



SACRS FALL CONFERENCE 2024

NOV. 12-15 • HYATT REGENCY MONTEREY HOTEL AND SPA • MONTEREY, CA



WHAT'S NEW

Alameda County

Los Angeles County

Sacramento County

Santa Barbara County

Contra Costa County

Marin County

San Bernardino County

Sonoma County

Fresno County

Mendocino County

San Diego County

Stanislaus County

Imperial County

Merced County

San Joaquin County

Tulare County

Kern County

Orange County

San Mateo County

Ventura County



ALAMEDA COUNTY

ADMINISTRATION

ACERA continued development of a project to implement SharePoint as an intranet and collaboration tool, design-ing the home page, beginning department page de-signs, migrating files to the cloud, and initiating staff training.

ACERA successfully defended against the Alameda Health System v. ACERA lawsuit, securing a favorable final judgment that confirms the Board's authority over the actuarial process that assures the funding of the benefits owed to our members.

ACERA completed a benefit certification audit.

ACERA initiated research on a new accounting system to replace Microsoft Dynamics Great Plains.

INVESTMENTS

ACERA updated its asset allocation to optimize returns, adjusting the mix by reducing exposure to safe haven bonds, hedge funds, and private real estate, increasing allocations to risk-seeking bonds, private credit, and pri-vate infrastructure/natural resources, while maintaining public and private equity and removing public real as-sets.

ACERA's Board approved the minimum qualifications for an emerging markets equity manager search.

ACERA's Board approved negotiation of an extension of the custody contract with State Street Bank and Trust Company for up to two years.

As of June 30, 2024, ACERA's Total Fund returned 5.79% (gross) YTD. The value of the Total Fund was \$11.8 billion.

In the period September 2023 to August 2024, ACERA expanded the Total Fund's investment in 3 privately placed funds worth \$130 million.

BENEFITS

ACERA increased its hearing aid benefit for retirees in Kaiser Permanente medical plans from \$1,000 to \$2,000 per ear every 36 months for the 2025 plan year.

ACERA neared completion of its 5-year project to replace its pension administration system PensionGold Version 2 with PensionGold Version 3 (PG3):

- ACERA completed 2 months of parallel testing and entered the go-live phase, transitioning to PG3 as the primary system.
- ACERA went live with the new MemberDirect member portal, initiating a soft launch on October 1 with the plan to send PIN enrollment letters in bulk to all active members in November, retired members in January, and deferred and the re-mainder of members in February, decommission-ing the old portal in March.
- ACERA completed the EmployerDirect employer portal rollout and training for all employer staff members to facilitate management of transmittal exceptions.
- ACERA developed a training library of PG3 job aids and process documents in SharePoint for go live readiness and cross-training.
- ACERA initiated optimization of document import solutions from MemberDirect to ACERA's OnBase electronic document management system that houses member files.

CONTRA COSTA COUNTY

RETIREMENT BOARD

- The CCCERA Retirement Board (Board) is comprised of the following trustees: Scott Gordon, chairperson, David MacDonald, vice-chairperson, Jerry Holcombe, secretary, and trustees Candace Andersen, Dennis Chebotarev, Donnie Finley, Louie Kroll, Jay Kwon, Dan Mierzwa, John Phillips, Mike Sloan, and Samson Wong.
- The Board established an investment committee that began meeting in September.

INVESTMENTS

- The retirement system was valued at \$11.3 billion as of June 30, 2024.
- CCCERA uses a portfolio construction process that revolves around creating functionally-driven sub-portfolios.
- CCCERA has been actively expanding its private markets allocation, which currently accounts for approximately 29% of total plan assets.
- An asset/liability study was conducted in the first half of the year.

CONTRA COSTA COUNTY - CONTINUED

- In August, the Board approved issuing a Request for Proposal for Investment Consultants.

OPERATIONS

- Colin Bishop joined CCCERA in August as Deputy Chief Executive Officer. Bishop served as the Chief of Member Services at the San Bernardino County Employees' Retirement Association (SBCERA) for the past five years. He previously served as CCCERA's Member Services Manager from 2017 to 2019. Before that, he worked in communications at the San Mateo County Employees' Retirement Association (SamCERA) for six years. We are excited to have him back and look forward to learning from his 13 years of experience in the CERL systems.
- CCCERA is continuing to build and implement its new pension administration system (PAS), working with Sagitec Solutions LLC, and plans to launch the new system by the

end of the year.

- CCCERA hosted its first employer workshop for its 16 participating employers, which included educational sessions related to information submission, actuarial, and investments.
- Members with retirement dates in 2024 are being placed on payroll an average of 43 days after receiving their final paycheck from their employer.
- Each month CCCERA pays approximately 7,000 payees in Contra Costa County and the nearby communities and puts over \$26 million into the local communities when it pays local members and their beneficiaries.
- CCCERA's 2023 PAFR contains for the first time an illustration of the pension dollar that shows that each dollar paid to retirees is funded 11% by employee contributions, 36% by employer contributions and 53% by investment earnings.

FRESNO COUNTY

This is our chance to reflect on the last six months, celebrate our accomplishments, recognize our staff, and look forward to the changes that are coming soon. We hope you enjoy, "What's New with FCERA."

BOARD MEMBERS

Trustees of the Fresno County Board of Retirement include:

Rauden (Rod) H. Coburn III, DDS – Appointed, Chair
Riley L. Talford, MA – General Members, Vice Chair
Nathan Magsig, MBA, MS – Appointed Board of Supervisors
Stanley L. McDivitt – Appointed
Laura P. Basua – Retired Members
Oscar J. Garcia, CPA – Ex-officio (Treasurer)
Steven J. Jolly, AIF – Appointed
Jacob Woesner – Safety Members
Alysia Bonner – General Members
Vacant – Retired Members (Alternate)
(FCERA does not have a Safety Alternate)

STAFF

In June we said goodbye to Justice M. We are excited to welcome Theresa L., Accountant; Trinity A., Office Assistant, and Thomas T., as FCERA's first Deputy Retirement Administrator of Operations (who is in attendance at this SACRS). They are excellent additions, and we are delighted to have them. Furthermore, we celebrated

the internal promotion of Patti M. as our new Deputy Retirement Administrator over Benefits. We are recruiting for a Retirement Benefits Manager, and Retirement Technician, in our Benefits Unit. We anticipate having the position filled by the end of the year.

ADMINISTRATION AND OPERATIONS

- Vicki C., Alternate Retired Members Trustee, resigned from the FCERA Board last month. We anticipate having the position filled by November. We thank Vicki for her service to FCERA.
- The County of Fresno issued a follow-up Great Place to Work™ survey to all County employees in August 2024. After receiving the results of the survey, we continued to implement changes and shared the results with our staff in an October all-staff meeting. This meeting also allowed the staff to ask questions and provide more feedback to help continue making FCERA a greater place to work. Our lowest scores were higher than the County's highest average scores and Donald is very proud of his FCERA team.
- In our spring 2024 update, we mentioned that our Communications Analyst, Jared, was working on a recruitment video. We are happy to announce that the recruitment video project was completed and premiered with the Deputy Retirement Administrator job posting. We

WHATS NEW

FRESNO COUNTY - CONTINUED

were pleased with the video and will continue to improve our recruitment videos and FCERA's content. Jared is currently working on more short-form videos and updating our informational handouts for our members.

- In 2025, we will be celebrating our 80th anniversary. We are in the early stages of planning a variety of events to celebrate this milestone, including an "open house," and look forward to sharing more details as they become available.

ACTUARIAL AS OF JUNE 30, 2023

Actuarial Accrued Liabilities \$7,442,829,000

Market Value Assets (MVA) \$6,099,025,000

Valuation Value Assets (VVA) \$6,331,112,000

Funded percent based on MVA 81.94%

Funded percent based on VVA 85.06%

Average Contribution Rates: 49.26% (ER) and 9.58% (EE)

FCERA has a separate administration expense load on employer and employee rates as a percentage of total average contribution rates at 1.09% and 0.21% of payroll, respectively, incorporated in the rates.

INVESTMENTS

- NEPC stepped in as FCERA's general investment consultant on April 1, 2024. After getting up to speed on FCERA's

portfolio, NEPC started the production of customized quarterly reports, reviewed public markets manager fees, led a risk survey to better understand the Board's risk tolerance, provided education on frontier markets and other various topics, brought forth their highest conviction real estate investment which the Board made a commitment to, orchestrated a dynamic two-day Board education meeting and conducted an asset-liability study which may conclude by the time of this publication. Aksia remains as FCERA's discretionary private credit consultant as does Hamilton Lane for private equity.

- FCERA's Investment Unit, several trustees, and lead NEPC consultant, Daniel Hennessy, traveled to New York City for due diligence meetings with current managers. The trip kicked off an effort to restart in-person due diligence meetings now that FCERA's Investment Unit is built out. FCERA joined ILPA (Institutional Limited Partner's Association) and attended the Member's Conference in June. The team is looking forward to leveraging the resources and connections available through ILPA.
- Retirement Administrator Donald Kendig was interviewed by Pension & Investments and the article was published in the July edition. Donald shared his concerns about the Federal government's debt, consumer spending, and environmental factors that threaten the stability of the economy.

IMPERIAL COUNTY

BOARD OF RETIREMENT

Appointed County Supervisor, Luis Plancarte, has decided to retire from the Board of Retirement (effective at the end of December) and begin a new chapter in his life, traveling, spending time with family and spoiling his many grandchildren. Luis' departure is indeed bittersweet, and he will be missed as he has been an important part of the organization in both his service to the Board and its representation on the County Board of Supervisors. Based on conversations with Luis, we have no doubt he will soon have plenty of items checked off his bucket list and we all wish him the very best in his future adventures.

STAFF

ICERS recently hired Jessica Mitchell as its new Retirement Administrative Assistant. Jessica brings a wealth of office

experience in her former role at County Behavioral Health. She is learning quickly and has already shown herself to be a great addition to ICERS' team. Welcome aboard, Jessica!

ACTUARIAL NEWS

In April, the Board was presented with an Actuarial Risk Assessment based on the Actuarial Valuation and Review as of June 30, 2023. The purpose of the report is to assist the Board of Retirement, participating employers and members and other stakeholders to better understand and assess the risk profile of the Imperial County Employees' Retirement System (ICERS or "the System"), as well as the particular risks inherent in using a fixed set of actuarial assumptions in preparing the results in our June 30, 2023 funding valuation for ICERS. The report was well received and provided the Board with reassurance that the risks associated with administering the System were being appropriately mitigated.

IMPERIAL COUNTY - *CONTINUED*

INVESTMENTS

ICERS' total portfolio delivered a preliminary investment return (net of fees) of 10.2% for fiscal year ending June 30, 2024, which brings the value of the portfolio to approximately \$1.185 billion as of that date.

During the May meeting, ICERS' Investment Consultant, Verus provided the Board with a presentation of their annual Strategic Asset Allocation Report. The Board voted to accept the report but took no action as Verus suggested, that while Trustees could pursue a number of alternative asset mixes, the Board's current investment allocation was well suited to continue providing the appropriate risk/return ratio into the future.

During the June meeting, on the recommendation of Verus, the Board terminated its existing agreement with International Emerging Markets Manager, Harding Loevner and hired William Blair to take their place in that sector of ICERS' Portfolio. At the time of the official July 1st transition, William Blair assumed the portfolio worth \$19.6 Million in assets.

PENSION ADMINISTRATION SYSTEM

During the April Board meeting, Trustees approved the one-year extension of ICERS' current Pension Administration System (PAS) cloud hosting contract with James Evans & Associates (JEA). The extension allows for the continued use and support of its online hosted PAS platform PENFAX while ICERS continues to evaluate its future system's needs. This evaluation will ultimately provide the Board with a recommendation on how to proceed towards either upgrading PENFAX with some enhancements or going out to RFP for a different Commercial off-the-shelf system.

As a last-minute submission before deadline, Linea Solutions has finalized their recommendation and will present their findings to the Board during the upcoming October meeting. Stay tuned to see what the Board ultimately decides.

KERN COUNTY

KCERA'S ASSETS REACH \$6 BILLION

In August, Plan assets reached \$6 billion for the first time in the Plan's history. KCERA recently recruited a fifth member to the investment team. The section now consists of the Chief Investment Officer, Senior Investment Officer, two Senior Investment Analysts, and one Investment Analyst. In addition to the headcount and asset growth, the Investment Program has further improved the investment process with a suite of investment tools, research, and an updated governance model. The Investment Committee and Board approved adopting delegated investment authority, and the CIO now has authority to hire and terminate investment managers within specified parameters including the size of the investment.

KCERA STRATEGIC COMMUNICATIONS PLAN

KCERA Staff have developed an inaugural KCERA Strategic Communications Plan designed to set out the objectives, messages, and strategies that will be used for the years 2024-2026 to communicate KCERA's programs and policies to various audiences. The plan and its associated communication activities' purpose is to more effectively communicate and engage with KCERA's members, plan sponsors, and other stakeholders.

LEGAL UPDATE

KCERA recently hired Kristen McDonald as its Deputy Chief Legal Officer. Kristen joined the team in April of this year, coming from private practice personal injury defense. She previously worked for the Kern County Department of Child Support Services as a child support attorney. She is from Southern California, went to law school in Texas, and maintains her Bar licenses in Texas and California. She is currently training on all-things-KCERA, including disabilities, investments, contracts, administrative appeals, property division issues, and policy development. Kristen has been a great addition to our team, and we are excited to have her.

OUTREACH INITIATIVES

KCERA continues efforts to increase stakeholder outreach by seeking new and creative ways to reach our members and plan sponsors. Member communications have included retirement presentations, seminars, Plan Sponsor resource fairs, and podcasts designed to increase member access to KCERA staff.

RECRUITMENT & STAFFING UPDATE

KCERA is growing! We recently added two staff members to our team: a Senior Network Engineer and an Investment Analyst. KCERA continues to seek talented, driven Team Players. We are

WHATS NEW

KERN COUNTY - CONTINUED

currently recruiting for a Paralegal and an Administrative Specialist. KCERA continues to focus on employee retention, cross-training, succession planning, and ensuring we are strongly positioned to retain our high-performing staff and be attractive in the talent marketplace.

BOARD OF RETIREMENT ELECTION RESULTS

On September 17, 2024, an election was held for the Kern County Employees' Retirement Association (KCERA) Board of Retirement

for terms of office ending December 31 to fill the General Second Member, Safety Seventh Member, and Safety Seventh Alternate Member seats. In the vote for the General Second Member seat, Ajaib Gill was elected by the General Members. Dustin Contreras was elected by Safety Members to the Safety Seventh Alternate Member seat. Only one Safety Member applied for the Safety Seventh Member seat, therefore Rick Kratt was appointed in lieu of election.

LOS ANGELES COUNTY

LAWSUIT UPDATE

In October 2021, at the direction of the Boards, LACERA filed a lawsuit in Los Angeles Superior Court against the County of Los Angeles and the County Board of Supervisors regarding LACERA's plenary authority as an independent fiduciary to set classifications and salaries for its personnel. LACERA is a separate public agency from the County and provides independent administration of the County pension system, including its assets and the payment of benefits. LACERA seeks a court order confirming LACERA's authority and implementing critical personnel actions approved by the LACERA Boards that the County has blocked from becoming effective. In December 2022, the Superior Court denied LACERA's petition.

LACERA filed an appeal with the Second District Court of Appeal, which was decided in LACERA's favor in June 2024. LACERA thanks the San Bernardino County Employees' Retirement Association and Alameda County Employees' Retirement Association for submitting "friend of the court" briefs supporting our position.

In August 2024, the County filed a petition for review in the California Supreme Court, which remains pending. The Supreme Court has informed the parties that a decision on the petition for review will be made on or before October 31, 2024. If review is granted, additional briefing and oral argument will be required before a final decision is made. If review is denied, the Court of Appeal's opinion will stand.

BOARD NEWS: ELECTION RESULTS

LACERA's general member elections were held August 5–30 this year for the third seats on both the LACERA Board of Retirement (BOR) and Board of Investments (BOI). We had robust lists of

certified candidates running this year—seven for the BOR and eight for the BOI. LACERA and the County conducted significant election outreach, with a focus on digital communications, resulting in a modest 0.8% turnout increase over 2023.

Initial results were announced in mid-September, with Aleen Langton (Attorney, Office of the County Counsel) elected to both seats. The Board of Supervisors officially declared the results on October 8, with Trustee Langton immediately taking her seat on the BOI to finish out the term of Trustee Herman Santos, who retired in March 2024. In January 2025, Langton will begin simultaneous three-year terms on the BOR and BOI. We look forward to introducing her in our next update.

STAFF, OPERATIONS, AND MEMBER SERVICE NEWS

Updates From Santos H. Kreimann, Chief Executive Officer

LACERA Launches Knowledge Management System Project

LACERA is undertaking an ambitious project as part of achieving Innovation Through Technology, one of the priorities in the Board of Retirement's 2023–2028 strategic plan.

The assigned action planning team for this priority recently presented its progress on development of an enterprise-wide knowledge management system that will digitally capture, document, organize, and access critical business knowledge and information. Currently, LACERA knowledge exists in a variety of formats across multiple divisions. The new system will combine all forms of LACERA knowledge under one umbrella helping us provide faster, more consistent service for our members; retain proprietary knowledge plan for succession in our divisions; and utilize AI to create sophisticated interactive tools for both our members and employees. So far, the team has identified the various

LOS ANGELES COUNTY - CONTINUED

sources of information to be included in the knowledge system; created a communications plan; and presented the project goals to stakeholders. Next it will select a taxonomy consultant through the RFP process to develop the categorization, organization, and maintenance features of the system.

The project completion date is estimated to be the end of 2029 in what will be a true game-changer for how our organization uses and shares information. For more strategic plan progress milestones, please visit www.lacera.com/leadership/strategic-plan.

Creating a Culture Based on Our Mission, Vision, and Values

LACERA revised our mission, vision, and values as part of our strategic planning process, and is currently focused on promoting our values—accountability, collaboration, inclusivity, innovation, integrity, and transparency—as part of building a One LACERA culture. We have posted mission, vision, and values posters on every floor of our building, distributed mini posters to all staff members, and have also been conducting an educational campaign organization-wide.

County and LACERA Enhance Anthem Coverage With Increased Lifetime Maximum Benefit

LACERA and the County have collaborated over the last several years to increase the lifetime maximum benefit (LMB) for members in our Anthem I, II, and Prudent Buyer plans. We are pleased to announce that effective July 1, 2025, the LMB for these plans will increase from \$1 million to \$1.5 million. This is a significant improvement that underscores our mutual commitment to providing comprehensive and robust health coverage for our retirees.

This increase offers financial relief and ensures continued access to essential healthcare services for our members who are nearing or have reached the previous LMB. The County and LACERA will continue to regularly review the annual experience study of these health plans, allowing us to make necessary adjustments to the LMB, with the ultimate goal of eliminating the cap altogether.

INVESTMENT NEWS

From Jon Grabel, Chief Investment Officer

The market value of LACERA's pension fund (the Fund) as of June 30, 2024 was \$78.9 billion, with a net return for the year of 9.1 percent. LACERA's five-year and 10-year net returns were 8.2 percent and 7.4 percent, respectively.

The Fund outperformed its benchmark returns for the three-, five-, and 10-year periods. While the global economy still faces a variety of macroeconomic and geopolitical uncertainty, LACERA's Board of Investments (the Board) remains steadfast in executing its disciplined approach to deliver sustainable returns by implementing a portfolio with diversified exposure across different asset classes consistent with the Board-approved strategic asset allocation.

During the fiscal year, the Board approved a new strategic asset allocation, and its implementation is currently underway. In establishing the new strategic asset allocation, the Board took into consideration several factors including, but not limited to, the Fund's current and projected funded status, liquidity requirements, long-term risk and return of different asset classes, and an assessment of future economic conditions.

Beyond strategic asset allocation, LACERA implements a principles-based approach to investments, with a dynamic investment program that provides a robust and flexible framework to adapt and evolve to changing macro environments, technological advancements, and workforce composition. LACERA continues to execute on its strategic initiatives enumerated in the 2024 strategic plan, which include: 1) enhance operational effectiveness, 2) optimize investment model, 3) maximize stewardship and ownership rights, 4) strengthen influence on fees and cost of capital, and 5) execute LACERA's T.I.D.E. (Towards Inclusion, Diversity, and Equity) initiative.

Taken together, our strategic asset allocation, dynamic investment program and workplan are designed to enhance investment returns and optimize liquidity while reducing total Fund risk. For example, LACERA has continued to grow its internally managed co-investment program to include co-investments in private equity, real assets, and private credit, which should by and large lead to excess returns relative to the respective asset categories' core programs while providing cost savings. LACERA also continues to negotiate tailored fee terms and structural rights to enable the Fund to retain a larger share of profits while mitigating operational risks.

LACERA remains committed to its mission of providing the promised benefits to its members and maintaining its disciplined focus on optimizing asset allocation and advancing its strategic initiatives.

Roster of Chartered Financial Analysts Expands

The number of chartered financial analysts (charterholders) in

WHATS NEW

LOS ANGELES COUNTY - CONTINUED

LACERA's Investments Division has grown to 11, with the addition of two newly credentialed members in April: Senior Investment Analysts Josiah Bezet (Credit and Risk Mitigation) and Adrian Gonzalez (Growth). Becoming a charterholder represents a commitment to the completion of three rigorous levels of the CFA Institute curriculum and over 1,000 hours of study. Charterholders are equipped with an understanding of investment management and ethical standards, and their analytical skills help the investments team make well-informed decisions for the benefit of all members.

AWARDS

CIO Jon Grabel Makes Elite 100 List

Chief Investment Officer Jonathan Grabel was recently included in the Markets Group's 2024 Elite 100 list, which celebrates 100 chief investment officers from public pension funds, endowments, foundations, and corporate pension funds. Markets Group selects these leaders for their contributions and innovative strategies—specifically recognizing them for guiding their respective funds through volatile markets, achieving critical benchmarks, or strategically diversifying their investment portfolios while

navigating mission-driven mandates and unique investment challenges.

Annual Report Wins Apex and Gold Stevie Awards

We are proud to announce that LACERA's 2023 Annual Comprehensive Financial Report (ACFR) has won two prestigious national publishing awards. Our "Designed to Last" themed ACFR commemorates the 85th anniversary of our founding while interweaving decades of design and cultural history with the LACERA story.

The first award is the 2024 Gold Stevie Award in the government publications category from the Annual American Business Awards. The second award is the 2024 Apex Award for Publication Excellence in the annual reports category for printed reports over 32 pages.

Our Financial and Accounting Services and Communications divisions collaborate closely every year to produce our reports, in partnership with the Investments team and other LACERA divisions. To see our award-winning entry, visit www.lacera.com/accountability/annual-reports.

MARIN COUNTY

RETIREMENT BOARD

Jeanne Villa was elected to the Eighth Retired Member with her three-year term of office beginning November 1, 2024. Trustee Jones was reelected as the Alternate Eighth Retired Member with her new term also starting on November 1, 2024.

Sara Klein announced her resignation as Sixth Member of the Retirement Board. Bruce Raabe was appointed as Klein's replacement by the Board of Supervisors on September 10, 2024.

The Marin County Board of Supervisors re-appointed Todd Werby as the Ninth Member of the Retirement Board with his new term beginning November 1, 2024.

ADMINISTRATION

Charles McBride has joined MCERA as the new Chief Financial Officer, bringing extensive experience as CFO and assistant City Manager in local agencies.

The Board adopted the administrative budget for the fiscal year ending June 30, 2025. Expenditures are expected to be \$5.1 million, or 15 basis points of the accrued liability.

The Board hired Milliman to conduct an audit of MCERA's June 30, 2023, actuarial valuation and 2023 Experience Study. Results of the audit will be presented to the Board in December.

BENEFITS

MCERA leadership worked collaboratively with staff to create a new organizational structure to provide more streamlined services to its members. The team transitioned from two units (retirement benefits and customer service) to three: active member services, retiree services and payrolls, customer service and special projects.

MENDOCINO COUNTY

BOARD MEMBERS

The Retirement Board said good bye to Supervisor Dan Gjerde. Trustee Gjerde dutifully served on the Retirement Board since February 2015. A new Supervisor appointee isn't expected until 2025.

BUILDING ADA ACCESSIBILITY UPGRADES

MCERA's accessibility upgrades to our exterior and interior improvements to the rental suite are progressing nicely, and should be completed in late October

PORTFOLIO STRUCTURE REVIEW:

The Board is reviewing the asset class structure of the strategic asset allocation. The review of the domestic equity structure was completed earlier this year, with no changes made. The Board's review of the international equity structure is underway now, with the Board considering indexing most of the developed market exposure and supplementing the current mix of active managers in the emerging market and small-cap segments. Review of the real estates and fixed income structures will occur next year.

GOVERNANCE UPDATE

During the year, the Board formalized its New Trustee Orientation onboarding process by adopting a full-day program covering trustee duties and administration of the plan. The Board adopted

the first Service Provider Evaluation Policy, and the first Succession Plan for the organization, concluding two main priorities in the 5-year strategic plan. The Board also adopted updated Code of Conduct and Record and Data Retention and Destruction policies, and added Privacy and Data Protection, Security Events and Artificial Intelligence provisions to MCERA contracts.

MCERA completed an entity-wide risk assessment in early 2024 which will serve as the basis for the development of an internal audit or agreed-upon procedures engagement that the Board will consider this year, and if adopted would commence in FY2025-2026.

FY24 INVESTMENT UPDATE

MCERA is pleased to report the investment returns for fiscal year ending June 30, 2024, were favorable. The total portfolio return for the year was 9.4%, less than the benchmark return of 10.04%. More importantly, the long-run average annual rate of return (15-year return) was 8.92%, just below the benchmark return of 9.01%, earning a ranking in the 15th percentile of the peer group, per our investment consultant Callan's Public Funds Database. The three-year return was 2.26%, the five-year return was 7.75%, seven-year return was 7.45% and the ten-year return was 6.80%. The total asset value of the trust fund at the end of the fiscal year was \$715 million.

MERCED COUNTY

MercedCERA is finishing a new headquarters building slated to be completed December of 2024. We have hired new staff in our Fiscal and Investments area; Assistant Plan Administrator over investments, Pete Madrid, Alex Lovato who is our new Fiscal

Manager, and two new Accountants Terri Sanders and Sarah Smith. MercedCERA is also currently recruiting for a new Plan Administrator who has announced her retirement in early 2025.

ORANGE COUNTY

AU REVOIR TO CHRIS PREVATT

Many of you will be well acquainted with Trustee Chris Prevatt, who has served on the OCERS Board since 2012. Announcing his retirement earlier this year, Mr. Prevatt will be stepping off the Board at the end of his term on December 31, 2024. We will miss Mr. Prevatt's ability to take difficult issues and find a middle ground that brought both appointed and elected trustees together in deciding what is in the best interest of our 52,000 members. At the start of the new year Mr. Prevatt will be flying east to begin a new life as a retiree in France. That's right, France. If you happen to find yourself in southern France and a hankering for some fine wines, be sure to give him a call.

On January 1, 2025, taking Mr. Prevatt's seat – our first Board opening in four years - we will be welcoming Ms. Iriss Barriga, a Senior Child Support Specialist with the County of Orange.

VISION 2030

OCERS continues its march into the future, with a goal of eliminating human intervention in the processing of retirement benefits. Our journey continues track as laid out in 2021. The OCERS IT team has become sufficiently proficient in Robotic Process Automation, one of the early entry paths into generative

AI processes, that we will no longer need to engage the services of an outside consultant in this field, but will instead continue to build out based on the knowledge we have gained. The OCERS internal AI team, composed of representatives of every department, continues to meet weekly, providing the entire agency with many new concepts and ideas of AI integration. Of success has been the broader national group OCERS has formed and now moderates, the Multi-Employer AI Committee, with representatives of nearly 40 pension systems spread from Hawaii to New York now joining us for a monthly update call, all of us working to assist each other in this move to the future.

Part of that move towards technological efficiency includes updating our present Pension Administration System (PAS). This summer we hired Provaliant as our implementation partners to guide us through the process of gathering our system needs, with the goal of releasing an RFP late next year.

NEW HEADQUARTERS BUILDING

Just this past month the OCERS board approved the hard work of our Building Committee, moving us forward to the City of Santa Ana with plans for a three-story 70,000 sq foot building. If all goes as planned, we anticipate moving into our new Headquarters building in the summer of 2027. Stay tuned.

SACRAMENTO COUNTY

SCERS BEATS INVESTMENT HURDLE

SCERS' investment portfolio returned an impressive 9.2% net of fees for the 12-month period ended June 30, 2024, beating SCERS' investment return assumption of 6.75%.

The Growth asset category was SCERS' best-performing segment, led by Global Equities, which were up 18% for the year. "Market returns were driven by resilient economic growth, moderating inflation, and expected interest rate cuts by the Federal Reserve," said SCERS' Chief Investment Officer Steve Davis. Private Equity, Public Credit, and Private Credit also generated strong returns of 7%, 9.2%, and 10.2%, respectively.

The Diversifying asset category, designed to protect the fund

during market cycles, delivered moderate performance of 4% during the fiscal year, led by SCERS' Absolute Return or hedge fund portfolio, which was up 6.9%, and Cash, which was up 5.4% in the higher interest rate environment. Fixed Income lagged with a 2.5% return, impacted by volatile interest rates.

"The Real Return asset category generated a disappointing -1.4% return during the fiscal year, led on the downside by Real Estate, which returned -9.8%. Real Estate was affected by the impact of high interest rates on valuations, particularly within the challenged office property sector," Davis said. Real Assets, which include infrastructure, delivered a strong 6.2% return during the year.

Davis is pleased with the outperformance but remains cautious. "Markets have been volatile to start the new year over fears of

SACRAMENTO COUNTY - CONTINUED

slowing economic data, high market valuations, the impact of high interest rates on the economy, and geopolitical risks," he said.

SCERS' longer-term returns remain strong, as evidenced by the 5-year and 10-year returns of 8.0% and 7.1% respectively. Both returns rank near the top quartile among public pension plan peers, at 26th and 24th respectively.

SCERS LAUNCHES ONLINE MEMBER PORTAL

SCERS partnered with the Sacramento County Department of Technology to produce a secure member portal that rolled out in October. The portal provides active members with real-time account balance, retirement benefit calculator access, and service credit information, and retirees online access to monthly pay advices and 1099R tax documents.

Features to come include the ability for members to apply for retirement online, update or change beneficiaries, securely

upload documents, update tax withholding elections, and access annual statements.

SCERS ELECTIONS

SCERS new Safety Trustee will be Sacramento County Sheriff's Sergeant Brandon Gayman for the 3-year term that begins January 1, 2025. Incumbent Airport Fire Captain Christopher Giboney will retain his Alternate Safety Trustee seat. Current Safety Trustee Jack Noble did not run for re-election. Miscellaneous Trustee election results will be announced in December.

SCERS INCREASES ITS OUTREACH

SCERS is in its busy season for outreach events to its members and the public. This fall, SCERS has participated in benefits fairs for the Sacramento Area Sewer District, the Sacramento Employment and Training Agency, and the Sacramento County Benefits Office. SCERS has also been represented at the Sacramento County Career Fair and educational outreach events for the Sacramento County Retired Employees Association.

SAN BERNARDINO COUNTY

BOARD OF RETIREMENT NEWS

SBCERA is holding an election for one Safety Member and one Alternate Safety Member to be elected to serve on our Board of Retirement. The election will take place on December 3, 2024.

This year, SBCERA is introducing a new election process, providing eligible voters the option to cast their vote online or by mail. To ensure a secure and efficient election, we have partnered with MK Election Services, an independent third-party election services firm who has over a decade of experience in providing election administration services to public sector entities.

SBCERA's Board of Trustees

- Marc Bracco – Appointed Member – Chair
- Jean-Rene Basle – Appointed Member – Vice Chair
- Louis Fiorino – Elected Member
- Michael Kennedy – Appointed Member
- Ensen Mason – Auditor-Controller/Treasurer/Tax Collector – Ex Officio Member
- Dawn Rowe – Appointed Member
- Dawn Stafford – Elected Member
- Neal Waner – Appointed Member

- Matthew Erickson (Taking Office January 2025) – Elected Member
- Harry Hatch – Elected Member – Alternate
- John Johnson – Ex Officio Member – Alternate
- Jared Newcomer – Elected Member – Alternate

ADMINISTRATIVE ACTIVITIES

We Are SBCERA Campaign

We launched our "We Are SBCERA" video series, featuring stories about the people who define SBCERA. Through this series we share an inside look into the people who provide the important public services that communities depend on, while learning about how SBCERA provides the foundation for a secure retirement. These stories are full of personal experiences, purpose, the impact of service, and so much more. Learn more: www.SBCERA.org/We-Are-SBCERA

Financial Literacy Program

Whether our members are retired or planning for retirement, informed financial planning is essential to achieving their financial goals. That's why SBCERA partnered with Financial Knowledge

WHATS NEW

SAN BERNARDINO COUNTY - CONTINUED

to begin offering a variety of free financial education courses to our members. Financial Knowledge is an accredited financial firm with more than 35 years of experience helping people understand the nuances of money management. From budgeting tips to retirement planning, there's something for everyone, no matter where they are at on their financial journey. Courses are conducted by certified financial planner professionals and are designed to empower our members in managing your personal finances.

AWARDS

The Government Finance Officers Association (GFOA) awarded SBCERA top honors for the 2023 Annual Comprehensive Financial Report. For the 26th year in a row, SBCERA has received GFOA's Certificate of Achievement for Excellence in Financial Reporting. We also anticipate receiving the Award for Outstanding Achievement in Popular Annual Financial Reporting for our 2023 Popular Annual Financial Report.

SBCERA Chief Investment Officer, Donald Pierce, made both the Chief Investment Officer Magazine's 2024 Power 100 list of top investment officers and Markets Group's 2024 Elite 100 CIOs.

SBCERA's Communication Team received statewide recognition from California Association of Public Information Officials (CAPIO) for our quick tip video series. This series provides our members with valuable resources that help them feel confident in all their future retirement decisions. Collectively this series has a total of 15.2K views and 40.0K impressions to date, resulting in an 81.2% increase in viewership.

STAFF UPDATE

Several administrative positions have been filled and various internal promotions have occurred creating additional recruitment opportunities within SBCERA. In August, our new Operations and Portfolio Analytics Manager, Michael Law joined our team.

In September, Christina Cintron was promoted to Chief of Member Services, and she has already hit the ground running. Christina has been with SBCERA for ten years and most recently served as an Accounting Manager. She is a true champion of empowering staff to be confident and consistent in serving our members and seeking to achieve the superior service experience we're striving to deliver.

Currently, we are seeking candidates for the positions of Accounting Manager and Information Services Coordinator. We recently conducted interviews for the roles of a Cloud Infrastructure Architect and Survivor Benefits Manager.

INVESTMENT PERFORMANCE

Our long-term investment strategy continues to produce positive results for the fund.

SBCERA earned a 9.3% return on investments for the 12-month period that ended June 30, 2024. Assets stood at \$15.2 billion at the end of the fiscal year.

The investment return outpaced the plan's actuarial assumed rate of return and stands in contrast from recent fiscal years, where market conditions were influenced by a variety of economic and geopolitical challenges. Our investment strategy was well-prepared to find opportunities during an improving economic climate this past year.

Total fund annualized returns for the five-year period ending June 30, 2024, stood at 8.2% versus our funding policy expectation of 7.25%.

"Our fund is positioned well for both market volatility and long-term investments and this year's results continue to reflect that," said Jared Newcomer, Chair of the SBCERA Investment Committee. "As we continue to navigate unpredictability and future global economic stress, I'm confident our strategy will help ensure we meet our commitment in delivering lifelong benefits our members are counting on."

SAN DIEGO COUNTY

BOARD OF RETIREMENT

The San Diego County Board of Supervisors reappointed Trustee Paul Dostart in June and newly appointed Trustee Mary Jo Wiggins in September to serve on the SDCERA Board of Retirement

INVESTMENT RETURNS

SDCERA reported an investment return of 11.3% for the fiscal year ended June 30, 2024. SDCERA's assets under management were \$17.7 billion.

Based on FY 2024's return, SDCERA's three-year investment return was 3.4%, the five-year return was 6.9%, and the 10-year return was 6.3%, all as of June 30, 2024. These investment returns are annualized and net of fees.

COMPETITIVE SEARCH FOR INDEPENDENT AUDITOR AND GENERAL INVESTMENT CONSULTANT

SDCERA has issued requests for proposals (RFPs) for an independent auditor and a general investment consultant.

FY 2024-2025 STRATEGIC PLAN

SDCERA staff has been working on several initiatives laid out in the Annual Business Plan adopted by our Board of Retirement in June. Here are some key initiatives:

- Enhancements to the SDCERA Member Portal verification procedures using a third-party vendor
- Upgrade our contact center
- Move the SDCERA Member Portal to a pension administration system-provided portal

SAN JOAQUIN COUNTY

BOARD OF RETIREMENT

The Board of Supervisors reappointed long-time trustee Michael Duffy, Active General members elected new trustee Sam Kaisch, and the retiree members re-elected J.C. Weydert and Steve Moore (alternate retiree). In August, the Board voted to retain its officers for an additional term: Chair Michael Restuccia, Vice Chair Michael Duffy, and Secretary Ray McCray.

INVESTMENTS

With great success, SJCERA held its 2024 Annual Investment Roundtable in early October. Keynote speaker, Jamie Weinstein, Managing Director from PIMCO, gave a riveting presentation titled 'The State of the World in 2024 and Beyond' while SJCERA investment managers led informational panel discussions on private markets, inflation & stagflation, as well as real estate. The overall crowd favorite was the Managers' Debate on the relative merits of private equity, private real estate, and private credit.

2023 INVESTMENT PERFORMANCE

SJCERA's portfolio generated a 9.1% net return for the one-year period ending on June 30th, 2024, and assets under management

rose to \$4.4 billion. However, as a calendar year plan, it's the calendar year return that affects funding levels. The portfolio returned 9.12% gross for calendar year 2023; and our MVA funded ratio increased to 70.5%.

2024 ACTION PLAN

SJCERA's investment accomplishments this year included implementing a board-driven asset allocation policy, along with evaluations of managers' performance, making changes when necessary. Our most impactful accomplishment in operations was the transition of all member data to a new platform that is readable to our new, in-development pension administration system. Finally, SJCERA successfully transitioned into its new office building as scheduled and within budget, all while maintaining business operations, allowing for a smooth transition without interruption or impact on the public.

WELCOME NEW COMMUNICATIONS OFFICER YVONNE DOWNS

Please help us welcome SJCERA's new Communications Officer Yvonne Downs. Hired in August, she brings along her experience

WHATS NEW

SAN JOAQUIN COUNTY - CONTINUED

in establishing communication initiatives and brand strategies with various nonprofit organizations throughout Stanislaus County. Her first goal for SJCERA is to revamp the communications strategy to center more on creating a valuable experience for members and employers alike.

A FOND FAREWELL

Ex-Trustee Jennifer Goodman decided to not run in the latest Active Member election. She was first elected on July 1, 2017.

During her tenure, she has seen SJCERA grow from \$2.7 billion in assets to a high of \$4.4 billion. She served on several committees including the Administrative Committee, the Audit Committee, and the CEO Performance Review Committee, along with various Ad Hoc Committees. We appreciate her seven years of dedicated service, her expertise in Human Resources, and wish her all the best in her future endeavors.

SAN MATEO COUNTY

BOARD OF RETIREMENT NEWS

SamCERA's Board officers are Alma Salas, Chair (8th member); Kimathi Marangu, Vice Chair (5th member), and Sandie Arnott, Secretary (1st member).

The remaining members of the Board are Katherine O'Malley (2nd member), Elaine Orr (4th member), Rachel Perkel (6th member), Robert Raw (7th member), and Kurt Hoefer (9th member). Nicole McKay is serving as Retiree Alternate, and April Decarsky is serving in the Safety Alternate seat.

During its June 11, 2024 meeting, the San Mateo County Board of Supervisors reappointed **Elaine Orr** to her second term as the Fourth Member of SamCERA's Board of Retirement.

At the Board of Retirement election on June 30, 2024, **Katherine O'Malley** was reelected to the General Member Second Seat, **Robert Raw** was reelected to the Safety Member Seventh Seat, and **April Decarsky** was reelected to the Alternate Safety Member Seat.

We also acknowledge **Mark Battey**, who has decided to step down after many years of dedicated service and contributions as the Sixth Seat on the Board of Retirement. At the September 24, 2024 meeting, the San Mateo County Board of Supervisors appointed **Rachel Perkel** as the new Sixth Member of the Board of Retirement, and she will be sworn in on November 5, 2024.

Finally, we bid farewell to **Al David**, who retired in August 2024 after his impactful service on the SamCERA Board of Retirement. A special election will be held on January 13, 2025, to fill the vacant General Member, Third Seat.

STAFF NEWS

Diane Webster has been hired as SamCERA's new Retirement Technology Officer. Diane comes to SamCERA with 20+ years of

experience working in the information technology field with the County of San Mateo, and we look forward to the positive impacts she will make in our office. With the addition of a new Retirement Technology Officer, SamCERA is currently fully staffed.

BENEFITS NEWS

In our ongoing efforts to support our members, the Benefits Division has expanded outreach by conducting more onsite departmental retirement informational sessions. These sessions provide valuable insight and guidance to help members navigate their retirement planning effectively.

Additionally, the Benefits Division is committed to enhancing our disability process, having implemented streamlined procedures that significantly reduce the time from submission to the Board of Retirement decision.

INVESTMENT AND FINANCIAL NEWS

SamCERA's portfolio returned 9.2% net of investment manager fees for the fiscal year ended June 30, 2024, underperforming SamCERA's policy benchmark return of 11.7% by 2.5%.

All four composites had positive returns for the fiscal year. Growth was the best performing composite and returned 13.6%, while Inflation Hedge returned 0.9% and was the lowest returning composite. Liquidity returned 5.6%, while Diversifying returned 4.2%.

On a relative basis, three of the composites had positive relative returns compared to their respective benchmark, with Inflation Hedge outperforming by 3.4% (even though it was our lowest returning composite on an absolute basis). Liquidity and Diversifying both outperformed by 0.6%, while Growth underperformed by 5.9%.

SAN MATEO COUNTY - CONTINUED

SamCERA's total market value was \$6.474 billion as of June 30, 2024, an increase of \$284.4 million from December 31, 2023.

In the growth category, we continued building out and further diversifying our opportunistic credit portfolio. We added a new \$60 million dedicated emerging market debt strategy, funded via a combination of rebalancing from other opportunistic credit managers (\$20 million) and the balance from cash (\$40 million).

Within the diversifying category, we restructured and downsized our absolute return portfolio. One of the strategies in the portfolio closed and returned money to investors. We took the opportunity to reallocate a portion of the proceeds to the remaining three strategies within absolute return, and the remainder going into defensive fixed income (also within diversifying). The net result is we are slightly overweight to defensive fixed income and underweight to absolute return.

FINANCE NEWS

The Finance Division will continue progress on the following projects:

1. Exploring accounting system options to replace the existing one that is set to phase out in 2028;
2. Streamline key processes to enhance efficiency and effectiveness;

3. Bolster training to promote personal growth and career development; and
4. Strengthen internal controls whenever opportunities arise.

TECHNOLOGY NEWS

The IT Division has successfully completed a comprehensive security assessment of our cloud environment in collaboration with AWS. This evaluation ensures our data remains secure and robust against potential threats.

Additionally, we've taken proactive measures to enhance our connectivity; we have installed a backup internet solution that provides us with seamless access in the event of an outage to our primary provider.

Furthermore, our WiFi infrastructure has been upgraded to improve overall performance and user experience across the organization.

COMMUNICATIONS

SamCERA continues to develop its new website which will work cohesively with the new member portal and mobile app. We've completed the design phase and are currently reviewing and editing the beta site. We are also working on integrations between the website, portal, and mobile app.

SANTA BARBARA COUNTY

GENERAL ADMINISTRATION

In June 2024, SBCERS held the 2nd Annual Open House and collected over 450 lbs of food donations for the Food Bank of Santa Barbara County. Several local organizations including YMCA, Hospice of Santa Barbara County, and the Santa Barbara Friendship Center participated.

SBCERS CEO Greg Levin held the 2nd Participating Employer Summit, gathering executives for a day of pension plan education and networking.

Effective July 2024, the Board of Retirement appointed Cristal Rodriguez to SBCERS General Counsel. This Fall, t Pilar Cruz joined the Disability Retirement Division as a Legal Office Professional. The disability team has been working with a software developer to customize and implement a new case management system to assist with case data collection and tracking, document management, and workflows.

OPERATIONS & IT

SBCERS is upgrading its network infrastructure due to life-cycle obsolescence, which includes implementing new firewalls and enhanced redundant switches. Additionally, SBCERS is conducting an annual application user access and security review to ensure that access controls are properly configured, security policies are followed, and only authorized users have access to sensitive or critical application resources.

As part of maintaining optimal security and functionality, SBCERS's IT team is performing formal comprehensive security reviews of incoming and existing vendor software through an ongoing evaluation process. We are also in Year one of our data classification initiative, SBCERS is implementing a data classification scheme to better protect sensitive information, enhance data management, and reduce the risk of data breaches or compliance violations.

WHATS NEW

SANTA BARBARA COUNTY - *CONTINUED*

This initiative will establish a foundation for Year two, when Data Loss Prevention measures will be implemented.

SBCERS is also in the process of implementing online portal to facilitate secure and efficient data transfers to external parties. Finally, SBCERS is formalizing an organization-wide IT training program and schedule to boost staff proficiency and support ongoing professional development.

MEMBER SERVICES

In September 2024, the Member Services team held an SBCERS Ambassador Training for plan sponsor HR professionals. The session provided a sample retirement counseling session and was a follow up to the first session which focused on basic transactions that commonly affect active members. Examples include new hires, reciprocity and plan placement, service purchases, marital status change and the basics of disability retirement.

In November 2024, the team hosted 2025 Retiree Health Insurance Open Enrollment events with Health Fairs in both Santa Barbara and Santa Maria, including flu shots and COVID boosters, and participated in Firefighter and Superior Court Open Enrollment events. The team also created content for an SBCERS Retiree Virtual Health Fair, as well as content for active County employees about retirement planning best practices.

In October 2024, Department Business Specialist Cindy Menegon

retired from SBCERS after nearly 19 years of service. Cindy's dedication to the team and great knowledge of retirement benefits will be greatly missed. A recruitment for the vacant position is ongoing.

INVESTMENTS

For the fiscal year ending June 30, 2024, SBCERS total fund generated 8.73% preliminary time-weighted return. Since June 2024, the Board of Retirement has received investment education on public real return, transaction cost analysis, and securities lending. The Board also received the Consultant Oversight report presented by SBCERS staff. The report contained review of General Consultant, RVK, and Discretionary Consultant, Hamilton Lane. The Consultant Oversight report gave insight into RVK and Hamilton Lane's operations and ongoing business items.

ACCOUNTING

The Accounting and Investments teams conducted an RFP for Custodial Banking Services, and with Board approval, selected Bank of New York Mellon. The Accounting team also worked hard to complete the System's ACFR timely this year and implemented a new tool to assist with compilation and development of the report. This new tool greatly reduced the time necessary to produce complete drafts of the document.

SONOMA COUNTY

RETIREMENT BOARD

We are gearing up for an election of our Safety Member seat currently occupied by Brian Williams and the appointment of an Appointed Member seat currently occupied by Board of Supervisors member Chris Coursey. Trustee Williams has indicated his intent to retire so we will be welcoming a new Trustee into the Safety Member seat. The new terms for both the Safety Member and Appointed seats will begin on January 1, 2025. The Retirement Board officers consist of Brian Williams, Chair, and Bob Williamson, Vice Chair, and our Investment Committee officers consist of Greg Jahn, Chair, and Erick Roeser, Vice Chair.

OPERATIONS

After years of transition SCERA is finally fully staffed. We are looking to expand our customer service and outreach efforts to

our members, employers, vendors and other stakeholders and we are busy designing surveys for our website and email encounters. One of our strategic goals is to deliver superior and responsive customer service while another is to communicate clearly and effectively, so expanding our communication efforts is a natural progression and we are just beginning discussions on how to do that. In addition to outward facing communication, inward facing communication among staff is also a high priority for us. We are exploring organizational coaching and training opportunities to expand our interpersonal skills and strengthen our teams.

After two years of setting the stage for restoring the Ad hoc Cost of Living Adjustment consideration to the collaboration that used to occur between SCERA and the County, which included amending policies, changing SCERA's reserving structure and winning the hearts and minds of the key players, the SCERA

SONOMA COUNTY - CONTINUED

Board amended the policy. It now describes the statutory basis upon which the County can grant a COLA and the funding mechanisms available, as well as the collaboration between SCERA and the County to analyze the potential COLA design and funding options from both an actuarial funding standpoint and a statutory benefit design one. We are now busy developing metrics for measuring our plan's fiscal health and sustainability that will be used annually in the discussion between SCERA and the County in preparation for determining whether and how an Ad Hoc COLA can be recommended by SCERA and granted by the County Board of Supervisors.

ACTUARIAL

The Board will review the results of the latest Triennial Experience Study at its offsite Educational Forum, where Segal will present recommended changes in demographic assumptions. This study is not recommending changes to SCERA's investment return assumption of 6.75%, interest rate assumption of 2.50% and salary growth assumption of 3.00%. Changes are recommended to some of the demographic assumptions related to merit and promotion based salary changes, mortality tables and table adjustments, disability retirement incidences, terminations, retirements and other factors affecting the behavior of members in the system. These resulted in a decrease in the actuarial accrued liability but an increase in the normal cost of the plan, with a larger impact on safety versus general members. These updated assumptions will be applied to the December 31, 2025 actuarial valuation.

INVESTMENTS

In early 2024, with the help of its consultant Aon Investments, SCERA reviewed the structure of the Plan's Real Assets and Equity portfolios. In Real Assets the Board continued to be comfortable with the holdings in Farmland and Infrastructure. In Real Estate, however, the decision was made to replace one of the two core open-end funds with another such manager and to eventually add a third core-plus fund, all while maintaining the 10% allocation to Real Estate. Also in Real Assets, Timberland was researched and considered but ultimately tabled, pending the entry of new open-end Timberland funds to the market.

In Equities, the Board continues to embrace the current structure, which includes a passive core surrounded by active managers, but they are open to moving some of the passive core allocation to active managers if staff and consultant can identify a compelling active non-US and/or global equity manager. SCERA's investment staff and consultant have winnowed down the candidate pool but, as of this writing, no decisions have been made. In late 2024 we began reviewing our Socially Responsible Investing (SRI) policy, with possible implications for SCERA's investment policy as well as our approach to proxy voting. We expect this to conclude in early-to-mid 2025. Last, with the help of our consultant, we plan to review the structure of our Fixed Income portfolio in early 2025.

The Plan's net-of-fee returns through June 30th, 2024, were 10.8%, 5.5%, 8.1%, 7.3%, and 7.1% for 1, 3, 5, 10, and 20 years, respectively. For all periods, SCERA is in the top quartile of Aon's peer universe.

STANISLAUS COUNTY

- StanCERA rolled out an updated public website this summer at stancera.org. This is part of further engaging with members using technology by providing additional tools and encouraging use of automated systems to deliver information in a more timely manner.
- The investment and fiscal team members have been busy implementing a new asset allocation in 2024 as decided by the Board. The changes include a new provider in liquid absolute return as well as investments in US TIPS, Public Credit and continuing investments in private equity, private credit, infrastructure and real estate.
- The member services team has engaged with our employers and their departments to conduct mid-career meetings with employees as well as participation at employer events.
- Staff has emphasized additional training and development in 2024. (Some conferences attended: SACRS, CALAPRS, P2F2, CSDA)
- StanCERA hired a new Retirement Manager this summer, welcoming back Carmen Gusman.
- Staff met with County leadership to review plan financials and projections, answer questions and maintain a healthy dialogue on common issues.

WHATS NEW

STANISLAUS COUNTY - *CONTINUED*

- Staff has been working with StanCERA's actuary on conducting the tri-annual experience study to review assumptions for the valuation report. Economic assumptions were reviewed with

the Board this summer and demographic assumptions will be discussed with the Board at an upcoming meeting.

TULARE COUNTY

TRUSTEES

TCERA has scheduled elections for three trustee seats this fall. Our current Safety Member and Safety Alternate trustees have elected not to run for reelection this year, so TCERA will have two new trustees in those positions beginning in January. We also have one General Member seat up for election. The incumbent is running for reelection with one other candidate in the race, so stay tuned for the results after the election in December!

INVESTMENT AND ACTUARIAL MATTERS

TCERA's Investment Consultant, Verus, presented an Asset/Liability Study to the Board of Retirement at the September 25th Board meeting. The results of the study confirm that TCERA's strategic asset allocation meets the expectations of the Board. While some minor changes may be considered in the future, the trustees made no changes to the existing allocation as a result of the report. TCERA continues to make progress in reaching its target allocations for direct Private Equity investing, Value Added Real Estate, and Opportunistic Real Estate investments. TCERA's

discretionary mandate with Verus for private markets investments is well underway, awaiting capital calls from the funds in that allocation. As of the writing of this summary, TCERA's June 30, 2024 actuarial valuation is pending final approval. TCERA's actuary, Cheiron, is scheduled to participate in TCERA's annual joint meeting with the Tulare County Board of Supervisors in October to review the preliminary results of the study. As of the June 30, 2023 actuarial valuation, TCERA's actuarial value basis funded status stands at 87%. The Board of Retirement did not make any significant changes to the actuarial assumptions last year, with the investment assumption rate remaining at 7.0%.

ADMINISTRATIVE UPDATES

After several years of lingering staff vacancies, TCERA is now fully staffed in all areas of responsibility. With many newer staff, our more experienced employees are focusing their energy on training their coworkers and ensuring the transfer of institutional knowledge.

VENTURA COUNTY

CTO LEGISLATION

At the Board's direction in early 2024, VCERA initiated a legislative effort to include its Chief Technology Officer (CTO) with the other five agency executives who are within VCERA's "district" status, employed by the VCERA Board pursuant to Government Code section 31522.10. Senate Bill 1189, authored by Senator Monique Limón, was signed into law by Governor Newsom on July 15 (effective January 1, 2025).

ALAMEDA IMPLEMENTATION

VCERA is nearing the end of Phase 1 of its Alameda implementation project, which includes performing recalculations of compensation earnable and employee contributions. Staff

are working to develop system enhancements and calculation methodologies to assist with the work required. Phase 2 is set to begin in early 2025, when VCERA will recalculate retirement benefits and process employee contribution refunds.

COMMUNICATIONS

VCERA launched its revamped website, www.vcera.org, in early September. The new website features a streamlined design and allows for easier access of information. Additionally, VCERA developed its first Brand & Style Guide and is in the process of applying these guidelines across all publications. Staff resumed giving in-person retirement workshops after a pause due to the COVID-19 pandemic and staffing changes. The communications

VENTURA COUNTY - CONTINUED

team will give annual presentations to several employers and groups under VCERA's pension plan. VCERA plans to send out a newsletter in the Fall of this year, its first since 2019, educating members on their pension plan and highlighting important information.

FINANCIAL MANAGEMENT SYSTEM (FMS) UPGRADE

VCERA's current financial management system is reaching end of life by January 2025. Plans are underway to replace this system. The current system utilizes manual processes. VCERA is planning to choose a system with automation to enable more efficient processing of financial reports, accounts payable, contracts, general ledger accounting, and budgeting. With assistance from a consultant, VCERA plans to evaluate potential solutions, select a software and an implementation vendor, and implement the new system within the next year or so.

INVESTMENT PERFORMANCE & NEW ASSET ALLOCATION

The investment portfolio for the fiscal year ending on June 30, 2024 had increased 11.8% (net of fees), with a fund value of \$8.2 billion. The 3-year, 5-year and 10-year returns were 4.6%, 8.9% and 7.5%, respectively. In May, VCERA's Board of Retirement revised the investment portfolio asset allocation targets, ranges, and benchmarks as the final step in a three-step process, following a review of Capital Market Assumptions and consideration of an asset-liability study. The study incorporated objectives over both 10- and 30- year horizons. Additionally, the Board has approved several commitments to investment managers in 2024 as steps towards implementing its long-term asset allocation plan.

CONTINUING EDUCATION HOURS

To receive credit for educational hours, Trustees, Affiliates and Staff must complete an online evaluation for each session they attend. Hard copy/paper evaluations are no longer in use at conferences. To access the online evaluations, please follow the instructions:

- Go to SACRS.ORG
- Login to your account
- Click on Events
- Click on Fall Conference
- Click on Fall 2024 Conference Evaluation
- Click on the sessions you would like to evaluate and click submit

All evaluations must be completed by **January 1, 2025**. Upon completion of your evaluation, your certificate will be available in your account portal at **SACRS.ORG**. To access your certificate of completion:

- Go to SACRS.ORG
- Login to your account
- Click on "My Account"
- Click on "My Continuing Education"
- Click "Print Certificate" next to one of the sessions you attended

You do not need to print a certificate for each session you attended, by clicking "Print Certificate" next to one of the sessions you evaluated, the website will generate a certificate with the total number of CE credits earned at the conference.