

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 conducted the nomination process for the Board of Retirement election for one of its two general active member seats, which resulted in the incumbent, Ms. Kellie Blumin Simon, being the sole candidate who was declared the unanimous winner by the Board of Supervisors.

ACERA hosted a Board offsite covering topics on AI, macroeconomic and geopolitical trends, Board governance best practices, and retirement preparedness.

ACERA performed a Member Direct Deposit Audit, resulting in stronger fraud prevention controls to protect ACERA members.

ACERA launched SharePoint as an ACERA intranet tool.

ACERA initiated discussions regarding the inclusion of the Alameda County Local Agency Formation Commission as an ACERA Employer.

ACERA implemented new GASB Pronouncements by integrating GASB 100 (Accounting Changes and Error Corrections) and GASB 101 (Compensated Absences) into ACERA's accounting practices, ensuring compliance and enhancing financial reporting accuracy.

INVESTMENTS

As of December 31, 2024, ACERA's Total Fund returned 9.2% (net) for the year. The value of the Total Fund was \$12.0 billion.

ACERA expanded the Total Fund's investments with \$220 million in commitments across five privately placed funds, advancing progress toward target allocations in the Private Equity, Real Assets, and Real Estate asset classes.

ACERA conducted a comprehensive Emerging Markets Equity Manager Search and selected ARGA Investment Management, LP, as an ACERA Emerging Markets Manager, pending completion

of legal and investment due diligence and successful contract negotiations.

ACERA adopted a Private Credit Investment Plan.

ACERA responded to Hightower Holding's acquisition of a majority interest in NEPC by approving the transfer of the investment consulting agreement and placing its General Investment Consultant, NEPC, on ACERA's Watch list, in alignment with the General Investment Policy.

BENEFITS

ACERA successfully completed its five year project to replace its pension administration system, transitioning from PensionGold Version 2 to PensionGold Version 3, launching the MemberDirect member portal with a secure PIN letter campaign and decommissioning the legacy Web Member Services portal.

ACERA surveyed retirees on potential enhancements to the Kaiser Permanente Senior Advantage Plan, including over the counter benefits, post discharge meal delivery, and medical transportation.

ACERA held its inaugural hybrid health fair, featuring a live conference center event and seamless streaming of wellness presentations via Zoom for virtual participants.

ACERA promoted the 2025 transition of Kaiser's Silver&Fit gym membership program to the enhanced One Pass benefit to Kaiser Permanente Senior Advantage Plan participants.

ACERA revised all notices and documents related to the new age limits for Required Minimum Distribution requirements.

ACERA educated members on the potential impact and opportunities of the newly passed Social Security Fairness Act.

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 \$12 billion as of September 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.
- In January, CCCERA issued a Request for Proposal for Investment Consultant Services. CCCERA intends to select

one or more non-discretionary consulting services for the entire CCCERA portfolio or any combination of the following services: general investment consulting (including risk advisory and liquid markets services) and private markets consulting (including private equity, private credit, real assets, and real estate).

OPERATIONS

- 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 this summer.
- Last fall, CCCERA conducted a member and employer survey and collected over 700 responses. The results of this survey are being reviewed for strategic planning.
- CCCERA updated its website address and email accounts from cccera.org to cccera.gov.
- To quickly illustrate the effect CCCERA has on the surrounding community, CCCERA created a dashboard at cccera.gov/impact to display key data points.

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:
 Riley L. Talford, MA – General Members, Chair
 Rauden (Rod) H. Coburn III, DDS – Appointed, Vice Chair
 Nathan Magsig, MBA, MS – Appointed Board of Supervisors
 Greg Baxter – 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
 DeAnn VonBerg – Retired Members (Alternate)
 (FCERA does not have a Safety Alternate)

Trustee DeAnn ("Dee") VonBerg has joined the FCERA Board as the new Alternate Retired Members Trustee, following the resignation of Vicki Crow in October 2024. In March of this year, we also welcomed back Gregory ("Greg") Baxter to the Board as an appointee, replacing Stanley ("Stan") McDivitt, who stepped down to spend more time with his family. We extend our sincere thanks to both Vicki and Stan for their dedicated service to FCERA.

FRESNO COUNTY - CONTINUED

Greg has been a stockbroker and financial advisor for over 38 years and has been with LPL Financial LLC since 2018, previously working at UBS, Morgan Stanley, and Dean Witter. Greg was born and raised in Fresno, CA, and graduated from Fresno State and is a 3rd generation Californian. Greg is a returning trustee after serving from 2015 to 2017.

DeAnn, a lifelong Central Valley resident and proud Fresno State graduate, worked for the County of Fresno for 28 years, serving the Department of Human Resources in key roles such as HR Analyst, Labor Relations Manager, Employment Services Manager, Risk Manager, and HR Administration Manager. Lastly, DeAnn serves on the Retired Employees of Fresno County Organization (REFCO).

Both are attending this Spring 2025 SACRS conference.

STAFF

In February we said goodbye to Debbie W. We are excited to welcome Steven L., Retirement Technician; and Carmen G., Office Assistant; to the FCERA team. We celebrated the internal promotions of Frankie D., Retirement Benefits Manager; Donna L., Supervising Retirement Specialist; and James C., Retirement Specialist. We are recruiting for two Retirement Technicians and anticipate having the positions filled by the end of Spring

ADMINISTRATION AND OPERATIONS

2025 marks a special milestone for FCERA as we celebrate our 80th anniversary.

To mark the occasion, we have a special logo and some custom promotional items to hand out to members.

Earlier this year, the FCERA Board and the County of Fresno Board of Supervisors adopted resolutions recognizing FCERA's 80th anniversary. In addition, FCERA was featured in The Business Journal, a prominent local business news outlet covering what we do and a brief history.

On March 14, 2025, ("Pi Day") FCERA hosted an Open House for our members, featuring several participating vendors, including representatives from Social Security, Noble Credit Union (who sponsored the taco truck), Core Business Solutions (who sponsored custom 80th anniversary polo shirts for staff), County

of Fresno Employee Benefits, REFCO (FCERA's recognized retiree organization), Nationwide (who sponsored the beverages and is the recordkeeper for Fresno County's 457(b) and 401(a) programs), Hinds Hospice, and the SEIU. Even though there was rain, the event was a great success and received positive feedback. Donald even offered himself up for pies in the face, head, shoulders, and torso. Looking ahead, our Communications Analyst, Jared, is developing additional content to share with participants to round out the year of celebration.

ACTUARIAL INFORMATION AS OF JUNE 30, 2024

- Actuarial Accrued Liabilities \$7,749,850,000
- Market Value Assets (MVA) \$6,650,853,000
- Valuation Value Assets (VVA) \$6,660,013,000
- Funded percent based on MVA 85.82%
- Funded percent based on VVA 85.94%
- Average Contribution Rates: 44.02% (ER) and 9.48% (EE)

FCERA has a separate administration expense load on employer and employee rates as a percentage of total average contribution rates at 1.07% and 0.23% of payroll, respectively, incorporated in the rates.

INVESTMENTS

FCERA's Board of Retirement approved a new asset allocation in November 2024 led by general investment consultant NEPC. The asset class mix newly includes non-core infrastructure (5%) and TIPS (3%). Here is a summary of the other changes: domestic equity (-3%, now 26%), international equity (-3%, now 18%), fixed income (-1%, now 21%), and real estate (-1%, now 8%). Allocations to core infrastructure, private equity, and private credit did not change.

After a finalist presentation between Capital Group, Loomis Sayles, and Western Asset, the Board made the decision to transition to Loomis Sayles' Disciplined Alpha as one of FCERA's core fixed income managers. This will be a complement to FCERA's existing investment in J.P. Morgan's Core Bond Fund.

The Investment Unit also signed agreements for access to Nasdaq's eVestment and Hamilton Lane's Cobalt.

FRESNO COUNTY - CONTINUED

Important advisory to affiliates who have known the FCERA investment team for a long time or who have not met them yet and wish to partner with FCERA:

In the advent of AI, automated email marketing services, and paid subscription services, FCERA investment staff have had to adapt to focus on essential functions under the barrage of ceaseless communications. Please be advised that if your messages come across as automated, off-the-shelf, AI'd, or scripted without any thought or effort on your part, you will be doing a disservice to you and your organization's appearance and reputation.

To get our time, you must give your time. Please put effort into your initial outreach for a proper start to a potential relationship and do your homework. We don't reply to most canned messages. We also do not take calls or virtual meetings. If we did, we would be doing those eight days a week. If you are in the area or willing to make the trip, we will see you in person for introductions at the 11:30am time slot.

But don't fret because, here at FCERA, we rely on our consultants for manager underwriting and sourcing. Aksia handles private credit on a discretionary basis, Hamilton Lane handles private equity on a discretionary basis, and NEPC handles everything else on a non-discretionary basis, but NEPC is still responsible for manager sourcing and underwriting. FCERA staff is not compensated for manager sourcing, and we will not be your placement agent. Please work the appropriate channels.

Publicly available agenda materials provide who our consultant contacts are based on their reports. Even better, if you really want

a partnership, review the meeting materials regularly and follow the investment portion of the meetings. By doing all this, you will find out whether your firm's product offerings have a place with FCERA and save us all, you included, a lot of time avoiding any dead ends with our consultants and FCERA investment staff. For instance, *we do not currently invest in hedge fund strategies, venture capital, or venture debt*. Now is not the time to try to talk about them with us. Our real estate pacing plan was presented October 2-3, 2024, our private credit pacing plan was presented November 6, 2024, or private equity pacing plan was presented December 4, 2024, and our infrastructure pacing plan was presented February 5, 2025. They all say what our consultants are focusing on for each of the respective allocations. Further, our investment allocation and manager lineup are on our website in our quarterly performance reports, as is our Investment Policy Statement (under Governance) which contains asset allocation and manager guidelines.

We need you to do your homework first so you can make sure you are bringing us a solution and not more spam. Thank you for your patience and persistence reading the above. Hopefully, it tempers your resolve and makes your future outreach and new relationships stronger.

Something Donald has always told affiliates is that they need to be where the decision makers are, and you are here at SACRS. Bravo! This conference and others are where the trustees and investment staff can be found. In person interactions are way better anyway because they can form lasting bonds.

Best of luck in 2025 and beyond.

IMPERIAL COUNTY

BOARD OF RETIREMENT

Current Trustees of ICERS' Board of Retirement include:

Suzanne Bermudez – Ex-officio

Patricia Lizarraga – General Member

VACANT – General Member

Ryan E. Kelley – County Supervisor, Appointed

Norma K. Jauregui – Appointed, Chair

Jose Landeros – Appointed, Secretary

Carl Armstrong – Safety Member, Vice Chair

David H. Prince – Retiree Member

Dr. Kathleen Lang – Appointed

Jennifer Benavidez – Safety Member (Alternate)

Argelia "AJ" Gaddis – Retiree Member (Alternate)

In January, ICERS welcomed a new Supervisor Appointee, Ryan Kelley to the dais. Mr. Kelley has an extensive background in public service extending from the Boy Scouts through being a fire fighter

IMPERIAL COUNTY - *CONTINUED*

for the city of Brawley and Imperial County and currently as member of the Imperial County Board of Supervisors. Welcome aboard Ryan!

In February, the Board of Supervisors appointed Retiree, Dr. Kathleen Lang to ICERS' Board to fill the 9th Seat Public Member vacancy. Prior to her current appointment, Dr. Lang sat as an ICERS' Board member back in 2013-2014 in the 2nd Seat General position while serving as the Deputy Director of Health and Support Services. Welcome back Dr. Lang!

BENEFITS

The Board of Retirement recently approved a 3% COLA for ICERS' retirees. 2% of the increase will be effective on April 1st while the remaining 1% will be banked for future use. The COLA was determined by comparing the annual average CPI for the West Region for the past two years. This figure resulted in a percentage change of 2.81% which was rounded to the nearest one-half percent per ICERS policy.

PENSION ADMINISTRATION SYSTEM (PAS) UPDATE

During their October 2024 meeting, the Board approved its consultant's, Linea Solutions (Linea) recommendation to issue an RFP for a new Pension Administration System. The RFP was issued in January and ICERS' and Linea Staff are currently reviewing the proposal responses to select vendor finalists. The chosen finalists will ultimately make presentations and provide demonstrations of their respective solutions to the vendor selection committee who will ultimately make the winning recommendation before the Board.

ACTUARIAL SNAPSHOT (AS OF JUNE 30, 2024)

Actuarial Accrued Liabilities \$1,309,119,000
Market Value of Assets (MVA) \$1,197,046,000
Valuation Value of Assets (VVA) \$1,208,083,000
Funded percent based on MVA 91.4%
Funded percent based on VVA 92.3%
Membership: 2,326 Active; 1,446 Retired; 874 Deferred
Average Contribution Rates: 20.05% (ER) and 12.70% (EE)

INVESTMENTS

As of March 31, 2025, ICERS' total portfolio is reporting a fiscal year-to-date return of 4.3% with assets under management sitting at \$1.220 billion.

Upon recommendation from its investment consultant, Verus, the Board recently committed \$10 Million to HarbourVest's Global 2025 Fund.

ASSET ALLOCATION

Following the completion of our Asset-Liability Study, ICERS' Board of Retirement adopted refinements to some of our investment targets and policy ranges within our umbrella Investment Policy Statement. In summary: Domestic Equity - adjusted range (23% to 43%); International Equity - adjusted range (10% to 24%); Core Fixed Income - adjusted range (14% to 30%) and decreased target to 22%; U.S TIPS, separated from Core Fixed Income and established range (0% to 10%) with a target of 4%; Private Credit - adjusted upper range (10% to 12%); and finally, added Cash component range (0% to 5%) with target of 1%. In addition, the "Alternatives" summary range has been updated to 0% to 22% with a summary target of 13%.

KERN COUNTY

KCERA PURSUES ACTIVE U.S. LARGE-CAP EQUITY

In a subset of the equity market that is typically accessed via passive index exposure, KCERA is looking to move into active management. At the April 22nd Investment Committee meeting, Trustees heard an investment staff recommendation for shifting \$150 million of the equity exposure to Chilton Capital High Conviction Equity Strategy, an active U.S. large-cap equity strategy

run by Chilton Capital Management. KCERA believes that record levels of index concentration driven by the leadership of a narrow cohort of stocks, stretched valuations, and policy uncertainty have created an attractive environment for an active manager to generate alpha. Investment staff believe that recent price action and heightened volatility reaffirm the notion of passive index risk and have conviction in Chilton's investment strategy

KERN COUNTY - *CONTINUED*

and alignment with KCERA's outlook and thesis. The investment recommendation is heading to the Plan's Board of Retirement on May 7th for final approval. The Chilton investment will comprise roughly 18% of the Plan's U.S. large-cap equity exposure.

EXPANDING LEGAL SERVICES AND RESOURCES

KCERA is pleased to welcome a new Paralegal assisting our Legal and Investment Teams with KCERA's growing investment needs, including onboarding new managers, processing regulatory forms received, contracts for investment vendors, tax reclaims, and more.

KCERA's Legal Team has been assisting its Member Services and Financial Teams with updating and amending our Beneficiary Designation forms, obtaining Board approval to allow our divorced members to designate a single beneficiary to receive an Option 4 retirement benefit, and developing workflows to promptly resolve our decedent matters. With the addition of our Deputy Chief Legal Officer last year, KCERA has been able to dedicate more resources to and improve the efficiency of our disability retirement application review process.

COMPLIANCE FUNCTION

To ensure timely and accurate financial data from our Plan Sponsors and to correctly administer Plan Benefits, KCERA is hiring a Deputy Director of Compliance. This new position will serve as a technical advisor to the KCERA Chief Executive Officer and the Board of Retirement on matters related to KCERA's operational and fiscal compliance, risk assessment, development/testing of internal controls, and implementation of compliance policies and procedures. This compliance professional will make site visits to our Plan Sponsors, complete internal control walk-throughs, and evaluate the Plan Sponsor payroll processes to better serve our Stakeholders and Members.

COMMUNICATIONS & OUTREACH INITIATIVES

2025 marks a significant milestone for KCERA as we celebrate our 80th anniversary. To honor this achievement, we introduced

a specially designed anniversary logo and organized a series of commemorative events throughout the year.

KCERA hosted its second annual Stakeholder Summit In March, inviting Plan Sponsors and Labor Groups to our office for a focused training session. The summit featured presentations by KCERA management, offering tailored educational insights to address the specific needs of our stakeholders.

Our continued commitment to robust stakeholder engagement is reflected through various communication efforts. We provide a comprehensive suite of services, including retirement seminars, informative presentations, new publications, regular website updates, and streamlined access to dedicated staff support. Leveraging multiple communication channels, from in-person presentations and podcasts to virtual meetings, we ensure that our members receive clear, pertinent information on various of pension planning topics.

In January, we launched an innovative AI-powered Chat Module, Ask Jan, on the KCERA website. This advanced tool allows members to ask questions in their preferred language, delivering easy-to-understand, conversational responses around the clock.

Additionally, KCERA completed the second phase of our internal branding initiative, introducing five new elements within our office environment that underscores the values of an Ideal Team Player and reinforces our commitment to excellence and collaboration

RECRUITMENT & STAFFING UPDATE

KCERA plans to launch several recruitments over the next several months, adding additional team members across multiple divisions within the office. KCERA continues to seek talented, driven Team Players to add to our growing team. This continuation of KCERA's growth focuses on employee retention, cross-training, succession planning, and ensuring KCERA is strongly positioned to retain our high-performing staff and be attractive in the talent marketplace.

LOS ANGELES COUNTY

JANUARY WILDFIRE IMPACTS AND RESPONSE

A week into 2025, the Los Angeles area experienced unprecedented wildfires that caused billions in damage and claimed nearly 30 lives. As you may know, LACERA's office is directly south of the Altadena burn zone, and many of our members and employees lived in the affected areas. At last count, over 200 LACERA members were directly impacted by the fires and almost 190 of them lost their homes. (A small percentage of those were our own staff members, and 110 were retirees or surviving members.)

During this tragedy, we were inspired by the everyday heroes who immediately stepped up to help. These included LACERA's brave and compassionate public service members, who fought fires, evacuated residents, cared for displaced families, and provided other direct assistance; the dozens of aid organizations and thousands of volunteers who provided disaster relief; and the millions of people around the world who made donations during this terrible time. We are grateful to all of them.

Internally, our incredible Employee Council Team and volunteers conducted extensive outreach to fire-impacted LACERA staff members and coordinated organization-wide donation efforts. The outpouring of generosity by our employees was tremendous, providing immediate necessities and cash donations for LACERA families in need. LACERA's Boards, Executive Team, and staff also want to acknowledge our SACRS peer organizations, who reached out to us offering assistance and resources. Thank you! Your ongoing support means the world to us.

LACERA faced significant operational challenges during the quickly evolving emergency, including having to close our physical offices due to ongoing fire suppression efforts and hazardous environmental conditions. Despite that, we are glad to report that we maintained normal operations and remained responsive to members thanks to our business continuity planning, emergency notification system, remote capabilities, and—most notably—all-hands-on-deck approach of our staff members. They worked tirelessly to provide up-to-date information and uninterrupted services to our members, some while experiencing losses of their own.

In the weeks after the fires, LACERA worked in partnership with the County, outside agencies, and our insurance carriers to directly help members. LACERA participated in six County events at various locations helping connect active members with their benefits and available wellness, employee assistance, insurance, and recovery resources. In February, LACERA organized two emergency retiree assistance events at LACERA's offices. Working side by side with multiple County departments, the Federal Emergency Management Agency, the Small Business Administration, Retired Employees of Los Angeles County, retiree healthcare providers, and other organizations, we were able to provide one-stop service and access to benefits.

At the same time, we continue to serve our wider member audience through all our communications channels, reassuring them that LACERA is there for them now and into the future, with a stable pension fund and secure member benefits.

LAWSUIT UPDATE

In previous updates, we shared the progress of our lawsuit against County of Los Angeles and the County Board of Supervisors. At the core of this case is the right of LACERA's Board of Retirement and Board of Investments to determine employee classifications, salaries, and other crucial decisions necessary to perform our exclusive fiduciary responsibilities to our members and their beneficiaries, without interference from the County.

Since our initial filing in October 2021, the case has been incrementally making its way through the courts. On October 16, 2024, the California Supreme Court granted a review of the case. LACERA and the County are now compiling additional briefs and responses in preparation for an oral argument before the Supreme Court. We anticipate the review process will take about another year. We will keep our peer organizations informed, as our rights to autonomy determined by this case are important for other CERL systems as well.

BOARD NEWS

We have several Board updates. On December 31, 2024, LACERA bid a fond farewell to Trustee Vivian Gray, who retired from the Board of Retirement (BOR). SACRS members know Ms. Gray well

LOS ANGELES COUNTY - CONTINUED

from her leadership roles with the organization over many years, including serving as President, Vice President, and Chair for the Bylaws and Program committees. She was elected by LACERA general members to four consecutive terms, starting on January 1, 2013. LACERA thanks Ms. Gray for her dedicated service to the community and LACERA's members during her long career. Her advocacy on the board will be greatly missed.

Also at the end of 2024, appointed Trustees **Antonio Sanchez** (BOR) and **Trevor Fay** (BOI) completed their terms. We thank them both for their service.

Aleen Langton, who was elected by general members to both LACERA's boards last August, began her simultaneous three-year terms on both Boards in January. Trustee Langton is a Principal Deputy County Counsel who has dedicated her entire legal career to government service. The first County Counsel attorney and the first individual of Armenian descent to serve on the LACERA Boards, she has made a significant impact in the Los Angeles community through her work as counsel for the Executive Committee of the Regional Homeless Alignment and Leadership Table, Los Angeles Homeless Services Authority (LAHSA), and as legal expert on Adult Protective Services, among other notable contributions.

Also in January, **Alma Martinez** was appointed to the BOI, and **Lisa Proft** began serving as the acting ex-officio trustee on both boards.

Trustee Martinez has served as City Manager for the City of El Monte since 2019—the first woman and first Latina to hold this position—where she oversees day-to-day operations. She previously served as the Assistant City Manager for the City of El Monte; City Manager for the City of Lynwood; and Assistant City Manager for the City of Compton. She earned a master's degree in urban planning from the UCLA Luskin School of Public Affairs. Her areas of expertise include building private-public relationships, identifying development opportunities, managing development projects, and applying public financing tools to revitalization efforts.

Acting Ex-Officio Trustee Proft is the Chief Deputy and the Principal Deputy Public Administrator for the County of Los Angeles Department of Treasurer and Tax Collector, where she oversees departmental operations. She began her County career

as a Legislative Deputy for the County Board of Supervisors, working for the late Supervisor Gloria Molina. She subsequently served as a trial attorney in the Dependency Court, Appellate Courts, and County Counsel's Probate Division, where she handled estates and advised the County's Public Administrator. In 2016, Ms. Proft accepted the position of Assistant Treasurer and Tax Collector and in 2025, assumed the position of Chief Deputy.

In February, **Bobbie Fesler** was appointed to the BOR. She is a retired Senior Assistant L.A. County Counsel who served the community for over three decades. She also previously served the Los Angeles Unified School District as General Counsel. Trustee Fesler earned her undergraduate degree at UC Santa Barbara and her Juris Doctor degree at UCLA. As a LACERA retiree and Retired Employees of Los Angeles County board member, Ms. Fesler is an advocate for protecting members' benefits and financial security. She also volunteers and has held leadership positions with several nonprofit and community organizations.

INVESTMENT NEWS

From Jon Grabel, Chief Investment Officer

The market value of LACERA's pension fund (the Fund) as of December 31, 2024 was \$81.2 billion, with a net return for the year of 8.8 percent. The Fund has continued to perform consistently across varying market cycles, generating net returns of 7.9 percent over five years and 7.7 percent over ten years, outperforming its benchmark returns for the three-, five-, and ten-year periods.

Looking ahead to 2025, the investment environment faces new uncertainties due to changing international trade relations and persistent inflation. Despite these challenges, LACERA's Board of Investments remains committed to executing its disciplined investment strategy. This strategy includes maintaining a diversified portfolio across different asset classes, consistent with the strategic asset allocation adopted by the Board in 2024, to achieve sustainable long-term returns.

In January, the Board approved LACERA's 2025 Strategic Framework and Initiatives, which applies a principles-based investment approach, supported by a robust governance structure and a commitment to continuous improvement and learning. This framework positions LACERA to adapt to changing macroeconomic conditions, technological advancements, and workforce trends. As part of its strategic direction, LACERA will continue efforts to enhance operational effectiveness, optimize

WHATS NEW

its investment model, maximize stewardship and ownership rights, strengthen its influence over fees and the cost of capital, and advance its T.I.D.E. (Towards Inclusion, Diversity, and Equity) initiative. The Strategic Framework and Initiatives enhance LACERA's ability to execute its strategic asset allocation and ultimately fulfill its mission.

LACERA remains steadfast in its mission to produce, protect, and provide the promised benefits to its members, while maintaining a disciplined focus on optimizing asset allocation and advancing its strategic initiatives.

MARIN COUNTY

RETIREMENT BOARD

The current Chair is Appointed Member Todd Werby with Appointed Member Daniel Vasquez serving as Vice Chair, and Elected Member Kelsey Poole serving as Secretary.

ADMINISTRATION

Milliman concluded its audit of Cheiron's actuarial work for MCERA. Milliman reported that the audit did not produce significant concerns or material issues and that their independent calculations compared very closely to Cheiron's.

In February, the Board adopted the actuarial valuation report as of June 30, 2024. The plan's unfunded liability decreased by about \$43 million (\$12 million more than expected), from \$328.4 million to \$285.0 million, primarily due to investment gains offset by higher-than-expected COLAs, salary increases, and other demographic changes. The resulting funded ratio for the plan increased from 90.5% to 92.1%

In March, the Board voted to hire Linea Solutions for outsourced Chief Information Security Officer and to conduct a second cybersecurity risk assessment.

In April, the Board voted in favor of a new agreement with Brown Armstrong for conducting audits of MCERA's financial statements, accounting records and processes.

BENEFITS

MCERA retirees have cost of living adjustment (COLA) caps of 2%, 3% or 4% depending on retirement tier. The actuary calculated a 2.5 COLA based on the increases in the Consumer Price Index for All Urban Consumers (CPI-U) in the San Francisco-Oakland-San Jose area.

INVESTMENTS

In December, the Board voted in favor of replacing Western Asset Management with Dodge & Cox as core plus fixed income manager.

MENDOCINO COUNTY

BOARD MEETINGS AND BOARD MEMBERS

ADA access improvements at MCERA's office wrapped up and the Retirement Board resumed meetings at MCERA's offices starting in January. At the February meeting, MCERA trustees and staff welcomed Supervisor John Haschak as the new Board of Supervisors appointee to the Retirement Board. Chamise Cubbison, Mendocino County Auditor Controller/Treasurer, returned to the Board in March.

PORTFOLIO STRUCTURE REVIEW

Over the past year MCERA approved a structure transition within the International Equity allocation. The new structure better aligns the manager benchmarks with the asset class benchmark. In December the board selected a passive index strategy for most of the international allocation. MCERA interviewed emerging market managers at the February meeting and international small cap managers at the March meeting. These new managers were added to complement existing managers in those markets. There was no change to the asset class target allocations.

MENDOCINO COUNTY - *CONTINUED*

GOVERNANCE UPDATE

Continuing with MCERA's strategic objective to strengthen risk oversight, MCERA issued an RFP for Agreed-Upon Procedure audits. Prior to the RFP, MCERA completed an entity-wide risk assessment which formed the basis for the AUP audit universe. The initial contract has 2-year term with two AUP audits scheduled each year.

STAFF UPDATES

At the request of the Board of Retirement, the Mendocino County Board of Supervisors adopted CERL section 31522.3 authorizing the Board of Retirement to appoint Assistant Administrators and Chief Investment Officers that are at-will employees of the Retirement Board. MCERA is also adding an accountant position in Fiscal Year 2025-2026. One additional Retirement Specialist I joined MCERA April 13, 2025.

IRS VOLUNTARY CORRECTION PROGRAM

MCERA received a compliance statement from the IRS regarding its correction program and all remaining corrections should be completed by July 2025.

MEMBER OUTREACH

MCERA conducted a virtual Spring Pre-Retirement Webinar March 6, 2025; will present during Mendocino County's Health, Wellness and Retirement educational seminar in July and September; and is currently producing five minute videos explaining a variety of retirement related topics, the first of which will be released in May.

BENEFITS

The Board approved a 2.5% Annual Cost of Living Adjustment effective April 1, 2025.

MERCED COUNTY

The much-anticipated new MercedCERA headquarters building was completed in December 2024, holding its first Board Meeting on site in January. Members are now able to meet with staff in person or virtually for counseling sessions and other member services. MercedCERA also hosted an Open House event with tremendous member and community turnout.

MercedCERA said goodbye to its previous Plan Administrator, Kristie Santos. Kristie retired in early April after leading MercedCERA for nearly nine years. Her work as the CEO was instrumental in the continued development of the association and she will be greatly missed. Martha Sanchez Barboa, previously serving as

the MercedCERA Assistant Plan Administrator over Benefits and Administration, was appointed by the Board as the new Plan Administrator. Martha joined MercedCERA in 2019 and was involved in all facets of the organization. She has 26 years of public service experience and is excited to continue executing the mission, vision and goals of MercedCERA.

This Fall, MercedCERA will celebrate its 75th Anniversary! We are excited to take a moment and look back at MercedCERA's history and celebrate our accomplishments with our members and stakeholders.

ORANGE COUNTY

WELCOME TO OUR NEWEST TRUSTEE

OCERS has very little turnover on Board. With Mr. Prevatt's recent retirement (and yes, he really did make the move to France), we welcomed Ms. Iriss Barriga to fill that General Member seat, our first new trustee in four years.

Ms. Iriss Barriga was elected as a General Board Member in July 2024, and officially began her first term on the OCERS Board of Retirement in January 2025

A lifelong resident of Santa Ana, Ms. Barriga completed her education in the city, attending local schools from elementary

ORANGE COUNTY - *CONTINUED*

through Santa Ana College, where she earned her Associate of Arts degree. Her career with the County of Orange began in 1997 as an Office Assistant Trainee in the District Attorney's Office. Over the years, she has held various roles, including Attorney Clerk and Child Support Officer, and she currently serves as a Senior Child Support Specialist. Her dedication to public service reflects her commitment to the County of Orange community and its residents.

Ms. Barriga is a respected leader in her workplace and an advocate for employee rights. As an active Orange County Employees Association (OCEA) member, she has worked tirelessly to promote fairness and equity. She has served as a Trustee in the OCEA Health and Welfare Trust since 2019 and was elected to the OCEA Board of Directors in 2021, where she helps shape policies on behalf of the organization's members. In 2023, she was part of the OCEA labor negotiation team, which secured a fair contract promptly ratified by the membership.

Ms. Barriga brings extensive leadership experience and a passion for serving her community to the OCERS Board of Retirement through her professional and labor union roles.

INVESTMENTS

OCERS's Investment Committee recently approved expanding co-investments to include all private markets. During the last half of 2024, OCERS was active on the secondary market, executing both a secondary purchase of a high conviction fund and a portfolio sale of some legacy positions. Additionally, an RFP was issued in January for an Investments Risk Management System as part of the terms of OCERS' service provider policy. We expect that process to conclude by end of Q3 2025.

NEW HEADQUARTERS BUILDING

We're excited to share continued progress on our new

headquarters project. The planned three-story, 70,000-square-foot building will be constructed on the lot adjacent to our current location, keeping us close to home while providing much-needed space and modern upgrades. Design Development has been completed, and the Board recently approved moving forward with the Construction Documents phase. We expect to receive a Guaranteed Maximum Price (GMP) proposal from our Design-Build Entity by May. If all goes according to plan, we look forward to moving into our new headquarters in the summer of 2027. More updates to come!

VISION 2030 – OCERS AND AI

Several positive developments here:

OCERS is about to hire our first Chief Technology Officer, joining with our current Chief Information Officer, to aim for bringing an agency wide view to the implantation of automation tools, and eventually full AI.

Having become proficient with Robotic Process Automation (RPA) on our own, we have been able to end our contract with our consultant and as of January 2025 perform these tasks on our own.

The OCERS Investment Team is highly focused on bringing greater automation and early AI tools in-house, and have been actively working with several managers to assist in building our own teams proficiency in their application.

The Multi-Employer AI group is meeting just prior to SACRS to confirm our final version of a "wish list" letter going out to all pension vendors, providing them with better insight into what we as a group of over sixty pension systems across the US, as well as Canada and the UK, hope to see developed by way of initial automated tools, and future AI implementations.

SACRAMENTO COUNTY

SCERS PLANS STRATEGIC VISION PROGRAM

SCERS is embarking on a forward-looking Strategic Vision Plan project as it approaches its 100th anniversary in 2041. This plan aims to develop a shared vision among the Board and Staff, focusing on long-term challenges and opportunities across financial, demographic, and operational issues.

To help facilitate this year-long effort of mapping out where SCERS is going and how it's going to get there, SCERS has retained a third-party consultant, Mosaic Governance Advisors.

The project timeline and framework will incorporate stakeholder feedback from surveys and focus groups from members, employer representatives, SCERS' consultants, Staff, and Board members.

SACRAMENTO COUNTY - *CONTINUED*

Mosaic will review all survey responses and provide a summary of the responses to SCERS. The Strategic Vision will be published on the SCERS website once it is approved by the Board.

SCERS CONTRIBUTION RATES TO DECREASE

Employer contribution rates to SCERS will decrease this year as the pension fund continues to strengthen, based on an actuarial analysis presented to the Board of Retirement on December 11, 2024.

The reduction will mark the third year in a row of lower pension contributions, a reversal from years of rate increases due to investment losses from the Great Recession followed by more prudent funding policies that raised contribution rates.

At its December meeting, the SCERS Board of Retirement reviewed the actuarial valuation and adopted contribution rates for the next fiscal year that begins July 1, 2025.

The aggregate employer contribution rate will decrease by 1.07% of payroll to 28.7% for the 2025-26 fiscal year. Employee contribution rate will remain relatively stable in 2025-26. The specific rates vary by employer and retirement tier.

The drop in employer rate is largely due to an extraordinary 27.7% net investment return in 2020-21, which provided a funding cushion for future years. The pension fund also beat its investment target of 6.75% this past fiscal year, finishing with a 9.2% investment return. Employer rates may continue to drop slightly for each of the next three years if SCERS meets or exceeds its investment target.

"We can lower contribution rates because our funding plan is working," said SCERS' CEO Eric Stern. "Our investment performance has continued to beat expectations and keep our plan on a faster track to full funding, which puts SCERS in a position to take some minor pressure off employers."

Overall, the long-term funding outlook for SCERS improved; SCERS ended the 2023-24 fiscal year with a funded status of 88.7%, an increase from last year's 86.1%. The fund balance was \$13.3 billion as of June 30, 2024, and has continued to grow to \$14 billion today.

SCERS HOSTS EMPLOYER FORUM

In February, SCERS hosted its annual employer forum for finance, budget, personnel services, and benefits staff to showcase its strategic vision plan and provide updates on new laws, funding,

contribution rates and multi-year rate projections, policy updates, investment performance, and member portal and website updates.

Attendees at the education event included administrative staff from the Sacramento County Departments of Personnel Services, District Attorney's Office, Finance, Budget & Debt Management, Sheriff's Office, and non-County employers from Carmichael Recreation & Park District, Sunrise Recreation & Park District, Rio Linda/Elverta Recreation & Park District, Mission Oaks Recreation & Park District, Sacramento Employment and Training Agency, Sacramento Area Sewer District, and Superior Court of CA, County of Sacramento.

The post-forum survey showed all attendees in agreement that the information was helpful. "It's nice to know the new laws and how the system is doing. Employees do ask us, so now we can help when they come," said one attendee.

SCERS will host its next Employer Forum in early 2026.

SCERS EXPANDS ONLINE MEMBER PORTAL

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

"We are excited to provide our members with self-service access to their online accounts and look forward to adding many more features over the coming year," said Sr. Public Information Officer Joan Kudin.

Features to come include the ability for members to apply for retirement online, update or change beneficiaries, and update tax withholding elections.

INVESTMENT PERFORMANCE UPDATE

Halfway through the fiscal year, SCERS' investment portfolio has returned 3.7% net of investment management fees, as of December 31, 2024, and is on track to meet its annual target of 6.75% by June 30, 2025.

The returns are being led by SCERS' Growth assets across equities and credit.

SACRAMENTO COUNTY - *CONTINUED*

Diversifying assets, which are designed to protect assets in market downturns, are generating more muted but positive returns in an environment of interest rate volatility. Real Return assets are also positive, led by infrastructure and energy exposure, while real estate returns have lagged.

The start of calendar year 2025 has been much more volatile, with a selloff in U.S. equities toward correction territory.

The downturn is fueled by uncertainty being priced into the markets because of tariffs and the potential for a trade war, and

concerns over potential stagflation (persistent inflation combined with potentially moderating economic growth).

"While the market volatility could put pressure on SCERS' portfolio to fall short of the 6.75% actuarial rate by the end of fiscal year 2025, SCERS' investment portfolio is structured with diversification across many asset classes and market segments to better weather market volatility," said SCERS' Chief Investment Officer Steve Davis.

SAN BERNARDINO COUNTY

BOARD OF RETIREMENT NEWS

In December, Marc Bracco was re-elected to the Board of Retirement as the Safety Member Trustee and Jared Newcomer was re-elected as the Alternate Safety Member Trustee. The Board re-elected Marc Bracco (Elected Member Trustee) and Jean-Rene Basle (Appointed Member Trustee) to serve as Board Chair and Vice-Chair respectively.

San Bernardino County Chief Financial Officer Matthew Erickson (Elected Member Trustee) ran unopposed for the Board of Retirement position previously held by Trustee Eric Raley, who resigned from the San Bernardino County Probation to pursue another career opportunity.

SBCERA's Board of Trustees

- Marc Bracco – Elected 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 – Elected Member
- Harry Hatch – Elected Member – Alternate
- John Johnson – Ex Officio Member – Alternate
- Jared Newcomer – Elected Member – Alternate

CELEBRATING 80 YEARS AT SBCERA

New Year's Day marked SBCERA's 80th anniversary—a significant milestone in our commitment to proudly serving those who serve San Bernardino communities. Since our establishment on January 1, 1945, SBCERA's membership has grown from a few hundred San Bernardino County employees to more than 50,000 from 17 different employers. For eight decades, our mission to provide a secure retirement for our members has remained unwavering.

Today, our fund has grown to \$16 billion thanks to our proactive, income-focused investment strategy. We've embraced technology as an enhancement to member experience. Members can now manage their retirement accounts online, apply for retirement from the comfort of their home, and more. But we're not done. We're committed to making retirement planning easier for our members every year that passes.

INAUGURAL EMPLOYER FORUM

SBCERA hosted its inaugural Employer Forum in February 2025. We invited senior leaders from our 17 employers to learn more about their retirement system. The event included presentations from SBCERA's leadership team on issues such as contribution rates, investment performance, member tier population changes, employer reporting tools, and more. The forum was well received, and we plan to host the event annually. This will help us build closer relationships with our participating employers while also empowering our employers by providing them with a fuller understanding of how their retirement system works.

SAN BERNARDINO COUNTY - *CONTINUED*

During the event, we announced our employer reporting initiative, which will standardize how all participating employers report information to SBCERA. Over the next year, we will work with all our employers to migrate them to our secure online reporting system known as EmployerDirect. We plan to offer both in-person and virtual training to employers' staff members, and we've already started a library of instructional videos to help staff members learn to use EmployerDirect. This initiative will minimize mistakes, enhance efficiency, and provide a more secure reporting environment for all employers.

FIRST IN-HOUSE ELECTION

SBCERA members were able to cast their ballots for the Board of Retirement election securely online for the first time in 2024. We were able to offer this option, which 77% of our members took advantage of, because we partnered with MK Election Services – an independent, third-party election services firm – to conduct the election. In the past, we contracted with the San Bernardino County Registrar of Voters to conduct our elections, but the Registrar does not offer an online voting option. MK Election Services distributed and handled all ballots to ensure the security and confidentiality of the election.

FINANCIAL LITERACY PILOT PROGRAM

The financial education workshops SBCERA began offering members in the summer of 2024 continue to attract members interested in improving their financial planning skills. We have additional workshops planned this year, and members can watch recordings of previous workshops in their student dashboard online.

STAFF UPDATE

In December, our new Survivor Benefits Manager, Sandy Meier, joined our team. Sandy is dedicated to supporting the needs of SBCERA's members and their beneficiaries, ensuring that survivor benefits are managed with care and efficiency.

AWARDS

For the fourth year in a row, SBCERA Chief Investment Officer Donald Pierce was included in Chief Investment Officer Magazine's Power 100 list of top investment officers.

"These CIOs are the ones leading by building teams that will continue to serve their missions and beneficiaries regardless of market or investment environment, even as the names on this list change," Chief Investment Officer Magazine Executive Editor Amy Resnick said.

In addition, Donald earned a spot on the publication's Elite 100. This list recognizes CIOs who have demonstrated remarkable resilience and foresight, whether by safeguarding their funds, achieving critical benchmarks through innovative approaches, or successfully diversifying their investment portfolios.

Meanwhile, SBCERA's Communication Team earned a Polaris Award from the Public Relations Society of America–Inland Empire Chapter for exemplary public relations efforts in our Quick Tip Video Series. This project focuses on our continued commitment to inform and educate our members and serves as one of the clearest ways to explain some of the most complicated topics. Driven by frequently asked questions and direct feedback from our members, this series addresses retirement questions directly. Through these videos and beyond, we strive to provide our members with valuable resources that help them feel confident in all their future retirement decisions. The videos collectively have over 26K impressions to date.

INVESTMENT PERFORMANCE

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

SBCERA earned a 9.5% return on investments for the 12-month period that ended January 2025. (The 9.5% is "net of fees" i.e., we've already subtracted costs associated with the investment—such as management or transaction expenses.)

The fund had less invested in stocks and in bonds, which affected how it performed compared to other investments. However, credit investments performed better than expected.

As markets have rallied, the value of our credit investments has seen meaningful price improvements. While the amount we expect to earn from these investments in the future is not as high as before, these investments contributed a very solid 11.8% for the year.

WHATS NEW

SAN BERNARDINO COUNTY - *CONTINUED*

The fund's five-year return for the period ended June 30, 2024, was 8.4% and outperformed our policy benchmark by 2.9%. Additionally, over the past 40 years—a period which includes multiple recessions and other economic disruptions—we've earned an average annual return of more than 8.8%.

While our fund is not immune to short-term volatility, our investment strategy is built to minimize volatility and maximize investment returns so we can continue providing retirement security to our members now and well into the future.

SAN DIEGO COUNTY

BOARD OF RETIREMENT

This past December, the SDCERA Board of Retirement Chair David Gilmore retired from the County of San Diego, leaving his seat open on the Board. Trustee Paul Dostart was elevated to board chair, Trustee Bob Goodchild was elected as vice chair, and Trustee Natasha Wong was elected as secretary.

SDCERA is holding an election in May to fill the following seats:

- Active general trustee for a full, three-year term
- Active safety trustee for a partial term that ends Dec. 31, 2025
- Active safety alternate trustee for a partial term that ends Dec. 31, 2025

The active and alternate safety seats will be up for election again in November 2025 to fill the full, three-year term.

INVESTMENT RETURNS

SDCERA reported a fiscal year-to-date return of 6.3% as of February 28, 2025. SDCERA's assets under management were \$19.2 billion

MEETING OUR STRATEGIC GOALS

SDCERA staff have completed several initiatives laid out in the Annual Business Plan adopted by the Board of Retirement in June 2024. Recent accomplishments include:

- Upgrading our contact center technology with enhanced functionality
- Moving our office space to consolidate and save on our lease
- Selecting an independent auditor through a request for proposal procurement

SAN JOAQUIN COUNTY

WELCOME TRENT KAESLIN, SJCERA'S NEW INVESTMENT OFFICER

Trent Kaeslin has joined the team as SJCERA's new Investment Officer. Kaeslin comes to SJCERA with a robust background in institutional investment management. Before SJCERA, he served as Vice President and Chief Operations Officer at Bank of Stockton Wealth Management, where he led a team of nine and managed \$1.6 billion in assets. His expertise extends across portfolio management, investment strategy, regulatory compliance, and client relationships. As Head of Portfolio Management and Investment Officer, Kaeslin played a key role in developing investment models and managing risks for clients.

SJCERA'S FIRST ANNUAL EMPLOYER SYMPOSIUM

The first ever SJCERA Employer Symposium was a huge success. We brought SJCERA covered employers together for a day of insightful discussions and valuable retirement education. Attendees had the opportunity to participate in interactive presentations focused on key topics such as actuarial information, IT updates, communication initiatives, and navigating new compliance processes. The event also fostered collaboration across various plan sponsors, setting the stage for future initiatives and continued growth within the SJCERA community. We are excited to announce this will be a recurring annual event.

SAN JOAQUIN COUNTY - *CONTINUED*

BOARD OF RETIREMENT

Elections are underway this year for the safety and alternative safety seats. The successful candidates' terms will begin July 1, 2025. Nominations are set to begin in April.

OUR GOALS FOR 2025

SJCERA's 2025 Action Plan outlines a forward-thinking roadmap aimed at strengthening its commitment to providing exceptional retirement services. Focused on communication, automation,

and governance, the plan sets clear priorities for enhancing member engagement, improving operational workflows, and integrating advanced technologies to better serve both members and employers. Key initiatives include promoting retirement knowledge and readiness amongst our community, improving efficiency and stakeholder satisfaction, and promoting ethical behavior, mitigating risk and building trust. With an emphasis on strategic partnerships and continuous improvement, the 2025 Action Plan positions SJCERA for continued success and responsiveness in meeting the evolving needs of its stakeholders.

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), Laurel Finnegan (3rd 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.

Rache Perkel was sworn in on November 5, 2024 to the appointed 6th member seat and Laurel Finnegan ran unopposed and was deemed elected to the 3rd member seat on the Board, so the Special Election scheduled for January 13, 2025 was canceled.

This June, SamCERA will be holding an election for the Retired Member seat and Alternate Retired Member seat. In addition, two seats appointed by the San Mateo County Board of Supervisors will be expiring on June 30, 2025: the Fifth and Ninth Member Seats.

STAFF NEWS

SamCERA is currently fully staffed with 23 employees. Most employees of the retirement system are working a hybrid schedule, with scheduled days in the office and working remotely from home.

BENEFITS NEWS

To help our members better prepare for their future, we are continuing our retirement seminar program. These seminars are designed to provide valuable insights and expert guidance, helping

members navigate the various aspects of retirement planning, including eligibility, benefits options, and financial considerations.

In addition to retirement seminars, we've increased the frequency of onsite departmental retirement informational sessions. These sessions allow members to receive personalized guidance and have specific questions answered, helping them make well-informed decisions about their retirement.

INVESTMENT AND FINANCIAL NEWS

SamCERA's portfolio returned 9.2% net of investment manager fees for the calendar year ended December 31, 2024, underperforming SamCERA's policy benchmark return of 12.5% by 3.3%.

All four composites had positive returns for the calendar year. Growth was the by far the best performing composite and returned 13.4%, while Diversifying returned 2.8% and was the lowest returning composite. Liquidity returned 4.8%, while Inflation Hedge returned 3.1%.

On a relative basis, two of the composites had positive relative returns compared to their respective benchmarks, with Diversifying and Liquidity outperforming by a modest 0.2% and 0.3%, respectively. Growth had the largest underperformance at -4.8%, closely followed by Inflation Hedge (-4.1%).

SamCERA's total market value was \$6.703 billion as of December 31, 2024, an increase of \$229.5 million from June 30, 2024.

In November, SamCERA approved a new asset allocation policy. First the Board approved partially replenishing the cash flow

SAN MATEO COUNTY - *CONTINUED*

match pool to include a portion of fiscal year 2028's net cash flows. This required contributing \$35 million to the Insight cash flow-matched account, which is expected to meet the net benefit payments for fiscal years 2025, 2026, 2027, and partially for 2028. Importantly this required no change to the cash-flow match target allocation as we are currently below target.

Additionally, while the new policy has no allocation changes at the primary performance driver composite level (Growth, Diversifying, Inflation Hedge, and Liquidity), the Board approved two changes within the public equity portion of the Growth category. First, the low volatility target allocation has been removed, and second, the U.S. equity/International equity split has been adjusted so that U.S. Equity comprises 60% of total public equity (up from the current 55%).

In addition, in the growth category, we continued building out and further diversifying our opportunistic credit portfolio. We added a new \$60 million multi-strategy credit strategy within the period.

SamCERA entered into a Memorandum of Understanding with the County for supplemental contributions totaling \$100 million.

FINANCE NEWS

The Finance Division remains committed to advancing the following key initiatives:

1. Foster staff development by supporting employee personal growth and career advancement.
2. Optimize processes by identifying and implementing streamlined workflows.
3. Strengthen internal controls to ensure data integrity.
4. Modernize document management by digitizing paper documents using the latest technology.
5. Implement an efficient in-house accounting system.

TECHNOLOGY NEWS

The IT Division has successfully addressed high-priority security measures identified in our recent assessment with AWS, further

strengthening our cybersecurity posture. These actions enhance our ability to mitigate risks and protect critical data.

Additionally, we have decommissioned older Windows Servers and migrated them to a more reliable VxRail environment. This transition improves performance, stability, and overall infrastructure resilience. As part of this effort, we have also integrated Cortex XDR, providing advanced threat detection and response capabilities to proactively identify and neutralize potential threats.

Furthermore, our backup strategy has been enhanced with the implementation of Rubrik. This solution ensures faster recovery times, streamlined data protection, and improved resilience against cyber threats.

SamCERA will release a Request for Proposal (RFP) for a project management organization that will assist SamCERA with an RFP for upgrading or implementing a new pension system.

COMMUNICATIONS

The Communications Division is excited to share progress on our ongoing website project, which will seamlessly integrate with our member portal and mobile app. The new website will feature a modern, user-friendly design and offer enhanced functionality, including customizable alerts that can be shown across all three environments, event registration, and the ability to send electronic newsletters to members. These tools will ensure members have easy access to important updates, personalized notifications, and a more streamlined experience across all platforms.

In addition to the financial planning courses available to our members to help them prepare for retirement, we are also pleased to offer personalized one-on-one counseling sessions with certified financial planners. These personalized appointments offer members guidance and customized strategies to help them navigate their unique financial goals, ensuring a well-rounded retirement plan that complements their SamCERA pension and aids them on their path to a secure financial future. We are also extending our agreement with Financial Knowledge Network, who offer these conflict-free services.

SANTA BARBARA COUNTY

GENERAL ADMINISTRATION & OPERATIONS

This Spring, SBCERS has leveraged automation tools included in its Office 365 subscription (PowerAutomate and PowerApps) to assist in several administrative areas, including leave and hybrid work schedule requests. The team continues to learn about Microsoft's automation software and has identified potential opportunities to develop workflows that facilitate Member Services tasks, such as decedent processing.

In March, General 3rd Member of the Board of Retirement Laurie Lee announced she would be vacating the position to begin a new job with a non-participating employer. Ms. Lee participated in numerous projects and committees with the Board and will be greatly missed. A Special Election to fill the vacancy will be noticed on Monday, July 7 and offer voters a hybrid voting format. Regularly scheduled elections for General 2nd Member, and Safety 7th and Alternate Safety 7th Member will be held concurrently.

This January, Kaleigh Ganske re-joined the SBCERS team as Compliance Officer. Ms. Ganske's first major project will be the creation of a compliance program that will prevent, detect, and respond to potential risks to the System. Agnes Asztalos, Disability Program Assistant, joined the Disability team, adding years of customer service and medical experience to the team. This March, Lesley Torgeson retired from SBCERS as IT Administrator after nearly 10 years of service. Ms. Torgeson's contributions have been integral to the System's technological advancements over the years. A recruitment for the IT Administrator vacancy is under way.

The team is also drafting an internship program, formalizing tasks, creating training opportunities, and developing transferrable job skills in the areas of public administration, information technology, project management, investments, and customer service.

MEMBER SERVICES

In March 2025, the Member Services team held three Pre-Retirement workshops virtually and across the County reaching

over 350 members. The virtual event conducted on Teams was recorded for posting to our website, along with a Q&A of questions submitted during the three events. A post-event survey revealed that the majority of attendees are considering retirement in the next 1 to 3 years.

In the end of April, the Member Services team will have 3 new members: Dillon Brown (Retirement Payroll Analyst), Helen Rudin (Retirement Payroll Analyst), and Crystal Cruz (Financial Office Professional Sr). All three individuals have several years of public service and customer service experience.

INVESTMENTS

This March, the investments team was authorized to issue a Request for Proposal for Discretionary Private Equity and Private Real Return Consultant Services. An ad hoc committee was formed to complete the due diligence process and will propose a finalist this summer.

ACCOUNTING

The Accounting team produced and mailed Member Statements in February for active, deferred, deferred non-vested, inactive, and reciprocal members. Those who elected to go paperless received their Member Statements via the MySBCERS portal. The team also distributed the Popular Annual Financial Report to all members and successfully filed the Annual Comprehensive Financial Report with a clean audit opinion.

Accounting has been researching improvements to its revenue, accounts payable and general ledger accounting processes. Accounting, in conjunction with IT, is in the final phase of vetting and rating banking institutions for their services to accommodate SBCERS' operational transaction processing. As a byproduct of this project, Accounting is working with its general ledger software vendor, Bartlett, Pringle & Wolf, LLC, to implement new general ledger modules for the additional operational transactions.

SONOMA COUNTY

RETIREMENT BOARD

The safety members elected Jared Gonce to fill the Safety Member seat previously occupied by Brian Williams and Board of Supervisors member Chris Coursey was reappointed to the Appointed Member seat. The new terms for both the Safety Member and Appointed seats began on January 1, 2025. The Retirement Board officers consist of Travis Balzarini, Chair, and Mark Walsh, Vice Chair, and our Investment Committee officers consist of Greg Jahn, Chair, and Erick Roeser, Vice Chair.

OPERATIONS

SCERA hired Wendy Serrano to fill the Member Services Manager position after the retirement of the previous Member Services Manager. Wendy used to work for SCERA as a Sr. Retirement Benefits Specialist before joining Sonoma County Human Resources Department in their Benefits Division. Prior to that she spent 17 years in private sector Human Resources positions. We are very pleased to have Wendy back at SCERA.

We embarked on organizational development coaching as a group and by the time the SACRS Conference rolls around we will have had a few sessions. Our first session was on the culture of collaboration, and we spent two hours working together in small groups to solve puzzles, talk about office culture and the opportunities for changing our thinking and coming together to all provide excellent customer service to our members and their beneficiaries. It has been a positive experience so far that seems to resonate with staff.

COLA discussions are ongoing with the focus now on identifying the messaging around the various COLA scenarios Segal prepared and educating the Board of Supervisors on what is possible to design and fund an Ad hoc retiree COLA.

ACTUARIAL

The Board adopted the results of the latest Triennial Experience Study which was only recommending changes 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. SCERA and its pension administration software provider are finally ready to test generational mortality assumption programming from the prior Triennial Experience Study after a more than three-year journey to get these complicated assumptions programmed. Once these changes are finalized and tested SCERA can make needed upgrades to its member facing self-service portal and other necessary programming changes.

INVESTMENTS

At the end of March, we funded a new quantitative global equity account with CC&L with an allocation equal to 4% of Plan assets. Our Board continues to embrace an equity structure with a passive core surrounded by high-confidence active managers. The funding of this new account will reduce the indexed portion of total equities from 46% to 39%. The Plan's investment policy as it pertains to ESG (Environmental, Social, Governance) investing was reviewed recently. The Board elected to retain the current policy which includes no specific allocations to ESG strategies and delegates the consideration of such issues to our investment managers. As fiduciaries, we expect our managers to include the financial implications of ESG issues when they meaningfully impact estimated risks or returns. Our consultant, Aon, refers to this as the "integrated" approach and in their evaluation of managers they include the firm's ability to include the financial impact of ESG issues in their investment process.

In real estate the Board elected to replace one of the Plan's two core managers and add a new core plus manager while maintaining the overall real estate policy weight of 10%. We are currently redeeming from one core real estate fund and plan to initiate searches for core and core plus funds later in 2025. In fixed income, we are currently reviewing the structure of the mandates in this asset class. There could be changes initiated in latter 2025 as an outcome of this review.

The Plan's net-of-fee returns through December 31st, 2024, were 9.6%, 4.9%, 7.7%, 7.7%, and 6.9% for 1, 3, 5, 10, and 20 years, respectively. For the one-year period, SCERA is in the top third of Aon's peer universe and for all other periods, SCERA is in the top quartile.

STANISLAUS COUNTY

- Implemented a secure electronic feed of monthly payroll file to bank as part of an ongoing effort to reduce risks and increase automation.
- Implemented "TrustLink" process to automate cash movements and improve interest earned on available cash.
- Completed Actuarial Experience Study and implemented changes in the most recent valuation report.
- Implemented additional in-person member meetings. Meeting include: in person Pre-Retirement Seminars and Mid-Career Department level seminars. More involvement in County fairs and events offered to county employees.
- Completed RFP for actuarial audit and kicked off actuarial audit.
- Updated Investment Benchmarks.
- 2 staff retirements:
 - Kellie Gomes – Business Operations Manager (12 years with StanCERA)
 - Teresa Clayton - Member and Employer Services Technician (9 years with StanCERA)
- Worked with Private Markets Consulting Services Committee to review options and Board preferences for private markets consulting services

TULARE COUNTY

TRUSTEES

As a result of trustee elections held in December of 2024, there are some new faces on the TCERA Board of Retirement. Victor Arellano, Principal Investment Officer in the Treasurer's Office, Javier Martinez, Sheriff's Lieutenant, and Jeffrey McLaughlin, Deputy Fire Chief, were sworn in at the January 8, 2025 Board of Retirement meeting as our newest trustees. The Board re-elected Pete Vander Poel to serve as Board Chair and Jim Young to serve as Vice Chair. Both Mr. Vander Poel and Mr. Young are long-time Board members that bring years of experience to the positions.

INVESTMENT AND ACTUARIAL MATTERS

As reported in TCERA's Annual Comprehensive Financial Statement (ACFR), TCERA achieved an investment return for the one year ended June 30, 2024 of 9.0%, exceeding the plan's assumption rate of 7.0%. The return for the first six months of the current fiscal year as reported by Verus, TCERA's Investment Consultant in the December 31, 2024 investment performance report, was 3.9%, which would be well on the way to exceeding the assumption

rate this fiscal year if the markets would continue to cooperate. As of the writing of this summary, the current disruption in the markets puts that possibility into question. 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.

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. TCERA recently concluded a cybersecurity test conducted by a third party. Final findings are pending and will be communicated to the Board of Retirement when available. Cost of Living increases were applied on April 1st to pension accounts as prescribed by the government codes applicable to TCERA. All pensioners received at least 1% up to a maximum of 3% based on Membership Tier and the applicability of COLA banks.

VENTURA COUNTY

ALAMEDA IMPLEMENTATION

VCERA is completing Phase 1 of its Alameda implementation project, which includes performing recalculations of compensation earnable and employee contributions. Staff are beginning work on Phase 2, which includes the recalculation of retirement benefits and processing of employee contribution refunds. Several thousand members are affected by these corrections.

CTO LEGISLATION

Following the passage of SB 1189, which amended Government Code section 31522.10, VCERA established a new Chief Technology Officer (CTO) position as part of its 'district' employees, alongside other senior executive roles. This position replaces the previous County employee role that provided similar services. Leah Oliver was appointed as CTO in January 2025.

INVESTMENTS HIRES

Paris Ba joined VCERA as an Investment Officer in November 2024, followed by Holly Macki in February 2025. Both are responsible for overseeing investment managers, conducting due diligence, underwriting, and making recommendations. Additionally, Ms. Macki leads VCERA's newly launched co-investment program. They both report to VCERA's Chief Investment Officer, Dan Gallagher.

2024 INVESTMENT PERFORMANCE

At the close of the 2024 calendar year, VCERA's investment portfolio had earned 11.73% (net of fees), with an ending fund value of \$8.5 billion. The 3-year, 5-year and 10-year returns were 3.78%, 8.62% and 8.00%, respectively.

COMMUNICATIONS

VCERA launched its inaugural VCERA Vista newsletter in November 2024, and also developed its first Brand & Style Guide, which is currently being applied across all publications. At the annual California Association of Public Information Officials (CAPIO) Conference in April, VCERA received the Award of Distinction for its rebranding project, led by new Communications Officer Anikka

Abbott. The communications team has also started delivering annual presentations to individual employers and employee union groups within VCERA's pension plan.

FINANCIAL MANAGEMENT SYSTEM (FMS) UPGRADE

Work is underway to replace VCERA's current financial management system which reached end of life in January 2025. The current system utilizes manual processes, and VCERA is seeking a system with better 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 start to implement the new system within the next year.

GOVERNANCE COMMITTEE

In October 2024, VCERA held its inaugural Governance Committee meeting. The Board established the standing Governance Committee earlier in 2024 to enhance its ability to fulfill fiduciary duties by becoming more policy-driven. This shift empowers staff to manage the retirement system through well-defined policies, while ensuring oversight through regular policy reviews and reporting. The committee is also responsible for collaborating with staff and consultants, as needed, to develop a strategic plan for VCERA.

BOARD MEMBERS

In late 2024, the County appointed Donald Brodt to fill a vacancy left by Anthony Rainey, and in early 2025, re-appointed County Supervisor, Kelly Long. The Board also welcomed two elected members: Jordan Roberts, returning as a General Member, and Ryan Resnick, serving as the Alternate Safety Member. The Alternate Appointed Member position is currently vacant. For 2025, Aaron Grass, elected Safety Member, serves as Chair of the Board, and Jordan Roberts, elected General Member, serves as Vice Chair.