Investment Policy Statement – Directive # 1

StanCERA Asset Allocation Targets and Ranges

Asset Class	Benchmark	Allocation Min	Allocation Target	Allocation Max
Liquidity Sub-Portfolio		**4%**	**8%**	**14%**
Cash	30 Day T-Bills	0%	1%	4%
Cashflow-Matched Bonds	Bloomberg Barclays US Gov't/Credit Intermediate	4%	7%*	10%
Growth Sub-Portfolio		**60%**	**73%**	**80%**
US Large Equity	Russell 1000	10%	14%	18%
US Small Equity	Russell 2000	0%	4%	7%
Private Equity	MSCI Global All PE	2%	5%	8%
Non-US Equity	MSCI ACWI ex-USA Gross	12%	18%	24%
Core Real Estate	NCREIF ODCE	3%	6.5%	10%
Non-Core Real Estate	MSCI Global Private Real Estate	2%	6%	10%
Infrastructure	MSCI Global Private Infrastructure	3%	7.5%	12%
Private Credit	MSCI Global Private Credit	3%	8%	10%
Public Credit	50% Bloomberg US corp Inv Grade/25% Bloomberg US Corp High Yield/25% Morningstar LSTA US Leveraged Loan Index	0%	4%	6%
Diversifying Sub-Portfolio		**15%**	**19%**	**24%**
US Treasury	Bloomberg Barclays Treasury 7 - 10 year	4%	6%	8%
US Short Duration TIPS	Bloomberg US TIPS 0-5 Year	2%	4%	6%
Risk Parity	S&P Risk Parity Index – 10% Volatility	0%	4%	8%
Liquid Absolute Return	30 Day T-Bills + 4%	0%	5%	7%
Total Allocation			**100%**	

Total Fund & Sub-Portfolio Benchmarks

The total fund and sub-portfolio benchmarks are a composite of the asset class benchmarks. The total fund benchmark is calculated as the weighted average of the performance of the asset class benchmarks and is weighted using the target allocation weights. The sub-portfolio benchmarks are calculated as the weighted average of the performance of the asset class benchmarks assigned to each sub-portfolio and are weighted using the target allocation weights.

StanCERA Sub-Asset Class Allocation to Private Markets

Asset Class & Sub-Asset Class	Benchmark	Allocation Min	Allocation Target	Allocation Max
Private Equity	MSCI Global All PE	**2%**	**5%**	**8%**
Buyouts		1.5%	3.5%	5%
Venture Capital		0.5%	1.5%	3%
Private Credit	MSCI Global Private Credit	**3%**	**8%**	**10%**
Direct Lending		2%	5%	6%
Special Situations/Credit Opportunities		1%	3%	4%
Real Estate		**5%**	**12.5%**	**20%**
Core Real Estate	NCREIF ODCE	3%	6.5%	10%
Non-Core Real Estate	MSCI Global Private Real Estate	2%	6%	10%
Infrastructure	MSCI Global Private Infrastructure	**3%**	**7.5%**	**12%**
Total Allocation			**33%**	

**Target can vary; reflects cash shortfall coverage period established through the Liquidity Sub-Portfolio annual funding plan.*

Review

The Board shall review this policy at least annually and amend it as appropriate.

History

Adopted by the Retirement Board on May 24, 2016
Revised 5/23/2017
Revised 5/28/2019
Revised 8/27/2019
Revised 11/24/2020
Revised 12/12/2023
Revised 3/25/2025
Revised 8/25//2026

POLICY APPROVAL DATE: August 25, 2026