2 support includes maintenance, support, and updates of the StanCERA production and test environments hosted by Tegrit. Operational issues will be resolved at this level. If resolution requires code modification to Tegrit applications, the request is elevated to Tegrit’s Level 3 support.

StanCERA has a Tegrit-hosted installation of Arrivos hosted by Tegrit’s third-party hosting partner.

Tegrit Level 2 is responsible for escalating any infrastructure related issues to the hosting partner support team. Tegrit monitors all infrastructure upgrades and updates to ensure that these activities do not affect Arrivos access (outside of scheduled downtime).

#### 1.1.3 Level 3 – Root-Cause Analysis / Corrective Maintenance

This support level may include Tegrit Architects, Developers and Business Analysts and serves as the escalation point for incidents and issues which cannot be resolved by Level 1 or Level 2 support. Level 3 support resources are responsible for the following tasks, as needed:

**Root Cause Analysis (RCA)** – Determination of issue root causes and corrective measures. Root cause and resolution will be recorded within the associated ticket in the Help Desk application. Resolution times are dependent upon the nature of the associated issue.

**Defect/Bug fixes** — Defined as the repair of system errors or unexpected results within the system that render it unusable for the purpose for which it was designed. Items that request new or changed functionality will be considered enhancement requests (See Appendix B).

Delivery of fixes to production will be mutually determined by Tegrit and StanCERA and is dependent upon the nature of the issue.

#### 1.1.4 Status Meetings

Regular Status meetings will be scheduled at mutually agreeable times between Tegrit and StanCERA.

### 1.2 *Requests for Services NOT Covered Under This Agreement*

Unless otherwise stated, this agreement does not cover the following services, which will be undertaken only with prior documented approval of each party in each instance:

**Operational Support** - Operational support may include assistance with associated annual processes or other StanCERA operational activities as may be associated with this Arrivos implementation. Requests for these services should be submitted to the Help Desk. Tegrit will work with StanCERA to prioritize and schedule these requests. Approval will be documented with the ticketed request.

**Level 1 (Help Desk) calls from Employers or Members** — Help Desk services provided under this agreement are intended to support StanCERA staff. The Tegrit team does not expect to receive calls from Employers or Members directly. StanCERA staff is expected to be the point of contact. If there is any scenario whereby StanCERA would like Tegrit to participate in providing direct support to an Employer or Member, this would be handled on a case-by-case basis (See Appendix B). StanCERA will create a ticket for these types of requests.

**Modifications to Original Specifications** — Requests by StanCERA for a change to the application code, functionality or infrastructure/security changes not incorporated in the current version of the implementation will be considered enhancements. StanCERA should initiate a request for an application enhancement as noted above.

**Legislative Changes** – It is possible that the State of California or any local governmental agency may dictate changes which could require modification to the current Arrivos codebase. When this occurs, StanCERA should initiate a request for an application enhancement as noted above.

For example, standard annual updates for the new calendar year tax withholding tables are not considered a Legislative Change. If, however, the way the tables work is changed, then that would no longer be a standard annual update.

**Security** – Tegrit will maintain the Tegrit hosted environments and is responsible for applying security patches related to operating systems and databases. With that said, mitigation for new or emerging security threats that require changes to the deployed code may require documentation as a ticket, depending upon the nature of the required change.

### **1.3 Applications Covered**

This agreement is for services related to support requests for the StanCERA implementation of Arrivos.

### **1.4 Release Scheduling**

The release schedule is jointly determined by StanCERA and Tegrit, based on scope and any client or technical deadlines. Any technical updates are included in regularly scheduled functional releases (which may be comprised of both bug fixes and/or additional system enhancements). Critical or emergency technical or functional updates will be released as quickly as both parties can reasonably accommodate. Release scheduling is focused on the next immediate release along with planning for subsequent releases.

### **1.5 Availability**

Availability for the Tegrit Software (StanCERA access, production and web self-service) will meet or exceed 99.5% twenty-four (24) hours per day, excluding: (i) periods of scheduled maintenance (not to be performed during the normal StanCERA business hours and not to exceed sixteen (16) hours per month, provided that Tegrit provides at least twenty-four (24) hours advance notice of such maintenance. If maintenance is expected to take longer than five (5) hours, Tegrit will include that in the maintenance notice.); (ii) Service Outages caused by or arising from acts or omissions of StanCERA, (iii) Service Outages caused by or arising from an event of Force Majeure as defined in section 15 of the Pension Administration System Support Agreement (“Agreement”) by and between the parties effective July 1, 2024, (iv) Service Outages caused by or arising from StanCERA system downtime. A “Service Outage,” as used herein, will mean a period of time in which the hosted system is not available to StanCERA or Authorized Users. Tegrit will provide reporting on availability on a quarterly basis.

### **1.6 Levels of Effort (LOE)**

The total Levels of Effort (LOE) to address Help Desk tickets and other in-scope services is listed in Appendix B.4. At the end of each year, Tegrit and StanCERA will review the current year’s hours and determine if StanCERA wishes to change for the following years’ SLA LOE and whether it should continue to be reviewed annually. This will be handled based on mutual agreement between the parties. The minimum number of annual hours is 500.

At such point the LOE exceeds the hours listed in Appendix B.4, Tegrit will bill hourly for overages at a rate of \$205/hour for Years 1 – 5 as they are defined in Appendix B.4. Absent an updated agreement after Year 5, Tegrit will provide the updated rate for overage hours at least 90 days prior to Year 6. StanCERA may review the annual LOE and request updates to meet changing needs, which will be documented as an amendment to this Exhibit A.

## **1.7 Processes and Procedures Related to This Agreement**

### **1.7.1 Incident Management and Support Request Process**

Tegrit’s Help Desk application will be used by all support team levels to record and track all incidents or inquiries. StanCERA shall submit a ticket via the Help Desk for all incidents. For any issues critical in nature the StanCERA team may elect to contact Tegrit personnel via phone using the information provided in Appendix C.

### **1.7.2 Service Outage Incident**

Tegrit’s Help Desk application will be used to track any service outages as identified in Section 1.5 above. In the event of a material service outage the parties will work together to reach an agreed upon equitable solution.

### **1.7.3 Incident Status Meetings**

Incident status meetings will be held for the timelines noted in Appendix A, or as otherwise agreed upon by the parties.

## **1.8 SLA Invoicing**

Please see Appendix B for details regarding the monthly/annual costs for:

- Licensing for Arrivos Use
- Application Hosting
- SLA Services
- Annual Code Escrow, if elected

Tegrit will invoice StanCERA monthly for Licensing, Hosting, and SLA services and will bill annually for Code Escrow (if applicable), barring any request for an alternative timing of billings (quarterly, annually, etc.). Included with each invoice, Tegrit will report Level of Effort (LOE) hours used and remaining.

## Appendix A – Severity Levels

### Severity Codes

The Tegrit Help Desk uses the following characteristics to identify the severity and priority of each Help Desk ticket. Response and resolution objective times are provided for reference. These objectives apply to support and maintenance services. These objectives do not relate to additional requests outlined in Section 1.2 (Services Not Covered) which are either documented in a Help Desk ticket or with an SOW.

#	Severity	Description	Resolution / Response
1	<i>Emergency</i>	A major production outage, performance degradation, or instability causing significant impact to business operations.	Acknowledge Issue – 1 hour Status Updates (Interval) – 4 hours Resolution Objective (Max) - 8 hours
2	<i>High</i>	Large number of users impacted. Entire office or user group (i.e. employers or members) is experiencing a similar problem. Alternatively, a small number of users can't complete a mission critical function.	Acknowledge Issue – 1 hours Status Updates (Interval) – 8 hours Resolution Objective (Max) - 48 hours
3	<i>Medium</i>	Individual user or group is impacted by an issue within a non-mission critical function. Users are able to complete work with minimal impact to productivity	Acknowledge Issue – 2 hours Escalation (if not resolved) – 12 hours Resolution Objective (Max) - 72 hours
4	<i>Low</i>	Individual issue, request or question that does not impact normal business operations.	Acknowledge Issue – 2 hours Escalation (if not resolved) – 48 hours Resolution Objective (Max) - 120 hours

Regarding resolution and response times, both parties agree to the following:

**Definition of “Resolution Objective”** – Once the issue has been triaged and both StanCERA and Tegrit have agreed on the resolution methods and the timeline, the issue is set to have achieved the resolution objective. The Resolution Objectives (outside of “Emergency” and “High” issues) mentioned above are only for those fixes that are related to configuration changes or hardware related issues. There may be instances where the resolution can only be achieved by executing a code release to production. In such cases, Tegrit will work with StanCERA to determine a suitable release schedule dependent upon the nature and severity of the issue.

**Definition of “Resolved”** – A help desk ticket will be deemed resolved and the state set to “resolved” once a Resolution Objective is reached by Tegrit.

## Appendix B – Itemized SLA Costs and Level of Effort

### B.1 Years Definition

Years one through five for this SLA are defined as follows:

- Year 1 > July 1, 2024 – June 30, 2025
- Year 2 > July 1, 2025 – June 30, 2026
- Year 3 > July 1, 2026 – June 30, 2027
- Year 4 > July 1, 2027 – June 30, 2028
- Year 5 > July 1, 2028 – June 30, 2029

Rates after Year 5 will be provided by Tegrit no later than 90 days prior to the start of Year 6, absent an updated Exhibit A. In no event shall the individual rates for the various services under this Appendix B be increased by more than ten percent (10%) for Year 6, absent a material change in costs to Tegrit, which would be discussed and agreed upon by the parties.

### B.2 Annual Licensing

This cost covers annual licensing for Arrivos for Year 1 through Year 5 of this agreement. Included is software access and annual licensing for underlying technologies required to support the StanCERA Arrivos installation. As an example, StanCERA payroll requires the use of tax tables and a tax engine which are regularly updated throughout the year, as needed, and new tables are loaded annually. The licensing cost for this is covered by the annual licensing fee. This does not include commodity software, such as Windows or Oracle, which is included in the monthly hosting cost.

Annual Licensing	Months	Monthly Fee	Annual Totals
<i>Year 1</i>	12	\$2,500/monthly	<b>\$30,000</b>
<i>Year 2</i>	12	\$3,000/monthly	<b>\$36,000</b>
<i>Year 3</i>	12	\$3,000/monthly	<b>\$36,000</b>
<i>Year 4</i>	12	\$3,750/monthly	<b>\$45,000</b>
<i>Year 5</i>	12	\$3,750/monthly	<b>\$45,000</b>



### B.3 Hosting Services

Hosting Services	Months	Monthly Fee	Annual Totals
Year 1	12	\$9,975/monthly	<b>\$119,700</b>
Year 2	12	\$10,475/monthly	<b>\$125,700</b>
Year 3	12	\$11,000/monthly	<b>\$132,000</b>
Year 4	12	\$11,550/monthly	<b>\$138,600</b>
Year 5	12	\$12,125/monthly	<b>\$145,500</b>

**\*Hosting**

Additional security features and monitoring by a third-party vendor have been added to the Tegrity hosted environment. The third-party vendor monitors both for irregularities within the environment and to ensure that the hosting vendor’s security features are active and in proper working order.

Hosting includes 14 days of retention for backups. It also includes a replicated disaster recovery site in a geographically separated location. Additional options are available at additional cost (such as a warm site solution).

Hosting costs may further increase for new or added services. In such an instance, updated hosting fees will be documented in an amendment to this agreement.





## B.4 Support & Maintenance Services

### B.4.1 SLA Required Base Support & Maintenance

SLA Services (Base Support & Maintenance)	Months	Level of Effort (LOE) Hours	Hourly Rate	Total
<i>Year 1</i>	12	180	\$175	\$31,500
<i>Year 2</i>	12	180	\$175	\$31,500
<i>Year 3</i>	12	180	\$175	\$31,500
<i>Year 4</i>	12	180	\$185	\$33,300
<i>Year 5</i>	12	180	\$185	\$33,300

The 15 monthly standard hours are for database/environment monitoring and regular maintenance. All other support activities will be approved by StanCERA in advance, except for emergency production support. Tegrit will not await approval for emergency fixes, unless directed to do so by StanCERA.

### B.4.2 SLA Services (System Functionality & Enhancements)

System functionality and enhancement hours are designed for StanCERA’s continued investment in its Arrivos solution. This allows StanCERA to manage issues and enhancements within an expected annual cost.

The hours for optional services are billed monthly (1/12 of the annual LOE hours), or via an alternative payment schedule as may be agreed upon by the parties. The annual number of LOE hours for optional services may be adjusted annually as agreed upon by the parties. Any changes to LOE hours for Years 2 – 5 will be documented via invoice or an amendment to this agreement.

SLA Services (Help Desk, System Functionality & Enhancements)	Months	Level of Effort (LOE) Hours	Hourly Rate	Total
<i>Year 1</i>	12	1825	\$175	\$319,375
<i>Year 2</i>	12	2400	\$175	\$420,000
<i>Year 3</i>	12	2400	\$175	\$420,000
<i>Year 4</i>	12	2400	\$185	\$444,000
<i>Year 5</i>	12	2400	\$185	\$444,000

These designated hours cover all other support activities, not included in the Base Support/Maintenance activities. This includes enhancements as prioritized and agreed upon by the parties. It is expected that activities will fluctuate based on StanCERA’s needs, legislation, resource capacity (either party) or other yet unknown factors. Based on that, StanCERA may borrow hours from an upcoming year or bank unused hours from a current year, so long as the hours borrowed or banked do not exceed 10% of the annual LOE hours (currently 240 hours). Should banking or borrowing hours exceed the 10% threshold, the parties will document any changes within an amendment to this agreement.

Annual System Functionality & Enhancement hours will be managed by the parties. In a scenario whereby (a) the minimum number of hours as described in Section 1.6 has been met but (b) StanCERA is unable use reserved hours in excess of such minimum number and (c) the amount of such excess reserved hours is beyond what can be banked for a subsequent year, the parties will work together in good faith so that StanCERA is not charged for hours which cannot be used (defined as such reserved hours in excess of the minimum number of hours as described in Section 1.6, beyond what can be banked for a subsequent year or used within the associated year).

Additional hours may be purchased in blocks of 100, as agreed upon by the parties, at \$195/hour (which do not expire) at the conclusion of each fiscal year. After Year 5, an updated rate will be provided by Tegrit 90 days prior to the start of Year 6, absent an updated Exhibit A. In the event of a large-scale project, this SLA may be used for the purchase of additional hours to cover the project.

If that is not preferable, a separate engagement may be created as agreed upon by the parties, for special projects. StanCERA may prefer to manage changes or a series of changes as separate projects (capital or maintenance) depending on the driver of the change. This allows StanCERA to manage those costs appropriately. These could include things such as a CERL change, Employer change or State/Federal legislative change.

### ***B.5 Annual Code Escrow, if elected***

StanCERA currently does not have escrowed source code. StanCERA may choose at any time to add a source code escrow, whereby Tegrit will set up the escrow account and deposit the production source code after every production release. The cost for the annual source code escrow, by year is included below. This is only billed if StanCERA elects to initiate the escrow.

<b>Annual Escrow</b>	<b>Annual Totals</b>
<b>Year 1</b>	<b>\$5,000</b>
<b>Year 2</b>	<b>\$5,250</b>
<b>Year 3</b>	<b>\$5,510</b>
<b>Year 4</b>	<b>\$5,785</b>
<b>Year 5</b>	<b>\$6,075</b>

Exhibit B  
Security Policy

This Security Policy (“Policy”) shall apply to Tegrity’s Handling of StanCERA Data under the Agreement. The term “including” (or “include”) means including without limitation.

1. Definitions.

1.1. “Applicable Rules” means all laws and regulations, including data security laws, that apply to the conduct of either Party under the Agreement.

1.2. “Tegrity Resource” means any third party who works on behalf of Tegrity in connection with Tegrity’s performance of the Services, including any affiliate, processor (as defined by Applicable Rules), or subcontractor that Handles or is authorized to Handle StanCERA Data.

1.3. “Handle” (or “Handles” or “Handling”) means to perform any operation or set of operations upon StanCERA Data, whether manually or by automatic means, including collection, recording, sorting or organization, structuring, accessing, storage, adaptation or alteration, retrieval, consultation, retention, use, transfer, disclosure by transmission, dissemination or otherwise making available, alignment or combination, blocking, erasure or destruction.

2. General Requirements

2.1. Ownership and Handling. Tegrity shall Handle StanCERA Data in a manner that complies with the Agreement, this Policy, and Applicable Rules. As between StanCERA and Tegrity, StanCERA is and will remain the exclusive owner and controller of StanCERA Data. Tegrity will not claim ownership or controllership of StanCERA Data. Tegrity will Handle StanCERA Data only as necessary to perform the Services in accordance with the Agreement and Applicable Rules, and solely for the benefit of StanCERA and its Beneficiaries and not for the benefit of Tegrity, any Tegrity Resource, or any third party. Tegrity will not: (i) sell StanCERA Data, (ii) retain, use, or disclose StanCERA Data outside of Tegrity’s direct business relationship with StanCERA, or (iii) permit any Third Party to Handle StanCERA Data, except as required by law or as expressly permitted in the Agreement or otherwise by StanCERA in writing.

2.2. Tegrity Resources. Tegrity may utilize Tegrity Resources as necessary to perform its obligations under the Agreement, including Handling of StanCERA Data, provided that Tegrity shall only utilize Tegrity Resources that (a) have a legitimate business need to Handle StanCERA Data in order for Tegrity to perform the Services, (b) only Handle StanCERA Data as necessary to provide the Service, and (c) are bound in writing to implement measures for Handling of StanCERA Data that are at least as protective as the terms of this Agreement, this Policy, and in accordance with Applicable Rules. Tegrity is solely responsible for any Handling of StanCERA Data under the control or possession of Tegrity or any Tegrity Resources, including acts or omissions of any Tegrity Resources. Tegrity shall only disclose StanCERA Data to StanCERA and Tegrity Resources.

2.3. List of Entities Handling StanCERA Data. Upon StanCERA’s reasonable request, Tegrity will identify all Tegrity Resources that Handle StanCERA Data, and their location.

2.4. Cooperation. Tegrit shall reasonably cooperate with StanCERA to promptly and effectively (but at StanCERA's sole cost and expense unless otherwise agreed by Tegrit in writing) (a) provide access to, change, block, retain, delete, use, return, securely dispose of, mask, disclose, transfer, and/or encrypt any StanCERA Data Handled by Tegrit Resources, in a manner reasonably requested by StanCERA; and (b) handle inquiries, complaints and claims relating to the Handling of StanCERA Data from any government official or authority (including any data protection or law enforcement agency) or third parties. If Tegrit receives such a request, it shall, unless prohibited by Applicable Rules, notify StanCERA promptly.

2.5. Return or Destruction of Data. Tegrit shall return and/or securely dispose of StanCERA Data within thirty (30) days of termination or expiration of the Agreement. In addition, Tegrit shall return or securely dispose of StanCERA Data if it receives a written request from StanCERA at any time.

2.6. Access to StanCERA Network and Systems. Tegrit and Tegrit Resources may only access StanCERA systems and networks for the sole purpose of providing the Services to StanCERA and only as authorized by StanCERA. Tegrit represents and warrants that Tegrit will (i) maintain the confidentiality of any access credentials to StanCERA systems and networks; (ii) limit access to only Tegrit Personnel with a legitimate need; and (ii) not knowingly introduce malware, malicious code, or other code to StanCERA systems or networks that may impair operations or compromise StanCERA, StanCERA Data or StanCERA networks. Tegrit is solely responsible for activity associated with its access credentials and shall promptly notify StanCERA upon becoming aware of any unauthorized loss, disclosure, or access to such credentials. StanCERA may suspend, limit or terminate access to StanCERA systems and networks in its sole discretion (provided that Tegrit shall not be responsible for any delays or failures to perform the Services or its obligations under the Agreement that arise as a result of any such suspension, limitation, or termination unless such suspension, limitation, or termination is in response to a material breach of the Agreement by Tegrit).

2.7. Confidentiality. Tegrit acknowledges and agrees that StanCERA Data shall be considered StanCERA's confidential information. Tegrit shall ensure all natural persons acting under its authority, including employees, contingent workers, agents, temporary employees, augmented staff ("Tegrit Personnel") who have access to StanCERA Data are committed to confidentiality or appropriate statutory obligation of confidentiality. StanCERA may disclose this Policy and any relevant privacy or data security provisions in the Agreement to any governmental or regulatory body upon their request and any such disclosure shall not be deemed a breach of confidentiality.

2.8. Compliance Remediation; Termination Rights. Tegrit will notify StanCERA without undue delay upon becoming aware if Tegrit or any Tegrit Resources violates or can no longer meet its obligations under Applicable Rules. Upon receiving notice from Tegrit, the parties shall discuss in good faith reasonable and appropriate steps to remediate Tegrit's or Tegrit Resources' anticipated or actual non-compliance with Applicable Rules.

### 3. Data Protection and Security

3.1. Security Program. Tegrit shall maintain an information security program designed to ensure a level of security appropriate to the risk, nature, and scope of Tegrit's activities. Such program must include reasonable and appropriate administrative, technical, and physical measures designed to ensure: (a) the ongoing confidentiality, integrity, and availability of StanCERA Data; (b) the resiliency of systems or services handling StanCERA Data and ability to restore such systems in a timely manner; (c) encryptions and pseudonymization where

appropriate; (d) regular testing, assessment, and evaluation of the effectiveness of such measures; and (d) and other policies and measures as needed to comply with Applicable Rules.

3.2. Security Assessment. Upon request, Tegrity will provide StanCERA with the results of any assessment or audit on the effectiveness of Tegrity's information security program as relevant to the security and confidentiality of StanCERA Data. Without limiting Tegrity's obligations above, if Tegrity undergoes annual audits conducted by an independent third party and maintains an ISO 27001 certification or SOC II Type 2 report, Tegrity will continue to certify as such and provide StanCERA with a copy of the most recent ISO report and certification or SOC II Type 2 report upon request. If ISO 27001 certified, Tegrity shall promptly provide StanCERA its Statement of Applicability. In the event an audit, scan, or test identifies control gaps in the environment Handling StanCERA Data, Tegrity shall promptly remediate all material deficiencies identified in such security audit, scan, or test.

3.3. Security Incident. If Tegrity becomes aware of, or reasonably believes that there has been, any unauthorized or unlawful access, acquisition, use, alteration, disclosure, destruction, or loss of StanCERA Data, or unauthorized access to StanCERA systems (each an "Incident"), Tegrity shall notify StanCERA without undue delay (or sooner if required by Applicable Rules) via email to StanCERA's Executive Director. Tegrity will reasonably cooperate with StanCERA to provide information necessary for any investigation or response in a timely manner and facilitate coordination with Tegrity Resources and others involved in the matter. Except as may be strictly required by Applicable Rules, Tegrity will not inform any third party of an Incident of StanCERA Data without first obtaining StanCERA's prior written consent.

3.4. Verification. Tegrity shall make available to StanCERA all information reasonably requested by StanCERA, at StanCERA's sole cost and expense, to demonstrate compliance with the obligations of this Policy or Applicable Law and allow for and contribute to audits, including inspections, conducted by StanCERA or an auditor determined by StanCERA, as required under Applicable Rules. Upon StanCERA's reasonable request and at StanCERA's sole cost and expense, Tegrity will complete a questionnaire and/or assessment regarding Tegrity's Handling of StanCERA Data and provide reasonable cooperation with related inquiries and assessments, e.g., data protection impact assessments or confirmation of compliance with this Policy and Applicable Rules. StanCERA shall make such a request no more than once a year, except in the event of an Incident or requirement of Applicable Rules.

#### 4. General

4.1. Conflict and Survival. In the event of conflict among the provision(s) in the Agreement and this Policy, the parties will endeavor to interpret any such conflicting provision(s) in a consistent manner. In the event of an irreconcilable conflict, the provision(s) of the aforementioned documents (to the extent applicable) will govern in the following order of precedence: (i) this Policy, and (ii) the Agreement. Tegrity acknowledges that the requirements of this Policy for the treatment of StanCERA Data shall extend for as long as Tegrity or a Tegrity Resource retains StanCERA Data.

## Exhibit C

### Insurance Requirements

The following requirements shall be adhered to by Tegrit throughout the Term of this Agreement. Tegrit shall procure the insurance policies at Tegrit's own expense. Tegrit is required to obtain and maintain the following types of insurance coverage for the Term of this Agreement:

(a) Commercial General Liability Insurance: the minimum limits of coverage of such insurance will be \$500,000 per person and \$1,000,000 per occurrence for personal and bodily injury and \$100,000 for property damages.

(b) Liability, Malpractice, and/or Errors and Omissions Insurance: Tegrit shall maintain malpractice and/or an errors and omissions insurance policy in the amount of at least \$1,000,000.

Additionally, Tegrit shall maintain an umbrella liability policy of at least \$3,000,000 total.

Coverage under these policies must include protection from the fraudulent conduct and breach of fiduciary responsibility of Tegrit.

Tegrit shall notify StanCERA thirty (30) days in advance of cancellation, termination or alteration of insurance policies as required by this Agreement. A renewal policy or certificate shall be delivered to StanCERA at least thirty (30) days prior to the expiration date of each expiring policy. If determined necessary by StanCERA, Tegrit shall deliver to StanCERA upon demand a certified copy of any policy required herein for review.









# Tegrit StanCERA System Support Agreement with Exhibits (Execution Copy) v2

Final Audit Report

2024-12-19

Created:	2024-12-19
By:	Angela Harvey (angela.harvey@tegrit.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAQLO8HebBAIfqLTōJ37tfOMPv6II-3U0V

## "Tegrit StanCERA System Support Agreement with Exhibits (Execution Copy) v2" History

-  Document created by Angela Harvey (angela.harvey@tegrit.com)  
2024-12-19 - 4:00:31 PM GMT
-  Document emailed to Thomas Stadelmaier (stadelmaiert@stancera.org) for signature  
2024-12-19 - 4:00:44 PM GMT
-  Document emailed to Timothy McClure (tim.mcclure@tegrit.com) for signature  
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-  Email viewed by Timothy McClure (tim.mcclure@tegrit.com)  
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-  Document e-signed by Timothy McClure (tim.mcclure@tegrit.com)  
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-  Email viewed by Thomas Stadelmaier (stadelmaiert@stancera.org)  
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-  Document e-signed by Thomas Stadelmaier (stadelmaiert@stancera.org)  
Signature Date: 2024-12-19 - 6:12:38 PM GMT - Time Source: server
-  Agreement completed.  
2024-12-19 - 6:12:38 PM GMT

**January 28, 2025**

Retirement Board Agenda Item

TO: Retirement Board

FROM: Carmen Gusman, Financial Services Manager

- I. SUBJECT: StanCERA continues to take steps to reduce the risk of fraud, error, and increase automation of financial transactions
- II. ITEM NUMBER: 7.k
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: N/A
- V. ANALYSIS: StanCERA staff has been collaborating with Northern Trust to ensure the continued safeguarding of StanCERA's assets. Additionally, staff is actively working to implement new tools and best practices to mitigate risk. Options are being evaluated with Northern Trust, with ongoing input from legal counsel, auditors, and other systems to enhance security measures.

**Background:**

In late 2023, StanCERA staff intercepted its first fictitious check against the StanCERA treasury account using Northern Trust's Positive Pay tool, successfully preventing financial loss. A second fictitious check was identified two months later, followed by the same process. In late February, StanCERA faced a surge of sixty-seven (67) fraudulent transactions over several days, all denied, ensuring no funds were lost. While the process proved effective, it relies on manual intervention. To address this, StanCERA has implemented measures to reduce the risk of fraud and error while increasing automation in financial transactions.

**Implemented Measures:**

- Changing the default on positive pay to: Do NOT pay until it is approved by StanCERA staff
- Enhanced caller validation steps were implemented (Attachment 1)
- System change implemented with Tegrit requiring double entry of account information for banking changes
- TrustLink automation which includes automation of cash transfers and earning significantly higher daily rate on available cash (Increase in interest earned will vary depending on rates but difference would be as much as \$500K annually over the previous year)
- Automated payroll file transmission from Tegrit to Northern Trust to reduce risk of manual error and fraud risk (More controlled and secure process for payment of approximately \$180M annually to members)

**Currently In-Progress:**

- Ongoing enrollment of vendors and member payments to electronic payments.



- Capital Call automation service

Improve efficiency and automation of investment accounting through NT

**Assessment:**

Staff will continue its conversations with Northern Trust and others to ensure StanCERA is aware of the risks in the environment and utilizing industry best practices.

Staff is available to the Board to answer any questions related to processes and controls being utilized to prevent fraud. Staff is evaluating internal controls and will report to the Internal Governance Committee on the status of the review and potential changes to consider in 2025.

- VI. RISK: StanCERA remains at risk, it is mitigated by fraud prevention tools in place at its partner financial institutions and organizational deployed processes.
- VII. STRATEGIC PLAN: StanCERA's response aligns administrative excellence and sustainability of the Plan.
- VIII. ADMINISTRATIVE BUDGET IMPACT: None

**January 28, 2025**

Retirement Board Agenda Item

TO: Retirement Board

FROM: Carmen Gusman, Financial Services Manager

- I. SUBJECT: 2024 1099 Update
- II. ITEM NUMBER: 7.I
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: N/A
- V. ANALYSIS: The 2024 1099-R forms have been mailed and filed with the IRS. Additionally, the 1099-R forms are available on the Member Portal. Staff has posted an announcement on the website informing members that the 1099-R forms are accessible through the portal.  
  
Regarding the late filing of the 2021 1099-R forms, staff is continuing mitigation efforts with the IRS to waive the associated penalty. All required documents have been submitted, and we are awaiting the IRS's response.
- VI. RISK: N/A
- VII. STRATEGIC PLAN: N/A
- VIII. ADMINISTRATIVE BUDGET IMPACT: None



**DECLARATION OF ELECTION RESULTS**  
**SEAT # 3      GENERAL REPRESENTATIVE**  
**December 26, 2024**

Pursuant to the Retirement Board Bylaws Section 1.6, a Board Member Election was held for Seat # 3, General Representative.

A Notice of Election was distributed to General members on December 8, 2024. The deadline for nomination papers was December 23, 2024 .

Only one general member, Delilah Vasquez submitted a nomination paper. Therefore, Delilah Vasquez is declared the winner for Retirement Board Seat #3, General Representative, by unanimous ballot pursuant to Government Code Section 31523. Delilah Vasquez will begin a new three-year term on January 27, 2025 -January 27, 2028.

Declaration made by:

Tom Stadelmaier  
Executive Director

**January 28, 2025**

Retirement Board Agenda Item

TO: Retirement Board

FROM: Tom Stadelmaier, Executive Director

- I. SUBJECT: StanCERA Strategic Goals Action Items Update
- II. ITEM NUMBER: 7.n
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: None
- V. ANALYSIS: Please see attached the updated strategic goals action items as of January 2025.

A new and improved long-term (5-year) contract was finalized with Tegrity in December 2024. This is the culmination of a lengthy effort to define costs and develop a longer-term framework for working together more effectively. Staff reviewed this with the Board in Closed Session in December 2024 and received approval to finalize the contract with Tegrity.

In January, 1099Rs were added to the member portal. This is a helpful new feature that will allow members to conveniently access their tax information online and in a more timely manner. Staff is continuing to work with Tegrity to enhance this feature and allow for historical display of tax information.

Going forward, StanCERA staff will be even more engaged in driving the Strategic Plan action items and reporting progress to the Board. Staff is committed to continuous improvement and reporting on progress to the Board.

The Board is encouraged to provide feedback on the document including additional areas of focus and feedback on action item priorities.

- VI. RISK: NONE
- VII. STRATEGIC PLAN: The action items reflected are in direct support of the established strategic goals.
- VIII. ADMINISTRATIVE BUDGET IMPACT: NA at this time

# 2023-2025

## StanCERA Strategic Goals Action Items



UPDATED 1/28/2025



**2023-2025 Strategic Goals Action Items**

**Strategic Planning Objectives for 2023-2025**

**StanCERA CARES:**

**C**ustomer engagement (The primary Customers are the Plan members, beneficiaries and those that are working to help them reach their retirement goals.)

**A**ministrative excellence

**R**eporting and transparency

**E**fficiency and innovation

**S**ustainability

Action Item Phases: Prepare, Plant, Grow and Harvest

Updates on Action Items are presented to the Board Quarterly



**2023-2025 Strategic Goals Action Items**

**Completed Action Items: Action items that reached the harvest stage are documented here to maintain a record of completed items**

Customer engagement	Administrative excellence	Reporting and transparency	Efficiency and innovation	Sustainability
<ul style="list-style-type: none"> <li>• Re-institute member seminars and establish an ongoing program January 2024</li> <li>• Member Web Portal Live June 2023</li> <li>• 1099Rs added to the member portal January 2025</li> </ul>	<ul style="list-style-type: none"> <li>• Updated stancera.org website live July 2024</li> </ul>	<ul style="list-style-type: none"> <li>• Custom investment reporting database retired after 6/30/2024 data</li> </ul>	<ul style="list-style-type: none"> <li>• Contribution statements available online and automatic mailing of statements discontinued going forward after 12/31/23 statements February 2024</li> <li>• Advice Notices provided online and automatic monthly mailing of advices discontinued November 2023</li> <li>• PBI enhanced Death reporting process implemented December 2023</li> </ul>	<ul style="list-style-type: none"> <li>• Master Administrative Task List Established January 2024</li> <li>• Completed long-term extension of 6<sup>th</sup> floor lease September 2023</li> <li>• Established full policy for elective officials September 2023</li> <li>• Long-term contract established with systems provider Tegrity to reduce risk, establish more predictable costs over time and plan for ongoing improvement of critical technology services December 2024</li> </ul>



**2023-2025 Strategic Goals Action Items**

**Action Items Priorities: Highest priority initiatives with a goal to show continued progress each quarter**

Strategic Objective	Action Item	Champion	Phase	Target Date	Team Members and Current Update
Customer	Add 1099Rs to member portal	Jamie	Harvest	1Q 2024	<ul style="list-style-type: none"> <li>• Functionality tested and live, January 2025</li> <li>• Staff reviewing options to potentially add history. New years will be added going forward as well.</li> </ul>
Administrative Excellence	RFP Policy Update	Tom	Grow	1Q 2025	<ul style="list-style-type: none"> <li>• Updated schedule being presented to Board in January 2025 meeting for review and approval.</li> <li>• Actuarial Audit and Private Markets Investment Consultant RFPs are currently in progress.</li> </ul>
Reporting and Transparency	Review StanCERA Internal Controls Process	Carmen	Prepare	4Q 2025	<ul style="list-style-type: none"> <li>• Staff reviewing existing controls with plans to publish compliance calendar and review potential changes. Plan</li> </ul>



**2023-2025 Strategic Goals Action Items**

Strategic Objective	Action Item	Champion	Phase	Target Date	Team Members and Current Update
					to update IGC regarding potential changes.
Efficiency	Implement Workiva solution for enhanced financial reporting support needs	Carmen	Grow	4Q 2025	<ul style="list-style-type: none"> <li>Workiva tool is live but will require additional investment of staff time to utilize</li> </ul>
Sustainability	Create succession management plan for all staff positions	Stan	Prepare	TBD	<ul style="list-style-type: none"> <li>Discussions with County and Board started in 1Q 2024</li> <li>Meeting held with County HR to review proposed organizational changes to support succession planning. Three classification reviews requested and in progress.</li> </ul>

**2023-2025 Strategic Goals Action Items**

**Action Items On-Deck: Committed initiatives with next-level priority**

Strategic Objective	Action Item	Champion	Phase	Target Date	Team Members and Current Update
Admin	Develop a training and development template for use with all staff members that focuses on both current and future needs	Alaine	Plant	1Q 2025	<ul style="list-style-type: none"> <li>• HR support now highlighting training opportunities for staff and tracking participation</li> <li>• Working on initial template to include StanCERA training, self-study modules, county-sponsored training, CALAPRS/SACRS, industry programs and designations, and outside education with examples of available option</li> <li>• Template developed to track team progress and actual expense vs. budget</li> </ul>
Reporting	Develop a dashboard report of organizational operational activities	Tom	Prepare	1Q 2025	<ul style="list-style-type: none"> <li>• Initial discussions have focused on reviewing</li> </ul>



**2023-2025 Strategic Goals Action Items**

Strategic Objective	Action Item	Champion	Phase	Target Date	Team Members and Current Update
					available system data; next step will involve creating prototype report and then developing system reports as needed
Efficiency	Develop and implement an audit process for plan sponsor pay codes; this includes the addition of new pay codes	Jamie	Prepare	TBD	<ul style="list-style-type: none"> <li>• Work to begin following completion of annual audit</li> </ul>



**2023-2025 Strategic Goals Action Items**

**Action Items Additional Ideas: Place-holder for identified projects that typically represent quick-hits or future initiatives that address StanCERA strategic objectives and in some cases may require additional planning to determine scope**

Strategic Objective	Action Item	Notes/Updates
Admin	Update disability rules and regulations contained in the bylaws to improve process	Suggested edits received from Ted are currently under review with plans to update the bylaws. Will be reviewed with IGC.
Admin	Explore additional educational and due-diligence workshops with investment managers and vendors	
Admin	Implement staff survey and feedback process	
Admin	Develop onboard training and training plan for all roles in organization	
Admin	Establish plan to support team-oriented, high-performance culture	
Customer	Review communications materials available for members and work to standardize, simplify, improve and streamline	Changes to some existing letters completed in the 1Q 2024 system release; more comprehensive communication review to follow
Customer	Discussion and design for next phase (continued enhancements) of member web portal including review of industry best practices	1099Rs on portal complete. 2025 system release planning underway.



**2023-2025 Strategic Goals Action Items**

Strategic Objective	Action Item	Notes/Updates
Customer	Define key member transactions and service levels	
Customer	Explore providing more services to support long-term financial wellness for members	
Customer	Implement member survey and feedback process	
Customer	Implement additional improvements to Retirement Application	Final release of 2024 completed with planning for 2025 release schedule in progress
Efficiency	Establish internal process for discussion and design of system and process enhancements to support increased efficiency	
Efficiency	Implement standard process for review of all vendor relationships and costs in support of approved RFP Policy	Currently compiling list of all vendors including associated financials and contract dates
Efficiency	Review and document financial control process for all expenditures	
Efficiency	Streamline financial reporting process for assets and investments	<ul style="list-style-type: none"> <li>• StanCERA has implemented TrustLink and is looking into implementing NT service for capital calls as well</li> </ul>



**2023-2025 Strategic Goals Action Items**

Strategic Objective	Action Item	Notes/Updates
		<ul style="list-style-type: none"> <li>Onsite meeting held at StanCERA with NT in 1Q 2024 with multiple enhancements identified—fiscal team working with NT on implementation of process improvements—some will be dependent on NT release dates</li> <li>Onsite meeting at StanCERA scheduled for March 5, 2025 to review next steps on improving accounting data available from NT.</li> </ul>
Efficiency	Modify frequency of tax reconciliation and error review in order to improve year-end processing timeline	<ul style="list-style-type: none"> <li>2024 year-end completed early for: 1099s, 945 and IRS file delivery</li> <li>Additional opportunities for improvement under review</li> </ul>
Efficiency	Streamline Workflow Processing	<ul style="list-style-type: none"> <li>Benefits staff taking on additional workflow activities in phased approach. Phase 1 during 1Q 2024 is highlighted by retirement processing. Process changes will result in</li> </ul>





**2023-2025 Strategic Goals Action Items**

Strategic Objective	Action Item	Notes/Updates
		<p>less handoffs and additional training and development for team members.</p> <ul style="list-style-type: none"> <li>• Additional workflows updated for more efficient processing with more under review</li> </ul>
Reporting	Develop investment manager due-diligence dashboard	
Reporting	Define key metrics and establish baselines for tracking	
Reporting	Review current Popular Annual Report and create a standard template for providing an update on StanCERA activities for all stakeholders	
Sustainability	Consolidate and refresh all established organizational policies	All Board Policies and Internal Administrative Policies compiled and under internal review; Plan to have all Board Policies reviewed by IGC after internal review
Sustainability	Conduct review of data security including Tegrity systems, County-supported systems and other technology	
Sustainability	Review IT infrastructure and identify areas for clean-up and improvement	



**2023-2025 Strategic Goals Action Items**

Strategic Objective	Action Item	Notes/Updates
Sustainability	Review all current processes and procedures to identify opportunities for streamlining	Initial list of opportunities identified (includes workflow changes, mail process changes, portal updates and more); next step is to formalize process for evaluation and implementation of improvements
Sustainability	Develop long-term agreement for system services provided by Tegrit	<ul style="list-style-type: none"> <li>• 5-yr contract signed with improved clarity and terms. See Board material Jan 2025.</li> </ul>
Sustainability	Update and formalize business continuity and disaster recovery planning	
Sustainability	Bank Fraud Mitigation-- Evaluate options and take steps to strengthen process controls and safeguards	<ul style="list-style-type: none"> <li>• Activities shared with Board in 1Q 2024 with follow-up communication planned</li> <li>• Initial meetings with NT held to review current safeguards and options to strengthen process controls 1Q 2024</li> <li>• Additional safeguard added in 2Q 2024 including enhanced caller validation</li> <li>• Trustlink project and further bank automation in progress</li> </ul>



**2023-2025 Strategic Goals Action Items**

Strategic Objective	Action Item	Notes/Updates
		<ul style="list-style-type: none"> <li>Automated direct deposit file transfer implemented Nov 2024</li> <li>Memo from staff to Board Jan 2025 with additional updates to processes to enhance automation and reduce risk.</li> </ul>



# MONTHLY PERFORMANCE REPORT

STANISLAUS COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION

DECEMBER 31, 2024

Dan Hennessy, CFA, CAIA, Senior Consultant

Sam Austin, Partner

John Tolar, Consulting Analyst



# CALENDAR YEAR INDEX PERFORMANCE

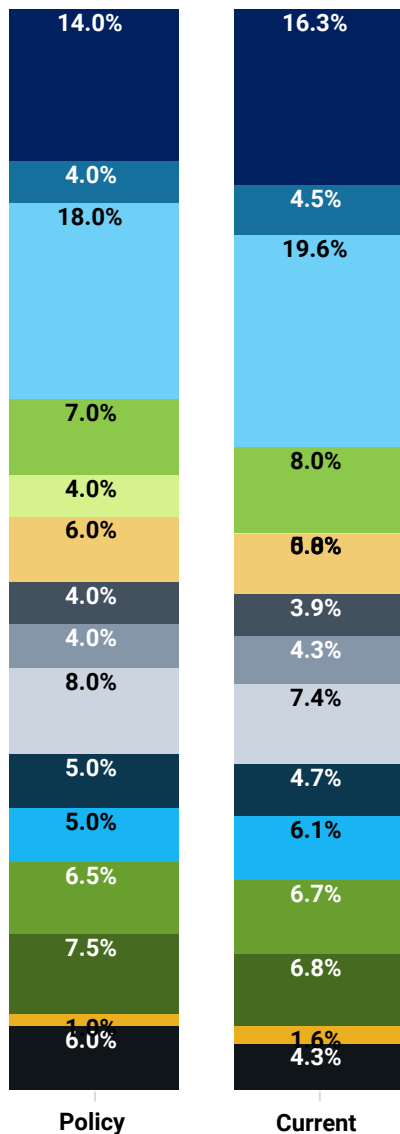
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Dec	QTD	YTD
<b>S&amp;P 500</b>	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%	-18.1%	26.3%	-2.4%	2.4%	25.0%
<b>Russell 1000</b>	13.2%	0.9%	12.1%	21.7%	-4.8%	31.4%	21.0%	26.5%	-19.1%	26.5%	-2.8%	2.7%	24.5%
<b>Russell 2000</b>	4.9%	-4.4%	21.3%	14.6%	-11.0%	25.5%	20.0%	14.8%	-20.4%	16.9%	-8.3%	0.3%	11.5%
<b>Russell 2500</b>	7.1%	-2.9%	17.6%	16.8%	-10.0%	27.8%	20.0%	18.2%	-18.4%	17.4%	-7.5%	0.6%	12.0%
<b>MSCI EAFE</b>	-4.9%	-0.8%	1.0%	25.0%	-13.8%	22.0%	7.8%	11.3%	-14.5%	18.2%	-2.3%	-8.1%	3.8%
<b>MSCI EM</b>	-2.2%	-14.9%	11.2%	37.3%	-14.6%	18.4%	18.3%	-2.5%	-20.1%	9.8%	-0.1%	-8.0%	7.5%
<b>MSCI ACWI</b>	4.2%	-2.4%	7.9%	24.0%	-9.4%	26.6%	16.3%	18.5%	-18.4%	22.2%	-2.4%	-1.0%	17.5%
<b>Private Equity</b>	12.6%	9.9%	9.0%	21.0%	11.1%	17.6%	32.9%	39.4%	-9.1%	5.7%	-	2.1%	2.1%
<b>BBG TIPS</b>	3.6%	-1.4%	4.7%	3.0%	-1.3%	8.4%	11.0%	6.0%	-11.8%	3.9%	-1.6%	-2.9%	1.8%
<b>BBG Municipal</b>	9.1%	3.3%	0.2%	5.4%	1.3%	7.5%	5.2%	1.5%	-8.5%	6.4%	-1.5%	-1.2%	1.1%
<b>BBG Muni High Yield</b>	13.8%	1.8%	3.0%	9.7%	4.8%	10.7%	4.9%	7.8%	-13.1%	9.2%	-1.7%	-1.1%	6.3%
<b>BBG US Corporate HY</b>	2.5%	-4.5%	17.1%	7.5%	-2.1%	14.3%	7.1%	5.3%	-11.2%	13.4%	-0.4%	0.2%	8.2%
<b>BBG US Agg Bond</b>	6.0%	0.5%	2.6%	3.5%	0.0%	8.7%	7.5%	-1.5%	-13.0%	5.5%	-1.6%	-3.1%	1.3%
<b>BBG Global Agg</b>	0.6%	-3.2%	2.1%	7.4%	-1.2%	6.8%	9.2%	-4.7%	-16.2%	5.7%	-2.1%	-5.1%	-1.7%
<b>BBG Long Treasuries</b>	25.1%	-1.2%	1.3%	8.5%	-1.8%	14.8%	17.7%	-4.6%	-29.3%	3.1%	-5.3%	-8.6%	-6.4%
<b>BBG US Long Credit</b>	16.4%	-4.6%	10.2%	12.2%	-6.8%	23.4%	13.3%	-1.2%	-25.3%	10.7%	-4.3%	-6.3%	-2.0%
<b>BBG US STRIPS 20+ Yr</b>	46.4%	-3.7%	1.4%	13.7%	-4.1%	20.9%	24.0%	-5.2%	-39.6%	1.1%	-9.1%	-13.5%	-13.8%
<b>JPM GBI-EM Global Div</b>	-5.7%	-14.9%	9.9%	15.2%	-6.2%	13.5%	2.7%	-8.7%	-11.7%	12.7%	-1.9%	-7.0%	-2.4%
<b>JPM EMBI Glob Div</b>	7.4%	1.2%	10.2%	10.3%	-4.3%	15.0%	5.3%	-1.8%	-17.8%	11.1%	-1.4%	-1.9%	6.5%
<b>CS Hedge Fund</b>	4.1%	-0.7%	1.2%	7.1%	-3.2%	9.3%	6.4%	8.2%	1.1%	5.8%	-	0.8%	9.9%
<b>BBG Commodity</b>	-17.0%	-24.7%	11.8%	1.7%	-11.2%	7.7%	-3.1%	27.1%	16.1%	-7.9%	1.0%	-0.4%	5.4%
<b>Alerian Midstream</b>	16.4%	-37.3%	33.8%	-2.4%	-13.3%	24.0%	-23.4%	38.4%	21.5%	14.0%	-6.1%	13.5%	44.5%
<b>FTSE NAREIT Equity REITs</b>	30.1%	3.2%	8.5%	5.2%	-4.6%	26.0%	-8.0%	43.2%	-24.4%	13.7%	-7.4%	-6.2%	8.7%

\*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	480,751,573	16.3	14.0	2.3	10.0 - 18.0	Yes
Small Cap Equity	133,674,113	4.5	4.0	0.5	0.0 - 7.0	Yes
International Equity	578,469,302	19.6	18.0	1.6	12.0 - 24.0	Yes
Intermediate	234,993,116	8.0	7.0	1.0	4.0 - 10.0	Yes
Credit		0.0	4.0	-4.0	0.0 - 6.0	Yes
Treasury	169,953,131	5.8	6.0	-0.2	4.0 - 8.0	Yes
TIPS	115,511,266	3.9	4.0	-0.1	2.0 - 6.0	Yes
Risk Parity	127,519,069	4.3	4.0	0.3	0.0 - 8.0	Yes
Private Credit	218,767,471	7.4	8.0	-0.6	0.0 - 10.0	Yes
Absolute Return	139,801,270	4.7	5.0	-0.3	0.0 - 7.0	Yes
Private Equity	178,453,335	6.1	5.0	1.1	0.0 - 8.0	Yes
Real Estate - Core	198,268,612	6.7	6.5	0.2	0.0 - 10.0	Yes
Infrastructure	200,640,103	6.8	7.5	-0.7	0.0 - 12.0	Yes
Cash	46,309,415	1.6	1.0	0.6	0.0 - 4.0	Yes
Non-Core Real Estate	125,657,980	4.3	6.0	-1.7	0.0 - 10.0	Yes
<b>Total</b>	<b>2,948,769,756</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		

\*Difference between Policy and Current Allocation

# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund</b>	<b>2,948,769,756</b>	<b>100.0</b>	<b>-1.3</b>	<b>-1.1</b>	<b>8.2</b>	<b>2.5</b>	<b>6.2</b>	<b>6.1</b>	<b>6.5</b>	<b>8.5</b>	<b>Jan-95</b>
Policy Index			-1.4	-0.8	9.4	4.0	7.1	6.8	7.0	7.9	
Allocation Index			-1.1	-0.8	10.4	2.7					
<b>Liquidity Sub-Portfolio</b>	<b>281,302,532</b>	<b>9.5</b>	<b>-0.2</b>	<b>-0.4</b>	<b>4.3</b>	<b>2.2</b>	<b>2.6</b>	<b>3.0</b>	<b>2.4</b>	<b>2.3</b>	<b>Aug-14</b>
StanCERA Liquidity Blended BM			-0.5	-1.3	3.3	0.3	2.0	2.2	1.8	1.8	
<b>Cash</b>	<b>46,309,415</b>	<b>1.6</b>	<b>0.4</b>	<b>1.4</b>	<b>5.7</b>	<b>4.6</b>	<b>3.6</b>	<b>3.0</b>	<b>2.4</b>	<b>2.3</b>	<b>Aug-14</b>
FTSE 1 Month T-Bill			0.4	1.2	5.4	4.0	2.5	2.3	1.7	1.7	
<b>Cashflow-Matched Bonds</b>	<b>234,993,116</b>	<b>8.0</b>	<b>-0.3</b>	<b>-0.7</b>	<b>4.0</b>	<b>1.6</b>	<b>2.1</b>	<b>2.8</b>		<b>2.7</b>	<b>Jul-17</b>
Blmbg. Intermed. U.S. Government/Credit			-0.6	-1.6	3.0	-0.2	0.9	1.7		1.6	
Insight	234,993,116	8.0	-0.3	-0.7	4.0	1.6	2.1	2.8		2.7	Jul-17
Blmbg. Intermed. U.S. Government/Credit			-0.6	-1.6	3.0	-0.2	0.9	1.7		1.6	
<b>Growth Sub-Portfolio</b>	<b>2,114,682,490</b>	<b>71.7</b>	<b>-1.6</b>	<b>-1.1</b>	<b>9.5</b>	<b>3.7</b>	<b>8.0</b>	<b>7.6</b>	<b>8.0</b>	<b>8.1</b>	<b>Jan-04</b>
StanCERA Growth Blended BM			-1.6	-0.7	11.6	5.4	9.3	8.7			
<b>US Equities</b>	<b>614,425,687</b>	<b>20.8</b>	<b>-3.6</b>	<b>2.4</b>	<b>21.5</b>	<b>8.3</b>	<b>13.9</b>	<b>12.7</b>	<b>11.8</b>	<b>10.5</b>	<b>Jan-04</b>
Russell 3000 Index			-3.1	2.6	23.8	8.0	13.9	13.2	12.5	10.3	
<b>US Large Equity</b>	<b>480,751,573</b>	<b>16.3</b>	<b>-2.7</b>	<b>2.7</b>	<b>23.7</b>	<b>8.6</b>	<b>14.7</b>	<b>13.9</b>	<b>12.9</b>	<b>12.9</b>	<b>Jan-95</b>
Russell 1000 Index			-2.8	2.7	24.5	8.4	14.3	13.6	12.9	11.0	
BlackRock Russell 1000 Growth	251,267,139	8.5	0.9	7.1	33.3	10.4	18.9	18.1	16.8	17.3	Aug-10
Russell 1000 Growth Index			0.9	7.1	33.4	10.5	19.0	18.1	16.8	17.3	
BlackRock Russell 1000 Value	111,564,500	3.8	-6.8	-2.0	14.3	5.6	8.7	8.5	8.5	11.5	Aug-09
Russell 1000 Value Index			-6.8	-2.0	14.4	5.6	8.7	8.4	8.5	11.4	
Dodge & Cox-Equity	117,919,934	4.0	-5.9	-1.2	15.2	8.0	11.8	10.6	10.7	12.0	Jan-95
Russell 1000 Value Index			-6.8	-2.0	14.4	5.6	8.7	8.4	8.5	9.8	
<b>US Small Equity</b>	<b>133,674,113</b>	<b>4.5</b>	<b>-6.7</b>	<b>1.2</b>	<b>13.1</b>	<b>7.1</b>	<b>11.0</b>	<b>8.3</b>	<b>8.4</b>	<b>12.1</b>	<b>Jan-09</b>
Russell 2000 Index			-8.3	0.3	11.5	1.2	7.4	6.9	7.8	11.3	
<b>Attucks Small Cap</b>	<b>133,674,113</b>	<b>4.5</b>	<b>-6.7</b>	<b>1.2</b>	<b>13.1</b>	<b>7.1</b>	<b>11.0</b>	<b>8.3</b>	<b>9.0</b>	<b>12.3</b>	<b>Jan-09</b>
Russell 2000 Value Index			-8.3	-1.1	8.1	1.9	7.3	6.1	7.1	10.1	
<b>International Equity</b>	<b>578,469,302</b>	<b>19.6</b>	<b>-2.0</b>	<b>-6.8</b>	<b>6.9</b>	<b>3.2</b>	<b>5.8</b>	<b>4.5</b>	<b>5.8</b>	<b>6.4</b>	<b>Oct-04</b>
MSCI AC World ex USA (Net)			-1.9	-7.6	5.5	0.8	4.1	3.5	4.8	5.6	
LSV Int'l Large Cap Value	313,808,591	10.6	-1.5	-5.6	7.4	6.1	6.3	4.5	5.9	6.3	Oct-04
MSCI AC World ex USA Value (Net)			-1.7	-7.3	6.0	4.4	4.5	3.1	4.1	5.1	
Fidelity Int'l Growth	264,660,711	9.0	-2.6	-8.1	6.3	0.1	5.1	4.3	5.4	4.3	May-06
MSCI AC World ex USA Growth (Net)			-2.1	-7.9	5.1	-2.7	3.4	3.7	5.3	4.1	

- Cash Composite includes the Transaction Account Value.

# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Core Real Estate</b>	<b>198,268,612</b>	<b>6.7</b>	<b>1.0</b>	<b>1.0</b>	<b>3.0</b>	<b>0.4</b>	<b>4.3</b>	<b>4.7</b>	<b>4.2</b>	<b>3.0</b>	<b>Apr-08</b>
<i>NCREIF Property Index</i>			0.0	0.0	-0.5	-1.1	2.9	4.0	5.6	5.2	
Prime Property Fund	91,426,043	3.1	0.5	0.5	-0.8	-0.3	4.1	4.9		6.0	Oct-15
<i>NCREIF ODCE</i>			1.2	1.2	-1.4	-2.3	2.9	4.0		5.1	
PGIM Real Estate US Debt Fund	106,842,569	3.6	1.5	1.5	6.5	6.0	5.6			5.6	Sep-18
<i>Blmbg. U.S. Investment Grade: CMBS Index</i>			-0.5	-1.4	5.0	-0.5	1.0			2.2	
<b>Value-Add Real Estate</b>	<b>125,657,980</b>	<b>4.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.8</b>	<b>-1.2</b>	<b>6.1</b>	<b>7.3</b>	<b>9.0</b>	<b>8.3</b>	<b>Aug-14</b>
<i>NCREIF Property Index +2%</i>			0.2	0.5	1.5	0.9	5.0	6.0	7.7	8.0	
American Strategic Value Realty	76,594,132	2.6	0.0	0.0	-3.8	-2.5	2.5	4.3	6.9	6.9	Jan-15
<i>NCREIF Property Index</i>			0.0	0.0	-0.5	-1.1	2.9	4.0	5.6	5.6	
Greenfield Acquisition Partners VII	837,925	0.0	0.0	0.0	10.6	-0.7	2.2	5.5	7.7	7.1	Aug-14
<i>NCREIF-ODCE +1%</i>			1.2	1.4	-0.4	-1.3	3.9	5.0	6.9	7.3	
Grandview Property Partners I	16,408,185	0.6	0.0	0.0	8.5	1.7	18.4			17.4	Apr-18
<i>NCREIF-ODCE +1%</i>			1.2	1.4	-0.4	-1.3	3.9			4.8	
Grandview Property Partners II	17,868,546	0.6	0.0	0.0	1.6	2.3				0.3	Dec-21
<i>NCREIF-ODCE +1%</i>			1.2	1.4	-0.4	-1.3				1.2	
TA Realty Value Fund XIII	12,795,270	0.4	0.0	0.0	23.8					-5.3	Dec-23
<i>NCREIF-ODCE +1%</i>			1.2	1.4	-0.4					-4.8	
KSL Credit Opportunities IV	1,153,922	0.0	0.0	0.0						-23.2	Apr-24
<i>NCREIF-ODCE +1%</i>			1.2	1.4						1.7	
<b>Infrastructure</b>	<b>200,640,103</b>	<b>6.8</b>	<b>0.0</b>	<b>0.0</b>	<b>6.8</b>	<b>2.1</b>	<b>2.5</b>	<b>4.8</b>		<b>4.9</b>	<b>Jun-15</b>
<i>CPI + 5% 1 Qtr Lag (Unadjusted)</i>			0.6	1.6	7.6	10.0	9.4	8.7		8.3	
MS Infrastructure Partners II	12,020,100	0.4	0.0	0.0	-4.3	2.0	3.8	5.8		5.6	Jun-15
<i>CPI + 5% 1 Qtr Lag (Unadjusted)</i>			0.6	1.6	7.6	10.0	9.4	8.7		8.3	
Palistar Communications Infrastructure Fund II	18,054,810	0.6	0.0	0.0	4.0					6.7	Feb-22
<i>CPI + 5% 1 Qtr Lag (Unadjusted)</i>			0.6	1.6	7.6					9.8	
JP Morgan IIF Hedged LP	37,481,940	1.3	0.0	0.0	9.1					9.1	Apr-22
<i>CPI + 5% 1 Qtr Lag (Unadjusted)</i>			0.6	1.6	7.6					9.8	
Northern Trust Infrastructure Fund	68,973,315	2.3	0.0	0.0	10.9	-1.1				-0.2	Jul-21
<i>67% STOXX Global Broad Infra/33% Blmbg. US TIPS 1 Qtr Lag</i>			9.6	9.6	20.2	1.9				2.4	
IFM Global Infrastructure Fund	56,801,716	1.9	0.0	0.0	2.7					5.4	Aug-22
<i>CPI + 5% 1 Qtr Lag (Unadjusted)</i>			0.6	1.6	7.6					8.8	
Carlyle Renewable and Sustainable Energy Fund II	7,308,222	0.2	0.0	0.0						25.1	Feb-24
<i>CPI + 5% 1 Qtr Lag (Unadjusted)</i>			0.6	1.6						7.2	

# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								Inception (%)	Inception Date
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)			
<b>Private Equity</b>	<b>178,453,335</b>	<b>6.1</b>	<b>-0.6</b>	<b>0.6</b>	<b>8.6</b>	<b>1.5</b>	<b>9.9</b>				<b>12.0</b>	<b>Dec-18</b>
<i>Russell 3000 + 3% QTR Lagged</i>			2.3	7.0	39.2	13.6	18.7				16.3	
<b>Private Equity</b>	<b>149,695,366</b>	<b>5.1</b>	<b>0.0</b>	<b>0.0</b>	<b>4.4</b>	<b>3.2</b>					<b>11.8</b>	<b>Apr-20</b>
<i>Russell 3000 + 3% QTR Lagged</i>			2.3	7.0	39.2	13.6					17.4	
<b>Private Equity Proxy</b>	<b>28,757,969</b>	<b>1.0</b>	<b>-3.1</b>	<b>2.6</b>	<b>23.7</b>	<b>8.0</b>	<b>13.8</b>	<b>14.0</b>	<b>13.1</b>		<b>10.6</b>	<b>Dec-03</b>
<i>Russell 3000 Index</i>			-3.1	2.6	23.8	8.0	13.9	13.2	12.5		10.5	
<b>Private Credit</b>	<b>218,767,471</b>	<b>7.4</b>	<b>-0.1</b>	<b>0.1</b>	<b>-1.0</b>	<b>1.2</b>	<b>-0.5</b>	<b>0.9</b>	<b>1.3</b>		<b>2.1</b>	<b>Jun-13</b>
<i>S&amp;P/LSTA Leveraged Loan Index +2% Qtr Lag</i>			0.9	2.6	11.8	8.6	7.9	7.4	7.0		6.8	
<b>Private Credit</b>	<b>149,159,855</b>	<b>5.1</b>	<b>0.0</b>	<b>0.0</b>	<b>-6.3</b>	<b>2.0</b>	<b>0.2</b>	<b>1.4</b>	<b>1.7</b>		<b>2.5</b>	<b>Jun-13</b>
<i>S&amp;P/LSTA Leveraged Loan Index +2% Qtr Lag</i>			0.9	2.6	11.8	8.6	7.9	7.4	7.0		6.8	
<b>Private Credit Proxy</b>	<b>69,607,616</b>	<b>2.4</b>	<b>-0.4</b>	<b>0.2</b>	<b>8.2</b>	<b>2.7</b>					<b>2.7</b>	<b>Jul-21</b>
<i>ICE BofA US High Yield Master II Constrained</i>			-0.4	0.2	8.2	2.9					3.0	

# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								Inception (%)	Inception Date
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)			
<b>Risk-Diversifying Sub-Portfolio</b>	<b>552,784,735</b>	<b>18.7</b>	<b>-0.9</b>	<b>-1.5</b>	<b>4.4</b>	<b>-1.8</b>	<b>0.7</b>	<b>1.5</b>	<b>2.0</b>	<b>3.9</b>	<b>Dec-03</b>	
<i>StanCERA Risk-Diversifying Blended BM</i>			-1.8	-2.5	6.2	0.7	2.7	2.9	2.4			
<b>Risk Parity</b>	<b>127,519,069</b>	<b>4.3</b>	<b>-2.5</b>	<b>-4.5</b>	<b>4.7</b>	<b>-5.0</b>	<b>0.5</b>	<b>2.2</b>		<b>2.3</b>	<b>Dec-17</b>	
<i>60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg</i>			-2.3	-2.6	9.5	1.5	5.3	5.4		5.5		
AQR Global Risk Premium - EL	64,009,348	2.2	-2.9	-4.9	4.9	-2.3	1.6			3.6	Apr-18	
<i>60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg</i>			-2.3	-2.6	9.5	1.5	5.3			5.6		
PanAgora Risk Parity Multi Asset	63,509,721	2.2	-2.1	-4.0	4.4	-7.9	-0.9	1.1		1.3	Dec-17	
<i>60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg</i>			-2.3	-2.6	9.5	1.5	5.3	5.4		5.5		
<b>US Treasury Bonds</b>	<b>169,953,131</b>	<b>5.8</b>	<b>-2.2</b>	<b>-4.1</b>	<b>-0.2</b>	<b>-3.9</b>	<b>-1.2</b>	<b>0.3</b>	<b>1.2</b>	<b>3.5</b>	<b>Dec-03</b>	
<i>Blmbg. U.S. Treasury: 7-10 Year</i>			-2.2	-4.6	-0.7	-4.3	-1.4	0.3	0.7	3.3		
Northern Trust Intermediate Gov't Bond	115,035,862	3.9	-0.6	-1.7	2.4	-0.5	0.4	1.2		1.1	Aug-17	
<i>Blmbg. U.S. Government: Intermediate</i>			-0.6	-1.7	2.4	-0.5	0.5	1.3		1.2		
Northern Trust Long Term Gov't Bond	54,917,269	1.9	-5.3	-8.6	-6.4	-11.1	-4.7	-1.7		-1.2	Aug-17	
<i>Blmbg. U.S. Government: Long Term Bond Index</i>			-5.3	-8.6	-6.4	-11.9	-5.2	-2.1		-1.5		
<b>Liquid Absolute Return</b>	<b>139,801,270</b>	<b>4.7</b>	<b>1.5</b>	<b>3.7</b>	<b>9.8</b>	<b>10.2</b>				<b>8.9</b>	<b>Oct-21</b>	
<i>30 Day T-Bill + 4%</i>			0.7	2.2	9.6	8.1				7.8		
Graham Proprietary Matrix	77,892,927	2.6	2.8	3.1	10.2	14.0				12.1	Nov-21	
<i>HFRI Macro (Total) Index</i>			0.8	0.8	5.7	4.7				3.9		
Wellington Global Macro	61,908,342	2.1	0.0	4.6						4.6	Oct-24	
<i>HFRI Macro (Total) Index</i>			0.8	0.8						0.8		
<b>US Short Duration TIPS</b>	<b>115,511,266</b>	<b>3.9</b>	<b>-0.1</b>	<b>-0.1</b>						<b>3.0</b>	<b>Jun-24</b>	
<i>Blmbg. U.S. TIPS 0-5 Year</i>			-0.1	-0.1						3.0		
Northern Trust US TIPS	115,511,266	3.9	-0.1	-0.1						3.0	Jun-24	
<i>Blmbg. U.S. TIPS 0-5 Year</i>			-0.1	-0.1						3.0		



# CASH FLOW SUMMARY BY MANAGER

	1 Month Ending December 31, 2024				
	Beginning Market Value	Contributions	Withdrawals	Ending Market Value	Net Investment Change
Abry Senior Equity VI, L.P.	\$11,726,338	-	-\$23,933	\$11,702,405	-
American Strategic Value Realty	\$76,594,132	-	-	\$76,594,132	-
AQR Global Risk Premium - EL	\$65,891,674	-	-	\$64,009,348	-\$1,882,326
Ares Sr Direct Lending Fund III	\$3,330,189	-	-	\$3,330,189	-
Audax Private Equity VII	\$7,093,355	\$1,508,273	-	\$8,601,629	-
Blackrock High Yield Fund	\$73,798,404	-	-\$3,887,765	\$69,607,616	-\$303,023
BlackRock Russell 1000 Growth	\$249,083,617	-	-	\$251,267,139	\$2,183,522
BlackRock Russell 1000 Value	\$119,760,517	-	-	\$111,564,500	-\$8,196,017
Blue Wolf Capital Fund V-A, L.P.	\$14,742,104	-	-	\$14,742,104	-
Callodine Loan Fund II LP	\$9,063,818	-	-	\$9,063,818	-
Cash Account	\$36,774,024	\$32,065,882	-\$22,682,138	\$46,309,377	\$151,609
Carlyle Renewable and Sustainable Energy Fund II	\$5,373,987	\$3,868,470	-\$1,934,235	\$7,308,222	-
Channing	\$38,169,229	-	-\$68,949	\$35,141,150	-\$2,959,130
Clayton, Dublier, & Rice	\$20,824,093	-	-	\$20,824,093	-
Comvest Credit Partners VII	\$5,003,250	\$1,869,874	-	\$6,873,124	-
Crayhill Principal Strategies Fund III	\$9,253,529	\$2,017,891	-	\$11,271,420	-
Crestline Opportunity Fund IV	\$9,433,654	\$908,128	-	\$10,341,782	-
Dodge & Cox-Equity	\$125,352,579	-	-	\$117,919,934	-\$7,432,645
Eclipse Fund V	\$327,141	\$300,000	-	\$627,141	-
Fidelity Int'l Growth	\$271,824,409	-	-	\$264,660,711	-\$7,163,698
Genstar Capital Partners X	\$15,351,412	-	-	\$15,351,412	-
Graham Proprietary Matrix	\$75,692,856	-	-	\$77,892,927	\$2,200,071
Grandview Property Partners I	\$18,811,495	-	-\$2,403,310	\$16,408,185	-
Grandview Property Partners II	\$17,868,546	-	-	\$17,868,546	-
Great Hill EP VIII	\$5,356,545	\$3,559,917	-	\$8,916,462	-
Greenfield Acquisition Partners VII	\$837,925	-	-	\$837,925	-
Gridiron Capital Fund V	\$4,564,303	\$1,637,143	-	\$6,201,446	-
Gryphon Partners VI LP	\$18,979,450	\$135,250	-	\$19,114,700	-
IFM Global Infrastructure Fund	\$56,801,719	-	-	\$56,801,716	-\$3

# CASH FLOW SUMMARY BY MANAGER

	Beginning Market Value	Contributions	Withdrawals	Ending Market Value	Net Investment Change
Insight	\$243,431,689	-	-\$7,783,200	\$234,993,116	-\$655,373
Insight Partners XI	\$22,470,089	-	-	\$22,470,089	-
JP Morgan IIF Hedged LP	\$37,481,940	-	-	\$37,481,940	-
KSL Credit Opportunities IV	\$1,153,922	-	-	\$1,153,922	-
LSV Int'l Large Cap Value	\$319,274,328	-	-\$869,938	\$313,808,591	-\$4,595,799
Upwelling Capital	\$106,972	-	-	\$106,972	-
Monroe Private Credit IV	\$15,821,233	-	-	\$15,821,233	-
MS Infrastructure Partners II	\$12,020,100	-	-	\$12,020,100	-
Northern Trust Infrastructure Fund	\$74,304,489	\$3,454,892	-\$8,786,066	\$68,973,315	-
Northern Trust Intermediate Gov't Bond	\$115,679,263	\$11,672	-	\$115,035,862	-\$655,073
Northern Trust Long Term Gov't Bond	\$57,989,743	\$5,779	-	\$54,917,269	-\$3,078,254
Northern Trust Russell 3000	\$36,417,801	\$1,848	-\$6,705,334	\$28,757,969	-\$956,346
Northern Trust US TIPS	\$115,651,843	-	-	\$115,511,266	-\$140,577
Owl Rock First Lien Fund	\$6,783,026	-	-\$207,619	\$6,575,407	-
Pacific Ridge	\$23,109,997	-	-\$56,274	\$22,049,649	-\$1,004,074
Palistar Communications Infrastructure Fund II	\$16,535,277	\$1,519,533	-	\$18,054,810	-
PanAgora Risk Parity Multi Asset	\$64,846,975	-	-	\$63,509,721	-\$1,337,254
PGIM Real Estate US Debt Fund	\$105,297,590	-	-	\$106,842,569	\$1,544,979
Phocas'	\$34,791,230	-	-\$56,347	\$32,307,712	-\$2,427,170
Prime Property Fund	\$91,834,031	-	-\$904,640	\$91,426,043	\$496,652
Raven Opportunity III	\$40,223,784	-	-	\$40,223,784	-
Seizert	\$47,363,608	-	-\$65,608	\$44,175,602	-\$3,122,398
Sole Source Capital Partners II	\$15,663,042	-	-	\$15,663,042	-
Strategic Values Special Situations Fund V, L.P.	\$9,436,082	-	-	\$9,436,082	-
TA Realty Value Fund XIII	\$12,795,270	-	-	\$12,795,270	-
Transition Account	\$38	-	-	\$38	-
Vista Foundation Fund IV	\$17,183,248	-	-	\$17,183,248	-
Wellington Global Macro	\$61,908,342	-	-	\$61,908,342	-
White Oak Pinnacle	\$24,934,431	-	-\$520,791	\$24,413,640	-
<b>Total</b>	<b>\$2,992,193,675</b>	<b>\$52,864,553</b>	<b>-\$56,956,146</b>	<b>\$2,948,769,756</b>	<b>-\$39,332,326</b>

# NOTES

- 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% Bloombergq US TIPS is valued one quarter laqqed.

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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.

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





# MONTHLY PERFORMANCE REPORT

STANISLAUS COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION

NOVEMBER 30, 2024

Dan Hennessy, CFA, CAIA, Senior Consultant

Sam Austin, Partner

John Tolar, Consulting Analyst



# CALENDAR YEAR INDEX PERFORMANCE

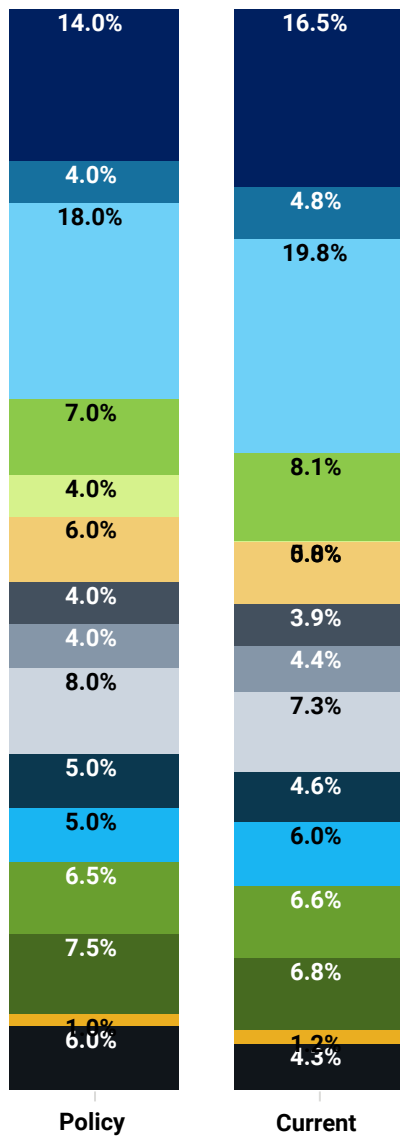
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Nov	QTD	YTD
<b>S&amp;P 500</b>	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%	-18.1%	26.3%	5.9%	4.9%	28.1%
<b>Russell 1000</b>	13.2%	0.9%	12.1%	21.7%	-4.8%	31.4%	21.0%	26.5%	-19.1%	26.5%	6.4%	5.7%	28.1%
<b>Russell 2000</b>	4.9%	-4.4%	21.3%	14.6%	-11.0%	25.5%	20.0%	14.8%	-20.4%	16.9%	11.0%	9.4%	21.6%
<b>Russell 2500</b>	7.1%	-2.9%	17.6%	16.8%	-10.0%	27.8%	20.0%	18.2%	-18.4%	17.4%	9.8%	8.8%	21.1%
<b>MSCI EAFE</b>	-4.9%	-0.8%	1.0%	25.0%	-13.8%	22.0%	7.8%	11.3%	-14.5%	18.2%	-0.6%	-6.0%	6.2%
<b>MSCI EM</b>	-2.2%	-14.9%	11.2%	37.3%	-14.6%	18.4%	18.3%	-2.5%	-20.1%	9.8%	-3.6%	-7.9%	7.7%
<b>MSCI ACWI</b>	4.2%	-2.4%	7.9%	24.0%	-9.4%	26.6%	16.3%	18.5%	-18.4%	22.2%	3.7%	1.4%	20.3%
<b>Private Equity</b>	12.6%	9.9%	9.0%	21.0%	11.1%	17.6%	32.9%	39.4%	-9.1%	5.7%	-	2.1%	2.1%
<b>BBG TIPS</b>	3.6%	-1.4%	4.7%	3.0%	-1.3%	8.4%	11.0%	6.0%	-11.8%	3.9%	0.5%	-1.3%	3.5%
<b>BBG Municipal</b>	9.1%	3.3%	0.2%	5.4%	1.3%	7.5%	5.2%	1.5%	-8.5%	6.4%	1.7%	0.2%	2.5%
<b>BBG Muni High Yield</b>	13.8%	1.8%	3.0%	9.7%	4.8%	10.7%	4.9%	7.8%	-13.1%	9.2%	2.1%	0.6%	8.1%
<b>BBG US Corporate HY</b>	2.5%	-4.5%	17.1%	7.5%	-2.1%	14.3%	7.1%	5.3%	-11.2%	13.4%	1.2%	0.6%	8.7%
<b>BBG US Agg Bond</b>	6.0%	0.5%	2.6%	3.5%	0.0%	8.7%	7.5%	-1.5%	-13.0%	5.5%	1.1%	-1.4%	2.9%
<b>BBG Global Agg</b>	0.6%	-3.2%	2.1%	7.4%	-1.2%	6.8%	9.2%	-4.7%	-16.2%	5.7%	0.3%	-3.0%	0.5%
<b>BBG Long Treasuries</b>	25.1%	-1.2%	1.3%	8.5%	-1.8%	14.8%	17.7%	-4.6%	-29.3%	3.1%	1.8%	-3.5%	-1.2%
<b>BBG US Long Credit</b>	16.4%	-4.6%	10.2%	12.2%	-6.8%	23.4%	13.3%	-1.2%	-25.3%	10.7%	2.2%	-2.1%	2.4%
<b>BBG US STRIPS 20+ Yr</b>	46.4%	-3.7%	1.4%	13.7%	-4.1%	20.9%	24.0%	-5.2%	-39.6%	1.1%	2.5%	-4.8%	-5.2%
<b>JPM GBI-EM Global Div</b>	-5.7%	-14.9%	9.9%	15.2%	-6.2%	13.5%	2.7%	-8.7%	-11.7%	12.7%	-0.6%	-5.2%	-0.5%
<b>JPM EMBI Glob Div</b>	7.4%	1.2%	10.2%	10.3%	-4.3%	15.0%	5.3%	-1.8%	-17.8%	11.1%	1.2%	-0.5%	8.0%
<b>CS Hedge Fund</b>	4.1%	-0.7%	1.2%	7.1%	-3.2%	9.3%	6.4%	8.2%	1.1%	5.8%	-	-0.9%	8.0%
<b>BBG Commodity</b>	-17.0%	-24.7%	11.8%	1.7%	-11.2%	7.7%	-3.1%	27.1%	16.1%	-7.9%	0.4%	-1.5%	4.3%
<b>Alerian Midstream</b>	16.4%	-37.3%	33.8%	-2.4%	-13.3%	24.0%	-23.4%	38.4%	21.5%	14.0%	14.4%	20.8%	53.9%
<b>FTSE NAREIT Equity REITs</b>	30.1%	3.2%	8.5%	5.2%	-4.6%	26.0%	-8.0%	43.2%	-24.4%	13.7%	4.3%	1.3%	17.4%

\*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	494,196,713	16.5	14.0	2.5	10.0 - 18.0	Yes
Small Cap Equity	143,434,064	4.8	4.0	0.8	0.0 - 7.0	Yes
International Equity	591,098,737	19.8	18.0	1.8	12.0 - 24.0	Yes
Intermediate	243,431,689	8.1	7.0	1.1	4.0 - 10.0	Yes
Credit		0.0	4.0	-4.0	0.0 - 6.0	Yes
Treasury	173,669,006	5.8	6.0	-0.2	4.0 - 8.0	Yes
TIPS	115,651,843	3.9	4.0	-0.1	2.0 - 6.0	Yes
Risk Parity	130,738,649	4.4	4.0	0.4	0.0 - 8.0	Yes
Private Credit	218,914,710	7.3	8.0	-0.7	0.0 - 10.0	Yes
Absolute Return	137,295,930	4.6	5.0	-0.4	0.0 - 7.0	Yes
Private Equity	178,972,583	6.0	5.0	1.0	0.0 - 8.0	Yes
Real Estate - Core	197,131,621	6.6	6.5	0.1	0.0 - 10.0	Yes
Infrastructure	202,517,512	6.8	7.5	-0.7	0.0 - 12.0	Yes
Cash	36,774,062	1.2	1.0	0.2	0.0 - 4.0	Yes
Non-Core Real Estate	128,061,290	4.3	6.0	-1.7	0.0 - 10.0	Yes
<b>Total</b>	<b>2,991,888,406</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		

\*Difference between Policy and Current Allocation



# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund</b>	<b>2,991,888,406</b>	<b>100.0</b>	<b>1.8</b>	<b>9.6</b>	<b>12.7</b>	<b>4.2</b>	<b>6.9</b>	<b>6.5</b>	<b>6.6</b>	<b>8.6</b>	<b>Jan-95</b>
Policy Index			2.0	11.0	14.6	5.5	7.9	7.2	7.1	8.0	
Allocation Index			1.9	11.6	14.7	4.2					
<b>Liquidity Sub-Portfolio</b>	<b>280,205,750</b>	<b>9.4</b>	<b>0.6</b>	<b>4.5</b>	<b>6.2</b>	<b>2.3</b>	<b>2.7</b>	<b>3.1</b>	<b>2.4</b>	<b>2.3</b>	<b>Aug-14</b>
StanCERA Liquidity Blended BM			0.6	3.8	6.0	0.5	2.2	2.3	1.9	1.8	
<b>Cash</b>	<b>36,774,062</b>	<b>1.2</b>	<b>0.4</b>	<b>5.3</b>	<b>5.8</b>	<b>4.5</b>	<b>3.6</b>	<b>3.0</b>	<b>2.4</b>	<b>2.3</b>	<b>Aug-14</b>
FTSE 1 Month T-Bill			0.4	5.0	5.4	3.8	2.4	2.3	1.7	1.6	
<b>Cashflow-Matched Bonds</b>	<b>243,431,689</b>	<b>8.1</b>	<b>0.6</b>	<b>4.3</b>	<b>6.2</b>	<b>1.7</b>	<b>2.2</b>	<b>2.9</b>		<b>2.8</b>	<b>Jul-17</b>
Blmbg. Intermed. U.S. Government/Credit			0.6	3.6	6.0	0.0	1.0	1.8		1.7	
Insight	243,431,689	8.1	0.6	4.3	6.2	1.7	2.2	2.9		2.8	Jul-17
Blmbg. Intermed. U.S. Government/Credit			0.6	3.6	6.0	0.0	1.0	1.8		1.7	
<b>Growth Sub-Portfolio</b>	<b>2,154,327,229</b>	<b>72.0</b>	<b>2.0</b>	<b>11.3</b>	<b>14.6</b>	<b>5.9</b>	<b>8.9</b>	<b>8.0</b>	<b>8.1</b>	<b>8.2</b>	<b>Jan-04</b>
StanCERA Growth Blended BM			2.4	13.4	17.1	7.2	10.3	9.2			
<b>US Equities</b>	<b>637,630,777</b>	<b>21.3</b>	<b>6.9</b>	<b>26.1</b>	<b>34.0</b>	<b>11.1</b>	<b>15.5</b>	<b>13.4</b>	<b>12.3</b>	<b>10.7</b>	<b>Jan-04</b>
Russell 3000 Index			6.7	27.7	34.5	10.5	15.2	13.8	12.9	10.5	
<b>US Large Equity</b>	<b>494,196,713</b>	<b>16.5</b>	<b>6.1</b>	<b>27.2</b>	<b>33.6</b>	<b>11.0</b>	<b>16.0</b>	<b>14.5</b>	<b>13.2</b>	<b>13.1</b>	<b>Jan-95</b>
Russell 1000 Index			6.4	28.1	34.4	10.9	15.6	14.2	13.2	11.1	
BlackRock Russell 1000 Growth	249,083,617	8.3	6.5	32.1	38.0	10.9	19.4	18.0	16.5	17.3	Aug-10
Russell 1000 Growth Index			6.5	32.2	38.0	10.9	19.5	18.1	16.6	17.3	
BlackRock Russell 1000 Value	119,760,517	4.0	6.4	22.8	29.6	10.4	10.9	9.8	9.4	12.0	Aug-09
Russell 1000 Value Index			6.4	22.8	29.6	10.4	10.8	9.7	9.3	12.0	
Dodge & Cox-Equity	125,352,579	4.2	5.3	22.5	29.7	12.2	13.9	12.0	11.4	12.2	Jan-95
Russell 1000 Value Index			6.4	22.8	29.6	10.4	10.8	9.7	9.3	10.1	
<b>US Small Equity</b>	<b>143,434,064</b>	<b>4.8</b>	<b>9.6</b>	<b>21.3</b>	<b>35.4</b>	<b>11.4</b>	<b>13.2</b>	<b>9.4</b>	<b>9.4</b>	<b>12.7</b>	<b>Jan-09</b>
Russell 2000 Index			11.0	21.6	36.4	5.0	9.9	8.2	9.1	12.0	
<b>Attucks Small Cap</b>	<b>143,434,064</b>	<b>4.8</b>	<b>9.6</b>	<b>21.3</b>	<b>35.4</b>	<b>11.4</b>	<b>13.2</b>	<b>9.4</b>	<b>10.0</b>	<b>12.9</b>	<b>Jan-09</b>
Russell 2000 Value Index			9.6	17.9	32.5	6.3	9.9	7.3	8.4	10.8	
<b>International Equity</b>	<b>591,098,737</b>	<b>19.8</b>	<b>-0.4</b>	<b>9.0</b>	<b>14.4</b>	<b>5.5</b>	<b>7.1</b>	<b>5.1</b>	<b>5.7</b>	<b>6.5</b>	<b>Oct-04</b>
MSCI AC World ex USA (Net)			-0.9	7.6	13.0	2.9	5.4	4.7	4.6	5.8	
LSV Int'l Large Cap Value	319,274,328	10.7	-0.1	8.9	14.6	8.4	7.6	5.1	5.7	6.4	Oct-04
MSCI AC World ex USA Value (Net)			-1.0	7.9	13.6	6.8	5.8	3.7	3.8	5.2	
Fidelity Int'l Growth	271,824,409	9.1	-0.7	9.2	14.1	2.3	6.4	5.0	5.4	4.5	May-06
MSCI AC World ex USA Growth (Net)			-0.8	7.4	12.5	-1.0	4.7	4.3	5.2	4.3	

- Cash Composite includes the Transaction Account Value.

# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Core Real Estate</b>	<b>197,131,621</b>	<b>6.6</b>	<b>0.0</b>	<b>1.9</b>	<b>1.5</b>	<b>2.4</b>	<b>4.3</b>	<b>4.6</b>	<b>4.3</b>	<b>2.9</b>	<b>Apr-08</b>
NCREIF Property Index			0.0	-0.5	-3.5	0.9	3.3	4.2	5.9	5.2	
Prime Property Fund	91,834,031	3.1	0.0	-1.3	-3.5	2.6	4.3	5.1		6.0	Oct-15
NCREIF ODCE			0.0	-2.6	-7.3	-0.2	2.9	4.1		5.1	
PGIM Real Estate US Debt Fund	105,297,590	3.5	0.0	5.0	6.3	5.9	5.5			5.4	Sep-18
Blmbg. U.S. Investment Grade: CMBS Index			0.9	5.5	8.7	-0.4	1.0			2.3	
<b>Value-Add Real Estate</b>	<b>128,061,290</b>	<b>4.3</b>	<b>0.0</b>	<b>0.8</b>	<b>-1.3</b>	<b>1.7</b>	<b>6.4</b>	<b>7.5</b>	<b>9.0</b>	<b>8.4</b>	<b>Aug-14</b>
NCREIF Property Index +2%			0.2	1.4	-1.5	2.9	5.3	6.3	8.0	8.1	
American Strategic Value Realty	76,594,132	2.6	0.0	-3.8	-7.8	-0.8	3.0	4.6		7.0	Jan-15
NCREIF Property Index			0.0	-0.5	-3.5	0.9	3.3	4.2		5.6	
Greenfield Acquisition Partners VII	837,925	0.0	0.0	10.6	-0.4	-0.6	2.2	5.5	7.7	7.2	Aug-14
NCREIF-ODCE +1%			0.1	-1.7	-6.3	0.8	4.0	5.2	7.2	7.3	
Grandview Property Partners I	18,811,495	0.6	0.0	8.5	22.7	10.9	18.4			17.6	Apr-18
NCREIF-ODCE +1%			0.1	-1.7	-6.3	0.8	4.0			4.7	
Grandview Property Partners II	17,868,546	0.6	0.0	1.6	3.5	0.4				0.4	Dec-21
NCREIF-ODCE +1%			0.1	-1.7	-6.3	0.8				0.8	
TA Realty Value Fund XIII	12,795,270	0.4	0.0	23.8	-5.7					-5.7	Dec-23
NCREIF-ODCE +1%			0.1	-1.7	-6.3					-6.3	
KSL Credit Opportunities IV	1,153,922	0.0	0.0							-23.2	Apr-24
NCREIF-ODCE +1%			0.1							0.5	
<b>Infrastructure</b>	<b>202,517,512</b>	<b>6.8</b>	<b>0.0</b>	<b>6.8</b>	<b>4.9</b>	<b>3.3</b>	<b>2.5</b>	<b>4.8</b>		<b>4.9</b>	<b>Jun-15</b>
CPI + 5% 1 Qtr Lag (Unadjusted)			0.5	7.0	7.7	10.0	9.4	8.8		8.3	
MS Infrastructure Partners II	12,020,100	0.4	0.0	-4.3	-5.9	3.8	3.8	5.8		5.6	Jun-15
CPI + 5% 1 Qtr Lag (Unadjusted)			0.5	7.0	7.7	10.0	9.4	8.8		8.3	
Palistar Communications Infrastructure Fund II	16,535,277	0.6	0.0	4.0	5.5					6.9	Feb-22
CPI + 5% 1 Qtr Lag (Unadjusted)			0.5	7.0	7.7					9.9	
JP Morgan IIF Hedged LP	37,481,940	1.3	0.0	9.1	11.3					9.4	Apr-22
CPI + 5% 1 Qtr Lag (Unadjusted)			0.5	7.0	7.7					9.9	
Northern Trust Infrastructure Fund	74,304,489	2.5	0.0	10.9	4.3	-0.1				-0.2	Jul-21
67% STOXX Global Broad Infra/33% Blmbg. US TIPS 1 Qtr Lag			0.0	9.6	3.7	-0.1				-0.3	
IFM Global Infrastructure Fund	56,801,719	1.9	0.0	2.7	3.6					5.6	Aug-22
CPI + 5% 1 Qtr Lag (Unadjusted)			0.5	7.0	7.7					8.9	
Carlyle Renewable and Sustainable Energy Fund II	5,373,987	0.2	0.0							25.1	Feb-24
CPI + 5% 1 Qtr Lag (Unadjusted)			0.5							6.6	

# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								Inception Date	
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)		
<b>Private Equity</b>	<b>178,972,583</b>	<b>6.0</b>	<b>1.3</b>	<b>9.2</b>	<b>10.7</b>	<b>3.6</b>	<b>10.7</b>				<b>12.3</b>	<b>Dec-18</b>
<i>Russell 3000 + 3% QTR Lagged</i>			2.4	36.1	29.9	11.1	18.6				16.1	
<b>Private Equity</b>	<b>142,554,782</b>	<b>4.8</b>	<b>0.0</b>	<b>4.4</b>	<b>4.5</b>	<b>6.2</b>					<b>12.1</b>	<b>Apr-20</b>
<i>Russell 3000 + 3% QTR Lagged</i>			2.4	36.1	29.9	11.1					17.2	
<b>Private Equity Proxy</b>	<b>36,417,801</b>	<b>1.2</b>	<b>6.6</b>	<b>27.6</b>	<b>34.4</b>	<b>10.5</b>	<b>15.2</b>	<b>14.7</b>	<b>13.4</b>	<b>10.8</b>		<b>Dec-03</b>
<i>Russell 3000 Index</i>			6.7	27.7	34.5	10.5	15.2	13.8	12.9	10.7		
<b>Private Credit</b>	<b>218,914,710</b>	<b>7.3</b>	<b>0.4</b>	<b>-0.8</b>	<b>0.9</b>	<b>2.0</b>	<b>-0.5</b>	<b>0.9</b>	<b>1.4</b>	<b>2.1</b>		<b>Jun-13</b>
<i>S&amp;P/LSTA Leveraged Loan Index +2% Qtr Lag</i>			0.8	10.8	12.1	8.6	7.8	7.3	6.8	6.8		
<b>Private Credit</b>	<b>145,116,305</b>	<b>4.9</b>	<b>0.0</b>	<b>-6.3</b>	<b>-5.8</b>	<b>3.0</b>	<b>0.2</b>	<b>1.4</b>	<b>1.8</b>	<b>2.5</b>		<b>Jun-13</b>
<i>S&amp;P/LSTA Leveraged Loan Index +2% Qtr Lag</i>			0.8	10.8	12.1	8.6	7.8	7.3	6.8	6.8		
<b>Private Credit Proxy</b>	<b>73,798,404</b>	<b>2.5</b>	<b>1.1</b>	<b>8.7</b>	<b>12.7</b>	<b>3.5</b>				<b>2.9</b>		<b>Jul-21</b>
<i>ICE BofA US High Yield Master II Constrained</i>			1.1	8.7	12.7	3.7				3.2		

# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Risk-Diversifying Sub-Portfolio</b>	<b>557,355,427</b>	<b>18.6</b>	<b>1.6</b>	<b>5.3</b>	<b>8.2</b>	<b>-1.2</b>	<b>0.9</b>	<b>1.6</b>	<b>2.0</b>	<b>3.9</b>	<b>Dec-03</b>
<i>StanCERA Risk-Diversifying Blended BM</i>			1.7	8.2	12.3	1.8	3.1	3.2	2.5		
<b>Risk Parity</b>	<b>130,738,649</b>	<b>4.4</b>	<b>2.4</b>	<b>7.3</b>	<b>11.8</b>	<b>-3.7</b>	<b>1.3</b>	<b>2.7</b>		<b>2.7</b>	<b>Dec-17</b>
<i>60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg</i>			2.4	12.0	17.1	3.0	6.3	5.9		5.9	
AQR Global Risk Premium - EL	65,891,674	2.2	2.5	8.0	12.1	-0.7	2.7			4.1	Apr-18
<i>60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg</i>			2.4	12.0	17.1	3.0	6.3			6.0	
PanAgora Risk Parity Multi Asset	64,846,975	2.2	2.3	6.6	11.5	-6.8	-0.4	1.6		1.6	Dec-17
<i>60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg</i>			2.4	12.0	17.1	3.0	6.3	5.9		5.9	
<b>US Treasury Bonds</b>	<b>173,669,006</b>	<b>5.8</b>	<b>0.9</b>	<b>2.0</b>	<b>5.9</b>	<b>-3.4</b>	<b>-0.9</b>	<b>0.7</b>	<b>1.4</b>	<b>3.6</b>	<b>Dec-03</b>
<i>Blmbg. U.S. Treasury: 7-10 Year</i>			1.0	1.6	5.6	-3.7	-1.1	0.7	1.0	3.4	
Northern Trust Intermediate Gov't Bond	115,679,263	3.9	0.5	3.0	5.1	-0.4	0.5	1.3		1.2	Aug-17
<i>Blmbg. U.S. Government: Intermediate</i>			0.5	3.0	5.2	-0.4	0.6	1.4		1.3	
Northern Trust Long Term Gov't Bond	57,989,743	1.9	1.8	-1.2	7.3	-9.9	-4.2	-0.7		-0.4	Aug-17
<i>Blmbg. U.S. Government: Long Term Bond Index</i>			1.8	-1.1	7.4	-10.7	-4.7	-1.1		-0.8	
<b>Liquid Absolute Return</b>	<b>137,295,930</b>	<b>4.6</b>	<b>2.8</b>	<b>7.9</b>	<b>3.7</b>	<b>10.2</b>				<b>8.5</b>	<b>Oct-21</b>
<i>30 Day T-Bill + 4%</i>			0.7	8.8	9.7	8.0				7.8	
Graham Proprietary Matrix	75,692,856	2.5	2.9	7.2	3.1	13.4				11.5	Nov-21
<i>HFRI Macro (Total) Index</i>			2.1	5.0	5.9	4.8				3.8	
Wellington Global Macro	61,603,074	2.1	2.7							2.7	Oct-24
<i>HFRI Macro (Total) Index</i>			2.1							0.2	
<b>US Short Duration TIPS</b>	<b>115,651,843</b>	<b>3.9</b>	<b>0.5</b>							<b>3.1</b>	<b>Jun-24</b>
<i>Blmbg. U.S. TIPS 0-5 Year</i>			0.4							3.1	
Northern Trust US TIPS	115,651,843	3.9	0.5							3.1	Jun-24
<i>Blmbg. U.S. TIPS 0-5 Year</i>			0.4							3.1	

# CASH FLOW SUMMARY BY MANAGER

	1 Month Ending November 30, 2024				
	Beginning Market Value	Contributions	Withdrawals	Ending Market Value	Net Investment Change
Abry Senior Equity VI, L.P.	\$11,726,338	-	-	\$11,726,338	-
American Strategic Value Realty	\$76,594,132	-	-	\$76,594,132	-
AQR Global Risk Premium - EL	\$64,294,678	-	-	\$65,891,674	\$1,596,996
Ares Sr Direct Lending Fund III	\$3,408,686	-	-\$78,497	\$3,330,189	-
Audax Private Equity VII	\$7,093,355	-	-	\$7,093,355	-
Blackrock High Yield Fund	\$82,140,789	-	-\$9,253,529	\$73,798,404	\$911,144
BlackRock Russell 1000 Growth	\$233,926,617	-	-	\$249,083,617	\$15,157,000
BlackRock Russell 1000 Value	\$112,570,149	-	-	\$119,760,517	\$7,190,368
Blue Wolf Capital Fund V-A, L.P.	\$12,178,720	\$2,563,384	-	\$14,742,104	-
Callodine Loan Fund II LP	\$9,304,417	-	-\$240,599	\$9,063,818	-
Cash Account	\$40,587,190	\$12,835,695	-\$16,781,725	\$36,774,024	\$132,863
Carlyle Renewable and Sustainable Energy Fund II	\$5,373,987	-	-	\$5,373,987	-
Channing	\$35,379,416	-	-	\$38,169,229	\$2,789,813
Clayton, Dublier, & Rice	\$20,824,093	-	-	\$20,824,093	-
Comvest Credit Partners VII	\$5,003,250	-	-	\$5,003,250	-
Crayhill Principal Strategies Fund III	-	\$9,253,529	-	\$9,253,529	-
Crestline Opportunity Fund IV	\$9,433,654	-	-	\$9,433,654	-
Dodge & Cox-Equity	\$119,049,622	-	-	\$125,352,579	\$6,302,957
Eclipse Fund V	\$327,141	-	-	\$327,141	-
Fidelity Int'l Growth	\$273,685,129	-	-	\$271,824,409	-\$1,860,720
Genstar Capital Partners X	\$15,351,412	-	-	\$15,351,412	-
Graham Proprietary Matrix	\$73,467,952	-	-	\$75,692,856	\$2,224,904
Grandview Property Partners I	\$18,811,495	-	-	\$18,811,495	-
Grandview Property Partners II	\$17,868,546	-	-	\$17,868,546	-
Great Hill EP VIII	\$5,356,545	-	-	\$5,356,545	-
Greenfield Acquisition Partners VII	\$837,925	-	-	\$837,925	-
Gridiron Capital Fund V	\$4,564,303	-	-	\$4,564,303	-
Gryphon Partners VI LP	\$18,210,543	\$768,907	-	\$18,979,450	-
IFM Global Infrastructure Fund	\$56,801,719	-	-	\$56,801,719	-

# CASH FLOW SUMMARY BY MANAGER

	Beginning Market Value	Contributions	Withdrawals	Ending Market Value	Net Investment Change
Insight	\$241,980,614	-	-	\$243,431,689	\$1,451,074
Insight Partners XI	\$22,470,089	-	-	\$22,470,089	-
JP Morgan IIF Hedged LP	\$37,481,940	-	-	\$37,481,940	-
KSL Credit Opportunities IV	\$1,153,922	-	-	\$1,153,922	-
LSV Int'l Large Cap Value	\$319,628,686	-	-	\$319,274,328	-\$354,358
Upwelling Capital	\$106,972	-	-	\$106,972	-
Monroe Private Credit IV	\$16,357,866	-	-\$536,633	\$15,821,233	-
MS Infrastructure Partners II	\$12,020,100	-	-	\$12,020,100	-
Northern Trust Infrastructure Fund	\$74,304,489	-	-	\$74,304,489	-
Northern Trust Intermediate Gov't Bond	\$115,098,803	-	-	\$115,679,263	\$580,459
Northern Trust Long Term Gov't Bond	\$56,962,327	-	-	\$57,989,743	\$1,027,416
Northern Trust Russell 3000	\$36,712,372	-	-\$2,563,384	\$36,417,801	\$2,268,812
Northern Trust US TIPS	\$115,120,861	-	-	\$115,651,843	\$530,981
Owl Rock First Lien Fund	\$6,783,026	-	-	\$6,783,026	-
Pacific Ridge	\$20,828,220	-	-	\$23,109,997	\$2,281,777
Palistar Communications Infrastructure Fund II	\$16,535,277	-	-	\$16,535,277	-
PanAgora Risk Parity Multi Asset	\$63,397,893	-	-	\$64,846,975	\$1,449,082
PGIM Real Estate US Debt Fund	\$105,297,590	-	-	\$105,297,590	-
Phocas'	\$31,225,992	-	-	\$34,791,230	\$3,565,238
Prime Property Fund	\$91,834,031	-	-	\$91,834,031	-
Raven Opportunity III	\$40,223,784	-	-	\$40,223,784	-
Seizert	\$43,327,537	-	-	\$47,363,608	\$4,036,071
Sole Source Capital Partners II	\$15,663,042	-	-	\$15,663,042	-
Strategic Values Special Situations Fund V, L.P.	\$9,436,082	-	-	\$9,436,082	-
TA Realty Value Fund XIII	\$12,795,270	-	-	\$12,795,270	-
Transition Account	\$38	-	-	\$38	-
Vista Foundation Fund IV	\$17,183,248	-	-	\$17,183,248	-
Wellington Global Macro	\$60,000,000	-	-	\$61,603,074	\$1,603,074
White Oak Pinnacle	\$24,934,431	-	-	\$24,934,431	-
<b>Total</b>	<b>\$2,943,036,307</b>	<b>\$25,421,516</b>	<b>-\$29,454,367</b>	<b>\$2,991,888,406</b>	<b>\$52,884,951</b>

# NOTES

- 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% Bloombergq US TIPS is valued one quarter laqqed.

# 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.

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







# BENCHMARKING EDUCATION

STANISLAUS COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION

JANUARY 28, 2025

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



# STANCERA'S PERFORMANCE BENCHMARKS

- **A benchmark is a standard or measure that can be used to analyze the allocation, risk, and return of a given investment or investments.**
- **NEPC's performance reporting includes benchmarks for different categories and purposes:**
  - Individual strategies are best compared to benchmarks chosen to closely mirror their intended implementation based on the asset class, style, geographic location, and other key characteristics
  - Asset classes (made up of one or more strategies) are best compared to broader benchmarks intended to represent the overall opportunity set and expected risk-return profile of the asset class
  - Total fund performance is compared in two ways:
    - The Policy Index sums up all of the asset class benchmarks weighted by their long-term targeted policy allocation weights
    - The Allocation Index sums up all of the asset class benchmarks and the weighting is adjusted each month based on the actual allocations at each time

# BENCHMARK PHILOSOPHY SPECTRUM

Benchmark Style Spectrum

## Broad

Intended to capture the general risk-return profile associated with the investment mandate. Greater emphasis on value added through asset allocation decisions.



- Easy to communicate and understand
- Less complexity
- Reflective of a wide opportunity set



- Higher tracking error and volatility
- Allocations may deviate significantly from policy

## Granular

Expected to more closely mirror actual asset allocation and implementation. Greater emphasis on value added through manager selection decisions.

- Closely reflects strategic asset allocation views
- Lower tracking error

- Introduces complexity
- May change frequently
- Niche opportunities may not have an investable index

# FRAMEWORK TO EVALUATE BENCHMARKS

The CFA Institute (Chartered Financial Analyst) lists specific 'SAMURAI' criteria for a benchmark to be appropriate.

Is the benchmark:

**S**pecified in advance: Benchmark is identified before the evaluation period

**A**ppropriate: Benchmark reflects the strategy's objective and style

**M**easurable: Benchmark is quantifiable

**U**nambiguous: Benchmark constituents can be clearly identified and priced

**R**eflective: Benchmark's constituents match the manager's available targets

**A**ccountable: Manager accepts the benchmark and is evaluated relative to it

**I**nvestable: Benchmark can be replicated in its entirety as an index fund

# LIQUIDITY SUB-PORTFOLIO BENCHMARKS

## SAMURAI FRAMEWORK EVALUATION

Asset Class	Cashflow-Matched Bonds	Cash
Policy Target	7%	1%
Benchmark	BB U.S. Gov't/Credit Intermediate	30-Day T-Bills
Specified	Yes	Yes
Appropriate	Yes	Yes
Measurable	Yes	Yes
Unambiguous	Yes	Yes
Reflective	Yes	Yes
Accountable	<b>NO</b>	Yes
Investable	Yes	Yes

# GROWTH SUB-PORTFOLIO BENCHMARKS

## SAMURAI FRAMEWORK EVALUATION

Asset Class	US Equities	Int'l Equities	Infrastructure	Core Real Estate	Non-Core Real Estate	Private Credit	Private Equity	Liquid Credit
Policy Target	18%	18%	7.5%	6.5%	6%	8%	5%	
Benchmark	Russell 3000	MSCI ACWI ex-USA	CPI + 5%	NCREIF Property	NCREIF Property + 2%	Morningstar LSTA + 2%	Russell 3000 + 3%	50% BB US Corp IG / 25% BB US Corp HY / 25% Morningstar LSTA
Specified	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Appropriate	Yes	Yes	<b>NO</b>	<b>NO</b>	Yes	<b>NO</b>	<b>NO</b>	Yes
Measurable	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Unambiguous	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Reflective	Yes	Yes	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	Yes
Accountable	Yes	Yes	<b>(Mixed)</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>
Investable	Yes	Yes	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	Yes

# RISK-DIVERSIFYING SUB-PORTFOLIO

## SAMURAI FRAMEWORK EVALUATION

Asset Class	US Treasuries	US Short Duration TIPS	Liquid Absolute Return	Risk Parity
Policy Target	6%	4%	5%	4%
Benchmark	BB Treasury 7-10 Yy	BB TIPS 0-5 Yr	30-Day T-Bills + 4%	60% MSCI ACWI / 40% BB Global Agg
Specified	Yes	Yes	Yes	Yes
Appropriate	Yes	Yes	<b>NO</b>	<b>NO</b>
Measurable	Yes	Yes	Yes	Yes
Unambiguous	Yes	Yes	Yes	Yes
Reflective	Yes	Yes	<b>NO</b>	<b>NO</b>
Accountable	Yes	Yes	Yes	Yes
Investable	Yes	Yes	<b>NO</b>	Yes



# NEPC HIGH-LEVEL RECOMMENDATIONS

- **We recommend StanCERA continue to use broad benchmarks to evaluate asset classes and total plan performance, while using more granular benchmarks for specific strategies when appropriate**
  - There is not one single “correct” solution for all benchmarking situations: both broad and granular benchmarks have their uses
- **We recommend StanCERA consider using newer peer group benchmarks for the private market, liquid absolute return, and risk parity asset classes instead of the current “+ x%” benchmarks**
  - Peer group benchmarks will reflect the risk and return opportunities of these alternative asset classes much better
- **We recommend additional benchmark reviews every several years to ensure alignment of objectives, benchmarks, and portfolio implementation**
  - Thoughtful benchmarking is a cornerstone of building, maintaining, and monitoring a successful investment program

# GLOSSARY



# BENCHMARK DEFINITIONS

- **30-Day T-Bills** – The yield on a U.S. Treasury Bill with a 30-day maturity
- **BB Global Agg** – Global investment grade debt from 27 local currency markets
- **BB TIPS 0-5 Yr** – U.S. Treasury Inflation-Protected Securities with 0-5 year maturities
- **BB Treasury 7-10 Yr** – Intermediate maturity U.S. Treasury Bonds
- **BB US Corp HY** – USD-denominated, high yield, fixed rate corporate bonds
- **BB US Corp IG** – Investment-grade, fixed-rate, taxable corporate bonds in the US
- **BB US Gov't/Credit Intermediate** – Investment-grade, USD-denominated, fixed-rate, taxable corporate and government-related bonds with 1-10 year maturities
- **CPI** – Average change over time in prices paid by urban U.S. consumers for a market basket of consumer goods and services
- **Morningstar LSTA** – Senior-secured USD bank loans with a 1+year initial term and a \$50m+ initial issue size
- **MSCI ACWI** – MSCI All Country World Index consists of nearly 3,000 large- and medium-size stocks from 23 developed and 24 emerging markets
- **MSCI ACWI ex-USA** – Large- and mid-cap stocks outside the U.S.
- **NCREIF Property** – Unleveraged total return for private commercial U.S. industrial, apartment, office, retail, and hotel buildings that are 60%+ leased and at least part-owned by tax-exempt institutional investors
- **Russell 3000** – 3,000 largest listed U.S. stocks

# GLOSSARY

## ▪ Index

- A statistical composite that measures changes in the economy or in specific financial markets, usually expressed relative to a base year. Some well-known indexes include the Dow Jones, S&P 500, and NASDAQ

## ▪ Benchmark

- Any basis of measurement, such as an interest rate or an index of stock performance, that is used as a reference point for purposes of comparison

## ▪ Rebalance

- To sell existing investments and buy new investments in order to maintain the agreed-upon asset mix. A discipline to facilitate “buy low/sell high”
- However when you buy low the price can go lower, and you can sell high when the price ends up rising higher
- However, problems can arise when:
  - You sell an investment and the price rises
  - You buy an investment and the price falls

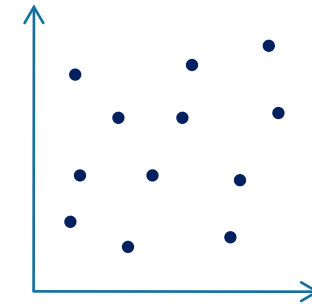
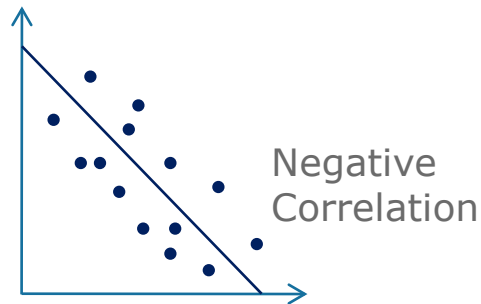
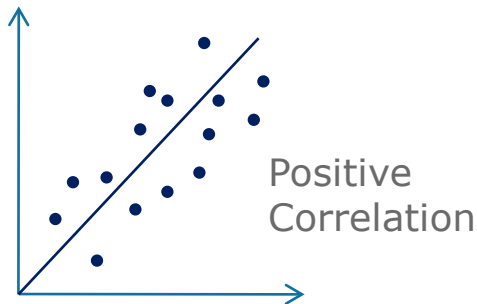
## ▪ Beta

- The degree to which a portfolio moves in tandem with the benchmark index.
- A measure of the overall market’s risk
  - The market’s Beta is 1.0 by definition
    - A portfolio with a beta of 0.5 is half as risky as the market
    - A portfolio with a beta of 2.0 is twice as risky as the market

# GLOSSARY

- **Correlation**

- A measure of the degree to which two asset classes move together



- **Expected Return**

- The expected percentage change in an accounts market value over a defined period of time (evaluation period)

- **Standard Deviation**

- Statistical measure of the distance a quantity is likely to lie from its average value
- Measures an investments volatility or “risk”

- **Asset Allocation**

- An investment strategy that aims to balance risk and reward by apportioning a portfolio’s assets according to goals, risk tolerance and investment horizon

# INFORMATION DISCLAIMER

Past performance is no guarantee of future results.

The goal of this report is to provide a basis for monitoring financial markets. The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.

Information on market indices was provided by sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.

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

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PROPRIETARY & CONFIDENTIAL

January 28, 2025

Retirement Board Agenda Item

TO: StanCERA Retirement Board

FROM: Tom Stadelmaier, Executive Director

- I. SUBJECT: RFP Policy Update
- II. ITEM NUMBER: 9.a
- III. ITEM TYPE: Discussion and Action
- IV. STAFF RECOMMENDATION: Approve the updated RFP Policy to reflect the current plan for RFP analysis by vendor.
- V. ANALYSIS:

The updated RFP Policy reflects an achievable schedule for a thorough evaluation of vendors that provide critical services to StanCERA. It is intended that an RFP will be issued for a majority of the services listed and a vendor will be selected for each service in the timeframe outlined. Staff is evaluating the RFP process as well and may, in some cases, recommend to the Board an extension of services if appropriate based on the analysis of the provider, the marketplace, the timeframe since the last market review and the overall annual costs of the services provided.
- VI. RISK: Failure to review existing vendors on a periodic basis could result in StanCERA paying a price that is not in-line with the market or not receiving a full scope of services that should be provided for the need.
- VII. STRATEGIC PLAN: Primarily supports administrative excellence and reporting and transparency objectives. RFP Policy encompasses a wide range of activities and touches on all objectives within the strategic plan.
- VIII. ADMINISTRATIVE BUDGET IMPACT: No change at this time. Board selection of a provider may result in budget changes which will be outlined by staff for each RFP analysis performed.



# ***Stanislaus County Employees' Retirement Association***



## **RFP SCHEDULE AND POLICY**

### **Policy 1017**

~~April 26, 2022~~ January 28, 2025

## **Purpose**

The purpose of this policy is to describe the process StanCERA uses to make decisions regarding when the Organization will go out to RFP for its various vendors. It is not the intent of the policy to describe the actual RFP process, since this may vary according to a particular vendor. It is also not the intent of this policy to mandate the RFP process on any particular vendor within any specified period of time. The policy is intended to be flexible to accommodate StanCERA's business needs.

## **Authority**

The authority in this policy is grounded in the Executive Team at StanCERA and ultimately, the StanCERA Board of Retirement

## **Procedure**

The following services that StanCERA uses on a regular basis and provided for by various vendors would fall under the purview of this policy:

- Actuarial Services, both primary actuary and auditing actuary
- General Investment Consultant
- General Auditor
- General Counsel
- ~~Special-Fiduciary~~ Counsel
- Investment Legal Counsel
- Tax Counsel
- Disability Counsel
- Custodial Bank Services
- Treasury/Banking Services
- Alternative Investment Consultant

While this list is not meant to be exhaustive, at this time, all other services/vendors that StanCERA uses are generally on an ad-hoc or as needed basis.

Every 5 years, StanCERA staff will evaluate the services provided by the aforementioned vendors. Staff's analysis will include a reasonable analysis into the current market environment for similar type services. Staff shall also determine whether the current services being provided meets the Organization's needs and whether the vendor's work is at least satisfactory. Staff will then make a recommendation to the Board of Retirement on whether they feel an RFP for services is needed. In its recommendation, staff should at least consider the following:

- Whether the vendor is performing up to its expected standards
- Whether the vendor is experiencing any resource issues within its firm
- Whether the vendor's pricing schedule is in line with the current market environment
- The balance between value added and cost by switching vendors

**Vendor RFP Schedule/Analysis**

Staff will evaluate and analyze each vendor every 5 years and determine whether an RFP for services is or is not warranted. Regardless of the recommendation staff shall seek final approval from the Board of Retirement. The following schedule lays out each service that StanCERA receives from its various vendors and the next year an analysis and recommendation to the Board of Retirement is required. This schedule should be kept up to date each time the milestone analysis is completed.

<u>Vendor Service</u>	<u>Next Analysis Year</u>
Actuarial Services (Primary and Auditing)	2023
General Investment Consultant	2025
General Auditor	2025
General Counsel	2024
Special Counsel	2023
Investment Legal Counsel	2026
Tax Counsel	2023
Disability Counsel	2023
Custodial Bank	As needed and determined by the Board
Alternative Investment Consultant	As needed and determined by the Board

<u>Vendor Service</u>	<u>Next Analysis Year</u>
Actuarial Services (Auditing)	2025
Alternative Investment Consultant	2025
General Counsel	2025
Fiduciary Counsel	2025
General Auditor	2026
Actuarial Services (Primary)	2026
General Investment Consultant	2026
Disability Counsel	2027
Custodial Bank	2027
Treasury/Banking Services	2027
Tax Counsel	2028
Investment Legal Counsel	2029

**Policy Review**

This Board shall review this policy at least every three years.

**Policy History**

POLICY APPROVAL DATE: April 26, 2022

POLICY UPDATE: January 28, 2025 to reflect updated schedule.

**January 28, 2025**

Retirement Board Agenda Item

TO: Retirement Board

FROM: Carmen Gusman, Financial Services Manager

- I. SUBJECT: Brown Armstrong Accountancy Corporation – Auditing Services Contract
- II. ITEM NUMBER: 9.b
- III. ITEM TYPE: Discussion and Action
- IV. STAFF RECOMMENDATION: Approve Staff's recommendation to extend the current contract with Brown Armstrong Accountancy Corporation for auditing services through the fiscal year ending June 30, 2025.
- V. ANALYSIS: In 2015, StanCERA selected Brown Armstrong Accountancy Corporation as its CPA to provide auditing services for the fiscal years ending 2015–2017. Since then, the contract has been extended three times, most recently through the fiscal year ending June 30, 2024.

Staff is proposing a one-year extension of Brown Armstrong's contract to provide continuity in auditing services while StanCERA prioritizes other Requests for Proposals (RFPs). Attachment 1 includes Brown Armstrong's proposal, which outlines the proposed cost structure and provides the resume of the Audit Manager.

Based on the Staff's evaluation, Brown Armstrong has consistently demonstrated professionalism and seamless coordination during and after audits. Continuity in their services also offers non-monetary benefits, such as enhanced efficiencies due to their familiarity with StanCERA staff and processes.

Staff recommends extending the contract with Brown Armstrong Accountancy Corporation for auditing services through the fiscal year ending June 30, 2025.

- VI. RISK: None
- VII. STRATEGIC PLAN: N/A
- VIII. ADMINISTRATIVE BUDGET IMPACT:

One-Year Extension:  
Fiscal Year 2024/2025: \$50,315

The proposed costs are comparable with the most recent contract which provided services at \$48,850, for fiscal year 2023/2024.



www.ba.cpa  
661-324-4971

December 19, 2024

Mr. Thomas Stadelmaier and  
the Board of Retirement  
Stanislaus County Employees' Retirement Association  
832 12<sup>th</sup> Street, Suite 300  
Modesto, CA 95354

Dear Mr. Stadelmaier and Board of Retirement:

Brown Armstrong Accountancy Corporation is pleased to propose on providing audit services to Stanislaus County Employees' Retirement Association for the fiscal year ended June 30, 2025. As your current auditors and having extensive experience auditing retirement systems under the provisions of the County Employees Retirement Law of 1937, we feel we are uniquely qualified to continue to provide you with the level of service you expect from your auditors. As a result of our past relationship, we fully understand the work to be performed. We are committed to performing the highest quality work and efficient completion of the audit within your stated timeframes.

Our existing contract was \$48,850, annually, including GASB 68 audit work. We propose a not-to-exceed maximum price of \$50,315, a 3% increase for the year ending June 30, 2025.

We have enjoyed our past relationship and look forward to continuing to serve you. In submitting this proposal, we are committing to performing the required scope of services and issuing our audit reports in accordance with your timeframes. If you accept this proposal, please sign below and return to us.

Please call me if I can clarify or expand on any item contained in this proposal. We appreciate the opportunity to provide you with the outstanding service you expect.

Sincerely,

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads 'Ashley Green'.

By: Ashley Green

ALG:mmj

Enclosure

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