



# Notice of Public Meeting

## The Board of Retirement of the San Mateo County Employees' Retirement Association will meet on **Tuesday, December 7, 2021 at 10:00 A.M.**

In accordance with Government Code § 54953 and § 54954, the Members of the Board will be participating via Zoom video conference and teleconference. Pursuant to Government Code § 54953 and § 54954.3, members of the public, to the extent required by law, will have the opportunity to directly address the Board concerning matters within the jurisdiction of the Board. The public can participate and provide comment using the instructions below:

### To Join the Meeting

- To join the meeting via video conference, click here: <https://us06web.zoom.us/j/87826468798>
- To join the meeting via telephone, dial: (669) 900-9128, and enter Meeting ID: 878 2646 8798

### Public Comment During the Meeting

Persons wishing to address the Board should follow the steps below:

- If joining via video conference, please use the “raise your hand” feature in Zoom during the Oral Communications from the Public period.
- If joining via teleconference dial in, please dial \*9 to “raise your hand” during the Oral Communications from the Public period.

You will be called on at the appropriate time. At the beginning of your comment, please state your name.

### Public Comment Prior to the Meeting

Persons who wish to address the Board may submit written comments via email to [samcera@samcera.org](mailto:samcera@samcera.org) at least 30 minutes before the start of the Board meeting. Please include your name, agenda item, and your comment. The Board will have the email read into the record and attached to the minutes.

For help joining a Zoom meeting, see: <https://support.zoom.us/hc/enus/articles/201362193>

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

- 1. Call to Order, Roll Call and Miscellaneous Business**
- 2. Oral Communications**
  - 2.1 Oral Communications from the Board
  - 2.2 Oral Communications from the Public
- 3. Approval of the Minutes**
  - 3.1 Approval of Special Board Meeting Minutes from October 26, 2021
  - 3.2 Approval of Audit Committee Minutes from October 26, 2021
  - 3.3 Approval of Board Meeting Minutes from October 26, 2021

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#### **4. Approval of the Consent Agenda\***

- |     |                               |      |   |
|-----|-------------------------------|------|---|
| 4.1 | Disability Retirements (none) | 4.7  | Member Account Rollovers                                  |
| 4.2 | Survivor Death Benefits       | 4.8  | Member Account Redeposits                                 |
| 4.3 | Service Retirements           | 4.9  | Acceptance of Trustees' Reports of Educational Activities |
| 4.4 | Continuances                  | 4.10 | Reaffirm Education Policy                                 |
| 4.5 | Deferred Retirements          | 4.11 | Reaffirm Travel Reimbursement Policy                      |
| 4.6 | Member Account Refunds        |      |   |

#### **5. Benefit & Actuarial Services**

- 5.1 Consideration of Agenda Items, if any, Removed from the Consent Agenda

#### **6. Investment Services**

- 6.1 Report on Preliminary Monthly Portfolio Performance Report for the Period Ended October 31, 2021
- 6.2 Report on Quarterly Investment Performance for the Period Ended September 30, 2021
- 6.3 Report on Absolute Return Manager Annual Reviews
- 6.4 Presentation of Private Asset Semi-Annual Performance Reports as of June 30, 2021
- 6.5 Report on Investment Consultant Annual Review
- 6.6 Approval of Proposed Alternative Investments (to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §6254.26, see item C2)

#### **7. Board & Management Support**

- 7.1 Annual Review of Brown Armstrong
- 7.2 Discussion of Board-Staff Retreat Topics

#### **8. Management Reports**

- 8.1 Chief Executive Officer's Report
- 8.2 Assistant Executive Officer's Report
- 8.3 Chief Investment Officer's Report
- 8.4 Chief Legal Counsel's Report

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

- C1 Consideration of Disability Items, if any, removed from the Consent Agenda
- C2 Approval of Proposed Alternative Investment (to be heard in Closed Session, Confidential Under Gov. Code § 54956.81 and 6254.26, see item 6.6)
- C3 Public Employee Performance Evaluation, in accordance with Gov. Code § 54957, Title: Chief Executive Officer (to be heard in Closed Session Confidential Under Gov. Code §54957)

#### **9. Report on Actions Taken in Closed Session**

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**10. Adjournment in Memory of the Following Deceased Members:**

Jeong, Grace	October 1, 2021	Mental Health
Rapley, Jack	October 1, 2021	Fire Warden
Hammarstrom, John	October 3, 2021	Sheriff's
Miramontes, Annette	October 10, 2021	Fiscal Services
Foster, Ellis	October 19, 2021	Public Works
Chaves, Lawrence	October 20, 2021	Sheriff's
Gill, Harrison	October 21, 2021	Hospital
Cheyrias, MaryJo	October 25, 2021	Human Services
Chackel, Betty	October 27, 2021	Courts
Frakes, Janet	November 1, 2021	EPS
Melghem, Marta	November 2, 2021	Hospital
Wetteland, Donald	November 16, 2021	Public Works



Scott Hood, Chief Executive Officer

Posted: December 1, 2021

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

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

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

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**OCTOBER 26, 2021 – SPECIAL BOARD MEETING MINUTES**

**2110SP.1 Call to Order, Roll Call and Miscellaneous Business**

**Call to Order:** Mr. Raw, Chair, called the Special Meeting of the Board of Retirement to order at 9:30 a.m. via Zoom.

**Roll Call:**

Present: Sandie Arnott, Mark Battey, Al David, Paul Hackleman, Katherine O'Malley, Elaine Orr, and Robert Raw.

Absent: Ben Bowler, Kurt Hoefer, and Susan Lee.

Alternates: Alma Salas.

Staff: Lili Dames, Scott Hood, Elizabeth LeNguyen, JulieAnne Nagal, Doris Ng, Paul Okada, Gladys Smith, and Anne Trujillo.

Consultants and speakers: Ashley Green (Brown Armstrong)

**2110SP.2 Oral Communications from the Public:** Mr. Raw asked if there was any public comment from those individuals participating on the telephone or via Zoom. There were no public comments. Ms. Trujillo reported there were no written comments received ahead of the meeting.

**2110SP.3 Approval of Resolution Authorizing the Use of Teleconferencing for the Board and Committee Meetings Pursuant to Government Code Section 54953(e):** Mr. Hood reported that on October 19, 2021, the Board of Supervisors re-approved its findings that holding in-person meetings would present an imminent risk to the health and safety of its attendees. Mr. Hood added that based on the County's findings along with state and federal health information, staff recommends that the Board of Retirement authorize the continued use of teleconferenced meetings pursuant to AB 361.

**Action:** Mr. Hackleman moved to approve the resolution authorizing the use of teleconferencing for Board and Committee meetings pursuant to Government Code Section 54953(e). The motion was seconded by Mr. Battey and carried with a vote of 7-0, with trustees Arnott, Battey, David, Hackleman, O'Malley, Orr, and Raw all in favor; none opposed.

**2110SP.4 Adjournment:** Mr. Raw adjourned the Special Meeting at 9:33 a.m.

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Robert Raw  
Board Chair

San Mateo County Employees' Retirement Association  
**Minutes of the Audit Committee Meeting of the Board of Retirement**

**October 26, 2021 – Audit Committee Meeting Minutes**

- 1. Call to Order:** Ms. O'Malley, Chair, called the meeting of the Audit Committee to order at 9:40 a.m.

**Roll Call:** *Present:* Sandie Arnott, Al David, Paul Hackleman, and Katherine O'Malley.

*Not Present:* None.

*Staff:* Tat-Ling Chow, Scott Hood, Paul Okada, Gladys Smith, and Anne Trujillo.

*Consultants:* Ashley Green, from Brown Armstrong.

- 2.1 Oral Communications from the Committee:** None.

- 2.2 Oral Communications from the Public:** Ms. O'Malley asked if there was any public comment from those individuals participating on Zoom. There were no public comments. Ms. Trujillo reported there were no written comments received ahead of the meeting.

- 3.1 Recommendation to the Board of Retirement to Accept Financial Audit Management Reports and Findings:** Ms. Green reviewed the audit process and presented the financial audit management reports and findings with the Committee. She reported that SamCERA received an unmodified (clean) opinion and that there were no issues performing the audit and no material weaknesses, significant deficiencies, or control deficiencies identified. Ms. Green thanked Ms. Chow, SamCERA management, and staff for their assistance and support during the audit.

**Action:** Mr. David moved to recommend that Board of Retirement accept the financial audit management reports and findings, as prepared by Brown Armstrong. The motion was seconded by Mr. Hackleman and carried with a vote of 4-0, with trustees Arnott, David, Hackleman, and O'Malley, all in favor; and none opposed.

- 3.2 Recommendation to the Board of Retirement to Approve SamCERA's 2021 Annual Comprehensive Financial Report:** Ms. Chow provided a summary of the six sections of the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. She expressed her gratitude to Ms. Green, her entire audit team, and SamCERA staff for their hard work in putting together the ACFR.

**Action:** Ms. Arnott moved to recommend that Board of Retirement approve SamCERA's 2021 Annual Comprehensive Financial Report. The motion was seconded by Mr. David and carried with a vote of 4-0, with trustees Arnott, David, Hackleman, and O'Malley, all in favor; and none opposed.

- 6. Adjournment:** With no further business, Ms. O'Malley adjourned the meeting at 10:03 a.m.

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Katherine O'Malley  
Audit Committee Chair

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**OCTOBER 26, 2021 – REGULAR BOARD MEETING MINUTES**

**2110.1 Call to Order, Roll Call and Miscellaneous Business**

**Call to Order:** Mr. Raw, Chair, called the Regular Meeting of the Board of Retirement to order at 10:04 a.m. via Zoom.

**Roll Call:**

Present: Sandie Arnott, Mark Battey, Al David, Paul Hackleman, Kurt Hoefer (joined the meeting at 10:17 a.m.), Katherine O'Malley, Elaine Orr, and Robert Raw.

Absent: Ben Bowler and Susan Lee.

Alternates: Alma Salas.

Staff: Tat-Ling Chow, Michael Coultrip, Lili Dames, Scott Hood, Elizabeth LeNguyen, JulieAnne Nagal, Doris Ng, Paul Okada, Gladys Smith, and Anne Trujillo.

Consultants and speakers: Ashley Green (Brown Armstrong); Nick Collier and Craig Glyde (Milliman, Inc.); and Joe Abdou, Margaret Jadallah, and John Nicolini (Verus).

**2110.2.1 Oral Communications from the Board:** None.

**2110.2.2 Oral Communications from the Public:** Mr. Raw asked if there was any public comment from those individuals participating on the telephone or via Zoom. There were no public comments. Ms. Trujillo reported there were no written comments received ahead of the meeting.

**2110.3.1 Approval of Regular Board Meeting Minutes from September 28, 2021:** Mr. Raw asked if there were any changes or corrections, or objections, to the meeting minutes from the Board meeting held on September 28, 2021. There were no changes, corrections, or objections presented.

**Action:** Ms. Arnott moved to approve the minutes from the Board meeting on September 28, 2021. The motion was seconded by Ms. O'Malley and carried with a vote of 7-0, with trustees Arnott, Battey, David, Hackleman, O'Malley, Orr, and Raw, all in favor; none opposed.

**2110.4.0 Approval of the Consent Agenda:** Mr. Raw asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed.

**Action:** Mr. Hackleman moved to approve the items on the Consent Agenda. The motion was seconded by Mr. David and carried with a vote of 7-0, with trustees Arnott, Battey, David, Hackleman, O'Malley, Orr, and Raw, all in favor; none opposed.

**2110.4.1 Disability Retirements:**

- a) The Board found that Stephen Pettit, Sr., (1) is permanently incapacitated from the performance of his usual and customary duties as a Sheriff's Sergeant, (2) found that his disability was the result of an injury arising out of and in the course of his employment and (3) granted his application for a service-connected disability retirement.
- b) The Board referred Patrina Sudano's application for service-connected disability retirement to a hearing officer for proposed findings and recommendations.

**2110.4.2 Survivor Death Benefits:** None.

2110.4.3 **Service Retirements:**

<b>Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Aguilar, John	August 5, 2021	Deferred - Probation
Barradas, Raquel	August 18, 2021	County Manager's Office
Barrientos, Astrid	August 1, 2021	Deferred - Family Law
Bell, Gregory	September 1, 2021	Deferred - Probation
Bernales, Arnida	September 1, 2021	San Mateo County Health
Bradley, Rhea	August 3, 2021	Library
Caserza, Rosemarie	August 13, 2021	Human Services Agency
Castiglioni, Yvette	August 28, 2021	Superior Court
Elzey, Albert	August 21, 2021	Sheriff's Office
Ertola, Michael	August 7, 2021	Deferred - Probation
Escalante, Jacqueline	August 9, 2021	Deferred - Public Health
Eugenio, Angelo	August 10, 2021	Deferred – Superior Court
Johnson, Nancy	September 1, 2021	Probation
Jones, Teresa	September 1, 2021	Behavioral Health
Lopez, Julio	August 25, 2021	Information Services
Maddox, Carol	August 7, 2021	Deferred - Family Health Services
Roque, Solon	August 29, 2021	San Mateo County Health
Smith, Kelly	August 22, 2021	Sheriff's
Tang, Brandon	August 28, 2021	Public Works
Thakkar, Shailesh	August 7, 2021	Information Services
Vazquez, Benjamin	August 7, 2021	Public Works
Vogt, David	August 8, 2021	Public Safety Communications
Wilhelm, Anastasia	August 28, 2021	Family Health Services
Winters, Marsha	August 20, 2021	Assessor-County Clerk-Recorder
Wong, Sandy S	August 1, 2021	Deferred - Public Works

2110.4.4 **Continuances:** The Board ratified the granting of continuance to the following individuals:

<b>Survivor's Name</b>	<b>Beneficiary of</b>
Garrison, Karen	Garrison, David
Martin, Valerie	Martin, David
Nafey, Linda	Patla, Robert

2110.4.5 **Deferred Retirements:**

The Board ratified the actions as listed below for the following members regarding deferred retirements:

<b>Name</b>	<b>Retirement Plan Type</b>
Baldisseri, Astrid	G4, Vested - Auto Defer - Code 31700
Benitez, Scott	G7, Vested - Auto Defer - Code 31700
Coonrod, Anne	G4, Vested - Auto Defer - Code 31700
Crismon, Alexa	G7, Non-vested - Reciprocity
Giles, Jennifer	G7, Non-vested - Reciprocity
Houle, Samantha	G7, Non-vested - Reciprocity
Kazzaz, Kevin	G7, Non-vested - Reciprocity
Madha, Deshawn	G5, Vested - Auto Defer - Code 31700
Montejano Del Rio, Ulices	G7, Vested - Reciprocity

Numera, Lealoa	G7, Non-vested - Reciprocity
Quon, Herman	S5, Vested - Auto Defer - Code 31700
Rose, Kevin	G4, Vested - Auto Defer - Code 31700
Sisco, Melissa	G5, Vested - Reciprocity
Truong, Lawrence	G7, Non-vested - Reciprocity

2110.4.6 **Member Account Refunds:**

The Board ratified the actions as listed below for the following members regarding refunds:

<b>Name</b>	<b>Retirement Plan Type</b>
Duvall, Christian	G7, Non-vested
Garcia, Veronica	G7, Vested
Nave, Michael (DRO)	G2, Non-vested
Price, Wesley	G7, Vested
Rogers, Tesha	G7, Non-vested
Shaver, Blake	G7, Non-vested

2110.4.7 **Member Account Rollovers:**

The Board ratified the actions as listed below for the following members regarding rollovers:

<b>Name</b>	<b>Retirement Plan Type</b>
Cook, Randall (FBO: Cook, Kenneth)	G7, Vested
Garcia, Veronica	G7, Vested
Raynsford, Jennifer	G4, Non-vested
Vu, Avery	G7, Non-vested

2110.4.8 **Member Account Redeposits:**

<b>Name</b>	<b>Retirement Plan Type</b>
Harrison, Lee	G4, Vested
Kiryczun, Rocio	G2, Vested

2110.4.9 **Acceptance of Trustees' Reports of Educational Activities:** None.

2110.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2110.5.2 **Annual Review of SamCERA's Actuarial Services Firm, Milliman, Inc.:** Ms. Smith shared the results of the annual review of Milliman, Inc. They have consistently received high marks from the Board and staff throughout the years and ratings this year were similar to those of the past. Ms. Smith and Mr. Hood thanked Mr. Collier and Mr. Glyde for their continued high quality of service and responsiveness. The Board also expressed their gratitude for all of Milliman Inc.'s diligent work. This item was informational and for discussion only, no action was taken.

2110.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended September 30, 2021:** Mr. Coultrip reported that SamCERA's net preliminary return for September was -1.5% bringing the preliminary trailing twelve month return ending September 2021 to 19.0% net, which is above



SamCERA's Plan Benchmark return of 17.8% and SamCERA's Actuarial Assumed Earnings Rate of 6.25%. This item was informational and for discussion only, no action was taken.

- 2110.6.2 **Report on Inflation Hedge Manager Annual Review:** Ms. Ng reported that staff held an annual review meeting on September 16, 2021 with SamCERA's public real assets manager, State Street Global Advisors (SSgA). The discussion included a firm/organizational update, investment process review, and a review of performance and attribution. Current positioning and market outlook were also discussed. This item was informational and for discussion only, no action was taken.
- 2110.6.3 **Report on Opportunistic Credit Manager Annual Reviews:** Ms. Ng reviewed the meeting notes of the annual review of SamCERA's opportunistic credit manager, Angelo Gordon, and private credit manager, White Oak Global Advisors, that took place on September 30<sup>th</sup>. Each meeting consisted of a firm/organizational update, investment process review, performance review and attribution, and a current positioning/market outlook. This item was informational and for discussion only, no action was taken.
- 2110.6.4 **Report on Absolute Return Manager Annual Reviews:** Ms. Ng reviewed the meeting notes of the annual reviews of SamCERA's absolute return managers, Graham Capital Management and Aberdeen Standard Investments, that took place on September 16<sup>th</sup>. Ms. Ng also reported that SamCERA also held annual manager reviews for three other absolute return managers on October 7<sup>th</sup> and those meeting notes will be presented at the next Board meeting. This item was informational and for discussion only, no action was taken.
- 2110.6.5 **Report on Establishing Portfolio Liquidity Pool – Follow Up from Retreat:** Mr. Abdou provided a brief recap of previous discussions on plan maturation. Mr. Nicolini discussed the process of establishing a dedicated cash-flow matched liquidity pool and obtained feedback from the Board regarding their recommendations. Mr. Coultrip and Verus answered questions from the Board. This item was informational and for discussion only, no action was taken.
- 2110.7.1 **Presentation by Brown Armstrong of 2021 Financial Audit Management Reports:** Ms. Green presented the results of the independent financial audit for the fiscal year ended June 30, 2021. She reported that SamCERA received an unmodified (clean) opinion. Ms. O'Malley reported that the Audit Committee met and reviewed the financial audit report and recommended that the Board accept the report and findings. With no objection, the financial audit report was accepted by the Board.
- 2110.7.2 **Approval of SamCERA's 2021 Annual Comprehensive Financial Report (ACFR):** Ms. Chow discussed with the Board the operating results of the pension plan and funding status as of June 30, 2021. She reported that SamCERA's net position reached a high of \$5.98 billion and shared the prominent factors for the significant increase. Ms. Chow thanked Ms. Green and her entire audit team, Milliman, Inc., and SamCERA staff for their hard work and assistance in putting the ACFR together. Ms. O'Malley reported the Audit Committee met, reviewed the 2021 ACFR and recommended Board approval.
- Action:** Mr. Battey moved to approve SamCERA's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. The motion was seconded by Mr. Hackleman and carried with a vote of 8-0, with trustees Arnott, Battey, David, Hackleman, Hoefler, O'Malley, Orr, and Raw, all in favor; none opposed.
- 2110.7.3 **Approval of Voting Delegates and Direction to Delegates for Fall 2021 SACRS Business Meeting:** Mr. Hood discussed the upcoming SACRS Fall Conference and went over staff's recommendation to designate Ms. Arnott as Voting Delegates and himself as First Delegate alternate for the Fall 2021 SACRS Business Meeting. He also added that staff further recommends the Board provide direction to the Voting Delegate that is in the best interest of SamCERA.

**Action:** Mr. Battey moved to approve staff’s recommendation to designate Ms. Arnott as the Voting Delegate, Mr. Hood as the First Delegate Alternate to cast SamCERA’s votes at the Fall 2021 SACRS business meeting. The motion was seconded by Mr. Hoefer and carried with a vote of 8-0, with trustees Arnott, Battey, David, Hackleman, Hoefer, O’Malley, Orr, and Raw, all in favor; none opposed.

2110.7.4 **Approval of Resolution Setting the Board of Retirement Meeting Schedule for 2022:** Ms. Smith went over the highlights of the proposed Board meeting schedule for 2022. She also mentioned that in accordance with AB 361, special meetings will need be scheduled to allow the continuation of teleconferencing when there are more than 30 days between regular meetings.

**Action:** Mr. Hoefer moved to approve a resolution setting the Board of Retirement’s Regular Meeting Schedule for calendar year 2022. The motion was seconded by Ms. Orr and carried with a vote of 8-0, with trustees Arnott, Battey, David, Hackleman, Hoefer, O’Malley, Orr, and Raw, all in favor; none opposed.

2110.8.1 **Chief Executive Officer’s Report:** Mr. Hood thanked Ms. Chow and staff involved in putting together this year’s audit and ACFR. He shared that SACRS will be offering an Ethics and Prevention of Sexual Harassment training during the Fall Conference. Mr. Hood mentioned that a special meeting will be scheduled prior to the December regular meeting. He informed the Board of the following topics to be reviewed at the December meeting: Education Policy, Travel Reimbursement Policy, annual review of Brown Armstrong, topics for the Board/Staff Retreat, and annual CEO review.

2110.8.2 **Assistant Executive Officer’s Report:** Ms. Smith reported that under a new County policy, all employees must either submit proof of vaccination by November 16<sup>th</sup> or complete weekly testing for COVID-19. Ms. Trujillo reminded Board members about an upcoming educational opportunity.

2110.8.3 **Chief Investment Officer’s Report:** Mr. Coultrip informed the Board that staff will be sending out the link to Verus’ annual review. He reported that staff and Verus will hold annual manager reviews on November 15<sup>th</sup> from 9:30 a.m. – 11:00 a.m. with private equity and private real asset managers. Mr. Coultrip informed the Board that he would like to discuss the Investment Beliefs section of the Investment Policy at a future meeting to provide them with an opportunity for discussion and feedback.

2110.8.4 **Chief Legal Counsel’s Report:** Mr. Okada reported that he has reached out to the Ad-hoc CEO Review Committee and will be sending the Board a survey link to complete the annual CEO review. He also reported that he will send individual emails to Trustees regarding their Ethics training hours.

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

2110.10 **Adjournment:** Mr. Raw adjourned the meeting at 11:38 a.m. in memory of the deceased members listed below.

Michel, Rosa	August 28, 2021	Probation
Mafi, Wanda	September 4, 2021	Human Resources
Fernandez, Federico	September 5, 2021	San Mateo County Health
Nakamura, George	September 10, 2021	Public Health
Burgess, Mamie	September 14, 2021	Hospital
Gibson, Carl	September 15, 2021	Probation
Simmons, Kendall	September 13, 2021	Parks
Mabardy, Bruce	September 17, 2021	Probation
Inouye, Kazui	September 23, 2021	Public Works

Duffy, James  
Thorsett, Ruth  
Seaton, Carolyn  
Rinde, Lloyd  
Rau, Carol

September 25, 2021  
October 3, 2021  
October 6, 2021  
October 14, 2021  
October 18, 2021

Probation  
Library  
San Mateo County Health  
Human Services  
Library

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Robert Raw  
Board Chair

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
**Board of Retirement**

December 7, 2021

Agenda Items 4.1- 4.9

**TO:** Board of Retirement

**FROM:** Elizabeth LeNguyen, Retirement Benefits Manager



**SUBJECT:** Approval of Consent Agenda Items 4.1 – 4.9

**4.1 Disability Retirements**

None.

**4.2 Survivor Death Benefits**

None.

**4.3 Service Retirements**

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

<b>Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Alvarez, Frank	October 1, 2021	Deferred - Public Health
Bolster, David	September 19, 2021	Sheriff's Office
Bravo, Carlos	September 2, 2021	Human Services Agency
Cuyjet, Scott	September 24, 2021	San Mateo County Health
Daniels, Rhonda	September 10, 2021	Probation
Ernst, Heidimarie	July 31, 2021	Deferred - Behavioral Health
Ilustrisimo, Cynthia	September 30, 2021	San Mateo County Health
Kapadia, Mita	September 18, 2021	Deferred - Sheriff's Office
Kelly, Ann	October 1, 2021	San Mateo County Health
Kuykendall, Mark	September 5, 2021	Sheriff's Office
Langit, Renee	September 11, 2021	San Mateo County Health
Liberona, Patricia	September 11, 2021	Family Health Services
Madayag-Santos, Mariejane	September 25, 2021	San Mateo County Health
Manilla, Edgar	September 18, 2021	Sheriff's Office
McDuffie, LaShonda	October 1, 2021	Probation
Moher, James	October 1, 2021	Sheriff's Office
Osur, Michael	October 1, 2021	Deferred - San Mateo Co Health

Sanders, Michael	September 30, 2021	Sheriff's Office
Sayos Teruel, Maria	September 18, 2021	San Mateo County Health
Vaillancourt, Val	September 25, 2021	Public Works
Williams, Laura	September 18, 2021	County Manager

#### 4.4 Continuances

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

Survivor's Name	Beneficiary of:
Fernandez, Celia	Fernandez, Federico
Fontenn'a, Juanita	Fontenn'a, Regino
Mabardy, Maria	Mabardy, Bruce
Mafi, Toatele	Mafi, Wanda
Michel, Donaciano	Michel, Rosa
Moerman, Millie	Moerman, Matthew
Molinari, Andrew	Molinari, Shirley
Nakamura, Maxine	Nakamura, George

#### 4.5 Deferred Retirements

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

Name	Retirement Plan Type
Alvarado, Gonzalo	G4, Vested
Barrett, Matthew	G7, Non-vested - Reciprocity
Bautista, John-Charles	S7, Vested - Auto Defer - Code 31700
Cardoza, Lydia	G4/S4, Vested
Chang, Karen	G5, Vested - Reciprocity
Charpentier, Sean	G5, Vested - Reciprocity
Deburr, Brian	G5, Vested - Reciprocity
Feyling-Soriano, Andrea	G4/S4/P4, Vested - Auto Defer - Code 31700
Gomez, Jonathan	G4, Vested
Hang, Johnson	G7, Non-vested - Reciprocity
Katz, Rosa	G4, Vested - Reciprocity
Kim, Su Yeon	G7, Non-vested - Reciprocity

Lui, Michael	G7, Vested
Maravilla, Claudia	G4, Vested - Auto Defer - Code 31700
McMillian, Diamond	G4, Vested
Michael, Janu	G7, Vested
Miramontes, Xelina	G7, Non-vested - Reciprocity
Murphy, Kelly	S4, Non-vested - Reciprocity
Myers, Nicole	G5, Vested - Auto Defer - Code 31700
Nimau, Kristin	G5, Vested - Auto Defer - Code 31700
Richstone, Laura	G7, Non-vested - Reciprocity
Toensing, Anne-Marie	G4, Vested - Reciprocity
Williams, Audyama	S7, Vested - Reciprocity

#### 4.6 Member Account Refunds

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

Name	Retirement Plan Type
Bonilha, Christina	G7, Non-vested
De La Herran, Esmeralda	G7, Non-vested
Fernandez, Karla J	G4, Vested
Grimes, Gladys	G7, Non-vested
Harty, Zachary	S7, Non-vested
Lee, Michael	G7, Non-vested
Newman, Derek	G7, Non-vested
Newton, James (FBO: Newton, Jaymes)	G2, Vested
Omolafe, Abby	G7, Non-vested
Recio, Justa (FBO: Canas, Anna)	G4, Vested
Recio, Justa (FBO: Lazo, Adalberto)	G4, Vested
Recio, Justa (FBO: Lazo, Ricardo)	G4, Vested
Recio, Justa (FBO: Quintos, Adabelle)	G4, Vested
Reynoso, Wade	G7, Non-vested
Ruiz, Rachael	G7, Non-vested
Scott, Charles	G7, Non-vested

Singh, Ashley	G7, Non-vested
Zuniga, Maria	G7, Non-vested

#### 4.7 Member Account Rollovers

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

Name	Retirement Plan Type
Aran, Laura	G7, Non-vested
Brune, Dorreen	G7, Non-vested
Chagonjian, Beth	G7, Non-vested
Hernandez, Denahi	G4, Vested
Hogan, Matthew	G7, Non-vested
Maher, Miriam	G7, Non-vested
Maier, Nicholas	S7, Vested
McPherson, Amanda	G4, Non-vested
Molina, Bryan	S7, Non-vested
Munnich, Megan	G7, Non-vested
Singh, Jasbir	G7, Non-vested
Straten, Lammy	G7, Non-vested
Tucker, Franklin	G7, Non-vested
Zermeno, Elias	S4, Non-vested

#### 4.8 Member Account Redeposits

None.

#### 4.9 Acceptance of Trustees' Reports of Educational Activities

See attached.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
**Board of Retirement**

December 7, 2021

Agenda Item 4.9

**TO:** Board of Retirement

**FROM:** Anne Trujillo, Retirement Executive Secretary



**SUBJECT:** Trustee's Reports of Educational Activities

**Recommendation**

Accept the following reports from Board of Retirement trustees who have recently attended educational events.

**Background**

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

**Discussion**

SamCERA Trustees attended the following educational events, and their reports are attached:

SACRS 2021 Fall Conference

- Sandie Arnott
- Al David

**Attachments**

Trustee's Education Proof of Participation Certificates and Summaries



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



<b>Trustee Name</b> Sandie Arnott		<b>Date(s) of Event</b> 11/9-11/12/21
<b>Education Event Name</b> Annual Fall Conference		
<b>Event Provider</b> SACRS		
<b>Type of Participation:</b> Attended Event <input checked="" type="checkbox"/> Listened to Audio/Watched Video <input type="checkbox"/>		<b>Eligible Credit:</b> Total hours for sessions you participated in: <u>11</u> (Staff may adjust hours if the provider issues an education certificate that reflects different hours.)

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

**Topic:** (Check all that apply)

- |  |  |
|--|--|
| <input type="checkbox"/> Fiduciary responsibilities  | <input type="checkbox"/> Disability evaluation                                     |
| <input checked="" type="checkbox"/> Ethics <i>2 Hours</i>                                      | <input type="checkbox"/> Fair hearings   |
| <input type="checkbox"/> Benefits administration   | <input checked="" type="checkbox"/> Pension fund governance                        |
| <input type="checkbox"/> Actuarial matters   | <input type="checkbox"/> New board member orientation                              |
| <input type="checkbox"/> Pension funding   | <input checked="" type="checkbox"/> Other: <i>Developing High Performing Teams</i> |
| <input checked="" type="checkbox"/> Pension fund investments and investment program management | <i>ESG</i>   |
|  | <i>RWK System Comparisons</i>  |

**Summary Report**

What concepts or information did you learn about?

*More insight into ESG factors and investment considerations  
tools and tips to bring your staff together as a team  
Ethics - Gov Code requirements  
state of the economy*

Would you recommend this event to other trustees?

- Yes       No       Maybe

You may provide additional comments to SamCERA's CEO.

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

<b>Trustee Signature (print this form and sign)</b> <i>Sandie Arnott</i>	<b>Date</b> 11/15/21
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**NOTE:** Please return this completed form to SamCERA's Executive Secretary prior to the mailing of the Board packet, so it can be included in that month's Consent Agenda.

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



<b>Trustee Name</b> Al David	<b>Date(s) of Event</b> 11/9-11/12/21
<b>Education Event Name</b> Annual Fall Conference	
<b>Event Provider</b> SACRS	
<b>Type of Participation:</b> Attended Event <input checked="" type="checkbox"/> Listened to Audio/Watched Video <input type="checkbox"/>	<b>Eligible Credit:</b> Total hours for sessions you participated in: <u>7.5</u> (Staff may adjust hours if the provider issues an education certificate that reflects different hours.)

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

**Topic:** (Check all that apply)

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

Post Covid must  
 Ethics training for Trustee 2 hr  
 High performing team (2 sessions) 3.5 hr  
 LA Institutional, must 1

**Summary Report**

What concepts or information did you learn about?

- Leadership in time of Covid 2 sessions  
 - Updated ethics  
 - Investing in the time of Covid

Would you recommend this event to other trustees?

- Yes       No       Maybe

You may provide additional comments to SamCERA's CEO.

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

<b>Trustee Signature</b> (print this form and sign) Albert David	<b>Date</b> 11/15/21
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**NOTE:** Please return this completed form to SamCERA's Executive Secretary prior to the mailing of the Board packet, so it can be included in that month's Consent Agenda.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

**Board of Retirement**

December 7, 2021

Agenda Item 4.10

**TO:** Board of Retirement

**FROM:** Scott Hood, Chief Executive Officer



**SUBJECT:** Reaffirmation of the Board's Education Policy

**Recommendation**

Reaffirm the Board of Retirement's "Education Policy."

**Background**

The Board approved the current Education Policy in December 2016, with revisions in December 2017 to reference the Board's ethics and anti-harassment training requirements. Since December 2017, the Board has reviewed the education policy each year, but no further revisions have been adopted. The policy before the Board today is substantially the same as the policy reaffirmed in December 2020 with minor modifications for clarity and readability. A redlined copy of the revised policy showing the proposed revisions is attached. The policy continues to reflect the following core principles as stated by the Board's Ad Hoc Education Policy Committee in 2016:

- **Fiduciary:** Education must be consistent with the Board's fiduciary responsibilities.
- **Prudent:** Exercising good judgment/decision making; understanding that the Board is entrusted with the Retirement Fund.
- **Relevant:** Education must be relevant to Trustees' responsibilities and to individual experience and background.
- **Focus:** Training/conference should focus on education not marketing
- **Cost Effective:** Board should apply the same discipline to Board travel/education as it does to all SamCERA expenses. Each Board member shall make every effort to obtain his or her education within California.
- **Optics/Perception:** Location and perception of luxury are important. Board member education should be obtained in a cost-efficient manner in order to minimize costs wherever possible, recognizing that multiple education providers provide similar educational opportunities.

**Discussion**

The Policy authorizes each Trustee to attend all of the following each fiscal year:

- Unlimited number of conferences and education programs within the Bay Area; and

- Any program sponsored by the State Association of County Retirement Systems (SACRS) and the California Association of Public Retirement Systems (CALAPRS) wherever located; and
- Up to two (2) approved out-of-Bay Area educational events requiring overnight stays.

The two approved out-of-Bay Area educational events requiring overnight stays can be from the following list of providers:

- International Foundation of Employee Benefit Plans (IFEBP)
- Wharton investment management programs
- Chartered Financial Analyst (CFA) Institute
- National Conference on Public Employee Retirement Systems (NCPERS)
- Institutional Limited Partner Association (ILPA) Institute (Educational Programs)

This list is subject to annual review and revision by the Board. Requests to attend an event not on the above list can be made by a Trustee by completing a form that is placed on the regular agenda for approval. Since the adoption of this policy in 2016, only two event requests were made and both were granted by the Board.

**Attachments**

Education Policy

Education Policy, Red-lined

**San Mateo County Employees' Retirement Association**

**BOARD OF RETIREMENT  
EDUCATION POLICY**

**SECTION 1. BOARD MEMBER EDUCATION IS REQUIRED**

- A. **Fiduciary Duty.** Consistent with the Board's fiduciary responsibility to discharge its duties with respect to the system with care, skill, prudence, and diligence, the Board acknowledges the vital importance of making informed judgments on all matters which come before it and has determined that educational activities help provide the Board with knowledge and skills to make such informed decisions. Board members come to the Board with differing backgrounds, knowledge, and expertise, and have a duty to receive the education that best fits their needs. Board member education should develop the individual knowledge of the Board members and, in turn, improve the knowledge of the Board as whole so that it may discharge its fiduciary duties.
  
- B. **Minimum Required Hours of Training.** Each Board member shall receive a minimum of 24 hours of Board member education in the topics listed in Section 3(A) within the first two years of assuming office and for every subsequent two-year period the Board member continues to hold membership, in accordance with Government Code §31522.8.
  
- C. **Posting of Policy and Board Member Compliance.** Staff shall maintain a record of Board member compliance with this policy, and both this policy and an annual report on Board member compliance will be posted on the Board's website which shall reflect the education completed for the prior fiscal year or calendar, depending upon when the Board member's term commences, in accordance with Government Code §31522.8.
  
- D. **Timely Report by Board Member of Educational Participation.** Following a Board member's participation in an educational activity, such Board member shall submit a summary written report on the content of that educational activity for inclusion on the Consent Agenda at the next regularly scheduled Board meeting. The written summary shall substantially reflect the information contained in the attached sample report.

## SECTION 2 COST EFFECTIVE EDUCATION

- A. **Limit for Attendance at Overnight Out-Of-Bay Area Educational Events.** Board member education should be obtained in a cost-efficient manner, minimizing costs wherever possible. Every Board member is authorized to attend conferences and education programs within the Bay Area, as well as programs sponsored by the State Association of County Retirement Systems (SACRS) and the California Association of Public Retirement Systems (CALAPRS). In addition, every Board member is authorized to attend up to two (2) approved out-of-Bay Area educational events requiring overnight stays per fiscal year. Board members shall make every effort to obtain their education within California in light of the fact that multiple education providers provide similar educational opportunities. Board members should not attend educational activities that conflict with regularly scheduled Board meetings.
- B. **Travel Expenses.** Travel expenses incurred by a Board member for education are subject to reimbursement by SamCERA in accordance with this policy and the Board's "Policy for Reimbursement of Travel and Other Official Expenses for Trustees." Any international travel by a Board member must be placed on the Board's regular agenda for the Board's pre-approval. Costs for attendance at educational events that are not consistent with both policies will not be subject to reimbursement without Board approval.
- C. **Education through Electronic Means.** The Board further encourages members to participate to the fullest extent possible in approved taped and/or electronically-delivered educational opportunities.
- D. **Education Given by SamCERA Staff and Consultants.** Training provided by or arranged by the Chief Executive Officer, Chief Investment Officer, Chief Legal Counsel, and other SamCERA staff, the Board's Medical Advisor, Actuary, Investment Consultant, and Investment Managers shall satisfy the required education for the subject matters presented at such training and the required educational hours for the length of the training.
- E. **Education from Publications.** Board members may count up to three hours towards their biannual education requirement by reading Pensions & Investments, the Public Retirement Journal, and/or the Wall Street Journal.
- F. **Education from Onsite Visits.** Board members may count up to three hours towards their biannual education requirement by accompanying staff on onsite visits to potential or existing investment consultants, managers, or other SamCERA providers. Visits outside of the Bay Area requiring an overnight stay will count as an approved trip in accordance with Section 2(A).

### **SECTION 3. APPROVED EDUCATIONAL TOPIC AREAS AND PROGRAMS**

A. **Educational Topic Areas.** Appropriate topics for Board member education shall include two hours of Ethics Training consistent with Government Code §53234, and two hours of Sexual Harassment Prevention Training consistent with Government Code §53237.1 in a manner approved by the Chief Legal Counsel and, in accordance with Government Code §31522.8, may include but is not limited to, the following topics:

- (1) Fiduciary responsibilities
- (2) Ethics
- (3) Pension fund investments and investment program management
- (4) Actuarial matters
- (5) Pension funding
- (6) Benefits administration
- (7) Disability evaluation
- (8) Fair hearings
- (9) Pension fund governance
- (10) New board member orientation

B. **Approved Educational Programs and Activities.** In addition to the SACRS and CALAPRS conferences and educational programs referenced in Section 2(A), a Board member's attendance at and/or viewing or listening of recordings of one or more programs listed below shall satisfy the required education for the subject matters presented at such programs and the required educational hours for the length of the program. This list of programs is subject to annual review by the Board and shall be revised as determined by the Board.

- (1) International Foundation of Employee Benefit Plans (IFEBP)
- (2) Wharton investment management programs
- (3) Chartered Financial Analyst (CFA) Institute
- (4) National Conference on Public Employee Retirement Systems (NCPERS)
- (5) Institutional Limited Partner Association (ILPA) Institute (Educational Programs)

C. **Recommended Education for New Board members.** As part of a new Board member's orientation, staff will provide a recommended educational plan that best suits the Board member's educational needs for the member's first term. To the extent pre-approved by the Board Chair, newly elected or appointed Board members may be allowed to attend (i) the SACRS and CALAPRS conferences and educational programs referenced in Section 2(A), as well as (ii) approved educational programs and activities referenced in Section 3(B) prior to the formal commencement of their terms provided that all other requirements of this policy are followed including, but not limited to, such Board member's submission of a summary written report

pursuant to Section 1(D).

D. **Special Request to Attend Education Event.** In considering each request to attend a specified educational activity that is not listed in Section 2(B), the Board will consider if the overnight travel is appropriate and consistent with the intent of this policy and shall consider items such as:

- (1) Are the conference topics of current interest and importance and related to issues facing SamCERA?
- (2) Have reports from previous attendees been favorable regarding the content of the conference and the continuing value of future attendance?
- (3) Will the conference meet the educational needs of the attendee?
- (4) Can similar education be received from an already approved provider or that provider's on-line resources?
- (5) Does the cost of the event and overnight travel justify the benefits particularly if the conference is out of California?
- (6) How many overnight trips has the Board member attended and/or is planning on attending this fiscal year?

#### **SECTION 4. EDUCATIONAL EXPENSES FOR STAFF**

The Chief Executive Officer is authorized to approve the participation and associated travel of the Chief Executive Officer and staff in educational activities to the extent that the Chief Executive Officer finds that such participation will contribute to the staff member's ability to perform the staff member's duties and the budget provides funds for such activities.



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



<b>Trustee Name</b> Adam Lopez		<b>Date(s) of Event</b> 2/6/17-2/8/17
<b>Education Event Name</b> New Trustees Institute - Core Concepts		
<b>Event Provider</b> IFEBP		
<b>Type of Participation:</b> Attended Event <input checked="" type="checkbox"/> Listened to Audio/Watched Video <input type="checkbox"/>		<b>Eligible Credit:</b> Total hours for sessions you participated in: <u>20</u> <i>(Staff may adjust hours if the provider issues an education certificate that reflects different hours.)</i>

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

**Topic:** *(Check all that apply)*

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

**Summary Report**

What concepts or information did you learn about?

Board governance, overview of retirement plans and Trustee responsibilities.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Would you recommend this event to other trustees?

- Yes                       No                       Maybe

*You may provide additional comments to SamCERA’s CEO.*

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

<b>Trustee Signature</b> <i>(print this form and sign)</i> <i>A Lopez</i>	<b>Date</b> 2/12/17
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**NOTE:** Please return this completed form to SamCERA’s Executive Secretary prior to the mailing of the Board packet, so it can be included in that month’s Consent Agenda.

## San Mateo County Employees' Retirement Association

### **BOARD OF RETIREMENT EDUCATION POLICY**

#### **SECTION 1. BOARD MEMBER EDUCATION IS REQUIRED**

- A. **Fiduciary Duty.** Consistent with the Board's fiduciary responsibility to discharge its duties with respect to the system with care, skill, prudence, and diligence, the Board acknowledges the vital importance of making informed judgments on all matters which come before it and has determined that educational activities help provide the Board with knowledge and skills to make such informed decisions. Board members come to the Board with differing backgrounds, knowledge, and expertise, ~~and Each member has~~ have a duty to receive the education that best fits ~~his or her~~ their needs. Board member education should develop the individual knowledge of the Board members and, in turn, improve the knowledge of the Board as whole so that it may discharge its fiduciary duties.
- B. **Minimum Required Hours of Training.** Each Board member shall receive a minimum of 24 hours of Board member education in the topics listed in Section 3(A) within the first two years of assuming office and for every subsequent two-year period the Board member continues to hold membership, in accordance with Government Code §31522.8.
- C. **Posting of Policy and Board Member Compliance.** Staff shall maintain a record of Board member compliance with this policy, and both this policy and an annual report on Board member compliance will be posted on the Board's website which shall reflect the education completed for the prior fiscal year or calendar, depending upon when the Board member's term commences, in accordance with Government Code §31522.8.
- D. **Timely Report by Board Member of Educational Participation.** ~~Prior to the next regularly scheduled meeting of the Board following the~~ Following a Board member's participation in an educational activity, ~~the~~ such Board member shall submit ~~for inclusion on the Consent Agenda,~~ a summary written report on the content of that educational activity for inclusion on the Consent Agenda at the next regularly scheduled Board meeting. The ~~report~~ written summary shall substantially reflect the information contained in the attached sample report.

## SECTION 2 COST EFFECTIVE EDUCATION

- A. **Limit for Attendance at Overnight Out-Of-Bay Area Educational Events.** Board member education should be obtained in a cost-efficient manner, minimizing costs wherever possible. Every Board member is authorized to attend conferences and education programs within the Bay Area, ~~and as well as~~ programs sponsored by the State Association of County Retirement Systems (SACRS) and the California Association of Public Retirement Systems (CALAPRS). In addition, every Board member is authorized to attend up to two (2) approved out-of-Bay Area educational events requiring overnight stays per fiscal year. ~~Multiple education providers provide similar educational opportunities and each~~ Board ~~member~~members shall make every effort to obtain ~~his or her~~their education within California ~~in light of the fact that multiple education providers provide similar educational opportunities.~~ Board members should not attend educational activities that conflict with regularly scheduled Board meetings.
- B. **Travel Expenses.** Travel expenses incurred by a Board member for education are subject to reimbursement by SamCERA in accordance with this policy and the Board's "Policy ~~For~~for Reimbursement ~~Of~~of Travel ~~And~~and Other Official Expenses ~~For~~for Trustees." Any international travel by a Board member must be placed on the Board's regular agenda for the Board's pre-approval. Costs for attendance at educational events that are not consistent with both policies will not be subject to reimbursement without Board approval.
- C. **Education through Electronic Means.** The Board further encourages members to participate to the fullest extent possible in approved taped and ~~electronic delivery of/or electronically-delivered~~ educational opportunities.
- D. **Education Given by SamCERA Staff and Consultants.** Training provided by or arranged by the Chief Executive Officer, Chief Investment Officer, Chief Legal Counsel, and other SamCERA staff, the Board's Medical Advisor, Actuary, Investment Consultant, and Investment Managers shall satisfy the required education for the subject matters presented at such training and the required educational hours for the length of the training.
- E. **Education from Publications.** ~~A~~ Board ~~member~~members may count up to three hours towards ~~his or her~~their biannual education requirement by reading Pensions & Investments, the Public Retirement Journal, and/or the Wall Street Journal.
- F. **Education from ~~On-Site~~Onsite Visits.** ~~A~~ Board ~~member~~members may count up to three hours towards ~~his or her~~their biannual education requirement by accompanying staff on ~~an~~ onsite ~~visit~~visits to a ~~potential~~ or existing investment ~~consultant,~~ manager~~consultants,~~ managers, or other SamCERA ~~provider.~~ providers. Visits outside of the Bay Area requiring an overnight stay will count as an approved trip in

accordance with Section 2(A).

### SECTION 3. APPROVED EDUCATIONAL TOPIC AREAS AND PROGRAMS

A. **Educational Topic Areas.** Appropriate topics for Board member education shall include two hours of Ethics Training consistent with Government Code §53234, and two hours of Sexual Harassment Prevention Training consistent with Government Code §53237.1 in a manner approved by the Chief Legal Counsel and, in accordance with Government Code §31522.8, may include but is not limited to, the following topics:

- (1) Fiduciary responsibilities
- (2) Ethics
- (3) Pension fund investments and investment program management
- (4) Actuarial matters
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- (6) Benefits administration
- (7) Disability evaluation
- (8) Fair hearings
- (9) Pension fund governance
- (10) New board member orientation

B. **Approved Educational Programs and Activities.** In addition to the SACRS and CALAPRS conferences and educational programs ~~listed~~referenced in Section 2(A), a Board member's attendance at and/or viewing or listening of recordings of one or more programs listed below shall satisfy the required education for the subject matters presented at such programs and the required educational hours for the length of the program. This list of programs is subject to annual review by the Board and shall be revised as determined by the Board.

- (1) International Foundation of Employee Benefit Plans (IFEBC)
- (2) Wharton investment management programs
- (3) Chartered Financial Analyst (CFA) Institute
- (4) National Conference on Public Employee Retirement Systems (NCPERS)
- (5) Institutional Limited Partner Association (ILPA) Institute (Educational Programs)

C. **Recommended Education for New Board members.** As part of a new Board member's orientation, staff will provide a recommended educational plan that best suits the Board member's educational needs for the member's~~his or her~~ first term. To the extent pre-approved by the Board Chair, newly elected or appointed Board members may be allowed to attend (i) the SACRS and CALAPRS conferences and educational programs referenced in Section 2(A), as well as (ii) approved educational

programs and activities referenced in Section 3(B) prior to the formal commencement of their terms provided that all other requirements of this policy are followed including, but not limited to, such Board member's submission of a summary written report pursuant to Section 1(D).

D. **Special Request to ~~a~~Attend Education Event.** In considering each request to attend a specified educational activity that is not ~~authorized~~listed in Section ~~2B,2(B)~~, the Board will consider if the overnight travel is appropriate and consistent with the intent of this policy and shall consider items such as:

- (1) Are the conference topics of current interest and importance and related to issues facing SamCERA?
- (2) Have reports from previous attendees been favorable regarding the content of the conference and the continuing value of future attendance?
- (3) Will the conference meet the educational needs of the attendee?
- (4) Can similar education be received from an already approved provider or that provider's on-line resources?
- (5) Does the cost of the event and overnight travel justify the benefits particularly if the conference is out of California?
- (6) How many overnight trips has the Board member attended and/or is planning on attending this fiscal year?

#### **SECTION 4. EDUCATIONAL EXPENSES FOR STAFF**

The Chief Executive Officer is authorized to approve the participation and associated travel of the Chief Executive Officer and staff in educational activities to the extent that the Chief Executive Officer finds that such participation will contribute to the staff member's ability to perform ~~her or his~~the staff member's duties and the budget provides funds for such activities.

~~Last amended 12/5/17~~

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

**Board of Retirement**

December 7, 2021

Agenda Item 4.11

**TO:** Board of Retirement

**FROM:** Scott Hood, Chief Executive Officer



**SUBJECT:** Policy for Reimbursement of Travel and Other Official Expenses for Trustees and Staff

**Recommendation**

Reaffirm the Board of Retirement's "Policy for Reimbursement of Travel and Other Official Expenses for Trustees and Staff."

**Background**

The Board's "Policy for Reimbursement of Travel and Other Official Expenses for Trustees and Staff" (the "Travel Expense Policy") sets forth the policy and procedure for reimbursing business expenses incurred in the performance of the official duties of SamCERA's trustees and staff. Because five of the Trustees are either a County officer or employee and the performance of their Board duties is part of their regular employment, and, as SamCERA staff members are County employees, the Policy is in line with the County's ordinance and administrative memoranda governing the reimbursement of employee travel expenses.

**Discussion**

In keeping with the Board's fiduciary duty and its expenditure of trust funds and, applicable IRS guidelines, reimbursement is made only for actual and necessary expenses. To remain consistent with IRS guidelines, the Policy makes travel related meal reimbursement contingent on an overnight stay. The Policy limits overnight stays to those outside the "local commuting area," which consists of these five counties: Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara.

The policy before the Board today is substantially the same as the policy approved in December 2018 with minor modifications for clarity and readability. A redlined copy of the revised policy showing the proposed revisions is attached.

**Attachments**

Policy for Reimbursement of Travel and Other Official Expenses for Trustees and Staff

Policy for Reimbursement of Travel and Other Official Expenses for Trustees and Staff, Red-lined

# San Mateo County Employees' Retirement Association

## BOARD OF RETIREMENT

### POLICY FOR REIMBURSEMENT OF TRAVEL AND OTHER OFFICIAL EXPENSES FOR TRUSTEES AND STAFF

#### **SECTION 1. TRAVEL RELATED EXPENSES.**

Whenever any Trustee of the Board of Retirement (“Trustee”) or any SamCERA employee in the service of SamCERA is required to travel, such person shall be allowed, in addition to any salary or compensation, certain actual and necessary travel expenses, as set forth below. Occurrences that would require a Trustee or a SamCERA employee to travel include, but are not limited to, official business of the retirement association at conferences, education, due diligence, appearances before local, state, and federal administrative agencies, legislative bodies, and judicial proceedings, or when otherwise serving in their official capacity or representing SamCERA. Claims for reimbursement shall be made in accordance with Section 4 - “Claims for Expenses.”

**(a) Transportation.** Actual cost incurred for transportation by any carrier services shall be reimbursed. Reimbursement for travel by any privately owned automobile shall be in accordance with the provisions of Section 1(c) below except that it shall not be more than the cost of common carrier services where the one-way distance required to be traveled is 200 miles or more, and in such event the reimbursement for such travel shall not exceed the cost of air travel regardless of the mode of transportation used. The cost of air travel shall be based on coach fares, unless air coach service is not available, or unless otherwise authorized by the Chief Executive Officer. Government and group rates offered by a provider of transportation services shall be used when available.

**(b) Meals, Lodging, and Incidentals.** For official business travel with an overnight stay, there shall be direct payment by SamCERA or reimbursement for the actual costs that are incurred only outside the local commuting area for meals, lodging, and incidentals, including baggage transfer, tips, and other actual and necessary incidental expenses. Direct payment or reimbursement for meals, either without an overnight stay and/or within the local commuting area, and lodging within the local commuting area, shall be made only if such costs are included in the set conference or tuition fee. Exceptions based upon unique circumstances can be made for reimbursement for meals (either without an overnight stay and/or within the local commuting area), lodging, and incidentals incurred within the local commuting area, if authorized by (i) the Board Chair for Trustees and the Chief Executive Officer; (ii) the Board Vice Chair for the Board Chair; and (iii) the Chief Executive Officer for employees. The local commuting area is defined as within the five counties of Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara. The maximum reimbursement for the actual cost of meals will be limited to the applicable Continental United States (CONUS) or Outside the Continental United States (OCONUS) current rate, as set forth in the Code of Federal Regulations, except that for those areas which have a separate CONUS or OCONUS rate, the maximum reimbursement rate shall be limited to double

the amount of the CONUS or OCONUS current rate for those areas. Government and group rates offered by a provider of lodging services shall be used when available. If such rate is not available, the maximum reimbursement rate shall be limited to double the amount of the CONUS or OCONUS current rate for that location. If the lodging is in connection with a conference or organized educational activity, lodging reimbursement for lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available at the time of booking. If such rate is not available, the maximum reimbursement rate shall be limited to double the amount of the applicable CONUS or OCONUS rate or the group rate, whichever is higher. If it is necessary to secure lodging in excess of double the CONUS or OCONUS rates, that expenditure must be approved in advance by (i) the Board Chair for Trustees and the Chief Executive Officer; (ii) the Board Vice Chair for the Board Chair; and (iii) the Chief Executive Officer for employees.

**(c) Privately Owned Automobile.** The costs of parking actually incurred and mileage actually traveled shall be reimbursed. Mileage shall be reimbursed at the rate determined by the County Manager for San Mateo County, provided that such amount is at least that amount established by the Internal Revenue Service as the allowable business deduction rate for such travel. Trustees or alternates who are using vehicles belonging to their SamCERA employer shall not receive mileage reimbursement under this section. Trustees or alternates who are receiving a travel allowance from their SamCERA employer shall not receive mileage reimbursement under this section for travel that is within the geographic area covered by the travel allowance.

**(d) Other Transportation.** Travel expenses may be paid directly by SamCERA to the supplier of the transportation where the mode of transportation is other than by a privately owned motor vehicle. In other instances, travel shall be claimed by the individual employee.

**(e) Automobile Insurance.** No Trustee or employee shall engage in any travel in connection with the performance of official business of SamCERA in a privately owned conveyance, either their own, or that belonging to another, unless the same is insured in such manner as to comply with any applicable County of San Mateo Administrative Memoranda and the County's Driving Policy and Safe Driving Program.

**(f) Course or Meeting Registration Fees.** Required registration fees for educational courses, conferences, or other meetings may be paid by SamCERA directly to the organization or association conducting such course, conference, or other meeting and the officer or employee shall not be required to advance the funds therefore.

**(g) Non-Reimbursable Travel Expenses.** Not all travel expenses incurred are reimbursable. Examples of such non-reimbursable expenses include, but are not limited to: Trustee educational or conference expenses which were not approved by the Board in accordance with the Education Policy, non SamCERA related expenses, transportation, lodging, and meal expenses which exceed or are outside of the limits set forth in this policy, alcoholic beverages, personal entertainment, additional costs for additional person(s) who are not either SamCERA Trustees or employees, extra baggage charges for personal items, traffic citations, and parking tickets.

**SECTION 2. MEETINGS OF THE BOARD AND BOARD COMMITTEES.**



**(a) Stipend for Meetings.** Pursuant to the resolution adopted by the Board of Supervisors and in accordance with Government Code section 31521, Trustees in the fourth, fifth, sixth, eighth (and alternate), and ninth seats shall receive compensation for attendance at a rate of \$100 a meeting of the Board or for a meeting of a committee authorized by the Board, up to 3 meetings a month.

**(b) Mileage Reimbursement.** All members of the Board shall receive mileage reimbursement for personal attendance at any meeting of the Board or for a meeting of a committee authorized by the Board for up to three meetings a month. Mileage for Trustees in the fourth, fifth, sixth, eighth (and eighth alternate), and ninth seats shall be calculated to and from the Trustee's place of residence. For the Trustees in the first, second, third, and seventh (and seventh alternate) seats, the mileage shall be calculated to and from the Trustee's SamCERA employer worksite. Trustees or alternates who are using vehicles belonging to, or are receiving a travel allowance from, their SamCERA employer shall not receive mileage reimbursement under this section.

### **SECTION 3. OTHER OFFICIAL DUTY RELATED EXPENSES.**

**(a) Expenses Incurred by Trustees:** Trustees are entitled to reimbursement of the actual cost of expenses, including meals, that are necessary, appropriate, and reasonably incurred in the performance of official duties within or outside of the local commuting area, unless otherwise specified by this policy.

**(b) Expenses Incurred by Staff:** All staff expenditures must be pre-approved by the supervising manager or the Chief Executive Officer. The supervising manager will ensure that the proper procedures are being followed, funds are available, expenses are reasonable and appropriate, and the cost is not excessive. Employees are encouraged to use the corporate credit card for necessary online purchases. Employees must submit original detailed receipts and should note the purpose or recipient of the expense items on the Claim Form as applicable.

**(c) Staff Expenses under \$50.** Employees may request immediate reimbursement of approved expenditures under \$50 from the Petty Cash Fund upon submission of a completed and approved Petty Cash Voucher accompanied by the original itemized invoice. Reimbursement of petty cash expenditures would include, but is not limited to: refreshments for meetings, kitchen supplies, postage stamps, and certified mailings. The Petty Cash Custodian will obtain approval from the Chief Executive Officer prior to reimbursing the employee.

**(d) Tuition Reimbursement for Continuing Education:** Permanent SamCERA employees are eligible to participate in the County's Tuition Reimbursement Program to enhance work performance and career mobility. College level courses may be taken at accredited educational institutions. Requests must be submitted and approved by the supervising manager at least two weeks before the beginning date of the course. The County Human Resources Department will have the final approval for this program.

### **SECTION 4. CLAIMS FOR EXPENSES.**

**(a) Claim Form.** A claim for expenses shall be submitted within sixty (60) days after incurring the expense. Before any expenses are allowed or paid, the claimant shall file a claim in the manner

provided by law for reimbursement claims to be filed with SamCERA, duly certified as correct by the claimant and approved by SamCERA's Chief Executive Officer. The Board Chair is authorized to approve the Chief Executive Officer's claims. When submitting a joint receipt for multiple Trustees and employees, the names of the other participants must be listed on the claim and receipt.

**(b) Itemized receipts:** The claimant shall attach to the claim all itemized receipts showing the moneys expended by the claimant. If a receipt includes non-SamCERA expenses such as personal expenses, the claim shall reflect only the portion of the expense that pertains to SamCERA. Receipts are required for all expenditures in excess of \$25. If a receipt is lost, the claimant must detail the expenditure to the best of their ability and attest to its accuracy by affixing their signature to the reimbursement expense.

**(c) Expenses Must Be Actually Incurred.** SamCERA Trustees or employees shall not submit a claim to SamCERA except for those expenses actually incurred in connection with the performance of official business of the retirement association.

**(d) Approval by the Board.** All reimbursable expenses for Trustees that do not fall within the above provisions may be approved by the Board of Retirement at a public meeting before the expense is incurred.

#### **SECTION 5. ADVANCE PAYMENTS FOR EXPENSES.**

Whenever it appears to be in the best interests of SamCERA that any Trustee or employee of SamCERA travel outside of the County of San Mateo on official business, and where prior authorization for such travel has been given by the Board of Retirement, and it appears that it is necessary that such Trustee or employee be allowed a sum of money not in excess of two thousand five hundred dollars (\$2,500) for such travel expenses in advance, a claim for such advance showing the emergency requiring such advance shall be made out in the regular form and approved by the Chief Executive Officer and thereafter SamCERA shall draw their warrant in favor of such Trustee or employee. The Trustee or employee receiving such advance shall file with SamCERA after their return from such trip an itemized account, together with proper vouchers of their expenses and shall pay to SamCERA any balance remaining unexpended for SamCERA business purposes. SamCERA shall attach such statement to the original claim for such advance and shall immediately make the proper adjustment of the account from which the advance was drawn.

#### **SECTION 6. REPORTING BY TRUSTEES OF THE BOARD OF RETIREMENT**

Trustees shall provide a brief report, either orally or in writing, on meetings attended at the expense of SamCERA at the next attended regular meeting of the Board.

San Mateo County Employees' Retirement Association

BOARD OF RETIREMENT

**POLICY FOR REIMBURSEMENT OF TRAVEL AND OTHER  
OFFICIAL EXPENSES FOR TRUSTEES AND STAFF**

**SECTION 1. TRAVEL RELATED EXPENSES.**

Whenever any Trustee of the Board of Retirement ("Trustee") or any SamCERA employee in the service of SamCERA is required to travel, such person shall be allowed, in addition to any salary or compensation, certain actual and necessary travel expenses, as set forth below. Occurrences that would require a Trustee or a SamCERA employee to travel include, but are not limited to, official business of the retirement association at conferences, education, due diligence, appearances before local, state, and federal administrative agencies, legislative bodies, and judicial proceedings, or when otherwise serving in their official capacity or representing SamCERA. Claims for reimbursement shall be made in accordance with Section ~~3-4~~ - "Claims for Expenses."

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**SECTION 6z. REPORTING BY TRUSTEES OF THE BOARD OF RETIREMENT**

Trustees shall provide a brief report, either orally or in writing, on meetings attended at the expense of SamCERA at the next attended regular meeting of the Board.

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~~Last Amended December 2018~~

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**Board of Retirement**

December 7, 2021

Agenda Item 6.1

**TO:** Board of Retirement

**FROM:** Michael Coultrip, Chief Investment Officer 

**SUBJECT:** Preliminary Monthly Portfolio Performance Report for the Period Ended October 31, 2021

**Recommendation**

Accept the preliminary performance report dated October 31, 2021.

**Background**

Due to delays at Northern Trust, the preliminary report will not be ready in time for the Board mailing. The report will instead be distributed ahead of the Board meeting.

**Discussion**

The fund's net preliminary return for October was 2.0%, bringing the preliminary trailing twelve-month net return ending October 2021 to 20.1%. The preliminary twelve-month net return is below SamCERA's Plan Benchmark return of 21.6% but above SamCERA's Actuarial Assumed Earnings Rate of 6.25%.

Global equities rebounded smartly from their down month in September. The U.S. equity market (measured by the S&P 500 Index) was up 7.0%, while small-capitalization stocks were up 4.3%. Developed international equity (as measured by MSCI EAFE) was up 2.5% while emerging markets were up 1.0% in October.

Economic data was mixed during October. Real U.S. GDP grew at a 2% annualized rate in the third quarter, below the forecasted 2.6% rate. Manufacturing grew but at a slower rate due to labor and supply chain challenges. The labor market continued its recovery with the headline unemployment rate falling to 4.6% in October. For context, the rate hit a peak of 14% in April 2020, and was 3.5% prior to the COVID shutdown.

The general U.S. fixed income market was flat in August. The yield curve flattened as shorter-term interest rates rose more than longer-term interest rates. The 10-year U.S. Treasury yield was higher by 6 basis points during the month and ended at 1.55% by month-end. High Yield returns were down slightly (-0.20%), and the Bloomberg Commodity Index was up 2.6%.

**Attachment**

Verus Capital Market Update





**PERSPECTIVES  
THAT DRIVE  
ENTERPRISE  
SUCCESS**

OCTOBER 2021  
Capital Markets Update

# Market commentary

## U.S. ECONOMICS

- Real U.S. GDP grew at a quarterly annualized rate of 2.0% in Q3, falling short of consensus estimates of 2.6%. A slowdown in consumer spending drove the deceleration in GDP as spending for durable goods – namely motor vehicles and parts – fell 26.2%.
- The Establishment Survey showed that 531,000 jobs were added to non-farm payrolls in October. The report beat expectations for 450,000 job additions. Food services and drinking places contributed 119,000 jobs to the overall increase coinciding with a sharp decline in Covid cases that reduced pandemic-related layoffs.
- The headline unemployment rate fell to 4.6% in October, dropping below the median rate of 4.8% expected by Fed officials for the end of the year as per the latest Fed Summary of Expectations. However, the labor force participation rate remained at 61.6% – below the pre-pandemic level of 63.4% -- as labor supply remained low.

## U.S. EQUITIES

- The S&P 500 Index (+7.0%) rebounded sharply in October and closed above the 4600 price level for the first-time. Strong earnings helped the market shake off concerns surrounding the deceleration of the economic recovery.
- Of the 89% of S&P 500 companies which had reported quarterly results by November 5<sup>th</sup>, 81% reported stronger-than-expected earnings and 75% beat expectations on reported revenues.
- If all remaining company financials are reported in-line with expectations, net income will have grown 39.1% year-over-year and revenue growth will be 17.3% year-over-year. Net profit margins fell from 13.1% the quarter before to 12.9% in Q3, though they remain elevated relative to their level last year (10.9%).

## U.S. FIXED INCOME

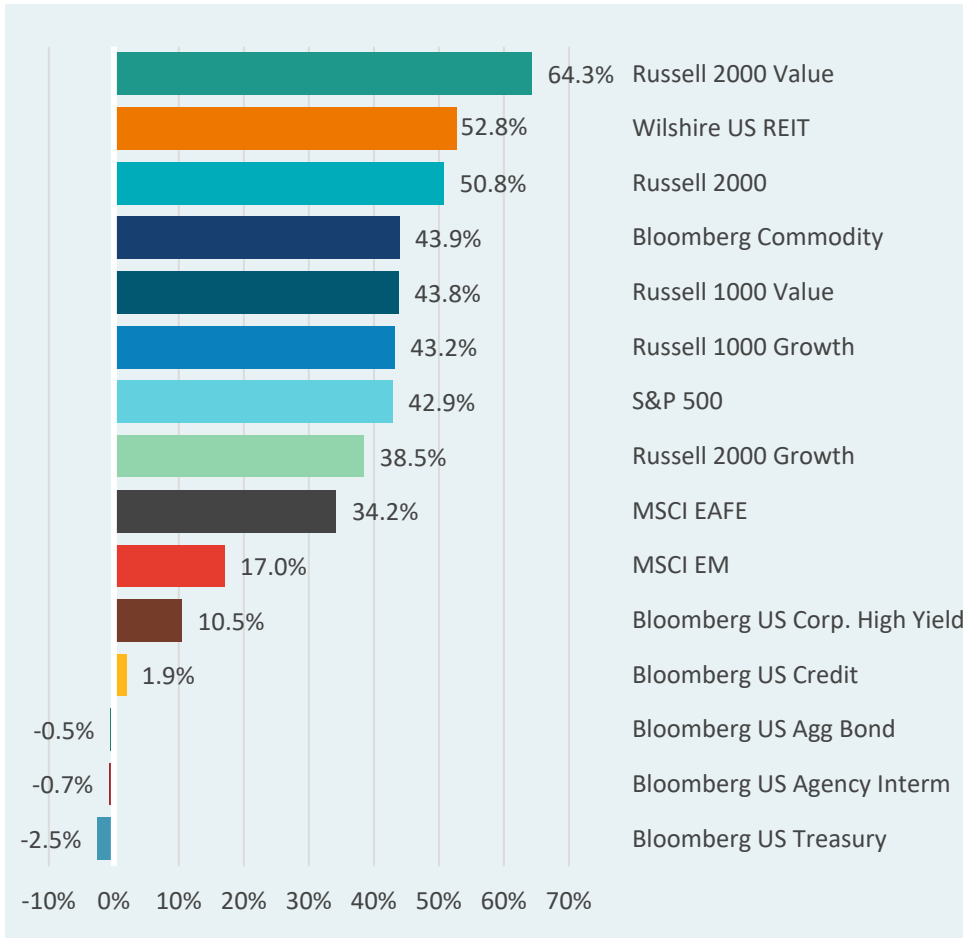
- Fed Chairman Powell, speaking at the 2021 Bank for International Settlements Conference, exhibited a hawkish tone and expressed increased concern over inflation being more persistent than expected. Powell stated, “the risks are clearly now to longer and more-persistent [supply] bottlenecks, and thus to higher inflation.”
- The probability of at least one 25-basis point rate hike by July 2022 increased from 28% to 75% based on the CME FedWatch Tool which extrapolates the market’s fed funds rate expectations from 30-day federal fund futures contracts. The probability that the fed funds rate would increase 50 basis points by the end of 2022 increased from 32% to 75%.
- The Federal Open Market Committee announced it would begin tapering its asset purchases of \$120 billion per month in mid-November. The taper will include \$10 billion in Treasuries and \$5 billion in mortgage-backed securities, per month.

## INTERNATIONAL MARKETS

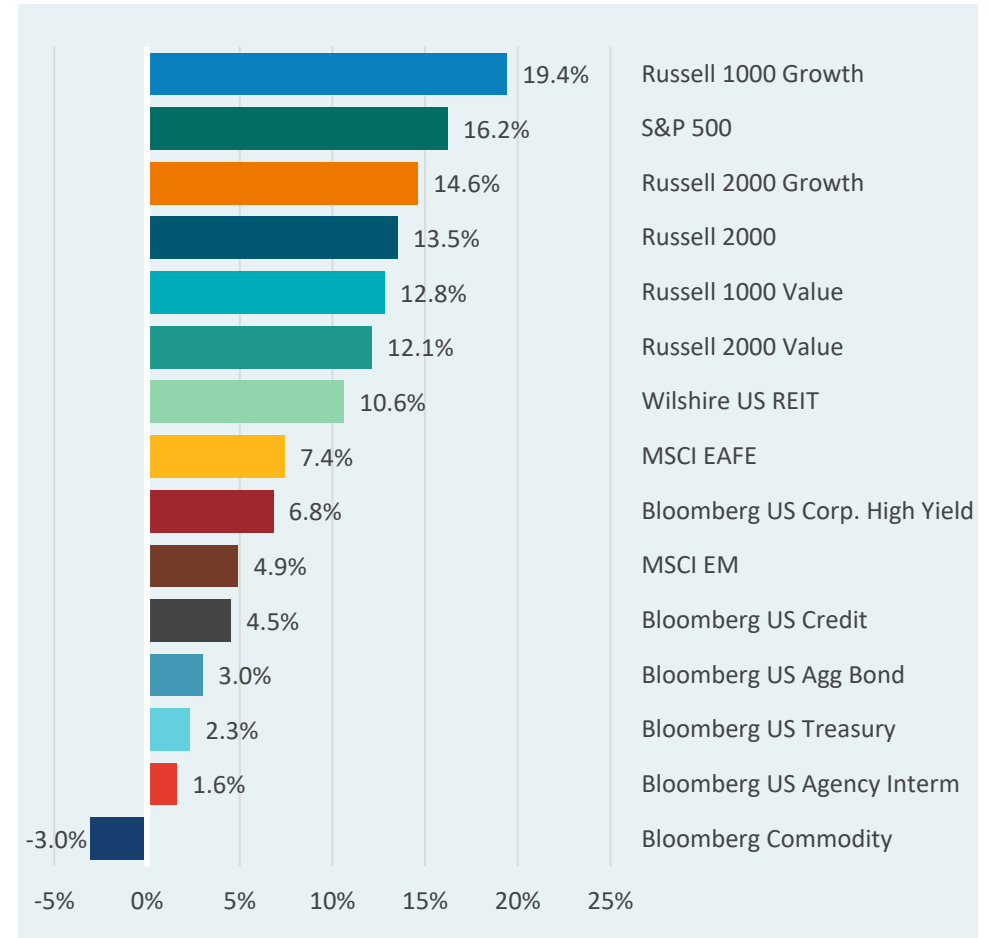
- The MSCI Asia Pacific Index’s 12-month forward EPS estimates have dropped to 12-year lows relative to the MSCI AC World Index. The decreased expectations were led by Australia, South Korea and countries in Southeast Asia such as Malaysia.
- Chinese equities recovered (MSCI China +3.1%) in October but other equity markets in Asia (MSCI EM Asia ex China -0.2%) moved mostly sideways over the month.
- The Japanese Yen fell -2.1% relative to the U.S. Dollar in October and hurt those that invested in Japanese equities without a local currency hedge (MSCI Japan -3.4% unhedged vs MSCI Japan 100% hedged to USD -1.2%).

# Major asset class returns

ONE YEAR ENDING OCTOBER



TEN YEARS ENDING OCTOBER



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

Source: Morningstar, as of 10/31/21

Source: Morningstar, as of 10/31/21

# U.S. large cap equities

- The S&P 500 Index climbed 7.0% in October. The Consumer Discretionary (+10.9%) sector led the gains for the overall index. The gains in Consumer Discretionary were largely driven by a +42.6% advance in Tesla stock that contributed to 63.4% of the sector's total return.
- All 11 S&P 500 GICS sectors had positive returns in October, led by the Consumer Discretionary (+10.9%), Energy (+10.4%) and Information Technology (+8.2%) sectors. The Utilities (+4.7%), Consumer Staples (+3.9%), and Telecommunication (+2.8%) sectors lagged the broader index.
- The Energy sector's (+10.4%) performance was driven by strong earnings from large oil companies which posted \$24.9 billion in Q3 earnings growth. Chevron and Exxon Mobile accounted for \$13 billion of the \$26.9 billion in year-over-year earnings growth. The Energy sector is now up 111.3% over the last year.
- The Cboe VIX Index of implied volatility ended the month at 16.3 and dropped to an intra-month low of 15.0, the lowest level since February 2020. Strong earnings and increased certainty surrounding the coming Fed taper seemed to have reduced volatility expectations over the month.

**S&P 500 PRICE INDEX**



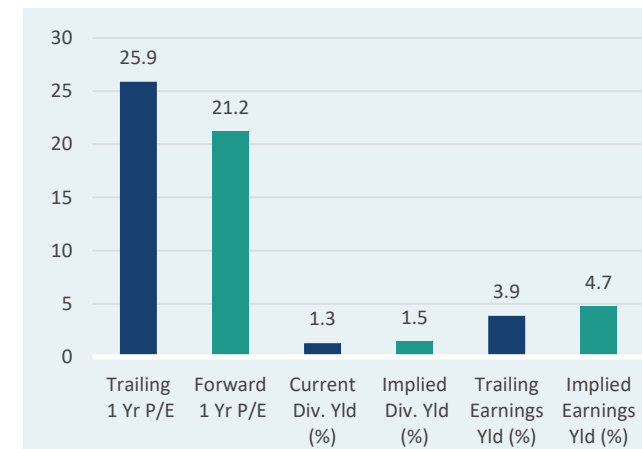
Source: Bloomberg, as of 10/31/21

**IMPLIED VOLATILITY (VIX INDEX)**



Source: Cboe, as of 10/31/21

**S&P 500 VALUATION SNAPSHOT**

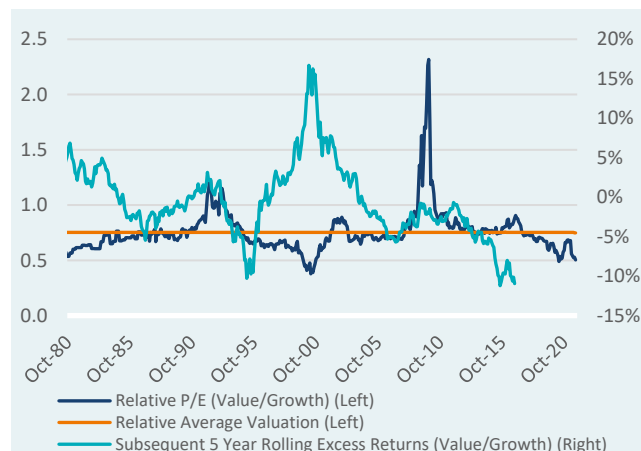


Source: Bloomberg, as of 10/31/21

# Domestic equity size and style

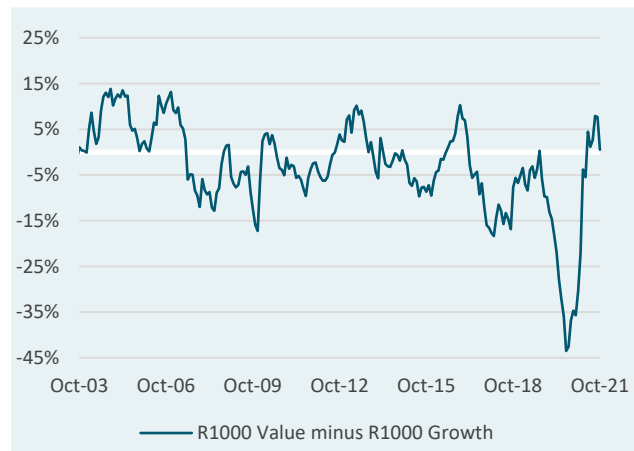
- The Russell 3000 Growth (+8.4%) rebounded in October and outperformed the Russell 3000 Value (+5.0%). Risk assets performed well despite interest rate increases which can apply pressure to steep valuation levels.
- Large cap companies (Russell 1000 +6.9%) outperformed small cap companies (Russell 2000 +4.3%). The rebound in large-cap equities from September expanded the year-to-date relative outperformance of large cap stocks to +6.0% from +2.8% a month prior.
- The S&P 500 High Beta Index measures the performance of the 100 constituents most sensitive to changes in overall S&P 500 returns. The S&P High Beta Index (+7.4%), outperformed the S&P 500 Index (+7.0%).
- Performance within the large-cap space was largely attributable to only six names, which made up 43% of the returns over the month. The concentration in returns limited breadth in the market and the cap-weighted index (S&P 500 +7.0%) outperformed the equal-weighted Index (S&P 500 Equal Weight +5.3%).

**VALUE VS. GROWTH RELATIVE VALUATIONS**



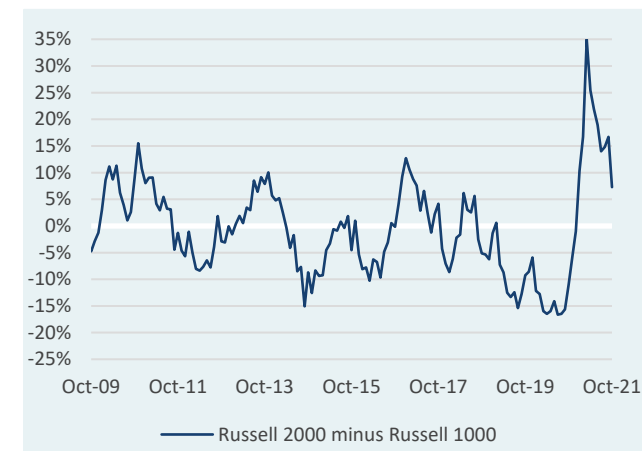
Source: FTSE, Bloomberg, as of 10/31/21

**VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE**



Source: FTSE, Bloomberg, as of 10/31/21

**SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE**

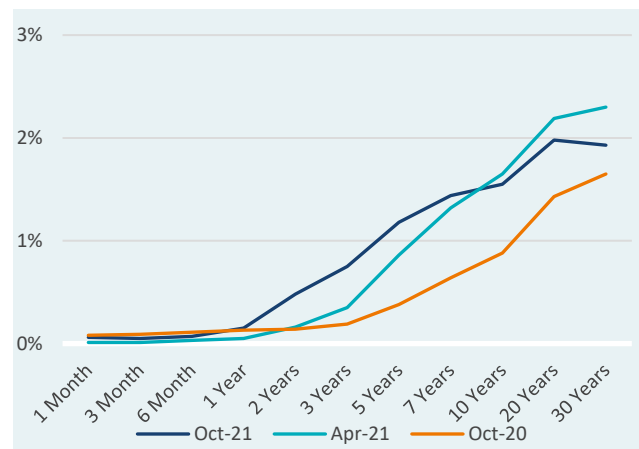


Source: FTSE, Bloomberg, as of 10/31/21

# Fixed income

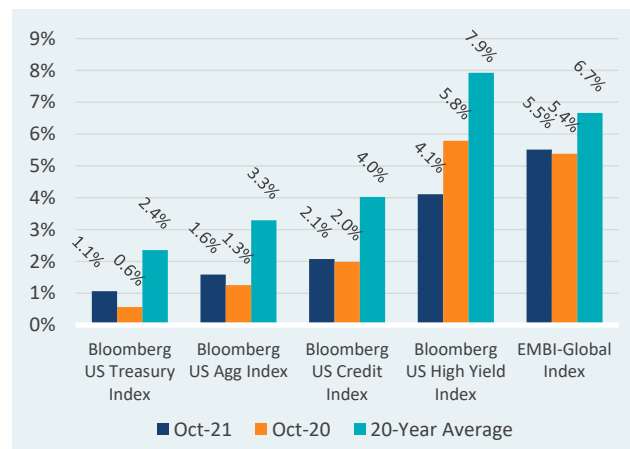
- The Consumer Price Index rose 6.2% year-over-year in October, the fastest pace since 1990 and above the median expectation of 5.9%. Price increases were broad-based and exacerbated by supply chain bottlenecks and the tightness in the labor market.
- Breakeven inflation rates measure the market's expectations for inflation rates over a period. The five-year breakeven inflation rate reached 3.0% intra-month, the highest level since 2004. The 10-year breakeven inflation rate reached 2.6% intra-month, the highest level since 2006.
- The yield curve flattened over the month as markets priced in a 25-basis point rate hike in July 2022 and the short end of the curve shifted higher. The spread between the 30- and 5-year U.S. Treasury yields decreased 35 basis points in October to just 0.75%.
- The 30-year U.S. Treasury yield fell 15 basis points over the month to 2.08%. At the long end of the curve, the 30-year yield ended the month five basis points lower than the 20-year yield, a sign of uncertainty in the market and potential concern the Fed may take more aggressive rate action to combat inflation.

**U.S. TREASURY YIELD CURVE**



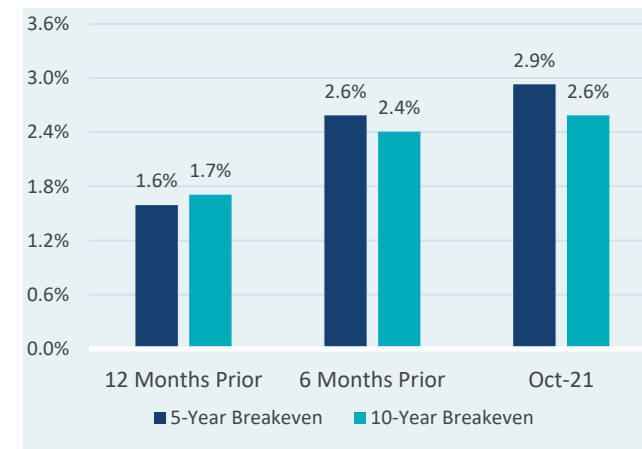
Source: Bloomberg, as of 10/31/21

**NOMINAL YIELDS**



Source: Morningstar, as of 10/31/21

**BREAKEVEN INFLATION RATES**

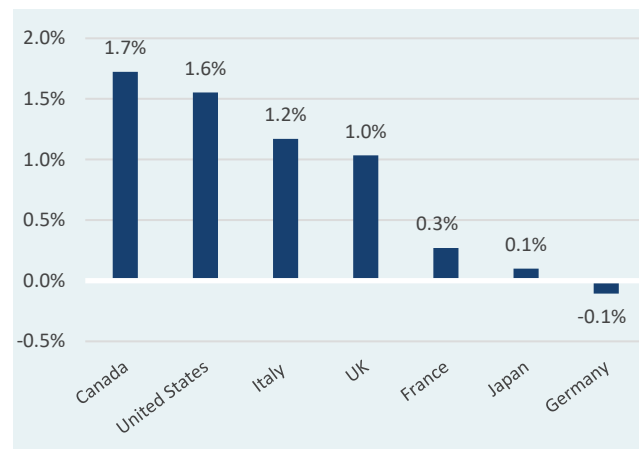


Source: Bloomberg, as of 10/31/21

# Global markets

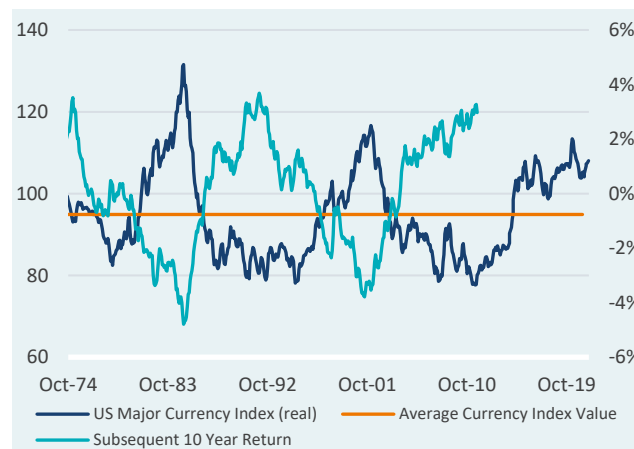
- Global equity performance (MSCI ACWI +5.1%) was driven in part by strong equity returns in U.S. markets (S&P 500 +7.0%). The global equity benchmark was weighed down by developed (MSCI EAFE +2.5%) and emerging market (MSCI EM +1.0%) equities.
- Returns in European markets (MSCI Euro +4.4%) were not able to offset losses in other developed countries such as Japan (MSCI Japan -3.4%) which weighed on developed markets in October. Japan has experienced a lackluster economic reopening and equities declined despite the lifting of its state of emergency at the start of the month.
- Emerging markets (MSCI EM +1.0%) remained a laggard over the month. Weakness in Latin America (MSCI Latin America -5.3%) was a headwind for emerging markets. Brazilian equities (MSCI Brazil -9.1%) dropped to their lowest level in six months. Soaring consumer prices and a widening fiscal deficit has forced Brazilian policy makers to raise rates by 5.75% since March 2021.
- Domestic mid-cap equities (MSCI USA Mid Cap Index +6.4%) recovered more from the September pullback as compared to international equities in the mid-cap space (MSCI ACWI ex US Mid Cap +1.5%).

## GLOBAL SOVEREIGN 10-YEAR YIELDS



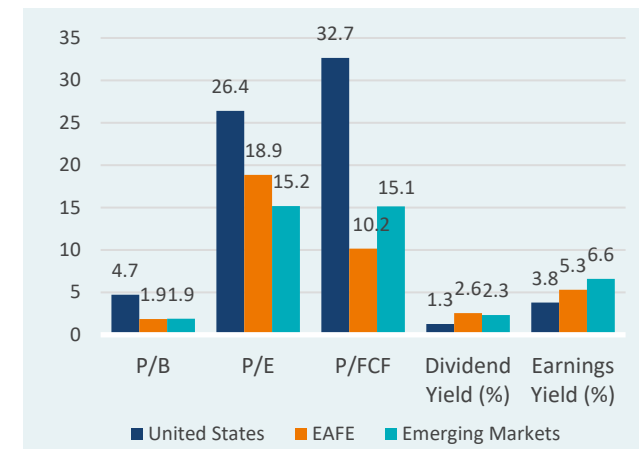
Source: Bloomberg, as of 10/31/21

## U.S. DOLLAR MAJOR CURRENCY INDEX



Source: Federal Reserve, as of 10/31/21

## MSCI VALUATION METRICS (3-MONTH AVG)



Source: Bloomberg, as of 10/31/21

# Commodities

- The Bloomberg Commodity Index saw a positive 2.6% return over the month. Gains in the broad commodity basket were led by Petroleum (+8.7%), Industrial Metals (+4.5%) and Grains (+3.8%).
- The Bloomberg Petroleum Sub-Index (+8.7%) was the top performing sub-index within the broad commodities basket. The domestic demand for crude oil has returned to pre-pandemic levels and has largely outpaced supply. Production of domestic crude oil remains 10% below 2019 average levels of production.

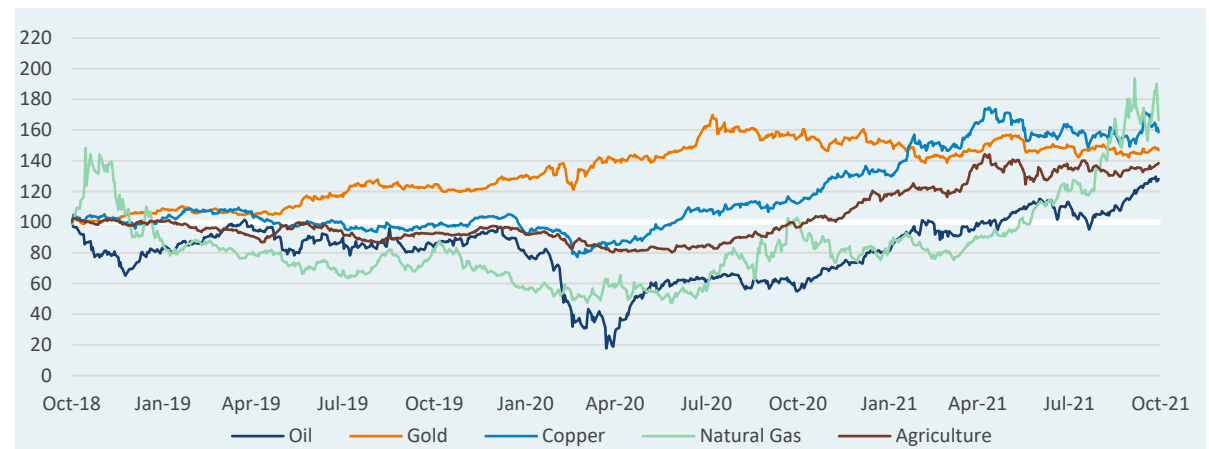
- The Industrial Metals Sub-Index (+4.5%) experienced tailwinds from zinc (+15.8%) a metal used in the process of galvanizing steel. The spike followed announcements that European smelters would cut zinc production amid high energy costs, with the cuts amounting to 11% of global production.
- The Precious Metals Sub-Index (+3.0%) was also able to help the broad commodity basket higher. The price of silver retraced +7.8% back toward recent moving averages reversing the trend of losses seen over the last 4 months totaling -20.9%.

## INDEX AND SECTOR PERFORMANCE

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg Commodity	2.6	2.6	32.5	43.9	8.6	5.2	(3.0)
Bloomberg Agriculture	2.9	2.9	22.7	43.3	12.5	1.8	(2.4)
Bloomberg Energy	2.1	2.1	78.5	83.5	(3.5)	1.7	(9.5)
Bloomberg Grains	3.8	3.8	17.6	37.9	11.8	2.4	(2.5)
Bloomberg Industrial Metals	4.5	4.5	25.4	39.1	14.7	11.2	0.7
Bloomberg Livestock	(1.8)	(1.8)	4.7	8.6	(8.6)	(2.0)	(4.7)
Bloomberg Petroleum	8.7	8.7	73.1	132.6	(0.2)	6.6	(6.0)
Bloomberg Precious Metals	3.0	3.0	(7.3)	(4.6)	13.0	5.4	(1.6)
Bloomberg Softs	1.9	1.9	38.8	56.1	10.4	(2.4)	(5.9)

Source: Morningstar, as of 10/31/21

## COMMODITY PERFORMANCE



Source: Bloomberg, as of 10/31/21



# Appendix

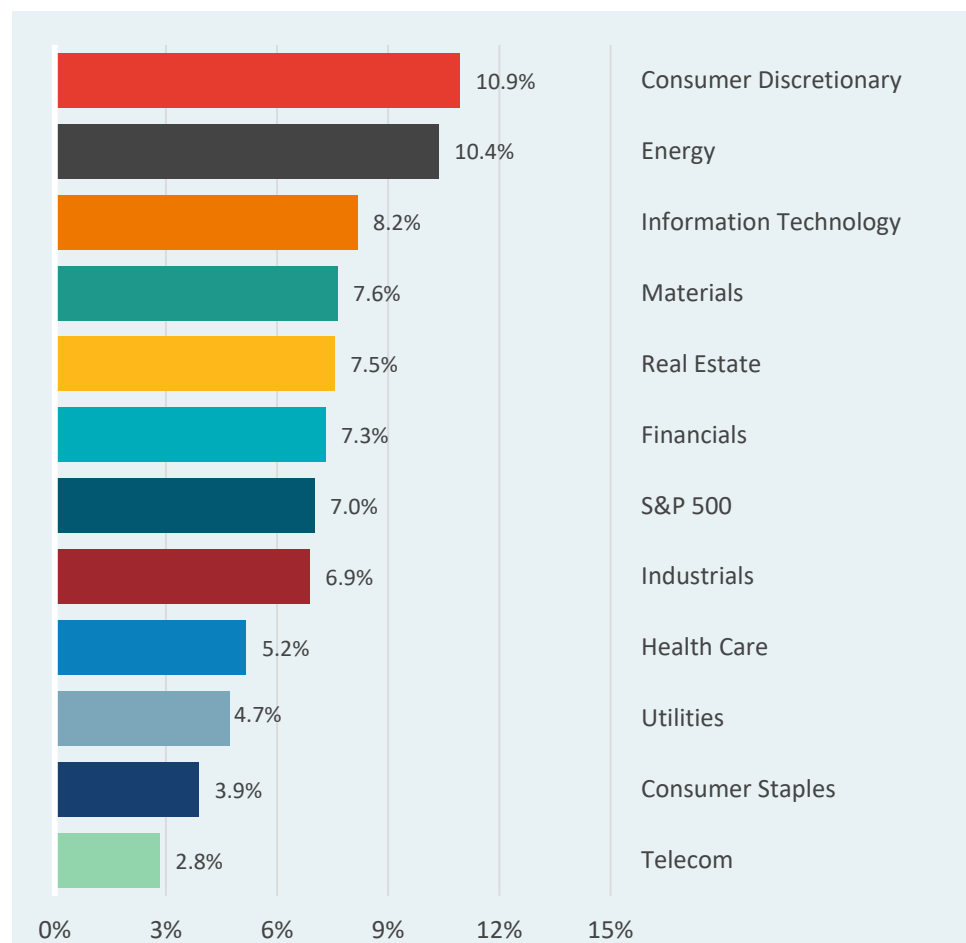
# Periodic table of returns



Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 9/30/21.

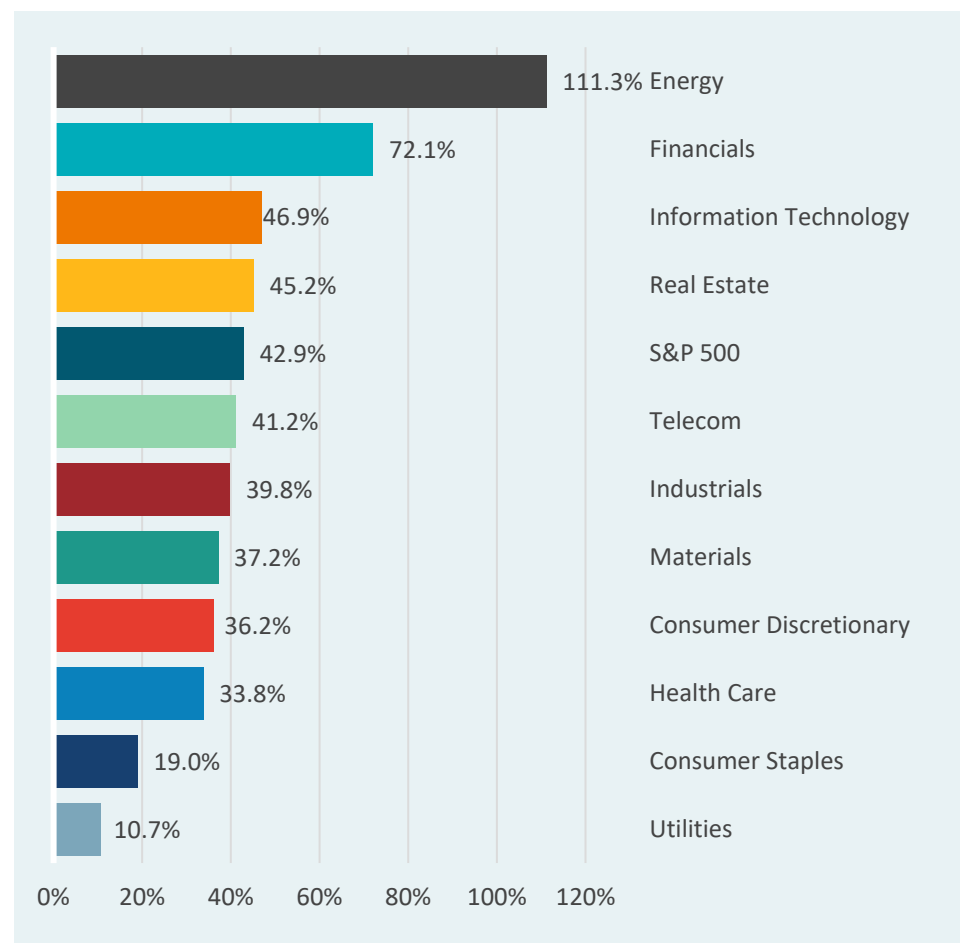
# S&P 500 sector returns

QTD



Source: Morningstar, as of 10/31/21

ONE YEAR ENDING OCTOBER



Source: Morningstar, as of 10/31/21

# Detailed index returns

## DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Core Index</b>							
S&P 500	7.0	7.0	24.0	42.9	21.5	18.9	16.2
S&P 500 Equal Weighted	5.3	5.3	25.2	49.3	19.2	16.4	15.2
DJ Industrial Average	5.9	5.9	18.8	37.7	15.1	17.2	14.3
Russell Top 200	7.3	7.3	23.6	42.9	22.8	20.2	16.9
Russell 1000	6.9	6.9	23.2	43.5	22.0	19.2	16.3
Russell 2000	4.3	4.3	17.2	50.8	16.5	15.5	13.5
Russell 3000	6.8	6.8	22.8	43.9	21.6	18.9	16.1
Russell Mid Cap	5.9	5.9	22.0	45.4	19.9	16.5	14.8
<b>Style Index</b>							
Russell 1000 Growth	8.7	8.7	24.2	43.2	29.4	25.5	19.4
Russell 1000 Value	5.1	5.1	22.0	43.8	13.9	12.4	12.8
Russell 2000 Growth	4.7	4.7	7.6	38.5	18.6	17.9	14.6
Russell 2000 Value	3.8	3.8	27.6	64.3	13.4	12.6	12.1

## INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Index</b>							
MSCI ACWI	5.1	5.1	16.8	37.3	17.5	14.7	11.3
MSCI ACWI ex US	2.4	2.4	8.4	29.7	12.0	9.8	6.7
MSCI EAFE	2.5	2.5	11.0	34.2	11.5	9.8	7.4
MSCI EM	1.0	1.0	(0.3)	17.0	12.3	9.4	4.9
MSCI EAFE Small Cap	1.6	1.6	11.7	35.8	13.4	11.4	10.1
<b>Style Index</b>							
MSCI EAFE Growth	3.3	3.3	10.4	30.0	16.8	13.1	9.4
MSCI EAFE Value	1.6	1.6	11.4	38.3	6.0	6.2	5.2
<b>Regional Index</b>							
MSCI UK	4.0	4.0	16.7	43.7	6.2	6.8	4.6
MSCI Japan	(3.4)	(3.4)	2.3	19.9	9.5	8.3	8.0
MSCI Euro	4.4	4.4	15.4	44.8	12.7	10.5	7.4
MSCI EM Asia	1.3	1.3	(2.9)	11.7	14.8	11.3	7.4
MSCI EM Latin American	(5.3)	(5.3)	(10.6)	21.9	(4.2)	(1.2)	(3.2)

## FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Index</b>							
Bloomberg US TIPS	1.1	1.1	4.7	7.1	8.4	4.7	3.1
Bloomberg US Treasury Bills	(0.0)	(0.0)	0.0	0.1	1.2	1.2	0.7
Bloomberg US Agg Bond	(0.0)	(0.0)	(1.6)	(0.5)	5.6	3.1	3.0
Bloomberg US Universal	(0.1)	(0.1)	(1.2)	0.5	5.8	3.4	3.4
<b>Duration</b>							
Bloomberg US Treasury 1-3 Yr	(0.3)	(0.3)	(0.4)	(0.3)	2.5	1.6	1.1
Bloomberg US Treasury Long	1.9	1.9	(5.8)	(5.8)	11.0	4.6	5.0
Bloomberg US Treasury	(0.1)	(0.1)	(2.6)	(2.5)	5.0	2.4	2.3
<b>Issuer</b>							
Bloomberg US MBS	(0.2)	(0.2)	(0.9)	(0.6)	4.0	2.2	2.4
Bloomberg US Corp. High Yield	(0.2)	(0.2)	4.4	10.5	7.4	6.4	6.8
Bloomberg US Agency Interm	(0.5)	(0.5)	(1.0)	(0.7)	3.0	1.9	1.6
Bloomberg US Credit	0.2	0.2	(1.1)	1.9	7.7	4.6	4.5

## OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Index</b>							
Bloomberg Commodity	2.6	2.6	32.5	43.9	8.6	5.2	(3.0)
Wilshire US REIT	8.0	8.0	34.7	52.8	14.4	9.9	10.6
CS Leveraged Loans	0.2	0.2	4.9	8.5	4.2	4.5	4.8
Alerian MLP	5.0	5.0	46.3	85.7	(0.9)	(1.7)	0.8
<b>Regional Index</b>							
JPM EMBI Global Div	0.0	0.0	(1.3)	4.4	6.4	4.2	5.4
JPM GBI-EM Global Div	(1.3)	(1.3)	(7.6)	0.8	3.9	2.0	0.4
<b>Hedge Funds</b>							
HFRI Composite	1.6	1.6	11.4	23.4	10.2	7.7	5.7
HFRI FOF Composite	1.4	1.4	7.2	15.6	8.1	6.2	4.5
<b>Currency (Spot)</b>							
Euro	(0.1)	(0.1)	(5.4)	(0.7)	0.7	1.1	(1.8)
Pound Sterling	1.7	1.7	0.3	6.0	2.4	2.3	(1.6)
Yen	(2.1)	(2.1)	(9.5)	(8.3)	(0.3)	(1.6)	(3.7)

Source: Morningstar, HFRI, as of 10/31/21

# Detailed private market returns

## Comparison to public market index returns

Private Equity Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Private Equity FoFs & Secondary Funds	61.1	22.6	18.7	13.1
Global Private Equity Direct Funds *	61.3	25.9	22.3	15.6
U.S. Private Equity Direct Funds *	66.0	28.0	23.3	17.2
Europe Private Equity Direct Funds *	61.5	24.9	23.3	12.9
Asia Private Equity Direct Funds *	45.4	20.8	19.0	14.9

Public Index Time-weighted Returns	1 Year	3 Year	5 Year	10 Year
MSCI World	39.0	15.0	14.8	10.7
S&P 500	40.8	18.7	17.6	14.8
MSCI Europe	35.1	8.7	10.3	5.6
MSCI AC Asia Pacific	34.3	10.3	12.6	7.0

Private Real Estate Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Real Estate	19.5	8.4	9.4	11.9

Public Index Time-weighted Returns	1 Year	3 Year	5 Year	10 Year
FTSE NAREIT Equity REIT	38.0	10.1	6.3	9.4

Private Credit Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Debt **	34.1	12.1	12.6	11.1

Public Index Time-weighted Returns	1 Year	3 Year	5 Year	10 Year
S&P / LSTA U.S. Leveraged Loan 100 Index	9.4	4.3	4.7	4.1

Private Real Assets Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Nature Resources ***	26.6	(3.0)	2.5	1.4
Global Infrastructure	16.8	10.3	11.2	9.8

Public Index Time-weighted Returns	1 Year	3 Year	5 Year	10 Year
S&P Global Natural Resources	49.3	6.1	11.4	2.3
S&P Global Infrastructure	23.2	5.6	6.2	6.2

Source: Pooled IRRs are from Thompson Reuters C/A and Time-weighted Returns are from Investment Metrics, as of June 30<sup>th</sup>, 2021. All returns in U.S. dollars.

\* Includes Buyout, Growth Equity and Venture Capital.

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

\*\*\* Includes Private Equity Energy, Timber and Upstream Energy & Royalties.

# Notices & disclosures

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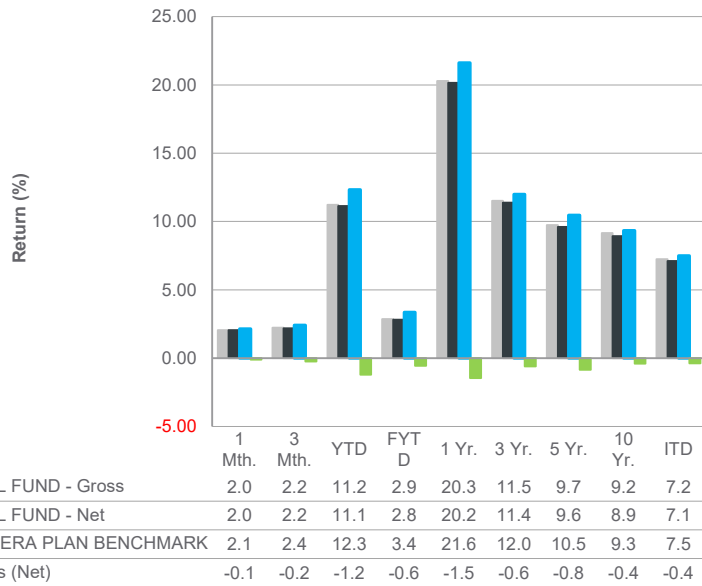
Verus – also known as Verus Advisory™.

# San Mateo County Composite Return Summary

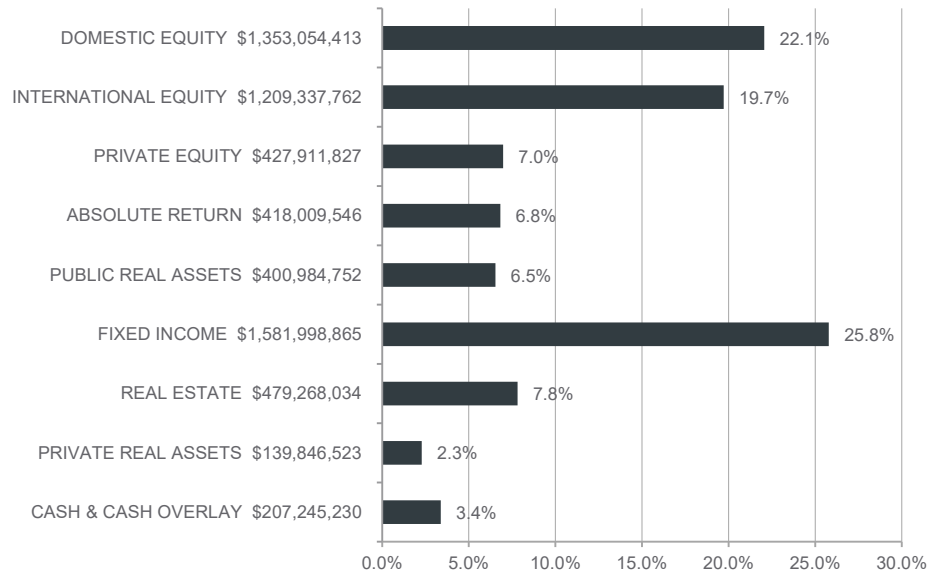
October 31, 2021



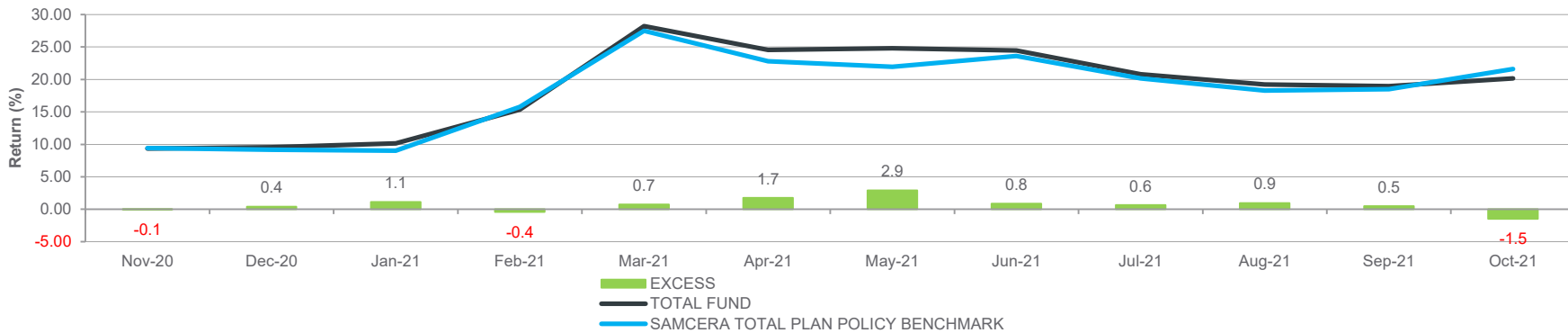
**Total Fund Performance**



**Asset Allocation**

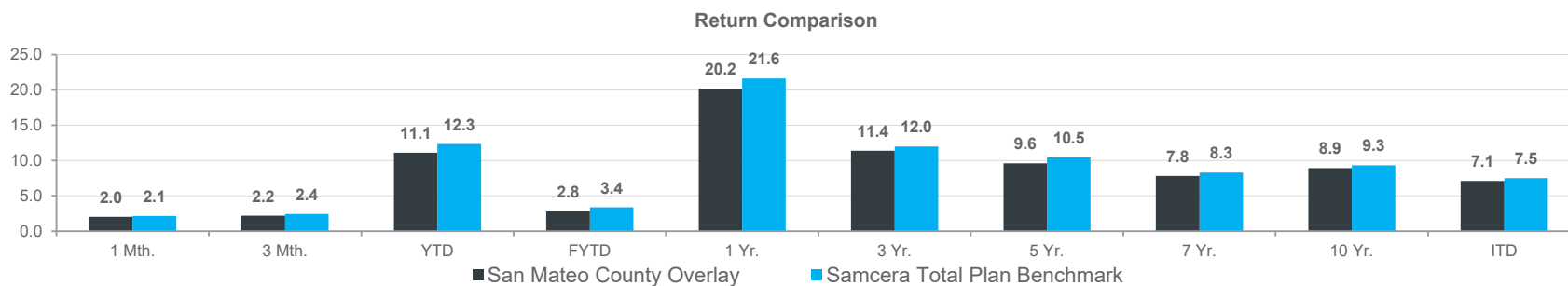


**Rolling Month End Annual Returns**



# San Mateo County Composite Return Summary

October 31, 2021



Composite Returns (Net of Manager Fees)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
San Mateo County Overlay	6,133,995,482	2.0	2.2	11.1	2.8	20.2	11.4	9.6	7.8	8.9	7.1
Samcera Total Plan Benchmark		2.1	2.4	12.3	3.4	21.6	12.0	10.5	8.3	9.3	7.5
Excess		-0.1	-0.2	-1.2	-0.6	-1.5	-0.6	-0.8	-0.5	-0.4	-0.4
San Mateo Ex-Clifton Overlay	6,120,335,291	2.0	2.2	11.1	2.8	20.1	11.3	9.5	7.7	8.9	7.0
Samcera Total Plan Benchmark		2.1	2.4	12.3	3.4	21.6	12.0	10.5	8.3	9.3	7.5
Excess		-0.1	-0.2	-1.2	-0.6	-1.5	-0.7	-0.9	-0.6	-0.5	-0.4
Total Equity	2,562,392,175	4.2	2.6	15.0	2.6	34.5	16.2	14.1	10.6	11.9	8.5
Samcera Total Equity Benchmark		4.6	3.4	17.3	3.7	37.8	17.4	15.4	11.7	13.0	9.2
Excess		-0.4	-0.8	-2.3	-1.1	-3.3	-1.2	-1.3	-1.1	-1.1	-0.7
Fixed Income	1,581,998,865	0.1	-0.2	1.8	0.3	4.4	5.9	4.7	4.1	4.7	5.5
Samcera Fixed Income Benchmark		-0.1	-0.6	0.1	0.3	2.3	6.3	3.9	3.7	3.4	5.0
Excess		0.2	0.4	1.7	0.1	2.1	-0.4	0.7	0.4	1.3	0.5
Alternatives	845,921,373	-2.3	1.9	14.4	4.3	16.7	18.0	13.2	10.4	9.0	1.0
Samcera Alternatives Benchmark		1.0	2.9	17.8	5.6	20.5	13.0	13.1	9.8	10.4	8.7
Excess		-3.3	-1.0	-3.4	-1.3	-3.7	5.1	0.1	0.6	-1.5	-7.7
Inflation Hedge	1,020,099,309	3.9	5.7	16.7	6.5	21.0	4.6	4.7	--	--	5.9
SamCERA Inflation Hedge Index		0.9	4.6	18.1	5.8	22.1	8.2	7.3	--	--	--
Excess		3.0	1.1	-1.4	0.7	-1.1	-3.6	-2.6	--	--	--
Cash	207,245,230	0.1	0.2	0.3	0.1	0.4	0.8	0.8	0.7	0.7	1.8
Samcera Cash Benchmark		-0.0	0.0	0.0	0.0	0.1	1.1	1.2	0.9	0.6	1.7
Excess		0.1	0.2	0.3	0.1	0.3	-0.4	-0.4	-0.2	0.0	0.0





# San Mateo County Composite Return Summary

October 31, 2021



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Total Equity	2,562,392,175	4.2	2.6	15.0	2.6	34.5	16.2	14.1	10.6	11.9	8.5
Samcera Total Equity Benchmark		4.6	3.4	17.3	3.7	37.8	17.4	15.4	11.7	13.0	9.2
Excess		-0.4	-0.8	-2.3	-1.1	-3.3	-1.2	-1.3	-1.1	-1.1	-0.7
Domestic Equity	1,353,054,413	5.9	3.7	19.7	5.5	38.8	18.1	16.9	13.1	14.7	9.6
Samcera Dom. Equity Benchmark		6.8	4.9	22.8	6.7	43.9	21.6	18.9	14.5	16.0	10.3
Excess		-0.9	-1.2	-3.0	-1.2	-5.1	-3.6	-2.0	-1.4	-1.3	-0.7
Large Cap Equity	1,238,366,195	6.0	3.6	19.2	5.7	37.4	18.6	17.3	13.8	15.2	10.3
Russell 1000		6.9	5.0	23.2	7.2	43.5	22.0	19.2	14.8	16.3	11.0
Excess		-0.9	-1.4	-4.0	-1.5	-6.1	-3.4	-1.8	-1.0	-1.1	-0.6
Blackrock Russell 1000	564,272,385	6.9	5.0	23.1	7.1	43.5	22.2	--	--	--	18.5
Russell 1000		6.9	5.0	23.2	7.2	43.5	22.0	--	--	--	18.3
Excess		0.0	-0.0	-0.1	-0.0	0.0	0.2	--	--	--	0.2
DE Shaw Commingled Fund	199,339,799	6.7	3.9	17.0	5.6	40.0	18.9	17.2	--	--	14.3
Russell 1000		6.9	5.0	23.2	7.2	43.5	22.0	19.2	--	--	14.8
Excess		-0.2	-1.1	-6.2	-1.5	-3.5	-3.2	-2.0	--	--	-0.4
Acadian US MGD V-SL	234,182,600	5.4	2.2	16.2	4.5	30.1	--	--	--	--	16.0
Russell 1000		6.9	5.0	23.2	7.2	43.5	--	--	--	--	27.0
Excess		-1.5	-2.8	-7.0	-2.6	-13.4	--	--	--	--	-11.0
Panagora Defuseq -SL	240,571,411	4.0	1.4	15.0	3.5	27.7	--	--	--	--	17.7
Russell 1000		6.9	5.0	23.2	7.2	43.5	--	--	--	--	27.0
Excess		-2.9	-3.6	-8.2	-3.6	-15.9	--	--	--	--	-9.3
Domestic Equity Overlay	4,021,575	5.4	1.0	102.4	1.5	152.7	--	--	--	--	115.8
ICE BofAML US 3-Month Treasury Bill		-0.0	0.0	0.0	0.0	0.1	--	--	--	--	0.1
Excess		5.4	1.0	102.3	1.5	152.7	--	--	--	--	115.8
Small Cap Equity	118,709,793	4.0	5.6	25.6	3.4	56.2	11.5	12.2	7.8	10.7	7.0
Russell 2000		4.3	3.4	17.2	-0.3	50.8	16.5	15.5	11.5	13.5	8.9
Excess		-0.3	2.2	8.4	3.7	5.4	-5.0	-3.3	-3.8	-2.8	-1.9



**San Mateo County**  
**Composite Return Summary**  
 October 31,2021



<b>Composite Returns (NET)</b>	<b>Market Value (\$)</b>	<b>1 Mth.</b>	<b>3 Mth.</b>	<b>YTD</b>	<b>FYTD</b>	<b>1 Yr.</b>	<b>3 Yr.</b>	<b>5 Yr.</b>	<b>7 Yr.</b>	<b>10 Yr.</b>	<b>ITD</b>
QMA US Small Cap	118,709,793	4.0	5.6	25.6	3.4	56.2	11.5	12.2	--	--	11.3
Russell 2000		4.3	3.4	17.2	-0.3	50.8	16.5	15.5	--	--	14.1
Excess		-0.3	2.2	8.4	3.7	5.4	-5.0	-3.3	--	--	-2.8
International Equity	1,209,337,762	2.3	1.3	9.9	-0.4	29.7	14.0	10.7	7.4	7.5	6.1
SamCERA Custom Hedge Intl		2.1	1.6	11.2	0.3	30.9	12.5	10.1	6.6	7.0	5.6
Excess		0.2	-0.4	-1.3	-0.8	-1.3	1.5	0.6	0.7	0.5	0.5
Baillie Gifford	381,366,714	3.4	0.4	6.1	-0.8	25.3	22.2	15.0	11.1	--	11.0
MSCI ACWI ex USA Growth		3.1	0.9	6.1	-0.6	23.1	17.2	13.1	9.2	--	--
Excess		0.3	-0.5	0.0	-0.2	2.2	4.9	1.9	2.0	--	--
Blackrock MSCI ACWI ex US IMI	390,914,302	2.3	1.0	9.3	-0.3	31.1	--	--	--	--	22.2
MS AC WidxUS IMI Nt		2.3	1.0	9.2	-0.4	30.9	--	--	--	--	22.4
Excess		0.0	0.0	0.1	0.0	0.2	--	--	--	--	-0.1
Mondrian Investment Partners	359,092,874	1.4	0.2	8.3	-2.4	31.5	7.7	7.1	4.4	5.3	5.4
MSCI ACWI xUSA Value		1.7	1.3	11.5	-0.5	37.9	7.5	7.3	4.0	5.3	5.4
Excess		-0.2	-1.1	-3.2	-1.9	-6.4	0.1	-0.2	0.3	0.1	0.1
Currency Hedge Futures	427,204,219	0.3	-1.9	-4.6	-1.6	-0.7	--	--	--	--	2.5
ICE BofAML US 3-Month Treasury Bill		-0.0	0.0	0.0	0.0	0.1	--	--	--	--	0.1
Excess		0.3	-1.9	-4.7	-1.6	-0.8	--	--	--	--	2.4
Currency Hedge Futures Offsets	427,204,219	0.0	0.0	0.0	0.0	0.0	--	--	--	--	0.0
ICE BofAML US 3-Month Treasury Bill		-0.0	0.0	0.0	0.0	0.1	--	--	--	--	0.1
Excess		0.0	-0.0	-0.0	-0.0	-0.1	--	--	--	--	-0.1
International Equity Overlay	77,963,873	3.0	1.4	3.7	0.9	21.5	--	--	--	--	28.2
ICE BofAML US 3-Month Treasury Bill		-0.0	0.0	0.0	0.0	0.1	--	--	--	--	0.1
Excess		3.0	1.4	3.7	0.9	21.5	--	--	--	--	28.1
Fixed Income	1,581,998,865	0.1	-0.2	1.8	0.3	4.4	5.9	4.7	4.1	4.7	5.5
Samcera Fixed Income Benchmark		-0.1	-0.6	0.1	0.3	2.3	6.3	3.9	3.7	3.4	5.0
Excess		0.2	0.4	1.7	0.1	2.1	-0.4	0.7	0.4	1.3	0.5



# San Mateo County Composite Return Summary

October 31, 2021



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Core Fixed Income	1,010,775,193	-0.1	-1.1	-0.9	-0.2	0.8	5.6	3.5	3.5	3.8	5.1
BBG US Aggregate		-0.0	-1.1	-1.6	0.0	-0.5	5.6	3.1	3.1	3.0	4.8
Excess		-0.1	0.0	0.7	-0.2	1.3	-0.1	0.4	0.4	0.8	0.4
FIAM B Core Bond	269,706,182	0.1	-1.0	-0.8	0.2	1.0	6.8	4.0	--	--	4.5
BBG US Aggregate		-0.0	-1.1	-1.6	0.0	-0.5	5.6	3.1	--	--	3.3
Excess		0.1	0.1	0.7	0.2	1.5	1.2	0.9	--	--	1.2
Western Total Return	233,326,891	-0.6	-0.6	-0.8	-0.7	3.3	5.9	4.4	--	--	4.3
BBG US Aggregate		-0.0	-1.1	-1.6	0.0	-0.5	5.6	3.1	--	--	3.3
Excess		-0.6	0.4	0.8	-0.7	3.8	0.3	1.3	--	--	1.0
DoubleLine	260,091,303	0.0	-1.5	-0.6	-0.4	0.6	--	--	--	--	2.9
BBG US Aggregate		-0.0	-1.1	-1.6	0.0	-0.5	--	--	--	--	1.2
Excess		0.0	-0.4	1.0	-0.4	1.1	--	--	--	--	1.7
NISA Core Bond	237,931,645	0.0	-1.1	-1.4	0.1	-0.3	--	--	--	--	1.0
BBG US Aggregate		-0.0	-1.1	-1.6	0.0	-0.5	--	--	--	--	0.5
Excess		0.1	-0.0	0.2	0.1	0.2	--	--	--	--	0.5
Core Fixed Income Overlay	9,719,172	0.0	-0.8	-1.6	1.7	-1.0	--	--	--	--	-1.3
ICE BofAML US 3-Month Treasury Bill		-0.0	0.0	0.0	0.0	0.1	--	--	--	--	0.1
Excess		0.0	-0.8	-1.6	1.7	-1.1	--	--	--	--	-1.3
Opportunistic Credit	571,223,672	0.5	1.2	6.8	1.2	11.4	6.4	7.0	6.1	8.3	8.5
BBG BA Intermediate HY Ind		-0.2	0.1	3.2	0.7	7.8	7.9	6.0	5.5	6.4	7.2
Excess		0.7	1.1	3.6	0.5	3.6	-1.5	1.0	0.6	1.9	1.3
Pimco Private Income	54,209,270	0.0	3.5	13.1	3.5	13.1	--	--	--	--	9.3
BBG BA Intermediate HY Ind		-0.2	0.1	3.2	0.7	7.8	--	--	--	--	7.0
Excess		0.2	3.3	9.9	2.8	5.3	--	--	--	--	2.3
AG CREDIT SOL FU LP	14,656,005	0.0	0.0	27.4	0.0	36.7	--	--	--	--	26.9
BBG BA Intermediate HY Ind		-0.2	0.1	3.2	0.7	7.8	--	--	--	--	5.9
Excess		0.2	-0.1	24.2	-0.7	28.9	--	--	--	--	21.0



# San Mateo County Composite Return Summary

October 31, 2021



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
AG CSF ANX DISLOC FD	445,755	0.0	-0.0	22.0	-0.0	27.5	--	--	--	--	21.0
BBG BA Intermediate HY Ind		-0.2	0.1	3.2	0.7	7.8	--	--	--	--	14.3
Excess		0.2	-0.1	18.8	-0.7	19.7	--	--	--	--	6.7
AG Opportunistic Whole Loan	1,190,569	0.0	6.2	33.0	6.2	42.7	12.8	17.8	12.7	--	11.5
BBG BA Intermediate HY Ind		-0.2	0.1	3.2	0.7	7.8	7.9	6.0	5.5	--	5.5
Excess		0.2	6.0	29.9	5.5	34.9	4.8	11.9	7.2	--	6.1
Angelo Gordon	1	0.0	0.0	-12.8	0.0	-3.4	16.8	21.6	16.2	--	15.4
BBG BA Intermediate HY Ind		-0.2	0.1	3.2	0.7	7.8	7.9	6.0	5.5	--	5.7
Excess		0.2	-0.1	-16.0	-0.7	-11.2	8.9	15.7	10.6	--	9.7
Blackrock Direct Lending Feede	15,353,854	0.0	1.2	3.2	1.2	7.7	--	--	--	--	2.1
BBG BA Intermediate HY Ind		-0.2	0.1	3.2	0.7	7.8	--	--	--	--	7.4
Excess		0.2	1.1	-0.0	0.6	-0.1	--	--	--	--	-5.2
Beach Point Select Fund	96,240,313	2.7	3.5	14.1	3.9	22.2	11.1	10.1	--	--	9.6
BBG BA Intermediate HY Ind		-0.2	0.1	3.2	0.7	7.8	7.9	6.0	--	--	5.7
Excess		2.9	3.4	10.9	3.2	14.4	3.2	4.2	--	--	3.8
Brigade Cap Mngmt	89,449,758	0.8	2.7	13.4	2.5	22.1	7.1	6.8	5.8	6.7	6.9
BBG BA Intermediate HY Ind		-0.2	0.1	3.2	0.7	7.8	7.9	6.0	5.5	6.4	6.6
Excess		1.0	2.5	10.2	1.9	14.3	-0.8	0.9	0.3	0.3	0.2
White Oak YSF V	33,692,736	0.0	1.3	0.1	-0.5	--	--	--	--	--	0.1
BBG BA Intermediate HY Ind		-0.2	0.1	3.2	0.7	--	--	--	--	--	4.5
Excess		0.2	1.2	-3.1	-1.1	--	--	--	--	--	-4.4
White Oak Yield Spec	32,343,623	0.0	1.6	4.9	1.6	6.5	5.9	--	--	--	--
BBG BA Intermediate HY Ind		-0.2	0.1	3.2	0.7	7.8	7.9	--	--	--	6.0
Excess		0.2	1.5	1.8	1.0	-1.3	-2.1	--	--	--	--
PIMCO Div. Income Fund	134,299,811	-0.3	-0.9	0.3	-0.2	4.5	6.2	--	--	--	4.6
BBG BA Intermediate HY Ind		-0.2	0.1	3.2	0.7	7.8	7.9	--	--	--	5.6
Excess		-0.1	-1.0	-2.9	-0.9	-3.3	-1.7	--	--	--	-1.1



# San Mateo County Composite Return Summary

October 31, 2021



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
TCP Direct Lending VIII	23,112,114	0.5	1.0	5.7	1.0	8.4	6.2	6.3	--	--	--
BBG BA Intermediate HY Ind		-0.2	0.1	3.2	0.7	7.8	7.9	6.0	--	--	6.4
Excess		0.7	0.8	2.5	0.3	0.6	-1.7	0.4	--	--	--
Franklin Templeton	76,229,863	-0.1	-0.9	-3.5	-1.9	-3.1	-3.3	-0.7	-0.9	1.6	1.8
Bloomberg Multiverse Index		-0.3	-2.4	-4.1	-1.2	-0.8	4.6	2.7	2.3	1.9	2.4
Excess		0.2	1.5	0.6	-0.7	-2.3	-7.9	-3.4	-3.1	-0.3	-0.6
Alternatives	845,921,373	-2.3	1.9	14.4	4.3	16.7	18.0	13.2	10.4	9.0	1.0
Samcera Alternatives Benchmark		1.0	2.9	17.8	5.6	20.5	13.0	13.1	9.8	10.4	8.7
Excess		-3.3	-1.0	-3.4	-1.3	-3.7	5.1	0.1	0.6	-1.5	-7.7
Private Equity	427,911,827	-3.5	4.2	28.1	9.4	29.5	38.1	28.8	23.5	18.9	-5.8
Samcera PE Benchmark		1.9	5.2	36.7	10.8	41.8	21.2	20.8	16.8	18.7	18.0
Excess		-5.4	-1.0	-8.6	-1.4	-12.3	16.9	8.0	6.7	0.2	-23.8
Absolute Return	418,009,546	-1.0	-0.4	1.5	-0.8	4.9	-3.2	-3.3	-0.1	1.5	1.1
Samcera SOFR + 4%		0.3	1.0	3.4	1.3	4.1	5.1	5.2	5.0	4.7	4.7
Excess		-1.4	-1.4	-1.8	-2.1	0.9	-8.3	-8.5	-5.1	-3.3	-3.7
Aberdeen Std GARS	77,735,202	-0.3	-1.5	-4.4	-2.8	-0.6	4.1	2.3	--	--	1.2
Samcera SOFR + 4%		0.3	1.0	3.4	1.3	4.1	5.1	5.2	--	--	5.1
Excess		-0.6	-2.5	-7.8	-4.1	-4.6	-1.1	-2.9	--	--	-3.8
Graham Global Investment	87,915,976	0.5	-1.6	0.4	-2.4	4.0	--	--	--	--	2.3
Samcera SOFR +4%		0.3	1.0	3.4	1.3	4.1	--	--	--	--	4.3
Excess		0.1	-2.6	-3.0	-3.7	-0.1	--	--	--	--	-2.0
PIMCO MAARS Fund L.P.	84,836,320	0.4	1.7	6.0	5.2	8.0	--	--	--	--	5.3
Samcera SOFR +4%		0.3	1.0	3.4	1.3	4.1	--	--	--	--	4.2
Excess		0.1	0.7	2.6	3.8	3.9	--	--	--	--	1.1
Acadian MAAR Fund LLC	81,123,480	-2.4	-2.1	0.3	-0.9	3.3	--	--	--	--	2.0
Samcera SOFR +4%		0.3	1.0	3.4	1.3	4.1	--	--	--	--	4.1
Excess		-2.7	-3.1	-3.1	-2.2	-0.8	--	--	--	--	-2.1



**San Mateo County**  
**Composite Return Summary**  
 October 31, 2021



<b>Composite Returns (NET)</b>	<b>Market Value (\$)</b>	<b>1 Mth.</b>	<b>3 Mth.</b>	<b>YTD</b>	<b>FYTD</b>	<b>1 Yr.</b>	<b>3 Yr.</b>	<b>5 Yr.</b>	<b>7 Yr.</b>	<b>10 Yr.</b>	<b>ITD</b>
CFM SYS Global Macro Fund	86,398,568	-3.2	1.6	7.8	-2.1	13.5	--	--	--	--	12.4
Samcera SOFR +4%		0.3	1.0	3.4	1.3	4.1	--	--	--	--	4.1
Excess		-3.5	0.6	4.5	-3.5	9.4	--	--	--	--	8.3
Inflation Hedge	1,020,099,309	3.9	5.7	16.7	6.5	21.0	4.6	4.7	--	--	5.9
SamCERA Inflation Hedge Index		0.9	4.6	18.1	5.8	22.1	8.2	7.3	--	--	--
Excess		3.0	1.1	-1.4	0.7	-1.1	-3.6	-2.6	--	--	--
Real Estate	479,268,034	5.5	6.1	13.3	6.5	13.3	6.7	7.3	--	--	7.7
Samcera NCREIF ODCE (gross)		0.0	6.6	13.2	6.6	14.6	7.1	7.5	--	--	7.5
Excess		5.5	-0.5	0.2	-0.2	-1.3	-0.4	-0.2	--	--	0.2
Invesco Core Real Estate	293,416,266	7.5	8.3	15.9	8.2	15.9	6.7	7.4	8.8	9.6	7.7
Samcera NCREIF ODCE (gross)		0.0	6.6	13.2	6.6	14.6	7.1	7.5	8.9	9.9	7.8
Excess		7.5	1.7	2.8	1.6	1.3	-0.4	-0.1	-0.1	-0.3	-0.1
Invesco US Val IV	9,144,249	3.1	3.1	14.2	8.0	14.2	10.2	9.9	--	--	11.1
Samcera NCREIF ODCE (gross)		0.0	6.6	13.2	6.6	14.6	7.1	7.5	--	--	8.0
Excess		3.1	-3.5	1.1	1.3	-0.4	3.1	2.4	--	--	3.0
PGIM Real Estate US Debt Fund	85,395,247	0.6	1.4	5.5	1.4	5.5	5.5	--	--	--	5.0
Samcera NCREIF ODCE (gross)		0.0	6.6	13.2	6.6	14.6	7.1	--	--	--	7.3
Excess		0.6	-5.2	-7.6	-5.2	-9.1	-1.5	--	--	--	-2.3
Invesco US VAL V	27,611,121	8.8	8.8	31.5	14.0	31.5	--	--	--	--	11.7
Samcera NCREIF ODCE (gross)		0.0	6.6	13.2	6.6	14.6	--	--	--	--	--
Excess		8.8	2.2	18.4	7.4	16.9	--	--	--	--	--
Harrison Street Core Property	55,182,182	2.8	2.8	8.3	2.5	8.3	--	--	--	--	5.5
Samcera NCREIF ODCE (gross)		0.0	6.6	13.2	6.6	14.6	--	--	--	--	7.7
Excess		2.8	-3.8	-4.8	-4.1	-6.3	--	--	--	--	-2.1
Stockbridge Value IV	8,518,969	0.0	-1.6	--	-1.6	--	--	--	--	--	-10.8
Samcera NCREIF ODCE (gross)		0.0	6.6	--	6.6	--	--	--	--	--	10.8
Excess		0.0	-8.2	--	-8.2	--	--	--	--	--	-21.7



**San Mateo County**  
**Composite Return Summary**  
 October 31,2021



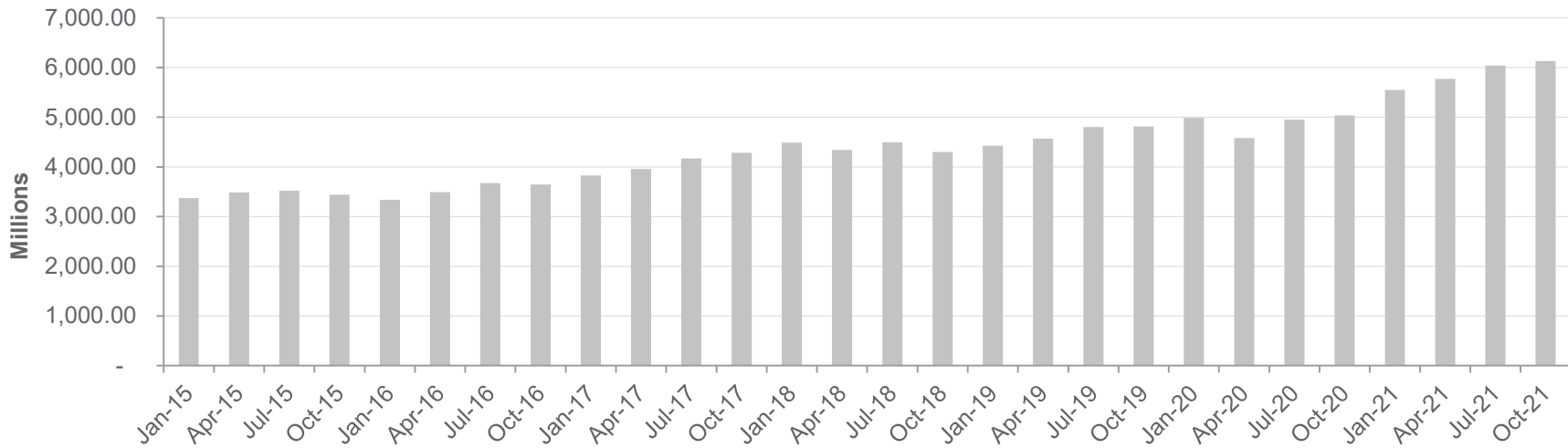
<b>Composite Returns (NET)</b>	<b>Market Value (\$)</b>	<b>1 Mth.</b>	<b>3 Mth.</b>	<b>YTD</b>	<b>FYTD</b>	<b>1 Yr.</b>	<b>3 Yr.</b>	<b>5 Yr.</b>	<b>7 Yr.</b>	<b>10 Yr.</b>	<b>ITD</b>
Public Real Assets	400,984,752	3.1	4.0	17.4	5.3	32.2	2.1	2.8	--	--	--
SamCera Liquid Real Asset Inde		3.2	4.0	17.4	5.3	32.4	7.3	6.2	--	--	7.2
Excess		-0.0	-0.0	-0.0	-0.0	-0.2	-5.2	-3.4	--	--	--
SSGA CST REAL ASSET NL	400,984,752	3.1	4.0	17.4	5.3	32.2	7.1	6.1	--	--	--
SamCera Liquid Real Asset Inde		3.2	4.0	17.4	5.3	32.4	7.3	6.2	--	--	6.2
Excess		-0.0	-0.0	-0.0	-0.0	-0.2	-0.1	-0.1	--	--	--
Private Real Assets	139,846,523	0.5	9.4	32.6	10.8	34.3	6.1	4.5	--	--	10.6
SamCERA Private Real Asset Idx		0.7	0.4	28.4	4.1	26.0	6.4	8.5	--	--	11.5
Excess		-0.2	9.0	4.2	6.7	8.3	-0.3	-4.0	--	--	-0.8
Cash Overlay	13,660,191	0.0	-0.1	-0.1	-0.1	-0.0	--	--	--	--	0.1
ICE BofAML US 3-Month Treasury Bill		-0.0	0.0	0.0	0.0	0.1	--	--	--	--	0.1
Excess		0.0	-0.1	-0.1	-0.1	-0.1	--	--	--	--	0.0
General Account	117,243,352	0.0	0.0	0.1	0.0	0.1	1.1	1.2	1.0	0.7	1.9
County Treasury Pool	18,513,250	0.4	0.8	1.2	0.6	1.2	1.6	1.5	1.3	1.1	2.6
Currency Hedge Cash Overlay	57,828,189	0.0	-0.1	-0.0	-0.1	0.0	--	--	--	--	0.1
San Mateo County Overlay	6,133,995,482	2.0	2.2	11.1	2.8	20.2	11.4	9.6	7.8	8.9	7.1
Samcera Total Plan Benchmark		2.1	2.4	12.3	3.4	21.6	12.0	10.5	8.3	9.3	7.5
Excess		-0.1	-0.2	-1.2	-0.6	-1.5	-0.6	-0.8	-0.5	-0.4	-0.4



**Record of Asset Growth**

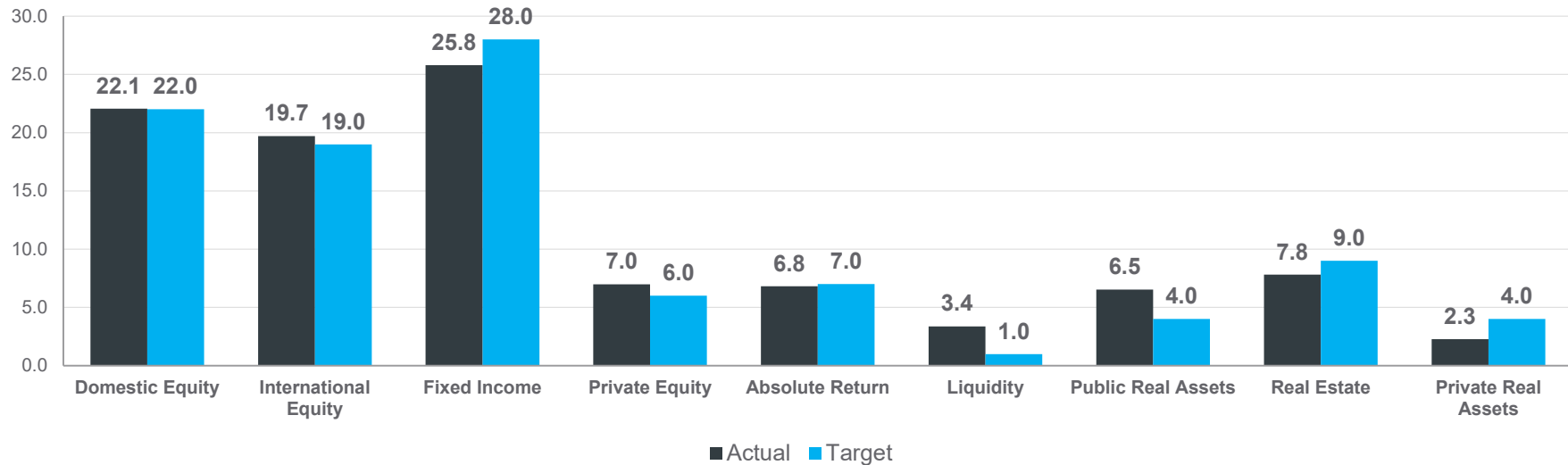
	<b>Three Months</b>	<b>One Year</b>
<b>TOTAL FUND</b>		
Beginning Market Value	6,042,284,211	5,037,874,533
Contributions	29,013,726	354,491,202
Withdrawals	-71,186,747	-286,116,602
Income Received	22,089,758	86,576,614
Gain/Loss	111,867,659	942,491,540
Ending Market Value	6,133,995,482	6,133,995,482

**Net Asset Values Over Time (\$000)**



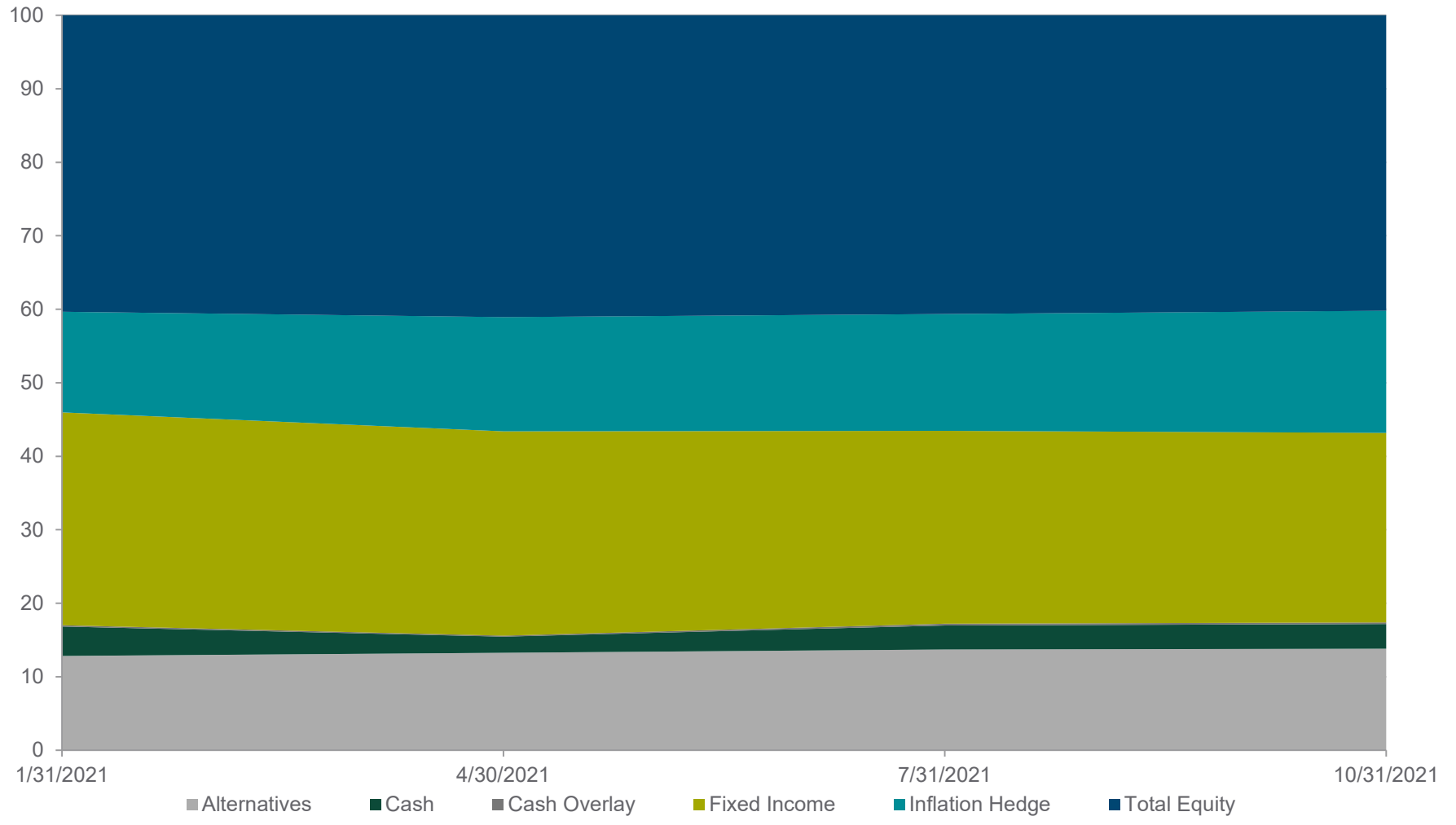


Actual vs Target Weights

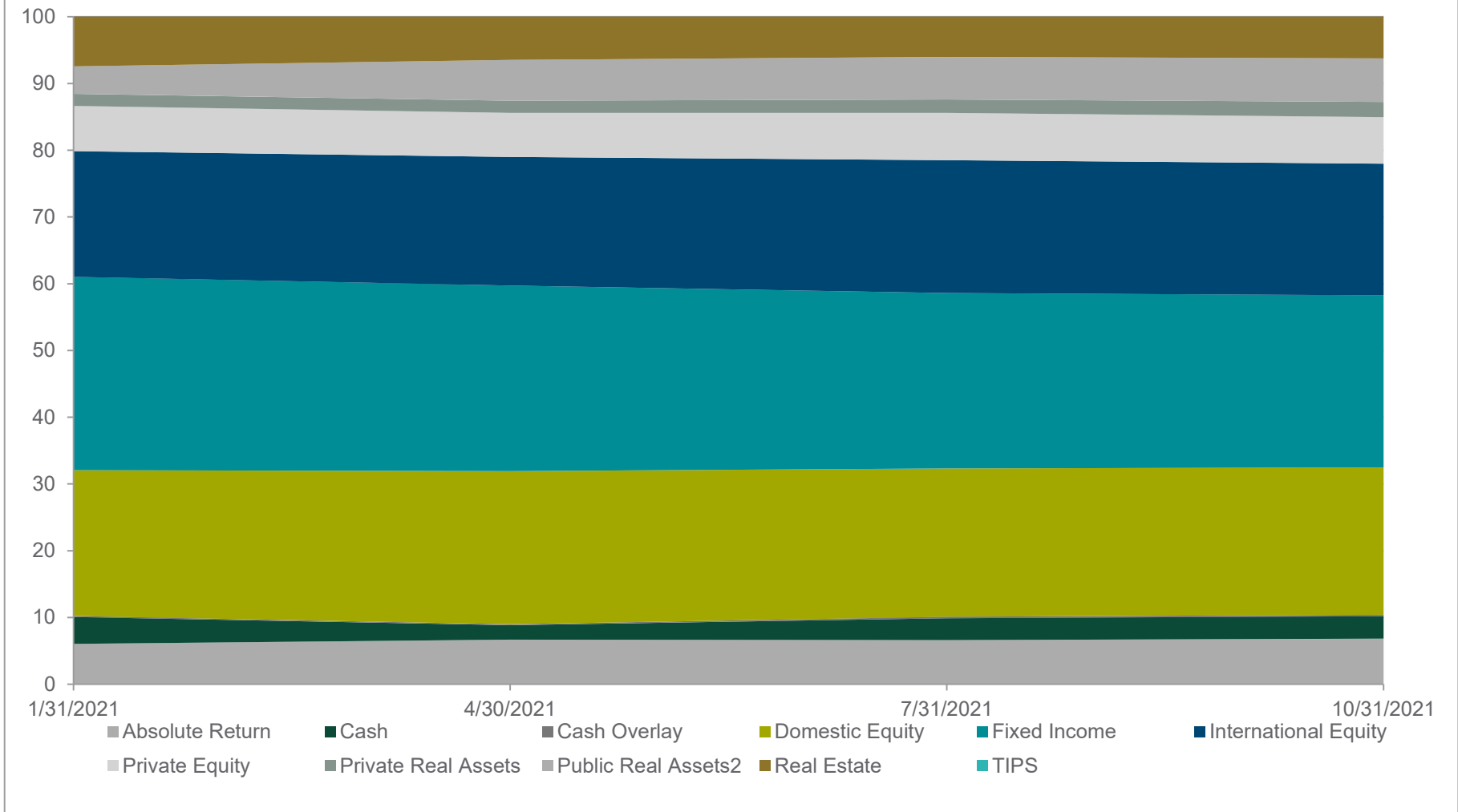


	Min	Actual	Target	Deviation	Max
Domestic Equity	20.0	22.1	22.0	0.1	24.0
International Equity	17.0	19.7	19.0	0.7	21.0
Fixed Income	26.0	25.8	28.0	-2.2	30.0
Private Equity	4.0	7.0	6.0	1.0	8.0
Absolute Return	5.0	6.8	7.0	-0.2	9.0
Liquidity	0.0	3.4	1.0	2.4	2.0
Public Real Assets	2.0	6.5	4.0	2.5	6.0
Real Estate	7.0	7.8	9.0	-1.2	11.0
Private Real Assets	2.0	2.3	4.0	-1.7	6.0

Asset Allocation over Time



### Sub-Asset Class Allocation Over Time



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**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**Board of Retirement**

December 7, 2021

Agenda Item 6.2

**TO:** Board of Retirement

**FROM:** Michael Coultrip, Chief Investment Officer 

**SUBJECT:** Report on Quarterly Investment Performance Report for the Period Ended September 30, 2021

**Recommendation**

Accept Verus Advisory's quarterly performance report for the period ended September 30, 2021.

**Discussion**

The 3rd quarter net total return for the SamCERA portfolio was +1.1%, which matched the policy benchmark return. As can be seen on Page 20 and 21, alternatives (private equity) and private real assets were the main contributors of performance, while public equity (both U.S. equity and international equity) was the main detractor.

Margaret Jadallah will present the report to the Board and will be available for questions.

**Attachment**

Verus Quarterly Performance Report Ending 9/30/2021



**PERSPECTIVES  
THAT DRIVE  
ENTERPRISE  
SUCCESS**



**PERIOD ENDING: SEPTEMBER 30, 2021**

Investment Performance Review for

**San Mateo County Employees' Retirement Association**

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Market Environment

TAB I

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Alternatives

TAB VI

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Total Fund

TAB II

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Inflation Hedge

TAB VII

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US Equity

TAB III

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Appendix

TAB VIII

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International Equity

TAB IV

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Fixed Income

TAB V

# 3<sup>rd</sup> quarter summary

## THE ECONOMIC CLIMATE

- Real GDP grew at a 12.2% rate year-over-year in Q2 (+6.7% quarterly annualized rate) as the U.S. fully recovered from the pandemic-induced recession of 2020.
- In the U.S. labor market, unemployment has fallen as many workers who desired jobs have been successful in gaining employment. The overall U.S. labor participation rate has not improved, as millions of workers remain neither employed nor seeking employment.
- Consumer sentiment deteriorated during the third quarter, on reports of pessimism around the COVID Delta variant, higher inflation, and unfavorable economic prospects. Small business optimism also fell, as businesses face difficulty in hiring and are concerned about tax increases and more burdensome government regulations.

## PORTFOLIO IMPACTS

- Credit markets traded in a relatively tight range throughout the quarter, delivering mild returns. Bank loans outperformed in Q3, returning 1.1% and outpacing high yield bonds (0.9%) and corporate investment grade (0.0%).
- U.S. core CPI, which excludes food & energy prices, rose 4.0% YoY in September. U.S. headline inflation came in at 5.4%. Price changes moderated during Q3, relative to the larger price moves that occurred in March through June.

## THE INVESTMENT CLIMATE

- The Biden Administration's \$3.5 trillion social spending package remains in the negotiation stage among Democrats, as the size of the package, the contents, and national concerns over inflation have given some members of the party reason to pause. The package is reportedly being scaled back, which creates the risk of rejection from progressives within the party who are pushing for more spending.
- It seems that investors have put the 2020 pandemic-induced recession and its associated risks behind them. However, it is not clear that market risks have completely subsided, as the Delta-variant continues to spread, high inflation could indeed persist, and most governments are set to pull back generous stimulus programs.

## ASSET ALLOCATION ISSUES

- Equity markets took a breather in Q3. U.S. equities delivered 0.6%, while international equities experienced slight losses of -0.4% and emerging market equities saw a larger selloff of -8.1%, on an unhedged currency basis.
- Factor performance was negative during the quarter, as large capitalization stocks outperformed small cap by a wide margin (Russell 1000 +0.2%, Russell 2000 -4.4%) and growth stocks beat value (Russell 1000 Growth +1.2%, Russell 1000 Value -0.8%).

The economic recovery may be slowing, though the environment remains positive for risk assets

We believe a neutral risk stance is warranted in the current environment



# U.S. economics summary

- Real GDP grew at a 12.2% rate year-over-year in Q2 (+6.7% quarterly annualized rate) as the U.S. fully recovered from the pandemic-induced recession of 2020. However, it appears that recent strong economic activity may be slowing down.
- U.S. core CPI, which excludes food & energy prices, rose 4.0% YoY in September. U.S. headline inflation came in at 5.4%. Price changes moderated during Q3, relative to the larger price moves that occurred in March through June, but remain elevated.
- Unemployment fell from 5.9% to 4.8% during the quarter, while the laborforce participation was unmoved at 61.6%. The unemployment rate has fallen as many workers who desired jobs have been successful in gaining employment, but the overall U.S. laborforce participation rate has not improved
- The Biden Administration’s \$3.5 trillion social spending package remains in the negotiation stage among Democrats, as the size of the package, the contents, and national concerns over inflation have given some members of the party reason to pause. The package is reportedly being scaled back, which creates the risk of rejection from progressives within the party who are pushing for more spending.
- U.S. home prices have rocketed higher, up 19.7% over the past year, according to the S&P/Case-Shiller U.S. National Home Price Index.
- Consumer sentiment was mixed over the quarter. The University of Michigan reported that the Delta variant and persistent inflation, as well as unfavorable prospects for the national economy, are weighing on sentiment. High prices of homes, vehicles, and durables are a concern.

	Most Recent	12 Months Prior
GDP (YoY)	12.2% <i>6/30/21</i>	(9.1%) <i>6/30/20</i>
Inflation (CPI YoY, Core)	4.0% <i>9/30/21</i>	1.7% <i>9/30/20</i>
Expected Inflation (5yr-5yr forward)	2.2% <i>9/30/21</i>	1.7% <i>9/30/20</i>
Fed Funds Target Range	0% – 0.25% <i>9/30/21</i>	0% – 0.25% <i>9/30/20</i>
10-Year Rate	1.49% <i>9/30/21</i>	0.68% <i>9/30/20</i>
U-3 Unemployment	4.8% <i>9/30/21</i>	7.8% <i>9/30/20</i>
U-6 Unemployment	8.5% <i>9/30/21</i>	12.8% <i>9/30/20</i>

# International economics summary

- The emergence of the delta variant of COVID-19 in Europe and the United States over the summer led to the reimplementing of social distancing controls and a subsequent moderation of economic activity in the services sector.
- European and Japanese vaccination rates improved vastly over the quarter, which helped to contain the spread of COVID-19.
- Inflation surprised to the upside around the globe, but particularly in the Eurozone, which has spurred some tough conversations amongst central bank policymakers.
- Global consumer confidence has trended lower over most of the last two quarters on concerns over labor market prospects, as well as the impact of rising prices on purchasing power stability.
- Natural gas prices surged more

than 60% in Q3, primarily as a result of low supply levels and substitution effects due to price surges in other energy sources including coal. On a more thematic basis, Europe’s clean energy initiatives also played a role, as renewable sources are not yet equipped to replace carbon-based power supplies, and adequate investment in nuclear plants has not been made. We are keeping a watchful eye on the potential impact of energy prices on inflation.

- Many factories in China were forced to shut down late in the quarter as a result of surging coal and electricity prices. Those shutdowns, alongside weaker than expected investment activity, tighter financing conditions, and stricter social distancing controls, all contributed to a larger-than expected moderation in Chinese GDP growth, which fell to 4.9% year-over-year in Q3.

Area	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	12.2% 6/30/21	5.4% 9/30/21	4.8% 9/30/21
Eurozone	14.3% 6/30/21	3.4% 9/30/21	7.5% 8/31/21
Japan	7.6% 6/30/21	0.3% 9/30/21	2.8% 8/31/21
BRICS Nations	10.1% 6/30/21	2.4% 9/30/21	5.3% 6/30/21
Brazil	12.4% 6/30/21	10.3% 9/30/21	13.7% 7/31/21
Russia	10.5% 6/30/21	7.4% 9/30/21	4.4% 8/31/21
India	20.1% 6/30/21	5.3% 8/31/21	6.9% 9/30/21
China	4.9% 9/30/21	0.7% 9/30/21	5.1% 8/31/21

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

# Equity environment

- Equity markets took a pause in Q3, a notable change from the seemingly non-stop rally year-to-date. U.S. equities delivered 0.6%, while international equities experienced slight losses of -0.4% and emerging market equities saw a larger selloff of -8.1%, on an unhedged currency basis.
- Size and value factor performance was negative during the quarter, as large capitalization stocks outperformed small capitalization stocks by a wide margin (Russell 1000 +0.2%, Russell 2000 -4.4%) and growth stocks beat value (Russell 1000 Growth +1.2%, Russell 1000 Value -0.8%).
- As we observed last quarter, it does seem that investors have put the 2020 pandemic-induced recession and its associated risks behind them. However, it is not clear that market risks have completely subsided, as the Delta-variant continues to spread, high

inflation could indeed persist, and most governments are set to pull back generous stimulus programs.

- The U.S. is facing acute supply chain issues, and 71% of S&P 500 companies reported negative impacts to their business during quarterly earnings calls, as reported by FactSet.
- Weakness in Chinese equities (MSCI China -18.2%) was the major driver of emerging market equity underperformance, as a wave of new regulations were implemented by the Communist Party of China which cascaded across a number of sectors including Technology, Property Management, and Financials.
- Within MSCI's long-short U.S. factor portfolios, momentum (+1.3%) led the way while volatility (-1.7%) posted a negative total return.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
US Large Cap (S&P 500)	0.6%		30.0%	
US Small Cap (Russell 2000)	(4.4%)		47.7%	
US Large Value (Russell 1000 Value)	(0.8%)		35.0%	
US Large Growth (Russell 1000 Growth)	1.2%		27.3%	
International Large (MSCI EAFE)	(0.4%)	1.5%	25.7%	28.2%
Eurozone (Euro Stoxx 50)	(2.4%)	0.1%	27.6%	30.6%
U.K. (FTSE 100)	(0.5%)	2.0%	30.7%	26.1%
Japan (NIKKEI 225)	2.5%	2.9%	21.9%	29.3%
Emerging Markets (MSCI Emerging Markets)	(8.1%)	(6.9%)	18.2%	15.9%

Source: Russell Investments, MSCI, STOXX, FTSE, Nikkei, as of 9/30/21

# Domestic equity

U.S. equities performed relatively well in Q3, delivering a slightly positive return of 0.6% (S&P 500). The index is expected to report Q3 earnings growth of 27.6% year-over-year, as indicated by FactSet. The U.S. is facing acute supply chain issues, and 71% of S&P 500 companies reported negative impacts to their business during quarterly earnings calls.

Mildly higher interest rates during the quarter likely supported Financials (+2.7%) while acting as a headwind to growth-oriented sectors such as Information Technology (+1.3%).

Performance over the near-term may be constrained by a degree of economic slowdown induced by the COVID-19 Delta variant, as well as moderating earnings growth expectations, although the analyst consensus price target for the S&P 500 over the next year is 5051, as of October 6<sup>th</sup>.

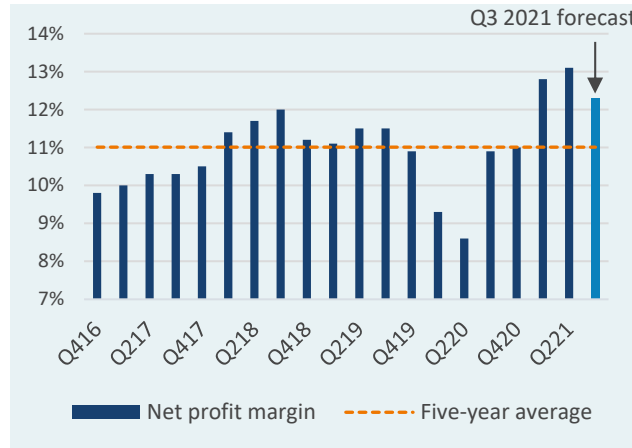
Recent price increases have raised questions around the defensibility of net profit margins, which are expected to moderate in Q3 but remain elevated well above recent averages. Some investors have begun to discuss positioning within sectors that have exhibited more pricing power.

**S&P 500 INDEX**



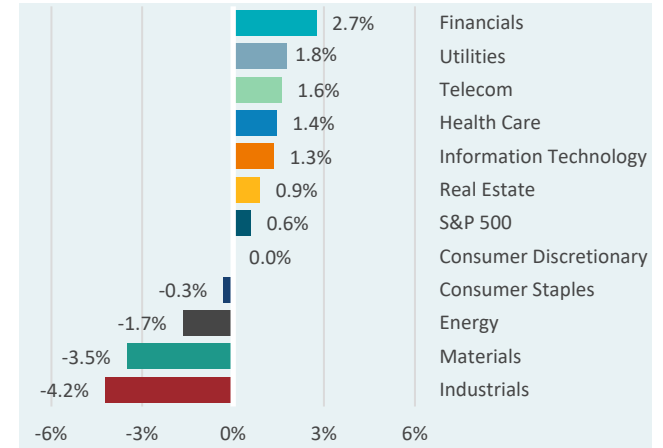
Source: Standard & Poor's, as of 9/30/21

**S&P 500 NET PROFIT MARGINS**



Source: FactSet, as of 10/18/21

**Q3 SECTOR PERFORMANCE**



Source: Standard & Poor's, as of 9/30/21

# Domestic equity size & style

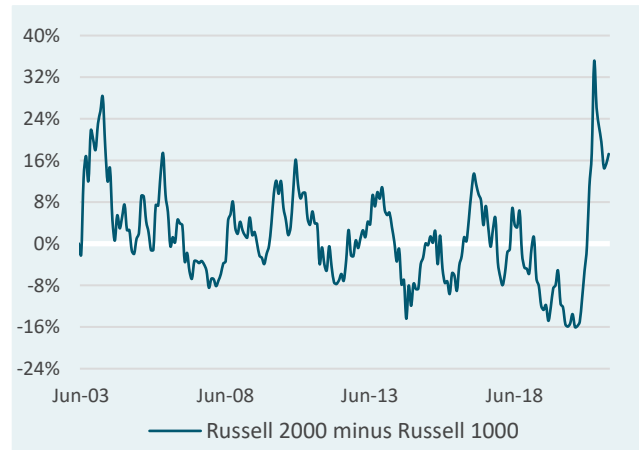
Large capitalization stocks outperformed small cap during the quarter by a wide margin (Russell 1000 +0.2%, Russell 2000 -4.4%) and growth stocks beat value (Russell 1000 Growth +1.2%, Russell 1000 Value -0.8%).

Following the notable turnaround in value stock performance during Q1, growth stocks took the lead in Q2, dampening excitement for a value comeback. Growth further outperformed in Q3. As we expressed earlier in the year, style performance is often impacted heavily by sector

randomness, which suggests that investors should be cautious in assuming that performance is *signal* rather than *noise*. Value stocks continue to be cheap relative to growth stocks, historically speaking. However, there does not appear to be a clear catalyst on the horizon that would imply a value timing opportunity. Factor performance tends to be noisy and difficult to predict, which suggests that style investing should in most cases involve a longer-term focus.

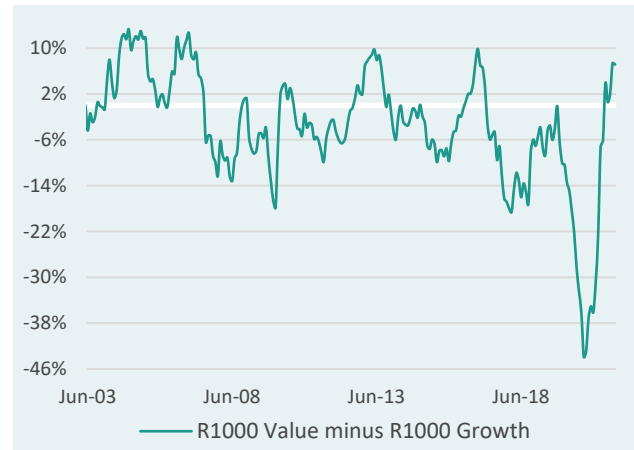
Large cap and growth stocks outperformed during Q3

SMALL CAP VS LARGE CAP (YOY)



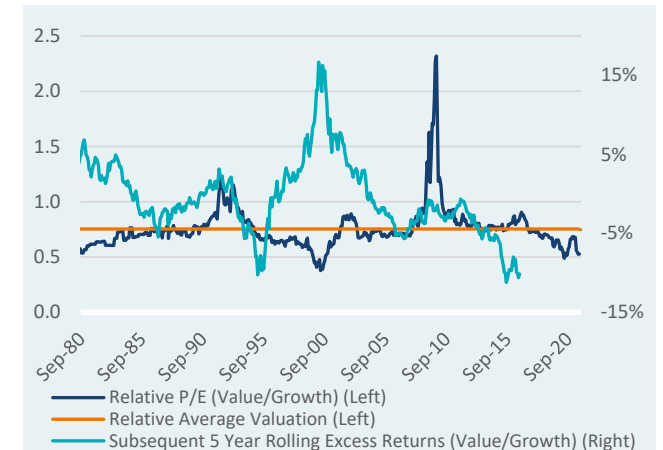
Source: FTSE, as of 9/30/21

VALUE VS GROWTH (YOY)



Source: FTSE, as of 9/30/21

VALUE VS. GROWTH RELATIVE VALUATIONS



Source: Standard & Poor's, as of 9/30/21

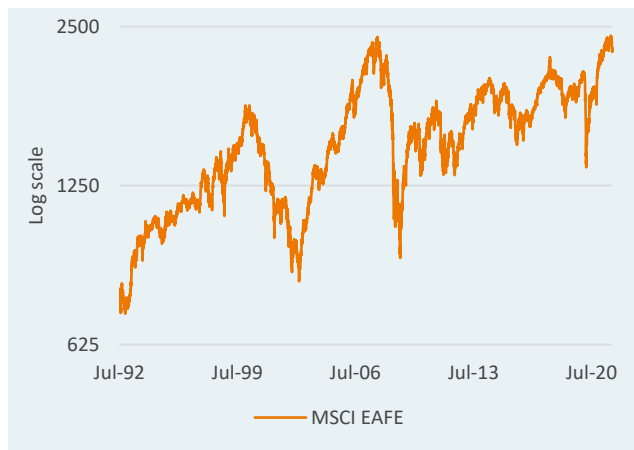
# International developed equity

International equities experienced slight losses of -0.4% (MSCI EAFE Index) during the quarter on an unhedged currency basis, lagging U.S. equities but outperforming emerging markets. Currency movement during the quarter resulted in a loss of -1.9% relative to those investors with a currency hedging program.

Japanese equities (MSCI Japan +4.6%) rallied on strong earnings, and on the news that Prime Minister Suga's successor, Fumio Kishida, would be less likely to pursue tax hikes on investment income. Japan's vaccination rate also improved considerably, and ended the quarter in line with major European countries, laying the groundwork for a broader reopening of the economy.

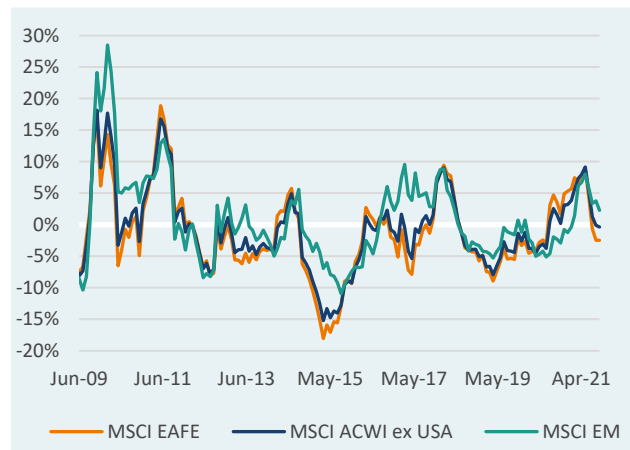
The strong performance of Japanese equities helped to offset for international developed equity investors the negative returns delivered by European equities (MSCI Europe -1.6%), which faced headwinds from a significant weakening in the pound sterling (-2.4%) and euro (-2.3%) relative to the U.S. dollar. According to futures market positioning data from the CFTC, more people are betting that the euro will depreciate in value than those betting that it will appreciate in value, for the first time since March 2020.

## INTERNATIONAL DEVELOPED EQUITIES



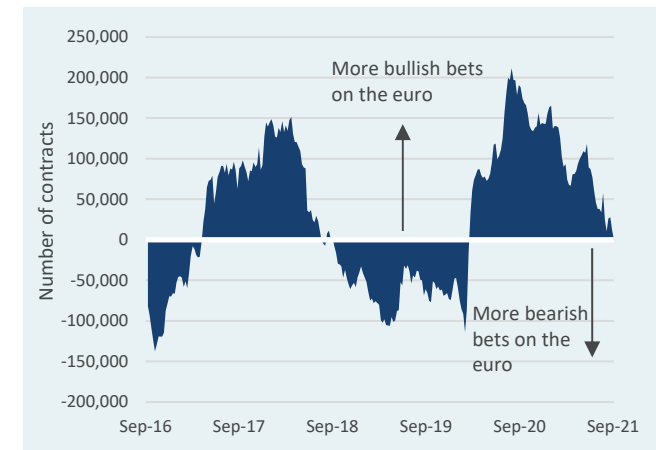
Source: MSCI, as of 9/30/21

## EFFECT OF CURRENCY (1-YEAR ROLLING)



Source: MSCI, as of 9/30/21

## EURO NET FUTURES POSITIONING



Source: CFTC, non-commercial positioning, as of 9/28/21

# Emerging market equity

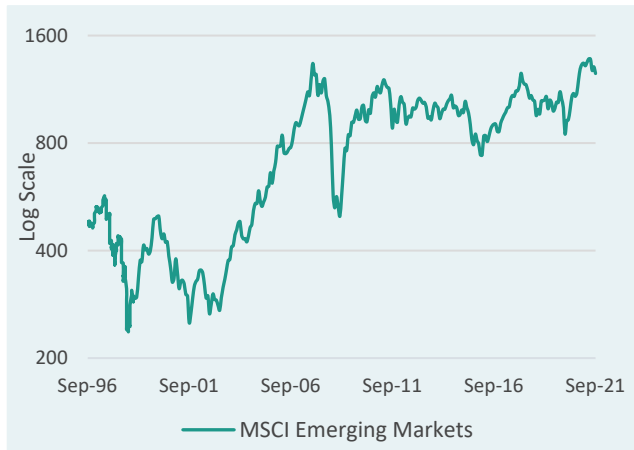
Emerging market equities saw large losses (MSCI EM -8.1%) on an unhedged currency basis, underperforming other markets during the third quarter. China has dragged down emerging markets performance considerably, producing losses of -18.2% in Q3 relative to ex-China emerging market performance of -2.0%, and producing losses of -7.2% over the past year relative to ex-China emerging market performance of 36.9% (MSCI China vs. MSCI Emerging Markets ex-China). China comprises 34% of the MSCI Emerging Markets Index.

Latin American emerging markets have taken the lead over Asian emerging markets over the past year, a notable change from strong Asian

leadership in recent years (MSCI EM Latin America +27.3%, MSCI EM Asia +13.9%)

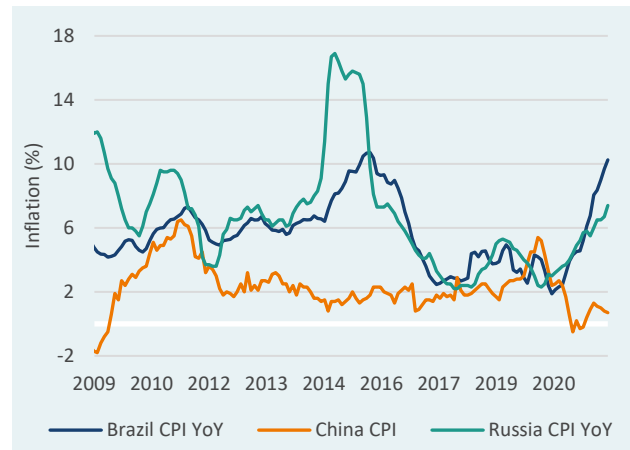
Inflation in Brazil has risen to 10.3%, and in Russia to 7.4%, which has generated responses from central banks. Brazil has hiked their central bank rate from 2.00% to 6.25% to battle rising prices, while Russia has hiked its rate from 4.25% to 6.75% year-to-date. While inflation rate in the U.S. is one of the highest in the developed world, emerging markets are also facing tough decisions regarding the balance between economic recovery and the risks of uncomfortably high inflation.

## EMERGING MARKET EQUITY



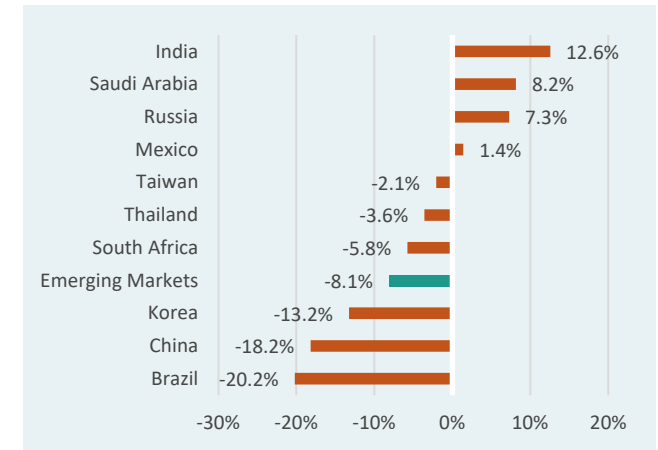
Source: MSCI, as of 9/30/21

## INFLATION (YOY)



Source: Bloomberg, as of 9/30/21 or most recent data

## Q3 PERFORMANCE – TOP 10 EM CONSTITUENTS



Source: Bloomberg, MSCI, as of 9/30/21, performance in USD terms

# Fixed income environment

— The 10-year U.S. Treasury yield increased slightly during the quarter, from 1.45% to 1.52%. Longer-term Treasury bond yields drifted lower in July and August before picking up considerably in September, as speculation mounted that the Federal Reserve would begin tapering the current asset purchase program (\$80 billion in monthly Treasury purchases and \$40 billion in monthly agency mortgage-backed-securities) in November or December of this year.

— Credit spreads traded in a relatively tight range during the quarter and remained at a very low level relative to the historical average. Historically low credit default rates have supported tight spread levels. Above-average credit quality has also been supportive, specifically in the high-yield universe. Although credit spreads are tight, spreads arguably remain healthy relative to current bond default levels.

— Reports that Evergrande, one of the

largest property developers in China, was on track to miss debt service payments led to a sell-off in Chinese high-yield debt as investors braced for potential contagion. Dollar-denominated high-yield Chinese bonds in aggregate fell by around 20% in value.

— Realized and expected inflation metrics reached high levels relative to history, sparking a number of different policy responses from central bankers. The base case at the Fed and at the ECB remains that inflation will be transitory, and that rates can remain at current levels at least until late next year. In contrast, officials at the Bank of England are now expected to begin hiking rates in November, and many central banks in the emerging markets have already begun tightening policy.

— The four-year discount margin, our preferred spread metric for bank loans, compressed slightly over the quarter from 4.32% to 4.28%.

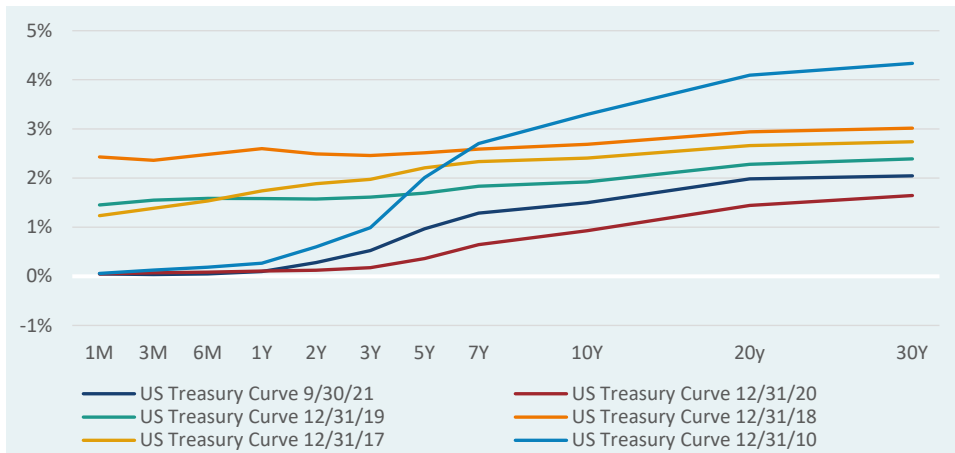
	QTD Total Return	1 Year Total Return
Core Fixed Income (BBgBarc U.S. Aggregate)	0.1%	(0.9%)
Core Plus Fixed Income (BBgBarc U.S. Universal)	0.1%	0.2%
U.S. Treasuries (BBgBarc U.S. Treasury)	0.1%	(3.3%)
U.S. High Yield (BBgBarc U.S. Corporate HY)	0.9%	11.3%
Bank Loans (S&P/LSTA Leveraged Loan)	1.1%	8.4%
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	(3.1%)	2.6%
Emerging Market Debt Hard (JPM EMBI Global Diversified)	(0.7%)	4.4%
Mortgage-Backed Securities (BBgBarc MBS)	0.1%	(0.4%)

Source: Bloomberg, as of 9/30/21

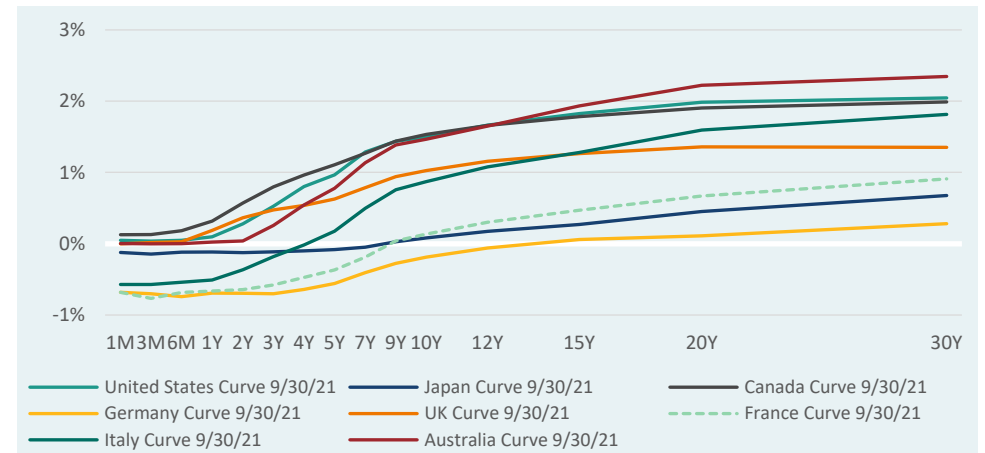


# Yield environment

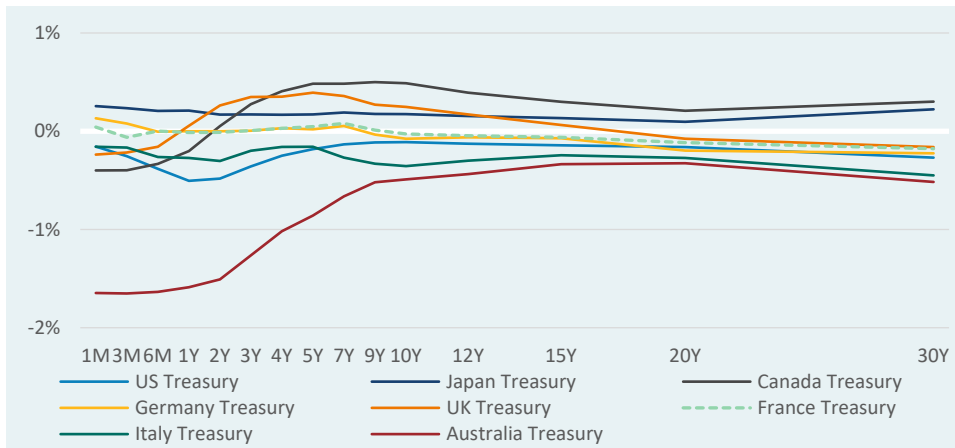
## U.S. YIELD CURVE



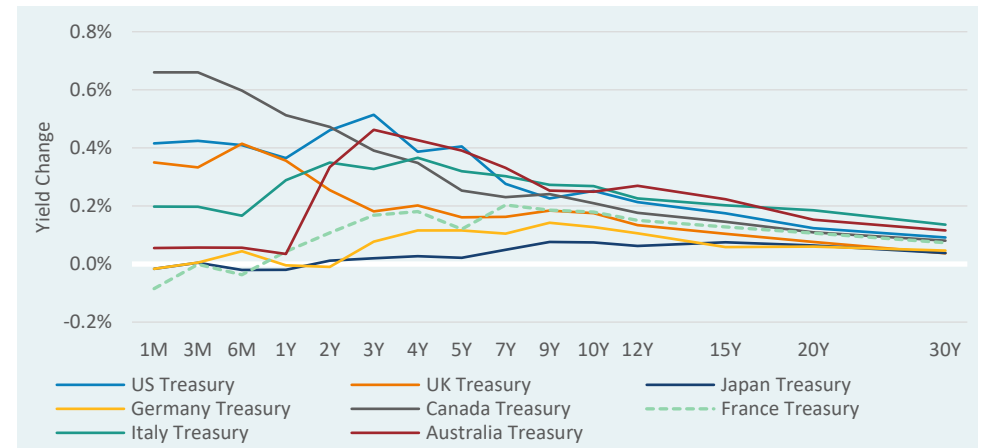
## GLOBAL GOVERNMENT YIELD CURVES



## YIELD CURVE CHANGES OVER LAST FIVE YEARS



## IMPLIED CHANGES OVER NEXT YEAR



Source: Bloomberg, as of 9/30/21

# Currency

The U.S. dollar appreciated 2% during the quarter, continuing its modest rise year-to-date. This move coincided with a slight increase in U.S. Treasury yields and European government bond yields, resulting in little change to interest rate differentials.

U.S. dollar sentiment reached its most optimistic level since late 2019, while sentiment surrounding the euro and pound turned from optimistic to pessimistic. Differences in monetary policy from country-to-country appear to be driving this shift in sentiment. While the U.S. Federal Reserve is expected to begin tapering asset purchases by year-end, the ECB is planning on simply shifting the complexion of its asset purchase program, and the

BOE is planning on adjusting short-term interest rates higher while retaining the majority of its asset purchase program which targets longer-duration bonds.

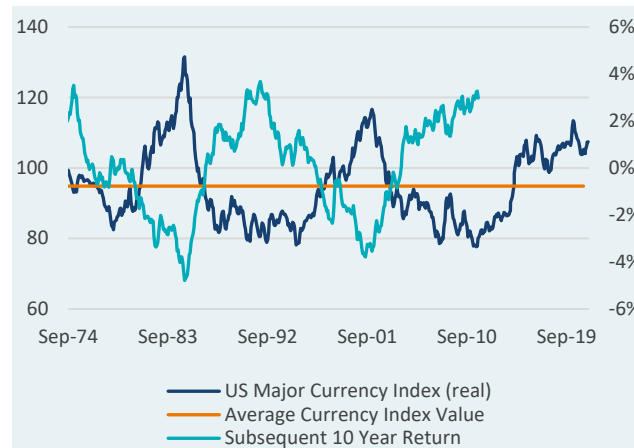
The MSCI Currency Factor Mix Index, Verus' preferred currency beta benchmark, outperformed the currency portfolio of the MSCI ACWI ex-US Index over the twelve months ending September 30<sup>th</sup>, while exhibiting 1.1% less volatility.

**BLOOMBERG DOLLAR SPOT INDEX**



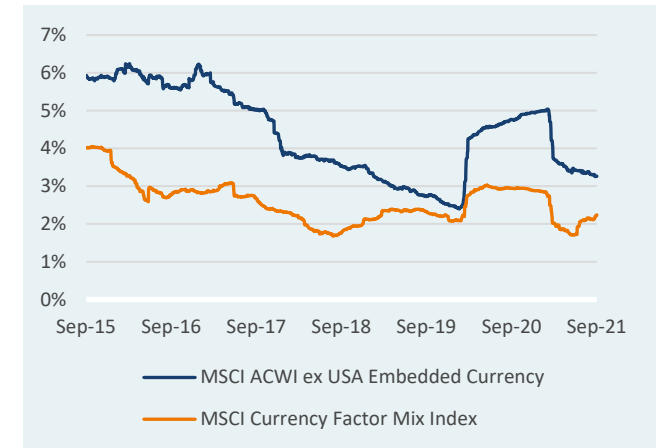
Source: Bloomberg, as of 9/30/21

**U.S. DOLLAR MAJOR CURRENCY INDEX**



Source: Federal Reserve, as of 9/30/21

**TRAILING ONE-YEAR ANNUALIZED VOLATILITY**



Source: Bloomberg, MSCI, as of 9/30/21

- The Total Fund, net of manager fees, returned 1.1% in the third quarter of 2021 and ranked in the 27<sup>th</sup> percentile among other public plans greater than \$1 billion (median of 0.2%). It matched the policy index return of 1.1%. The Total Fund ex Overlay returned 1.2% for the quarter. The Total Fund one-year return of 19.3% beat the policy index return of 18.5% and ranked in the 81<sup>st</sup> percentile of its peer universe. The three-year return of 9.1%.4 (80<sup>th</sup> percentile) lagged the median large public plan (10.1) and the policy index (9.8%).
  
- Third quarter results were enhanced by the following factors:
  1. QMA lost -0.6% beating the Russell 2000 which lost -4.4%. All factors – value, quality, and growth contributed to relative outperformance for the quarter.
  2. Brigade gained 1.7% outperforming the high yield benchmark which gained 0.9%. The main contributors to outperformance were bank loans positions which gained over 80 bps relative to the benchmark.
  
- Third quarter results were hindered by the following factors:
  1. Mondrian lost -3.8% trailing the MSCI ACWI ex US Value (-2.1%). An underweight position in the strong Dutch market hurt relative performance. Stock selection in China and Germany also contributed to relative underperformance.
  2. Franklin Templeton trailed the Bloomberg Multiverse (-1.8% vs -0.9%). In general, currencies hurt relative performance in the quarter, specifically the Brazilian Real, Argentinian Peso, and South Korean Won.

Total Fund  
Performance Summary (Net of Fees)

Period Ending: September 30, 2021

	3 Mo (%)	Rank	YTD (%)	Rank*	1 Yr (%)	Rank	2 Yrs (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>Total Fund**</b>	<b>1.1</b>	<b>27</b>	<b>9.0</b>	<b>67</b>	<b>19.3</b>	<b>81</b>	<b>11.2</b>	<b>92</b>	<b>9.1</b>	<b>80</b>	<b>8.9</b>	<b>86</b>	<b>9.4</b>	<b>55</b>
<i>Policy Index<sup>1</sup></i>	1.1	25	9.9	45	18.5	94	12.1	85	9.8	58	9.7	59	9.9	35
<i>InvMetrics Public DB &gt; \$1B Net Median</i>	0.2		9.6		21.2		13.6		10.1		9.9		9.6	
<b>Total Fund ex Overlay</b>	<b>1.2</b>	<b>25</b>	<b>9.1</b>	<b>64</b>	<b>19.4</b>	<b>81</b>	<b>11.2</b>	<b>92</b>	<b>9.0</b>	<b>83</b>	<b>8.9</b>	<b>89</b>	<b>9.4</b>	<b>56</b>
<i>Policy Index<sup>1</sup></i>	1.1	25	9.9	45	18.5	94	12.1	85	9.8	58	9.7	59	9.9	35
<i>InvMetrics Public DB &gt; \$1B Net Median</i>	0.2		9.6		21.2		13.6		10.1		9.9		9.6	
<b>Public Equity</b>	<b>-1.5</b>	<b>82</b>	<b>10.4</b>	<b>82</b>	<b>26.9</b>	<b>85</b>	<b>16.5</b>	<b>92</b>	<b>11.2</b>	<b>88</b>	<b>12.4</b>	<b>87</b>	<b>12.6</b>	<b>66</b>
<i>Blended Public Equity Index<sup>1</sup></i>	-0.8	35	12.2	46	28.9	64	18.7	56	12.6	55	13.5	49	13.1	47
<i>InvMetrics All DB Total Eq Net Median</i>	-1.0		12.0		29.5		18.9		12.8		13.4		13.1	
<b>US Equity</b>	<b>-0.4</b>	<b>69</b>	<b>13.0</b>	<b>91</b>	<b>28.8</b>	<b>96</b>	<b>17.9</b>	<b>93</b>	<b>12.4</b>	<b>90</b>	<b>14.6</b>	<b>83</b>	<b>15.2</b>	<b>70</b>
<i>Blended US Equity Index<sup>1</sup></i>	-0.1	47	15.0	62	31.9	75	23.1	20	16.0	14	16.9	17	16.6	13
<i>Russell 3000</i>	-0.1	47	15.0	62	31.9	75	23.1	20	16.0	14	16.9	17	16.6	12
<i>InvMetrics All DB US Eq Net Median</i>	-0.1		15.3		33.1		21.6		14.8		15.9		15.7	
<b>Large Cap Equity</b>	<b>-0.4</b>	<b>59</b>	<b>12.4</b>	<b>78</b>	<b>26.9</b>	<b>68</b>	<b>17.8</b>	<b>59</b>	<b>13.2</b>	<b>57</b>	<b>15.5</b>	<b>46</b>	<b>15.8</b>	<b>41</b>
<i>Russell 1000</i>	0.2	41	15.2	50	31.0	41	23.3	35	16.4	35	17.1	32	16.8	29
<i>eV US Large Cap Equity Net Median</i>	-0.1		15.1		29.4		19.8		14.0		15.0		15.1	
<i>Acadian US MGD V</i>	-0.8	79	10.2	91	20.5	90	9.1	96	--	--	--	--	--	--
<i>BlackRock Russell 1000</i>	0.2	47	15.2	48	31.0	29	23.3	21	16.4	18	--	--	--	--
<i>DE Shaw</i>	-1.2	87	9.5	93	28.7	50	19.7	51	13.0	65	15.7	42	16.8	12
<i>PanAgora Defuseq</i>	-0.5	71	10.5	88	21.5	86	9.5	96	--	--	--	--	--	--
<i>Russell 1000</i>	0.2	47	15.2	48	31.0	29	23.3	21	16.4	18	17.1	14	16.8	12
<i>eV US Large Cap Core Equity Net Median</i>	0.1		14.9		28.7		19.8		14.0		15.2		15.3	

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

\*\* Includes Parametric Minneapolis manager funded in August 2013.

1. See Appendix for Benchmark History.

Total Fund  
Performance Summary (Net of Fees)

Period Ending: September 30, 2021

	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	2 Yrs (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>Small Cap Equity</b>	<b>-0.6</b>	<b>30</b>	<b>20.5</b>	<b>34</b>	<b>53.6</b>	<b>38</b>	<b>16.3</b>	<b>80</b>	<b>6.2</b>	<b>92</b>	<b>10.4</b>	<b>80</b>	<b>12.2</b>	<b>86</b>
<i>Russell 2000</i>	-4.4	89	12.4	71	47.7	58	21.8	50	10.5	54	13.4	53	14.6	52
<i>eV US Small Cap Equity Net Median</i>	-1.8		16.8		49.7		21.6		11.0		13.7		14.7	
<b>QMA US Small Cap</b>	<b>-0.6</b>	<b>37</b>	<b>20.5</b>	<b>27</b>	<b>53.6</b>	<b>28</b>	<b>16.3</b>	<b>84</b>	<b>6.2</b>	<b>96</b>	<b>10.4</b>	<b>92</b>	<b>--</b>	<b>--</b>
<i>Russell 2000</i>	-4.4	93	12.4	86	47.7	63	21.8	49	10.5	51	13.4	56	14.6	57
<i>eV US Small Cap Core Equity Net Median</i>	-1.3		17.0		49.4		21.6		10.7		13.8		14.8	
<b>Domestic Equity Overlay</b>	<b>-3.0</b>	<b>--</b>	<b>7.4</b>	<b>--</b>	<b>39.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>International Equity</b>	<b>-2.7</b>	<b>55</b>	<b>7.4</b>	<b>36</b>	<b>24.8</b>	<b>53</b>	<b>15.0</b>	<b>44</b>	<b>9.9</b>	<b>33</b>	<b>9.6</b>	<b>40</b>	<b>8.2</b>	<b>54</b>
<i>Blended International Equity Index<sup>1</sup></i>	-1.7	27	8.9	16	25.4	45	13.5	73	8.6	54	9.4	44	8.1	59
<i>MSCI EAFE Gross</i>	-0.4	10	8.8	17	26.3	36	12.9	81	8.1	71	9.3	45	8.6	39
<i>InvMetrics All DB ex-US Eq Net Median</i>	-2.6		6.4		24.9		14.6		8.8		9.2		8.3	
<b>Baillie Gifford</b>	<b>-4.0</b>	<b>91</b>	<b>2.6</b>	<b>84</b>	<b>20.2</b>	<b>72</b>	<b>24.3</b>	<b>41</b>	<b>15.8</b>	<b>37</b>	<b>13.3</b>	<b>56</b>	<b>--</b>	<b>--</b>
<i>MSCI ACWI ex US</i>	-2.9	79	6.3	60	24.4	46	13.5	96	8.5	95	9.4	98	--	--
<i>MSCI ACWI ex US Growth</i>	-3.6	87	2.9	83	17.3	83	17.6	81	12.3	70	11.6	79	--	--
<i>eV ACWI ex-US Growth Equity Net Median</i>	-0.4		7.9		23.1		22.5		13.9		13.6		11.5	
<b>Mondrian</b>	<b>-3.8</b>	<b>88</b>	<b>6.8</b>	<b>92</b>	<b>27.4</b>	<b>73</b>	<b>8.7</b>	<b>85</b>	<b>5.0</b>	<b>58</b>	<b>6.3</b>	<b>53</b>	<b>6.1</b>	<b>90</b>
<i>MSCI ACWI ex USA Value Gross</i>	-2.1	59	9.7	68	32.2	64	8.9	85	4.4	71	7.1	49	6.1	90
<i>MSCI ACWI ex USA Gross</i>	-2.9	82	6.3	95	24.4	89	13.5	41	8.5	22	9.4	26	8.0	40
<i>eV ACWI ex-US Value Equity Net Median</i>	-2.0		11.0		33.5		11.3		5.4		6.7		7.2	
<b>BlackRock MSCI ACWI EX-US IMI</b>	<b>-2.5</b>	<b>72</b>	<b>6.9</b>	<b>54</b>	<b>25.4</b>	<b>50</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>MSCI ACWI ex USA IMI</i>	-2.6	72	6.8	57	25.2	51	13.8	74	8.3	68	9.1	78	7.7	82
<i>eV ACWI ex-US All Cap Core Eq Net Median</i>	-1.8		7.5		25.3		16.8		10.5		11.0		9.4	
<b>Int'l Equity Currency Overlay</b>	<b>-2.0</b>	<b>--</b>	<b>1.5</b>	<b>--</b>	<b>5.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>International Equity Overlay</b>	<b>-2.0</b>	<b>--</b>	<b>1.5</b>	<b>--</b>	<b>5.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

1. See Appendix for Benchmark History.

Total Fund  
Performance Summary (Net of Fees)

Period Ending: September 30, 2021

	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	2 Yrs (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>Fixed Income</b>	<b>0.2</b>	<b>34</b>	<b>1.4</b>	<b>16</b>	<b>3.9</b>	<b>23</b>	<b>4.8</b>	<b>29</b>	<b>5.6</b>	<b>43</b>	<b>4.7</b>	<b>21</b>	<b>4.8</b>	<b>22</b>
<i>Blended Fixed Income Index<sup>1</sup></i>	0.4	18	0.2	39	2.2	46	4.0	48	6.0	33	3.8	47	3.5	62
<i>InvMetrics All DB Total Fix Inc Net Median</i>	0.1		-0.2		1.9		3.9		5.4		3.7		3.8	
<b>Core Fixed</b>	<b>0.0</b>	<b>--</b>	<b>-0.9</b>	<b>--</b>	<b>0.3</b>	<b>--</b>	<b>3.8</b>	<b>--</b>	<b>5.3</b>	<b>--</b>	<b>3.4</b>	<b>--</b>	<b>3.7</b>	<b>--</b>
<i>Bloomberg US Aggregate TR</i>	0.1	--	-1.6	--	-0.9	--	3.0	--	5.4	--	2.9	--	3.0	--
DoubleLine	-0.4	96	-0.7	86	-0.7	93	--	--	--	--	--	--	--	--
<i>Bloomberg US Aggregate TR</i>	0.1	84	-1.6	98	-0.9	95	3.0	29	5.4	7	2.9	48	3.0	55
<i>eV US Securitized Fixed Inc Net Median</i>	0.2		0.4		1.3		2.2		4.0		2.9		3.5	
FIAM Bond	0.1	15	-0.9	28	0.5	24	4.7	4	6.5	8	3.8	7	3.9	17
NISA Core Bond	0.1	35	-1.5	61	-0.9	69	--	--	--	--	--	--	--	--
<i>Bloomberg US Aggregate TR</i>	0.1	38	-1.6	65	-0.9	70	3.0	80	5.4	76	2.9	78	3.0	82
<i>eV US Core Fixed Inc Net Median</i>	0.0		-1.3		-0.4		3.4		5.6		3.2		3.4	
Western TRU	-0.1	79	-0.5	15	3.5	2	4.3	10	5.1	89	4.2	3	--	--
<i>3-Month Libor Total Return USD</i>	0.0	48	0.1	6	0.2	32	0.6	99	1.3	99	1.4	99	0.9	99
<i>Bloomberg US Aggregate TR</i>	0.1	38	-1.6	65	-0.9	70	3.0	80	5.4	76	2.9	78	3.0	82
<i>eV US Core Fixed Inc Net Median</i>	0.0		-1.3		-0.4		3.4		5.6		3.2		3.4	
Core Fixed Income Overlay	1.8	--	-1.4	--	-2.0	--	--	--	--	--	--	--	--	--
<b>Opportunistic Credit</b>	<b>0.7</b>	<b>--</b>	<b>5.7</b>	<b>--</b>	<b>11.1</b>	<b>--</b>	<b>6.7</b>	<b>--</b>	<b>6.1</b>	<b>--</b>	<b>6.6</b>	<b>--</b>	<b>8.6</b>	<b>--</b>
<i>Bloomberg BA Intermediate HY</i>	0.9	--	3.4	--	8.5	--	6.8	--	7.5	--	6.0	--	5.6	--
AG CSF Annex Dislocation Fund <sup>+</sup>	0.3	--	8.2	--	16.7	--	--	--	--	--	--	--	--	--
Angelo Gordon Opportunistic <sup>+</sup>	2.6	--	12.7	--	26.2	--	5.7	--	7.1	--	12.4	--	--	--
Angelo Gordon Credit Solutions <sup>+</sup>	2.7	1	19.3	1	31.1	1	--	--	--	--	--	--	--	--
<i>Bloomberg BA Intermediate HY</i>	0.9	29	3.4	75	8.5	79	6.8	43	7.5	13	6.0	48	5.6	89
<i>eV US High Yield Fixed Inc Net Median</i>	0.8		4.2		10.4		6.4		6.4		6.0		6.8	

<sup>+</sup> Preliminary return as of 9/30/2021.

1. See Appendix for Benchmark History.

Total Fund  
Performance Summary (Net of Fees)

Period Ending: September 30, 2021

	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	2 Yrs (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
Beach Point Select	1.3	7	11.1	3	20.5	3	12.3	1	9.8	1	9.3	2	--	--
<i>Bloomberg BA Intermediate HY</i>	0.9	29	3.4	75	8.5	79	6.8	43	7.5	13	6.0	48	5.6	89
<i>eV US High Yield Fixed Inc Net Median</i>	0.8		4.2		10.4		6.4		6.4		6.0		6.8	
Brigade Capital	1.7	3	12.5	1	21.9	2	9.8	6	6.4	52	6.8	18	6.7	63
<i>Bloomberg BA Intermediate HY</i>	0.9	29	3.4	75	8.5	79	6.8	43	7.5	13	6.0	48	5.6	89
<i>50% Barclays HY/ 50% Bank Loan</i>	1.0	19	4.6	41	9.9	62	5.9	67	5.5	75	5.6	69	6.2	80
<i>eV US High Yield Fixed Inc Net Median</i>	0.8		4.2		10.4		6.4		6.4		6.0		6.8	
PIMCO Diversified	0.1	96	0.3	99	4.8	97	4.2	93	6.0	67	--	--	--	--
<i>Blended PIMCO Diversified Index<sup>1</sup></i>	0.1	96	0.4	99	5.0	96	4.3	92	6.2	56	4.7	89	5.9	85
<i>Bloomberg BA Intermediate HY</i>	0.9	29	3.4	75	8.5	79	6.8	43	7.5	13	6.0	48	5.6	89
<i>eV US High Yield Fixed Inc Net Median</i>	0.8		4.2		10.4		6.4		6.4		6.0		6.8	
Franklin Templeton	-1.8	89	-3.4	73	-2.7	95	-3.8	99	-2.0	99	0.5	99	2.4	75
<i>Bloomberg Multiverse TR</i>	-0.9	73	-3.8	76	-0.4	83	2.7	76	4.3	74	2.2	84	2.1	79
<i>eV All Global Fixed Inc Net Median</i>	-0.1		-0.5		3.6		4.6		5.5		4.0		3.9	
<b>Private Credit</b>	<b>1.2</b>	<b>--</b>	<b>6.0</b>	<b>--</b>	<b>8.5</b>	<b>--</b>	<b>7.3</b>	<b>--</b>	<b>7.3</b>	<b>--</b>	<b>7.1</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Cliffwater Direct Lending Index*</i>	4.0	--	11.6	--	15.7	--	9.5	--	9.0	--	9.1	--	9.9	--
Blackrock DL Feeder IX-U <sup>+</sup>	3.8	1	7.7	6	8.9	76	--	--	--	--	--	--	--	--
<i>Cliffwater Direct Lending Index</i>	4.0	1	11.6	2	15.7	7	9.5	7	9.0	3	9.1	2	9.9	1
<i>eV US High Yield Fixed Inc Net Median</i>	0.8		4.2		10.4		6.4		6.4		6.0		6.8	
PIMCO Private Income	2.2	1	11.6	2	16.0	6	10.5	3	--	--	--	--	--	--
<i>Bloomberg BA Intermediate HY</i>	0.9	29	3.4	75	8.5	79	6.8	43	7.5	13	6.0	48	5.6	89
<i>Cliffwater Direct Lending Index</i>	4.0	1	11.6	2	15.7	7	9.5	7	9.0	3	9.1	2	9.9	1
<i>eV US High Yield Fixed Inc Net Median</i>	0.8		4.2		10.4		6.4		6.4		6.0		6.8	

\* Preliminary return as of 9/30/2021.

1. See Appendix for Benchmark History.

Total Fund  
Performance Summary (Net of Fees)

Period Ending: September 30, 2021

	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	2 Yrs (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
TCP Direct Lending VIII <sup>+</sup>	0.9	29	4.5	42	7.0	88	6.1	63	6.5	44	6.6	26	--	--
White Oak Yield White <sup>+</sup>	0.0	98	3.2	84	4.8	97	5.3	75	5.6	74	--	--	--	--
Oak YSF V <sup>+</sup>	0.0	98	1.3	99	--	--	--	--	--	--	--	--	--	--
<i>Cliffwater Direct Lending Index</i>	4.0	1	11.6	2	15.7	7	9.5	7	9.0	3	9.1	2	9.9	1
<i>eV US High Yield Fixed Inc Net Median</i>	0.8		4.2		10.4		6.4		6.4		6.0		6.8	
<b>Alternatives</b>	<b>6.9</b>	<b>--</b>	<b>16.1</b>	<b>--</b>	<b>37.7</b>	<b>--</b>	<b>22.1</b>	<b>--</b>	<b>18.4</b>	<b>--</b>	<b>13.9</b>	<b>--</b>	<b>10.2</b>	<b>--</b>
<i>Blended Alternatives Index<sup>1</sup></i>	4.2	--	16.3	--	22.9	--	15.1	--	13.2	--	12.6	--	11.0	--
<b>Private Equity<sup>**</sup></b>	<b>13.4</b>	<b>8</b>	<b>30.1</b>	<b>54</b>	<b>68.4</b>	<b>8</b>	<b>46.1</b>	<b>2</b>	<b>39.4</b>	<b>2</b>	<b>29.4</b>	<b>3</b>	<b>21.0</b>	<b>4</b>
<i>Blended Private Equity Index</i>	8.0	54	33.5	43	47.2	47	27.0	42	21.8	36	19.7	33	19.5	5
<i>InvMetrics All DB Private Eq Net Median</i>	8.7		30.4		45.9		25.3		19.8		16.9		14.1	
<b>Hedge Fund/Absolute Return</b>	<b>0.2</b>	<b>75</b>	<b>2.7</b>	<b>86</b>	<b>5.9</b>	<b>93</b>	<b>-2.8</b>	<b>98</b>	<b>-3.5</b>	<b>96</b>	<b>-2.5</b>	<b>97</b>	<b>1.9</b>	<b>92</b>
<i>Absolute Return Custom Index<sup>1</sup></i>	1.0	44	3.0	85	4.0	95	4.5	87	5.1	64	5.2	61	4.7	68
<i>InvMetrics All DB Hedge Funds Net Median</i>	1.0		8.2		16.9		10.3		6.9		6.2		5.5	
Aberdeen Standard GARS	-2.5	81	-4.2	94	-0.7	92	2.2	80	3.3	70	2.3	77	--	--
Acadian MAAR Fund LLC	1.5	29	2.8	69	--	--	--	--	--	--	--	--	--	--
CFM Systematic Global Macro	1.1	35	13.3	23	--	--	--	--	--	--	--	--	--	--
Graham Quant Macro	-2.8	83	-0.1	83	4.4	83	--	--	--	--	--	--	--	--
PIMCO MAARS Fund LP	4.7	9	5.6	56	6.1	76	--	--	--	--	--	--	--	--
<i>Absolute Return Custom Index</i>	1.0	36	3.0	68	4.0	83	4.5	69	5.1	55	5.2	55	4.7	61
<i>eV Alt All Multi-Strategy Median</i>	0.1		6.4		14.4		7.9		5.8		5.7		6.3	

<sup>+</sup> Preliminary return as of 9/30/2021.

<sup>\*\*</sup> Returns are one-quarter lag.

<sup>\*\*</sup> Excludes EnCap Energy Capital Fund and Sheridan Production Partners.

1. See Appendix for Benchmark History.



Total Fund  
Performance Summary (Net of Fees)

Period Ending: September 30, 2021

	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	2 Yrs (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>Inflation Hedge</b>	<b>4.9</b>	<b>--</b>	<b>14.7</b>	<b>--</b>	<b>19.8</b>	<b>--</b>	<b>4.7</b>	<b>--</b>	<b>3.7</b>	<b>--</b>	<b>4.6</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Blended Inflation Hedge Index<sup>1</sup></i>	4.8	--	16.9	--	21.5	--	8.6	--	7.1	--	6.7	--	--	--
<b>Real Estate</b>	<b>5.6</b>	<b>20</b>	<b>11.4</b>	<b>37</b>	<b>13.3</b>	<b>24</b>	<b>6.8</b>	<b>42</b>	<b>6.7</b>	<b>35</b>	<b>7.4</b>	<b>22</b>	<b>9.5</b>	<b>13</b>
<i>NCREIF ODCE</i>	6.6	7	13.1	21	14.6	21	7.8	16	7.1	25	7.5	16	9.9	10
<i>InvMetrics All DB Real Estate Pub Net Median</i>	4.4	--	10.9	--	12.3	--	6.5	--	6.3	--	6.5	--	8.8	--
Harrison Street Core Property	2.8	--	7.1	--	8.5	--	--	--	--	--	--	--	--	--
Invesco	7.5	--	14.2	--	16.0	--	7.1	--	6.7	--	7.4	--	9.5	--
<i>NCREIF ODCE</i>	6.6	--	13.1	--	14.6	--	7.8	--	7.1	--	7.5	--	9.9	--
Invesco US Val IV	2.0	--	6.4	--	12.3	--	6.1	--	8.8	--	9.3	--	--	--
Invesco US Val V	9.1	--	25.0	--	31.7	--	15.2	--	--	--	--	--	--	--
<i>NCREIF ODCE</i>	6.6	--	13.1	--	14.6	--	7.8	--	7.1	--	7.5	--	9.9	--
<i>NCREIF ODCE + 2%</i>	7.1	--	14.8	--	16.9	--	9.9	--	9.2	--	9.6	--	12.1	--
PGIM RE US Debt Fund	1.4	--	4.2	--	5.5	--	5.1	--	5.5	--	--	--	--	--
Stockbridge Value IV	1.7	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>NCREIF ODCE</i>	6.6	--	13.1	--	14.6	--	7.8	--	7.1	--	7.5	--	9.9	--
<b>Private Real Asset<sup>**</sup></b>	<b>10.9</b>	<b>--</b>	<b>31.6</b>	<b>--</b>	<b>33.2</b>	<b>--</b>	<b>14.5</b>	<b>--</b>	<b>6.7</b>	<b>--</b>	<b>3.4</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Blended Private Real Asset Index<sup>1</sup></i>	3.3	--	27.4	--	30.3	--	5.9	--	6.6	--	6.0	--	--	--
<i>Blended Secondary CA Private RA Index<sup>1</sup></i>	6.5	--	18.3	--	21.4	--	4.2	--	3.4	--	6.8	--	--	--
<b>Public Real Assets</b>	<b>2.1</b>	<b>--</b>	<b>13.8</b>	<b>--</b>	<b>26.9</b>	<b>--</b>	<b>0.8</b>	<b>--</b>	<b>-0.3</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Blended Public Real Asset Index<sup>1</sup></i>	2.1	--	13.8	--	27.0	--	7.2	--	4.5	--	5.6	--	--	--
SSgA Custom Real Asset	2.1	--	13.8	--	26.9	--	7.1	--	4.5	--	--	--	--	--
<i>SSgA Custom Real Asset Index<sup>1</sup></i>	2.1	--	13.8	--	27.0	--	7.2	--	4.5	--	5.6	--	--	--

\*\* Returns are one-quarter lag.

1. See Appendix for Benchmark History.

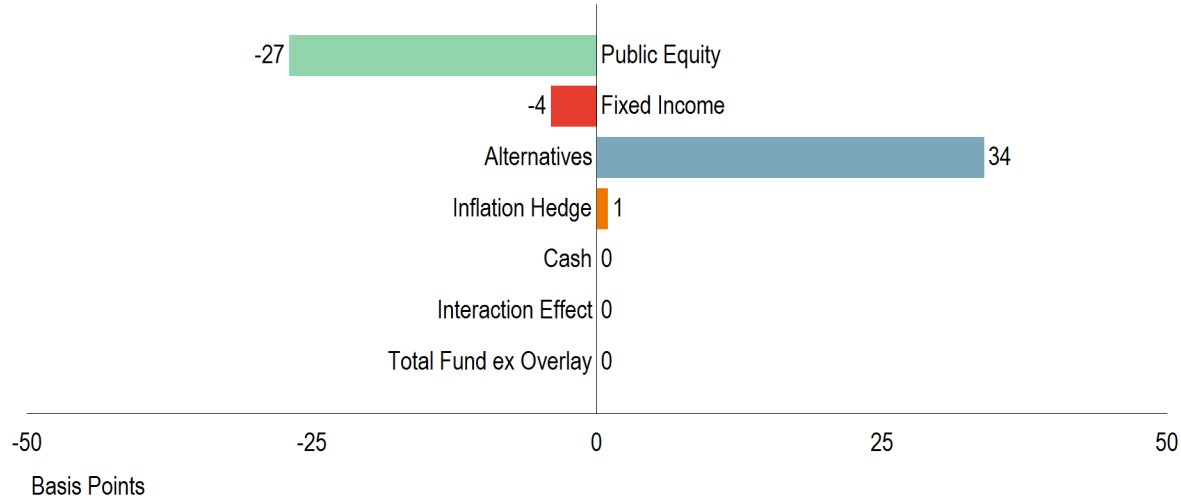
Total Fund  
Performance Summary (Net of Fees)

Period Ending: September 30, 2021

	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	2 Yrs (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
Cash	0.1	--	0.3	--	0.4	--	0.6	--	0.9	--	0.9	--	0.8	--
91 Day T-Bills	0.0	--	0.0	--	0.0	--	0.4	--	1.0	--	1.1	--	0.6	--
General Account	0.1	--	0.3	--	0.4	--	1.0	--	2.3	--	2.3	--	1.5	--
Treasury & LAIF	0.2	--	0.8	--	1.3	--	1.5	--	2.0	--	2.2	--	1.5	--
91 Day T-Bills	0.0	--	0.0	--	0.0	--	0.4	--	1.0	--	1.1	--	0.6	--
Currency Hedge Cash Overlay	-0.1	--	-0.2	--	-0.3	--	--	--	--	--	--	--	--	--

Total Fund ex Overlay  
Performance Attribution

Period Ending: September 30, 2021

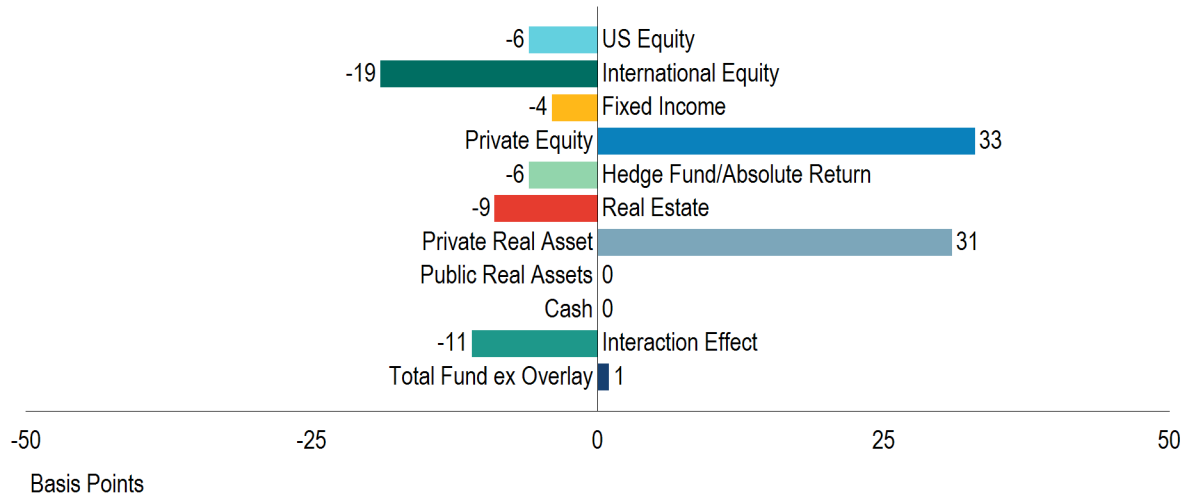


	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction*	Total Effects
Public Equity	-1.47%	-0.83%	-0.64%	-0.27%	-0.02%	0.00%	-0.29%
Fixed Income	0.22%	0.35%	-0.14%	-0.04%	0.02%	0.00%	-0.02%
Alternatives	6.85%	4.22%	2.63%	0.34%	0.02%	0.01%	0.37%
Inflation Hedge	4.87%	4.81%	0.06%	0.01%	-0.05%	0.00%	-0.04%
Cash	0.08%	0.01%	0.06%	0.00%	-0.02%	0.00%	-0.02%
<b>Total</b>	<b>1.15%</b>	<b>1.14%</b>	<b>0.00%</b>	<b>0.04%</b>	<b>-0.04%</b>	<b>0.00%</b>	<b>0.00%</b>

Attribution does not include the impact of the Parametric Minneapolis strategy.  
\* Interaction Effects include Residual Effects.

Total Fund ex Overlay  
Performance Attribution

Period Ending: September 30, 2021

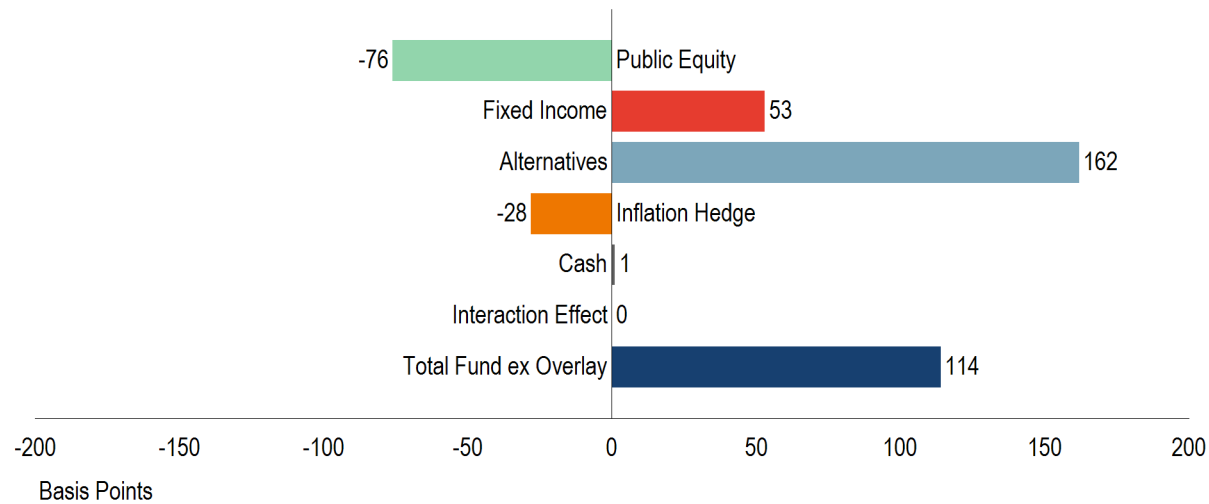


	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction * Effects	Total Effects
US Equity	-0.38%	-0.10%	-0.28%	-0.06%	0.00%	0.00%	-0.06%
International Equity	-2.69%	-1.70%	-0.99%	-0.19%	-0.02%	-0.01%	-0.22%
Fixed Income	0.22%	0.35%	-0.14%	-0.04%	0.02%	0.00%	-0.02%
Private Equity	13.44%	7.99%	5.44%	0.33%	0.06%	0.03%	0.42%
Hedge Fund/Absolute Return	0.21%	1.03%	-0.82%	-0.06%	0.00%	0.00%	-0.05%
Real Estate	5.64%	6.59%	-0.95%	-0.09%	-0.10%	0.02%	-0.17%
Private Real Asset	10.95%	3.26%	7.69%	0.31%	-0.05%	-0.16%	0.10%
Public Real Assets	2.12%	2.11%	0.01%	0.00%	0.02%	0.00%	0.02%
Cash	0.08%	0.01%	0.06%	0.00%	-0.02%	0.00%	-0.02%
<b>Total</b>	<b>1.15%</b>	<b>1.14%</b>	<b>0.01%</b>	<b>0.20%</b>	<b>-0.08%</b>	<b>-0.11%</b>	<b>0.01%</b>

Attribution does not include the impact of the Parametric Minneapolis strategy.  
\* Interaction Effects include Residual Effects.

Total Fund ex Overlay  
Performance Attribution (1 Year)

Period Ending: September 30, 2021

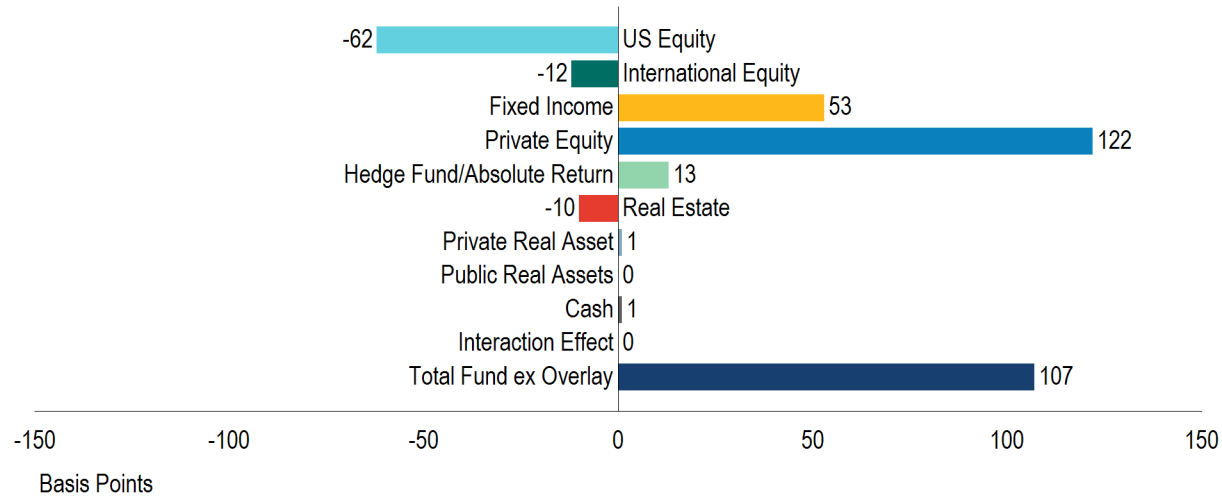


	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction*	Total Effects
Public Equity	26.90%	28.86%	-1.96%	-0.76%	0.00%	0.00%	-0.76%
Fixed Income	3.87%	2.20%	1.66%	0.53%	0.00%	0.00%	0.53%
Alternatives	37.73%	22.85%	14.88%	1.62%	0.00%	0.00%	1.62%
Inflation Hedge	19.76%	21.48%	-1.72%	-0.28%	0.00%	0.00%	-0.28%
Cash	0.40%	0.04%	0.35%	0.01%	0.00%	0.00%	0.01%
<b>Total</b>	<b>19.16%</b>	<b>18.03%</b>	<b>1.14%</b>	<b>1.14%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>1.14%</b>

Attribution does not include the impact of the Parametric Minneapolis strategy.  
\* Interaction Effects include Residual Effects.

Total Fund ex Overlay  
Performance Attribution (1 Year)

Period Ending: September 30, 2021



	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction *	Total Effects
US Equity	28.80%	31.87%	-3.08%	-0.62%	0.00%	0.00%	-0.62%
International Equity	24.76%	25.35%	-0.59%	-0.12%	0.00%	0.00%	-0.12%
Fixed Income	3.87%	2.20%	1.66%	0.53%	0.00%	0.00%	0.53%
Private Equity	68.42%	47.16%	21.26%	1.22%	0.00%	0.00%	1.22%
Hedge Fund/Absolute Return	5.92%	4.05%	1.88%	0.13%	0.00%	0.00%	0.13%
Real Estate	13.35%	14.59%	-1.24%	-0.10%	0.00%	0.00%	-0.10%
Private Real Asset	33.21%	30.33%	2.88%	0.01%	0.00%	0.00%	0.01%
Public Real Assets	26.93%	26.98%	-0.05%	0.00%	0.00%	0.00%	0.00%
Cash	0.40%	0.04%	0.35%	0.01%	0.00%	0.00%	0.01%
<b>Total</b>	<b>19.21%</b>	<b>18.14%</b>	<b>1.07%</b>	<b>1.07%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>1.07%</b>

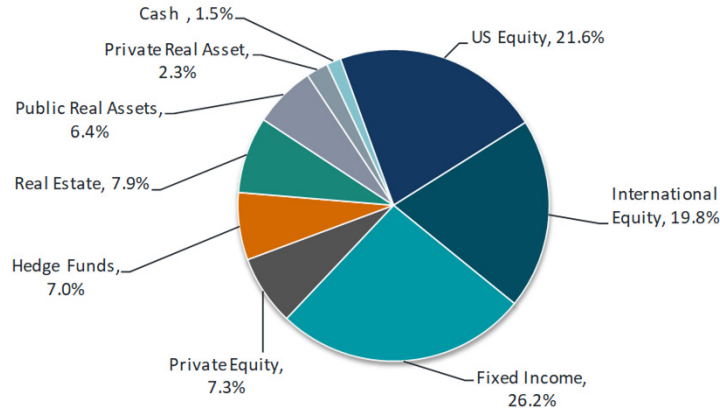
Attribution does not include the impact of the Parametric Minneapolis strategy.  
\* Interaction Effects include Residual Effects.

# Total Fund

## Asset Allocation Analysis

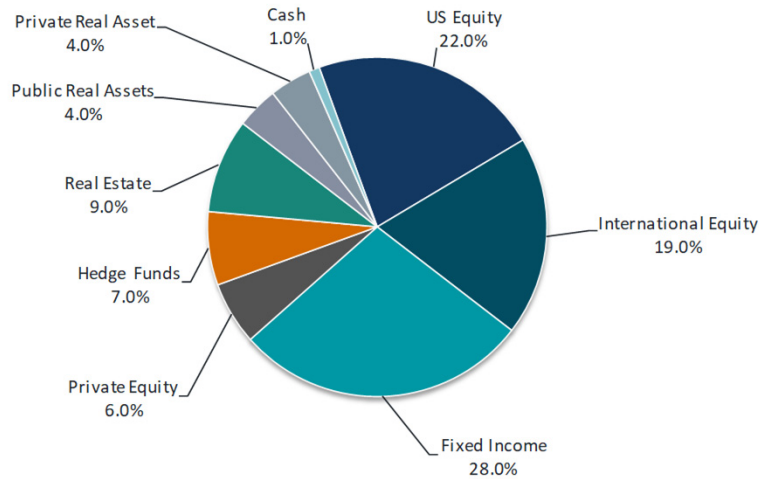
Period Ending: September 30, 2021

**Current w/ Overlay**



ASSET ALLOCATION	MARKET VALUE W/ OVERLAY	W/ OVERLAY	W/O OVERLAY
US Equity	1,307,944,422	21.6%	21.4%
International Equity	1,194,565,796	19.8%	18.3%
Fixed Income	1,583,549,508	26.2%	26.1%
Private Equity	439,621,262	7.3%	7.3%
Hedge Funds	422,321,291	7.0%	7.0%
Real Estate	479,404,680	7.9%	7.9%
Public Real Assets	388,823,221	6.4%	6.4%
Private Real Asset	137,148,122	2.3%	2.3%
Cash	89,991,351	1.5%	3.3%
<b>TOTAL</b>	<b>6,043,369,653</b>	<b>100.0%</b>	<b>100.0%</b>

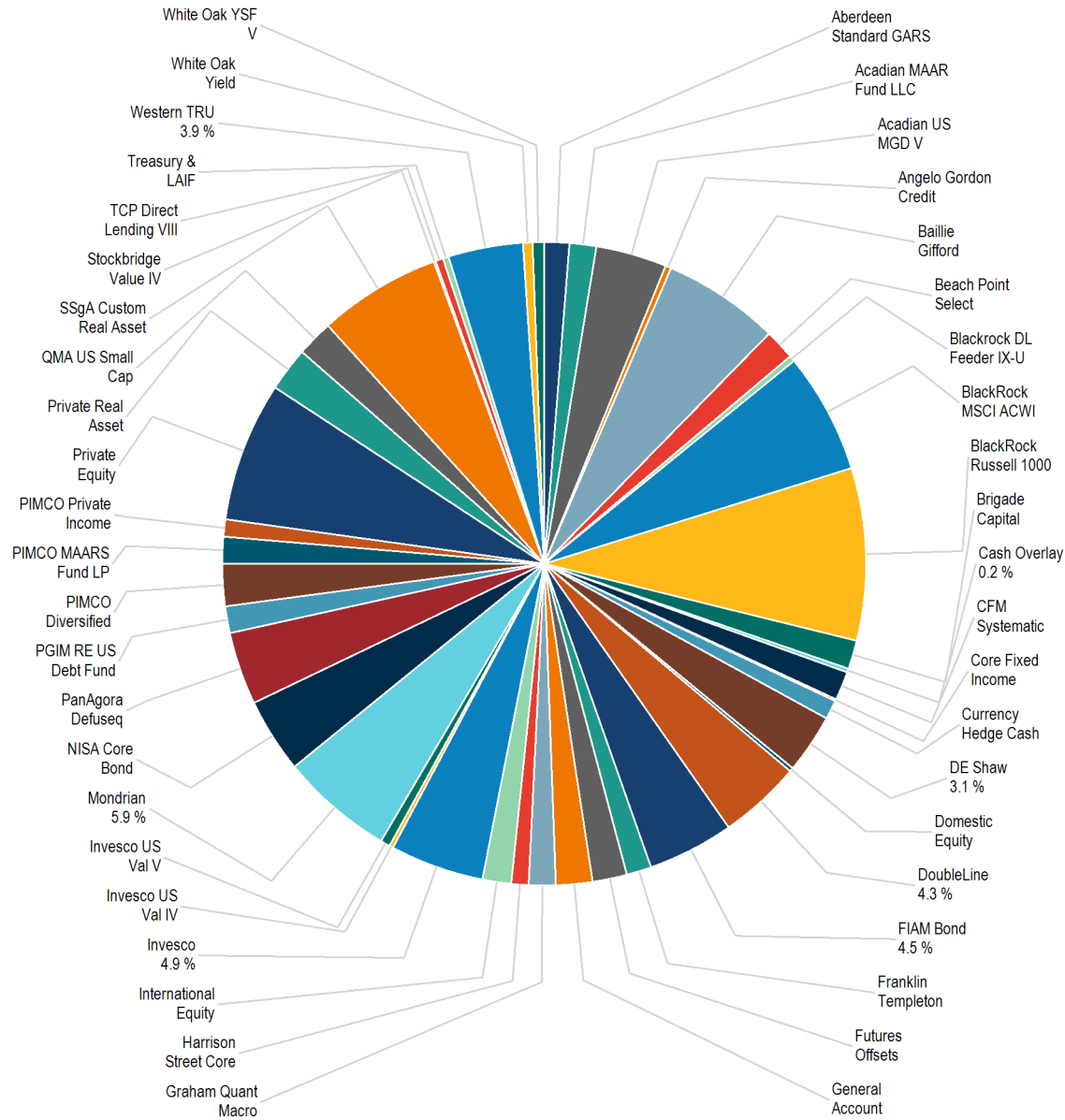
**Target**



ASSET ALLOCATION	W/ OVERLAY	TARGET	DIFF
US Equity	21.6%	22.0%	-0.4%
International Equity	19.8%	19.0%	0.8%
Fixed Income	26.2%	28.0%	-1.8%
Private Equity	7.3%	6.0%	1.3%
Hedge Funds	7.0%	7.0%	0.0%
Real Estate	7.9%	9.0%	-1.1%
Public Real Assets	6.4%	4.0%	2.4%
Private Real Asset	2.3%	4.0%	-1.7%
Cash	1.5%	1.0%	0.5%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

# Total Fund Manager Allocation Analysis

Period Ending: September 30, 2021



	Actual	Actual
Aberdeen Standard GARS	\$77,943,650	1%
Acadian MAAR Fund LLC	\$83,115,952	1%
Acadian US MGD V	\$222,130,848	4%
AG CSF Annex Dislocation Fund	\$2,404,306	0%
Angelo Gordon Credit Solutions	\$15,240,040	0%
Angelo Gordon Opportunistic	\$1,657,000	0%
Baillie Gifford	\$368,901,349	6%
Beach Point Select	\$93,847,605	2%
Blackrock DL Feeder IX-U	\$15,950,304	0%
BlackRock MSCI ACWI EX-US IMI	\$382,203,521	6%
BlackRock Russell 1000	\$541,830,510	9%
Brigade Capital	\$88,771,562	1%
Cash Overlay	\$11,141,479	0%
CFM Systematic Global Macro	\$89,245,503	1%
Core Fixed Income Overlay	\$7,758,281	0%
Currency Hedge Cash Overlay	\$59,158,289	1%
DE Shaw	\$186,490,597	3%
Domestic Equity Overlay	\$12,075,240	0%
DoubleLine	\$260,078,799	4%
FIAM Bond	\$269,558,041	4%
Franklin Templeton	\$76,297,758	1%
Futures Offsets (SMCE02001)	-\$109,299,421	-2%
General Account	\$112,475,236	2%
Graham Quant Macro	\$87,508,992	1%
Harrison Street Core Property	\$54,835,229	1%
International Equity Overlay	\$89,465,900	1%
Invesco	\$293,416,720	5%
Invesco US Val IV	\$9,144,249	0%
Invesco US Val V	\$27,611,121	0%
Mondrian	\$353,995,026	6%
NISA Core Bond	\$237,874,191	4%
PanAgora Defuseq	\$231,267,609	4%
PGIM RE US Debt Fund	\$85,737,151	1%
PIMCO Diversified	\$134,741,727	2%
PIMCO MAARS Fund LP	\$84,507,195	1%
PIMCO Private Income	\$55,418,092	1%
Private Equity	\$439,621,262	7%
Private Real Asset	\$137,148,122	2%
QMA US Small Cap	\$114,149,617	2%
SSgA Custom Real Asset	\$388,823,221	6%
Stockbridge Value IV	\$8,660,210	0%
TCP Direct Lending VIII	\$23,112,114	0%
Transition Account	\$249	0%
Treasury & LAIF	\$16,515,519	0%
Western TRU	\$234,803,330	4%
White Oak Yield	\$32,343,623	1%
White Oak YSF V	\$33,692,734	1%
<b>Total</b>	<b>\$6,043,369,653</b>	<b>100%</b>



**Statistics Summary**

**3 Years**

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank	Information Ratio	Information Ratio Rank	Tracking Error	Tracking Error Rank
Total Fund	9.1%	80	9.5%	26	0.8	44	-0.3	73	2.3%	60
Policy Index	9.8%	58	9.3%	23	0.9	35	--	--	0.0%	1
InvMetrics Public DB > \$1B Net Median	10.1%	--	10.8%	--	0.8	--	0.0	--	1.8%	--

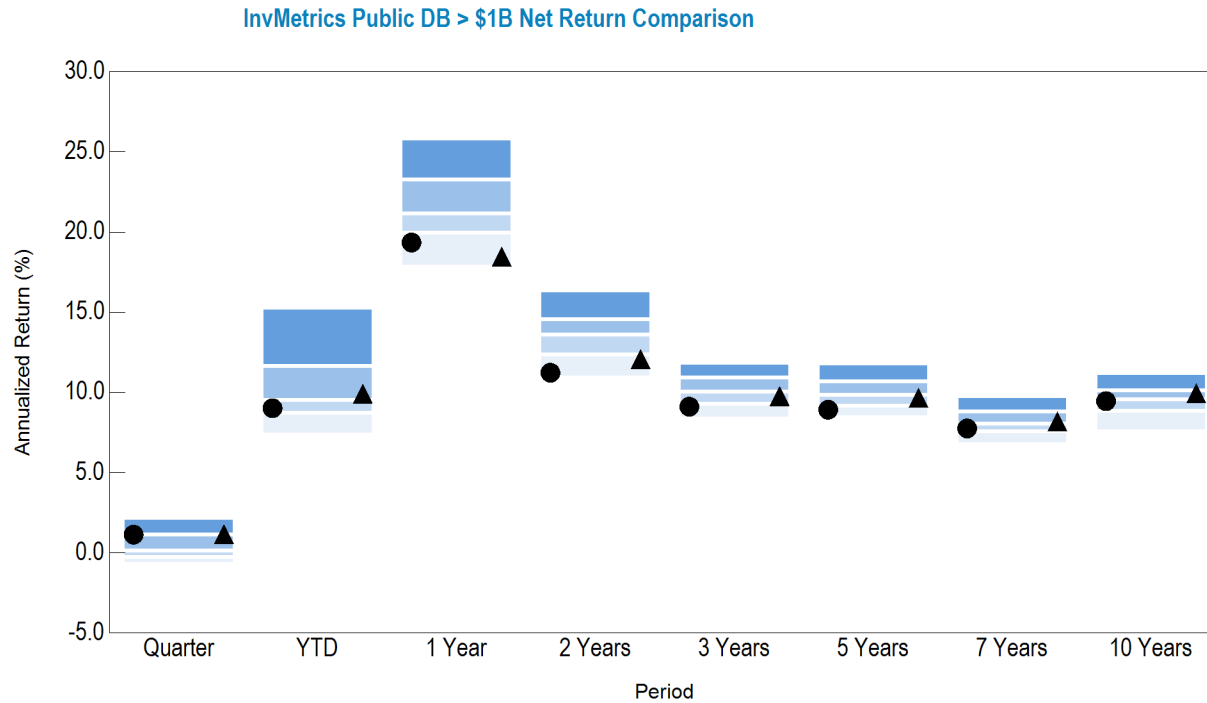
**Statistics Summary**

**5 Years**

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank	Information Ratio	Information Ratio Rank	Tracking Error	Tracking Error Rank
Total Fund	8.9%	86	7.7%	25	1.0	44	-0.4	80	1.9%	60
Policy Index	9.7%	59	7.6%	23	1.1	35	--	--	0.0%	1
InvMetrics Public DB > \$1B Net Median	9.9%	--	8.8%	--	1.0	--	0.0	--	1.6%	--

Total Fund  
Peer Universe Comparison

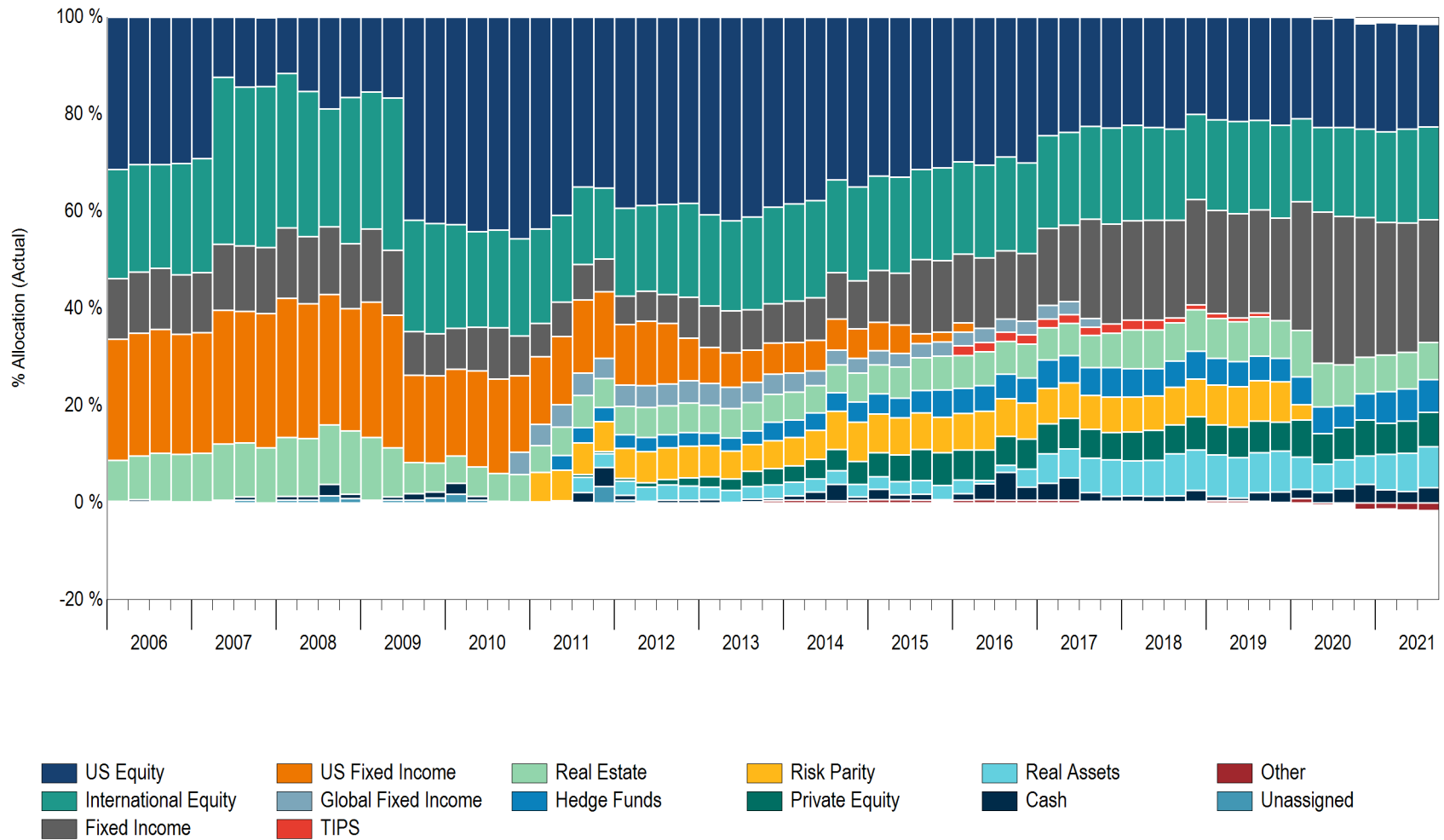
Period Ending: September 30, 2021



	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
<b>Return (Rank)</b>								
5th Percentile	2.2	15.3	25.8	16.3	11.8	11.8	9.8	11.2
25th Percentile	1.1	11.7	23.3	14.6	10.9	10.7	8.8	10.2
Median	0.2	9.6	21.2	13.6	10.1	9.9	8.1	9.6
75th Percentile	-0.3	8.7	20.0	12.4	9.3	9.2	7.6	8.9
95th Percentile	-0.7	7.4	17.8	11.0	8.4	8.4	6.8	7.6
# of Portfolios	80	80	80	80	80	80	78	73
● Total Fund	1.1 (27)	9.0 (67)	19.3 (81)	11.2 (92)	9.1 (80)	8.9 (86)	7.7 (71)	9.4 (55)
▲ Policy Index	1.1 (25)	9.9 (45)	18.5 (94)	12.1 (85)	9.8 (58)	9.7 (59)	8.2 (49)	9.9 (35)

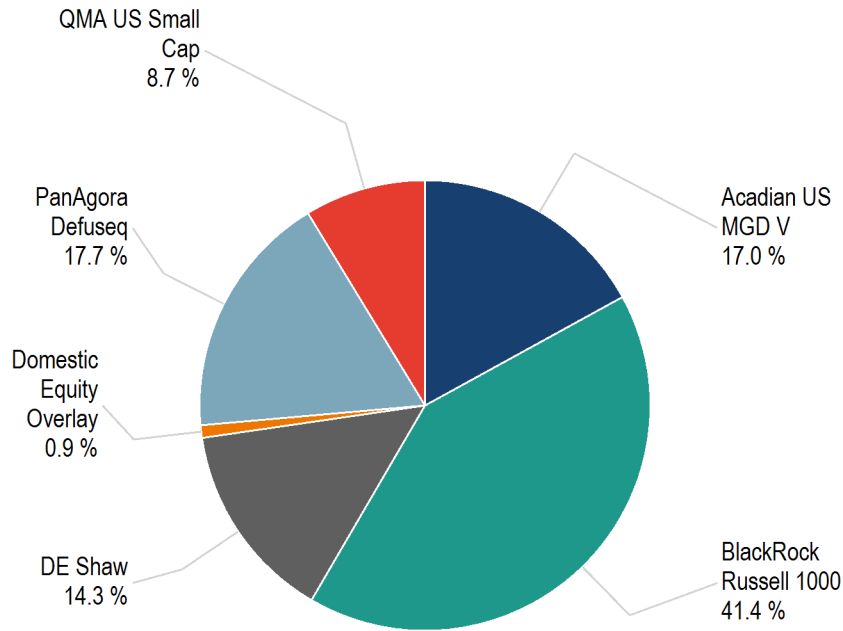
Total Fund  
Asset Allocation History

Period Ending: September 30, 2021



US Equity  
 Manager Allocation Analysis

Period Ending: September 30, 2021



	Actual \$	Actual %	Manager Contribution to Excess Return %
Acadian US MGD V	\$222,130,848	17.0%	-0.2%
BlackRock Russell 1000	\$541,830,510	41.4%	0.0%
DE Shaw	\$186,490,597	14.3%	-0.2%
PanAgora Defuseq	\$231,267,609	17.7%	-0.1%
QMA US Small Cap	\$114,149,617	8.7%	0.3%
Domestic Equity Overlay	\$12,075,240	0.9%	0.0%
Actual vs. Policy Weight Difference			-0.1%
<b>Total</b>	<b>\$1,307,944,422</b>	<b>100.0%</b>	<b>-0.3%</b>

**Statistics Summary**

**3 Years**

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
US Equity	12.4%	19.1%	0.6	-2.1	1.7%
Blended US Equity Index	16.0%	19.7%	0.8	--	0.0%
Russell 3000	16.0%	19.7%	0.8	--	0.0%

Statistics Summary

3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Large Cap Equity	13.2%	18.4%	0.7	-1.7	1.9%
Russell 1000	16.4%	19.4%	0.8	--	0.0%
BlackRock Russell 1000	16.4%	19.4%	0.8	0.8	0.0%
Russell 1000	16.4%	19.4%	0.8	--	0.0%
DE Shaw	13.0%	19.7%	0.6	-1.2	2.8%
Russell 1000	16.4%	19.4%	0.8	--	0.0%
Small Cap Equity	6.2%	27.0%	0.2	-0.8	5.4%
Russell 2000	10.5%	25.7%	0.4	--	0.0%
QMA US Small Cap	6.2%	27.0%	0.2	-0.8	5.4%
Russell 2000	10.5%	25.7%	0.4	--	0.0%

**Statistics Summary**

**5 Years**

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
US Equity	14.6%	15.3%	0.9	-1.5	1.5%
Blended US Equity Index	16.9%	15.8%	1.0	--	0.0%
Russell 3000	16.9%	15.8%	1.0	--	0.0%

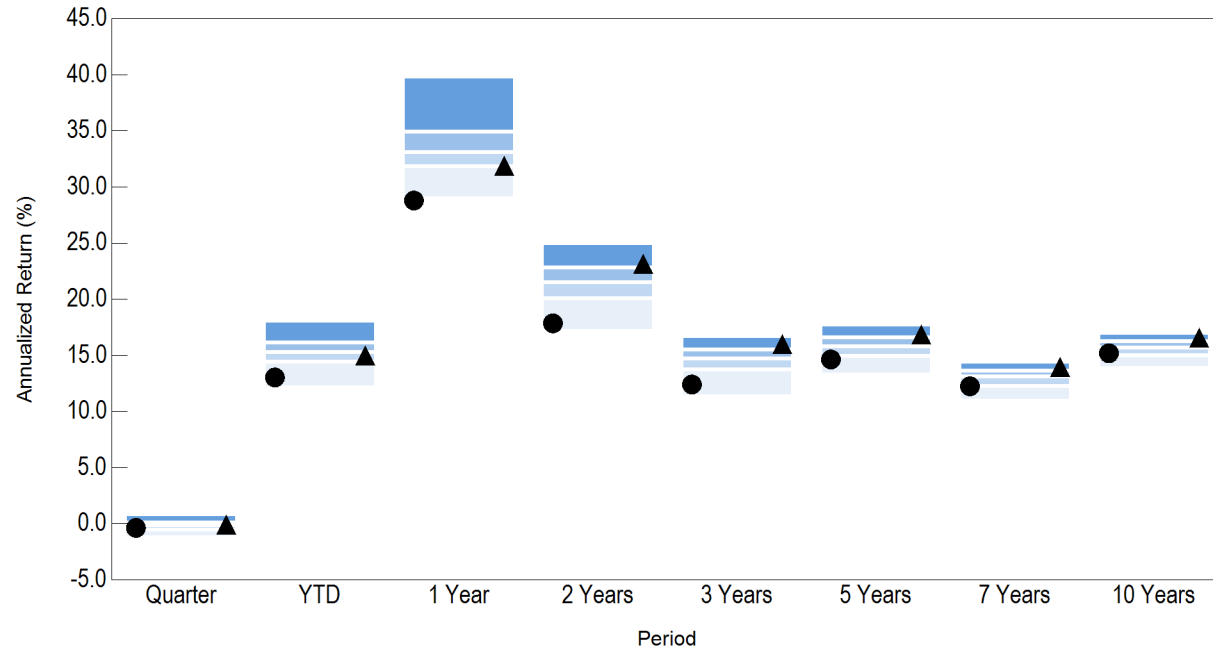
**Statistics Summary**

**5 Years**

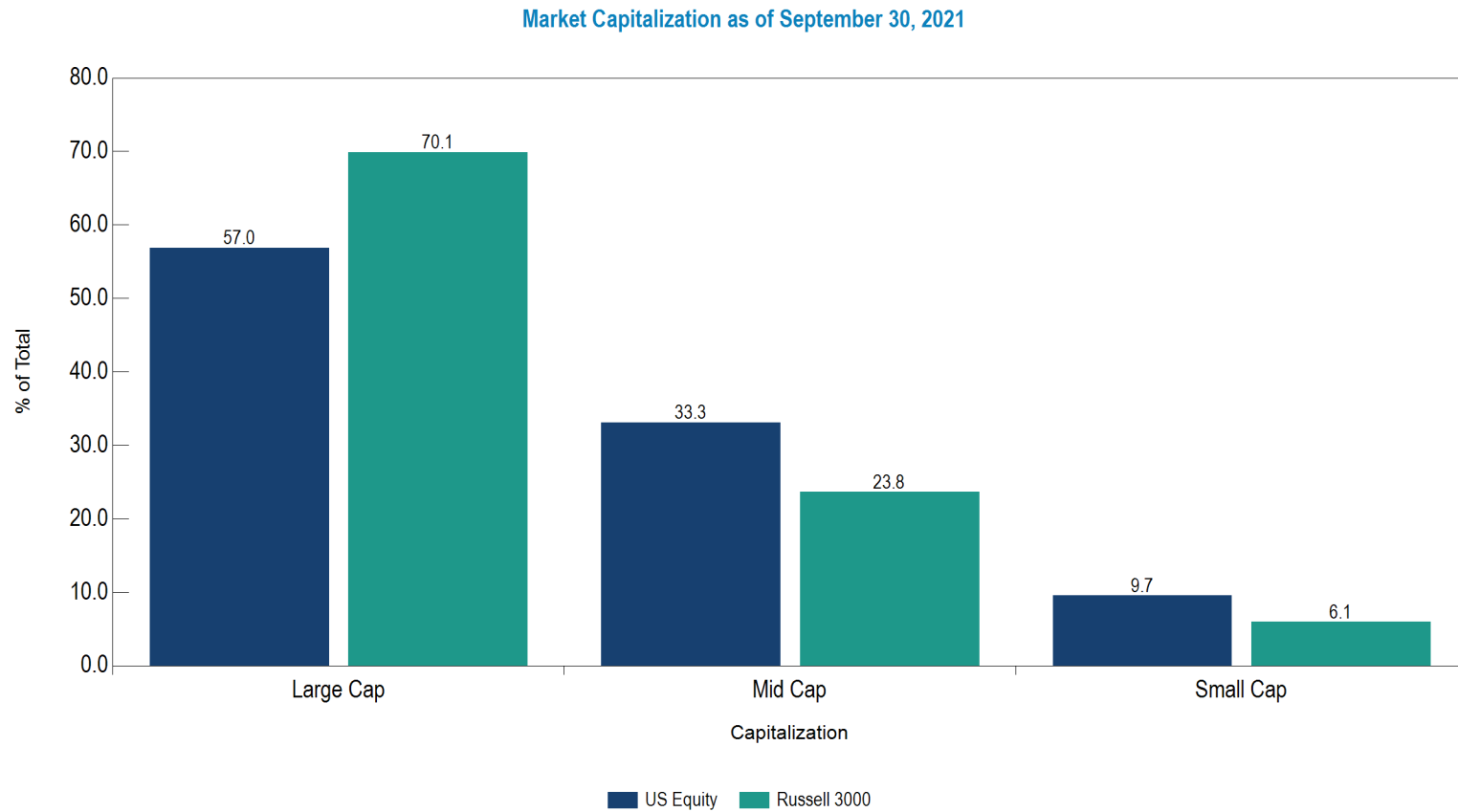
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Large Cap Equity	15.5%	14.9%	1.0	-0.9	1.7%
Russell 1000	17.1%	15.6%	1.0	--	0.0%
DE Shaw	15.7%	15.8%	0.9	-0.6	2.6%
Russell 1000	17.1%	15.6%	1.0	--	0.0%
Small Cap Equity	10.4%	22.1%	0.4	-0.7	4.4%
Russell 2000	13.4%	21.1%	0.6	--	0.0%
QMA US Small Cap	10.4%	22.1%	0.4	-0.7	4.4%
Russell 2000	13.4%	21.1%	0.6	--	0.0%



InvMetrics All DB US Eq Net Return Comparison



	Return (Rank)							
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	0.8	18.1	39.8	25.0	16.7	17.7	14.4	17.0
25th Percentile	0.1	16.2	35.0	22.9	15.6	16.6	13.7	16.3
Median	-0.1	15.3	33.1	21.6	14.8	15.9	13.1	15.7
75th Percentile	-0.5	14.4	31.9	20.1	13.8	15.0	12.3	15.0
95th Percentile	-1.2	12.2	29.1	17.2	11.4	13.3	11.0	13.9
# of Portfolios	498	497	494	494	489	466	448	364
● US Equity	-0.4 (69)	13.0 (91)	28.8 (96)	17.9 (93)	12.4 (90)	14.6 (83)	12.2 (77)	15.2 (70)
▲ Blended US Equity Index	-0.1 (47)	15.0 (62)	31.9 (75)	23.1 (20)	16.0 (14)	16.9 (17)	14.0 (14)	16.6 (13)



See appendix for the market capitalization breakpoints.

Characteristics

	Portfolio	Russell 3000
Number of Holdings	3,020	3,049
Weighted Avg. Market Cap. (\$B)	353.6	466.6
Median Market Cap. (\$B)	4.6	2.6
Price To Earnings	21.4	24.0
Price To Book	4.0	4.3
Price To Sales	2.6	3.2
Return on Equity (%)	22.2	20.9
Yield (%)	1.5	1.3

Top Holdings

MICROSOFT CORP	4.1%
APPLE INC	3.6%
AMAZON.COM INC	2.0%
ALPHABET INC	2.0%
META PLATFORMS INC	1.3%
TESLA INC	1.0%
ALPHABET INC	1.0%
BERKSHIRE HATHAWAY INC	0.9%
VERIZON COMMUNICATIONS INC	0.9%
JOHNSON & JOHNSON	0.7%

Best Performers

	Return %
STATE AUTO FINANCIAL CORP (STFC)	198.2%
FULCRUM THERAPEUTICS INC (FULC)	169.2%
IVERIC BIO INC (ISEE)	157.4%
UPSTART HOLDINGS INC (UPST)	153.4%
KADMON HOLDINGS INC (KDMN)	125.1%
RAMACO RESOURCES INC (METC)	125.0%
SANDRIDGE ENERGY INC (SD)	107.2%
GREENSKY INC (GSKY)	101.4%
DYNAVAX TECHNOLOGIES CORP (DVAX)	95.0%
GRID DYNAMICS HOLDINGS INC (GDYN)	94.4%

Worst Performers

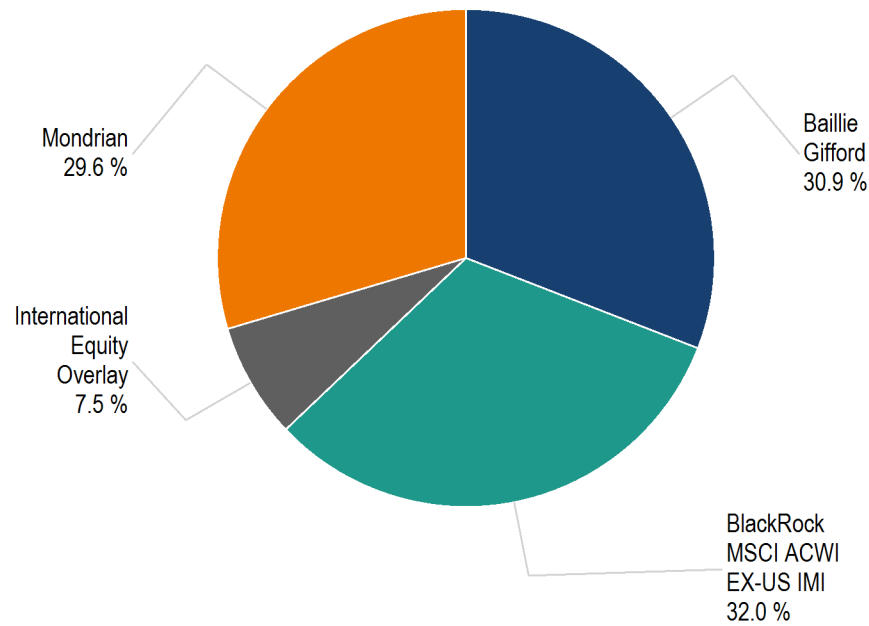
	Return %
GTT COMMUNICATIONS INC (GTTNQ)	-91.8%
SESEN BIO INC (SESN)	-82.8%
ARDELYX INC (ARDX)	-82.6%
INTRUSION INC (INTZ)	-73.7%
SERES THERAPEUTICS INC (MCRB)	-70.8%
ONTRAK INC (OTRK)	-69.1%
INNOVAGE HOLDING CORP. COM UDS0.00	-69.0%
ASHFORD HOSPITALITY TRUST INC (AHT)	-67.7%
HUMANIGEN INC (HGEN)	-65.9%
WASHINGTON PRIME GROUP INC (WPGGQ)	-62.8%

US Equity Performance Attribution vs. Russell 3000

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.1%	0.1%	0.0%	0.0%	0.3%	-2.0%	3.0%	2.5%			
Materials	-0.1%	0.0%	-0.1%	0.0%	-5.2%	-4.6%	4.6%	2.5%			
Industrials	0.1%	0.1%	0.0%	0.0%	-3.7%	-4.3%	9.3%	9.5%			
Consumer Discretionary	0.0%	0.0%	0.0%	0.0%	-0.9%	-0.9%	11.5%	12.1%			
Consumer Staples	-0.1%	0.0%	0.0%	0.0%	-1.4%	-0.8%	8.8%	5.3%			
Health Care	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	15.1%	13.6%			
Financials	-0.1%	0.0%	-0.1%	0.0%	2.4%	2.8%	8.7%	11.7%			
Information Technology	-0.2%	-0.1%	-0.1%	0.0%	0.5%	0.9%	21.3%	26.7%			
Communication Services	0.0%	0.0%	0.0%	0.0%	0.0%	-0.3%	10.3%	10.2%			
Utilities	0.0%	0.0%	0.0%	0.0%	0.8%	1.0%	3.8%	2.4%			
Real Estate	0.0%	0.0%	0.0%	0.0%	0.1%	0.7%	3.1%	3.4%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	0.2%	0.0%			
Unclassified	0.0%	0.0%	0.0%	0.0%	0.1%	-0.1%	0.1%	0.0%			
<b>Portfolio</b>	<b>-0.4%</b>	<b>=</b>	<b>-0.1%</b>	<b>+</b>	<b>-0.2%</b>	<b>+</b>	<b>0.0%</b>	<b>-0.5%</b>	<b>-0.1%</b>	<b>100.0%</b>	<b>100.0%</b>

U.S. Effective Style Map





	Actual \$	Actual %	Manager Contribution to Excess Return %
Baillie Gifford	\$368,901,349	30.9%	-0.4%
Mondrian	\$353,995,026	29.6%	-0.5%
BlackRock MSCI ACWI EX-US IMI	\$382,203,521	32.0%	0.0%
International Equity Overlay	\$89,465,900	7.5%	0.0%
Actual vs. Policy Weight Difference			-0.1%
<b>Total</b>	<b>\$1,194,565,796</b>	<b>100.0%</b>	<b>-1.0%</b>

**Statistics Summary**

**3 Years**

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
International Equity	9.9%	16.7%	0.5	0.8	1.6%
Blended International Equity Index	8.6%	16.8%	0.5	--	0.0%
Baillie Gifford	15.8%	18.8%	0.8	1.2	6.2%
MSCI ACWI ex US	8.5%	17.7%	0.4	--	0.0%
Mondrian	5.0%	19.0%	0.2	0.2	2.7%
MSCI ACWI ex USA Value Gross	4.4%	20.0%	0.2	--	0.0%

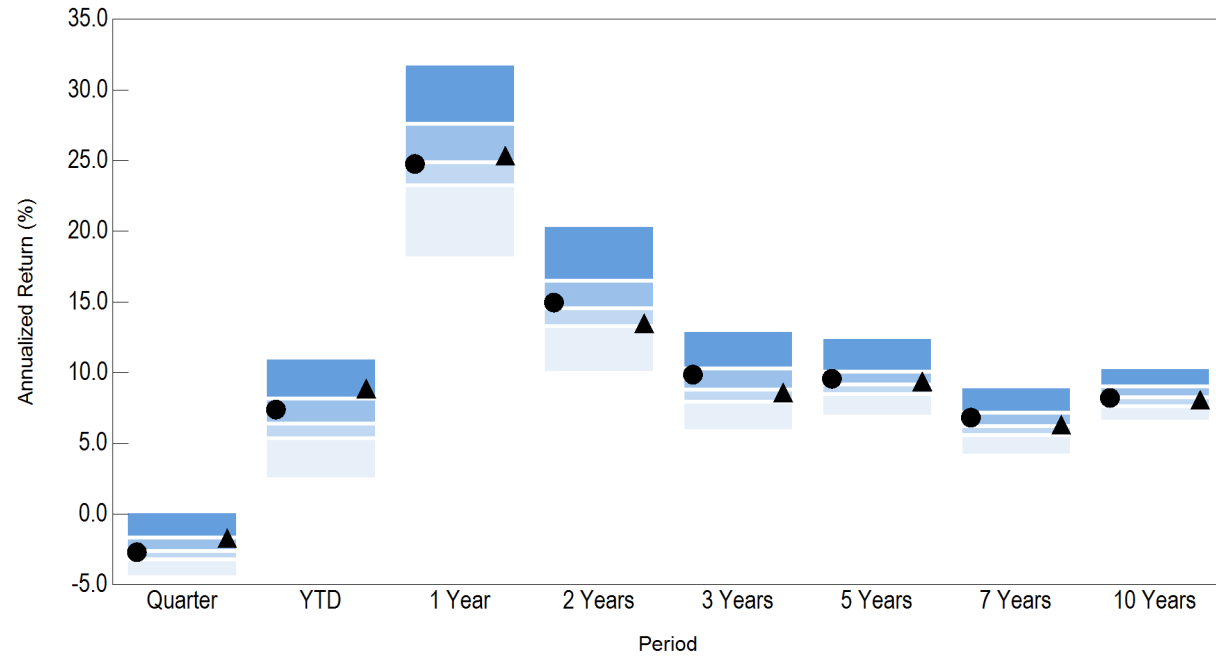
Statistics Summary

5 Years

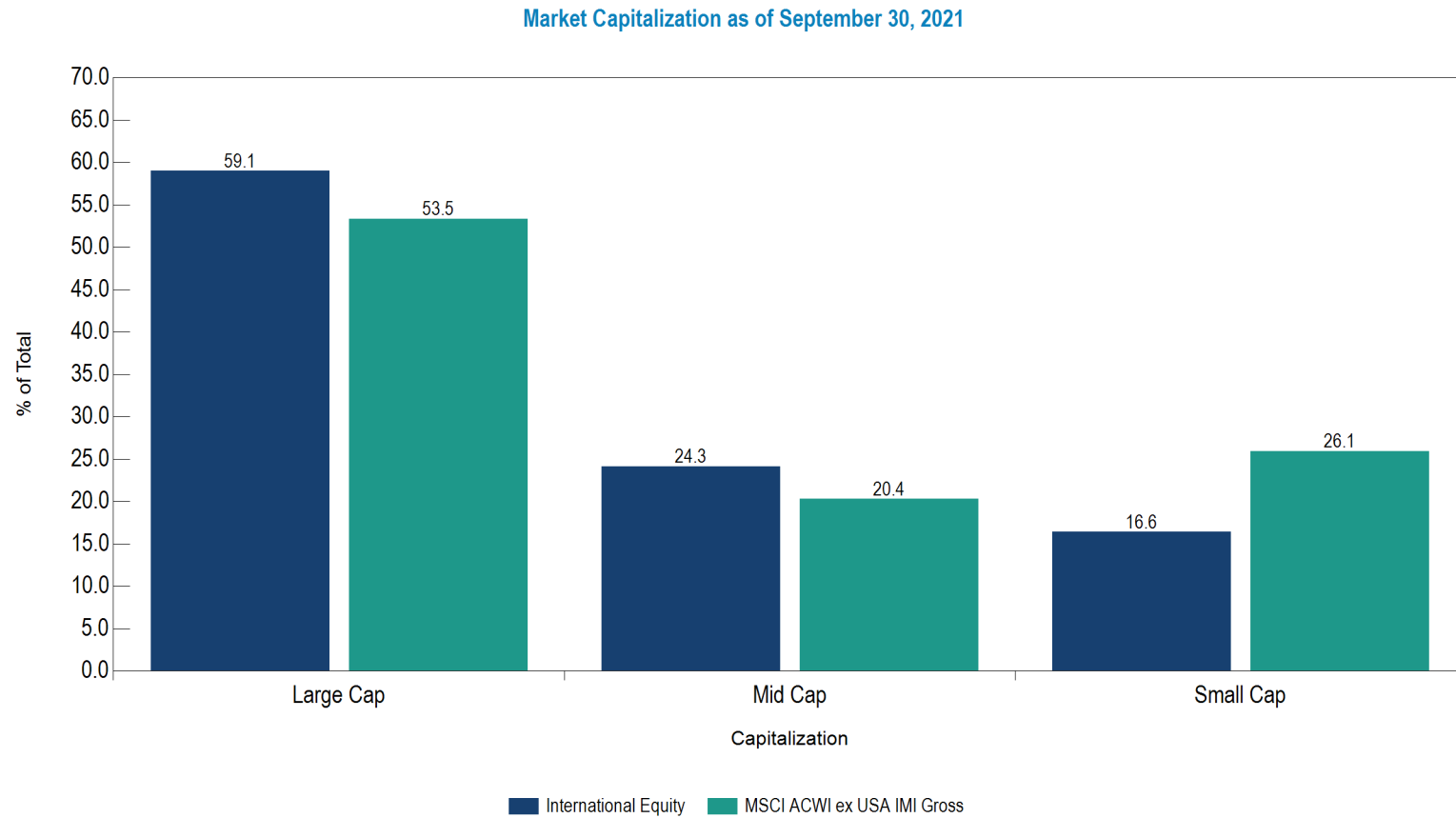
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
International Equity	9.6%	14.0%	0.6	0.1	1.6%
Blended International Equity Index	9.4%	13.9%	0.6	--	0.0%
Baillie Gifford	13.3%	15.7%	0.8	0.7	5.7%
MSCI ACWI ex US	9.4%	14.6%	0.6	--	0.0%
Mondrian	6.3%	15.8%	0.3	-0.2	3.3%
MSCI ACWI ex USA Value Gross	7.1%	16.5%	0.4	--	0.0%



InvMetrics All DB ex-US Eq Net Return Comparison



	Return (Rank)							
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	0.2	11.1	31.9	20.4	13.0	12.5	9.0	10.4
25th Percentile	-1.6	8.2	27.6	16.5	10.3	10.1	7.2	9.1
Median	-2.6	6.4	24.9	14.6	8.8	9.2	6.2	8.3
75th Percentile	-3.2	5.4	23.3	13.3	8.0	8.5	5.6	7.7
95th Percentile	-4.4	2.5	18.1	10.0	5.9	6.9	4.2	6.6
# of Portfolios	315	313	312	312	309	294	283	227
● International Equity	-2.7 (55)	7.4 (36)	24.8 (53)	15.0 (44)	9.9 (33)	9.6 (40)	6.8 (32)	8.2 (54)
▲ Blended International Equity Index	-1.7 (27)	8.9 (16)	25.4 (45)	13.5 (73)	8.6 (54)	9.4 (44)	6.3 (47)	8.1 (59)



See appendix for the market capitalization breakpoints.

Characteristics

	Portfolio	MSCI ACWI ex USA IMI Gross
Number of Holdings	6,769	6,736
Weighted Avg. Market Cap. (\$B)	82.7	81.1
Median Market Cap. (\$B)	2.0	1.9
Price To Earnings	17.2	15.9
Price To Book	2.8	2.7
Price To Sales	1.5	1.4
Return on Equity (%)	13.4	13.1
Yield (%)	2.4	2.6

Top Holdings

ASML HOLDING NV	1.5%
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	1.4%
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	1.2%
UNITED OVERSEAS BANK LTD	1.2%
HOUSING DEVELOPMENT FINANCE CORP LTD	1.1%
SANOFI	1.0%
SARTORIUS SHS.PREF.	0.9%
GLAXOSMITHKLINE PLC	0.9%
ALIBABA GROUP HOLDING LTD	0.9%
FUJIFILM HOLDINGS CORP	0.9%

Best Performers

	Return %
DONGYUE GROUP LIMITED	198.3%
BIONEER CORP	189.4%
GUANGHUI ENERGY CO LTD	161.2%
CGN NEW ENERGY HOLDINGS CO LTD	156.7%
CHINA POWER INTERNATIONAL DEVELOPMENT LTD	142.3%
ECOPRO HN CO LTD	141.1%
INSPUR INTERNATIONAL LTD	138.1%
WEMADE ENTERTAINMENT (KO:WEM)	136.6%
JSW ENERGY LTD	134.8%
THUNGELA RES LTD NPV	130.6%

Worst Performers

	Return %
E-HOUSE (CHINA) ENTERPRISE HOLDINGS LTD	-82.3%
TAL EDUCATION GROUP (TAL)	-80.8%
HYUNDAI DOOSAN INFRACORE CO LTD	-80.4%
LOJAS AMERICANAS SA	-79.3%
GAOTU TECHEDU INC (GOTU)	-79.2%
17 EDUCATION TECHNOLOGY GR ADR USD.0001	-75.3%
NEW ORIENTAL EDUCATION & TECHNOLOGY GROUP INC (EDU)	-75.0%
CHINA EVERGRANDE GROUP	-70.9%
HEXO CORP (HEXO.)	-68.4%
CHINA ONLINE EDUCATION GROUP (COE)	-66.7%

International Equity Performance Attribution vs. MSCI ACWI ex USA IMI Gross

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.1%	0.1%	-0.1%	0.0%	10.7%	7.2%	3.6%	4.3%			
Materials	0.2%	0.0%	0.1%	0.1%	-4.0%	-4.4%	5.1%	8.7%			
Industrials	0.0%	-0.1%	0.0%	0.0%	0.6%	0.9%	13.4%	13.1%			
Consumer Discretionary	-0.5%	-0.1%	-0.3%	-0.1%	-10.6%	-10.1%	17.8%	13.6%			
Consumer Staples	-0.2%	-0.2%	0.0%	0.0%	-5.7%	-3.1%	7.8%	8.1%			
Health Care	-0.2%	-0.2%	0.0%	0.0%	-3.6%	-2.0%	10.1%	9.1%			
Financials	-0.4%	-0.4%	-0.2%	0.2%	-0.8%	1.5%	13.2%	17.3%			
Information Technology	0.4%	0.3%	0.0%	0.1%	2.3%	-0.5%	14.8%	12.8%			
Communication Services	-0.2%	0.0%	-0.1%	0.0%	-8.6%	-8.5%	8.4%	6.3%			
Utilities	0.0%	0.0%	0.0%	0.0%	-2.0%	-1.2%	3.1%	3.0%			
Real Estate	0.1%	0.0%	0.0%	0.0%	-3.5%	-3.9%	1.5%	3.7%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	1.2%	0.0%			
Unclassified	0.0%	0.0%	0.0%	0.0%	5.0%	--	0.0%	0.0%			
<b>Portfolio</b>	<b>-0.7%</b>	<b>=</b>	<b>-0.5%</b>	<b>+</b>	<b>-0.5%</b>	<b>+</b>	<b>0.3%</b>	<b>-3.0%</b>	<b>-2.3%</b>	<b>100.0%</b>	<b>100.0%</b>

Int'l Equity Performance Attribution vs. MSCI ACWI ex USA IMI Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Europe</b>									
Austria	3.7%	5.2%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Belgium	-4.6%	-4.4%	0.2%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Czech Republic*	16.2%	16.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Denmark	-2.9%	2.0%	0.9%	1.5%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Finland	-8.5%	-4.2%	0.7%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
France	-4.4%	-1.5%	6.0%	6.4%	-0.2%	0.0%	0.0%	0.0%	-0.2%
Germany	-5.3%	-3.5%	4.5%	5.5%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Greece*	-1.9%	-1.4%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Hungary*	7.4%	7.5%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Ireland	3.4%	0.8%	0.2%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Italy	-2.0%	-0.5%	1.9%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Luxembourg	-15.6%	-2.3%	0.6%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%
Netherlands	6.3%	3.5%	3.2%	2.5%	0.1%	0.0%	0.0%	0.0%	0.1%
Norway	2.5%	2.0%	0.2%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Poland*	4.6%	2.8%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Portugal	8.9%	4.5%	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Russia*	9.5%	9.8%	0.5%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Spain	-1.4%	-2.6%	2.2%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Sweden	2.4%	-1.4%	2.8%	2.7%	0.1%	0.0%	0.0%	0.0%	0.1%
Switzerland	-5.6%	-2.8%	3.2%	5.7%	-0.2%	0.0%	0.0%	0.1%	0.0%
United Kingdom	-1.9%	-0.1%	11.9%	9.3%	-0.2%	0.1%	0.0%	0.0%	-0.2%

Int'l Equity Performance Attribution vs. MSCI ACWI ex USA IMI Gross

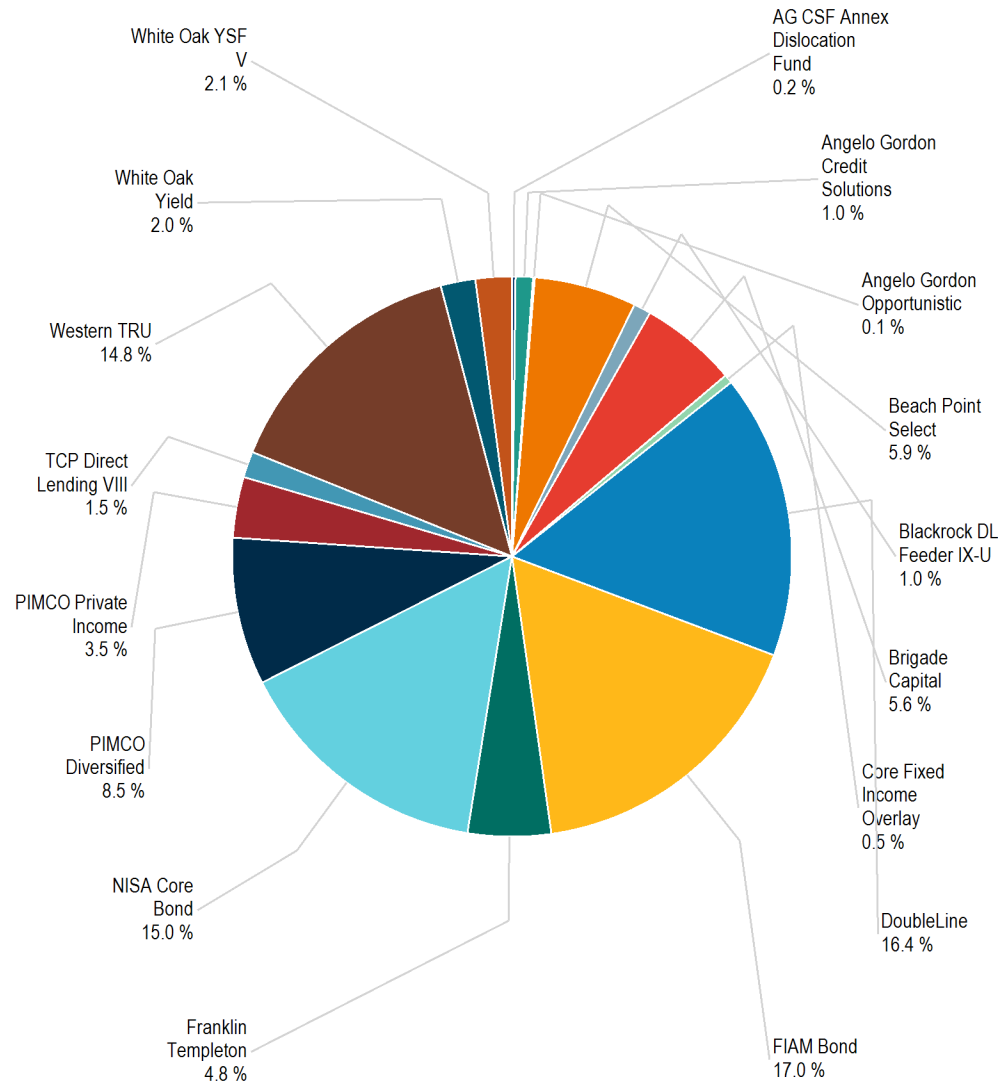
	Returns and Weights				Attribution Effects				Total Effects	
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect		
<b>AsiaPacific</b>										
Australia	-6.3%	-2.1%	2.6%	4.7%	-0.2%	0.0%	0.1%	0.1%	-0.1%	
China*	-17.9%	-17.9%	9.9%	10.4%	0.0%	0.1%	0.0%	0.0%	0.1%	
Hong Kong	-14.2%	-9.8%	4.4%	1.9%	-0.1%	-0.2%	0.0%	-0.1%	-0.4%	
India*	12.7%	12.9%	3.9%	3.3%	0.0%	0.1%	0.0%	0.0%	0.1%	
Indonesia*	5.5%	10.1%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	
Japan	4.9%	4.6%	18.5%	15.0%	0.0%	0.2%	0.0%	0.0%	0.2%	
Korea*	-10.7%	-11.4%	3.0%	4.2%	0.0%	0.1%	0.0%	0.0%	0.1%	
Malaysia*	2.0%	1.5%	0.2%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	
New Zealand	-1.4%	2.8%	0.6%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	
Pakistan*	-12.3%	-12.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Philippines*	-2.5%	-2.6%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	
Singapore	1.2%	-0.3%	1.5%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	
Taiwan*	-2.6%	-1.7%	4.7%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	
Thailand*	-3.0%	-3.1%	0.3%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>Americas</b>										
Argentina*	7.8%	17.1%	0.5%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	
Brazil*	-15.2%	-19.5%	1.4%	1.6%	0.1%	0.0%	0.0%	0.0%	0.1%	
Canada	-3.8%	-1.9%	3.9%	7.0%	-0.2%	0.0%	0.1%	0.1%	0.0%	
Chile*	-9.2%	-9.3%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	
Colombia*	10.1%	10.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Mexico*	2.2%	1.2%	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	
Peru*	-25.3%	-11.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	
United States	-11.1%	0.3%	1.5%	0.0%	0.0%	0.0%	0.0%	-0.2%	-0.2%	

Int'l Equity Performance Attribution vs. MSCI ACWI ex USA IMI Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Other</b>									
Egypt*	4.2%	4.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Israel	3.7%	3.2%	0.2%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Kuwait*	7.9%	7.9%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Qatar*	6.8%	6.7%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Saudi Arabia*	7.1%	7.2%	0.3%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
South Africa*	-13.9%	-4.1%	0.9%	1.1%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Turkey*	2.4%	2.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
United Arab Emirates*	6.0%	6.0%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Totals</b>									
Americas	-6.1%	-4.8%	7.8%	9.4%	-0.2%	0.0%	0.1%	0.0%	0.0%
Europe	-2.0%	-0.9%	39.3%	40.7%	-0.4%	0.0%	0.0%	0.0%	-0.5%
Asia/Pacific	-3.2%	-3.4%	49.9%	46.7%	0.0%	-0.1%	0.1%	0.0%	0.0%
Other	-5.0%	2.4%	1.7%	3.2%	-0.2%	-0.1%	0.0%	0.1%	-0.2%
Cash	0.0%	--	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>-3.0%</b>	<b>-2.3%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.9%</b>	<b>-0.1%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>-0.7%</b>
<b>Totals</b>									
Developed	-1.4%	-0.2%	72.0%	69.6%	-1.0%	0.1%	0.1%	0.0%	-0.9%
Emerging*	-7.2%	-7.1%	26.8%	30.4%	-0.1%	0.2%	0.1%	0.0%	0.2%
Cash	0.0%	--	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

# Fixed Income Manager Allocation Analysis

Period Ending: September 30, 2021



	Actual \$	Actual %	Manager Contribution to Excess Return %
AG CSF Annex Dislocation Fund	\$2,404,306	0.2%	0.0%
Angelo Gordon Credit Solutions	\$15,240,040	1.0%	0.0%
Angelo Gordon Opportunistic	\$1,657,000	0.1%	0.0%
Beach Point Select	\$93,847,605	5.9%	0.0%
Blackrock DL Feeder IX-U	\$15,950,304	1.0%	0.0%
Brigade Capital	\$88,771,562	5.6%	0.1%
DoubleLine	\$260,078,799	16.4%	-0.1%
FIAM Bond	\$269,558,041	17.0%	0.0%
Franklin Templeton	\$76,297,758	4.8%	0.0%
NISA Core Bond	\$237,874,191	15.0%	0.0%
PIMCO Diversified	\$134,741,727	8.5%	0.0%
PIMCO Private Income	\$55,418,092	3.5%	0.0%
TCP Direct Lending VIII	\$23,112,114	1.5%	-0.1%
Western TRU	\$234,803,330	14.8%	0.0%
White Oak Yield	\$32,343,623	2.0%	-0.1%
White Oak YSF V	\$33,692,734	2.1%	-0.1%
Core Fixed Income Overlay	\$7,758,281	0.5%	0.0%
Actual vs. Policy Weight Difference			0.1%
<b>Total</b>	<b>\$1,583,549,508</b>	<b>100.0%</b>	<b>-0.1%</b>



Statistics Summary

3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Fixed Income	5.6%	3.6%	1.3	-0.2	1.8%
Blended Fixed Income Index	6.0%	4.1%	1.2	--	0.0%
Core Fixed	5.3%	3.1%	1.4	0.0	1.4%
Bloomberg US Aggregate TR	5.4%	3.5%	1.2	--	0.0%
FIAM Bond	6.5%	4.0%	1.3	0.7	1.6%
Bloomberg US Aggregate TR	5.4%	3.5%	1.2	--	0.0%
Western TRU	5.1%	6.5%	0.6	0.6	6.6%
3-Month Libor Total Return USD	1.3%	0.3%	0.7	--	0.0%
Opportunistic Credit	6.1%	6.7%	0.8	-0.3	4.2%
Bloomberg BA Intermediate HY	7.5%	8.0%	0.8	--	0.0%
Angelo Gordon Opportunistic	7.1%	17.6%	0.3	0.1	17.8%
Bloomberg US Aggregate TR	5.4%	3.5%	1.2	--	0.0%
Beach Point Select	9.8%	8.9%	1.0	0.5	4.9%
Bloomberg BA Intermediate HY	7.5%	8.0%	0.8	--	0.0%
Brigade Capital	6.4%	12.2%	0.4	-0.2	7.1%
Bloomberg BA Intermediate HY	7.5%	8.0%	0.8	--	0.0%
PIMCO Diversified	6.0%	6.9%	0.7	-0.2	1.3%
Blended PIMCO Diversified Index	6.2%	7.8%	0.7	--	0.0%
Franklin Templeton	-2.0%	5.8%	-0.5	-0.9	6.7%
Bloomberg Multiverse TR	4.3%	4.7%	0.7	--	0.0%

**Statistics Summary**

**3 Years**

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Private Credit	7.3%	4.2%	1.5	-0.6	2.8%
Cliffwater Direct Lending Index	9.0%	5.9%	1.3	--	0.0%
TCP Direct Lending VIII	6.5%	3.0%	1.8	-0.5	5.1%
Cliffwater Direct Lending Index	9.0%	5.9%	1.3	--	0.0%
White Oak Yield	5.6%	3.0%	1.5	-0.8	4.0%
Cliffwater Direct Lending Index	9.0%	5.9%	1.3	--	0.0%

Fixed Income  
Risk vs. Return (5 Years)

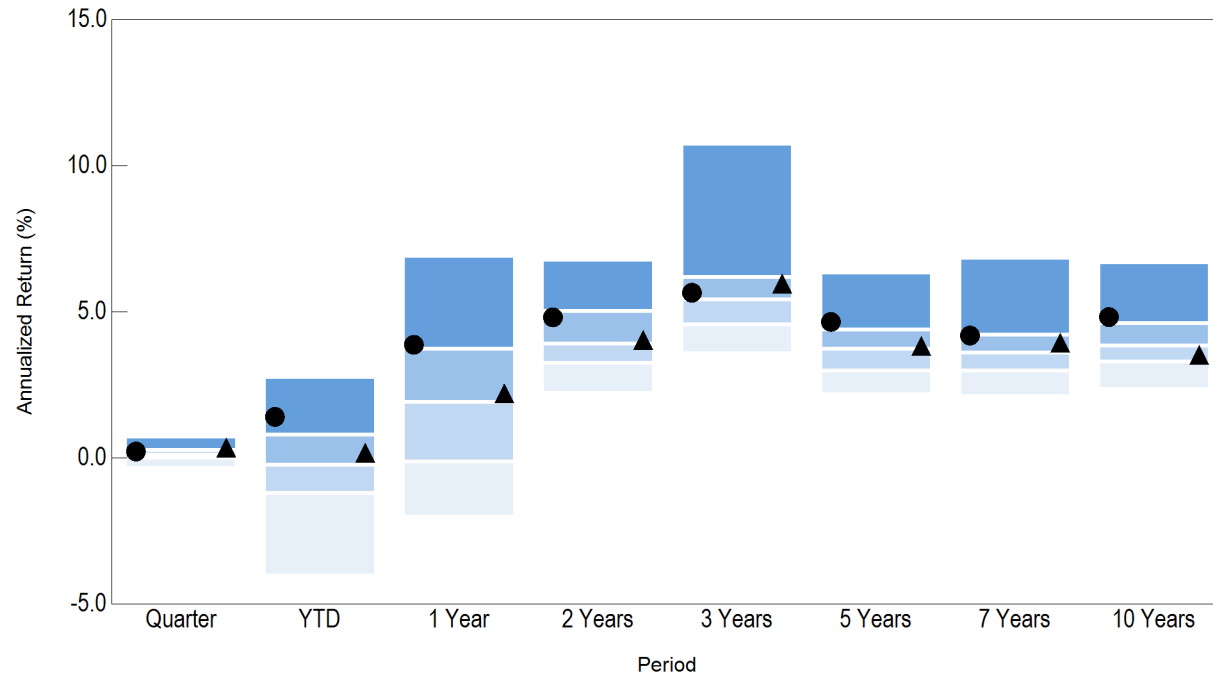
Period Ending: September 30, 2021

Statistics Summary

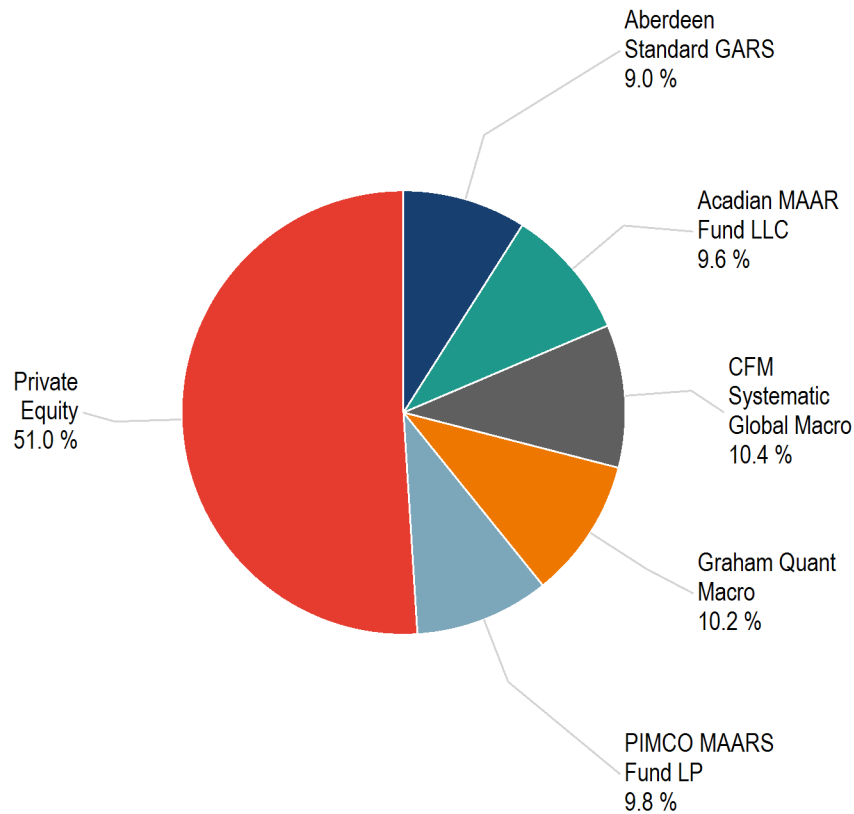
5 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Fixed Income	4.7%	3.0%	1.2	0.5	1.8%
Blended Fixed Income Index	3.8%	3.6%	0.8	--	0.0%
Core Fixed	3.4%	2.8%	0.8	0.4	1.3%
Bloomberg US Aggregate TR	2.9%	3.3%	0.6	--	0.0%
FIAM Bond	3.8%	3.6%	0.8	0.7	1.2%
Bloomberg US Aggregate TR	2.9%	3.3%	0.6	--	0.0%
Western TRU	4.2%	5.4%	0.6	0.5	5.4%
3-Month Libor Total Return USD	1.4%	0.3%	1.1	--	0.0%
Opportunistic Credit	6.6%	5.4%	1.0	0.2	3.6%
Bloomberg BA Intermediate HY	6.0%	6.3%	0.8	--	0.0%
Angelo Gordon Opportunistic	12.4%	15.1%	0.7	0.6	15.3%
Bloomberg US Aggregate TR	2.9%	3.3%	0.6	--	0.0%
Beach Point Select	9.3%	7.0%	1.2	0.8	4.0%
Bloomberg BA Intermediate HY	6.0%	6.3%	0.8	--	0.0%
Brigade Capital	6.8%	9.6%	0.6	0.1	5.7%
Bloomberg BA Intermediate HY	6.0%	6.3%	0.8	--	0.0%
Franklin Templeton	0.5%	6.3%	-0.1	-0.2	7.7%
Bloomberg Multiverse TR	2.2%	4.7%	0.2	--	0.0%
Private Credit	7.1%	3.6%	1.7	-0.6	3.1%
Cliffwater Direct Lending Index	9.1%	5.1%	1.6	--	0.0%
TCP Direct Lending VIII	6.6%	2.7%	2.0	-0.5	4.8%
Cliffwater Direct Lending Index	9.1%	5.1%	1.6	--	0.0%

InvMetrics All DB Total Fix Inc Net Return Comparison



	Return (Rank)							
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	0.7	2.7	6.9	6.8	10.7	6.3	6.8	6.7
25th Percentile	0.3	0.8	3.7	5.0	6.2	4.4	4.2	4.6
Median	0.1	-0.2	1.9	3.9	5.4	3.7	3.6	3.8
75th Percentile	0.0	-1.2	-0.1	3.3	4.6	3.0	3.0	3.3
95th Percentile	-0.3	-4.0	-2.0	2.2	3.6	2.2	2.1	2.4
# of Portfolios	278	278	277	277	275	260	249	209
● Fixed Income	0.2 (34)	1.4 (16)	3.9 (23)	4.8 (29)	5.6 (43)	4.7 (21)	4.2 (26)	4.8 (22)
▲ Blended Fixed Income Index	0.4 (18)	0.2 (39)	2.2 (46)	4.0 (48)	6.0 (33)	3.8 (47)	3.9 (31)	3.5 (62)



	Actual \$	Actual %	Manager Contribution to Excess Return %
Aberdeen Standard GARS	\$77,943,650	9.0%	-0.3%
Acadian MAAR Fund LLC	\$83,115,952	9.6%	0.0%
CFM Systematic Global Macro	\$89,245,503	10.4%	0.0%
Graham Quant Macro	\$87,508,992	10.2%	-0.4%
PIMCO MAARS Fund LP	\$84,507,195	9.8%	0.3%
Private Equity	\$439,621,262	51.0%	2.7%
Actual vs. Policy Weight Difference			0.3%
<b>Total</b>	<b>\$861,942,553</b>	<b>100.0%</b>	<b>2.6%</b>

**Statistics Summary**

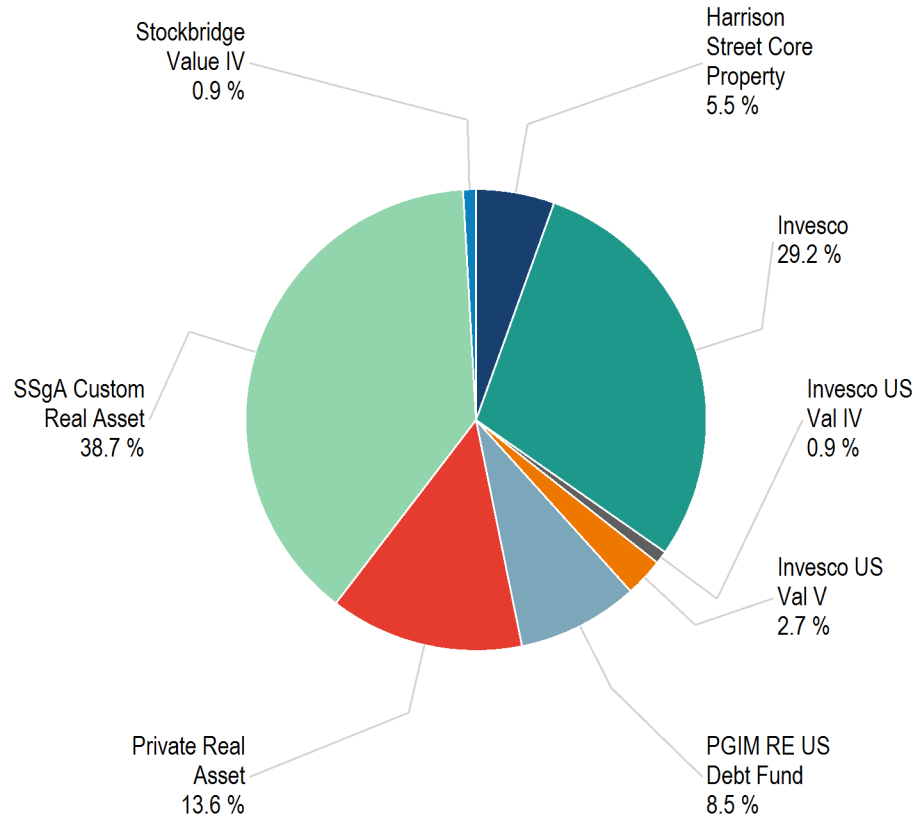
**3 Years**

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Alternatives	18.4%	15.0%	1.2	0.3	14.8%
Blended Alternatives Index	13.2%	9.3%	1.3	--	0.0%
Private Equity	39.4%	25.6%	1.5	0.7	25.8%
Blended Private Equity Index	21.8%	18.8%	1.1	--	0.0%
Hedge Fund/Absolute Return	-3.5%	6.7%	-0.7	-1.3	6.8%
Absolute Return Custom Index	5.1%	0.3%	13.2	--	0.0%
Aberdeen Standard GARS	3.3%	5.0%	0.4	-0.4	5.0%
Absolute Return Custom Index	5.1%	0.3%	13.2	--	0.0%

**Statistics Summary**

**5 Years**

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Alternatives	13.9%	12.1%	1.1	0.1	12.0%
Blended Alternatives Index	12.6%	7.7%	1.5	--	0.0%
Private Equity	29.4%	20.5%	1.4	0.5	21.1%
Blended Private Equity Index	19.7%	15.4%	1.2	--	0.0%
Hedge Fund/Absolute Return	-2.5%	5.9%	-0.6	-1.3	5.9%
Absolute Return Custom Index	5.2%	0.3%	15.5	--	0.0%
Aberdeen Standard GARS	2.3%	4.3%	0.3	-0.7	4.3%
Absolute Return Custom Index	5.2%	0.3%	15.5	--	0.0%



	Actual \$	Actual %	Manager Contribution to Excess Return %
Harrison Street Core Property	\$54,835,229	5.5%	-0.2%
Invesco	\$293,416,720	29.2%	0.3%
Invesco US Val IV	\$9,144,249	0.9%	-0.1%
Invesco US Val V	\$27,611,121	2.7%	0.1%
PGIM RE US Debt Fund	\$85,737,151	8.5%	-0.5%
Stockbridge Value IV	\$8,660,210	0.9%	0.0%
Private Real Asset	\$137,148,122	13.6%	1.0%
SSgA Custom Real Asset	\$388,823,221	38.7%	0.0%
Actual vs. Policy Weight Difference			-0.5%
<b>Total</b>	<b>\$1,005,376,023</b>	<b>100.0%</b>	<b>0.1%</b>



Statistics Summary

3 Years

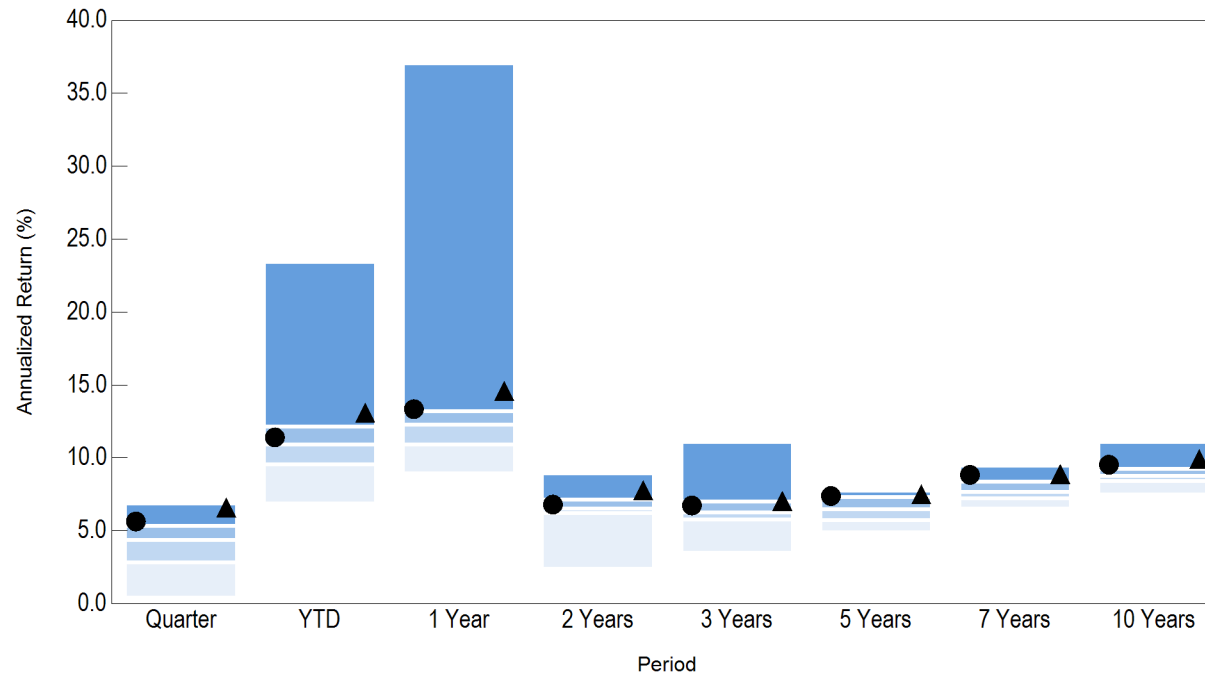
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Inflation Hedge	3.7%	7.3%	0.4	-1.0	3.5%
Blended Inflation Hedge Index	7.1%	6.7%	0.9	--	0.0%
Real Estate	6.7%	4.7%	1.2	-0.2	1.3%
NCREIF ODCE	7.1%	4.8%	1.3	--	0.0%
Invesco	6.7%	6.1%	0.9	-0.2	2.1%
NCREIF ODCE	7.1%	4.8%	1.3	--	0.0%
Invesco US Val IV	8.8%	6.5%	1.2	0.3	5.2%
NCREIF ODCE	7.1%	4.8%	1.3	--	0.0%
PGIM RE US Debt Fund	5.5%	2.0%	2.3	-0.3	4.4%
NCREIF ODCE	7.1%	4.8%	1.3	--	0.0%
Private Real Asset	6.7%	14.0%	0.4	0.0	21.9%
Blended Private Real Asset Index	6.6%	20.3%	0.3	--	0.0%
Public Real Assets	-0.3%	19.8%	-0.1	-1.1	4.4%
Blended Public Real Asset Index	4.5%	16.6%	0.2	--	0.0%
SSgA Custom Real Asset	4.5%	16.3%	0.2	0.0	0.8%
SSgA Custom Real Asset Index	4.5%	16.6%	0.2	--	0.0%

Statistics Summary

5 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error Rank
Inflation Hedge	4.6%	5.9%	0.6	-0.8	--
Blended Inflation Hedge Index	6.7%	5.5%	1.0	--	--
Real Estate	7.4%	4.2%	1.5	-0.1	18
NCREIF ODCE	7.5%	4.2%	1.5	--	1
Invesco	7.4%	5.2%	1.2	0.0	--
NCREIF ODCE	7.5%	4.2%	1.5	--	--
Invesco US Val IV	9.3%	5.8%	1.4	0.4	--
NCREIF ODCE	7.5%	4.2%	1.5	--	--
Private Real Asset	3.4%	11.5%	0.2	-0.1	--
Blended Private Real Asset Index	6.0%	16.4%	0.3	--	--

InvMetrics All DB Real Estate Pub Net Return Comparison



Return (Rank)

5th Percentile	6.9	23.4	37.0	8.9	11.1	7.7	9.4	11.1
25th Percentile	5.4	12.2	13.2	7.2	7.1	7.3	8.4	9.3
Median	4.4	10.9	12.3	6.5	6.3	6.5	7.7	8.8
75th Percentile	2.9	9.6	10.9	6.2	5.8	5.8	7.2	8.4
95th Percentile	0.5	6.9	9.0	2.4	3.5	4.9	6.6	7.5
# of Portfolios	77	77	77	77	76	72	71	61
● Real Estate	5.6 (20)	11.4 (37)	13.3 (24)	6.8 (42)	6.7 (35)	7.4 (22)	8.8 (12)	9.5 (13)
▲ NCREIF ODCE	6.6 (7)	13.1 (21)	14.6 (21)	7.8 (16)	7.1 (25)	7.5 (16)	8.9 (10)	9.9 (10)

## **Aberdeen Standard (ASI) Global Absolute Return Strategy (GARS)**

The Aberdeen Standard Global Absolute Return Strategy (GARS) was designed in 2005 to address the needs of Standard Life's own Defined Benefit pension plan, with an objective to generate absolute returns with significantly less volatility than equity investments. The GARS investment process is designed to capitalize on an array of research and investment techniques and draws together the team's three-year investment insights. The team then examines and reviews position proposals to approve a high conviction, short list of positions that should work well together. The GARS strategy is built using a broad range of return-seeking positions (i.e. multi-strategy) that incorporate multiple risk views when constructing the portfolio. The strategy will take some directional risk at times if the portfolio management team believes that it will earn positive returns over their three-year time horizon. Given the scale of the GARS portfolio, the team requires all investment positions to be both scalable and suitably liquid. In addition, the strategy's risk-based approach requires the team to be able to reliably model the risk behavior of each selected investment, so all assets used must be well-understood from a risk perspective before going into the portfolio.

## **Acadian Asset Management – Acadian U.S. Managed Volatility**

Acadian's goal is to build a portfolio focused on absolute return and risk with the aim of achieving an absolute return similar to or better than that of a domestic equity index but with lower volatility over the long term. Acadian targets absolute risk to be 25-35% less than a typical capitalization-weighted benchmark. That said, tracking error is not a major consideration and can appear relatively high due in part to Acadian's comfort with carrying large sector variations versus the benchmark. Acadian seeks to combine the values of all of the security-level factors to determine a peer-relative return forecast for each stock. Separately they make a top-down forecast for the stock's peer group, and then add that forecast to the stock's score. Acadian's managed volatility strategies utilize the same alpha forecasts as Acadian's active equity strategies but with risk being the initial consideration when constructing portfolios. Alpha forecasts play a modest role relative to the importance of risk estimates but are important to the goal of achieving a higher risk-adjusted return. Incorporation of alpha forecasts generally results in higher exposure to value, size and quality.

## **Acadian Asset Management – MAARS Fund**

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

## **Angelo, Gordon & Co. – AG Opportunistic Whole Loan Fund**

The Angelo Gordon Opportunistic Whole Loan (OWL) Fund was established to make investments primarily in a portfolio of non-performing loans (NPLs) and re-performing loans (RPLs). AG sees a lot of operational inefficiency in the market place. By acquiring these loans at a discounted price and replacing original servicers with better-focused special servicers, AG believes it can improve operational efficiency and generate attractive returns. In addition, OWL may also include investments in new residential mortgage loans and excess mortgage servicing rights. Opportunistic investments in commercial mortgage loans and other mortgage related investments may also be included in the Fund's portfolio. OWL is towards the end of its fund life and is continuing to sell down the fund's holdings and distribute proceeds to LPs.

## **Angelo, Gordon & Co. – Credit Solutions**

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

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

Angelo Gordon completed syndication of its AG Credit Solutions Fund ("CSF") in December of 2019. CSF was designed to capture opportunities in a late-cycle credit market and the initial stages of a market dislocation. Angelo Gordon designed and documented CSF to allow the placement of an annex fund in times of dislocation and credit deterioration. Given the price movements in the credit markets in March of 2020, driven by the lack of liquidity, financing needs of investment grade and non-investment grade borrowers, and anticipated impacts (restructurings, rescue financings, liquidations, etc.), Angelo Gordon came to market with the \$1.8 billion AG CSF Annex Dislocation Fund ("ADF"). ADF's investment aim is to target senior securities of world-class businesses with irreplaceable assets and strong cash flow profiles which, because of market stress, can be purchased at a material discount to what they believe is a company's long-term intrinsic value. ADF will address corporate credit-based opportunities created in three main areas: 1) trading-based price dislocations that reduce creation multiples (price through the debt that must be repaid before value accrues to other stakeholders) while generating high current income; 2) opportunities in issuers tied to industries directly impacted by COVID-19 where the market's perception of the impact differs from the actual impact; and 3) corporate debt issuers that will be materially impacted by the pandemic and will need to restructure, but whose creation value is materially lower than the issuer's intrinsic value.

## **Baillie Gifford – ACWI ex US Focus Equities**

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

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

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

## **BlackRock – MSCI ACWI ex US IMI Index**

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

## **BlackRock – Russell 1000 Index**

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

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

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

## **Brigade – Opportunistic Credit**

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

## **CFM - Systematic Global Macro**

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

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

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

## **DoubleLine – Securitized Income**

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

## **Fidelity (FIAM) – Broad Market Duration Commingled Pool**

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

## **Franklin Templeton Investments – Global Fixed Income**

Franklin Templeton manages the global bond mandate in an unconstrained fashion using a top-down, fundamental framework. In the short term and on a country-by-country basis there are often inefficiencies in global bond and currency markets, however, over the longer term the market will generally price to fundamentals. Thus, FT focuses on fundamental research to identify long-term opportunities and uses short-term market inefficiencies to build positions in such investments. The investment and portfolio construction process begin with the determination of the Fund's or institutional client's investment objectives, resulting in a set of risk-return parameters and exposure limits within which the portfolio is managed. Next the firm's global economic outlook for the industrialized countries is developed, with a focus on interest rate and exchange rate forecasts. The portfolio's interest rate outlook is a function of global general equilibrium macroeconomic analysis as well as country-specific research. Macroeconomic conditions in the G-3 economies are analyzed first, primarily with respect to how current and projected growth and inflation dynamics are expected to influence monetary policy. This analysis is then extended out to the rest of the industrialized countries (G-13) as well as emerging markets, which results in broad targets for cash, duration, currencies and the developed/emerging market mix. Using the firm's interest rate and exchange rate outlook, probability-weighted horizon returns for bonds of various countries are then calculated. This analysis is used to establish specific country weights and duration targets based on risk-adjusted expected total return measured in the portfolio's base currency. Analysis of emerging markets includes sovereign credit analysis along with greater emphasis on capital flows, inter-market dynamics and trends in the level of risk aversion in the market.

## **Graham – Quant Macro Fund**

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



### **Harrison Street Core Property**

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

### **INVESCO Realty Advisors – INVESCO Core Equity, LLC**

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

### **INVESCO Realty Advisors – INVESCO US Val IV**

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

### **INVESCO Realty Advisors – INVESCO US Val V**

Invesco has provided SamCERA with Core Real Estate exposure since 2004 through the Invesco Core Equity Fund and through the Invesco US Value IV Fund since December 2015. The Invesco real estate team manages around \$62B in assets with investments and offices around the globe. Invesco Value Fund V will be similar to the Value Add IV and look to acquire fundamentally sound but broken "core" assets that can be repositioned into institutional-quality, income producing properties. Investments will be limited to direct equity interests in office, multi-family, retail and industrial properties across the US. The Fund is expected to be geographically concentrated in U.S. gateway cities and top 25 Metropolitan Statistical Areas (MSA's).

## **Mondrian Investment Partners – International Equity**

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

## **NISA – Core Bond**

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

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

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

## **Parametric Overlay – Cash Overlay and Currency Hedge**

Parametric's cash overlay program is an efficient way for SamCERA to maintain its target asset allocation in a systematic fashion through cash securitization at the fund and manager level, transition/reallocation support and asset class rebalancing back to target within defined bands. The cash overlay program is invested synthetically using liquid futures with cash balances reviewed daily. A combination of large and small cap futures implementation is the proxy for private equity. SamCERA's investment guidelines initially allowed only for cash overlay. Rebalancing was added to the SamCERA program in January 2014. Cash overlay and rebalancing is expected to add 10-20 bps to the portfolio over time. An additional currency overlay hedge placed on half of the notional value of developed international equities. The addition of currency hedging started in September 2018 and was fully implemented on 10/1/2019. The purpose of the currency is first and foremost to lower portfolio risk and secondarily to add incremental performance.

## **PIMCO Diversified**

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

## **PIMCO – MAARS**

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

## **PIMCO Private Income Fund**

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

## **PGIM RE Debt**

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

## **Quantitative Management Associates – QMA Small-Cap Core**

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

## **State Street Global Advisors (SSgA) Custom Real Asset**

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

## **Stockbridge Value IV**

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

## **Western Asset Management – Total Return Unconstrained (TRU)**

Western Asset's Total Return Unconstrained strategy (TRU) seeks to provide bond-like risk and return over the long term but does not have a benchmark. This allows for asset allocation based on value rather than using the construction of a benchmark as baseline positioning. The investment approach is active with very broad latitude on duration (-3 to +8 years) and on asset allocation across all of the eligible sectors in a core plus mandate. The portfolio must have at least 50% of its holdings in investment-grade securities. The flexibility offered by this strategy allows for defensive positioning in rising rate environments and opportunistic deployment of capital when value opportunities arise. It also allows the portfolio managers to emphasize (or deemphasize) either credit or rates when one or the other appears to offer greater (or lesser) value. um non-US exposure.

## **White Oak - White Oak Yield Spectrum Fund**

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

## **White Oak - White Oak Yield Spectrum Fund V**

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

# Policy Index and Benchmark History

Period Ending: September 30, 2021

Total Plan Policy Index	As of													
	2/1/21	1/1/21	7/1/20	4/1/20	10/1/19	7/1/19	4/1/19	1/1/19	10/1/18	4/1/18	10/1/17	2/1/17	1/1/17	
10 Year Treasury +2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
60/40 MSCI World/Bloomberg Global Aggregate (RP)	0.0%	0.0%	0.0%	4.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
60/40 Russell 3000/Bloomberg US Aggregate (RP)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
91 Day T-Bills	1.0%	1.0%	1.0%	1.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bloomberg Aggregate	18.0%	21.0%	21.0%	18.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	12.0%	10.0%	10.0%
Bloomberg BA Intermediate HY	10.0%	10.0%	10.0%	8.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	6.0%	6.0%	6.0%
Bloomberg BBB	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bloomberg Credit BAA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bloomberg Multiverse	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%
Bloomberg TIPS	0.0%	0.0%	0.0%	0.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Bloomberg Commodity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Citigroup non-US WGBI	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CPI + 5% (RA)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Blended Public Real Asset	4.0%	4.0%	4.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	0.0%	0.0%	0.0%	0.0%
Blended Private Real Asset	4.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	8.0%	7.0%	5.0%	5.0%
Libor +4% (HF)	0.0%	0.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	5.0%
SOFR +4% (HF)	7.0%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MSCI ACWI ex-US	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MSCI ACWI ex US IMI 100% Hedged (Net)	9.5%	9.0%	9.0%	9.0%	9.0%	7.6%	5.7%	3.8%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%
MSCI ACWI ex-US IMI	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.0%	19.0%	19.0%
MSCI ACWI ex-US IMI (Net)	9.5%	9.0%	9.0%	9.0%	9.0%	11.4%	13.3%	15.2%	17.1%	19.0%	19.0%	0.0%	0.0%	0.0%
MSCI EAFE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NCREIF ODCE	9.0%	10.0%	10.0%	9.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	7.0%	7.0%	7.0%
NCREIF Property	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Russell 1000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Russell 1000 Value	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Russell 2000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Russell 3000	22.0%	21.0%	21.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	21.0%	21.0%	23.0%	28.0%	28.0%
Russell 3000 +3% (PE)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.0%	7.0%	7.0%	7.0%
Russell 3000 +3% 1Q Lag (PE)	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	7.0%	0.0%	0.0%	0.0%	0.0%
S&P 500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

# Policy Index and Benchmark History

Period Ending: September 30, 2021

Total Plan Policy Index	As of:													
	10/1/16	9/1/16	1/1/16	7/1/14	1/1/14	2/1/13	1/1/11	10/1/10	1/1/09	5/1/07	6/1/00	3/1/99	9/1/98	7/1/96
10 Year Treasury +2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	10.0%	10.0%
60/40 MSCI World/Bloomberg Global Aggregate (RP)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
60/40 Russell 3000/Bloomberg US Aggregate (RP)	8.0%	8.0%	8.0%	8.0%	8.0%	6.0%	6.0%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
91 Day T-Bills	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bloomberg Aggregate	10.0%	10.0%	10.0%	10.0%	9.3%	11.0%	11.0%	12.9%	27.0%	27.0%	29.0%	25.0%	21.0%	21.0%
Bloomberg BA Intermediate HY	6.0%	5.0%	5.0%	5.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bloomberg BBB	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bloomberg Credit BAA	0.0%	0.0%	0.0%	0.0%	0.0%	3.5%	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bloomberg Multiverse	3.0%	3.0%	3.0%	3.0%	3.8%	4.4%	4.4%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bloomberg TIPS	2.0%	2.0%	2.0%	2.0%	2.0%	3.1%	3.3%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bloomberg Commodity	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Citigroup non-US WGBI	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	9.0%	9.0%
CPI + 5% (RA)	0.0%	2.0%	2.0%	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Blended Public Real Asset	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Blended Private Real Asset	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Libor +4% (HF)	5.0%	5.0%	5.0%	4.0%	4.0%	3.0%	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
SOFR +4% (HF)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MSCI ACWI ex-US	0.0%	0.0%	0.0%	0.0%	0.0%	18.0%	18.0%	18.0%	21.0%	21.0%	15.0%	0.0%	0.0%	0.0%
MSCI ACWI ex US IMI 100% Hedged (Net)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MSCI ACWI ex-US IMI	19.0%	20.0%	20.0%	20.0%	20.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MSCI ACWI ex-US IMI (Net)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MSCI EAFE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%	20.0%	20.0%
NCREIF ODCE	7.0%	7.0%	7.0%	6.0%	6.0%	5.0%	5.0%	5.0%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NCREIF Property	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.0%	6.0%	0.0%	0.0%	0.0%
Russell 1000	0.0%	0.0%	24.0%	24.0%	24.0%	28.0%	28.0%	28.0%	37.0%	37.0%	40.0%	22.0%	20.0%	20.0%
Russell 1000 Value	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	5.0%	0.0%
Russell 2000	0.0%	0.0%	4.0%	6.0%	6.0%	7.0%	7.0%	7.0%	9.0%	9.0%	10.0%	15.0%	15.0%	15.0%
Russell 3000	28.0%	28.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Russell 3000 +3% (PE)	7.0%	7.0%	7.0%	7.0%	7.0%	8.0%	8.0%	8.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Russell 3000 +3% 1Q Lag (PE)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
S&P 500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

# Policy Index and Benchmark History

Period Ending: September 30, 2021

Public Equity Benchmark	As of:																		
	2/1/21	7/1/20	10/1/19	7/1/19	4/1/19	1/1/19	10/1/18	10/1/17	2/1/17	10/1/16	9/1/16	1/1/16	1/1/14	10/1/10	5/1/07	6/1/00	3/1/99	9/1/98	1/1/96
MSCI ACWI ex-US	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	34.0%	31.3%	23.1%	0.0%	0.0%	0.0%
MSCI ACWI ex US IMI 100% Hedged (Net)	23.2%	23.1%	22.5%	18.5%	13.9%	9.3%	4.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MSCI ACWI ex-US IMI	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	47.5%	45.2%	40.4%	41.7%	41.7%	40.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MSCI ACWI ex US IMI (Net)	23.2%	23.1%	22.5%	27.8%	32.4%	37.0%	41.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MSCI EAFE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	32.3%	33.3%	33.3%
Russell 1000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	48.0%	52.8%	55.2%	61.5%	35.5%	33.3%	33.3%
Russell 1000 Value	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	8.4%	0.0%
Russell 2000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.3%	12.0%	13.2%	13.5%	15.4%	24.2%	25.0%	25.0%
Russell 3000	53.7%	53.9%	55.0%	53.7%	53.7%	53.7%	53.7%	52.5%	54.8%	59.6%	58.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
S&P 500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

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

Fixed Income Benchmark	As of:															
	2/1/21	7/1/20	4/1/20	10/1/19	10/1/17	2/1/17	10/1/16	4/1/16	7/1/14	1/1/14	2/1/13	1/1/11	10/1/10	6/1/00	3/1/99	7/1/96
Bloomberg Aggregate	64.3%	67.7%	69.2%	63.6%	66.7%	57.1%	52.6%	55.5%	50.0%	46.3%	50.0%	50.0%	58.6%	100.0%	83.3%	70.0%
Bloomberg BA Intermediate HY	35.7%	32.3%	30.8%	36.4%	33.3%	28.6%	31.6%	27.8%	25.0%	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bloomberg BBB	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.3%	0.0%	0.0%	0.0%
Bloomberg Credit BAA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	16.0%	15.0%	0.0%	0.0%	0.0%	0.0%
Bloomberg Multiverse	0.0%	0.0%	0.0%	0.0%	0.0%	14.3%	15.8%	16.7%	15.0%	18.8%	20.0%	20.0%	20.5%	0.0%	0.0%	0.0%
Bloomberg TIPS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.0%	10.0%	14.0%	15.0%	13.6%	0.0%	0.0%	0.0%
Citigroup non-US WGBI	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	16.7%	30.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Opportunistic Credit Benchmark	As of:	
	1/1/14	12/1/09
Bloomberg BA Intermediate HY	100.0%	0.0%
Bloomberg Credit BAA	0.0%	100.0%
	100.0%	100.0%

Alternatives Benchmark	As of:								
	2/1/21	1/1/21	10/1/18	4/1/18	2/1/17	4/1/16	1/1/16	1/1/14	1/1/11
60/40 Russell 3000/Bloomberg US Aggregate (RP)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	30.0%
Bloomberg Commodity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	17.7%	18.8%	15.0%
CPI + 5% (RA)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.8%	12.5%	0.0%
Libor +4% (HF)	0.0%	0.0%	50.0%	46.2%	46.2%	41.7%	29.4%	25.0%	15.0%
SOFR +4% (HF)	53.8%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Russell 3000 +3% (PE)	0.0%	0.0%	0.0%	0.0%	53.8%	58.3%	41.2%	43.8%	40.0%
Russell 3000 +3% 1Q Lag (PE)	46.2%	50.0%	50.0%	53.8%	0.0%	0.0%	0.0%	0.0%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



# Policy Index and Benchmark History

Period Ending: September 30, 2021

## Private Equity Benchmark

As of:	4/1/18	10/1/10
Russell 3000 +3% 1Q Lag	100.0%	0.0%
Russell 3000 +3%	0.0%	100.0%
	<b>100.0%</b>	<b>100.0%</b>

## Hedge Fund Benchmark

As of:	1/1/21	10/1/10
Libor +4%	0.00%	100.00%
SOFR +4%	100.0%	0.0%
	<b>100.0%</b>	<b>100.0%</b>

## Inflation Hedge

As of:	2/1/21	7/1/20	4/1/20	10/1/19	4/1/18	2/1/17	10/1/16	4/1/16
Bloomberg TIPS	0.00%	0.00%	0.00%	5.88%	11.1%	12.5%	14.3%	14.3%
Bloomberg Commodity	0.00%	0.00%	0.00%	0.00%	0.0%	0.0%	0.0%	21.4%
CPI + 5% (RA)	0.00%	0.00%	0.00%	0.00%	0.0%	0.0%	0.0%	14.3%
Blended Public Real Asset	23.53%	23.53%	35.29%	35.29%	33.3%	0.0%	0.0%	0.0%
Blended Private Real Asset	23.53%	17.65%	11.77%	11.77%	11.1%	43.8%	35.7%	0.0%
NCREIF ODCE	52.94%	58.82%	52.94%	47.06%	44.4%	43.8%	50.0%	50.0%
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## Public Real Asset Benchmark

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

## Private Real Asset Benchmark

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

## Private RA Secondary Benchmark

As of:	9/1/14
Cambridge Associates Private Natural Resources 1 Qtr Lag	50.0%
Cambridge Associates Private Infrastructure 1 Qtr Lag	50.0%
	<b>100.0%</b>

## Real Estate Benchmark

As of:	1/1/09	6/1/00	7/1/96
10 Year Treasury +2%	0.0%	0.0%	100.0%
NCREIF ODCE	100.0%	0.0%	0.0%
NCREIF Property	0.0%	100.0%	0.0%
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

# Policy Index and Benchmark History

Period Ending: September 30, 2021

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

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

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

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

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

# Fee Schedule

Period Ending: September 30, 2021

## **Acadian Asset Management**

First \$50 million:	0.27% per annum
Next \$50 million:	0.225% per annum
Thereafter:	0.18% per annum

## **Baillie Gifford**

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

## **BlackRock-Russell 1000 Index Fund**

On All Assets:	0.01% per annum
----------------	-----------------

## **BlackRock-MSCI ACWI ex US IMI Index Fund**

On All Assets:	0.045% per annum
----------------	------------------

## **DoubleLine**

On All Assets:	0.30% per annum
----------------	-----------------

## **NISA**

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

## **Franklin Templeton Investment**

First \$50 million:	0.40% per annum
Next \$50 million:	0.30% per annum
Thereafter:	0.25% per annum

## **FIAM Bond**

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

## **PanAgora Asset Management**

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

## **Parametric Overlay**

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

## **Parametric Currency Overlay**

First \$250 million:	0.05% per annum
Thereafter:	0.03% per annum

## **PIMCO Diversified**

On All Assets:	0.75% per annum
----------------	-----------------

## **QMA**

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

## **Western Asset Management**

On All Assets:	0.25% per annum
Performance Fee:	20.00%

## **Mondrian Investment Partners**

### Assets Below \$190 million

First \$20 million:	1.00% per annum
Thereafter:	0.33% per annum

### Assets Above \$190 million

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

# Manager Compliance (Net)

Period Ending: September 30, 2021

Name	Primary Benchmark	Rule 1	Rule 2	Rule 3
Acadian US MGD V	Russell 1000	--	--	--
DE Shaw	Russell 1000	R	✓	R
PanAgora Defuseq	Russell 1000	--	--	--
QMA US Small Cap	Russell 2000	R	R	R
Baillie Gifford	MSCI ACWI ex US	✓	R	✓
Mondrian	MSCI ACWI ex USA Value Gross	R	R	R
DoubleLine	Bloomberg US Aggregate TR	--	--	--
FIAM Bond	Bloomberg US Aggregate TR	✓	✓	✓
NISA Core Bond	Bloomberg US Aggregate TR	--	--	--
Western TRU	3-Month Libor Total Return USD	✓	✓	R
AG CSF Annex Dislocation Fund	Bloomberg BA Intermediate HY	--	--	--
Angelo Gordon Opportunistic	Bloomberg US Aggregate TR	✓	--	✓
Angelo Gordon Credit Solutions	Bloomberg BA Intermediate HY	--	--	--
Beach Point Select	Bloomberg BA Intermediate HY	✓	✓	✓
Brigade Capital	Bloomberg BA Intermediate HY	✓	✓	R
PIMCO Diversified	Blended PIMCO Diversified Index	--	--	--
Franklin Templeton	Bloomberg Multiverse TR	--	--	--
Blackrock DL Feeder IX-U	Cliffwater Direct Lending Index	--	--	--
PIMCO Private Income	Bloomberg BA Intermediate HY	--	--	--
TCP Direct Lending VIII	Cliffwater Direct Lending Index	R	✓	✓
White Oak Yield	Cliffwater Direct Lending Index	--	--	--
White Oak YSF V	Cliffwater Direct Lending Index	--	--	--
Aberdeen Standard GARS	Absolute Return Custom Index	R	R	R
Acadian MAAR Fund LLC	Absolute Return Custom Index	--	--	--
CFM Systematic Global Macro	Absolute Return Custom Index	--	--	--
Graham Quant Macro	Absolute Return Custom Index	--	--	--
PIMCO MAARS Fund LP	Absolute Return Custom Index	--	--	--

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

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

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

# Manager Compliance (Gross)

Period Ending: September 30, 2021

Name	Primary Benchmark	Rule 1	Rule 2	Rule 3
Acadian US MGD V	Russell 1000	--	--	--
DE Shaw	Russell 1000	R	✓	R
PanAgora Defuseq	Russell 1000	--	--	--
QMA US Small Cap	Russell 2000	R	R	R
Baillie Gifford	MSCI ACWI ex US	✓	✓	✓
Mondrian	MSCI ACWI ex USA Value Gross	R	✓	R
DoubleLine	Bloomberg US Aggregate TR	--	--	--
FIAM Bond	Bloomberg US Aggregate TR	✓	✓	✓
NISA Core Bond	Bloomberg US Aggregate TR	--	--	--
Western TRU	3-Month Libor Total Return USD	✓	✓	R
AG CSF Annex Dislocation Fund	Bloomberg BA Intermediate HY	--	--	--
Angelo Gordon Opportunistic	Bloomberg US Aggregate TR	✓	--	✓
Angelo Gordon Credit Solutions	Bloomberg BA Intermediate HY	--	--	--
Beach Point Select	Bloomberg BA Intermediate HY	✓	✓	✓
Brigade Capital	Bloomberg BA Intermediate HY	✓	✓	R
PIMCO Diversified	Blended PIMCO Diversified Index	--	--	--
Franklin Templeton	Bloomberg Multiverse TR	--	--	--
Blackrock DL Feeder IX-U	Cliffwater Direct Lending Index	--	--	--
PIMCO Private Income	Bloomberg BA Intermediate HY	--	--	--
TCP Direct Lending VIII	Cliffwater Direct Lending Index	R	✓	✓
White Oak Yield	Cliffwater Direct Lending Index	--	--	--
White Oak YSF V	Cliffwater Direct Lending Index	--	--	--
Aberdeen Standard GARS	Absolute Return Custom Index	R	R	R
Acadian MAAR Fund LLC	Absolute Return Custom Index	--	--	--
CFM Systematic Global Macro	Absolute Return Custom Index	--	--	--
Graham Quant Macro	Absolute Return Custom Index	--	--	--
PIMCO MAARS Fund LP	Absolute Return Custom Index	--	--	--

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

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

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



**PERSPECTIVES  
THAT DRIVE  
ENTERPRISE  
SUCCESS**

4<sup>TH</sup> QUARTER 2021  
Investment Landscape

# Recent Verus research

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## Topics of interest

### THINKING ABOUT INFLATION IN RISK TERMS

Inflation has been subdued in the United States for the last three decades. In this piece, we analyze historic inflationary environments to understand the protection offered by different types of assets. Using a variety of risk tools, we consider the impact inflation has on an investor's overall portfolio and their obligations. No single asset class can reliably protect against inflationary environments but through constructing diversified portfolios and understanding risk exposures, we believe an investor can best position themselves for an uncertain future.

### THINKING DIFFERENTLY

Today's market environment appears to be an exceedingly challenging one to navigate, and investors are grappling with the question of how best to structure portfolios that not only meet their return targets but provide impactful diversification and risk management. In this Topic of Interest paper, we will assess a wide variety of less-conventional investment strategies in both mature and nascent marketplaces, and which may only appeal to a specific set of investors.

### ESTABLISHMENT OF RISK MITIGATION BUCKETS

An evolving market environment has arguably diminished the role of traditional fixed income as a diversifier in portfolios and led to a higher opportunity cost of holding bonds due to lower yields. This may suggest improved relative attractiveness of other equity risk mitigation approaches. In this research piece we discuss other approaches to risk mitigation and outline their merits, while tying these ideas to the Functionally-Focused Portfolios (FFP) approach to portfolio construction.

## Annual research

### 2021 PRIVATE EQUITY OUTLOOK

In the Verus 2021 Private Equity Outlook, we focus attention on investor appetite for ESG and the growing response from private equity. The outlook also addresses the resilience of private equity in the face of COVID; SPACs rise as a streamlined path to the public markets, however not without risk; Private credit markets continue to gain investor interest; Buyout purchase multiples expand as public market valuations continue to climb; and Venture capital valuations soar alongside increased economic confidence

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Fixed income rates & credit 21

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Appendix 38



# 3<sup>rd</sup> quarter summary

## THE ECONOMIC CLIMATE

- Real GDP grew at a 12.2% rate year-over-year in Q2 (+6.7% quarterly annualized rate) as the U.S. fully recovered from the pandemic-induced recession of 2020. **p. 10**
- In the U.S. labor market, unemployment has fallen as many workers who desired jobs have been successful in gaining employment. The overall U.S. labor participation rate has not improved, as millions of workers remain neither employed nor seeking employment. **p. 15**
- Consumer sentiment deteriorated during the third quarter, on reports of pessimism around the COVID Delta variant, higher inflation, and unfavorable economic prospects. Small business optimism also fell, as businesses face difficulty in hiring and are concerned about tax increases and more burdensome government regulations. **p. 17**

## PORTFOLIO IMPACTS

- Credit markets traded in a relatively tight range throughout the quarter, delivering mild returns. Bank loans outperformed in Q3, returning 1.1% and outpacing high yield bonds (0.9%) and corporate investment grade (0.0%). **p. 24**
- U.S. core CPI, which excludes food & energy prices, rose 4.0% YoY in September. U.S. headline inflation came in at 5.4%. Price changes moderated during Q3, relative to the larger price moves that occurred in March through June. **p. 12**

## THE INVESTMENT CLIMATE

- The Biden Administration's \$3.5 trillion social spending package remains in the negotiation stage among Democrats, as the size of the package, the contents, and national concerns over inflation have given some members of the party reason to pause. The package is reportedly being scaled back, which creates the risk of rejection from progressives within the party who are pushing for more spending. **p. 10**
- It seems that investors have put the 2020 pandemic-induced recession and its associated risks behind them. However, it is not clear that market risks have completely subsided, as the Delta-variant continues to spread, high inflation could indeed persist, and most governments are set to pull back generous stimulus programs. **p. 34**

## ASSET ALLOCATION ISSUES

- Equity markets took a breather in Q3. U.S. equities delivered 0.6%, while international equities experienced slight losses of -0.4% and emerging market equities saw a larger selloff of -8.1%, on an unhedged currency basis. **p. 27**
- Factor performance was negative during the quarter, as large capitalization stocks outperformed small cap by a wide margin (Russell 1000 +0.2%, Russell 2000 -4.4%) and growth stocks beat value (Russell 1000 Growth +1.2%, Russell 1000 Value -0.8%). **p. 30**

The economic recovery may be slowing, though the environment remains positive for risk assets

We believe a neutral risk stance is warranted in the current environment

# What drove the market in Q3?

“Covid cases are rising again in all 50 states across U.S. as delta variant tightens its grip”

## DELTA VARIANT SHARE OF COVID CASE GROWTH IN THE UNITED STATES

Apr	May	Jun	Jul	Aug	Sep
0.6%	3.1%	31.9%	96.0%	97.9%	99.9%

Article Source: CNBC, as of July 23<sup>rd</sup>, 2021

“The World Economy’s Supply Chain Problem Keeps Getting Worse”

## SHIPS AT ANCHOR OUTSIDE THE PORT OF LOS ANGELES (MONTHLY AVERAGE)

Apr	May	Jun	Jul	Aug	Sep
11	10	7	12	22	27

Article Source: Bloomberg, August 25<sup>th</sup>, 2021

“Beijing’s Crackdown Ruins July for Investors Everywhere”

## NASDAQ GOLDEN DRAGON CHINA INDEX TOTAL RETURN

Apr	May	Jun	Jul	Aug	Sep
-0.1%	-5.6%	+1.8%	-22.0%	-1.6%	-9.8%

Article Source: Bloomberg, July 27<sup>th</sup>, 2021

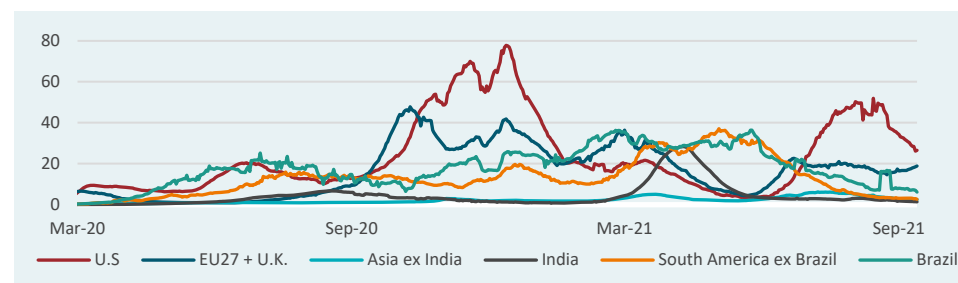
“Commodities surge again; spot price index hits decade high”

## BLOOMBERG COMMODITY SPOT INDEX

Apr	May	Jun	Jul	Aug	Sep
464.0	476.9	480.2	487.4	486.3	510.3

Article Source: BNN Bloomberg, September 13<sup>th</sup>, 2021

## AVERAGE DAILY CASE GROWTH PER 100,000 (TRAILING TWO WEEKS)



Source: Bloomberg, as of 9/30/21

## SUPPLIER DELIVERY INDICES



Source: Institute for Supply Management, as of 9/30/21

## NASDAQ GOLDEN DRAGON CHINA INDEX



Source: NASDAQ, Bloomberg, as of 9/30/21

# Economic environment

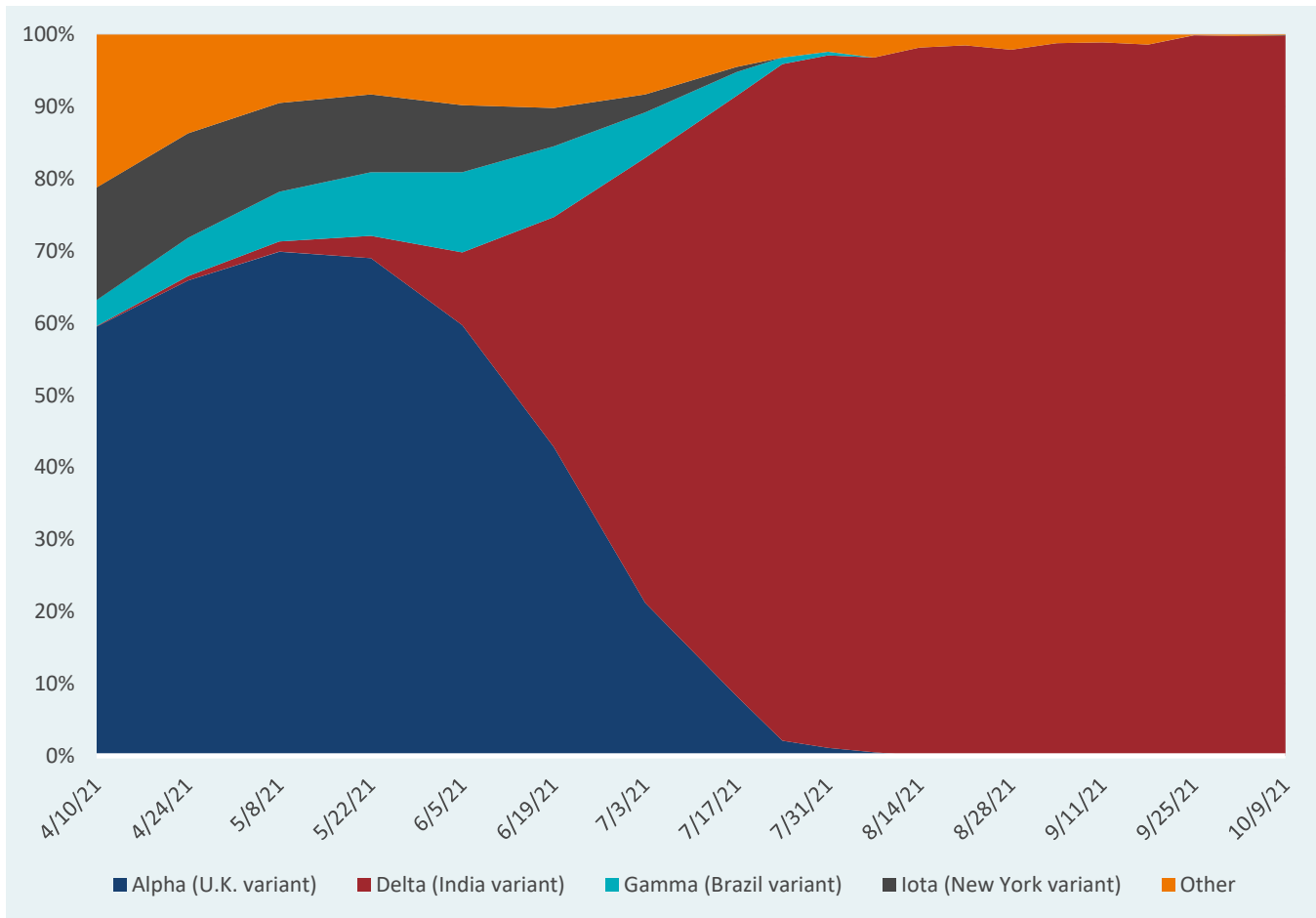
# U.S. economics summary

- Real GDP grew at a 12.2% rate year-over-year in Q2 (+6.7% quarterly annualized rate) as the U.S. fully recovered from the pandemic-induced recession of 2020. However, it appears that recent strong economic activity may be slowing down.
- U.S. core CPI, which excludes food & energy prices, rose 4.0% YoY in September. U.S. headline inflation came in at 5.4%. Price changes moderated during Q3, relative to the larger price moves that occurred in March through June, but remain elevated.
- Unemployment fell from 5.9% to 4.8% during the quarter, while the laborforce participation was unmoved at 61.6%. The unemployment rate has fallen as many workers who desired jobs have been successful in gaining employment, but the overall U.S. laborforce participation rate has not improved
- The Biden Administration’s \$3.5 trillion social spending package remains in the negotiation stage among Democrats, as the size of the package, the contents, and national concerns over inflation have given some members of the party reason to pause. The package is reportedly being scaled back, which creates the risk of rejection from progressives within the party who are pushing for more spending.
- U.S. home prices have rocketed higher, up 19.7% over the past year, according to the S&P/Case-Shiller U.S. National Home Price Index.
- Consumer sentiment was mixed over the quarter. The University of Michigan reported that the Delta variant and persistent inflation, as well as unfavorable prospects for the national economy, are weighing on sentiment. High prices of homes, vehicles, and durables are a concern.

	Most Recent	12 Months Prior
GDP (YoY)	12.2% <i>6/30/21</i>	(9.1%) <i>6/30/20</i>
Inflation (CPI YoY, Core)	4.0% <i>9/30/21</i>	1.7% <i>9/30/20</i>
Expected Inflation (5yr-5yr forward)	2.2% <i>9/30/21</i>	1.7% <i>9/30/20</i>
Fed Funds Target Range	0% – 0.25% <i>9/30/21</i>	0% – 0.25% <i>9/30/20</i>
10-Year Rate	1.49% <i>9/30/21</i>	0.68% <i>9/30/20</i>
U-3 Unemployment	4.8% <i>9/30/21</i>	7.8% <i>9/30/20</i>
U-6 Unemployment	8.5% <i>9/30/21</i>	12.8% <i>9/30/20</i>

# Delta-plus variant?

SHARE OF NEW COVID-19 CASES ATTRIBUTED TO EACH MAJOR VARIANT



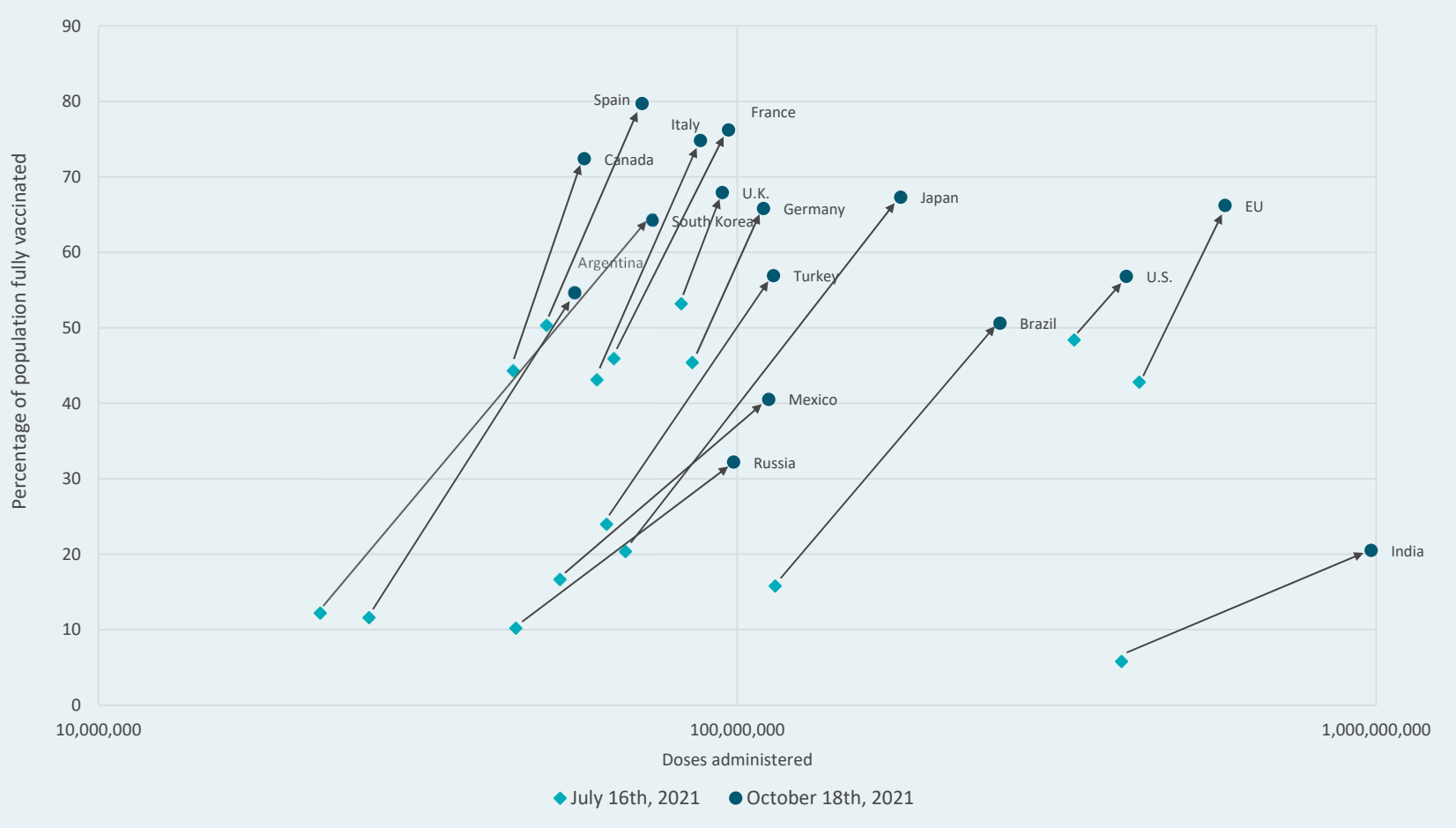
The delta variant of COVID-19 which surged through India in the second quarter took hold in the U.S., and by the end of the quarter, accounted for almost all new cases

Most recently, FDA Commissioner Scott Gottlieb called for “urgent research” into whether a new strain – known as delta plus – could be more transmissible or have partial immune evasion

Source: Bloomberg, BBC, U.K. government, as of 10/9/21

# Global vaccination campaign

DOSES ADMINISTERED RELATIVE TO PERCENTAGE OF POPULATION FULLY VACCINATED



Over the last quarter, vaccination rates have improved considerably in Asia, Europe, and to a lesser extent, the emerging markets

Source: Bloomberg, as of 10/18/21

# GDP growth

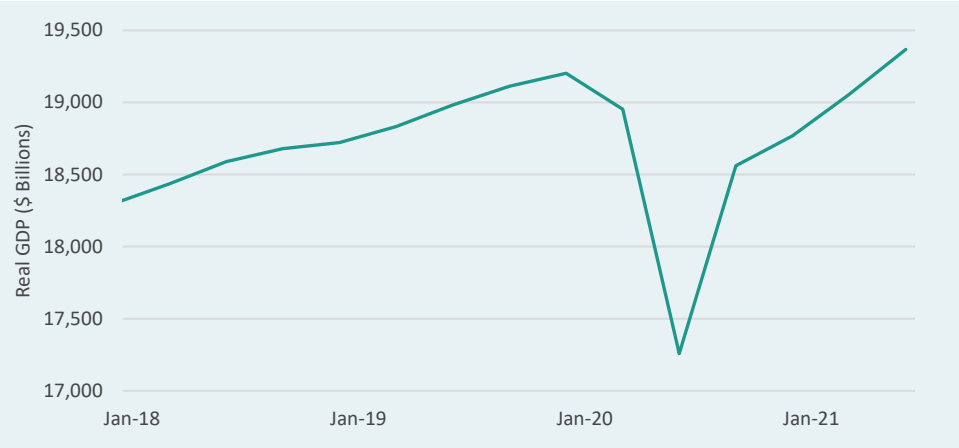
Real GDP grew at a 12.2% rate year-over-year in Q2 (+6.7% quarterly annualized rate) as the U.S. fully recovered from the pandemic-induced recession of 2020. However, it appears that recent strong economic activity may be slowing down. The Atlanta Fed GDPNow estimate, as of October 15<sup>th</sup>, suggests that GDP growth will slow to 1.2% in the fourth quarter (seasonally-adjusted quarterly annualized rate).

In contrast to the wild swings of 2020, quarterly GDP growth has steadied. Consumption has contributed to the lion’s share of GDP, while supply chain issues have detracted from growth as some businesses have been unable to purchase inventory.

The Biden Administration’s \$3.5 trillion social spending package remains in the negotiation stage among Democrats, as the size of the package, the contents, and national concerns over inflation have given some members of the party reason to pause. The package is reportedly being scaled back, which creates the risk of rejection from progressives within the party who are pushing for more spending. House Speaker Nancy Pelosi reportedly expressed the party’s intent to include each of the original social programs (expanded government healthcare, child tax credit, tuition-free community college, etc.) but to scale back the planned length of guaranteed funding in order to reduce overall costs.

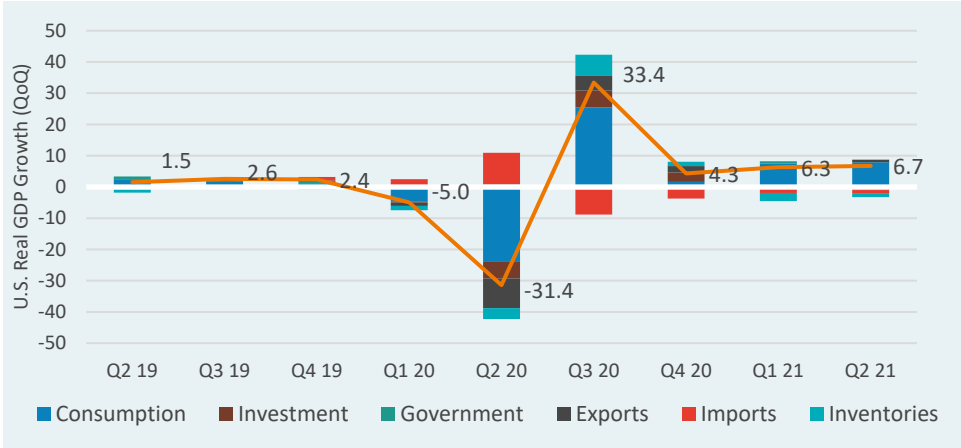
During Q2 2021 the U.S. economy fully recovered from the COVID-19 recession

U.S. REAL GROSS DOMESTIC PRODUCT



Source: FRED, as of 6/30/21

U.S. REAL GDP COMPONENTS (QOQ)



Source: FRED, as of 6/30/21

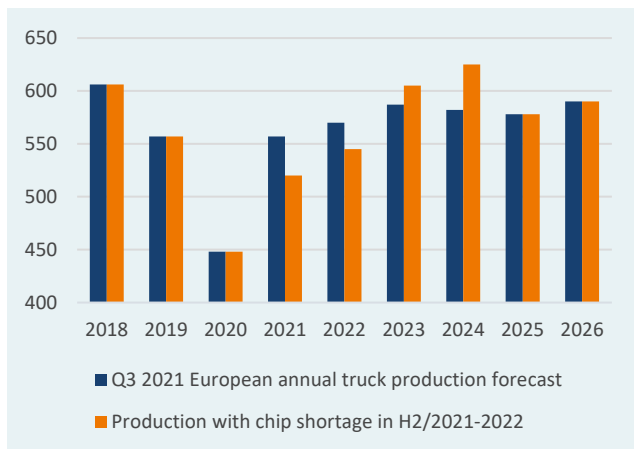
# Supply chain disruptions

Throughout the course of the pandemic, idiosyncratic supply chain snags have caused largely temporary price distortions affecting all sorts of markets, from labor, to lumber, to meat-packing and semiconductors, and many others. In some cases, these distortions have had a large impact on overall inflation levels. For example, limited semiconductor chip supplies led major suppliers to ration chips for higher-margin tech clients at the expense of lower-margin automaker clients. This prioritization resulted in a lower level of new vehicle production, and a massive surge in prices for used cars.

In September, key ports in Southern California hit several new cargo ship backlog records, forcing these ships to remain at anchor outside the ports

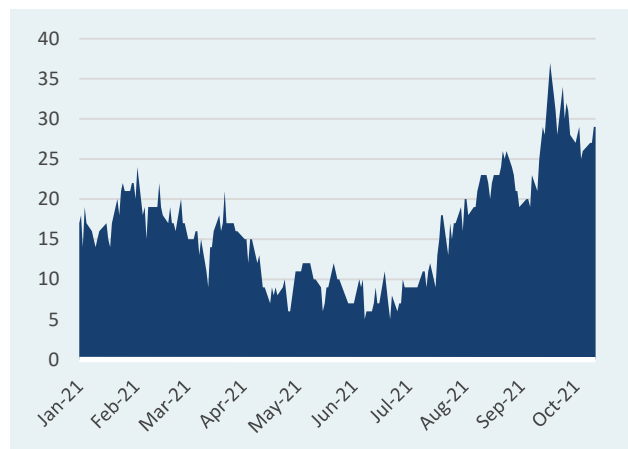
for several weeks in some cases. Part of the problem has been the massive size of these ships, which require many workers to unload, a lot of trucks to ship their cargo, and many warehouses to store that cargo. If there are not enough truckers to move the new cargo coming in, or there is not enough warehouse capacity to offload new cargo, new ships have longer unload times and the problem compounds. It is important to remember that global supply chains are very complex, and issues in certain segments tend to cascade through the others. According to the NFIB's Small Business Optimism Survey, only 10% of small business owners have been insulated from the impacts of these disruptions. We will be watching corporate guidance to gauge the impact of these disruptions on profit margins.

**IMPACT OF SEMICONDUCTOR SHORTAGE ON EUROPEAN TRUCK PRODUCTION (THOUSANDS)**



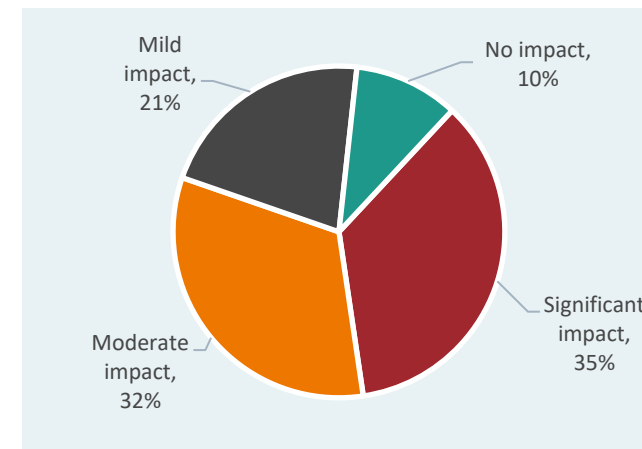
Source: IHS Markit, as of 9/28/21

**VESSELS AT ANCHOR – PORT OF LOS ANGELES**



Source: The Port of Los Angeles, as of 10/15/21

**MAGNITUDE OF THE IMPACT OF SUPPLY CHAIN DISRUPTIONS ON SMALL BUSINESSES IN THE US**



Source: NFIB, as of 9/30/21



# Inflation

U.S. core CPI, which excludes food & energy prices, rose 4.0% YoY in September. U.S. headline inflation came in at 5.4%. Price changes moderated somewhat during Q3, relative to the larger price moves that occurred from March through June.

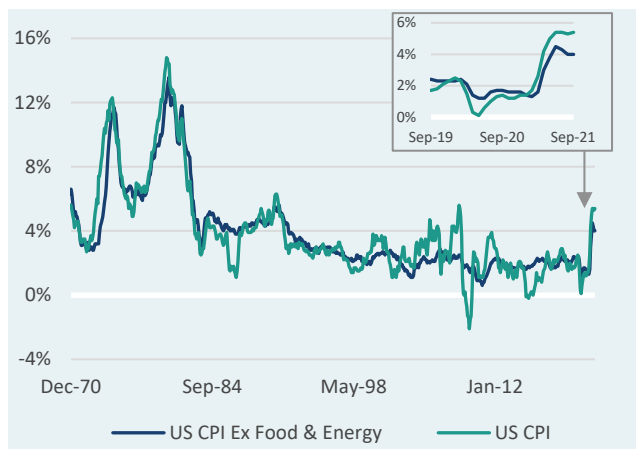
Energy and used automobile prices have had outsized impacts on inflation over the past year, increasing 24.8% and 24.4%, respectively. These two components have driven most of the rise in inflation experienced since 2019. If energy and used auto prices moderate, this will push inflation back down towards “normal” level, all else equal. However, continued supply chain issues appear to be contributing to a material rise in certain goods prices such as food, up +0.9% in September. Rent prices

(+0.5% over the month) are also a concern as costs begin to catch up with real estate values. As food comprises 13.9% of the overall inflation basket, and shelter comprises 32.6%, price moves across these categories could impact the direction of future inflation.

While we retain our long-term view that inflation is likely to return to lower levels, as most of the recent increases can be attributed to base effects or short-term one-time issues, the significant disruptions in the global supply chain are clearly an important component of the developing story. If this disruption continues there will likely be ongoing effects on the economy as a whole, and on inflation outcomes. We continue to research this issue and it’s likely effects.

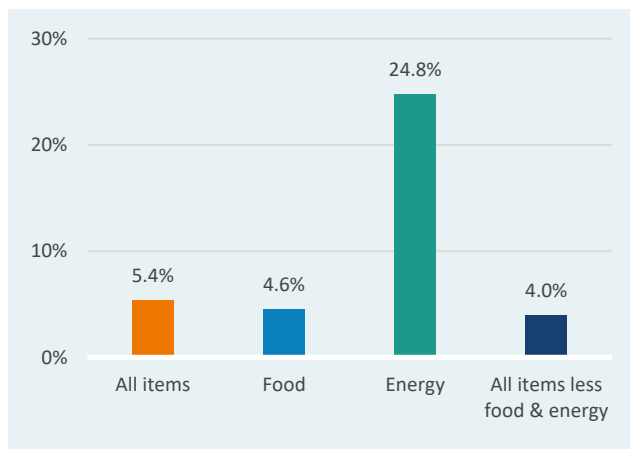
Recent moves suggest a moderation of prices, though we are watching closely for potential structural inflation

U.S. CPI (YOY)



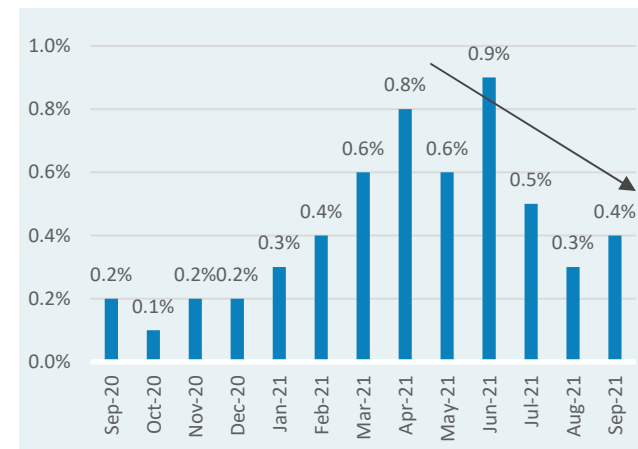
Source: BLS, as of 9/30/21

U.S. CPI (YOY)



Source: BLS, as of 9/30/21

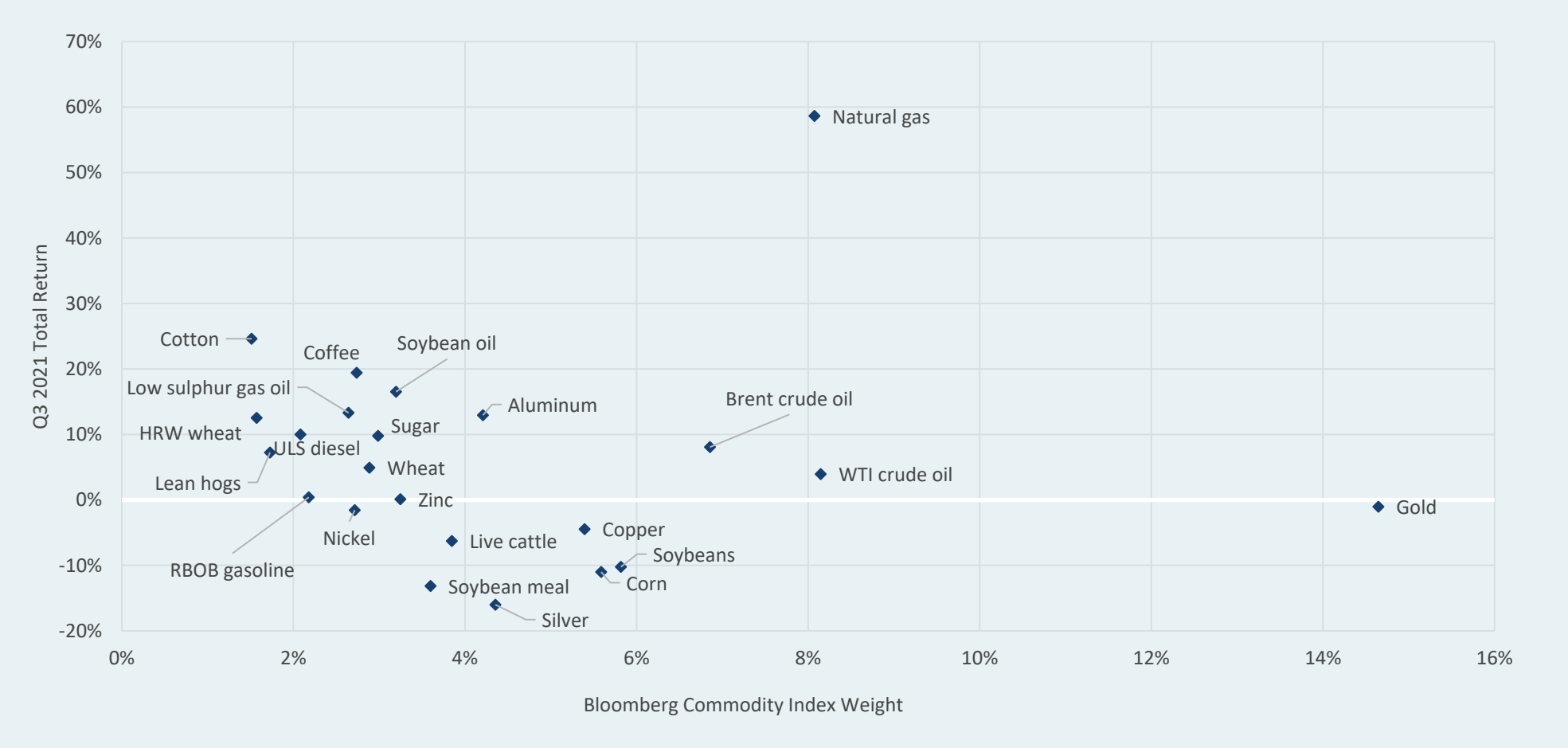
MONTHLY PRICE MOVEMENT



Source: BLS, as of 9/30/21

# Commodity surge

BLOOMBERG COMMODITY INDEX – Q3 2021 RETURNS BY INDEX WEIGHT



Source: Bloomberg, as of 9/30/21

# Labor market

U.S. unemployment fell from 5.9% to 4.8% during the quarter, while the labor participation rate was unmoved at 61.6%.

Two major themes can be observed in the U.S. labor market: 1) the unemployment rate has fallen as many workers who desired jobs have been successful in gaining employment, but 2) the overall U.S. laborforce participation rate has not improved, as millions of workers remain out of the laborforce and are not seeking employment. We continue to believe that the second effect has been fueled by approximately two million abnormally early retirements since 2020, which implies that the available U.S. workforce is now permanently smaller. As

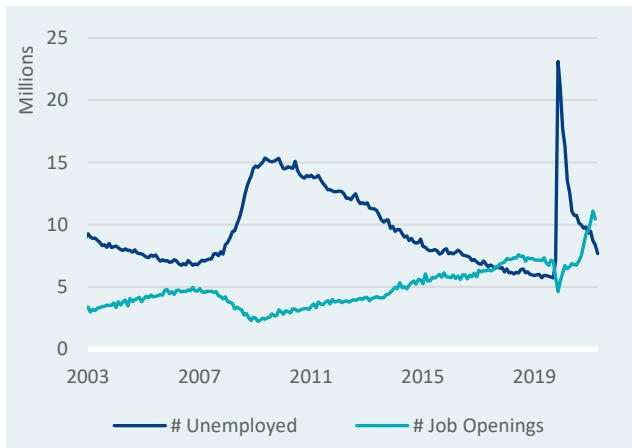
demonstrated below and on the next slide, the proportion of retired Americans per age group has increased markedly since 2019. It is difficult to know the main drivers behind the trend towards early retirement, but greater wealth (strong returns from markets and real estate), the need to take care of family, and an unwillingness to return to full-time work after extended periods of time off, may all be playing a part.

The number of U.S. job openings has far surpassed the supply of workers. As of August, 10.4 million job openings were posted across the country, while only 8.3 million Americans were seeking employment.

A portion of the U.S. labor force remains neither employed nor seeking work

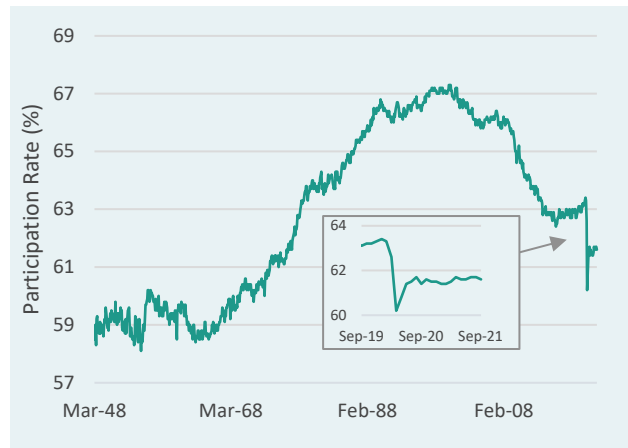
Much of this loss appears to be due to early retirements

## UNEMPLOYMENT VS. JOB OPENINGS



Source: FRED, as of 9/30/21

## LABOR PARTICIPATION RATE



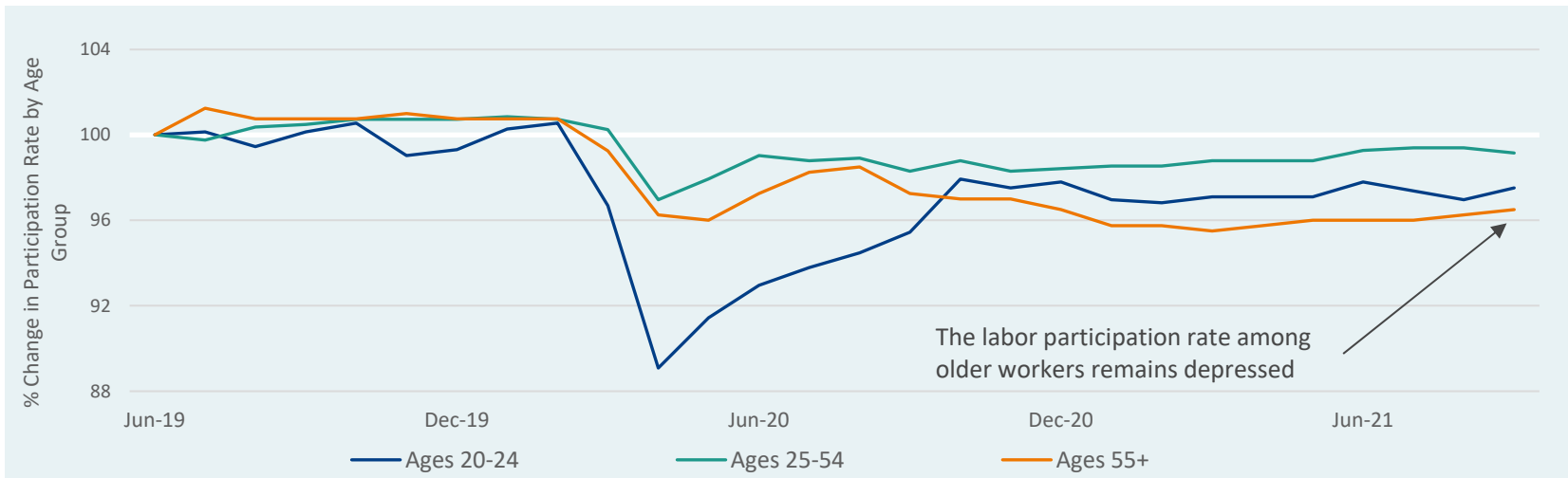
Source: FRED, as of 9/30/21

## % OF AMERICANS RETIRED

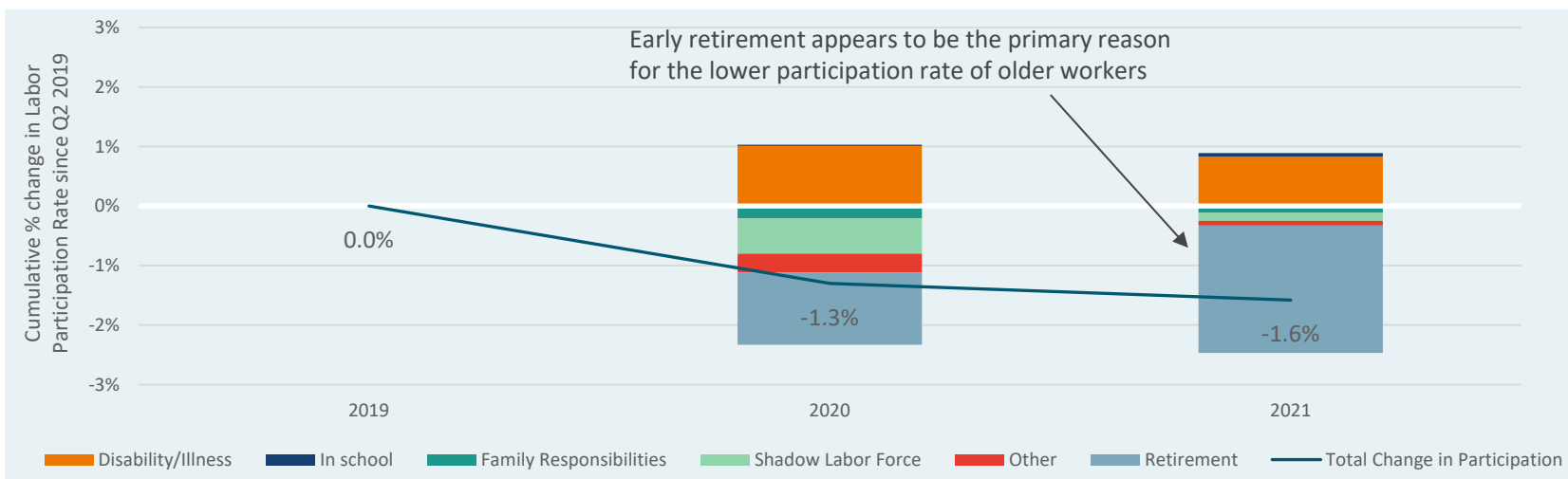
Age cohort	Women		Men	
	2019	2021	2019	2021
55+	52%	54%	44%	45%
55-59	11%	11%	7%	7%
60-64	28%	29%	21%	21%
65-69	59%	62%	52%	53%
70-74	78%	80%	71%	73%
75+	87%	88%	83%	85%

Source: St. Louis Federal Reserve

# Labor participation rate



The U.S. labor participation rate remains considerably depressed, due to millions of workers being out of work *and also not seeking work*



Economic data suggests that this effect may be largely due to millions of unusually early retirements since 2019

Source: Federal Reserve Bank of St. Louis, Verus, as of Q2 2021

# The consumer

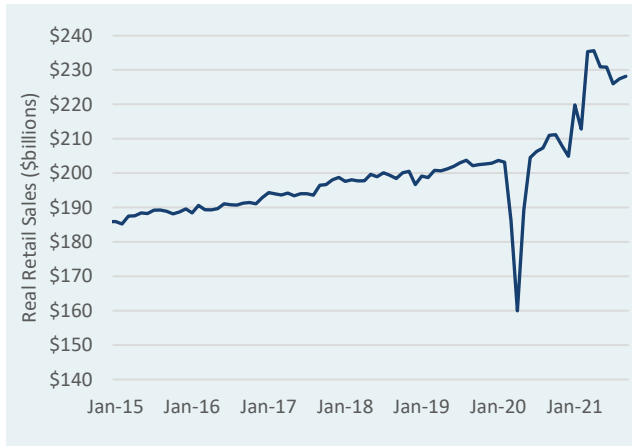
U.S. retail sales remain strong but have now slowed for two consecutive quarters, lower by -1.1% in Q3. The *reopening* spending surge appears to be slowing down, as retail sales, auto sales, and home sales have all declined in recent months. Fears around the COVID-19 Delta variant are also likely weighing on consumer spending activity. We examine quarterly rate of change here, because year-over-year rate of change (the traditional measure) is skewed due to the events of 2020.

Retail sales were expected to fall in September, but exceeded those expectations despite global supply chain issues and the rolling off of some enhanced government benefits. U.S. auto sales continued to fall sharply,

likely fueled by the dual effects of low supply and also the fact that many potential buyers, flush with stimulus cash, had already made a recent purchase.

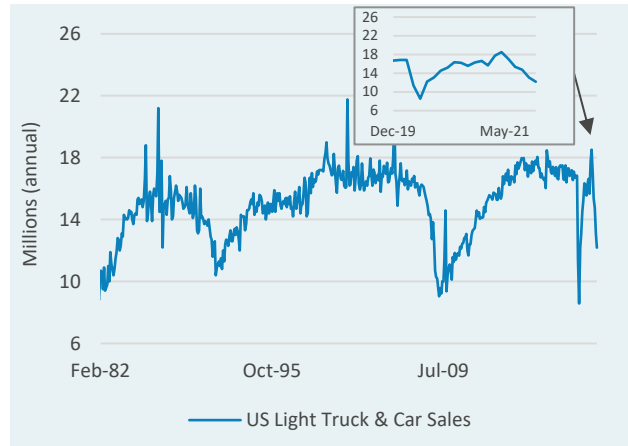
According to anonymized cellular phone data collected by Google for COVID-19 public health research, most economic activity seems to be back to normal for the most part. Public transportation and workplace travel remains the exception, though a recent uptick in workplace mobility might imply that some businesses are bringing staff back to the office.

**REAL RETAIL SALES**



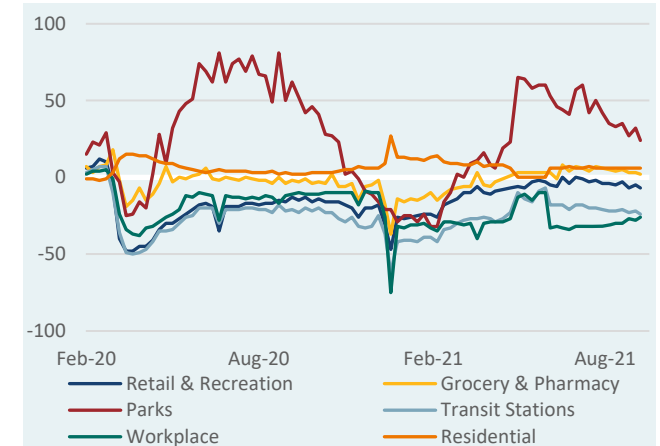
Source: FRED, as of 9/30/21

**AUTO SALES**



Source: Federal Reserve, as of 9/30/21

**GOOGLE U.S. ACTIVITY TRACKER**



Source: Google anonymized U.S. citizen mobility, as of 9/30/21

# Sentiment

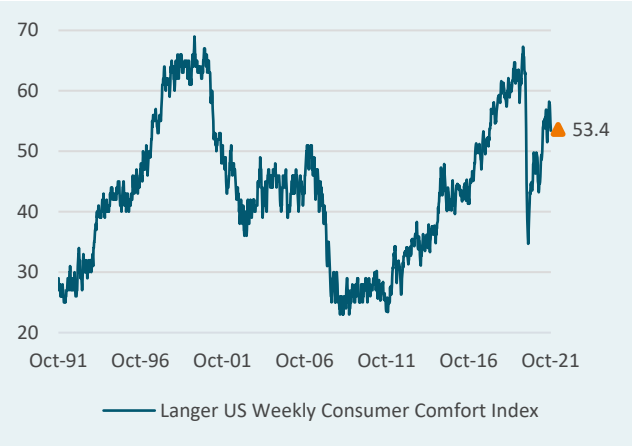
Consumer sentiment deteriorated during the third quarter, on reports of pessimism around COVID-19, inflation, and the economy. Small business optimism also fell as businesses face difficulty in hiring and are concerned about tax increases and more burdensome government regulations.

The University of Michigan Consumer Sentiment Survey attempts to gauge attitudes about the business climate, personal finances, and spending conditions. The survey reading fell from 85.5 to 72.8 on reports that the Delta variant and persistent inflation, as well as unfavorable prospects for the national economy, are weighing on sentiment. High prices of homes, vehicles, and durables are a concern, and only 18% of households anticipate that wage gains will be greater than inflation. The

Bloomberg Consumer Comfort Index attempts to gauge Americans' views on the economy, their personal financial situation, and buying conditions. The index fell from 55.1 to 53.4.

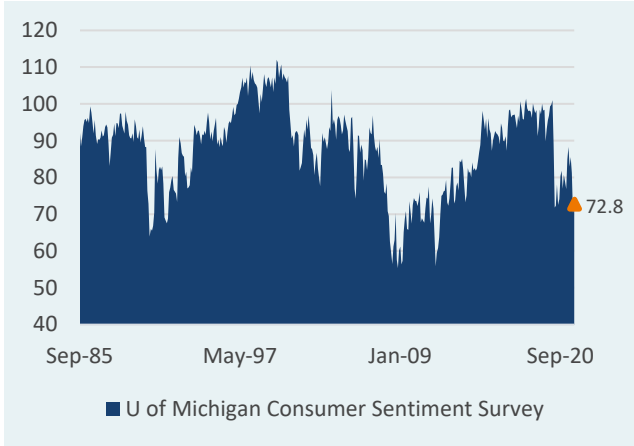
The NFIB Small Business Optimism index fell from 102.5 to 99.1 during the quarter. As reported, "Small business owners are doing their best to meet the needs of customers, but are unable to hire workers or receive the needed supplies and inventories," said NFIB Chief Economist Bill Dunkelberg. "The outlook for economic policy is not encouraging to owners, as lawmakers shift to talks about tax increases and additional regulations."

**CONSUMER COMFORT**



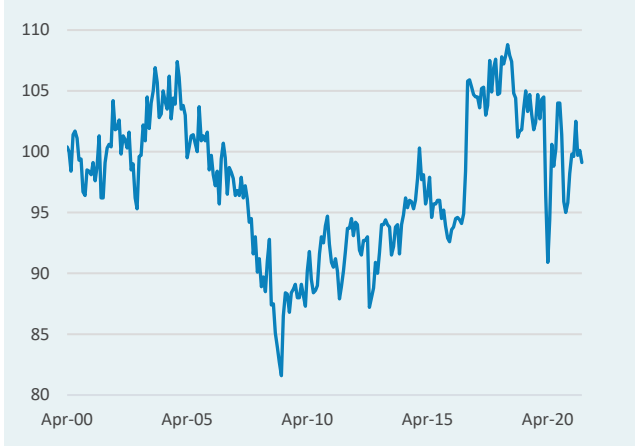
Source: Bloomberg, as of 9/30/21

**CONSUMER SENTIMENT**



Source: University of Michigan, as of 9/30/21

**SMALL BUSINESS OPTIMISM**



Source: NFIB, as of 9/30/21

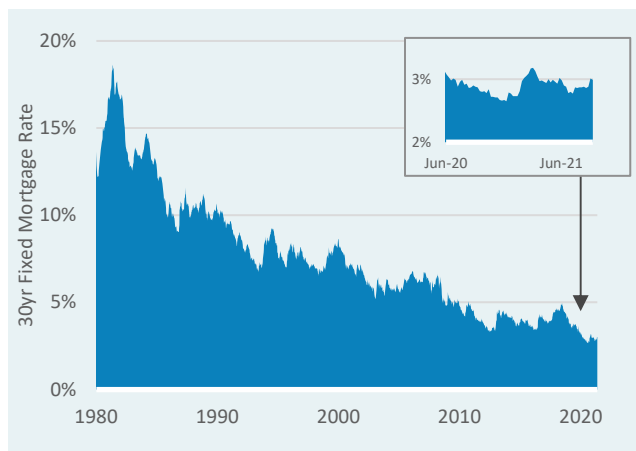
# Housing

U.S. home prices have rocketed higher, up 19.7% over the past year, according to the S&P/Case-Shiller U.S. National Home Price Index. This surprising boom appears to have been the product of a perfect storm for home demand, impacted by ultra-low interest rates, Americans' need for more space in the work-from-home environment, and likely pent-up demand from younger families who have been slower to purchase homes than past generations.

Mortgage interest rates have remained steady at around 3.0%, as attractive borrowing conditions support potential buyers who face elevated home prices.

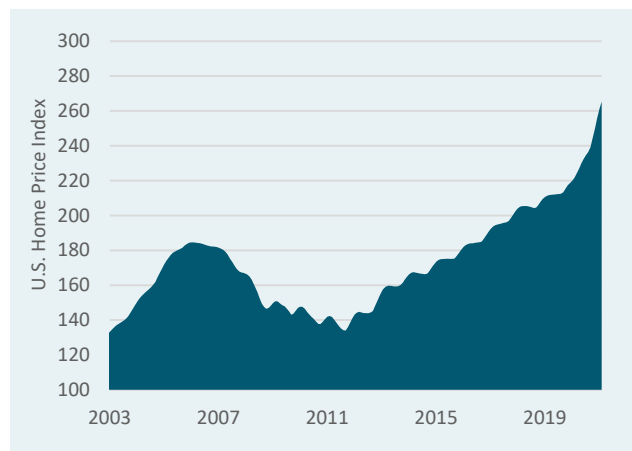
The cost of renting has seen a considerable rise throughout the pandemic, with rents up 9.2% year-over-year in September, according to Zillow. The rise in rent prices has differed quite a bit across the country, and it may be reasonable to assume that states with more outgoing net migration (ex: New York, California) may be experiencing less upward rent pressure than states with more incoming net migration (ex: Arizona, Florida), as demonstrated by recent rental price trends. Dramatic increases in rent prices, without a commensurate improvement in wages, creates obvious issues for many Americans.

**30YR FIXED MORTGAGE RATE (AVERAGE)**



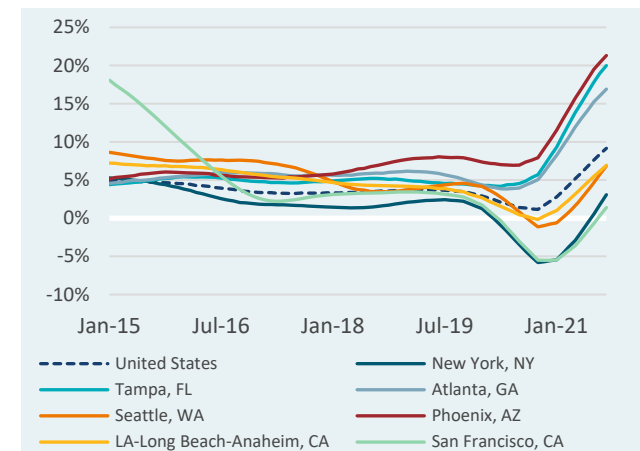
Source: U.S. Census Bureau, as of 9/30/21

**U.S. HOME PRICES**



Source: S&P/Case-Shiller U.S. National Home Price Index, as of 7/31/21

**ZILLOW OBSERVED RENT INDEXES – ZORI\* (YOY)**



\*Measures changes in asking rents across 100 markets over time.

Source: Zillow ZORI, as of 9/30/21

# International economics summary

- The emergence of the delta variant of COVID-19 in Europe and the United States over the summer led to the reimplementing of social distancing controls and a subsequent moderation of economic activity in the services sector.
- European and Japanese vaccination rates improved vastly over the quarter, which helped to contain the spread of COVID-19.
- Inflation surprised to the upside around the globe, but particularly in the Eurozone, which has spurred some tough conversations amongst central bank policymakers.
- Global consumer confidence has trended lower over most of the last two quarters on concerns over labor market prospects, as well as the impact of rising prices on purchasing power stability.
- Natural gas prices surged more

than 60% in Q3, primarily as a result of low supply levels and substitution effects due to price surges in other energy sources including coal. On a more thematic basis, Europe's clean energy initiatives also played a role, as renewable sources are not yet equipped to replace carbon-based power supplies, and adequate investment in nuclear plants has not been made. We are keeping a watchful eye on the potential impact of energy prices on inflation.

- Many factories in China were forced to shut down late in the quarter as a result of surging coal and electricity prices. Those shutdowns, alongside weaker than expected investment activity, tighter financing conditions, and stricter social distancing controls, all contributed to a larger-than-expected moderation in Chinese GDP growth, which fell to 4.9% year-over-year in Q3.

Area	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	12.2% 6/30/21	5.4% 9/30/21	4.8% 9/30/21
Eurozone	14.3% 6/30/21	3.4% 9/30/21	7.5% 8/31/21
Japan	7.6% 6/30/21	0.3% 9/30/21	2.8% 8/31/21
BRICS Nations	10.1% 6/30/21	2.4% 9/30/21	5.3% 6/30/21
Brazil	12.4% 6/30/21	10.3% 9/30/21	13.7% 7/31/21
Russia	10.5% 6/30/21	7.4% 9/30/21	4.4% 8/31/21
India	20.1% 6/30/21	5.3% 8/31/21	6.9% 9/30/21
China	4.9% 9/30/21	0.7% 9/30/21	5.1% 8/31/21

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



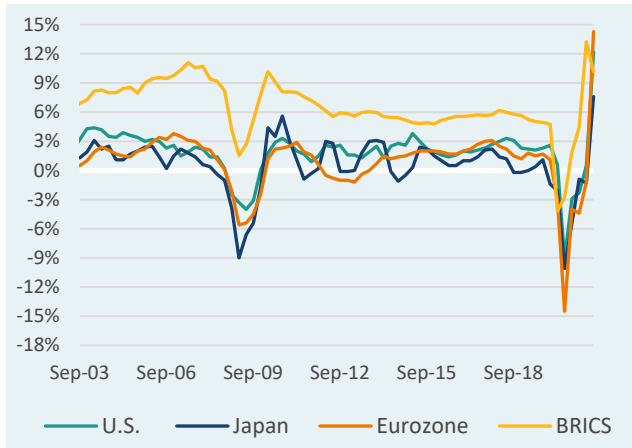
# International economics

The IMF expects the global economy will grow by 5.9% in 2021, and 4.9% in 2022. More recently, concerns over the impact of supply chain disruptions have crimped near-term growth expectations for advanced economies, but the expectation remains that those economies will regain their pre-pandemic trend path in 2022 and exceed it by 0.9% by 2024. However, sizable disparities in vaccine access and policy support have resulted in a larger expected setback to living standard improvements in the developing world, where growth is expected to remain 5.5% beneath the pre-pandemic trend by 2024.

Inflation remained high in most global economies, and the United States has seen one of the largest increases among other major developed economies. Inflation trends and the reaction of central banks to these trends will have important implications for markets.

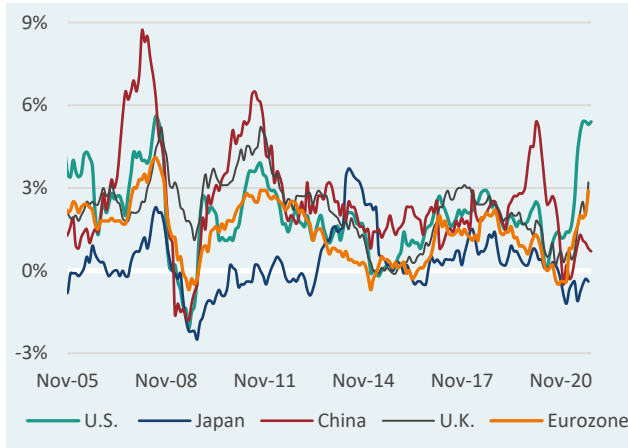
Unemployment around the world has improved as economies recover, government restrictions are loosened, and life moves back towards normalcy.

**REAL GDP GROWTH (YOY)**



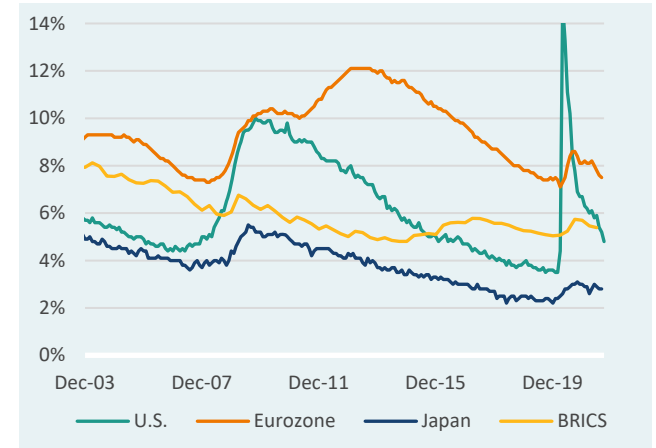
Source: Bloomberg, as of 6/30/21

**INFLATION (CPI YOY)**



Source: Bloomberg, as of 9/30/21 – or most recent release

**UNEMPLOYMENT**



Source: Bloomberg, as of 9/30/21 – or most recent release

# Fixed income rates & credit

# Fixed income environment

— The 10-year U.S. Treasury yield increased slightly during the quarter, from 1.45% to 1.52%. Longer-term Treasury bond yields drifted lower in July and August before picking up considerably in September, as speculation mounted that the Federal Reserve would begin tapering the current asset purchase program (\$80 billion in monthly Treasury purchases and \$40 billion in monthly agency mortgage-backed-securities) in November or December of this year.

— Credit spreads traded in a relatively tight range during the quarter and remained at a very low level relative to the historical average. Historically low credit default rates have supported tight spread levels. Above-average credit quality has also been supportive, specifically in the high-yield universe. Although credit spreads are tight, spreads arguably remain healthy relative to current bond default levels.

— Reports that Evergrande, one of the

largest property developers in China, was on track to miss debt service payments led to a sell-off in Chinese high-yield debt as investors braced for potential contagion. Dollar-denominated high-yield Chinese bonds in aggregate fell by around 20% in value.

— Realized and expected inflation metrics reached high levels relative to history, sparking a number of different policy responses from central bankers. The base case at the Fed and at the ECB remains that inflation will be transitory, and that rates can remain at current levels at least until late next year. In contrast, officials at the Bank of England are now expected to begin hiking rates in November, and many central banks in the emerging markets have already begun tightening policy.

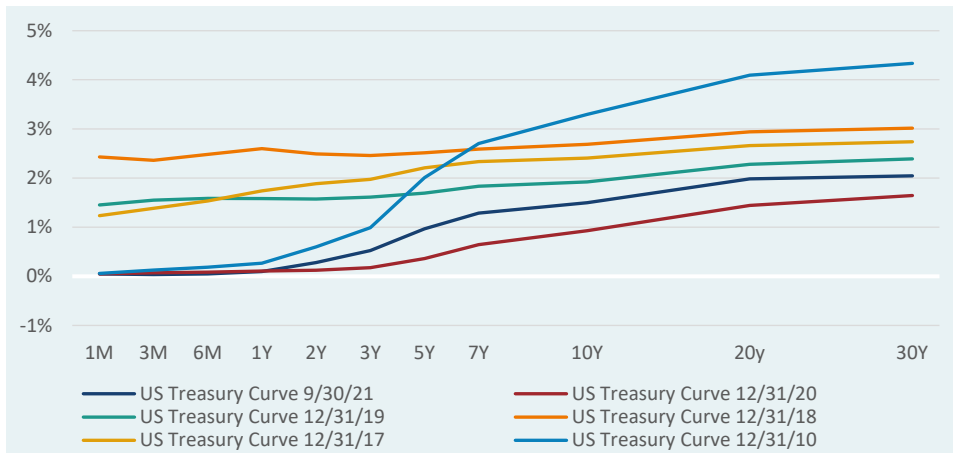
— The four-year discount margin, our preferred spread metric for bank loans, compressed slightly over the quarter from 4.32% to 4.28%.

	QTD Total Return	1 Year Total Return
Core Fixed Income (BBgBarc U.S. Aggregate)	0.1%	(0.9%)
Core Plus Fixed Income (BBgBarc U.S. Universal)	0.1%	0.2%
U.S. Treasuries (BBgBarc U.S. Treasury)	0.1%	(3.3%)
U.S. High Yield (BBgBarc U.S. Corporate HY)	0.9%	11.3%
Bank Loans (S&P/LSTA Leveraged Loan)	1.1%	8.4%
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	(3.1%)	2.6%
Emerging Market Debt Hard (JPM EMBI Global Diversified)	(0.7%)	4.4%
Mortgage-Backed Securities (BBgBarc MBS)	0.1%	(0.4%)

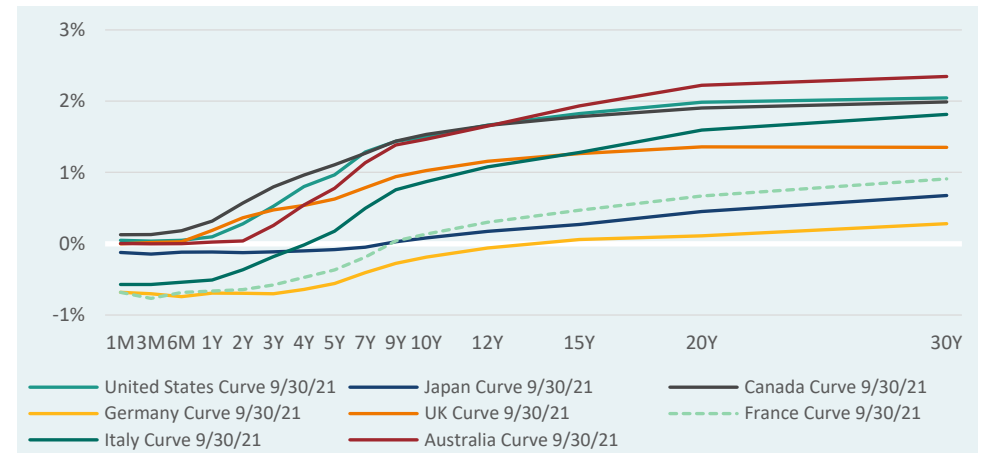
Source: Bloomberg, as of 9/30/21

# Yield environment

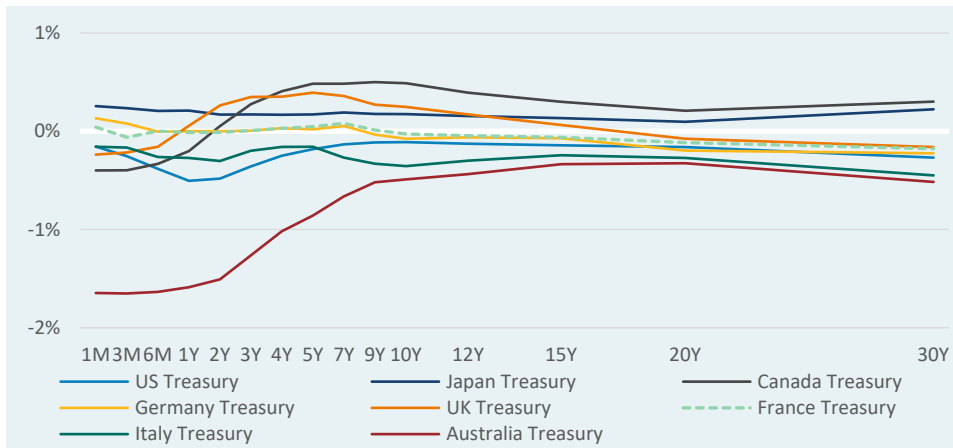
## U.S. YIELD CURVE



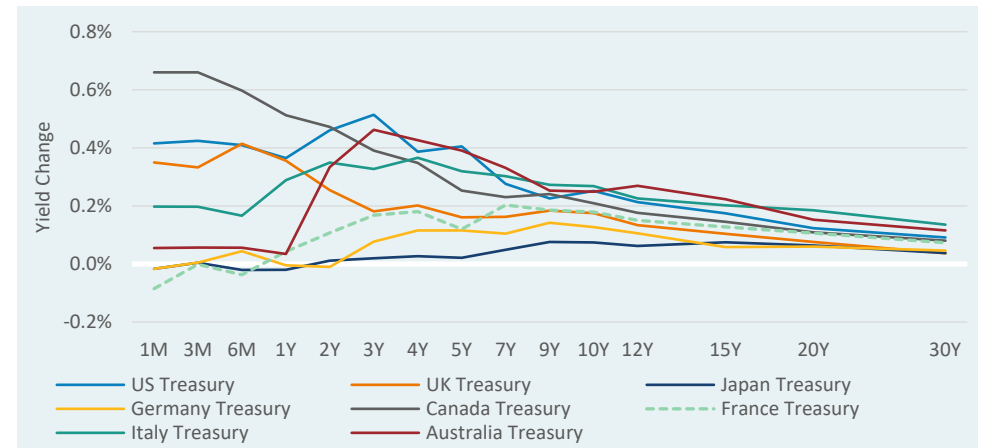
## GLOBAL GOVERNMENT YIELD CURVES



## YIELD CURVE CHANGES OVER LAST FIVE YEARS



## IMPLIED CHANGES OVER NEXT YEAR



Source: Bloomberg, as of 9/30/21

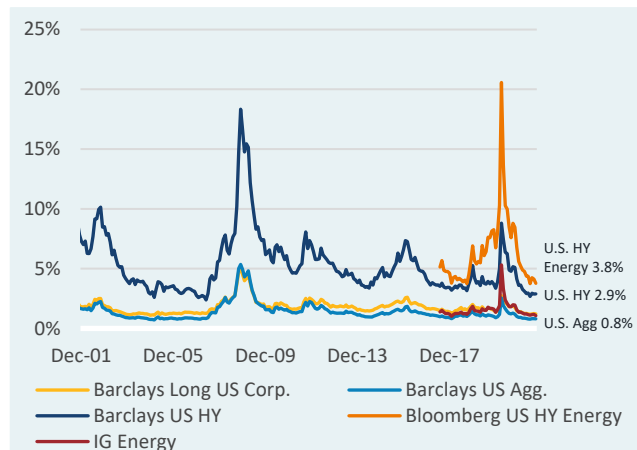
# Credit environment

Credit markets traded in a relatively tight range throughout the quarter, delivering mild returns. Bank loans outperformed, returning 1.1% and outpacing high yield bonds (0.9%) and corporate investment grade (0.0%). Credit spreads widened as strong demand did not fully offset lingering concerns around inflation, persistent supply chain delays, default the by Chinese property developer Evergrande, and risk of a government shutdown. High yield spreads widened 21 basis points to 289 basis points while investment grade spreads widened 4 basis points to end the quarter at 84 basis points.

Demand for high quality credit has been strong this year with an estimated \$80 billion flowing into corporate investment grade funds. At the same

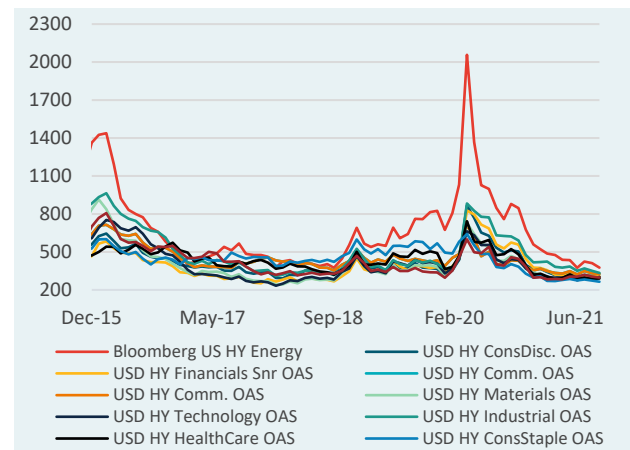
time, the sector has seen improvement in credit fundamentals as businesses repay some of last year's precautionary borrowing, reducing total debt levels. Strong demand and declining leverage, in conjunction with a potentially higher rate environment, are all supportive factors for credit (for example: global investors have stepped in to buy high yield bonds as rates rise, despite tight credit spreads, because the U.S. is a higher interest rate market). Investment grade spreads have only been this tight roughly 5% of the time since 2000. Tight valuations, which product low spread carry and longer relative duration, likely present challenges to credit performance going forward.

## SPREADS



Source: Barclays, Bloomberg, as of 9/30/21

## HIGH YIELD SECTOR SPREADS (BPS)



Source: Bloomberg, as of 9/30/21

Market	Credit Spread (OAS)	
	9/30/21	9/30/20
Long U.S. Corp	1.2%	1.9%
U.S. Inv Grade Corp	0.8%	1.4%
U.S. High Yield	2.9%	5.2%
U.S. Bank Loans*	4.3%	5.3%

Source: Barclays, Credit Suisse, Bloomberg, as of 9/30/21

\*Discount margin (4-year life)

# Default & issuance

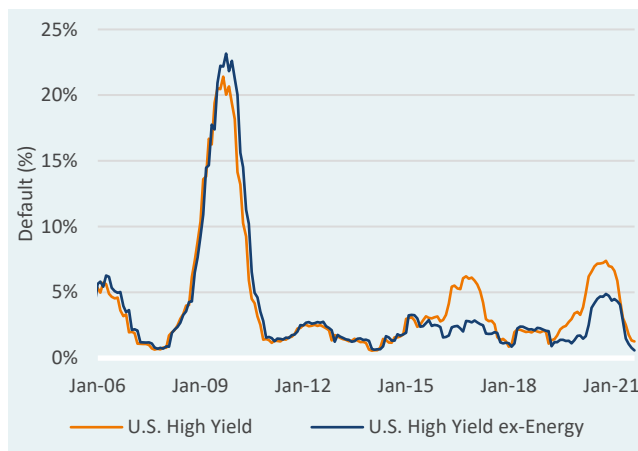
Default activity continued at a moderate pace in the third quarter with three defaults totaling \$1.3 billion across high yield bonds and bank loans. Over the first three quarters of the year, a total of nine companies defaulted on \$6.1 billion. As default activity continues to be light, the par-weighted U.S. high yield default rate declined in half to end the quarter at 1.3% year-over-year. Similarly, the loan par-weighted default rate ended the quarter at 0.9%, falling 3.4% year-to-date.

High yield bond issuance remains strong with Q3 gross issuance of \$129.4 billion, bringing the year-to date total to \$469.8 billion. Leveraged loan issuance continued at a historic pace with \$133.7 billion of new loan issued over the quarter. The \$418.3 billion of loans issued year-to-date has already

surpassed all previous *annual periods* with the exception of 2017 (\$419.2 billion).

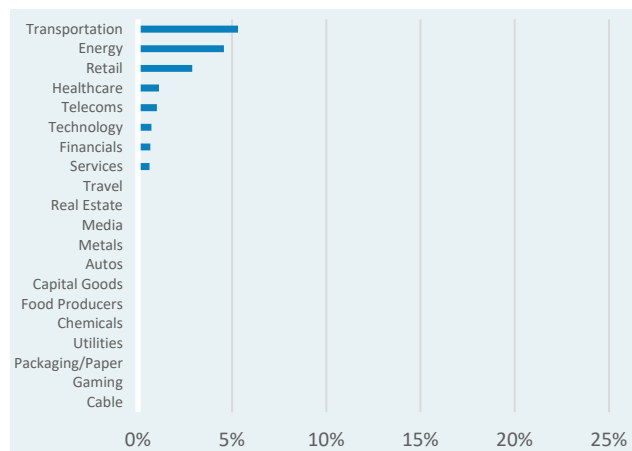
Investment grade issuance for the quarter totaled \$321 billion, below first (\$423 billion) and second quarter (\$350 billion) issuance but in-line with the 4-year average of \$323 billion. Of note, year-to-date Financial sector issuance has seen an uptick, accounting for 42% of issuance versus its four-year average share of roughly one-third of total investment grade issuance.

**HY DEFAULT RATE (ROLLING 1-YEAR)**



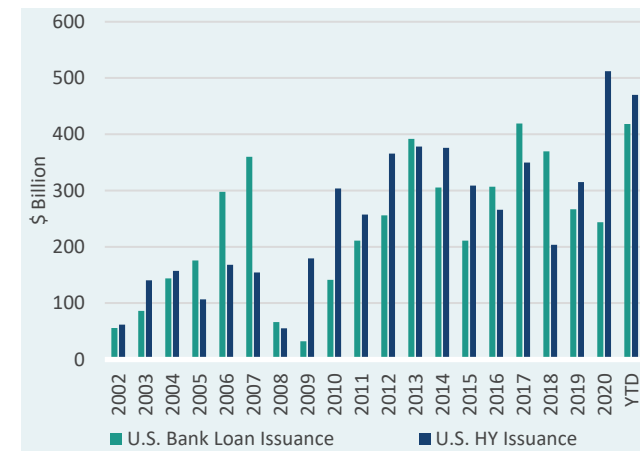
Source: BofA Merrill Lynch, as of 9/30/21

**U.S. HY SECTOR DEFAULTS (LAST 12 MONTHS)**



Source: BofA Merrill Lynch, as of 9/30/21 – par weighted

**U.S. ISSUANCE (\$ BILLIONS)**



Source: BofA Merrill Lynch, as of 9/30/21

# Equity

# Equity environment

- Equity markets took a pause in Q3, a notable change from the seemingly non-stop rally year-to-date. U.S. equities delivered 0.6%, while international equities experienced slight losses of -0.4% and emerging market equities saw a larger selloff of -8.1%, on an unhedged currency basis.
- Size and value factor performance was negative during the quarter, as large capitalization stocks outperformed small capitalization stocks by a wide margin (Russell 1000 +0.2%, Russell 2000 -4.4%) and growth stocks beat value (Russell 1000 Growth +1.2%, Russell 1000 Value -0.8%).
- As we observed last quarter, it does seem that investors have put the 2020 pandemic-induced recession and its associated risks behind them. However, it is not clear that market risks have completely subsided, as the Delta-variant continues to spread, high

inflation could indeed persist, and most governments are set to pull back generous stimulus programs.

- The U.S. is facing acute supply chain issues, and 71% of S&P 500 companies reported negative impacts to their business during quarterly earnings calls, as reported by FactSet.
- Weakness in Chinese equities (MSCI China -18.2%) was the major driver of emerging market equity underperformance, as a wave of new regulations were implemented by the Communist Party of China which cascaded across a number of sectors including Technology, Property Management, and Financials.
- Within MSCI's long-short U.S. factor portfolios, momentum (+1.3%) led the way while volatility (-1.7%) posted a negative total return.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
US Large Cap (S&P 500)	0.6%		30.0%	
US Small Cap (Russell 2000)	(4.4%)		47.7%	
US Large Value (Russell 1000 Value)	(0.8%)		35.0%	
US Large Growth (Russell 1000 Growth)	1.2%		27.3%	
International Large (MSCI EAFE)	(0.4%)	1.5%	25.7%	28.2%
Eurozone (Euro Stoxx 50)	(2.4%)	0.1%	27.6%	30.6%
U.K. (FTSE 100)	(0.5%)	2.0%	30.7%	26.1%
Japan (NIKKEI 225)	2.5%	2.9%	21.9%	29.3%
Emerging Markets (MSCI Emerging Markets)	(8.1%)	(6.9%)	18.2%	15.9%

Source: Russell Investments, MSCI, STOXX, FTSE, Nikkei, as of 9/30/21



# Domestic equity

U.S. equities performed relatively well in Q3, delivering a slightly positive return of 0.6% (S&P 500). The index is expected to report Q3 earnings growth of 27.6% year-over-year, as indicated by FactSet. The U.S. is facing acute supply chain issues, and 71% of S&P 500 companies reported negative impacts to their business during quarterly earnings calls.

Mildly higher interest rates during the quarter likely supported Financials (+2.7%) while acting as a headwind to growth-oriented sectors such as Information Technology (+1.3%).

Performance over the near-term may be constrained by a degree of economic slowdown induced by the COVID-19 Delta variant, as well as moderating earnings growth expectations, although the analyst consensus price target for the S&P 500 over the next year is 5051, as of October 6<sup>th</sup>.

Recent price increases have raised questions around the defensibility of net profit margins, which are expected to moderate in Q3 but remain elevated well above recent averages. Some investors have begun to discuss positioning within sectors that have exhibited more pricing power.

**S&P 500 INDEX**



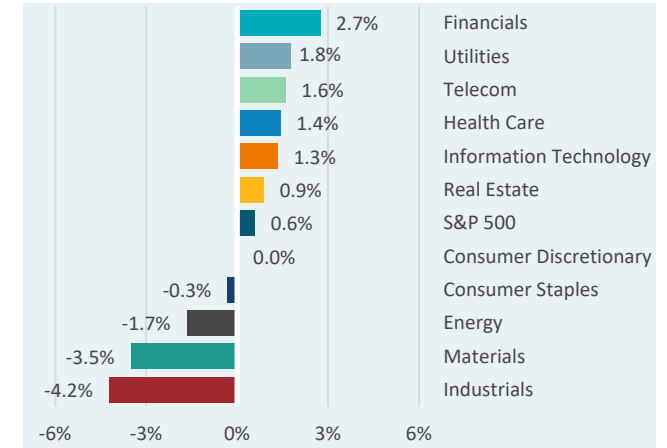
Source: Standard & Poor's, as of 9/30/21

**S&P 500 NET PROFIT MARGINS**



Source: FactSet, as of 10/18/21

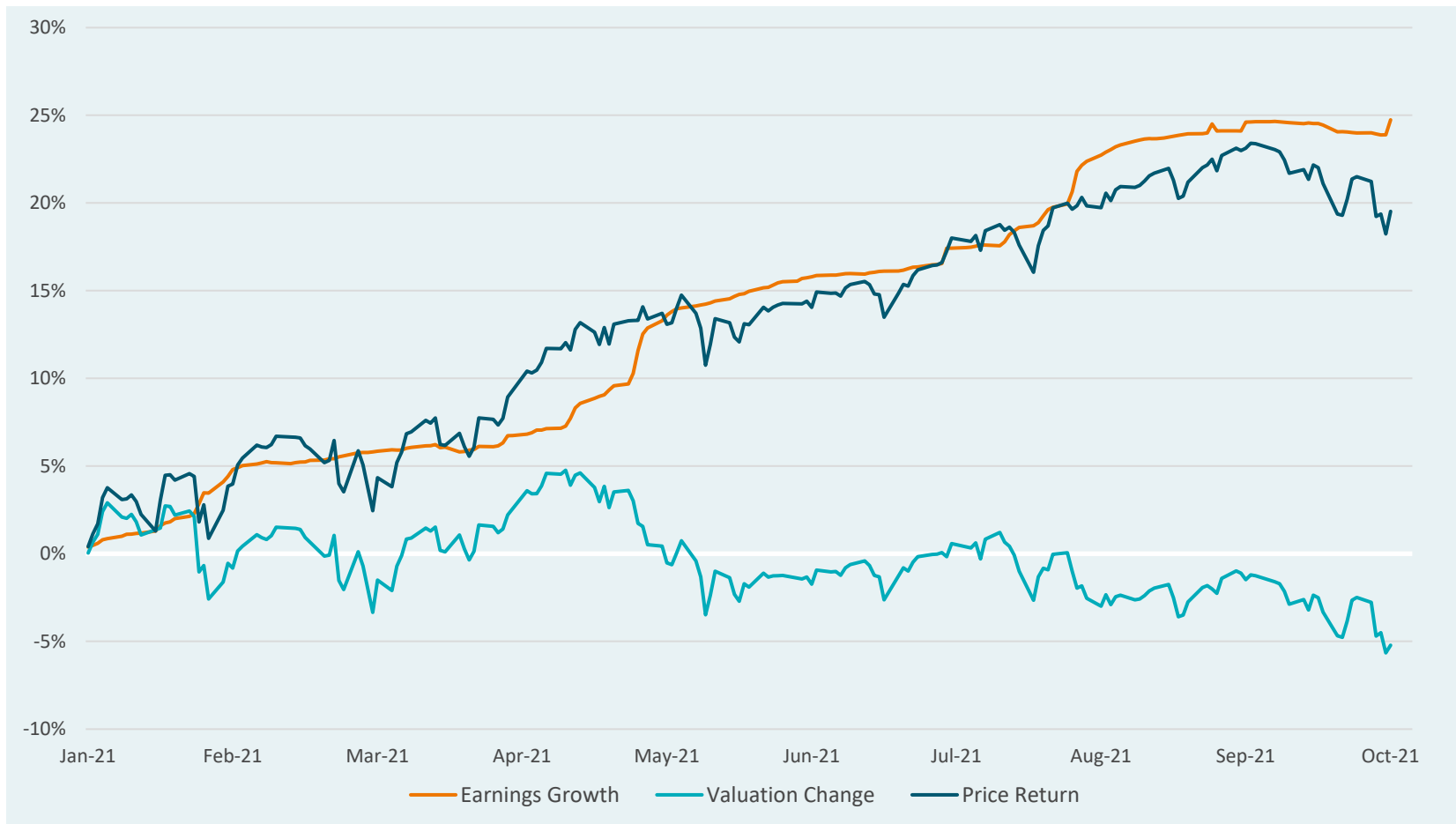
**Q3 SECTOR PERFORMANCE**



Source: Standard & Poor's, as of 9/30/21

# U.S. equity *Price/Earnings*

A very expensive “P” but record-growth of “E”



Corporate earnings growth has been the main driver of U.S. equity returns in 2021

Strong earnings growth expectations have led to slightly cheaper equities, as demonstrated by the *P/E multiple*

Source: Standard & Poor's, Bloomberg, Factset - Forward P/E, as of 9/30/21

# Domestic equity size & style

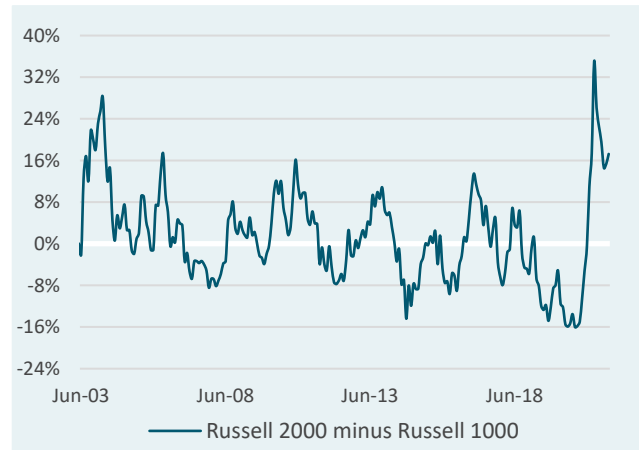
Large capitalization stocks outperformed small cap during the quarter by a wide margin (Russell 1000 +0.2%, Russell 2000 -4.4%) and growth stocks beat value (Russell 1000 Growth +1.2%, Russell 1000 Value -0.8%).

Following the notable turnaround in value stock performance during Q1, growth stocks took the lead in Q2, dampening excitement for a value comeback. Growth further outperformed in Q3. As we expressed earlier in the year, style performance is often impacted heavily by sector

randomness, which suggests that investors should be cautious in assuming that performance is *signal* rather than *noise*. Value stocks continue to be cheap relative to growth stocks, historically speaking. However, there does not appear to be a clear catalyst on the horizon that would imply a value timing opportunity. Factor performance tends to be noisy and difficult to predict, which suggests that style investing should in most cases involve a longer-term focus.

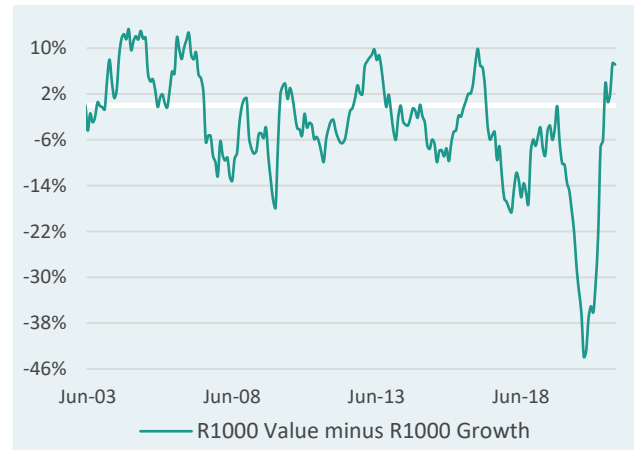
Large cap and growth stocks outperformed during Q3

SMALL CAP VS LARGE CAP (YOY)



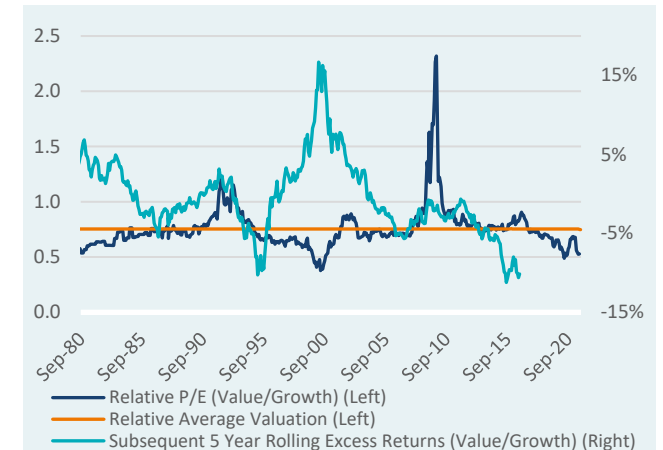
Source: FTSE, as of 9/30/21

VALUE VS GROWTH (YOY)



Source: FTSE, as of 9/30/21

VALUE VS. GROWTH RELATIVE VALUATIONS



Source: Standard & Poor's, as of 9/30/21

# International developed equity

International equities experienced slight losses of -0.4% (MSCI EAFE Index) during the quarter on an unhedged currency basis, lagging U.S. equities but outperforming emerging markets. Currency movement during the quarter resulted in a loss of -1.9% relative to those investors with a currency hedging program.

Japanese equities (MSCI Japan +4.6%) rallied on strong earnings, and on the news that Prime Minister Suga's successor, Fumio Kishida, would be less likely to pursue tax hikes on investment income. Japan's vaccination rate also improved considerably, and ended the quarter in line with major European countries, laying the groundwork for a broader reopening of the economy.

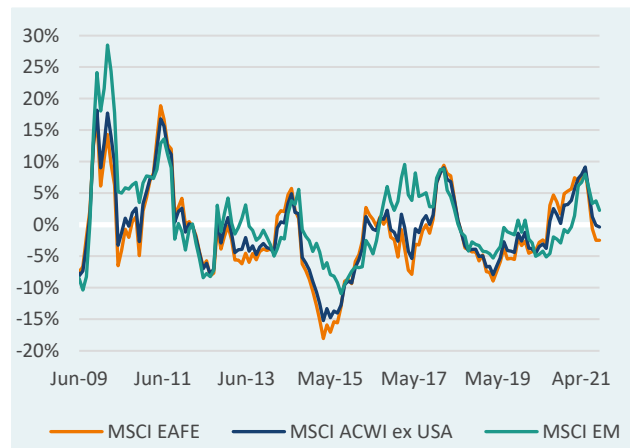
The strong performance of Japanese equities helped to offset for international developed equity investors the negative returns delivered by European equities (MSCI Europe -1.6%), which faced headwinds from a significant weakening in the pound sterling (-2.4%) and euro (-2.3%) relative to the U.S. dollar. According to futures market positioning data from the CFTC, more people are betting that the euro will depreciate in value than those betting that it will appreciate in value, for the first time since March 2020.

## INTERNATIONAL DEVELOPED EQUITIES



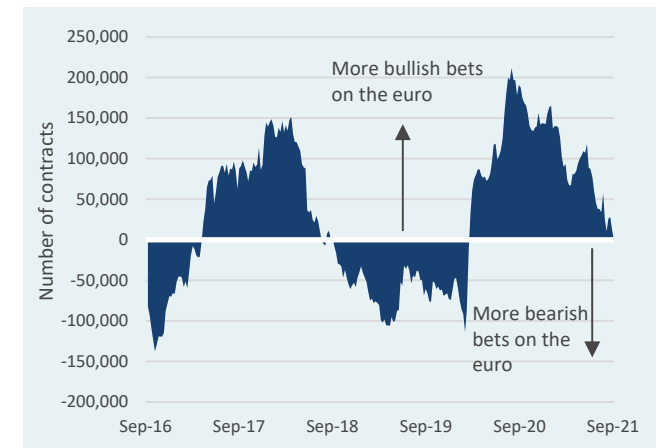
Source: MSCI, as of 9/30/21

## EFFECT OF CURRENCY (1-YEAR ROLLING)



Source: MSCI, as of 9/30/21

## EURO NET FUTURES POSITIONING



Source: CFTC, non-commercial positioning, as of 9/28/21

# Emerging market equity

Emerging market equities saw large losses (MSCI EM -8.1%) on an unhedged currency basis, underperforming other markets during the third quarter. China has dragged down emerging markets performance considerably, producing losses of -18.2% in Q3 relative to ex-China emerging market performance of -2.0%, and producing losses of -7.2% over the past year relative to ex-China emerging market performance of 36.9% (MSCI China vs. MSCI Emerging Markets ex-China). China comprises 34% of the MSCI Emerging Markets Index.

Latin American emerging markets have taken the lead over Asian emerging markets over the past year, a notable change from strong Asian

leadership in recent years (MSCI EM Latin America +27.3%, MSCI EM Asia +13.9%)

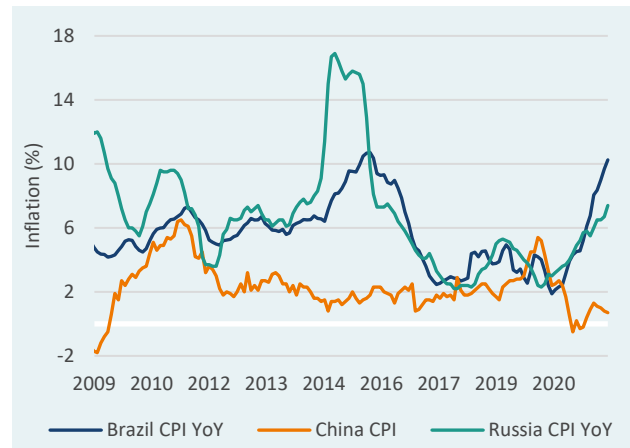
Inflation in Brazil has risen to 10.3%, and in Russia to 7.4%, which has generated responses from central banks. Brazil has hiked their central bank rate from 2.00% to 6.25% to battle rising prices, while Russia has hiked its rate from 4.25% to 6.75% year-to-date. While inflation rate in the U.S. is one of the highest in the developed world, emerging markets are also facing tough decisions regarding the balance between economic recovery and the risks of uncomfortably high inflation.

## EMERGING MARKET EQUITY



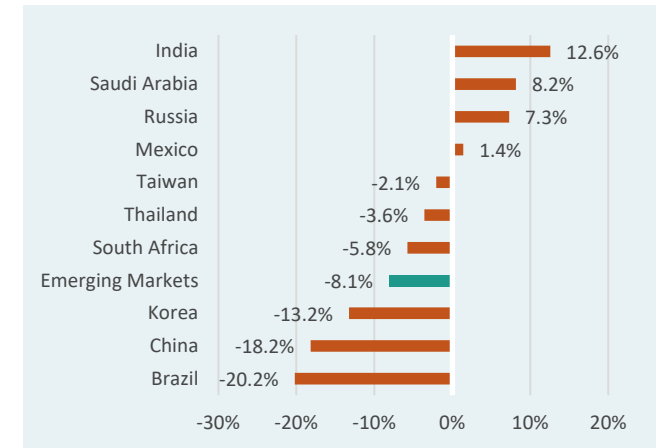
Source: MSCI, as of 9/30/21

## INFLATION (YOY)



Source: Bloomberg, as of 9/30/21 or most recent data

## Q3 PERFORMANCE – TOP 10 EM CONSTITUENTS



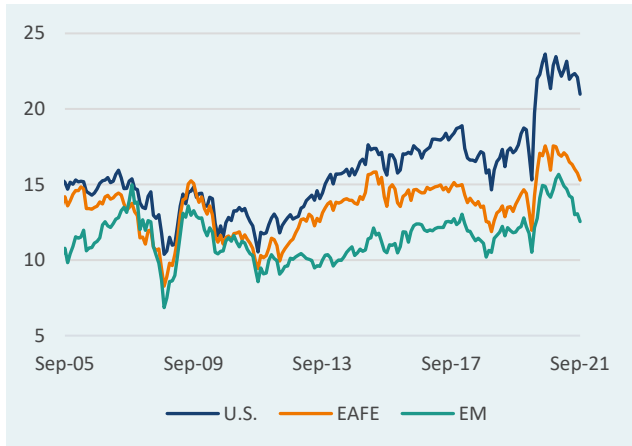
Source: Bloomberg, MSCI, as of 9/30/21, performance in USD terms

# Equity valuations

Forward price/earnings equity multiples have been falling around the world, as earnings expectations rise faster than equity prices, though valuations remain very high. U.S. stock valuations are, and have been, incredibly elevated. A larger share of technology stocks in U.S. indices partly explains these historically high prices, as technology stocks tend to demand a higher P/E than most other industry sectors. Investors appear to agree that high prices of domestic stocks will likely translate to below-average future performance over the long-term, as reflected in industry capital market assumptions.

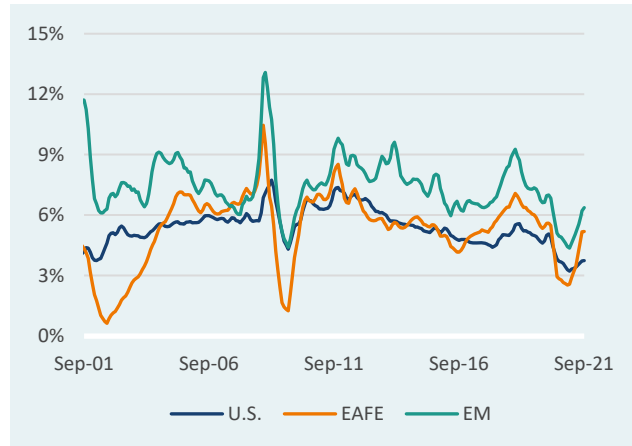
Global equity earnings yields improved considerably, as trailing 12-month earnings have rebounded from low levels. Price growth has moderated in the U.S. and has moved into negative territory across international developed and emerging market equities. The question moving ahead will be whether valuations (which remain rich) are sustainable absent further above-average earnings growth. Rising prices of major input costs, including labor and energy, have dampened the outlook for margins, which may lead companies to raise prices where possible. This pricing power varies by sector and by region.

**FORWARD P/E RATIOS**



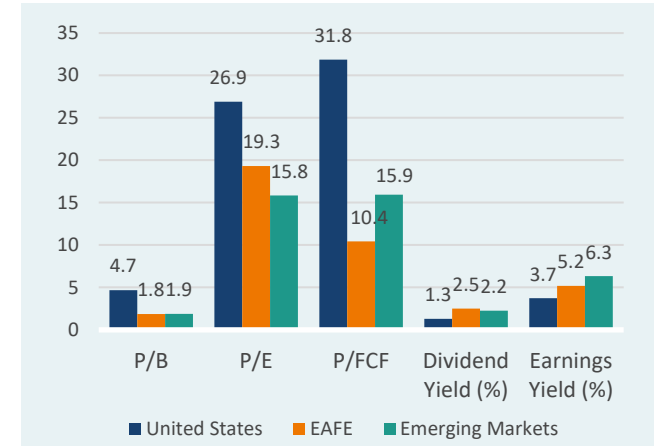
Source: MSCI, 12m forward P/E, as of 9/30/21

**CURRENT EARNINGS YIELD (3-MONTH AVERAGE)**



Source: Bloomberg, MSCI, as of 9/30/21

**VALUATION METRICS (3-MONTH AVERAGE)**



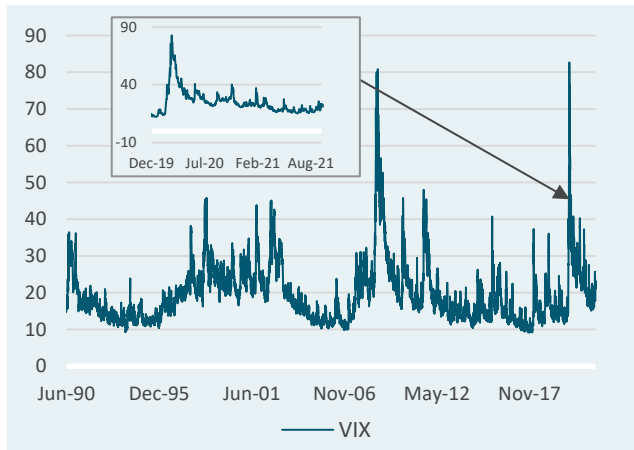
Source: Bloomberg, MSCI as of 9/30/21 - trailing P/E

# Equity volatility

The Cboe VIX Index remained below the longer-term average of 19 through July and August, then increased throughout September, ending the quarter at an elevated 23.1. This compares to only 13.9% realized volatility over the past year. As is typical, international developed equity realized volatility has been slightly greater than that of the U.S. market. The realized volatility of emerging market equities, on the other hand, has been on par with the U.S. for a few years—a rare occurrence, historically speaking.

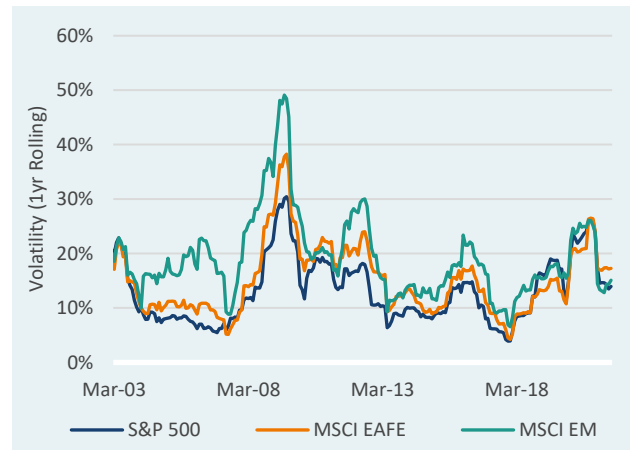
As we observed last quarter, it does seem that investors have put the 2020 pandemic-induced recession and its associated risks behind them. However, it is not clear that market risks have completely subsided, as the Delta-variant continues to spread, high inflation could indeed persist, and most governments are set to pull back generous stimulus programs. While U.S. equities have marched higher with very few road bumps over the year-to-date, the S&P 500 Index closed the quarter 5.1% below its previous record high level, snapping a streak of 231 consecutive trading days where it had not fallen more than 5% beneath the record high.

**U.S. IMPLIED VOLATILITY (VIX)**



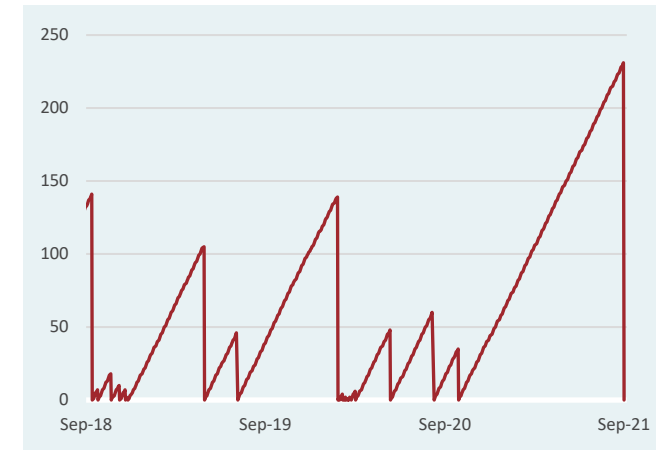
Source: Cboe, as of 9/30/21

**REALIZED VOLATILITY**



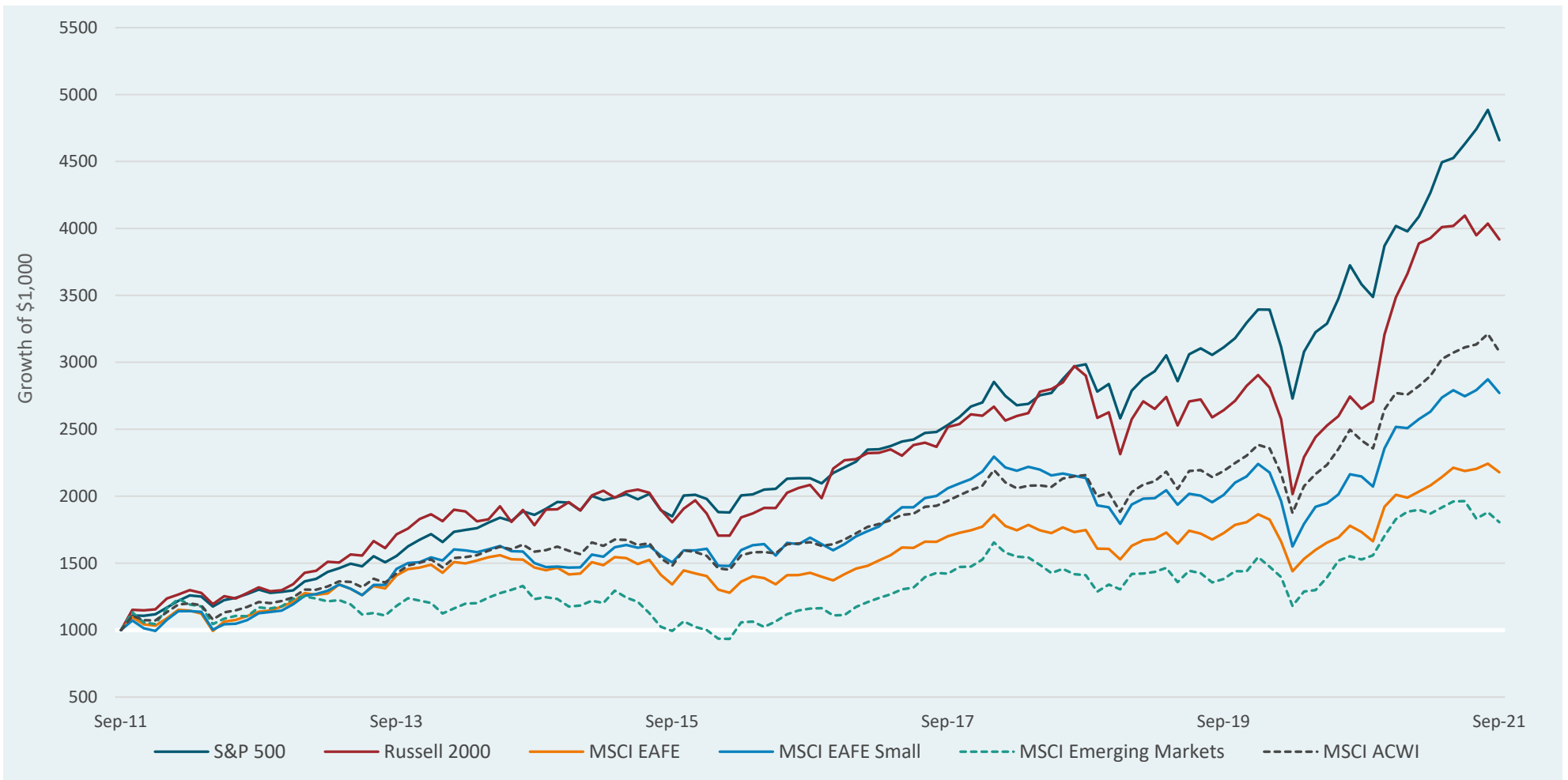
Source: Standard & Poor's, MSCI, as of 9/30/21

**DAYS SINCE LAST 5% DRAWDOWN – S&P 500**



Source: Standard & Poor's, Verus, as of 9/30/21

# Long-term equity performance



Source: Morningstar, as of 9/30/21



# Other assets

# Currency

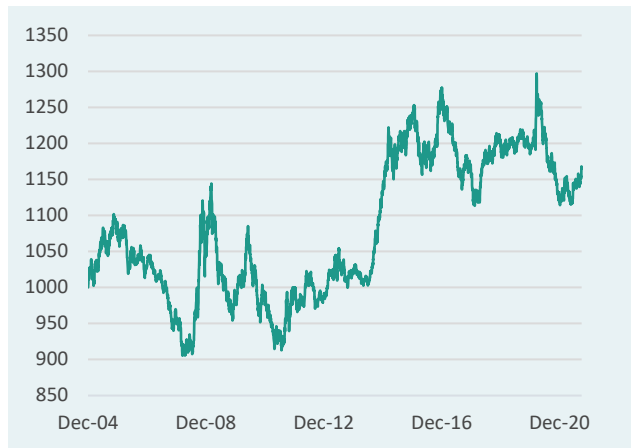
The U.S. dollar appreciated 2% during the quarter, continuing its modest rise year-to-date. This move coincided with a slight increase in U.S. Treasury yields and European government bond yields, resulting in little change to interest rate differentials.

U.S. dollar sentiment reached its most optimistic level since late 2019, while sentiment surrounding the euro and pound turned from optimistic to pessimistic. Differences in monetary policy from country-to-country appear to be driving this shift in sentiment. While the U.S. Federal Reserve is expected to begin tapering asset purchases by year-end, the ECB is planning on simply shifting the complexion of its asset purchase program, and the

BOE is planning on adjusting short-term interest rates higher while retaining the majority of its asset purchase program which targets longer-duration bonds.

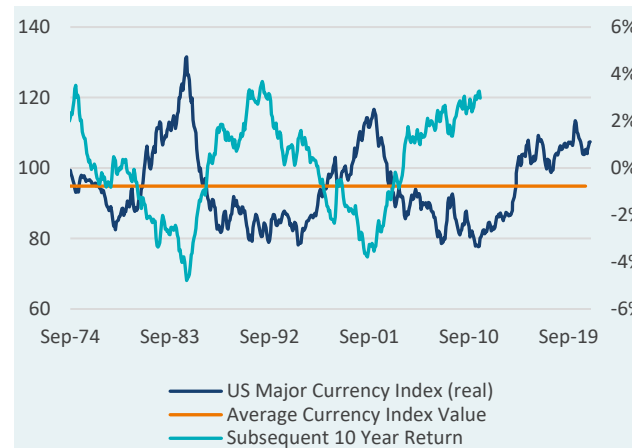
The MSCI Currency Factor Mix Index, Verus' preferred currency beta benchmark, outperformed the currency portfolio of the MSCI ACWI ex-US Index over the twelve months ending September 30<sup>th</sup>, while exhibiting 1.1% less volatility.

**BLOOMBERG DOLLAR SPOT INDEX**



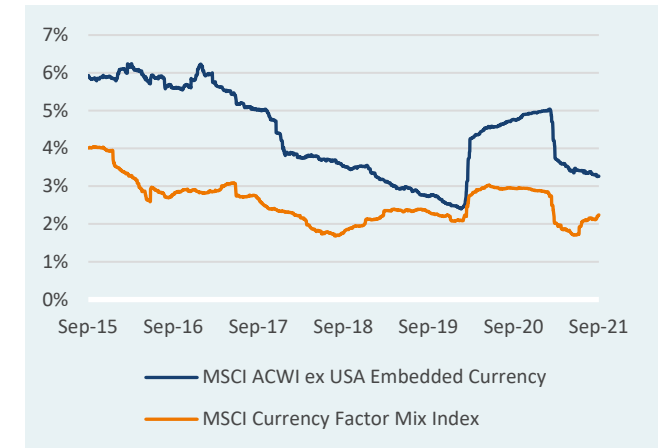
Source: Bloomberg, as of 9/30/21

**U.S. DOLLAR MAJOR CURRENCY INDEX**



Source: Federal Reserve, as of 9/30/21

**TRAILING ONE-YEAR ANNUALIZED VOLATILITY**



Source: Bloomberg, MSCI, as of 9/30/21

# Appendix

# Periodic table of returns

BEST

↑

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	5-Year	10-Year
Commodities	66.4	31.8	14.0	25.9	56.3	26.0	34.5	32.6	39.8	5.2	79.0	29.1	14.3	18.6	43.3	13.5	13.3	31.7	37.3	6.7	36.4	38.5	29.1	22.8	19.7
Small Cap Value	43.1	22.8	8.4	10.3	48.5	22.2	21.4	26.9	16.2	1.4	37.2	26.9	7.8	18.1	38.8	13.2	5.7	21.3	30.2	1.9	31.4	34.6	22.9	17.1	16.8
Large Cap Value	33.2	12.2	7.3	6.7	47.3	20.7	20.1	23.5	15.8	-6.5	34.5	24.5	2.6	17.9	34.5	13.0	0.9	17.3	25.0	0.0	28.5	21.0	16.1	15.3	15.7
Large Cap Equity	27.3	11.6	3.3	1.6	46.0	18.3	14.0	22.2	11.8	-21.4	32.5	19.2	1.5	17.5	33.5	11.8	0.6	12.1	22.2	-1.5	26.5	20.0	15.2	13.5	14.6
Large Cap Growth	26.5	7.0	2.8	1.0	39.2	16.5	7.5	18.4	11.6	-25.9	28.4	16.8	0.4	16.4	33.1	6.0	0.0	11.8	21.7	-3.5	25.5	18.3	14.3	11.0	13.5
Small Cap Equity	21.3	4.1	-2.4	-6.0	29.9	14.3	6.3	15.5	10.3	-33.8	23.3	16.1	-2.1	15.3	23.3	4.9	-0.8	11.2	14.6	-6.0	22.4	14.0	12.4	10.9	13.2
International Equity	24.3	6.0	2.5	-5.9	30.0	14.5	7.1	16.6	10.9	-28.9	27.2	16.7	0.1	16.3	32.5	5.6	-0.4	11.3	17.1	-4.8	22.0	10.3	8.3	9.2	8.8
Hedge Funds of Funds	20.9	-3.0	-5.6	-11.4	29.7	12.9	5.3	15.1	7.0	-35.6	20.6	15.5	-2.9	14.6	12.1	4.2	-1.4	8.0	13.7	-8.3	18.6	7.8	6.4	8.9	8.1
Real Estate	13.2	-7.3	-9.1	-15.5	25.2	11.4	4.7	13.3	7.0	-36.8	19.7	13.1	-4.2	11.5	11.0	3.4	-2.5	7.1	7.8	-9.3	18.4	7.5	5.4	8.8	8.0
60/40 Global Portfolio	11.4	-7.8	-9.2	-15.7	23.9	9.1	4.6	10.4	5.8	-37.6	18.9	10.2	-5.5	10.5	9.0	2.8	-3.8	5.7	7.7	-11.0	8.7	4.6	5.0	6.1	6.1
Small Cap Growth	7.3	-14.0	-12.4	-20.5	11.6	6.9	4.6	9.1	4.4	-38.4	11.5	8.2	-5.7	4.8	0.1	0.0	-4.4	2.6	7.0	-11.2	7.8	2.8	2.8	5.9	4.5
Cash	4.8	-22.4	-19.5	-21.7	9.0	6.3	4.2	4.8	-0.2	-38.5	5.9	6.5	-11.7	4.2	-2.0	-1.8	-7.5	1.0	3.5	-12.9	7.7	0.5	0.0	4.5	3.0
Emerging Markets Equity	-0.8	-22.4	-20.4	-27.9	4.1	4.3	3.2	4.3	-1.6	-43.1	0.2	5.7	-13.3	0.1	-2.3	-4.5	-14.9	0.5	1.7	-13.8	6.4	0.5	-1.2	2.9	0.6
US Bonds	-1.5	-30.6	-21.2	-30.3	1.0	1.4	2.4	2.1	-9.8	-53.2	-16.9	0.1	-18.2	-1.1	-9.5	-17.0	-24.7	0.3	0.9	-14.6	2.1	-3.1	-1.6	1.1	-2.7

↓

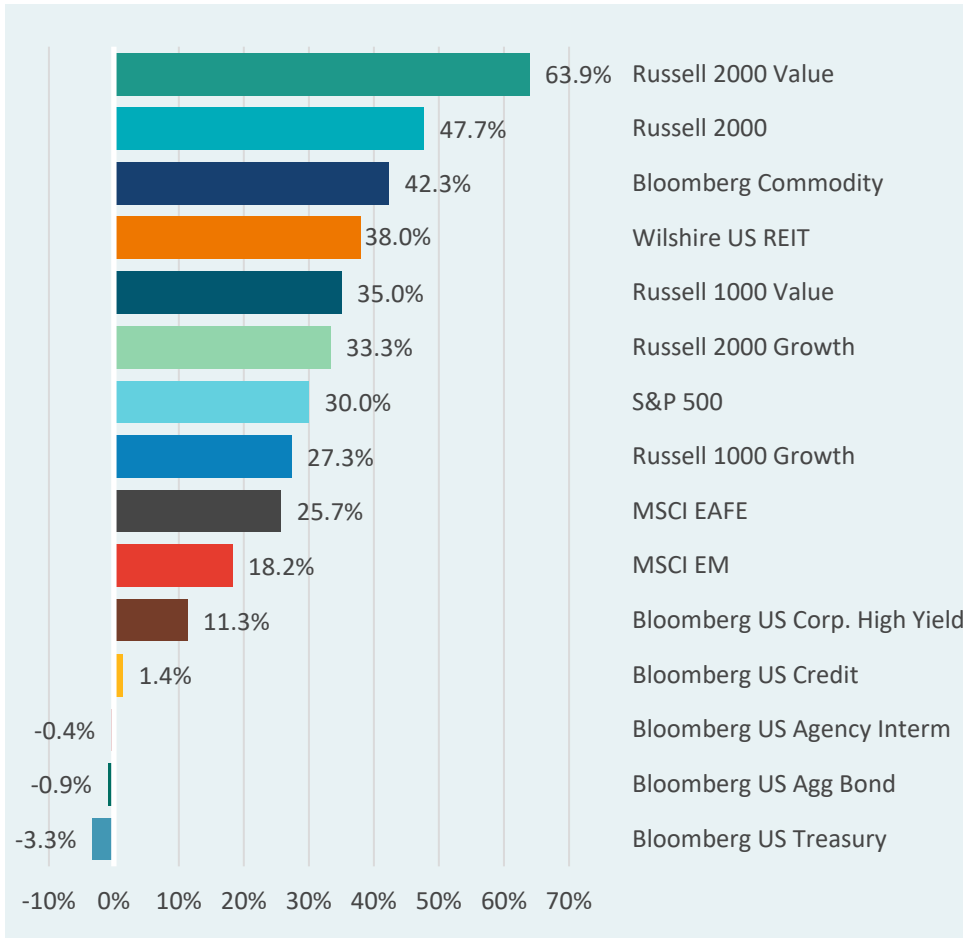
WORST

- Large Cap Equity
- Small Cap Growth
- Commodities
- Large Cap Value
- International Equity
- Real Estate
- Large Cap Growth
- Emerging Markets Equity
- Hedge Funds of Funds
- US Bonds
- 60% MSCI ACWI/40% BBgBarc Global Bond
- Cash

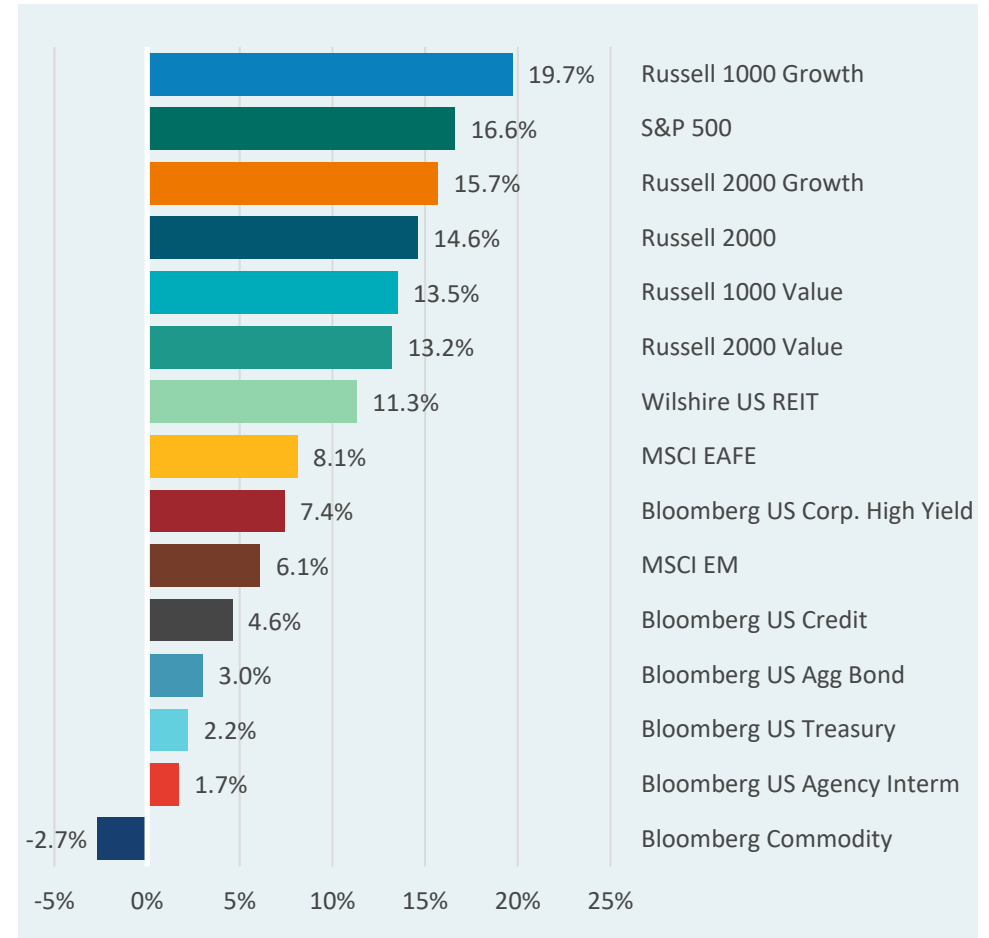
Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 6/30/21.

# Major asset class returns

ONE YEAR ENDING SEPTEMBER



TEN YEARS ENDING SEPTEMBER



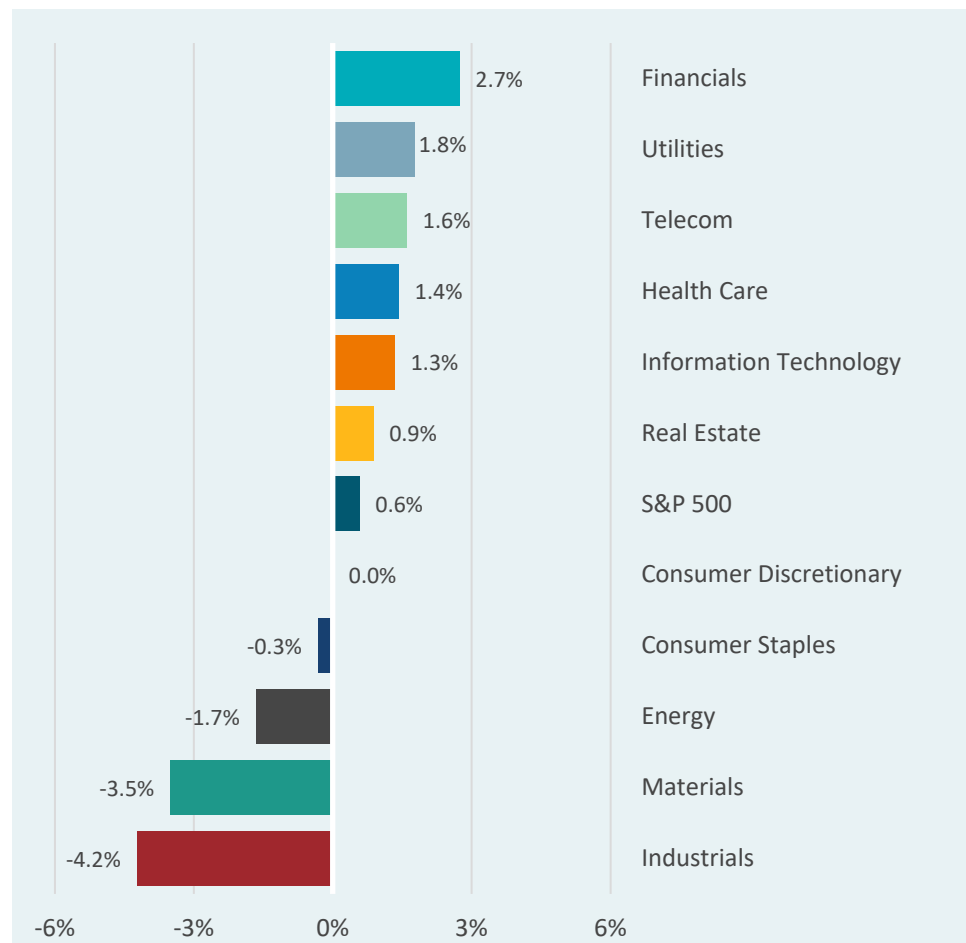
\*Only publicly traded asset performance is shown here. Performance of private assets is typically released with a 3- to 6-month delay.

Source: Morningstar, as of 9/30/21

Source: Morningstar, as of 9/30/21

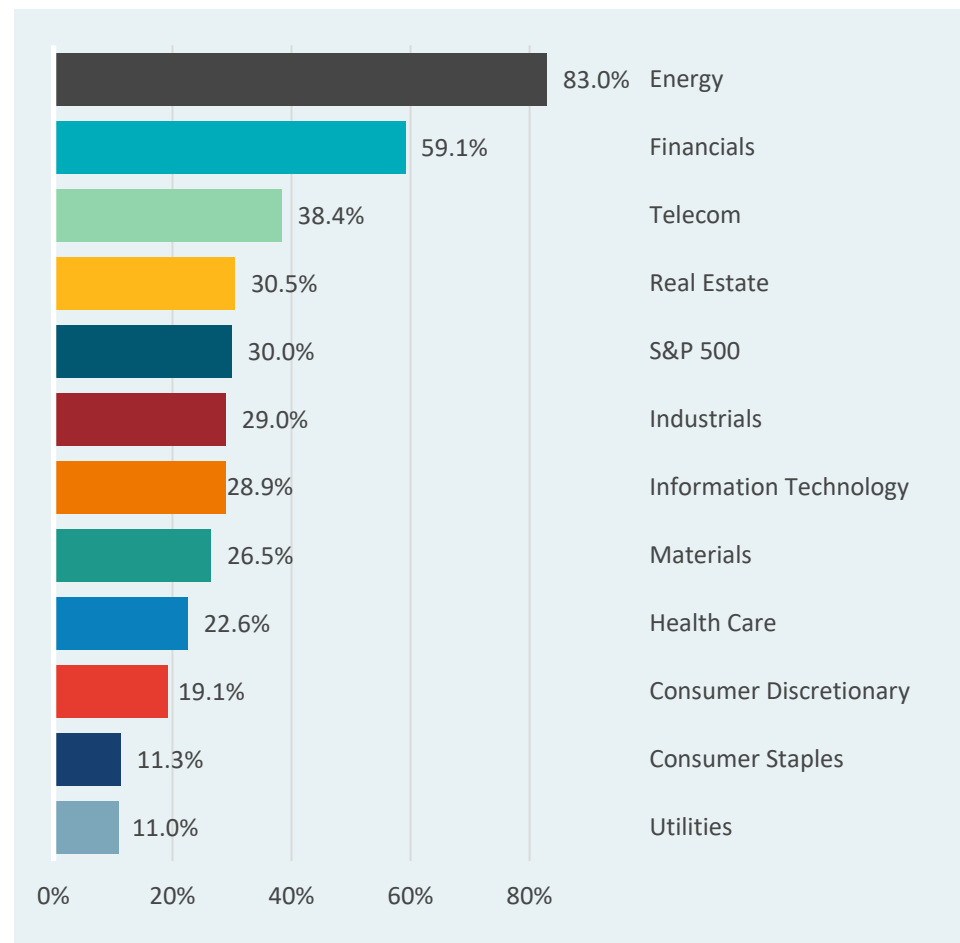
# S&P 500 sector returns

Q3 2021



Source: Morningstar, as of 9/30/21

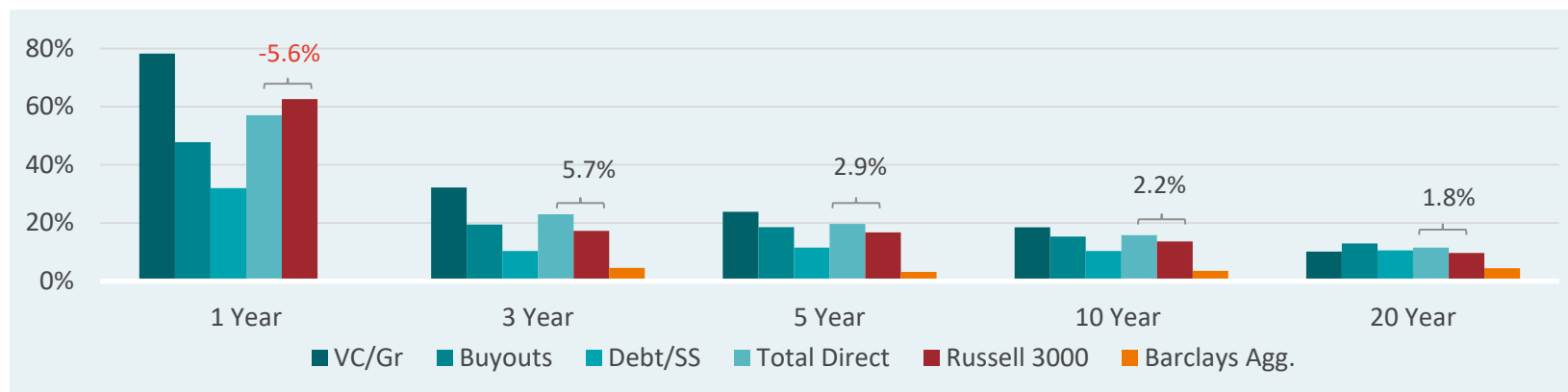
ONE YEAR ENDING SEPTEMBER



Source: Morningstar, as of 9/30/21

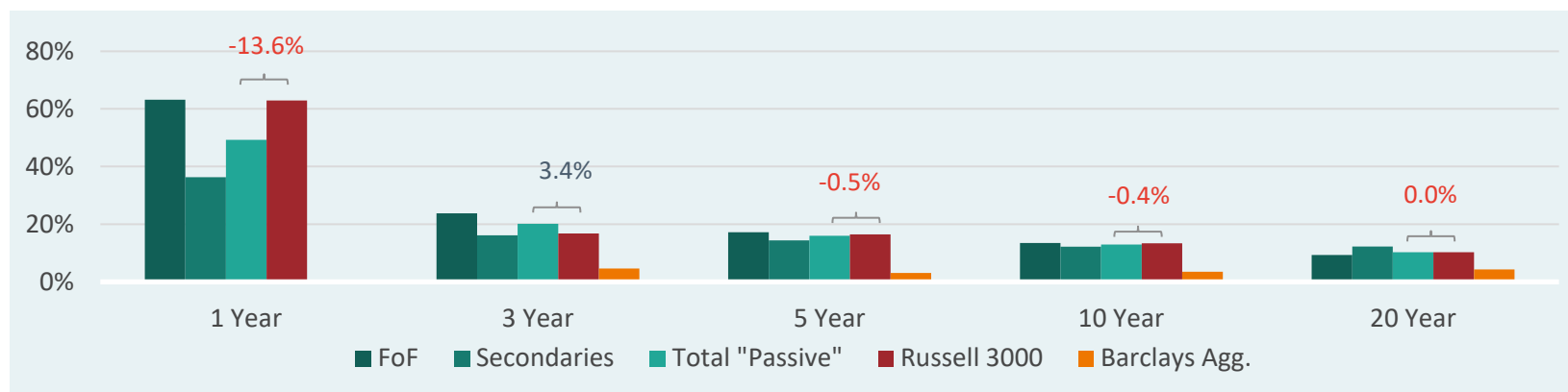
# Private equity vs. traditional assets performance

## DIRECT PRIVATE EQUITY FUND INVESTMENTS



Direct P.E Fund Investments outperformed comparable public equities across all time periods, aside from the 1-year basis.

## “PASSIVE” STRATEGIES

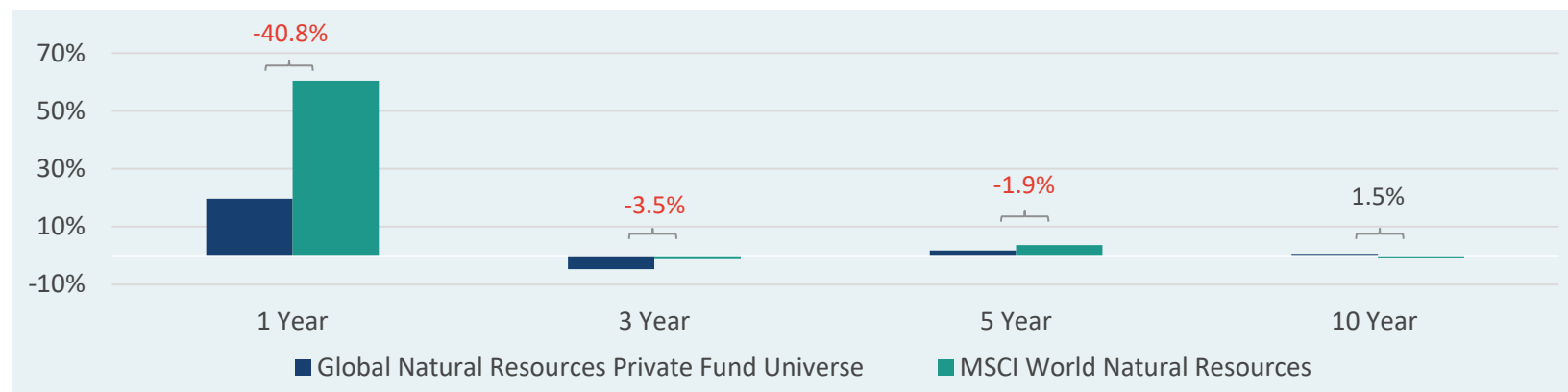


“Passive” strategies underperformed comparable public equities across all time periods, aside from the 3-year basis.

Sources: Refinitiv Cambridge Universe's PME Module: U.S. Private Equity Funds sub asset classes as of March 31, 2021. Public Market Equivalent returns resulted from "Total Passive" and Total Direct's identical cash flows invested into and distributed from respective traditional asset comparable.

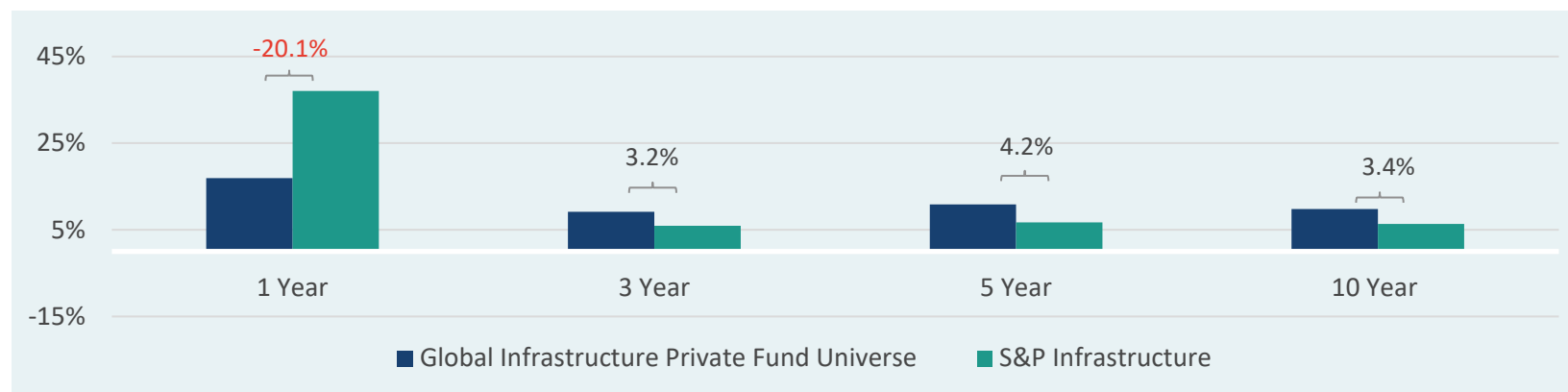
# Private vs. liquid real assets performance

## GLOBAL NATURAL RESOURCES FUNDS



N.R. funds has lagged against the MSCI World Natural Resources benchmark across all time periods, aside from the 10-year.

## GLOBAL INFRASTRUCTURE FUNDS



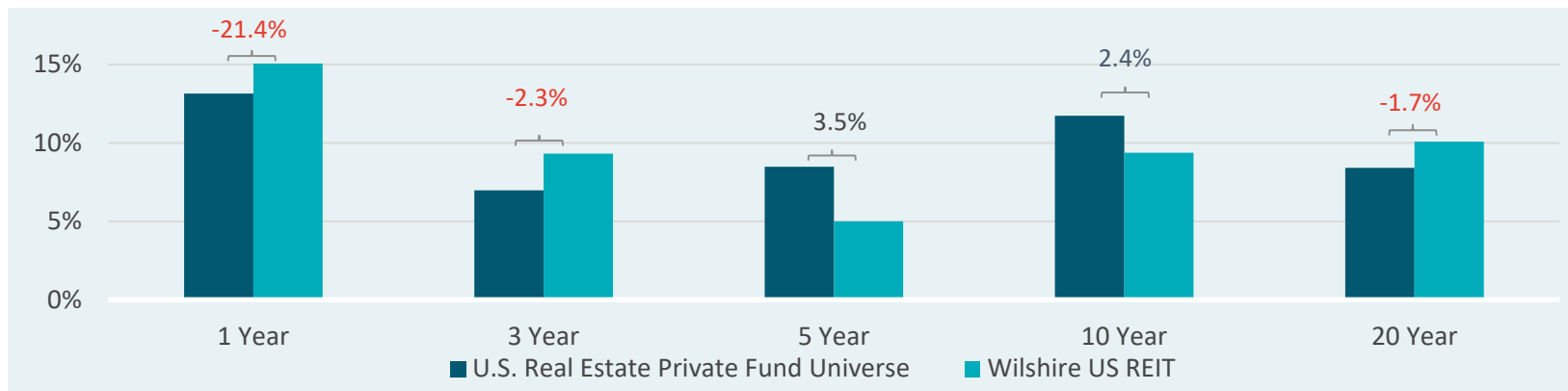
Infra. funds outperformed the S&P Infra. across all periods, aside from the 1-year.

Sources: Refinitiv CJA PME: Global Natural Resources (vintage 1999 and later, inception of MSCI World Natural Resources benchmark) and Global Infrastructure (vintage 2002 and later, inception of S&P Infrastructure benchmark) universes as of March 31, 2021. Public Market Equivalent returns resulted from identical cash flows invested into and distributed from respective liquid real assets universes.



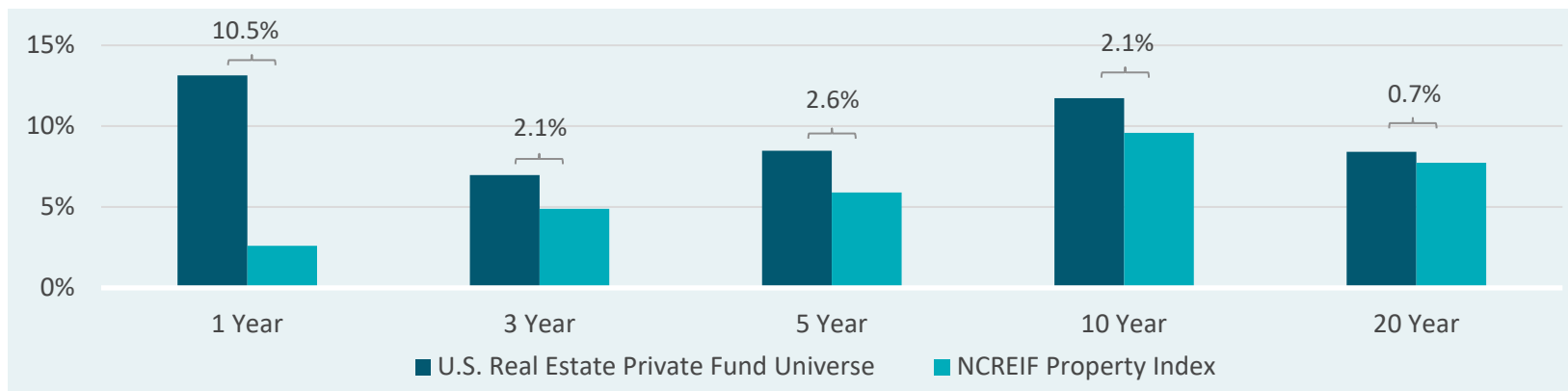
# Private vs. liquid and core real estate performance

## U.S. PRIVATE REAL ESTATE FUNDS VS. LIQUID UNIVERSE



U.S. Private R.E. funds lagged against the Wilshire U.S. REIT Index across all time periods, aside on the 5 and 10 year-basis.

## U.S. PRIVATE REAL ESTATE FUNDS VS. CORE FUNDS



U.S. Private R.E. Funds outperformed the NCREIF Property Index across all time periods.

Sources: Refinitiv CJA PME: Global and U.S. Real Estate universes as of March 31, 2021. Public Market Equivalent returns resulted from identical cash flows invested into and distributed from respective liquid real estate universes.

# Detailed index returns

## DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Core Index</b>							
S&P 500	(4.7)	0.6	15.9	30.0	16.0	16.9	16.6
S&P 500 Equal Weighted	(3.8)	(0.2)	18.9	40.9	14.3	14.6	16.0
DJ Industrial Average	(4.2)	(1.5)	12.1	24.2	11.0	15.7	14.7
Russell Top 200	(4.8)	0.6	15.2	28.6	17.3	18.2	17.2
Russell 1000	(4.6)	0.2	15.2	31.0	16.4	17.1	16.8
Russell 2000	(2.9)	(4.4)	12.4	47.7	10.5	13.5	14.6
Russell 3000	(4.5)	(0.1)	15.0	31.9	16.0	16.9	16.6
Russell Mid Cap	(4.1)	(0.9)	15.2	38.1	14.2	14.4	15.5
<b>Style Index</b>							
Russell 1000 Growth	(5.6)	1.2	14.3	27.3	22.0	22.8	19.7
Russell 1000 Value	(3.5)	(0.8)	16.1	35.0	10.1	10.9	13.5
Russell 2000 Growth	(3.8)	(5.7)	2.8	33.3	11.7	15.3	15.7
Russell 2000 Value	(2.0)	(3.0)	22.9	63.9	8.6	11.0	13.2

## INTERNATIONAL EQUITY

<b>Broad Index</b>							
MSCI ACWI	(4.1)	(1.1)	11.1	27.4	12.6	13.2	11.9
MSCI ACWI ex US	(3.2)	(3.0)	5.9	23.9	8.0	8.9	7.5
MSCI EAFE	(2.9)	(0.4)	8.3	25.7	7.6	8.8	8.1
MSCI EM	(4.0)	(8.1)	(1.2)	18.2	8.6	9.2	6.1
MSCI EAFE Small Cap	(3.6)	0.9	10.0	29.0	9.0	10.4	10.7
<b>Style Index</b>							
MSCI EAFE Growth	(3.9)	0.1	6.9	20.9	11.9	11.4	10.1
MSCI EAFE Value	(1.8)	(1.0)	9.6	30.7	3.0	6.0	6.0
<b>Regional Index</b>							
MSCI UK	(2.0)	(0.3)	12.2	31.2	2.4	4.8	5.4
MSCI Japan	2.8	4.6	5.9	22.1	7.5	9.4	8.4
MSCI Euro	(5.0)	(2.0)	10.5	29.5	7.9	9.3	8.3
MSCI EM Asia	(4.1)	(9.6)	(4.1)	13.9	10.0	10.7	8.5
MSCI EM Latin American	(10.3)	(13.3)	(5.6)	27.3	(1.4)	1.8	(1.1)

## FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Index</b>							
Bloomberg US TIPS	(0.7)	1.8	3.5	5.2	7.4	4.3	3.1
Bloomberg US Treasury Bills	0.0	0.0	0.0	0.1	1.2	1.2	0.7
Bloomberg US Agg Bond	(0.9)	0.1	(1.6)	(0.9)	5.4	2.9	3.0
Bloomberg US Universal	(0.9)	0.1	(1.1)	0.2	5.6	3.3	3.5
<b>Duration</b>							
Bloomberg US Treasury 1-3 Yr	(0.1)	0.1	(0.0)	0.0	2.7	1.6	1.2
Bloomberg US Treasury Long	(2.9)	0.5	(7.5)	(10.3)	9.2	3.3	4.4
Bloomberg US Treasury	(1.1)	0.1	(2.5)	(3.3)	4.9	2.2	2.2
<b>Issuer</b>							
Bloomberg US MBS	(0.4)	0.1	(0.7)	(0.4)	3.9	2.2	2.4
Bloomberg US Corp. High Yield	(0.0)	0.9	4.5	11.3	6.9	6.5	7.4
Bloomberg US Agency Interm	(0.4)	0.1	(0.5)	(0.4)	3.2	1.9	1.7
Bloomberg US Credit	(1.1)	(0.0)	(1.3)	1.4	7.1	4.4	4.6

## OTHER

<b>Index</b>							
Bloomberg Commodity	5.0	6.6	29.1	42.3	6.9	4.5	(2.7)
Wilshire US REIT	(5.1)	1.6	24.8	38.0	10.4	7.0	11.3
CS Leveraged Loans	0.5	0.9	4.0	8.5	4.1	4.7	5.0
Alerian MLP	3.0	(5.7)	39.4	84.6	(5.2)	(3.5)	1.2
<b>Regional Index</b>							
JPM EMBI Global Div	(2.1)	(0.7)	(1.4)	4.4	5.7	3.9	5.8
JPM GBI-EM Global Div	(3.4)	(3.1)	(6.4)	2.6	3.7	2.1	1.1
<b>Hedge Funds</b>							
HFRI Composite	0.1	(0.0)	10.1	22.1	8.5	7.3	5.9
HFRI FOF Composite	0.8	1.4	6.4	15.0	6.7	5.9	4.5
<b>Currency (Spot)</b>							
Euro	(1.8)	(2.3)	(5.3)	(1.2)	(0.1)	0.6	(1.5)
Pound Sterling	(2.0)	(2.4)	(1.4)	4.3	1.1	0.7	(1.4)
Yen	(1.5)	(0.5)	(7.5)	(5.4)	0.6	(1.9)	(3.6)

Source: Morningstar, HFRI, as of 9/30/21

# Definitions

**Bloomberg US Weekly Consumer Comfort Index** - tracks the public's economic attitudes each week, providing a high-frequency read on consumer sentiment. The index, based on cell and landline telephone interviews with a random, representative national sample of U.S. adults, tracks Americans' ratings of the national economy, their personal finances and the buying climate on a weekly basis, with views of the economy's direction measured separately each month. ([www.lanqerresearch.com](http://www.lanqerresearch.com))

**University of Michigan Consumer Sentiment Index** - A survey of consumer attitudes concerning both the present situation as well as expectations regarding economic conditions conducted by the University of Michigan. For the preliminary release approximately three hundred consumers are surveyed while five hundred are interviewed for the final figure. The level of consumer sentiment is related to the strength of consumer spending. ([www.Bloomberg.com](http://www.Bloomberg.com))

**NFIB Small Business Outlook** - Small Business Economic Trends (SBET) is a monthly assessment of the U.S. small-business economy and its near-term prospects. Its data are collected through mail surveys to random samples of the National Federal of Independent Business (NFIB) membership. The survey contains three broad question types: recent performance, near-term forecasts, and demographics. The topics addressed include: outlook, sales, earnings, employment, employee compensation, investment, inventories, credit conditions, and single most important problem. (<http://www.nfib-sbet.org/about/>)

**NAHB Housing Market Index** - the housing market index is a weighted average of separate diffusion indices for three key single-family indices: market conditions for the sale of new homes at the present time, market conditions for the sale of new homes in the next six months, and the traffic of prospective buyers of new homes. The first two series are rated on a scale of Good, Fair, and Poor and the last is rated on a scale of High/Very High, Average, and Low/Very Low. A diffusion index is calculated for each series by applying the formula  $(\text{Good-Poor} + 100)/2$  to the present and future sales series and  $(\text{High/Very High-Low/Very Low} + 100)/2$  to the traffic series. Each resulting index is then seasonally adjusted and weighted to produce the HMI. Based on this calculation, the HMI can range between 0 and 100.

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# Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Verus receives universe data from InvMetrics, eVestment Alliance, and Morningstar. We believe this data to be robust and appropriate for peer comparison. Nevertheless, these universes may not be comprehensive of all peer investors/managers but rather of the investors/managers that comprise that database. The resulting universe composition is not static and will change over time. Returns are annualized when they cover more than one year. Investment managers may revise their data after report distribution. Verus will make the appropriate correction to the client account but may or may not disclose the change to the client based on the materiality of the change.

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**Board of Retirement**

December 7, 2021

Agenda Item 6.3

**TO:** Board of Retirement

**FROM:** Doris Ng, Investment Analyst 

**SUBJECT:** Report on Absolute Return Manager Annual Reviews

**Recommendation**

Accept and review the report on the annual reviews of SamCERA's absolute return managers, CFM, PIMCO and Acadian Asset Management.

**Background**

On October 7<sup>th</sup>, SamCERA staff and consultant held annual reviews with our absolute return managers, CFM, PIMCO and Acadian Asset Management. Each meeting lasted approximately 1 hour, and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook.

**Discussion**

First, CFM's Systematic Global Macro (SGM) strategy was reviewed. The SGM strategy is a directional strategy that takes long/short positions in liquid derivatives markets with the goal of providing absolute returns uncorrelated with traditional asset classes. The firm noted a recent change in its firm ownership.

Next, PIMCO's Multi-Asset Alternative Risk Premia Strategy (MAARS) was reviewed. PIMCO's MAAR strategy is a systematic, alternative risk premia strategy that invests across multiple, dynamic strategies and markets with low correlation to traditional market factors.

Lastly, Acadian's Multi-Asset Absolute Return (MAAR) strategy was reviewed. Acadian's MAAR strategy is a systematic, market-neutral, multi-factor strategy that exploits behavioral inefficiencies within and across global markets with low correlation to other asset classes.

Attached you will find meeting notes from Verus summarizing the findings from the annual reviews.

**Attachments**

CFM Annual Review Meeting Notes (confidential)  
PIMCO MAARS Annual Review Meeting Notes (confidential)  
Acadian MAAR Annual Review Meeting Notes (confidential)

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**Board of Retirement**

December 7, 2021

Agenda Item 6.4

**TO:** Board of Retirement

**FROM:** Lilibeth Dames, Investment Analyst *Lilibeth Dames*

**SUBJECT:** Presentation of Private Asset Semi-Annual Performance Reports as of June 30, 2021

**Recommendation**

Accept and review Verus' semi-annual private equity and private real assets performance reports as of June 30, 2021.

**Background**

Verus provides a semi-annual private equity and private real asset performance report as of June 30<sup>th</sup> and December 31<sup>st</sup> each year.

**Discussion**

As of June 30, 2021, SamCERA's private equity portfolio had a total market value of \$461 million (7.8% of SamCERA's total fund). SamCERA's target allocation for Private Equity is currently 6.0%. Compared to December 30, 2020, portfolio exposure is up 0.9% driven by Venture Capital's strong performance.

The private equity portfolio has a 23.49% net IRR since inception, 575 bps above the same cash flow invested in the Russell 3000 Total Return Index of 17.74%. To maintain policy exposure over time, in the first half of 2021, SamCERA committed \$44 million to four new funds. As of June 30<sup>th</sup>, SamCERA had a total of thirty-four funds with \$567 million in committed capital across twenty-three private equity managers.

As of June 30, 2021, SamCERA's private real assets portfolio had a total market value of \$128 million (2.2% of SamCERA's total fund). SamCERA's current target asset allocation to private real assets is 4.0%.

The private real assets portfolio has a 5.21% net IRR since inception. To maintain policy exposure over time, for the first half of 2021, SamCERA committed to one new fund for a total of \$20 million. As of June 30, 2021, there were fourteen private asset funds in the portfolio with \$280 million in committed capital across ten private real asset managers.

John Nicolini will review the performance reports with the Board and be available for questions.

**Attachments**

- A. Verus Semi-Annual Private Equity Performance Report for Period Ending 6/30/2021
- B. Verus Semi-Annual Private Real Assets Performance Report for Period Ending 6/30/2021



**PERSPECTIVES  
THAT DRIVE  
ENTERPRISE  
SUCCESS**



PERIOD ENDING JUNE 30, 2021

Private Equity Review

**San Mateo County Employees' Retirement Association**



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Significant Events / Material  
Exceptions to Policy **PG 17**

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Portfolio Overview **PG 11**

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Portfolio Diversification **PG 13**

- By Strategy
  - By Geography
  - By Industry
  - By Vintage Year
- 

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# Market Commentary

## DEBT RELATED

- **HY issuance and leveraged loan issuance both were up.** In the first half of 2021, US high yield issuance was up 21.6% at \$267.1 billion compared to 1H 2020<sup>1</sup>. Leverage loan issuance volume was \$763.5 billion in 1H 2021, up 59.7% from the same time last year<sup>2</sup>.
- **Spreads tightened across the board.** US HY Credit Index tightened by 331 bps or 51.0%<sup>3</sup> decrease in 1H 2021 versus the same period last year. BB and B index tightened by 142 bps and 214 bps, a 31.4%<sup>3</sup> and 32.6%<sup>3</sup> decreases versus the same period last year. In the meantime, CCC index decreased by 51.2%<sup>3</sup> in the first half of 2021 from 2020 same period.
- **With significant increase in LBO debt issuance, interest coverage decreased in US.** Total leverage averaged 5.9x (Debt / EBITDA) in 1H 2021 for US new issue loans up 14.0% from 1H 2020<sup>4</sup>. Interest coverage averaged 3.5x (EBITDA / Cash Interest), down 2.0% from 1H 2020<sup>4</sup>. In Europe with 1H 2021 LBO Loan volume at \$64.9 billion up 137.1% from 1H 2020 and down 39.5% from \$137.7 billion peak in 2007<sup>5</sup>, leverage multiples decreased 4.9% to 5.5x in 1H 2021<sup>5</sup>, below 6.1x peak in 2007<sup>5</sup>.

## GLOBAL

- **Both investment activity and average deal size increased.** During 1H 2021, global PE firms invested in \$960.5 billion worth of deals, up 96.9% from the same time prior year and closed on 27,755 transactions, up 14.5%<sup>6</sup>.
- **PE dry powder decreased globally.** In the first half of 2021, global total PE dry powder was at \$2.3 trillion, down 13.1% from 1H 2020<sup>6</sup>. US total PE was down by 14.5% to \$1.5 trillion<sup>6</sup>; Europe total PE decreased by 4.4% to \$596.7 billion<sup>6</sup>; Asia total PE was down by 21.8% to \$135.4 billion<sup>6</sup>; and the rest of world total PE was down by 36.1% to \$39.0 billion<sup>6</sup>.

## US BUYOUTS

- **Dry powder decreased.** In 1H 2021, US buyout dry powder was \$960.8 billion, down by 15.0% from the same time in 2020<sup>6</sup>.
- **Fundraising activity picked up.** In 1H 2021, US firms across all buyout strategies raised \$155.1 billion, up by 86.9% from same time prior year<sup>6</sup>. Average fund size was down 12.6%, from \$1.2 billion in 1H 2020 to \$1.0 billion in 1H 2020<sup>6</sup>.
- **Investment activity was up significantly.** During the first half of 2021, US buyout firms invested in \$348.0 billion worth of deals +101.8% from 1H 2020 into 2,780 deals (+65.7%)<sup>6</sup>.

# Market Commentary

- **LBO price multiples were up.** As of June 30, 2021, US LBO purchase price multiples (Enterprise Value / EBITDA) were at 11.1x , a 4.6% increase from June 30, 2020<sup>4</sup>.
- **Exit activity increased.** During 1H 2021, US buyout firms exited 496 companies, representing \$290.2 billion in total transaction value<sup>6</sup>. This represented a 61.6% increase in the number of exits and a 161.7% increase in total transaction value compared to the same time last year<sup>6</sup>.

## US VENTURE CAPITAL

- **Dry powder decreased.** In 1H 2021, US VC dry powder was at \$100.5 billion, down 19.6% from 1H 2020<sup>6</sup>.
- **Fundraising activity increased.** US VC firms raised \$74.1 billion during 1H 2021, a 73.4% increase from the same period last year<sup>6</sup>. 338 funds closed in 1H 2021, a 128.4% increase from the same period last year<sup>6</sup>. The average US VC fund size decreased to \$219.2 million by 24.1% versus the same period last year<sup>6</sup>.
- **Investment activity and average deal size increased.** US VC firms deployed \$150.0 billion in capital in 1H 2021, a 117.0% increase from 1H 2020 as deal activity skewed from early to late stage<sup>6</sup>. The number of deals closed at 7,058, a 39.5% increase from the same time last year<sup>6</sup>. The average investment per deal increased to \$21.3 million, a 55.5% increase from prior year<sup>6</sup>.
- **All stages valuations were up.** Compared to June 30, 2020, the average pre-money valuations increased for all stages in 1H 2021: up 6.7% at \$8.0 million<sup>6</sup> for Seed stage, 40% at \$42 million<sup>6</sup> for early-stage VC, and 13.8% at \$136.5 million<sup>6</sup> for late-stage VC.
- **Exit activity increased significantly with larger transactions.** US VC firms exited 699 companies in 1H 2021, up by 85.9% from last year and 66.8% from three years ago<sup>6</sup>. This represented the record high \$372.2 billion in transaction value, up by 721.6% from the same period last year and 1,198.7% from three years ago<sup>6</sup>. Largest sectors exited were Software and Pharma & Biotech.

## EX US

- **Dry powder decreased ex-US.** PE dry powder outside the US decreased 10.2% to \$771.1 billion<sup>6</sup> for 1H 2021. Dry powder outside the US was 50.1% less than dry powder in the US (\$1.5 trillion)<sup>6</sup>.
  - **Europe VC and buyout dry powders both down.** VC at \$53.3 billion and buyout at \$354.7 billion were down 7.4% and 11.0% from 1H 2020, respectively<sup>6</sup>.
  - **In Asia, VC, buyout and growth dry powder decrease paralleled US and Europe.** VC at \$4.6 billion, buyout at \$113.9 billion, and growth at \$7.9 billion were down 44.4%, 15.6% and 37.1% from 1H 2020, respectively<sup>6</sup>.

# Market Commentary

- **Ex-US fundraising up.** In 1H 2021, ex-US fundraising increased 202.3% from 1H 2020 to \$138.4 billion<sup>6</sup>. Fundraising in Europe and Asia increased by 154.0% and 27.7% from 1H 2020 to \$80.1 billion and \$35.2 billion, respectively<sup>6</sup>.
- **Capital deployment increased in all but European buyouts.**
  - **In both Europe and Asia, VCs invested more capital into fewer deals.** Investment activity increase by 59.1% in Europe and 127.2% in Asia from 1H 2020<sup>6</sup>. Capital deployed increased by 155.2% to \$54.6 billion and by 38.8% to \$39.3 billion, respectively, in Europe and Asia<sup>6</sup>.
  - **Buyout deal activity and capital deployment rose in Europe and Asia.** In Europe, buyout firms transacted invested \$274.3 billion in aggregate value (+72.6% from 1H 2020)<sup>6</sup>. Asia buyout firms invested \$33.9 billion in aggregate value (+119.5%)<sup>6</sup>.
- **Europe purchase price multiples increased.** As of June 30, 2021, Europe median purchase price multiples increased 28.6% from 8.1x to 9.3x EBITDA from the same time last year<sup>6</sup>.
- **Similar to US, exit activity strengthened in Asia and Europe.** Europe PE aggregate exit value amounted to \$223.7 billion, a 150.8% increase from 1H 2020, while Asia PE exit value grew by 8.4% to \$75.2 billion<sup>6</sup>.

## Notes

1. <https://www.jdsupra.com/legalnews/high-yield-issuance-surges-in-the-us-2965861>
2. <https://www.lexology.com/library/detail.aspx?g=67ef22e3-f17c-4b06-a66d-48071860b5fe>
3. *Guggenheim High-Yield Bank Loan Outlook*
4. *S&P Global US LBO Review*
5. *S&P Global LCD European Leveraged Buyout Review*
6. *Pitchbook*
7. *Preqin*

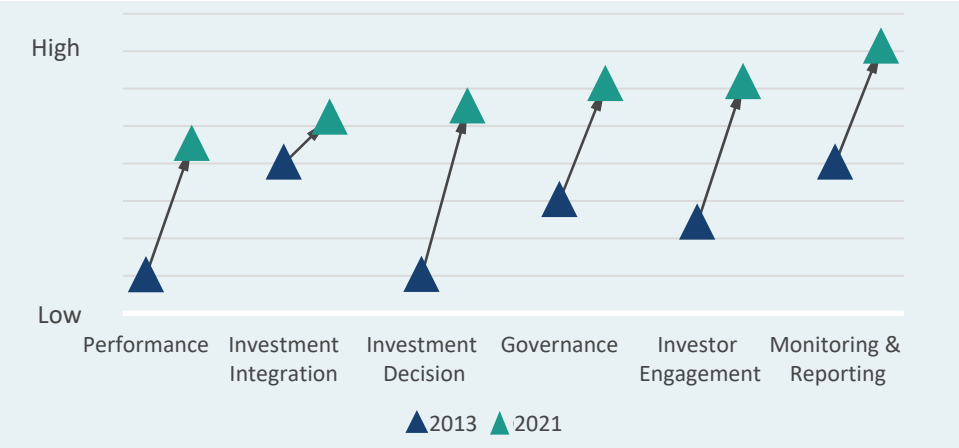
# Topical focus

# ESG gains private equity attention

## Investor appetite brings ESG to mainstream private equity

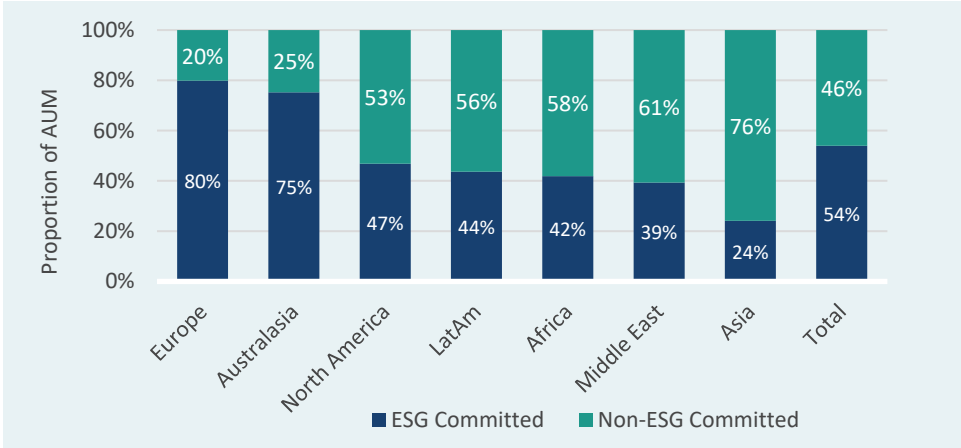
- Private equity firms have continued to make inroads incorporating environmental, social and governance (“ESG”) factors into their investment programs through the formation of dedicated “impact” funds, participation in global responsible investing standards, and use of new metrics and methods in managing portfolio companies.
- Private equity, always focused on governance risk, is increasingly growing aware environmental, social and governance issues are highly interrelated and that the biggest benefits over time accrue to companies that balance efforts between all three.
- Initiatives like the UN Paris Agreement and the European Commission Action Plan have pushed Europe into the epicenter of ESG-commitment (80%); whereas in North America less than half of institutional capital is managed under ESG considerations with Asia even lower at 24%.

### PE FIRMS ARE PLACING GREATER EMPHASIS ON ALL AREAS ESG



Source: PWC Private Equity Responsible Investment Survey 2021 & 2013

### REGIONAL PRIVATE CAPITAL MANAGED UNDER ESG COMMITMENT



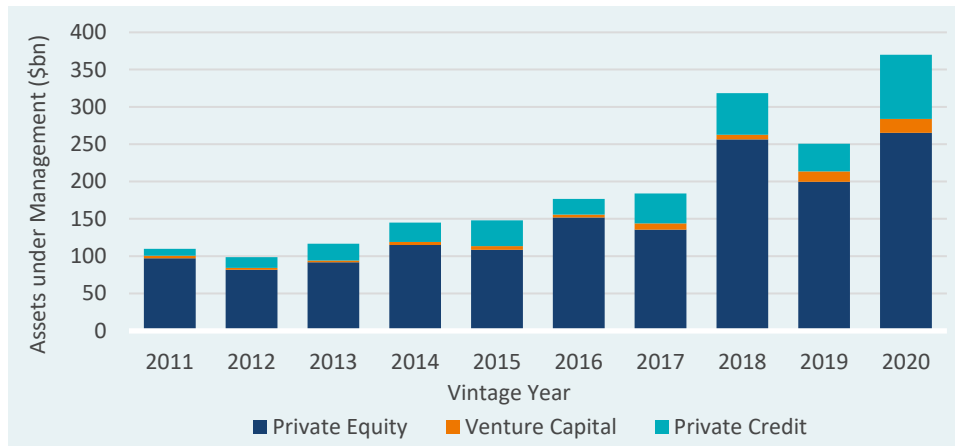
Source: Preqin

# Capital is flowing to ESG strategies

## A new commitment to ESG

- Capital flowing into ESG-related investment strategies saw unprecedented growth in 2020: nearly \$400 billion in cumulative ESG-focused private capital was raised from 2015 to 2020, with over a quarter being raised in 2020 alone<sup>1</sup>.
- Despite the challenges of 2020, ESG-committed fundraising remains strong, led by private credit and buyout strategies. A key driver in this trend has been firmwide ESG commitments by the largest alternatives managers.
- The average size of ESG-committed funds far outpaces that of non-ESG funds; while these vehicles are not solely focused on environmental, social, and governance issues, they are pledging that they will, at the very least, not have a negative impact through their portfolios.

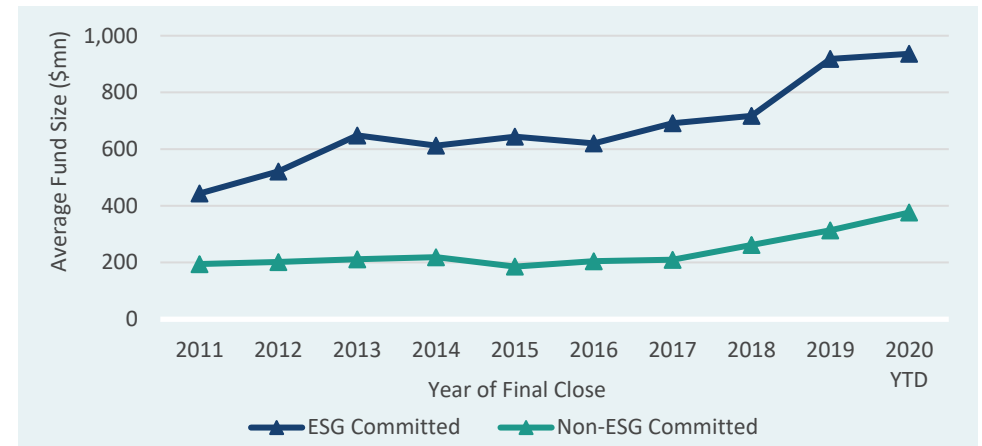
**ESG-COMMITTED PRIVATE CAPITAL AUM BY ASSET CLASS**



Source: Preqin as of September 2020

<sup>1</sup> McKinsey Global Private Markets Review 2021

**AVG FUND SIZE CLOSED ESG-COMMITTED VS. NON-ESG-COMMITTED**



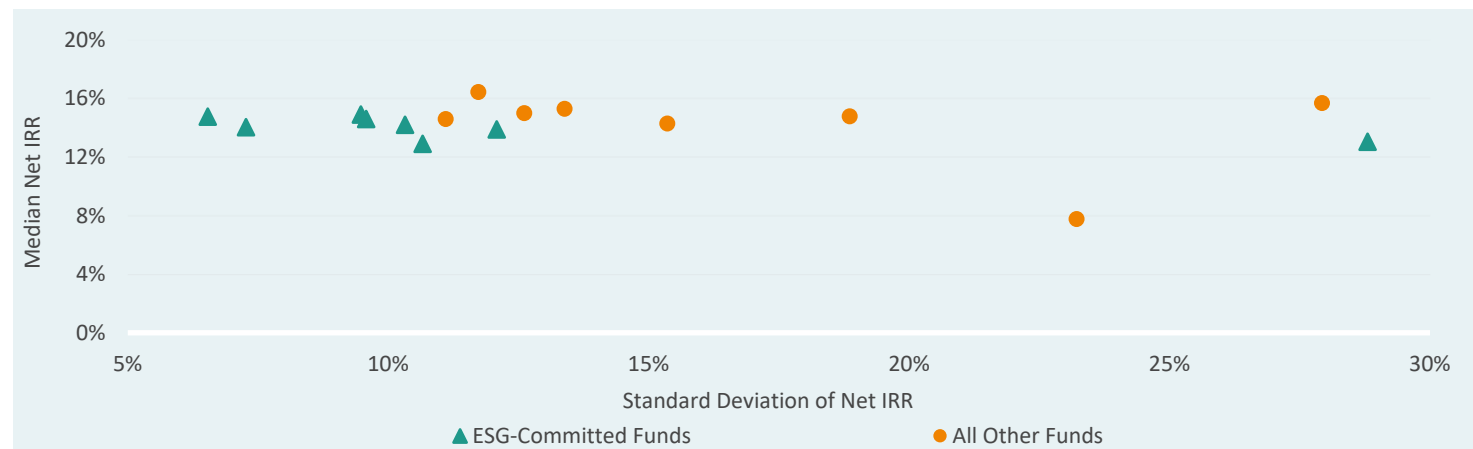
Source: Preqin as of September 2020

# ESG-committed fund performance

## The relationship between ESG factors and company financial performance remains unclear

- A major roadblock to ESG investing is the concern about its impact on returns. Managers and investors worry that by limiting their opportunity set to transactions that meet ESG requirements, they will be losing out.
- According to Preqin, analysis shows that ESG investments perform on par with their non-ESG counterparts and with less dispersion; however, the data is skewed under a relatively small sample set which include the largest private capital managers who broadly commit to ESG.
- Investor demand for ESG is strong, but the lack of high quality, consistent ESG data is the top challenge for fund managers who are also balancing the additional burden on portfolio company management and internal resources.
- Sponsors face the same challenges as public companies emanating from the lack of standardization and clearly adopted definitions of the goals of, and appropriate metrics to measure, ESG or “sustainable investment,” as well as pressure from investors to prioritize ESG. As the broader market becomes more sophisticated in operationalizing ESG, so too will the private equity industry.

### RISK/RETURN OF ESG-COMMITTED FUNDS (VINTAGE 2010-2017)\*



\*Net IRRs are since inception. Source: Preqin



# Private Equity portfolio

Investment Type	Policy Target	Policy Range	Market Value %	Market Value \$(000)	Unfunded Commitment \$(000)	Market Value + Unfunded \$(000)
<b>SamCERA - Total Plan</b>			<b>100.0%</b>	<b>5,899,766</b>		
Buyout (60% +/- 20%)	3.6%	2.4%-4.8%	3.6%	209,769	154,249	364,018
Venture Capital (20%, 0%-30%)	1.2%	1.0%-1.8%	3.2%	191,073	27,766	218,839
Debt-Related/Special Situations (20% +/- 10%)	1.2%	0.6%-1.8%	1.0%	60,408	36,403	96,811
<b>Total Private Equity*</b>	<b>6.0%</b>	<b>4%-8%</b>	<b>7.8%</b>	<b>461,250</b>	<b>218,418</b>	<b>679,668</b>

\* The Private Equity Policy Target of 7.0% was reduced to 6.0% effective 10/1/2018.

## Portfolio Summary

- As of June 30, 2021, the Private Equity Portfolio had a total market value of \$461.3M, with \$209.8M in Buyout, \$191.1M in Venture Capital, and \$60.4M in Debt-Related/Special Situations. Total market value is the current reported value of investments, excluding the remaining amount of unfunded commitments.
- Since its initial allocation to Private Equity, SamCERA has contributed \$385.3M towards its Private Equity commitments, with \$228.2M to Buyouts, \$60.4M to Venture Capital, and \$96.7M in Debt-Related / Special Situations. Unfunded commitments total \$218.4M.
- The portfolio exposure at 7.8% is above the 6.0% policy target but within its 4-8% target range. Compared to December 31, 2020, portfolio exposure is up 0.9%, driven by Venture Capital's strong performance. Buyout exposure matches its policy target, and Debt Related / Special Situations remains below target but within policy range. Venture Capital is 1.4% above its policy target range.

## Portfolio Activity

- In the first half of 2021, SamCERA committed \$15.0M to SVP Special Situations Fund V, L.P., \$15.0M to Genstar Capital Fund X, L.P., \$9.0M to Eclipse IV, L.P., and \$5.0M to Genstar X Opportunity Fund, L.P. in order to maintain exposure to policy over time.

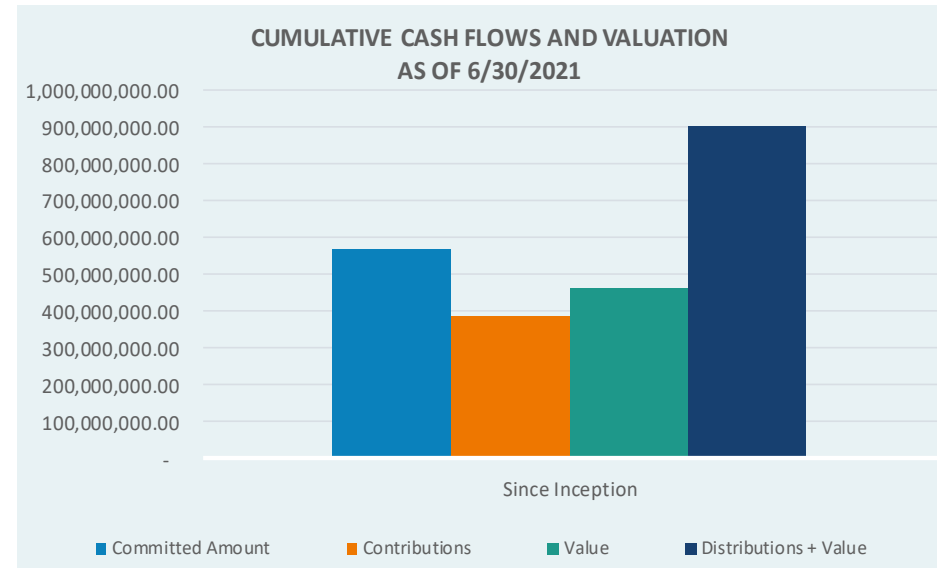
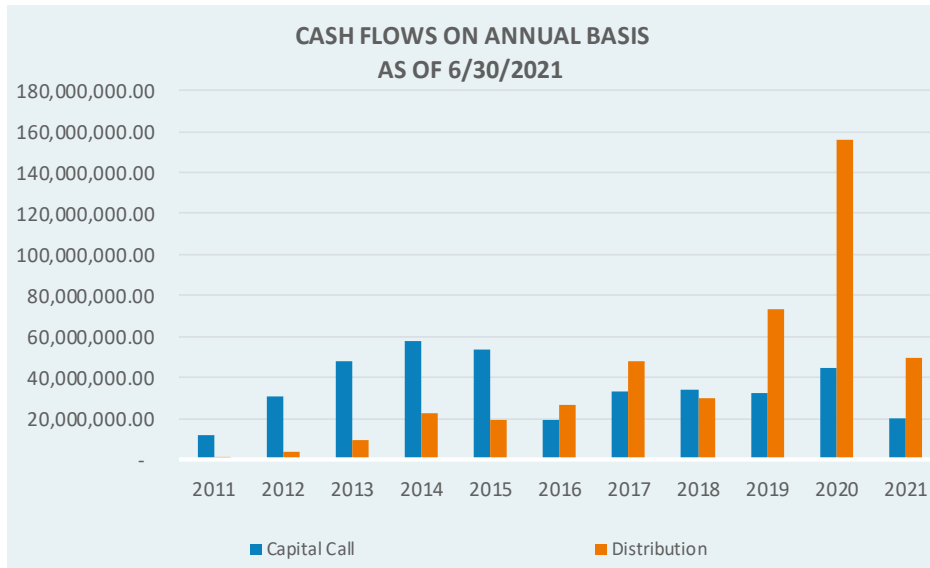
**Performance**

- The Private Equity portfolio’s performance, as measured by net IRR, is 23.49%, 575 bps above the same cash flow invested in Russell 3000 Total Return Index of 17.74%. Capital weighted average investment age of the portfolio is 5.8 years.
- The portfolio is currently valued at \$461.2M. Together with \$439.8M in realized distributions, the Total Value at \$901.1M is approximately \$515.8M above \$385.3M total capital contributions, resulting in a total value multiple of 2.34x and a distribution multiple of 1.14x.
- Distributions surpassed contributions with a ratio of 2.5:1 in the first half of 2021 compared to 3.5:1 in 2020, 2.3:1 in 2019, 0.9:1 in 2018 and 1.4:1 in 2017 and 2016.

— Attribution of returns:

- Buyouts up \$188.4M / +82.6% versus cost (Great Hill V & VI, Sycamore, Warburg Pincus XI, ABRY VII and Cevian II leading), with 90.6% of called capital realized and distributed;
- Venture Capital up \$309.18M / +512.2% versus cost (Emergence Capital III, General Catalyst VI, NEA 14, and Third Rock III leading), with 295.7% of called capital realized and distributed; and
- Debt-related/Special Situations up \$18.2M / +18.8% versus cost (ABRY Advanced Securities II, ABRY Senior V and OHA II leading), with 56.4% of called capital realized and distributed.

- Within Private Equity, the current allocation of market value exposure is 45.5% to Buyout, 41.4% to Venture Capital, and 13.1 % to Debt-Related/Special Situations.

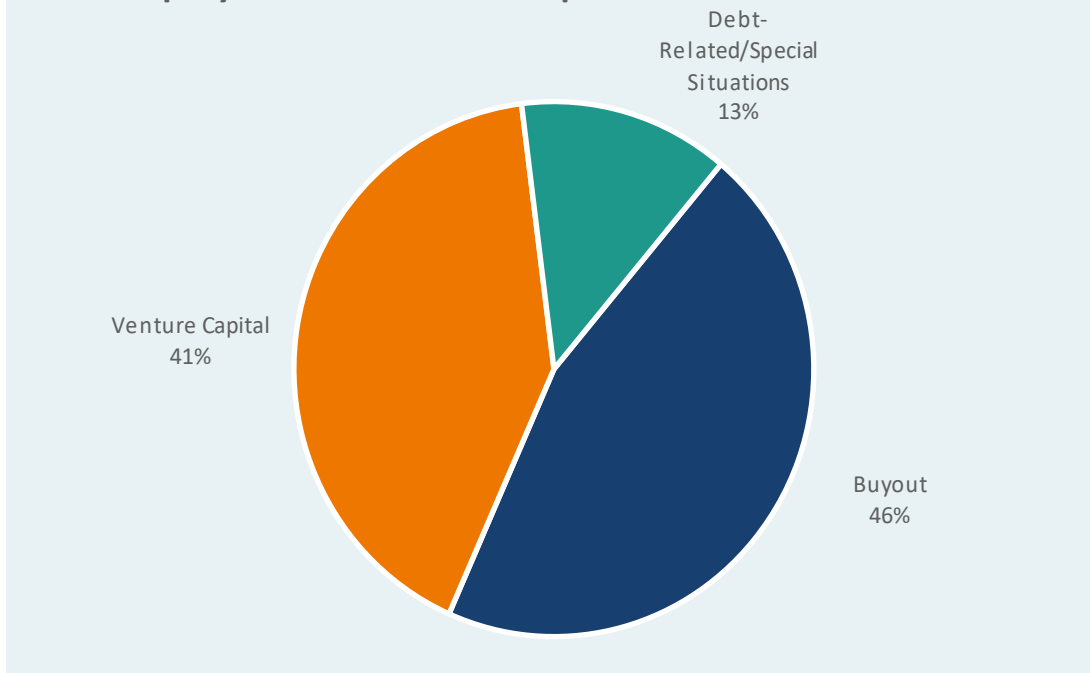


# Portfolio Diversification By Strategy

Period Ending: June 30, 2021

Investment Type	Commitment	Reported Value	Current Exposure as % of Private Equity
Buyout	349,001,040	209,768,652	45.5%
Venture Capital	88,000,000	191,073,159	41.4%
Debt-Related/Special Situations	129,500,000	60,407,565	13.1%
<b>Total Private Equity</b>	<b>566,501,040</b>	<b>461,249,376</b>	<b>100.0%</b>

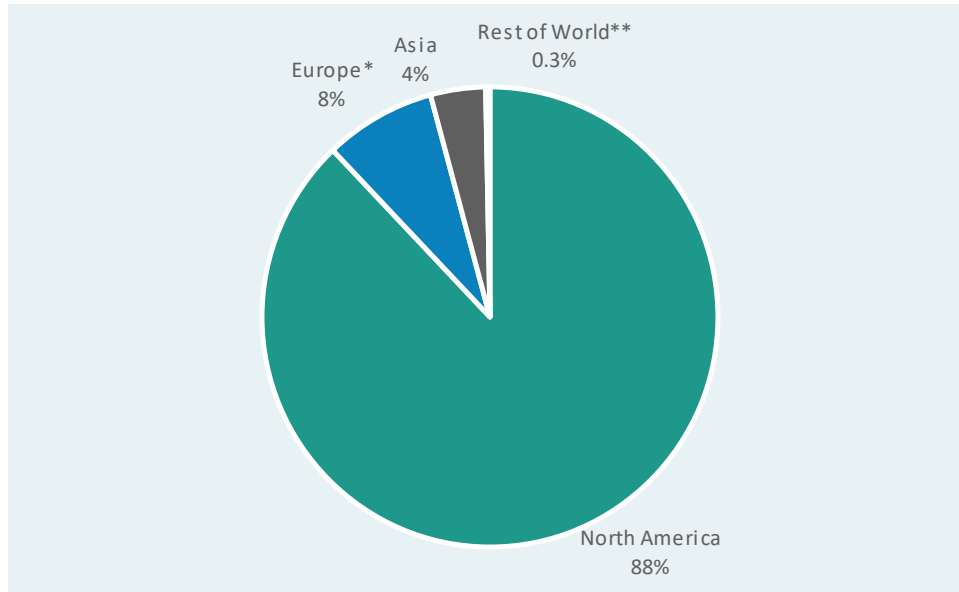
Private Equity Portfolio: Current Exposure



# Portfolio Diversification By Geography

Period Ending: June 30, 2021

Geography	Current Exposure
North America	405,564,352
Europe*	36,525,870
Asia	17,889,651
Rest of World**	1,269,502
<b>Total Private Equity</b>	<b>461,249,376</b>



Based on the value of portfolio companies as of June 30<sup>th</sup>, 2021, if provided by the partnerships. Differences between reported value and the total portfolio valuation is due to temporary cash funds, fees, other expenses, and holdings with undisclosed geography breakdown.

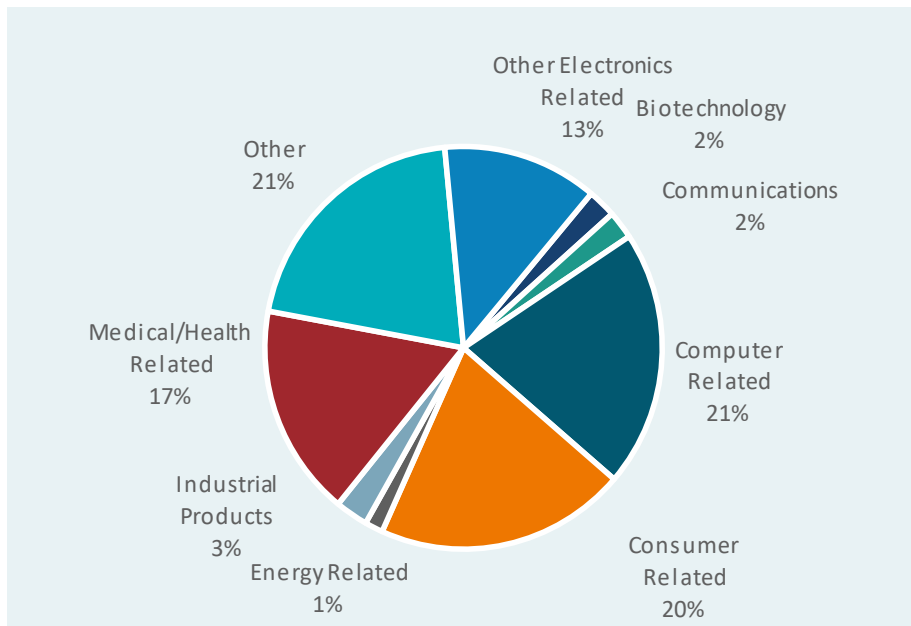
\* Europe includes 100% market value from Cevian II.

\*\* Rest of World includes Kenya, United Arab Emirates, Turkey, and Brazil.

# Portfolio Diversification By Industry

Period Ending: June 30, 2021

Industry	Current Exposure
Biotechnology	10,695,508
Communications	10,405,623
Computer Related	95,170,284
Consumer Related	94,088,680
Energy Related	6,869,706
Industrial Products	12,303,155
Medical/Health Related	78,643,980
Other	94,827,845
Other Electronics Related	58,244,595
<b>Total Private Equity</b>	<b>461,249,376</b>

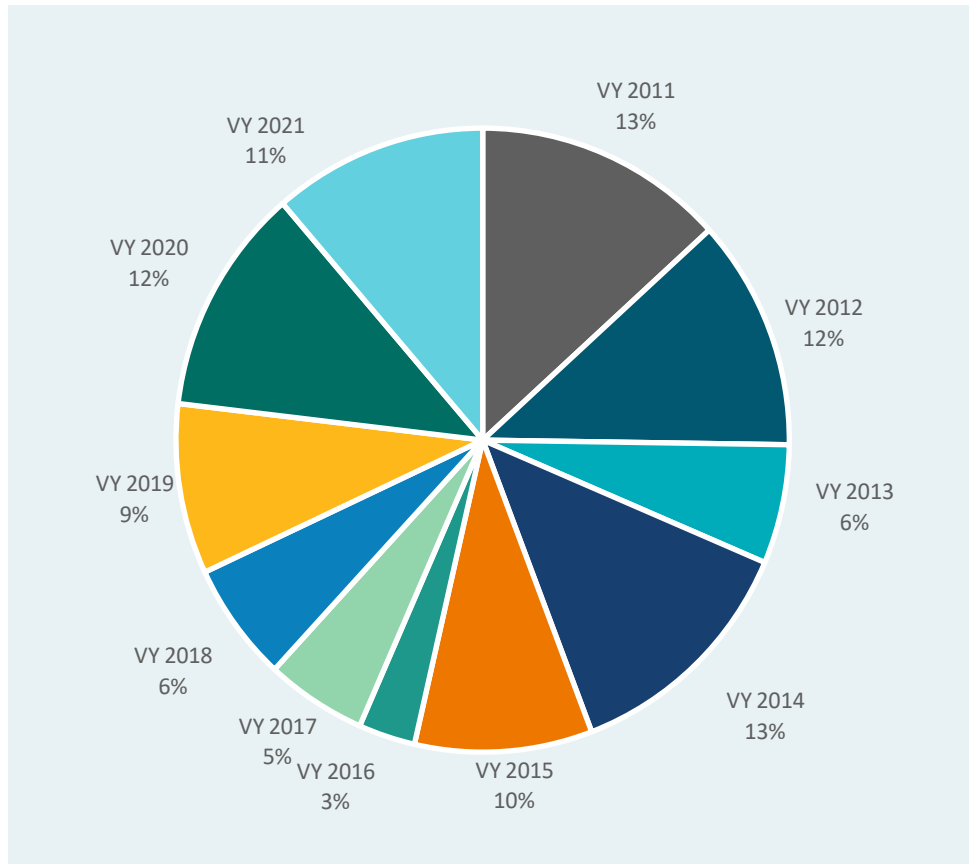


Based on the value of portfolio companies as of June 30<sup>th</sup>, 2021, if provided by the partnerships. Differences between reported value and the total portfolio valuation is due to temporary cash funds, fees, other expenses, and holdings with undisclosed geography breakdown.

# Portfolio Diversification By Vintage Year

Period Ending: June 30, 2021

Vintage Year	Commitment as of 6/30/2021	% of Portfolio Commitment	Reported Value as of 6/30/2021
2011	75,000,000	13.24%	43,339,080
2012	68,000,000	12.00%	170,743,187
2013	35,000,000	6.18%	33,062,546
2014	72,500,000	12.80%	61,018,235
2015	53,000,000	9.36%	51,058,337
2016	17,000,000	3.00%	14,214,229
2017	30,000,000	5.30%	46,956,534
2018	35,000,000	6.18%	9,897,350
2019	50,000,000	8.83%	19,381,330
2020	67,001,040	11.83%	10,828,549
2021	64,000,000	11.30%	750,000
<b>Total Private Equity</b>	<b>566,501,040</b>	<b>100%</b>	<b>461,249,376</b>



- As of June 30, 2021, the Private Equity Portfolio exposure at 7.8%, is greater than that of the plan's 6.0% policy target, but within its 4-8% target range.
  - Compared to December 31, 2020, portfolio exposure is up 0.9%, driven by recent increased valuations and exits from the Venture Capital portfolio and increased valuations in the Buyout portfolio.
  - Venture Capital remains above its policy target, as a result of significant increase in value of two select venture holdings.





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**PERIOD ENDING: JUNE 30, 2021**

Real Assets Review

**San Mateo County Employees' Retirement Association**

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SAN FRANCISCO 415-362-3484

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- RA Portfolio Diversification by Vintage Year

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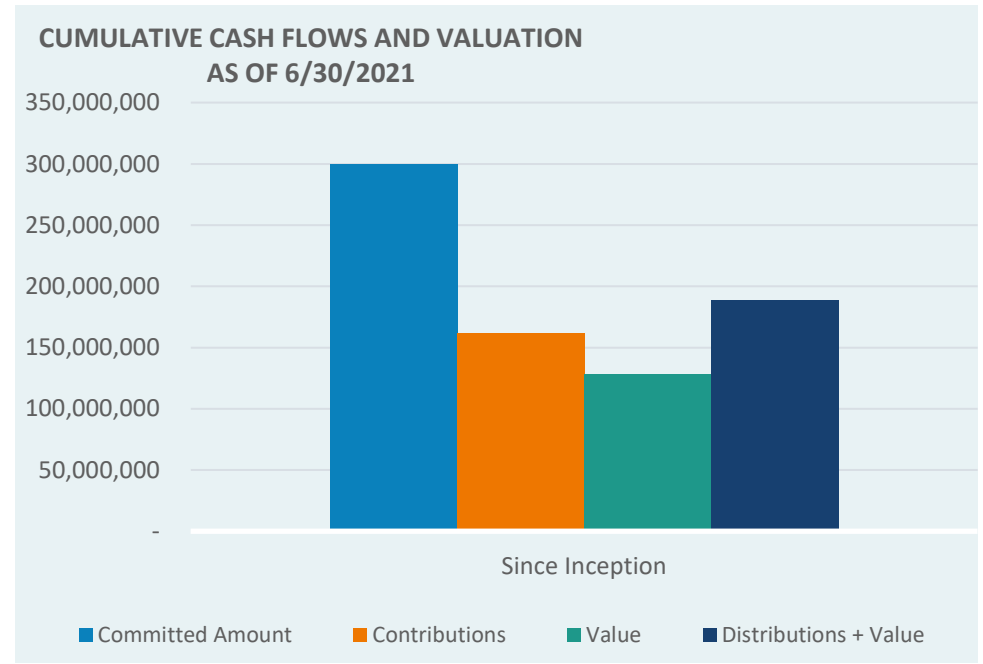
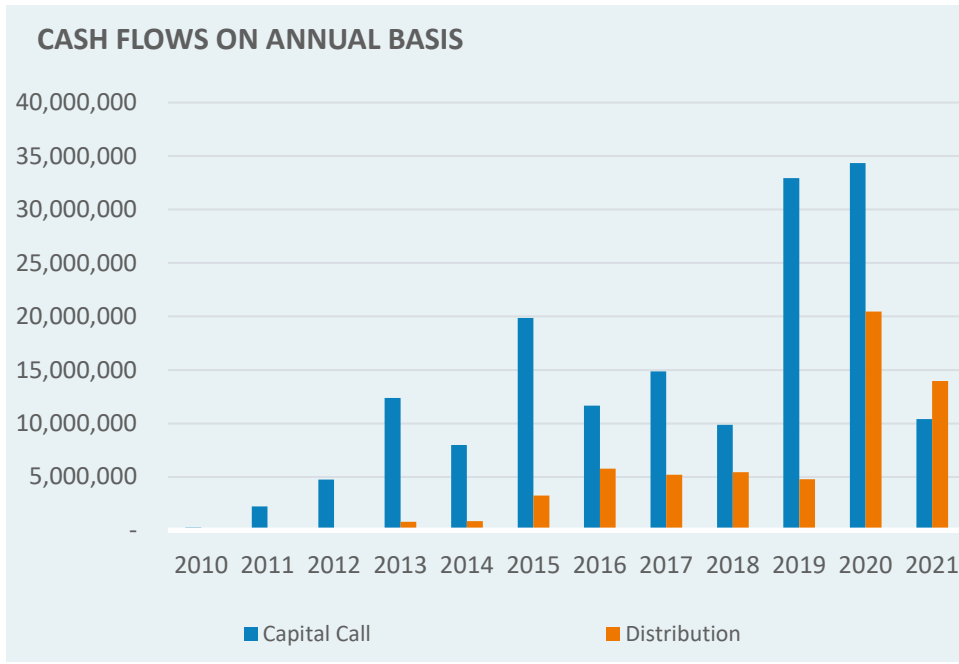
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# Real Asset Performance

**Performance**

- The portfolio is currently valued at \$128.0 million. Together with \$60.5 million in realized distributions, the Total Value at \$188.6 million is approximately \$27.0 million above \$161.6 million total capital contributions, resulting in a total value multiple of 1.17x and a net IRR of 5.21%. If we exclude the investment in Sheridan, the portfolio IRR would be 12.53%. Capital weighted average investment age of the portfolio is 3.7 years.
- Within Private Real Assets, the current allocation of market value exposure is 14.3% to Agriculture, 16.8% to Energy, 8.5% to Mining, and 60.3% to Infrastructure. The Portfolio is expected to be diversified over a period of 3 to 5 years.



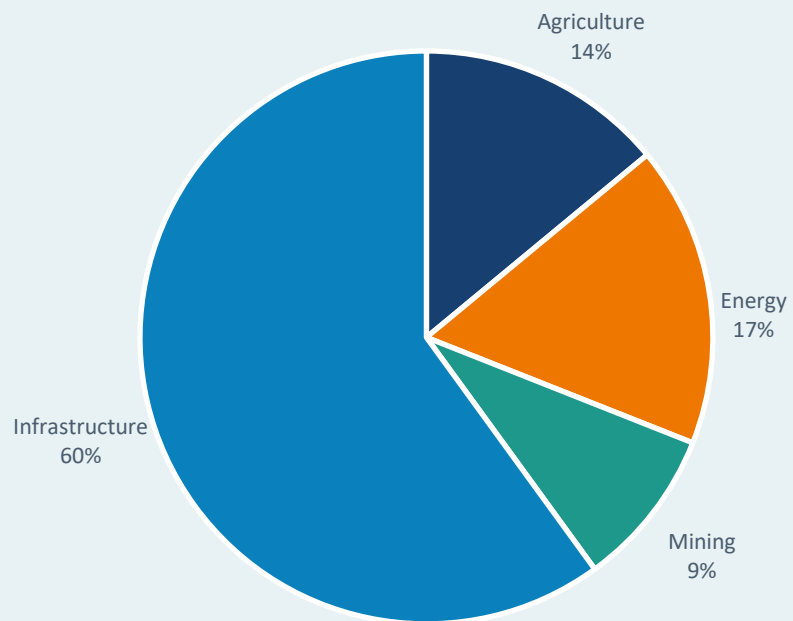
# Strategy

## Portfolio Diversification

Period Ending: June 30, 2021

Investment Type	Commitment	Current Exposure	Current Exposure as % of Portfolio
Agriculture	15,000,000	18,354,338	14.3%
Energy	49,800,000	21,566,003	16.8%
Mining	55,000,000	10,917,824	8.5%
Infrastructure	180,000,000	77,186,096	60.3%
<b>Total Portfolio</b>	<b>299,800,000</b>	<b>128,024,261</b>	<b>100.0%</b>

REAL ASSETS PORTFOLIO: CURRENT EXPOSURE

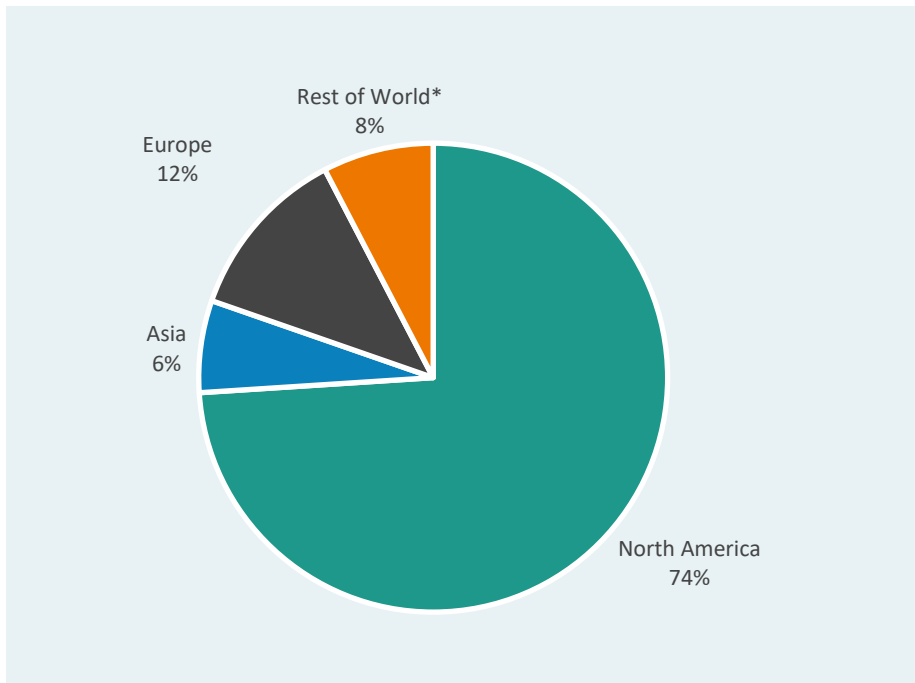


# Geography

## Portfolio Diversification

Period Ending: June 30, 2021

Geography	Reported Fair Value
North America	94,705,041
Asia	8,128,167
Europe	15,405,582
Rest of World*	9,785,471
<b>Total Portfolio</b>	<b>128,024,261</b>



Based on invested capital as of June 30, 2021, if provided by the partnerships. The portfolio is expected to be US-biased given the mandate to hedge domestic inflation.

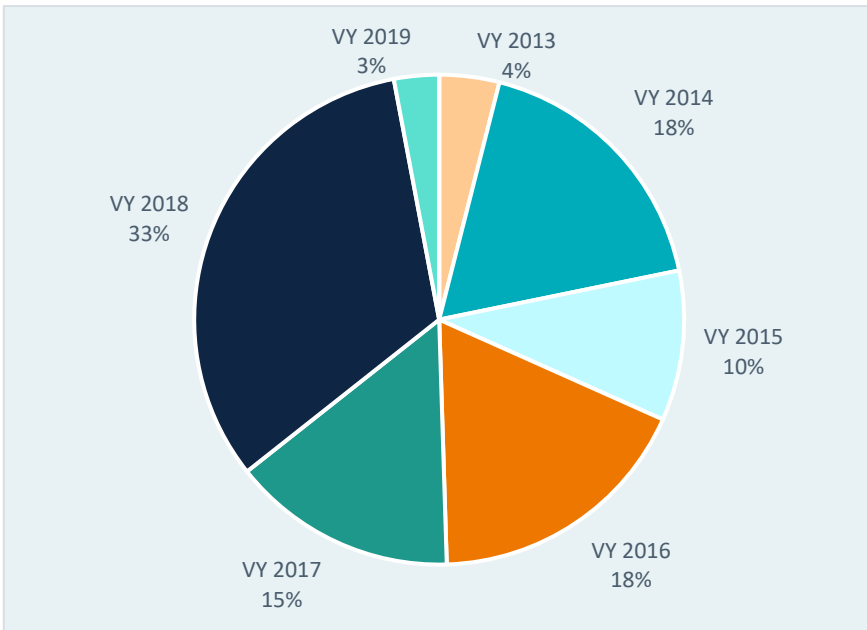
\* Rest of World includes Australia, Peru, Chile, Senegal, DRC, and Burkina Faso.

# Vintage Year Portfolio Diversification

Period Ending: June 30, 2021

Vintage Year	Commitment as of 6/30/2021	% of Portfolio Commitment	Reported Value as of 6/30/2021
2010	20,000,000	8.0%	0
2013	10,000,000	4.0%	5,160,539
2014	35,000,000	14.0%	23,459,680
2015	10,000,000	4.0%	12,430,790
2016	25,000,000	10.0%	22,410,024
2017	29,800,000	11.9%	18,932,950
2018	50,000,000	20.0%	42,345,282
2019	25,000,000	10.0%	3,284,996
2020	25,000,000	10.0%	0
2021	20,000,000	8.0%	0
<b>Total Portfolio</b>	<b>249,800,000</b>	<b>100%</b>	<b>128,024,261</b>

\* Excludes Open-end funds



The portfolio is increasingly diversified by vintage year with larger capital commitments expected over the next 2-3 years.

- SamCERA committed \$20.0 million to Vision Ridge Sustainable Asset Fund III within the infrastructure portfolio at the March Investment Committee Meeting.
- Verus and staff will be recommending a \$20.0 million investment in Tiger Infrastructure Partners III.
- As the shift away from commodity-oriented sectors continues, we will look opportunistically for strategies in the space, but we expect infrastructure to occupy a larger share of real asset portfolios going forward.




**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**Board of Retirement**

December 7, 2021

Agenda Item 6.5

**TO:** Board of Retirement

**FROM:** Doris Ng, Investment Analyst 

**SUBJECT:** Report on Investment Consultant Annual Review

**Recommendation**

Review the information below summarizing Verus' annual performance evaluation and comment accordingly during the agenda item.

**Background**

The annual evaluation of SamCERA's investment consultant has three parts:

1. A survey completed by trustees and staff
2. Responses to an annual questionnaire completed by consultant
3. A discussion at the Board meeting to present the findings of the survey and questionnaire responses

The survey was provided online, and results were collected from 7 trustees and 4 staff members. There was a total of 21 questions in the survey with 16 of the questions scored on a scale from 1 to 5, with 5 being the highest rating (High). Questions were asked about the general consulting team, the private equity consulting team, and the real assets consulting team. In addition, the survey prompted the Board to provide strategic and educational topics that they would like Jeff MacLean from Verus to cover in 2022.

**Discussion**

Please refer to the summary of the survey scores below. For each question, the responses are broken out and grouped by trustee and staff scores. The minimum, maximum, and average scores are presented for each question as well. Both the Board and staff generally marked the components of the evaluation as above average/high, with the Board marking the general consulting team's effectiveness of "big picture" advice on fund investment policy and structure a bit higher than staff.

In addition, the Board and Staff provided the following strategic and educational topics they would like Jeff MacLean from Verus to cover with the Board in year 2022:

- 1) "ESG, the PRI, sustainability and SASB - perhaps a baseline intro for the board members would be something like this event (which I've attended previously):  
<https://investingforgoodus.live.ft.com/>  
DEI principles and actionable strategies.  
Crypto and Defi"

- 2) "ESG investing, trends and comparisons to other government programs"
- 3) "Cash flow negative planning. Inflation Planning. Impact of "progressive" legislation on the plan.
- 4) "Ideas on potential de-risking glide path(s) under assumed continuing improvements to funded status."
- 5) "An renewed look at ESG. Are our current policies in the investment philosophy, etc. up to date and sufficient?"
- 6) "Glide path de-risking, ESG"
- 7) "Continued detailed discussions of managing liquidity. Understanding SPACs / PIPEs"

2021 Survey		Trustees			Staff		
		Min	Avg	Max	Min	Avg	Max
<b>Question</b>							
<b>General Consulting</b>							
2	How would you rate the general consulting team's ability to effectively convey concise and useful information during Board meetings?	4	4.9	5	4	4.3	5
3	How would you rate the general consulting team's responsiveness to questions and requests?	5	5.0	5	4	4.8	5
4	How would you rate the general consulting team's analytical sophistication?	4	4.9	5	4	4.3	5
5	How would you rate the effectiveness of the general consulting team's ability to lead strategic initiatives/projects and provide strategic advice (e.g. Asset-Liability Studies, Asset Allocation Reviews, Risk Management)?	4	4.7	5	4	4.3	5
6	How would you rate the effectiveness of the general consulting team's ability to assist and guide the Board on "big-picture" total Fund investment policy and structure on an on-going basis?	4	4.7	5	3	4.0	5
7	How would you rate the quality and/or clarity of the general consulting team's reports (e.g. Monthly Capital Markets Updates, Quarterly Performance Reports, Manager Review Notes, New Manager Investment Recommendations, etc.)?	4	4.7	5	4	4.8	5
8	How would you rate the effectiveness of the general consulting team's educational presentations (e.g. Investment Leverage, Liquidity Analysis, Plan Maturity, etc.)?	4	4.9	5	4	4.8	5
9	How would you rate the general consulting team's knowledge of institutional investment practices?	4	4.9	5	4	4.8	5
<b>Private Equity</b>							
11	How would you rate the private equity consulting team's ability to effectively convey concise and useful information during Board meetings?	4	4.6	5	5	5.0	5
12	How would you rate the quality and/or clarity of the private equity program's reports (e.g. Semi-Annual Private Equity Performance Reports, Private Equity Investment Recommendations, Educational Presentations)?	4	4.6	5	5	5.0	5
13	How would you rate the private equity consulting team's analytical sophistication?	4	4.9	5	5	5.0	5
14	How would you rate the overall effectiveness of the firm's private equity program?	4	4.7	5	5	5.0	5
<b>Real Assets</b>							
15	How would you rate the real asset consulting team's ability to effectively convey concise and useful information during Board meetings?	4	4.7	5	5	5.0	5
16	How would you rate the quality and/or clarity of the real asset program's reports (e.g. Semi-Annual Private Real Asset Performance Reports, Real Asset Investment Recommendations, Educational Presentations)?	4	4.6	5	5	5.0	5
17	How would you rate the real asset consulting team's analytical sophistication?	4	4.7	5	5	5.0	5
18	How would you rate the overall effectiveness of the firm's real assets program?	4	4.7	5	4	4.5	5

## Attachment

Verus Annual Review Questionnaire



**PERSPECTIVES  
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SUCCESS**

2021 Annual Review Questionnaire

## San Mateo County Employees' Retirement Association

**VERUSINVESTMENTS.COM**  
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LOS ANGELES 310-297-1777  
SAN FRANCISCO 415-362-3484  
PITTSBURGH 412-784-6678

**Ms. Margaret Jadallah**  
Managing Director and Senior Consultant

**Mr. Joseph Abdou, CFA**  
Consultant

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## Organizational Update

1) Provide an update on Verus' organization, with particular emphasis on

(a) changes to your structure

We do not anticipate significant changes in the next twelve months. The number of employee shareholders increased from 18 to 31 during the last five years with 16 new shareholders selected in July 2020 and July 2021 from different areas of the firm – consulting, research, risk advisory, performance measurement, and marketing. Of note, over the past year we have continued to grow our presence on the East coast by adding personnel to our Pittsburgh office which now totals 5 professionals.

The history of our firm has been a steady movement towards broadening the breadth of ownership among our key employees, with the number of shareholders increasing from seven in 2006 to 31 today. We will continue to use equity ownership as a means for attracting and retaining talent and, more importantly, for aligning the interests of our employees with those of our clients.

(b) growth of assets/accounts under consultation

Since our last due diligence submission in 2020, we have added five new accounts under consultation. Following are updated AUA numbers:

(c) breakdown by client type

	Number	Assets \$M
Taft-Hartley	61	\$24,764
Corporate	20	13,056
Public	25	564,937
Not-for-Profit	45	\$53,832
Private Wealth	5	\$2,001
<b>Total</b>	<b>156</b>	<b>\$658,590</b>

(d) clients gained or lost in the past year

Verus gained six clients and lost one client from December 2020 through November 2021 as shown in the tables below. Client confidentiality policies prohibit us from disclosing the names of non-governmental clients.

Client Gained	Assets (\$M)	Date Hired
Mass PRIM	\$86,917	12/2020
Illinois Police Pension Fund	\$9,231	5/2021
Fort Worth Employees' Retirement Fund	\$2,400	8/2021
Long Beach Public Transit	\$75	9/2021
Non-profit charity	\$40	11/2021

Client Gained	Assets (\$M)	Date Hired
Community healthcare	\$46	11/2021

In addition, we gained a large project client Pennsylvania Public Schools Retirement System (\$65 billion AUM) since our last review which we've excluded from this retainer list.

In December 2020, we lost a \$28 million Taft-Hartley trust that was merged into another trust.

- 2) Please provide a breakdown of the number of clients (and \$AUM) for the past 5 years by the type of service provided (i.e., general consulting, special consulting, OCIO, or other). If any clients have increased or narrowed scope of services, please explain.

	2017*	2018	2019	2020	2021
Non-Discretionary (\$M)	\$403,395	\$439,032	\$427,313	\$433,895	\$653,326
Number	148	150	145	148	145
Discretionary (i.e., OCIO) (\$M)	\$3,177	\$3,536	\$3,487	\$4,044	\$5,264
Number	7	10	11	15	16

\* The loss of discretionary AUM is attributable to the sale of the Strategic Partnership Program, a segment of our discretionary business, to Goldman Sachs Asset Management.

- 3) What services does your firm offer in addition to pension fund investment consulting?

Verus offers the full range of consulting services to pension plans in the DB and DC arenas. Most of our business is in non-discretionary investment consulting as shown in the table in Question 2 above, and our AUA for public pension plans is significant. Three specialty services offered by Verus, which are backed by dedicated resources, specialists and research teams, are not offered by some of our competitors, and are distinguishing capabilities of our firm. These include:

- Private markets consulting
- Risk advisory and monitoring
- Outsourced CIO discretionary services

- 4) How does your firm manage these services, such as discretionary management (OCIO), to avoid conflicts of interest with its consulting business?

While Verus' OCIO business may present perceived and potential conflicts to our non-discretionary clients, we believe through the application of appropriate policies, they can be managed. Below, we list what we believe to be two key potential or perceived conflicts and how we manage them.

A potential conflict exists because OCIO services generate higher fees than general consulting services. The OCIO model involves a substantial change in scope of services that materially affects how a Board conducts business. The decision to employ an OCIO provider is fundamentally a governance decision, one that is outside the scope of our advice to clients. Therefore, we would never recommend to a client to change from one form of service to another. This view is codified as firm policy.

Additionally, it may be perceived that our OCIO relationships could receive preference over our traditional non-discretionary clients with regards to capacity-constrained investment opportunities. OCIO clients, by the nature of the model, are nimbler than traditional non-discretionary clients and can act faster on investment opportunities than Trustees governing a non-discretionary investment program. Our opinion is that such opportunities rarely occur. Furthermore, this potential conflict exists even within consulting firms that do not have OCIO services as their clients maintain different meeting cycles and investment policies. That said, we have implemented an allocation procedure for limited capacity opportunities to ensure all clients are treated fairly. Following is our process for allocating capacity:

#### **Approval Process**

Verus maintains a formal process for review and approval of external investment managers and their investment opportunities related to traditional asset classes and alternative asset classes. Only approved external managers and their particular investment opportunities may be recommended by Verus Consultants or utilized by Verus Portfolio Managers for non-discretionary and discretionary client's respectively. Verus has expanded its roster of approved managers in recent years, with a particular focus on ensuring that all client external managers have been fully vetted using our approval process.

External investment managers are approved by the Verus Investment Committee (IC) for traditional asset classes or the Alternatives Investment Committee (AIC) for alternative asset classes. Detailed information regarding operational due diligence and investment due diligence with recommendations for consideration is provided to the IC and the AIC by the manager research team and due diligence professionals within Verus.

#### **Capacity Allocation**

We follow a multi-step process for allocating capacity in oversubscribed funds:

1. Verus informs the external investment manager (typically a general partner) that Verus does not allocate fund capacity between Verus clients and confirms that the GP has its own processes and procedures for allocating limited investment opportunities (typically an investment committee).
2. Verus determines from the external investment manager any limitations on client types it is accepting (public or corporate pensions, endowments/foundations, or other); size of client legal limitations; and the investor due diligence processes.
3. The approved external manager/product is disseminated to Verus consultants and portfolio managers for clients whose investment policies permit the type of investment presented. The information provided includes, among other items: (a) the fund/GP name, size (target and cap), (b) a brief description (c) fundraising update including amounts closed to date, planned closing dates, and open date for current available allocation (d) target date to inform external investment manager with indications of interest and levels.
4. Client feedback is solicited and based on such feedback clients interest levels/ranges, together with client profiles, size, key steps of investment process, and other pertinent issues such as specific FOIA requirements is summarized internally for presentation to the external investment manager.

5. If the total desire/claimed capacity is within the total amount of capacity, the Verus consultants and portfolio managers are informed that the claims are within capacity and that these claims for capacity will be presented to the external investment manager for consideration.

5) What percentage of your firm's income comes from pension fund investment consulting (provide breakdown between general, discretionary/OCIO and specialty)?

% of Total Revenue	
Non-Discretionary	85%
Discretionary	15%

6. Describe your plans for managing the future growth of your firm. Do you have limitations on the number of clients you intend to accept?

With respect to client loads, the assignment of new client responsibilities is determined primarily by the fit of the client with the consultant and the consultant's capacity to take on new relationships. Firm leadership manages consultant workload and maintains excess capacity for new relationships. We do not set limits on consultants' books of business but assess capacity individually. On average, consultants maintain about seven to ten client relationships. Consultants servicing large, sophisticated clients with complex portfolios and monthly meetings tend to have fewer relationships.

What is the number of clients for the lead and secondary general consultant?

Margaret Jadallah has six clients as lead consultant, and Joseph Abdou has one client as lead consultant and six clients as secondary consultant.

Provide the number of clients for the specialty consultants, Faraz Shooshani and John Nicolini, for the past 5 years. Describe your policies for controlling the workload of the investment consultants (and in particular Faraz Shooshani)?

During the past five years, Faraz Shooshani has served as private markets consultant to seven clients, five of which are currently active. He has recently taken a lead general consulting role for one client where he was already private markets consultant. John Nicolini serves as lead and/or real assets consultant to five clients. Verus added another analyst to the real assets team since SamCERA's last review. Marc Gesell, who is a generalist consultant with a risk specialty, serves as co-consultant or secondary to six clients.

Firm leadership is primarily responsible for managing consultants' workloads. Although we do not set limits on a consultant's book of business, workload is managed by factors that include (1) a consultant's seniority and level of experience, (2) the complexity of services required by his or her client accounts, and (3) overall capacity for new relationships. The current client-to-consultant ratio is 6-to-1 for larger clients with complex portfolios. Verus' firm infrastructure supports the firm's consultants and consulting clients with resources across all asset classes. Faraz Shooshani heads the firm's private markets consulting practice and has a team of eight assisting him with research resources across the private market spectrum (venture, buyout, debt-related, real assets, private credit). The private markets team also has dedicated reporting analysts to assist in performance reporting. John Nicolini has a senior real estate analyst and a newer real assets analyst supporting him.



7. Please specify the individuals (up to five) who you feel are key to the success of your firm.

The success of the firm in general and client relationships in particular depends on the efforts of every participant working as a team to achieve the firm’s strategic goals. In this context, every employee is important and has a role to play in engendering success. From a client’s perspective, the lead consultant would be the key to a successful relationship, coordinating and deploying resources and serving as the face of our firm to its organization. The firm’s 7-person Management Committee is primarily responsible for setting strategic goals and the future direction of the firm. In view of this high level role, we are naming its members as key to the firm’s success. It is worth noting that Mark Brubaker, CFA, Managing Director, Senior Consultant, and head of our newly established Pittsburgh Office, joined the Committee in May 2020.

Jeffrey MacLean	(CEO)
Shelly Heier, CFA, CAIA	(President)
Ian Toner, CFA	(CIO)
Kraig McCoy, CFA	(CFO & COO)
Scott Whalen, CFA, CAIA	Executive Managing Director
Faraz Shooshani	Managing Director and Senior Private Markets Consultant
Mark Brubaker, CFA	Managing Director and Senior Consultant

8. Please specify the individuals (up to five) who you feel are key to the success of Verus’ account relationship with SamCERA.

Margaret Jadallah -	Lead consultant
Faraz Shooshani -	Private markets consultant
John Nicolini, CFA -	Real assets consultant
Joe Abdou, CFA -	Backup Consultant
Marc Gesell, CFA -	Risk specialist/Backup Consultant

9. Has your firm been involved in any regulatory or litigation events in the past year?

No.

10. Summarize the coverage for errors and omissions, professional liability, fiduciary insurance or fidelity bonds held by your firm (i.e., amounts and respective carriers) and e-mail the certificates of insurance to [investments@samcera.org](mailto:investments@samcera.org).

Type of Insurance	Coverage Amount	Description of Insurance	Company	Rating
E & O (Investment Advisor Professional Liability)	\$10m (\$500k deductible)	Insurances against losses caused by breaches of fiduciary responsibilities; protects those that give advice, educated recommendations when doing something they should not have done (error), or neglecting something they should have done (omission).	Allianz Underwriters Insurance Company	A+ by A.M Best
D & O (Investment Advisor)	\$10m (\$500k deductible)	Provides insurance for negligent acts, omissions or misleading statements by directors and officers of company that result in lawsuits against the	Allianz Underwriters	A+ by A.M Best

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Type of Insurance	Coverage Amount	Description of Insurance	Company	Rating
Management Liability)		company. It reimburses the company when they indemnify Officers and Directors or to reimburse company for claim paid.	Insurance Company	
Cyber Policy	\$2m (100k deductible)	Network and information security liability, regulatory defense, multimedia content liability, breach response, crisis management, cyber extortion, business interruption, digital asset restoration, funds transfer fraud.	Coalition Insurance Solutions	A+ by A.M. Best
Employment Practices Liability	\$7.5m (100k deductible)	Covers against claims by workers that their legal rights as employees of the company have been violated.	Allianz Underwriters Insurance Company	A+ by A.M Best
Financial Institution / Crime Bond	\$1m (\$50k deductible)	Protects against loss from employee, trade, loan, or partner dishonesty, forgery, counterfeit, or loss of property.	Chubb-Federal Insurance Company	A++ by A.M Best
ERISA Fidelity Bond	10% plan assets or \$500k (\$1m if plan holds employer securities per ERISA 407(d)(1))	Protects against loss from theft or fraud	Hartford Insurance Company	A+ by A.M. Best
Commercial General Liability	\$1m per occurrence	Protects from financial loss if liable for property damage or personal and advertising injury caused by our services, business operations, or employees	Travelers	A++ by A.M. Best

- 11) Update all personnel changes to the Verus team. Indicate the turnover of professional staff (senior management and key professionals) over the past two years.

Employee gained	Title	Date hired
Dillon Ovitt	Performance Analyst	10/28/2021
Tim Joo	Senior Consulting Associate	10/25/2021
Zeyad Izzeldeen	Performance Analyst	9/27/2021
Thomas Lam	IT Technician	9/13/2021
Dana Larkin	Accounting Specialist	9/13/2021
Matthew Hummel	Senior Consulting Associate	9/7/2021
Stephen Reller	Public Markets Analyst	9/1/2021

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Employee gained	Title	Date hired
Michael Patalsky*	Managing Director   Senior Consultant	8/30/2021
Lamine Kaba	Performance Analyst	8/16/2021
Jeff Faubion	Senior Performance Analyst	8/16/2021
Sneha Pendyala	Public Markets Research Analyst	8/16/2021
Zeca Cardoso	Director	8/9/2021
Kyle Schmit	Performance Analyst	6/21/2021
Christopher Shelby*	Director   Private Markets	5/17/2021
Evan Benedict	Consulting Associate	4/26/2021
Zarif Urozaliyev	Consulting Associate	4/5/2021
Darren Lucky	Performance Analyst	3/29/2021
Anthony Flores	Performance Analyst	3/29/2021
Anna Farmer	Performance Analyst	10/26/2020
Vanessa Larson	Accounting Specialist	7/28/20
Michael Parnell	Project Manager	6/16/20
Pete Madrid	Senior Consulting Associate	6/10/20
Mark Brubaker, CFA*	Managing Director   Senior Consultant	5/18/20
Ted Hermann*	Senior Consultant   Business Dev't	5/11/20
Kin Lam	Associate Director   Private Markets	3/9/20
Stuart Odell*	Managing Director   Senior Consultant	2/25/20
John Teramana, CAIA*	Senior Consultant	12/3/19

Employees Lost	Title	Date lost	Reason
Fateha Uddin	Performance Analyst	9/17/2021	Voluntarily Resigned
Brock Foster	Consulting Associate	8/31/2021	Voluntarily Resigned
Gary Fagerholm	System Administrator	8/27/2021	Voluntarily Resigned; Relocated geographically
Margaret Wallace	Senior Performance Analyst	8/6/2021	Voluntarily Resigned
Stuart Odell*	Managing Director   Senior Consultant	7/2/2021	Voluntarily Resigned
Anna Farmer	Performance Analyst	7/2/2021	Voluntarily Resigned
Vanessa Larson	Accounting Specialist	4/2/2021	Voluntarily Resigned
Abhijeet Singh	Performance Analyst	3/17/2021	Voluntarily Resigned
Carmen Zhuo	Performance Analyst	2/26/2021	Voluntarily Resigned
Francis Griffin*	Director   Private Markets	2/19/2021	Voluntarily Resigned; Relocated geographically
Pete Madrid	Consulting Associate	1/8/2021	Voluntarily Resigned

Employees Lost	Title	Date lost	Reason
John Meier*	Managing Director   Senior Consultant	12/31/2020	Retired
Max Giolitti*	Chief Risk Officer	9/30/20	Voluntarily Resigned; Relocated geographically
Misty Watson*	Senior Public Markets Research Analyst	8/21/20	Voluntarily Resigned; Relocated geographically
Suzie Stonecipher	Senior Staff Accountant	7/10/20	Retired
Barry Dennis*	Managing Director	6/30/20	Retired
Frank Luplow	Project Manager	6/3/20	Voluntarily Resigned
Andrew Akers	Portfolio Manager	5/8/20	Voluntarily Resigned

\*Senior investment professionals denoted with an asterisk.

Year	Turnover % (All Employees)
2019	13%
2020	8%
2021	13%

Note that there have been no changes specific to SamCERA’s assigned consulting team since our last review.

12) Describe any new potential services/improvements to your existing services being considered.

We are not recommending any services/improvements to SamCERA at this time. SamCERA staff has been presented a holdings-based risk advisory services proposal which Verus believes would enhance SamCERA’s risk reporting. We are, of course, open to any improvements that can be made to our working relationship.

13) Describe the relative strength and longevity of your back-office (performance and risk analytics) staff. Please provide a list of the Support Personnel for general consulting and specialty consulting services.

Verus’ 13-person Performance Analytics Group is dedicated to data calculation, reconciliation, and performance evaluation. The group is supervised by Mr. Justin Hatley, Director of Performance Analytics, who reports to the President of the firm. Mr. Hatley has 17 years of experience. SamCERA’s performance analyst, Augienette Castillo, has 24 years of investment experience and has been with Verus for seven years.

The risk advisory team, led by the chief investment officer, Ian Toner, provides risk analytics, monitoring and education, and delivers end-to-end services to help clients develop a comprehensive framework for risk management that analyzes and communicates risk in every aspect of their investment program. Mr. Toner has over 30 years of industry experience and sits on the Verus investment committee and management committee. Risk Director Danny Sullivan, FRM, CAIA, began his career with Verus in 2011 and Vance Creekpaum, ASA, was an actuarial analyst for 4 years prior to joining Verus in 2016.

- 14) What are the current technologies utilized in supporting the back-office processes? What performance measurement system do you use? Also what risk systems do you utilize in producing ex-post and ex-ante risk reports for clients? Please summarize your maintenance and upgrade policy/plan.

**Performance measurement resources**

Our main tool for performance measurement and reporting is Investment Metrics, a leading provider of investment performance reporting and analytics software solutions for institutional investment consultants, asset owners, asset managers, OCIOs, and private wealth advisors. The Investment Metrics universe for comparative performance reporting represents roughly \$3.4 trillion in assets under advisement with over 6,000 institutional plans and 3,000 investment managers. The universe aggregates data submitted by institutional investment consulting organizations using institutional and custodial statements for separate accounts, and investment managers for privately-held or commingled funds. The databases contain at least twenty-five years of performance data on each of the major asset classes. The database is updated monthly.

Following is the composition of this performance measurement database:

Plan Type	Number of Observations	Total Market Value
All Plans	3,267	\$2.4 Trillion
All DB Plans	1,570	\$2.0 Trillion
Corporate DB Plans	525	\$480 Billion
Public DB Plans	369	\$1.2 Trillion
Taft-Hartley DB Plans	446	\$238 Billion
Endowments & Foundations	1003	\$144 Billion

The Investment Metrics platform is distinguished by how it drives greater operational efficiencies in data aggregation, performance calculation, real-time analysis into client, manager and market movement, and timely, automated production of performance reports.

Investment Metrics is continually maintaining its system and upgrading its platform to respond to clients' needs. A Consultant's Collaborative of Investment Metrics clients meets periodically to discuss initiatives that would help guide the platform's improvements and development. This is mutually beneficial in that it saves Investment Metrics time tapping each client individually to learn about needs; instead they receive the information from the Collaborative. The Collaborative streamlines and consolidates client requests to enable Investment Metrics to focus on the most critical improvements and respond more quickly. Verus is an active participant in the Consultant Collaborative.

We supplement this platform with the following tools that we use for alternative investments, style analysis, risk analysis, and other types of portfolio analytics:

eVestment Alliance	Public markets database
MPI Stylus	Returns-based style analysis, regression analysis
MSCI BarraOne	Risk analysis
Morningstar Direct	Mutual fund information, analytics, index information
Aksia	Hedge fund database
Solovis	Private markets analytics and performance platform

Preqin	Private markets database
Thomson Reuter Cambridge Associates	Private markets database
Thomson One VentureXpert	Private equity database
Private Informant	Private equity database
Preqin	Private equity database

**Risk monitoring and analysis**

We evaluate risk/return characteristics of the total portfolio using our proprietary risk allocation system, which interacts with MSCI BarraOne, and the Risk modules built into the Investment Metrics platform. Our standard performance reporting delivers deep returns-based risk analytics, which includes ex-post risk metrics at the total fund, asset class composite, and individual manager level, such as standard deviation, tracking error, up-side/down-side capture, alpha, beta, r-squared, information ratio, and Sharpe ratio. In addition, we can offer a full suite of ex-ante, holdings-based risk analytics through our Risk Team.

- 15) **What are your mission critical systems? Has your firm experienced any problems with these systems in the past eighteen months? When were these systems implemented and when were they last upgraded? Do you anticipate any changes to these systems in the next eighteen months?**

Technology is an integral part of our consulting practice. We have an in-house IT group composed of three technology specialists who assist our consulting staff in monitoring, testing and evaluating the tools of our trade. We have spent, on average, 10% of revenue on systems and technology in the last three years and anticipate technology investments to stay roughly between 9-12% of revenue over the next three years. We evaluate all IT systems on an annual basis for feature deficiency. We use automated software to apply operating system security patches as soon as they are available from the manufacturer, and continuously upgrade all internal IT systems to insure we maintain long-term support availability with our various vendors and partners. During the past 12 months we have worked to convert our performance systems to Paris, which will offer enhanced performance capabilities.

Our technology infrastructure is a Linux and Windows-based network that allows for secure centralized management of all firewalls, switches and IPS devices as well as endpoint protection. It includes built-in fail over clustering as well as redundant data replication to safeguard data sets as well as the overall infrastructure that personnel utilize to accomplish necessary business tasks.

- Infrastructure Items
- Redundant Internet Service Providers
- Centrally managed Cisco Firewalls
- Intrusion Prevention System at all points of entry
- Centrally-managed Network Switches
- Centrally-managed Video Security Cameras
- Application and Management Servers
- Linux and Windows based operating system (OS)
- Virtual environment with built in clustering for fail over redundancy
- Fully replicated data sets for additional fail over redundancy
- Fully encrypted cloud-based storage for additional layer of redundancy
- Network Attached Storage (NAS)

We currently employ the following software and databases in aid of our consulting practice:

Investment Metrics	Performance measurement platform
Paris	Performance measurement platform
Portfolio Risk Dashboard	Internally developed risk management system
Asset allocation modeling tools	Proprietary stochastic model, scenario, stress test and risk factor evaluation tools
eVestment Alliance	Public markets database
MPI Stylus	Returns-based style analysis, regression analysis
MSCI BarraOne	Risk analysis
Morningstar Direct	Mutual fund information, analytics, index information
Aksia	Hedge funds database
Solovis	Private markets analytics and performance
Preqin	Private markets database
Cambridge Associates	Private markets database
Thomson One VentureXpert	Private equity database
Private Informant	Private equity database
Preqin	Private equity database
Winklevoss Technologies ProVal	Liability simulation software

We maintain a secured web portal that allows retrieval of our performance reports and research documents. The portal includes access to daily market value information (if the client’s custodian bank participates) and the ability for clients to run some basic on-the-fly reporting such as performance-to-date at the total fund or individual manager level. This portal will also provide an archive of reports and presentations.

With respect to leveraging information resources across the firm and with our clients, Verus employs several key technologies to drive communication capabilities which include but are not limited to the following:

Microsoft Teams	Integrated directly into Office 365 applications, Teams allows for a robust platform which includes many communications features for a team. The Teams platform runs as an “always on” application on Verus employees’ computers and allows for connectivity across multiple hardware device platforms. Committee work and many departments utilize Teams for more efficient collaboration on work products, reducing the use of email.
Skype for Business	Utilized largely for its capabilities which include recording meetings, the sharing of co-worker’s screens and ability to annotate PowerPoint for real-time collaboration among Verus employees. The Skype for Business technologies also include whiteboarding, polling, and built in Instant Messaging for fast and efficient instant collaboration capabilities across all offices. This technology is also largely utilized for its ability to support HD quality video/audio feeds for fast and efficient communications amongst teams and co-workers.
Email	Industry standard email housed in the Office 365 platform is utilized for many day to day communications between Verus Investment employees as well as for outside company communications.

SharePoint	Various internal company SharePoint portals are utilized for the collection and distribution of company related content, including finalized marketing and research materials.
VPN	Verus has incorporated key security technology that allows for both point-to-point VPN connectivity between all offices and further allows for client VPN connectivity to all offices. The Virtual Private Network protocols allow for an always available secure communications between all offices. This also allows approved employees to securely connect to any/all offices via a secure communications channel.
VOIP	Voice over IP has been implemented through all Verus Investments offices to allow for instant and seamless voice communications via 3-digit dial and directory lookup. Although offices are geographically dispersed the integrated VOIP technology allows internal phone calls to route and handle as though all offices act as a single office.
CRM	Microsoft Dynamics CRM is utilized as a robust tool for managing client, prospect and manager communications amongst other available tooling. Verus Investments utilizes CRM Online which is a secure cloud-based offering where all backend processes are managed by Microsoft. This also allows for greater flexibility for remote availability and support of multiple hardware devices such as different mobile devices and tablets.
Conference Rooms	Each Verus office has multiple conference rooms of varying sizes that support video conferencing, audio conferencing, Skype, Zoom.us as well as GoToMeeting. Each conference room is outfitted with large format HDTVs, high quality external microphones as well as VOIP enabled conference phones.

**Has your firm experienced any problems with these systems in the past eighteen months?**

Outside of normal maintenance and sporadic and minimal vendor outages, no significant problems have occurred in the last 18 months. Having already been used to Teams and Zoom meetings, we have had no significant issues conducting meetings during the work from home COVID period.

**When were these systems implemented and when were they last upgraded?**

Microsoft’s Office 365 is the technology driving most of our communication resources. We implemented O365 in the spring of 2014, since then Microsoft has upgraded these systems on a consistent and reliable basis.

Our internal database system was implemented in the summer of 2013 and has been upgraded to stay current with the vendors long term support release.

Our server infrastructure has gone through a complete overhaul that was completed in the fall of 2015. All internal systems are hosted and run on a virtual machine and clustered system with local and offsite redundancy. The specific hardware stack is built upon Dell’s VRTX framework.

**Do you anticipate any changes to these systems in the next eighteen months?**



We review and update our systems on a regular basis. We are in the process of converting our Investment Metrics performance system to Paris over the coming months. SamCERA is currently using Investment Metrics but will move to Paris over the next year to eighteen months.

16) Provide an overview of your firm's business continuity plan.

Verus maintains a Business Continuity and Disaster Recovery Plan (BCDR). Forensic review is conducted annually by the compliance department. Third-party audits of the plan were completed in 2014 and 2018. IT security testing is done continuously, with outside third-party penetration testing provided on a regular basis. The plan provides for alternative work sites, geographic and service provider diversity, remote access to critical systems, secure laptops with VPN access, and data retention enforcement for data recovery. We conduct DR/BCP testing exercises regularly to ensure validity, viability, and timely execution. The BDCR has been live-tested successfully during a massive power outage in Seattle and, like many businesses right now, Verus employees are all working remotely due to COVID-19 and shelter-in-place using many elements of the BDCR.

Performance

17) Detail your perspective of SamCERA's performance expectations, as spelled out in the contract and SamCERA's Investment Policy Statement, and how your firm is doing relative to those expectations.

We believe that we are meeting SamCERA's performance expectations as spelled out in the Verus contract and SamCERA's IPS. Since our last review, we confirm that we have provided all of the services described in our contract with participation from SamCERA's broad consulting team as described in the Verus contract. We also believe that we are meeting performance expectations for SamCERA as spelled out in the IPS on a risk-adjusted basis. Consistent with SamCERA's IPS, we are assisting the Plan in prudently managing assets in a manner that is consistent with funding the actuarial liability. SamCERA has actively worked towards reducing volatility in the portfolio with the goal of mitigating downside risk and increasing diversification which has resulted in moderate changes to asset allocation and further diversification within asset classes. We have also explored the addition of a CDI mandate which will further lower risks by accounting for future cash needs on an annual basis. We will be conducting an annual asset allocation review during the first quarter of 2022 and will reassess risk/reward objectives again at that time.

The SamCERA portfolio has outperformed its policy index over the one-year period since our last review (24.3% v. 23.5% as of 6/30/21). We are comfortable with the structure of the portfolio and most of its asset classes and believe they are aligned with the Plan's Enterprise Risk Tolerance. Since our last review, SamCERA hasn't made significant changes to its strategic allocation, only minor changes during the last asset allocation review.

18) Discuss the domestic equity, international equity, fixed income, alternatives, real assets and real estate markets and SamCERA's relative success or failure in the current market.

U.S. EQUITIES

— Equity markets took a pause in Q3, a notable change from the seemingly non-stop rally year-to-date. U.S. equities delivered 0.6%, while international equities experienced slight losses of -0.4% and emerging market equities saw a larger selloff of -8.1%, on an unhedged currency basis.

- Size and value factor performance was negative during the quarter, as large capitalization stocks outperformed small capitalization stocks by a wide margin (Russell 1000 +0.2%, Russell 2000 -4.4%) and growth stocks beat value (Russell 1000 Growth +1.2%, Russell 1000 Value -0.8%).
- As we observed last quarter, it does seem that investors have put the 2020 pandemic-induced recession and its associated risks behind them. However, it is not clear that market risks have completely subsided, as the Delta-variant continues to spread, high inflation could indeed persist, and most governments are set to pull back generous stimulus programs.

#### U.S. FIXED INCOME

- The 10-year U.S. Treasury yield increased slightly during the quarter, from 1.45% to 1.52%. Longer-term Treasury bond yields drifted lower in July and August before picking up considerably in September, as speculation mounted that the Federal Reserve would begin tapering the current asset purchase program (\$80 billion in monthly Treasury purchases and \$40 billion in monthly agency mortgage-backed-securities) in November or December of this year.
- Credit spreads traded in a relatively tight range during the quarter and remained at a very low level relative to the historical average. Historically low credit default rates have supported tight spread levels. Above-average credit quality has also been supportive, specifically in the high-yield universe. Although credit spreads are tight, spreads arguably remain healthy relative to current bond default levels.
- Reports that Evergrande, one of the largest property developers in China, was on track to miss debt service payments led to a sell-off in Chinese high-yield debt as investors braced for potential contagion. Dollar-denominated high-yield Chinese bonds in aggregate fell by around 20% in value.

#### INTERNATIONAL MARKETS

- International equities experienced slight losses of -0.4% (MSCI EAFE Index) during the quarter on an unhedged currency basis, lagging U.S. equities but outperforming emerging markets. Currency movement during the quarter resulted in a loss of -1.9% relative to those investors with a currency hedging program.
- Weakness in Chinese equities (MSCI China -18.2%) was the major driver of emerging market equity underperformance, as a wave of new regulations were implemented by the Communist Party of China which cascaded across a number of sectors including Technology, Property Management, and Financials.
- Japanese equities (MSCI Japan +4.6%) rallied on strong earnings, and on the news that Prime Minister Suga's successor, Fumio Kishida, would be less likely to pursue tax hikes on investment income. Japan's vaccination rate also improved considerably and ended the quarter in line with major European countries, laying the groundwork for a broader reopening of the economy.

#### REAL Assets

- Performance within infrastructure was mixed for 2020 as several sectors faced Covid-related challenges, while some industries in communication and logistics thrived. With the global economy is set for a recovery, we expect lower risk infrastructure assets will continue to deliver modest high single digit returns. The asset class could see some tailwinds as investors search for income above

that available in fixed income. In addition, inflation concerns from some investors may lead to additional capital entering the space.

- The oil & gas industry enters 2021 with hopes for an improved market environment following several years of weak commodity prices. The dual impact of Covid related demand destruction and the disintegration of OPEC+ supply controls sent oil markets into a tailspin last year. Higher commodity prices have begun to breathe some life into publicly-listed upstream companies and likely some areas of the capital markets will return to provide funding for independent drillers. Our belief is that the private markets that funded a lot of the growth in energy production will continue to shrink as institutions shift capital towards cleaner forms of energy.

### U.S. REAL ESTATE

- The pandemic has accelerated existing trends in real estate and has also created a new series of challenges and opportunities. The recession stressed many sectors, especially retail and hospitality, and is changing the way we think about real estate utilization given technological advancements, consumer behavior and demographic shifts. E-commerce adoption rates and work from home flexibility have created some uncertainty regarding demand projections as well as potential pricing volatility and dislocation. Investors may consider additional diversification to mitigate the impact and uncertainty of these structural headwinds in office and retail. Alternative property types such as self-storage, medical office, life science, student & senior housing and single-family rentals are gaining institutional momentum and potentially underrepresented in existing portfolios.

### PRIVATE EQUITY

- Private equity market sees resilience and opportunity in face of COVID-19. Over the past year, the private equity industry has responded to the disturbances of the COVID-19 pandemic with resiliency and innovation. Private equity sponsors have acquired new long-term sources of capital through insurance investments, accessed the IPO market through SPACs and protected exit strategies from volatility in the debt financing market. While these strategies were already part of the private equity playbook, the pandemic has intensified their use.
- SPAC IPOs are getting attention from investors, startups, and regulators. Though SPACs have been around for decades they have gained traction over the last year as more private companies eye exit opportunities and COVID-19 continues to inject uncertainty in the IPO market. SPACs have emerged as a more streamlined path to the public markets; however, they aren't without risks and downsides regarding their structure.
- The US PE middle-market saw robust dealmaking activity in 2021. The sustained strength is being driven by increased vaccination rates in the US, the Federal Reserve's continued accommodating monetary policies, and an ample supply of cheap debt. However, there are some headwinds, including increased inflationary

In the current market, the SamCERA portfolio has responded as would be expected given the market environment. While growth names outperformed in 2020, 2021 has seen a comeback of value, which has benefited many quantitative strategies. Private equity posted strong returns, and SamCERA's portfolio continues to outperform the broader private equity peer group and its benchmark.

## Investment Consulting Philosophy

- 19) Describe your investment consulting philosophy, including (a) what are your firm's consulting specialties, strengths and limitations (b) your assessment of the value added by your investment philosophy and (c) what sets your services apart from other pension consultants' services?

Our investment advice follows a consistent and research-driven approach that is governed by the following principles:

- Enterprise objectives and risk tolerance guide all decisions.
- Asset allocation and risk exposures drive portfolio results.
- Economic factors and valuations drive long-term asset class returns. This is the rationale behind the tremendous resources that we invest in scenario analyses, macroeconomic research, capital market valuations, and risk and trend analysis.
- Risk and diversification must be viewed through multiple lenses. We view strategic allocation beyond mean variance analysis, and account for the many facets of portfolio risk in our asset allocation modeling.
- Fees and costs impact on long-term performance and must be minimized and justified.
- We act as a true extension of our clients' staff and an advocate for their interests.

We serve as an ERISA §3(21) fiduciary to our non-discretionary clients and an ERISA §3(38) fiduciary to our discretionary clients. We view our role as an extension of our client's staff in the service of the Board or Investment Committee. With respect to investment managers, brokers and other third-party providers, we act as an advocate on behalf of our clients ensuring that providers perform in accordance with guidelines and charge competitive fees.

Risk-based services permeate our entire service offering, an approach that differentiates us from the rest of the industry. Our professional teams have decades of experience applying risk management techniques to create thoughtful, targeted, and customized results. We believe that risk management is a culture, not a system. We, therefore, emphasize education, improved communication, enterprise risk tolerance, policy development; and seek a level of commitment from all parties to enhance the traditional returns seeking approach with a risk-aware mindset.

Lastly, we believe that among independently-owned, generalist consulting firms, Verus has an especially experienced and tenured private markets team which has been in place since 1994. Current Verus clients who incorporate private markets into their retainer relationships work closely and directly with senior professionals on the private markets team.

As far as limitations, Verus is 100% focused on consulting. For clients who are looking for a variety of services under one roof (e.g., actuarial, recordkeeping), larger, multi-service firms are a better solution.

- 20) Describe and explain your firm's brokerage relationships, money management activities, fee relationships and soft dollar relationships. Include the amount of income derived in the last calendar year from investment managers.

Verus does not have any brokerage arrangement and does not accept soft dollars.

- 21) Provide your assessment of the risks associated with SamCERA's portfolio and describe your firm's risk management capabilities and the tools employed in risk assessment.

The most important risk to pension funds is unfunded liability. The plan's number one priority is to ensure future obligations are met. The two levers that can be pulled to reduce the unfunded liability are: increasing contributions and changing the risk/return profile of the investment portfolio. Comprehensive risk management and a careful determination of an appropriate risk level is especially important in the current low return environment. Chasing returns can result in a risk level that is beyond a Plan's enterprise risk tolerance.

SamCERA's portfolio is structured in alignment with its risk tolerance and considers important factors such as the MOU (County's overfunding) and the financial strength of San Mateo County which enables the Plan to have 6.25% actuarial expected return and a relatively conservative strategic asset allocation compared with many peers. We view the biggest risk in the SamCERA portfolio as peer risk or the risk of being different from peers. Verus is comfortable with this difference and believes that the portfolio is prudently structured, well diversified and well positioned for the future. Moreover, Verus believes that SamCERA would not capitulate and abandon a well-conceived plan at an inopportune time.

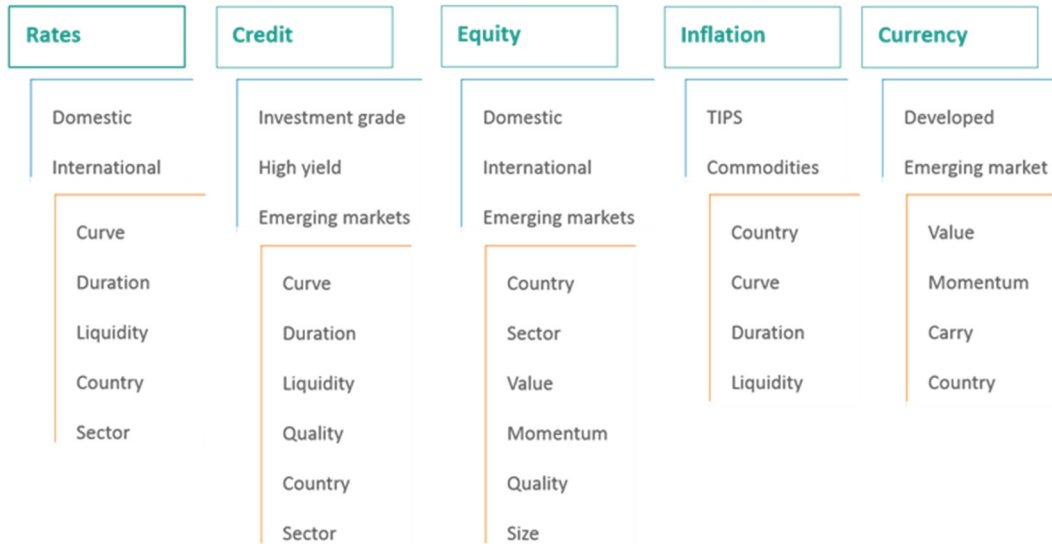
Verus has a risk advisory team that is dedicated to research and delivery of risk advisory services and portfolio analytics. The Risk Advisory Group is composed of professionals who dedicate 100% of their time to risk analysis and monitoring activities. We use MSCI BarraOne software as the backbone of our risk platform and deliver risk analysis through Verus' proprietary Risk Dashboards. This is combined with tools that we have developed to accurately load daily holdings into BarraOne, and efficiently pull risk analytics out of BarraOne for our reporting. The risk team has also developed tools for trend line analysis and daily portfolio risk monitoring. We also use RiskManager, FINCAD, and MPI Stylus Pro. Portfolio construction is driven by our Risk Allocation system, which interacts with MSCI BarraOne, to construct index-based portfolios and download risk data to evaluate the risk and return characteristics of various asset allocation decisions. We can also employ R scripts to power risk-based rebalancing and optimization algorithms.

Verus' Risk Advisory Service has the capability to consolidate all underlying positions and quantify where concentrated risks lie in the portfolio. Our risk advisory service pulls data from custodians and loads it into MSCI BarraOne's risk system. We work directly with MSCI to monitor and direct the implementation and ongoing maintenance of data in the risk system, and provide monthly Risk Dashboard reports, if desired by the client. At this time, SamCERA has opted for index-based analysis which is a cost effective means of disaggregating risk across the portfolio.

**Risk assessment in portfolio construction**

Risk factor evaluation is an integral part of our asset allocation methodology to incorporate the impact of absolute and relative risk in portfolio construction. Risk factor evaluation tools allow us to gain deeper insight into portfolio risks. We examine the asset allocation structure relative to five prominent risk factors found in most all asset classes – equity risk, interest rate risk, credit risk, inflation risk, and currency risk – and attribute anticipated volatility, active risk, value at risk, and scenario profit and loss.

Risk premia encompass *primary*, *secondary*, and *tertiary* factors that need to be managed



**Risk advisory services**

Verus’ Portfolio Risk Dashboard was designed to communicate risk metrics simply and meaningfully. The dashboard provides clients with a thoughtful risk monitoring framework for oversight of the following:

- Risk allocation – Allocations by risk buckets and asset class analysis
- Risk diversification – Diversification risk factors, geographic, economic sensitivity and ex-ante returns
- Active risk budgeting – What and where are the active risks?
- Primary risk factor analysis – Attributes of rates, credit, equity, inflation and currency risk buckets
- Performance review – Did the portfolio meet the objectives?
- Performance attribution – Positive and negative contributions to absolute and relative returns

Specific to SamCERA, the portfolio’s total fund risk is aligned with that of its policy benchmark and less than the average public pension plan. Equity beta is also less than that of the average public fund peer because of the Plan’s US large cap low volatility exposure. Credit risk is about average compared to other public plans. Interest rate risk has been reduced with the unwinding of Risk Parity. SamCERA has hedged half of its currency exposure which creates some peer risk but has reduced currency risk which is typically the second largest source of risk in portfolios. Stress testing of the portfolio shows that,

under most negative scenarios, the SamCERA portfolio should lose less than other public fund peers. In summary, SamCERA's portfolio is diversified and conservative by design, and risk exposures are aligned with its goals and objectives.

22) **What are your recommendation(s) regarding categories of managers appropriate to implement SamCERA's Investment Policy Statement?**

We believe the categories of managers currently in the portfolio, both public and private, are appropriate and capable of implementing objectives and expectations outlined in SamCERA's Investment Policy Statement. SamCERA has added categories of managers as appropriate as market conditions have evolved.

We do not have any recommendations at this moment. Following our next annual asset allocation review in 2022, we may recommend modest changes. Given the implementation of the new CDI portfolio, SamCERA may be able to enhance returns by taking additional illiquidity risk. We will review this during the upcoming asset allocation review.

23) **Please provide your philosophy around incorporating ESG issues in the management of the pension plan. Do any of your clients currently incorporate ESG issues in their investment process? If so, how?**

In recognition of the growing client and prospect demand for ESG mandates, Verus has committed resources to following and evaluating these mandates. Verus currently consults to several clients that incorporate ESG, SRI and/or labor-friendly goals within their investment programs. To assist these clients, Verus utilizes an integrated approach to following ESG strategies which encompasses designated consultants and consulting associates, and research professionals. Using an integrated approach harnesses the maximum resources available to build expertise in this area. In addition, an integrated approach broadens the firm's proactive outreach and individual networks to create a more robust pipeline of ESG strategies to consider in our due diligence process. All of the firm's resources are employed in ESG strategy identification and monitoring. Thus, we tap into our manager research group and our performance analytics group in addition to the focused ESG resources.

Verus helps clients accomplish their ESG objectives through the following process:

1. Strategic planning: clarification of ESG beliefs, values and objectives through discussion with and/or survey of committee/board members and staff with goal of building consensus view
2. ESG policy development
  - a. clarification of roles and responsibilities related to ESG implementation
  - b. ESG benchmarking
  - c. ESG implementation approach (i.e., specific asset classes vs. total portfolio level; funding sources, exposure limits, etc.)
  - d. ESG risk tolerance (i.e., tracking error vs. traditional market benchmarks, risk of shortfall vs. objectives, etc.)
3. Identification and implementation of ESG managers and strategies (will focus on highly rated strategies via MSCI ratings) appropriate for client given their objectives
4. Negotiation and establishment of ESG manager guidelines

5. Performance and risk measurement/monitoring of ESG exposures
6. Ad hoc activities which may incorporate the unique objectives and risk tolerance of clients implementing ESG

Verus' role is as facilitator, educator and resource to clients to enable them to identify and establish their strategic objectives and approach to ESG investing. Additionally, Verus will assist clients in defining specific ESG metrics that are relevant with their respective implementation of ESG investing. Verus supports clients in implementing their respective ESG objectives in several key areas as follow.

1. Positive/negative screening
2. Themed investing (e.g., climate change (reduced carbon footprint), diversity (pay/opportunity equality), etc.)
3. Impact investing

Verus subscribes to the MSCI ESG Ratings, which is considered a best practices standard for rating ESG mandates. We can employ these ratings in our ESG mandate selection and monitoring activities on clients' behalf. Verus can identify ESG strategies across both public and private markets and multiple asset classes given the tools we regularly employ. In 2022, we will continue expansion of our ESG capabilities. All of our approved strategies are also assigned an ESG rating, based on an assessment of ESG integration into the investment strategy, alongside an investment rating.

24) Please discuss any enhancements currently under research or contemplation, such as in the areas of asset liability studies or risk management.

In 2020-2021, we provided our clients with the following in-house research papers:

Research description	Title of paper	Date published
Equity alternatives to traditional fixed income as portfolio diversifier	Establishment of Equity Risk Mitigation Buckets	September 2021
Assessment of less conventional investment strategies in both mature and nascent marketplaces	Thinking Differently	September 2021
Analysis of historical inflationary environments to understand protection offered by types of assets	Thinking About Inflation in Risk Terms	August 2021
Active risk in portfolio construction	Measuring and Budgeting Active Risk	June 2021
Risks facing public pension funds and how to align investment goals with risk tolerance	Implications of Risk Tolerance on Establishing an Effective Investment Strategy for Public Pension Funds	April 2021
Late stage asset-liability considerations for plan sponsors	Developing an End Game for Corporate Pensions	April 2021
Reframing approach to manager decisions	How to Make Manager Research Decisions	April 2021
Benefits and risks of using leverage in portfolios	Leverage in Portfolios	March 2021
Research findings on how emerging/diverse managers generate alpha compared to traditional managers	Is There Alpha Available from Emerging and Diverse Managers	February 2021
Part 4 of a 4-part series on ESG: Asset allocation	ESG and Asset Allocation	February 2021



Research description	Title of paper	Date published
Part 3 of a 4-part series on ESG: ESG applications	Quantifying ESG in Portfolio Construction	December 2020
Part 2 of a 4-part series on ESG: How Verus integrates ESG into manager research	Integrating ESG into Active Portfolios	December 2020
Part 1 of a 4-part series on ESG: Determining policy	Agreeing on ESG	December 2020
In-depth look at role Private Credit plays in a portfolio and what investors might expect in terms of behavior	Private Credit Primer	December 2020
Verus' outlook of private equity environment	2020 Private Equity Outlook	October 2020
Verus' value-added approach to manager evaluation based on criteria that go beyond the Ps (people, philosophy, process, etc.)	Principles Based Manager Assessment: AEIOU > PPPPP	August 2020
Evaluating gender and diversity of investment manager firms beyond ownership	Broadening Diversity Consideration	July 2020
Our CIO reflects on the five principles that underpin Verus' investment philosophy	Sound Thinking: Knowing Where You're Going Matters	June 2020
Verus' outlook of real assets environment	2020 Real Assets Outlook	May 2020
A framework for analyzing impact of illiquid asset programs on overall portfolio	Strategic Liquidity	April 2020
Verus' approach to the challenge of building customized ESG advice and service to clients	Sound Thinking: The Judgmental Waiter	March 2020
Active management overview and outlook	2020 Active Management Environment	February 2020
Our CIO has ten thoughts for 2020: Relativity, earnings, certainty, economies of scale, interest rates, Brexit, politics, China, commodities, and ESG	Sound Thinking: Ten Thoughts for 2020	January 2020

**2022 Research Agenda.** We are currently in the process of setting our research agenda for 2022. A series of TOIs (topics of interest papers) on inflation and fixed income are likely to be added to the agenda. Further research into LDI is another research topic that may be prioritized for the coming year.

- 25) Given SamCERA's current plan governance structure, do you recommend any changes in the way the Board/staff/consultant work together in managing and overseeing the plan assets?

We do not recommend any changes to the current governance structure.

#### Outlook

- 26) What is Verus' outlook for the capital markets? Provide your firm's Capital Market Assumptions. Include an explanation of how Verus arrives at its Capital Market Assumptions.

SAMCERA 2021 ANNUAL REVIEW QUESTIONNAIRE

Following are our current 10-year return and risk assumptions for 33 asset classes. Note that we will be updating our capital market assumptions this month for use in asset allocation studies the coming year.

Asset Class	Index Proxy	Ten Year Return Forecast		Standard Deviation Forecast	Sharpe Ratio Forecast (g)	Sharpe Ratio Forecast (a)	10-Year Historical Sharpe Ratio (g)	10-Year Historical Sharpe Ratio
		Geometric	Arithmetic					
<b>Equities</b>								
U.S. Large	S&P 500	5.1%	6.3%	15.7%	0.31	0.38	0.99	0.99
U.S. Small	Russell 2000	5.2%	7.3%	21.4%	0.23	0.33	0.51	0.58
International Developed	MSCI EAFE	5.2%	6.7%	17.9%	0.28	0.36	0.27	0.34
International Small	MSCI EAFE Small Cap	4.4%	6.7%	22.4%	0.19	0.29	0.43	0.49
Emerging Markets	MSCI EM	5.4%	8.3%	25.5%	0.20	0.32	0.11	0.19
Global Equity	MSCI ACWI	5.2%	6.6%	17.3%	0.29	0.37	0.58	0.62
Private Equity*	Cambridge Private Equity	9.3%	12.1%	25.7%	0.35	0.46	-	-
<b>Fixed Income</b>								
Cash	30 Day T-Bills	0.2%	0.2%	1.2%	-	-	-	-
U.S. TIPS	BBgBarc U.S. TIPS 5-10	1.1%	1.2%	5.3%	0.15	0.18	0.66	0.67
U.S. Treasury	BBgBarc Treasury 7-10 Year	0.7%	0.9%	6.7%	0.07	0.10	0.67	0.68
Global Sovereign ex U.S.	BBgBarc Global Treasury ex U.S.	0.2%	0.6%	9.6%	-0.01	0.04	0.09	0.12
Global Aggregate	BBgBarc Global Aggregate	1.1%	1.3%	6.1%	0.14	0.17	0.38	0.39
Core Fixed Income	BBgBarc U.S. Aggregate Bond	1.5%	1.6%	4.0%	0.31	0.36	1.02	1.01
Core Plus Fixed Income	BBgBarc U.S. Universal	2.2%	2.3%	4.0%	0.49	0.50	1.13	1.12
Short-Term Gov't/Credit	BBgBarc U.S. Gov't/Credit 1-3 Year	0.7%	0.8%	3.6%	0.14	0.16	1.23	1.22
Short-Term Credit	BBgBarc Credit 1-3 Year	1.0%	1.1%	3.6%	0.21	0.23	1.23	1.22
Long-Term Credit	BBgBarc Long U.S. Corporate	2.2%	2.6%	9.3%	0.21	0.25	0.76	0.77
High Yield Corp. Credit	BBgBarc U.S. Corporate High Yield	3.4%	4.0%	11.3%	0.28	0.34	0.82	0.83
Bank Loans	S&P/LSTA Leveraged Loan	2.9%	3.2%	9.5%	0.28	0.32	0.66	0.67
Global Credit	BBgBarc Global Credit	0.3%	0.6%	7.4%	0.01	0.05	0.63	0.64
Emerging Markets Debt (Hard)	JPM EMBI Global Diversified	5.2%	6.0%	12.7%	0.39	0.45	0.60	0.63
Emerging Markets Debt (Local)	JPM GBI-EM Global Diversified	4.3%	5.0%	12.2%	0.33	0.39	-0.01	0.05
Private Credit	Bank Loans + 175bps	4.6%	5.2%	11.2%	0.39	0.45	-	-
<b>Other</b>								
Commodities	Bloomberg Commodity	2.2%	3.4%	15.9%	0.13	0.20	-0.47	-0.41
Hedge Funds*	HFRI Fund Weighted Composite	3.8%	4.1%	7.8%	0.46	0.49	0.47	0.49
Real Estate Debt	BBgBarc CMBS IG	2.2%	2.5%	7.5%	0.26	0.30	1.18	1.17
Core Real Estate	NCREIF Property	5.8%	6.5%	12.6%	0.44	0.50	2.06	1.99
Value-Add Real Estate	NCREIF Property + 200bps	7.8%	9.1%	17.1%	0.44	0.52	-	-
Opportunistic Real Estate	NCREIF Property + 400bps	9.8%	11.8%	21.6%	0.44	0.54	-	-
REITs	Wilshire REIT	5.8%	7.5%	19.3%	0.29	0.38	0.46	0.52
Global Infrastructure	S&P Global Infrastructure	7.8%	9.4%	18.8%	0.40	0.49	0.28	0.35
Risk Parity	Risk Parity	5.2%	5.9%	10.0%	0.50	0.56	-	-
Currency Beta	MSCI Currency Factor Index	1.2%	1.3%	3.5%	0.28	0.30	0.15	0.16
Inflation		2.0%	-	-	-	-	-	-

Following are our current correlation assumptions:

	Cash	US Large	US Small	Intl Large	Intl Small	EM	Global Equity	PE	US TIPS	US Treasury	Global Sovereign ex-US	US Core	Core Plus	Short-Term Gov't/Credit	Long-Term Credit	US HY	Bank Loans	Global Credit	EMD USD	EMD Local	Commodities	Hedge Funds	Real Estate	REITs	Infrastructure	Risk Parity	Currency Beta	
Cash	1.0																											
US Large	-0.2	1.0																										
US Small	-0.2	0.9	1.0																									
Intl Large	-0.1	0.9	0.8	1.0																								
Intl Small	-0.2	0.9	0.8	1.0	1.0																							
EM	-0.1	0.7	0.7	0.8	0.8	1.0																						
Global Equity	-0.2	1.0	0.9	1.0	0.9	0.9	1.0																					
PE	-0.2	0.6	0.6	0.6	0.6	0.5	0.7	1.0																				
US TIPS	0.0	0.1	0.1	0.2	0.2	0.3	0.2	0.1	1.0																			
US Treasury	0.2	-0.4	-0.5	-0.4	-0.4	-0.3	-0.4	-0.2	0.7	1.0																		
Global Sovereign ex-US	0.1	0.2	0.1	0.3	0.3	0.5	0.3	0.0	0.6	0.3	1.0																	
US Core	0.1	-0.1	-0.2	-0.1	-0.1	0.1	-0.1	0.0	0.8	0.9	0.5	1.0																
Core Plus	0.1	0.1	0.0	0.1	0.1	0.2	0.1	0.0	0.8	0.7	0.6	0.9	1.0															
Short-Term Gov't/Credit	0.4	-0.1	-0.2	0.0	-0.1	0.1	0.0	-0.2	0.6	0.7	0.5	0.8	0.8	1.0														
Short-Term Credit	0.0	0.4	0.4	0.4	0.4	0.5	0.4	0.0	0.5	0.2	0.5	0.5	0.8	0.7	1.0													
Long-Term Credit	0.0	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.7	0.5	0.5	0.8	0.9	0.5	0.6	1.0												
US HY	-0.2	0.8	0.7	0.8	0.8	0.8	0.8	0.5	0.4	-0.2	0.4	0.2	0.4	0.1	0.7	0.5	1.0											
Bank Loans	-0.3	0.7	0.7	0.6	0.7	0.6	0.7	0.4	0.2	-0.3	0.2	0.0	0.2	0.0	0.6	0.4	0.9	1.0										
Global Credit	-0.1	0.6	0.5	0.7	0.7	0.7	0.7	0.4	0.6	0.1	0.7	0.5	0.6	0.4	0.8	0.7	0.8	0.6	1.0									
EMD USD	-0.2	0.5	0.5	0.6	0.6	0.7	0.6	0.4	0.6	0.1	0.5	0.5	0.6	0.3	0.7	0.6	0.8	0.7	0.9	1.0								
EMD Local	0.0	0.5	0.4	0.7	0.7	0.8	0.7	0.4	0.4	0.0	0.6	0.3	0.4	0.3	0.5	0.4	0.7	0.5	0.8	0.8	1.0							
Commodities	-0.1	0.5	0.5	0.6	0.6	0.6	0.6	0.3	0.2	-0.3	0.4	-0.1	0.0	0.0	0.3	0.1	0.6	0.5	0.5	0.5	0.6	1.0						
Hedge Funds	-0.2	0.8	0.8	0.8	0.9	0.7	0.9	0.6	0.2	-0.4	0.2	0.0	0.2	0.0	0.5	0.3	0.8	0.8	0.7	0.6	0.5	0.5	1.0					
Real Estate	-0.1	0.5	0.5	0.4	0.5	0.4	0.5	0.4	0.1	-0.1	0.1	0.0	-0.1	0.0	0.1	0.0	0.3	0.3	0.4	0.3	0.3	0.3	0.4	1.0				
REITs	-0.2	0.6	0.6	0.6	0.6	0.5	0.6	0.5	0.4	0.1	0.3	0.4	0.4	0.2	0.5	0.5	0.6	0.6	0.7	0.6	0.5	0.4	0.5	0.8	1.0			
Infrastructure	-0.2	0.8	0.7	0.8	0.8	0.7	0.8	0.7	0.4	-0.2	0.5	0.2	0.4	0.2	0.6	0.5	0.8	0.7	0.8	0.8	0.7	0.5	0.7	0.3	0.7	1.0		
Risk Parity	-0.1	0.6	0.6	0.7	0.6	0.6	0.7	0.3	0.4	0.0	0.4	0.2	0.5	0.3	0.6	0.5	0.8	0.6	0.7	0.7	0.6	0.6	0.7	0.0	0.5	0.7	1.0	
Currency Beta	0.0	0.2	0.2	0.1	0.1	0.1	0.2	0.0	0.0	-0.1	0.1	0.0	0.1	0.0	0.1	0.1	0.2	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.2	0.2	1.0

Include an explanation of how Verus arrives at its Capital Market Assumptions.

We use a fundamental building block approach based on several inputs, including academic and practitioner research, as well as the historical behavior of markets, to create asset class forecasts. For most asset classes, we use the long-term historical volatility after adjusting for autocorrelation. Correlations between asset classes are calculated based on the last 10 years. For illiquid assets, such as private equity and private real estate, we use BarraOne correlation estimates.

Asset	Return Methodology	Volatility Methodology <sup>1</sup>
Inflation	25% weight to the University of Michigan Survey 5-10 year ahead inflation expectation and the Survey of Professional Forecasters (Fed Survey), and the remaining 50% to the market's expectation for inflation as observed through the 10-year TIPS breakeven rate	-
Cash	75% * current federal funds rate + 25% * U.S. 10-year Treasury yield	Long-term volatility
Bonds	Nominal bonds: current yield; Real bonds: real yield + inflation forecast	Long-term volatility
International Bonds	Current yield	Long-term volatility
Credit	Current option-adjusted spread + U.S. 10-year Treasury – effective default rate	Long-term volatility
International Credit	Current option-adjusted spread + foreign 10-year Treasury – effective default rate	Long-term volatility
Private Credit	Bank loan forecast + 1.75% private credit premium**	Long-term volatility
Equity	Current yield + real earnings growth (historical average) + inflation on earnings (inflation forecast) + expected P/E change	Long-term volatility
Intl Developed Equity	Current yield + real earnings growth (historical average) + inflation on earnings (intl. inflation forecast) + expected P/E change	Long-term volatility
Private Equity	US large cap domestic equity forecast * 1.85 beta adjustment	1.2 * Long-term volatility of U.S. small cap
Commodities	Collateral return (cash) + spot return (inflation forecast) + roll return (assumed to be zero)	Long-term volatility
Hedge Funds	Return coming from traditional betas + 15-year historical idiosyncratic return	Long-term volatility
Core Real Estate	Cap rate + real income growth – capex + inflation forecast	65% of REIT volatility
REITs	Core real estate	Long-term volatility
Value-Add Real Estate	Core real estate + 2%	Volatility to produce Sharpe Ratio (g) equal to core real estate
Opportunistic Real Estate	Core real estate + 4%	Volatility to produce Sharpe Ratio (g) equal to core real estate
Infrastructure	Current yield + real income growth + inflation on earnings (inflation forecast)	Long-term volatility
Risk Parity	Expected Sharpe Ratio * target volatility + cash rate	Target volatility

27) What is Verus' outlook with regards to trends, challenges, and opportunities in the investment consulting industry? Please include in your response the ongoing trend of consolidation among consulting firms.

While consolidation was a trend pre-COVID, we have seen a significant slowdown in the consolidation trend among investment consultants since COVID began. One particular case exemplifies this

slowdown. AON and Willis Towers Watson were in negotiations to merge back in March 2020. They mutually agreed to terminate combination agreements in July 2021. This trend may continue when offices open up again post-COVID.

ESG has started to become the trend of both investment managers and consultants. Within the consulting industry many firms are taking up ESG initiatives. Verus works with a variety of clients, those that are interested in ESG we provide a customized solution to ESG issues. With clients of a vast array of types this appears to us to be the best way to provide appropriate and effective service. The degree of customization will be determined by your specific client, the capabilities of the tools and data available, and the preparedness of underlying investment managers to implement the decisions made.

We can provide the following services with regards to ESG/SRI:

1. Strategic planning – Clarification of ESG/SRI beliefs, values, and objectives through discussion with and/or survey of committee/board members and staff with goal of building a consensus view
2. ESG/SRI policy development
3. Identification and implementation of ESG/SRI products and strategies that are appropriate for client objectives utilizing our manager research resources and MSCI ESG/SRI Manager.
4. Negotiation and establishment of ESG/SRI manager guidelines
5. Performance and risk measurement/monitoring of ESG/SRI exposures
6. Ad hoc activities that may incorporate the unique objectives and risk tolerance of clients implementing ESG/SRI
  - Verus’ role is as facilitator, educator and resource to clients to enable them to identify and establish their strategic objectives and approach to ESG/SRI investing. Additionally, Verus will assist clients in defining their risk tolerance and in managing/measuring risks associated with their respective implementation of ESG/SRI investing. Verus supports clients in implementing their respective ESG/SRI objectives in several key areas as follow.
  - Positive/negative screening
  - Themed investing (e.g., climate change (reduced carbon footprint), diversity (pay/opportunity equality), etc.)
  - Impact investing

Our ESG/SRI consulting team has assisted clients in defining and implementing ESG/SRI core values that include, but are not limited to:

- Environmental/sustainability concerns
- Fossil fuel divestiture
- Faith-based values
- Labor- and union-related concerns
- Sustainability benchmarking
- SRI, Impact, and other incarnations of ESG-sensitive investing
- Development of ESG investment policy guidelines
- Construction of ESG portfolios
- Selection of ESG managers and securities
- Identification of securities pending divestiture
- Review of board reporting materials

- Adoption of systems and data for carbon reporting

28) **Given the Covid environment, what portfolio changes (if any) are Verus considering or recommending to clients?**

At present, Covid-19 case growth is at relatively low levels in the United States, though more recent case growth acceleration in Europe, the approach of the winter flu season, and the possibility that a new variant may emerge represent significant risks to the outlook. This uncertainty has factored into the magnitude of the supply chain disruptions we are experiencing currently, as well as the shortage of workers in the labor market. These issues have played into the debate around inflation, which grew at its fastest yearly pace since 1991 in October. While reasonable people can disagree over whether it will be largely transitory or more persistent, it appears that risks are likely skewed to the upside over the shorter-term. In a vacuum, that would translate to a more bearish view on bonds in general, a more positive view on real estate and real assets in general, and a view that equity valuations may be vulnerable, with the upside for equities being driven more by fundamentals than prices moving forward. Of course, the decisions made by policymakers at the Federal Reserve could conflict with the more recent pricing-in of earlier interest rate hikes or a quicker tapering of asset purchases by the market, which would introduce event risk for that positioning.

Overall, it appears the economic recovery may be slowing, and the environment remains positive for risk assets, though we acknowledge that inflation risks may be higher today than they were six months ago. We believe a neutral risk stance is warranted in the current environment.

29) **What is Verus' outlook with regards to the growing adoption of fixed income ETF by institutional investors?**

Through conversations with our managers, we have generally not seen increased adoption of fixed income ETFs. There is utilization for short-term exposures, but we have not seen any long-term usage by managers. Short-term examples including putting money to work while looking for new opportunities similar to futures. Other more retail focused managers use ETFs as a liquidity buffer to meet redemptions. We work with a handful of larger public plan clients that utilize fixed income ETFs for smaller pools of assets under their administration.

30) **What other issues or concerns have been brought up by your other clients in regards to products, markets, risk management, education and governance?**

Clients have been concerned about the effects of inflation in the current market environment. While we retain our long-term view that inflation is likely to return to lower levels, as most of the recent increases can be attributed to base effects or short-term one-time issues, the significant disruptions in the global supply chain are clearly an important component of the developing story. If this disruption continues there may be ongoing effects to the economy as a whole, and on inflation outcomes. We continue to research this issue and its potential knock on effects.

Another concern we discuss with clients is the low 10-year forecasted return expectations. Many clients are worried that the forecasted return is below their actuarial rate. As a result, we have seen

some clients increase allocation to private investments such as private equity and private credit over the year. Where feasible, clients are modestly lowering their actuarial returns.

### Conclusion

- 31) Is there any information that would be timely per SamCERA's Investment Policy Statement or relative to this review?

We have little to add that is not addressed in the body of the questionnaire.

- 32) Are your clients making significant changes in their asset mixes? Please describe these changes. Do you see any trends in asset allocation?

Verus' has a diverse client base of institutional, long-term investors. As such, clients maintain their asset mixes for an extended period of time with incremental changes. Portfolios are built to achieve specific goals, yet all are diversified in order to weather various market environments. Our responses to questions 28-30 address what we believe will be near-term trends in asset allocation.

- 33) What market opportunities should SamCERA be considering?

SamCERA has been implementing appropriate recommended market opportunities as they have been presented.

- 34) Please provide a preliminary recommendation of what your work plan for the next 12 months should look like given SamCERA's current plan structure and long-term policy targets.

We are going to develop the 2022 work plan in December 2021. Verus expects to review asset allocation in early 2022 which may lead to incremental asset class changes and potential, follow on manager searches.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
Board of Retirement

December 7, 2021

Agenda Item 7.1

**TO:** Board of Retirement

**FROM:** Gladys Smith, Assistant Executive Officer



**SUBJECT:** Annual Review of Independent Auditor, Brown Armstrong

**Recommendation**

Accept the annual performance report of Brown Armstrong Accountancy Corporation.

**Background**

Each year an evaluation is conducted of SamCERA's independent auditor. The evaluation consists of three parts: (1) A survey completed by trustees, staff and the auditor; (2) the auditor's responses to approved questions; and (3) a discussion at the Board meeting to present the results of the responses.

**Discussion**

This year's annual survey was completed by four Board members and three staff members. Brown Armstrong received high ratings overall from both the Board and staff for the services they provided to SamCERA. The ratings ranked from above average to high.

Ashley Casey will highlight areas in Brown Armstrong's attached survey responses and will be available to respond to any questions or comments regarding her firm's audit services.

**Attachment**

Brown Armstrong Questionnaire Response

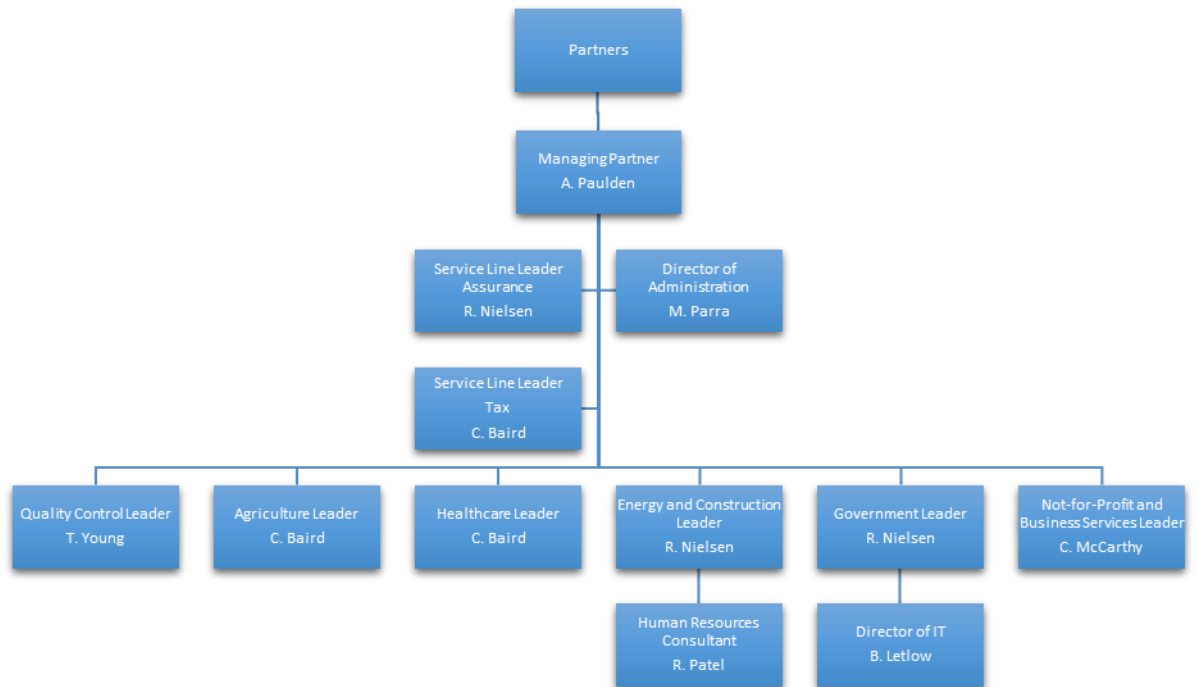
SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
**Board of Retirement**

## Questions for Annual Auditor Consultant Evaluation

Please provide information about the following events and activities and whether they occurred during Fiscal Year 2020-21.

### Organizational Update

- 1) Provide an update on your firm's organization, with particular emphasis on changes to your management structure over the past twelve months. All significant changes should be accompanied by an explanation. An updated organizational chart should accompany this response.  
[See organizational chart below.](#) During the year, there were no changes in the partner group.



- 2) Update all significant personnel changes or expected changes to the "SamCERA Team."  
[No significant personnel changes to SamCERA are expected.](#)
- 3) Has your firm or any of its employees been involved in regulatory or litigation actions related to your business in the past twelve months?  
[No](#)
- 4) Has a peer review been performed on any of your firm's audit products? If yes, discuss the review and the findings. Any material findings or recommendations must be accompanied by an explanation.



SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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No peer review has been performed or required. Latest peer review was performed in the fiscal year ending 2019 and will not be performed again until 2022.

- 5) Are any of your operations outsourced? If the answer is yes, provide details regarding the firm(s) with which your firm has contracted.

The only outsourcing we do is for Information Technology consultant. They will be utilized if your company falls under high risk for significant changes during the year.

- 6) Please describe how your firm monitors and manages cyber security risks as they relate to confidential SamCERA data/information.

Our policy is that all confidential information is exchanged via secured, encrypted communications (see <https://support.citrix.com/article/CTX208317> for more details on our file transfer service). Internally our client data is stored on servers in a locked server room with a discrete alarm system. Servers are kept updated and patched against security vulnerabilities and reside behind a network firewall with an Intrusion Protection System. Data on employee computers is protected by a full disk encryption system that will lock attackers out after a few incorrect password guesses (see <https://www.checkpoint.com/products/full-disk-encryption/> for more information about our endpoint encryption product). Employee passwords must comply with industry standard complexity requirements and change quarterly. Additionally, we do quarterly security training for all employees to keep them up to date on the most recent attack vectors and exploits.

Has your firm experienced any problems with cyber security in the past 18 months? No

What is your cyber security breach policy?

Currently we are in the process of establishing a cyber security breach policy.

What procedures do you have in place for a cyber security breach?

We will be following this outline of procedures:

- Make an initial assessment.
- Communicate the incident.
- Contain the damage and minimize the risk.
- Identify the type and severity of the compromise.
- Protect evidence.
- Notify external agencies, if appropriate.
- Recover systems.
- Compile and organize incident documentation.
- Assess incident damage and cost.
- Review the response and update policies

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
**Board of Retirement**

**Client Update**

- 7) What is your firm's philosophy and current policy regarding new business?  
*We engage only new clients that have the highest ethical standards, and only after we are certain we can provide high quality, timely service.*
- 8) Please list all clients gained or lost in the past eighteen months.  
*See attached.*

**Outlook Beyond Fiscal Year 2020-21**

- 9) What issues are other clients concerned with regarding products, services, education and governance that your staff has not addressed with SamCERA?  
*Our other clients are concerned with obtaining training and implementation guidance relating to new and proposed accounting standards. See our recommendation at #13 in attending our future continuing education.*
- 10) Should SamCERA be made aware of significant changes that your clients are making?  
*Nothing SamCERA hasn't already implemented or considered.*
- 11) Relative to your expertise, what trends are occurring in the retirement industry that SamCERA should be tracking?  
*None noted.*

**Conclusion**

- 12) How can SamCERA better assist you in accomplishing the goals it has established for your firm?  
*We have a very good relationship with SamCERA and continued feedback will be helpful in accomplishing the goals established.*
- 13) How can we better utilize your firm's capabilities?  
*We provide continuing education for our clients and our staff about new Governmental Accounting Standards established. SamCERA could take advantage of the resources and training for a reduced cost of attending we provide to all clients. We typically have our continuing education scheduled in January and May/June. We will provide more information once the agendas have been established.*
- 14) Is there any information that would be timely pursuant to SamCERA's annual review?  
*None noted.*

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
**Board of Retirement**

- 15) What audit related changes should SamCERA consider that were not mentioned in your audit or audit presentation?

Upcoming GASB statement No's 87, 89, 91-94, 96, and 97 which may not have a significant effect on SamCERA. We usually provide an update on the current GASBs and their applicability during our entrance meeting with management or the Audit Committee when an entrance meeting is requested by the Audit Committee.

AICPA's Auditing Standards Board has published new Statements on Auditing Standards (SASs): No. 134 through No. 140. These statements are effective to be implement next fiscal year and the changes for reporting will be reflected in our engagement letters and in our reports. We will advise you of the changes when we present you the draft engagement letter and reports to review next year. If you have any further questions don't hesitate to contact us. Also, I will attached a summary of SAS 134 which summarizes most of the change for reporting.

**Brown Armstrong Accountancy Corporation**  
**Client List**  
**Active Date From 5/1/2020 To 10/31/2021**

Active Date Client City	Client Sort Name	Client Num.Eng	Primary Partner
5/1/2020 HUNTINGTON BEACH	LOS ANGELES ASSOCIATION OF PROFESSIC	48964.001	McCarthy 067
5/5/2020 BAKERSFIELD	ALEXANDER, GABRIELA	85080.007	Paulden 002
5/13/2020 PALMDALE	ANTELOPE VALLEY EAST KERN WATER AGE	03537.001	Flores 015
5/13/2020 BAKERSFIELD	BOWLAND, DON & HEATHER	11868.001	Baird 018
5/21/2020 PASCO	MERAK, LEE	52279.001	Paulden 002
5/26/2020 BAKERSFIELD	CASTEEN, PAULA	14946.002	McCarthy 067
5/28/2020 BAKERSFIELD	WHITEMAN, THOMAS & LINDA MARKHAM	83321.001	Nielsen 022
6/2/2020 BAKERSFIELD	OHANNESON, MEYER BAKERSFIELD PROP.,	52551.001	Paulden 002
6/2/2020 BAKERSFIELD	OHANNESON, MEYER PROPERTIES, LLC	52552.001	Paulden 002
6/2/2020 BAKERSFIELD	OHANNESON, MEYER SHAFTER PROPERTIE	52553.001	Paulden 002
6/3/2020 PACIFIC PALISADES	LATTICE ENERGY PARTNERS, LLC	47389.001	Baird 018
6/3/2020 BAKERSFIELD	PEDERSEN, CHRIS & JANNETTE	61674.001	Baird 018
6/9/2020 LOS ANGELES	PEAK OIL VENTURES, LLC	61677.001	Nielsen 022
6/16/2020 BAKERSFIELD	CESARE PROPERTIES, LP	16012.001	Paulden 002
6/16/2020 BAKERSFIELD	KCSOS PROJECTS	42470.10	Xin 011
6/16/2020 BAKERSFIELD	CESARE, JAMES & JULIE	16011.001	Paulden 002
6/17/2020 BAKERSFIELD	CESARE, JAKE J. & SONS, INC.	16013.001	Paulden 002
6/23/2020 BAKERSFIELD	HERNDON, DEREK & MELINDA	35381.001	Nielsen 022
6/26/2020 BAKERSFIELD	GORMAN, KENNY	32571.001	Baird 018
7/7/2020 BAKERSFIELD	STEWART, SCOTT & JENNIFER	78676.001	Ragus 228
7/7/2020 ENCINITAS	MACKINNON, KADEN	50392.002	McCarthy 067
7/8/2020 GLENNVILLE	GURLEY, JUSTIN & KRISHA	33812.001	Nielsen 022
7/13/2020 TEHACHAPI	MARTINEZ, ALDO	50956.001	McCarthy 067
7/13/2020 HUNTINGTON BEACH	CAPITAL ISLAND PROPERTIES, LLC	17494.001	McCarthy 067
7/13/2020 BAKERSFIELD	SWAFFORD M.D., INC., ALBERT R.	79322.001	Baird 018
7/13/2020 BAKERSFIELD	EXCELLENCE JANITORIAL SERVICE	25942.001	Baird 018
7/13/2020 BAKERSFIELD	WORTHY, DARRELL & CYNTHIA	85401.001	Baird 018
7/13/2020 BAKERSFIELD	SWAFFORD, ALBERT R.	79319.001	Baird 018
7/14/2020 THOUSAND PALMS	SUNLINE TRANSIT AGENCY	79234.001	Nielsen 022
7/15/2020 BAKERSFIELD	ANGULO, FERNANDO & VALERIE	03546.001	Paulden 002

**Brown Armstrong Accountancy Corporation**  
**Client List**  
**Active Date From 5/1/2020 To 10/31/2021**

Active Date	Client Sort Name	Client Num.Eng	Primary Partner
7/17/2020	MITCHELL, JAY & PAULA	53916.001	McCarthy 067
BAKERSFIELD			
7/17/2020	MITCHELL, JAKE	53916.002	McCarthy 067
BAKERSFIELD			
7/17/2020	MITCHELL, JOE	53916.003	McCarthy 067
BAKERSFIELD			
7/17/2020	KCDHS - FFAS & GROUP HOMES	42887.001	Xin 011
BAKERSFIELD			
7/27/2020	ALZHEIMER'S DISEASE ASSOCIATION OF KEI	03420.001	Nielsen 022
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - 2ND HOME	42887.002	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - AGAPE GR	42887.003	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - ALLIANCE	42887.004	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - ARROWHE	42887.005	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - ASPIRANE	42887.006	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - ASPIRANE	42887.007	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - BETTER LI	42887.008	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - BIENVENIL	42887.009	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - BRIGHTER	42887.010	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - CALIFORN	42887.011	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - CAMERON	42887.012	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - CHANGINC	42887.013	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - CHILD HEL	42887.014	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - CHILDNET	42887.015	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - CHILDREN	42887.016	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - CRANDELI	42887.017	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - CRESTMO	42887.058	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - EE'S RESII	42887.018	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - ENVIRONM	42887.019	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - ESPERAN	42887.020	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - FIRST STE	42887.021	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - FOSTER C	42887.022	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - GLOBAL F	42887.023	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - GREATER	42887.024	Xin 011
BAKERSFIELD			
7/30/2020	KCDHS - FFAS & GROUP HOMES - HELPING F	42887.059	Xin 011
BAKERSFIELD			

**Brown Armstrong Accountancy Corporation**  
**Client List**  
**Active Date From 5/1/2020 To 10/31/2021**

Active Date	Client Sort Name	Client Num.Eng	Primary Partner
7/30/2020	KCDHS - FFAS & GROUP HOMES - HUMANIST	42887.025	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - JOEZER Y	42887.026	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - KARING 4	42887.027	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - KERN BRIE	42887.028	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - KERN RES	42887.029	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - KIDS TO K	42887.030	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - KOINONIA	42887.031	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - KYJO ENTI	42887.032	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - LAVA HEIC	42887.033	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - LEGACY B	42887.034	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - MARTIN'S	42887.035	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - NEW DEST	42887.036	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - NEW STAF	42887.060	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - NORTH ST	42887.037	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - OLIVE CRE	42887.038	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - OXBOW AC	42887.039	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - PARADISE	42887.040	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - PATHWAY	42887.061	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - POSITIVE	42887.041	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - PTS SIX	42887.042	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - QUALITY C	42887.043	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - RITE OF P	42887.044	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - SAILS V GI	42887.045	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - SIERRA QI	42887.046	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - SOUTH CC	42887.047	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - STARSHIN	42887.048	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - T & T HOU	42887.049	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - THE ART C	42887.050	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - TRIAD FAM	42887.051	Xin 011
7/30/2020	BAKERSFIELD		
7/30/2020	KCDHS - FFAS & GROUP HOMES - TRINITY - C	42887.052	Xin 011
7/30/2020	BAKERSFIELD		

**Brown Armstrong Accountancy Corporation**  
**Client List**  
**Active Date From 5/1/2020 To 10/31/2021**

Active Date	Client Sort Name	Client Num.Eng	Primary Partner
7/30/2020 BAKERSFIELD	KCDHS - FFAS & GROUP HOMES - UNICORN	42887.053	Xin 011
7/30/2020 BAKERSFIELD	KCDHS - FFAS & GROUP HOMES - UPLIFT FA	42887.054	Xin 011
7/30/2020 BAKERSFIELD	KCDHS - FFAS & GROUP HOMES - VICTORY F	42887.062	Xin 011
7/30/2020 BAKERSFIELD	KCDHS - FFAS & GROUP HOMES - WALT'S HC	42887.055	Xin 011
7/30/2020 BAKERSFIELD	KCDHS - FFAS & GROUP HOMES - WILLIE YO	42887.056	Xin 011
7/30/2020 BAKERSFIELD	KCDHS - FFAS & GROUP HOMES - YOUTH QL	42887.057	Xin 011
8/5/2020 BORON	WIND IN THE WILLOWS EDUCATION ORGANI	84271.001	Nielsen 022
8/6/2020 FRESNO	FRESNO - MEASURE C, COUNTY OF	29029.017	Xin 011
8/17/2020 BAKERSFIELD	FAHIL, RAMI & REEM	26679.001	McCarthy 067
8/17/2020 BAKERSFIELD	RAYANCO GROUP, INC.	68066.001	McCarthy 067
8/17/2020 BAKERSFIELD	RAZANCO GROUP, INC.	68061.001	McCarthy 067
8/17/2020 BAKERSFIELD	ALF MABROOK, INC.	50206.001	McCarthy 067
8/20/2020 SAN RAFAEL	VAUGHAN, CAROLYN 2020 GST TRUST	82789.001	Paulden 002
8/20/2020 BAKERSFIELD	VAUGHAN, JEFFREY GST TRUST	82791.001	Paulden 002
8/20/2020 BAKERSFIELD	VAUGHAN, ALEXANDRA GST TRUST	82793.001	Paulden 002
8/25/2020 RIVERSIDE	UNITED WAY OF THE INLAND VALLEYS, INC.	82571.001	Xin 011
8/25/2020 RIVERSIDE	COMMUNITY CONNECT	82571.002	Xin 011
8/31/2020 LAKE ISABELLA	LAKE ISABELLA COMMUNITY SERVICE DISTF	47049.001	Young 012
9/2/2020 LANCASTER	ANTELOPE VALLEY FAIR ASSOCIATION	03549.001	Young 012
9/2/2020 LANCASTER	FRIENDS OF THE ANTELOPE VALLEY FAIR (A	03549.002	Young 012
9/2/2020 LANCASTER	THE 50TH DISTRICT AGRICULTURAL ASSOC.	03549.003	Young 012
9/2/2020 LANCASTER	THE 51ST DISTRICT AGRICULTURAL ASSOC.	03549.004	Young 012
9/4/2020 LANCASTER	DESERT HAVEN ENTERPRISES, INC.	23801.001	Vandermade 062
9/9/2020 BAKERSFIELD	BOWCOR, INC.	11869.001	McCarthy 067
9/9/2020 BAKERSFIELD	BOWDEN, DAMIAN	11857.001	McCarthy 067
9/9/2020 SAN LUIS OBISPO	SLOCOG SGR TRUST FUND	74011.005	Nielsen 022
9/9/2020 SAN LUIS OBISPO	SLOCOG SAFE FUND	74011.006	Nielsen 022
9/10/2020 BAKERSFIELD	KERN COUNTY HISPANIC COMMISSION ON A	42431.001	Nielsen 022
9/11/2020 TEHACHAPI	BV CUB, INC.	13805.001	Nielsen 022
9/14/2020 TAFT	WEST KERN ADULT EDUCATION NETWORK J	83261.001	Xin 011

**Brown Armstrong Accountancy Corporation**  
**Client List**  
**Active Date From 5/1/2020 To 10/31/2021**

Active Date Client City	Client Sort Name	Client Num.Eng	Primary Partner
9/16/2020 BAKERSFIELD	BAKERSFIELD RENEWABLE FUELS, LLC	07937.001	Nielsen 022
9/16/2020 BAKERSFIELD	LEE, BRENT A.	47411.001	McCarthy 067
9/16/2020 BAKERSFIELD	LEE MANAGEMENT GROUP	47491.001	McCarthy 067
9/22/2020 TEHACHAPI	MAGNETIC HILL ENTERPRISES, LLC	50596.001	Nielsen 022
9/22/2020 HUNTINGTON BEACH	FROST, BRUCE & SALLY	29049.001	Baird 018
9/22/2020 HUNTINGTON BEACH	B.R. FROST COMPANY	11996.001	Baird 018
9/23/2020 SANTA ROSA	SONOMA COUNTY PUBLIC SAFETY CONSOR	78211.001	Green 040
9/25/2020 SAN FRANCISCO	ROAM RESEARCH, INC.	70992.001	Xin 011
9/30/2020 BAKERSFIELD	ARCHER, MICHAEL	03896.001	Baird 018
10/6/2020 BAKERSFIELD	GLOBAL CLEAN ENERGY HOLDINGS, INC.	32052.001	Nielsen 022
10/13/2020 PASO ROBLES	RISE SAN LUIS OBISPO COUNTY	70526.001	Nielsen 022
10/14/2020 BAKERSFIELD	MARTIN, JOSEPH W.	50901.001	Nielsen 022
10/15/2020 BAKERSFIELD	MITCHELL, JARED	53917.001	McCarthy 067
10/22/2020 SPRINGHILL	JONES FAMILY TRUST	39829.001	McCarthy 067
10/30/2020 BAKERSFIELD	HELPING ANIMALS LIVE TOMORROW RESCU	35333.001	McCarthy 067
10/30/2020 LONG BEACH	JONES, HARRIS S.	40002.001	McCarthy 067
11/4/2020 SHAFTER	RICHLAND SCHOOL DISTRICT PROPOSITION	70341.001	Flores 015
11/5/2020 BAKERSFIELD	HARRINGTON, TRACI	34560.001	Baird 018
11/6/2020 BAKERSFIELD	CALIFORNIA WAYFINDERS	14506.001	McCarthy 067
11/11/2020 SAN JOSE	BEDI, SUNAYANA	09127.001	McCarthy 067
11/12/2020 MOJAVE	MOJAVE COMMUNITY MEDICAL CENTER, INC	54209.001	McCarthy 067
11/16/2020 BAKERSFIELD	HALL BYPASS TRUST	34518.001	Paulden 002
11/16/2020 BAKERSFIELD	HALL GST TRUST	34520.001	Paulden 002
11/16/2020 BAKERSFIELD	HALL NON-EXEMPT MARITAL TRUST	34521.001	Paulden 002
11/16/2020 BAKERSFIELD	BKRF HCB, LLC	11250.001	Nielsen 022
11/16/2020 BAKERSFIELD	BKRF HCP, LLC	11255.001	Nielsen 022
11/16/2020 BAKERSFIELD	BKRF OCB, LLC	11260.001	Nielsen 022
11/16/2020 BAKERSFIELD	BKRF OCP, LLC	11265.001	Nielsen 022
11/16/2020 BAKERSFIELD	HALL EXEMPT MARITAL TRUST	34519.001	Paulden 002
11/17/2020 BAKERSFIELD	GCE HOLDINGS ACQUISITIONS, LLC	30020.001	Nielsen 022



**Brown Armstrong Accountancy Corporation**  
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11/17/2020	GCE OPERATING COMPANY, LLC	30025.001	Nielsen 022
	BAKERSFIELD		
11/18/2020	SANTA BARBARA COUNTY INSURANCE FRAL	74048.019	Xin 011
	SANTA BARBARA		
11/20/2020	BERRY ESTATE, JUSTIN KNUTE	11461.001	McCarthy 067
	BAKERSFIELD		
11/20/2020	BERRY, JUSTIN KNUTE	11462.001	McCarthy 067
	BAKERSFIELD		
11/23/2020	MUSTANG ENERGY RESOURCES, LLC	57006.001	Nielsen 022
	DENVER		
11/23/2020	CALTECH ALUMNI ASSOCIATION	14548.001	Xin 011
	PASADENA		
11/24/2020	THE ESCHENBACH PROVAN 2019 CHARITABI	63668.001	Nielsen 022
	WOODSIDE		
12/2/2020	COTTRELL MARKETING, INC., RICHARD	19502.001	Baird 018
	BAKERSFIELD		
12/2/2020	EATON, WIN & NORMA	25663.001	Baird 018
	BAKERSFIELD		
12/2/2020	1822 M STREET, LLC	25664.001	Baird 018
	BAKERSFIELD		
12/2/2020	ATA PROPERTIES, LLC	05401.001	Baird 018
	BAKERSFIELD		
12/2/2020	900 BAKER STREET, LLC	57647.001	Baird 018
	BAKERSFIELD		
12/2/2020	COTTRELL, RICHARD	19503.001	Baird 018
	BAKERSFIELD		
12/2/2020	706 EAST 21ST STREET, LLC	74583.001	Baird 018
	BAKERSFIELD		
12/4/2020	EAST BAY REGIONAL PARK DISTRICT - CONE	24801.003	Flores 015
	OAKLAND		
12/7/2020	DOLTON, BRUCE	23851.001	Ragus 228
	BAKERSFIELD		
12/8/2020	EL PASO DE ROBLES CHAMBER AUP, CITY O	61644.005	McGuire 079
	PASO ROBLES		
12/8/2020	MCHALE FAMILY TRUST	39681.003	Baird 018
	BAKERSFIELD		
12/17/2020	KERN HIGH SCHOOL EDUCATION FOUNDATI	42884.001	McGuire 079
	BAKERSFIELD		
12/21/2020	LOPEZ, LAURA	48937.001	Baird 018
	BAKERSFIELD		
12/21/2020	SHORT-LOPEZ, JULIE	48937.002	Baird 018
	BAKERSFIELD		
12/22/2020	ST. HELENA, CITY OF TDA AUDIT	78386.004	McGuire 079
	ST. HELENA		
12/30/2020	TRADEWINDS WATER COMPANY	81522.001	McCarthy 067
	WELDON		
1/5/2021	FARGUSSON, MICHAEL	26761.001	McCarthy 067
	SACRAMENTO		
1/5/2021	KERN OILERS FOOTBALL	42631.001	McCarthy 067
	BAKERSFIELD		
1/7/2021	ROSENLIB, JAY	71112.001	Nielsen 022
	BAKERSFIELD		
1/7/2021	SIGNAL HILL MAINTENANCE SERVICES	77626.001	Nielsen 022
	CORONA		
1/7/2021	MONTALVO, JR., RICHARD & GRACE	77626.002	Nielsen 022
	CORONA		
1/11/2021	WIND IN THE WILLOWS EDUCATION ORGANI	84271.002	Nielsen 022
	BORON		
1/15/2021	FAMILY F.O.C.U.S. CORPORATION	26680.001	Young 012
	VISALIA		

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1/20/2021	MITCHELL, JAKE PROPERTIES, LLC	53891.001	McCarthy 067
BAKERSFIELD			
1/21/2021	PEREZ, (BURRELL) FRANCIS EILEEN	61771.001	Ragus 228
BAKERSFIELD			
1/21/2021	LAYTON, DEBRA	47329.001	Nielsen 022
LONG BEACH			
1/25/2021	VAUGHAN, RICHARD & MARY REVOCABLE TR	82601.001	Paulden 002
BAKERSFIELD			
1/26/2021	HANSEN, VAUGHN J. & IRENE E.	34487.001	Krausse 005
BAKERSFIELD			
1/26/2021	BOWMAN, EARL & CINDY	11870.001	McCarthy 067
MCFARLAND			
1/28/2021	S. AUSTIN HANSON	32031.003	Nielsen 022
BAKERSFIELD			
1/28/2021	PENINSULA CORRIDOR JOINT POWERS BOA	61681.001	Nielsen 022
SAN CARLOS			
1/28/2021	GJA & COMPANY	32031.001	Nielsen 022
BAKERSFIELD			
1/28/2021	JAG PROPERTY MANAGEMENT, LLC	32031.002	Nielsen 022
BAKERSFIELD			
2/1/2021	SAFELY, CHEYENNE	73572.001	Baird 018
BAKERSFIELD			
2/1/2021	SAFLEY, BRAD & MARY	73576.001	Baird 018
BAKERSFIELD			
2/2/2021	JAMES WATER BANK AUTHORITY	13710.003	McGuire 079
BUTTONWILLOW			
2/2/2021	MYRIAD HOLDINGS, LLC	57041.001	Baird 018
RENO			
2/4/2021	ALLEN, ELIZABETH	03379.001	Paulden 002
BAKERSFIELD			
2/8/2021	15th DISTRICT AGRICULTURAL ASSOCIATION	29045.001	Young 012
BAKERSFIELD			
2/10/2021	PLANK TRANSPORT, LLC	62971.001	Paulden 002
BAKERSFIELD			
2/10/2021	SUNFLOWER IRRIGATION, LLC	79007.001	Nielsen 022
BAKERSFIELD			
2/10/2021	WDC FUND I, LLC	83161.001	Paulden 002
BAKERSFIELD			
2/15/2021	PRICE, CYNTHIA	63626.001	McCarthy 067
FRAZIER PARK			
2/17/2021	KERN COMMUNITY COLLEGE DISTRICT - IND	42866.001	Nielsen 022
BAKERSFIELD			
2/17/2021	KAUR, HARSIMRAN, D.D.S., DENTAL CORPOF	42215.001	Paulden 002
BAKERSFIELD			
2/19/2021	LIVESEY, KENNETH	48041.001	McCarthy 067
BAKERSFIELD			
2/23/2021	MEC SOLAR, LP	51902.001	Baird 018
SANTA MONICA			
2/23/2021	FROST, CRAIG & SUZANNE	29034.001	Baird 018
ALISO VIEJO			
2/23/2021	MEC SOLAR, LLC	51901.001	Baird 018
SANTA MONICA			
2/25/2021	SUNFLOWER IRRIGATION, LLC	32031.004	Nielsen 022
BAKERSFIELD			
2/25/2021	SUMMIT HILLS APARTMENTS, LLC	79006.001	Paulden 002
BAKERSFIELD			
2/25/2021	SUMMIT HILLS DEVELOPMENT, INC.	79008.001	Paulden 002
BAKERSFIELD			
2/25/2021	VAUGHAN, JACKSON	82800.001	Paulden 002
BAKERSFIELD			

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2/25/2021 BAKERSFIELD	D & V SUMMIT HILLS, LLC	79009.001	Paulden 002
3/1/2021 BAKERSFIELD	TRUBIOTICA, LLC	81796.001	Baird 018
3/2/2021 BAKERSFIELD	FAHIL, RAKAN	26682.001	McCarthy 067
3/2/2021 BAKERSFIELD	FAHIL, RAWAN	26681.001	McCarthy 067
3/2/2021 OJAI	EVOLVENT DESIGN, LLC	25954.001	Baird 018
3/4/2021 MERCED	MERCED SUBBASIN GSA	52281.001	Nielsen 022
3/4/2021 BAKERSFIELD	PHOENIX, ERNIE	61946.001	Baird 018
3/4/2021 BAKERSFIELD	ABC PARTNERS, LLC	00257.001	McCarthy 067
3/8/2021 BAKERSFIELD	VAQUERO SAN JOAQUIN VALLEY, LLC	82803.001	Nielsen 022
3/8/2021 BAKERSFIELD	VAQUERO BIG HORN, LLC	82804.001	Nielsen 022
3/8/2021 BAKERSFIELD	VAQUERO PERMIAN, LLC	82805.001	Nielsen 022
3/10/2021 BAKERSFIELD	ANGELINI REVOCABLE LIVING TRUST DTD 07	03499.001	Baird 018
3/10/2021 BAKERSFIELD	TAURUS CONSULTING INVESTMENTS, LLC	79694.001	Baird 018
3/10/2021 BAKERSFIELD	ORGANIC ENERGY, LLC	59436.001	Paulden 002
3/11/2021 VILLANOVA	TEMBLOR PETROLEUM COMPANY, LLC (POS	79672.002	Baird 018
3/11/2021 VILLANOVA	TEMBLOR LOS ALAMOS, LLC (POST-BANKRU	79891.002	Baird 018
3/11/2021 VILLANOVA	TEMBLOR GATCHELL, LLC (POST-BANKRUPT	79892.002	Baird 018
3/11/2021 VILLANOVA	GATCHELL DRILLING, LLC (POST-BANKRUPT	29991.002	Baird 018
3/12/2021 BAKERSFIELD	PARR, BOB	60758.001	Baird 018
3/12/2021 BAKERSFIELD	Z & R VENTURES, LLC	85832.001	McCarthy 067
3/15/2021 SHAFTER	WATSON, JOHN & JADENE	83162.001	McGuire 079
3/15/2021 SHAFTER	WATSON, WESTON	83163.001	McGuire 079
3/15/2021 SHAFTER	DISETH, GENE	23600.001	McGuire 079
3/15/2021 HUNTINGTON BEACH	BLUHM, NATHAN & SHANNON	11469.001	McCarthy 067
3/15/2021 MCFARLAND	BOWMAN REVOCABLE LIVING TRUST DTD Af	11871.001	McCarthy 067
3/15/2021 BAKERSFIELD	SMARTWORK! INC.	78093.001	McCarthy 067
3/15/2021 BAKERSFIELD	CORBOW, INC.	19634.001	McCarthy 067
3/15/2021 BAKERSFIELD	SUNLAP VISION CENTER, INC.	79010.001	Nielsen 022
3/15/2021 BAKERSFIELD	COMMON SENSE CONSULTING, INC.	17641.001	Nielsen 022
3/16/2021 KERNVILLE	THOMAS, CHRISTOPHER & LYNETTE	79959.001	McCarthy 067

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3/18/2021 DELANO	DELANO POLICE OFFICERS FOUNDATION	22159.001	McCarthy 067
3/18/2021 DELANO	DELANO POLICE OFFICERS ASSOCIATION	22158.001	McCarthy 067
3/18/2021 BAKERSFIELD	ALMANDEREZ, RENE & PATRICIA	03385.001	Baird 018
3/22/2021 BAKERSFIELD	CANALEZ, ALEXIS	30151.002	Baird 018
3/24/2021 BAKERSFIELD	JOHNSON, ALICIA	39827.002	Nielsen 022
3/24/2021 BEND	FOWLER, JOHN & ROXANNE	28532.001	McCarthy 067
3/24/2021 BAKERSFIELD	SHIELDS, LARRY & CHRISTOPHER	74711.001	Roberts 107
3/25/2021 YUCAIPA	IRVINE COMMONS SURGICAL MANAGEMENT	37781.001	Paulden 002
3/26/2021 EUREKA	NORTH COAST UNIFIED AIR QUALITY MANAG	57690.001	Green 040
3/26/2021 BAKERSFIELD	LEWIS LEGAL VIDEOGRAPHY, LLC	47551.001	McCarthy 067
3/30/2021 BAKERSFIELD	TOBIAS, MATTHEW	80930.003	Paulden 002
3/30/2021 BAKERSFIELD	TOBIAS, NICHOLAS	80930.004	Paulden 002
3/30/2021 LOS ANGELES	TOBIAS, SAMUEL	80930.005	Paulden 002
3/30/2021 SANTA CRUZ	SANTA CRUZ - RPTTF	74055.015	McGuire 079
3/31/2021 BAKERSFIELD	PENNY HOUSE, INC. (TAX)	61720.002	McCarthy 067
4/1/2021 CARMEL	TOES ON THE GO, INC.	79949.001	Paulden 002
4/1/2021 BAKERSFIELD	L. M. SURGERY CENTERS, INC.	48406.001	Paulden 002
4/5/2021 BAKERSFIELD	ENERGY IN FOCUS, INC.	25806.001	Baird 018
4/5/2021 BAKERSFIELD	VENABLE, ROBERT & NANCY	82809.001	McCarthy 067
4/5/2021 BAKERSFIELD	VENABLE, CAROLINE	82811.001	McCarthy 067
4/6/2021 BAKERSFIELD	THOENE, JACOB	79931.001	Nielsen 022
4/7/2021 BAKERSFIELD	MONGOLD, DAVID & TOMMIE	54266.001	Paulden 002
4/9/2021 WASCO	ALTAMIRA LABOR SERVICE, INC.	03421.001	Flores 015
4/9/2021 MODESTO	STANISLAUS COUNTY 457 PLAN	78461.001	Flores 015
4/9/2021 BURBANK	LEINIUS, ETHAN	49420.004	Baird 018
4/12/2021 BAKERSFIELD	VAUGHAN - ADMINISTRATIVE TRUST, RICHA	82812.001	Paulden 002
4/12/2021 BAKERSFIELD	VAUGHAN - EXEMPT MARITAL TRUST, RICHA	82813.001	Paulden 002
4/12/2021 BAKERSFIELD	VAUGHAN - NON-EXEMPT MARITAL TRUST, F	82814.001	Paulden 002
4/12/2021 BAKERSFIELD	VAUGHAN - RESIDUAL TRUST, RICHARD & M.	82816.001	Paulden 002
4/12/2021 BAKERSFIELD	VAUGHAN - SURVIVORS TRUST, RICHARD &	82817.001	Paulden 002

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4/12/2021 SAN FRANCISCO	HANISH, BESS	34470.001	Roberts 107
4/13/2021 BAKERSFIELD	PIERCE, JACLYN	61980.003	Ragus 228
4/13/2021 BAKERSFIELD	PIERCE, MADISON	61980.002	Ragus 228
4/19/2021 BAKERSFIELD	THREE PHASE ELECTRIC	79986.001	Paulden 002
4/20/2021 BAKERSFIELD	WHITE WOLF LAND SERVICE	83314.001	Paulden 002
4/20/2021 BAKERSFIELD	PEACE, RICK	61675.001	Paulden 002
4/23/2021 SACRAMENTO	SACRAMENTO TRANSPORTATION AUTHORIT	73526.001	Nielsen 022
4/26/2021 BAKERSFIELD	KEYES, KEVIN & JENNIFER	43344.001	Baird 018
4/30/2021 SACRAMENTO	INVESTMENT TRUST OF CALIFORNIA (CaTRI	37782.001	Green 040
4/30/2021 OCEANSIDE	JOHNSON, MONICA	39831.001	Nielsen 022
5/3/2021 BAKERSFIELD	SACCHINI, ANDREW	73525.002	Baird 018
5/3/2021 CARMEL	KRAFT, MICHELLE	46551.001	Paulden 002
5/4/2021 BAKERSFIELD	HAMISCH, ARIANA	34471.003	McCarthy 067
5/4/2021 BAKERSFIELD	HAMISCH, JOHN & GEORGIA	34471.001	McCarthy 067
5/4/2021 BAKERSFIELD	HAMISCH, ANDREW	34471.002	McCarthy 067
5/4/2021 OAKLAND	GOLDEN GATE DERMATOLOGY	32373.001	Baird 018
5/4/2021 BAKERSFIELD	HOAGLAND, TREVOR	35551.001	Baird 018
5/5/2021 BAKERSFIELD	LUNA COMPANIES, INC.	49436.001	Baird 018
5/5/2021 BAKERSFIELD	MCKNIGHT, MICHAEL	51701.001	Ragus 228
5/5/2021 BAKERSFIELD	GANN, JASON & CORRINE	29826.001	Roberts 107
5/11/2021 BAKERSFIELD	MEDFORD, JEFFERY D.	52201.001	Paulden 002
5/14/2021 EUREKA	CROSS, WILLIAM	20310.002	Paulden 002
5/14/2021 BAKERSFIELD	WERNHART, MITCHEL	83183.002	Baird 018
5/17/2021 BAKERSFIELD	CORREA, JOE	19517.001	McCarthy 067
5/20/2021 BAKERSFIELD	GREEN GLOBE, INC.	33024.001	Xin 011
5/21/2021 VALENCIA	R.M. PYLES BOYS CAMP	64316.001	Nielsen 022
5/21/2021 BAKERSFIELD	NATIONAL ASSOCIATION OF WOMEN BUSINE	57224.001	Ragus 228
6/2/2021 EXETER	FAMILY F.O.C.U.S. CORPORATION (TAX)	26680.002	Young 012
6/7/2021 BAKERSFIELD	E & B NATURAL RESOURCES	24791.001	Nielsen 022
6/8/2021 STOCKTON	HOSPICE OF SAN JOAQUIN	36390.001	Green 040

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6/9/2021 MARINA DEL REY	CHAMAS, KEVIN	16139.001	Baird 018
6/9/2021 MARINA DEL REY	KJC HOLDINGS	16139.002	Baird 018
6/9/2021 MARINA DEL REY	JKC HOLDINGS	16139.003	Baird 018
6/11/2021 BAKERSFIELD	C & S CARE HOMES, LLC	13971.001	Nielsen 022
6/15/2021 ARVIN	BLACKBURN ESTATE, MILDRED	11298.001	Paulden 002
6/15/2021 SANTA CRUZ	SANTA CRUZ - SCCACT AUP YE 06/30/21	74055.016	McGuire 079
6/17/2021 MORRO BAY	MORRO BAY - AUDIT ACFR, CITY OF	54476.001	McGuire 079
6/17/2021 SHAFTER	SHAFTER RECREATION AND PARK DISTRICT	74621.001	McGuire 079
6/18/2021 BAKERSFIELD	BAKERSFIELD POLICE ACTIVITIES LEAGUE	08007.001	Paulden 002
6/25/2021 SAN MATEO	FIRST 5 SAN MATEO COUNTY	74014.001	Flores 015
6/28/2021 BAKERSFIELD	FIRST FIVE KERN - INDIRECT RATE CERTIFIC	16154.003	Xin 011
6/30/2021 FRESNO	SAN JOAQUIN VALLEY REGIONAL BROADBAI	73984.001	Green 040
7/26/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.001	Xin 011
7/26/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.002	Xin 011
7/29/2021 BAKERSFIELD	DYE, BRANDI	24580.002	McCarthy 067
8/3/2021 BAKERSFIELD	KCSOS PROJECTS	42470.011	Xin 011
8/4/2021 HURON	HURON, CITY OF	36694.001	Flores 015
8/11/2021 BAKERSFIELD	BOLES, SHERRY	11484.001	McCarthy 067
8/12/2021 LANCASTER	DESERT HAVEN ENTERPRISES, INC. 401(k) P	23801.002	Flores 015
8/19/2021 PIRU	LA VERNE NURSERY, INC.	47036.001	Paulden 002
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.003	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.004	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.005	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.006	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.007	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.008	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.009	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.015	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.017	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.018	Xin 011

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8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.016	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.019	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.020	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.021	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.022	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.023	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.010	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.012	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.011	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.013	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.014	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.024	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.025	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.026	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.027	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.028	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.029	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.030	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.031	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.032	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.033	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.034	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.035	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.036	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.037	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.038	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.039	Xin 011
8/23/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.040	Xin 011
8/24/2021 DELANO	DELAY, ALLEN D. DECEDENTS TRUST	22322.001	Paulden 002
9/7/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.041	Xin 011

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9/7/2021 RIVERSIDE	RIVERSIDE COUNTY TRANSPORTATION COM	70593.042	Xin 011
9/13/2021 MODESTO	STANISLAUS COUNTY CASH COUNT AUP	78459.001	Xin 011
9/13/2021 MODESTO	STANISLAUS COUNTY P-CARD AUP	78459.002	Xin 011
9/15/2021 BEDFORD	ZANINOVICH, VINCENT & DONNA	85866.001	Nielsen 022
9/21/2021 BAKERSFIELD	TOMONO, KIYOSHI & CECI	80981.001	Baird 018
9/24/2021 BAKERSFIELD	EAST, MEL & JACQUELINE	24796.001	McCarthy 067
9/24/2021 BAKERSFIELD	HOME CARE HEROES, LLC	36391.001	McCarthy 067
9/29/2021 BAKERSFIELD	KERN LAW ENFORCEMENT ASSOCIATION (A	42885.002	McGuire 079
10/4/2021 BAKERSFIELD	LOVE, BARBARA	48013.001	Baird 018
10/7/2021 BAKERSFIELD	ROBBINS, GIL	70993.001	McCarthy 067
10/15/2021 BAKERSFIELD	THURMAN VETERINARY CENTER	80101.001	Baird 018
10/15/2021 BAKERSFIELD	THURMAN, TRAVIS & MOLLY	80103.001	Baird 018
10/15/2021 BAKERSFIELD	THURMAN LAND & CATTLE, LLC	80102.001	Baird 018
10/19/2021 MORRO BAY	MORRO BAY - SINGLE AUDIT, CITY OF	54476.002	McGuire 079
10/19/2021 MORRO BAY	MORRO BAY - AUDIT TDA, CITY OF	54476.003	McGuire 079
10/19/2021 MORRO BAY	MORRO BAY - AUP GANN, CITY OF	54476.004	McGuire 079
10/20/2021 BAKERSFIELD	RAJPREET KAHLON, REGISTERED NURSING,	42006.001	Nielsen 022
10/26/2021 FAIRFIELD	HORIZON ENERGY PARTNERS, LLC	36382.001	Nielsen 022

**GrandTotal:**

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**Report Parameters**  
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REPORT NAME: New Client List  
 FIRM NAME: Brown Armstrong Accountancy Corporation



**Brown Armstrong Accountancy Corporation**  
**InActive Client List**  
**InActive Date From 5/1/2020 To 10/31/2021**

<b>InActive Date</b>	<b>Client Sort Name</b>	<b>Client Name</b>	<b>Client Num.Eng</b>	<b>Primary Partner</b>
2/3/2021	2233 WEST GREEN TREE, LLC	2233 WEST GREEN TREE, LLC	82311.001	White 031
2/3/2021	3 PIPERS, LLC	3 PIPERS, LLC	79981.001	Thornburgh 010
5/6/2021	ABNEY, JULIET	JULIET ABNEY	00274.001	Paulden 002
2/2/2021	ABRAHAM, SHAMISTRA N.	SHAMISTRA N. ABRAHAM	00208.001	Thornburgh 010
2/2/2021	ACKER, CLAUD	CLAUD ACKER	00745.001	Thornburgh 010
5/6/2021	ADDISON NATURAL RESOURCES, LLC	ADDISON NATURAL RESOURCE	01088.001	Baird 018
5/6/2021	ADDISON OIL AND GAS, LLC	ADDISON OIL AND GAS, LLC	01089.001	Baird 018
2/25/2021	ADDISON RESOURCES, INC.	ADDISON RESOURCES, INC.	01090.001	Baird 018
2/2/2021	ADVANCED SURGICAL SERVICES, INC.	ADVANCED SURGICAL SERVICE	01170.001	Thornburgh 010
2/2/2021	AG COMMODITIES EXPRESS	AG COMMODITIES EXPRESS	02320.001	Oakley 180
5/6/2021	AGLAEAUSA, INC.	AGLAEAUSA, INC.	02345.001	Baird 018
2/2/2021	AJ'S PARADISE HOME CARE	AJ'S PARADISE HOME CARE	00166.001	Thornburgh 010
7/29/2020	ALDERSON, JACQULIN ESTATE OF	ESTATE OF JACQULIN ALDERSI	03361.001	Krausse 005
2/2/2021	ALMARAZ, GUADALUPE & MARY	GUADALUPE & MARY ALMARAZ	03410.001	Thornburgh 010
5/6/2021	AMERICAN IRRIGATION, LLC	AMERICAN IRRIGATION, LLC	03427.001	Paulden 002
5/12/2021	AMW PROPERTIES, LLC	AMW PROPERTIES, LLC	03418.001	Baird 018
7/9/2020	ANARADIAN, MICHAEL & EMMA EYTCHESON	MICHAEL ANARADIAN & EMMA I	03413.001	Baird 018
5/6/2021	ARB LAND COMPANY, LP	ARB LAND COMPANY, LP	03890.001	McCarthy 067
5/6/2021	ARMSTRONG, MOLLY	MOLLY ARMSTRONG	04740.004	Baird 018
2/2/2021	ARR INVESTMENTS, LLC	ARR INVESTMENTS, LLC	04744.001	Thornburgh 010
5/12/2021	AVILA, JOSE & THERESA	JOSE & THERESA AVILA	05671.001	Ragus 228
3/3/2021	AWESOME FITNESS	AWESOME FITNESS	05668.001	Paulden 002
2/2/2021	B.O.M.G., INC.	B.O.M.G., INC.	06975.001	Thornburgh 010
2/2/2021	BAER, HAROLD J. EXEM	HAROLD J. BAER EXEMPT TRU	07911.001	Thornburgh 010
2/2/2021	BAER, HAROLD J. JR.	HAROLD J. JR. & JEANNIE F. BA	07910.001	Thornburgh 010
2/2/2021	BAIGORRY PROPERTIES, LLC	BAIGORRY PROPERTIES, LLC	07916.001	Thornburgh 010
2/2/2021	BAKERSFIELD BARIATRI	THE BAKERSFIELD BARIATRICE	07932.001	Thornburgh 010
6/19/2020	BANN, KATHERINE A.	KATHERINE A. BANN	08012.001	Oakley 180
2/2/2021	BANSAL FAMILY LIMITE	BANSAL FAMILY LIMITED PARTI	08020.001	Thornburgh 010
2/2/2021	BANSAL, M.D., INC.	RADHEY S. BANSAL, M.D., INC.	08029.001	Thornburgh 010
2/2/2021	BANSAL, RADHEY S., M	RADHEY S., M.D. & MANJU B. B/	08028.001	Thornburgh 010
7/6/2020	BARKER, DELORIS M.	DELORIS M. BARKER	08030.001	Baird 018
2/2/2021	BEAUTOLOGIE COSMETIC SURGERY CENTE	BEAUTOLOGIE COSMETIC SUR	09121.001	Thornburgh 010
2/2/2021	BEAUTOLOGIE FRESNO, INC.	BEAUTOLOGIE FRESNO, INC.	09122.001	Thornburgh 010
2/3/2021	BEAUTOLOGIE MANAGEMENT GROUP, INC.	BEAUTOLOGIE MANAGEMENT C	74636.001	Thornburgh 010
2/2/2021	BEAUTOLOGIE MEDICAL AESTHETICS, INC.	BEAUTOLOGIE MEDICAL AESTH	09124.001	Thornburgh 010
2/2/2021	BEAUTOLOGIE STOCKTON, INC.	BEAUTOLOGIE STOCKTON, INC	09126.001	Thornburgh 010
11/18/2020	BEECHER, JEFFREY	JEFFREY BEECHER	09270.001	McCarthy 067
2/2/2021	BEED, KEVIN J. & KYLA R.	KEVIN J. & KYLA R. BEED	09280.001	Thornburgh 010
2/2/2021	BEENE, RICHARD	RICHARD S. BEENE	09290.001	Thornburgh 010
5/6/2021	BELADAGIO, INC.	BELADAGIO, INC.	00996.001	McCarthy 067
7/31/2020	BELL, MATTHEW & BRANDI	MATTHEW & BRANDI BELL	09305.001	McCarthy 067
7/31/2020	BELLER, LORIN & KRISTI	LORIN & KRISTI BELLER	09340.001	McCarthy 067
2/2/2021	BERNABA, BASEM Z. &	BASEM Z. BERNABA & WAFIKA I	09755.001	Thornburgh 010
2/2/2021	BERNABA, MARIO	MARIO BERNABA	09755.002	Thornburgh 010
2/2/2021	BERNABA, MICHAEL	MICHAEL BERNABA	09755.003	Thornburgh 010
7/31/2020	BERRIGAN, JACOB & JEANETTE	JACOB & JEANETTE BERRIGAN	11072.001	Baird 018
2/2/2021	BERVEL, DAVID F. & S	DAVID F. BERVEL & SUSAN W. /	11010.001	Thornburgh 010
2/2/2021	BEVERLY HILLS HYPERBARICS, LLC	BEVERLY HILLS HYPERBARICS	11077.001	Thornburgh 010
5/6/2021	BILDERBECK, NIGLE R.	NIGLE R. & MICKI R. BILDERBEC	11100.001	Baird 018
7/31/2020	BINDMAN, THE LAW OFFICES OF BORIS	THE LAW OFFICES OF BORIS BI	11101.001	McCarthy 067
9/30/2020	BLOCH, GRETCHEN R.	GRETCHEN R. BLOCH	11380.001	White 031
2/2/2021	BLOEMHOF AG ENTERPRI	BLOEMHOF AG ENTERPRISES	11458.001	Oakley 180
2/2/2021	BLOEMHOF LAND & FARM	BLOEMHOF LAND & FARMING	11472.001	Oakley 180
2/2/2021	BLOEMHOF LLC, BONNIE & DAVID	BONNIE & DAVID BLOEMHOF, LI	11460.002	Oakley 180
2/2/2021	BLOEMHOF VALLEY RANCHES, LLC	BLOEMHOF VALLEY RANCHES,	11470.001	Oakley 180
2/2/2021	BLOEMHOF, DAVE & DAV	DAVE & DAVID BLOEMHOF	11468.001	Oakley 180
2/2/2021	BLOEMHOF, DAVID & BONNIE	DAVID & BONNIE BLOEMHOF	11460.001	Oakley 180
2/2/2021	BLOEMHOF, DAVID III	DAVID III & STEPHANIE L. BLOEI	11465.001	Oakley 180
2/2/2021	BLOOM, MAX & CHRISTI	MAX & CHRISTINE M. BLOOM	11475.001	Thornburgh 010

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<b>InActive Date</b>	<b>Client Sort Name</b>	<b>Client Name</b>	<b>Client Num.Eng</b>	<b>Primary Partner</b>
5/14/2021	BOGARD, JASON & DANIELL	JASON & DANIELL BOGARD	11540.001	Nielsen 022
5/6/2021	BOWLAND, DON & HEATHER	DON & HEATHER BOWLAND	11868.001	Baird 018
5/6/2021	BOWMAN, RICHARD & MA	RICHARD & MARTHA BOWMAN	11865.001	McCarthy 067
2/25/2021	BRALY ENTERPRISES	BRALY ENTERPRISES	11977.001	Baird 018
2/25/2021	BRALY, TIM & SHANA	TIM & SHANA BRALY	12006.001	Baird 018
9/22/2020	BRASSFIELD, MATT & MELANIE	MATT & MELANIE BRASSFIELD	12008.001	Baird 018
7/6/2020	BRAY, WILLIAM	WILLIAM BRAY	12021.001	Baird 018
2/2/2021	BRI-CAL PROPERTIES,	BRI-CAL PROPERTIES, LLC	12050.001	Thornburgh 010
2/2/2021	BRI-KERN PROPERTIES,	BRI-KERN PROPERTIES, LLC	12055.001	Thornburgh 010
7/31/2020	B-TOWN FOG, LLC	B-TOWN FOG, LLC	05991.001	McCarthy 067
2/15/2021	BURCHFIELD - PROMISSORY NOTE, RUSTY V	RUSTY W. & TRACY M. BURCHF	11200.001	Paulden 002
9/23/2021	BUSLON, STACY	STACY BUSLON	13761.001	Baird 018
5/6/2021	BV CUB, INC.	BV CUB, INC.	13805.001	Nielsen 022
7/31/2020	BYRD, KENNETH (MIKE) & DARLA R.	KENNETH M. & DARLA R. BYRD	13890.001	Baird 018
2/2/2021	C & L, A GENERAL PAR	C & L, A GENERAL PARTNERSH	13970.001	Thornburgh 010
6/17/2020	C. DEAN CONSTRUCTION, INC.	C. DEAN CONSTRUCTION, INC.	13978.001	Baird 018
2/2/2021	CAMARILLO, MICHAEL & LORI	MICHAEL & LORI CAMARILLO	14486.001	Thornburgh 010
2/2/2021	CAMOU, PATRICK & CHR	PATRICK & CHRISTIANE CAMOL	14700.001	Thornburgh 010
2/17/2021	CAMPOS, CESAR	CESAR CAMPOS	22425.002	Baird 018
7/31/2020	CANTRELL, PATRICIA	PATRICIA CANTRELL	14755.001	McCarthy 067
2/2/2021	CAPITAL DENTAL MANAG	CAPITAL DENTAL MANAGEMEN	14761.001	Thornburgh 010
2/2/2021	CARMEL PARTNERS	CARMEL PARTNERS	14782.001	Oakley 180
5/6/2021	CARRENO, REYNA	REYNA CARRENO	14840.001	Paulden 002
4/27/2021	CASPER, JACQUELYN	JACQUELYN CASPER	15988.002	McCarthy 067
2/2/2021	CASTEEN DENTAL CORPO	CASTEEN DENTAL CORPORATI	14940.001	Thornburgh 010
2/2/2021	CASTEEN, D.D.S. RIC	RICHARD E. CASTEEN, D.D.S.	14950.001	Thornburgh 010
5/6/2021	CCE BLT I, LLC	CCE BLT I, LLC	14335.008	McCarthy 067
5/6/2021	CCE BLT II, LLC	CCE BLT II, LLC	14335.007	McCarthy 067
5/6/2021	CCE BLT III, LLC	CCE BLT III, LLC	14335.006	McCarthy 067
2/2/2021	CENTRAL CALIFORNIA TESTING	CENTRAL CALIFORNIA TESTINC	25760.004	Thornburgh 010
2/2/2021	CHAMBERS, JERYL & MONICA	JERYL & MONICA CHAMBERS	16093.001	Thornburgh 010
2/2/2021	CHAO, TOM	TOM CHAO	16115.001	Thornburgh 010
2/2/2021	CIOTA II, DONALD VINCENT	DONALD VINCENT CIOTA II	16191.004	Thornburgh 010
2/2/2021	CIOTA, DONALD V. & ANGELA R. SIDHU-CIOT	DONALD V. CIOTA & ANGELA R.	16191.001	Thornburgh 010
2/2/2021	CIOTA, KYLE E.	KYLE E. CIOTA	16191.002	Thornburgh 010
2/2/2021	CIOTA, SARAH TAYLOR	SARAH TAYLOR CIOTA	16191.003	Thornburgh 010
2/2/2021	COCHRAN, SEAN & TERRI	SEAN & TERRI COCHRAN	16939.001	Thornburgh 010
5/12/2021	COLD SMOKE APPAREL, LLC	COLD SMOKE APPAREL, LLC	16986.001	Baird 018
2/3/2021	COMPREHENSIVE CARDIO	COMPREHENSIVE CARDIOVAS	52214.001	Thornburgh 010
7/31/2020	CONNER, CAVAN & CHELCIE	CAVAN & CHELCIE CONNER	18625.001	McCarthy 067
5/6/2021	COPPER AND IRON ENTERPRISES, LLC	COPPER AND IRON ENTERPRIS	19240.001	Paulden 002
2/2/2021	COPPOLA JR., M.D., I	ALFRED COPPOLA JR., M.D., IN	19251.001	Thornburgh 010
2/2/2021	COPPOLA, ALFRED J.	ALFRED J. COPPOLA	19250.001	Thornburgh 010
2/2/2021	COPPOLA, CHELSEA R.	CHELSEA R. COPPOLA	19253.001	Thornburgh 010
2/2/2021	COPPOLA, MICHAEL J.	MICHAEL J. COPPOLA	19250.002	Thornburgh 010
2/2/2021	COPPOLA, ROGER D.	ROGER D. COPPOLA	19254.001	Thornburgh 010
2/2/2021	COUNTY LINE TRANSPOR	COUNTY LINE TRANSPORT COF	19650.001	Thornburgh 010
2/2/2021	DEBANTO, JOHN	JOHN DEBANTO	22141.001	Thornburgh 010
5/6/2021	DEIFEL, WAYNE A.	WAYNE A. DEIFEL	22149.001	Paulden 002
2/17/2021	DEL REY MANAGER, LLC	DEL REY MANAGER, LLC	22338.001	Baird 018
2/17/2021	DEL REY NUMBER ONE, LLC	DEL REY NUMBER ONE, LLC	22337.001	Baird 018
2/17/2021	DEL REY ONE, LP	DEL REY ONE, LP	22336.001	Baird 018
2/2/2021	DELANO SURGICAL GROU	DELANO SURGICAL GROUP,	22341.001	Thornburgh 010
4/27/2021	DELANO, NICHOLAS	NICHOLAS DELANO	22157.001	Baird 018
2/17/2021	DELUGE CONSULTING, INC.	DELUGE CONSULTING, INC.	22425.001	Baird 018
2/2/2021	DERRICK, MARVIN J. &	MARVIN J. & KATHY L. DERRICK	23210.001	Thornburgh 010
5/7/2021	DICKENS, BROOKE	BROOKE DICKENS	23475.003	Paulden 002
7/31/2020	DIRECT HEALTHCARE SERVICES, INC.	DIRECT HEALTHCARE SERVICE	23570.001	McCarthy 067
2/2/2021	DOCTOR'S LAB, INC.	THE DOCTOR'S LAB, INC.	23855.001	Thornburgh 010
2/2/2021	DORSEY, ISRAEL & KAT	ISRAEL & KATHRYN DORSEY	24158.001	Thornburgh 010

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7/31/2020	DOUGHERTY RESIDUAL TRUST D	RAYMOND DOUGHERTY RESID	24201.001	Paulden 002
2/2/2021	DOWNS FAMILY TRUST DTD 10/16/1996	THE DOWNS FAMILY TRUST DT	24172.002	Thornburgh 010
2/2/2021	DOWNS, TIM & DEANNA	TIM & DEANNA DOWNS	24172.001	Thornburgh 010
2/2/2021	DU TOIT, ARNOLDUS C. &	ARNOLDUS C. & MARINDA DU T	24350.001	Thornburgh 010
2/2/2021	EHMEDIA, INC.	EHMEDIA, INC.	25683.001	Thornburgh 010
2/2/2021	ELLIOTT HOLDINGS, LL	ELLIOTT HOLDINGS, LLC	25755.001	Thornburgh 010
2/2/2021	ELLIOTT, CODY & ASHLEY	CODY & ASHLEY ELLIOTT	25752.001	Thornburgh 010
2/2/2021	ELLIOTT, GUY & LESLI	WILLIAM G. (GUY) & LESLIE V. E	25760.001	Thornburgh 010
2/2/2021	ELLIOTT, JAMES	JAMES ELLIOTT	25761.001	Thornburgh 010
2/2/2021	ELLIOTT, JERRYAL & G	JERRYAL W. & GLENDA C. ELLI	25762.001	Thornburgh 010
2/2/2021	ELLIOTT, JOHNNY R.	JOHNNY R. ELLIOTT	25764.001	Thornburgh 010
2/3/2021	ERFANIAN, KAMIL & NEDA M.	KAMIL & NEDA M. ERFANIAN	25840.001	Thornburgh 010
2/3/2021	ERFANIAN, KAMIL, M.D., A PROFESSIONAL C	KAMIL ERFANIAN, M.D., A PROF	25843.001	Thornburgh 010
7/31/2020	FAERO, LLC	FAERO, LLC	26678.001	McCarthy 067
2/3/2021	FARNUM, DANIEL A. &	DANIEL A. FARNUM & HALEH PF	26850.001	Thornburgh 010
2/3/2021	FARRER, TODD	TODD FARRER	26854.001	Thornburgh 010
2/3/2021	FARRER, TODD, M.D., INC.	TODD FARRER, M.D., INC.	26855.001	Thornburgh 010
2/3/2021	FAULKNER, THOMAS E.	THOMAS E. & DEBORAH K. FAU	26903.001	Thornburgh 010
2/10/2021	FEGHALI FOODS, INC. 401K PLAN	FEGHALI FOODS, INC. 401K PLA	26920.002	Flores 015
2/3/2021	FEGHALI, CAMILIA	CAMILIA FEGHALI	26925.002	Thornburgh 010
2/3/2021	FEGHALI, ELIE N. & L	ELIE N. & LORI R. FEGHALI	26910.001	Thornburgh 010
2/3/2021	FEGHALI, JEOFF	JEOFF FEGHALI	26922.002	Thornburgh 010
2/3/2021	FEGHALI, JESSICA	JESSICA FEGHALI	26925.004	Thornburgh 010
2/3/2021	FEGHALI, JOSEPH N. &	JOSEPH N. & KRISTYNA E. FEC	26922.001	Thornburgh 010
2/3/2021	FEGHALI, MARIAH	MARIAH FEGHALI	26910.002	Thornburgh 010
2/3/2021	FEGHALI, MAROON N. &	MAROON N. & CYNTHIA M. FEG	26925.001	Thornburgh 010
2/3/2021	FEGHALI, REBECCA	REBECCA FEGHALI	26925.003	Thornburgh 010
2/3/2021	FEGHALI, TIANA	TIANA FEGHALI	26910.004	Thornburgh 010
5/6/2021	FELDMAN, STACY	STACY FELDMAN	26926.001	Paulden 002
5/14/2021	FERGON, BRADLEY & ELIZABETH	BRADLEY & ELIZABETH FERGO	26935.001	Paulden 002
5/6/2021	FIDDLER, CLAUDE ADMI	CLAUDE FIDDLER ADMINISTRA	27014.001	Krausse 005
2/3/2021	FIGONE, MARCO & AMY	MARCO & AMY FIGONE	27100.001	Oakley 180
2/3/2021	FLETCHER, STEPHEN A.	STEPHEN A. & LISA J. FLETCH	27989.001	Thornburgh 010
2/3/2021	FLINT, CHRISTOPHER L	CHRISTOPHER L. FLINT	27996.001	Thornburgh 010
7/6/2020	FLINT, LINDA S.	LINDA S. FLINT	27998.001	Baird 018
2/3/2021	FOLLOW THAT PATIENT, INC.	FOLLOW THAT PATIENT, INC.	28051.001	Thornburgh 010
2/3/2021	FORD, GRETCHEN S.	GRETCHEN S. FORD	28323.001	Thornburgh 010
5/31/2021	FREIBEL, MICHELLE	MICHELLE FREIBEL	29021.001	Nielsen 022
7/31/2020	FUZION AIR	FUZION AIR	29654.001	McCarthy 067
5/6/2021	FUZION HOME SERVICES, INC.	FUZION HOME SERVICES, INC.	29653.001	McCarthy 067
7/31/2020	FUZION LANDSCAPING	FUZION LANDSCAPING	29048.001	McCarthy 067
2/3/2021	GANESH INVESTMENT GR	GANESH INVESTMENT GROUP,	29825.001	Thornburgh 010
2/3/2021	GARCIA, JOHN R.	JOHN R. GARCIA, M.D.	29885.001	Thornburgh 010
2/3/2021	GARCIA, JOHN, M.D	JOHN GARCIA, M.D., INC.	29886.001	Thornburgh 010
2/3/2021	GARCIA, M.D., INC. - PROFIT SHARING	JOHN GARCIA, M.D., INC. - PRO	29886.002	Thornburgh 010
2/3/2021	GARCIA, M.D., INC. - RETIREMENT PLAN	JOHN GARCIA, M.D., INC. - RETI	29886.003	Thornburgh 010
2/3/2021	GARDEN VIEW, LLC	GARDEN VIEW, LLC	29889.001	Thornburgh 010
2/3/2021	GARNETT, REIDE	REIDE GARNETT	29976.001	Thornburgh 010
2/3/2021	GEHLAWAT MEDICAL CORPORATION	GEHLAWAT MEDICAL CORPOR	30053.001	Thornburgh 010
2/3/2021	GEHLAWAT, DILBAGH &	DILBAGH & SUSHILA GEHLAWA	30051.001	Thornburgh 010
2/3/2021	GEHLAWAT, MD, INC PEN	DILBAGH GEHLAWAT, M.D., INC	30052.001	Thornburgh 010
2/3/2021	GEHLAWAT, NEIL	NEIL GEHLAWAT	30055.001	Thornburgh 010
7/31/2020	GLADDEN SURVIVING SP	JEAN W. GLADDEN SURVIVING	32038.001	McCarthy 067
7/13/2020	GLENROCK ENERGY, LLC	GLENROCK ENERGY, LLC	32039.001	Baird 018
7/31/2020	GODBEHERE, MATT & DA	MATT & DAWN GODBEHERE	32145.001	Baird 018
2/3/2021	GOERTZEN QUALITY GYPSUM, INC.	GOERTZEN QUALITY GYPSUM,	32154.001	Thornburgh 010
2/3/2021	GOERTZEN, VERN	VERN GOERTZEN	32155.001	Thornburgh 010
7/31/2020	GRACE, JOHN C. & COLLEEN	JOHN C. & COLLEEN GRACE	32590.001	Krausse 005
7/31/2020	GRACE, MEGHAN	MEGHAN GRACE	32590.002	Krausse 005
7/31/2020	GREALISH, JOHN	JOHN GREALISH	39963.002	Baird 018

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7/31/2020	GREALISH, LESLIE	LESLIE GREALISH	39963.003	Baird 018
6/22/2020	GREENLAWN FUNERAL HOMES	GREENLAWN FUNERAL HOMES	33031.001	Paulden 002
7/31/2020	GROGAN / ADAM TRUST	GROGAN / ADAM TRUST	33071.001	Krausse 005
5/6/2021	GRUNDT, MICHAEL	MICHAEL GRUNDT	33510.001	Paulden 002
6/18/2020	HAGAR, DOBY TRUCKING, INC.	DOBY HAGAR TRUCKING, INC.	34259.001	Baird 018
7/6/2020	HAGERMAN, WAYNE & TRISH	WAYNE & TRISH HAGERMAN	34264.001	Thornburgh 010
2/17/2021	HAGGARD, SARAH	SARAH HAGGARD	34263.001	Baird 018
2/3/2021	HALBROOK, LINDA L.	LINDA L. HALBROOK	34300.001	Thornburgh 010
2/3/2021	HAMILTON, CHRISTOPHE	CHRISTOPHER D. & SUSAN B. H	34455.001	Thornburgh 010
2/2/2021	HAMILTON, M.D., INC.	CHRISTOPHER D. HAMILTON, M	34457.001	Thornburgh 010
7/6/2020	HAMILTON, ROBBIN	ROBBIN HAMILTON	34438.001	Thornburgh 010
2/2/2021	HAMILTON, SCOTT, Ph. D.	SCOTT HAMILTON, Ph.D.	34462.001	Thornburgh 010
2/2/2021	HANSEN, DAN	DAN HANSEN	34478.001	Thornburgh 010
2/2/2021	HANSEN, MICHAEL & ANDREA	MICHAEL & ANDREA HANSEN	34480.001	Thornburgh 010
2/2/2021	HANSEN'S MOVING & STORAGE, INC.	HANSEN'S MOVING & STORAGE	34488.001	Thornburgh 010
7/6/2020	HARRIS, MARY	MARY HARRIS	34559.001	White 031
2/2/2021	HAYDEN CONSTRUCTION, INC.	HAYDEN CONSTRUCTION, INC.	35020.001	Thornburgh 010
2/2/2021	HAYDEN, RODLEY A. & BEVERLY J.	RODLEY A. & BEVERLY J. HAYD	35021.001	Thornburgh 010
4/27/2021	HEISE MEDIA GROUP	HEISE MEDIA GROUP	35337.001	Baird 018
11/3/2020	HELPING HANDS YOUTH (AUDIT)	HELPING HANDS YOUTH FACILI	35339.002	Baird 029
11/3/2020	HELPING HANDS YOUTH (TAX)	HELPING HANDS YOUTH FACILI	35339.001	McCarthy 067
2/2/2021	HENDERSON, RICHARD & ERIN	RICHARD & ERIN HENDERSON	35366.001	Thornburgh 010
12/8/2020	HENDRICKS, PAUL C.	PAUL C. HENDRICKS	35377.001	Valdivia, Jr. 184
2/2/2021	HETZNER, JENNIFER	JENNIFER HETZNER	35418.0	Thornburgh 010
5/6/2021	HICKS, LEWIS	LEWIS HICKS	35442.001	Baird 018
3/31/2021	HITCHCOCK, JAMES & JEANNE TRUST C	JAMES & JEANNE HITCHCOCK	35538.001	Baird 018
2/9/2021	HJR INVESTMENTS, LLC	HJR INVESTMENTS, LLC	35519.001	Thornburgh 010
7/31/2020	HOFSTRAND, MICHAEL & ASHLEY	MICHAEL & ASHLEY HOFSTRAN	35466.001	Thornburgh 010
2/2/2021	HORIZON CONST., INC.	HORIZON CONSTRUCTION UNL	36381.001	Thornburgh 010
2/2/2021	IDDINGS, BRUCE J. &	BRUCE J. & RACHEL A. IDDINGS	36845.001	Thornburgh 010
2/3/2021	IR RENTALS LLC	IR RENTALS LLC	37980.001	Thornburgh 010
9/14/2020	IRELAND, INC.	IRELAND, INC.	37740.001	Nielsen 022
2/3/2021	IRVIN, JENNIFER E.	JENNIFER E. IRVIN	37780.001	Thornburgh 010
7/31/2020	JACKSON, ROSALIE	ROSALIE JACKSON	38420.001	Paulden 002
5/12/2020	JACOBO PHYSICAL THERAPY & COMPLETE V	JACOBO PHYSICAL THERAPY &	38432.001	White 031
7/31/2020	JACOBO, GRACIE	GRACIE JACOBO	38431.001	Baird 018
2/3/2021	JACOBSEN, BARRY	BARRY JACOBSEN	38433.001	Thornburgh 010
2/3/2021	JAIAMBE EQUIPMENT CO	JAIAMBE EQUIPMENT COMPAN	38480.001	Thornburgh 010
2/3/2021	JAIAMBE PROPERTIES,	JAIAMBE PROPERTIES, LLC	38481.001	Thornburgh 010
5/14/2021	JETER, JASON M.	JASON M. JETER	39644.001	Nielsen 022
2/3/2021	JJ SERVICES	JJ SERVICES	38101.001	Thornburgh 010
5/6/2021	JOHNS, EDNA	EDNA JOHNS	39680.001	Paulden 002
5/6/2021	JOHNSON IRREVOCABLE	JOHNSON IRREVOCABLE LIFE I	39801.001	Krausse 005
8/10/2020	JOHNSON, MARTHA S.	MARTHA S. JOHNSON	39823.001	White 031
2/3/2021	JONES FAMILY BYPASS TRUST	JONES FAMILY BYPASS TRUST	39958.001	Thornburgh 010
2/3/2021	JONES, MICHAEL & ANDREA REICHERT	MICHAEL E. JONES & ANDREA F	40007.001	Thornburgh 010
7/31/2020	JONES, RICHARD & JUDITH	RICHARD & JUDITH JONES	40006.001	Baird 018
7/31/2020	JONES, RYAN & AMANDA	RYAN & AMANDA JONES	39963.001	Baird 018
2/3/2021	JP BIZ, LLC	JP BIZ, LLC	40056.001	Thornburgh 010
2/3/2021	KADASRIVENKATA, RAO & RANJANI PANITHI	RAO KADASRIVENKATA & RANJ	40190.001	Thornburgh 010
2/2/2021	KALHA, ISHAAN & RITA	ISHAAN & RITA KALHA	42103.001	Thornburgh 010
2/3/2021	KARWOSKI, JAKE	JAKE KARWOSKI	42250.002	Thornburgh 010
2/3/2021	KARWOSKI, JOHN A. &	JOHN A. & LORI A. KARWOSKI	42250.001	Thornburgh 010
2/3/2021	KARWOSKI, KATIE	KATIE KARWOSKI	42250.003	Thornburgh 010
2/3/2021	KEENE, JIM & CAREY	JIM & CAREY KEENE	42263.001	Thornburgh 010
5/6/2021	KERN COMPUTER CORPOR	KERN COMPUTER CORPORATI	42835.001	McCarthy 067
6/19/2020	KERN COUNTY CALIFORNIA WOMEN FOR AC	KERN COUNTY CALIFORNIA WC	42902.001	Oakley 180
9/22/2020	KIRKPATRICK, WESLEY	WESLEY KIRKPATRICK	44251.001	Baird 018
2/3/2021	KNOETGEN III, JAMES	JAMES KNOETGEN III, M.D.	44591.001	Thornburgh 010
2/3/2021	KNOETGEN, JIM III &	JAMES III & ANGELA KNOETGEN	44590.001	Thornburgh 010

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<b>InActive Date</b>	<b>Client Sort Name</b>	<b>Client Name</b>	<b>Client Num.Eng</b>	<b>Primary Partner</b>
2/3/2021	KOTHARY, HEMMAL S.	HEMMAL S. KOTHARY	44621.001	Thornburgh 010
2/3/2021	KOTHARY, M.D., INC., HEMMAL	HEMMAL KOTHARY M.D., INC.	44622.001	Thornburgh 010
3/23/2021	KRINITT PETROLEUM, LLC	KRINITT PETROLEUM, LLC	46954.001	Baird 018
2/3/2021	KUHS, ROBERT G.	ROBERT G. KUHS	46978.001	Thornburgh 010
2/3/2021	LA COSTA BOOKKEEPING SERVICES, LLC	LA COSTA BOOKKEEPING SER	47033.001	Thornburgh 010
2/3/2021	LAMONT CENTER, LLC	LAMONT CENTER, LLC	47090.001	Thornburgh 010
2/3/2021	LANDRY FINANCIAL, IN	LANDRY FINANCIAL, INC.	47157.001	Thornburgh 010
2/3/2021	LANDRY, BROOKLYN	BROOKLYN LANDRY	47156.002	Thornburgh 010
2/3/2021	LANDRY, RACHELLE	RACHELLE LANDRY	47156.001	Thornburgh 010
2/3/2021	LANDRY, TIM	TIM LANDRY	47157.002	Thornburgh 010
7/6/2020	LAROE, CHARLES & HILDA	CHARLES & HILDA LAROE	47328.001	Baird 018
5/6/2021	LAS CIENEGAS, LLC	LAS CIENEGAS, LLC	12057.003	Baird 018
5/12/2021	LATTICE ENERGY PARTNERS, LLC	LATTICE ENERGY PARTNERS, L	47389.001	Baird 018
7/31/2020	LAWRENCE, DOROTHY	DOROTHY LAWRENCE	47387.001	McCarthy 067
2/3/2021	LCN SERVICES, LLC	LCN SERVICES, LLC	47391.001	Thornburgh 010
2/3/2021	LCN TECHNOLOGY, INC.	LCN TECHNOLOGY, INC.	47392.001	Thornburgh 010
2/3/2021	LE TOY AUTOCARE CENT	LE TOY AUTOCARE CENTER	47786.001	Thornburgh 010
2/3/2021	LE TOY MOTORS, INC.	LE TOY MOTORS, INC.	47787.001	Thornburgh 010
2/3/2021	LEHOCKY, BRETT	BRETT LEHOCKY	47482.001	Thornburgh 010
2/3/2021	LEHOCKY, BRETT M.D., INC.	BRETT LEHOCKY, M.D., INC.	47483.001	Thornburgh 010
2/3/2021	LEHOCKY, CHARLENE	CHARLENE LEHOCKY	47484.001	Thornburgh 010
2/3/2021	LEWIS, CONNIE	CONNIE LEWIS	47796.001	Thornburgh 010
2/2/2021	LEWIS, KENNETH & CAROL	KENNETH & CAROL LEWIS	47800.001	Baird 018
2/3/2021	LEWIS, MARSHALL M.D., A PROF.	MARSHALL S. LEWIS, M.D., A PF	47792.001	Thornburgh 010
2/3/2021	LIPPERT, RYAN	RYAN LIPPERT	48022.001	Thornburgh 010
2/3/2021	LOEWEN, JASMINE K.	JASMINE K. LOEWEN	48810.002	Thornburgh 010
2/3/2021	LOEWEN, MARK J. & KIRANJEET K.	MARK J. & KIRANJEET K. LOEWI	48810.001	Thornburgh 010
2/3/2021	LOEWEN, MARK, D.O., INC.	MARK LOEWEN D.O., INC.	48811.001	Thornburgh 010
2/3/2021	LOGAN, BLAKE	BLAKE LOGAN	48815.002	Thornburgh 010
2/3/2021	LOGAN, JACK	JACK LOGAN	48815.003	Thornburgh 010
2/3/2021	LOGAN, WADE P. & AMY	WADE P. & AMY E. LOGAN	48815.001	Thornburgh 010
2/3/2021	LOPEZ, GREG T. & TRISHA A.	GREG T. & TRISHA A. LOPEZ	48933.001	Thornburgh 010
2/3/2021	LOPEZ, JEANIE	JEANIE LOPEZ	48935.001	Thornburgh 010
6/19/2020	LUKK, EVI	EVI LUKK	49406.001	Oakley 180
5/6/2021	LUNA, TITO R.	TITO R. & STACEY LUNA	49435.001	Baird 018
2/3/2021	LUNDQUIST, NELS	NELS LUNDQUIST	47992.001	Thornburgh 010
5/6/2021	MACDUFF, ELLIOTT	ELLIOTT MACDUFF	50290.002	Baird 018
5/6/2021	MACDUFF, IAN	IAN MACDUFF	50290.003	Baird 018
5/6/2021	MACK PACKAGING, INC.	MACK PACKAGING, INC.	50393.001	McCarthy 067
9/2/2020	MACPHERSON ENERGY RESOURCES, LLC	MACPHERSON ENERGY RESOL	50422.001	Baird 018
2/3/2021	MAGIC GLOVE USA, INC	MAGIC GLOVE USA, INC.	50565.001	Thornburgh 010
2/3/2021	MAITIA SEPARATE PROP	MAITIA SEPARATE PROPERTY	50725.001	Thornburgh 010
2/3/2021	MAITIA, MAYIE	MAYIE MAITIA	50720.001	Thornburgh 010
2/3/2021	MALAVAR, BRIAN G. &	BRIAN G. & JENNIFER R. MALAV	50800.001	Thornburgh 010
6/25/2020	MALDONADO, DIEGO	DIEGO MALDONADO	50851.001	Lo 154
2/3/2021	MALERICH, MATTHEW &	MATTHEW & JUDITH MALERICH	50849.001	Thornburgh 010
2/3/2021	MALLOY, WILLIAM M. &	WILLIAM M. MALLOY & SUSAN M	50865.001	Thornburgh 010
7/6/2020	MALOUF, GAIL	GAIL MALOUF	50867.001	Thornburgh 010
5/6/2021	MARRIAGE AND FAMILY COUNSELING, INC.	MARRIAGE AND FAMILY COUNS	50918.001	McCarthy 067
2/3/2021	MASSOUMI DENTAL CORPORATION, SAYEH	SAYEH MASSOUMI DENTAL COI	51020.001	Thornburgh 010
2/3/2021	MASSOUMI, SAYEH & HAMID KHOSRAVI	SAYEH MASSOUMI & HAMID KH	51022.001	Thornburgh 010
5/6/2021	MCCORMICK, ALANA	ALANA MCCORMICK	51723.001	Paulden 002
3/29/2021	MC GEE, JOHN & DEBRA	JOHN & DEBRA MCGEE	51741.001	Baird 018
5/6/2021	MCHALE FAMILY TRUST	MCHALE FAMILY TRUST	39681.003	Baird 018
7/31/2020	MCLEAN, JESSICA	JESSICA MCLEAN	51760.001	McCarthy 067
2/3/2021	MCNEELY FINANCIAL STRATEGIES, LLC	MCNEELY FINANCIAL STRATEG	51786.001	Thornburgh 010
2/3/2021	MEDICAL NETWORK MANA	MEDICAL NETWORK MANAGEM	51925.001	Thornburgh 010
2/3/2021	MEDINA, ART & ANDREA	ART & ANDREA MEDINA	51932.001	Thornburgh 010
2/3/2021	MEHTA, DR. VIRAL Y.	DR. VIRAL Y. MEHTA	52212.001	Thornburgh 010
2/3/2021	MEISINGER, AMY	AMY MEISINGER	52215.001	Thornburgh 010

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11/24/2020	MILLER, MEREDETH M.	MEREDETH M. MILLER	53546.002	Nielsen 022
5/6/2021	MILTON M. YOUNGER, INC.	MILTON M. YOUNGER, INC.	85751.001	McCarthy 067
2/3/2021	MINTKENBAUGH, KIRSTEN	KIRSTEN MINTKENBAUGH	53690.001	Thornburgh 010
2/3/2021	MOLINA, MANUEL & GUADALUPE	MANUEL & GUADALUPE MOLIN	54232.001	Thornburgh 010
2/3/2021	MOORE, JACK & LAURA	JACK & LAURA MOORE	54389.001	Thornburgh 010
7/31/2020	MORENOVILLA, MARTIN & BETSY DEMAY	MARTIN MORENOVILLA & BETS	54435.001	McCarthy 067
6/18/2020	MOSES, WILLIAM	WILLIAM MOSES	55559.001	Baird 018
7/6/2020	MURRAY, MARY	CHARLES LAROE	47328.002	Baird 018
2/3/2021	NAIK MEDICAL CORPORATION	THE NIRAV C. NAIK MEDICAL C	57207.001	Thornburgh 010
2/3/2021	NAIK PROFIT SHARING	THE NIRAV C. NAIK MEDICAL C	57208.001	Thornburgh 010
2/3/2021	NAIK RETIREMENT PLAN	THE NIRAV C. NAIK MEDICAL C	57209.001	Thornburgh 010
2/3/2021	NAIK, CHHOTUBHAI & CHANDRIKA	NAIK CHHOTUBHAI & CHANDRII	57205.002	Thornburgh 010
2/3/2021	NAIK, M.D., NIRAV	NIRAV NAIK, M.D.	57205.001	Thornburgh 010
5/12/2021	NAJJAR, EMAD	EMAD NAJJAR	57223.001	Baird 018
2/3/2021	NATIONAL SLEEP DISOR	NATIONAL SLEEP DISORDERS (	29041.001	Thornburgh 010
2/3/2021	NEXTHEALTH CENTURY CITY, INC.	NEXTHEALTH CENTURY CITY, II	57591.001	Thornburgh 010
2/3/2021	NEXTHEALTH MANAGEMENT GROUP	NEXTHEALTH MANAGEMENT G	57611.001	Thornburgh 010
2/3/2021	NEXTHEALTH SANTA MONICA, INC.	NEXTHEALTH SANTA MONICA, I	57633.001	Thornburgh 010
2/3/2021	NEXTHEALTH WEST HOLLYWOOD, INC.	NEXTHEALTH WEST HOLLYWO	57634.001	Thornburgh 010
7/31/2020	NICKLAUS, KIRK & JOZANNAH	KIRK & JOZANNAH NICKLAUS	57666.001	McCarthy 067
9/22/2020	NIETO, EMERY & NANCY	EMERY & NANCY NIETO	57643.001	Baird 018
5/6/2021	NIJJAR, MAHAN	MAHAN NIJJAR	57648.001	Baird 018
2/3/2021	NILON, SUSAN L.	SUSAN L. NILON	57800.001	Thornburgh 010
7/31/2020	NORTH KRANENBURG WATER SYSTEM MUTI	NORTH KRANENBURG WATER :	57680.001	Krause 005
8/10/2020	NORTHWEST PETROLEUM	NORTHWEST PETROLEUM	57700.001	Baird 018
5/6/2021	ODELL, DANIEL & AMY	DANIEL & AMY ODELL	58300.001	Nielsen 022
2/3/2021	O'LOUGHLIN 2007 IRREVOCABLE TRUST	THE CHARLES C. O'LOUGHLIN :	59373.001	Thornburgh 010
3/29/2021	O'NEILL DECEDENT TRUST, HOWARD	HOWARD & JEANNE O'NEILL DE	59415.002	Baird 018
2/2/2021	O'NEILL, HOWARD S.	HOWARD S. O'NEILL	59415.001	Baird 018
2/3/2021	OPUS-DEAN LLC	OPUS-DEAN LLC	59419.001	Thornburgh 010
7/31/2020	ORENDER, DANNY	DANNY ORENDER	59400.001	McCarthy 067
2/3/2021	PACIFIC OILFIELD RENTALS, LLC	PACIFIC OILFIELD RENTALS, LL	60724.001	Thornburgh 010
2/3/2021	PACIFIC ORTHO MED PR	PACIFIC ORTHOPEDIC MEDICAL	59424.001	Thornburgh 010
2/3/2021	PACIFIC ORTHOPEDIC M	PACIFIC ORTHOPEDIC MEDICAL	60718.001	Thornburgh 010
2/3/2021	PACKER SERVICE, INC.	PACKER SERVICE, INC.	60710.001	Thornburgh 010
2/3/2021	PARRIS, ESTATE OF MICHAEL	ESTATE OF MICHAEL PARRIS	71104.001	White 031
2/3/2021	PARRIS, RAYMOND N. &	RAYMOND N. & KATHLEEN J. P/	61631.001	White 031
11/2/2020	PASADENA CHAMBER OF COMMERCE FOUN	PASADENA CHAMBER OF COMI	61639.001	Vandermade 062
2/3/2021	PATEL, BINDESH & DAR	BINDESH & DARSHANA PATEL	61636.001	Thornburgh 010
7/6/2020	PATEL, HENNA	HENNA PATEL	61636.002	Thornburgh 010
2/3/2021	PATEL, M.D., INC., S	SUDHIR PATEL, M.D., INC.	61655.001	Thornburgh 010
2/3/2021	PATEL, MATI	MATI PATEL	61643.001	Thornburgh 010
2/3/2021	PATEL, MITESH B. & J	MITESH B. & JOYCE M. PATEL	61645.001	Thornburgh 010
2/3/2021	PATEL, RAAJN	RAAJN PATEL	61650.002	Thornburgh 010
2/3/2021	PATEL, SUDHIR B. & N	SUDHIR B. & NILA S. PATEL	61650.001	Thornburgh 010
5/6/2021	PEAK OIL VENTURES II	PEAK OIL VENTURES II	61673.001	Nielsen 022
5/6/2021	PEAK OPERATOR II, LLC	PEAK OPERATOR II, LLC	61671.001	Nielsen 022
5/6/2021	PEAK OPERATOR LLC	PEAK OPERATOR LLC	61670.001	Nielsen 022
3/29/2021	PEDERSEN, CHRIS & JANNETTE	CHRIS & JANNETTE PEDERSEN	61674.001	Baird 018
2/3/2021	PERRY, WILLIAM R. &	WILLIAM R. & MARGO PERRY	61805.001	Thornburgh 010
2/3/2021	PETERS INTERNATIONAL VENTURES, INC.	PETERS INTERNATIONAL VENT	61809.001	Thornburgh 010
2/3/2021	PETERS, BRUCE G.	BRUCE G. PETERS	61810.001	Thornburgh 010
2/3/2021	PIANTAGIONE BLOEMHOF	PIANTAGIONE BLOEMHOF DI M.	61977.001	Oakley 180
2/3/2021	PINZA, SUSAN & JEANNE SNYDER	SUSAN PINZA & JEANNE SNYDE	62820.001	Thornburgh 010
2/3/2021	PIPER, ANDREW	ANDREW PIPER	62910.002	Thornburgh 010
2/3/2021	PIPER, JOHN CARTER & HEIDI S.	JOHN CARTER & HEIDI S. PIPEF	62910.001	Thornburgh 010
2/3/2021	PIPER, KATHRYN	KATHRYN PIPER	62910.003	Thornburgh 010
2/3/2021	PIPER, WILLIAM	WILLIAM PIPER	62910.004	Thornburgh 010
2/3/2021	PONCETTA, DAVID & JE	DAVID PONCETTA & JENNY MAI	50715.001	Thornburgh 010
2/3/2021	PORTERS CROSSING, LLC	PORTERS CROSSING, LLC	63339.001	Thornburgh 010

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6/19/2020	POSO CREEK COOPERATIVE	POSO CREEK COOPERATIVE	63350.001	Oakley 180
5/6/2021	PREM NIVAS LLC	PREM NIVAS LLC	63588.001	McCarthy 067
2/3/2021	PRIME PULMONARY & SLEEP MEDICINE CEN	PRIME PULMONARY & SLEEP M	63632.001	Thornburgh 010
2/3/2021	PRIORITY URGENT CARE	PRIORITY URGENT CARE	63631.001	Thornburgh 010
9/14/2020	PURDUM, STEVE L. & L	STEVE L. & LISA PURDUM	64200.001	Paulden 002
2/17/2021	PUTNAM, JOHN & CATHY	JOHN & CATHY PUTNAM	64186.001	Baird 018
7/31/2020	QUINTANILLA, JESSE & CYNTHIA	JESSE & CYNTHIA QUINTANILL/	64785.001	McCarthy 067
5/6/2021	R & A GARNER LLC	R & A GARNER LLC	29904.001	Paulden 002
2/3/2021	RADIANT SOLAR, LLC	RADIANT SOLAR, LLC	66767.001	Thornburgh 010
2/3/2021	RAMSEY, MICHAEL	MICHAEL RAMSEY & JENNIFER	67015.003	Thornburgh 010
2/3/2021	RAMSEY, STEVE & SHAR	STEVE & SHARON RAMSEY	67015.001	Thornburgh 010
2/3/2021	RANCHO SAN ROBERTO,	RANCHO SAN ROBERTO, INC.	67900.001	Thornburgh 010
5/6/2021	RAPER, TYLER	TYLER RAPER	67994.001	Baird 018
6/19/2020	REDELSPERGER, ESTATE OF ORIN BRENT	ESTATE OF ORIN BRENT REDEI	69930.003	Oakley 180
2/3/2021	REED, DENNIS L. & CA	DENNIS L. & CAROL J. REED	69985.001	Thornburgh 010
7/31/2020	RESQME, LLC	RESQME, LLC	70297.001	Baird 018
7/31/2020	REYNOLDS FAMILY IRR THIRD PTY SUPP NE	REYNOLDS FAMILY IRR THIRD I	70331.001	Paulden 002
2/3/2021	REYNOLDS, KARA	KARA REYNOLDS	70321.001	Thornburgh 010
12/8/2020	ROBISON, MITCHELL	MITCHELL ROBISON	70988.001	Valdivia, Jr. 184
2/3/2021	RODRIGUEZ, ANGELA & CRISTINA MORENO	ANGELA RODRIGUEZ & CRISTIN	71082.001	Thornburgh 010
2/3/2021	RODRIGUEZ, ANGELA M.D., INC.	ANGELA RODRIGUEZ, M.D., INC	71083.001	Thornburgh 010
2/3/2021	ROELOFS, AUSTIN & LILY HIRSCH	AUSTIN ROELOFS & LILY HIRSC	71084.001	Thornburgh 010
6/19/2020	ROSARIO, ERIC & ASHLEY ASUNCION	ERIC ROSARIO & ASHLEY ASUN	72388.001	Oakley 180
7/31/2020	RUGGENBERG, STEPHEN	STEPHEN & SHANA RUGGENBE	72590.001	McCarthy 067
7/31/2020	RUSTAGI, JAGDISH S. & KAMLA	JAGDISH S. & KAMLA RUSTAGI	72751.001	McCarthy 067
5/6/2021	RUSTAGI, THE JAGDISH S. & KAMLA 1995 RE	THE JAGDISH S. & KAMLA RUST	72750.001	McCarthy 067
6/19/2020	S AND S FARMS	S AND S FARMS	73160.001	Oakley 180
2/3/2021	S.E.E. EMPIRE, LLC	S.E.E. EMPIRE, LLC	74440.001	Thornburgh 010
2/3/2021	SAIED, FADI	FADI SAIED	73563.001	Thornburgh 010
2/3/2021	SAIED, FADI, D.O., A PROFESSIONAL MEDICA	FADI SAIED, D.O., A PROFESSIC	73564.001	Thornburgh 010
2/3/2021	SALAZAR, MARCOANTONIO	MARCOANTONIO SALAZAR	73570.003	Thornburgh 010
2/3/2021	SALAZAR, NAYELI	NAYELI SALAZAR	73570.002	Thornburgh 010
2/3/2021	SALAZAR, NICOLAS & L	NICOLAS & LILIA R. SALAZAR	73570.001	Thornburgh 010
2/3/2021	SAN JOAQUIN COMM MED	SAN JOAQUIN COMMUNITY MEI	73955.001	Thornburgh 010
2/3/2021	SANGER, MARTHA H., D	MARTHA H. SANGER, D.D.S., INI	74032.001	Thornburgh 010
2/3/2021	SANGER, STEPHEN & MA	STEPHEN & MARTHA SANGER	74033.001	Thornburgh 010
5/6/2021	SAQUELLA, SAMANTHA & MORGAN	SAMANTHA & MORGAN SAQUEI	74061.001	Paulden 002
2/3/2021	SCHMALHORST DECEDENTS ESTATE TRUST	CAROL SCHMALHORST DECED	74155.002	Thornburgh 010
2/3/2021	SCHMALHORST MARITAL TRUST	WILLIAM R. SCHMALHORST MAI	74160.001	Thornburgh 010
2/3/2021	SCHMALHORST SURVIVORS TRUST	WILLIAM R. SCHMALHORST SUI	74161.001	Thornburgh 010
2/3/2021	SCHMALHORST, STEPHEN R. & VALERIE	STEPHEN R. & VALERIE SCHMA	74165.001	Thornburgh 010
2/3/2021	SCHMALHORST, WILLIAM R.	WILLIAM R. SCHMALHORST	74155.001	Thornburgh 010
2/3/2021	SCHMIDT, JOSEPHINE	JOSEPHINE SCHMIDT	74162.001	Thornburgh 010
2/3/2021	SCOUT TALENT MANAGEMENT, LLC	SCOUT TALENT MANAGEMENT,	74205.001	Thornburgh 010
2/3/2021	SERXNER, BEN M.D., INC.	BEN SERXNER, M.D., INC.	74576.001	Thornburgh 010
2/3/2021	SERXNER, BENJAMIN & CHRISTINE	BENJAMIN & CHRISTINE SERXN	74575.001	Thornburgh 010
7/6/2020	SESMAS, TED	TED SESMAS	74591.001	Baird 018
11/18/2020	SHADDEN, JOSH & MELISSA	JOSH & MELISSA SHADDEN	74083.001	McCarthy 067
2/3/2021	SHAH, AMIL	AMIL SHAH	74631.002	Thornburgh 010
2/3/2021	SHAH, DARSHAN R. & NANCY	DARSHAN R. SHAH, M.D. & NAN	74638.001	Thornburgh 010
2/3/2021	SHAH, HITESH & ALKA	HITESH Z. & ALKA H. SHAH	74631.001	Thornburgh 010
2/3/2021	SHAH, MILAN R. & PIN	MILAN R. & PINKIBEN H. SHAH	74633.001	Thornburgh 010
2/3/2021	SHAH, MILAN, INC.	MILAN R. SHAH, M.D., INC.	74632.001	Thornburgh 010
2/3/2021	SHAH, PAVAN	PAVAN SHAH	74634.001	Thornburgh 010
2/3/2021	SHAH, RAVINDRA & BHARTI	RAVINDRA & BHARTI SHAH	74637.001	Thornburgh 010
2/3/2021	SHAH, ROMA	ROMA SHAH	74631.003	Thornburgh 010
2/3/2021	SHAH, RUCHI	RUCHI SHAH	74631.004	Thornburgh 010
2/3/2021	SHAPIRO, TODD A.	TODD A. SHAPIRO, M.D.	74642.001	Thornburgh 010
2/3/2021	SHAPIRO, TODD M.D., A MEDICAL CORPORA	TODD SHAPIRO, M.D., A MEDIC/	74644.001	Thornburgh 010
7/31/2020	SHENOY, KALLYA G.	KALLYA G. SHENOY	74655.001	McCarthy 067

**Brown Armstrong Accountancy Corporation**  
**InActive Client List**  
**InActive Date From 5/1/2020 To 10/31/2021**

<b>InActive Date</b>	<b>Client Sort Name</b>	<b>Client Name</b>	<b>Client Num.Eng</b>	<b>Primary Partner</b>
6/19/2020	SHERGILL, BAHADAR & KASHMIR	BAHADAR & KASHMIR SHERGIL	74657.001	Oakley 180
7/6/2020	SHERRILL, LAYNE	LAYNE SHERRILL	74686.001	Thornburgh 010
2/3/2021	SID INVESTMENTS,LLC	SID INVESTMENTS, LLC	77530.001	Thornburgh 010
4/27/2021	SINGH, AMAN & RAJVINDER KAUR	AMAN & RAJVINDER KAUR SINC	77669.001	Baird 018
5/6/2021	SINGH, GAGAN & MONA	DR. GAGAN & MONA SINGH	77670.001	Baird 018
5/6/2021	SINGH, GAGAN DEEP, PC	GAGAN DEEP SINGH, PC	77671.001	Baird 018
5/6/2021	SMALL, ANTHONY	ANTHONY SMALL	78124.002	Baird 018
4/27/2021	SMALL, DAVID & TERI	DAVID & TERI SMALL	78124.001	Baird 018
2/3/2021	SMETHURST, FRED T. & NANCY	FRED T. & NANCY SMETHURST	78129.001	Thornburgh 010
2/3/2021	SMITH IRREV. TRUST	BRUCE & SHIRLEY ANN SMITH I	78162.002	Thornburgh 010
2/3/2021	SMITH, C. BRUCE	C. BRUCE SMITH	78162.001	Thornburgh 010
2/2/2021	SMITH, CALEB K.	CALEB K. SMITH	23210.003	Thornburgh 010
2/3/2021	SMITH, SHIRLEY A. DISCLAIMER TRUST	SHIRLEY A. SMITH DISCLAIMER	78162.004	Thornburgh 010
9/22/2020	SNOW, JASON & STELLAR	JASON & STELLAR SNOW	78208.001	Baird 018
5/6/2021	SOUTH VALLEY SOLUTIONS, LLC	SOUTH VALLEY SOLUTIONS, LL	78233.001	Nielsen 022
2/3/2021	SOUTHWEST PEDIATRICS	SOUTHWEST PEDIATRICS	78229.001	Thornburgh 010
2/3/2021	SOUTHWEST PEDIATRICS (A PARTNERSHIP)	SOUTHWEST PEDIATRICS (A P/	78231.001	Thornburgh 010
5/6/2021	SPECTER BUSINESS GROUP, LLC	SPECTER BUSINESS GROUP, LI	78292.001	Roberts 107
2/3/2021	SPIRIT OF '76, LLC	SPIRIT OF '76, LLC	78290.001	Thornburgh 010
2/3/2021	STEPHEN, JOHN A. & K	JOHN A. & KARA L. STEPHEN	78180.001	Thornburgh 010
2/3/2021	STILES, PHILLIP	PHILLIP STILES	78698.001	Thornburgh 010
2/3/2021	STOCKTON, LONNIE E. & D	LONNIE E. & DANA STOCKTON	78715.001	Thornburgh 010
2/3/2021	STRATEGOS, STEPHEN T	STEPHEN T. & NICOLE M. STRA	78735.001	Thornburgh 010
7/6/2020	SULLIVAN, BEN	BENJAMIN SULLIVAN	35418.002	Baird 018
2/25/2021	SUNFLOWER IRRIGATION, LLC	SUNFLOWER IRRIGATION, LLC	79007.001	Nielsen 022
7/31/2020	SWEET FITNESS KICKBOXING	SWEET FITNESS KICKBOXING	79318.001	Valdivia, Jr. 184
5/6/2021	TELESPEECH THERAPY, INC.	TELESPEECH THERAPY, INC.	79677.001	Paulden 002
12/8/2020	TERRAIN PARK CLIMBING CENTER	TERRAIN PARK CLIMBING CENT	79687.001	Valdivia, Jr. 184
11/24/2020	TERRELL, LONNIE & SARA	LONNIE & SARA TERRELL	79756.001	Nielsen 022
2/3/2021	THE GREEN FROG MEAT COMPANY, LLC	THE GREEN FROG MEAT COMP	33036.001	Oakley 180
5/6/2021	THE LICENSED TRADE CHARITY	THE LICENSED TRADE CHARIT	47860.001	McCarthy 067
2/3/2021	THE SCHMALHORST FAMILY, LLC	THE SCHMALHORST FAMILY, LI	74159.001	Thornburgh 010
6/19/2020	TOP BRASS MARKETING,	TOP BRASS MARKETING, INC.	81130.001	Oakley 180
2/3/2021	TORREALBA, MARIE	MARIE TORREALBA	26922.003	Thornburgh 010
7/6/2020	TOWNSEND, JAMES & LU ANNE NESS	JAMES TOWNSEND & LU ANNE	81206.001	Thornburgh 010
7/31/2020	TRANG, DR. TUNG & DR. INGRID WANG	DR. TUNG TRANG & DR. INGRID	81534.001	White 031
5/5/2020	TRCC ENERGY, LLC	TRCC ENERGY, LLC	14335.002	McCarthy 067
2/3/2021	TRISHUL INVESTMENTS	TRISHUL INVESTMENTS LLC	81775.001	Thornburgh 010
7/6/2020	TRUSTED SYSTEMS, INC.	TRUSTED SYSTEMS, INC.	82011.001	Nielsen 022
5/6/2021	TRUXTUN TOWER ASSOCI	TRUXTUN TOWER ASSOCIATES	82010.001	McCarthy 067
2/3/2021	TUBULAR INSPECTION C	TUBULAR INSPECTION CO., INC	82090.001	Thornburgh 010
7/31/2020	TUBULAR SALES & EQUI	TUBULAR SALES & EQUIPMENT	82095.001	Thornburgh 010
2/3/2021	USA MEDICAL TRANSPOR	USA MEDICAL TRANSPORT, LLC	82495.001	Thornburgh 010
2/3/2021	VAGHASIA, PRAMIL & RUCHI	PRAMIL & RUCHI VAGHASIA	82585.001	Thornburgh 010
8/10/2020	VALLECORSA, ALBERT T	ALBERT T. & CHRISTINE VALLEI	82600.001	White 031
5/4/2021	VALLEY STRONG CREDIT UNION DB PLN	VALLEY STRONG CREDIT UNIO	42900.001	Flores 015
2/3/2021	VANDELL, TRAVIS	TRAVIS VANDELL	82754.001	Thornburgh 010
2/3/2021	VARIN SR., JASON	JASON VARIN, SR.	82747.001	Thornburgh 010
2/3/2021	VIGIL OILFIELD SALES CONSULTING SERVIC	VIGIL OILFIELD SALES CONSUL	82834.001	Oakley 180
2/3/2021	VIGIL, LUIS & CATHERIN	LUIS & CATHERIN VIGIL	82827.001	Oakley 180
7/31/2020	VOYLES, ROBERT LEE	ROBERT LEE VOYLES	82936.001	McCarthy 067
2/3/2021	WAHBA M.D. INC, GEORGE M.	GEORGE M. WAHBA, M.D., INC.	82960.001	Thornburgh 010
2/3/2021	WAHBA, GEORGE & LINH	GEORGE & LINH WAHBA	82961.001	Thornburgh 010
8/10/2020	WANG, MEI C.	MEI C. WANG	83052.001	White 031
7/31/2020	WARD, RALPH W. & BESSIE V.	RALPH W. & BESSIE V. WARD	83133.001	McCarthy 067
7/9/2020	WASHBURN, JAMES	JAMES WASHBURN	83143.004	Baird 018
7/6/2020	WATSON, KELLY	KELLY WATSON	82011.002	Nielsen 022
7/31/2020	WATTENBARGER, MARK A	MARK A. & EMILY K. WATTENBA	83152.001	Baird 018
2/3/2021	WEST HEALTHCARE SOLUTIONS, INC.	WEST HEALTHCARE SOLUTION	83196.001	Thornburgh 010
2/3/2021	WEST, LINDA	LINDA WEST	83197.001	Thornburgh 010



**Brown Armstrong Accountancy Corporation**  
**InActive Client List**  
**InActive Date From 5/1/2020 To 10/31/2021**

<b>InActive Date</b>	<b>Client Sort Name</b>	<b>Client Name</b>	<b>Client Num.Eng</b>	<b>Primary Partner</b>
7/31/2020	WILKERSON, JASON & CASEY	JASON & CASEY WILKERSON	83856.001	McCarthy 067
5/6/2021	WITCHER, SYDNEY P.	SYDNEY P. WITCHER	84474.001	Paulden 002
7/9/2020	WITTER, MARY	MARY WITTER	84995.001	Baird 018
2/3/2021	WOOL GROWERS PARTNER	WOOL GROWERS RESTAURAN	85365.001	Thornburgh 010
2/3/2021	WOOL GROWERS RESTAU	WOOL GROWERS RESTAURAN	85360.001	Thornburgh 010
2/2/2021	WORKMAN, ELIE & TAMI	ELIE & TAMI WORKMAN	14340.001	White 031
8/11/2020	WORTHY, DARRELL & CYNTHIA	DARRELL & CYNTHIA WORTHY	85401.001	Baird 018
5/6/2021	XTX, INC.	XTX, INC.	85500.001	Krausse 005
2/3/2021	YACOUB, R. INC.	R. YACOUB, INC.	85573.001	Thornburgh 010
2/3/2021	YACOUB, ROBERT & MIC	DR. ROBERT & MICHELLE YACC	85571.001	Thornburgh 010
2/3/2021	YEOMAN PROFESSIONAL PROPERTIES, LLC	YEOMAN PROFESSIONAL PROF	85614.001	Thornburgh 010
2/3/2021	YEOMAN, LELAND R. D.D.S., INC.	LELAND R. YEOMAN D.D.S., INC	85613.001	Thornburgh 010
2/3/2021	YEOMAN, TIM MCNEELY & DANA	TIM MCNEELY & DANA YEOMAN	85615.001	Thornburgh 010
5/6/2021	YOUNG MEN'S NATION, LLC	YOUNG MEN'S NATION, LLC	85648.001	Baird 018
2/3/2021	ZAHRIYA, DEANNA	DEANNA ZAHRIYA	85843.004	Thornburgh 010
2/3/2021	ZAHRIYA, KARIM & KAM	KARIM & KAMLEH ZAHRIYA	85843.001	Thornburgh 010
2/3/2021	ZALETEL, JACQUELINE	JACQUELINE ZALETEL	85853.001	Thornburgh 010
2/3/2021	ZALETEL, JOHN M. & B	JOHN M. & BEVERLY D. ZALETE	85856.001	Thornburgh 010
2/3/2021	ZALETEL, PAUL A. & I	PAUL A. & IOANA C. ZALETEL	85855.001	Thornburgh 010

**GrandTotal:**

**Report Parameters**

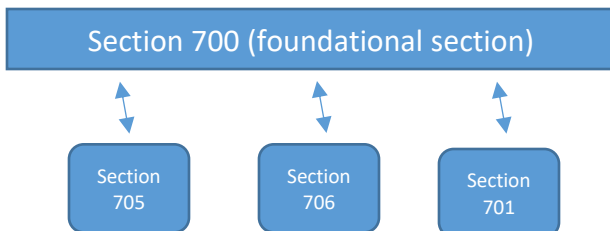
REPORT NAME: Inactive Clients  
 FIRM NAME: Brown Armstrong Accountancy Corporation

## New auditor reporting Standards

### What happened?

In May 2019, the AICPA Auditing Standards Board (ASB) issued, Statement on Auditing Standards (SAS) No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements* as a final standard. SAS No. 134 contains the following sections:

- **Section 700, *Forming an Opinion and Reporting on Financial Statements*** The foundational section that addresses the auditor's responsibility to form an opinion on the financial statements and prescribes the form and content of the auditor's report when issuing an unmodified "clean" opinion. ([Click here](#) for information about the foundational standard for audits of employee benefit plans subject to ERISA.) This section also includes an appendix of amendments to various AU-C sections relating to auditor reporting and disclosures.



- **Section 705, *Modifications to the Opinion in the Independent Auditor's Report*** Addresses the form and content of the report when the auditor concludes that a clean auditor's opinion in accordance with section 700 is not appropriate (qualified, adverse, or disclaimer of opinion).
- **Section 706, *Emphasis-of-Matter Paragraphs and Other-Matter Paragraphs in the Independent Auditor's Report*** Addresses additional communications in the auditor's report (emphasis-of-matter and other-matter paragraphs).
- **New! Section 701, *Communicating Key Audit Matters in the Independent Auditor's Report*** Addresses the auditor's responsibility to communicate key audit matters (KAMs) in the auditor's report when the auditor is engaged to do so. SAS No. 134 does NOT require the communication of KAMs.



**SAS No. 134 will benefit users of audited financial statements by placing the auditor's opinion at the front of the report for added visibility and providing necessary transparency into the basis for the auditor's opinion and the responsibilities of both entity management and auditors**

### What has changed?

SAS No. 134 replaces AU-C sections 700, 705 and 706 and introduces a new section 701. To enhance the communicative value and relevance of the auditor's report, the following key changes have been made:

#### ***Forming an Opinion and Reporting (Section 700 of SAS No. 134)***

- **Opinion section required to be presented first**, followed by the Basis for Opinion section.
- **Basis for Opinion section required to follow the opinion section**, including a statement that the auditor is required to be independent of the entity and to meet the auditor's other ethical responsibilities, in accordance with the relevant ethical requirements relating to the audit.
- **Enhanced auditor reporting relating to going concern**, including a description of the respective responsibilities of management when required by the applicable financial reporting framework, and the auditor for going concern.
- **Amends AU-C section 570, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern***, to include a separate section in the auditor's report, when substantial doubt exists, under the heading "Substantial Doubt About the Entity's Ability to Continue as a Going Concern".
- **Expanded description of the auditor's responsibilities**, including the auditor's responsibilities relating to professional judgment and professional skepticism, and the auditor's communications with those charged with governance.

## New auditor reporting Standards, page two

### What has changed? (continued)

- **Amends AU-C section 260, *The Auditor's Communication With Those Charged With Governance***, to require the auditor to communicate with those charged with governance about the significant risks identified by the auditor.

#### **Key Audit Matters (Section 701 of SAS No. 134)**

- When engaged to include key audit matters (KAMs), section 701 addresses both the auditor's judgement about what to communicate in the auditor's report and the form and content of such communication. GAAS does not require the communication of KAMs.

#### **Modifications to the Opinion (Section 705 of SAS No. 134)**

- Aligns the form and content of the auditor's report with the changes in section 700 of SAS No. 134 when the auditor concludes that a clean auditor's opinion in accordance with section 700 is not appropriate (qualified, adverse, or disclaimer of opinion). (Section 705 of SAS No. 134 does not change the existing requirements regarding circumstances in which a modification to the auditor's opinion is required, and for determining the type of modification to the auditor's opinion.)

#### **Emphasis-of-Matter and Other-Matter Paragraphs (Section 706 of SAS No. 134)**

- Clarifies the relationship between Emphasis-of-Matter (EOM) paragraphs and the communication of KAMs
  - When engaged to communicate KAMs, the use of the EOM paragraph is not a substitute for including the matter in the KAM section if the matter meets the definition of a KAM.
  - Using an appropriate heading is required. When KAMs are communicated, the heading is required to use the term "Emphasis of Matter"

### **Amendments Addressing Disclosures in the Audited Financial Statements**

- **Amends various AU-C sections** to focus auditor attention on disclosures throughout the audit process, including new requirements in AU-C section 315, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatements*, AU-C section 330, *Performing Audit Procedures in Response to Assessed Risks*, and section 700.

- **Includes enhanced application material** in these and several other AU-C sections to assist auditors in addressing the practical challenges arising from the evolving nature of disclosures.

### Other Related Projects

- **Proposed SAS *The Auditor's Responsibilities Relating to Other Information Included in Annual Reports***, will supersede AU-C section 720, *Other Information in Documents Containing Audited Financial Statements*, and will address the auditor's responsibilities relating to financial and nonfinancial information in an entity's annual report other than the financial statements and the auditor's report thereon. This proposed SAS would require a separate section be included in the auditor's report addressing other information.

### Next steps?

SAS No. 134 is effective for audits of financial statements for periods ending on or after December 15, 2020, with early implementation not permitted.

SAS No. 134 is available for auditors to read and consider in order to adequately prepare for implementation, and can be viewed on the AICPA's website under [recently issued standards](#).

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
Board of Retirement

December 7, 2021

Agenda Item 7.2

**TO:** Board of Retirement  
**FROM:** Scott Hood, Chief Executive Officer  
**SUBJECT:** 2022 Board-Staff Retreat Topics



**Recommendation**

Provide direction for staff regarding the topics and schedule for the March 22, 2022, Board-Staff Retreat.

**Background**

The annual Board retreat is scheduled for March 22, 2022. The Board assists on setting the topics to be addressed at the retreat and provides input regarding the proposed presenters. This agenda item gives trustees its first opportunity to discuss retreat topics. We will bring this back to Board again prior to finalizing the agenda.

**Discussion**

While SamCERA is operating in a hybrid model we anticipate that this retreat will be held remotely. Like last year's retreat we anticipate that we can have an effective retreat over Zoom. The Board already approved a start time of 8:30 a.m. for March 22nd and we are proposing this one-day retreat to occur in addition to the regular Board meeting. The retreat portion would have 4 major topics and time for discussion between topics.

Some suggested topics are included in the following list:

- High level-look at the economy
- Deep Dive into the portfolio
- Further discussion on Plan Maturity/Preparing for Negative Cash Flow
- Discussion of ESG with respect to investment beliefs
- Discussion of a De risking Glide Path
- Discussion of Developing a Funding Policy
- Discussion of Risk Assessment Report Under ASOP 51
- Other Actuarial Topics
- A look at SamCERA's historical data/trends